



# MICHIGAN FUTURE INC.

A Catalyst for Prosperity

[www.michiganfuture.org](http://www.michiganfuture.org)



MICHIGAN  
FUTURE INC.

A Catalyst for Prosperity

# Our goal

# A high prosperity Michigan

# THE NEW PATH TO PROSPERITY:

LESSONS FOR MICHIGAN FROM  
TWO DECADES OF ECONOMIC CHANGE



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Senior Research Specialist  
Institute for Research on Labor,  
Employment and the Economy  
University of Michigan

Foundation



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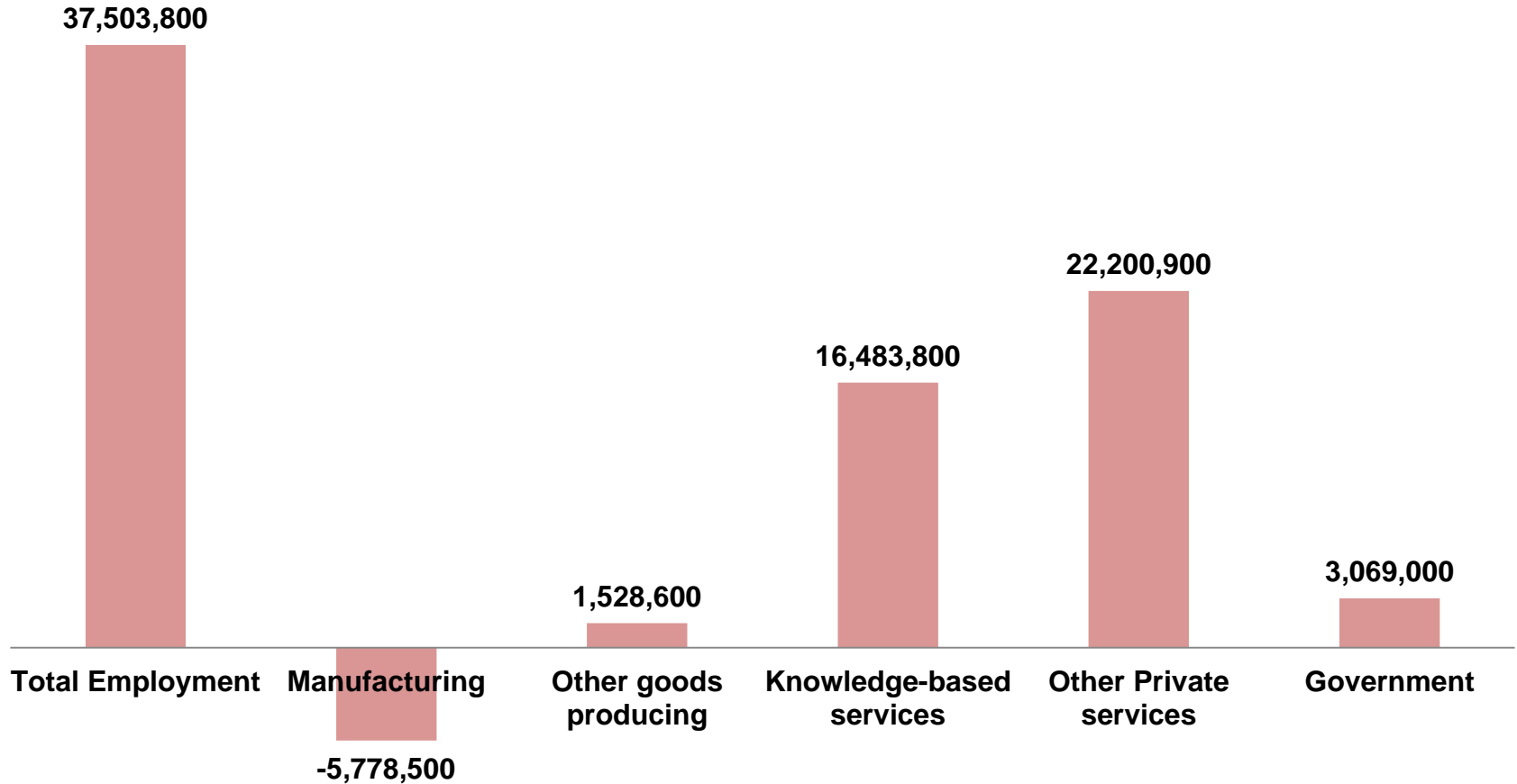
*A Catalyst for Prosperity*



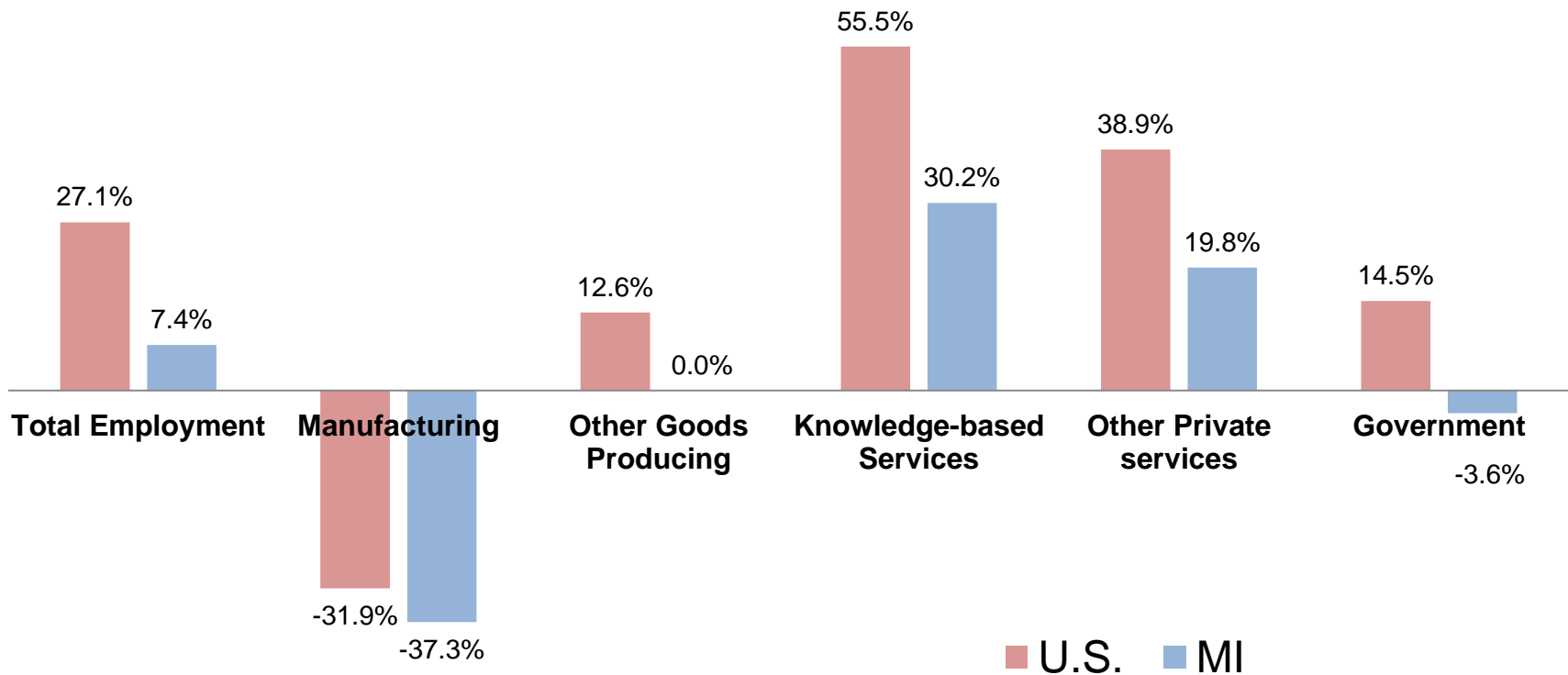
**MICHIGAN FUTURE INC.**  
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**October 2013**

