

The Current Economic Conditions

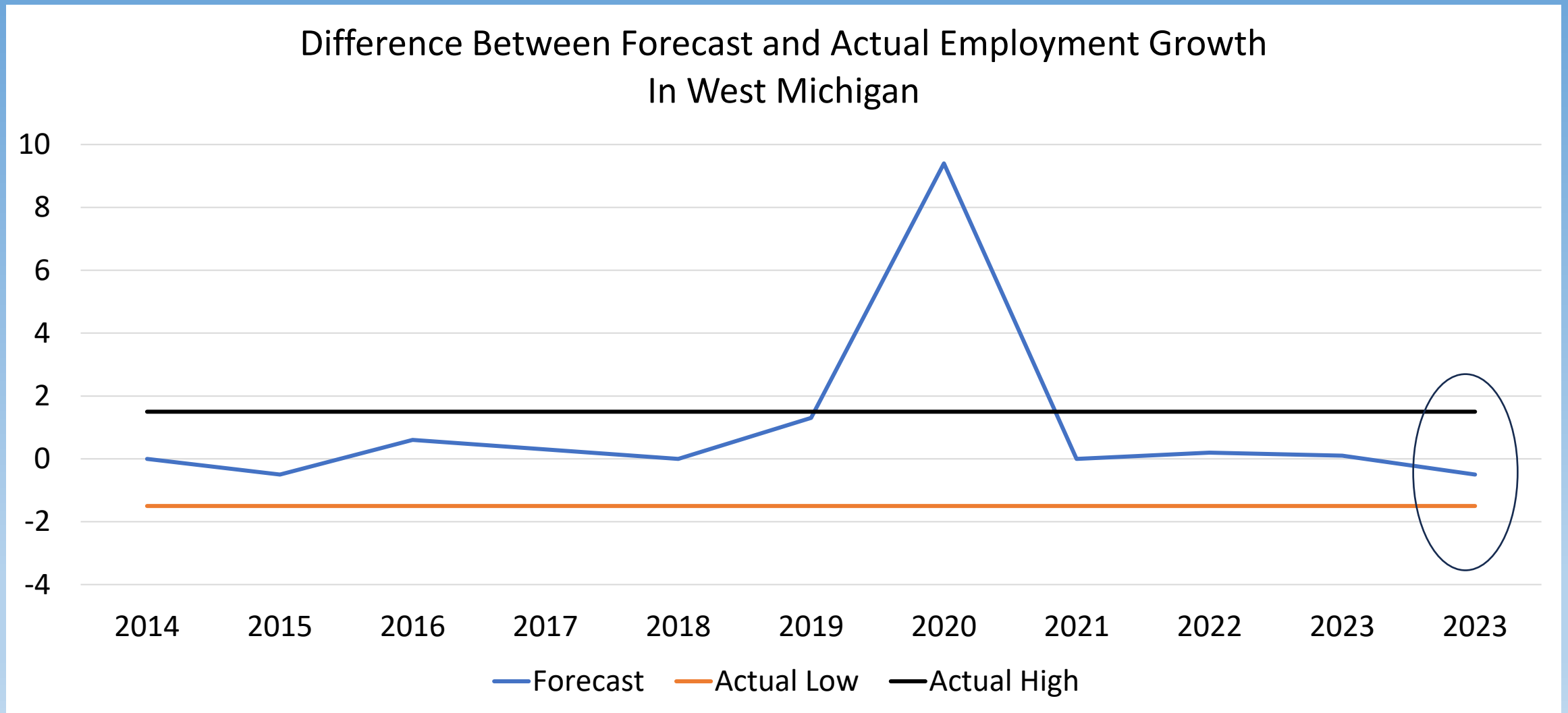
Dr. Paul Isely

Seidman College of Business

Grand Valley State University



How We Did Last Year - Employment

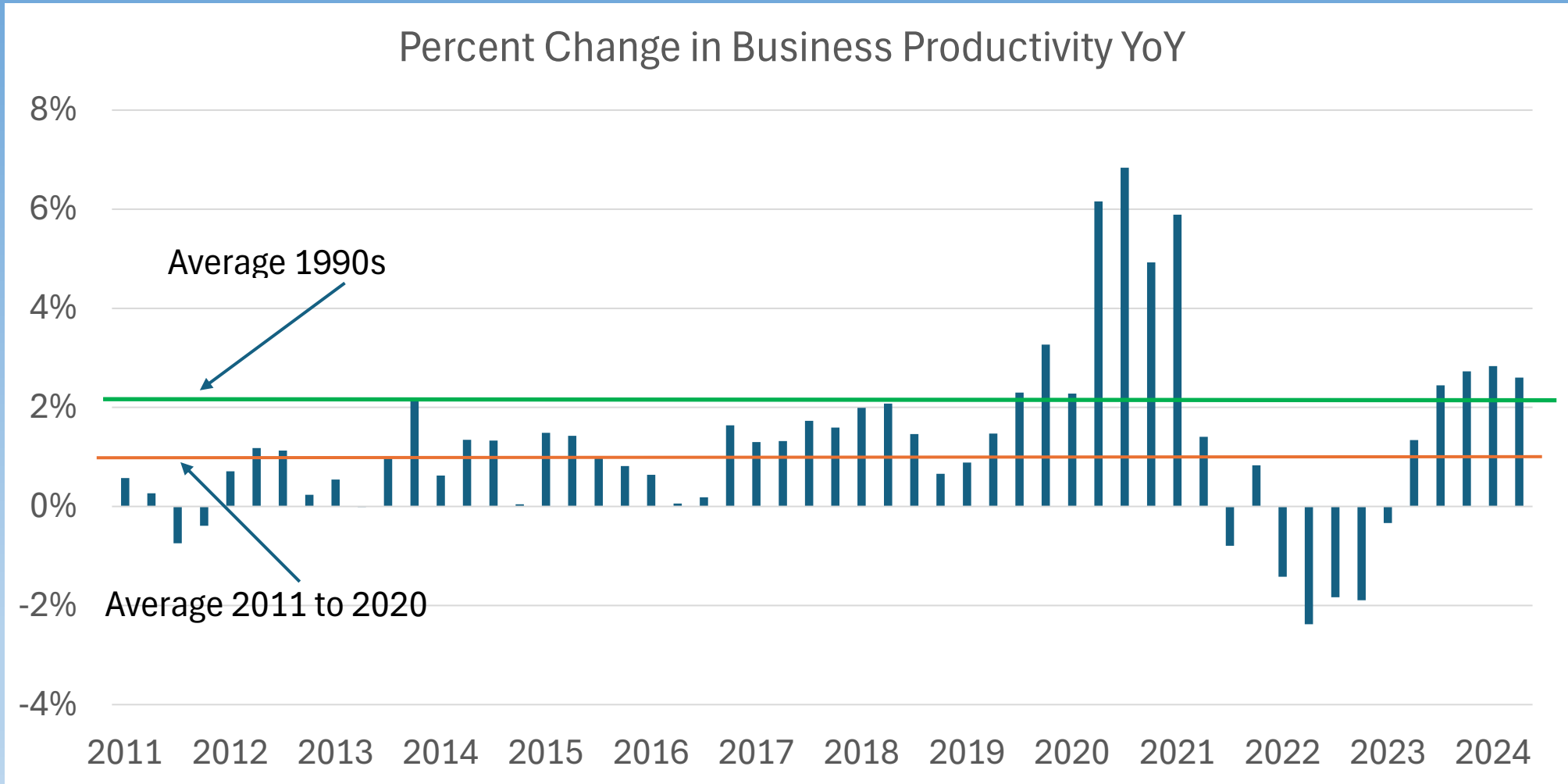


Source: BLS and Isely calculations

Uncertainty

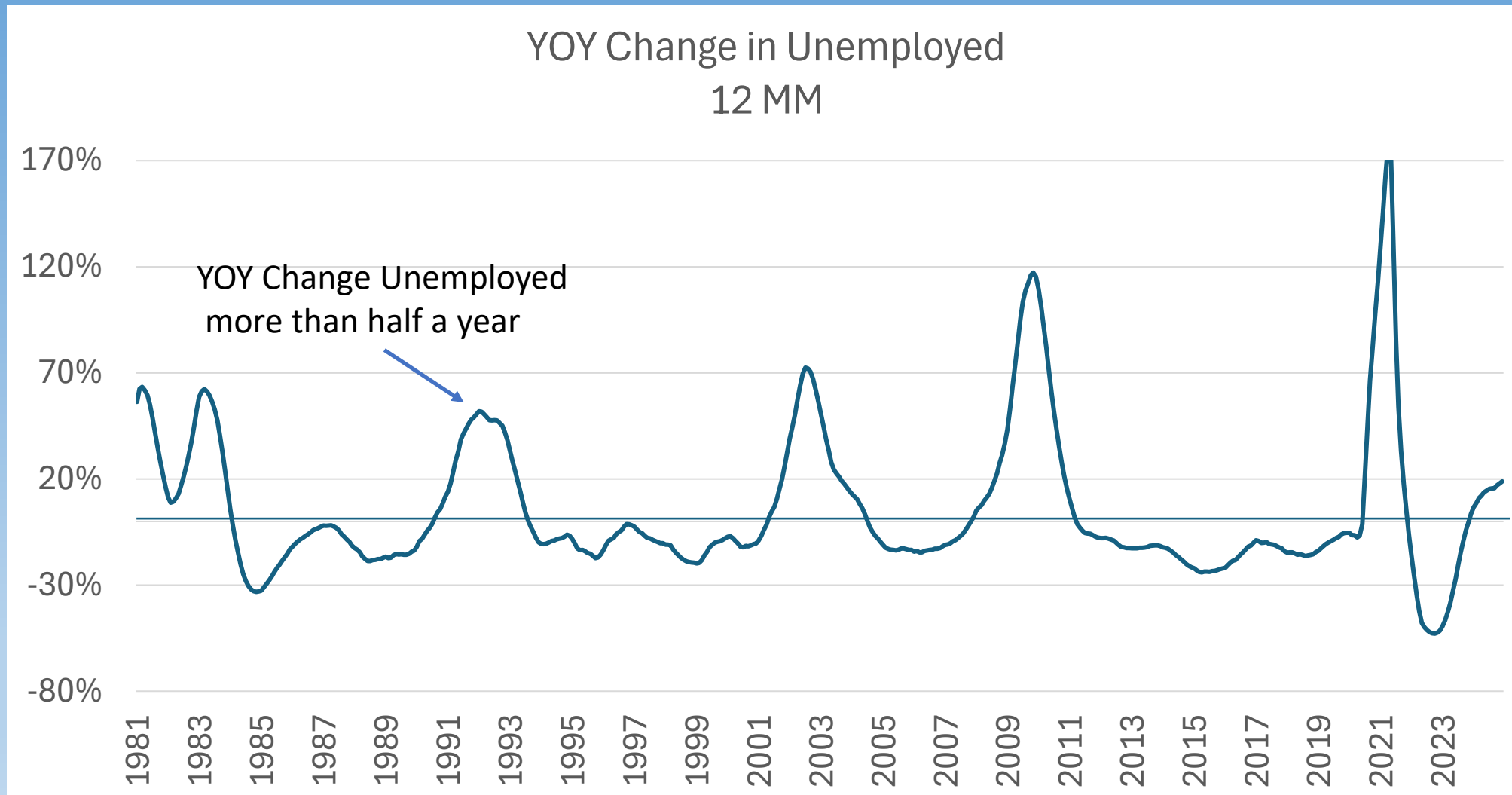
