



**MI
NEW
ECONOMY**

MICHIGAN.GOV/MINEWECONOMY

MICHIGAN'S ECONOMY

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

Under Governor Whitmer's leadership, Michigan has:

- **Higher incomes**, personal income increasing at one of the highest rates in the nation.
- **A record \$3.5B surplus**, up from a projected \$3B deficit.
- **The strongest automotive manufacturing nationwide.**
- **Won multiple awards and ranks high on multiple lists** for manufacturing strength, business climate, job creation and foreign direct investment.

GOVERNOR WHITMER'S ACCOMPLISHMENTS

Governor Whitmer continues to be laser-focused on putting Michiganders first.

Her administration has:

- **Created 15,000 auto jobs.**
- Made the **largest education investment** in state history.
- **Established Michigan Reconnect and Futures for Frontliners** to put more people on a path to high education or skills training.
- **Delivered hundreds of millions in aid** to keep small businesses, restaurants and workers afloat during the pandemic.
- **Continued to fix roads and improve water infrastructure while creating tens of thousands of jobs.**

The American Rescue Plan provides Michigan with ***\$6.5B*** at the state level and ***\$4.4B*** to cities and counties. This investment of federal dollars provides Michigan with a **once in a generation opportunity for transformational investments** in health, education, infrastructure and **economic opportunity.**

Seven criteria for decision-making across all investments

1. **Pandemic:** How does the proposal address issues created by or exacerbated by the COVID-19 pandemic?
2. **Equity:** Does the proposal address a change in societal opportunity and/or eliminate disparities/gaps in outcomes for underserved and underrepresented populations?
3. **Transformational:** What is the opportunity for transformation and/or social change for Michigan's residents?
4. **Leverage:** Does the proposal leverage additional resources from the private, public, and/or philanthropic sectors?
5. **Sustainability:** How sustainable is the proposal? Will it require ongoing support? What is the potential return on investment?
6. **Efficacy:** How effective would the proposal be in solving a defined problem? Does it use techniques that are highly likely to achieve the desired outcome? Does it clearly define how success will be measured?
7. **Implementation:** How much support does the proposal currently or likely will have? Is there capacity to implement it now?



MICHIGAN'S BIGGEST ECONOMIC CHALLENGES

1

Too Many Low-Wage Jobs

2

Not Enough Workers

3

**More Good Jobs Requires More
Skilled Workers**

4

We Can't Ignore Small Businesses

5

**Vibrant Communities are a
Driver of Economic Development**

WHAT IS GOVERNOR WHITMER'S FRAMEWORK TO ADDRESS THESE CHALLENGES?



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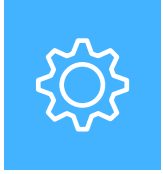
GROW THE MIDDLE CLASS



SUPPORT SMALL BUSINESSES



BUILD STRONG COMMUNITIES



GROW THE MIDDLE CLASS

Goals:

Invest in post-secondary education, from short-term skills development and job training to providing access to education at community colleges, as an equitable path to better incomes and better jobs, while addressing the major costs for working families, such as childcare, that prevent families from being able to make ends meet.

Build a Talented Workforce North Star Goal

- **60%** of adults with a postsecondary credential **by 2030**

Grow and Strengthen the Middle-Class North Star Goals

- Lift **100,000 families** out of **working poverty** during the next five years (FY22-FY26).
- Provide access to low or no cost **childcare** for **150,000 more families** by 2024.



ARP PROPOSALS: **\$722M** to grow the middle class and educate workers

Draft Proposal	Description	Policy Goal(s)
Going PRO	Scale Going PRO to address skills gap for MI businesses, while providing credentials for workers.	Skills Gap; 60x30; Better Jobs & ALICE Rate
F4F/Reconnect Expansion	Expand the eligibility for both F4F and Reconnect and provide additional funding to meet demand.	60x30
Wraparound Supports for F4F/Reconnecters	Student success grants and support for benefits access to improve likelihood of degree completion.	60x30
COVID Class Connect Back	Scholarships to increase college affordability for low-income families for graduating classes impacted by the pandemic.	60x30
COVID Near Completers Fund	First-dollar scholarships for students who have completed nearly all of the necessary requirements to earn a degree.	60x30
Strengthening College to Industry Pipeline	Competitive grants to colleges to reform policies and practices to improve student success outcomes, including employer and partner-driven curriculum development. Investments in data systems improvements.	Skills Gap; 60x30



