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BUSINESS OUTLOOK
for West Michigan

George A. Erickcek
Senior Regional Analyst

Benjamin C. Jones
Editor

Brad R. Watts
Assistant Regional Analyst

Elizabeth T. Wertz
Administrative Assistant

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W.E. UPJOHN INSTITUTE for Employment Research

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WEST MICHIGAN VIEWPOINT

The 2005 and 2006 Employment Forecast for West Michigan

Not Invited

Someone forgot to tell west Michigan, as well as the entire state, that the employment recovery has begun. Nationwide, employment rose by 1.1 percent during 2004; however, it remained unchanged in the three metropolitan areas of west Michigan and fell by 1.0 percent statewide.

Relative to the nation, the west Michigan metropolitan areas suffered not only from their heavy concentration in manufacturing, but also from the overall weak performance of many of their major sectors—nonmanufacturing as well as manufacturing. As shown in Table 1, west Michigan's employment is twice as concentrated in manufacturing as the nation as a whole, and its manufacturers performed below the national average. If the region's decline in manufacturing jobs during 2004 had been no worse than the nation's, west Michigan would have 600 more manufacturing jobs today.

Another challenge facing west Michigan is that it is underrepresented in some of the nation's rapidly expanding sectors. For example, west Michigan has a below-average concentration in professional and business service employment, which is one of the United States' fastest growing sectors. Moreover, the region's firms in that sector did not keep up with the national pace of growth.

The one bright spot in the region's economy is education (private) and health care. Not only does the region hold a slightly greater employment concentration in the sector, but its providers substantially outperformed the nation in this high growth sector.

The State Environment Is Not Helpful

The Michigan economy is lagging behind the nation's, as was recently highlighted by the state's having had the dubious honor of posting the nation's highest unemployment rate (tied with Alaska) in January. In addition, the University of Michigan employment forecast for the state calls for only modest employment growth: 0.8 percent in 2005 and 1.7 percent in 2006. Indeed, manufacturing employment is expected to continue to decline statewide in 2005 and 2006, by 0.3 percent and 0.8 percent, respectively. Fortunately,

Table 1
2004 Employment Comparison: West Michigan vs. U.S.

Measure	West Michigan Employment (000s)	West Michigan Employment Share (%)	West Michigan Ratio to U.S. Share	Employment Growth W. Mich. (%)	Employment Growth U.S. (%)
Total nonfarm employment	838.9	100.0		0.0	1.1
Manufacturing	182.6	21.8	2.01	-1.6	-1.2
Durable goods	127.9	15.2	2.26	-0.9	-0.4
Nondurable goods	54.7	6.5	1.61	2.4	-2.5
Trade, transportation and utilities	156.7	18.7	0.97	-0.8	0.9
Wholesale trade	38.3	4.6	1.06	1.1	0.8
Retail trade	96.6	11.5	1.01	-2.3	0.8
Transportation warehousing	21.6	2.6	0.79	1.4	1.5
Information	10.9	1.3	0.55	-2.7	-1.6
Financial activities	35.4	4.2	0.69	0.0	0.9
Professional and business services	89.9	10.7	0.85	1.8	2.6
Education and health services	113.9	13.6	1.05	4.1	2.2
Leisure and hospitality	73.6	8.8	0.92	0.4	2.5
Other services	34.9	4.2	1.01	-3.3	0.6
Government	101.9	12.1	0.74	-0.3	0.2

NOTE: West Michigan = Benton Harbor, Grand Rapids–Muskegon–Holland, and Kalamazoo–Battle Creek MSAs.

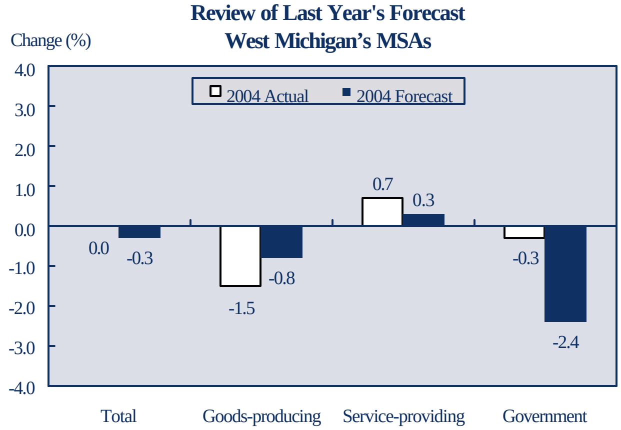
SOURCE: Michigan Department of Labor and Economic Growth and U.S. Bureau of Labor Statistics.

nonmanufacturing employment is expected to grow by 1.1 percent and 2.5 percent in 2005 and 2006. The university is also relatively upbeat about government employment in the state, predicting it will increase by 0.6 percent in 2005 and by another 0.5 percent in 2006.

Revisiting Last Year's Forecast

Overall, our last year's forecast was near the mark. We forecast total employment for 2004 to decline by 0.3 percent, and instead it remained flat. Our forecast for goods producing, while in the correct direction, was still too positive. At the same time, we underestimated the region's employment growth in its service-providing sector. Finally, we clearly overestimated the negative employment impact of the fiscal crisis facing the region's governmental units and public schools.

Chart 1
Review of Last Year's Forecast
West Michigan's MSAs



Looking Toward the Future

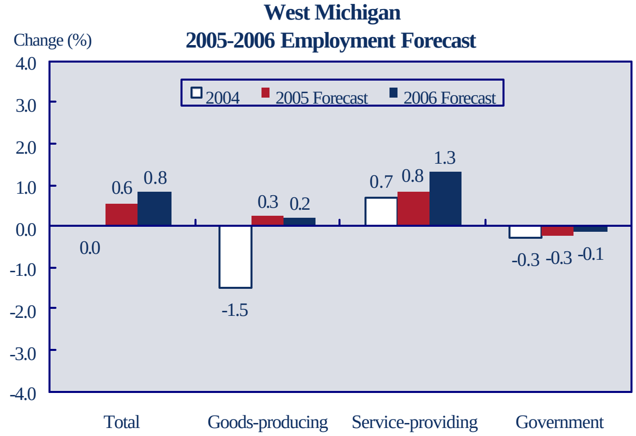
In preparing our 2005 and 2006 forecasts, we factored in all of the information we had on area employers about major plant openings, expansions, reductions, and closings. We should note that the impact of the scheduled closing of the Electrolux plant in Greenville northeast of Grand Rapids is not included in our forecast since it falls outside of the region's metro areas. We foresee employment among the region's auto suppliers remaining flat in the coming year. Companies that have strong supplier relationships with the Japanese Big Three—Toyota, Honda, and Nissan—will do better than those more closely tied to the traditional Big Three. In the Grand Rapids–Holland area we expect a modest turnaround in furniture employment because of both an expected increase in orders and the transfer of work from other regions of the nation.

Finally, we assume that a solution to the current budget crisis facing state and local government will not be found in 2005 or 2006 and that government on all levels will be forced to do more with less. This will not only trim government employment but will also adversely affect the quality of government services available for businesses and residents.

As shown in the chart below, we are forecasting modest employment growth in the three west Michigan metropolitan areas for 2005 and 2006. Total employment is expected to increase by 0.6 percent in the region, and nearly all of the employment gains will occur in the region's service sector. Manufacturing employment is expected to increase modestly during both years, while government employment is expected to remain flat or slightly negative.

The individual forecasts for each of the metropolitan areas are also provided (see page 3).

Chart 2
West Michigan
2005-2006 Employment Forecast



Worries

Forecasters worry a lot. However, the economic fundamentals supporting the current economic expansion appear to be sound. The only exception is a growing concern regarding the federal budget deficit and the nation's continuing trade imbalance. The Federal Reserve is prudently pushing up short-term interest rates and moving to a neutral monetary position. Price pressures, outside of oil and one or two other commodities, are not growing. The nation's international trade imbalance, while worrisome, is not expected to impact the economy in 2005. In short, 2005 looks like a good growth year, nationally.

Locally, our forecast depends upon 1) the region's office furniture industry finally turning the corner in 2005, and 2) the region's auto suppliers holding their own in a tough marketplace.

Chart 3
Benton Harbor MSA
2005–2006 Employment Forecast

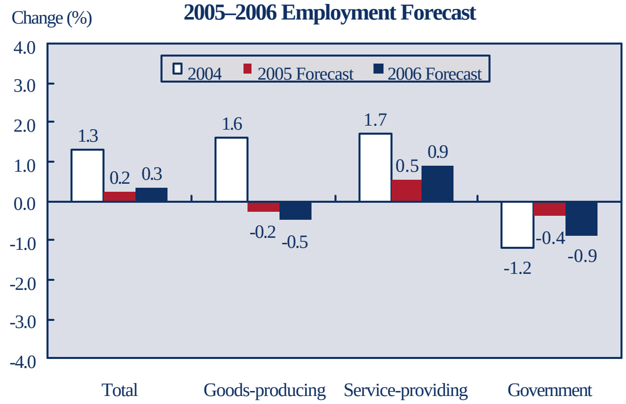


Chart 4
Grand Rapids–Muskegon–Holland MSA
2005–2006 Employment Forecast

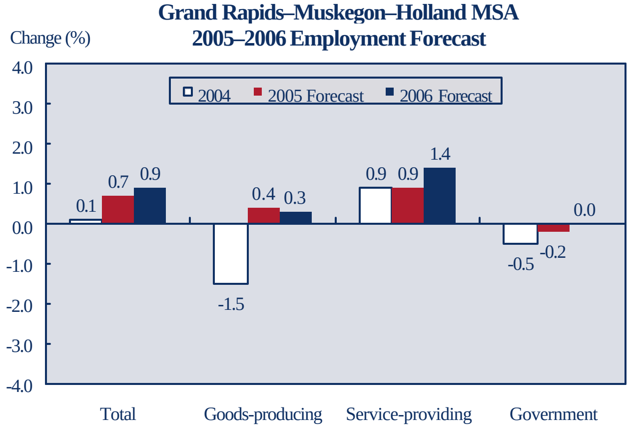
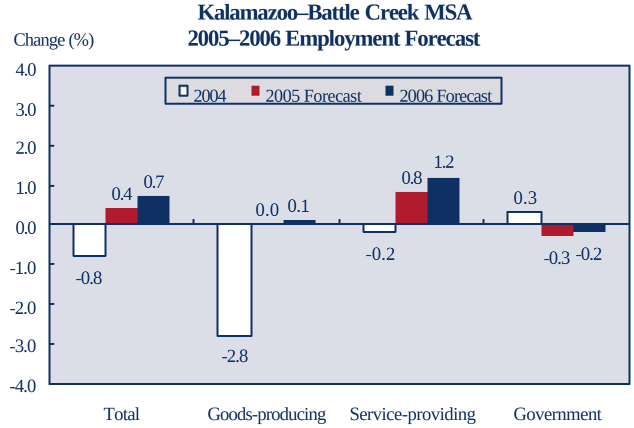


Chart 5
Kalamazoo–Battle Creek MSA
2005–2006 Employment Forecast

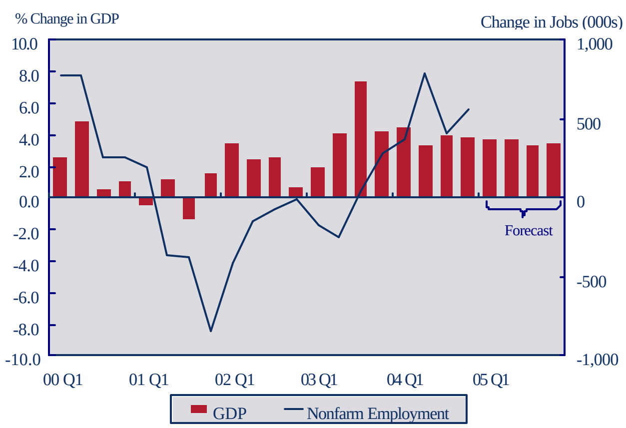


NATIONAL ECONOMY

Consumers Carried the Ball

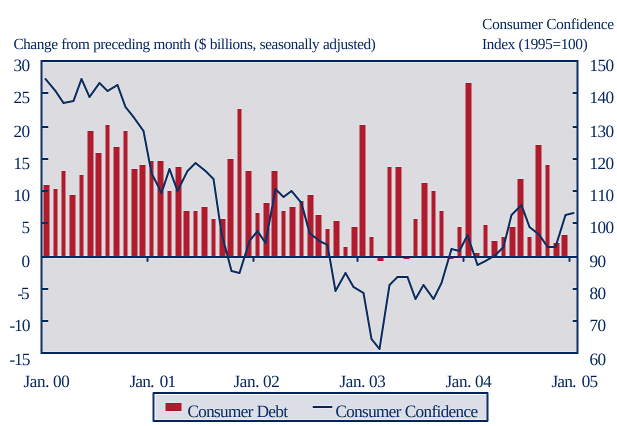
The national economy continues to grow at a solid rate. In the final quarter of 2004, the nation's Gross Domestic Product (GDP) increased at a 3.8 percent annual rate, just slightly off from the 4.0 percent pace in the previous quarter.

Gross Domestic Product and Nonfarm Employment



Consumers clearly carried the ball during the quarter. Consumer spending, which accounts for approximately two-thirds of the national economy, rose by a healthy 4.2 percent annualized rate during the quarter. Employment conditions are improving, and household incomes are on the rise; even so, confidence waned in January. Real disposable personal income increased at a healthy 8.1 percent annualized rate. A large part of the quarter's jump in personal income was due, however, to a one-time dividend payoff by Microsoft which accounted for 3.1 percent of the total 3.7 percent gain in personal income in December.

Consumer Confidence and Consumer Debt



Retail sales in January remained strong. Excluding autos, retail sales rose by 0.6 percent. Same-store sales increased by 3.0 percent during the first week of February and are expected to increase between 2.5 and 3.0 percent for the entire month. Auto sales dropped by 3.3 percent in January, after soaring by 4.0 percent in December.

Still, the University of Michigan's and the Conference Board's latest surveys of consumers, both released in February, found that consumers are growing slightly uneasy about the economy.

We Still Consume More Than We Make

Consumer spending, on its own, accounted for 76 percent of the economy's growth during the fourth quarter. Add in the percentage contribution of business and government spending to the quarter's growth, 36.8 percent and 6.0 percent, respectively, and it becomes obvious that as a nation we are consuming more than 100 percent of what we produce. Can there be too much of a good thing?

As a result, the nation's trade imbalance continues to widen. Imports, which are already more than 50 percent larger than exports, grew at an annual rate of 11.4 percent for the quarter and by 9.9 percent for all of last year. Our exports, on the other hand, rose at a much slower 2.4 percent annual rate during the quarter and grew by 8.5 percent during the year.

