

WEST MICHIGAN VIEWPOINT

2008 Was Worse than Just Mediocre

Revised employment estimates show that in 2008 the national recession hit west Michigan harder than previously believed, as regional employers cut their workforces by 1.4 percent during the year, instead of by the more modest 0.6 percent reduction reported earlier. This is a difference of 6,400 jobs. Estimates of employment conditions in five of the region's six metropolitan areas were revised downward.

Every March, the Michigan Department of Energy, Labor, and Economic Growth (DELEG) releases its "rebenchmarked" employment estimates for the past two years, based on the availability of more complete firm-level data. The earlier monthly employment estimates are based on a voluntary monthly survey of employers.

The largest revisions occurred in the region's professional and business services sector and in its leisure and hospitality sector. Previously, employment estimates had both sectors gaining employment—they picked up 1,100 jobs and 100 jobs, respectively, in 2008. DELEG's revised estimates now show that the region's professional and business service providers cut employment by 1,400 and that its leisure and hospitality sector eliminated 1,800 workers in 2008.

On the upside, the region's private education and health care providers hired 900 more workers during the year than previously believed. Employment levels in the region's other sectors changed only modestly because of the revisions.

In 2008, employment conditions in the Battle Creek MSA were not as bad as previously thought. Employment fell by only 1.3 percent during the year, compared to the previously estimated 2.5 percent decline.

Unfortunately, 2008 employment conditions in the region's remaining five metro areas were worse than previously reported. The Grand Rapids–Wyoming MSA suffered the largest negative revision: according to the new estimates, employment declined by 1.3 percent in the four-county MSA in 2008, instead of by 0.2 percent. In the Kalamazoo–Portage MSA, employment apparently fell by 1.4 percent instead of by the previously estimated 0.8 percent. In the Muskegon–Norton Shores MSA, employment fell by 1.7 percent during the year and not by the earlier-estimated 0.5 percent. The opening of the Four Winds Casino apparently did not have as much of an impact as previously estimated on the Niles–Benton Harbor MSA, as the new estimates report that employment remained unchanged in 2008 instead of rising by 1.3 percent. Finally, in the Holland–Grand Haven MSA, the revision showed that employment conditions in 2008 were slightly worse than previously believed.

In short, the current recession hit west Michigan harder in 2008 than previously reported. Let's hope we will be surprised in the opposite direction next year when we review what really happened in 2009.

West Michigan						
Estimated 2008 Employment Change by Major Sector						
Industry	New rebenchmarked estimates			Old estimates		Change, new/ old estimates
	2008 estimate	% change from 2007	Employment change	% change from 2007	Employment change	
Total nonfarm	826,200	-1.4	-11,300	-0.6	-4,900	-6,400
Manufacturing	163,100	-3.3	-5,600	-3.2	-5,500	-100
Construction	33,300	-3.3	-1,100	-5.2	-1,800	700
Retail	89,700	-1.9	-1,800	-1.3	-1,200	-600
Financial activities	37,100	0.0	0	-0.1	0	0
Professional and business svcs.	97,500	-1.4	-1,400	1.1	1,100	-2,500
Education and health svcs.	125,400	2.8	3,400	2.1	2,500	900
Leisure and hospitality	73,900	-2.4	-1,800	0.2	100	-1,900
Other services	35,500	0.1	0	0.1	0	0
Government	102,000	-0.2	-200	0.2	300	-500
Total Employment						
Estimated 2008 Employment Change by Area						
Metropolitan area	New rebenchmarked estimates			Old estimates		Change, new/ old estimates
	2008 estimate	% change from 2007	Employment change	% change from 2007	Employment change	
Battle Creek	58,300	-1.3	-800	-2.5	-1,500	700
Grand Rapids–Wyoming	384,500	-1.3	-4,900	-0.2	-800	-4,100
Holland–Grand Haven	111,400	-2.1	-2,400	-1.8	-2,000	-400
Kalamazoo–Portage	143,600	-1.4	-2,100	-0.8	-1,100	-1,000
Muskegon–Norton Shores	63,900	-1.7	-1,100	-0.5	-300	-800
Niles–Benton Harbor	64,700	0.0	0	1.3	800	-800
West Michigan	826,200	-1.4	-11,300	-0.6	-4,900	-6,400