



Hello, my name is Susan Corbin, I am the acting director for the Michigan Department of Labor and Economic Opportunity.

I am thrilled to be invited to join you here today to talk about the exciting new Michigan Reconnect program, but first, I wanted to give you a bit of the background on our department and what led us to this initiative.

Economic Opportunity & Prosperity



MISSION

Expand economic opportunity and prosperity for all



VISION

Make Michigan a place where all **PEOPLE, BUSINESSES, AND COMMUNITIES** have the educational and economic means to reach their full potential

GUIDING PRINCIPLES



Data- and evidence-based promotion of opportunity

Data is the basis for how we make decisions and measure success.

"In God We Trust. Everyone else, bring the data." - Mike Bloomberg



Collaboration to achieve unity of purpose and greater success

LEO will collaborate effectively with each other and with partners within / beyond state government – build coalitions to effectively drive strategic focus areas



Commitment to equity

LEO will prioritize equity – specifically closure of opportunity gaps – for marginalized populations, including but not limited to race, gender, geography, socioeconomic status, LGBTQ+



Customer focus – people, business, and community

LEO will amplify the voices of those we protect and serve and will ensure a focus on people-centered approach in all we do

STRATEGIC FOCUS AREAS



A Invest in the closure of equity gaps

Prioritize closure of socioeconomic / demographic opportunity gaps in all decision making

B Protect health, safety, and economic security for workers

Ensure safe working conditions, fair wages, and labor protections

C Remove barriers to employment

Address barriers including housing, transport, healthcare, childcare, language, and placement

D Build equitable pathways to high-wage careers

Support education, training, onramps, certification to make sustaining wages more attainable

E Grow skills / credentials to meet current / future employer needs, expand upward mobility

Address shortages in growth sectors in every region of the state

F Enable Michigan's businesses to grow and thrive

Create the foundation to attract investment, including infrastructure

G Promote economic sector diversity

Increase exposure to high-growth, highly resilient sectors

H Catalyze small business and entrepreneurship

Address leaks in the entrepreneurship funnel to increase new business starts and economic growth

I Develop vibrant communities

Develop and preserve the infrastructure, amenities, and arts / culture that make communities vital

J Make and market Michigan as a state for all to live, work, and play

Invest in placemaking, expand affordable housing, and market Michigan to the world

LEO was created to merge 17 agencies with common missions and goals into one, cohesive department focused on making Michigan a better place to live, work, play and do business.

In doing so, we have been committed to ensuring that our efforts to promote economic opportunity and prosperity in Michigan are coordinated, evidence-based, equitable and customer focused.

That was the basis behind our strategic plan that you see outlined here.

As I go through this presentation, you'll see highlights of the priority programs we're working on that

- Protect the health, safety and security of workers,
- Build equitable pathways to careers,
- Enable MI businesses to grow and thrive, and
- Remove barriers to employment.

Strong Foundation for Economic Recovery

Expanding Economic Opportunity and Prosperity for All

With all that has been going on during this pandemic, it makes it even harder to believe that the creation of our Department was nearly two years ago.

When the Governor created our department, she had a vision – and she charged us with promoting economic opportunity and prosperity – ensuring that efforts in Michigan are coordinated, evidence-based, equitable and customer focused.

Despite all the challenges this year has brought our way, we remain laser focused on our vision to make Michigan a place where all PEOPLE, BUSINESSES, AND COMMUNITIES have the educational and economic means to reach their full potential ...

And we continue to look ahead to ensure we have a strong foundation for long-term economic recovery moving forward.

Headwinds facing our workforce and economy are strong.

We observed
six major
challenges:

- 1 Acute talent shortages
- 2 Shrinking workforce
- 3 Stalling economic mobility
- 4 Poor sector diversity
- 5 Leaking entrepreneurship funnel
- 6 Short supply of low-income & workforce housing

Before I dive into the programs and services, I want to talk a bit about the data that helped us shape our priority focus areas.

When LEO was formed, we worked with a number of economists to really get a good lay of the land.

