

A Look Into Economic Conditions



A Presentation to The Better Business Bureau of
West Michigan

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W.E. Upjohn Institute for Employment Research

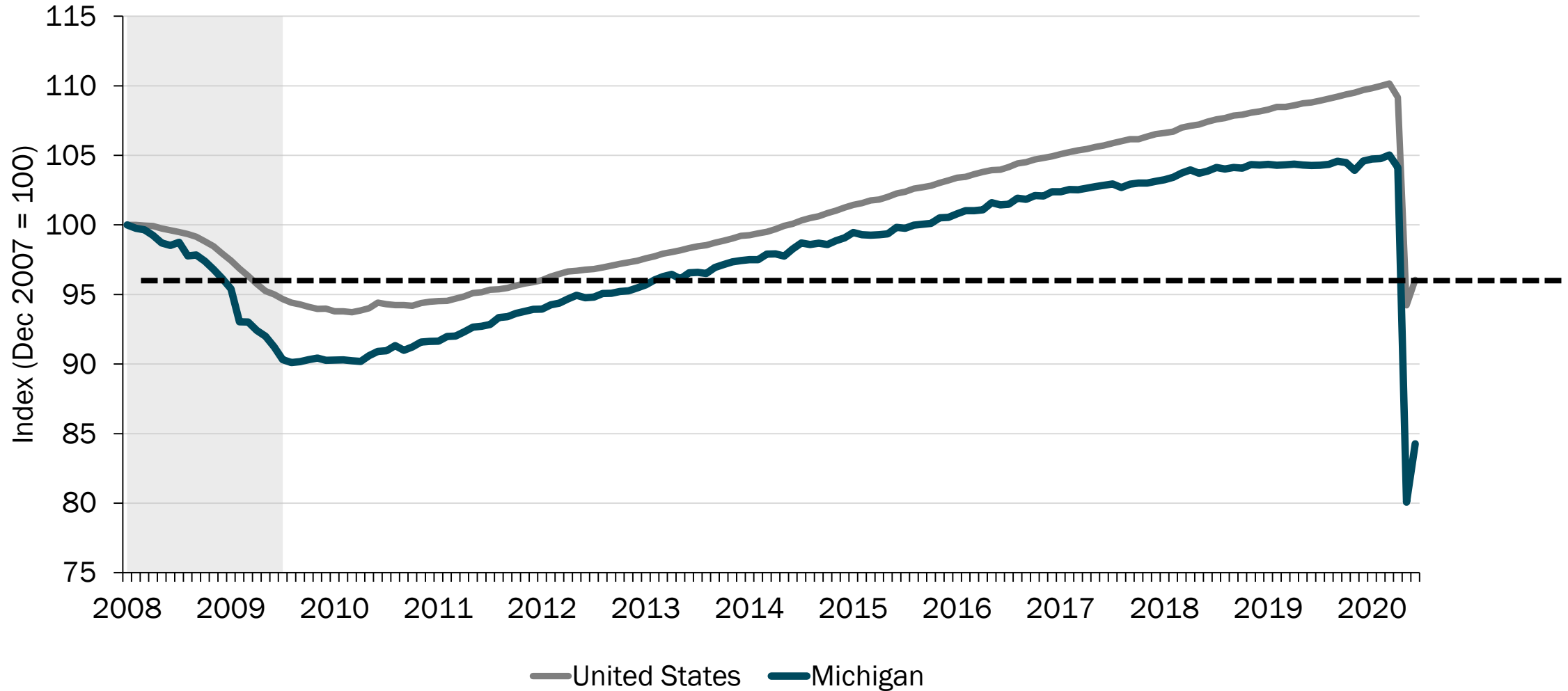
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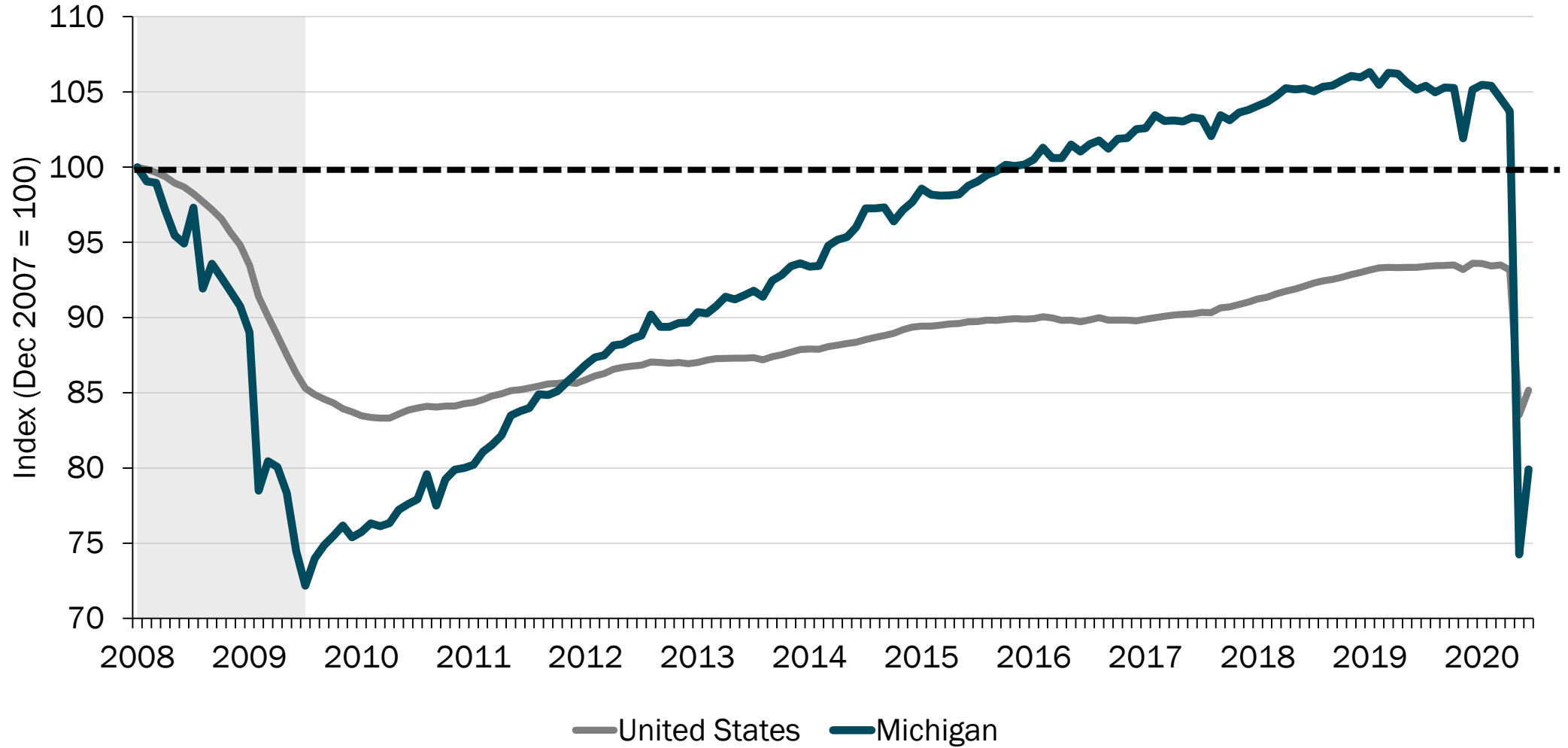
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Michigan Economy

