

How are Things Going?

Thoughts to
Barry County

Jim Robey

February 25, 2016

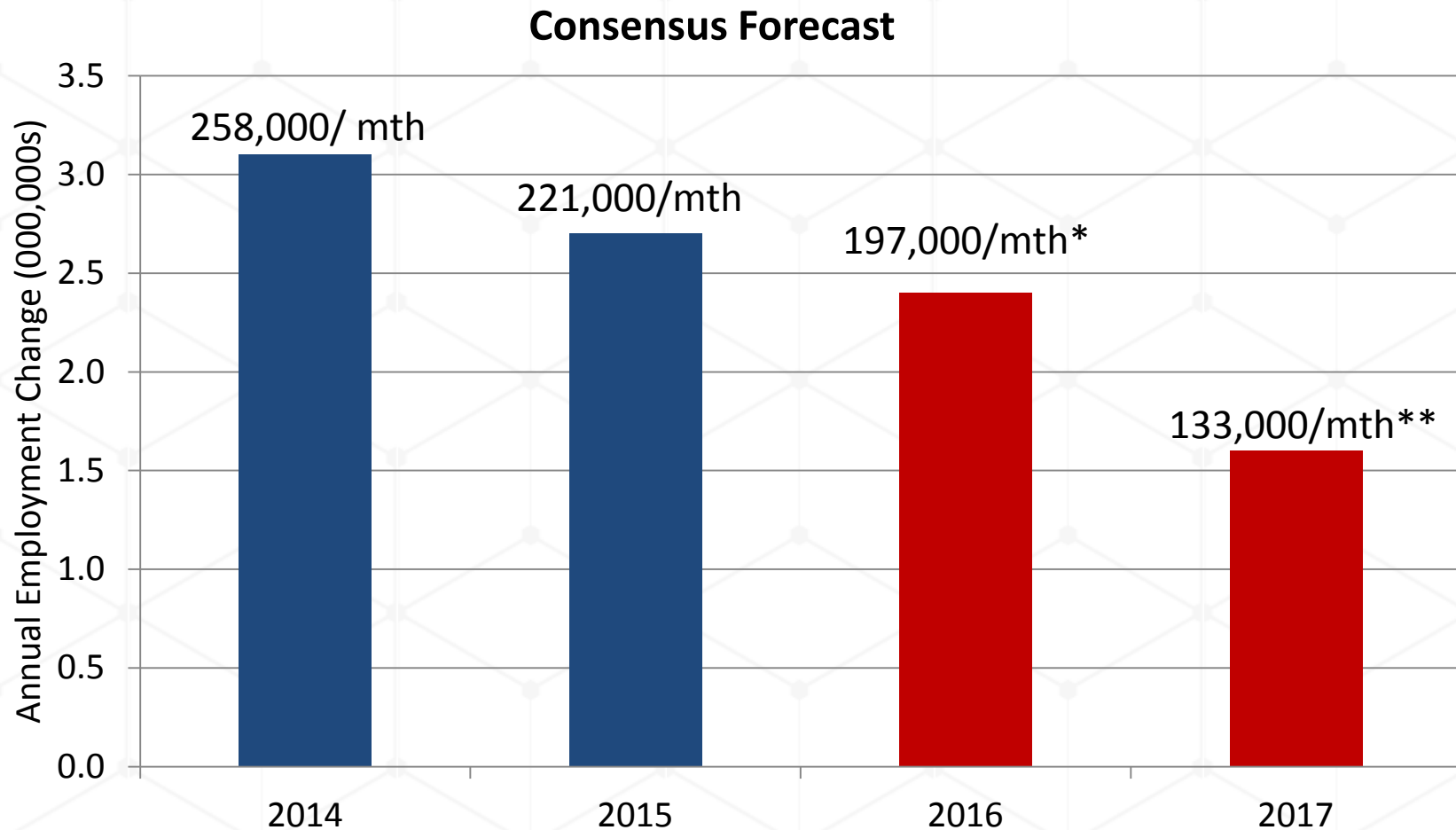
W.E. Upjohn Institute for Employment Research

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Regional and Economic Planning Services

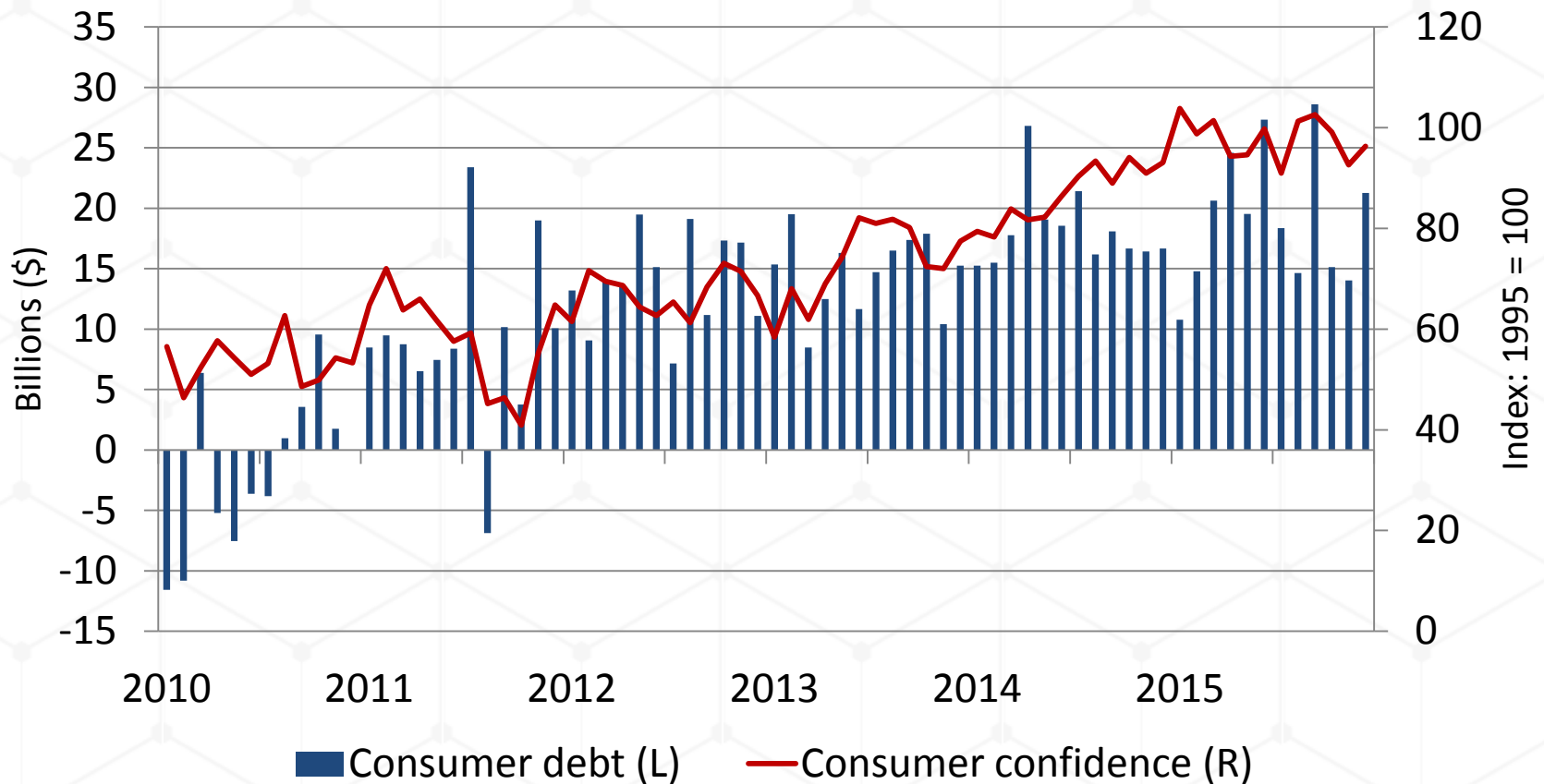
- Data Dissemination & Analysis
- Economic Impact Studies
- Economic & Workforce Development Strategy
- Talent Assessment
- Urban & Regional Planning

