



# The New Realities in Michigan

Presentation to  
New Economy and Quality of Life Committee  
January 27, 2010

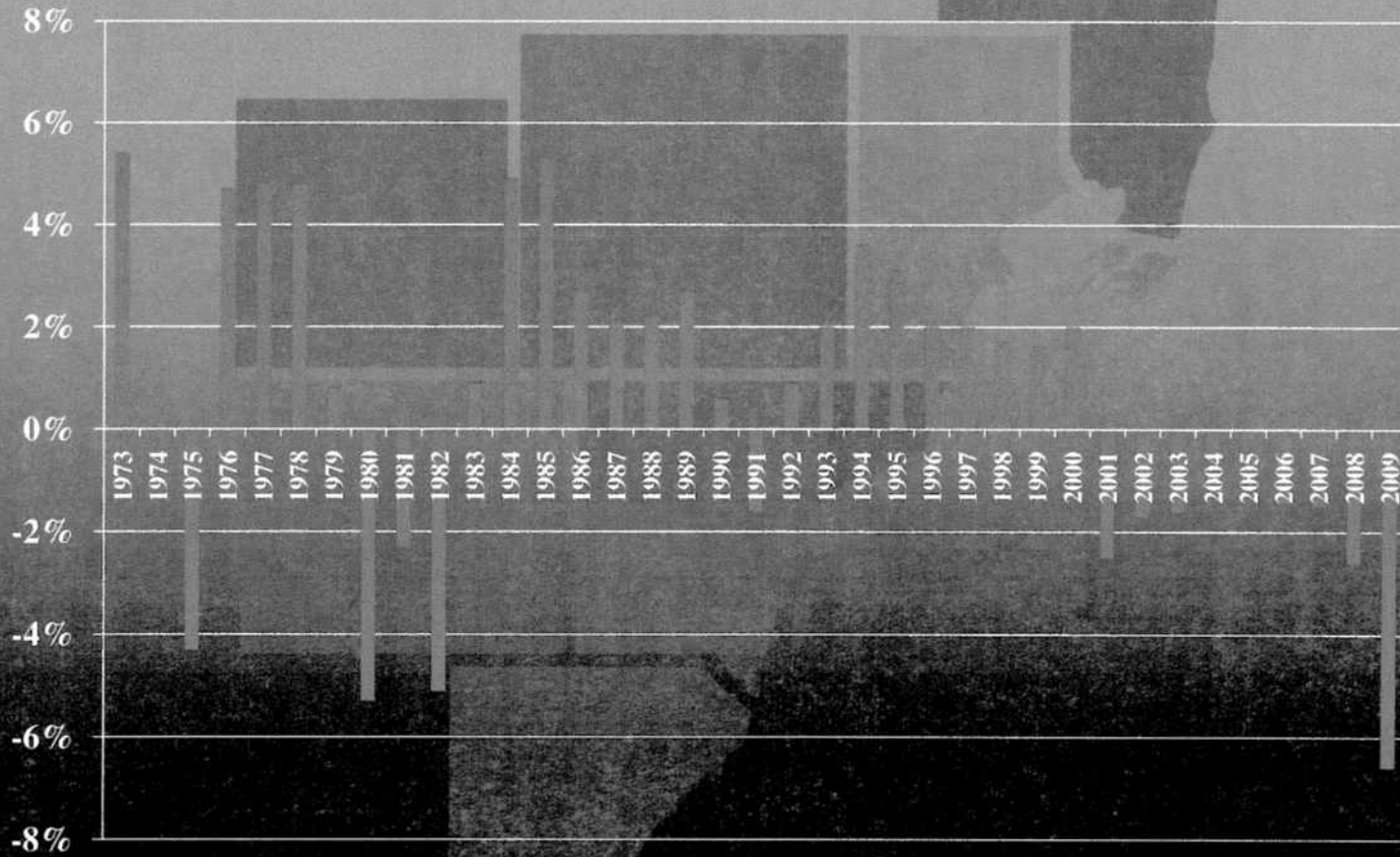
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# Economic Changes

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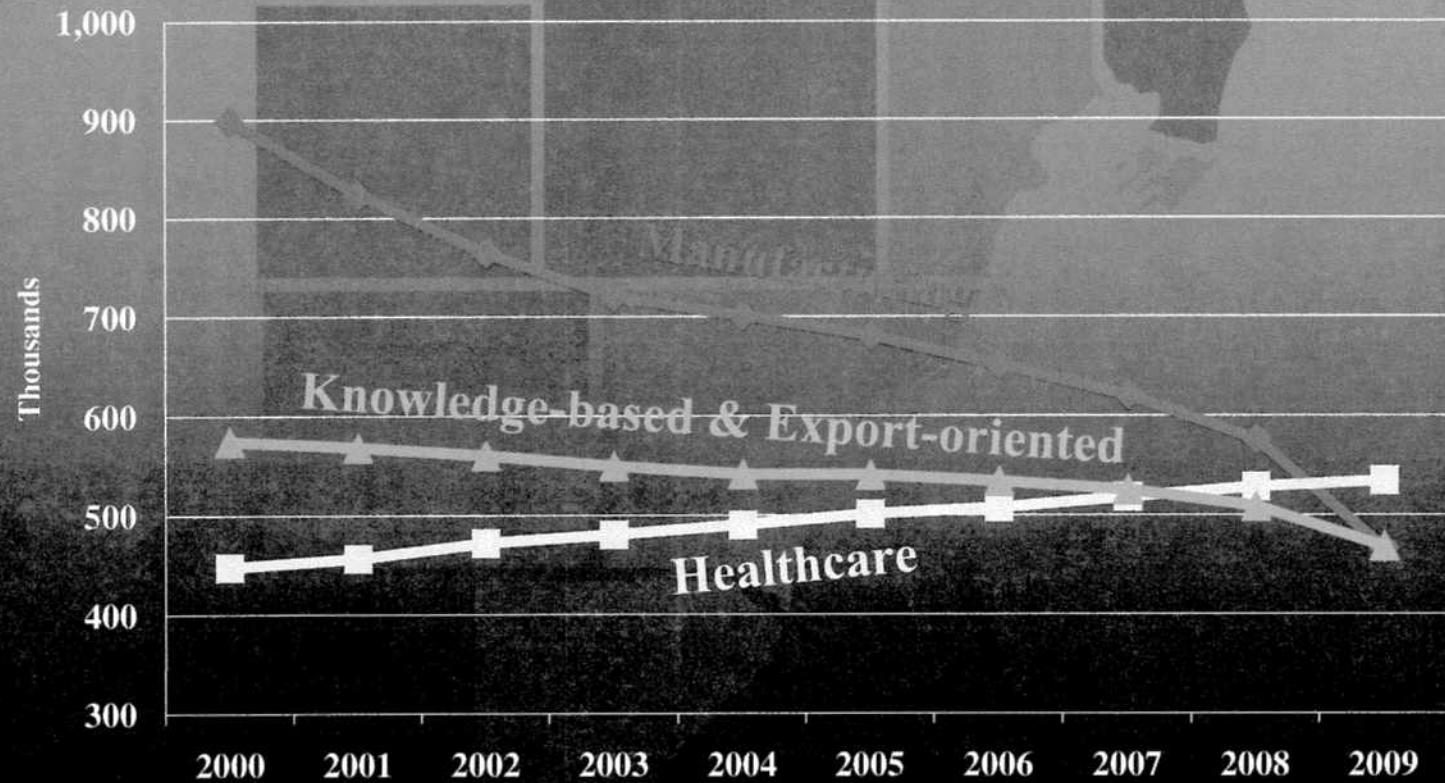
# Percent Change in Wage & Salary Employment Michigan, 1973-2009



