



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**



Creating Pathways to High-Demand Career Opportunities



Building a Stronger Michigan

LEO Strategic Plan
FY22 – FY26

STRATEGIC FOCUS AREAS

A Close equity gaps

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

B Create better jobs and support small businesses

Become the benchmark of economic development by supporting the creation of good and promising jobs that make Michigan's economy more resilient, while implementing the state's first small business strategy that includes focusing on microbusinesses. Address talent shortages in current and future growth sectors in every region of the state.

C Educate Michiganders and grow the middle class by removing barriers to employment

Support education, training, onramps, certifications to make sustaining wages more attainable. Address barriers including housing, transportation, healthcare, childcare, language, and placement. Address talent shortages in current and future growth sectors in every region of the state.

D Protect and enhance health, safety, and economic security for workers

Ensure safe working conditions, fair wages, and labor protections

E Build strong communities and have great places to live

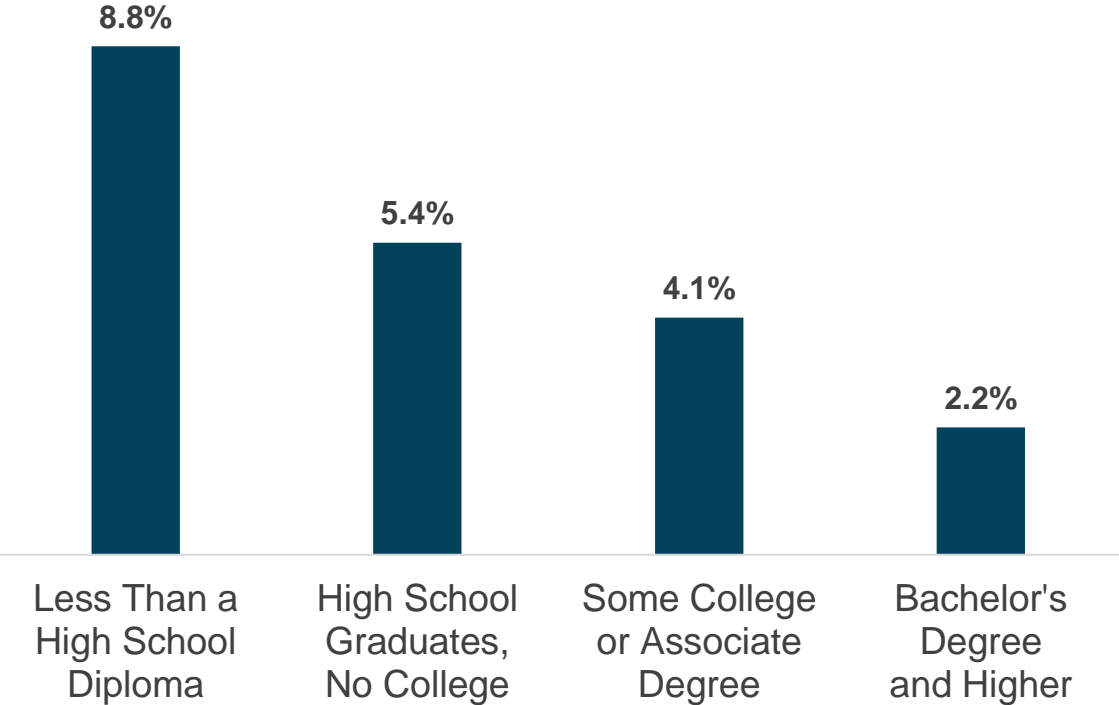
Create a strong foundation for communities to grow by making historic investments in broadband, housing, and other critical infrastructure. Invest in developing vibrant places with rich amenities.



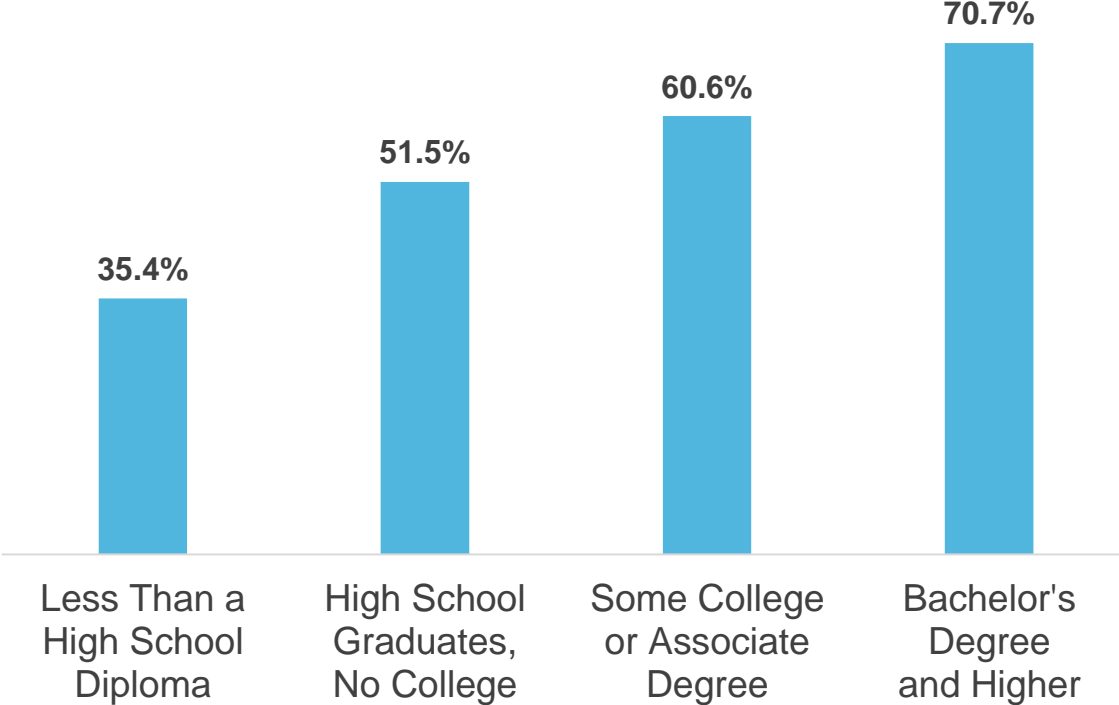
Education Offers Hope For Better Outcomes

Jobless rates tend to be much higher for individuals without a high school diploma or those without additional education beyond a GED. Labor force participation rates are also lower for these groups.

