



Michigan's Economic Strategy Must Include Immigration

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Immigration has become an increasingly polarizing issue in Michigan and around the nation, with harmful federal policies and directives creating inhumane conditions, spreading misinformation, and breaking up families.

It is crucial that we push back against these tactics and put the focus back on policies that strengthen communities and drive sustainable growth in our state. This report explores how immigration supports the state's most urgent economic goals – from reversing demographic decline to filling workforce gaps and powering innovation.



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Background

Since the early 2000s, Michigan governors, Republican and Democratic alike, have recognized immigration's important role in revitalizing the state's economy. Former Republican governor Rick Snyder exemplified this sentiment in 2011, saying: "Immigration made us a great state and country. We need to embrace the concept again as a way to speed our reinvention."¹ Snyder's administration built immigration into state economic development planning and created institutional scaffolding to support revitalization by calling for national immigration reform, lobbying for 50,000 skilled worker visas and creating the Michigan Office of New Americans.²

Since then, economic trends have spotlighted the growing importance of immigrant community members to Michigan's economic development goals. Today, despite federal threats, the state's economic development plans recognize international immigrants as crucial drivers of growth, innovation and economic revitalization.



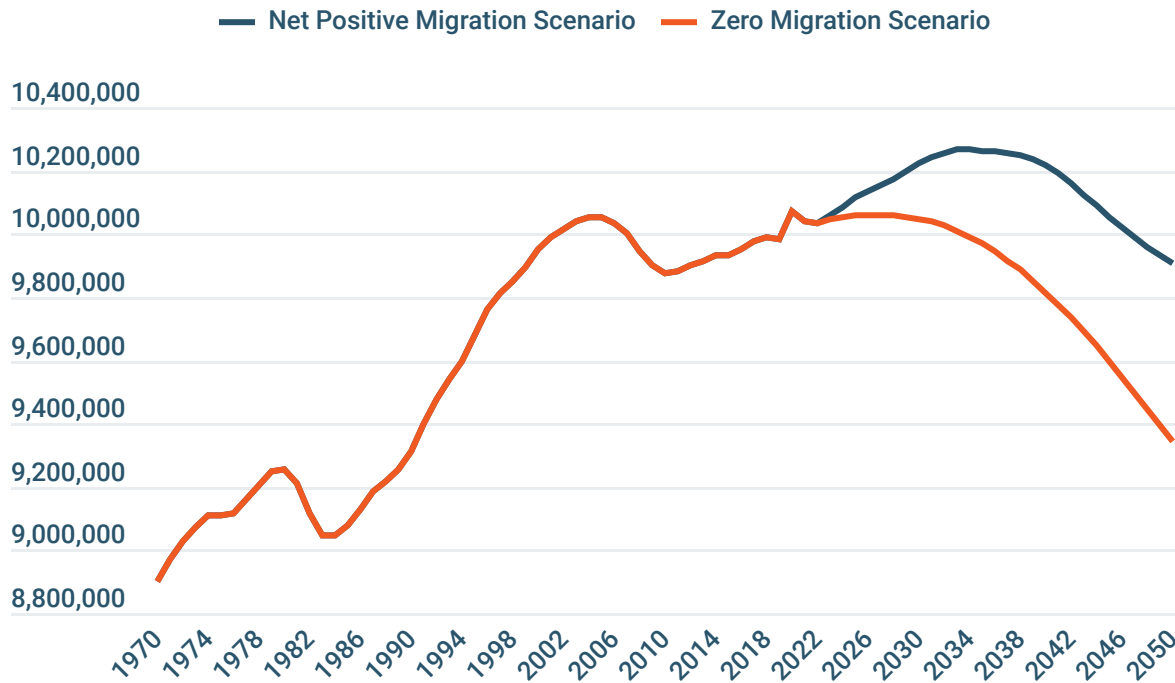
Immigration made us a great state and country. We need to embrace the concept again as a way to speed our reinvention."
Governor Rick Snyder, 2011

