

SOUTHEAST MICHIGAN

ECONOMIC DEVELOPMENT

WHAT'S OUR EDGE?

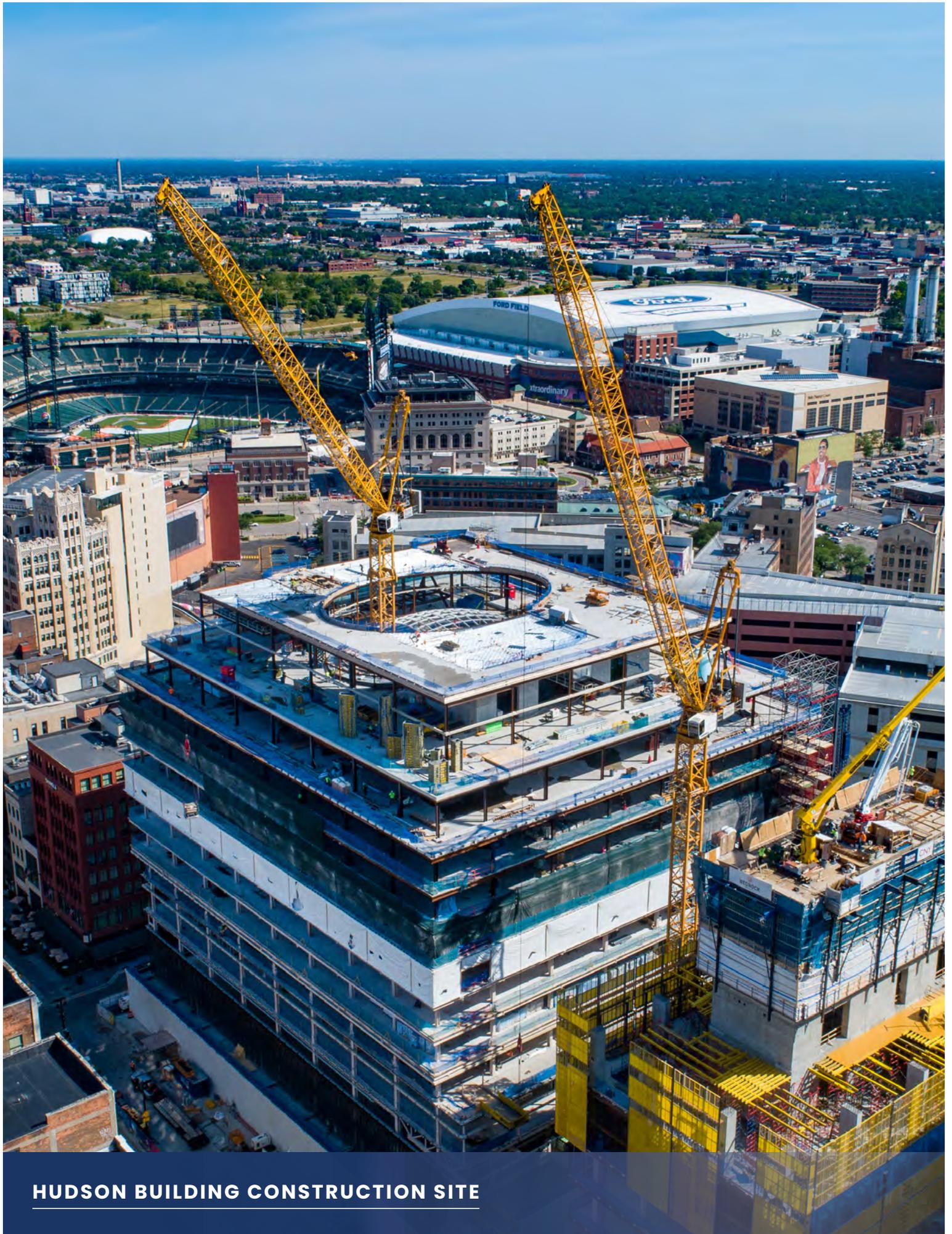
HIGHLIGHTS

A NEW ECONOMIC
DEVELOPMENT STRATEGY (P. 12)

COMMUNITY EVENTS AS
ECONOMIC DRIVERS (P. 18)

BRIDGING THE
TALENT GAP (P. 34)





HUDSON BUILDING CONSTRUCTION SITE

WELCOME!

WHAT IS OUR EDGE?

The collective success of Southeast Michigan depends on various sources of economic and community vitality throughout the region. Each county, community, and educational institution has something unique to offer. Each strategy for economic development is like a sharpened edge guiding us toward success.



AMY O'LEARY
EXECUTIVE DIRECTOR | SEMCOG

For Southeast Michigan to prosper, we must understand our collective strengths and leverage them into meaningful outcomes. This is why regional coordination, cooperation, and collaboration are key. Throughout this document, we explore some of our strengths and essential areas of focus to ensure future success. Data will always remain the foundation of SEMCOG's work, and we are pleased to have new and innovative economic metrics and data tools to use and share with you. SEMCOG's Location Analysis and Visitation Tool, for example, can help to guide planning with data on visitor and foot traffic for parks and recreation assets, downtowns and commercial corridors, and events and festivals.

We also explore the power of community events, housing, and abundant access to water to help define quality places in our region. The Gordie Howe International Bridge is game-changing for our region's economy, starting with all the jobs created just for its construction. This immense undertaking also serves to remind us of the importance of a deep bench of highly skilled talent, something Southeast Michigan has boasted for over 100 years. Legal immigration, along with increased participation across all our workforce populations, will remain a key to sustaining our growth and economic success. Education plays a key role in our region's preparedness for the future, and partners across the region are stepping up to ensure that our educational opportunities are relevant today and set individuals (and industries) up for long-term success.

When we bring together our individual strengths - our quality places, innovative businesses, and robust talent offerings - and point them in the same direction, we forge a larger, stronger, and sharper edge. We know we are better together, and we look forward to your input as our Economic Development Council leads the way on a new Comprehensive Economic Development Strategy for Southeast Michigan!

TABLE OF CONTENTS

THE DATA	4
A NEW ECONOMIC DEVELOPMENT STRATEGY	12
COMMUNITY EVENTS AS ECONOMIC DRIVERS	18
ECONOMIC DEVELOPMENT THROUGH HOUSING	24
GOING WITH THE FLOW	28
BRIDGING THE TALENT GAP	34
GROWING OUR INNOVATION ECOSYSTEM	40
THE VALUE OF POSTSECONDARY EDUCATION	46



HAMTRAMCK LABOR DAY FESTIVAL

THE DATA

For decades, SEMCOG has been a comprehensive resource for local data. This practice expands into the world of economic development with a number of new or updated tools and services. Some of our updated tools include the Socio-Economic Trends where the user can look at annual trends by county (i.e., the Socio-Economic Indicators) or the latest economic trends important to the region (i.e., the High-Frequency Socio-Economic Dashboard).

SEMCOG has developed tools that allow users to understand the socio-economics of each community, for example, Community Profiles and Community Explorer. Our Community Profiles provides the latest socio-economic data on demographics, economics, and housing; while Community Explorer uses this data to provide a comparison to other communities in the region, with maps showing geographic distributions. Both now have the latest 5-year American Community Survey data from 2019-2023.

SEMCOG has several new data resources for our members. The first is our Tracking Change application. This interactive dashboard provides an overview of how our region changed over a set period of time by showing progress across 30 economic and demographic indicators. The current period of time looks at how the region changed since the COVID pandemic (years 2019-2023). The second new resource is our Nonresidential Development application. This is another interactive tool that looks at the latest nonresidential development trends across Southeast Michigan. The data are regularly updated to provide the latest project type, floorspace, construction status, and location of nonresidential construction projects across the region. The third new resource is SEMCOG's Location Analysis and Visitation Tool (p. 23). This is a service provided by SEMCOG to assess visitor and foot traffic for parks and recreation assets, downtowns and commercial corridors, and events and festivals. Local government members can request an analysis from SEMCOG.

SOUTHEAST MICHIGAN'S ECONOMIC CHARACTERISTICS

Southeast Michigan is a unique, vibrant region that is the center of the world's automotive and mobility industry. The region is an affordable place to live and has access to vast natural resources used for commerce and recreation.

4.77 MILLION PEOPLE, 47% OF THE
STATE'S POPULATION

MORE THAN 3,000 BUSINESSES WITH
OVER 100 EMPLOYEES

22 FOUR-YEAR COLLEGES AND
UNIVERSITIES, 8 COMMUNITY COLLEGES

7 COUNTIES, 93 CITIES, 24 VILLAGES, 115
TOWNSHIPS

OVER 100,000 PRIVATE-SECTOR
BUSINESSES THAT EMPLOY OVER 1.9
MILLION PEOPLE

MORE THAN 100 BUSINESSES WITH
OVER 1,000 EMPLOYEES

200,000 ACRES OF PUBLIC PARKS AND
100,000 ACRES OF WATER

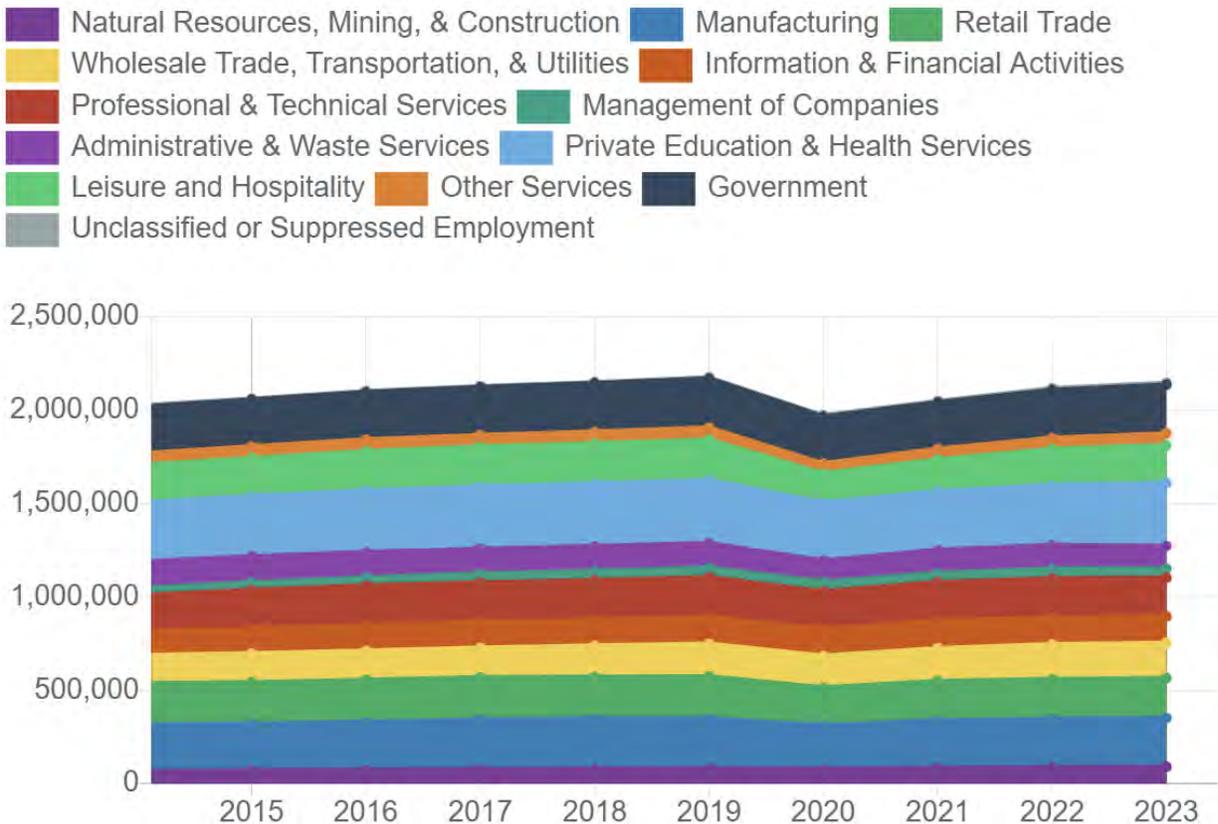
- The highest concentration of transportation equipment jobs in the country
- The second-highest concentration of engineers in the country among metro areas with 1 million+ people (after Silicon Valley)
- Detroit and Port Huron are the country's second- and third-most valuable trade ports with over \$250 billion in annual trade
- Established economic clusters in automotive, metalworking technology, and plastics with emerging economic clusters in defense as well as transportation and logistics

LATEST TRENDS

What are the region’s latest trends? Let’s start with the business pillar of our economic development strategy. Total employment growth grew by more than 28,000 jobs or 1.3% in 2023 (Figure 1). Growth varied amongst industry sectors. Private Education and Health Services had the largest numeric growth of 15,000 jobs mostly in the healthcare industry, while Leisure and Hospitality had the largest percentage growth at 5%. At the same time, Administrative and Waste Services had the largest numeric decline of 5,000 jobs, while Management of Companies had the largest percentage decline at 5.2%. Critical export-oriented sectors like Manufacturing, Information and Financial Activities, and Professional and Technical Services saw little change.