The nation's negative trade picture is also reflected in our negative net foreign investment situation. According to a Federal Reserve Bank of Cleveland study, net foreign investment, the amount of U.S. investment in foreign countries—equities, bonds, and direct investment—minus the amount of U.S. assets owned by foreign investors, has fallen dramatically during the past four years and is on track to amount to as high as 35 percent of U.S. total GDP by 2006.[1]

The nation's international situation has already put serious downward pressure on the U.S. dollar. During the past three years, the dollar has declined by 26 percent against major foreign currencies; however, the rate of decline has slowed. During the past 12 months, the dollar slipped by only 3 percent.

Of course, the question is whether having net foreign investment climb to 35 percent of the U.S. GDP or the dollar slip to levels not seen since June of 1995 constitutes a threat

[1]Owen Humpage, "A Hitchhiker's Guide to the U.S. Current Account Problem," *Economic Commentaries,* Federal Reserve Bank of Cleveland, October 1, 2004.

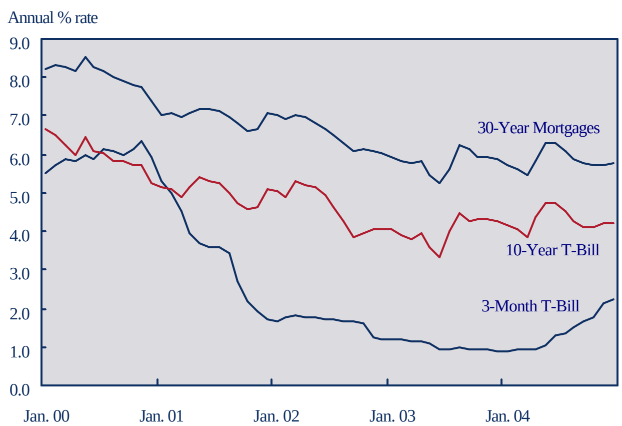
to our economic health. Exporters and companies who compete against foreign-made products benefit from the price advantage the weaker dollar provides. At the same time, foreign investors are filling a gap in investment markets, since the flip side of consuming more than we make is that we save less than we invest. Still, the worry remains that if foreign investors become uneasy regarding their investments in the United States, it could result in added downward pressure on the dollar, which could in turn prompt the Federal Reserve (Fed) to raise interest rates.

The Fed Is Trying to Find "Neutral"

At this time, however, there appears to be little upward movement in long-term interest rates, suggesting that few fear a dollar tailspin. In fact, long-term rates have remained steady during the past several months. The nation's economy is growing at a sustainable rate, and despite high energy prices and a tight commodity market for some basic commodities—steel and cement, for instance—inflation expectations still have not manifested. Even so, a January jump in producer prices of 0.8 percent—the largest in more than six years—has increased the level of uncertainty about future prices.

It is in this environment that the Federal Reserve is trying to reach a "neutral" position. Clearly, the Fed is currently switching gears after pursuing a pro-growth policy for the past three years. During the past seven months, it has steadily bumped up the short-term Federal Fund Rate targets from 1.00 percent to the current 2.25 percent. Of course, the

Interest Rates



question on investors' minds is what the "neutral" rate of interest is. General consensus seems to put it in the 3.5 to 4.0 percent range which, if correct, would suggest that the Fed will continue to bump rates up until at least midsummer.

Productivity Gains Keep Manufacturing Employment in Negative Territory

During the fourth quarter, employment rose by 563,000 jobs, and employers added another 146,000 jobs in January. Still, manufacturers dropped 16,000 workers from their payrolls during the quarter, and they eliminated another 25,000 in January. The reason for the continued decline in manufacturing employment is that productivity gains are outpacing demand. On a year-over-year basis, manufacturing output rose by a robust 5.0 percent, but productivity increased by an even stronger 5.6 percent. Productivity is expected to slow in the coming year as the expansion matures; however, business spending on machinery, equipment, and software continues to remain strong, increasing by an 18.0 percent annual rate in the fourth quarter after growing at a 17.5 percent rate in the previous quarter. While it may be true that increased global pressures are driving U.S. manufacturers to be more productive and competitive, outsourcing is not the main source of manufacturing employment woes.

High Gas Prices Look as if They Are Here to Stay

At the start of last year, oil prices stood at $32 per barrel, and most analysts believed that it was only a temporary spike. In fact, the 2004 consensus forecast of Midwest economists prepared by the Chicago Federal Reserve called for oil prices to fall to $28 per barrel during the year. They did not. At the beginning of February, world oil prices stood above $40 per barrel, and the same group of economists is now saying prices will stay at $43 per barrel during the year. Airlines, manufacturers, and the transportation industry in general are feeling the price pressure, which could also negatively affect the tourism industry this summer.

High gas prices may not have an impact on auto sales, however. According to a General Motors report, when prospective buyers were asked about factors that affected their decisions, gas prices ranked a low thirteenth on the list, after such considerations as safety, pricing, and style. Most analysts expect vehicle sales to stay at around 16.6 to 16.9 million units in 2005. However, General Motors and Ford continue to lose market share, which as discussed later is negatively affecting the west Michigan economy.

Economic Outlook Is Still Promising

Not only are car sales expected to remain strong in 2005, but most forecasters predict that the economy will grow between 3.3 and 3.7 percent in 2005. Economists at the University of Michigan, in their February update of their national forecast, put GDP growth for the year at 3.6 percent, and they said the nation's unemployment rate would dip down to 5.2 percent. The forecasters who participate in the Philadelphia Federal Reserve Bank's quarterly consensus forecast, which was released in February, agree. If these predictions hold true, then we should see continued improvements in the nation's labor markets, with the possible exception of the highly productive manufacturing sector.

REGIONAL ECONOMY

According to the latest *Beige Book* report, prepared by economists at the Federal Reserve Bank of Chicago, the region's economy continues to grow at a moderate pace. Many of the contacted firms reported their intentions to increase spending on equipment and machinery. The bank's polling of regional manufacturers found that output was holding steady if not growing. Indeed, one machine toolmaker said that its business was "the best it has been for years." Production of heavy equipment remains strong, according to industry representatives. Prices and wages are holding steady, with some manufacturers indicating that material costs have lessened in recent months. Finally, the region's commercial banks are finding that a slowdown in consumer and mortgage lending is being partially offset by modest increases in business loan activity.

With the sole exception of Michigan, the employment situation in the Great Lakes states has finally turned around. Employment in the four Great Lakes states excluding Michigan rose by more than 90,000 jobs. Manufacturing employment in the four states, pushed by a strong gain in Wisconsin, increased by nearly 7,000 jobs. Employment in Michigan fell by 46,500 jobs. Moreover, in addition to losing nearly 17,000 jobs, manufacturing workers in Michigan were the only ones who suffered both shorter workweeks and declining average hourly earnings. The increase in average hourly earnings in manufacturing in Michigan's neighboring states ranged from a high of 3.5 percent in Illinois to a more modest 0.7 percent gain in Wisconsin.

Auto Sales Remain Strong, Although Employment Does Not

Automobile sales ended the year with a blowout, as December sales volumes raced at an 18.6 million unit annualized rate. For the year, 16.8 million cars and light trucks were sold. As could only be expected, the sales pace slowed in January, falling to a 16.2 million unit annualized pace; however, most forecasters are predicting that auto sales will remain in the 16.5 to 16.9 million unit range for 2005.

For the automobile industry, a growing challenge is to persuade the public to trade in their cars at a faster pace. Of course, the auto companies continue to keep prices down. Comerica's Auto Affordability Index—which is the number of weeks of a median family income required to purchase a new vehicle—stood at 20.8 weeks, which is below the index reading for the average of the last five years. But low prices may not be enough. In addition, automakers are also increasing the number of new offerings and building new features into their vehicles. In 2005, 46 launches of new vehicles or dramatically redesigned models are scheduled to hit the market. Moreover, in response to customer demand for safer vehicles, the auto companies continue to make strides in safety improvements. For example, General Motors is making its new StabilTrak control system, which electronically recognizes and controls for instances in which the vehicle's wheels skid, standard on its full-size SUVs in 2005.

Employment and Earnings[a]

Great Lakes Region	December 2004	December 2003	Change (%)	Great Lakes Region	December 2004	December 2003	Change (%)
Illinois				**Ohio**			
Total employment	5,836,000	5,823,900	0.2	Total employment	5,354,500	5,354,700	0.0
Mfg. employment	703,500	708,300	-0.7	Mfg. employment	821,800	826,900	-0.6
Avg. weekly hours	41.6	41.6	0.0	Avg. weekly hours	42.4	41.7	1.7
Avg. hourly earnings	$15.95	$15.41	3.5	Avg. hourly earnings	$18.77	$18.17	3.3
Indiana				**Wisconsin**			
Total employment	2,913,200	2,898,100	0.5	Total employment	2,838,900	2,775,300	2.3
Mfg. employment	570,700	569,300	0.2	Mfg. employment	517,500	502,100	3.1
Avg. weekly hours	42.9	42.9	0.0	Avg. weekly hours	40.9	40.9	0.0
Avg. hourly earnings	$18.59	$18.15	2.4	Avg. hourly earnings	$16.51	$16.39	0.7
Michigan				**United States**			
Total employment	4,345,200	4,391,700	-1.1	Total employment (000)	132,427	130,255	1.7
Mfg. employment	700,400	717,300	-2.4	Mfg. employment (000)	14,330	14,297	0.2
Avg. weekly hours	44.0	44.1	-0.2	Avg. weekly hours	40.6	40.7	-0.2
Avg. hourly earnings	$22.05	$22.15	-0.5	Avg. hourly earnings	$16.34	$15.92	2.6

NOTE: December 2004 lists preliminary numbers.
[a]Employment numbers are seasonally adjusted for both the U.S. and the states. Average weekly hours and earnings are seasonally adjusted for U.S. only.
SOURCE: U.S. Bureau of Labor Statistics (BLS).

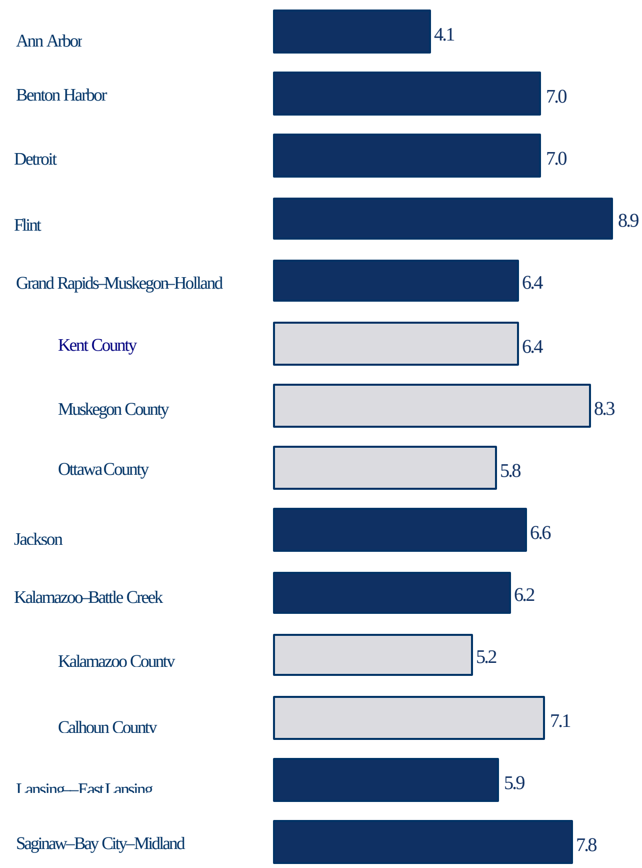
adjusted for rising prices it is below 1972 levels. Moreover, state employment has been trimmed to its 1974 level. The state is facing three budget-busting problems, according to Clay: Medicaid, the Department of Corrections, and an "antiquated" tax structure that is unresponsive to economic growth.

On the bright side, state revenues have increased markedly during the past three months. In January, revenues from the major General Fund and School Aid Fund taxes had risen by 7.7 percent from January 2004. Unfortunately, the fourth-quarter readings of the state's economic indicators suggest that the Michigan economy could stay in the doldrums for the next several months. Both the Detroit Help-Wanted Advertising Index and the Composite Index of West Michigan metro areas did not budge during the quarter. In addition, the state's Index of Leading Indicators remained unchanged as well, although all three of the state-level components of the index improved slightly during the quarter.

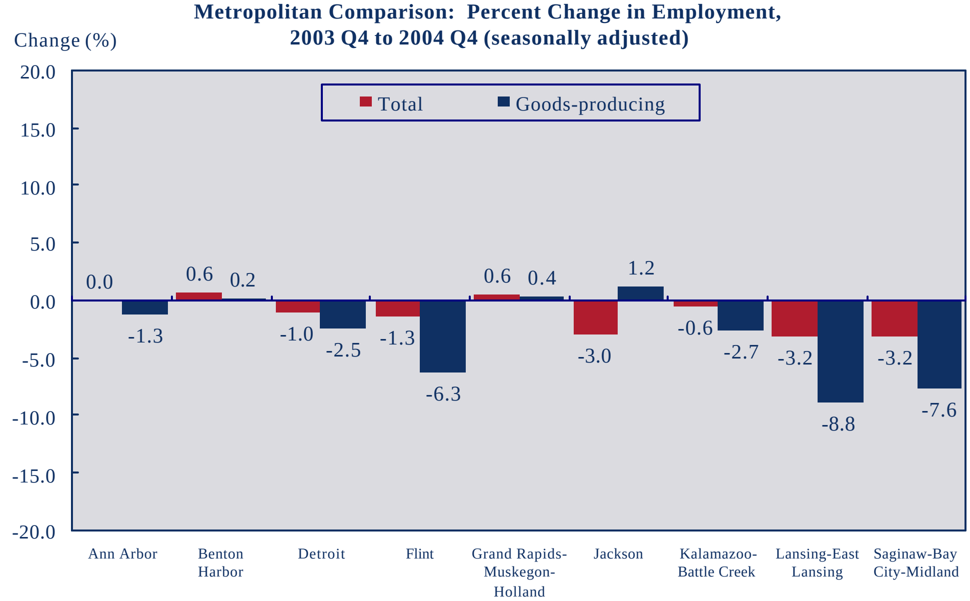
Benton Harbor Ties with Grand Rapids

The Benton Harbor and Grand Rapids–Muskegon–Holland MSAs were the only metro areas in the state to enjoy employment gains during the past four quarters: employment in both increased by 0.6 percent. On the downside, the Lansing–East Lansing and Saginaw–Bay City–Midland MSAs, which are heavily auto-dependent, each suffered a 3.2 percent decline in total employment and a more than 7 percent drop in goods-producing employment. Ann Arbor retained the honor of having the lowest unemployment rate, 4.1 percent, among the state's metropolitan areas during the final quarter.

