COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

FOR SOUTHEAST MICHIGAN

SEMCOG | *SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS*

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

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Cover photo: *Ralph C. Wilson, Jr. Centennial Park, Downtown Detroit. Photo taken by Nadir Ali and provided courtesy of the Detroit Riverfront Conservancy.*

ABSTRACT

The 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), with the guidance and support of the SEMCOG Economic Development Council, which serves as the oversight committee for the federally designated Southeast Michigan Economic Development District (EDD).

La Estrategia Integral de Desarrollo Económico (CEDS) para el Sureste de Michigan es el marco estratégico de la región que proporciona una hoja de ruta para el éxito económico a corto y largo plazo. La CEDS fue desarrollada por el SEMCOG, el Consejo de Gobiernos del Sureste de Michigan (SEMCOG), con la orientación y el apoyo del Consejo de Desarrollo Económico del SEMCOG, que actúa como comité supervisor del Distrito de Desarrollo Económico (EDD) del Sureste de Michigan, designado por el gobierno federal.

نبذة مختصرة استراتيجية التنمية الاقتصادية الشاملة (CEDS) لجنوب شرق ميشيغان هي الإطار الاستراتيجي المنطقي، الذي يُوفر خارطة طريق لتحقيق النجاح الاقتصادي على المدى القريب والطويل. تطوّرت هذه الاستراتيجية من قِبل مجلس حكومات جنوب شرق ميشيغان (SEMCOG)، بتوجيه ودعم من مجلس التنمية الاقتصادية الذي يعمل كلجنة رقابية على منطقة التنمية الاقتصادية لجنوب شرق ميشيغان (EDD) المُعيّنة اتحاديًا.

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INTRODUCTION AND REGIONAL FRAMEWORK

SEMCOG AND THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

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 with the goal of improving Southeast Michigan and its local governments through insightful data analysis and direct assistance to members.
- 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.

Since its inception in 1968, SEMCOG has acted as a regional planning partner with local member governments. SEMCOG serves the Southeast Michigan region, made up of Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties.

Membership is open to all counties, cities, villages, townships, intermediate school districts, and community colleges.

SEMCOG was designated as an Economic Development District (EDD) by the U.S. Department of Commerce, Economic Development Administration (EDA) in 2023. SEMCOG is one of over 400 EDA-designated EDDs in the United States, and one of 12 EDDs in Michigan. As the EDD for the region, SEMCOG is responsible for managing a Comprehensive Economic Development Strategy (CEDS).

FIGURE 1-1 | SOUTHEAST MICHIGAN REGION

The *Comprehensive Economic Development Strategy for Southeast Michigan* is a strategy-driven framework that provides the region with a roadmap for economic opportunities. This CEDS employs a comprehensive approach to economic development for the seven-county region. It is comprehensive both in the scope of its interrelated strategies and in its focus on regional collaboration to advance them. The CEDS supports SEMCOG's

vision for Southeast Michigan:

> *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 realize this vision, Southeast Michigan must prioritize:

- **Modern Infrastructure:** Invest in safe, efficient, and technologically advanced infrastructure systems that ensure accessibility for all.
- **Workforce Readiness**: Cultivate an educated and skilled workforce that supports a multi-sector economy and ensures a wide array of opportunities.
- **Environmental Stewardship and Recreation:** Maintain clean lakes, streams, and air, and expand a connected network of trails, parks, and natural areas that enhance recreational and cultural experiences.
- **A Wide Range of Housing Options**: Develop unique community offerings with a range of housing choices to serve a large and varied population.
- **Effective Governance and Civic Engagement:** Support local government leaders and encourage active citizen participation.

A regional approach to economic development is essential to achieving this vision. The Comprehensive Economic Development Strategy (CEDS) aligns with other regional plans, including *Vision 2050, Southeast Michigan's Regional Transportation Plan*. Vision 2050 outlines a strategic investment of nearly $38 billion to address critical transportation needs, fostering a more connected and prosperous region.

Regional policies and actions focus on improving education, funding, preservation, resilience, safety, and shared prosperity. A robust CEDS planning process enables the region to maximize its economic potential through collaborative and innovative strategies.

Finally, maintaining and updating the CEDS also supports SEMCOG's designation as an Economic Development District by the U.S. Economic Development Administration, preserving the region's eligibility for federal grant funding.

Wixom Fall Festival in 2023

Attendees walk along the Joe Louis Greenway in Detroit during a SEMCOG Member Meetup in August 2025

THREE PILLARS OF ECONOMIC DEVELOPMENT

It will take the efforts of many public, private, educational, and nonprofit organizations to carry out the breadth of strategies, policies and actions set forth in this CEDS. Twelve core strategies knit together the regional economy's three pillars – Great Places, Regional Prosperity, and Economic Resilience.

GREAT PLACES

Southeast Michigan's Place assets feature quality-of-life amenities such as the Great Lakes and natural areas that support recreation and culture; historic downtowns, dynamic urban centers and unique neighborhoods; accessible mobility options for people and goods; high-quality universities, colleges, and school systems; first-class medical facilities and healthcare services; and much more. These 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, "Great Places" is a key pillar for a strong regional economy and is supported by the following core strategies:

- *Developing and Promoting High Quality Places*
- *Leveraging Environmental, Recreational, and Cultural Assets*
- *Strengthening Downtowns and Neighborhoods*
- *Enhancing Local and Regional Land Use Planning*

Multi-use path and public art along Oak Park's 9 Mile Road Redesign project

REGIONAL PROSPERITY

Southeast Michigan's economic prosperity relies on ensuring residents and businesses have access to essential resources - including education, technology, and capital - that support financial growth and upward mobility. A thriving regional economy drives population growth and business expansion, strengthens community vitality, creates quality jobs, retains key industries, and attracts new enterprises and entrepreneurs.

Central to this success is the ability to develop, attract, and retain talent, which fuels innovation and competitiveness. To sustain growth, the region must provide affordable, high-quality opportunities for individuals to build long-term careers, enhance

their skills, improve health outcomes, and build personal wealth. The "Regional Prosperity" pillar is bolstered by the following core strategies:

- *Cultivating a Globally Competitive Business Environment*
- *Supporting Entrepreneurship and Small Business Growth*
- *Aligning Talent Development with Workforce Needs*
- *Promoting Upward Economic Mobility*

Downtown Northville

Summit Gardens, Downtown Howell

ECONOMIC RESILIENCE

Economic resilience is a core investment priority of the U.S. Economic Development Administration, emphasizing strategies that strengthen a region's ability to withstand and recover from disruptions - whether caused by industry shifts, market volatility, or natural disasters. Effective planning and implementation efforts build adaptive capacity, ensuring long-term stability and growth. As outlined in FEMA's 2024 National Resilience Guidance, resilience is defined as the ability to prepare for threats, adapt to changing conditions, and recover quickly from adverse events. For Southeast Michigan, embedding resilience into economic development initiatives is essential to safeguarding prosperity and ensuring long-term progress.

Regional economic stressors or shocks typically arise from one or more key factors: state or national economic downturns that reduce demand for locally produced goods and consumer spending; declines in critical industries that form the backbone of the local economy; and external disruptions such as natural disasters, manmade crises, power plant closures, or the loss of major employers. Understanding these potential triggers is essential for developing strategies that strengthen economic resilience and ensure regional stability. The core strategies that support the "Economic Resilience" pillar include:

- *Broadening and Strengthening the Regional Economic Base*
- *Investing in and Safeguarding Critical Infrastructure*
- *Enhancing Preparedness for Disruptions*
- *Positioning Southeast Michigan as a Leading Freight and Logistics Hub*

INFORMING THE CEDS

The *Comprehensive Economic Development Strategy for Southeast Michigan* includes twelve broad-based strategies and associated actions that help carry out those strategies. Creation of the CEDS and its strategies and actions were informed by research and extensive public and stakeholder input. Over an 18-month process, the following public input and stakeholder guidance were gathered and analyzed:

- A SEMCOG-Metropolitan Affairs Coalition (MAC) Pulse of the Region Survey about the health of the regional economy
- Public input forums, county-level input meetings, and interviews with regional economic development stakeholders
- Economic Development Council discussions, guidance, and input
- Review of other plans and reports, and connections to SEMCOG plans

PULSE OF THE REGION SURVEY: ECONOMIC HEALTH

SEMCOG and MAC conducted a Pulse of the Region Survey to help develop the CEDS and better understand residents' opinions about a variety of factors that contribute to Southeast Michigan's economy.

The survey was conducted from July through September 2025 and focused on public opinions on the state of the region's economy. It asked about the region's greatest assets and challenges as well as the best approaches to achieving economic prosperity.

Economic confidence was significantly lower among most

Monroe News article promoting Economic Health survey

residents compared to recent years. The perception of the current economy received a rating of 5.0 (out of 10) compared to 7.3 and 7.1 in 2015 and 2019, respectively. When asked about confidence in the economy over the next 12 months, the perception rating was nearly unchanged at 4.8. Those earning $75,000 or more rated the current economy higher than those earning less. Below are highlights of the survey:

- The quality-of-life factors rated most important were the ability to age in place, desirable and affordable residential neighborhoods, recreational opportunities, and quality schools.
- About 80% of respondents indicated that family was the primary reason for them choosing to live or stay in Southeast Michigan.
- The factors considered most important for how the regional economy develops in the future were higher-paying employment opportunities, more economic diversification, and improving the overall quality of life.

- About 59% of respondents said high-paying employment opportunities are most important. In 2015 and 2019, improving quality of life was considered most important.

- Respondents considered the region's greatest assets to adapt, grow, and attract business to be its proximity to natural resources, our manufacturing heritage, and an educated and trained workforce. The second tier of assets was balanced between the cost of doing business and having access to quality higher education.

- The region's biggest economic challenges were the cost of living and affordability of day-to-day goods and services. Other significant challenges included the availability and cost of housing, the lack of quality employment opportunities, and lack of access to public transit.

- Residents noted that the availability of quality jobs with living wages, education and training opportunities, and workforce housing near employment centers are the most important for economic prosperity. The availability of quality jobs with living wages was considered important across all demographic categories.

PUBLIC INPUT FORUMS AND REGIONAL STAKEHOLDER MEETINGS

SEMCOG held three economic development forums to delve deeper into the themes of 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 also 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 several polling questions, followed by facilitated discussion.

In addition to these seven larger group input meetings, SEMCOG and MAC staff met individually (both in-person and virtually) with key regional economic development stakeholders to

Attendees listen to a speaker at the SEMCOG Business Forum in September 2024

Dr. Rose Bellanca, Ed.D., Washtenaw Community College President, addresses the audience at the Washtenaw County Economic Development Input meeting in November 2024

better understand their priorities, challenges, and perspectives. Meetings were held with 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 Michigan Works!, the Detroit Regional Partnership, Downriver Community Conference, community colleges and intermediate school districts, and others.

Through all this public and stakeholder input, key themes emerged that directly helped to shape this economic development strategy and the recommended policies and actions:

- Several 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 and age of both above- and below-ground infrastructure: roads, bridges, water, and sewer, and a lack of funding to adequately maintain them.

- Housing that is affordable for the workforce and near good paying jobs is needed; the solution should include more senior housing options.

- Better transportation options are needed to get to work, including public transportation, as well as strategies to eliminate other barriers to labor force participation, such as affordable and accessible childcare, elder care, and other needed wraparound services.

- 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 partnerships can be a part of the solution. Our ability to collaborate on regional planning issues is important in advancing these opportunities.

ECONOMIC DEVELOPMENT COUNCIL

The SEMCOG Economic Development Council (EDC), which is the oversight committee for Economic Development District for Southeast Michigan, provided guidance and support for the development of the CEDS. The EDC is comprised of representatives from a cross-section of the region's economy (e.g., business, labor, government, non-profits, community organizations, and secondary and higher education institutions).

Economic Development Council meetings include presentations, panel discussions, and interactive conversations about regional economic development issues and trends

A small group discussion about the SWOT Analysis during an Economic Development Council meeting

CONNECTION TO OTHER PLANS

In developing this document, SEMCOG looked at existing efforts to 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 twelve core strategies presented in this CEDS.

Many of these regional plans and studies include overarching goals and strategic priorities that align well with the strategies and actions put forward in the CEDS, including:

- Growing the innovation economy in the region and statewide.
- Increasing support for entrepreneurs and small businesses and expanding access to capital and other needed resources.
- Cultivating talent in the workforce so people can grow and thrive.
- Retaining and attracting defense, technology, and advanced manufacturing firms to help diversify the regional economy.
- Leveraging the region's natural, recreational, and agricultural resources as an economic driver.
- Preparing and upskilling our workforce for the jobs of tomorrow.
- Ensuring we maintain and protect critical infrastructure systems that support quality of life and economic activity.
- Equipping workers and communities to adapt to economic transition.

The collaboration and input of the EDC 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;
- Identified, discussed, and analyzed Southeast Michigan's strengths, weaknesses, opportunities, and threats; and
- Held important conversations on key topics and trends impacting Southeast Michigan, including the importance of great places, growing the regional talent pipeline, boosting innovation and entrepreneurship, planning for and siting data centers, and building economic resilience.

The CEDS is also supported by other regional plans developed by SEMCOG that connect to and enhance economic development. These plans, which also help to implement the policies and

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actions recommended in this one, include:

The ***Economic and Demographic Outlook for Southeast Michigan through 2050***. The 2050 Regional Forecast, adopted in 2023, offers a thirty-year analysis of changes in population, households, jobs, and land use for each community in the seven-county region. This forecast is crucial for understanding future population and employment trends in our area. Insight into the locations of future households and jobs guides our planning for essential infrastructure improvements.

Vision 2050: the Regional Transportation Plan for Southeast Michigan, adopted in June 2024, 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.

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 access to core services and connecting the region's bicycle and pedestrian network to economic development and enhanced quality of life.

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, and placemaking.

The ***Regional Transit Master Plan Update***, adopted in January 2026 by the Regional Transit Authority of Southeast Michigan (RTA), is a long-range planning document that summarizes transit trends, regional accomplishments, and regional opportunities for the growth and expansion of public transit in the region. A robust regional transit system is critical for growing both the regional and the statewide population and economy. The Regional Transit Master Plan outlines RTA's top ten regional transit priorities across three focus areas: Moving People, Strengthening Access, and Enhancing Experience.

Economic Development Council

Several local and regional plans were reviewed as part of the CEDS update process in order to better understand the priorities, goals, and strategies of partner communities and organizations.

Downtown Detroit

SOUTHEAST MICHIGAN ECONOMIC PROFILE

INTRODUCTION

Southeast Michigan is a region of great socio-economic, natural, and cultural resources. Our region has a population of 4.8 million people, a workforce of 2.4 million people, and an employment base of 2.1 million wage and salary jobs. The automotive industry is vital to our region's economic growth; Southeast Michigan is not only home to the three primary domestic automotive companies in General Motors, Ford, and Stellantis but also home to thousands of suppliers that make up the automotive supply chain. As suppliers have locations across North America, our proximity to Canada enables more than $250 billion in trade to flow across our borders each year. As the automotive industry becomes increasingly technology-driven, Southeast Michigan's economy continues to evolve by looking for opportunities to diversify into emerging economic clusters such as aerospace and defense, production technology and heavy machinery, and information technology and analytical instruments.

BASIC PUBLIC INFRASTRUCTURE

Transportation

Southeast Michigan has a well-developed transportation network of roads and highways that encompasses 25,000 miles of public roads, including major expressways such as I-75, I-94, I-96, and I-696, which connect the region to other parts of Michigan and the Midwest. The region also has an extensive system of State and local roads that connect our cities, villages, townships, and counties, as well as 3,500 miles of bike paths and 2,400 miles of walkways. The condition of the region's roads can also impact

economic development. The percentage of roads rated good increased from 23% in 2022 to 24% in 2024; while the percentage of roads rated poor declined from 34% in 2022 to 28% in 2024. These trends continue an improvement from year 2019 when 44% of our region's roads were rated in poor condition and only 21% were rated in good condition.

The region is also served by eight fixed-route transit services and 35,000 bus stops. Detroit Metro Airport (DTW) is a world-class airport that consistently ranks among the best in terms of customer satisfaction. In 2024, DTW serviced 32.9 million domestic and international passengers, as well as 356.2 million pounds of cargo. The region is home to 34 airports, 800 miles of main line rail, six rail/truck terminals, and six commercial ports, including the Port of Detroit and Port of Monroe. There are six international border crossings with Canada.
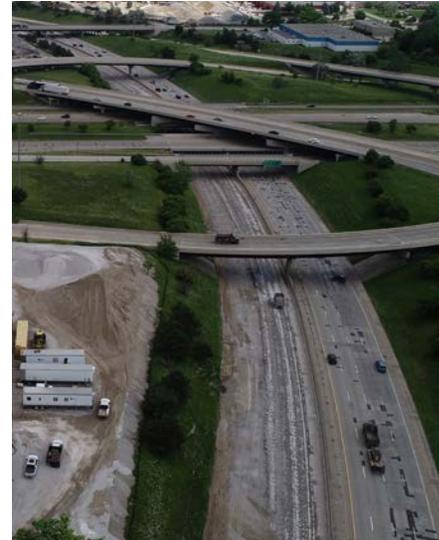
Reconstruction of I-696 in the City of Warren

Auburn Road Revitalization Project in the City of Rochester Hills

Water/Sewer

Most of the region's water and sewer infrastructure efficiently supports the needs of residents and businesses. This public 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 recreation activities. Many of the region's drinking water distribution assets - along with the wastewater and stormwater conveyance systems - are located along transportation corridors, creating significant opportunities to address both transportation and water infrastructure in a collaborative, integrated approach. Additionally, the transportation network collects and conveys much of the stormwater runoff from surrounding land area.

Investments of more than $3 billion annually are necessary to support thousands of miles of underground pipes, including drinking water distribution and wastewater/stormwater conveyance systems. This does not include necessary investments for drinking water and wastewater treatment plants, nor does it address investments needed to upgrade systems to address flooding. The region's stormwater systems are deteriorating, and the level of service will decline more rapidly as extreme rain events become more frequent. Poorer water quality and flooding will continue across the region without adequate investments. Future rainfall trends estimate that the region will experience more frequent and intense rain events that our infrastructure systems are not designed to handle.

Utilities

Homes and businesses in Southeast Michigan are served by multiple electric and natural gas utility providers. DTE Energy serves 2.3 million electric customers in Southeast Michigan and operates a natural gas company serving 1.3 million customers in Michigan. Consumers Energy provides natural gas services for heating and other uses to nearly 1.8 million customers in 54 of the 68 counties in Michigan's Lower Peninsula. More than half of Consumers' gas customers are in Metro Detroit. SEMCO Energy delivers natural gas to residential, commercial, and industrial customers in service territories in the southern half of the state's Lower Peninsula, including the majority of St. Clair County. According to the U.S. Energy Information Administration (EIA), the average retail price for residential electricity in Michigan was 20.74 cents per kWh, which is 3.12 cents higher than the U.S. average. The average retail prices for commercial electricity (14.85 cents per kWh) and industrial electricity (8.42 cents per kWh) were generally on par with the U.S. averages.

Broadband

Approximately 1.89 million (99.3%) of households in the region have broadband internet available, and 14,100 households are unserved in terms of availability. In terms of usage, about 1.68 million households use broadband, while 178,000 households do not have internet service. Regionally, there are 59,000 children who do not have broadband where they live, and 13,200 children do not have a desktop/laptop computer. The largest pockets not served by broadband service are in rural townships in Livingston, Monroe, St. Clair, and Washtenaw counties.

POPULATION

From 2000 to 2025, the SEMCOG region's population experienced periods of stability, decline, and recovery (Figure 2-1). After remaining relatively stable in the early 2000s, the population declined noticeably between 2005 and 2010, reaching a low around 2010, followed by a gradual recovery throughout the 2010s. A brief downturn occurred between 2020 and 2022, after which growth resumed, bringing the population to approximately 4.85 million by 2025. From 2025 to 2050, the population is forecast to grow steadily to about 5.14 million, though at a progressively slowing rate, with stronger gains in the late 2020s and early 2030s and very modest increases by the 2040s. For economic development in the SEMCOG region, this trend suggests a stable but maturing market, with opportunities focused on retaining and attracting workforce, supporting productivity gains, and aligning housing, infrastructure, and services with slower long-term growth rather than rapid expansion.
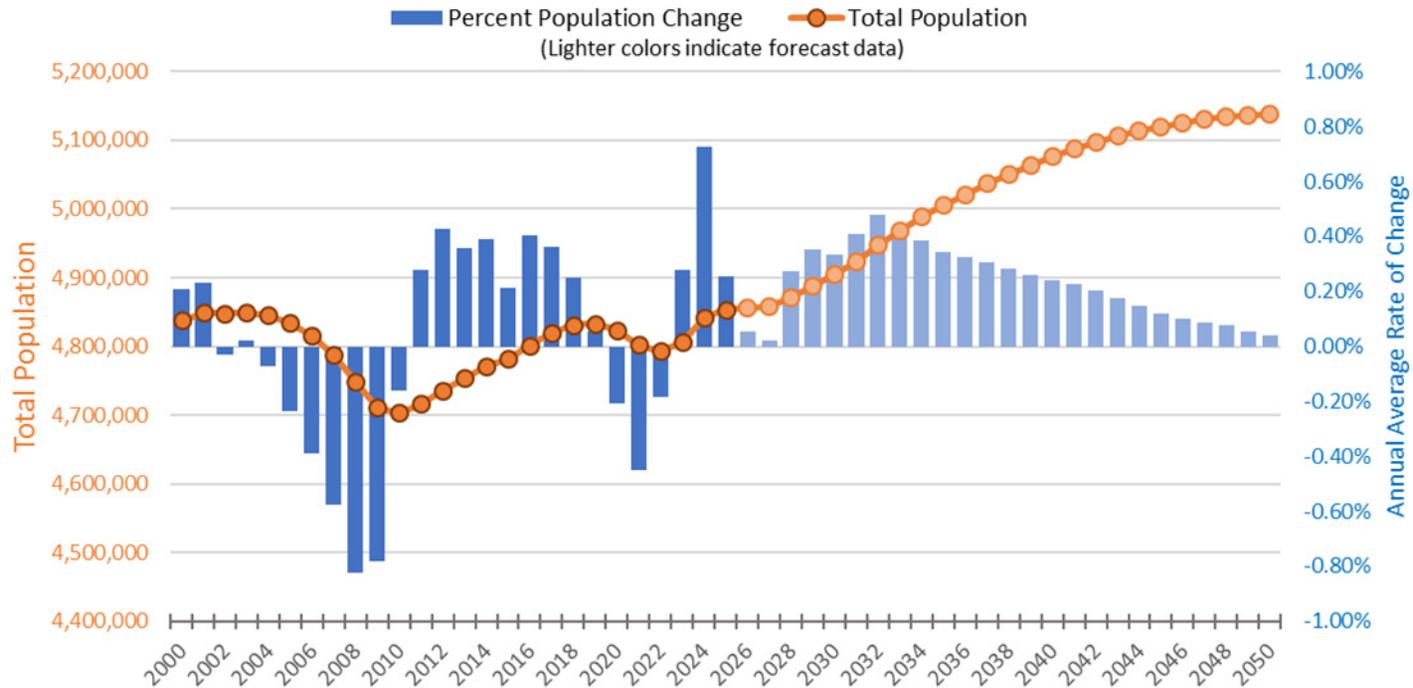
FIGURE 2-1 | TOTAL POPULATION AND ANNUAL PERCENT CHANGE, SOUTHEAST MICHIGAN 2000-2050

Source: SEMCOG analysis of U.S. Census Bureau Population Estimates, SEMCOG 2050 Forecast

Population change in Southeast Michigan increasingly reflects a shift from natural growth to migration-driven dynamics (Figure 2-2). The region experienced population decline in 2000–2010 due to substantial domestic out-migration, despite positive natural change. Population growth returned after 2010 as domestic losses narrowed and international immigration increased, though natural change continued to weaken. By 2040–2050, the region is projected to experience natural decrease, making international immigration the primary source of population growth. Overall, Southeast Michigan is expected to see modest but slowing population gains, underscoring the growing importance of immigration and workforce retention for long-term economic stability.

WORKFORCE

Between 2019 and 2024, the region experienced the shock of the 2020 recession, recovery, and slowing growth. Between 2019 and 2020, the unemployment rate soared from 4.1% in 2019 to 11.1% in 2020, while more than 80,000 workers left the labor force (Figure 2-3). (Note that the labor force is defined as people employed plus people who are unemployed but looking for work.) Those figures improved between 2020 and 2023, when the unemployment rate declined to 3.6% in 2023 and more than 64,000 people returned to the labor force. In 2024, an additional 15,000 people returned to the workforce, however, not all found employment, as the total number of employed fell by 6,000 people, resulting in the unemployment rate rising to 4.5%.
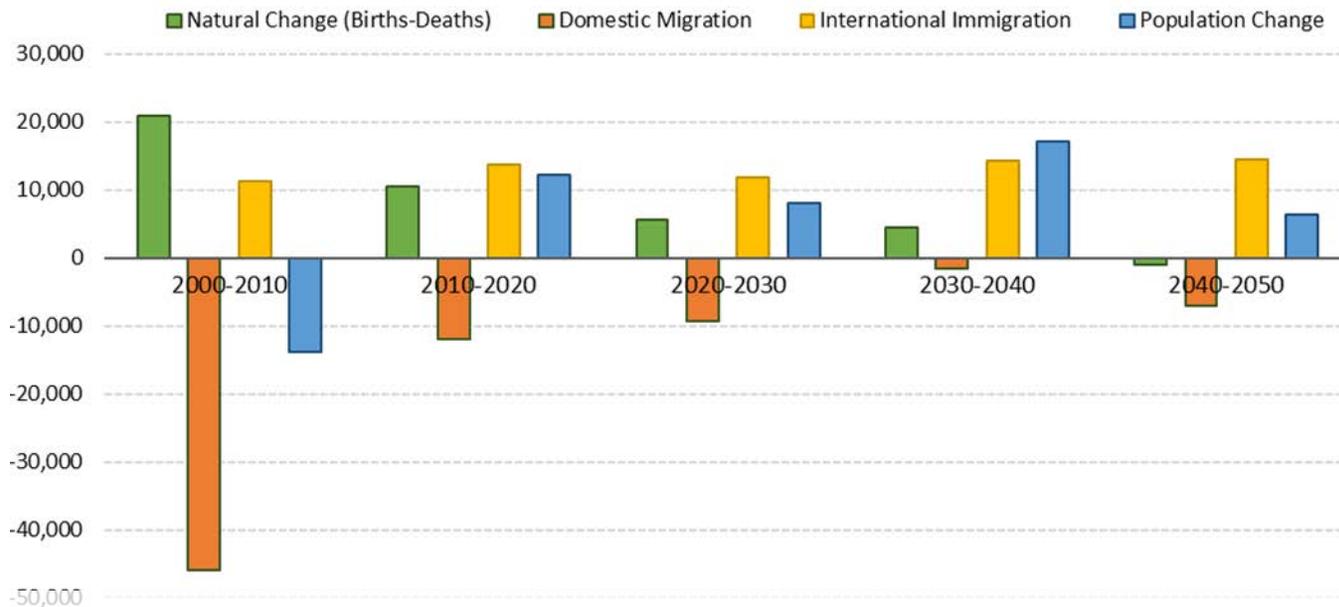
FIGURE 2-2 | COMPONENTS OF POPULATION CHANGE, SOUTHEAST MICHIGAN 2000–2050

Source: SEMCOG analysis of U.S. Census Bureau Population Estimates, SEMCOG 2050 Forecast

Labor force participation rates (the percentage of people in the labor force divided by the working-age population) measure how engaged the working-age population is in pursuing job opportunities. Over the last five years, while the overall labor force participation rate has remained unchanged, the region has realized small gains in female population and among people with a disability (Figure 2-4). Female labor force participation rose from 72.9% in 2019 to 74.1% in 2024 and participation rates for residents with a disability rose from 41.3% in 2019 to 49.5% in 2024. These increases likely contributed to an increase in the participation rate for the prime-age workforce (age 25-54), which increased from 82.6% in 2019 to 83.2% in 2024; Southeast Michigan has historically lagged in labor force participation for this age group compared to our peer regions across the Midwest.
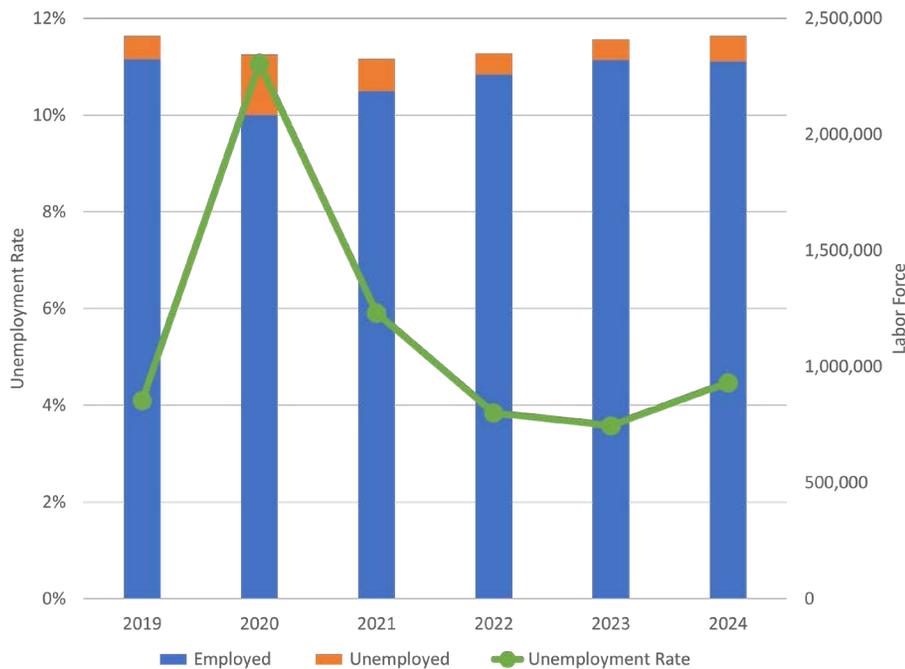
FIGURE 2-3 | UNEMPLOYMENT RATE AND LABOR FORCE, SOUTHEAST MICHIGAN 2019-2024

Source: SEMCOG analysis of Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)
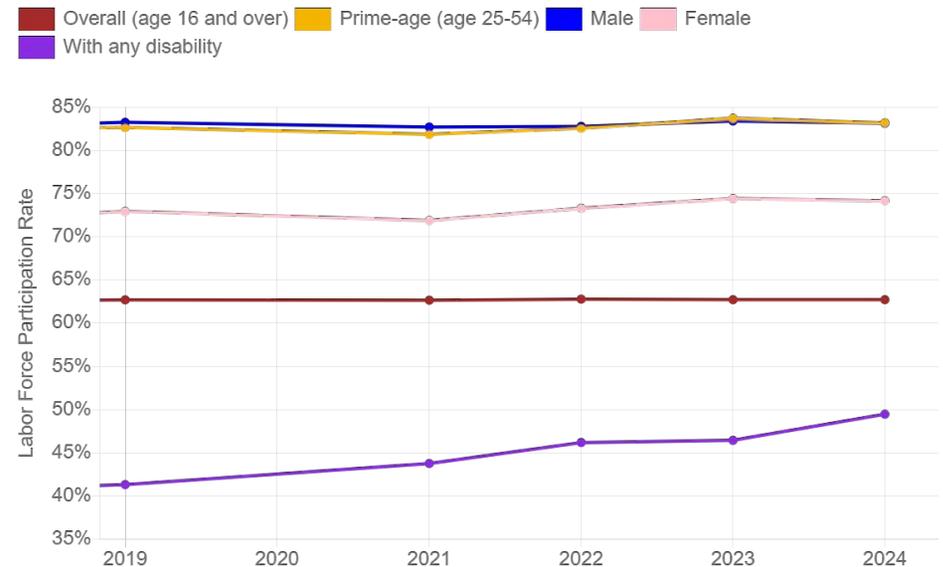
FIGURE 2-4 | LABOR FORCE PARTICIPATION RATES, SOUTHEAST MICHIGAN 2019-2024

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

Southeast Michigan is slowly growing in educational attainment. Between 2019 and 2024, another 4% of the population achieved at least an associate's degree or equivalent (Figure 2-5). In 2019, about 43% of the population had at least an associate's degree. By 2024, this figure increased to 47%. The growth was mostly in bachelor's and graduate degrees. The share of bachelor's degree holders increased from 20% in 2019 to 22% in 2024; while the share of graduate degree holders increased from 14% in 2019 to 16% in 2024. The share of associate's degree holders remained unchanged at 9%.