And from that work, we knew the headwinds facing our workforce and economy are strong – now more than ever, government, business, education and community-based leaders need to work together to solve problems.

We observed **six major challenges**:

- Acute talent shortages – we have low educational attainment and labor market mismatches
- Shrinking workforce – a contracting population and low labor force participation
- Stalling economic mobility – with flat income growth and high levels of working poverty
- Poor sector diversity – high susceptibility to automation and recession
- Leaking entrepreneurship funnel – we fail to translate R&D investment into



- growth and employment
- Short supply of low-income and workforce housing – we have a housing inequity with high shelter overburden and declining home ownership

In particular, we were struck when we looked at income growth. In Michigan, we fell off the pace in the 2001 recession, and further still during the Great Recession.

We have never recovered.

What gains we have seen, have gone to the richest 40%. As a result, nearly 40% of Michigan households live in working poverty.

This was pre-pandemic data.

The recession and lasting effects of this pandemic make our work, and collaboration with key stakeholders such as those of you in this meeting today, even more vital to the state's economic recovery.

Strategic Areas of Focus

We are
focusing the
organization
on 3 key
metrics.



1 ALICE rate

Are we removing barriers to higher income and driving down poverty and at-risk populations?

2 Post-secondary attainment (60x30)

Does our educated workforce drive the state's economic competitiveness?

3 “Good” / “Promising” job creation / placement

Are we creating pathway jobs and making our economy more diverse?

In response to these challenges, we focused on three strategic areas - breaking apart big challenges and attacking component parts.

All sub-agencies within LEO are mission-critical to helping us drive the right outcomes for the state by utilizing data and policy rigor into decision making.

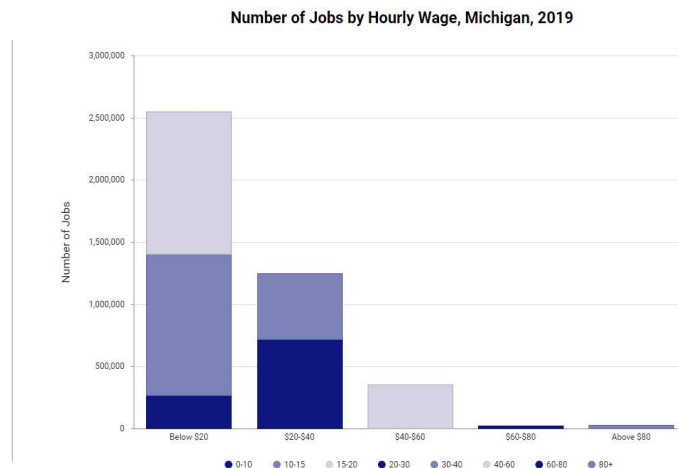
But more importantly, we want to focus the organization across a few key “north star” metrics:

- ALICE rate - Are we driving down working poverty?
- Post-secondary attainment (60 x 30) - Are we giving people tools for a better life?
- Good/Promising job creation/placement - Are we creating pathway jobs?

ALICE Rate

Are we driving down working poverty?

38% of Michigan households live at a standard below self-sufficiency



ALICE — Asset Limited, Income Constrained, Employed. **1.5 MILLION HOUSEHOLDS - 38% OF MICHIGAN'S POPULATION - CANNOT AFFORD BASIC HOUSEHOLD NECESSITIES.**

We're looking into how we move the needle down for the Michiganders who are working but living at or below poverty.

A growing proportion of households across Michigan - comprised of all races, ages, genders, and family compositions - have income that can't afford the actual costs of housing, childcare, food, health care, technology and transportation.

ALICE workers play an essential role in the state economy but have not benefitted from many of the state's recent economic gains — a reality that is not captured by traditional economic measures.

The latest report from the United Way in Michigan breaks down labor force data in new ways, and in so doing highlights the challenges ALICE workers face, including:

- The declining power of wages to keep up with the cost of living
- A growing dependence on hourly wages

- A historically high number of adults out of the labor force
- Increased economic risk for workers

The majority of hourly jobs in the state paid less than \$20 per hour in 2019, making it difficult for many households to make ends meet, even with two workers employed full time.

