

CONFIDENTIAL

Assessing Regional Competitiveness: Benchmarks



Scorecards and Benchmarks
August, 2008

AGENDA

- **Overview**

- Table of contents
- Scorecards
 - Overall
 - Industry (manufacturing and knowledge)
 - Transformation region comparison
 - Talent
- Benchmarks
 - Outputs
 - Inputs

A LARGE SET OF BENCHMARKS ARE ANALYZED IN AN INPUT-OUTPUT MANNER

		Benchmark roll-up	Description
Output	Economic and demographic benchmarks	<ul style="list-style-type: none"> • GDP • Employment • Productivity • Demographic characteristics 	<ul style="list-style-type: none"> • GDP by sector, growth rate • Employment by sector, growth rate • Unemployment rate • Productivity • Population flows by age • Education levels • Distribution of age level • Average income; income distribution
	Quality of life benchmarks	<ul style="list-style-type: none"> • Cost of living • Quality of life indicators 	<ul style="list-style-type: none"> • Cost of living • Cost of housing • Crime rate • Quality of mass transit; congestion • Personal tax environment <ul style="list-style-type: none"> – Government services per capita • Quality of educational systems <ul style="list-style-type: none"> – Primary education – Secondary education – Graduation rate • Quality of healthcare • Cultural index • Natural resources (climate) • Public perception of SE Michigan/Detroit
Inputs	Business climate benchmarks	<ul style="list-style-type: none"> • Workforce characteristics • Tax/regulatory environment • Infrastructure • Energy costs • Overall competitiveness • Availability of capital • Real estate • R&D • Government spending 	<ul style="list-style-type: none"> • Skills, costs, unionization • Business tax environment • Legislative/regulatory environment (tort system, regulatory rules environment, permitting and licensing) • Transportation infrastructure (air, rail, trucking, shipping, roads) • Energy costs (electric, natural gas) • VC flows/PE activity • Investment from inside and outside the state • Corporate rent per square foot • R&D funding • Government expenditure by area

COMPARATIVE REGIONS CHOSEN USING KEY CRITERIA: TRANSFORMATIONAL CHANGE, INDUSTRY BASE, AND TALENT FLOWS

Category	Criteria	Region
① Regions that transformed	<ul style="list-style-type: none"> Regions that have had successful economic transformations after declines, especially those with traditional manufacturing industry in the past 	Raleigh-Durham
② Knowledge industry investment competitor	<ul style="list-style-type: none"> Regions with a strong knowledge industry and competitors for SE Michigan for new investment in knowledge industries 	Chicago, Boston, Raleigh-Durham, San Francisco
③ Traditional industry investment competitor	<ul style="list-style-type: none"> Regions with a strong traditional industry base (e.g. manufacturing) Competitors for new plants and investments 	Montgomery Tennessee Valley
④ Talent competitor	<ul style="list-style-type: none"> Regions where young talent flows to after graduating from regional schools and universities 	Chicago
⑤ The “benchmark” region	<ul style="list-style-type: none"> Regions that have outperformed the entire US in growth 	Chicago

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BALANCED SCORECARD FOR COMPETITIVENESS

Output						Business cost	Talent	Quality of life	University-industry collaboration	Industry attraction		
	GDP, 2007 \$ Billions	GDP CAGR, 2000-07	Unemp., 2007 Percent	Emp., 2007 Millions	Emp. CAGR, 2000-07	Cost of doing business*, 2005 Index; U.S. = 100	Percent population with bachelors or above, 2006	Culture,** 2007 Weighted avg; 100=best	Crime rate, 2006 Violent crimes/100,000 residents	University collaboration index (TBD)	Industry investment index (TBD)	
SE Michigan	191	-0.5	7.7	2.3	-1.5	104	27	67	728	MI	TBD	TBD
Chicago	398	1.4	4.9	4.7	-0.1	107	31	96		IL	TBD	TBD
Atlanta	221	2.6	4.3	2.6	0.9	98	32	89	508	GA	TBD	TBD
Boston	356	1.6	4.4	4.8	-0.1	118	39	96		MA	TBD	TBD
Houston	243	3.2	4.3	2.6	1.7	97	27	81	696	TX	TBD	TBD
Montgomery	13	2.0	4.5	0.2	0.5	90	24	34	340	AL	TBD	TBD
Raleigh-Durham	70	4.6	3.7	0.8	2.0	87	38	79	427	NC	TBD	TBD
Seattle	185	2.4	4.1	2.0	1.0	105	35	93	390	WA	TBD	TBD
Tennessee Valley	23	2.4	4.2	0.3	0.4	87	20	61	581	TN	TBD	TBD
			US avg: 4.6			US avg: 100	US avg: 27%		US avg: 473			

* Cost of doing business is a weighted average of the unit labor cost (75%), the energy cost index (15%), and the state and local tax index (10%).

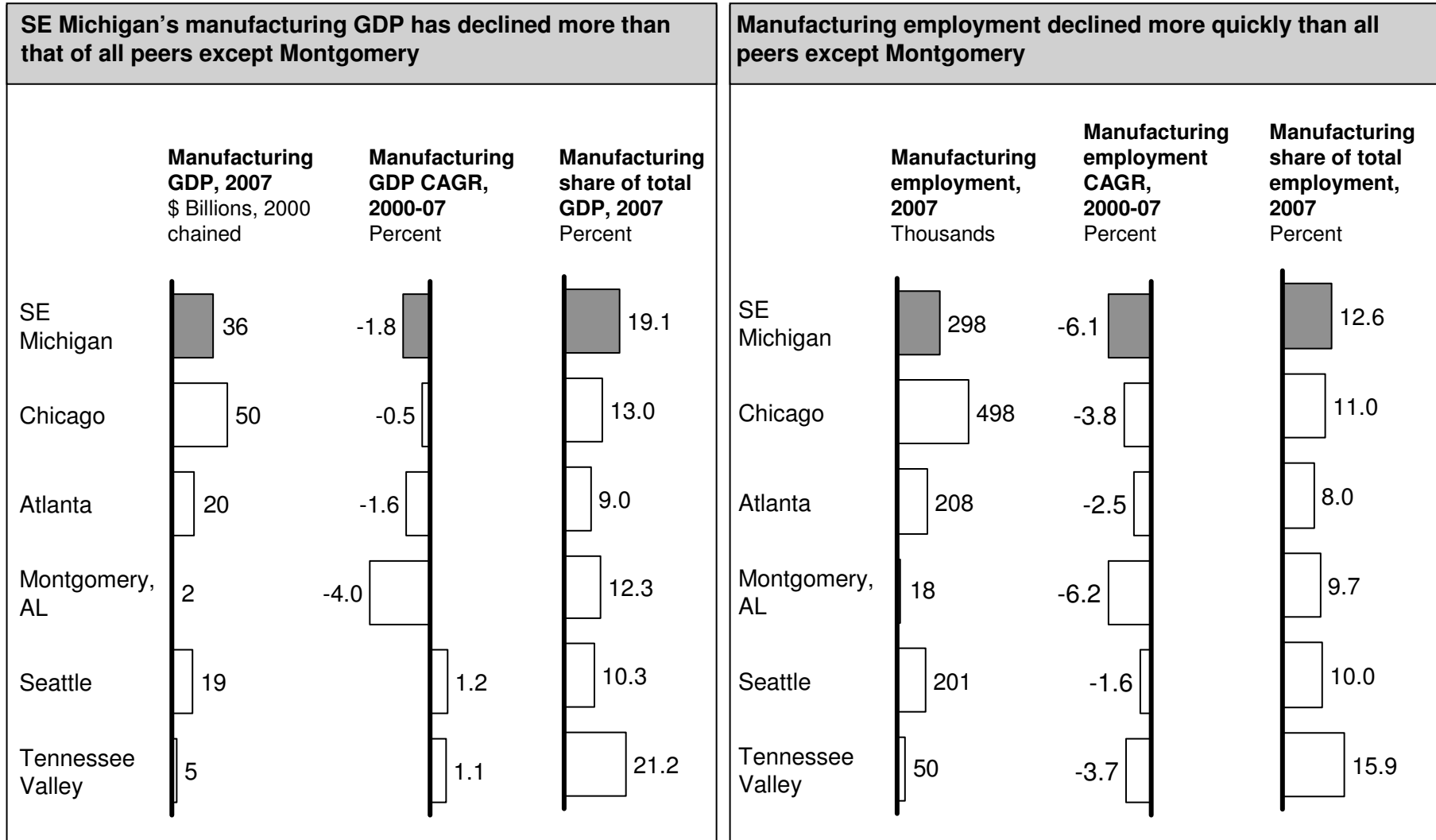
** Composite score based on quality of life (physical and cultural attractiveness, heritage, overall ease of living); arts and culture (museum ratings, performing arts ratings, libraries); and leisure (outdoor sports, amusements, national parks, professional/college sports, and shopping)

Source: Economy.com; U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, American Community Survey, U.S. Census, National Science Foundation, FBI Crime Statistics, Cities Ranked and Rated, North American Business Cost Review

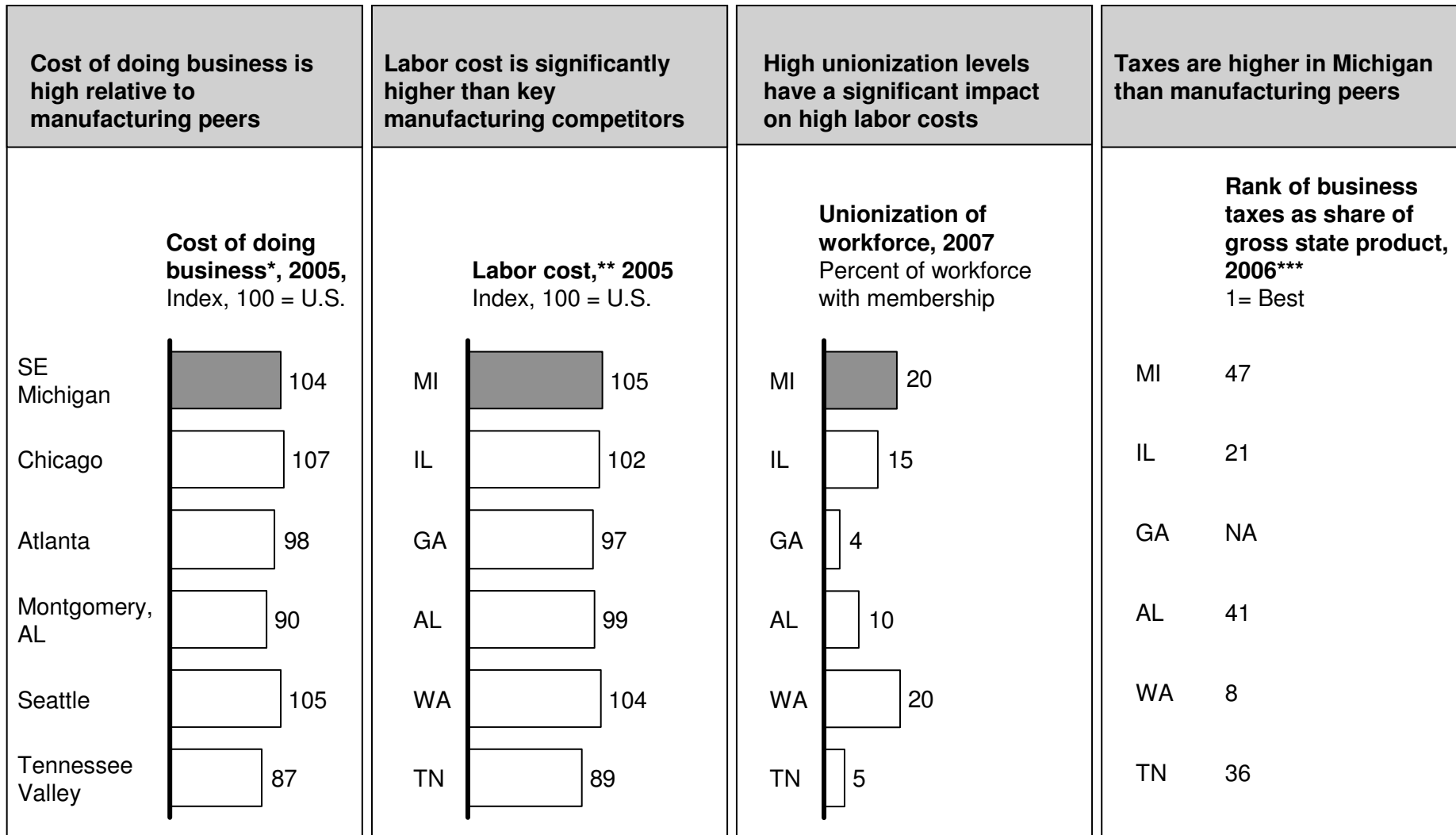
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MANUFACTURING SCORECARD – OUTPUTS



MANUFACTURING SCORECARD – INPUTS

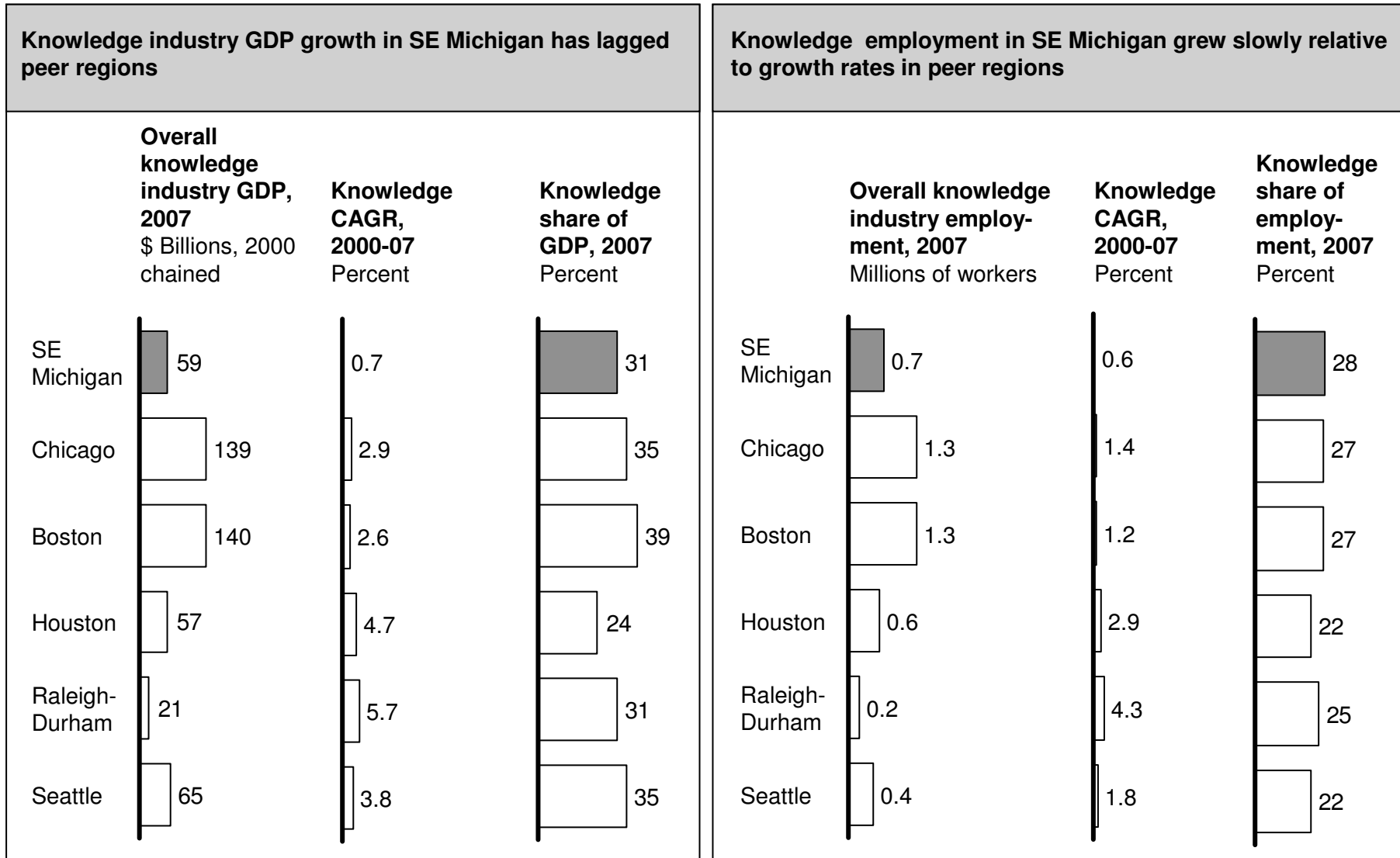


* Cost of doing business is a weighted average of the unit labor cost (75%), the energy cost index (15%), and the state and local tax index (10%)

** Labor cost is calculated as labor compensation per dollar of output. Labor compensation is measured as wages and salaries per employee while output is calculated as gross output per employee

*** Rank calculated based on total business tax receipts relative to gross state product and ranked from highest to lowest

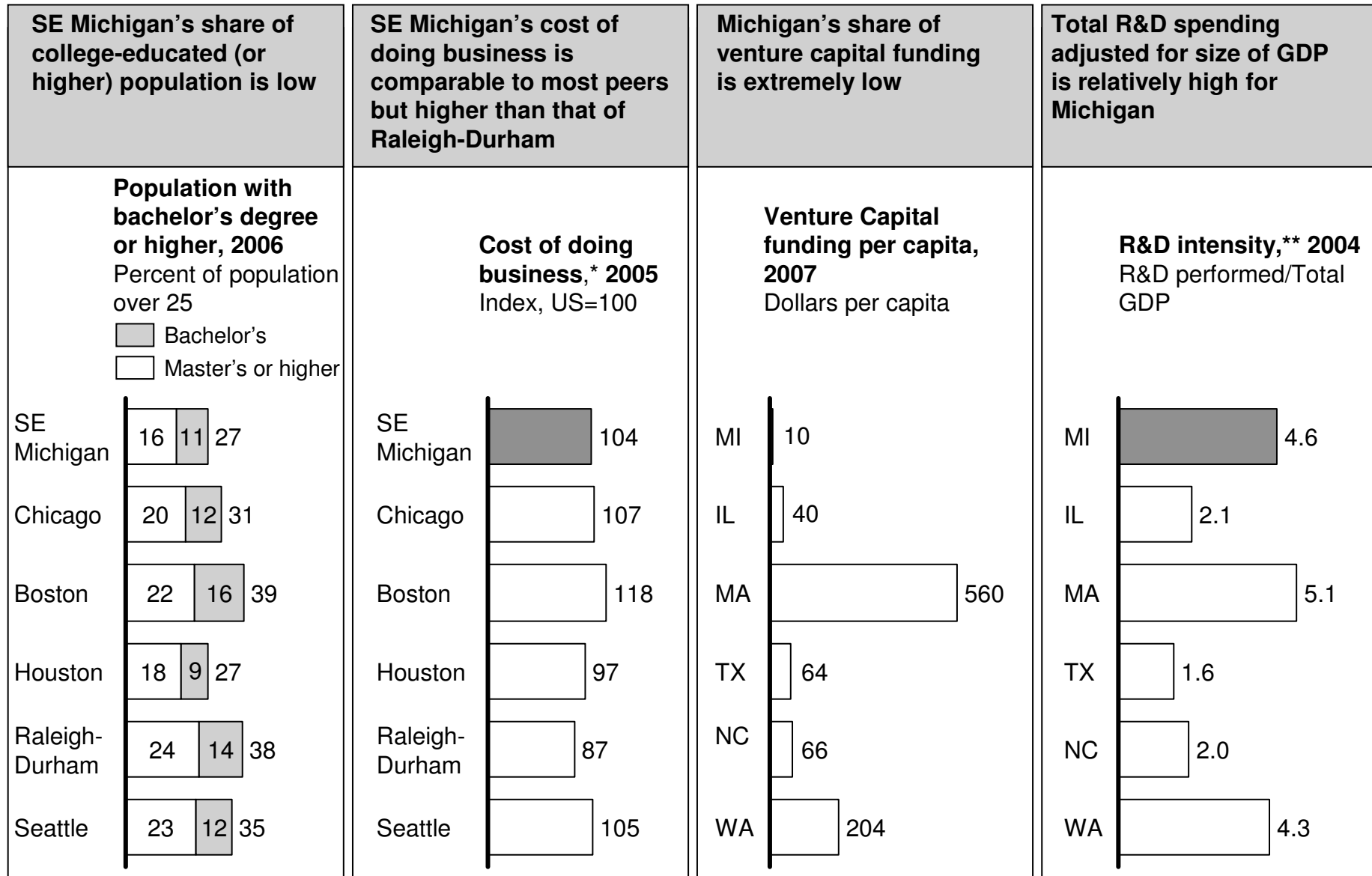
KNOWLEDGE INDUSTRY SCORECARD – SOUTHEAST MICHIGAN’S KNOWLEDGE EMPLOYMENT HAS DECLINED DRASTICALLY RELATIVE TO PEERS



Note: Knowledge industries are defined as health and social assistance, education, information, finance and insurance, professional, scientific, and technical services, management of companies and businesses

Source: Economy.com, Bureau of Economic Analysis; Bureau of Labor Statistics

KNOWLEDGE INDUSTRY SCORECARD – INPUTS



* Cost of doing business is a weighted average of the unit labor cost (75%), the energy cost index (15%), and the state and local tax index (10%)

** R&D expenditures include expenditures by federal and state governments, industries, academic institutions, and nonprofits

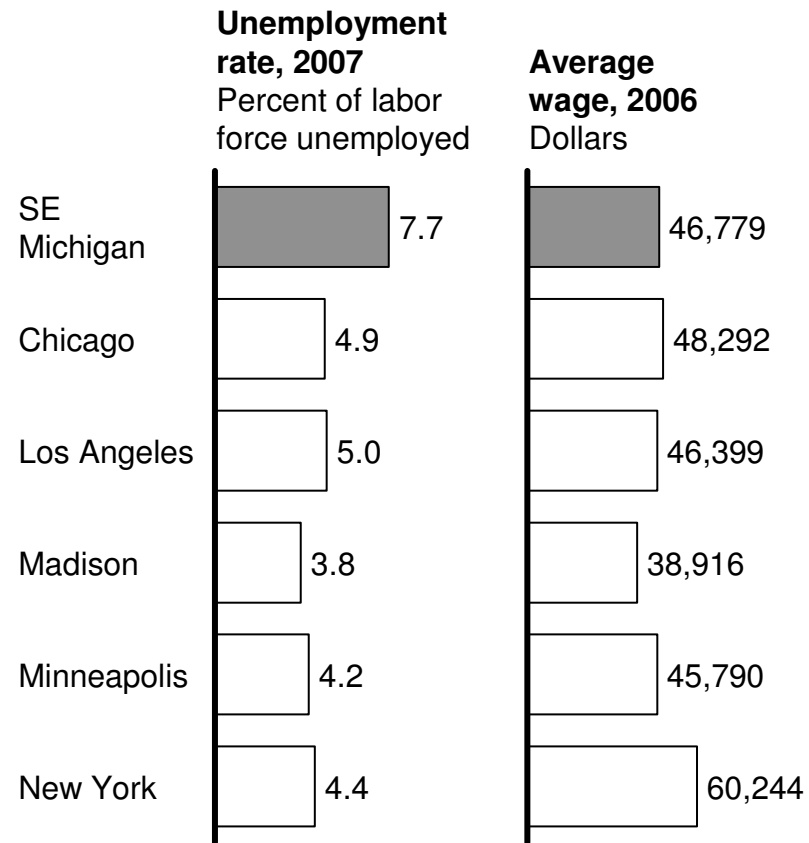
Source: Economy.com; American Community Survey; U.S. Census; PWC/National Venture Capital Association MoneyTree Report; National Science Foundation; North American Business Cost Review, 2006

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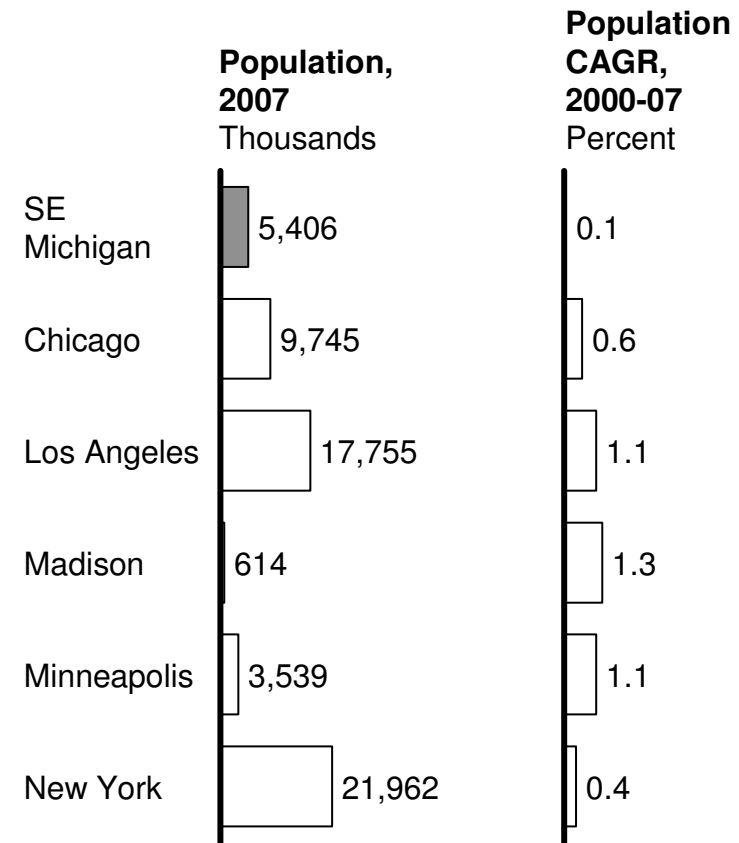
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TALENT SCORECARD – OUTPUTS

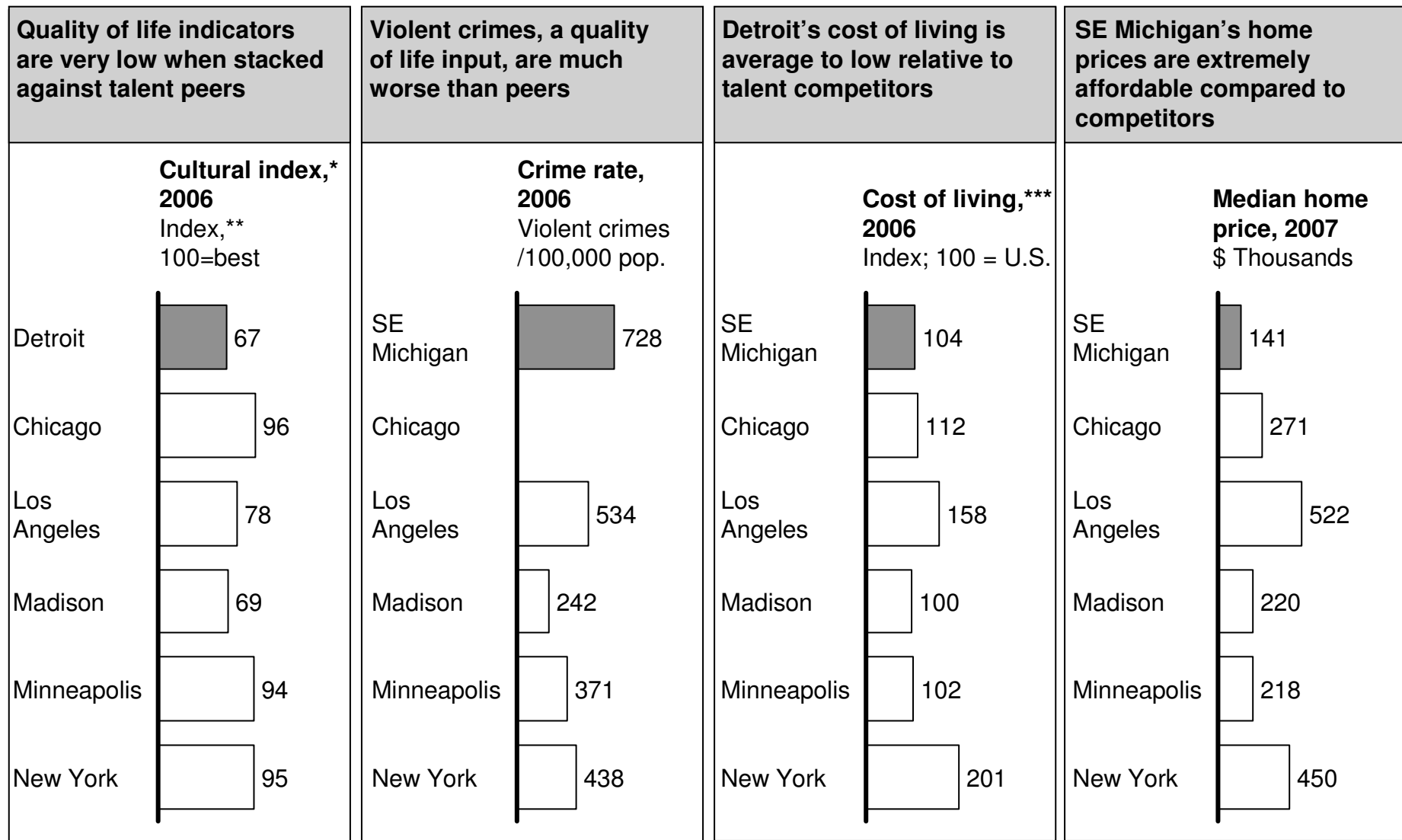
SE Michigan's unemployment rate is significantly higher than peer regions, though wage is second highest behind New York