The employment forecast suggests more modest employment growth in the next two years



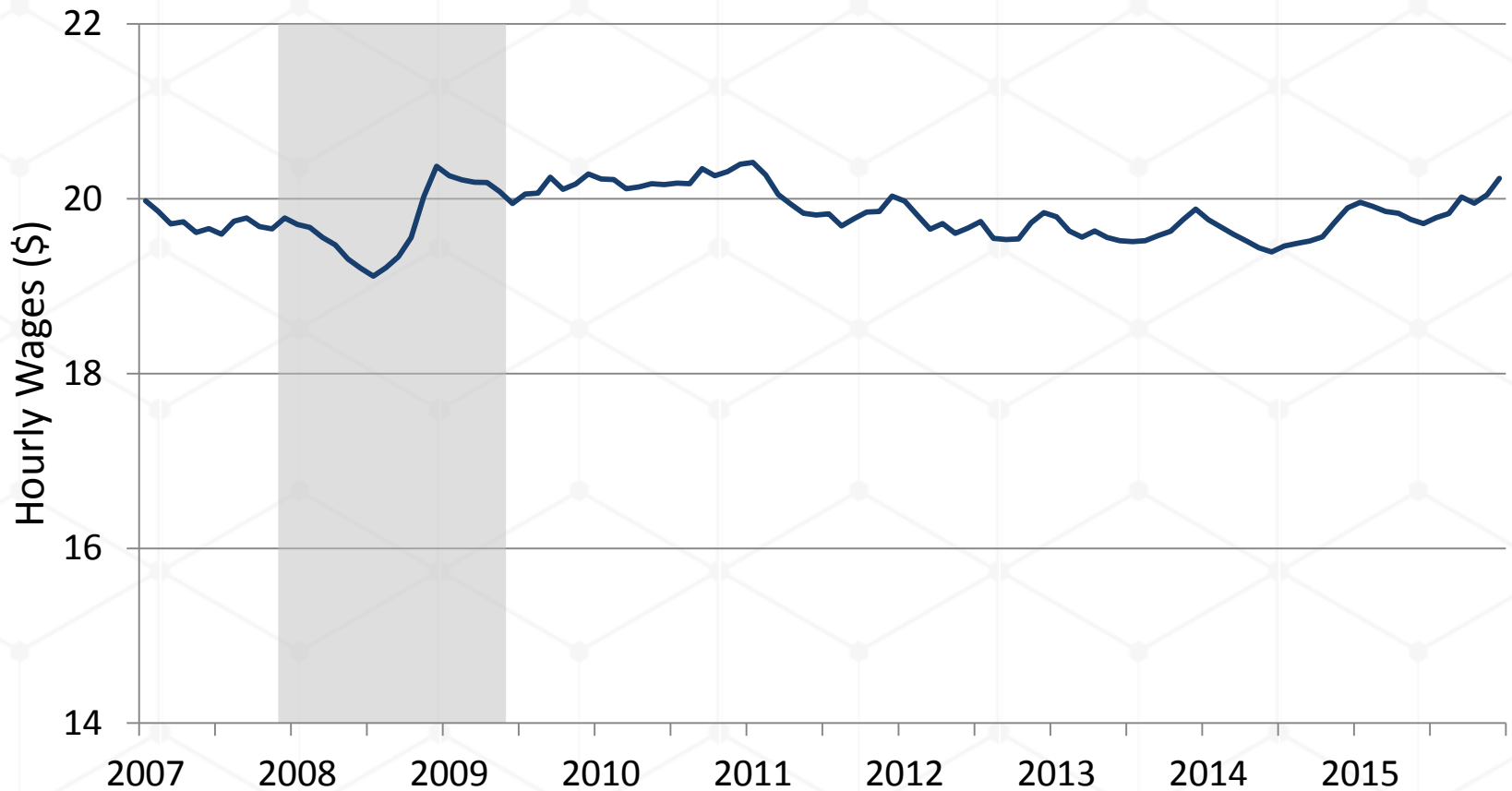
Consumers are confident—as borrowing indicates

Consumer Confidence and Change in Consumer Debt



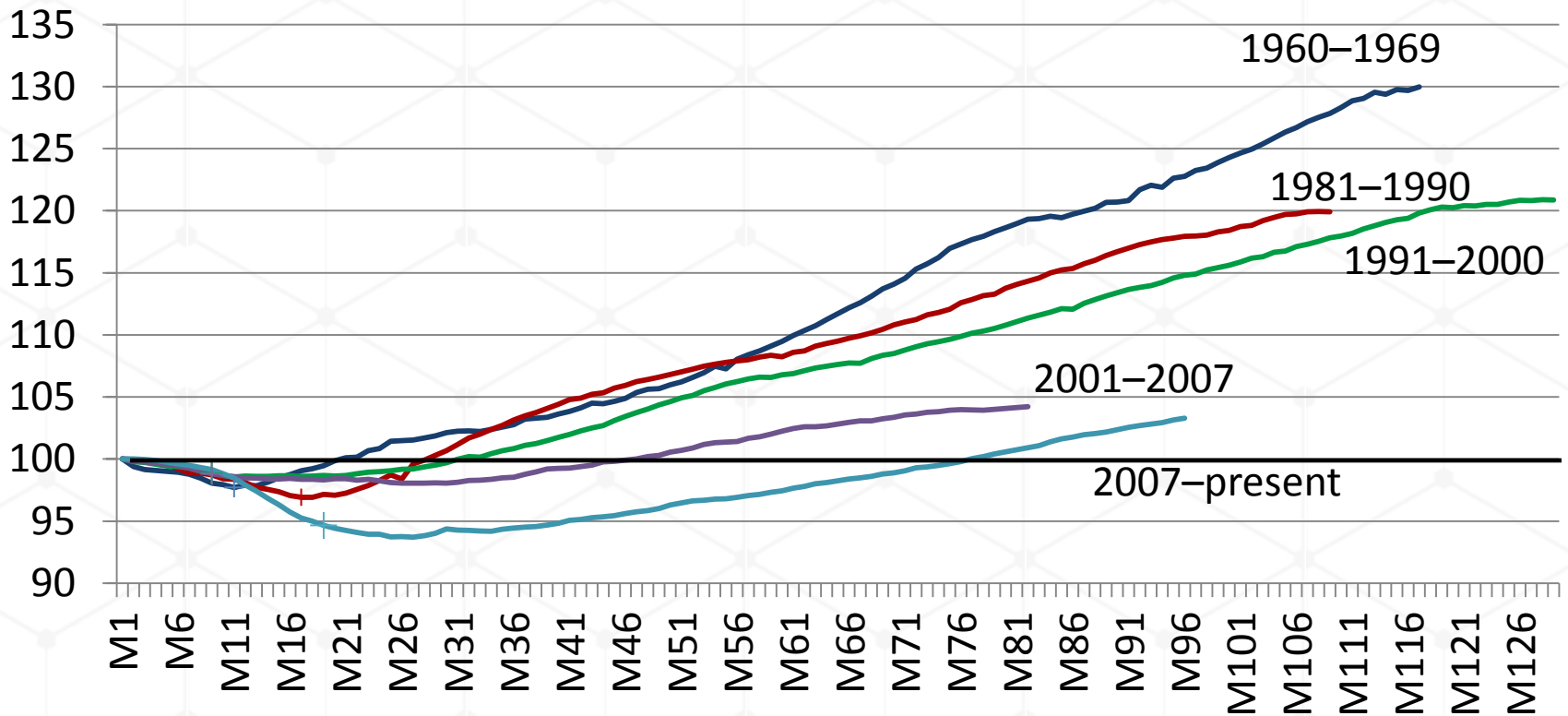
Real wages for production workers are flat, but may be on the rise

