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IMPACT

Modest Expectations for Good Policy in

2024

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**MACKINAC
IN THE
MEDIA**



The Big Three get big subsidies but still do big layoffs

“Whether it’s the Big Three or any other corporate recipient of state funding, companies offer a heads-I-win, tails-you-lose approach to subsidies. They’ll collect support on new investments yet generally keep them regardless of later layoffs.”

James Hohman, Director of Fiscal Policy



Michigan gets an ‘F’ for educational accountability

“Gov. Gretchen Whitmer (D-MI) and her allies in the legislature, fresh off capturing both the state House and Senate for the first time since the 1980s, have systematically rolled back reforms designed to help parents and improve students’ education.”

Molly Macek, Director of Education Policy

The Detroit News

Hohman: Population council should focus on improving public services

“Taking more money from people to give to governments is more controversial than asking government to do better with the money it already gets. The public clearly benefits when its servants do more with less.”

James Hohman, Director of Fiscal Policy



Wind and solar power too often leave Americans out in the cold when severe weather hits

“It will only get harder to keep the electricity flowing when the biggest storms hit, and when they inevitably do, more and more people will be at risk. It’s ironic that in their fight against climate change, our leaders are putting our lives at the mercy of the climate.”

Jason Hayes, Director of Energy and Environmental Policy



5 problems with Whitmer group’s Michigan population plan

“The report’s lack of specificity leaves policymakers with only a few concrete ideas to chew on. And even those might not be politically feasible. In all, there’s not much value here for policymakers.”

Michael Van Beek, Director of Research



The ‘Trough Truce’ Will Bankrupt Michigan — and America

“Whether it’s in Washington, D.C., or Michigan, the trough truce is becoming broader and vastly more beneficial for its members. It is also encouraging more special interests to demand that taxpayers feed them, too.”

James Hohman, Director of Fiscal Policy



LETTER FROM
THE EXECUTIVE
VICE PRESIDENT

Ain't No Spending High Enough

It was May 2012. I was at my desk, working for a think tank in Washington state.

An email hit my inbox. A recruiter shared a job announcement from the Mackinac Center for Public Policy. She asked if I knew of anyone who might be a fit.

Now, I was not looking for a new job. I was a young lawyer, married, with three children. We had just bought a house. I enjoyed my work and my colleagues. Most of my wife's extended family lived in the Pacific Northwest. Neither of us had any connection to Michigan.

I emailed my wife: "What do you think about Michigan?"

She replied: "I hear it is the Innovation Hub of the Midwest and America's Scale-up State!"

OK, I made up that last line. But I imagined the scene after reading the Growing Michigan Together Council's 86-page report on how to grow Michigan's population. (The Innovation Hub is a prominent idea.)

Gov. Gretchen Whitmer is wise to focus on population growth. She asked her council to recommend "concrete, data-driven, and evidenced-based goals" to grow the population.

The council's report discusses several trends: Michigan's population is falling relative to other states; our education system is antiquated; Michigan's highways and bridges are in poor



Photo by Adobe Stock

condition; and the percentage of Michiganders with college degrees is lower than it is in some other states.

Scattered throughout the report are many things the council thinks Michigan should do. Among them:

- Brand Michigan the “Innovation Hub of the Midwest and America’s Scale-up State”
- Develop public transit systems
- Increase and revitalize the housing supply
- Expand taxpayer-funded support for child care and elder care
- Offer new economic development incentives
- Spend more on postsecondary education and training
- Give tax credits for student loans
- Develop incentives to attract talent (first-time homebuyer, relocation, etc.)
- Offer a 13th year of schooling if K-12 is insufficient
- Have taxpayers fund two years of free college for everyone

More central planning is in our future if we follow the recommendations of the council. The council says we should: develop an economic growth plan while addressing governance and funding; form a workgroup for the Michigan Education Guarantee; design a governance model for education; and design a new funding model for K-12 schools. All this will require, it says, “a complete retooling of government systems and institutions” — though details are scarce.

