A Path to Good-paying Careers for all Michiganders: A 21st Century state policy agenda
For the first time ever Michigan is a low prosperity state with a strong auto industry
Change in real median Household Income by county, 1999-2014

Source: U.S. Census Bureau, author's calculations.
40% of Michigan household can’t afford basic necessities
Why?

• Not enough of us work
• Not enough of us work in good-paying jobs
• Our education attainment is too low
25% of households, mainly those with at least one adult with a four year degree doing well, the remaining 75% with stagnant or declining incomes.
Racial discrimination is an ongoing reality in employment, education, housing and the criminal justice system, but class is now the main dividing line in America and increasingly class is defined by college attainment.
<table>
<thead>
<tr>
<th>Category</th>
<th>Change 2010-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial and Professional office</td>
<td>1,781,000</td>
</tr>
<tr>
<td>STEM</td>
<td>881,000</td>
</tr>
<tr>
<td>Healthcare professional and technical</td>
<td>445,000</td>
</tr>
<tr>
<td>Sales and office support</td>
<td>124,000</td>
</tr>
<tr>
<td>Community services and the arts</td>
<td>13,000</td>
</tr>
<tr>
<td>Food and personal services</td>
<td>4,000</td>
</tr>
<tr>
<td>Blue collar</td>
<td>-71,000</td>
</tr>
<tr>
<td>Education</td>
<td>-181,000</td>
</tr>
</tbody>
</table>

Net employment change in high-wage occupations, 2010-2014

Georgetown University Center on Education and the Workforce
Earnings and unemployment rates by educational attainment, 2015

Median usual weekly earnings

- Doctoral degree: $1,623
- Professional degree: $1,730
- Master's degree: $1,341
- Bachelor's degree: $1,137
- Associate's degree: $798
- Some college, no degree: $738
- High school diploma: $678
- Less than a high school...: $493

% unemployment rate

- All workers: 4.3%
- All workers: $860

U.S. Net New Job Gains
Dec. 07-Jan. 16

Jobs in Millions

- Bachelors degree or more: 8.6
- Some college/associates degree: 1.3
- High school or less: -5.5

Georgetown University: America’s Divided Recovery, 2016
The Second Machine Age
Work transformed

• Increasingly service-providing not goods-producing
• Good-paying work increasingly professionals and managers who work in offices, schools and hospitals
• Your job and occupation and the enterprise you work for are less secure today than yesterday and even less secure tomorrow than today
• Increasingly right brain
• Increasingly contingent: more and more of us working for Yourself, not an employer
Successful forty year careers will go to those with the best rock climbing and free agent skills
What can we do to achieve rising household income for all Michiganders?
Make a rising household income for all the goal of state economic policy

A Michigan with a broad middle class where wages and benefits allows one to pay the bills, save for retirement and the kids’ education and pass on a better opportunity to the next generation.
Good-paying jobs are the best social program

So we need to develop policies that help Michiganders get good-paying jobs and careers that are *aligned with the realities of future work*—rather than trying to turn the clock back.
State policy levers that matter most to rising household income

• Preparing Michiganders for good-paying 21st Century careers

• Creating places where talent wants to live and work

• Sharing prosperity with those not in the high-wage knowledge-based economy
The education agenda
Becoming Brilliant
What Science Tells Us About Raising Successful Children

ROBERTA MICHIKNICK GOLINKOFF, PhD
and KATHY HIRSH-PASEK, PhD
The 6 C’s

Collaboration  Communication  Content  Critical thinking  Creativity  Confidence
What needs to change?

• Standards
• Assessments
• Pedagogy
• Accountability

• Talent
• Funding
• Segregation
• Unregulated choice
The placemaking agenda

Place attracts talent
Talent drives economic success
What needs to change?

• Welcoming to all

• State regional and local funding of quality infrastructure, basic services, amenities

• Economies are regional. They need flexibility to develop and implement their own retaining and attracting talent strategies

• Substantial increase in returning state revenue from the state to local governments, preferably encouraging regional cooperation

• Removing restrictions on local government taxing authority, including a local/regional sales tax option

• State and local development friendly regulations that facilitate the creation of high-density, walkable, high-amenity neighborhoods in our cities and inner ring suburbs
The shared prosperity agenda

There are now and in the future many jobs that do not require high skills and will not command high or rising wages
What needs to change?

• Helping more Michiganders get work through a combination of income supports and comprehensive and customized case management

• Using TANF as intended

• Augmenting wages and benefits through some combination of employer mandates and/or a strengthened safety net.

• Reforming the criminal justice system: Fewer imprisoned, shorter time spent in prison, removing barriers to work when released.
How do we pay for this?

Low tax states are not the most prosperous states.

High human capital states are
<table>
<thead>
<tr>
<th>States</th>
<th>Rank in per capita income, 2015</th>
<th>Rank in college attainment, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>New Jersey</td>
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<td>5</td>
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<tr>
<td>New York</td>
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<tr>
<td>Alaska</td>
<td>5</td>
<td>24</td>
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<tr>
<td>Wyoming</td>
<td>6</td>
<td>39</td>
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<tr>
<td>Maryland</td>
<td>7</td>
<td>3</td>
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<tr>
<td>North Dakota</td>
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<td>California</td>
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<td>Washington</td>
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<tr>
<td>Illinois</td>
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<td>12</td>
</tr>
<tr>
<td>Michigan</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>
Michigan has become less and less prosperous as our taxes have gotten lower and lower.
Minnesota is the Great Lakes leader 
Ranks 3rd nationally in the proportion of adults who work 
14th in per capita income 
With highest taxes in the Great Lakes
We can build a Michigan economy that lifts the income of all

But we can only do that if:

• We make that the goal of state economic policy
• We prepare people for the good-paying work of the future
• We make public investments in
  • Education from birth through retirement
  • Creating places where people want to live and work
• Shared prosperity