ARP PROPOSALS: **\$722M** to grow the middle class and educate workers

Draft Proposal	Description	Policy Goal(s)
Right Skills Now through State Apprenticeship Expansion	Provide funding to jump-start, reinforce, and enhance the performance of current Registered Apprenticeship expansion efforts, leading to more apprenticeships for underserved and underrepresented Michiganders.	Skills Gap; Better Jobs & ALICE Rate
Everybody In: Path to Reconnect for Individuals without HS Degree	Support enrollment in a state-approved adult education program to earn a high school diploma or equivalent, and concurrent enrollment at a community college or a state-approved training program.	Labor Force Participation; ALICE Rate; 60x30
Education & Employment (E²) Program	Provide an opportunity for adults to earn a high school diploma or equivalent and gain work experience earning a living wage through subsidized employment.	Labor Force Participation; ALICE Rate; 60x30
Michigan Second Chances Program	Scale up successful local non-profit partnerships to provide transitional employment and vocational services that specialize in working with the reentry population.	Labor Force Participation; ALICE Rate; Reduced Recidivism
Michigan Nonprofit Relief & Activation Program	Financial relief and assistance to strengthen the non-profit ecosystem that provides support for families struggling to make ends meet.	ALICE Rate; Labor Force Participation



SUPPORT SMALL BUSINESS

Goals:

Transform economic development in the state by implementing the state's first comprehensive small business strategy that includes focusing on microbusinesses, while focusing traditional economic development towards creating good and promising jobs that make Michigan's economy more resilient and equitable.

Support Small Businesses North Star Goal

- **Top ten state for small business job growth and revenue growth** from 2022 to 2026
 - Focus on underserved communities
 - Top ten for both microbusinesses and second stage businesses

Create Good Jobs & Support Innovation North Star Goals

- **Top ten state for household income growth** during the next five years (FY22-FY26)
- **Top ten state for growth in venture capital funding** over the next five years (2022-2026)



ARP PROPOSALS: **\$651M** to support small businesses and create better jobs

Draft Proposal	Description	Policy Goal(s)
Michigan Mainstreet Initiative	The program includes capital support for restaurants and place-based businesses, microenterprises and invests in creating small business smartzones/accelerators.	Small Business Survival and Growth; Better Jobs
Start-Up Resiliency Initiative	Capital infusion to entrepreneurship ecosystem including investments, grants and technical assistance, to bolster promising high-tech, high-growth start-ups.	Stronger Entrepreneurship Funnel Overall; VC Investment; Better Jobs
Retraining and Retooling Fund	Prepare Michigan's small manufacturers and workforce for opportunities in emerging industries, with a focus on providing support for underemployed and displaced workers.	Manufacturing Competitiveness; Better Jobs & ALICE Rate; 60x30
Michigan Electric Vehicle Friendliness Program	Speed up state-led charging infrastructure buildout and create visionary programs to accelerate EV adoption, as well as spur EV innovation at Michigan testing sites.	EV Friendliness Ranking; EV Adoption Rate; Better Jobs
Talent Attraction and Retention	Scale the STEM Forward program, which provides interns to STEM students and invest in capacity-building for talent attraction and retention.	STEM Talent Attracted and Retained; 60x30; Better Jobs



BUILD STRONG COMMUNITIES

Goals:

Create a strong foundation for communities to grow by making historic investments in broadband, housing, and other critical infrastructure.

Invest in Our Communities North Star Goals

- **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)
- **75,000 new or rehabilitated housing units** in five years (FY22-FY26)



ARP PROPOSALS: **\$800M** to build strong communities

Draft Proposal	Description	Policy Goal(s)
Housing & Community Development Fund	Invest in the HCDF, a powerful tool that will foster innovation and creativity in both affordable and attainable housing creation.	New/Rehabbed Housing Units
Regional Resiliency Fund	Fund the creation of “Regional Economic Resiliency Plans” and regional projects and/or programs that support the implementation of these plans.	Increased Regional Alignment Around Policy Goals; Increased ROI for MI's ARP Investments Overall
Brownfield Bridge Fund	The Brownfield Bridge Fund awards will provide a benefit equivalent to a performance-based grants support redeveloping brownfield sites to create housing or infrastructure for industrial spec buildings.	New/Rehabbed Housing Units; New/Rehabbed Infrastructure at Sites for Business Development; Better Jobs
Community Revitalization & Placemaking Grants	Grants for the rehabilitation of vacant buildings, repurposing of space, or the creation of social-zones to build stronger and healthier neighborhoods and communities.	New/Rehabbed Housing Units; Increased Commercial, Residential Occupancy at Blighted/Underutilized Properties
Residential Clean Energy Improvements	Create healthier, cleaner, and more energy efficient homes by expanding the capital available for clean energy improvements through the low-income housing tax credit program, property improvement program and the neighborhood enhancement program.	Decreased Household Energy Costs; Decreased Carbon Footprint
Large & Strategic Site Development	Invest in making crucial infrastructure and other site improvements that will increase Michigan’s inventory of sites 300 acres and larger.	New/Rehabbed Infrastructure at Sites for Business Development; Better Jobs



