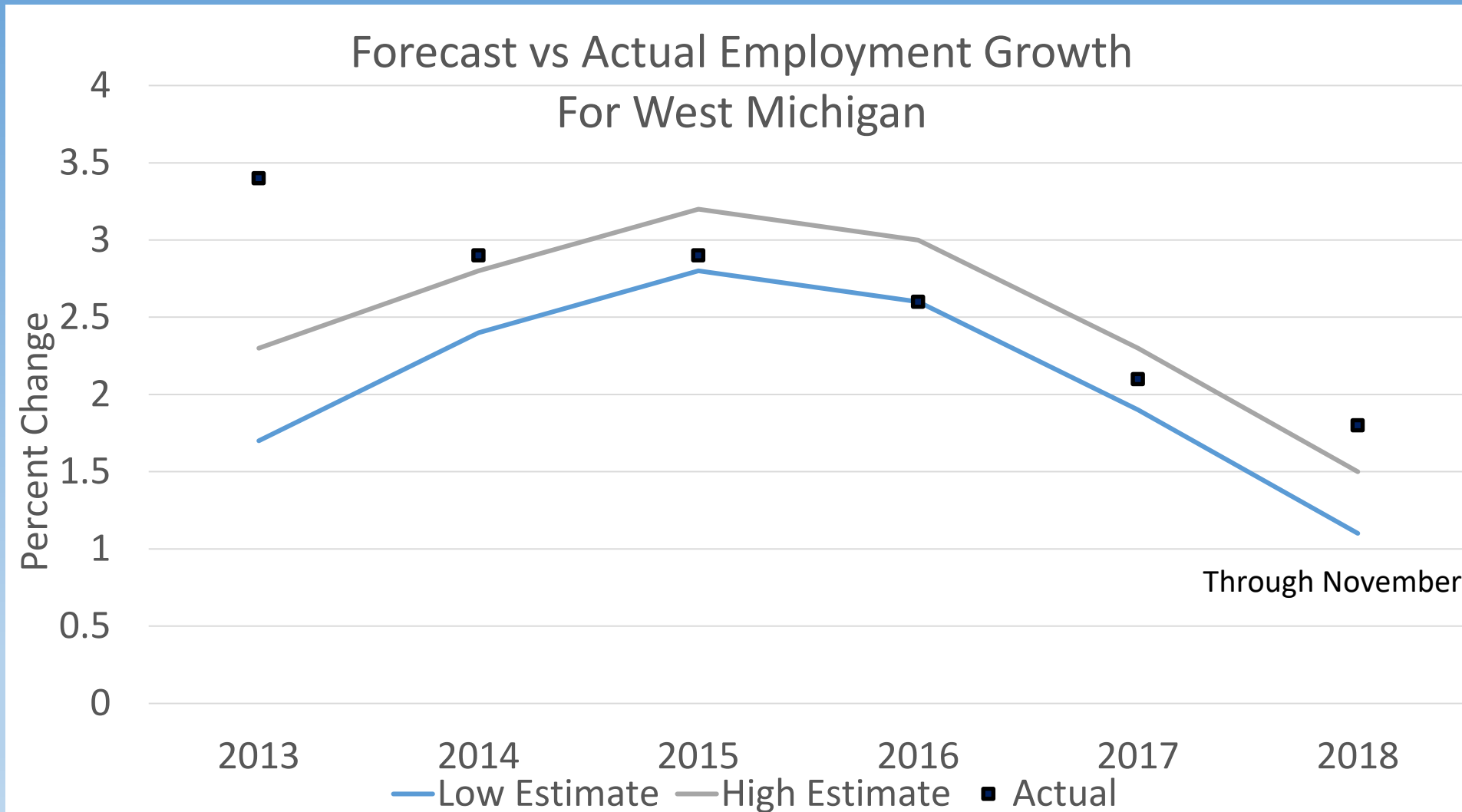


A View of the Economic Conditions 2019

Dr. Paul Isely

My Accuracy in Past Journeys

