

# How important is it to cross the 1 million mark?

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May 5, 2009

# So, what's the problem?

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- In 2003, the Census Bureau, following the Office of Management and Budget (OMB) recommendations, revised and divided up the former Grand Rapids-Muskegon-Holland MSA
  - Grand Rapids-Wyoming MSA—Kent, Barry, Newaygo and Ionia counties
  - Holland-Grand Haven MSA—Ottawa County
  - Muskegon-Norton Shores MSA—Muskegon County
  - Allegan Micropolitan Area—Allegan County
- So what?

It can create a misconception of the region's—*You are no longer running with the big dogs.*

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- ❑ Business site consultants and marketing firms, who are not familiar with west Michigan, will believe erroneously that the area's labor and consumer markets are smaller than they truly are.
- ❑ This is especially the case for the Holland-Grand Haven and Muskegon-Norton Shores MSAs.

The greater Grand Rapids-Holland-Muskegon area is knocked out of many national studies because only MSA data are used.

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- Although the U.S. Census has created the Grand Rapids-Holland-Muskegon CSA (Combined Statistical Area), few studies use CSA statistics over MSA statistics.
  - The Grand Rapids-Wyoming MSA has fewer than 1 million residents.
  - For most areas, the MSA offers a good estimate of the area's labor market shed.
  - Moreover, CSA designation offers little additional data on the region which would not be available otherwise.

# The region's CSA is just over 1.3 million in population

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## Population Estimates for the Grand Rapids-Holland-Muskegon CSA

	Census 2000	Estimate 2008	Percent Change	Total Change
Grand Rapids-Wyoming MSA	740,482	776,833	4.9%	36,351
Holland-Grand Haven MSA	238,314	260,364	9.3%	22,050
Muskegon-Norton Shores MSA	170,200	174,344	2.4%	4,144
Allegan Micropolitan area	105,665	112,975	6.9%	7,310
Total CSA	1,254,661	1,324,516	5.6%	69,855

There is a loss of detailed employment data—*However, it is not as bad as in the old days.*

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This decision has seriously hampered the ability of area employers and government analysts to obtain detailed labor market statistics from the BLS and MDEG.

- Advancements in the U.S. Census *American Community Survey* and the BLS/MDEG QCEW statistics (ES-202 data) have filled in many of the holes.
  - However, you are looking at a three-quarter to one-year lag.
- And for Ottawa and Muskegon counties, BLS monthly employment data by place of work are finally available.
- Allegan County is left out in the cold for monthly employment data by place of work.
- Monthly unemployment data are still available for all areas.

# The loss of detailed manufacturing employment data can be substantial.

Industry Employment Statistics				
GRAND RAPIDS-MUSKEGON-HOLLAND MSA	No longer available for the region	GRAND RAPIDS-WYOMING MSA	MUSKEGON-NORTON SHORES MSA	HOLLAND-GRAND HAVEN MSA
<b>Natural Resources, Mining &amp; Construct</b>		<b>Natural Resources, Mining &amp; Construct</b>	<b>Natural Resources, Mining &amp; Construct</b>	<b>Natural Resources, Mining &amp; Construct</b>
Construction	X			
Specialty Trade Contractors	X	Specialty Trade Contractors		
Bldg Equipment Contractors	X			
<b>Manufacturing Durable Goods</b>		<b>Manufacturing Durable Goods</b>	<b>Manufacturing Durable Goods</b>	<b>Manufacturing Durable Goods</b>
Fabricated metals	X			
Machinery mfg	X			
Computer and electronics	X			
Transportation equipment		Transportation Equipment Manufacturing	Transportation Equipment Manufacturing	Transportation Equipment Manufacturing
Motor vehicle parts	X	Motor Vehicle Parts Manufacturing		
Motor vehicle gasoline	X			
Motor vehicle metals	X			
Furniture and related	X	Furniture and Related Product Manufacturing		Furniture and Related Product Manufacturing
Office furniture	X	Office Furniture (including Fixtures)		Office Furniture (including Fixtures)
<b>Non-Durable Goods</b>	X	<b>Non-Durable Goods</b>	<b>Non-Durable Goods</b>	
Food Manufacturing	X	Food Manufacturing		
Paper Manufacturing	X	Chemical Manufacturing		
Plastics and Rubber Products Manufacturing	X	Plastics and Rubber Products Manufacturing		