Muskegon Private Sector Uncertainty

Automation and Uncertainty



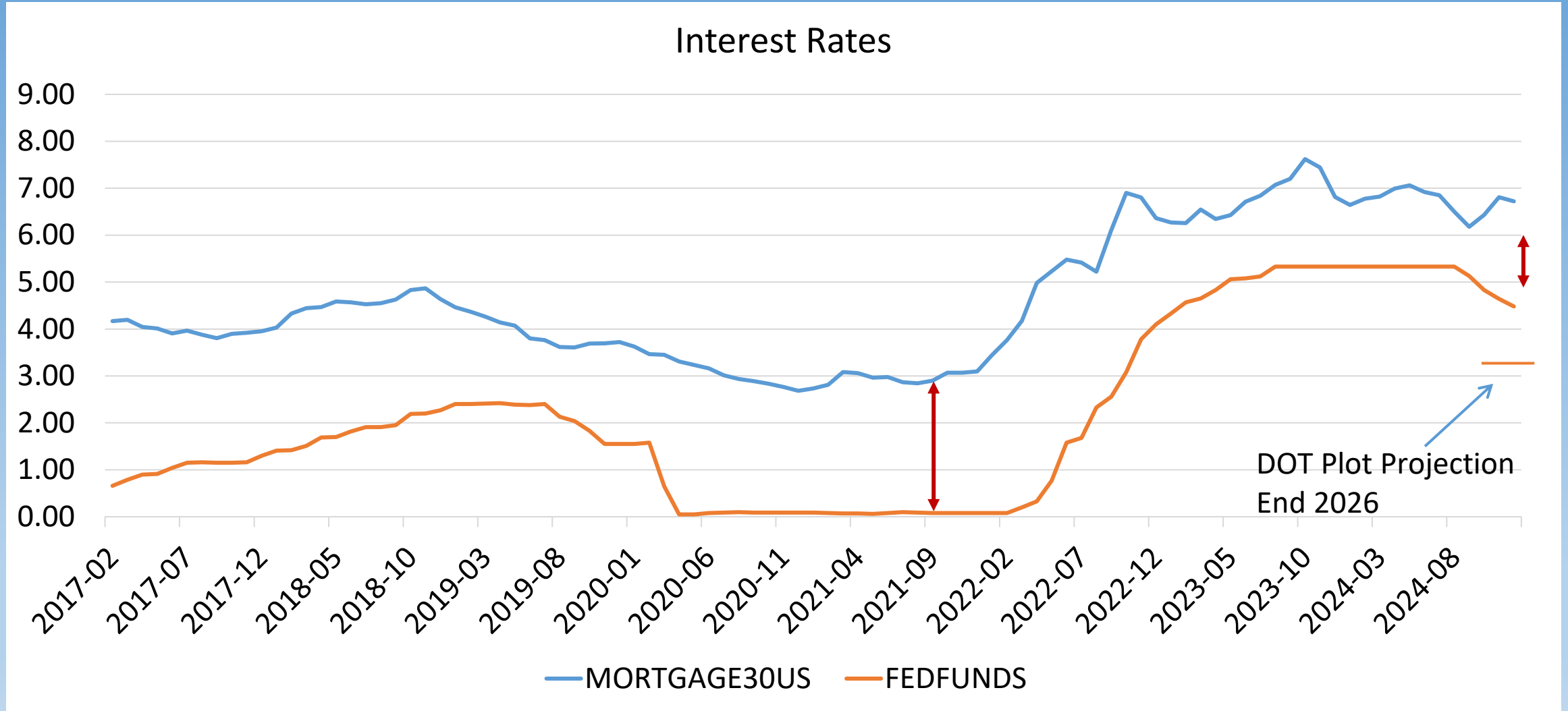
Source: BLS

Job Uncertainty



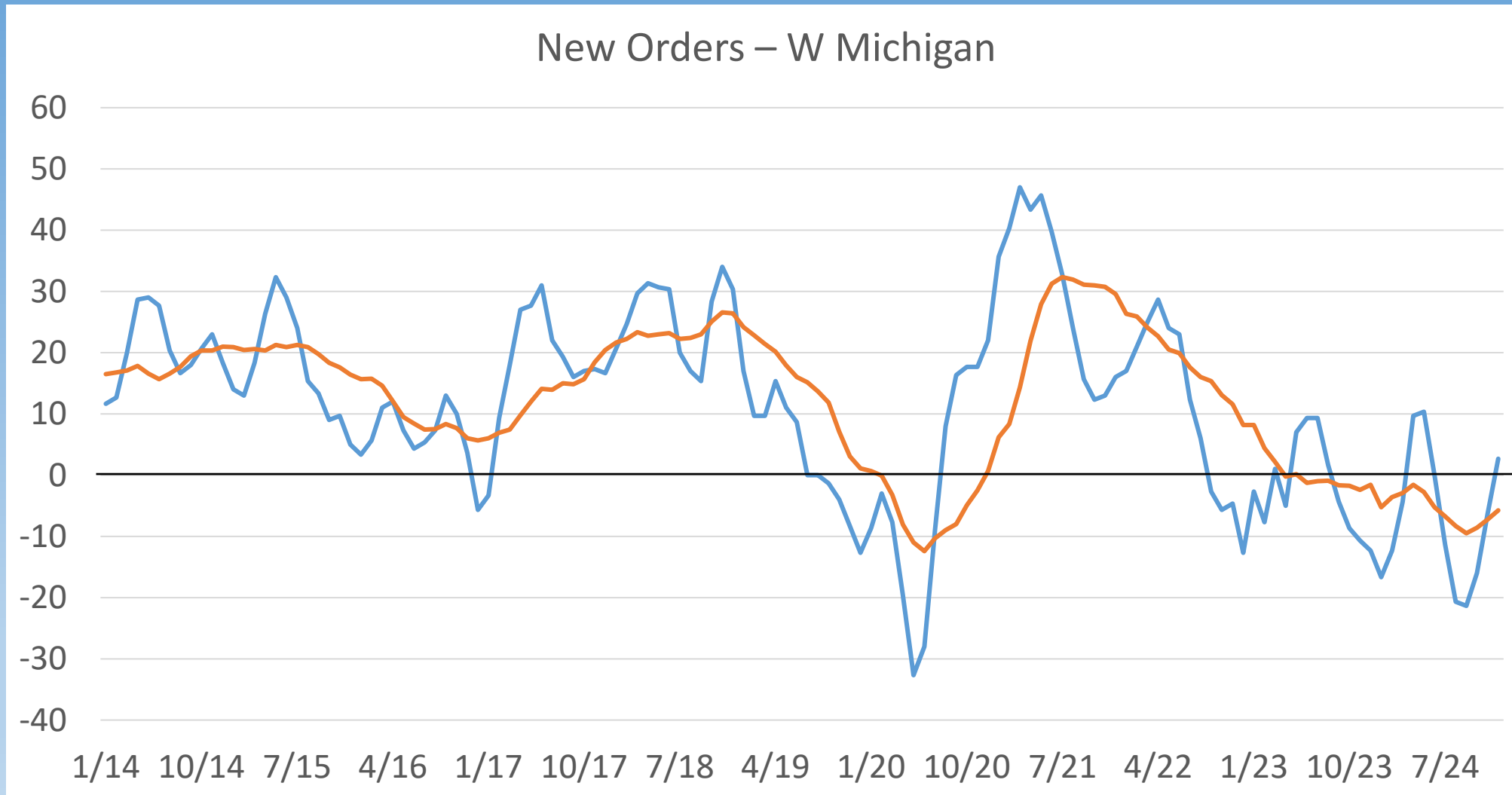
Source: BLS with author calculations

Interest Uncertainty



Source: Federal Reserve

Orders Uncertainty



Government Uncertainty

Two Specific Federal Policies

