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Beyond Autos - Michigan continues to build on strengths derived from next generation industries

When the economy hits a decline, fewer people spend their expendable income on things such as travel.

"Michigan's market is quite fragmented," Gagnon said. "The Grand Rapids area and southwest Michigan region are doing well but the east side of the state and Detroit corridor still hasn't improved."

Gagnon said Michigan's vineyards and craft brewing industries are drawing tourists. Grand Rapids has been voted Beer City USA for the past two years.

"Some things that we hear is that Michigan is getting more articles, more reviews, more social media hits about people who are surprised by the craft beer industry," Gagnon said.

In 2011, Michigan's visitor spending represented a \$17.7 billion industry that generated nearly \$1 billion in state tax revenue and supported nearly 200,000 jobs, according to Pure Michigan.

By 2017, the state hopes to increase visitor spending to \$21.5 billion.

In order for a city to be a successful tourism city it needs to have a niche market.

Gagnon said while Frankenmuth is still a strong tourism market, it is not drawing in many millennials because its focus is



Gail Jensen Summers, a professor at Wayne State University, says health care positions are increasing at a rapid pace.



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different than the Grand Rapids market, which has the bars and breweries millennials love.

[&]quot;All cities can't be all things to all people," he said. "The key is effective segmentation of the market."

Another possible factor is an increase in tourists and shoppers from Canada.

Both Frankenmuth and Soaring Eagle Casino have reported an increase in Canadian visitors over the past few years. Gagnon said there is at least the perception of a better dollar value in Michigan compared with Canada.

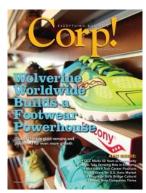
Supportive sectors

As a spin-off effect from other industries such as a rise in manufacturing, both the transportation and construction industry sectors have also been flourishing.

The demand for truck drivers is outpacing both IT and nursing jobs, Cesaro said.

Everything that is made or produced, needs to be transported, whether that means driving it from one production facility to another or ordering something on Amazon and getting it in the mail within two days.

Cesaro said cars aren't produced in one place, on one assembly line anymore, but through a variety of different companies. A Michigan company may make one car part, ship it to Mexico, or anywhere in the world, to complete the next step, and then that company ships it back to be finished.



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