SE Michigan's population is growing at a much slower rate than peer regions



TALENT SCORECARD – INPUTS



* Composite score based on quality of life (physical and cultural attractiveness, heritage, overall ease of living); arts and culture (museum ratings, performing arts ratings, libraries); and leisure (outdoor sports, amusements, national parks, professional/college sports, and shopping)

** Data only available at the MSA level. MSAs displayed are the largest for most available MSAs for the corresponding CSAs used in other benchmarks

*** Cost of living is based on the price of an average basket of consumer goods relative to the average cost of the same basket

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SE MICHIGAN 7-YEAR COMPARISON WITH RALEIGH-DURHAM INDICATES KEY DIFFERENCES IN TALENT, QUALITY OF LIFE, AND BUSINESS CLIMATE

■ SE Michigan □ Raleigh-Durham

Talent	Quality of life	Business climate	Outputs
College educated Percent of pop. over 25 	Cultural index¹ Index, 100= best 	Business cost³ Index, 100= US avg. 	GDP, 2007 \$ Billions
College enrollment, Thousands 	Violent crime rate Crimes/100,000 pop. 	State labor cost⁴ Index, 100= US avg. 	GDP CAGR, 2000-07 Percent -0.5
College enrollment CAGR, 2001-05 Percent 	Cost of living² Index, 100=US avg. 	Venture capital/capita Dollars 	Employment, 2007 Thousands
			Emp. CAGR, 2000-07 Percent -1.5
			Unemployment rate, 2007 Percent
			Pop., 2007 Thousands
			Pop. CAGR, 2000-07 Percent 0.1

1 Composite score based on quality of life (physical and cultural attractiveness, heritage, overall ease of living); arts and culture (museum ratings, performing arts ratings, libraries); and leisure (outdoor sports, amusements, national parks, professional/college sports, and shopping)

2 Cost of living is based on the price of an average basket of consumer goods relative to the average cost of the same basket

3 Cost of doing business is a weighted average of the unit labor cost (75%), the energy cost index (15%), and the state and local tax index (10%)

4 Labor cost is calculated as labor compensation per dollar of output. Labor compensation is measured as wages and salaries per employee while output is calculated as gross output per employee

Source: Economy.com; American Community Survey; Bureau of Labor Statistics; Bureau of Economic Analysis; PWC/National Venture Capital Association MoneyTree Report; National Science Foundation; FBI Crime Statistics; ACCRA Cost of Living Index; Anderson Economic Group; North American Business Cost Review; Cities Ranked and Rated

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GDP BY SECTOR

Percent of GDP; 2007

GDP sector breakdown, 2007 Percent of GDP, \$ billions*												
	Trade, transportation, warehousing, utilities		Education, health services	Government	Manufacturing	Professional, business Services	Agriculture, mining	Hospitality, leisure	Information, finance, insurance	Construction, real estate	100% =	
SE Michigan	18	7	7	7	18	18	5	3	10	14	190.8	
Chicago	20	7	7	7	12	18	1	3	15	16	397.6	
Cleveland	19	8	8	8	18	14	4	3	13	13	106.5	
Michigan (State)	18	8	9	9	20	15	6	3	9	13	330.8	
Minneapolis	18	7	7	7	14	15	5	3	15	16	158.6	
Montgomery, AL	9	5	9	7	6	42			2	12	8	13.4
Pittsburgh	16	9	5	9	12	26			2	10	11	89.6
Raleigh-Durham	13	6	10	10	20	13	10	2	13	12	69.8	
San Francisco	16	6	7	7	17	17	1	3	16	17	382.4	

Observations

- SE Michigan's share of manufacturing is slightly higher than peer regions

* 2000 chained real dollars

Source: Moody's Economy.com; U.S. Bureau of Economic Analysis

GDP BY SECTOR

Base data used in previous page

Region	Trade, transportation, warehousing, utilities	Education and health services	Government	Manufacturing	Professional and business services	Agriculture and mining	Hospitality and leisure	Information, finance, insurance	Construction and real estate	Total* (\$ bil)
Chicago-Naperville-Michigan City, IL-IN-WI	20%	7%	7%	12%	18%	1%	3%	15%	16%	397.63
Cleveland-Akron-Elyria, OH	19%	8%	8%	18%	14%	4%	3%	13%	13%	106.55
Columbus-Auburn-Opelika, GA-AL	9%	5%	9%	7%	6%	42%	2%	12%	8%	13.48
Detroit-Warren-Flint, MI	18%	7%	7%	18%	18%	5%	3%	10%	14%	190.83
Michigan (State)	18%	8%	9%	20%	15%	6%	3%	9%	13%	330.82
Minneapolis-St. Paul-St. Cloud, MN-WI	18%	7%	7%	14%	15%	5%	3%	15%	16%	158.67
Pittsburgh-New Castle, PA	16%	9%	5%	9%	12%	26%	2%	10%	11%	89.64
Raleigh-Durham-Cary, NC	13%	6%	10%	20%	13%	10%	2%	13%	12%	69.85
San Jose-San Francisco-Oakland, CA	16%	6%	7%	17%	17%	1%	3%	16%	17%	382.44

* 2000 chained real dollars

Source: Moody's Economy.com; U.S. Bureau of Economic Analysis

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EMPLOYMENT BY SECTOR

Percent of employment; 2007

Employment sector breakdown, 2007										
Percent of employment; Thousands of employees										
	Trade, transportation, warehousing, utilities	Education, health services	Government	Manufacturing	Professional, business Services	Agriculture, mining	Hospitality, leisure	Information, finance, insurance	Construction, real estate	100% =
SE Michigan	18	14	14	13	11	10	9	6	5	2,365
Chicago	19	12	12	10	19	8	8	7	6	4,660
Cleveland	19	16	14	14	18	1	9	6	5	1,451
Michigan (state)	18	14	15	14	17	2	9	5	5	4,330
Minneapolis	19	14	13	12	18	1	9	8	6	1,992
Montgomery, AL	16	12	22	10	13	1	12	8	6	184
Pittsburgh	20	20	11	9	18	1	9	7	6	1,188
Raleigh-Durham	16	13	18	9	12	10	8	6	7	836
San Francisco	17	11	15	10	20	1	10	8	7	3,445

Observations

- SE Michigan's employment composition is similar to the state of Michigan's, except that employment in SE Michigan is less concentrated in government and professional business Services
- Manufacturing is the fourth largest segment of SE Michigan's GDP

EMPLOYMENT BY SECTOR

Thousands of employees; 2007

Base data used in previous page

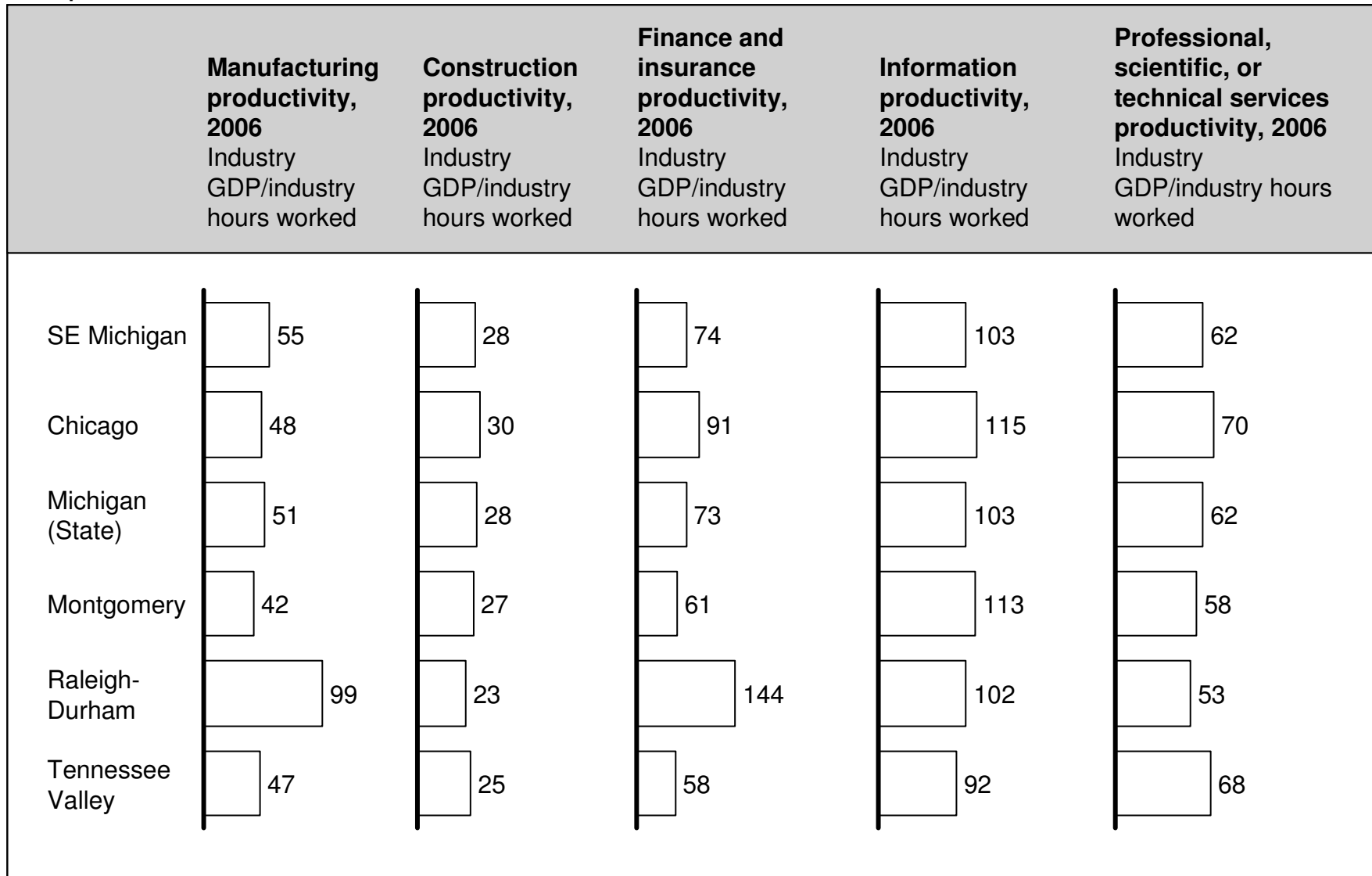
Region	Trade, transportation, warehousing, utilities	Education and health services	Government	Manufacturing	Professional and business services	Agriculture and mining	Hospitality and leisure	Information, finance, and insurance	Construction and real estate	Total (000s)
Atlanta-Sandy Springs-Gainesville, GA-AL	22.6%	10.3%	13.4%	8.0%	20.2%	0.5%	9.4%	8.1%	7.5%	2606
Boston-Worcester-Manchester, MA-RI-NH	23.7%	13.6%	9.6%	7.2%	21.7%	7.2%	6.7%	6.2%	4.1%	4765
Chattanooga-Cleveland-Athens, TN-GA	5.6%	3.0%	3.5%	4.1%	77.9%	0.5%	2.4%	1.8%	1.4%	315
Chicago-Naperville-Michigan City, IL-IN-WI	18.8%	12.0%	11.5%	9.8%	18.8%	8.2%	8.2%	7.0%	5.8%	4660
Cleveland-Akron-Elyria, OH	18.8%	15.5%	13.5%	13.6%	17.6%	0.8%	8.8%	6.3%	5.0%	1451
Columbus-Auburn-Opelika, GA-AL	15.7%	11.7%	22.4%	9.7%	13.5%	1.2%	11.6%	8.3%	5.9%	184
Detroit-Warren-Flint, MI	18.3%	14.0%	13.8%	12.6%	11.4%	10.2%	9.2%	5.6%	4.8%	2365
Houston-Baytown-Huntsville, TX	20%	11%	14%	9%	11%	11%	9%	5%	10%	2602
Indianapolis-Anderson-Columbus, IN	21.0%	12.4%	13.2%	12.2%	17.0%	1.1%	9.5%	6.5%	7.1%	1039
Los Angeles-Long Beach-Riverside, CA	28.9%	8.2%	10.7%	8.2%	24.5%	0.5%	7.6%	5.9%	5.6%	9590
Madison-Baraboo, WI	22.9%	8.4%	18.4%	8.5%	19.2%	2.5%	8.1%	7.1%	4.9%	470
Michigan (State)	18.2%	13.7%	15.2%	14.2%	17.3%	1.8%	9.3%	5.2%	5.1%	4330
Minneapolis-St. Paul-St. Cloud, MN-WI	18.8%	13.9%	13.3%	11.7%	18.2%	1.4%	8.9%	8.0%	5.7%	1992
New York-Newark-Bridgport, NY-NJ-CT-PA	18.8%	17.0%	15.3%	5.8%	19.1%	0.3%	7.6%	10.0%	6.2%	10041
Pittsburgh-New Castle, PA	19.5%	19.5%	11.0%	8.8%	17.8%	1.3%	9.3%	6.6%	6.2%	1188
Raleigh-Durham-Cary, NC	16.0%	12.8%	18.4%	9.2%	11.8%	10.1%	8.5%	5.7%	7.4%	836
San Jose-San Francisco-Oakland, CA	17.2%	11.4%	14.9%	10.3%	20.3%	0.9%	9.9%	7.7%	7.4%	3445
Seattle-Tacoma-Olympia, WA	18.4%	11.1%	16.9%	10.0%	9.1%	8.1%	9.3%	8.2%	8.9%	2014
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	15.2%	12.7%	20.1%	3.2%	25.4%	0.5%	8.5%	6.4%	7.9%	4460

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PRODUCTIVITY BY SECTOR

GDP per hour worked



Note: Productivity is calculated by dividing industry GDP by industry hours worked. To arrive at hours worked, regional employment was multiplied by the national average of hours worked by industry

Source: Moody's Economy.com, Bureau of Labor Statistics; Bureau of Economic Analysis

PRODUCTIVITY (1/2)

GDP per hour worked

Base data used in previous page

Industry	Geography	GDP, 2006; \$ mil	Employment, 2006; Thousands	Hours worked	Productivity, 2006
Construction	Detroit-Warren-Flint, MI	4,944	87	2,004	28.24
Construction	Chicago-Naperville-Michigan City, IL-IN-WI	13,431	222	2,004	30.13
Construction	Michigan (State)	10,150	178	2,004	28.44
Finance and insurance	Detroit-Warren-Flint, MI	11,866	95	1,700	73.84
Finance and insurance	Chicago-Naperville-Michigan City, IL-IN-WI	40,447	261	1,700	91.14
Finance and insurance	Michigan (State)	20,100	161	1,700	73.48
Information	Detroit-Warren-Flint, MI	7,654	41	1,814	103.04
Information	Chicago-Naperville-Michigan City, IL-IN-WI	19,324	92	1,814	115.41
Information	Michigan (State)	12,406	66	1,814	103.49
Manufacturing	Detroit-Warren-Flint, MI	36,902	319	2,110	54.85
Manufacturing	Chicago-Naperville-Michigan City, IL-IN-WI	51,136	504	2,110	48.09
Manufacturing	Michigan (State)	70,595	651	2,110	51.39
Professional, Scientific and Technical Services	Detroit-Warren-Flint, MI	20,533	188	1,770	61.87
Professional, Scientific and Technical Services	Chicago-Naperville-Michigan City, IL-IN-WI	38,742	314	1,770	69.68
Professional, Scientific and Technical Services	Michigan (State)	26,796	245	1,770	61.83

Note: Productivity is calculated by dividing industry GDP by industry hours worked. To arrive at hours worked, regional employment was multiplied by the national average of hours worked by industry

Source: Moody's Economy.com, Bureau of Labor Statistics; Bureau of Economic Analysis

PRODUCTIVITY (2/2)

GDP per hour worked

Base data used in previous page

Industry	Geography	GDP, 2006; \$ mil	Employment, 2006; Thousands	Hours worked	Productivity, 2006
Construction	Columbus-Auburn-Opelika, GA-AL	450	8	2,004	27.27
Construction	Raleigh-Durham-Cary, NC	2,186	47	2,004	23.28
Construction	Chattanooga-Cleveland-Athens, TN-GA	699	14	2,004	25.49
Finance and insurance	Columbus-Auburn-Opelika, GA-AL	861	8	1,700	60.52
Finance and insurance	Raleigh-Durham-Cary, NC	6,348	26	1,700	144.27
Finance and insurance	Chattanooga-Cleveland-Athens, TN-GA	1,697	17	1,700	57.79
Information	Columbus-Auburn-Opelika, GA-AL	1,388	7	1,814	112.73
Information	Raleigh-Durham-Cary, NC	3,863	21	1,814	101.91
Information	Chattanooga-Cleveland-Athens, TN-GA	624	4	1,814	91.52
Manufacturing	Columbus-Auburn-Opelika, GA-AL	1,773	20	2,110	41.53
Manufacturing	Raleigh-Durham-Cary, NC	16,013	77	2,110	98.95
Manufacturing	Chattanooga-Cleveland-Athens, TN-GA	5,161	52	2,110	47.48
Professional, Scientific and Technical Services	Columbus-Auburn-Opelika, GA-AL	607	6	1,770	57.71
Professional, Scientific and Technical Services	Raleigh-Durham-Cary, NC	5,480	58	1,770	53.48
Professional, Scientific and Technical Services	Chattanooga-Cleveland-Athens, TN-GA	1,120	9	1,770	67.71

Note: Productivity is calculated by dividing industry GDP by industry hours worked. To arrive at hours worked, regional employment was multiplied by the national average of hours worked by industry

Source: Moody's Economy.com, Bureau of Labor Statistics; Bureau of Economic Analysis

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HOUSEHOLD INCOME DISTRIBUTION

Percent of households by income,* 2006

Household income distribution, 2006 Percent of households by income						Average Income, 2006	Household income distribution, 2005 Percent of households by income						Average income, 2005
	<15	15-30	30-50	50-100	100+	Dollars		<15	15-30	30-50	50-100	100+	Dollars
SE Michigan	13	16	19	32	20	46,779	SE Michigan	14	16	19	32	19	46,016
Chicago	12	14	18	33	23	48,292	Chicago	13	14	19	33	21	46,304
Atlanta	11	15	20	33	21	45,196	Atlanta	11	15	20	33	21	43,907
Cleveland	15	18	22	30	15	40,293	Cleveland	16	19	21	30	14	40,293
Houston	13	17	20	29	21	49,897	Houston	14	18	20	29	18	46,921
Michigan	14	17	21	32	16	42,146	Michigan	15	18	21	31	15	41,214
Minneapolis	9	12	18	36	24	45,790	Minneapolis	10	13	19	36	22	44,401
New York	13	13	16	30	28	60,244	New York	14	14	17	30	26	56,770
Pittsburgh	16	20	21	30	14	40,492	Pittsburgh	17	20	21	29	13	38,580
Raleigh-Durham	12	16	20	31	21	43,618	Raleigh-Durham	13	16	21	30	19	41,623
San Francisco	10	11	15	30	34	62,483	San Francisco	10	12	16	31	32	59,325
Seattle	10	13	19	35	23	47,983	Seattle	11	14	21	33	21	45,348

Observations

- SE Michigan's middle class (income \$30K-100K) is similar in size to peer regions

* Data from American Community Survey is estimated; margin of error approximately 2-3%
Source: American Community Survey

HOUSEHOLD INCOME DISTRIBUTION BY CSA/STATE

Base data used in previous page

Percent of total households,*

Region	Year	<15	15-30	30-50	50-100	100K+
Atlanta-Sandy Springs-Gainesville, GA-AL CSA	2005	11%	15%	21%	33%	20%
	2006	11%	15%	20%	33%	21%
Chicago-Naperville-Michigan City, IL-IN-WI CSA	2005	13%	14%	19%	33%	21%
	2006	12%	14%	18%	33%	23%
Cleveland-Akron-Elyria, OH CSA	2005	16%	19%	21%	30%	14%
	2006	15%	18%	22%	30%	15%
Detroit-Warren-Flint, MI CSA	2005	14%	16%	19%	32%	19%
	2006	13%	16%	19%	32%	20%
Houston-Baytown-Huntsville, TX CSA	2005	14%	18%	20%	29%	18%
	2006	13%	17%	20%	29%	21%
Michigan (state)	2005	15%	18%	21%	31%	15%
	2006	14%	17%	21%	32%	16%
Minneapolis-St. Paul-St. Cloud, MN-WI CSA	2005	10%	13%	19%	36%	22%
	2006	9%	12%	18%	36%	24%
New York-Newark-Bridgeport, NY-NJ-CT-PA CSA	2005	14%	14%	17%	30%	26%
	2006	13%	13%	16%	30%	28%
Pittsburgh-New Castle, PA CSA	2005	17%	20%	21%	29%	13%
	2006	16%	20%	21%	30%	14%
Raleigh-Durham-Cary, NC CSA	2005	13%	16%	21%	30%	19%
	2006	12%	16%	20%	31%	21%
San Jose-San Francisco-Oakland, CA CSA	2005	10%	12%	16%	31%	32%
	2006	10%	11%	15%	30%	34%
Seattle-Tacoma-Olympia, WA CSA	2005	11%	14%	21%	33%	21%
	2006	10%	13%	19%	35%	23%

* Data from American Community Survey is estimated; margin of error approximately 2-3%

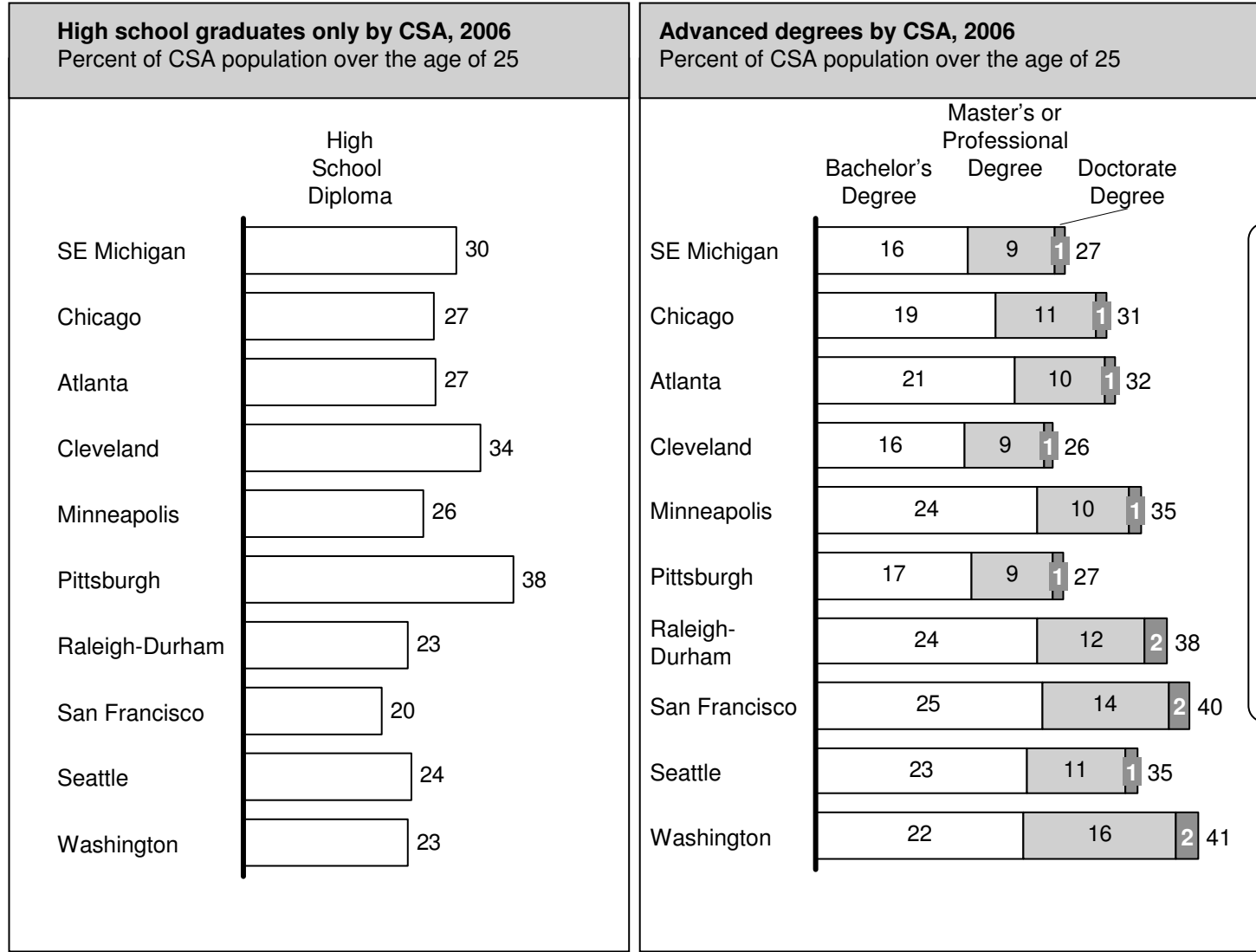
Source: American Community Survey

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EDUCATION ATTAINMENT

Highest degree attained as a percent of the CSA population over 25



Observations

- SE Michigan's share of college- (and above) educated population is lesser than peer regions, particularly knowledge competitors like Raleigh-Durham and San Francisco

Note: Percentages are estimates based on survey data from the American Community Survey

