



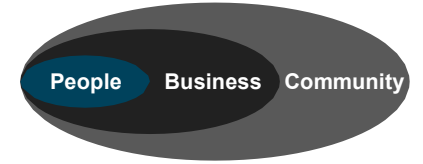
**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION

# **FY 2021 NEW INITIATIVES: Talent Expansion**

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**February 8, 2021**

# Economic Opportunity & Prosperity



## MISSION

*Expand economic opportunity and prosperity for all*



## VISION

*Make Michigan a place where all **PEOPLE, BUSINESSES, AND COMMUNITIES** have the educational and economic means to reach their full potential*

## GUIDING PRINCIPLES



### Data- and evidence-based promotion of opportunity

Data is the basis for how we make decisions and measure success.

“In God We Trust. Everyone else, bring the data.” - Mike Bloomberg



### Collaboration to achieve unity of purpose and greater success

LEO will collaborate effectively with each other and with partners within / beyond state government – build coalitions to effectively drive strategic focus areas



### Commitment to equity

LEO will prioritize equity – specifically closure of opportunity gaps – for marginalized populations, including but not limited to race, gender, geography, socioeconomic status, LGBTQ+



### Customer focus – people, business, and community

LEO will amplify the voices of those we protect and serve and will ensure a focus on people-centered approach in all we do

## STRATEGIC FOCUS AREAS

People

Business

Community

### A Invest in the closure of equity gaps

*Prioritize closure of socioeconomic / demographic opportunity gaps in all decision making*

### B Protect health, safety, and economic security for workers

*Ensure safe working conditions, fair wages, and labor protections*

### C Remove barriers to employment

*Address barriers including housing, transport, healthcare, childcare, language, and placement*

### D Build equitable pathways to high-wage careers

*Support education, training, onramps, certification to make sustaining wages more attainable*

### E Grow skills / credentials to meet current / future employer needs, expand upward mobility

*Address shortages in growth sectors in every region of the state*

### F Enable Michigan’s businesses to grow and thrive

*Create the foundation to attract investment, including infrastructure*

### G Promote economic sector diversity

*Increase exposure to high-growth, highly resilient sectors*

### H Catalyze small business and entrepreneurship

*Address leaks in the entrepreneurship funnel to increase new business starts and economic growth*

### I Develop vibrant communities

*Develop and preserve the infrastructure, amenities, and arts / culture that make communities vital*

### J Make and market Michigan as a state for all to live, work, and play

*Invest in placemaking, expand affordable housing, and market Michigan to the world*

# MEDDC is committed to enabling long-term economic opportunity for all Michiganders



## MISSION

Achieve long-term economic prosperity for Michiganders by investing in communities, enabling the growth of good jobs and promoting Michigan's strong image worldwide



## VISION

Make Michigan's economy the nation's fastest growing, most equitable and most resilient by:

Achieving 'Top 10' status for:

- Job growth in targeted sectors
- Equitable job growth
- Real median household income growth

Attaining the largest net gain of talent in the Midwest.

## GUIDING PRINCIPLES



### Sustainable, long term growth

Catalyze long-term job growth. **Ensure resilience** of Michigan's economy against downturns and **automation potential**.



### Regional impact

Empower and support every region – from rural areas to urban cores – in improving economic outcomes.



### Equitable, high-wage growth

Drive equitable pathways toward high-wage growth by enabling industries, communities and businesses that provide opportunities for all.



### Customer focus

Ensure a customer (businesses, communities, entrepreneurs) and partner orientation in all we do.

## STRATEGIC FOCUS AREAS



### Attract, retain and support businesses

Aggressively work to attract and retain companies in target industries that support growth in jobs, wages and investment



### Foster high-wage skills growth

Collaborate on efforts to produce, attract and retain the skills needed for in-demand and high growth occupations in focus industries



### Develop attractive places

Attract talent through innovative placemaking and streamlining development processes at the community level to transform underutilized properties into vibrant areas



### Catalyze entrepreneurship

Strengthen the ecosystem that enables more entrepreneurship, commercialization and new business creation



### Market the state

Promote Michigan's image as a world-class business location and travel destination

# Strategic Industry Development



MEDC will actively work with its partners to **attract, grow and retain** strategic industries that will have the greatest potential economic benefit on all **communities** throughout Michigan.

## FOCUS INDUSTRIES

MEDC resources including tailored economic development tools, proactive marketing and sustainment programs focus on those sectors where Michigan has a distinct competitive advantage.



