



**EMBARGOED UNTIL  
10 AM, FEBRUARY 25, 2009**

**CONTACT:** Dr. Soji Adelaja  
517.432.8800

John Kinch  
517.432.8800 Ext. 111

## **New Land Policy Institute Report Suggests Prosperity For Michigan Hinges, In Part, On Attracting Key Populations**

*East Lansing, MI*—Michigan's metropolitan areas must do a better job of attracting and keeping young workers, retirees and well-educated immigrants in order for its job market to improve, according to a national study to be released by the Land Policy Institute at Michigan State University (MSU).

Michigan lags far behind most other states in attracting and retaining residents in all three of those categories, which MSU researchers say is critical to restoring Michigan's prosperity in the new knowledge-based economy.

"In the Old Economy, people moved somewhere new or lived somewhere for 30 years because that was where their jobs were," said Dr. Soji Adelaja, the report's lead author, John A. Hannah Distinguished Professor in Land Policy and Director of the Institute. "Not anymore. People who create the most jobs directly and indirectly are also those people moving to those places in the country that have the best amenities and quality of life. They are seeking places first, not jobs first."

Policy makers should consider a new model for economic development that is less focused on tax incentives and more focused on increasing Michigan's population of "knowledge workers" who "look for interesting places to live, move there and enable economic activity to follow them, including job creation for themselves," Dr. Adelaja said.

Michigan does poorly in nabbing the highly desired 25- to 34-year-old age group—the so-called Generations X and Y. Michigan sits nearly 15 percent below the national average and in the company of states like North Dakota and Kansas—not with leaders, such as Colorado and Georgia.

Among retirees, Michigan fares better but still lags. Michigan's growth rate among ages 65 and over has risen by 13 percent between 1990 and 2006, but remains below that national average of nearly 24 percent.

In the knowledge-based economy, the competition among states for young people, retirees, educated immigrants and knowledge workers is fierce and will only grow more so, according to Dr. Adelaja.

But all is not doom and gloom for Michigan.

The new report, "Chasing the Past or Investing in Our Future: Placemaking for Prosperity in the New Economy," for the first time puts hard numbers behind how prosperity happens.

"Now, armed with this type of evidence, we can better position ourselves to act," said Dr. Adelaja.

According to Dr. Adelaja, the winners will be those regions that build strategies and bolster vibrant urban cores, green recreation opportunities and diverse, entrepreneurial populations, among other assets. For example, in Michigan, the emerging green energy industry holds promise for the State.

The report finds that just a 1% increase in the population of 25- to 34-year-olds adds 556 people, \$84 more in per capita income and the creation of 537 additional jobs to an average U.S. county. Similarly, counties with a high percentage of retirees also do well. A 1% increase in retirees leads to 389 more jobs. The same increase among foreign-born populations translates into 417 jobs.

"Every place doesn't have everything," Dr. Adelaja said. "But virtually every place has something that can appeal to certain segments of the population and create prosperity for communities. Look at our state: We have affordable housing, metro areas anchored by world-class universities, a growing green energy sector and great natural beauty."

The strategy, he added, is to identify and develop these assets at a scale that can truly make an economic difference.

The Land Policy Institute's preliminary report will be formally presented on Wednesday morning to the State House Committee on "The New Economy and Quality of Life," chaired by Representative Ed Clemente.

The final report will be available in early March at [www.landpolicy.msu.edu](http://www.landpolicy.msu.edu).

This report is part of the *New Economy Initiative Series* of the Land Policy Institute. The Series focuses on population attraction and retention and on New Economy growth strategies for Michigan. Additional *New Economy Initiative Series* reports, bulletins and factsheets will also be released this year.

The MSU Land Policy Institute was founded in 2006 and focuses on research and outreach related to land use and strategic growth in the New Economy. The Institute delivers innovative solutions, transitioning knowledge from land use experts to the community.

# # #