Construction of the Hudson's Building in Downtown Detroit
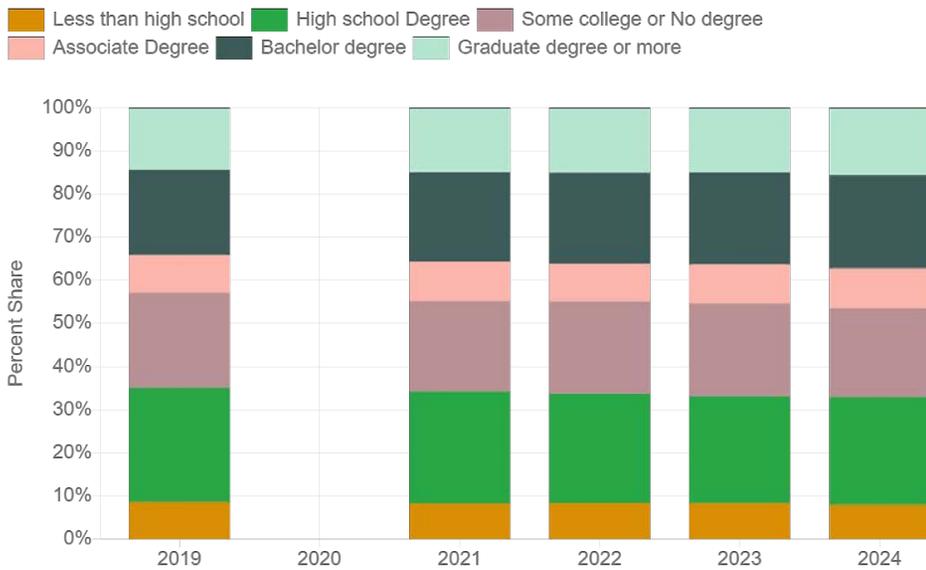
FIGURE 2-5 | EDUCATIONAL ATTAINMENT (AGE 25 AND OLDER), 2019-2024

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

EMPLOYMENT

Southeast Michigan's automotive and advanced manufacturing sectors power our region's economy. With among the highest concentrations of production workers and engineers for major metropolitan areas, our region is home to over 250,000 Manufacturing sector jobs and over 200,000 Professional and Technical Services sector jobs (two sectors where production and engineering occupations are likely to reside). Together, these two sectors account for over 20% of our region's total wage and salary jobs. Over the last five years, our region's wage and salary employment struggled to return to its year 2019 levels, falling more than 26,000 jobs short or 1.2% (Table 2-1).

Our leading export-oriented industries in Manufacturing,

Information & Financial Activities, Management of Companies, and Professional & Technical Services are all below their year 2019 levels, ranging from -0.4% to -7%.

Two industries are brighter – Natural Resources, Mining, & Construction (which is mostly Construction) and Wholesale Trade, Transportation, & Utilities (which is mostly Transportation) – having growth rates of 13.8% and 8.3%, respectively.

A small business owner in the City of Belleville

Industry	2019	2024	Change, 2019–2024	
			Numeric	Percent
Natural Resources, Mining, & Construction	81,831	93,161	11,330	13.8%
Manufacturing	269,538	255,822	–13,716	–5.1%
Wholesale Trade, Transportation, & Utilities	174,905	189,462	14,557	8.3%
Retail Trade	223,219	210,120	–13,099	–5.9%
Information & Financial Activities	142,630	142,009	–621	–0.4%
Professional & Technical Services	214,830	202,098	–12,732	–5.9%
Management of Companies	50,265	46,724	–3,541	–7.0%
Administrative & Waste Services	131,093	114,615	–16,478	–12.6%
Private Education & Health Services	337,366	348,810	11,444	3.4%
Leisure and Hospitality	217,787	205,342	–12,445	–5.7%
Other Services	64,670	63,649	–1,021	–1.6%
Government	262,856	269,559	6,703	2.6%
Unclassified or Suppressed Employment	6,727	10,060	3,333	49.5%
Total	**2,177,717**	**2,151,431**	**–26,286**	**–1.2%**

TABLE 2-1 | WAGE & SALARY EMPLOYMENT BY INDUSTRY, 2019–2024

Source: SEMCOG analysis of Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)
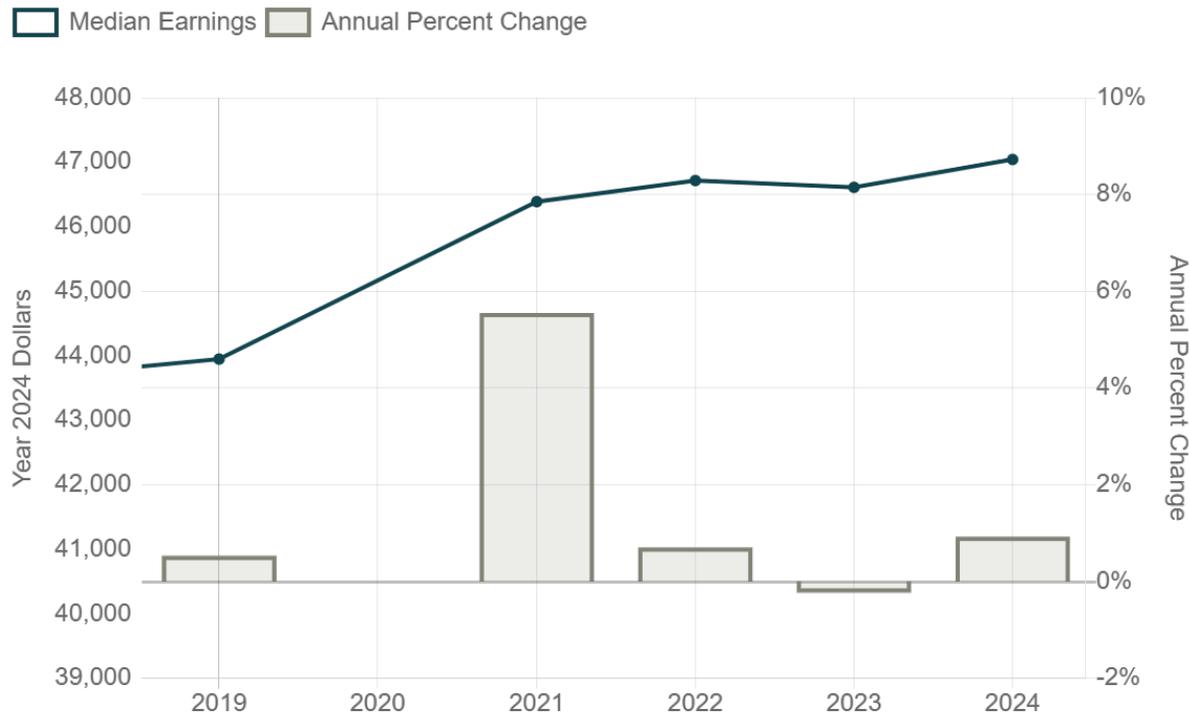
FIGURE 2-6 | REAL MEDIAN EARNINGS AND ANNUAL PERCENT CHANGE, DETROIT METROPOLITAN STATISTICAL AREA 2019-2024

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

Tracking real median earnings determines whether a region's labor income is keeping pace with inflation. The Census Bureau measures earnings as pre-tax income, including wages, salaries, net income (gross receipts minus expenses) from self-employment, commissions, tips, and cash bonuses. Since 2019, real median earnings for the Detroit Metropolitan Statistical Area (MSA) increased by 7.2%, or at an annual rate of 1.4% (Figure 2-6). The region's real median earnings are now $47,043.

SHARED PROSPERITY

Shared prosperity aims to understand how economic gains and losses are distributed geographically and by socio-economic groups. SEMCOG examined this question by studying how household income growth changed between 2018 and 2023 by income group. The study used a sample of individual household records and determined each household's income group, while accounting for differences in household size and local costs of living. There are four income groups and they are defined as:

- **Lower income:** less than 2/3 of the median income
- **Lower-middle income:** between 2/3 of the median income and the median income

Share of Population

Year	Lower Income	Lower-Middle Income	Upper-Middle Income	High Income
2018	31%	17%	34%	19%
2023	30%	18%	35%	17%

■ Lower Income ■ Lower-Middle Income ■ Upper-Middle Income ■ High Income
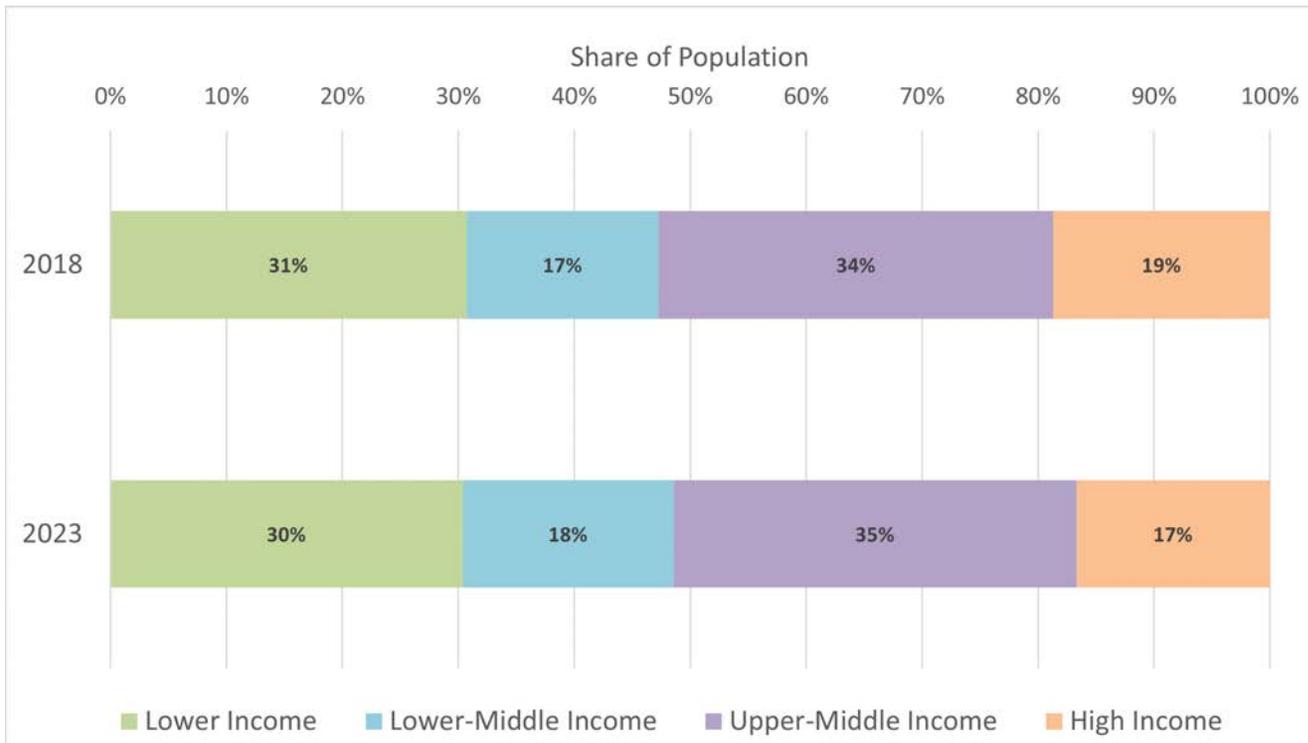
FIGURE 2-7 | SHARE OF POPULATION BY INCOME GROUP IN 2018
AND 2023, SOUTHEAST MICHIGAN

Source: SEMCOG

Household Income Group	Average Income (2023 Dollars)		Real Income Growth, 2018–2023
	2018	**2023**	
All Income Groups	$117,999	$120,467	2.1%
Lower Income	$30,523	$32,552	6.6%
Lower-Middle Income	$71,973	$76,204	5.9%
Upper-Middle Income	$123,689	$130,878	5.8%
High Income	$292,345	$307,161	5.1%

TABLE 2-2 | REAL INCOME GROWTH BY INCOME GROUP, 2018–2023, SOUTHEAST MICHIGAN

Source: SEMCOG

- **Upper-middle income:** between the median income and 2 times the median income
- **High income:** greater than 2 times the median income

Upon classifying each household into its respective income group for 2018 and for 2023, SEMCOG estimated the household population that resides in each income group and calculated the average real income growth between 2018 and 2023 for each group. Table 2-2 shows that the region's overall real income growth increased by 2.1% between 2018 and 2023, while each income group saw greater income growth ranging from 5.1% to 6.6%.

The reason all income groups realized greater income growth than the overall population can be explained by examining the shifts in population distribution by income group, as Figure 2-7 illustrates. The share of population in high income fell from 19% to 17%, while a greater share of the population found themselves in middle income, as lower-middle income grew from 17% to 18% and upper-middle income grew from 34% to 35%. Finally, the share of lower-income population declined slightly, from 31% to 30%. The combination of solid real income growth rates among all income groups and the growth in the proportion of the middle-income groups suggest much of the population realized improved income growth over this five-year period. SEMCOG provides these same shared prosperity metrics for each county in the profiles at the end of this chapter.

Housing construction, City of Auburn Hills

HOUSING TRENDS

OVERVIEW

Total housing units in the region are increasing slowly but steadily, with most new units coming from single-family homes and large multifamily developments (Figure 2-8). Between 2010 and 2024, small and "missing-middle" multifamily buildings – especially 2-4-unit structures – declined by nearly 20,000 units, while mid-sized multifamily construction remained largely flat. As a result, the region's housing growth has become increasingly concentrated at the two ends of the spectrum: suburban single-family homes and large, urban apartment buildings. This shift has reduced the diversity of housing types and is contributing to a growing shortage of naturally affordable options.

At the same time, building permit trends show a long-term shift in development patterns: single-family construction has declined significantly since the early 2010s, while multifamily permitting has increased steadily, rising from an annual average of about 1,400 units in the 2000s to more than 4,000 since 2010 (Table 2-3). Despite this growth, overall permitting remains well below 2000s levels, suggesting supply has not kept pace with demand, especially for diverse and affordable housing types.

The region's housing stock is predominantly older, with nearly 40% of all units built before 1960 and only 7% constructed since 2010 (Figure 2-9). The largest share of homes dates to 1949 or earlier, reflecting aging neighborhoods and long-established residential patterns. While some growth occurred in the 1990–2009 period, newer construction over the past decade has been comparatively limited, and units built since 2020 represent just 2% of the total stock. This age profile highlights both the stability of the region's housing base and the ongoing need for reinvestment, rehabilitation, and modernization to maintain quality and safety across older homes.

Housing affordability has emerged as a critical constraint on the SEMCOG region's economic competitiveness and long-term

Type	Building Permits - Annual Average		
	2000–2009	**2010–2019**	**2020–2024**
Single-family units	10,058	4,788	4,601
Two-family/attached condos	1,766	421	485
Multi-family units	1,369	2,668	4,190
Total	**13,193**	**7,876**	**9,277**

TABLE 2-3 | BUILDING PERMITS BY TYPE, 2000-2024

Source: SEMCOG Building Permits Data

prosperity. Data shows a sharp divide in housing affordability between owners and renters in the region. Owner households have a median income more than twice that of renter households ($95,770 vs. $46,038) and face substantially lower housing cost burdens: 71% of owners are not cost-burdened, and only 9% are severely burdened (Figure 2-10). In contrast, renters face significantly higher monthly housing costs ($1,883 for renters vs. $1,692 for owners) despite much lower incomes, resulting in 47%
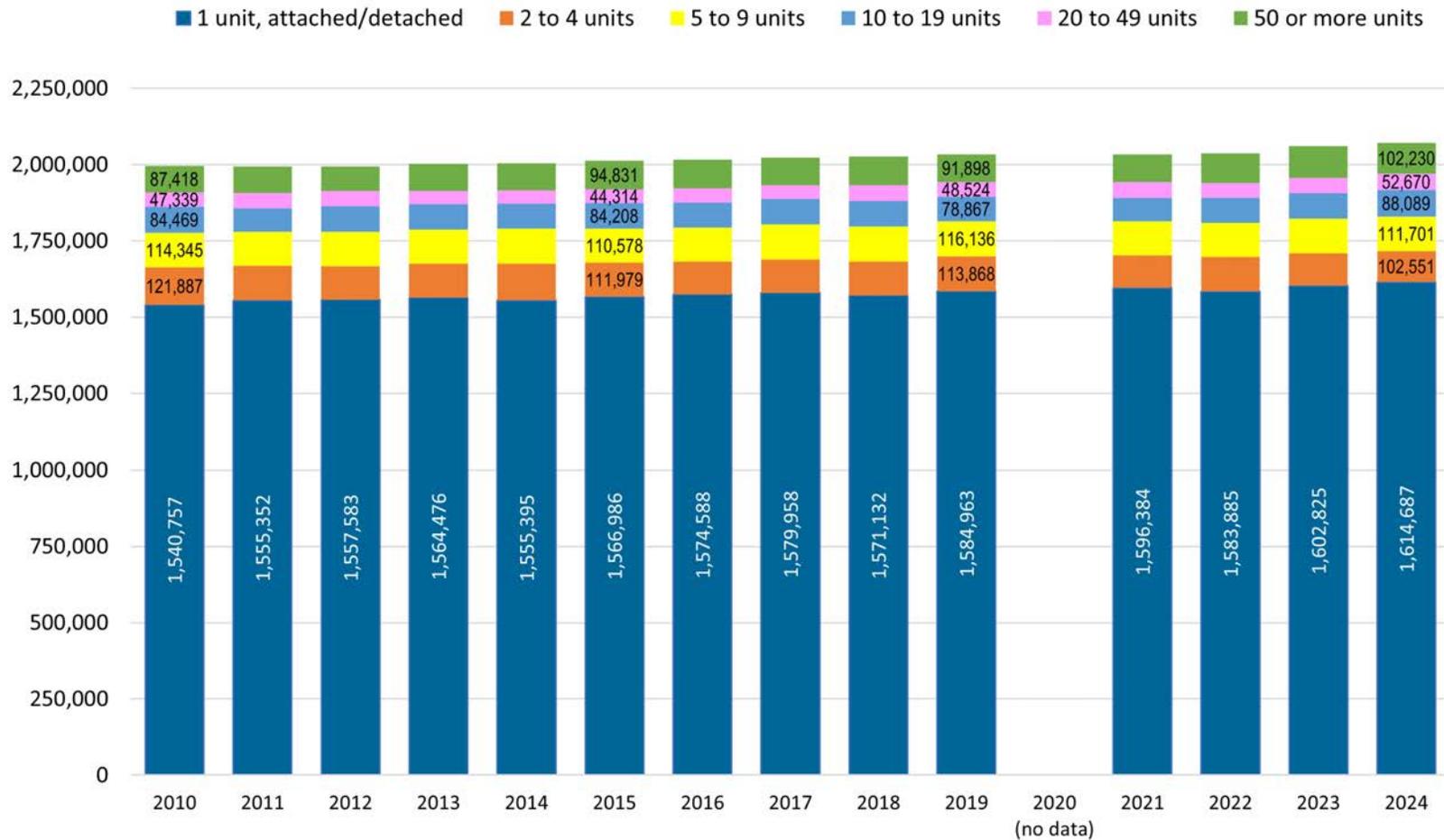
FIGURE 2-8 | TOTAL HOUSING BY NUMBER OF UNITS, 2010-2024

Source: SEMCOG analysis of U.S. Census Bureau, American Community Survey 1-year Estimates (year 2000 data not available)

being moderately cost-burdened (housing costs 30% or more of household income) and 26% severely burdened (housing costs 50% or more of household income). Overall, the data show that renters experience far greater financial stress related to housing, reflecting both income disparities and limited supply of affordable rental options.
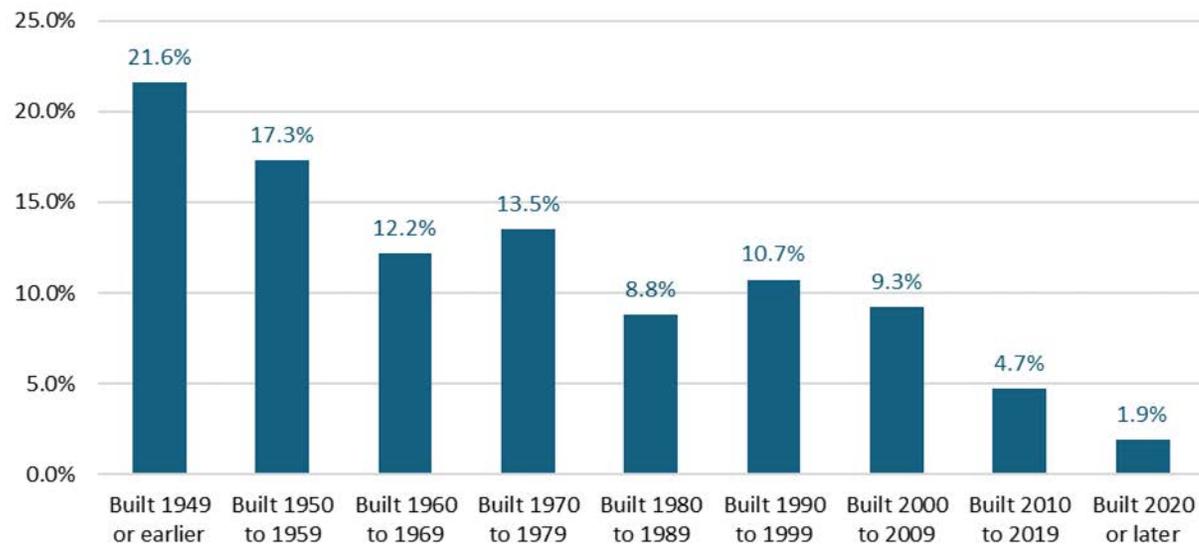
FIGURE 2-9 | AGE OF HOUSING STOCK, 2024

Source: SEMCOG analysis of U.S. Census Bureau, American Community Survey 1-year Estimates
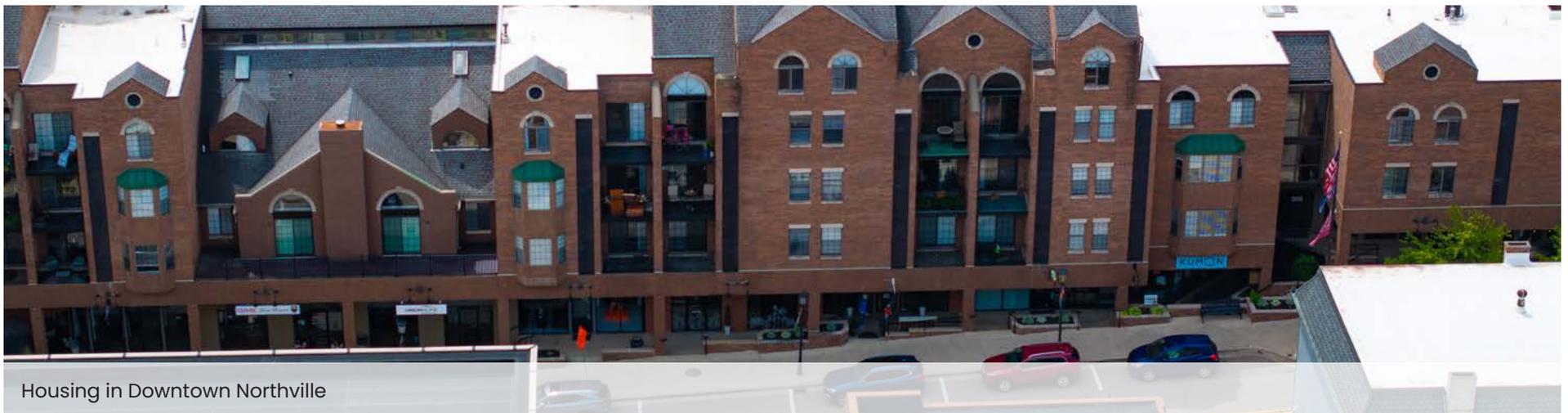
Housing in Downtown Northville
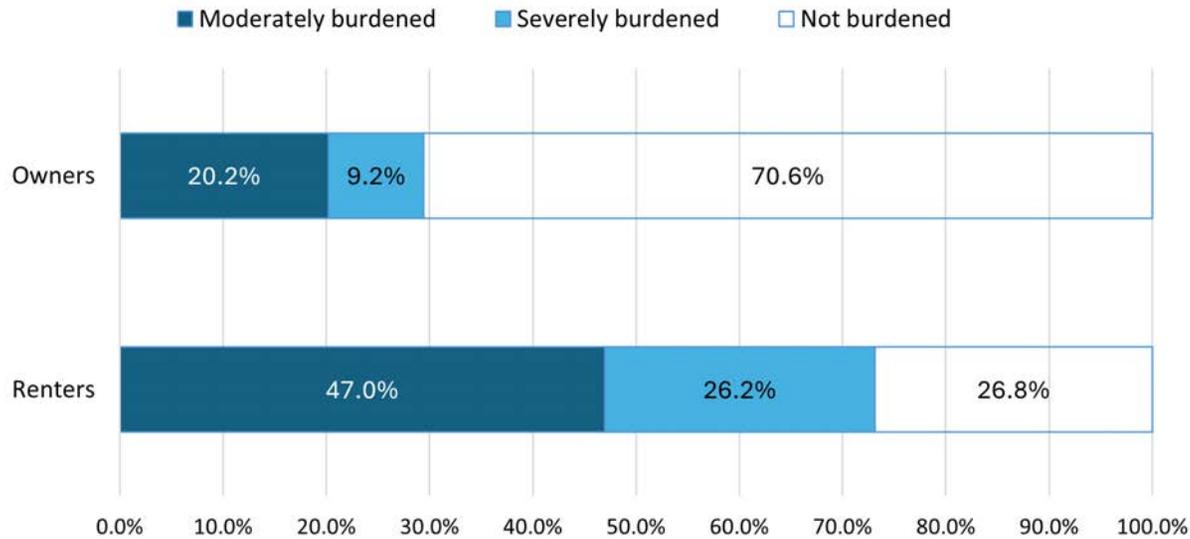
FIGURE 2-10 | HOUSING COSTS FOR OWNERS AND RENTERS, 2024

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

INDUSTRY AND EMPLOYMENT TRENDS

WORK AND RESIDENTIAL PATTERNS

The commuting pattern for the SEMCOG region highlights a labor market that is both highly self-contained and strongly interconnected: 2.16 million workers or 97% of the region's workforce live and work within the region (Figure 2-11). While 63,000 workers commute out of the region, more than 115,000 commute into the region, making the region a net importer of labor. Despite the region's tightly woven labor market, each of its counties retains a meaningful internal labor market, showing the importance of localized employment opportunities.

