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SANDY K. BARUAH

President and Chief Executive Officer,
Detroit Regional Chamber



THANK YOU, SPONSORS

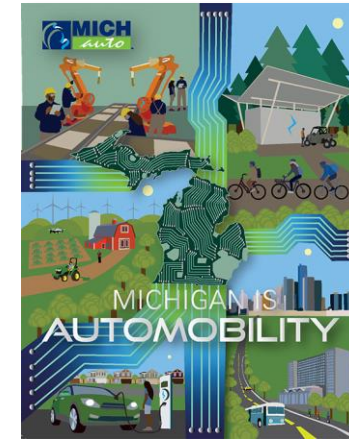




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LEADING SOURCE FOR BUSINESS AND ECONOMIC DATA



detroitdatacenter.org





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JAMES BLANCHARD
Former Governor, State
of Michigan; Former U.S.
Ambassador to Canada



COLIN BIRD
Consul General of
Canada in Detroit



AIDA DISMONDY
Senior Counsel,
Warner Norcross + Judd LLP



SANDY K. BARUAH
President and Chief
Executive Officer,
Detroit Regional Chamber



Moderator:
DEVIN SCILLIAN
Journalist and Author



NEW INNOVATION DYNAMIC



Michigan Central and New Lab



University of Michigan Center for Innovation



Bedrock's Gratiot Site Innovation District



Michigan State University Engineering and Digital Innovation Center



Wayne State University and TechTown



Henry Ford Health and Michigan State University Health Science Center



University of Michigan Center for Academic Innovation



Karmanos Cancer Institute



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NEW INNOVATION DYNAMIC



DR. KIMBERLY ANDREWS ESPY
Wayne State University



DR. KEVIN M. GUSKIEWICZ
Michigan State University



DR. SANTA J. ONO
University of Michigan



**Michigan
Technological
University**

**MICHIGAN'S NEWEST R1 UNIVERSITY:
MICHIGAN TECHNOLOGICAL UNIVERSITY**





NEW INNOVATION DYNAMIC





1

GROWTH WE CAN CELEBRATE

2

COMPARISONS OF CONCERN

3

INFLATION

4

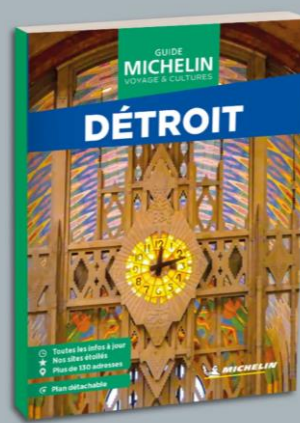
THINGS ARE CHANGING QUICKLY: MICHIGAN IS
DISPROPORTIONATELY AT RISK

DetroitRegionalChamber

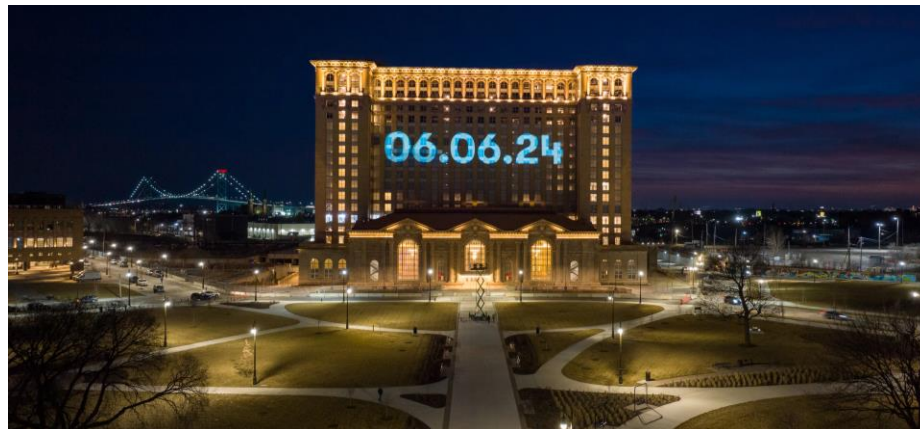
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Momentum in
the Region



GROWTH WE
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 Citizens



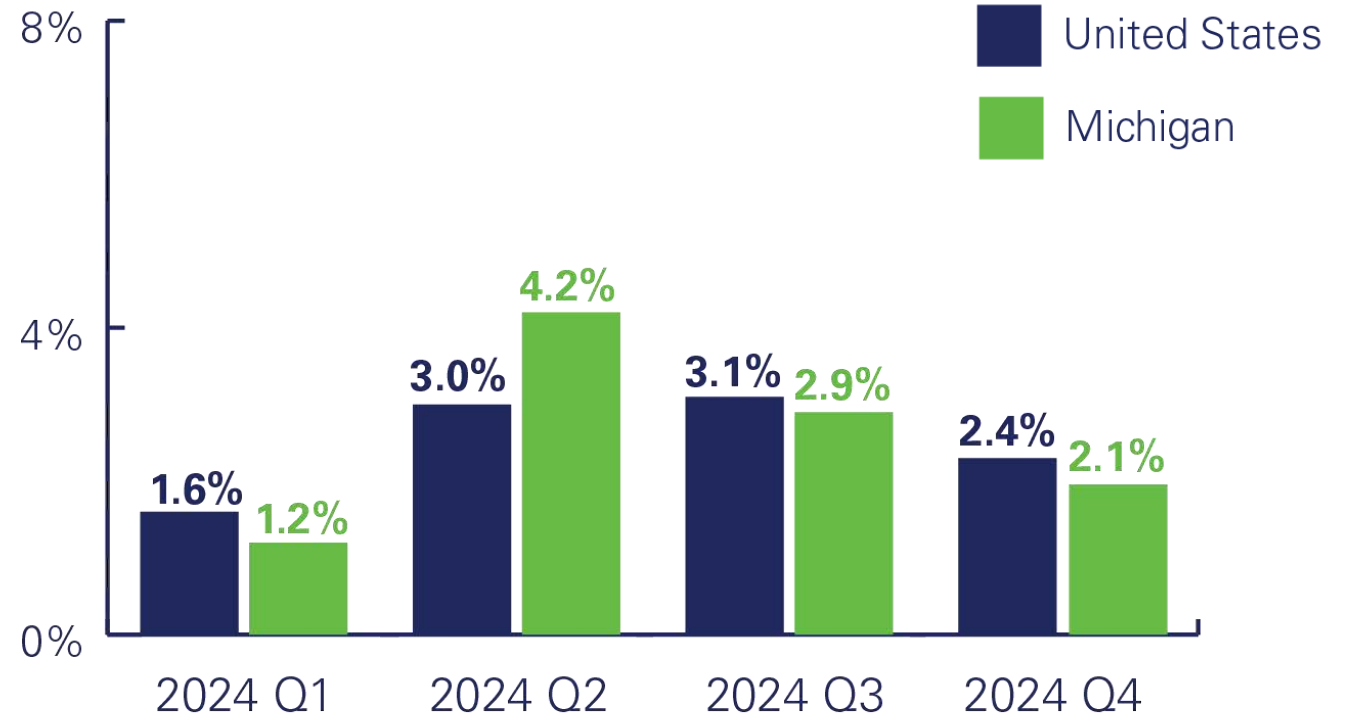
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U.S. and Michigan
Economy Show **Solid
Growth** Through 2024

Source: U.S. Bureau of Economic Analysis

REAL GDP

Quarterly Real GDP, Percent Change From Preceding Period



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Detroit Region's
Employment Reached
2019 Levels **and**
Matched National
Growth