Michigan's long-term economic health is threatened by one of the steepest population declines in the country – a trend that immigration can and has helped to reverse. For decades, the decline of the auto industry fueled out-migration from Michigan, leading to a loss of young workers, tax revenue and even congressional representation – Michigan has gone from 19 congressional seats to just 13 since 1970.³

According to the Growing Michigan Together Council, Michigan ranks second-to-last nationally in the percentage of residents who moved here from other states. This, in conjunction with falling fertility rates, also places Michigan second-to-last nationally in population growth for the past 30 years.⁴

Even with positive migration, Michigan is projected to continue experiencing slow growth, with population decline beginning in the 2030s

Michigan Total Population, Historical and Projected



Source: Michigan Center for Data and Analytics, 2024

The Michigan Statewide Population Projections through 2050 report warns that this trend will worsen.⁵ The aging of Michigan's baby boom generation will trigger a sustained period where fatalities exceed new births, deepening through mid-century. Given decades of outbound migration, the state's population stability now hinges on attracting significantly more newcomers.

Economic Development Strategy Centers on Immigration

State economic development planning has sought to accelerate its economic recovery from industrial decline, setting several goals for which immigrants are crucial to success. For example, Michigan aspires to become a top-10 population growth state by 2050.⁶ International immigration already plays a key role in cushioning population loss, accounting for 60%⁷ of the state's demographic growth over the last decade and all of its growth in 2024.⁸ The Growing Michigan Together (GMT) report – created by a bipartisan group of key Michigan stakeholders – highlights the demographic boost international immigration provides as a "bright spot" for Michigan's population trend.⁹

Of course, population growth isn't the only objective. The GMT sets three ambitious economic development goals, including becoming the Midwest's innovation hub and a top start-up state, areas where immigrants likely provide more efficient returns on investment. Consider that immigrants are 80% more likely to start businesses, creating jobs and fueling economic activity.¹⁰ They are also more innovative, accounting for 16% of inventors while generating nearly one-quarter of America's total innovative output.¹¹

Research consistently shows that immigrants play a complementary role in the economy and do not reduce native employment. The National Academy of Sciences found that immigration had very little effect on labor.¹² Consistent with those findings, previous mass deportations have not led to higher employment for natives. In fact, removing a large part of the labor force and local consumer base creates economic hardship for both native and immigrant communities.¹³ By September 2025, nearly one million immigrants in the United States lost their legal status and work authorization under Trump administration policies, affecting workers across hospitality, construction and manufacturing sectors.¹⁴

Workforce Gaps Michigan Can't Fill Alone

Innovation alone won't achieve Michigan's economic development goals. The state also needs labor – skilled, reliable and ready to fill critical shortages across sectors. The Michigan Statewide Infrastructure Workforce Plan (MSIWP) notes that the state's skilled trades sectors confront a dual challenge: aging workers heading toward retirement and insufficient replacements, which together threaten Michigan's ability to maintain essential infrastructure capabilities.¹⁵ Immigrants comprise 15%¹⁶ of Michigan's high school students and 8%¹⁷ of its early educators – playing vital roles on both sides of the talent pipeline.

Michigan's immigrants work in many critical sectors



Farming

Approximately **19,000 migrant, H-2A and seasonal farmworkers** provide labor for Michigan farming operations each season, supporting the state's \$104.7 billion agricultural economy.



Construction

Immigrants make up a significant portion of Michigan's construction workforce, which is critical as the state faces housing shortages.



