

Increasing Shared Prosperity for a Resilient Economy

Comprehensive Economic Development Strategy for Southeast Michigan



SEMCOG

SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS

MAC
Metropolitan
Affairs
Coalition

IMPROVING QUALITY OF LIFE AND CREATING
ECONOMIC OPPORTUNITIES THROUGH
REGIONAL COOPERATION

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Mission

SEMCOG, the Southeast Michigan Council of Governments, is the only organization in Southeast Michigan that brings together all governments to develop regional solutions for both now and in the future. SEMCOG:

- Promotes informed decision making to improve Southeast Michigan and its local governments by providing insightful data analysis and direct assistance to member governments;
- Promotes the efficient use of tax dollars for infrastructure investment and governmental effectiveness;
- Develops regional solutions that go beyond the boundaries of individual local governments; and
- Advocates on behalf of Southeast Michigan in Lansing and Washington.



Mission

The Metropolitan Affairs Coalition (MAC), a non-profit public/private partnership, is the only group that brings business, labor, government and education leaders together to build consensus and seek solutions to regional issues. It promotes regional cooperation and dialogue, and works to advance policies and develop programs that enhance the region's economic vitality and quality of life. With its partner organization SEMCOG (the Southeast Michigan Council of Governments), and the diverse perspectives of its members, MAC is uniquely positioned to be a catalyst for change and help move the region and state forward. For more information about MAC, please go to www.mac-web.org.

Increasing Shared Prosperity for a Resilient Economy

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Abstract

Increasing Shared Prosperity for a Resilient Economy: Comprehensive Economic Development Strategy (CEDS) for Southeast Michigan is the region's strategy-driven framework that provides a roadmap for short- and long-term economic success. The CEDS was developed by SEMCOG, the Southeast Michigan Council of Governments (SEMCOG) and the Metropolitan Affairs Coalition (MAC), with the guidance and support of a regional Economic Development Strategy Task Force.

Aumentar la Prosperidad Compartida para una Economía Resiliente: Comprehensive Economic Development Strategy [Estrategia Integral de Desarrollo Económico] (CEDS, por sus siglas en inglés) para el sureste de Michigan es el marco de la región para el éxito económico a corto y largo plazo. CEDS fue desarrollada por SEMCOG, the Southeast Michigan Council of Governments [Consejo de Gobierno del Sureste de Michigan] (SEMCOG, por sus siglas en inglés) y Metropolitan Affairs Coalition [Coalición de Asuntos Metropolitanos] (MAC, por sus siglas en inglés, con la guía y ayuda de un grupo de trabajo sobre la estrategia de desarrollo económico regional.

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لجنوب شرق ميشيغان هي إطار عمل (CEDS) زيادة الإزدهار المشترك من أجل اقتصاد مرن: إستراتيجية التنمية الاقتصادية الشاملة المنطقة لتحقيق النجاح الاقتصادي على المدى القصير والطويل

، وانتلاف شؤون مركز (SEMCOG) بواسطة مجلس حكومات جنوب شرق ميشيغان (CEDS) تم تطوير إستراتيجية التنمية الاقتصادية الشاملة ، بتوجيه ودعم من فريق عمل إستراتيجية التنمية الاقتصادية الإقليمية (MAC) المدينة

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Executive Summary



Southeast Michigan possesses an abundance of resources that contribute to economic opportunity. These include our workforce, built environment, as well as a variety of educational, industrial, natural and geographic assets. Woven together in myriad ways, these resources coalesce to form the basis of our regional economy across three pillars: Place, Business, and Talent. This strategy focuses on:

1. Ensuring that Diversity, Equity and Inclusion reaches across our entire region, providing all with the opportunity to share in Southeast Michigan's prosperity, and
2. Applying the lens of health concerns, particularly as we sift through the impacts of COVID-19 on our region, which has suffered tragic and immense losses of human life, unique businesses, and household income.

Increasing Shared Prosperity for a Resilient Economy: Comprehensive Economic Development Strategy for Southeast Michigan provides the roadmap for addressing these issues. It builds on Southeast Michigan's previous economic development strategies: *Partnering for Prosperity* in 2016 and *Increasing Jobs and Prosperity* in 2010. Finally, to leverage the region's vision and support SEMCOG's regional plans, this CEDS serves as the required vehicle through which the U.S. Economic Development Administration (EDA) evaluates grant and resource requests for organizations in the seven-county region (Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne Counties) to pursue EDA grants and other resources.

Southeast Michigan is home to...

- **4.75 million** people, **48 percent** of the state's population
- **7** counties, **93** cities, **24** villages, **115** townships
- Over **100,000** private-sector businesses that employ over **1.9 million** people
- More than **3,000** businesses with over **100** employees
- More than **100** businesses with over **1,000** employees
- **22** four-year colleges and universities and **8** community colleges

Prior to the COVID-19 pandemic, Southeast Michigan's economy was strong. The region was in the process of regaining all the jobs that had been lost in the previous decade; the unemployment rate had plummeted from more than 13 percent in 2010 to less than four percent in the first quarter of 2020. Real personal income per capita was on par with the nation. By the end of 2019, real gross domestic product (GDP) reached an historic peak of \$299 billion (56 percent of Michigan's total economic output).

Manufacturing – particularly automobile and parts manufacturing – has been the core industry in Southeast Michigan for decades and continues to transform. The region has one of the highest concentrations of engineers among major metropolitan areas in the United States. About 34 percent of adults, age 25 and older, have at least a bachelor's degree. This is similar to the U.S. average but lags behind many of the country's metropolitan areas. Additionally, about 48 percent of the region's adults do not have more than a high school education or some college courses without a degree. The labor force grew by 178,000 workers from 2011 to 2019; however, more can be done to provide attractive and accessible opportunities for people who have not looked for a job.

There are multiple headwinds to the region's economic prosperity that need to be addressed. The COVID-19 pandemic has added uncertainties to our economy and heightened disparities in access to opportunities and prosperity. There are also structural changes in motion. As the aging population limits the labor market, transitions to a more knowledge-based economy are needed. Where Southeast Michigan's regional economy goes from here will be determined in part by the following factors:

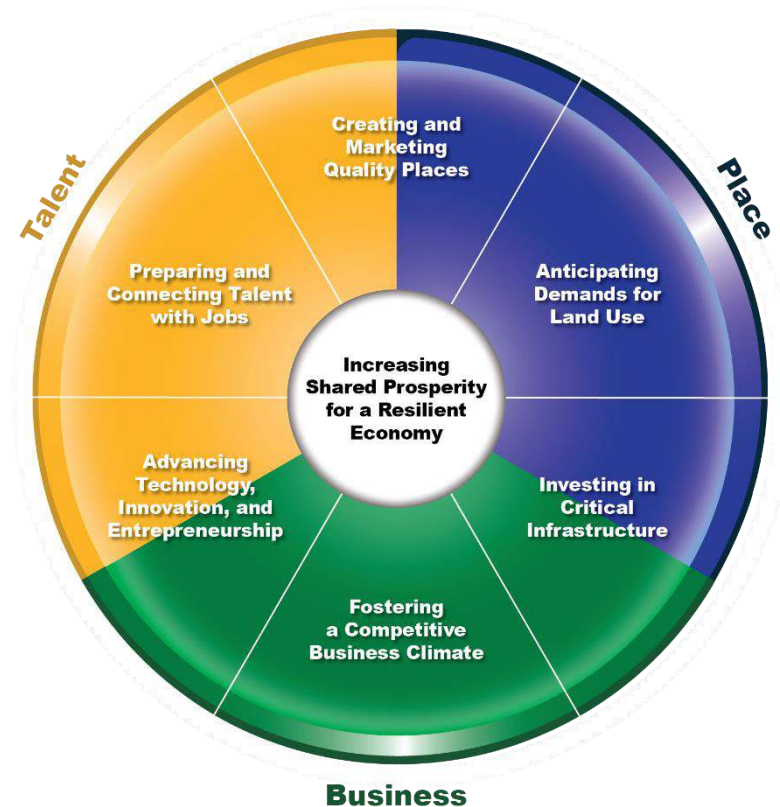
- How the COVID-19 pandemic is controlled;
- Where the U.S. economy is headed;
- Which direction the auto industry is headed; and
- The investments local communities make, particularly in human capital, to diversify the economy into areas that show promise for future growth and prosperity, and for which the region has supporting assets.

With this background, SEMCOG, the Southeast Michigan Council of Governments, and the Metropolitan Affairs Coalition (MAC) developed *Increasing Shared Prosperity* with the guidance and support of a regional Economic Development Strategy Task Force. Leaders from government, business, economic development, education, workforce, labor, nonprofit, as well as other stakeholders and advocacy groups across the region participated. This public/private sector collaboration identified, planned, and facilitated the policies and actions contained in this document to produce a dynamic strategy that evolves to reflect the region's current and future needs.

Economic Development Strategies and Policies

No single organization can advance all of the strategies and policies in *Increasing Shared Prosperity*. Many organizations – government, business, education, nonprofit, and other stakeholders – will each play their own roles in advancing six interrelated strategies that underlie the three pillars of Place, Business, and Talent (Figure 1). These strategies are supported by 22 policies and 99 actions, which are outlined in Chapter 4: Regional Strategies, Policies and Actions. They were developed through the lenses of Health, Diversity, Equity, and Inclusion.

Figure 1

Economic Development Strategies**Creating and Marketing Quality Places**

Quality places are where people go to celebrate, relax, and have social and economic exchanges. They are where communities are defined and developed. They are found in diverse neighborhoods, local business districts, and public outdoor spaces. They are intertwined with our broader systems of transportation, infrastructure, and natural resources. When these public spaces and services work together, their impact on quality of life spurs economic development, creating environments where people want to live and businesses want to be located.

Policies:

1. Connect all people to the places they live with infrastructure and services that support a high quality of life.
2. Support efforts to develop local neighborhoods and business districts as dynamic and diverse places to live, work, and visit.
3. Conserve and provide access to natural and cultural resources that support opportunities for recreation, tourism, and local business development.
4. Market the region at the local, regional, statewide, national, and international levels to attract potential businesses, visitors, and new residents.

Anticipating Demands for Land Use

To meet the demands of a changing economy, the region must understand and anticipate the needs for using or repurposing land and buildings. The COVID-19 pandemic has been accelerating the pace to many of the changes that have occurred over the past several years. While it is unknown whether all of these changes will remain permanent, several trends are likely to continue. Retail floor space in brick and mortar stores has been declining with the rise of e-commerce; this space needs to be repurposed. Telecommuting options have increased dramatically during the pandemic; this could have an impact on future demands for office space as well as how it is designed. The need to site large fulfillment centers has been growing for years. At the same time, the region has a lack of available land, existing industrial buildings, or critical infrastructure – such as adequate power supply or broadband – to meet industry’s needs for their headquarters or operations.

Policies:

5. Promote development patterns that meet regional needs for services and infrastructure.
6. Encourage diverse and desirable housing options for households of all sizes and income levels.
7. Support an adaptive built environment in response to changing household needs, economic conditions, and emerging technologies.
8. Build capacity to revitalize brownfields and other underutilized sites.

Investing in Critical Infrastructure

Infrastructure provides the foundation upon which all other economic activity builds. Energy, transportation, communications, water, waste disposal, education systems, and recreation facilities are all essential ingredients to a healthy business climate. These large, capital-intensive infrastructure systems demand long-term investments; they need continuous maintenance and adjustments to meet changing needs. Communities and business depend on access, safety, reliable continuous service, resilience, and the long-term sustainability of these systems.

Policies:

9. Improve resilience, access, and sustainability for essential utilities and services (electricity, water, sewer, broadband, telecommunications, parks, schools, solid waste, and emergency response).
10. Invest in public infrastructure and initiatives to optimize performance and increase the health and economic welfare of the region’s residents.
11. Maintain legacy transportation networks while supporting new technologies, modes, and changing user demand.

Fostering a Competitive Business Climate

A competitive business climate is characterized by a number of factors: local government support for business; viable cost and/or ease of conducting business; connection to a good network of well-maintained infrastructure; and a fair and transparent tax environment and regulatory structure. The region’s core auto manufacturing industry has a significant role in forming our business climate. Small businesses also play an important role and help to create “Place” in our communities.

Policies:

12. Support the businesses that drive the regional economy and form the fabric of our communities.
13. Build the capacity for emerging industry growth clusters to succeed in the region.
14. Expand global trade and connect businesses with resources dedicated to expanding investment and opportunities.

Advancing Technology, Innovation, and Entrepreneurship

Growing and creating businesses now and into the future depends upon the region's ability to support and advance technology, innovation, and entrepreneurship opportunities. Technological advancements are transforming production, the nature of work, and the workplace. Innovation often relates to increased use of technology. Entrepreneurship is based on risk-taking and innovation that improve processes or develop new products.

Policies

15. Foster innovation and entrepreneurship with a startup-friendly environment by enhancing access to informational, financial, cultural, and technological resources.
16. Support the automotive and mobility industry as a driver of innovation and technology.
17. Leverage technology to strengthen economic opportunities from Industry 4.0.

Preparing and Connecting Talent with Jobs

In an increasingly technology-based economy, preparing and connecting talent with jobs is critical for sustained prosperity. Employers need workers that have the ability to use, work alongside, and develop new technologies, in addition to having soft (i.e., workplace) and career-related skills and knowledge. A talent development system is made up of education, workforce development, and employers, with support from government, policy makers, and foundations. The goal of a talent development system is to prepare talent and connect it with well-paying jobs.

Policies

18. Provide support to individuals impacted by the COVID-19 pandemic, including essential workers and vulnerable workers.
19. Create a robust childcare system to support needs of working parents, entrepreneurs, and individuals in training.
20. Encourage employers to create a more inclusive workplace by ensuring that all employees have access to advancement opportunities through upskilling in technology, leadership, and human skills.
21. Ensure access to affordable broadband and make devices available for all - including students, adults, job seekers, and employees.
22. Strengthen Michigan's Talent Development System through enhanced collaboration between education, employers, and workforce development to create a talent pipeline for in-demand careers.

Chapter 1: Introduction and Regional Framework

What is a Regional Comprehensive Economic Development Strategy (CEDS)?

Increasing Shared Prosperity for a Resilient Economy: Comprehensive Economic Development Strategy (CEDS) for Southeast Michigan is a strategy-driven framework that provides the region with a roadmap for economic success. This CEDS employs a comprehensive approach to economic development for the seven-county region, which consists of Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties. It is comprehensive both in the scope of its interrelated strategies and in its focus on regional collaboration to advance them.

The CEDS was developed by SEMCOG, the Southeast Michigan Council of Governments (SEMCOG) and the Metropolitan Affairs Coalition (MAC). Guidance and support was provided by a regional Economic Development Task Force comprised of representatives from a cross-section of the region's economy (e.g. private business, labor, government, non-profits, community organizations, and secondary- and higher education institutions). This public/private sector collaboration identified, planned, and facilitated the development of a dynamic strategy that can evolve to reflect the region's current and future needs, and which contains policies and actions to support a more resilient economy. This CEDS document, *Increasing Shared Prosperity for a Resilient Economy* (referred to as "Increasing Shared Prosperity") supports SEMCOG's vision for Southeast Michigan:

Figure 2
Southeast Michigan Region



All people in Southeast Michigan benefit from a connected, thriving region of small towns, dynamic urban centers, active waterfronts, diverse neighborhoods, premier educational institutions, and abundant agricultural, recreational, and natural areas.

To meet this vision, the region must have:

- Unique places that offer various housing choices for a large and diverse population.
- An educated and trained workforce that supports a multi-sector economy and provides opportunities for all.
- Healthy and clean lakes, streams, and air, as well as a connected system of trails, parks, and natural areas that support recreational and cultural amenities.
- Safe, efficient, and coordinated infrastructure systems that embrace advances in technology and focus on access for all.
- Effective local government and engaged citizenry.

A regional approach to economic development is central to achieving this vision. This CEDS is also supported by other regional plans that build capacity and help to guide economic prosperity and resiliency in Southeast Michigan, notably the *2045 Regional Transportation Plan for Southeast Michigan (RTP)*. The 2045 RTP guides transportation investments through regional policies and actions to improve the efficiency of the transportation network, strengthen economic prosperity, increase access and safety for all users, achieve fiscal sustainability, create vibrant communities, and protect the natural environment.

Increasing Shared Prosperity builds upon the 2016 economic development strategy – *Partnering for Prosperity: Economic Development Strategy for Southeast Michigan* – while recognizing that the economic impacts of the COVID-19 pandemic requires strategies that address the short- and longer-term regional impacts. It also includes policies and actions that incorporate health and equity into the region’s economic resiliency. This CEDS will help position the region to recover from the current economic downturn and to be more resilient to future major disruptions.

Finally, to leverage the region’s vision and support SEMCOG’s regional plans, this CEDS serves as the required vehicle through which the U.S. Economic Development Administration (EDA) evaluates grant and resource requests.

The Importance of a CEDS for Southeast Michigan

The purpose of *Increasing Shared Prosperity* is to develop a framework to foster economic vitality in Southeast Michigan by providing strategies that address both immediate and longer-term challenges and opportunities. The ongoing COVID-19 pandemic has not only caused a global health and economic crisis; it also exacerbated the inequities in economic opportunities for low-income residents and communities of color. As a result, this strategy and the policies recommended must be viewed and implemented through a lens of both health and equity.

Through the Lens of Health and Equity

Economic resilience is generally defined as the ability to withstand economic shocks, being able to recover quickly from a shock, and the preparedness to avoid the shock altogether. For Southeast Michigan, resilience needs have primarily been tied to industrial diversification, which can prevent destabilization of the regional economy in case of a “shock” to one industry. Additionally, resilience planning involves determining risks and exposure to significant natural disasters, such as increased flooding that threatens critical facilities, infrastructure, and delivery of services. The lasting impacts of the COVID-19 pandemic emphasize the need to ensure that the region’s economic resiliency includes planning and protections from the wide range of economic shocks of a global health pandemic. This planning and protection includes addressing the immediate impacts social distancing measures have on businesses - especially small and local businesses. It also involves longer-term and potentially permanent changes to office space needs. The transition to remote work and learning has shown that access to affordable broadband infrastructure is a critical need for long-term resiliency.

The title of *Increasing Shared Prosperity for a Resilient Economy* reflects the need for economic recovery and long-term prosperity that are committed to diversity, equity, and inclusion (DEI). The region's economy bounced back following the Great Recession, with jobs and wages largely returning to pre-recession rates. By traditional measures of economic prosperity, Southeast Michigan's economy (prior to the COVID-19 pandemic) was performing very well. However, not everyone benefits equally when the region's economy is strong and thriving. Regardless of the measure, there are inequities in income and opportunities in the region. For example, there are gaps correlating to race and ethnicity in educational attainment as well as income. SEMCOG's *Evaluating Shared Prosperity in Southeast Michigan, 2012-2018* report shows that during one of the region's most prosperous times of economic growth, there were disparities particularly in our African American and Hispanic households (see Appendix A for link). For example, during this time of growth, nearly three-fourths (73.4 percent) of Southeast Michigan's Black children under age 18 live in low-income households, which exceeds the national average of 65 percent. In the region's central city, Detroit, only about 3 percent of the city's Black population lived in high-income households. These disparities must be addressed for the region to become more equitable and resilient, both of which are vital to long-term prosperity.

The COVID-19 pandemic is already showing that low-income earners, less educated and younger workers, women, and communities of color are all more vulnerable to greater disparities in loss of jobs and decreased wages. It is imperative that the region steps up efforts to transform the communities where low-income families live by providing educational and economic opportunities for all segments of the population. Southeast Michigan needs to forge a path forward that opens economic opportunities for residents from all backgrounds.

Three Pillars to Economic Development

It will take the efforts of many public, private, educational, and nonprofit organizations to carry out the breadth of policies and actions set forth in the six broad-based strategies of *Increasing Shared Prosperity*. Six strategies knit together the regional economy's three pillars – Place, Business, and Talent.

Place

Southeast Michigan's portfolio of **Place** assets features quality-of-life amenities, such as the Great Lakes and natural areas that support recreational and cultural assets; historic downtowns, dynamic urban centers and diverse neighborhoods; accessible mobility options for people and goods; high quality universities, colleges, and local school systems; first-class medical facilities and healthcare choices; and much more. These are the things that make Southeast Michigan a desirable location to live, work, visit, and conduct business. When people and businesses look to locate, remain, or grow, they look beyond the site, the neighborhood, community, or even the county. They look to the region for the collection and variety of places, assets and attributes that make a place most attractive to providing a high quality of life. As such, **Place** is a key pillar for a strong regional economy and is supported by the following strategies:

- Creating and Marketing Quality Places
- Anticipating Demands for Land Use
- Investing in Critical Infrastructure

Business

A successful regional economy fosters **Business** growth in a way that enhances community vitality; creates jobs; retains vital industries, helping them transition to the changing marketplace; and welcomes new businesses and entrepreneurs by equipping them with the resources and capital they need to be successful. A strong business climate creates an environment that is conducive to business growth and job creation. At the same time, the region must continue to place a priority on maintaining community values and supporting vital public services. Another major component of Southeast Michigan's business climate is the region's clusters of related and targeted industries. These clusters play a fundamental role in driving

regional economic competitiveness by encouraging higher rates of job growth, wage growth, new business formation, and innovation. As such, **Business** is a key pillar of a strong regional economy and is supported by the following strategies:

- Investing in Critical Infrastructure
- Fostering a Competitive Business Climate
- Advancing Technology, Innovation and Entrepreneurship

Talent

Talent is critical to growing our economy and creating well-paying jobs for Southeast Michigan residents. The talent development system connects education, workforce development, and employers to effectively respond to the needs of employers and individuals. It provides infrastructure that enables students to gain the education they need for career success; enables adults to develop and leverage their academic, employment, and personal skills for professional growth; and helps employers ensure that their current and future workforce has the skills needed. Additionally, the region's talent development system provides appropriate and flexible support for individuals at different stages of education or career. This support addresses and prepares workers for technological advancement and builds equity in education, training, and employment through inclusive policies that serve economically disadvantaged populations or those who are not traditionally part of the workforce. Another element of growing a regional talent pool is to create places that are attractive to talent. With the increase in remote work opportunities, people have more flexibility about where they live as long as they have good broadband. The link between talent and place becomes more interconnected. As such, **Talent** and access to a large, skilled, and diverse pool of workers is supported by the following strategies:

- Creating and Marketing Quality Places
- Advancing Technology, Innovation and Entrepreneurship
- Preparing and Connecting Talent with Jobs

Informing the CEDS

Increasing Shared Prosperity includes six broad-based economic development strategies, associated policies, and action steps that advance these policies. Creation of this regional economic development strategy and its policies and action steps was informed by research and extensive public input and stakeholder engagement. Over an 18-month process, the following public input and stakeholder guidance was gathered and analyzed:

- Two SEMCOG-Metropolitan Affairs Coalition (MAC) Pulse of the Region Surveys
- Public input forums, county-level input meetings, and interviews with regional economic development stakeholders;
- Economic Development Strategy Task Force guidance; and
- Review of other plans and reports, and connections to SEMCOG plans.

Pulse of the Region Survey Results

SEMCOG and MAC conducted two Pulse of the Region Surveys to help develop *Increasing Shared Prosperity* and better understand residents' opinions about a variety of factors that contribute to Southeast Michigan's economy. The first survey was conducted prior to the pandemic and the second approximately six months into it.

The first survey was conducted in June and July 2019 and focused on public opinions on the state of the region's economy compared with 2015, when a similar survey was conducted in developing the previous CEDS. It asked about the region's greatest assets and challenges as well as the best approaches to achieve economic prosperity. Below are highlights from this survey:

- Compared to 2015, residents had a far more positive view about both the condition of the economy and the diversity of the economy (when considering jobs and businesses).
- Respondents considered the region's greatest asset to attract or grow business to be its connection and access to markets (via roads, bridges, and airports). The second tier of assets was balanced between an educated and trained workforce, access to higher education (universities and community colleges), and quality places (such as cultural amenities, trails, and downtown areas).
- The region's biggest economic challenge was the condition of our infrastructure – roads, bridges, water, and sewer. This perception grew by 10 percent since 2015.
- The approaches that can best lead to economic prosperity are related to education (e.g., businesses partnering with education to create a skilled workforce and a high-quality K-12 system).
- The quality-of-life factors that were most important were desirable and affordable residential neighborhoods, quality schools, and access to diverse transportation options.

In September 2020, SEMCOG and MAC conducted a follow-up survey to gauge and better understand the public's opinion on the region's economy before and during the COVID-19 pandemic. While the results of the 2019 survey provide insights into the major economic themes of the region, the results of this second survey provide a more timely and forward-looking understanding of the public's current perceptions of the economy. The full results of this Pulse of the Region survey are available in Appendix B.

In short, COVID-19 has significantly impacted the region's economy and the perceptions of its residents. For example, compared with the 2019 survey, the perception of the economy has fallen from a rating of 7.1 (out of 10) to 4.8. When asked about confidence for a recovery in 12 months, the perception rating was nearly unchanged at 5 points. As for an economic recovery in 24 months, there is higher confidence, with a rating of more than 6, but still well below the 2019 benchmark.

Other key findings of the 2020 economic development survey:

- The biggest impacts from COVID-19 were reduced income – especially for younger respondents – and increased household expenses.
- Availability of quality jobs and education/training opportunities was highlighted as key to economic prosperity.
- The region's educated and well-trained workforce is considered the number one asset, followed by quality places.
- Similar to the 2019 survey, infrastructure continues to be the biggest economic challenge, followed by the cost of doing business.
- Quality of life continues to be defined as desirable and affordable residential neighborhoods with quality schools, with aging in place becoming more important.

In addition to general questions on the region's economy and changes over the previous 12 months, residents were asked about the greatest impacts of COVID-19. The top three themes were:

1. **Work** (including not just unemployment but also more working from home and working more than ever);
2. **Home** (saved money by staying home); and

3. **Less** (spending less and less social interaction).

Residents also provided input on keys to future economic prosperity. The top three themes were:

1. **Business** (helping to reopen safely, reducing business costs, and reducing business regulations);
2. **Affordable** (housing, child care, and local food); and
3. **Government** (less regulation and bureaucracy).

Residents were asked about the region's greatest assets. The top three answers were:

1. **People** (dependable and willing to work; hardworking and qualified; and adaptable and team oriented);
2. **Work** (trained, educated, and hard-working workforce); and
3. **Business** (reasonable business costs, access to industry, and vacant space for new business).

Public Input Forums and Regional Stakeholder Meetings

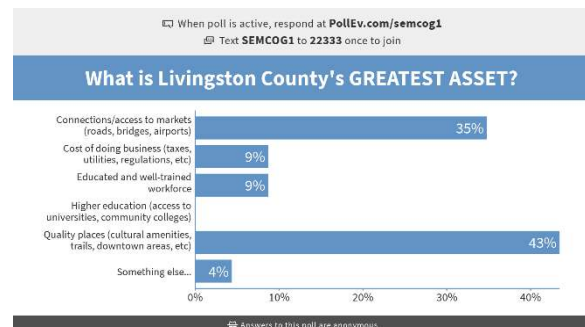
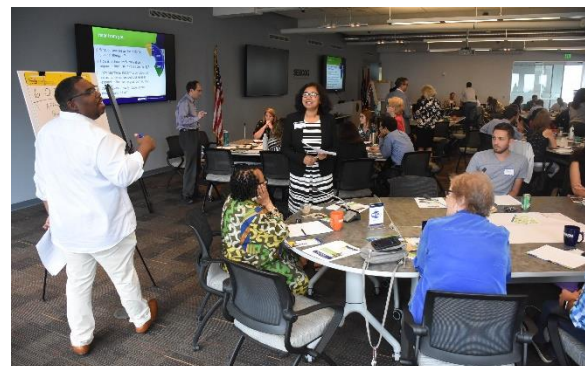
SEMCOG and MAC held three economic development forums to delve deeper into the three themes of this Economic Development Strategy – Place, Business, and Talent. During a facilitated discussion at each forum, participants shared thoughts on economic development opportunities and challenges, and suggested ways to build on our strengths and address our problems.

