

The Michigan Economy

Presented to:

Legislative Leadership Program

December 8, 2020

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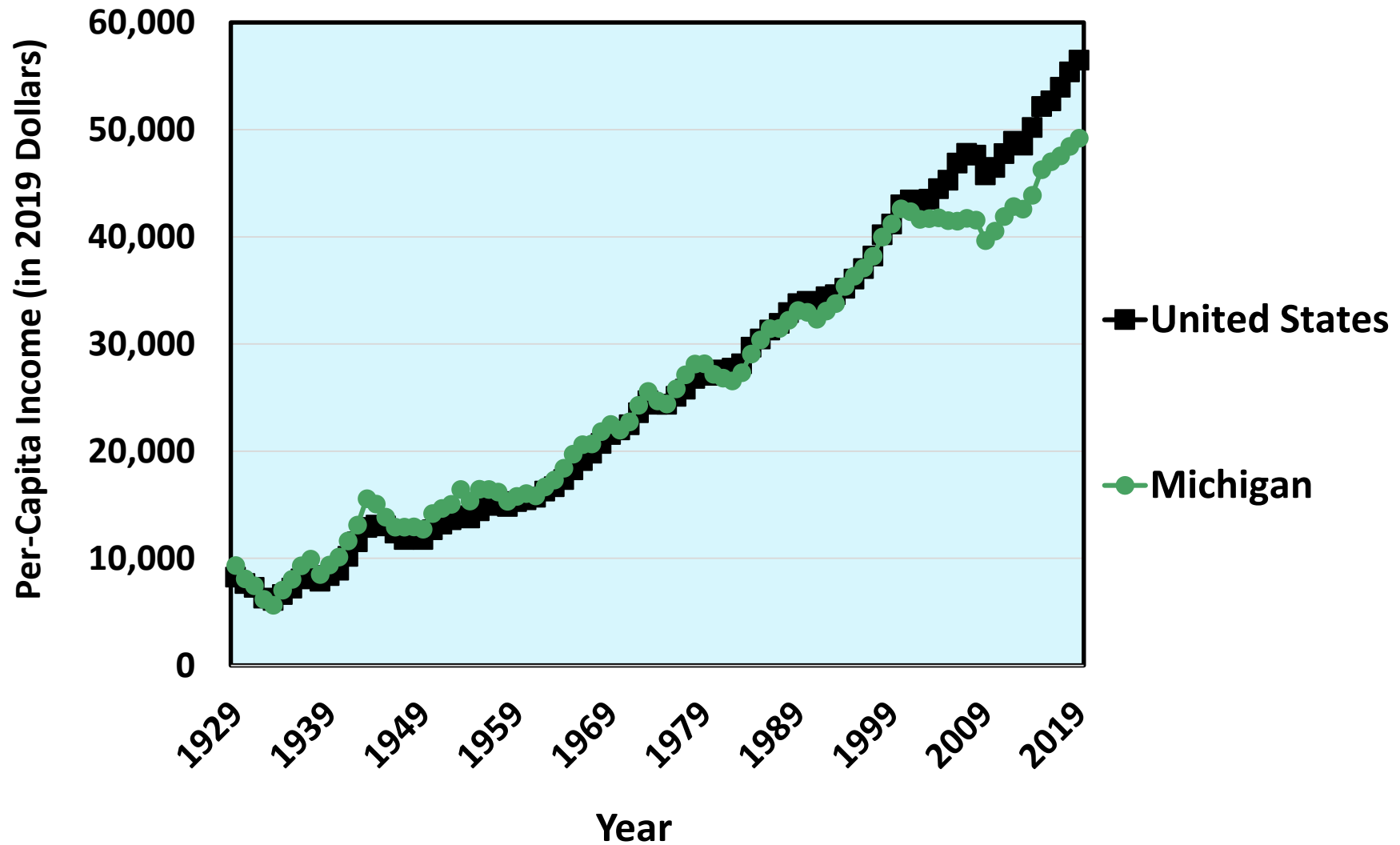
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1. Before COVID-19, per-capita personal income in Michigan was higher than it had ever been, even after adjusting for inflation.

Per-Capita Personal Income, Adjusted for Inflation, In Michigan and the United States, 1929-2019