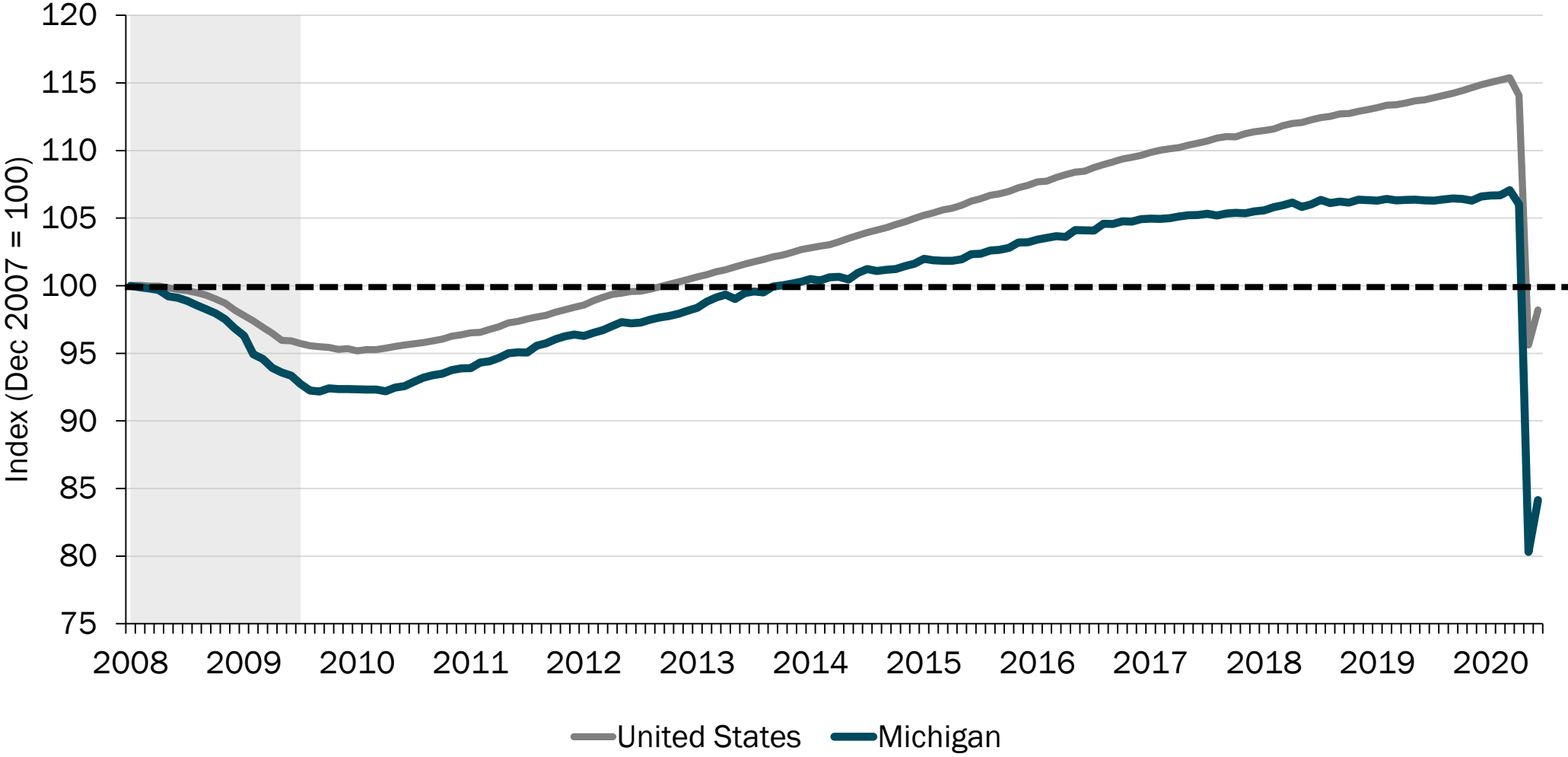
Non-Farm Employment Index



Manufacturing Employment Index



Private Service Providing Employment Index



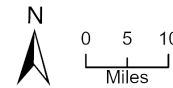
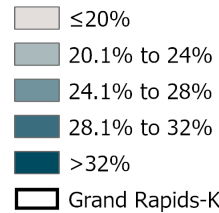
West Michigan Economy