Jobless Rate



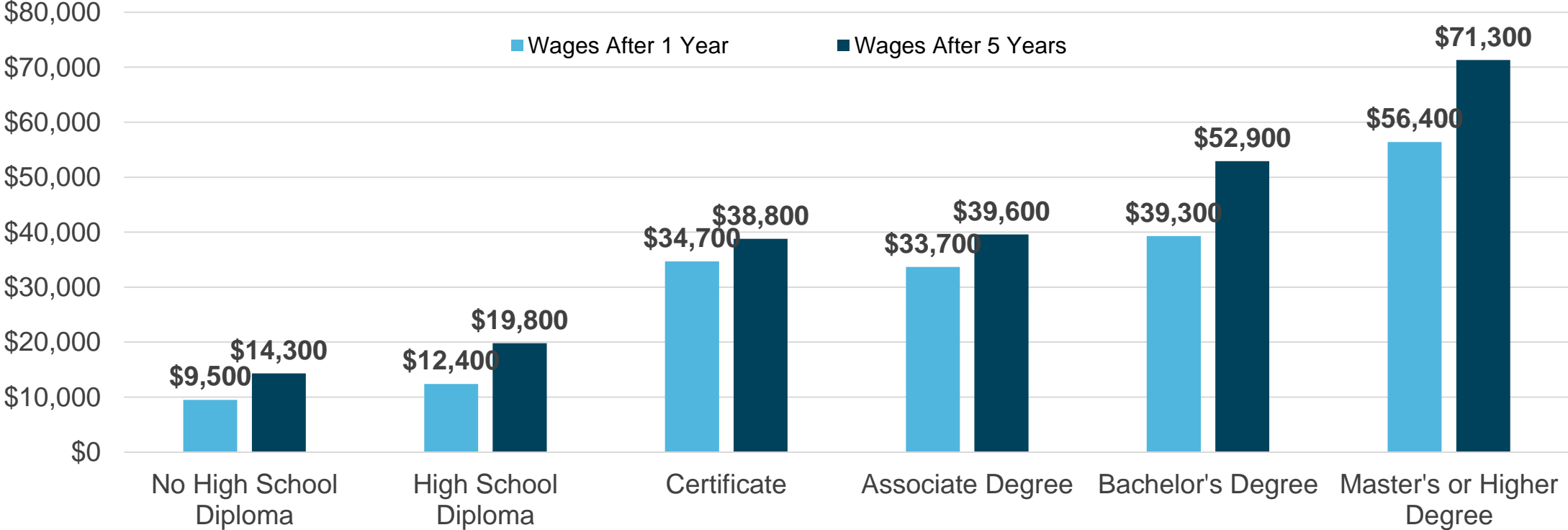
Labor Force Participation Rate



Source: Current Population Survey, 12-Month DEMECON July 2021-June 2022; U.S. Census Bureau

Median annual wages increase with higher educational attainment. Outcomes for recent graduates show significant increases in wages with postsecondary education.

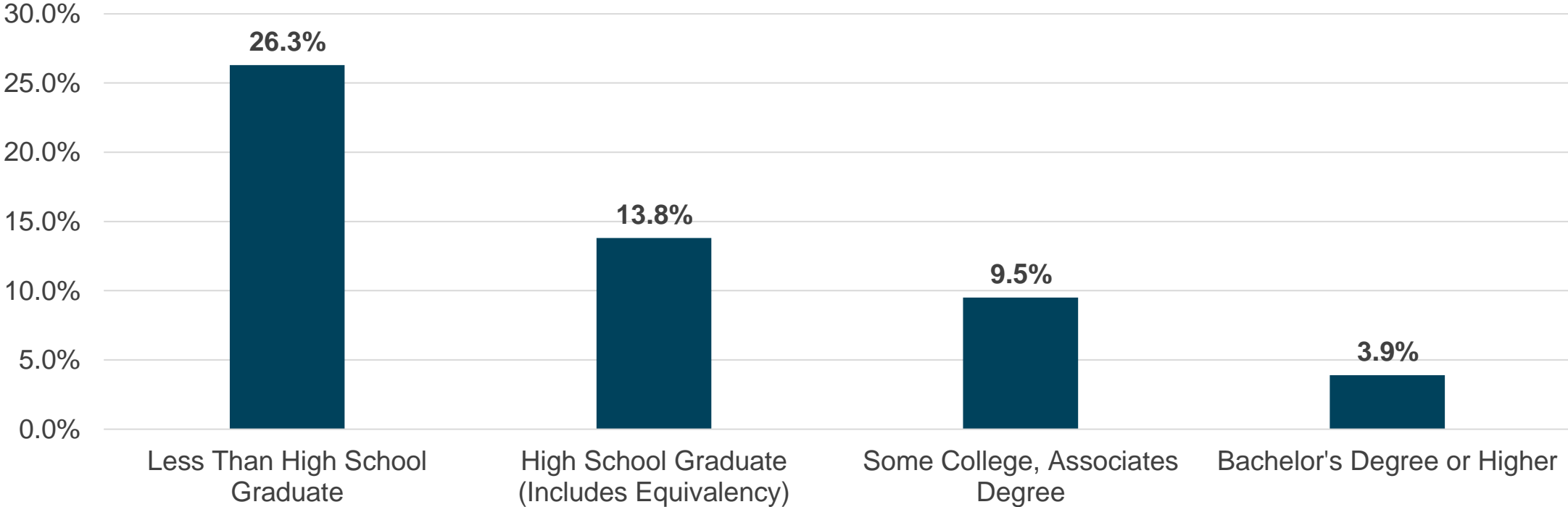
Median Annual Wages by Educational Attainment



Source: MiSchoolData

Postsecondary education is correlated with lower poverty rates in Michigan. Completing high school or equivalent had a poverty rate nearly 13 percentage points less than not completing.

