Michigan’s transition to a knowledge-based economy

First Annual Progress report
By Michigan Future, Inc.

Most prosperous states

- Connecticut
- New Jersey
- Massachusetts
- New York
- Maryland
- Wyoming
- New Hampshire
- Colorado
- Virginia
- California
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

Michigan’s income rank aligning with our college attainment rank
Most prosperous regions

- San Jose/San Fran.
- Washington/Baltimore
- NY/Newark
- Boston/Worchester/Manchester (NH)
- Hartford
- Denver/Boulder
- Minneapolis/St. Paul
- San Diego
- Seattle
- Philadelphia

Major metros win! Smarter…
Major metros win! Richer

<table>
<thead>
<tr>
<th>Per cap income</th>
<th>$25,000</th>
<th>$27,000</th>
<th>$29,000</th>
<th>$31,000</th>
<th>$33,000</th>
<th>$35,000</th>
<th>$37,000</th>
<th>$39,000</th>
<th>$41,000</th>
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<tbody>
<tr>
<td>Under 1.0 m</td>
<td>$28,583</td>
<td>$33,140</td>
<td>$34,853</td>
<td>$39,601</td>
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<td>1.0-1.6 m</td>
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<td>$33,140</td>
<td>$34,853</td>
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<td>1.6-3.5 m</td>
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<td>$34,853</td>
<td>$39,601</td>
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<td>3.5 m or more</td>
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<td>$39,601</td>
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</tbody>
</table>

Major metros win! Fewer poor

| % under $25K | 30 | 25.6 | 23 | 20.8 | 22.2 | 20.8 | 18  |
| % over $75K  | 30  | 27.7 | 30.5 | 37.2 |      |      |     |
Michigan struggling

Michigan
Detroit
GR

Job growth, U.S.

Row: 0, Column: 0, Width: 612.0, Height: 792.0

Percent change 2001-05

All industry
Low education
High education

$40,677
$31,995
$52,980
Job growth, Michigan

- Job growth for different education levels:
  - All industry: $41,214
  - Low education: $35,725
  - High education: $49,629

- Younger college grads: Blue = With children, Red = Without children

Young talent is aggregating in urban regions

Younger college grads
Blue = With children
Red = Without children
Our recommendations

- Build culture that values learning and entrepreneurship
- Create places where young talent wants to live
- Ensure success of vibrant, agile higher ed system
- Transform teaching and learning to align with flat world
- Make the talent agenda Michigan’s priority

Bottom line

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