



# Economic and Workforce Development at the Local Level

This report summarizes findings from the Fall 2009 Michigan Public Policy Survey on local government economic, educational and workforce development issues, including the need for a highly-educated workforce in Michigan, local governments' roles in workforce development and "brain drain" issues, as well as local officials' opinions on current policy issues and the American Recovery and Reinvestment Act (the Federal Stimulus Package). Respondents for the Fall 2009 MPPS include county administrators and board chairs, city mayors and managers, village presidents and managers, and township supervisors, clerks, and managers from 1,303 jurisdictions across the state.

## Key Findings

- Across the state, most local officials believe workers will need post-secondary education to be successful in their local economies over the coming decade. In the state's smallest communities, officials believe workers with vocational or technical degrees will be about as successful as those with bachelor's degrees. In the largest communities, most local officials believe workers with bachelor's degrees will be more successful.
- The strategy of developing a highly-educated workforce in order to attract knowledge economy jobs has much stronger support among officials in the state's larger communities than in its smaller communities. One-third of officials in Michigan's smallest jurisdictions think this strategy will not work for their communities. By contrast, over nine in ten leaders of the largest communities say this strategy will be successful for their local economies.
- Four in ten local officials believe that their local school systems do a very good job of preparing students for college. However, only 20% say the schools do a very good job of preparing students for jobs in their regional job market, and only 15% feel students are being well prepared for jobs in the global economy.
- Nearly six in ten local officials report that their communities are suffering from a brain drain of large numbers of high school graduates who move away for college and

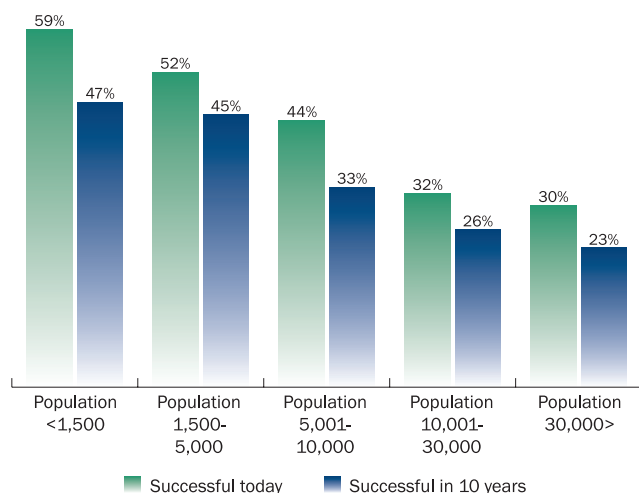
The Michigan Public Policy Survey (MPPS) is conducted by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan in partnership with the Michigan Association of Counties, Michigan Municipal League, and Michigan Townships Association. The MPPS takes place twice each year and investigates local officials' opinions and perspectives on a variety of important public policy issues.

For more information, please contact:  
[closup-mpps@umich.edu](mailto:closup-mpps@umich.edu)/(734) 647-4091

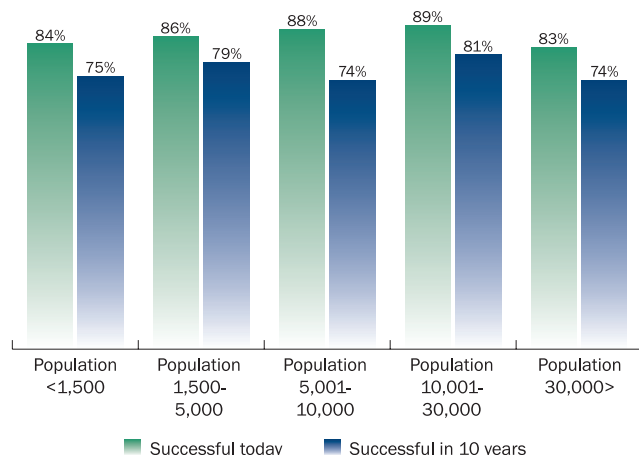
do not return. In addition, 46% of local officials report a great deal of their young workers leaving. The problems are most severe in the Upper Peninsula and the Northern Lower Peninsula.

- Although relatively few local jurisdictions play a formal role in workforce development efforts today, over one in four (26%) local officials think their governments should play a larger role in workforce development efforts.
- Only 1% of local officials think the Federal Stimulus Package has helped improve their community's economic conditions to date "very much" while 67% say it has not helped at all. Over the long term, only 3% of officials think it will help improve their local economic conditions very much, while 52% think it won't help at all.
- Ninety percent of county officials and 85% of city officials think the term limits on Michigan's state officials should be repealed or amended (usually to be lengthened). Sixty-four percent of village officials and 56% of township officials feel the same.

