

ISSUE BRIEF : Q3 2019

# MICHIGAN IS NOT FULL

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## STATE REPORT



**BUSINESSFORWARD**  
FOUNDATION



# TOPLINE

President Trump argues we cannot accommodate more immigrants because “our country is full.”

In actuality, America has an aging problem, declining birthrates, and thousands of underpopulated cities and towns struggling with falling home prices and dwindling tax revenue. We need immigrants to keep our economy growing.

“

Our country is full.  
Our area is full.  
The sector is full...  
Can't take you anymore.  
I'm sorry, turn around,  
that's the way it is.<sup>1</sup>

”

- PRESIDENT DONALD TRUMP

## U.S.

1. The U.S. has plenty of land, water, food, and energy.
2. America's problem is fewer babies, fewer workers, and migration from small towns to big cities.
3. Trump's restrictive immigration policies are bad for business, property values, pensions, and social security.
4. Over 10 years, restrictive immigration policies could cost \$1.5 trillion in GDP and 15.3 million jobs.<sup>2</sup>
5. Countries currently on the track Trump recommends are struggling.

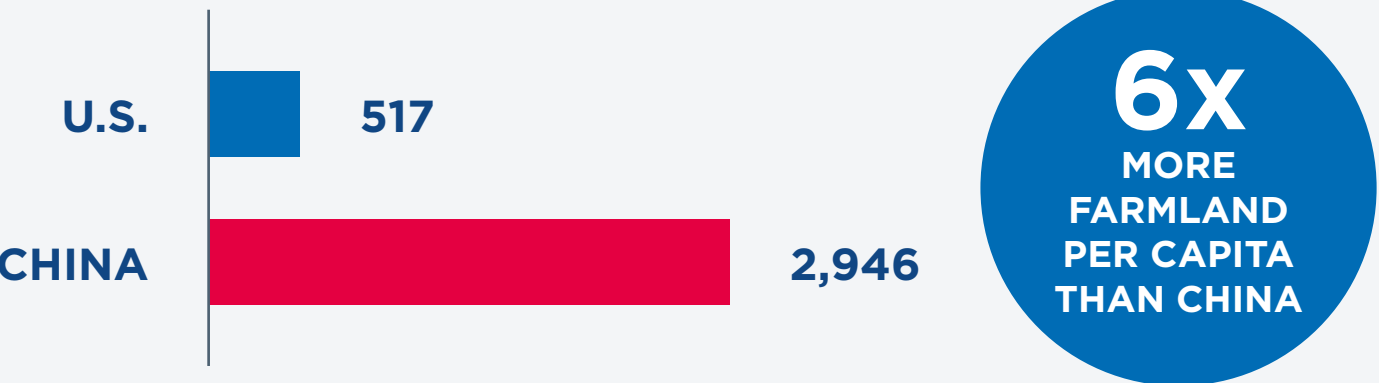
## MICHIGAN

1. Michigan's population is among the oldest in the U.S., and it is aging faster than the rest of the country.
2. Its aging population is slowing business formation and job growth. It's also increasing health care costs and encouraging younger workers to leave.
3. Immigrants already contribute \$1.9 billion to Michigan's economy each year.<sup>3</sup> Continued immigration could prevent Michigan's economy from spiraling.
4. A balanced immigration policy would grow Michigan's economy by \$17 billion over ten years. Restrictive policies would reduce Michigan's economy by \$10 billion.<sup>4</sup>

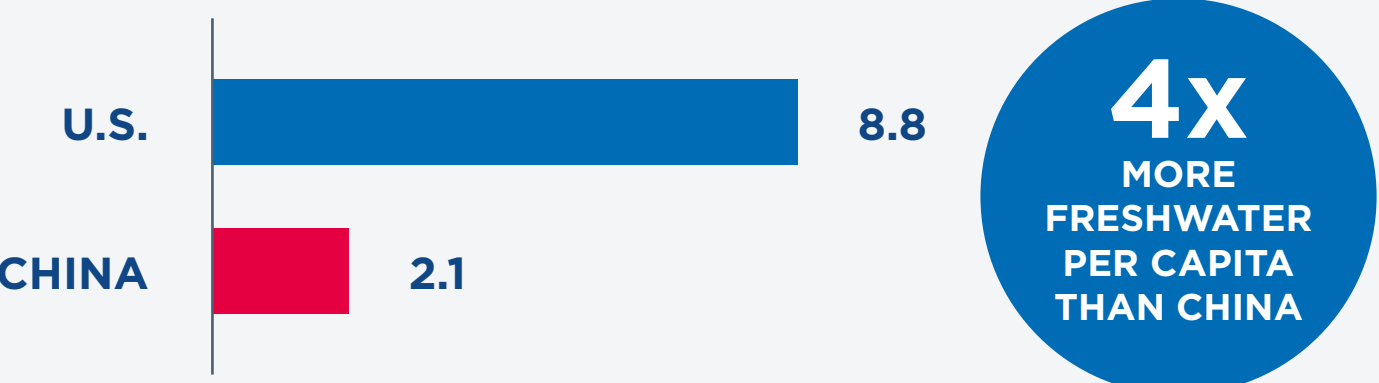
# THE U.S. HAS PLENTY OF LAND, WATER, FOOD, AND ENERGY FOR MILLIONS OF NEW AMERICANS

## FARMABLE LAND & FRESHWATER

PEOPLE PER SQUARE MILE  
OF FARMABLE LAND<sup>5</sup>



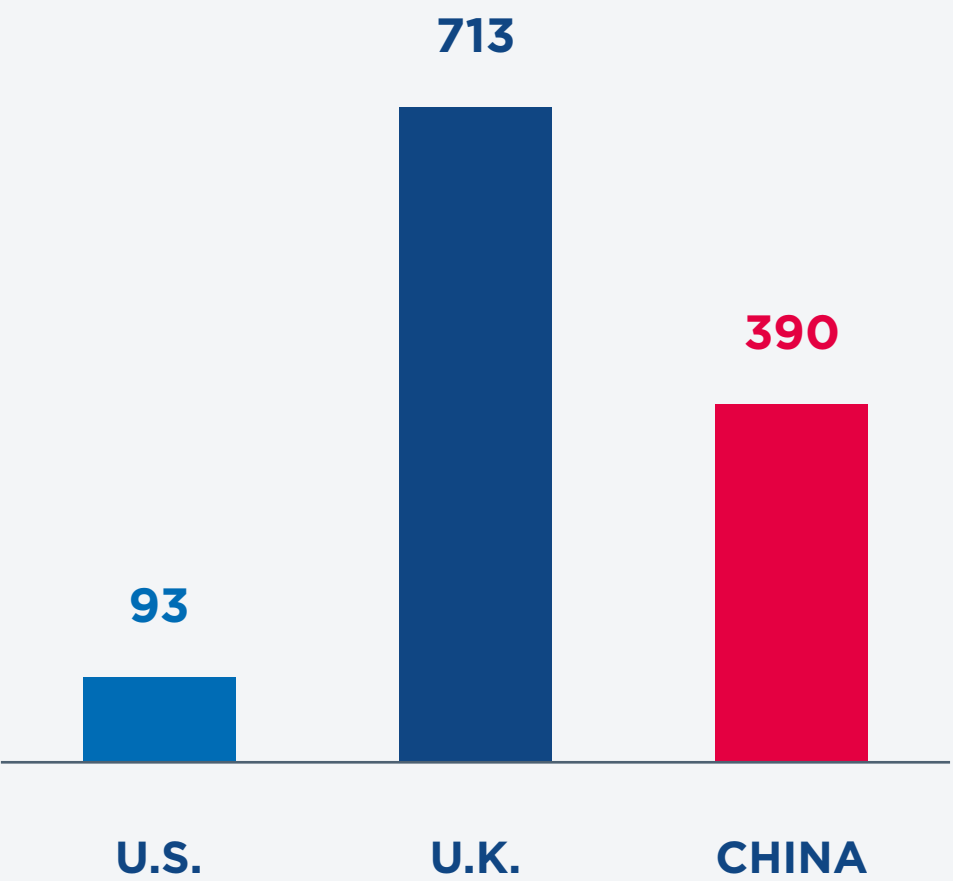
RENEWABLE INTERNAL FRESHWATER,  
PER CAPITA, IN THOUSANDS OF CUBIC METERS<sup>6</sup>



## POPULATION DENSITY

The U.S. has room. In 2018, the UN reported that the U.S. had seven times fewer people per square mile than the UK and four times fewer than China.