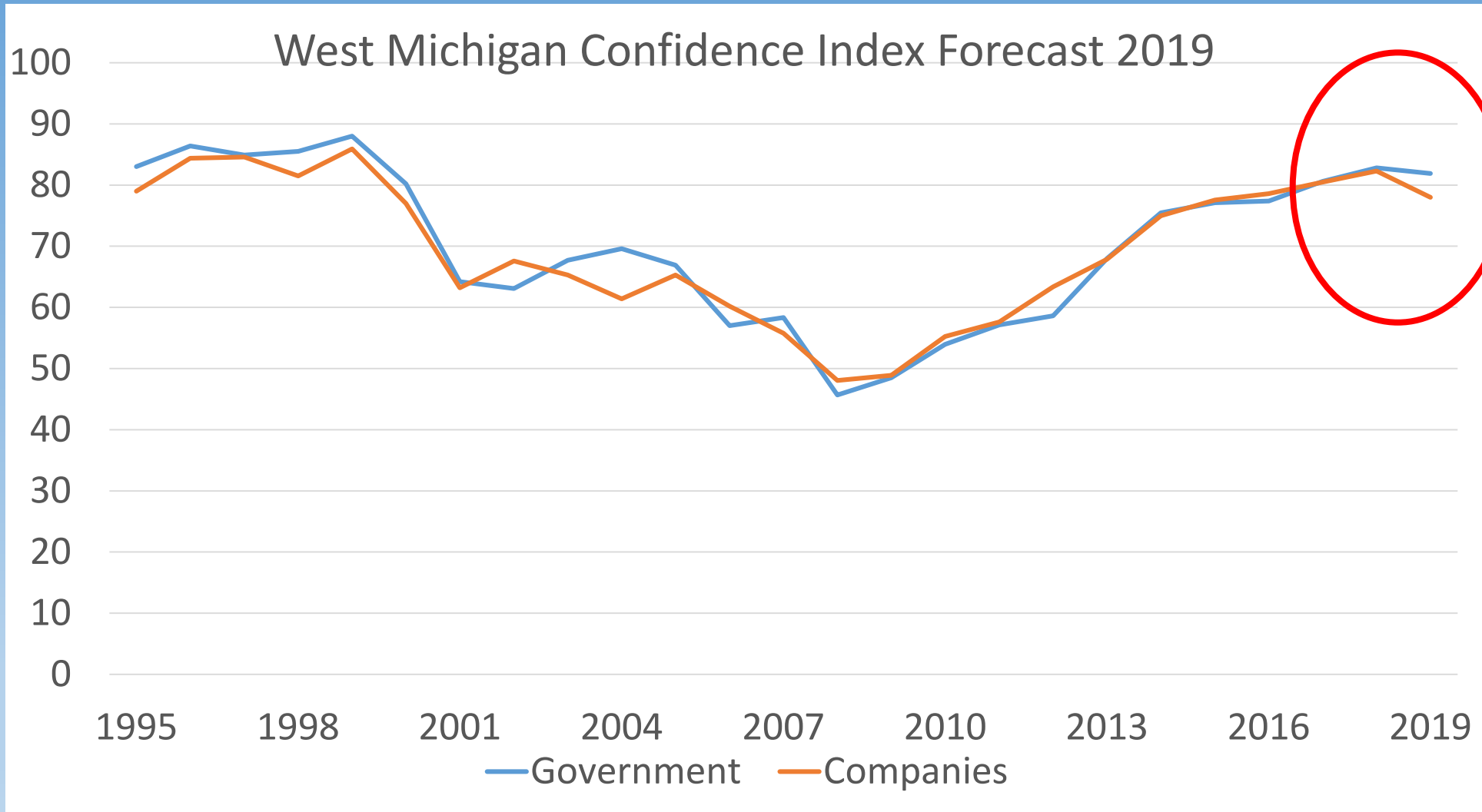


Using Grand Rapids
and Muskegon
MSA CES Data

Current conditions are facing
headwinds.