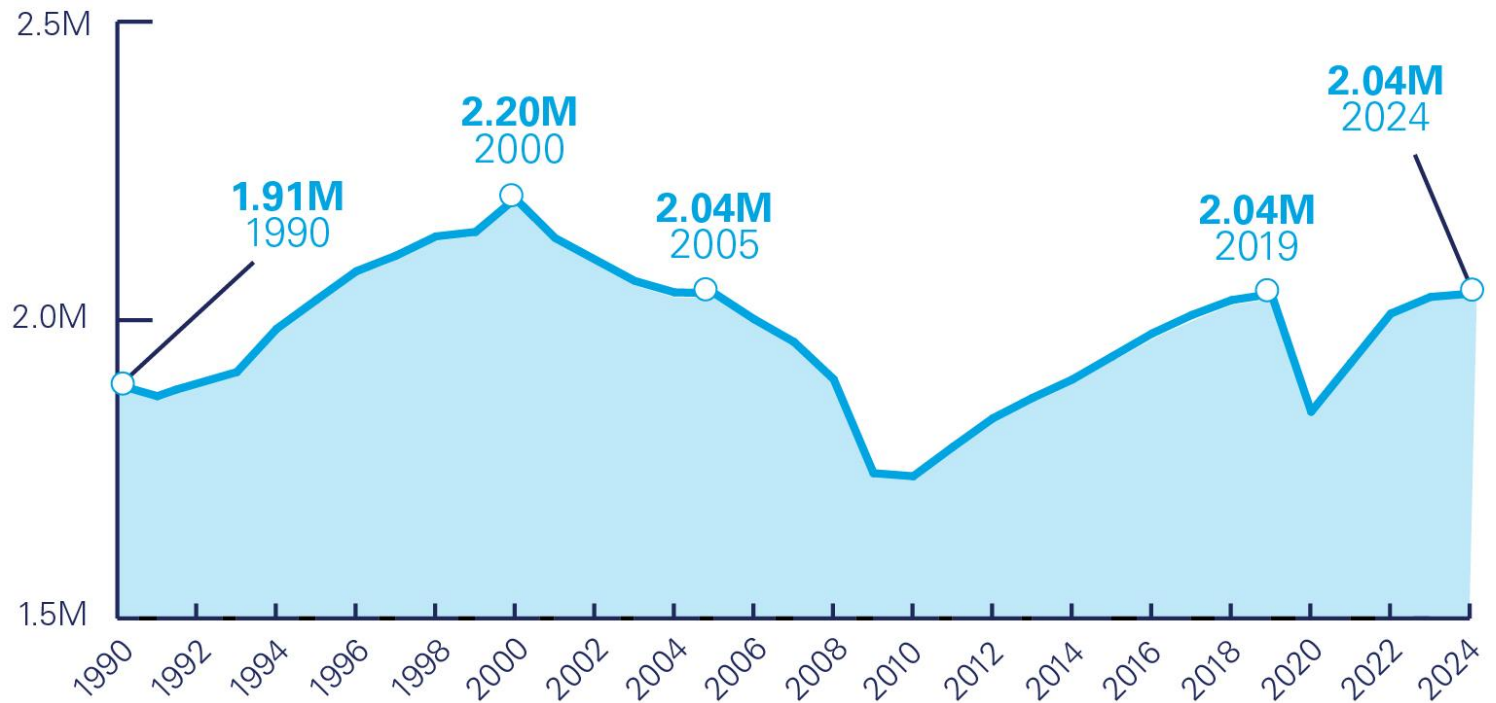
Employment Growth 2020-2024

11%
United States

11%
Detroit Region

EMPLOYMENT

Annual Total Nonfarm Employment,
Detroit MSA



Source: U.S. Bureau of Labor Statistics

GROWTH WE
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Strong Home Prices, Exceeding National Growth

Growth 2023-2024

5%

United States

8%

Detroit Region

HOME PRICES

Median Sale Price of Existing Single Family Homes, United States and Detroit MSA



Source: National Association of REALTORS

GROWTH WE
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Commercial Vacancy Rates Remain Below National Levels

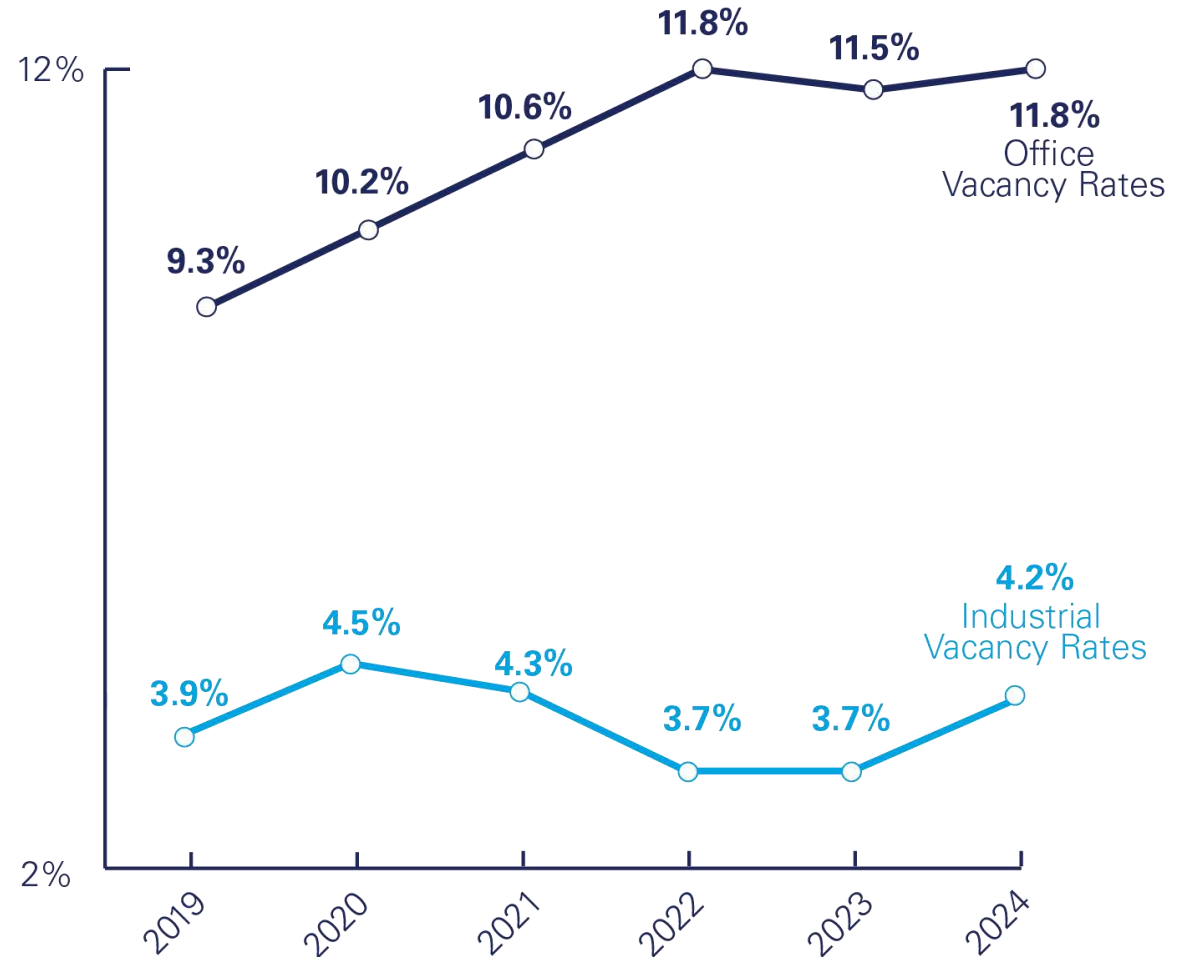
2024 Vacancy Rates

United States	Detroit Region
14% Office	12% Office
7% Industrial	4% Industrial

REAL ESTATE

Vacancy Rates, Detroit MSA

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Source: CoStar





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Michigan VC
Activity **Outpacing**
National Rate

