BEHIND THE NUMBERS

Understanding Michigan’s Population Loss
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Acknowledgements

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New Census Numbers Show Growing U.S. Population

In the third week of March 2011, the U.S. Census Bureau released the long-awaited community-level population census for the United States. This followed the release of state- and national-level population numbers earlier in the year. In many ways, the results were not a surprise. The nation continues to grow. The United States grew by 27.3 million people, or 9.7% between 2000 and 2010.

All States Gained Population, Except Michigan

Michigan was the only state that experienced population loss between 2000 and 2010. It also experienced a recession for a longer period than any other state. Furthermore, it had the highest unemployment rate nationally for the longest period of time. Michigan shed the most jobs and experienced one of the highest rates of home foreclosure in the nation. Therefore, if any one state were to lose population, one would expect it to be the state of Michigan.

Declines in municipal population are not rare. Drastic declines in municipal population can be attributed to major economic, social and environmental/natural disasters, such as the collapse of the steel industry (Pittsburgh), the urban riots of the 1960s (Detroit) and hurricane Katrina (New Orleans). However, rarely do states lose population as a whole, especially over the course of an entire decade. Indeed, with few exceptions, the usual trend in the U.S., since the 1950s, has been for states to grow alongside the nation. Even in the case of Michigan, population grew by 152,110 people between 2000 and 2005, but declined by 206,914 between 2005 and 2010, with a net population loss for the decade of 54,804 people. The 2005 to 2010 loss coincided with the height of a prolonged recession in Michigan, a major national recession and an economic downturn globally.

For 2010, the U.S. Census Bureau found that the U.S. had a resident population of 308,745,538, a 9.7% increase over 2000. Texas, California and Florida gained the most people from 2000-2010. Their combined population gain totaled approximately 10.5 million people, or 38% of the U.S. growth, over the decade.

Explanations for Michigan’s Population Decline

While seemingly obvious, it is important to understand why Michigan stood out as the only state to lose population. The explanations can be found in various studies that have tried to explain population dynamics. More recently, however, studies utilizing endogenous growth models have begun to offer explanations that are non-traditional. Arguing that since the economy is no longer production- or manufacturing-driven, and a new knowledge-based economy has emerged, a new framework is needed to explain economic and population growth or decline.
At the state level, death rates are fairly predictable, but birth rates are more variable—often fluctuating with economic conditions. We have no reason to believe that anything substantial changed in the ratio of births to deaths in the nation or Michigan between 2000 and 2010 to warrant a birth/death-based explanation for our population losses.

Migration, on the other hand, is influenced by economic, social and environmental/natural factors. Migration is clearly a culprit in explaining Michigan’s population loss. A key development in the role of migration should be noted in explaining population loss in Michigan; we have transitioned from the Old to the New Economy, where population growth has become more contestable. As the economy becomes more knowledge-driven, and as more and more talented and creative workers concentrate in high quality-of-life locations, those places experience population growth, while others decline.

We assert that the pattern of population decline in Michigan should not be explained solely on the basis of the state’s job loss. We further emphasize that various population growth drivers, which are increasingly important in the New Economy, have changed national and local patterns of migration. We further assert that these factors must be considered in explaining Michigan’s population losses. Finally, we contend that many of these growth drivers or factors can be influenced to stem Michigan’s population decline.

Purpose of the Report

In this report, we:

• Examine the recently released census figures for the nation and offer explanations as to why Michigan’s and the nation’s patterns of population gains and losses may have occurred the way they did,

• Draw upon past Land Policy Institute research and the work of others to explain population changes in the nation, states and municipalities,

• Explore the consequences and implications of population loss based on past studies, and

• Offer insights from previous and forthcoming LPI studies that can help guide attraction and retention strategies for local officials and economic developers in Michigan communities.

Shortly after Thomas Friedman released his book, “The World is Flat,” Richard Florida responded by saying that “The World is Spiky.” Population change from 2000-2010 shows just that—some places grew very rapidly, while others remained the same or declined.
National State Population Change

2000 - 2010
Behind the Numbers
Understanding Michigan’s Population Loss

The table to the left shows that high-flying states, such as Texas, California and Florida, each added more than 2.8 million people during the last decade. Other states that gained more than 1 million people include Georgia, North Carolina and Arizona. The states of Nevada, Arizona and Utah had the greatest percentage change in population at 35%, 25% and 24%, respectively. On the other hand, Rhode Island’s population grew by only 0.4% and Vermont, the District of Columbia and North Dakota posted relatively small population gains. The slowest growing states, measured by percent change, were Michigan (-0.6%), Rhode Island (0.4%), Louisiana (1.4%), Ohio (1.6%) and New York (2.1%).