Michigan Metropolitan Areas
2004 Q4 Unemployment Rates
(%, seasonally adjusted)



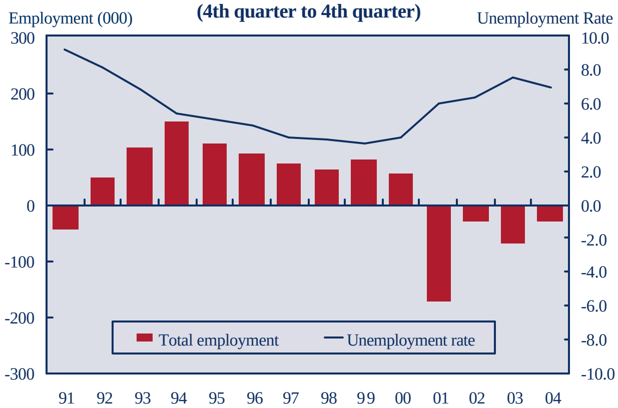
Metropolitan Comparison: Percent Change in Employment, 2003 Q4 to 2004 Q4 (seasonally adjusted)



State Of Michigan Economy

Total employment fell by 0.1 percent in the final quarter of last year, pushing the state's unemployment rate up to 7.0 percent. Employment in the state's private sector fell by 0.4 percent as employment declines were reported in manufacturing and among many of the state's service-providing activities as well. Unfortunately, the state's economic indicators also remained flat during the quarter, suggesting little change in the economy in the coming months.

Michigan Employment Change and Unemployment Rate (4th quarter to 4th quarter)

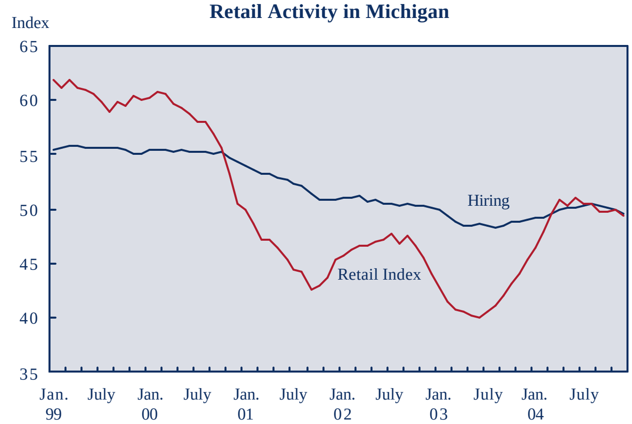


Employment in Michigan's manufacturing sector fell by 0.2 percent during the fourth quarter with employment reductions reported in both durable and nondurable goods. As previously discussed, a major reason for the state's weak manufacturing sector is its lagging auto sector. During the past year, Michigan's auto industry (transportation equipment and motor vehicle parts) eliminated more than 23,400 jobs. In fact, employment in the state's goods-producing sector outside of the auto sector increased by 1.6 percent during the year, even though many of the state's primary and fabricated metals and plastics firms are also auto suppliers.

Employment in Michigan's private service-providing sector was off by 0.4 percent as well during the quarter. The state's retail sector cut nearly 4,500 jobs (seasonally adjusted), and leisure and hospitality eliminated more than 7,800 jobs. Retail sales continue to slip in the state, according to the monthly polling of retailers conducted by the Federal Reserve Bank of Chicago in association with the Michigan Association of Retailers. The sector's activity index has been retreating from its high, posted in March of 2004, while its employment index has been sliding mildly downward since June. Only the state's education (private) and health services sector reported a sizeable gain in employment, adding more than 4,600 jobs for a 0.8 percent increase.

The decline in the state's private service-providing sector partly reflects lackluster trends in personal income growth. Although personal income is highly volatile, a mild decline in the growth of personal income can be detected from the third quarter of 2003 to the third quarter of last year.

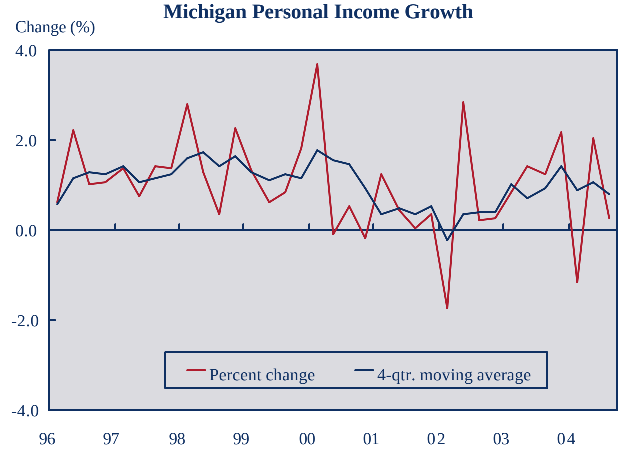
Retail Activity in Michigan



NOTE: Index = percent reporting an increase in sales + [0.5 x (% reporting no change)].

Government employment rose by a surprising 1.9 percent in the final quarter; however, this was simply a statistical correction for the large 1.5 percent drop in employment recorded in the previous quarter. During the past four quarters, government employment in the state has declined by 0.7 percent, a loss of 4,900 jobs.

Michigan Personal Income Growth



According to Tom Clay of the Citizens Research Council (CRC) of Michigan, state government is facing an extremely serious structural deficit situation. A structural deficit occurs when the existing tax structure cannot fund necessary governmental services even in good economic times. Right now, according to Clay, the state's general fund revenue, unadjusted for inflation, is below 1995 levels, and when adjusted for rising prices it is below 1972 levels. Moreover, state employment has been trimmed to its 1974 level. The state is facing three budget-busting problems, according to Clay: Medicaid, the Department of Corrections, and an "antiquated" tax structure that is unresponsive to economic growth.

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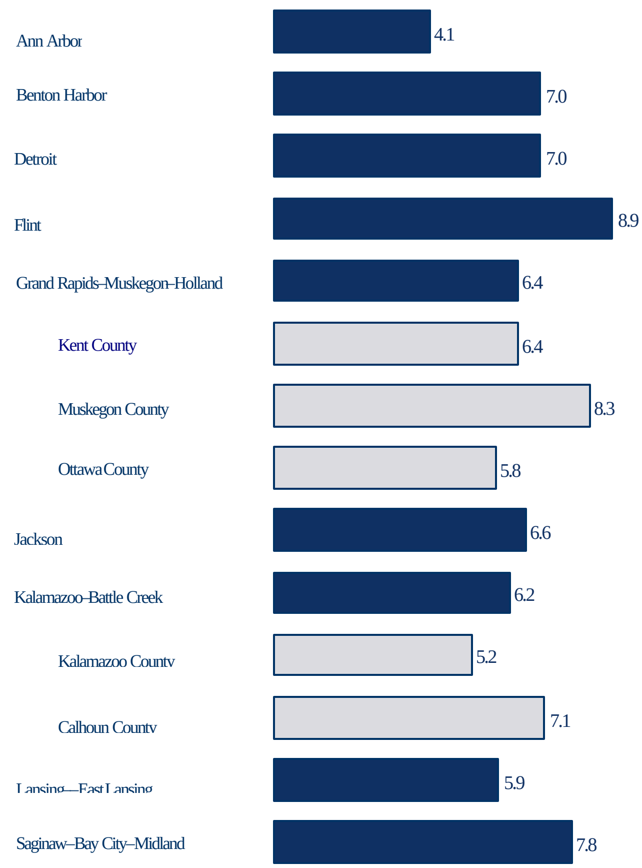

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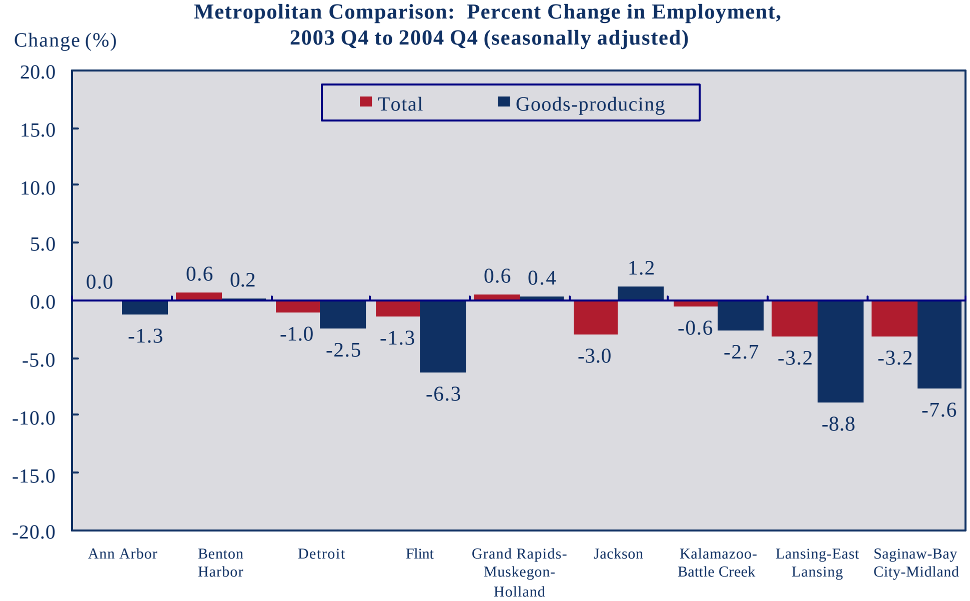


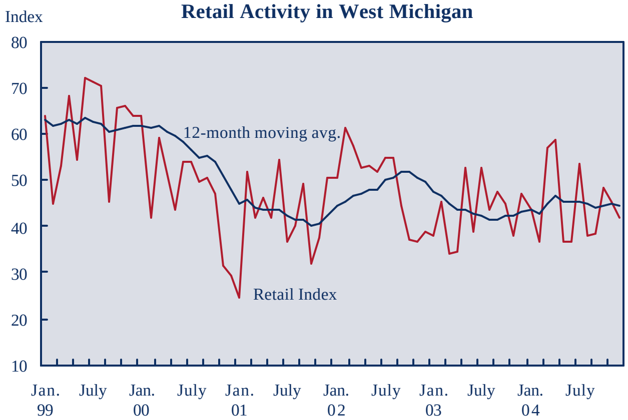
WEST MICHIGAN ECONOMY

Employment in the three metropolitan areas of west Michigan rose by 0.5 percent during the final quarter of 2004. Unfortunately, the quarter's job gains were not enough to keep the region's unemployment rate from inching up to 6.4 percent. Moreover, the fourth-quarter reading of the region's economic indicators suggests that employment conditions will not improve significantly in the coming months.

Employment in the region's goods-producing sector fell by only 0.2 percent during the quarter. Construction employment remained flat during the quarter. The region's manufacturing sector is getting a mild boost from the nation's increase in military spending. Kentwood's Borisch Manufacturing, a defense contractor of aerospace electronics, is expanding its operating space and has hired 40 new employees during the past several months. General Dynamics in Muskegon, which was recently purchased by L-3 Communications of New York, is also receiving new orders. Even the region's furniture industry is getting into the act, as Herman Miller won a $50 million military contract spread over five years to build medical furniture and equipment.

Employment in the region's service-providing sector increased by 0.5 percent in the fourth quarter because of a large jump—4,460 jobs—in education (private) and health services. Employment gains were also reported in the region's financial activities sector. The other service-providing sectors lost ground during the quarter, including retail trade, where employment dropped by a large 1.1 percent, a loss of more than 1,000 jobs. Retailers lost jobs in all three of the region's metro areas. This decline in employment was not detected by the monthly survey of retail activity prepared by Federal Reserve Bank of Chicago in association with Michigan Association of Retailers. Although the regional index of retail activities is volatile, it indicates only a slight slippage in retail activity during the past six months.

Retail Activity in West Michigan



NOTE: Index = percent reporting an increase in sales + [0.5 x (% reporting no change)].

The statistics reported in this sector are only for the three metro areas of the region. In the surrounding rural areas, the latest business reports have been mostly disappointing. In Montcalm County, which is awaiting closure of the 2,700-employee Electrolux AB plant in Greenville, Hitachi Magnetics Corporation announced that by March it will have closed its local facility, which made magnets for the auto industry, laying off the plant's remaining 120 workers. This comes after Greenville Wire Products closed at the end of 2004, eliminating 200 jobs, and Tower Automotive cut 45 percent of its local workforce, or 135 jobs.

Seemingly, the only bright spot in Montcalm County is that the negotiated severance agreement with Electrolux AB is more generous that mandated by the union contract. It will provide workers with severance pay of $400 for every year of service, twice the amount in the contract. The agreement also will pay nearly 75 percent of a full pension to workers who have 10 years of service but have not turned 55 by the time the plant closes.

As reported in the Viewpoint, we forecast employment to increase by 0.6 percent in the three west Michigan metro areas in 2005. Other forecasters support our prediction of improving economic conditions. Hari Singh of Grand Valley State University recently released his annual survey of area CEOs and found that most are planning to hire additional workers in the coming months. Moreover, the annual Crowe Chizek survey of 50 regional firms found that three-fourths of West Michigan employers would be hiring in 2005, although the strongest employment gains could be in lower-wage occupations and the surveyed manufacturers expected "slow to no growth" in their workforce. Finally, according to a recently released survey by Paragon Recruiting, a Holland-based technology recruiting firm, over 50 percent of West Michigan's small companies said that they would hire new information technology staff before July.

Unfortunately, regional economic indicators suggest that employment conditions will remain sluggish in the coming months. The region's composite Index of Help-Wanted Advertising remained unchanged during the quarter, while the region's Index of Leading Indicators fell by 3.7 percent. The decline in the region's Leading Indicator Index was due to national factors as well as a large increase in the number of new unemployment claims made in the Benton Harbor MSA during the quarter.

West Michigan (3 MSAs) Statistics
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	840,790	836,360	0.5	838,540	0.3
Goods-producing	221,580	222,070	-0.2	221,630	0.0
Construction and mining	39,110	39,130	-0.1	39,660	-1.4
Manufacturing	182,470	182,940	-0.3	181,960	0.3
Durable goods (2 MSAs)[a]	113,870	114,430	-0.5	113,870	0.0
Nondurable goods (2 MSAs)[a]	51,740	51,680	0.1	52,030	-0.6
Private service–providing	516,970	514,210	0.5	514,870	0.4
Transportation and utilities	21,570	21,870	-1.4	21,250	1.5
Wholesale trade	38,490	38,700	-0.5	38,360	0.3
Retail trade	95,250	96,300	-1.1	97,880	-2.7
Information	10,780	10,810	-0.3	11,160	-3.4
Financial activities	36,430	35,560	2.4	34,360	6.0
Professional and business services	89,910	90,140	-0.3	88,330	1.8
Education and health services	117,310	112,850	4.0	113,160	3.7
Leisure and hospitality	72,800	73,070	-0.4	74,250	-2.0
Other services	34,420	34,910	-1.4	36,130	-4.7
Government	102,240	100,080	2.2	102,050	0.2
Unemployment					
Number unemployed	59,900	57,910	3.4	68,800	-12.9
Unemployment rate (%)	6.4	6.2		7.4	
Local indexes					
Help-wanted ads (2 MSAs) (1996=100)[a]	43	43	0.0	45	-4.4
Leading indicators (1996=100)	104	108	-3.7	106	-1.9
Average weekly hours	41.4	40.9	1.2	40.2	3.0
UI initial claims	4,023	2,725	47.6	3,328	20.9
New dwelling units[b]	8,544	8,435	1.3	8,961	-4.7

NOTE: Categories may not sum to total due to rounding.