Tariffs (Candidate Trump)

- Take ~\$350 billion out of US Economy Using Average of Estimates from

Tax Foundation	Euromonitor
American Action Forum	IMF
UBS Wealth Management	Capital Economics
Peterson Institute for International Economics	RBC
Moody's	The Budget Lab
The Budget Lab	EY

- Potential Tax Revenue ~\$300 Billion

Immigration

- Growth in Labor force for Kent/Ottawa/Muskegon County 6,000 in 2024
- Percentage that is international immigration -- ~40-50%
- H1B underused

Two Specific State Policies

Minimum Wage

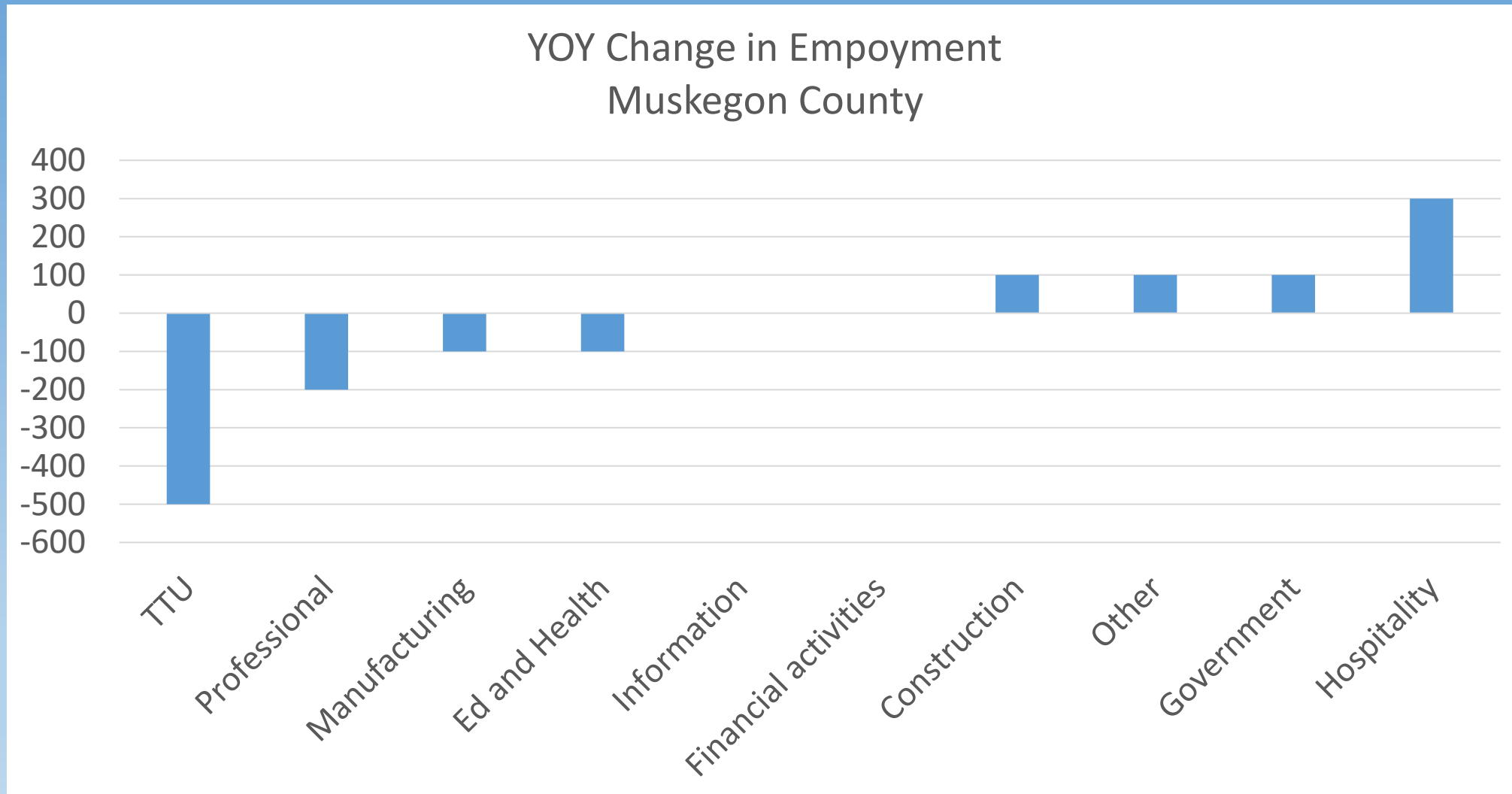
- General effect this year small
- Effect on tips uncertain
- Narrow the business case for restaurants