This report uses the word “funding” 54 times and “investment” another 42 times. The council fails to discuss how the state would pay for these programs, or what the price tag would be.

For all this, the Growing Michigan Together Council report fails to address the key question:

Why are other states eating our lunch?

The report barely looks at what other states are doing successfully. It does not show how its Christmas list of ideas improved population growth elsewhere. It gives little attention to why people move away from Michigan. (To find some of these answers, look instead to the Mackinac Center’s recent study, *How to Make Michigan Grow*.)

Astonishingly, after publishing the report, the co-chair of the council admitted that its recommendations would not grow Michigan’s population by 2050, which was the stated reason for this process.

This is like deciding you want to lose weight. And then you go out and buy new clothes, a new car and upgrade the landscaping at your home. When someone asks how your weight loss is going, you point to all your recent activities and purchases.

The Growing Michigan Together Council had one job. But it offered little to address an important challenge. ■



A handwritten signature in black ink that reads "Michael J. Reitz".

By Michael J. Reitz

Executive Vice President



Civility is the key to a civil society



Good Manners *and* Good Policy



Changing public policy involves politics, and our politics are not healthy. Large majorities of Republicans and Democrats think members of the other party are immoral, dishonest and close-minded, according to the Pew Research Center, which also notes that two-thirds of Americans are exhausted by politics. National and state governments alike have failed to tackle large problems such as deficit spending or overregulation. Political polarization stands in the way of the Mackinac Center's goal of public policy that frees people to realize their potential. According to an authority who spoke at a recent Mackinac Center gathering, the solution is both simple and hard: Be better humans.

Alexandra Hudson, author of *The Soul of Civility*, believes that making successful policy requires respecting the dignity of all. She brought this insight to The H Hotel in Midland, Michigan, for a November event titled "Good Manners and Good Policy."

Civility is not the same as politeness, Hudson told the lunchtime audience. Politeness can be weaponized to silence dissent. Civility shows

respect for friends and enemies alike. Civility demands that we treat others as equals. It requires us to discuss disagreements, not to pretend they don't exist. It promotes effective policymaking as people come together to address problems.

New technologies, including social media, can promote a toxic atmosphere that makes cooperative efforts difficult, Hudson said. But effective policymaking is not impossible. Hudson offered ideas for mitigating and even overcoming the damage of incivility and rudeness. Civility is the key to a civil society, she argued. Without it, leaders in political society will be tempted to fix problems for us.

Drawing on ancient and contemporary sources, Hudson touched on accountability, truth-telling, forgiveness, and using one's words to bring out the best rather than the worst in others. ■



By Nicole Beck

Director of Advancement



James Hohman Unravels Michigan's Budget Mysteries

Few people can claim to have been with the same employer for more than 20 years, especially when they're in their 30s. But James Hohman, the Mackinac Center's director of fiscal policy, can.

"I was a freshman at Northwood University taking the class 'Philosophy of American Life and Business' with professor Dale Haywood when Michael LaFaive of the Mackinac Center reached out, looking for an intern," James says. "Shortly after, I started volunteering."

That was fall 2002. James stayed as an intern, coming on full time after he graduated. "Eventually, they started paying me," he says.

James grew up in Monroe, Michigan, in a family with deep roots in the area. His grandparents met at Hillsdale College, but he went to Northwood, Michigan's other strong free-market school.

His first project at the Mackinac Center was a study on the state of Michigan's budget. It is a topic he continues working on to this day.

"I'm still doing the same thing I first started doing when I was 18 – finding interesting and relevant information to drive the public debate," James says.

He and his interns comb through the budget every year, updating a spreadsheet containing every line item of state spending.

"One of the regular things I ask of my interns is that they tell me something interesting they've found in the state budget," he says. "It would be very hard for anyone to go through Michigan's budget without realizing that government does not work the way its strongest supporters believe it should."

James also has expertise on other fiscal policy issues, including state and local pension systems (and their consistent underfunding). His work documenting the enormous costs of pension debt helped lawmakers when they tried to limit exposure to pension underfunding in 2017.

