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

- Regional Economic Development
- Private Sector led
- Mission – Prosperity
- Build U.P. Fund
- Outdoor Recreation Innovation Fund
- NMU Fellowship pilot program
- Internship expansion
About the UP – population trends and demographics
2023 Population: 303,095
Estimated K-12 Enrollment in the U.P., 1970-2020

Data Source: State Library Reference Desk
2023 U.P. County Populations vs. 2028 Projected Populations

- Alger
- Baraga
- Chippewa
- Delta
- Dickinson
- Gogebic
- Houghton
- Iron
- Keweenaw
- Luce
- Mackinac
- Marquette
- Menominee
- Ontonagon
- Schoolcraft

2023 Population
2028 Population
Change
2023 Labor Market Study findings
The region has a robust supply of engineering talent.
Career & tech training steady increase across the UP
Typical living expenses comparison across region by county

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.
• #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
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.

| Right track, 56% | Wrong track, 25% | Could not offer an opinion, 20% |

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:

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Oct-23</th>
<th>Apr-23</th>
<th>Oct-22</th>
<th>Apr-22</th>
<th>Sep-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving available and affordable housing</td>
<td>35%</td>
<td>31%</td>
<td>27%</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Creating more jobs</td>
<td>32%</td>
<td>29%</td>
<td>27%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Access to healthcare</td>
<td>17%</td>
<td>16%</td>
<td>13%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Attracting more population</td>
<td>11%</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Access to childcare</td>
<td>0%</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Improving regional air service</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Access to high speed internet</td>
<td>12%</td>
<td>10%</td>
<td>9%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

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)

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:

<table>
<thead>
<tr>
<th></th>
<th>October 2023</th>
<th>April 2023</th>
<th>October 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does</td>
<td>32%</td>
<td>23%</td>
<td>36%</td>
</tr>
<tr>
<td>Does not</td>
<td>54%</td>
<td>60%</td>
<td>52%</td>
</tr>
</tbody>
</table>

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:

- Residents aged 18-29: 44% Does October 2023, 21% Does April 2023, 54% Does October 2022
- Residents aged 30-39: 43% Does October 2023, 29% Does April 2023, 37% Does October 2022
- Residents aged 40-49: 29% Does October 2023, 26% Does April 2023, 31% Does October 2022
- Residents aged 50-64: 29% Does October 2023, 23% Does April 2023, 38% Does October 2022
- Residents aged 65+: 27% Does October 2023, 20% Does April 2023, 35% Does October 2022
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:
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.
Opportunity and Investment
"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.”
$7.3\text{B} \quad \text{Investment in UP projects}

2115 \quad \text{retained jobs}

2474 \quad \text{New jobs created}

U.P. Projects and Prospective Projects
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.

LET'S GROW! 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
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.
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)
Thank you!