Sick Time

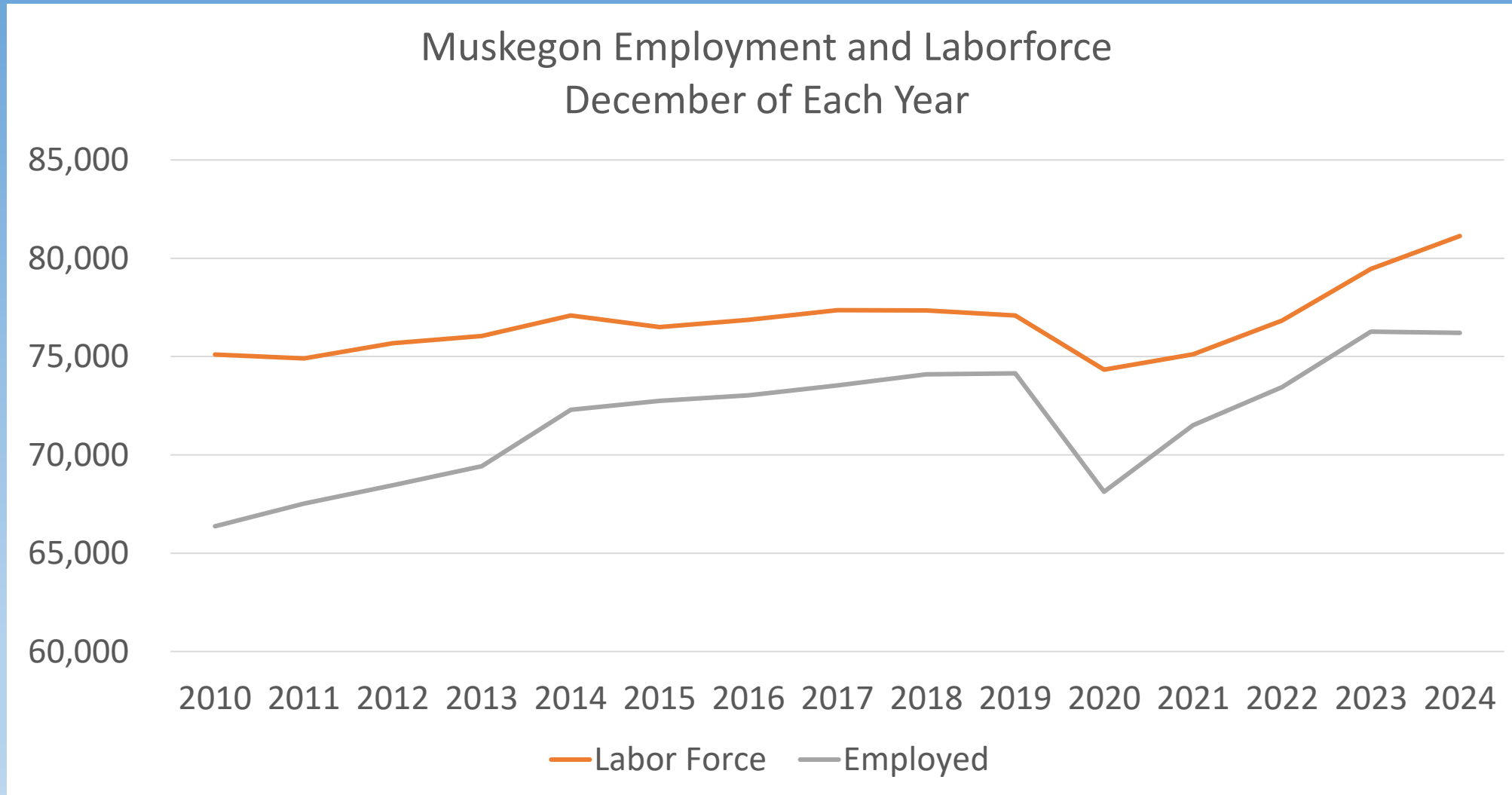
- Uncertainty over attendance
- Might need higher staffing levels
- Workers 25-34 (GUSTO)
 - 18% more likely to take sick time than older workers
 - 33% more than they did in 2019

