

The Six Pillars for Michigan's Prosperity
Our Best and Future Hope

- 1 **Attractive Cities and Neighborhoods**
- 2 **Highly Competitive Schools and Lifelong Learning Opportunities**
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PILLAR 1:

ATTRACTIVE CITIES AND NEIGHBORHOODS

From Major Cities to Small Towns, We Need Vibrant Neighborhoods Where People Want to Live and Raise Families

We all want many of the same things from the places we live. We want them to be safe and attractive. We want services and amenities that support a vibrant quality of life close at hand. We want a sense of belonging and community. We want access to recreation and entertainment. We want to be able to live and work and raise families together.

In the last century, a great auto-industrial boom built factories and jobs here. People came here from across the country. Together they created a thriving Michigan.

But the world has changed. In fact, the world as we have known it has turned upside down. The industries that built Michigan are struggling and will never return to their 20th century glory. In their place is a New Economy with new, global rules that demand a focus on some of the very places we have allowed to decline through systematic neglect.

Perhaps Rich Karlgaard, publisher of *Forbes*, summed it up best in his article, "Where to get rich": "The most valuable natural resource in the 21st century is brains. Smart people tend to be mobile. Watch where they go, because where they go, robust economic activity will follow."^(P1-1)

And few smart people are moving to the typical outer-ring suburb. As national developer Chris Leinberger wrote in the March 2008 *Atlantic Monthly*, "For 60 years, Americans have pushed steadily into the suburbs, transforming the landscape and (until recently) leaving cities behind. But today the pendulum is swinging back toward urban living, and there are many reasons to believe this swing will continue."^(P1-2)



Attracting Talent: the Currency of the New Economy

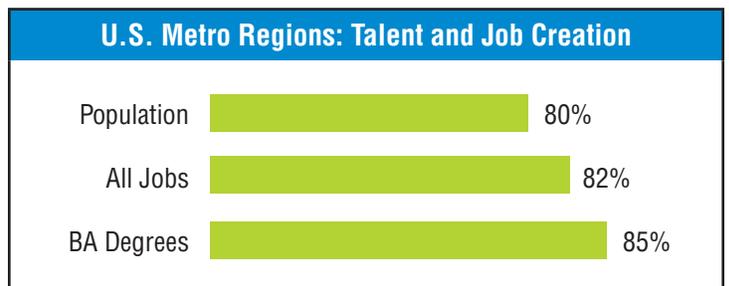
A Michigan Future report tells us that in the New Economy, attracting people who bring knowledge, creativity, and entrepreneurship is what brings

prosperity to regions and states.^(P1-3) For Michigan, this means keeping our best minds and attracting talented people from anywhere in the

world. Remember a central premise of Thomas Friedman's *The World Is Flat*: talented people can live anywhere they want.^(P1-4) Most of them are choosing to live in metropolitan areas. Michigan Future summarizes the ramifications: "Quite simply, in a knowledge-driven, entrepreneurial economy, the places with the greatest concentrations of talent win."^(P1-5)

Concentrations of Talent Are Boosting Regional Economies

A 2006 Brookings Institution study shows that in the past 25 years, the majority of economic *and* population growth in the United States has occurred in our 30 largest metropolitan areas.^(P1-6) According to the U.S. Department of Commerce, 66 percent of all patents and 43 percent of all jobs related to technology development came out of 12 of the nation's 18 largest metro areas.^(P1-7) It's not by chance that 25–34-year-old college-educated people are decidedly more likely to live in one of America's 50 largest metropolitan areas. The Brookings study found that over 80 percent of the population, 82 percent of all jobs, and 85 percent of bachelor's degree holders are found within metropolitan areas.



SOURCE: Brookings Institution, 2006.

Metros are magnets for talent, but Michigan is moving in the opposite direction. Young, educated people are leaving our state. Something is missing and it's not simply "jobs." Currently, there are thousands of high-tech, knowledge-economy jobs unfilled in Michigan. Our universities rank in the top ten nationally, but more than half of the students from our three research universities say they will leave the state after graduation. We tout our assets of blue waters, forests, and outdoor adventure, but what we lack is excitement where we live and work each day.