There was not a single Rustbelt nor Northeast state among the top 10 population gainers. Indeed, the South and the West were the fastest growing regions during the decade. It is apparent that warmer places gained more population than cooler places. Land Policy Institute studies, however, suggest that warm climate is only partially a factor, and that other factors help to explain population shifts. Among the factors that have been shown to explain population growth are the concentration of talent, amenities and quality-of-life features, housing market, economic opportunity, taxing and spending efficiency, economic legacy issues and various other factors. In other words, Michigan probably did not lose the population it did because it has a cooler climate than those states that gained the most people.

Michigan had other problems, which led to population decline. After all, several counties in Michigan gained population in spite of the state’s economic challenges. Similarly, counties in states, such as Wisconsin and Minnesota, and in the Northwest and the Northeast regions also gained population. Even though counties in the northern part of the U.S. can not boast the warmest climate, other amenities, such as parks, forests, lakes, trails and rivers are significant people, job and income attractors.

General Observations
Between 2000 and 2010, the national population increased by 9.7%. We consider this as the benchmark for all states and all places. So, the 0.6% decline in Michigan’s population from 2000 to 2010 can be seen as approximately a 10% decline relative to the nation, which is significant within the context of the nation’s gain of 27.3 million people.
National County Population Change
2000 - 2010
As shown in the map above, some of the fastest growing counties are found in Texas, California and Arizona.

The counties that lost the most population were typically located in industrial states in the Rustbelt and the Northeast, except for two counties in Louisiana, which faced an unprecedented natural disaster.

The map above illustrates county population losses and highlights certain trends across the country. For example, each and every state had at least one county that lost population during the 2000-2010 period. However, at the same time, several counties rapidly picked up people—either from inter- or intra-state county-based population changes.

The clustering of green on the map indicates that rapid population growth occurred in the West, the Southwest, the South and the Southeast counties. Furthermore, several counties on the East Coast near Washington D.C. and New York gained thousands to hundreds of thousands of people. Sizable population gains have also occurred near major metros and declining counties, such as around Chicago, Detroit, Cleveland and Buffalo.

The counties that gained the most people during the decade are split among four states: Arizona, Texas, California and Nevada. Combined, four counties in Texas and four in California accounted for an increase of more than 3.2 million people.

No county in the U.S. lost more people than Michigan’s Wayne County. Its loss of 240,578 people is record setting. As will be discussed later in this report, the economic losses as a result of population loss must have been staggering. Other notable counties that suffered high population loss included Cook County, Illinois; Orleans Parish, Louisiana; and Cuyahoga County, Ohio—each of which lost more than 100,000 people. Notice that all of the counties that lost over 100,000 people were in Great Lakes states with the exception of Orleans Parish in Louisiana.

From 2000-2010, in Arizona Pinal County’s population more than doubled. In 2010, the County had 375,700 people, up from 179,727 in 2000. It is important to note that West and Southwest counties are larger in area. Regardless, the percent change values indicate rapid growth.
Michigan Population Change
2000 - 2010
Within Michigan, 86 cities gained population, while 186 lost from 2000 to 2010. In contrast, 685 townships (including villages) gained population, while 589 experienced a loss. Population loss was predominantly concentrated in major cities and inner-ring suburbs, while the largest gains were in cities and townships in close proximity to the same major cities. There were very few anomalies, such as Marquette, an Upper Peninsula city, which gained 1,694 people, or East Lansing, which gained 2,054.

Detroit lost more people than any other city in the U.S. Of the 240,578 people lost from Wayne county, 237,493 were lost from Detroit. This is an average of approximately 24,000 people per year. With few exceptions, Michigan’s other major cities also lost a high number of people compared to other places in the state.

Generally speaking, rural places in the northeastern part of the state, the U.P. and the Thumb, lost more people compared to other areas in the state, which has been occurring for several decades. In one county—Alcona—every single municipality lost anywhere between two and 142 people.

The majority of places that gained the most people are located in Southeast Michigan, near Detroit; in West Michigan, near Grand Rapids and Holland; and in the northern part of the Lower Peninsula, around the Grand Traverse Bay region. The fastest growing place in Michigan, measured by percent change (and with a population of more than 2,000 in 2010), was Fife Lake Township, near Traverse City, which grew by 84%. Union Charter Township (Isabella County), St. Louis (Gratiot County), Coldwater Township (Branch County) and New Baltimore (Macomb County) each increased in population by more than 60% from 2000 to 2010.

