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Report says Mich. lagging in creating high-wage jobs

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Lansing, Detroit, Grand Rapids not doing well either

Associated Press

A new study says Michigan and three of its largest cities - Detroit, Grand Rapids and Lansing - are lagging behind other states and cities in creating high-wage jobs that require a college degree.

That fact could doom the state to second-class status unless more is done to increase the proportion of college graduates in Michigan, particularly in the state's major metropolitan areas, according to the study released Monday by Ann Arbor-based Michigan Future Inc.

Between 2000 and 2006, Michigan remained 34th in the country in the percentage of population aged 25 or more with a bachelor's degree. During that same time period, it saw its per-capita income fall from 16th to 26th nationally.

That's largely because of all the auto manufacturing jobs the state has lost. To bounce back, the study says Michigan needs to have more residents get college degrees so it can compete for jobs in information, finance and insurance, management, professional and technical services, health care and education.

"Our best guess is that, unless we substantially increase the proportion of college educated adults in Michigan - particularly in our biggest metropolitan areas - we will continue to trend downwards in the per-capita income ranking toward the mid-30s," the study says.

Knowledge-based

"Building a strong knowledge-based economy in metropolitan Detroit, Grand Rapids and Lansing is the central challenge we must meet if we are to create a high prosperity Michigan."

The report notes that thriving, major metropolitan areas are one factor that all 10 states - except Wyoming - with the highest per capita income have in common. In general, all of those metropolitan areas have an even higher per capita income rate than the states in which they're located, and a high proportion of well-educated residents.

"So metropolitan Detroit and metropolitan Grand Rapids and, to a far lesser degree, metropolitan Lansing are highly likely to be the main drivers of a prosperous Michigan. In fact, it is hard to imagine a high prosperity Michigan without an even higher prosperity metropolitan Detroit," the report says.

'Need a new agenda'

Michigan Future President Lou Glazer said in a phone interview that the state is on the wrong track trying to give cutting-edge businesses startup money through the 21st Century Jobs Fund or repeatedly cutting taxes to try to lure businesses here.

"Our basic sense is, if you cannot change the maps - the maps being where the talent is located - then you can't grow a knowledge economy here," he said. "We need a new agenda. We're not working on the talent part of it."

The report calls for more investment in higher education, something that has suffered as the state has struggled with tight budgets in recent years, leading Michigan to have one of the nation's worst records for additional investments in higher education.

Michigan's 15 state universities are getting less in state aid for operations now than they did in the 2002 fiscal year, resulting in tuition increases that sometimes have risen to double digits. Gov. Jennifer Granholm last week proposed giving an overall 3 percent increase to universities in the next budget year.

Revitalize downtowns

The report also calls for more investment - public and private - in downtown areas of major cities to make them more attractive to young, highly educated workers.

"Places that are doing well have made ... revitalizing central city neighborhoods - transit, arts, outdoor parks - the priorities," Glazer said, pointing to Chicago's investment in Millennium Park, which has drawn private investors to the surrounding area and made the city a draw for young professionals, including Michiganians.

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