



## A Regional Spotlight on Detroit, Michigan

*Just as we focus on people, we must also focus on places if we want our college attainment efforts to succeed. Clearly, if place matters in any effort to effect social change, the city or metro area may be the place that matters most. While many factors contribute to the quality of life in a city, its education attainment level is a powerful determinant. More educated cities tend to be healthier, greener, and more economically vibrant. An educated city demands better schools, values diversity, and embraces the arts. We know that cities can be especially fertile ground for growing the kind of vibrant, cross-sector collaborations that lead to large-scale improvement in college attainment. These efforts work best when they involve all of the relevant stakeholders: that is, political, business, education, philanthropic, faith-based, and community leaders.*

— Jamie P. Merisotis, President & CEO, Lumina Foundation  
Memphis Mayors Meeting, April 19, 2012

The recent struggles of “the Motor City” over the last few decades are well documented. Tales of the city’s bankruptcy in 2013 and continued population decline have been chronicled in every publication from *The Detroit Free Press* to the *New York Times*. But amongst the tales of hard times there is also much to be optimistic about. What sets Detroit apart from many other metropolitan regions is the intensity of the city’s revitalization efforts, of which workforce education

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**“The region still has a way to go,  
but it has come farther, faster, than  
anyone would have expected.”**

—Bruce Katz and Jennifer Bradley  
The Brookings Institution, June 17, 2014

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is a key component. Billionaire businessman Dan Gilbert made hopeful headlines after moving his Quicken Loans headquarters from the suburbs to downtown Detroit and purchasing more than 60 properties (many abandoned) there. This “Opportunity Detroit” investment was intended to house not only his own businesses but to encourage other companies—both established ones and small startups—to follow suit. The city is attracting young entrepreneurs and tech industry employees who see Detroit as a unique place to live: descriptions include “authentic,” “inspiring,” “edgy,” and “cheap.” And while Gilbert’s efforts are the ones making the most headlines, one must also note the dedication of the citizens who remain despite all odds, as well as a core of business, nonprofit, and higher education leaders committed to seeing the city thrive again.

# Lumina Foundation Goal 2025: Promoting Postsecondary Attainment A Regional Spotlight on Detroit, Michigan

## DETROIT: BACKGROUND AND CONTEXT

Detroit is a Midwestern city with a population of nearly 690,000, less than half of the city's population in the 1970s. It was hit harder by the Great Recession than most cities, largely due to the auto industry crisis. However, the city had been in decline for decades, as auto manufacturers downsized and moved jobs to other parts of the country (or overseas), and layoffs steadily continued. Ultimately, the city's economic base had never diversified enough beyond manufacturing to support the remaining workforce, and Detroit's population continued to decline over time. When the federal government stepped in to save the major auto manufacturers from total collapse, the measures weren't enough to protect the Motor City from \$14 billion in long-term debt, a governor-appointed emergency manager, and ultimately bankruptcy in 2013 (although a plan to exit bankruptcy has recently been approved). Likewise, the K-12 education system in the city has seen plunges in enrollment that mirror the overall population decline. Detroit public schools had served over 100,000 students in 2007; in fall 2013, enrollment fell below 50,000.<sup>1</sup> A *New York Times* article reported that there was only one private-sector job for every four Detroit residents, and that only half of the working-age population was working. Of the employed, three-fifths commuted to jobs outside the city, with an estimate of less than 75,000 residents both working and living within the city limits.

### Excellent Schools Detroit

*Excellent Schools Detroit* has drafted an "education manifesto" with a very ambitious community goal of "90/90/90":

- 90 percent of students graduate from high school,
- 90 percent of those graduates enroll in college or a quality postsecondary training program, and
- 90 percent of those enrollees are prepared to succeed without remediation.