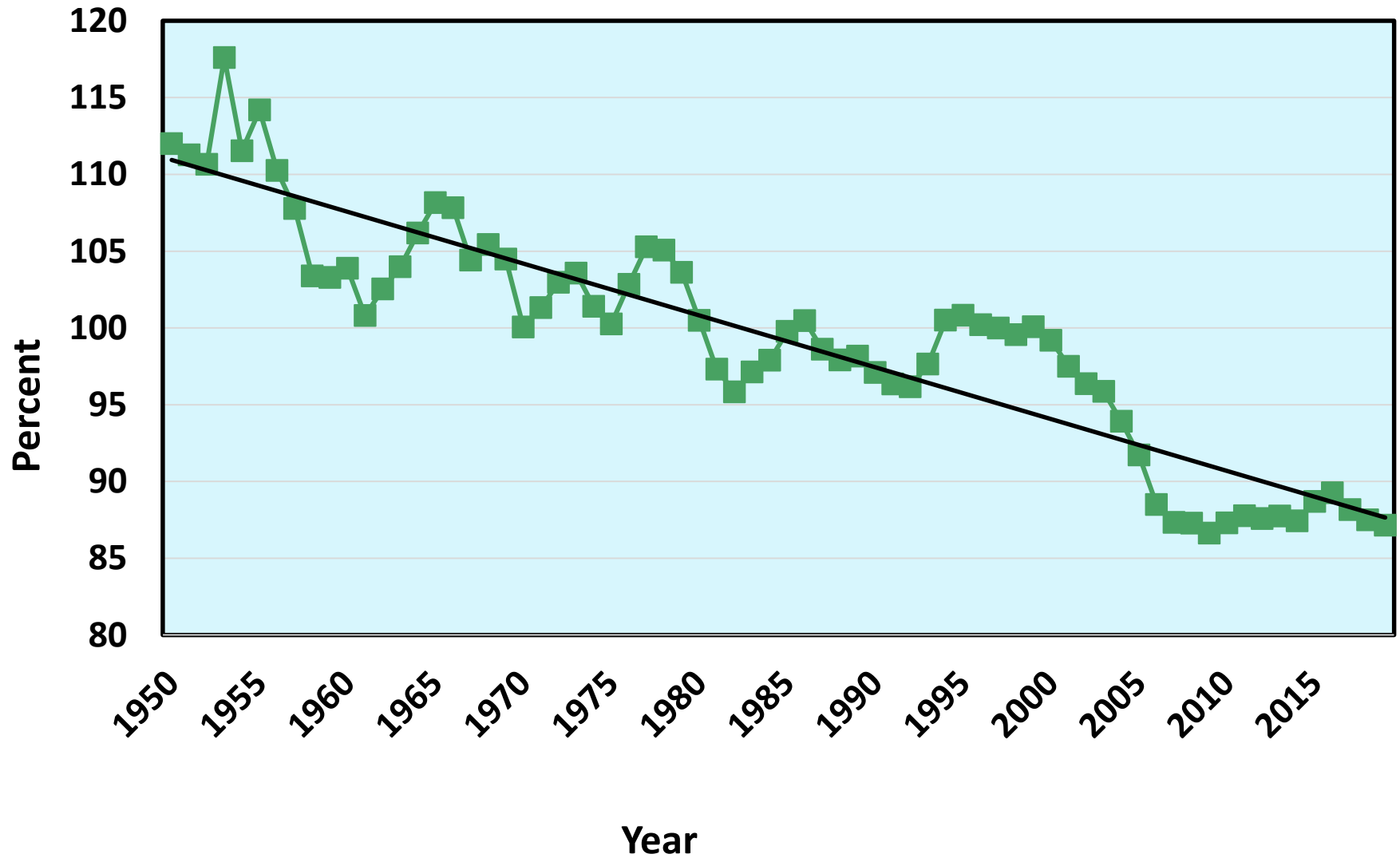


2. However, incomes in Michigan had fallen relative to the national average.

Per-Capita Personal Income, 2019

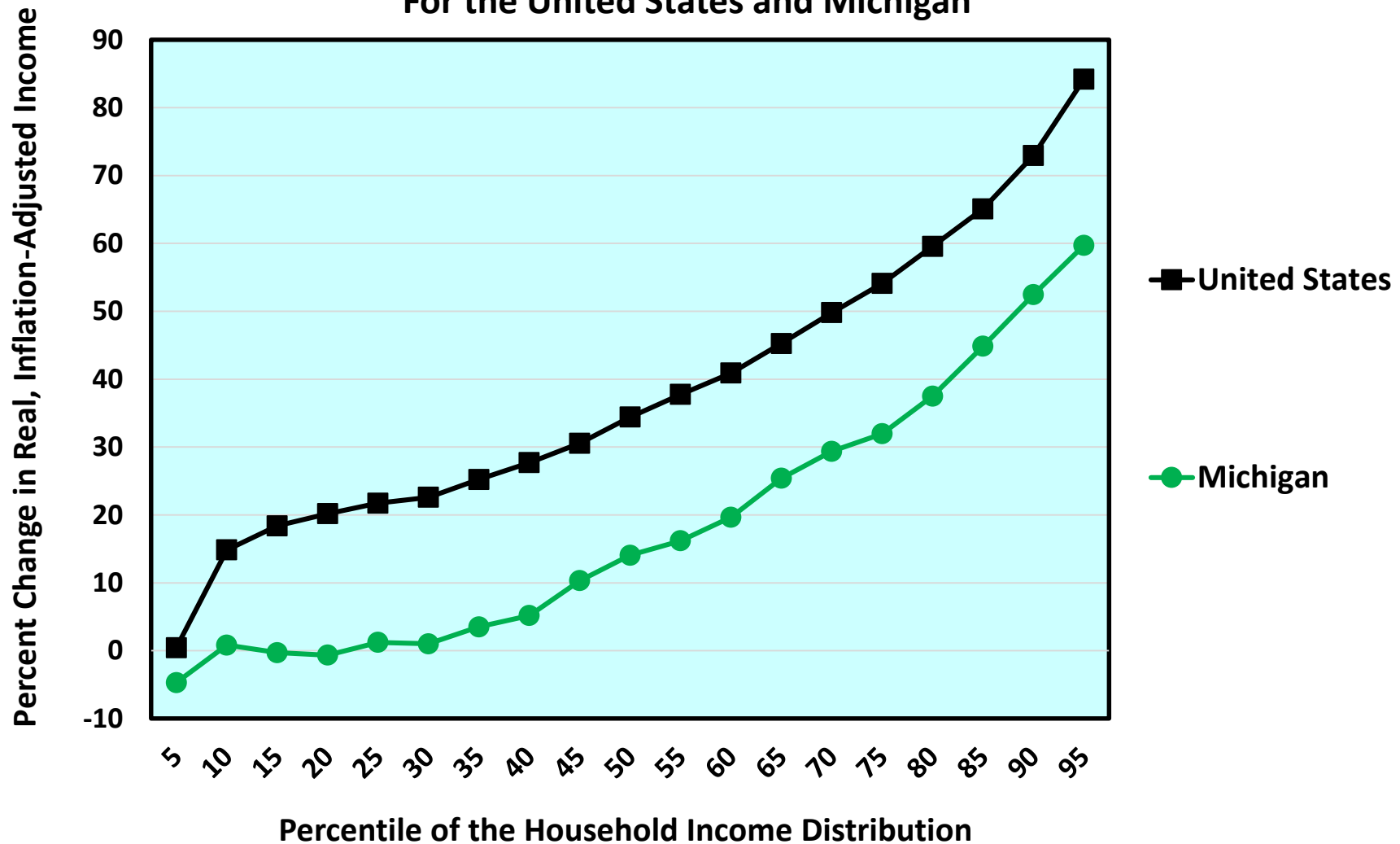
1. Connecticut	\$77,289	<i>U.S. Average</i>	<i>\$56,490</i>
2. Massachusetts	\$74,187	24. Wisconsin	\$53,227
3. New York	\$71,717	26. Texas	\$52,813
4. New Jersey	\$70,471	27. Florida	\$52,426
5. California	\$66,619	31. Ohio	\$50,199
7. Maryland	\$64,640	<i>32. Michigan</i>	<i>\$49,228</i>
9. Alaska	\$62,806	36. Indiana	\$48,678
10. Wyoming	\$62,189	38. Georgia	\$48,236