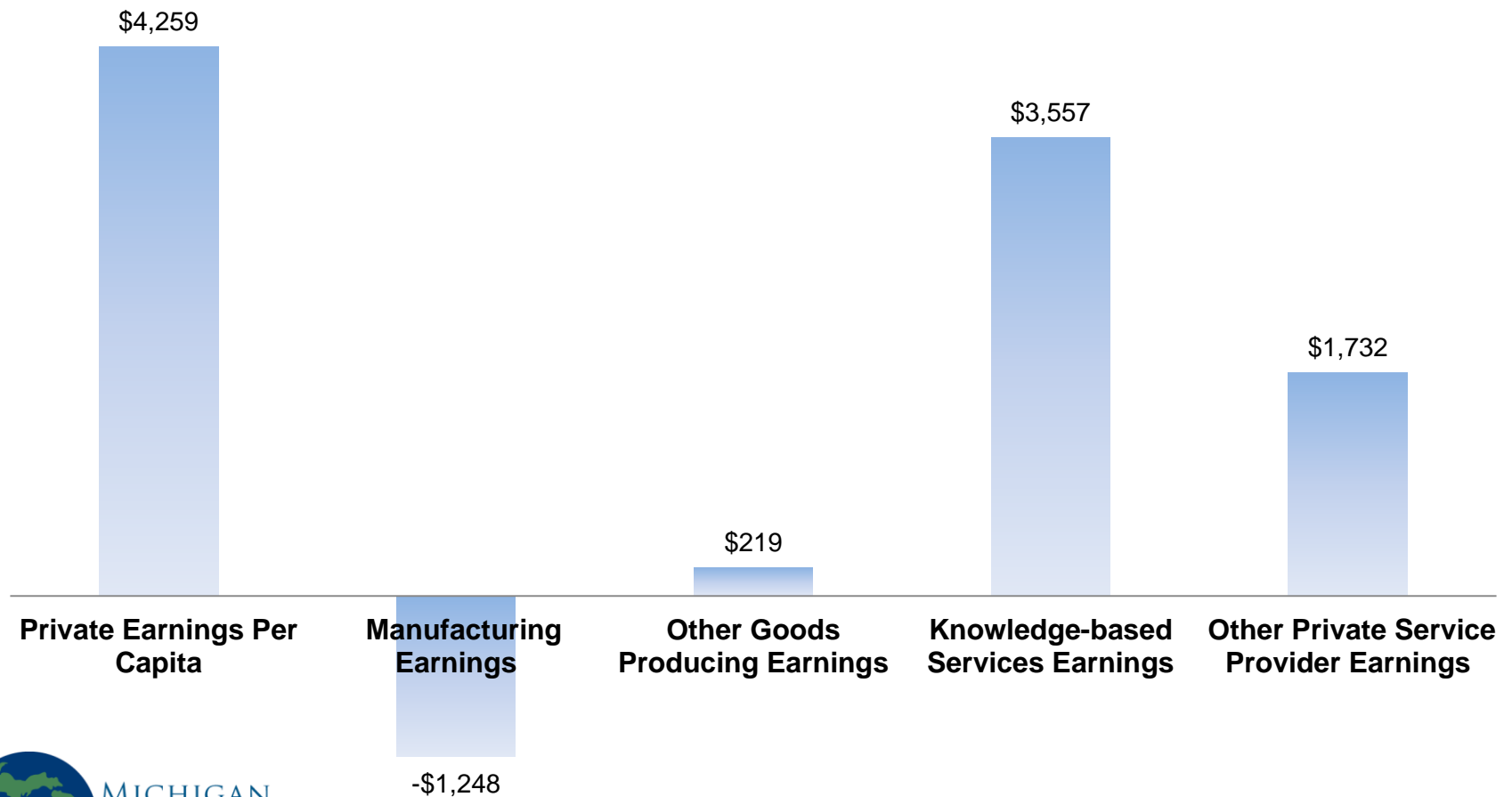
# US change in employment by sector, 1990-2011



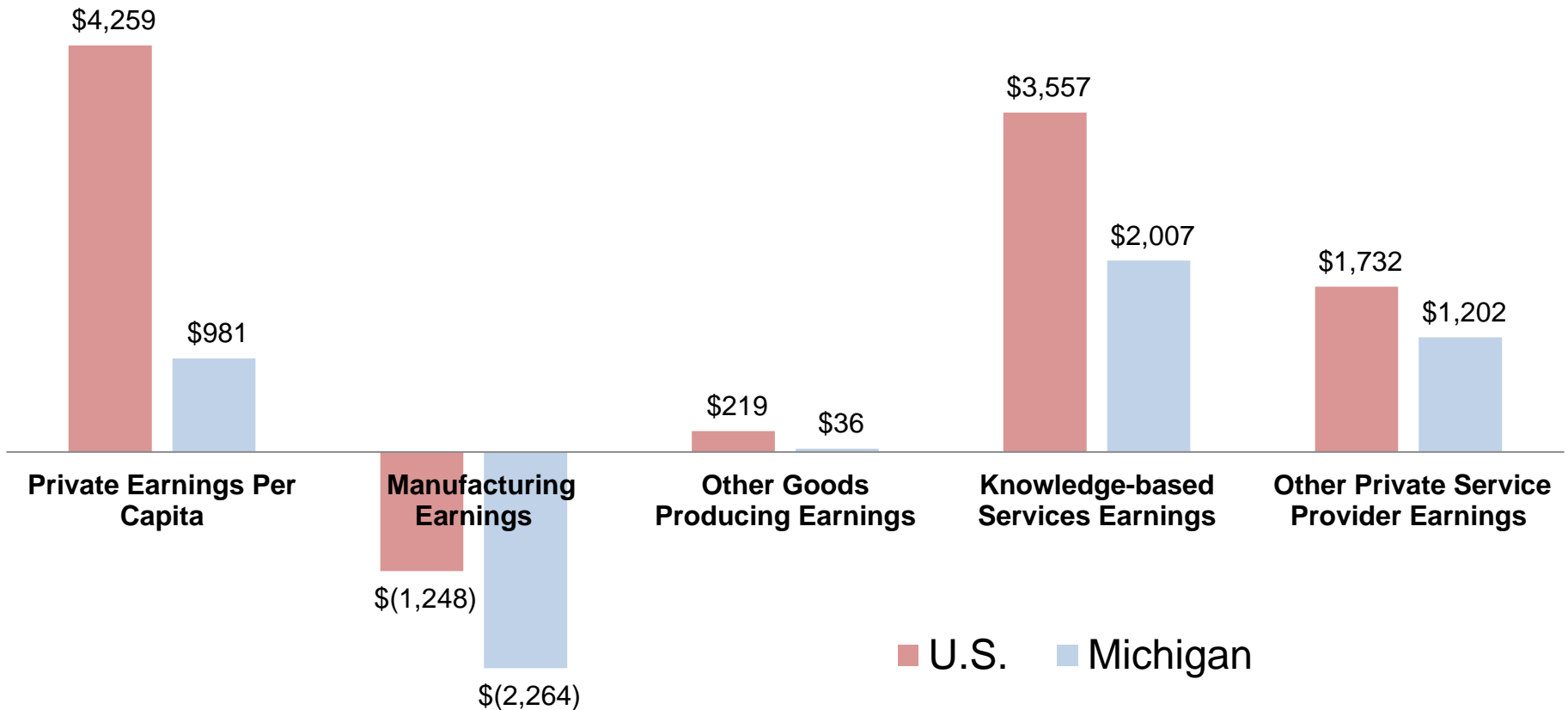
# US and Michigan change in employment by sector, 1990-2011



