

Testimony For:

The House Workforce, Trades and Talent Committee Beth Griffin, Committee Chair

Thank you JoAnn. I am Jennifer Owens, president of Lakeshore Advantage. Our organization supports economic vitality in Ottawa and Allegan counties along West Michigan's lakeshore.

It's somewhat of a cliché to say, but economic development is truly a team sport. It takes connections between the Governor, the state legislature, state agencies, regional organizations, education leaders and local economic developers.

From an employer perspective that team has to be unified and seamless with regard to its competitiveness against other states and countries that would love to attract our businesses away from the Great Lakes State.

So, thank you for being an extended member of our economic development team. Michigan is really at a historic crossroads. The significant federal resources due to pandemic recovery assistance are a rare accelerant.

It's up to us, right now, to work together towards a vibrant future.

There is no better investment to help create a vibrant future than successful, competitive economic development.

For you to agree with that statement, it is important to have a common understanding of the role we economic developers play.

The challenge in defining an economic developers' role is that each organization is uniquely different with local priorities, resources and assets at the forefront.

As we Michiganders know, driving from one side of the state to another can almost be like visiting another country.

Michigan is blessed with a mix of urban, rural and suburban communities each with their own look, feel and economic development priorities.

Yet, all the members of EDLM can agree on one common priority - maintaining and growing the region's base of primary, or GDP-producing, employers.

These are a unique set of businesses that export goods and services out of the region and return wealth back to the region. They create the foundation for a community's economy.

Sometimes, incentivizing these businesses to our state is absolutely necessary. Every small business and community are in great part dependent on those wealth producing, primary employers.

Our community's largest primary employer is Gentex Corporation headquartered in Zeeland.

Gentex produces advanced technology found in your rearview back-up cameras, auto dimming glasses and retina scanners that can start your vehicle with merely a look.

They employ more than 5,000 people in our region, yet they do not have a single customer in West Michigan. In fact, the vast majority of their customers are not located in the U.S.

Gentex has made the choice to invest and grow in our region. The vibrant community, talented workforce and strong local supply chain are key reasons why they continue to grow in our community when their customers are located elsewhere.

Retaining businesses, like Gentex, and encouraging their growth takes a concentrated focused effort from our team and partners to ensure this community and state are still their first choice.

Economists estimate that for every 1 job created at a manufacturer, like Gentex, up to 4 new additional jobs are created as a result.

These are jobs at local suppliers like J-Max Transportation, a logistics company that transports products to their out-of-area customers, and Tripelroot Brewery that is filled with Gentex employees when a shift is done.

At the heart of what we as economic developers do is remove barriers to growth. How do we do that? Now that is the secret sauce. The secret is there is no one size fits all approach or solution. Each employers' needs and situations are unique.

We spend time one-on-one listening to our primary employers to understand their pain points.

We build relationships and work to understand the tools of state, local, non-profit and other resource organizations that can solve those challenges or assist with opportunities.

We develop new tools, programs and resources when a solution doesn't currently exist.

In 2019, Gentex and other primary employers voiced that one of their number one concerns was a local interchange that was a challenge to their logistics providers, like J-Max Transportation, and their employees, due to congestion.

Our team rolled up our sleeves and went to work with our local legislative leaders, local units of government, MDOT, MEDC and other area employers to find a way to fund a nearly \$4 million state road enhancement that is now running like clockwork.

Each existing and new companies' needs are different. We work as an extended member of their teams.

Think of us in a way as the EASY button, like on the Staples commercial, to answer questions, solve challenges and provide solutions for our new and existing primary employers.

What hasn't been easy for our team to solve is our region's number one barrier to growth - access to skilled talent. I am now going to pass it onto Middle Michigan Development Corporation President and CEO Jim McBryde to explain why talent is so important to economic development leaders.

Talent Initiatives

Data shows the two counites I represent are some of the fastest growing in the state of Michigan. Yet, our net migration rate is no match for the 80,000 people that moved to Georgia in just the second half of last year or the 1 person every 42 minutes that moved to Denver in 2019. We are in a war for talent and our state is not yet winning.

As a local entity, we have put strategies in place that have had impact. Yet so much more needs to be done and our resources are limited.

Lakeshore Advantage along with the Right Place is a member of the board of directors of Hello West Michigan. This organization works directly with talent that want to live here and connects them with careers helps them to develop a sense of community so they will feel welcome and want to stay. They have several programs including:

- Intern Connect, a half day professional development conference designed to teach interns about West Michigan's lifestyle and abundant economic opportunity.
- ReThink West Michigan, a casual networking event held on the night before Thanksgiving, otherwise known as the biggest bar night of the year for emerging workers.
- They have an out-bound marketing program that promotes the region as a great place to live and work.

These programs all have one thing in common: they are targeted at either young professionals who have job options throughout the U.S. or those who have ties to Michigan. The best pitch is always to a warm audience.

Our team has also worked side by side with our high schools and ISDs to educate students on in-demand careers. As a region that has 30% of our jobs tied to manufacturing, much of our work has been focused on debunking misconceptions of manufacturing and pulling back the curtain to show all the cool stuff that goes on in today's manufacturing environment. Tactics include:

- A series of educational videos shown in schools to give students a look inside manufacturers' workplaces. We worked with our ISD to create hands-on, short learning programs with our manufacturers to get kids into our major employers beginning in eighth grade.
- Lead by West Michigan Works, our region created MiCareerQuest, which brings thousands of high school students into a tradeshow like environment with employers to give them a look inside future careers.
- Our local Careerline Tech Center offers Career Camps to fifth through tenth graders each summer.
- The vast majority of the positions being created in our region require education beyond a high school degree. Locally, we are working on ways to reduce barriers to higher education, specifically cost and accessibility, and increase the training programs offered for those in-demand positions.

We must do everything we can to retain our existing residents and attract new talent to the state, or the reality we face is our employers choosing to relocate to one of those other fast growing states.

Talent solutions by region are very much local solutions. There is no silver bullet or one state program that can solve this issue. What could help is increased investment in talent attraction marketing, such as considering extending the Pure Michigan brand beyond tourism to include talent and business attraction. Another opportunity for assistance is to provide additional funding to scale local programs that have impact in each region, such as the ones I mentioned today.

Considering that people are drawn to place and opportunity, what works for each region will be different.

We are not Denver. We are not Georgia. We are the uniquely Pure Michigan. With a seamless state and regional economic development team, we can compete nationally for talent.

Thank you for listening. We welcome your questions and feedback.

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