Population Below Poverty Level in Michigan



Source: American Community Survey, 2019 1-Year Estimates, U.S. Census Bureau

Rebuilding Michigan's Economy from all Angles

**Expanding Access to
Post-Secondary
Education**

**Michigan Reconnect
Futures for Frontliners**

Creating Better Jobs

**Going PRO Talent
Fund**

**Developing Michigan's
Workforce**

Apprenticeships

**Removing Barriers to
Employment**

Tri-Share Child Care



Futures for Frontliners

- Launched in 2020 to provide tuition-free postsecondary education for essential workers.

Michigan.gov/Frontliners

Michigan Reconnect



**More than 100,000
applicants accepted.**

- Tuition-free education for adults 25 and older.
- **\$55M** investment through bipartisan budget.
- **\$6M** bipartisan investment in wraparound services.

Michigan.gov/Reconnect

Going PRO Talent Fund

- Launched in 2014 to assist employers with training, developing and retaining employees.
- Training provided to **over 150,000 Michigan workers at more than 5,000 businesses** across Michigan.
- **\$55M** investment through bipartisan budget.

Michigan.gov/TalentFund



Expanding State Apprenticeships



- **Over \$35.8M** in State Apprenticeship Expansion Grants since 2019.
- **\$6.2M** in State Apprenticeship Expansion grants, creating more than **18,700 opportunities** across MI.
- Federal grants and **\$10M** in **FY23** budget, we expect to create more than **6,000 new apprentices** over the next few years.

Michigan.gov/Apprenticeships

Removing Barriers to Employment

- **\$10M** investment to address barrier removal.
- Partnering for action.

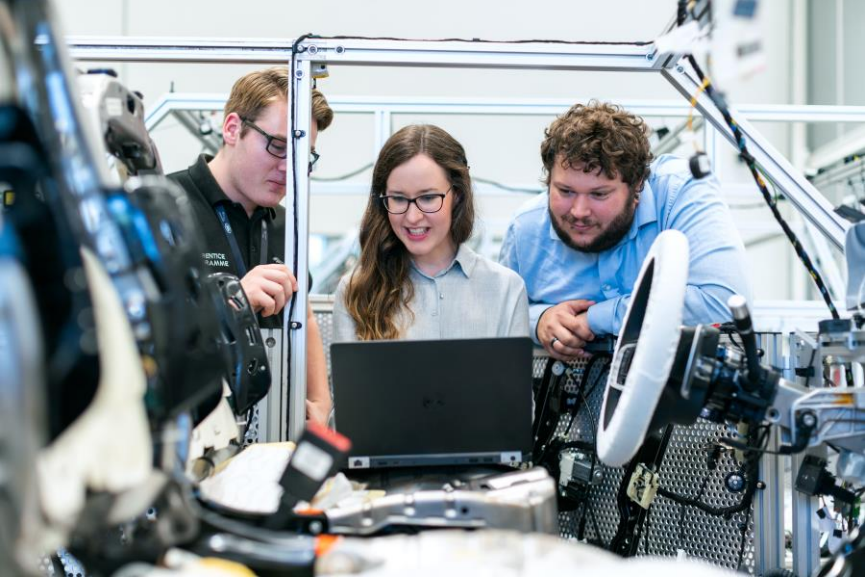




Tri-Share Child Care Program

- Launched to provide long-term support to businesses and families.
- Splits child care costs between employees, their employer and the state.
- **\$1M** initial investment and **\$2.5M** in our 2023 budget

Michigan.gov/TriShare



Continuing to Drive the Work

We are continuing to find more innovative ways to support businesses and employees through:

- Enhancement grants
- Michigan Mainstreet Initiative
- Sixty by 30 fund

Thank you.
Michigan.gov/LEO



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Update on Regional Attainment Goals