SEMCOG and MAC conducted public and stakeholder meetings in Livingston, Monroe, St. Clair, and Washtenaw counties. During these meetings, participants shared input on regional and local economic development successes, challenges, and opportunities specific to their county. At each meeting, participants were asked to respond to a number of polling questions, followed by facilitated discussion.

In addition to these seven larger group input meetings, SEMCOG and MAC staff met individually (both physically and virtually) with key regional economic development stakeholders to better understand their perspectives. Meetings were held with all the economic development directors or representatives from each of the seven counties as well as multiple major cities and major economic development stakeholders, such as Automation Alley, Michigan Works!, the Detroit Regional Partnership, Detroit/Wayne County Port Authority, community colleges, local chambers of commerce, and others.

Through all this public and stakeholder input, a few key themes emerged that directly help to shape this Economic Development Strategy and the recommended policies and actions:

- A number of strong assets make our region attractive, including: quality places with access to trails and abundant natural resources, a strong workforce, and an advantageous geographic location with



access to the Great Lakes and Midwest markets and good connections to Canada. Our universities, colleges, and K-12 schools are also important to our quality of life.

- Major challenges include the condition of both above- and below-ground infrastructure: roads, bridges, water, and sewer, and a lack of funding to adequately fix them. Housing that is affordable for the workforce and in close proximity to jobs is needed; the solution should include more senior housing options. There also needs to be better transportation options to get to work, including public transportation. Deficient broadband coverage – even in downtown areas – has hindered business attraction, and its absence is also leaving individuals behind. This has been significantly exacerbated during COVID-19 pandemic.
- Opportunities can create a two-edged sword: there are great opportunities for entrepreneurs in the skilled trades and professional services, but there are not enough people trained in these areas. More needs to be done to bolster these areas through education and other training opportunities. Public-private partnership can be a part of the solution. Our ability to collaborate on regional planning issues is important in advancing these opportunities.

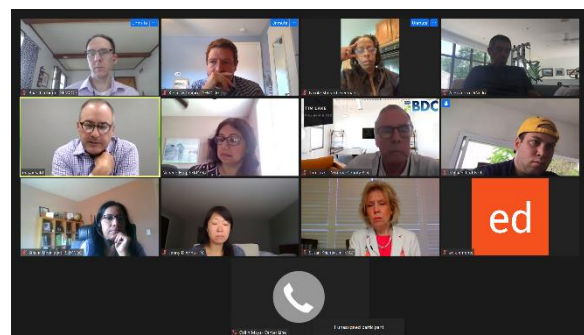
Economic Development Strategy Task Force

A SEMCOG and MAC task force composed of government, business, economic development, education, workforce, labor, nonprofit, and other representatives guided the creation of *Increasing Shared Prosperity*. The task force was comprised of 81 representatives who met six times over a 12-month time frame. A complete list of task force members is included in the Acknowledgements section. The collaboration and input of the task force was critical to developing a comprehensive strategy that meets our region's current and future needs. In particular, the task force:

- Reviewed data and analysis of the region's key economic development indicators;
- Presented and deliberated on Southeast Michigan's strengths, weaknesses, opportunities, and threats; and
- Provided timely feedback on the main impacts and needed responses to the COVID-19 pandemic and the critical need for the region's economic resilience and growth to include a focus on health and equity.

Due to social distancing requirements, five of the six task force meetings were held virtually, which provided both benefits (i.e., a greater number of task force members were able to participate) and disadvantages (interactive discussion was at times a challenge but improved as staff and task force members got more familiar with the technology). Each of these six meetings were split into two sections:

- Presentations from SEMCOG and MAC and/or key regional stakeholders and task force members on data analysis, economic development trends, or critical issues impacting the region's economy and timely actions needed for future prosperity; and
- Facilitated theme-based interactive input sessions in which task force members were asked to provide perspectives on a wide-range of topics.



Reviewing the Work of Others and Connection to SEMCOG Plans

In developing this document, SEMCOG, MAC, and the task force looked at what others are doing that can positively impact our regional economy. This included reviewing where the State of Michigan, local economic developers, and others are focusing attention, as well as looking at a variety of other resources that relate to the six broad-based economic development strategies presented in this CEDS.



Increasing Shared Prosperity is also supported by other regional plans that connect to and enhance economic development. These plans, which also help to implement the policies and actions recommended in this one, include:

The **2045 Regional Transportation Plan for Southeast Michigan (RTP)**, adopted in March 2019, recognizes that the regional economy depends on the transportation system. Residents use highways, transit, rail stations, trails, and airports to connect them to jobs, services, and other desired destinations. This multimodal transportation network distributes freight to stores and industry, expanding the regional economic reach to markets throughout the country and the world. This strategy aligns with and helps to address three overarching policies of the 2045 RTP:

- Increase Access to jobs and core services, regardless of race, gender, ethnicity, national origin, age, physical ability, or income.
- Support the Regional Economy through the reliable movement of goods, efficient trade connections, expanded labor mobility, and support for tourism and local placemaking.
- Utilize Technology to cost-effectively improve the transportation system.

The **Bicycle and Pedestrian Mobility Plan for Southeast Michigan**, adopted in March 2020, ensures that the region's nonmotorized system meets the transportation, quality of life, health, and accessibility needs of its residents and visitors. A key theme in this plan is providing equitable access to core services and connecting the region's bicycle and pedestrian network to economic development and enhanced quality

of life. Throughout this strategy and its recommended policies and actions, this connection and the importance mobility and accessibility is supported.

The ***Parks and Recreation Plan for Southeast Michigan***, adopted May 2019, ensures that the region's recreation system, parks, and trails meet the quality of life, health, and accessibility needs of its residents and visitors. This strategy further ties the region's natural and recreational assets to attraction and retention of people and business through policies and actions.

The ***Water Resources Plan for Southeast Michigan***, adopted in March 2018, focuses on integrated water resources management, including advancing the blue economy, natural resources protection and enhancement, and water infrastructure systems. A major emphasis of the plan is the importance of protecting and enhancing the region's blue economy. This strategy further connects the regional economy to our waterways through tourism, recreation, placemaking, and access.

The ***Regional Master Transit Plan***, adopted August 2016 by the Regional Transit Authority of Southeast Michigan (RTA), offers solutions to various mobility and public transportation issues in the region. Supporting and building capacity of transit providers and enhancing awareness on the impact and importance of public transportation investment are recommended in this strategy.

Chapter 2: Current Economic Conditions

Structural Changes of Regional Economy

Southeast Michigan emerged from the “Great Recession” of 2007-09, one of the most catastrophic periods for our economy. The recovery beginning in 2010 had been strong. The region was regaining all of the jobs it lost over the prior decade until the COVID-19 pandemic took hold in early 2020. Before the pandemic, in concert with the employment gains, the unemployment rate plummeted from more than 13 percent in 2010 to less than four percent in the first quarter of 2020. It then increased sharply to over 23 percent due to pandemic lockdowns. It declined to approximately eight percent by the end of 2020, which is still significantly higher than the pre-pandemic level. Real personal income per capita was on par with the nation. Population grew modestly between 2012 and 2018 but saw its first annual decline in 2019 caused primarily by a sharp reduction of immigration.

There are headwinds as the region moves forward with structural changes towards the knowledge-based economy. Domestic automobile sales have plateaued and begun to show small declines. The aging population will diminish the labor market. The COVID-19 pandemic added more uncertainties. Where Southeast Michigan’s regional economy goes from here will be determined in part by the following factors:

- How long it takes to bounce back from the COVID-19 pandemic;
- Broader trends in the U.S. economy;
- Which direction the auto industry is headed; and
- The investments local communities make, particularly in human capital, to diversify the economy into areas that show promise for future growth and prosperity, and for which the region has supporting assets.

SEMCOG’s research, data analysis, and long-range forecast of population, households, and jobs provide an understanding of the region’s future economic and demographic outlook and the coming challenges facing the region. The COVID-19 pandemic is accelerating many long-term structural changes that had been identified. These changes include: Manufacturing; Healthcare Services; Retail Trade; Transportation and Mobility; Workforce and Talent; and Shared Prosperity.

Manufacturing

Manufacturing, particularly automobile and parts manufacturing, has been the core industry in Southeast Michigan for decades and continues to transform. Automation has dramatically improved manufacturing productivity, which is a trend that may accelerate because of the pandemic to minimize human contacts for health concerns. Automation takes over human tasks, especially repetitive ones. It reduces the number of employees that businesses need while



maintaining or increasing output. The manufacturing industry is expected to increase its contribution to GDP output but will do so with fewer workers.

The development of electric cars and trucks (EV), as well as autonomous vehicles (AV), is altering the region's future manufacturing industry. Vehicle assembly and parts manufacturing are changing as electrification continues and matures. The development of EV and AV requires the industry to expand related sectors such as communication and information technology. It helps the region to transform to a knowledge-based economy with a highly educated labor force. The advent of autonomous vehicles, however, could have effects on automobile sales. Overall sales could well increase as they become more technologically advanced and embody even more consumer activities. Then again, consumers could reduce vehicle purchases in large quantities, opting to rent an autonomous vehicle whenever they need to travel by land.

The auto industry benefits greatly from consumer spending booms but is often affected by business cycles. Consumer spending on autos as a share of real GDP may decline as the trend shifts toward consumers purchasing more services, such as healthcare. Given Southeast Michigan's heavy dependence on the manufacturing of motor vehicles, any shift away from spending on the region's dominant product would have adverse consequences for the local economy. Diversifying the region's economy remains a high priority.

Healthcare Services

The future of employment in the region will reflect the success and outlooks of the primary industries that make up our local economy. Total employment is forecast to grow by an average of 0.21 percent per year between 2015 and 2045, but there is a wide variation in the performance of the constituent industries. The strongest growth is in the health services industry. It is expected to expand at a rate of 0.79 percent per year, nearly four times the regional average of all jobs. This industry has been the most robust over the recent past, including the difficult decade of the 2000s. Since the region is in the midst of a surge in the number of people reaching retirement age, the longer-term prospects for the healthcare industry are very favorable as well.



Southeast Michigan has a disproportionately large share of baby boomers. The implication is that the share of the over-65 population will grow more dramatically here than in the nation. In 2015, 14.8 percent of the region's population was 65 and older compared with 14.9 percent in the nation, but by 2045, 22.7 percent of our population will be 65 or older, compared with 22.0 percent nationwide. The aging population drives the increasing demand for healthcare services, and it will propel brisk employment growth in this industry.

It is crucial to pay attention to shifts in society and understand the transformation of future healthcare services. The healthcare industry is constantly evolving, from policies to patient needs and everything in between. In addition to the aging population, technological advancements and changing illness trends have effects on where healthcare is headed. The COVID-19 pandemic is quickly changing the industry as well. Telemedicine is just one example. Bringing services closer to consumers is another example, particularly as the population ages.

Retail Trade

Unlike the rapid growth of the healthcare services industry, retail trade is facing tremendous challenges. Employment in retail was falling even before the pandemic and is expected to decline continuously in the future. Brick-and-mortar retail sales jobs are negatively affected by the growth in online shopping, along with evolving labor-saving technology (for example, self-service checkouts), and the trend away from labor-intensive stores toward discount stores and warehouse clubs.



The experience of shoppers during the pandemic is also quickly changing the retail trade industry. Increases in shopping online and having goods, including “grocery now,” reduces jobs in retail stores and increases employment in warehousing and logistics. Home delivery more than doubled between 2009 and 2017 nationally. It increased dramatically during the pandemic and is expected to remain higher than pre-pandemic levels. The closing of retail stores, strip malls, and shopping centers presents a challenge to the local real estate industry. Retail space may need to be re-purposed to healthcare, warehousing facilities, or other uses.

Retail jobs and workers are among the ones that are most affected by the COVID-19 pandemic. The uneven impact of the pandemic made some workers more vulnerable than others. Those workers are likely to have less formal education and more likely to be young, female, minority, and part-time employees. Knowing and understanding those populations will help governments, businesses, and organizations formulate targeted and effective plans and policies that can help provide financial security and equity to our vulnerable populations as the region moves forward.

Transportation and Mobility

There are several essential components of transportation and mobility trends that are moving in different directions. Population growth is typically a major contributor to growth in travel. Research has shown that the average personal trip length has been increasing, indicating more long-distance travel. On the other hand, more people have been staying home even before the pandemic, which contributed to a decline in per capita trip rates.



Moving forward, total travel demand may grow slowly because population growth in Southeast Michigan is very modest, and population growth is such a determining factor in travel. But the nature and characteristics of transportation may be very different. The pandemic and the changing nature of work may accelerate transportation trends that have taken place in recent years. Increases in work-from-home and telecommuting are here to stay. It may not affect total travel demand significantly as people make more non-work trips, but it will change the time of travel and trip destinations. Increasing “gig economy” and alternative work arrangements may further affect travel behavior. Although there could be less traditional commuting, the total amount of travel may be balanced out by non-work trips. If people’s tendency to stay home continues with fewer out-of-home activities, there could be a reduction in travel demand. Travel behavior change will have effects on land use, including household location choice.

The development of electric vehicles and autonomous vehicles will affect transportation and infrastructure, such as road design, curb management, and charging stations. The ways and methods of efficiently moving goods will be increasingly important. Public transit was not a strength in Southeast Michigan prior to the pandemic and took a significant hit when social distancing policies were enforced, like most regions. We need a balance of modes of transportation to provide access to work and services for all people.

Workforce and Talent

Southeast Michigan's demographic and economic changes require robust workforce development as well as talent attraction and retention. The region's young and working-age adults (those aged 25 to 44) account for only 24.9 percent of the total population compared with 26.4 percent nationally; and those under age 25 make up 31.9 percent of the region's population compared with 32.6 percent nationally. The strain on the supply of labor in Southeast Michigan will be acute because of the slow growth of the population and dramatic aging of the population, making it increasingly difficult for employers to find qualified workers.



Furthermore, labor force participation rates are low compared to many other regions, including our Midwest peer regions. SEMCOG's analysis found that, in many cases, our region's labor force participation rate is the lowest across the major socioeconomic characteristics – age group, gender, educational attainment, disability status, and poverty status. SEMCOG's Quick Facts report, *Where is our Workforce? Southeast Michigan's Labor Force Participation Rate Trends* (see Appendix A for link), modeled 16 selected factors that may affect labor force participation rates. The modeling results show that significant factors are:

- Share of population in age group 25-54,
- Share of population with at least a bachelor's degree,
- Share of population with a disability, and
- Share of single-parent households.

These results also clearly displayed a substantial difference in labor force participation between metro Detroit and its peers, which lead us to believe the improvement of those factors, such as education, will have a true positive impact on our region's labor force participation rate.

The pandemic has added more uncertainty to the future labor force. Working remotely from home, or from anywhere, is accepted by many more employers and workers. There are benefits to companies that can reduce workspace to save on real estate costs and reach a larger talent pool beyond commuting sheds. At the same time, workers can enjoy flexibility in residential location choice, balance family and work, and improve quality of life. It has the potential to reduce the "brain drain" that often happens in older industrial regions, small towns, and rural areas if people do not have to leave to chase jobs. On the other hand, employers may find a more competitive labor market to hire local workers. Regions will compete on access to workers in addition to attracting jobs. A skilled workforce will be particularly important to keeping jobs in the region. At the same time, we must continue to build our community assets and quality of places to attract and welcome more people to Southeast Michigan. These efforts should also include supporting populations who are under-represented in the workforce, including returning citizens, veterans, immigrants, and persons with disabilities.

As the region continues to transform from its manufacturing-centered economy to a knowledge-based economy, education and labor force development are critical. We need to leverage our strengths in world-class educational institutions and develop an effective system for lifelong learning so that workers can upgrade their skills and stay in the labor force. We also need infrastructure and social support, including multimodal transportation systems and childcare, to help people get into the labor force and help them build their skills for career progression.

Shared Prosperity

Innovative research has been done to assess how the economic growth after the Great Recession was shared by various demographic groups in Southeast Michigan and other major metropolitan areas in the U.S. The results of the *Evaluating Shared Prosperity in Southeast Michigan* report (see Appendix A for link) show that even a sustained expansion, such as the one that ended by the COVID-19 pandemic, can leave significant "holes" in prosperity. The economic expansion did lead to rising incomes for most households, but those gains left segments of the population behind. The left-behind households were disproportionately those of Black and Hispanic people, especially those living in large central cities. Therefore, although sustained economic growth is a necessary component of rising well-being, it is not sufficient on its own to close the gaps between the advantaged and disadvantaged segments of society.

To ensure that economic gains made in future recoveries are shared by all people, SEMCOG and this strategy are committed to building strong communities that provide economic and educational opportunities for all segments of the population to improve shared prosperity.

Regional Data Indicators and Performance Measures

In addition to the described structural changes in Southeast Michigan, there are several performance measures that are used to track economic progress. These include measures from previous regional CEDS as well as new and forward-looking measures that reflect the current and ongoing trends regionally and nationally due to both the COVID-19 pandemic and shifts in a gradually diversifying economy.

According to SEMCOG's economic and demographic outlook for Southeast Michigan, growth is expected to be sustained, but only at a moderate pace for the region's population and labor market. There are a number of challenges on the horizon, not the least of which is the prospect for substantial labor shortages – particularly of workers with skills that mesh with the evolving knowledge- and information-based economy – spurred by the dramatic aging of the population as the baby-boomer generation enters retirement years. Accelerating growth in the over-65 population and relatively low in-migration rates for young adults will put a cap on the region's ability to expand, compounded by any legislation that significantly limits the number of documents to be issued for immigration into the United States. It is particularly critical for the region to step up investment in its human capital and, given the local economy's vulnerability to the vagaries of the auto industry, it is also important to seek out greater economic diversification into areas that show promise for future growth and prosperity.

Demographics, Housing, and Income

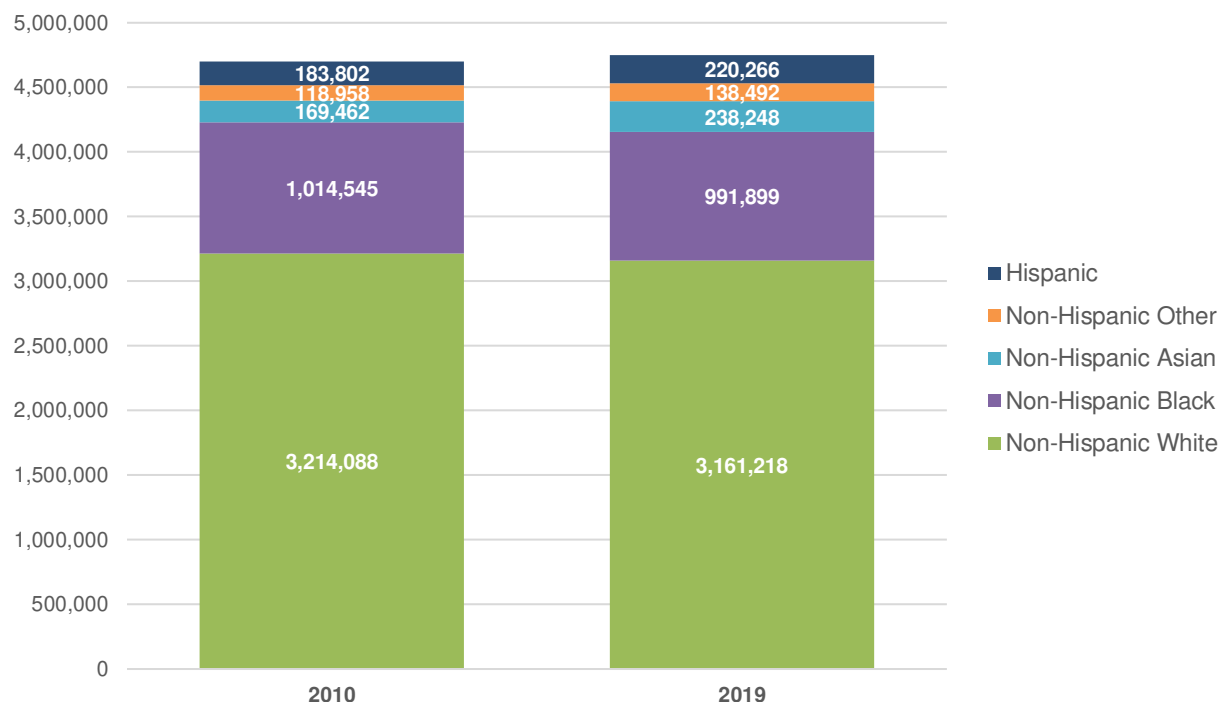
After losing population between 2001 and 2011, Southeast Michigan's population started growing again in 2012, and this growth is expected to continue through 2045. However, it will be slow. By 2027, the region's population is forecasted to return to our 2001 peak of 4.8 million, and it reaches 5.1 million by 2045. Underlying many of the population trends is the dramatic aging of the population. At the same time, the prime-working-age-population cohort, those aged 25-64, has



been shrinking, and this trend is expected to continue. The components contributing to sluggish population growth among the working-age population – the relatively low rate of in-migration of young adults and the aging of a disproportionately large share of the population into the typical retirement years – will put an increasing strain on the supply of available labor in Southeast Michigan.

Southeast Michigan’s population grew by 49,000 people (1 percent) between 2010 and 2019. The region’s current population of 4,750,123 continues to be more racially and ethnically diverse. In 2019, one in three people (33%) in the region belonged to races and ethnic origins other than Non-Hispanic White. Between 2010 and 2019, all seven counties saw an increase in the non-White share of their population. Figure 3 shows that over the last 10 years, Southeast Michigan’s population gains were largely in Hispanic and Non-Hispanic Asian, while experiencing declines in both White and Non-Hispanic Black.

Figure 3
Population by Race and Hispanic Origin, 2010 and 2019

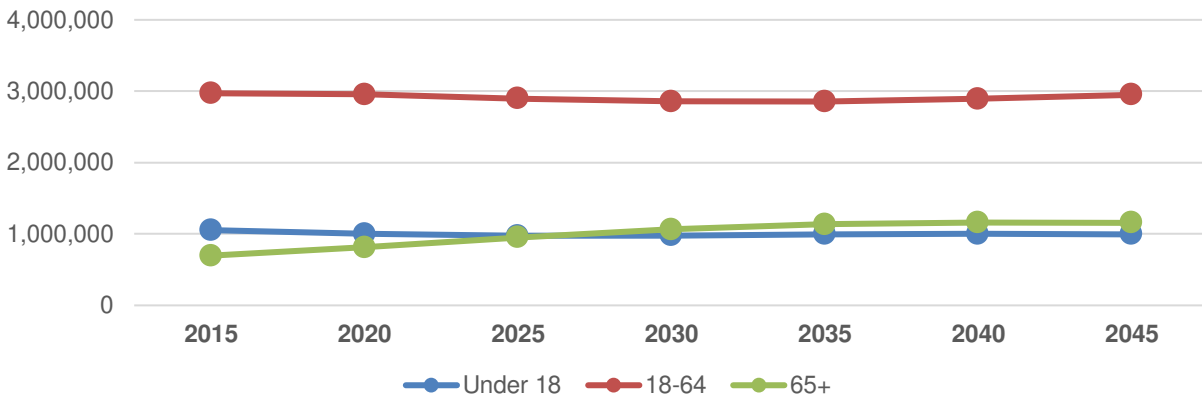


Note: “Other” includes “American Indian and Alaskan Native”, “Native Hawaiian and Other Pacific Islander”, and “Some Other Race”; Source: SEMCOG analysis of 5-Year American Community Survey, U.S. Census Bureau.

The region’s population will continue to age over the next 30 years. Figure 4 shows that the number of working-age adults, age 18-64 will remain unchanged, while the number of children will decline by 5 percent (56,000) and the number of elderly adults, age 65 and older, will increase by 66 percent (460,000). These expected changes will increase the demand for senior and healthcare services and strain Southeast Michigan’s ability to provide enough workers for job growth. Attracting new residents from other states or countries will be critical for economic growth.

Figure 4

Age Forecast, 2015-2045

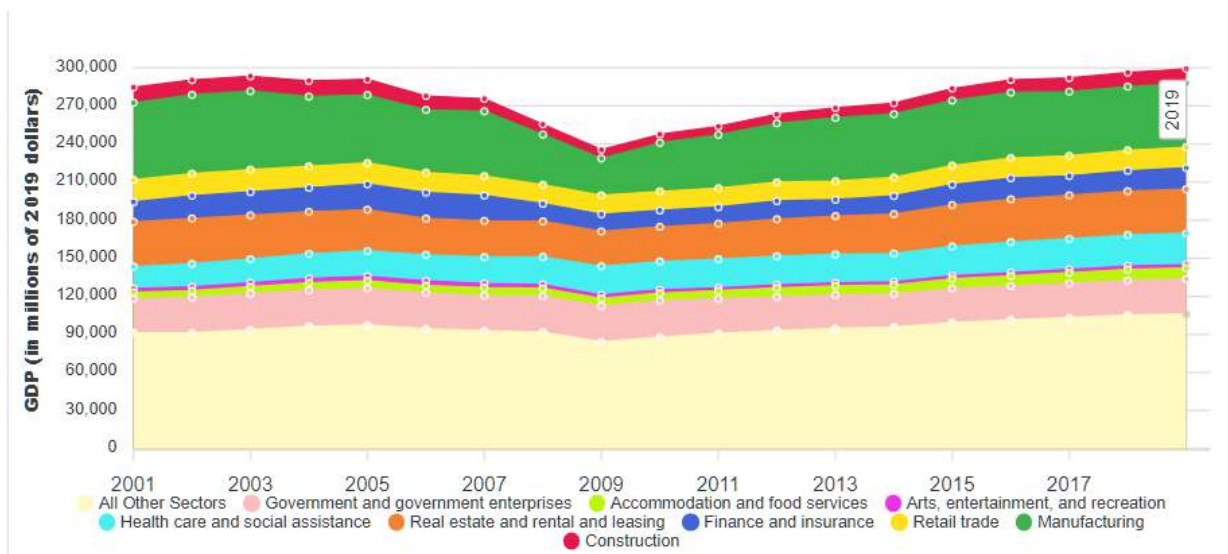


Source: SEMCOG 2045 Forecast

Real gross domestic product (GDP) is the most comprehensive measure of output for the economy. Southeast Michigan's real GDP makes up almost 56 percent of Michigan's total economic output. Between 2009 and 2019, the region's real gross domestic product (Figure 5) grew 27 percent, from \$235 billion to \$299 billion. The 2019 level (and formerly, the 2018 level) established a new historical peak for the region's real GDP, eclipsing the previous peak of \$293 Billion in 2003. The manufacturing sector led the way, for manufacturing rose from a share of 12% of real GDP in 2009 to a share of 17% of real GDP in 2019. Most of manufacturing's growth is due to the revival of the automotive industry and the new advanced processes and materials used to build today's vehicles. While real GDP may be the most comprehensive measure of economic output, it is not necessarily the best measure of prosperity. Another way to look at prosperity is to ask if all individuals realize prosperity during periods of economic growth. The approach is part of SEMCOG's shared prosperity analysis and a major considerations in the policies and actions of this strategy.

