

Michigan's business community to leaders: Use stimulus funds to transform our state, create sustainable growth

Associations urge strategic, deliberate investments with one-time funding to make Michigan more competitive for jobs and income

LANSING, Mich. – Michigan's leading business associations representing thousands of employers have issued a call to government leaders: use federal stimulus dollars to transform our state. The \$1.9 trillion American Rescue Plan (ARP) signed by Pres. Biden allows leeway for how state government, municipalities and school districts can spend the one-time funding over the next several years. Instead of simply spending the funding quickly, the business community is asking for strategic investments that will help Michigan grow for years to come.

Business Leaders for Michigan, the Detroit Regional Chamber, the Grand Rapids Chamber, the Lansing Regional Chamber, the Michigan Manufacturers Association (MMA), and the Small Business Association of Michigan joined together to encourage leaders to work together across party and jurisdictional lines to assure these funds have lasting impact. The letter was sent to Gov. Gretchen Whitmer, legislative leadership and municipal leaders this week, outlining six key principles to guide potentially transformational investments.

The letter states, in part: "There will be many ideas for spending these one-time dollars and an inclination toward doing so quickly. Our organizations strongly urge leaders to take the time needed to assure these funds aren't simply spent, but are used effectively in transforming Michigan into a better place to live, work, and play."

Despite ten years of economic growth following the Great Recession, Michigan has struggled to recover, with household income, educational achievement and economic growth trailing most states. These one-time funds offer Michigan an opportunity to make long-range investments that spur growth for residents and businesses.

Many states and communities are already leveraging one-time funds to better compete for jobs and investments, and many more are ready to do so.

"It can be easy to find ways to spend one-time funding on short-term needs, but far harder to find investments that will transform our state in the next decade," said Jeff Donofrio, President and CEO of Business Leaders for Michigan. "Michigan's goal shouldn't just be returning to pre-pandemic status: this is an opportunity to both help our state recover from COVID-19 and advance long-term, widely shared prosperity. We know states and regions across the country are planning strategic investments that will

give them even more of a competitive edge for jobs and economic growth in the coming years – Michigan can't be left behind.”

Detroit Regional Chamber President and CEO Sandy Baruah said: “The American Rescue Plan is a once-in-a-generation opportunity for Michigan to advance our state’s economic competitiveness responsibly. It is imperative that leaders in Lansing strategically use the money to support communities, businesses, and people without new taxes or unfunded mandates that would create impediments to sustained growth.”

“COVID-19 has resulted in unprecedented challenges in our state and it's critical that we make the most of the federal stimulus dollars that Michigan has been allocated,” said Brian Calley, President of the Small Business Association of Michigan. “If used effectively, these dollars can help Michigan rebound from the economic, health and educational gaps the pandemic created.”

Tim Daman, President and CEO, Lansing Regional Chamber of Commerce, said: “The Lansing region will see more than \$185 million in federal funding from the American Rescue Plan. The time for action has never been more critical. We encourage our local municipalities and K-12 education system to be strategic in moving forward for our state and region's long-term success. Our business community has indicated that spending priorities must focus on jobs, the economy, and critical infrastructure investment.”

“Policymakers must use these one-time funds to crush the virus, mitigate the impacts of the pandemic on our businesses and communities and set the stage for future success,” said Rick Baker, President and CEO of the Grand Rapids Area Chamber of Commerce. “Expenditures should be carefully considered for maximum, measurable and long-term impact, while avoiding the creation of unfunded, ongoing obligations or liabilities.”

John Walsh, President and CEO of MMA, said: “The ARP provides much needed support for our citizens, the state and our local governments, as well as a tremendous opportunity to stabilize our economy and grow jobs in Michigan! Spent wisely with a long-term focus on infrastructure, the economy and job growth, funds from the ARP can provide a massive investment with benefits that will last for years to come. The MMA is proud to stand with the business community in working with the Whitmer administration and the Michigan Legislature to remain focused on the best use of the funds for all Michiganders. The greatest risk will be the failure to act strategically and with bold measures that can truly transform our economy.”

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Editor’s note: The attached letter was delivered to the Governor, legislative leadership and the House and Senate Appropriations Committee chairs and vice chairs, as well as leaders of the state’s largest municipalities.