**Figure 1**  
Predicted success for workers with a high school education only



**Figure 2**  
Predicted success for workers with a vocational or technical degree



**Figure 3**  
Predicted success for workers with a bachelor's degree



## How much education will Michigan workers need?

Much of today's economic and workforce development policy debate around Michigan focuses on the goal of developing a highly-educated workforce in order to attract and develop high-paying knowledge economy jobs. The MPPS asked a series of questions to see whether local officials believe this strategy will work for their local economies.

Figure 1 shows the percentage of local officials who believe workers with just a high school level education will be successful, both today and in the future. These responses are broken down by the population size of the local officials' communities, from small communities to large ones. Figure 2 refers to workers with a vocational or technical degree, and Figure 3 refers to workers with a bachelor's degree.

Predicted success for workers with only a high school education or a GED is lower than that for workers with either a vocational/technical degree or a bachelor's degree, in communities of all sizes, in both today's economy and tomorrow's. For instance, looking at communities with more than 30,000 residents, only 30% of officials from these communities predict success in today's economy for workers with only a high school education (see Figure 1), while 83% predict success for workers with a vocational/technical degree (see Figure 2), and 95% predict success for workers with a bachelor's degree (see Figure 3). Across communities of all sizes, officials see education beyond high school as a significant boost to economic success.

As community population size increases, predicted likelihood of success for workers with only a high school education decreases, both today and in the future. In other words, the larger the community, the more important local officials believe higher education is for workers to be successful (Figure 1).

Officials from the state's smaller communities tend to believe that workers with a vocational/technical degree are about as likely to be successful as workers with a bachelor's degree will be (Figures 2 and 3).

And finally, for Michigan communities of all sizes, predicted levels of success for workers with only a high school education are lower in the future than they are today. For instance, 59% of local officials in the smallest communities (population less than 1,500) say workers with only a high school education are still likely to be successful in today's economy; this falls to 23% in the economy of the next decade (Figure 1).



## Who supports the strategy of developing a highly-educated workforce?

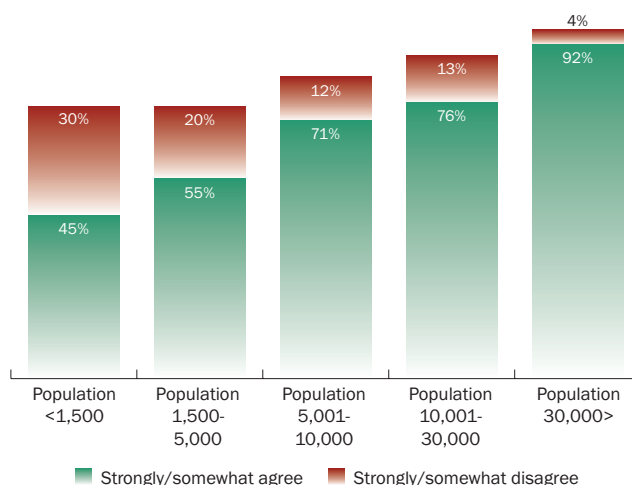
While the previous survey questions asked about the likelihood of success for individual workers based on their education levels and the types of jobs available in their communities, the MPPS also asked local officials whether they believe the strategy of developing a highly-educated workforce—that is, most workers with a bachelor's degree or higher—can be an effective strategy for improving their local economies overall.

Among officials in jurisdictions with populations over 30,000 this strategy receives nearly universal approval, with 92% of officials reporting they somewhat or strongly agree. Conversely, fewer than half (45%) of officials with populations less than 1,500 think that developing a highly-educated workforce can be an effective strategy for their local economies. See *Figure 4*.

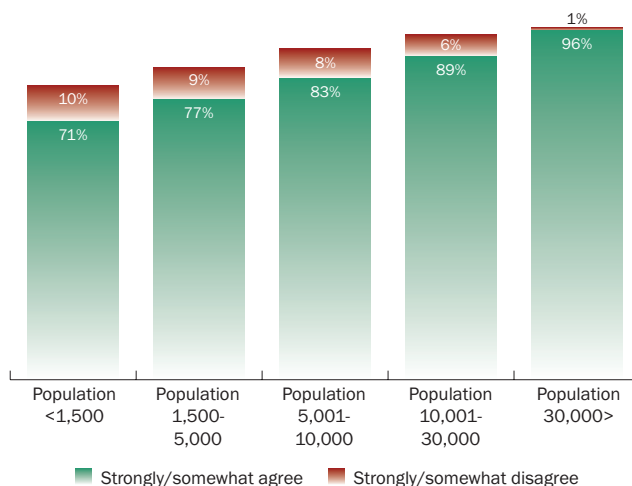
Based on responses to open-end survey questions, officials who believe a highly-educated workforce is not an effective strategy for their local economies explain that their communities have few or no jobs available for highly-educated workers, either because of the sectors predominant in their communities (agriculture, tourism, etc.) or because jobs in general have disappeared in the economic downturn. Others state that higher education is not the only path to a successful career in their communities.

