

**April 26, 2023**

# Placemaking

It's all about the people

Presented by Brian Calley  
President & CEO | Small Business Association of Michigan

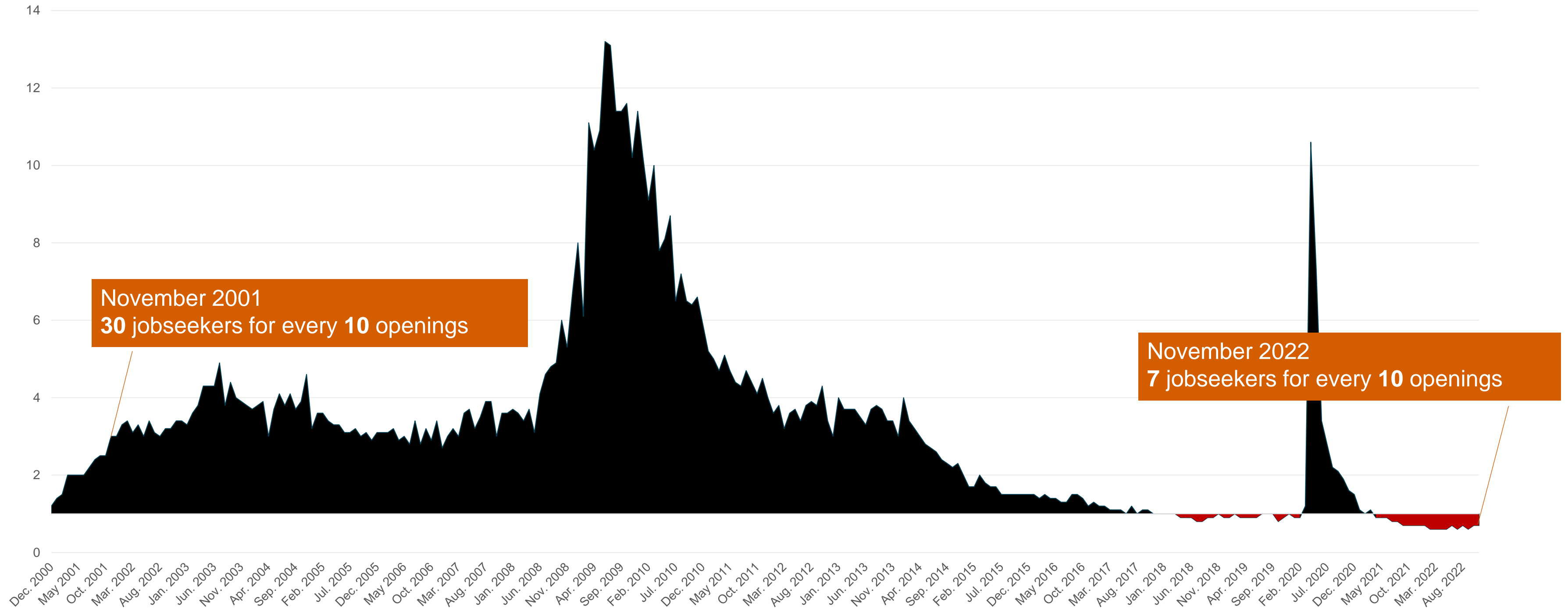
**SMALL BUSINESS**  
Association of MICHIGAN



