

# BUSINESS OUTLOOK

## for West Michigan

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# WEST MICHIGAN VIEWPOINT

## 2005 Was Not as Bad as We Thought

Total employment grew by 0.9 percent last year in west Michigan's six metropolitan areas, according to revised employment estimates released in April by the Michigan Department of Labor and Economic Growth (MDLEG). Overall, 7,200 jobs were created during the year. This is a substantial improvement over the previous estimate for the year, which had shown that employment growth in the region was nearly flat, declining by a modest 410 jobs. In short, it appears that the long-awaited recovery reached west Michigan last year.

Employment estimates are not actual counts. Estimating local employment statistics is extremely complicated, and under the guidance of the U.S. Bureau of Labor Statistics (BLS), MDLEG uses the best methodologies that its budget can afford. Monthly employment statistics are derived from a voluntary survey of businesses. While almost all of the region's larger employers participate, many of its smaller employers do not. As is common knowledge, most job growth occurs in smaller establishments, so it is not surprising that a survey can miss some of the more dynamic job growth in the area. Also, start-up businesses are very hard to track.

During the first quarter of the following year, analysts at the MDLEG revise their survey estimates of the previous year by tapping into the unemployment insurance (ES-202) records, which include employment data for every business establishment in the state that pays unemployment insurance taxes.

Last year was more challenging than usual because of the dramatic changes in boundary definitions of the state's metro areas, as determined by the Office of Management and Budget and the U.S. Census Bureau. With Battle Creek being separated from Kalamazoo, and Muskegon County and Ottawa County being stripped away from the Grand Rapids–Wyoming MSA, MDLEG had to develop new sampling frames for all of the region's metro areas.

It is remarkable how close MDLEG estimates were for several of the metropolitan areas of west Michigan: MDLEG nailed employment growth in the Battle Creek, Kalamazoo, and Muskegon MSAs for 2005. However, the monthly survey data underestimated employment growth in the Grand Rapids–Wyoming and Holland–Grand Haven MSAs. In the new Grand Rapids–Wyoming MSA employment rose by a healthy 1.2 percent, a gain of nearly 4,800 jobs, compared to a previously reported 0.4 percent growth during the year. In the new Holland–Grand Haven MSA, the survey-based employment estimates were widely off the mark. Previously, employment in the one-county MSA was reported to have declined by 1.8 percent. The revised estimate shows that, in fact, it increased by 1.0 percent during the year. This is a swing of 3,100 jobs. A similar change in direction was posted in the Niles–Benton Harbor MSA.

Overall, the revised estimates show that the region's manufacturing base shed workers in 2005, but not as dramatically as previously reported; employment fell by 0.9 percent instead of 1.9 percent. For the individual areas, the Holland–Grand Haven MSA did not suffer the heavy losses previously reported.

I cannot close without saying that it is vital that employment data collection be properly funded. One of the key functions of government is to collect employment and economic statistics. Without sufficient funds to support a comprehensive monthly survey of employers, not only are MDLEG and the BLS at a terrible disadvantage, but so is the business community. The MDLEG monthly employment report is often the only source of local, unbiased, and timely performance data on the local economy available to local business decision makers. Our state legislators must support it better.

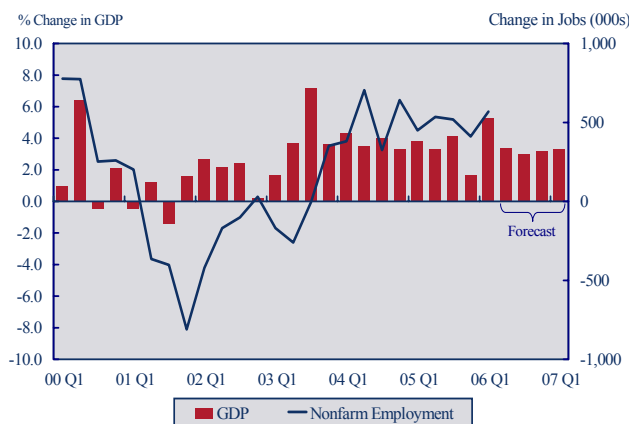
	Total Employment				
	New benchmarked estimates			Previous estimates	
	2005 estimate	% change from 2004	Employment change	% change from 2004	Employment change
Metropolitan Area	849,320	0.9	7,200	0.0	-410
Battle Creek	62,430	-0.9	-580	-0.8	-480
Grand Rapids–Wyoming	393,310	1.2	4,780	0.4	1,510
Holland–Grand Haven	116,280	1.0	1,130	-1.8	-2,010
Kalamazoo–Portage	145,180	0.4	540	0.4	550
Muskegon–Norton Shores	66,940	0.8	510	0.8	530
Niles–Benton Harbor	65,180	1.3	820	-0.8	-510
West Michigan	849,320	0.9	7,200	0.0	-410
	Manufacturing Employment				
	New benchmarked estimates			Previous estimates	
	2005 estimate	% change from 2004	Employment change	% change from 2004	Employment change
Metropolitan Area	178,200	-0.9	-1,540	-1.9	-3,390
Battle Creek	14,000	-0.8	-110	0.9	130
Grand Rapids–Wyoming	73,920	-0.2	-180	-0.9	-630
Holland–Grand Haven	37,670	-1.1	-430	-6.5	-2,460
Kalamazoo–Portage	23,950	-1.8	-440	-0.4	-100
Muskegon–Norton Shores	13,580	-0.4	-50	3.4	440
Niles–Benton Harbor	15,080	-2.2	-330	-5.1	-780
West Michigan	178,200	-0.9	-1,540	-1.9	-3,390

# NATIONAL ECONOMY

## A Full Sail

The national economy grew at a robust 5.3 percent annualized rate during the first quarter of 2006. The quarter's performance represented a strong rebound from a lackluster fourth quarter in 2005, when the economy grew at only a 1.7 percent annualized rate. Strong demand in the quarter lowered the inventory growth rate from the previous quarter. As a result, final sales to domestic purchasers rose at an even stronger 5.7 percent annualized rate—the highest rate for the past 10 quarters.

**Gross Domestic Product and Nonfarm Employment**



The first quarter's pace was powered by the return of consumers and by solid business spending on structures and equipment. The economy was also pushed by improving export markets. Exports of goods rose at a 20.8 percent annualized rate during the quarter—the best growth for export goods in more than five years. Federal government spending provided an additional push, increasing at a 10.5 percent annualized rate.

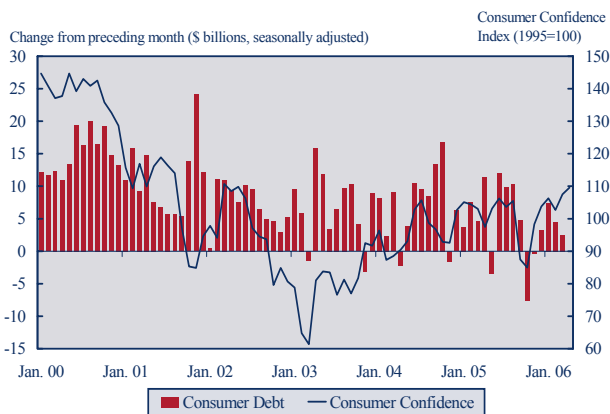
## Consumers Are Back, but Their Credit Isn't

Consumer spending rose at a bullish 5.2 percent annualized rate in the first quarter, led by a robust 20.5 percent annualized increase in durable goods. Consumers not only bought cars, SUVs, and pickup trucks, but also new furniture and home appliances. Consumer spending cruised at a 19.5 percent annual rate for cars and at a 24.0 percent annual rate for furniture and appliances. Auto sales hit an average 16.9-million-unit annualized pace during the first quarter, up from 15.8 million in the previous quarter.

On their way out of the stores, consumers also picked up some clothes, shoes, and groceries: spending on nondurable goods rose by a healthy 8.0 percent annual rate during the quarter as well.

So far, consumers are not letting high gasoline prices affect their buying habits. Gasoline prices, nationwide, averaged \$2.36 a gallon during the first quarter, up 1.9 percent from the

**Consumer Confidence and Consumer Debt**



previous quarter's average. In April and May, average gasoline prices shot up to an average of \$2.93 a gallon, a 24.1 percent jump from the first quarter.

Unfortunately, the financial situation of many of the nation's households generates uncertainty about whether the quarter's buying spree can continue. As a whole, consumers are in the red: savings as a percentage of disposable income stood at -1.3 percent during the quarter. Consumers spent \$120 billion more than their after-tax personal income during the quarter. The quarter marked the fourth in a row where consumer savings dipped into negative territory. Still, consumer debt has improved during the past several months and increased by only \$2.5 billion in March. It's possible that some of this spending is being financed by households drawing equity out of homes; however, as discussed below, the nation's housing markets are starting to cool, which could cut into this source of funds.

Moreover, the most recent polling of consumers by the University of Michigan found that their confidence is starting to wane. In April, consumer confidence had reached a four-year high, according to the Conference Board. More recently, the University of Michigan found in its polling of consumers that their sentiment had fallen to a seven-month low in May; high gas prices were to blame. The Conference Board's May polling also showed confidence slipping down by 6.0 percent.

Still, the nation's job market remains positive. Nearly 570,000 jobs were created during the first quarter, an additional 126,000 were added in April, and the unemployment rate stood at 4.7 percent. However, like consumer confidence, employment growth in May was also disappointing. Employers added only 75,000 jobs; nevertheless, the unemployment rate still dropped to 4.6 percent.

## The Health of the Nation's Housing Markets Remains Uncertain

Most analysts agree that rising mortgage rates and other affordability issues in many of the country's blistering housing

markets are slowing the national market for homes. Still, residential investment increased at an annualized rate of 3.1 percent during the quarter, bettering the previous quarter's rate.

Rates on conventional mortgages have been on the rise: in April, the average national rate reached 6.51 percent, compared to 6.15 percent in January and 5.86 percent a year ago. Added to that, housing starts slowed significantly in April, dropping to an annual pace of 1.85 million, compared to a revised rate of just under 2.0 million in March. The April rate was the slowest since November 2004. The market's slowdown is also reflected in a slight decline in prices during the first quarter. The median price of a home nationwide fell by 3.3 percent from the fourth quarter of 2005 to the first quarter of 2006, or from \$225,300 to \$217,900, after having fallen 1.0 percent from the third quarter to the fourth. Inventories rose during the first quarter, according to the National Association of Realtors, and this helped depress prices. According to the National Association of Home Builders, homebuilder confidence fell in May to its lowest level since 1995.

As was mentioned earlier, the slowdown in the housing market could put a drag on consumer spending as home equity loans dry up. In addition, buying a home is rarely limited to purchasing the home itself; it is also a chance to replace that noisy refrigerator or sagging couch.

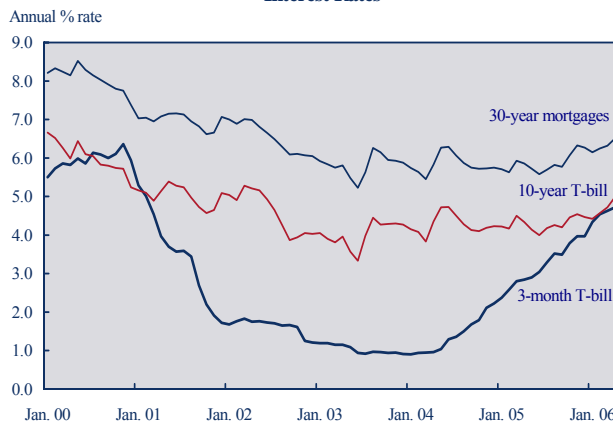
### Is the Yield Curve Losing Its Predictive Power?

One of more reliable economic indicators available has been the spread between long- and short-term interest rates. The spread between two rates—the 10-year Treasury bond and the 90-day Treasury note—has been particularly consistent in predicting economic upticks and downturns. When the spread is wide and positive, it has strongly correlated with strong output growth, whereas when it is negative or inverted, it has preceded a recession for the past 50 years, except for a couple of near misses—the closest one in 1998.

As of April, the interest rate on the 10-year Treasury bond was 4.99 percent, while the 90-day Treasury note stood at 4.72 percent; the two were very close indeed. Economists are offering two arguments for why the current brushing of the two rates may not foretell a near-term recession. First, despite higher gas prices, the core level of inflation (which excludes food and energy prices) remains low and stable. Insofar as long-term rates reflect investors' inflationary fears, the current low long-term rates suggest strong confidence in the Federal Reserve Board's ability to maintain a strong hold on prices. The latest bump of the Federal Funds Rate, to 5.0 percent, is seen as further evidence of the Fed doing its job in controlling inflationary expectations.

The second factor, which gets a lot of play in the business press, is that foreign investors continue to buy long-term government securities, keeping their prices higher than normal and thus lowering their interest rate yields. Moreover, as long as our trade deficit continues, foreign investors will continue to have U.S. dollars to invest in the American economy.

**Interest Rates**



In short, many economists and forecasters are questioning the relevancy of the yield curve, given the present environment. Still, the strong possibility of an inverted curve in the immediate future is disquieting to long-term observers.

### Businesses Continue to Invest

Business spending on structures and equipment, including software, rose at a 13.1 percent pace during the quarter, its strongest rate in eight quarters. Investment spending on structures was particularly robust, increasing at an 11.3 percent annualized rate, which was the strongest showing since the second quarter of 2003.

Business spending on equipment and software increased at a 13.8 percent annualized pace, and, as in the past quarter, businesses focused their spending on information processing equipment, which increased at a 17.9 percent annualized rate for the quarter.

