



Forecaster: Area faces economic challenges

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By Julia Bauer

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GRAND RAPIDS -- West Michigan is struggling to grow its knowledge-based industry as fast as it is losing its manufacturing jobs.

In a diagnosis of the state's economic future, forecaster Lou Glazer sees a long, arduous journey ahead for Michigan.

And the recovery is more likely to come from Detroit and environs before West Michigan gets there.

The race rests on culture change that could span a generation. Shifting to the next economy comes after a 35-year decline in the state's economic health, Glazer said Wednesday.

West Michigan faces bigger challenges, he said. This region lags the east side of the state in per capita income, knowledge-based jobs, and adults with college degrees.

"This is a challenge. It's the most over-manufacturing, and the least knowledge-job-based," Glazer said. "There is an enormous correlation between doing well and the concentration in knowledge-based industries."

He pointed to a chart in his June analysis, "A New Agenda for a New Michigan."

"You guys are shedding manufacturing jobs and replacing them with service jobs because this industry's not there," said Glazer, sliding his finger down the knowledge-job column. "It's not a quick fix."

Glazer, based in Ann Arbor, heads Michigan Future Inc. with a nine-member leadership council. West Michigan members include Milt Rohwer of the Frey Foundation and Paul Hillegonds of DTE Energy Co.

Based on average annual income, the Detroit region ranked 14th nationwide with per capita income of \$35,955 in 2004. West Michigan was No. 50 of 54 large U.S. cities, with an average of \$29,546. It topped Orlando, Fla.; San Antonio, Texas; Greenville, S.C.; and Fresno, Calif.

"It's the pay that drives the economy," Glazer said. "Factory work is no longer going to be among the highest paid incomes.

"Talent trumps everything."

Four sectors drive the greatest growth: Information, finance and insurance, professional and technical services, and management of companies. Those four categories employ just more than 15 percent of American workers, but those jobs earn double the average pay.

Glazer's prescription calls for a cultural shift: ramp up a love of learning, an entrepreneurial zeal and a welcoming attitude to all. Other top jobs focus on better support for college and K-12 education, more attractive center cities and attracting export-based businesses.

Civic and business leadership is important, too, Glazer said. That's one of the strengths for Grand Rapids.

This region benefits from public-private partnerships that enabled projects such as Van Andel Arena, DeVos Center and the Michigan State University Medical School.

With no vibrant center cities and few young people, the future could be stark for a state that doesn't change, Glazer said. "It'll look like West Virginia," he said.

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