He is a critic of the way state government offers incentives to hand-picked corporations. "I enjoy

A profile of Mackinac Center Director of Fiscal Policy James Hohman



James testifies for the first time in front of a legislative committee in 2009



James with Mackinac Center colleagues at the 2017 staff retreat

“I enjoy working across ideological lines to increase skepticism of select corporate subsidy programs.”



James presents at a 2023 Mackinac Center Policy Forum

working across ideological lines to increase skepticism of select corporate subsidy programs,” James says. “Republicans and Democrats have supported corporate welfare for a long time, unfortunately, but we’ve been able to change some minds.”

The long-time generosity of the Morey Foundation allows James to do this type of work. The Mackinac Center’s work in that area is now done under the Morey Fiscal Policy Initiative.

James also tries to reinvigorate the public benefit principles that ought to apply to government spending.

“The closest free-market policy ever got to being the law of the land was in the late 19th century,” he says. “Bottom-up efforts from the state to prevent public spending for select private benefits were enshrined into state constitutions, including in Michigan, and through judicial rulings. I hope that

my work can play a small part in revitalizing interest in this principle.” ■



By Jarrett Skorup

Vice President for Marketing and Communications

MICHIGAN'S NET ZERO ENERGY LEGISLATION: UNNECESSARY, EXPENSIVE AND DANGEROUS

Research from the Mackinac Center shows that a recently enacted Michigan law will cost state residents thousands of dollars a year while having a negligible effect on the environment or climate.

Senate Bill 271, which Gov. Gretchen Whitmer signed into law Nov. 28, requires the state to achieve “net zero” emissions of carbon dioxide. As the codification of her MI Healthy Climate Plan, the law will force residents to rely on weather-dependent energy sources such as wind and solar.

These mandates will raise energy costs by \$1,500 to \$2,750 per household, according to new research from the Mackinac Center. The move away from reliable and affordable electric service will cost the people of Michigan between \$206 billion and \$386 billion by 2050.

Our modeling indicates that net zero mandates with wind, solar and battery backup pose serious risks to consistent electric services. A grid based on wind, solar and battery would expose Michigan residents to repeated service interruptions and blackouts. During the most severe disruption, blackouts could last for as long as 61 continuous hours in late January, when cold temperatures drive the greatest demand for a reliable electric supply. Attempts to electrify homes and transportation, as seen with Ann Arbor’s A2ZERO plan and the statewide MI Future Mobility Plan, only demonstrate the need for reliable electric service.

The state could also achieve net zero goals while allowing existing coal and large natural gas plants to operate for their full intended life cycles, rather than closing them before their useful lives are

Gov. Whitmer's net zero plans ensure that Michiganders will face extreme price increases for energy

Photo by Adobe Stock

up. If the state must reduce CO2 emissions, it can do this by retrofitting fossil-fueled plants with carbon capture and storage technology. As these plants near the end of their intended operations, new nuclear facilities could replace them. This scenario would avoid the potential for blackouts and lower the expected costs to achieve net zero from \$386 billion to \$206 billion by 2050, according to our modeling.

Regardless of what plan the state follows to achieve net zero mandates, meeting these goals would reduce average world temperatures by an almost imperceptible amount: 1/1,000th of a degree Celsius.

Gov. Whitmer's net zero plans ensure that Michiganders will face extreme price increases for energy. To the extent that her plans require state residents to rely on wind and solar generation, they

vastly increase the likelihood of electric service instability and extended blackouts. Michigan is on a road to higher costs and frequent service interruptions, for a result that will have no impact on the climate.

If Michigan's elected officials choose to ignore the problems their net zero mandates cause the state, they should at least attempt to minimize costs and maintain grid reliability by accepting the lower-cost option that relies on nuclear and fossil energy with carbon capture technologies. ■



By Jason Hayes

Director of Energy and Environmental Policy



Rewarding Some at the

Expense of All

A recap of the State of the State

The governor's annual State of the State speech happens in January and typically sets the tone for the Michigan Legislature's year. Case in point: Nearly everything Gov. Gretchen Whitmer called for in her 2023 speech was passed into law.