Auto Manufacturing

Michigan's automotive manufacturing industry heavily relies on immigrant workers across all skill levels. **14% of auto manufacturing workers in our state are immigrants.**



Software Development

This crucial industry of the digital age depends on immigrants. **30% of Michigan's software developers are immigrants.**



Health Care

Immigrants fill essential roles in health care and eldercare as Michigan faces an aging population. Currently, **immigrants represent 28% of physicians in Michigan.**

The Michigan Statewide Workforce Plan (MSWP) identified priority sectors that are expected to grow, offering high-wage job opportunities, especially for those with advanced degrees.¹⁸ Among these are the state's tech sector, the transforming automotive industry and advanced manufacturing – all areas where immigrants are important contributors. While manufacturing has seen a decline in both wage growth and the share of employment in Michigan, falling from 7.4% in 1990 to 3.7% in 2023, it continues to be a major employer and a sector where Michigan is positioned to compete.¹⁹ Immigrants comprise a crucial demographic, accounting for 14% of auto manufacturing employees.²⁰

The MSWP emphasizes the need for talent attraction and retention campaigns, noting that some communities might need to draw experienced workers from distant locations or other states to meet urgent staffing needs.²¹ This recognition that the domestic workforce alone cannot meet infrastructure needs positions international immigration as essential for building the workforce capacity needed to tackle Michigan's infrastructure challenges, while also expanding the tax base that helps finance the \$4 billion in annual road and highway improvements the state has identified as necessary.²²

The American Society of Civil Engineers gives Michigan a C- rating, with one of the nation's worst highway systems and aging flood and water infrastructure.²³ This deteriorating infrastructure reflects broader fiscal constraints, as the state ranks 47th in the nation in terms of state spending per person – a funding shortage that discourages corporate investment and means a lower quality of life for Michiganders.²⁴

Michigan's Infrastructure Report Card

Aviation	C
Bridges	D-
Dams	C
Drinking Water	D-
Energy	D
Inland Waterways	C
Public Parks	C
Rail	C
Roads	D
Schools	C-
Solid Waste	C-
Stormwater	D
Transit	C
Wastewater	C
TOTAL GPA	C-

Source: American society of Civil Engineers, 2023

The challenge of addressing these infrastructure deficits is intensified by construction workforce pressures. Michigan construction jobs have grown 12.3% since the pandemic, while the labor force overall grew just 2.5%, creating sector-specific gaps.²⁵ Additionally, the National Center for Construction Education and Research (NCCER) found that 94% of construction firms nationally are struggling to fill at least some open positions.²⁶ NCCER estimates that 41% of construction workers will be eligible for retirement by 2030 – a looming workforce cliff that threatens Michigan's ability to rebuild its deteriorating infrastructure.²⁷ Michigan hopes to train at least 5,000 new infrastructure workers by 2030,²⁸ a goal impeded by the current federal campaign of mass deportation, when the National Association of Home Builders estimates that 30% of America's construction sector is composed of immigrants.²⁹

Health care is also a keystone sector, with an outsized role in the economy. For example, it's estimated that per year, Michigan loses nearly \$3 billion in economic activity, \$576 billion in revenue and \$2.3 billion due to a lack of child care.³⁰ Meanwhile, Michigan's burgeoning retirement-age population also puts pressure on eldercare needs. The MSWP reads, "Changing workforce patterns and population trends in Michigan have intensified the need for critical professions like health care and child care that demand specialized expertise. These expanding employment prospects emerged alongside acute labor shortages and skills gaps, creating difficulties for both employers seeking workers."³¹ Michigan's health care sector is projected to expand by 10% in the next decade, adding nearly 50,000 positions.³² The state currently needs 862 primary care physicians by 2030 to maintain its physician-to-resident ratio, already below the national average,³³ with immigrants currently accounting for 28% of the state's physicians.³⁴

During the 1960s, Western industrialized countries faced a shortage of critical professions and turned to recruiting foreign professionals and training American citizens to fill the gaps. Between 1963 and 1979, the United States accepted 60,000 foreign medical graduates.³⁵ Meanwhile, Michigan, despite its own shortage,³⁶ restricted physician and surgeon licensure to citizens from the mid-20th century until 1972.³⁷ This meant foreign nationals who were legally authorized to work, including green card holders and refugees, were specifically barred from practicing medicine solely due to their status.

