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# Federal Reserve Bank of Minneapolis: Upper Peninsula of Michigan 2023 Economic Snapshot

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## About us:

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Regional Economic Development

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Private Sector led

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Mission – Prosperity

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Build U.P. Fund

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Outdoor Recreation Innovation Fund

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NMU Fellowship pilot program

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Internship expansion



About the UP – population trends and demographics



**2023 Population: 303,095**

# U.P. Population – Last 50 Years

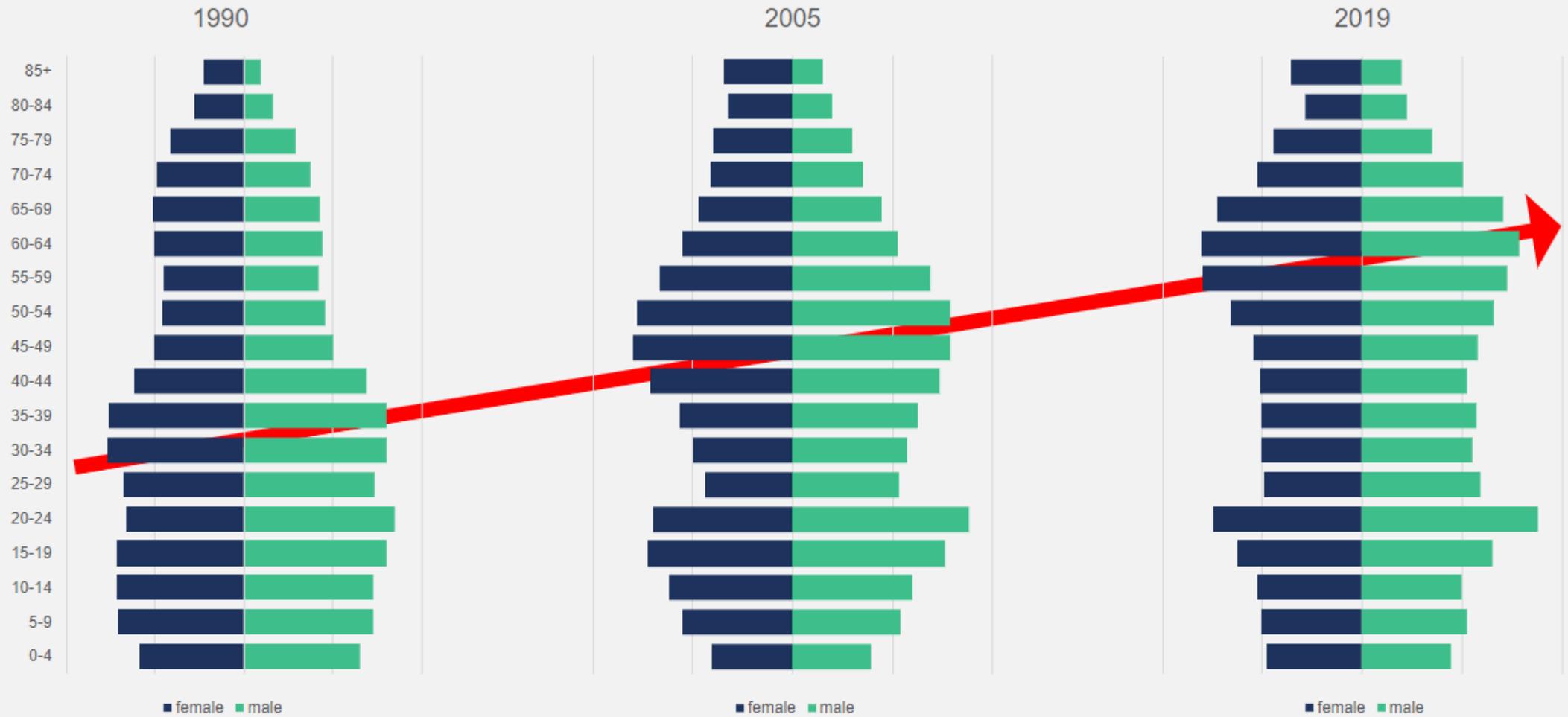




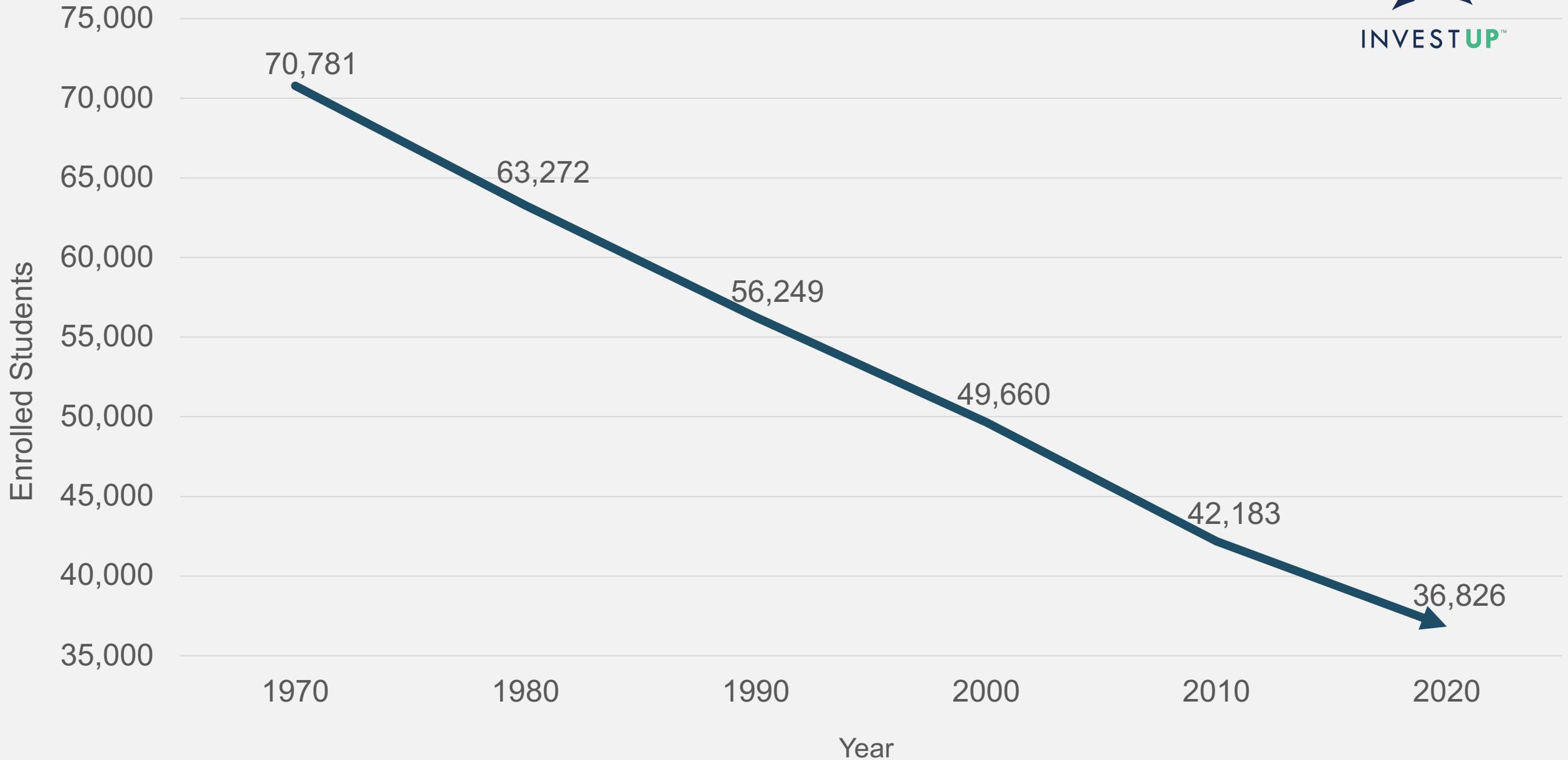
# Population



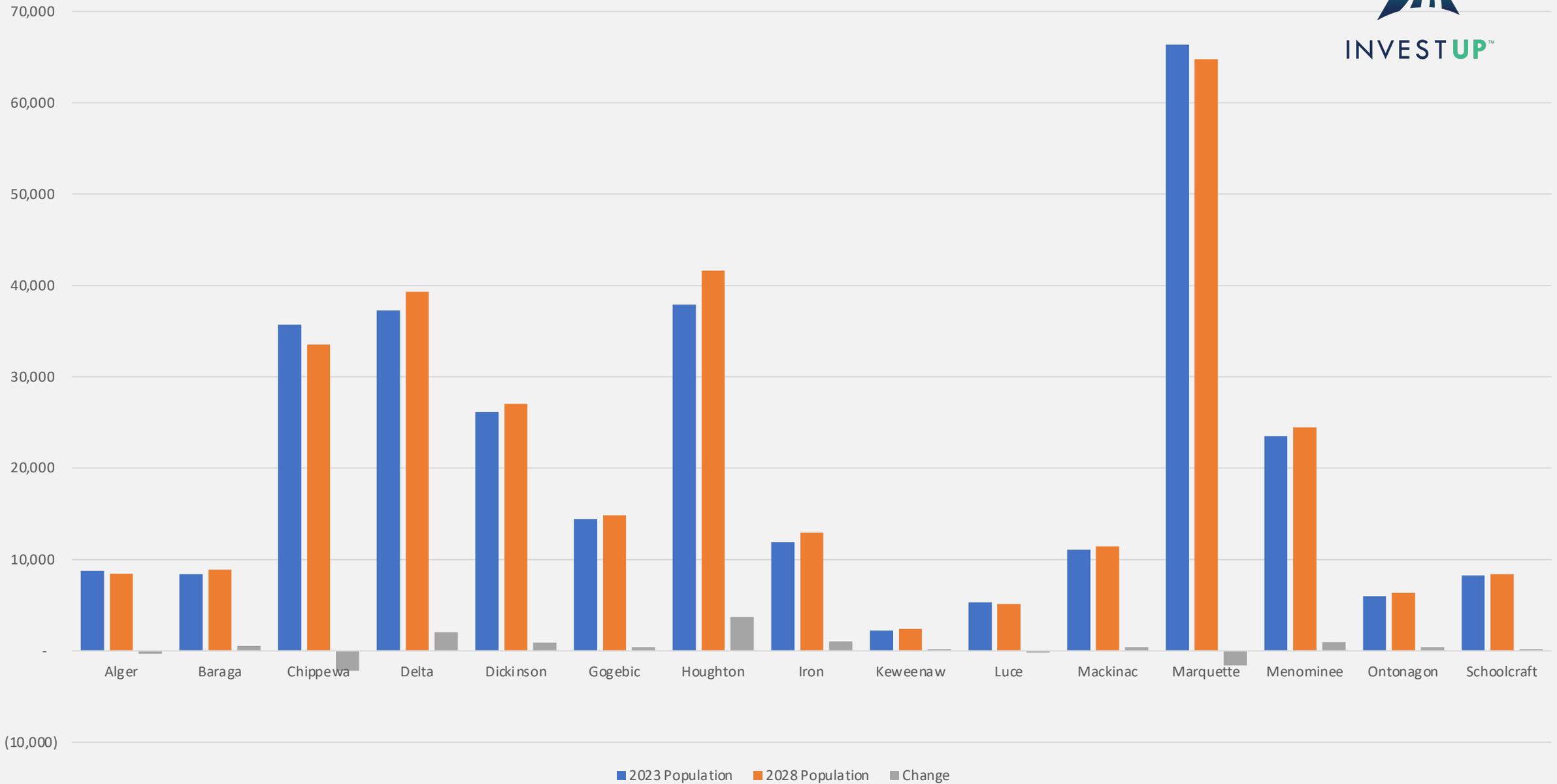
Age Group



# Estimated K-12 Enrollment in the U.P., 1970-2020



# 2023 U.P. County Populations vs. 2028 Projected Populations



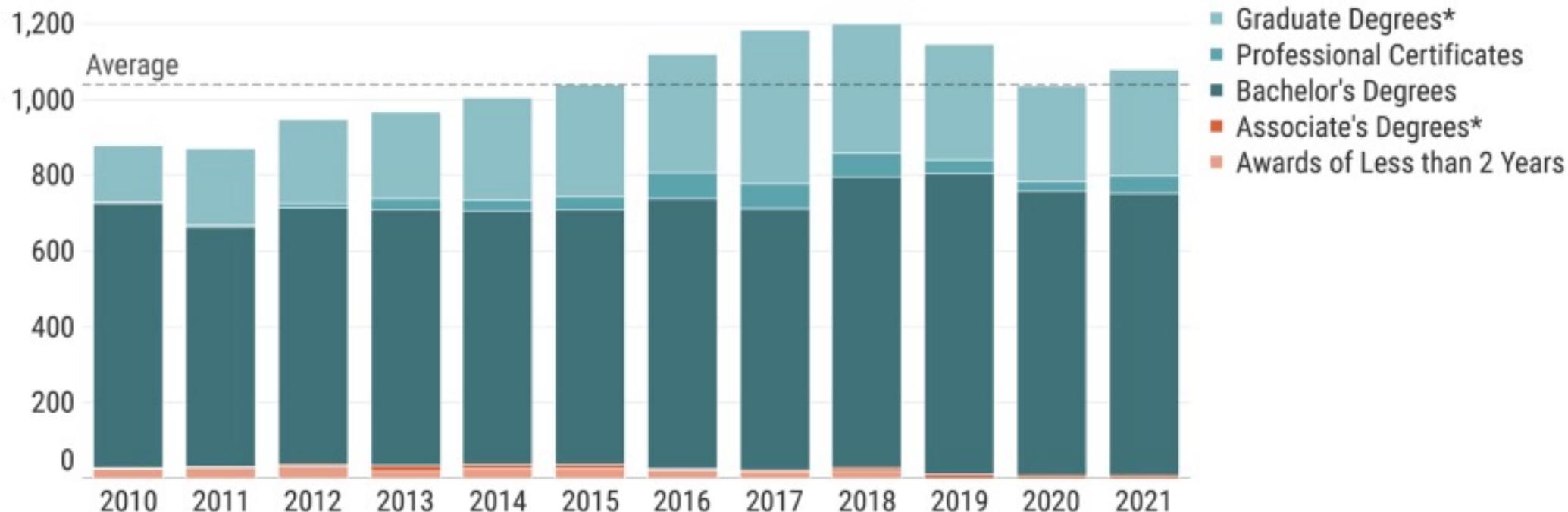


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# 2023 Labor Market Study findings