Average Hourly Wage for Production Workers (2015\$)



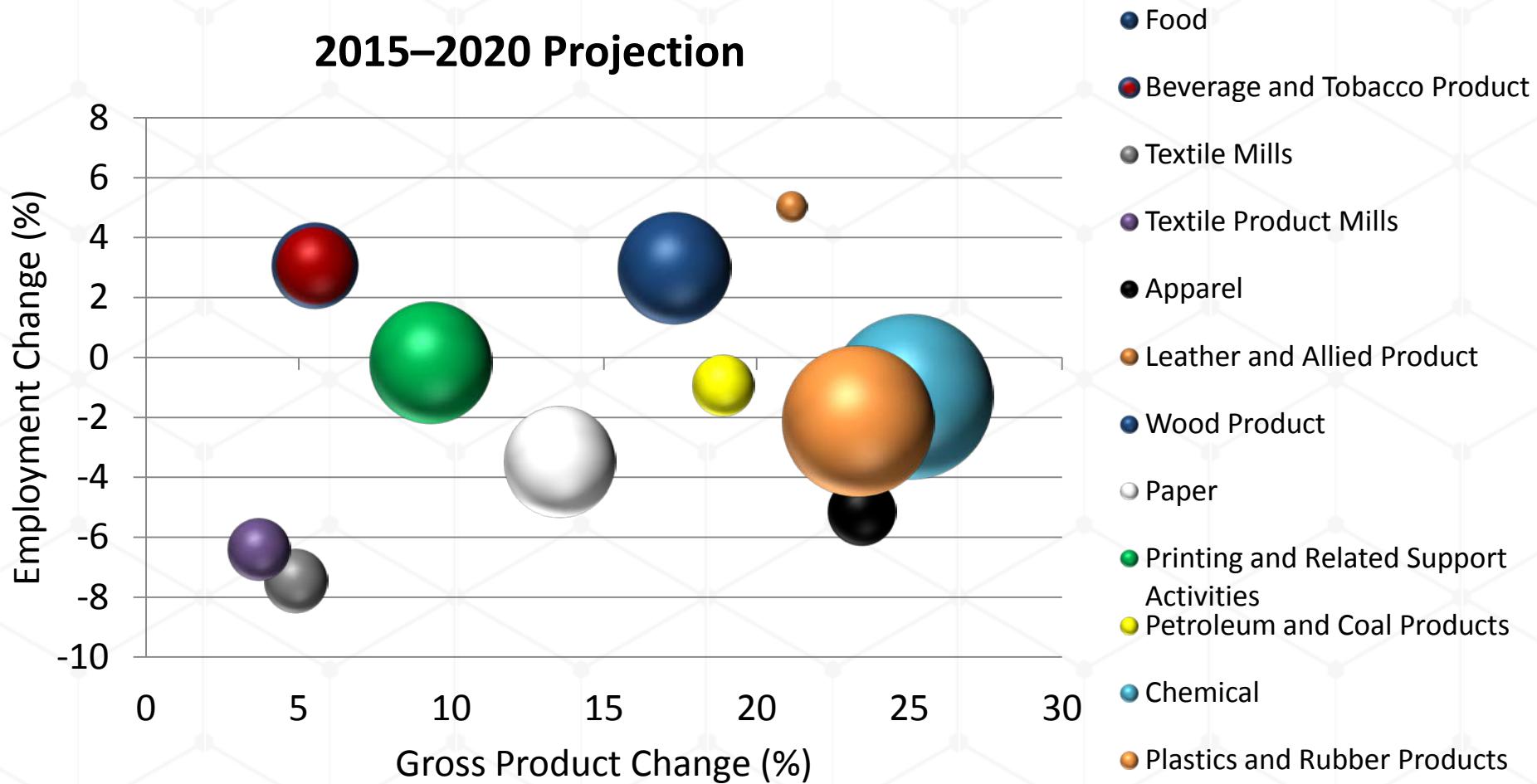
The calendar isn't calling yet for a recession—if you trust history

