

Knowledge Economy Indicators
East Central Michigan Region

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SNAPSHOTS OF EUP'S KNOWLEDGE ECONOMY

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Michigan State University
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Objectives

- Consider new perspectives on economic development planning
- Better understand Knowledge Economy conditions for your region
- Begin to develop strategies to compete in the Knowledge Economy



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Mission

The Mission of the MSU-EDA University Center is *“to promote and support the expansion of economic development efforts in the State of Michigan through the provision of research, training, and technical assistance to entrepreneurs and economic development agencies, private sector leaders and faith-based and community-based organizations serving distressed communities.”*



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Activities

Established in 1987, the MSU-EDA University Center *provides training and technical assistance and conducts research designed to create jobs and provide needed goods and services in distressed areas of Michigan.*



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Recent Activities:

- Community Income and Expenditures Model
- Annual Summer Institute
- *Community News and Views* newsletter
- Support to MAR and its members
- Annual Awards Program
- Knowledge Economy Research



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Titles of Recent Publications:

2004

The Creative Community Handbook: A Leap to Possibilities Thinking.

SmartZones and Technology Based Economic Development: Technology-led economic development in Michigan and other Midwestern states.

Hip, Cool Cities in Michigan: The creative class and its economic power.

Neighborhood Early Warning Systems.

2003

Investing in Michigan's Future: Investment policies for Michigan's higher education institutions.

A Comparative Analysis of State Government Support of Regional Planning Between Michigan and Other States Nationwide.

Michigan's Windows to the Global Knowledge Economy: A county and regional level web site analysis from an economic development perspective.

2002

Electronic Commerce and Digital Opportunity for Local, Urban and Regional Development Planning.



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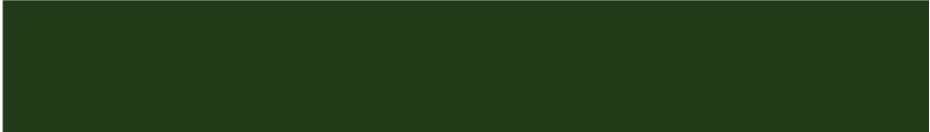
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Topics of Recent Summer Institutes:

- 2004 - Creative Communities and Economic Innovation: Working for Michigan's Future
- 2003 - Facts, Fads, and Fantasies of Economic Development in the Knowledge Economy
- 2002 - Reshaping the Fundamentals: Strengthening Community Economies in Turbulent Times
- 2001 - Working Wired: Empowering Workforce Development in an Information Society
- 2000 - Discovering the Digital Frontier: Opportunities for CBOs and Low Income Communities
- 1999 - Creating Sustainable Communities: The Role of Community Based Organizations
- 1998 - Building Community Capital: Achieving Community Economic Well-Being
- 1997 - Building a Civil Society: Community Problem Solving in an Age of Welfare Reform



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UNIVERSITY CENTER
KNOWLEDGE ECONOMY
RESEARCH TEAM



Knowledge Economy

What has changed?



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- Knowledge and information drive economic growth and development
- Occupations and industries shift rapidly in significance

Economic Change

Why does it matter?