Growth 2019-2024

36%

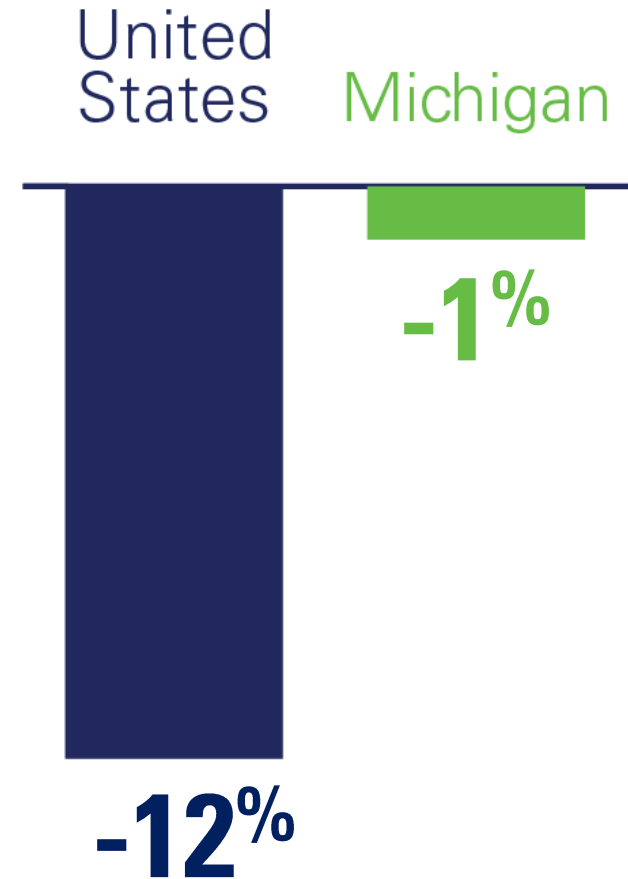
United States

48%

Michigan

VENTURE CAPITAL INVESTMENTS

2022-2024



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Source: PitchBook, Michigan Venture Capital Association





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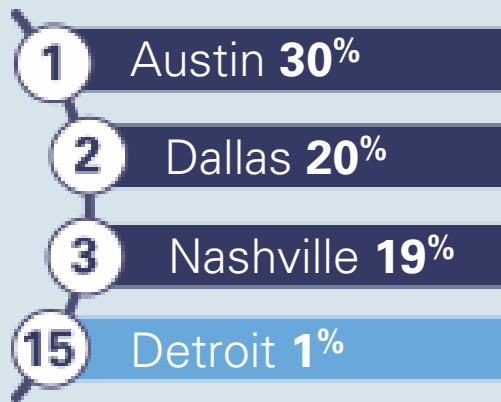
INFLATION

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THINGS ARE CHANGING QUICKLY: MICHIGAN IS
DISPROPORTIONATELY AT RISK

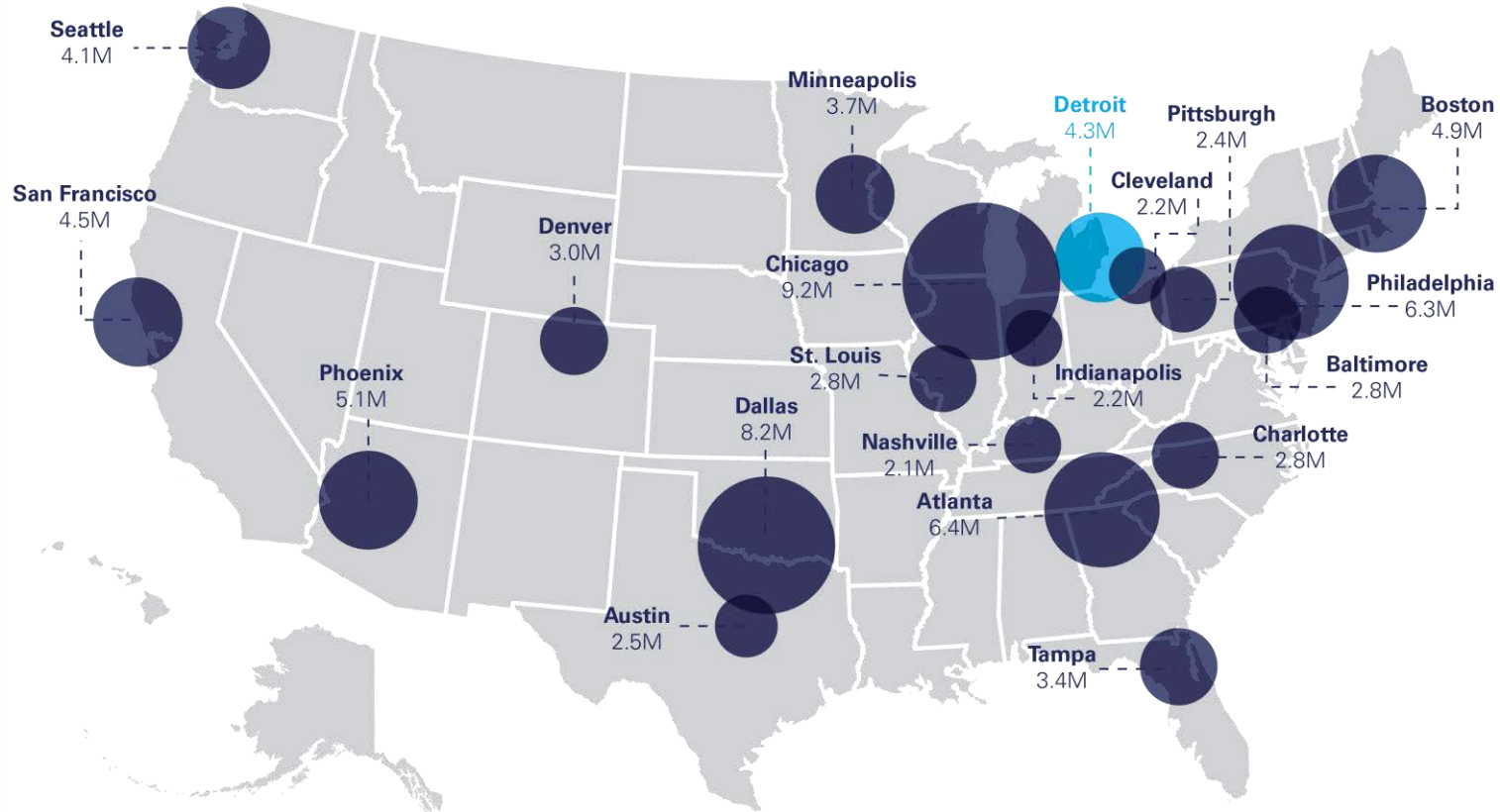
Population Growth

2014-2024



POPULATION GROWTH AMONG PEERS

COMPARISONS OF CONCERN



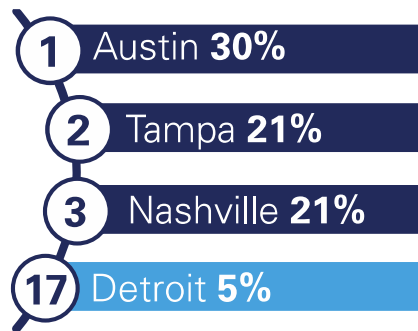
Source: Lightcast, U.S. Bureau of Economic Analysis, U.S. Census Bureau