13. Minnesota	\$58,834	41. N. Carolina	\$47,766
14. Illinois	\$58,764	49. West Virginia	\$42,315
15. Pennsylvania	\$58,032	50. Mississippi	\$38,914

Per-Capita Personal Income: Michigan as Percent of the United States Average, 1950-2019



3. Also, although *average* income in Michigan in 2019 was much higher than it was in the late 1970s, millions of Michiganders have not fared well since then.

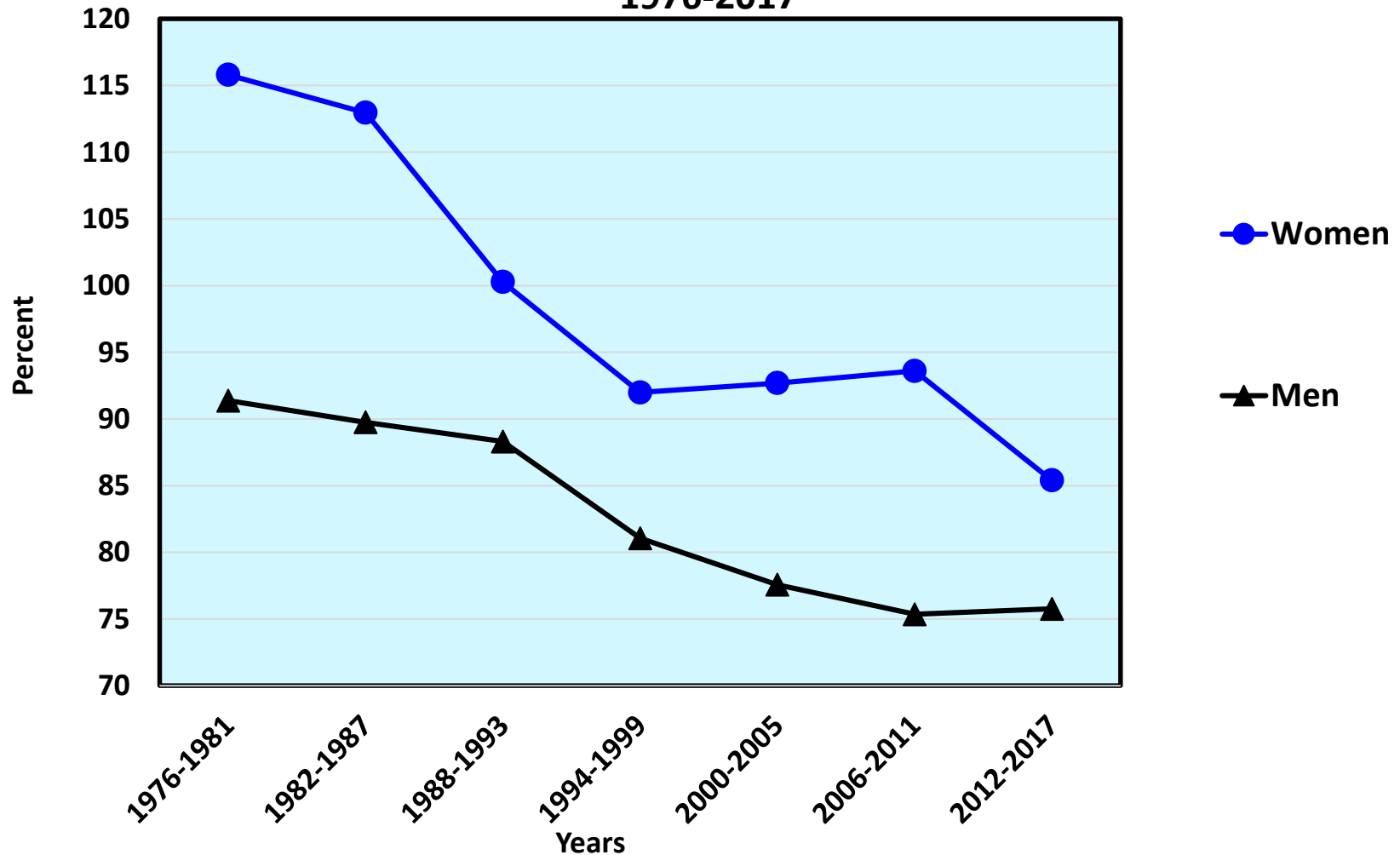
Percent Change in Inflation-Adjusted Income at Selected Percentiles of the Household Income Distribution, From 1976-78 to 2015-17, For the United States and Michigan



