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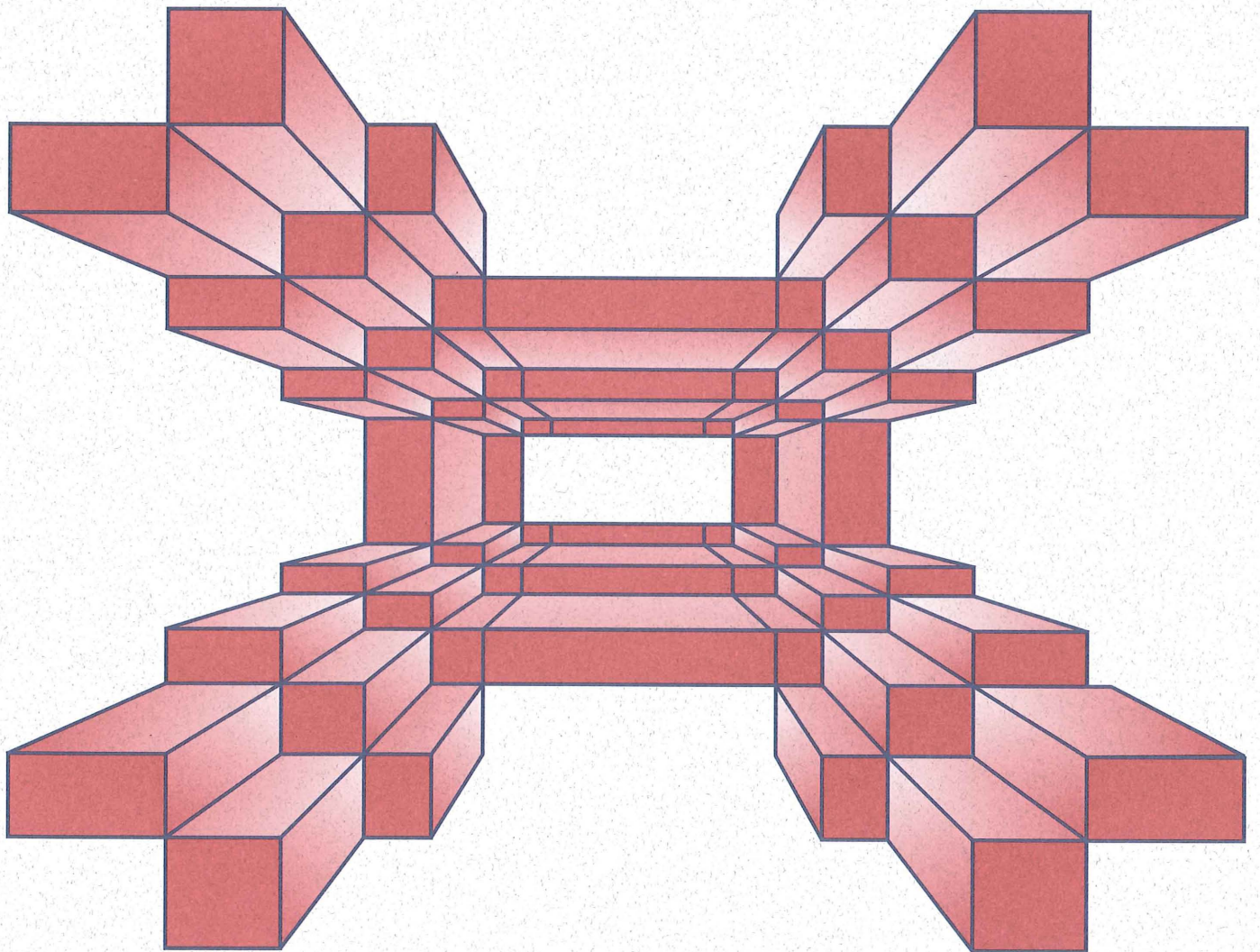
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BUSINESS OUTLOOK

for West Michigan



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for West Michigan

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W.E. UPJOHN INSTITUTE for Employment Research

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WEST MICHIGAN VIEWPOINT

2003 Revisited: West Michigan Fared Slightly Worse than Previously Thought

Layoffs Harsher Than Thought

Now that the dust has settled, it seems that employment conditions in west Michigan last year were worse than previously reported by the Bureau of Labor Statistics (BLS). In short, there were 3,400 fewer jobs in the three metropolitan areas of west Michigan in 2003, and overall employment fell by 1.8 percent during the year, instead of by a lower 1.3 percent, as was previously estimated. In particular, employment conditions in the Grand Rapids–Muskegon–Holland MSA were much harsher than previously reported, with 7,500 more jobs having been lost during the year.

Monthly employment statistics on the national, state, and especially the local level are only estimates based on monthly surveys of firms. The methodology used by the Bureau of Labor Statistics to estimate current employment statistics has been thoroughly tested and evaluated and has been found to be sound. Nevertheless, no estimating procedure is perfect; all can and do generate errors. Employment estimates for local areas are particularly vulnerable to error because the number of employers responding to the monthly surveys can be uncomfortably small. To correct for possible survey errors, each March the BLS taps into the tabulated unemployment insurance records for the previous two years, which provide a nearly complete employment census of local and statewide employers, and revises its previous monthly employment estimates.

Large Swings From Previous Estimates

Revisions vary by MSA, with some having done better than previously estimated. As shown in Table 1, employment declines in the Benton Harbor and the Kalamazoo–Battle Creek MSAs in 2003 were not as severe as previously reported. In the Benton Harbor MSA the revision is modest; actual employment fell by 1.0 percent instead of 1.1 percent. In the three-county Kalamazoo–Battle Creek MSA the employment correction was more pronounced; actual employment fell by only 0.8 percent, not the previously estimated 2.0 percent. This translated into 3,600 more jobs for the area in 2003 than had been earlier estimated.

However, 2003 employment conditions in the larger Grand Rapids–Muskegon–Holland MSA were far worse than previously reported. Actual employment in the four-county MSA fell by 2.3 percent, which was more than double the previously estimated 1.0 percent decline. The area lost 7,500 more jobs during the year than had been

earlier believed. In percentage terms, the area's employment level for 2003 was 1.3 percent less than previously estimated.

Gains and Losses

In Table 2, I highlight the industries where the most significant employment revisions were made in each of the region's MSAs. On a bright note, the region's tourist-related leisure and hospitality sector did much better than previously estimated. The industry gained 500 jobs in the Benton Harbor MSA from the previous estimate, and the more specific accommodations sector in the Grand Rapids–Muskegon–Holland MSA picked up 1,400 more workers.

To no one's surprise, however, the revised statistics clearly show that major components of the region's manufacturing sector took more of a beating than previously estimated. In the Grand Rapids–Muskegon–Holland MSA, actual employment in furniture plunged by 18.3 percent during the year instead of by 10.2 percent, as the industry eliminated 1,700 more jobs during the year than previously reported. On the other hand, the area's motor vehicle parts producers did better in the MSA, generating 700 more jobs than previously estimated. The same was not true in the Kalamazoo–Battle Creek MSA for motor vehicle parts producers; a previously reported 9.4 percent increase was revised sharply downward to an 8.6 percent decline, a negative swing of 1,600 jobs.

Turning to the region's service-providing industries, the monthly surveys did not capture the harsh conditions facing professional and administrative services in the Grand Rapids–Muskegon–Holland MSA. Employment in the area's professional services sector was previously reported to have declined by 0.6 percent in 2003, while employment in the area's administrative sector was estimated to have increased slightly, by 0.3 percent. Now the revisions show that employment actually fell by approximately 5.0 percent in both sectors during 2003, with the sectors' combined employment levels for the year being nearly 5,000 less than previously estimated. Similarly, the surveys failed to detect growth in the same fields in the Kalamazoo–Battle Creek MSA. But the largest corrections occurred in the private education and health sectors. In both cases, earlier estimates of employment declines of 2.5 and 2.7 percent, respectively, were dramatically reversed. Employment in the area's private education sector rose by 3.5 percent for the year, and employment in the area's health sector increased by 4.6 percent. Each sector had about 1,700 more employees than previously estimated.

Table 1
Employment Estimates

	2003 Employment		Change	
	Old estimate	New estimate	Percent	Number
Benton Harbor MSA	68,300	68,800	0.7	500
Change from 2002 (%)	-1.1	-1.0		
Grand Rapids–Muskegon–Holland MSA	568,300	560,800	-1.3	-7,500
Change from 2002 (%)	-1.0	-2.3		
Kalamazoo–Battle Creek MSA	206,300	209,900	1.7	3,600
Change from 2002 (%)	-2.0	-0.8		
West Michigan	842,900	839,500	-0.4	-3,400
Change from 2002 (%)	-1.3	-1.8		

SOURCE: BLS pre- and post-benchmarked employment statistics.

Table 2
Major Employment Revisions by Industry Sector

	Percent change		Employment change
	Previous	Revised	
Benton Harbor			
Education and health	1.5	-6.9	-900
Leisure and hospitality	-6.1	2.2	500
Grand Rapids–Muskegon–Holland			
Furniture products	-10.2	-18.3	-1,700
Motor vehicle parts	-6.3	-3.0	700
Retail	-0.4	-3.0	-1,700
Finance, insurance, real estate	-4.9	-1.2	900
Professional	-0.6	-5.0	-2,900
Administrative	0.3	-5.1	-2,000
Accommodations	-3.6	0.0	1,400
Government	0.0	0.0	-1,200
Kalamazoo–Battle Creek			
Motor vehicle parts	9.4	-8.6	-1,600
Retail	3.3	-2.5	-1,500
Finance, insurance, real estate	9.8	-3.1	-900
Professional	-4.5	0.7	1,000
Administrative	-5.8	3.5	1,000
Education	-2.5	3.5	1,700
Health	-2.7	4.6	1,700
Food service	-0.1	-7.4	-1,200
Government	-6.5	-0.5	2,100

SOURCE: BLS pre- and post-benchmarked employment statistics.

Statistics Only Go So Far

My purpose in analyzing the errors that occurred in last year's employment estimates is threefold. First, to those individuals whom I talked to during the year who disagreed with the statistics I was presenting: OK, you were right.

Second, I strongly believe that the U.S. Bureau of Labor Statistics should be better funded so that it can better do its job. As I said earlier, the BLS methodology is statistically sound, but the sample sizes for local areas are often too small to avoid the high probability of making major revisions in the employment estimates when more complete data become available. Employment data are no different than anything else: you get what you pay for. Most all economists—conservatives and progressives alike—agree that the provision of timely and accurate economic statistics is a valuable service which warrants public support.

Finally, the demonstrated potential for error in the collection of local data only confirms the need for the public to accept monthly employment estimates as good-faith estimates that are subject to error. If a major business decision is being considered, don't simply rely on government statistics (or on privately generated statistics—who knows how those are made?). Instead, accept the wisdom of Yogi Berra: "If you look around, you might see something."

NATIONAL ECONOMY

Another Strong Quarter

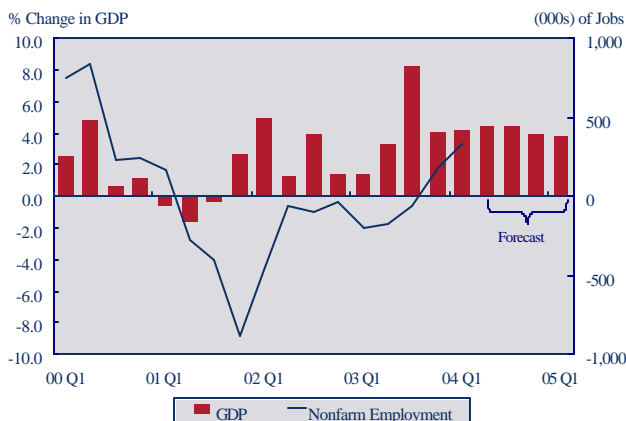
The nation's Gross Domestic Product (GDP) increased at a strong 4.4 percent annual rate in the year's first quarter, just exceeding its 4.1 percent pace achieved during the last quarter of 2003. The nation's employment situation has improved dramatically during the past two months, with employers adding 625,000 workers to their payrolls. More is yet to come: low inventories and longer lead times, as measured by the Institute for Supply Management (ISM) index on delivery time, suggest that new orders and business activity will only increase during the current second quarter. In April, industrial production rose 0.8 percent, and the

another 288,000 workers, with the nation's factories hiring 21,000 new workers. The nation's manufacturers of plastics, fabricated metals, machinery, and transportation equipment reported net employment gains for the month. Even the nation's furniture makers added 2,400 jobs, a welcome sign for the west Michigan region.

Not surprisingly, the increase in hiring pushed the nation's unemployment rate down to 5.6 percent in April, with the ranks of the nation's unemployed dropping by 188,000 during the month. In addition, average weekly earnings rose slightly, suggesting that some labor markets in the country are starting to tighten.

Up until this year, manufacturing employment growth was held back by the combination of robust productivity gains and increased outsourcing of jobs to low-wage countries, especially Mexico and China. Economists disagree on the relative impact of the two factors, although strong media coverage of firms such as Electrolux and Johnson Controls moving jobs to Juarez and Ramos Arizpe, Mexico, has caught the attention of the nation's political leaders. During the first quarter, productivity in manufacturing rose by 5.3 percent over the same period last year. While the first quarter's increase was lower than the previous quarter's 5.8 percent, it still meant that output had to surpass that rate before manufacturers would be pressured to hire additional workers.

Gross Domestic Product and Nonfarm Employment



nation's factories ran at 76.9 percent of capacity, the highest level since July 2001. The ISM business activity index for the nonmanufacturing sector increased to 68.4 in April, with 16 out of 17 industry groups reporting higher growth during the month than for the previous month.

Of course, the pessimists in the crowd can point to the lack of movement in consumer confidence, uncertainty in the nation's equity markets, the volatile situation in the Middle East, and rising gas prices as signs that the economy is still not out of the woods. Still, most analysts believe that it is unlikely that any of these developments will derail the improving economy.