Figure 5

Real Gross Domestic Product (GDP) by Industry Sector, 2001-2017

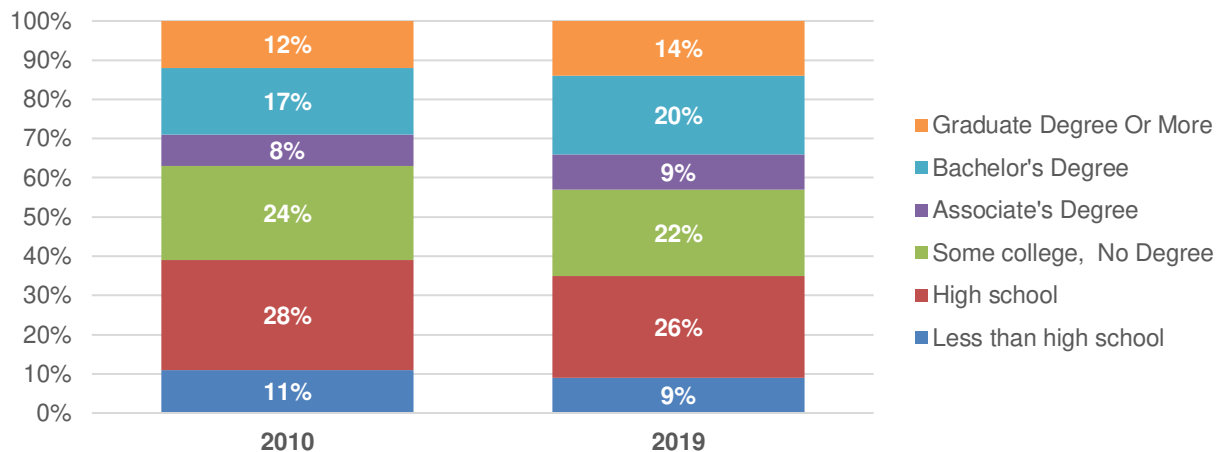


Source: BEA GDP by County, Metro, and Other Areas

Educational attainment in Southeast Michigan is growing. The percentage of adults, age 25 years and older, with at least a bachelor's degree increased from 29 percent in 2010 to 34 percent in 2019. Compared to the U.S. average, the region has a slightly higher percentage of bachelor's degrees. However, the region lags behind the averages for many of the county's metropolitan areas in both bachelor's and graduate degrees. Data show that educational attainment is clearly linked to regional economic prosperity and personal income. Greater levels of attainment will be needed to fill jobs requiring higher technical expertise, from engineering and mobility to skilled trades. In addition, percentage of bachelor degrees is a common measure firms consider when deciding where to locate or expand their business. Figure 6 shows the overall trend of more people seeking further education to better compete in a transforming economy. For example, pursuing an associate's degree provides training and specialized education for high school graduates, displaced workers, current workers, and others, equipping them with specialized skills in less time and at lower costs than a bachelor's degree. It can also serve as a foundation for a four-year degree.

Figure 6

Educational Attainment (age 25 years and older), 2010 and 2019

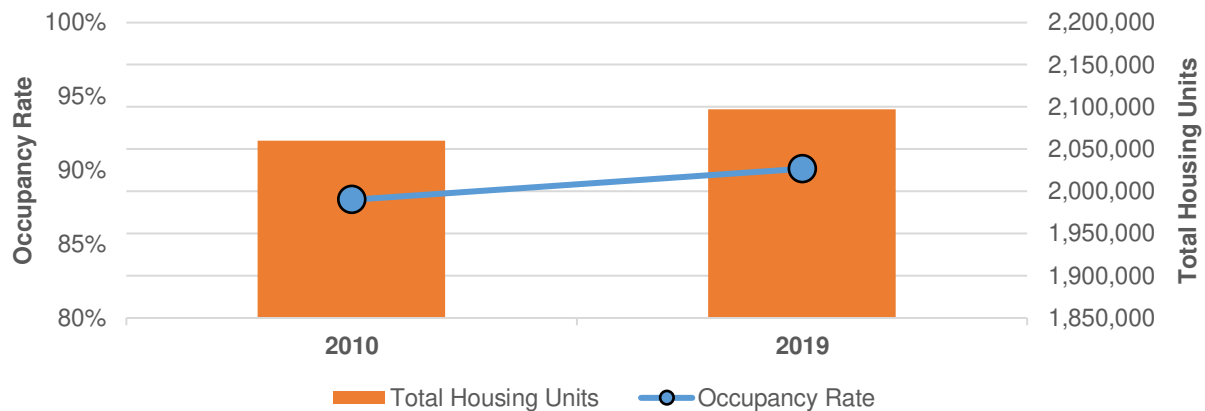


Source: SEMCOG analysis of 1-year American Community Survey, U.S. Census Bureau.

Since 2010, Southeast Michigan added 37,000 housing units while increasing occupancy rates by two percentage points, from 88 percent to 90 percent (Figure 7). The decade-long economic recovery created new households leading to growth in the occupancy rate and adding more than 44,000 single-family units. At the same time, more than 6,000 multi-family units and mobile homes were lost (mostly through demolition).

Housing tenure shifted too – 25,000 more units are owner-occupied in 2019 than in 2010, but 50,000 more units are renter-occupied. Figures 8 and 9 display the changes in both housing types and housing tenure in the region over the last ten years. These changes point to a need for continued diversification of housing options and the need to ensure housing choices are accessible and affordable across income levels. Diverse housing options are especially important for essential workers, young families, and all those in the market for starter homes both for rent and ownership.

Figure 7

Total Housing Units and Occupancy Rate, 2010 and 2019

Source: SEMCOG analysis of 1-year American Community Survey, U.S. Census Bureau

Figure 8

Change in Housing Type, 2010 and 2019

Housing Type	2010	2019	Change
Single Unit	1,407,657	1,451,795	+44,138
Multi-Unit	588,558	582,461	-6,097
Mobile Homes or Other	63,919	63,243	-676
Total	2,060,134	2,097,499	37,365

Source: SEMCOG analysis of 1-year American Community Survey, U.S. Census Bureau

Figure 9

Change in Housing Tenure, 2010 and 2019

Housing Tenure	2010	2019	Change
Owner occupied	1,279,938	1,305,150	+25,212
Renter occupied	533,936	584,113	+50,177
Vacant	246,260	208,236	--38,024
Total Housing Units	2,060,134	2,097,499	37,365

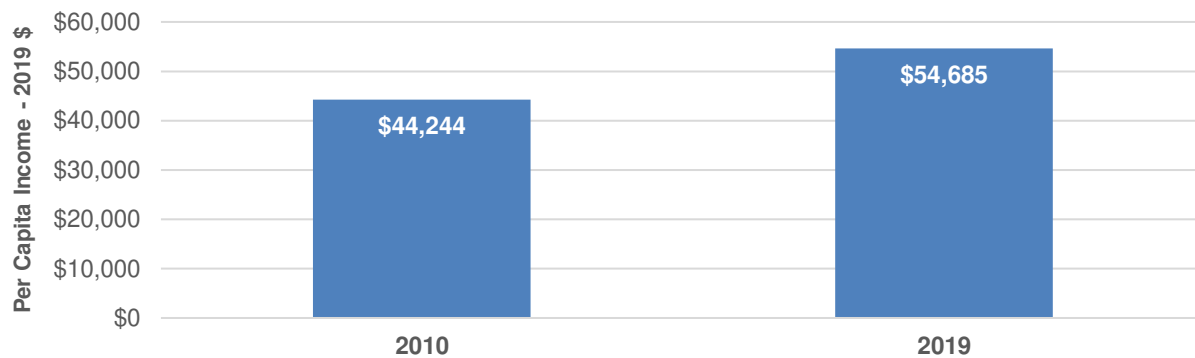
Source: SEMCOG analysis of 1-year American Community Survey, U.S. Census Bureau

After falling well below the national average in 2009 due to the collapse of the region's auto-centered economy and the Great Recession, per-capita income has been climbing. After adjusting for inflation, Figure 10 shows that the region's per capita income grew by \$10,441 (24 percent) between 2010 and 2019. Currently, the region is on par with the nation. Despite these gains, per capita income is unlikely to return to its 2000 peak. It appears that the retrenchment in Southeast Michigan during the first decade of the 2000s lowered the region's standard of living relative to the nation for the lifetime of the current generation. Large income disparities for minority populations, and ensuring diversity, equity, and inclusion must remain a high priority. SEMCOG's report, *Evaluating Shared Prosperity in Southeast Michigan, 2012-2018* (see

Appendix A for link) found that Black and Hispanic households did not realize the same income gains, for they continue to make up a larger share of the low-income households and a smaller share of middle- and high-income households.

Figure 10

Per Capita Income, 2010 and 2019



Source: SEMCOG analysis of Local Area Personal Income, U.S. Bureau of Economic Analysis

Employment and Labor Force

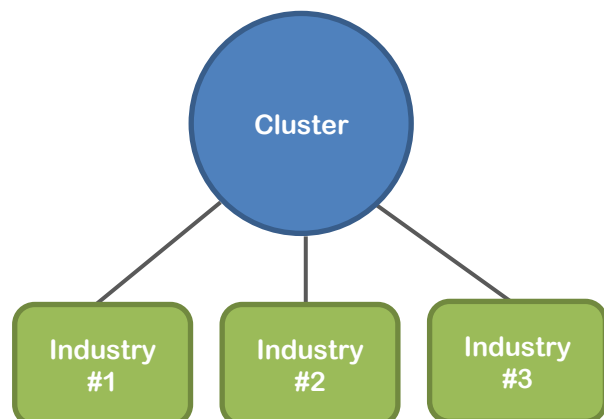
Employment composition is one way of tracking economic diversity, and it continues to be in transition. The degree of economic diversity is linked to both growth and stability of the economy. Southeast Michigan needs to continue to build upon its existing core specializations – which include healthcare, professional and technical services, and manufacturing – while growing new industries that will help lead to greater economic resilience and stability.

Understanding business clusters, which are a region's concentration of related industries, is important to economic development as these are what make Southeast Michigan uniquely competitive for jobs and private investment. Clusters enhance productivity and spur innovation by bringing together technology, information, specialized talent, competing companies, and academic institutions. They also play a fundamental role in driving regional economic competitiveness by encouraging higher rates of job growth, wage growth, new business formation, and innovation.

There are two classifications of clusters – traded and local. Traded Clusters provide goods and services that can be exported to other markets. They drive the economic growth for a region. Examples include information technology in Silicon Valley, financial services in New York City, and of course, our own auto industry in Southeast Michigan. Local clusters, on the other hand, consist of industries that provide services to the local market and support the traded clusters. Examples include hospitals, retailers, and automotive repair shops. Together, traded and local clusters work hand-in-hand to support a healthy and prosperous region.

Figure 11

Cluster Diagram



Southeast Michigan experienced employment growth of more than 176,000 private sector jobs between 2010 and 2017, an increase of ten percent. Local clusters gained more than 130,000 jobs (12 percent), while traded clusters gained almost 46,000 jobs (7 percent). Figure 12 details the growth by traded cluster, as defined by the *U.S. Cluster Mapping Project*. There are twenty clusters total – one local cluster and 19 traded clusters. The local cluster is Local Health Services, which SEMCOG deems to be critical to the economic growth of the region. The remaining 19 clusters are traded clusters. These were selected because they were determined by U.S. Cluster Mapping as being “strongly traded” clusters in the region. In other words, these clusters are “strong” because Southeast Michigan ranks in the top 25 percent of all regions by location quotient.

The past decade has been good to Southeast Michigan’s clusters. Thirteen of the 20 clusters had employment growth between 2010 and 2017. Among the larger clusters, four stand out in terms of employment growth and location quotient:

- Financial Services (+54% employment growth, 1.4 location quotient);
- Plastics (+52%, 1.7);
- Metalworking Technology (+29%, 4.8); and
- Automotive (+23%, 5).

Most of this growth is due to the automotive industry, but the growth in Financial Services is attributed to the region becoming a center for lending activities and suggests a shift in diversifying our economic base.

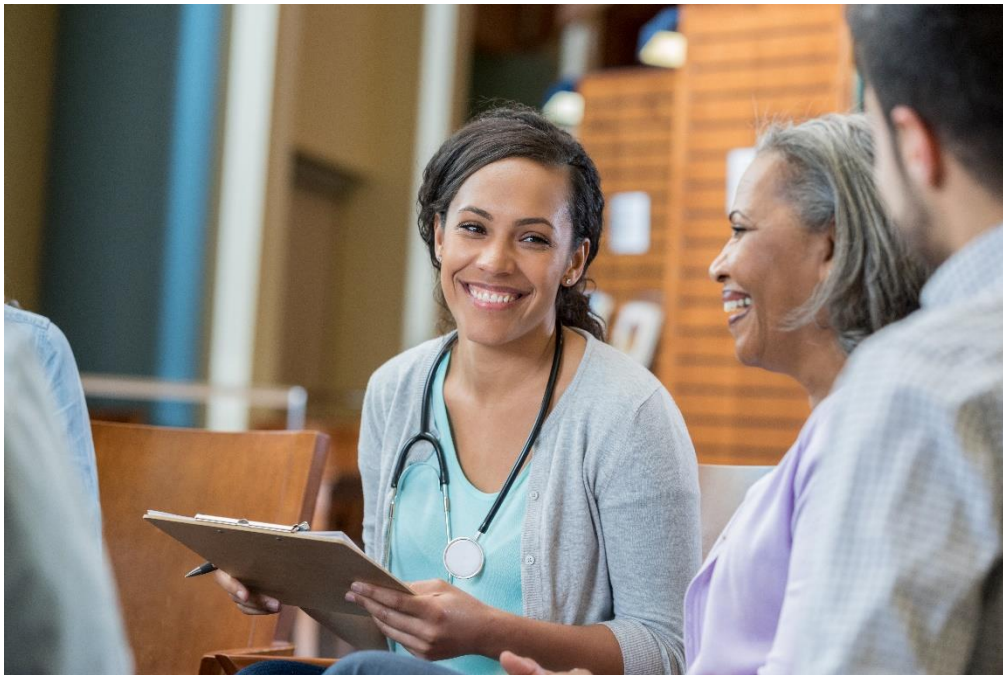
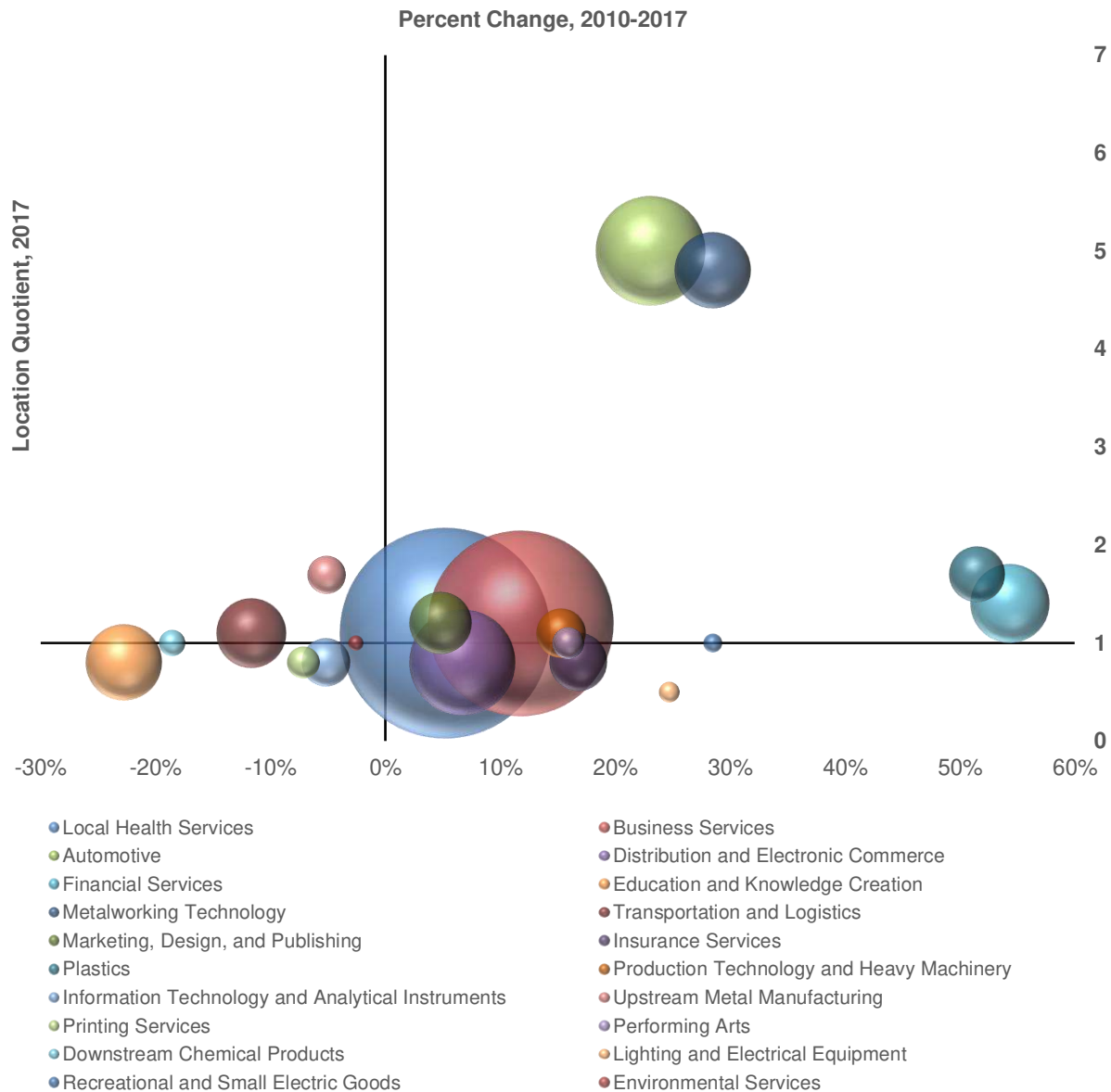


Figure 12

Southeast Michigan Traded Clusters, 2017



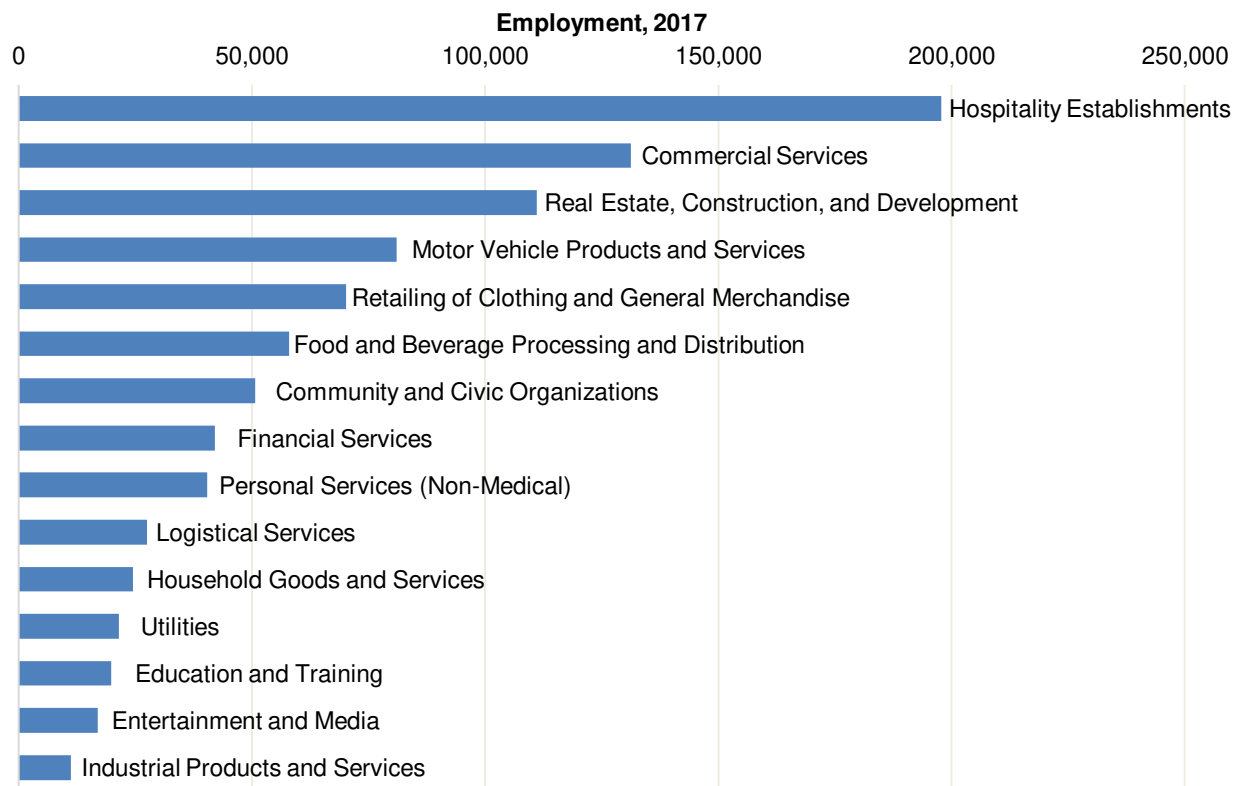
Source: SEMCOG analysis of data from U.S. Cluster Mapping

Local clusters provide goods and services that not only keep the region functional but also make it an attractive place to live, work, and play. Figure 13 shows the size of the local clusters by 2017 employment. The largest cluster, Hospitality Establishments, had almost 200,000 jobs in 2017; however, that figure is likely much lower today, due to the decline in dining out. Other clusters have likely fared better. Real Estate, Construction, and Development, with 111,000 jobs, would be one of them. Roughly half of this cluster is made up of industries in construction, which lost only a small number of jobs due to homeowners investing in their residences.

Additionally, Retailing of Clothing and General Merchandise, with 70,000 jobs, likely has seen mixed results. Clothing retailers, which were already experiencing declining foot traffic, have probably lost more jobs with numerous apparel retailers going bankrupt or shifting to online sales. However, General Merchandise retailers (discount big box stores and warehouse clubs) are holding up because more people are buying goods for their homes.

Figure 13

Southeast Michigan's Local Clusters, 2017



Source: SEMCOG analysis of data from U.S. Cluster Mapping

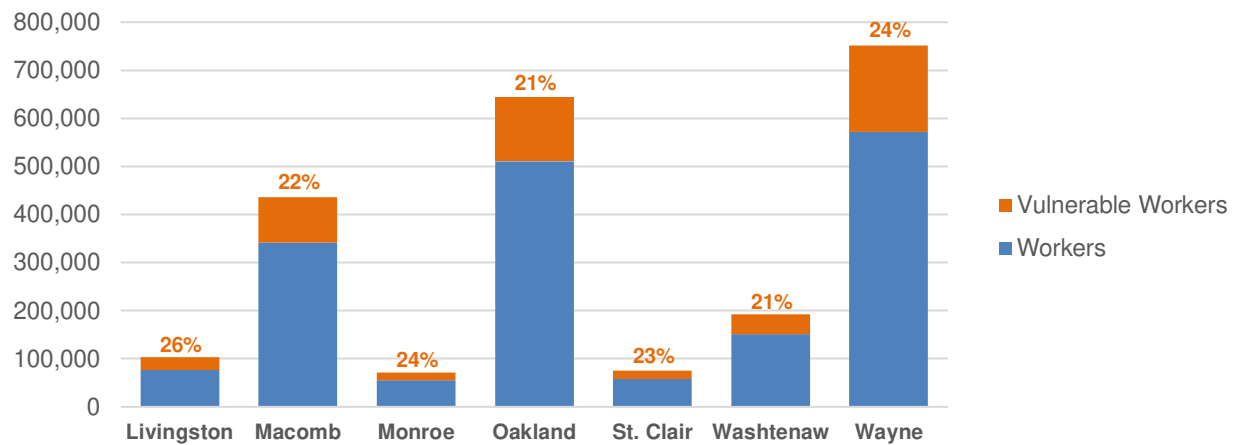
The COVID-19 pandemic disproportionately affected Southeast Michigan's workforce. A 2020 SEMCOG report identified industries and workers vulnerable to COVID-19 containment efforts. These firms and people are more vulnerable to COVID-19 containment efforts because their workplace is:

- not considered critical infrastructure, and
- a higher-risk environment because the nature of work involves close face-to-face interaction with customers or coworkers.

Overall, more than 508,000, or 22 percent, of the region's workers are in vulnerable industries. These vulnerable employees earned roughly half (\$29,000) the annual wage per year, compared with the average employee (\$60,000). Figure 14 shows that workers in these industries are not distributed evenly across the region. In Livingston County, one in four workers are employed in vulnerable industries, while in both Oakland and Washtenaw counties, these workers account for 21 percent. Wayne County has the largest number, 179,700 workers, which aligns with the county's higher concentrations of some of the more impacted sectors such as gambling, performing arts, spectator sports, and transportation activities.

Figure 14

Share and Number of Vulnerable Workers by County, 2018

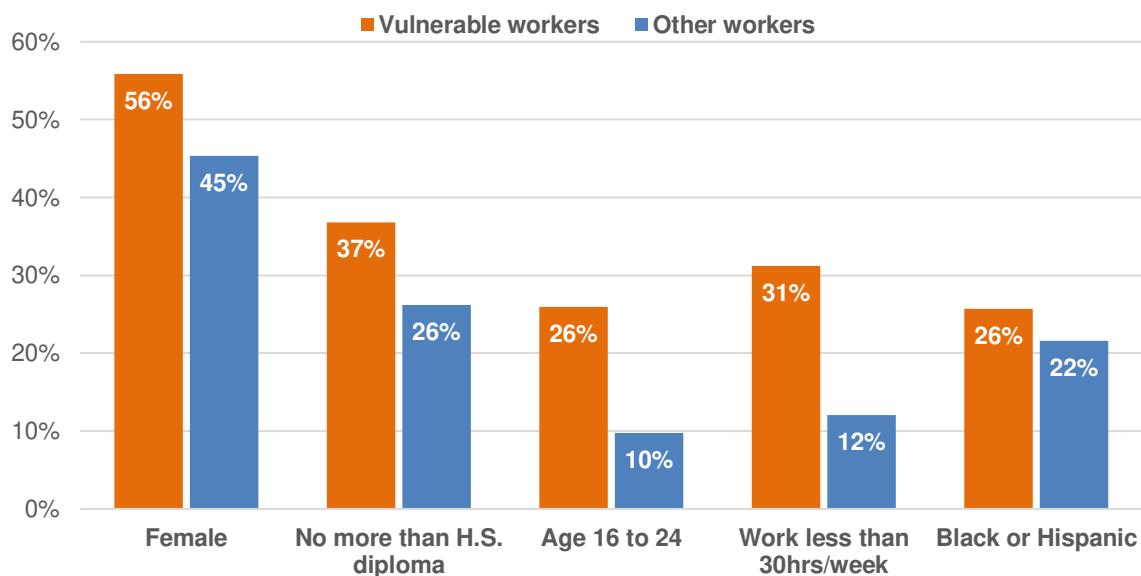


Source: SEMCOG analysis of 2018 American Community Survey (ACS) Public Use Microdata Sample (PUMS)

Industrial sectors such as retail, food service, and arts/entertainment typically employ younger people who are at the beginning of their careers, people who work part-time, and people with lower levels of educational attainment. Women are also more likely to work in these sectors in higher proportions compared to men. Figure 15 shows that workers in vulnerable industries tend to be female, have no more than a high school diploma, and are more likely to be Black or Hispanic. Workers in these industries also tend to work fewer hours than workers in other industries. More information on vulnerable jobs and workers most impacted by the COVID-19 pandemic can be found in SEMCOG's August 2020 *Quick Facts: Profile of jobs and workers most impacted by COVID-19 lockdowns in Southeast Michigan* (see Appendix A for link).

