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Lansing can be economic engine, report says

Think tank suggests area businesses need to halt brain drain of MSU grads

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The Lansing area can be one of the economic engines of Michigan if its leaders can figure out how to attract and retain the college graduates driving knowledge industries.

But first, the region will have to overcome a drain of young, educated talent to other areas, according to a new report by Ann Arbor think tank Michigan Future Inc.

"If economic development strategy isn't focused on concentrating talent, you're not going to be successful," Michigan Future President Lou Glazer said Tuesday.

"Smart people are mobile. Where they go, robust economic activity follows."

Between 2000 and 2005, Michigan dropped from the 16th highest per capita income in the nation to No. 26, according to the report, "Michigan's Transition to a Knowledge-Based Economy."

Because the most prosperous U.S. metropolitan areas also have the highest number of people with college degrees, Michigan isn't likely to fare well in the future, the report finds.

The state is ranked No. 34 for college attainment.

"As long as educational attainment is 34, our per capital income is going to be in the mid-30s," Glazer said.

In the Lansing area, about 29 percent of residents older than age 25 have bachelor's degrees or higher.

That's far below the 39 percent of the population in Madison, Wis., a city that's also a state capital and has a major research university, the report says.

That difference also shows in income levels. The per capita income in the Lansing area in 2005 was \$29,583, compared with \$38,302 in Madison.

Key to improving those numbers is boosting the retention rate of students who graduate from Michigan State University, said Ron Grimes, a University of Michigan researcher who helped author the report.

"If you can get that, then you're going to look like Madison," Grimes said.

Businesses and organizations are starting to do the right things, said Bill Sepic, president and chief executive officer of the Lansing Regional Chamber of Commerce.

"I see nothing in this report but opportunity," he said.

Sepic pointed toward more involvement by Michigan State University to help start businesses locally, a changing downtown landscape and growth at a number of insurance companies headquartered locally.

Doug Stites, CEO of work force development agency Capital Area Michigan Works, said area businesses are working to connect with MSU students. That should help companies fill high-skilled jobs, he said.

The Capital Area IT Council, for instance, has brought MSU students to tour downtown lofts and area information technology companies. Many companies also are adding internship opportunities.

"By the time they get to be a senior, they say, 'This is where I work, why would I want to go anywhere?' " Stites said.

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