Detroit Region Lags Peers in Key Indicators

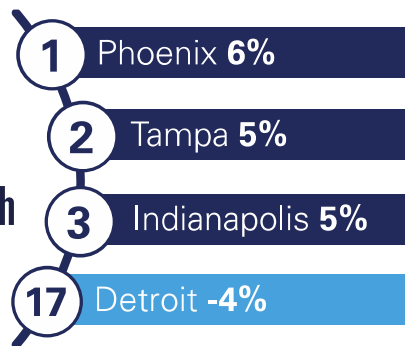
PEER COMPARISON

COMPARISONS OF CONCERN

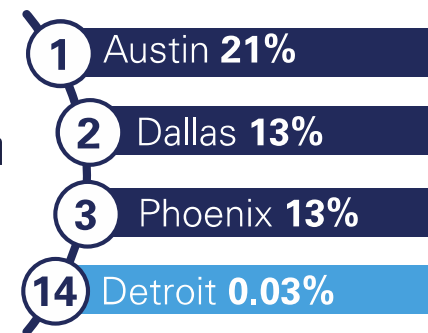
GDP Growth
2019-2023



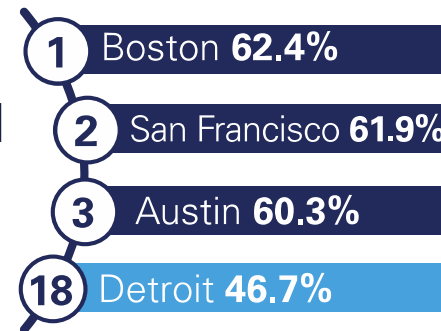
Real Median Household Income Growth
2019-2023



Job Growth
2019-2024



Educational Attainment
2023



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Census American Community Survey

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During the COVID-19
Pandemic, Michigan Was
on Pace With the National
Recovery, **but Recent
Data Causes Concern**

February 2025

4.1%

United States

5.4%

Michigan

5.2%

Detroit MSA

Source: U.S. Bureau of Labor Statistics

UNEMPLOYMENT RATE

Annual Unemployment Rate,
Not Seasonally Adjusted



COMPARISONS
OF CONCERN

New Business Applications in Michigan Continue to Be Strong, Yet US Averages Even Higher

Growth 2019-2024

32%

United States

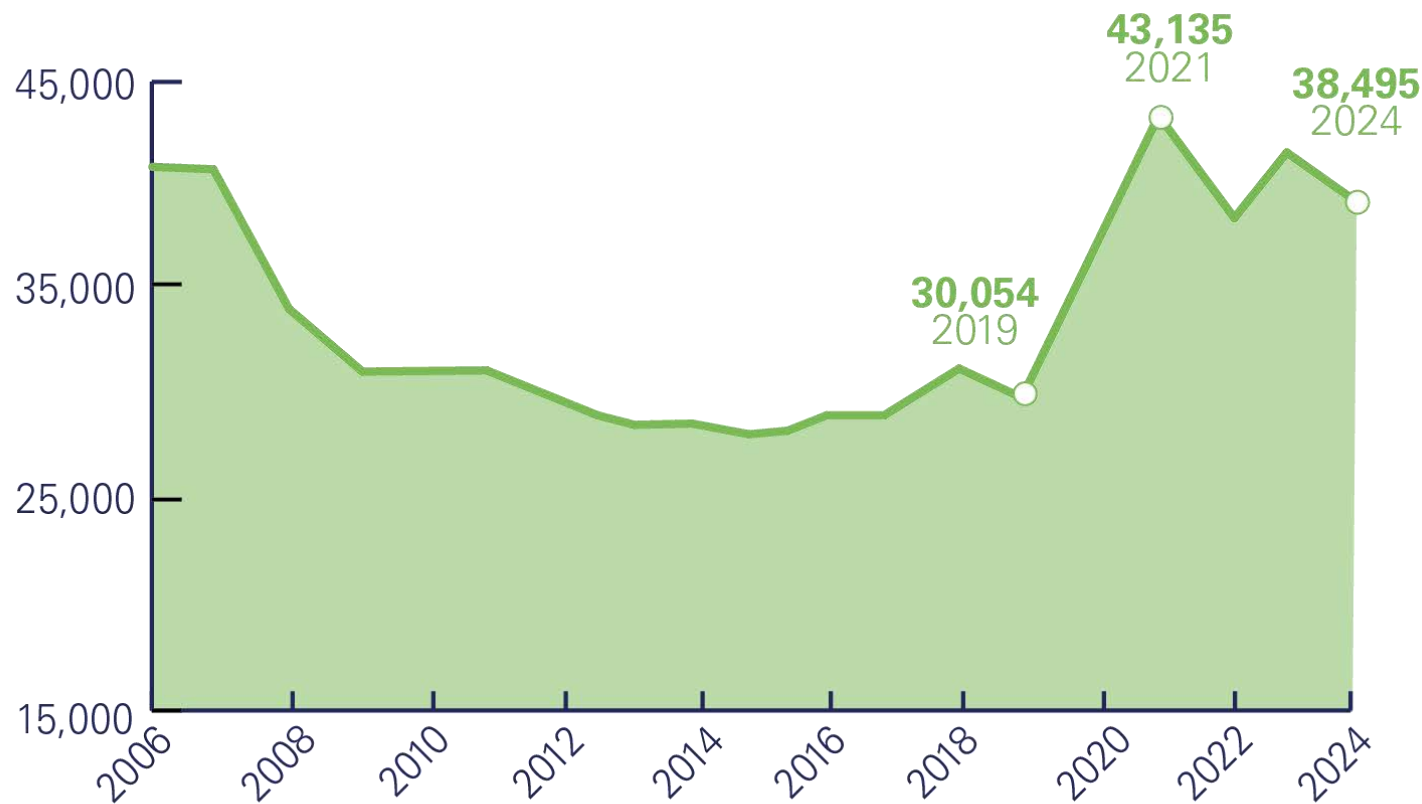
28%

Michigan

NEW BUSINESS APPLICATIONS

High-propensity Applications, Michigan

COMPARISONS OF CONCERN



Source: U.S. Census Bureau

Job Postings Down 33%
in the Detroit Region,
Ranked **4th Steepest**
Decline Among Peers