4. In the last 40 years, African American workers in Michigan have lost a lot of ground relative to white workers.

This has also happened in many other states, but the relative declines are larger in Michigan than anywhere else.

Earnings of the Median Black Worker in Michigan, as Percent of Earnings of the Median Non-Hispanic White Worker in Michigan, For Full-Time Year-Round Workers Aged 25-54, By Sex, Six-Year Averages, 1976-2017



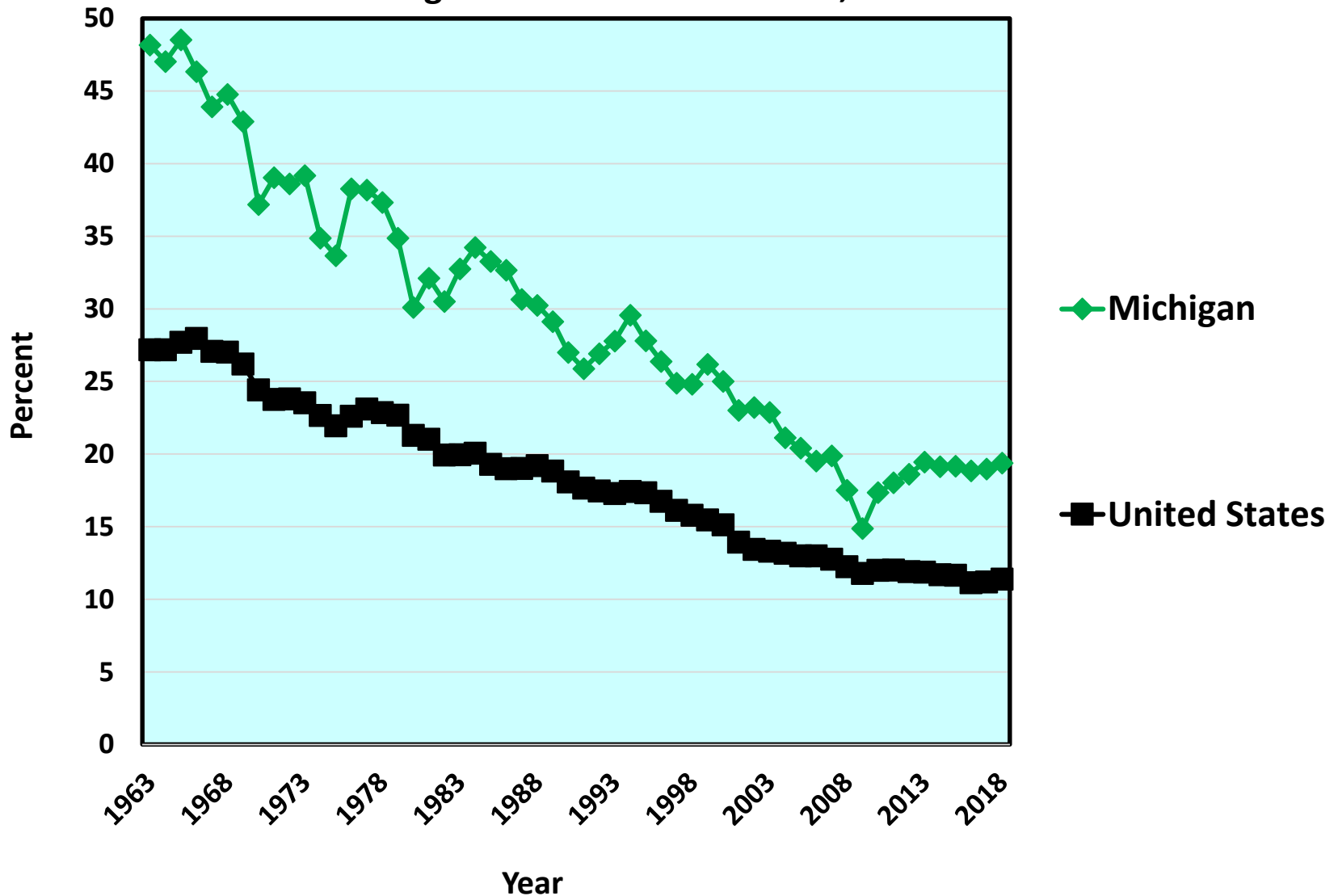
5. There is also wide variation in income levels across different regions in Michigan.