[a] Grand Rapids–Muskegon–Holland MSA and Kalamazoo–Battle Creek MSA.

[b] Seasonally adjusted annual rates; Allegan County and Van Buren counties are not included.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F. W. Dodge Division, McGraw Information Systems Company; ad count from four major daily newspapers; and employment data from the Michigan Department of Labor and Economic Growth.

West Michigan Industry Employment Change by Place of Work
Fourth Quarter to Fourth Quarter
(not seasonally adjusted)

Industry	2004 Q4	2003 Q4	Percent change	Industry	2004 Q4	2003 Q4	Percent change
Goods-producing	222,930	223,130	-0.1	Admin. and support services[a]	47,630	48,170	-1.1
Transportation equipment[a]	34,970	35,300	-0.9	Health and social assistance[a]	81,570	79,100	3.1
Motor vehicle parts[a]	29,330	29,600	-0.9	Food svcs. and drinking places[a]	53,130	53,300	-0.3
Food[a]	13,100	13,830	-5.3				
Paper[a]	6,670	6,430	3.7	**Government**	107,430	106,900	0.5
Private service–providing	519,700	518,200	0.3	Federal	9,200	9,200	0.0
General merchandise stores[a]	22,130	24,100	-8.2	State	17,170	16,900	1.6
Finance and insurance[a]	23,170	23,200	-0.1	Local	81,070	80,800	0.3

[a] Combined data for Grand Rapids-Muskegon-Holland MSA and the Kalamazoo-Battle Creek MSA; Benton Harbor MSA data not available.

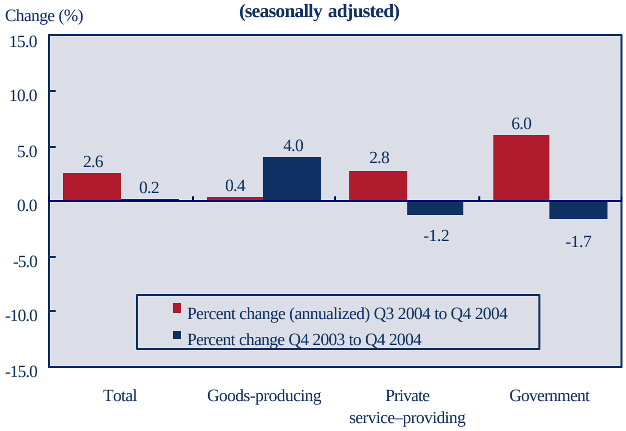
SOURCE: Michigan Department of Labor and Economic Growth.

BENTON HARBOR MSA

Total employment in Berrien County rose by 0.6 percent, an increase of more than 400 jobs, during the final quarter of 2004. Employment gains occurred in all of the area's major economic sectors. Despite the area's healthy job gains, its unemployment rate rose to 7.0 percent during the quarter. Unfortunately, economic conditions may soften in the coming months, as the area's Index of Leading Indicators fell by 1.8 percent, in part because of a large jump in the number of new claims for unemployment insurance.

Employment in the area's goods producing sector rose by 0.1 percent during the fourth quarter solely because of the area's manufacturers increasing their payrolls by the same percentage. In fact, manufacturing employment in the area has increased by a robust 5.0 percent in the past four quarters, a gain of 800 jobs.

Benton Harbor MSA Employment Growth
(seasonally adjusted)



Recent business reports have chronicled further job gains, including that Whirlpool will add a small number of production workers at its local parts manufacturing plant, which currently employs 255 workers. J.L. French, an automotive castings company that employs 58 workers, announced it will add 72 jobs by 2007. In New Troy, Vickers Engineering, a precision machining company, announced that it would create 90 full-time jobs over five years.

However, Atlantic Automotive Components, which has fired 103 of its 380 workers because of alleged unemployment insurance fraud, announced that it is reconsidering its previously announced expansion due to a decline in business. The expansion would have created 71 jobs. The company makes injection and blow-molded plastic parts and does related parts assembly for the auto industry.

Construction employment fell by 0.4 percent during the quarter and by 2.5 percent in the past four quarters. A new 500-acre development project, River Run, has been announced, which reportedly could generate up to 500 construction jobs. However, final plans for the project have not been revealed, although it is said to include recreational facilities as well as a new housing development. The proposed development would be located near the existing Edgewater district, a mixed-use residential and commercial development that over the past seven years reportedly has brought more than 450 jobs to the area.

Employment in the area's service-providing sectors rose by 0.7 percent, with strong gains reported in wholesale trade, education and health care, and other services. Government employment also rose by 1.5 percent, after falling by 3.0 percent in the previous quarter.

Despite the area's healthy job gain, its unemployment rate climbed to 7.0 percent in the fourth quarter. And although the area's employers added 440 workers, the number of employed county residents, which the area's unemployment rate is based on, fell by 0.2 percent.

The area's Index of Leading Indicators fell by 1.8 percent because of a very large 218.4 percent jump in the number of new claims filed for unemployment insurance. The number of new claims soared from 572 in the third quarter to 1,821 in the fourth quarter. It is likely that this will be a one-time blip in the data and does not suggest a trend. The other local components were quite positive: the average weekly hours of production workers rose by 4.1 percent during the quarter, and the number of new dwelling units put under contract for construction rose by 34.1 percent.

Finally, Manpower's current polling of local employers found that they were more upbeat than a year ago. In all, 37 percent of the employers interviewed plan to hire more workers during the first quarter, while only 13 percent expect to make reductions. Last year, only 13 percent of companies surveyed planned to hire additional workers, and 10 percent intended to cut back.

Benton Harbor MSA
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	69,280	68,840	0.6	69,170	0.2
Goods-producing	19,180	19,160	0.1	18,440	4.0
Construction and mining	2,320	2,330	-0.4	2,380	-2.5
Manufacturing	16,860	16,830	0.2	16,060	5.0
Durable goods (see table below)					
Nondurable goods (see table below)					
Private service–providing	41,770	41,480	0.7	42,270	-1.2
Transportation and utilities	2,290	2,310	-0.9	2,240	2.2
Wholesale trade	2,770	2,590	6.9	2,640	4.9
Retail trade	8,000	8,060	-0.7	8,190	-2.3
Information	930	900	3.3	910	2.2
Financial activities	2,160	2,230	-3.1	2,210	-2.3
Professional and business services	5,490	5,520	-0.5	5,570	-1.4
Education and health services	10,170	10,040	1.3	10,290	-1.2
Leisure and hospitality	6,360	6,380	-0.3	6,740	-5.6
Other services	3,610	3,450	4.6	3,480	3.7
Government	8,330	8,210	1.5	8,470	-1.7
Unemployment					
Number unemployed	5,750	5,550	3.6	6,320	-9.0
Unemployment rate (%)	7.0	6.7		7.7	
Local indexes					
Leading indicators (1996=100)	109	111	-1.8	110	-0.9
Average weekly hours	43.1	41.4	4.1	43.3	-0.5
UI initial claims	1821	572	218.4	291	525.8
New dwelling units[a]	866	645	34.1	630	37.4

NOTE: Categories may not sum to total due to rounding.

[a] Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from Michigan Department of Labor and Economic Growth.

Benton Harbor MSA
Industry Employment Change by Place of Work, Fourth Quarter to Fourth Quarter
(not seasonally adjusted)

Industry	2004 Q4	2003 Q4	Percent change	Industry	2004 Q4	2003 Q4	Percent change
Goods-producing	19,430	18,470	5.2	**Government**	8,770	8,770	0.0
Durable goods	13,770	12,970	6.2	Federal	400	400	0.0
Nondurable goods	3,270	3,100	5.5	State	500	500	0.0
				Local	7,870	7,870	0.0
Private service–providing	41,600	42,230	-1.5	Local education	5,100	5,300	-3.8
Accommodations & food svcs.	5,670	5,730	-1.0				

SOURCE: Michigan Department of Labor and Economic Development.

GRAND RAPIDS–MUSKEGON–HOLLAND MSA

Total employment in the four-county area rose by 0.4 percent during the fourth quarter, an increase of more than 2,100 jobs. However, job gains were restricted to the area's service-providing sectors, both private and public, as the area's goods-producers continued to lose jobs. The moderate job gains were not enough to stop the area's unemployment rate from inching up to 6.4 percent during the quarter. The fourth-quarter reading of the area's economic indicators suggests that the area's employment situation may not improve during the coming months.

Employment in the area's goods-producing sector fell by 0.4 percent during the quarter, with employment declines reported in both construction and manufacturing. In the past four quarters, employment declines have been concentrated in the area's machinery and furniture industry. Countering statewide trends, employment among the area's auto suppliers remained stable during the past four quarters.

While recent employment statistics are not encouraging, recent business reports and forecasts all point to improving conditions in the area's struggling office furniture industry. First, recent earning reports have been positive. Steelcase reported positive earnings after two years of losses. Herman Miller boasted a 69 percent surge in profits in its most recent quarter. Moreover, both companies gave favorable outlooks for the industry in the coming year. Finally, Haworth posted a 2 percent increase in sales in 2004, after suffering a 40 percent drop in sales from 2001 to 2003.

In its latest forecast, the Business and Institutional Furniture Manufacturers Association (BIFMA), the industry's trade association, calls for industry sales to increase by almost 8 percent. Mike Dunlap, an independent analyst for the office furniture industry who conducts a quarterly polling of the industry, found in his most recent survey, released in January, that the overall performance index for the industry rose from 56.2 to 57.6 in October. Dunlap found that 76 percent of 133 respondents reported increases in shipments. Finally, Dunlap found that the personal outlook of the industry's corporate officers also had improved sharply.

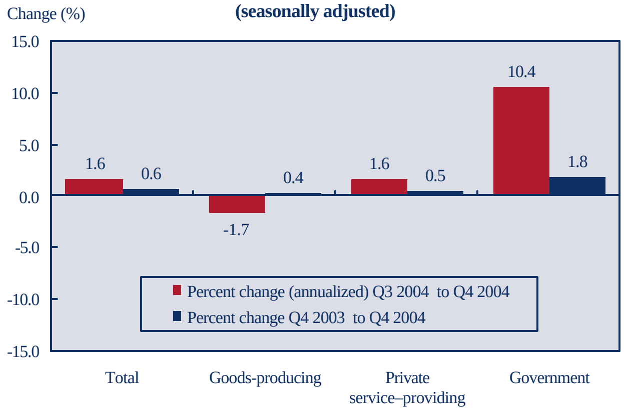
Employment in the area's service-providing sector rose by 0.4 percent in the quarter, with its educational (private) and health services sector posting the strongest gain, an increase of more than 3,600 jobs. On the negative side, as discussed in the west Michigan section, retail employment was off, falling by 1.5 percent.

Employment in the area's government sector during the past two quarters has been flat. The strong 1.4 percent gain in employment during the quarter was due to a large 12.0 percent jump in state government employment, offsetting a reported 10.9 percent drop in the previous quarter. This positive employment picture sharply counters the steady stream of negative budget reports being released by all levels of government, which suggests that government employment will likely remain flat at best in the coming months.

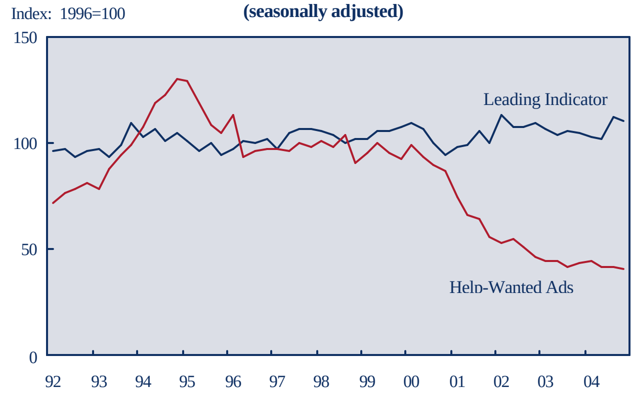
The quarter's increase in hiring attracted more than 1,100 individuals into the job market, which pushed the area's overall unemployment rate up slightly, to 6.4 percent.

As reported in the west Michigan section, forecasters, including ourselves, are predicting improved economic conditions for 2005. However, the fourth-quarter reading of the area's economic indicators suggests that it may have to wait a couple more months. Both the area's Index of Leading Indicators and Index of Help-Wanted Advertising fell during the quarter, suggesting that employment conditions may remain somewhat sluggish in the coming months. This is also supported by Manpower's fourth-quarter survey of employers, which suggests that the region's employers will reduce their hiring during the first quarter. The survey found that only 7 percent of Grand Rapids firms plan to hire, and in Holland, it was an even lower percentage—4 percent.

Grand Rapids–Muskegon–Holland MSA
Employment Growth
(seasonally adjusted)



Grand Rapids–Muskegon–Holland MSA
Employment Indexes
(seasonally adjusted)



Grand Rapids–Muskegon–Holland MSA
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	562,780	560,600	0.4	559,480	0.6
Goods-producing	153,760	154,420	-0.4	153,210	0.4
Construction and mining	26,960	27,010	-0.2	27,220	-1.0
Manufacturing	126,800	127,410	-0.5	125,990	0.6
Durable goods	92,390	92,550	-0.2	91,260	1.2
Nondurable goods	34,420	34,860	-1.3	34,730	-0.9
Private service–providing	350,630	349,220	0.4	348,900	0.5
Transportation and utilities	14,370	14,560	-1.3	14,230	1.0
Wholesale trade	29,730	30,050	-1.1	29,650	0.3
Retail trade	62,560	63,500	-1.5	64,160	-2.5
Information	7,920	7,910	0.1	8,150	-2.8
Financial activities	23,850	23,540	1.3	22,840	4.4
Professional and business services	64,380	64,320	0.1	62,910	2.3
Educational and health services	79,030	75,380	4.8	75,750	4.3
Leisure and hospitality	47,090	47,730	-1.3	47,820	-1.5
Other services	21,700	22,230	-2.4	23,390	-7.2
Government	58,390	56,960	2.5	57,370	1.8
Federal government	4,150	4,120	0.7	4,160	-0.2
State government	6,890	6,150	12.0	6,350	8.5
Local government	47,350	46,700	1.4	46,870	1.0
Unemployment					
Number unemployed	39,660	38,550	2.9	47,190	-16.0
Unemployment rate (%)	6.4	6.3		7.7	
Local indexes					
Help-wanted ads (1996=100)	41	43	-4.7	43	-4.7
Leading indicators (1996=100)	110	112	-1.8	105	4.8
Average weekly hours	41.1	40.7	0.9	39.5	3.9
UI initial claims	1,722	1,648	4.5	2,350	-26.7
New dwelling units [a]	6,026	6,388	-5.7	6,429	-6.3

NOTE: Categories may not sum to total due to rounding.
[a] Seasonally adjusted annual rates; does not include Allegan County.
SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from the Michigan Department of Labor and Economic Growth.

