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Federal climate investments from the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA) are set to bring more green job opportunities to Michigan. Saginaw, Detroit, and Flint all faced higher unemployment rates in September 2024 than the national average – 5.2% in all three cities vs. 4.1% nationally. In Detroit and Saginaw, 17% of residents over the age of 25 do not have a high school diploma, compared to about 11% nationally. In Flint, the percentage of those over age 25 without a high school diploma is 16%. Only about 36% of Michigan's clean energy workforce is non-white, placing the state in the bottom 50% of states for a diverse workforce.<sup>1</sup>

Quality, local green jobs with education and training opportunities for low-income and Black, Indigenous, and People of Color (BIPOC) workers are needed in each of these communities.

## Investing in the Clean Energy Sector

Michigan will receive about \$8.3 billion in funding from the Inflation Reduction Act by 2030 to expand clean power generation and storage.<sup>2</sup>

- In recent years, **\$17 billion invested in the battery supply chain** in Michigan is **expected to** create more than 12,000 jobs across the state.<sup>3</sup>
- Nationally, Inflation Reduction Act investments are expected to create over 9 million jobs in the next decade, including over 7,000 jobs annually to support clean transportation manufacturing.<sup>4</sup> The true measure of a Just Transition will be how low-income and BIPOC workers benefit from these investments.
- Michigan has been awarded \$129 million to facilitate large-scale renewable energy **projects** like solar arrays or wind turbines. The funds will be administered by the Department of Environment, Great Lakes, and Energy (EGLE).<sup>5</sup>

# **Expanding Job Training Opportunities**

- Michigan expects to receive \$9 billion to train 5,000 workers to rebuild the state's infrastructure. The Michigan Statewide Resource Plan will offer vocational training, certification and credentialing, and job placement assistance.<sup>6</sup>
- The Inflation Reduction Act includes tax credit requirements that incentivize prevailing wage and registered apprenticeship provisions, enhancing green economy training and wages.<sup>7</sup>
- Recently, \$100 million was allocated for workforce development to boost Detroit's clean transportation manufacturing capacity.<sup>8</sup>
- Michigan has been awarded nearly \$36 million in IRA funding for workforce development efforts in clean energy. Funds will be used to support job training and apprenticeship programs in transmission construction and the clean energy sector.<sup>9</sup>
- Workforce development funding is also available through several IIJA programs, including those improving broadband access, upgrading school buildings for better energy

8 Disha Mishra, "VP Kamala Harris announces more than \$100 million to support auto workers." Detroit Free Press, May 6, 2024. 9 Governor Gretchen Whitmer, <u>"Michigan Brings Home \$35.7 Million from Inflation Reduction Act</u> to Support Michigan's Clean Energy Future and High-paying, In-demand Jobs," July 26, 2024; The White House, "Investing in America: Michigan, as of August 2024," accessed November 1, 2024.

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<sup>1</sup> American Community Survey 2018-2022 5-Year Average Data; U.S. Bureau of Labor Statistics, "Economy at a Glance"; E2, "Help Wanted: Diversity in Clean Energy," September 2021; U.S. Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," accessed November 1, 2024

<sup>2</sup> U.S. Department of Energy, "Energy Facts: Impact of the Investing in America Agenda on Detroit, Michigan," June 19, 2023.
3 U.S. Department of Energy, "Energy Facts: Impact of the Investing in America Agenda on Detroit, Michigan," June 19, 2023.
4 BlueGreen Alliance, "A User Guide to the Inflation Reduction Act: How New Investments Will Deliver Good Jobs, Climate Action, and Health

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efficiency, and various energy efficiency programs.<sup>10</sup>

## **Creating Quality Green Jobs**

- Michigan is recognized as a leading state for clean energy job **growth.** Since 2022, the Inflation Reduction Act is estimated to have resulted in over 20,000 clean energy jobs in the state, with clean energy investments totaling over \$26 billion. Michigan is estimated to now have more than 127,000 workers in the clean energy sector, over half of which are in the Detroit area. Clean transportation grew by an estimated 14% in 2022, driven by investments in electric vehicle manufacturing, mainly in Detroit. With a strong manufacturing base, Michigan is well-positioned for electric vehicle, battery, and solar panel production.<sup>11</sup>
- Tax credits of up to \$7,500 for domestically-manufactured electric vehicles are expected to boost electric vehicles, and solar power incentives can support economic development.