Per-Capita Personal Income, 2019

1. Oakland County	\$73,271
2. Leelanau County	\$68,281
3. Washtenaw County	\$60,843
4. Livingston County	\$58,879
<i>U.S. Average</i>	<i>\$56,490</i>
6. Midland County	\$55,972
7. Kent County	\$53,664
10. Kalamazoo County	\$49,493
11. Ottawa County	\$49,345
<i>Michigan Average</i>	<i>\$49,228</i>
18. Macomb County	\$47,847
27. Wayne County	\$44,512
33. Genesee County	\$41,929
40. Ingham County	\$41,286
47. Saginaw County	\$40,533
83. Luce County	\$32,174

6. Much of Michigan's losses relative to the national average can be traced to the relative decline of manufacturing.

Manufacturing as a Percent of Gross Domestic Product, In Michigan and the United States, 1963-2018



Gross Domestic Product in Selected Industries, As Percent of Total GDP, 2018

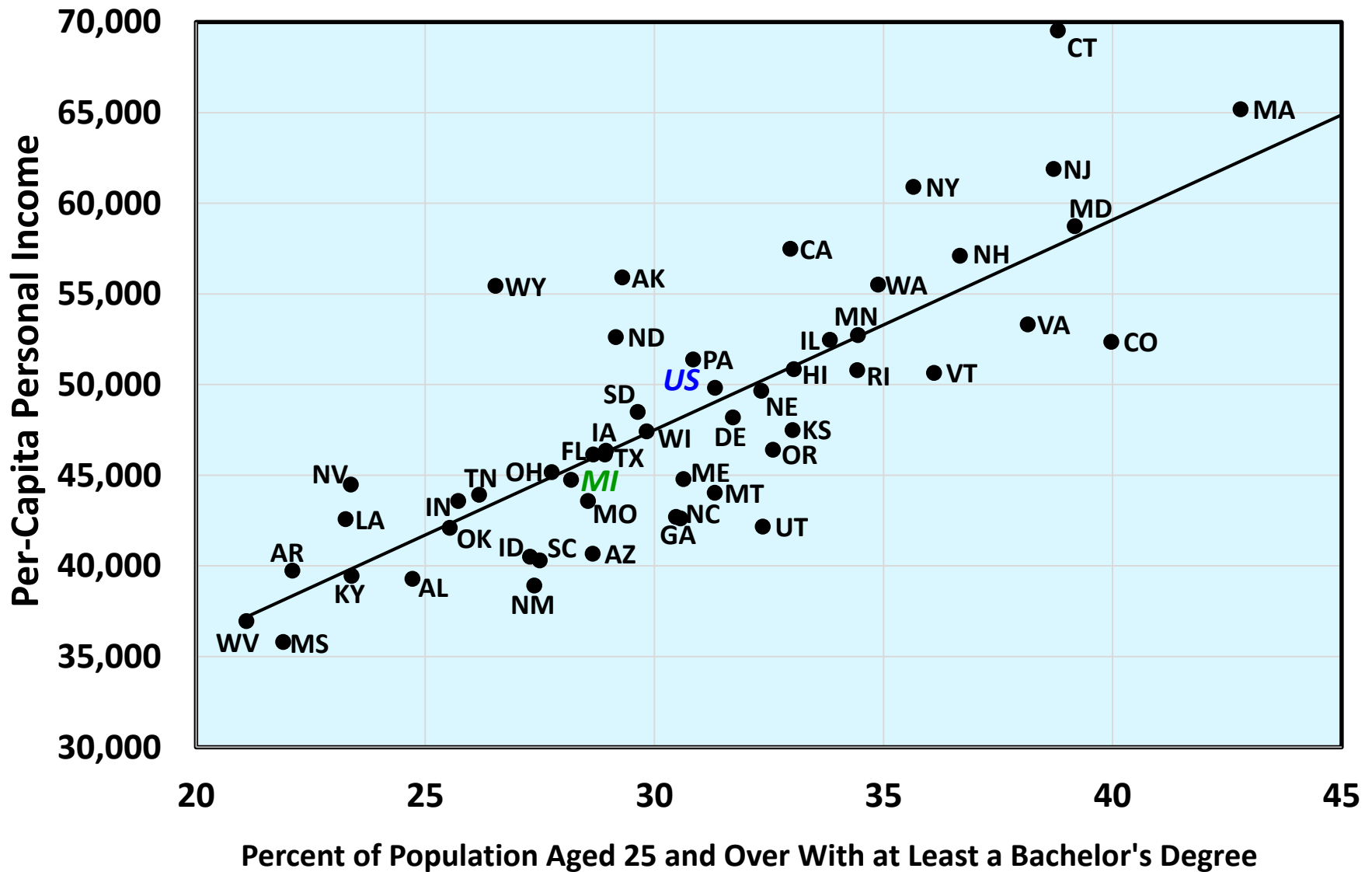
	<u>Michigan</u>	<u>United States</u>
Manufacturing	18.83%	11.28%
Professional and Business Services	13.37	12.53
Real Estate, Rental, and Leasing	12.01	13.29
Government and Government Enterprises	10.52	12.36
Health Care	8.57	7.47
Wholesale Trade	6.59	5.89
Retail Trade	6.08	5.48
Finance and Insurance	5.18	7.62
Construction	4.07	4.08
Accommodation and Food Services	2.90	3.08
Transportation and Warehousing	2.59	3.20
Information	2.49	5.19
Utilities	2.02	1.58
Arts, Entertainment, and Recreation	0.72	1.11
Agriculture, Forestry, Fishing, and Hunting	0.57	0.81
Mining, Quarrying, Oil and Gas Extraction	0.39	1.68