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Source: Bureau of Labor Statistics

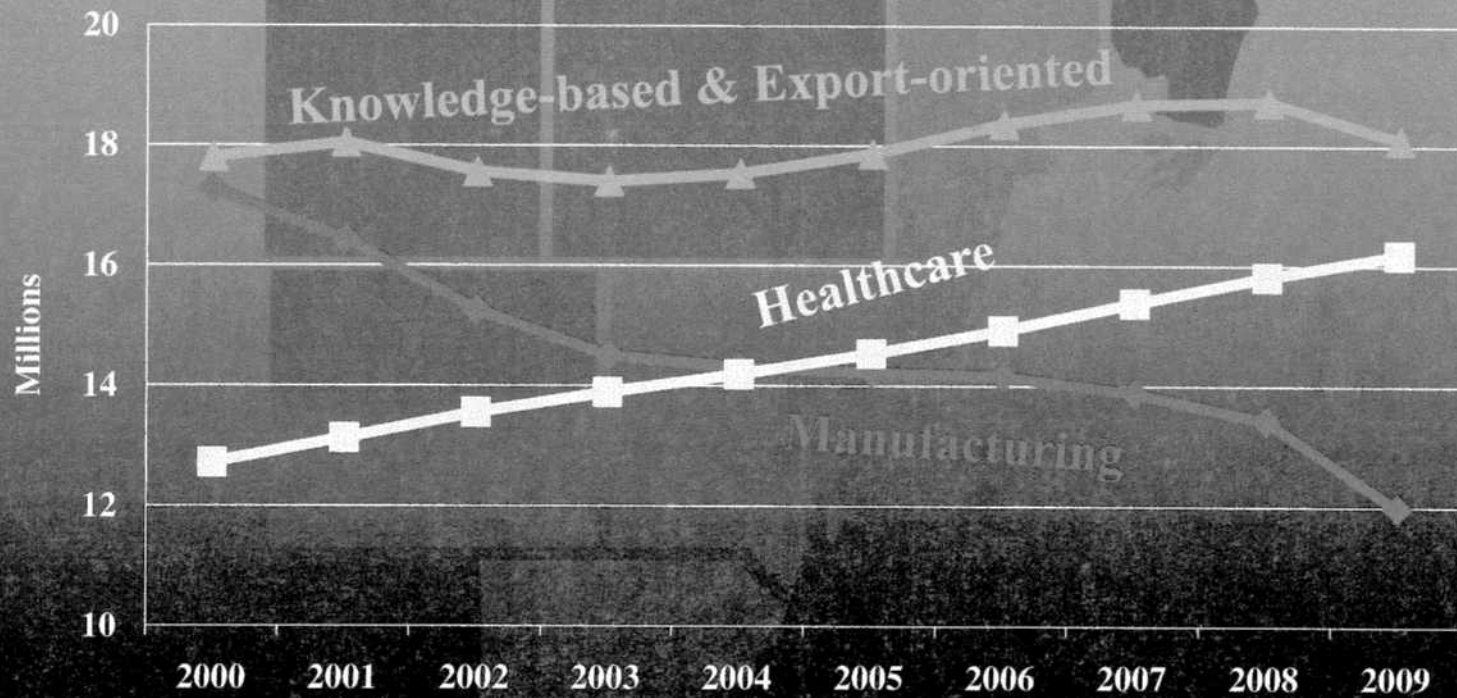
# Manufacturing, Healthcare, & Knowledge Jobs Michigan, 2000-2009



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Source: BLS

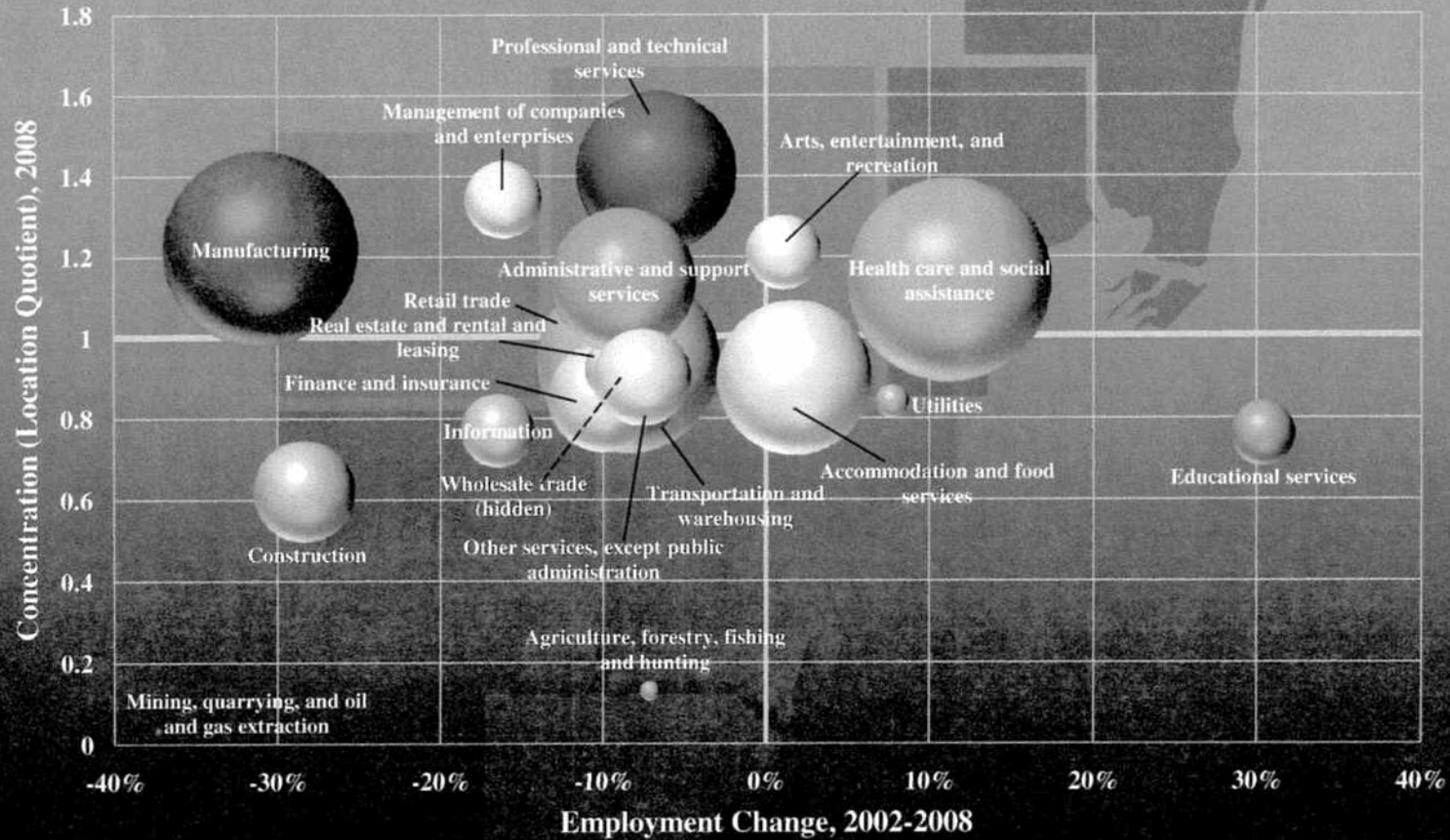
# Manufacturing, Healthcare, & Knowledge Jobs United States, 2000-2009