Muskegon Labor Force

Changes in Employment

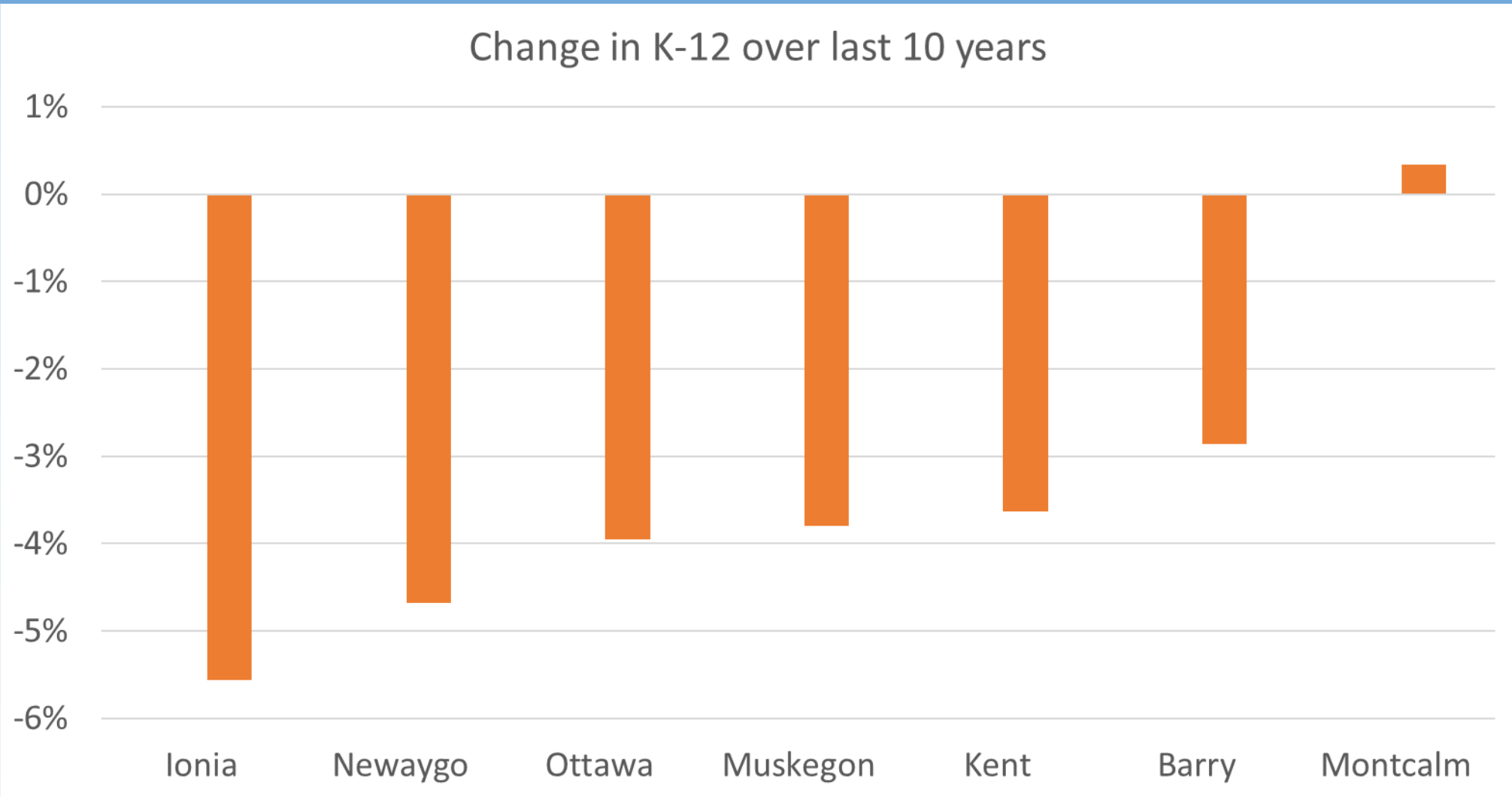


Labor Force Growing



Source: BLS

Labor Force Increases Not Home Grown



Source: MDE Bulletin 1014

Quarter of Muskegon GDP

Top 10 Industries

Nonferrous metal foundries

Hospitals

RMotor vehicle and parts dealers

Limited-service restaurants

Other basic organic chemical manufacturing

Aircraft engine and engine parts manufacturing

Employment and payroll of local govt, education