### Detroit on the Move: Fast Facts

- 2007** The US Census shows there are over 32,000 black-owned businesses in Detroit.
- 2013** Detroit ranks seventh among US cities for the highest demand for IT workers relative to the existing IT talent pool.
- 2014** Detroit ranks fifteenth on the Forbes Magazine list of 19 "Opportunity Cities: Places where it might be easier to make your mark."
- 2014** *Inc. Magazine* ranks Detroit in the Top 7 American Cities for Innovation.

Yet despite a city rife with challenges, the region remains a center of innovation and hard work, qualities the city has always been known for. The region is a hub for STEM talent—one of the largest in the nation. Almost 10 percent of the area workforce works in STEM-related advanced industries, which still includes auto manufacturing but also health care, education, technology and creative sectors. The Detroit Regional Chamber of Commerce estimates that the region is on track to add more than 90,000 jobs, many in fields such as health care, social services, professional services, scientific and technical services, and manufacturing.

The increasing demand for IT and related talent in the Detroit area speaks to the potential in the city. However, it also brings to light the challenge in meeting that demand, given the existing education and skills of city residents, many of whom remain in the city because they have no other options. While the region has a higher percentage of residents with college degrees than other regions like Memphis, research has shown that the demand for IT, engineering, and advanced manufacturing talent isn't fully matched by the skills of the available workforce. For example, a 2014 report from the Workforce Intelligence Network (WIN) found that the Detroit region is struggling with a combination of looming retirements of a significant portion of the workforce as well as with residents who do not currently have the skills to meet job requirements. WIN estimates that 58,000 workers will be retiring this year, and it expects this trend to continue for

the next 20 years.<sup>2</sup> It has identified particular needs in the area of IT, where nearly 40 percent of workers are over 45 years old, and in the engineering and design fields, where 51 percent of workers are over the age of 45. Yet WIN has also identified that today's prospective workforce has neither the education nor the experience that most employers in these sectors are seeking: 45 percent of southeast Michigan openings in advanced manufacturing (the largest contributor to gross regional product) required some college, while less than 40% of the region's workforce has a college degree. WIN has also found that young adults are not participating in the kind of work as youth that will gain them some of the experience employers are looking for to fill these jobs, and fewer than 10 percent of job postings in the region (regardless of field) were looking for employees with less than one year of experience.<sup>3</sup>

## CITY AND REGIONAL INITIATIVES

The Detroit Regional Chamber of Commerce sits at the center of a number of education and talent-related initiatives, serving as the convener, driver, or participant as they look for ways to create value to living in the city of Detroit. For example, Detroit is one of the communities participating in the Talent Dividend Prize Competition, and Chamber leaders serve with heads of local institutions of higher education on the city's Talent Dividend Advisory Committee.

The Chamber has convened a collaborative of organizations that are working on three broad goals:

- Getting more people into college;
- Increasing access to resources to pay for college with the Chamber actually administering scholarships in the city; and
- Supporting the work around student retention and success in college, particularly for first generation college students.

Other city-specific initiatives include efforts like

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**Economic growth “takes private sector effort, with government help, to create a community that is livable and attractive to people so they want to live here and come visit.”**

—Sandy Baruah, Detroit Chamber of Commerce president

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Experience IT, an innovative program started by four downtown Detroit businesses along with three local partner organizations. Experience IT provides hands-on training to aspiring IT professionals “in an effort to bridge the gap between what the schools are teaching at local colleges and universities and current hiring needs.” While students do not currently receive college credits for participating in the program, training is free for accepted applicants and successful graduates of the program are likely to be offered full-time positions. Participating companies include Quicken Loans (along with a number of Quicken partner companies), Blue Cross Blue Shield, and DTE Energy.

