



REGIONAL PROSPERITY STRATEGY EAST CENTRAL MICHIGAN PROJECT ROLLOUT

TIP STRATEGIES, INC.

JEFF MARCELL • JOHN KARRAS

17 DECEMBER 2014

AGENDA

- How We Got Here
- The National Landscape
- Regional Economic Trends
- Target Industries
- Challenges, Assets & Opportunities
- Regional Prosperity Strategy
- Next Steps





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HOW WE GOT HERE

WHAT WE'VE DONE



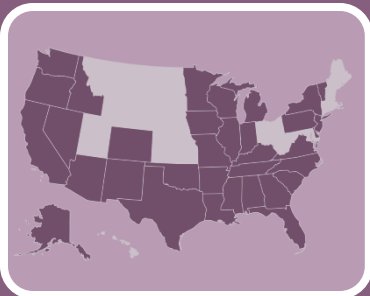
What you told us

- Strategic Management Team meetings
- Roundtable discussions
- Stakeholder interviews



What the data told us

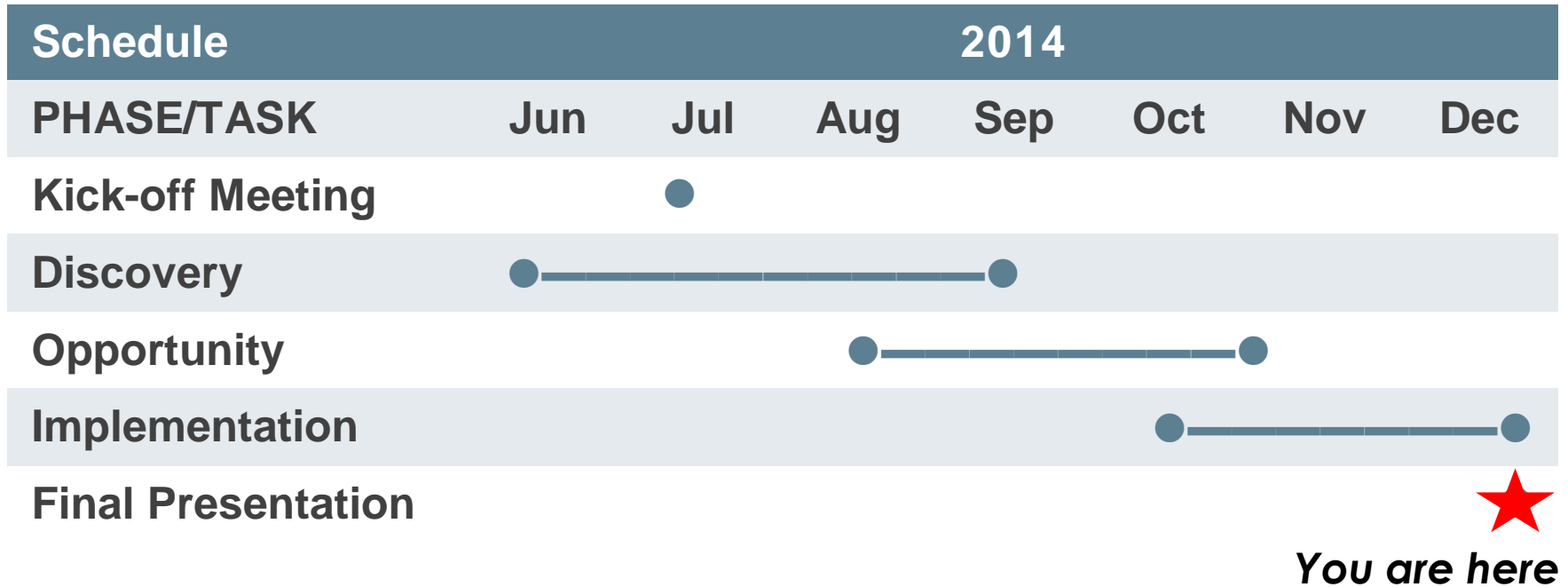
- Regional economic assessment
- Statistical benchmarking vs. peer regions
- Target industry & occupational analysis



What our experience tells us

- Goals & strategies
- Best practices
- Trends in economic development

PROJECT TIMELINE



STRATEGIC MANAGEMENT TEAM

- Jane Fitzpatrick, EMCOG (Project Manager)
- Karrie Ballard, ETC Clare/Gladwin adult ed.
- Doug Bell, Saginaw County MPO
- Janet Bloomfield, Central Area Michigan Works!
- Frank Cloutier, Saginaw Chippewa Indian Tribe
- Mark Craft, Gratiot County Road Commission
- JoAnn Crary, Saginaw Future
- Dave Engelhardt, EMCOG Rural Task Force
- Natasha Allen, Michigan Works! 7B
- Sue Fortune, EMCOG
- Garrett Geer, AKT Peerless
- Scott Govitz, Mid Michigan Community College
- Mike Hanley, Saginaw County Commission
- Bill Henderson, Aircraft Precision Products
- Ken Hibl, City of Clare
- Brad Kaye, City of Midland
- Lyn Knapp, ETC adult education
- Harry Leaver, Saginaw Valley State University

- Dave Munson, Arenac County Commission
- Ed Oberski, Great Lakes Bay Michigan Works!
- Bill Rhode, Chair of EMCOG Council
- Don Schurr, Greater Gratiot Development Corporation
- Jay Anderson, Bay City Area Transportation Study
- Maja Bolanowska, Midland Area Transportation Study
- Jennifer Carroll, Delta College
- Matthew Felan, Great Lakes Bay Regional Alliance
- Erin O'Brien, CMU Research Corporation
- Dan Petersen, Central Area Michigan Works!
- Jeff McNeal, ETC Midland/Saginaw adult ed.

State of Michigan Dept. Representatives

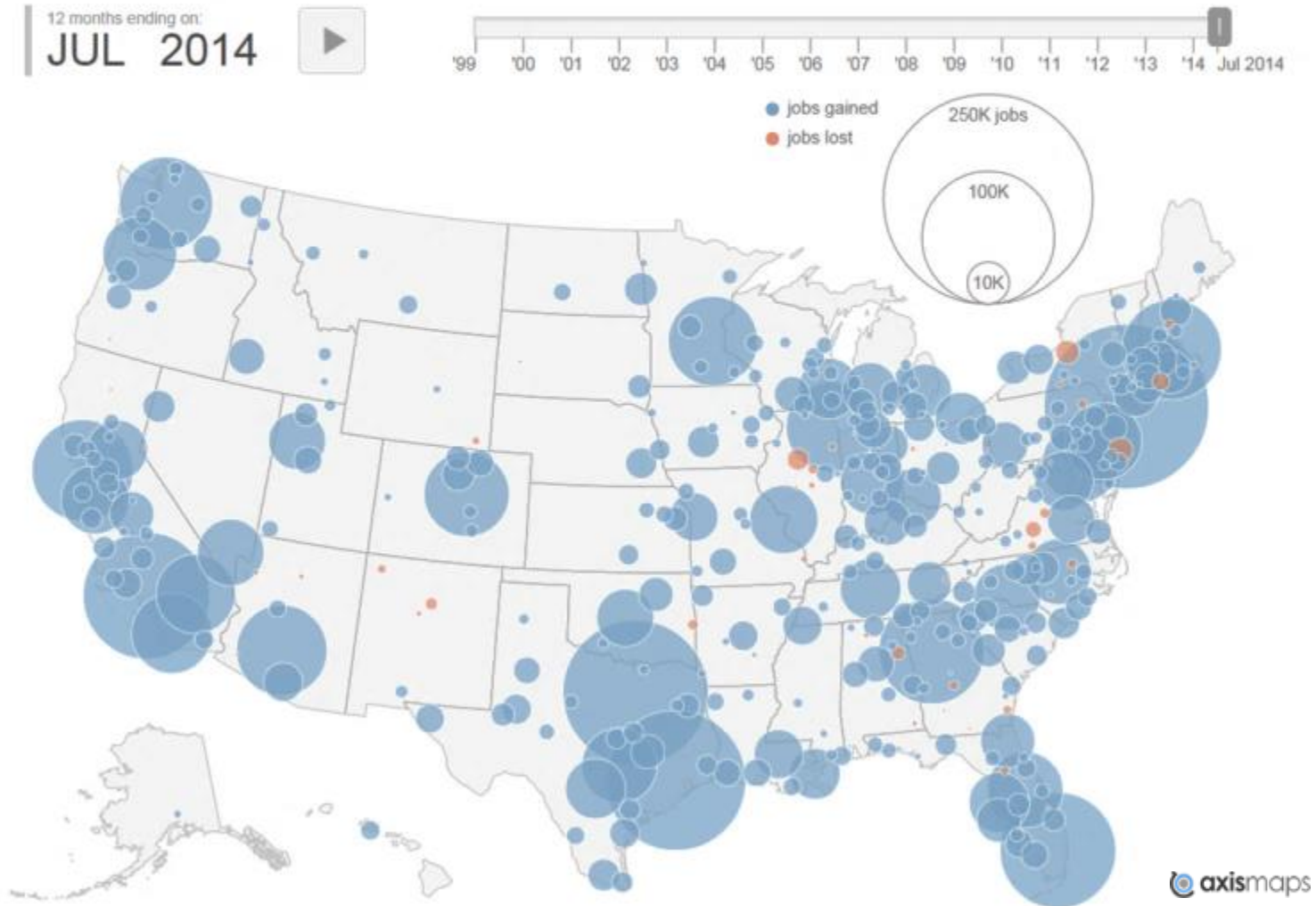
- Rex Anslie, Natural Resources
- Scott Corrin, Ag. and Rural Development
- Chris Hare, Environmental Quality
- James Espinoza, State Housing Development
- Jay Reithel, Transportation