Unemployment rates are estimated to be between 17.2% and 30.3% for counties in West Michigan –

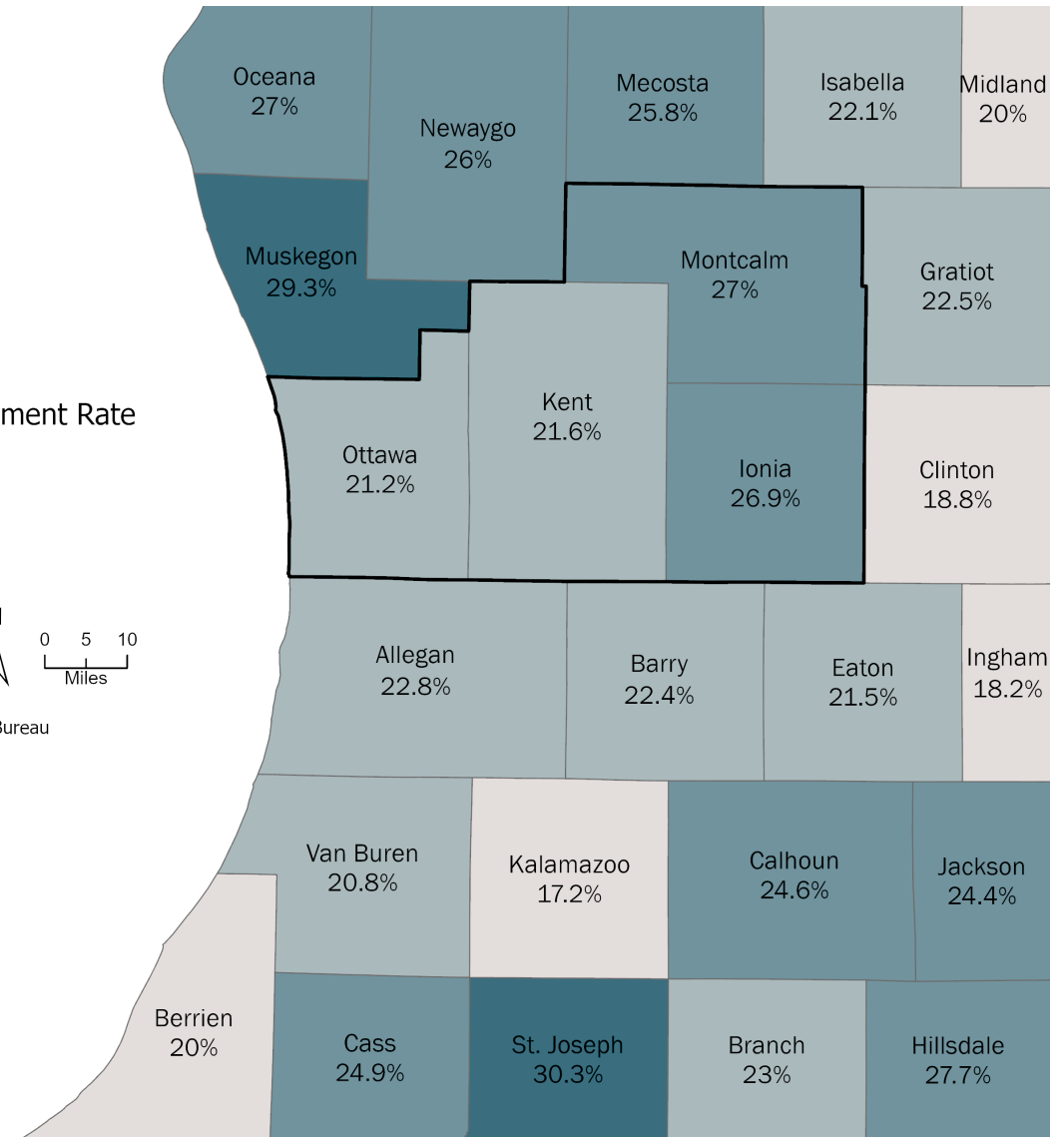
Michigan's rate is 24% (April 2019)

Southwest Michigan Unemployment Rate

April 2020



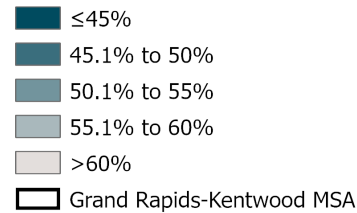
Source: Bureau of Labor Statistics, U.S. Census Bureau



