Demography and the Economy

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Michigan: The Old and New Economy

• Manufacturing is considered the old economy.

• But it relies heavily on innovation.

• Michigan has had both.
Michigan: The Old and New Economy

- In the future, it will need both.

- Today, I will talk about the innovation economy in Michigan.

- Demographic trends are central to understanding this.
Background

• Population: 9,889,024 (2010)

• 18 and over: 7.6 million
  – Female: 51.5%
  – Male: 48.5%

• 65 and over: 1.4 million
  – Female: 56.3%
  – Male: 43.7%
Background

- Population: 9,889,024 (2010)
- White: 79.2%
- African American: 14.0%
- Asian: 2.6%
- Native American: 0.6%
- Hispanic: 4.6%
- Two or more races: 2.6%
Background

• Population: 9,889,024 (2010)

• High school graduate: 30.2%
• Some college, no degree: 23.9%
• Bachelor’s degree: 16.1%
• Graduate degree: 10.3%
Background

• Important to understand unemployment rate

• Differs by education and demographic group
Unemployment Rate in Michigan

Source: US. Bureau of Labor Statistics
fred.stlouisfed.org
Unemployment Rate: High School Graduates, No College, 25 years and over

Source: US. Bureau of Labor Statistics
fred.stlouisfed.org

myf.red/g/c2YE
Background

- Manufacturing is still very important to the U.S. and Midwest economy ....
Sectoral Contributions to the Relative MEI
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• ...But so is innovation.

• Innovation Work Force
  – 5-19 million (2010)
  – 3.3% growth vs. 1.5% overall (1960-2011)
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• ...But so is innovation.
• Innovation Work Force
• In October 2010:
  – Unemployment rate:
  – Scientists and engineers: 4.3%
  – All college-educated workers: 5.1%
  – Entire U.S. labor force: 9.0%
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• ...But so is innovation.
• Innovation Work Force

• The median worker in the innovation economy earned $70,270, compared to $34,750 for all workers. (2010)
Young STEM+ Migration, 2014
Migration of 20-39 Year Olds with STEM+ Bachelor’s or More, Share of Resident Population 20-39 Years Old

- < 0%
- 0% - .19%
- .2% - .49%
- > .5%

Source: IPUMS-USA, Oregon Office of Economic Analysis
Focus

• Attracting and retaining STEM workers

• Broadest definition of workforce

• Has to be inclusive to avoid societal fracturing
Thank You

• For your attention and questions
  
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