

Study: Education key, as blue-collar industries losing jobs at accelerated rate in Michigan

By Jonathan Oosting | MLive.com

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Michigan's economic future begins with education, as factory and construction jobs continue to leave the country and state at an accelerated rate, according to a new report from Michigan Future Inc. a non-profit, non-partisan think tank based in Ann Arbor.

According to the report, titled "**Michigan's transition to a knowledge-based economy**," industries requiring a low level of educational attainment accounted for 7.9 million of the 8.3 million job lost across the nation since the current recession began in 2007.

And since the start of the decade, no state's per capita income level has fallen further than Michigan, which ranked 36th in the nation for 2008 after nearly a century in the top 20.

"What made us prosperous in the 20th century, a high-paying, blue-collar economy, is gone forever," Louis Glazer, president of Michigan Future, said Thursday at the Detroit Regional Chamber's **2010 Mackinac Policy Conference**.

But attracting new jobs will not be enough to turn around the state's sluggish economy, according to the report. Instead, Michigan must attract the right jobs, those that pay well and have proven less likely to disappear during tough times.

"We have two choices," Glazer said, "make the transition to a knowledge-based economy or get poor."

Despite the national recession, there are states that have seen relative prosperity growth.

What do they have in common?

No, it's not low taxes, warm weather or geography.

Rather, the report indicates states that have prospered in recent years have a high concentration of jobs in high-education professions, have high proportions of residents with four-year degrees and have a major metropolitan area that is more prosperous than the rest of the state.

The study points to Minnesota -- which has the highest percentage of population holding a bachelors degree, the lowest unemployment rate and the highest per capita income -- as the most successful Great Lakes state.

"We are at crossroads," said David Egner, head of the New Economy Initiative. " We can settle for low-paying, low-education jobs like many states. Or we can shoot for high-paying, high-education jobs like Minnesota and some of the other Great Lakes states."

In order to realize a sustainable level of prosperity, Glazer suggested Michigan needs to invest in three areas: K-12 education, higher education



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Louis Glazer presents the results of a study examining the country's 12 most prosperous states and what they did to get that way on the porch of the Grand Hotel at the 2010 Mackinac Policy Conference.

HARD TRUTHS

According to the report, there are several hard truths Michigan must confront:

- The auto industry will never again be the major engine of prosperity in Michigan. Even if the domestic auto industry survives the current downturn, it will be substantially smaller, employ far fewer and will pay its workers less with fewer benefits.
- The decline in autos is part of an irreversible new reality that manufacturing (work done in factories) is

and quality of place, particularly a vibrant central city.

"Ultimately, for Michigan to work, Metro Detroit has to work and the City of Detroit has to work," he said.

Easier said than done, as Metro Detroit ranks 36th in per capita income in the nation's 55 largest metropolitan areas, ahead of Metro Grand Rapids, which ranked 53rd.

But the report suggests Pittsburgh could provide a viable method for Detroit to follow.

Despite a precipitous decline in steel-industry jobs, which mirrors the auto industry fallout in our state, Pittsburgh successfully diversified its economy with a long-term investment in attracting a knowledge-based economy.

"Since the collapse of steel more than 25 years ago, metro Pittsburgh has regained prosperity," Glazer said. "In 2008, its per capita income was at 104 percent of the national average. The point of this comparison is imply Michigan, and our metropolitan areas, can come back from this slum we're in. There are no quick fixes. It won't be easy, it won't be pretty, but it can be done."

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(work done in factories) is no longer a sustainable source of high-paid jobs. Nor is it a source of future job growth. Manufacturing makes up less than 10 percent of the American workforce today and is declining.

- The other industries that are widely believed to be drivers of the Michigan economy – farming and tourism – are also not a source of lots of good-paying jobs. Less than 2 percent of Michiganians work on a farm and, on average, it is not a high paying industry. And tourism, although a likely source of job growth, is also a low-wage industry.

[Read the full report here.](#)