Even the Nation's Manufacturers Are Hiring

During the first quarter, employers increased their payrolls by 360,000 workers, and the pace is picking up. In March, employers hired 337,000 new workers, with employment in the nation's struggling manufacturing sector increasing by 9,000 workers. This was the first employment gain in the sector in 43 months. In April, employers added

Still, Business Investment Spending Is Limited to Computers

Investment spending on information processing equipment and software rose at a 17.0 percent annual rate in the quarter. The sector was the major driver for nonresidential investment spending, which recorded a 5.8 percent annualized increase for the quarter. Spending on industrial machinery rose at a more modest 7.6 percent annual pace. However, spending on transportation equipment fell at a 13.0 percent annual rate during the quarter. Recent reports suggest that spending on capital equipment is improving; still, there continue to be signs of softness. In Grand Rapids for instance, Siemens Dematic, a major manufacturer of conveyor systems and other material handling equipment, continues to lay off workers due to sagging orders.

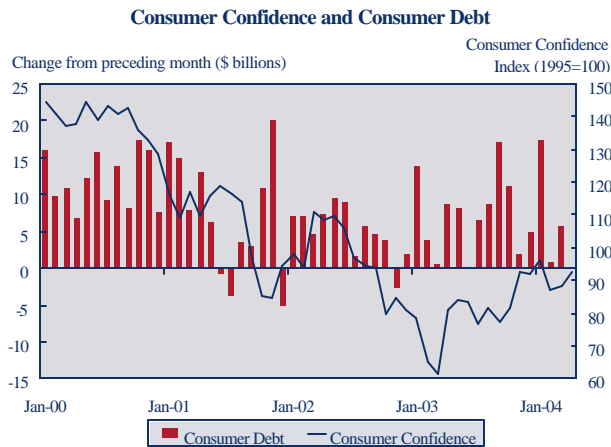
Nonresidential construction is still below ground level, falling at a 7.1 percent annualized rate during the quarter. The lack of new office construction is one of the factors that are keeping the nation's office furniture industry in the doldrums. Still, in January, the Business and Institutional Furniture Manufacturer's Association (BIFMA) released its

industry forecast for the year, which, after three consecutive years of decline, calls for a 5.6 percent increase in the value of shipments.

Residential construction, on the other hand, rose at a robust 9.8 percent annualized rate, as home buyers and developers continued to take advantage of historically low mortgage rates. Unfortunately, the improving economy and isolated price increases may push interest rates slightly upward in the coming months.

Gas Prices Fuel Inflationary Concerns

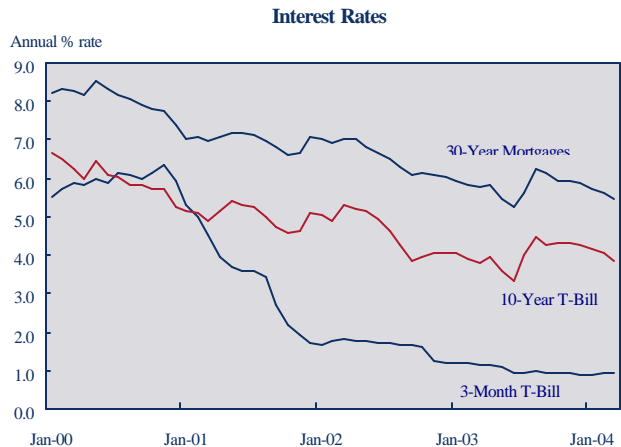
In April, consumer prices were still stable. The recent run-up in gas prices will not be seen in the numbers until the May report, which will be released in mid-June. The Consumer Price Index (seasonally adjusted) rose by 0.2 percent in April and by 2.3 percent during the past 12 months. The “core rate” of CPI, which excludes energy and food prices, increased by a modest 0.3 percent during April.



Rising oil prices did push producer prices upward in April, however. The Producer Price Index rose by 0.7 percent during April, which was slightly higher than its 0.5 percent gain in March. Energy prices increased by 1.6 percent because of a 3.4 percent jump in gas prices during the month. In fact, if energy and food are taken out of the mix, wholesale prices increased only a modest 0.2 percent in April.

On average, gas prices hit \$2.02 per gallon in the week of May 17, 52 cents higher than at the same time last year. The summer driving season will only add to the already high international demand for gas. As in the tight international steel market, fingers are pointing at China as one of the major sources of the increase in world demand. Combine high demand with production uncertainties in the Middle East, low domestic stockpiles, and refinery capacity, and it appears that prices will not be dropping soon. As will be discussed later, the jump in gas prices has, at least temporarily, slowed sales of gas guzzling SUVs.

Most economists agree that the Federal Reserve Board (the Fed) will push interest rates slightly upward. The federal funds rate—the rate banks charge each other for overnight loans—has remained at its historical low of 1.0 percent for the past 10 months. Most economists expected the Fed to bump the rate up to 1.5 percent by the fall. A small bump in short-term rates as early as June would not be unexpected.



The Nation’s Trade Deficit Continues Despite Weak Dollar

Although the dollar is still substantially weaker against most major currencies than it was a year ago, the nation still ran up a record \$45.96 billion trade deficit for March. The weaker dollar did help boost exports to a robust \$94.7 billion for the month, a 2.6 percent increase over February. Still, imports increased as well, by 4.6 percent to \$140.7 billion in the month, because of both higher oil prices and strong domestic sales of imported goods. The value of oil imports climbed by more than 20 percent in March, reaching a record \$10.2 billion. Moreover, although the dollar has fallen relative to most currencies, making many imports, especially from Europe, more expensive, China continues to peg the value of the yuan to the dollar, which effectively keeps the prices of its exported goods from rising in U.S. markets.

Economic Outlook Remains Promising

Nearly all forecasts are calling for the nation’s GDP to grow between 4.5 and 5.0 percent for the year. In fact, the May polling of professional forecasters, as reported in Blue Chip Indicators, agreed with a similar consensus forecast conducted by the Philadelphia Federal Reserve Bank which, in turn, matched the May forecast released by the University of Michigan. All three are calling for the nation’s GDP to grow by 4.6 percent in 2004.

REGIONAL ECONOMY

The Midwest Economy Is Turning Around

Economists at the Federal Reserve Bank of Chicago submitted one of their more positive *Beige Book* reports in years. While employers still hesitated in adding more workers, surveyed manufacturers reported solid increases in orders and backlogs. Representatives from the region's steel mills reported strong increases in orders. In fact, the increases were too strong, according to a heavy equipment manufacturer who reported to the Federal Reserve's economists that his orders were being restricted by shortages in construction steel.

Higher steel prices are also a growing concern for many manufacturing outfits in the Great Lakes states. Analysts point to China's nearly insatiable demand for steel, an appetite that continues to expand at a rapid pace. In addition, the low value of the dollar relative to other major currencies is making imported steel more expensive. Finally, bankruptcies, shutdowns, and consolidations in the industry during the past three years have lowered the United States' capacity to make steel.

The region's banks reported to the Federal Reserve economists that consumer lending was on the rise, with mortgage demand staying strong. Certainly, realtors, especially in the Chicago area, reported that even houses in the upper end of the market were moving. Even so, the

area's commercial banks also said that business lending was still flat and below expectations.

During the 12-month period ending in March of this year, Indiana and Wisconsin experienced employment gains, while the other three Great Lakes states continued to suffer losses. Total employment in the five-state region fell by nearly 38,000 jobs during the period, with Michigan faring the worst as its employers eliminated 52,200 jobs, or 1.2 percent of their workforce. Employment in manufacturing fell by nearly 90,000 jobs in the five-state area. Still, in percentage terms, Illinois, Indiana, and Wisconsin retained a greater share of their manufacturing employment than the nation as a whole. Again, Michigan was the hardest hit, as employment in its manufacturing sector fell by 3.6 percent. Ohio was a close second, with manufacturing employment declining by 3.5 percent.

Car Sales Remain Strong

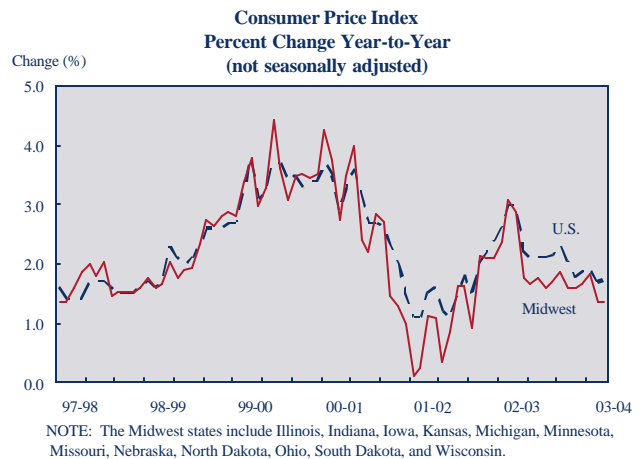
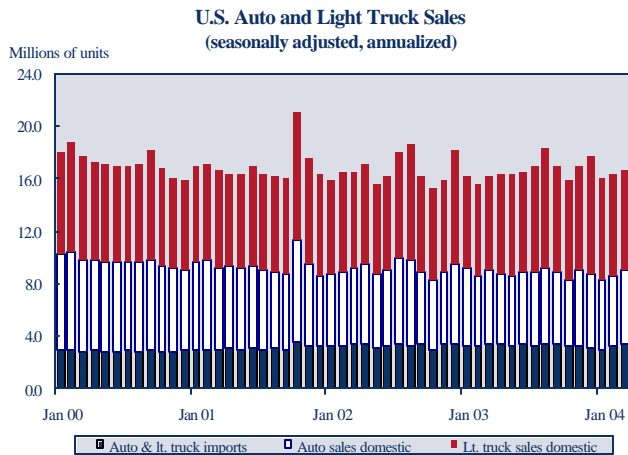
Auto sales during the first quarter reached a 16.3 million unit annualized rate, which was 2.5 percent higher than the pace set during the same quarter last year. Domestic production of cars and light trucks cruised at a 12.1 million unit pace during the same period. March sales hit a 16.6 million unit pace and were driven by a jump in auto sales, as light truck sales rose only modestly. Higher gas prices may be on the minds of buyers as they test drive

Employment and Earnings (seasonally adjusted)

Great Lakes Region	March 2004	March 2003	Change (%)	Great Lakes Region	March 2004	March 2003	Change (%)
Illinois				Ohio			
Total employment	5,796,700	5,807,200	-0.2	Total employment	5,381,400	5,398,100	-0.3
Mfg. employment	709,200	726,800	-2.4	Mfg. employment	828,300	858,600	-3.5
Avg. weekly hours	40.9	40.4	1.2	Avg. weekly hours	41.3	41.4	-0.2
Avg. hourly earnings	\$15.49	\$15.07	2.8	Avg. hourly earnings	\$17.89	\$18.01	-0.7
Indiana				Wisconsin			
Total employment	2,910,000	2,892,900	0.6	Total employment	2,798,800	2,774,400	0.9
Mfg. employment	569,100	578,900	-1.7	Mfg. employment	504,500	509,800	-1.0
Avg. weekly hours	42.5	41.9	1.4	Avg. weekly hours	40.7	40.3	1.0
Avg. hourly earnings	\$17.74	\$17.74	0.0	Avg. hourly earnings	\$16.18	\$16.02	1.0
Michigan				United States			
Total employment	4,371,600	4,423,800	-1.2	Total employment (000)	130,614	129,921	0.5
Mfg. employment	712,100	738,800	-3.6	Mfg. employment (000)	14,330	14,717	-2.6
Avg. weekly hours	43.1	41.8	3.1	Avg. weekly hours	40.9	40.4	1.2
Avg. hourly earnings	\$21.90	\$20.89	4.8	Avg. hourly earnings	\$16.02	\$15.63	2.5

NOTE: March 2004 lists preliminary numbers.

SOURCE: U.S. Bureau of Labor Statistics (BLS).



roomy SUVs that offer only half the fuel efficiency of cars. In fact, General Motors, Ford, and DaimlerChrysler have reportedly upped the value of their incentives on their SUVs. The total incentive package now available for General Motors's GMC Yukon series is approaching \$5,000. SUV inventories have exceeded a 100-day supply, according to the Autodata Corporation. Automakers prefer inventories offering a 60 to 65 day supply.

The March car and light truck sales were also stimulated by another round of incentives, which were fully expected by price-conscious buyers. According to Bank One, new vehicle prices dropped by 0.1 percent in March and are 1.1 percent lower than a year ago. Used car prices are more than 10 percent lower than they were last year, offering the more price-conscious buyer an attractive alternative to buying new. Auto sales forecasts for 2004 range from 17 million units by Grand Rapids-based IRN Incorporated to 16.4 million units by Bank One. The University of Michigan in its May update lands almost in the middle of the two with a forecast of 16.6 million units.

Hyundai is on schedule to complete its first North American plant, in Montgomery, Alabama. When up and running in 2005, the plant will be the fourth auto assembly

plant in that state. In addition, Mercedes Benz, Toyota, and Honda are all expanding their existing facilities in Alabama. According to Ward's *AutoWorld*, suppliers' investment, either planned or completed, now has reached \$475 million in Alabama. The four firms will employ 4,000 workers when they are all up and running at full gear.

Finally, Detroit's crosstown rivals, Ford and General Motors, announced plans to jointly invest \$720 million into the design and assembly of a new six-speed, front-wheel-drive transmission. The transmission will be built in both companies' plants in Michigan and Ohio.

Consumer Prices Still Trail the Nation

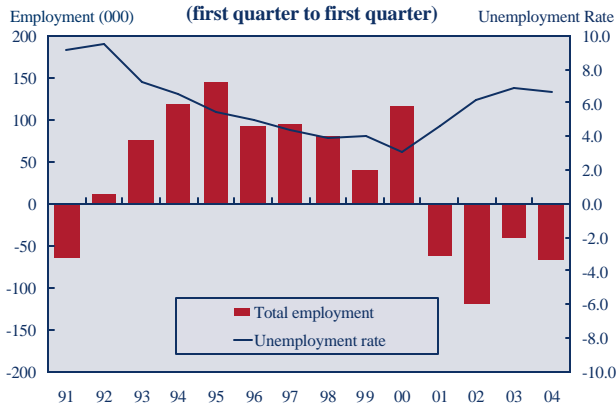
Consumer prices in the 10-state Midwest region continue to lag behind the nation's. In April, consumer prices in the Midwest rose by 1.3 percent from a year ago, whereas consumer prices nationwide increased by 1.7 percent. While neither index reflects the most recent run-up in gasoline prices, both suggest that the economic activity in the Midwest may still be below average, making it relatively more difficult for the region's retailers to raise prices.