FIGURE 1 – WAGE & SALARY JOBS BY INDUSTRY | SOUTHEAST MICHIGAN

Source: Bureau of Labor Statistics, State and County Employment (Quarterly Census of Employment and Wages)



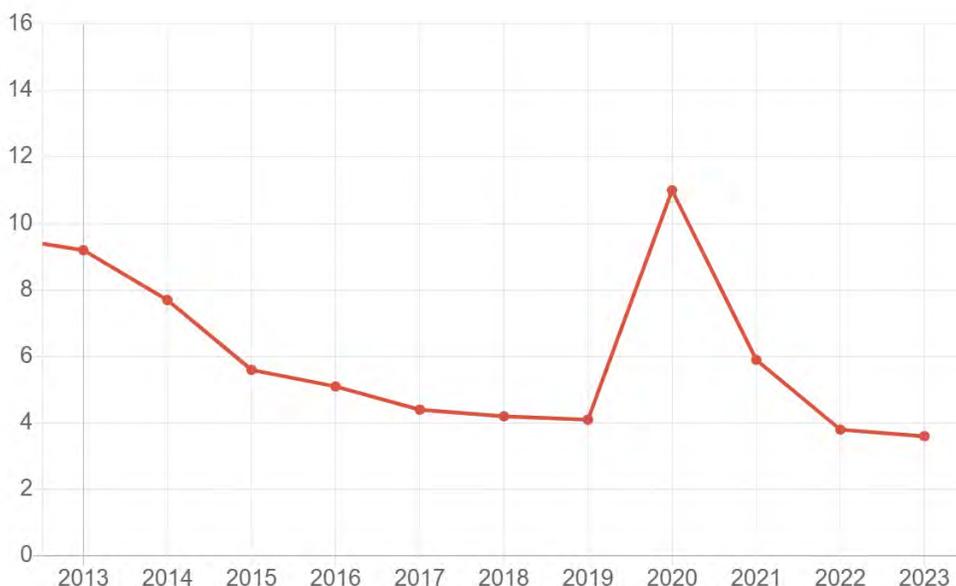
UNEMPLOYMENT RATE

Moving on to talent, the region's unemployment rate dropped to 3.6% in 2023, its lowest level in the last two decades (Figure 2).

Strong labor demand fueled the latest decline in the unemployment rate; for the number of employed people now stands at 2.3 million, or 7,000 more than in 2019.

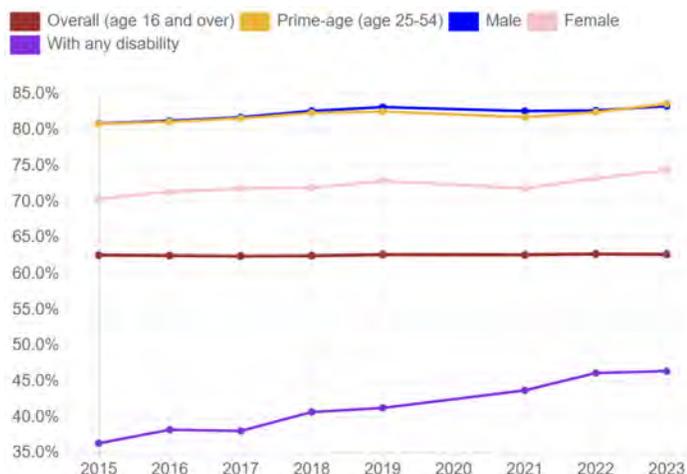
FIGURE 2 – UNEMPLOYMENT RATE | SOUTHEAST MICHIGAN

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



**FIGURE 3 – WAGE & SALARY JOBS BY INDUSTRY
LABOR FORCE PARTICIPATION RATES
SOUTHEAST MICHIGAN**

Source: U.S. Census Bureau, American Community Survey 1-year Estimate (year 2020 data is not available).



LABOR FORCE PARTICIPATION RATES

Strong labor demand has also pushed labor force participation rates upwards.

The overall labor force participation rate for the region declined by 0.1% in 2023 (due to our aging workforce).

The participation rate for the prime working-age population (age 25–54) grew by 1.2%. Female participation increased by 1.1%, while male participation grew by 0.6% (Figure 3).

People with a disability increased their participation by 0.2%.

POPULATION CHANGE

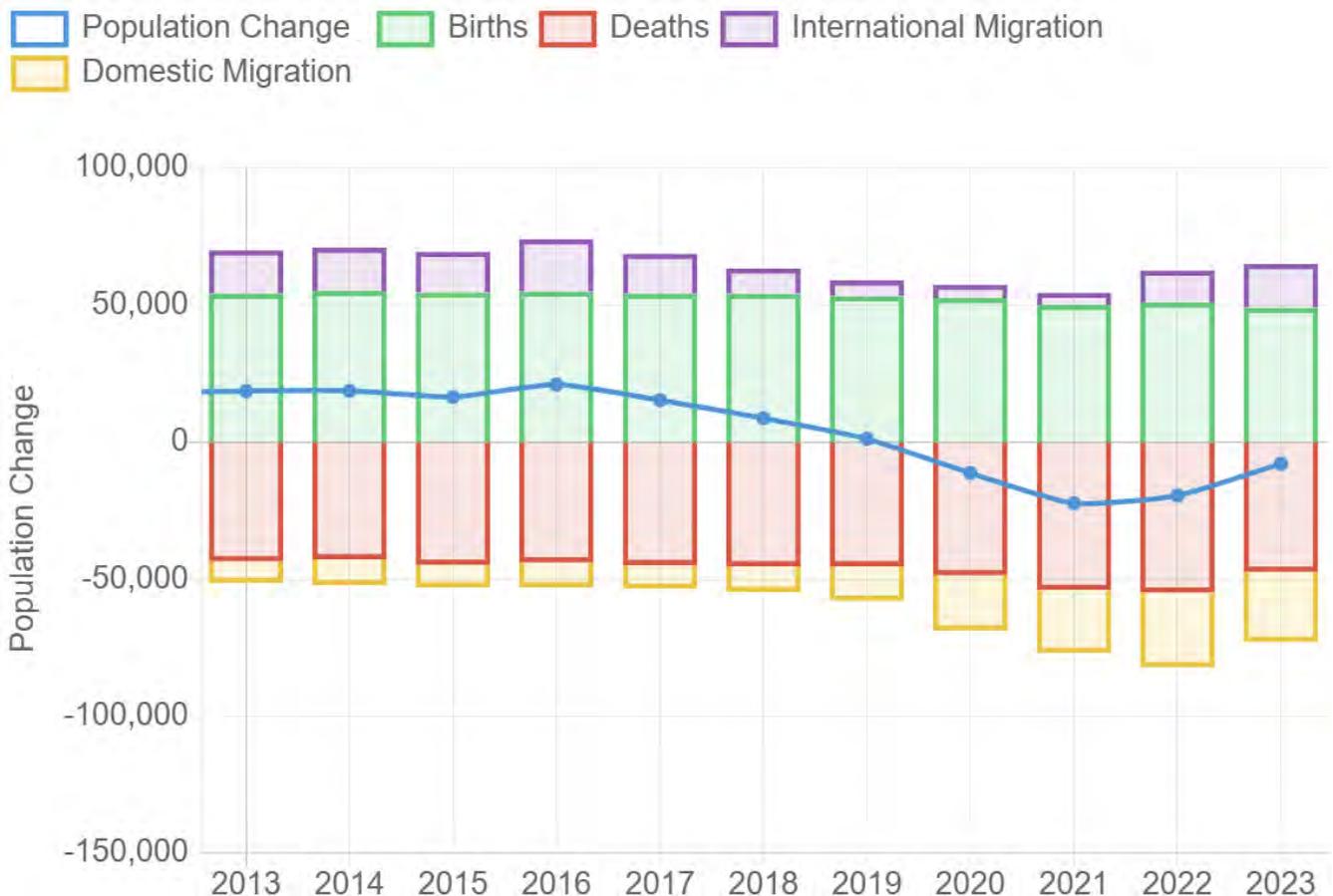
If we look at metrics measuring place, Figure 4 shows an improvement in our region's population change. Southeast Michigan's population declined in 2023, but less so than in previous years. The improvements are attributed to three factors:

1. For the first time since 2020, births outnumbered deaths
2. Domestic migration, while still negative, was less so in 2023 than in 2022
3. International migration increased over 2022.

Births outnumbered deaths by almost 1,800 people. Domestic migration improved from -27,314 in 2022 to -25,522 in 2023, a difference of almost another 1,800 people. International migration increased from 11,660 in 2021 to 15,893 in 2022, a gain of more than 4,000 people. Estimates for 2024 by state from the U.S. Census Bureau indicate further population improvement in Michigan in 2024.

FIGURE 4 - COMPONENTS OF POPULATION CHANGE | SOUTHEAST MICHIGAN

Source: U.S. Census Bureau, Population Estimate Program



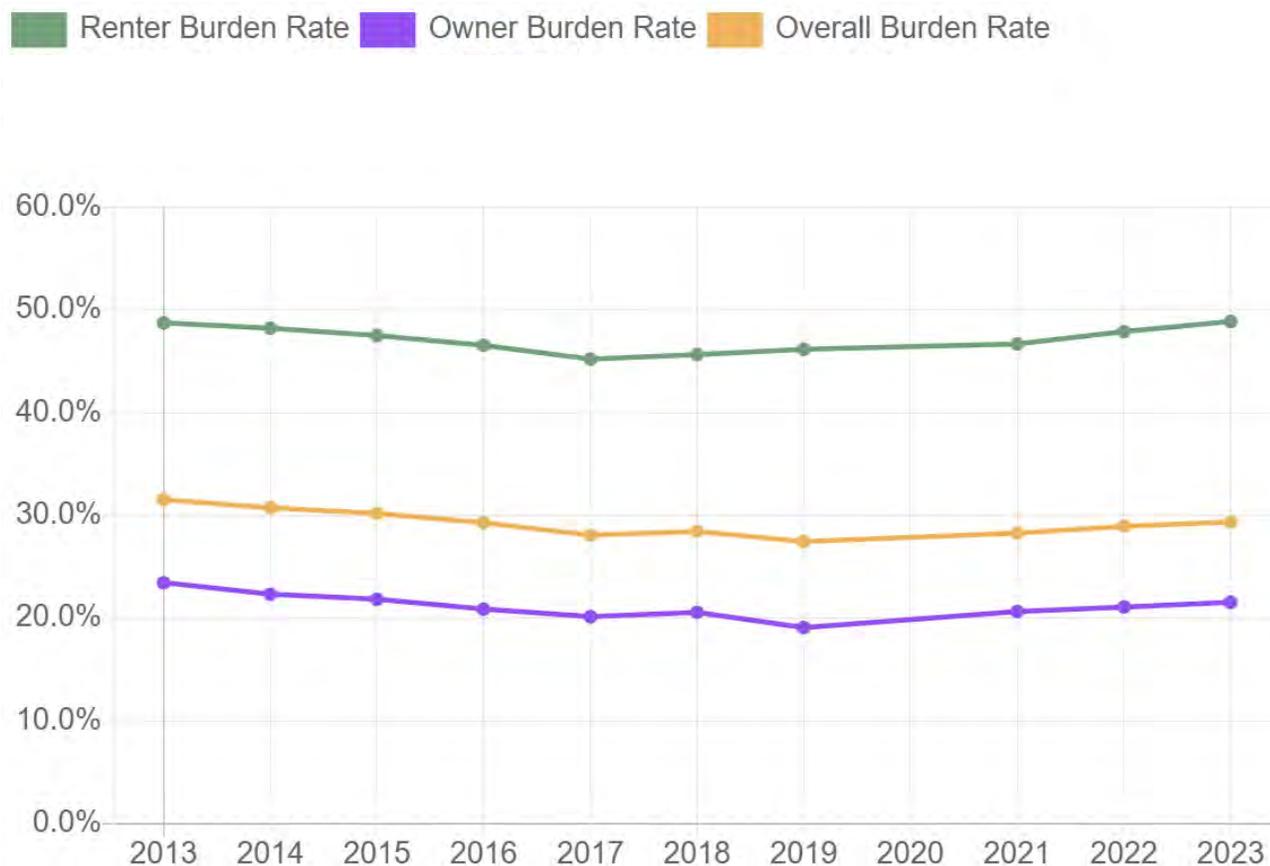
HOUSING COSTS

One metric that has not been improving is housing costs. Figure 5 shows the housing cost burden for the region’s households is on an upward trajectory in 2023.

