



## Background

---

Today, Michigan's economy is poised for a once-in-a-generation recovery.

We had the fastest-growing economy in the Midwest – 8.3% GDP growth in the second quarter of 2021.

Our unemployment rate is below the national average and has decreased for seven straight months.

We have a \$3.5 billion surplus up from a projected \$3 billion deficit and the strongest automotive manufacturing nationwide - Detroit is still called Motor City for a good reason.

We've won multiple awards and are near the tops of several lists for manufacturing strength, business climate, job creation and foreign direct investment.

And best of all, we have a massive influx of federal funds, giving us billions to invest in our families, communities and small businesses.

We have a lot going for us, but so much left to do.

Rosy topline statistics can sometimes hide the full context of what's going on.

## Challenges

---

There are too many jobs that don't pay enough – over 1 million households are living in working poverty.

Too many Michiganders are forced to delay life-saving medical procedures and car repairs, skip prescription refills and meals, and make incredibly difficult choices to meet their basic needs.

In 2019 before the pandemic, 38% of households did not make enough to make ends meet, and an additional 10% are right on the edge.

There aren't enough workers to fill open jobs. Our unemployment rate is lower than the national average, but our labor force participation has been behind for a decade.

Today, it stands at 59%, or 42nd in the nation. At the turn of the century, it was 68.8% and has fallen since then.

There aren't enough Michiganders with the skills necessary to fill high-skill jobs. We need to meet our Sixty by 30 goal to boost incomes and improve long-term outcomes for working families.

There isn't enough entrepreneurship in Michigan. For several years, we have been below average job growth for microbusinesses and second stage companies.

Housing is unattainable or unaffordable in several communities. High-speed internet connection is lacking in certain areas, and we face an above average shortage of renters and potential homeowners.

Families, communities and small businesses across Michigan live through these challenges every day.

## **Delivering During a Crisis**

---

Before we dive into the MI New Economy plan that will address these challenges, it's important to note some of the key initiatives Gov. Whitmer and her administration have delivered on since 2020.

Michigan took bold action, and progress was made on the issues that matter most to Michigan families – here's a look at a few of those initiatives:

- Michigan established Michigan Reconnect and Futures for Frontliners to put 167,000 Michiganders and counting on a tuition-free path to higher education and skills training. Nearly 23,000 were already enrolled in classes last winter and summer semesters.
- The Poverty Task Force released its first set of 35 policy recommendations designed to drive down Michigan's 37% ALICE (asset limited, income constrained, employed) rate with sustainable strategies that center equity as a goal.
- Through a \$1 million investment, the MI Tri-Share pilot program has helped Michigan families afford child care by dividing the cost equally between employees, their employer and the State of Michigan.
- From March 2020 through March 2021, MEDC launched 23 economic relief programs, deploying nearly \$240 million in small business relief across all 83 Michigan counties.
- To address housing needs, MSHDA has financed \$637.2 million in housing projects that created or preserved 7,467 units since Fiscal Year 2020.
- Governor Whitmer created the Michigan High-Speed Internet Office (MIHI) to make high-speed internet more affordable and accessible.

## A Once-in-a-Generation Comeback: MI New Economy

---

There is hope, and there is a plan to move Michigan forward.

After the once-in-a-century pandemic, Michigan's economy is poised for a once-in-a-generation comeback.

Under Governor Whitmer's leadership, unemployment is down, surpluses are up, and thanks to the help of President Biden and the American Rescue Plan, Michigan is poised to exit the COVID-19 pandemic by making transformational investments that will leave the state stronger than when we entered it.

To create a clear vision for our state's future, Governor Whitmer has announced MI New Economy, her vision for a stronger, more resilient and more equitable State of Michigan.

MI New Economy is the Governor's plan to address the structural challenges the state was facing prior to COVID, challenges that intensified during the pandemic.

The plan recognizes a strong economy isn't only about creating jobs, it requires a focus on our state's people and communities as well. That's why MI New Economy has three pillars, each with several specific and ambitious goals that will help us track progress in our effort to build a stronger and more resilient Michigan.

**Pillar 1: Grow the Middle Class** - No economic vision for the state can be complete if it doesn't focus on eliminating poverty and lifting families into the middle class.

- Goal: 60% of adults with a postsecondary credential by 2030
- Goal: Lift 100,000 families out of working poverty during the next five years (FY22-FY26)
- Goal: Provide access to low or no cost childcare for 150,000 more families by 2024

**Pillar 2: Support Small Business** - To supplement the great economic development work our state already does, Michigan needs a focus on creating and growing more Main Street businesses.

- Goal: Top 10 state for small business job growth and revenue growth from 2022 to 2026
- Goal: Top 10 state for household income growth during the next five years (FY22-FY26)
- Goal: Top 10 state for growth in venture capital funding over the next five years (2022-2026)

**Pillar 3: Build Strong Communities** - Michigan's residents deserve to live in vibrant communities with the kinds of services and amenities associated with a high standard of living.

- Goal: 100% access to high-speed internet and 95% adoption by households during the next five years, while continually investing in higher quality access (FY22-FY26)
- Goal: 75,000 new or rehabilitated housing units in five years (FY22-FY26)

With the billions in federal dollars Michigan has and continued commitment and partnerships, we can build Michigan back better with the MI New Economy plan.

We can become the state that we strive to be.