Change 2019-2024

-12%

United States

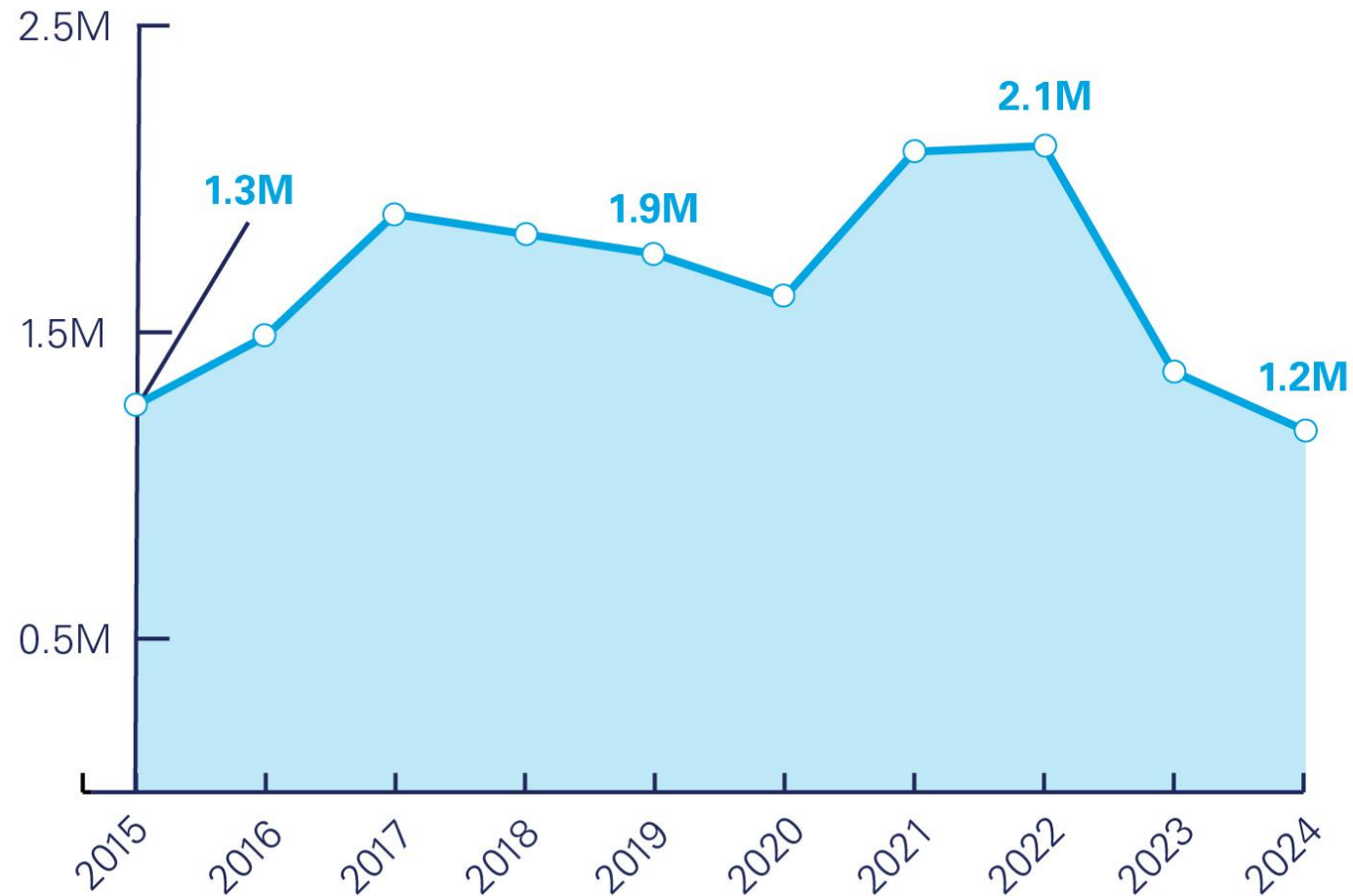
-33%

Detroit MSA

COOLING JOB MARKET

Unique Job Postings, Detroit MSA

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Source: Lightcast

Labor Market **Has Tightened** Since 2022



2/3

Of voters report good jobs are available in the market.

80%

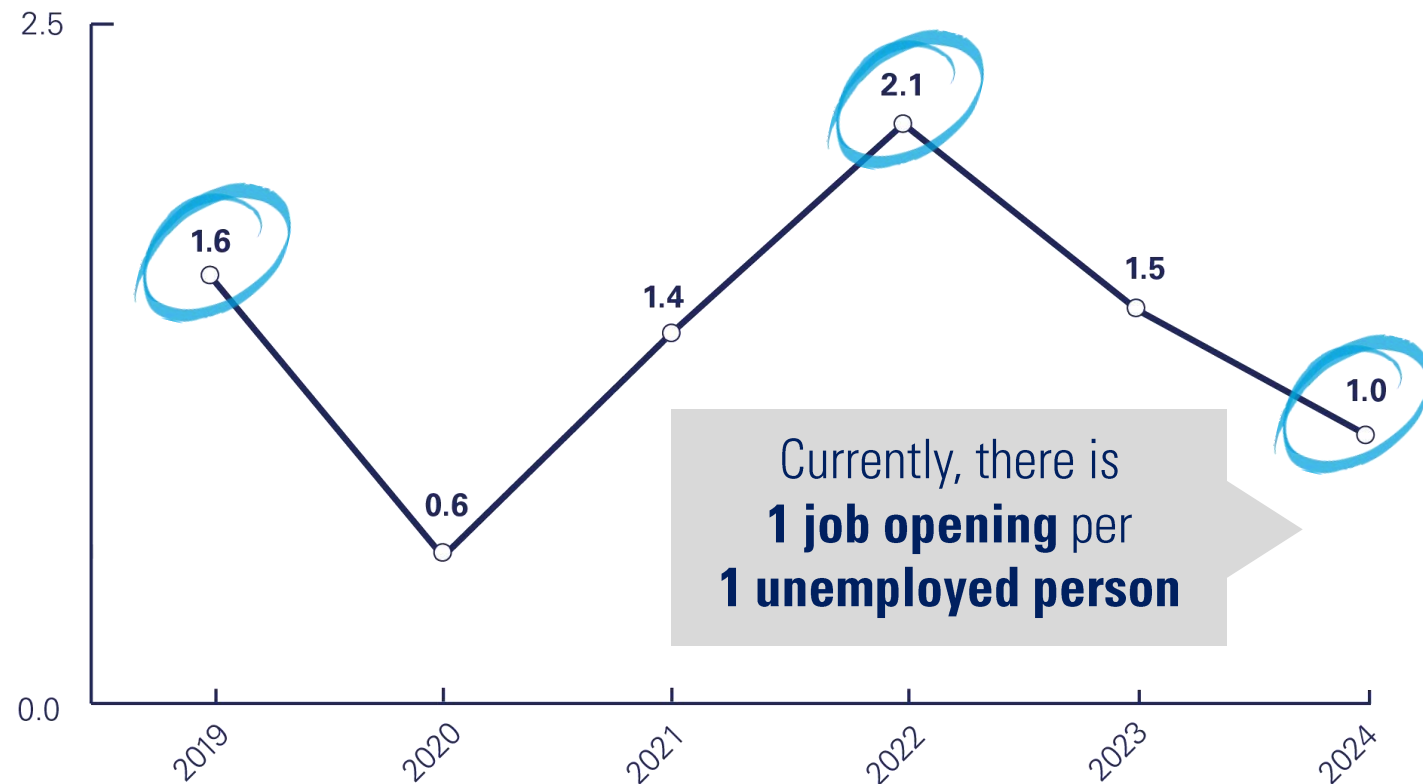
Of voters are not concerned about losing their jobs.