PEOPLE PER SQUARE MILE<sup>7</sup>



## U.S. FOOD PRODUCTION

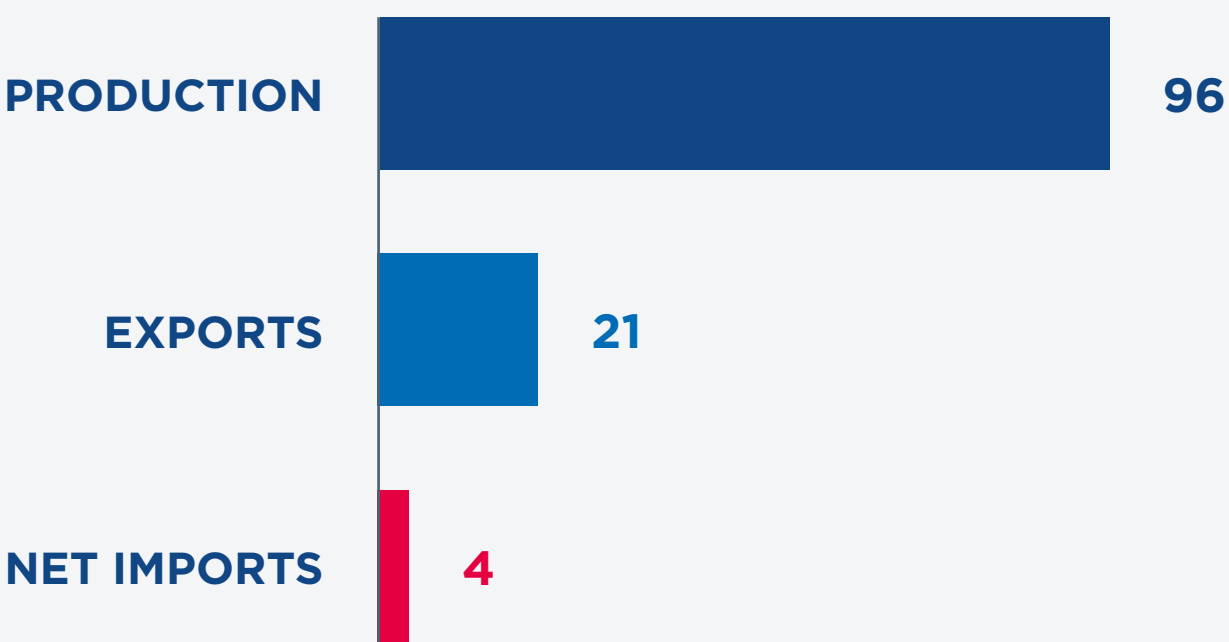
THE U.S. EXPORTS

**\$140 BILLION**

IN AGRICULTURAL PRODUCTS PER YEAR.<sup>8</sup>

## U.S. ENERGY PRODUCTION

(QUADRILLION BTUS, 2018)<sup>9</sup>



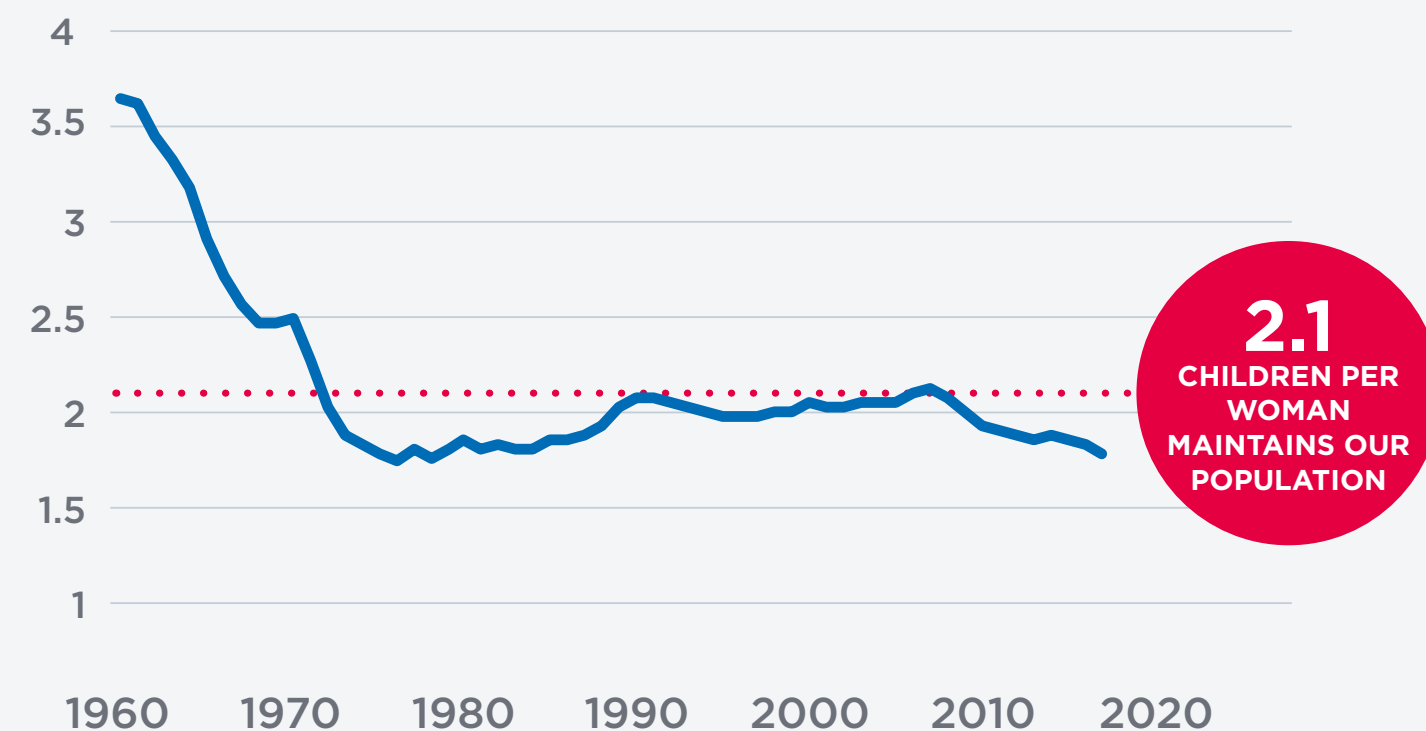
# OUR REAL PROBLEM: FEWER BABIES, FEWER WORKERS, AND MIGRATION FROM SMALLER CITIES TO BIGGER ONES

The U.S. has two problems that, together, are putting enormous pressure on half of the country. 1) Americans are having fewer kids, and 2) they are leaving less-populated areas for jobs and opportunities in major cities, mostly on the East and West Coasts.

## DECLINING FERTILITY RATE

U.S. fertility is at a record low. To maintain our population, each woman must have 2.1 children on average; today, they are having 1.8. Without immigration, the U.S. population will shrink. Economists predict our birth rate will fall to 1.5 or 1.4 children per woman.