Housing cost burden is defined as the percentage of households paying 30% or more of their income towards housing. The percentage of all cost-burdened households increased from 28.9% in 2022 to 29.4% in 2023. The owner burden rate rose from 21.1% to 21.6%, while the renter burden rate rose from 47.9% to 48.9%.

FIGURE 5 - HOUSING COST BURDEN | SOUTHEAST MICHIGAN

Source: U.S. Census Bureau, American Community Survey 1-year Estimate (year 2020 data is not available)

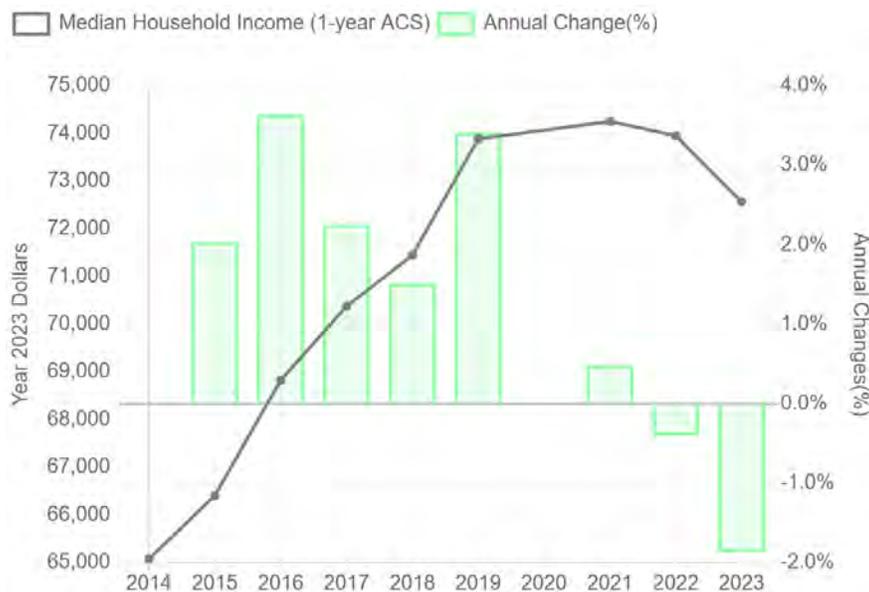


HOUSEHOLD INCOME

Lastly, it is also important to focus on income growth. The region’s real median household income declined by 1.8%, or by \$1,355 from 2022, showing that household incomes could not keep up with recent inflation (Figure 6).

**FIGURE 6 – REAL MEDIAN HOUSEHOLD INCOME
DETROIT-WARREN-DEARBORN METRO AREA**

Source: U.S. Census Bureau, American Community Survey 1-year Estimate
(year 2020 data is not available)

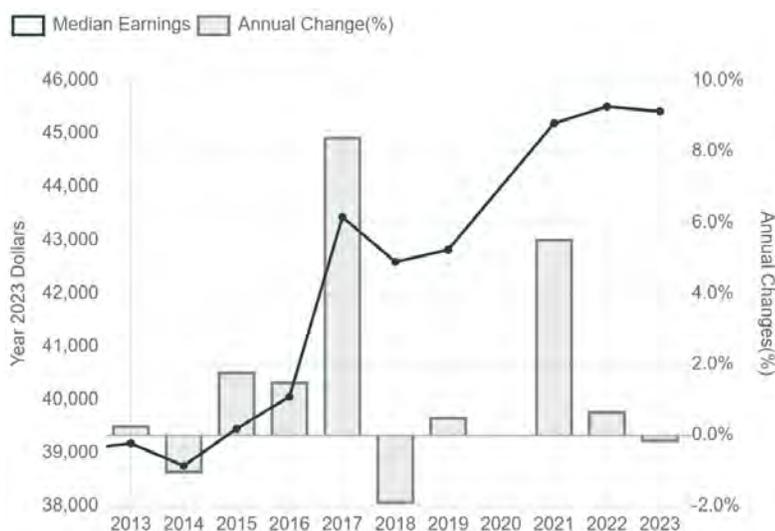


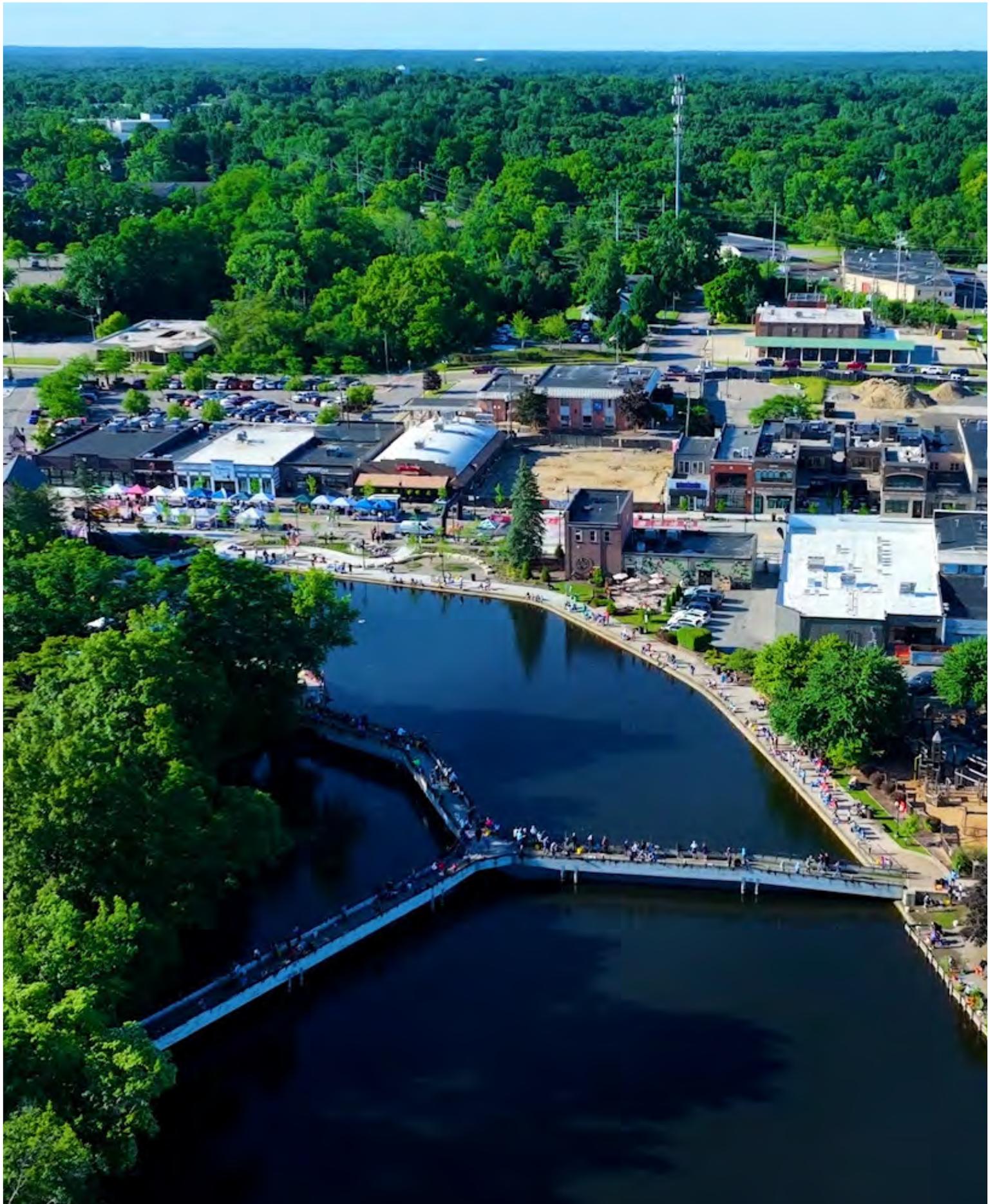
MEDIAN EARNINGS

If there is a piece of good news, it is that real median earnings have fared better. Note - while real median income measures the inflation-adjusted levels of income from all regularly-occurring sources like wages, salaries, retirement, and Social Security, real median earnings is a subset that measures inflation-adjusted levels of income received in return for labor or services. The region’s real median earnings decreased by \$91, or 0.2%. Since 2019, real median earnings increased by 6.1%, or at an annual rate of 1.5% (Figure 7).

**FIGURE 7 – REAL MEDIAN EARNINGS
DETROIT-WARREN-DEARBORN METRO AREA**

Source: U.S. Census Bureau, American Community Survey 1-year Estimate
(year 2020 data is not available)





DOWNTOWN BRIGHTON

A NEW ECONOMIC DEVELOPMENT STRATEGY

SEMCOG's economic development work is driven by the Comprehensive Economic Development Strategy (CEDS) – which we update every five years in concert with the Metropolitan Affairs Coalition (MAC). The CEDS centers on a collective vision built through a series of input sessions in each county. Our current CEDS, *Increasing Shared Prosperity for a Resilient Economy: Comprehensive Economic Development Strategy for Southeast Michigan*, was adopted in March 2021 and provides the roadmap for addressing regional economic issues.

To further support economic development in the region, SEMCOG was designated as an Economic Development District (EDD) by the U.S. Economic Development Administration (EDA) in 2023, joining over 400 EDDs across the nation that are focused on economic development planning and project implementation that aligns with their region's CEDS. As part of that designation, SEMCOG formed its new Economic Development Council (EDC) in early 2024 to oversee and facilitate the development, maintenance, and implementation of the CEDS.

The Council is co-chaired by Mayor Roslyn Grafstein from the City of Madison Heights and Khalil Rahal, Director of Economic Development for DTE Energy. The Council membership features a broad representation of the economic interests of the region, including county and local government representatives, economic development agencies, educational institutions, workforce development agencies, labor organizations, employers, and other private-sector stakeholders and community-based organizations.

The EDC will provide a boost for regional economic development initiatives, as it will work to align public and private investment in the region and connect eligible local governments and higher education institutions to federal and state financial assistance programs. SEMCOG's designation as an Economic Development District helps to make our region more competitive for EDA funding, as having an EDA-approved CEDS is a prerequisite for applying for EDA grant programs.

However, as Lee Shirey – Economic Development Representative from the EDA – told the Economic Development Council in December, “the Comprehensive Economic Development Strategy is not just specifically for getting EDA funding, other agencies use it as well [for] investments. It is an opportunity for regional partners to build a collective vision for economic prosperity and a high quality of life.”

Southeast Michigan is home to an abundance of resources that contribute to economic opportunity. These include our workforce, the built environment, the natural environment, and our educational and industrial assets – all of which are interrelated and collectively form the basis of our regional economy across three key pillars: Place, Talent, and Business. These pillars serve as the backbone of our CEDS.



SEMCOG General Assembly Meeting | June 2024

STAKEHOLDER ENGAGEMENT AND INPUT

In the summer of 2024, SEMCOG hosted a series of interactive forums to kick off our stakeholder engagement process for the CEDS update. The forums provided an opportunity to engage with member communities and organizations, as well as other regional partners. This coordination provides us with a better understanding of economic development challenges and opportunities, and it enables us to identify priorities related to the three pillars.