Source: Detroit Regional Chamber Michigan Voter Poll, February 2025

JOB POSTINGS PER UNEMPLOYED PERSON

Detroit MSA

COMPARISONS OF CONCERN



Source: U.S. Bureau of Labor Statistics, Lightcast



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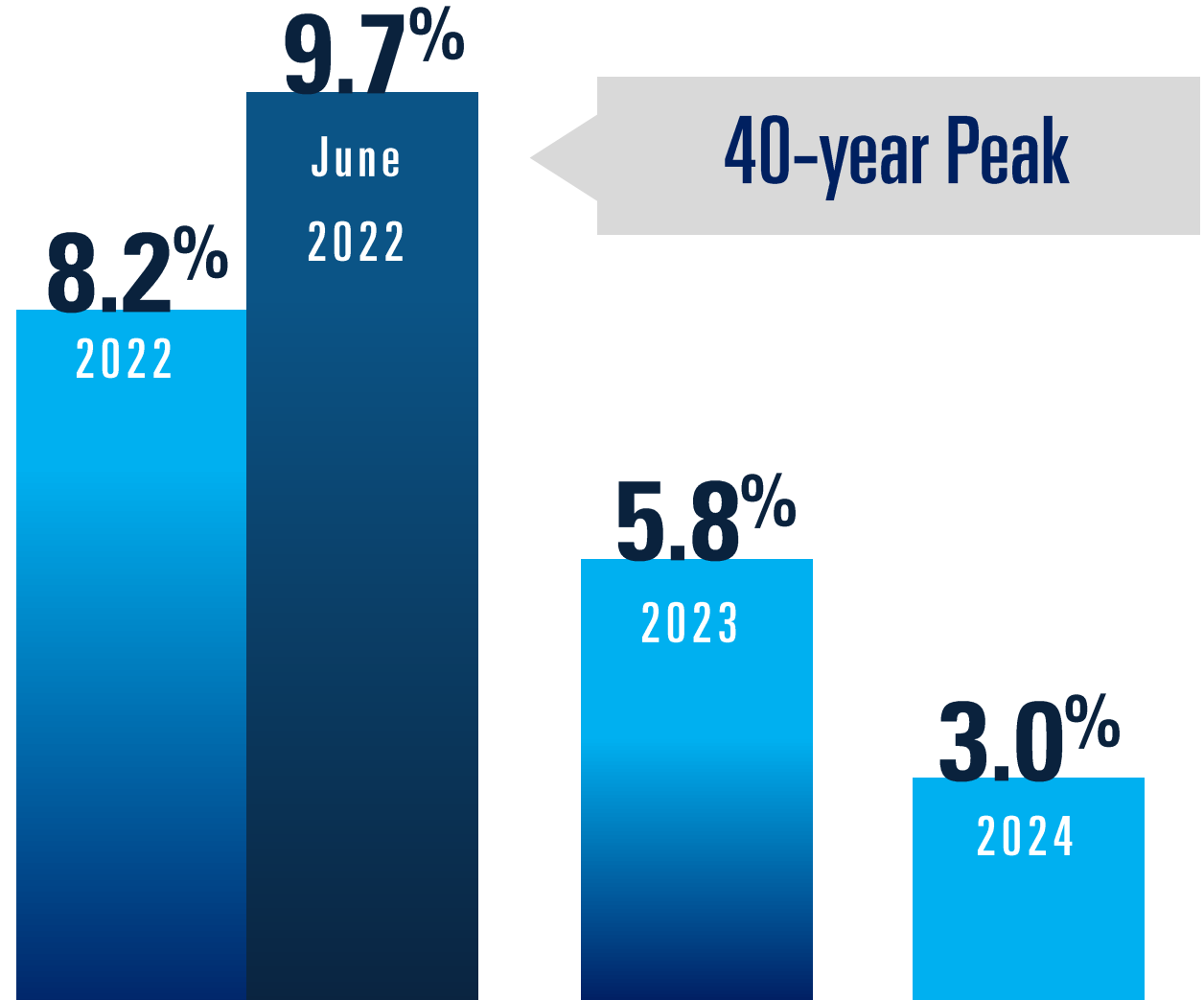
THINGS ARE CHANGING QUICKLY: MICHIGAN IS
DISPROPORTIONATELY AT RISK

Inflation Cooling,
But Not to Fed's 2%
Target; Higher Prices
Driving Consumers'
Lingering Concerns

Source: U.S. Bureau of Labor Statistics

INFLATION RATES

Detroit MSA, Annual 12-Month
Percentage Change



INFLATION

Everyday Items are Noticeably More Expensive, and Consumers Are Literally Paying the Price

Source: U.S. Bureau of Labor Statistics

INFLATION

Transaction Price of New Vehicle
2019-2024

\$37,310
2019



\$47,465
2024

That's a **27% INCREASE**

Grocery Store
U.S. Average Prices

ITEM	DEC. 2019	DEC. 2024	% INCREASE
COFFEE	\$2.78	\$4.66	67%
BREAD	\$1.70	\$2.39	40%
EGGS	\$1.54	\$4.15	170%
YOGURT	\$1.15	\$1.55	35%
CHICKEN BREAST (2 LBS)	\$6.22	\$8.20	32%
GROUND BEEF (1 LB)	\$3.86	\$5.61	45%
RICE	\$0.71	\$1.03	45%
ICEBERG LETTUCE	\$1.89	\$2.48	32%
POTATOES (5 LBS)	\$3.90	\$4.75	22%
MILK (GALLON)	\$3.19	\$4.10	29%
BUTTER	\$3.62	\$4.73	30%
TOMATOES	\$1.95	\$2.07	6%
12-PACK SOFT DRINK	\$4.20	\$6.48	54%
BEER (6 PACK)	\$8.52	\$10.86	27%
BANANAS (2 LBS)	\$1.14	\$1.24	9%
TOTAL	\$46.38	\$64.29	

THAT'S \$17.91 MORE OR A 39% INCREASE.