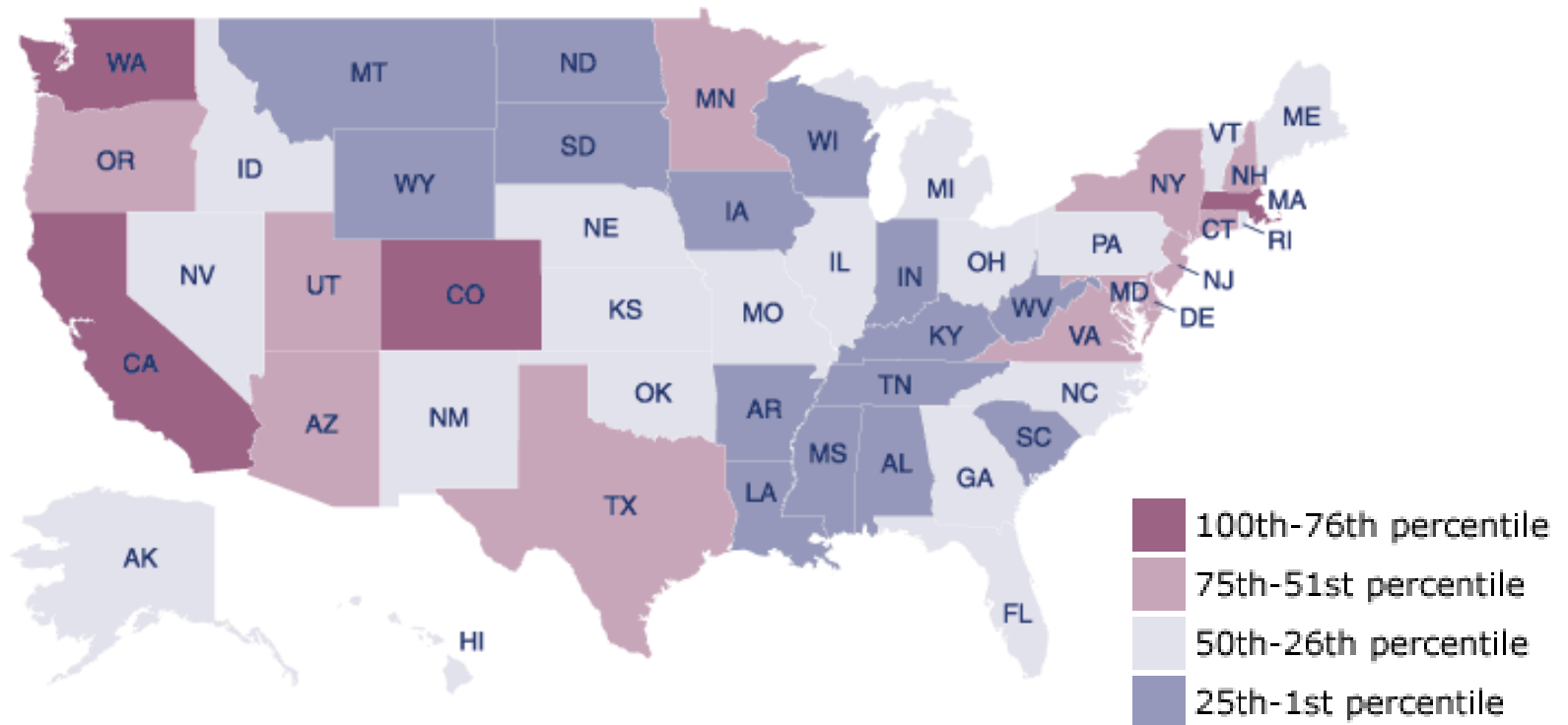
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- Competition is increasingly intense
- Change is ever-more rapid
- Traditional techniques and tools for economic development are insufficient



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The Progressive Policy Institute New Economy Project



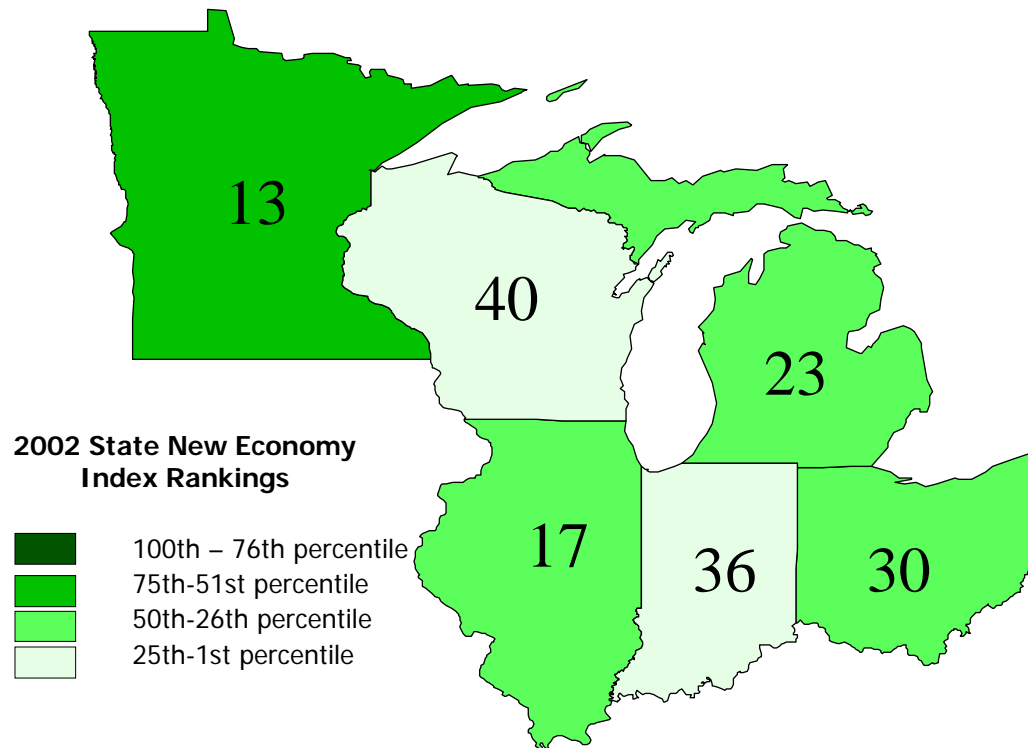
State New Economy Index 2002

Source: www.ppionline.org



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PPI New Economy Index Rankings for Great Lakes States, 2002