In November, SEMCOG staff had the pleasure of visiting St. Clair, Monroe, Livingston, and Washtenaw counties to solicit input on economic development priorities. The county input meetings allowed us to hear from partners working on the front lines in economic development, workforce development, K-12 and post-secondary education, planning and zoning, transportation, and parks and recreation.

Partners from the private sector also joined to provide their insight and experience, adding another key dimension to this engagement. We are grateful to have heard from a wide array of stakeholders who are working to attract and retain talent, to enhance the business climate for companies of all sizes, and to create and market great places within the region. Our regional partners have a critical role in creating a high quality of life and driving economic prosperity in Southeast Michigan.

WHAT WE'VE HEARD SO FAR

SOUTHEAST MICHIGAN'S PORTFOLIO OF ASSETS:

- ✓ Quality-of-life amenities such as the Great Lakes and natural areas that support recreational and cultural destinations
- ✓ 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

During the **Place Forum** and throughout the county input meetings, key discussions included:

- Strong desire for continued development and promotion of our parks, trails, and outdoor resources
- Main streets and downtowns – strong downtowns help bolster the rest of the community and help attract people
- Need for more affordable, desirable, and diverse housing and neighborhood options across Southeast Michigan
- The importance of improving and expanding transit and mobility options to support workers, businesses, and enhancing regional connections
- Engaging the public to promote housing and business developments to increase jobs and economic opportunities
- Promoting the link between quality places, creating a strong business climate, and attracting and retaining talent



SEMCOG'S Brian Parthum speaks at the Monroe County Economic Development Input Meeting



*Attendees discuss challenges and opportunities at the Monroe County Economic Development Input Meeting
Monroe County Community College | November 13, 2024*

We also heard a lot about Talent, which 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; it 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.

During the **Talent Forum** and throughout the county input meetings, key discussions included:

- The high priority on developing, attracting, and retaining high skilled talent to align with employer demand across the region
- Addressing barriers to workforce participation – childcare, elder care, transportation, and housing issues – with strong, comprehensive wraparound services
- Southeast Michigan’s declining prime-age labor force (ages 25-54) and shortage of skilled trade workers, including an overall feeling that the way skilled trades careers are promoted needs to change
- The need for long-term sustainable funding for existing and new apprenticeship and employer-led training programs
- The importance of affordable, flexible, and convenient access to education across the region, along with making sure that K-12 students and adults are aware of these educational options

Lastly, 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.

During the **Business Forum** and throughout the county input meetings, key discussions included:

- Access to capital is a huge challenge for entrepreneurs, micro-businesses, and startups, making it difficult for small businesses to get financing at reasonable terms
- The need to streamline and better communicate local permitting process, which could be better understood by business owners
- The need to find sustainable sources of funding to support businesses as many COVID era programs are ending
- A strong and growing regional entrepreneurial ecosystem, but one that loses growing businesses due to a lack of the talent required to succeed in newer industries
- Infrastructure demand/capacity challenges, which can limit growth for new or growing companies



*Dr. Rose Bellanca, President of Washtenaw Community College, delivers her welcoming remarks at the Washtenaw County Economic Development Input Meeting
Washtenaw Community College | November 22, 2024*

WHAT'S NEXT

SEMCOG continues to analyze the input from the summer forums and the county input meetings. We have also been having conversations with our regional economic development partners in one-on-one meetings to learn about specific needs and priorities when it comes to economic development, workforce development, and placemaking.

The Economic Development Council meets quarterly and will work with SEMCOG staff to develop new recommendations and strategies that will go into the region's next CEDS, which is anticipated to be adopted by the SEMCOG Executive Committee in February 2026 and the General Assembly in March.

COMMUNITY EVENTS AS ECONOMIC DRIVERS

“Community events are economic development at its core.” That is the message Kristi Trevarrow, executive director of the Rochester Downtown Development Authority (DDA) delivered to the audience at a SEMCOG University workshop focused on community events in May 2024. From November through February each year, Downtown Rochester puts on its famous “Big, Bright Light Show,” which sees the building facades along Main Street decked out in over 1 million shimmering holiday lights for all to enjoy. In addition to the vivid lights, most of the businesses add their own flair with creative, holiday-themed displays. People flock from all over the region to stroll up and down the street, take pictures of the buildings, and visit the variety of shops and restaurants.

Community events have long held the power to bring people together and highlight a community’s history, culture, and identity. Now more than ever, communities are holding events of all types and sizes – and during all four seasons – to help catalyze economic development and placemaking efforts. From signature community festivals, holiday celebrations, summer concerts in the park, and art fairs to sports tournaments, slow rolls, marathons and 5K races; there is no shortage of amazing community events in Southeast Michigan!

Attendance at Michigan’s 1,300 fairs and events, including 84 county fairs, exceeds 35 million people annually according to the Michigan Festivals and Events Association. In 2022, visits to Michigan welcomed 125 million visitors, according to the Michigan Economic Development Corporation.



Big Bright Light Show, City of Rochester



Lake Street Cruise-In, City of South Lyon

Community events offer countless opportunities for people to experience cool art and diverse culture, local history, entertainment, food and drink, and interactive fun and games. These events also allow people to be around other community members, to gather socially and create memories.

Community events have long held the power to bring people together and highlight a community's history, culture, and identity. Now more than ever, communities are holding events of all types and sizes – and during all four seasons – to help catalyze economic development and placemaking efforts. From signature community festivals, holiday celebrations, summer concerts in the park, and art fairs to sports tournaments, slow rolls, marathons and 5K races; there is no shortage of amazing community events in Southeast Michigan!

Attendance at Michigan's 1,300 fairs and events, including 84 county fairs, exceeds 35 million people annually according to the Michigan Festivals and Events Association. In 2022, visits to Michigan welcomed 125 million visitors, according to the Michigan Economic Development Corporation.

These events attract visitors who spend money in town, which helps boost the local economy. Businesses benefit from increased foot traffic that often translates into new customers and free marketing. Events and festivals also help foster community pride, teach people new things, and strengthen relationships – between both community organizations who plan and host the events and the neighbors who come for the experience. Successful events require collaborative planning, creative partnerships with community groups and businesses, and close coordination with public safety agencies.



A WHOLE NEW BALLGAME

The resurgence of Detroit continues to attract major sporting events to the region, often putting the city in the national spotlight for all to witness. In 2005, the Major League Baseball All Star Game was held at Comerica Park – the game’s first time back in Detroit since 1971. Ford Field hosted Super Bowl XL in 2006 and the NCAA Men’s Basketball Final Four in 2009.

In 2024, Little Caesars Arena hosted the NCAA Men’s Tournament Sweet 16 and Elite 8 games and will host the 2027 Men’s Final Four and the 2028 Big Ten Women’s Basketball Tournament. Across the country, people are seeing firsthand that Detroit is a great location to hold these national sporting events and that the city and the region are very good at hosting them.

There is perhaps no greater example of the capacity for Detroit to host big events than the 2024 NFL Draft, which was held downtown from April 24–27. Over 775,000 people attended over that three-day span, which set a new attendance record for the NFL. A worldwide audience of millions watching draft coverage on TV were repeatedly exposed to aerial and close-up shots of the city. The city was praised by visitors and national media alike. All the preparation and partnering well before the crowds ever converged on the city resulted in a sea of positivity during and after the draft, which provided a huge boost to the regional economy.

In July 2024, Visit Detroit and the Detroit Sports Commission announced that the NFL draft event had a \$213.6 million economic impact for the city and Southeast Michigan. They also announced that \$161.3 million (or 75%) of the total economic impact was new spending within the region due to the draft, which also created a tax impact of about \$12 million. Roughly 30% of the attendees traveled over 100 miles to be there in person.

BRINGING COMMUNITIES TOGETHER

Beyond sports, Southeast Michigan is also home to a rich and diverse heritage in automotive, music, and arts and culture – all of which provide additional opportunities for events and experiences.



SterlingFest, City of Sterling Heights

In Sterling Heights, the city has been hosting SterlingFest – one of the major signature festivals in Southeast Michigan – for 42 years. City officials note that the festival is sponsored by over 40 local businesses who view the festival as an important marketing and outreach platform. SterlingFest features an arts and craft show with over 100 artists and crafters, many of whom are small businesses or microbusinesses. It also provides a stage for more than 30 local music acts and national headliners, the latter attracting fans from outside of the state who come to the show and stay in local hotels.

The City estimates SterlingFest brings in 150,000 visitors over the three days of the festival each summer. It naturally brings people and families together to have a fun experience and gather as a community. As the City's community relations manager Melanie Davis notes, "Our Suds 'n' Sounds beer pavilion has become the unofficial epicenter of local family and high school reunions and social media sites promote the pavilion as the place for thousands to reconnect under the pavilion to dance, since, and celebrate fellowship of days gone by."



Our Suds 'n' Sounds beer pavilion has become the unofficial epicenter of local family and high school reunions and social media sites promote the pavilion as the place for thousands to reconnect under the pavilion to dance, since, and celebrate fellowship of days gone by.



- Melanie Davis
Community Relations
Sterling Heights

Signature events throughout the region have become annual staples and boost local economies.



Spanning 16 miles and nine dynamic communities, the **Woodward Dream Cruise** draws more than 1 million people and roughly 40,000 classic vehicles. It's the world's largest one-day automotive event according to event organizers.

The Michigan Challenge Balloonfest, hosted annually by the Howell Area Chamber of Commerce, attracts over 100,000 guests each year and provides local businesses a valuable platform for increased visibility and community engagement.

The Detroit Jazz Festival generates \$24.5 million economic activity and supports the equivalent of nearly 500 full-time jobs, with \$26 million in household income going to local residents and approximately \$3 million in tax revenue according to an economic impact study by the festival's Foundation.

The Ann Arbor Art Fair hosts about 1,000 artists across 30 city blocks each year, which attracts nearly 500,000 people to the city over three days in July each summer.

Many events coincide with other activities, such as fun runs, music concerts, and parades. Around any given holiday, you can find one or more communities holding a parade to celebrate.

Smaller towns and rural townships also host their own signature events that bring people together and enhance the quality of life for residents. In many of these places, the gathering spot is the big community park or a school or church property. Family movie nights, music in the park, scarecrow festivals, paddling events, vintage car shows, carnivals, egg hunts, and ice sculptures provide fun experiences for folks in smaller communities. Combined with other placemaking and economic development efforts, unique events and festivals help make our communities more attractive and vibrant places in which to live or visit.



SEMCOG'S LOCATION ANALYSIS AND VISITATION TOOL

SEMCOG recently launched a new economic development and placemaking tool to assist our local communities with understanding location and foot traffic.

This tool is powered by Placer.ai and provides detailed data analysis for location, visitation, and foot traffic of key places and destinations across the region. This includes visitation data for downtowns/DDA districts, parks, and any community events/festivals that are held during certain times of year.

For each of these areas, the Location Analysis and Visitation tool can provide the following analysis and results:

- Visitor and foot traffic numbers (how many people visited an identified location, year over year, specific day(s), week(s), month(s))
- Post/Prior visitor journey information (where people visited before and after their visit)
- Visits by origin (zip code information from home or work)
- Demographic information of visitors (including generational profiles)

LEARN MORE

SEMCOG members can find more information about this tool and fill out a data request at

semcog.org/location-analysis-visitation-tool

or by scanning the QR code.



ECONOMIC DEVELOPMENT THROUGH HOUSING

LOCAL IMPLEMENTATION EFFORTS ACROSS SOUTHEAST MICHIGAN

Creating and protecting quality places is a regional economic development strategy. People move to and stay in places that they love. A great place is characterized by natural features, parks, thriving main streets and downtowns, things to do, and housing.

Over and over during SEMCOG' Economic Development Forums in the Summer of 2024, the topic of housing came up as a key element of quality places. This finding supports and enhances Southeast Michigan's Comprehensive Economic Development Strategy (CEDS) which states that to have great places, the region needs diverse and desirable housing options for households of all sizes and income levels.

How does housing relate to economic development? First, quality housing contributes to making neighborhoods in Southeast Michigan desirable places to live. Secondly, housing is an element of talent attraction and retention. Finally, housing options can increase efficiency and productivity as a region when there are housing options near employment centers.

Locally and nationally, home construction rates have stalled. This is due to many factors including high interest rates, the rising cost of materials, and an ongoing labor shortage. What can local governments do to increase the availability of housing? It depends on the type of community, the opportunities present, and the goals of that community. In each case, it starts with leadership, vision, and at times, thinking creatively.



