

7th Annual Benton Harbor Area Benchmarking Study Executive Summary

The following are the key findings of the 7th annual Benton Harbor Area Benchmarking study. The purpose of the study is to establish an economic database that enables Cornerstone Alliance to monitor changes in the area's key economic attributes which businesses examine when selecting plant locations.

During the time since the previous edition of this benchmarking study was released, the nation has endured a period of recession and slow economic recovery. For Berrien County, the data confirms the damage has been done, and suggests an even more disturbing conclusion: the area is more susceptible than expected to the fluctuations of the business cycle, and thus has been harder hit by the 2001 recession.

Positive Developments

- In manufacturing, earnings per worker reached \$50,231 in 2001 and were nearly 15% higher than the average for the comparison areas, \$43,971.
- In 2002, Berrien County's unemployment rate, 6.1 percent, was just slightly below the comparison group average of 6.2 percent.

Negative Developments

- Berrien County continues to struggle to maintain residents. Between 2000 and 2002 total population fell 0.2 percent.
- Per capita income for Berrien County fell 0.4 percent in 2001.
- Total employment in Berrien County fell 3.8 percent during 2001 and did not recover in 2002, declining an additional 1.3 percent.
- Manufacturing has taken a substantial hit in Berrien County. Employment in the manufacturing sector dropped 12.6 percent in 2001 and 6.9 percent in 2002.
- In 2002, county retailers were only able to capture 58.8 percent of the area's effective buying income, as opposed to an average capture rate of 82.4 percent in the comparison counties.
- Between 1998 and 2001 the number of business establishments in Berrien County dropped 1.5 percent, compared to 0.7 percent in the comparison group.
- The average price of a new-construction single-family home in Berrien County fell 7.9 percent in 2002—the first decline in nine years.
- In the 2001-2002 school year, test scores declined in Berrien County's urbanized school districts.

This Page Intentionally Blank