STATE OF MICHIGAN ECONOMY

Total employment in the state fell by 0.7 percent during the first quarter of 2004. Employment declines were uniform across the major industrial sectors during the quarter. At the same time, however, the number of employed state residents rose by a surprising 1.1 percent during the quarter, which pushed the state's unemployment rate down to 6.7 percent. The discrepancy between the two employment measures is hard to rectify. The state's economic indices were mixed in the quarter, suggesting that employment conditions may improve only slightly during the summer months.

Construction employment fell by 2.0 percent during the first quarter, while manufacturing employment declined by only 0.2 percent. In fact, the annualized rate of decline in manufacturing employment during the quarter, 1.0 percent, was substantially below the 3.8 percent decline it suffered during the past four quarters. Employment in the state's auto-dependent durable goods manufacturing sector rose by 0.1 percent during the quarter.

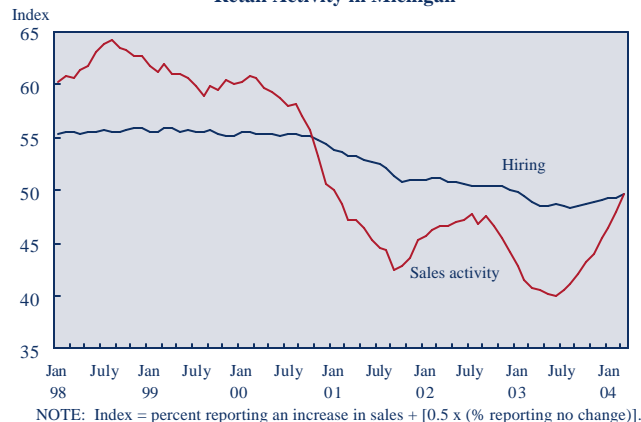
Michigan Employment Change and Unemployment Rate (first quarter to first quarter)



In the private service-providing sector, significant employment reductions were reported in two of the state's typically better performing sectors: professional and business, and education and health services. These losses swamped the modest gains reported in financial activities, leisure and hospitality, and transportation and utilities. Meanwhile, severe budget constraints on the state and local governmental levels, including K-12 public schools, community colleges, and universities, caused the state's government sector to eliminate 4,500 jobs, a 0.7 percent decline in employment.

Retail activity continues to improve, according to the monthly survey of the state's retailers conducted by the

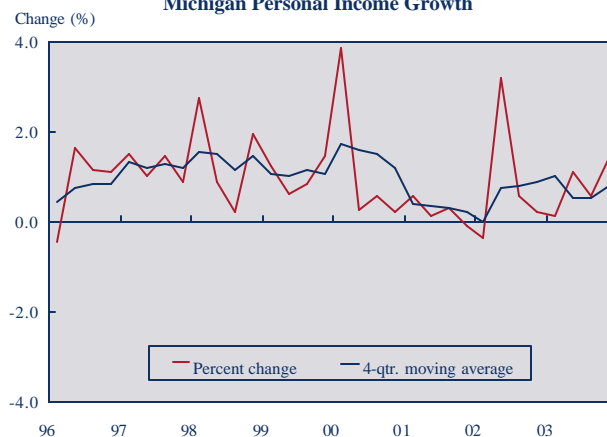
Retail Activity in Michigan



Federal Reserve Bank of Chicago in association with the Michigan Association of Retailers. Retail activity has been steadily rising during the past ten months, according to the survey results. The state's increase in retail activity is supported by the slow but steady improvement in its personal income, which has been on the rise for the past six quarters.

Still, Michigan's retailers' hiring plans have remained relatively unchanged, according to the monthly survey. This finding is supported by the 0.5 percent decline in retail employment during the first quarter and the 1.7 percent fall in the sector's employment levels recorded during the past year.

Michigan Personal Income Growth



Despite the overall loss of nearly 29,000 jobs in the state during the first quarter, the number of employed residents increased by a remarkable 52,930 in the quarter. The state's unemployment rate dropped from 7.6 percent to 6.7 percent during the quarter. Such a discrepancy between

the two employment series is difficult to explain, although some believe the establishment survey does not pick up many start-ups.

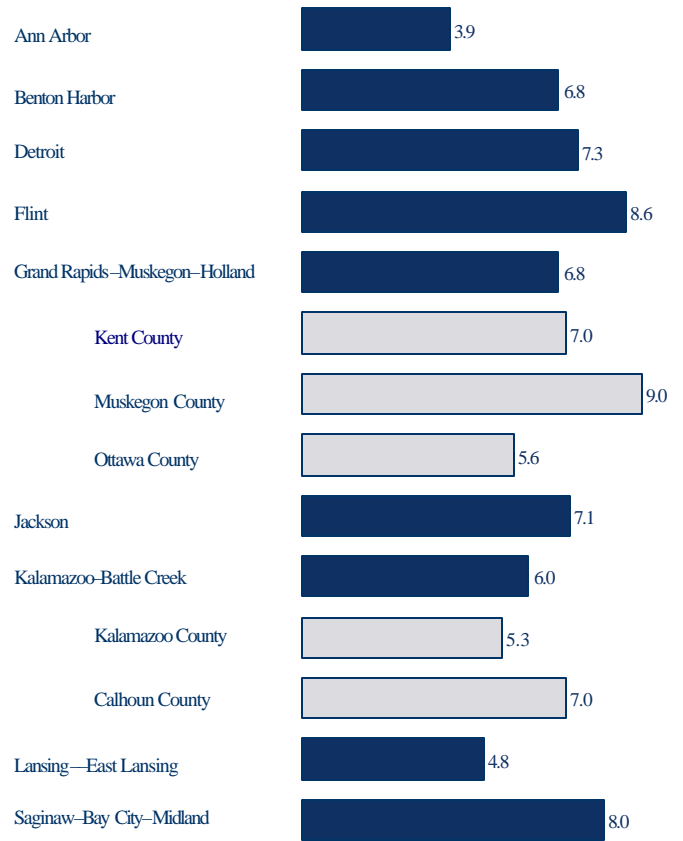
The state's economic indicators were mixed during the quarter. The Help-Wanted Advertising Index for the Detroit area increased by 2.8 percent; however, the west Michigan composite Index of Help-Wanted Advertising declined by 1.7 percent. The state's Index of Leading Indicators fell by 2.7 percent during the quarter, suggesting that employment conditions in its goods-producing sector may remain lackluster during the coming months.

What's with Benton Harbor?

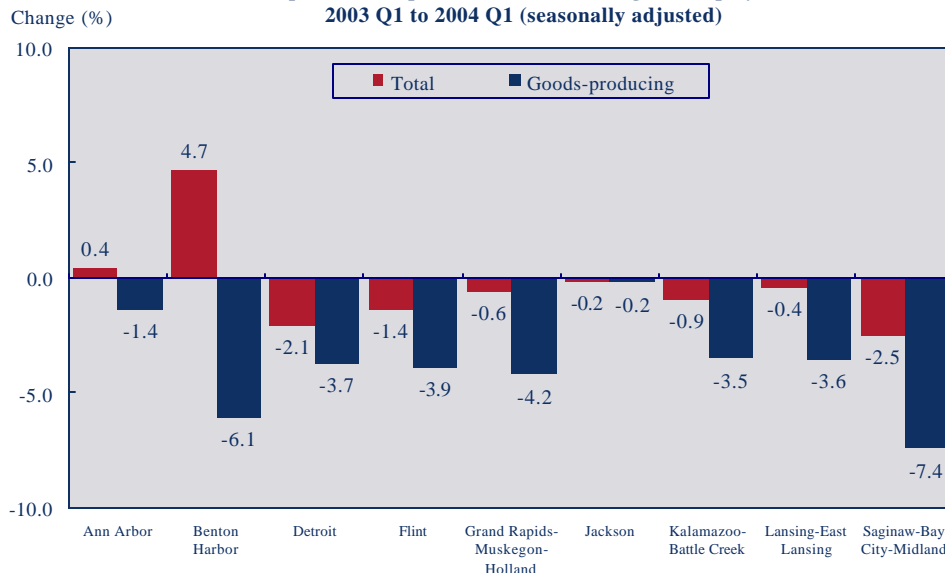
Total employment in the Benton Harbor MSA rose by an outstanding 4.7 percent during the four-quarter period ending in the first quarter of 2004. Its performance towered over the small 0.4 percent gain in employment reported in the Ann Arbor metro area. The two metro areas were the only ones in the state that enjoyed positive employment growth during the period. On the other hand, goods-producing employment fell in all nine of the state's metropolitan areas during the period.

Although it achieved strong employment gains during the past year, the Benton Harbor MSA still posted a relatively high unemployment rate of 6.8 percent during the first quarter of 2004. Three metropolitan areas reported lower unemployment rates than Benton Harbor, with Ann Arbor posting the lowest rate, 3.9 percent. Only the Ann Arbor and the Lansing-East Lansing metro areas posted unemployment rates that were below the national rate.

**Michigan Metropolitan Areas
2004 Q1 Unemployment Rates
(%, seasonally adjusted)**



**Metropolitan Comparison: Percent Change in Employment,
2003 Q1 to 2004 Q1 (seasonally adjusted)**



WEST MICHIGAN ECONOMY

Total employment in west Michigan inched up 0.2 percent during the first quarter of 2004, as employment gains in the region's service-providing sector more than offset losses in its struggling goods-producing sector. The small gain in total employment helped push the region's unemployment rate down to 6.6 percent during the quarter. Unfortunately, the region's economic indicators turned sour during the quarter, suggesting that employment conditions may soften in the summer months.

Despite signs of improving conditions nationwide, employment in the region's goods-producing sector continues to decline, falling by 0.5 percent during the first quarter because of a 1.8 percent drop in construction. Employment in the region's manufacturing sector stabilized during the quarter, falling by only 0.2 percent, which represents a modest loss of 340 jobs. In comparison, during the past four quarters, employment in the region's manufacturing sector declined by 8,000 workers, or by 4.2 percent.

The region's manufacturing sector will continue to face the threat of production activity being moved outside the country, even if the nation's economy keeps gaining momentum as expected. The challenge is threefold. First, it can be very difficult to export goods to developing markets competitively. For example, Kellogg announced that it is building a new plant in Toluca, Mexico, to produce snack products in Latin America. The wage differences between workers in the United States and Mexico may simply not allow the company to produce the snacks domestically.

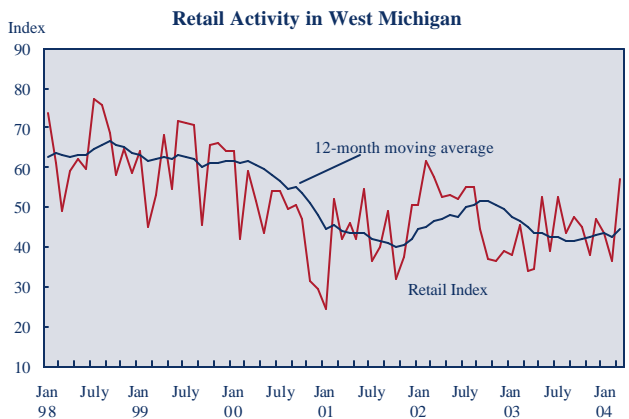
The second threat is that in many instances west Michigan companies are being forced to consider moving operations across the border in order to meet the demands of their current customers. This was the case with Flexfab, as it announced that because of customer demands, it planned to open a facility in Mexico. The move will force the company to cut 27 jobs from its Hastings facility and move the production of some heavy duty truck parts to its new facility in Juarez, Mexico. Electrolux is developing a 500-acre "supplier park" next to its planned facility in Juarez and is requesting its longtime Michigan suppliers to consider joining it as the company moves production from Greenville in 2005, eliminating 2,700 jobs. In our recent survey of businesses in Branch, Cass, and St. Joseph counties, the only reason cited for possibly moving operations to Mexico was if industrial customers demanded it.

The final threat, of course, is that a company will simply move production to Mexico or China because of available cost advantages. In addition to Electrolux, Johnson Controls announced that it is moving its visor

production to Ramos Arizpe, Mexico—a decision that will eliminate 885 jobs in Holland. The jobs will be phased out over 18 months.

In part to counter the loss of assembly-line jobs, the region's economic development community has been working to build a welcoming environment for new start-ups in biotech and other promising fields. Recent results of these efforts will be further discussed in the area write-ups; however, they include Menlo Device Technologies, which selected the West Michigan Science and Technology Initiative at Grand Valley State University as a location in which to start its operations in Grand Rapids. In Kalamazoo, the Southwest Michigan Innovation Center now has 14 start-up companies, including recently formed Proteos, a firm established by eight former Pfizer employees to focus on protein research.

Employment in the region's private service-providing sector rose by 0.6 percent during the quarter, and government employment inched up 0.1 percent. Strong employment gains were reported in the region's professional and business services sector, including a gain of over 2,500 jobs in the Grand Rapids–Muskegon–Holland area. Retail activity in the region improved during the quarter, according to the latest polling of retailers by Chicago's Federal Reserve Bank in association with the Michigan Retailer Association. Employment in the sector rose by 0.5 percent during the quarter as well.



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

The first-quarter readings of the region's economic indicators were negative, however, suggesting that employment conditions may soften in the coming months. The region's Help-Wanted Advertising Index was off by 1.7 percent, and its Index of Leading Indicators was down by 1.9 percent.