Hillside Townes, City of Farmington | Photo Credit: Robertson Brothers Home

LAND ACQUISITION AND VISIONING (CITY OF FARMINGTON)

In the City of Farmington, leadership has actively been involved in creating more housing downtown over the past few years. Demolition of a former school and training center has started to make way for seven new buildings consisting of a total of 53 new townhomes.

The city’s vision includes creating a publicly accessible pedestrian promenade that cuts through the site, connecting Shiawassee Park to the Downtown District. The process was not without hiccups, requiring perseverance and patience to bring the project to fruition. Once built, this project will increase housing supply in a high-demand, high-amenity neighborhood. “We’re going to have the opportunity to bring 53 new families, customers, and residents to an area of the city where they’re going to have a ton of advantages, in terms of being able to walk to just about everything,” said Mayor Joe LaRussa in the *Farmington Press*.



Hillside Townes, City of Farmington | Photo Credit: Robertson Brothers Home

PLANNING AND ZONING (CITY OF WARREN)

Housing starts with planning. In Warren, the soon-to-be adopted Warren Van Dyke Corridor Plan integrates housing into what is currently a commercial-only district, between Eight Mile Road in the south to Stephens Road in the north. The goal of this plan is to open the door to additional housing in the community, as well as contributing to the reactivation of the economy in this corridor. Thomas Bommarito, Economic Development Director for the City of Warren, referenced the Master Plan update as a starting point for developing and strengthening mixed-use nodes in the city, including this one along Van Dyke.

Warren is not alone in considering land use changes as a mechanism to increase housing supply. According to the Michigan Association of Planning's *Zoning Reform: Stories and Studies*, published in 2024, the most commonly used tool that Michigan communities are using to create more housing is to allow mixed-use and multifamily in commercial districts. This zoning change not only opens the opportunity for more housing units but has the potential to add vitality to existing commercial areas. Other zoning reforms being implemented by communities include reducing minimum dwelling unit sizes or reducing residential parking requirements.

PRE-APPROVED PLANS AND INFILL HOUSING (CITY OF ECORSE)

It is often said that "time is money," and this is especially true in construction. To help with the time it takes to develop a plan that is appropriate for infilling single-family lots in Ecorse, the city created and adopted pre-approved housing plans which are available on its website. These plans were reviewed by the building department in advance. The process exists to encourage infill development as it provides a simple option for building a home on a currently vacant lot.

This process is especially helpful for newer developers or individuals building their own home because it reduces uncertainty and can save both time and money during the review process. It should be noted that large home builders are often not willing to take on scattered site infill residential development projects, so this process assists smaller developers with getting into the industry and can also assist individuals with building their own home on a vacant lot. In Ecorse there are four plans that have been developed and published by the city; builders are still welcome to create their own plans and go through the normal development process.

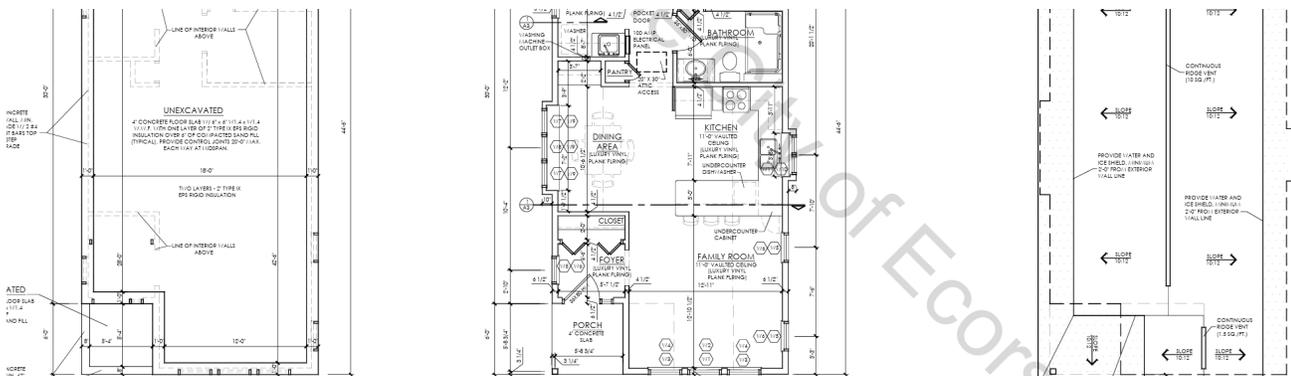


Image credit: Ecorse Pre-Approved Housing Plan

LOOKING AHEAD

Many communities are looking for ways to increase the supply and diversity of housing in order to meet the needs of their residents and to create stronger neighborhoods. There are many tools available to communities and they are encouraged to consider how these tools align with the community's goals and values. These include reviewing the master plan as a starting point as well as other local plans such as economic development strategy or bike and pedestrian plan. Communities can also be creative by considering new ideas and new locations that may not have been considered before. Thinking comprehensively about the building blocks of great neighborhoods, including but not limited to quality housing, will go a long way in building great places that people love and where people stay.

SEMCOG DATA AND TOOLS TO SUPPORT COMMUNITY MASTER PLANS

COMMUNITY PROFILES

Discover how people live, work, and travel in your community. Profile information includes population data, economic and employment data, housing data, transportation data, and land use.

COMMUNITY EXPLORER

Provides valuable community insights including population density, total households and housing data, information on job density, and more.

OPEN DATA PORTAL

The Open Data Portal contains many data sets that can be downloaded for future analysis.

LEARN MORE

SEMCOG members can find more information about our tools at semcog.org/master-plan-data-and-tools or by scanning the QR code.



GOING WITH THE FLOW

TURNING TO THE WATER AS A PLACEMAKING DRIVER

Proximity and access to the world's largest source of surface freshwater are high on the list of things that make Southeast Michigan a desirable place to live, work, visit, and conduct business. The collective impact is often referred to as our blue economy.

According to the National Oceanic and Atmospheric Administration (NOAA), the American blue economy grew faster than the nation's economy in its entirety in 2019. The blue economy supports 2.4 million jobs and contributes \$397 billion to the nation's gross domestic product through activities such as tourism and recreation, shipping and transportation, commercial and recreational fishing, power generation, research, and related goods and services.

The benefits of Southeast Michigan's proximity to and connection with Lake Erie, the Detroit River, Lake St. Clair, the St. Clair River, and Lake Huron are highly valued by residents, visitors, and community leaders. Over the past several years, the Community Foundation for Southeast Michigan along with organizations, municipalities, and the private sector created what is now called The Great Lakes Way.

This vision is an interconnected set of greenways and blueways that stretches from southern Lake Huron through western Lake Erie, passing through Monroe, Wayne, Macomb, and St. Clair counties. The vision incorporates roughly 160 miles of greenways and approximately 156 miles of blueways along Southeast Michigan's shoreline. **Scan the QR code to learn more about the Great Lakes Way.**

SOUTHEAST MICHIGAN'S WATER-RELATED INDUSTRIES, BY THE NUMBERS:

350,000 JOBS, GENERATING **\$21 BILLION** IN ANNUAL EARNINGS

 **120+** PUBLIC BOAT LAUNCHES

 **170+** PADDLING LAUNCHES

 **229** PUBLIC BEACHES

 **175,774** REGISTERED WATER CRAFT IN SOUTHEAST MICHIGAN:

- » **57,576** - OAKLAND COUNTY
- » **37,437** - WAYNE COUNTY
- » **32,669** - MACOMB COUNTY



MACOMB COUNTY'S BLUE ECONOMY INITIATIVE

Macomb County has been working to leverage its high-value waterfront assets to drive economic development and market its high quality of life since county leadership created its initial Macomb County Blue Economy Strategic Development Plan in 2012. This plan highlights the value of Great Lakes coastal shoreline, access to the Clinton River, and enhancing natural water resources in an economic and ecologically sustainable manner. At present, the county's Blue Economy strategies are centered on:

- ✓ Increasing accessibility to waterways in Macomb county
- ✓ Improving the environment, ecology, and perceptions
- ✓ Increasing sustainable economic opportunities



Lake St. Clair Metropark

In recent years, Macomb County Planning and Economic Development (MCPED) and its community partners have carried out numerous initiatives to protect valuable water resources and enhance coastal places as destinations. A 2023 Lake St. Clair Coastal Study established a baseline of current water assets and quality-of-life amenities within a 12.1 square-mile Coastal Area of Study along the lake's shoreline. The results are being used to market the region, address deficiencies and opportunities, and support funding requests that will strengthen the natural asset and its surrounding areas.

An overarching goal of the study was to find out what the shoreline means to Macomb County from an economic standpoint, and according to Gerry Santoro, program director for MCPED's Parks and Natural Resources Team, they discovered that Lake St. Clair was a much bigger economic driver than they initially thought. "We learned that the blue economy is one of the largest sectors in Macomb County and is also significant nationwide. We're one of the top destinations for boating and fishing," said Santoro.

MACOMB COUNTY'S BLUE ECONOMY BY THE NUMBERS

CREATES 18,960 JOBS

20,000 BOAT SLIPS ALONG THE COASTLINE

10 PUBLIC PARKS
7 PADDLING LAUNCH LOCATIONS

IN 2022:

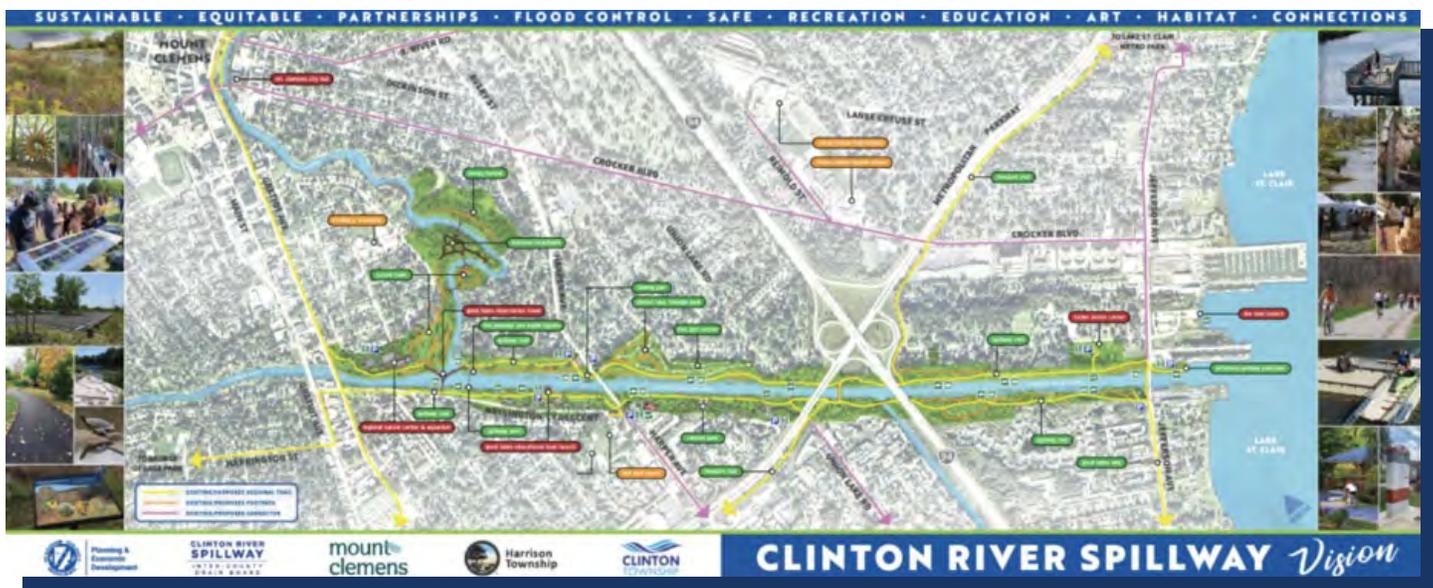
MACOMB COUNTY'S 62 MARINAS WELCOMED
1.4 MILLION VISITORS

MACOMB COASTLINE ALONG LAKE ST. CLAIR
HAD 17.3 MILLION VISITS

Those are big numbers, even more impressive when considering the access issues that come with 94% of the coastline in the county being privately owned.