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THE NATIONAL LANDSCAPE

THE GEOGRAPHY OF JOBS

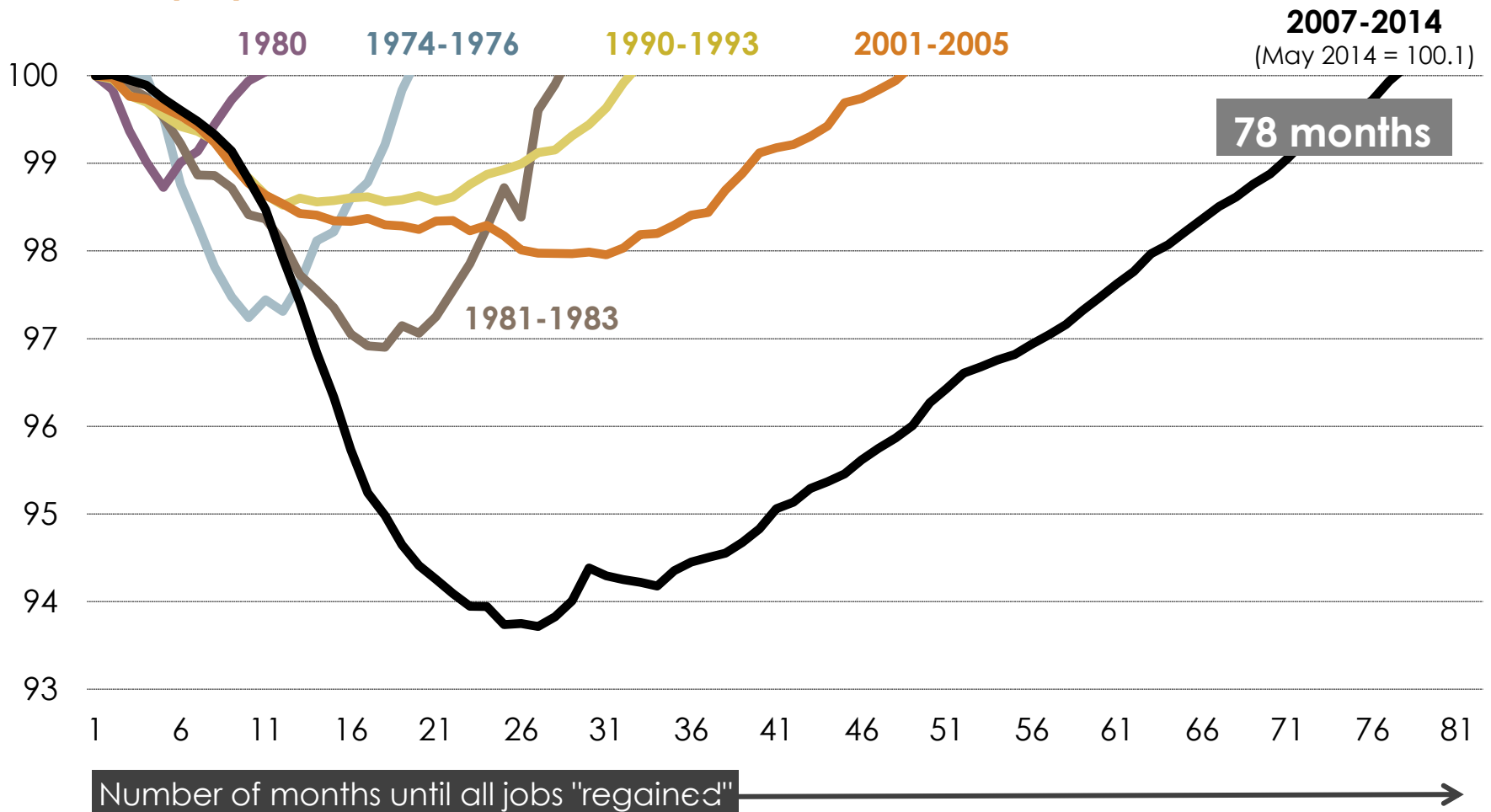
Net Job Gains/Losses by Metropolitan Statistical Area



RECESSIONS COMPARED

RECESSIONARY EMPLOYMENT TRENDS

Peak employment = 100

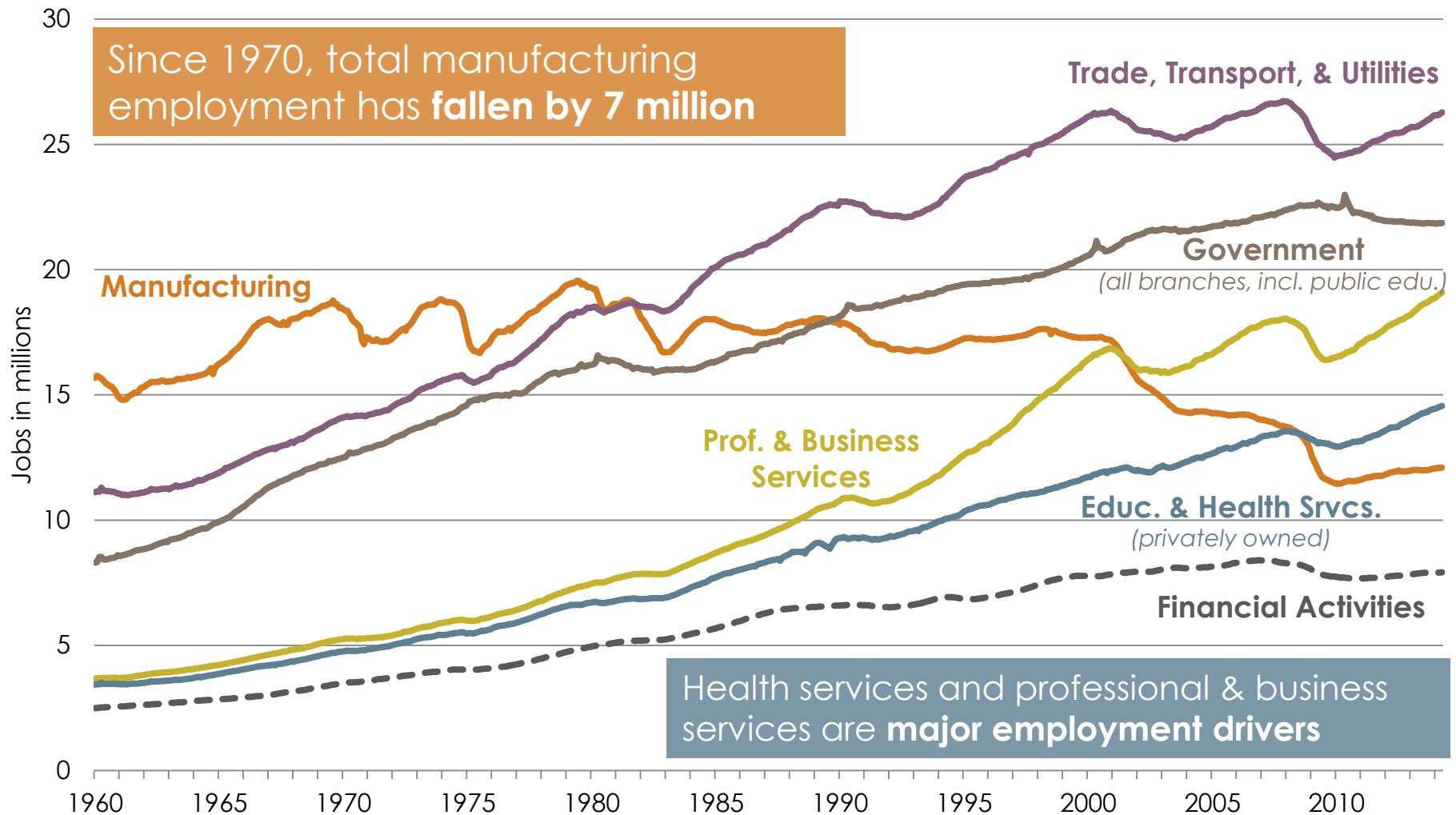


Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics (total nonfarm employment, seasonally adjusted); NBER (recession dates); New York Times (format)