Postsecondary Attainment

Sixty by 30

Are we giving
people tools
for a better
life?



Governor Whitmer boldly called for a 60% statewide attainment rate by 2030.

Attainment reported by Lumina Foundation has Michigan at 49.1% - a modest climb from the 45% we started at when the Governor announced the goal – but we are still lagging when compared to the national average.

In order to meet that statewide goal, we must accelerate our progress.

Together with Governor Whitmer and our colleagues in the legislature, we're working to put a college degree or skills certificate within reach for more adults.

Everyone in Michigan has a right to an educational path to success - whether that is a certificate in the skilled trades, an apprenticeship, an associate degree, or a bachelor's degree.

Good, Promising Job Creation & Placement



**Are we creating
pathway jobs
and making our
economy more
diverse?**

Based on pre-pandemic data, we knew that we were in a very tight labor market with more job openings and fewer unemployed Michiganders than at any point in the 21st century.

With acute talent shortages in high-skill areas such as:

- IT / Computer Science
- Healthcare
- Engineering

Increasingly, jobs are going unfilled because Michiganders don't have the post-secondary credentials required to fill them.

With the dramatic rise in unemployment due to the pandemic, we will have to work even harder to ensure all Michiganders have access to pathway jobs.

Sixty by 30

Sixty by 30 seeks to build a better Michigan in three ways:

- **Close the skills gap** that poses the single greatest threat to the success of our businesses and our state's prosperity. Jobs requiring skilled employees today, as well as jobs on the horizon, demand greater education and training than ever before. Increasingly, the best jobs require more than a high school diploma.
- **Increase opportunity** and access to the education and skills that create opportunities for better jobs and bigger paychecks.
- **Make Michigan more competitive** for inclusive economic growth.



In 2020, despite facing added challenges while responding to COVID-19, we've been able to keep up the momentum and move the needle forward with new efforts we believe will have the most impact on our economic recovery.

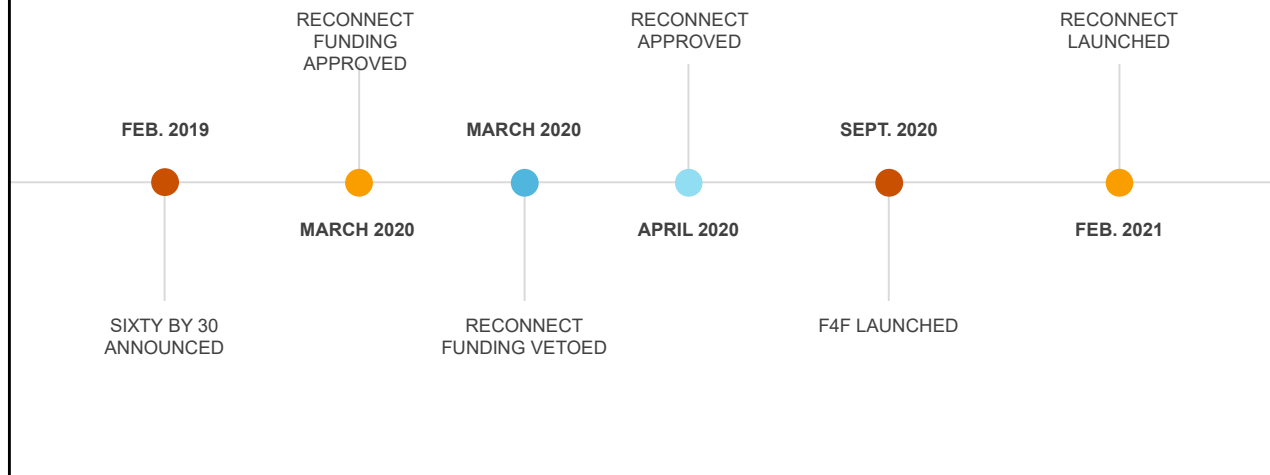
While this includes a number of added initiatives like the Poverty Task Force, Office of Mobility, and the Black Leadership Advisory Council, today I am going to focus on the state's Sixty by 30 goal.