By comparison, when thinking about the state economy at-large (rather than the official's local economy), there is stronger support across the board for the strategy of developing a highly-educated workforce. For instance, while fewer than half of all officials (45%) in the smallest communities (less than 1,500) think this strategy could work for their local economies, 71% of these officials think the strategy can work at the state level. See *Figure 5*.

**Figure 4**  
Belief in the utility of developing a highly-educated workforce for local economy



**Figure 5**  
Belief in the utility of developing a highly-educated workforce for Michigan's economy overall

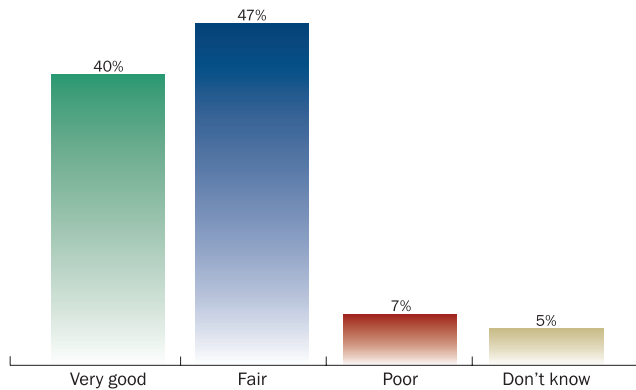


## VOICES FROM ACROSS MICHIGAN

Why would developing a highly-educated workforce not be an effective strategy for your local economy?

**"A person doesn't need a bachelor's degree to work in the service industry, such as waitressing or at the local grocery store as a cashier. Someone has to do these jobs!"** ... "Agriculture is the only remaining industry in the area. Specialized training in agricultural is most likely to benefit the area the most. Unless there are local employment opportunities, the best-educated work force in the world will not help. We train them and they have to leave." ... **"Because I, personally, and many others in my rural township don't have a college education and all run successful businesses."** ... "In this economy, education is not necessarily going to do any good in this area anyway."

**Figure 6**  
How well local K-12 education system prepares students for college



## Are local education systems doing a good job in preparing students?

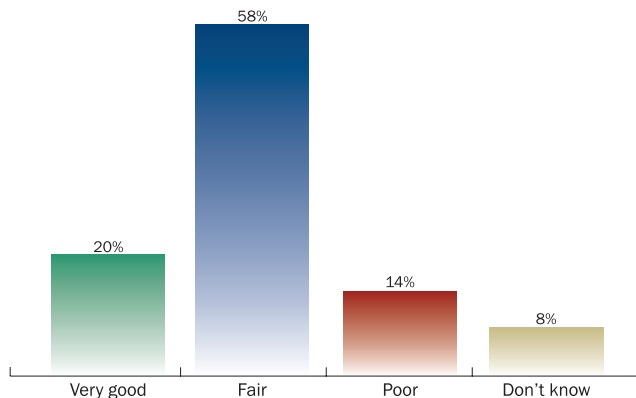
The first MPPS survey (in Spring 2009) found that local government officials frequently identified their communities' local school systems as assets for their economic development efforts. Given the importance of a highly-educated workforce for economic development in Michigan's growing knowledge economy, the Fall 2009 MPPS asked additional questions about local government officials' views on their local school systems. These questions also address the Obama administration's proposed K-12 education reforms intended to ensure students' preparation for college and/or the job market.

Overall, 40% of Michigan local officials say their local schools are doing a very good job preparing their students for college, while only 7% believe their schools are doing a poor job. See *Figure 6*.

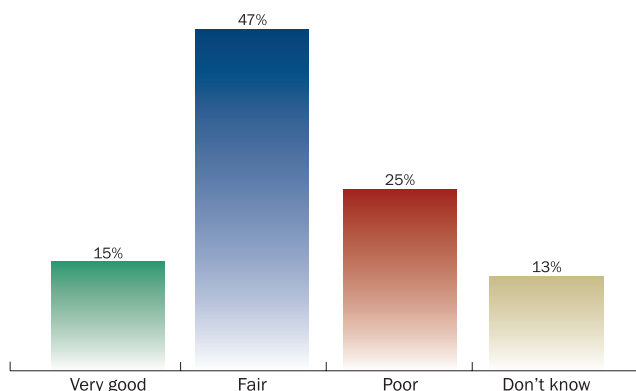
However, only 20% of officials believe their local schools are doing a very good job preparing students for the job market in their area, while 14% believe they are doing a poor job. See *Figure 7*. Furthermore, only 15% of local officials believe the schools are doing a very good job preparing students for jobs in the global economy, while 25% believe they are doing a poor job. See *Figure 8*.

When breaking these responses down by jurisdiction type, community size and region of the state we find very few statistically significant differences. One of the few notable differences is that a higher percentage of officials in Southeast Michigan believe their local schools are doing a "very good job" of preparing students for college (49% of Southeast Michigan officials compared to the 38% of officials from all other parts of the state).