In 2024, the county created a "Blue Economy Taskforce" in conjunction with the Macomb County Chamber of Commerce, another key result of the coastal study. The taskforce includes more than 50 individuals representing the governor's office, elected officials, local municipalities, and funding agencies.

The study also identified some deficiencies. According to Santoro, the county learned there was pent up demand for a campground and overnight lodging, particularly within 15 miles of the shoreline. There was also a need for a conference center in the county. The taskforce has commissioned a feasibility study to identify potential locations for a multi-use conference center that interfaces with the waterfront and includes places to walk and enjoy the water. Given that so much of the coastline is privately-owned, increasing public access is a big priority. "Creating access for the general public is key for sustainability," said Santoro.



Map illustrating the Clinton River Spillway Vision



Kayakers in Anchor Bay at Brandenburg Park in Chesterfield Township

In Chesterfield Township, recent improvements at Brandenburg Park have helped land the Bassmaster Elite Series Tournament in 2025. In addition to its immediate impact, this event brings national television coverage and heightened awareness of the region's premier angling opportunities.

The county is also working with the City of Mount Clemens to move their municipal offices and fire station downtown, which will free up about 3.5 acres of land along the Clinton River. The goal is to build a multi-use, multi-story building on about 1.5 acres and allow the remaining acreage to be developed for pedestrian and public use. This project is still in the exploratory design phase.



Kayakers on the St. Clair River

TURNING TOWARD THE WATER IN ST. CLAIR COUNTY

Further north, community partners in St. Clair County have also been working to create stronger connections between environmental and recreational assets and the abundant shoreline along Lake Huron, the St. Clair River, and Lake St. Clair.

A vision for a connected system of water trails was born back in 2010 when St. Clair County received a Coastal Management Program grant from EGLE (then MDEQ) and NOAA to create the Blueways of St. Clair, which encompasses over 150 miles of water trails on 17 unique paddling routes along 10 different waterways through St. Clair County. The Blueways provide a wide variety of natural and urban paddling experiences for people of all ages and abilities. In 2014, the Island Loop National Water Trail became the first water trail in Michigan to receive the national water trail designation from the U.S. Department of the Interior. It has since been designated as a state water trail as well.

In 2019, St. Clair County partnered with MCPED to develop the St. Clair-Macomb Birding Trail, which was funded in part through another Coastal Management Program grant from EGLE/NOAA and highlights 38 bird viewing sites in St. Clair and Macomb counties, including the different bird species you can expect to see and the different amenities, such as parking, restrooms, and boat and kayak launches at each location. Many of the birding trail sites are public parks along the Lake St. Clair and St. Clair River shorelines, as well as inland tributaries and nature areas.

According to the U.S. Fish and Wildlife Service's 2022 Birding in the United States: A Demographic and Economic Analysis, "trip-related and equipment-related expenditures associated with birding in 2022 supported \$279 billion in total industry output, 1.4 million jobs, and \$90 billion in job income." The St. Clair-Macomb Birding Trail is featured prominently on the MDNR's statewide birding website.

Building off a two-decade vision to connect and complete the 54-mile Bridge to Bay Trail, three projects have given community partners in St. Clair County a comprehensive overview of existing and planned trails:

- ✓ In 2019, the county received a planning assistance grant from SEMCOG to update the countywide trails plan.
- ✓ While that planning process was underway, the Community Foundation of St. Clair County also commissioned a study to examine how regional trail systems impact the economy and better understand how other successful trail systems have developed and flourished over time.
- ✓ The Metropolitan Planning Commission adapted a rating system for evaluating the condition of road surfaces to rate the conditions of existing the existing trail infrastructure to better understand maintenance needs.

The main driver of the updated countywide trails plan was to ensure the trail network connected people to important community assets such as downtowns, waterfront, and other recreation facilities. It also identified preferred and alternative routes to complete gaps in the trail network. The plan to complete the Bridge to Bay Trail, stretching from New Baltimore to Port Huron, includes three phases estimated at \$12 million and will add another 18 miles to the network. Once completed, the Bridge to Bay Trail will provide an essential link to other trails in Southeast Michigan.

Community partners have been focusing on phased implementation and established the Regional Trails Governing Board with oversight by Friends of the St. Clair River and coordination from local governments who own, lease, or operate land that touches the Bridge to Bay Trail. That board is informed by five local trail advisory committees comprised of citizens and trail users.

Many of the communities in St. Clair County are increasingly focused on placemaking and outdoor recreation, bolstered by philanthropic support from the Community Foundation of St. Clair County, which has increased its support for outdoor recreation projects in recent years (particularly in smaller communities).

COMMUNITY FOUNDATION OF ST. CLAIR COUNTY INVESTMENTS
<p>\$25,000 for a new pocket park in the Village of Capac, which included help from the DTE Energy Foundation and another \$15,000 from the Four County Community Foundation</p>
<p>\$47,000 for improvements to River Park in East China Township</p>
<p>\$140,000 for improvements to Klecha Park in the City of St. Clair</p>
<p>\$465,000 for three projects in Marine City, including the Tot Lot, the Belle River Fishing Pier, and the new Marine City Marina. A generous portion of this grant funding came from the Ralph C. Wilson Jr. Foundation</p>

BRIDGING THE TALENT GAP

GORDIE HOWE BRIDGE CREATES BIG OPPORTUNITIES FOR LOCAL, INTERNATIONAL WORKERS

The scope and impact of the Gordie Howe Bridge are so massive, so historic, that they are challenging to put into context:

The opening of a nonmotorized path for people who walk and bike will enhance access for all and create new tourism opportunities along both sides of the region's iconic riverfront, but it is brand-new and no one really knows yet how popular it will be.

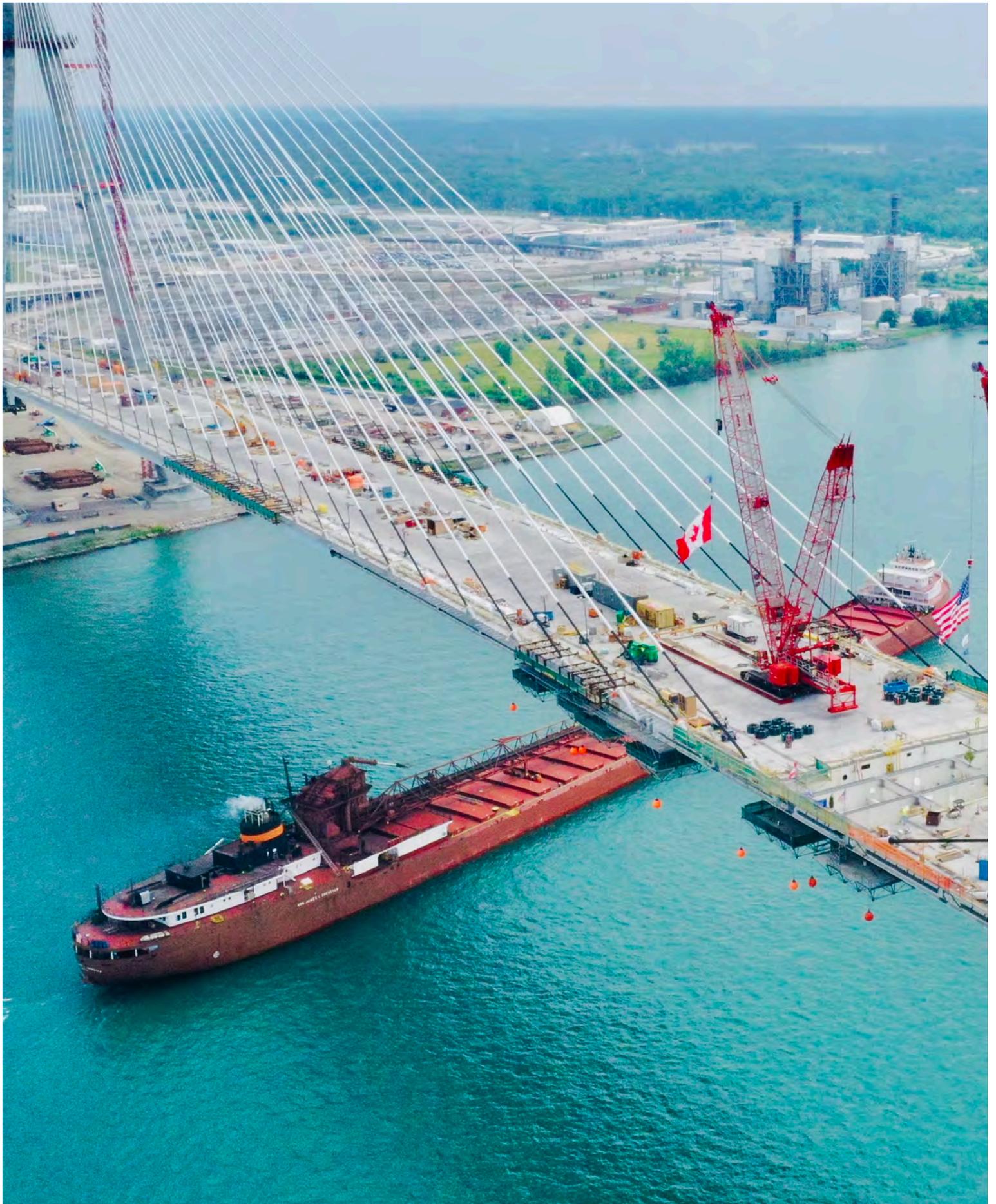
Redundancy may not be the flashiest of the bridge's selling points, but the additional span will create more options for travelers and help to alleviate bottlenecks in the supply chain – increasing confidence and comfort for all.

The post-Gordie economic landscape will feature binational economic benefits based on these factors and more (such as improved traffic flow), though they really began with the start of construction in 2018.

How much talent is needed to safely and efficiently build a 722-foot tall, 1.5-mile bridge across the Detroit River, in coordination with two countries and several existing communities and infrastructure systems? A lot. It takes a lot of talent.



Construction of the Gordie Howe Bridge



THE GORDIE HOWE BRIDGE | DETROIT AND WINDSOR

It takes many people with many sets of skills to accomplish something like this. Since the Gordie's shovels-in-the-ground day on October 5, 2018, more than 11,000 workers have been hired and more than 12 million hours of work been logged on-site. Thanks to extensive community outreach and involvement, over 42% of the project team is local to Southeast Michigan or the area around Windsor, Ontario. This means that for these 4,600+ local job opportunities to be created, another 6,300+ had to be filled as well.

According to Windsor's *AM 800 cklw*, one of these jobs has been filled by Manuel Bello, a field engineer for the deck, originally from Venezuela. "It's a very big project, so there's a lot of moving parts in terms of design, coordinating with subcontractors and vendors. So many things that change day to day, and there's a tight schedule that we need to meet," Bello said."

Bello is one example of the key role immigrants play in our region's economy. Southeast Michigan's population forecast indicates that it will be impossible for the region to realize its best-case economic scenario without a significant influx of talent across high-demand jobs such as healthcare, financial services, and various kinds of engineering. Much of this talent will come from within our region – by tapping into underutilized parts of our workforce and keeping local graduates of our colleges, universities, apprenticeship programs, etc. in the region – but much of it will also need to come from international immigration.

Detroit's booming auto industry of the 20th Century relied heavily on the labor of immigrants. According to a 2014 *Crain's Detroit Business* article, "Foreign-born workers and their families helped swell Detroit's population to nearly 2 million people at its 1950 peak."



It's a very big project, so there's a lot of moving parts in terms of design, coordinating with subcontractors and vendors. So many things that change day to day, and there's a tight schedule that we need to meet.



MANUEL BELLO | Field Engineer

Immigrants help to build cars, roads, office buildings, and homes across Southeast Michigan. They also help to build the unique blend of cultures that exists here and no place else. The legacy of manufacturing in Southeast Michigan has created an expectation that things that are built here will work well and last a long time, and the region's broad collection of cultures has helped to sew innovation and uphold that standard.

IMMIGRANTS: GETTING JOBS DONE



In 2023, foreign-born workers were more likely than native-born workers to be employed in service occupations; natural resources, construction, and maintenance operations; and in production, transportation, and material moving operations. Foreign-born workers were less likely than native-born workers to be employed in management, professional, and related occupations and in sales and office occupations.