Source: www.ppionline.org



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Michigan State University Knowledge Economy Research Group

Goal: To apply PPI's New Economy Index measures to Michigan counties

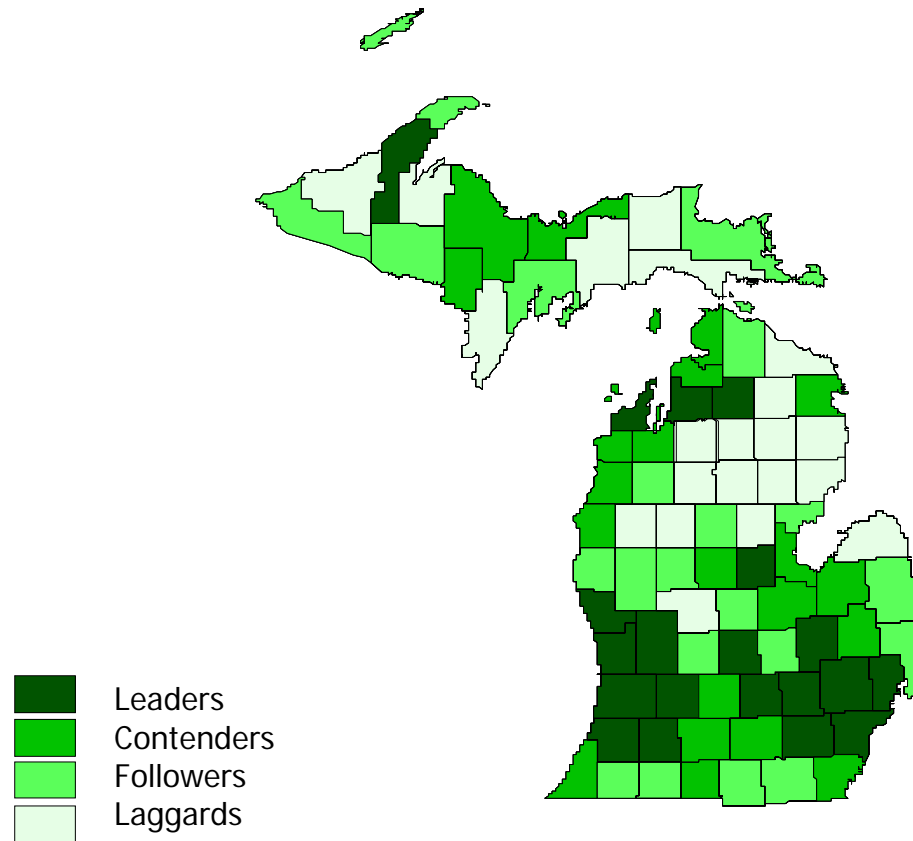
Fifteen indicators in 5 categories:

- *Knowledge Jobs*
- *Digital Economy*
- *Innovation*
- *Globalization*
- *Dynamism*



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Michigan Knowledge Economy Index Overall County Rankings



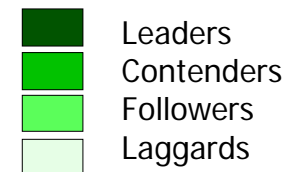
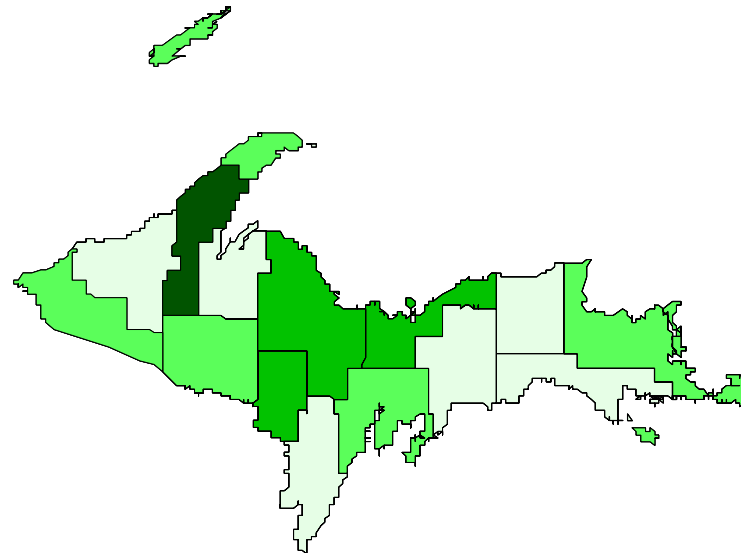
Source: MSU Knowledge Economy Research Group