**Figure 7**  
How well local K-12 education system prepares students for the regional job market



**Figure 8**  
How well local K-12 education system prepares students for jobs in the global economy





## Which regions are losing younger workers?

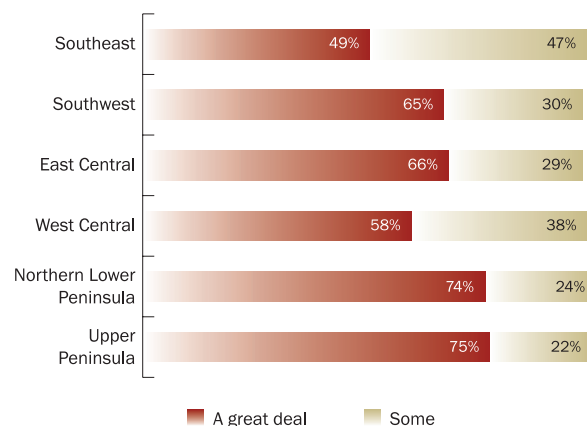
One challenge facing local communities in Michigan is young people (roughly those 35 years old and younger) moving away. This is sometimes referred to as “brain drain.” Nearly every jurisdiction in the state reports at least some brain drain, with fewer than 5% of all officials reporting they see “very little” or “none” in their communities.

A majority of all jurisdictions (58%) across Michigan report that they are seeing “a great deal” of local high school graduates who leave for college but then do not return to the community after graduation. This trend is particularly prevalent in the northern regions of the state, where three-quarters of jurisdictions in the Northern Lower Peninsula (74%) and the Upper Peninsula (75%) report “a great deal” of brain drain among local high school graduates who do not return after college. By comparison, officials from Southeast Michigan were the least likely to report a great deal of brain drain occurring in their communities. See *Figure 9*.

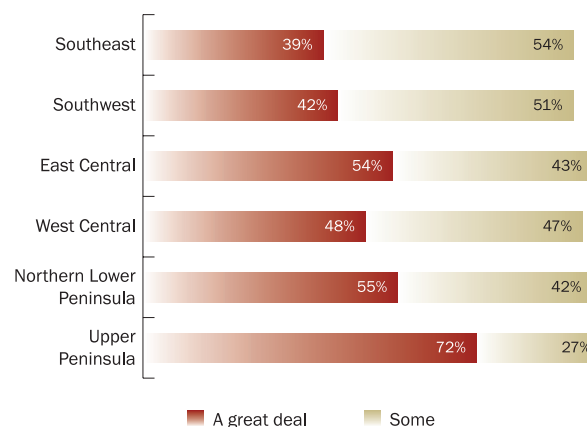
The MPPS also asked local officials about younger workers (ages 18-35) moving away from their communities. A smaller, but still considerable percentage of localities (46%) report “a great deal” of this type of brain drain. Officials in the U.P. are significantly more likely to report seeing “a great deal” of their young workers leave the communities than officials in the rest of the state. See *Figure 10*.

Only 20% of local officials responded to a question asking whether their jurisdiction is doing something specifically to combat brain drain. Among those officials who did respond, approximately 46% report engaging in some kind of job development programs aimed at young worker retention, 28% report efforts at increasing community desirability and livability, 17% report working with local organizations such as task forces or Economic Development Boards, and 15% report targeting educational cooperation with local schools and colleges.

**Figure 9**  
Jurisdictions reporting loss of high school graduates who don't return after college



**Figure 10**  
Jurisdictions reporting drain of younger workers who move away



## VOICES FROM ACROSS MICHIGAN

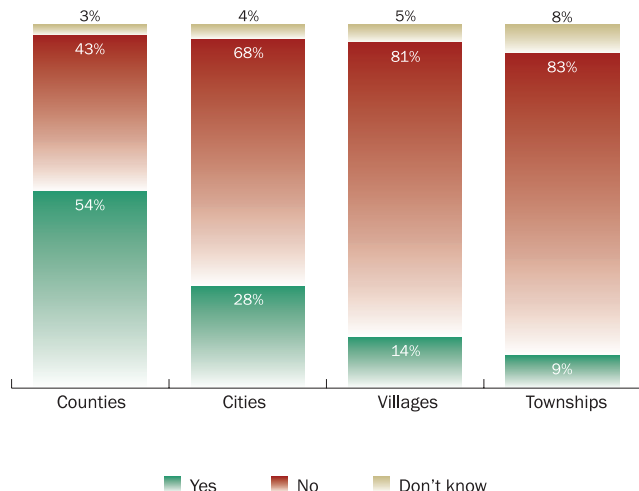
### Is your community doing anything in particular to combat brain drain?