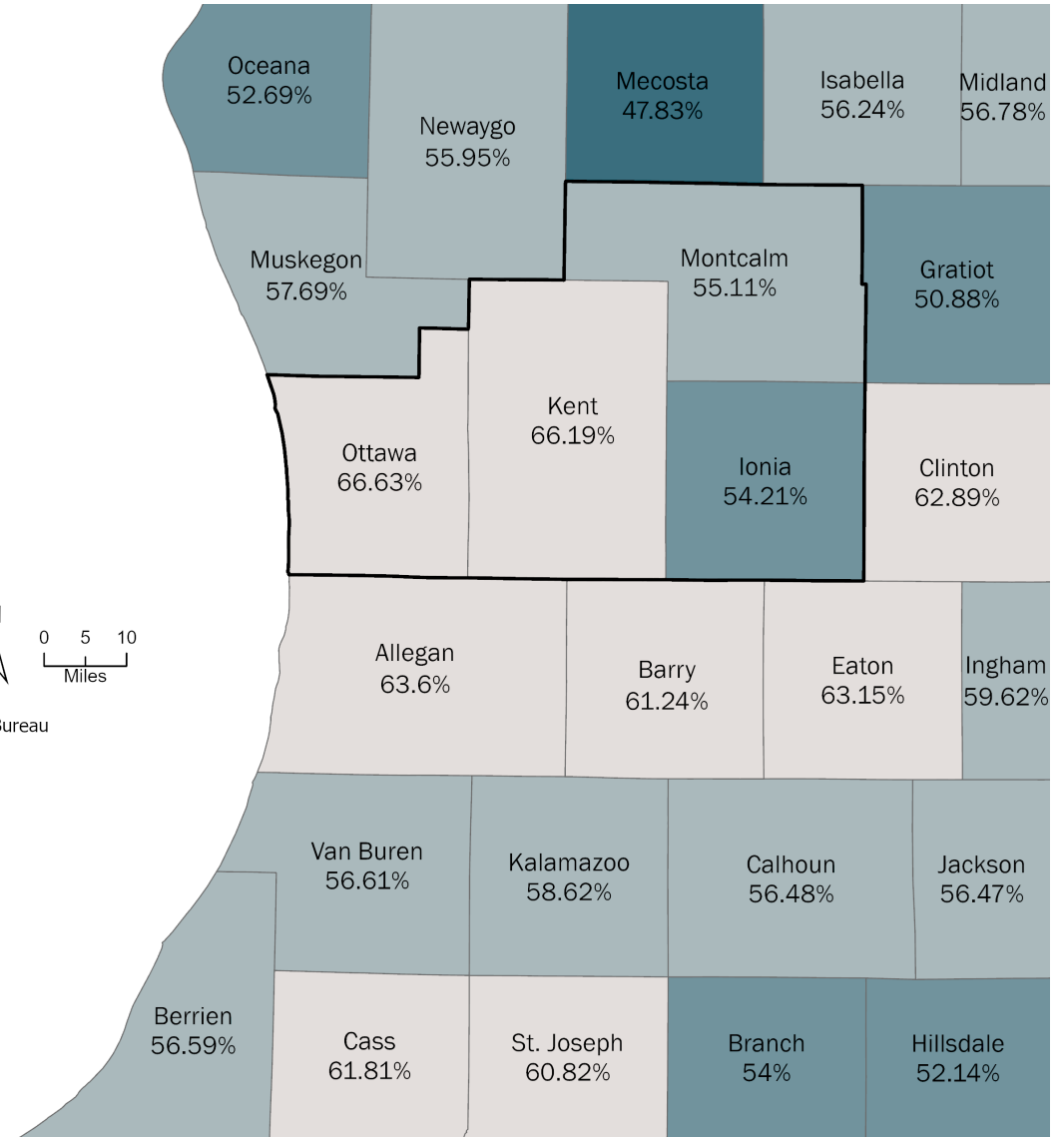
The labor force participation rate is estimated to range across the region from 47.83% to 66.19%

Michigan's rate is 57.4% (April 2019)

Southwest Michigan
Labor Force Participation Rate
April 2020



Source: Bureau of Labor Statistics, U.S. Census Bureau



Methodology

Methodology

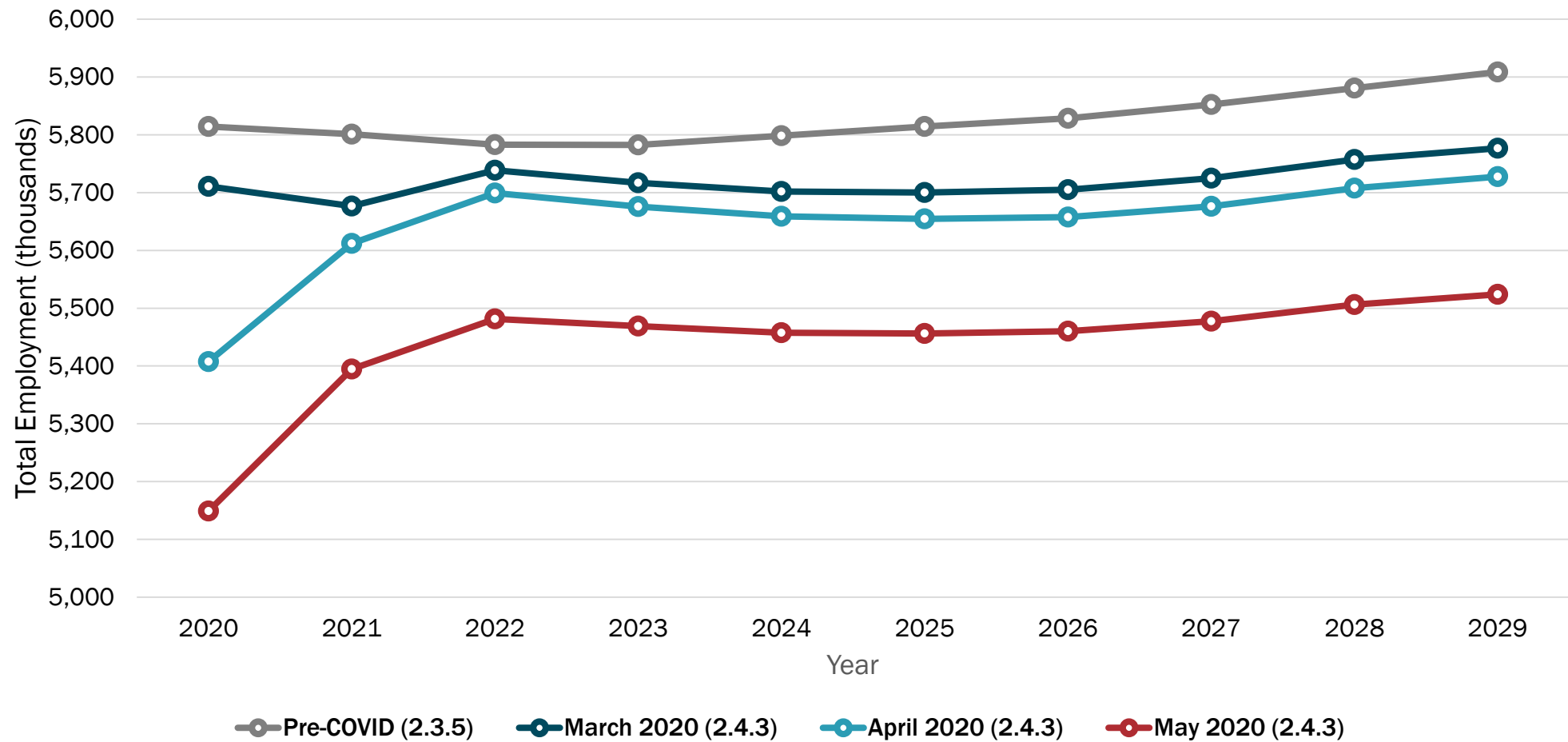
- Upjohn uses a REMI model (www.REMI.com)
 - To estimate economic impacts from projects and events
 - Forecast regional changes in trends, including for The Right Place
- Pre-COVID baseline using a prior version of REMI (version 2.3.5)
- As new forecasts were produced the latest REMI model was updated (2.4.3)
 - National forecast is updated
 - Regional forecasts are updated
 - Forecasts come from:
 - Research Seminar in Quantitative Economics at the University of Michigan
 - Congressional Budget Office