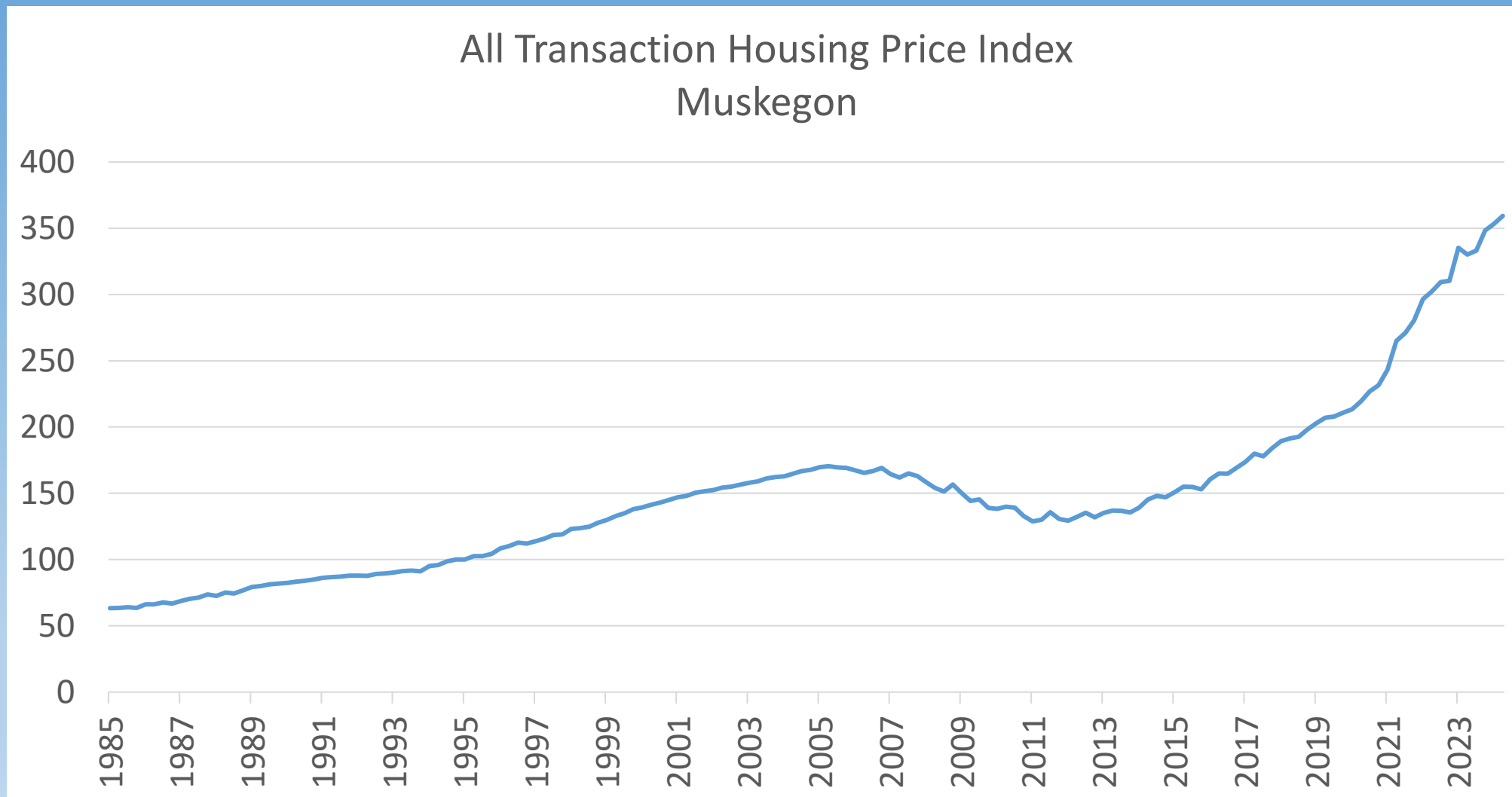
Offices of physicians

Pharmaceutical preparation manufacturing

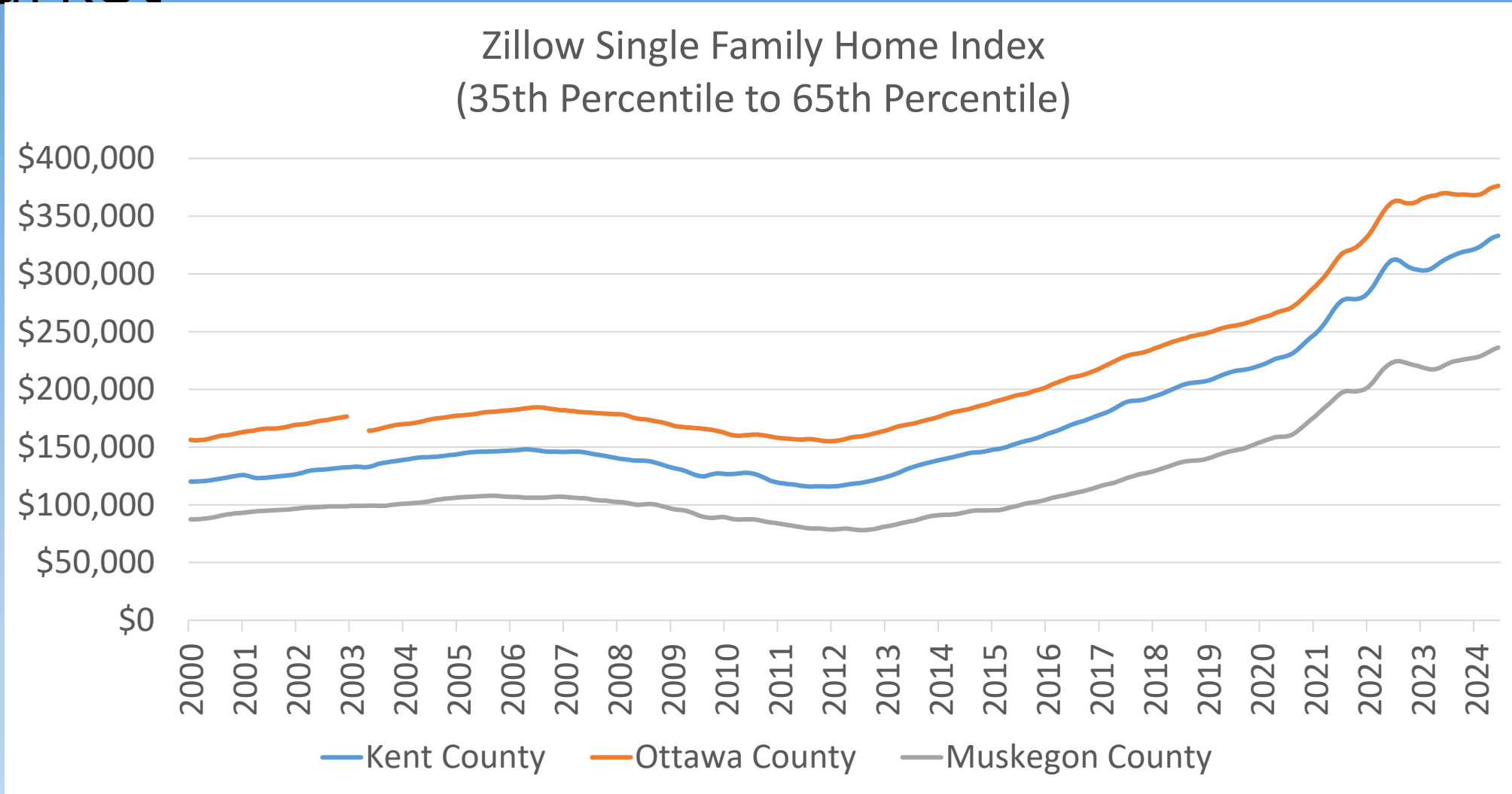
Other engine equipment manufacturing

Muskegon Housing

Housing is Heating Up

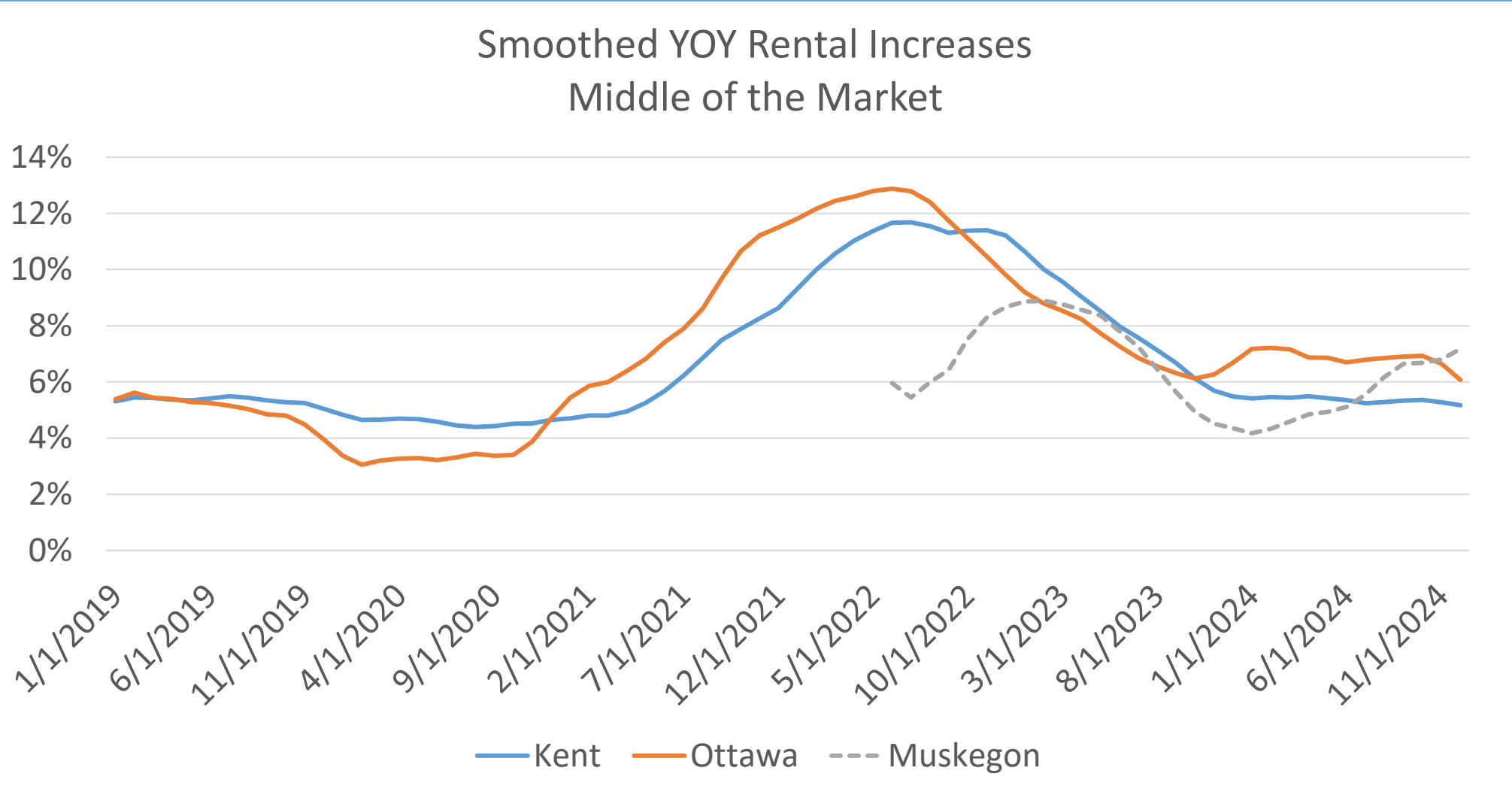


Housing Price Increase Are Flat Middle Market



Source: Zillow Price Index

Rent Increases Ahead of Inflation



Source: Zillow Data and Isely Calculations

Muskegon Optimistic

Muskegon County Outlook

Current Business Confidence	74%
2025 Business Confidence	76%
Sales Growth	2.4%
Employment Growth	1.24%
Wage Growth	3.2%
Inflation (adj)	2.6%

Source: Survey of Muskegon Chamber Members

Uncertainty Likely Decreasing
During 2025

Take Aways

- **Consumers still stressed, but making it work still**
- **Housing pressures accelerating in Muskegon**
- **Changes in productivity making us better off.... but**
- **Starting to see uncertainty's hold on the economy weaken**
- **Muskegon is more optimistic than surrounding counties**