

FISCAL YEAR 2016

ANNUAL REPORT

Key Measures



PRIVATE
INVESTMENT



JOB



WAGES



CUSTOMER
SATISFACTION



NATIONAL
UNEMPLOYMENT
RATE



MICHIGAN
UNEMPLOYMENT
RATE



To our partners, colleagues, and stakeholders,



Steve Arwood
President and CEO

Michigan has increasingly ranked among the top states for major new and expanded business facilities – specifically, in the top 10 for automotive employment, new manufacturing jobs, and education tech skills, according to Site Selection, a global publication firm specializing in expansion planning information for international clients. The publication outlined Michigan’s “notable achievements in creating a business-friendly climate over the past five years” – including the “elimination of Michigan Business Tax, building the state’s rainy day fund, the elimination of state’s structural deficit and the reduction of nearly 2,000 unnecessary regulations.” This served as yet another example of Michigan’s rising stature as both a comeback state and business climate leader.

By removing burdensome regulations, lowering business taxes, and bringing financial stability to state government, we’ve seen substantial growth in job creation, new investment in varying sectors, and a collective sense of confidence and enthusiasm among businesses in Michigan.

This transformation has resulted in:

- A top 5 state ranking for growth in personal incomes,
- Michigan’s lowest unemployment rate since 2000,
- And a top 10 ranked business climate



Doug Rothwell
Chair, MEDC Executive
Committee

Michigan’s reputation as a business climate leader has risen drastically – and the comeback continues to accelerate. Since December 2010, the state of Michigan has created over 460,000 new private sector jobs and is first in the nation in manufacturing job growth. Now, the challenge is to build on that momentum and make Michigan a top 10 state for economic growth.

The Michigan Economic Development Corporation (MEDC) is committed to partnering with state’s businesses, communities, and talent organizations – with the goal of aligning stakeholder objectives and providing comprehensive solutions. Our shared results from across the state illustrate how our collaboration help to facilitate growth in Michigan. Fiscal year 2016 was a successful 12 months in providing better jobs for the state of Michigan. We look forward to an even better 2017.