This goal aims to have 60% of working-age Michiganders with a degree or skills certificate by the year 2030.

And with that, we are laser-focused on building a healthy and more competitive economy in our state so all hardworking Michiganders can have opportunities for long-term success.

In doing so, we will also bring Michigan closer to helping businesses fill critical talent needs by ensuring Michiganders are put on a path to earn postsecondary credentials needed to fill high-demand, high-wage jobs.

Sixty by 30 Timeline



Our journey has not always been easy.

Michigan Reconnect, a key component to reaching our Sixty by 30 goal, was one of Gov. Whitmer's signature programs announced during her first state of the state address.

The Senate approved funding for Reconnect March 11th (the day after we discovered our first two COVID-19 cases) and then the House approved funding for Reconnect on March 12th, and then it was presented to the Governor on March 17th for her signature.

As we started to realize the economic hardships of the pandemic, the Gov. was forced to veto her very own key program in order to get out emergency financial support.

Which led us to the Futures for Frontliners program. We were the first in the nation to utilize Federal GEER dollars from (the Governor's Emergency Education Relief Fund) from the CARES act, to create a pathway for essential workers during the pandemic to receive a tuition-free path to community college.


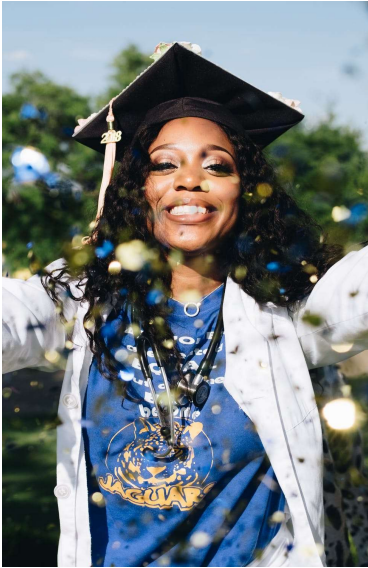
Once the fiscal year wrapped up, and we were in a better place financially, the Governor and bi-partisan legislative leaders worked together to invest \$30M for more than 4.1M Michiganders age 25+ to earn an associate degree or skills certificate.



Despite having all hands on deck – utilizing state and federal funding, partnering with key stakeholders, and investing in tuition-free pathways, we know these efforts alone aren’t enough to get us to our goal of 60% of Michiganders with a post-secondary credential or certificate by 2030.

But – I think we can say that we must....

1. Boost college enrollment rates – among traditional aged students right out of high school AND working-aged adults.
2. Dramatically improve credential completion rates, particularly among community colleges.
3. Keep our talent here in Michigan – ensuring those that graduate from our institutions stay here in Michigan.
4. Attract educated workers in Michigan to fill our most in-demand jobs.



Futures for Frontliners

A tuition-free pathway to college or adult education for essential workers.

- More than 120,000 applicants
- 15,000+ already enrolled in classes

Michigan.gov/Frontliners

Gov. Whitmer announced the Futures for Frontliners initiative to help Michigan workers and their families during the ongoing COVID-19 pandemic by providing a tuition-free pathway to college or a technical certificate to essential workers who do not have a college degree.

Futures for Frontliners will also provide GED classes and preparation to adults without a high school diploma or equivalency – putting them on a path to career success.

The program is the first of its kind in the country and was inspired by the federal government's support of soldiers returning from World War II by providing educational opportunities. This is a community driven effort to provide new opportunities to frontliners.

Frontline workers who take advantage of this program will help us reach Governor Whitmer's goal to increase the number of working-age adults with a technical certificate or college degree from 45% to 60% by 2030.

This program launched last September and the level of interest in Futures for Frontliners far surpassed our expectations.