We're short on people

# Jobseekers per Opening at Historic Low

## Jobseekers per Job Opening, Michigan (2000-2022)

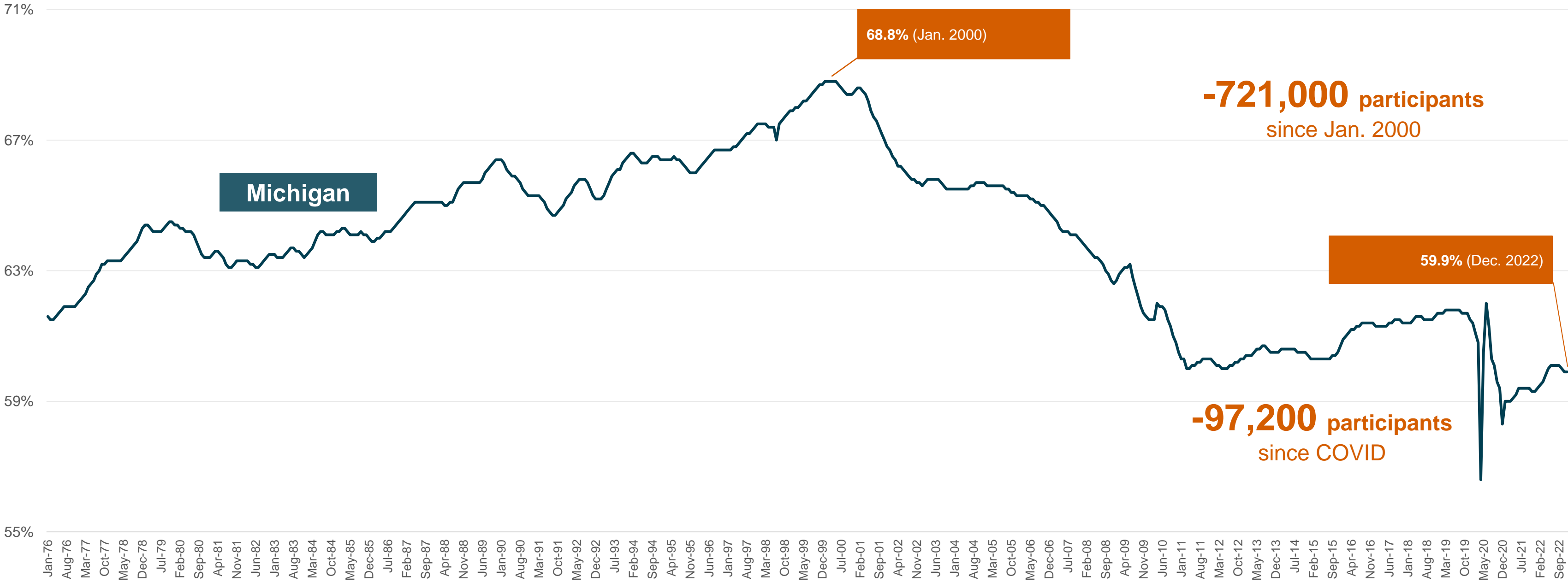


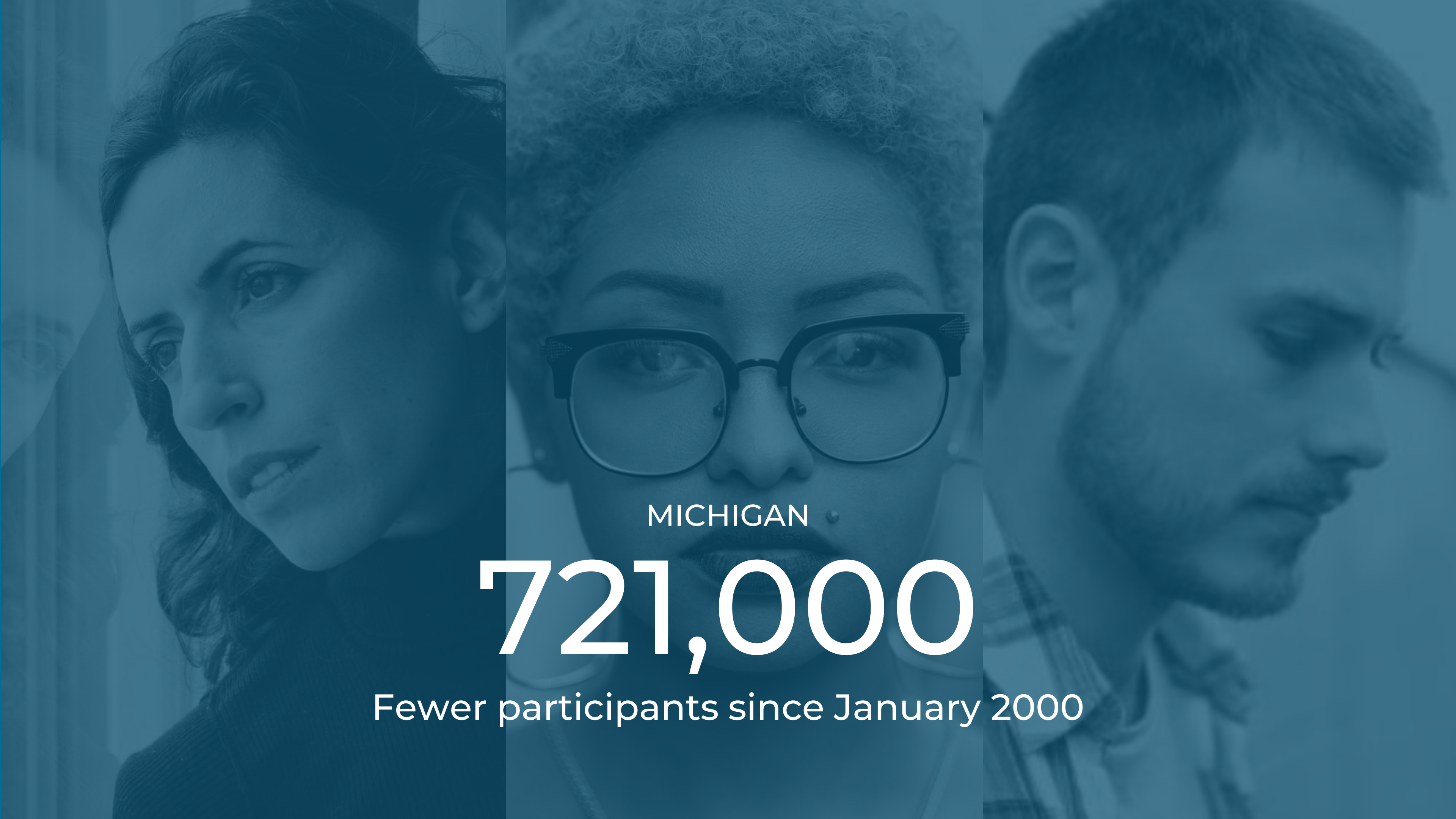
Job Openings and Labor Turnover Survey (JOLTS)