Source: American Community Survey; U.S. Census

EDUCATIONAL ATTAINMENT BY CSA, 2006

Base data used in previous page

Percent of CSA population over the age of 25

CSA	High school degree	Bachelor's degree	Master's or Professional degrees	Doctorate degree
Atlanta-Sandy Springs-Gainesville, GA-AL	27.4%	21.4%	9.8%	1.0%
Chicago-Naperville-Michigan City, IL-IN-WI	27.0%	19.5%	10.7%	1.1%
Cleveland-Akron-Elyria, OH	33.8%	16.0%	8.7%	0.9%
Columbus-Auburn-Opelika, GA-AL	30.1%	14.0%	7.8%	2.1%
Detroit-Warren-Flint, MI	30.3%	16.4%	9.5%	1.0%
Houston-Baytown-Huntsville, TX	26.1%	17.8%	8.0%	1.1%
Indianapolis-Anderson-Columbus, IN	33.1%	17.6%	9.0%	1.0%
Minneapolis-St. Paul-St. Cloud, MN-WI	25.6%	23.9%	9.9%	1.3%
New York-Newark-Bridgeport, NY-NJ-CT-PA	28.5%	20.3%	12.8%	1.4%
Pittsburgh-New Castle, PA	38.5%	16.9%	8.8%	1.1%
Raleigh-Durham-Cary, NC	23.4%	23.9%	11.5%	2.4%
San Jose-San Francisco-Oakland, CA	19.6%	24.6%	13.6%	2.3%
Seattle-Tacoma-Olympia, WA	24.0%	22.7%	10.8%	1.3%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	23.4%	22.4%	16.4%	2.5%
Chattanooga-Cleveland-Athens, TN-GA	33.3%	13.2%	6.0%	0.7%
Boston-Worcester-Manchester, MA-NH	27.7%	22.4%	13.8%	2.3%
Los Angeles-Long Beach-Riverside, CA	23.7%	17.8%	8.1%	1.0%
Madison-Baraboo, WI	24.8%	24.6%	12.8%	2.5%

Note: Percentages are estimates based on survey data from the American Community Survey

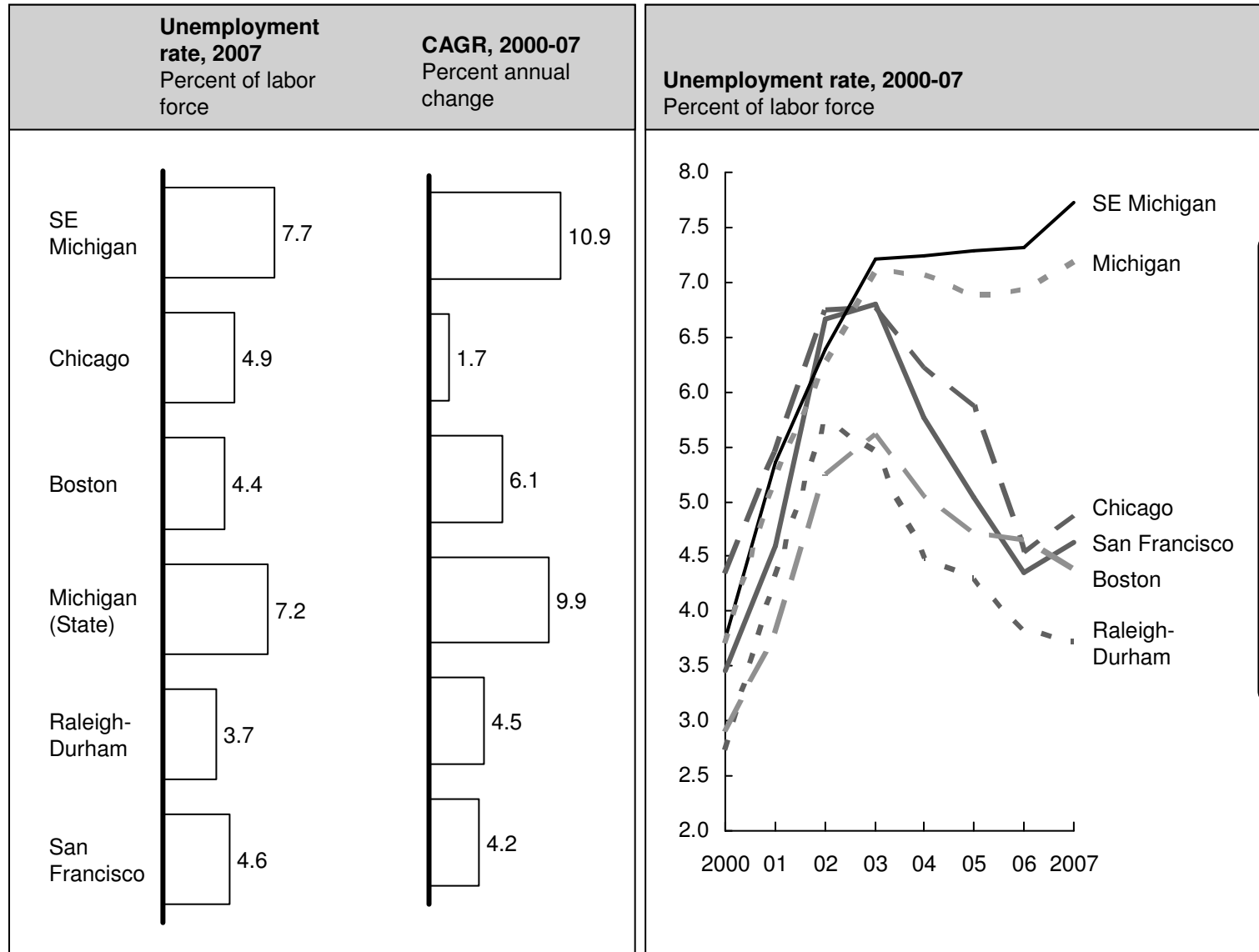
Source: American Community Survey; U.S. Census

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UNEMPLOYMENT RATE

Percent of labor force; 2007



Observations

- SE Michigan and Michigan's unemployment rates are higher than peer cities
- The leap in unemployment relative to peer cities occurred after 2001, and has continued

UNEMPLOYMENT RATE

Percent of labor force

Base data used in previous page

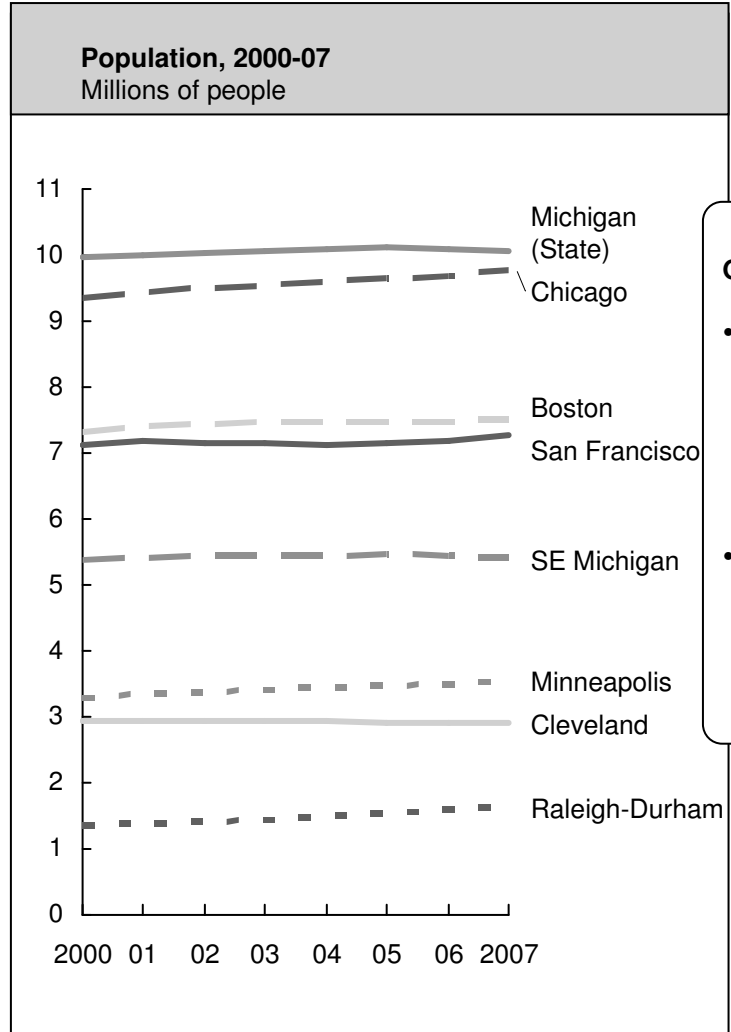
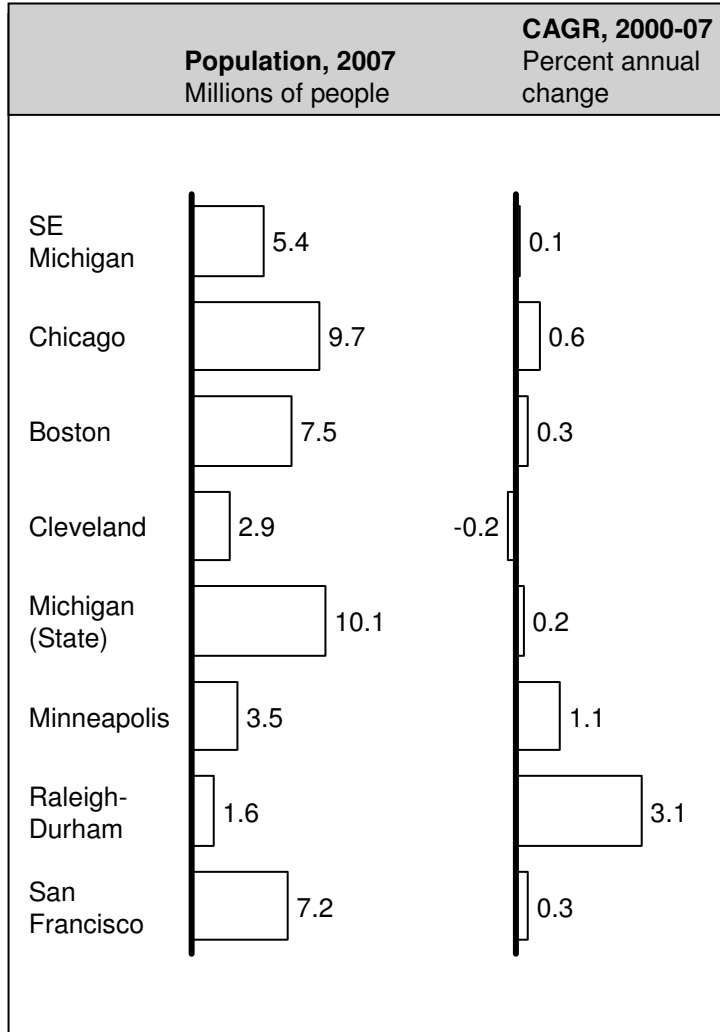
Region	2000	2001	2002	2003	2004	2005	2006	2007	CAGR, 2000-07
Atlanta-Sandy Springs-Gainesville, GA-AL	3.10%	3.70%	4.90%	4.80%	4.70%	5.20%	4.50%	4.30%	4.80%
Boston-Worcester-Manchester, MA-RI-NH	2.90%	3.80%	5.20%	5.60%	5.10%	4.70%	4.60%	4.40%	6.10%
Chattanooga-Cleveland-Athens, TN-GA	3.50%	4.10%	4.70%	4.80%	4.70%	4.90%	4.50%	4.20%	2.70%
Chicago-Naperville-Michigan City, IL-IN-WI	4.30%	5.40%	6.70%	6.80%	6.20%	5.90%	4.50%	4.90%	1.70%
Cleveland-Akron-Elyria, OH	4.00%	4.50%	5.60%	6.10%	6.00%	5.70%	5.40%	5.80%	5.50%
Columbus-Auburn-Opelika, GA-AL	4.20%	4.50%	5.00%	5.10%	5.00%	4.90%	4.50%	4.50%	1.00%
Detroit-Warren-Flint, MI	3.80%	5.40%	6.40%	7.20%	7.20%	7.30%	7.30%	7.70%	10.90%
Houston-Baytown-Huntsville, TX	4.30%	4.70%	6.10%	6.80%	6.20%	5.60%	5.00%	4.30%	-0.20%
Indianapolis-Anderson-Columbus, IN	2.50%	3.50%	4.70%	4.90%	4.80%	5.00%	4.40%	4.10%	7.60%
Los Angeles-Long Beach-Riverside, CA	4.90%	5.20%	6.30%	6.40%	5.90%	5.00%	4.50%	5.00%	0.10%
Madison-Baraboo, WI	2.50%	3.00%	3.70%	3.90%	3.50%	3.50%	3.50%	3.80%	6.10%
Michigan (State)	3.70%	5.20%	6.20%	7.10%	7.10%	6.90%	6.90%	7.20%	9.90%
Minneapolis-St. Paul-St. Cloud, MN-WI	2.60%	3.40%	4.20%	4.50%	4.20%	3.80%	3.70%	4.20%	6.90%
New York-Newark-Bridgeport, NY-NJ-CT-PA	4.20%	4.70%	6.20%	6.40%	5.60%	4.90%	4.50%	4.40%	0.70%
Pittsburgh-New Castle, PA	4.40%	4.80%	5.70%	5.90%	5.70%	5.30%	4.70%	4.40%	-0.10%
Raleigh-Durham-Cary, NC	2.70%	4.30%	5.70%	5.40%	4.50%	4.30%	3.80%	3.70%	4.50%
San Jose-San Francisco-Oakland, CA	3.50%	4.60%	6.70%	6.80%	5.80%	5.00%	4.40%	4.60%	4.20%
Seattle-Tacoma-Olympia, WA	4.50%	5.50%	6.80%	6.80%	5.70%	5.10%	4.40%	4.10%	-1.30%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	3.10%	3.70%	4.20%	4.20%	4.00%	3.70%	3.40%	3.30%	0.80%

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POPULATION

Millions of people



Observations

- Midwest regions like SE Michigan and Cleveland did not grow in population comparative to other regions that experienced growth
- SE Michigan's annual population growth rate is low relative to peer cities, and to the state of Michigan as a whole

POPULATION

Thousands of people

Base data used in previous page

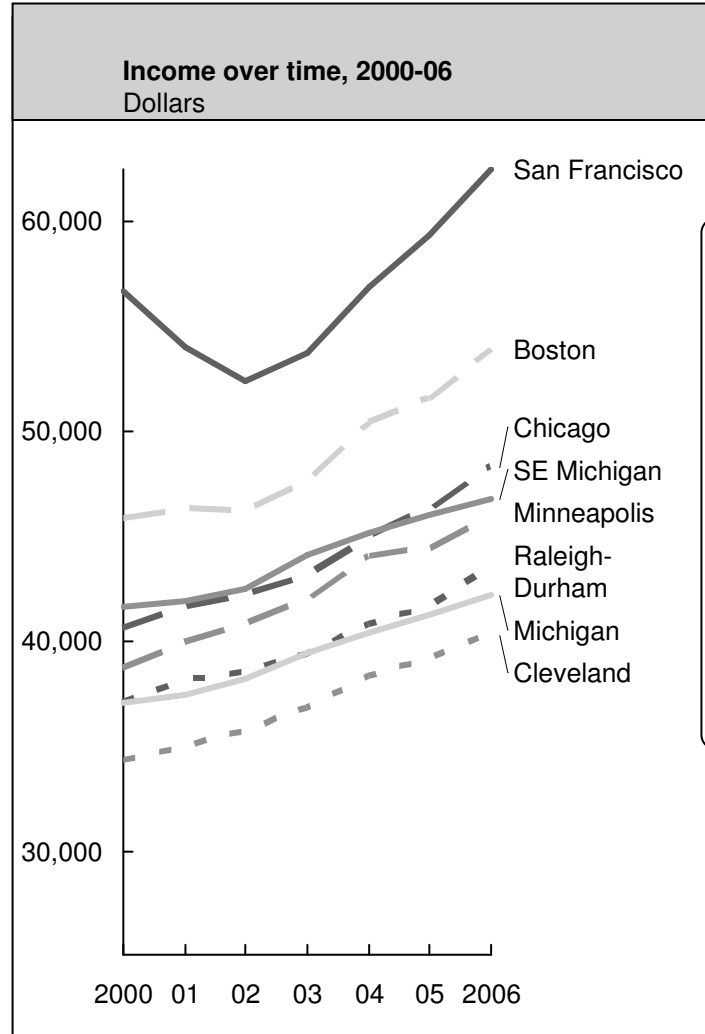
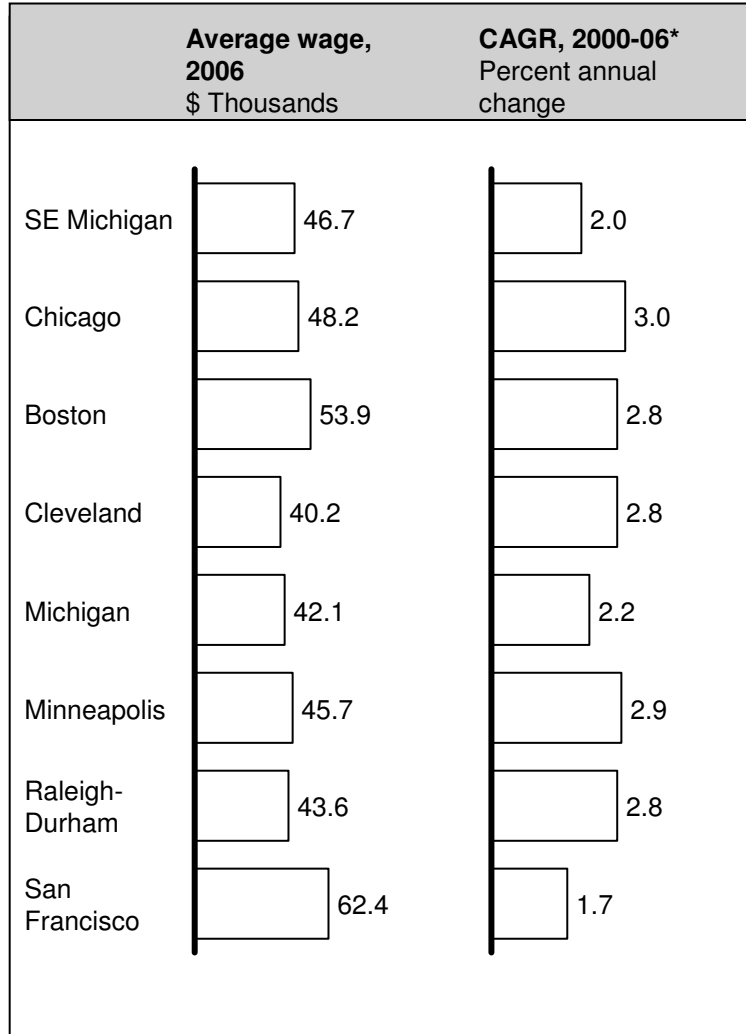
Region	2000	2001	2002	2003	2004	2005	2006	2007	CAGR, 2000-07
Atlanta-Sandy Springs-Gainesville, GA-AL	4,585	4,744	4,875	4,999	5,135	5,288	5,466	5,626	3.00%
Boston-Worcester-Manchester, MA-RI-NH	7,318	7,386	7,425	7,443	7,449	7,449	7,459	7,477	0.30%
Chattanooga-Cleveland-Athens, TN-GA	631	638	643	649	655	662	671	678	1.00%
Chicago-Naperville-Michigan City, IL-IN-WI	9,333	9,416	9,479	9,527	9,582	9,624	9,677	9,745	0.60%
Cleveland-Akron-Elyria, OH	2,947	2,946	2,943	2,939	2,933	2,922	2,907	2,897	-0.20%
Columbus-Auburn-Opelika, GA-AL	422	424	428	421	427	432	441	436	0.50%
Detroit-Warren-Flint, MI	5,366	5,394	5,410	5,425	5,439	5,441	5,434	5,406	0.10%
Houston-Baytown-Huntsville, TX	4,840	4,956	5,088	5,199	5,310	5,423	5,609	5,729	2.40%
Indianapolis-Anderson-Columbus, IN	1,801	1,827	1,848	1,869	1,892	1,915	1,941	1,967	1.30%
Los Angeles-Long Beach-Riverside, CA	16,438	16,695	16,952	17,197	17,410	17,545	17,656	17,755	1.10%
Madison-Baraboo, WI	559	567	576	583	591	598	606	614	1.30%
Michigan (State)	9,955	10,007	10,044	10,075	10,103	10,108	10,102	10,072	0.20%
Minneapolis-St. Paul-St. Cloud, MN-WI	3,286	3,334	3,370	3,400	3,432	3,462	3,499	3,539	1.10%
New York-Newark-Bridgeport, NY-NJ-CT-PA	21,402	21,554	21,665	21,779	21,858	21,890	21,921	21,962	0.40%
Pittsburgh-New Castle, PA	2,524	2,513	2,504	2,495	2,483	2,467	2,455	2,447	-0.40%
Raleigh-Durham-Cary, NC	1,322	1,365	1,404	1,437	1,472	1,518	1,575	1,636	3.10%
San Jose-San Francisco-Oakland, CA	7,116	7,179	7,156	7,142	7,136	7,153	7,193	7,265	0.30%
Seattle-Tacoma-Olympia, WA	3,718	3,772	3,811	3,839	3,872	3,918	3,985	4,039	1.20%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	7,604	7,735	7,846	7,950	8,042	8,128	8,186	8,242	1.20%

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AVERAGE WAGE

Dollars, 2006



Observations

- SE Michigan's average wage is similar to the peer group of knowledge cities

* Not adjusted for inflation

Source: Bureau of Labor Statistics

AVERAGE WAGE

Dollars

Base data used in previous page

Region	2000	2001	2002	2003	2004	2005	2006	CAGR 2000-06
Atlanta-Sandy Springs-Gainesville, GA-AL	38,892	39,683	40,269	41,311	42,590	43,907	45,196	2.50%
Boston-Worcester-Manchester, MA-NH	45,800	46,301	46,184	47,616	50,361	51,548	53,909	2.80%
Chattanooga-Cleveland-Athens, TN-GA	28,887	29,661	30,392	31,623	32,580	33,515	35,061	3.30%
Chicago-Naperville-Michigan City, IL-IN-WI	40,548	41,615	42,169	43,026	44,892	46,304	48,292	3.00%
Cleveland-Akron-Elyria, OH	34,225	34,948	35,640	36,772	38,304	39,119	40,293	2.80%
Columbus-Auburn-Opelika, GA-AL	26,201	27,467	28,218	29,006	29,821	30,680	31,720	3.20%
Detroit-Warren-Flint, MI	41,564	41,870	42,496	44,117	45,107	46,016	46,779	2.00%
Houston-Baytown-Huntsville, TX	40,095	41,837	41,828	42,422	44,443	46,921	49,897	3.70%
Indianapolis-Anderson-Columbus, IN	34,537	35,446	36,115	36,758	38,289	39,063	40,525	2.70%
Los Angeles-Long Beach-Riverside, CA	38,007	39,054	39,867	41,240	43,169	44,524	46,399	3.40%
Madison-Baraboo, WI	31,280	32,445	33,912	35,053	36,337	37,217	38,916	3.70%
Michigan	37,029	37,391	38,135	39,433	40,373	41,214	42,146	2.20%
Minneapolis-St. Paul-St. Cloud, MN-WI	38,617	39,860	40,729	41,980	43,993	44,401	45,790	2.90%
New York-Newark-Bridgeport, NY-NJ-CT-PA	49,534	50,999	50,607	51,712	54,571	56,770	60,244	3.30%
Pittsburgh-New Castle, PA	33,482	34,649	35,263	36,179	37,589	38,580	40,492	3.20%
Raleigh-Durham-Cary, NC	36,978	38,044	38,424	39,309	40,703	41,623	43,618	2.80%
San Jose-San Francisco-Oakland, CA	56,633	54,034	52,347	53,735	56,840	59,325	62,483	1.70%
Seattle-Tacoma-Olympia, WA	41,894	42,123	42,941	43,851	43,862	45,348	47,983	2.30%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	42,245	44,388	45,366	46,986	49,412	51,590	53,832	4.10%

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AGE DISTRIBUTION

Percent of population

Age distribution Percent of population, 2005				
	0-24	25-44	45-64	65+
SE Michigan	34	28	26	12
Chicago	36	30	24	11
Cleveland	33	27	27	14
Columbus	40	28	22	11
Indianapolis	35	30	24	11
Michigan (State)	35	28	26	12
Minneapolis	35	30	25	10
Pittsburgh	30	25	28	17
Raleigh-Durham	36	33	23	9
San Francisco	32	30	26	12
Seattle	35	33	28	3

Observations

- SE Michigan and Michigan (state) are almost identical in terms of age distribution
- SE Michigan is similar relative to peer cities in share of population over 65

AGE DISTRIBUTION

Base data used in previous page

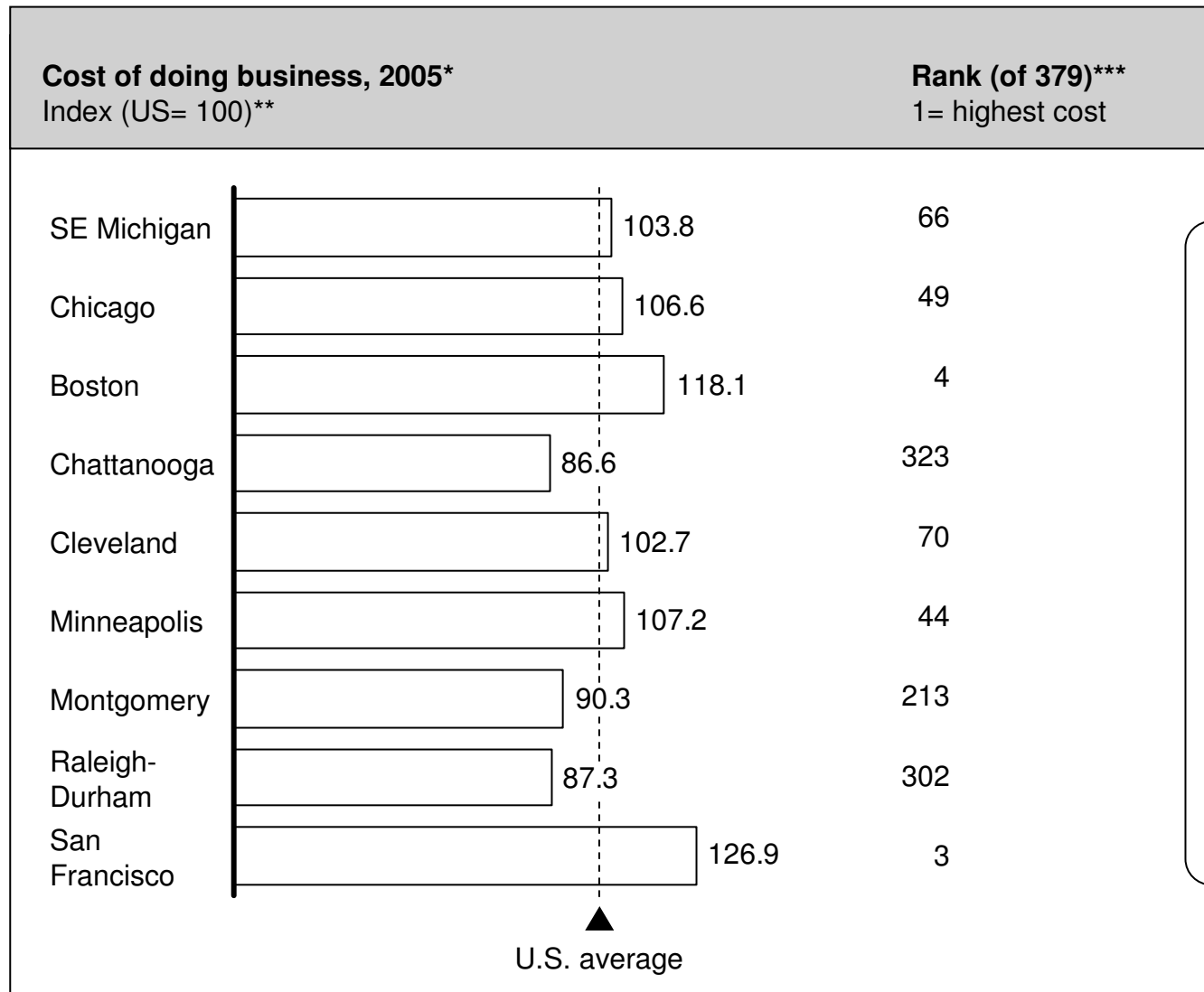
Percent of population by age, 2000-05

Geography	0-24			25-44			45-64			65+		
	2000	2005	CAGR, 2000-05	2000	2005	CAGR, 2000-05	2000	2005	CAGR 2000-05	2000	2005	CAGR, 2000-05
Atlanta	36.1%	35.7%	-0.2%	34.9%	33.2%	-1.0%	21.1%	23.1%	1.9%	8.0%	8.0%	0.1%
Chicago	36.3%	35.7%	-0.4%	31.5%	29.5%	-1.3%	21.3%	23.9%	2.4%	10.9%	10.9%	-0.1%
Cleveland	33.5%	32.8%	-0.4%	29.2%	26.5%	-1.9%	23.1%	26.5%	2.8%	14.3%	14.2%	-0.1%
Columbus	40.8%	39.7%	-0.5%	28.9%	27.6%	-1.0%	19.6%	22.0%	2.3%	10.7%	10.8%	0.2%
SE Michigan	35.0%	34.4%	-0.3%	30.9%	28.3%	-1.7%	22.4%	25.6%	2.7%	11.7%	11.7%	0.0%
Houston	38.8%	38.1%	-0.4%	32.6%	30.5%	-1.3%	20.7%	23.4%	2.5%	7.9%	8.0%	0.5%
Indianapolis	35.2%	35.1%	-0.1%	31.7%	29.6%	-1.3%	21.9%	24.1%	2.0%	11.2%	11.2%	-0.1%
Minneapolis	36.3%	34.9%	-0.8%	32.6%	30.5%	-1.4%	21.3%	24.6%	3.0%	9.8%	10.0%	0.4%
New York	33.4%	33.1%	-0.2%	31.5%	29.2%	-1.5%	22.5%	25.0%	2.2%	12.7%	12.7%	0.1%
Pittsburgh	30.4%	29.9%	-0.3%	27.8%	25.0%	-2.1%	24.0%	27.8%	2.9%	17.8%	17.3%	-0.6%
Raleigh-Durham	35.8%	35.6%	-0.1%	34.5%	32.7%	-1.0%	20.8%	22.9%	1.9%	8.9%	8.8%	-0.1%
San Francisco	32.6%	32.3%	-0.2%	33.6%	30.1%	-2.1%	22.7%	26.0%	2.7%	11.1%	11.6%	0.9%
Seattle	36.8%	35.2%	-0.9%	35.5%	33.0%	-1.4%	24.8%	28.4%	2.8%	6.7%	3.4%	-12.8%
Washington	35.4%	35.5%	0.1%	34.1%	31.0%	-1.9%	24.0%	26.7%	2.1%	6.5%	6.8%	1.1%
Michigan (State)	35.5%	34.6%	-0.5%	29.7%	27.5%	-1.5%	22.6%	25.5%	2.4%	12.3%	12.4%	0.2%

