Metro Economic Outlook: Detroit

As Detroit continues its recovery from a high-profile bankruptcy, the city’s leaders have taken note of a number of positive trends, including steady job growth and increased real estate values. Perhaps most important, fewer residents are leaving the city.

“We’ve seen a statistically significant decline for people moving out,” said Virginia Wilkinson, director of strategy and research for Detroit Economic Growth Corp., a nonprofit that promotes economic development in the city. “For a city that has shed a lot of its population, this is very positive. We continue to see what feels like a sustained transition to growth.”

The automotive industry’s rebound has generated much of the recent economic success in the region, and that growth has also attracted the attention of foreign investors. Sakthi Automotive Group, an India-based company that makes auto safety mechanisms, opened its first U.S. division in Detroit in 2013. In late 2015, Sakthi began a renovation of a vacant high school that will be used as a training facility for the company. The work is expected to be finished in 2017, and it is part of a $31 million expansion that will add about 350 new jobs locally.

Fortune 500 member Lear Corp., which makes automotive seating and electrical distribution systems, is also creating an “innovation and design center” in downtown Detroit that will include training opportunities for local college students. Lear is headquartered in Southfield, a Detroit suburb. One of the busiest companies in the Detroit metro region—a six-county area that includes the Motor

DETROIT METRO: VITAL STATS

**Total working age population:** 2,579,517 out of a total population of 4,302,043

**Number of households:** 1,674,251

**Consumer price index:** 224.271 (goods and services that cost $100 in 1982-1984 cost $224.27 in October 2016)

**Percentage of local residents with bachelor’s degrees:** 17.8

**With graduate or professional degrees:** 11.7


Unemployment rate

- **U.S.:** 4.6%
- **Detroit Metro:** 5.1%

City – has been online lender Quicken Loans, which relocated its headquarters from Detroit’s suburbs to the downtown region in 2010. That move brought 1,800 jobs to the city, and several of Quicken Loans’ sister companies have moved into Detroit since then. All told, Quicken Loans and its sister companies employ about 8,000 people in downtown Detroit.

*Fortune* 500 company Ally Financial also recently consolidated its regional operations in the city’s downtown area. Ally, an automotive financial services company, brought another 600 employees to the city in the spring of 2016, giving it a total of 1,500 workers in downtown Detroit.

Elsewhere, city officials have gotten a boost for workforce development from financial interest JPMorgan Chase. The company’s philanthropic division will spend $100 million over a five-year period in Detroit as part of its “New Skills at Work” initiative. The work will include development of a master plan to train local residents in high-demand, middle-skill occupations and place them in jobs.

Part of Detroit’s rebirth includes beautification efforts, Wilkinson said, and a leader in that realm has been the nonprofit Greening of Detroit. As of early 2016, the organization has provided job training for 350 residents, and it hopes to ultimately certify more than 5,000 workers in urban agriculture, landscape construction and other occupations.
Employee Benefits Data

Employers offering consumer-driven health plans

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<td>19%</td>
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Employers in the Detroit metro area are less likely to offer consumer-driven health plans compared with the national level, by a margin of 5 percent.

Employers offering domestic partner benefits

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They are also less likely to offer domestic partner benefits, by a margin of 12 percent below the national level.

Source: SHRM Health Care Benchmarking Database (2016)

Retirement

Employee 401(k) participation rate

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The Detroit metro area’s workforce has a slightly lower rate of 401(k) participation compared with the national average, by a margin of 5 percent.

Source: SHRM Retirement & Welfare Benefits Database (2016)
The Detroit metro area’s workforce has a slightly lower turnover rate compared with the national level, by a margin of 2 percent.

Median household income in the Detroit metro area is slightly lower than the national level, by nearly $3,000 annually.

Per capita income in the Detroit area is nearly identical to the national level.
Median salaries for top management level employees in the Detroit area are generally on par with or above national levels.

**Top Management Salaries Data**

**Median salaries, top management**

- **Top legal executive**: $332,500 ($322,100)
- **Chief information officer**: $288,500 ($280,500)
- **Top HR executive**: $270,700 ($265,000)
- **Chief financial officer**: $337,500 ($348,600)
- **Chief executive officer**: $650,000 ($814,400)


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