Employment Index From Business Cycle Peak



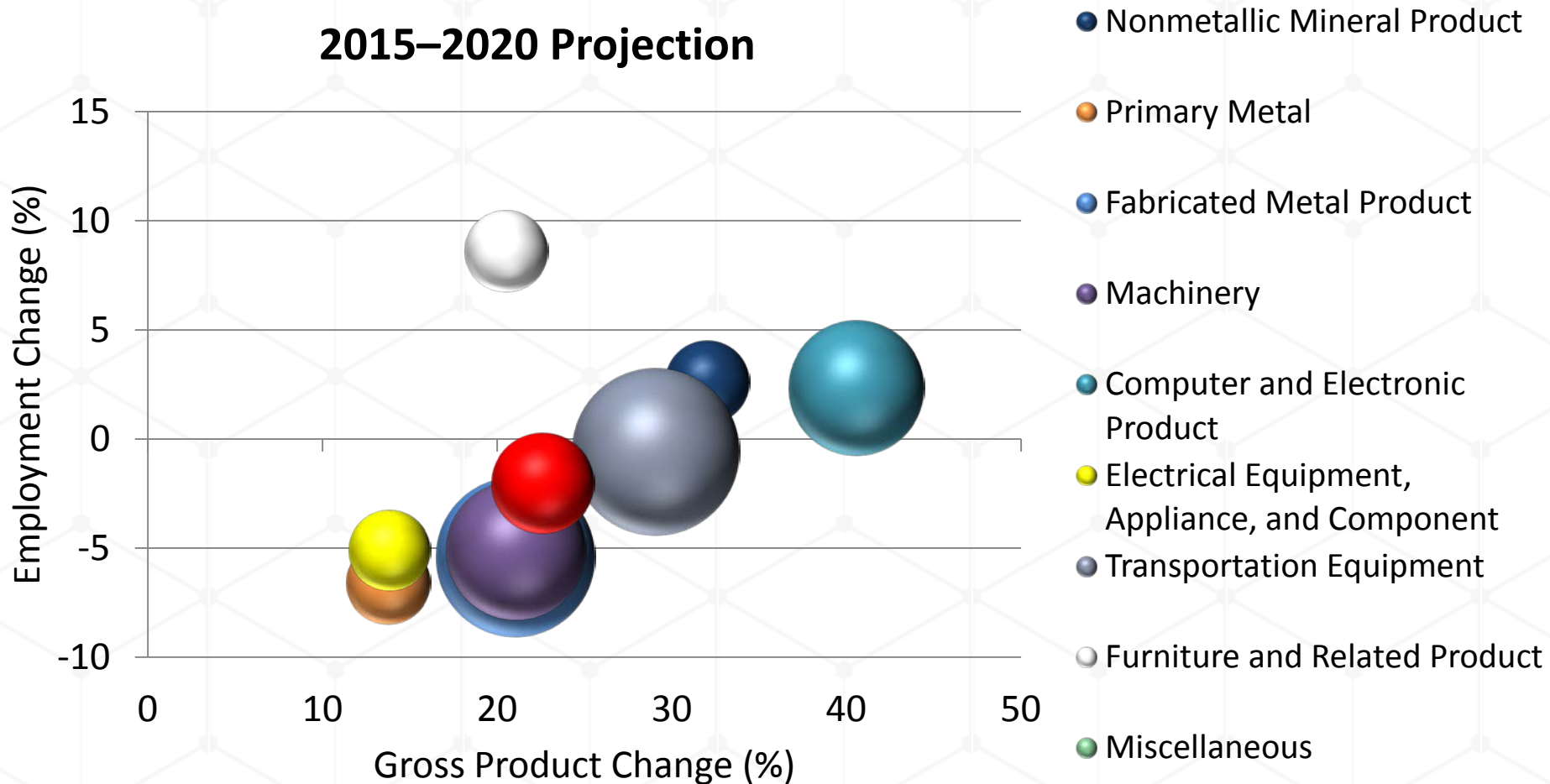
National nondurables: growth or no growth?

2015–2020 Projection



National durables: more of the same?

2015–2020 Projection



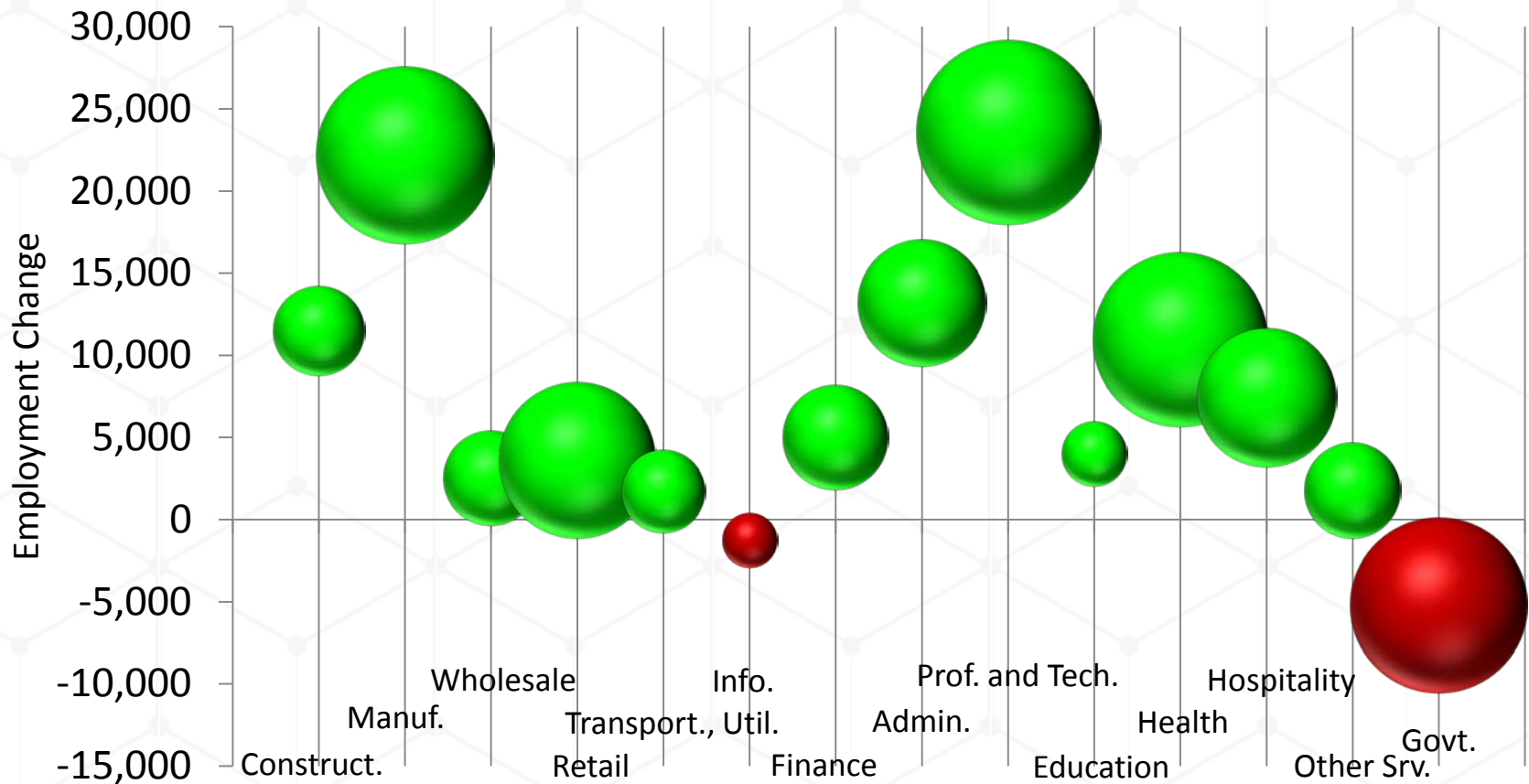
Mixed national business conditions for 2016

- + Interest rates remain low following the bump by the Fed in December
- +/- Fuel prices are expected to remain low
- Sluggish international markets
- +/- High value of the dollar
- Labor and skills shortages
- +/- Commodity prices are low

