# Employment Losses During Michigan’s Structural Transformation

April 2000 – December 2000: 26,800  
2001: 172,800  
2002: 22,400  
2003: 65,300  
2004: 1,600  
2005: 27,600  
2006: 80,200  
2007: 49,300  
2008: 196,000  
2009: 219,900

**Total for the Period:** 861,900

= 18% of the jobs in Michigan at the beginning of the slide.
But employment in Michigan has increased since early 2010.

Michigan employment is now up by more than 260,000 from its low point.

As a result, Michigan no longer leads the nation in the rate of unemployment.
Manufacturing’s share of the economy has shrunk dramatically.
Manufacturing as a Percent of Gross Domestic Product, 
In Michigan and the United States, 1963-2012
Agriculture’s share of the economy has also shrunk, although the structural transition out of agriculture began long before the transition out of manufacturing.
Agriculture, Forestry, and Fisheries as a Percent of Gross Domestic Product, in Michigan and the United States, 1963-2012

- United States
- Michigan
Per-Capita GDP, and the Percent of GDP Originating in Agriculture, For 150 Countries, 2010
Despite our struggles, Michigan is not a poor place.

Per-Capita Personal Income, in 2012 Dollars

Year


Michigan

United States
Although Michigan is not a poor place, our economy has not grown as fast as the national average.
Right to Work is unlikely to make much difference.

For better or worse, the strength of labor unions has already diminished greatly.
Per-Capita Personal Income, 2011:

- Right-to-Work States: $38,046
- Non-RTW States: $44,515
Many of the states with the highest *incomes* have high levels of *educational attainment*. 
Per-Capita Personal Income in Massachusetts and Michigan, As a Percent of the U.S. Average, 1950-2012

Year


Percent

85 90 95 100 105 110 115 120 125 130

Massachusetts

Michigan
Per-Capita Personal Income and College Attainment
For the 50 States, 2010

Percent of Population Aged 25 and Over With At Least a Bachelor's Degree
This slide is brought to you by the letter “M”:

<table>
<thead>
<tr>
<th>State</th>
<th>Education Rank 2010</th>
<th>Income Rank 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Minnesota</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Michigan</td>
<td>34</td>
<td>39</td>
</tr>
<tr>
<td>Mississippi</td>
<td>49</td>
<td>50</td>
</tr>
</tbody>
</table>
The earnings gaps between people with different levels of educational attainment are very large.
### Average Earnings in 2011, for Those Aged 45-54 Who Worked Full-Time Year-Round (For the Entire U.S.)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Degree</td>
<td>$168,116</td>
<td>$129,888</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>$121,902</td>
<td>$ 74,884</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>$ 95,671</td>
<td>$ 66,526</td>
</tr>
<tr>
<td>Associate’s Degree</td>
<td>$ 65,129</td>
<td>$ 44,501</td>
</tr>
<tr>
<td>Some College (No Degree)</td>
<td>$ 62,556</td>
<td>$ 42,415</td>
</tr>
<tr>
<td>High-School Graduate</td>
<td>$ 52,588</td>
<td>$ 34,735</td>
</tr>
<tr>
<td>Some H.S. (No Diploma)</td>
<td>$ 40,075</td>
<td>$ 23,115</td>
</tr>
<tr>
<td>Less Than 9th Grade</td>
<td>$ 31,793</td>
<td>$ 22,961</td>
</tr>
</tbody>
</table>
Michigan has big regional differences in per-capita income (2011).

These differences, like so many others, are partly due to differences in educational attainment.
<table>
<thead>
<tr>
<th>Rank</th>
<th>County</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Oakland County</td>
<td>$53,297</td>
</tr>
<tr>
<td>2.</td>
<td>Leelanau County</td>
<td>$43,978</td>
</tr>
<tr>
<td>3.</td>
<td>Midland County</td>
<td>$43,446</td>
</tr>
<tr>
<td></td>
<td><strong>U.S. Average</strong></td>
<td><strong>$41,560</strong></td>
</tr>
<tr>
<td>4.</td>
<td>Washtenaw County</td>
<td>$40,821</td>
</tr>
<tr>
<td>11.</td>
<td>Kent County</td>
<td>$36,589</td>
</tr>
<tr>
<td></td>
<td><strong>Michigan Average</strong></td>
<td><strong>$36,264</strong></td>
</tr>
<tr>
<td>14.</td>
<td>Clinton County</td>
<td>$35,926</td>
</tr>
<tr>
<td>16.</td>
<td>Macomb County</td>
<td>$35,717</td>
</tr>
<tr>
<td>19.</td>
<td>Ingham County</td>
<td>$34,450</td>
</tr>
<tr>
<td>20.</td>
<td>Wayne County</td>
<td>$34,012</td>
</tr>
<tr>
<td>24.</td>
<td>Eaton County</td>
<td>$33,655</td>
</tr>
<tr>
<td>27.</td>
<td>Calhoun County</td>
<td>$33,541</td>
</tr>
<tr>
<td>43.</td>
<td>Genesee County</td>
<td>$31,057</td>
</tr>
<tr>
<td>73.</td>
<td>Kalkaska County</td>
<td>$27,137</td>
</tr>
<tr>
<td>83.</td>
<td>Luce County</td>
<td>$24,492</td>
</tr>
</tbody>
</table>
American men who have not been to college have fared especially poorly in the last 40 years.

Year


Earnings (in 2011 Dollars)

30,000 35,000 40,000 45,000 50,000 55,000

50,613 48,202
In most parts of the country, the increase in income inequality was NOT spread evenly through the income distribution:

The top pulled away from the middle, but the middle did not pull away from the bottom.
Percent Change in Inflation-Adjusted Income from 1976-78 to 2006-08, For Households at Selected Points in the Income Distribution, For Michigan, Ohio, and the United States

Percentile of the Household Income Distribution

- Michigan
- Ohio
- United States
Michigan has persistently lagged behind the national average in college attainment.

- United States
- Michigan
At a time when education is so crucial to our future, Michigan has pursued a policy of systematic disinvestment in education.
Sources of Funds for Michigan State University, 1959-60 to 2012-13

Tuition & Fees
State of Michigan Appropriations
In order to be equivalent to the real budget reductions of the last nine years, we would have to cease state support for:

Central Michigan University,
Eastern Michigan University,
Ferris State University,
Grand Valley State University,
Lake Superior State University,
Michigan Technological University,
Northern Michigan University,
Oakland University,
Saginaw Valley State University,
University of Michigan - Dearborn,
University of Michigan - Flint, and
Western Michigan University.
Michigan is Underinvested in Education, Training, and Skill, From Pre-School to Ph.D.

In addition to the big premium for a Bachelor’s degree, the social returns are very large for

(1) early-childhood education, and

(2) high-school completion.
Tax Effort Has Reduced Substantially

State and Local Taxes as Percent of Personal Income, 1972-2010

- New York
- Michigan
- United States
- Texas
Potential Sources of Tax Revenue for Michigan:

• Extend the sales tax to services and entertainments.

• Establish a graduated income tax, or raise the flat rate of the current income tax.
Michigan, My Michigan

A song to thee, fair State of mine, Michigan, my Michigan.
But greater song than this is thine, Michigan, my Michigan.
The whisper of the forest tree, The thunder of the inland sea, Unite in one grand symphony Of Michigan, my Michigan.