EMPLOYMENT BY INDUSTRY SECTOR

TOTAL US NONFARM EMPLOYMENT

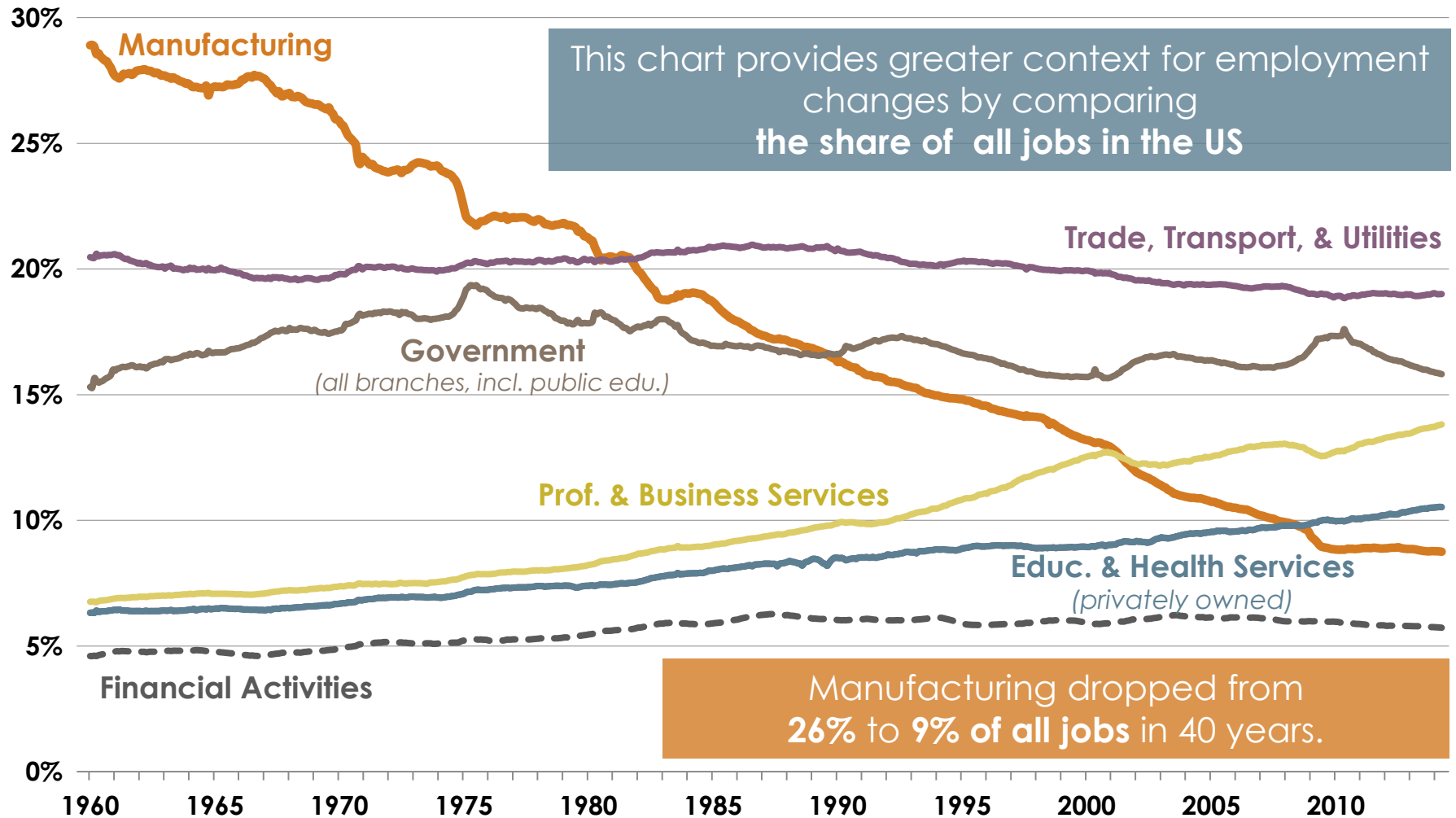
Selected Sectors, 1960 to present (May 2014, prelim.)



INDUSTRY SHARE OF EMPLOYMENT

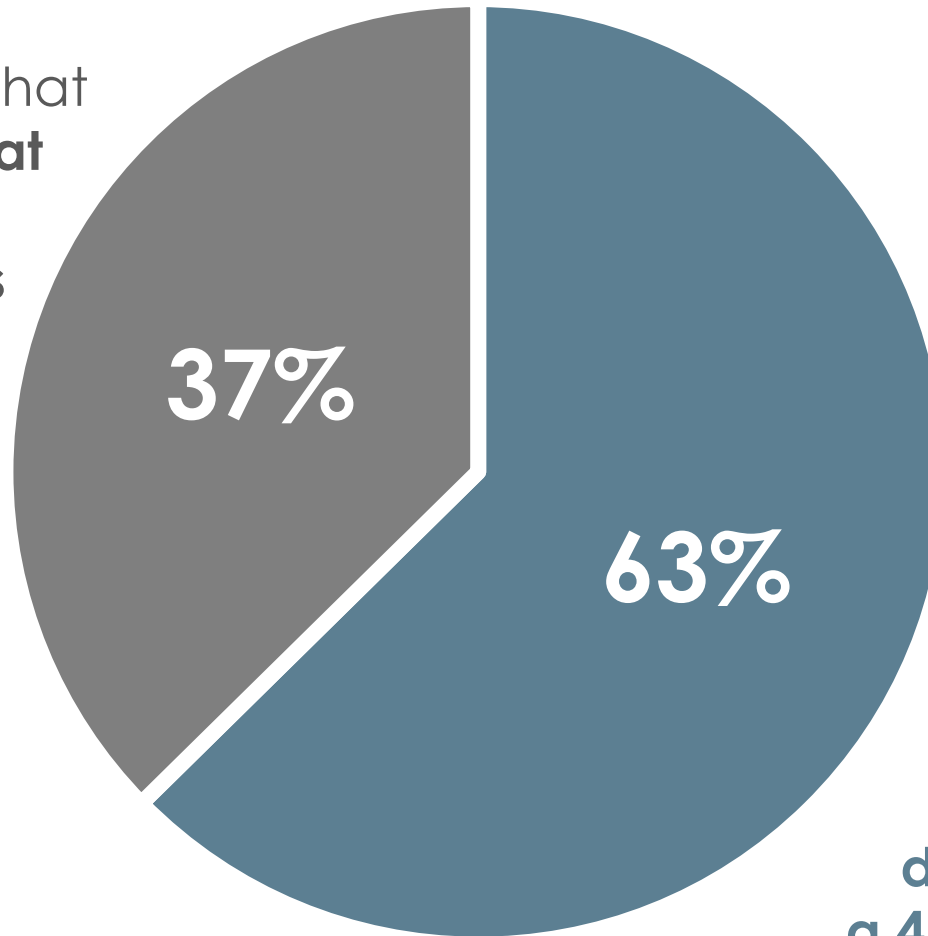
SHARE OF TOTAL US NONFARM EMPLOYMENT

Selected Sectors, 1960 to present (May 2014, prelim.)