Knowledge Economy Overall Index

Upper Peninsula



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Overall Ranking

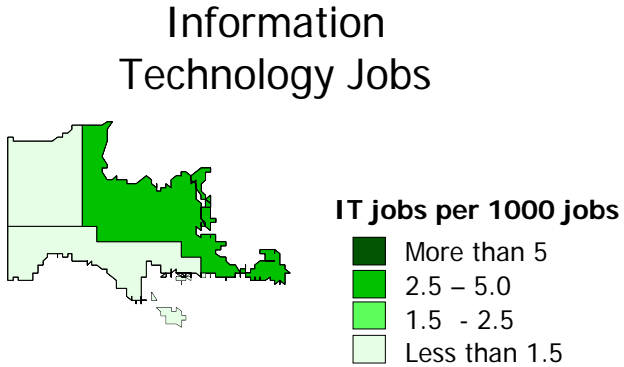
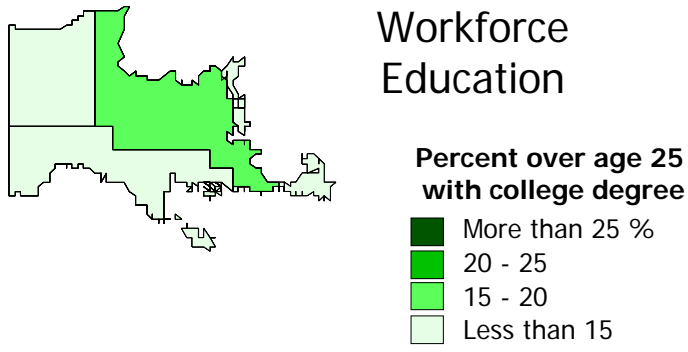
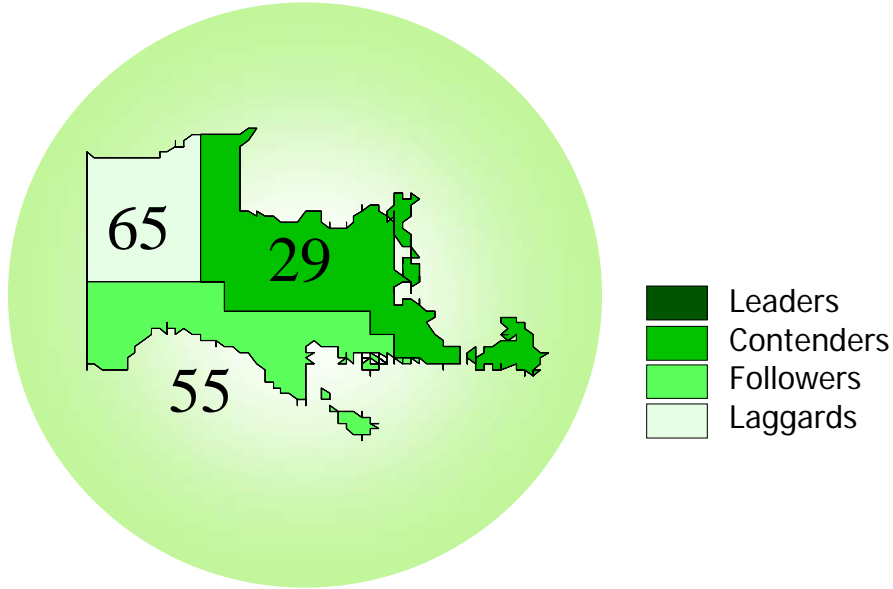
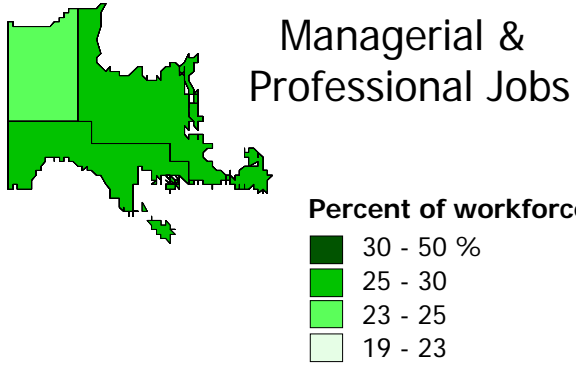
14. Houghton
27. Marquette
38. Alger
40. Dickinson
48. Delta
49. Keweenaw
52. Gogebic
59. Chippewa
61. Iron
69. Baraga
72. Ontonagon
74. Luce
75. Menominee
78. Schoolcraft
81. Mackinac

