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A TIME FOR ACTION

Lou Glazer: Michigan needs to shift to a culture that values education

By [Sherri Welch](#)

Michigan fell to 36th in per-capita income in 2008, down 10 spots from just two years earlier as the state continues to lag in developing a more highly educated workforce.

"That's an unprecedented decline," said Lou Glazer, president of Ann Arbor-based **Michigan Future Inc.** "We almost literally fell off the cliff — we do not know of any other state that has fallen that far, that fast."

Michigan ranked 18th in per-capita income in 2000 and 26th in 2006, according to three previous reports from the think tank.

The state continues to decline because it doesn't have enough of the most important asset to a knowledge-based economy — workforce talent and a college-educated workforce, Glazer said.

Since the recession began in December 2007, the country has lost 8.3 million jobs. Of those, 7.9 million were in low-education industries such as manufacturing, construction, retail, temporary services and hospitality, Glazer said.

Jobs in industries that rely on higher levels of education, like information technology, finance/insurance, professional and technical services, health care and education, have actually held up, for the most part, losing just 400,000 jobs during the same period, he said.

The findings are laid out in Michigan Future's third update to the "New Agenda for a New Michigan," which was to be released Thursday at the **Detroit Regional Chamber's Mackinac Policy Conference** and available at www.michiganfuture.org.

The report is funded by Flint-based **Charles Stewart Mott Foundation**, Grand Rapids-based **Frey Foundation**, Detroit-based **Hudson-Webber Foundation** and the **Herbert H. and Grace A. Dow Foundation** in Midland.

In addition to reinforcing the importance of talent with higher education and a stronger entrepreneurial focus to a region's economic growth, the new report hitches the state's success primarily to that of metro Detroit, but also the Grand Rapids and Lansing metro areas.

All of the high-prosperity states have big metropolitan areas with even higher per-capita income, because the knowledge economy is concentrating in big metro areas, Glazer said.

The biggest answer to Michigan's rapid per-capita income decline is a shift to a culture that values education, Glazer said. It's clear that a high majority of the state's residents still think we can resurrect the manufacturing economy, he said.

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"I think the best way to do it is to create schools with a college-going culture, in addition to trying to get parents to deliver the message," Glazer said. "The second thing is when they graduate from college, you've got to keep them here. That's where we've been arguing for a while — quality of place and vibrant central cities matter."

The report points to the Pittsburgh metro area as proof that a region can be prosperous even after the loss of a high-wage manufacturing industry.

During its boom time around 1977, about 14 percent of metro Pittsburgh's income was from the steel industry, Glazer said. Today, just 2 percent of its income is tied to that industry, yet today, it's back to its former per-capita income peak ranking of 16th, thanks to its shift to knowledge-based industries.

Glazer's research through Michigan Future shows that the region and state should be driving its economic-development strategies around the preparation, attraction and retention of talent, said Katy Locker, program director at Hudson-Webber.

The foundation is not only helping to fund Michigan Future's work but also using it to inform other areas of its grant making. "So long as (Glazer is) doing this work, we're likely to continue to support it," Locker said.

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