EDUCATIONAL ATTAINMENT OF LABOR FORCE

Share of the labor force that has earned **at least a bachelor's degree**



Share of the labor force over 25 that **does not have a 4-year degree**

SKILLS GAP: UNEMPLOYMENT RATE

9.6%

Unemployment rate for the share of the labor force over 25 **without a four-year degree**

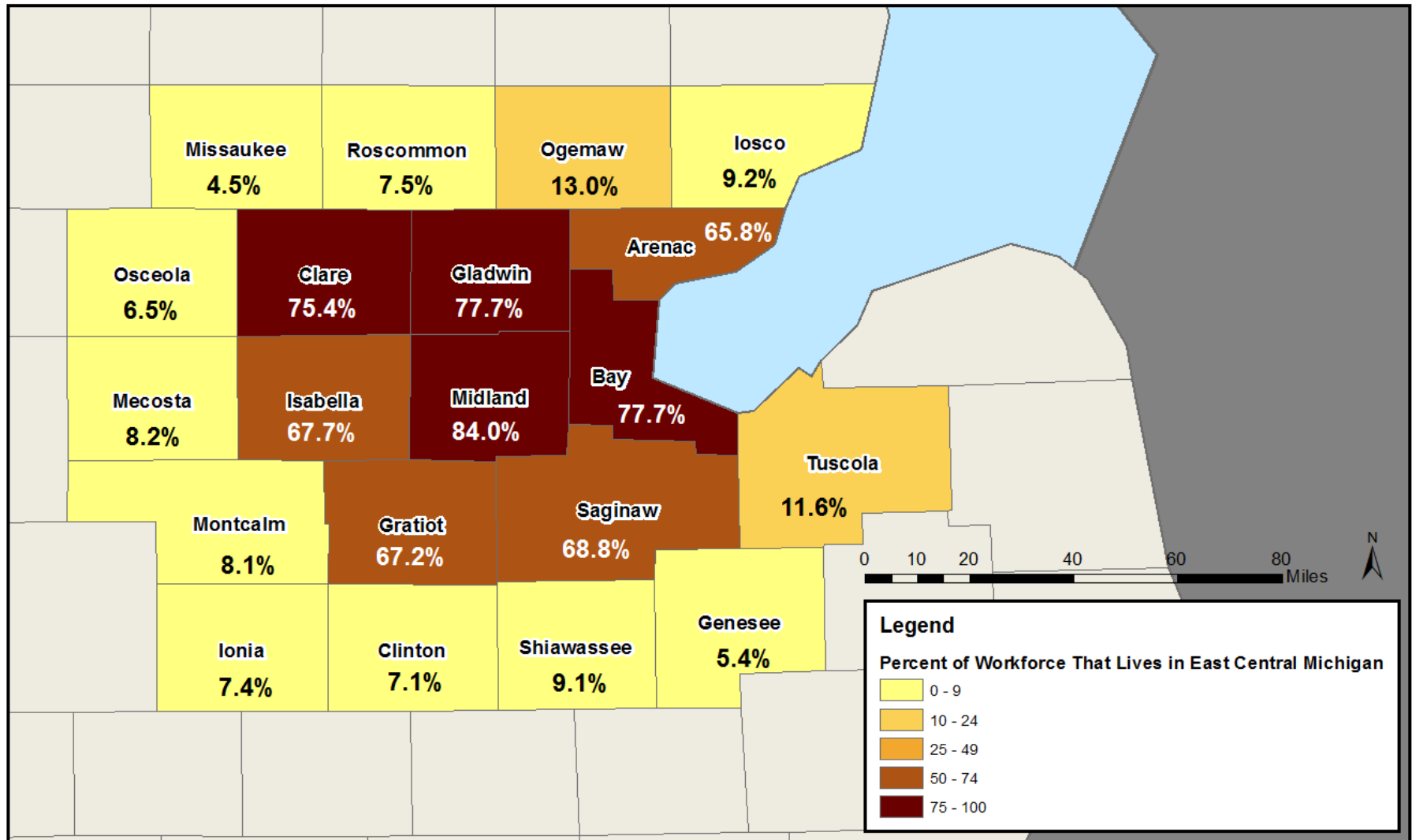
4.4%

Unemployment rate for the share of the labor force over 25 that has **earned at least a bachelor's degree**

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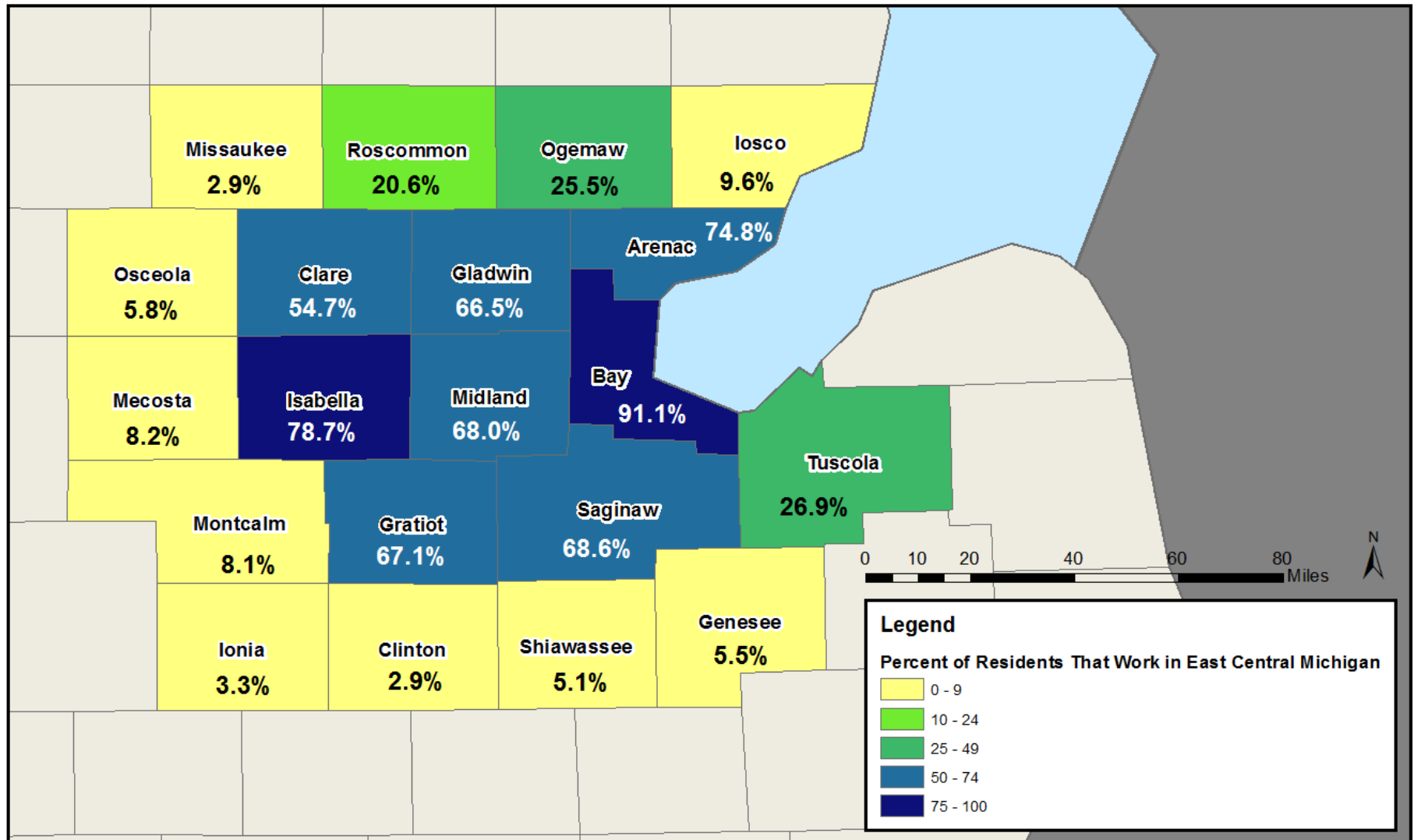
REGIONAL ECONOMIC FINDINGS