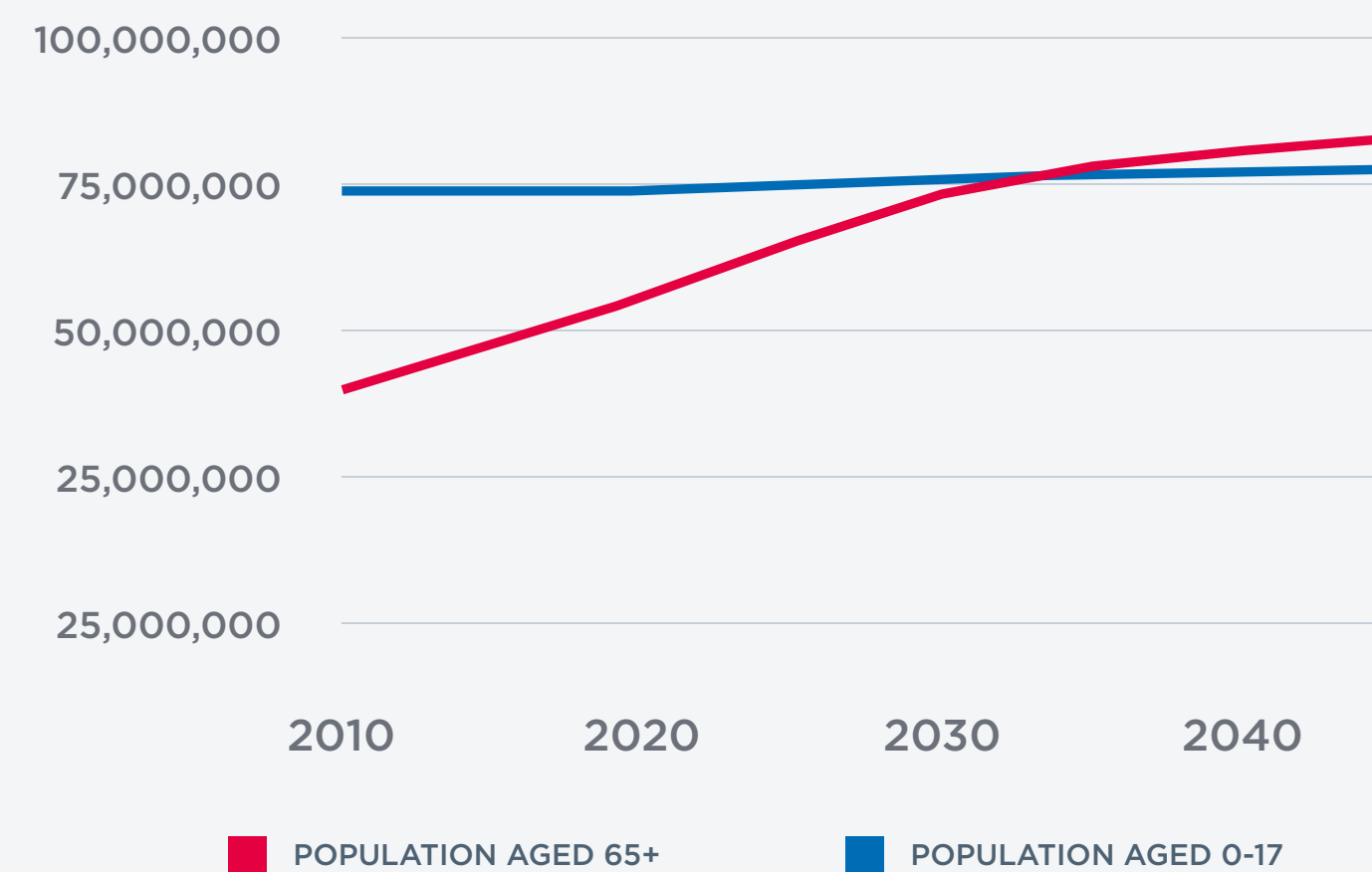
U.S. FERTILITY RATE<sup>10</sup>



## BY 2035, SENIORS WILL OUTNUMBER MINORS IN THE U.S.

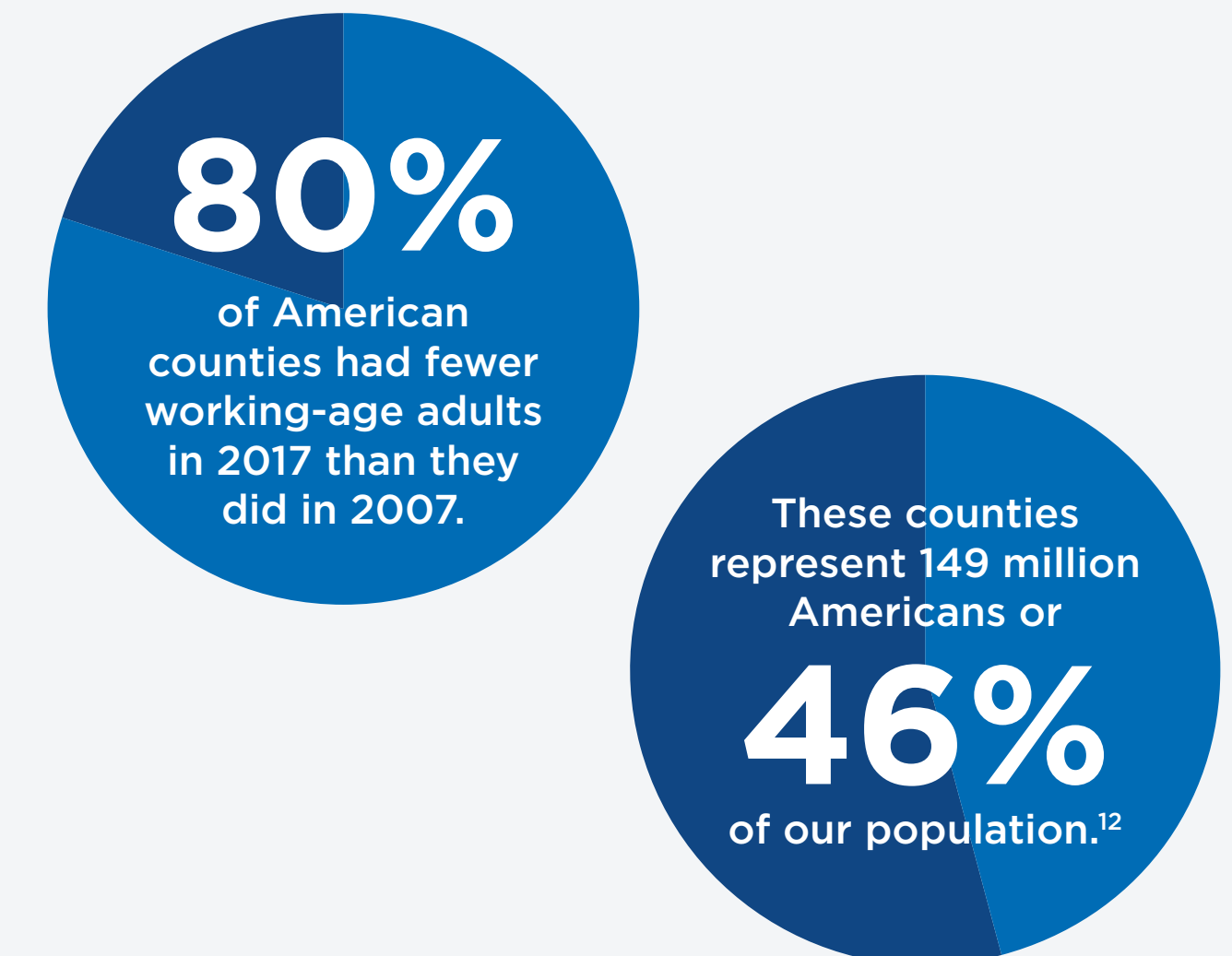
The number of seniors in the U.S. is on track to double by 2060. To maintain a substantial labor force, the U.S. needs more babies and immigrants.

U.S. POPULATION AGED 0-17 & AGED 65+<sup>11</sup>



## MIGRATION TO CITIES

Superstar cities such as New York City, Los Angeles, and San Francisco have attracted highly skilled workers to knowledge industries.

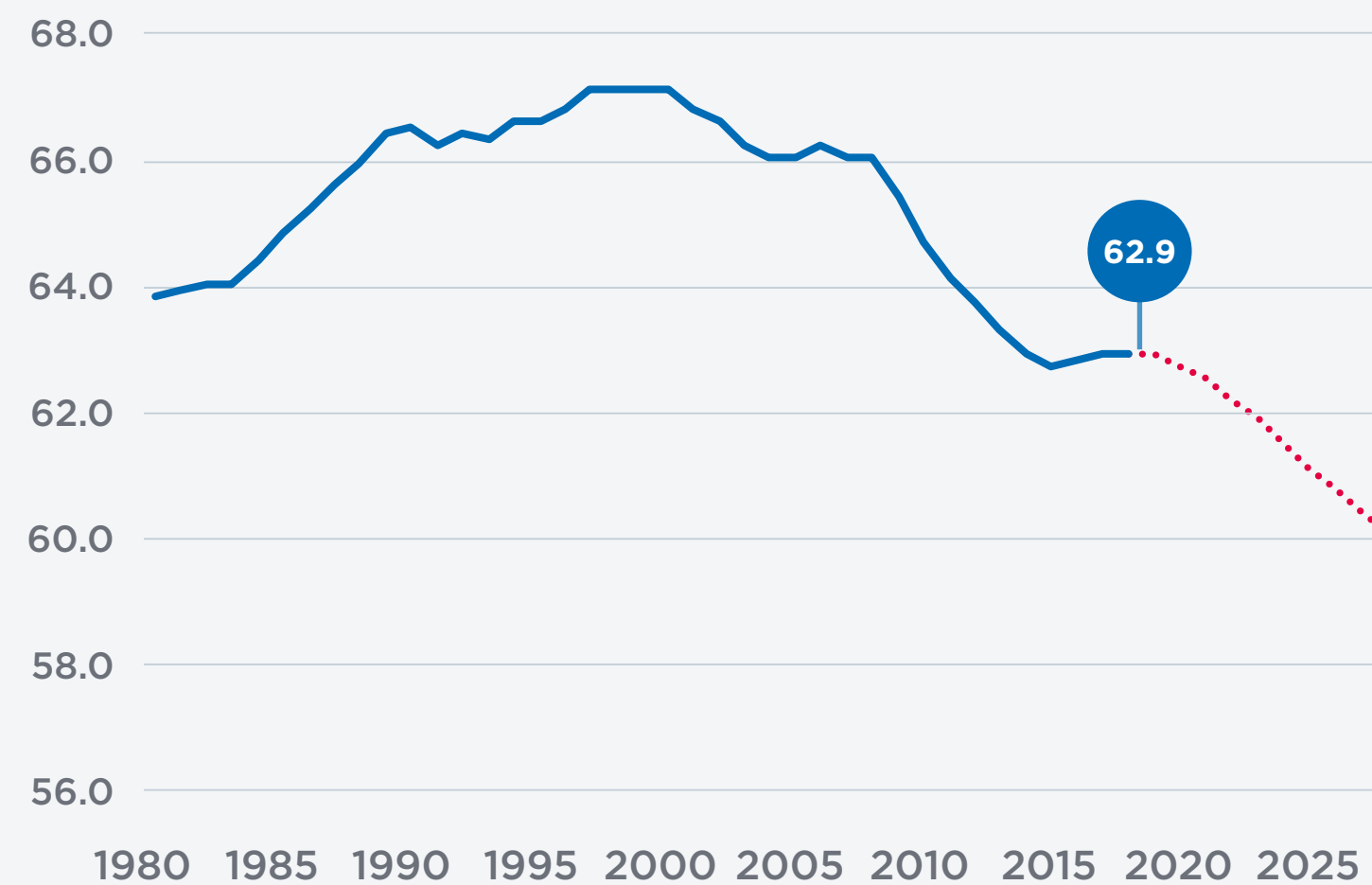


# SLOWING LABOR GROWTH IS BAD FOR BUSINESS AND WORSE FOR SOCIAL SECURITY

## DECLINING LFP = LESS ECONOMIC GROWTH

In 2018, the Congressional Budget Office reported that the labor force participation rate would decrease over the next ten years as a result of baby boomers aging into retirement.