### Economic Outlook Remains Strong

The 53 forecasters surveyed by the Federal Reserve Bank of Philadelphia predict the U.S. economy will grow by 3.4 percent in 2006 and by another 3.0 percent in 2007. The survey's consensus forecast pegs the nation's unemployment rate at 4.7 percent for 2006 and 2007. Regarding inflation, the group thinks that the Consumer Price Index (CPI) will settle back down to a more comfortable rate from its first-quarter increase of 3.4 percent. The consensus calls for the CPI to fall to a 2.6 percent rate for this year on a fourth-quarter-to-fourth-quarter basis and to 2.4 percent in 2007.

The University of Michigan's latest U.S. forecast, released in May, is in general agreement with the Philadelphia Fed's consensus forecast, but it is somewhat more volatile. Its forecasting team is calling for the nation's economy to grow at a more robust 3.7 percent rate in 2006 but then drop to a more subdued 2.7 percent rate of growth in 2007. The University of Michigan is forecasting car and light truck sales to increase to 16.8 million units per year in both years.

# REGIONAL ECONOMY

## The Great Lakes Regional Economy Continues to Improve

Business reports collected by economic researchers at the Federal Reserve Bank of Chicago in April point to continued moderate economic growth for the Great Lakes region. According to the businesses contacted, investment spending is growing, especially for equipment and machinery. Moreover, hiring, while limited, remains positive as well. Indeed, some manufacturers were reporting shortages in skilled workers. Temporary employment agencies that were contacted reported an increase in activity, and those in Michigan indicated that the state showed signs of “settling out.” The region’s steel producers, heavy- and medium-duty truck manufacturers, and wallboard makers are all reporting strong sales. Auto sales, on the other hand, were soft, and dealers faced growing inventories.

The region’s residential real estate activity appears to have slowed, and mortgage activity is down. Banks also reported that the demand for equity loans was down. Still, household credit quality is favorable, the region’s banks reported, the sole exception being Michigan. Finally, in terms of consumer expenditures, high-end retailers have not found high gasoline prices to be hurting their sales volumes, although big-box discounters have experienced a slowdown in activity.

Michigan continues to lag behind the other Great Lakes states. Michigan was the only state among the five Great Lakes states to suffer employment declines during the 12-

month period that ended in March. Wisconsin led the pack with a 1.1 percent gain in total employment, supported by a 0.2 percent increase in manufacturing employment. What is more discouraging is that, as a whole, the Great Lakes states continue to lag significantly behind the nation. Employment increased by 0.5 percent in the five-state region despite Michigan’s 0.5 percent decline during the 12-month period. During the same period, employment in the rest of the nation, outside of the five-state region, grew by 1.7 percent. In manufacturing, the five-state region lost 1.0 percent of its production workforce—again dragged down by Michigan’s 2.9 percent decline—while manufacturing employment outside the region was stable during the period.

The Chicago Fed Midwest Manufacturing Index increased by 0.6 percent in March after climbing 0.5 percent in February. The March increase was supported by increased output in the region’s machinery, auto, and steel sectors. The Index is up 5.5 percent from a year ago and adds further evidence that the region’s manufacturing sector has joined the national expansion.

## Declining Share in a Stagnant Market

In addition to facing high legacy costs associated with an older workforce, General Motors and Ford also continue to lose share in a stagnant market. Cars sales have held fairly constant during the past twelve months, and *Ward’s AutoWorld* is predicting auto sales to fall 1.0 percent in 2006, from 17.0 million units to 16.8 million. The forecast is in line with that

### Employment and Earnings<sup>a</sup>

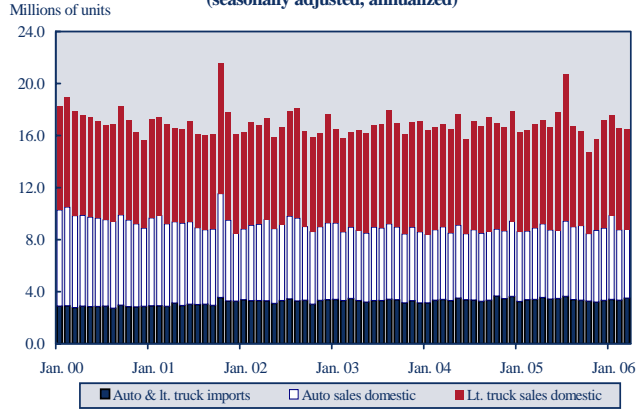
Great Lakes region	March 2006	March 2005	Percent change	Great Lakes region	March 2006	March 2005	Percent change
<b>Illinois</b>				<b>Ohio</b>			
Total employment	5,896,000	5,837,600	1.0	Total employment	5,441,900	5,414,900	0.5
Mfg. employment	681,100	690,500	-1.4	Mfg. employment	808,500	815,100	-0.8
Avg. weekly hours	41.0	40.7	0.7	Avg. weekly hours	41.4	41.4	0.0
Avg. hourly earnings	\$15.92	\$15.74	1.1	Avg. hourly earnings	\$18.83	\$18.99	-0.8
<b>Indiana</b>				<b>Wisconsin</b>			
Total employment	2,969,300	2,948,400	0.7	Total employment	2,863,100	2,831,300	1.1
Mfg. employment	572,800	572,300	0.1	Mfg. employment	506,700	505,800	0.2
Avg. weekly hours	42.3	41.9	1.0	Avg. weekly hours	40.5	40.1	1.0
Avg. hourly earnings	\$18.48	\$17.88	3.4	Avg. hourly earnings	\$16.36	\$16.27	0.6
<b>Michigan</b>				<b>United States</b>			
Total employment	4,370,800	4,393,700	-0.5	Total employment (000)	134,930	132,876	1.5
Mfg. employment	664,500	684,100	-2.9	Mfg. employment (000)	14,227	14,268	-0.3
Avg. weekly hours	41.8	41.0	2.0	Avg. weekly hours	41.1	40.4	1.7
Avg. hourly earnings	\$21.86	\$21.32	2.5	Avg. hourly earnings	\$16.74	\$16.43	1.9

NOTE: March 2006 lists preliminary numbers.

<sup>a</sup>Employment numbers are seasonally adjusted for both the U.S. and the states. Average weekly hours and earnings are seasonally adjusted for the U.S. only.

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

**U.S. Auto and Light Truck Sales**  
(seasonally adjusted, annualized)



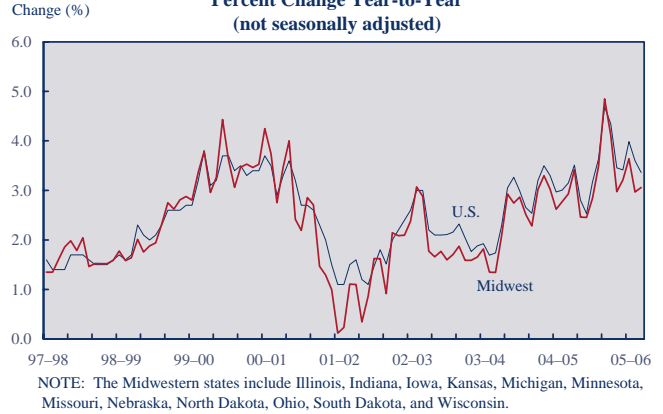
of other forecasters, including the University of Michigan, as cited in the previous section.

Although overall sales are not expected to grow, there has been a significant shift in types of vehicles sold—and, surprisingly, it does not seem to be overly influenced by high gas prices. Truck-based SUVs have been giving up market share to car-based crossover utility vehicles, and even traditional passenger cars are recouping share. According to *Ward's AutoWorld*, the truck-based SUVs' share dropped to a nine-year low of 14.3 percent in 2005, while the share for car-based crossovers reached 13.0 percent. The sole exception to the SUV dropoff is the new Chevy Tahoe, which is selling very well. Passenger cars' share rose from 44.5 percent in 2004 to 45.2 percent in 2005—the first time this segment of the industry has enjoyed an increase in share in over 30 years.

However, it is important to note that much of the switch from SUVs to cars is apparently not due to consumers wanting to be more frugal with fuel. Big, luxury cars sold better than smaller, fuel-efficient cars, except for niche products such as the Scion xB—Toyota's moving box—and the Mini Cooper.

Regardless of these shifts in the market, General Motors and Ford continue to lose share. According to JPMorgan, GM lost 3.2 percent of its share in 2005, while Ford's share de-

**Consumer Price Index**  
Percent Change Year-to-Year  
(not seasonally adjusted)



NOTE: The Midwestern states include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

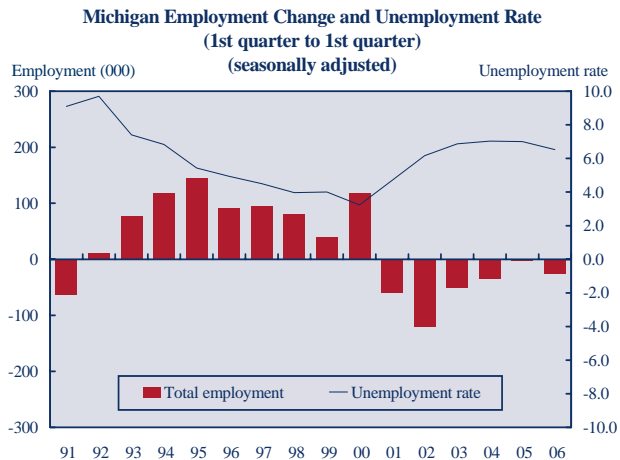
clined by 0.3 percent. At the same time, the Japanese producers' market share rose by 1.7 percent, and the European share of the market increased by 0.9 percent. The only good news for the traditional Big Three is that Chrysler's share increased by 0.6 percent.

The decline in market share is also reflected in dealers' inventories: GM faces an 86 day inventory, compared to the industry-adjusted average of 68 days—again, according to JPMorgan.

Of course, it is not only GM and Ford being hurt by the burden of high legacy costs; many of the industry's major suppliers are also losing millions of dollars in sales because of their inability to meet their legacy cost commitments and stay competitive. Furthermore, it is not a story that is confined to the U.S.; suppliers in the world's other mature markets are facing similar challenges. In short, new suppliers can enter mature markets worldwide with new investments, hire a younger workforce, and enjoy a substantial competitive advantage over existing long-term suppliers. The harsh global competition is forcing auto suppliers to ignore long-term relationships and focus on price and quality alone.

# STATE OF MICHIGAN ECONOMY

Employment in the state declined by 0.5 percent during the first quarter, a loss of nearly 20,000 jobs. Manufacturers reported the largest employment declines; however, employers in several of the state's service-providing sectors cut back on their employment levels as well. Despite the quarter's employment declines, the state's unemployment rate remained unchanged at 6.5 percent. The state's economic indicators were mostly negative during the quarter, suggesting that employment conditions may remain lackluster in the coming months.



Employment in the state's goods-producing sector declined by 1.9 percent during the first quarter. Despite the mild winter, which allowed some contractors to get an early start on the building season, construction employment fell by 1.7 percent. Moreover, the state's residential construction may remain soft, as the number of new dwelling units put under contract for construction fell by 6.3 percent during the quarter.

Manufacturing employment fell by 2.1 percent during the quarter in the state. During the past four quarters, employment in the state's auto-dominated transportation equipment industry fell by 5.3 percent, a loss of nearly 13,000 jobs. Employment in the state's office furniture industry fell by 2.3 percent, and in plastics it declined by 2.8 percent. Food processors were the sole major manufacturing sector in the state that reported a significant gain in employment, 1,200 jobs.

General Motors, in an attempt to get out from under growing pension and retiree health insurance costs, announced an early-retirement offer to all of its 113,000 hourly workers and to 13,000 Delphi workers. Those workers nearing retirement could take \$35,000 and retain their retirement package if they left their jobs. GM workers with at least 10 years of experience who are willing to step away from the firm's health care package and let go of the possibility of being rehired are being offered \$140,000. Those with fewer years would be offered as much as \$70,000 to walk away with just their pensions.

If there are enough takers, the offer could not only pull GM out from underneath a tremendous health care burden for its retirees but could also do away with the job bank program. Under the job bank program, the auto giant pays laid-off union workers most of their income even when they are not working. GM lost \$10.6 billion in 2005.

Delphi, which was separated from GM several years ago but remains GM's largest supplier, is making a last-ditch effort to survive. The auto supplier is looking to break its union contract, and its action threatens to trigger a strike that could seriously impact General Motors. This move comes after the UAW rejected a company proposal that would have dropped pay for current hourly workers from \$27 an hour to \$16.50 by September 2007. New production workers would make \$12 an hour instead of \$14 an hour. Already, new workers receive a more limited benefits-and-retirement plan than older workers. The proposed wage plan also calls for all production workers to start paying significant copays on health insurance.

Wyoming is the only facility that Delphi has identified as being a core automotive facility in Michigan, while the facility in Coopersville has been identified as non-core and could be closed.

With the traditional Big Three unable to retain market share, many auto suppliers are looking for opportunities to partner with foreign transplants. It may be a difficult road to follow, however. According to numerous reports, the Japanese transplants are more demanding of quality than the Big Three. For example, they are unwilling to accept the same level of defects. Second, because the Japanese tend to cultivate long-term relations with their suppliers, agreements can take more than five years to consummate. It may be difficult for a latecomer to get a place at the table, especially if that company is in a financial crunch.