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COST OF DOING BUSINESS BY CSA



Observations

- SE Michigan's business costs are higher than its manufacturing peers like Tennessee and Montgomery
- Relative to other knowledge-focused cities, SE Michigan's costs are moderate
- SE Michigan's costs are slightly higher than the US average

* Cost of doing business is a weighted average of the unit labor cost (75%), the energy cost index (15%), and the state and local tax index (10%)

** Values achieved by weighting cost of doing business values for individual MSAs, then summing the weighted values

*** The cost of doing business Index ranks 379 MSAs for their cost data. The actual scores are aggregated to the CSA level, but the rank indicates the ranking of the CSA's largest MSAs

COST OF DOING BUSINESS BY CSA, 2005

Base data used in previous page

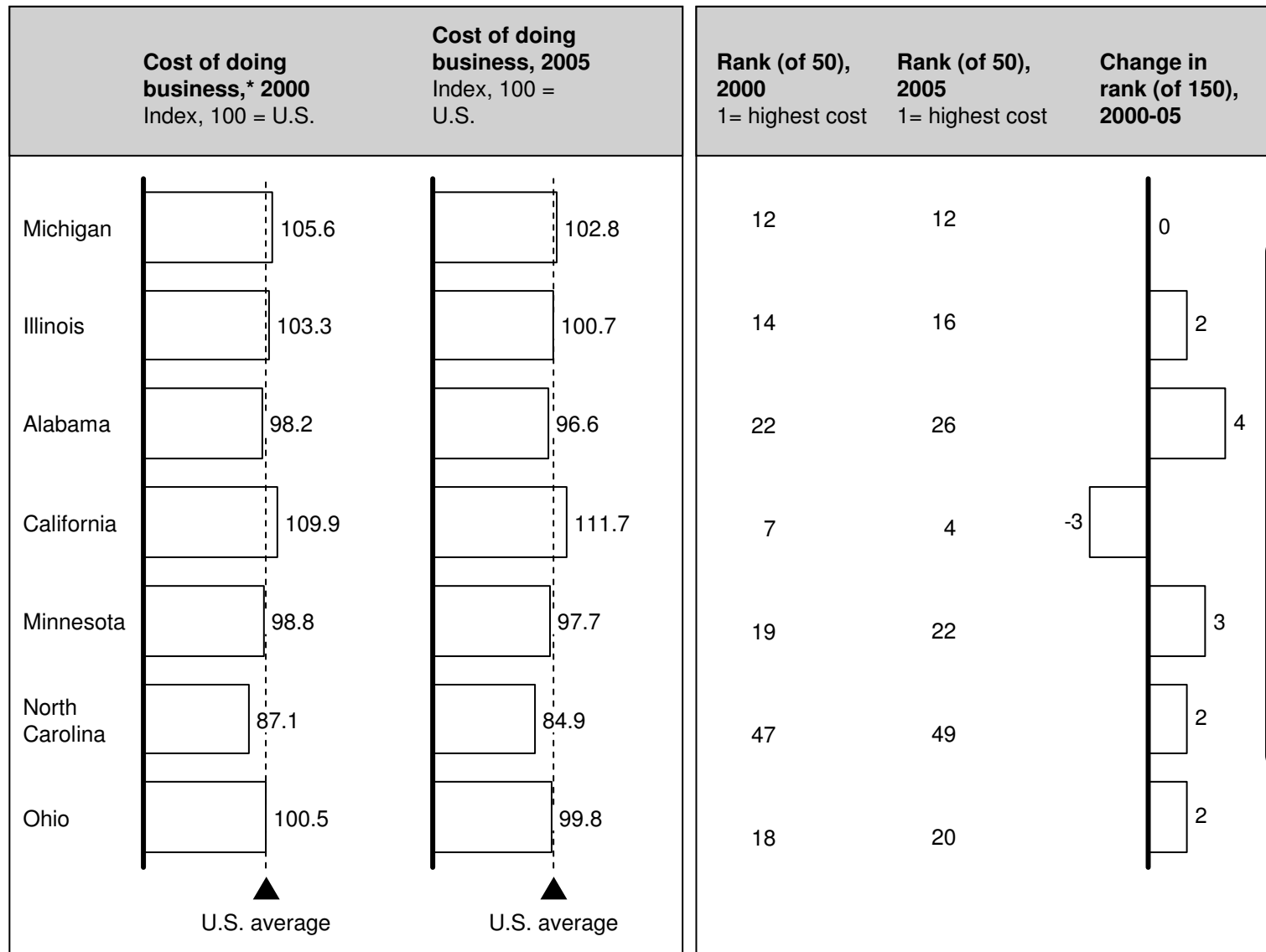
Index, 100 = U.S.; rank – 1 = highest cost

CSA*	Cost of doing business index**
Atlanta-Sandy Springs-Gainesville, GA-AL	97.8
Boston-Worcester-Manchester, MA-RI-NH	118.1
Chattanooga-Cleveland-Athens, TN-GA	86.6
Chicago-Naperville-Michigan City, IL-IN-WI	106.6
Cleveland-Akron-Elyria, OH	102.7
Columbus-Auburn-Opelika, GA-AL	90.3
Detroit-Warren-Flint, MI	103.8
Houston-Baytown-Huntsville, TX	97
Huntsville-Decatur, AL	94.6
Indianapolis-Anderson-Columbus, IN	92.4
Los Angeles-Long Beach-Riverside, CA	110
Madison-Baraboo, WI	100
Minneapolis-St. Paul-St. Cloud, MN-WI	107.2
Pittsburgh-New Castle, PA	98
Raleigh-Durham-Cary, NC	87.3
San Jose-San Francisco-Oakland, CA	126.9
Seattle-Tacoma-Olympia, WA	104.7
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	110.2

* Values achieved by weighting cost of doing business values for individual MSAs, then summing the weighted values

** Cost of doing business is a weighted average of the unit labor cost (75%), the energy cost index (15%), and the state and local tax index (10%)

COST OF DOING BUSINESS BY STATE



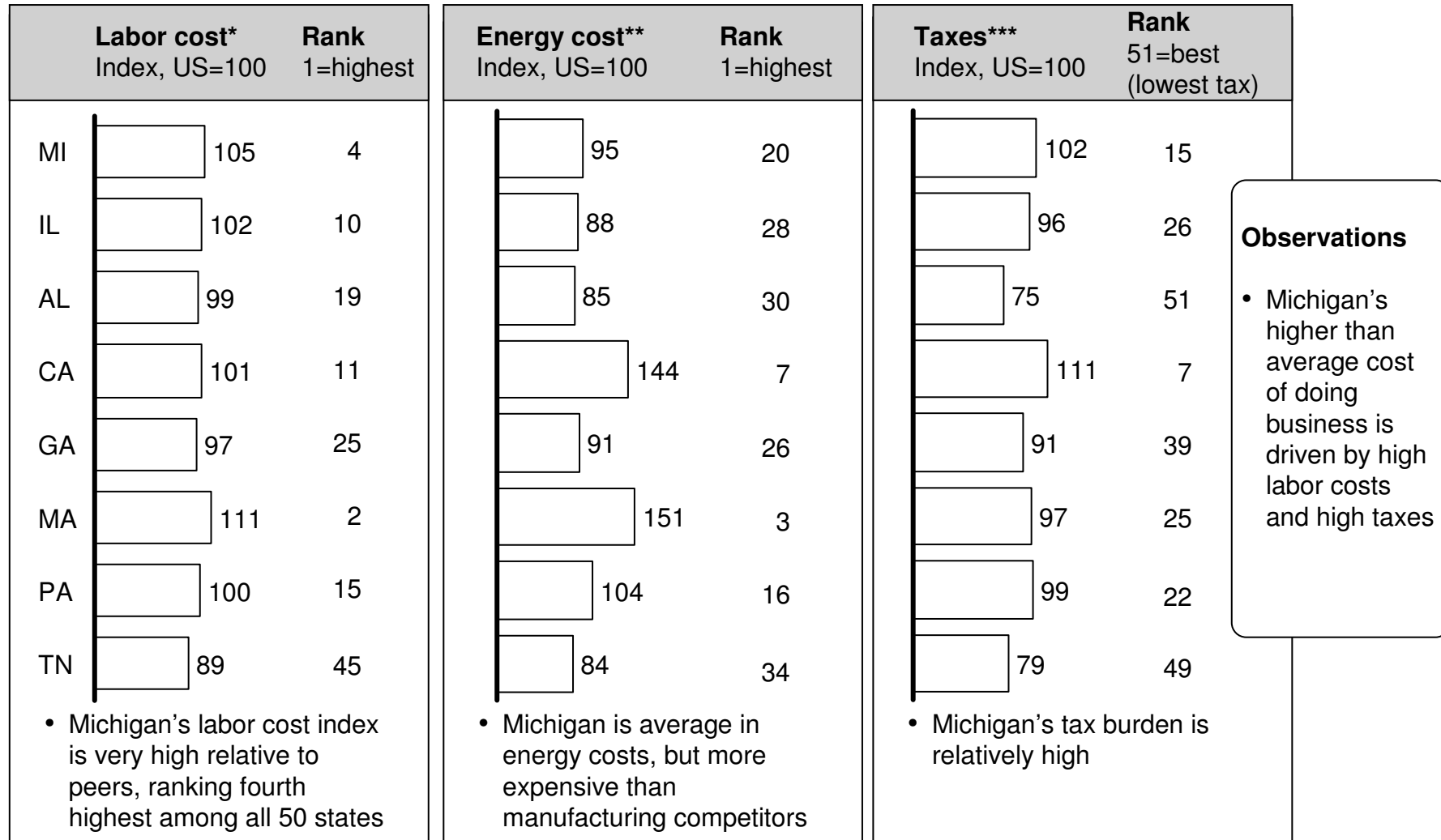
Observations

- Michigan's cost of doing business has decreased, but rank remains the same from 2000 to 2005
- In contrast, key manufacturing competitors have decreased in rank as well as in actual costs (represented by index)

* Cost of doing business is a weighted average of the unit labor cost (75%), the energy cost index (15%), and the state and local tax index (10%)
 Source: North American Business Cost Review 2006; Moody's Economy.com

STATE COST OF DOING BUSINESS, 2005

Disaggregation and weighting



* Labor cost is calculated as labor compensation per dollar of output. Labor compensation is measured as wages and salaries per employee while output is calculated as gross output per employee

** Energy cost is calculated as state quantity-adjusted price of commercial and industrial energy relative to the US price

*** Tax burden measures all taxes, including personal, property, and corporate taxes and charges, less severance taxes, corporate license taxes, education, hospital and intergovernmental transfers. The effective tax rate index is measured as the total tax burden as a percent of total personal income in the area, indexed to the national effective tax rate

COST OF DOING BUSINESS BY STATE/ DISTRICT, 2000-05*

Base data used in previous page

Index, 100 = U.S.; rank – 1 = highest cost, 50 = lowest cost

State/District	2000	2001	2002	2003	2004	2005	Rank 2000	Rank 2001	Rank 2002	Rank 2003	Rank 2004	Rank 2005
Alabama	98.2	97.8	98.1	98.3	98	96.6	22	23	23	24	24	26
California	109.9	110.7	112.3	113.4	113.4	111.7	7	5	4	4	4	4
Connecticut	108.8	107.8	106.9	106.7	107.8	108.5	8	8	9	9	9	7
District of Columbia	121.3	124.8	125	120.6	115.9	113.5	1	1	1	1	2	3
Georgia	93.7	93.3	93.7	94.4	95.1	95.4	35	36	33	32	31	30
Illinois	103.3	102.8	102.8	102.5	102	100.7	14	14	13	12	14	16
Indiana	93.2	92.5	91.7	90.8	90	89.2	37	39	39	44	45	45
Maryland	102.3	102.4	102	101.5	102.1	103.3	15	15	15	15	13	11
Massachusetts	117.3	117.3	116.9	115.4	114.5	114.7	2	2	3	3	3	2
Michigan	105.6	105.1	104.5	103.3	102.8	102.8	12	12	10	11	11	12
Minnesota	98.8	99.4	99.3	98.9	98.5	97.7	19	19	20	22	23	22
New Jersey	111.6	110.7	109.6	108.3	108.5	109.2	5	5	6	8	8	6
New York	111.6	111.2	111	110.5	110.4	110.7	4	4	5	5	5	5
North Carolina	87.1	86.2	85.8	85.3	85.4	84.9	47	48	49	49	49	49
Ohio	100.5	100.8	101	100.5	100.3	99.8	18	17	16	16	19	20
Pennsylvania	103.6	103	102.6	102.5	102.6	102.2	13	13	14	13	12	14
Tennessee	94.9	93.8	92.3	91.1	90.2	89	32	33	38	41	44	47
Texas	95.2	96.4	96.8	96.9	96.2	95.7	30	27	26	26	29	29
Virginia	95.4	93.7	92.8	92.4	93.1	93.3	28	34	37	37	34	34
Washington	97.9	98.1	99.1	100.2	100.7	100.5	23	22	22	17	17	17
Wisconsin	96.8	96.1	96.4	97.7	99.4	100.3	25	28	28	25	21	19

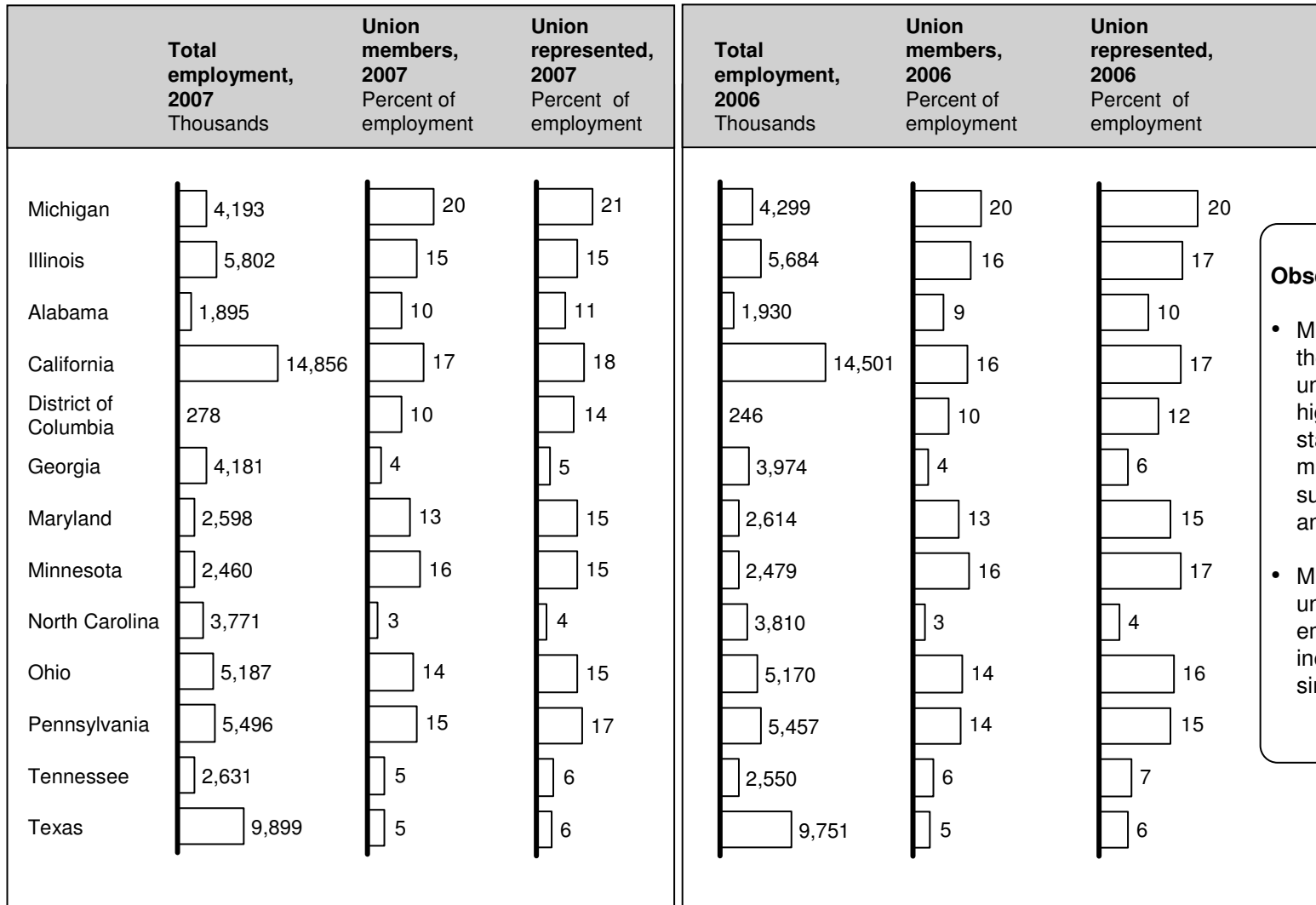
* Cost of doing business index is a weighted average of the unit labor cost index (75%), the energy cost index (15%), and the state and local tax index (10%)

Source: North American Business Cost Review 2006; Moody's Economy.com

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UNIONIZATION



Observations

- Michigan's share of the workforce that is union-represented is higher than peer states, especially manufacturing peers such as Alabama and Tennessee
- Michigan's share of union-represented employment has increased slightly since 2006

UNION LABOR LAW AND PERCENT OF UNIONIZED WORKFORCE BY STATE, 2006-07

Base data used in previous page

State	Type of union law	Total employed, 2006	Percent members of unions, 2006	Percent represented by unions, 2006	Total employed, 2007	Percent members of unions, 2007	Percent represented by unions, 2007
Alabama	Right to Work*	1,930	8.80%	10.00%	1,895	9.50%	10.60%
California	Union Shop**	14,501	15.70%	16.90%	14,856	16.70%	17.80%
Connecticut	Union Shop	1,591	15.60%	16.50%	1,617	15.60%	16.60%
District of Columbia	Union Shop	246	10.30%	12.20%	278	10.30%	13.60%
Georgia	Right to Work	3,974	4.40%	5.80%	4,181	4.40%	5.40%
Illinois	Union Shop	5,684	16.40%	17.20%	5,802	14.50%	15.20%
Indiana***	Union Shop	2,787	12.00%	13.00%	2,779	12.00%	12.90%
Maryland	Union Shop	2,614	13.10%	14.80%	2,598	12.90%	14.50%
Massachusetts	Union Shop	2,859	15.00%	15.00%	2,882	13.20%	14.00%
Michigan	Union Shop	4,299	19.60%	20.40%	4,193	19.50%	20.60%
Minnesota	Union Shop	2,479	16.00%	16.80%	2,460	16.30%	17.00%
New Jersey	Union Shop	3,827	20.10%	21.60%	3,897	19.20%	20.60%
New York	Union Shop	8,115	24.40%	25.40%	8,150	25.20%	26.30%
North Carolina	Right to Work	3,810	3.30%	4.10%	3,771	3.00%	3.90%
Ohio	Union Shop	5,170	14.20%	15.50%	5,187	14.10%	15.40%
Pennsylvania	Union Shop	5,457	13.60%	14.70%	5,496	15.10%	16.60%
Tennessee	Right to Work	2,550	6.00%	6.80%	2,596	5.30%	6.40%
Texas	Right to Work	9,751	4.90%	5.90%	9,899	4.70%	5.70%
Virginia	Right to Work	3,446	4.00%	5.20%	3,502	3.70%	4.80%
Washington	Union Shop	2,772	19.80%	21.00%	2,874	20.20%	21.40%
Wisconsin	Union Shop	2,587	14.90%	16.10%	2,631	14.30%	15.40%

* Under this law, also called open shop, individuals are not required to be a union member to get a job, nor are they forced to join one upon hire

** Employer can hire union or nonunion workers, but nonunion workers must join a union (if it exists) within a specified time period. Similar is the agency shop, where employees pay union dues, whether they are a union member or not

*** Right-to-work law in effect for school employees only

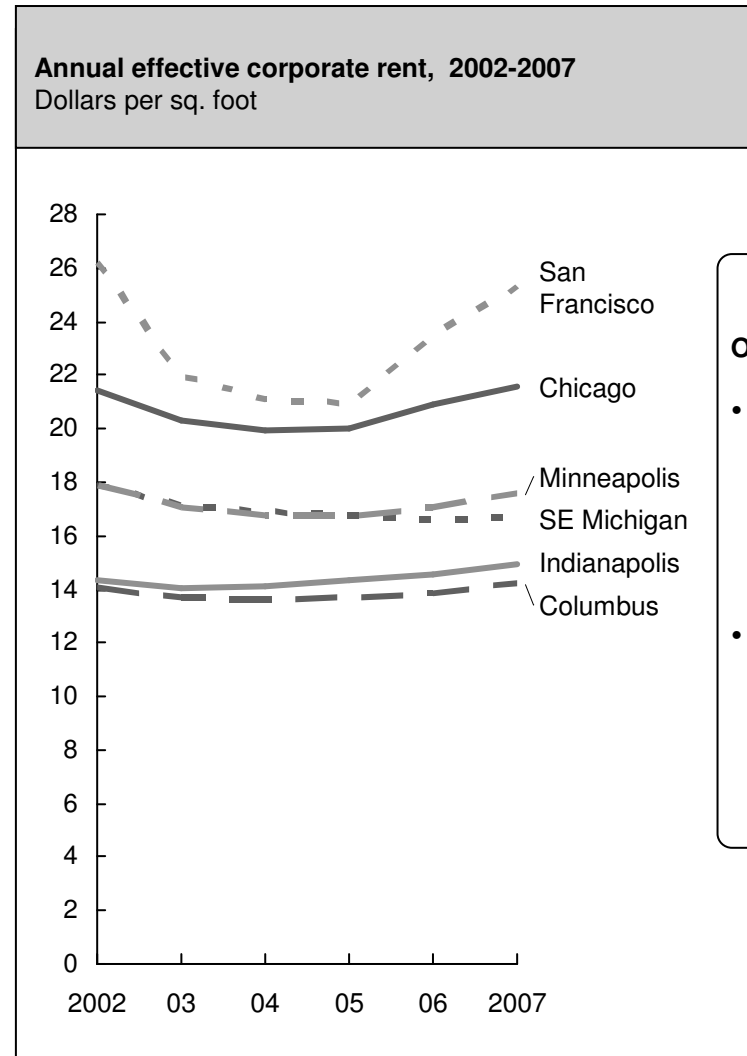
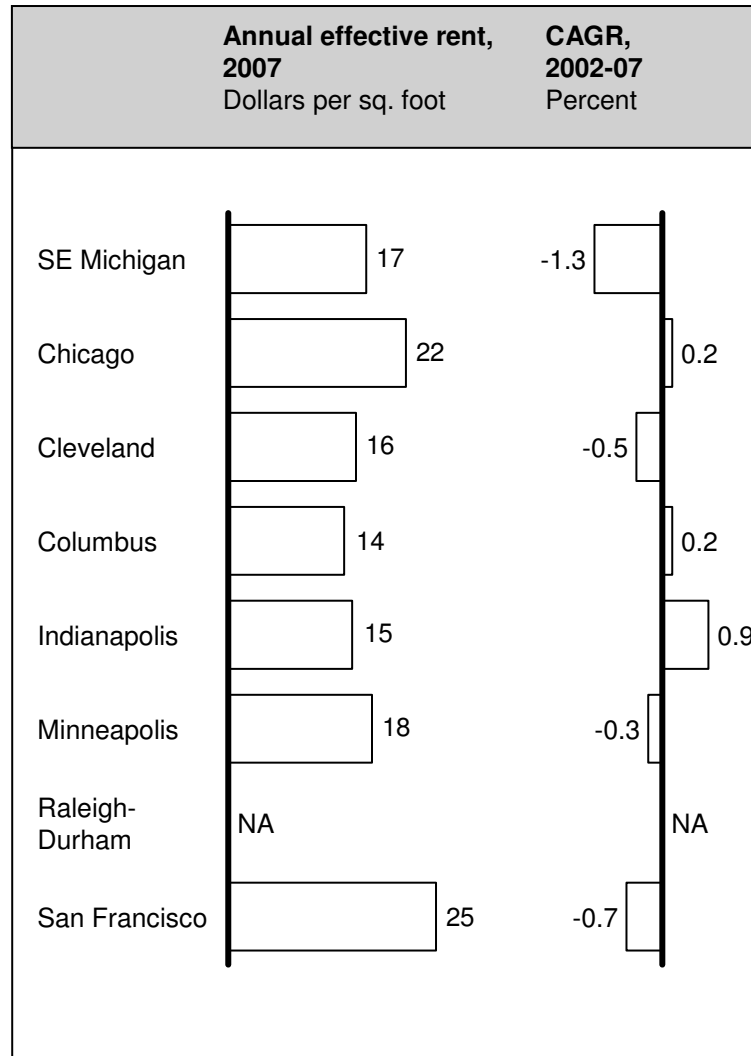
Source: U.S. Bureau of Labor Statistics

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ANNUAL EFFECTIVE CORPORATE RENT, 2007

Dollars per square foot



Observations

- Corporate rent rates in SE Michigan are decreasing faster than that of competitors
- Rent in SE Michigan is average for peer set