Looking beyond the city boundaries, Detroit is part of a significant number of initiatives addressing the broader Southeast Michigan region, but these initiatives also pay particular attention to Detroit's unique needs. Below is just a snapshot of some of the regional initiatives:

**Michigan Advanced Technician Training Program (MAT2)** is a program to “combine theory, practice, and work to train a globally competitive workforce”. MAT2 proposes to allow companies to “grow their own” pipeline of skilled workers, involving employers directly in the design and implementation of a hands-on approach. Programs are launching at numerous community colleges during the 2014-15 and 2015-16 academic years. Students enrolled in MAT2 will earn an associate's degree at one of five area community colleges and gain paid on-the-job experience with a partner employer. Tuition is covered by employers, and participating students commit to at least two years with the employer after successful completion of the program.

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## Partnerships between Higher Education and Business

The University of Michigan, Dearborn (UM-Dearborn) website clearly spells out its mission: to offer not only excellence in education and scholarship, but to ensure “access, affordability, and metropolitan impact”—a mission “rooted in an ongoing commitment to transform Detroit” and with a commitment to meaningful partnerships with local industry, government, and nonprofit organizations. The school’s chancellor is proud that it is attracting and serving an increasing number of students from underrepresented populations: currently a quarter of the student body consists of students of color, and more than half are first-generation college students. The school is focused on providing college access to more students but also in helping them to complete their degrees.

The University of Michigan, Dearborn has its roots in local industry, and was founded through a donation of 200 acres of land from the Ford motor company. The school has a long history of experiential co-ops, and several years ago received a grant (along with several other state institutions) to establish a business engagement office. This office serves as a “one-stop shop” for companies in the metro region to access the universities’ resources: students for internships, alumni for job opportunities, and workforce development partnerships with the school.

The University truly sees itself as a metropolitan partner. UM-Dearborn has a unique office of metropolitan impact that focuses on building strong community partnerships with the vision of fundamentally enhancing the Detroit-metro region—not just its economy, but its culture and quality of life as well. The school’s chancellor also serves as the co-chair for Detroit’s Talent Dividend advisory committee, where he provides leadership on the issues of increasing the educational attainment of the area’s residents.

More informally, a group of company leaders in the city are working with local higher education institutions to help address the gap between the skills students are graduating with and the skills employers need.

**Automation Alley Technical Talent Development Program** is providing funds to area employers for IT training for both current and potential workers in order to meet the region’s need for skilled STEM-related positions. Training is provided in partnership with workforce development partners and higher educational institutions, and is intended to allow employers to find candidates they would like to hire and train them to the needed skill level. Automation Alley supports many other organizations in the region that are working to support workforce development. Now in its third year, the program started with a U.S. Department of Labor grant to help create jobs and train workers in the region’s tech industry. It has grown from 13 to 24 local partner companies with immediate IT training needs. The program projects they will train approximately 1,000 workers through a \$5 million grant from the U.S. Department of Labor.

**Workforce Intelligence Network (WIN)** is a consortium of 9 area community colleges and 7 Michigan Works! agencies (part of the statewide workforce development network) that have come together to create a more comprehensive approach to help area employers find the talent they need. In addition, WIN is working with several industries including IT, advanced manufacturing, health care, and hospitality, and is bringing focus to not only workforce development but also career awareness and readiness.

**Project Win-Win (Michigan Community College Association)** is an extensive multistate effort to identify former students who never earned a degree but whose records qualify them for an associate’s degree and to award such degrees retroactively. The effort also identifies students who are just short of a degree and encourages them to return, as well as students who may have transferred but never earned an associate’s degree before transferring. The effort has been valuable not only for individual students but also for institutions, as they are able to think about how they support students in terms of degree attainment and what obstacles they might be putting in front of students that could stand in the way.

**Achieving the Dream** More than 15 Michigan community colleges, including several in the Detroit area, are part of the national Achieving the Dream program that provides wrap-around support to help students navigate their way to scholastic success. As colleges in Michigan are highly decentralized, both this effort and Project Win-Win represent institutions coming together to look for ways to leverage isolated activities at individual colleges to achieve a broader impact with students.