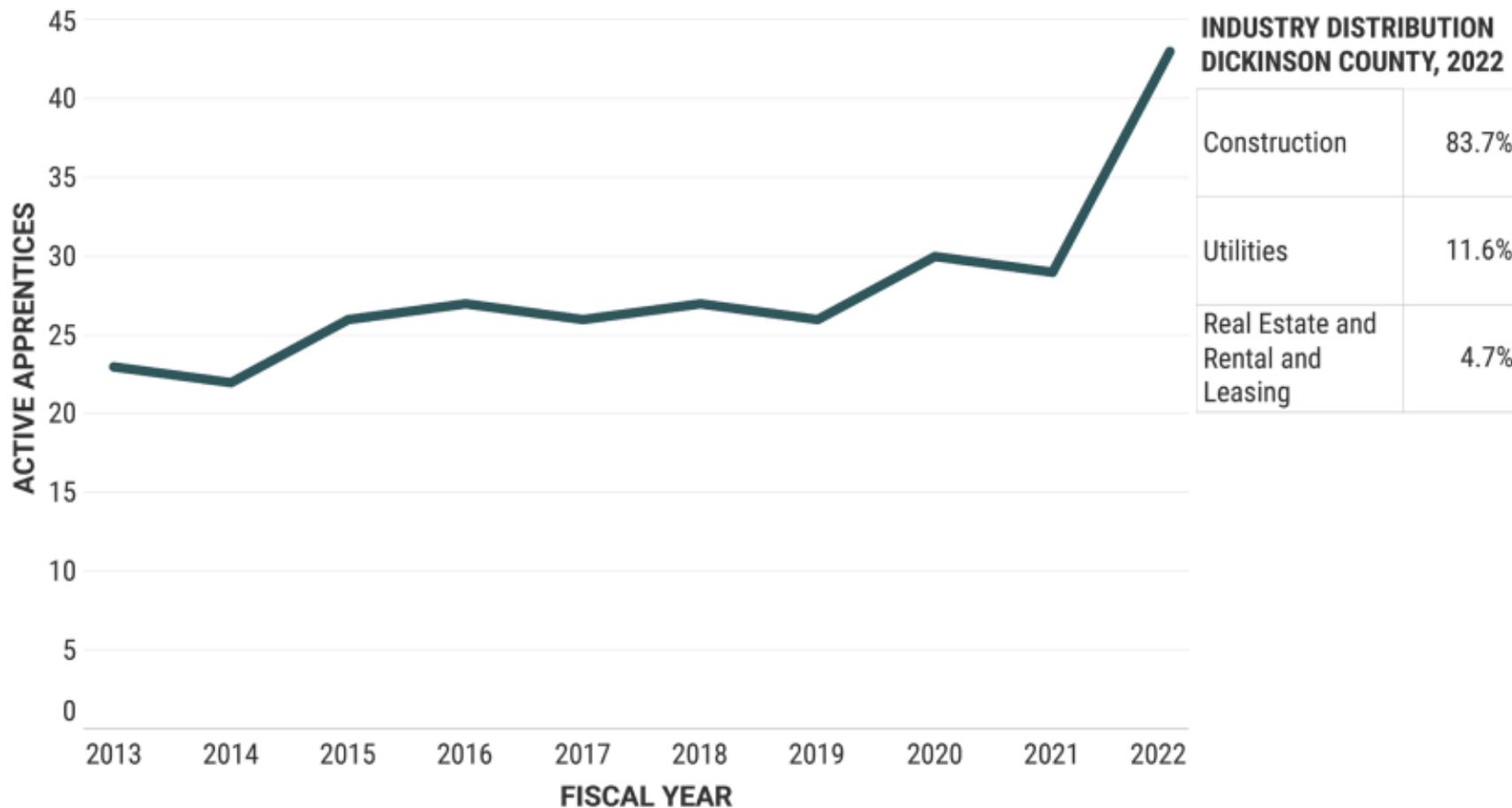


\*Associate's degrees include certificates earned in more than one year and fewer than four years. Graduate degrees include master's and doctoral degrees.

Source(s): National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS); Lightcast 2022.4—Quarterly Census of Employment and Wages (QCEW) Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

Note(s): Only includes general programs with at least 10 average annual completions between 2010 and 2021.

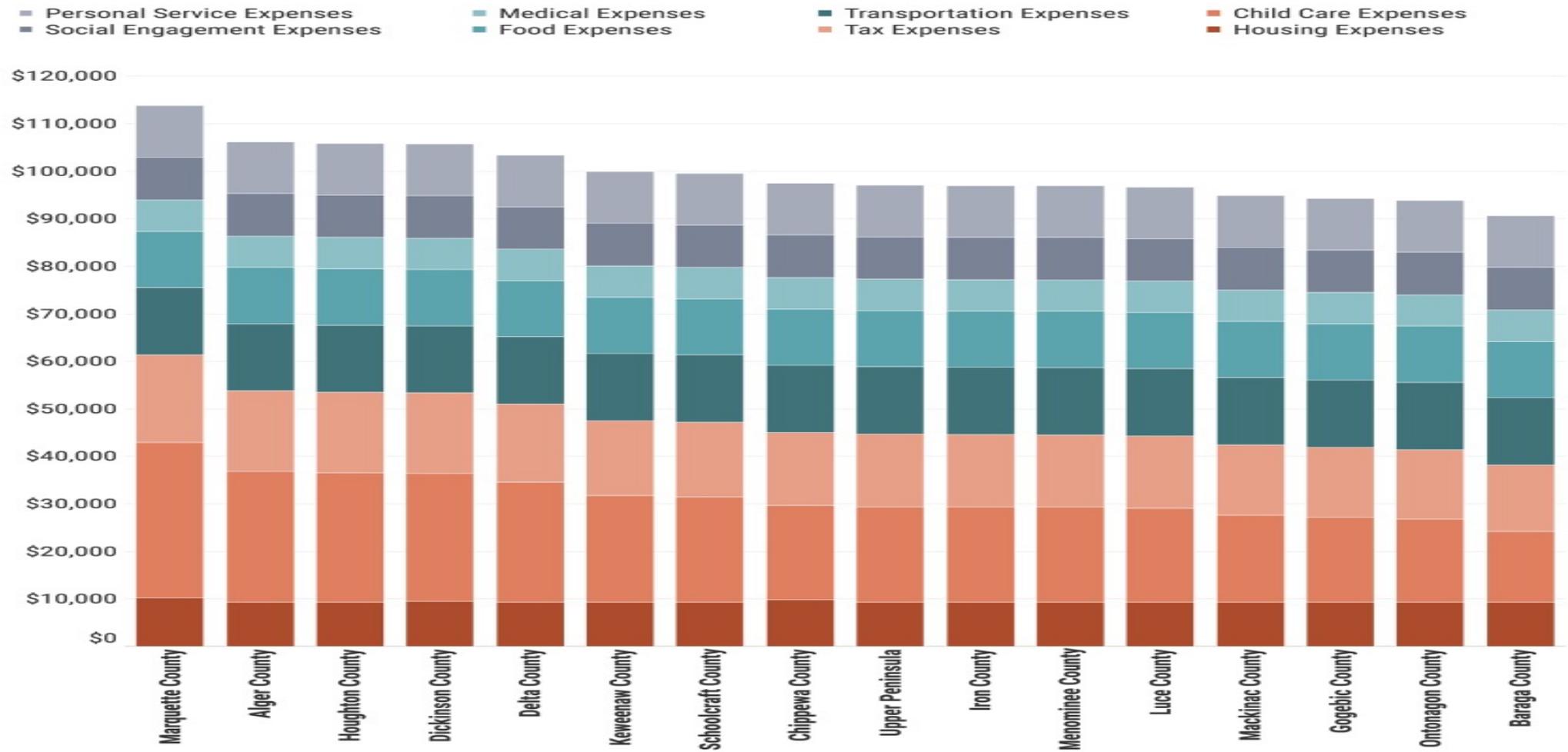
The region has a robust supply of engineering talent