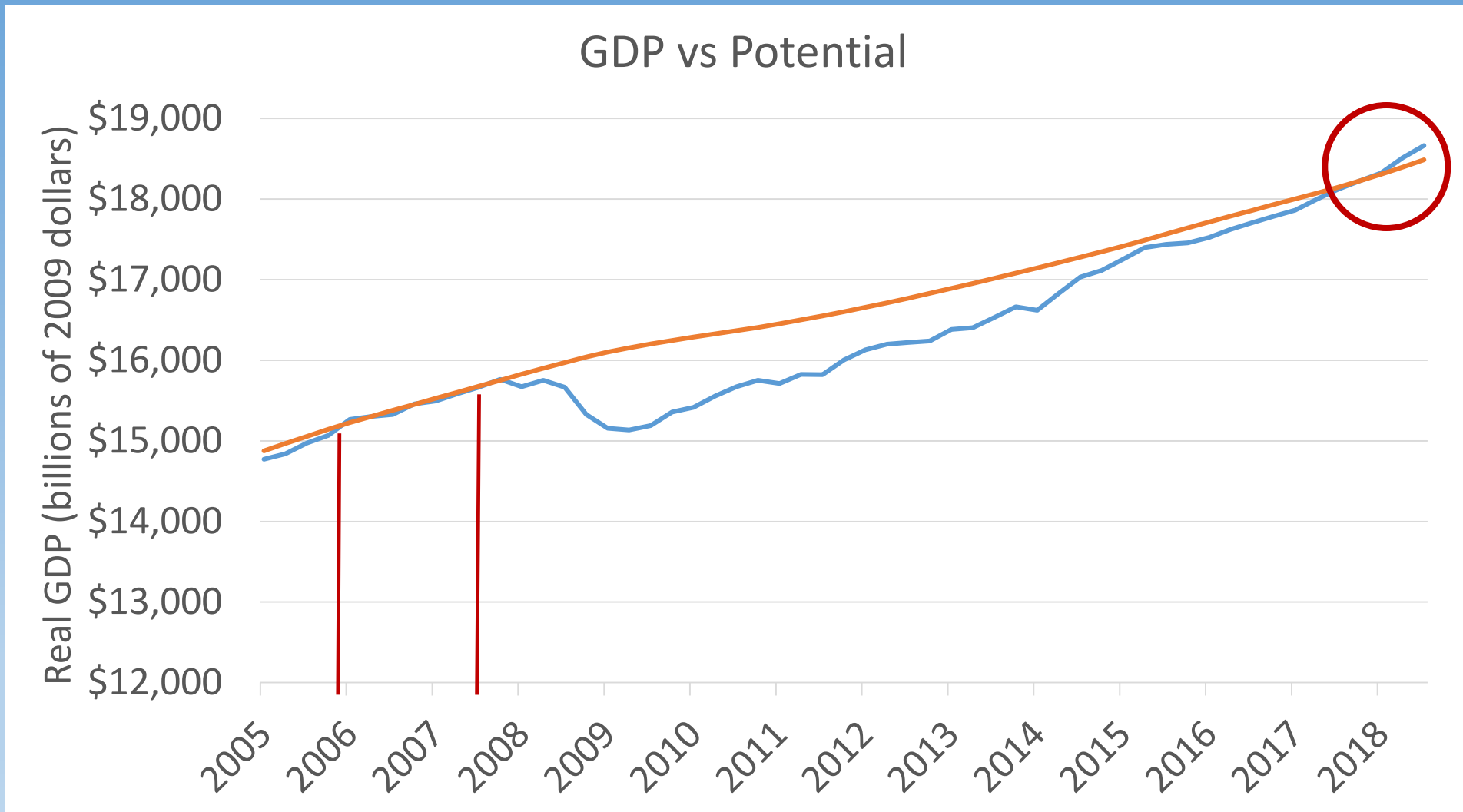
What are the indicators that show the economic wave has crested?