# Decades of Decline: State's Labor Force Participation

## Labor Force Participation Rate (16+), Michigan (1976-2022)





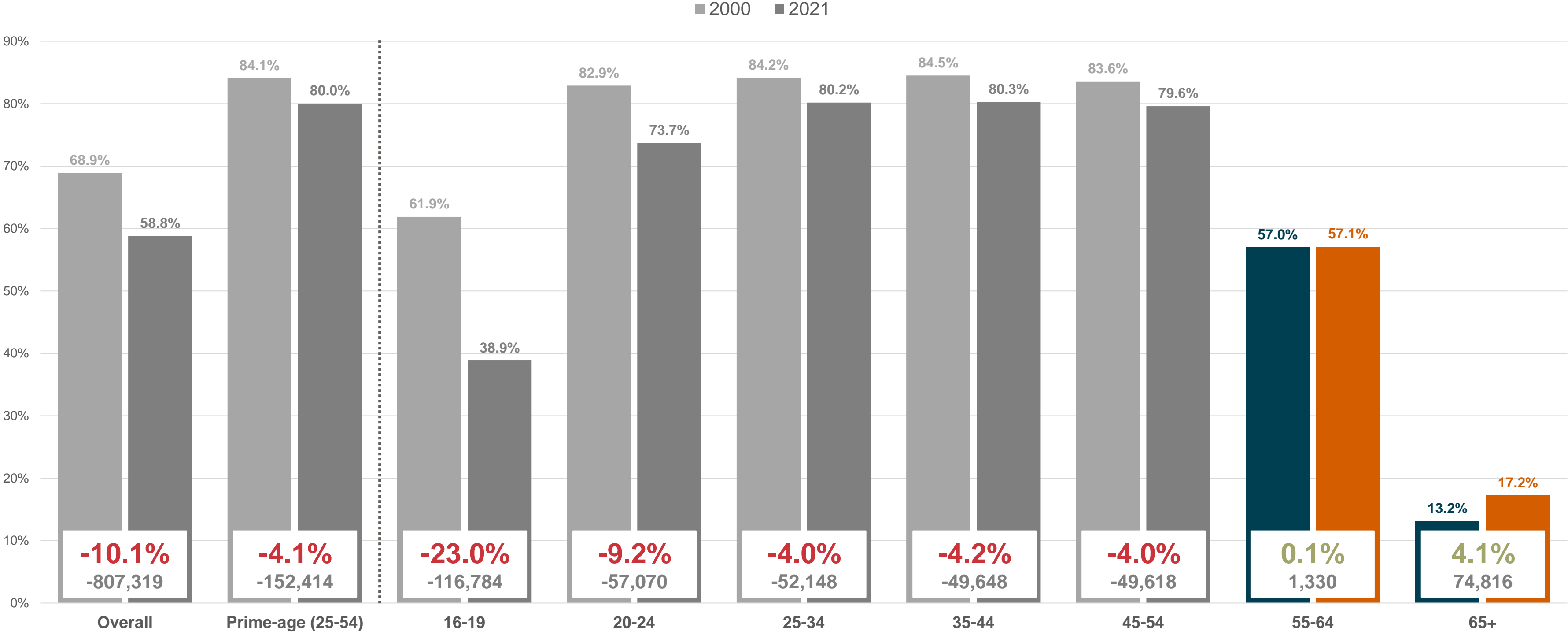
MICHIGAN

721,000

Fewer participants since January 2000

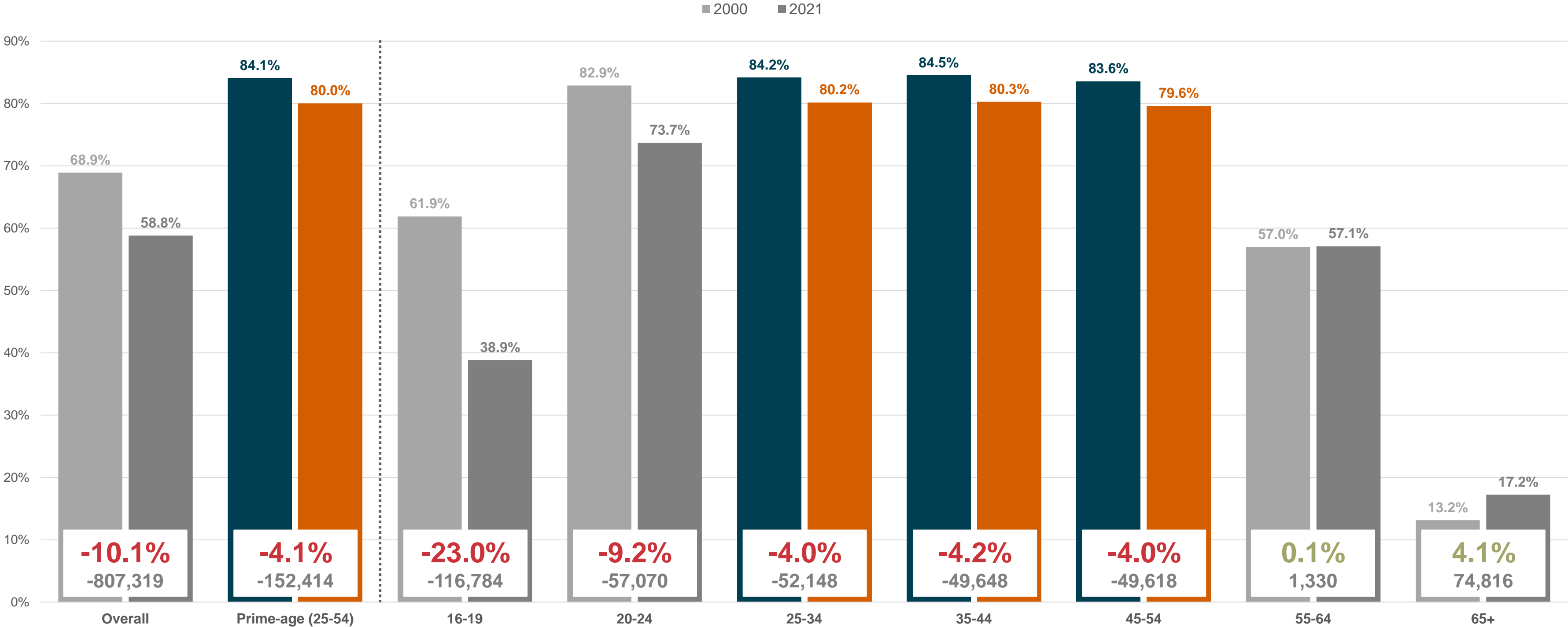
# Declining Participation in Every Age Group, Except 55+