# Losses in service employment as well.

Industry Employment Statistics (continue)				
GRAND RAPIDS-MUSKEGON-HOLLAND MSA	No longer available for the region	GRAND RAPIDS-WYOMING MSA	MUSKEGON-NORTON SHORES MSA	HOLLAND-GRAND HAVEN MSA
Service-Providing Private Service-Providing		Service-Providing Private Service-Providing	Service-Providing Private Service-Providing	Service-Providing Private Service-Providing
<b>Professional and Business Services</b>		<b>Professional and Business Services</b>	<b>Professional and Business Services</b>	<b>Professional and Business Services</b>
Professional Scientific and Technica	X	Professional Scientific and Technica		
Administrative and Support and Waste	X	Management of Companies and Enterpri Administrative and Support and		
Administrative and Employment Services	X	Waste Employment Services		
Temporary Help Services	X			
Services to Building	X			
<b>Educational and Health Services</b>		<b>Educational and Health Services</b>	<b>Educational and Health Services</b>	<b>Educational and Health Services</b>
Educational Services	X	Educational Services		
Elementary and Secondary Schools	X	Elementary and Secondary Schools		
Health Care and Social Assistance	X	Health Care and Social Assistance		
Ambulatory Health Care Services	X	Ambulatory Health Care Services		
Hospitals	X	Hospitals		
Nursing and Residential Care Facilities	X	Nursing and Residential Care Facili		
Nursing Care Facilities	X	General Medical and Surgical Hospi		

# The City of Holland has a problem.

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- Ottawa County and especially the City of Holland, which straddled Allegan and Ottawa counties is a big loser.
  - Companies in the HEDCOR industrial park and all firms located south of 32<sup>nd</sup> Street are excluded from the county's employment count.

# So, how were MSA boundaries derived?

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- The OMB established a simple and somewhat arbitrary decision rule: for counties to be grouped into the same MSA, at least, 25 percent of the county's employed residents must commute to the neighboring county.

# Is the 25% rule a good one?

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- It identifies the importance of the area's labor market shed.
- However, there are other ways to define a region.
  - Industrial cluster
  - Perceptions
- And what is so magical about 25%?

# So what has been the region's commuting pattern?

**Percent of Employed County Residents by Workplace in 2000**

County of Residence	Total Employed Residents	Workplace County						
		Allegan	Barry	Ionia	Kent	Muskegon	Newaygo	Ottawa
<b>Allegan</b>	51,182	48.8%	0.8%	0.1%	16.4%	0.3%	0.0%	19.6%
<b>Barry</b>	26,921	4.5%	40.8%	1.9%	25.8%	0.1%	0.0%	1.0%
<b>Ionia</b>	26,669	0.3%	1.7%	48.2%	26.6%	0.2%	0.0%	0.6%
<b>Kent</b>	284,236	1.0%	0.3%	0.5%	91.0%	0.5%	0.1%	4.1%
<b>Muskegon</b>	75,376	0.7%	0.0%	0.1%	6.0%	74.9%	1.1%	15.7%
<b>Newaygo</b>	20,086	0.3%	0.1%	0.1%	26.7%	7.1%	53.0%	3.1%
<b>Ottawa</b>	121,120	7.2%	0.1%	0.1%	24.7%	4.0%	0.1%	62.4%

Ottawa County fell short by 0.3% from becoming a part of the Grand Rapids-Holland MSA.

# Still nearly 30,000 Ottawa residents commuted to Kent County in 2000.

**2000 Commuting Flows**

County of Residence	Workplace County						
	Allegan	Barry	Ionia	Kent	Muskegon	Newaygo	Ottawa
Allegan	-	395	40	8,375	167	13	10,057
Barry	1,213	-	515	6,939	21	3	273
Ionia	85	457	-	7,092	56	10	172
Kent	2,791	862	1,383	-	1,409	357	11,772
Muskegon	509	28	48	4,508	-	830	11,845
Newaygo	55	18	18	5,369	1,418	-	629
Ottawa	8,717	90	119	<b>29,963</b>	4,827	130	-

The total number of Kent County commuters living in Barry, Ionia and Newaygo counties was 19,400 in 2000, which is only 65 percent of the number commuting from Ottawa County.

If only 317 more workers commuted from Ottawa County...

**Number of Additional Commuters Needed For Counties to be Included in a Larger MSA**

	Current Number of Commuters	Additional Number Needed	% of total
<b>To be Included in the Grand Rapids-Wyoming MSA</b>			
Ottawa	29,963	317	0.3
Allegan	8,375	4,423	8.6
Muskegon	4,508	14,336	19.0
Barry	6,939	N.A.	
Ionia	7,092	N.A.	
Newaygo	5,369	N.A.	
<b>To be Included in the Holland-Grand Haven MSA</b>			
Allegan	10,057	2,741	5.4
Muskegon	11,845	6,999	9.3
<b>To be Included in the Muskegon-Norton Shores MSA</b>			
Ottawa	4,827	25,453	21.0

# Summary: The bad news

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- For site selectors who do not know our area, the new border definitions paint an incorrect picture.
  - The labor market appears thinner than it is.
- The region no longer runs with the big dogs.
  - The Grand Rapids-Wyoming MSA ranks 66th.
  - If the Grand Rapids-Holland-Muskegon CSA was a MSA, it would rank 40<sup>th</sup>.
  - If there were a Grand Rapids-Holland MSA, it would rank 51<sup>st</sup>, but it would be above 1 million in population.

# Summary: The good news

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- Ottawa and Muskegon counties get better data and are identified as independent areas.
  - For companies wanting a small area, this could be an advantage.
  - However, for companies looking for larger market, the two counties will be ignored.

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