Employment in the state's private service-providing sector was off by 0.1 percent during the quarter, even with stable though modest growth in the state's personal income. Retailers suffered the largest employment decline, losing more than 6,500 workers. Employment in the closely related wholesale sector was down 0.6 percent as well. The latest polling of retailers by the Federal Reserve Bank of Chicago in association with the Michigan Retailers Association indicates that activity remains sluggish.

On a positive note, employment in the state's professional and business services sector rose by 0.9 percent during the quarter, a gain of 5,070 jobs. However, government employment was flat.

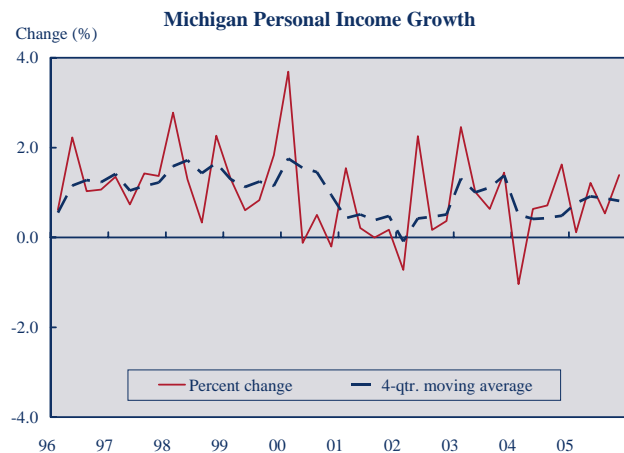
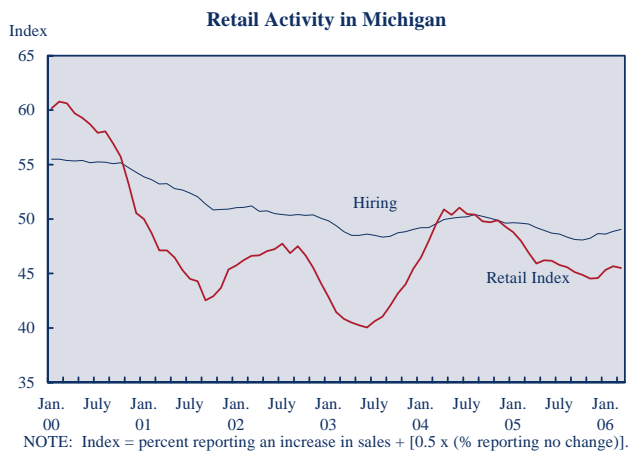
Surprisingly, although nearly 20,000 jobs were lost during the quarter, the number of unemployed workers in the state

rose by only 0.3 percent, or fewer than 900 individuals. This suggests that some of the job losers may have been at retirement age or may have been seeking employment opportunities outside the state. The tiny increase in the number of unemployed was enough to keep the state's unemployment rate unchanged.

The first-quarter reading of the state's economic indicators was mixed. The Detroit Index of Help-Wanted Advertising was down 3.6 percent during the quarter, suggesting that employment opportunities on the southeast side of the state may remain lackluster in the coming months. The number of new claims for unemployment insurance stayed essentially flat, while, as mentioned earlier, housing starts were down.

The University of Michigan's latest employment forecast for the state calls for continued employment decline through 2007. The university forecasters are predicting that employment will decline by 0.4 percent in 2006 and 0.2 percent in 2007, from fourth quarter to fourth quarter.

In the 12-month period ending in March, the Muskegon–Norton Shores MSA recorded the strongest employment gain of all Michigan MSAs, an increase of 1.7 percent. This gain was powered by a 4.6 percent increase in goods-producing employment. In fact, Muskegon–Norton Shores was one of only two state MSAs that recorded positive goods-producing employment growth.



**Employment by Place of Work  
March  
(seasonally adjusted)**

Labor market area	Total nonfarm	% change, 2005–06	Goods-producing	% change, 2005–06	Private service-providing	% change, 2005–06
United States	134,930,000	1.5	22,388,000	1.4	90,645,000	1.8
Michigan	4,370,800	-0.5	864,000	-2.2	2,838,230	0.2
West Michigan MSAs:						
Battle Creek	62,510	-0.5	16,060	-1.3	36,050	0.0
Grand Rapids–Wyoming	395,650	0.8	92,400	-1.3	265,570	1.6
Holland–Grand Haven	116,400	0.3	43,960	-1.2	56,910	1.4
Kalamazoo–Portage	145,600	0.5	30,090	-2.0	91,540	1.4
Muskegon–Norton Shores	67,550	1.7	16,560	4.6	41,570	1.0
Niles–Benton Harbor	65,230	0.6	16,970	-3.5	40,100	2.3
Other labor market areas:						
Ann Arbor	203,760	0.5	27,230	-5.6	108,830	1.3
Bay City	39,650	0.5	5,960	1.9	27,480	1.5
Detroit–Warren–Livonia	2,026,600	-0.8	357,580	-3.4	1,438,940	-0.1
Flint	154,100	-1.0	27,030	-6.4	102,320	0.0
Jackson	60,920	-1.3	12,570	-1.6	38,310	-1.3
Lansing–East Lansing	228,610	-0.4	30,350	-4.2	133,650	0.1
Monroe	43,370	-2.1	10,210	-6.3	26,550	-1.2
Saginaw	92,950	-0.4	16,960	-6.3	62,820	0.7

SOURCE: U.S. Department of Labor and the Michigan Department of Labor and Economic Growth (most recent benchmark).

# WEST MICHIGAN ECONOMY

Total employment in the six metropolitan areas of west Michigan grew by a modest 0.1 percent, a gain of 1,140 jobs during the first quarter. The region's employment performance was held back by a large 1.2 percent employment decline in government. In fact, in sharp contrast to the rest of the state, the region's goods-producing employment rose by 0.3 percent during the quarter. The region's unemployment rate remained unchanged. The first-quarter reading of the region's economic indicators was mixed, suggesting little improvement in employment conditions for the next several months.

Employment in the region's goods-producing sector rose by 0.3 percent during the quarter because of a 1.5 percent increase in construction employment. Building contractors took advantage of the mild winter to get a head start on the construction season. Manufacturing employment in the region held steady during the quarter, which was better than the 2.1 percent decline suffered by the state as a whole. Still, during the past four quarters, manufacturing employment has declined by 1.3 percent.

The region's office furniture industry continues to expand. The quarterly survey of the industry stakeholders and decision makers conducted by Michael A. Dunlap & Associates found that the industry is still growing, although the pace has slowed. The report's overall index stood at 55.87 in the first quarter, which is well above the mark of 50 that suggests positive growth; however, it was the lowest reading in the survey's two-year history.

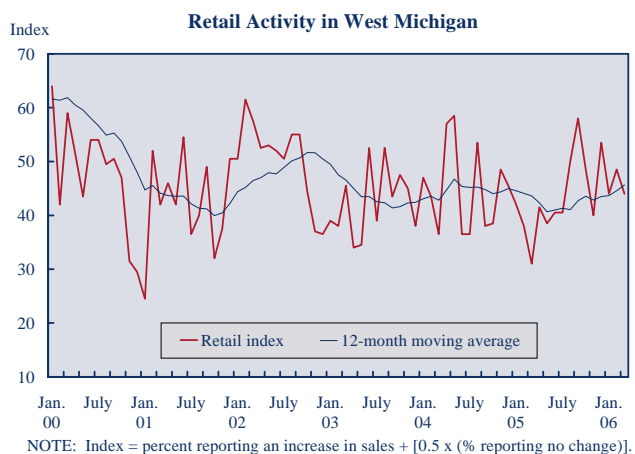
Steelcase announced that its profits for the fiscal year ending in February reached \$50.8 million, the highest since 2001. It was the second straight year for positive net earnings for the office furniture giant, and sales rose by approximately 10 percent during the year. However the company also announced that it is not expecting to hire any additional workers in the near future.

Crosstown rival Herman Miller, the industry's number-two manufacturer, announced its ninth consecutive quarter of growth—profits were up by 33 percent from the same quarter last year. Haworth, the nation's fourth largest office furniture company, reported that sales for 2005 grew by 11.4 percent, to \$1.4 billion. The company is in the midst of a \$30 million reconstruction of its headquarters in Holland that is scheduled for completion in 2008. Haworth has 2,400 employees at eight Michigan locations and 8,500 employees worldwide.

Several of the office furniture companies are entering new global markets as well as new domestic markets. Haworth recently opened a plant in India that will build furniture for the Asian markets. Similarly, Herman Miller is building a plant in China to serve that growing market. Meanwhile, Steelcase is exploring new domestic markets. Its Nurture subsidiary, which it recently launched, offers furniture for doctors' offices and other medical settings.

The Business Industrial Furniture Manufacturing Association (BIFMA) continues to forecast good growth for the industry; sales are expected to increase by 7.0 percent this year and by another 7.1 percent in 2007.

Employment in the region's private service-providing sector rose by 0.3 percent in the quarter and was up by 2.0 percent from the same quarter last year. Employment gains were reported in all of the major segments of the sector except for the miscellaneous "other services" category. The strongest percentage increases were reported in the leisure and hospitality sector and in financial activities. The economic climate for the region's retailers seems to be stabilizing, as reflected by the modest 0.1 percent increase in employment for the quarter. This is also supported by the smoothed trend line of the region's Retail Activity Index, prepared by the Federal Reserve Bank of Chicago in association with the Michigan Retailers Association.



As mentioned previously, employment in the region's government sector was down 1.2 percent because of a drop in local government employment, which includes K-through-12 public schools.

The quarter's slight gain in employment was not enough to push the region's unemployment rate lower; it remained at 5.6 percent.

The first-quarter reading of the region's economic indicators suggests that employment conditions may remain unchanged in the coming months. The region's composite Index of Help-Wanted Advertising was up 5.6 percent in the quarter, indicating that employment conditions in the region's service-providing sector may improve in the coming months. However, the number of new claims for unemployment insurance rose by 2.3 percent, and the number of new dwelling units put under contract for construction was down by 1.1 percent.

## West Michigan (6 MSAs) Statistics

(seasonally adjusted)

Measure	2006 Q1	2005 Q4	% change, Q4 to Q1	2005 Q1	% change, Q1 to Q1
<b>Employment (by place of work)</b>					
Total nonfarm employment	853,050	851,910	0.1	844,260	1.0
Goods-producing	216,350	215,720	0.3	218,020	-0.8
Construction and mining	39,280	38,690	1.5	38,560	1.9
Manufacturing	177,050	177,030	0.0	179,460	-1.3
Durable goods (5 MSAs) <sup>a</sup>	113,580	113,560	0.0	114,750	-1.0
Nondurable goods (5 MSAs) <sup>a</sup>	48,680	48,560	0.2	49,480	-1.6
Private service-providing	531,510	529,740	0.3	521,100	2.0
Transportation and utilities	22,670	22,570	0.4	22,180	2.2
Wholesale trade	36,610	36,530	0.2	35,950	1.8
Retail trade	96,220	96,150	0.1	96,040	0.2
Information (5 MSAs) <sup>b</sup>	9,980	9,980	0.0	9,930	0.5
Financial activities	38,890	38,620	0.7	38,110	2.0
Professional and business services	96,370	95,920	0.5	93,510	3.1
Educational and health services	116,880	116,560	0.3	114,650	1.9
Leisure and hospitality	77,180	76,580	0.8	74,490	3.6
Other services	36,690	36,820	-0.4	36,230	1.3
Government	105,200	106,450	-1.2	105,150	0.0
<b>Unemployment</b>					
Number unemployed	55,020	54,660	0.7	58,950	-6.7
Unemployment rate (%)	5.6	5.6		6.2	
<b>Local indexes</b>					
Help-wanted ads (4 MSAs) (1996=100) <sup>c</sup>	38	36	5.6	43	-11.6
UI initial claims	2,070	2,023	2.3	2,102	-1.5
New dwelling units <sup>d</sup>	10,857	10,976	-1.1	9,314	16.6

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

<sup>a</sup> Niles-Benton Harbor MSA employment data is not available.

<sup>b</sup> Information employment data is not available for Battle Creek MSA.

<sup>c</sup> Niles-Benton Harbor MSA and Holland-Grand Haven MSA help-wanted data is not available.

<sup>d</sup> Seasonally adjusted annual rates. Van Buren County is 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.

### Business Reports from Rural West Michigan

Business reports in rural west Michigan hint at improving manufacturing conditions.

The City of Greenville, in Montcalm County, finally received some good news. After witnessing the last 1,100 workers leave the now-closed Electrolux refrigerator factory, the city was hit with another blow when the bankrupted auto supplier Tower Automotive announced plans to close its local factory. The plant employed 225 workers. Fortunately, the city was selected by Auburn Hills-based United Solar Ovonic as the site for its alternative energy plant. The company plans to hire about 200 employees and predicts that if the market for alternative energy grows, it could build five more plants in Greenville, which would push its employment level up to a total of 1,200 workers.

In Allegan County, the firm USG, a manufacturer of paper used for gypsum board, announced that it would move into Otsego's former Menasha plant, which closed in August 2005. The firm would create 112 new jobs there.

In Mendon, St. Joseph County, workers at the Lear plant agreed to wage concessions that may keep the 600 jobs at the auto supplier's facility. In return for the concessions, the 600 hourly workers in Mendon received a five-year extension on a no-closing provision guaranteeing work at the plant.

Finally, in Cass County, Hess Industries announced plans to invest \$4.5 million in expanding its plant, creating 142 jobs.