**“A coordinated marketing effort by the city, school, health center, and chamber of commerce is trying to attract the young professionals.” ... “Attempting to assist entrepreneurs, especially younger, in getting their feet on the ground. Efforts include DDA reduced rent program, SBTC assistance, in process of developing business incubator, etc.” ... “Yes and no. Brain drain is recognized as a problem and economic development efforts are attempting to diversify and expand job opportunities in the greater community. Regardless, we haven’t developed a real hook to attract/retain younger people that larger metropolitan areas have.” ... “I’m not aware of any programs, active or passive, to keep young workforce people in our area. Jobs are nonexistent!”**



**Figure 11**

Jurisdictions that currently play a formal role in local workforce development

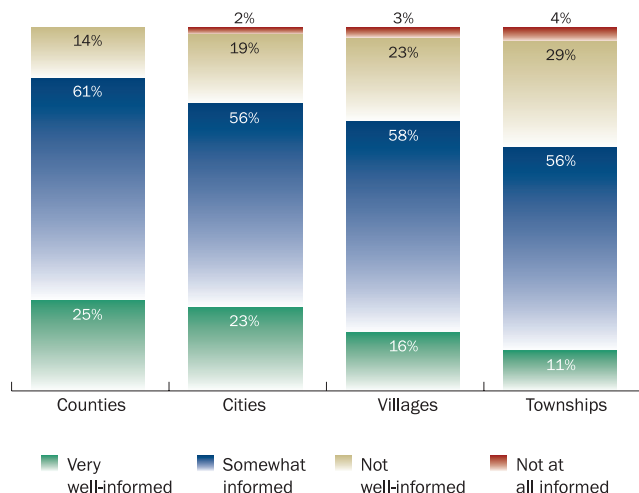


## Is there a larger role for local government in workforce development efforts?

Recent studies (CLOSUP 2008) have documented a growing convergence between economic development and workforce development systems in Michigan and elsewhere. However, while Michigan's general purpose local governments—counties, cities, townships and villages—tend to be key actors in local economic development efforts, they tend to be less formally involved in workforce development efforts. Given the increasing role of workforce issues in economic development strategies, particularly goals to develop a highly-educated workforce in order to attract employers, the MPPS asked local officials about their activities in and opinions of workforce development efforts in their communities.

**Figure 12**

Officials who feel well-informed about local workforce development efforts

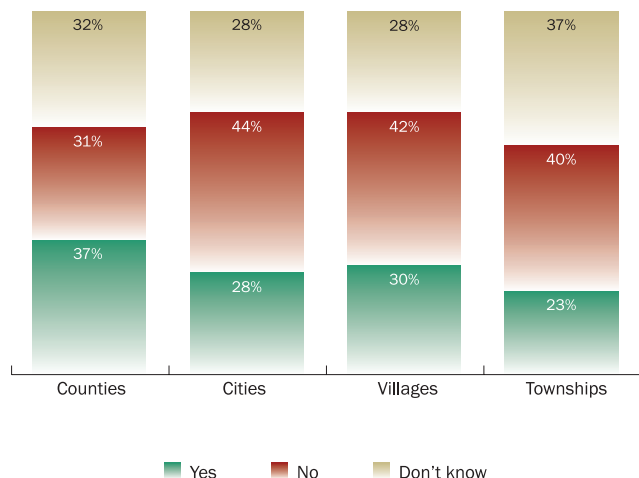


When asked whether their local governments currently play any formal role in workforce development efforts, most jurisdictions report that they do not. Counties report the highest levels of engagement in workforce development efforts, with 54% indicating that they play some formal role. Townships are the least likely to play a formal role in local workforce development efforts with fewer than one in ten (9%) reporting that they do so. See *Figure 11*.

Still, large percentages of local officials from all jurisdiction types report that they are somewhat or very well informed about local workforce development efforts, including 86% of county officials, 79% of city officials, 74% of village officials, and 67% of township officials (see *Figure 12*). And when asked whether they believe their jurisdictions should play a larger role in local workforce development, significant percentages of officials from all jurisdictions say “yes” or are at least open to the idea. See *Figure 13*.

**Figure 13**

Officials who feel their governments should play a larger role in local workforce development



Among those officials who specified what types of larger roles their local governments should play in workforce development efforts, over one-third (36%) say their government could play a larger role in partnering with or supporting local school systems, 31% report seeing a larger role for their government in business development, and 31% specifically mention expanding their role in job training programs.