7. Another reason for the relative decline is that most of the states with the biggest income gains have been those with the highest educational attainment. But Michigan continues to lag in terms of college attainment.

Fraction of the Population Aged 25 and Over with a Bachelor's Degree, Selected States, 2016

1. Massachusetts	42.8%	24. Georgia	30.6%
2. Colorado	40.0	25. N. Carolina	30.5
3. Maryland	39.2	26. Wisconsin	29.8
4. Connecticut	38.8	31. Texas	28.9
5. New Jersey	38.7	32. Florida	28.7
9. New York	35.7	35. Michigan	28.2
11. Minnesota	34.4	36. Ohio	27.8
13. Illinois	33.8	42. Indiana	25.7
16. California	33.0	48. Arkansas	22.1
United States	31.3	49. Mississippi	21.9
22. Pennsylvania	30.8	50. W. Virginia	21.1

Bachelor's Degree Attainment and Per-Capita Personal Income, For the 50 States, 2016



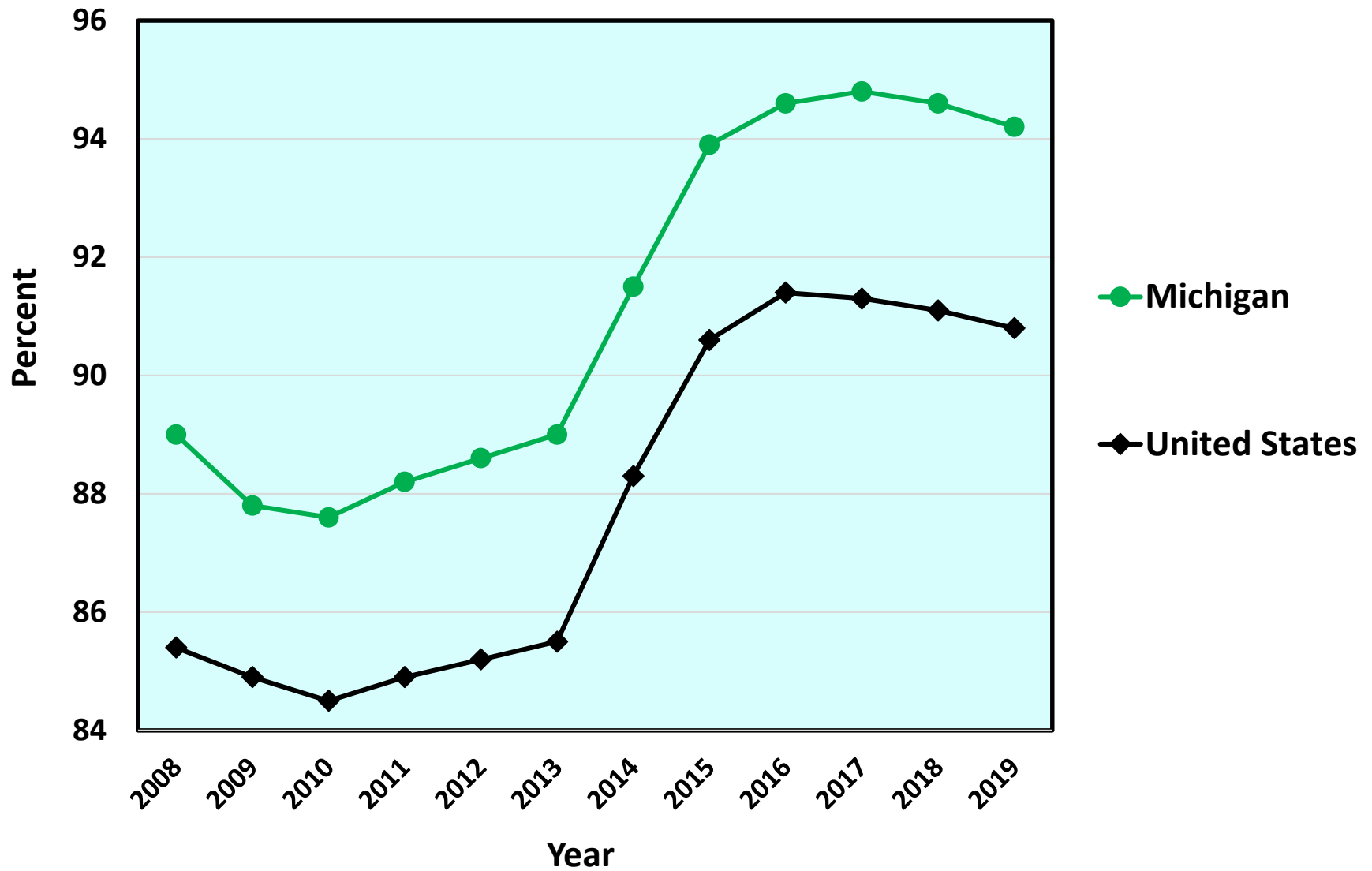
At a time when education is so crucial to our future, Michigan has pursued a policy of systematic disinvestment in education.