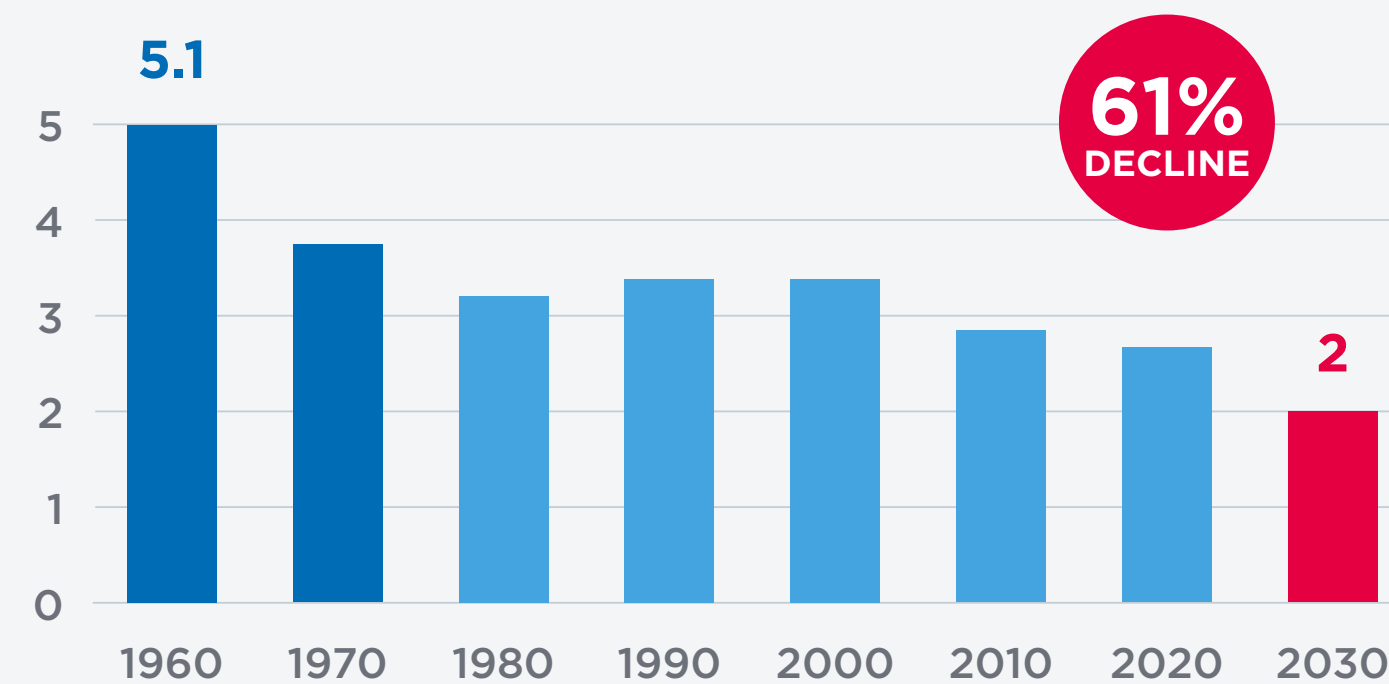
### HISTORICAL AND PROJECTED LABOR FORCE PARTICIPATION RATE<sup>13</sup>



## DEPLETING SOCIAL SECURITY AND OTHER PENSIONS

The ratio of contributing workers to Social Security beneficiaries has dropped drastically since 1960.

### NUMBER OF WORKERS SUPPORTING EACH SOCIAL SECURITY RETIREE<sup>14</sup>



**THE SOCIAL SECURITY TRUST FUND  
WILL RUN OUT OF MONEY BY 2033.**

“

We're about to hit a tipping point. The safety net systems are already starting to break, and demand is going to continue to increase.<sup>15</sup>

”

- HEIDI GUSTINE  
EXECUTIVE DIRECTOR,  
AREA AGENCY ON AGING OF  
NORTHWESTERN MICHIGAN

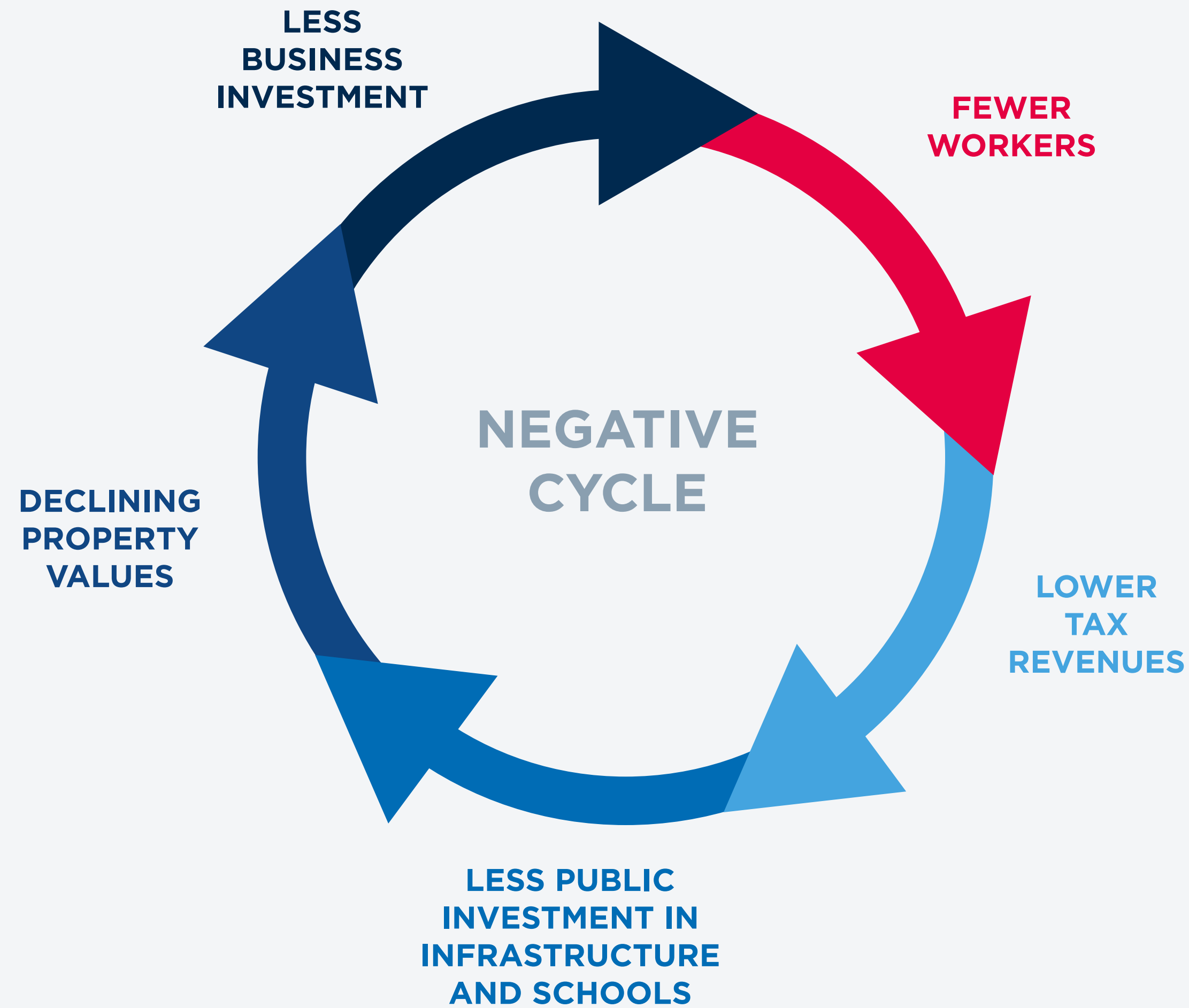
“

The looming problem down the road will be labor shortages, particularly of workers with skills that mesh with the evolving knowledge- and information-based economy.<sup>16</sup>

”

- GEORGE FULTON & DON GRIMES  
2017 FORECAST FOR MI'S DOT

# WHEN A COMMUNITY AGES AND SHRINKS, IT CREATES A NEGATIVE CYCLE THAT'S HARD TO BREAK



“

While an older population is great for health care and related retirement-based businesses, it is not one that will drive entrepreneurship and associated business growth.<sup>17</sup>

”