Futures for Frontliners Demographics

AGE	#	%
<18	165	0.2%
18-24	21744	25%
25-34	30299	35%
35-44	18452	22%
45-54	11125	13%
55+	3684	4%
GENDER	#	%
Male	27439	32%
Female	57746	68%
Other/Prefer Not to Answer	285	0.3%
RACE/ETHNICITY	#	%
AI/NA/H/PI	451	1%
Asian	998	1%
Black/African American	21240	25%
Hispanic/Latinx	4196	5%
White/Caucasian	51290	60%
Two or More Races	3439	4%
Other/Prefer Not to Answer	3856	5%

There are really only two eligibility requirements to qualify for Futures for Frontliners: Individuals must...

- NOT have an associate degree or higher
- Worked outside their home during Michigan's first wave of the pandemic during Spring 2020, when we didn't know anything about this virus or how it spread. Michigan was one of the hardest hit states during this first wave with our peak hitting during the first week of April.

If you think about those who ARE essential workers, but that DON'T have a degree – they are the cashiers and shelf stockers in our grocery stores; they are bus drivers; they are the janitors in our hospitals; they are the direct care workers in our nursing homes. They put their lives on the line while we were safely sheltering in place – but yet they were likely making a wage that couldn't sustain a family.

We know this program will have a large impact on low-income individuals and families in Michigan.

The Frontliners that applied for the scholarship were disproportionately...

- Younger - Age 18-44
- Female – More than 2/3 of applicants were women
- And African American – Michigan is about 14% Black – yet made up 25% of the applications

By utilizing GEER funding to fill an immediate need for this education pathway, we not only found a way to give back to essential workers, but it also gave us a bit of a soft launch for the broader Michigan Reconnect program.



Michigan Reconnect

A tuition-free path to community college or private training provider to complete an associate degree or a skills certificate program.

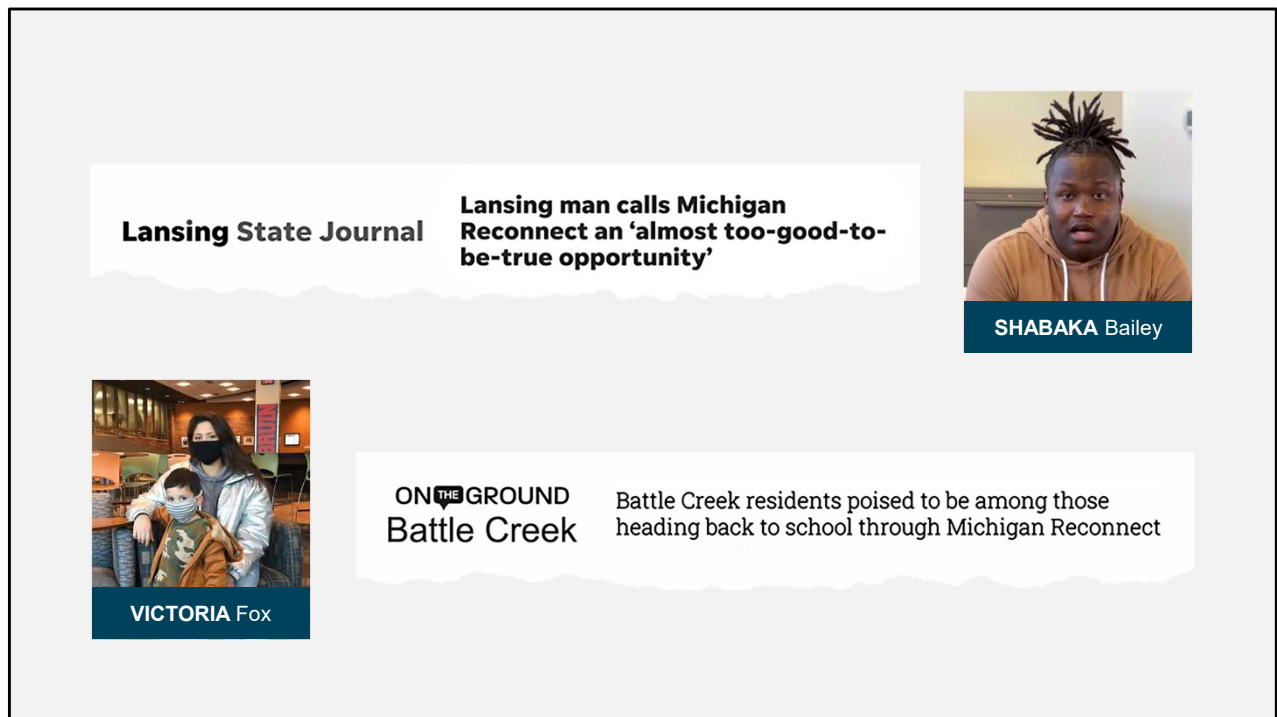
- To be eligible, you must:
 - Be at least 25 years old when you apply
 - Have lived in Michigan for a year or more
 - Have a high school diploma or GED
 - Have not yet completed a college degree (associate or bachelor's)
 - Not be in default on a federal student loan

