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INNOVATION AND ECONOMIC PROSPERITY UNIVERSITIES
AWARDS PROGRAM

CASE
STUDY
2013

The Institute for Research on Labor, Employment, and the Economy (IRLEE)

The [Institute for Research on Labor, Employment, and the Economy](#) (IRLEE) extends the reach of the University through leading business and regional development in service of the broader economy. IRLEE was established in July 2008 by merging two long-standing university units: the Institute of Labor and Industrial Relations (ILIR) and the Business and Industrial Assistance Division (BIAD). This enabled the University to direct its economic outreach activities in areas where it has demonstrated academic and programmatic strengths. Currently, IRLEE is comprised of eight centers and programs with services falling into three broad areas: business assistance, economic development interventions for communities experiencing economic transition, and economic impact and forecasting.

The Institute provides research, consulting, and technical assistance in partnership with multiple sponsors. Although housed at the University of Michigan, IRLEE serves the entire state of Michigan, the Midwest, and the United States. Many programs are funded through the Economic Development Administration (EDA) of the U.S. Department of Commerce, although other initiatives are frequently sponsored by the Departments of Labor, Agriculture, and Defense. IRLEE also works with economic development organizations in Michigan and other states. From 2008-2012, the Institute secured more than \$27 million in external grants and contracts. Although IRLEE has many initiatives serving different constituencies, the three programs discussed below exemplify how IRLEE serves the Midwest, and how communities can be helped with different needs over time.

Manufacturers in Michigan, Ohio, and Indiana adversely impacted by foreign trade have been receiving direct business assistance from the University of Michigan since 1983. The [Great Lakes Trade Adjustment Assistance Center](#) (GLTAAC) administers the [Trade Adjustment Assistance for Firms](#) (TAAF), which is the only federal program specifically designed for companies negatively affected by foreign competition. It helps eligible companies assess their current business situation, develop a realistic strategy and actionable recovery plan, and then pays half the cost of hiring external consultants to implement the plan. To date, GLTAAC has assisted over 300 firms, and has a 95% survival rate in the past 5 years. The GLTAAC website provides other [metrics](#) of higher sales, hiring, and profitability, and individual [success stories](#).¹²

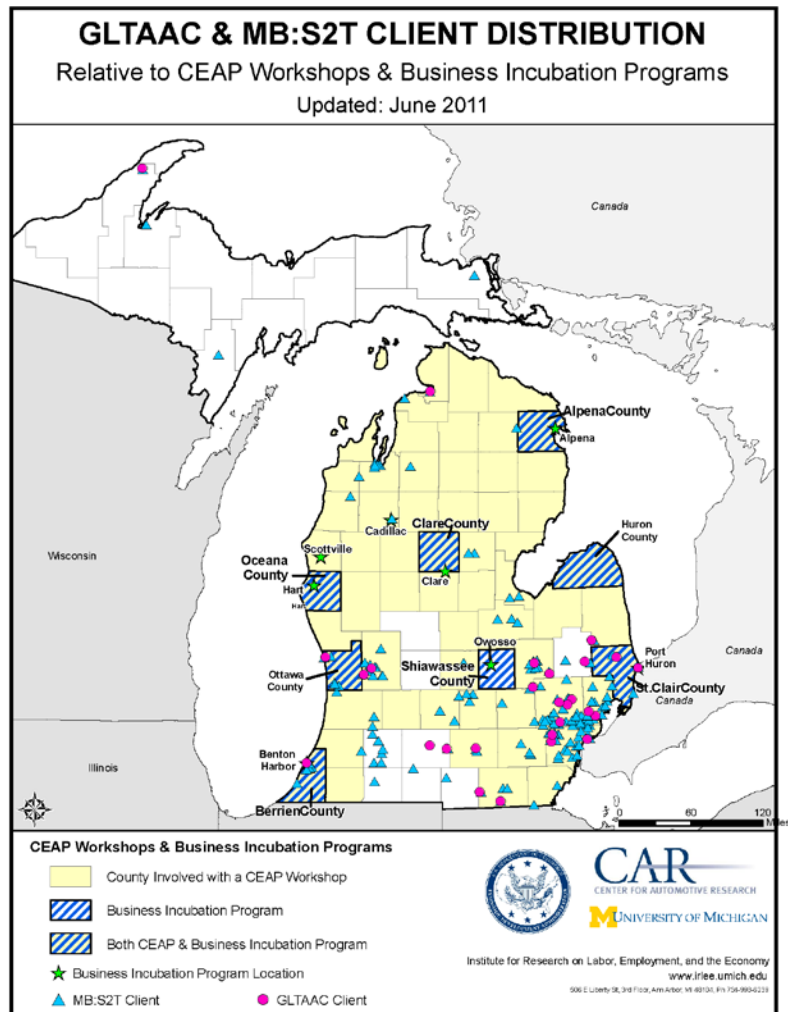
Two components of IRLEE's mission are: to provide technical assistance to businesses in distress, and to intervene in communities experiencing economic transition. These elements were combined through two programs designed to assist communities experiencing layoffs in the manufacturing sector. The EDA Community Economic Adjustment Program¹³ (CEAP) ran from 2006–2011. Partnering with the Center for Automotive Research¹⁴ (CAR), CEAP helped to reduce the socioeconomic hardship experienced by communities in Michigan, Ohio, Indiana, Illinois, Minnesota, and Wisconsin from plant closures and restructuring among automotive and manufacturing industries. CEAP administered an “early-warning system” combining industry and economic data with media reports to identify plants at risk of closure or workforce reduction. CEAP organized focus groups so affected communities could determine their needs and receive training connecting them with support services and/or funding opportunities through federal, state, and non-profit resources. Organizations proposing solutions received assistance in preparation of grant narratives and the review of applications. This [successful](#) program concluded