- KURT METZGER  
MAYOR OF PLEASANT RIDGE, MI

**“MICHIGAN IS NO. 1! AT GETTING OLD. THAT’S NOT GOOD NEWS.”**

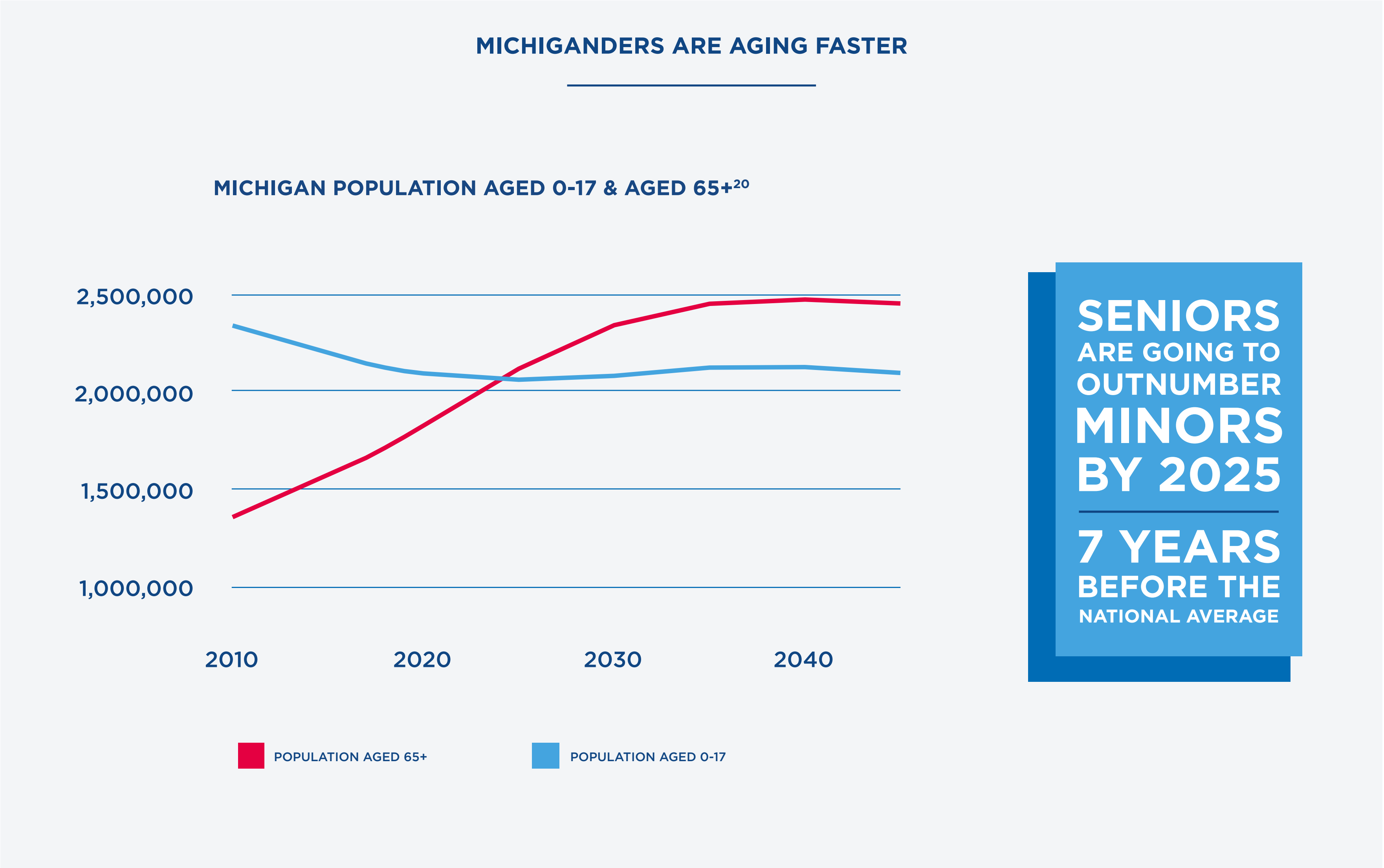
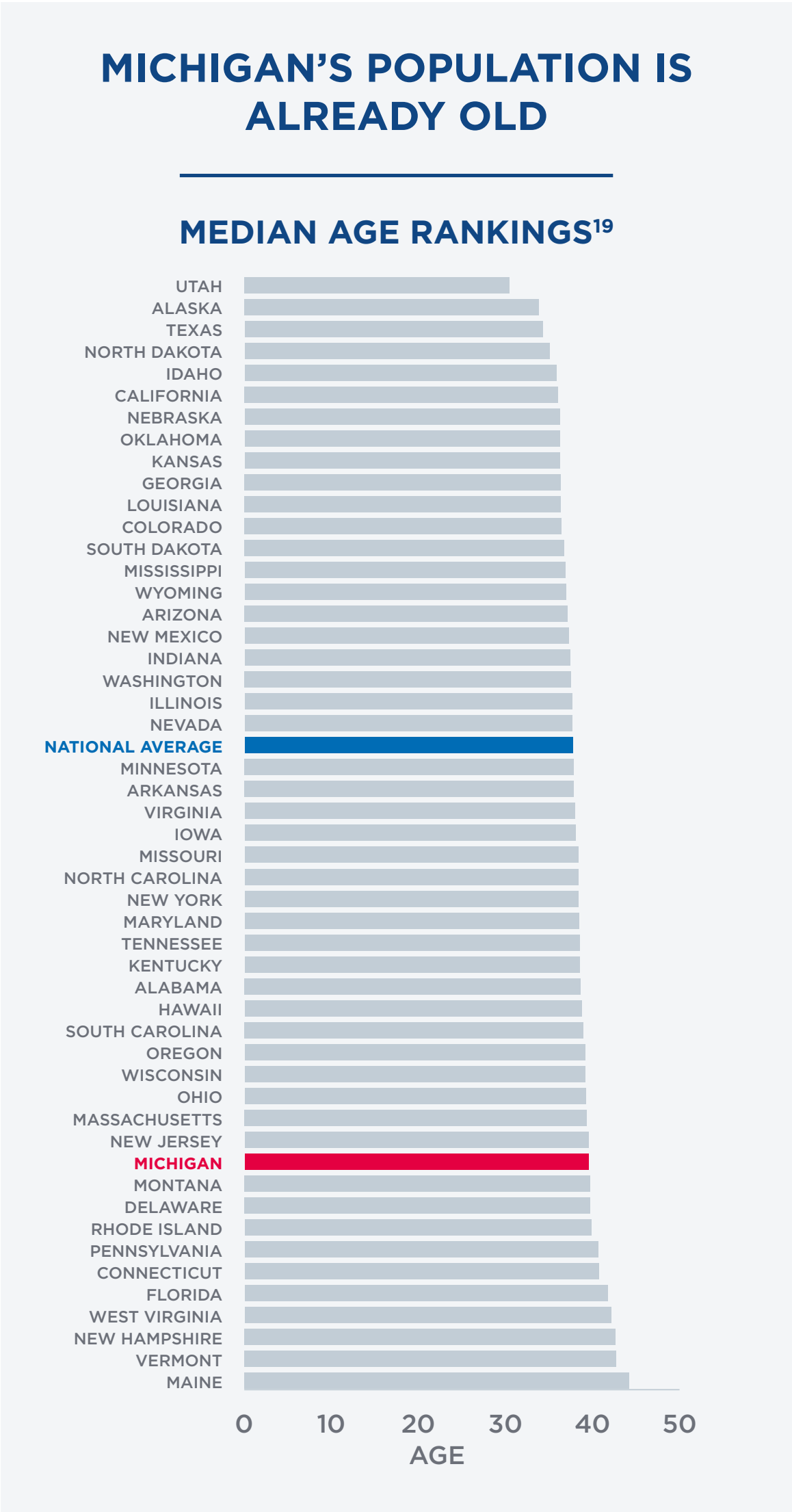
“U.S. Census data released Thursday show that 21 of Michigan’s 83 counties have a median age of 50 years old or older, the highest in the nation.”<sup>18</sup>