Figure 15

Characteristics of Vulnerable Workers, 2018

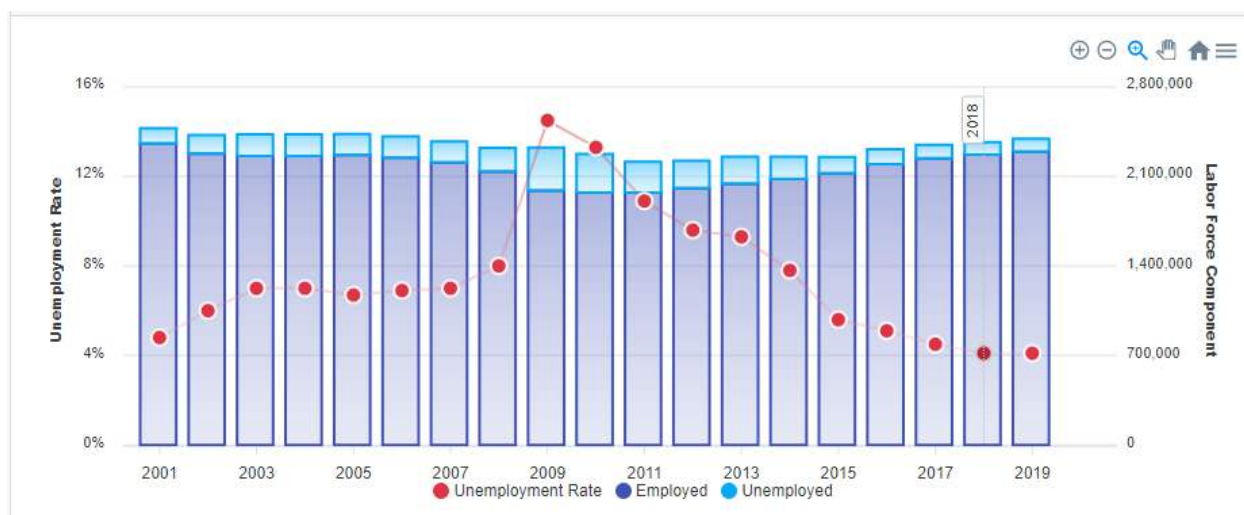


Source: SEMCOG analysis of 2018 American Community Survey (ACS) Public Use Microdata Sample (PUMS)

Coming out of the turbulence of the Great Recession and automotive bankruptcies, Southeast Michigan's annual unemployment rate fell from 14.5 percent in 2009 to 4.1 percent in 2019. Figure 16 shows that the unemployment rate initially fell because people left the labor force, which declined from 2.37 million people in 2009 to 2.21 million people in 2011. However, as the region's recovery gained traction, workers returned to the labor force for newly created jobs. By 2019, the region had 2.39 million workers and a 4.1 percent unemployment rate.

The COVID-19 pandemic disrupted this growth. As Figure 34 shows, in the Health and Equity section of this report, the region's unemployment rate jumped to 23.3 percent in April 2020 as business activity slowed or stopped. The gradual reopening of Southeast Michigan's economy led to a decline in the unemployment rate, bottoming at 6.7 percent in October 2020. However, it rose to 8.3 percent in November 2020 with a second wave of COVID outbreaks and a new round of business restrictions.

Figure 16
Unemployment Rate and Labor Force, 2001-2019

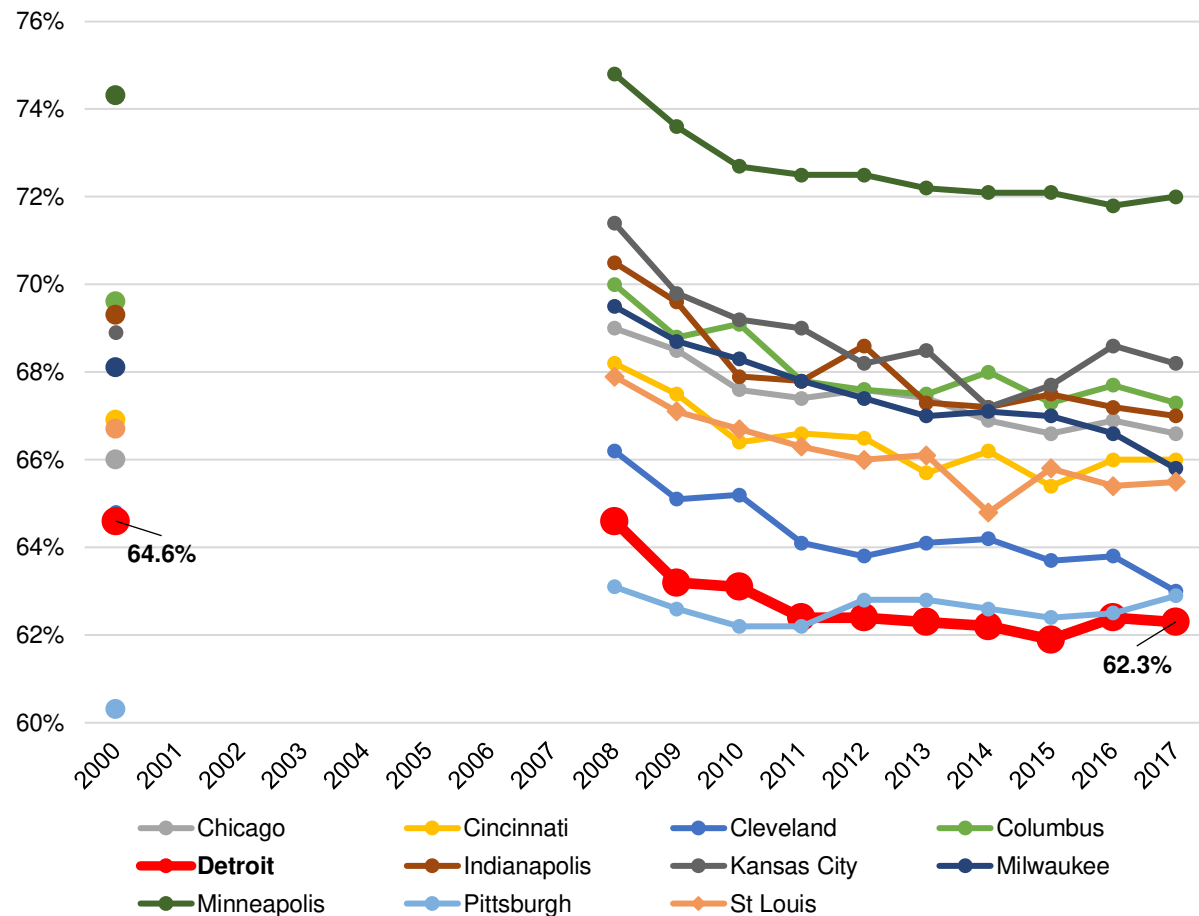


Source: BLS Local Area Unemployment Statistics (LAUS)

In addition to labor force trends, keeping an eye on the labor force participation rate is important, for it reveals the labor supply with respect to the working age population. The labor force participation rate (LFPR) is defined as the percentage of working-age people who either have a job or are looking for work. Having more people working or interested in working aids economic growth. This is an especially important consideration when there are labor shortages. Before the COVID-19 pandemic struck, Southeast Michigan was experiencing a labor shortage. SEMCOG compared trends in our region's labor force participation rate to Midwest peer regions and found that the region had a lower rate than all of our peers since 2012 (Figure 17).

With the decline in the labor force due to the pandemic, it will be important to assist working-age residents in returning to the labor force, as well as, continue to connect those people who have not looked for a job with the opportunities to do so. Further analysis can be found in SEMCOG's October 2019 *Quick Facts: Where is our Workforce? Southeast Michigan's Labor Force Participation Rate Trends* (see Appendix A for link).

Figure 17
Labor Force Participation Rate, 2000-2017



Source: SEMCOG analysis of Decennial Census 2000 and Census 2008-2017 ACS 1-Year Estimates

Infrastructure

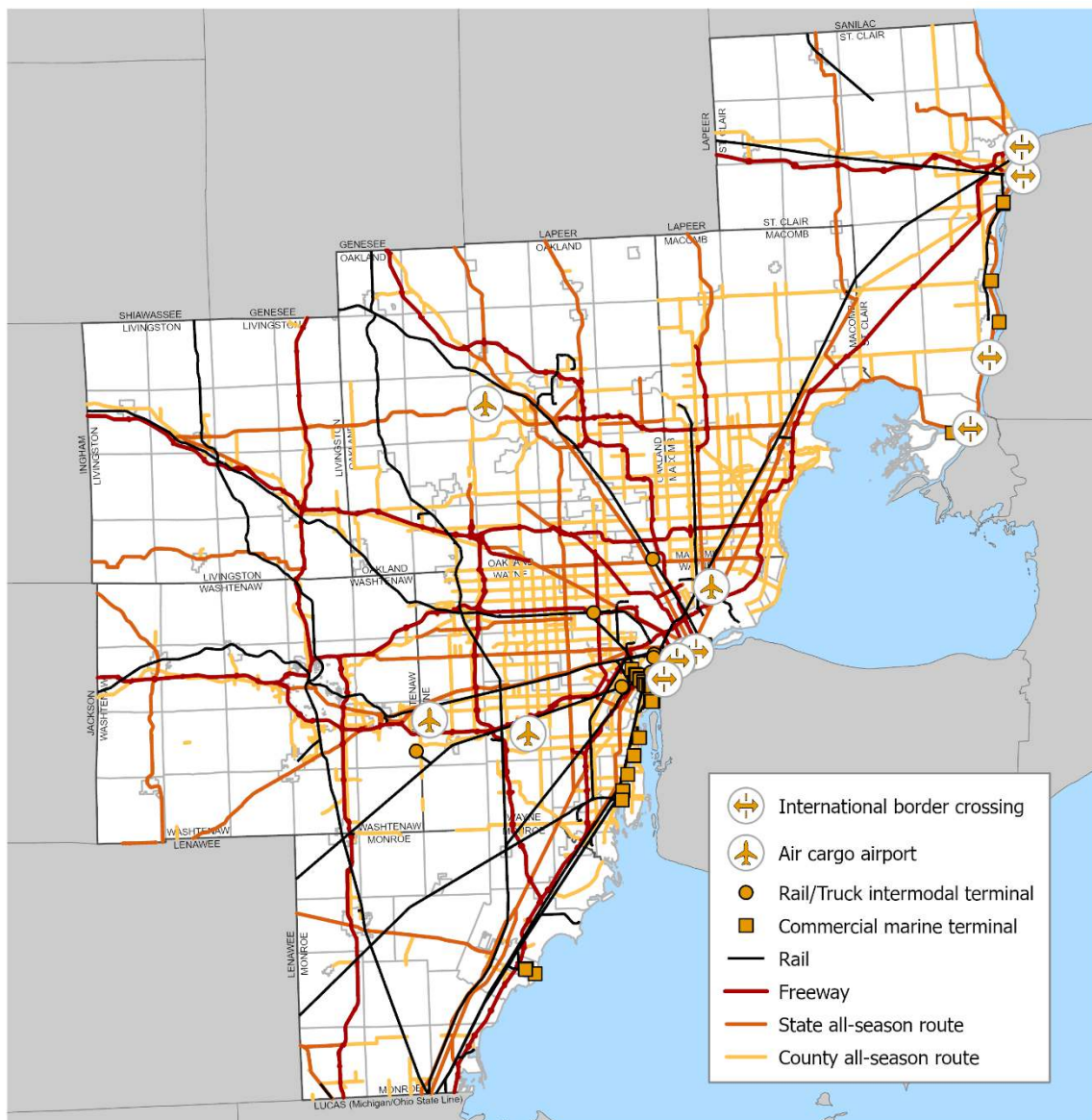
Southeast Michigan's infrastructure – transportation network, water/sewer systems, utilities, and telecommunications/broadband systems – provides the foundation on which our communities and our economy depend. While our infrastructure is an asset to build upon, much of it is aging and in disrepair. There are also unmet needs, such as the lack of availability and affordability of broadband service in several parts of the region. Conversely, there are also opportunities to repurpose unneeded infrastructure and facilities in a way that can benefit the economy and quality of life.

The region's robust transportation system is an asset that supports the quality of life for over 4.7 million residents, and helps sustain businesses and enhance our economy. This system includes:

- Over 25,000 miles of public roadways;
- More than 2,900 bridges;
- 8 international border crossings that account for more than 40 percent of U.S. trade with Canada;
- 8 fixed-route transit providers;
- 4,000 miles of all-season truck routes;

- 5 commercial marine ports;
- 35 airports, including 18 regional and international airports for passenger, cargo, and charter flights;
- 4 Class 1 railroads;
- More than 3,500 miles of bikeways, and 24,000 miles of walkways; and
- More than 500 miles of regional nonmotorized trails and greenways.

Figure 18
Regional Freight Transportation Assets



The region's freight network enables Southeast Michigan industries to resource raw materials, ship products to connections throughout the world, and distribute goods. This infrastructure is equipped to handle a wide variety of freight: from port facilities that receive shiploads of steel, to freeways carrying just-in-time goods by truck across North America, to railroads that deliver raw materials to industry and distribute finished automobiles, to airports that handle high-value, time-sensitive cargo.

Southeast Michigan is located at the center of the North American trade corridor connecting manufacturing supply chains from Canada to Mexico. Trucks starting in Southeast Michigan stretch out to states across the Midwest, the East Coast, and the South. Figure 19 shows the more than 80 million consumers who are within a two-day truck drive from Detroit.

Figure 19

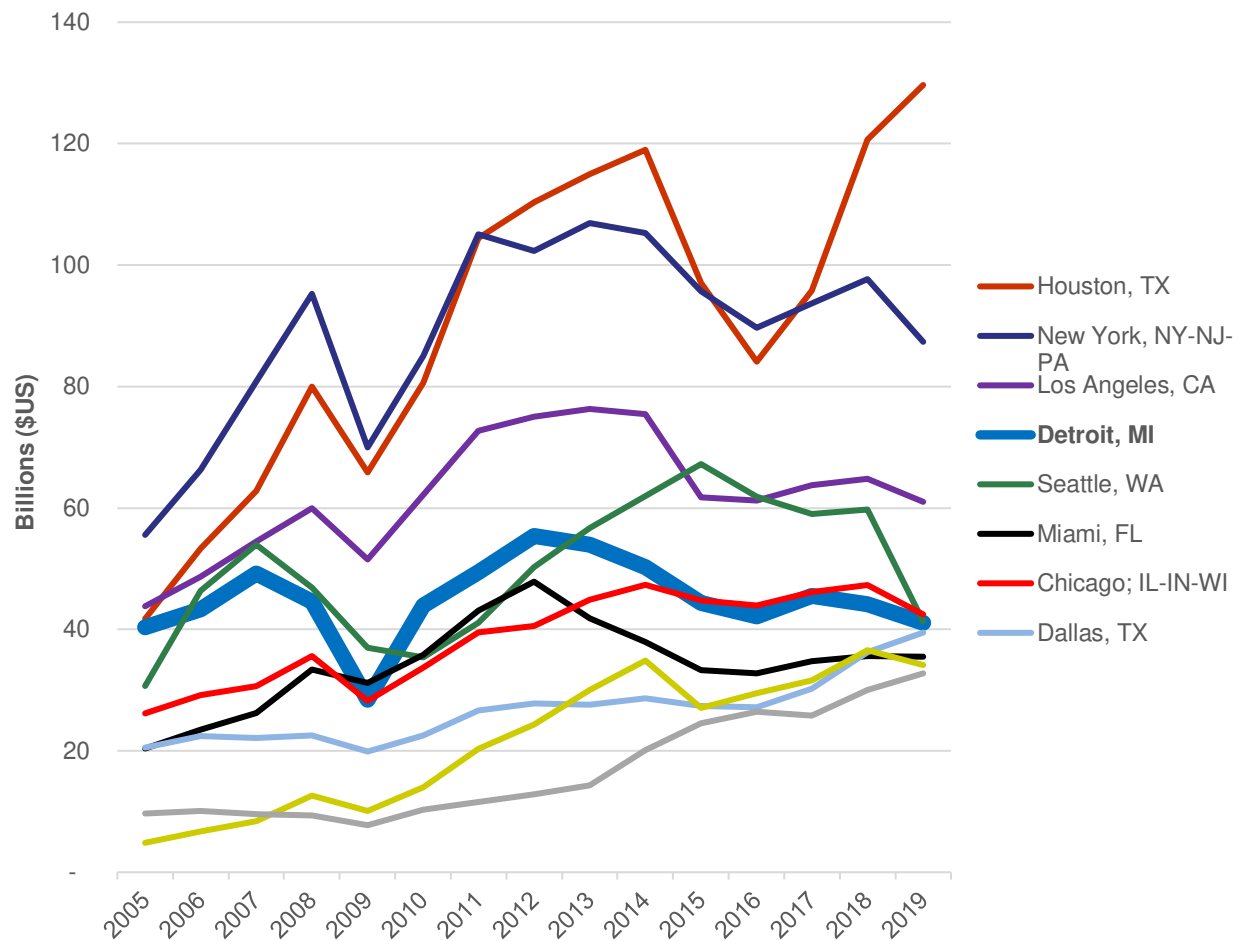
Two-day Reach of Trucks Starting in Southeast Michigan



Source: ATRI

Automobile manufacturers and other industries prevalent in Southeast Michigan have incorporated production facilities across the U.S., Canada, and Mexico. The region continues to have an export-oriented economy and ranks in the nation's top ten exporting metro areas. Sustaining the capacity, infrastructure, and operations of the road and rail ports of entry in Michigan and Texas is essential to the effective functioning of Southeast Michigan's core economy. Additionally, the region accounts for 70 percent of all of Michigan's exports by value.

Figure 20
Annual Exports by Metro Area, 2005-2019

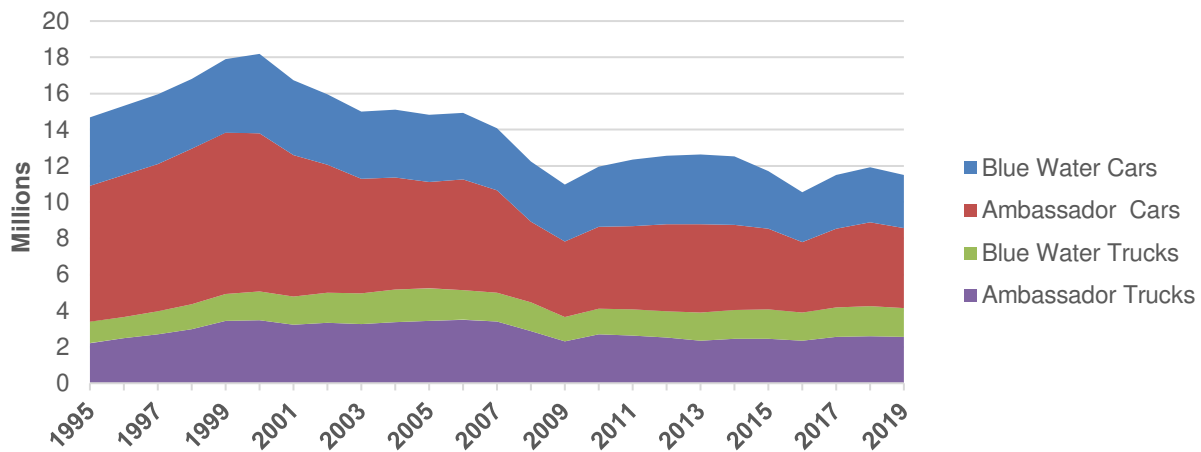


Source: International Trade Administration

Automobile manufacturing and other industries in Southeast Michigan use all available transportation modes (road, rail, air, and water) to move parts and finished products. Trucking in particular matches well with just-in-time manufacturing and is particularly important to the timely delivery of component parts and finished products. There are two primary truck connections with Canada – the Ambassador Bridge in Detroit and the Blue Water Bridge in Port Huron. These two crossings account for 46 percent of all truck crossings between the U.S. and Canada. The Gordie Howe International Bridge, currently under construction, will add a state-of-the-art connection with Canada for trucks and passenger cars, adding reliability, speed, and redundancy for these critical international movements. Figure 21 shows the bridge crossing volumes by trucks and cars for the Ambassador Bridge and Blue Water Bridge.

Crossing volumes in 2020 are down significantly due to the COVID-19 pandemic, especially for passenger cars. As of November 2020, cross-border travel restrictions have brought passenger car traffic down 57 percent at the Ambassador Bridge and almost 80 percent at the Blue Water Bridge compared with 2019. Truck crossings are also down a little over 10 percent at both crossings, showing that most truck trips are continuing to flow.

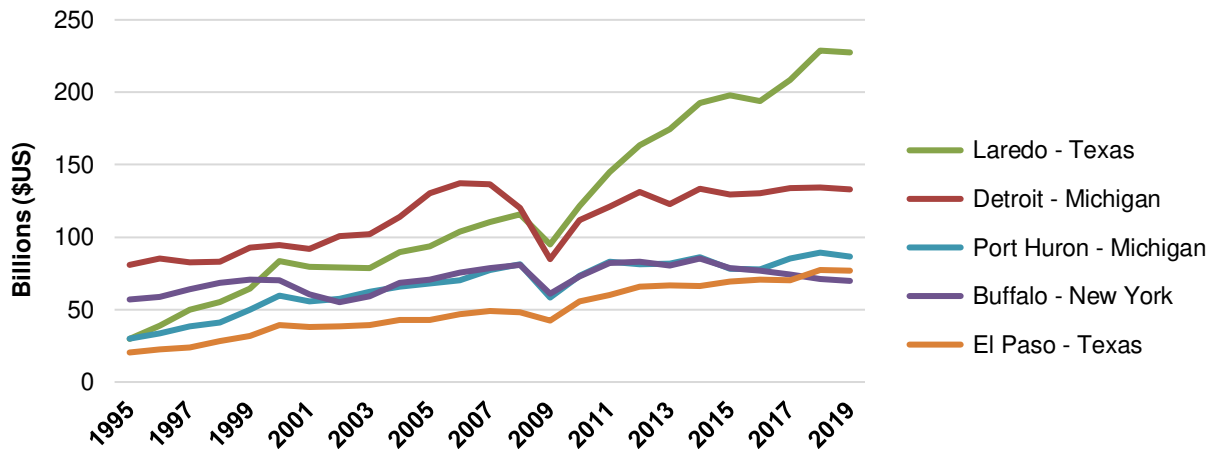
Figure 21

Annual International Bridge Crossings in Southeast Michigan, 1995-2019

Source: Bridge and Tunnel Operations Association

Southeast Michigan's connections with Canada are the second- and third-most valuable North American trade ports. Together, they are responsible for conveying over \$200 billion in value every year. The dramatic rise in significance of the port at Laredo, Texas is related to the rise of automobile manufacturing supply chains in Mexico that have significant connections to Southeast Michigan industry. Trade values in 2020, compared with 2019, are estimated to be down at the Detroit and Port Huron ports 15 percent and 20 percent respectively.

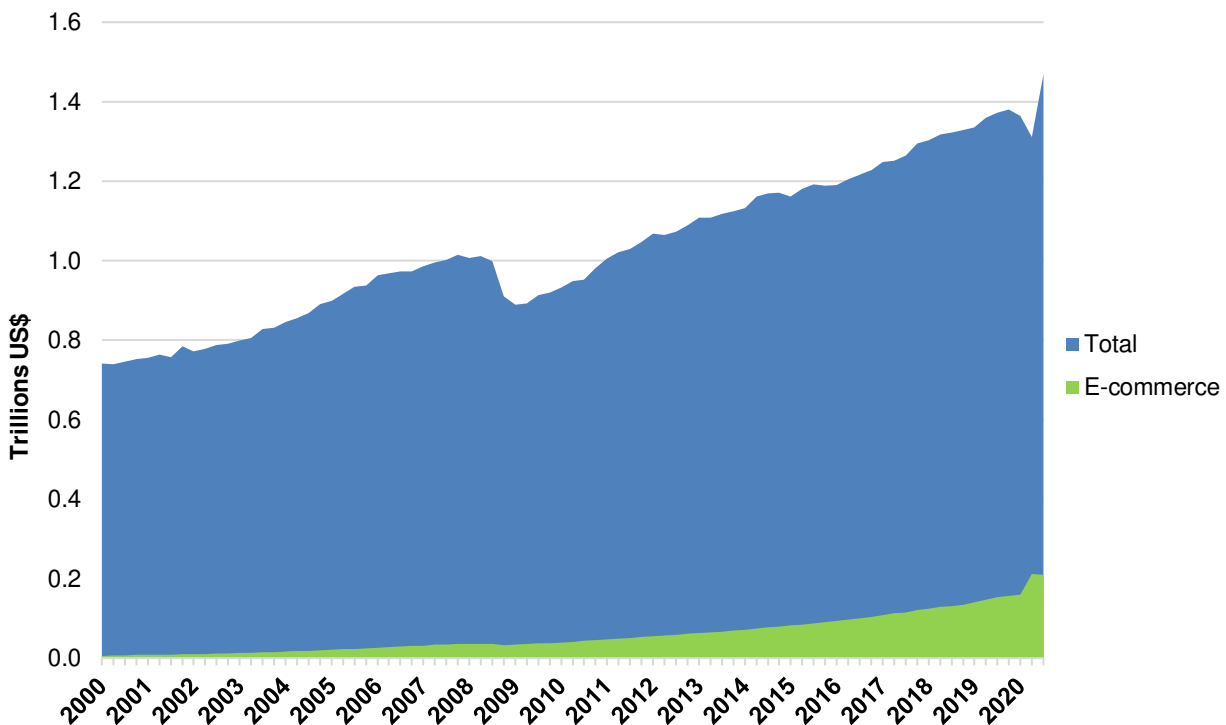
Figure 22

Annual Value of Trade at Top Land Ports of Entry, 1995-2019

Source: Bureau of Transportation Statistics

As Southeast Michigan's economy transitions and new technologies change how goods are shipped and delivered, the freight transportation system must also adapt to serve this new economic make-up, retain efficient access to national and world markets, reduce impacts on the environment, and minimize the cost of goods. Nationally, e-commerce for retail sales has risen around 1 percent as a share of total retail sales every year in the U.S. throughout the 2010s. In 2020, e-commerce rose 6 percent as a share of total retail sales (Figure 23).