\$987

The median usual weekly earnings of foreign-born full-time wage and salary workers were **\$987** in 2023, compared with **\$1,140** for their native-born counterparts. (Differences in earnings reflect a variety of factors, including variations in the distributions of foreign-born and native-born workers by educational attainment, occupation, industry, and geographic region.)



By region, the foreign born made up a larger share of the labor force in the West (**23.9%**) and in the Northeast (**22.6%**) in 2023 than for the nation as a whole (**18.6%**). The foreign born made up a smaller share of the labor force than for the nation as a whole in the South (**18.1%**) and the Midwest (**10.1%**).

WHAT THE DATA SAYS

HIGHLIGHTS FROM "CONTRIBUTIONS OF NEW AMERICANS IN MICHIGAN" **

- 6.9%** - IMMIGRANT SHARE OF THE MICHIGAN POPULATION IN 2022
- 9.9%** - IMMIGRANT CONTRIBUTION TO THE STATE'S GROSS DOMESTIC PRODUCT (GDP)
- 57%** - POPULATION GROWTH IN MICHIGAN FROM 2012 - 2022 ATTRIBUTABLE TO IMMIGRANTS MOVING TO THE STATE
- 24.1%** - INCREASED LIKELINESS OF IMMIGRANTS TO BE OF WORKING AGE COMPARED TO THEIR NATIVE-BORN COUNTERPARTS
- 7.8%** - IMMIGRANTS IN MICHIGAN WHO ARE REGISTERED NURSES, THE TOP IN-DEMAND JOB IN THE STAT

28.2% - MICHIGAN'S SOFTWARE DEVELOPERS WHO ARE IMMIGRANTS

24.3% - MICHIGAN'S MECHANICAL ENGINEERS WHO ARE IMMIGRANTS

12.9% - MICHIGAN'S INDUSTRIAL ENGINEERS WHO ARE IMMIGRANTS

* Source: U.S. Bureau of Labor Statistics (<https://www.bls.gov/news.release/forbrn.nr0.htm>)

** Source: American Immigration Council; Michigan Global Talent Initiative (https://www.americanimmigrationcouncil.org/sites/default/files/research/new_americans_michigan_2024.pdf)

A DEEPER TALENT POOL SPRINGS UNEXPECTED BENEFITS

Talent is the lifeblood of a thriving economy, and every person represents a collection of unique talents, experiences, and potential contributions to our shared economic success. Highly skilled laborers and innovators from other parts of the country and globe have always contributed to the success of our region.

FORD MOTOR COMPANY - AN IMMIGRANT STORY?

William Ford emigrated to the United States in 1847 at the age of 20 and began farming in Wayne County. Years later, his wife Mary gave birth to their son Henry. Just like that, Southeast Michigan had become home to a historic innovator and major contributor to the economic success of Southeast Michigan and the United States for generations to come. By welcoming William Ford and his growing family to the region in 1847, Southeast Michigan had added talent that would help to meet the immediate needs of the present (agriculture) along with the needs of the future (machine-based manufacturing).



Ford Field, Detroit

BUILDING A BRIDGE TO THE FUTURE

The sustained contributions of immigrants (and their descendants) remain essential to Southeast Michigan's economy now and in the future. In SEMCOG's Economic and Demographic Outlook for Southeast Michigan through 2050, an alternative regional forecast scenario was analyzed in which international migration is reduced by about 24%, to 16,970 per year in Michigan and 10,877 per year in Southeast Michigan.

Under this outlook scenario, "The reduction in international migration results in fewer jobs in our community as the decline in the labor force results in an increase in relative wages. Southeast Michigan loses 466 jobs relative to the baseline forecast in 2024. Job losses increase over time, reaching a total of 4,585 by 2050." These figures reflect only a hypothetical reduction of expected immigration to Michigan. Alternatively, a reduction in immigration across the whole United States would result in even greater job losses in our region.

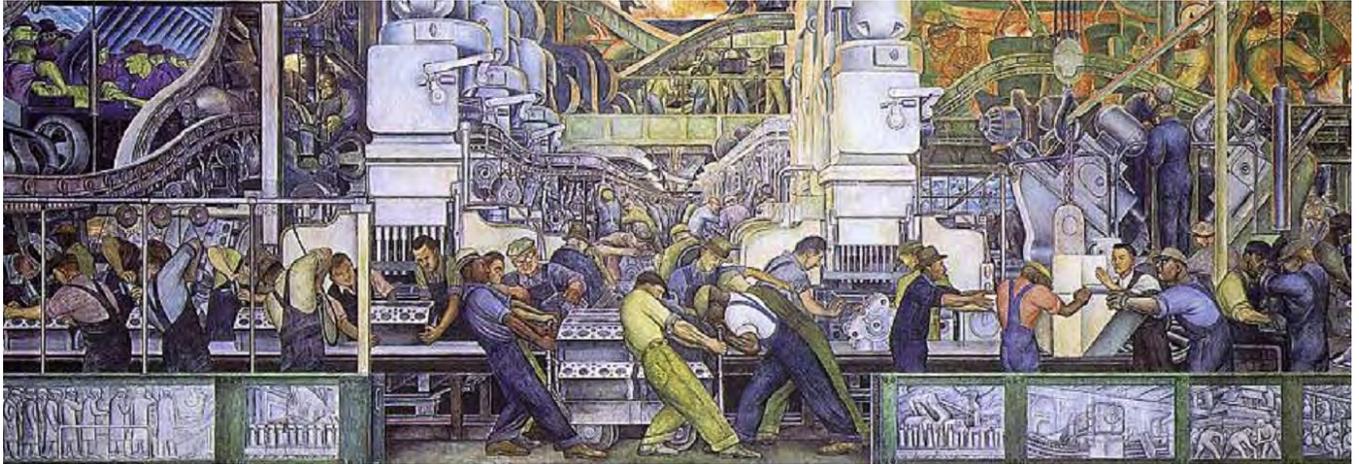
The 2025–2026 SEMCOG Legislative Policy Platform recognizes the value immigrants add along with the essential role they will play in our region's ability to see population growth in coming decades:

Support policies that facilitate legal immigration to support economic development and help meet the region's workforce needs.

Strategies to support Southeast Michigan's economy through legal immigration may include:

- ✓ Programs to prioritize immigrant pathways for individuals who possess highly in-demand skills
- ✓ Pathways for foreign students to both obtain STEM degrees in Michigan and remain here to fill in-demand jobs
- ✓ Public-private partnerships to identify opportunities for welcoming, training, and retaining essential immigrant workforce populations
- ✓ Connection and collaboration with community-based organizations already supporting immigrant communities through ESL, education, and other support services

GROWING OUR INNOVATION ECOSYSTEM



Detroit Industry Murals by Diego Rivera - Detroit Institute of the Arts

Southeast Michigan is undergoing a renaissance in innovation thanks to broad collaborative efforts across the region. These include the three research universities and other institutions of higher education; new anchors such as Michigan Central; county and city leadership; corporations who are investing in innovative strategies to improve products, services, and outcomes; funders who are investing in creative people and products; and individual founders who are shaping the future with applications, manufacturing, and support for the new generation of innovators. Together they are creating a new innovation ecosystem that builds on Southeast Michigan's many natural, institutional, and cultural assets to reposition the region as the center of innovation.

Southeast Michigan has been known for its industrial strength for more than a century, but the national and global economy is increasingly dominated by technology-based growth, and other regions have supplanted Michigan's economic dominance. For Michigan to retain its economic influence, it needs to leverage its considerable assets to build an innovation ecosystem.

A recent study by the Creative Class Group makes the case for a Detroit to Ann Arbor Innovation Corridor. The report specifically calls out two main strategies for the region. These are "deepening" - applying new technologies to improve existing industries, and "shifting" - applying new technologies to generate new industries. The Detroit Regional Chamber's 2025 Detroit Policy Conference Driving the Innovation Economy outlined efforts at how the region is both **shifting** and **deepening**.

Collaboration is a central theme of innovation. Apart from active cross-sector partnerships, a successful innovation ecosystem needs investors, facilities, and an environment that responds to the needs of small businesses and a strong quality of life. There is a strong focus on access and providing opportunities to all stakeholders. Providing forums that are open to all stakeholders ensures that the innovation ecosystem is more than a sum of its parts.

Michigan Central has become a catalyst for the region’s Innovation Ecosystem. Even before its official opening in June 2024, it had created excitement as an open platform where founders could thrive. There are 135 startups currently working on projects including Electrification; Applied AI; Advanced air mobility ; Climate and clean technology; Alternative energy and batteries; and Material sciences and life sciences.

Mary Culler, President of Ford Philanthropy and Chair of Michigan Central calls it a center for “creative collisions, accidental collaboration, the more people who come in the better.” The most important factors for success are sense of community, access to capital, and more tools for early stage companies such as wet labs. Michigan Central’s focus is not only on the work but who is doing it.

Josh Sirefman, Chief Executive Officer of Michigan Central, sees Michigan Central as emerging into a new competitive advantage for Detroit and the state. He says, “The region must lose the scarcity mindset and develop a strategy to collectively maximize the opportunities through a clear inclusive vision and collaboration.”

Some of the education, business and government leaders helped to create the innovation ecosystem and joined together to sign the Research and Development Tax Credit legislation.



Education, business, and government leaders signing the Research and Development Tax Credit legislation at New Lab at Michigan Central on January 13, 2025

HOW BUSINESSES AND FOUNDERS ARE CREATING THE INNOVATION ECOSYSTEM

Innovation can take place at both small and large companies. As a leading healthcare nonprofit, Blue Cross Blue Shield of Michigan sees innovation as a way of achieving better health outcomes and affordability in an environment of increasing costs. It is using technology and AI to speed up care in the Emergency Room, improving access to data and information at its call centers, collaborating with valued partners on data sharing, and using a concierge program to reach out to members to support preventive care.

MICHAEL HEALANDER is the President and CEO of Airspace Link – a Michigan-based start up established in 2019 that has built an air traffic control system that will safely integrate drones into national air space and communities. It is “a Google maps for drones” – digital infrastructure for 400 feet and below. Since the company was established in 2019, it has attracted \$37 million from investors including the MEDC and the City of Detroit and recently expanded its footprint by moving to New Lab at Michigan Central. It works with 6,000 businesses that use drones including the Department of Defense, and is connected to 740 airports. The company is also growing in the area of advanced air mobility.

ALEXA AND JOHNNIE TURNAGE are developing human capital for the innovation ecosystem in the region. They are the founders of Black Tech Saturdays. This is a two-year-old start-up focused on “fostering people to be the best version of themselves.” It empowers black professionals and entrepreneurs in tech through skill development and community engagement. It provides access, opportunities, mentorship, training, and alternate pathways. Johnnie Turnage says: “Mass tech adoption is key to economic mobility...we must expose [young people to it] and make AI mainstream.”



Alexa & Johnnie Turnage at the Detroit Policy Conference | January 23, 2025
Photo credit: PBS Detroit

HOW GOVERNMENT IS SUPPORTING THE INNOVATION ECOSYSTEM

State and local governments have important roles in economic development. Counties in particular help improve quality of life in the communities they serve as well as supporting innovative approaches to both government services and business support.

Wayne County Executive Warren Evans believes that collaboration is critical to creating strong communities and quality of life for the county's 1.8 million residents in 43 communities. Through focus and practical budgeting, the county achieved an AA bond rating, created a \$350 million rainy day fund, and recently helped eliminate medical debt for 42,000 county residents. He is particularly proud of the award-winning, world-class Metro Airport. He sees its success depending on training the future workforce for airport-related careers. This includes pilot training, flight mechanic training, as well as other related careers. He is working with partners to create programs at City Airport. He is also focused on improving attendance and education attainment in the county with a view to creating the future workforce.

For **Oakland County Executive Dave Coulter**, supporting the business community is a priority. 40% of research and development in the state of Michigan is located in Oakland County. He sees the new Research and Development Tax Credit laws as expanding this further. He also expanded services to small businesses by creating Oakland Thrive. This provides consultants to work across the county to provide business services including social media, financial planning. They have connected to more than 7,600 small businesses. The Project DIAMOnD (Distributed, Independent, Agile Manufacturing On Demand) initiative is fostering a county-led culture of innovation. It is accelerating the digital transformation of manufacturing by distributing state-of-the-art 3D printers to manufacturers across the county. Oakland County has a wait list of 100 companies interested in training for 3D printers. More recently, Wayne and Macomb Counties have joined this initiative to create an even larger footprint. Oakland County is also investing heavily in workforce development through the Oakland 80 initiative, increasing housing choice and expanding transit services and routes particularly to jobs centers and northern communities.