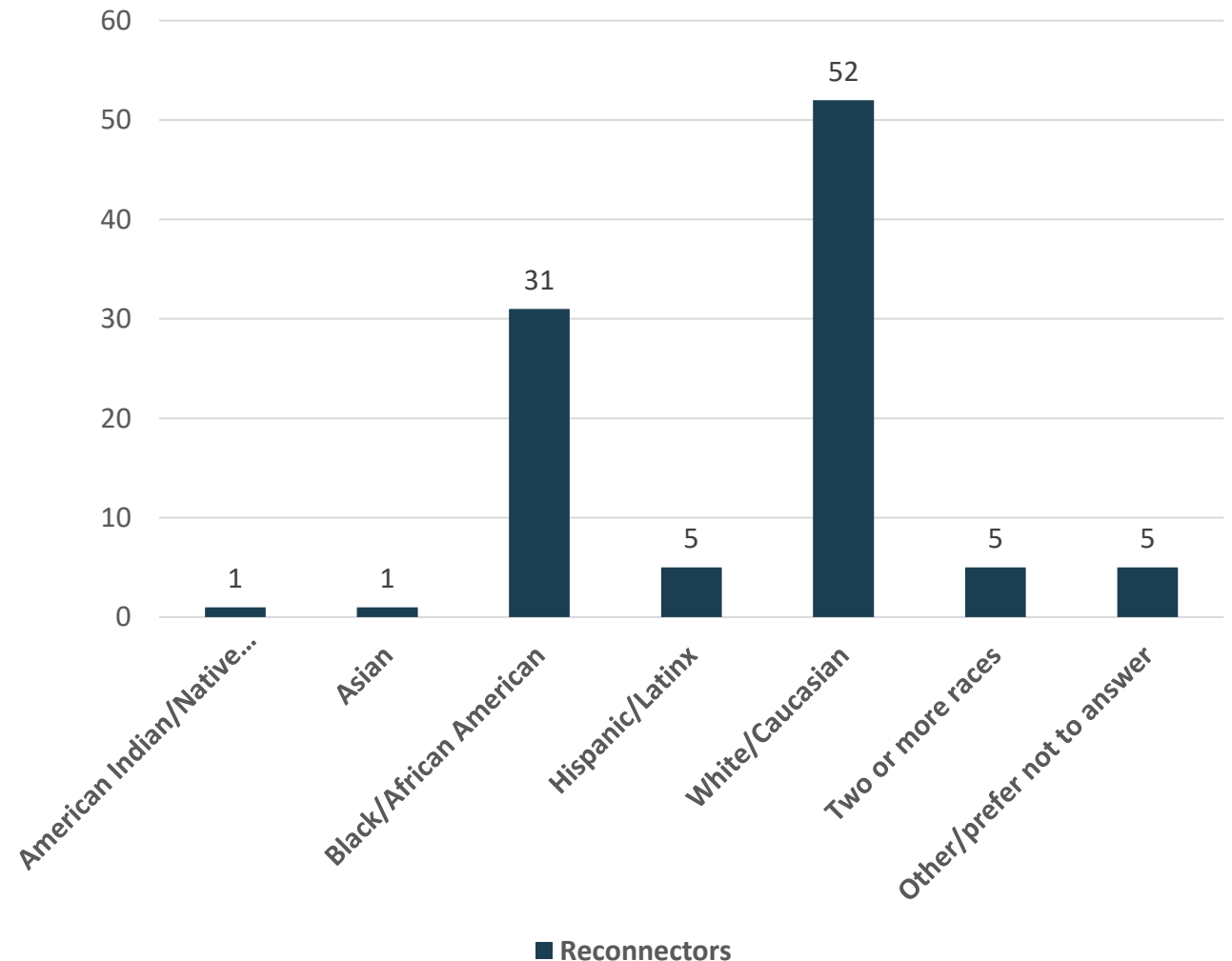


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Applicant Update

- **101,000+** applications
- **Demographics (self-reported):**
 - 66% women
 - 56% are between 25-34
- **18,000+** enrolled
- **500+** credentials earned

Demographics by Race/Ethnicity (%)



400,000

Credentials beyond the trend line

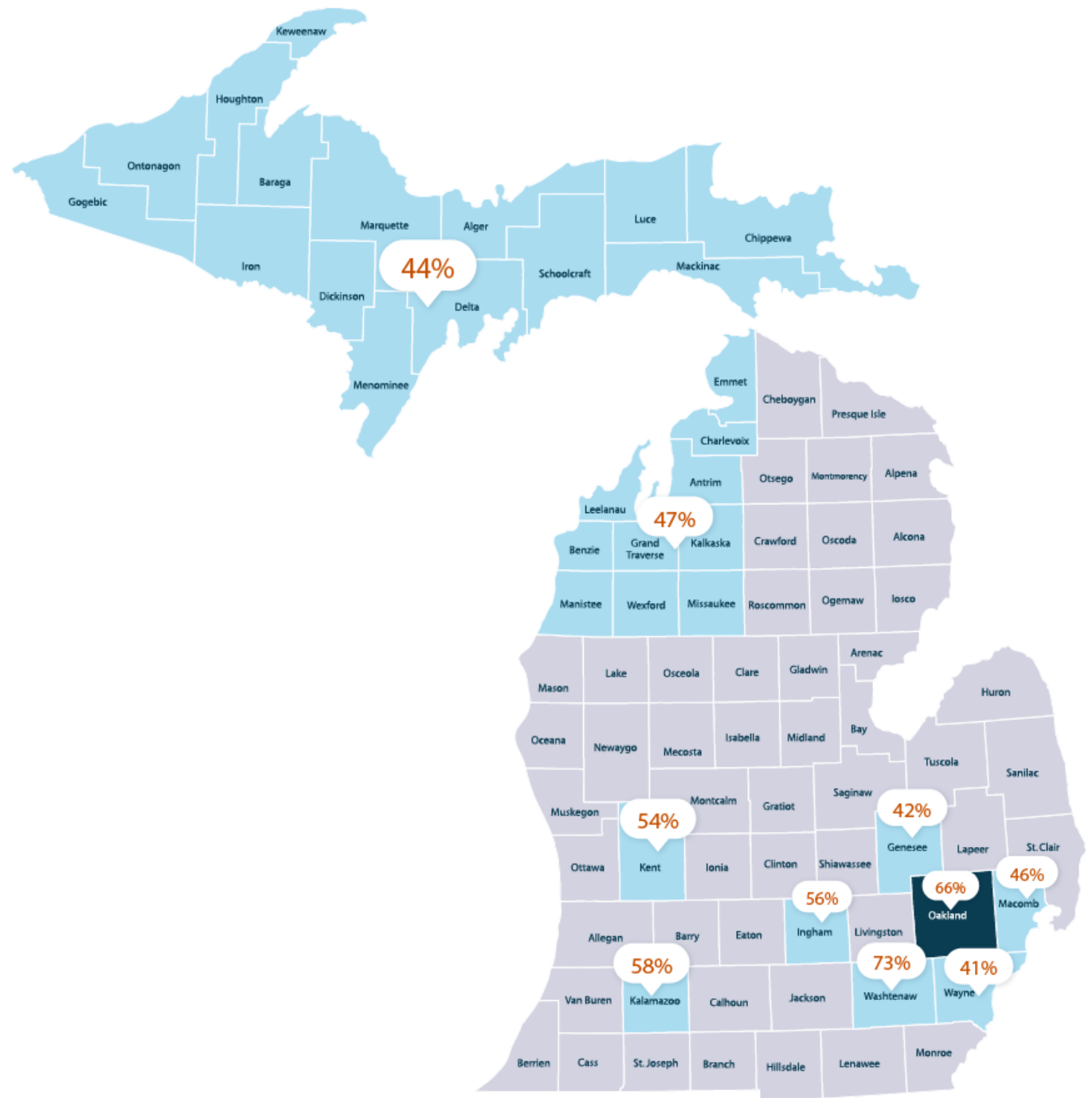
Initial Target Communities

- Population centers
- Address inequitable access to opportunity
- Mix of urban, suburban, and rural