Figure 23
Value of Retail Sales, 2000-2020



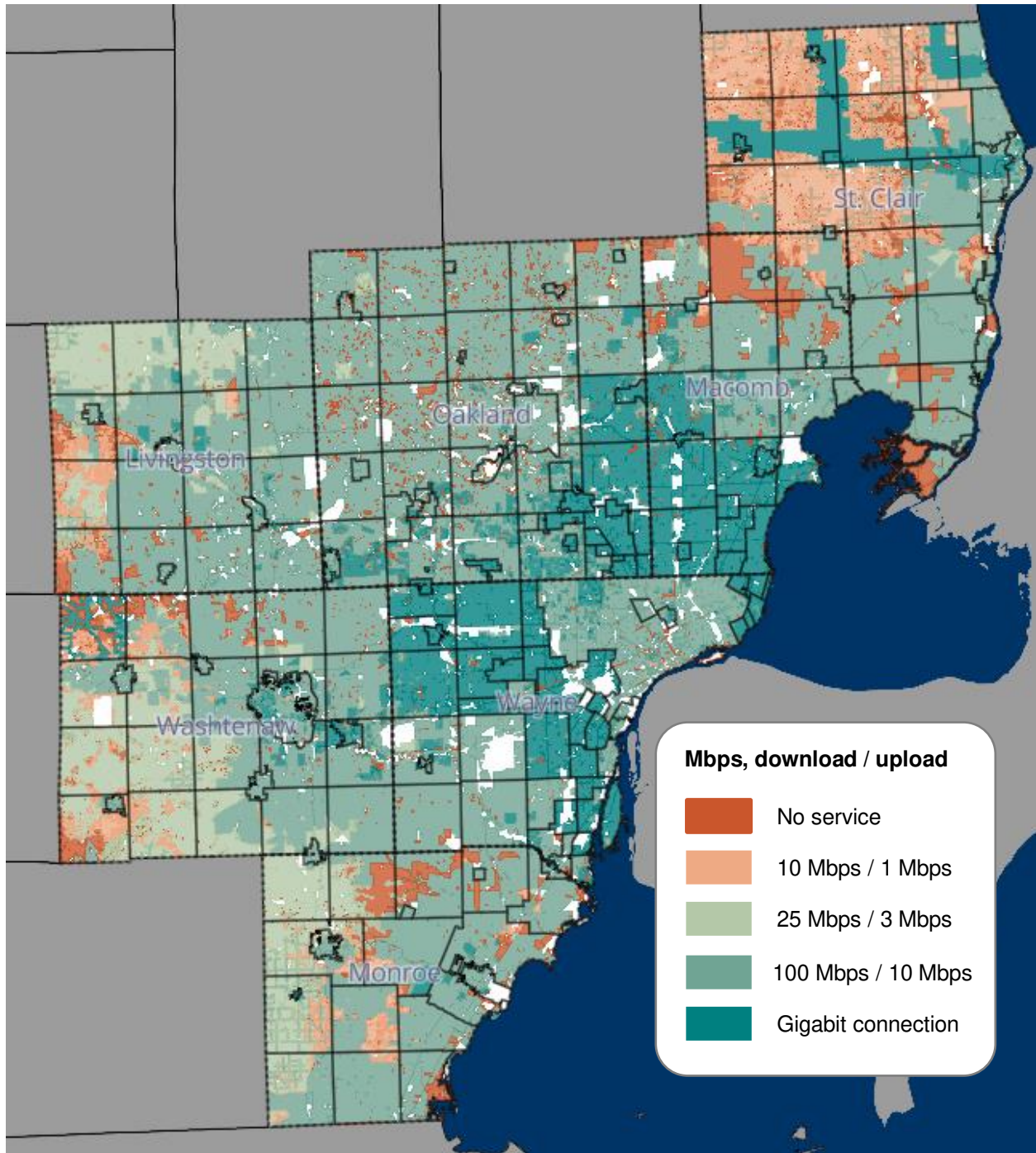
Source: U.S. Census

The COVID-19 pandemic has demonstrated and significantly accelerated the region's critical need for available and affordable broadband access to support education, business, and quality of place. Broadband infrastructure is critical for every element of our lives. It is an essential tool for remote learning, work from home, economic development, community services, creating quality places and attracting talent, and access to essential services.

The Federal Communications Commission (FCC) defines broadband as high-speed internet delivered at speeds of 25 megabits per second (mbps) download and three mbps upload. Figure 24 shows that the majority of households in Southeast Michigan have broadband speeds available greater than 25/3 mbps. However, more than 20,000 households have no service available, or speeds less than 25/3 mbps. Additional layers are available through SEMCOG's interactive Broadband Availability and Usage map, including number of broadband providers, households not using broadband, and households with no computer (see Appendix A for link).

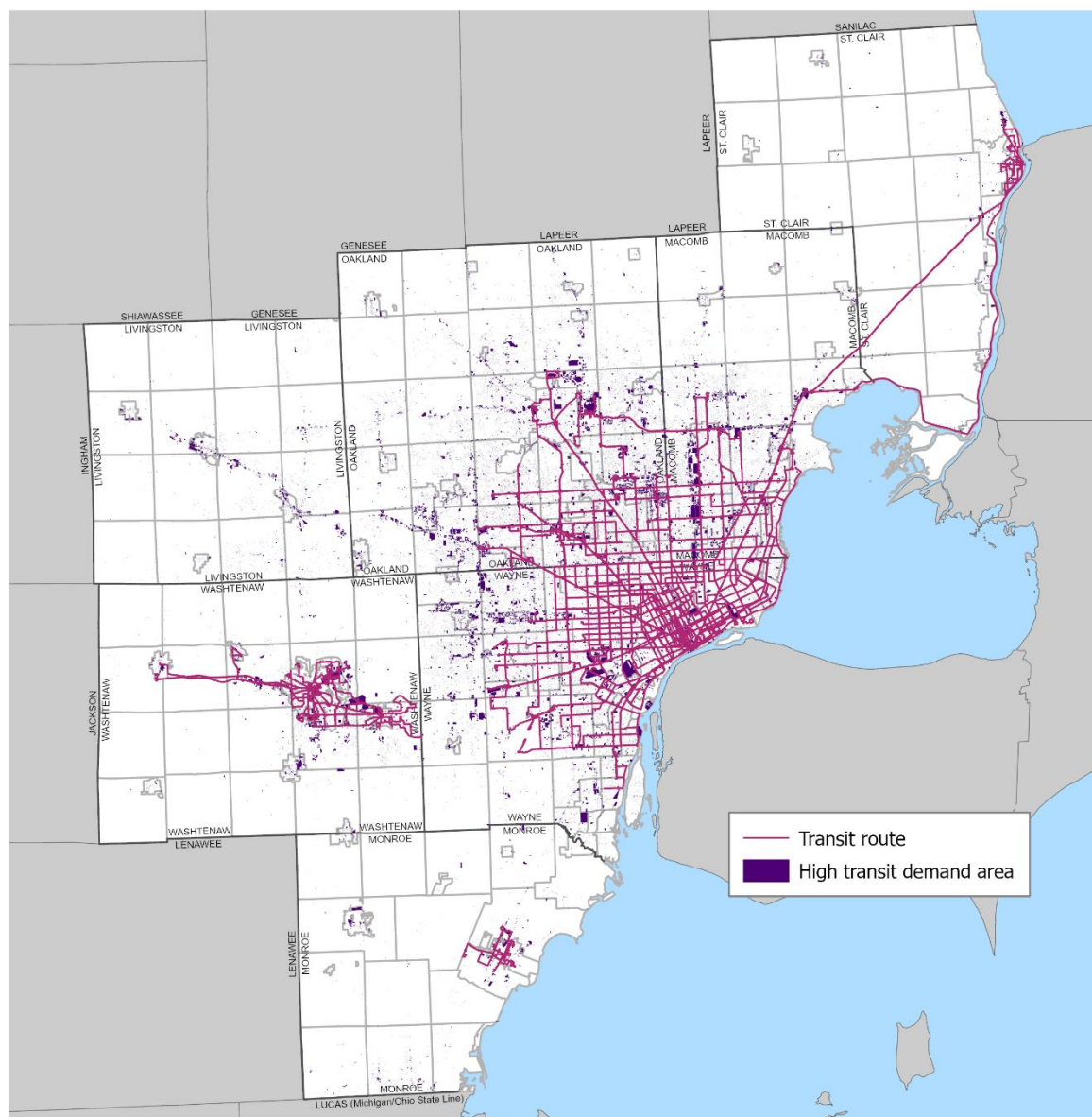
While 25/3 has been considered acceptable for many households, interrupted service experienced during the pandemic has resulted in the need for more speed to accommodate increased broadband use for remote education and work. For example, 420,000 households are without a desktop or laptop, and an estimated 18,000 households only use a smart device in accessing the internet. In addition, new technologies often require higher speeds to be effective, which calls for the definition of broadband to be increased in the future.

Figure 24

Residential Broadband Speed

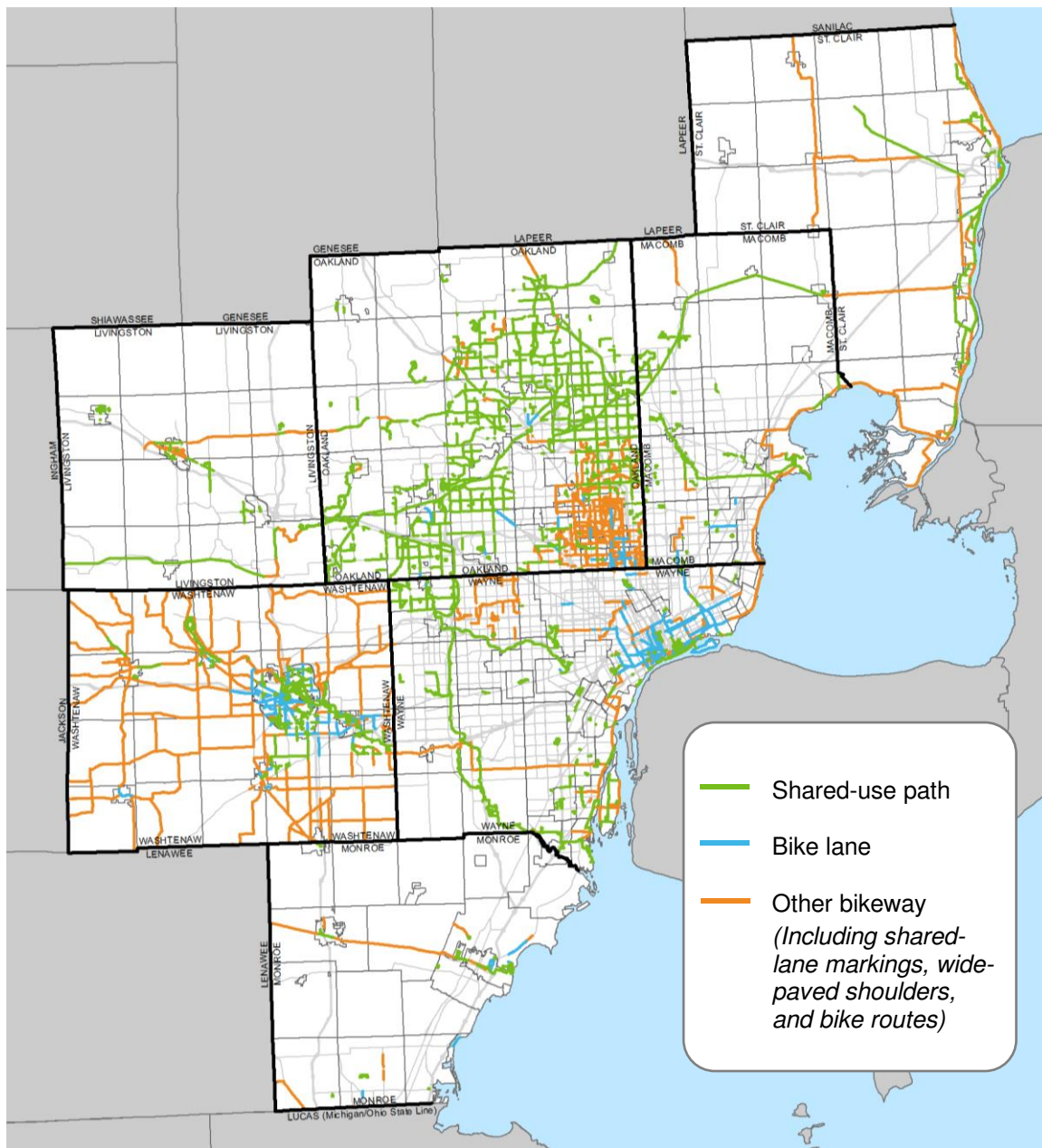
A properly designed and implemented transit system will improve the region's overall transportation system and our ability to compete with other regions for business, industry, and talent attraction. According to a 2020 study by the American Public Transportation Association, for every \$1 invested in public transit, \$5 in economic returns is generated. Additionally, it is important that affordable public transportation is provided to people who do not have access to a personal automobile. Figure 25 shows Southeast Michigan's fixed-route transit system, which includes TheRide (AAATA), Blue Water Area Transit (BWAT), Detroit Department of Transportation (DDOT), M-1 Rail (QLine), the People Mover (DTC), Lake Erie Transit (LET), Suburban Mobility Authority for Regional Transportation (SMART) and the University of Michigan Parking and Transportation Services (UMI). This map also shows areas with high transit demand in terms of population and employment that supports transit service.

Figure 25
Existing Fixed-Route Transit and High Demand Areas



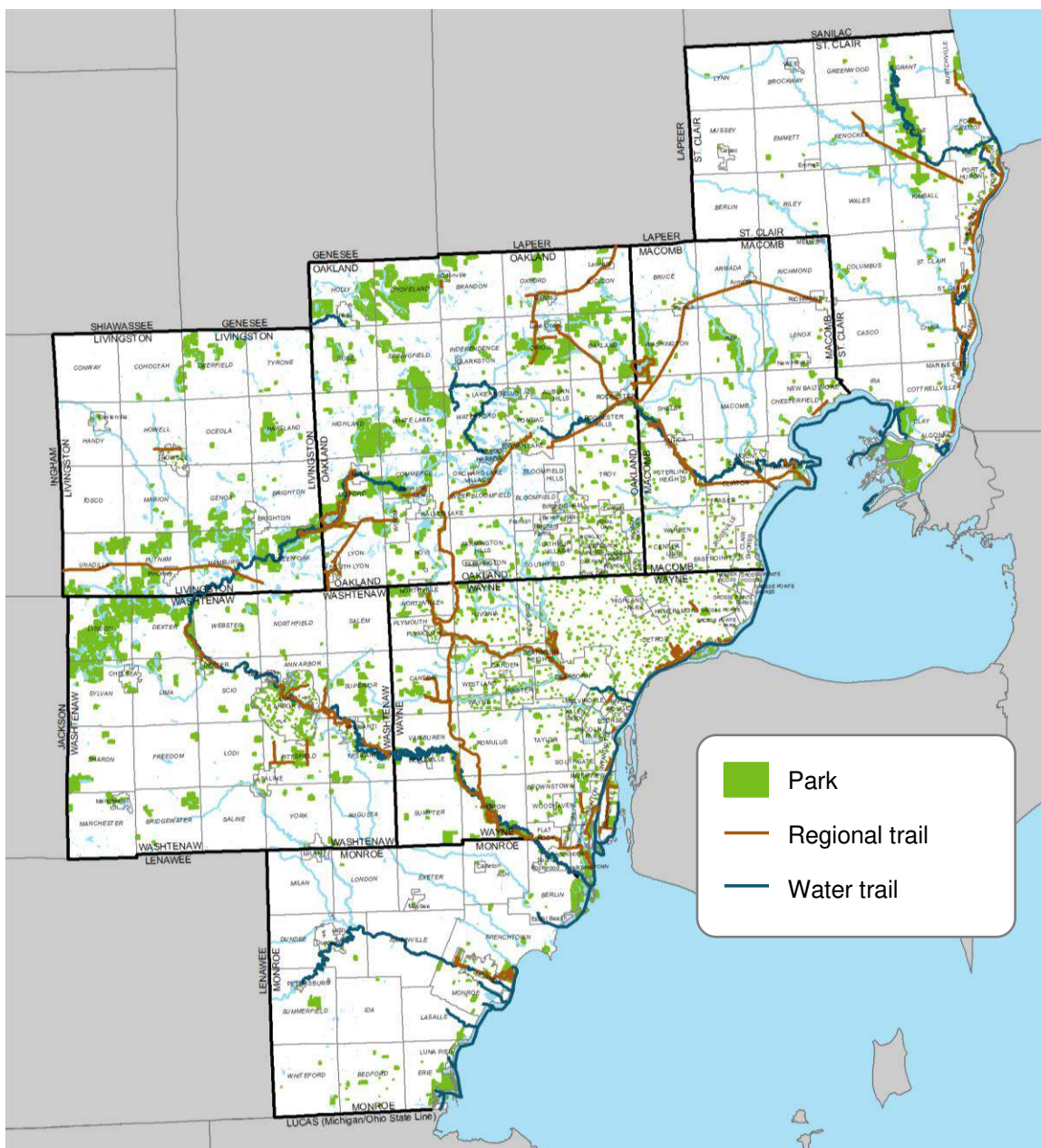
Providing bicycle and pedestrian mobility options is key to our region's transportation system. Almost every trip, including those made by automobile and transit, likely begins or ends with walking or biking. Additionally, a connected nonmotorized system improves quality of life in the region by increasing mobility, health, and recreation options for people of all ages and abilities. It also helps spur placemaking efforts that support both local and regional economic vitality. Figure 26 shows Southeast Michigan's more than 3,500-mile network of bicycle infrastructure and regional trails, which is supplemented with more than 24,000 miles of sidewalks.

Figure 26
Bicycle Infrastructure Network



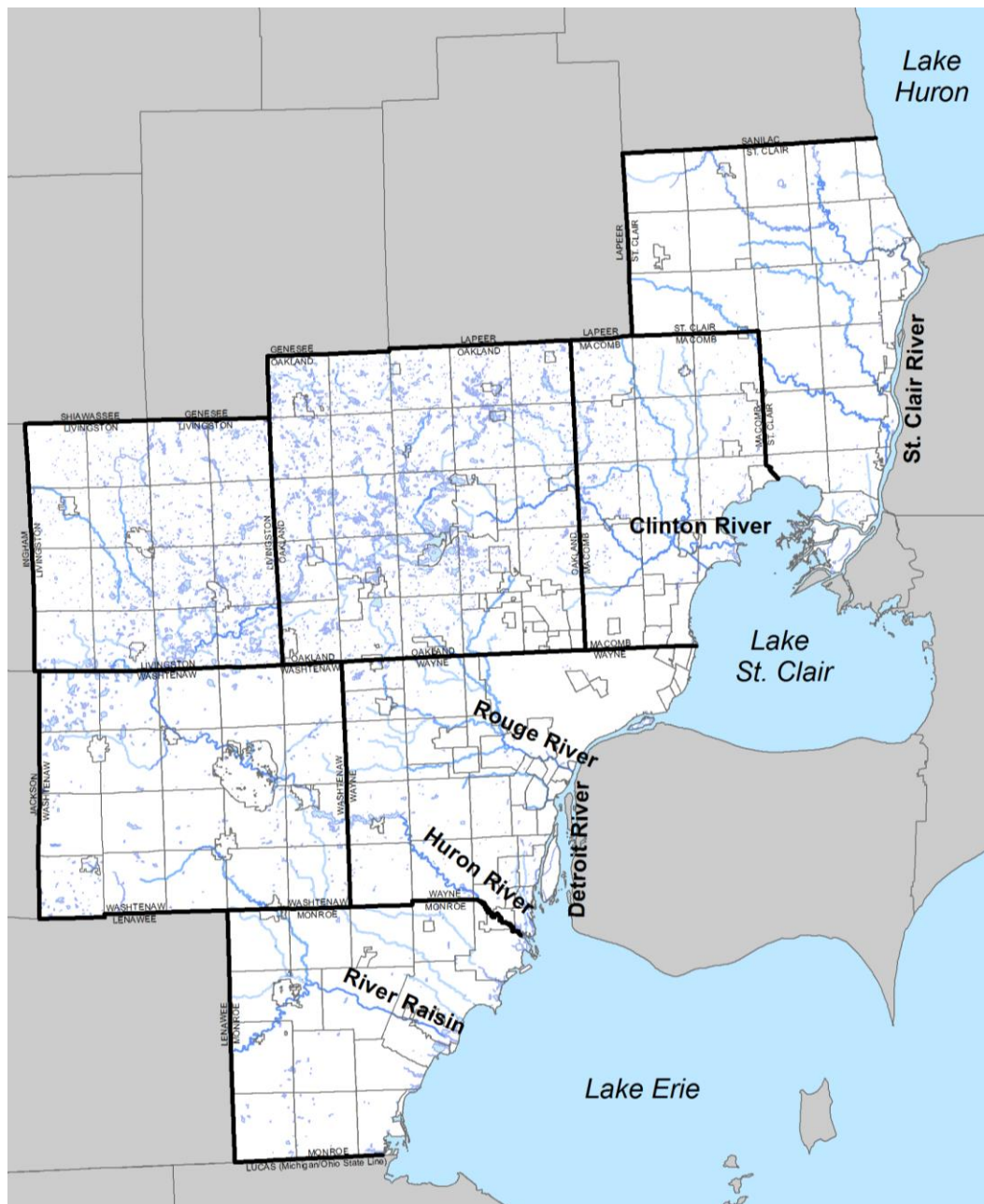
The region's parks, trails, waterfronts, and protected lands highlight unique natural landscapes and provide year-round opportunities to be active and enjoy outdoor recreation. Southeast Michigan has more than 200,000 acres of parkland, which is owned and operated by local communities and counties, the Huron-Clinton Metropolitan Authority, State of Michigan, federal agencies, and private entities. They are connected by a network of regional trails and waterways, providing hundreds of miles of opportunities for hiking, biking, boating, and paddling. Figure 27 maps the region's parks and recreation resources. As a regional recreation system, parks and trails can be a source of significant economic benefits. They increase property values, tourism opportunities, and municipal revenues, and they help attract and retain residents in Southeast Michigan.

Figure 27
Outdoor Recreation System



Water resources are necessary for drinking and bathing, recreation and tourism, and to support the region's diverse economy in areas such as agriculture, mining, manufacturing, and electric utilities. Southeast Michigan has an abundance of water resources. Our region is located on the Lake Huron and Lake Erie Corridor, which is the connection between the upper, colder Great Lakes – Superior, Michigan, and Huron, and the lower, warmer Great Lakes – Erie and Ontario. There are almost 100,000 acres of water in the region, including nearly 500 miles of designated and navigable water trails. Figure 28 shows the region's major water assets.

Figure 28
Southeast Michigan Water Features



Additional Economic Trends and Data Resources

SEMCOG's website provides two timely and interactive data resources on Southeast Michigan economic trends: 1) Economic Indicators; and 2) High-Frequency Socio-Economic Dashboard. Both tools feature interactive charts that allow users to explore how key economic variables change over time. The Economic Indicators show the yearly change for measures like employment, labor force, per capita income, and housing units, among others. This data is available at the regional and county levels. The High-Frequency Socio-Economic Dashboard has similar measures that focus on the business climate, labor market, and quality of place; however, they are updated more frequently – quarterly, monthly, or weekly. Planners and policymakers should think of the Economic Indicators as a long term planning tool, whereas the High-Frequency Socio-Economic Dashboard is more for short-to-medium term planning (Appendix A provides links for both interactive maps).

One example from Economic Indicators is the Total Wage & Salary Jobs and Annual Change chart (Figure 29). Downloaded directly from the Bureau of Labor Statistics, the data helps show the increase in the number of jobs is an indicator of growth in both existing and new businesses. More jobs provide greater opportunities for employment, which is the general basis for the foundation of the region's economy.

Figure 29

Total Wage & Salary Jobs and Annual Change, 2000-2019

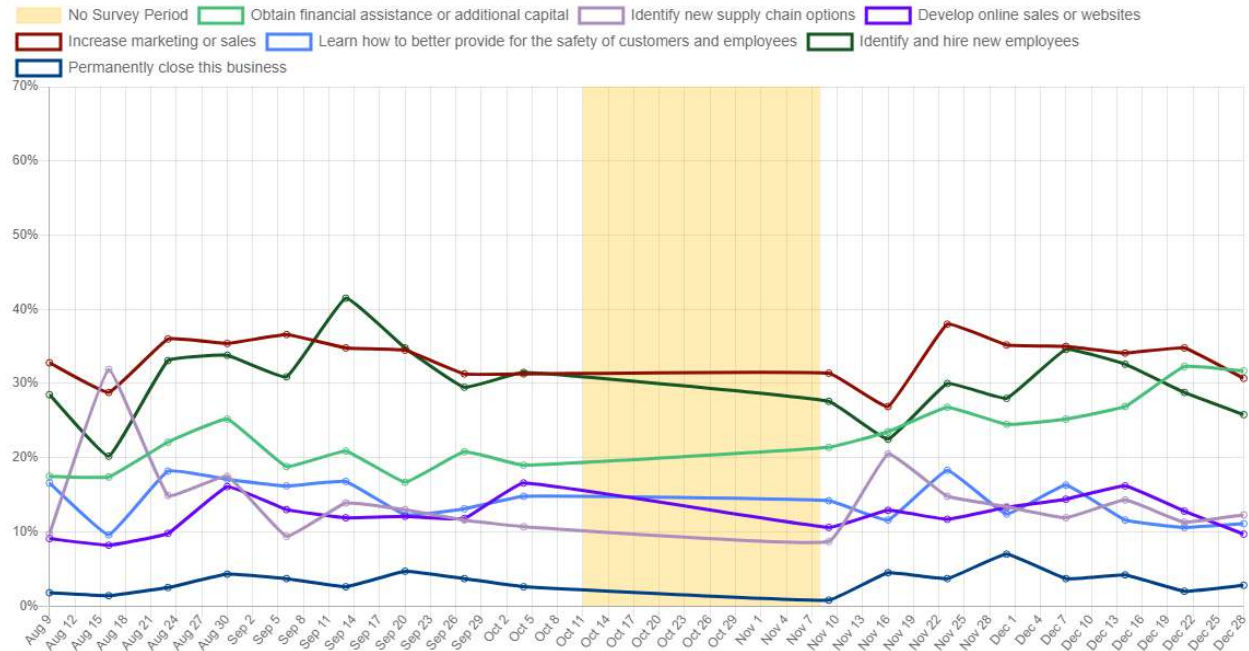


Source: BLS State and County Employment (Quarterly Census of Employment and Wages)

As the economic crisis brought on by COVID-19 has demonstrated, there is a need for more recent and current data than annualized estimates. SEMCOG developed a High-Frequency Socio-Economic Dashboard to monitor these changes and disseminate the trends through our website. One example from this new tool is a chart showing the future needs of small businesses in the Detroit Metropolitan Statistical Area (MSA). This data is queried from the Census Bureau's experimental Small Business Pulse Survey and identifies what resources are needed by our small businesses over the next six months. Figure 30 shows this data from August 2020 through December 2020.

Figure 30

Small Business Future Needs - 2020 Survey in Detroit MSA

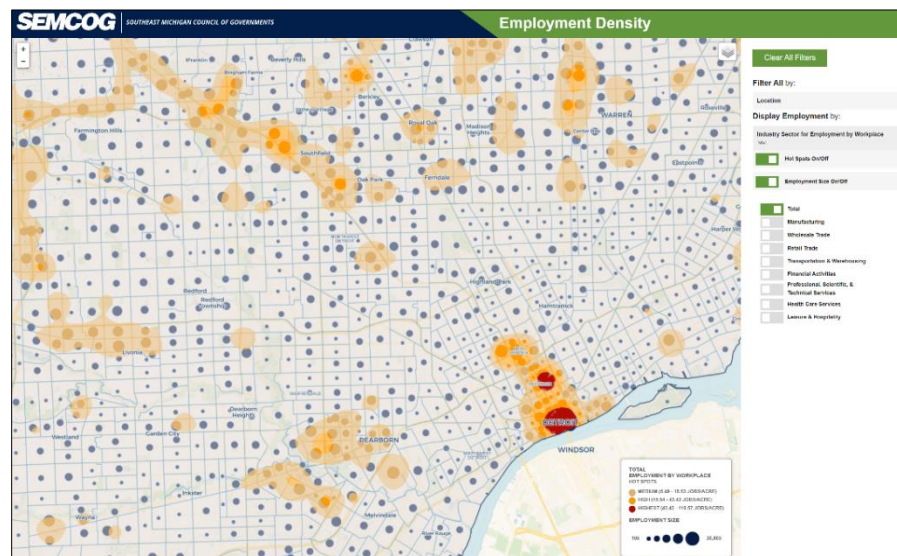


Source: Census Small Business Pulse Survey

Understanding where jobs are concentrated in the region is important to economic developers and to regional and local planning efforts. Figure 31 displays a static image of SEMCOG's interactive Employment Density map that shows concentrations by industry sector (see Appendix A for link). With the labor shortages in some industries, this map generated interest in trying to understand how to connect workers to these jobs. Updates to this map to include these connections will be conducted in 2021.