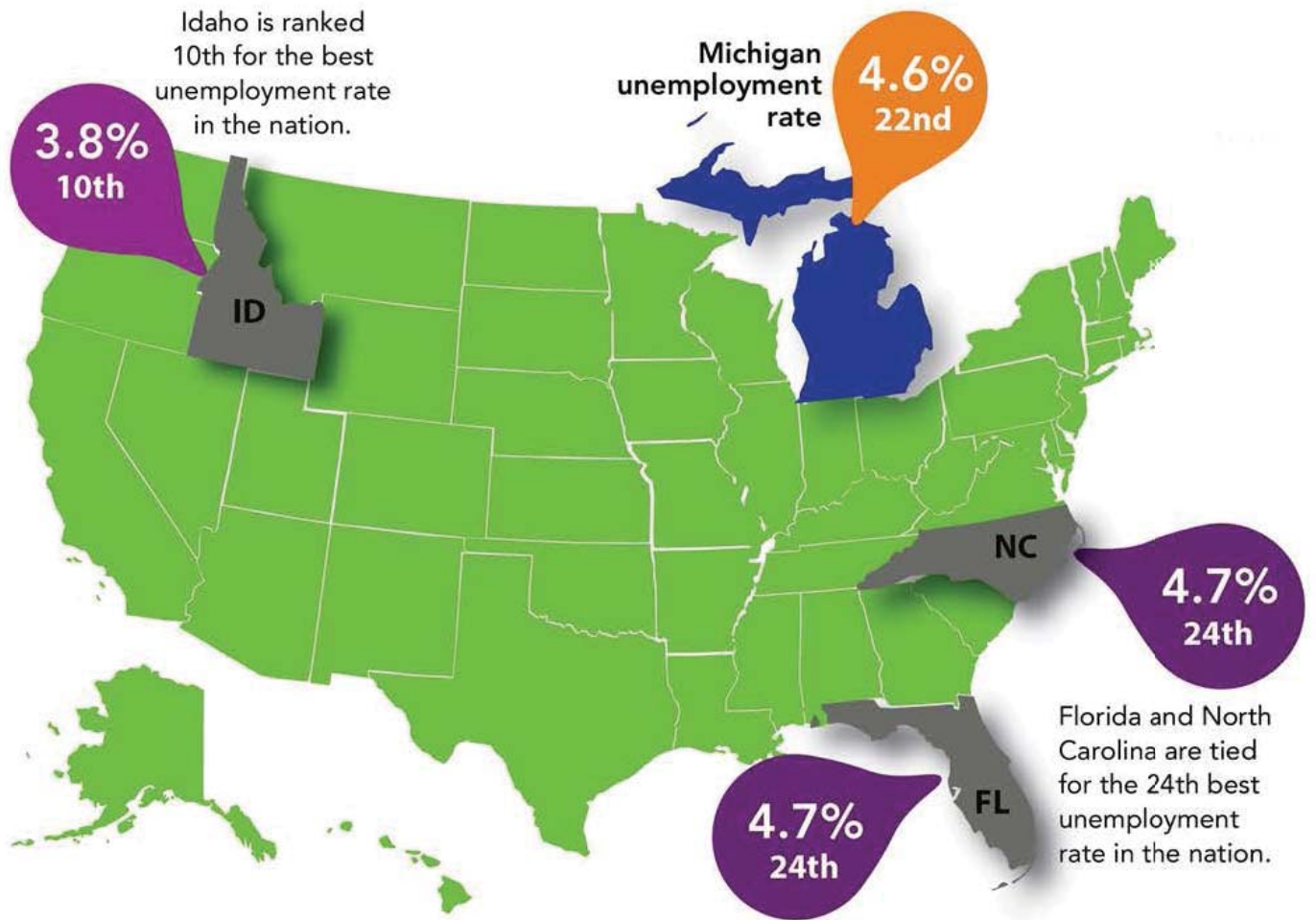
Steve Arwood

Doug Rothwell



THE NATIONAL UNEMPLOYMENT RATE

5.0%



HIGHLIGHTS

Michigan has created over **460,000 private sector jobs** since December 2010

Based on July data from: Bureau of Labor Statistics and Michigan labor Market information, Private Sector Industry Employment

MICHIGAN IS A TOP 25 STATE FOR UNEMPLOYMENT

Michigan needs **33,410** additional jobs to be a top 10 state for unemployment

STRATEGIC FOCUS



KEY MEASURES		Current Value	Reporting Period Target	FY16 Target	Reporting Period	
	PRIVATE INVESTMENT	✓	\$4,761.8M	\$3,675.0M	\$3,675.0M	10/1/15 – 9/30/16
	JOBS	✓	29,774	29,000	29,000	10/1/15 – 9/30/16
	REGIONAL WAGE INCREASE	✓	\$3.98	\$1.80	\$1.80	10/1/15 – 9/30/16
	CUSTOMER SATISFACTION	✓	74	75	75	10/1/15 – 9/30/16

BUSINESS INVESTMENT

	Current Value	Reporting Period Target	Reporting Period
PRIVATE INVESTMENT ✓	\$4,050.1M	\$2,769.0M	10/1/15 – 9/30/16
INCENTED JOBS ✓	12,195	13,660	10/1/15 – 9/30/16
ECONOMIC GARDENING JOBS ✓	14,105	11,500	10/1/15 – 9/30/16
BUSINESS STARTS ✓	267	250	10/1/15 – 9/30/16
LEVERAGE RATIO ¹ ✓	19.4 to 1	17.0 to 1	10/1/15 – 9/30/16
COST PER JOB ✓	\$6,888	\$7,700	10/1/15 – 9/30/16

COMMUNITY VITALITY

	Current Value	Reporting Period Target	Reporting Period
PRIVATE INVESTMENT ✗	\$711.7M	\$906.0M	10/1/15 – 9/30/16
JOB GROWTH ✓	3,474	3,840	10/1/15 – 9/30/16
REVITALIZED SQUARE FOOTAGE ✓	3,995,814	4,000,000	10/1/15 – 9/30/16
PUBLIC SPACE REACTIVATED ✓	2,311,923	2,500,000	10/1/15 – 9/30/16
LEVERAGE RATIO ¹ ✗	4.4 to 1	6.0 to 1	10/1/15 – 9/30/16
MAIN STREET INVESTMENT ✓	\$50.5M	\$15.0M	7/1/15 – 6/30/16