8. Michigan ranks much higher in terms of the rate of health insurance.

Percent of the Population with Health Insurance, Selected States, 2019

1. Massachusetts	97.0%	29. Indiana	91.3
5. Minnesota	95.1	29. Louisiana	91.1
6. Iowa	95.0	<i>U.S. Average</i>	<i>90.8</i>
7. New York	94.8	33. Alabama	90.3
8. Wisconsin	94.3	34. Utah	90.3
<i>9. Michigan</i>	<i>94.2</i>	37. Tennessee	89.9
10. Pennsylvania	94.2	40. S. Carolina	89.2
12. Maryland	94.0	46. Mississippi	87.0
16. Ohio	93.4	47. Florida	86.8
21. Illinois	92.6	48. Georgia	86.6
22. California	92.3	49. Oklahoma	85.7
23. New Jersey	92.1	50. Texas	81.6

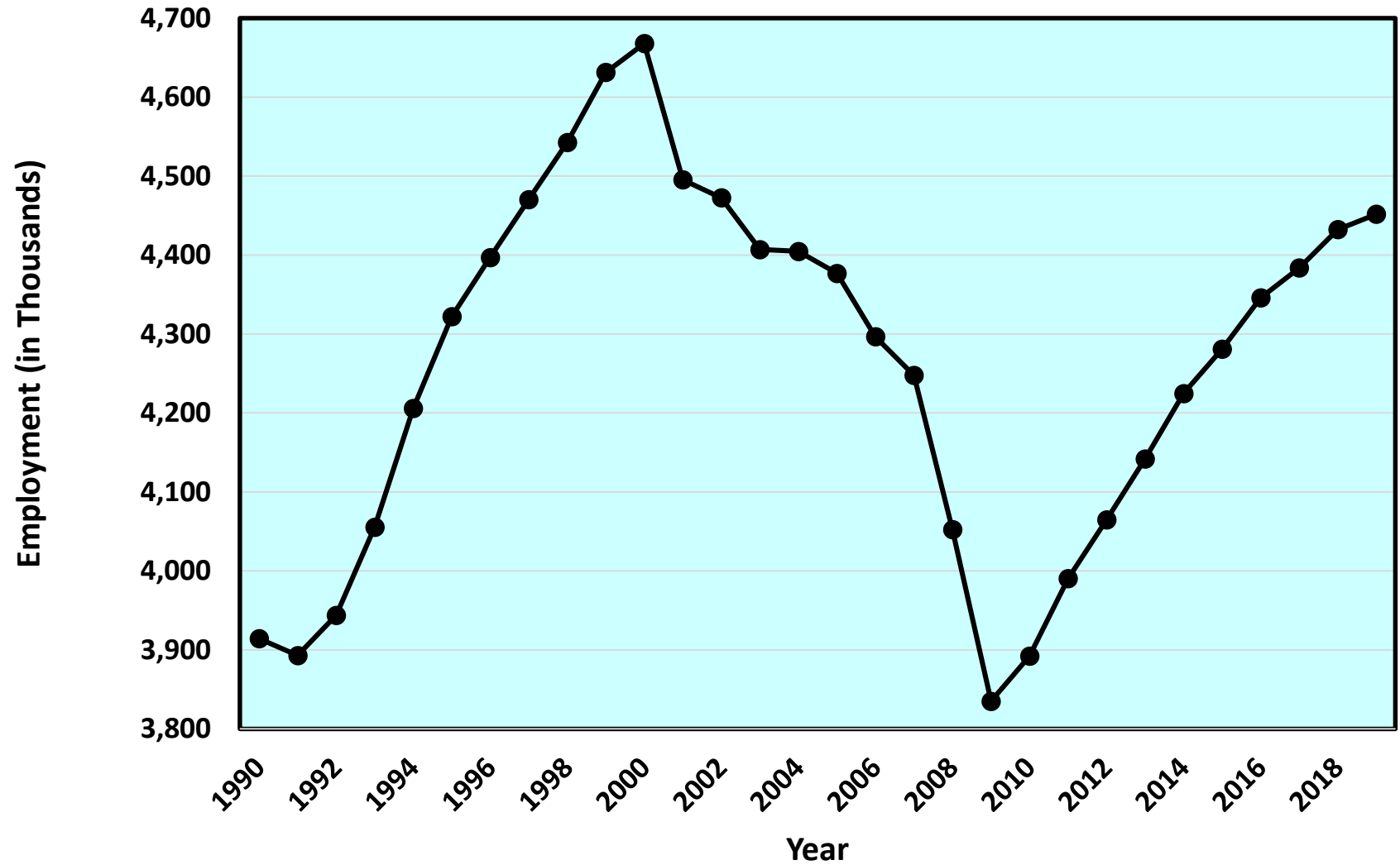
Percent of the Population with Health Insurance, In Michigan and the United States, 2008-2019