- Genesee (Flint)
- Ingham (Lansing)
- Kalamazoo County
- Kent (Grand Rapids)
- Macomb
- Northwest Michigan – 10-county region
- Upper Peninsula – 15-county region
- Washtenaw (Ann Arbor)
- Wayne (Detroit)

The impact
of 10%
growth:

+362,631
additional
credentials



Our strategy



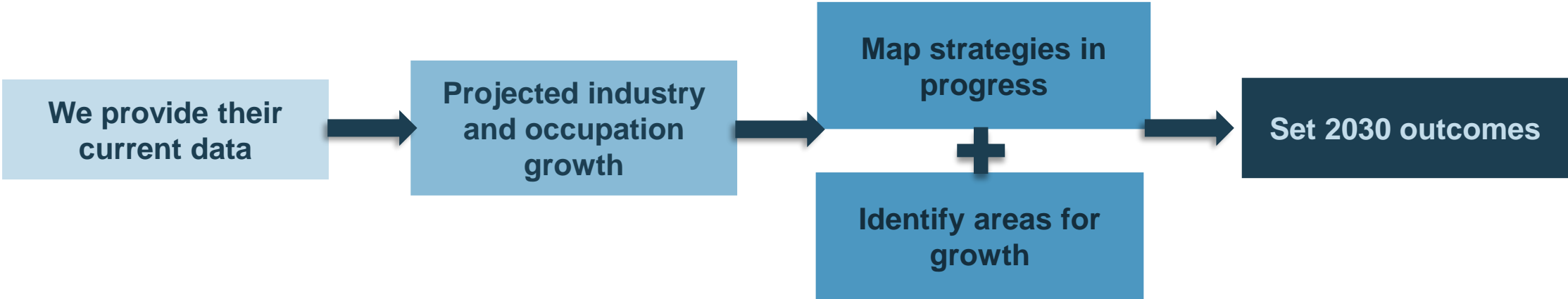
- **Step 1:** Identify **champions** who build a leadership table and drive setting a goal locally
- **Step 2:** Work with the leadership table to review data, set goal, and build larger stakeholder engagement
 - Use labor market data to create path to success
 - Map existing community strategies and identify areas for growth
 - Help articulate the need for new and scaled up strategies
 - Public articulation of goal
- **Step 3:** Identify an owner – the entity(ies) that will keep the work moving forward—and infrastructure to continue momentum
 - Continual partnership to grow best practices, align resources, leverage peer learning, and support policy development

A Framework for Mapping Current Strategies

[Example strategies, not comprehensive]

	Value messaging	Access/opportunity	Success	Prosperity
	Establish a culture that values postsecondary education	Create opportunities for accessible postsecondary education	Foster an environment for residents to complete postsecondary education	Dissolve the skills gap so employers have the skilled talent need for a prosperous community
Traditional aged students	K-12/Higher Ed <ul style="list-style-type: none"> • Campus exposure events Employer <ul style="list-style-type: none"> • Career awareness programs 	K-12/Higher Ed <ul style="list-style-type: none"> • Promise programs • SAT Prep • Expanded support for college counselors 	K-12 <ul style="list-style-type: none"> • Improve college readiness through dual enrollment, AP, IB K-12/Higher Ed <ul style="list-style-type: none"> • Promise programs 	
Adults		Higher Ed <ul style="list-style-type: none"> • Reconnect navigators 	Higher-ed <ul style="list-style-type: none"> • Expand accelerated degree pathways Employer <ul style="list-style-type: none"> • Flexible schedules for employees to attend education/training • Childcare support 	Workforce development <ul style="list-style-type: none"> • Strengthen sector strategies to create good job pathways
Equity strategies	CBOs <ul style="list-style-type: none"> • Mentorship programs to build a college going mindset 	K-12 <ul style="list-style-type: none"> • FAFSA challenge 	Higher-ed <ul style="list-style-type: none"> • Expand first-gen college support programs 	Workforce development <ul style="list-style-type: none"> • Grow skills-based hiring to reduce bias

Data informed modeling



Questions?



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Policy Workgroup Update

Credentials of Value

What we are doing and why?

- Analysis on Associates degrees and below to understand return on investments
- Potential uses:
 - Evaluating current programs (Reconnect, Going Pro, etc.)
 - Prioritizing public investment
 - Publicize data for individuals to make informed decisions
 - Insight/feedback for training providers

Process for degrees/certificates of value



Details on data

- **Data leverages actual individual employment and wages post award:**
 - **Two metrics:** level of employment and annualized wages
 - **Time horizon:** one year after program exit
 - **Type of degrees and awards:** Associate degree and below, including industry recognized credentials and certificates of completion
 - **Depth:** Credential level, not specific program level (does not differentiate by institution)

Current analysis on degrees/certifications awarded in Michigan by return on investment

Status	# of awards	Percent
Top Tier	64	4.2
Meets Goals	145	9.6
Does not meet goals-missed employment	149	9.9
Does not meet goals-missed wages	305	20.2
Does not meet goals-missed both	264	17.5
Bottom Tier (lowest)	150	9.9
Not enough data (< 3 exits)	432	28.6
Total	1,509	100

Definitions

Top Tier	Higher than 75th percentile employment AND more than 45,190 annualized Q4 wages
Meets Goals	Higher than 50th percentile employment AND more than 35,000 annualized Q4 wages
Does not meet goals	Does not meet 35,000 wage threshold and/or 70% employment
Bottom tier	Lower than 25th percentile employment AND less than 31,000 annualized Q4 wages
Not enough data	Fewer than three completers