Source(s): US Department of Labor, Registered Apprenticeship Partners Information Database System (RAPIDS); TIP Strategies, Inc.

Note(s): Active apprentices are those who were/are participating in a registered apprenticeship during the fiscal year.

Career & tech training steady increase across the UP



Source(s): Amy K. Glasmeier, Living Wage Calculator, 2023, Massachusetts Institute of Technology; TIP Strategies, Inc.  
 Note(s): Personal Service Expenses and Social Engagement Expenses include cost estimates from the 2021 Bureau of Labor Statistics Consumer Expenditure Survey for items not otherwise listed in the major budget components. Personal Service Expenses include expenses such as apparel and services, housekeeping supplies, personal care products and services, reading, and miscellaneous. Social Engagement Expenses include expenses such as fees and admissions, audio and visual equipment and services, pets, toys, hobbies, and other entertainment supplies, equipment, and services. Cost estimates are in 2022 US dollars.

# Typical living expenses comparison across region by county

- #1 Utilize data findings (by county) to allocate resources toward workforce development needs that align with existing strategic priorities
- #2 Leverage the region's engineering and technical expertise.
- #3 Reinforce the relationships between the private sector and education/training providers to understand talent needs and develop clear career pathways.
- #4 Develop career exposure programs focused on K-12 students that also engage parents
- #5 Expand the region's diverse workforce by attracting new talent in high demand occupations, as well as remote workers, to the region.
- #6 Cultivate an entrepreneurship ecosystem and support small business development.

## Study Recommendations



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# UP Socio-Economic Polling

## Residents Remain Very Optimistic about the Upper Peninsula

Generally speaking, U.P. residents believe things in the U.P. remain on the right track.