Moving on to Michigan

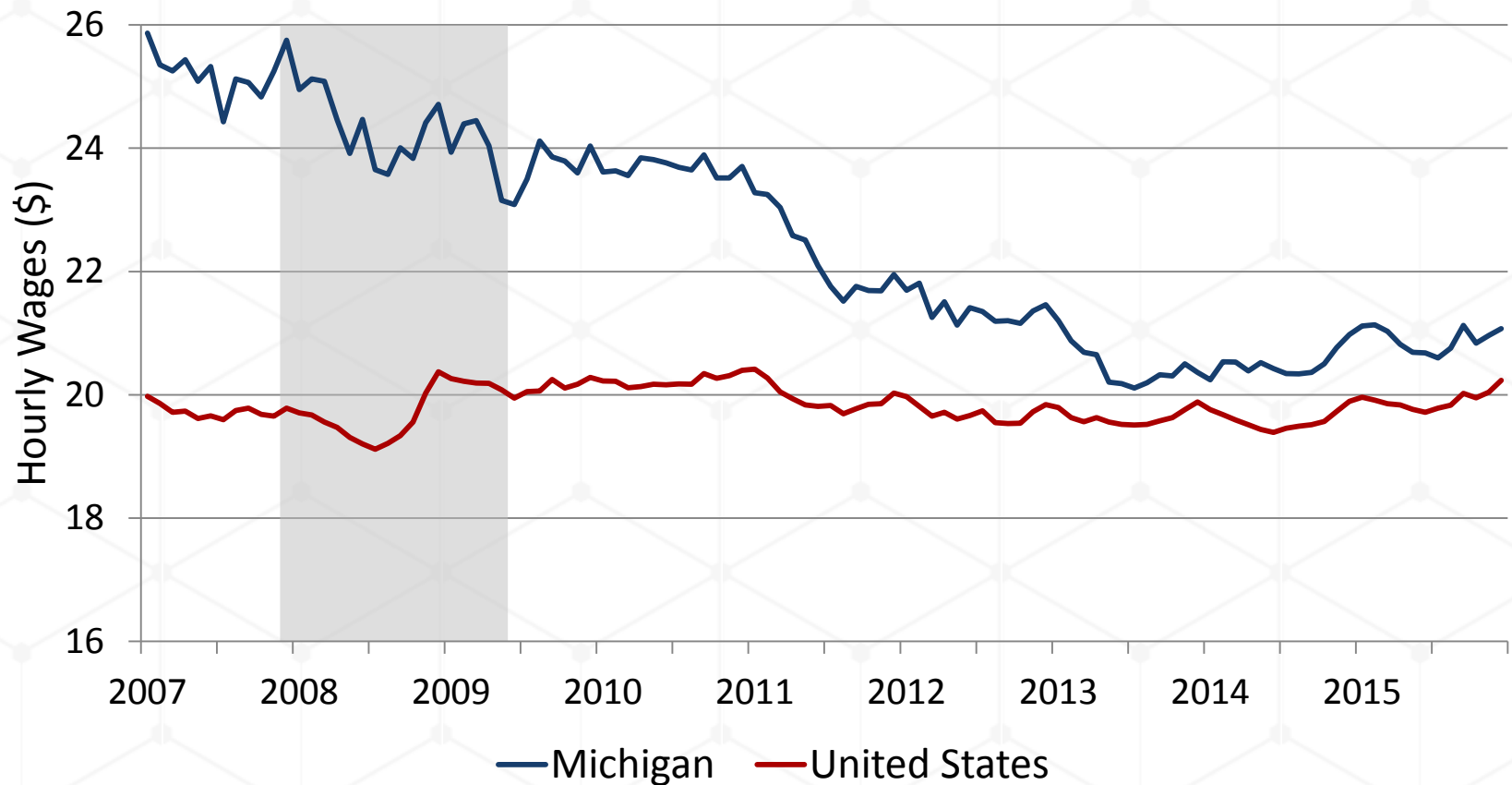
Employment growth in Michigan was solid and spread across many sectors

Employment Change, 2014 to 2015



Real wages are down since 2007, but may be rising

Average Hourly Wage for Production Workers (2015\$)



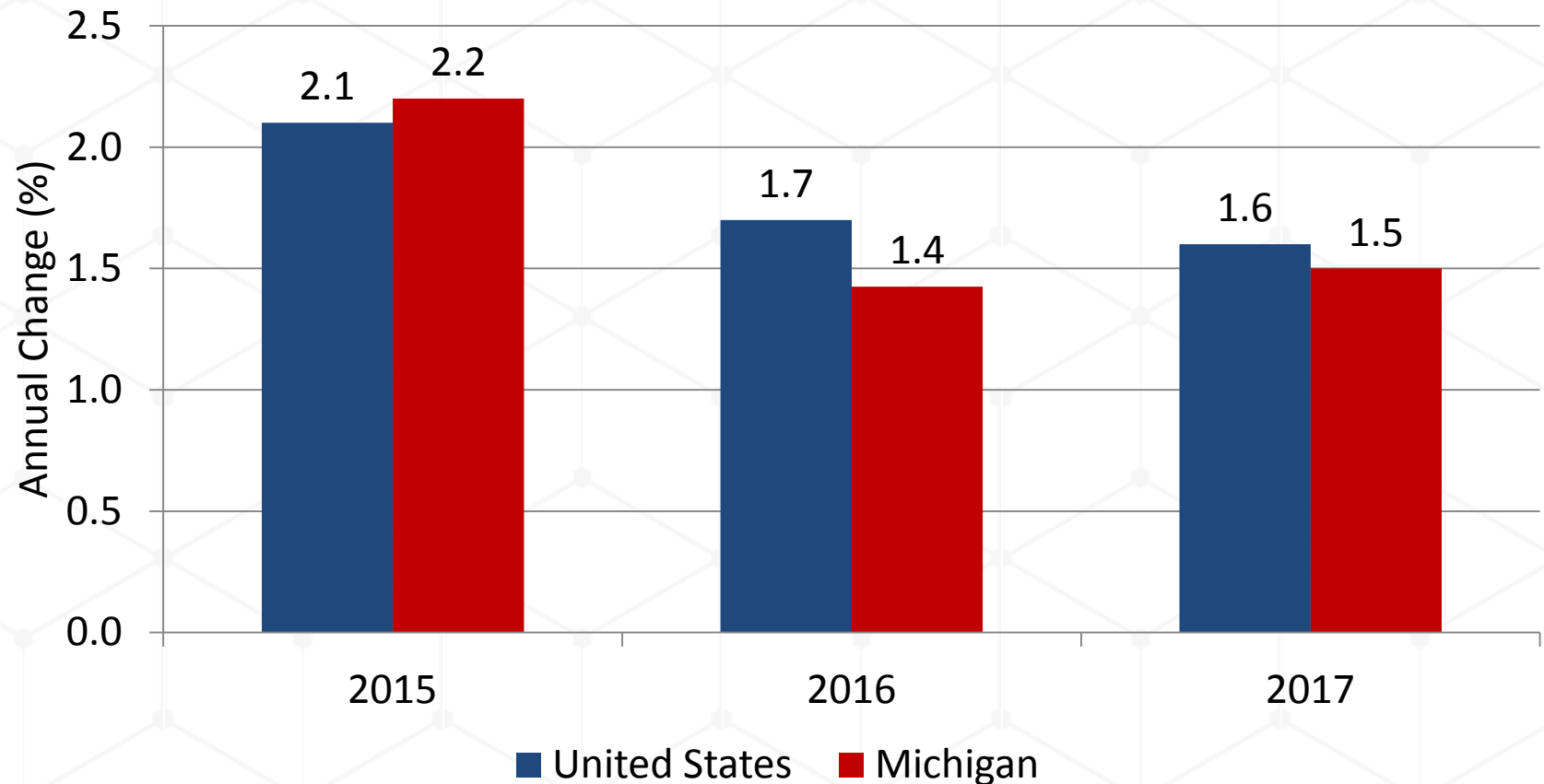
Latest University of Michigan employment forecast shows continued growth