Total Exits and Employment

Definition		No. of Completers (%)	Rate of Employment
Top Tier	Higher than 75th percentile employment AND more than 45,190 annualized Q4 wages	3,588 (2%)	86%
Meets goals	Higher than 50th percentile employment AND more than 35,000 annualized Q4 wages	15,245 (9%)	75%
Does not meet goals	Does not meet 35,000 wage threshold and/or 70% employment	172,274 (88%)	65%
Bottom	Lower than 25th percentile employment AND less than 31,000 annualized Q4 wages	5,167 (2%)	44%

Insights on Tiers

Tier	Types of Jobs
Top Tier	>75% of credentials are in high demand industrials/trades (line workers, machinist, electrician, etc.)
Meets goals	>50% of credentials are in nursing / entry level IT work
Does not meet goals	<i>More analysis needs to be done to break this tier down.</i> Initial insights show many credentials/degrees could be on a path to 4-yr enrollment (general studies, liberal arts, business administration, accounting, etc.)
Bottom	Extremely low employment levels Low level certificates in extremely specific fields (mortuary, veterinary, interior design, graphic design, etc.)

Initial insight

- **91% of associate degrees/certification completers do not meet goals:** additional investigation required in terms of eventual 4-yr completion
- 28% of certificates have **fewer than 3 completers** on an average year
- **There are a small number of clear winners** (2% of all completers)
- **8% of completers “meet goals” below the top tier**, but these completers only have an employment rate of ~75% and a wage between 35K and 45K



Next steps/Asks

- **Recommendations for stakeholder engagement**
- **Feedback on initial analysis**
- **Additional data exploration to be completed** for example:
 - Industry breakdowns
 - Credentials that are preparing individuals for additional education
 - Tier 3 additional analysis

Talent Cultivation Workgroup Update

Understanding community needs

Updates



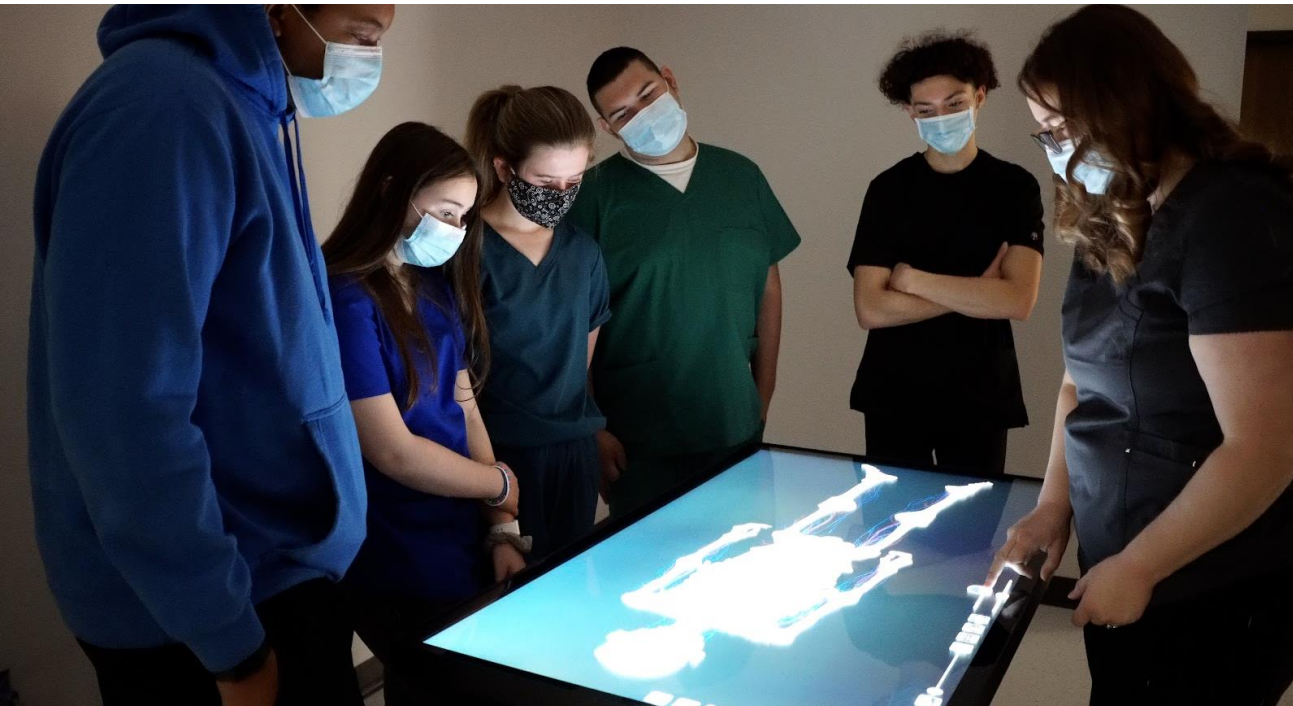
- ❑ Community Roundtable Update
- ❑ Additional Strategy: Identify existing events to join
 - U. P. Building Trades Summer Camp
 - CTE students and parents captive audience
 - Targeted survey to CTE parents and students
- ❑ Survey pushed out to other related stakeholder groups





Strategy Proposal: Previous Recommendations

1. Funding/Incentives for Educator Externships for K-12
2. Adult Education Expansion to areas where this is not available & Flexibility on use of funds
3. Ongoing community engagement/input around adult training opportunities & needs
4. Continued/expanded funding and support for secondary CTE and Registered Apprenticeship Expansion
5. EDP tracking/accountability for grades 7-12
6. Sustainable funding in SAF for Career Navigators and related training
7. Funding for virtual tours for adult career exploration, with statewide promotion of employer participation
8. Holistic case management approach within MWAs across all programs
9. Employer incentives to support transportation barriers.
10. Increased flexibility with who MWAs can enroll in programs (policy and legislation).