# BATTLE CREEK MSA

Total employment fell by 0.2 percent in Calhoun County during the first quarter of 2006. Employment in the county's private sector was up slightly during the quarter, but a 1.0 percent drop in government employment pushed the county into negative territory. In part because of the lack of job growth, the area's unemployment rate increased to 6.4 percent during the quarter, up from 6.2 percent in the previous quarter. The county's economic indicators were mixed, suggesting that current employment conditions may see little improvement in the coming months.

Employment in the area's goods-producing sector grew a scant 0.2 percent during the first quarter, despite a robust 1.8 percent jump in construction employment. The mild winter allowed building contractors to get a head start on the season. Unfortunately, the number of new dwelling units put under contract for construction fell by 25.5 percent during the quarter, suggesting that residential construction may slow in the coming months.

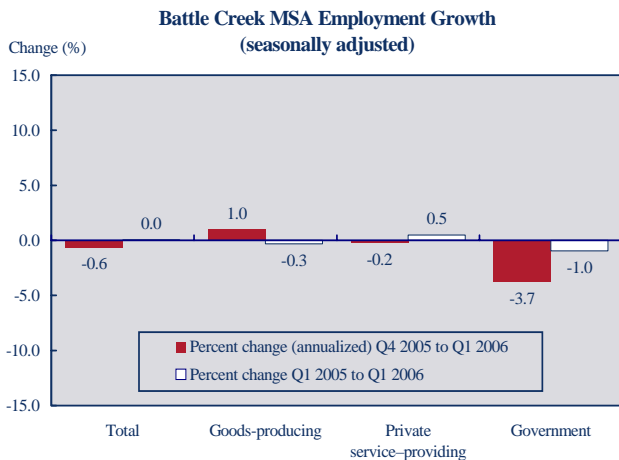
more than erased by declines in the trades—both retail and wholesale—and in transportation and utilities.

Government employment was down by 1.0 percent during the quarter, a loss of 100 jobs, because of a 2.1 percent decline in local government.

The lack of job growth increased the number of the area's unemployed by 3.5 percent and pushed the area's unemployment rate to 6.4 percent, which is still less than the 6.6 percent posted in the same quarter last year.

Area economic indicators were mixed during the quarter. In addition to the decline in the number of housing starts, the number of new claims for unemployment insurance rose by 15.5 percent during the period. On the plus side, the area's Index of Help-Wanted Advertising was up by 3.3 percent.

Lastly, the most recent polling of employers by Manpower was slightly positive. Of the polled employers, 23 percent said that they would increase their hiring in the third quarter, up from 20 percent of the surveyed companies last year.



Manufacturing employment was flat during the quarter, as a modest 0.1 percent increase in durable goods production was erased by a 0.4 percent decline in employment in the area's nondurable goods sector. As in the rest of the state, transportation equipment was a drag on the goods-producing sector. During the past four quarters, employment among the county's transportation equipment manufacturers has fallen by 3.6 percent. In the only item of business news that we were able to uncover for the county during the quarter, Guardian Fiberglass has hired 100 new workers as a result of a major \$25 million expansion of its manufacturing plant in Albion. The plant produces fiberglass insulation.

Employment in the area's private service-providing sector was off by 0.1 percent during the quarter. Employment gains in the area's professional and business services, educational and health services, and leisure and hospitality sectors were

**Battle Creek MSA**  
(seasonally adjusted)

<b>Measure</b>	<b>2006 Q1</b>	<b>2005 Q4</b>	<b>% change, Q4 to Q1</b>	<b>2005 Q1</b>	<b>% change, Q1 to Q1</b>
<b>Employment (by place of work)</b>					
Total nonfarm employment	61,990	62,090	-0.2	61,970	0.0
Goods-producing	16,120	16,080	0.2	16,170	-0.3
Construction and mining	2,320	2,280	1.8	1,990	16.6
Manufacturing	13,800	13,800	0.0	14,180	-2.7
Durable goods	8,810	8,800	0.1	9,020	-2.3
Nondurable goods	4,980	5,000	-0.4	5,160	-3.5
Private service-providing <sup>a</sup>	35,460	35,480	-0.1	35,290	0.5
Transportation and utilities	1,620	1,690	-4.1	1,620	0.0
Wholesale trade	1,400	1,420	-1.4	1,400	0.0
Retail trade	6,900	6,930	-0.4	7,250	-4.8
Financial activities	1,600	1,590	0.6	1,600	0.0
Professional and business services	5,490	5,450	0.7	5,620	-2.3
Educational and health services	10,290	10,250	0.4	9,860	4.4
Leisure and hospitality	5,870	5,820	0.9	5,650	3.9
Other services	2,290	2,310	-0.9	2,290	0.0
Government <sup>b</sup>	10,420	10,520	-1.0	10,520	-1.0
Federal government	3,260	3,250	0.3	3,330	-2.1
Local government	6,550	6,690	-2.1	6,710	-2.4
<b>Unemployment</b>					
Number unemployed	4,710	4,550	3.5	4,830	-2.5
Unemployment rate (%)	6.4	6.2		6.6	
<b>Local indexes</b>					
Help-wanted ads (1996=100)	31	30	3.3	33	-6.1
UI initial claims	254	220	15.5	226	12.3
New dwelling units <sup>c</sup>	247	332	-25.5	383	-35.4

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

<sup>a</sup> Data for information services is included in "other services" sector.

<sup>b</sup> Data for state government is not available.

<sup>c</sup> 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 the Michigan Department of Labor and Economic Growth.

**Battle Creek MSA**  
**Industry Employment Change by Place of Work, First Quarter to First Quarter**  
(not seasonally adjusted)

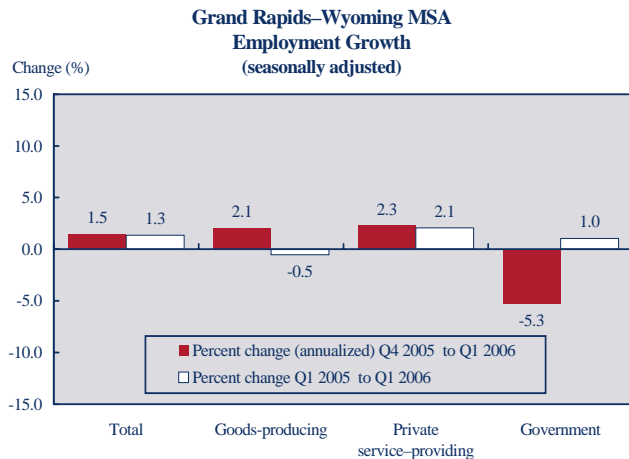
<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>	<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>
<b>Goods-producing</b>	15,630	15,730	-0.6	<b>Government</b>	10,630	10,730	-0.9
Transportation equipment	5,400	5,600	-3.6	Local govt. educational svcs.	4,800	4,730	1.4
<b>Private service-providing</b>	35,230	35,130	0.3				
Accommodations & food svcs.	3,500	3,500	0.0				
Admin. support & waste mgmt.	5,070	4,730	7.0				

SOURCE: Michigan Department of Labor and Economic Development.

# GRAND RAPIDS–WYOMING MSA

Total employment in the four-county MSA rose by 0.4 percent during the first quarter. The quarter's employment gain was driven by across-the-board improvements in private sector employment, which grew by 0.6 percent. The quarter's job gains pushed the area's unemployment rate down to 5.5 percent, a substantial improvement from last year's level of 6.1 percent. The area's economic indicators were mostly positive during the quarter, suggesting that the area's employment situation could continue to improve during the coming months.

Employment in the area's goods-producing sector rose by 0.5 percent because of a robust 2.2 percent jump in construction employment, a pickup of 400 jobs. Residential construction may slow in the coming months, however, since the number of new dwelling units put under contract for construction fell by nearly 25 percent during the quarter.



Manufacturing employment inched up 0.1 percent during the quarter, as gains in nondurable goods production just offset losses in the area's durable goods sector. During the past four quarters, manufacturing employment fell by 1.0 percent, dragged down by continuing losses in its transportation equipment sector. However, during the same period, one can clearly see a turnaround in the area's office furniture industry, which reported a 1.0 percent gain in employment.

Recent business reports regarding manufacturing firms were mixed. On the downside, the area's Keeler Brass and Belwith International facilities are expected to close, eliminating 200 jobs, as their British parent company FKI moves those operations to a site in Tennessee. Keeler Brass makes furniture hardware, and Belwith International is a hardware distributor. In Barry County, Tyden Seal, a maker of fire protection systems, announced it would close, idling 40 workers.

On the positive side, Surefil, a manufacturer of name-brand lotions, soaps, and shampoos for the personal care industry, announced plans to expand its Kentwood operations dramati-

cally, from 5 to as many as 270 workers in the next several years, including 75 workers in the next 12 months. In addition, Borsch Manufacturing announced plans to hire 100 workers as part of its \$3.4 million expansion. The company, a manufacturer of electronic hardware, is a defense contractor and currently employs about 200 workers locally. Finally, Roskam Baking Company is expanding one of its area plants and could add as many as 100 workers to its current workforce of more than 1,000 employees. The company manufactures cereal, croutons, snack mixes, and dry mix products.

Delphi, one of the nation's largest auto suppliers, has filed for bankruptcy, and that firm's problems are having an impact on the region's other suppliers. Autocam Corporation, which is locally owned, is threatened by the Delphi situation, since the troubled first-tier auto supplier is one of Autocam's largest customers. Nearly a third of the company's local output goes to the Coopersville plant, which could soon be closed. Fortunately, most of that work may be diverted to Delphi's other local plants, including its Wyoming plant, which the auto supplier has slated to be the only Michigan plant to remain open.

Employment in the area's private service-providing sector rose by 0.6 percent during the quarter, as employment gains were reported across all the sector's major segments except for the catchall "other services" segment. In one of the more exciting business announcements, Grand Valley State University and the Van Andel Institute announced a partnership to build a \$5 million Good Manufacturing Practice (GMP) facility at the university's Cook-DeVos Center for Health Professions in downtown Grand Rapids. Although small at only 5,000 square feet, the facility, when opened in 2007, will allow for the production of a sufficient quantity of discovered therapies so that they can be used for clinical trials. Currently this work is done outside the state.

The area's employment situation should continue to improve during the coming months, according to the first-quarter readings of its economic indicators. Its Help-Wanted Advertising Index rose by 3.4 percent, and the number of new claims for unemployment insurance fell by 3.5 percent. The May polling of the area's purchasing managers was positive. In fact, the area's purchasing managers' index has been above the mark of 50, which denotes improving conditions, since the end of 2003. Finally, Manpower's recent survey of employers in the region revealed that they are not as optimistic as they were last year. Only 27 percent of the companies surveyed thought they would be hiring in the third quarter. This is down from 37 percent during the quarter last year.

**Grand Rapids–Wyoming MSA**  
(seasonally adjusted)

<b>Measure</b>	<b>2006 Q1</b>	<b>2005 Q4</b>	<b>% change, Q4 to Q1</b>	<b>2005 Q1</b>	<b>% change, Q1 to Q1</b>
<b>Employment (by place of work)</b>					
Total nonfarm employment	395,850	394,400	0.4	390,580	1.3
Goods-producing	92,510	92,040	0.5	93,010	-0.5
Construction and mining	18,990	18,590	2.2	18,730	1.4
Manufacturing	73,520	73,450	0.1	74,280	-1.0
Durable goods	51,530	51,580	-0.1	51,620	-0.2
Nondurable goods	22,000	21,870	0.6	22,660	-2.9
Private service–providing	265,400	263,910	0.6	260,020	2.1
Transportation and utilities	10,620	10,490	1.2	10,260	3.5
Wholesale trade	22,160	22,020	0.6	22,050	0.5
Retail trade	43,310	43,290	0.0	42,820	1.1
Information	5,590	5,570	0.4	5,530	1.1
Financial activities	22,130	21,940	0.9	21,640	2.3
Professional and business services	54,860	54,610	0.5	53,370	2.8
Educational and health services	55,870	55,480	0.7	54,490	2.5
Leisure and hospitality	33,140	32,770	1.1	32,370	2.4
Other services	17,710	17,740	-0.2	17,480	1.3
Government	37,940	38,460	-1.4	37,550	1.0
Federal government	3,320	3,380	-1.8	3,320	0.0
State government	3,670	3,970	-7.6	3,740	-1.9
Local government	30,950	31,120	-0.5	30,500	1.5
<b>Unemployment</b>					
Number unemployed	23,060	23,110	-0.2	25,030	-7.9
Unemployment rate (%)	5.5	5.6		6.1	
<b>Local indexes</b>					
Help-wanted ads (1996=100)	34	33	3.4	37	-7.2
UI initial claims	753	780	-3.5	779	-3.3
New dwelling units <sup>a</sup>	3,780	4,998	-24.4	3,224	17.2

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

<sup>a</sup> 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 the Michigan Department of Labor and Economic Growth.