Most workers are employed in their county of residence, with especially high retention in Wayne, Oakland, Macomb, and Washtenaw counties (core economic anchors of the region). Wayne and Oakland stand out as primary employment hubs, attracting large volumes of commuters from not only within the region, but also from counties outside the region. Nearly 270,000 workers travel daily to Oakland County, followed by 235,000 workers commuting to Wayne County. Macomb retains most of its workforce but also has significant two-way exchanges with Oakland and Wayne, suggesting an integrated tri-county labor market in the heart of the region. Out-of-state commuting is relatively small, with Monroe County contributing the most, due to its proximity to Ohio.
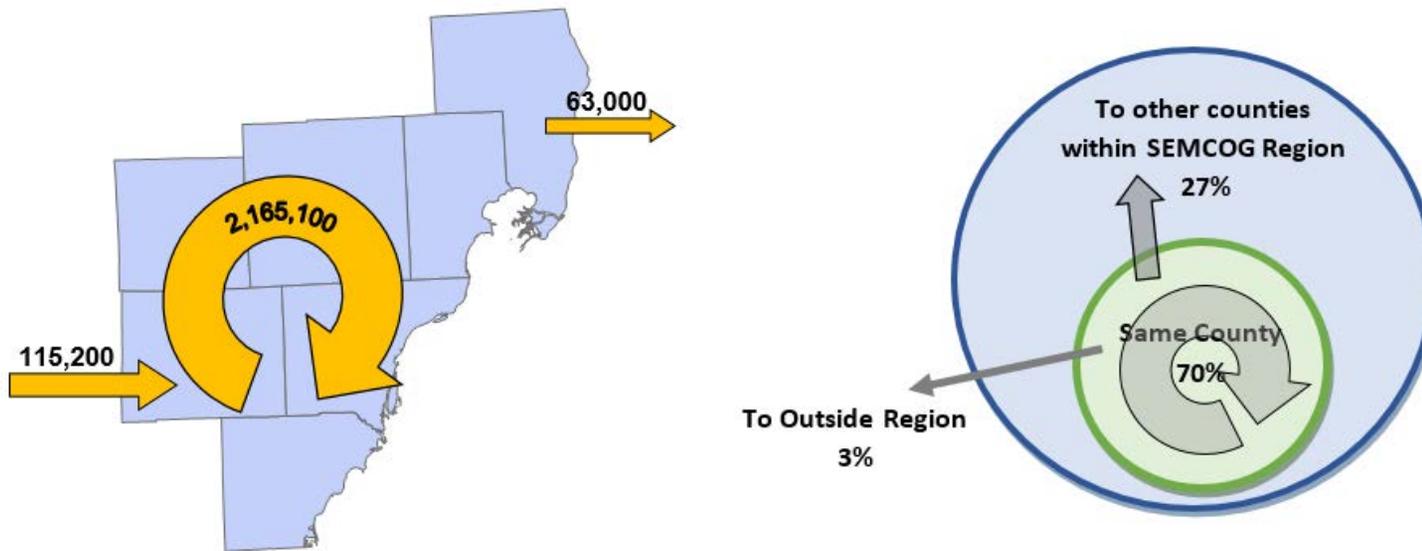
FIGURE 2-11 | INTRA-REGION AND INTER-REGION COMMUTING FLOWS, 2021

Source: SEMCOG analysis of Bureau of Transportation Statistics, 2017-2021 Census Transportation Planning Package (CTPP)

TOP INDUSTRY TRENDS WITH LOCATION QUOTIENT

Location quotient (LQ) measures a region's industrial specialization relative to a larger geography (in this case, the nation). Location quotient is calculated as a region's share of jobs divided by the nation's share of jobs for each industry. A value greater than 1 means the region is more concentrated in this sector than the nation; whereas a value less than 1 means the region is less concentrated than the nation. Location quotient can reveal what makes a particular region unique in comparison to the nation; where more highly concentrated industries tend to export their goods or services to other regions, forming the base of economic growth.

Southeast Michigan's export economy is centered on three

industries: Manufacturing, Professional & Technical Services, and Management of Companies. These industries have location quotients of 1.45, 1.35, and 1.29, respectively (Table 2-4). Our region's automotive industry can be tied to each of these industries with respect to the manufacturing, research and development, and corporate headquarters located here. While not shown in Table 2-4, Southeast Michigan's location quotients for Wholesale Trade, Transportation, & Utilities, along with Natural Resources, Mining, & Construction, have been slowly growing in recent years. The growth in these industries' location quotients is mostly found in Transportation and Warehousing and Construction sectors and reflects the increasing economic diversity our region is experiencing.

Industry	Location Quotient
Manufacturing	1.45
Professional & Technical Services	1.35
Management of Companies	1.29
Wholesale Trade, Transportation, & Utilities	1.03
Private Education & Health Services	0.99
Other Services	0.98
Retail Trade	0.98
Administrative & Waste Services	0.90
Leisure and Hospitality	0.89
Information & Financial Activities	0.88
Government	0.87
Natural Resources, Mining, & Construction	0.67

TABLE 2-4 | LOCATION QUOTIENT BY INDUSTRY, SOUTHEAST MICHIGAN 2024

Source: SEMCOG analysis of data from the Bureau of Labor Statistics, State and County Employment (Quarterly Census of Employment and Wages)

INDUSTRY CLUSTERS

Figure 2-12 shows Southeast Michigan's traded clusters, which are groups of interconnected industries within a region that export their goods or services to other regions, thereby generating economic growth. In this bubble chart, the percentage change in employment between 2019-2024 is shown along the horizontal axis; the location quotient is along the vertical axis; and bubble size represents the relative employment size.

The chart shows our region's largest clusters (i.e., having job counts of 25,000 or more). In looking at location quotient, Southeast Michigan has a competitive advantage in Automotive and Metalworking Technology; our region has 7.8 times as many Automotive jobs as the U.S. average and 4.6 times as many Metalworking Technology jobs as the U.S. average. Both clusters have not returned to their year 2019 levels; Automotive has 2% fewer jobs and Metalworking Technology has almost 16% fewer jobs. Likewise, the largest cluster in terms of employment – Business Services – still has 9% fewer jobs than it did in 2019. The lone bright spot has been in Distribution and Electronic Commerce, which grew by 13%; however, it is not growing faster than the nation as its location quotient remains at 1.0.

Percent Change, 2019-2024

Location Quotient, 2024 (y-axis, 0 to 10)

x-axis: -20% to 20%

Legend:
- Business Services
- Automotive
- Distribution and Electronic Commerce
- Education and Knowledge Creation
- Financial Services
- Transportation and Logistics
- Marketing, Design, and Publishing
- Metalworking Technology
- Hospitality and Tourism

FIGURE 2–12 | SOUTHEAST MICHIGAN TRADED CLUSTERS, 2019–2024

Source: SEMCOG analysis of Chmura's JobsEQ data

Local clusters provide goods and services to our region's households and firms. They play an important role in keeping the region functional and making Southeast Michigan an attractive place to live, work, and play. Figure 2-13 shows the local clusters for Southeast Michigan by percent change between 2019 and 2024 and location quotient from 2024. Most clusters have a location quotient near the value of 1, as they are scaled to the size of the population they serve. Health Services is the largest cluster with 316,000 jobs and had a growth rate of 1.2%. Commercial Services, with 129,000 jobs, had the largest percentage decline in jobs (10.3%) while Community and Civic Organizations, with almost 48,000 jobs, realized the largest percentage gain in jobs (13.1%).
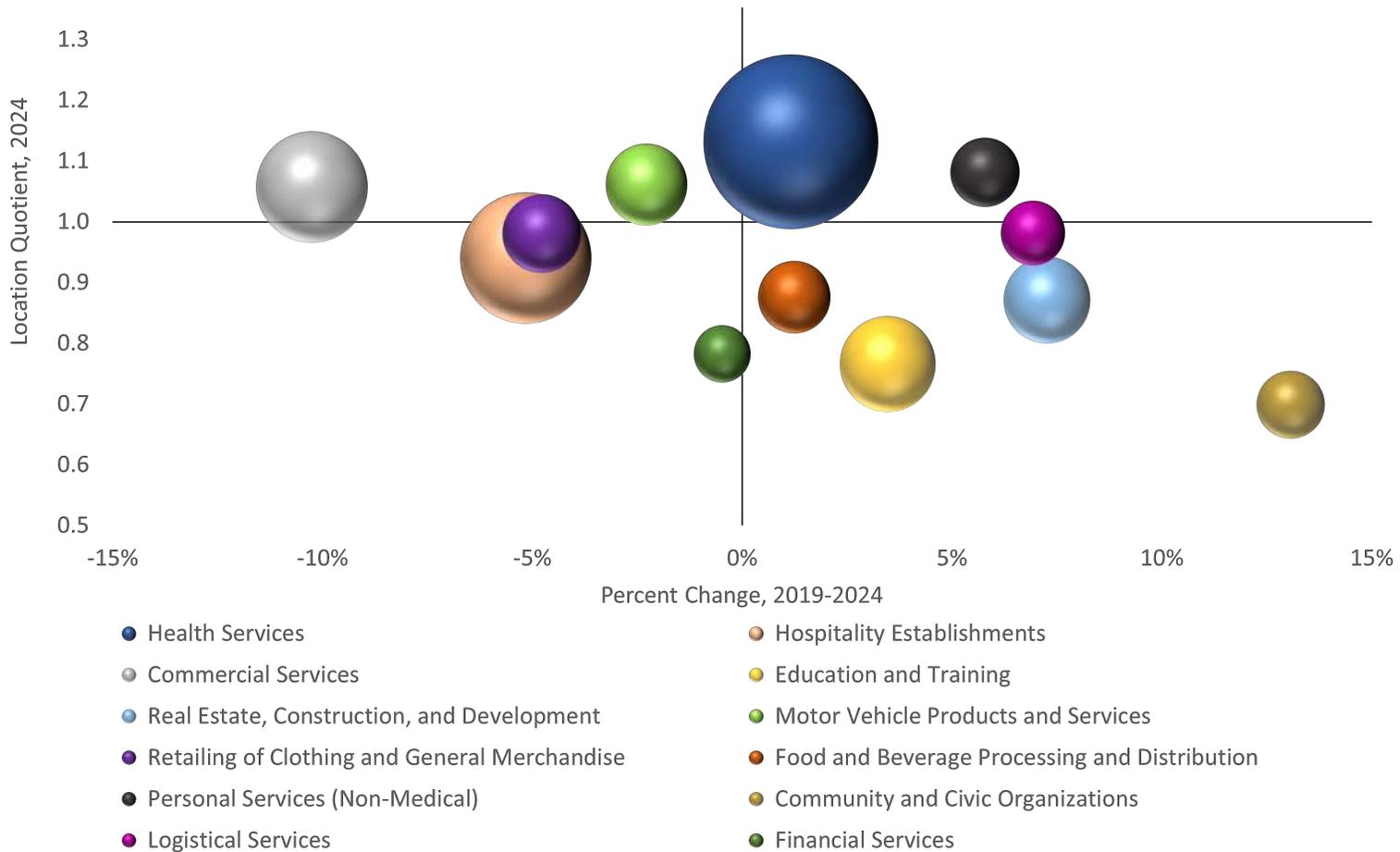
FIGURE 2-13 | SOUTHEAST MICHIGAN LOCAL CLUSTERS, 2024

Source: SEMCOG analysis of Chmura's JobsEQ data

EMERGING CLUSTERS

Though our region's traded clusters have struggled to grow in recent years, there are some positive trends to come from our emerging clusters. Figure 2-14 shows eight emerging clusters in Southeast Michigan. These clusters are smaller in scale and concentration - employment ranges from 400 to 17,000 jobs, and location quotient is below 1 for all except Production Technology

(LQ = 1.2) and Electric Power Generation and Transmission (LQ = 1.7). Most of these emerging clusters realized growth in the last five years, with several seeing substantial increases, including Aerospace Vehicles and Defense (+26%), Biopharmaceuticals (+40%), and Agricultural Products and Services (80%). It will be important for our region to nurture these emerging clusters so our region can build economic diversity and resilience.

Percent Change, 2019-2024

Legend:
- Production Technology and Heavy Machinery
- Food Processing and Manufacturing
- Aerospace Vehicles and Defense
- Biopharmaceuticals
- Information Technology and Analytical Instruments
- Electric Power Generation and Transmission
- Lighting and Electrical Equipment
- Agricultural Inputs and Services
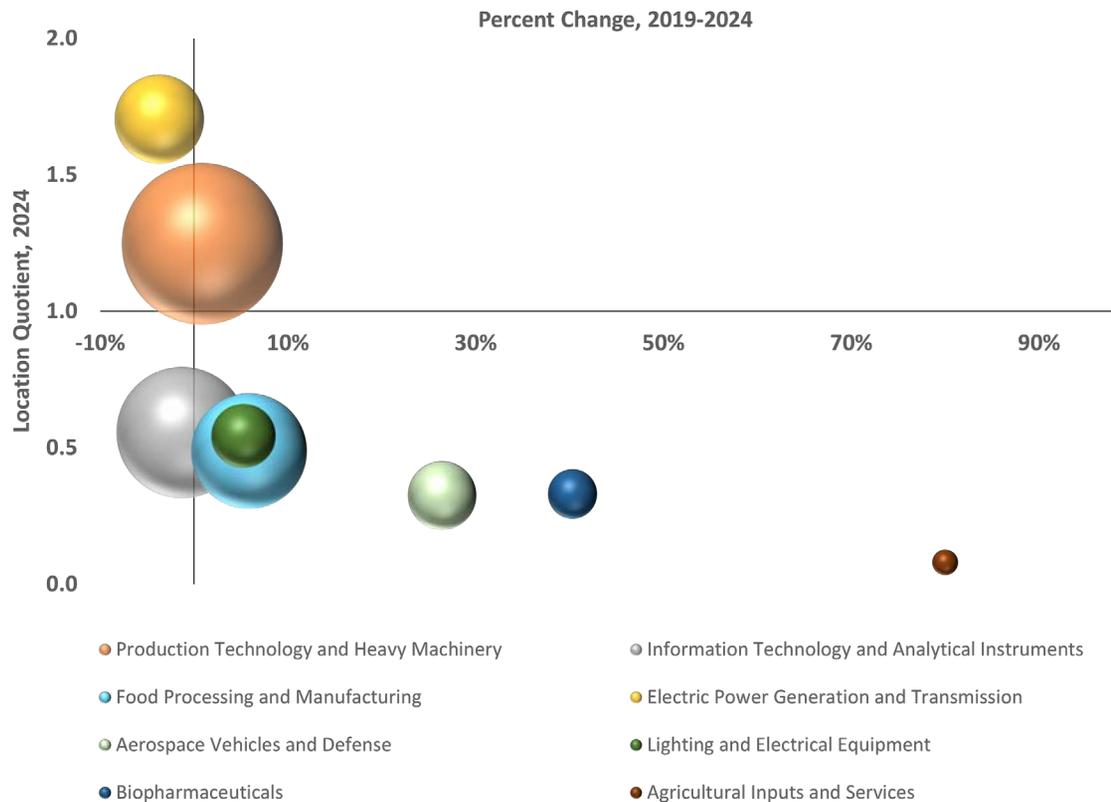
FIGURE 2-14 | SOUTHEAST MICHIGAN EMERGING CLUSTERS, 2024

Source: SEMCOG analysis of Chmura's JobsEQ data

FREIGHT NETWORK

OVERVIEW

The region's freight network enables Southeast Michigan industries to resource raw materials, distribute goods, and ship products to connections throughout the world. 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. Figure 2-15 maps Southeast Michigan's freight assets.

The prevalence of the automotive manufacturing industry and its supply chain means has created close trade ties with Canada and Mexico. The region continues to have an export-oriented economy and ranks in the nation's top ten exporting metro areas. In fact, before 2020, more than 70% of all Michigan's exports by value (Figure 2-16) are linked to Southeast Michigan firms. That figure declined in recent years due to supply chain disruptions but solidified to 65% in 2024 with over $40 Billion in exports.

Our region's economic and cultural ties to Canada are in part measured by activity at our border. Trucking particularly 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. Soon these two bridges will be joined by The Gordie Howe International Bridge, which will add a state-of-the-art connection with Canada for trucks and passenger cars, adding not only

FIGURE 2-15 | SOUTHEAST MICHIGAN FREIGHT ASSETS

Source: SEMCOG
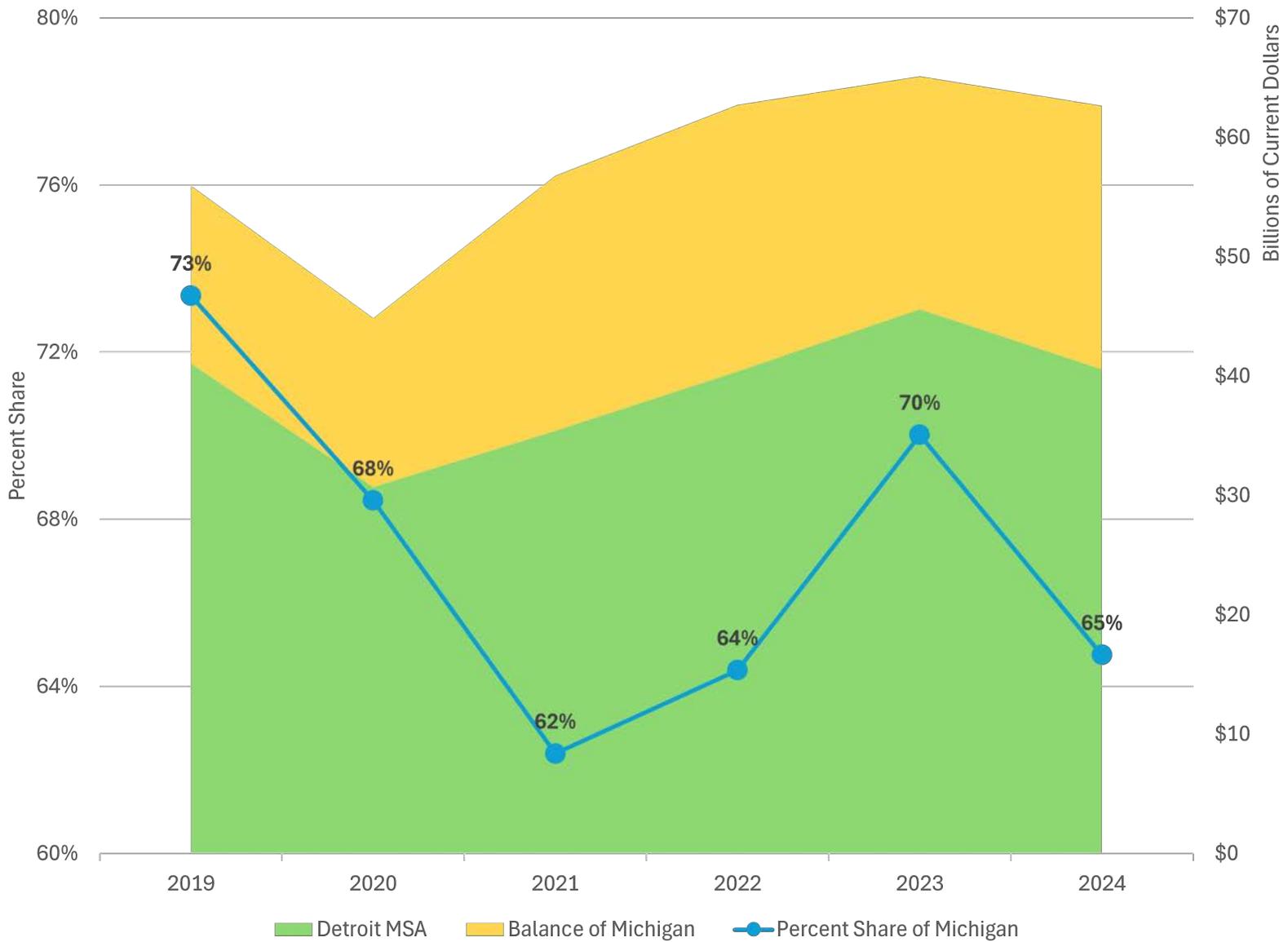
FIGURE 2-16 | EXPORTS AS A SHARE OF MICHIGAN'S TOTAL, 2019-2024
DETROIT-WARREN-DEARBORN METROPOLITAN STATISTICAL AREA

Source: SEMCOG anlalysis of U.S. International Trade Administration data

reliability and redundancy, but also saving 850,000 hours per year for trucks.

Figure 2-17 shows the bridge crossing volumes by trucks and cars for the Ambassador Bridge and Blue Water Bridge. As of 2024, more than 6 million cars and more than 4 million trucks cross the two bridges every year. While the volume for cars sharply declined by up to 70% during the pandemic, those figures are working their way back to 2019 levels. Truck volume remained steady, declining by no more than 11% and is back to 2019 levels.

Southeast Michigan's connections with Canada are the second- and third-most valuable North American trade ports. Together, they are responsible for conveying over $250 billion in value every year, which is equal to 16% of the total value of all freight crossing U.S. borders. Detroit's port realizes about $150 billion in trade, while Port Huron's port recently crossed the $100 Billion threshold (Figure 2-18). Most such trade is found within commodities related to the automotive industry and its supply chains, including vehicles, computer-related machinery, electrical machinery, plastics, and fuels and oils.

The Blue Water Bridge in the City of Port Huron connects Michigan with Sarnia, Ontario, Canada.

Gordie Howe International Bridge under construction in Detroit
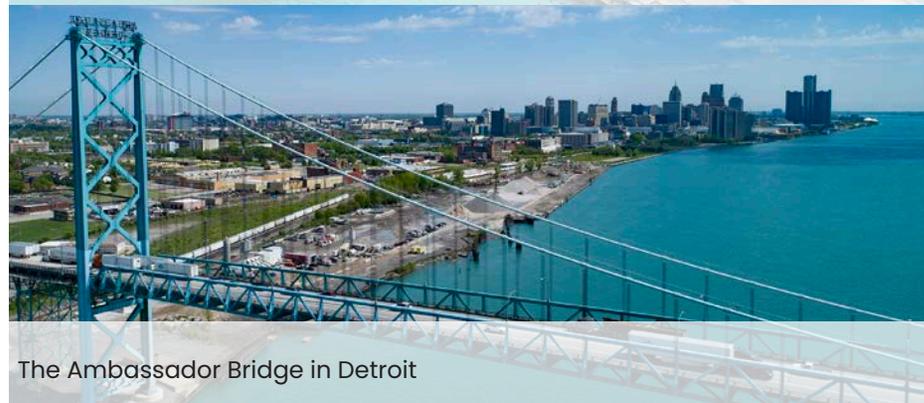
The Ambassador Bridge in Detroit
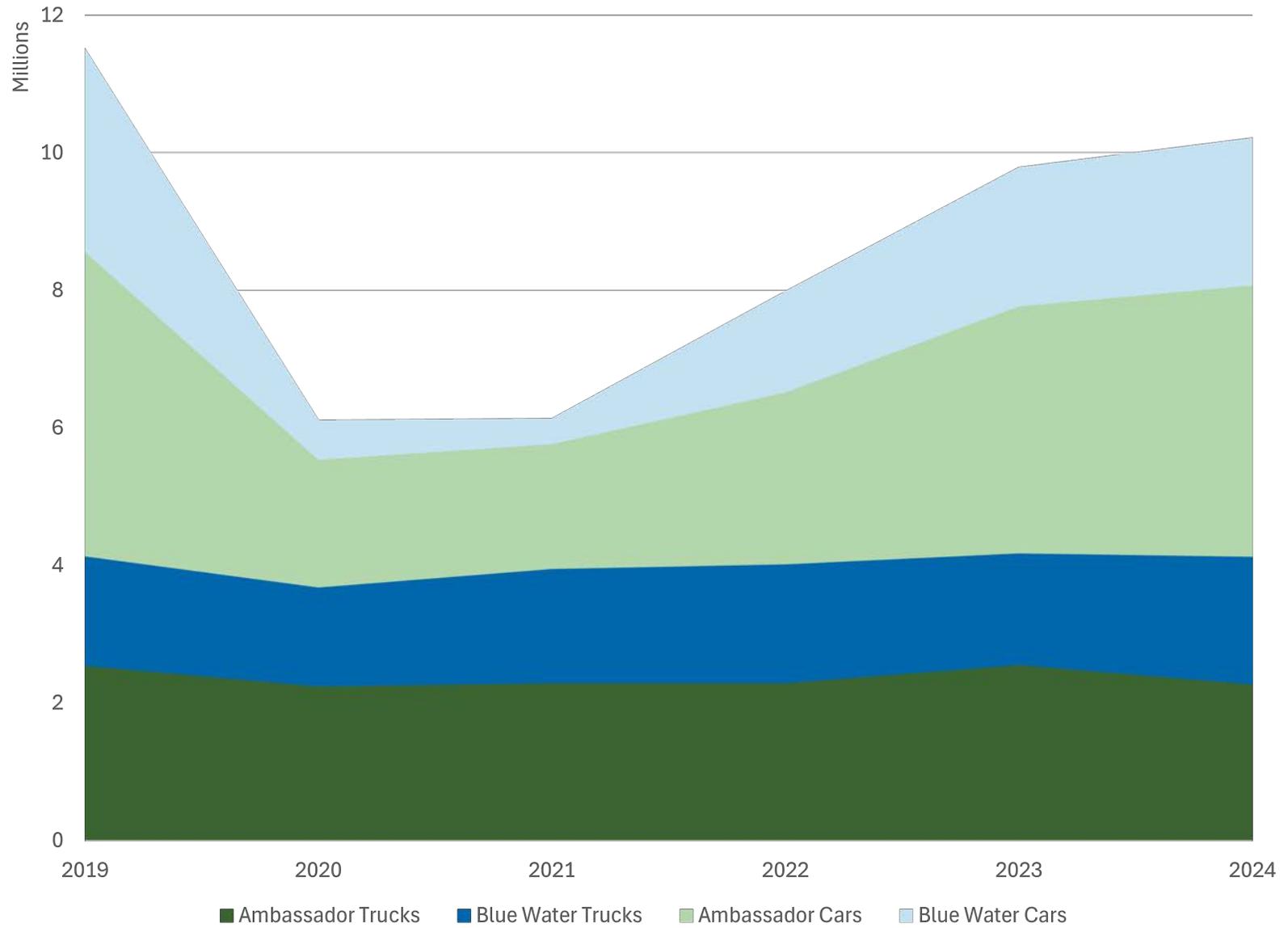
FIGURE 2-17 | ANNUAL INTERNATIONAL BRIDGE CROSSINGS, SOUTHEAST MICHIGAN 2019-2024

Source: Bridge and Tunnel Operators Association
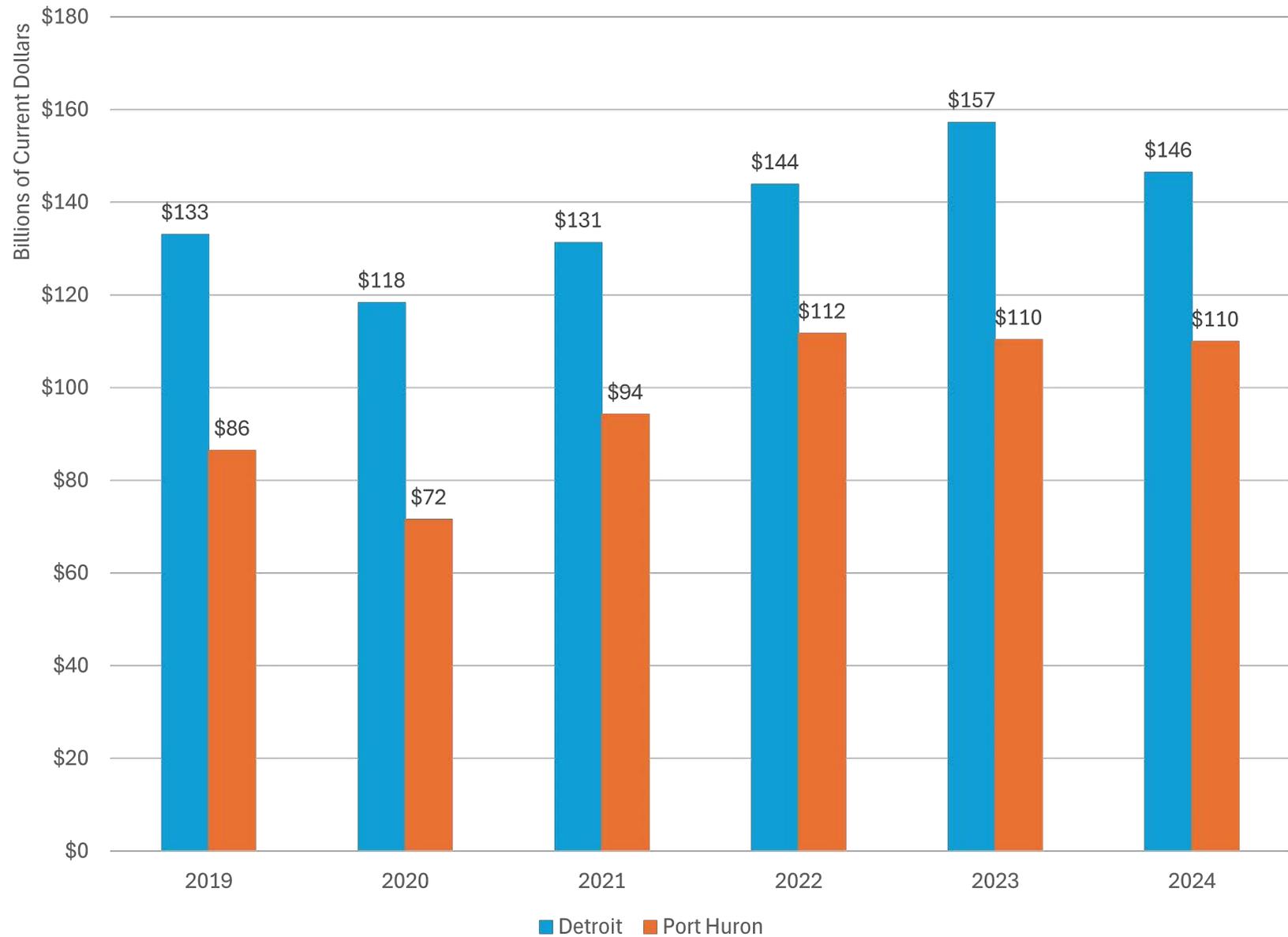
FIGURE 2-18 | ANNUAL VALUE OF TRADE, DETROIT AND PORT HURON 2019-2024

Source: Bridge and Tunnel Operators Association

SEMCOG | SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS | COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY FOR SOUTHEAST MICHIGAN

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OPPORTUNITY ZONES AND FOREIGN TRADE ZONES

OVERVIEW

Opportunity Zones (OZs) and Foreign Trade Zones (FTZs) play a strategic role in supporting economic growth in Southeast Michigan by attracting investment, strengthening supply chains, and improving the competitiveness of both new and established businesses.