Figure 31

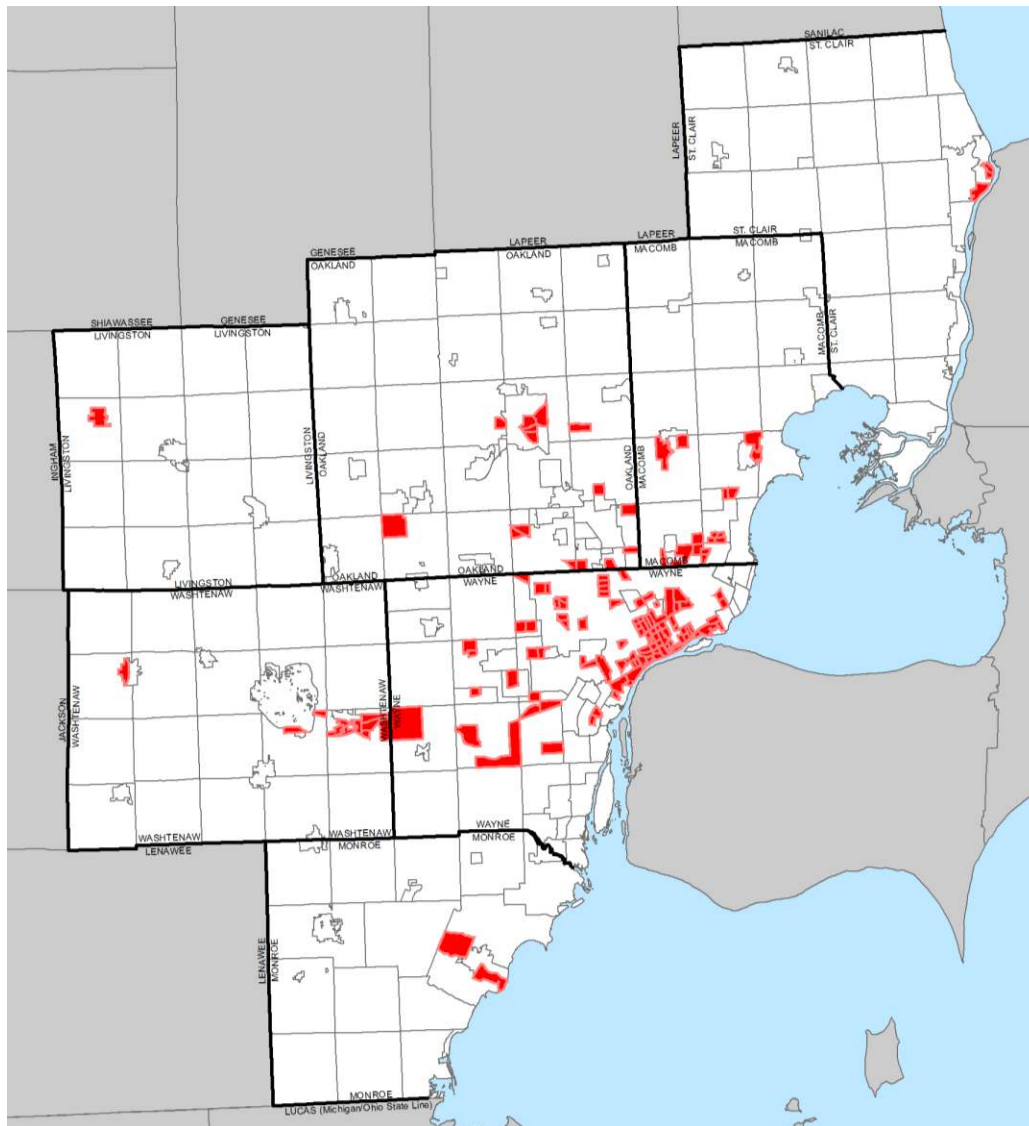
Employment Density Online Map



Federal Opportunity Zones

An Opportunity Zone is an economic development tool that allows people to invest in distressed areas in the United States. Its purpose is to spur economic growth and job creation in low-income communities while providing tax benefits to investors. Opportunity Zones were created under the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97). Thousands of low-income communities in all 50 states, the District of Columbia, and five U.S. territories are designated as Qualified Opportunity Zones. Taxpayers can invest in these zones through Qualified Opportunity Funds. There are 288 Opportunity Zones in Michigan, 143 are located in Southeast Michigan. Each of the seven counties have census tracts designated as Opportunity Zones. Figure 32 shows where these are located. More information on Opportunity Zone definitions is available on the Internal Revenue Service and Economic Development Administration web sites. The Michigan Opportunity Zones web site provides information on key resources.

Figure 32
Opportunity Zones



Economic Resilience

Increasing Shared Prosperity advances a broad range of strategies across the three pillars of Place, Business, and Talent to grow and expand Southeast Michigan's economy in a manner that responds to the region's structural changes and need for shared prosperity. There are also policies and actions to enhance the region's critical infrastructure, including our transportation network, which provides vital connections to the global economy. At the same time, creating a strong system of lifelong learning can ensure both long-term stability of the workforce as well as the ability to respond quickly to natural or economic disasters. Finally, economic resilience is advanced through having an effective system to retrain workers who are displaced by regional or industry specific downturns for in-demand occupations.

Critical Infrastructure and Natural Disasters

As severe flooding events persist and changing rainfall patterns worsen going forward, SEMCOG is working to understand vulnerabilities in the transportation and infrastructure networks and determine best practices to address these challenges. Products of a recently completed Climate Resiliency study will support transportation planning and stormwater management activities.

Southeast Michigan Current and Future Precipitation

The *Southeast Michigan Current and Future Precipitation* report (see Appendix A for link) summarizes current average precipitation frequency estimates for each county and the region. It also contains results of a climate analysis that projects rainfall estimates for mid-century and end-of century. Results of these analyses suggest that the intensity of storms of a given duration and frequency is likely to continue to increase in the future.

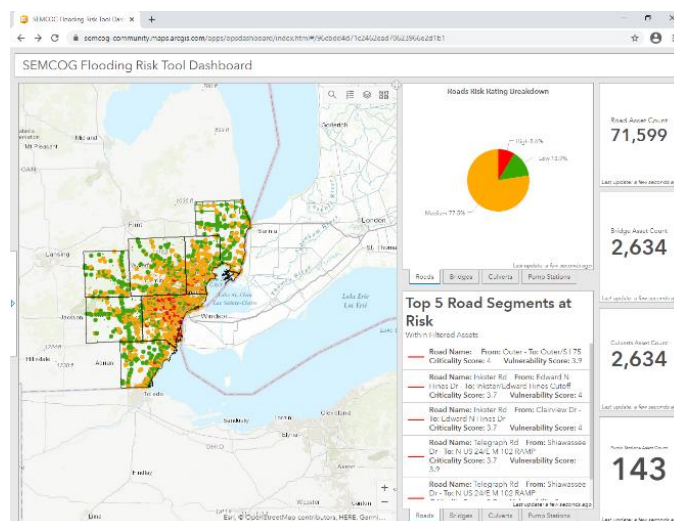
Flooding Mitigation

SEMCOG and the Michigan Department of Transportation (MDOT) partnered to complete the Climate Resiliency and Flooding Mitigation Study (see Appendix A for link) to assess flooding risk for roads, bridges, culverts, and pump stations in the region. This information will be used to strategically guide planning and investment decisions in the continued safe and efficient operation of a resilient transportation network.

This report outlines the methodology and results of the risk assessment and proposes a series of integration strategies to incorporate the flooding risk information into decision-making processes. SEMCOG's Flooding Risk Tool Dashboard provides support to this initiative (Figure 33).

Figure 33

SEMCOG's Flooding Risk Tool Dashboard



Health and Equity

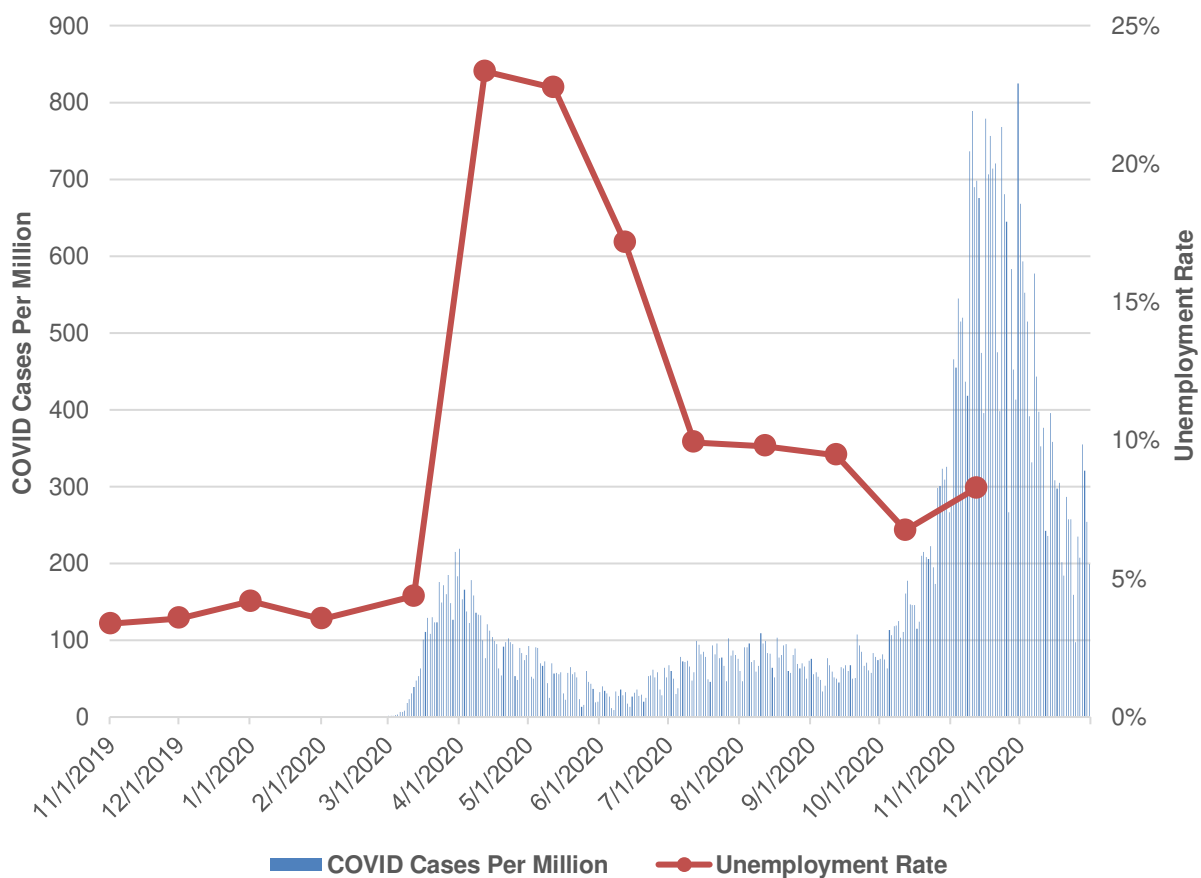
The COVID-19 crisis and social justice demonstrations of 2020 underscore the importance of health and equity to our region's economic prosperity. Both need to be addressed so all residents can realize prosperity from future economic growth.

Health and the Economy

The COVID-19 pandemic has made clear that our region's public health and economy are linked. As Figure 34 shows, the initial virus outbreak in March 2020 resulted in Michigan enacting stay-at-home measures to stop the spread. The closure of thousands of businesses resulted in the unemployment rate jumping from 4.4 percent in March to 23.3 percent in April. As the initial wave subsided and the economy slowly reopened, the unemployment rate fell to 6.7 percent in October. However, a second wave of the virus resulted in a new round of business restrictions leading to the unemployment rate rising to 8.3 percent in November. Containment of the virus and broad distribution of a vaccine are vital for economic growth to return.

Figure 34

COVID-19 Cases per Million and Unemployment Rate



Source: SEMCOG analysis of data from MI Start Info Map and Bureau of Labor Statistics

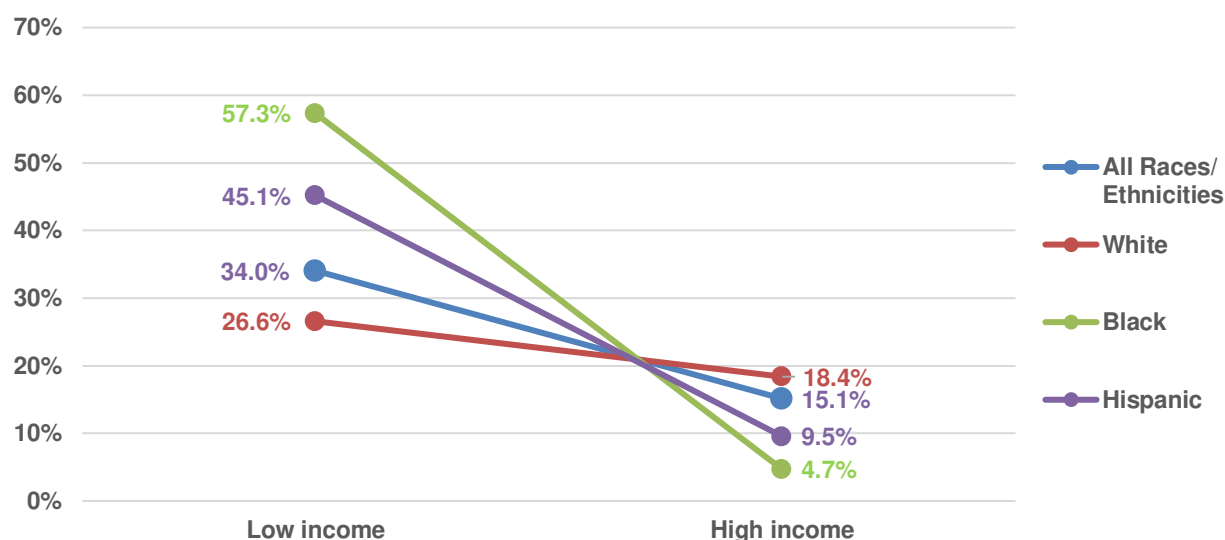
Equity and the Economy

The economic shutdown and social justice protests of 2020 magnified the racial and economic inequality across the nation and within our region. This inequality is evident in SEMCOG and the University of Michigan's study, *Evaluating Shared Prosperity in Southeast Michigan*, (see Appendix A for link), which looked at whether the most recent economic expansion (pre-pandemic) was realized by all residents.

As Figure 35 shows, the region's Black and Hispanic populations have a greater share of people in low-income households (defined as making less than \$53,841 per year) and a smaller share of people living in high-income households (defined as making more than \$161,521 per year) than the regional average and their White counterparts. More than half of the region's Black population (57%) and almost half of the region's Hispanic population (45%) are in low-income households. This study emphasizes that when there are downturns in the economy, there is a significantly greater disproportional and negative impact among low-skills, low-wage workers, and that these workers are disproportionately people of color. Additionally, these same impacted populations are less likely to experience gains when there is an economic recovery, and those who do are likely to have a more limited recovery. This data also shows that nearly three-fourths (73 percent) of Black children under age 18 live in low-income households, which exceeds the national average of 65 percent. Detroit has the third-highest share of low-income Black residents (66 percent) nationwide, behind only Minneapolis and Miami. Only 3 percent of the city's Black population lived in high-income households. As today's economy requires highly-skilled workers with more education, this disparity of opportunities and other factors such as job training, are likely to persist with future recoveries without policies and supports available to assist with prosperity reaching all households, especially those of color and lower-income.

Figure 35

Disparities Between Low- and High-Income Populations by Race/Ethnicity, 2018



Source: American Community Survey 1-year, 2018

Workforce Resilience

Workforce resilience is about ensuring the region has a nimble workforce with the skills needed to support and grow the economy. This depends on having a talent development system that can identify and help develop soft and technical skills to meet employer needs and individual success; provide upskilling as needed to respond to technological advances and business trends; and ensure that the workforce has the necessary supports and wraparound services needed for career advancement, work/life balance, and retraining into different careers at times of economic crisis.

An effective talent development system provides the infrastructure for lifelong learning; builds support for multiple career pathways; promotes collaboration between employers, education and workforce development; and increases labor force participation by expanding the number of qualified workers and engaging nontraditional workers. Lifelong learning is a particularly effective strategy for workforce

resilience. Career pathways provide education, structure and guidance to students and job seekers to prepare for career advancement in growing occupations.

State and county governments can support regional workforce resiliency by engaging employers in the largest industry clusters. A cluster-based approach ensures partners are more quickly able to respond to market weaknesses or industry-wide disruptions because they are aware of business trends, challenges, and opportunities before they occur. Workforce development agencies can provide rapid response services to employees who may lose their jobs. These include support for applying for unemployment assistance, help with resumes or preparing for interviews, or training in new fields.

As Southeast Michigan continues to age and more workers retire, the region is in danger of facing labor shortages. This makes the need to expand and grow the workforce even more critical, especially in key industries like manufacturing, utilities and construction - traditional skilled trades. Many young people have had a negative perception of these careers, in part because our education system has focused on college rather than careers. Increasing awareness of the benefits and opportunities of these careers, as well as apprenticeships, which allow individuals to “earn as you learn,” has resulted in higher interest in skilled trades. In addition, labor organizations have partnered on pre-apprenticeship programs that enable adults who meet basic skills/education criteria to take a short program to prepare for a multi-year apprenticeship. This provides individuals – including non-traditional populations such as returning citizens, veterans, immigrants, and those with limited education attainment – with cost-free training that can lead to a solid career for those who complete and pass the program.



Chapter 3: SWOT Analysis – Southeast Michigan’s Strengths, Weaknesses, Opportunities, and Threats

Through task force input, public engagement, stakeholder guidance, and research and analysis, several elements that influence the region’s economy have been identified. SWOT refers to four considerations: strengths, weaknesses, opportunities, and threats - all of which impact the region’s economic resilience. The first two columns in the table below represent internal factors (i.e., our region’s relative competitive advantages and disadvantages), and the last two columns are generally characterized by external influences (i.e., chances for regional improvement or progress and changes for negative impacts on the region). The following SWOT table succinctly demonstrates where Southeast Michigan is now, where there needs to be improvement, areas of concern within the global environment, and possible areas to advance shared prosperity. These items are analyzed and addressed further in Chapters 4 and 5.

S STRENGTHS	W WEAKNESSES
• Skilled Workforce The region has a workforce with different levels of education, skills, abilities, and experience, which can fill a broad range of jobs in key industries that contribute to a robust economy. • Fresh Water Access Great Lakes and inland waterways provide access to fresh water for drinking, recreation, placemaking, and use in industry. • Automotive Mobility The automotive industry is the region’s main economic driver; it is currently advancing with mobility and electrification initiatives. It leads in engineering, employee productivity, and manufacturing know-how. • Regional Clusters Automotive, Plastics, Financial Services, Metalworking Technology, and Local Health Services are the region’s largest industry clusters. • Transportation Network A broad network of roads, rail, bridges, airports, pipelines, ports serves both the region and pass-through commercial and passenger traffic. • North American Trade Industries with strategic access to markets throughout the North American economy, including close proximity to Canada, our nation’s largest trading partner. • Parks, Trails, and Natural Areas Four-season recreation with water and land access to parks, trails, and other natural amenities.	• Transit The region’s transit network needs improvements to provide greater access to jobs, health resources, recreation, and first- and last-mile connections. • Broadband Infrastructure Approximately 16,000 households are not served by broadband infrastructure, and approximately 280,000 households currently do not have internet service. • Digital Divide Lack of access to digital devices and affordable broadband is most prominent among economically disadvantaged households in urban areas, households with seniors, and rural households. • Cost of Business Survey results indicate that this area appears to have a mix of forces with some business costs considered favorable (e.g., business tax ranking), and others considered high. • Condition of Roads Pulse of the Region survey results rank Southeast Michigan road conditions as the region’s biggest economic development hindrance. • Labor Force Participation The region’s Labor Force Participation Rate is low compared to Midwest and national peers. • Skills Gap There is a deficiency between the skills held by the workforce and those needed by employers; this is exacerbated by mass retirements and a lack of career pathways for in-demand occupations.



O

OPPORTUNITIES

- **Technology and Innovation**

Technological advancements are transforming production, the nature of work, and the workplace. Innovation often relates to increased use of technology. These bring opportunities for new business and create a workforce to help advance these businesses.

- **Entrepreneurial Ecosystem**

A startup-friendly environment supports entrepreneurial activity, creating new businesses and transforming existing industries. This environment is supported by economic, cultural, social, and political elements.

- **Mobility Industry**

This burgeoning industry includes many elements, such as technology, vehicle electrification, app development, and services to the public, including senior and vulnerable populations.

- **Regional clusters**

Communities in the region consider Defense, Robotics, Information Technology, and Cybersecurity amongst the promising areas of opportunity for new investment and job growth.

- **Career Pathways**

Career pathways provide awareness, structure, and guidance to students and job seekers to prepare for career advancement in growing occupations.

- **Transitioning Vulnerable Workers**

Talent demand in manufacturing, construction, healthcare, and Information Technology has opened up opportunities for workers displaced from vulnerable industries.

T

THREATS

- **Health Crises**

The COVID-19 pandemic underscores the importance of health on our nation and region's economic resilience.

- **Racial Inequities**

Recent events have magnified long-term issues across the nation related to diversity, equity, and inclusion. These issues have profound impacts on our region's people, access to equitable opportunities, and our shared prosperity.

- **Aging infrastructure**

The nation and region are characterized by aging roads, bridges, and underground infrastructure, which are in crisis due to underinvestment and failure to keep pace with modern demands.

- **Aging Workforce**

Baby boomers are retiring or nearing retirement in great masses, leading to great reductions in workforce size, skill sets, and institutional knowledge.

- **Vulnerable Industries**

Industries most acutely impacted by the COVID-19 pandemic, especially food and beverage services, hospitality, indoor recreation, and entertainment.

- **Vulnerable Workers**

Many have been frontline workers during the COVID-19 pandemic. Vulnerable workers earn low wages, and do not receive employment health care benefits.

Chapter 4: Regional Strategies, Policies and Actions

Increasing Shared Prosperity for a Resilient Economy builds on Southeast Michigan's previous economic development strategies, *Partnering for Prosperity* (2016) and *Increasing Jobs and Prosperity* (2010). It focuses on six main interrelated strategies as well as supporting policies and actions for recovery and resiliency. They enable the region to adapt to the impact of COVID-19 and build systems that support future economic growth. The ongoing pandemic has exposed and exacerbated underlying challenges that need to be addressed before the region can truly build a resilient economy. Resiliency is defined as the ability to rebound from natural, environmental, or economic challenges and build the foundations for a stronger, more inclusive economy. A resilient economy promotes shared prosperity and diversity; equal access to essential services such as education, healthcare, recreation, broadband and economic opportunities; and creating a region and population that can more rapidly rebound from major or unforeseen events in the future.

The six broad strategies are:

- Creating and Marketing Quality Places
- Anticipating Demands for Land Use
- Investing in Critical Infrastructure
- Fostering a Competitive Business Climate
- Advancing Technology, Innovation, and Entrepreneurship
- Preparing and Connecting Talent with Jobs



Creating and Marketing Quality Places



Background

People visit quality places to celebrate, to relax, to seek out social and economic exchanges, and to access all the things that define and develop communities. Quality places can be found in the region's diverse neighborhoods, local business districts, and public outdoor spaces. They are intertwined with our broader systems of transportation, infrastructure, and natural resources. When these public spaces and services work together, the quality of life they afford is critical to economic development, creating places where people want to live, and fostering an environment in which businesses want to be located.

Connected and accessible community assets help spur activity and a sense of vibrancy. Safe and convenient mobility options make places more livable by connecting people of all ages, abilities, and backgrounds to school, work, healthcare, shopping, recreation, and other core services. Improvements across multi-modal networks can enhance the quality of a place by planning for factors such as local development context, transportation demand, and demographic needs. From festivals and other special events to daily errands or exercise routines, welcoming and comfortable public spaces create opportunities for social interactions and enhance community engagement.

Quality of place is inherently linked to environmental factors. Elements of the built environment such as housing stock, downtown areas, or public institutions define the look and feel of a place, and contribute to a community's character. Historic and cultural resources serve as landmarks and destinations, while natural resources provide unique attractions for recreation and tourism. In particular, Southeast Michigan's parks, trails, and waterways offer distinct place-defining opportunities that provide community and economic benefits (see Figure 27, Southeast Michigan's Outdoor Recreation System). Protecting and connecting these diverse assets bolsters an authentic regional identity that can be marketed to attract residents, businesses, and visitors.

Promoting Southeast Michigan as a great place to live, work, and visit depends on collaboration across communities and sectors. Prospective businesses, residents, or tourists rarely focus their attention on individual communities. Decisions are made based on what the region has to offer. Being competitive at any scale requires developing a recognizable brand that reflects the needs of target audiences and connects them with regional assets. Ensuring that all communities have quality public spaces that are accessible, connected, dynamic, and diverse contributes to regional economic success.

Current Conditions

While nearly all people have access or exposure to some form of public space, experiences can be dramatically different depending on age, ability, or background. Disparities in health and equity are often aligned with disparities in access to and quality of places. For instance, residents of lower-income areas tend to rely more on public spaces and amenities than others. Because it is a challenge for many communities to balance public space needs with their ability to invest, this increased demand is often met

with fewer resources, leading to worse outcomes for more vulnerable groups. Focusing on more inclusive and representative processes to shape and maintain these spaces as community assets can lead to more equitable outcomes, ensuring that shared public places make all people feel welcome, respected, safe, and accommodated.

The COVID-19 pandemic has also changed the way that people experience places. Through the various phases of controlling the virus, getting outside for fresh air and exercise has been encouraged while other activities have been restricted. With more people staying close to home, many of the region's parks and trails experienced a significant increase in users – in some cases two to three times higher than usual. While this illustrates the crucial role of outdoor recreation in supporting a high quality of life, it also pushes the limits of our existing recreation infrastructure and presents new challenges for supporting public health and safety.

Additionally, with indoor dining and other services closed, businesses have sought creative solutions to maintaining their operations. The result has been a reimagining of the public sphere – repurposing roadways, parking lots, and sidewalks as outdoor restaurants, marketplaces, and curbside pick-up zones. Under typical circumstances, aspects of these activations and adaptations could be considered steps toward creating a more accessible, dynamic, and quality place, allowing communities to evaluate the impacts of temporary approaches for long term implementation.

While the trials of the pandemic remain unpredictable, the capacity of Southeast Michigan communities to adapt and evolve demonstrates the region's resilience. In the future, the impacts of a changing climate, shifting demographics, and emerging technologies all present unpredictable changes for communities with the potential to impact the places people share. They also present opportunities to assess vulnerabilities, prioritize adaptations, and proactively plan for more resilient places.