Detroit's commitment to students has attracted a range of resources from across not only the region but the nation as well:

**Lumina Foundation:** Detroit was selected as part of the second cohort of communities supported by Lumina Foundation to dramatically increase the number of local residents with postsecondary credentials. Lumina has supported several of the above initiatives, and brought access to resources such as the:

- Postsecondary Success City Action Network, a group of fifteen cities working to identify and share strategies for promoting post-secondary success; and
- Brookings Institution's Metropolitan Business Planning initiative, "an innovative public-private approach to spurring regional growth called Metropolitan Business Planning that encourages data-driven, strategic initiatives to capitalize on local competitive advantages."

Lumina has also joined with the Kresge Foundation to fund local community college efforts through Achieving the Dream.

## **DETROIT EMPLOYERS: How are local companies helping to increase postsecondary attainment?**

Focus group and interview research with Detroit employers found that many companies described a culture that supports education and development at all levels, and in many cases with a specific emphasis on hiring lower-level employees and growing them within the company. As with many employers across the nation, Detroit-area companies rely on tuition reimbursement benefits and in-house training both as benefits to attract and retain employees but also as tools for developing employees. Companies are also looking for creative ways to leverage educational benefit dollars: for example, one major healthcare system in the region is beginning a flexible rewards system that would allow employees to be rewarded for their performance—this flexibility would extend to tuition payment, out-of-pocket expenses, wage/salary increases, etc. These awards offer the ability to align with the plans and intentions of the employee. In some cases, professional growth for employees at local companies is clearly linked to specific training/education. Below are some examples of how Detroit-area employers are supporting their employees:

**CVS Health** has a dedicated "Workforce Initiatives" department that works in a variety of ways to attract and advance a diverse workforce within their company and support the communities in which they work. This includes outreach to high school students and low-income individuals about pharmacy careers (e.g., "Pathway to Pharmacy") and apprenticeship programs. The company provides career options through training and academic assistance for entry-level employees to earn certification as pharmacy technicians, and will support continued education toward two- or four-year degree pharmacy programs. They also have specific hiring outreach to former welfare recipients and in communities with high unemployment rates.

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**A luxury hotel and casino company** in the region targets recruitment in inner city neighborhoods and works to support them by building literacy skills and reimbursing for high school diploma and GED completion. Because staff schedules often make it difficult to attend conventional educational programs, employees are offered other options, such as computer-based literacy programs and online coursework through a partnership with the University of Phoenix. The company also has an agreement with the employee union that includes provisions for employee education and training. As the majority of workers are in entry-level or service positions, the company works to encourage staff in these positions to finish their education and to earn certifications or licenses, such as in a skills trade. There is also a leadership/management program in place that encourages education attainment and is working to ensure vertical career growth opportunities within the company. Once candidates complete college, they can apply to participate in the program, which allows them to see and experience each different department within the business. The company recognizes that due to the nature and size of its business, supporting employees in furthering their education may mean that they pursue external opportunities, but it remains committed to helping employees develop and thrive.

**The Ideal Group** is a family-owned business in Southwest Detroit consisting of six companies delivering construction services, manufacturing, and indirect material management. Founder Frank Venegas is committed to the economic well-being of the area and its residents. The Venegas family and Ideal leadership collaborate with non-profit organizations, schools and area businesses on projects and activities to help urban youth and their families stabilize their neighborhoods, build a strong educational structure, and create wealth. Ideal offers high school and college student internships and supports employees and students in earning college credit. The Ideal vision is to create “family-sustaining jobs” through educational and scholarship opportunities, access to technology, and a variety of efforts to support

the community. For Frank Venegas, increasing educational opportunities and giving back to the community are part of the fabric of the Ideal companies. Says Venegas, “A lot of people say, ‘You give a dollar, you’ll get \$10 back.’ That’s not true. You give a dollar, you’ll get \$10,000 back.”<sup>4</sup>