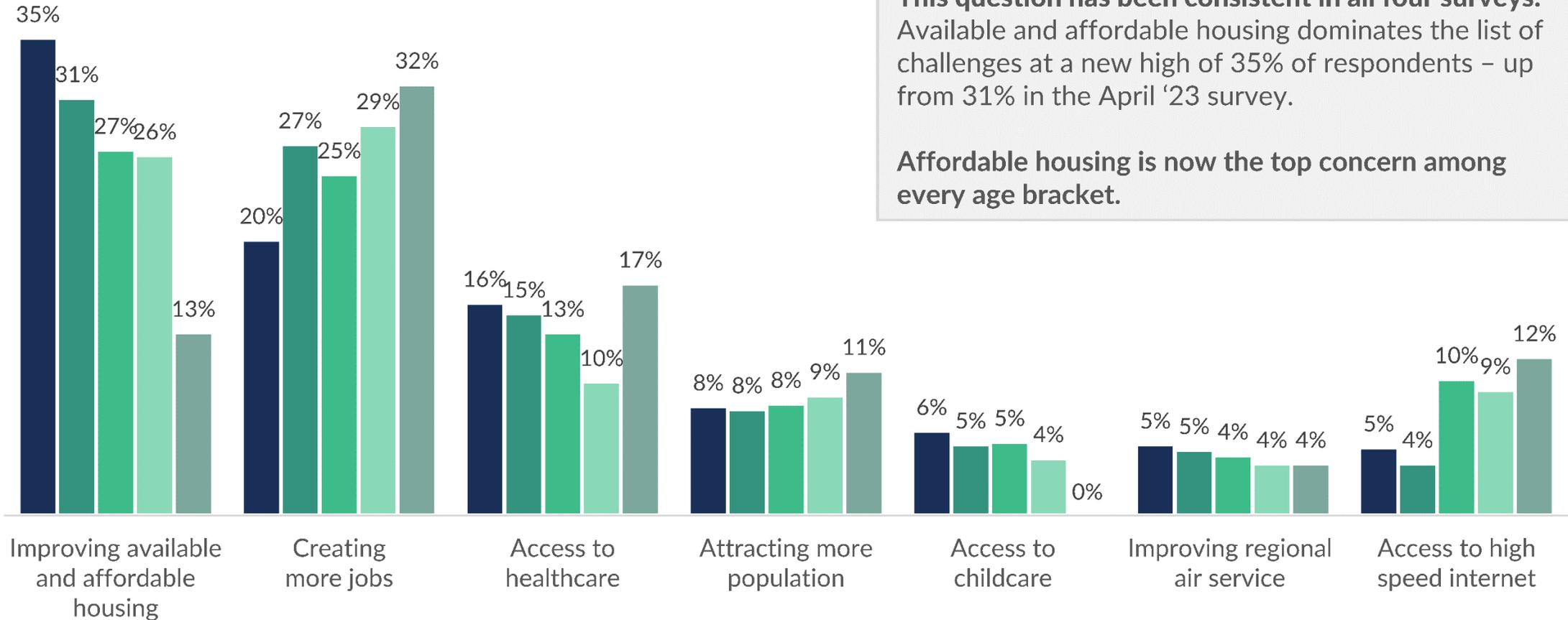


These numbers are statistically consistent with the history of these surveys, going back to September '21.

# Affordable Housing Now Dominates Top Economic Challenges



Respondents were asked what they viewed as the U.P.'s top challenge in the next ten years:



**This question has been consistent in all four surveys.** Available and affordable housing dominates the list of challenges at a new high of 35% of respondents – up from 31% in the April '23 survey.