### Top 10

<table>
<thead>
<tr>
<th>Place, County</th>
<th>2000 Population</th>
<th>2010 Population</th>
<th>Population Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macomb Twp., Macomb</td>
<td>50,478</td>
<td>79,580</td>
<td>29,102</td>
<td>57.7%</td>
</tr>
<tr>
<td>Canton Twp., Wayne</td>
<td>76,366</td>
<td>90,173</td>
<td>13,807</td>
<td>18.1%</td>
</tr>
<tr>
<td>Shelby charter Twp., Macomb</td>
<td>65,159</td>
<td>73,804</td>
<td>8,645</td>
<td>13.3%</td>
</tr>
<tr>
<td>Novi, Oakland</td>
<td>47,386</td>
<td>55,224</td>
<td>7,838</td>
<td>16.5%</td>
</tr>
<tr>
<td>Grand Blanc Twp., Genesee</td>
<td>29,827</td>
<td>37,508</td>
<td>7,681</td>
<td>25.8%</td>
</tr>
<tr>
<td>Allendale Twp., Ottawa</td>
<td>13,042</td>
<td>20,708</td>
<td>7,666</td>
<td>58.8%</td>
</tr>
<tr>
<td>Brownstown Twp., Wayne</td>
<td>22,989</td>
<td>30,627</td>
<td>7,638</td>
<td>33.2%</td>
</tr>
<tr>
<td>Northville Twp., Wayne</td>
<td>21,036</td>
<td>28,497</td>
<td>7,461</td>
<td>35.5%</td>
</tr>
<tr>
<td>Holland Twp., Ottawa</td>
<td>28,911</td>
<td>35,636</td>
<td>6,725</td>
<td>23.3%</td>
</tr>
<tr>
<td>Washington Twp., Macomb</td>
<td>19,080</td>
<td>25,139</td>
<td>6,059</td>
<td>31.8%</td>
</tr>
<tr>
<td>Warren, Macomb</td>
<td>138,247</td>
<td>134,056</td>
<td>-4,191</td>
<td>-3.0%</td>
</tr>
</tbody>
</table>

### Bottom 10

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<thead>
<tr>
<th>Place, County</th>
<th>2000 Population</th>
<th>2010 Population</th>
<th>Population Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inkster, Wayne</td>
<td>30,115</td>
<td>25,369</td>
<td>-4,746</td>
<td>-15.8%</td>
</tr>
<tr>
<td>Lansing, Ingham</td>
<td>119,128</td>
<td>114,297</td>
<td>-4,831</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Highland Park, Wayne</td>
<td>16,746</td>
<td>11,776</td>
<td>-4,970</td>
<td>-29.7%</td>
</tr>
<tr>
<td>Southfield, Oakland</td>
<td>78,296</td>
<td>71,739</td>
<td>-6,557</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Pontiac, Oakland</td>
<td>66,337</td>
<td>59,515</td>
<td>-6,822</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Grand Rapids, Kent</td>
<td>197,800</td>
<td>188,040</td>
<td>-9,760</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Saginaw, Saginaw</td>
<td>61,799</td>
<td>51,508</td>
<td>-10,291</td>
<td>-16.7%</td>
</tr>
<tr>
<td>Flint, Genesee</td>
<td>124,943</td>
<td>102,434</td>
<td>-22,509</td>
<td>-18.0%</td>
</tr>
</tbody>
</table>

**Detroit lost more people in 10 years than the population of Michigan’s second-largest city—Grand Rapids.**
Michigan’s decade-long population decline is significant. From 2000 to 2010, the state lost 54,804 people. Yet more interesting—and disheartening—is Michigan’s population loss from 2005 to 2010. Based on U.S. Census estimates, from 2000 to 2005, Michigan actually gained 152,110 people. But from 2005 to 2010, the state lost 206,914 people, which negated its population gain during the first half of the decade, and then contributed to its overall population loss.

A loss of nearly 207,000 people in the past five years is much more striking than a loss of roughly 55,000 people over 10 years. This precipitous decline was mostly the result of severe population losses in Michigan’s largest cities. The combined population loss of Detroit, Grand Rapids, Warren, Lansing, Flint, Kalamazoo, Pontiac and Saginaw was 298,780 people.

The largest cities to gain population (based on 2010 population) were Sterling Heights (5,228), Dearborn (378), Troy (21), Wyoming (2,757) and Rochester Hills (2,757). None of these cities are major city centers. In other words, they are municipalities located near major metros—Detroit and Grand Rapids in this case.

The graph on page 8 depicts the disparity between Michigan cities and townships and tells the story simply: the state’s townships are gaining population at the expense of its cities. Given that key infrastructure and services are supported by the local tax base and its population, dramatic population declines make providing these services increasingly difficult for places that lost high numbers of people. The mere fact that Detroit dropped below 750,000 people could have drastic effects on its qualification for benefits defined in state statutes and its eligibility for state aid dollars. Some 20 laws that uniquely apply to Detroit, due to its status of having more than 750,000 people, may be affected.