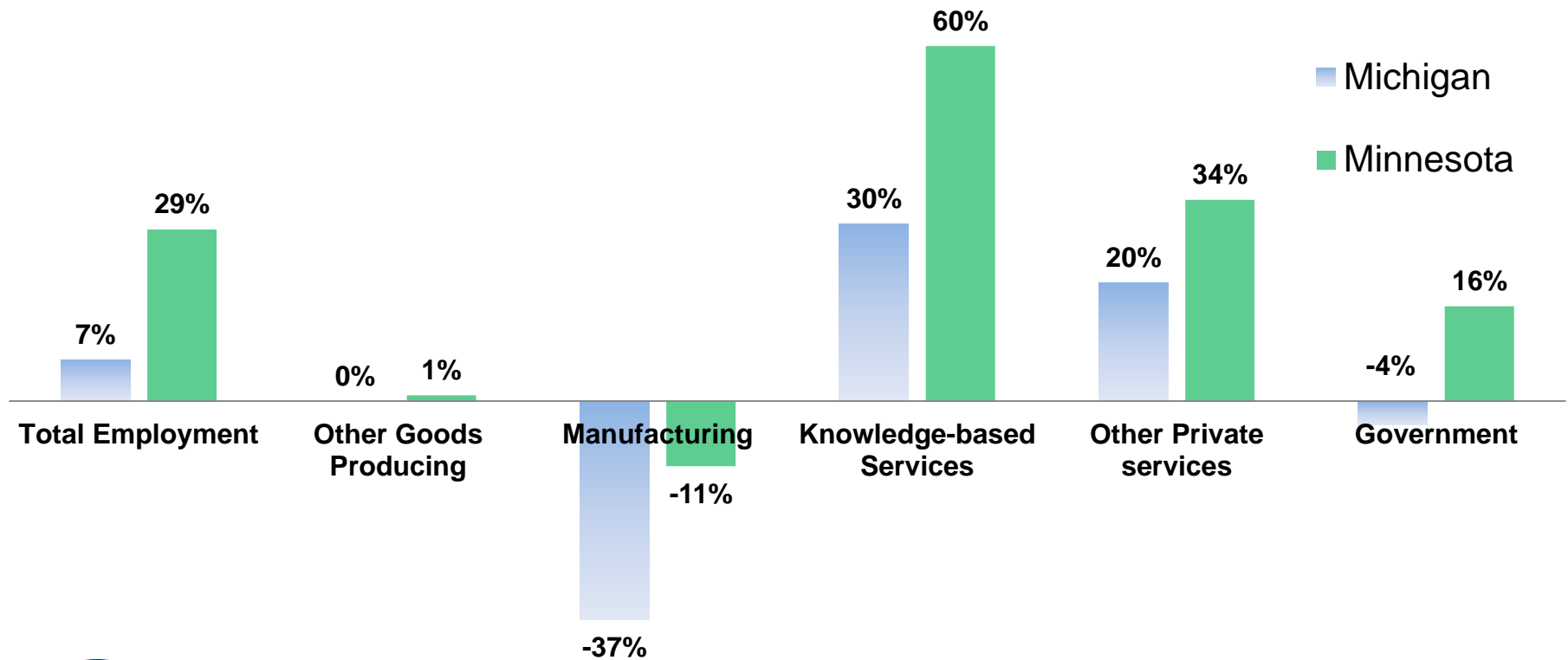
# Change in US private sector earnings per capita by sector, 1990-2011



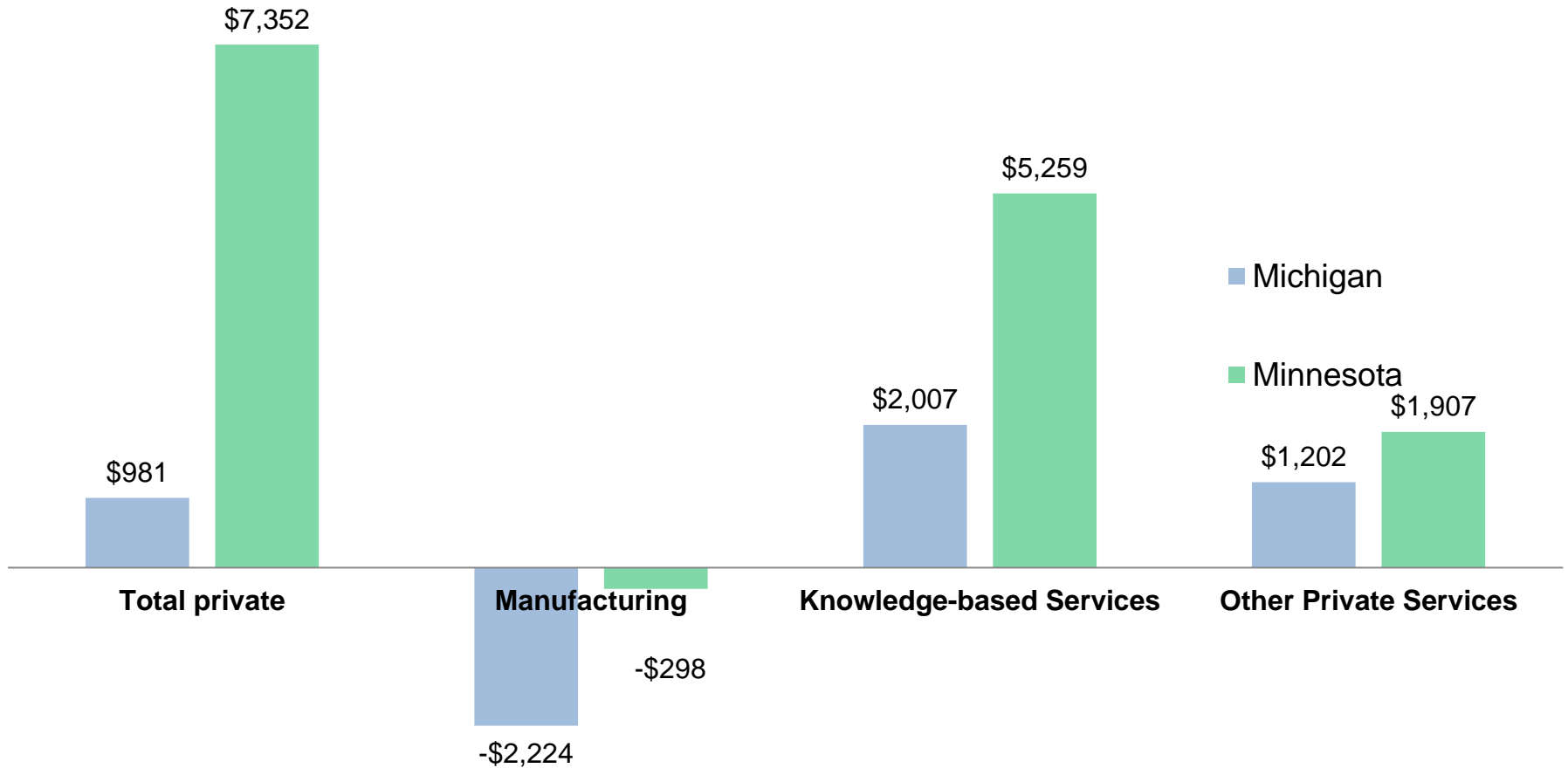
# Change in private sector employment earnings per capita by sector, 1990-2011, US and MI