**DTE Energy** supports employees at all levels, from associate’s degree holders to those with graduate degrees, and has partnered with a number of two- and four-year colleges across the state. The company has collaborated with Monroe County Community College to develop a two-year associate’s degree in nuclear engineering technology to address the demands of their industry, and with four-year Lawrence Technological University through funding a student services center, providing engineering scholarships, and having key company leaders serve as trustees for the university. Additionally, the company donated 11 acres of land valued at \$1 million to Grand Rapids Community College (GRCC). In recognition of this donation and the strong relationship DTE Energy has formed with GRCC, four scholarships are awarded annually to employees, spouses and eligible dependents. DTE has also partnered with Consumer Energy to train and hire unemployed veterans through an intensive training program that prepares them for full-time jobs on electrical or gas crews.

**A major healthcare company** employs over 24,000 employees in healthcare systems in the region. The company emphasizes education and growth and offers many opportunities for employees, especially at their higher education partner institution. The company is committed to employees at all levels, from licensed health care workers to those with PhDs, and believes it is particularly important to provide opportunities for entry-level workers and help get those without degrees on a path to post-secondary degree attainment. The higher education partnership also provides career options for employees who are on a leadership or administrative career path within the system. The company starts at the high school level, working with students in an early-college high school

program leading to a four-year degree. Students are able to earn a high school diploma concurrently with an associate's degree. Approximately 500 graduates have already completed this program.

**Strategic Staffing** is a staffing company with about 250 main office employees and 2,700 contingent contractual workers working across the country in primarily Fortune 500 companies. The company has a strong sense of community; although the majority of employees are not full-time staff, Strategic offers tuition reimbursement to both its own and its contracted employees based on years of service and/or association with the company. The company has also started offering co-op-type partnerships whereby employees work part of the day and attend class for the remainder. A partnership with the University of Phoenix provides tuition discounts and/or course fees for technical certification programs. The company works with local high schools and offers paid internships each summer, and has brought on local secretarial students into the contingent labor pool.

**Grand Circus** was founded as part of the Quicken Loans family of companies to provide “training with a purpose” to elevate the downtown Detroit

tech community. Beyond working with local companies on specific training needs, Grand Circus works with Detroiters at all levels: with youth in middle and high school to teach coding, entrepreneurship, and leadership and expose them to professional opportunities; college students to help them understand the IT industry; and adults in Detroit's neighborhoods to expose them to the basics of coding so they can access new career opportunities.

As Detroit leaders will attest, there is more to do. Companies nationwide wrestle with competing demands on resources that often may limit options for training and education. They also often encounter challenges in ensuring employees know about available opportunities and feel supported in areas such as work-life balance and finances as they pursue further education. Establishing strong connections between higher education partners and companies takes time, both to establish initial connections and to develop and maintain strong partnerships. But amidst these challenges, employers, higher education leaders, and community organizations are working together to see more individuals pursue meaningful education that can change lives in Detroit.

## Endnotes

<sup>1</sup> U.S. Department of Education. (2013). *Quick Facts*. Institute of Education Sciences, National Center for Education Statistics. Retrieved from <http://nces.ed.gov/ccd/elsi/quickFacts.aspx>

<sup>2</sup> Lisa Katz, “What have you done to grow young talent lately?,” *Crain's Detroit Blog*, 2013, <http://www.win-semich.org/what-have-you-done-to-grow-young-talent-lately/>

<sup>3</sup> Lisa Katz and Tricia Walding, “Issue Brief: The Career Readiness Gap Challenges of Career Readiness and Awareness in Southeast Michigan,” *Workforce Intelligence Network*, 2014,

<http://www.win-semich.org/wp-content/uploads/2014/06/WIN-The-Career-Readiness-Gap-Policy-Document-Final-6.9.2014-v-2.pdf>

<sup>4</sup> Izzi Bendall, “Five Qs: Frank Venegas of Detroit's Ideal Group,” *DBusiness Daily News*, 2014, <http://www.dbusiness.com/daily-news/Annual-2014/Five-Qs-Frank-Venegas-of-Detroits-Ideal-Group/>

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