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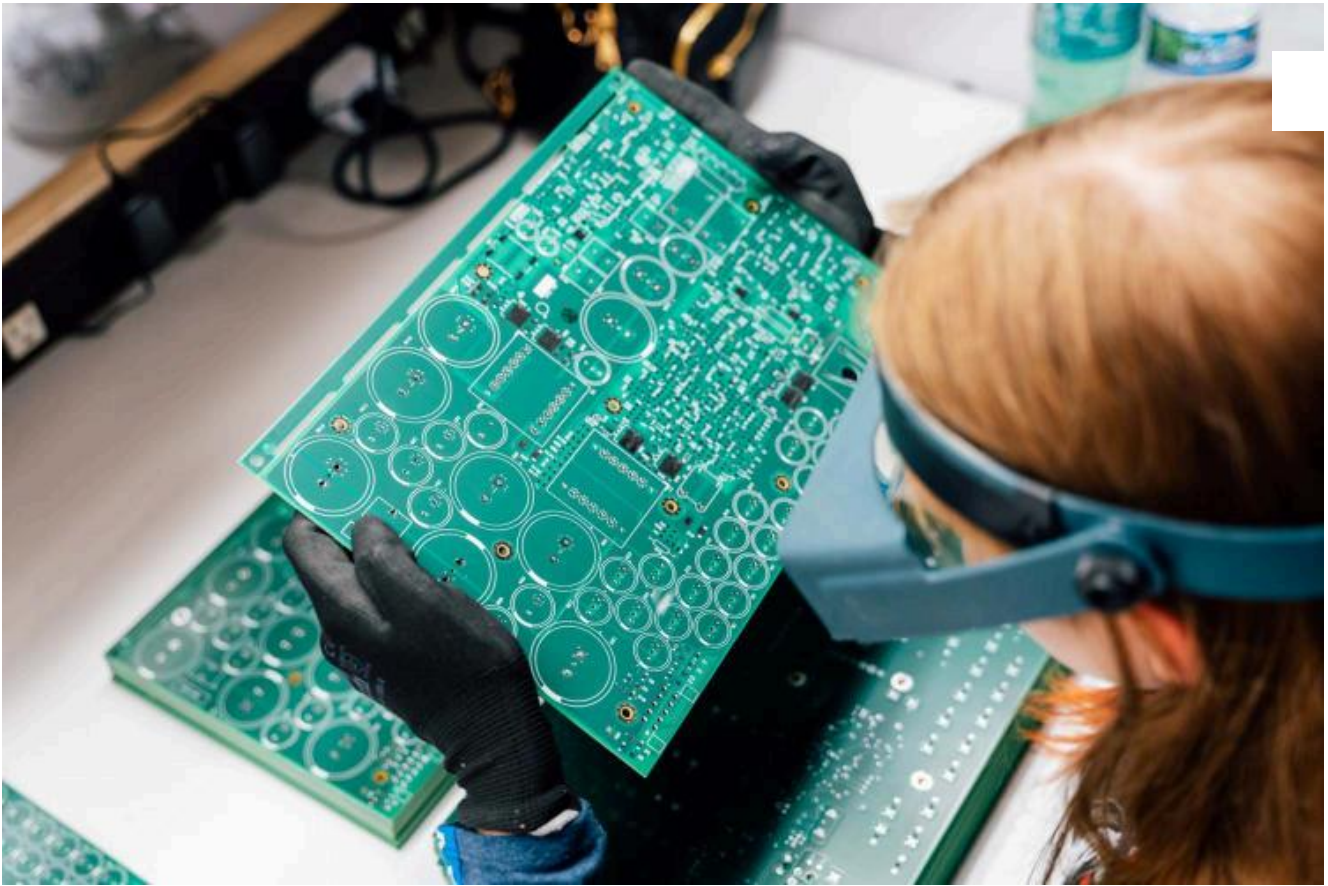


PAID CONTENT

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Why more and more high-tech companies are choosing to “Make It in Michigan”

A thriving semiconductor industry is driving manufacturing and R&D while supporting a new tech ecosystem



Thanks to \$40 million from the Department of Defense and an additional \$10 million from MEDC, Calumet Electronics has become a global center for manufacturing, research, and development of new technologies.



BY **FASTCO WORKS** 4 MINUTE READ

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Michigan's state motto is *Si quaeris peninsulam amoenam circumspice*, which translates to "If you seek a pleasant peninsula, look about you." But a more appropriate maxim today might be *Scimus res facere*, or "We know how to make stuff."