**Mobility and automotive manufacturing**, building upon our uncontestable automotive leadership to stay at the forefront of the mobility revolution.



**Medical device technology**, leveraging our existing medical device anchor companies and research assets to enable growth of the medical device industry.



**Advanced manufacturing**, positioning Michigan as a leader in Industry 4.0, and leveraging our talent to capture a larger share of growth in the defense and advanced materials industries.



**Tech**, capitalizing on our existing mobility, software, manufacturing, engineering and design capabilities to grow Michigan's tech footprint.



**Engineering, Design and Development**, harnessing our talent base to become the research & development and industrial design capital of the world.



**Professional and corporate services**, using the purchasing power of Michigan companies to attract corporate and professional service providers to the state.

## REGIONAL IMPACT INDUSTRIES

MEDC will support state and local efforts to attract, grow and retain regionally important industries that play a vital role in energizing communities throughout the state.



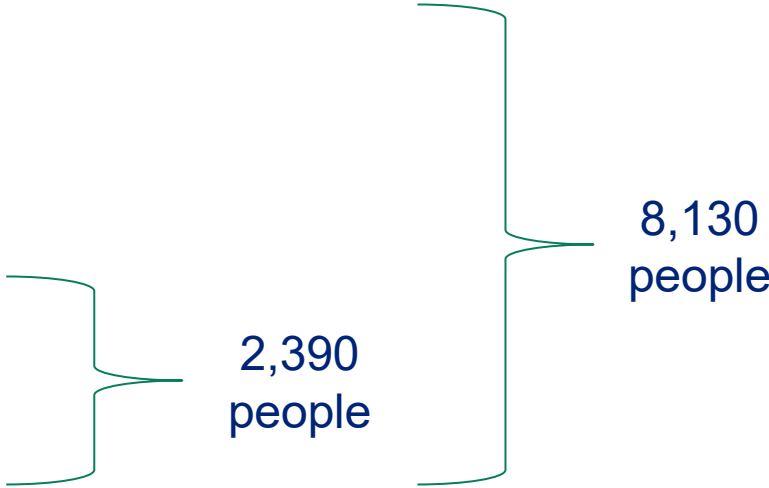
**Agribusiness | Tourism | Logistics**



**Financial Services | Other Manufacturing**

# Vision: Largest net gain of talent in the midwest

State	2018 Total Net Migration, (000's)
Indiana	12.78
Ohio	8.37
Wisconsin	7.04
Michigan	4.65
Illinois	(83.42)
<b>TOTAL GAP</b>	<b>8.13</b>



## 2020 MEDC Strategy Plan:

### Identified need for the MEDC to play a more proactive role in talent expansion



#### Foster high-wage skills growth

Collaborate on efforts to produce, attract and retain the skills needed for in-demand and high growth occupations in focus industries

*2020 strategic planning identified the need to collaborate and build out three different programming areas:*

- ① Develop targeted **training** programs that fill needs for focus industries.
- ② Need to develop programming to **attract talent** in addition to CD efforts.
- ③ Need to **retain college graduates**.



# Michigan's Talent Challenges:

## Michigan has a handful of primary talent challenges to address.

### *Pre-COVID:*

- ① Shrinking Talent Pool
- ② Supply-demand mismatch
  - Lack of post-secondary credentials
  - Skills mismatch
  - Large unmet need for tech talent

### *Post-COVID:*

- ③ Employment loss for low-wage workers

# Challenges and Solutions: New programs help address statewide challenges

<i>Challenges</i>	<i>Solutions</i>
Assisting displaced & low-skill workers	<ul style="list-style-type: none"> <li>1. Michigan Reconnect Program</li> <li>2. LEO E&amp;T Adult Education and Vocational Rehabilitation</li> <li>3. Michigan Works! Federal programs</li> </ul> 
Shrinking population	<p><b>Proposed:</b> Tech Talent expansion programs:</p> <ul style="list-style-type: none"> <li>1a. Remote worker attraction</li> <li>1b. STEM interns for start-ups</li> <li>2. Export internship</li> </ul>
Lack of post-secondary credentials	<ul style="list-style-type: none"> <li>1. Futures for Frontliners</li> <li>2. Michigan Reconnect Program</li> </ul>  <p><b>MSF-approved:</b> Jobs Ready Michigan</p>
Skills mismatch for current workforce	<ul style="list-style-type: none"> <li>1. Going PRO Training Fund</li> </ul> <p><b>Proposed:</b> Regional Talent Innovation Grants</p>
Large unmet demand for tech talent	<p><b>Proposed:</b> Tech Talent expansion programs:</p> <ul style="list-style-type: none"> <li>1a. Remote worker attraction</li> <li>1b. STEM interns for start-ups</li> </ul>