**Grand Rapids–Wyoming MSA**  
**Industry Employment Change by Place of Work, First Quarter to First Quarter**  
(not seasonally adjusted)

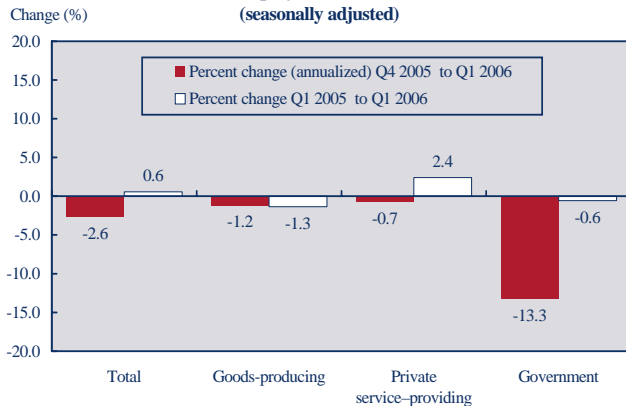
<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>	<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>
<b>Goods-producing</b>	90,530	91,070	-0.6	Professional, scientific, tech. svcs.	15,270	15,070	1.3
Transportation equipment	15,230	15,770	-3.4	Mgmt. of co's & enterprises	6,030	6,230	-3.2
Motor vehicle parts	12,800	12,970	-1.3	Admin. support & waste mgmt.	30,870	29,500	4.6
Furniture & related products	7,400	7,430	-0.4	Employment services	21,200	19,930	6.4
Office furniture	6,630	6,570	1.0	Educational services	12,000	11,300	6.2
Food	5,530	5,470	1.2	Elem. & secondary schools	4,130	4,130	0.0
Chemical	4,330	4,330	0.0	Health care & social assistance	43,930	43,270	1.5
Plastics & rubber	7,070	7,230	-2.3	Ambulatory health services	13,770	13,530	1.7
<b>Private service–providing</b>	259,870	254,700	2.0	Hospitals	18,270	17,230	6.0
General merchandise stores	9,600	9,430	1.8	Accommodations & food svcs.	27,630	27,200	1.6
Department stores	3,230	3,330	-3.0	<b>Government</b>	39,300	38,900	1.0
Finance & insurance	17,670	17,400	1.6	Local govt. educational svcs.	22,030	21,970	0.3

SOURCE: Michigan Department of Labor and Economic Growth.

# HOLLAND-GRAND HAVEN MSA

Total employment fell by 0.7 percent in the first quarter in Ottawa County. Employment reductions were reported across all of the major sectors of the economy. The lion's share of the reported employment losses occurred in the area's government sector, where employment levels dropped by 3.5 percent. Employment among the area's private employers fell by a more modest 0.2 percent during the quarter. The MSA's economic indicators (including a new Lakeshore Economic Index prepared by Hope College in association with Lakeshore Advantage, the area's economic development group) also fell during the quarter, suggesting little improvement in the county's employment situation.

**Holland-Grand Haven MSA  
Employment Growth  
(seasonally adjusted)**



Employment in the area's goods-producing sector fell by 0.3 percent in the first quarter, despite a healthy 1.4 percent increase in construction employment. However, residential construction activity may slow in the coming months because the number of new dwelling units put under contract for construction dropped by 17.7 percent.

Manufacturing employment ebbed by 0.6 percent in the quarter, a loss of 220 jobs. All of the job losses in the sector occurred in its durable goods segment, which is largely composed of office furniture producers and auto suppliers. Indeed, during the past four quarters, employment in transportation equipment, which includes auto parts suppliers, fell by 4.8 percent.

Citing the need to lower costs in a highly competitive auto supply market, Johnson Controls Incorporated (JCI), the Holland area's largest employer, announced that it will be closing its Meadowbrook facility, which makes overhead interiors, laying off as many as 350 workers. The firm gave no date for the closure other than to say it would occur during the next 12 months. JCI also is closing a visor distribution center in Zeeland, which employs about 30 people. Last year, JCI began moving production of visors to its plant in Ramos Arizpe, Mexico. The company will also outsource lines that produce small injection-molded parts at its Maplewood plant, resulting in an undisclosed number of layoffs at that facility.

JCI announced in April that it was cutting 300 jobs from its Technology Center. Since March 2004, the company has laid off or cut 1,685 workers from its Holland facilities, including the most recent job losses. JCI was the Holland area's largest employer, with about 5,000 employees. The firm currently employs 3,800 people in Holland and Battle Creek.

Hart & Cooley announced that it will cut 350 jobs and close its Holland Township plant by the end of 2007. The company, a maker of residential and commercial registers, is building a new plant in Cascade Township east of Grand Rapids, where it will relocate 150 of its local workers. The remainder of the jobs will move to any of eight other locations in the United States and Mexico.

Delphi announced that it has slated for closure its Coopersville plant, which employs 680 workers. Delphi is moving the production of fuel injectors to its plants in Wyoming, Michigan, and in Rochester, New York.

Employment in the area's nondurable goods sector, which is dominated by food processes, rose by 0.9 percent. However, some of this employment growth occurred outside the food processing sector. For example, JB Laboratories, a supplier to the pharmaceutical industry, announced expansion plans that would create 24 new jobs. The company currently employs 340 workers.

The area's private service providers reduced their employment levels by 0.2 percent during the quarter, reporting modest declines in financial activities, professional and business services, and leisure and hospitality.

The area's government sector lost 560 jobs during the quarter, a 3.5 percent decline. In the past, such dips have been followed by an offsetting bump in employment in the following quarter. For the past four quarters, employment in the government sector was down by a more moderate 0.6 percent.

The lack of job growth allowed the area's unemployment rate to creep up to 4.9 percent during the quarter, as the number of unemployed workers increased by 3.2 percent.

The area's economic indicators were flat or down during the quarter. As mentioned previously, housing starts were down by nearly 18 percent. The number of new claims for unemployment insurance remained unchanged. The first reading of the Lakeshore Economic Index suggests that economic activity in the area fell slightly during the final quarter of 2005. The index is based on nine economic variables: electricity usage, water usage, average residential real estate prices, average number of days a home is on the market, new car sales, new home construction, the prime lending rate, the unemployment rate, and hotel occupancy. Finally, the Manpower quarterly survey of employers suggests that they are apprehensive about the coming third quarter. Thirty percent said that they would hire in the third quarter, down from 38 percent a year ago.

**Holland–Grand Haven MSA**  
(seasonally adjusted)

<b>Measure</b>	<b>2006 Q1</b>	<b>2005 Q4</b>	<b>% change, Q4 to Q1</b>	<b>2005 Q1</b>	<b>% change, Q1 to Q1</b>
<b>Employment (by place of work)</b>					
Total nonfarm employment	116,350	117,130	-0.7	115,690	0.6
Goods-producing	44,000	44,130	-0.3	44,600	-1.3
Construction and mining	6,660	6,570	1.4	6,480	2.8
Manufacturing	37,340	37,560	-0.6	38,120	-2.0
Durable goods	29,200	29,490	-1.0	30,010	-2.7
Nondurable goods	8,140	8,070	0.9	8,110	0.4
Private service-providing	56,880	56,980	-0.2	55,540	2.4
Transportation and utilities	2,750	2,740	0.4	2,650	3.8
Wholesale trade	4,850	4,890	-0.8	4,610	5.2
Retail trade	10,720	10,710	0.1	10,550	1.6
Information	930	900	3.3	990	-6.1
Financial activities	3,250	3,280	-0.9	3,190	1.9
Professional and business services	11,390	11,440	-0.4	11,060	3.0
Educational and health services	10,250	10,280	-0.3	10,080	1.7
Leisure and hospitality	8,340	8,360	-0.2	7,970	4.6
Other services	4,400	4,380	0.5	4,440	-0.9
Government <sup>a</sup>	15,470	16,030	-3.5	15,560	-0.6
<b>Unemployment</b>					
Number unemployed	6,760	6,550	3.2	7,100	-4.8
Unemployment rate (%)	4.9	4.7		5.2	
<b>Local indexes</b>					
UI initial claims	308	308	0.0	344	-10.5
New dwelling units <sup>b</sup>	2,142	2,603	-17.7	1,620	32.2

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

<sup>a</sup>Federal, state and local government employment numbers are not available.

<sup>b</sup>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 the Michigan Department of Labor and Economic Growth.

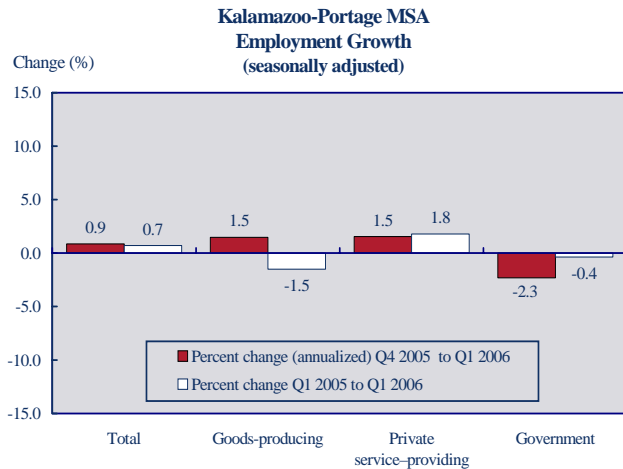
**Holland–Grand Haven MSA**  
**Industry Employment Change by Place of Work, First Quarter to First Quarter**  
(not seasonally adjusted)

<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>	<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>
<b>Goods-producing</b>	43,100	43,700	-1.4	<b>Government</b>	16,100	16,200	-0.6
Transportation equipment	7,200	7,570	-4.8	Local govt. education svcs.	6,830	6,800	0.5
Furniture & related products	6,000	6,000	0.0				
Office furniture & fixtures	5,400	5,500	-1.8				
<b>Private service-providing</b>	55,130	53,870	2.4				
Accommodations & food svcs.	6,530	6,430	1.6				
Food svcs. & drinking places	6,270	6,130	2.2				

SOURCE: Michigan Department of Labor and Economic Development.

# KALAMAZOO-PORTAGE MSA

Total employment in the two-county area rose by a modest 0.2 percent during the first quarter. The area's employment picture was marred by a decline in government employment. Private employment increased by 0.4 percent, or 460 workers, during the quarter. The area's unemployment rate remained unchanged at 5.3 percent. The area's economic indicators were mostly positive, suggesting that further employment gains may be expected in the coming months.



Employment in the area's goods-producing sector rose by 0.4 percent during the quarter because of a 1.1 percent increase in construction. Construction firms took advantage of the unseasonably warm winter to grab a head start on the building season. Residential construction should remain healthy in the coming months since the number of new dwelling units put under contract for construction increased by nearly 12 percent.

Manufacturing employment inched up by only 0.1 percent as job gains in the area's durable goods production just offset losses reported in its nondurable goods production. During the past year, manufacturing employment was down 1.9 percent, in large part because of an employment decline in the area's transportation equipment sector of 5.6 percent.

Most of the recent business reports on the area's manufacturers have been positive. Cytec Industries announced plans to expand its area facility and create 11 new jobs in the next two years. The company will make a chemical polymer used in the production of lightweight composite materials for aircraft and boats. Fortunately, the recent announcement by Dana Corporation that it is filing for bankruptcy is not expected to affect the area's 250 workers at its Commercial Vehicle Systems Group. In Van Buren County, Coca-Cola is planning an expansion of its Paw Paw plant. Also, construction is nearing completion on a \$7.5 million biodiesel plant owned by Michigan Biodiesel in Bangor. It is expected that the plant will produce 10 million gallons of alternative fuel each year.

Employment in the area's private service-providing sector rose by 0.4 percent during the quarter. Healthy employment gains were reported in the area's professional and business services, retail, education and health care services, financial activities, and leisure and hospitality sectors. Employment fell in the area's information and wholesale sectors.

When economists speak of the need to nurture the growth of firms that sell services to customers outside the area, many have in mind a firm like Oreon, which currently employs 10 workers at its downtown Kalamazoo office. The company is launching its first software product, along with several other new initiatives that could double its staff by the end of this year. Similarly, AvTech Laboratories plans to create 30 jobs during the next two years and double the size of its Portage production facility. The research firm provides testing services for pharmaceutical and biotechnology companies. In addition, Tekna Solutions is planning to build a new facility in Western Michigan University's Business Technology and Research Park. The firm proposes to move 18 existing jobs from its Portage site to the new Kalamazoo location and add eight full-time positions within the next two years. Tekna does product development for major life sciences and medical device companies.

Manatron, a software developer specializing in software that helps municipalities track their finances, announced that it is laying off 13 of its 90 workers at its area headquarters in Portage.

Government employment fell by 0.6 percent because of a large 1.7 percent drop in state employment, which includes Western Michigan University as well as Kalamazoo Valley Community College.

In downtown Kalamazoo, Greenleaf Trust announced that it will build a 174,000-square-foot office and residential structure across the street from Bronson Park. Construction is scheduled to begin in late summer and to be completed in June of 2008.

The first-quarter reading of the area's economic indicators was slightly up. The Index of Help-Wanted Advertising for the area rose by 2.8 percent, suggesting that employment conditions in its private service-providing sector may improve. The number of new dwelling units put under contract for construction increased by 11.9 percent; however, the number of new claims for unemployment insurance also rose, by 1.6 percent. Finally, the local survey of the area's purchasing managers suggests modestly improving conditions, even though the area's Purchasing Managers' Index has been volatile.

