

\$1B In Battery Grants May Recharge MI Talent Base

David N. Goodman & Jeff Karoub, Associated Press Writers

DETROIT (AP) — As a business professor and former auto executive in Michigan, Gerald Meyers has seen his share of former colleagues and students leave the state.

The state's economy has been shrinking along with its struggling auto industry. And the brain drain is well-documented as the state struggles to keep its own college graduates, much less attract degreed newcomers.

"I can speak for my students, who are predominantly leaving the state," said Meyers, a University of Michigan business professor and former chairman of American Motors Corp. "It would be helpful — certainly in my conversations with them — if something is going on that suggests that the future is brighter here than it has been."

Meyers and state officials say a newly announced \$1.36 billion injection into 11 companies and universities in Michigan might offer some of the best and brightest a reason to stay.

Obama administration officials this month announced \$2.4 billion in federal grants to develop next-generation electric vehicles and batteries. Vice President Joe Biden made the announcement in Michigan, the single largest recipient of the grants.

These and other recent federal grants give the state a better shot at reversing the brain drain, veteran U.S. Rep. John Dingell told University of Michigan researchers and administrators.

"We hope we can keep them home so they can do those things to move our economy forward," said Dingell, a Dearborn Democrat who visited the Ann Arbor campus after the announcement. He has been instrumental over decades in steering research money to the school.

Stephen Forrest, the university's vice president for research, said the state is rich in engineering and scientific talent but has lagged in turning those skills into new business ideas.

"We're very sensitive to the idea of brain drain," he said. What has been lacking, he said, has been the "management talent" to put those ideas to work.

Gov. Jennifer Granholm said the grants are important for keeping and developing tens of thousands of jobs because they cover everything from early research through final assembly — giving many graduates an opportunity to find in-state jobs

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in their fields of study.

"If we create a whole value chain for the battery industry, the opportunities for those workers are very, very ripe," she said.

The University of Michigan, Detroit's Wayne State University and Michigan Technological University in Houghton in the Upper Peninsula will receive \$10.5 million for education and work-force training programs and other purposes.

If things go right, graduates will be able to walk right into newly created jobs in the region, said Wayne State engineering professor Simon Ng, director of that university's new Alternative Energy Technology degree program.

"It will be perfect timing," Ng said. "They will be able to employ these people when they graduate."

Meyers says the billion-dollar effort is a great economic stimulant but can't plug the brain drain by itself.

"What I hope is that it's an incentive for more," he said. "Some big shooters will say, 'Let's move some capital in that direction.'"

Michigan has had the nation's highest annual unemployment rate since 2006 — it reached 15.2 percent in June — and forecasters say it will climb further before it turns around. The state never regained its momentum after the 2001 recession, and the bankruptcies this summer of General Motors Corp. and Chrysler Group LLC hastened the steady stream of plant closings and layoffs.

Lou Glazer, president of Michigan Future Inc., a nonpartisan research organization in Ann Arbor, said "quality of place," particularly in urban centers, is at least equal to employment opportunities as a means of luring and keeping college graduates. And making the state's major cities more attractive by creating vibrant, "walkable" neighborhoods and developing mass transit systems historically has been challenging, but some efforts are under way.

"It's the two together that end up being the ingredients that allow you to fundamentally change ... the location decision of talent in general and young people in particular," he said.

Still, Glazer said, the boost for the nascent battery and hybrid technology market is the right kind of move on the economic development side.

"Just in and of itself, it creates new job opportunities for talent and the state needs that," he said. "It's in an emerging industry, which has good buzz, which the state needs. All that stuff is an absolute plus."

"The state should feel really good."

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