when the cycle of major plant closing ended. In total, CEAP conducted 36 focus groups, operated 42 grant workshops, and ultimately provided assistance for 106 grant proposals.¹⁵

From 2008–2011, IRLEE collaborated with the State of Michigan’s Department of Labor and Economic Growth (MDLEG) for the Michigan Business: Surviving to Thriving program (S2T). S2T grew out of a pilot program called the Advanced Manufacturing Assistance Program (AMAP), which was created to help struggling manufacturers in the automotive supply chain. MDLEG sought a program that would assist all “at-risk” Michigan businesses, and the AMAP pilot was expanded. S2T operated in three phases. The **process** began with an application and financial disclosure phase. Selected firms proceeded through a planning phase taking several weeks, which involved detailed financial analysis, interviews with managers and employees, and observations of operational processes. Planning culminated in recommendations for action, identification of projects, and definitions for scopes of work. The implementation phase consisted of S2T projects managers identifying outside professionals to consult with the firms, with the program paying for half of the cost, up to \$25,000. In total, 205 firms were helped through S2T, which had a 98% survival rate.

Over 1,000 jobs were retained at a time when the sector lost 26% of its employment.

These three programs represent a convergence of engagement in that they served many of the same communities and industries for different needs at different points in time. They demonstrate how a sustained commitment to engagement makes the University a known partner for economic development, which can lead to opportunities to develop new initiatives. Figure 1 below is a map of Michigan showing the convergence of these programs and how the engagement initiatives in one capacity overlap with additional relationships. Michigan counties that were involved in a CEAP workshop are shaded yellow. GLTAAC clients are indicated by the blue triangles, and S2T clients are indicated by the pink circles (the stars are for a separate program).



Overlap of GLTAAC, S2T, and CEAP interventions

The distribution of clients demonstrates that having credibility in those communities through GLTAAC gave IRLEE a platform to succeed with CEAP and S2T. Forty-one clients used both GLTAAC and S2T, and many counties had both CEAP and S2T clients.

These programs work directly with the people affected, building relationships and basing decisions on data and local knowledge. Since they use similar, data-driven warning systems to identify clients, and use the expertise of IRLEE staff to identify turnaround strategies, the process shows how proven models can be replicated and used in conjunction to achieve heightened success. IRLEE continues to grow by applying the lessons learned from these programs to develop new initiatives with strategies that are more refined. The Institute is now in the midst of a five-year review and, having just emerged from a period of both success and transition into new programs, looks to continue fulfilling its mission to serve the University and the regional economy.