If We Build It They Will Come (and Are Coming)

For years, this has been a mantra for Detroit developer Colin Hubbell. Hubbell has built and sold more than 1,000 homes in downtown and midtown Detroit since 1996. That investment is paying off. The facts are favoring downtown developers: Educated and talented people are attracted to cities and neighborhoods that offer an active, exciting, diverse, and culturally rich lifestyle. Michigan Future defines such neighborhoods as those “that are safe, have high densities, a mix of residential and commercial uses, an attractive arts and entertainment scene, and a walkable environment.”^(P1-8)

Our Best—Not Good Enough

We could look to the downtown development successes of Ann Arbor, Grand Rapids, Royal Oak, and Traverse City, but even Ann Arbor—Michigan’s best-performing city—ranks 184th among the 200 top performing American cities. Overall, eight of Michigan’s metropolitan areas are in the bottom 20 of that list,^(P1-9) including Grand Rapids and Lansing. Even our “coolest” neighborhoods and metro areas fail to meet the quality-of-life standards of Atlanta, Boston, Minneapolis, Portland, and more recently, Boise and Salt Lake City, in attracting talented people. Their economies are booming. We are facing a one-state recession, and other industrial states are next. It’s worth noting that every large successful metro area has a network of rail transit. Not one Michigan



metro does.

What Michigan Must Have

A prosperous Michigan must have thriving, vibrant metro areas. We cannot build them from scratch. We have to redesign and redevelop the ones we have—and we must do so on a quality-of-life scale that leapfrogs competing metros elsewhere. Michigan will not be a successful state without signature cities, such as Grand Rapids and Detroit. In fact, a prosperous Michigan is impossible to imagine without a prosperous Detroit. The Detroit-Warren-Livonia area alone already boasts 44.3 percent of the state’s population, 46.7 percent of the state’s jobs, and 53.4 percent of the state’s GDP.

As Michigan Future concludes, “Although lagging the leading-edge metropolitan areas, the nine-county Detroit region has performed reasonably well. Despite our economic troubles, the region ranks 14th out of 54

regions with a population of one million or more in per capita income. In addition, metropolitan Detroit has experienced above-average per capita income growth since 1990 and is at about the national average in share of employment earnings from high-pay, knowledge-based industries.”^(P1-10) Moreover, the City of Detroit led southeast Michigan in new housing starts in 2007. Detroit has also made strides toward attractiveness in the past decade—a beautifully connected riverfront, midtown rebirth, entertainment venues and nightlife, new urban housing, and successful sports teams that help polish the city’s image.

Detroit has achieved enough regional cooperation to make those strides. Similarly, the West Michigan Strategic Alliance is building coalitions that are recognizing what must be done. The Grand Traverse and Ann Arbor regions have had successes, such as Ann Arbor’s Green Belt. All four regions are also currently developing unique visions for mass transit that could transform their economies and boost their attractiveness, as has occurred in successful metros across the nation. For Michigan to succeed, its regions must succeed.

The challenge is simple: for Michigan to attract and retain talented knowledge workers, we need world-class places where they want to live and play. And we must focus on those places with the most potential. There are obstacles to overcome, including forging further coalitions with regional vision, creating shared regional infrastructure, and finally, after years of frustration, creating mass transit systems. Fortunately, in each of these areas, brave and innovative voices are speaking. We need to listen and act—together.

Learn More

For more information on attractive cities and neighborhoods and to explore sources for this article, visit www.PeopleandLand.org. The Six Pillars for Prosperity are endorsed by PAL member organizations, including:

- Michigan Association of REALTORS®
- Michigan Chamber of Commerce
- Michigan Environmental Council
- Michigan Farm Bureau
- Michigan Suburbs Alliance
- Michigan United Conservation Clubs
- NAACP – Detroit Branch