Employment Forecast 4th Quarter to 4th Quarter

2014	67,233 jobs (1.6%)
2015	80,000 jobs (1.9%)
2016*	61,100 jobs (1.4%)
2017*	64,800 jobs (1.5%)

Michigan is following the nation

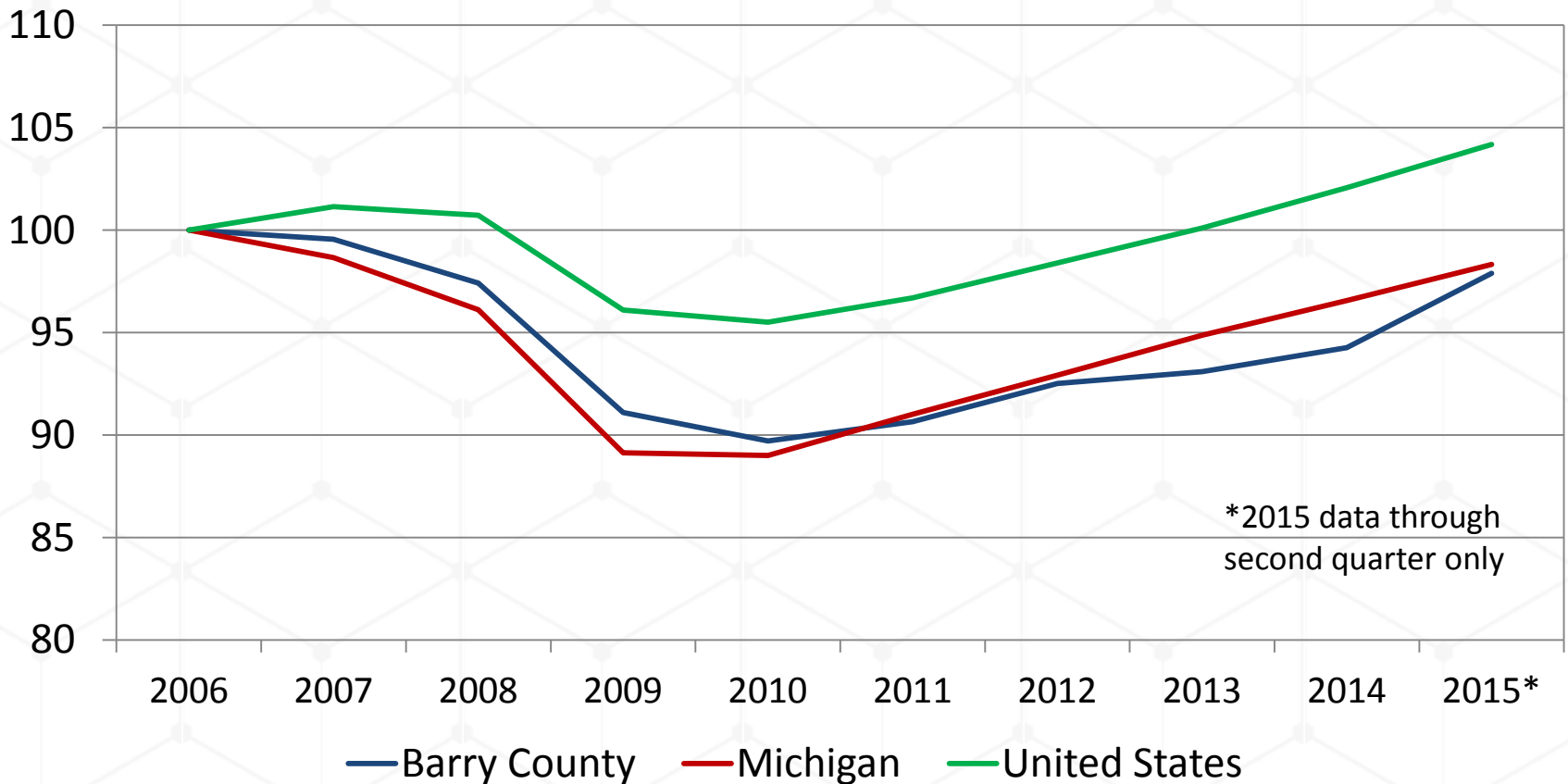
Employment Forecast