Policies and Actions

Connect all people to the places they live with infrastructure and services that support a high quality of life.

- Provide livable, inclusive, and welcoming communities with **equitable access** to high quality education, jobs, housing, transportation, and healthy lifestyles.
- Maintain, improve and expand multi-modal **transportation options** to safely and efficiently connect people and places.
- Bolster **community engagement** and services in partnership with existing community systems, such as schools, libraries, and recreational facilities.
- Support **local events** that provide educational, celebratory, and marketplace opportunities for residents, businesses, and civic leaders to gather, interact, and build community.

Support efforts to develop local neighborhoods and business districts as dynamic and diverse places to live, work, and visit.

- Ensure that **housing** options are attractive, affordable, and accessible for all residents, to meet the basic needs of people with varying incomes, ages, and family structures.
- Support and improve **downtowns** and commercial neighborhood districts to encourage economic growth, historic preservation, active transportation, and community partnerships.
- Invest in **placemaking initiatives and development** around anchor institutions and transportation hubs with increased opportunities for infill development, greater densities, adaptive reuse, and built environment improvements.
- Cultivate the unique **identity and character** of local communities by recognizing and celebrating their history, culture, and visions for growth.

Conserve and provide access to natural and cultural resources that support opportunities for recreation, tourism, and local business development.

- Protect and enhance **parks and natural resources**, including **healthy and clean water and air**, with stewardship opportunities and recreation amenities that reflect the communities they serve.
- Integrate local **history, arts, and cultural resources** with the public realm to represent diversity, increase opportunities for innovation, and spur civic engagement.
- Capitalize on the region's **water resources** and the distinct place-based advantages they provide with economic and cultural significance.
- Enhance community readiness for changing precipitation patterns to ensure **resiliency** of infrastructure systems and natural resources.

Market the region at the local, regional, statewide, national, international level to attract potential businesses, visitors, and new residents.

- Leverage the region's dynamic, innovative, and hard-working image as a **recognizable brand** that bolsters economic development across business and tourism sectors.
- Attract **new residents** by communicating positive stories about the region's communities, quality of life assets, and job opportunities.
- Strategically target and recruit **new businesses** and development opportunities that reflect the regional economic landscape with a focus on earned media and face-to-face contacts.
- Enhance services and amenities that support regional **tourism** initiatives, including conferences and trade shows, entertainment and sporting events, and other recreational amenities that create lasting, positive impressions on visitors.

Anticipating Demands for Land Use



Background

Anticipating future demand for land use supports the redevelopment process while responding to changes in the economy. It can also help balance community needs, such as providing a mix of housing options or outdoor recreation opportunities. Regional data can be applied in planning and decision-making to ensure that communities are well-prepared for growth and able to help it occur in a way that is more coordinated, sustainable, and smart.

The process of developing or redeveloping land or buildings can be transformative for a community. It creates opportunities to meet accessibility goals, clean up the environment, and grow businesses. It can also change traffic patterns, infrastructure systems, and the need for public services. Recognizing regional growth patterns and forecasts helps to focus redevelopment plans and projects that align with both local needs and capacity. In addition, understanding changing household needs and emerging technologies can support a more adaptive built environment. For example, if a community is looking to enhance food access but is unable to accommodate a typical grocery store development, new opportunities may exist through warehouse spaces and door-to-door delivery services.

The quality and diversity of residential areas also plays a significant role in economic development, creating places for people to live and markets for businesses to serve. Land use and zoning regulations should provide opportunities for residents of all ages, abilities, and backgrounds with an affordable and desirable mix of housing options, integrated services, and transportation access. Micro-mobility options such as ridesharing, scooters, and bikes in urban areas demand the use of curb space, which communities need to consider in planning.

Current Conditions

The COVID-19 pandemic has accelerated the pace of changes that have been in motion over the past several years. While it is unknown whether all of these changes will remain permanent, communities face many new land use considerations, such as planning for and anticipating office space and design. Health will remain an important factor for the short term, with potential ramifications for the future. Telecommuting had already been a part of many organizations prior to the pandemic. This trend has significantly increased and is likely to remain after the pandemic. The use of office space could also look different if organizations opt to transition from open office space design. Communities might need to consider flexibility in their master planning, zoning, and permitting process to support possible re-using or reimagining of office spaces.

The retail landscape has been in flux over the past several years. Changes have included enclosed malls becoming fewer in number, big box stores closing or seeking new opportunities to respond to customer needs, and pop-up stores providing unique experiences. Additionally, e-commerce sales have influenced the changing face of retail, contributing to the reduction of floor space or closing of many traditional brick-

and-mortar stores. Communities have been working to identify how these spaces can be creatively re-used. Conversely, e-commerce has brought new opportunities and challenges to communities, including the siting of large fulfillment centers, which can range in size from 600,000 - 1 million square feet and create many well-paying jobs with benefits.

Some parts of our region are experiencing a lack of existing industrial buildings or the critical infrastructure – such as adequate power supply or broadband – to meet industry’s needs for their headquarters or operations. Given the region’s industrial legacy, communities need to work with developers to identify opportunities for utilizing the state’s brownfield redevelopment program and other redevelopment tools to put abandoned, obsolete, and contaminated properties back to safe and productive use.

Policies and Actions

Promote development patterns that meet regional needs for services and infrastructure.

- Encourage **access**, within convenient travel times, to a mix of land uses that include housing, jobs, and core services such as schools and healthcare centers.
- Support **data-driven decision-making** with research, analysis, and tools to understand economic changes, needs of business, and land use impacts.
- Support considerations for **context-sensitive development** from urban to rural communities.
- Promote **coordination and partnerships** across community boundaries to ensure that development and services are compatible, accessible, and efficient.
- Conserve and enhance **recreation land and open space** to balance and support other redevelopment opportunities.
- Leverage the geographic advantage that the region’s **waterways** provide and enhance access to them.
- Identify consistent and reliable solutions for obtaining financing for mixed-use and infill developments.

Encourage diverse and desirable housing options for households of all sizes and income levels.

- Apply data analysis and forecasts to proactively accommodate future housing needs.
- Increase the supply and diversity of housing with connection to existing infrastructure and transportation networks.
- Preserve and provide affordable and accessible housing in areas near transit, employment centers, and other core services.
- Encourage and support development of age-friendly communities (i.e., communities that provide residents of all ages with safe, walkable neighborhoods; integrated or nearby services; opportunities for civic engagement; affordable and accessible housing; and transportation options).
- Promote Accessory Dwelling Units and multi-unit housing to be included as default options for residential zones.

Support an adaptive built environment in response to changing household needs, economic conditions, and emerging technologies.

- Promote best practices for responding to **emergency circumstances** in both regulatory and built environments.
- Adapt to **increased demand** for delivering goods and home-work spaces and **reduced demand** for retail and office uses.
- Promote development of **logistics and warehouse facilities** that provide options for evolving supply chain practices.

- Ensure the region is prepared to support **emerging mobility infrastructure and technologies**, including increased capacity for connected and autonomous vehicles, and electric charging stations to meet demands for travel, parking, and curb use.
- Encourage the development of **flexible industrial and manufacturing** facilities to capture future demand.

Build capacity to revitalize brownfields and other underutilized sites.

- Continue to promote, support, and encourage collaboration in **brownfield remediation and redevelopment**.
- Review **zoning ordinances** to facilitate reuse of vacant buildings and lots, where appropriate.
- **Incentivize owners** of blighted properties to clean up or sell for redevelopment.
- Increase number of **ready-to-build** sites (both land and buildings).
- Identify and assist with the most effective **financial tools** to help underwrite redevelopment initiatives.
- Educate and inform residents and landowners of brownfield liability protections that foster redevelopment.
- Support redevelopment and reuse of **former power plant sites**.

Investing in Critical Infrastructure



Background

Infrastructure systems provide the foundation upon which all other economic activity builds. The essential utilities and services are wide-ranging, encompassing energy, transportation, communication, water, waste disposal, education, recreation, and safety. These infrastructure systems are often large, capital-intensive, long-term investments, and they require continuous maintenance and adjustments to meet changing needs. Communities and businesses depend on access, safety, reliable service, resilience, and the long-term sustainability of these systems. By taking care of the basics, businesses can focus on core competencies and innovation while communities can develop places where people thrive and pursue opportunity. This investment and continued maintenance is especially vital for our roadways as 44 percent of the region's roads are in poor condition and in need of rehabilitation or reconstruction.

Southeast Michigan's economy, based on the development, design, and production of motor vehicles, is primarily an export-oriented economy. The challenge of combining thousands of component parts together to make one finished vehicle has resulted in auto-related businesses clustering together. The profitability of this core industry depends on the speed and reliability of the freight transportation network, including highways, rail, airports, and marine ports. With the North American integration of the auto industry, Southeast Michigan's economy is sensitive to the capacity, reliability, and resilience of the Michigan/Canada and Texas/Mexico Ports of Entry.

The region's water infrastructure provides drinking water to millions of people, manages wastewater from homes and businesses, treats and conveys stormwater runoff from rainfall, and connects local and regional economies to world-class water recreational activities. A 2018 Report Card for Michigan's Infrastructure, by the American Society of Civil Engineers, provided grades for each infrastructure system in the state. Overall, the state's infrastructure received a "D+", with Michigan's roads, bridges, drinking water, stormwater, and wastewater receiving a D-, C-, D, D-, and C respectively. Addressing the needs of these infrastructure systems, along with public and private utilities, in a strategic, cost-effective manner will protect public health, the environment, and the region's future economic growth. Additionally, continued underinvestment in our existing public infrastructure will only be exacerbated by expansion and the need to support more types, such as electric and connected vehicle and broadband infrastructure.

Current Conditions

The definition of what is essential changes over time. Our understanding and categorization of what is essential will shape our attention and how we allocate resources. The infrastructure and services we invest in now will support the businesses and communities of the future.

In the context of the COVID-19 pandemic, with new expectations to socially-distance and limited indoor gatherings, reliable access to and affordability of broadband became a basic need for schools and most businesses. E-commerce and delivery services became mainstream while parks, trails, and bicycle

networks near residences all became important outlets for physical and mental health as well as transportation.

Technological change in the form of automation, machine learning, connected devices, and 3D printing are being introduced rapidly across industrial, transportation, commercial, and retail applications. The infrastructure to support these technologies will need to be coordinated and integrated into existing infrastructure. Developing the human capital with the knowledge and skills to deploy, maintain, and operate these systems is a corresponding challenge. There is also the potential of using the vast data streams that are being generated across devices to be put in service of asset management, reliable operations, and closing gaps to access. One example is air mobility corridors, as utilizing drones for commercial delivery is another infrastructure component that is significantly growing. How the region invests in and supports airspace management and the necessary regulations and infrastructure for drone delivery will be important in the coming years.

Infrastructure supply, cost, and quality varies significantly, leaving many people - especially historically marginalized groups - without basic access to transportation, jobs, broadband, education/training, adequate housing, and other services that promote economic opportunity. Gaps in access and opportunity not only limit human welfare, but also erect barriers to the training and skill development needed to prepare the future workforce for developing industries.

As climate change increases the volume, frequency, and severity of rainfall, snowfall and heat spells, all infrastructure systems need to adapt to become more resilient to temperature extremes, reduce flood risk, and preserve water quality. Correspondingly, transitioning to new forms of energy production and transportation fuel will be a significant consideration in reducing the long-term cost of infrastructure adaptation.

Policies and Actions

Improve resilience, access, and sustainability for essential utilities and services (electricity, water, sewer, broadband, telecommunications, parks, schools, solid waste, and emergency response).

- Ensure key **utility data** is collected, maintained, usable, and accessible to communities, partners, and the public.
- Strengthen **coordination and alignment of project planning, programming, and timing** between transportation agencies, public and private utilities, and municipalities.
- Strengthen community readiness and resilience to increased severity and frequency of **flooding events**.
 - Promote and utilize SEMCOG's Flooding Risk Tool to understand vulnerabilities and inform project mitigation decisions for transportation planning
 - Incorporate complete streets and green streets concepts, where appropriate, to create more desirable communities and manage stormwater runoff.
 - Implement use of green infrastructure to meet traditional infrastructure needs and as a mechanism to reuse underused, vacant parcels.
- Support efforts to provide sufficient, affordable, clean, reliable **energy** for businesses and residents.
 - Support initiatives to implement alternative and renewable sources of energy.
 - Explore opportunities for local economic development through distributed generation.
- Accelerate availability and affordability of **broadband** service for all residents and businesses.
 - Ensure local, regional, and state plans are in place to meet broadband access, speed goals, and needs.

- Conduct an analysis of broadband availability and affordability gaps.
- Prepare for and implement local **hazard mitigation plans**, including efficient coordinated response, recovery, and resiliency to emergency and disaster events.
- Form **collaborative partnerships** among local, state, and federal agencies, as well as private businesses to implement cost-effective solutions and leverage diverse investment opportunities.

Invest in public infrastructure and initiatives to optimize performance and increase the health and economic welfare of the region's residents.

- Invest in **water, wastewater, and stormwater** infrastructure by supporting economic development projects that produce jobs in these sectors.
- Emphasize **“shovel-ready” sites** where infrastructure already exists when planning economic development projects.
- Modernize **electrical grid systems** to optimize and incorporate storage capacities and maintain reliability.
- Promote a coordinated **asset management** approach to lengthen the life of infrastructure and realize the best return on investment.
- Ensure sustainable sources of funding and financing mechanisms to support **air quality and water resources** protection and restoration.
- **Educate and collaborate** with local governments, transportation agencies, utility providers, businesses, and residents to improve understanding and awareness of air quality and water resources challenges.

Maintain legacy transportation networks while supporting new technologies, modes, and changing user demand.

- Achieve and maintain a **state of good repair** of transportation assets.
- Sustain the region's **freight infrastructure and ports** to provide more efficient access to customers and suppliers, especially for export-oriented industries.
- Provide and invest in **accessible and equitable multi-modal options** for the movement of people and freight.
 - Adopt and invest in new technologies to advance operations, travel options, and safety; specifically in the areas of connected and automated vehicles, aerial drones, micro-mobility, and electric vehicles.
- Coordinate with and build capacity of **regional transit providers** to adapt service for changing demands and increased access needs.
 - Create awareness on the impact and importance of public transportation investment in the region.
- Build out **pedestrian and bicycle networks** to provide safe, universal access to jobs, local services, education, and recreation.
- Expand and promote **electric vehicle charging** opportunities.
 - Support growth of businesses and communities creating, using, and encouraging electric vehicle technology
 - Identify critical corridors and facility types for electric vehicle charging infrastructure
- Reduce **negative local impacts** of goods movement, such as freight operations near sensitive areas, delays at rail/highway crossings, air quality, noise, and vibration.

Fostering a Competitive Business Climate



Background

Business Climate refers to the region's general economic environment in which businesses operate, and it encompasses a number of factors, including local government support for business; improvement to the cost or ease of conducting business; having a good network of well-maintained infrastructure in place; and a fair and transparent tax environment and regulatory structure.

Southeast Michigan businesses who sell their goods and services to regions outside our own help us to grow the regional economy and create new jobs. The region's economy exports over \$40 billion each year, while providing a critical link in the North American trade corridor, as evidenced by the fact that over 74 percent of our exports go to Canada and Mexico.

The region's core auto manufacturing industry accounts for a large majority of these exports, which underscores the importance of auto manufacturers to the region's economy. Our region's fastest-growing vital business clusters include Business Services (industries like Corporate Headquarters, Engineering Services, Computer Services, and Consulting Services), Automotive Manufacturing, Metalworking Technology, and Plastics, which are all experiencing transformative changes in the products they develop and the processes by which they develop them.

Small businesses play an important role in supporting our region's business climate and helping to create "Place" in our communities. From historic downtown specialty stores to our favorite local restaurants and repair shops, putting dollars into local businesses keeps dollars in the local economy and the region. These businesses are valuable members of our communities, often supporting local little league teams and special events. Past studies have shown that – when shopping dollars are spent locally – more money stays within the community, which helps with the building of parks and libraries as well as funding for public safety. Small businesses are also an important driver to our state's economy. The SBA 2020 Small Business Profile indicates that 99.6 percent of Michigan businesses are small businesses, employing 49 percent of Michigan employees.

During the economic recovery period, following the Great Recession, many individuals did not share in the economic prosperity. Southeast Michigan's business climate will not reach its full potential until minority populations and traditionally underrepresented groups have the resources to make important contributions to the economy. A 2018 W.K. Kellogg Foundation report, "The Business Case for Racial Equity" points out the economic benefit of diversity, equity, and inclusion. Income disparities hurt the Gross Domestic Product and create missed opportunities for growth to the tune of billions of dollars.

Current Conditions

In addition to the tragic loss of human life, the economic impacts of the COVID-19 pandemic have been severe. Small businesses are more vulnerable, as they have fewer resources to draw on than large corporations. Many small business-owners are fighting to keep afloat and protect the jobs of their employees. The State of Michigan and local units of government have provided financial resource opportunities to small businesses. Federal government assistance has helped, most notably through the U.S. Small Business Administration Paycheck Protection Program (PPP); however more funding will likely be needed to help small businesses survive and recover.

Michigan's business tax climate currently ranks 14th nationally; since significant corporate tax reform was passed almost a decade ago, Michigan has consistently ranked in the top 20 states. However, revenue for cities and other governmental units is declining, exacerbated further by the economic impacts of the COVID-19 pandemic. It is important to balance a business-friendly environment that also meets community values and supports vital government services and infrastructure.

As the region moves to recover from these historic challenges related to a pandemic, we will also need to address the acceleration of macroeconomic trends that impact our business climate. These include technology and automation advancement, need for in-demand skill sets, and global supply and distribution chain resiliency. Business, government, education providers, labor, and other stakeholders will need to respond to these changes to help shape a globally competitive environment that is conducive to business growth and job creation.

Policies and Actions

Support the businesses that drive the regional economy and form the fabric of our communities.

- Adjust community master plan and local zoning ordinances to respond to the **changing economy**.
 - Support flexibility to local codes and ordinances – especially for less critical restrictions – in order to help vulnerable businesses respond to impacts of the COVID-19 pandemic.
 - Recognize changes in economy that impact land use patterns.
- Support and provide technical assistance to **small businesses** facing challenges as a result of the pandemic.
 - Provide cash infusions directly to small businesses.
 - Assist with technology and developing a robust online presence.
 - Support local businesses through government procurement.
 - Promote “Buy Local” campaigns.
 - Partner with local chambers of commerce. Provide technical assistance designed for local small business creation and expansion.
- Support business growth by improving the **ease and cost of conducting business** in a manner that meets community values and maintains vital public services and infrastructure.
 - Strive for consistent local regulatory and permitting timelines across communities for siting businesses and other governmental requirements.
 - Increase speed of permit issuance at state and local levels while protecting the environment and community values.
 - Simplify zoning, planning, development, and redevelopment processes to make them more user-friendly, especially for small and new businesses with limited experience.

- Strengthen local government ability to compete with other states and countries in **attracting business investment** by enhancing collaborations with the state, including being a more direct financial participant in financial incentives.

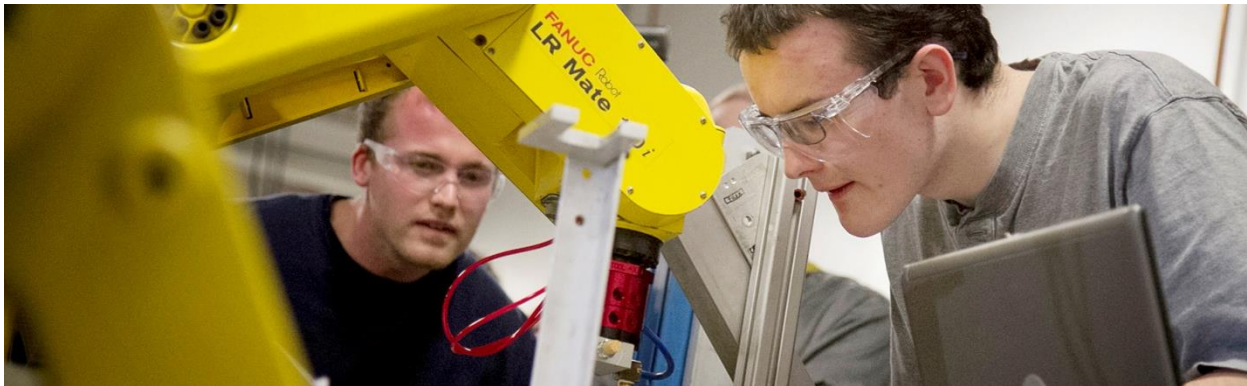
Build the capacity for emerging industry growth clusters to succeed in the region.

- Continue to strengthen **collaboration** among government, businesses, education, labor and other stakeholders to identify opportunities for economic growth.
 - Work together with industry leaders and partners to identify developing global and regional economic trends.
 - Build upon our region's competitive advantages to boost emerging industry clusters.
 - Engage with business leaders to help with recruiting potential businesses in target sectors.
 - Work with research and development assets (e.g., universities) to help drive innovation that supports vital and emerging business clusters.
- Engage in multi-community business site location efforts and develop **collaborative relations among communities** and stakeholders to attract large-scale business investment.
- Establish a clearinghouse of **best practices** for improving the economy and for local governments working with business.
- Support public policy that promotes **vital and emerging clusters**.

Expand global trade and connect businesses with resources dedicated to expanding investment and opportunities.

- Collaborate with public and private sector organizations in **business marketing, retention, and attraction** activities.
 - Market and promote internationally the attractiveness of expanding or locating businesses to a region where there is a concentration of workers, supply-chain networks, research and development facilities, and educational institutions to support new businesses.
 - Highlight strategic international connections that facilitate freight flows, exports, and business travel.
- Work with current foreign investors to provide best practices for securing additional **foreign direct investment** into the region and facilitating two-way trade.
- Leverage the region's **cultural diversity** to attract and retain international enterprises and students to Southeast Michigan.

Advancing Technology, Innovation, and Entrepreneurship



Background

Advancing Technology, Innovation, and Entrepreneurship (TIE) is critical to growing businesses. Technological advancements are transforming production, the nature of work, and the workplace. Innovation is often related to increased use of technology. Entrepreneurship is based on risk taking and innovation that improves processes or develops new products. Fostering TIE requires the support of banks and financial institutions; businesses; federal, state, and local governments; and K-12 and postsecondary education. Collectively, these groups can provide needed capital, marketing expertise, technical assistance with commercialization, infrastructure to develop, testing and marketing of new products, and access to low-cost spaces and equipment. TIE relates to taking advantage of technology, building new businesses, strengthening and transforming existing businesses, and creating a workforce with the skills needed for successful entrepreneurship.

Current Conditions

Entrepreneurs are recognizing and responding to changing demographic and social needs, such as products or services to serve the region's growing senior population, including timed pill dispensers or online exercise programs for people who are unable or unwilling to go to traditional gyms during the pandemic. The ability of automobile manufacturers to pivot to production of ventilators in the early months of the pandemic is an example of innovation. In addition, the rise of Industry 4.0, which uses technology to transform business, is a game changer in the same way that assembly lines transformed production over a century ago. The Michigan Economic Development Corporation (MEDC) defines Industry 4.0 as the convergence of digital and physical technologies including artificial intelligence, 3D printing, robotics, augmented and virtual reality, the Cloud, and cybersecurity.

While technology brings many advantages, 42 percent of Michigan's current labor force could be negatively impacted by automation. A multi-pronged approach is needed to prepare displaced workers for new opportunities – including training in technology through boot camps and exposing students to entrepreneurship while in middle and high school.

Policies and Actions

Foster innovation and entrepreneurship with a startup-friendly environment by enhancing access to informational, financial, cultural, and technology resources.

- Engage government, private sector, education institutions, workforce development, non-profits, industry associations, and the financial community to **strengthen the environment for startups and small businesses**.
 - Provide information on available resources and initiatives that are available to assist entrepreneurs and small business owners.

- Make support and training opportunities available for entrepreneurs and small businesses that enhance innovation, such as: senior management or legal services; research & development; and business mentorship.
- Remove obstacles to entrepreneurship paths, such as: regulatory barriers, funding obstacles, and biased cultural norms.
- Foster opportunities for minorities and traditionally underrepresented groups to advance their entrepreneurial endeavors and better leverage their contributions to the regional economy.
- Encourage the contributions of social entrepreneurs and their efforts to advance social causes.
- Match businesses with the appropriate sources of **financial capital** needed to launch, operate, or grow their enterprise.
 - Advance initiatives that attract consistent funding sources and increase access to capital across the continuum of business finance sources, including venture, angel, and other investment capital in order to help start-up and growing businesses.
 - Provide information on building relationships for working with traditional banking resources, including Community Reinvestment Act (CRA) initiatives.
 - Increase the availability and ease of obtaining capital, particularly with gap financing for smaller projects.
 - Cultivate non-traditional funding mechanisms to support entrepreneurial endeavors.
- Develop resources to support a strong entrepreneurship pipeline and a culture of **innovation and early adoption**.
 - Increase training opportunities for small business owners on issues such as access to capital, market segmentation, and assessing personal financial risk.
 - Connect students in business programs with small businesses to assist with needs such as website design and marketing.
 - Encourage communities to develop co-working spaces, support businesses, and host community entrepreneur showcases.
 - Connect small businesses to venture capital associations, workforce training, and technology resources.
 - Promote local businesses and celebrate successes.
- Encourage **youth interest in entrepreneurship** through in-school and afterschool programs; such as Generation E Institute (GenEI).
 - Promote programs that help develop personal behaviors and workplace skills needed for business success.

Support the automotive and mobility industry as a driver of innovation and technology.

- Promote and encourage regional resources for **connected and automated** vehicles and systems.
- Plan and invest in **infrastructure improvements** to support development and implementation of connected vehicle technology.
- Develop and deploy **electric vehicle (EV)** infrastructure, while developing and promoting incentives for in-home charging.
- Support **state and local policy** to permit the use of innovative technology.

Leverage technology to strengthen economic opportunities from Industry 4.0.

- Leverage Michigan's **manufacturing culture** to fully develop the emerging mobility industry.
 - Build a cohesive and unified multi-sector collaborative with government, business, and higher education to embrace the changes in technology and create the economic conditions, infrastructure, workforce, and funding, to prepare Southeast Michigan for the mobility industry.
 - Encourage private investment to support growth of small technology-based businesses and diversification of large businesses.
- Identify the roles of federal, state, and local governments in planning for, investing in, and **promoting technology-based economic development**.
 - Invest public funds to support development of technology at research universities.
 - Provide public investment to stabilize small and large technology-based companies during the pandemic.
 - Encourage people in the workforce to recognize opportunities in technology rather than fear the impact on existing occupations.
 - Create opportunities for shared prosperity by funding workforce training and opportunities for disadvantaged populations to benefit from technology based-growth.
- **Future proof** students by preparing them for a rapidly changing economy through education, training, and experiential learning to ensure success in Industry 4.0.
 - Update the education system to focus on developing people with innovative and nimble mindsets by teaching problem solving, analytical skills, and digital literacy from the earliest education levels.
 - Promote STEAM education for all students and encourage interest in technology.
 - Promote the need for lifelong learning to recognize the importance of continuous updating of knowledge aligned with changes in technology.
- Recognize the opportunities in **technology careers**, including engineering and skilled trades to support success in Industry 4.0.
 - Focus on technology-based “new” collar careers by preparing people to work alongside robots for quality control, maintenance, and continuous improvement.
 - Engage community colleges in timely development of programs that meet workforce needs.
 - Work with four-year institutions to create flexible programming that equips students with work-ready skills including hybrid work/education programs in partnership with employers.
- Grow Michigan's **recycled materials supply chain end markets** by investing in technologies to process recycling materials, which will benefit the environment; reduce expenditures for local governments; and provide a source of recycled product inputs for businesses and opportunities for new jobs.