ANNUAL EFFECTIVE CORPORATE RENT

Dollars per square foot

Base data used in previous page

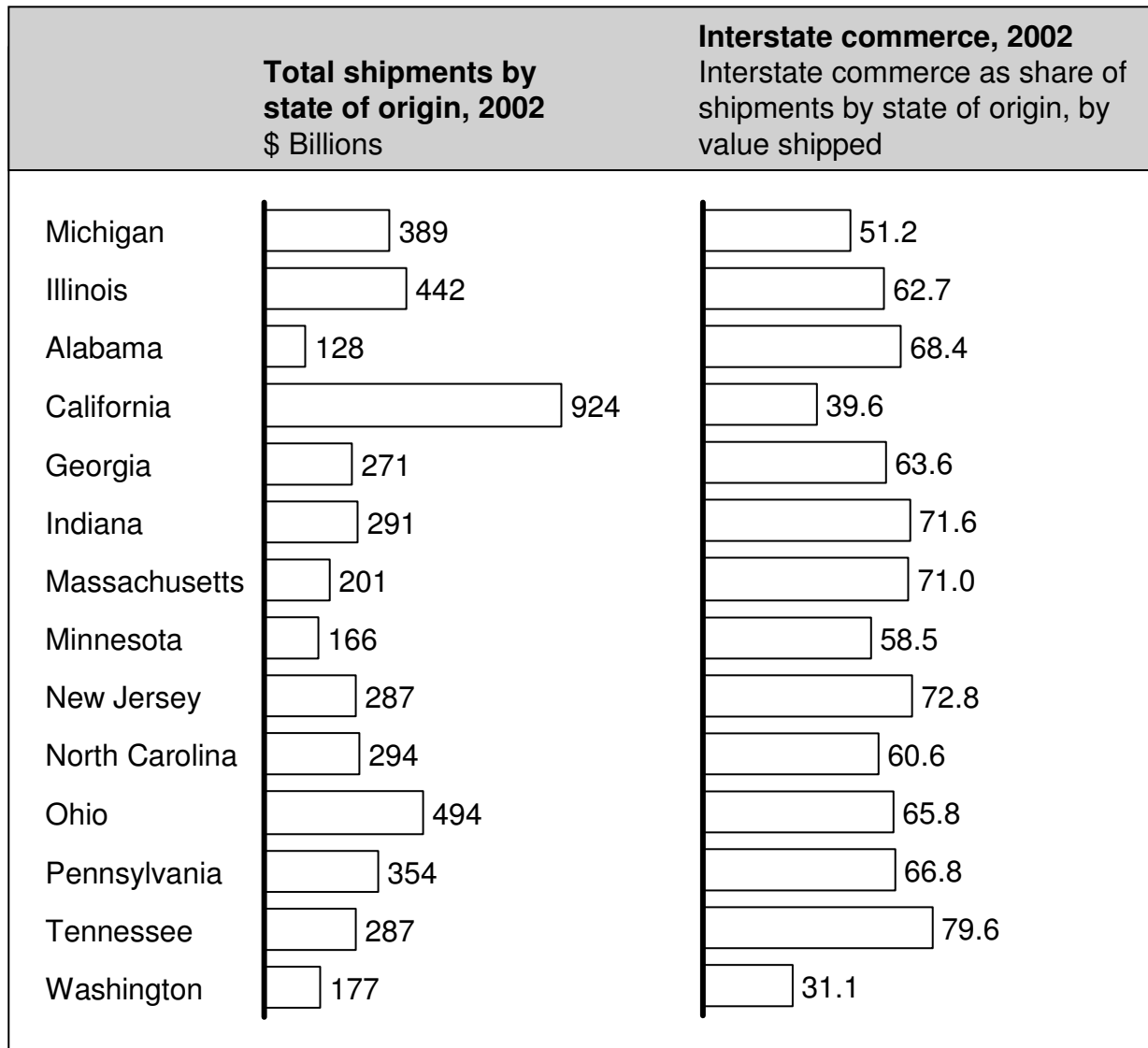
Region	2002	2003	2004	2005	2006	2007	CAGR, 2002-07
Atlanta-Sandy Springs-Gainesville, GA-AL Combined Statistical Area	17.15	16.46	16.30	16.34	17.03	17.61	0.5%
Chicago-Naperville-Michigan City, IL-IN-WI Combined Statistical Area	21.40	20.31	19.93	20.01	20.88	21.57	0.2%
Cleveland-Akron-Elyria, OH Combined Statistical Area	15.89	15.41	15.42	15.33	25.24	15.52	-0.5%
Columbus-Auburn-Opelika, GA-AL Combined Statistical Area	14.07	13.69	13.56	13.64	13.78	14.18	0.2%
Detroit-Warren-Flint, MI Combined Statistical Area	17.85	17.13	16.87	16.74	16.56	16.68	-1.3%
Houston-Baytown-Huntsville, TX Combined Statistical Area	16.51	15.54	14.96	15.15	16.83	17.69	1.4%
Indianapolis-Anderson-Columbus, IN Combined Statistical Area	14.33	14.03	14.08	14.31	14.53	14.96	0.9%
Minneapolis-St. Paul-St. Cloud, MN-WI Combined Statistical Area	17.82	16.99	16.74	16.70	17.00	17.53	-0.3%
New York-Newark-Bridgeport, NY-NJ-CT-PA CSA	39.35	36.50	35.75	37.70	41.72	45.80	3.1%
Raleigh-Durham-Cary, NC Combined Statistical Area	NA	NA	NA	NA	NA	NA	NA
San Jose-San Francisco-Oakland, CA Combined Statistical Area	26.20	21.92	21.05	20.90	23.43	25.32	-0.7%
Seattle-Tacoma-Olympia, WA Combined Statistical Area	21.76	20.58	19.89	20.27	22.66	24.31	2.2%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area	26.65	25.63	25.95	27.31	29.05	30.68	2.9%

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SHIPMENTS

Interstate commerce as a percentage of total shipments by state of origin



Source: US Department of Transportation; Research and Innovative Technology Administration; Bureau of Transportation Statistics and U.S. Census Bureau; 2002 Commodity Flow Survey; individual state data

SHIPMENTS

Base data used in previous page

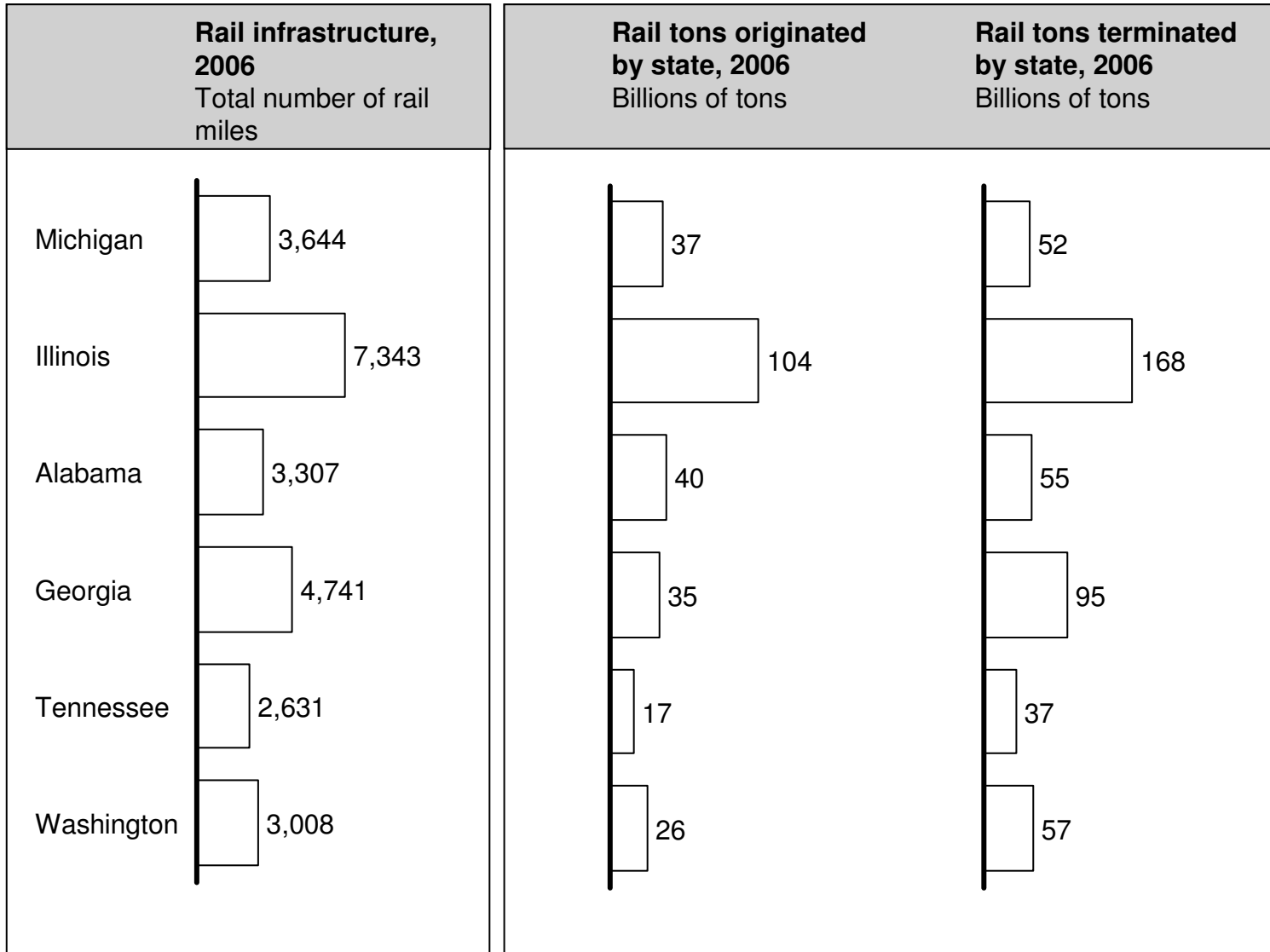
Percent of shipments interstate, by value shipped

State of origin	Value (\$ Billions)			Weight (Million tons)		
	State total	Interstate	Percent interstate	State total	Interstate	Percent interstate
Alabama	128	87	68.4	216	94	43.3
California	924	366	39.6	904	81	9
Colorado	93	50	54.1	150	61	40.3
Georgia	271	172	63.6	340	99	29.3
Illinois	442	277	62.7	718	271	37.7
Indiana	291	209	71.6	398	146	36.6
Maryland	121	75	61.9	165	55	33.2
Massachusetts	201	143	71	75	23	30.8
Michigan	389	199	51.2	331	98	29.6
Minnesota	166	97	58.5	336	145	43.2
New Jersey	287	209	72.8	238	89	37.6
New York	319	195	61.2	250	84	33.8
North Carolina	294	178	60.6	276	71	25.6
Ohio	494	325	65.8	546	212	38.8
Pennsylvania	354	237	66.8	400	166	41.5
Tennessee	287	228	79.6	270	111	41.2
Texas	589	223	37.9	1083	167	15.4
Virginia	165	94	57.1	269	84	31.3
Washington	177	55	31.1	260	61	23.4

Source: US Department of Transportation; Research and Innovative Technology Administration; Bureau of Transportation Statistics and U.S. Census Bureau; 2002 Commodity Flow Survey; individual state data

RAIL INFRASTRUCTURE

Total number of rail miles; Billions of tons



RAIL INFRASTRUCTURE- TOTAL RAIL MILES, RAIL TONS ORIGINATED AND TERMINATED

Base data used in previous page

Total number of rail miles; Tons

State	Total rail miles		Rail tons	
	Total Rail Miles	Rank	Rail tons originated by state, 2006	Rail tons terminated by state, 2006
Alabama	3,307	16	39,833,516	54,795,552
California	5,352	3	70,067,096	110,117,171
Georgia	4,741	7	35,221,078	95,460,937
Illinois	7,343	2	104,084,854	168,161,452
Indiana	4,336	9	53,691,788	69,293,180
Massachusetts	1,079	41	2,488,472	8,740,444
Michigan	3,644	12	36,601,302	52,291,490
Minnesota	4,590	8	76,732,662	59,750,605
North Carolina	3,240	18	14,335,063	63,232,074
Ohio	5,275	4	67,596,430	101,033,964
Tennessee	2,631	27	16,981,597	36,809,874
Texas	10,608	1	115,132,816	218,294,813
Washington	3,008	22	26,227,784	56,860,254

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REGULATORY ENVIRONMENT

	Full-time state and local government employees, 2006 Employees per 100 residents	Rank (of 50), 2005 1= lowest ratio,	Regulatory Environment Ranking (of 50,)* 2006 1=best rank
Michigan	4.9	6	2
Illinois	5.0	9	28
Alabama	6.0	39	19
California	4.9	7	41
District of Columbia	8.4	50	
Georgia	5.5	26	4
Indiana	5.3	17	22
Massachusetts	5.0	11	37
Minnesota	5.3	13	20
New Jersey	5.8	35	23
North Carolina	5.6	28	3
Ohio	5.4	23	11
Pennsylvania	4.6	2	29
Tennessee	5.4	22	12
Washington	5.3	14	5

* Regulatory environment measures regulatory and tort climate, incentives, transportation, and bond ratings
Source: Small Business Survival Index; Forbes "Best Cities to Do Business"

STATE AND LOCAL TAX BURDEN (PERSONAL AND BUSINESS), 2007

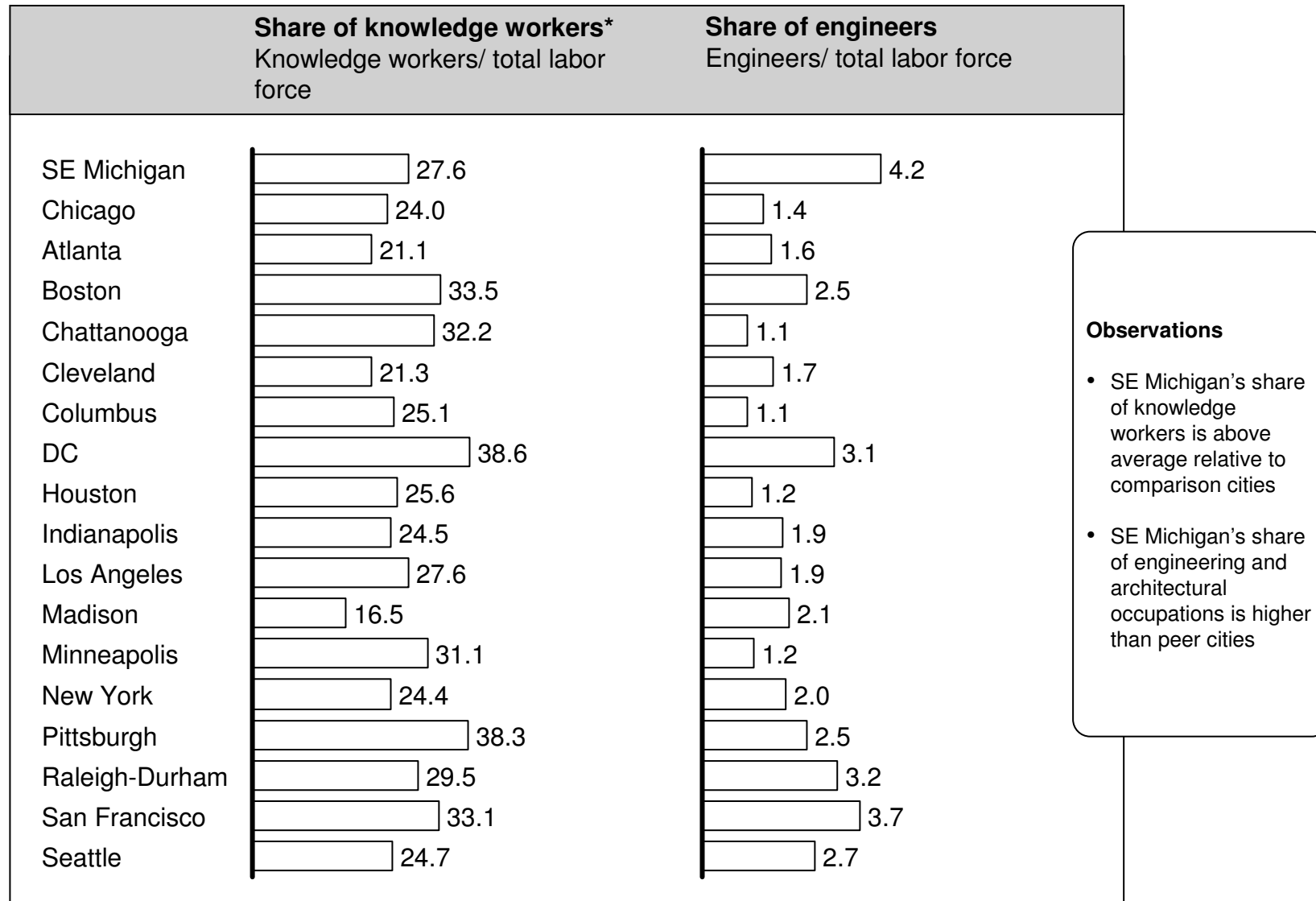
	Combined state and local tax burdens (Personal and business),* 2007 Percent	Rank 1= highest burden
Michigan	11	14
Illinois	11	22
Alabama	9	46
Georgia	10	32
Massachusetts	11	28
Ohio	12	5
Pennsylvania	11	24
Tennessee	9	48
Texas	9	43
Washington	11	16

* Combined state and local tax burden is calculated by dividing gross tax receipts, minus federal taxes, by total income. It includes both personal and business taxes
Source: Tax Foundation

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BENCHMARKS – OCCUPATIONAL DISTRIBUTION



* Knowledge workers defined as architecture and engineering occupations; management occupations; business and finance occupations; math and computer occupations; life, physical and social science occupations; community and social services occupations; legal occupations; education, training, and library occupations; arts, design, entertainment, sports, and media; healthcare practitioner and technical occupations

OCCUPATIONAL SKILL – KNOWLEDGE AND ENGINEERING

Base data used in previous page

Region	All Employment	Architecture and Engineering Occupations	Share of Architecture and Engineering Occupations	All Knowledge Occupations*	Share of Knowledge workers
Atlanta-Sandy Springs-Gainesville, GA-AL	2,465,900	40,370	1.60%	519,380	21.10%
Boston-Worcester-Manchester, MA-NH	3,393,830	84,670	2.50%	1,135,710	33.50%
Chattanooga-Cleveland-Athens, TN-GA	268,280	2,850	1.10%	86,510	32.20%
Chicago-Naperville-Michigan City, IL-IN-WI	4,566,750	65,450	1.40%	1,095,450	24.00%
Cleveland-Akron-Elyria, OH	1,392,240	23,220	1.70%	295,910	21.30%
Columbus-Auburn-Opelika, GA-AL	164,380	1,730	1.10%	41,280	25.10%
Detroit-Warren-Flint, MI	2,336,270	98,950	4.20%	644,590	27.60%
Houston-Baytown-Huntsville, TX	2,483,710	77,500	3.10%	636,360	25.60%
Indianapolis-Anderson-Columbus, IN	1,456,400	17,420	1.20%	356,190	24.50%
Los Angeles-Long Beach-Riverside, CA	7,281,520	139,970	1.90%	2,009,270	27.60%
Madison, WI	331,930	6,200	1.90%	54,910	16.50%
Minneapolis-St. Paul-St. Cloud, MN-WI	1,874,000	38,430	2.10%	582,670	31.10%
New York-Newark-Bridgeport, NY-NJ-CT-PA	9,590,910	118,590	1.20%	2,343,940	24.40%
Pittsburgh-New Castle PA	1,124,930	22,500	2.00%	430,930	38.30%
Raleigh-Durham-Cary, NC	774,060	19,170	2.50%	228,580	29.50%
San Jose-San Francisco-Oakland, CA	3,408,310	109,070	3.20%	1,126,620	33.10%
Seattle-Tacoma-Olympia, WA	1,635,060	61,210	3.70%	404,320	24.70%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	3,637,050	97,590	2.70%	1,403,260	38.60%

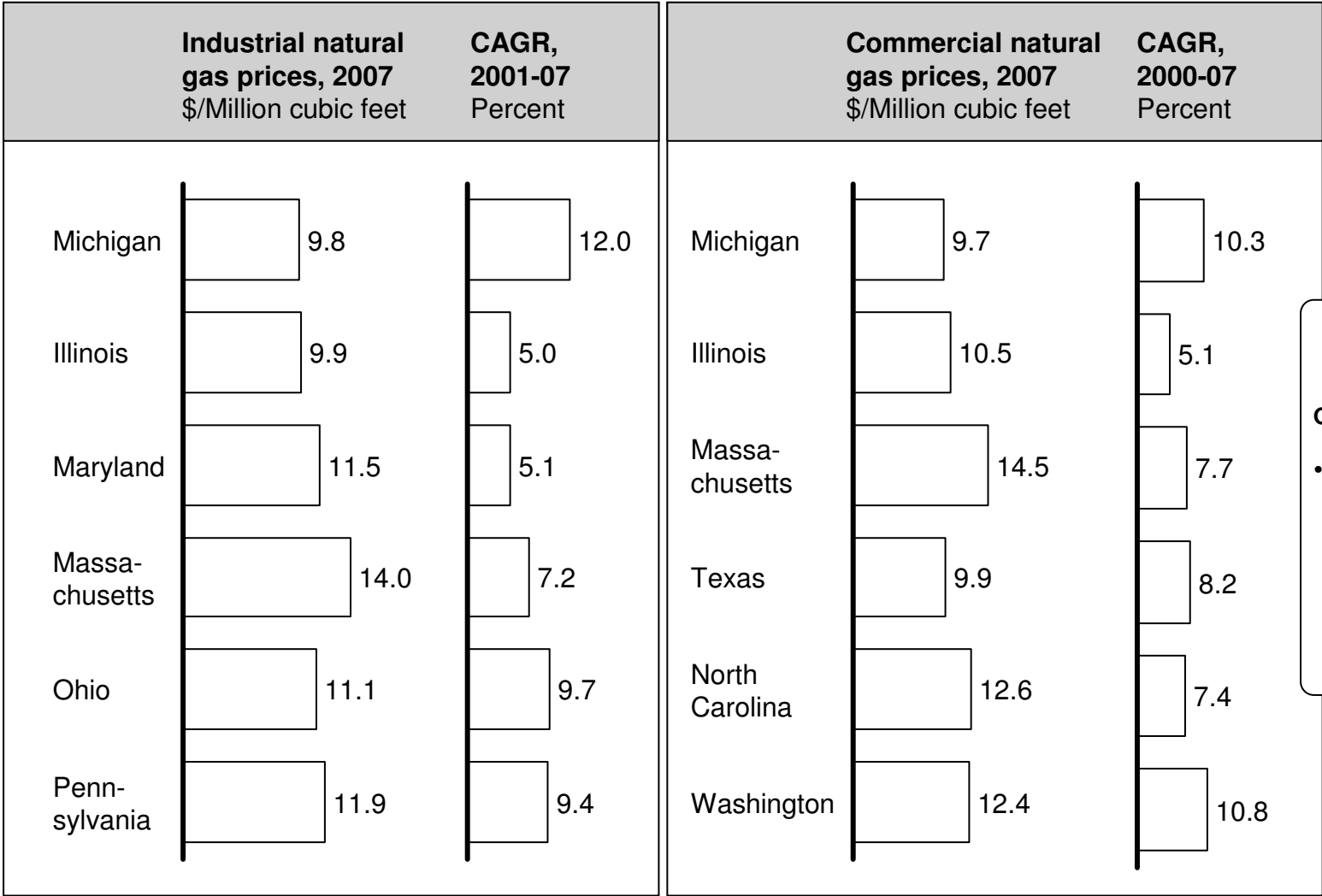
* Knowledge workers defined as architecture and engineering occupations; management occupations; business and finance occupations; math and computer occupations; life, physical and social science occupations; community and social services occupations; legal occupations; education, training, and library occupations; arts, design, entertainment, sports, and media; healthcare practitioner and technical occupations

Source: Bureau of Labor Statistics

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INDUSTRIAL AND COMMERCIAL NATURAL GAS PRICES



Observations

- SE Michigan's energy prices are lower than peer cities

COMMERCIAL NATURAL GAS PRICES

Base data used in previous page

\$/Million cubic feet

State	Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	CAGR 2000-07
Alabama	Commercial	7.73	10.42	8.97	10.14	10.95	13.73	15.79	14.73	15.17	8.4%
California	Commercial	7.53	9.34	6.05	8.13	8.61	10.68	10.34	10.18	11.64	3.8%
Connecticut	Commercial	6.66	7.72	7.21	10.47	11.31	13.05	13.57	12.62	12.85	8.3%
District of Columbia	Commercial	9.79	11.84	10.31	12.61	13.61	13.17	14.67	13.63	13.77	4.2%
Georgia	Commercial	7.81	8.95	8.14	9.92	11.43	14.76	13.99	13.00	12.56	6.6%
Illinois	Commercial	7.09	8.38	7.61	8.36	9.23	11.33	10.81	10.53	10.61	5.1%
Indiana	Commercial	5.75	8.69	6.85	8.46	8.60	11.17	11.56	10.14	10.04	7.3%
Maryland	Commercial	8.15	9.94	6.90	8.13	9.33	11.97	13.28	12.31	12.72	5.3%
Massachusetts	Commercial	8.60	11.37	8.67	11.07	12.45	14.26	15.66	14.45	15.19	6.7%
Michigan	Commercial	4.85	5.53	6.03	7.00	8.04	9.38	10.75	9.66	10.27	9.0%
Minnesota	Commercial	6.09	7.51	5.58	7.58	8.42	10.10	10.26	10.13	10.67	6.6%
New Jersey	Commercial	6.12	7.77	6.30	11.78	10.84	10.97	12.61	12.25	11.55	9.1%
New York	Commercial	7.76	9.17	6.42	8.60	10.11	11.80	11.92	10.10	12.72	3.3%
North Carolina	Commercial	7.63	10.10	7.25	9.83	10.47	12.95	14.03	12.61	13.44	6.5%
Ohio	Commercial	7.07	8.67	6.41	8.14	9.20	11.66	12.83	11.77	12.43	6.6%
Pennsylvania	Commercial	7.72	10.67	7.70	9.26	10.6	13.04	14.30	12.83	13.40	6.6%
Tennessee	Commercial	6.84	9.37	7.38	8.86	9.52	12.49	13.03	12.59	12.39	7.9%
Texas	Commercial	5.69	6.50	5.50	7.60	8.37	10.52	10.23	9.90	10.72	7.2%
Virginia	Commercial	7.55	9.24	7.22	9.54	10.16	11.85	12.46	11.93	12.47	5.9%
Washington	Commercial	6.04	8.63	8.24	7.39	9.39	10.43	11.97	12.38	11.00	9.4%
Wisconsin	Commercial	6.32	7.48	6.10	7.98	8.71	10.43	10.23	10.48	11.11	6.5%