REGIONAL LABOR SHED, 2011



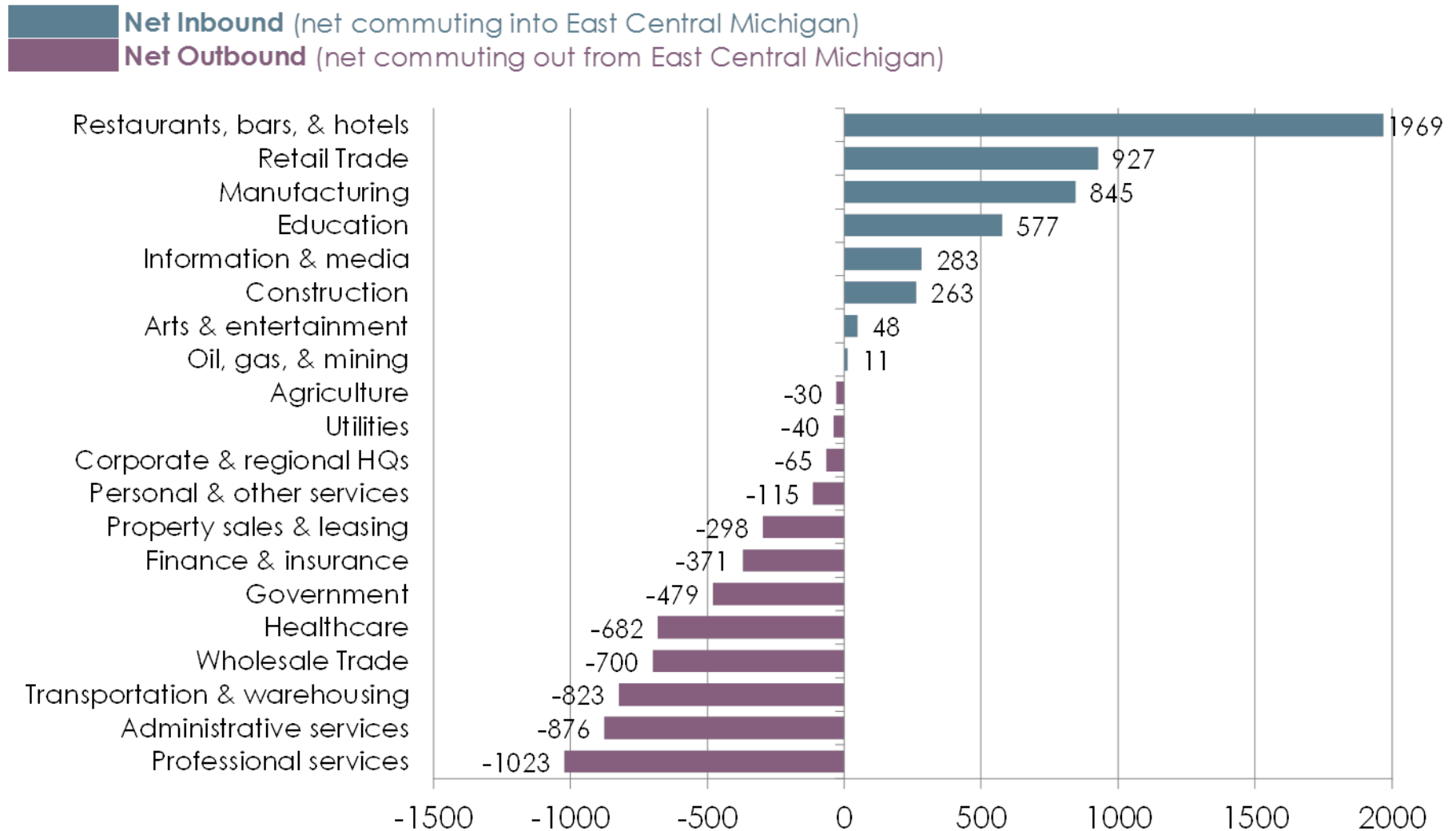
Source: U.S. Census Bureau, Local Employment Dynamics (LED) database

