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Autos won't lead Michigan economy again, report says

By Katherine Yung
FREE PRESS BUSINESS WRITER

A report released Tuesday warns that the auto industry will never again be the major engine of prosperity in Michigan, and the state needs to work hard to prepare, attract and retain talent for a knowledge-based economy.

"The decline in autos is part of an irreversible new reality that manufacturing is no longer a sustainable source of high-paid jobs," the report from the Ann Arbor think tank Michigan Future Inc. states. "The world has changed fundamentally. We either adjust to the changes or we will continue to get poorer compared to the nation."

The authors of the report -- Lou Glazer, Michigan Future's president, and Donald Grimes, a senior research specialist at the University of Michigan -- said that even if the Detroit automakers survive the downturn, the domestic auto industry will be "substantially smaller, employ far fewer and will pay its workers less with fewer benefits."

They advocate that Michigan take a number of steps to regain prosperity:

Build a culture that highly values learning, an entrepreneurial spirit and being welcoming to all.

Create places where talent wants to live by making public investments.

Increase public investments in higher education.

Transform teaching and learning so that it's aligned with the realities of a globalized world.

Develop new public and private sector leadership.

"There are no quick fixes. The Michigan economy is going to continue to lag the nation for the foreseeable future," the report predicts. "But there is a path back to high prosperity."

Contact **KATHERINE YUNG**: 313-222-8763 or kyung@freepress.com