Source: MSU Knowledge Economy Research Group

Knowledge Jobs



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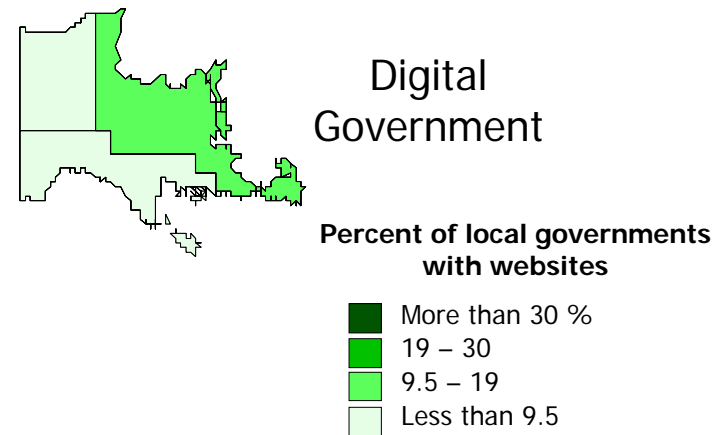
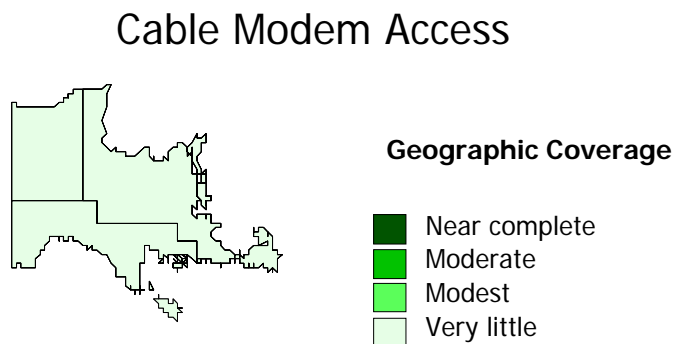
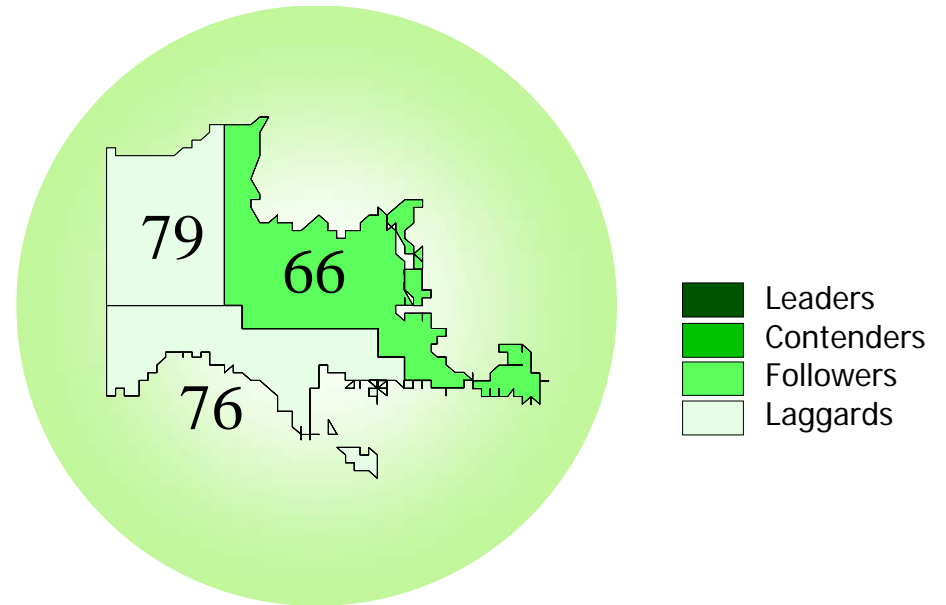
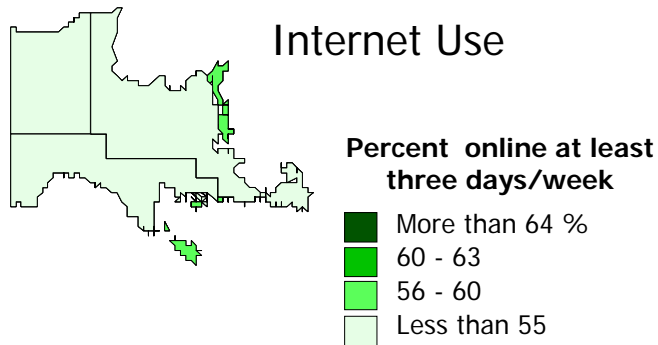