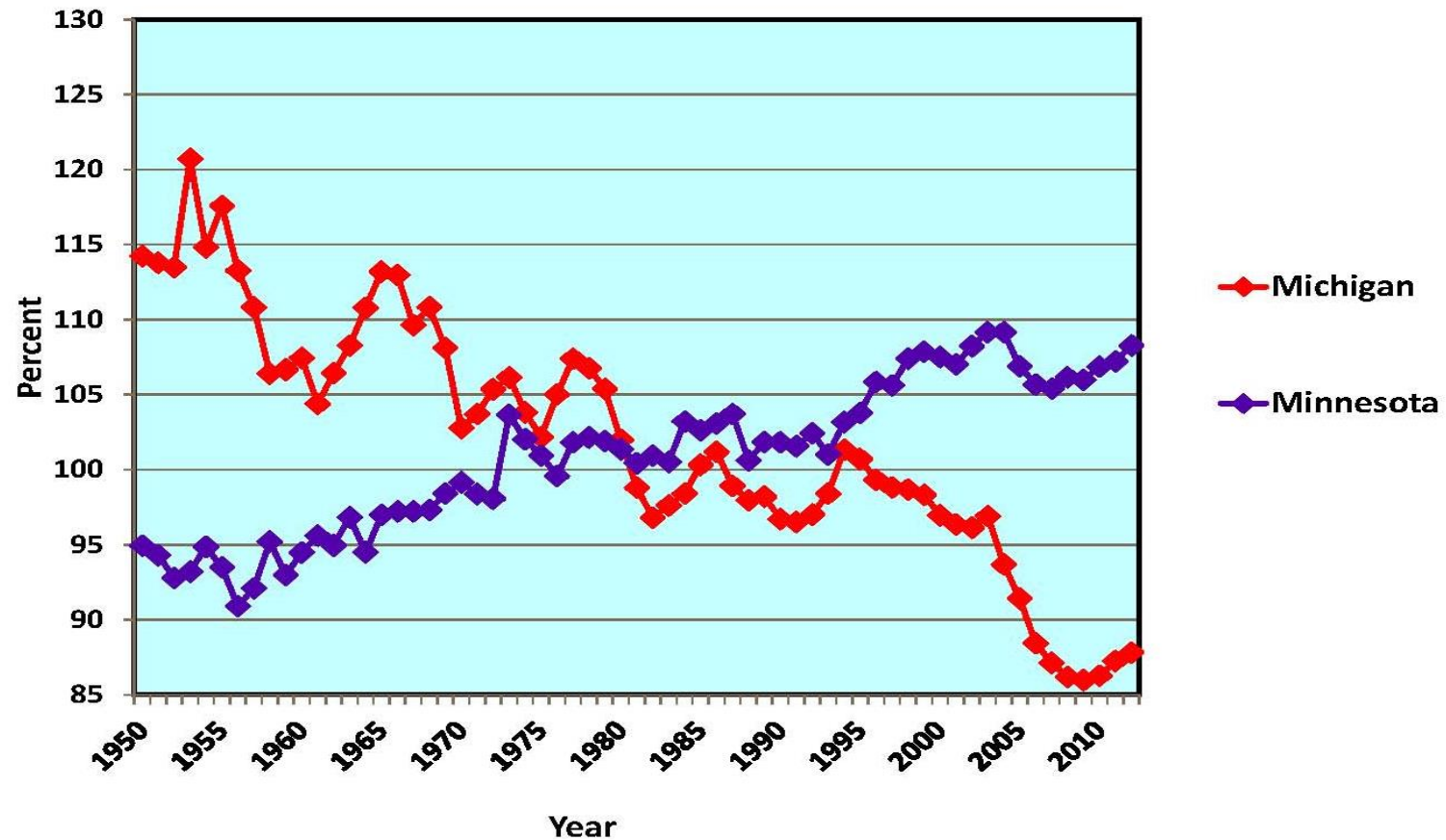
# Change in employment by sector, 1990 to 2011



# Change in private sector employment earnings per capita, 1990-2011



Per-Capita Personal Income in Minnesota and Michigan,  
As a Percent of the U.S. Average, 1950-2012



# What are knowledge-based services?

- Finance and insurance
- Information
- Professional services
- Management of companies
- Private health care and social services

# Traits of prosperous states

- High proportion of wages from knowledge industries
- High proportion of college grads
- Big metro with higher per cap income than state
- Largest city in that metro has high proportion of college grads

# Traits of prosperous states

Top 10 income (private non-natural resources)	Big Metro (3 million or more)	Big Metro College Attainment
Massachusetts	Boston	37.5%
Connecticut	New York	35.6%
New York	New York	35.6%
New Jersey	New York/Philadelphia	35.6% / 31.3%
Minnesota	Minneapolis	36.2%
New Hampshire	Boston	37.5%
Illinois	Chicago	33.2%
Delaware	Philadelphia	31.3%
Colorado	Denver	38.5%
California	Los Angeles / San Jose / San Diego	27.8% / 41.4 / 34.6
Michigan (36 <sup>th</sup> )	Detroit	26.7