• In Richland Township, west of Saginaw, a new \$900 million solar **component factory** is receiving a substantial tax credit through the CHIPS and Science Act. The factory will open in 2028, creating about 1,100 jobs in the area with a starting wage of \$21 per hour, or \$43,680 a year, higher than wage rates in the surrounding area. A second solar component factory in Saginaw County is receiving up to \$325 million in CHIPS and Science Act funding. This project is expected to generate about 180 new jobs. Saginaw County's unemployment rate exceeds the state average. Richland Township is 94% white, with a median household income of about \$78,000 and a poverty rate of about 10%. Saginaw has a median household income of about \$36,000 and a poverty rate of nearly 35%. About 17% of Saginaw residents do not own a vehicle.<sup>12</sup> Ensuring that Saginaw residents can benefit from job training and placement opportunities and transportation services to take advantage of these anticipated job openings will be critical.

- A battery material facility for electric vehicles in Flint has been awarded \$60 million in IIJA funding. This factory is expected to create 200 construction jobs and 150 permanent jobs. The company expects to recruit 80% of its workforce from the local community.<sup>13</sup>
- Michigan has been awarded over \$18.4 million in IRA funding to help small- and mediumsized companies adapt manufacturing facilities to support the electric vehicle supply chain and keep union jobs in manufacturing communities.<sup>14</sup>

10 National Governors Association, <u>"IIJA Implementation Resources,"</u> accessed November 1, 2024. 11 Executive Office of the Governor, <u>"Executive Directive 2022-10: Creating Jobs and Making Michigan More Competitive with the Inflation Reduction Act,</u>" September 6, 2022; Evergreen Action, <u>"How States Are Centering Workers in the Clean Energy Transition,"</u> January 24, 2024; Clean Jobs Midwest, <u>"Michigan Clean Energy & Transportation Jobs are Growing</u>"; Climate Power, <u>"The State of the Clean Energy Boom,"</u> updated February 28, 2024; Michigan Public NPR, <u>"Climate researchers: Michigan set for "economic boom" due to Inflation Reduction Act,</u>" February 19, 2023. E2, <u>"Clean Jobs America 2024,"</u> September 2024; Climate Power, <u>"Two Years of the Clean Energy Boom,"</u> accessed November 2024.

5, 2024. 12 Paula Gardner, "\$900M solar component factory to add 1,100 clean energy jobs in Michigan," Bridge Michigan, February 27, 2024; Grant Schwab, "Saginaw Co. gets second major federal manufacturing investment this week," The Detroit News, October 22, 2024; Governor Gretchen Whitmer, "Gov. Whitmer Announces Biden-Harris Administration's \$325 Million Investment to Expand Semiconductor Industry in Michigan, Creating Over 1,000 Manufacturing and Construction Jobs," October 21, 2024; James Felton, "Expected Impact of Recent Investments in Saginaw Co.," WNEM5, October 22, 2024; American Community Survey 2018-2022 5-Year Average Data. 13 Tara Molina and Carol Thompson, "Some clean energy investments are slow to roll out, while others are spuring job creation," CBS News Chicago, September 23, 2024; Governor Gretchen Whitmer, "Gov. Whitmer's Battery Challenge Secures Federal Infrastructure Investment in Four Michigan Companies that will Create or Retain Thousands of Jobs," September 20, 2024. 14 U.S. Department of Energy, "Biden-Harris Administration Announces \$50 Million to Strengthen America's Auto Communities and Bolster Domestic Electric Vehicle Manufacturing," August 15, 2024.

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