*Note that differences between counties, cities, villages, and townships may be attributable to general differences in jurisdiction scope, responsibilities, and resources.*



## Who is impacted by Public Act 312 (mandatory binding arbitration)?

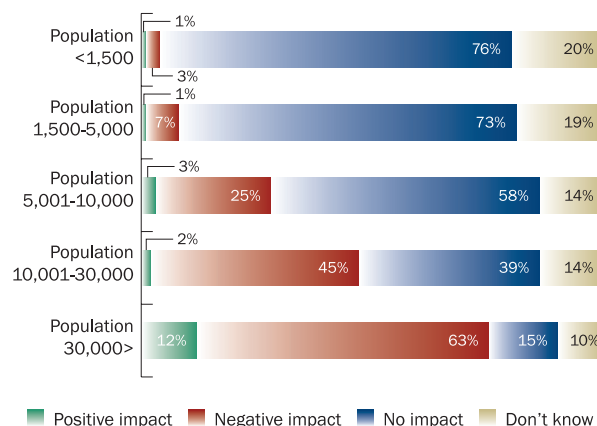
As local governments across the state struggle with growing financial difficulties, greater attention is being paid to laws that constrain their operational flexibility. Attention has been focused recently on Public Act 312, which requires mandatory binding arbitration when there is an impasse in negotiations between a local government and its public safety union (police or fire). The MPPS asked local officials about their opinions on PA 312, including its impact on their communities.

The impact of PA 312 is correlated with the population size of Michigan's communities: the larger the community, the more likely is PA 312 to have had a negative impact according to local government leaders. For instance, 63% of officials from the largest communities (population greater than 30,000) report direct negative impacts (such as increased costs) from PA 312, compared to only 3% of officials from the smallest communities. See *Figure 14*.

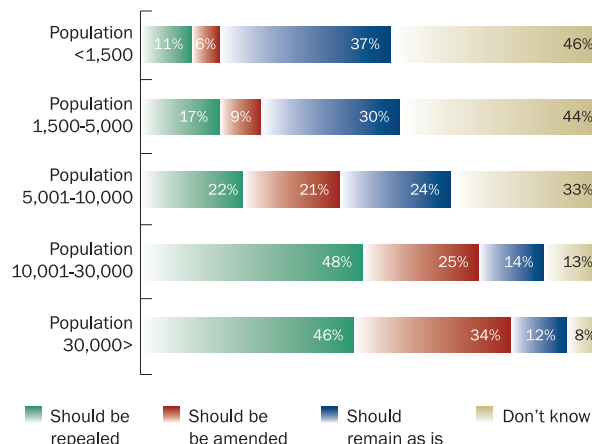
Similarly, opinions on PA 312 vary based on the size of the jurisdiction. Officials from larger communities across Michigan are more likely to have an opinion on PA 312 and are more likely to suggest that it should be either repealed or amended. For example, among officials from jurisdictions with populations over 30,000, nearly half (46%) say PA 312 should be repealed and fewer than one in ten (8%) do not know what PA 312's status should be. By contrast, for officials from the state's smallest jurisdictions—those under 1,500 residents—the proportions are essentially reversed. See *Figure 15*.

Of those officials who say PA 312 should be amended, 40% say it should be more flexible to consider communities' conditions, such as ability to pay, while 28% mention specific changes in the role of the arbitrator.

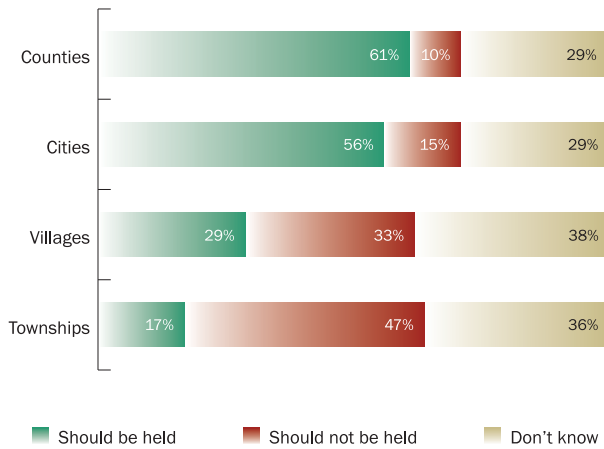
**Figure 14**  
Local officials assess impact of Public Act 312 on their jurisdictions



**Figure 15**  
Local officials evaluate potential changes to Public Act 312



**Figure 16**  
Local officials' support for a state Constitutional Convention



## Who supports a state Constitutional Convention?

Once every 16 years the statewide ballot asks whether or not a Constitutional Convention should be held to re-write the Michigan Constitution. Responses to an MPPS question on this issue show that a majority of officials from counties (61%) and cities (56%) believe there should be a convention. Meanwhile, fewer than one in three village officials (29%) believe there should be a Constitutional Convention, while an even smaller proportion of township officials (17%) think a convention should be held. A significant proportion of officials across the board respond “don’t know” to the question. See *Figure 16*.

Among those who think a convention should be held, a large percentage believe it could improve the state budget, revenue sharing, and the property tax structure. Arguments against a Constitutional Convention focus largely on the expected cost and concerns that it would be too open to the influence of special interests.





## How do local officials rate the job performance of Governor Granholm and the Michigan Legislature?

The MPPS asked local officials for their evaluations of how well Governor Jennifer Granholm and the Michigan Legislature are doing their jobs.