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Source: BLS

# Private Employment Change and Concentration Southeast Michigan



Note: Bubble size is proportional to 2008 employment.

Source: Bureau of Labor Statistics, Michigan Labor Market Information, and SEMCOG

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## Most Highly Concentrated Private Industries

*Southeast Michigan, 2008*

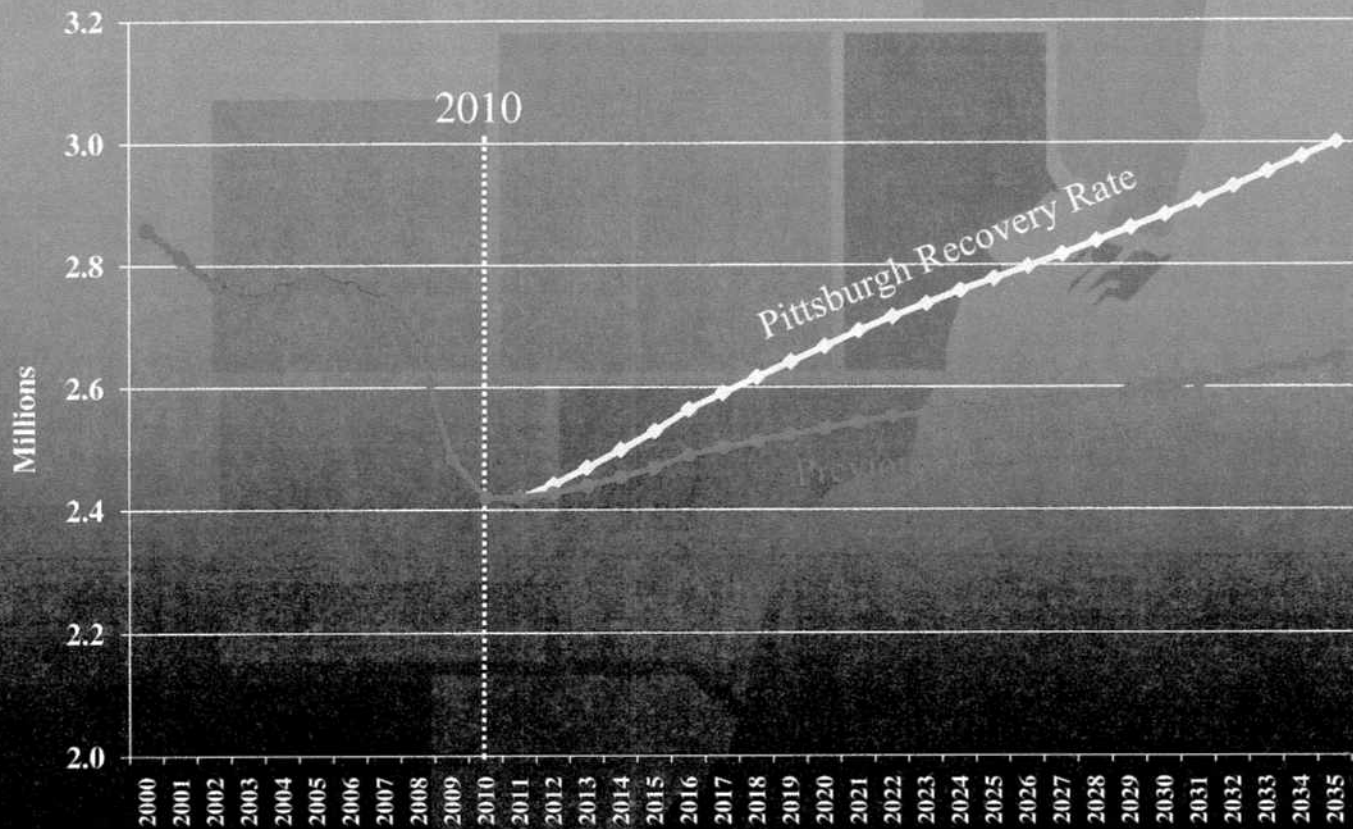
Industry	Location Quotient	Jobs
Transportation equipment manufacturing	4.27	105,444
Motor vehicle and parts manufacturing	8.95	93,014
Lessors of nonfinancial intangible assets	2.00	633
Machinery manufacturing	1.73	31,200
Air transportation	1.51	11,312
Fabricated metal product manufacturing	1.45	34,252
Professional and technical services	1.41	169,443
Management of companies and enterprises	1.34	38,933
Hospitals	1.34	94,021
Amusements, gambling, and recreation	1.25	27,543
Museums, historical sites, zoos, and parks	1.25	2,672

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Sources: LMI, BLS, and SEMCOG.

# Total Employment\*

## Southeast Michigan, 2000-2035



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\* Total Employment includes wage/salary jobs and self-employed.