The Mackinac Center has for decades hosted an internal watch party. Our policy experts watch the speech and take note of the number of calls to cut government (rare) or expand it (not rare). Our communications staff then prepares a release for the media, with reactions from our experts.

The governor's theme of the night was the 1980s, and the speech was laced with references to songs of that era. But Gov. Whitmer didn't seem to want to bring back the days of Ronald Reagan. The speech, unfortunately, followed a familiar theme: Use higher spending to dole out money to favored groups at the expense of everyone else.

The governor called for:

- A new corporate welfare program (on top of the \$4 billion approved last year)
- Electric car rebates (almost exclusively benefiting the wealthy), with a bonus if the car is union-made
- Full taxpayer funding of education programs from preschool through community college (expensive programs with poor results)

Under this governor, Michigan has rapidly become a high-spending state. In her four years in office, the state budget has increased from \$55.8 billion to \$82 billion. That's \$26 billion, a 47% increase in spending. There is little evidence that government services have improved 47%. To sustain this spending, the Whitmer administration is fighting to increase the personal income tax rate. (The Mackinac Center has an ongoing lawsuit to stop that hike).



AP Photo/AI Goldis

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“In her four years in office, the state budget has increased from \$55.8 billion to \$82 billion.”

There is an onslaught of press releases that go out the night of the address, from supporters and opponents, including seemingly every politician in Michigan. The Mackinac Center works hard to break through the noise to get the media to pay attention to the costs (not just the benefits) of whatever has been proposed.

We were once again successful. Mackinac Center quotes and commentary on the issue appeared in Crain’s Detroit Business, Gongwer, Michigan’s Big Show, and news accounts across the state. Our outreach ensured that media coverage mentioned the immense costs and policy downsides the governor left out of her speech. ■



By Jarrett Skorup
Vice President for Marketing and Communications

Are You New Here?



Tori Hoffman

Donor Relations

If you've received a phone call scheduling a visit or thanking you for your contribution, chances are the friendly voice you heard on the other line was none other than Tori Hoffman. Tori became a full-time member of our team in September after interning in our advancement and fiscal policy departments. Before starting at the Mackinac Center, Tori worked on the John James for Senate campaign and started a Turning Point USA chapter with her friends at Saginaw Valley State University. Tori and her husband Josh got married in July, and the two of them enjoy spending time outdoors hunting, boating and hiking.



Nicole Beck

Director of Advancement

To ensure our advancement department runs like a well-oiled machine, we need leaders like Nicole Beck to help keep things on track! Nicole joins the Mackinac Center as the director of advancement, bringing two decades of leadership experience with her. She oversees the day-to-day operations of the advancement team, develops strategies for growth and connects with supporters like you. Nicole grew up in Midland and received her MBA from Northwood University. In her free time, she enjoys hiking, cooking, reading, rock hunting and spending time with her family.

Meet our most recent additions to the team



Cami Pendell

Senior Director of Strategy

You may recognize Cami Pendell from her time working in our Lansing office as director of legislative affairs. Cami has been promoted to senior director of strategy, where she joins the communications department in an exciting new role. She'll direct our Opportunity Michigan network and spearhead new initiatives that you'll learn about soon. Cami is an attorney who received her bachelor's degree from Central Michigan University and law degree from the Michigan State University College of Law. She is an accomplished runner (she's even run a 50-mile ultramarathon!) but also enjoys a slower pace when spending time with her dog on trail walks.



Adam Stacey

Director of Legislative Affairs

Longtime Lansing insiders will recognize Adam Stacey, our new director of legislative affairs. Adam brings over 25 years of professional experience from his time at the state Capitol, having worked as a policy advisor for the Michigan House of Representatives and in various capacities for legislators, including mostly recently, Rep. Ann Bollen. He also served for 14 years as an elected Clinton County commissioner and has worked on many political campaigns. Adam received his bachelor's degree from Michigan State University and a Master in Public Administration degree from Western Michigan University. He enjoys playing board games with his friends and camping.