Scarlett Idema, the owner of a Detroit medical clinic, spoke about the Trump administration's mass deportation initiative and said, "People are afraid. I am an immigrant myself. I am from Costa Rica originally. I've been in this country 32 years, 20 of them as a naturalized citizen. This is the first time I'm afraid to speak Spanish outside of Mexicantown because I feel somebody will question my status."³⁸

Policy Framework for Immigration-Centered Growth

The GMT report declares that population decline is a "significant threat" to the state's prosperity. Michigan's economic development planning, therefore, addresses demographic and talent challenges with several strategies.³⁹

These include streamlined processes to facilitate employer-immigrant workplace integration and business growth through reduced barriers for driver's licenses, H1-B visa support, enhanced language access, improved training and education programs, and systematic credential transfer equivalency processes. The MSWP notes that barriers to credential recognition often shut out competent professionals from industries facing severe talent gaps, such as health care.⁴⁰

Enabling foreign-educated immigrants, refugees and others to leverage their qualifications will increase labor market participation. A landmark goal of the plan is to increase skills certificates/college degrees 9% (to 60%) by 2030,⁴¹ often referred to as Sixty by 30.⁴² Currently, Michigan is in 37th place regarding those with postsecondary education or a professional credential.⁴³

However, structural barriers prevent many skilled immigrants from contributing to this goal, as foreign-trained professionals face significant obstacles, including: difficulties demonstrating the value of their work experience; the length, complexity, and costs of U.S. credential recognition processes; and access challenges in navigating the recertification process, such as language ability.⁴⁴ Additionally, since 2008 Michigan has prevented nearly 100,000 people from obtaining driver's licenses based on status by requiring additional documentation, limiting labor market participation.⁴⁵

Statewide infrastructure workforce planning prioritizes access, expansion and barrier reduction for all Michigan residents, including communities of color that typically include immigrants. To do this, the plan recommends child care, transportation, English as a second language and case management.⁴⁶ The GMT saw fit to include recommendations on "short-term immigrant retention and an immigrant-inclusive economy," which calls for reducing barriers to obtaining driver's licenses, facilitating H1-B visa utilization, increasing language access, and training and educational opportunities.⁴⁷ Michigan Works! programs specifically target science, technology, engineering and mathematics (STEM) talent development, with community navigator roles designed to support new Americans.⁴⁸

To bolster Michigan's start-up scene and innovation, the GMT lists the attraction of young talent as a core strategy — one that overlaps with inclusive policies that support immigrant integration and participation.⁴⁹ Research by the Detroit Regional Chamber and Business Leaders for Michigan demonstrates that young professionals value welcoming policies alongside well-paying employment opportunities when making moving decisions. State officials recognize that Michigan must foster a "welcoming" environment to attract residents and achieve the goal of becoming a top 10 state for population growth by 2050.⁵⁰ Michigan's economic planning also supports current immigrants and their descendants, with goals like adding 30,000 new Black and Hispanic households to the middle class and promoting immigrant entrepreneurship in rural and distressed areas.⁵¹

Michigan’s future depends on more than plans – it depends on people. Without enough working-age residents, the state’s ambitious economic goals will remain out of reach. Immigration is not a silver bullet, but it is one of the few tools with the scale and speed to make a meaningful impact. That’s why Michigan’s most forward-looking strategies – whether in workforce development, infrastructure, or innovation – explicitly center immigrant inclusion.

Fully realizing those plans will require more than welcoming rhetoric; it demands sustained investment in the policies, systems, and community conditions that allow immigrants to put down roots and thrive. The recommendations included in this report are a great start toward building the inclusive economy Michigan’s future requires. Done right, immigration isn’t just a response to decline – it’s a foundation for long-term renewal.

<p>Good public policy will support our immigrant neighbors and strengthen Michigan's businesses, communities, and families.</p>	<ul style="list-style-type: none">★ Reduce barriers for driver's licenses★ Support H1-B visa use★ Provide enhanced language access★ Improve training and education programs★ Implement credential transfer equivalency processes
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