West Michigan (3 MSAs) Statistics
(seasonally adjusted)

Measure	2004	2003	Percent change	2003	Percent change
	Q1	Q4	Q4 to Q1	Q1	Q1 to Q1
Employment (by place of work)					
Total nonfarm employment	840,070	838,120	0.2	842,420	-0.3
Goods-producing	220,680	221,720	-0.5	229,260	-3.7
Construction and mining	39,080	39,780	-1.8	39,660	-1.5
Manufacturing	181,600	181,940	-0.2	189,600	-4.2
Durable goods (2 MSAs) ^a	114,150	113,870	0.2	118,430	-3.6
Nondurable goods (2 MSAs) ^a	51,100	52,030	-1.8	54,750	-6.7
Private service-providing	517,260	514,350	0.6	510,030	1.4
Transportation and utilities	21,500	21,230	1.3	21,180	1.5
Wholesale trade	38,300	38,320	-0.1	37,470	2.2
Retail trade	98,090	97,570	0.5	99,490	-1.4
Information	11,100	11,170	-0.6	11,220	-1.1
Financial activities	34,850	34,390	1.3	35,520	-1.9
Professional and business services	90,780	88,320	2.8	88,940	2.1
Education and health services	112,670	113,090	-0.4	107,740	4.6
Leisure and hospitality	74,380	74,170	0.3	72,200	3.0
Other services	35,580	36,100	-1.4	36,270	-1.9
Government	102,140	102,050	0.1	103,130	-1.0
Unemployment					
Number unemployed	61,480	70,690	-13.0	63,170	-2.7
Unemployment rate	6.6	7.6		6.9	
Local indexes					
Help-wanted ads (2 MSAs) (1996=100) ^a	45	46	-1.7	49	-7.7
Leading indicators (1996=100)	102	104	-1.9	101	0.9
Average weekly hours	40.2	40.3	-0.2	40.2	0.0
UI initial claims	2,631	3,074	-14.4	3,168	-17.0
New dwelling units ^b	7,549	8,262	-8.6	8,757	-13.8

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 County 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
First Quarter to First Quarter
(not seasonally adjusted)

Industry	2004	2003	Percent	Industry	2004	2003	Percent
	Q1	Q1	change		Q1	Q1	change
Goods-producing	216,100	224,430	-3.7	Admin. and support svcs.*	45,400	43,070	5.4
Transportation equipment*	35,370	36,570	-3.3	Health and social assistance*	78,400	78,130	0.3
Motor vehicle parts*	29,600	30,330	-2.4	Food svcs. and drinking places*	52,000	50,100	3.8
Food*	12,630	13,970	-9.6				
Paper*	6,430	6,470	-0.6	Government	105,630	106,700	-1.0
Private service-providing	505,270	498,370	1.4	Federal	9,200	9,370	-1.8
General merchandise stores*	22,070	22,830	-3.3	State	16,470	17,370	-5.2
Finance and insurance*	23,500	25,030	-6.1	Local	79,970	79,970	0.0

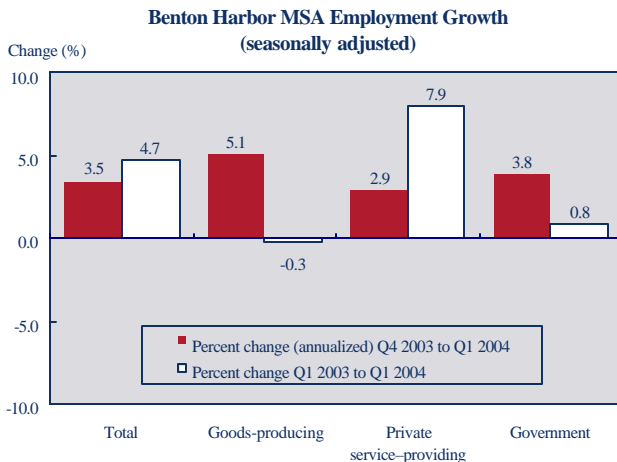
*Combined data for Grand Rapids-Muskegon-Holland MSA and the Kalamazoo-Battle Creek MSA; Benton Harbor MSA data not available.

SOURCE: Michigan Department of Labor and Economic Growth.

BENTON HARBOR MSA

Total employment in Berrien County rose by a healthy 0.9 percent during the first quarter because of a strong push by the county's goods-producing sector. The sharp gain in employment pulled the area's unemployment rate down to 6.8 percent during the quarter. While the area's Index of Leading Indicators was negative for the quarter, all three of the area's local components were positive, suggesting that employment conditions may continue to improve modestly in the coming months.

Employment in the area's goods-producing sector rose by 1.2 percent, an increase of 230 jobs, and all of the gains were reported in the area's manufacturing sector. Unfortunately, data constraints make it impossible to identify where the growth occurred, although it is likely it took place among the area's nondurable goods producers. During the past four quarters, employment among the area's nondurable goods producers rose by 2.3 percent, while employment in its durable goods industries fell by 1.1 percent.



Recent business reports have been mixed at best. The Robert Bosch Corporation announced that it will decide in July whether it will curtail work at its area plant and lay off 450 workers in 2005. The global auto supplier currently employs 1,150 workers in the county; its brakes and brake components facility is the county's largest industrial employer. Silgan Containers closed its Benton Harbor facility, which employed 20 workers. After three years of declining business, the Peer Division of Detroit Tool and Engineering, which had employed as many as 120 workers making automatic welding machines, closed. In addition, Tri-M-Mold, an auto supplier, closed in April, eliminating 25 jobs.

On the positive side, Dean Specialty Foods Group and National-Standard announced plans to add a total of 33 workers to their workforces. ICG Berrien Inc., a subsidiary of ICG Castings in Dowagiac, announced that it is buying the former Pemco facility and will hire up to 240 workers. Pemco had closed the facility in 2003. ICG Castings currently employs 244 at its Dowagiac plant, and those workers will not be affected by the decision.

Employment in the area's private service-providing sector rose by 0.7 percent during the quarter because of large gains in retail trade (an increase of 150 jobs) and education and health services (an increase of 180 jobs). The area's leisure and hospitality sector was looking for a major boost this summer with the planned operation of a passenger ferry between Chicago's Navy Pier and Benton Harbor. However, lack of funding may have finally sunk the high-speed ferry project, as LEF Corporation of Grand Rapids, the backer of the project, reportedly filed for bankruptcy.

Government employment was also up for the quarter, by 0.9 percent, which is somewhat of a surprise given that the area's local governments and schools are struggling under severe budget constraints.

The quarter's strong employment gains pulled the area's unemployment rate down to 6.8 percent for that period, with the unemployment ranks falling by 10.4 percent. Unfortunately, the most unique and challenging problem facing the county is the disparity of employment opportunities for its residents. The unemployment rate facing the residents of the city of Benton Harbor averaged 30 percent during the first quarter (not seasonally adjusted), while the unemployment rate in the neighboring city of St. Joseph was 2.5 percent (also not seasonally adjusted).

The area's Index of Economic Indicators fell 1.8 percent, but its decline was due solely to the four national components of the index. All three of the index's local components improved during the quarter: average weekly hours put in by area production workers rose 0.7 percent, number of new unemployment insurance claims fell by 8.3 percent, and number of new dwelling units put under contract for construction increased by 2.9 percent. Moreover, Manpower's latest survey of employers found that 31 percent of those interviewed had revealed plans to hire more workers in the second quarter, while only 14 percent anticipated making reductions.

Benton Harbor MSA
(seasonally adjusted)

Measure	2004 Q1	2003 Q4	Percent change Q4 to Q1	2003 Q1	Percent change Q1 to Q1
Employment (by place of work)					
Total nonfarm employment	69,740	69,150	0.9	66,610	4.7
Goods-producing	18,680	18,450	1.2	18,730	-0.3
Construction and mining	2,360	2,390	-1.3	2,330	1.3
Manufacturing	16,320	16,070	1.6	16,410	-0.5
Durable goods (see table below)					
Nondurable goods (see table below)					
Private service-providing	42,540	42,240	0.7	39,410	7.9
Transportation and utilities	2,220	2,240	-0.9	2,260	-1.8
Wholesale trade	2,710	2,650	2.3	2,360	14.8
Retail trade	8,330	8,180	1.8	7,760	7.3
Information	890	920	-3.3	990	-10.1
Financial activities	2,240	2,210	1.4	2,150	4.2
Professional and business services	5,540	5,560	-0.4	5,440	1.8
Education and health services	10,460	10,280	1.8	8,890	17.7
Leisure and hospitality	6,700	6,720	-0.3	6,210	7.9
Other services	3,460	3,480	-0.6	3,350	3.3
Government	8,530	8,450	0.9	8,460	0.8
Unemployment					
Number unemployed	5,780	6,450	-10.4	5,220	10.7
Unemployment rate (%)	6.8	7.9		6.7	
Local indexes					
Leading indicators (1996=100)	106	108	-1.8	103	3.6
Average weekly hours	44.0	43.7	0.7	43.6	0.9
UI initial claims	283	309	-8.3	291	-2.6
New dwelling units ^a	672	653	2.9	458	46.9

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, First Quarter to First Quarter
(not seasonally adjusted)

Industry	2004 Q1	2003 Q1	Percent change	Industry	2004 Q1	2003 Q1	Percent change
Goods-producing	18,370	18,400	-0.2	Government	8,700	8,630	0.8
Durable goods	13,130	13,270	-1.1	Federal	400	400	0.0
Nondurable goods	3,170	3,100	2.3	State	500	500	0.0
				Local	7,800	7,730	0.9
Private service-providing	41,070	38,030	8.0	Local education	5,130	5,100	0.6
Accommodations & food svcs.	5,400	5,070	6.5				

SOURCE: Michigan Department of Labor and Economic Development.

GRAND RAPIDS–MUSKEGON–HOLLAND MSA

Total employment increased by 0.3 percent during the first quarter in the four-county MSA. Employment gains were reported across the board, including a slight but welcomed 0.2 percent increase in the area's goods-producing sector. The quarter's modest employment gain helped push the area's unemployment rate down to 6.8 percent. Unfortunately, the area's economic indicators were mixed for the quarter, suggesting that employment conditions in the area may remain unchanged during the summer months.

Employment in the area's manufacturing sector rose by 0.2 percent as employers added over 250 jobs during the quarter. The employment gains were reported in the area's durable goods sector. Although small, the overall gain is in sharp contrast to the area's recent experience. During the past four quarters, employment in the manufacturing sector has declined by 4.9 percent.

There are promising signs that the area's furniture industry is finally turning the corner. Herman Miller's profits were up 160 percent from the same period last year, and sales for the most recent quarter were 6.2 percent ahead of the same period last year. This marks the first time in three years that the Zeeland company's quarterly sales have improved from the previous year.

Although officials at Steelcase are still projecting a loss for this year, they are expecting next year to be better. Moreover, Steelcase employees could be getting a bonus this year if the company hits its sales targets. Indeed, Steelcase canceled plans to lay off 360 workers in March. At the same time, the company is in the process of moving 250 jobs into the area as it closes plants in Indiana and North Carolina. The equipment will be moved starting in May, and the move should be finished by August.

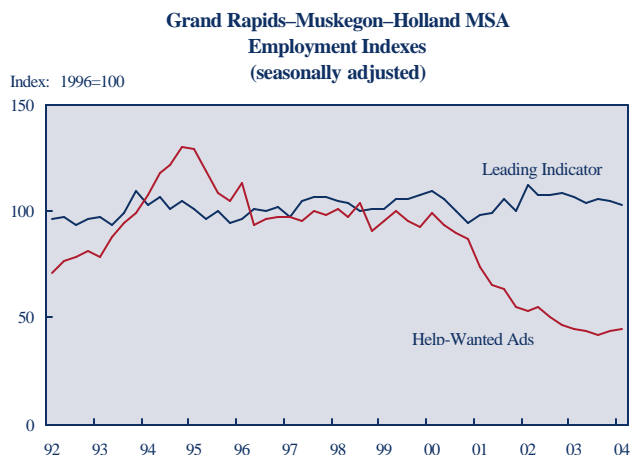
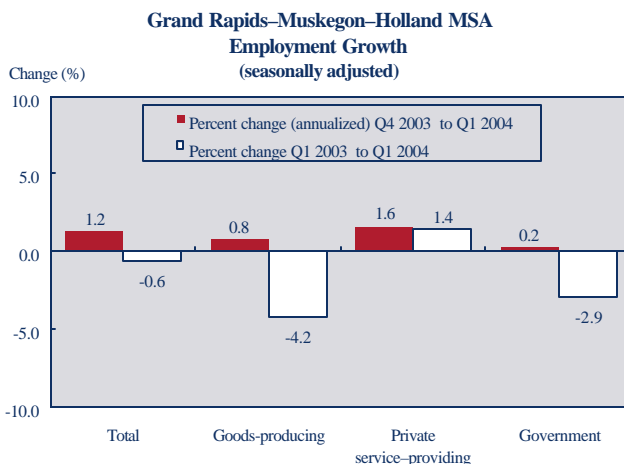
A new challenge facing the furniture industry is higher steel prices, which are cutting into already weak earnings.

Steelcase expects costs to rise by 5 to 7 percent and will be adding a surcharge to its furniture to cover them. Rivals Haworth and Herman Miller said they do not plan to institute a surcharge on furniture because of the recent jump in steel prices.

Employment in the area's private service-providing sector rose 0.4 percent during the first quarter because of a large 4.1 percent jump in professional and business services. The sector's jump in employment completely erased substantial employment declines in the area's financial activities, educational and health services, and other services. Employment changes in the area's other private service-providing industries were modest. Government employment increased by a slight 0.1 percent.

The number of people unemployed fell by 14.1 percent during the quarter as the area's unemployment rate dropped from 7.9 percent to 6.8 percent. The drop in the number of unemployed workers was nearly four times the number of estimated job gains reported in the county and reflects a healthy increase in the number of employed residents, who went uncaptured by the establishment employment survey. The number of employed residents rose by 1.4 percent in the quarter.

The area's economic indicators were mixed during the quarter, suggesting that employment conditions will remain relatively unchanged in the summer months. The area's composite Index of Help-Wanted Advertising did not budge during the quarter, while the area's Index of Economic Indicators fell by 1.7 percent. The number of new dwelling units put under contract for construction declined by 5.6 percent. On the plus side, the number of new unemployment insurance claims fell by 14.6 percent, and the average weekly hours worked by production workers increased slightly by 0.3 percent.



