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Mackinac: Michigan's cost for not competing: 223,000 jobs

By Andrew Dietderich

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About 223,000 more jobs would be in Michigan had the state more effectively competed for white-collar workers like the rest of the nation between 1990 and 2005.

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Better news, though, is that good-paying jobs are in Michigan's future as long as workers here are willing to accept change and continuously learn.

These are two findings of a report scheduled for release June 5 prepared by **Michigan Future Inc.**, an Ann Arbor-based think tank.

The report was compiled during the past year and includes input from more than 200 of the state's thought leaders at more than 20 meetings around Michigan. Also incorporated is data compiled by the **Bureau of Labor Statistics**.

The purpose is to identify what steps Michigan needs to be more competitive in a changing economy.

Report results indicate that Michigan needs nonmanufacturing jobs to play a bigger role. Nonmanufacturing industries grew 32 percent nationwide between 1990 and 2005, but only 17 percent in Michigan.

"If Michigan's knowledge-based industries had grown at the same rate as the country, there would be 223,000 more Michiganders working today in this growing, good-paying sector of the economy," the report states.

Knowledge-based jobs are those done in offices, schools and hospitals, among other places, as opposed to manufacturing work in factories.

"We definitely believe the future is in a knowledge-based economy," said Richard Blouse, president and CEO of the **Detroit Regional Chamber**.

Lou Glazer, president of Michigan Future, said brain drain is largely to blame for Michigan losing jobs as the economy moves more toward being knowledge-based. Many graduating students from the state's universities, for example, are choosing to move elsewhere when they graduate.

"Priority No. 1 has to be retaining our talent," Glazer said.

Organizations such as **Automation Alley** recognize the need.

Ken Rogers, executive director of Automation Alley, said the organization has taken several steps to keep and recruit talent in and to Michigan.

"I don't think you can ever completely stop the brain drain," he said. "But we've done things to contribute to it slowing."

For example, Automation Alley's Glima is a networking group for individuals in the technology industry. It has about 1,000 members. Rogers said such an organization is attractive to potential employees eyeing Michigan as a place to move or stay.

Also, he said, Automation Alley is active in the K-12 grade levels. Last year, it held its first Superhighway to Success event to educate 10,000 students about technology opportunities that await them after graduation from high school or college. Automation Alley also allows students to participate in its global trade missions. And the organization plans to

go back to advertising in college newspaper nationwide, hyping Michigan as an attractive place to live and work.

Companies such as **DTE Energy Co.** are extremely concerned about keeping talent in the state, said Paul Hillegonds, senior vice president of corporate affairs and communications at DTE.

Hillegonds is a member of the Michigan Future leadership council and participated in research for the Michigan Future report.

Detroit-based DTE is a good example of how companies need to retain and attract talent, he said, because it has a traditional line of business and is exploring new forms of energy.

"In order for those new businesses to grow, we need to be able to attract the kind of talent that will facilitate that growth," Hillegonds said.

The report has two goals: to identify the action items that the group expects would have the greatest impact on recreating a prosperous Michigan and laying out a framework for action, not details.

The report highlights six strategic priorities:

- Build a culture aligned with the flat world. This means putting high values on learning, an entrepreneurial spirit and being welcoming to all. The report says Michigan struggles with all three.
- Invest in higher education first and foremost. The most important thing policy makers can do for the future economic success of Michigan is to ensure the long-term success of a vibrant and agile higher-education system, the report says.
- Build regions that are attractive places to live and places of economic opportunity. Michigan's metropolitan areas are having trouble offering either, the report says.

For example, Blouse said his son works in the medical profession and has spent the past two years overseas. His son is about to return but is looking at places such as the West Coast, Philadelphia and Boston to move when he returns to the states.

- Attract export-based business investment.
- Align K-12 education with a knowledge-driven economy.
- New leadership. Current leadership is predominantly connected to the old, declining economy, the report says.

The report cites a March 20 story from *Crain's Detroit Business* that says of the 51 most-connected leaders in metro Detroit, only two were in "new economy" enterprises.

"I would argue that new leadership is the most important strategic priority we identified," Glazer said. "Without it, we will in all likelihood remain stuck in old ways."

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