Long known for its automotive manufacturing prowess, Michigan has been diversifying into aerospace, defense, and healthcare, all fueled by a commitment to harnessing the power of semiconductors. This has been aided by more than \$1.2 billion in federal funding from the CHIPS Act, the Bipartisan Infrastructure Law, and the Inflation Reduction Act. The state's Make It in Michigan economic development strategy drives semiconductor manufacturing, research, and development while

supporting the ancillary businesses that thrive in the same tech ecosystem.

It's paying off: Michigan's economic momentum has reached new heights, with the state achieving its highest-ever ranking in [Area Development's](#) annual [Top States for Doing Business](#) list. Michigan holds the No. 10 spot overall, up from No. 13 last year, reflecting the tangible results of the Make It in Michigan strategy. Semiconductor manufacturing giant [KLA Corporation](#) recently opened a second U.S. headquarters outside of Ann Arbor, and the California-based company [Indie Semiconductor](#) committed \$12.5 million to build a best-in-class semiconductor design and testing facility.

“There are compelling reasons for these companies to consider Michigan,” says Eric Shreffler, executive vice president of market development at Michigan Economic Development Corporation (MEDC). “They want to produce stuff here based on the schools that we have, the research that’s being done, the workforce that we have, and then the unparalleled history of manufacturing in Michigan.”

A COMMITMENT TO CLEAN ENERGY

The semiconductor business is expected to top \$1 trillion by 2030. Current federal funding is a down payment toward reestablishing domestic supply chains. But as Shreffler puts it, “If you stop with the down payment, you’re never going to own the house.”

That’s where Michigan’s strength in applied engineering comes in. [Hemlock Semiconductor](#) is one of the world’s largest producers of polysilicon, a vital component of semiconductors. Since 2022, the company has invested more than \$350 million in its facility in Thomas Township. “The ability to use applied engineering is our bread and

butter,” says Cynthia Hutchison, CEO of the U.S. Center for Advanced Manufacturing, a nonprofit organization based in Troy. “Michigan has consistently pushed the right button where we identify and test the right technology and then put it into existing manufacturing to accelerate it and make it more productive.”

Thanks to a commitment to sustainability, including historic clean energy legislation from Governor Gretchen Whitmer and the Michigan legislature—which passed a bill in 2023 establishing a carbon-free mandate by 2040—the state’s automotive industry leaders are making strides toward a cleaner future. This past July, General Motors received \$500 million from the Department of Energy to upgrade its Lansing Grand River assembly facility for the next wave of electronic vehicles, which requires an increase in semiconductors. Michigan’s water, wind, and solar funding for clean energy initiatives has translated into more than 120,000 jobs. “If I were in the semiconductor industry, I would love to go to a state with an ethos committed to accelerating clean energy,” Hutchison says. “Michigan has the infrastructure to produce energy without a significant impact on the land, which reduces costs.”

A SEMICONDUCTOR LEADER

Another critical component of the state’s investment efforts is the **Battery and Advanced Manufacturing Challenge**, a \$125 million investment from the Make It in Michigan fund that offers matching grant dollars to help bring federal infrastructure to transformative projects in the state. With the help of the MEDC, **Calumet Electronics**, a 300-employee company in the Upper Peninsula, secured a \$40 million contract from the Department of Defense as well as receiving \$10 million from the MEDC itself to build a new facility for manufacturing IC substrates, the circuit boards to which semiconductors attach. Calumet has become a global center for

manufacturing, research, and development of new technologies, but it's not the only beneficiary of the MEDC funds. "What we're doing helps bring more businesses to Michigan so we can iterate through innovation at home, not overseas," says Meredith LaBeau, Calumet's CTO. "The MEDC is getting their heads around the importance of the back-end pieces like IC substrates and how those can also be a robust economic development driver."

With the massive amount of dollars available and state leaders all-in on innovation and collaboration, Michigan is well-positioned to be a leader in the semiconductor space for decades. The rapid rise of artificial intelligence, a U.S.-born technology that requires massive amounts of semiconductors, provides a host of new transformative opportunities, but ones that Hutchison says need to be carefully looked after. "We can't afford to play catch-up with AI—we invented it," she says. "So how do we maintain the right amount of management without controlling it and without disincentivizing the private sector?"

It's a big question, but remember, *Scimus res facere*. "We're hard workers," LaBeau says. "We get our hands dirty and solve problems. If we're going to be secure as a nation, we must bring manufacturing back from overseas. There's no better place to do it than in Michigan and no better support than the MEDC."

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