BY MIKE WILKINSON  
JUNE 20, 2019

**Bridge**



# MICHIGAN, ALREADY OLD, IS AGING FASTER THAN OTHER STATES

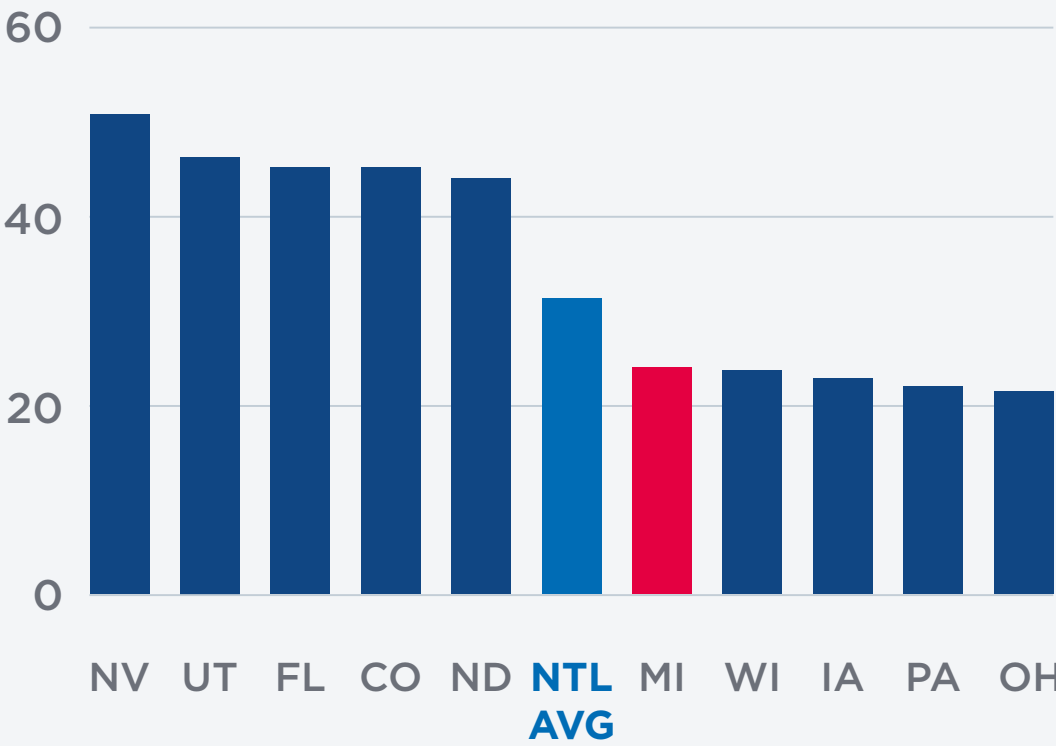


# MICHIGAN IS ENTERING A NEGATIVE CYCLE

## AGING SLOWS BUSINESS FORMATION AND JOB GROWTH

### BUSINESS DYNAMISM RANKINGS (EIG)<sup>21</sup>

EIG's ranking reflects the rate of new business formation, frequency of labor market turnover, the geographic mobility of the workforce.

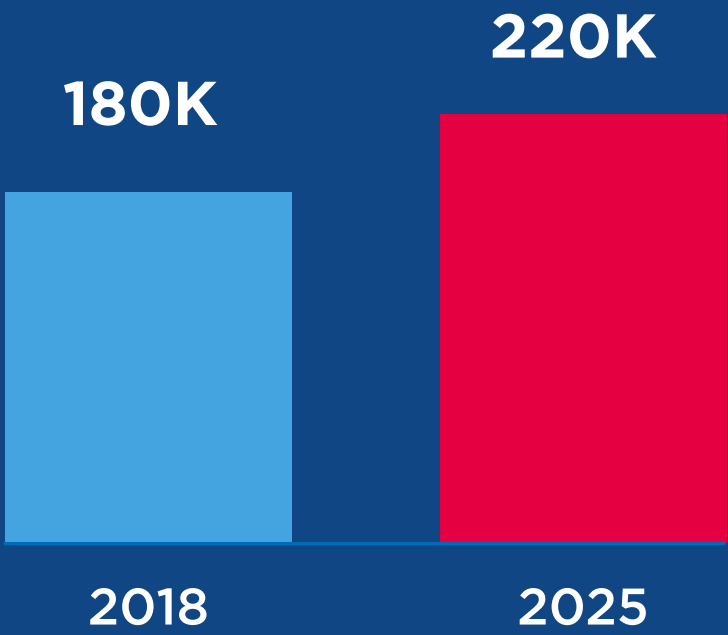


**MICHIGAN RANKS #43**

## AGING INCREASES HEALTH CARE COSTS

As Michigan ages, the cost of caring for its population will increase. The greatest risk factor for developing Alzheimer's is old age. Health costs associated with Alzheimer's disease alone will cost nearly \$15 billion by 2025.<sup>22</sup>

### NUMBER OF ALZHEIMER'S PATIENTS IN MICHIGAN (65+)<sup>23</sup>



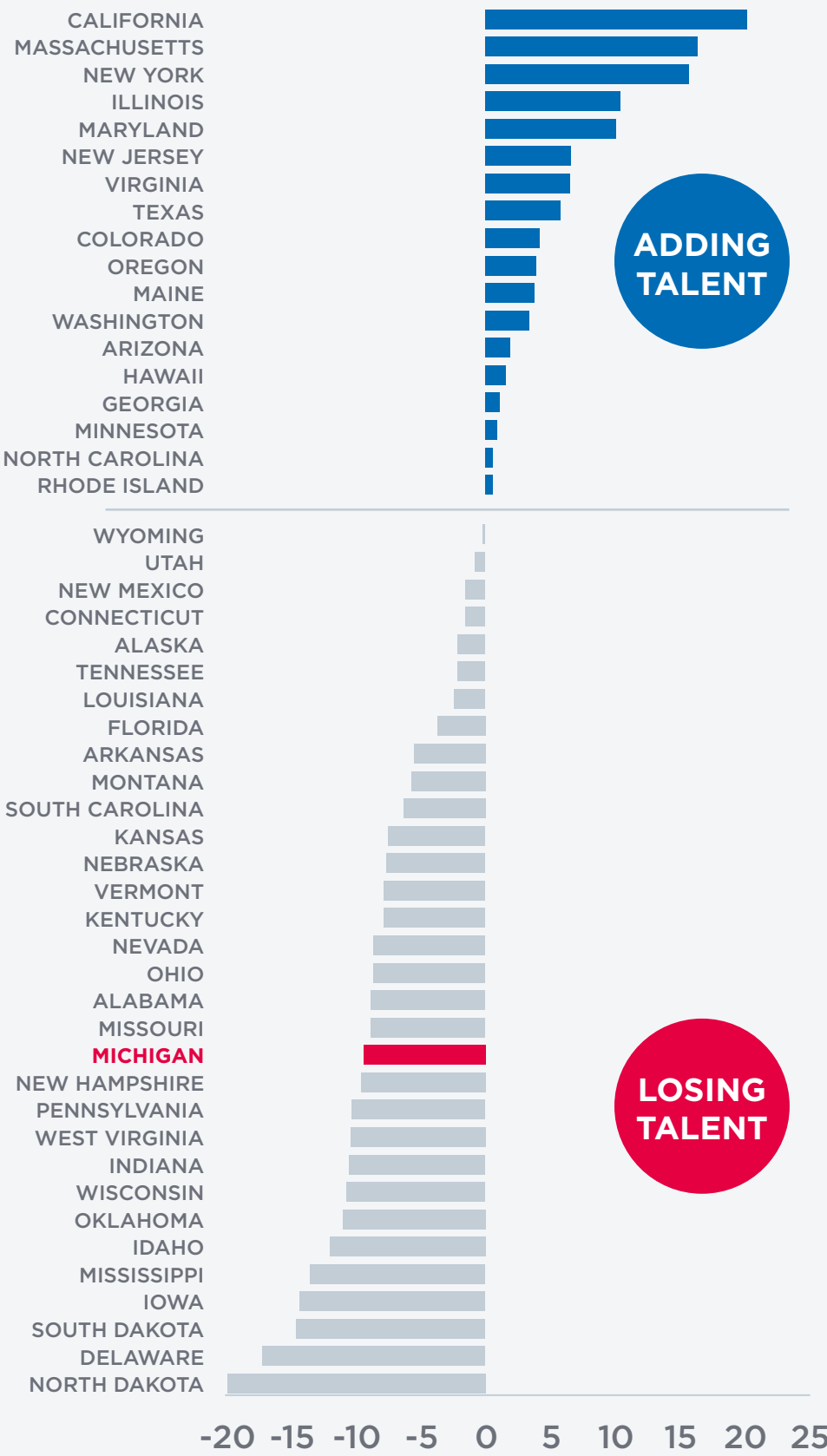
JULY 29, 2019  
TED ROELOFS

## ALZHEIMER'S IN MICHIGAN: THE COMING STORM

**Bridge**

## MICHIGAN IS LOSING YOUNG TALENT

### BRAIN DRAIN (GAP IN PERCENT OF HIGHLY EDUCATED BETWEEN ENTRANTS AND LEAVERS)<sup>24</sup>





# IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE IN MICHIGAN

## RECENT IMMIGRANTS ALREADY CONTRIBUTE \$1.9 BILLION TO MICHIGAN EACH YEAR<sup>25</sup>

The net economic impact of immigrants to Michigan includes household income and tax contributions minus the cost of services like schools, police protection, and health care.



**+\$1.9B**  
MICHIGAN

## IMMIGRANTS START NEW BUSINESSES<sup>26</sup>

New jobs tend to come from new businesses, but business creation in Michigan is down. Immigrants are an exception.