Grand Rapids–Muskegon–Holland MSA

(seasonally adjusted)

Measure	2004	2003	Percent change	2003	Percent change
	Q1	Q4	Q4 to Q1	Q1	Q1 to Q1
Employment (by place of work)					
Total nonfarm employment	561,220	559,480	0.3	564,850	-0.6
Goods-producing	153,510	153,210	0.2	160,270	-4.2
Construction and mining	27,260	27,220	0.1	27,450	-0.7
Manufacturing	126,250	125,990	0.2	132,820	-4.9
Durable goods	91,830	91,260	0.6	96,520	-4.9
Nondurable goods	34,420	34,730	-0.9	36,300	-5.2
Private service-providing	350,310	348,900	0.4	345,480	1.4
Transportation and utilities	14,440	14,230	1.5	13,950	3.5
Wholesale trade	29,540	29,650	-0.4	29,460	0.3
Retail trade	64,300	64,160	0.2	65,450	-1.8
Information	8,140	8,150	-0.1	7,980	2.0
Financial activities	22,500	22,840	-1.5	24,400	-7.8
Professional and business services	65,500	62,910	4.1	63,440	3.2
Educational and health services	74,670	75,750	-1.4	70,660	5.7
Leisure and hospitality	48,350	47,820	1.1	46,560	3.8
Other services	22,870	23,390	-2.2	23,580	-3.0
Government	57,400	57,370	0.1	59,110	-2.9
Unemployment					
Number unemployed	41,550	48,360	-14.1	44,400	-6.4
Unemployment rate (%)	6.8	7.9		7.3	
Local indexes					
Help-wanted ads (1996=100)	44	44	0.0	44	0.0
Leading indicators (1996=100)	103	105	-1.7	103	0.0
Average weekly hours	39.8	39.7	0.3	40.0	-0.5
UI initial claims	1,991	2,332	-14.6	2,482	-19.8
New dwelling units ^a	6,004	6,360	-5.6	7,390	-18.8

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, First Quarter to First Quarter

(not seasonally adjusted)

Industry	2004	2003	Percent change	Industry	2004	2003	Percent change
	Q1	Q1			Q1	Q1	
Goods-producing	150,500	157,130	-4.2	Finance and insurance	15,900	18,170	-12.5
Fabricated metals	15,370	15,500	-0.8	Admin. and support svcs.	34,770	32,170	8.1
Machinery	13,570	14,670	-7.5	Temporary help services	13,870	12,130	14.3
Transportation equipment	24,930	26,800	-7.0	Educational services	20,170	17,070	18.2
Motor vehicle parts	21,230	22,500	-5.6	Health and social assistance	55,070	54,200	1.6
Furniture and related products	16,230	17,930	-9.5	Food svcs. and drinking places	37,700	35,730	5.5
Food	8,900	9,630	-7.6				
Paper	3,733	3,800	-1.8	Government	59,100	60,870	-2.9
Plastics and rubber	8,930	8,670	3.0	Federal government	4,100	4,200	-2.4
Private service-providing	342,830	338,200	1.4	State government	6,600	7,400	-10.8
Food and beverage stores	8,770	9,170	-4.4	Local government	48,400	49,270	-1.8
General merchandise stores	14,770	15,370	-3.9	Local govt. educ. svcs.	33,200	33,070	0.4

SOURCE: Michigan Department of Labor and Economic Growth.

Grand Rapids Area (Kent County)

Total employment by place of work increased by an estimated 0.4 percent during the first quarter in Kent County. At the same time, the number of employed residents rose by a healthy 1.4 percent, pushing the county's unemployment rate down to 7.0 percent during the quarter. The county's economic indicators were mixed during the first quarter, suggesting little change in the area's employment situation in the coming months.

The county's goods-producing employment increased by 0.2 percent during the first quarter. Recent business reports are mixed and suggest that manufacturing conditions in the county remain stagnant. On the positive side, NK Manufacturing, an auto parts company, announced that it is hiring 50 workers. However, Siemens Dematic has been forced to announce its fifth round of layoffs in the past year. Since last May, the company has eliminated 700 positions. It struggled with a 35 percent cut in orders since 2001, the result of a persistent downturn in the industrial conveyor business. The conveyor-belt manufacturer still employs approximately 1,850 workers in the area. Future employment at Lear Corporation's two car-seat manufacturing plants remains in doubt: workers continue to labor under a day-to-day extension of an expired contract, and union and management officials continue negotiations. The company has raised the possibility that it could close one or even both of the plants, which currently employ a total of 1,100 workers.

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

quarter, while government employment remained stable, rising by just 0.1 percent.

The county's unemployment rate fell to 7.0 percent during the quarter. The number of employed residents increased by 1.4 percent, a much stronger rate than the estimated county growth in the number of jobs, 0.4 percent. Such discrepancies, while hard to explain, are unfortunately not uncommon and reflect the imprecision of local employment measurements.

The first quarter readings of the area's economic indicators were mixed, suggesting that further employment gains will be modest in the coming months. The area's Index of Help-Wanted Advertising was flat during the quarter, indicating little change in employment opportunities in the area's service-providing sector. The number of dwelling units put under contract for construction fell by 14.2 percent. On the plus side, the number of new claims for unemployment insurance also fell by 17.2 percent. Furthermore, the latest reading of the area's Purchasing Managers Index is positive. In April, the area's composite Purchasing Managers Index stood at 57.5, a substantial increase over last month's 50.3.

Finally, the recent Manpower survey of employers found that 30 percent had plans to hire in the second quarter, while only 10 percent said they would eliminate jobs. This is a strong improvement over the first quarter survey, when only 20 percent of those surveyed revealed plans to hire, and 23 percent expected to lay off workers.

Grand Rapids Area (Kent County)
(seasonally adjusted)

Measure	2004 Q1	2003 Q4	Percent change Q4 to Q1	2003 Q1	Percent change Q1 to Q1
Total employment (by place of work)	347,390	346,110	0.4	351,680	-1.2
Goods-producing	80,670	80,520	0.2	85,310	-5.4
Private service-providing	238,170	237,060	0.5	236,980	0.5
Government	28,550	28,530	0.1	29,390	-2.9
Employment (by place of residence)	309,030	304,890	1.4	303,190	1.9
Unemployment	23,200	27,320	-15.1	23,830	-2.6
Unemployment rate (%)	7.0	8.2		7.3	
Indicators					
Help-wanted ads (1996=100)	45	45	0.0	45	0.0
UI claims	1,243	1,502	-17.2	1,533	-18.9
New dwelling units ^a	2,711	3,159	-14.2	3,144	-13.8

^aSeasonally 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 in Muskegon inched up by only an estimated 0.1 percent during the first quarter. Nevertheless, the number of employed residents increased by 1.6 percent, pushing the area's unemployment rate down to 9.0 percent during the quarter. Unfortunately, the first-quarter readings of the county's economic indicators suggests that employment conditions may remain sluggish in the coming months.

Employment in the county's goods-producing sector rose by an estimated 0.2 percent during the first quarter. Recent business reports are promising. Howmet, the county's largest employer, has exhausted its recall list and is hiring new workers for the first time since 2000. The company, which makes turbine parts for aircraft engines and other industries, has hired 126 employees since December. The company now employs approximately 2,100 workers in the county. In addition, Topline Automotive Engineering Inc. of Chicago announced that it is reopening the Hy-Lift plant, formerly the Hy-Lift Division of SPX Corporation. The plant had closed abruptly two years ago. The auto parts manufacturer expects to hire 80 workers in the first six months and have 100 working there within the first year.

Finally, in Oceana County to the north of Muskegon, Peterson Farms signed a deal with the McDonald's restaurant chain for about 2.5 million pounds of apples

McDonald's will need for its new "Apple Dippers." The product will be offered as a healthier substitute for the standard side order of French fries. Peterson Farms has built a 30,000-square-foot, high-tech fruit processing plant and will eventually hire at least 100 workers.

Employment was flat in both the county's private service-providing sector and its government sector during the quarter. The area's leisure and hospitality sector will get a boost this summer with the return of cross-lake ferry service through Muskegon. Starting June 1, the Lake Express will make three crossings to Milwaukee daily.

The county's economic indicators were mixed during the first quarter. Its Index of Help-Wanted Advertising fell by 3.1 percent, suggesting that employment conditions in its service-providing sector will remain soft during the summer months. At the same time, the number of new dwelling units put under construction fell by 35 percent. On the plus side, the number of new claims for unemployment insurance fell by 6.1 percent.

Muskegon Area (Muskegon County)
(seasonally adjusted)

Measure	2004 Q1	2003 Q4	Percent change Q4 to Q1	2003 Q1	Percent change Q1 to Q1
Total employment (by place of work)	66,080	66,030	0.1	65,730	0.5
Goods-producing	15,070	15,040	0.2	15,600	-3.4
Private service-providing	41,080	41,060	0.0	39,890	3.0
Government	9,940	9,940	0.0	10,240	-2.9
Employment (by place of residence)	75,160	73,940	1.6	73,760	1.9
Unemployment	7,420	8,340	-11.0	8,880	-16.4
Unemployment rate (%)	9.0	10.1		10.7	
Indicators					
Help-wanted ads (1996=100)	41	43	-3.1	40	4.2
UI claims	430	458	-6.1	491	-12.4
New dwelling units ^a	630	970	-35.0	2,107	-70.1

^aSeasonally 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 increased by an estimated 0.3 percent, while the number of employed residents grew by an even greater 1.3 percent during the first quarter in Allegan and Ottawa counties. The area's positive employment numbers pushed its unemployment rate down to 5.6 percent for the quarter. Moreover, the area's limited number of economic indicators suggests that employment conditions may improve slightly in the coming summer months.

Employment in the area's goods-producing sector rose a slight 0.2 percent during the quarter. However, Johnson Controls has announced that it is moving the production of visors from Holland to Ramos Arizpe, Mexico, eliminating 885 local jobs. The job cuts will start in September and will affect workers with up to 10 years of seniority. Johnson Controls will still employ approximately 4,000 workers in the area after the move is completed. Moreover, the area still hosts several of the nation's best auto suppliers. In fact, two Ottawa County auto suppliers, Gentex in Zeeland and Shape in Grand Haven, earned General Motors' Suppliers of the Year award for 2003. Only 77 companies worldwide receive the award. This makes the seventh consecutive year Gentex has won.

As mentioned earlier, the outlook for furniture is improving. Indeed, Sligh Furniture Co., a maker of home and office furniture and clocks, is expected to grow by 10 percent this year. Moreover, Haworth and Herman Miller

are benefiting from a recently passed law allowing the U.S. military to contract with private companies instead of automatically buying goods made by federal prisoners.

Employment in the area's private service-providing sector increased an estimated 0.4 percent, and government employment remained stable, inching up by 0.1 percent during the quarter.

With area employment growing by both place of work and place of residence, it is not surprising that the number of unemployed people fell by 10.5 percent and unemployment dropped from 6.3 percent to 5.6 percent. Moreover, the first-quarter reading of the area's limited set of economic indicators was also positive. New claims for unemployment insurance fell by 8.2 percent, while the number of new dwelling units put under contract for employment jumped by 33.3 percent.

Finally, Manpower reported that its quarterly polling of employers found that 28 percent of surveyed firms were planning to hire in the second quarter, while 7 percent revealed that they will likely reduce staff. During the first quarter, 10 percent of the employers surveyed expected to be hiring. In short, the area's economic indicators point to improving conditions in the coming months.

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

Measure	2004 Q1	2003 Q4	Percent change Q4 to Q1	2003 Q1	Percent change Q1 to Q1
Total employment (by place of work)	147,750	147,340	0.3	147,440	0.2
Goods-producing	57,770	57,660	0.2	59,360	-2.7
Private service-providing	71,060	70,780	0.4	68,600	3.6
Government	18,920	18,900	0.1	19,480	-2.9
Employment (by place of residence)	187,410	185,040	1.3	183,880	1.9
Unemployment	11,120	12,430	-10.5	11,900	-6.6
Unemployment rate (%)	5.6	6.3		6.1	
Indicators					
Help-wanted ads (1996=100)	n/a	n/a	n/a	n/a	n/a
UI claims	345	376	-8.2	483	-28.6
New dwelling units ^a	2,703	2,028	33.3	2,199	22.9

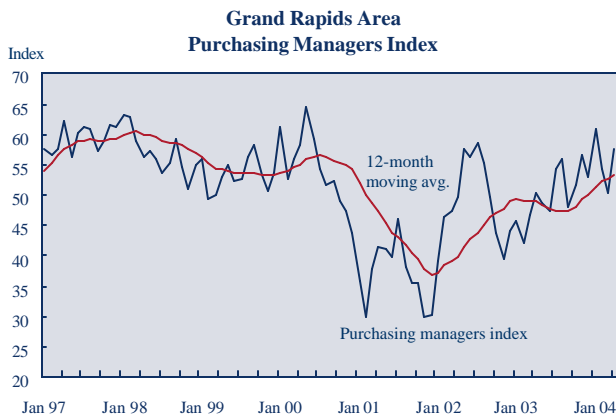
^aSeasonally adjusted annual rates.

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

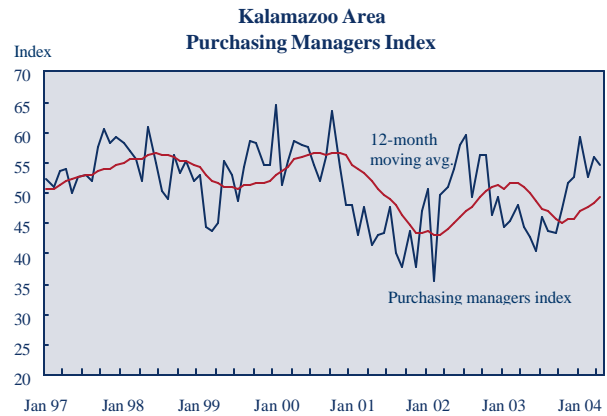
According to a monthly survey of purchasing managers in southwestern Michigan, economic conditions are continuing to improve ever so slightly across the board. However, the report from the local chapters of the National Association of Purchasing Managers also suggests that the fate of individual firms varies significantly within the local economies. According to Brian Long, author of *Current Business Trends*, the economic situation is “widely mixed—perhaps more mixed than it has been in some time.”

In the April issue of *Current Business Trends*, the composite Purchasing Managers Index, a measure of the economic outlook reported monthly by purchasing managers, stood at 57.5 in the Grand Rapids area. This represents an increase over last month, when the index stood at 50.3. More importantly, positive sentiment appears to be sustaining itself over time, as reflected in the upward trend of the index’s 12-month moving average. Since July 2003, the 12-month moving average has not declined by more than one-tenth of a point and so far during 2004 has managed to post a solid 3.3 index-point gain.



Unfortunately, although the outlook in the Kalamazoo area also continues to improve, it appears growth is occurring at a slower rate than is being experienced by its neighbor to the north. The composite Purchasing Managers Index actually stumbled slightly, dropping from 55.9 in March to 54.5. Still, in April, the area’s 12-month moving average increased once again, from 48.4 to 49.2, reflecting evidence of a long-term positive trend. This mixed reading suggests that the Kalamazoo area economy is still unstable, albeit tipping in a positive direction.