Source: SEMCOG

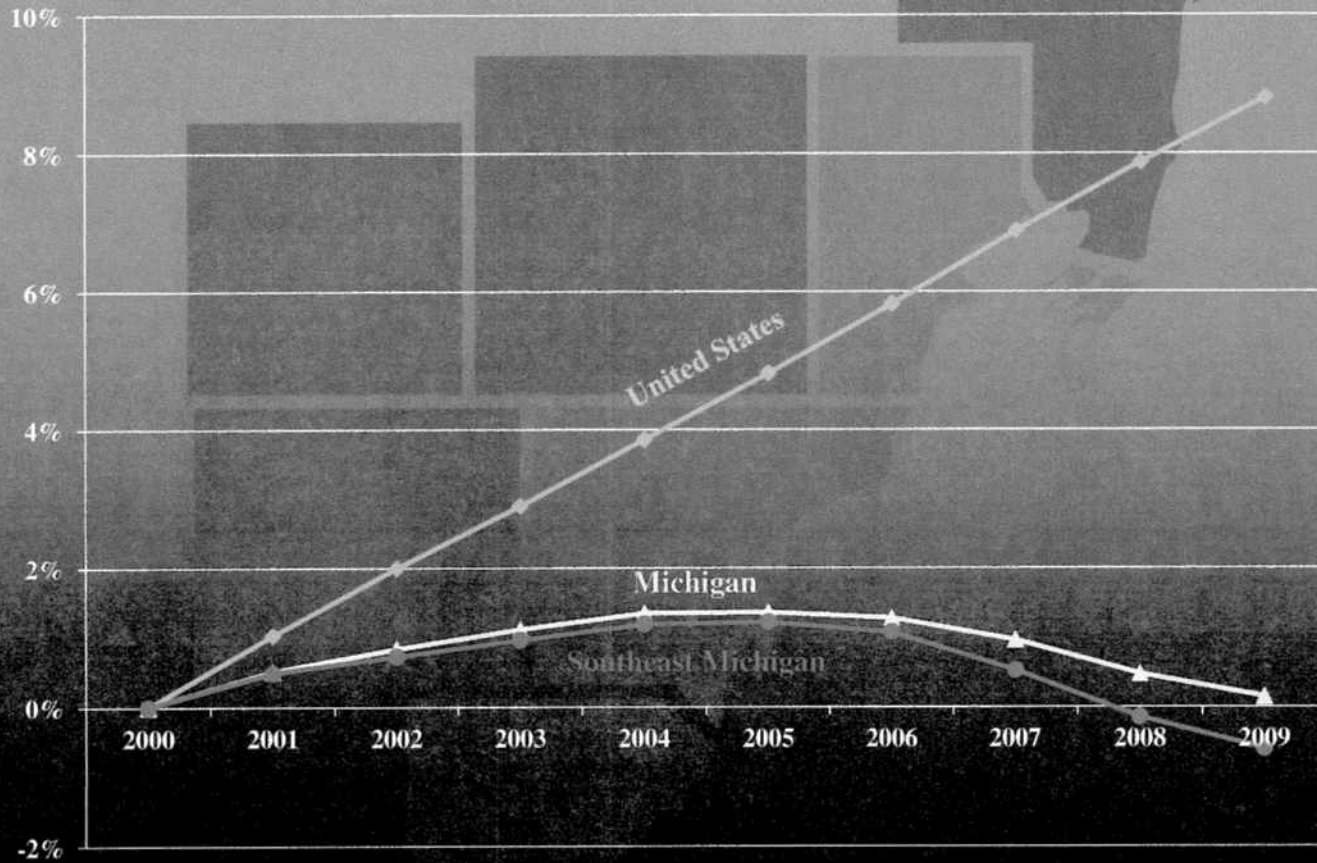




# Demographic Trends

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# Cumulative Percent Change in Population 2000-2009