**Kalamazoo-Portage MSA**  
(seasonally adjusted)

Measure	2006 Q1	2005 Q4	% change, Q4 to Q1	2005 Q1	% change, Q1 to Q1
<b>Employment (by place of work)</b>					
Total nonfarm employment	145,780	145,470	0.2	144,740	0.7
Goods-producing	30,160	30,050	0.4	30,620	-1.5
Construction and mining	6,500	6,430	1.1	6,500	0.0
Manufacturing	23,650	23,620	0.1	24,120	-1.9
Durable goods	12,920	12,770	1.2	12,820	0.8
Nondurable goods	10,730	10,850	-1.1	11,300	-5.0
Private service-providing	91,770	91,420	0.4	90,170	1.8
Transportation and utilities	4,070	4,050	0.5	4,040	0.7
Wholesale trade	4,380	4,440	-1.4	4,210	4.0
Retail trade	16,520	16,460	0.4	16,620	-0.6
Information	1,560	1,600	-2.5	1,520	2.6
Financial activities	7,560	7,520	0.5	7,490	0.9
Professional and business services	15,420	15,280	0.9	14,380	7.2
Educational and health services	20,280	20,200	0.4	20,090	0.9
Leisure and hospitality	15,380	15,280	0.7	15,210	1.1
Other services	6,610	6,600	0.2	6,610	0.0
Government	23,850	23,990	-0.6	23,940	-0.4
Federal	1,200	1,190	0.8	1,200	0.0
State	7,670	7,800	-1.7	7,720	-0.6
Local	14,980	15,000	-0.1	15,020	-0.3
<b>Unemployment</b>					
Number unemployed	9,340	9,270	0.8	10,010	-6.7
Unemployment rate (%)	5.3	5.3		5.8	
<b>Local indexes</b>					
Help-wanted ads (1996=100)	44	42	2.8	47	-7.8
UI initial claims	253	249	1.6	253	0.2
New dwelling units <sup>a</sup>	1,556	1,391	11.9	1,394	11.7

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

<sup>a</sup> Seasonally adjusted annual rates; does not include Van Buren County dwelling permit data.

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.

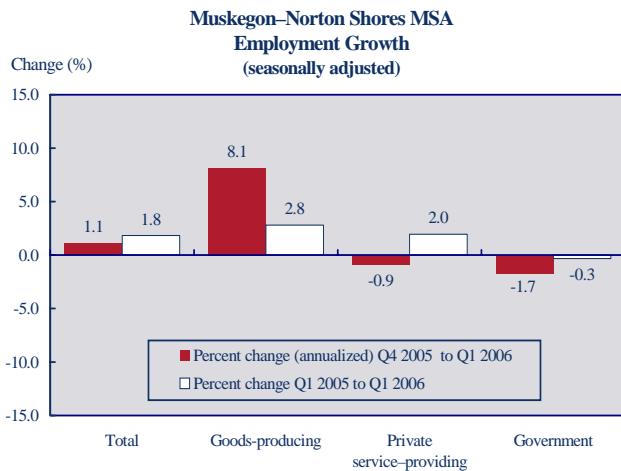
**Kalamazoo-Portage MSA**  
**Industry Employment Change by Place of Work, First Quarter to First Quarter**  
(not seasonally adjusted)

Industry	2006 Q1	2005 Q1	Percent change	Industry	2006 Q1	2005 Q1	Percent change
<b>Goods-producing</b>	29,370	29,830	-1.6	Health care & social assistance	17,230	17,030	1.2
Transportation equipment	3,970	4,200	-5.6	Accommodations & food svcs.	12,733	12,700	0.3
<b>Private service-providing</b>	89,870	88,300	1.8	Food svcs. & drinking places	11,233	10,900	3.1
General merchandise stores	4,100	4,400	-6.8				
Finance & insurance	5,730	5,670	1.2	<b>Government</b>	25,100	25,167	-0.3
Admin. support & waste mgmt.	8,630	8,170	5.7	State govt. educational svcs.	6,900	6,833	1.0
Employment services	5,270	5,200	1.3	Local govt. educational svcs.	9,800	10,233	-4.2

SOURCE: Michigan Department of Labor and Economic Growth.

# MUSKEGON–NORTON SHORES MSA

Total employment increased by 0.3 percent during the first quarter, as strong gains in the county's goods-producing sector more than offset employment declines in its private service-providing and government sectors. The quarter's gain in employment helped push the area's unemployment rate down to 6.4 percent. The area's economic indicators were mixed during the quarter, however, suggesting that only modest employment growth may occur during coming months in the county.



Employment in the county's goods-producing sector rose by a strong 2.0 percent during the first quarter of the year, as both the construction and manufacturing sectors added workers. Employment in the county's construction industry rose by 2.4 percent, and future employment gains are likely, as the number of new dwelling units put under contract for construction shot up by 186.7 percent during the quarter.

Manufacturing employment rose by a remarkable 1.9 percent during the quarter, an increase of 260 jobs. Job gains were distributed among the area's durable and nondurable goods producers. During the past four quarters, employment in the county's manufacturing sector has increased by 3.1 percent, a gain of 420 jobs. All of the job gains during past four quarters were reported in the county's nondurable goods sector, where employment jumped by 25.8 percent, or 580 jobs.

Still, the area's auto suppliers continue to face a harsh market environment. In order for it to remain competitive, Hayes Lemmerz International had to cut the wages of its 558 area workers by 7.5 percent, the same percentage cut that the auto supplier's workers in its other U.S. plants had to bear. In addition, auto-parts maker Dana Corporation, which employs approximately 1,100 workers in the county, filed for bankruptcy protection for its U.S. operations. It remains unclear what this means for Dana employment in Muskegon.

On the plus side, Muskegon's Ameriform Incorporated is starting to build a new line of canoes and kayaks, which will add 38 new jobs to its current workforce of 254. The company has invested \$1 million in its plant in the county and in equipment for the plant.

Employment in the county's private service-providing sector fell by 0.2 percent during the quarter, and employment cutbacks were reported across a wide variety of sectors. Only the county's financial activities and professional and business services sectors added workers.

During the past four quarters, employment in the area's private service-providing sector increased by 2.0 percent because of strong gains in leisure and hospitality, where employment increased by 7.4 percent—a gain of 580 workers. Michigan Adventure Amusement Park is introducing a new water ride and should have a good year if the weather cooperates.

Government employment fell by 0.4 percent in the quarter because of employment cutbacks in the area's federal and state agencies. Local government employment held steady during the quarter.

The area's unemployment rate fell slightly to 6.4 percent during the quarter, and the number of unemployed persons fell by 1.5 percent.

The area's economic indicators were mixed during the quarter. The area's Index of Help-Wanted Advertising increased by 2.3 percent, suggesting that employment conditions in the area's lackluster service-providing sector should improve in the coming months. As mentioned earlier, the number of housing starts shot up sharply during the quarter. On the downside, the number of new claims for unemployment insurance rose by 8.1 percent.

Finally, Manpower's recent survey found employers' hiring expectations have improved slightly over the past year. Thirty percent said that they would hire in the third quarter, compared to 27 percent last year.

**Muskegon–Norton Shores MSA**  
(seasonally adjusted)

<b>Measure</b>	<b>2006 Q1</b>	<b>2005 Q4</b>	<b>% change, Q4 to Q1</b>	<b>2005 Q1</b>	<b>% change, Q1 to Q1</b>
<b>Employment (by place of work)</b>					
Total nonfarm employment	67,700	67,510	0.3	66,480	1.8
Goods-producing	16,510	16,190	2.0	16,060	2.8
Construction and mining	2,560	2,500	2.4	2,530	1.2
Manufacturing	13,950	13,690	1.9	13,530	3.1
Durable goods	11,120	10,920	1.8	11,280	-1.4
Nondurable goods	2,830	2,770	2.2	2,250	25.8
Private service-providing	41,810	41,900	-0.2	41,010	2.0
Transportation and utilities	1,300	1,310	-0.8	1,300	0.0
Wholesale trade	1,430	1,420	0.7	1,430	0.0
Retail trade	11,300	11,330	-0.3	11,300	0.0
Information	990	1,000	-1.0	990	0.0
Financial activities	2,020	1,990	1.5	1,950	3.6
Professional and business services	4,160	4,100	1.5	4,060	2.5
Educational and health services	10,280	10,360	-0.8	10,380	-1.0
Leisure and hospitality	7,560	7,580	-0.3	7,040	7.4
Other services	2,760	2,810	-1.8	2,560	7.8
Government	9,380	9,420	-0.4	9,410	-0.3
Federal	400	410	-2.4	400	0.0
State	1,210	1,240	-2.4	1,210	0.0
Local	7,780	7,770	0.1	7,800	-0.3
<b>Unemployment</b>					
Number unemployed	5,940	6,030	-1.5	6,400	-7.2
Unemployment rate (%)	6.4	6.5		7.1	
<b>Local indexes</b>					
Help-wanted ads (1996=100)	43	42	2.3	44	-2.1
UI initial claims	310	286	8.1	311	-0.3
New dwelling units <sup>a</sup>	1,993	695	186.7	1,906	4.6

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

<sup>a</sup> 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 the Michigan Department of Labor and Economic Growth.

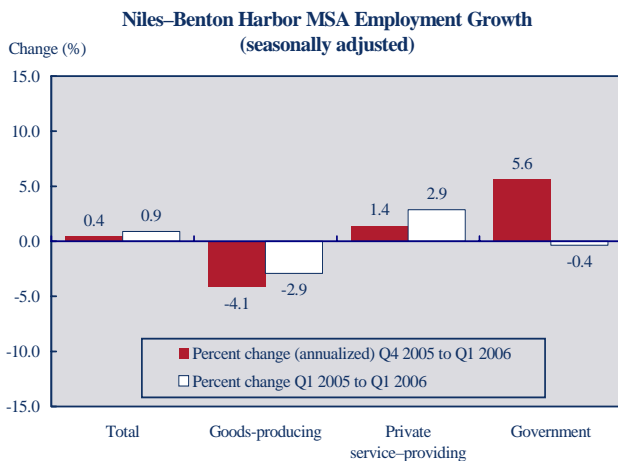
**Muskegon–Norton Shores MSA**  
**Industry Employment Change by Place of Work, First Quarter to First Quarter**  
(not seasonally adjusted)

<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>	<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>
<b>Goods-producing</b>	16,170	15,730	2.8	<b>Government</b>	9,700	9,730	-0.3
Transportation equipment	1,100	1,500	-26.7	Local govt. educational svcs.	5,600	5,800	-3.4
<b>Private service-providing</b>	40,430	39,700	1.8				
Accommodations & food svcs.	5,730	5,630	1.8				
Food svcs. & drinking places	5,400	5,300	1.9				

SOURCE: Michigan Department of Labor and Economic Development.

# NILES–BENTON HARBOR MSA

Total employment inched up only 0.1 percent during the first quarter of the year in Berrien County, as employment gains in the private service-providing and government sectors just offset employment reductions in its goods-producing sector. The county's unemployment rate remained unchanged at 6.4 percent. The area's limited number of economic indicators were mixed during the quarter, suggesting little change in the area's employment situation for the next several months.



The area's goods producers, including construction firms, reduced their workforce by 1.0 percent, or 180 workers, during the quarter. Construction employment fell by 3.0 percent despite a solid 19.0 percent gain in the number of new dwelling units put under contract for construction. During the coming months, construction employment in the county could increase dramatically because of several major projects that are planned. Construction is booming in the New Buffalo area, where groundbreaking is expected to start this summer on the \$330 million Four Winds Casino. In addition, other construction projects in the area that have been announced include marina resorts, restaurants, hotels, retail centers, and condo developments. By itself, the construction of Four Winds Casino could employ up to 1,000 construction workers.

Manufacturing employment fell by 0.8 percent during the quarter. During the past four quarters, employment declines were concentrated in the area's durable goods sector, which suffered a 4.8 percent drop in employment. Further job losses were at least postponed, as Robert Bosch Corporation has delayed the planned closing of its area foundry, which employs 70 workers. The foundry was set to close as part of the company's plans to eliminate about half the overall plant's workforce.

The area's smaller, nondurable goods manufacturing sector, which includes plastics producers, increased its employment levels by 6.3 percent during the past year. Recent

business announcements have been mixed, however. Modern Plastics Corporation announced that it is expanding and could add up to 100 more workers to its current 180 employees. On the downside, Vertis Incorporated, a printer of newspaper advertising inserts, announced that it is closing its county facility, eliminating 84 jobs.

However the big news on the manufacturing front in the county is, of course, that Whirlpool announced that it is closing Maytag's research and development department and administrative headquarters in Newton, Iowa, and moving those positions here. As a result, it will add approximately 400 positions to its current county workforce of 3,300 workers. In addition, the appliance giant also announced that it is planning to invest \$5 million in the county to create the space and support structure to house the new employees. It should be noted that these additional jobs coming from Iowa will likely not be added to the county's manufacturing rolls but instead will be tallied in the county's service-providing sector, since according to the North American Industrial Classification System (NAICS), manufacturing headquarters and research and development functions are separated from production.

Finally, Next Gen Energy announced that it plans to build an \$80 million ethanol plant in the Watervliet area that would employ at least 50 workers and generate a new demand for local corn growers. The plant would produce 50 million gallons of ethanol fuel a year.

Employment in the county's private service-providing sector rose by 0.3 percent during the quarter, an increase of 140 jobs. A large gain was reported in the area's tourism-related leisure and hospitality sector. In fact, during the past four quarters, employment in the accommodations and food services sector has risen by 9.3 percent. However, employment in the area's education and health services sector declined by 0.8 percent during the quarter. Government employment increased by 1.4 percent because of a strong 2.0 percent jump reported in the county's local government sector, which includes the area's K-through-12 public schools.

The area's unemployment rate did not move during the quarter, despite a slight rise in the number of people looking for work.

The first-quarter reading of the area's economic indicators was mixed, suggesting that the area's employment conditions may hold steady in the coming months. The previously mentioned jump in the number of housing starts was offset by a 7.5 percent rise in the number of new claims for unemployment insurance.