Opportunity Zones encourage private investment in underserved areas by offering federal tax incentives for long-term capital deployment. In Southeast Michigan, these incentives support redevelopment of vacant land, expansion of mixed-use and industrial sites, and investment in operating businesses. This benefits small businesses and startups by increasing access to early-stage capital, reducing barriers to opening in revitalizing neighborhoods, and creating new commercial activity. OZs also help larger industries by enabling new workforce housing, modern industrial space, and improved infrastructure around major employment corridors. The SEMCOG region has 453 Census Tracts designated as opportunity zones.

Foreign Trade Zones, located near Detroit's border crossings, ports, and airport, reduce or eliminate duties on imported components used in manufacturing. This strengthens the region's core sectors - including automotive, EV, manufacturing, and logistics - by lowering costs, improving production efficiency, and supporting export growth. FTZs also create opportunities for small manufacturers and logistics startups, which benefit from lower operating costs and improved access to global markets. With Detroit Metropolitan Airport, the Ambassador Bridge, and the Blue Water Bridge, the SEMCOG region is one of the busiest trade corridors in North America. FTZ benefits enable companies to maintain production domestically rather than offshoring. These advantages also encourage businesses to establish logistics, assembly, and warehousing operations within the region, reducing lead times, supporting just-in-time manufacturing, and attracting foreign direct investment. The SEMCOG region has 36 facilities and sites identified as Foreign Trade Zones.

When Opportunity Zones and Foreign Trade Zones overlap geographically - or even operate in proximity - they amplify economic growth by attracting greater investment to industrial and logistics corridors and reducing business costs. This creates new opportunities for both emerging companies and established industries. Together, OZs and FTZs strengthen Southeast Michigan's economic resilience by combining place-based reinvestment with global trade advantages, supporting business expansion, and reinforcing the region's role as a leading manufacturing and trade hub (Figure 2-19).
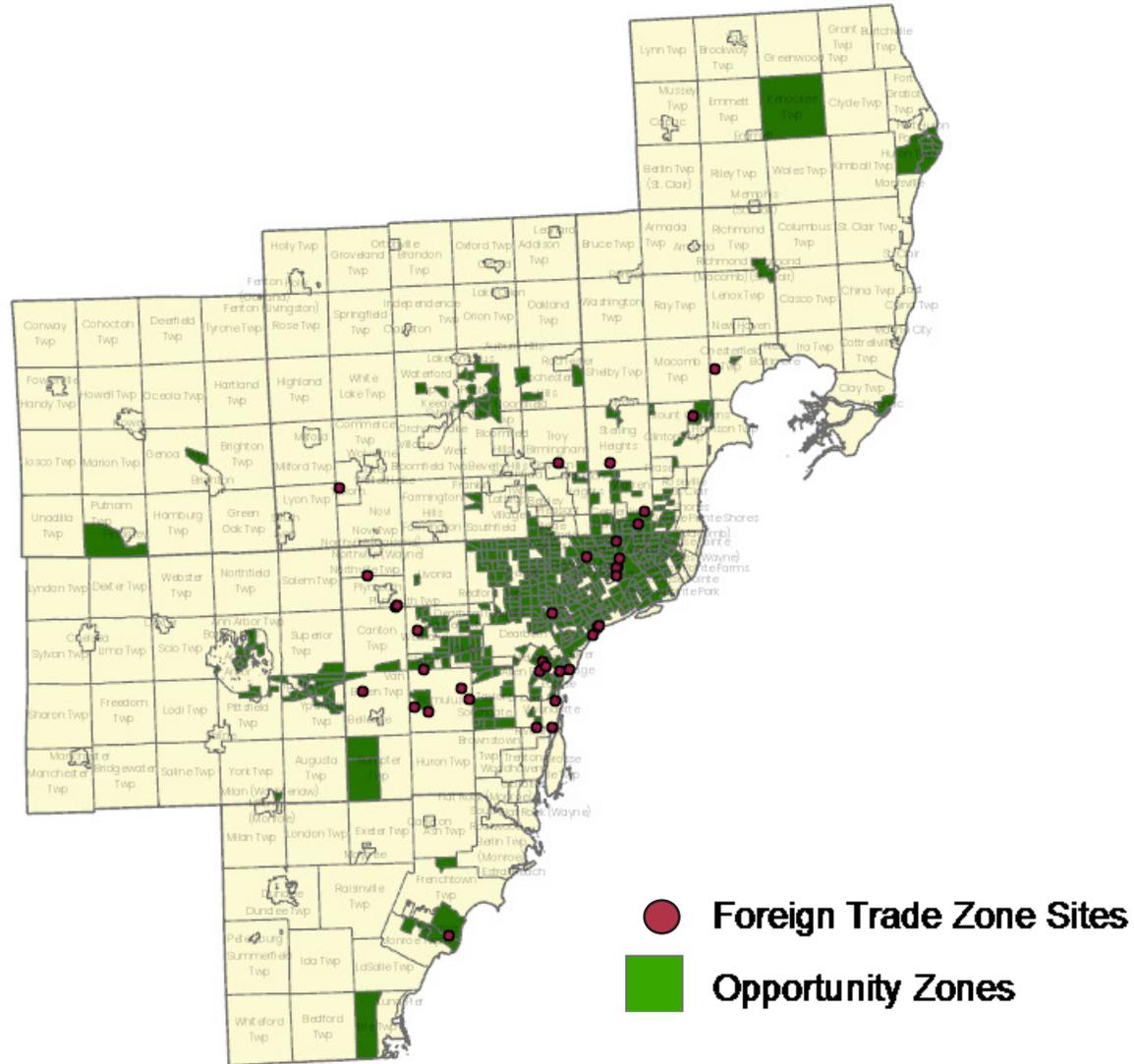
FIGURE 2-19 | OPPORTUNITY ZONES AND FOREIGN TRADE ZONES IN SOUTHEAST MICHIGAN

Source: Opportunity Zones 2023, U.S. Department of Housing and Urban Development; Greater Detroit Foreign Trade Zone, Inc.

Detroit Metro Airport, Wayne County Airport Authority

CHAPTER 3

2025 Harvest Moon Festival in the City of Farmington

GREAT PLACES

OVERVIEW

People are drawn to vibrant, high-quality places to connect, celebrate, conduct business, and engage in community life. In Southeast Michigan, these places include unique neighborhoods, active commercial districts, and accessible public spaces. Their value is amplified when integrated with robust transportation networks, resilient infrastructure, and natural assets. Together, these elements contribute to a strong quality of life - an essential driver of economic development. Communities that invest in well-designed public spaces and services create environments where people want to live and businesses choose to locate and grow.

Connected and accessible community assets are key drivers of economic activity and regional vibrancy. Safe, reliable mobility options enhance livability by linking people of all ages and abilities to essential destinations such as schools, workplaces, healthcare, retail, and parks. Strategic investments in multimodal transportation networks, informed by local development patterns, travel demand, and demographic trends, can significantly improve the functionality and appeal of a place. Whether through daily routines or special events, well-designed public spaces foster social interaction, strengthen community engagement, and contribute to a thriving local economy.

Quality of place is closely tied to environmental and built assets. Elements such as housing, downtown districts and main streets, community events, and public institutions shape a community's identity and contribute to its appeal. Historic and cultural landmarks serve as key destinations, while natural resources - especially Southeast Michigan's parks, trails, and waterways - offer unique recreational and tourism opportunities. Preserving and connecting these assets strengthens regional identity and enhances efforts to attract residents, businesses, and visitors.

Promoting Southeast Michigan as a desirable place to live, work, and visit requires coordinated efforts across communities and sectors. Economic decisions - whether by businesses, residents, or tourists - are influenced by the region's collective offerings, not just individual municipalities. To compete, the region must highlight its shared assets and cultivate a recognizable brand to reflect the needs of target audiences. Ensuring that all communities have safe, accessible, and vibrant public spaces is essential to growing regional prosperity.

Bicyclists enjoy the Macomb-Orchard Trail.

SWOT ANALYSIS

STRENGTHS

- **Fresh Water Access:** Great Lakes and inland waterways provide access to fresh water for drinking, recreation, placemaking, and use in industry.

- **Parks, Trails, and Natural Areas:** Four-season recreation with water and land access to parks, trails, and other natural amenities.

- **Mix of Urban, Suburban, and Rural Communities:** Dynamic and unique neighborhoods, traditional downtowns and main streets, and rural/agricultural communities.

- **Rich Arts, Cultural, and Heritage Resources:** An abundance of entertainment, sports, arts, music, and historic and cultural amenities for residents and visitors to enjoy.

- **Quality Health Care Services:** Access to a robust network of hospitals, clinics, and health care infrastructure.

- **Strong Sense of Place and Community Identity:** Pride and unique community character help define places throughout the region.

- **Shared International Border with Canada:** Strong relationship with Canadian neighbors provides additional opportunities for commerce, tourism, and recreation.

WEAKNESSES

- **Regional Transit:** The region's transit network needs improvements to provide greater access to jobs, health resources, recreation, and first- and last-mile connections.

- **Housing Stock:** Housing units across the region are aging and deteriorating, contributing to blight and disinvestment.

- **Condition of Roads:** Nearly 40% of the roads in the region are in poor condition. Deteriorating streets and roads detract from placemaking efforts and contribute to perceptions that an area is blighted/has safety concerns.

- **History of Urban Sprawl:** There is a legacy of car-centric planning and development that has impacted transit development and limited pedestrian mobility.

- **Outdated Land Use and Zoning Policies:** Antiquated land use regulations are not adequate to manage modern land use and infrastructure development to build quality places.

- **Fragmented Governance and Political Structures:** Fragmentation due to the large number of taxing jurisdictions in the region can lead to duplicative and inefficient planning and service delivery that impacts quality of life and economic investment.

OPPORTUNITIES

- **Expanding Regional Transit**: Developing a more robust and comprehensive regional transit network will help connect people to jobs, services, and other hubs of activity.

- **Housing and Neighborhood Revitalization:** Finding creative ways to develop new housing that is attainable and affordable, as well as utilizing new and existing programs to rehabilitate aging and blighted homes and neighborhoods.

- **Multi-Modal Mixed-Use Development:** Mixed-use development allows for greater housing variety and density, reducing distances between housing, workplaces, retail businesses, and other destinations. It also encourages bicycle and pedestrian activity.

- **Adaptive Reuse and Brownfield Redevelopment:** Cleaning up and reinvesting in contaminated and/or obsolete sites increases the local tax base, utilizes existing infrastructure, creates jobs, and improves the environment.

- **Outdoor Recreation and Tourism:** The Bureau of Economic Analysis calculated the economic output of outdoor recreation to be $1.2 trillion nationwide in 2023. Southeast Michigan has an abundance of recreation and tourism amenities that attract visitors.

- **Building on Detroit's Momentum:** The region should leverage the increasing positive perceptions of people from both within the region and beyond. In a 2024 Downtown Detroit Partnership survey, 93% of respondents had a positive perception of the city. Campus Martius has been named the #1 public square in the nation for three straight years (2023-2025) by USA Today's 10Best Readers' Choice Awards.

THREATS

- **Competition from Other Regions:** The region faces strong competition from neighboring states in attracting and retaining new residents and businesses alike.

- **Insufficient Workforce Housing:** The Pulse of the Region Survey on Economic Health showed that over 40% of respondents felt that the availability of housing for the workforce near employment centers was important for supporting economic prosperity. Roughly the same amount said that the availability and cost of housing was one of the biggest economic challenges.

- **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.

- **Complex Permitting Processes:** The permitting process in many places across the region is complex and unpredictable, which can drive new development and investment away. Streamlined processes and educating local officials and applicants about the process can lead to more win-win scenarios.

- **Unchecked Blight:** Blighted areas detract from quality placemaking and contribute to negative perceptions about a community's safety and overall well-being. Blighted areas do not attract new residents or visitors.

- **Resistance to Economic Development:** There is often a distrust of economic developers or local leaders when it comes to proposed development projects, often attributed to a lack of transparency or engagement during the planning process. Communication and proactive planning are needed.

GREAT PLACES: ISSUES AND CONSIDERATIONS

While most individuals have access to public spaces, the quality of those experiences can vary significantly based on age, ability, income, and background. Health disparities often correlate with unequal access to safe, well-maintained public amenities. Particularly in lower-income communities, reliance on shared spaces is greater, but resources are more limited. This imbalance can lead to poorer outcomes for vulnerable populations. Prioritizing transparent community engagement in the planning and upkeep of public spaces helps ensure these areas serve as welcoming, safe, and accessible assets for all residents. Strategic investment in public spaces is essential to foster community well-being and support long-term economic development. There are several factors that go into creating and maintaining great places.

LAND USE PLANNING

Effective placemaking starts with strategic, community-driven planning. Local elected officials and planning commissioners play a critical role in facilitating public engagement with residents and business stakeholders to shape a shared vision for future growth. This vision should be formalized through a master plan designed to guide implementation and investment.

Public engagement is foundational for successful planning. Robust community input leads to more informed planning decisions, enhances project outcomes, and supports long-term quality of life. When residents and businesses are meaningfully involved, planning efforts are more resilient and aligned with local priorities. In many communities, a small percentage of the population engages in community planning efforts.

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, long-lasting, and smart.

Land development and redevelopment are powerful tools for community transformation. These processes present opportunities to advance accessibility, remediate environmental concerns, and stimulate business growth. However, they also influence transportation networks, infrastructure demands, and public service requirements. Planning must be informed by regional growth trends and forecasts. Redevelopment initiatives must be aligned with both local priorities and regional capacity to ensure more effective outcomes. Additionally, incorporating insights into evolving household needs and emerging technologies supports a more adaptable and resilient built environment.

Some parts of our region are experiencing a lack of building stock or the infrastructure necessary 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 creative redevelopment tools to put abandoned, obsolete, and contaminated properties back to safe and productive use.

The quality and character of residential areas also play a significant role in economic development, both as attractive 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 types, access to core services, and transportation options. 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.

Local governments should routinely evaluate and update land-use plans and ordinances to reflect evolving community needs. Technological innovation, demographic shifts, and economic fluctuations continuously reshape how land and buildings are utilized. Regulatory frameworks must accommodate emerging uses and adapt to local and regional change. It is essential that elected and appointed officials, as well as local planning commissions, understand planning laws, processes, and their roles in decision-making on land use. Informed leadership ensures that planning efforts are legally sound, strategically aligned, and capable of supporting quality development.

DOWNTOWNS AND MAIN STREETS

Vibrant main streets and downtowns are essential to a thriving region. For many people, access to a downtown area is key to their quality of life and thus a major factor in attracting and retaining talent. Recognizing this, many municipalities are planning revitalization efforts for historic, walkable main streets or creating new downtown centers where none exist. These efforts often involve updating zoning codes and making significant public investments in roadways and infrastructure. The State of Michigan has invested heavily in downtown revitalization through funding programs that prioritize transforming vacant and underutilized properties into new businesses and apartments. These initiatives bring aesthetic improvements to historic buildings while attracting new residents and entrepreneurs.

New youth services floor at Redford Township District Library, completed in 2024

City of Wyandotte

Downtowns drive economic development. They are home to small businesses and startups, generate higher tax revenue per acre than other development types, and serve as hubs for innovation and collaboration. Many talented professionals seek vibrant, walkable environments, often preferring to live and work without a car. To attract talent from other regions, it is critical to provide updated, affordable housing near lively downtown centers that also provide access to a robust transit and mobility network.

Expanding access to walkable, well-connected communities - while continuing to support suburban and rural living - gives residents more choice and flexibility. This approach is especially effective in attracting younger generations and skilled workers who value dynamic neighborhoods. Local and state governments play a pivotal role in creating these communities. Key actions include identifying strategic locations for new or revitalized downtowns and main streets, updating zoning ordinances, investing in public spaces to ensure they are clean, vibrant, and welcoming and enhancing or redesigning streetscapes with wider sidewalks, street trees, and pedestrian-friendly infrastructure.

Car show in Downtown South Lyon

Outdoor patio at restaurant in Downtown Lake Orion
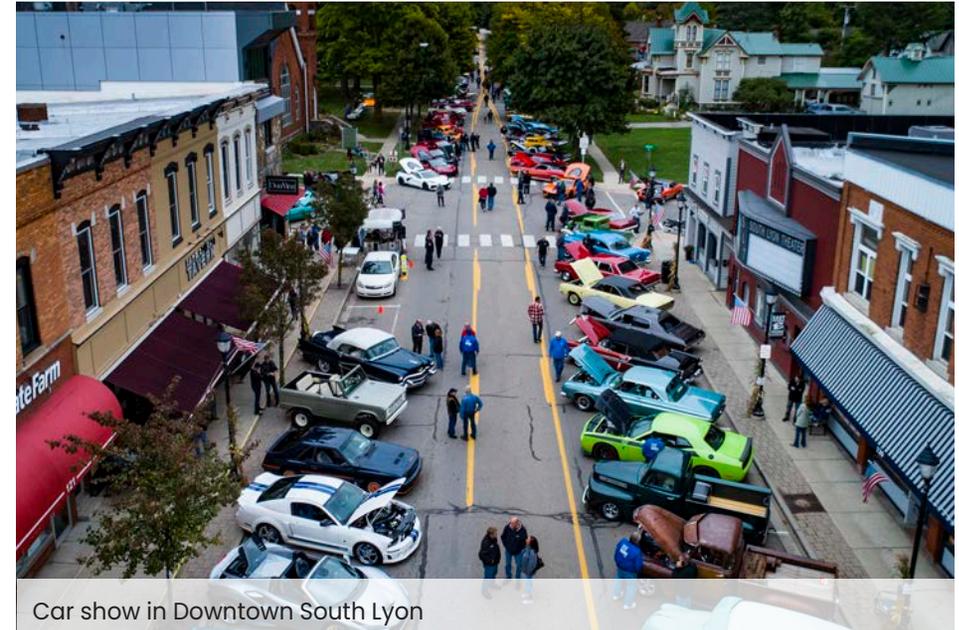
HOUSING

The Southeast Michigan region faces a range of housing challenges that impact affordability, accessibility, and overall housing supply. The cost of building new housing has increased significantly across the United States, and Southeast Michigan is no exception. Contributing factors include escalating prices for supplies and labor, as well as higher interest rates. There is a notable lack of housing that is both affordable and attainable for a broad range of income levels. Affordable housing is typically defined as costing no more than 30% of a household's gross income. Attainable housing includes options for middle-income families, such as starter homes. However, economic pressures often incentivize developers to build higher-end, luxury homes, which are priced beyond the reach of median-income households. The region suffers from a lack of variety of housing

types. Smaller homes, townhouses, duplexes, and accessory dwelling units (ADUs) are uncommon, due to mid-20th-century zoning policies that favored single-family housing and restricted alternative forms.

The homebuilding process is complicated by the variability in codes and permitting procedures across municipalities. Each community has its own set of regulations and review processes. While some municipalities have established efficient, transparent systems with quick turnaround times, others may lack capacity or experience, resulting in delays and uncertainty. Demographic shifts require additional housing units. As average household sizes decrease, more housing units are needed to accommodate the same population, further straining the existing supply. Compared to other regions nationwide, the SEMCOG region contains a disproportionately high number of older homes and homes in poor condition. Many of these structures require substantial repairs or renovations, which can be costly and limit their viability as safe housing options due to deteriorating living conditions.

A wide range of organizations and stakeholders across Michigan are actively working to address housing challenges through coordinated planning, policy reform, and innovative strategies. The Michigan State Housing Development Authority (MSHDA) launched a comprehensive Statewide Housing Plan in 2022 to outline goals and provide a framework for regional implementation. Recent legislative changes have expanded the Brownfield Tax Increment Financing (TIF) law to allow it to be used for housing projects, regardless of whether the site qualifies as a traditional brownfield. Additionally, the State now requires that housing be addressed in local master planning processes, prompting more communities to take a long-term, strategic approach to evaluating and resolving housing challenges. SEMCOG's housing data and tools are available to support these efforts by providing valuable data and analysis.

At the local and county level, governments are exploring ways to increase housing supply, variety, and quality. This includes establishing revolving loan programs to provide gap financing for

City of Southgate

City of Ferndale

eligible projects, implementing zoning reforms such as allowing housing in commercial-only districts, and expanding options for duplexes, accessory dwelling units (ADUs), and missing middle housing in more areas. To streamline development and reduce permitting barriers, some communities are adopting pre-approved building plans. The Michigan Municipal League (MML) has published guides on how these plans can support infill development, particularly on vacant residential lots. Manufactured housing is also being considered a viable solution for infill development, with a focus on integrating high-quality, attractive homes into existing neighborhoods.

Housing plays a vital role in regional economic development, particularly in attracting and retaining talent. Today's workforce increasingly seeks housing that is affordable, located near employment centers, and situated within vibrant, high-quality neighborhoods. Young professionals are drawn to smaller, more affordable homes in walkable communities with access to transit. Aligning downtown and Main Street revitalization efforts with local housing goals presents a strategic opportunity to strengthen the regional economy.

Attainable housing located near workplaces is essential for supporting workforce stability and growth. In fact, in the Pulse of the Region Survey on economic health, residents identified workforce housing near employment centers as one of the most important factors for driving economic prosperity. Moreover, enhancing neighborhood amenities - such as parks, trails, and community centers - should accompany housing development and neighborhood redevelopment, as individuals and families are drawn to communities that offer both livable homes and meaningful amenities. Together, these elements contribute to creating places where people want to live, work, and invest.

Many tools have become available to local communities to look at local options for increasing housing supply, quality, and variety. These include the APA's Housing Supply Accelerator Playbook. To effectively support housing development in Southeast Michigan, municipalities should prioritize the implementation of clear, efficient, and accessible permitting systems that encourage investment. Innovative approaches offer promising solutions to streamline construction and reduce costs. Gap financing tools can help create new housing, while programs that support the rehabilitation of aging housing stock, including roof repairs and structural improvements, are critical to preserving existing affordable units. Coordinated land use planning helps ensure that new housing is developed with convenient access to amenities that enhance neighborhood appeal - such as parks, trails, and commercial areas - while also supporting a mix of housing sizes and price points. Additionally, locating more homes near transit is essential for attracting and retaining workers, and for meeting the mobility needs of residents and the future workforce, particularly those who prefer to live without a car or cannot afford one.

The Housing Supply Accelerator Playbook was developed by the American Planning Association in 2024.

REGIONAL TRANSIT

Transit is a cornerstone of every strong regional transportation system. Public transportation, comprising modes like buses, streetcars, and micro transit – shared transportation services usually acquired through a smartphone – offers an efficient means of moving large numbers of people. Transit offers essential mobility solutions for people without access to personal vehicles. Among these groups, the elderly, the young, people with disabilities, and those with financial constraints may encounter substantial challenges in accessing core services, like jobs, schools, and healthcare without access to transit services. Moreover, a strong transit system is indispensable to regional economic development by connecting people to jobs and opportunities. Accessible transit fosters a more interconnected and dynamic regional economy.

Southeast Michigan benefits from a network of transit providers offering a mix of public transit options. These multiple agencies provide both fixed-route and demand-response services across the region. The Regional Transit Authority (RTA) for Southeast Michigan manages the services in Macomb, Oakland, Washtenaw, and Wayne Counties. Additionally, there are independent transit providers in Livingston, Monroe, and St. Clair Counties. The regional transit network, characterized by a broad geographic footprint and multiple service providers, remains fragmented. This lack of cohesion presents barriers to mobility and limits access to essential destinations such as employment centers, educational institutions, and essential services. Addressing these gaps through strategic transit integration and expansion is critical – not only to improve connectivity, but also to unlock economic opportunities, support workforce development, and enhance regional competitiveness.

In May 2022, the Regional Transit Authority (RTA) published a report about workforce mobility in Detroit, which discusses existing access barriers between housing and employment within Detroit city limits. Although jobs exist within Detroit, many do not align with the skills and education of low-income residents. This mismatch, compounded by the concentration of suitable opportunities in the suburbs, creates a significant barrier to employment for many Detroiters, hindering economic mobility and community development. The report notes that for job seekers in Detroit, especially those facing transportation barriers, access to reliable mobility options is critical to securing and sustaining employment. Even individuals with certifications or degrees often struggle to leverage their skills due to limited or unreliable transit connections to jobs that match their qualifications. As a result, many are forced to accept lower-paying positions, perpetuating income challenges, and under-utilizing local talent. To unlock the full economic potential of the region, transit systems must effectively link residents to job centers aligned with their skills – on schedules that support workforce participation and upward mobility.

SMART'S FAST (Frequent, Affordable, Safe, Transit) bus offers a limited-stop service that connects people to hte suburbs and downtown.

ACCESS TO CORE SERVICES

The ability of Southeast Michigan's transportation system to effectively and efficiently connect residents to the places they need or want to go is a catalyst for regional economic vitality and competitiveness. To support a thriving regional economy, communities must invest in and maintain transportation systems that are accessible, efficient, and convenient. Strong mobility infrastructure enables residents to fully engage in economic activities, improves access to opportunity, and enhances overall quality of life.

Building on the 2016 Access to Core Services in Southeast Michigan analysis, SEMCOG developed the 2025 Transportation Access to Core Services report. This updated analysis integrates new data sources, expanded demographic representation, and additional travel modes to provide a more comprehensive understanding of regional accessibility and its economic implications.

The 2025 analysis also expands the range of key destinations to better capture essential services and daily activity centers throughout the region, including fixed-route transit stops, educational and workforce training facilities, healthcare facilities, recreational spaces, grocery stores, childcare centers, libraries, fire stations, passenger train stations, and Detroit Metropolitan Airport (DTW). For biking accessibility, SEMCOG introduced a biking comfort dataset alongside the existing bikeway network to provide a realistic measure of low-stress connectivity. The fixed-route transit analysis now incorporates additional systems introduced or expanded since 2016, giving a more complete representation of the multimodal network.

By examining accessibility as both a transportation and land-use outcome, the analysis provides actionable insights for long-range planning, investment prioritization, and policy development. These insights ensure that transportation systems support broader regional economic development goals, including workforce participation, access to opportunity, and community well-being.

While driving remains the most efficient way to reach many destinations in Southeast Michigan, expanding walking, biking, and transit options would significantly enhance access to jobs and core services, reinforcing economic resilience and regional prosperity.

To make these insights actionable, SEMCOG developed an interactive Transportation Access to Core Services mapping tool. This online resource allows users to explore access patterns by county, community, travel mode, and demographic group, highlighting areas where access is strong and identifying opportunities for improvement.
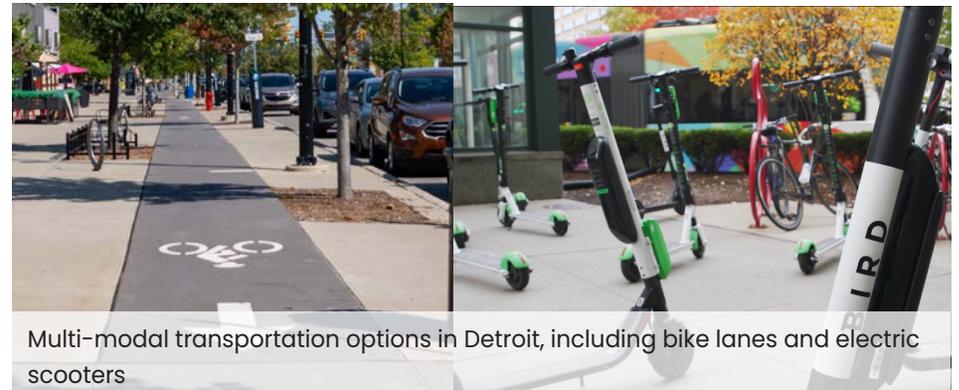
Multi-modal transportation options in Detroit, including bike lanes and electric scooters

PARKS, RECREATION, AND TRAILS

Southeast Michigan offers a wide range of parks and recreation opportunities. 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. The region has 214,000 acres of parkland, which is owned and operated by local communities and counties, the Huron-Clinton Metropolitan Authority (HCMA), 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.