When asked how they would rate the way Jennifer Granholm is performing her job as Michigan's Governor, 53% of local officials overall say she is doing a poor job, while 13% say she is doing a good job and 3% say an excellent job. However, local officials display clear differences in these evaluations when broken down by party identification of the respondent. Among local officials who identify themselves as Republicans, seven in ten say Granholm is doing a "poor" job, while just fewer than half (48%) of self-identified Independents and fewer than a quarter (22%) of Democrats rate her performance as "poor." And while 39% of Democrats say she is doing either a good or an excellent job, only 14% of Independents and 4% of Republicans feel these ways. See *Figure 17*.

Overall, evaluations of the job performance by the Michigan Legislature are even worse than those for Governor Granholm. Sixty-one percent of Michigan local officials say the Legislature is doing a poor job, while only 4% say it is doing a good job and less than 1% say an excellent job.

However, as with the ratings for Governor Granholm, the ratings for the Michigan Legislature vary with the party identification of the respondent (although the differences are less pronounced). Local officials who identify themselves as Independents are the most likely to rate the Legislature negatively, with three in four (74%) reporting that the Legislature is doing a "poor" job. Still, large percentages of partisan identifiers—63% of Republicans and 54% of Democrats—rate the Legislature's performance as "poor." Almost no local officials believe the Legislature is doing an excellent job, and few believe it is even doing a good job. See *Figure 18*.

Figure 17

Local officials' evaluations of Governor Granholm's job performance

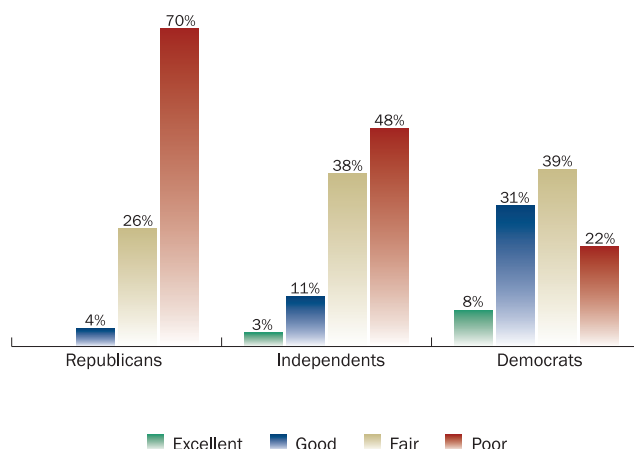
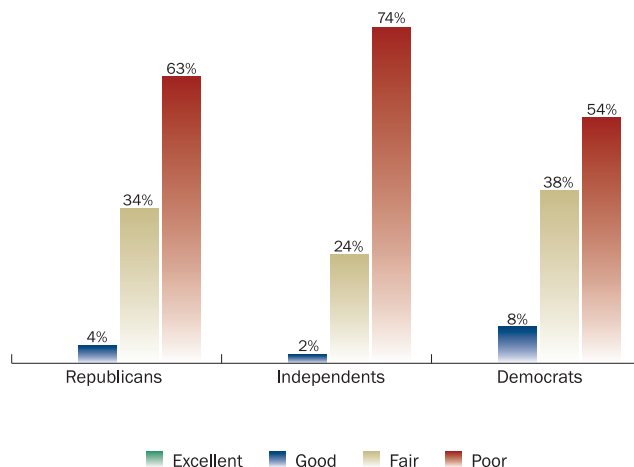


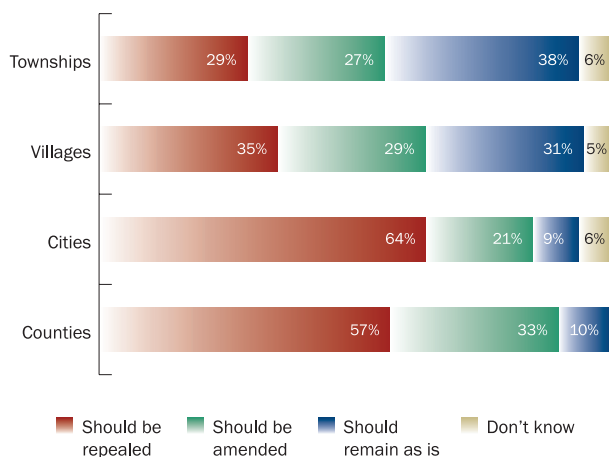
Figure 18

Local officials' evaluations of the Michigan Legislature's job performance



**Figure 19**

Local officials evaluate proposed changes to term limits for state officials



## Who supports term limits for state officials?

Another topic of growing debate across Michigan is whether the state's term limits for state-level elected offices have helped or hurt policymaking.