**Niles–Benton Harbor MSA**  
(seasonally adjusted)

<b>Measure</b>	<b>2006 Q1</b>	<b>2005 Q4</b>	<b>% change, Q4 to Q1</b>	<b>2005 Q1</b>	<b>% change, Q1 to Q1</b>
<b>Employment (by place of work)</b>					
Total nonfarm employment	65,380	65,310	0.1	64,800	0.9
Goods-producing	17,050	17,230	-1.0	17,560	-2.9
Construction and mining	2,250	2,320	-3.0	2,330	-3.4
Manufacturing	14,790	14,910	-0.8	15,230	-2.9
Durable goods (see table below)					
Nondurable goods (see table below)					
Private service–providing	40,190	40,050	0.3	39,070	2.9
Transportation and utilities	2,310	2,290	0.9	2,310	0.0
Wholesale trade	2,390	2,340	2.1	2,250	6.2
Retail trade	7,470	7,430	0.5	7,500	-0.4
Information	910	910	0.0	900	1.1
Financial activities	2,330	2,300	1.3	2,240	4.0
Professional and business services	5,050	5,040	0.2	5,020	0.6
Educational and health services	9,910	9,990	-0.8	9,750	1.6
Leisure and hospitality	6,890	6,770	1.8	6,250	10.2
Other services	2,920	2,980	-2.0	2,850	2.5
Government	8,140	8,030	1.4	8,170	-0.4
<b>Unemployment</b>					
Number unemployed	5,210	5,160	1.0	5,590	-6.8
Unemployment rate (%)	6.4	6.4		7.1	
<b>Local indexes</b>					
UI initial claims	193	180	7.5	190	1.7
New dwelling units <sup>a</sup>	1140	957	19.0	787	44.7

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

<sup>a</sup> 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.

**Niles–Benton Harbor MSA**  
**Industry Employment Change by Place of Work, First Quarter to First Quarter**  
(not seasonally adjusted)

<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>	<b>Industry</b>	<b>2006 Q1</b>	<b>2005 Q1</b>	<b>Percent change</b>
<b>Goods-producing</b>	16,700	17,200	-2.9	Accommodations & food svcs.	5,500	5,030	9.3
Durable goods	11,930	12,530	-4.8				
Nondurable goods	2,800	2,630	6.3	<b>Government</b>	8,300	8,330	-0.4
				Local govt. educational svcs.	4,930	4,900	0.7
<b>Private service–providing</b>	38,900	37,830	2.8				
Health care & social assistance	7,670	7,500	2.2				

SOURCE: Michigan Department of Labor and Economic Development.

# Purchasing Managers' Index and Major Economic Developments

Springtime appears to have brought with it good news on the regional economy, as “modest growth continues, but at a little faster pace” in the Grand Rapids area, while conditions are “up nicely” in Kalamazoo. That is the news as reported in Current Business Trends, the monthly publication on the outlook of area purchasing managers.

In Grand Rapids, these positive numbers are adding to a long-term trend of stable modest growth conditions that has gone without interruption for two-and-one-half years straight. Both the unadjusted purchasing managers’ index and the moving-average index have been above 50—values that indicate economic growth—since the end of 2003.

Conditions in the Kalamazoo area have been more volatile, with both index measures experiencing two major peaks and valleys since the 2001 recession. During the past 30 months, the unadjusted purchasing managers’ index for Kalamazoo has dipped below 50 four times, despite also peaking at highs similar to the late 1990s. Unfortunately, this makes Kalamazoo a confusing place on which to report. While the last few months of data have been positive, the moving-average index (shown in the chart below) illustrates that conditions are down since the beginning of 2005. Until short-term optimism is displayed in longer-term data, the true mood of the local economy will remain a mystery.

**Grand Rapids Area  
Purchasing Managers' Index**



**Kalamazoo Area  
Purchasing Managers' Index**



## Major Economic Developments

### Battle Creek MSA

Guardian Fiberglass has hired 100 new workers as a result of a major \$25 million expansion of its manufacturing plant in Albion.

### Grand Rapids–Wyoming MSA

Surefil announced plans to expand its Kentwood operations from 5 to as many as 270 workers over the next several years.

Borsch Manufacturing announced plans to hire 100 workers as part of its \$3.4 million expansion.

Keeler Brass and Belwith International facilities are both expected to close, eliminating 200 jobs.

Roskam Baking Company is expanding one of its area plants and could add as many as 100 workers.

### Holland–Grand Haven MSA

Johnson Controls Incorporated (JCI) announced that it will be closing two facilities and will move their production lines to other plants, affecting about 500 local jobs. Earlier in April, JCI announced it was cutting 300 jobs from its Technology Center.

Hart & Cooley announced it will cut 350 jobs and close its Holland Township plant by the end of 2007. Of these jobs, 150 will move to a new plant being built in Cascade Township.

Delphi announced that it has slated for closure its Coopersville plant, which employs 680 workers.

### Kalamazoo–Portage MSA

Cytec Industries announced plans to expand its facility and create 11 new jobs.

AvTech Laboratories plans to create 30 jobs and double the size of its Portage production facility.

Manatron announced that it is laying off 13 of its 90 workers at its Portage headquarters.

### Muskegon–Norton Shores MSA

Ameriform Incorporated will add a new line of products and 38 new jobs.

Dana Corporation filed for bankruptcy protection, but it remains unclear what this means for Dana’s employment in Muskegon.

### Niles–Benton Harbor MSA

Whirlpool announced that it is moving 400 positions here from the to-be-closed Maytag headquarters in Newton, Iowa.

Next Gen Energy announced that it plans to build an \$80 million ethanol plant that will employ at least 50 workers.

Robert Bosch Corporation has delayed the planned closing of its area foundry, which employs 70 workers.

Modern Plastics Corporation announced that it is expanding and could add up to 100 more workers.

# Appendix Tables

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

Labor market area	Average for manufacturing production workers <sup>a</sup>						Civilian labor force unemployment rate <sup>b</sup>	
	March 2006						January 2006	March 2006
	Weekly hours	% change, 2005–06	Hourly earnings	% change, 2005–06	Weekly earnings	% change, 2005–06		
United States	40.2	1.5	\$17.73	2.1	\$712.75	3.6	5.1	4.8
Michigan	41.8	2.0	21.86	2.5	913.75	4.5	7.1	7.5
West Michigan MSAs:								
Battle Creek	—	—	—	—	—	—	6.5	7.2
Grand Rapids–Wyoming	39.6	1.5	17.76	2.7	703.30	4.2	5.6	6.4
Holland–Grand Haven	—	—	—	—	—	—	5.1	5.6
Kalamazoo–Portage	39.8	1.3	14.81	-3.8	589.44	-2.6	5.5	6.0
Muskegon–Norton Shores	—	—	—	—	—	—	6.4	7.2
Niles–Benton Harbor	—	—	—	—	—	—	6.7	7.4
Other labor market areas:								
Ann Arbor	—	—	—	—	—	—	4.2	4.7
Bay City	—	—	—	—	—	—	7.1	8.0
Detroit–Warren–Livonia	43.4	2.6	25.27	2.2	1,096.72	4.9	7.6	7.6
Flint	43.2	-2.3	29.81	-2.1	1,287.79	-4.3	7.8	8.9
Jackson	—	—	—	—	—	—	6.6	7.4
Lansing–East Lansing	40.6	-1.0	24.32	-2.1	987.39	-3.1	5.8	6.3
Monroe	—	—	—	—	—	—	6.5	6.6
Saginaw	—	—	—	—	—	—	7.5	8.4

<sup>a</sup> Earnings include overtime and part-time wages.

<sup>b</sup> Seasonally adjusted rate for U.S. was 4.7 percent in January 2006 and 4.7 percent in March 2006. Seasonally adjusted rate for Michigan was 6.2 percent in January 2006 and 6.8 percent in March 2006.

SOURCE: U.S. Department of Labor and Michigan Department of Labor and Economic Growth (most recent benchmark).

**Table A-2**  
**Michigan Statistics**  
(seasonally adjusted)

Measure	2006 Q1	2005 Q4	% change, Q4 to Q1	2005 Q1	% change, Q1 to Q1
<b>Employment (by place of work)</b>					
Total nonfarm employment	4,367,630	4,387,430	-0.5	4,393,530	-0.6
Goods-producing	862,170	879,230	-1.9	886,070	-2.7
Natural resources and mining	8,470	8,370	1.2	8,400	0.8
Construction	189,900	193,100	-1.7	191,530	-0.9
Manufacturing	663,800	677,770	-2.1	686,130	-3.3
Durable goods	516,260	527,800	-2.2	536,160	-3.7
Nondurable goods	147,540	149,970	-1.6	149,970	-1.6
Private service-providing	2,831,900	2,834,800	-0.1	2,830,730	0.0
Transportation and utilities	128,450	128,740	-0.2	127,640	0.6
Wholesale trade	169,630	170,640	-0.6	170,830	-0.7
Retail trade	496,610	503,160	-1.3	508,430	-2.3
Information	67,430	66,830	0.9	67,930	-0.7
Financial activities	218,870	219,130	-0.1	218,670	0.1
Professional and business services	597,100	592,030	0.9	590,030	1.2
Educational and health services	569,830	568,700	0.2	567,030	0.5
Leisure and hospitality	405,200	406,470	-0.3	402,570	0.7
Other services	178,770	179,100	-0.2	177,600	0.7
Government	673,570	673,400	0.0	676,730	-0.5
<b>Unemployment</b>					
Number unemployed	334,820	333,950	0.3	355,910	-5.9
Unemployment rate (%)	6.5	6.5		7.0	
<b>State indexes (1996=100)</b>					
Help-wanted ads					
Detroit	27	28	-3.6	32	-15.6
West Michigan (4 MSAs)	38	36	5.6	43	-11.6
Local components					
UI initial claims	17,014	17,053	-0.2	16,271	4.6
New dwelling units <sup>a</sup>	40,486	43,213	-6.3	47,294	-14.4

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

<sup>a</sup> Seasonally adjusted annual rates.

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

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

Industry	2006 Q1	2005 Q1	Percent change	Industry	2006 Q1	2005 Q1	Percent change
<b>Goods-producing</b>	834,330	855,700	-2.5	Furniture & home furnishings	18,030	17,930	0.6
Primary metals	26,270	27,170	-3.3	Food and beverage	81,800	83,130	-1.6
Fabricated metal products	84,570	84,300	0.3	Gasoline stations	24,370	25,270	-3.6
Machinery	74,370	75,330	-1.3	Clothing & accessories	40,970	40,230	1.8
Transportation equipment	230,400	243,270	-5.3	General merchandise	108,230	111,130	-2.6
Motor vehicle parts	156,170	163,300	-4.4	Prof., scientific, & tech. svcs.	247,930	248,000	0.0
Furniture & related products	24,600	25,570	-3.8	Educational services	78,030	77,500	0.7
Office furniture, incl. fixtures	18,270	18,700	-2.3	Ambulatory health care	164,570	163,230	0.8
Food	32,370	31,170	3.8	Social assistance	57,530	57,270	0.5
Paper	14,770	14,830	-0.4	Food svcs. & drinking places	297,230	294,100	1.1
Printing and related support	17,600	17,970	-2.1	<b>Government</b>	689,830	691,270	-0.2
Chemical manufacturing	29,670	30,170	-1.7	Federal government	54,430	54,530	-0.2
Plastics & rubber products	41,830	43,030	-2.8	State government	173,400	171,900	0.9
<b>Private service-providing</b>	2,772,530	2,764,570	0.3	Local government	462,000	464,830	-0.6
Automobile dealers	40,770	41,230	-1.1	Local govt. educational svcs.	278,600	283,000	-1.6

SOURCE: Michigan Department of Labor and Economic Growth.