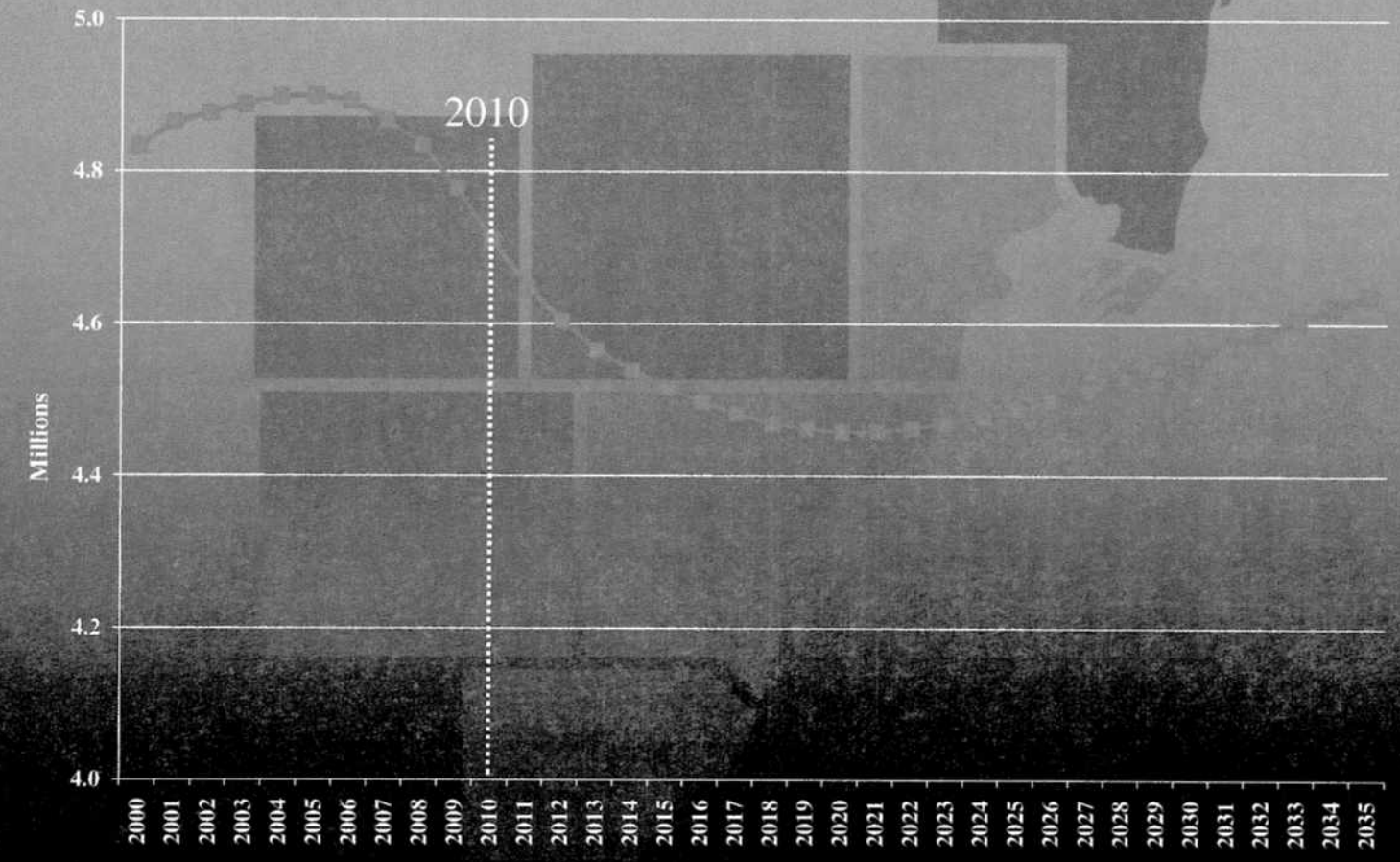


Source: U.S. Census Bureau

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# Population

## *Southeast Michigan, 2000-2035*

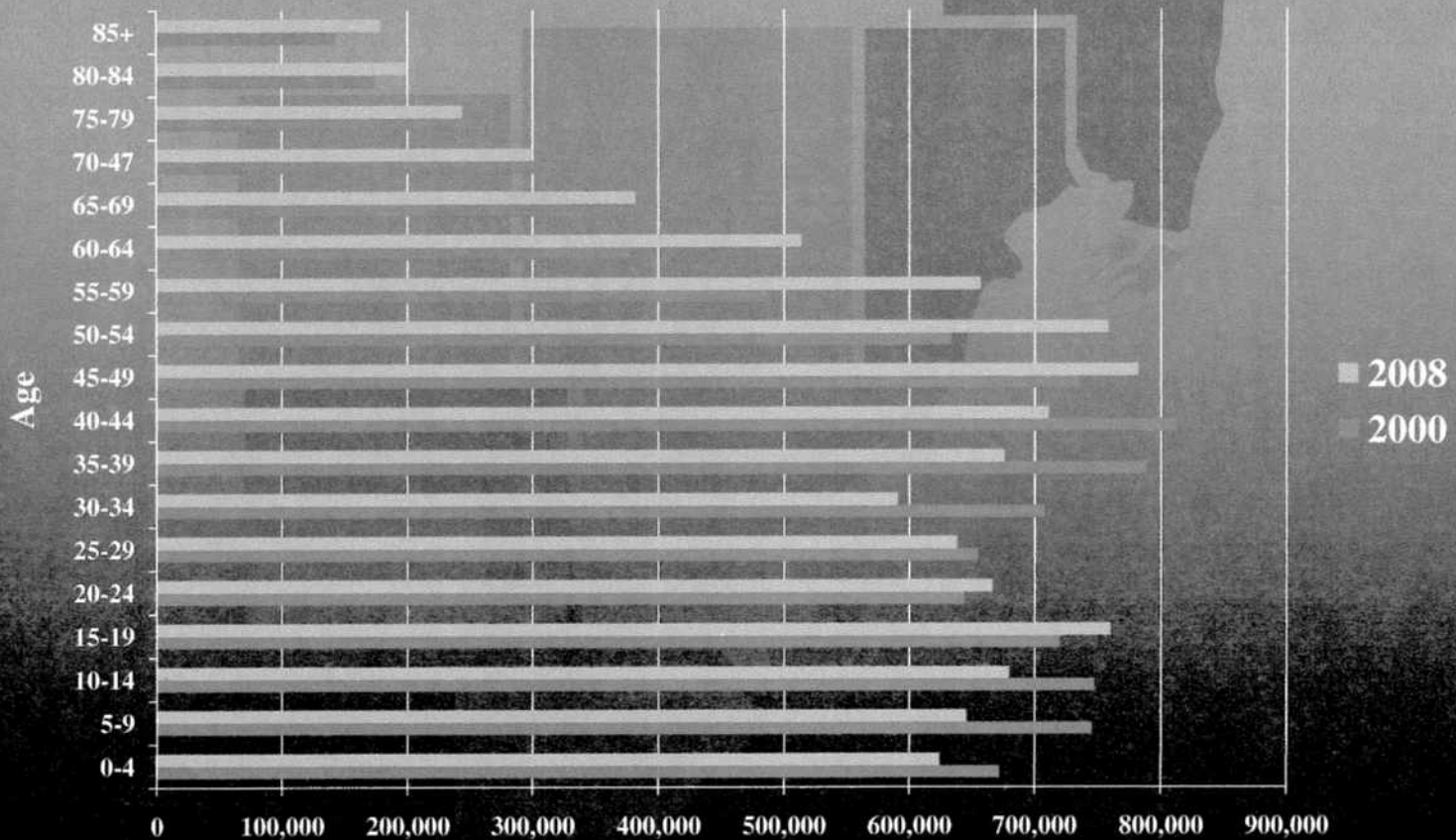


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Source: SEMCOG

# Population by Age

Michigan, 2000, 2008



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Source: Census Bureau

# Income

## 2000, 2008

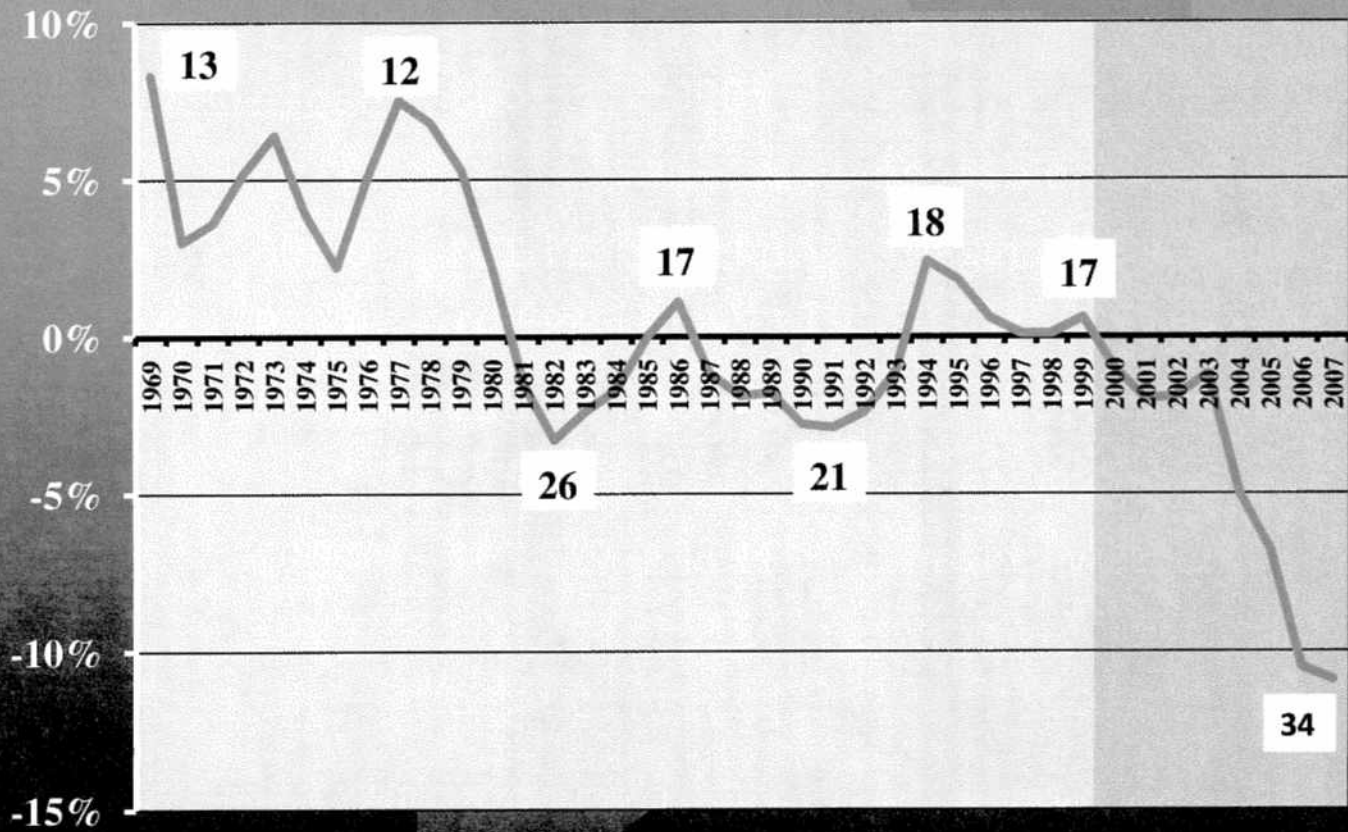
	2000*	2008	Change	Percent Change
<b>Median Household Income</b>				
Southeast Michigan	64,590	54,184	-10,406	-16.1%
Michigan	57,620	48,591	-9,029	-15.7%
United States	54,172	52,029	-2,143	-4.0%
<b>Per Capita Income</b>				
Southeast Michigan	31,883	27,791	-4,092	-12.8%
Michigan	28,597	25,303	-3,294	-11.5%
United States	27,847	27,589	-258	-0.9%

\* Note: All 2000 monetary values are adjusted to 2008 dollars using U.S. Consumer Price Index for All Urban Consumers (CPI-U) from 1999 to 2008.