Preparing and Connecting Talent with Jobs



Background

Talent is a critical component of economic development in an increasingly technology-based economy. Employers need workers that can use, work alongside, and develop new technologies, in addition to having soft (workplace) and career-related skills and knowledge.

The talent development system's goal is to prepare and connect talent with jobs. The system is made up of education, workforce development, and employers, with support from government, policy makers and foundations. They work together on developing and enhancing skills and knowledge that benefits individuals, employers, as well as the economy. An effective talent development system provides the education needed for career success; enables adults to develop and leverage their academic, employment, and personal skills for professional growth; helps employers ensure that their current and future workforce has the skills needed; and recognizes the critical importance of collaboration between stakeholders in achieving these goals.

Prior to COVID-19, the main challenges related to talent included:

- labor shortages in almost every key industry sector;
- misalignment of skills for available jobs;
- inadequate funding and regulations limiting access to quality education and training, and need for more curriculum alignment;
- lack of career awareness, readiness and pathways to high demand occupations;
- populations disconnected from labor markets; and
- lack of support services.

Many of these continue to be challenges which need to be addressed, but COVID-19 has exposed and exacerbated additional weaknesses in the labor market and talent development systems.

Current Conditions

Key challenges currently facing our education systems include broadband access and access to devices, without which students are not able to participate in online or remote learning. For children with special needs, in-person teaching is essential, but this has not been possible for many during the pandemic. As a result, many children are falling behind in their education.

The closure of huge parts of the economy resulted in unprecedented job losses and the need for unemployment support. Certain industries – such as hospitality, entertainment and traditional retail – were

particularly impacted, and their employees continue to experience hardships. The need for retraining and reskilling for quality jobs in careers where there may be more opportunities is critical. At the same time, the region had “essential” workers who risked their own health and that of their families to ensure others had access to healthcare, childcare, groceries, medicine, and public services.

The urgent need to expand access to quality childcare became more apparent as essential workers faced limited options when many childcare facilities closed. Childcare is also a challenge for working parents who may be able to telecommute but must also care for young children and/or support elementary- and middle school-aged children who are learning remotely. Women, in particular, have been impacted by child care and family responsibilities, and many have left the workforce as a result. This will have a major impact on labor force availability once the pandemic subsides and the economy rebounds.

There has also been a dramatic shift in working from home – mainly for white collar workers who have access to the viable technology and broadband. In April 2020, more than half of the U.S. labor force worked remotely full-time as a result of the pandemic, and an additional 18 percent worked from home sometimes. By September 2020, more people had returned to work, but 33 percent of workers continued working from home all the time and 25 percent sometimes. Remote work is likely to continue even after the pandemic as both workers and employers have seen benefits. The extent will depend on access to technology, workplace culture, and how workplaces are designed to keep employees safe.

While COVID-19 has dramatically impacted workers and businesses in 2020, this time has also been characterized by heightened recognition of the need to improve diversity, equity, and inclusion (DEI) in the workplace. This issue is not new, but it has become more prominent in both education and workforce development. Employers have increased emphasis on DEI in hiring, retention, and career advancement opportunities, while educators have focused on increasing access for and success of diverse populations in higher education and encouraging equitable funding in primary and secondary education. As the region’s population becomes more diverse, increasing labor force participation among all populations – including those underrepresented in higher education and the workforce – is a win-win scenario for Southeast Michigan.

Policies and Actions

Provide support to workers negatively impacted by the COVID-19 pandemic, including essential workers and vulnerable workers.

- Provide **upskilling, reskilling, retraining** and wraparound services to support career development for essential workers.
 - Ensure that essential workers have access to personal protection equipment.
 - Support quality childcare facilities for essential workers.
 - Promote training programs such as *Futures for Frontliners*.
- Retrain, reskill and support **vulnerable workers** for alternative careers in high-demand fields.
 - Provide assistance with job searches, interviewing, and accessing training and support services.
 - Promote training programs such as *MI Reconnect*.
- Ensure that the **unemployment insurance system** responds adequately to the needs of vulnerable workers who are displaced as a result of COVID-19.
 - Provide flexibility for waivers during training.
 - Increase temporary benefits for workers laid off or furloughed due to COVID-19.
 - Develop mechanisms for speeding up unemployment applications.

Create a robust childcare system to support needs of working parents, entrepreneurs, and individuals in training.

- Develop a **career pathway for childcare** professionals to increase availability of quality and stable childcare services.
 - Promote or help develop certificates/credentials for professional childcare training programs.
- Support **quality childcare facilities** for essential workers, low income workers, and individuals in training programs.
 - Provide public funding for increasing availability of professional childcare services.
 - Expand the Childcare and Development Block Grant (CCDBG) program to help child care providers during the pandemic.
- Expand **parental leave programs** to enable working parents to retain their jobs.
 - Expand federal provisions on federal leave.

Encourage employers to ensure all employees have access to advancement opportunities through upskilling in technology as well as leadership and human skills to create a more inclusive workplace.

- **Increase labor force participation** across all populations, including non-traditional labor pools, such as persons with disabilities, returning citizens, veterans, immigrants, and older workers.
 - Increase funding for wraparound services such as transportation and childcare.
 - Incorporate life skills, financial literacy, and work readiness into all training programs.
 - Identify and address barriers to workforce participation experienced by nontraditional labor populations.
 - Promote the advantages of employing nontraditional workers.
 - Ensure state and federal regulations enable individuals in work-based training programs to keep and access benefits.
 - Remove barriers that prevent braiding education and workforce development funding.
 - Encourage more interest in entrepreneurship among vulnerable and essential workers, women, minorities, immigrants, and other underrepresented groups.
- Expand skills-based hiring.
 - Work with employers to promote the benefits of skills-based hiring.
 - Share best practices and outcomes from successful initiatives.
 - Expand employer acceptance of short-term credentials and certificates.
- Support policies that promote legal **immigration** to help meet the region's workforce needs.
 - Identify skills in greatest demand by employers.
 - Identify skills among immigrants working on temporary visas.
 - Identify industries with large number of employees with temporary visas.

Ensure access to affordable broadband and available devices for all - including students, adults, job seekers, and employees.

- Close the device, connectivity, and technology support gap.
 - Support federal and state programs that fund broadband infrastructure development.

- Increase **digital literacy** at all levels of the education and workforce development system.
 - Encourage participation in extracurricular training such as coding boot camps.
 - Encourage digital media literacy.
 - Increase awareness and opportunities provided by on-line resources.
- Ensure that the **remote education** offered by K-12 systems provides quality and consistent education opportunities for all students.
 - Develop a strategy to measure and evaluate the effectiveness and quality of remote learning.
 - Ensure safety of children, educators, and workers engaged in remote learning from cyber threats.
 - Ensure age-appropriate remote education.
 - Encourage interest in STEM by making science fun through hands-on activities.

Strengthen Michigan’s talent development system through enhanced collaboration between education, employers, and workforce development to create a talent pipeline for in-demand careers.

- Build support for multiple career pathways.
 - Increase career exposure, awareness, and readiness to students and adults.
 - Collaborate with secondary and postsecondary education and workforce development to provide career exposure, awareness, and readiness to students and adults of all ages.
 - Provide statewide and regional data on in-demand occupations along with education requirements, job projections, salaries, and other benefits.
 - Cultivate sector partnerships to develop a pipeline for in-demand occupations.
 - Elevate apprenticeships and other work-based learning partnerships.
 - Provide state funding, coordination, incentives, and leadership to encourage multi-sector collaboration.
- Identify and address challenges faced by students related to the **transition from high school** to postsecondary education and career pathways.
 - Provide necessary services – including counseling, nutrition, and affordable health and housing – to support students during their postsecondary education experience.
 - Expand summer programs to raise awareness of expectations and opportunities during college.
 - Promote school-to-work programs such as *Jobs for Michigan Graduates*.
- Promote the value and necessity of **Lifelong Learning** to students and adults and identify positive outcomes.
 - Promote competency-based learning such as badging, credentials, and certifications with shorter timelines for training aligned with employer needs.
 - Work with employers to develop curriculum that prepares individuals with in-demand skills.
 - Coordinate with employers on timing and completion of training programs to ensure availability of workers.
 - Provide access to flexible education options to fit individual’s personal and work responsibilities.
 - Ensure employees have access to professional development that supports upskilling for career advancement.

Chapter 5: Action Plan and Evaluation Framework

The action plan identifies the policies, actions, implementation partners, and potential performance measures for guiding each strategy over the next five years. It also helps the region navigate challenges to economic growth.

The action plan includes potential performance measures and implementation partners. For some performance measures, SEMCOG will use its Regional Economic Indicators for evaluating the effectiveness of the policies and actions of each strategy (see Appendix A for link). The indicators filter by region and county and measure factors like jobs, labor force, population change, educational attainment, housing occupancy, and road conditions. More indicators are possible as new measures are determined to be important for evaluating economic growth. Implementation partners who can help with each policy and action are also identified, for each has their own unique area of expertise.

Creating and Marketing Quality Places		
Policies: <i>Connect all people to the places they live with infrastructure and services that support a high quality of life.</i> <i>Support efforts to develop local neighborhoods and business districts as dynamic and unique places to live, work, and visit.</i> <i>Conserve and provide access to natural and cultural resources that support opportunities for recreation, tourism, and local business development.</i> <i>Market the region at local, regional, statewide, national, international level to attract potential businesses, visitors, and new residents.</i>	Implementation Partners: • Local, state, and federal governments; • Community development organizations and advocacy groups; • Downtown development authorities; • Parks and recreation providers; • Environmental organizations; • Transit agencies; • SEMCOG; • Detroit Regional Partnership; • Convention and visitors bureaus; • Local and regional chambers of commerce; • Arts community; • Marketing professionals.	Potential Measures: • Population demographics with access to core services; • Number of trips by different transportation mode; • Event attendance; • Changes in property values; • Acres of park land accessible by distance and/or travel time; • Miles of trails and number of access points; • Population changes; • Number of new businesses; • Number of visitors and associated spending.

Anticipating Demands for Land Use

Policies:

Promote development patterns that meet regional needs for services and infrastructure.

Encourage diverse and desirable housing options for households of all sizes and income levels.

Support an adaptive built environment in response to changing household needs, economic conditions, and emerging technologies.

Build capacity to revitalize brownfields and other underutilized sites.

Implementation Partners:

- Local, state, and federal governments;
- Real estate developers;
- Housing developers;
- Housing organizations;
- Property owners;
- Business, labor, and education;
- Utility providers;
- Detroit Regional Partnership;
- Local and regional chambers of commerce.

Potential Measures:

- Travel time for access to core services;
- Acres of park land per 1,000 residents;
- Distance between water access points;
- Housing supply and demand;
- Percentage of household income spent on housing;
- Number of brownfields redeveloped.

Investing in Critical Infrastructure

Policies:

Improve resilience, access, and sustainability for essential utilities and services (electricity, water, sewer, broadband, telecommunications, parks, schools, solid waste, and emergency response).

Invest in public infrastructure and initiatives to optimize performance and increase the health and economic welfare of the region's residents.

Maintain legacy transportation networks while supporting new technologies, modes, and changing user demand.

Implementation Partners:

- Local, state, and federal governments;
- Utility providers;
- Telecommunications and broadband providers;
- Transit agencies;
- Road commissions;
- MDOT;
- SEMCOG;
- Environmental organizations;
- Regional authorities, including parks and water/sewer;
- Emergency responders;
- Infrastructure associations and commissions;
- Education systems.

Potential Measures:

- Percent of infrastructure in good or poor condition;
- Number and intensity of service outages;
- Number of households without services;
- Household income to flood-risk ratio;
- Annual cargo shipped by water and air;
- Border wait times;
- Annual intermodal lifts and car loads;
- Number and area of warehouses meeting current standards.
- Cost savings through collaborative infrastructure improvements

Fostering a Competitive Business Climate

Policies:	Implementation Partners:	Potential Measures:
<i>Support the businesses that drive the regional economy and form the fabric of our communities.</i> <i>Build the capacity for emerging industry growth clusters to succeed in the region.</i> <i>Expand global trade and connect businesses with resources dedicated to expand investment and opportunities.</i>	• Federal, state, and local governments; • MEDC; • Business and labor; • Major employers; • Banks and CDFIs; • Nonprofit organizations; • Economic development organizations, including Detroit Regional Partnership and Automation Alley; • Education systems; • Local and regional chamber of commerce.	• Number of small and local businesses that survive economic recession; • Business retention visits; • New businesses attracted to region; • Small business growth; • Large business payroll growth; • Growth in exports; • Growth domestic product growth.

Advancing Technology, Innovation, and Entrepreneurship

Policies:	Implementation Partners:	Potential Measures:
<i>Foster innovation and entrepreneurship with a start-up friendly environment by enhancing access to informational, financial, cultural, and technology resources.</i> <i>Support the automotive and mobility industry as a driver of innovation and technology.</i> <i>Leverage technology to strengthen economic opportunities from Industry 4.0.</i>	• Federal, state, and local governments; • Local and regional chambers of commerce; • Business incubators and accelerators; • Small business organizations; • Education systems, including research universities, STEM programs, and career tech. education; • Venture and angel capital resources; • Foundations and philanthropic organizations; • Nonprofit organizations.	• Number of businesses started; • Increased participation in youth entrepreneurship programs; • Federal Small Business Innovation Research (SBIR) grants ranking; • Federal Small Business Technology Transfer (STTR) grants ranking; • Venture and Angel Capital Funding; • Lending to small businesses.

Preparing and Connecting Talent with Jobs

Policies:

Provide support to workers negatively impacted by the COVID-19 pandemic, including essential workers and vulnerable workers.

Create a robust childcare system to support needs of working parents, entrepreneurs, and individuals in training.

Encourage employers to ensure all employees have access to advancement opportunities through upskilling in technology, leadership, and human skills to create a more inclusive workplace.

Ensure access to affordable broadband and available devices for all - including students, adults, job seekers, and employees.

Strengthen Michigan's Talent Development System through enhanced collaboration between education, employers, and workforce development to create a talent pipeline for in-demand careers.

Implementation Partners:

- Local, state, and federal governments;
- Michigan Dept. of Labor and Economic Opportunity;
- Education systems, including K-12, community colleges, technical schools, and four-year colleges;
- Workforce development agencies, including Michigan Works!;
- Employers;
- Childcare professionals;
- Community development organizations and advocacy groups;
- SEMCOG;
- Metropolitan Affairs Coalition (MAC);
- Labor organizations;
- Chambers of commerce;
- Venture capital resources;
- Nonprofit organizations;
- Connected Nation Michigan;
- Banks and financial institutions.

Potential Measures:

- Number of individuals receiving workforce development services;
- Increase in enrollment for industry-approved certificates and programs;
- Increase in the number of industry-approved training programs;
- Increase in the number of professional childcare workers;
- Enrollment of nontraditional populations in training programs;
- Percentage of households with broadband;
- Enrollment in technology-related training programs;
- Number of career exposure events;
- Increased participation in youth and entrepreneurship programs;
- Number of businesses started.

Appendix A: Supporting Resources and Analysis

Throughout *Increasing Equitable Opportunities and Shared Prosperity in a Changing Economy*, there are numerous references to additional resources – interactive maps, studies and reports, and data analysis and planning tools – that support and enhance the data and strategies, as well as allow for continual updates with the most timely and current data. The following list provides both the titles of these resources and the URLs that will be updated on an ongoing basis to provide the most accurate data in our ever-evolving economy.

Interactive Maps and Online Economic Development Tools

- **Community Explorer** - <https://maps.semcoog.org/CommunityExplorer/>
- **2045 Regional Development Forecast** - <https://maps.semcoog.org/Forecast/>
- **Regional Economic Indicators** - <https://maps.semcoog.org/EconomicIndicators/>
- **High-Frequency Economic Dashboard** - <https://maps.semcoog.org/EconomicDashboard>
- **Southeast Michigan Broadband Availability and Usage** - <https://maps.semcoog.org/Broadband/>
- **Southeast Michigan Building Footprints** - <https://maps.semcoog.org/BuildingFootprints/>
- **Southeast Michigan Employment Density** - <https://maps.semcoog.org/EmploymentDensity/>
- **Southeast Michigan Opportunity Zones** - <https://maps.semcoog.org/OpportunityZones/>
- **Flooding Risk Tool Dashboard** – <https://www.semcoog.org/plans-for-the-region/environment/climate-resilience>

Publications and Reports

- **Stabilizing and Sustaining: The Economic and Demographic Outlook for Southeast Michigan through 2045** (March 2017) – <https://semcoog.org/desktopmodules/SEMCOG.Publications/GetFile.ashx?filename=StabilizingAndSustainingMarch2017.pdf>
- **Evaluating Shared Prosperity in Southeast Michigan, 2012-2018** (August 2020) – <https://semcoog.org/desktopmodules/SEMCOG.Publications/GetFile.ashx?filename=EvaluatingSharedProsperityInSoutheastMichigan20122018August2020.pdf>
- **Quick Facts: Where is Our Workforce? Southeast Michigan's Labor Force Participation Rate Trends** (October 2019) - <https://semcoog.org/desktopmodules/SEMCOG.Publications/GetFile.ashx?filename=QuickFactsWhere%20IsOurLaborForceSoutheastMichigansLaborForceParticipationRateTrendsOctober2019.pdf>
- **Quick Facts: Did the Past Recovery Result in Shared Prosperity?** (June 2020) - <https://semcoog.org/desktopmodules/SEMCOG.Publications/GetFile.ashx?filename=QuickFactsDidThePastEconomicRecoveryResultInSharedProsperityJune2020.pdf>
- **Quick Facts: Profile of Jobs and Workers Most Impacted by COVID-19 Lockdowns in Southeast Michigan** (August 2020) - <https://semcoog.org/desktopmodules/SEMCOG.Publications/QuickFactsProfileOfJobsAndWorkersMostImpactedByCOVID19LockdownsInSoutheastMichiganAugust2020.pdf>
- **Southeast Michigan Current and Future Precipitation report** (June 2020) - <https://www.semcoog.org/plans-for-the-region/environment/climate-resilience>

Appendix B: Pulse of the Region Survey Results

Southeast Michigan residents took an online survey sponsored by SEMCOG, the Southeast Michigan Council of Governments, and the Metropolitan Affairs Coalition (MAC) voicing their opinions on the region's economy.

This survey was the second survey on the economy; the first was conducted in summer 2019. Both surveys, while not intended to be scientific in scope, provide a snapshot of respondents' perceptions on the economy, before and during COVID-19. This second survey was administered from late August to mid-September 2020.

COVID-19 has clearly impacted survey results. Respondents' perception of the economy fell significantly compared to the previous year – from a rating of 7.1 in 2019 to 4.8 in 2020 (using a 10-point scale). Confidence for a recovery in 12 months is just slightly higher – at 5 – than the perception ranking. As for an economic recovery in 24 months, there is higher confidence, with a ranking of more than 6.

Other key findings of the economic development survey:

- The biggest impacts from COVID-19 were reduced income – especially for younger respondents – and increased household expenses.
- Availability of quality jobs, along with education/training opportunities were noted as key steps for economic prosperity.
- The region's educated and well-trained workforce is considered the number one asset, followed by quality places.
- Similar to the 2019 survey, infrastructure continues to be the biggest economic challenge, followed by the cost of doing business.
- Quality of life continues to be defined as desirable and affordable residential neighborhoods, with quality schools and the ability to age in place becoming more important.
- Respondents also had the opportunity to provide their personalized comments. With respect to the biggest COVID-19 impact, the top three themes were **Work** (including things such as working from home and working more than ever; **Home** (saved money by staying home); and **Less** (spending less and less social interaction).
- The top three themes for economic prosperity were **Business** (helping to reopen safely, reducing business costs, and reducing business regulations); **Affordable** (housing, child care, and local food); and **Government** (less regulation and bureaucracy).
- The top three themes in response to the region's greatest asset were **People** (dependable and willing to work; hardworking and qualified; and adaptable and team-oriented); **Work** (trained, educated, and hardworking workforce); and **Business** (reasonable business costs, access to industry, and vacant space for new business).

See the [complete report](#) of the 2020 survey findings which includes comparisons to the 2019 survey results, prepared by Cobalt Community Research, a Michigan-based 501c3 nonprofit research coalition with a mission to provide research and educational tools that help schools, local governments, and other nonprofit member organizations thrive as changes emerge in the economic, demographic, and social landscape.

Appendix C: Information Resources and Regional Partners

To assist in both implementing *Increasing Shared Prosperity* for a Resilient Economy and to support local governments and stakeholders, SEMCOG and MAC have compiled a list of potential resources and partners.

Federal

U.S. Small Business Administration (SBA) has released a toolkit that offers guidance for businesses and employers to plan and respond to the COVID-19 crisis. This includes the SBA Economic Injury Disaster Loan program which provides small businesses with working capital loans of up to \$2 million. Other SBA programs that can assist small businesses include Capital Access and Business Counseling.

The SBA Paycheck Protection Program (PPP) offers a forgivable loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The program is limited to \$349 billion nationwide, so qualifying organizations are encouraged to apply ASAP. NOTE: SEMCOG joins our partners from across Michigan in supporting the Michigan Paycheck Protection Program (MiPPP), a statewide initiative that promotes the PPP program, and which provides links to resources to assist your organization.

U.S. Department of Housing and Urban Development (HUD) provides its HUD COVID-19 Information and Resources page. HUD has made \$3 billion of COVID-19 Relief Funding available to communities across the nation through the Community Development Block Grant (CDBG) and other programs. HUD Exchange provides timely program guidance and training, including a resource library with links to information including its Quick Guide to CDBG Eligible Activities to Support Infectious Disease Response, which can assist communities with determining next steps in combating COVID-19 using CDBG and CDBG-CV.

State

Governor Gretchen Whitmer has issued several Executive Orders related to the COVID-19 pandemic. Information about the State of Michigan's response and Guidance for Business [can be found here](#).

This [SEMCOG blog](#) provided information on the [Michigan Department of Labor and Economic Opportunity \(LEO\)](#) coordination of state policies and resources related to many functions including economic development, housing, workforce development, and unemployment insurance. The blog provides information on the best method and time of day to file for [unemployment insurance](#).

The [Michigan Economic Development Corporation \(MEDC\)](#) provides a list of resources and information for Michigan businesses during the COVID-19 outbreak. This information continues to be updated as more resources become available.

The State of Michigan has provided economic support to Michigan's small businesses through the [Michigan Small Business Relief Program](#), administered by local and nonprofit economic development organizations (EDO) across the state. The website provides links to the EDO through which a business should apply, based on their county location.

Local

[Livingston County](#) provides information on local response actions, prevention, travel information, a fact sheet for the public, and information for businesses and community organizations.

[Macomb County](#) Planning and Economic Development provided links to resources for businesses and employers. These include small business relief funding, federal critical infrastructure sectors, OSHA Guidance, food-related businesses information, Macomb Regional PTAC resources, and more. There is also a searchable directory of restaurants providing carry out/delivery services offered throughout Metro Detroit.

[Monroe County](#) provides COVID-19 information. The [Monroe County Business Development Corporation](#) has launched a page dedicated to the programs and resources available to local businesses during this time. It provides a range of business news, links to local, state and federal resources, and information on local financial resources.

The [Oakland County](#) Business Resource page provides information on business and workforce relief and resources, funding programs, and resources at the local, state, and federal levels.

[St. Clair County](#) provides COVID-19 information. The [Economic Development Alliance of St. Clair County](#) provides links to the County Health Department and Emergency Operations Center. Information on small business loans, grants, and financial resources is also provided.

[Washtenaw County](#) and partners are providing support to local businesses during the COVID-19 crisis, including the [Washtenaw Small Business Emergency Relief Fund](#) page, which provides small business resources information.

[Wayne County](#) provides a list of resources and information for local businesses during and in the aftermath of the COVID-19 outbreak. Download their 1-Page Resource Guide in English, Spanish, and Arabic. The Small Business Relief Loan Fund [page](#), in partnership with TCF Bank, also provides information.

The [City of Detroit](#) provides resources to assist, including food, water, job, property tax, assistance for the homeless, and more. The [Detroit Economic Growth Corporation](#) provides information and resources to assist local small businesses. [TechTown](#) also provides resources and information for tech startups and local businesses.

[Michigan Works! agencies](#) are part of the public workforce system, helping both job seekers and employers. For individuals, these include helping to register for unemployment insurance, training for in-demand careers, job fairs, and assistance with resumes and job searches. For businesses, Michigan Works can help with recruitment, accessing grants for training existing and new workers, apprenticeship programs, and many other services. Southeast Michigan is served by five local agencies:

- [Detroit At Work](#), serving residents and businesses in Detroit
- [Macomb-St. Clair Michigan Works!](#), serving Macomb and St. Clair Counties
- [Michigan Works! Southeast](#), serving Washtenaw and Livingston Counties
- [Oakland County Michigan Works!](#), serving Oakland County
- [SEMCA](#), serving Wayne County outside of Detroit and Monroe County

Regional Partners and Resources

[Ann Arbor SPARK](#) provides business resources and assistance; information includes a number of tips on how to conduct business in the virtual world. Working remotely – especially for this duration of time – is a new experience for many of us. This page includes methods for preparing for remote meetings, call etiquette, and, if on video, staying away from brightly lit windows.

[Automation Alley](#), with business now being conducted differently, urges that we explore the things that can go right in uncertain times. The global pandemic is forcing companies to change their behavior and culture, which can be an opportunity to find new ways to engage with employees and to lean on each other. The site also includes COVID-19 business resources.

[Bedrock Detroit](#) small business resources website includes financial resources information, including private sector funding sources.

[Detroit Region Aerotropolis](#) can assist with supply-chain adjustments such as restoring and/or identifying local warehousing, distribution, and logistics facilities to support business operations.

[Detroit Regional Chamber](#) COVID-19 Resource Center contains links to its Tele-Town Hall Series, resources for business, steps for identifying essential staff, automotive resources and more.

[Detroit Regional Partnership](#) provides business information resources and links to government and additional resources.

[United Way for Southeast Michigan](#) has launched an Information and Resources page to assist those who are affected by COVID-19.

Other Resources

The [Business Leaders for Michigan](#) COVID-19 Business Response Center contains links to State of Michigan data, best practices, federal resources, and more.

The [International Economic Development Council](#) (IEDC) is currently hosting an ongoing series of webinars on topics timely to the current crisis; visit the IEDC website for details. IEDC manages the [Restore Your Economy](#) website, which provides additional resources.

[Local Initiatives Support Corporation \(LISC\)](#) is providing support to its community-based partners on the front lines of this crisis. Verizon has funded a [\\$2.5 Million Small Business COVID-19 Recovery Fund](#) making it possible for LISC to be offering critical relief and resiliency-building support to small businesses facing immediate financial threat because of the COVID-19 pandemic. Verizon will highlight and bolster these efforts through their weekly "[Pay It Forward Live](#)" online concert series.

[Main Street America](#) offers guidance for local communities, including links to CDC, SBA, Department of Labor, and U.S. Chamber of Commerce. Main Street Resources and Tools include funding programs and business support. Links to webinars on topics such as Business Survival Strategies are also being provided.

[Michigan Small Business Development Center](#) provides support to small businesses including loan information and small business support webinars.

[Small Business Association of Michigan](#) provides small business advocacy, daily briefings, and links to resources that assist small businesses.

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