As key components of a regional recreation system, parks and trails have positive impacts on public health and quality of life, while also conserving habitat, protecting significant cultural resources, enhancing air and water quality, and providing other essential services. Parks can also 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.

Southeast Michigan's parks, trails, and recreational assets are consistently recognized as key regional strengths. These natural and built amenities contribute significantly to Metro Detroit's identity and livability. Residents place high value on access to the Great Lakes, inland waterways, and the wide array of natural landscapes, which support both quality of life and place-based economic development.

Local Agencies	Counties	HCMA	State of Michigan	Federal Agencies	Private Entities
1,847 properties	109 properties	13 properties	65 properties	5 properties	262 properties
39,063 acres	18,620 acres	24,099 acres	90,232 acres	3,116 acres	38,870 acres
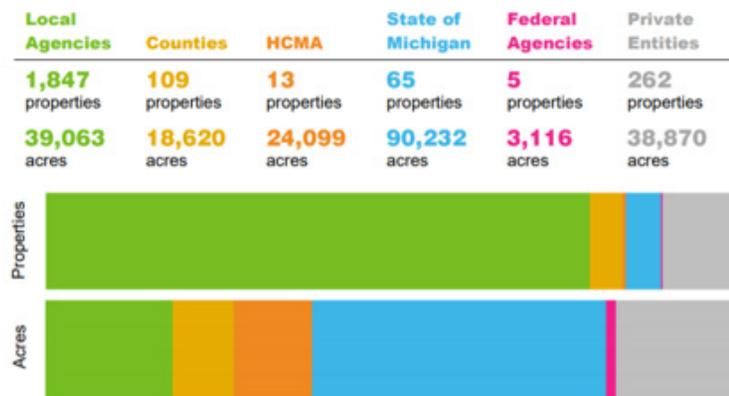
FIGURE 3-1 | PARKS AND RECREATION ASSETS IN SOUTHEAST MICHIGAN

Source: SEMCOG

Regional trail systems provide important connections between communities and their recreational resources. They include nearly 500 miles of trails and greenways, or separated paths, which accommodate multiple uses, such as walking, hiking, running, or biking. They also include 450 miles of navigable waterways designated as water trails for canoeing or kayaking.

Opportunities to enjoy water recreation help strengthen the quality of place in many communities across the region. Amenities like beaches, launches for boating and paddling, and fishing provide access to the region's wide range of water resources. Additionally, swimming pools and splash pads are popular community recreation amenities that can be implemented anywhere, regardless of water access.

Southeast Michigan also features several water trail systems that offer outstanding kayaking and canoeing opportunities to residents and visitors alike. These assets include The Blueways of St. Clair, Clinton River Water Trail, Detroit Heritage River Water Trail, Huron River Water Trail, Lake St. Clair Coastal Trail, Monroe County Water Trails, and the Rouge River Water Trail.
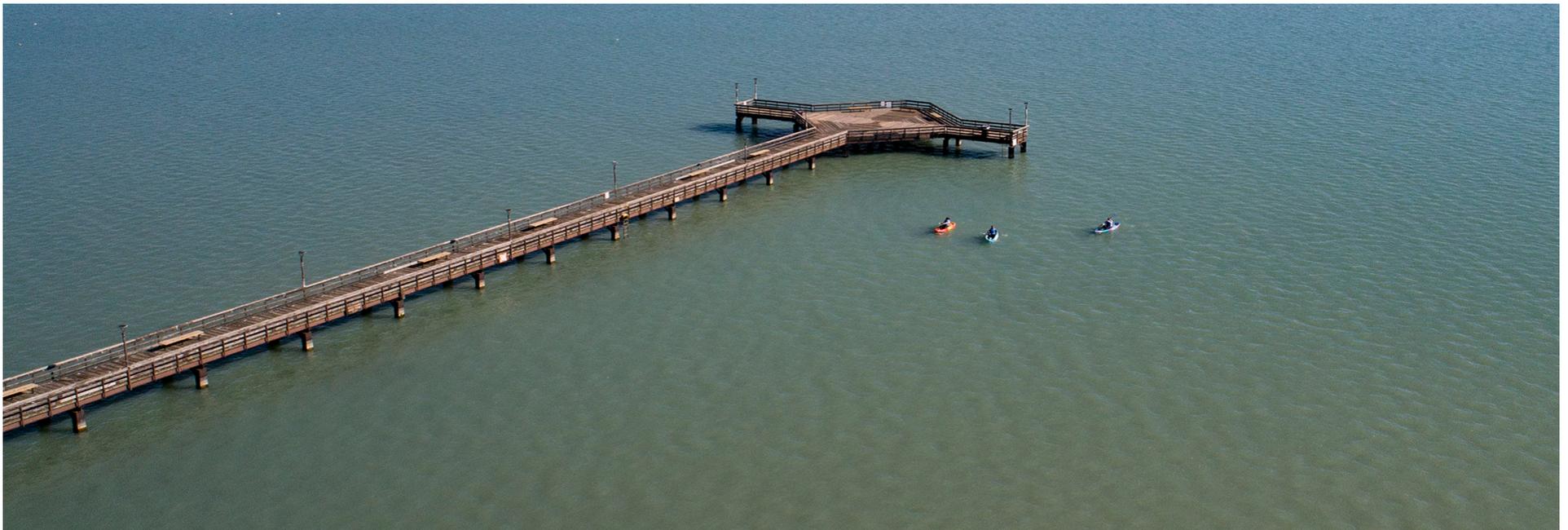
Pier at Brandenburg Park in Chesterfield Township

THE BLUE ECONOMY

Southeast Michigan's water-related industries are directly connected to more than 350,000 jobs, generating $21 billion in annual earnings. The region's abundant water recreation and tourism opportunities provide significant economic benefits, offering residents and visitors more than 120 public boat launches, over 170 paddling launches, and 229 public beaches. In 2023, there were 175,774 registered watercrafts in Southeast Michigan, including 57,576 in Oakland County, 37,437 in Wayne County, and 32,669 in Macomb County.

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 not lost on citizens, visitors, and community leaders. Over the past several years, the Community Foundation for Southeast Michigan convened a group of organizations, municipalities, and private sector interests to explore ways to build on these freshwater assets. A vision was created for The Great Lakes Way, which 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 160 miles of greenways and approximately 156 miles of blueways along Southeast Michigan's shoreline.

The Great Lakes Way stretches from Lake Huron to Lake Erie

TOURISM AND COMMUNITY EVENTS

In 2024, 131.2 million visitors spent $30.7 billion in the Michigan economy, generating a total economic impact of $54.8 billion, according to the 2024 Economic Impact of Visitors to Michigan report developed for Travel Michigan, part of the Michigan Economic Development Corporation (MEDC). According to the report, visitor spending supported one-in-seventeen jobs in Michigan and offset resident taxes by $887 per household.

Tourism is a vital economic driver in Southeast Michigan. In 2023, visitors spent $13.25 billion across the region, supporting over 142,300 jobs and generating $1.67 billion in state and local tax revenue. Key spending categories included transportation ($3.81 billion), food and beverage ($3.07 billion), and lodging ($1.73 billion). Beyond its economic impact, tourism enhances regional quality of life and strengthens local businesses, reinforcing Southeast Michigan's position as a destination for both residents and visitors.

Within the region, there are several tourism and destination marketing organizations working to promote a wide range of entertainment, shopping, dining, and cultural experiences that attract residents and visitors alike. These include Visit Detroit, Destination Ann Arbor, the Blue Water Convention and Visitors Bureau, and local and regional chambers of commerce. Local governments are also working to enhance the visitor experience and boost tourism within their communities.

Three Cedars Farm in Salem Township

County	Visitor Spending	Tax Revenue	Jobs Supported	Labor Income
Wayne	$6.89B	$874.6M	59,523	$3.89B
Oakland	$3.24B	$415.2M	40,324	$2.04B
Macomb	$1.38B	$171.2M	18,266	$710.0M
Washtenaw	$886.3M	$110.8M	12,302	$495.2M
Livingston	$345.7M	$43.6M	5,792	$193.1M
Monroe	$256.0M	$30.5M	3,010	$120.4M
St. Clair	$259.3M	$29.0M	3,147	$111.0M

TABLE 3-1 | REGIONAL TOURISM HIGHLIGHTS, SOUTHEAST MICHIGAN, 2023

Source: 2023 Tourism Economic Impact Report, Michigan Economic Development Corporation

Top: McMorran Place in Downtown Port Huron | Left: Downtown Plymouth Fall Fest | Right: Concert in City of Eastpointe
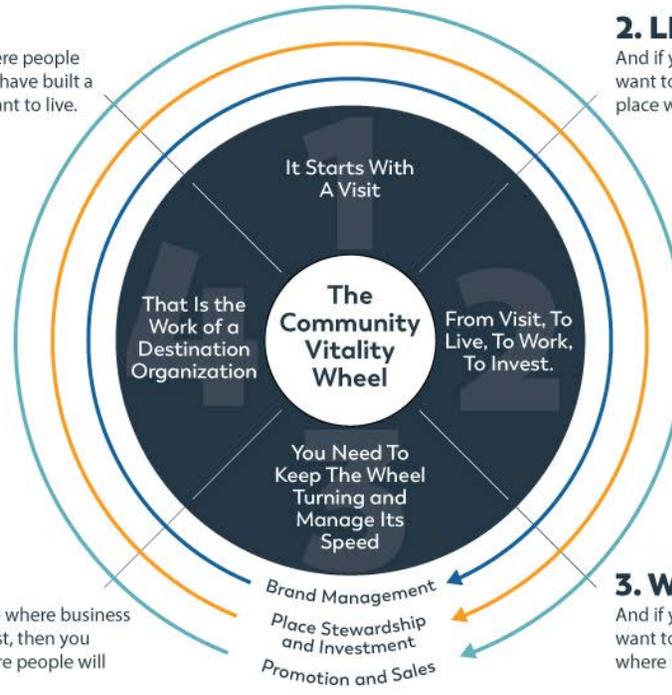
FIGURE 3-2 | COMMUNITY VITALITY WHEEL

Source: Destinations International (and Visit Oakland plan)

In 2025, Oakland County commissioned the Visit Oakland Plan, which included a "Destination Diagnostic" that examined tourism assets and drivers. The report also includes an overview of "The Community Vitality Wheel," which drives home the point that creating places where people want to visit leads to places where people want to live. Building places where people want to live helps create places where people want to work, which leads to investment by businesses and residents, further strengthening places where people want to visit.

Community events and festivals are also large drivers of economic activity and quality of life in the region and have long held the power to bring people together and highlight a community's history, culture, and identity. Across Southeast Michigan, local communities host 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.

Statewide 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.

According to the University of Minnesota Extension, events and festivals provide several economic and social benefits for the community, businesses, and people. For starters, 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 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.

Detroiters are fortunate to live in one of the greatest sports cities in the world, home to professional teams in all the major sports, with deep histories of both success and struggle. 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 addition to established venues like Comerica Park, Ford Field, and Little Caesars Arena, Detroit City FC is developing a new professional soccer stadium in Southwest Detroit, scheduled to open in 2027. Detroit was also awarded a new WNBA expansion franchise that is set to begin play in 2029.

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 in the coming years. 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 excel at hosting them. There is perhaps no greater example of the capacity for Detroit to host big events than the 2024 NFL Draft. Over 775,000 people attended the draft over that three-day span, which set a new attendance record for the NFL draft.
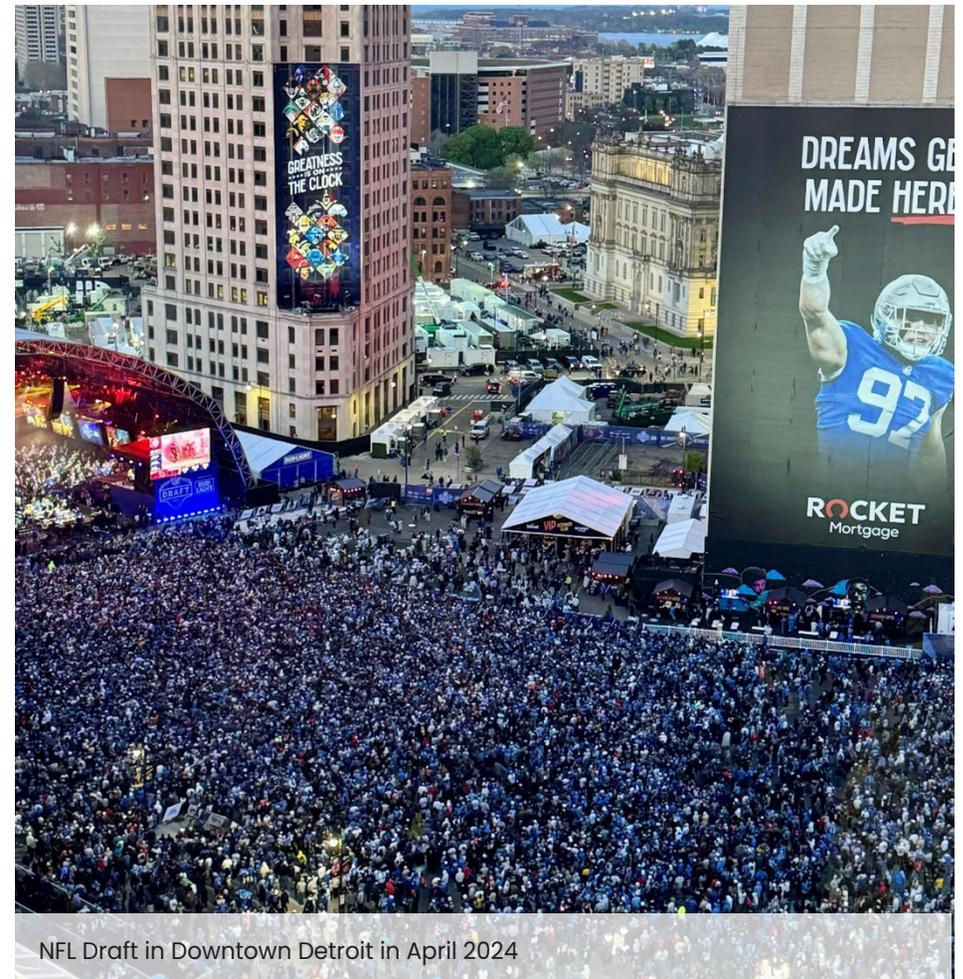
NFL Draft in Downtown Detroit in April 2024

STRATEGIES, GOALS, AND ACTIONS

STRATEGY 1: DEVELOPING AND PROMOTING HIGH-QUALITY PLACES

Goal: Invest in placemaking strategies that enhance livability, attract talent, and support business growth.

Actions:

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

- Invest in multimodal transportation infrastructure and expand regional transit.

- Support projects and encourage land-use policies that improve and promote bicycle, pedestrian, and transit infrastructure.

- Market the region across local, regional, statewide, national, and international levels 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.

- Advocate for funding programs and other resources to facilitate placemaking and placekeeping activities in urban and rural communities.

- Encourage the use of tax increment financing tools through corridor improvement authorities, downtown development authorities, brownfield redevelopment authorities, tax increment financing authorities, and other special districts and authorities enabled through State law.

- Collaborate with convention and visitors' bureaus, tourism organizations, destination marketing agencies, and local chambers of commerce to market and promote place-based and experiential assets and community events in the region.

- Advocate for and support grant programs that improve walkability, safety, and placemaking elements, such as the Transportation Alternatives Program (TAP) and other federal and State funding programs.

STRATEGY 2: LEVERAGING ENVIRONMENTAL, RECREATIONAL, AND CULTURAL ASSETS

Goal: Maximize the economic potential of natural resources, parks, and cultural resources to support tourism, wellness, and community development.

Actions:

- 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.

- Connect natural and cultural assets – including tourist destinations, parks, and downtowns – through connected trails.

- Ensure access to recreation opportunities for people of all backgrounds, ages, and abilities in Southeast Michigan.

- Promote the economic value of parks and recreation in Southeast Michigan.

- Support conservation and stewardship of natural and cultural resources, in balance with outdoor recreation opportunities.

- Raise awareness among Southeast Michigan residents and visitors about outdoor recreation and tourism opportunities in the region.

- Foster collaboration among outdoor recreation stakeholders.

- Capitalize on the region's water resources and the distinct place-based advantages they provide with economic and cultural significance.

- 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.

- Integrate local history, arts, and cultural resources with the public realm to boost community character, increase opportunities for innovation, and spur civic engagement.

- Leverage the geographic advantage that the region's waterways provide and enhance access to them

STRATEGY 3: REVITALIZING DOWNTOWNS AND NEIGHBORHOODS

Goal: Strengthen the economic and social vitality of local business districts and residential areas through targeted redevelopment and investment.

Actions:

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

- Apply data analysis and forecasts to proactively accommodate future housing needs.

- Increase the supply and variety 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.

- Revitalize and support downtowns and main streets to boost economic growth, promote walkable and bike-friendly communities, and create vibrant places that attract residents, businesses, and talent.

- 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.

- Identify consistent and reliable solutions for obtaining financing for mixed-use and infill developments and adopt local policies to streamline infill development in existing centers.

- Encourage transit-oriented development.

- 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).

- Support policies and initiatives that facilitate aging in place.

- Allow for accessory dwelling units in residential zones and promote small-scale multi-unit housing near commercial corridors and transit hubs and in additional residential zones.

- Encourage counties and local governments to identify sites for brownfields assessments and cleanup.

- Continue to promote, support, and encourage collaboration in brownfield remediation and redevelopment and advocate for funding mechanisms to support brownfield assessment and cleanup programs.

- Review zoning ordinances to facilitate reuse of vacant buildings and lots, where appropriate.

STRATEGY 4: ENHANCING LOCAL AND REGIONAL LAND-USE PLANNING

Goal: Align land-use strategies with economic development goals to support manageable growth, infrastructure efficiency, and regional competitiveness.

Actions:

- Ensure community master plans are updated every five years and ensure planning processes integrate robust public engagement.

- Encourage communities to proactively designate priority areas for development and redevelopment.

- Modernize zoning ordinances and other land-use regulations.

- Evaluate modifications to local ordinances, processes, and standards that support the development or redevelopment of "missing middle" housing.

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

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

- 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.

- Support considerations for context-sensitive development from urban to rural communities.

- Streamline the permitting and development process to create more predictable outcomes that mutually benefit communities and developers.

- Educate elected and appointed officials on the processes, roles and responsibilities of the economic development and land use planning process.

- Build capacity to revitalize brownfields and other underutilized sites.

- Support the redevelopment and reuse of former power plant sites.

CHAPTER 4

Ambassador Bridge, Detroit

REGIONAL PROSPERITY

OVERVIEW

One of the primary goals of economic development is to increase community prosperity, which can take the forms of boosting per capita income, ensuring the availability of high-paying jobs, providing quality educational opportunities, and creating an environment where businesses can grow and thrive. Achieving true prosperity requires understanding how quality of life, business growth, and social mobility are connected.

> *Prosperity may be defined as "a state of stable, reliable and secure growth, with rising employment, income and overall quality of life that ensures transcendental success."*
>
> *- Former MSU Land Policy Institute, 2008*

A prosperous region is one that provides opportunities for people to actively and successfully participate in the economy. Growing regional prosperity depends upon creating and sustaining a globally competitive business climate that drives investment and innovation. "Business climate" refers to a region's general economic environment in which businesses operate, and it encompass several factors, which include local government support for business; improvement to the cost or ease of conducting business; a good network of well-maintained infrastructure; and a fair, transparent tax environment and regulatory structure.

Southeast Michigan businesses who sell their goods and services to regions outside our own help grow the regional economy and create new jobs. Southeast Michigan'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% of our exports go to Canada and Mexico.

Small businesses play an important role in supporting a healthy regional business climate and helping to create "Great Places" in our communities. From historic downtown specialty stores to our favorite local restaurants and repair shops, dollars into local businesses are dollars invested in the local economy and regional prosperity. Small businesses are valuable members of communities, often providing vital support for youth sports, teams, and events.

Studies have shown the importance of small businesses to supporting quality of life. When shopping dollars are spent locally, more money stays within the community and helps with the building of parks and libraries as well as funding for public safety.

Students learn about careers and technology at the annual MiCareerQuest event in Oakland County.

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Small businesses also help to grow our economy as talent incubators. Talent is a key element of a prosperous region and a critical ingredient of development in an increasingly technology-based economy. Employers need workers who can use, work alongside, and develop new technologies. These workers must also possess durable skills (communication, emotional intelligence, collaboration, critical thinking, etc.), career-related skills, knowledge, and a commitment to lifelong learning.

The talent development system's goal is to prepare and connect talent with pathways to individual prosperity while serving regional workforce needs. Education, workforce development, and employers are the primary partners in the talent development system. Key system support is provided by local government, State and federal policymakers, community members who volunteer and give back, and foundations.

Talent development system stakeholders work together on developing and enhancing skills and knowledge that benefit 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.

SWOT ANALYSIS

STRENGTHS

- **Skilled and Specialized Workforce**: Supported by employer partnerships with organized labor and education, the region's workforce possesses various levels of education, skills, abilities, and experience, which can fill a broad range of jobs in key industries that contribute to a robust economy.

- **Educational Institutions and Research Centers:** Southeast Michigan has a wide array of universities and a strong network of community colleges to serve our residents. It is also home to three tier 1 research universities, as well as several private and non-profit research organizations.

- **Automotive and Manufacturing Hub:** The automotive industry remains the region's main economic driver, and it is currently advancing mobility and electrification initiatives. It leads in engineering, employee productivity, and manufacturing know-how.

- **Established 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 serve 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 proximity to Canada, our nation's largest trading partner.

- **World-Class International Airport:** Detroit-Wayne County International Airport is an important economic driver for the region and all of Michigan, supporting global connectivity.

WEAKNESSES

- **Labor Force Participation:** The region's Labor Force Participation Rate is low compared to Midwest and national peers.

- **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.

- **Continuing "Brain Drain:"** Southeast Michigan continues to lose college graduates and talent to other states and regions after they graduate. Communities struggle to attract younger populations.

- **Mismatch Between Workforce Skills and Employment Opportunities:** The skills job seekers possess do not align with the skills employers require or need, leading to unemployment and underemployment.

- **Inconsistent Quality of Public Education:** Across the region, there is inconsistency in public school systems in terms of funding resources, quality of teaching, support for students and teachers, and community and parent involvement.

OPPORTUNITIES

- **Diversifying the Economy:** Diversified Emerging technologies, such as AI and automation, are transforming production, the nature of work, and the workplace. The region's emerging clusters include Production Technology and Heavy Machinery, Information Technology and Analytical Instruments, and Aerospace Vehicles and Defense.

OPPORTUNITIES, CONTINUED

- **Entrepreneurial Ecosystem:** In 2022, Detroit was named as the #1 emerging startup ecosystem in the country by Startup Genome. The region's growth funding shows strong growth from 2020-2022, with particularly strong development in early-stage funding, but 2024 was a down year for the region's startup funding.

- **Expanding Research and Development Capacity:** Research and development sparks innovation, creates jobs, and boosts productivity. Growing R&D capacity will help build economic resilience and competitiveness in Southeast Michigan.

- **Aligning Workforce Skills with Evolving Employment Demands:** Strengthening the collaboration among labor, education, and the business community can help bolster workforce development and training programs to better equip workers to fill positions employers are struggling to fill.

- **Creating Career Pathways to Retain Talent:** Career pathways provide awareness, structure, and guidance to students and job seekers to prepare for career advancement in growing occupations.

- **Enhancing Wraparound Services:** Strengthening resources to remove barriers to labor force participation or training opportunities will help support upward economic mobility for all people in the region. These barriers include childcare, elder care, transportation, and lack of stable, affordable housing.

- **Reshoring Industries to Southeast Michigan:** Bringing manufacturing operations from overseas back into the region can help companies overcome supply chain issues and provide high-paying manufacturing jobs in Southeast Michigan.

THREATS

- **Limited Access to Capital for Small Businesses**: Accessing capital and navigating the cost of capital are major challenges for entrepreneurs, small businesses, and microbusinesses. It is difficult for them to get financing, and when they do the terms are not ideal.

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

- **Regulatory and Permitting Barriers:** There is often a lack of understanding of roles at the community level when it comes to permitting/zoning. Perceptions that it is difficult to get something built or approved can take hold.

- **Cross-Border Trade Disruptions and Policy Uncertainty:** Trade disruptions and uncertainty over trade policies often cause companies to delay hiring, to delay entering new markets, and to scale back investments due to unpredictability.

- **Declining K-12 Education Performance:** Michigan has one of the highest absenteeism rates in the nation, which impacts learning and affects test scores. Standardized test scores are lagging pre-pandemic rates. These issues undermine efforts to prepare students for the workforce.

- **Potential Job Displacement Due to AI and Automation:** While artificial intelligence and automation can provide new opportunities for businesses and employees, there is also potential for some workers to be displaced because of widescale adoption of those technologies.

Downtown Plymouth

Monroe County Community College

REGIONAL PROSPERITY: ISSUES AND CONSIDERATIONS

Companies no longer choose locations based solely on a single city, township, or county. Instead, they look to the broader regional context (including neighboring regions) because access to key factors such as customer base, workforce, education systems, healthcare, and other critical assets extends beyond municipal boundaries. These resources typically span multiple counties, making regional collaboration essential for attracting and retaining industries.

When it comes to prosperity, the region needs to address the acceleration of macroeconomic trends that impact our business climate, our labor force, and our residents. These include technology and automation advancement – particularly related to the rapid scaling of artificial intelligence. Like other places, Southeast Michigan also faces the 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. It is important to balance a business-friendly environment that also meets community values and supports vital government services and infrastructure.

It is also critical that we are supporting the growth and upward economic mobility of Southeast Michigan residents by ensuring education, upskilling, and training opportunities are affordable and accessible. The region's labor force participation rate continues to lag, often due to a variety of barriers including the lack of childcare options, housing affordability issues, lack of transportation, and other personal issues that serve to hold people back. Providing wraparound services to eliminate barriers may be just the spark needed to allow people to grow personally and professionally, and to contribute to the region's prosperity.

WEALTH CREATION

Another way to view prosperity is through the lens of "wealth creation" using the [WealthWorks](#) methodology. Wealth creation is an approach to economic development that connects a region's assets to market demand in ways that build rooted wealth for local people, places, and firms.

WealthWorks is a 21st-century approach to local and regional economic development that brings together and connects a community's assets to meet market demand in ways that build and improve livelihoods. WealthWorks simplifies things by organizing local and regional features into eight discrete capitals, which are defined below and share the following characteristics: each capital is a collection of one category of related resources; every region has a stock of each type of capital - meaning the combined quantity and quality of the many components of that capital in the region; and taken together, the existing stocks of these capitals constitute a region's current wealth. Figure 4-1 provides a definition of each capital. Chapter 6 includes a more detailed synopsis of these capitals as they relate to the strategies and actions put forth in the CEDS, and how we can use metrics to help assess the relative strength of each individual capital.

FIGURE 4-1 | The Eight Capitals of Community Wealth

Source: National Association of Development Organizations

> *Wealth creation is about making sure a region's capitals stay in place and that people, organizations and communities in the region can make decisions about how they are used and invested... Wealth creation is ultimately about improving lives. Improving livelihoods for those on the economic and social margins is good economic strategy. As they move toward and enter the economic mainstream, everyone does better."*
>
> *- National Association of Development Organizations*

TALENT IN SOUTHEAST MICHIGAN

A strong workforce is key to Southeast Michigan's economic prosperity. However, the region is facing several demographic and economic challenges that are impacting both the current availability of workers and the future pipeline. Addressing this critical dilemma requires collaboration by employers, educators, and workforce and economic development to build a system that can both create the future workforce and address specific challenges related to attracting, retaining, and upskilling a workforce to meet the demands of a changing economy.

Workforce shortages directly affect Southeast Michigan's ability to sustain growth and competitiveness. When employers cannot fill critical roles, project timelines slow, productivity and innovation decline, and business expansion opportunities are lost. Limited awareness of career pathways and declining interest - particularly in key sectors including the skilled trades - contribute to ongoing workforce shortages. Critical public service sectors - such as infrastructure, healthcare, and education - are also facing workforce shortages that threaten service reliability, diminish residents' quality of life, and reduce the region's competitiveness for business investment. A strong, well-trained workforce remains key to maintaining Southeast Michigan's economy.

According to the 2024 *Growing Michigan Together Council Report*, "Michigan's greatest strength is its people - and we are losing them. Today Michigan is 49th out of 50 in terms of population growth. We're failing to prepare our people for the jobs of the future and failing to ensure Michigan is the place current and future Michiganders want to call home." As such, the report identifies three main strategies to create a Michigan poised for shared prosperity and growth:

1. Establish Michigan as the Innovation Hub of the Midwest and America's Scale-up State;
2. Build a lifelong learning system focused on future-ready skills and competencies; and
3. Create thriving, resilient communities that are magnets for young talent.