The MPPS asked local officials whether term limits for Michigan's governor and state legislators should be repealed, amended, or remain as they are currently. Given the high levels of dissatisfaction among local officials towards the state government reported above, one might expect local officials to support term limits in order to remove ineffective state policymakers. However, the MPPS finds that large percentages of local officials surveyed believe Michigan's term limits should be repealed, including 64% of city officials and 57% of county officials. In addition, significant proportions of officials from all jurisdiction types believe term limits should be amended, including 29% of village officials and 27% of township officials. See *Figure 19*.

Of those who believe term limits should be amended, the overwhelming majority say the limits should be lengthened in some fashion so that officials in Lansing have more time to learn their jobs and become more effective policymakers.

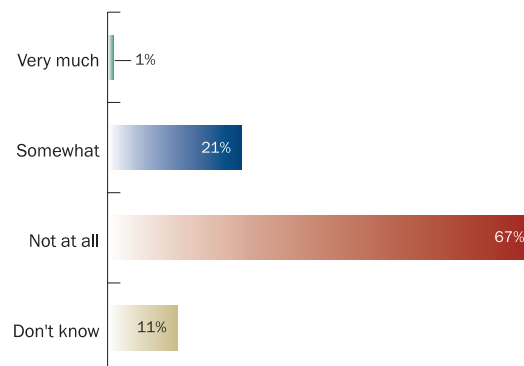


## Has the Federal Stimulus Package made a difference?

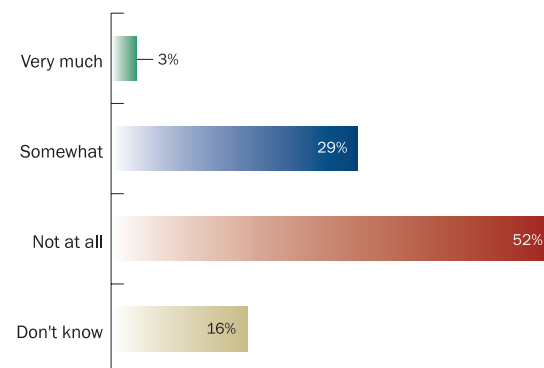
When asked how much the Federal Stimulus Package (the American Recovery and Reinvestment Act) has helped improve economic conditions in their communities to date, only 1% of local officials say it has helped “very much,” while 21% say it has helped “somewhat” and 67% report that it has not helped at all (see *Figure 20*). And in terms of helping the state economy overall, only 1.5% of local officials say it has helped very much, though 45% say “somewhat” and only 39% say “not at all.”

When looking toward the future, the percentage of local officials in Michigan who predict a positive impact for their local economies from the Federal Stimulus Package rises slightly, with 3% reporting that it will eventually help “very much” and 29% saying it will help “somewhat.” Still, slightly over half (52%) of local officials say that it will never help improve their local economies. See *Figure 21*.

**Figure 20**  
Belief that the stimulus package has had a positive impact on the local economy to date



**Figure 21**  
Belief that the stimulus package will have a positive impact on the local economy in the long term



## Survey Background and Methodology

The MPPS is a biannual survey of each of Michigan’s 1,856 local units of government. Surveys were sent via the Internet and hardcopy to top elected and appointed officials in all 83 counties, 274 cities, 259 villages, and 1,240 townships. A total of 1,303 jurisdictions returned valid surveys, resulting in a 70% response rate by unit (70% of counties, 71% of cities, 47% of villages, and 75% of townships). Reports on individual jurisdictions and specific issue areas are forthcoming. Missing and “don’t know” responses are not included in the tabulations, unless otherwise specified. Data are weighted to account for non-response.

*The MPPS is funded in part by a grant from the W.K. Kellogg Foundation. The views reported herein are those of local Michigan officials and do not necessarily reflect the views of the University of Michigan or the W.K. Kellogg Foundation.*

University of Michigan

**Center for Local, State, and Urban Policy**

Gerald R. Ford School of Public Policy

Joan and Sanford Weill Hall

735 S. State Street, Suite 5310

Ann Arbor, MI 48109-3091

The Center for Local, State, and Urban Policy (CLOSUP), housed at the University of Michigan's Gerald R. Ford School of Public Policy, conducts and supports applied policy research designed to inform state, local, and urban policy issues. Through integrated research, teaching, and outreach involving academic researchers, students, policymakers and practitioners, CLOSUP seeks to foster understanding of today's state and local policy problems, and to find effective solutions to those problems.

[www.closup.umich.edu](http://www.closup.umich.edu)

734-647-4091



#### Regents of the University of Michigan

Julia Donovan Darlow  
*Ann Arbor*

Laurence B. Deitch  
*Bingham Farms*

Denise Ilitch  
*Bingham Farms*

Olivia P. Maynard  
*Goodrich*

Andrea Fischer Newman  
*Ann Arbor*

Andrew C. Richner  
*Grosse Pointe Park*

S. Martin Taylor  
*Grosse Pointe Farms*

Katherine E. White  
*Ann Arbor*

Mary Sue Coleman  
*(ex officio)*