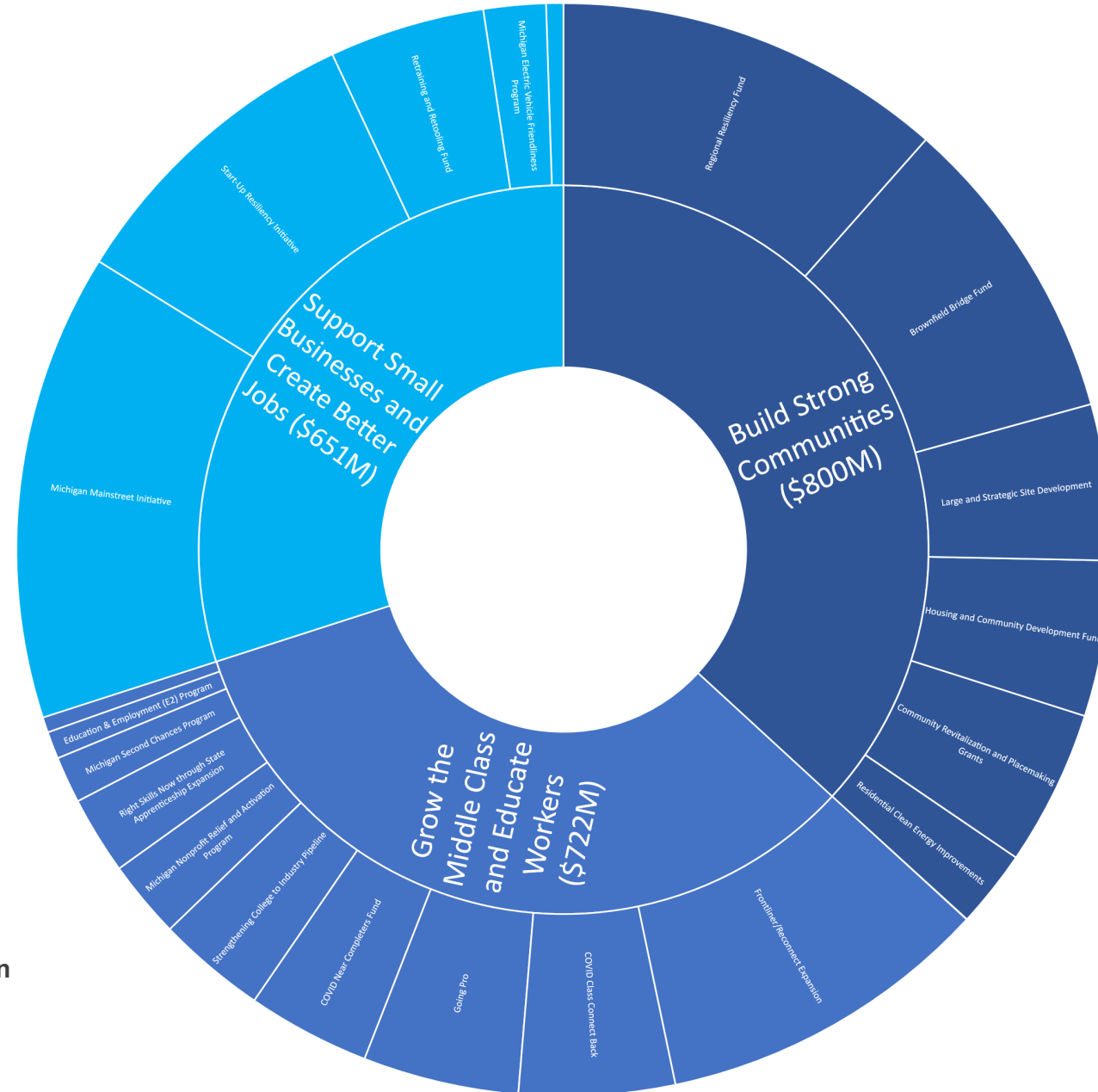
• **Better jobs**

- More small businesses survive, grow revenue and better jobs.
- More start-ups survive, commercialize technology, and get funded by angels and venture capital investors, leading to better jobs.
- Increased amount of STEM workers.
- Increased EV friendliness, leading to more EV jobs.
- Stronger manufacturers providing better jobs.



• **60x30**

- More BAs, ADs, and industry recognized credentials.
- **Increased labor force participation**
- **Lifting families above ALICE**
- **Decrease in labor supply-demand mismatch**



• **Increased ARP ROI**

- Greater alignment on ARP investments with and among local governments.

• **More housing and reduced costs**

- New and rehabbed housing units.
- Reduced residential energy costs.

• **Improved infrastructure**

- Infrastructure improvements at sites for business development.

• **Increased commercial and residential occupancy in downtown spaces**

SUMMARY OF VISION



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.

Goals:

- 60% of adults with a postsecondary credential by 2030.
- Lift 100,000 families out of working poverty during the next five years (FY22-FY26).
- 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 to focus on creating and growing more Main Street businesses.

Goals:

- Top 10 state for small business job growth and revenue growth from 2022 to 2026.
- Top 10 state for household income growth during the next five years (FY22-FY26).
- 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 services and amenities associated with a high standard of living.

Goals:

- 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).
- 75,000 new or rehabilitated housing units in five years (FY22-FY26).