Several questions and issues arise when examining Michigan’s municipal population change. Most of the state’s population growth occurred around its major cities. Cities and townships around Detroit, Grand Rapids, Lansing, Kalamazoo, Flint, Pontiac and Saginaw grew, while their central cities declined. However, upon closer examination of a few of those cities, even some inner-ring cities and townships lost population. This is most evident around Detroit, Flint and Saginaw.

In the more rural parts of the state, minor population losses and gains were common. Based on the map on page 8, most rural jurisdictions either gained between one and 500 people, or lost between one and 999 people. A few places in northern Michigan, and other rural places that gained more people relative to their neighbors, were Houghton, Marquette, Bear Creek Township and the townships around Traverse City.

| Average Michigan city population in 2010: 15,029 |
| The average population of cities losing people: 15,231 |
| The average population of cities gaining people: 14,594 |
| Average Michigan township population in 2010: 4,098 |
| The average population of townships losing people: 2,680 |
| The average population of townships gaining people: 5,424 |
Behind the Numbers
Understanding Michigan’s Population Loss

**Population Numbers Determine Key Federal and State Allocations**

The loss in population and the uncertainties about regaining, retaining and attracting population raise some fundamental questions about the appropriateness of previous state and local stands on economic development, particularly population attraction. Historically, population growth was seen as a phenomenon that was almost guaranteed to occur, not as a target that can be influenced through strategic policy. Recent advances in endogenous growth models suggest the latter.

The most important question that arises is “can and should places do anything about population losses?” The outdated view—that population is exogenous—translated into the attitude that places can not affect their population trends except through the attraction of companies and jobs. The endogenous growth theory approach suggests that “there are things that can be done to attract population.” We take the latter position, and suggest that Michigan’s situation is at a point where policy makers need to seriously consider population attraction strategies as part of their economic development portfolio.

**What these Population Losses Mean**

Before addressing what can be done, we first explore what these losses mean:

- Population numbers represent the primary data used in political redistricting. For example, Michigan is slated to lose one congressional seat, thereby diminishing its relative political clout nationally.
- Population numbers are used to make decisions about the distribution of some state and federal dollars, such as social services, transportation and education allocations to local units of government.
- Population numbers and associated characteristics reflect consumer demand, and can be used to convince industries and companies about a range of business opportunities.
- Population numbers determine the tax base and revenue collection potential of state and local governments.
- Whether a state is growing or shrinking reflects its economic competitiveness.
- Population losses and other demographic indicators paint a picture of challenges that may lie ahead in revitalizing state economies plagued by decline.

These are important issues for states and regions.

Population loss also translates into a reduction of economic activity. Another LPI study concluded that population loss could have devastating economic impacts. Two studies—one focusing on Michigan counties and the other on Ohio counties—estimated the total economic impacts that resulted from county-wide population loss. In other words, when people move, what do they take with them? They take their tax payments, their spending within the local economy, the jobs associated with such spending and other indirect economic activities.

The following is excerpted from the Michigan study to show the economic impact of population loss. For example, Wayne County’s loss of 74,254 people from 2005 to 2008 resulted in losses of:

- $359.5M in labor income,
- $207.2M in property-type income,
- 8,852 jobs and
- More than $1.1B in value of output.

These are results for just one county. Considering all of the counties that lost population in Michigan, the statewide economic impacts, just from population loss, are staggering.
Land Policy Institute studies that explain population losses also suggest that places can do more to manage their population losses. These studies suggest that population grows in response to assets, and that the reconfiguration of them can change the pattern of population growth. The underlying premises are that people are sensitive to amenities, people pursue a higher quality of life, knowledge workers are particularly attracted to knowledge- and talent-rich communities that also offer great quality of life, and that employers are becoming more considerate of such places as ideal destinations to locate a business.

One of the LPI studies, *Chasing the Past or Investing in Our Future*, reports that a place can grow its population by:

- Diversifying its economy and job base,
- Attracting 25- to 34-year-olds (this age-group represents a potent demographic with respect to talent),
- Attracting knowledge immigrants,
- Implementing policies to stabilize property values and avoiding foreclosures and abandonment,
- Enhancing the education level of residents,
- Enhancing the positive impacts of universities and colleges,
- Targeting emerging economic sectors,
- Expanding arts, entertainment and cultural opportunities,
- Improving public transportation infrastructure,
- Expanding recreational and outdoor opportunities, and
- Maintaining green infrastructure.