Regional Household Income Gains Eroded by Inflation, Down \$3,000 from 2019

Wage Growth by Income Bracket
United States, 2019-2024

15%

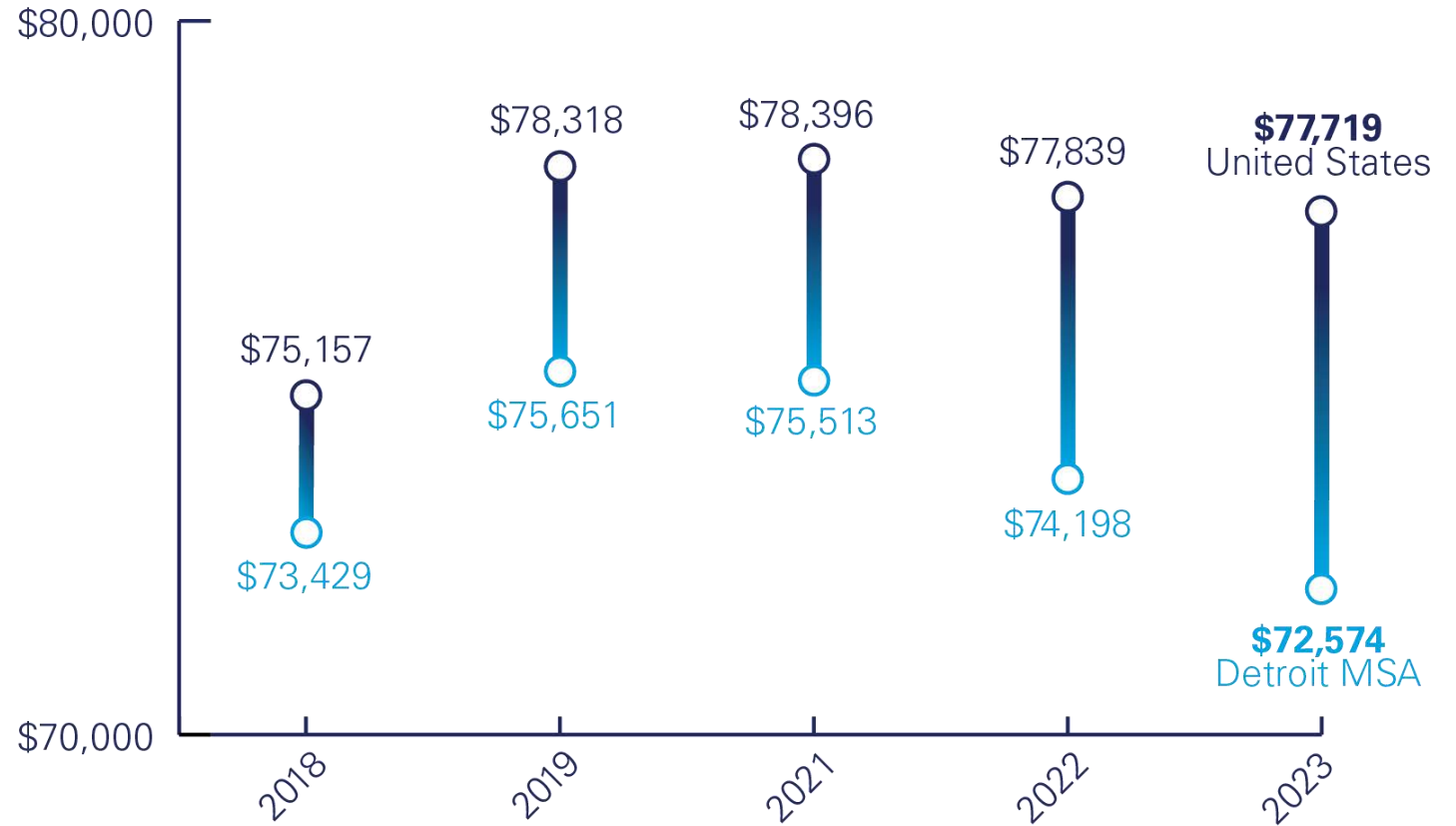
Bottom 10th Percentile

6%

50th Percentile

HOUSEHOLD INCOMES

Median Household Income In 2023
Inflation-adjusted Dollars



Source: U.S. Census Bureau American Community Survey

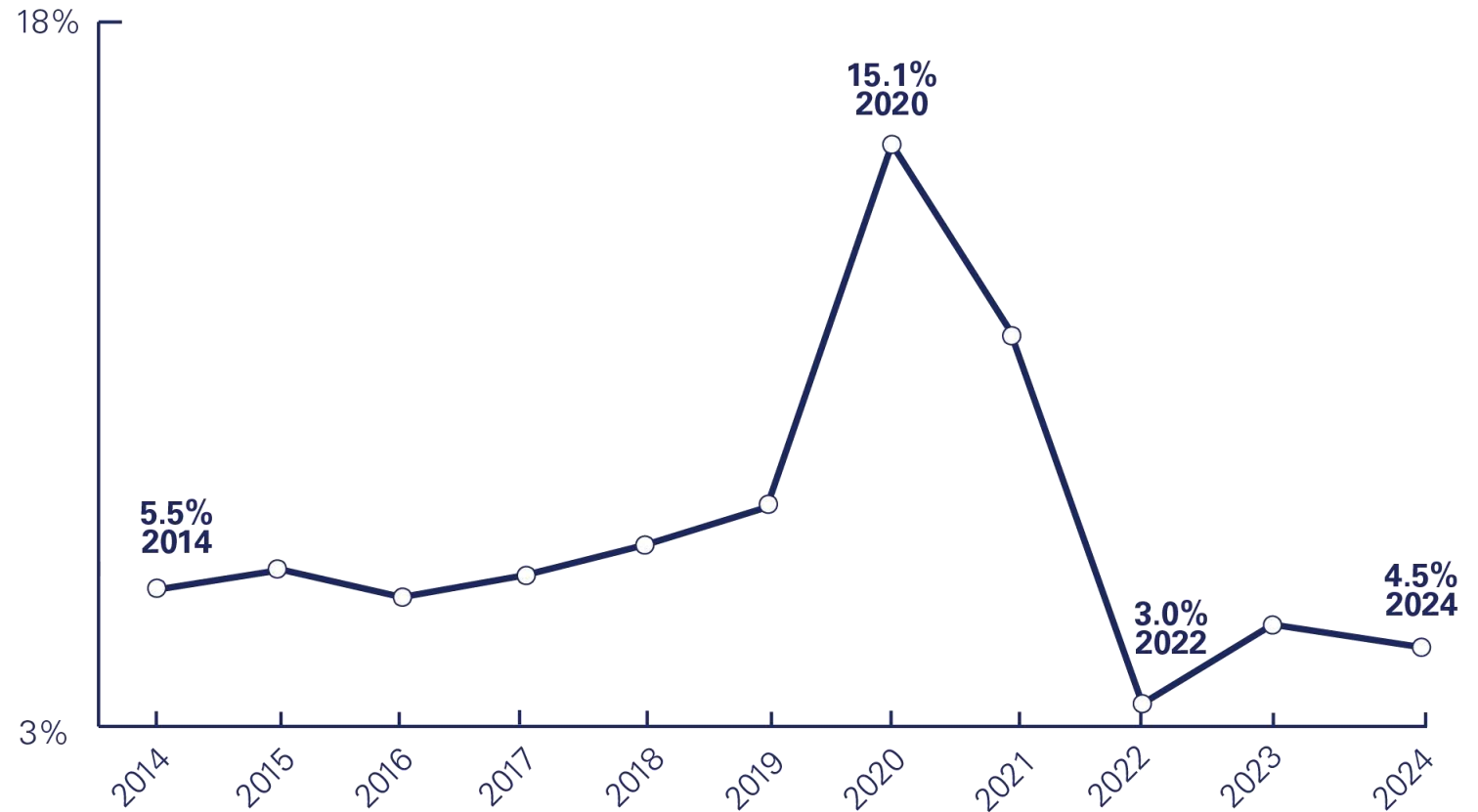
INFLATION

Consumers' Financial
Situation is Worsening,
and **Personal Savings
Rates Today are Lower
Than Before the
COVID-19 Pandemic**

PERSONAL SAVING RATE

Personal Saving Rate, United States
Seasonally Adjusted Rate

INFLATION





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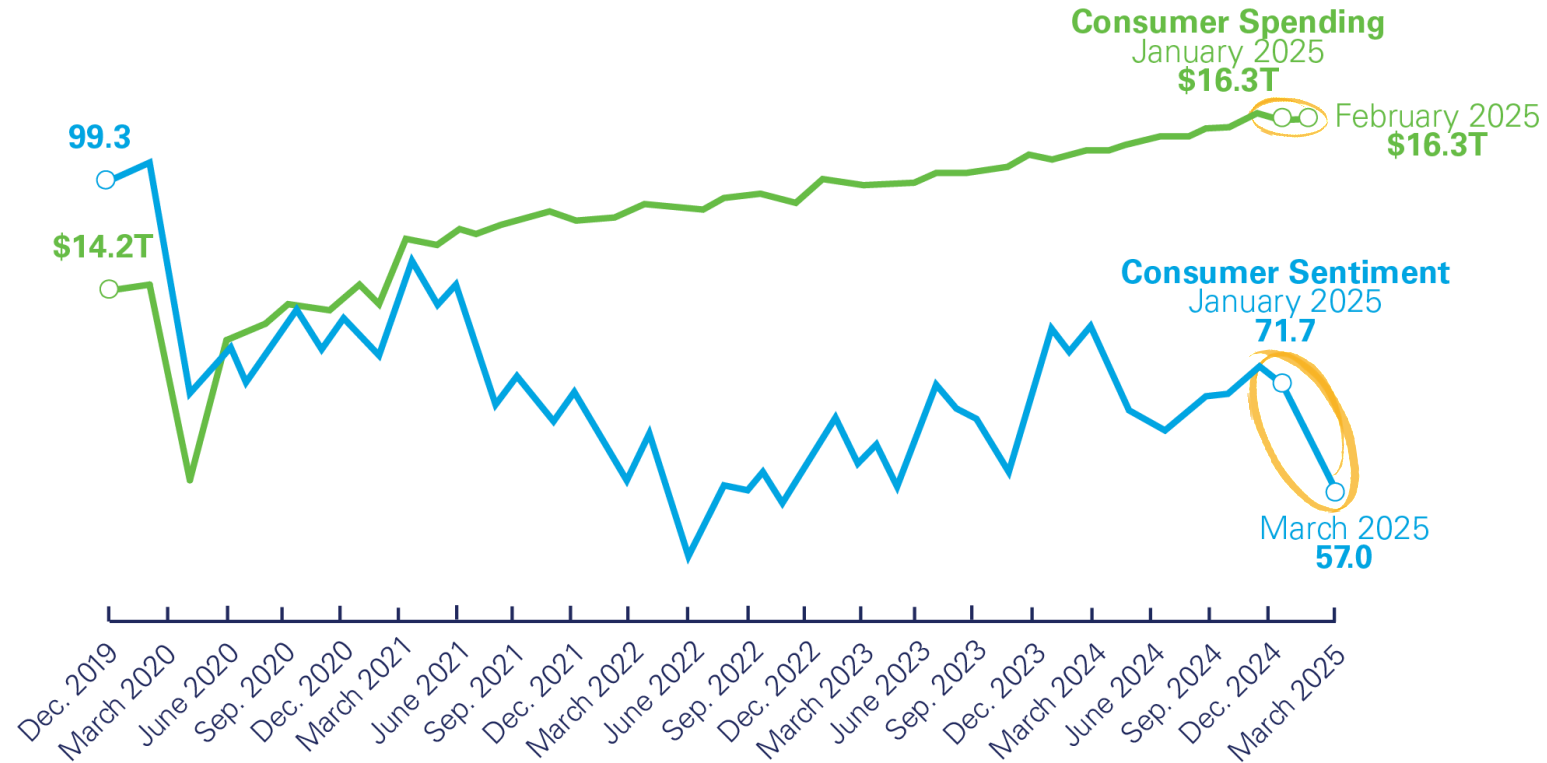
THINGS ARE CHANGING QUICKLY: MICHIGAN IS
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**Consumer Sentiment
Down Steeply;
Spending Down Most
Since 2021**