Modest Expectations for Good Policy in

20

In the Michigan Legislature, few policy changes are enacted during even-numbered years. Several unique dynamics will make 2024 even less productive than normal – at least until Thanksgiving.

First, the current state House has 56 Democratic and 54 Republican districts. The combined margin of victory in the two districts that gave the Democrats their slim majority was 1,425 votes. In 13 districts, the 2022 victor received less than 53% of the vote.

With August primaries and the November general election coming up, legislators want to finish the budget in June so they can spend the following four-plus months campaigning in their own

districts as well as those of vulnerable colleagues.

Second, note in the second paragraph my use of “districts” rather than “legislators.” This is because two Democratic House members from Metro Detroit resigned their seats after being elected as mayors in last November’s municipal elections, temporarily deadlocking the House at 54-54.

Gov. Gretchen Whitmer has called special elections to replace those representatives, with the primary set for Jan. 30 and the general for April 16. Given the overwhelmingly partisan way the Legislature operated in 2023, it is highly unlikely that the House will accomplish much until the two new members are sworn in.



Photos by Adobe Stock

2024

That brings me to the third unique and complicating dynamic for 2024. A federal three-judge panel has ruled that the Michigan Independent Citizens Redistricting Commission had drawn more than a dozen state House and Senate districts in Metro Detroit “predominantly on the basis of race,” violating the 14th Amendment of the U.S. Constitution.

The court declined to order mid-cycle Senate elections, saying the plaintiffs had not originally sought that remedy. But it ordered that no elections take place in the affected House districts until they were redrawn and their constitutional defects corrected.

Here’s what to expect from the House



January to April:

Lots of committee hearings and fewer floor sessions, with fewer agenda items



May:

Lengthy floor sessions to vote on bills queued up by the Senate or by House committees



June:

Policy gets pushed to the side so the budget can be completed



July to Thanksgiving: Campaign season



December:

Three weeks of a chaotic and contentious lame-duck session, especially if Democrats lose the House, as these three weeks would be the last chance for that majority and Gov. Whitmer to enact their priorities

“Drawing incumbents into communities they don’t currently represent could, however, encourage more primary challengers.”

The commission has a redrawn district map out for public comment and expects to submit that to the court by the end of February. The court could accept the new lines or opt for an alternative drawn by a special master appointed by the court.

The boundary changes may not shift the partisan balance of the House much; experts believe three or four safe Democratic districts could be made competitive under a new map. Drawing incumbents into communities they don’t currently represent could, however, encourage more primary challengers. This would motivate those legislators to desire fewer days in Lansing and more in their retooled districts to meet their new voters.

The Senate, with its majority unaffected by the above, should proceed with business as usual in 2024.

A few longstanding Mackinac Center priorities could get bipartisan traction this year:

Transparency

Gov. Whitmer and legislators in both parties have touted open-records expansion for years, and this could be the year it gets done. Frustration with the massive surge in corporate welfare spending and secrecy around the large economic development projects it funds has renewed legislators’ interest in measures to increase the transparency and accountability of the state’s economic development programs.

Productivity Credits

We expect movement early in 2024 to allow inmates in state prisons and other facilities to earn credit against their sentences by completing activities proved to reduce their likelihood of committing new crimes. Mackinac Center research published last year showed that inmates who completed education and/or workforce training programs while incarcerated had significantly better outcomes post-release than those who don’t.

Occupational Licensure

Most of the report put forth by the governor’s Growing Michigan Together Council consists of vague advocacy for bigger government. But the report also calls for legislative action to reduce the burden of state occupational licensure so that non-Michiganders can move here and obtain employment quickly. ■



By David Guenther

*Vice President for
Government Affairs*



THE MACKINAC CENTER APPEALS RULING ON INCOME TAX CUT

Photo by Adobe Stock

The Mackinac Center has appealed a Michigan Court of Claims decision that threatens last year's historic adjustment to the personal income tax rate. We asked the Michigan Supreme Court to hear our case and bypass the Court of Appeals. The Supreme Court declined to do that, but it did order the Court of Appeals to hear the case on an expedited basis.

The Court of Claims ruled on Dec. 21 that Michigan's 2023 income tax cut was only valid for one year. The 5% tax rate cut was created by a 2015 law, and the core issue of this case is whether the reduction is permanent.

Relying on an opinion by Attorney General Dana Nessel, the Department of Treasury concluded that this cut should be evaluated every year, not treated as permanent. The Mackinac Center, which brought the case on behalf of lawmakers, business groups, and individual taxpayers, argued that the plain language of the law indicates this cut was intended to continue unless superseded by another statute. Unfortunately, the Court of Claims disagreed.

The court reasoned that some of the plaintiffs lacked standing to bring the suit and further concluded that individual taxpayers had not yet been harmed by the Treasury Department's

interpretation. But the court didn't stop there. Instead, it addressed the merits of the Mackinac Center's arguments, and its conclusions were similar to those advanced in the attorney general's initial opinion.

The impact of this decision is both significant and immediate. Starting Jan. 1, many taxpayers find themselves taxed at a higher rate. The Legislature, meanwhile, will base its spending on those higher taxes, possibly leading to as much as \$714 million in taxpayer funds being spent improperly each year.

The Mackinac Center is not giving up on defending the permanent tax cut. The Michigan Court of Appeals will decide our case by March 11. Any appeal to that decision would be due to the Michigan Supreme Court by the end of March. We are optimistic that, once another court hears our appeal, our interpretation of the law will prevail. ■



By Patrick J. Wright

*Vice President for
Legal Affairs*

Welcome to the Updated MichiganVotes

If you're a longtime friend of the Mackinac Center for Public Policy, you might be familiar with MichiganVotes. We launched the website MichiganVotes.org in 2001 to make it easier for people to see how lawmakers voted on any given bill. It also translated complex legislative language into a concise, plain-English description.

Jack McHugh, our senior legislative analyst, wrote the summaries for more than 40,000 new bills. When Jack retired in 2022, it was time to reinvent the website.

Now, more than 20 years after MichiganVotes began, it has a new look and purpose.

MichiganVotes users have access to:

- Every bill, amendment and vote in the Michigan Legislature since 2001

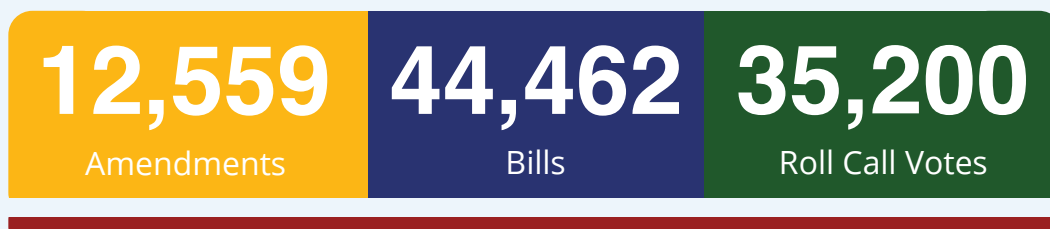
- Voting records for all lawmakers, whether for bills or amendments to bills
- More than 50 different categories of legislative topics
- E-mail notifications for actions on any bill or subject area of interest

MichiganVotes includes Mackinac Center analyses of bills that fall under our area of expertise, helping you cut through the political jargon and find out what the legislation would do. The site will no longer offer the plain-English analysis Jack was known for, but you can stay current with an abundance of information on what bills are being debated and voted on in Lansing.

MichiganVotes has remained an important resource for state residents who want to stay informed and

BY THE NUMBERS

Since its creation in 2001, MichiganVotes has tracked...



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By Holly Wetzel
Director of Public Relations

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Shelter for Thousands and EDWARD ROSE & SONS **Liberty for All**

Developer Warren Rose on freedom and the Mackinac Center

For Warren Rose, the fight for free markets and free minds is the family legacy. A third-generation builder, he feels the impact of government intervention on his business every day. But it was his father, Sheldon Rose, a highly successful businessman and freedom-supporting philanthropist, who taught him the principles of free markets and the power of individual liberty.