Source: MSU Knowledge Economy Research Group

Digital Economy



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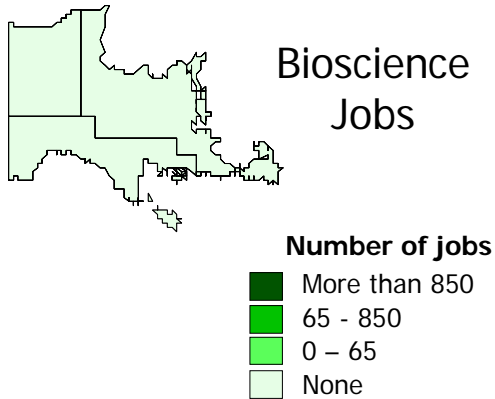
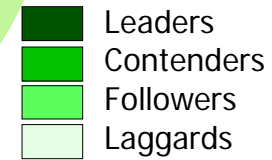
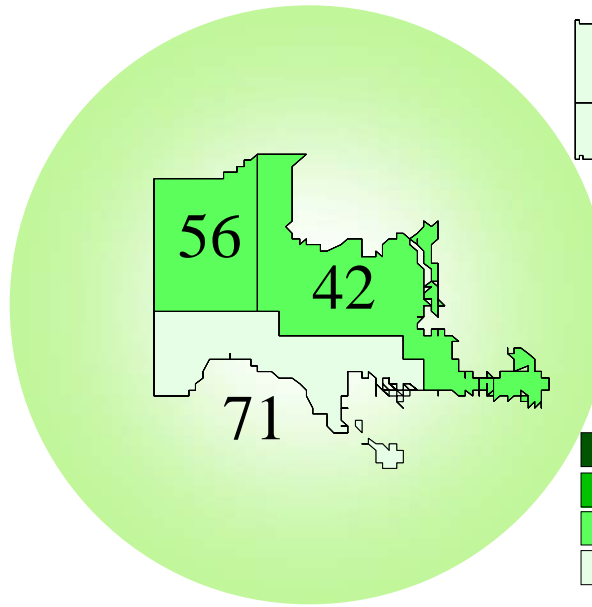
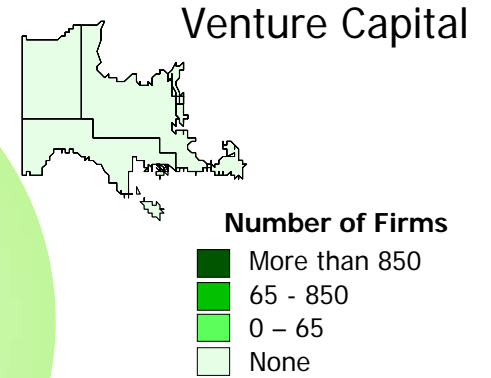
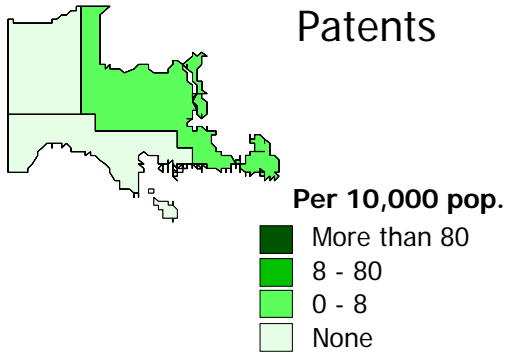


Source: MSU Knowledge Economy Research Group

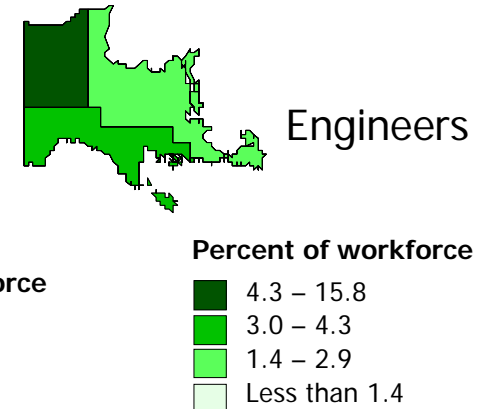
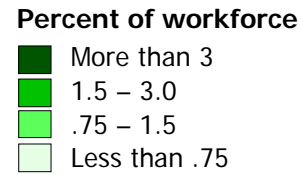
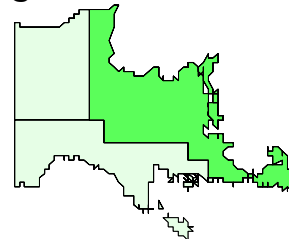
Innovation