The aging of the population is reducing the prime labor force. While the US population will grow by 18 million from 2024-2032, the labor force will decline by 5 million. The result will be an environment in which fewer working-age people are supporting the older population. As experienced workers retire - particularly in manufacturing, construction, and public services – employers must replenish the workforce.

Employers report difficulties finding workers with both technical and durable (AKA "soft") skills, while younger workers often seek opportunities in other states offering broader career options, competitive wages, and lifestyle amenities. Hybrid and remote work options continue to reshape how organizations attract talent, while demographic changes and generational preferences are changing how employers address current and future workforce needs.

There are four main components of developing a strong and stable workforce for Southeast Michigan:

- Building the future talent pipeline
- Preparing for the future of work
- Overcoming challenges to labor force participation
- Addressing talent needs during economic transition

BUILDING THE FUTURE TALENT PIPELINE

Building the future workforce requires broad exposure to career options and the training needed to prepare for success. Career exposure must be age appropriate for students at various stages of K-12 education but needs to start early to provide the opportunity to explore different options. This may take the form of regional career awareness events such as Manufacturing Day or MiCareerQuest, or more local events such as career fairs, company visits, and internships. In addition to exposure, building

the pipeline requires preparing the workforce with the skills needed to succeed in the workforce.

Programs such as Career Technical Education provide high school students with both academic and technical skills in addition to experience in one of seventeen career focus areas. Preparing the future pipeline requires exposure to a broad range of careers, hands-on experiences, academic preparedness, and improved access to post-secondary education. Together these can help students make informed decisions about whether they will enter the workforce directly, begin an apprenticeship or pre-apprenticeship program, enroll in short-term workforce training, or choose to pursue a two- or four-year college degree. Individuals must also balance the benefits and challenges of each pathway with their preferences and their family and financial circumstances.

Cost of Higher Education

Higher education leads to higher incomes over a lifetime. Additional benefits to having a college degree (or even some college experience) include increased job security, lower unemployment and poverty rates, better health, and increased community participation. There is also a positive correlation between the regional attainment of bachelor's degrees and economic growth. About two-thirds of Michigan's top paying jobs go to those with a four-year degree.

Perceptions about the value of a four-year degree have eroded over time due to several factors, including cost, fear of long-term college debt, emerging career pathways that do not require a four-year degree, and an increasing availability of alternate forms of postsecondary education that can lead to career success. These include an evolving menu of two-year degrees, apprenticeships, and alternative credentials.

The cost of higher education and the perceived return on investment have reduced the number of high school graduates directly enrolling in college after graduation despite increased financial support from the State of Michigan, including the *Community College Guarantee* and the *Michigan Achievement Scholarship* which provide tuition support for an associate's degree, bachelor's degree or industry-recognized credentials for recent high school graduates. The Michigan Reconnect program provides tuition to cover the cost of an associate's degree or industry certificates for students aged 25 and over and is helping to bring in new students to community colleges. However, colleges are also addressing non-tuition barriers facing both working adults and those who are not currently in the workforce through improved career navigation, reducing fees, on-line courses, and flexible programming. This helps to ensure students can both enroll and complete their course of study.

Students engaging at MiCareerQuest

PREPARING FOR THE FUTURE OF WORK

Lifelong Learning

As technology and business needs change over time, so does the demand for specific skills. Current demographic and economic trends, combined with technological advancements, have highlighted and accelerated the importance of a lifelong learning approach. For Southeast Michigan to have enough workers (with the skills needed to support changing business and organizational needs) will require a more expansive approach to career growth. In an evolving environment, workers must update skills to retain their value in the workplace. Though historically considered a positive trait, lifelong learning has grown into a necessity for both employers and workers.

The traditional education system – focused on helping everyone complete K-12 with the option of continuing to a four-year degree and beyond – continues to provide an essential foundation for career potential. In addition to formal education, lifelong learning may include training (in- or outside the workplace), certificates, apprenticeships, and all forms of skill-building that increase an individual's contribution and value in the workforce.

Outside the traditional accredited forms of education and training, personal development may be interest-based rather than in pursuit of specific education attainment goals. This development is of particular interest when "self-taught" skills have economic value, and employers are learning to evaluate, acknowledge, and accept noncredit or self-taught skills in the hiring process, as well providing credit for previous learning or experience.

The [Michigan Department of Lifelong Learning, Advancement and](#) Potential (MiLEAP) was established to take a holistic view of lifelong learning by prioritizing education "from birth to postsecondary with a focus on preparing children for kindergarten and helping more people earn a skill certificate or degree to help them get a good paying job." It provides leadership, resources and grants to support preschool for all; free- and reduced-cost tuition for students and adults; support for childcare costs; and partnerships-building with education and employers. This effort is particularly important to understanding and promoting changes to in-demand skills.

Soft Skills/Durable Skills

For many years, employers have identified the need for more "soft skills" to complement technical skills among job applicants. Traditionally, K-12 education has focused on developing academic skills and technical competency in addition to career skills through programs such as Career Technical Education (CTE), STEM education, and programs such as Robotics. However, durable skills such as communications, problem-solving, critical thinking, judgment, work ethic, and time management have been more difficult to incorporate into the curriculum.

SEMCOG and MAC's report on the "[Lifelong Soft Skill Framework](#)" identified eighteen key skills and noted that these are developed over a lifetime with teaching, modeling, and reinforcement by parents, schools and employers. The term "soft skills" has contributed to the belief that they are not as critical as other skills, and so they have been underemphasized. Driven by employer needs, more emphasis has been focused on strategies to incorporate these skills within education and training. Re-naming to "durable skills" or "essential skills" helps to reframe them.

The organization [America Succeeds](#) has developed data on

resources to help transform career pathways. It analyzed data from 82 million job postings and found that 70% of needed skills could be identified as durable skills. They also found that automation will place durable skills at a premium in future jobs.

Upskilling and Reskilling the Workforce

A range of factors – including increased automation, reduced demand for certain types of energy, policy changes, and industry transitions – directly impact the workforce. Industries and employers which have prospered in a mutually beneficial relationship with thousands of Michigan workers will be making decisions about reducing headcount and/or providing training to reskill existing employees so they can meet new talent demands. The automotive and clean energy industries are undergoing transitions that will require different skillsets from previous generations of workers.

Upskilling helps employers retain proven employees and recruit new workers by providing opportunities for people in entry-level positions to progress within their organizations. This is particularly valuable for industries such as healthcare, where the annual turnover rate for occupations such as medical assistants can be as high as 85%. As one of the fastest-growing sectors in the economy but one that is also characterized by high costs to users, it is in the industry's best interest to provide quality jobs and career pathways so that entry-level workers can realize opportunities for growth and stability within the organization or within the industry while reducing costs related to high turnover. Many employers are also using skills-based hiring where there is less emphasis on formal qualifications and more on knowledge skills and abilities that can be assessed during the hiring process though software.

While degrees and industry credentials have often been used as a proxy for skills, past labor shortages resulted in employers broadening their candidate pools and this has continued even as the labor market has tightened.

Technology and Artificial Intelligence (AI)

Another issue affecting talent and the future of work is the increased use of artificial intelligence (AI) in the workplace. While it may be too early to identify its full impact, AI is expected to significantly change many types of business operations and the human skills needed to support them. The World Economic Forum (WEF) says that 170 million new jobs will be created globally this decade, and 92 million jobs will be displaced, leaving a net growth of about 78 million jobs. AI could automate many of these jobs and functions particularly for white-collar, entry-level jobs. Forbes reports that some business leaders anticipate 30% of current jobs could be fully automated by 2030 and 60% could be significantly altered. Goldman Sachs states that AI and robotics could fully automate 50% of jobs by 2045. A study by McKinsey Global Institute suggests that AI could automate up to 30% of hours currently worked across the U.S. economy by 2030.

AI will impact all jobs to a certain degree, but there will be a lesser impact on those requiring more human skills (such as healthcare and social work or labor-intensive careers like construction and skilled trades). Workers in occupations that are more susceptible to AI replacement may consider focusing on understanding and using AI, along with working to grow durable human skills like critical thinking and communication. Digital literacy will also help people to maintain their value in the marketplace. Upskilling is a key way for employers to support this process.
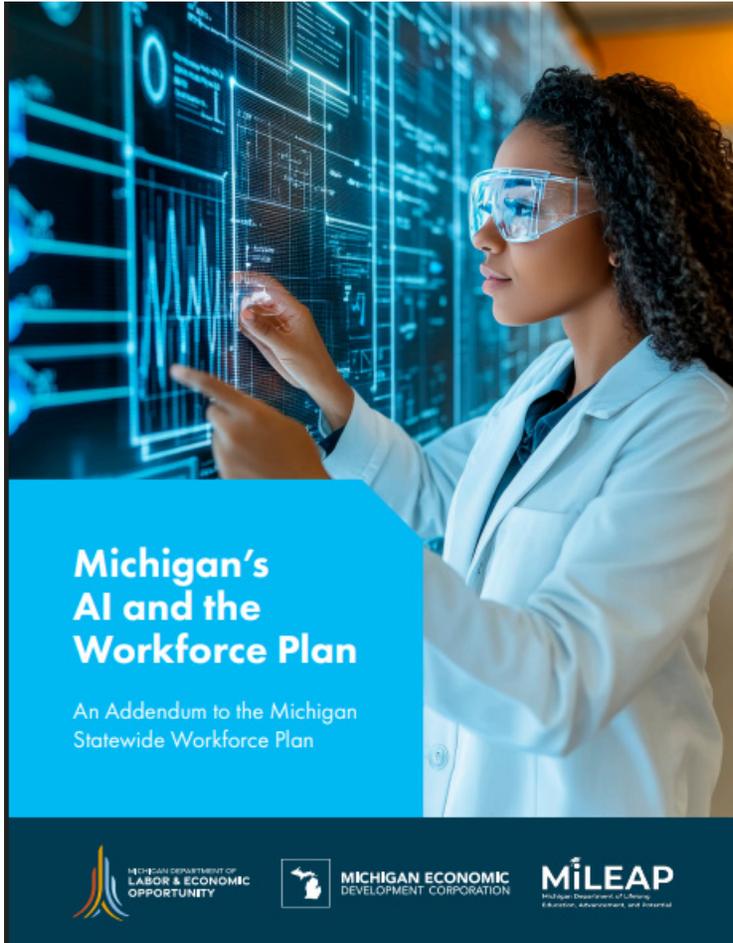
Michigan's AI and the Workforce Plan is an addendum to the Michigan Statewide Workforce Plan

It is expected that AI tools used in some white-collar occupations will impact traditional entry-level jobs held by college graduates. According to one survey, 49% of Generation Z are questioning the value of a college degree as a result. In healthcare, surgery and diagnostic tools will be automated sooner than nursing and therapy, which require patient contact and communication. Individuals, particularly employers and those in education and workforce development, need to consider how to best use AI in the workplace and focus on developing skills and a workforce for occupations that are most resistant to automation.

In 2025, the State of Michigan created an addendum to the 2024 Michigan Statewide Workforce Plan – AI and the Workforce, which includes three strategic pillars for the state's AI workforce strategy:

1. **Invest in Skill Development for the AI Economy:** Equip Michiganders with the technical, digital, and human-centered skills needed to succeed in an AI-enabled economy.

2. **Understand and Guide Workforce Transitions for Knowledge and Skilled Trade Workers Alike:** Help workers and employers navigate AI-driven changes through data-informed transition strategies and inclusive support.

3. **Enable businesses to adapt to the AI economy:** Ensure small and medium-sized businesses can adopt and benefit from AI while positioning the state as a national model for innovation, inclusion, and job quality.

A common observation of AI is that it is impacting white-collar workers more than previous types of automation. Occupations within business services, finance, legal, market research, customer service, administration, and sales are expected to be heavily impacted as AI becomes more accurate and scalable.

The State's AI Workforce Strategy further notes that up to 2.8 million jobs in Michigan are expected to be impacted by AI over the next 5 to 10 years. Manufacturing – critical to both the Michigan and Southeast Michigan economies – faces particularly high

reskilling demands, with estimates indicating that 75% of roles will require upskilling, despite only 2% being fully automatable. AI and automation are increasingly interconnected, enabling not only the automation of routine tasks but also generating more complex functions which involve decision-making and problem-solving. Preparing the workforce for this shift is essential to maintaining economic competitiveness and ensuring inclusive growth.

Artificial intelligence presents a challenge and an opportunity for the region. There is already a digital divide in Southeast Michigan, where lower-income households may not have access to or know how to use and leverage devices such as smartphones, tablets, and computers. That divide will be exacerbated by the rapidly shifting AI landscape. The education, workforce development, and business support sectors will need to work diligently to ensure that all residents are able to access technology and that they have access to affordable training and education on how to use AI for everyday life, job searching, and on-the-job skills.

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, cloud technology, and cybersecurity.

While technology brings many advantages, 42% of Michigan's current labor force could be negatively impacted by automation. A multi-faceted approach is needed to prepare displaced workers for new opportunities – including training in technology through boot camps and targeted initiatives, along with incorporating AI skills and training into K-12 curricula and workforce development programs.

OVERCOMING BARRIERS TO LABOR FORCE PARTICIPATION

Adults who are disengaged from the workforce or education are in most cases facing one or more barriers to participating in the labor force. There are currently 1.4 million disengaged working-age residents in the region. Increasing labor force participation to the national average would increase the region's annual GDP by more than $7 billion.

According to the Detroit Regional Workforce Partnership (DRWP), the most common barriers identified are childcare, transit, justice-involved, and lack of educational attainment. DRWP found that 59% of parents who are working part-time or not working would return to full-time work if they could access affordable/quality childcare. One in four adults cite transportation challenges which are tied to employee absenteeism and turnover. Nationally, unemployment of justice-involved individuals leads to productivity losses of nearly $90 billion. Increasing educational attainment correlates with increased labor force participation. Only 41% of Southeast Michigan individuals who have attained up to a high school diploma are currently working compared to 72% for those with some level of post-secondary education.

Prime-age male workforce participation has been declining since the 1970s, and it has reached an all-time low in the last few years. There are many reasons cited for this, including most growth being in sectors requiring degrees while undergraduate enrollment for men dropped. In addition, fewer men are completing associate's degrees compared to women (44% to 55%). In addition, high

school graduation rates and literacy rates for boys are lower than girls. The Lightcast report "The Rising Storm" found that among the reasons for this are addiction – particularly among prime-age men without a college degree and the losses due to incarceration. Nationally 1.4 million people incarcerated are prime-age men age 25-54.

Increasing male participation in the workforce is critical to addressing continued labor shortages in many fields. In April 2025, Governor Whitmer produced an executive order to review programming related to job training and post-secondary education with the goal of lowering the cost of education and opening more job opportunities.

The future of talent development, attraction and retention in the region depends on long-term strategies that integrate education, workforce, and economic development. For K-12, it is building awareness of career opportunities, providing academic, durable and technical skills, and expanding work-based learning programs. For employers, broadening the labor pool, addressing challenges keeping people away from the labor force, and increasing use of alternative credentials and skills-based hiring are some of the strategies for attracting, retaining, and expanding the workforce. These strategies help fill openings and create a stable workforce by focusing on increasing access to opportunities and helping individuals build long-term careers with family sustaining wages and benefits. A coordinated workforce strategy helps strengthen the region's competitiveness and long-term prosperity. By investing in people today, the region can strengthen its ability to compete in the current and future economy.

Lack of access to reliable transit contributes to transportation insecurity

SEMCOG | SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS | COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY FOR SOUTHEAST MICHIGAN

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Michigan Works! – Michigan's public workforce development system – agencies play a critical role on connecting adults currently not participating in the workforce to high-demand careers and training available to compete for these positions. The five Michigan Works! agencies in Southeast Michigan - Detroit Employment Services Corporation; SEMCA Michigan Works!; Oakland County Michigan Works!; Michigan Works! Southeast; and Macomb St. Clair Michigan Works! - have a threefold mission: serve job seekers, serve employers, and provide training, resources and supports to overcome barriers.

Resources provided by workforce agencies to address barriers have become increasingly important in both training and preparing individuals for the workforce and then supporting them once they are employed. Many limited-income workers may lack the resources to pay for emergency transportation, housing, utilities, and other day-to-day needs, which could mean the difference between staying in a job or having to leave.

In addition to the Michigan Works! system, many nonprofit organizations throughout the region work collaboratively to improve upward economic mobility through skills development and training. They may also provide wraparound services to eliminate barriers and help people enroll in or stay in education programs, participate in job training, and get to and from work.

Transportation Insecurity

Transportation insecurity is one of the most cited barriers to workforce participation. Studies show that lack of reliable and predictable transportation impacts the ability of individuals to enter or stay in the workforce. For employers, transportation insecurity leads to increased absenteeism, turnover, and reduced employee morale.

University of Michigan Poverty Solutions found that one in four adults in Michigan identified transportation insecurity as a challenge, while another study found that 20% of adults not working cited transportation as a barrier. The Detroit Regional Workforce Partnership estimates that the economic cost of this challenge is over $1 billion each year.

In Southeast Michigan, 74% of workers rely on a personal vehicle, 7.4% use car or van pools, and 1.3% use public transportation (compared to 3.5% nationally). The remainder either walked or biked to work or worked from home. Workers can experience transportation insecurity regardless of whether they use a personal vehicle, transit, or other mode. For example, for workers using a personal vehicle, the cost of purchase, insurance, maintenance, and repairs can be prohibitive - especially when the ability to meet these expenses is limited by low wages. For workers dependent on transit, aligning bus schedules and reliability with work hours can be a major barrier.

Based on SEMCOG's 2026 Access to Core Services analysis, 53% of the working-age population can reach a Michigan Works! American Job Center within a 10-minute drive, indicating moderate proximity by car. Accessibility by fixed-route transit or other active transportation modes is significantly more limited. Only 12% of the working-age population, and 11% of all households in the region are within 30 minutes transit ride of an American Job center.

Transportation is a challenge for both workers and employers. The recent playbook *Reliable Rides: Connecting Workers to Jobs* from the Michigan Department of Labor and Economic Opportunity

Access to reliable, affordable childcare is key to increasing workforce participation.

identifies a number of strategies for employers to help increase transportation options for workers. These include transit passes and commuter incentives, vanpooling and carpooling, car purchase and repair assistance, microtransit and Individual rides to work. Each of these has benefits and challenges. For the employee, the benefits of micro-transit (flexible, on-demand service), van and carpooling, and employer-contracted rides can lead to savings on gas, parking, and vehicle maintenance along with less stress and increased job stability. For both public sector and private employers, benefits include reduced absenteeism and increased timeliness, lower turnover, improved employee morale and satisfaction, expanded hiring pool and reduced parking costs, among other benefits.

Commuter Connect is a program of SEMCOG and the Ann Arbor Area Transportation Authority (TheRide) that provides an app-based resource for carpool, vanpool, transit, and other transportation options throughout Southeast Michigan. It provides workers with flexible options to match their everyday needs and emergency situations.

Workers may face multiple challenges to workforce participation, but transportation challenges can be addressed through collaboration and commitment. Employers, working together with MDOT, transit partners, regional and local governments, workforce development and non-profit organizations providing service coordination and/or transportation options can help to address transportation barriers for workers throughout the region, leading to economic growth and worker stability.

Childcare

Childcare is a national challenge for labor force participation, particularly among women and single parents. Addressing this challenge will increase the number of working adults and help support economic growth.

The Detroit Regional Workforce Fund found cited national data that 59% of parents who are working part-time or not working would return to full-time work if they could access affordable/quality childcare. Insufficient childcare costs Michigan about $2.9 billion in lost economic activity each year and 14% of working parents reported leaving a job in the last six months due to childcare issues.

The cost of childcare is a huge challenge. The US Department of Health and Human Services states that affordable childcare should not cost more than 7% of a household's income, but the average cost of quality childcare in Michigan in 2025 ranges from about $400 to $1,200 per month, depending on the child's age, type of care, and location according to Trustedcare.com. A parent working full-time at minimum wage in Michigan would need to spend 46% of their income on childcare.

These impacts have resulted in many innovative initiatives to highlight the impact, increase the availability, and reduce the cost of quality childcare. These include the State of Michigan's Tri-Share program as well as employers who offer on-site childcare, emergency back-up services, flexible scheduling and leave policies, navigation services, and financial support for costs. Despite these efforts, the cost of quality childcare remains a major barrier as the shortage of workers and facilities in Michigan cannot keep up with the demand.

Disabilities

While most people with disabilities in Southeast Michigan are not working, there was an increase in labor force participation between 2018 and 2022 for individuals with at least one disability. This was likely due to the increase in availability of remote work in this period. There was an increase in both full-and part-time work, but the increase in full-time was most significant: It increased from 14.2% to 18.1% - adding an additional 23,000 more people to the workforce.

People with disabilities accounted for 22.5% of the growth of full-time jobs in Southeast Michigan between 2018-2022. According to the University of Michigan report on Evaluating Shared Prosperity in Southeast Michigan, in 2022, 61.8% of disabled people working full-time lived in upper-middle or higher-income households, while 53.9% of disabled people who did not work lived in lower-income households.

Increasing labor force participation by individuals with disabilities is important for individuals as well as the economy. Employers can help increase participation through appropriate accommodation based on the disability, skills-based hiring, flexible scheduling, and remote work options. In addition, nonprofit agencies such as New Horizons and Dutton Farm play an important role in connecting people with jobs through transportation access, education and training, and partnerships with Michigan Rehabilitation Services, the Bureau of Services for Blind Persons, and employers. A new nonprofit, Trove Market is a digital platform designed to help entrepreneurs with disabilities sell their products online. It connects the makers with the necessary professional services and the flexibility to work on their own schedule, create their own economic opportunities and achieve greater financial independence. Trove is also working with school districts with the intention of creating vocational programs for students in special education so they can prepare for entrepreneurship after graduation.

ADDRESSING TALENT NEEDS DURING ECONOMIC TRANSITION

As Southeast Michigan's economy changes because of economic transition, in-demand skills will also change. While some sectors such as healthcare, education and professional services are projected to grow, and industries such as manufacturing, construction, mining, and retail will see fewer openings, all jobs will change to a greater or lesser degree. An early focus on lifelong learning and durable skills, along with a commitment to reskilling by employers, will all play an important role in enabling individuals to transition to new positions or occupations.

The Michigan Community and Worker Economic Transition Office have been analyzing the impact of these changes on both community vitality and workforce. In early 2026, it released *Michigan's Economic Transition Strategy: Building a Stronger, More Resilient Future Together*. The report focuses on increasing local community capacity to address the impact of industry transitions - particularly the closure of manufacturing and energy plants - and preparing the workforce for future opportunities. The transition from internal combustion engines to electric vehicles is particularly significant to Southeast Michigan because of the importance of the automotive industry to the regional economy. Automotive employment has declined from 25% to 20% of the national total. However, Michigan has a strategic advantage in advanced manufacturing, which can be used for many different industries such as batteries, grid tech, robotics, and advanced air mobility (AAM), among others.

This transition is expected to change the number of jobs as well as the type of jobs that will be created, although the timing is uncertain. This creates challenges as well as opportunities for education and workforce development as they help provide the necessary training.

> *"With the right strategy, Michigan can transform its industrial base to power the 21st century – building not just for itself, but for a global advanced mobility and clean energy market projected to exceed $1 trillion annually by the 2030s."*
>
> *- Michigan Community and Worker Economic Transition Office*

The Essential Economy

The Essential Economy is an initiative to identify and highlight the need to increase productivity in industries that support physical infrastructure, such as construction, manufacturing, energy, transportation, agriculture, logistics, and maintenance. Together these account for over $7.5 trillion in economic output. The Aspen Institute recommends "a coordinated national strategy focused on rebuilding skilled-trade pipelines, modernizing permitting systems, and directing innovation toward the Essential Economy so the workers who build, move, and repair the country can operate with greater efficiency, better tools, and stronger economic opportunity."

Ford Motor Company is leading the effort to increase awareness of careers in the skilled trades through the Ford Essential Workforce Initiative. This includes programs such as career-focused high schools, hands-on learning for K-12 students, and expanding advanced manufacturing and automotive programs in high schools. There are also programs for adults, including the UAW/Ford Joint Apprentice Program. These types of initiatives are examples of efforts to help build the workforce needed to support industries that are essential for economic growth and stability.

Growing the Skilled Trades Workforce

There is a great demand for skilled trades professionals throughout the State of Michigan, including our region. There are 518,300 skilled trades jobs in Michigan, and there are approximately 40,600 annual openings projected by the year 2032.

Skilled trades are hands-on occupations that require specialized knowledge, practical experience, and academic education but not a four-year degree. These skills can be developed through registered apprenticeships, vocational programs, and a combination of on-the-job training and academic study. Traditional apprenticeships were most common in sectors like construction, manufacturing, and transportation, but more recently have expanded into other sectors such as Information Technology and healthcare.

Some historical challenges of increasing the skilled trades workforce include lack of awareness of opportunities, negative perception about access to apprenticeships, readiness for the rigors of hands-on work, and negative perception or lack of interest in hands-on careers. However, attitudes have been shifting, as labor organizations and other industries are working with partners to expand the pipeline and labor pool. While men still make up more than 90% of the traditional skill trades occupations in manufacturing, construction and utilities, there are focused strategies for increasing the skilled-trade workforce as a whole and broadening recruitment to women and minority populations. These include pre-apprenticeship programs that prepare participants for rigorous, industry-specific apprenticeships that may last from 1-5 years; increased connections with K-12 through programs such as Detroit Workforce of the Future and Construction Career Days, promoting registered apprenticeships as high-wage, high-demand and debt-free programs; working with Michigan Works agencies to connect job seekers and employers, and celebrating the essential value that skilled trades bring to the community.

A student learns about fixing water mains with staff from the Oakland County Water Resource Commissioner's Office at MiCareerQuest

GROWING SOUTHEAST MICHIGAN'S INNOVATION ECOSYSTEM

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; individual founders who are shaping the future with applications and advanced manufacturing; and new sources of support for a new generation of entrepreneurs. Together they are creating an innovation ecosystem that builds on Southeast Michigan's many natural, institutional, and cultural assets to position the region as the center of innovation.

A central theme of this is collaboration across multiple sectors – to increase access to capital, more tools for early-stage companies, and facilities that support research and development as well as help with commercialization. Four leading-edge regional organizations in the region supporting the innovation ecosystem are:

- **Michigan Central** has become a catalyst for the region's Innovation Ecosystem. There are more than 135 startups working on projects such as electrification; applied AI; advanced air mobility; climate and clean technology; alternative energy and batteries; and material sciences and life sciences.
- **Tech Town Detroit** is a partnership with Wayne State University that promotes and scales innovation through incubators, accelerators, and research partnership. It serves entrepreneurs through personalized support, long-term business coaching, grant funding, and providing co-working spaces and networking opportunities that connect founders to resources.
- **Black Tech Saturdays** (BTS) is an ecosystem solution that helps students and future founders grow the confidence to succeed by connecting them to training, resources, and a nurturing environment. These connections help young people see the future and a pathway to achieving their goals. BTS is future-looking and preparing Generation Alpha and Beta for the workforce in 2034. This start-up also empowers black professionals and entrepreneurs in tech through skill development and community engagement.
- **New Economy Initiative** (NEI) is a philanthropic lead entrepreneurship strategy to build a regional network of support for entrepreneurs and small businesses, through grants, convenings and growing a culture of entrepreneurship. NEI recently launched a new digital resource for entrepreneurs, the Michigan Small Business Helper. This provides tools, resources and guidance "needed to start, grow and succeed in today's competitive business landscape."

SMALL BUSINESS AND ENTREPRENEURSHIP

Small Businesses are critical to the economic health of communities in Southeast Michigan. In Michigan, just over 96% of small businesses have fewer than 50 employees, and microbusinesses which have less than 10 employees make up the

majority of businesses in Southeast Michigan. Small businesses employ 1.9 million people in Michigan - about half of the state's private sector workforce. Small, locally owned businesses are often anchors for community vitality and economic activity through specialized services and goods, particularly in small cities with traditional downtowns.

Regardless of community size, local governments can support small businesses and entrepreneurship through various strategies, such as simplified permitting, licensing, development guides, and other resources on community websites. Communities can also partner with chambers, banks, colleges and community

organizations to provide business planning, development and support services - including access to capital. Improving community infrastructure helps to attract entrepreneurs by creating quality places with safe and reliable transportation and commercial corridors. Communities can also host business forums to gather feedback on business needs, help connect to other businesses, and promote community support and resources.

SMALL COMMUNITIES

Small cities and towns face specific challenges related to economic development, though they often boast unique places and neighborhood assets as well. In terms of economic development, smaller communities may lack staff capacity, financial resources, and quality infrastructure that enables them to pursue grants and long-term planning and development. Without a strong commercial base, revenues often depend on residential property taxes. Small towns can experience aging and declining populations due to housing affordability challenges, a lack of diverse housing options, young people moving out, and lower school enrollment.

At the same time, many small cities and towns have assets which create and sustain a strong community identity: vibrant, walkable downtowns and commercial areas; unique retail and public spaces; proximity to natural amenities and recreational opportunities; and quality schools and safe neighborhoods. These are assets that the community can leverage for economic development, particularly to build and support the small business ecosystem.