**MORE THAN  
33,000  
IMMIGRANT  
ENTREPRENEURS**

across Michigan

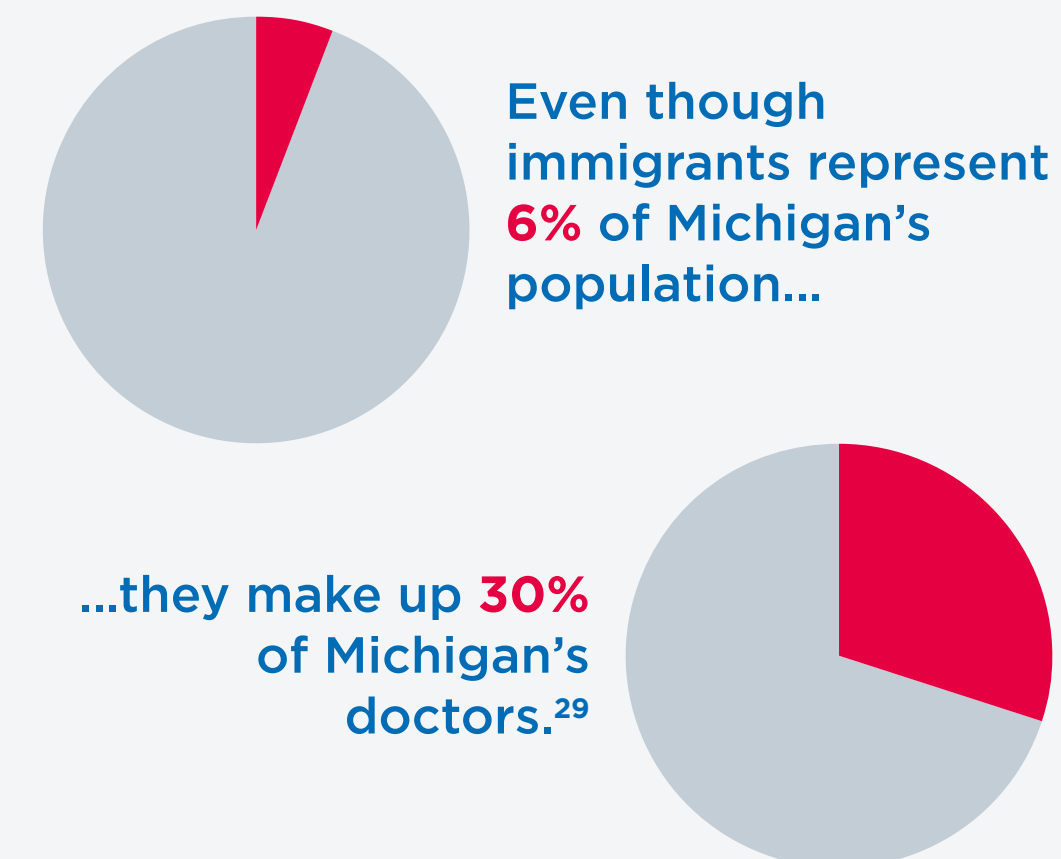
**HAVE CREATED  
167,000  
NEW JOBS**

Immigrants are both more likely to have a degree in higher education and more likely to participate in the workforce.<sup>27</sup>

## IMMIGRANTS CAN HELP FILL THE HEALTH CARE LABOR GAP

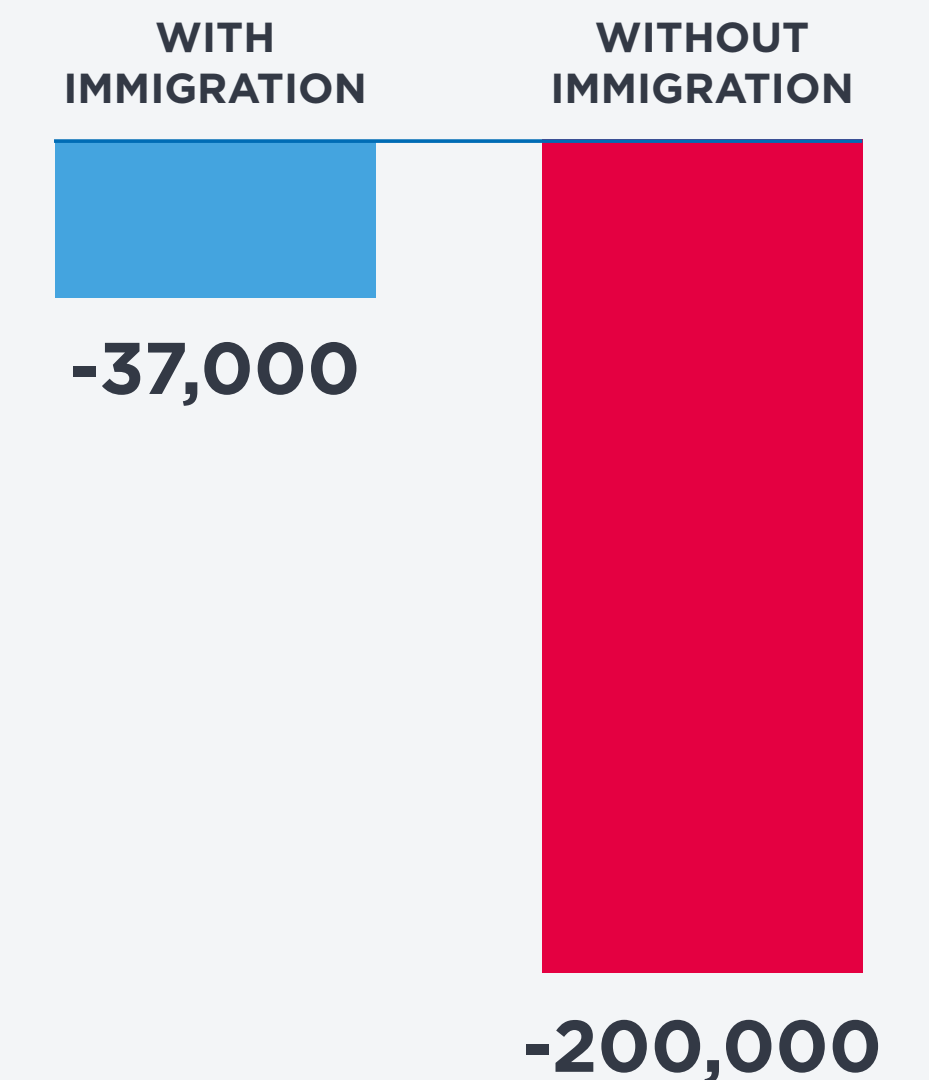
Across the U.S., and in Michigan specifically, there is a shortage of doctors. By one estimate, Michigan currently needs 1,000 more health care professionals for areas representing 8.4 million residents. The demand is expected to increase as Michigan's population ages.<sup>28</sup>

### IMMIGRANTS MAKE UP A LARGE SHARE OF DOCTORS



## IMMIGRATION = DIFFERENCE BETWEEN MODEST AND SERIOUS POPULATION DECLINE

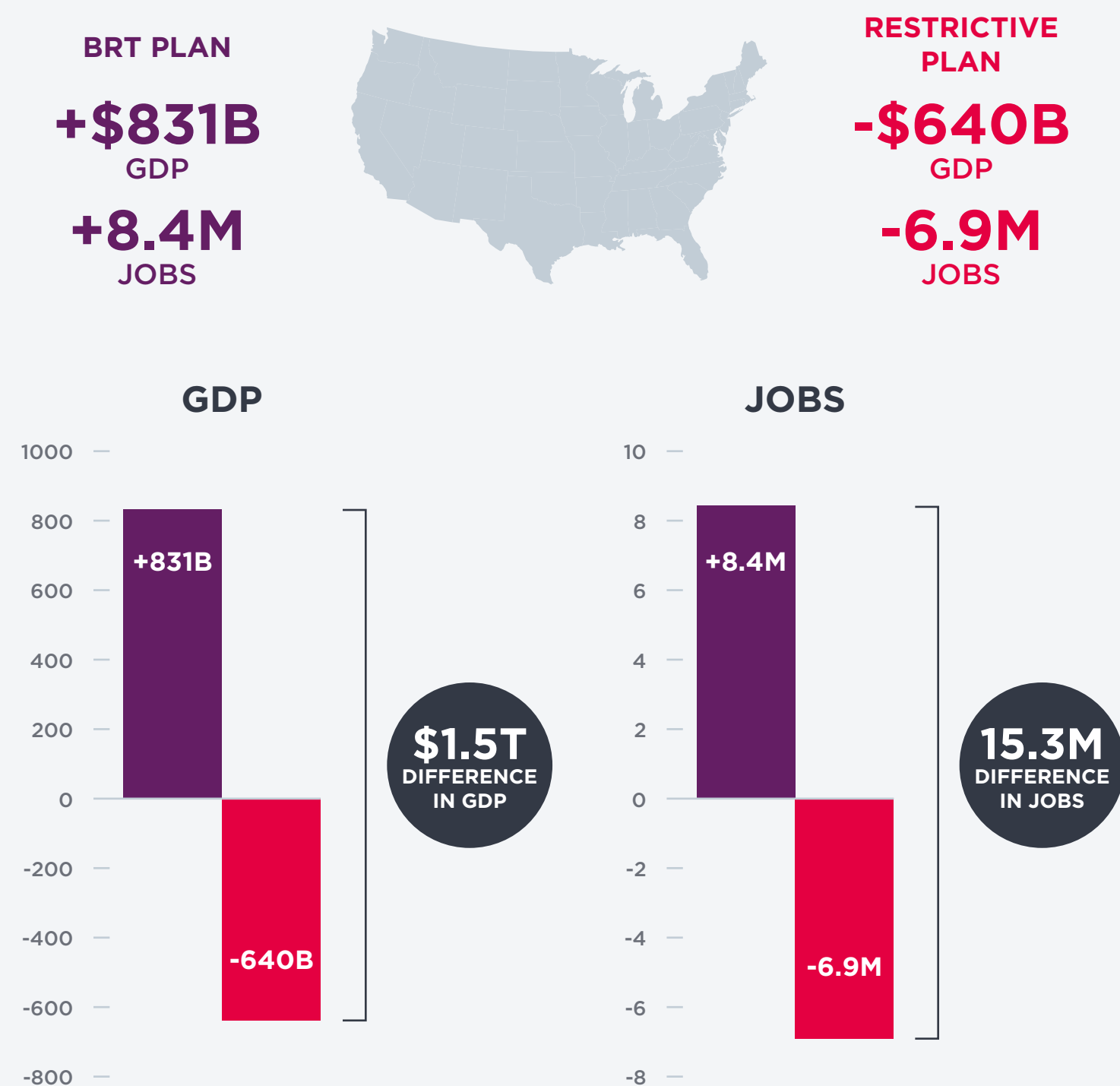
Between 2018 and 2025, Michigan will depend on 163,000 immigrants to prevent harmful population and workforce decline.<sup>30</sup>