Grand Rapids–Muskegon–Holland MSA
Industry Employment Change by Place of Work, Fourth Quarter to Fourth Quarter
(not seasonally adjusted)

Industry	2004 Q4	2003 Q4	Percent change	Industry	2004 Q4	2003 Q4	Percent change
Goods-producing	154,570	154,230	0.2	Finance and insurance	15,970	16,400	-2.6
Fabricated metals	16,170	15,170	6.6	Admin. and support svcs.	35,400	36,570	-3.2
Machinery	13,030	13,570	-4.0	Temporary help services	13,330	13,830	-3.6
Transportation equipment	24,870	24,830	0.2	Educational services	22,800	21,100	8.1
Motor vehicle parts	21,230	21,200	0.1	Health and social assistance	57,370	55,070	4.2
Furniture and related products	16,030	16,730	-4.2	Food svcs. and drinking places	38,000	38,370	-1.0
Food	9,130	9,230	-1.1				
Paper	3,870	3,770	2.7	**Government**	61,200	59,970	2.1
Plastics and rubber	9,830	8,770	12.1	Federal government	4,130	4,130	0.0
Private service–providing	352,930	351,730	0.3	State government	7,630	7,000	9.0
Food and beverage stores	8,300	8,600	-3.5	Local government	49,430	48,830	1.2
General merchandise stores	14,700	16,100	-8.7	Local govt. educ. svcs.	32,900	33,330	-1.3

SOURCE: Michigan Department of Labor and Economic Growth.

Grand Rapids Area
(Kent County)

Total employment by place of work grew by an estimated 0.5 percent in Kent County during the final quarter of last year. In addition, the number of employed residents also increased by 0.5 percent. Despite these gains, the area's unemployment rate inched up to 6.4 percent. Unfortunately, the area's economic indicators were mixed during the quarter, suggesting that its employment conditions may improve only slightly in the coming months.

Employment in the county's goods-producing sector fell an estimated 0.2 percent in the quarter. Very few business reports were released in Kent County during the quarter. Muskegon's loss may be Kent County's gain, as Sparta's Federal-Mogul Corporation plant is scheduled to take over the work of Dana Corporation's to-be-closed Muskegon plant. Only one quarter of the jobs lost are expected to be created at the plant. On a more positive note to the county's economy, Knape & Vogt Manufacturing announced that it is closing its plant in Indiana and moving the work to Kent County, creating from 40 to 50 jobs.

Two proposed construction projects in the county were announced recently. Alticor and the Amway Corporation announced plans to build a 24-story, $60–$70 million hotel right next to the Amway Plaza in downtown Grand Rapids. Also, Saint Mary Health Care announced that it will break ground in the spring on a new $30 million Southwest Outpatient Campus which will open in 2007.

Employment in the county's service-providing sector increased by an estimated 0.5 percent during the quarter.

Employment in its government sector has been flat during the past two quarters. It rose by an estimated 2.8 percent, after falling by an estimated 1.5 percent in the previous quarter.

While the number of employed residents grew by 0.5 percent during the quarter, the county's improving employment conditions also attracted more job seekers, pushing the number of persons looking for work up by 2.1 percent and the county's unemployment rate up to 6.4 percent.

The county's economic indicators were mixed during the quarter. Its Index of Help-Wanted Advertising fell by 4.7 percent, and the number of new claims for unemployment insurance rose by 4.8 percent. The latest report from the local chapter of the National Association of Purchasing Managers called for "modest growth to turn more modest."

Finally, the number of new dwelling units put under contract for construction increased by 10.1 percent during the quarter. Industry experts are predicting that home construction and sales of existing homes should continue to grow this year. A polling of the members of the Grand Rapids Home Builders Association found that most expected 2005 to be a slightly better year than 2004; however, the survey membership predicted that the lower end of the market would see the most activity. The Grand Rapids Association of Realtors reported 12,543 single-family homes sold last year, up 1.3 percent from 2003.

Grand Rapids Area (Kent County)
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Total employment (by place of work)	351,920	350,110	0.5	349,280	0.8
Goods-producing	81,510	81,700	-0.2	81,100	0.5
Private service–providing	241,610	240,400	0.5	239,960	0.7
Government	28,800	28,020	2.8	28,220	2.1
Employment (by place of residence)	311,330	309,910	0.5	305,140	2.0
Unemployment	21,320	20,880	2.1	26,710	-20.2
Unemployment rate (%)	6.4	6.3		8.1	
Indicators					
Help-wanted ads (1996=100)	41	43	-4.7	44	-6.8
UI claims	1,032	985	4.8	1,507	-31.5
New dwelling units[a]	3,164	2,874	10.1	3,127	1.2

[a]Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth and U.S. Bureau of Economic Analysis.

Muskegon Area
(Muskegon County)

Total employment by place of work increased an estimated 0.2 percent in the final quarter of 2004 in Muskegon County, and the number of employed county residents increased by 0.3 percent. The increase in employment kept the county's unemployment rate steady, as it increased by only 0.1 percent, bringing it to 8.3 percent. Unfortunately, local indicators were flat or negative during the quarter, suggesting that employment conditions may soften in the coming months.

Employment in the county's goods-producing sector fell by an estimated 0.6 percent during the quarter. Dana Corporation announced that it is closing its Muskegon grey-iron foundry facility in August and laying off its 240 workers. With the shutdown, Dana will have cut its existing Muskegon workforce in half during the past year. The work will be outsourced to Federal-Mogul Corporation's Sparta plant in Kent County; however, only 40 to 60 jobs are expected to be created.

Other recent business reports are more positive. Johnson Technology and Acemco Automotive announced that they are expanding and could add a total of 24 workers. In addition, the county lowered the wastewater costs for Sappi. That should improve the profitability of the struggling paper mill, which still employs more than 500 workers.

General Dynamics Propulsion System in Muskegon was sold to L-3 Communications Holdings for $185 million. It remains uncertain whether the buyout will have an impact on employment levels. L-3 Communications Holdings, based in New York City, employs 38,700 workers and specializes in the defense and aerospace industries. In the meantime, the facility continues to win military contracts: for example, in early February it was awarded a $586,000 contract from the U.S. Army for diesel engines and parts.

Employment in the county's service-providing sector rose by an estimated 0.2 percent during the quarter; however, 45 retail workers lost their jobs in January as Roundy's Incorporated closed its grocery store. Finally, government employment rose by an estimated 1.6 percent during the quarter.

Although the number of employed residents climbed by 0.3 percent, an increase of 250 persons, the county's improving employment conditions attracted 150 new job seekers, which pushed the county's unemployment rate up modestly, to 8.3 percent.

The fourth-quarter reading of the county's economic indicators was mixed, suggesting that employment conditions may remain unchanged in the coming months. Its Index of Help-Wanted Advertising did not change during the quarter. Initial claims for unemployment insurance inched up a modest 0.3 percent. Finally, the number of new dwelling units put under contract for construction fell by 37.5 percent

Muskegon Area (Muskegon County)
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Total employment (by place of work)	65,640	65,480	0.2	65,590	0.1
Goods-producing	15,320	15,410	-0.6	15,280	0.3
Private service–providing	40,670	40,570	0.2	40,720	-0.1
Government	9,650	9,500	1.6	9,590	0.6
Employment (by place of residence)	75,540	75,290	0.3	74,010	2.1
Unemployment	6,870	6,720	2.2	8,300	-17.2
Unemployment rate (%)	8.3	8.2		10.1	
Indicators					
Help-wanted ads (1996=100)	42	42	0.0	42	0.0
UI claims	367	366	0.3	466	-21.2
New dwelling units[a]	1,011	1,618	-37.5	1,054	-4.1

[a]Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth and U.S. Bureau of Economic Analysis.

Holland Area
(Allegan and Ottawa Counties)

Total employment by place of work inched up by 0.1 percent, while employment by place of residence rose by an estimated 0.4 percent during the final quarter of 2004 in Allegan and Ottawa Counties. Paradoxically, the counties' improving employment situation attracted job seekers back into the labor force, pushing the unemployment rate up to 5.8 percent. The limited set of local economic indicators was negative during the quarter, suggesting that the area's employment conditions may soften in the coming months.

Employment in the area's goods-producing sector fell by an estimated 0.7 percent during the first quarter. Moreover, recent business reports suggest that employment in the area's manufacturing sector will remain stable at best in the coming months. Hart & Cooley announced that it is cutting 180–200 local jobs. The company, which produces registers for heating and cooling units, currently employs 740 workers at its county facilities. In addition, Magna Donnelly laid off 20 office personnel from two of its area plants that produce automotive mirrors. The area is still waiting for Johnson Controls to carry through with its planned cut of 885 jobs in Holland, as it moves its auto visor production to Ramos Arizpe, Mexico. At this time only 40 jobs have been eliminated. On the bright side, Sordal, a manufacturer of insulation, announced that it will be hiring up to 100 workers.

Finally, in Allegan County, Money's Mushrooms Limited, a Canadian company, closed its Fennville mushroom operations, laying off 259 workers in January. The company also closed its mushroom plants in Indiana and California. A company official attributed the closing of the three U.S. plants to the company's inability to be profitable in a very competitive environment.

The area's service-providing sector employment increased slightly by an estimated 0.1 percent during the final quarter. Area retail employment will be getting a boost as Meijer opens a new store in Holland Township in April and hires more than 500 people to staff the 206,000-square-foot facility. Of course, the opening may cause employment declines to occur at the area's weaker retailers. Government employment has been flat in the past two quarters. After dropping by an estimated 1.5 percent in the third quarter, it rose a surprising 2.3 percent in the fourth quarter.

The fourth-quarter reading of the area's few economic indicators was not promising. New claims for unemployment insurance rose sharply, by 10.9 percent, during the quarter, and the number of new dwelling units put under contract for construction fell by 9.9 percent. Finally, the Manpower survey of local employers found that only 4 percent of those interviewed intended to hire additional employees, while 11 percent planned to reduce payroll during the first quarter of 2005. A year ago, 10 percent of the companies surveyed intended to hire, and only 3 percent were looking at staff reductions.

Holland Area (Allegan and Ottawa Counties)
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Total employment (by place of work)	145,220	145,060	0.1	144,610	0.4
Goods-producing	56,930	57,310	-0.7	56,830	0.2
Private service–providing	68,350	68,260	0.1	68,210	0.2
Government	19,940	19,490	2.3	19,570	1.9
Employment (by place of residence)	188,920	188,110	0.4	185,160	2.0
Unemployment	11,550	10,960	5.4	12,280	-5.9
Unemployment rate (%)	5.8	5.5		6.2	
Indicators					
UI claims	325	293	10.9	388	-16.2
New dwelling units[a]	1,689	1,875	-9.9	2,074	-18.6

[a]Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth and U.S. Bureau of Economic Analysis.

Purchasing Managers Index and Major Economic Developments

Economic conditions in West Michigan have continued to improve during recent months, according to survey work conducted by Brian Long, author of the monthly publication *Current Business Trends*, which reports the latest news and views from area purchasing managers.

Kalamazoo area purchasing managers reported in February that conditions have finally taken a "sharp spike upward" after months of moderate growth and mixed business reports. In fact, the purchasing managers index for the area reached 65.3, its highest peak in the last seven years, while the 12-month moving average index also reached a new peak of 57.3, following 17 consecutive months of improvement. Even more encouraging is that this optimism is not limited to only sales increases or productivity, but also employment. In the February report a full 29 percent of respondents expect hiring to increase, compared to only 4 percent who anticipate employment reductions.

In Grand Rapids, the story is also positive, if not to the same degree as in Kalamazoo. While growth is occurring, an economic surge has not been able to take hold—a situation that Long describes as "modest growth turns more modest." In February, the Grand Rapids area purchasing managers index retreated from 59.3 to 52.6, its lowest point since June 2003. The area's 12-month moving average slipped slightly as well, indicating that this decline could be more that just a seasonal fluctuation.

Grand Rapids Area Purchasing Managers Index

Kalamazoo Area Purchasing Managers Index

Major Economic Developments

Battle Creek

Guardian Industries Corporation, a manufacturer of fiberglass products, is undergoing an expansion of its Albion plant and is expected to add from 135 to 150 new jobs.

Lear Corporation announced a $14.2 million expansion. Over the past two years, the plant had laid off nearly 340 workers, many of whom may now be called back to work.

Benton Harbor

Vickers Engineering has purchased a brownfield facility in New Troy as part of an expansion expected to create 90 new full-time jobs.

J.L. French, an automotive castings company employing 58 workers, announced it will add 72 jobs by 2007.

Grand Rapids

Siemens announced it may close two plants and eliminate 160 jobs in Grand Rapids as part of an effort to streamline operations and control costs.

Tower Automotive, an auto parts supplier with local operations in Grand Rapids and Greenville, filed for bankruptcy in February.

Holland

Sordal, Inc., a manufacturer of insulation and composites, is planning to hire 100 new employees.

Hart & Cooley announced that between 180 and 200 jobs will be eliminated at its Holland plant starting in February.

Kalamazoo

Advance Plastics Corporation is closing its Schoolcraft facility and eliminating around 120 jobs.

Dana Corporation. is relocating 25 jobs to its Texas Township headquarters.

Muskegon

Dana Corporation announced that its iron foundry in Muskegon will be closing in August, eliminating 240 jobs.

KALAMAZOO–BATTLE CREEK MSA

Total employment increased a healthy 0.9 percent in the Kalamazoo–Battle Creek MSA during the last quarter of 2004. The area's job gains were broad-based, with employment gains reported across a wide selection of industries. Still, the area's unemployment rate rose from 5.9 to 6.2 percent during the quarter. The area's economic indicators were mixed, suggesting that area employment growth may slow slightly in the coming months.

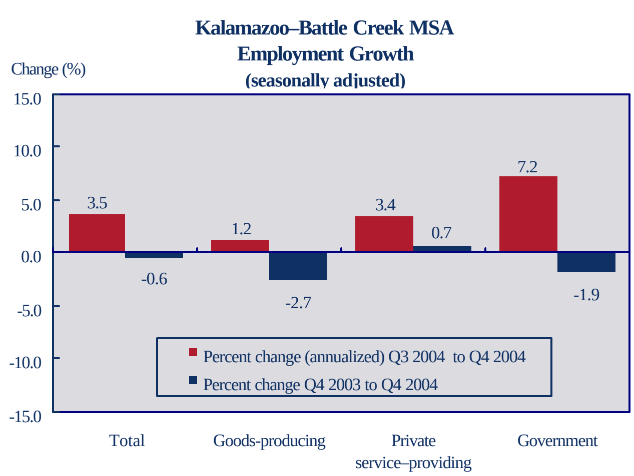
The area's goods-producing employment increased by 0.3 percent in the fourth quarter, with employment increases reported in both manufacturing and construction. Although on net the area's manufacturers increased their payrolls by 0.3 percent, durable goods manufacturing laid off 400 workers during the quarter. Countering this large decline in jobs was an even larger gain of 500 jobs in nondurable goods production. The quarter's decline in durable goods production was likely due to the continuing downsizing of the area's auto parts producers. During the past four quarters, area manufacturers making transportation equipment and auto parts have eliminated more than 650 jobs.