CONFIDENCE



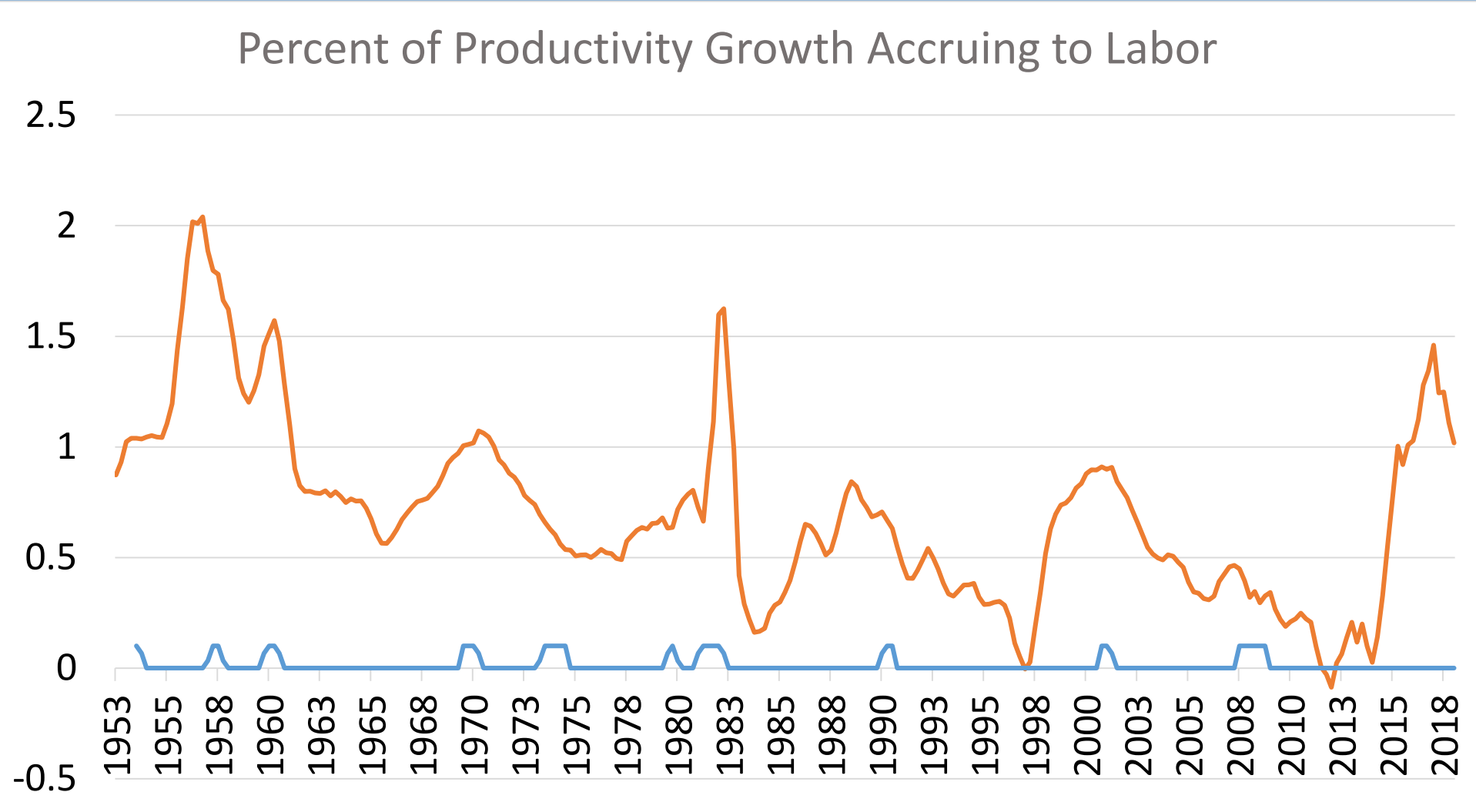
Source:
Seidman

FULL POTENTIAL



Source:
BEA, CBO, and Isely

COMPENSATION CONSTRAINT

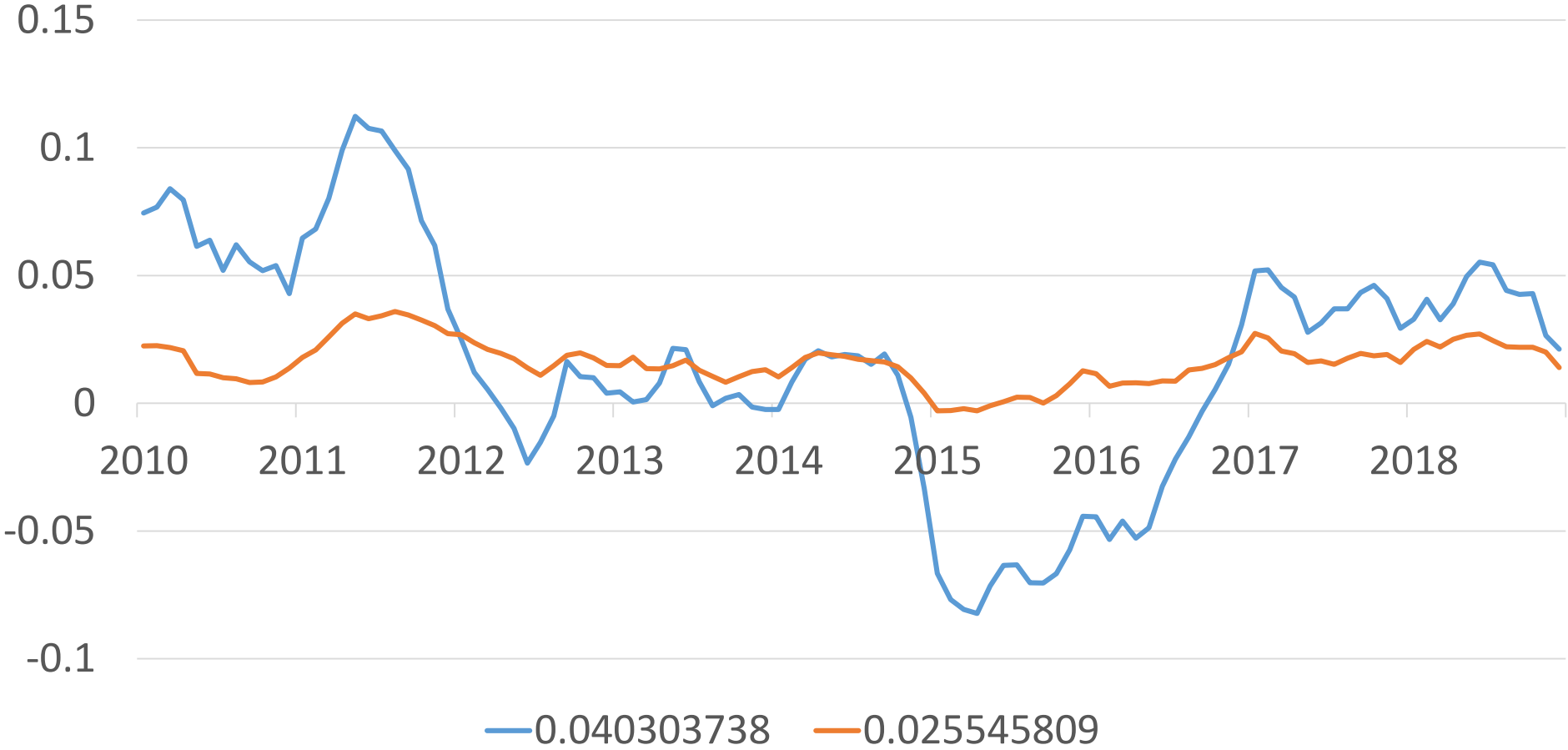