REGIONAL COMMUTE SHED, 2011



Source: U.S. Census Bureau, Local Employment Dynamics (LED) database

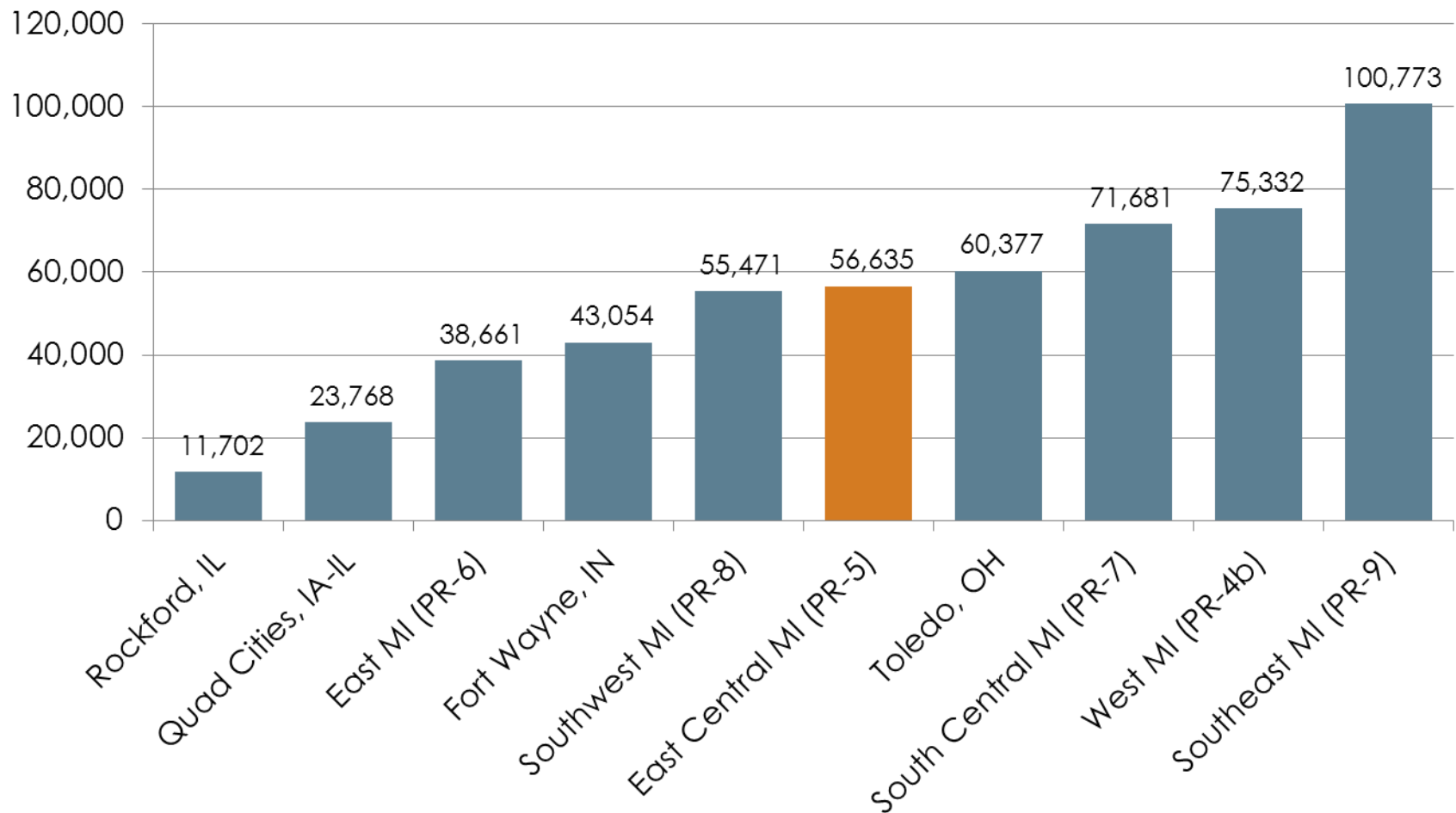
COMMUTING BY SECTOR, 2011



Source: U.S. Census Bureau, Local Employment Dynamics (LED) database

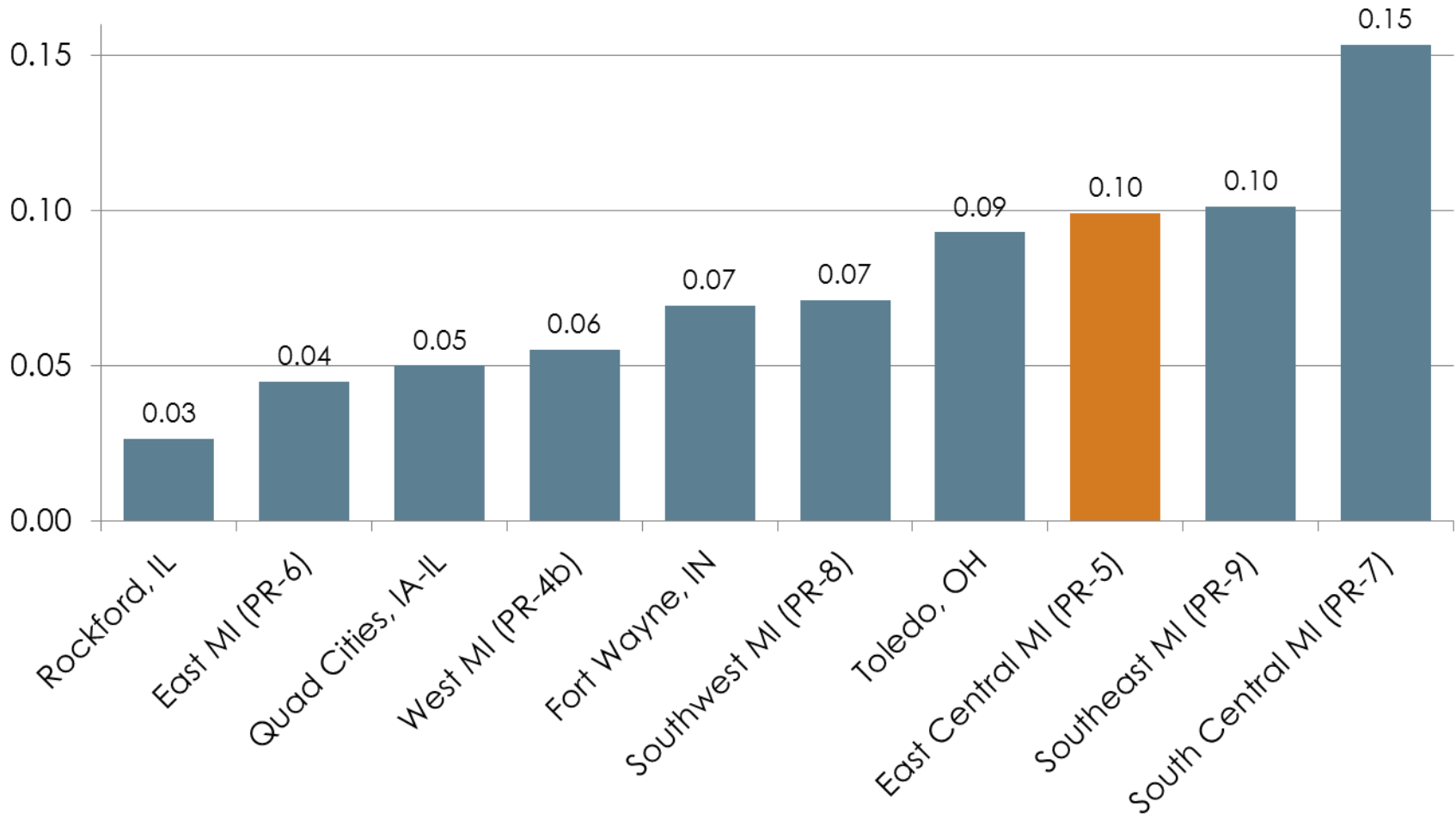
HIGHER EDUCATION ENROLLMENT, 2013

Enrolled College & University Students, 2013



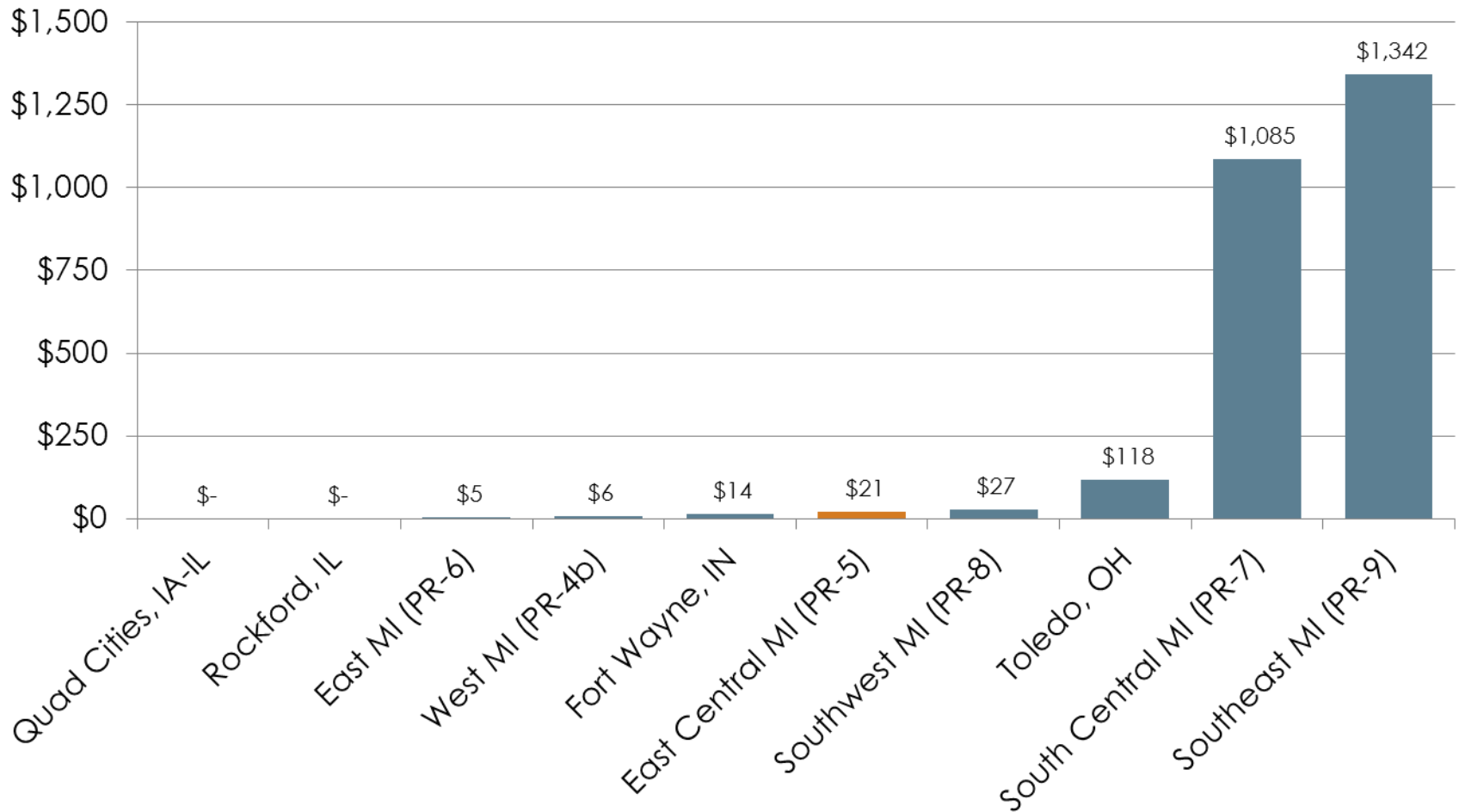