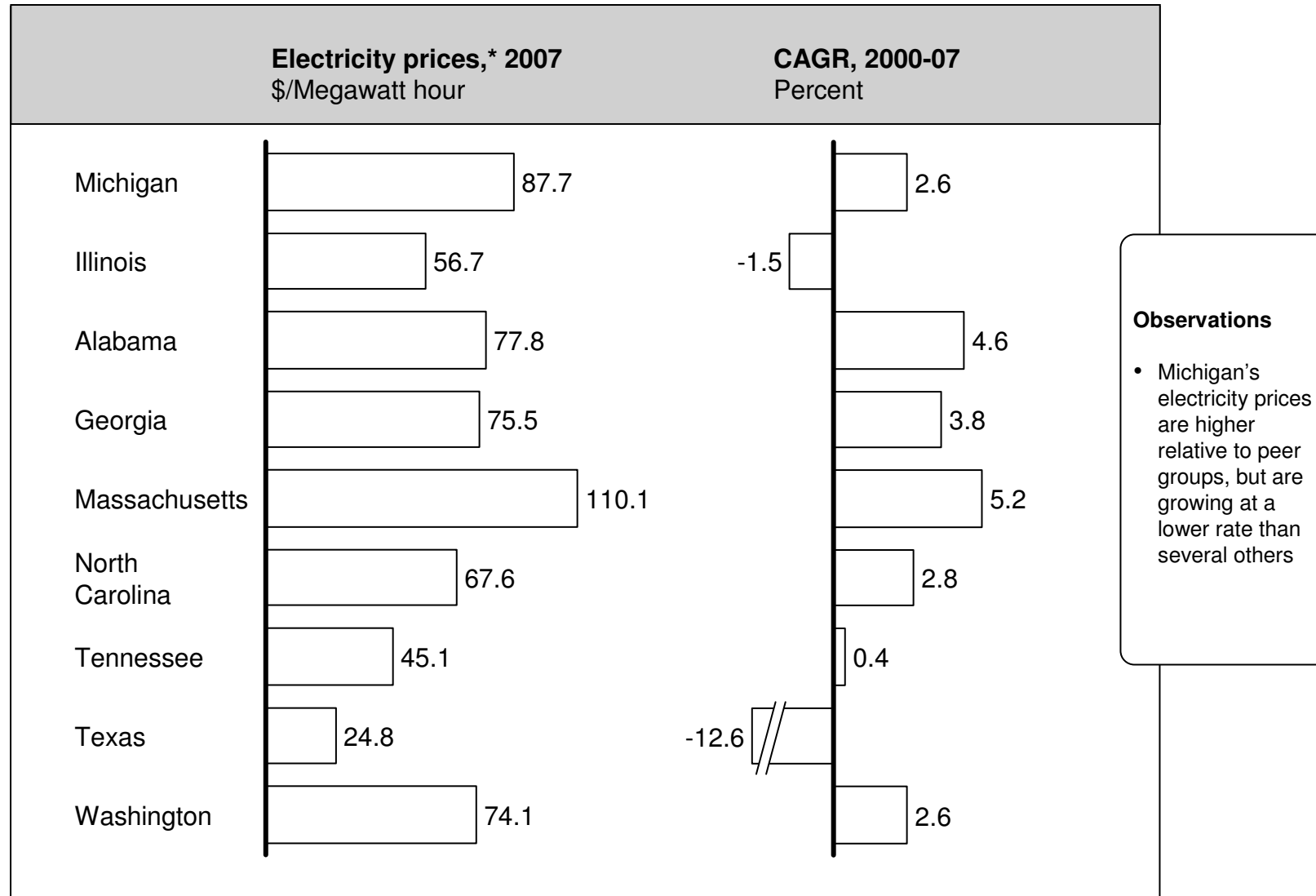
INDUSTRIAL NATURAL GAS PRICES

Base data used in previous page

\$/Million cubic feet

State	Category	2001	2002	2003	2004	2005	2006	2007	2008	CAGR 2000-2007
Alabama	Industrial	6.22	5.23	6.61	7.33	9.46	9.47	8.08	9.98	3.8%
California	Industrial	6.08	4.93	7.17	7.85	9.73	9.17	8.93	10.46	5.6%
Connecticut	Industrial	6.72	4.93	7.51	9.35	11.63	10.90	10.63	11.25	6.8%
District of Columbia	Industrial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Georgia	Industrial	5.58	4.88	6.72	7.55	10.12	9.38	9.03	10.44	7.1%
Illinois	Industrial	6.41	5.00	7.27	8.10	9.89	9.06	9.02	9.85	5.0%
Indiana	Industrial	8.47	5.59	8.65	8.00	10.06	9.48	8.68	9.28	0.4%
Maryland	Industrial	8.54	7.45	9.81	10.77	12.11	12.47	11.49	12.59	4.3%
Massachusetts	Industrial	9.23	7.10	11.29	12.41	13.70	14.57	14.01	14.92	6.1%
Michigan	Industrial	4.95	5.02	5.71	7.06	8.95	9.96	9.76	9.77	10.2%
Minnesota	Industrial	5.32	4.18	5.9	6.54	8.42	7.97	7.52	9.28	5.1%
New Jersey	Industrial	6.19	4.90	9.7	8.51	9.78	10.09	9.78	11.56	6.8%
New York	Industrial	7.40	5.52	7.33	8.06	10.86	10.36	9.06	12.41	2.9%
North Carolina	Industrial	6.63	4.88	6.33	7.14	10.64	10.87	9.61	11.19	5.4%
Ohio	Industrial	6.38	5.54	8.38	8.83	11.52	11.29	11.13	12.78	8.3%
Pennsylvania	Industrial	6.93	6.20	8.02	8.87	11.25	11.96	11.86	12.44	8.0%
Tennessee	Industrial	6.72	5.32	6.33	7.44	10.04	9.94	8.81	9.56	3.9%
Texas	Industrial	4.47	3.35	5.42	5.91	7.70	6.72	6.77	8.30	6.1%
Virginia	Industrial	5.56	4.46	5.96	7.89	10.59	9.67	9.05	10.89	7.2%
Washington	Industrial	5.11	4.80	6.17	7.87	10.05	9.79	9.74	10.21	9.7%
Wisconsin	Industrial	7.05	5.14	7.17	7.91	9.81	9.25	9.45	10.58	4.3%

MICHIGAN'S ELECTRICITY PRICE IS HIGHER THAN AVERAGE OF COMPARISON GROUP



* Prices weighted across various state electricity providers
Source: Energy Velocity

ELECTRICITY PRICES*

\$/Megawatt hour

Base data used in previous page

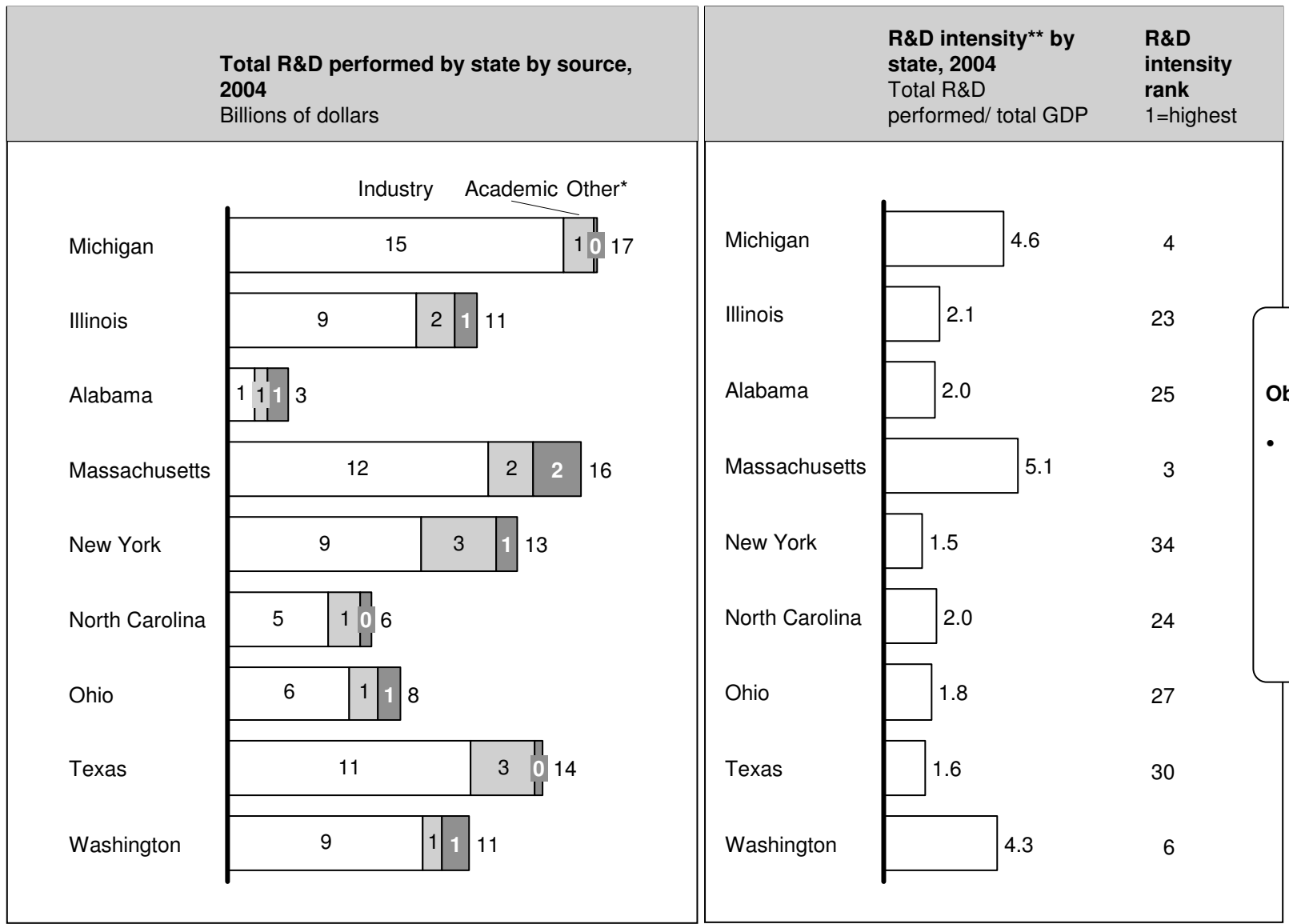
State	2000	2001	2002	2003	2004	2005	2006	2007	CAGR, 2000-07
Alabama	56.7	55.7	56.7	58.5	60.7	65.0	70.9	77.8	4.6%
California	87.4	110.5	120.9	112.3	102.8	108.8	117.2	122.7	5.0%
Connecticut	96.6	97.5	97.9	102.2	102.8	120.8	145.8	139.6	5.4%
District of Columbia	72.5	63.0	53.3	54.5	61.9	61.9	78.7	74.1	0.3%
Maryland	63.0	61.9	58.3	57.0	57.5	58.0	62.9	68.3	1.2%
Massachusetts	77.2	95.8	79.1	85.9	88.0	94.8	118.4	110.0	5.2%
Michigan	73.3	71.3	71.2	72.0	72.0	74.6	83.5	87.7	2.6%
Minnesota	56.5	58.5	55.0	57.1	59.0	63.5	68.0	72.0	3.5%
North Carolina	55.8	57.3	58.8	59.3	60.2	61.6	64.4	67.6	2.8%
New Jersey	88.2	89.6	91.8	89.3	87.9	93.2	102.2	111.3	3.4%
New York	121.5	125.8	115.8	114.3	115.1	122.9	123.4	126.9	0.6%
Ohio	64.1	65.1	62.9	61.4	61.1	62.5	71.8	74.3	2.1%
Pennsylvania	59.6	71.9	70.6	74.6	74.3	77.7	82.2	85.3	5.3%
Washington	62.0	61.7	59.5	59.5	60.2	63.0	68.6	74.1	2.6%
Illinois	62.8	61.9	60.6	59.1	57.7	58.4	59.7	56.7	-1.5%
Indiana	52.6	53.4	53.8	54.0	56.1	58.8	64.6	64.7	3.0%
Virginia	57.1	58.7	59.2	59.5	60.9	61.8	62.2	65.1	1.9%
Texas	64.0	75.7	28.0	29.4	30.7	32.6	34.3	24.8	-12.7%
Wisconsin	56.0	60.0	62.0	65.6	67.8	73.5	80.6	83.4	5.9%

* Prices weighted across various state electricity providers
Source: Energy Velocity

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 - **Research spending**
 - Venture capital
 - Quality of life

RESEARCH AND DEVELOPMENT EXPENDITURES BY STATE



Observations

- Michigan's high share of R&D performed is largely due to industrial R&D

* Includes federal funding, federally funded research and development centers, and nonprofit research

** Total R&D performed in state/total GDP

Source: National Science Foundation

RESEARCH AND DEVELOPMENT EXPENDITURES BY STATE, 2004

Base data used in previous page

\$ Millions

State	R&D Funding						GDP rank	R&D intensity*		
	All R&D	R&D rank	Federal	Industry	Academic	Other nonprofit		Percent	Rank	
State total	283,439	NA	34,142	201,131	42,832	5,335	11,655,335	n/a	2.43	NA
Alabama	2,760	26	911	1,227	571	51	141,366	25	1.95	25
Illinois	11,300	8	959	8,554	1,708	79	533,735	5	2.12	23
Massachusetts	15,987	3	963	11,819	2,000	1,205	312,700	13	5.11	3
Michigan	16,722	2	110	15,170	1,397	45	366,601	9	4.56	4
New York	13,113	6	600	8,793	3,366	354	906,783	2	1.45	34
North Carolina	6,491	14	394	4,565	1,443	90	323,962	12	2.00	24
Ohio	7,816	12	751	5,516	1,318	231	425,173	7	1.84	27
Texas	14,266	5	276	10,992	2,881	117	903,208	3	1.58	30
Washington	10,936	9	915	8,840	897	285	253,085	14	4.32	6

* R&D funding/total GDP

Source: National Science Foundation

UNIVERSITY R&D SPENDING BY SOURCE

Percent

Distribution of R&D spending by source, 2006								
	Federal govt.	State and local govt.	Industry	Institutional funds	All others	100% =		
MI State	47	14	3	32	4		\$358,097	
U MI, all campuses	71			14	19	5	\$800,488	
Wayne State	53	6	4	29	7		\$220,731	
Harvard U.	89			1	9		\$453,156	
MIT	79			0	13	2	6	\$600,748
Tufts U.	74			1	6	7	12	\$128,965
U CA, Berkeley	48	7	5	27		13		\$546,035
U CA, San Francisco	58		3	4	16		19	\$796,199
Stanford U.	80			1	5	6	8	\$679,196
NC State U.	40	26		13		20	1	\$330,936
UNC Chapel Hill	74			4	2	20	0	\$443,790
Duke U.	63		3	20		11	3	\$657,080

Observations

- Michigan's universities receive a higher amount of R&D dollars relative to other major research institutions
- Michigan universities use a larger share of institutional funds for R&D than their competitors

UNIVERSITY R&D EXPENDITURE BREAKDOWN, 2006

Base data used in previous page

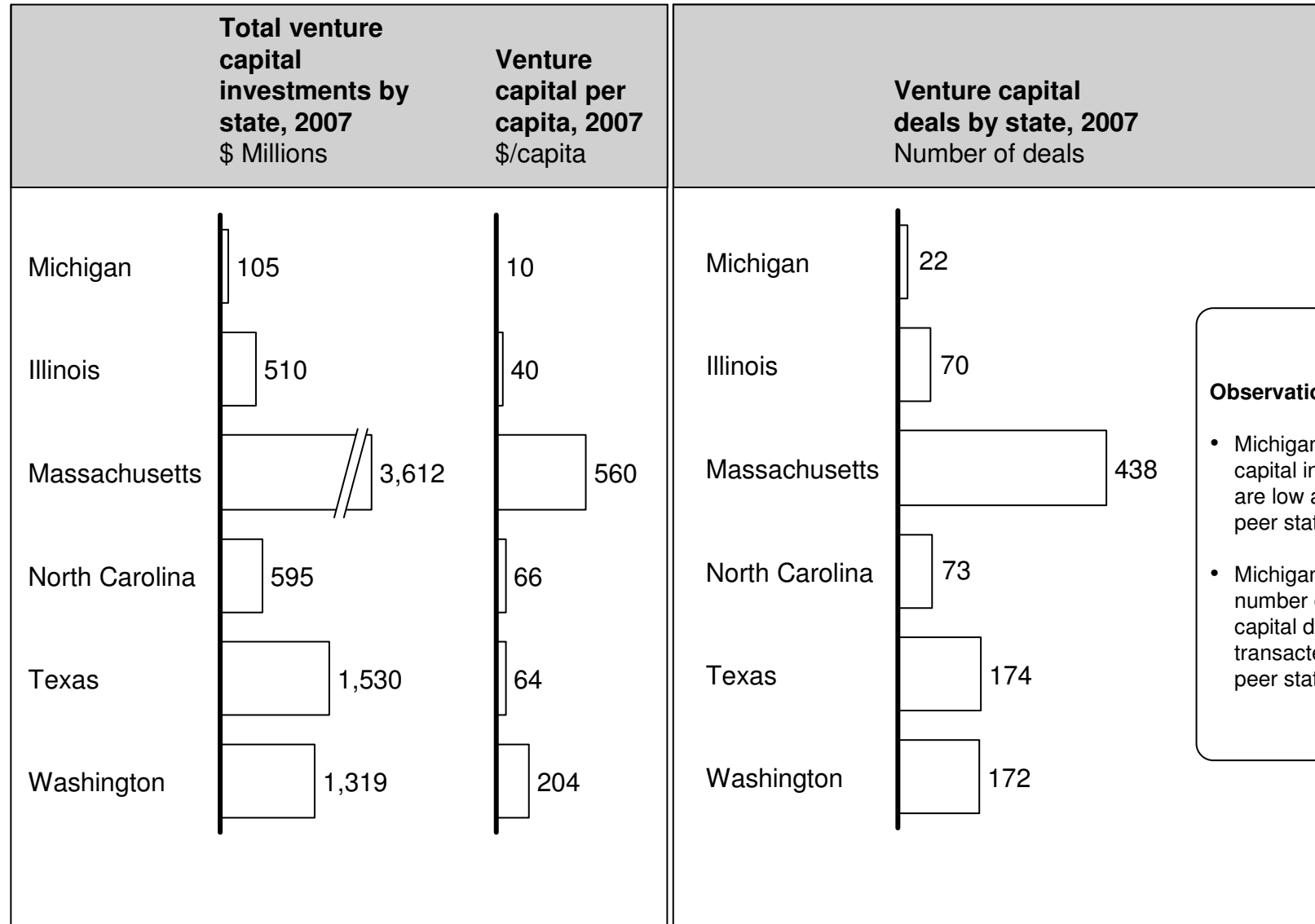
Percent

CSA	State, control, and institution	All R&D expenditures	Federal government	State and local government	Industry	Institutional funds	All other sources
Boston-Worcester-Manchester, MA-RI-NH	Harvard U.	453,156	89.00%	0.20%	1.40%	0.00%	9.40%
Boston-Worcester-Manchester, MA-RI-NH	MIT	600,748	79.30%	0.10%	12.60%	1.80%	6.20%
Boston-Worcester-Manchester, MA-RI-NH	Tufts U.	128,965	74.40%	0.70%	6.30%	6.90%	11.80%
Detroit-Warren-Flint, MI	MI State U.	358,097	47.20%	13.60%	3.30%	32.40%	3.50%
Detroit-Warren-Flint, MI	U. MI all campuses	800,488	70.70%	1.20%	4.00%	19.20%	4.90%
Detroit-Warren-Flint, MI	Wayne State U.	220,731	53.50%	6.40%	4.30%	28.60%	7.30%
Raleigh-Durham-Cary, NC	NC State U.	330,936	39.70%	26.20%	12.70%	20.50%	1.00%
Raleigh-Durham-Cary, NC	U. NC Chapel Hill	443,790	74.20%	4.10%	1.70%	20.10%	0.00%
Raleigh-Durham-Cary, NC	Duke U.	657,080	63.10%	2.70%	20.20%	10.50%	3.40%
San Jose-San Francisco-Oakland, CA	U. CA, Berkeley	546,035	47.90%	6.70%	4.50%	26.80%	14.00%
San Jose-San Francisco-Oakland, CA	U. CA, San Francisco	796,149	58.40%	3.40%	4.50%	16.30%	17.50%
San Jose-San Francisco-Oakland, CA	Stanford U.	679,196	79.50%	0.70%	5.10%	6.00%	8.70%

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VENTURE CAPITAL, 2007



TOTAL VENTURE CAPITAL SPENDING BY STATE, 2000-07

\$ Millions

Base data used in previous page

State	2000	2001	2002	2003	2004	2005	2006	2007
Alabama	266	80	56	30	26	20	19	31
California	43,142	16,681	9,502	8,548	10,247	10,973	12,815	14,591
Connecticut	1,493	550	183	200	193	187	268	266
District of Columbia	86	58	78	28	58	71	-	-
Georgia	2,322	895	565	295	505	257	364	468
Illinois	2,373	946	313	368	228	278	402	510
Maryland	1,825	1,042	637	382	584	497	668	628
Massachusetts	10,388	4,818	2,531	2,769	3,097	2,545	2,900	3,612
Michigan	337	154	108	80	130	81	117	105
Minnesota	1,035	470	402	217	390	211	322	434
New Jersey	3,319	1,529	909	883	997	884	756	601
New York	6,827	2,054	808	660	765	1,132	1,307	1,175
North Carolina	1,826	584	553	358	338	425	510	595
Ohio	977	234	264	89	58	125	47	171
Pennsylvania	2,863	938	455	584	588	445	856	848
Texas	6,208	2,943	1,308	1,234	1,145	1,187	1,463	1,530
Virginia	3,279	939	429	398	299	514	438	555
Tennessee	453	213	114	82	82	59	42	126
Washington	2,811	1,154	581	457	839	795	1,033	1,319
Wisconsin	192	93	51	38	57	69	72	90

NUMBER OF VENTURE CAPITAL DEALS, 2000-07

Base data used in previous page

State	2000	2001	2002	2003	2004	2005	2006	2007
Alabama	28	15	13	9	5	3	7	4
California	2,940	1,526	1,071	1,131	1,223	1,307	1,535	1,616
Connecticut	113	70	38	33	31	30	32	33
District of Columbia	10	7	8	10	10	14	0	0
Georgia	223	138	79	57	77	64	81	74
Illinois	200	126	78	55	52	54	55	70
Maryland	177	94	91	89	88	101	110	100
Massachusetts	771	515	372	382	376	360	385	438
Michigan	52	21	26	16	17	19	18	22
Minnesota	107	84	55	56	50	41	38	54
New Jersey	188	152	93	91	89	76	89	93
New York	605	281	153	117	152	131	210	195
North Carolina	154	90	85	77	56	53	70	73
Ohio	78	43	48	25	32	33	32	50
Pennsylvania	249	131	87	90	96	94	129	154
Texas	468	332	173	168	162	169	189	174
Virginia	274	136	85	80	78	86	89	94
Tennessee	45	29	21	22	24	20	11	21
Washington	255	142	109	82	115	123	141	172
Wisconsin	21	21	11	8	10	16	20	21

VENTURE CAPITAL SPENDING PER CAPITA

Dollar per capita

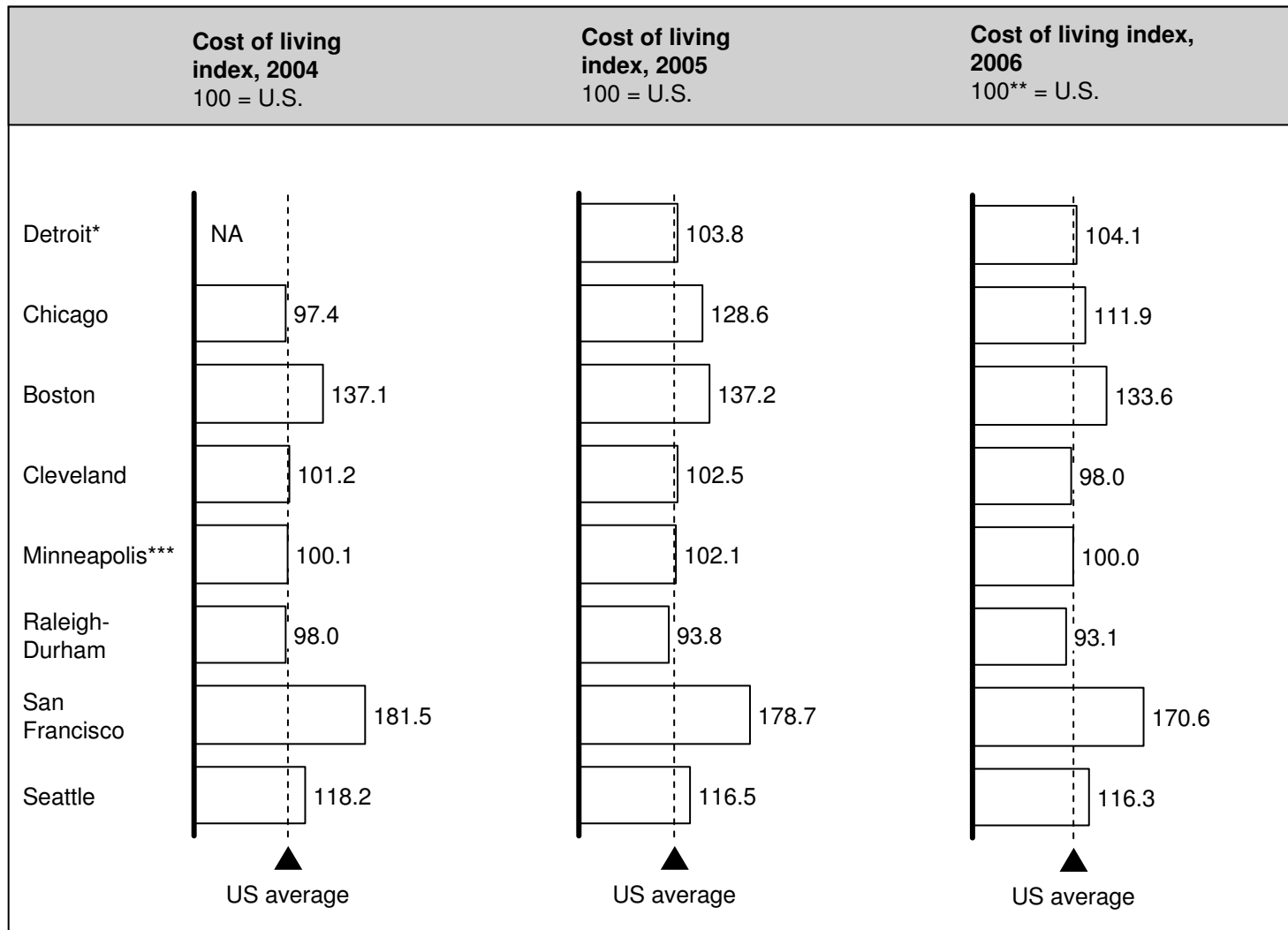
Base data used in previous page

State	Venture capital spending, 2007 \$ Millions	Population estimate, 2007	Dollars per capita
Michigan	105	10,071,822	10.40
Illinois	510	12,852,548	39.71
Massachusetts	3,612	6,449,775	560.05
North Carolina	595	9,061,032	65.72
Texas	1,530	23,904,380	64.00
Washington	1,319	6,468,424	203.89

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COST OF LIVING INDEX



* Data shown is at the MSA level. MSAs displayed are the largest for most available MSAs for the corresponding CSAs used in other benchmarks

** Cost of living index is based on the price of a constant basket of goods, and does not take into account the differences in consumption patterns from MSA to MSA

*** Minneapolis is St. Cloud, MN MSA

COST OF LIVING* BY MSA/METROPOLITAN DIVISION

Base data used in previous page

MSA/metropolitan division**	2004	2005	2006
Atlanta-Sandy Springs-Marietta GA	97.4	96	97.5
Auburn-Opelika, AL	97.4	95.5	94.4
Boston-Quincy MA Metro Div.	137.1	137.2	133.6
Chattanooga-Cleveland-Athens, TN-GA	92.8	92.8	94.9
Chicago-Naperville-Joliet IL	131.1	128.6	111.9
Cleveland-Elyria-Mentor OH	101.2	102.5	98
Detroit-Livonia-Dearborn MI	215.0	103.8	104.1
Houston-Sugar Land-Baytown TX	91.1	88.7	90.2
Huntsville AL	91.6	91.3	91.1
Indianapolis IN	96.5	92.7	93.3
Los Angeles-Long Beach-Glendale CA Metro Div.	157.4	153.7	158.2
Milwaukee-Waukesha-West Allis WI Metro	118.2	101.8	100
Nashville-Davidson-Murfreesboro TN	90.5	95.1	98
New York-White Plains-Wayne NY-NJ	215	203.9	201.2
Pittsburgh PA	96.5	93.2	93.3
Raleigh-Cary NC	98	93.8	93.1
San Francisco-San Mateo-Redwood City CA	181.5	178.7	170.6
Seattle-Bellevue-Everett WA	118.2	116.5	116.3
St. Cloud MN***	100.1	102.1	102.1
Washington-Arlington-Alexandria DC-VA	138.9	140	142.1