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High Tech Jobs



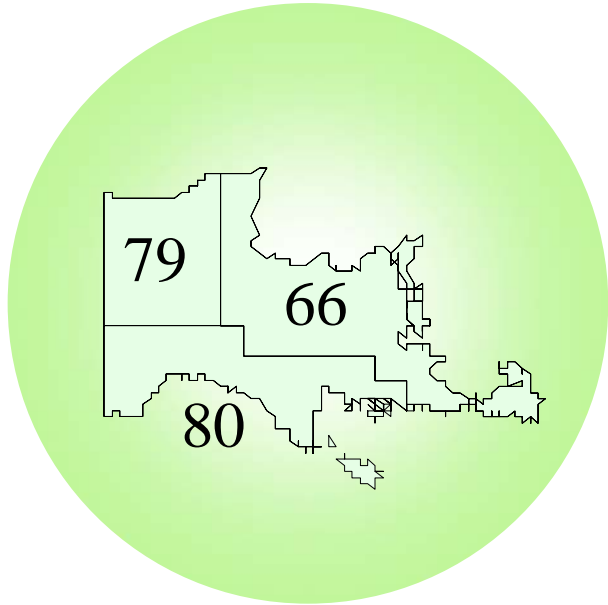
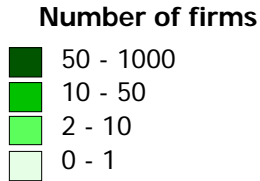
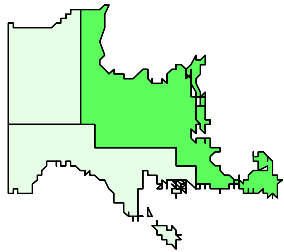
Source: MSU Knowledge Economy Research Group

Globalization

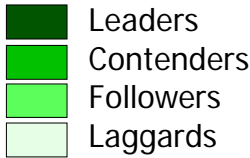
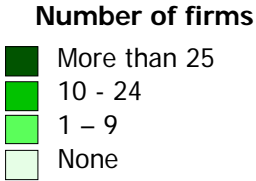
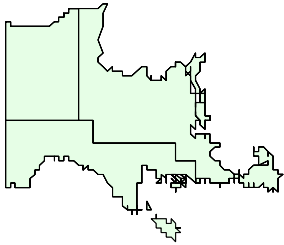


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Firms That Export



Firms With Foreign Parents



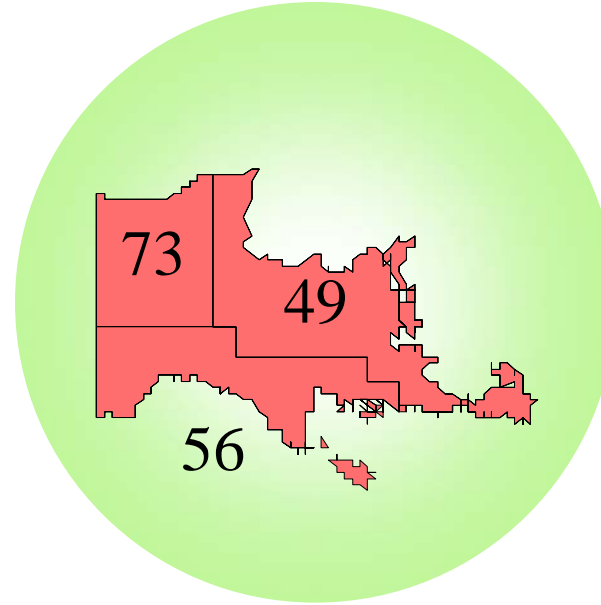
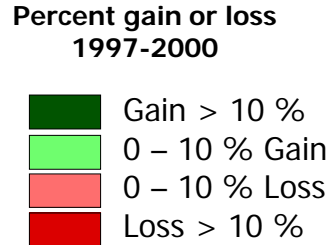
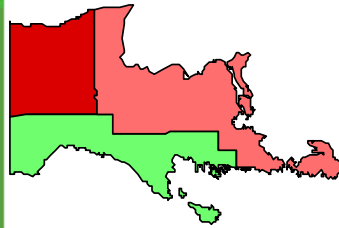
Source: MSU Knowledge Economy Research Group

Dynamism Index

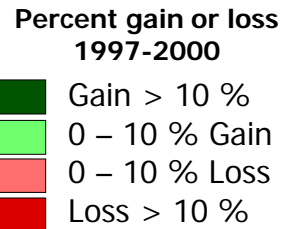
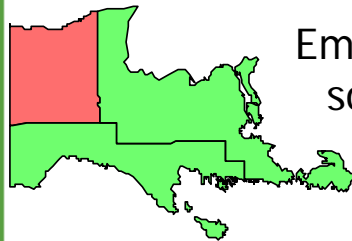