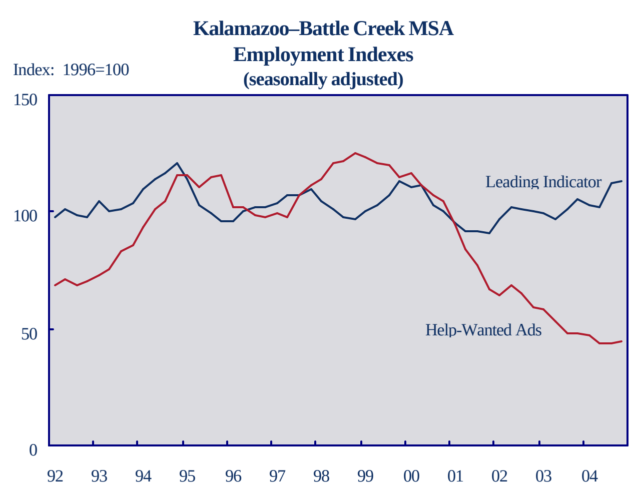
Employment in the area's larger service-providing sector rose by a healthy 0.9 percent, or by more than 1,000 jobs. This impressive gain was due to large employment gains in private education and health services (670 jobs), financial activities (640 jobs), and leisure and hospitality (390 jobs). On the downside, the area's retailers, following state trends, cut 0.2 percent of their workforce, and professional and business service providers trimmed 1.2 percent off of their workforce during the quarter.

Finally, employment in the area's struggling government sector increased by a surprising 1.7 percent. The quarter's gain may be simply a statistical correction, as it offsets a marked 4.0 percent decline in employment that was reported in the third quarter. Because of the volatility of the sector's quarterly employment numbers, a better read on the sector's downward employment trend, which is being generated by severe fiscal constraints, can be obtained by examining the year-over-year trends. During the past four quarters, employment in state government, which includes both Western Michigan University and the area's two community colleges, fell by 3.9 percent. Employment in local government, including the area's K-12 school districts, dropped by 1.5 percent.

The hiring of more than 1,800 workers by area employers attracted only half that number, approximately 900 individuals, into the labor market, which should have pushed the area's unemployment rate downward. However, the number of employed residents in the three-county area increased by only 0.2 percent during the quarter, a gain of only 500 jobs. As a result, the area's unemployment rate rose to 6.2 percent. It is possible that many of the new jobs created in the area were filled by people moving into the area. Still, if area employers continue to hire at the same rate that they did during the quarter, the area's unemployment rate should start to decline.

Unfortunately, the area's economic indicators suggest that employment conditions may slow in the coming months. Both the area's composite Index of Help-Wanted Advertising and its Index of Leading Indicators remained unchanged during the quarter. The local components of the area's Index of Leading Indicators were mixed, as production workers logged slightly shorter workweeks. However, the number of new unemployment claims fell by 5 percent, and the number of new housing starts jumped by nearly 18 percent.





Kalamazoo–Battle Creek MSA
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	208,720	206,910	0.9	209,890	-0.6
Goods-producing	48,630	48,490	0.3	49,970	-2.7
Construction and mining	9,830	9,790	0.4	10,060	-2.3
Manufacturing	38,800	38,700	0.3	39,910	-2.8
Durable goods	21,480	21,880	-1.8	22,610	-5.0
Nondurable goods	17,320	16,820	3.0	17,300	0.1
Private service–providing	124,570	123,520	0.9	123,710	0.7
Transportation and utilities	4,900	5,000	-2.0	4,780	2.5
Wholesale trade	5,990	6,060	-1.2	6,070	-1.3
Retail trade	24,700	24,740	-0.2	25,530	-3.3
Information	1,930	2,000	-3.5	2,100	-8.1
Financial activities	10,430	9,790	6.5	9,310	12.0
Professional and business services	20,050	20,290	-1.2	19,850	1.0
Educational and health services	28,110	27,440	2.4	27,120	3.7
Leisure and hospitality	19,350	18,960	2.1	19,690	-1.7
Other services	9,110	9,240	-1.4	9,250	-1.5
Government	35,520	34,910	1.7	36,210	-1.9
Federal	4,670	4,690	-0.4	4,670	0.0
State	8,280	8,030	3.1	8,620	-3.9
Local	22,580	22,180	1.8	22,920	-1.5
Number unemployed	14,490	13,810	4.9	15,290	-5.2
Unemployment rate (%)	6.2	5.9		6.5	
Local indexes					
Help-wanted ads (1996=100)	45	45	0.0	48	-5.5
Leading indicators (1996=100)	113	113	0.0	107	6.0
Average weekly hours	41.3	41.5	-0.4	40.6	1.6
UI initial claims	480	505	-5.0	687	-30.1
New dwelling units[a]	1,652	1,401	17.9	1,902	-13.2

NOTE: Categories may not sum to total due to rounding.

[a] Seasonally adjusted annual rates; does not include Van Buren County.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from the Michigan Department of Labor and Economic Growth.

Kalamazoo-Battle Creek MSA
Industry Employment Change by Place of Work, Fourth Quarter to Fourth Quarter
(not seasonally adjusted)

Industry	2004 Q4	2003 Q4	Percent change	Industry	2004 Q4	2003 Q4	Percent change
Goods-producing	48,930	50,430	-3.0	Administrative & support svcs.	12,230	11,600	5.4
Transportation equipment	10,100	10,470	-3.5	Health care & social assistance	24,200	24,030	0.7
Motor vehicle parts	8,100	8,400	-3.6	Food svcs. and drinking places	15,130	14,930	1.3
Food	3,970	4,600	-13.7				
Paper	2,800	2,670	4.9	**Government**	37,470	38,170	-1.8
Private service–providing	125,170	124,230	0.8	Federal	4,670	4,670	0.0
General merchandise stores	7,430	8,000	-7.1	State	9,030	9,400	-3.9
Finance and insurance	7,200	6,800	5.9	Local	23,770	24,100	-1.4

SOURCE: Michigan Department of Labor and Economic Growth.

Kalamazoo Area
(Kalamazoo County)

Total employment by place of work in Kalamazoo County increased by an estimated 1.1 percent during the final quarter of 2004. At the same time, the number of employed residents rose by 0.3 percent, which kept the county's unemployment rate unchanged at a low 5.2 percent. The majority of the county's economic indicators were positive during the quarter, suggesting that employment conditions in the county could improve in the coming months.

The county's goods-producing employment inched up an estimated 0.2 percent during the quarter. Dana announced that it plans to consolidate the manufacturing of off-highway transmissions and axles, which will bring an additional 25 jobs to the county. In addition, Parker-Hannifin announced that it is engineering the hydraulic systems for Boeing's new 787 Dreamliner passenger jet at its Kalamazoo plant and will be hiring up to 45 workers in the next two years.

However, Advance Plastics Corporation announced that it will close its Schoolcraft plant by April, laying off 120 workers. The closing is due to its largest customer, Lear Corporation, deciding to in-source the work previously done at the plant. Finally, Pfizer, the county's largest employer, announced that it could shed as much as 10 percent of its global workforce; however, there was no word regarding the potential number of affected workers at the company's local facilities. The potential job cuts would occur primarily in the company's sales and research activities.

The Innovation Center at Western Michigan University's Research and Business Park continues to hatch successful start-ups. The fastest growing firm among the 14 start-ups at the center is Kalexsyn Inc., which provides drug companies and others with medicinal chemistry services for the early phases of the drug discovery process. The company started with two employees and now has 19.

Employment in the county's service-providing sector rose by an estimated 1.2 percent, and employment in its government sector by an estimated 2.0 percent.

The majority of the county's economic indicators were positive for the quarter. Its Help-Wanted Advertising Index rose by 2.2 percent, suggesting the employment conditions in the county's service-providing sector could improve in the coming months. In addition, the January polling of the county's purchasing managers found "a sharp spike upward in economic activity." The number of new claims for unemployment insurance fell by 4.8 percent in the quarter, while new housing starts rose by 15.1 percent.

However, the latest Manpower survey of area employers found that only 20 percent interviewed said they were planning to hire more employees, while 17 percent said they expected to reduce their payrolls during the first quarter of 2005. Last year, employers were more optimistic, as 31 percent of companies surveyed then said they would be hiring and only 3 percent intended to cut back.

Kalamazoo Area (Kalamazoo County)
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Total employment (by place of work)	124,150	122,840	1.1	124,350	-0.2
Goods-producing	27,210	27,150	0.2	28,120	-3.2
Private service–providing	78,700	77,800	1.2	77,680	1.3
Government	18,240	17,890	2.0	18,550	-1.7
Employment (by place of residence)	125,010	124,580	0.3	124,110	0.7
Unemployment	6,860	6,830	0.4	7,540	-9.0
Unemployment rate (%)	5.2	5.2		5.7	
Indicators					
Help-wanted ads (1996=100)	47	46	2.2	49	-4.1
UI claims	259	272	-4.8	407	-36.4
New dwelling units[a]	1,216	1,056	15.1	1,591	-23.6

[a]Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth and U.S. Bureau of Economic Analysis.

Battle Creek Area
(Calhoun County)

Total employment rose by an estimated 0.4 percent in Calhoun County during the final quarter of the year, with employment gains reported across the county's major industrial sectors. However, employment by place of residence remained unchanged, and as a result the county's unemployment rate climbed to 7.1 percent. The county's economic indicators were mixed during the quarter, suggesting little improvement in the employment situation in the coming months.

Employment in the county's goods-producing sector rose by an estimated 0.3 percent during the quarter. Moreover, recent business reports suggest that employment conditions in the county's manufacturing sector are improving. Even though Lear Corporation announced in October of last year that it would lay off more than 200 workers at its Marshall plant, the company is investing $14.2 million in equipment at the plant. That will not only help ensure the longevity of employment for its remaining 450 employees but could also contribute to the company calling back some laid-off workers. Also, at least nine companies have approached the City of Battle Creek for tax abatement on new equipment and machinery, which could enable them to create as many as 350 jobs during the next several years. Except for Musashi Auto Parts, which said that it would create 220 jobs as a result of a $3.5 million investment, most of the expected job gains were small.

Finally, Guardian Industries Corporation, a fiberglass manufacturer, announced it would create up to 150 jobs as a result of a $25 million expansion at its Albion plant. The announcement was highly welcomed as the city has suffered major employment losses during the past several years, including the closing of Harvard Industries, its last foundry, and Trillium Health Alliance, its major medical facility.

Still, not all of the reports were positive. Joseph Campbell Company eliminated its third shift at the end of last year, laying off 35 of its 170 workers.

Employment in the county's service-providing sector rose an estimated 0.1 percent during the final quarter, and employment in the county's government sector increased by an estimated 1.4 percent. Oaklawn Hospital in Marshall will create nearly 20 jobs as it invests $7.1 million in renovations and equipment purchases, the hospital announced.

The county's unemployment rate increased from 6.3 to 7.1 percent during the quarter, even with its employers hiring more workers. The number of employed residents remained unchanged during the quarter.

The county's economic indicators were mixed. Its Help-Wanted Advertising Index fell by 5.4 percent during the quarter; however, the number of new claims for unemployment insurance fell by 8.5 percent, and the number of new housing starts was up by 23.2 percent.

Battle Creek Area (Calhoun County)
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Total employment (by place of work)	62,750	62,490	0.4	63,610	-1.4
Goods-producing	16,630	16,580	0.3	16,950	-1.9
Private service–providing	34,470	34,420	0.1	34,750	-0.8
Government	11,650	11,490	1.4	11,910	-2.2
Employment (by place of residence)	61,990	61,980	0.0	61,520	0.8
Unemployment	4,740	4,210	12.6	4,830	-1.9
Unemployment rate (%)	7.1	6.3		7.3	
Indicators					
Help-wanted ads (1996=100)	35	37	-5.4	40	-12.5
UI claims	214	234	-8.5	270	-20.7
New dwelling units[a]	432	351	23.2	315	37.0

[a]Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth and U.S. Bureau of Economic Analysis.

Appendix Tables

Table A-1
Selected Labor Market Indicators
(not seasonally adjusted)

Labor market area	Average for manufacturing production workers[a] December 2004: Weekly hours	Percent change 2003–04	Hourly earnings	Percent change 2003–04	Weekly earnings	Percent change 2003–04	Civilian labor force unemployment rate[b]: October 2004	December 2004
United States	41.2	-0.2	$16.45	2.6	$677.74	2.3	5.1	5.1
Michigan	44.0	-0.2	22.05	-0.5	970.20	-0.7	6.0	6.9
West Michigan MSAs								
Benton Harbor	45.6	3.2	15.33	-3.0	699.05	0.1	6.1	7.2
Grand Rapids–Muskegon–Holland	42.3	5.5	16.87	0.5	713.60	6.1	5.8	6.4
Kalamazoo–Battle Creek	42.8	0.2	15.88	0.8	679.66	1.0	5.4	6.3
Other labor market areas								
Ann Arbor	44.4	-1.1	25.85	4.2	1,147.74	3.1	3.5	4.1
Detroit	44.9	0.2	25.66	2.7	1,152.13	2.9	6.3	6.9
Flint	47.6	-0.2	32.03	1.5	1,524.63	1.3	7.9	8.9
Jackson	n/a	n/a	n/a	n/a	n/a	n/a	6.0	6.7
Lansing–East Lansing	40.8	-10.5	24.70	-7.2	1,007.76	-17.0	5.9	5.3
Saginaw–Bay City–Midland	46.7	-1.3	26.30	4.6	1,228.21	3.3	6.9	7.7

NOTE: n/a = not available.
[a]Earnings include overtime and part-time wages.
[b]Seasonally adjusted rate for U.S. was 5.5 percent in October 2004 and 5.4 percent in December 2004. Seasonally adjusted rate for Michigan was 6.6 percent in October 2004 and 7.3 percent in December 2004.
SOURCE: U.S. Department of Labor and the Michigan Department of Labor and Economic Growth (most recent benchmark).