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Source: U.S. Census Bureau

# Michigan Per Capita Income Deviation from National Average, 1969-2007

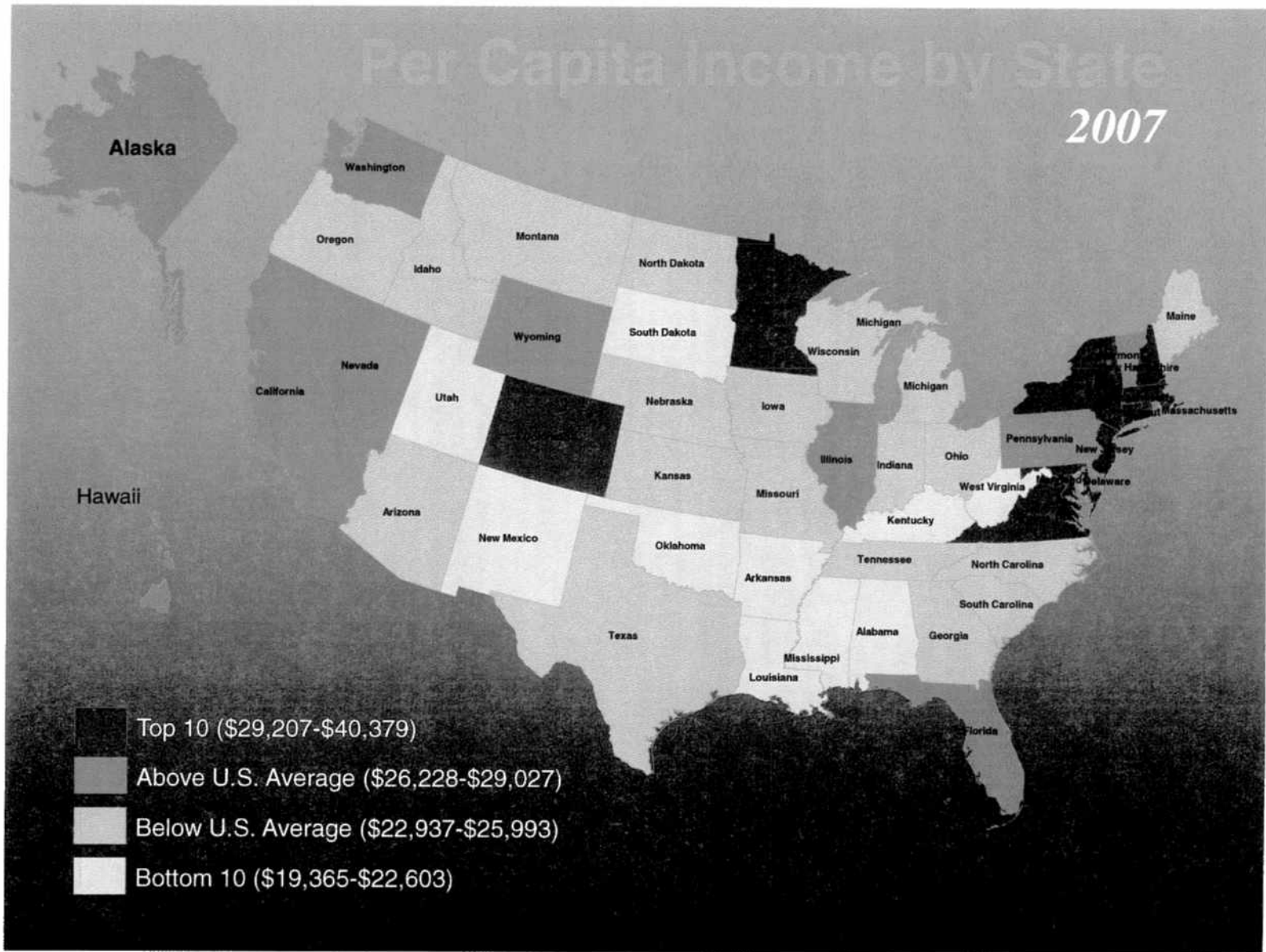


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State ranking in U.S., including D.C.