# Talent Expansion: Three new proposed programs to create jobs; grow Michigan's talent base

ACTIVITY	NOTES	OUTCOME MEASURES	EFFECTIVENESS MEASURE
<p>1a. Tech Talent Expansion: Remote Worker Attraction Program</p>	<p>COVID has caused a shift towards remote work – this program takes advantage of this opportunity by offering milestone-based cash grants to remote tech talent workers for out-of-state firms in focus industries. Program provides extra incentive for moving to a disadvantaged area.</p>	<p><b>Focus Industry Jobs:</b> 1,000 focus industry jobs. (\$7,500 for non-targeted areas, \$12,500 for targeted)</p>	<p><b>Supply-demand analysis:</b> After five years, did the overall supply-demand mismatch decrease significantly?</p> <p><b>Net gain of talent in the Midwest:</b> did these programs contribute to the MEDC achieve its vision?</p>
<p>1b. Tech Talent Expansion: STEM Internships at Start Ups</p>	<p>Statewide pilot of a McKinsey-suggested scale up of a program that places STEM grads into internships that have the potential to turn into full-time jobs. MEDC will partner with Ann Arbor Spark to scale up their successful internship program at start ups statewide.</p>	<p><b>Interns placed:</b> 450 placed target (Estimated cost of \$1,500 - \$3,000 per intern)</p>	
<p>2. Regional Talent Innovation Grants</p>	<p>Leverage local EDOs and workforce development partners as “laboratories of innovation” through competitive pilot programs. Require each pilot to focus on occupations tied to strategic industries and guiding principles alignment (focus on disadvantaged areas; diverse populations with low-to-moderate income earners prioritized).</p>	<p><b>Focus Industry Jobs/Total Jobs</b> – through retention efforts or training programs. Target: 750 with anticipated cost of \$10,000 per job.</p> <p><b>Industry-recognized credentials earned.</b> Training ties to Michigan’s 60x30 goal.</p> <p>Other outcomes: TBD</p>	

## New programs shift strategic approach: Away from “in-demand” to “priority”

- Talent development typically is geared towards filling the **immediate needs** of local employers – in-demand jobs – this approach has been in place at least since Gov. Granholm’s *No Worker Left Behind* program.
- The new MEDC programs shift the strategy to focus on occupations with additional characteristics:

- ✓ Demand is **still important** – but demand for occupations in **high potential industries**
- ✓ Jobs are evaluated for probability of being **automated away** in the near future
- ✓ Jobs are filtered on quality of job: are they good or promising?
  - “Good jobs” have a high probability of **lifting a family above the ALICE threshold**, leveraging analysis by the *Brookings Institution* on wages, benefits, and career prospects.
  - “Promising jobs” have a higher probability of eventually becoming “good” than other jobs
- ✓ Different indicators are considered to understand what **type of programming** is necessary. For example:
  - Jobs for *retention-oriented* programs should be “good-paying” and associated with quality benefits
  - Jobs for *training programs* should at least be “promising” and associated with strong career pathways

# Shared Metric Development

*Alignment towards shared strategic goals: MEDC, LEO*

		FY21 Programmatic Outcomes					
Program	Number of Program Participants - FY21	Number of Industry-Recognized Credentials Earned -FY21 participants	Number of Associates Degrees Earned - FY21 participants	Number of Bachelor Degrees Earned -FY21 participants	Total 60x30 Credentials Earned -FY21 participants	Number of New Jobs Created -FY21 participants	Number of Businesses Assisted - FY21 participants
Going Pro					0		
Futures for					0		
MI Reconnect					0		
Apprenticeshi					0		
WIOA					0		
TAA					0		
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Measures alignment on shared **equity** and **resiliency** goals:

- Equitable growth
  1. Support for diverse businesses and populations
  2. Support for businesses and people in economically distressed areas
  3. Support for wage growth that lifts most people above ALICE threshold
  
- Resilient growth
  1. Supports skills for jobs that are in industries more resilient to recessions and automation