IMAGE

	Current Value	FY16 Target	Reporting Period
TRAVEL ADVERTISING ROI ✓	\$7.67	\$6.97	1/1/15 – 12/31/15
VISITOR SPENDING ✓	\$1,396.6M	\$1,249.9M	1/1/15 – 12/31/15
BUSINESS CLIMATE PERCEPTION ✓	71	75	as of 9/30/16

LEGEND²

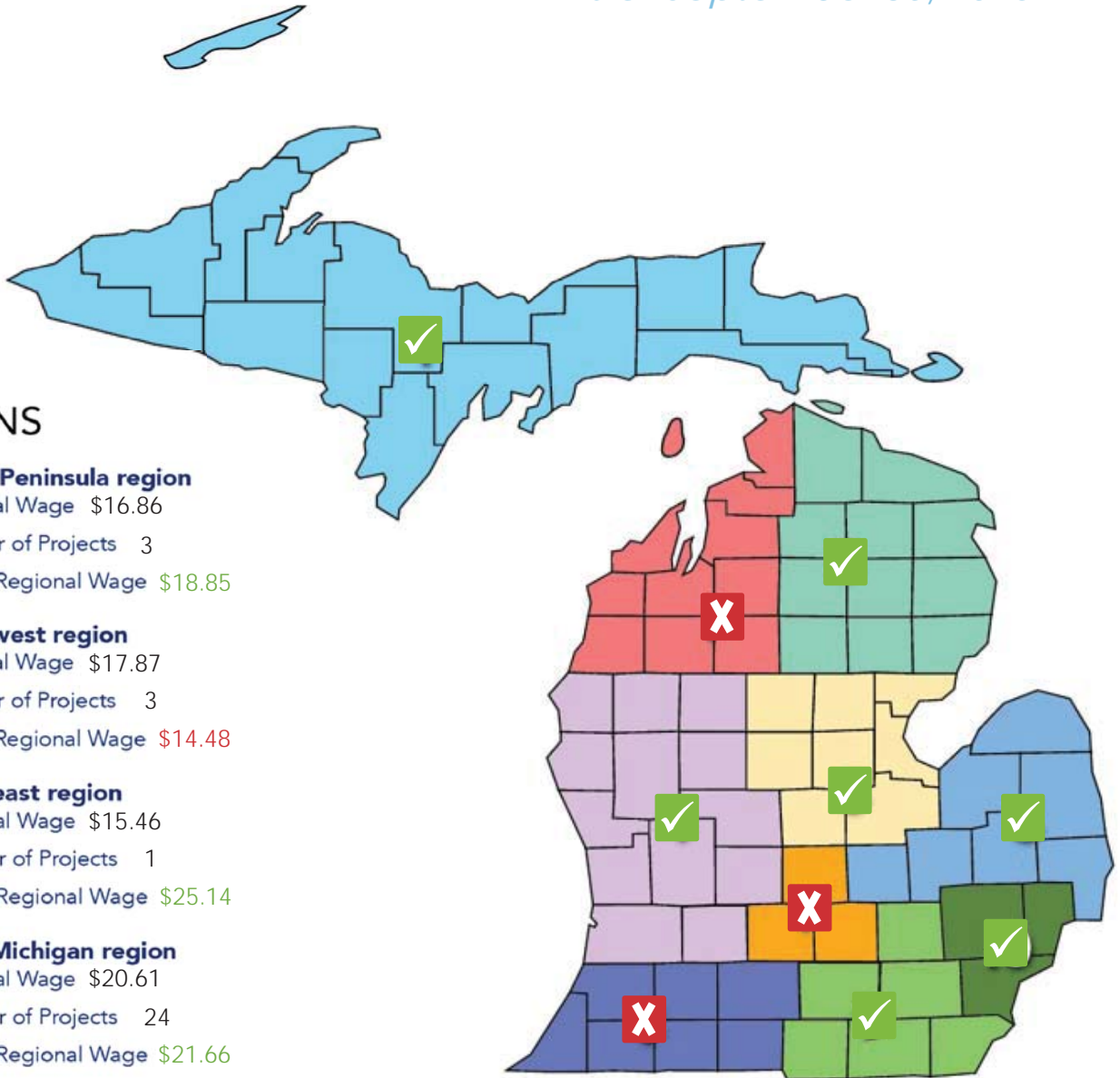
- ✓ GREATER THAN 90% OF TARGET
- ✗ BETWEEN 75% AND 90% OF TARGET
- ✗ LESS THAN 75% OF TARGET