9. After employment bottomed out in 2010, but before COVID 19, Michigan added more than 600,000 jobs.

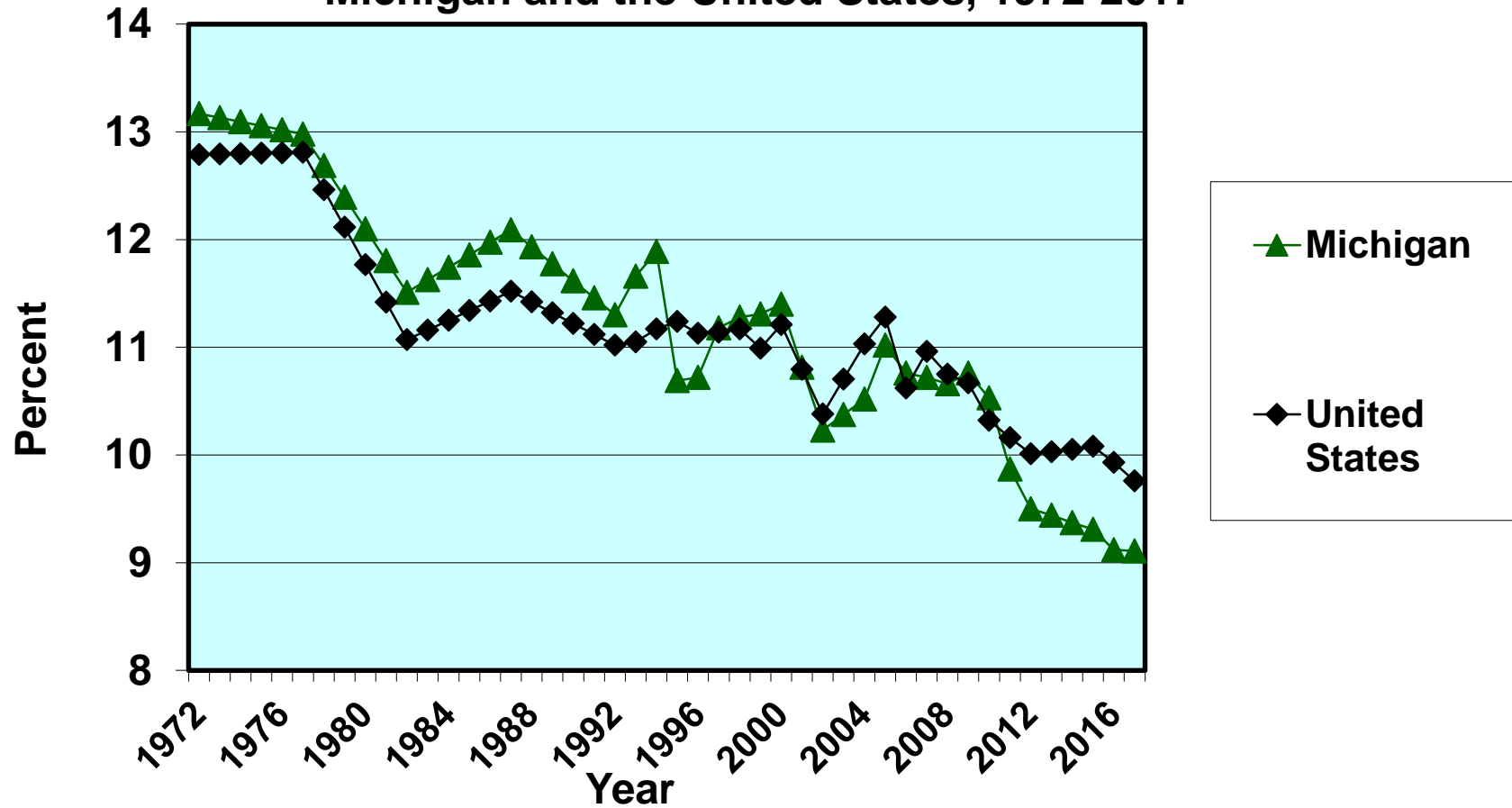
That still left us about 250,000 jobs short of the all-time peak employment level, set in 2000.

Employment in Michigan, 1990-2019
(Data for December in Each Year)



**10. Tax effort has
reduced substantially.**

**State and Local Taxes as Percent of Personal Income,
Michigan and the United States, 1972-2017**



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.