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Rebuilding state economy starts with smarter workers

High-paying jobs follow well-trained work force

Michigan must have a vast pool of talented workers if it hopes to attract the high-paying, high-skilled jobs its business and political leaders keep talking about.

It doesn't have that key ingredient for economic revival yet and has not made developing talented workers a top policy priority.

A new report from Michigan Future Inc. says Michigan should set a specific goal for measuring its rebound: Beating the national average in annual growth of personal income. It lags behind the national average today, and erasing the gap will require a much different employment mix.

But instead, Michigan is creating mostly low-skilled jobs, according to a Your Child/Detroit News poll released last week.

The Michigan Future report released Monday concludes that the states that are doing the best economically are the ones with jobs concentrated in high-pay, knowledge-based industries: information, financial services and insurance, professional and technical services and management of companies.

Michigan has done poorly in attracting those jobs, primarily because it has clung stubbornly to manufacturing as its economic base and has not invested enough in the infrastructure needed by knowledge-based industries.

The report recommends:

- Putting more money in higher education. Gov. Jennifer Granholm set a goal early in her term of doubling the number of college graduates in a decade. But she's cut higher education spending, triggering tuition hikes that are often in the double digits. State support for colleges and universities has declined by 30 percent during the last 25 years. Today, the average Michigan family must devote 32 percent of its annual household income to tuition, twice the level required in the top 16 states. Reducing tuition is the best way to increase college attendance.
- Creating attractive places for knowledge workers to live. They tend to be younger and seek urban areas with good transportation, high-speed Internet connections and a "green" infrastructure, according to the Michigan Future report. Performance in this area is mixed. Oakland County is moving to a nation-leading wireless network, but Detroit still has a long way to go in building a desirable core city. The bright spots in Metro Detroit should be nurtured, with more attention given to suburban communities like Royal Oak and Ferndale that are now a magnet for younger residents.
- Welcoming all business, particularly those that can compete internationally, by creating a simple business tax structure. Michigan should replace the Single Business Tax with a lower rate tax that is spread across more businesses. That must be the priority in Lansing.

It all starts with education. Before Michigan can revive its economy, it has to create a world-class education system and insist that all of its citizens participate.

Trying to attract knowledge industry jobs without building a critical mass of talented workers is a futile exercise.

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