Table A-2
Michigan Statistics
(seasonally adjusted)

Measure	2004 Q4	2004 Q3	Percent change Q3 to Q4	2003 Q4	Percent change Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	4,372,830	4,375,070	-0.1	4,413,630	-0.9
Goods-producing	910,430	913,470	-0.3	928,400	-1.9
Natural resources and mining	7,500	7,600	-1.3	7,930	-5.4
Construction	190,130	191,570	-0.8	190,800	-0.4
Manufacturing	712,800	714,300	-0.2	729,670	-2.3
Durable goods	561,250	562,260	-0.2	577,730	-2.9
Nondurable goods	151,550	152,040	-0.3	151,930	-0.3
Private service–providing	2,786,900	2,798,900	-0.4	2,804,800	-0.6
Transportation and utilities	123,020	124,520	-1.2	123,650	-0.5
Wholesale trade	172,910	173,950	-0.6	174,560	-0.9
Retail trade	498,200	502,690	-0.9	513,490	-3.0
Information	65,430	67,070	-2.4	70,030	-6.6
Financial activities	215,130	214,130	0.5	218,700	-1.6
Professional and business services	590,330	589,930	0.1	582,930	1.3
Educational and health services	551,130	546,500	0.8	552,670	-0.3
Leisure and hospitality	396,830	404,700	-1.9	397,970	-0.3
Other services	173,900	175,400	-0.9	170,800	1.8
Government	675,500	662,700	1.9	680,430	-0.7
Unemployment					
Number unemployed	354,110	341,910	3.6	385,350	-8.1
Unemployment rate (%)	7.0	6.8		7.6	
State indexes (1996=100)					
Help-wanted ads					
Detroit	31	31	0.0	36	-13.9
West Michigan (2 MSAs)	43	43	0.0	45	-4.4
Leading Indicators	110	110	0.0	106	3.7
Local components					
Average weekly hours	42.6	42.1	1.2	42.7	-0.3
UI initial claims	16,168	16,312	-0.9	20,197	-19.9
New dwelling units[a]	47,068	46,056	2.2	46,620	1.0

NOTE: Employment numbers for durable, nondurable goods, transportation and utilities, wholesale trade, and retail trade are seasonally adjusted by the W.E. Upjohn Institute. Other employment numbers are seasonally adjusted by the Bureau of Labor Statistics. Categories may not sum to total due to rounding.

[a]Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F. W. Dodge Division, McGraw-Hill Information Systems Company; Detroit Help-Wanted Index from The Conference Board; and employment data from Michigan Department of Labor and Economic Growth.

Michigan Industry Employment Change by Place of Work
Fourth Quarter to Fourth Quarter
(not seasonally adjusted)

Industry	2004 Q4	2003 Q4	Percent change	Industry	2004 Q4	2003 Q4	Percent change
Goods-producing	906,800	923,000	-1.8	Automobile dealers	41,930	41,370	1.4
Primary metals	26,730	27,030	-1.1	Gasoline stations	26,770	27,130	-1.3
Fabricated metal products	83,370	81,830	1.9	Clothing and accessory stores	41,600	40,030	3.9
Machinery	75,370	74,100	1.7	Furniture and home furnishing stores	17,870	18,830	-5.1
Transportation equipment	262,870	279,670	-6.0	Food services and drinking places	306,530	302,300	1.4
Motor vehicle parts	170,970	177,600	-3.7	Professional, scientific, tech. services	249,630	245,330	1.8
Furniture and related products	25,830	25,970	-0.5	Ambulatory health care services	157,770	155,900	1.2
Food	32,130	33,400	-3.8	Education services	82,430	85,130	-3.2
Paper	15,530	15,070	3.1	Social assistance	49,470	49,270	0.4
Printing and related support	18,730	19,130	-2.1	**Government**	698,930	703,630	-0.7
Chemical manufacturing	29,000	28,500	1.8	Federal	55,030	55,530	-0.9
Plastics and rubber products	44,070	42,900	2.7	State	173,500	170,730	1.6
Private service–providing	3,503,370	3,526,530	-0.7	Local	470,400	477,370	-1.5
General merchandise stores	119,230	126,270	-5.6	Local government education	290,130	293,100	-1.0
Food and beverage stores	88,630	91,400	-3.0	Local government hospitals	13,300	13,230	0.5

SOURCE: Michigan Department of Labor and Economic Growth.

Table A-3
Personal Income and Earnings by Industry (current dollars)

Area	Income distribution	2002[a]	2001[a]	2000	1999	1998	1997	1992
Benton Harbor MSA	Total personal income ($000)	4,305,239	4,225,830	4,239,424	4,076,482	3,865,273	3,748,082	2,909,902
(Berrien County)	Per capita personal income ($)	26,482	26,063	26,071	25,159	23,853	23,078	17,964
	Earnings per worker ($)	35,423	34,203	34,081	33,288	30,505	30,338	25,770
	Manufacturing	61,768	56,371	57,169	55,250	51,978	50,740	39,138
	Private nonmanufacturing	28,150	27,518	26,497	25,928	23,276	23,137	20,164
Grand Rapids–	Total personal income ($000)	31,413,456	30,860,745	30,360,391	28,619,952	27,244,477	25,560,495	19,229,843
Holland–Muskegon MSA	Per capita personal income ($)	28,191	27,935	27,794	26,563	25,671	24,399	19,781
	Earnings per worker ($)	38,788	37,898	36,957	35,701	34,421	32,278	27,623
	Manufacturing	57,997	54,577	53,480	51,968	50,317	48,809	40,977
	Private nonmanufacturing	33,106	32,448	31,125	29,835	28,547	26,310	22,599
Kent County	Total personal income ($000)	17,637,858	17,271,257	16,938,017	15,831,665	15,158,310	14,202,912	10,936,304
	Per capita personal income ($)	30,068	29,678	29,395	27,837	27,010	25,573	21,083
	Earnings per worker ($)	41,136	40,271	39,086	37,558	36,144	33,585	28,617
	Manufacturing	61,983	58,609	55,740	54,887	52,996	51,472	42,567
	Private nonmanufacturing	36,190	35,432	34,330	32,571	31,175	28,377	24,298
Muskegon County	Total personal income ($000)	4,081,768	4,013,043	3,943,373	3,742,920	3,537,067	3,359,028	2,592,781
	Per capita personal income ($)	23,707	23,418	23,126	22,104	21,036	20,105	15,991
	Earnings per worker ($)	32,842	32,630	31,961	31,264	30,698	29,450	25,975
	Manufacturing	55,335	52,313	54,315	52,453	51,094	49,303	42,437
	Private nonmanufacturing	27,458	27,518	25,517	24,823	24,162	23,117	19,851
Ottawa County	Total personal income ($000)	6,769,302	6,672,503	6,677,656	6,408,233	6,108,511	5,700,349	4,070,585
	Per capita personal income ($)	27,485	27,401	27,885	27,279	26,628	25,458	20,562
	Earnings per worker ($)	37,757	36,207	35,510	34,719	32,970	31,083	26,214
	Manufacturing	54,801	50,774	51,319	49,619	47,962	46,224	38,325
	Private nonmanufacturing	29,209	28,482	26,852	26,498	24,918	23,420	20,009
Allegan County	Total personal income ($000)	2,924,528	2,903,942	2,801,345	2,637,134	2,440,589	2,298,206	1,630,173
	Per capita personal income ($)	26,769	26,909	26,401	25,242	23,801	22,701	17,472
	Earnings per worker ($)	31,356	31,211	31,058	30,109	29,844	28,853	25,246
	Manufacturing	49,212	47,064	47,383	44,135	43,413	42,347	37,191
	Private nonmanufacturing	23,546	22,913	20,904	20,481	19,162	18,285	15,989
Kalamazoo–Battle Creek MSA	Total personal income ($000)	12,294,077	11,923,349	11,796,627	11,412,013	11,132,722	10,651,376	8,466,129
	Per capita personal income ($)	26,910	26,233	26,023	25,267	24,754	23,815	19,386
	Earnings per worker ($)	37,526	36,270	35,715	35,183	34,193	31,955	28,071
	Manufacturing	65,517	60,025	63,034	60,513	60,665	58,202	49,218
	Private nonmanufacturing	30,654	29,889	27,340	27,289	26,320	24,338	20,944
Kalamazoo County	Total personal income ($000)	6,917,695	6,732,454	6,642,895	6,420,365	6,307,681	5,955,392	4,768,861
	Per capita personal income ($)	28,742	28,131	27,809	27,024	26,692	25,332	20,986
	Earnings per worker ($)	37,279	36,514	35,388	34,855	34,408	32,263	28,605
	Manufacturing	68,970	65,498	64,566	62,105	63,900	60,455	51,149
	Private nonmanufacturing	30,454	29,774	27,882	27,614	26,811	24,996	21,429
Calhoun County	Total personal income ($000)	3,621,423	3,477,002	3,471,425	3,375,735	3,309,346	3,201,216	2,563,734
	Per capita personal income ($)	26,097	25,127	25,138	24,458	24,019	23,395	18,673
	Earnings per worker ($)	39,760	37,558	38,139	37,271	35,968	33,430	29,012
	Manufacturing	65,723	56,563	66,528	63,699	61,702	60,260	50,127
	Private nonmanufacturing	31,640	30,987	26,708	26,787	26,429	23,979	20,948
Van Buren County	Total personal income ($000)	1,754,959	1,713,893	1,682,307	1,615,913	1,515,695	1,494,768	1,133,534
	Per capita personal income ($)	22,673	22,311	22,034	21,249	20,040	19,842	15,705
	Earnings per worker ($)	32,516	31,031	30,821	30,956	27,494	25,544	21,691
	Manufacturing	45,934	43,217	45,343	42,777	41,359	39,326	33,705
	Private nonmanufacturing	29,178	27,572	25,588	26,582	22,880	21,341	17,872

[a]2001 and 2002 statistics are based on North American Industry Classification System (NAICS); other years are based on Standard Industrial Classification (SIC).

SOURCE: U.S. Bureau of Economic Analysis.

Table A-4
Consumer Price Index[a]
U.S. City Average (1982–84=100)

Year	Annual average	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CPI for All Urban Consumers (CPI-U)													
1987	113.6	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4	115.4
1988	118.3	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3	120.5
1989	124.0	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	125.9	126.1
1990	130.7	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8
1991	136.2	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9
1992	140.3	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9
1993	144.5	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8
1994	148.2	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7
1995	152.4	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5
1996	156.9	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6
1997	160.5	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3
1998	163.0	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9
1999	166.6	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3
2000	172.2	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0
2001	177.1	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7
2002	179.9	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9
2003	184.0	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3
2004	188.9	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3
CPI for Urban Wage Earners and Clerical Workers (CPI-W)													
1987	112.5	110.0	110.5	111.0	111.6	111.9	112.4	112.7	113.3	113.8	114.1	114.3	114.2
1988	117.0	114.5	114.7	115.2	115.7	116.2	116.7	117.2	117.7	118.5	118.9	119.0	119.2
1989	122.6	119.7	120.2	120.8	121.8	122.5	122.8	123.2	123.2	123.6	124.2	124.4	124.6
1990	129.0	125.9	126.4	127.1	127.3	127.5	128.3	128.7	129.9	131.1	131.9	132.2	132.2
1991	134.3	132.8	132.8	133.0	133.3	133.8	134.1	134.3	134.6	135.2	135.4	135.8	135.9
1992	138.2	136.0	136.4	137.0	137.3	137.6	138.1	138.4	138.8	139.1	139.6	139.8	139.8
1993	142.1	140.3	140.7	141.1	141.6	141.9	142.0	142.1	142.4	142.6	143.3	143.4	143.3
1994	145.6	143.6	144.0	144.4	144.7	144.9	145.4	145.8	146.5	146.9	147.0	147.3	147.2
1995	149.8	147.8	148.3	148.7	149.3	149.6	149.9	149.9	150.2	150.6	151.0	150.9	150.9
1996	154.1	151.7	152.2	152.9	153.6	154.0	154.1	154.3	154.5	155.1	155.5	155.9	155.9
1997	157.6	156.3	156.8	157.0	157.2	157.2	157.4	157.5	157.8	158.3	158.5	158.5	158.2
1998	159.7	158.4	158.5	158.7	159.1	159.5	159.7	159.8	160.0	160.2	160.6	160.7	160.7
1999	163.2	161.0	161.1	161.4	162.7	162.8	162.8	163.3	163.8	164.7	165.0	165.1	165.1
2000	168.9	165.6	166.5	167.9	168.0	168.2	169.2	169.4	169.3	170.4	170.6	170.9	170.7
2001	173.5	171.7	172.4	172.6	173.5	174.4	174.6	173.8	173.8	174.8	174.0	173.7	172.9
2002	175.9	173.2	173.7	174.7	175.8	175.8	175.9	176.1	176.6	177.0	177.3	177.4	177.0
2003	179.8	177.7	179.2	180.3	179.8	179.4	179.6	179.6	180.3	181.0	180.7	180.2	179.9
2004	184.5	180.9	181.9	182.9	183.5	184.7	185.3	184.9	185.0	185.4	186.5	186.8	186.0

[a] Monthly data shown above are not adjusted for seasonal variations. CPI data that are not seasonally adjusted are used extensively for escalation purposes. Although CPI is often called the "Cost of Living Index," it measures only price change, which is just one of several important factors affecting living costs. All CPI series are linked historically to the original CPI Index for Urban Wage Earners and Clerical Workers. These series contain no revision but are reprinted for the convenience of the user.

PERCENT CHANGE: Movements of these indexes from one time period to another are usually expressed as percent changes rather than changes in index points. Index point changes are affected by the level of the index in relation to its base period, while percent changes are not. For example:

$$100 \times \left[\frac{160.5\ \text{(1997 annual avg.)} - 156.9\ \text{(1996 annual avg.)}}{156.9\ \text{(1996 annual avg.)}}\right] = 2.3\%\ \text{change 1996 to 1997, CPI-U.}$$

$$100 \times \left[\frac{164.0\ \text{(November 1998)} - 161.5\ \text{(November 1997)}}{161.5\ \text{(November 1997)}}\right] = 1.5\%\ \text{change November 1997 to November 1998, CPI-U.}$$

$$100 \times \left[\frac{164.0\ \text{(November 1998)} - 164.0\ \text{(October 1998)}}{164.0\ \text{(October 1998)}}\right] = \text{No change, CPI-U.}$$

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

Table A-5
Population Update for Selected Areas of West Michigan

Area	Estimate 2003	2000	1990	1980	Annual change (%) 2000–2003	1990–2000	1980–1990
Michigan	10,079,985	9,955,795	9,295,297	9,262,044	0.4	0.7	0.0
West Michigan Metropolitan Areas							
Benton Harbor MSA (Berrien County)	162,766	162,611	161,378	171,276	0.0	0.1	-0.6
Benton Harbor city	11,010	11,178	12,818	14,707	-0.5	-1.4	-1.4
Niles city	11,906	12,192	12,456	13,115	-0.8	-0.2	-0.5
St. Joseph city	8,656	8,785	9,214	9,622	-0.5	-0.5	-0.4
Grand Rapids–Muskegon–Holland MSA	1,123,229	1,092,322	937,891	840,824	0.9	1.5	1.1
Kent County	590,417	576,220	500,631	444,506	0.8	1.4	1.2
Grand Rapids city	195,601	197,798	189,126	181,843	-0.4	0.4	0.4
East Grand Rapids city	10,563	10,762	10,807	10,914	-0.6	0.0	-0.1
Grandville city	16,622	16,311	15,624	12,412	0.6	0.4	2.3
Kentwood city	46,487	45,410	37,826	30,438	0.8	1.8	2.2
Walker city	23,208	22,027	17,279	15,088	1.8	2.5	1.4
Wyoming city	70,205	69,511	63,891	59,616	0.3	0.8	0.7
Ottawa County	249,391	239,473	187,768	157,174	1.4	2.5	1.8
Grand Haven city	10,842	11,158	11,951	11,763	-1.0	-0.7	0.2
Holland city[a]	34,666	35,052	30,745	26,281	-0.4	1.3	1.6
Muskegon County	173,090	170,520	158,983	157,589	0.5	0.7	0.1
Muskegon city	39,825	40,063	40,283	40,823	-0.2	-0.1	-0.1
Muskegon Heights city	11,817	12,038	13,176	14,611	-0.6	-0.9	-1.0
Norton Shores city	23,193	22,591	21,755	22,025	0.9	0.4	-0.1
Allegan County	110,331	106,109	90,509	81,555	1.3	1.6	1.0
Kalamazoo–Battle Creek MSA	459,174	453,319	429,453	420,749	0.4	0.5	0.2
Kalamazoo County	242,110	238,877	223,411	212,378	0.4	0.7	0.5
Kalamazoo city	75,312	76,967	80,277	79,722	-0.7	-0.4	0.1
Portage city	45,679	44,904	41,042	38,157	0.6	0.9	0.7
Calhoun County	138,854	138,093	135,982	141,557	0.2	0.2	-0.4
Battle Creek city[b]	53,827	53,418	53,540	56,339	0.3	0.0	-0.5
Albion city	9,130	9,147	10,066	11,059	-0.1	-1.0	-0.9
Marshall city	7,295	7,445	6,891	7,201	-0.7	0.8	-0.4
Van Buren County	78,210	76,349	70,060	66,814	0.8	0.9	0.5
Total	1,745,169	1,708,252	1,528,722	1,432,849	0.7	1.1	0.6
Rural Southwest Michigan							
Barry County	58,774	56,908	50,057	45,781	1.1	1.3	0.9
Branch County	46,414	45,870	41,502	40,188	0.4	1.0	0.3
Cass County	51,385	51,160	49,477	49,499	0.1	0.3	0.0
Newaygo County	49,271	48,022	38,202	34,917	0.9	2.3	0.9
Oceana County	28,074	26,970	22,454	22,002	1.3	1.8	0.2
St. Joseph County	62,864	62,534	58,913	56,083	0.2	0.6	0.5
Total	296,782	291,464	260,605	248,470	0.6	1.1	0.5

[a]Population for Holland city is total population of city located in Ottawa and Allegan counties.