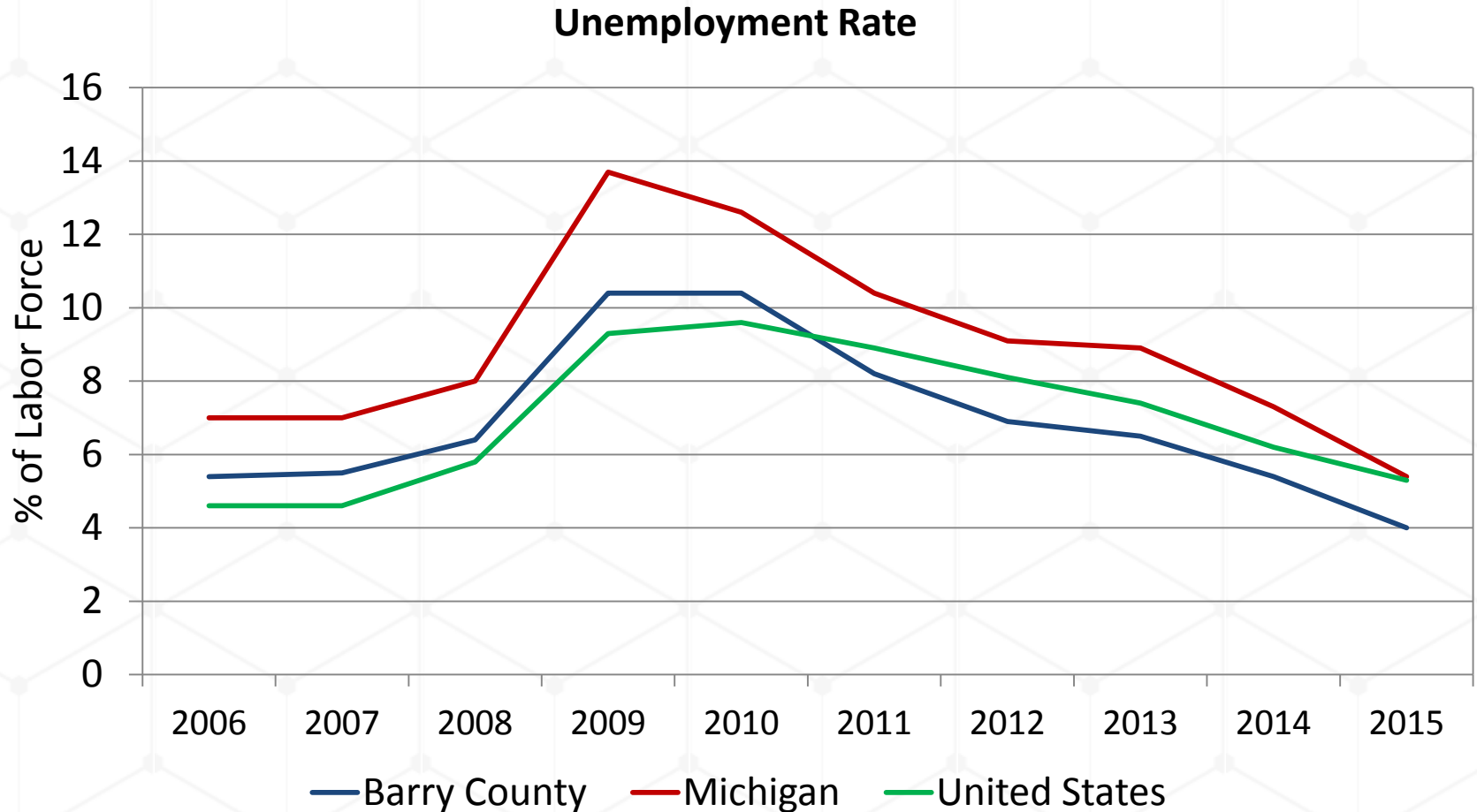
Next Up, Barry County

Employment growth in the region has been comparable to the state since the end of the Great Recession

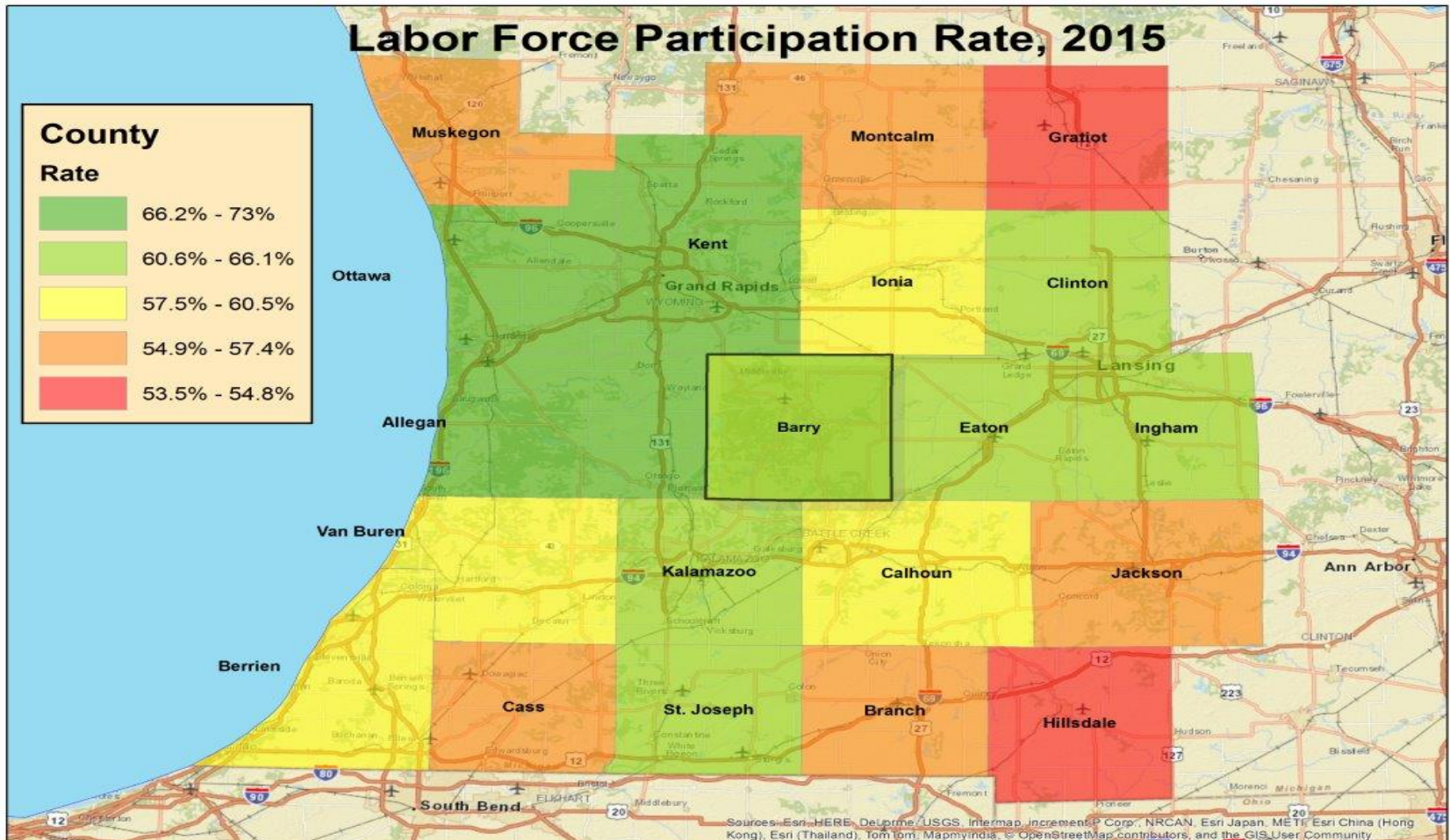
Total Employment Index (2006 = 100)



