

STIR IT UP

# Countdown for Detroit

## Beyond census figures: The hard data that we need to know

By [Larry Gabriel](#)

PUBLISHED: APRIL 13, 2011

The numbers are in. The 2010 census sets Detroit's population at 713,777, about a 25 percent drop. The only other big city to lose a higher percentage of its population is New Orleans, which clocked a 29 percent loss with the help of Hurricane Katrina.

We are now the 18th (formerly fourth) largest city in the United States, checking in between Columbus, Ohio, and Memphis, Tenn.

The population drop from 951,270 in 2000 means more than just fewer people in the D. We'll probably lose millions of dollars in revenue sharing funds doled out by the state; we'll have fewer representatives in Lansing, and lines for congressional districts will be redrawn in a way that gives the city less political clout.

City politicians bemoaned the numbers, claiming that the census undercounted Detroiters, and vowed to appeal the result. City Council President Charles Pugh said that he thought the count was about 100,000 short, saying that thousands of Detroiters use suburban addresses in order to get lower car insurance rates and that there are thousands of Detroiters in prisons who will return to the city when released from custody.

Well, that's one way to embrace our high percentage of ex-felons. But it seems he's grasping at straws, which wouldn't be unusual around here with the various crises the city faces.

Adding to those problems is the fact that about 100 state laws specifically targeting Detroit will probably have to be rewritten because they are tied to the size of its population.

That's because state laws can't name a specific city, so population has been used to single Detroit out from every other city in the state, none of which has a population of more than 200,000. Now it looks like the magic number of 750,000 will need to be lowered if the city is going to be able to continue taxing at current levels, for example, or run a health department. The ability to license casinos is another issue that's tied to population.

Kurt Metzger, director of the nonprofit Data Driven Detroit, says, they'll have to "get legislation changed to cities of 500,000 or more. When Detroit's population dropped under 1 million they went to the 750,000 standard."

Metzger doubts that any appeals will make much difference. "The city didn't get prepared for the census," he says. "The city didn't have the resources to do that. There might have been an undercount. ... There is a specific process to the challenge, and after the fact it's very difficult to change the results. They're never going to find another 40,000 people through the processes that are open to them."

Here's another hard fact from the census numbers: Detroit's population loss wasn't just a matter of city dwellers fleeing to the suburbs; Michigan was the only state to lose population over the past decade — many of them young, well-educated people who view their home state as a rust-belt relic with little to offer in a high-tech future.

"The census confirms the data that we've been looking at. It's confirming, but not surprising," says Lou Glazer, president of Michigan Future Inc., a nonpartisan think tank based in Ann Arbor. "Compared to the rest of country, we got substantially poorer, more aged and less educated."

Among other things, that data should wake up the state to the fact that we are all facing big problems together. Gov. Rick Snyder has acknowledged this in general, and his response to the census results echoes that. "Michigan will not succeed if Detroit and other major cities don't succeed. We all must be partners in Michigan's reinvention," he said.

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The people at Michigan Future agree with Snyder's analysis of the situation but disagree with his strategy to fix the state's economy, which first and foremost has been to cut business taxes. That's a strategy that Paul Hillegonds, a former politician who's now senior vice president of corporate affairs and communications for DTE Energy, once supported but now calls into question.

In a February address to students at Grand Valley State University, he said, "In the past dozen years, state and local taxes have been reduced by what is now over \$6 billion annually, moving Michigan to a tax burden below the national average ... and state general fund revenues 42 percent less in inflation adjusted dollars than when I left the state House 14 years ago. Yet lower taxes and spending have been accompanied by slower economic growth in Michigan than in the rest of the nation."

That's a data driven assessment from someone who should know. Hillegonds served as a Republican in the state House of Representatives from 1979 to 1996 and as president of Detroit Renaissance from 1997 to 2005. He currently sits on the board of Michigan Future and the Center for Michigan.

"When I was in the Legislature, I was a part of creating the problem," Hillegonds told me over the weekend. "I made the mistake. Having worked for 15 years in the city of Detroit, through my experience at Detroit Renaissance and DTE, you realize that a cornerstone of urban revitalization is K through 12 and higher education. You need educated twenty- and thirtysomethings who want to live in the city. You can't sustain that growth without some public investments. It's not that taxes are unimportant to the business climate, but a more highly educated workforce is more important."

Hillegonds has turned around on some issues because he paid attention to the facts rather than ideology. He pointed out some revealing statistics in his GVSU address.

"In 2008, of the 55 U.S. metro areas with populations of 1 million or more, Detroit ranked 33rd in knowledge-based industries concentration, 36th in per capita income and 37th in college attainment. Metro Grand Rapids lagged even more, ranking 54th in knowledge-based industries concentration, 53rd in per capita income and 45th in college attainment. Over the past 10 years, state funding for higher education has been cut by 27 percent. Michigan is now 42nd among the 50 states in per capita support, reflecting the fact that higher education has been a less important state priority than prisons and tax cuts. ... Michigan Future's analysis of extensive tax and economic data found that the most successful states are not characterized by low taxes. If anything, they tend to be more high-tax states than low. On the other hand, states with the lowest taxes tend to have lower per capita incomes, lower concentrations in knowledge-based enterprises and lower proportions of adults with four-year degrees or more."

Former Gov. John Engler played the west side of the state against Detroit. Apparently that didn't work, and the whole state is worse off for it. Grand Rapids could be a big-time place, but apparently Detroit-hating, tax-cutting and sending a lot of people to jail isn't the way. Gov. Jennifer Granholm wasn't much better.

I know it's hard to read through a bunch of numbers, but therein is the hard data that we need to know. And the bottom line is results. I'll leave you with a question that Hillegonds posed at GVSU.

"We all would like Mississippi's taxes and Minnesota's social and economic infrastructure, but there is no state in the nation that has both. Which fiscal strategy will we choose?"

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