



Michigan could benefit from more 'economic gardening,' University of Michigan study finds

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Michigan's economy could benefit by placing a heightened emphasis on boosting businesses that are already here, according to [a new University of Michigan study](#).

The report, conducted by U-M's [Center for Local, State and Urban Policy](#) (CLOSUP), concludes that Michigan's statewide economic development strategists need to better coordinate with local groups to use "economic gardening."

The report's release comes as momentum is building for the economic gardening strategy, which calls for economic developers and governmental officials to focus more on helping existing local businesses grow instead of "hunting" for new companies to set up operations.

Michigan Governor-elect [Rick Snyder](#), for example, repeatedly emphasized during his campaign that the [Michigan Economic Development Corp.](#) should slash many of its tax incentives in favor of boosting companies that are already here.

"While state officials have provided incentives to attract specific new industries to Michigan - such as the film industry, life sciences and energy - relatively few local governments target their economic development efforts in these ways, resulting in a state-local disconnect," [Brian Jacob](#), director of CLOSUP in the [Gerald Ford School of Public Policy](#), said in a statement.

The study surveyed 1,305 Michigan municipalities, about 70 percent of the state's jurisdictions. It found that 85 percent of Michigan's largest jurisdictions believe economic gardening can help spark a turnaround.

About two-thirds of the state's largest jurisdictions use economic gardening strategies, the report found, although only 26 percent of all jurisdictions do so.

The survey described economic gardening as including strategies like tax abatements and promoting interaction and deals between local businesses.

Some 34 percent of southeast Michigan municipalities said they relied on economic gardening, the highest rate among the state's regions.

The report "does not argue against the existing state-level efforts to diversify the economy with new industries," U-M said in a news release, but "it does find that economic gardening may provide a new opportunity to reconnect the state and local efforts in a more coordinated strategy."

Other findings:

- 53 percent of jurisdictions approve tax abatements.
- 48 percent promote networking among businesses.
- 23 percent conduct workforce development or training targeted at supporting local companies.
- 23 percent have programs to help local businesses get access to capital.
- 18 percent are promoting "buy local" campaigns or local currency initiatives.

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