Source: RSQE

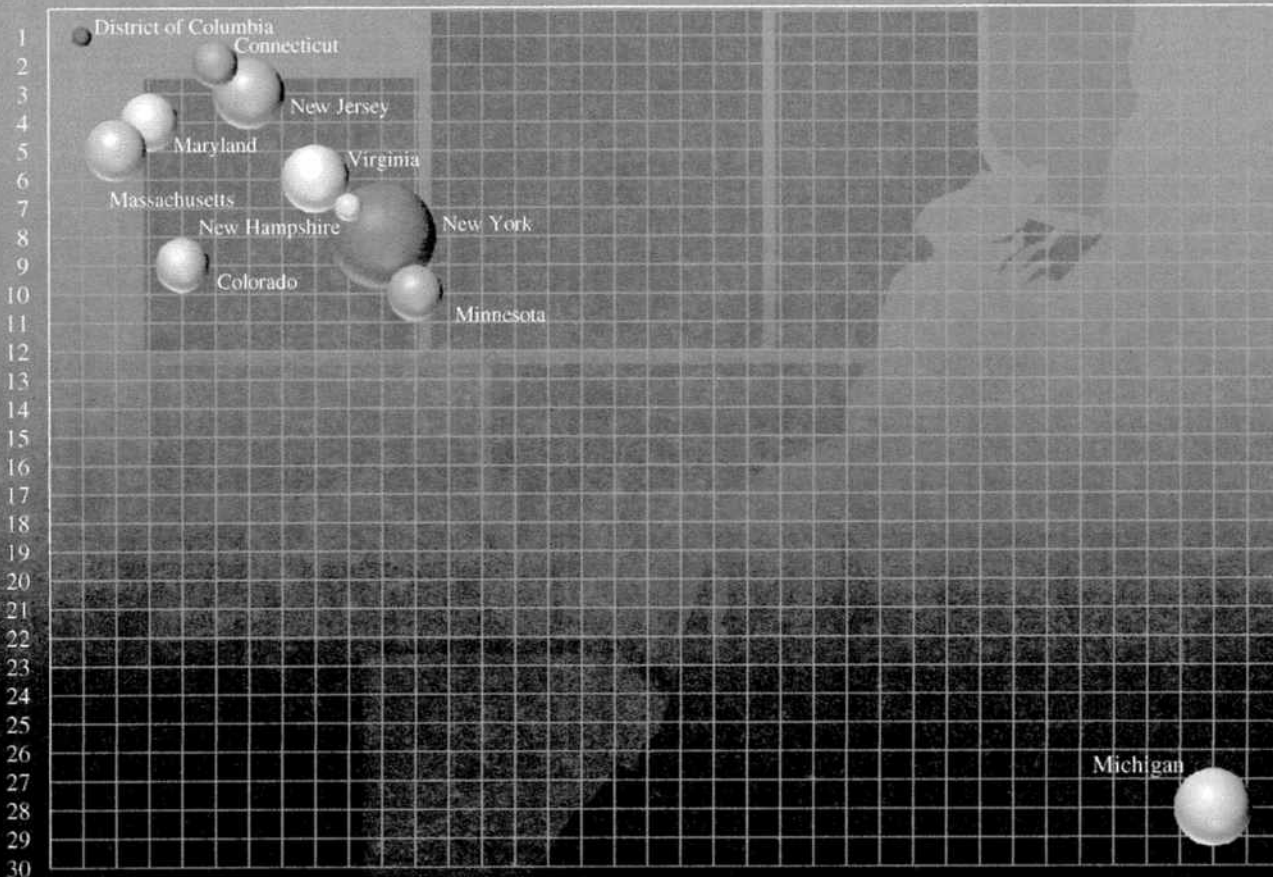


# Education and Income Rankings, 2007

## Rank of Percent Bachelor's Degree or Higher (25 Years and Older)

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37

Rank of Per Capita Income



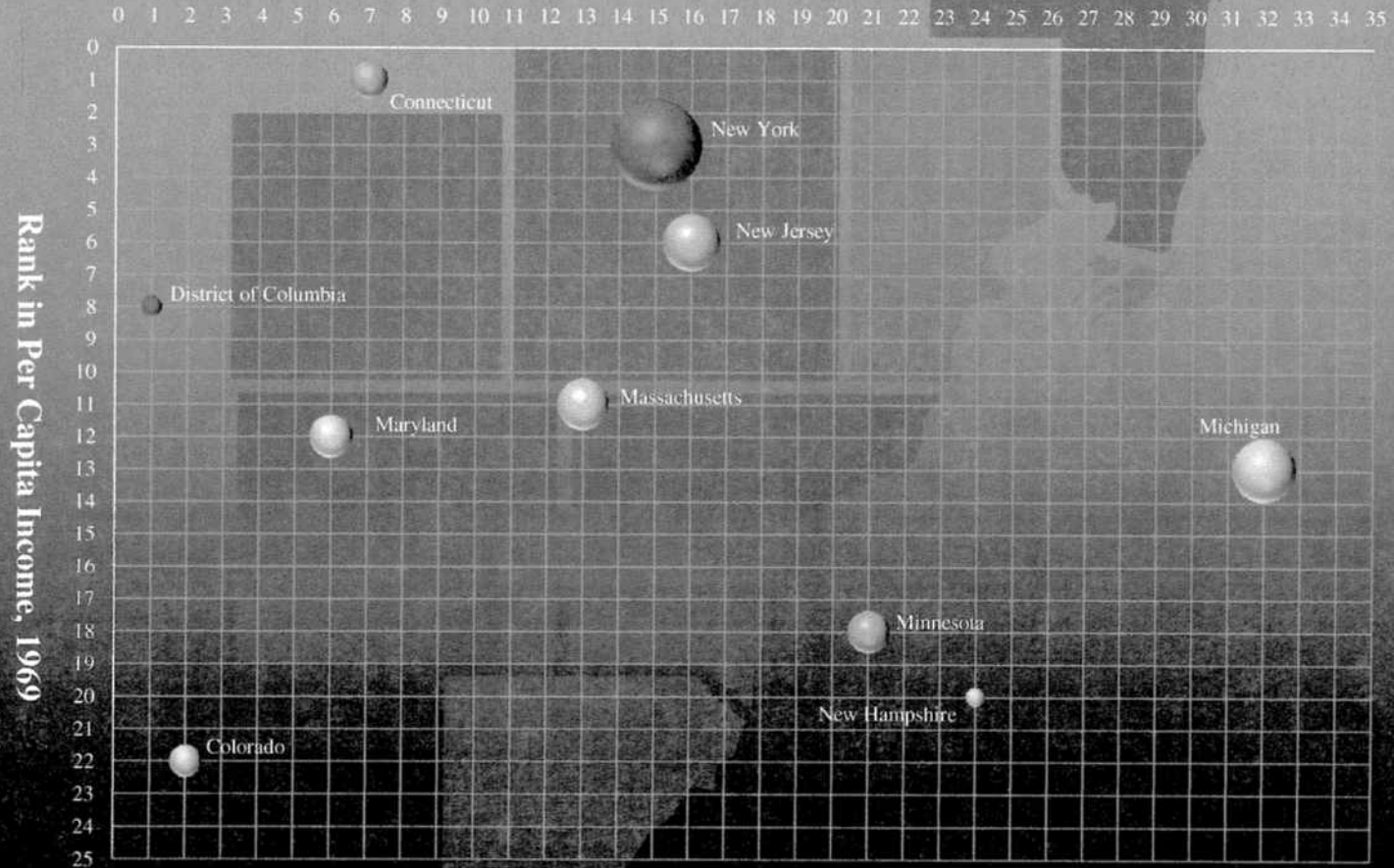
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Note: Bubble size proportional to State population in 2007



# Education and Income Rankings, 1970

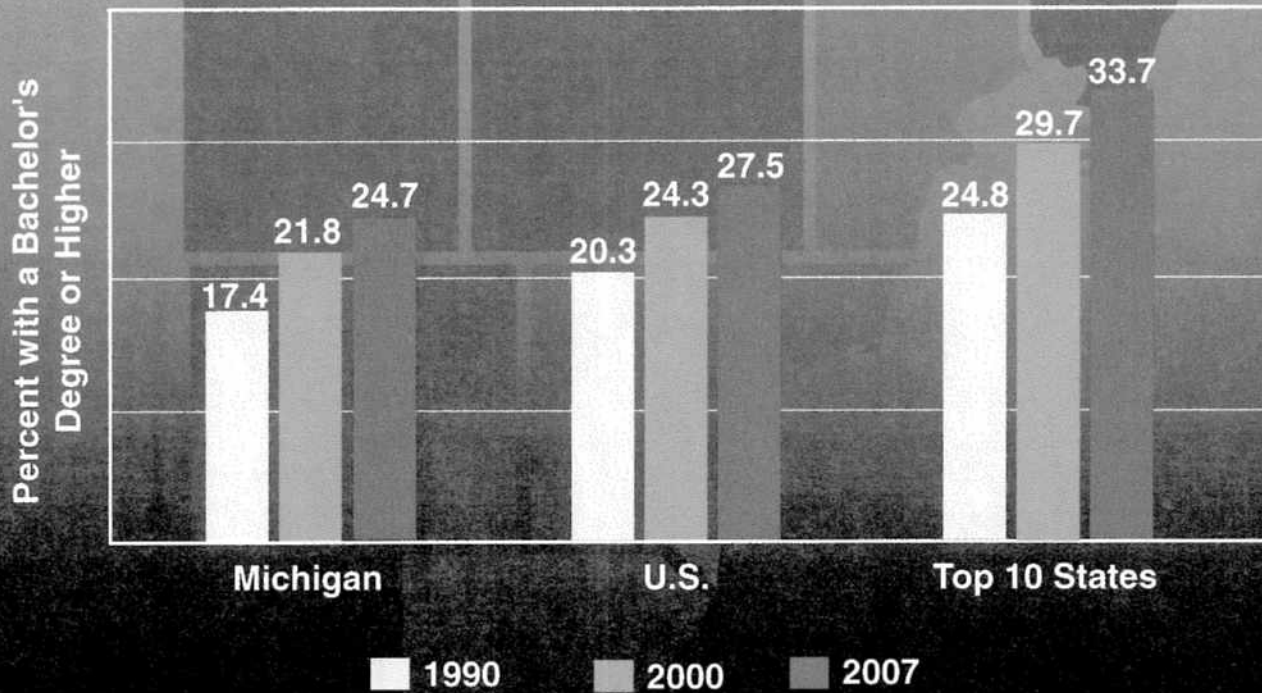
## Rank in Percent Bachelor's or Higher, 1970