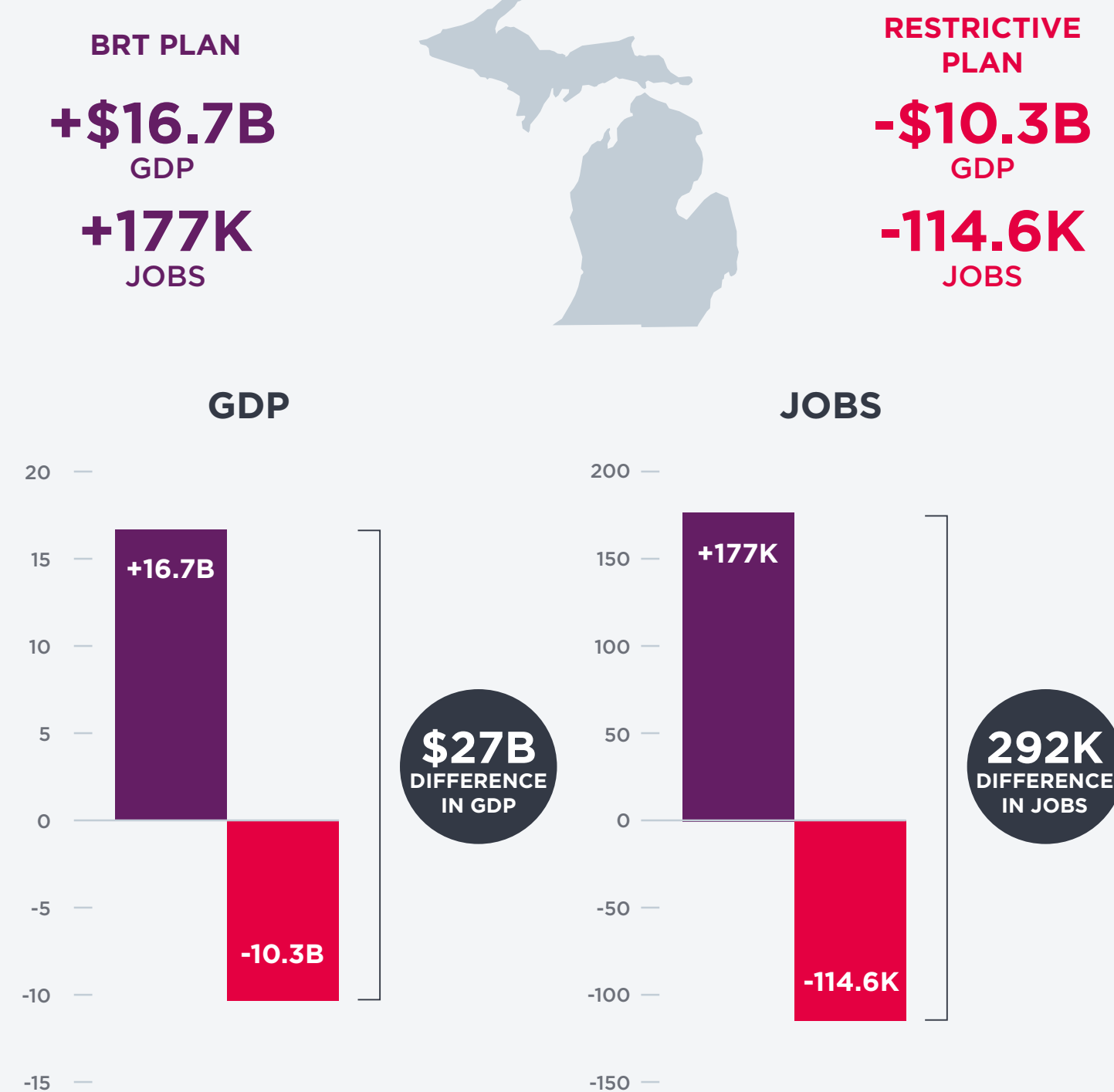
# TO APPRECIATE HOW RADICAL AND COSTLY RESTRICTIVE IMMIGRATION POLICIES ARE, COMPARE THEM TO WHAT MODERATE REPUBLICANS HAVE PROPOSED

The Business Roundtable is a non-partisan national trade group that generally supports Republican policies. It has proposed a balanced immigration plan that will help grow our population and workforce, in sharp contrast to 'restrictive' policies, which will accelerate negative trends nationwide -- but particularly in Michigan.<sup>31</sup>

## NATIONAL IMPACT (10 YEARS)



## MICHIGAN IMPACT (10 YEARS)



## “TRUMP’S IMMIGRATION POLICIES THREATEN TO THWART ECONOMIC GROWTH”

“...[T]he Executive Orders... may have some impact on the work of Global Detroit to spark regional economic growth, job creation, and prosperity. They certainly send a signal to the global community that America may be wavering from its historic role as the world’s most open economy, an unparalleled place of refuge, and a welcoming culture open to people of every religion, color, and creed. Retreating from these positions will hurt our economy.”<sup>32</sup>

BY STEVE TOBOCMAN,  
DIRECTOR OF GLOBAL DETROIT  
FEBRUARY 7TH, 2017





# COUNTRIES CURRENTLY ON THE TRACK TRUMP RECOMMENDS ARE STRUGGLING

## ITALY



The OECD predicts that Italy's public debt to GDP ratio will rise from 133% to 144% by 2030 due to slow growth, low inflation, and rising interest costs. Italy also has a rapidly aging population, which will require more government spending and affect economic output.<sup>33</sup>

## JAPAN



The IMF reported that Japan's aging population could decrease GDP growth by one percentage point over the next three decades. By 2040, experts predict that one in three Japanese people will be over the age of 65. This would be the highest proportion in the world.<sup>34</sup>

## POPULATION GROWTH BASED ON UN ESTIMATES, 2019<sup>35</sup>



Overall, Japan's population decreased by .26% and Italy's population decreased by .13%.

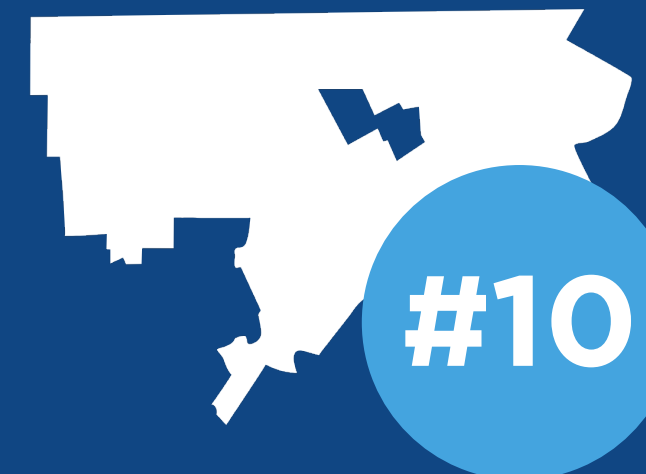
# WELL-RUN STATES AND CITIES ARE WELCOMING IMMIGRANTS

Launched in 2009, **Welcoming America** supports communities by creating a network of governments, organizations, and individuals and providing them with the tools and resources they need to support immigrants. Welcoming Economies Global Network is a regional network of organizations across the Midwest.<sup>36</sup>



Global Detroit is a part of the Welcoming America network. Over the past decade, Global Detroit has advocated for immigrant-inclusive policies and programs by matching recent graduates with employment opportunities, facilitating the provision of loans and grants to immigrant-owned businesses, and attracting new investment into immigrant-dense communities such as Banglatown, East Davison Village and Southwest Detroit.<sup>37</sup>

## DETROIT'S RANK



## MOST WELCOMING TO IMMIGRANTS

OUT OF THE 100  
LARGEST CITIES  
ACCORDING TO THE NAE  
CITIES INDEX<sup>38</sup>



# ENDNOTES

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