Macomb Orchard Trail

RURAL ECONOMIC DEVELOPMENT

Southeast Michigan is home to a variety of rural, suburban, and urban communities, both small and large. Rural communities within the region offer a high quality of life along with a strong sense of community and connectedness. Many rural townships in the outlying counties have an abundance of prime farmland and a strong history of agricultural prosperity. In 2022, Governor Whitmer established the Office of Rural Development (ORD), which released Michigan's first-ever report focused on rural issues, the Roadmap to Rural Prosperity, in January 2024. The *Roadmap* defines rural prosperity as "resilient, connected rural residents, businesses, communities, and natural environments." ORD acknowledges that there are many definitions for "rural," depending on population characteristics, land use, and various state and federal funding programs. That said, ORD noted the following shared characteristics that typify rural areas:

- **A deep connection to natural assets:** Rural communities are more connected to natural assets through agriculture, forestry, mining, tourism, outdoor recreation, and hunting and fishing.

- **Being more geographically remote:** They are located farther away from metropolitan areas with an array of services and amenities so they build reliance on local assets that serve fewer people and therefore can be difficult to sustain financially.

- **Having smaller populations:** Rural communities generally have fewer people to draw from for the workforce, governance, volunteer positions, tax base, and school enrollment.

From an entrepreneurial and business seeding perspective, rural communities offer opportunities for people to start small by opening businesses out of their home, setting up temporary operations to test out products and markets, and creating and connecting with others at makers spaces or other coworking locations. At a larger scale, there is tremendous opportunity for agricultural tourism, farm-to-table endeavors, and industrial-scale food processing. It is important for communities to consider the various ways in which people and businesses can impact rural prosperity and align local policies and ordinances to help facilitate changing business models and new technologies.

St. Clair County 4-H Fair at Goodells County Park

In its 2024 *Roadmap to Rural Prosperity*, the State of Michigan Office of Rural Development identified several opportunities for achieving rural prosperity:

- *Grow and diversify the workforce across all sectors*

- *Improve individual health and economic well-being*

- *Support local and regional capacity to deliver services*

- *Expand quality and attainable housing opportunities*

- *Build and maintain resilient infrastructure*

- *Enhance regionally driven and place-based economic development efforts*

- *Protect, conserve, and be a responsible steward of natural assets*
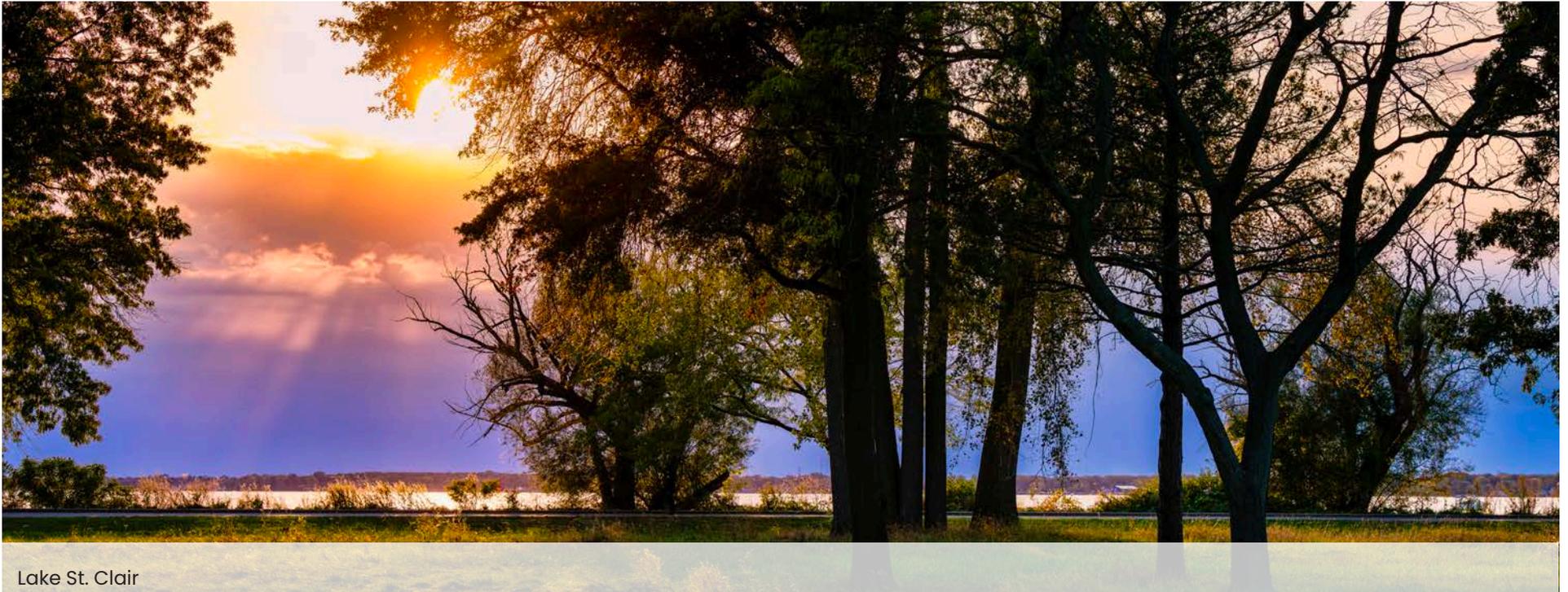
Lake St. Clair

STRATEGIES, GOALS, AND ACTIONS

STRATEGY 1: CULTIVATING A GLOBALLY COMPETITIVE BUSINESS ENVIRONMENT

Goal: Strengthen policies, infrastructure, and partnerships that position Southeast Michigan as a top destination for investment and innovation.

Actions:

- Build the capacity for emerging industry growth clusters to succeed in the region.
- Expand global trade and connect businesses with resources dedicated to expanding investment and opportunities.
- Support community and economic development incentives that attract a wide array of business investment, create quality places, and strengthen communities while including safeguards to ensure community benefits of development are realized.
- Work with research and development assets (e.g., universities) to help drive innovation that supports vital and emerging business clusters.
- Establish a clearinghouse of best practices for improving the economy and for local governments working with businesses.
- Leverage technology to strengthen economic opportunities from Industry 4.0.
- Identify the roles of federal, State, and local governments in planning, investing in, and promoting technology-based economic development.
- 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.
- Engage in multi-community business site location efforts and develop collaborative relations among communities and stakeholders to attract large-scale business investment.
- 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.
- Expand and support regional site readiness programs and strengthen collaboration to identify priority industrial sites, complete early assessments, and coordinate local resources.

STRATEGY 2: SUPPORTING ENTREPRENEURSHIP AND SMALL BUSINESS GROWTH

Goal: Expand access to capital, technical assistance, and networks that empower startups and small enterprises to thrive.

Actions:

- Engage government, private sector, education institutions, workforce development, nonprofit organizations, industry associations, and the financial community to strengthen the environment for startups and small businesses.
- Identify the roles of federal, State, and local governments in planning, investing in, and promoting technology-based economic development.
- Provide information on available resources and initiatives that are available to assist entrepreneurs and small business owners.

- Remove obstacles to entrepreneurship paths, such as regulatory barriers and funding obstacles.

- 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 to help start-ups and grow businesses.

- Expand and connect business owners to training resources that increase their financial literacy.

- 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.

- Support tech and tech-enabled startups that support and/ or enhance supply chain and domestic production.

- Expand outreach efforts to non-traditional entrepreneur sources, including community organizations, religious institutions, and others.

- Increase training opportunities for small business owners on issues such as access to capital, market segmentation, and assessing personal financial risk.

- Support the automotive and mobility industries as coordinated drivers of innovation and technology.

- Leverage Michigan's manufacturing culture to fully develop the emerging mobility industry.

- 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 ordinances and regulations to allow for a variety of business models in both urban and rural areas, including pop-ups, temporary markets and businesses, tiny sheds, shared spaces, mobile services and businesses, roadside stands, and maker spaces, and home-based businesses.

STRATEGY 3: ALIGNING TALENT DEVELOPMENT WITH WORKFORCE NEEDS

Goal: Build robust education and training pipelines that prepare residents for high-demand jobs and connect employers with skilled talent.

Actions:

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

- Advocate for the establishment of regional talent attraction and retention funding to support locally tailored workforce development initiatives

- Invest in, and support workforce training and talent development programs, such as the Going PRO Talent Fund to assist in training, developing and retaining current and newly hired employees.

- Invest in and increase internship, mentoring, apprenticeship, and career exposure programs in high-demand occupations to ensure students are informed about career options.

- 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.

- Identify and address challenges faced by students related to the transition from high school to postsecondary education and career pathways.

- Promote competency-based learning such as badging, credentials, and certifications with shorter timelines for training aligned with employer needs.

- Build and replicate successful high school and vocational school training programs that target in-demand, high-quality careers.

- Work with employers to develop curriculum that prepares individuals with in-demand skills.

- Leverage resources and available funding to enhance private-sector workforce training programs and partnerships.

- Support efforts and programs aimed at retaining local college and high school graduates within Southeast Michigan.

STRATEGY 4: PROMOTING UPWARD ECONOMIC MOBILITY

Goal: Advance strategies that remove barriers to opportunity, ensuring all residents can participate in and benefit from regional economic growth.

Actions:

- Promote the value and necessity of Lifelong Learning to students and adults and identify positive outcomes.

- Encourage employers to invest in their people through upskilling programs that help workers move into better roles, prepare them for adjacent roles, and build competency in critical thinking and adaptability.

- Support policies that maximize the use of local workforce development boards (e.g., Michigan Works!) to deliver publicly funded workforce development programs and services.

- Encourage collaboration and coordination of resources, designating one central information clearinghouse for regional workforce development.

- Advocate for continuing and increasing funding for workforce development agencies.

- Encourage regional stakeholders to utilize Michigan's *Economic Transitions Strategy* and the *Community Transition Playbook* developed by the State's Community & Worker Economic Transition Office, which are designed to help communities respond to plant closures or business losses and build long-term plans for economic growth.

- Invest in, and promote broad-based digital literacy and AI skills resources for jobseekers, small businesses, and community organizations to build baseline skills, and provide targeted supports for those in occupations that are impacted by AI.

- Provide upskilling, reskilling, retraining, and wraparound services to increase labor force participation.

- Provide access to flexible education options to fit individual personal and work responsibilities.

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

- Increase labor force participation across all populations, including non-traditional labor pools, such as persons with disabilities, returning citizens, veterans, immigrants, and older workers.

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

- Increase digital literacy at all levels of the education and workforce development system.

- 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.

- Encourage workplace flexibility that meets the changing needs of the workforce, including hybrid work environments, flexible schedules, and paid training.
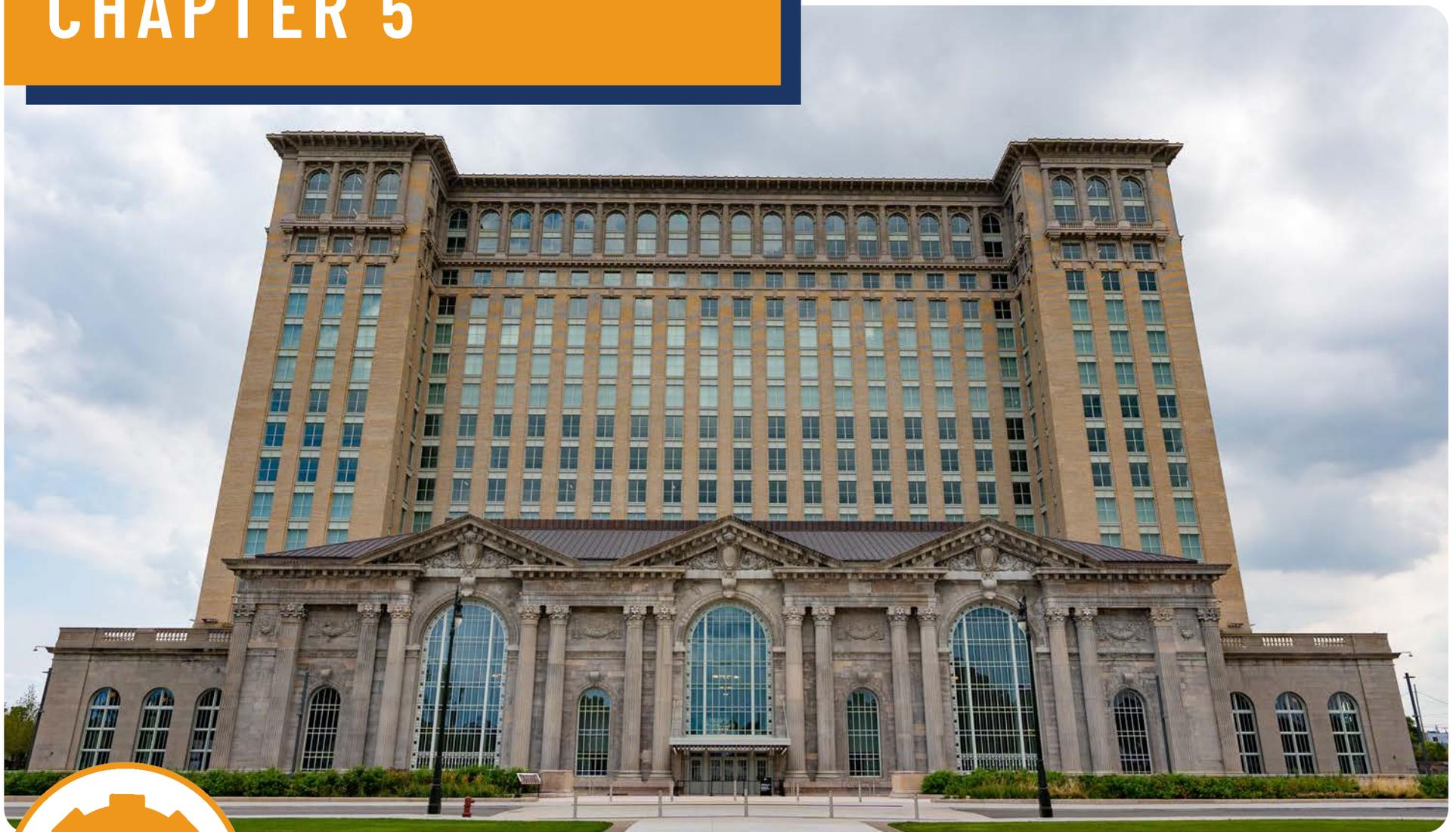
Michigan Central Station, Detroit

ECONOMIC RESILIENCE

OVERVIEW

A resilient economy is built on proactive investment in people and infrastructure. It requires identifying risks, protecting critical systems, and developing adaptive strategies to maintain stability and growth. Key components include robust infrastructure, a lifelong learning ecosystem to sustain workforce readiness, and responsive retraining programs that quickly transition displaced workers into high-demand sectors.

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 durable and technical skills to meet employer needs and increase the likelihood of individual success. That system also needs to 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. 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.

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.

From an environmental standpoint, Southeast Michigan has experienced unprecedented rain events, devastating flooding, and property damage to homes and businesses, resulting in billions of dollars in economic impacts across the region over the past several years. With Federal Disaster Declarations for flooding or severe storm events in 2014, 2021, and 2023, it is critical for the region to understand vulnerabilities and develop strategies for creating more resilient communities and infrastructure. 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. Mitigating risks and planning for response and recovery can help protect people, minimize property damage, and minimize business closures.

Flooding on Clinton River Road in Clinton Township

SWOT ANALYSIS

STRENGTHS

- **Established and Reliable Infrastructure Network:** The region has a well-developed transportation network, solid water and wastewater infrastructure, and affordable electrical and gas utilities.

- **Fresh Water Access:** Great Lakes and inland waterways provide access to fresh water for drinking, recreation, placemaking, and use in industry.

- **Low Exposure to Natural Disasters:** The SEMCOG region has a relatively moderate risk of natural disasters according to FEMA data. The biggest threats tend to be extreme weather events, storms, strong winds, and flooding.

- **Coordinated Emergency Management Capacity:** There is a collaborative emergency management network across the seven-county region, with strong capacity for planning and response.

- **Transportation Network:** A broad network of roads, rail, bridges, airports, pipelines, and ports serve both the region and pass-through commercial and passenger traffic.

- **Ability to Transition into Emerging Industries:** High-quality advanced manufacturing infrastructure and operations, a skilled workforce, and a high concentration of engineers that can adapt and pivot to a wide array of industries.

WEAKNESSES

- **Aging Infrastructure with High Maintenance Costs:** 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.

- **Limited Industry and Sector Diversification:** The automotive industry is the dominant sector in the region, which has 7.8 times more automotive jobs than the national average.

- **Inefficient Land Use Patterns:** Urban sprawl has led to premature and inefficient infrastructure expansion, which has caused maintenance costs to increase and negatively affected public budgeting.

- **Electric Vehicle Infrastructure:** Communities have been slow to adapt to the rise of EVs, with the region lacking adequate EV charging infrastructure.

- **Condition of Roads:** Roughly 40% of the roads in Southeast Michigan are in poor condition, which can stunt economic growth and negatively impact placemaking efforts.

OPPORTUNITIES

- **Diversifying the Economy:** Diversified economies are more resilient to severe downturns. Talent upskilling, improving education and training, and supporting entrepreneurship can help broaden the region's economic base.

- **Growing the Entrepreneurial Ecosystem:** A startup-friendly environment supports entrepreneurial activity, creating new businesses and transforming existing industries which helps to broaden the regional economic base. This environment is supported by economic, cultural, social, and political elements.

- **Leveraging the Gordie Howe Bridge:** The opening of the new Gordie Howe Bridge in 2026 will provide new opportunities for commerce and tourism and will help the region deepen its strong relationship with Canada.

- **Enhancing Freight and Logistics Infrastructure:** Southeast Michigan is strategically located at the center of the North American trade corridor connecting manufacturing supply chains from Canada to Mexico.

- **Marketing the Region's Safety from Natural Disasters:** The region may be able to attract industries looking to relocate from areas more susceptible to major natural disasters such as hurricanes and earthquakes.

- **Transitioning Vulnerable Workers:** Ensuring that communities, workers, and employers impacted by plant closures or industry transitions can get the resources they need to adapt.

THREATS

- **Lack of Regional Alignment Around Targeted Industry Diversification:** Stakeholders have historically not coalesced around a cohesive targeted industry diversification plan.

- **Public Skepticism Toward Economic Development Projects:** Citizens are skeptical about new economic development projects and often feel there is a lack of transparency and engagement in the planning and permitting of projects.

- **Persistent Flooding Risks Across the Region:** Increasingly severe flooding is damaging homes, property, and businesses. Flooding damage often leads to financial losses.

- **Vulnerabilities in the Power Grid:** Power grid infrastructure in the region is significantly aging, and outages are common following storms or severe weather events.

- **Overreliance on Attracting or Retaining a Single Major Taxpayer:** Communities with minimal economic diversification often grow dependent on the single major entity within their community, leaving them more susceptible to an economic shock if that single entity closes or experiences a major downturn.

ECONOMIC RESILIENCE: ISSUES AND CONSIDERATIONS

At the regional or community level, economic development practitioners are instrumental in building the capacity for economic resilience. Economic development professionals and organizations often become the focal point for post-incident coordination, information dissemination, responding to external inquiries, and the lead grant administrator for federally funded recovery initiatives.

In building economic resilience, it is critical that organizations consider their role in the pre- and post-incident environment to include steady-state and responsive initiatives. Steady-state initiatives are long-term strategies that strengthen a community or region's ability to withstand or prevent economic shocks. Responsive initiatives can include establishing capabilities that enable rapid and effective recovery following a disruptive event.

ECONOMIC DIVERSIFICATION

Manufacturing, particularly automobile and parts manufacturing, has been the core industry in Southeast Michigan for decades and continues to transform. As noted in Chapter 2, the region has 7.8 times as many Automotive jobs and 4.6 times as many Metalworking Technology jobs as the national averages. The auto industry benefits greatly from consumer spending booms while also being subject to slower 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, as

Southeast Michigan is home to strong engineering talent that can help businesses pivot to new industries and drive innovation.

An aerial view of the high-occupancy vehicle (HOV) lanes on I-75

A solar array on the campus of Monroe County Community College

reliance on one major sector can have a significant impact on the regional economy when that sector experiences a downturn or sudden shock. Regions with a diverse industry mix are better positioned to absorb impacts and recover more quickly, reducing long-term disruption.

Strengthening our workforce development infrastructure and talent upskilling are also essential for diversification and growth. As startups in new industries form, it is important that they can find talent locally to help grow their businesses and remain in the region, helping to broaden the mix of industries in Southeast Michigan. Equally important is strengthening public education systems to build a strong talent pipeline.

Fluctuating trade policies, supply chain interruptions, and national security issues may also lead to the reshoring of certain industries – particularly bringing manufacturing operations back to the US from overseas. The results of significant reshoring could include more high-paying jobs, increased supply chain resilience, and increased domestic and foreign direct investment.

CRITICAL INFRASTRUCTURE

Infrastructure is the backbone of economic growth. Core systems – such as energy, transportation, regional transit, communications (including broadband), water, waste management, education, public safety, and recreation - enable businesses to operate efficiently and communities to thrive. These systems require substantial, long-term investment and ongoing maintenance to remain resilient, reliable, and responsive to evolving needs. When foundational infrastructure is strong, businesses can focus on innovation and competitiveness, while communities become attractive places to live, work, and invest. This investment and continued maintenance are especially vital for our roadways as 39.5% of the region's roads are in poor condition and in need of rehabilitation or reconstruction.

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 2023 Report Card for Michigan's Infrastructure, by the American Society of Civil Engineers (ASCE), provided grades for each infrastructure system in the state. Overall, Michigan's infrastructure received a "C-," with roads, bridges, drinking water, stormwater, and wastewater receiving a D, D+, D+, D, and C, respectively.

According to the ASCE, Michigan's overall grade is on par with surrounding states, with Pennsylvania and Illinois also receiving a "C-", Ohio receiving a "C," and Wisconsin receiving a "C+." 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. Underinvestment in existing public infrastructure will only be exacerbated by expansion of systems and emerging needs to support more types, such as electric and connected vehicles and broadband infrastructure.

Varying availability, affordability, and quality of infrastructure - such as transportation, broadband, housing, and education - leave many individuals without the tools needed to fully participate in the economy. These issues not only affect quality of life but also hinder workforce development by restricting access to training and skill-building for emerging industries. Addressing these gaps is essential to unlocking human potential and driving economic growth.

Improving resilience and accessfor essential utilities and services is an important regional priority. Increasing frequency and intensity of extreme weather - rainfall, snowfall, and heat - require infrastructure systems to adapt by improving temperature tolerance, reducing flood risks, and protecting water quality.

Broadband, essentially a high-speed internet connection, is indispensable for economic growth and for people who use it for work, school, mobility, and socioeconomic benefit. High-speed internet can support activities where there are barriers to transportation, and mobility or where individuals may need to access services remotely. Broadband access is a catalyst for economic growth and resilience. It provides opportunities for job and education access and is an engine for economic activity. Livelihoods are enabled and enhanced through access to high-speed internet, not only to facilitate remote work and learning, but also for activities such as online banking and finance, e-commerce, online job training, and the enabling of labor pools in certain employment sectors such as information technology, telecommunications, and computer science and engineering.

Emerging technologies are reshaping infrastructure needs. Automation, artificial intelligence, connected devices, drones, and 3D printing are rapidly transforming industrial, transportation, commercial, and retail sectors. Integrating these technologies into existing infrastructure requires strategic coordination and investment. Equally important is building a skilled workforce capable of deploying, maintaining, and managing these systems. The vast data generated by smart devices presents opportunities to improve asset management, enhance reliability, and expand access.

DATA CENTERS

Data centers provide the backbone for modern digital services and global connectivity. These highly specialized operations house servers and data storage systems capable of performing vast numbers of calculations and supporting complex computing applications. Often referred to as "the cloud" in the collective, data centers enable the infrastructure behind internet connectivity, enterprise software platforms, and advanced technologies such as artificial intelligence. The role of data centers is fundamental to powering e-commerce, remote work, financial services, healthcare systems, and virtually every sector that relies on digital transformation.

According to datacentermap.com as of January 2026, Southeast Michigan is home to 43 data centers, and there are 70 data centers across the state. Many of the existing data centers in the region look like typical industrial or office spaces and are found in community industrial parks or along major industrial/ commercial corridors.

Data centers vary in type and scale, typically defined by their primary functions - ranging from enterprise operations to hyperscale facilities serving global technology providers. As demand for cloud computing and AI accelerates, data centers have become a cornerstone of economic competitiveness, attracting significant investment and driving innovation across regions.

According to the National League of Cities, the role and impact of data centers often receive little attention in local policy discussions. Data centers can provide substantial benefits to communities, including increased tax revenue, improved digital infrastructure, and a large amount of construction-related jobs while the data center is being built. At the same time, they introduce challenges such as increased energy consumption, potentially higher water usage, and land-use considerations.

In Michigan, new Enterprise Data Center Sales and Use Tax Exemptions took effect on April 2, 2025 (use tax) and April 17, 2025 (sales tax). These exemptions eliminate the State's 6% sales and use tax on eligible data center construction and equipment purchases and require or encourage data centers to implement several best practices to mitigate environmental impacts and increase energy efficiency. Additionally, qualified data centers are prohibited from taking an electric service rate that causes residential customers to subsidize the costs incurred to provide electric service to the facility. Additionally, State law requires data center companies to cover the cost of energy infrastructure

Michigan enacted the Enterprise Data Center Sales and Use Tax on April 2, 2025, which includes exemption on State sales and use tax.

upgrades needed to serve them so that those improvements are not subsidized by residential ratepayers.

While data centers can use large amounts of water for cooling depending on the size and scale of the development, newer data center projects typically utilize "closed loop" systems that circulate a coolant through servers and use much less water than evaporative cooling systems. As such, closed loop cooling is preferred over evaporative cooling.

To maximize the economic and quality-of-life benefits while mitigating concerns about negative impacts, local leaders should adopt a proactive approach to data center planning and development. Integrating strong performance standards, aligning zoning policies, and ensuring adequate infrastructure planning are strategies for mitigation.

By responsibly shaping how these facilities are designed and operated, communities can position themselves to attract investment, support innovation, and advance long-term resilience. This requires proactive land-use planning and transparent public engagement to identify appropriate locations to site data centers.

Communities should identify potential data center locations in their master plans and develop associated zoning regulations to achieve desired planning goals. Additionally, more transparency from the private sector early in the data center development process would allow for meaningful public engagement and ensure that projects align with the community's long-term vision and planning goals.

The Urban Land Institute's *Local Guidelines for Data Center* *Development* (2024) highlights many of the key factors local governments should consider when planning for and siting data centers, including power, roads, land, discharge infrastructure, and wet utilities. It also provides public safety and zoning considerations, including model zoning guidelines. The report notes that "clear rules in zoning codes and land use plans, as well as in the entitlement and permitting processes, benefit all stakeholders in data center development, including the surrounding community."

FREIGHT AND INTERNATIONAL SUPPLY CHAINS

Southeast Michigan's geographical position, existing transportation infrastructure, and economic base combine to form an integral gateway to Canada, the Great Lakes/St. Lawrence Seaway, Chicago, the Midwest, Mexico, and the world. Serving as a critical trade corridor, the region is part of a larger national and international network of supply chains enabling industries to access raw materials, produce products, and distribute goods throughout the rest of the world.

This infrastructure is equipped to handle a wide variety of freight through different modes. Marine ports and terminals facilitate shiploads of bulk materials, liquid, steel, and heavy equipment that connect to the Great Lakes/St. Lawrence seaway. The rail network is critical in delivering raw materials to industry and distributing high-value finished automobiles. Freeways carry trucks across North America and are particularly important for the timely delivery of component parts, agriculture, and finished products. And airports handle high-value, time-sensitive cargo.

The benefits of Southeast Michigan's proximity and connections

Freighters in the Detroit River with Gordie Howe International Bridge under construction in the background

Truck traffic on I-75 in Monroe County

to Canada cannot be understated. Each international border crossing plays a vital and complementary role that is important to our economic and social relationship. The region's international gateway is currently made up of three primary auto/truck crossings (Ambassador Bridge, Detroit-Windsor Tunnel, Blue Water Bridge) and two rail crossings (Detroit-Windsor and Port Huron-Sarnia). The Gordie Howe International Bridge (GHIB) will add a sixth primary border crossing to region's gateway, which is the most important connection for cross-border trade between the United States and Canada and one of the busiest points for truck and personal border crossing. The GHIB will add a state-of-the-art connection to Canada for trucks and passenger cars to the US and Canadian highway systems, with major routes to the Greater Toronto Area, Chicago, and the automotive corridor extending south along US I-75. This connection adds not only reliability and redundancy but also saves 850,000 on-road hours per year for trucks.

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.

Southeast Michigan Regional Freight Plan

SEMCOG integrates freight system planning into its regional transportation planning process. It emphasizes maintaining a

freight system inventory and evaluating its condition, operation, and safety. Because freight movement is a core component of regional economic activity, SEMCOG strives to incorporate market-based perspectives on how the regional freight system is currently serving the needs of businesses and what investments in the regional freight system will be needed to support and enhance the regional economy.