HIGHER ED. ENROLLMENT PER CAPITA, 2013

Enrolled College & University Students Per Capita, 2013



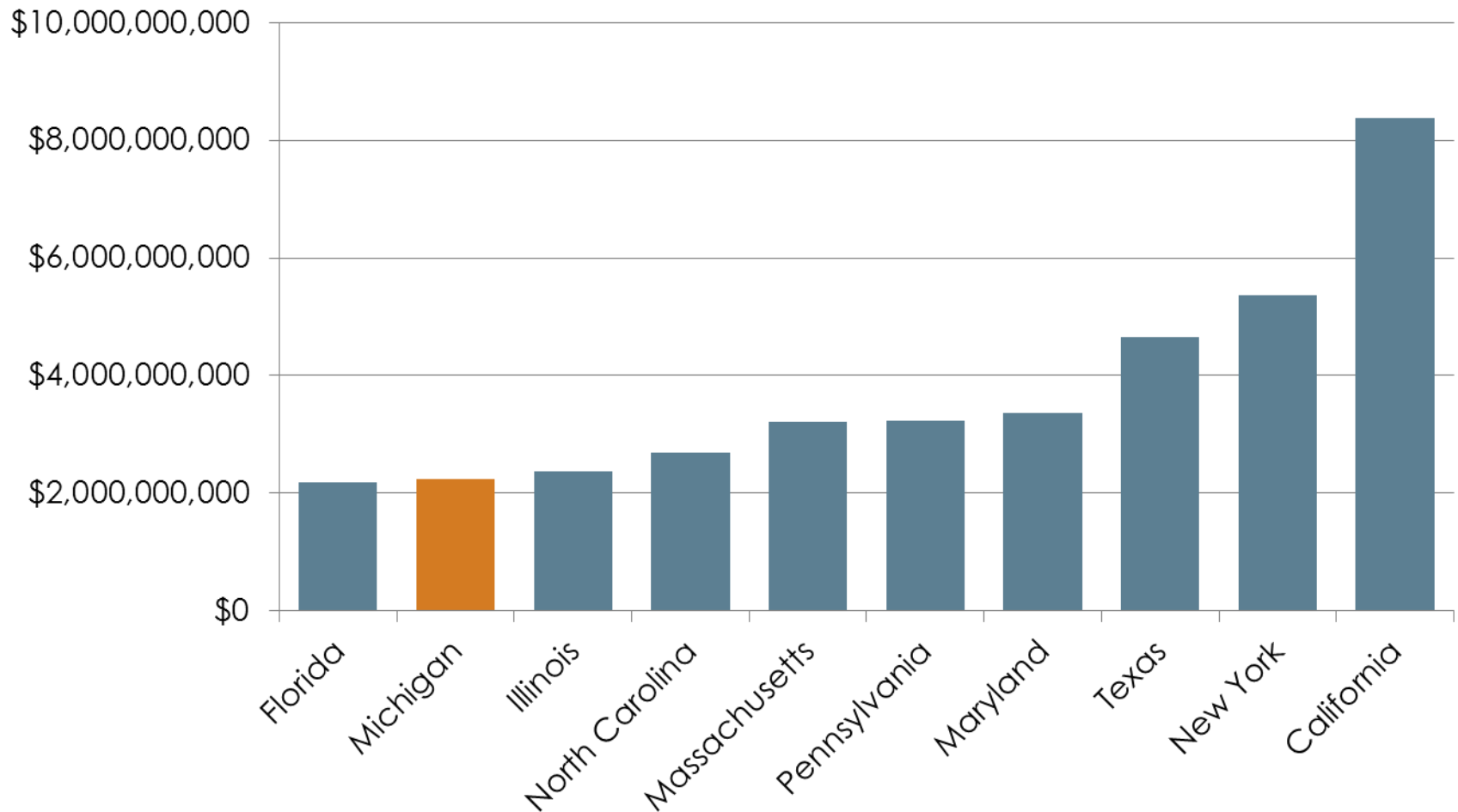
HIGHER ED. R&D PER CAPITA, 2012

University R&D Investments Per Capita, 2012



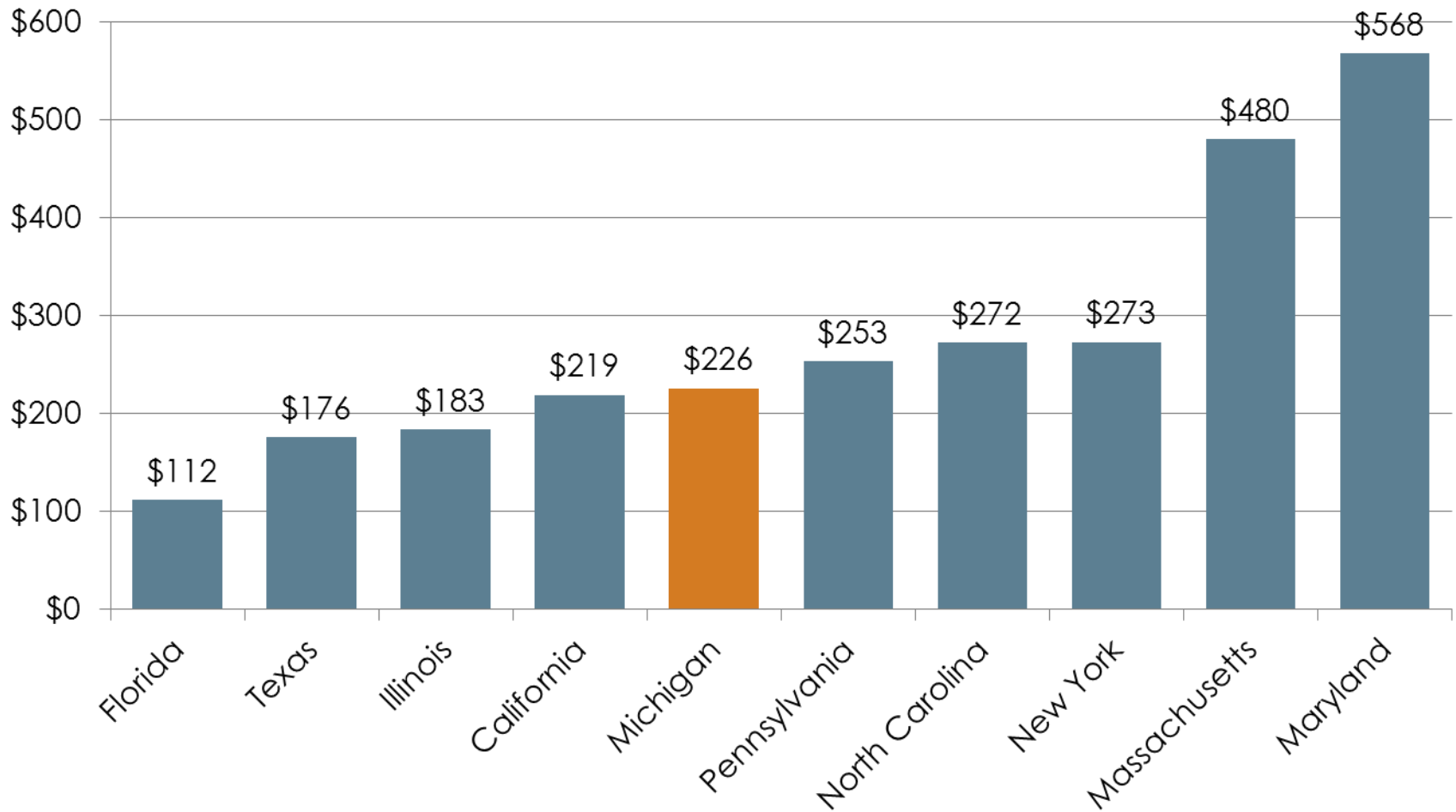
HIGHER ED. R&D BY STATE, 2012

Top 10 States: University R&D Investments, 2012



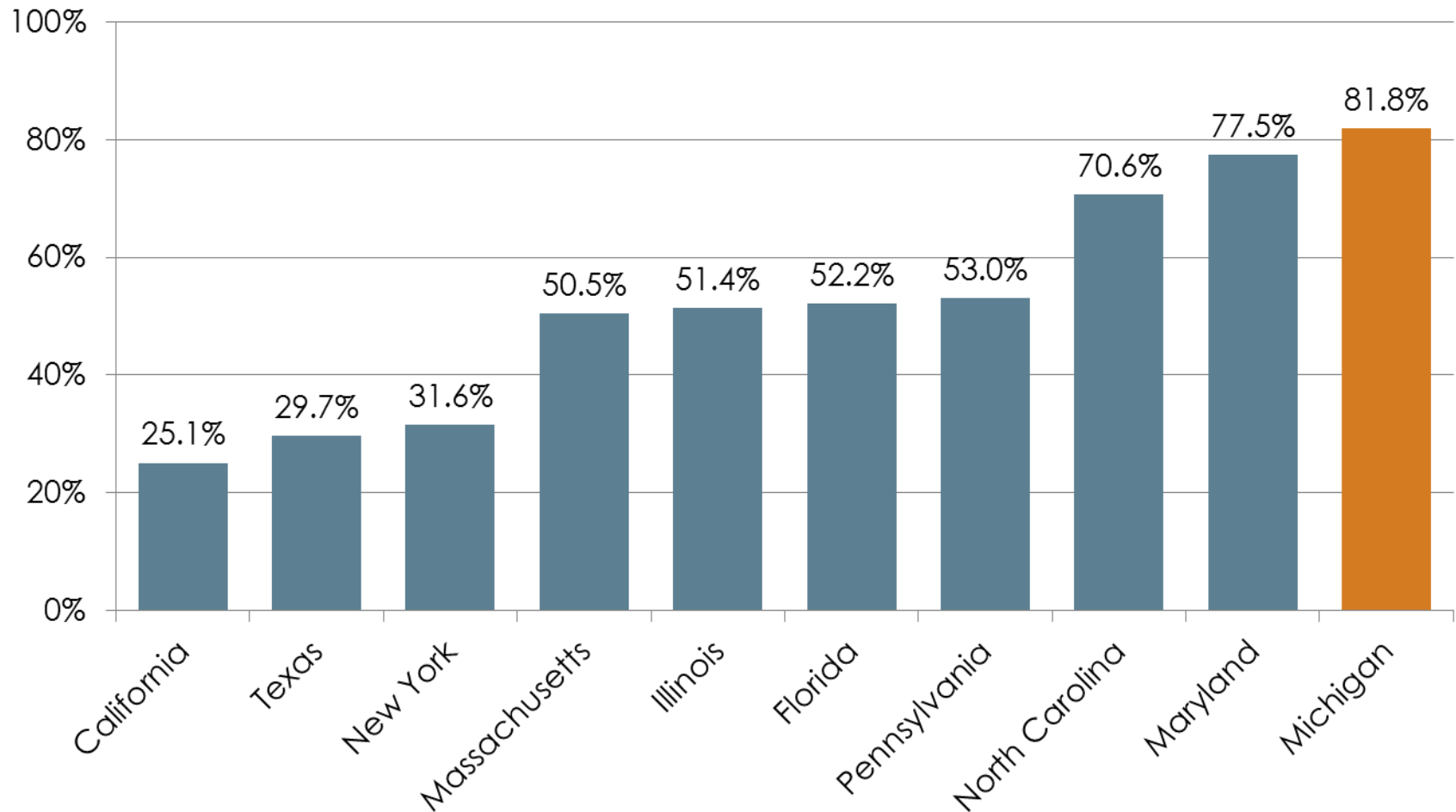
HIGHER ED. R&D PER CAPITA BY STATE, 2012