## Change in Labor Force Participation by Age Group, Michigan (2000 v. 2021)



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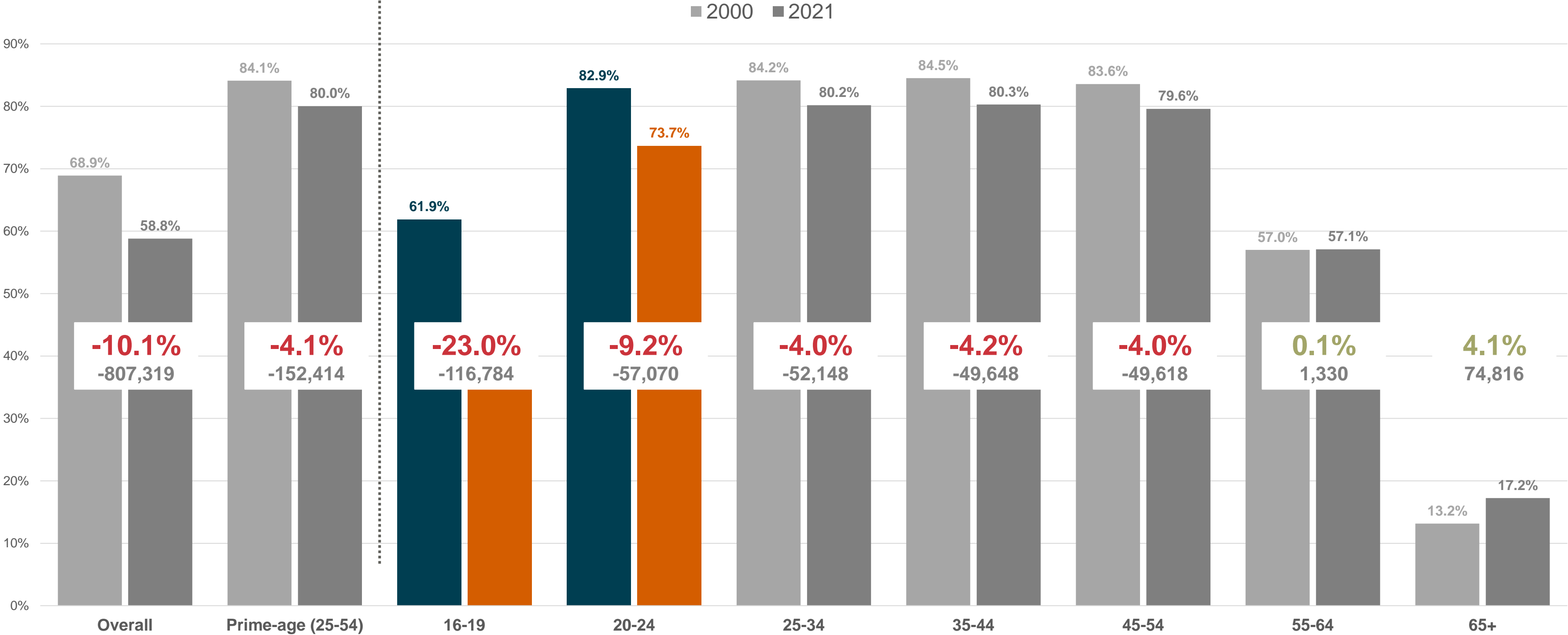
Current Population Survey (CPS), Subnational Estimates





# Declining Participation in Every Age Group, Except 55+

## Change in Labor Force Participation by Age Group, Michigan (2000 v. 2021)



# Why this is Critical for Michigan



Workforce is aging  
and retiring



Births not  
keeping pace



Negative net  
migration

## Substance Use

**44%**

of decline in prime-age male participation due to opioids

**700,000**

likely still employed with a substance use disorder

**\$8,817**

average annual cost per employee with an untreated SUD

## Formerly Incarcerated

**2-3 million**

Michiganders with a criminal history

**13%**

lower turnover rate

**540,000+**

out of workforce

## Child Care

**1 in 5**

out of workforce with children under 18

**2x**

poverty rate per additional child

**130,000+**

*single* parents out of the workforce

**478,000**

*married* parents out of the workforce

## Disabilities

**2x**

lower turnover rate

**40%**

labor force participation rate

**950,000+**

out of workforce



# Restoring Labor Force Participation: What's Possible

## Michigan

**+720,000** participants

**+22.1B** in economic activity (earning median income of \$30,723)

**+\$941M** in tax revenues

**14%** fewer in poverty

**2x** current job openings

# People need place

Housing, Connectivity, and Education

# Supporting MSHDA's Statewide Housing Plan



Overcome  
complex housing  
challenges



Rectify  
longstanding  
inequities



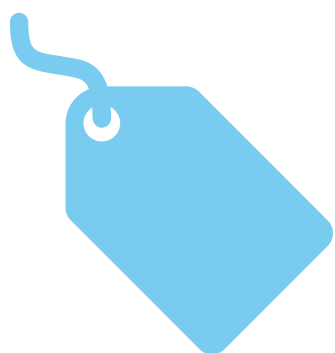
Improve access  
to information  
and assistance



Apply  
resources more  
effectively



# Address Critical Housing Needs



**48%** of renters pay too much for housing



Between 2013 and 2020, average home sales prices went up **84%**



**47%** of the housing stock is over 50 years old



**Less than half** the number of new build permits for 2016-2020 than for 1986-2006



# Investment for “Missing Middle”: \$100M over 3 Years

**This support for workforce housing provides necessary gap funding** for housing that is rent and income-restricted to be affordable to the median family.