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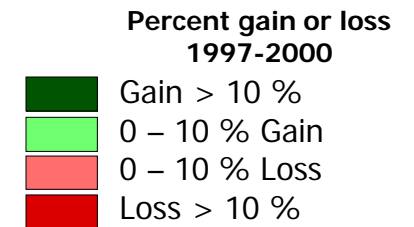
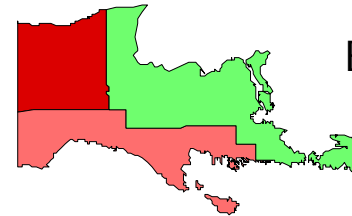
Employment change – manufacturing jobs



Employment change – sole proprietorships



Employment change – service jobs



Source: MSU Knowledge Economy Research Group



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Occupational Forecasts for Upper Peninsula

- Projected overall employment growth rates (2000-2010):

U. S.	15.2 %
Michigan	9.4 %
Upper Peninsula	8.0 %
- All occupations show slower growth in U.P. region than at national level



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Knowledge Economy Indicators East Central Michigan Region

Knowledge Economy Wage Trends for Upper Peninsula

- Average wages in the UP :
 - Knowledge Economy = \$ 50,114
 - All other occupations = \$ 30,554
- Growth rates for Knowledge Economy occupation groups
 - U. S. 21.0%
 - Michigan 13.1%
 - Upper Peninsula 12.4%



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**ADAPTING
PLANNING PRACTICE
TO THE
KNOWLEDGE
ECONOMY**





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Knowledge Jobs

Planning for Knowledge Jobs

- ❑ In the knowledge economy, an educated citizenry is critical to success. If a community does not get smarter it **will** get poorer.
- ❑ A community should provide educational opportunities across the life-span of the workforce.
- ❑ Begin with early childhood development with a seamless transition to k-12, higher education, career development and retraining programs.



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Knowledge Jobs

- ❑ Establish a business/education roundtable as a regular forum for businesses to discuss education and training needs and for education to discuss program challenges, curriculum options and resources
- ❑ Develop “technology education centers” designed to train participants on relevant technologies of interest to the local community.
- ❑ Recapture high school graduates that leave the area for higher education through strategies such as forgiving student loans, promote local alumni networks, and welcome home events.



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Innovation

Planning for Innovation

- Establish a technology business incubator
- Create flexible investment funds to make capital available to emerging enterprises/technologies/entrepreneurs
- Support an entrepreneurial environment that values risk takers and innovators
- Provide broadband access



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Innovation

- Host business/community “innovation fairs”
- Provide patent assistance
- Establish links to higher education technology centers in your region to facilitate the location/expansion of innovative enterprises to your community
- Establish a “speakers bureau of informed community leaders
- Create a “technical assistance network”



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Digital Economy

Planning for a Digital Economy

- Link homes, schools, businesses and government to the global internet and to each other.
- Create a community/business/government web presence
- Provide broadband access where currently not available
- Provide wireless access where appropriate



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Digital Economy

- Provide non-formal adult education programs for residents on the global communications network
- Map your community's communications network
- Use digital communications to support democratic governance in you community.
- Provide technical and financial assistance for residents and businesses to improve and expand their access to the digital economy
- Require "open capacity" on new fiber networks



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Globalization

Planning for Globalization

- Facilitate export trade and global markets for existing products and services in your community (remember Canada is a Michigan neighbor)
- Identify existing exporting firms and identify related local industries that may also export to similar markets
- Consider attracting foreign based firms to your community in strategic and complementary industries



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Globalization

- Link to Michigan foreign trade zones.
- Identify and describe your communities global transportation capacity and share that with your local businesses.
- Identify and celebrate local ethnic/cultural heritages and explore possible international social capital opportunities.
- Conduct an “industry cluster analysis” assessing for global opportunities
- Organize training for key stakeholders



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Dynamism

Planning for Dynamism

- Establish effective communications amongst firms to **anticipate** change and develop responses.
- Supportive transition strategies for your communities workforce.
- Identify “new enterprises” in your community to assess potential emerging trends in your local economy.



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Dynamism

- Implement “safety net” strategies for displaced workers and families to reduce personal stress and improve retention of skilled workers.
- Run business “ birth announcements” in the local paper.
- Support strong entrepreneurial development programs to help new businesses form and expand locally.
- Provide access to a variety of types of capital for businesses.



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Dynamism

- Build or rebuild “flexible space” environments that can be reused for a variety of production and services.
- Support local business incubator programs.
- Identify leakages in the local economy that may provide opportunities for business development.
- Examine alternative forms of business ownership in potential business closures.



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Thank You!

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University Center

2005 Summer Institute
"Cultural Economic Development"

Wednesday, June 15, 2005

Kellogg Center, MSU

East Lansing



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East Central Michigan Region

Michigan State University
Community & Economic Development Program

www.cedp.msu.edu

Smart Michigan

www.smartmichigan.org