University R&D Investments Per Capita, 2012



CONCENTRATION OF R&D BY STATE, 2012

Percent of State's Total R&D in 2 Largest Universities, 2012





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TARGET INDUSTRIES

TARGET INDUSTRIES

- Higher Education & Research
- Professional Services
- Health Care
- Advanced Manufacturing
- Value-Added Agriculture & Food Processing

HIGHER EDUCATION & RESEARCH

Sector Snapshot (2014)

US

Total Employment:	6,059,268
Total Establishments:	61,002

Michigan

Total Employment:	199,898
LQ:	1.13
Total Establishments:	1,383

East Central Michigan (PR-5)

Total Employment:	9,362
LQ:	1.01
Total Establishments:	42

Source: EMSI Complete Employment 2014.3

Target Niches

- Entrepreneurship
- Academic R&D
- Corporate R&D

PROFESSIONAL SERVICES

Sector Snapshot (2014)

US

Total Employment:	19,183,757
Total Establishments:	1,884,576

Michigan

Total Employment:	536,793
LQ:	0.96
Total Establishments:	44,073

East Central Michigan (PR-5)

Total Employment:	19,717
LQ:	0.67
Total Establishments:	1,699

Source: EMSI Complete Employment 2014.3

Target Niches

- Software & Information Technology
- Finance & Insurance
- Architecture & Engineering

HEALTH CARE

Sector Snapshot (2014)

US

Total Employment:	16,625,897
Total Establishments:	679,854

Michigan

Total Employment:	548,987
LQ:	1.13
Total Establishments:	19,606

East Central Michigan (PR-5)

Total Employment:	32,613
LQ:	1.29
Total Establishments:	1,131

Source: EMSI Complete Employment 2014.3

Target Niches

- Medical Specialties
- Health & Wellness
- Life Sciences Research

ADVANCED MANUFACTURING

Sector Snapshot (2014)

US

Total Employment:	8,684,168
Total Establishments:	244,660

Michigan

Total Employment:	482,631
LQ:	1.91
Total Establishments:	11,844

East Central Michigan (PR-5)

Total Employment:	26,460
LQ:	2.00
Total Establishments:	444

Source: EMSI Complete Employment 2014.3

Target Niches

- Chemicals
- Advanced Materials
- Plastics
- Automotive
- Energy Efficiency & Clean-Tech

VALUE-ADDED AG & FOOD PROCESSING

Sector Snapshot (2014)

US

Total Employment:	5,290,954
Total Establishments:	227,740

Michigan

Total Employment:	124,386
LQ:	0.81
Total Establishments:	5,767

East Central Michigan (PR-5)

Total Employment:	5,601
LQ:	0.69
Total Establishments:	348

Source: EMSI Complete Employment 2014.3

Target Niches

- Organic Farms
- High-Value Crops & Livestock
- Farmers Markets
- Breweries, Wineries, Distilleries
- Local Craft Food Restaurants



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CHALLENGES, ASSETS & OPPORTUNITIES

CHALLENGES

- Stagnant population growth
- State and regional economic downturn
- State and local tax/budgetary climate
- Access to capital for start-ups and expansions
- Infrastructure maintenance
- Negative perceptions (internal and external)
- Middle-skill workforce gaps
- Lack of regional cohesiveness

ASSETS & OPPORTUNITIES

- Higher education institutions
- Corporate and business leadership
- Major investments across the region
- Job growth in several key sectors
- Natural resources (water, recreation, agriculture)
- Affordability (land, labor, housing)
- Diversity across the 8 counties (urban, suburban, rural)
- Urban revitalization in the region's downtowns
- Strong local organizations
- Huge potential for collaboration

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REGIONAL PROSPERITY STRATEGY

VISION

The 8-county **East Central Michigan** region will become a **leading destination** in the state for new jobs, investment, and innovation by leveraging its **corporate, academic, and community leaders** to grow the regional economy and elevate the prosperity of the region's citizens.

GOALS

1. Economic Development & Marketing
2. Entrepreneurship & Innovation
3. Talent & Workforce Development
4. Transportation & Infrastructure
5. Place-Making & Talent Attraction

TARGET INDUSTRIES

- Higher Education & Research
- Professional Services
- Health Care
- Advanced Manufacturing
- Value-Added Agriculture & Food Processing

1. ECONOMIC DEVELOPMENT & MARKETING

STRATEGIES

- Expand international relationships & foreign investment.
- Initiate a region-wide internal marketing campaign.
- Increase the level of funding for economic development activities across the 8-county region.

2. ENTREPRENEURSHIP & INNOVATION

STRATEGIES

- Work with CMU and SVSU to support more R&D at each institution.
- Work with the region's major employers and medical complexes to attract R&D spending from other Michigan universities.
- Build on the region's entrepreneurship & innovation assets to support business growth across the region.

3. TALENT & WORKFORCE DEVELOPMENT

STRATEGIES

- Explore the potential for a center of excellence that leverages the unique capabilities of higher education institutions and major corporations in the region.
- Encourage collaboration among the region's civic leadership programs.
- Support the STEM-focused initiatives led by the Great Lakes Bay Regional Alliance.

4. TRANSPORTATION & INFRASTRUCTURE

STRATEGIES

- Leverage and make strategic investments in the region's existing rail infrastructure to support the growth of key industries.
- Leverage and support MBS International Airport to more fully capitalize on its potential for economic development.
- Provide more comprehensive and more efficient transit service to support the region's workforce, employers, and educational providers.

5. PLACE MAKING & TALENT ATTRACTION

STRATEGIES

- Tell the stories of successful downtown revitalization efforts across region.
- Model the success of the Hausbeck Pickle Company's employee home purchase program in Saginaw to include other employers and other communities.
- Expand and promote the region's recreation and entertainment opportunities as a way to retain and attract talent.

IMPLEMENTATION

NO.	ACTION	POTENTIAL PARTNERS	TIMEFRAME			
			0-6 Mo.	6-12 Mo.	1-2 Years	3-5 Years
GOAL 1. ECONOMIC DEVELOPMENT & MARKETING						
Strategy 1. Expand international relationships & foreign investment in the eight-county region by establishing a formal effort to target and develop international business opportunities.						
1.a.	Bring an eight-county regional delegation (made up of public, private, educational, and civic leaders) to China to meet with the company that purchased Nexteer Automotive. While there, set up multiple meetings with business, educational, and political leaders to establish relationships and look for business development opportunities for the region.	EMCOG, Regional EDOs, Nexteer, SVSU, Delta College, local elected officials, other regional automotive companies		■		
1.b.	Utilize the strength of the region’s higher education institutions and workforce training efforts as a resource to build international relationships. Utilize and expand international programs and campuses that serve international students, like the Saginaw Valley State University sister school partnership with Ming Chuan University from Taiwan.	Regional higher education institutions, workforce development organizations, regional EDOs		■	■	■
1.c.	Leverage the existing concentration of international students at regional higher education institutions. Evaluate where students are coming from and establish a relationship with those regions. Build a database of international alumni and communicate with them regularly so they stay connected to the region after they return to their home country. Utilize international students as interns to assist in the development of these efforts.	Regional higher education institutions		■	■	■
1.d.	Market and promote the services of the region’s workforce training expertise in specific industry clusters to educational institutions in other countries.	Regional higher education insitutions, workforce development organizations, regional EDOs	■	■	■	■
1.e.	Assist large corporations in the region with the creation of a welcome program for international employees. This program could include: receptions and networking	Regional companies, regional chambers of commerce				

MAJOR THEMES/TAKE-AWAYS

- The 8-county region needs to appreciate itself
- Economic development is a team sport
- Higher education institutions and major corporations are the biggest assets
- Tap into the steady stream of college & university students

NEXT STEPS...

questions?

thank you.



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