Economic Development Leaders for Michigan

Written in partnership with:
OCO GLOBAL

The Michigan Growth Compact

A Region-Led Economic Development Model for Statewide Prosperity

Executive Summary

Why Now

Michigan's economic development approach is at a critical turning point. Leaders from across the state have made a clear call for change, from gubernatorial candidates to business leaders and economic development organizations (EDOs) themselves. As focus increases, it is time to shift from consensus that change is needed to a clear plan for achieving it. Economic Development Leaders for Michigan (EDLM) is bringing forward the Michigan Growth Compact to answer the question leaders keep asking: how should Michigan's economic development system operate to deliver better results? The time is right to put the practices that are working across the country into effect here in Michigan.

EDLM's regional network spans nearly every corner of Michigan. Its members do this work every day, understand how the current system functions and have identified where and how the system can better serve businesses and communities. The Michigan Growth Compact combines firsthand operational knowledge with data and benchmarking of leading peer states. Its recommendations reflect practices demonstrated across other economic development systems, through the unique lens of Michigan's assets and needs.

Our Current Situation

Michigan has strong economic assets, but it is losing ground to competing states on growth, income and population. Since 2001, Michigan has slipped from 9th to 14th among state economies. It ranked 41st for growth in 2025 and 50th for household income growth over the past 25 years. Ohio and Indiana, with manufacturing economies like Michigan's, are growing faster. This slide is in part due to an economic development structure and service delivery model that has become inconsistent, slow, riddled with redundancies, and has not fully leveraged the strength and capacity of its regional partners across the state. We are at a critical juncture, and need to address these issues in a way that highlights and leverages each region's unique strengths and resources, from Detroit to the U.P.

States like Ohio, Virginia, Indiana and South Carolina are outcompeting us; they have found a more effective approach to economic development. They are faster and more efficient, customer-focused and results-driven. They are guided by what makes each of their regions unique, and they empower regional economic development organizations to lead where they lead best, while maintaining clear standards and accountability statewide.

What We Recommend

We recommend a **Michigan Compact**—a shared commitment to maintain a lead state economic development department but with a formalized regional service delivery model utilizing existing regional economic development organizations:

The model is built on four key principles.

- **Regionally focused:** Delivery should sit with the region unless the function requires statutory authority, statewide scale, scarce expertise or a shared data capability. The employer relationship and the small business base work best close to the ground.
- **Consistent and credible:** A predictable, long-term approach that avoids the sudden policy shifts that damage Michigan's reputation as a trusted partner. Economic development activity can be planned, and decisions can be made on a longer-term horizon.
- **Faster and easier to access:** In-region delivery means companies have faster, easier access to economic development services, talent, programs and incentives.
- **Transparent and accountable:** The regions and state work towards a set of common goals with KPIs, and outcomes jointly agreed, measured and reported against.

Under these principles, the Michigan Compact gives the administration a practical way to support business growth, unlock sites, assist small businesses and entrepreneurs, and move projects more quickly in every part of Michigan. It allows the state to immediately tap into regional EDOs' existing network of local relationships, pipelines and delivery capacity, while allowing the state economic development department to focus on functions only the state can perform.

What We Have to Gain

- **Communities and residents** gain greater access to jobs, higher-paying career opportunities and the economic growth that supports quality of life in their communities.
- **Businesses** gain one point of contact, fewer repeated meetings with different agencies, access to the same specialist services anywhere in Michigan and greater certainty through consistent processes and predictable timelines.
- **The state economic development department** has a sharp focus on the work only the state can do focused on major and multi-region attraction, international markets, incentives and the Michigan brand, backed by funded partners in every region.
- **Regional EDOs** gain a recognized, funded role with multi-year certainty, while keeping their own boards, brands and local fundraising.
- **Local economic development partners** gain clarity through a more organized, efficient infrastructure to support efforts in their communities.
- **The Governor** gains delivery capacity in every region from day one, visible project wins across the state, and one statewide account of results the administration can stand behind.
- **Legislators and taxpayers** gain published results and greater impact in return for each tax dollar spent.

The Michigan Growth Compact also creates accountability in both directions. Regions would be held to clear delivery commitments, common definitions and shared outcomes. In return, the state would be held to agreed service levels, processing times and funding commitments. For the first time, Michigan would have one statewide picture of its economic development system.

This is more than just an economic development strategy—it's an operating model that keeps strategy active, with clear ownership, reliable delivery and accountability over time. This foundation must come first, before Michigan redesigns services or reworks incentives. This reform does not require a new state entity or change in state incentive approvals. Much of the operating model can begin through executive direction and existing authority. The first 100 days are about putting these reforms and foundations in place.

A more coordinated, responsive system can help communities compete for growth and translate that growth into better quality of life for residents. Economic development is an investment, and it pays returns well beyond the original project. Every primary employer a region attracts or retains supports jobs well beyond its own payroll. According to the Economic Policy Institute, every 100 jobs in durable goods manufacturing, the heart of Michigan's economy, support roughly 290 additional jobs in the supply chain alone—nearly four jobs in total for every one created, before counting the jobs supported when workers spend their paychecks. The potential impact reaches across Michigan: faster paths from business interest to investment, stronger support for employers and entrepreneurs and greater access to jobs and higher-paying careers.

The decision is therefore not whether to build a new economic development system. It is whether to organize the one Michigan already has around clear ownership, funded regional delivery and shared accountability. The Michigan Growth Compact can make that shift quickly and statewide, without major institutional disruption, giving Michigan a system built to deliver.