The local labor market is tighter than the state and the nation

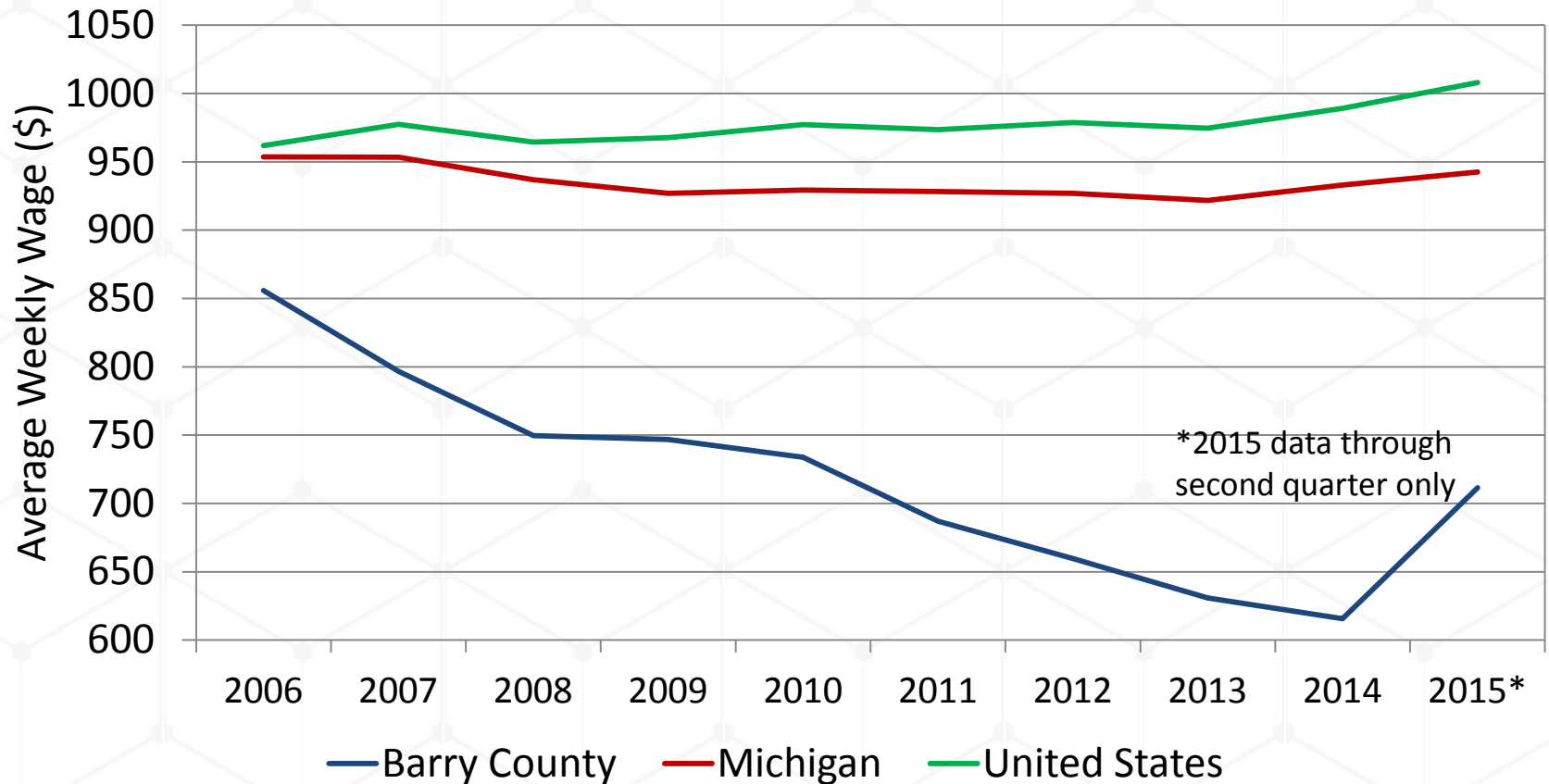


The national LFPR was 62.6 in 2015; Barry County was at 66.1



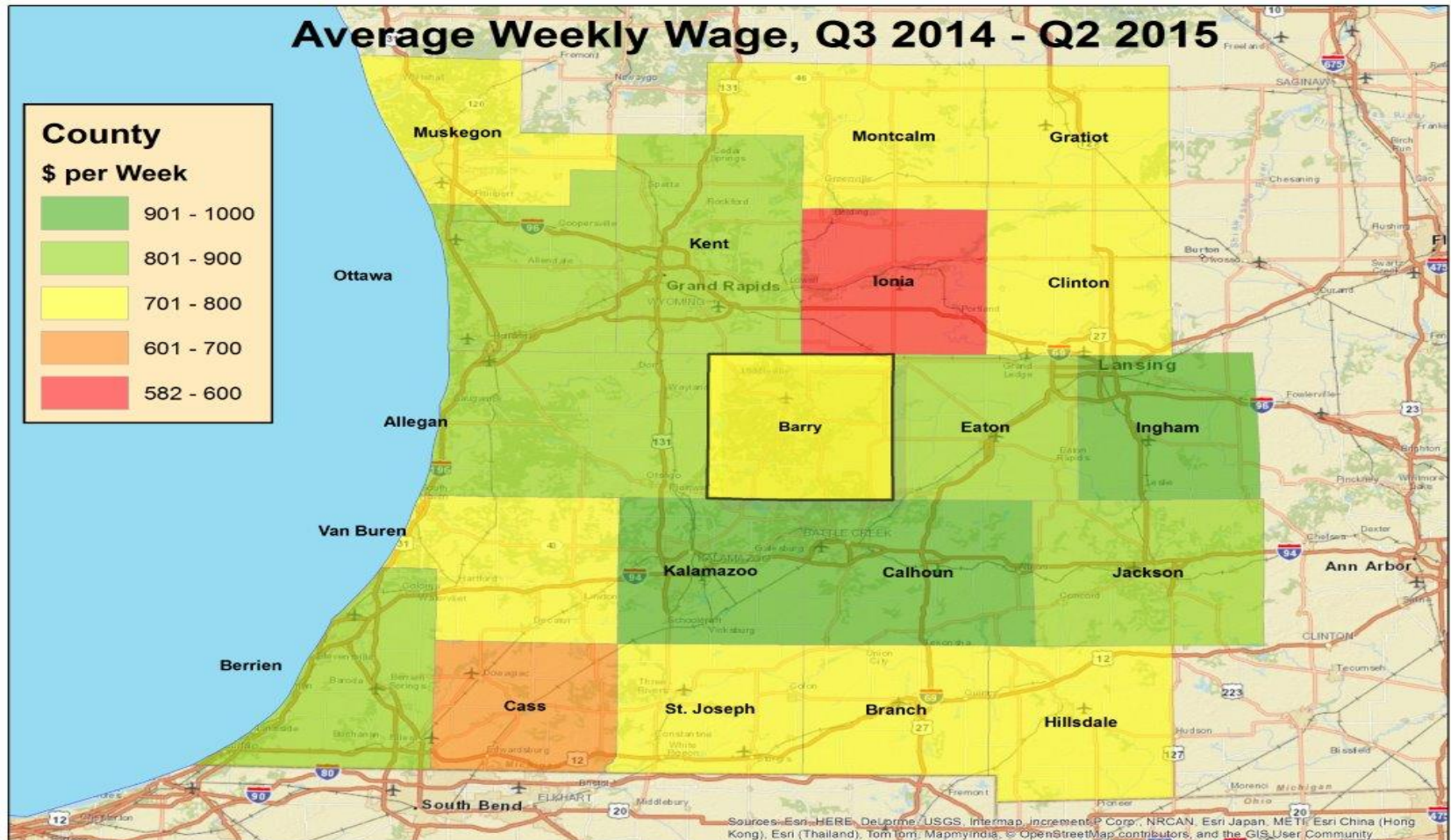
Real wages declined until 2015

Average Weekly Wage, All Workers (2015\$)



*2015 data through second quarter only

Wages in the region are right in the middle



Local Conditions

- + Auto sales are expected to remain solid through 2016 and 2017
- +/- Other manufacturing sectors, including furniture and aerospace are flat
- Labor and skills shortages
- +/- Commodity prices are low
- +/- Low unemployment rate
- Availability of commercial/industrial real estate
- Lack of investment in residential capital

News of the week: a mixed bag

- February Consumer Confidence was down to the lowest point since July: 92
- Conference Board Leading Indicators $-.2\%$
- January CPI came in at 0%
- January Industrial Production up $.9\%$
 - December revised down $.3\%$ to $-.7\%$
- Jobless Claims at 262k (7k less than consensus)
- Nationally, home prices are up about 5.4%

Questions and Comments?

- Upjohn Institute: 269-343-5541
- Jim Robey – Director of Regional Economic Planning Services
 - jim.robey@upjohn.org
- Brian Pittelko – Regional Analyst
 - pittelko@upjohn.org