While the *Chasing the Past* study was based on 1990-2000 data, we expect that several of these factors are relevant in explaining 2000-2010 population change. Regional growth models have consistently demonstrated strong links between these factors and population, employment and income growth (see, for example, Carlino & Mills, 1987; Clark & Hunter, 1992; Deller et al., 2001; Gottlieb, 1994; McGranahan, 1999; Vias, 1999).

We argue that the good performance, or lack thereof, in population growth among Michigan communities can partly be explained by the factors indicated to the left. That is, several places in the state did not do enough to leverage their New Economy Assets. Our forthcoming report on population dynamics further highlights the importance of those factors found to be relevant in the *Chasing the Past* study to be equally significant. However, the report *Age Group Population Movement and Impact on Economic Development* explores not only what drives population change for different age groups, but how these population changes affect job creation and income growth. It also analyzes population change among metro and non-metro counties.

The soon to be published results suggest that:

- Young professionals (age 25 to 34) are the most spatially mobile, not only in metro counties, but also in non-metro counties,
- Twenty-five- to 34-year-olds respond to amenity differentials and are more willing to relocate based on the quality of place,
- Economically active agents tend not to place a great weight on cost of living differences between places,
- Strong housing markets attract middle-age (35- to 54-year-olds) workers,
- Home affordability attracts the middle-age cohort,
- Twenty-five- to 34-year-olds are attracted to knowledge infrastructure in urban settings,
- The ratio of services to taxes (not just the level of taxes) is important for attracting population in metro and non-metro counties,
- Amenities and quality of life generally matter in both metro and non-metro settings—but metro residents are more attracted to the presence of those amenities, and
- Different age-groups each have varying potential to positively affect the economies of places once attracted to them.
Conclusion

In the information age, where the drivers of economic success and prosperity are different from in the past, understanding the types of places to which people are attracted and wish to move is important. Indeed, places are more than just locations offering jobs and housing. People of all ages and backgrounds seek a better quality of life through amenities and opportunities. The amenities they seek include natural or green features, such as beaches, rivers and trails. They include built features, such as transit infrastructure, parks, mixed-use housing and entertainment venues. And perhaps most importantly, they include cultural and place-based features that are difficult to quantify or measure, but are known to exist simply by the sense of place they connote. Population growth can no longer be considered incidental, but must be viewed as an important part of economic development strategies that are necessary to position places for the future.

Population growth can also be better explained on the basis of assets and strategies that are leveraged within communities to retain and attract population. The fact that Ann Arbor and Lansing lost population at a slower rate than other Michigan cities, that East Lansing and Traverse City gained population, and that these regions as a whole gained population can be explained by New Economy growth drivers. As indicated above, knowledge matters, amenities matter, educational institutions matter, economic diversification matters, educational attainment matters and diversity matters in shaping the population patterns of places.

While Michigan’s population loss is confounding, it remains that the state faces a serious problem that will need to be addressed at several different levels. Michigan can seek to better compete with its green infrastructure. Michigan can more aptly leverage its downtowns, cities and villages, which offer urban amenities and cultural charm. It possesses great water resources and other natural assets that can be better leveraged.

However, leveraging green infrastructure alone can not remedy Michigan’s population loss. Research and trends are showing that people are seeking more walkable communities, more bike-friendly streets, and more things to do in their cities and neighborhoods. The fact that Michigan’s cities are losing population—some at rapid rates—ought to sound an alarm, and prompt ideas and solutions to address the factors that are causing people to move from its core cities and the state as a whole. Michigan, with its long-lasting recession, can ill-afford to fall further behind other states.

But there is reason for hope. Various state and regional leaders of government, institutes and organizations have come to realize the importance of regional planning, building on assets, embracing placemaking and finding ways to retain and attract people.

The Land Policy Institute is presently engaged in an exciting study to fully understand the value that place-attributes—those things that make a place special—contribute to property values. Indeed, a nice and desirable place that will increase in overall value, and will contribute positive benefits to the community, will be a place that people want to live. Michigan needs more places like this, and its widespread population loss proves it.

In conclusion, we recognize that the lack of employment opportunities also contributes to population loss. We also recognize, however, that those job losses do not define Michigan’s future. Hundreds or even thousands of college graduates leave Michigan each year for such places as Chicago, New York, San Francisco and Denver, in search of dream jobs and nice places. However, others can replace them if the state generally employs strategies that leverage the state’s assets to attract economically active people. The next decade could easily become a time of population growth. The trick is to recognize that population matters and, therefore, population attraction strategies may be warranted to reverse population loss in the state.
Sources:


Further Reading:

