



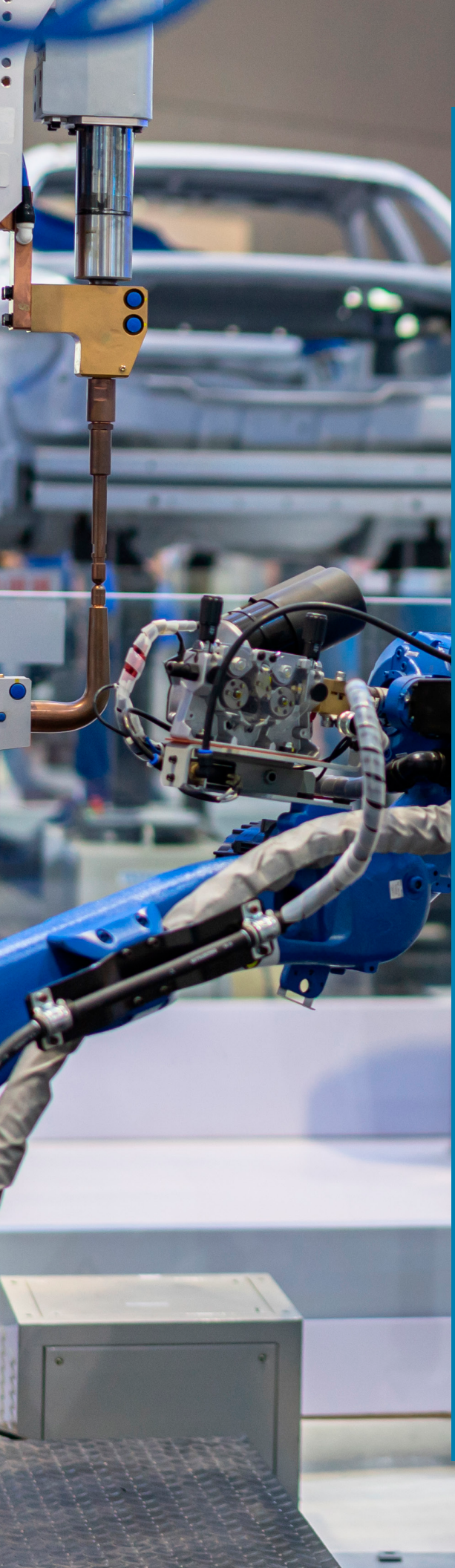
2026 Auto Workforce Transition Report

Findings and Recommendations for
Michigan's Automotive Workforce
Transition

Prepared by the MI Auto Workforce Hub
June 2026



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**



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Executive Summary

The automotive industry is in the midst of a historic transformation driven by electrification, advanced manufacturing technologies and rapidly expanding battery supply chains. This transition poses both opportunities and risks for Michigan's workers and businesses across the automotive supply chain. This report synthesizes insights from the Upjohn Institute, the Center for Automotive Research (CAR) and the Centrepolis Accelerator identify the most significant workforce shifts underway and recommend strategies to ensure Michigan remains the nation's automotive workforce capital.



Key Takeaways

- **Auto employment is expected to remain stable**, buoyed by more than \$14 billion in automaker investments since 2022 and additional large-scale supplier and battery sector investments. Motor Vehicle Manufacturing is projected to add over 13,000 jobs by 2030, offsetting sizable losses in internal combustion engine (ICE)-dependent parts manufacturing.
- **The workforce is shifting toward higher-skill occupations.** Demand is growing for engineers, software developers, data scientists and advanced skilled trades, while occupations tied to traditional powertrain component manufacturing are contracting. Employers report persistent gaps in digital literacy, electrical skills and hands-on technical abilities among job candidates.
- **Job gains and losses will be unevenly distributed.** Large auto producers are adding jobs, while small and mid-sized suppliers (especially ICE-focused firms) face a contraction, creating concentrated risks for smaller communities.
- **Michigan faces demographic and pipeline challenges.** An aging workforce and intense competition for high-tech talent threaten Michigan's ability to capture the benefits of new investments. Battery firms, in particular, cite talent attraction as one of their most urgent constraints.

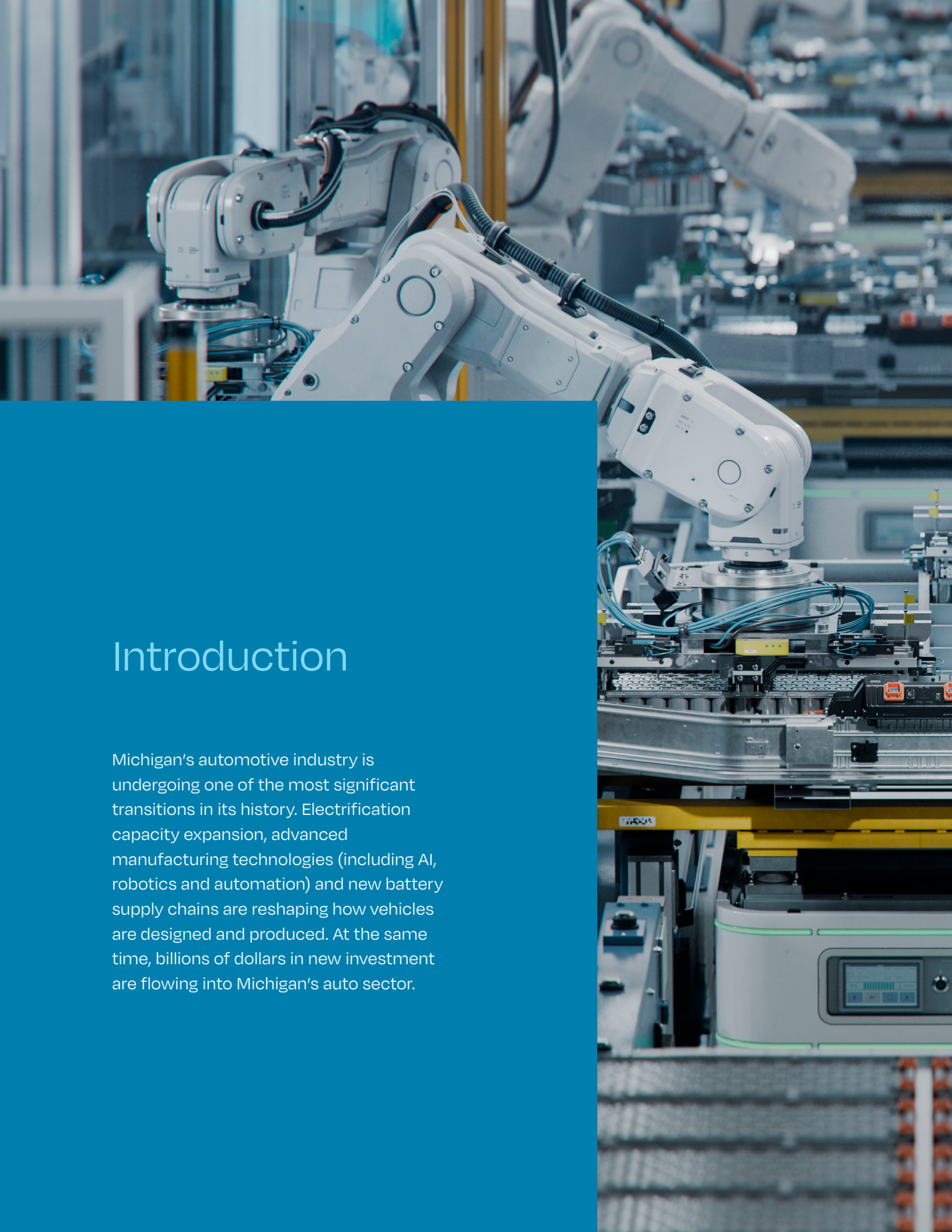
Recommendations

- ➔ Support a statewide, employer-led battery industry consortium and standardize battery training. Michigan should partner with employers, industry organizations and the community college system to coordinate curriculum, validate skills and support both automotive and non-automotive battery applications.
- ➔ Expand Going PRO and Registered Apprenticeships and strengthen alignment between industry needs and K-12/postsecondary curriculum. This includes improving digital and technological skills for both new and incumbent workers through a lifelong learning system.
- ➔ Strengthen layoff-aversion strategies for vulnerable suppliers and accelerate worker transitions. A targeted industrial strategy can help small firms and displaced workers access training, avoid layoffs and diversify into adjacent industries such as aerospace, defense, medical devices or emerging battery markets.
- ➔ Expand talent pipelines and improve manufacturing perceptions. Michigan should expand career and technical education (CTE) and hands-on career exposure, support employer efforts to improve job quality and align priorities with the [Growing Michigan Together Council's population growth strategies](#) to attract and retain high-skill talent.



Michigan must ensure that its workforce can meet the demands of an industry that is simultaneously growing, contracting and transforming.

That means building workforce capacity across all powertrain types, future-proofing skills through aligned education and lifelong learning systems, supporting displaced workers and vulnerable suppliers in the upstream supply chain and solving the demographic and pipeline challenges that threaten to leave jobs unfilled. Michigan has the assets, the institutional infrastructure and the industrial legacy to remain the nation's automotive workforce capital, but only if it acts with the urgency and coordination that this moment demands.

A photograph of a modern industrial manufacturing environment. In the foreground, a white robotic arm is positioned over a workbench. In the background, another robotic arm is visible, working on a different part of the assembly line. The scene is filled with various mechanical components, cables, and structural elements of the factory. A large blue semi-transparent rectangle covers the left side of the image, serving as a background for the text.

Introduction

Michigan's automotive industry is undergoing one of the most significant transitions in its history. Electrification capacity expansion, advanced manufacturing technologies (including AI, robotics and automation) and new battery supply chains are reshaping how vehicles are designed and produced. At the same time, billions of dollars in new investment are flowing into Michigan's auto sector.

These developments create both opportunity and risk for the state's workforce. While new investments are expected to sustain vehicle production and create new jobs, the transition will also change occupational demand, increase skill requirements and place pressure on parts of the traditional automotive supply chain.

This report summarizes key findings and recommendations drawn from three independent studies: the Upjohn Institute's [Automotive Workforce Transition Report](#), the Center for Automotive Research [report on Michigan automotive investments and employment](#) and the [Battery Supply Chain Project Report](#) prepared by the Centrepolis Accelerator at Lawrence Technological University (LTU).⁰¹ Together, these studies provide a statewide macroeconomic view of how Michigan's automotive workforce is evolving and what steps are needed to ensure the state remains the nation's automotive workforce capital.⁰² The research was also reviewed by industry and workforce partners, who confirmed the main findings and added insights based on local and regional conditions.

Note: *The research and analysis presented in this report were completed prior to the outbreak of conflict in Iran. As a result, the methodology does not account for any potential impacts of the conflict or related fluctuations in energy prices.*

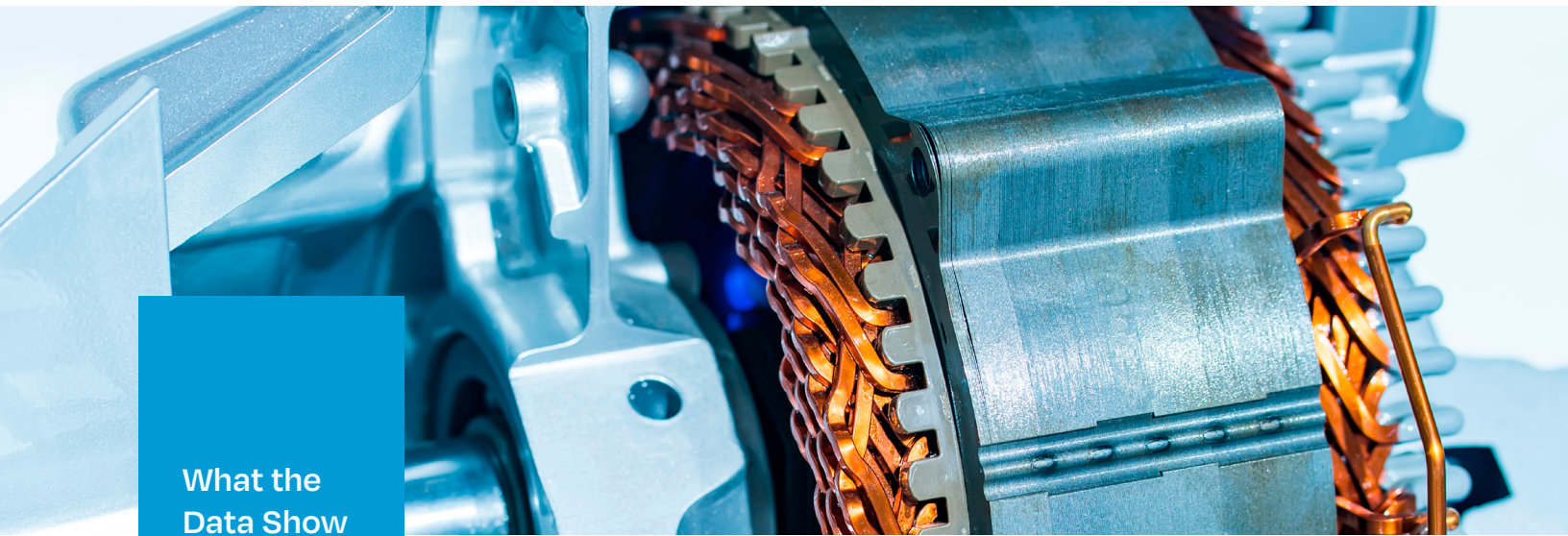
⁰¹ CAR and Centrepolis produced separate non-public reports that include business sensitive or proprietary data. Where this research is referenced, the citation is noted as proprietary.

⁰² To support Michigan's long-term workforce development strategy, researchers developed a structured view of the state's automotive supply chain built around three functional stages: Upstream, Core Automotive and Downstream, further organized into ten analytic segments comprising 38 detailed NAICS industries. See methodology in the reports for additional details.

FINDING 01

Michigan's Auto
Employment Is Projected
to Remain Stable Because
of Strong Investment



A close-up photograph of a car engine component, specifically a timing belt or chain area. The image shows metallic parts and a series of copper-colored wires or cables. A blue square overlay is positioned on the left side of the image, containing the text 'What the Data Show' in white.

What the Data Show

After decades of decline, Michigan's automotive employment outlook appears relatively stable due to substantial new investment in vehicle production and electrification. Between January 2022 and October 2025, automakers announced roughly \$14 billion in Michigan investments, with nearly 9% tied to electric vehicles and battery-related projects (CAR proprietary). Automotive suppliers have announced an additional \$26 billion in investment since 2009, with the vast majority of recent investment focused on electrification (CAR proprietary). These investments span new facilities, plant retooling and expansions.

The employment outlook reflects this investment momentum. The Upjohn Institute projects that core automotive employment will remain relatively stable; approximately 173,000 jobs in 2024 rising modestly to about 175,000 in 2030 (Upjohn 10). Within this segment, motor vehicle manufacturing (NAICS 3361) stands out with projected growth of 27.2%, adding over

13,000 jobs from 2024 to 2030, and offsetting declines in motor vehicle parts manufacturing jobs (NAICS 3363) (Upjohn 9). This growth aligns with forecast data reviewed by CAR, which anticipates Michigan vehicle production rising 27.5% over the decade (CAR proprietary).

The composition of the types of automobiles that Michigan builds is shifting dramatically. Despite changes in federal policy enacted in 2025, vehicle production forecasts analyzed by CAR shows that ICE vehicle production will decline steadily through 2030 (CAR proprietary). This reduction is more than offset by surging hybrid and battery electric vehicle (BEV) production, with hybrids and BEVs together projected to account for approximately 50% of Michigan's vehicle output by 2030, up from roughly 12 % in 2024 (CAR proprietary). Hybrids are expected to scale quickly through the decade, with BEVs rising more gradually as the state's production base diversifies across powertrains.

To be clear, not all announced investments are materializing as originally planned. Both the CAR and Centrepolis reports document several projects that have been cancelled, delayed or scaled back since their initial announcements (CAR proprietary, Centrepolis 8). However, the underlying employment projections from the Upjohn Institute are built on macroeconomic industry forecasts and reflect broad industry trajectories, not project-by-project investment tallies (Upjohn 7, 23). These projections account for a mixed environment in which some projects stall while others advance.

While some projects have been cancelled outright, several have pivoted as the battery

supply chain diversifies beyond automotive applications. For example, in December 2025 Ford announced that the Marshall Blue Oval facility will be used to expand into the energy storage business (CAR proprietary). Centrepolis finds that several other Michigan battery companies have pivoted toward Long Duration Energy Storage (LDES) and non-automotive markets, including grid storage, micro-mobility, off-road, marine and industrial applications (Centrepolis proprietary). The pivot in battery production toward other non-auto uses also helps insulate the industry from swings in demand for electric vehicles and policy shifts in an uncertain political environment.



This diversification represents a meaningful broadening of Michigan's battery economy and creates additional employment opportunities that are not exclusively dependent on automotive EV demand.

What We Recommend

Michigan should continue to position itself as having the nation's preeminent automotive workforce, able to support the production of vehicles regardless of whether they are powered by batteries or traditional engines. However, Michigan should also seek to capitalize on the emerging battery economy that has applications beyond passenger vehicles.

To anchor this strategy, the state should engage employers and partner organizations such as MichAuto, TalentFirst, Detroit Regional Partnership and the Michigan Automotive and Global Manufacturing Alliance (MAGMA) in a battery-specific industry consortium.

These organizations already convene the relevant employers, have established trust and are engaged in workforce training and development for the EV industry. The Centrepolis report recommends establishing a Michigan battery industry consortium to bridge technology, supply chain and workforce partnerships among battery ecosystem firms, academic institutions and end-use customers (Centrepolis 16). A consortium of this kind would expand beyond EV workforce training to enable regular collaboration on product development, supply chain integration and talent pipeline coordination across the state's growing battery sector.

As part of this effort, Michigan should develop and standardize battery-specific curriculum across the state's workforce system.

Interviews conducted by Centrepolis identified two urgent skilled trades gaps: cell machine operating technician training and battery module and pack engineering training (Centrepolis 16). These needs are immediate and growing. Building standardized, industry-validated training programs in these areas and integrating them into the state's existing workforce infrastructure will ensure that Michigan can meet employer demand across both automotive and non-automotive battery markets. A Michigan battery industry consortium should work closely with the Michigan Community College Association (MCCA) given the community college system is the primary delivery mechanism for technical training and MCCA involvement at the design stage will improve both adoption and durability. The consortium can also leverage state programs such as Reconnect to provide tuition-free education for those who lack a post-secondary degree.



FINDING 2

The Automotive Workforce
Is Transitioning Toward
Higher-Skill Occupations



What the Data Show

While overall automotive employment may remain stable, the mix of jobs within the industry is changing. If the state cannot supply the skilled workers that employers need in a rapidly evolving industry, it will not be able to sustain projected job levels. Across all three source reports, skill gaps emerge as a central concern.

The fastest-growing occupations include industrial and mechanical engineers, software developers, data scientists, logisticians and project managers — all roles requiring a bachelor's degree or higher (Upjohn 23). Advanced skilled trades such as industrial machinery mechanics, electricians, millwrights and plumbers and pipefitters also continue to expand (Upjohn 23). At the same time, several traditional production occupations are projected to decline. Jobs associated with metal forming, machining, casting and finishing are expected to fall as electrified powertrains require fewer components and different manufacturing processes (Upjohn 26).

This is not simply a story of job replacement but a story of skills transition. Across the entire automotive supply chain, employment in occupations requiring a bachelor's degree or higher is projected to grow by 2.4% through 2030, while the largest projected losses fall on occupations with the lowest education and training requirements (Upjohn 34).

For Michigan to capture the full benefit of its investment surge, it must ensure that workers are prepared for the jobs that are growing, not just the jobs that remain.



What We Recommend

The state should expand funding for Going PRO and Registered Apprenticeships.

These programs are essential tools that help employers upskill current workers in place, reducing layoffs and building the next-generation skills that industry trends demand. As production facilities retool and new plants come online, incumbent worker training is the most efficient path to filling skill gaps at scale.

The state should better align industry needs with K-12 and post-secondary curriculum, with a specific emphasis on durable, adaptable and transferable skills.

In CAR's assessment, 85% of surveyed employers reported relying on on-the-job training as their primary workforce development resource and 72% report moderate to significant challenges from skills gaps (CAR 38, 72). These employers are using internal training not only to upskill workers whose training was out of date, but to bring new hires up to speed. CAR's interviewees identified persistent gaps among job candidates in digital literacy, electrical skills, hands-on technical ability and interdisciplinary problem-solving (CAR 53). The fact that employers must absorb so much of the onboarding training burden internally is a signal that the pipeline is not producing workers with the foundational skills that industry needs. Building and maintaining skilled talent in Michigan is a shared responsibility among employers and education providers, including K-12 and post-secondary institutions. Strengthening early and ongoing skill development would help re-balance the training pressure employers face and ensure workers enter the labor market more fully prepared.

The state should support industry around new models for lifelong learning to surge new skills into the workforce at scale.

The traditional model of front-loaded education followed by a static career is poorly suited to an industry undergoing rapid technological change. Michigan needs mechanisms that allow workers to reskill and upskill continuously throughout their careers. Going PRO is designed to be very responsive to changing market conditions and uses of technology, and by collaborating with training providers, including community colleges, the state can help ensure that training funded by Going PRO is highly relevant to the skills that are needed in the workplace. Michigan can leverage federal workforce funding to support lifelong learning for not only new employees but also incumbent workers. Programs that develop stackable credential pathways, employer-supported tuition models or sector-based training partnerships would help strengthen a statewide lifelong learning system. Progress on the second recommendation directly supports this goal: when K-12 and post-secondary systems produce workers with stronger baseline skills, employers can devote fewer resources to new-higher training and redirect those investments to ongoing, higher-skill development. In other words, a better-aligned talent pipeline frees up both capacity and funding to build a more responsive, sustainable lifelong learning system.



FINDING 3

Growth Opportunities Aren't Evenly Distributed Across the Auto Supply Chain





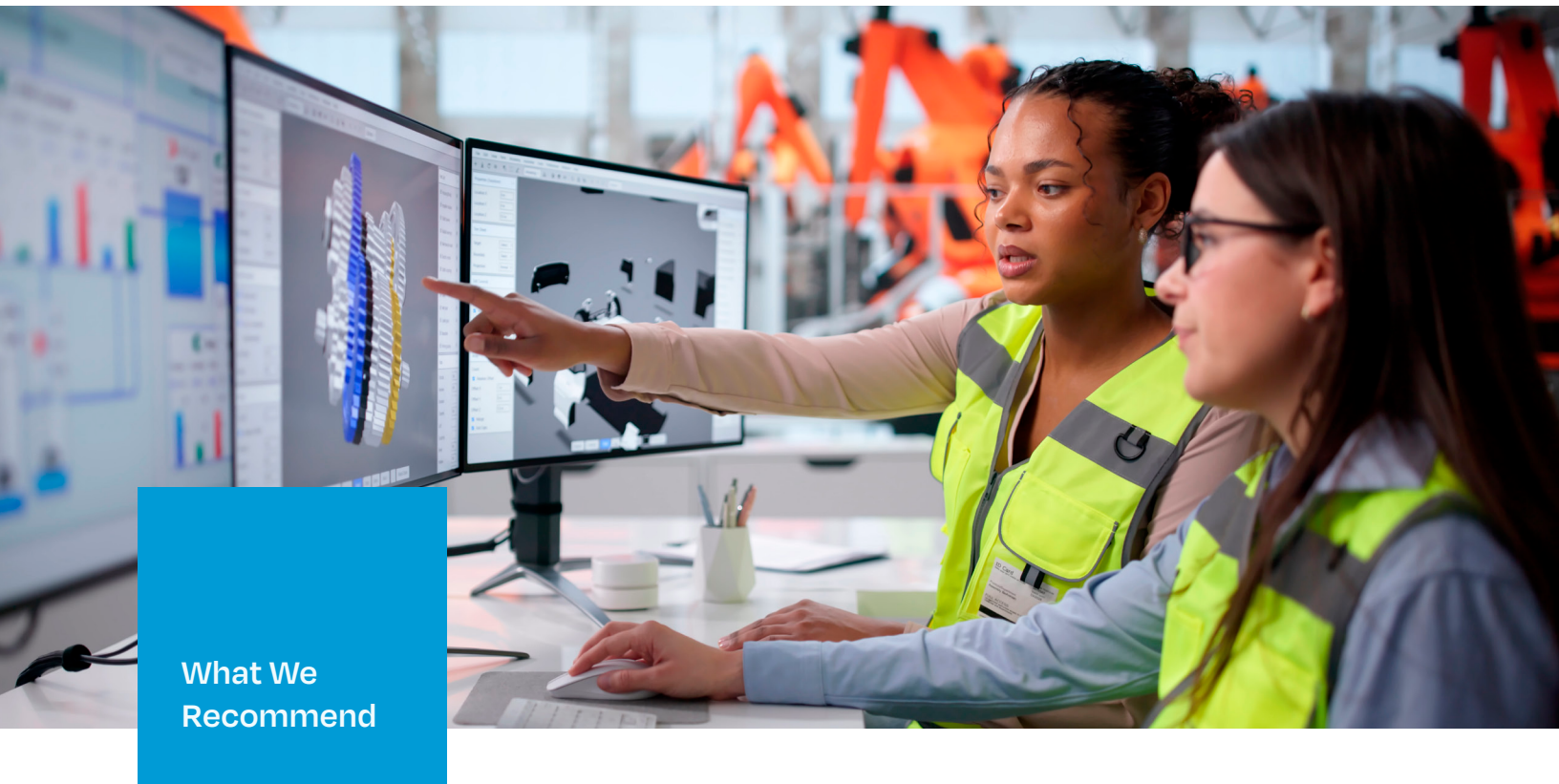
What the Data Show

Although overall automotive employment is expected to remain stable, structural shifts within the industry will reshape Michigan's manufacturing economy. Small and medium-sized suppliers that have been the backbone of Michigan's manufacturing communities for generations will face contraction, while assembly plants in a handful of regions will add jobs.

There are nearly two and a half times more workers employed in motor vehicle parts manufacturing (NAICS 3363) than in motor vehicle manufacturing (NAICS 3361) (Upjohn 9). By 2030, parts manufacturing is projected to lose more than 11,200 jobs, a decline of 9.6%, as demand shifts away from ICE-specific components like transmissions, exhaust systems, fuel injection and machined metal parts (Upjohn 9). The upstream supply chain, encompassing materials processing, forging and foundries, equipment manufacturing and precision machining, loses an additional 4,100 jobs, a 7% decline. (Upjohn 8). Combined, that is

more than 15,000 jobs lost in the supplier and upstream ecosystem. Meanwhile, motor vehicle manufacturing adds approximately 13,000 jobs (Upjohn 9). The numbers nearly cancel, but the workers, firms and communities affected are entirely different.

This reallocation is already underway. WARN notices issued between January 2022 and October 2025 announced layoffs representing approximately 7,800 workers at automakers and a similar number of workers at suppliers, but the character of these layoffs is fundamentally different (CAR proprietary). Automaker layoffs are concentrated at a handful of large, highly visible assembly plants. Supplier losses are distributed across dozens of smaller firms in communities throughout the state where a single facility closing can represent a significant share of local employment. These are not the layoffs that make statewide headlines, but they are the ones most likely to destabilize local economies.



What We Recommend

The state must bolster its layoff-aversion and rapid response tools and ensure they reach the firms where displacement is most likely to occur.

Thanks to expansions in postsecondary financial assistance like the Michigan Reconnect program, most displaced workers without an associate's degree or higher can likely access tuition-free training. The Unemployment Insurance Agency's WorkShare program helps employers retain workers during downturns and transitions by subsidizing reduced work schedules while workers pursue training. When combined, these two programs have the potential to serve as the core components of a layoff aversion strategy. One challenge is that the firms most exposed to contraction are small- and medium-sized and often lack the HR capacity to navigate application processes or structure compliant training plans. The state will need to work closely with local Michigan Works! Agencies that already deliver tuition support coordination, job search assistance and Rapid Response services to dislocated workers and at-risk employers. This hands-on support can better help firms and their workers access these resources.

In order to ensure displaced workers can be reemployed quickly, Michigan should also systematically identify adjacent industries where the auto workforce's existing skills would be highly valued.

Sectors such as aerospace, defense, medical devices and the emerging LDES and battery storage industry can likely absorb workers with skills in precision manufacturing, machining, quality control and process engineering. The Centrepolis finding that battery companies are diversifying into grid storage and industrial applications reinforces the opportunity to redirect displaced automotive workers toward these growing markets (Centrepolis 17). A key challenge for execution of this recommendation will be the geographic distribution of opportunities and risk. The workers most exposed to displacement are often in smaller communities, far from regions where job growth has concentrated. The state should continue to develop new processes for sharing information on labor market trends and job availability easily and effectively across Michigan Works! Service areas and expand capabilities to serve workers and employers across regional boundaries, support worker mobility through transportation and relocation assistance or be able to connect displaced workers to remote or hybrid-eligible technical roles. The cross-region collaboration should be especially focused on skills that may be easily transferred across occupations and industries to promote more efficient matching from declining to expanding areas of employment.

Finally, the state should continue to develop a targeted industrial strategy for small and medium-sized suppliers.

Firms that produce ICE-specific components operate on thin margins and have the least capacity to manage technology transitions independently are the most vulnerable to demand shifts. The [Community & Worker Economic Transition Office](#) and [Michigan Economic Development Corporation](#) have partnered on a proactive approach that combines early identification of at-risk suppliers with diversification planning. Scaling this pilot up and including expanded access to technical assistance, retooling capital and workforce transition support will be essential to preventing concentrated job losses in the communities that depend on these employers.



FINDING 4

Michigan Must
Address Demographic
and Pipeline Challenges
in Its Auto Workforce



What the Data Show

The employment projections in this report assume a labor market in which sufficient workers are available to fill projected jobs (Upjohn 7). If demographic trends continue, that assumption may not hold. Michigan faces an aging workforce across much of its manufacturing base, and employers consistently report challenges attracting younger workers to the automotive industry (CAR 82). Industry leaders such as MichAuto's Glenn Stevens have emphasized publicly that Michigan's competitiveness now hinges on its ability to attract and retain high-skill technical talent, noting that "the vehicle is becoming a computer on wheels" and automakers must compete directly with Silicon Valley and global tech firms for software engineers, battery specialists and advanced manufacturing technologists (Upjohn 34).

The talent challenge is particularly acute in the battery supply chain. Companies interviewed by Centrepolis flagged talent attraction as a core concern. Multiple firms described a cycle in which industry growth and limited talent supply drive aggressive poaching, while others identified mechanical, electrical, systems and software engineering as the disciplines where hiring pressure is most intense (Centrepolis 20).

These pipeline challenges are not hypothetical risks to be managed in the future. Even in fields with only modest projected growth, such as industrial machinery mechanics, Upjohn's research indicates there will be over 140 openings due to worker retirements, occupational shifts and net employment growth (Upjohn 20). If left unaddressed, these constraints will erode Michigan's ability to deliver on the promise of the investments it has attracted.

Every unfilled engineering position, every apprenticeship spot that goes vacant and every new graduate with an in-demand degree who leaves the state represents a missed opportunity to convert investment into lasting economic strength.



What We Recommend

Michigan must strengthen its K-12 career and technical education (CTE) pipelines to expose younger students to the breadth of career opportunities in the modern auto industry.

The state has many ongoing efforts to connect students with employers at the local or regional level, including through the Michigan Department of Education Office of CTE, the MiSTEM Network, regional Michigan Works! Agencies and the MI Auto Workforce Hub. This work should be expanded and scaled so that regardless of where students are in Michigan, they have access to career exposure events, dual enrollment in auto- and battery-related programs and partnerships that give students hands-on experience in advanced manufacturing and electrification technologies. The goal is to raise awareness that automotive careers today are high-tech, high-skill and high-value. Students need to see that firsthand.

Employers and younger workers should be engaged in a collaborative effort to address cultural challenges and perceived job quality concerns.

The perception that manufacturing work is physically demanding, low-status and career-limiting is a significant barrier to attracting the next generation of automotive workers. Employers can help by investing in workplace modernization, meaningful and frictionless career advancement pathways and compensation structures that compete with other technology-intensive sectors. The state can support these by highlighting employers who are establishing and meeting best practices for job quality. Direct engagement models such as MiCareerQuest have consistently delivered positive results by putting students face-to-face with employers, technology and career professionals in hands-on immersive settings. The state should support and scale proven engagement models like MiCareerQuest.

Finally, Michigan must produce and retain more highly skilled technical talent.

Gov. Whitmer established the state's [Sixty by 30 goal](#) in 2019, seeking to increase educational attainment and have 60% of the state's working age adults earn a post-secondary degree or industry-recognized certificate by 2030. Since announcing this goal, Michigan has improved from [45% to 51.5%](#), but remains below the national average. While Michigan's overall retention of college graduates is strong, retention rates for those with the most in demand bachelor's degrees in technical fields are lower. To stay on track and meet projected industry demand, Michigan must intensify its efforts to boost enrollment, close equity gaps and enhance retention — especially for mechanical, electrical, systems and software engineering.

Retaining the talent Michigan already produces is an efficient way to close Michigan's skills gap, but the demographic and pipeline challenges facing Michigan's automotive workforce are not unique to this sector. In December 2023, the bipartisan [Growing Michigan Together Council \(GMTC\)](#) submitted a [comprehensive population growth strategy](#) to Gov. Whitmer and the legislature, recommending that policymakers establish Michigan as an innovation hub that creates high-wage jobs, build a lifelong education system focused on future-ready skills and invest in the infrastructure and livable communities that attract and retain talent. Ultimately, Michigan cannot close its automotive skills gap without making progress on the GMTC's broader goals of increasing postsecondary attainment, retaining young graduates and making Michigan communities places where skilled workers want to build their lives.

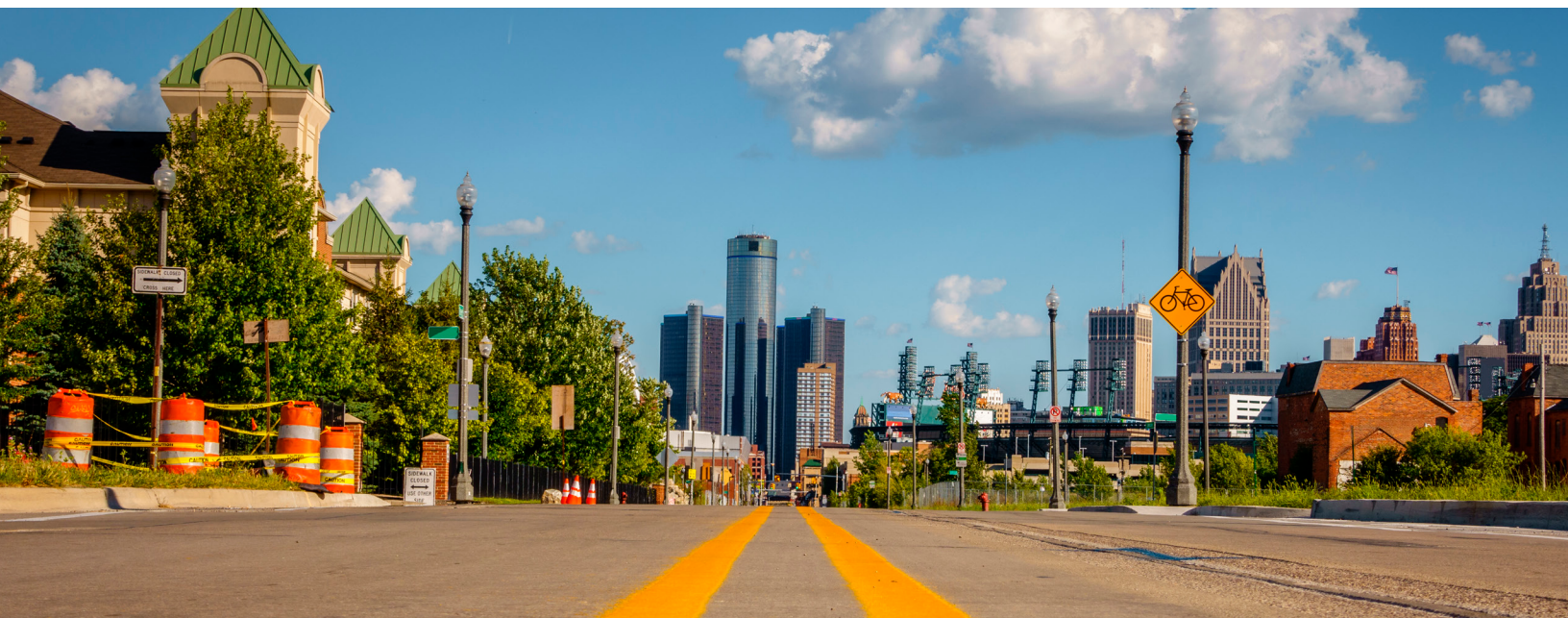


The Auto Workforce Hub's pipeline and talent retention recommendations should be treated as priority implementation targets within the Growing Michigan Together framework, with explicit alignment between the GMTC's education and talent goals and the industry-specific needs documented here.

Conclusion

Michigan stands at an inflection point. Billions of dollars in investment are flowing into the state's automotive sector, vehicle production is projected to rise and the shift to electrified powertrains is creating entirely new segments of economic activity. But investment alone does not guarantee prosperity. The state must ensure that its workforce can meet the demands of an industry that is simultaneously growing, contracting and transforming. That means building workforce capacity across all powertrain types, future-proofing skills through aligned education and lifelong learning systems, supporting displaced workers and vulnerable suppliers in the upstream supply chain and solving the demographic and pipeline challenges that threaten to leave jobs unfilled.

Michigan has the assets, the institutional infrastructure and the industrial legacy to remain the nation's automotive workforce capital, but only if it acts with the urgency and coordination that this moment demands.





Acknowledgements

The development of the Auto Workforce Transition Report was a collaborative effort led by the Data & Coordination Workgroup of the [Michigan Auto Workforce Hub](#). Data analysis and research supporting this report were conducted by the [Michigan Center for Data and Analytics](#), the [Center for Automotive Research](#), the [W.E. Upjohn Institute for Employment Research](#) and the [Centrepolis Accelerator at LTU](#).

The MI Auto Workforce Hub is a statewide network facilitated by the [Michigan Department of Labor & Economic Opportunity](#) (LEO) that consists of over 150 employers, labor organizations, training providers, research institutions, regional workforce leaders and state government offices. This collaborative governance structure helps partners identify challenges, co-create solutions and adjust over time based on real-world outcomes and new data. The Data & Coordination Workgroup is organized around two goals: align employers on skills needed for future auto industry jobs and expand data sharing on auto industry workforce trends.

Michigan.gov/AutoWorkforceHub