Michigan.gov/Reconnect

Like Futures for Frontliners, the aim of Michigan Reconnect is to make it easier and more affordable than ever for adults with some or no college experience to earn a postsecondary degree.

Michigan Reconnect launched this Feb. to extend that tuition-free path, and we already have nearly 70,000 Michigan adults who've applied for this scholarship!

This new scholarship program offers an historic tuition-free opportunity for more than 4.1 million Michiganders age 25 and older statewide to earn an associate degree or skills certificate.



When we launched Reconnect, we were thrilled to see the broad coverage and excitement across the state.

Every single TV station in the state covered this program, there have been national stories featuring Michigan's innovative approach ...

But what I've really enjoyed is sharing this opportunity with the personal connections I have.

I truly believe that all of us have a part to play in talking with neighbors, grocery store clerks, and others in our community and circles.

Meet Shabaka Bailey, Reconnector



It's just been tremendous to hear the personal stories of Michiganders looking to take advantage of this tuition-free path.

And I wanted to share the story of a special Reconnector who joined us when we launched the program in Michigan – Shabaka Bailey.

I'll play this video for you now. <https://youtu.be/g8RTOXej4L0>



Need for FASFA push

- Continue to promote FASFA to get more students on a college track and into rewarding careers that pay a living wage.
- It's another form of support – like childcare, food and housing assistance – this should be another tool we're pushing to help struggling individuals on a path to success.

It's important to note that both Reconnect and Frontliners are considered last-dollar scholarships ...

Meaning, applicants must first submit their FASFA for federal aid, and federal aid will be applied before Reconnect funding.

We know it's critical that we continue to push and promote FASFA in order to get more students on a college track, and ultimately into rewarding careers that pay a living wage.

It's another form of support – like childcare, food and housing assistance – this should be another tool we're pushing to help struggling individuals on a path to success.

Wraparound Services

Support needed
with critical
necessities like:



Housing



Childcare



Education



Transportation



While the Futures for Frontliners and Michigan Reconnect efforts were a \$54M combined investment to date, we realize that tuition is not the only barrier many of our adults face.

They need support with critical necessities like housing, childcare, transportation and more.

That's why Gov. Whitmer has made it a priority to also:

- Include \$15M in her supplemental budget request for wrap around services to support Frontliners and Reconnectors,
- Leverage the America Rescue Plan to ensure Reconnectors are connected to this subsidy,
- Expand SNAP eligibility to college students facing food insecurity, and
- Launch a Tri-Share Childcare program to divide the cost of childcare equally between employees, their employer and the State of Michigan.



We are focused on providing relief to get through the current economic crisis, while continuing to look ahead to ensure we have a strong foundation for long-term economic recovery moving forward.

We need both of those pieces for true economic recovery.

I encourage you to keep checking our website for the latest updates and resources – on our homepage, Michigan.gov/LEO, you can also sign up for email updates.

I look forward to continued collaboration as we move Michigan forward.

Thank you.