**Critical to a comprehensive and balanced housing strategy;** workforce housing is a key component of solving Michigan’s labor supply challenges and helping small businesses across the state.





# Framing the Plan: Principles and Priorities

## Principles



## Priorities

1. Equity & Racial Justice
2. Housing Ecosystem
3. Preventing & Ending Homelessness
4. Housing Stock
5. Older Adult Housing
6. Rental Housing
7. Homeownership
8. Communication & Education



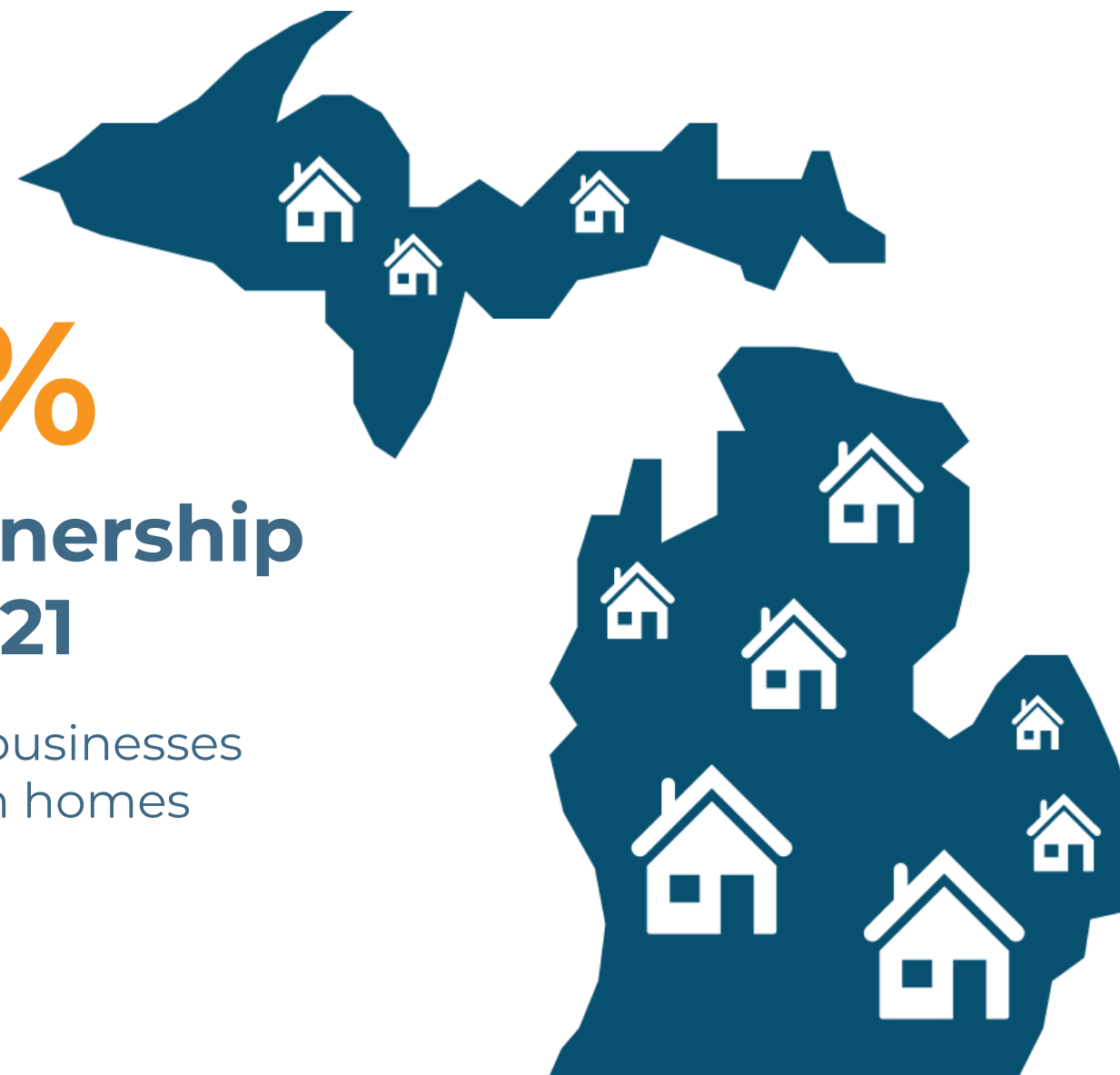
# Importance of Home Ownership

## Michigan is a Top 10 State for Home Ownership

1. West Virginia
2. Maine
3. Minnesota
4. New Hampshire
5. Vermont
6. Delaware
7. Alabama
8. South Carolina
9. Indiana
10. **Michigan**