* Cost of living index is based on the price of a constant basket of goods, and does not take into account the differences in consumption patterns from MSA to MSA

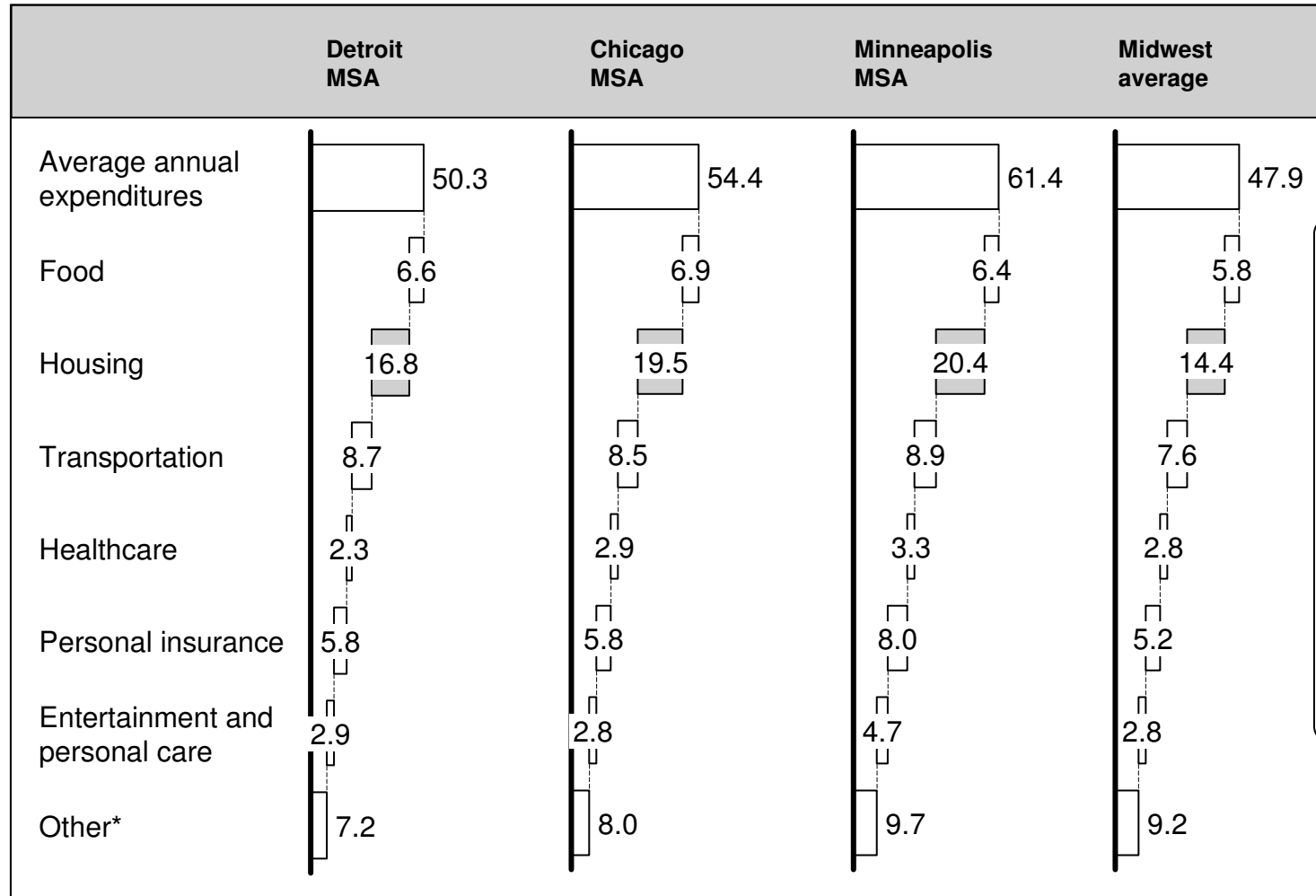
** Data shown is at the MSA level. MSAs displayed are the largest for most available MSAs for the corresponding CSAs used in other benchmarks

*** Minneapolis is St. Cloud, MN MSA

Source: ACCRA Cost of Living index

COST OF LIVING- CONSUMER EXPENDITURES, 2005-06

\$ Thousands



Observations

- Detroit households' annual expenditures are less than those of Chicago, and more than those of the Midwest
- Cost of living differences are also due to differences in the cost of housing

* Other includes education and reading, tobacco products, cash contributions, and miscellaneous

Note: The numbers are based on surveys of household consumption conducted in each city

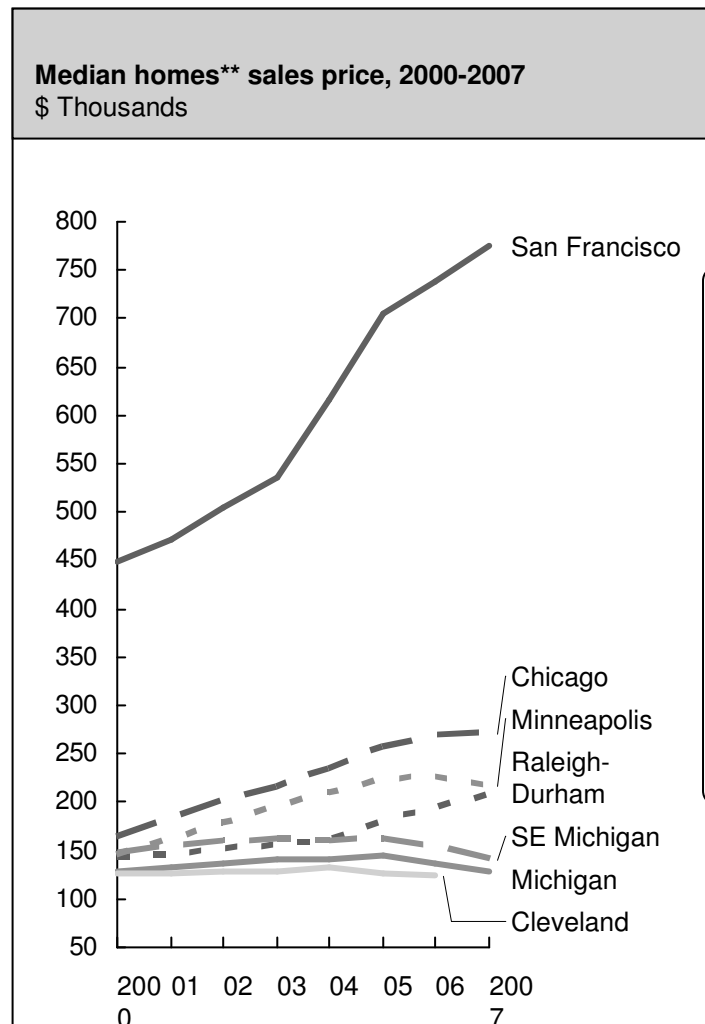
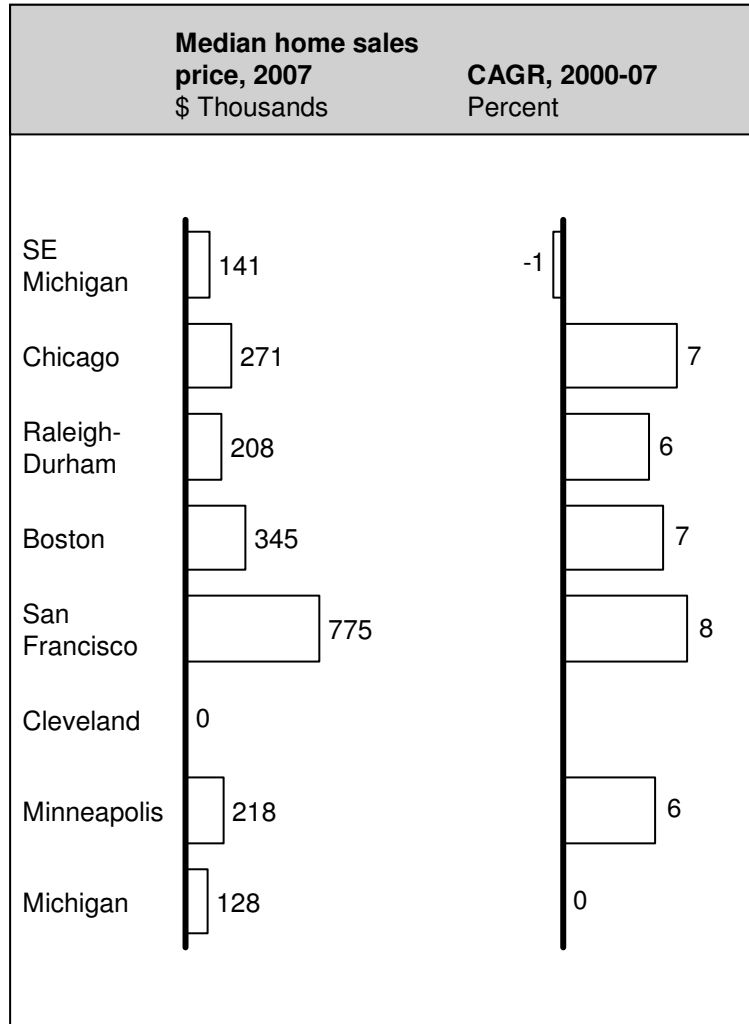
Source: Bureau of Labor Statistics; Consumer Expenditure Survey

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MEDIAN EXISTING HOME PRICES

20007, \$ Thousands



Observations

- Homes in SE Michigan are priced lower than competitor knowledge cities

* Median prices are weighted based on the number of households within the CSAs.

** Existing single-family homes

MEDIAN EXISTING HOME SALES PRICE BY CSA*

Base data used in previous page

\$ Thousands

Region	2000	2001	2002	2003	2004	2005	2006	2007	CAGR, 2000-07
Atlanta-Sandy Springs-Gainesville, GA-AL	129	137	144	150	155	164	169	168	3.90%
Boston-Worcester-Manchester, MA-NH CSA	221	235	278	305	336	357	351	345	6.60%
Chattanooga-Cleveland-Athens, TN-GA	99	105	110	114	121	127	131	127	3.60%
Chicago-Naperville-Michigan City, IL-IN-WI	164	182	201	214	235	257	269	271	7.40%
Cleveland-Akron-Elyria, OH	127	127	128	130	133	127	125	-	NA
Columbus-Auburn-Opelika, GA-AL	97	102	107	112	117	123	125	123	3.40%
Detroit-Warren-Flint, MI	147	155	158	161	159	162	153	141	-0.60%
Houston-Baytown-Huntsville, TX	114	122	131	134	135	142	148	151	4.10%
Indianapolis-Anderson-Columbus, IN	111	111	114	115	118	114	114	-	NA
Los Angeles-Long Beach-Riverside, CA CSA	200	222	262	318	406	489	536	522	14.60%
Madison-Baraboo, WI CSA	146	154	167	178	194	212	216	220	6.00%
Michigan (State)	128	133	137	141	141	144	137	128	0.00%
Minneapolis-St. Paul-St. Cloud, MN-WI	145	161	178	195	209	223	226	218	6.00%
New York-Newark-Bridgeport, NY-NJ-CT-PA	223	245	287	330	372	428	450	450	10.60%
Pittsburgh-New Castle, PA	97	101	106	110	115	115	119	-	NA
Raleigh-Durham-Cary, NC	142	145	151	154	160	180	194	208	5.60%
San Jose-San Francisco-Oakland, CA	449	471	504	535	616	705	738	775	8.10%
Seattle-Tacoma-Olympia, WA	191	206	217	225	258	299	342	363	9.60%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	158	178	209	241	291	363	376	376	13.20%

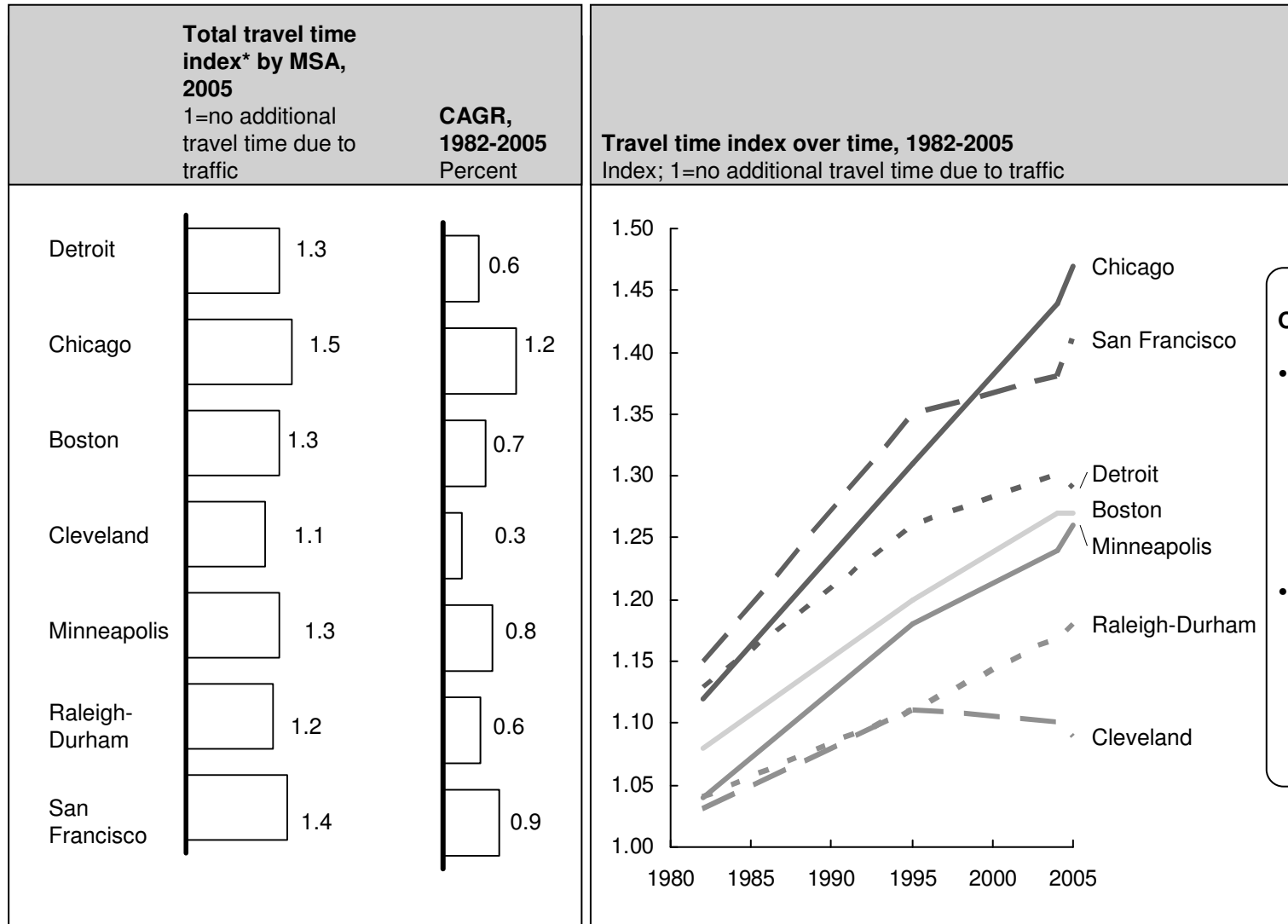
* Median prices are weighted based on the number of households within the CSAs

Source: National Association of Realtors: Real Estate Outlook; Moody's Economy.com Estimates

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TOTAL TRAVEL TIME BY MSA



Observations

- Detroit's travel time in peak periods is comparable to other large urban areas, and less than cities like Chicago or San Francisco
- Detroit's growth in travel time is average relative to comparison cities

* The ratio of travel time in the peak period to the travel time at free-flow conditions. A value of 1.35 indicates a 20-minute free-flow trip takes 27 minutes in the peak. Free-flow conditions defined as 60 mph on freeways and 35 mph on principal arterials

TRAVEL TIME INDEX BY MSA*

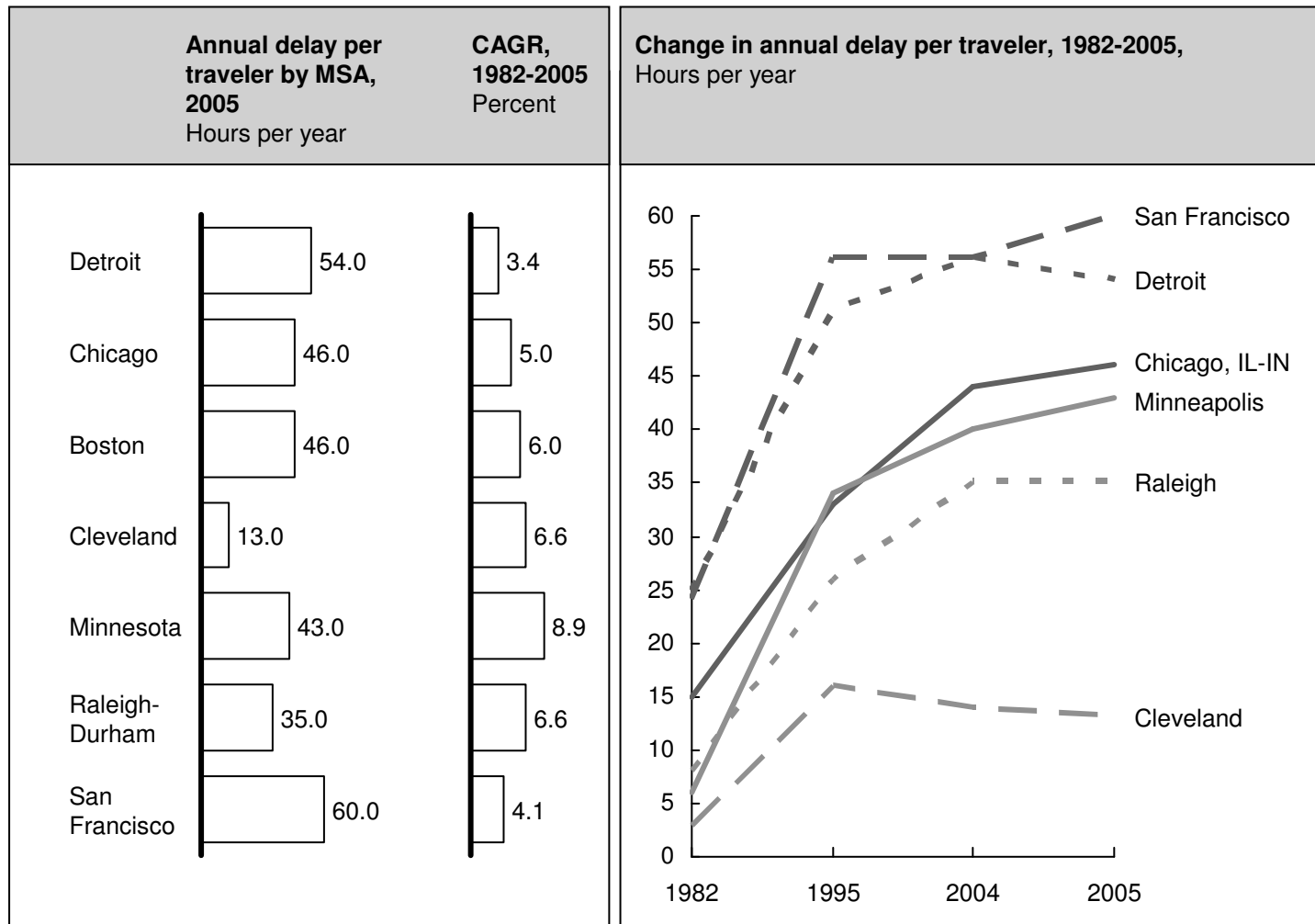
Index; 1=no additional travel time due to traffic

Base data used in previous page

Metropolitan Statistical Area	1982	1995	2004	2005	CAGR, 1982-2005
Atlanta, GA	1.1	1.25	1.32	1.34	0.86%
Boston, MA-NH-RI	1.08	1.2	1.27	1.27	0.71%
Chicago, IL-IN	1.12	1.31	1.44	1.47	1.19%
Cleveland, OH	1.03	1.11	1.1	1.09	0.25%
Detroit, MI	1.13	1.26	1.3	1.29	0.58%
Houston, TX	1.19	1.19	1.32	1.36	0.58%
Indianapolis, IN	1.08	1.24	1.23	1.22	0.53%
Los Angeles-Long Beach-Santa Ana, CA	1.25	1.44	1.48	1.5	0.80%
Minneapolis-St. Paul, MN	1.04	1.18	1.24	1.26	0.84%
New York-Newark, NY-NJ-CT	1.1	1.24	1.36	1.39	1.02%
Pittsburgh, PA	1.06	1.1	1.1	1.09	0.12%
Raleigh-Durham, NC	1.04	1.11	1.17	1.18	0.55%
San Francisco-Oakland, CA	1.15	1.35	1.38	1.41	0.89%
Seattle, WA	1.07	1.3	1.28	1.3	0.85%
Washington, DC-VA-MD	1.12	1.32	1.37	1.37	0.88%

* The ratio of travel time in the peak period to the travel time at free-flow conditions. A value of 1.35 indicates a 20-minute free-flow trip takes 27 minutes in the peak. Free-flow conditions defined as 60 mph on freeways and 35 mph on principal arterials

ANNUAL DELAY PER TRAVELER BY MSA



Observations

- Travel delay in Detroit is more than its peer cities, except for San Francisco
- Detroit's average delay peaked in 2004, then declined, leading to a slower overall growth rate for the city relative to peers

* Yearly total of extra time traveled during peak periods (6 to 9 a.m. and 4 to 7 p.m.) divided by the number of travelers beginning journeys during peak period

ANNUAL DELAY PER TRAVELER BY MSA*

Base data used in previous page

Hours per year

Metropolitan Statistical Area	1982	1995	2004	2005	CAGR, 1982-2005
Atlanta, GA	26	70	63	60	3.70%
Boston, MA-NH-RI	12	30	45	46	6.02%
Chicago, IL-IN	15	33	44	46	4.99%
Cleveland, OH	3	16	14	13	6.58%
Detroit, MI	25	51	56	54	3.40%
Houston, TX	30	32	52	56	2.75%
Indianapolis, IN	19	53	46	43	3.61%
Los Angeles-Long Beach-Santa Ana, CA	45	71	70	72	2.06%
Minneapolis-St. Paul, MN	6	34	40	43	8.94%
New York-Newark, NY-NJ-CT	12	30	42	46	6.02%
Pittsburgh, PA	11	19	17	16	1.64%
Raleigh-Durham, NC	8	26	35	35	6.63%
San Francisco-Oakland, CA	24	56	56	60	4.06%
Seattle, WA	13	52	42	45	5.55%
Washington, DC-VA-MD	16	53	60	60	5.92%

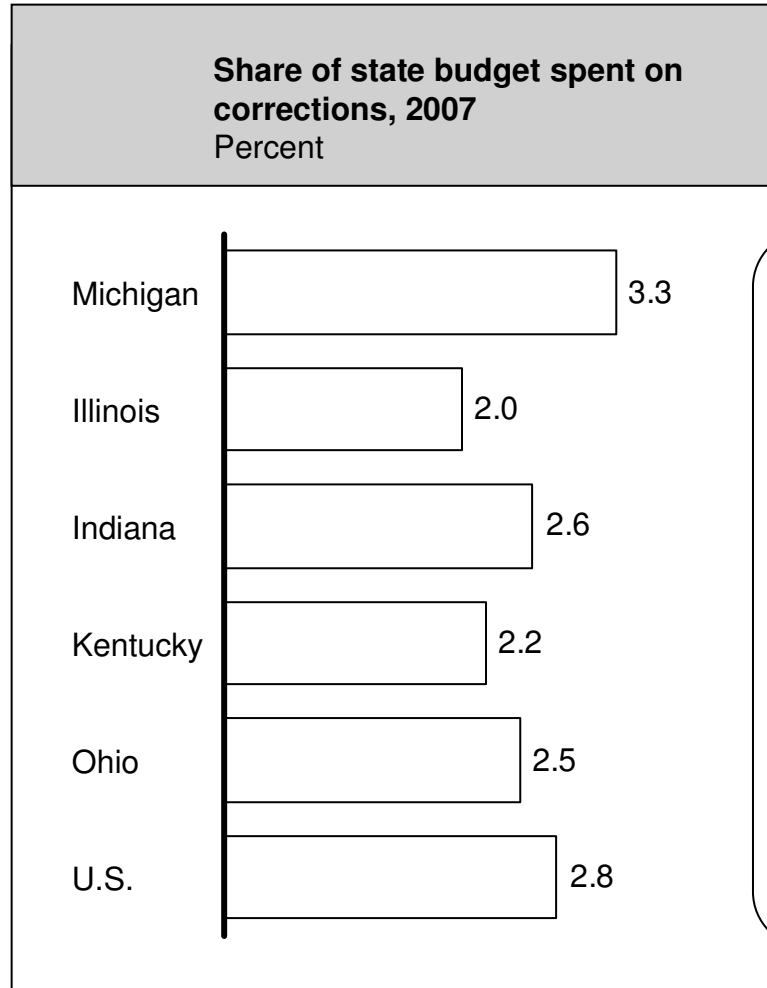
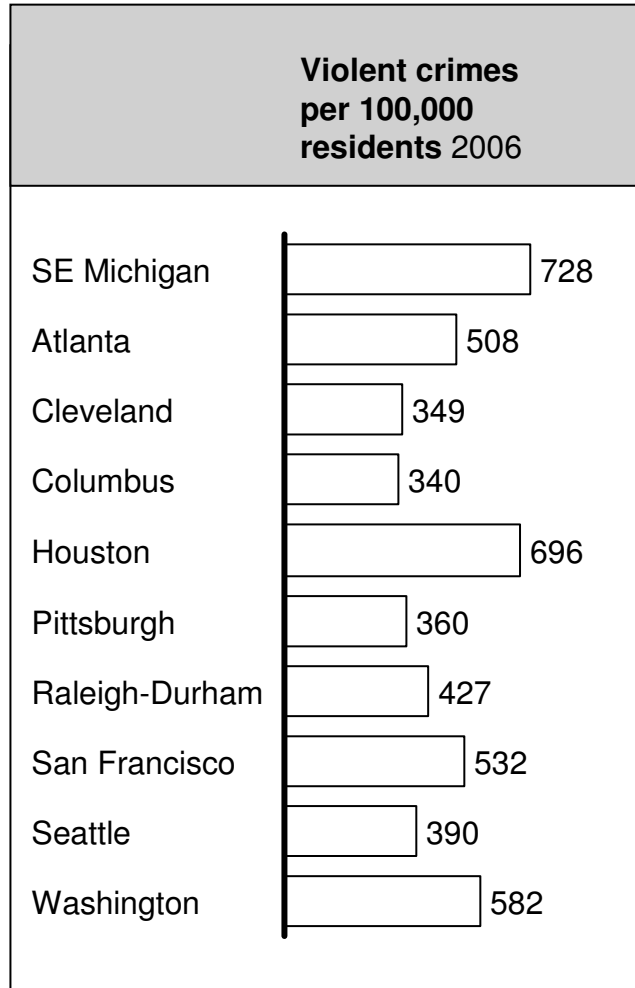
* Yearly total of extra time traveled during peak periods (6 to 9 a.m. and 4 to 7 p.m.) divided by the number of travelers beginning journeys during peak period

Source: 2007 Urban Mobility Report; Texas Transportation Institute

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CRIME RATE, 2006



Observations

- SE Michigan has high incidence of violent crime per person
- Spending on corrections as a percentage of the state budget is higher in Michigan than the U.S. average and is higher than its surrounding states