Source: BLS

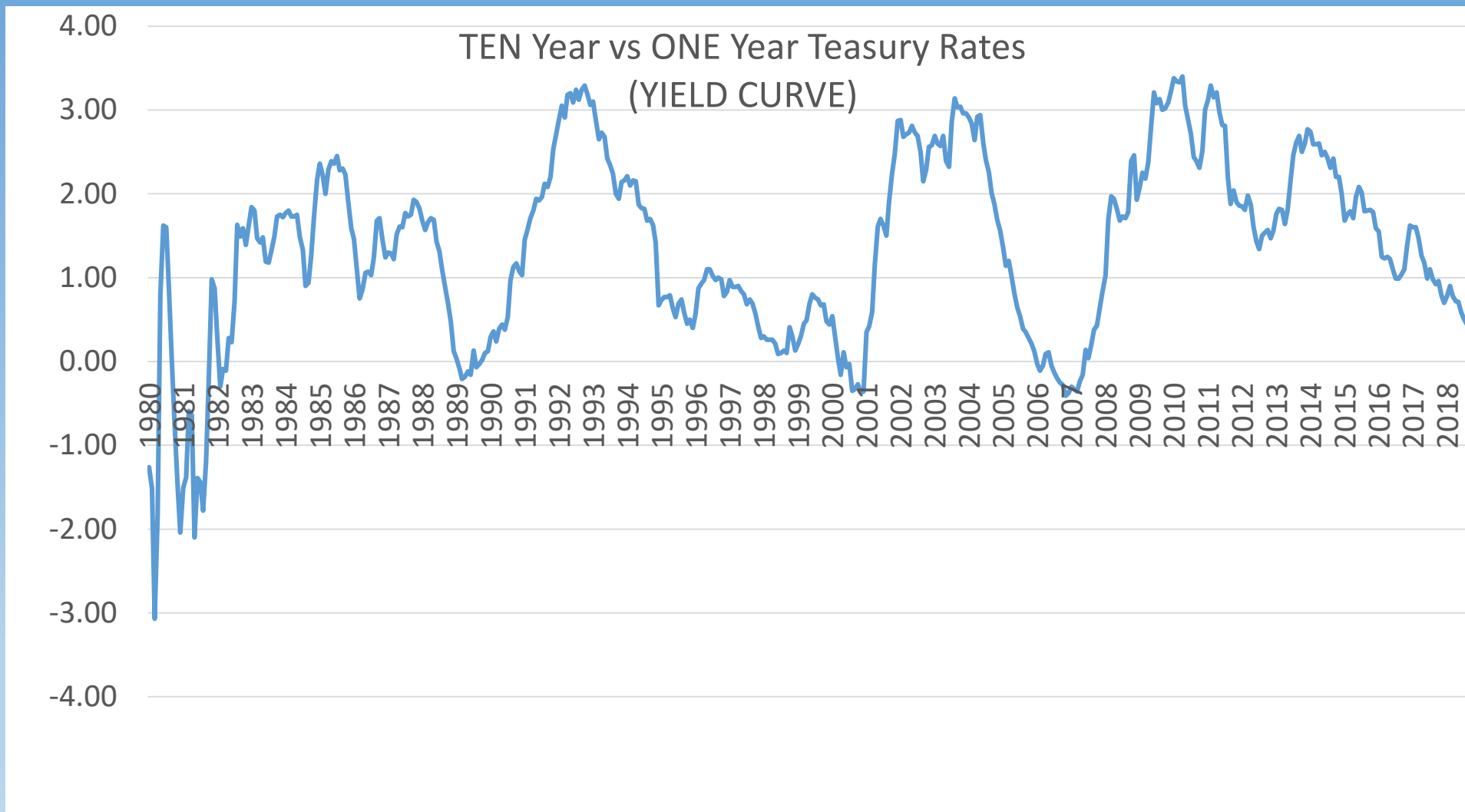
INPUT CONSTRAINT

Input vs Output Prices