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Note: Bubble size proportional to State population in 1970

# Percent College Graduates, Age 25+ 1990, 2000, 2007



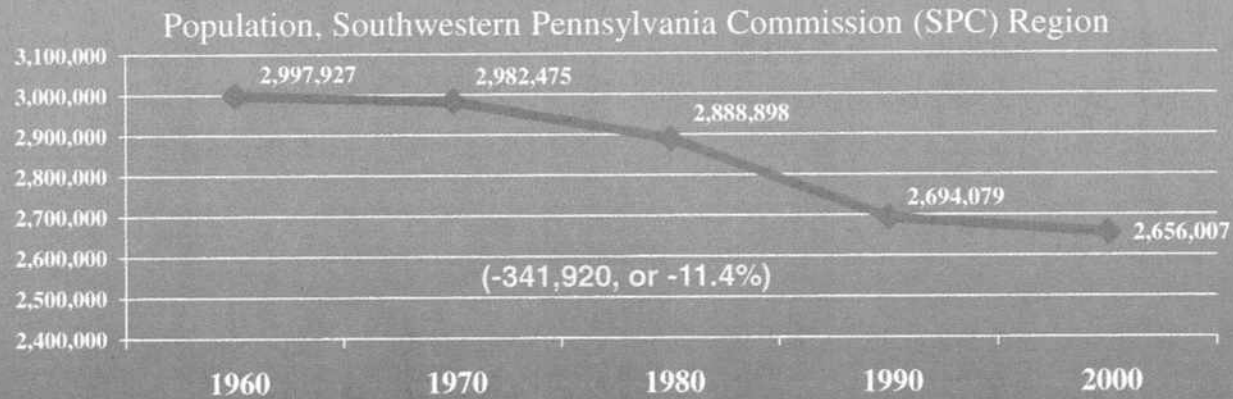
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Source: Census Bureau

## Implications

1. A smaller State in terms of population and jobs
2. Challenges to governments: Provide services with limited resources and prudent investment/maintenance of infrastructure
3. Redefine success
  - not focusing on overall growth
  - transforming economy
  - building desirable communities
  - improving quality of life/prosperity

## Shrinking City Example: Pittsburgh



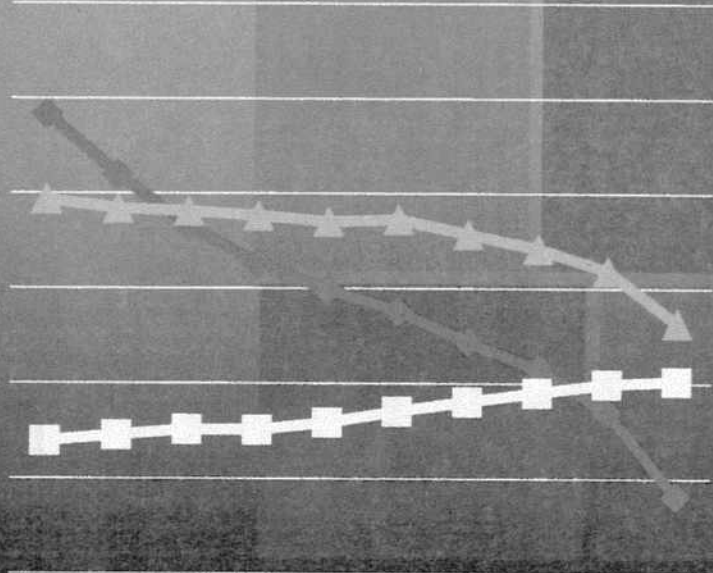
### Per capita income

	Dollars			Rank in United States	Percent change from preceding period	
	2005	2006	2007 <sup>p</sup>		2006	2007 <sup>p</sup>
Pittsburgh, PA	36,159	38,550	40,949	50	6.6	6.2
<b>Metropolitan portion of the United States</b>	<b>36,483</b>	<b>38,564</b>	<b>40,536</b>	...	<b>5.7</b>	<b>5.1</b>
Detroit-Warren-Livonia, MI	37,204	38,119	39,419	62	2.5	3.4

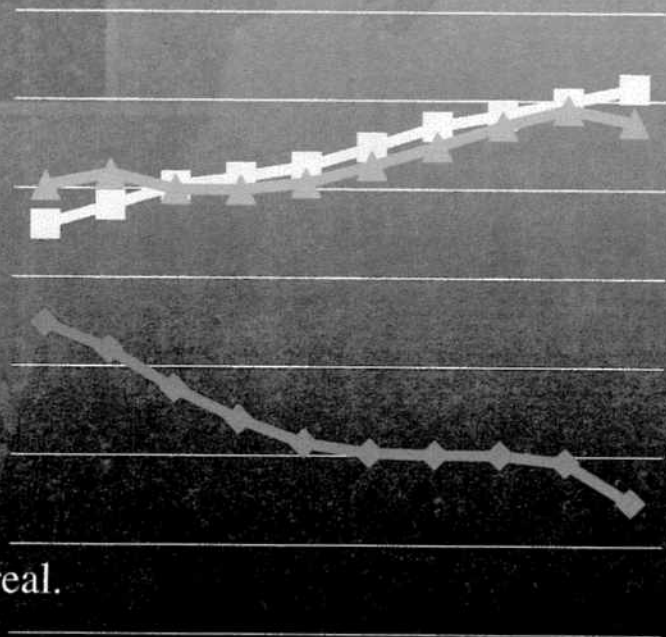
# Manufacturing, Healthcare, & Knowledge Jobs

## A Comparative Scenario

*Detroit MSA, 2000-2009*



*Pittsburgh MSA, 2000-2009*



Note: The scales for the two MSAs are different, whereas the trends are real.

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