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

Area	Income distribution	2003 <sup>a</sup>	2002 <sup>a</sup>	2001 <sup>a</sup>	2000	1999	1998	1993
<b>Battle Creek MSA</b>	Total personal income (\$000)	3,719,430	3,636,736	3,500,169	3,471,425	3,375,735	3,309,346	2,630,383
	Per capita personal income (\$)	26,778	26,213	25,292	25,138	24,458	24,019	19,092
	Earnings per worker (\$)	43,839	41,642	39,345	39,571	38,554	37,284	31,154
	Manufacturing	74,738	67,745	56,636	66,528	63,699	61,702	50,267
	Private nonmanufacturing	32,142	31,393	31,058	26,708	26,787	26,429	21,354
<b>Grand Rapids–Wyoming MSA</b>	Total personal income (\$000)	22,261,844	21,517,522	21,581,116	20,818,408	19,547,808	18,656,627	13,706,735
	Per capita personal income (\$)	29,188	28,429	28,761	28,023	26,638	25,717	20,114
	Earnings per worker (\$)	42,490	40,689	39,759	37,976	36,622	35,309	29,815
	Manufacturing	68,808	61,560	57,196	54,938	54,092	52,091	44,100
	Private nonmanufacturing	36,119	35,183	34,692	32,536	30,963	29,650	24,410
Barry County	Total personal income (\$000)	1,658,324	1,614,576	1,644,316	1,574,634	1,502,771	1,418,974	950,996
	Per capita personal income (\$)	28,153	27,746	28,583	27,664	26,754	25,412	18,235
	Earnings per worker (\$)	26,663	25,397	25,386	23,788	22,963	21,932	22,776
	Manufacturing	54,721	48,476	45,622	46,509	44,053	41,588	37,861
	Private nonmanufacturing	20,188	19,451	19,569	16,838	16,408	15,323	17,085
Ionia County	Total personal income (\$000)	1,422,107	1,351,896	1,322,854	1,291,427	1,243,980	1,162,533	882,421
	Per capita personal income (\$)	22,319	21,393	21,310	20,941	20,218	18,830	14,334
	Earnings per worker (\$)	36,070	33,391	31,854	30,289	29,688	28,481	25,151
	Manufacturing	66,473	54,863	51,205	48,481	45,374	43,071	34,952
	Private nonmanufacturing	24,146	23,526	22,167	20,722	20,840	19,759	16,370
Kent County	Total personal income (\$000)	18,087,205	17,497,701	17,573,848	16,938,017	15,831,665	15,158,310	11,224,071
	Per capita personal income (\$)	30,624	29,830	30,195	29,392	27,837	27,010	21,354
	Earnings per worker (\$)	44,183	42,363	41,383	39,525	38,026	36,664	30,551
	Manufacturing	69,729	62,595	58,116	55,740	54,887	52,996	44,862
	Private nonmanufacturing	38,016	37,054	36,544	34,330	32,571	31,175	25,244
Newaygo County	Total personal income (\$000)	1,094,208	1,053,349	1,040,098	1,014,330	969,392	916,810	649,247
	Per capita personal income (\$)	22,123	21,529	21,333	21,123	20,454	19,642	15,417
	Earnings per worker (\$)	30,887	29,305	28,868	28,217	28,730	27,351	24,576
	Manufacturing	62,549	56,390	51,977	49,855	55,920	51,259	41,202
	Private nonmanufacturing	23,077	21,771	21,731	21,114	21,055	20,329	18,023
<b>Holland–Grand Haven MSA</b>	Total personal income (\$000)	7,129,647	6,858,601	6,763,271	6,677,656	6,408,233	6,108,511	4,271,527
	Per capita personal income (\$)	28,570	27,830	27,769	27,881	27,279	26,628	21,129
	Earnings per worker (\$)	41,279	38,936	37,357	35,928	35,196	33,479	27,628
	Manufacturing	62,021	55,752	50,491	51,319	49,619	47,962	39,880
	Private nonmanufacturing	30,853	29,726	29,628	26,852	26,498	24,918	20,356
<b>Kalamazoo–Portage MSA</b>	Total personal income (\$000)	9,257,337	8,818,635	8,551,586	8,325,202	8,036,278	7,823,376	6,214,091
	Per capita personal income (\$)	28,947	27,741	27,070	26,412	25,624	25,079	20,532
	Earnings per worker (\$)	41,275	38,493	36,897	35,139	34,791	33,773	29,137
	Manufacturing	80,938	67,859	61,182	61,119	58,788	60,086	49,882
	Private nonmanufacturing	31,813	30,948	30,296	27,573	27,480	26,276	21,969
Kalamazoo County	Total personal income (\$000)	7,354,125	7,036,782	6,843,529	6,642,895	6,420,365	6,307,681	5,002,083
	Per capita personal income (\$)	30,429	29,269	28,625	27,813	27,024	26,692	21,797
	Earnings per worker (\$)	42,259	39,301	37,678	35,757	35,283	34,663	30,006
	Manufacturing	85,372	71,329	64,425	64,566	62,105	63,900	52,636
	Private nonmanufacturing	32,096	31,291	30,715	27,882	27,614	26,811	22,391
Van Buren County	Total personal income (\$000)	1,903,212	1,781,853	1,708,057	1,682,307	1,615,913	1,515,695	1,212,008
	Per capita personal income (\$)	24,362	23,001	22,232	22,032	21,249	20,040	16,565
	Earnings per worker (\$)	35,713	33,989	32,528	31,752	31,994	28,858	24,073
	Manufacturing	53,996	48,315	43,805	45,343	42,777	41,359	33,299
	Private nonmanufacturing	29,999	28,772	27,618	25,588	26,582	22,880	19,241
<b>Muskegon–Norton Shores MSA</b>	Total personal income (\$000)	4,239,954	4,103,581	4,073,987	3,943,373	3,742,920	3,537,067	2,692,897
	Per capita personal income (\$)	24,468	23,826	23,760	23,122	22,104	21,036	16,513
	Earnings per worker (\$)	36,144	34,926	34,399	33,128	32,426	31,861	28,051
	Manufacturing	59,860	55,922	51,648	54,315	52,453	51,094	44,295
	Private nonmanufacturing	29,042	28,123	28,313	25,517	24,823	24,162	20,891
<b>Niles–Benton Harbor MSA (Berrien County)</b>	Total personal income (\$000)	4,490,169	4,369,739	4,320,029	4,239,424	4,076,482	3,865,273	3,068,843
	Per capita personal income (\$)	27,572	26,891	26,649	26,072	25,159	23,853	18,912
	Earnings per worker (\$)	38,565	36,997	35,519	34,324	33,543	30,952	28,118
	Manufacturing	65,450	61,291	55,109	57,169	55,250	51,978	44,025
	Private nonmanufacturing	30,653	29,644	29,098	26,497	25,928	23,276	21,086

<sup>a</sup> 2001 through 2003 statistics are based on North American Industry Classification System (NAICS); other years are based on Standard Industrial Classification (SIC).

SOURCE: U.S. Bureau of Economic Analysis.

**Table A-4**  
**Consumer Price Index<sup>a</sup>**  
**U.S. City Average (1982-84=100)**

Year	Annual	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	average												
<b>CPI for All Urban Consumers (CPI-U)</b>													
1987	113.6	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4	115.4
1988	118.3	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3	120.5
1989	124.0	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	125.9	126.1
1990	130.7	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8
1991	136.2	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9
1992	140.3	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9
1993	144.5	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8
1994	148.2	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7
1995	152.4	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5
1996	156.9	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6
1997	160.5	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3
1998	163.0	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9
1999	166.6	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3
2000	172.2	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0
2001	177.1	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7
2002	179.9	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9
2003	184.0	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3
2004	188.9	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3
2005	195.3	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8
2006	199.6	198.3	198.7	199.8	201.5								
<b>CPI for Urban Wage Earners and Clerical Workers (CPI-W)</b>													
1987	112.5	110.0	110.5	111.0	111.6	111.9	112.4	112.7	113.3	113.8	114.1	114.3	114.2
1988	117.0	114.5	114.7	115.2	115.7	116.2	116.7	117.2	117.7	118.5	118.9	119.0	119.2
1989	122.6	119.7	120.2	120.8	121.8	122.5	122.8	123.2	123.2	123.6	124.2	124.4	124.6
1990	129.0	125.9	126.4	127.1	127.3	127.5	128.3	128.7	129.9	131.1	131.9	132.2	132.2
1991	134.3	132.8	132.8	133.0	133.3	133.8	134.1	134.3	134.6	135.2	135.4	135.8	135.9
1992	138.2	136.0	136.4	137.0	137.3	137.6	138.1	138.4	138.8	139.1	139.6	139.8	139.8
1993	142.1	140.3	140.7	141.1	141.6	141.9	142.0	142.1	142.4	142.6	143.3	143.4	143.3
1994	145.6	143.6	144.0	144.4	144.7	144.9	145.4	145.8	146.5	146.9	147.0	147.3	147.2
1995	149.8	147.8	148.3	148.7	149.3	149.6	149.9	149.9	150.2	150.6	151.0	150.9	150.9
1996	154.1	151.7	152.2	152.9	153.6	154.0	154.1	154.3	154.5	155.1	155.5	155.9	155.9
1997	157.6	156.3	156.8	157.0	157.2	157.2	157.4	157.5	157.8	158.3	158.5	158.5	158.2
1998	159.7	158.4	158.5	158.7	159.1	159.5	159.7	159.8	160.0	160.2	160.6	160.7	160.7
1999	163.2	161.0	161.1	161.4	162.7	162.8	162.8	163.3	163.8	164.7	165.0	165.1	165.1
2000	168.9	165.6	166.5	167.9	168.0	168.2	169.2	169.4	169.3	170.4	170.6	170.9	170.7
2001	173.5	171.7	172.4	172.6	173.5	174.4	174.6	173.8	173.8	174.8	174.0	173.7	172.9
2002	175.9	173.2	173.7	174.7	175.8	175.8	175.9	176.1	176.6	177.0	177.3	177.4	177.0
2003	179.8	177.7	179.2	180.3	179.8	179.4	179.6	179.6	180.3	181.0	180.7	180.2	179.9
2004	184.5	180.9	181.9	182.9	183.5	184.7	185.3	184.9	185.0	185.4	186.5	186.8	186.0
2005	191.0	186.3	187.3	188.6	190.2	190.0	190.1	191.0	192.1	195.0	195.2	193.4	192.5
2006	195.2	194.0	194.2	195.3	197.2								

<sup>a</sup> Monthly data shown above are not adjusted for seasonal variations. CPI data that are not seasonally adjusted are used extensively for escalation purposes. Although CPI is often called the "Cost of Living Index," it measures only price change, which is just one of several important factors affecting living costs. All CPI series are linked historically to the original CPI Index for Urban Wage Earners and Clerical Workers. These series contain no revision but are reprinted for the convenience of the user. PERCENT CHANGE: Movements of these indexes from one time period to another are usually expressed as percent changes rather than changes in index points. Index point changes are affected by the level of the index in relation to its base period, while percent changes are not. For example:

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

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

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

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

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

Area	Estimate				Annual change (%)		
	July 2004	U.S. Census April			2000– 2004 <sup>a</sup>	1990– 2000	1980– 1990
		2000	1990	1980			
<b>Michigan</b>	10,112,620	9,938,444	9,295,297	9,262,044	0.4	0.7	0.0
<b>West Michigan Metropolitan Areas</b>							
<b>Battle Creek MSA (Calhoun County)</b>	139,067	137,985	135,982	141,557	0.2	0.1	-0.4
Battle Creek city <sup>b</sup>	53,399	53,364	53,540	56,339	0.0	0.0	-0.5
Albion city	9,184	9,144	10,066	11,059	0.1	-1.0	-0.9
Marshall city	7,359	7,459	6,891	7,201	-0.3	0.8	-0.4
<b>Grand Rapids–Wyoming MSA</b>	767,539	740,482	645,914	577,019	0.8	1.4	1.1
Barry County	59,371	56,755	50,057	45,781	1.1	1.3	0.9
Ionia County	64,378	61,518	57,024	51,815	1.1	0.8	1.0
Kent County	593,898	574,335	500,631	444,506	0.8	1.4	1.2
Grand Rapids city	195,115	197,800	189,126	181,843	-0.3	0.4	0.4
East Grand Rapids city	10,482	10,764	10,807	10,914	-0.7	0.0	-0.1
Grandville city	16,680	16,263	15,624	12,412	0.6	0.4	2.3
Kentwood city	46,538	45,255	37,826	30,438	0.6	1.8	2.2
Walker city	23,315	21,842	17,279	15,088	1.4	2.4	1.4
Wyoming city	70,300	69,368	63,891	59,616	0.3	0.8	0.7
Newaygo County	49,892	47,874	38,202	34,917	1.0	2.3	0.9
<b>Holland–Grand Haven MSA (Ottawa County)</b>	252,351	238,314	187,768	157,174	1.3	2.4	1.8
Grand Haven city	10,733	11,168	11,951	11,763	-1.0	-0.7	0.2
Holland city <sup>c</sup>	34,606	35,048	30,745	26,281	5.6	1.3	1.6
<b>Kalamazoo–Portage MSA</b>	319,265	314,866	293,471	279,192	0.3	0.7	0.5
Kalamazoo County	240,724	238,603	223,411	212,378	0.2	0.7	0.5
Kalamazoo city	73,960	77,145	80,277	79,722	-1.0	-0.4	0.1
Portage city	45,210	44,897	41,042	38,157	0.2	0.9	0.7
Van Buren County	78,541	76,263	70,060	66,814	0.7	0.9	0.5
<b>Muskegon–Norton Shores MSA (Muskegon County)</b>	174,401	170,200	158,983	157,589	0.6	0.7	0.1
Muskegon city	39,954	40,105	40,283	40,823	-0.1	0.0	-0.1
Muskegon Heights city	11,807	12,049	13,176	14,611	-0.5	-0.9	-1.0
Norton Shores city	23,287	22,527	21,755	22,025	0.8	0.3	-0.1
<b>Niles–Benton Harbor MSA (Berrien County)</b>	163,125	162,453	161,378	171,276	0.1	0.1	-0.6
Benton Harbor city	10,851	11,182	12,818	14,707	-0.7	-1.4	-1.4
Niles city	11,876	12,204	12,456	13,115	-0.6	-0.2	-0.5
St. Joseph city	8,701	8,789	9,214	9,622	-0.2	-0.5	-0.4
<b>Total</b>	1,815,748	1,764,300	1,583,496	1,483,807	0.7	1.1	0.7
<b>Rural Southwest Michigan</b>							
Allegan County	112,477	105,665	90,509	81,555	1.5	1.6	1.0
Branch County	46,444	45,787	41,502	40,188	0.3	1.0	0.3
Cass County	51,761	51,104	49,477	49,499	0.3	0.3	0.0
Oceana County	28,415	21,645	22,454	22,002	1.3	-0.4	0.2
St. Joseph County	62,964	62,422	58,913	56,083	0.2	0.6	0.5
<b>Total</b>	302,061	286,623	262,855	249,327	0.8	0.9	0.5

<sup>a</sup> 2000 to 2004 growth rate is based on July to July estimates.

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

<sup>c</sup> Population for Holland city is total population of city located in Ottawa and Allegan counties.

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

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