On the surface, purchasing managers in southwest Michigan appear to be guarded optimists and expect a slow but steady recovery. However, the underlying comments made by individual purchasing managers suggest a feast-or-famine environment, with some firms running at capacity while others are preparing for the next wave of layoffs. While this is an anecdotal observation, the lack of respondents mentioning “steady growth” or “hiring” only supports the fear in the minds of many that the next great period of widespread prosperity is still a long way off.



Major Economic Developments

Battle Creek

The Kellogg Company announced that it is relocating the headquarters of its Keebler Foods snacks division, which employs 300 workers, from Elmhurst, Illinois, to Battle Creek.

Canadian National Railway Company announced that it is eliminating approximately 60 workers at its Grand Trunk rail operations in Battle Creek.

Benton Harbor

ICG Castings, based in Dowagiac, announced plans to purchase the former Pemco facility in Bridgman. It will employ 240 new workers when the plant is in full operation.

Tri-M-Mold closed at the end of April, eliminating 25 jobs.

Grand Rapids

NK Manufacturing, an auto supplier, announced that it is hiring 50 workers.

Steelcase canceled plans to lay off 360 workers in March.

Siemens Dematic cut 59 jobs in March. During the past year, the material moving equipment manufacturer has eliminated approximately 700 jobs.

Holland

Johnson Controls is moving automotive visor production from Holland to a plant in Ramos Arizpe, Mexico. The move is expected to take about 18 months and will eliminate 885 local jobs.

Kalamazoo

Aero-Motive announced that it is closing its plant in June, laying off 110 workers.

Hercules Incorporated will lay off 22 workers with the closing of its Parchment facility in June.

Muskegon

Hy-Lift, an automotive parts manufacturer that had shut down in 2002, has resumed operations under new management. The company plans to employ 150 workers by the end of next year.

KALAMAZOO–BATTLE CREEK MSA

Total employment fell by 0.6 percent during the first quarter in the three-county area. Employment declines were reported in a wide range of industries, from manufacturing to leisure and hospitality. Despite the decline in employment, the area's unemployment rate fell to 6.0 percent. Unfortunately, the quarter's readings of the area's economic indicators were negative, suggesting soft employment conditions might continue into the summer.

Employment in the area's goods-producing sector fell by 2.7 percent, a loss of 1,370 jobs during the first quarter. Construction employment fell by 5.6 percent. The summer residential construction season may have a slow start, as the number of new dwellings put under contract for construction fell by 22.8 percent in the quarter.

Employment in the area's manufacturing sector also fell by 2.0 percent, with employment declining by 1.0 percent in its durable goods sector and by 3.4 percent in nondurable goods. In total, 800 manufacturing jobs were lost during the quarter. During the past four quarters, total employment in manufacturing has declined by 1,360 persons, although the area's motor vehicles sector added 540 jobs. At the same time, however, the area's food industry eliminated 600 jobs.

The interconnection of the west Michigan communities was demonstrated once again by the fact that the Electrolux Greenville plant, which is being moved to Juarez, Mexico, next year, is a major customer of International Paper's Kalamazoo corrugated cardboard plant.

Employment in the area's private service-providing sector was flat during the quarter. Employment in the area's financial activities sector jumped by 9.0 percent in the quarter, an increase of 840 jobs. During the past four quarters, employment in the sector has climbed by 12.4 percent. These gains were offset, however, by substantial employment declines in leisure and hospitality, professional

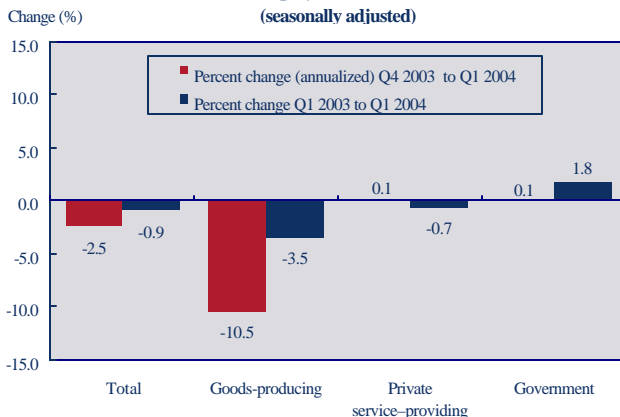
and business services, and retail trade. Employment in the area's other service-providing sectors remained fairly stable, including government.

Despite the loss of jobs during the quarter, the area's unemployment rate fell to 6.0 percent. Unfortunately, the drop in the area's unemployment rate was due to discouraged job seekers dropping out of the labor force. The number of employed residents rose only by 0.8 percent or 200 people, while the number of unemployed workers fell by 1,400.

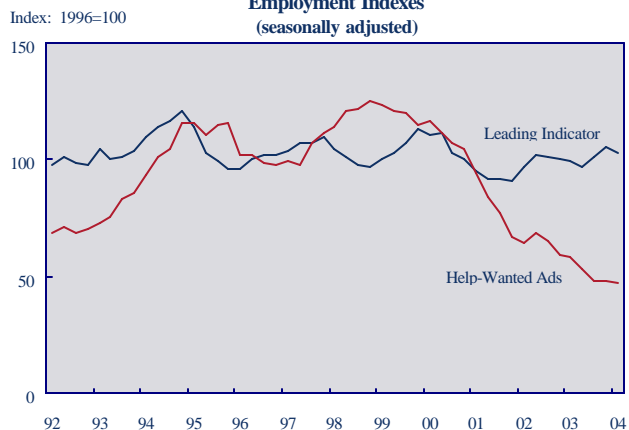
The number of firms either hatching in or moving into Western Michigan University's Business, Technology and Research Park continues to grow. Eight displaced Pfizer scientists recently announced the creation of their firm, Proteos, which focuses on protein service and research. At the same time, DLZ Michigan, an engineering firm, announced that it is relocating its eight-person operation to the Business, Technology and Research Park from its current Niles location. The park's Southwest Michigan Innovation Center currently houses 14 start-ups. Moreover, WMU's new Biosciences Research and Commercialization Center recently announced its first round of grants, which will provide nine start-ups with \$1.9 million in grants.

The area's economic indicators were negative during the quarter, suggesting that employment conditions will likely remain lackluster through the summer. The area's composite Index of Help-Wanted Advertising was flat during the quarter, while its Index of Economic Indicators was off by 3.7 percent. The local components of the indicator were mixed during the quarter. Production workers put in fewer hours, and the number of housing starts fell during the quarter. However, the number of new claims for unemployment insurance fell by 8.1 percent.

**Kalamazoo–Battle Creek MSA
Employment Growth
(seasonally adjusted)**



**Kalamazoo–Battle Creek MSA
Employment Indexes
(seasonally adjusted)**



Kalamazoo–Battle Creek MSA
(seasonally adjusted)

Measure	2004	2003	Percent change	2003	Percent change
	Q1	Q4	Q4 to Q1	Q1	Q1 to Q1
Employment (by place of work)					
Total nonfarm employment	208,560	209,890	-0.6	210,550	-0.9
Goods-producing	48,600	49,970	-2.7	50,380	-3.5
Construction and mining	9,500	10,060	-5.6	9,910	-4.1
Manufacturing	39,110	39,910	-2.0	40,470	-3.4
Durable goods	22,390	22,610	-1.0	21,970	1.9
Nondurable goods	16,710	17,300	-3.4	18,500	-9.7
Private service–providing	123,730	123,710	0.0	124,600	-0.7
Transportation and utilities	4,820	4,780	0.8	4,960	-2.8
Wholesale trade	6,030	6,070	-0.7	5,640	6.9
Retail trade	25,280	25,530	-1.0	26,110	-3.2
Information	2,080	2,100	-1.0	2,250	-7.6
Financial activities	10,150	9,310	9.0	9,030	12.4
Professional and business services	19,500	19,860	-1.8	19,880	-1.9
Educational and health services	27,390	27,120	1.0	28,070	-2.4
Leisure and hospitality	19,310	19,690	-1.9	19,420	-0.6
Other services	9,170	9,250	-0.9	9,260	-1.0
Government	36,220	36,210	0.0	35,570	1.8
Unemployment					
Number unemployed	14,120	15,550	-9.2	13,560	4.1
Unemployment rate (%)	6.0	6.6		5.9	
Local indexes					
Help-wanted ads (1996=100)	48	48	0.0	59	-19.2
Leading indicators (1996=100)	103	106	-3.7	100	2.8
Average weekly hours	39.9	40.6	-1.7	39.2	1.8
UI initial claims	608	661	-8.1	656	-7.4
New dwelling units ^a	1,512	1,960	-22.8	1,320	14.6

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, First Quarter to First Quarter
(not seasonally adjusted)

Industry	2004	2003	Percent change	Industry	2004	2003	Percent change
	Q1	Q1			Q1	Q1	
Goods-producing	47,230	48,900	-3.4	Administrative & support svcs.	10,630	10,900	-2.5
Transportation equipment	10,430	9,770	6.8	Health care & social assistance	23,330	23,930	-2.5
Motor vehicle parts	8,370	7,830	6.9	Food svcs. and drinking places	14,300	14,370	-0.5
Food	3,730	4,330	-13.9				
Paper	2,700	2,670	1.1	Government	37,830	37,200	1.7
Private service–providing	121,370	122,130	-0.6	Federal	4,700	4,770	-1.5
General merchandise stores	7,300	7,470	-2.3	State	9,370	9,470	-1.1
Finance and insurance	7,600	6,870	10.6	Local	23,770	22,970	3.5

SOURCE: Michigan Department of Labor and Economic Growth.

Kalamazoo Area (Kalamazoo County)

Total employment by place of work in Kalamazoo County fell by an estimated 0.5 percent during the first quarter, while the employed residents dropped by 0.1 percent. The county's unemployment rate fell to 5.3 percent in the quarter, as many job seekers became discouraged and stopped looking for work. The county's economic indicators were mixed, if not slightly negative, suggesting that employment conditions may remain soft in the coming months.

Employment in the county's goods-producing sector was down an estimated 2.8 percent during the quarter, and recent business reports are mixed. Aero-Motive announced that it is closing its long-standing Comstock Township plant in June. The closing will eliminate approximately 110 jobs. The plant produces parts for the automotive industry. With the long-term decline of the region's paper industry, it is not surprising that Hercules Incorporated announced that it also is closing its Parchment plant at the end of June, laying off 22 workers.

On the plus side, FEMA Corporation, which manufactures and tests engineered electro-hydraulic components, is investing in new machinery at its plant, which employs nearly 100 workers. In addition, Design Ware reported that it has hired 25 full-time employees in the past year. Finally, MPI, a contract toxicology research laboratory in Mattawan, expects to add 25 workers to its 560 workers.

Employment in the county's private service-providing sector was flat during the quarter, increasing only an estimated 0.1 percent. Government employment also was flat

for the quarter; however, Western Michigan University continues to struggle with the state cutbacks in funding. The university's proposed budget for next year includes \$11.8 million in spending reductions, with nearly \$7 million of that coming from wages and salaries. After cutting the equivalent of up to 180 full-time workers this past year, the university may have to eliminate the equivalent of yet another 122 full-time positions.

First-quarter readings of the area's economic indicators suggest that employment conditions in the county may remain lackluster during the summer months. On the positive side, the number of new unemployment claims fell by 10.4 percent during the quarter. However, the county's Index of Help-Wanted Advertising was flat during the quarter, suggesting employment will be sluggish its service-providing sector during the coming months. The number of new dwelling units put under contract for construction fell during the quarter as well, by 26.8 percent. The latest polling of the area's purchasing managers suggests little change (see page 19).

Finally, the quarterly Manpower survey revealed that employers are not as positive in their hiring plans for the second quarter as they were during the first quarter. According to the survey, 26 percent of the surveyed firms are expecting to hire more workers in the second quarter, while only 11 percent expect to trim their current staffing levels. In the first quarter, however, 31 percent of surveyed employers planned to increase staff levels. And conditions are off even more from last year, when 61 percent of the surveyed

Kalamazoo Area (Kalamazoo County)
(seasonally adjusted)

Measure	2004	2003	Percent	2003	Percent
	Q1	Q4	change	Q1	change
			Q4 to Q1		Q1 to Q1
Total employment (by place of work)	123,870	124,540	-0.5	125,260	-1.1
Goods-producing	27,300	28,090	-2.8	28,440	-4.0
Private service-providing	77,060	76,950	0.1	77,670	-0.8
Government	19,510	19,500	0.1	19,160	1.8
Employment (by place of residence)	124,170	124,240	-0.1	121,870	1.9
Unemployment	6,850	7,620	-10.1	6,210	10.3
Unemployment rate	5.3	5.8		4.9	
Indicators					
Help-wanted ads (1996=100)	50	50	0.0	58	-14.6
UI claims	363	405	-10.4	403	-9.9
New dwelling units ^a	1,194	1,631	-26.8	1,089	9.7

^aSeasonally 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 by place of work fell an estimated 0.8 percent in Calhoun County during the first quarter of the year because of large employment declines in the area's goods-producing sector. At the same time, the number of employed Calhoun County residents increased by 0.4 percent, and the county's unemployment rate remained relatively unchanged. The county's economic indicators were mixed for the quarter, suggesting that flat employment conditions may remain during the summer months.

Employment in the county's goods-producing sector fell an estimated 2.6 percent during the first quarter. Denso, the county's largest manufacturer, announced plans to build a \$4.5 million warehouse. While no new jobs are expected to be associated with the expansion, it will allow the auto supplier to streamline its current distribution system.

In addition, the Kellogg Company announced in May that it is moving its Keebler Foods Company snacks division headquarters and its 300 jobs from Elmhurst, Illinois, to Battle Creek. Most all of the affected employees will be offered the opportunity to keep their jobs and move to Battle Creek. Still, it is likely that a large share of the transferred jobs will become open to area residents.

Employment in the county's private service-providing sector inched down a modest 0.2 percent in the quarter. Unfortunately, Canadian National Railway Company, Grand

Trunk Railway System's parent, announced that it is reducing Grand Trunk's rail operations in Battle Creek. The railroad plans to close its mechanical operations, which employ approximately 60 workers, and reassign other employees to alternative duties. There was no change in government employment during the quarter.

Although the number of jobs in the county declined during the quarter, the number of employed residents rose by 0.4 percent, indicating that more individuals are finding jobs outside the county. The slight increase in the number of employed residents lowered the county unemployment rate to 7.0 percent.