Michigan Economy REMI Forecasts

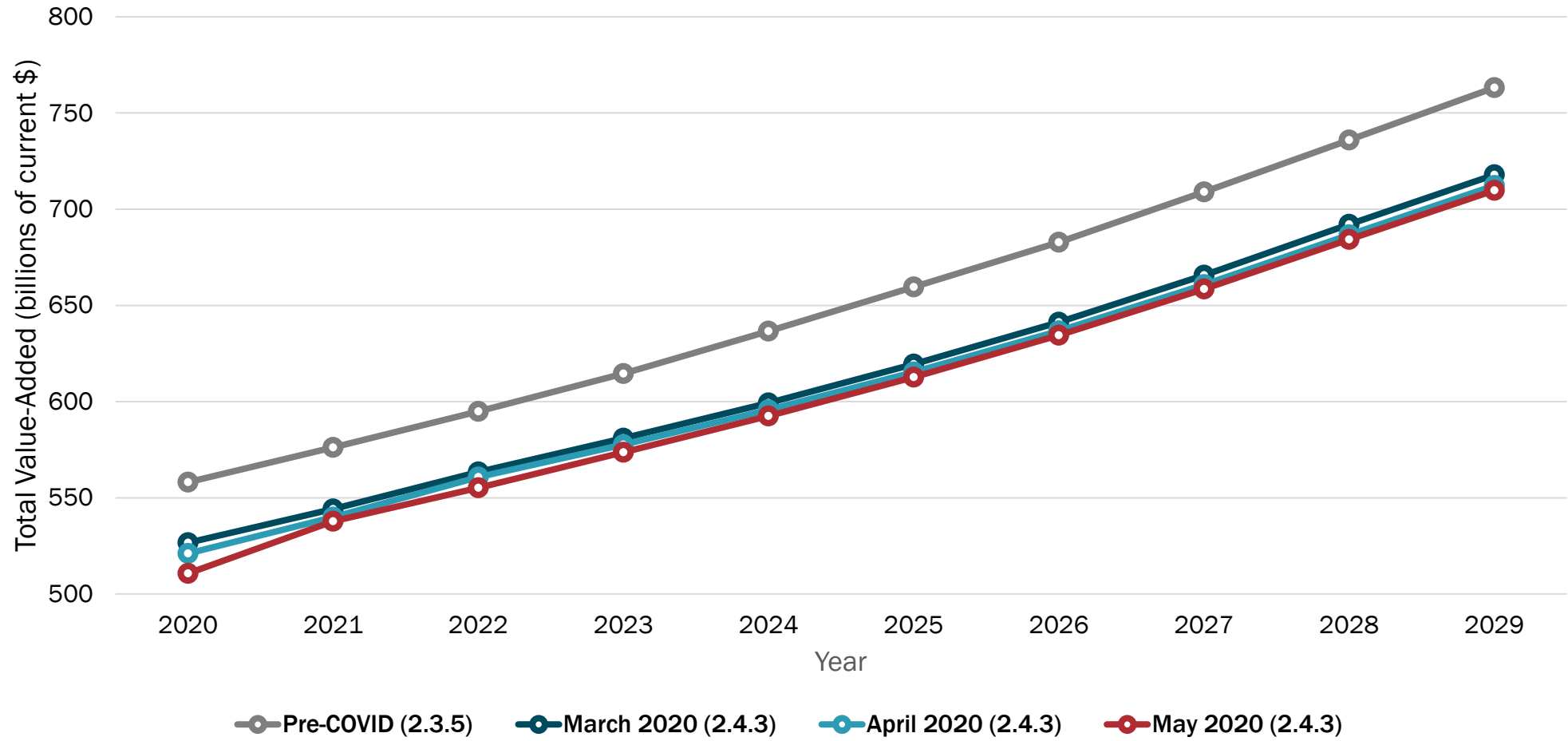
Michigan

- Summary: Pre-COVID
 - Jobs: 5.71 million jobs
 - Output: \$1031.87 billion
 - GSP: \$526.84 billion
 - Personal income: \$503.31 billion
- Projected annualized loss of almost 665k (11.4%) positions
- Location Quotients
 - Manufacturing (all): 1.7
 - Furniture: 1.9
 - Motor Vehicles: 6.4
 - Machinery MFG: 2.4
 - Fabricated Metals: 1.9

