



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

SUSAN CORBIN,
DIRECTOR

DEPARTMENT OF TRANSPORTATION
LANSING

BRAD WIEFERICH,
DIRECTOR

August 21, 2025

Dear Michigan Legislators,

If the Michigan Legislature does not act now and pass a comprehensive road funding package, the state will face a loss of up to 21,000 jobs annually supported by road construction funding.

In Gov. Whitmer's August 7 letter requesting the Michigan Department of Transportation (MDOT) and the Department of Labor and Economic Opportunity (LEO) to compile and publicly release data on the impact of the state's road funding cliff and federal funding rollbacks and policies on Michigan's economy and employment, she asked for a summary of the following information by or before August 21:

- 1) Projected construction job losses if a comprehensive road funding package is not enacted.
- 2) Estimated construction job losses stemming from recent or proposed federal economic policies (including tariffs) and an analysis of how a state-level road funding package could blunt or offset these losses.

In response to her request, we worked with economists, business and industry stakeholders and other state departments in considering the requested information. The following is the departments' summary of the information requested.

1. Projected construction job losses if a comprehensive road funding package is not enacted.

A comprehensive road funding package could support between 7,000-21,000 additional good-paying jobs, depending on the funding level. These jobs, which often do not require a college degree, offer the average Michigan road construction worker a nearly \$70,000 annual salary, with retirement and healthcare benefits.

The departments used the Transportation Economic Development Impact System (TREDIS) model, specifically designed for transportation-related economic analysis, to explore four funding scenarios to assess the potential employment impact of a comprehensive road package: a baseline scenario, a scenario of \$1 billion in additional funding, a scenario of \$2 billion in additional funding and a scenario of \$3 billion in additional funding.

Here are the top-line annual employment impacts of each scenario:

- **Michigan could lose over 8,000 good paying jobs annually.** The baseline annual employment of road funding with no additional funds is an annual average of 16,957 jobs supported. This is 8,697 less jobs supported than the annual average of the last five years due to the expiration of the *Rebuilding Michigan Plan*.
- **A \$1 billion increase in funding would add more than 7,000 jobs.** If the comprehensive road funding package includes an additional \$1 billion in annual funding, 24,217 jobs would be supported annually. This is 7,260 more jobs than the baseline scenario.
- **A \$2 billion increase in funding would add more than 14,000 jobs.** If the comprehensive road funding package includes an additional \$2 billion in annual funding, 31,324 jobs would be supported annually. This is 14,367 more jobs than the baseline scenario.
- **A \$3 billion increase in funding would add more than 21,000 jobs.** If the comprehensive road funding package includes an additional \$3 billion in annual funding, 38,421 jobs would be supported annually. This is 21,464 more jobs than the baseline scenario.

A full breakdown of all the economic modelling can be found in the attached Analysis of Jobs Supported by MDOT Highway Capital Program Under Several Funding Scenarios.

2. Estimated construction job losses stemming from recent or proposed federal economic policies (including tariffs) and an analysis of how a state-level road funding package could blunt or offset these losses.

A comprehensive road funding package is an important tool to prevent the negative impact of federal economic policies like tariffs.

Tariffs are expected to create economic burdens for Michigan businesses overall. Tariffs and inflation have caused a 16-year low in enthusiasm for business owners in Michigan.¹

According to an August 9 *Detroit Free Press* article:

“In 16 years of surveying companies in Michigan to see how they are doing and thoughts about the economic road ahead, Chris Holman, CEO of Michigan Business Network, has never seen the kinds of responses received in the latest poll.

“We have never seen less enthusiasm by business owners for expecting increases in their revenue or profits this year because of tariffs and inflation,” Holman said of his survey, which included 644 businesses across both peninsulas.”

The U.S. construction industry overall is affected by tariffs more than any other market causing analysts to expect the industry to weaken over the next six months.

August 21, 2025

According to analysts at S&P Global:

“The US construction market will be most affected by tariffs as they are set to raise the cost of imported building materials. Coupled with tariff-related uncertainty that prompts projects and investment plans to be reassessed, the industry is expected to weaken in the latter half of 2025 and into 2026.”²

Road funding is also important for economic stability in Michigan trades. Higher levels of road funding have been correlated to strong increases in Registered Apprenticeships in Michigan. Registered Apprentices have high employment rates and higher median wages. As of August 15, 2025, Michigan has 23,770 active Registered Apprentices.³ This is the most in Michigan history.

According to the Michigan Center for Data and Analytics:

1. According to the U.S. Department of Labor, Michigan had the eighth most active Registered Apprentices in 2024 based on program location. By Registered Apprentice location, Michigan ranked No 4. Over 80% of active Registered Apprentices are in the construction (65.4%) and manufacturing (18.1%) industries. Those who completed a Registered Apprenticeship had an employment rate of 93.9% and a median wage of \$80,720 one year after graduating.⁴

Any loss in funding will stall the progress Michigan has made in becoming a leader in Registered Apprenticeships. Without road construction jobs in Michigan, our skilled trades workers could leave Michigan to find work in other states.

As you can see, it's critical to pass a comprehensive road funding package. Losing road funding is beyond potholes left unfilled. In the case of [M-65 over the Thunder Bay River in Alpena County](#), it means longer response times for the fire department to reach half of their coverage area. When lives are on the line, every minute counts, and a detour for a closed bridge with no replacement funding in sight is a tragedy no community should face.

Every delayed project means fewer paychecks, fewer jobs and fewer opportunities for hardworking Michiganders to provide for their families. And when a job is lost, it doesn't just affect one person — it ripples through a household. It means bills go unpaid, futures are put on hold and families face difficult choices no one should have to make.

In the last few years, we've improved the overall rating of Michigan roads by 12%, achieving 85% good and fair roads. Why stop now? We must pass this funding to protect jobs, support families, keep our communities strong and our roads safe and reliable for all users.

Sincerely,



Susan R. Corbin
Director, LEO



Brad Wierich
Director, MDOT