Source: University of Michigan,
U.S. Bureau of Economic Analysis

CONSUMER SPENDING AND SENTIMENT

CHANGING QUICKLY,
MICHIGAN AT RISK



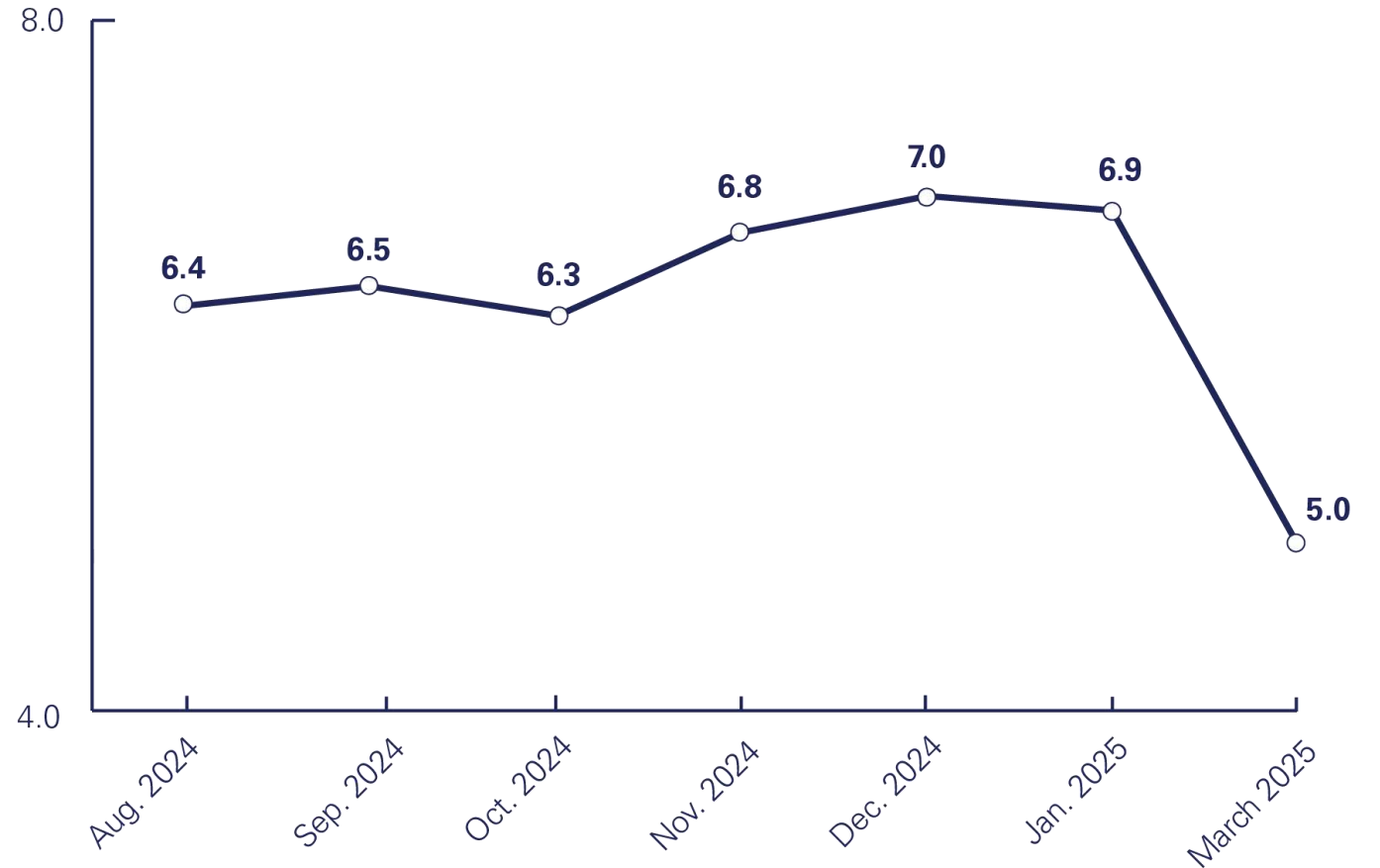
U.S. CEO Outlook Has Fallen Sharply, Lowest Level Since 2012

Source: Chief Executive CEO Confidence Index

CEO CONFIDENCE

United States

CHANGING QUICKLY,
MICHIGAN AT RISK



Michigan's Disproportionate Risk

Automotive Manufacturing = Higher Exposure to Tariff Effects

- ▶ Parts cross border 7-8 times
- ▶ Potential to increase vehicle prices up to \$12K
- ▶ Entry level and affordable vehicles most at risk

Michigan's Agriculture Industry

- ▶ \$2.9B exported from Michigan in 2024
- ▶ Top export market of agriculture-related products is Canada at \$1.25B

Michigan's Energy Industry Depends on Trade

- ▶ \$4.5B in oil and gas imports from Canada in 2024
- ▶ Majority of Michigan's propane supply comes from Canada

Proximity

- ▶ Detroit is the busiest northern border, as the top truck and rail ports with Canada

Jobs in the Detroit Region Depend on Trade

Source: International Trade Administration,
Consulate General of Canada

TOP EXPORT PARTNERS

Detroit MSA, 2023

CHANGING QUICKLY,
MICHIGAN AT RISK



\$18B

Canada



\$16B

Mexico



\$1.3B

China

 Jobs Depend on Trade
Relationships with Canada

234,000+

Jobs in the Detroit Region depend on trade and investment with Canada

Michigan Voters Understand and Value Economic and Social Relationship With Canadian Neighbors

Source: Detroit Regional Chamber Michigan Voter Poll,
February 2025

CHANGING QUICKLY,
MICHIGAN AT RISK



MICHIGAN VOTER POLL

51%

of Michigan voters believe a 25% tariff on Canadian **goods** will hurt Michigan's economy.

68%

of voters said **Canada is an economic** friend of Michigan.



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