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Next Steps:

Drill down to specific talent cultivation areas that would yield the most impact.

Focus on Registered Apprenticeship

- Aligns with state expansion efforts
- Includes youth (age 16) and adults
- Partners education with businesses

Career Navigators in School Aid Fund (coming to ISDs/RESAs)

- Career Awareness and exposure is foundational
- for the long game of talent cultivation
- Data indicates significant impact on career development

Accountability around Educational Development Plans within K-12

- Essential piece to career development and career planning
- Legislation needs teeth to ensure implementation
- Career Navigators can assist with EDPs

Adult Education Expansion

- Short term career training



Barriers Workgroup Update

Focusing in on greatest impact issues

Process for Selecting Priority Issues and Action



Major Barriers: Statewide Scan

Chioke Mose-Telesford



Michigan Workforce
Development Board

Barriers to Employment



Childcare Costs

- 124,944 parents out of the labor force with at least one child under 6
- 235,000 women 16 to 64 out of the labor force with at least 1 child >17



Childcare Access

- 30% turnover & 87% of childcare facilities have staff shortages
- Median wage for ECE professionals was \$11.13 in 2019
- 1 in 5 early educators living below the poverty line



Transportation

- 358,000 Michiganders had a license suspended in 2018
- 43% of Detroiters without a car missed work, an appointment or an outing in one month alone due to transportation

Barriers to Employment



Benefits Cliff

- 36,000 residents out of the labor force who report public assistance income
- 32,000 working adults reported public assistance income



Justice-Involvement

- Estimated 2 to 3 million Michigan residents have criminal convictions
- State's local jails incarcerate 163,000 people annually, nearly 2% of all Michiganders



Lack of HSE or Post-Secondary Credential

- 1.27 million Michiganders lack high school equivalency or postsecondary education

Barriers to Employment



Disability Status

- Nearly 2.1 million Michiganders have a disability, including 26% of adults



Digital Literacy & Access

- 19 % of urban residents and 16% of rural residents lack digital, this jumps to 25% in some of Michigan's poorest districts



Occupational Licenses

- Costly & burdensome process in comparison to other states
- 860,000 Michiganders without postsecondary education who are out of the labor force

Barriers to Employment



Low Wage Jobs

- 40% of jobs in Michigan pay less than \$15 an hour
- Over 43% of Michigan households cannot meet basic needs



Housing Insecurity

- 320,000 renting households in the state have incomes at or below 30% of the median income for their area. Of those households, 71% spend more than half their income on rent



Older Adults

- 660,000 Michiganders 50 to 64 out of the labor force

Putting Kids & Families First

Expanding Access to Quality,
Affordable Child Care



**Child care
keeps
Michigan
working.**



~\$1.7 billion in federal COVID relief

Lower Costs
for Families

Keep
Programs
Open

Support
Child Care
Professionals

Expand
Access to
Care

We're making real progress

Lower Costs for Families

- 150,000 more families eligible for low or no cost care
- 59 counties served by Tri-Share
- 22,000 more families eligible for GSRP

Keep Programs Open

- ~\$1b in grants
- 6,000+ sites received operational funds since 2020
- Signed bipartisan legislative package to cut red tape

Support Child Care Professionals

- 38,000+ professionals received \$1,000 bonuses
- \$5m in scholarships
- \$5m for apprenticeships
- Licensing flexibility

Expand Access to Care

- Goal: 1,000 new providers by 2024
- \$100m for Caring for Mi Future (including \$50m for facilities)
- Expanded ratios in home-based care