**Affordable housing is now the top concern among every age bracket.**

*(childcare was added in for April '22)*

■ Oct-23 ■ Apr-23 ■ Oct-22 ■ Apr-22 ■ Sep-21

**Available/ Affordable housing is now the top concern of EVERY DEMOGRAPHIC GROUP.**

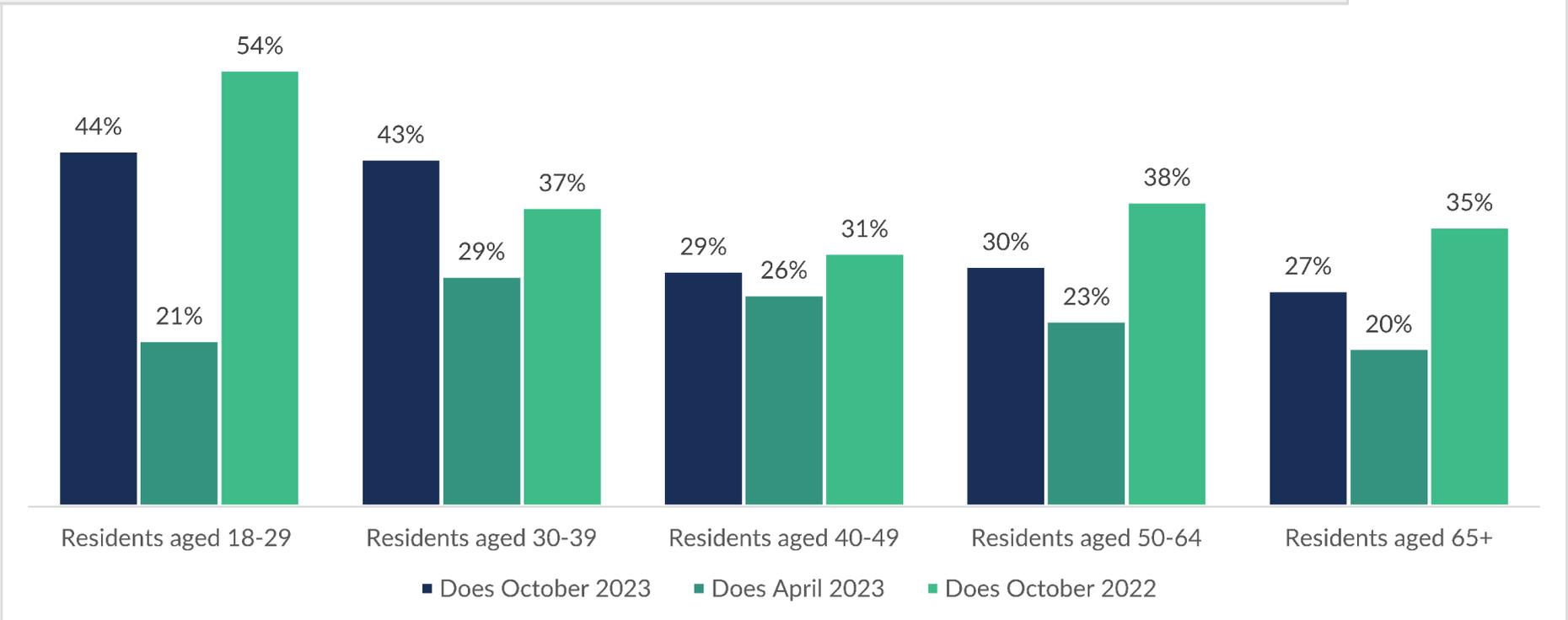


**When asked if the U.P. offers professional advancement opportunities for those aged 18-39:**

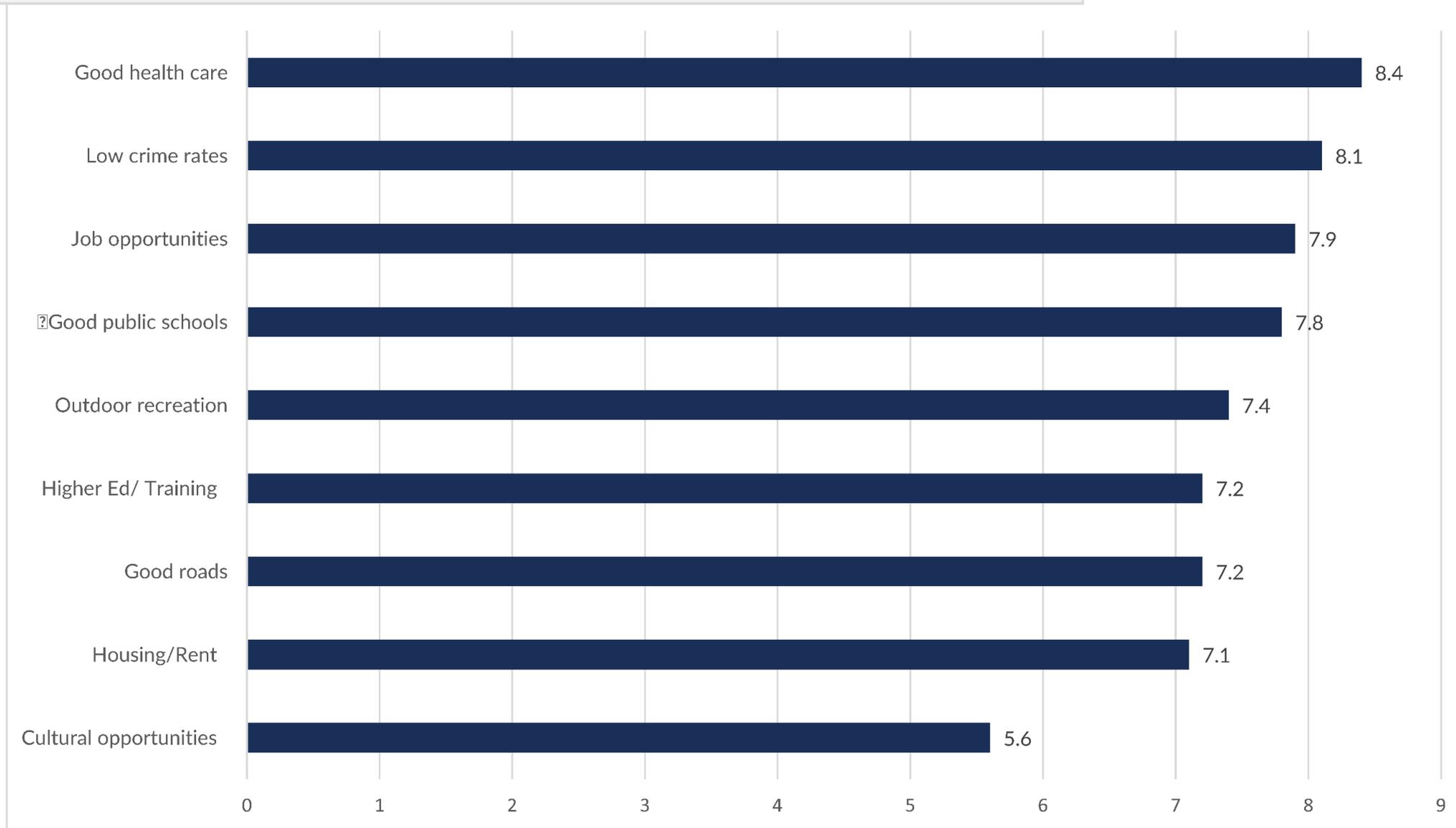


The pessimism was a slight easing from the April '23 survey, but still not as high as the October '22 survey.

**When asked if the U.P. offers professional advancement opportunities for those aged 18-39, broken out by age categories:**



Respondents were given nine different factors and asked to rank them on a one to ten scale for how important that factor was to them personally in deciding where to live. The higher the number, the greater the importance of the factor:





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# Governor's Grow Michigan Together Council

Governor  
Whitmer's  
Grow Michigan  
Together  
Council



## Jobs, Talent, and People Workgroup

Portia Roberson (Chair)  
CEO, Focus: Hope

Marty Fittante (Chair)  
CEO, InvestUP

# Governor Whitmer's Grow Michigan Together Council



## Council Recommendations

**Strategy 1:** Build a lifelong education system focused on future-ready skills and competencies to thrive.

**Strategy 2:** Create a transformative economic growth strategy that establishes Michigan as the Innovation Hub of the Midwest and America's Scale-Up State.

**Strategy 3:** Create thriving, resilient communities that are magnets for young talent.



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# Opportunity and Investment

## Upper Peninsula paper mill gets \$200M under \$1.1B spending bill OK'd by Michigan legislature

Published: Jan. 26, 2023, 9:12 p.m.



*"Economic conditions have changed dramatically over the past two years and they will need to adapt to this fact - it means they we will be taking our time to evaluate new alternatives of the transformation program, and key for us is to land on a case that meets our strategic objectives but at the same time generates strong project financials and generate shareholder value. We will therefore not decide on the complete use transformation investment program at the end of this year as previously announced. We do not have a new timing estimate at this stage."*

*"We never bought Verso at the time to sit with that graphic paper long term, and the play has always been we would convert to paperboard, and that still is the play, so I can say we are working on that assumption still, that will be where we are heading towards, and as I just mentioned we are taking our time now to find solution that we feel both fits the strategic play that I just mentioned of focusing on packaging material and coming to a good shareholder value proposition."*