INCIDENCE OF VIOLENT CRIMES BY CSA, 2006

Base data used in previous page

Violent crimes per 100,000 residents,

Region	Population	Violent crimes	Violent crimes/100,000
Atlanta-Sandy Springs-Gainesville, GA-AL	5,412,734	27,483	508
Chattanooga-Cleveland-Athens, TN-GA CSA	662,656	3,850	581
Chicago-Naperville-Joliet, IL-IN-WI MSA	3,137,076	34,468	1,099
Cleveland-Akron-Elyria, OH	2,828,999	9,866	349
Columbus-Auburn-Opelika, GA-AL	442,882	1,505	340
Detroit-Warren-Flint, MI	5,414,477	39,417	728
Houston-Baytown-Huntsville, TX	5,530,840	38,513	696
Indianapolis-Anderson-Columbus, IN	1,725,485	9,184	532
Los Angeles-Long Beach-Riverside, CA CSA	17,788,377	94,931	534
Madison-Baraboo, WI CSA	597,485	1,447	242
Minneapolis-St. Paul-Bloomington, MN-WI MSA.	3,163,432	11,740	371
New York-Newark-Bridgeport, NY-NJ-CT-PA*	18,785,139	82,359	438
Pittsburgh-New Castle, PA	2,388,185	8,594	360
Raleigh-Durham-Cary, NC	1,539,599	6,576	427
San Jose-San Francisco-Oakland, CA	7,232,732	38,493	532
Seattle-Tacoma-Olympia, WA	3,986,838	15,553	390
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	8,198,604	47,691	582

* Includes New York, Newark, Edison, and Suffolk-Nassau Metropolitan Divisions only

Note: Some CSA values are approximate, as not all counties reported violent crime data

Source: FBI Crime in the U.S. 2006

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BENCHMARKS – STATE SPENDING PER HOUSEHOLD

	State spending per household Dollars	Rank
Michigan	13,721	23
Illinois	11,805	37
California	18,543	6
Georgia	10,349	49
Massachusetts	16,301	11
Minnesota	15,173	14
North Carolina	11,901	35
Pennsylvania	13,397	26
Texas	10,545	48
Washington	13,720	24

Observations

- State spending per household in Michigan is below the U.S. average of \$13,901

STATE SPENDING PER HOUSEHOLD, 2006

Base data used in previous page

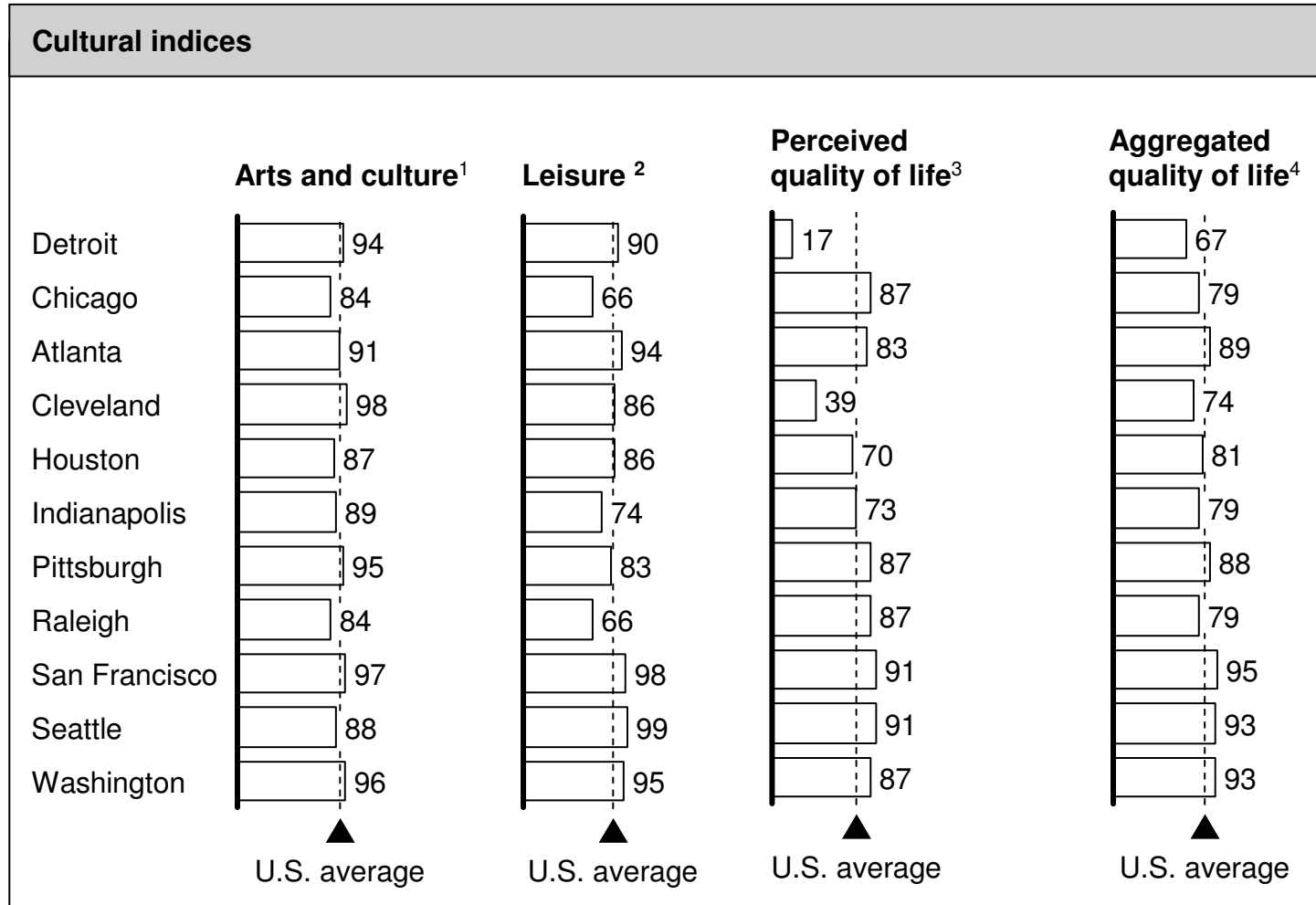
State	Spending per household	Rank
U.S. Total	\$13,901	-
Alabama	\$12,394	31
California	\$18,543	6
Georgia	\$10,349	49
Illinois	\$11,805	37
Indiana	\$11,070	42
Maryland	\$13,866	21
Massachusetts	\$16,301	11
Michigan	\$13,721	23
Minnesota	\$15,173	14
New York	\$20,153	4
North Carolina	\$11,901	35
Ohio	\$14,430	17
Pennsylvania	\$13,397	26
Texas	\$10,545	48
Virginia	\$11,971	34
Washington	\$13,720	24
Wisconsin	\$13,509	25

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CULTURAL INDEX, 2007

Index, 100 = best



Observations

- Cultural opportunities and resources in Detroit are similar to other large metropolitan areas
- Detroit's perceived quality of life score, which incorporates ease of living, heritage, and natural environment, is lower than peer cities

1 Score based on weighted scores of museum ratings, professional performing arts (e.g., classical music and theater) ratings, and library facilities ratings
 2 Score based on weighted availability of outdoor sports, amusements (zoos, aquariums, amusement parks), national parks and coastline, professional or college-level spectator sports, and shopping
 3 Score based on ease of living, heritage, and natural environment
 4 Aggregated score based on quality of life (physical and cultural attractiveness, heritage, overall ease of living); arts and culture (museum ratings, performing arts ratings, libraries); and leisure (outdoor sports, amusements, national parks, professional/college sports, and shopping)

CULTURAL INDEX LEAGUE TABLE

Base data used in previous page

MSA	Arts and culture score ¹	Leisure score ²	Quality of life score	Aggregated quality of life score
Akron, OH	77	73	15	55
Ann Arbor, MI	78	81	91	83
Atlanta, GA	91	94	83	89
Auburn-Opelika, AL	8	38	56	34
Baltimore, MD	95	95	73	88
Boston-Quincy, MA	100	98	91	96
Bridgeport-Stamford-Norwalk, CT	88	89	73	83
Chattanooga, TN-GA	72	54	56	61
Chicago-Naperville-Joliet, IL	97	99	91	96
Cleveland-Lorain-Elyria, OH	98	86	39	74
Columbus, GA	38	23	17	26
Detroit-Livonia-Dearborn, MI	94	90	17	67
Houston-Sugarland-Baytown, TX	87	86	70	81
Indianapolis, IN	89	74	73	79
Los Angeles-Long Beach-Glendale, CA	97	100	38	78
Madison, WI	58	50	98	69
Minneapolis-St. Paul, MN-WI	97	93	93	94
New York-White Plains, NY	99	99	87	95
Newark-Union, NJ-PA	93	90	39	74
Pittsburgh, PA	95	83	87	88
Raleigh-Durham-Chapel Hill, NC	84	66	87	79
San Francisco-San Mateo-Redwood City, CA	97	98	91	95
San Jose-Sunnyvale-Santa Clara, CA	84	93	73	83
Seattle-Bellevue-Everett, WA	88	99	91	93
Washington, DC-MD-VA-WV	96	95	87	93

1 Score based on weighted scores of museum ratings, professional performing arts (e.g., Classical music and theater) ratings, and library facilities ratings

2 Score based on weighted availability of outdoor sports, amusements (zoos, aquariums, amusement parks), national parks and coastline, professional or college-level spectator sports, and shopping

3 Score based on ease of living, heritage, and natural environment

4 Aggregated score based on quality of life (physical and cultural attractiveness, heritage, overall ease of living); arts and culture (museum ratings, performing arts ratings, libraries); and leisure (outdoor sports, amusements, national parks, professional/college sports, and shopping)

QUALITY OF LIFE – SURVEY BASED

Base data used in previous page

Rank*	City
1	New York
2	Washington, D.C.
3	Chicago
4	Philadelphia
5	Boston
6	San Francisco
7	Charleston
8	Santa Fe
9	New Orleans
10	Minneapolis/St. Paul
11	Seattle
12	San Antonio
13	Portland
14	Austin
15	Denver
16	Nashville
17	San Diego
18	Los Angeles
19	Atlanta
20	Honolulu
21	Dallas/Fort Worth
22	Miami
23	Las Vegas
24	Phoenix/Scottsdale
25	Orlando

* Based on a survey of 60,000 people who were asked which cities had the best culture
Source: CNN.com; Travel and Leisure

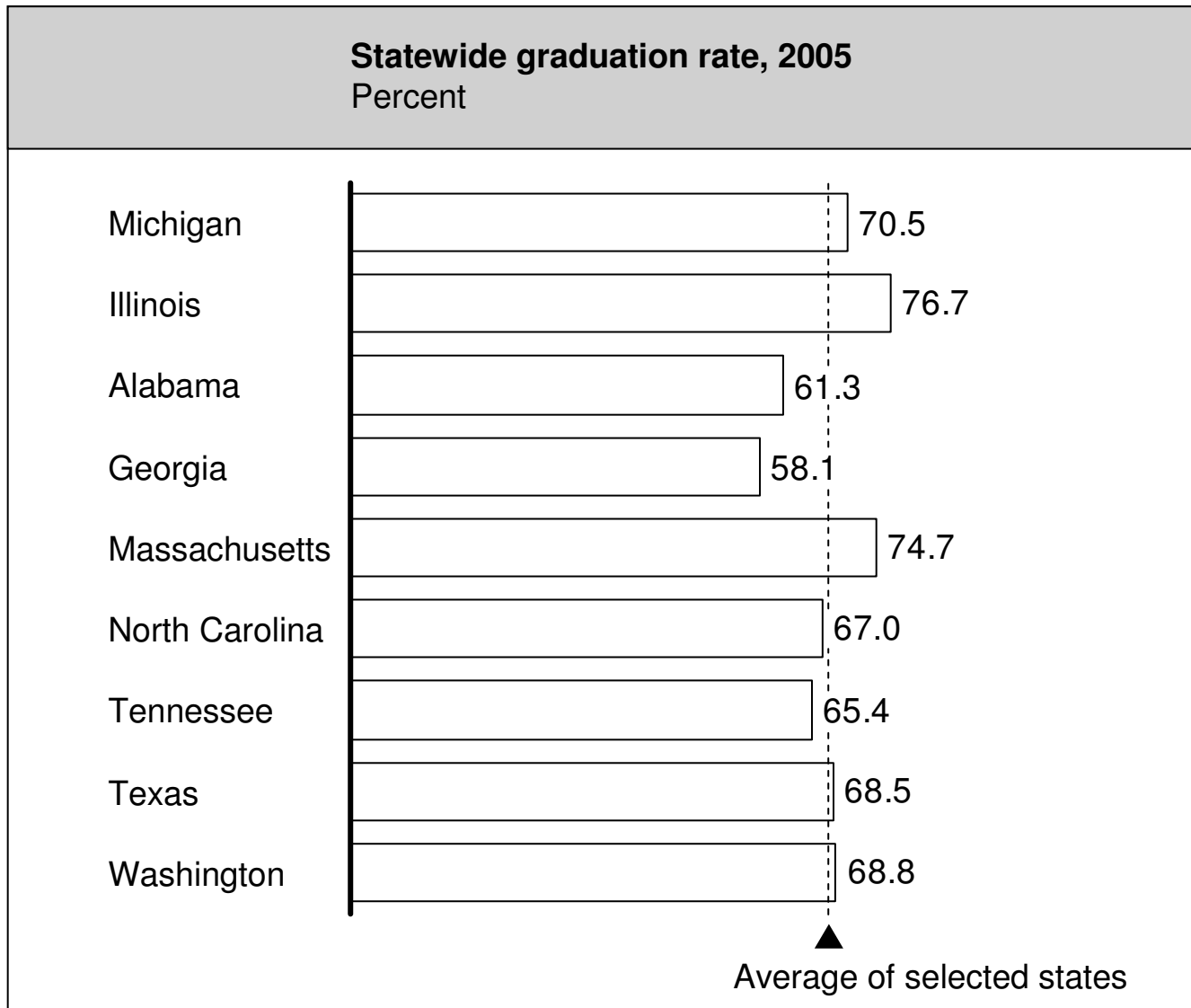
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YOUTH EDUCATIONAL ACHIEVEMENT IN MICHIGAN IS AVERAGE RELATIVE TO MANUFACTURING AND TALENT COMPETITORS

4th graders at or above proficiency in math, 2007 Percent			4th graders at or above proficiency in reading, 2007 Percent		
		CAGR, 2003-07 Percent			CAGR, 2003-07 Percent
Michigan	37.1	2.2	Michigan	32.4	0.3
Illinois	36.3	3.2	Illinois	32.2	1.0
Alabama	25.8	7.9	Alabama	28.9	7.1
Georgia	31.6	4.0	Georgia	28.3	1.2
Massachusetts	57.6	8.9	Massachusetts	49.2	5.3
North Carolina	41.0	0.0	North Carolina	29.1	-3.5
Tennessee	28.7	4.6	Tennessee	26.9	0.9
Texas	40.2	5.1	Texas	29.6	2.3
Washington	43.8	5.0	Washington	36.3	2.4

SECONDARY EDUCATION – MICHIGAN’S HIGH SCHOOL GRADUATION RATE EXCEEDS MOST MANUFACTURING AND TALENT COMPETITORS



EDUCATIONAL INDICATORS BY STATE

Base data used in previous page

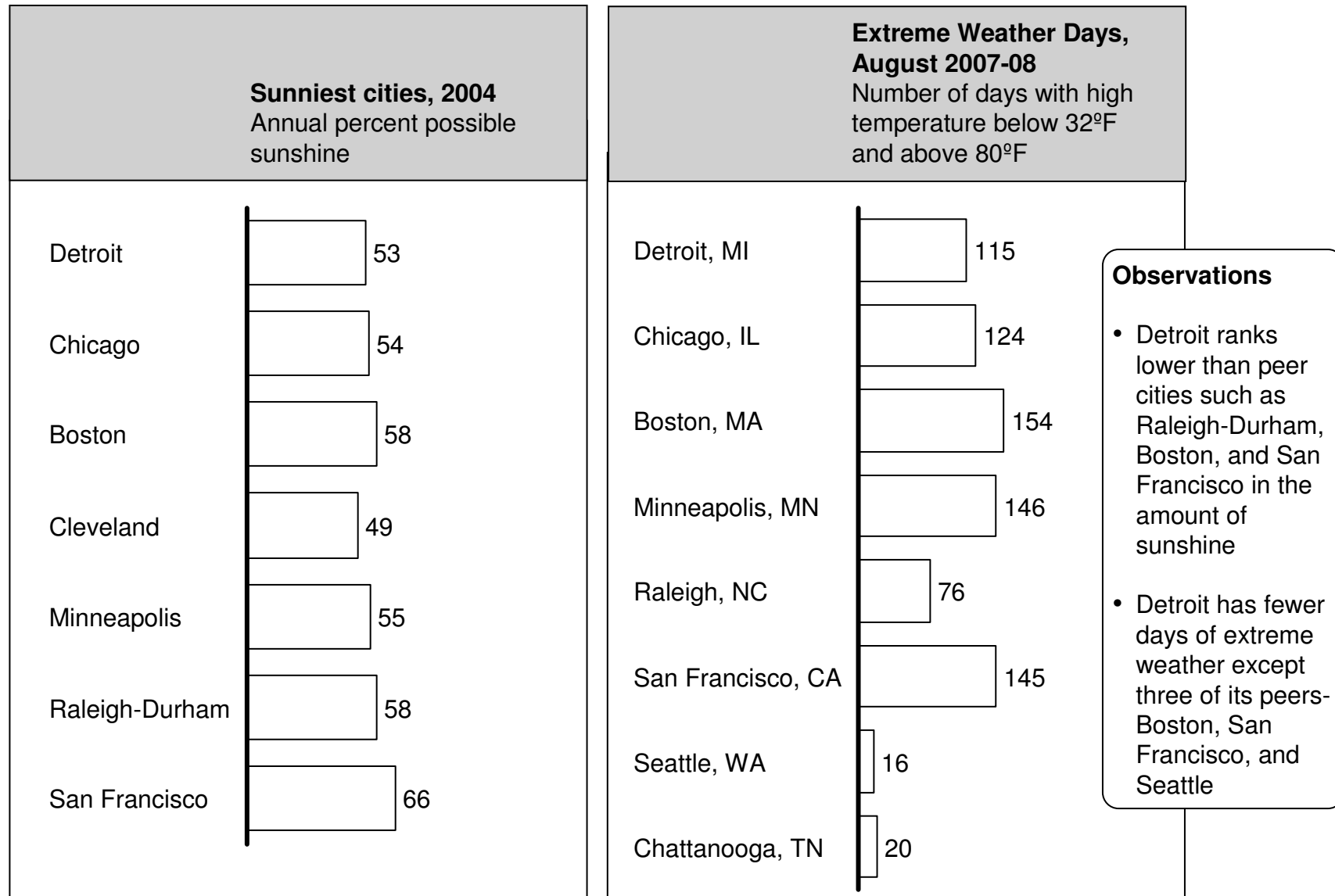
State	2003			2005		2007	
	4th grade math – percent at or above proficient	4th grade reading – percent at or above proficient	Statewide graduation rate – cumulative promotion index (CPI)	Statewide graduation rate – cumulative promotion index (CPI)	4th grade math – percent at or above proficient	4th grade reading – percent at or above proficient	
Alabama	19*	22	60.7	61.3	25.8	28.9	
Georgia	27*	27	56.3	58.1	31.6	28.3	
Illinois	32*	31	76.3	76.7	36.3	32.2	
Massachusetts	41*	40*	72.1	74.7	57.6	49.2	
Michigan	34*	32	66.4	70.5	37.1	32.4	
North Carolina	41*	33	66.2	67.0	41.0	29.1	
Tennessee	24*	26	62.2	65.4	28.7	26.9	
Texas	33*	27	66.8	68.5	40.2	29.6	
Washington	36	33	68.2	68.8	43.8	36.3	

* State had a statistically significant increase since the last administration of the exam

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WEATHER



EXTREME WEATHER DAYS

Base data used in previous page

Number of Days with High Temp Below 32°F or Above 80°F

City	Condition	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	TO-TAL
Boston, MA	Below 32° F	0	0	0	0	4	3	7	0	0	0	0	0	14
Boston, MA	Above 80° F	15	7	3	0	0	0	0	0	1	1	14	21	62
Chattanooga, TN	Below 32° F	0	0	0	0	0	1	0	0	0	0	0	0	1
Chattanooga, TN	Above 80° F	31	28	14	0	0	0	0	0	5	16	29	30	153
Chicago, IL	Below 32° F	0	0	0	1	11	12	14	3	0	0	0	0	41
Chicago, IL	Above 80° F	20	14	5	0	0	0	0	0	1	0	18	25	83
Detroit, MI	Below 32° F	0	0	0	0	10	14	13	4	0	0	0	0	41
Detroit, MI	Above 80° F	19	10	4	0	0	0	0	0	0	2	14	25	74
Minneapolis, MN	Below 32° F	0	0	0	5	27	24	23	7	0	0	0	0	86
Minneapolis, MN	Above 80° F	13	9	2	0	0	0	0	0	0	1	9	25	59
Raleigh, NC	Below 32° F	0	0	0	0	0	0	0	0	0	0	0	0	0
Raleigh, NC	Above 80° F	31	23	15	0	1	0	0	1	5	10	30	30	146
San Francisco, CA	Below 32° F	0	0	0	0	0	0	0	0	0	0	0	0	0
San Francisco, CA	Above 80° F	2	4	1	0	0	0	0	0	2	3	5	3	20
Seattle, WA	Below 32° F	0	0	0	0	0	0	0	0	0	0	0	0	0
Seattle, WA	Above 80° F	5	2	0	0	0	0	0	0	0	1	4	4	16

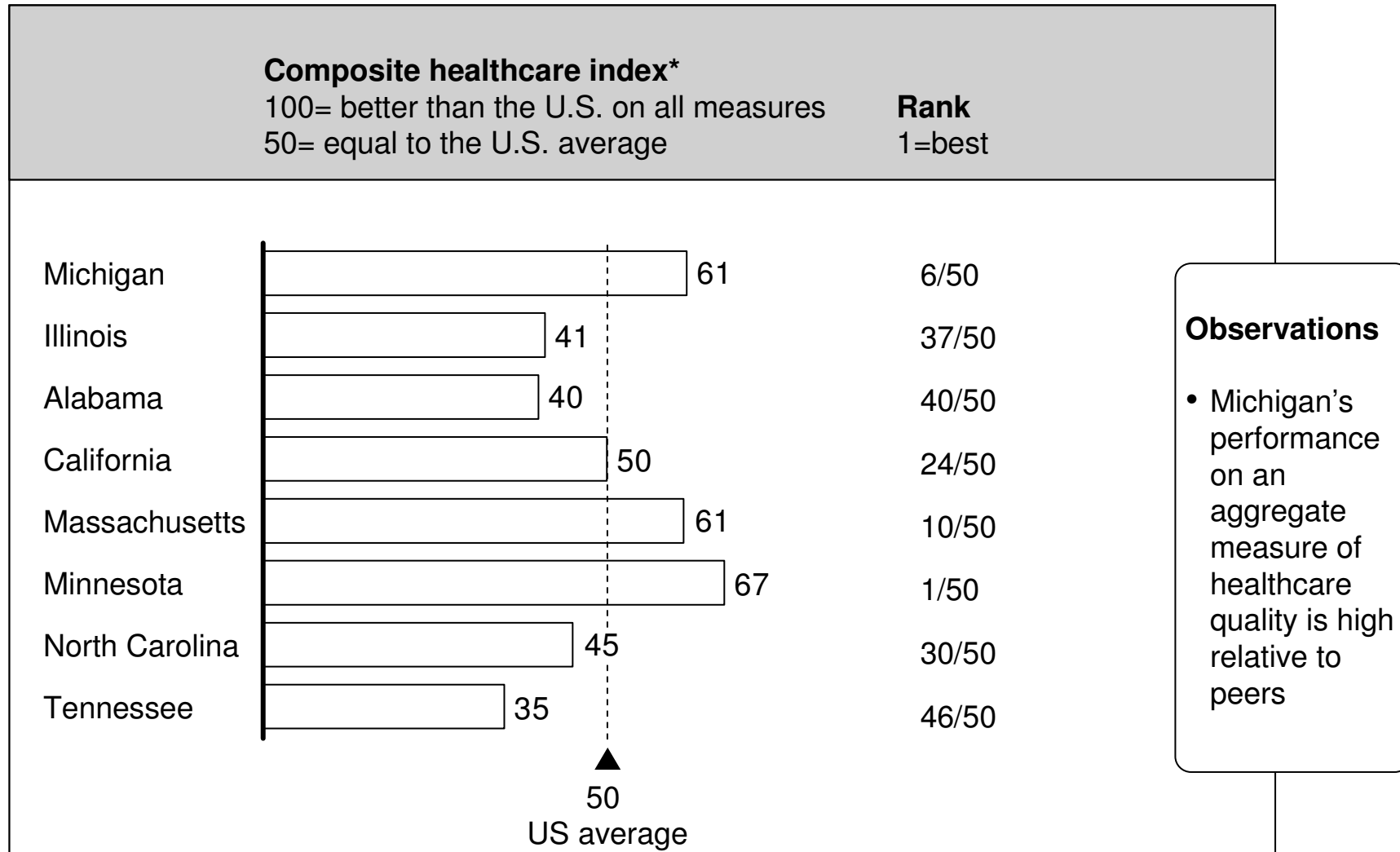
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– **Healthcare**

HEALTHCARE AMENITIES AND EFFECTIVENESS

Index



* Healthcare performance index is an aggregated calculation based on effectiveness of care for diseases (e.g., cancer, diabetes, heart disease, HIV/Aids, maternal and child health, mental health, respiratory diseases, elderly care), patient safety, timeliness, and patient centeredness. For metrics where the state score was above the US average, a value of 1 was assigned. For metrics where the score was equal, a value of 0.5 was assigned. For metrics where the score was below the US average, a value of 0 was assigned

HEALTHCARE INDEX

Index, 100= better than the U.S. on all measures; 50= equal to the U.S. on all measures

Base data used in previous page

State (1/3)	Rating	Rank
Minnesota	0.67	1
Wisconsin	0.66	2
North Dakota	0.64	3
Iowa	0.62	4
Nebraska	0.62	5
Michigan	0.61	6
South Dakota	0.61	7
Rhode Island	0.61	8
New Hampshire	0.61	9
Massachusetts	0.61	10
Utah	0.60	11
Montana	0.58	12
Connecticut	0.58	13
Maine	0.58	14
Vermont	0.58	15
New Jersey	0.57	16
Hawaii	0.57	17
Colorado	0.56	18
Wyoming	0.54	19
Delaware	0.54	20
Alaska	0.51	21
Idaho	0.51	22
Washington	0.50	23

State (2/3)	Rating	Rank
California	0.50	24
Kansas	0.50	25
Oregon	0.49	26
Pennsylvania	0.46	27
Virginia	0.46	28
Arizona	0.46	29
North Carolina	0.45	30
South Carolina	0.44	31
Maryland	0.42	32
West Virginia	0.42	33
Missouri	0.42	34
Indiana	0.41	35
New Mexico	0.41	36
Illinois	0.41	24
Ohio	0.40	38
Oklahoma	0.40	39
Alabama	0.40	40
Florida	0.39	41
New York	0.39	42
Kentucky	0.36	43
Nevada	0.36	44
Texas	0.35	45
Tennessee	0.35	46

State (3/3)	Rating	Rank
Mississippi	0.30	47
Arkansas	0.28	48
Georgia	0.27	49
Louisiana	0.19	50

* Healthcare performance index is an aggregated calculation based on effectiveness of care for diseases (e.g., cancer, diabetes, heart disease, HIV/Aids, maternal and child health, mental health, respiratory diseases, elderly care), patient safety, timeliness, and patient centeredness. For metrics where the state score was above the US average, a value of 1 was assigned. For metrics where the score was equal, a value of 0.5 was assigned. For metrics where the score was below the US average, a value of 0 was assigned