The county's economic indicators were mixed for the quarter. Its Index of Help-Wanted Advertising was off by 4.0 percent, suggesting that employment conditions in its service-providing sector will remain lackluster. The index has fallen by 35 percent during the past year. In addition, the number of new dwelling units put under contract for construction was down by 0.3 percent. On the plus side, the number of new claims for unemployment insurance was down by 6.6 percent.

Finally, Manpower's quarterly survey found that 33 percent of surveyed employers expect to hire additional workers in the second quarter, with only 7.0 percent revealing employment cutbacks.

Battle Creek Area (Calhoun County)
(seasonally adjusted)

Measure	2004 Q1	2003 Q4	Percent change Q4 to Q1	2003 Q1	Percent change Q1 to Q1
Total employment (by place of work)	63,080	63,610	-0.8	63,860	-1.2
Goods-producing	16,910	17,360	-2.6	17,180	-1.6
Private service-providing	34,810	34,890	-0.2	35,530	-2.0
Government	11,360	11,360	0.0	11,160	1.8
Employment (by place of residence)	61,830	61,610	0.4	60,710	1.8
Unemployment	4,650	4,860	-4.3	4,890	-4.9
Unemployment rate	7.0	7.3		7.4	
Indicators					
Help-wanted ads (1996=100)	38	40	-4.0	59	-35.5
UI claims	243	260	-6.6	253	-4.0
New dwelling units ^a	325	326	-0.3	246	32.5

^aSeasonally 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						Civilian labor force unemployment rate ^b	
	March 2004						January 2004	March 2004
	Weekly hours	Percent change 2003-2004	Hourly earnings	Percent change 2003-2004	Weekly earnings	Percent change 2003-2004		
United States	40.8	1.2	\$16.01	2.5	\$653.21	3.8	6.3	6.0
Michigan	42.9	2.6	21.71	3.9	931.36	6.7	7.6	7.7
West Michigan MSAs								
Benton Harbor	44.1	1.4	15.43	11.3	680.46	12.9	8.0	7.6
Grand Rapids–Muskegon–Holland	40.0	-0.2	16.52	0.7	660.80	0.5	7.3	7.3
Kalamazoo–Battle Creek	39.4	0.3	15.85	4.6	624.49	4.9	6.6	6.6
Other labor market areas								
Ann Arbor	44.5	7.7	26.00	11.1	1,157.00	19.7	4.2	4.5
Detroit	44.4	2.5	25.16	4.9	1,117.10	7.6	7.6	7.7
Flint	44.2	3.0	30.46	2.5	1,346.33	5.6	10.1	9.8
Jackson	n/a	n/a	n/a	n/a	n/a	n/a	7.7	7.7
Lansing–East Lansing	44.5	4.2	25.57	3.2	1,137.87	7.6	5.2	5.3
Saginaw–Bay City–Midland	44.2	2.3	24.85	1.1	1,098.37	3.4	8.7	8.9

^aEarnings include overtime and part-time wages.

^bSeasonally adjusted rate for U.S. was 5.6 percent in January 2004 and 5.7 percent in March 2004. Seasonally adjusted rate for Michigan was 6.6 percent in January 2004 and 6.9 percent in March 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 Q1	2003 Q4	Percent change Q4 to Q1	2003 Q1	Percent change Q1 to Q1
Employment (by place of work)					
Total nonfarm employment	4,370,910	4,399,890	-0.7	4,437,620	-1.5
Goods-producing	909,330	914,630	-0.6	940,070	-3.3
Natural resources and mining	8,170	7,930	3.0	8,370	-2.4
Construction	186,970	190,800	-2.0	189,600	-1.4
Manufacturing	714,200	715,900	-0.2	742,100	-3.8
Durable goods	566,950	566,600	0.1	586,740	-3.4
Nondurable goods	147,250	149,300	-1.4	155,360	-5.2
Private service-providing	2,785,640	2,804,830	-0.7	2,809,720	-0.9
Transportation and utilities	124,600	123,720	0.7	126,450	-1.5
Wholesale trade	174,090	174,560	-0.3	174,030	0.0
Retail trade	511,020	513,440	-0.5	519,750	-1.7
Information	69,100	70,030	-1.3	70,930	-2.6
Financial activities	219,500	218,700	0.4	216,600	1.3
Professional and business services	575,300	582,930	-1.3	592,000	-2.8
Educational and health services	544,830	552,670	-1.4	541,700	0.6
Leisure and hospitality	398,330	397,970	0.1	395,770	0.6
Other services	168,870	170,800	-1.1	172,500	-2.1
Government	675,930	680,430	-0.7	687,830	-1.7
Unemployment					
Number unemployed	340,140	385,350	-11.7	342,190	-0.6
Unemployment rate (%)	6.7	7.6		6.8	
State indexes (1996=100)					
Help-wanted ads					
Detroit	37	36	2.8	45	-17.8
West Michigan (2 MSAs)	45	46	-1.7	49	-7.7
Leading Indicators	103	106	-2.7	102	0.7
Local components					
Average weekly hours	42.8	42.9	-0.2	42.3	1.2
UI initial claims	17,702	19,918	-11.1	18,249	-3.0
New dwelling units ^a	43,806	46,852	-6.5	46,103	-5.0

NOTE: Employment numbers for durable and nondurable goods, transportation & 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.

^aSeasonally 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
First Quarter to First Quarter
(not seasonally adjusted)

Industry	2004 Q1	2003 Q1	Percent change	Industry	2004 Q1	2003 Q1	Percent change
Goods-Producing	882,270	912,030	-3.3	Automobile dealers	41,330	42,400	-2.5
Primary metals	26,570	27,900	-4.8	Gasoline stations	26,330	27,200	-3.2
Fabricated metal products	81,830	83,670	-2.2	Clothing & accessory stores	38,500	37,870	1.7
Machinery	75,800	77,900	-2.7	Furniture & home furnishing stores	17,300	18,430	-6.1
Transportation equipment	276,330	286,730	-3.6	Food services & drinking places	293,670	288,900	1.7
Motor vehicle parts	177,030	187,930	-5.8	Professional, scientific, tech. svcs.	247,200	254,170	-2.7
Furniture and related products	25,270	27,570	-8.3	Ambulatory health care svcs.	154,670	155,270	-0.4
Food	29,900	32,030	-6.7	Education services	79,330	69,000	15.0
Paper	15,270	16,000	-4.6	Social assistance	49,100	50,370	-2.5
Printing and related support	18,730	19,670	-4.8	Government	690,300	702,500	-1.7
Chemical manufacturing	28,500	29,830	-4.5	Federal	55,030	55,970	-1.7
Plastics and rubber products	42,370	43,700	-3.0	State	168,500	175,070	-3.8
Private service-providing	2,737,570	2,745,370	-0.3	Local	466,770	471,470	-1.0
General merchandise stores	113,930	115,900	-1.7	Local govt. education	288,300	286,930	0.5
Food & beverage stores	86,900	88,200	-1.5	Local govt. hospitals	13,100	13,400	-2.2

SOURCE: Michigan Department of Labor and Economic Growth.

Table A-3

Personal Income and Earnings by Industry (current dollars)

Area	Income distribution	2001*	2000	1999	1998	1997	1996	1991
Benton Harbor MSA (Berrien County)	Total personal income (\$000)	4,184,534	4,218,884	4,041,188	3,852,776	3,755,061	3,521,496	2,738,289
	Per capita personal income (\$)	25,826	25,942	24,941	23,776	23,121	20,986	21,621
	Earnings per worker (\$)	31,559	32,002	31,158	28,724	28,745	27,317	22,911
	Manufacturing	50,231	51,103	49,659	46,713	45,975	42,683	32,539
	Private nonmanufacturing	25,311	25,379	24,556	22,022	21,996	20,838	17,878
Grand Rapids– Holland–Muskegon MSA	Total personal income (\$000)	31,461,903	30,746,776	28,992,947	27,695,041	26,027,622	24,492,629	17,987,116
	Per capita personal income (\$)	28,471	28,145	26,909	26,095	24,845	23,732	18,769
	Earnings per worker (\$)	35,438	34,613	33,640	32,541	30,754	30,012	24,972
	Manufacturing	49,487	48,533	47,094	45,789	44,650	43,310	35,787
	Private nonmanufacturing	30,156	29,045	28,083	26,891	24,797	24,255	20,069
Kent County	Total personal income (\$000)	17,613,522	17,157,141	16,174,144	15,544,862	14,546,586	13,757,510	10,245,445
	Per capita personal income (\$)	30,238	29,770	28,439	27,699	26,192	25,079	20,026
	Earnings per worker (\$)	37,512	36,277	35,368	34,175	31,923	31,273	25,897
	Manufacturing	52,957	50,710	49,803	48,327	47,138	45,381	37,317
	Private nonmanufacturing	32,877	31,551	30,604	29,326	26,661	26,361	21,587
Muskegon County	Total personal income (\$000)	3,964,442	3,917,268	3,703,123	3,521,282	3,363,339	3,148,681	2,486,620
	Per capita personal income (\$)	23,161	22,972	21,869	20,942	20,130	18,995	15,456
	Earnings per worker (\$)	31,300	31,051	30,128	29,642	28,704	27,692	23,888
	Manufacturing	47,904	48,982	47,414	46,308	44,859	43,435	36,479
	Private nonmanufacturing	25,440	24,506	23,409	22,810	21,896	21,027	17,651
Ottawa County	Total personal income (\$000)	6,846,445	6,771,218	6,420,652	6,119,590	5,752,256	5,389,121	3,710,819
	Per capita personal income (\$)	28,114	28,273	27,332	26,676	25,689	24,702	19,144
	Earnings per worker (\$)	33,822	33,526	32,506	30,992	29,596	28,633	23,277
	Manufacturing	45,918	46,409	44,824	43,484	42,221	41,417	33,025
	Private nonmanufacturing	26,514	25,845	24,927	23,469	22,193	20,836	17,464
Allegan County	Total personal income (\$000)	3,037,494	2,901,149	2,695,028	2,509,307	2,365,441	2,197,317	1,544,232
	Per capita personal income (\$)	28,157	27,340	25,796	24,471	23,365	22,070	16,781
	Earnings per worker (\$)	29,785	29,915	28,640	28,229	27,596	27,117	23,309
	Manufacturing	43,299	43,079	40,147	39,586	38,855	38,161	32,964
	Private nonmanufacturing	21,671	20,971	19,833	18,440	17,614	17,503	14,799
Kalamazoo–Battle Creek MSA	Total personal income (\$000)	11,911,911	11,814,602	11,314,018	11,108,334	10,684,995	10,223,408	8,075,247
	Per capita personal income (\$)	26,207	26,063	25,051	24,700	23,890	22,939	18,650
	Earnings per worker (\$)	34,260	34,096	33,233	32,331	30,768	30,248	25,992
	Manufacturing	53,934	56,799	54,391	54,918	53,148	52,134	43,393
	Private nonmanufacturing	27,618	26,190	25,585	24,683	22,915	22,169	18,870
Kalamazoo County	Total personal income (\$000)	6,808,183	6,721,365	6,420,054	6,343,637	6,045,460	5,872,621	4,578,596
	Per capita personal income (\$)	28,412	28,137	27,023	26,844	25,716	25,105	20,348
	Earnings per worker (\$)	33,937	33,525	32,797	32,334	30,868	30,636	26,297
	Manufacturing	59,216	59,067	56,592	58,926	56,033	56,162	46,444
	Private nonmanufacturing	27,164	26,462	25,849	25,098	23,488	22,765	19,072
Calhoun County	Total personal income (\$000)	3,505,110	3,504,955	3,363,813	3,310,604	3,222,119	3,016,817	2,433,064
	Per capita personal income (\$)	25,367	25,383	24,372	24,028	23,548	22,080	17,784
	Earnings per worker (\$)	36,314	36,706	35,262	34,130	32,339	31,438	27,238
	Manufacturing	50,365	58,662	56,084	54,226	53,773	51,037	42,135
	Private nonmanufacturing	29,153	25,921	25,079	24,776	22,554	21,727	19,295
Van Buren County	Total personal income (\$000)	1,598,618	1,588,282	1,530,151	1,454,093	1,417,416	1,333,970	1,063,587
	Per capita personal income (\$)	20,834	20,801	20,121	19,225	18,815	17,755	14,949
	Earnings per worker (\$)	30,415	30,196	29,964	27,114	25,614	24,627	20,471
	Manufacturing	38,556	40,720	38,424	37,527	35,923	33,919	28,164
	Private nonmanufacturing	26,247	25,175	25,285	21,765	20,444	19,729	16,348

*2001 statistics are based on North American Industry Classification System (NAICS).