**\$7.3B** Investment in UP projects

**2115** retained jobs

**2474** New jobs created



# U.P. Projects and Prospective Projects



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# Strategies



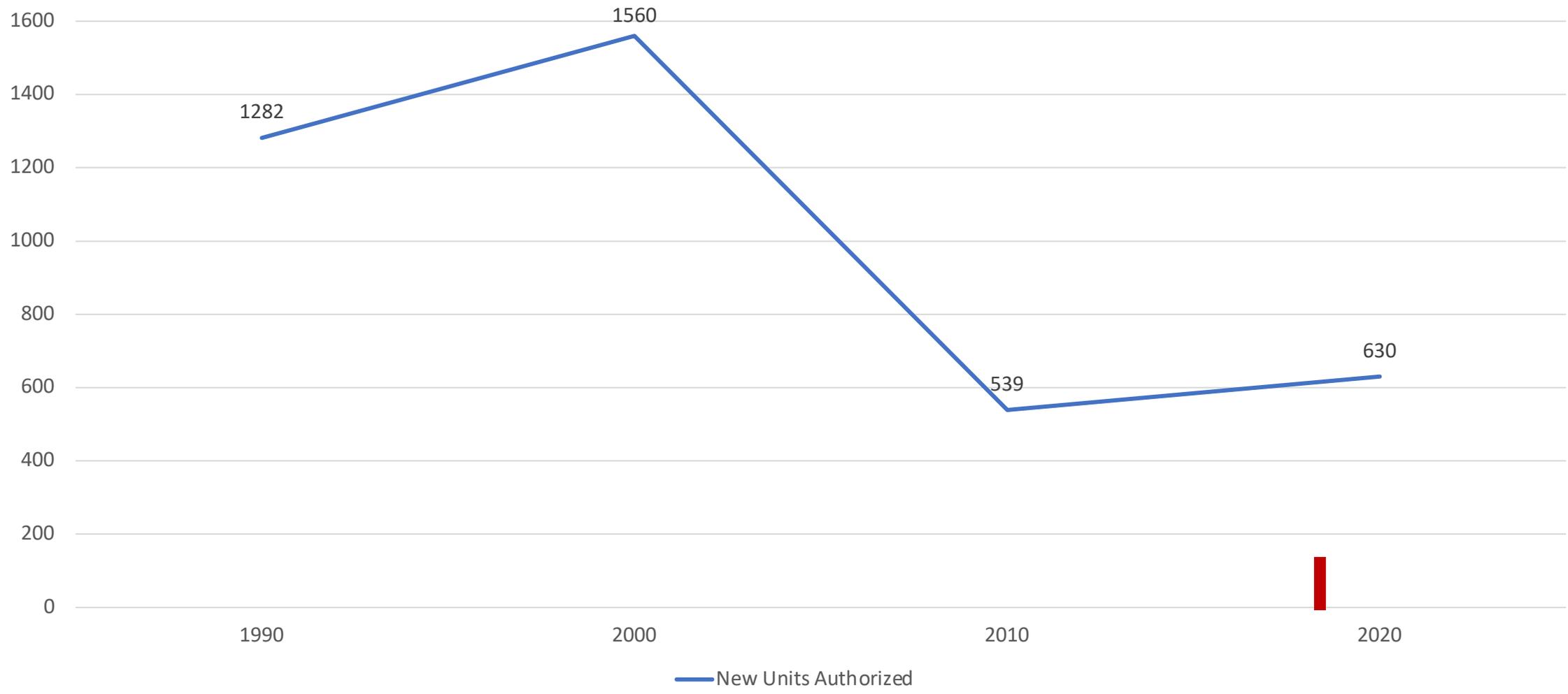


**InvestUP is partnering with developers, lenders and government to fast-track high impact shovel-ready housing projects.**

**Low interest/Low fee loan fund**



# New Housing Units Authorized, 1990 - 2020



# 906 INDUSTRY DAY

On the campus of Michigan Technological University.



Connecting U.P. Businesses with U.P. based student talent.



# WORKLIVEUP



# Internships

## Summer 2024

Open registration for students = over 100

### Placement Locations:

Escanaba, Ironwood, Houghton,  
Marquette and Sault Ste. Marie

### Recruiting UP Employers

Resources available



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# Rural Leadership Fellowship Program

A paid and scholarship-supported applied learning experience for students interested in rural economic development and public sector careers.

The program is a public-private partnership with NMU and InvestUP.



**Michigan  
Technological  
University**

# Sherpa Program

## Currently:

- 10 students enrolled
- Assistance to 3 companies: SuPyRec, Chris Salt, & Sinus Bath
- SuPyRec is nearing referral to MTEC SmartZone

## Target:

- 10 students hired and trained by October 31, 2023
- 12 companies engaged in early-stage support by March 31, 2024
- At least 3 companies referred to other ecosystem partners for further support by June 30, 2024



# Michigan Outdoor Innovation Fund



- **\$3 million** pre-seed fund focused on Outdoor Recreation Technologies/Innovation
  - Statewide investment focus (Equity, Convertible, Loans, Royalties, etc.)
  - Targeting statewide 30 to 35 startup investments (\$50K to \$250K per company) in 36 months
  - Funded by the Michigan Economic Development Corporation
- Subsidiary of and powered by InvestUP
- **First fund of its kind in the Upper Peninsula or any rural Michigan location**
- Fund to be launched in early Q1 2024
- First investment(s) expected in Q1 2024
- Connection and Partnership with other seed funds around the state (Ann Arbor SPARK, Invest Detroit, MSU Foundation / Red Cedar, WMU's BRCC Life Science)



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Thank you!