**71.7%**  
home ownership  
rate in 2021

- Many small businesses are started in homes

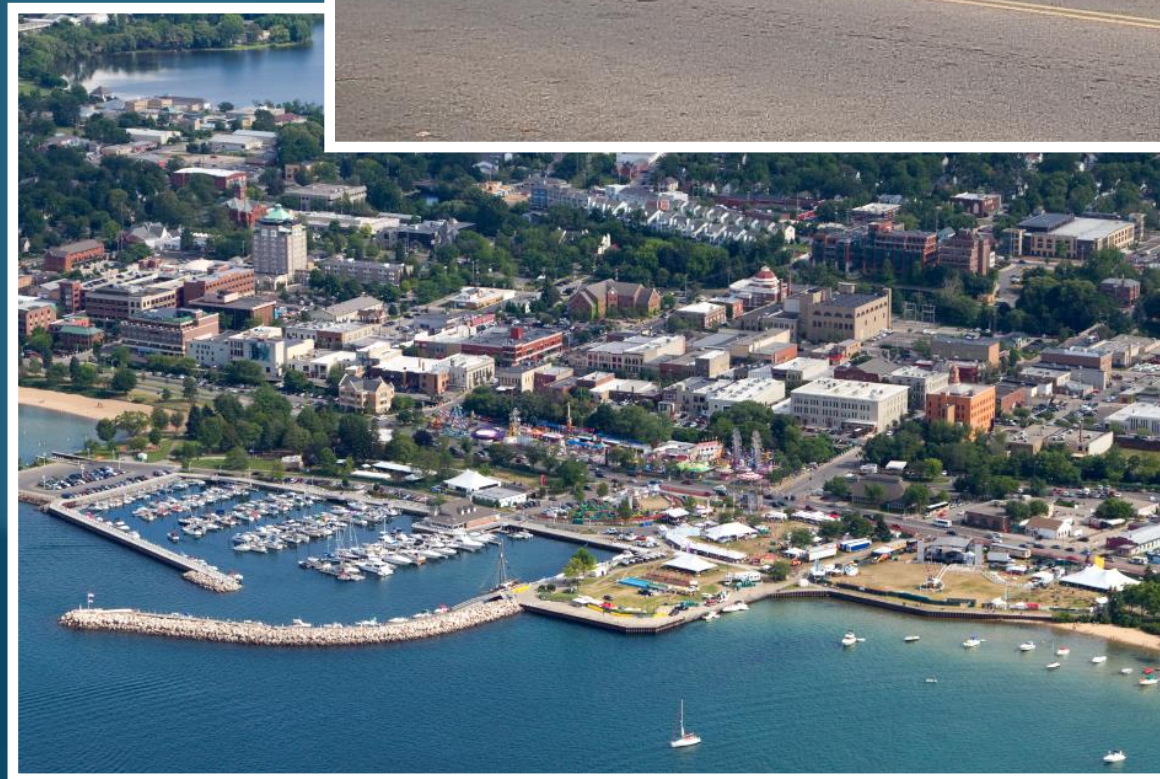


# Connectivity is a critical infrastructure need

- Every **student** that had to sit outside a library or McDonald's to access Wi-Fi to complete their schoolwork during the pandemic.
- Every **senior** that wants to stay in their home and still have access to world-class healthcare.
- Every **farmer** that can't access the latest tech to grow their business.
- Every **entrepreneur** that wants to start a small business.
- Every **community** that wants to broaden their engagement.
- Every **business** that wants to find a new customer base.
- Every **veteran** that wants to stay connected with their fellow service members.
- Every **person** that's been snowed-in and wants to still work or learn remotely.
- Every **teacher** to digitally support their students learning.
- Every **parent** who wants to learn a new skill to support their family.
- Every **prior offender** looking for a second chance.
- Every **refugee** who now calls Michigan home.
- Every **concerned citizen** that is homebound and still wants to engage in their community.
- Every **job applicant** that had their video interview drop because their internet was too slow.

# WHERE IS THIS WORK NEEDED?

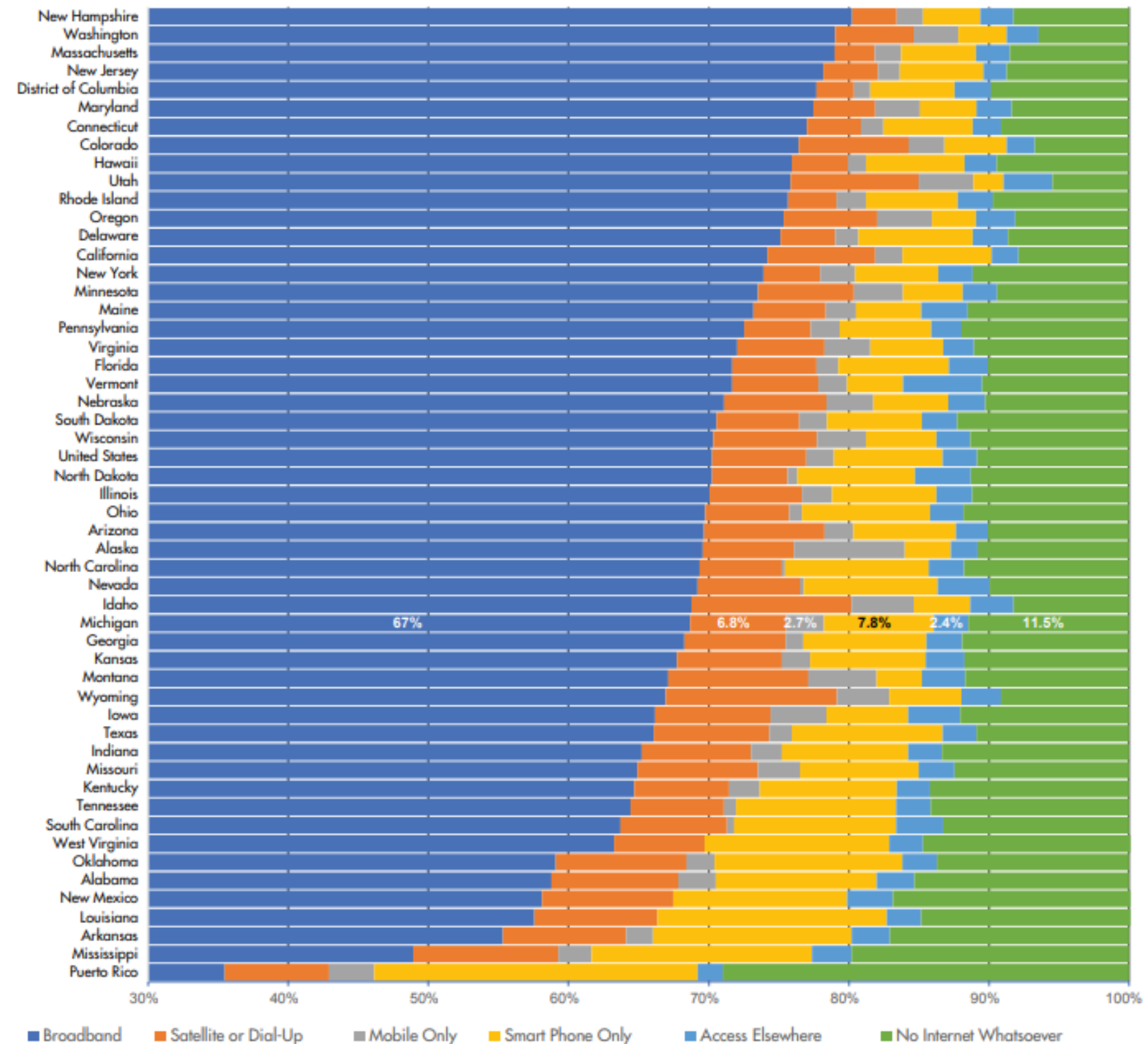
- RURAL COMMUNITIES
- URBAN CENTERS
- SMALL TOWNS
- VAST OPEN SPACES
- EVERY CORNER OF OUR STATE