# Our conclusion:

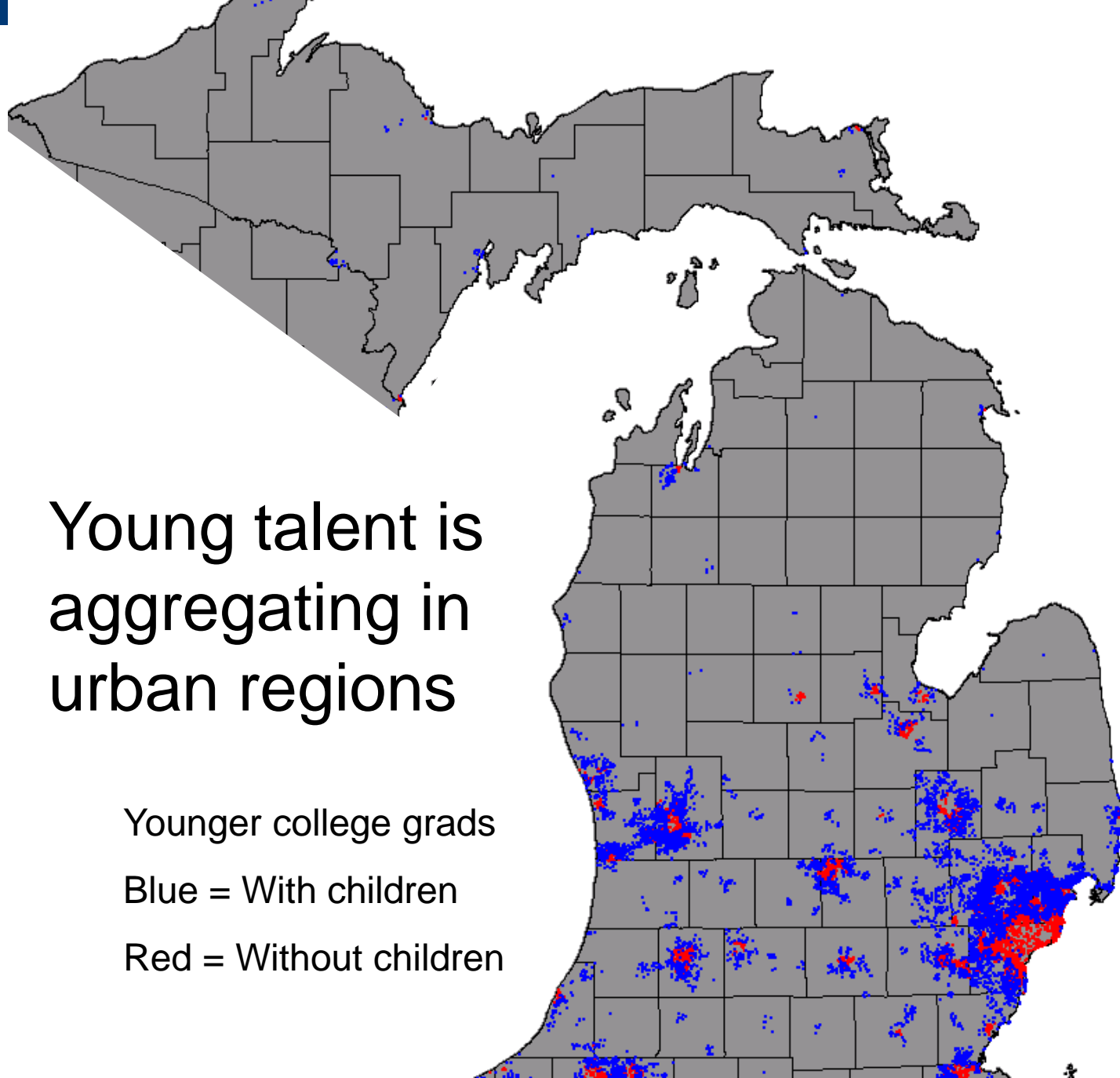
The places with the greatest  
concentration of talent win!

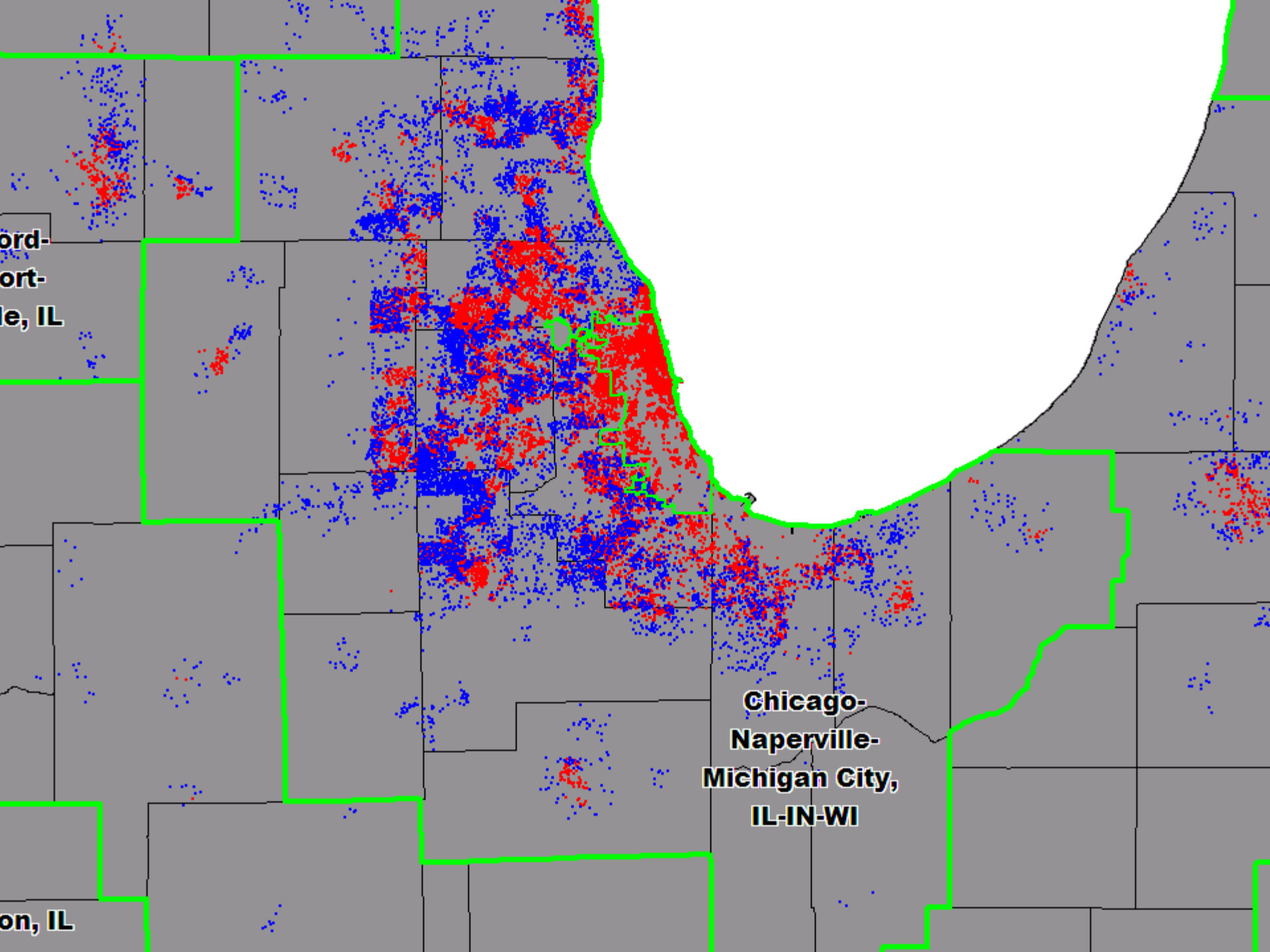
# Young talent is aggregating in urban regions