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	186.7	185.2	186.2	187.4	188.0								
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	182.3	180.9	181.9	182.9	183.5								

^aMonthly 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:

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

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

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

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

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

Area	Estimate 2002	2000	1990	1980	Annual change (%)		
					2000– 2002	1990– 2000	1980– 1990
Michigan	10,050,446	9,956,115	9,295,297	9,262,044	0.5	0.7	0.0
West Michigan Metropolitan Areas:							
Benton Harbor MSA (Berrien County)	162,285	162,629	161,378	171,276	-0.1	0.1	-0.6
Benton Harbor city	11,052	11,179	12,818	14,707	-0.6	-1.4	-1.4
Niles city	11,974	12,193	12,456	13,115	-0.9	-0.2	-0.5
St. Joseph city	8,660	8,785	9,214	9,622	-0.7	-0.5	-0.4
Grand Rapids–Muskegon–Holland MSA	1,114,965	1,092,458	937,891	840,824	1.0	1.5	1.1
Kent County	587,951	576,330	500,631	444,506	1.0	1.4	1.2
Grand Rapids city	196,595	197,826	189,126	181,843	-0.3	0.5	0.4
East Grand Rapids city	10,677	10,764	10,807	10,914	-0.4	0.0	-0.1
Grandville city	16,598	16,314	15,624	12,412	0.9	0.4	2.3
Kentwood city	46,317	45,420	37,826	30,438	1.0	1.8	2.2
Walker city	23,040	22,032	17,279	15,088	2.3	2.5	1.4
Wyoming city	70,328	69,526	63,891	59,616	0.6	0.8	0.7
Ottawa County	245,913	239,494	187,768	157,174	1.3	2.5	1.8
Grand Haven city	10,930	11,162	11,951	11,763	-1.0	-0.7	0.2
Holland city ^a	34,688	35,050	30,745	26,281	-0.5	1.3	1.6
Muskegon County	171,765	170,521	158,983	157,589	0.4	0.7	0.1
Muskegon city	39,431	40,065	40,283	40,823	-0.8	-0.1	-0.1
Muskegon Heights city	11,857	12,038	13,176	14,611	-0.8	-0.9	-1.0
Norton Shores city	23,084	22,591	21,755	22,025	1.1	0.4	-0.1
Allegan County	109,336	106,113	90,509	81,555	1.5	1.6	1.0
Kalamazoo–Battle Creek MSA	457,081	453,317	429,453	420,749	0.4	0.5	0.2
Kalamazoo County	241,471	238,877	223,411	212,378	0.5	0.7	0.5
Kalamazoo city	75,858	76,962	80,277	79,722	-0.7	-0.4	0.1
Portage city	45,197	44,906	41,042	38,157	0.3	0.9	0.7
Calhoun County	138,375	138,085	135,982	141,557	0.1	0.2	-0.4
Battle Creek city ^b	53,650	53,421	53,540	56,339	0.2	0.0	-0.5
Albion city	9,086	9,130	10,066	11,059	-0.2	-1.0	-0.9
Marshall city	7,315	7,446	6,891	7,201	-0.9	0.8	-0.4
Van Buren County	77,235	76,355	70,060	66,814	0.6	0.9	0.5
Total	1,734,331	1,708,404	1,528,722	1,432,849	0.8	1.1	0.6
Rural Southwest Michigan							
Barr County	57,943	56,909	50,057	45,781	0.9	1.3	0.9
Branch County	46,189	45,871	41,502	40,188	0.3	1.0	0.3
Cass County	51,284	51,161	49,477	49,499	0.1	0.3	0.0
Newaygo County	49,013	48,024	38,202	34,917	1.0	2.3	0.9
Oceana County	27,650	26,975	22,454	22,002	1.2	1.9	0.2
St. Joseph County	62,366	62,541	58,913	56,083	-0.1	0.6	0.5
Total	294,445	291,481	260,605	248,470	0.5	1.1	0.5

^aPopulation for Holland city is total population of city located in Ottawa and Allegan counties .

^bFor 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. Bureau of the Census.

Table A-6
Employment by Area
(seasonally adjusted)

	2004	2003				2002				2001			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Grand Rapids Area (Kent County)													
Total Employment	347,390	346,110	347,570	345,890	351,690	355,510	354,240	355,310	355,490	357,090	356,880	361,390	362,860
Goods-producing	80,670	80,520	81,710	83,020	85,310	86,730	87,290	88,280	90,220	91,880	93,640	95,160	97,610
Construction and Natural Resources			16,940	16,500	16,900	17,080	17,250	17,520	18,100	17,600	17,700	17,390	17,550
Manufacturing			64,770	66,520	68,410	69,650	70,040	70,760	72,120	74,280	75,940	77,770	80,060
Service-Providing	238,170	237,060	237,150	233,880	236,980	239,410	238,120	238,430	236,480	236,480	234,170	237,490	236,480
Transportation and utilities			9,270	9,360	9,210	9,310	9,280	9,340	9,490	9,600	9,840	10,030	10,040
Wholesale			22,190	22,120	22,200	22,450	22,520	22,530	22,110	21,750	22,090	22,790	22,960
Retail			39,020	38,630	39,240	39,840	39,880	39,680	39,880	40,780	40,610	42,250	43,350
Information			5,430	5,530	5,610	5,970	5,900	5,970	6,520	6,210	5,810	5,910	5,600
Financial activities			18,520	18,680	18,720	18,220	18,130	18,320	18,300	18,440	17,810	18,310	18,290
Professional and business services			47,870	48,090	48,610	50,980	51,240	51,180	49,740	49,510	50,010	50,120	48,660
Education and health			52,320	47,920	49,030	48,210	47,940	47,830	46,650	46,530	45,760	44,980	43,990
Leisure and hospitality			27,760	28,560	29,230	29,040	27,880	28,400	28,770	28,370	27,150	27,970	28,660
Other services			14,770	14,990	15,140	15,380	15,350	15,200	15,020	15,280	15,090	15,120	14,940
Government	28,550	28,530	28,710	28,990	29,390	29,380	28,820	28,600	28,790	28,740	29,070	28,740	28,770
Muskegon Area (Muskegon County)													
Total Employment	66,080	66,030	65,640	65,620	65,730	66,320	67,590	66,630	66,630	66,960	68,090	67,510	66,990
Goods-producing	15,070	15,040	14,890	15,270	15,600	15,770	15,940	16,150	16,580	16,670	17,140	17,290	17,690
Construction			2,330	2,420	2,500	2,660	2,580	2,610	2,720	2,910	2,870	2,920	3,150
Manufacturing			12,560	12,850	13,100	13,110	13,360	13,540	13,860	13,760	14,280	14,370	14,540
Service-Providing	41,080	41,060	40,750	40,250	39,890	40,320	41,620	40,530	40,020	40,290	40,820	40,210	39,280
Transportation and utilities			1,310	1,290	1,310	1,270	1,270	1,360	1,320	1,340	1,320	1,330	1,270
Wholesale			1,790	1,750	1,810	1,810	1,890	1,930	1,930	3,060	3,190	3,240	3,230
Retail			11,020	10,980	10,850	11,230	11,360	10,920	10,830	9,840	9,910	9,960	9,930
Information			1,060	1,050	1,070	1,110	1,120	1,140	1,280	1,210	1,160	1,240	1,210
Financial activities			1,990	1,990	1,970	2,190	2,190	2,220	2,330	2,260	2,330	2,370	2,310
Professional and business services			3,450	3,520	3,680	3,640	3,640	3,540	3,810	3,630	3,660	3,640	3,720
Education and health			9,570	10,160	10,030	9,720	9,500	9,660	9,350	9,430	9,210	8,950	8,710
Leisure and hospitality			8,060	7,060	6,760	6,880	7,910	7,140	6,630	7,070	7,350	6,930	6,420
Other services			2,490	2,440	2,410	2,480	2,720	2,610	2,540	2,440	2,700	2,560	2,490
Government	9,940	9,940	10,000	10,100	10,240	10,230	10,040	9,960	10,030	10,010	10,130	10,010	10,020

NOTE: Benchmarked 2003.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Dept. of Labor and Economic Growth ES-202 employment statistics, BLS CES state employment statistics, and BEA employment estimates for government.

(continued page 30)

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

	2004	2003				2002				2001			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Holland Area (Allegan and Ottawa cos.)													
Total Employment	147,750	147,340	146,670	147,620	147,430	150,480	153,090	152,430	151,090	153,490	158,750	159,280	159,450
Goods-producing	57,770	57,660	58,390	58,540	59,360	60,810	61,950	62,440	61,860	63,560	66,110	68,230	68,560
Construction			8,240	8,260	8,050	8,190	8,400	8,470	8,010	8,310	8,330	8,360	8,270
Manufacturing			50,160	50,280	51,300	52,620	53,550	53,970	53,850	55,250	57,780	59,870	60,300
Service-Providing	71,060	70,780	69,250	69,880	68,600	70,210	72,040	71,050	70,150	70,880	73,370	72,010	71,820
Transportation and utilities			3,650	3,520	3,440	3,390	3,430	3,440	3,480	3,420	3,630	3,410	3,340
Wholesale			5,760	5,720	5,440	5,450	5,470	5,240	5,090	4,650	4,750	5,020	4,900
Retail			15,470	15,550	15,370	15,760	16,450	16,260	16,230	16,650	17,300	17,090	17,160
Information			1,500	1,490	1,300	1,360	1,350	1,290	1,390	1,390	1,360	1,320	1,430
Financial activities			3,830	3,770	3,700	3,670	3,720	3,820	4,070	3,850	3,940	3,930	3,790
Professional and business services			10,960	10,970	11,140	11,350	12,000	11,740	11,330	11,340	12,000	11,660	12,210
Education and health			10,750	11,650	11,600	12,270	12,140	12,340	12,210	12,340	12,110	11,780	11,710
Leisure and hospitality			11,510	11,210	10,570	11,080	11,670	11,210	10,590	11,270	12,340	11,860	11,360
Other services			5,820	6,010	6,030	5,880	5,800	5,710	5,780	5,960	5,950	5,950	5,920
Government	18,920	18,905	19,020	19,210	19,480	19,470	19,100	18,950	19,080	19,040	19,270	19,040	19,060
Kalamazoo Area (Kalamazoo County)													
Total Employment	123,870	124,540	123,930	125,390	125,260	124,960	125,470	123,980	124,680	123,940	122,800	123,740	125,920
Goods-producing	27,300	28,090	28,340	28,370	28,440	27,870	28,730	28,890	29,190	29,170	29,290	29,640	31,070
Construction and Natural Resources			5,990	6,070	5,990	5,820	6,040	6,070	6,460	6,080	6,080	5,740	6,090
Manufacturing			22,350	22,300	22,450	22,050	22,690	22,820	22,740	23,100	23,210	23,900	24,980
Service-Providing	77,060	76,950	76,580	77,880	77,670	77,780	77,200	76,050	76,100	75,540	74,170	74,780	75,020
Transportation and utilities			2,930	2,880	2,890	2,930	2,980	3,010	2,980	3,010	2,720	2,900	2,910
Wholesale			3,890	3,920	3,950	4,150	4,110	4,130	4,110	4,010	3,940	4,050	4,050
Retail			14,680	14,860	15,140	14,940	15,120	14,890	15,190	15,100	14,890	15,260	15,220
Information			1,480	1,560	1,580	1,610	1,670	1,710	1,690	1,710	1,760	1,790	1,750
Financial activities			6,620	6,580	6,440	6,650	6,490	6,470	6,540	6,580	6,590	6,400	6,290
Professional and business services			12,040	12,170	11,920	12,050	11,720	11,610	11,460	10,750	11,020	11,210	11,170
Education and health			17,090	18,140	17,990	17,230	16,980	16,490	16,350	16,340	15,570	15,480	15,560
Leisure and hospitality			11,740	11,720	11,730	11,980	11,930	11,790	11,900	11,990	11,630	11,640	11,930
Other services			6,120	6,050	6,040	6,240	6,200	5,950	5,900	6,040	6,040	6,060	6,130
Government	19,510	19,500	19,010	19,130	19,160	19,310	19,540	19,040	19,390	19,220	19,340	19,320	19,840

NOTE: Benchmarked 2003.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Dept. of Labor and Economic Growth ES-202 employment statistics, BLS CES state employment statistics, and BEA employment estimates for government.

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

	2004	2003				2002				2001			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Battle Creek Area (Calhoun County)													
Total Employment	63,080	63,610	62,870	63,390	63,860	64,590	65,070	65,200	64,200	63,130	64,260	64,610	64,560
Goods-producing	16,910	17,360	17,050	16,760	17,180	17,110	16,940	17,080	17,330	17,200	17,610	17,750	17,920
Construction			2,760	2,870	3,010	2,850	2,580	2,520	2,280	2,460	2,400	2,460	2,300
Manufacturing			14,300	13,890	14,170	14,270	14,350	14,560	15,050	14,740	15,210	15,290	15,620
Service-Providing	34,810	34,890	34,740	35,480	35,530	36,230	36,750	37,030	35,580	34,740	35,380	35,600	35,090
Transportation and utilities			810	790	810	850	860	880	830	880	850	900	910
Wholesale			1,280	1,260	1,300	1,230	1,150	1,200	1,140	1,180	1,160	1,170	1,150
Retail			8,070	8,110	8,230	8,480	8,500	8,610	8,120	8,180	8,270	8,630	8,270
Information			510	490	550	550	560	560	550	560	560	590	620
Financial activities			1,740	1,720	1,690	1,740	1,740	1,750	1,740	1,700	1,760	1,720	1,670
Professional and business services			6,100	6,030	6,180	6,510	6,470	6,400	6,000	6,310	6,460	6,180	6,320
Education and health			8,420	9,010	8,790	8,810	8,820	8,560	8,350	8,150	8,050	7,920	8,040
Leisure and hospitality			5,500	5,660	5,510	5,650	6,240	6,790	6,570	5,610	6,100	6,230	5,850
Other services			2,320	2,420	2,460	2,400	2,400	2,270	2,270	2,190	2,170	2,250	2,240
Government	11,360	11,360	11,070	11,140	11,160	11,250	11,380	11,090	11,290	11,200	11,270	11,260	11,550
Van Buren County													
Total Employment	21,600	21,740	21,580	21,840	21,420	21,820	22,580	22,060	21,870	21,680	22,490	22,140	21,840
Goods-producing	4,390	4,520	4,510	4,950	4,770	5,030	5,160	5,210	4,990	5,090	5,530	5,460	5,380
Construction			960	940	910	1,120	1,180	1,110	930	960	980	950	820
Manufacturing			3,540	4,010	3,860	3,900	3,980	4,100	4,070	4,120	4,550	4,510	4,560
Service-Providing	11,860	11,880	11,860	11,640	11,400	11,500	12,070	11,640	11,560	11,330	11,660	11,380	11,020
Transportation and utilities			1,160	1,190	1,250	1,300	1,300	1,310	1,320	1,300	1,150	1,250	1,260
Wholesale			490	450	380	380	410	420	440	440	470	430	360
Retail			2,860	2,840	2,750	2,840	3,020	3,000	2,970	2,650	2,750	2,690	2,540
Information			120	120	120	130	130	120	120	90	100	120	120
Financial activities			930	910	900	930	950	960	950	970	960	930	920
Professional and business services			1,830	1,840	1,780	1,720	1,730	1,710	1,770	1,990	1,980	1,970	1,950
Education and health			1,260	1,280	1,280	1,300	1,310	1,230	1,200	1,230	1,250	1,210	1,250
Leisure and hospitality			2,350	2,120	2,180	2,130	2,470	2,160	2,100	2,000	2,320	2,140	2,010
Other services			880	900	760	780	760	730	690	670	690	630	620
Government	5,350	5,350	5,210	5,240	5,250	5,290	5,360	5,220	5,310	5,270	5,300	5,300	5,440

NOTE: Benchmarked 2003.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on Michigan Dept. of Labor and Economic Growth ES-202 employment statistics, BLS CES state employment statistics, and BEA employment estimates for government.

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