1. The ratio of private investment by the companies incited by MEDC to the incentive dollars awarded to these companies.
 2. Not applicable for Customer Satisfaction.

REGIONAL WAGE INCREASE DETAIL



As of September 30, 2016



REGIONS

1 Upper Peninsula region

Regional Wage \$16.86
 Number of Projects 3
 MEDC Regional Wage \$18.85

2 Northwest region

Regional Wage \$17.87
 Number of Projects 3
 MEDC Regional Wage \$14.48

3 Northeast region

Regional Wage \$15.46
 Number of Projects 1
 MEDC Regional Wage \$25.14

4 West Michigan region

Regional Wage \$20.61
 Number of Projects 24
 MEDC Regional Wage \$21.66

5 East Central Michigan region

Regional Wage \$20.01
 Number of Projects 3
 MEDC Regional Wage \$20.58

6 East Michigan region

Regional Wage \$18.93
 Number of Projects 8
 MEDC Regional Wage \$21.17

7 South Central region

Regional Wage \$20.83
 Number of Projects 2
 MEDC Regional Wage \$20.61

8 Southwest region

Regional Wage \$21.26
 Number of Projects 10
 MEDC Regional Wage \$20.12



9 Southeast Michigan region

Regional Wage \$22.36
 Number of Projects 9
 MEDC Regional Wage \$37.57

10 Detroit Metro region

Regional Wage \$27.07
 Number of Projects 33
 MEDC Regional Wage \$32.30

LEGEND

-  At or above the Regional Wage
-  Below the Regional Wage

2017 - 2018

STRATEGIC FOCUS

MISSION

We market Michigan's opportunity and provide the tools to assist job creation and investment.

VISION

Michigan is a top 10 state for low unemployment, GDP growth, per capita income, and talent retention and growth.

CUSTOMER FOCUSED

We are committed to delivering exceptional service and satisfaction as we engage with: businesses, entrepreneurs, communities, and local partners.

BUSINESS INVESTMENT: CORE FOCUS

1. Retain and grow Michigan businesses
2. Maintain and strengthen our global automotive leadership
3. Grow value-added agriculture and natural resource economy
4. Accelerate manufacturing innovation
5. Strengthen and develop our mobility initiatives
6. Attract and grow aerospace manufacturing
7. Grow Michigan exports
8. Deliver key entrepreneurial and economic gardening services
9. Aggressive national and international business attraction
10. Protect and grow our defense-related industries

COMMUNITY VITALITY: CORE FOCUS

1. Community developments that are catalytic
2. Critical infrastructure creating job growth and sustainability
3. Expanding assistance to rural and small communities
4. Technical economic development assistance for communities

IMAGE

Improve Michigan's image as a business location and travel destination by:

1. Further advance the Pure Michigan brand to attract national and international visitors
2. Extend the Pure Michigan brand across business, community, and partner marketing initiatives
3. Strengthen talent's perception of the automotive and skilled trades occupations through the Brainpower and Skilled Trades attraction campaigns
4. Advance Planet M, promoting Michigan as the "mobility" place to find talent and opportunity

KEY MEASURES



PRIVATE INVESTMENT



JOB



WAGES



CUSTOMER SATISFACTION

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

PURE MICHIGAN®

The MEDC helps create more and better jobs by accelerating business investments, increasing community vitality, matching talent supply with demand, and building the state's exceptional Pure Michigan brand.

888.522.0103

michiganbusiness.org