[b]For comparison purposes, 1980 population for Battle Creek city is the combination of Battle Creek city (35,724) and Battle Creek township (20,615), which was annexed in 1983.

SOURCE: State of Michigan Department of Management and Budget and U.S. Census Bureau.

Table A-6
Employment by Area
(seasonally adjusted)

	2004				2003				2002				2001
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Grand Rapids Area (Kent County)													
Total employment	351,920	350,110	346,880	350,760	349,280	347,310	345,570	351,370	355,190	353,920	354,990	355,180	357,090
Goods-producing	81,510	81,700	80,820	81,420	81,100	81,710	83,020	85,310	86,730	87,290	88,280	90,220	91,880
Construction and natural resources			16,290	16,810	16,870	16,940	16,500	16,900	17,080	17,250	17,520	18,100	17,600
Manufacturing			64,540	64,600	64,230	64,770	66,520	68,410	69,650	70,040	70,760	72,120	74,280
Service-providing	241,610	240,400	237,560	241,130	239,960	236,890	233,880	236,980	239,410	238,120	238,430	236,480	236,480
Transportation and utilities			9,320	9,540	9,380	9,270	9,360	9,210	9,310	9,280	9,340	9,490	9,600
Wholesale			22,370	22,560	22,580	22,190	22,120	22,200	22,450	22,520	22,530	22,110	21,750
Retail			38,660	38,960	38,850	39,020	38,630	39,240	39,840	39,880	39,680	39,880	40,780
Information			5,440	5,500	5,550	5,430	5,530	5,610	5,970	5,900	5,970	6,520	6,210
Financial activities			17,570	17,410	17,650	18,260	18,680	18,720	18,220	18,130	18,320	18,300	18,440
Professional and business services			48,850	50,420	48,450	47,870	48,090	48,610	50,980	51,240	51,180	49,740	49,510
Education and health			51,940	51,430	52,250	52,320	47,920	49,030	48,210	47,940	47,830	46,650	46,530
Leisure and hospitality			29,080	30,520	30,140	27,760	28,560	29,230	29,040	27,880	28,400	28,770	28,370
Other services			14,330	14,790	15,120	14,770	14,990	15,140	15,380	15,350	15,200	15,020	15,280
Government	28,800	28,020	28,500	28,210	28,220	28,710	28,670	29,070	29,050	28,510	28,280	28,480	28,740
Muskegon Area (Muskegon County)													
Total employment	65,640	65,480	66,910	65,690	65,590	65,600	65,270	65,370	65,960	67,240	66,290	66,270	66,960
Goods-producing	15,320	15,410	15,810	15,350	15,280	14,890	15,270	15,600	15,770	15,940	16,150	16,580	16,670
Construction			2,350	2,220	2,230	2,330	2,420	2,500	2,660	2,580	2,610	2,720	2,910
Manufacturing			13,450	13,120	13,050	12,560	12,850	13,100	13,110	13,360	13,540	13,860	13,760
Service-providing	40,670	40,570	41,400	40,760	40,720	41,070	40,250	39,890	40,320	41,620	40,530	40,020	40,290
Transportation and utilities			1,350	1,410	1,390	1,310	1,290	1,310	1,270	1,270	1,360	1,320	1,340
Wholesale			1,440	1,500	1,500	1,790	1,750	1,810	1,810	1,890	1,930	1,930	3,060
Retail			10,920	10,700	10,670	11,020	10,980	10,850	11,230	11,360	10,920	10,830	9,840
Information			1,020	1,010	1,020	1,060	1,050	1,070	1,110	1,120	1,140	1,280	1,210
Financial activities			1,740	1,690	1,720	2,300	1,990	1,970	2,190	2,190	2,220	2,330	2,260
Professional and business services			3,930	3,820	3,670	3,450	3,520	3,680	3,640	3,640	3,540	3,810	3,630
Education and health			10,990	11,030	11,200	9,570	10,160	10,030	9,720	9,500	9,660	9,350	9,430
Leisure and hospitality			7,620	7,240	7,150	8,060	7,060	6,760	6,880	7,910	7,140	6,630	7,070
Other services			2,400	2,350	2,400	2,490	2,440	2,410	2,480	2,720	2,610	2,540	2,440
Government	9,650	9,500	9,700	9,580	9,590	9,650	9,740	9,880	9,870	9,690	9,610	9,680	10,010

NOTE: Benchmarked 2003. Blank = not applicable.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth ES-202 employment statistics, state employment figures from Current Employment Statistics (CES) of the Bureau of Labor Statistics (BLS), and Bureau of Economic Analysis (BEA) employment estimates for government.

(continued page 30)

Table A-6 (cont'd)

Employment by Area

(seasonally adjusted)

	2004				2003				2002				2001
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Holland Area (Allegan and Ottawa cos.)													
Total employment	145,220	145,060	147,240	145,270	144,610	147,280	148,300	148,120	151,170	153,750	153,100	151,760	153,490
Goods-producing	56,930	57,310	57,420	57,080	56,830	58,390	58,540	59,360	60,810	61,950	62,440	61,860	63,560
Construction			8,170	8,090	8,120	8,240	8,260	8,050	8,190	8,400	8,470	8,010	8,310
Manufacturing			49,260	48,990	48,710	50,160	50,280	51,300	52,620	53,550	53,970	53,850	55,250
Service-providing	68,350	68,260	70,020	68,500	68,210	69,200	69,880	68,600	70,210	72,040	71,050	70,150	70,880
Transportation and utilities			3,630	3,520	3,460	3,650	3,520	3,440	3,390	3,430	3,440	3,480	3,420
Wholesale			5,780	5,570	5,570	5,760	5,720	5,440	5,450	5,470	5,240	5,090	4,650
Retail			15,120	14,690	14,650	15,470	15,550	15,370	15,760	16,450	16,260	16,230	16,650
Information			1,550	1,560	1,570	1,500	1,490	1,300	1,360	1,350	1,290	1,390	1,390
Financial activities			3,570	3,430	3,480	3,780	3,770	3,700	3,670	3,720	3,820	4,070	3,850
Professional and business services			11,270	11,230	10,790	10,960	10,970	11,140	11,350	12,000	11,740	11,330	11,340
Education and health			12,070	12,110	12,300	10,750	11,650	11,600	12,270	12,140	12,340	12,210	12,340
Leisure and hospitality			11,410	10,650	10,520	11,510	11,210	10,570	11,080	11,670	11,210	10,590	11,270
Other services			5,610	5,740	5,870	5,820	6,010	6,030	5,880	5,800	5,710	5,780	5,960
Government	19,940	19,490	19,790	19,690	19,570	19,690	19,880	20,160	20,150	19,770	19,610	19,750	19,040
Kalamazoo Area (Kalamazoo County)													
Total employment	124,150	122,840	123,880	123,600	124,350	123,000	124,450	124,320	124,020	124,510	123,050	123,730	123,940
Goods-producing	27,210	27,150	26,490	27,390	28,120	28,340	28,370	28,440	27,870	28,730	28,890	29,190	29,170
Construction and natural resources			6,150	6,330	6,310	5,990	6,070	5,990	5,820	6,040	6,070	6,460	6,080
Manufacturing			20,340	21,060	21,810	22,350	22,300	22,450	22,050	22,690	22,820	22,740	23,100
Service-providing	78,700	77,800	78,740	77,710	77,680	76,580	77,880	77,670	77,780	77,200	76,050	76,100	75,540
Transportation and utilities			3,020	2,850	2,880	2,930	2,880	2,890	2,930	2,980	3,010	2,980	3,010
Wholesale			4,210	4,090	4,230	3,890	3,920	3,950	4,150	4,110	4,130	4,110	4,010
Retail			13,990	14,570	14,750	14,680	14,860	15,140	14,940	15,120	14,890	15,190	15,100
Information			1,240	1,400	1,490	1,480	1,560	1,580	1,610	1,670	1,710	1,690	1,710
Financial activities			6,990	7,220	6,630	6,620	6,580	6,440	6,650	6,490	6,470	6,540	6,580
Professional and business services			11,890	11,430	12,110	12,040	12,170	11,920	12,050	11,720	11,610	11,460	10,750
Education and health			18,530	17,990	17,410	17,090	18,140	17,990	17,230	16,980	16,490	16,350	16,340
Leisure and hospitality			12,900	12,240	12,290	11,740	11,720	11,730	11,980	11,930	11,790	11,900	11,990
Other services			5,970	5,910	5,910	6,120	6,050	6,040	6,240	6,200	5,950	5,900	6,040
Government	18,240	17,890	18,650	18,500	18,540	18,080	18,190	18,210	18,360	18,580	18,110	18,440	19,220

NOTE: Benchmarked 2003. Blank = not applicable.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth ES-202 employment statistics, state employment figures from Current Employment Statistics (CES) of the Bureau of Labor Statistics (BLS), and Bureau of Economic Analysis (BEA) employment estimates for government.

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Table A-6 (cont'd)
Employment by Area
(seasonally adjusted)

	2004				2003				2002				2001
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Battle Creek Area (Calhoun County)													
Total employment	62,750	62,490	63,810	63,130	63,610	63,410	63,930	64,410	65,130	65,620	65,740	64,750	63,130
Goods-producing	16,630	16,570	16,650	16,630	16,950	17,050	16,760	17,180	17,110	16,940	17,080	17,330	17,200
Construction			2,520	2,250	2,750	2,760	2,870	3,010	2,850	2,580	2,520	2,280	2,460
Manufacturing			14,140	14,380	14,200	14,300	13,890	14,170	14,270	14,350	14,560	15,050	14,740
Service-providing	34,470	34,420	35,200	34,640	34,750	34,740	35,480	35,530	36,230	36,750	37,030	35,580	34,740
Transportation and utilities			920	870	780	810	790	810	850	860	880	830	880
Wholesale			1,570	1,520	1,370	1,280	1,260	1,300	1,230	1,150	1,200	1,140	1,180
Retail			7,630	7,940	8,050	8,070	8,110	8,230	8,480	8,500	8,610	8,120	8,180
Information			470	540	500	510	490	550	550	560	560	550	560
Financial activities			1,680	1,850	1,750	1,740	1,720	1,690	1,740	1,740	1,750	1,740	1,700
Professional and business services			6,230	6,190	5,980	6,100	6,030	6,180	6,510	6,470	6,400	6,000	6,310
Education and health			8,580	8,300	8,500	8,420	9,010	8,790	8,810	8,820	8,560	8,350	8,150
Leisure and hospitality			5,720	5,040	5,350	5,500	5,660	5,510	5,650	6,240	6,790	6,570	5,610
Other services			2,410	2,390	2,460	2,320	2,420	2,460	2,400	2,400	2,270	2,270	2,190
Government	11,650	11,490	11,960	11,860	11,910	11,610	11,690	11,700	11,790	11,940	11,630	11,840	11,200
Van Buren County													
Total employment	21,820	21,650	22,120	21,870	21,930	21,970	22,230	21,820	22,220	22,990	22,460	22,270	21,680
Goods-producing	4,790	4,770	4,810	4,830	4,900	4,510	4,950	4,770	5,030	5,160	5,210	4,990	5,090
Construction			1,030	920	1,000	960	940	910	1,120	1,180	1,110	930	960
Manufacturing			3,780	3,910	3,900	3,540	4,010	3,860	3,900	3,980	4,100	4,070	4,120
Service-providing	11,400	11,340	11,540	11,310	11,280	11,860	11,640	11,400	11,500	12,070	11,640	11,560	11,330
Transportation and utilities			1,120	1,080	1,120	1,160	1,190	1,250	1,300	1,300	1,310	1,320	1,300
Wholesale			470	430	470	490	450	380	380	410	420	440	440
Retail			2,610	2,650	2,730	2,860	2,840	2,750	2,840	3,020	3,000	2,970	2,650
Information			110	120	110	120	120	120	130	130	120	120	90
Financial activities			1,020	1,050	940	930	910	900	930	950	960	950	970
Professional and business services			1,890	1,920	1,760	1,830	1,840	1,780	1,720	1,730	1,710	1,770	1,990
Education and health			1,290	1,180	1,210	1,260	1,280	1,280	1,300	1,310	1,230	1,200	1,230
Leisure and hospitality			2,170	2,000	2,050	2,350	2,120	2,180	2,130	2,470	2,160	2,100	2,000
Other services			860	880	890	880	900	760	780	760	730	690	670
Government	5,630	5,550	5,770	5,720	5,750	5,610	5,640	5,650	5,690	5,760	5,620	5,720	5,270

NOTE: Benchmarked 2003. Blank = not applicable.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Department of Labor and Economic Growth ES-202 employment statistics, state employment figures from Current Employment Statistics (CES) of the Bureau of Labor Statistics (BLS), and Bureau of Economic Analysis (BEA) employment estimates for government.

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