Warren grew up in his family's 102-year-old residential development and management company, Edward Rose & Sons, in Metro Detroit. He worked alongside his father, Sheldon, for 30 years before taking the reins of the company, which has grown across Michigan and the Midwest. Sheldon, a supporter of the Mackinac Center until his passing in 2020, showed Warren

how the ins and outs of the family business proved the ideals that Warren proudly stands by today.

“I was exposed to free-market principles and organizations through my father’s influence. He was a maven of Milton Friedman and the Austrian School of economics and would preach at the dinner table about business and free markets. So, I got exposed to these ideas at a very young age,” Warren says.

The principles of freedom weren’t just preached at the family dinner table, but also at the “Friends of Liberty” dinner series that his father Sheldon started in Southeast Michigan. Sheldon drew high-profile leaders and intellectuals from organizations across the country, including the Mackinac Center, to speak with fellow freedom lovers in Metro Detroit. The Friends of Liberty dinners built a strong community, and the Rose family’s leadership was at the center of it all. This eventually led to one of Warren’s most memorable moments: dinner with Milton and Rose Friedman.

“While I was in college I was deeply exposed to these leaders, and I was getting all their publications sent to me, so it became ingrained in me. It developed my sense of economics,” said Warren. Those publications were often met with disapproving looks or jabs from his collegiate colleagues, but Warren had seen the light.

When looking out on the landscape of Michigan today, however, he sees free-market ideas in peril.

“We have a leadership problem in Lansing,” he says. “We’ve lost track of what’s beneficial to the state and how we help our economy. There’s been a shift away from solid, free-market initiatives.

That shift is not benefiting industry, and it’s causing businesses and people to leave the state. The governor has set up a population growth committee to address this, but you’re not drawing people back if you have high taxes or impediments to business and economic freedom. It’s not the weather or green energy that’s going to bring people back to Michigan.”

The population loss and economic struggles are directly affecting Warren’s business. “We are losing people who would fill our apartments,” he says. “Another problem we have is the lack of production of new and affordable housing in Michigan. The state just doesn’t understand how to get that done. They put up barriers like regulations, licensing, building codes, zoning ordinances and the like.”

“We have a leadership problem in Lansing. We’ve lost track of what’s beneficial to the state and how we help our economy.”

Warren is passionate about turning things around. “We need solid leadership and to develop the economic climate to attract entrepreneurs to our state,” he says. “Indiana is eating our lunch. People are going over state lines where there are better climates.”

Warren Rose supports the Mackinac Center because he has a passion for free markets. But he also gives much of the credit to his father Sheldon. “I was exposed through him to the Mackinac Center, their mission, their accomplishments and their great work in the state. My priority is to support the organization that does the best work in the state of Michigan,” he says. ■



By Kelly Cobb

Senior Strategist





Photo by Adobe Stock

THE MACKINAC CENTER KNOWS WHAT DRIVES POPULATION GROWTH

Gov. Gretchen Whitmer’s Growing Michigan Together Council delivered its 86-page report in December on ideas for repopulating Michigan. For the uninitiated, Michigan’s population has — at best — stagnated over the years. Since 1990, Michigan has ranked 49th among the states in population growth, according to the U.S. Census Bureau.

But a council wasn’t needed. Scholars at the Mackinac Center and elsewhere have, for decades, examined what makes a state grow quickly, slowly, or not at all.

During the aughts, outbound migration from Michigan was of such concern that it practically became a subspecialty of the Mackinac Center.

We repeatedly demonstrated that citizens were moving to areas of the country that offered more economic opportunity.

The Mackinac Center researched specific causes of interstate migration. We found that for every 10% differential in personal tax rates between nearby states, 4,700 more people would leave the higher-tax state every year thereafter. By this light, Michigan is moving quickly in the wrong direction: As Ohio, Indiana and Wisconsin move toward lower-tax policies, the governor and her party are waging a relentless campaign to stamp out the mandatory tax cut that took effect in 2023.