# Household Connectivity Challenges, 2019

**Michigan has the 20<sup>th</sup> lowest broadband adoption rate among other states.**

The Household Connectivity Challenges chart shows the proportional distribution of households experiencing the Digital Divide among all states.

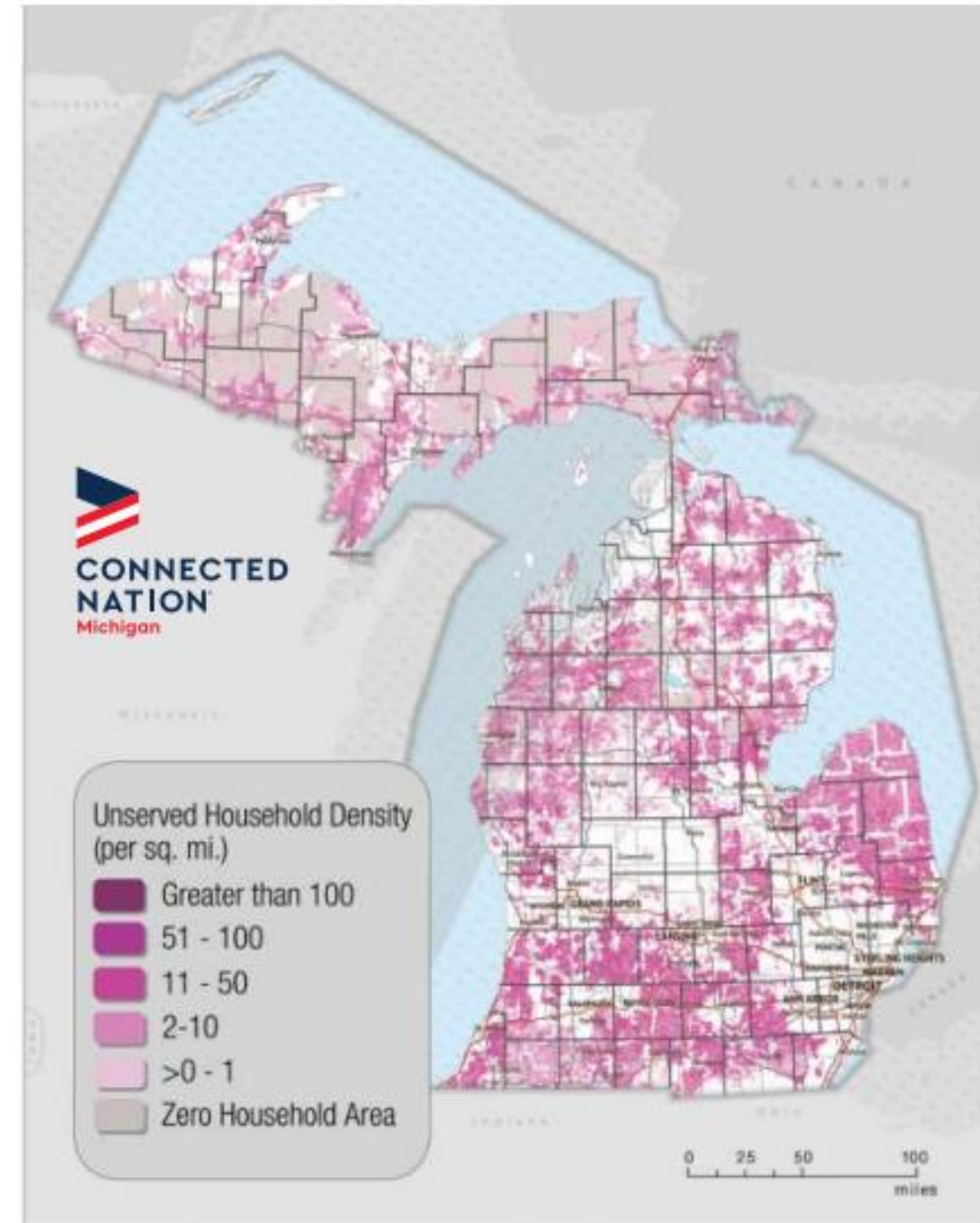


# Unserved Areas

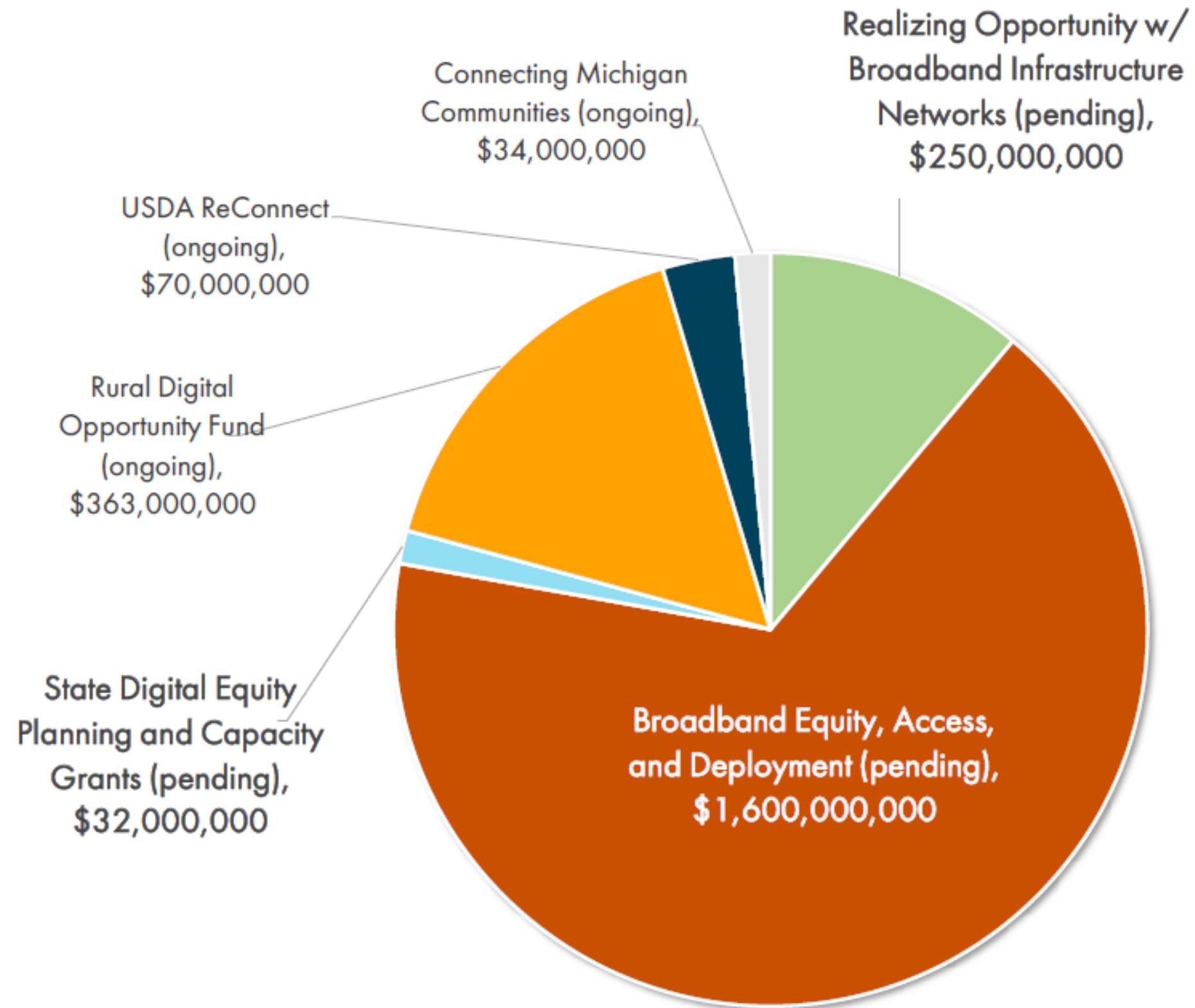
**Lacking 100M/10M  
Broadband**

**Household Density per  
Square Mile per Census Block**

State Availability by Household: **92.71%**  
Unserved Households: **282,286**



# Historic Federal Investments



# Launch Michigan Pillars for Change

## **Reinvention:**

Michigan must reinvent its schools into a dynamic network of learning opportunities that help all our young people perform at their peak capacity, no matter where they come from or what their unique backgrounds and learning needs might be.

## **Resources:**

The supports and opportunities we've described above aren't free. All the opportunities and expectations in the world don't matter if we're not providing the dollars to make sure they get done -and done well.

## **Responsibility:**

We want to build a new system that puts children first, with every single individual, organization and agency taking responsibility for their support of children. The Framework looks at ways to streamline structures and use data more effectively to a variety of ends.

Share Link: <https://www.launchmichigan.org/framework>



# Reinventing Michigan's Education System

**17.7%**

Approximately 17.7% of MI residents are now aged 65 or older.

**35<sup>th</sup>**

MI currently ranks 35th in U.S. educational attainment.

**13%**

MI's manufacturing sector employs just 13% of our population, down from 36% in 1970.

Our state is growing  
**smaller, older, poorer  
and less prepared.**

# Reinventing Michigan's Education System

**3 in 10**

Just **3 in 10** MI educators would recommend education as a career field.

**45%**

In 2021, **45%** of MI business leaders told Launch finding well-prepared workers is a "very big problem" in their organizations.

**65%**

Of MI voters believe our state's schools are underfunded.

**13.3%**

MI per capita income has lagged the nation for nearly 20 years and is now **13.3%** lower than U.S. per capita income.

Michigan student performance on the National Assessment of Educational Progress ranked

**41<sup>st</sup>**

In 4th Grade Mathematics

**39<sup>th</sup>**

In 4th Grade Reading

**33<sup>rd</sup>**

In 8th Grade Mathematics

**35<sup>th</sup>**

In 8th Grade Reading

in the U.S. in 2019

**Any questions?**