**But we
still have
a lot of
work to
do.**

Care is still too expensive for families



Care for an
infant and a 4-
year-old
\$18,602



Tuition at a
public university
\$13,420



Annual
mortgage
payment
\$15,012

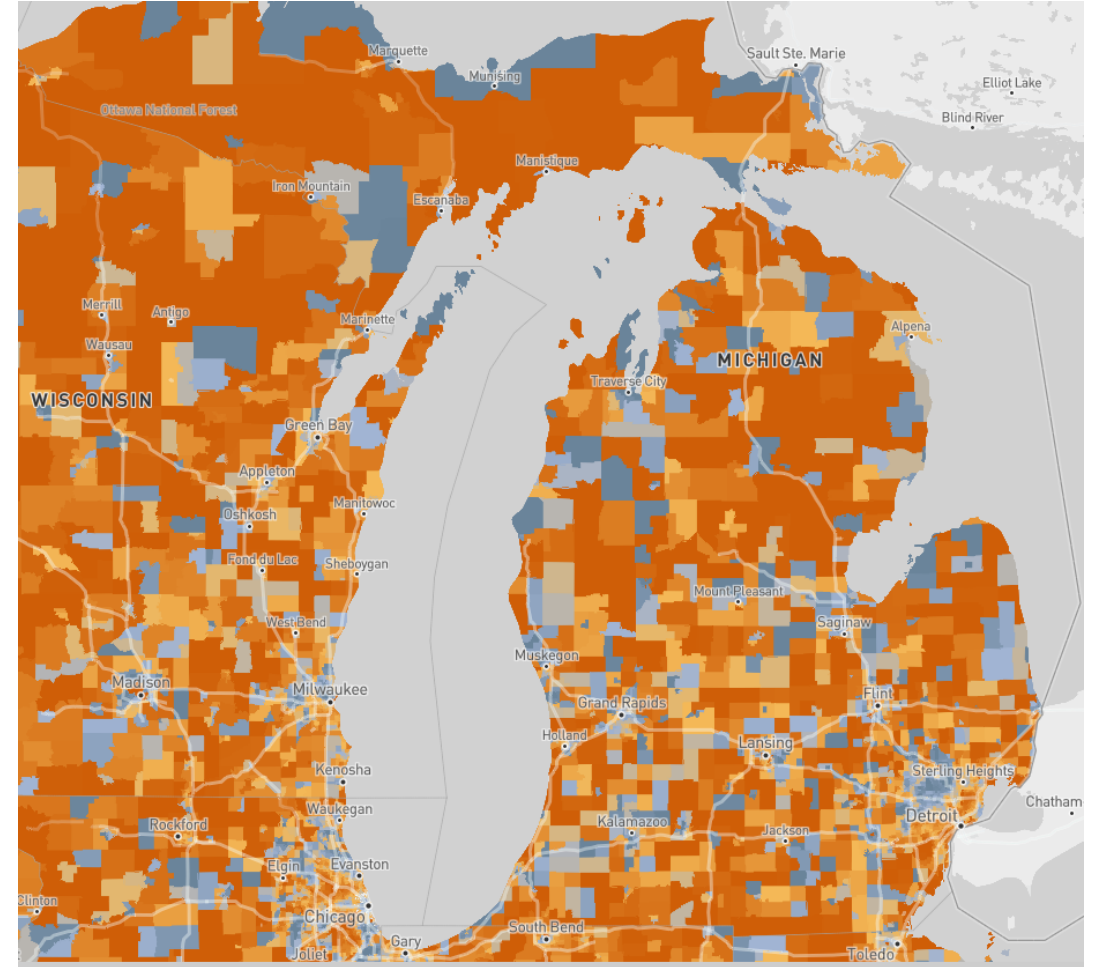
Too many families can't access care



44%+ Michiganders live in a community without enough child care access



20+ counties qualify as child care deserts, meaning there are >3 children to ever child care slot



Child care professionals are underpaid



Average child care professional earns
\$12.40 per hour

Average preschool teacher earns
\$14.89 per hour

Child care professionals are underpaid



Average child care professional earns ~~\$12.40~~ per hour



\$16.00 if she works at McDonalds in DeWitt

Average preschool teacher earns ~~\$14.89~~ per hour



\$38.09 if she works as an elementary teacher

Fewer workers = fewer options for families

87% of centers have a staffing shortage

49% of programs are serving fewer children

28% have reduced their operating hours

We have strong forward momentum

- \$100m investment in Caring for Mi Future to build toward the future
- 31,000 families are working or going to school with the help of free or low cost child care right now
- In the last year, 640+ new child care businesses opened their doors
- 59 counties have raised their hand to be part of Tri Share
- Public-private partnerships are investing in innovation to respond to this crisis in partnership with communities
- Bipartisan energy helped address regulatory concerns and make big investments in supporting families and business
- Community-driven efforts to engage business in solutions
- And more ...

We need your help



Grants:

Regional rapid
response



Lower Costs for Workers:

Tri-Share & Subsidy



Legislative Advocacy:

Stay tuned

Resources

Contact me

- Michelle Richard
- RichardM11@Michigan.gov
- 517-242-0329

Grants

- **Regional Child Care Planning Grants**
- Launch 9.28
- ecic4kids.org/caringformifuture

Lower costs for workers

- **Tri-Share:**
Michigan.gov/Tri-Share
- **Child Care Subsidy:**
Michigan.gov/childcare
 - [Flyer](#)
 - [2 min quiz to see if you qualify](#)
 - [Apply](#)

Job Matching Workgroup Update

Identifying Innovative Practices

What We've Done

1. Joined barriers committee for a presentation on barriers to work and confirmation on avoiding duplicate efforts or focus areas
2. Identified three primary areas of interest:
 - Career counseling
 - Career navigation
 - Skills-based hiring
3. Issued job matching survey to identify innovative practices
4. Conducted follow-up interviews
5. Received presentation from Michigan Works Association on innovative practices at MWAs



Job Matching Survey

An online survey was sent to organizations across Michigan to understand:

- Where they developed practices, pilot programs and projects with the intent of recruiting, developing, retaining and rewarding team members.
- Where their programs and work efforts could be the foundation for shared learning to enhance finding a match between an available job and potential employees.

30 responses were received from these types of organizations:

- Michigan Works! Agencies
- Other Workforce Development Organizations
- Educational Institutions/ Programs
- Industry Representatives/ Employers
- Government

Preliminary Findings

1. A few of these 30 organizations are in the planning/proposal stage of their work and/or have not meaningfully engaged in job matching services.
2. A few of the organizations focus on specific programs or fields, like IT and early childcare.
3. A few of the organizations have an explicit equity focus (e.g., increasing diversity in IT programs, increasing employment opportunities for people with autism, ending generational poverty through employment, developing workforce re-entry programs for justice-involved residents).
4. Many of the organizations focus on developing job seekers' skills to meet employers' needs for in-demand jobs.
5. Many of the organizations work with students and youth on career exploration.



Follow Up Interviews

21 organizations indicated they would be willing to participate in a follow up conversation, and all have been invited to participate.

- 8 organizations have completed follow up calls.
- 3 more are scheduled
- Waiting to hear from others

Preliminary Findings

1. Michigan Works! Agencies shared customized services to connect a high volume of job seekers with local employers in industries of focus, which is driven by employer demand.
2. HireReach improves employers' hiring behaviors and reduces employer/employee mismatches through employer paid services such as training and tools, advancing human resources practices, and conducting appropriate assessments.
3. Autism Alliance of Michigan works with people with autism and other disabilities statewide to connect them with employers through an in-depth and comprehensive process involving intake/assessment and training/job analysis.
4. Shop Rat serves around 2,000 youth in grades 3-10 several counties with a focus on manufacturing and building trades programs. They offer in-school robotics programs, a summer camp, and other pipeline activities for youth.
5. LEO's Pathfinder program offers a web-based tool to help youth explore careers and related pathways.



Next Steps

1. Continue with follow up interviews with survey respondents to identify commonalities in approach, audiences, and results
2. Focus new efforts on national best practice research in the three target issues:
 - Career counseling
 - Career navigation
 - Skills-based hiring
3. Planned policy recommendations in Q1 of 2023



Additional Discussion and Public Comment