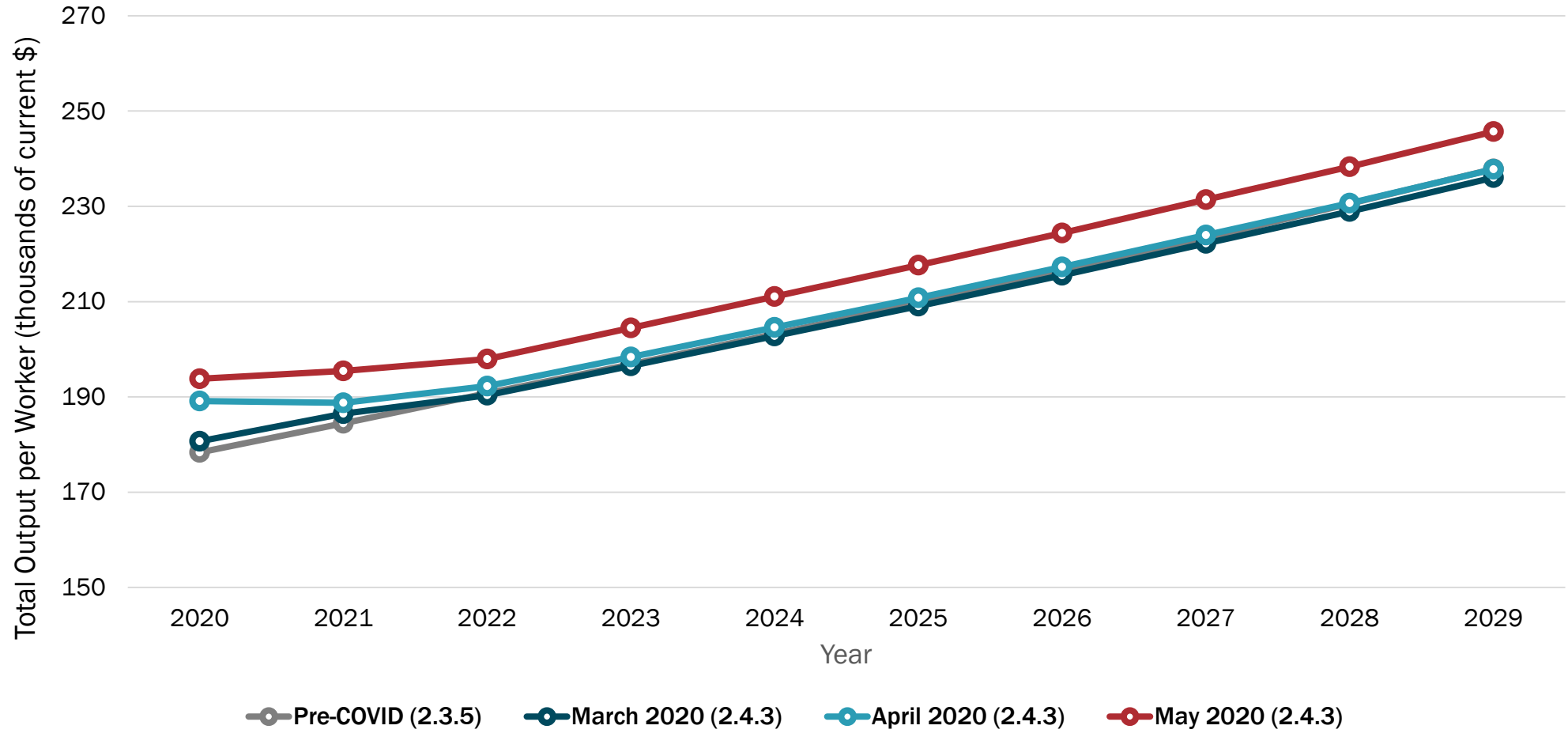
Total Projected Employment in Michigan



Total Projected Value-Added in Michigan



Total Projected Output per Worker in Michigan

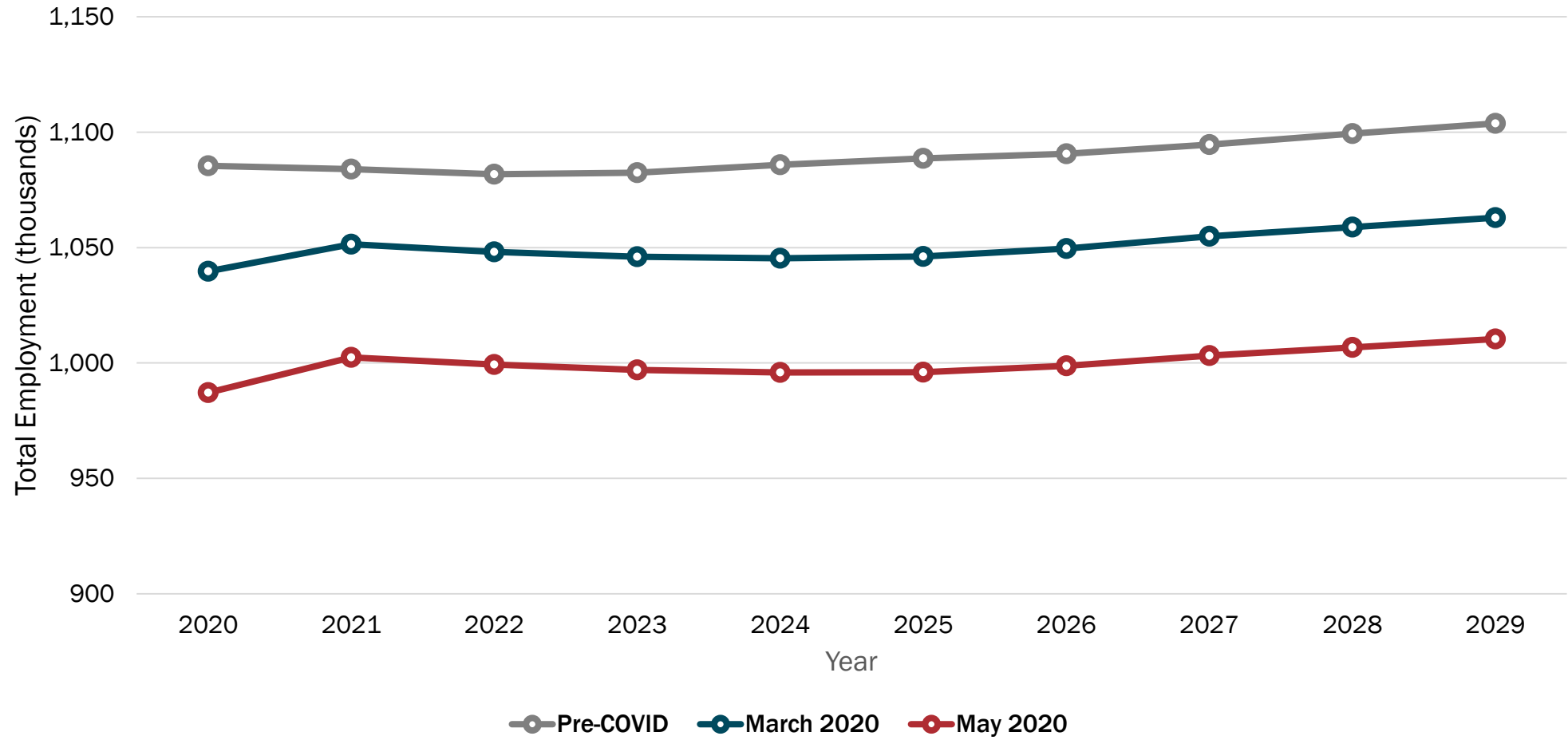


West Michigan Economy REMI Forecasts

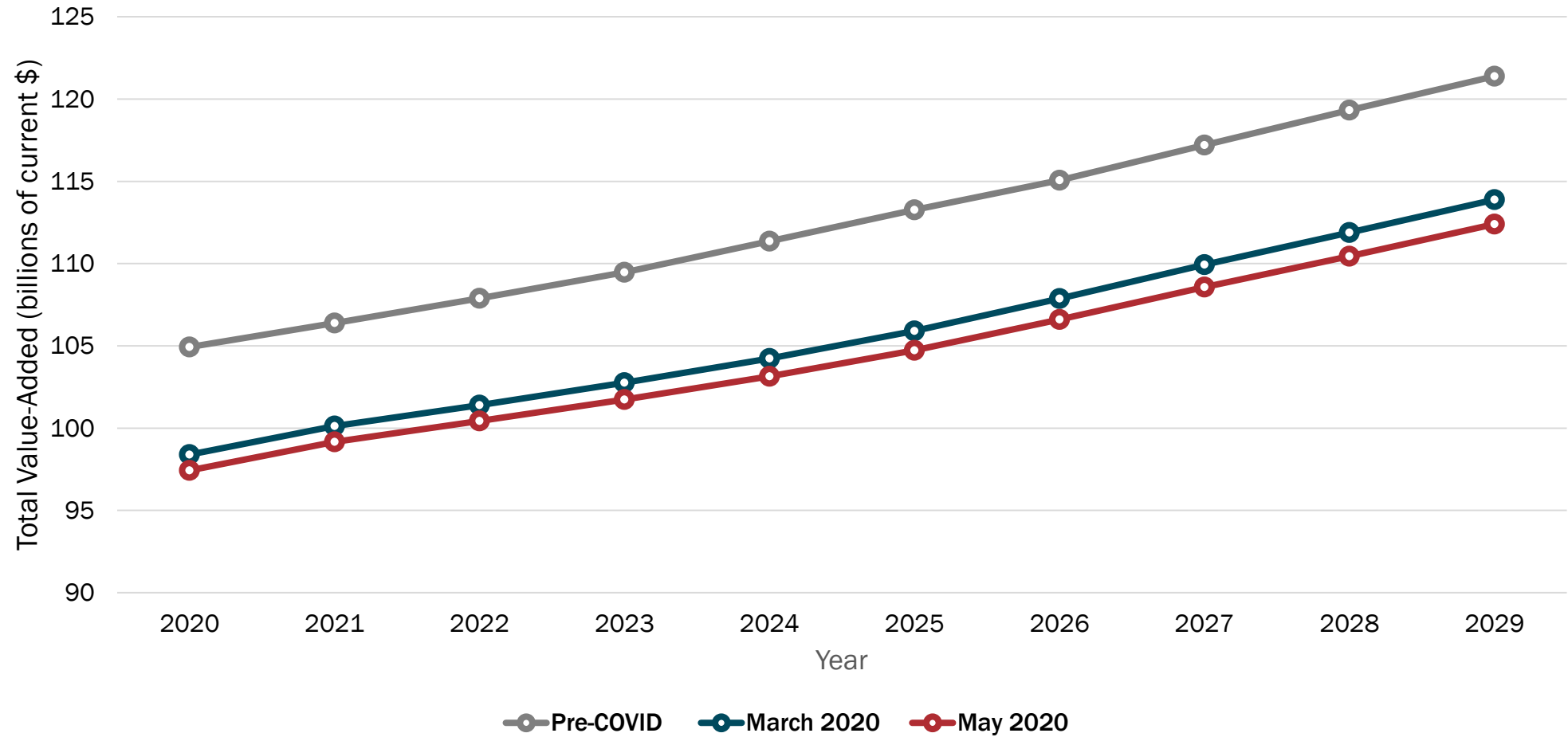
West Michigan

- Summary Pre-COVID
 - Jobs: 546K
 - Output: \$92 billion
 - GRP: \$46.2 billion
 - Personal Income: \$39.2 billion