Scholars have done a lot of work to find out what drives population trends. Economist Hannah Kling reviewed nearly 100 studies and discovered that people are moving to states that provide high-quality services, lighter taxes and fewer regulations. The Mackinac Center published her review, “How to Make Michigan Grow: What the Research Says,” in November.

One academic study Kling highlighted used a highly respected dataset from Canada’s Fraser

Institute that measures economic liberty in three major categories: taxes, spending and labor market regulation. Each one-percentage-point increase in a state’s score on the labor market freedom index results in a 2.8% increase in in-migration.

Michigan’s labor market was 40th among the 50 states.

This is just one example from the study, but there are others.

Members of the governor’s population council would be wise to read the Mackinac Center’s latest study. Right now, they are chasing ideas with little or no evidence that those ideas will work. ■

“Michigan has ranked 49th among the states in population growth, according to the U.S. Census Bureau.”



By Michael LaFaive

Senior Director of the Morey Fiscal Policy Initiative

A SPECIAL THANK OUR SUPPORTERS

“How can you report every day on the negative effects of mismanaged government and not become depressed?” people often ask me. The answer lies with our engaged readers and allies. They provide valuable feedback and provide us tips that often turn into important stories.

The year 2023 saw Michigan lawmakers enact policies that will hurt us all. Green energy mandates will contribute to blackouts and excessive costs for electricity. Changes to education policies, including new laws that gut teacher accountability, will accelerate the decline of the public school system.

CapCon reports on significant challenges in our state — many of which are created by government. But reporters have the privilege of communicating with people who fight for a brighter future. We are grateful for them, and they give us reason to stay encouraged.

We hear from readers and supporters who understand that their future depends in part on their own activism and engagement.

Our readers attend their community or school board meetings and come to us with information from them, which they and others use to influence decision-makers.

Our stories have real-world impact, thanks to our allies who engage in public policy. This is one of the most rewarding aspects of the job. Our readers are willing to share our stories on social media and hold their legislators accountable. They are not content to depend on their elected officials for information, and they choose to do their part to influence public policy.

Homeowners in Ottawa County’s Park Township and New Buffalo in Berrien County contacted us as they sought to protect the right to rent out their homes on a short-term basis. Local officials wanted to ban or severely limit rentals, and the property owners alerted us to this fact.



YOU TO AND ALLIES

Others who contact us with tips include teachers and parents concerned with dumbed-down curricula and failing schools. They trust us to tell their stories, and we appreciate their confidence in our reporting.

As 2024 kicks off, Michigan Capitol Confidential wants to thank our readers and allies for your support. We look forward to continuing the quest to keep our readers informed. ■



By Jamie A. Hope
*Assistant Managing Editor of
Michigan Capitol Confidential*



Photo by iStock

The Art of Gratitude

Gratitude is the foundation of what we do at the Mackinac Center. We work to make Michigan a better place because we appreciate this wonderful state. Michigan is worth fighting for, thanks to its natural beauty, its industrial power, and most of all, the character of its people.

Michigan and its people have given the Mackinac Center countless opportunities. We are grateful for those and for the words of encouragement we hear from supporters in nearly every phone call and meeting.

As part of my internship, I thank our donors for their generosity, talk to them about their interests, and learn about the impact the Mackinac Center has had on their lives. Realizing the extent of support in the liberty movement helped foster my love for freedom and motivated me to pursue a career in this area. I see that our work truly does make a difference. Our supporters never fail to show their appreciation for the work the Mackinac Center does.

Some recent examples:

- “Your work is making a difference.”
- “We are supporters because the Mackinac Center sees Michigan the way we do.”

We take these words seriously. They strengthen us as we contend against government overreach and foolish public policies.

Thanks to your support, we have been able to make progress even as the state faces tough political challenges. Your words are a constant reminder of why we fight for Michigan.

Thank you for your support. Thank you for believing in Michigan and the Mackinac Center.



By Amelia Molitor

Advancement Intern