Younger college grads

Blue = With children

Red = Without children

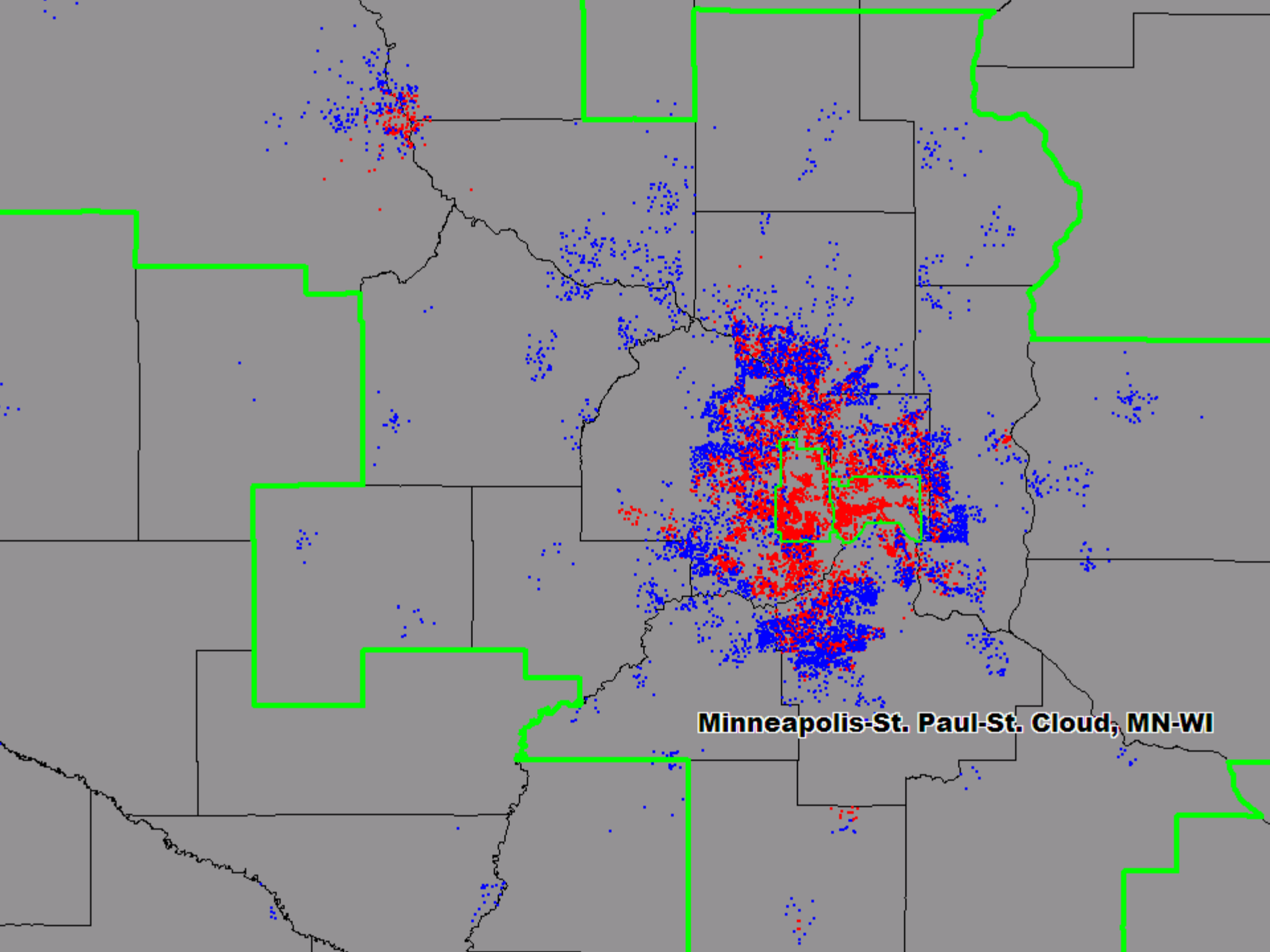




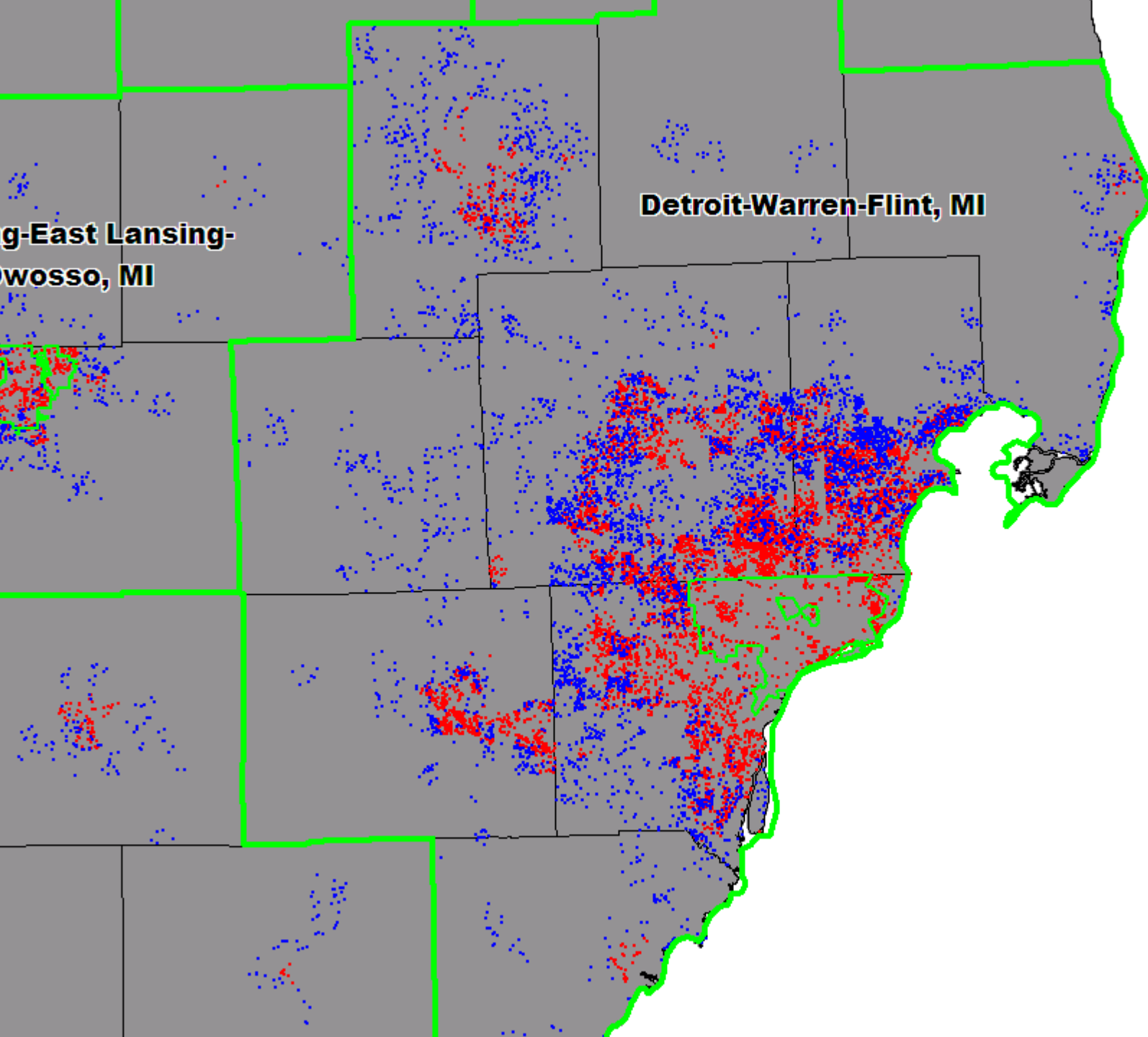
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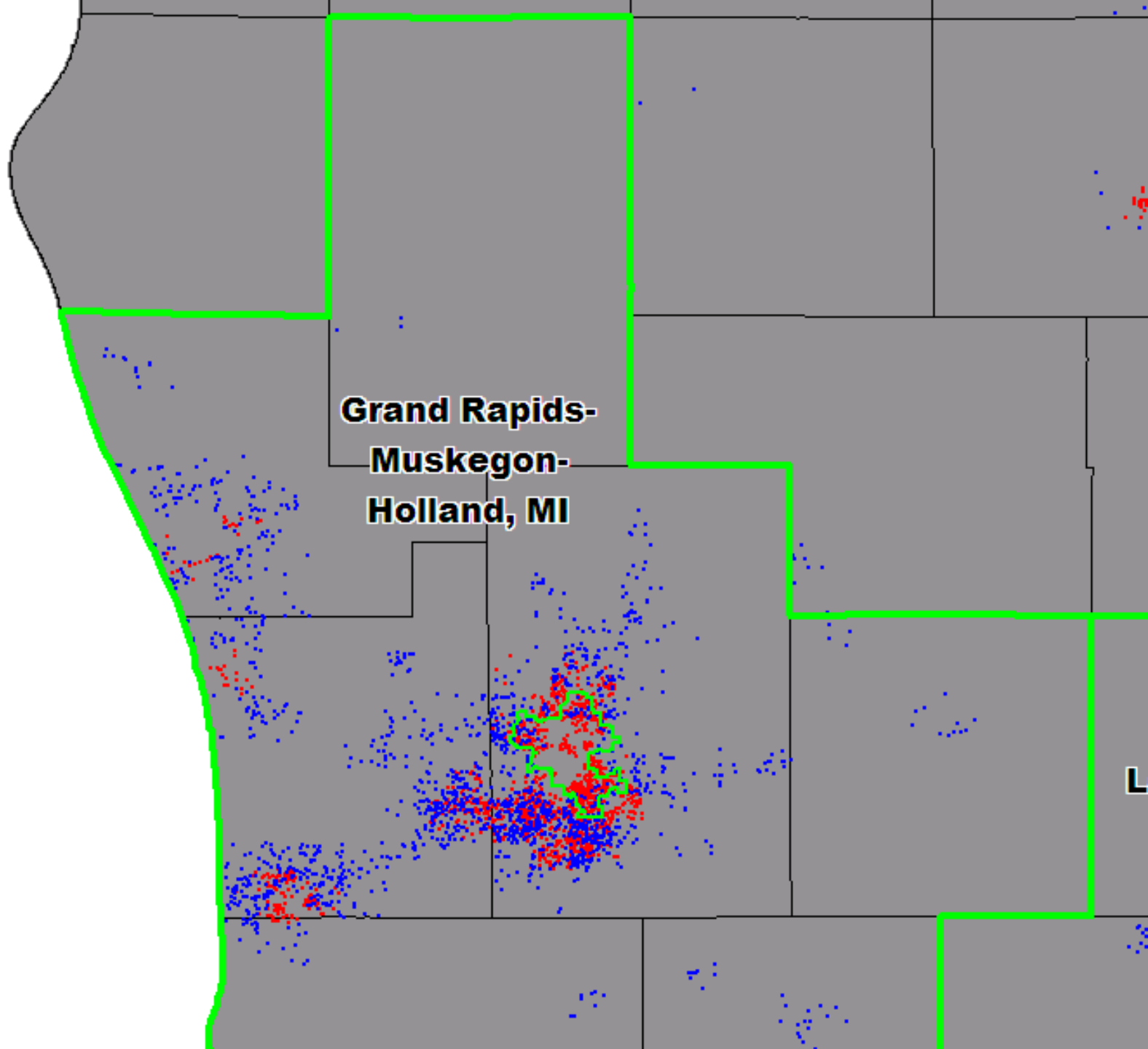
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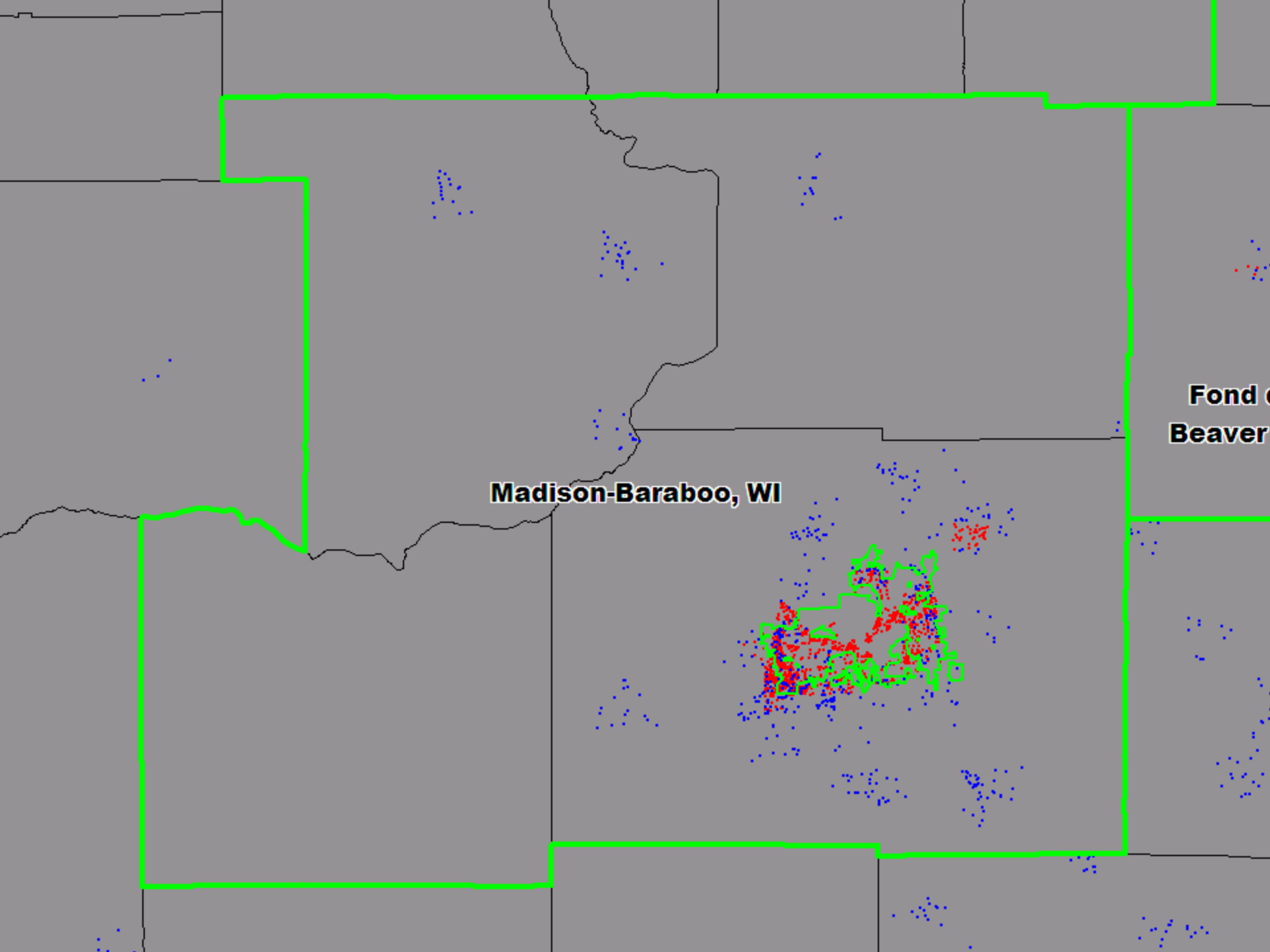
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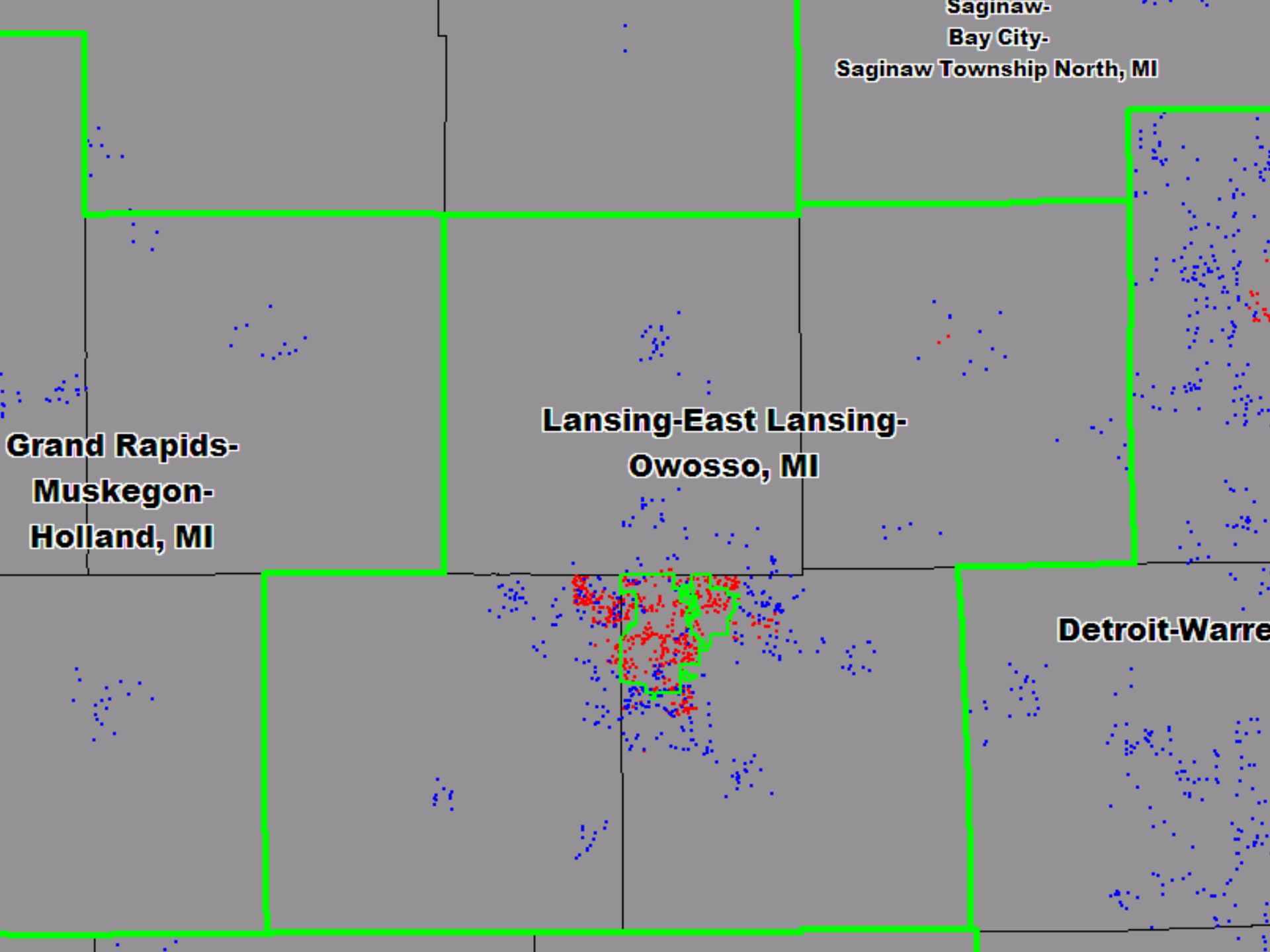


**Minneapolis-St. Paul-St. Cloud, MN-WI**









I have long believed that **talent attracts capital** far more effectively and consistently than capital attracts talent. The most creative individuals want to live in places that protect personal freedoms, prize diversity and offer an abundance of cultural opportunities. A **city that wants to attract** creators must offer a fertile breeding ground for new ideas and innovations.

...Economists may not say it this way, but the truth of the matter is: **being cool counts**. When people can find inspiration in a community that also offers great parks, safe streets and extensive mass transit, they vote with their feet.

Former New York City Mayor

Michael Bloomberg

Financial Times

March 27, 2012

In the 20th century, the most valuable assets to job creators were **financial and material capital**.

In a changing global economy, that is no longer the case. Today, **talent** has surpassed other resources as the driver of economic growth.

Governor Rick Snyder

Special Message on Talent

December 1, 2011

# Bottom line

We must get younger  
and better educated  
or  
we will get poorer

For more information about Michigan Future,  
our reports or what the media is saying,  
please visit our Web site at:

[www.MichiganFuture.org](http://www.MichiganFuture.org)