- Projected annualized loss of more than 90k (15.8%) positions
- Location Quotients
 - Manufacturing: 2.46
 - Machinery MFG: 3.06
 - Motor Vehicles: 5.43
 - Furniture: 6.35
 - Plastics and Rubber MFG: 3.57

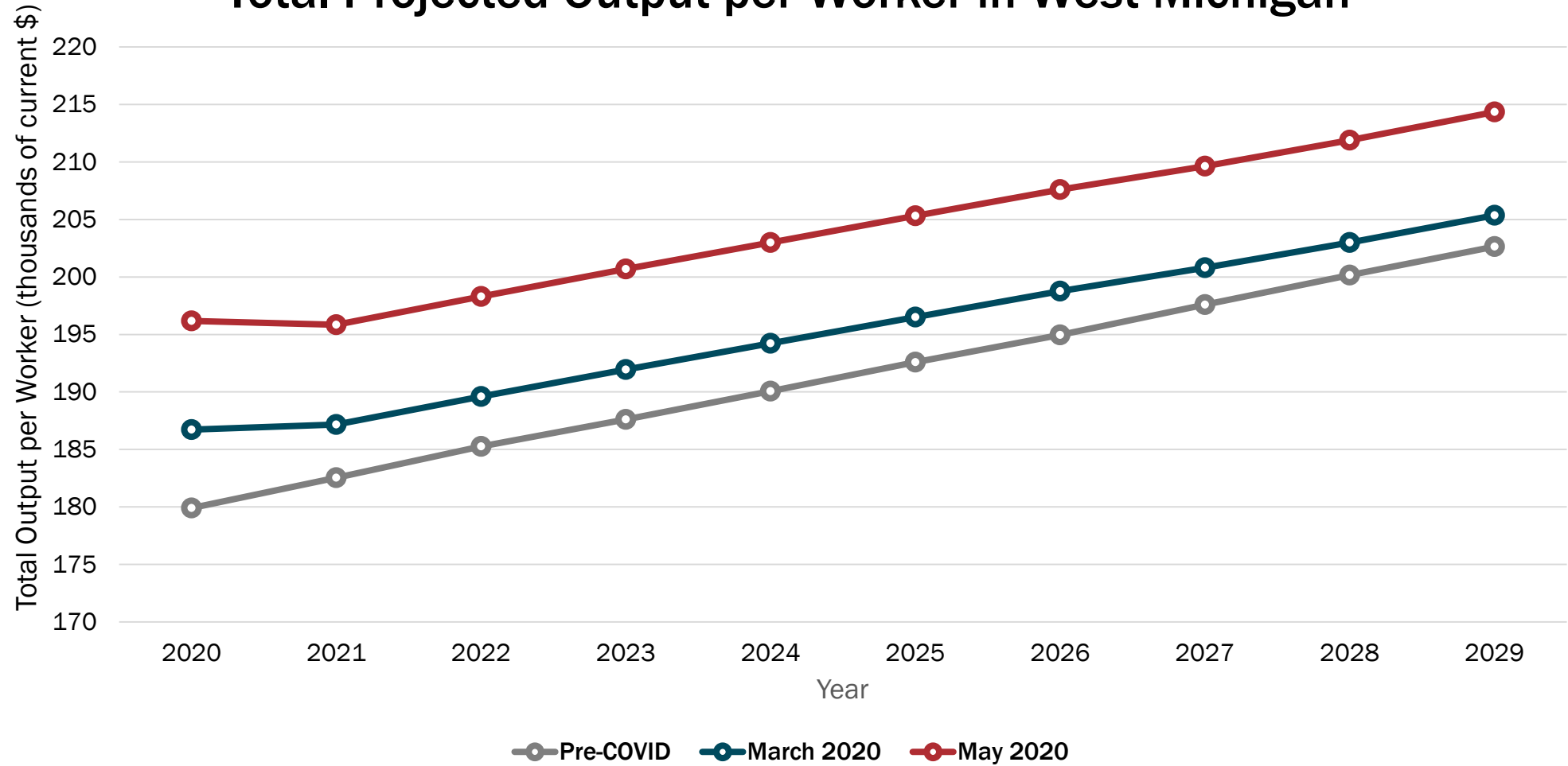
Total Projected Employment in West Michigan



Total Projected Value-Added in West Michigan



Total Projected Output per Worker in West Michigan



Moving Forward

Considerations for the Future of Michigan

- The shape of the recovery curve?
- Supply versus demand?
 - How have and will SMEs fare?
- What will be the impact of a second wave?
- Is re-shoring real?
 - Supply chain issues
- How will technology impact employment?
- Will people go back to work?
 - Until the end of July the \$600 UI benefit
 - Fear of illness
 - Barriers, notably childcare, in returning

Questions?

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