Macomb County Executive Mark Hackel has focused on physical infrastructure to improve both quality of life for residents and efficiency for business through a connected roadway system with more than 700 traffic signals and 350-plus cameras on 1,700 miles of road. This has built on the county and region's strength as the arsenal of democracy by innovatively growing the manufacturing industry through defense and next generation nuclear submarines as well as traditional auto related manufacturing. The county is fueling the talent pipeline through strong partnerships between businesses, the county's Planning and Economic Development department, local school districts, Macomb Intermediate School district and Macomb Community College. The county is also improving health care by creatively embracing mental health through community-based support within public safety

HOW EDUCATION IS LEADING THE INNOVATION ECOSYSTEM

All three of Michigan's research universities have a pivotal role in the innovation ecosystem. **Wayne State University** has a strong history in medical and healthcare research. TechTown serves as Wayne State University's economic development arm of the university to catalyze innovation with the goal of leveraging assets and to share benefits across the community. According to President Kimberly Espy, Wayne State imparts the "grit, resilience, and perseverance needed to succeed to the next level."

President Santa Ono from the **University of Michigan** in Ann Arbor sees great opportunities in expanding the university's presence from Ann Arbor to Detroit through the University of Michigan Innovation center in Detroit. It has a strong history of commercializing research into successful companies. There are 46 unicorns (billion dollar companies) that started at the University of Michigan. President Ono says "the stars are aligning for an amazing renaissance in Detroit."

Michigan State University is doing groundbreaking research in a number of technology-based fields at the East Lansing Campus. It is also working in Southeast Michigan through two medical programs. The first is a partnership with Henry Ford Health System for the Future of Health project in the New Center area and the MSU Research Foundation is working on commercializing research in wellness.

To support the innovation ecosystem, the research universities are focusing on specific sector strategies, research and development, strengthening partnerships, engaging with founders early, and building the types of labs where research can be most effective.

So what will it take to build an inclusive, dynamic and sustainable innovation ecosystem in Southeast Michigan that is a national model for both "shifting" and "deepening?" Building on assets including high quality of life; geographic location and International access to Canadian markets and also Asia through non-stop flights from Metro Airport; engineering talent; comparatively lower cost of living; quality of higher education; and growing technology based enterprises. In addition, the energy around the region is attracting more investments in startups so companies can start, grow and thrive in Southeast Michigan without having to leave the state. This will lead to greater economic growth, opportunities and financial resources for individuals, businesses, and the region.



CADILLAC SQUARE HOLIDAY MARKETS, DOWNTOWN DETROIT

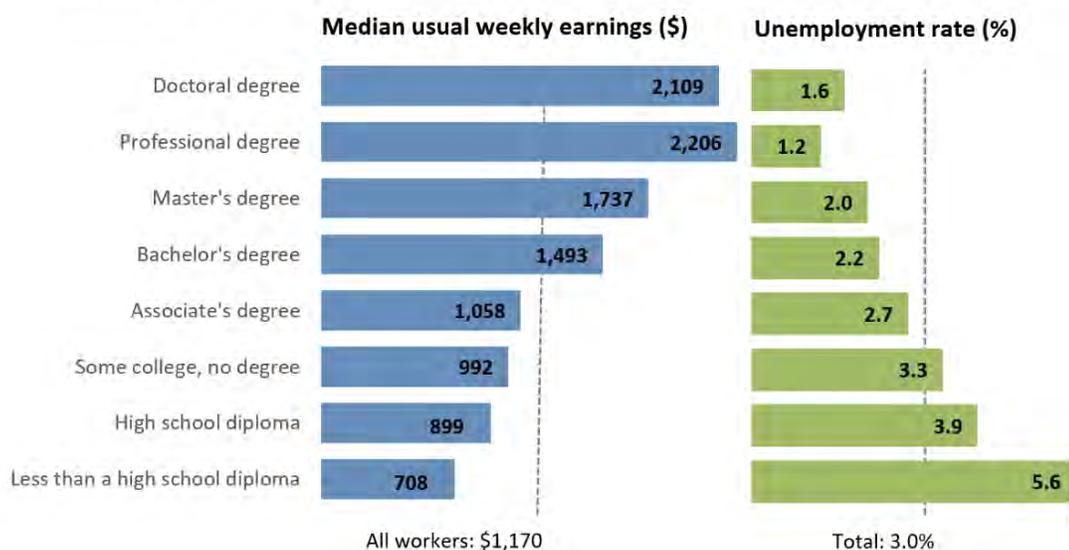
THE VALUE OF POST-SECONDARY EDUCATION

It has been generally accepted that higher education leads to higher incomes over a lifetime. However, according to a recent national survey, only one in four American adults say it is extremely or very important to have a four-year degree in order to get a well-paying job. While 40% say it is not too, or not at all important. This change in perception of higher education is an indication of many factors. These include the cost of higher education, fear of college debt, different career pathways not requiring a four-year degree, and perceptions of college as being elitist or “not for me” – especially for potential first generation college students.

These attitudes have led to declining enrollment in four- and two-year colleges, which has serious implications for the region’s economy and future growth. There needs to be a greater awareness of the true value of college, which goes beyond a high paying job. College graduates generally experience higher incomes and job security, lower rates of unemployment and poverty, better health, greater participation in community, volunteering, voting, and donations to charities.

Changing attitudes require an expanding or reframing of the term “college” to mean different opportunities for postsecondary education to reflect changing career pathways.

Earnings and unemployment rates by educational attainment, 2023



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
 Source: U.S. Bureau of Labor Statistics, Current Population Survey.

WHAT IS POSTSECONDARY EDUCATION?

While college has traditionally been seen as an institution offering two- or four-year degrees, postsecondary education includes college as well as training certificates, apprenticeships, and credentials. These may be offered as part of a degree or standalone program that is offered by colleges or other training institution such as a labor organization or employer – often in partnership with a college. The broader definition of postsecondary college reflects the reality of employer needs, economic growth, and individual capacity to attend education and training while navigating work, family, and life.

According to President Russ Kavalhuna of Henry Ford College, there is a “persistent notion that higher education doesn’t have value,” and this is affecting enrollment levels at Michigan colleges. Even with programs like the State of Michigan’s MI Reconnect and the New Michigan Achievement Scholarship, which together provide very low- or no-cost tuition for college and training programs (for recent high school graduates and adults without a degree), enrollment levels have not seen a huge improvement. While tuition is not the only barrier to enrollment, there are many other resources available to help facilitate success in postsecondary education by addressing some of the other challenges faced by students.

WHY IS POSTSECONDARY EDUCATION IMPORTANT?

There are many important reasons why postsecondary enrollment is important for individuals and the economy. According to the Detroit Regional Chamber’s 2024 report **State of Education and Talent**, these include:

- The jobs of the future require more education – by 2031, 69% of Michigan jobs will require some education beyond high school.
- The most prosperous regions are almost always highly educated. Michigan’s population challenges are compounded by aging workforce and stagnant growth – regions with higher incomes have higher levels of educated residents. For example, per capita income in Boston, Austin, and Seattle, where education attainment is highest among US cities, is above \$55,000 compared to about \$42,000 for Detroit.
- Higher education is the path to prosperity. Lifetime earnings rise with education level. An individual with some college will earn an average of \$2 million in average lifetime earnings, \$2.2 m. with an Associate degree, and \$3.0 m. with a Bachelor’s degree.

WHAT DOES THE DATA SAY ABOUT ENROLLMENT IN MICHIGAN?

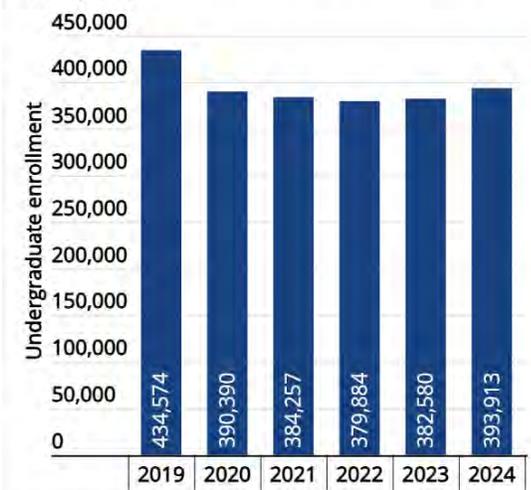
Data from the Detroit Regional Chamber shows that **high school graduation rates in Michigan have increased to 85% between 2014 and 2023. College enrollment declined from 74% in 2013 to 63% in 2022**, but has been seeing an increase more recently after a major dip during the COVID pandemic.

While enrollment is critical, completion is just as important to creating the necessary workforce. Graduation rate for enrollees in four-year programs (within six years of enrollment) increased from 69% in 2013 to 72% in 2017 while graduation rates for two-year enrollees stayed at 32%. This shows that the average rate of completion for two and four-year college in Michigan was 47% in 2023, an increase from 2013 when it was 40%.

These figures do not include the increase in completions for short-term credentials and apprenticeships, which are increasingly more flexible alternatives to full-time postsecondary education and critical to developing in-demand skills to meet current and future career opportunities. Community colleges are particularly important for providing certificates and industry focused short term training. Labor organizations are leaders in “earn as you learn” models like apprenticeships where they work closely with employers to provide workers while they are in training and also after completion of the apprenticeships.

Michigan undergrad enrollment increases

Undergraduate student enrollment is up 3% from last fall. Nationwide, there is a 4.7% jump.



Source: National Student Clearinghouse



— Isabel Lohman

WHAT IS BEING DONE TO ADDRESS ENROLLMENT?

Apart from perceptions of the cost and value of education, enrollment is also impacted by the region’s demographic reality. The aging of the population, lower birth and migration levels and decline in Michigan’s prime working age population (25–54) has reduced the number of people who would most likely consider enrolling in college. While the percentage of students graduating high school has increased in Michigan to 85% (from 80% in 2024), the number of high school graduates who go on to college within a year is just 63% – down from 74% in 2013. These traditional undergraduate students who used to make up a majority of students, are declining as a group. Nontraditional students including those above the age of 25, those who are working full time, and those with families are increasing in numbers. As a result, the strategies for increasing enrollment and completion results for a diverse student body need to reflect the specific needs of each group.

Providing support or wraparound services such as transportation and childcare assistance, as well as mentoring and navigation services, and easy access to information and career pathways may lead to increased enrollment and completion.

Oakland 80 is an initiative of Oakland County government “designed to assist residents in securing a degree or credential beyond high school” with a goal of ensuring that 80% of county adults have a post-secondary degree or credential by the year 2030.

“Our Oakland80 initiative is helping empower people to overcome the barriers that are holding them back from getting the education and training they need to kickstart or change their jobs,” says Oakland County Executive Dave Coulter. “We know that college degrees and advanced training lead to more fulfilling careers and higher wages. That’s priceless for our residents and an added incentive for employers to move to or expand in Oakland County in order to tap that pipeline of talented workers.”

INCREASING ENROLLMENT

1. **Expose** students to careers requiring postsecondary education through hands-on experiences like MiCareer Quest, Manufacturing Day.
2. **Educate** students and their parents about the application process and financial resources available to help cover the costs.
3. **Raise** awareness of career pathways through college, certificate, and apprenticeship programs through a more robust and inclusive career counseling and navigation system that matches students interests with high-demand careers.

INCREASING COMPLETION

1. **Provide** students with academic and personal supports and wraparound services.
2. **Create** opportunities for flexible scheduling to meet needs of students.
3. **Expand** internships, apprenticeships, and paid training programs.



Elliott Tower, Oakland University

SEMCOG, along with the Metropolitan Affairs Coalition is working with partners in education, workforce development, and business to identify successful strategies and develop a campaign to increase both enrollment and completion. Look out for more information this summer, and please contact us if you would like to be part of this effort.

CONTACT US

SEMCOG

SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS

(313) 961-4266

infocenter@semcog.org

1001 Woodward Ave., Suite 1400
Detroit, MI 48226-1904

www.semcog.org