In 2025, SEMCOG commenced work on developing the first regional freight plan for Southeast Michigan. This plan will study the region's freight system and goods movement, creating a proactive framework to address current and future freight needs and challenges in the region. The Southeast Michigan Freight Plan is a multi-year effort guided by the Southeast Michigan Freight Task Force. The plan aims to identify the region's key freight needs, anticipate emerging trends, and guide investment

Advanced Air Mobility in action

decisions to ensure safe and efficient movement of goods while maintaining a careful balance between community and freight needs. The Freight Plan is expected to be adopted in December 2026.

E-commerce and Last-Mile Delivery

The rise in e-commerce has transformed consumer habits, leading to increased demand for last-mile delivery services. To address this shift, route and infrastructure optimization should be considered to accommodate efficient and sustainable ecommerce delivery solutions. Additionally, the growing use of pickup centers and parcel lockers streamlines delivery operations, decreases the number of vehicles on the road, and alleviates traffic congestion. These solutions also minimize repeated delivery attempts to individual addresses, further reducing emissions and improving regional air quality.

Advanced Air Mobility

Advanced air mobility (AAM) is an innovative concept that aims to transform transportation by integrating new, highly automated aircraft into existing airspace. These aircraft are designed to move people and cargo between places previously underserved by traditional transportation methods. AAM includes unmanned aerial systems (UAS), commonly known as drone technologies, which have the potential to revolutionize logistics and transportation in Southeast Michigan. With recently passed legislation enabling increased drone usage, companies are emerging to capitalize on this opportunity and enhance drone delivery services in the region. Drone routing technology utilizing GIS is also advancing to allow shipments over "safe"

airspace in compliance with federal aviation regulations. Drones can be utilized for various purposes, such as last-mile delivery of goods and aerial surveys for infrastructure maintenance. The integration of drones into delivery services not only offers efficiency but also contributes to reducing emissions associated with traditional delivery vehicles, thus making urban logistics more environmentally friendly.

The Detroit Region Aerotropolis is a public-private economic development partnership with the Wayne County Airport Authority. The organization seeks to strengthen the manufacturing, logistics, and mobility sectors within Southeast Michigan's airport region. The organization is exploring innovative freight solutions, including the use of drones to transport lightweight cargo, road congestion, and overall wear on transportation networks. Aerotropolis has launched a pilot program looking at the network of rail corridors to serve as dedicated pathways for just-in-time delivery solutions. The rise of drone-based delivery highlights the need for air mobility corridors and supportive infrastructure. Regional

investment in airspace management, regulatory frameworks, and drone logistics will be critical to staying competitive in the years ahead.

HAZARD MITIGATION AND PREPAREDNESS

Hazard mitigation planning is a proactive strategy that reduces the economic and human toll of disasters. By identifying local risks and vulnerabilities, local governments can develop long-term solutions to protect communities and infrastructure. These plans are essential for breaking the costly cycle of disaster damage and reconstruction and fostering resilience and managed growth. Across Southeast Michigan, communities are well-served by county emergency management agencies that update all-hazard mitigation plans on a regular basis.

The Federal Emergency Management Agency (FEMA) National Risk Index identifies relative risk for 18 natural hazards. The index can be used to help the region prioritize resilience efforts, which can assist in enhancing hazard mitigation plans, prioritizing and

Map showing the FEMA National Risk Index for counties in Michigan and surrounding areas
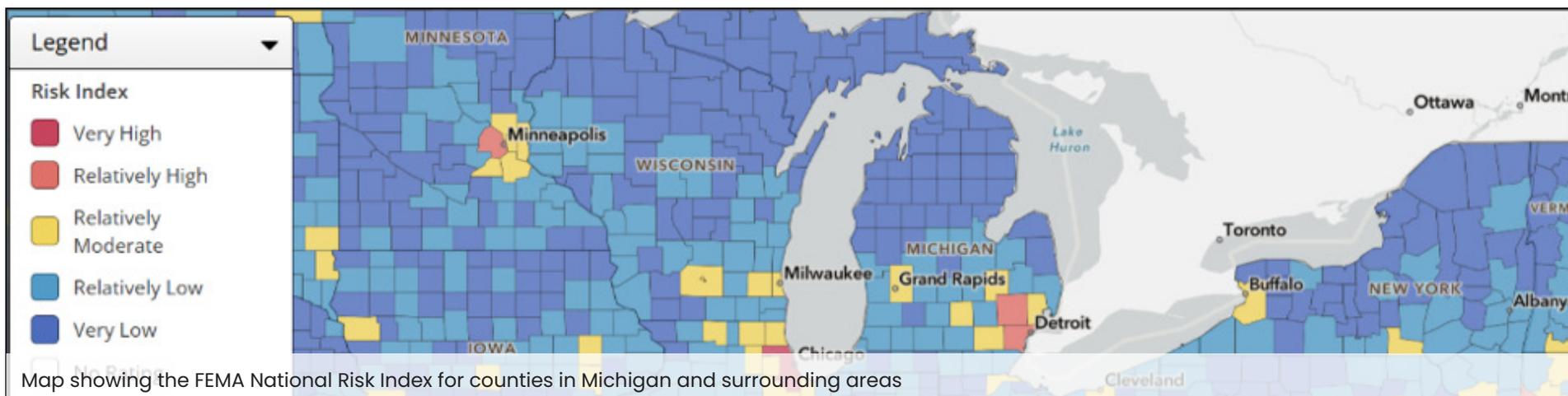
allocating resources, identifying the need for more refined risk assessments, encouraging community-level risk communication and engagement, educating residents, supporting the development and adoption of enhanced standards, and informing long-term community recovery.

According to FEMA data, the SEMCOG region has a relatively moderate risk of natural disasters. As seen in the table below, low risk is driven by lower loss due to natural hazards, lower social vulnerability, and higher community resilience.

Proactive planning ahead of severe weather events and other hazard situations can help minimize property damage, protect people, and reduce financial losses due to disasters. Moreover, hazard mitigation planning, as well as strong recovery planning, can help minimize temporary or permanent business closures due to disaster situations.

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.

In late 2025, SEMCOG convened a Flooding Task Force to identify strategies and projects in a collaborative framework to work towards alleviating impacts and building resilience in our infrastructure systems. The Flooding Task Force will guide the development of a comprehensive regional plan that frames flood mitigation priorities into the future for Southeast Michigan. Data, studies, tools, planning, and projects will feed into a regional plan to elevate priorities for future funding opportunities.

County	Risk Index Rating	Risk Index Score	Social Vulnerability	Community Resilience
Wayne County	Relatively High	96.69	Very High	Relatively Moderate
Oakland County	Relatively High	96.09	Very Low	Very High
Macomb County	Relatively Moderate	94.75	Relatively Low	Relatively High
Washtenaw County	Relatively Moderate	84.82	Relatively Low	Very High
Livingston County	Relatively Low	78.43	Very Low	Very High
Monroe County	Relatively Low	72.73	Very Low	Very High
St. Clair County	Relatively Low	71.14	Relatively Low	Very High

TABLE 5-1 | FEMA Risk Index, Southeast Michigan

Source: Federal Emergency Management Administration, National Risk Index, 2025

STRATEGIES, GOALS, AND ACTIONS

STRATEGY 1: BROADENING AND STRENGTHENING THE REGIONAL ECONOMIC BASE

Goal: Promote industry diversification to reduce vulnerability to sector-specific downturns and enhance long-term economic stability.

Actions:

- Support programs that diversify and build a strong, resilient regional economy.
- Encourage private investment to support growth of small technology-based businesses and diversification of large businesses.
- Support activities that complement targeted and other existing industries in the region.
- Encourage programs and projects that create and retain jobs.
- Support policies, tools, and other resources that encourage the reshoring of manufacturing and other industrial and commercial facilities.
- Capitalize on the region's large base of engineering talent to attract and grow a wide array of businesses and industries.
- Support public policy that promotes vital and emerging clusters.
- Continue to strengthen collaboration among government, businesses, education, labor, and other stakeholders to identify opportunities for economic growth.
- Support programming and partnerships focused on ensuring innovation and opportunities across Southeast Michigan's economic clusters, resulting in diversified,

future-proof industries.
- Redevelop/reuse vacant industrial sites for economic use and support the redevelopment and reuse of former power plant sites.
- Collaborate with partners to further promote and expand the Detroit Regional Partnership's Verified Industrial Properties (VIP) program.
- Ensure robust public engagement and education about new economic development projects to support transparency and improve comprehensive planning.
- Develop best practices guidebooks to assist local communities when major developments are proposed.
- Support entrepreneurs pursuing Main Street small businesses and tech and tech-enabled startup ventures.
- Support local businesses through government procurement.
- Promote "Buy Local" campaigns.

STRATEGY 2: INVESTING IN AND SAFEGUARDING CRITICAL INFRASTRUCTURE

Goal: Prioritize infrastructure improvements that support public safety, business continuity, and regional competitiveness.

Actions:

- Invest in public infrastructure and initiatives to optimize performance and increase the health and economic welfare of the region's residents.
- Improve resilience and access for essential utilities and services (e.g., electricity, water, sewer, broadband, telecommunications, parks, schools, solid waste, and emergency response).
- Strengthen coordination and alignment of project planning,

programming, and timing between transportation agencies, public and private utilities, and municipalities.

- Promote a coordinated asset management approach to lengthen the life of infrastructure and realize the best return on investment.

- Ensure local capital improvement programs are developed and updated on a regular basis.

- Support efforts to provide sufficient, affordable, and reliable energy for businesses and residents.

- Modernize electrical grid systems to optimize and incorporate storage capacities and maintain reliability.

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

- Coordinate with and build capacity of regional transit providers to adapt service for changing demands and increased access needs.

- Accelerate availability and affordability of broadband service for all residents and businesses.

- Expand and promote electric vehicle charging opportunities.

- 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.

- 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.

- Provide resources and highlight best practices for effective public engagement and proactive planning and zoning for data centers both locally and regionally.

STRATEGY 3: ENHANCING PREPAREDNESS FOR DISRUPTIONS

Goal: Develop adaptive strategies and emergency response systems to mitigate the impact of environmental hazards and unforeseen events.

Actions:

- Prepare for and implement local hazard mitigation plans, including efficient coordinated response, recovery, and resiliency to emergency and disaster events.

- Strengthen community readiness and resilience to the increased severity and frequency of flooding events.

- Promote collaboration between economic developers and emergency management groups when developing preparedness and recovery plans, as well as during tabletop training exercises.

- Engage the business community when preparing for emergencies and developing recovery plans.

- Encourage regional stakeholders to utilize the state Community & Worker Economic Transition Office's *Community Transition Playbook*, designed to help communities respond to plant closures or business losses and build long-term plans for economic growth. The playbook includes flexible tools for using data, mapping local assets, responding to closures, long-term planning and identifying sustainable financing strategies.

- Support the implementation of the strategies, programs, and recommendations in *Michigan's Economic Transition Strategy*, developed by the Community and Worker Economic Transition Office.

- Support communities and organizations that want to collaborate on creating economic diversification action

plans, establishing workforce retraining programs, repurposing a vacant site, or supporting entrepreneurship programs.

- Enhance community readiness for natural hazards to ensure resiliency of infrastructure systems and natural resources.

STRATEGY 4: POSITIONING SOUTHEAST MICHIGAN AS A LEADING FREIGHT AND LOGISTICS HUB

Goal: Capitalize on strategic location and transportation assets to expand Southeast Michigan's role in national and global supply chains.
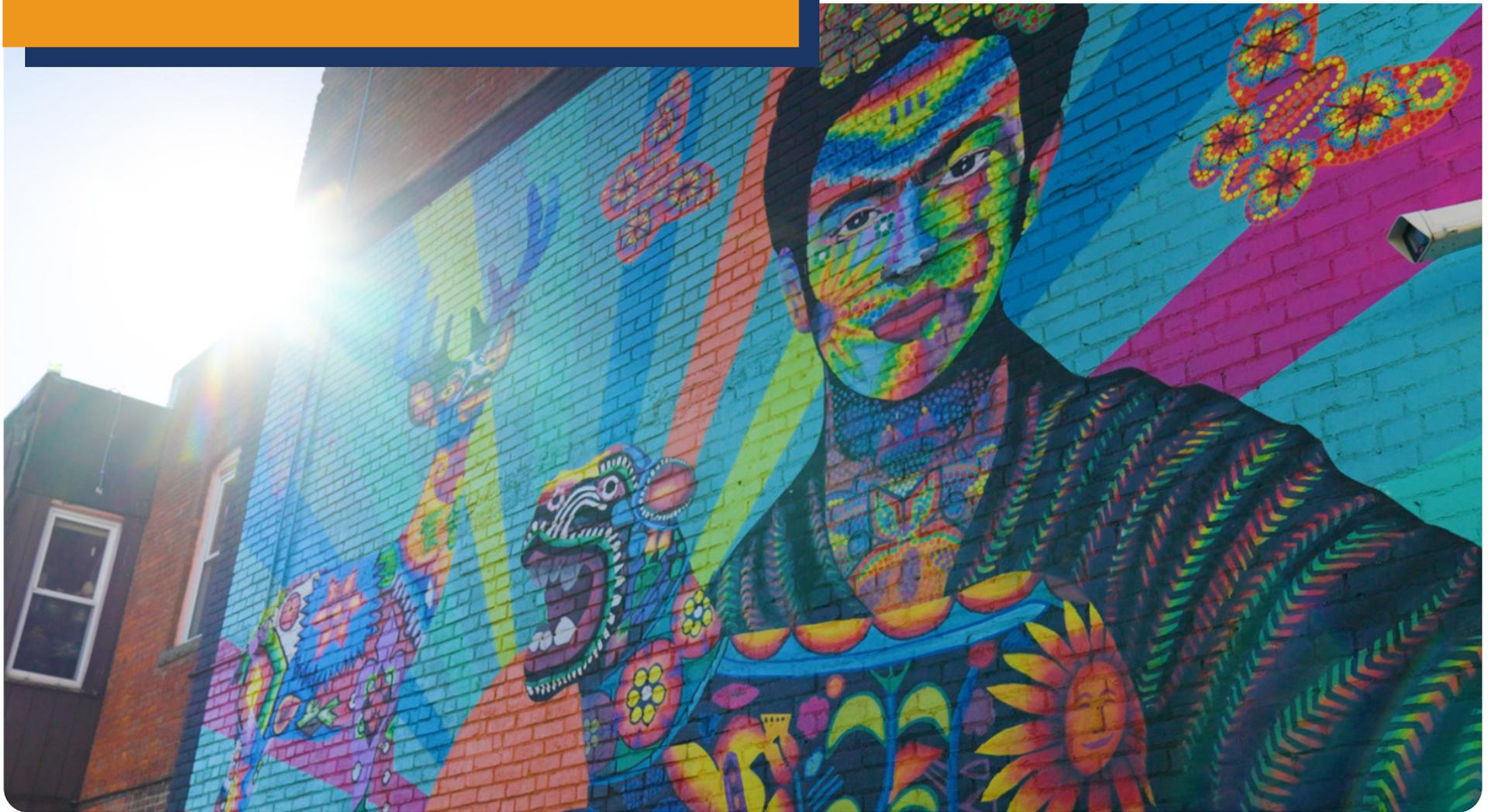
Actions:

- Maintain the region's freight infrastructure condition and assets to support the safe, reliable, and efficient movement of goods.

- Promote and provide regional opportunities for more efficient access to customers and suppliers, especially for export-oriented industries.

- Reduce negative local impacts of goods movement, such as freight operations near sensitive areas, delays at rail/highway crossings, air quality, noise, and vibration.

- Promote development of logistics and warehouse facilities that provide options for evolving supply chain practices.

- Modernize and enhance the capacity of marine ports, rail and air facilities, and truck connections in Southeast Michigan and identify opportunities for growth and reinvestment.

- 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.

- Highlight strategic international connections that facilitate freight flows, exports, and business travel.

- Enhance multi-modal connectivity and coordination across modes to strengthen system resilience.

Mural in Southwest Detroit

ACTION PLAN AND EVALUATION FRAMEWORK

ACTION PLAN

This action plan identifies policies, actions, implementation partners, and potential performance measures for guiding each strategy over the next five years. For some performance measures, SEMCOG will use its Socio-Economic Indicators to evaluate the effectiveness of the policies and actions of each strategy. 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.

In addition to measuring the economic trends noted above, it will be important to track progress in the eight capitals of community wealth introduced in Chapter 4. To better understand the region's strengths and weaknesses when it comes to regional wealth creation, SEMCOG will track key metrics within each of the identified capitals. A combination of these community capitals encompasses each of the three pillars of economic development in our region. To demonstrate how the selected metrics inform regional stakeholders about their impact on community wealth, the following section provides a detailed overview of the eight capitals that define community wealth.

1. **Individual Capital:** The skills and capacity, including health, which allow individuals to be productive. Investments in human capital include spending on skill development, education, training, health maintenance, and improvement

2. **Intellectual Capital:** The knowledge, creativity, and innovation needed to solve problems and develop new ways of doing things. Investment in intellectual capital is through research and development and support for activities that increase innovation, as well as diffusion of new knowledge and applications.

3. **Social Capital:** The trust, networks, and relationships needed to get things done. Investments in social capital are those that lead to new conversations, shared experiences, and connections between individuals and groups and/or strengthen relationships within groups.

4. **Political Capital:** The voice, power and influence over decisions needed to achieve goals, including the distribution of resources.

5. **Financial Capital:** Financial capital, including investments and personal savings, generates monetary returns that can be used for further investment or consumption. Stewardship of financial capital implies responsible investment to generate added income, as well as eliminating unnecessary costs or waste.

6. **Built Capital:** The fully functioning constructed infrastructure (e.g., buildings, sewer treatment plants, manufacturing and processing plants, energy, transportation, communications infrastructure, technology) needed to support community well-being. Investments in physical capital include construction, renovation, and maintenance.

7. **Natural Capital:** The productive environmental assets (e.g., air, water, land, minerals, plants, animals, fish, ecosystem services) in a region. Investments in natural capital include restoration and maintenance.

8. **Cultural Capital:** The traditions, customs and beliefs shared by the community, including the way you see the world. Investments in cultural capital can help to preserve tradition while also helping to shift and align beliefs in ways that help people develop shared values and history.

Goal	Implementation Partners	Potential Metrics
Invest in placemaking strategies that enhance livability, attract talent, and support business growth.	• Local, State, and federal governments • Real estate developers • Housing developers • Housing organizations • Property owners • Business, labor, and education • Utility providers • Detroit Regional Partnership • Convention and visitors' bureaus • Tourism organizations • Nonprofit organizations • Cultural institutions • Local and regional chambers of commerce	• Travel time for access to core services • Housing supply and demand • Percentage of household income spent on housing • Number of brownfields redeveloped • Number of major events • Number of visitors to the region
Community Wealth Capitals		
Built Capital *Natural Capital* *Cultural Capital*		

Downtown Oxford

STRATEGY: LEVERAGING ENVIRONMENTAL, RECREATIONAL, AND CULTURAL ASSETS

Goal	Implementation Partners	Potential Metrics
Maximize the economic potential of natural resources, parks, and cultural resources to support tourism, wellness, and community development.	• Local, State, and federal governments • Museums, arts, and culture agencies • Private recreation operators • Nonprofit organizations • Public health departments • Convention and visitors' bureaus • Tourism organizations	• Acres of park land per 1,000 residents • Distance between water access points • Number of new miles of walking and biking paths • Number of tourists to the region • Number of visitors to parks and cultural amenities each year • Number of acres in production, conservation, or restored • Number of recreation programs offered
Community Wealth Capitals		
Natural Capital *Cultural Capital*		

STRATEGY: REVITALIZING DOWNTOWNS AND NEIGHBORHOODS

Goal	Implementation Partners	Potential Metrics
Strengthen the economic and social vitality of local business districts and residential areas through targeted redevelopment and investment.	• Local, State, and federal governments • Downtown organizations • Business owners • Housing developers • Tourism organizations • Local and regional chambers of commerce	• Number of active DDAs and other special districts • Number of small businesses in downtowns and commercial corridors • Number of community events • Number of residential housing permits and demolitions • Travel time for access to core services
Community Wealth Capitals		
Built Capital *Social Capital* *Financial Capital* *Political Capital*		

STRATEGY: ENHANCING LOCAL AND REGIONAL LAND USE PLANNING

Goal	Implementation Partners	Potential Metrics
Align land use strategies with economic development goals to support manageable growth, infrastructure efficiency, and regional competitiveness.	• Local, State, and federal governments • Community planners and planning consultants • Planning commissions and zoning boards of appeal • MEDC and MSHDA • Housing and business developers • Brownfield redevelopment and land bank authorities • Nonprofit organizations • Economic development organizations	• Number of master plans updated within the last five years • Number of communities that complete the MEDC Redevelopment-Ready Communities program • Number of updated capital improvement programs each year • Number of planning commissioners who have completed the MSUE Citizen Planner program • Number of brownfields redeveloped
Community Wealth Capitals		
Political Capital *Built Capital* *Natural Capital*		

Downtown Plymouth

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STRATEGY: CULTIVATING A GLOBALLY COMPETITIVE BUSINESS ENVIRONMENT

Goal	Implementation Partners	Potential Metrics
Strengthen policies, infrastructure, and partnerships that position Southeast Michigan as a top destination for investment and innovation. **Community Wealth Capitals** *Financial Capital* *Political Capital* *Intellectual Capital*	• Federal, State, and local governments • MEDC • Business and labor • Major employers • Banks and CDFIs • Nonprofit organizations • Economic development organizations • 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 • Number of verified industrial properties

STRATEGY: SUPPORTING ENTREPRENEURSHIP AND SMALL BUSINESS GROWTH

Goal	Implementation Partners	Potential Metrics
Expand access to capital, technical assistance, and networks that empower startups and small enterprises to thrive. **Community Wealth Capitals** *Individual Capital* *Intellectual Capital* *Financial Capital* *Political Capital*	• 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 • Number of new patents • Lending to small businesses

Downtown Clawson

Business owner, Downtown Romeo

STRATEGY: ALIGNING TALENT DEVELOPMENT WITH WORKFORCE NEEDS

Goal	Implementation Partners	Potential Metrics
Build robust education and training pipelines that prepare residents for high-demand jobs and connect employers with skilled talent. **Community Wealth Capitals** *Intellectual Capital* *Individual Capital* *Financial Capital*	• 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 • Community development organizations and advocacy groups • Metropolitan Affairs Coalition (MAC) • Labor organizations • Chambers of commerce • Nonprofit organizations • Banks and financial institutions	• Number of individuals completing associate, bachelor, and graduate/professional degree programs • 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 • Enrollment of nontraditional populations in training programs • Enrollment in technology-related training programs • Number of career exposure events • Increased participation in youth and entrepreneurship programs • Number of businesses started

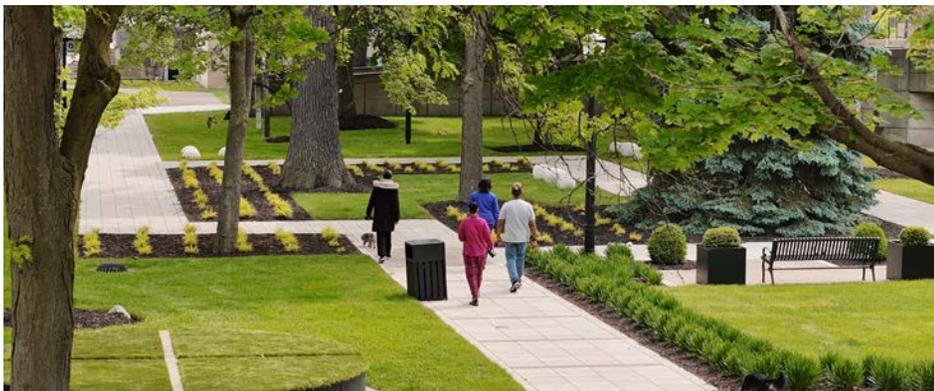| Goal	Implementation Partners	Potential Metrics
Advance strategies that remove barriers to opportunity, ensuring all residents can participate in and benefit from regional economic growth.	• Local, State, and federal governments • Michigan Dept. of Labor and Economic Opportunity • Education systems, including K-12, community colleges, technical schools, and four-year colleges • Workforce development agencies, including Michigan Works! • Employers • Transit operators • Childcare providers • Public health departments • Community development organizations and advocacy groups • Internet Service Providers (ISPs)	• Increase in the number of professional childcare workers • Percentage of households with broadband • Increase in the number of wraparound services available • Number of accessible transit routes • Travel time for access to core services • Percentage of household income spent on housing and transportation • Number of people without health insurance • Enrollment of nontraditional populations in training programs • Enrollment in technology-related training programs • Rate of absenteeism in schools • Number of employer-led upskilling programs • Education attainment rates
Community Wealth Capitals		
Individual Capital *Intellectual Capital* *Social Capital* *Financial Capital* *Political Capital*		

Bus station on SMART FAST Route in Detroit

STRATEGY: BROADENING AND STRENGTHENING THE REGIONAL ECONOMIC BASE

Goal	Implementation Partners	Potential Metrics
Promote industry diversification to reduce vulnerability to sector-specific downturns and enhance long-term economic stability. **Community Wealth Capitals** *Intellectual Capital* *Financial Capital* *Political Capital*	• Federal, State, and local governments • MEDC • Business and labor • Major employers • Banks and CDFIs • Business incubators and accelerators • Nonprofit organizations • Economic development organizations • Workforce development agencies • Education systems • Local and regional chambers of commerce	• Location quotient of emerging industry clusters/sectors • Number of businesses started • Increased participation in entrepreneurship programs • New businesses attracted to region • Small business growth • Large business payroll growth • Growth in exports • Growth domestic product growth • Number of new patents • Number of work-based training programs and apprenticeships • Lending to small businesses

Dearborn Peace Park

Wastewater treatment plant in the City of Ann Arbor

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Sanitary sewer, Clinton River

STRATEGY: INVESTING IN AND SAFEGUARDING CRITICAL INFRASTRUCTURE

Goal	Implementation Partners	Potential Metrics
Prioritize infrastructure improvements that support public safety, business continuity, and regional competitiveness.	• Local, State, and federal governments • Utility providers • Telecommunications and broadband providers • Transit agencies • Road commissions • MDOT • Environmental organizations • Regional authorities, including parks and water/sewer • Emergency responders • Infrastructure associations and commissions • Education systems	• 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 • Cost savings through collaborative infrastructure improvements
Community Wealth Capitals		
Built Capital *Natural Capital* *Political Capital* *Financial Capital*		

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Goal	Implementation Partners	Potential Metrics
Develop adaptive strategies and emergency response systems to mitigate the impact of environmental hazards and unforeseen events.	• Local and State governments • FEMA • Emergency management organizations • Public safety agencies • Utility providers • Telecommunications and broadband providers • Transit agencies • MDOT and road commissions • Environmental organizations • Regional authorities, including parks and water/sewer • Emergency responders • Infrastructure associations and commission • Education systems • Nonprofit organizations	• Number of countywide hazard mitigation plans updated within the last five years • Number of community-level hazard mitigation plans • Development of damage assessment and disaster recovery plans • Amount of pre-disaster mitigation grant funding brought into the region • Expected annual loss • Number of repetitive flood loss properties • Number of scenario training exercises each year
Community Wealth Capitals		
Political Capital *Financial Capital* *Built Capital* *Natural Capital*		

Flooding, City of Detroit

Intermodal container picker, City of Detroit

STRATEGY: POSITIONING SOUTHEAST MICHIGAN AS A LEADING FREIGHT AND LOGISTICS HUB

Goal	Implementation Partners	Potential Metrics
Capitalize on the region's strategic location and transportation assets to expand its role in national and global supply chains.	• Local, State, and federal governments • Detroit Region Aerotropolis • Businesses • Ports • Rail operators • Airports and air mobility organizations • MDOT and road commissions • Distribution and logistics companies • Community colleges, technical schools, and four-year colleges • Nonprofit organizations and neighborhood groups • Workforce development agencies	• Annual cargo shipped by truck, rail, water, and air • Delivery and transit times • Truck travel time reliability • Border wait times and number of border crossings • Annual intermodal lifts and carloads • Number and area of warehouses meeting current standards • Number of jobs created and retained in freight and logistics • Number of training and education programs to prepare workers in freight and logistics sector
Community Wealth Capitals		
Political Capital *Financial Capital* *Built Capital*		

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EVALUATION FRAMEWORK

The evaluation framework serves as a performance measurement tool for the Comprehensive Economic Development Strategy for Southeast Michigan. It tracks implementation progress and informs annual performance reports submitted to the U.S. Economic Development Administration (EDA). By analyzing trends and outcomes, the framework provides clear insights into current progress and future direction.

SEMCOG collects and maintains data to help local officials gauge the health of our region's economy. Currently, there are two interactive online tools: Socio-Economic Indicators and the High-Frequency Economic Dashboard. The Socio-Economic Indicators show the yearly change for measures like employment, labor force, income, and housing units, among others. The High-Frequency Economic Dashboard has similar measures that focus on the business environment, talent, place, and community finances; however, they are updated more frequently, such as on a quarterly, monthly, or weekly basis.

The Socio-Economic Indicators and the High-Frequency Economic Dashboard can be accessed on the SEMCOG website at https://www.semcog.org/socio-economic-trends.

Economic developers, planners, and policymakers should think of the Socio-Economic Indicators as a tool to measure our region's efforts to increase prosperity and economic resilience; whereas the High-Frequency Economic Dashboard shows more recent trends and can be used for either long-term planning or short-to-medium term planning.

Economic Development Council