Source: BLS



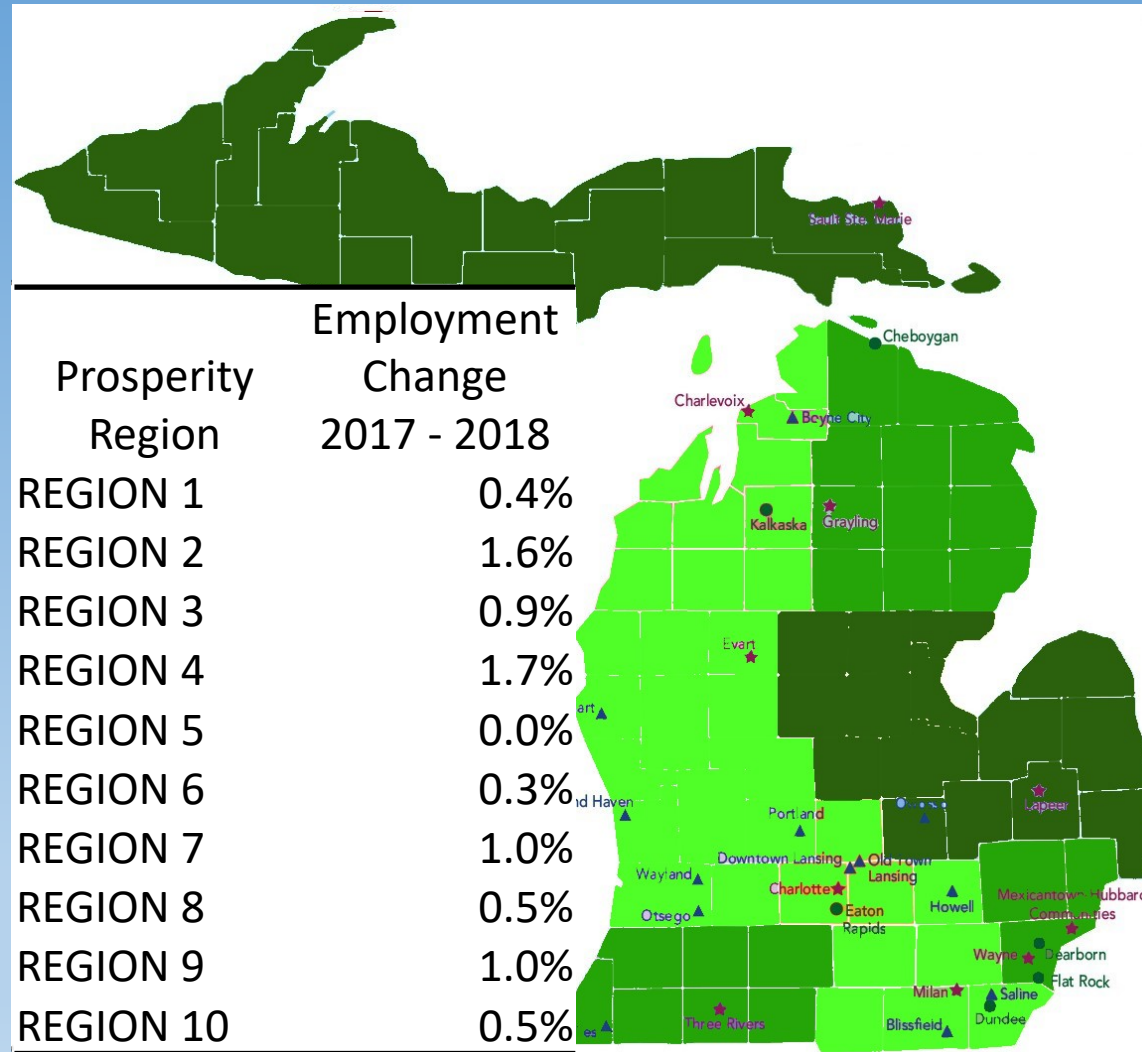
MONEY CONSTRAINT



Source: Treasury

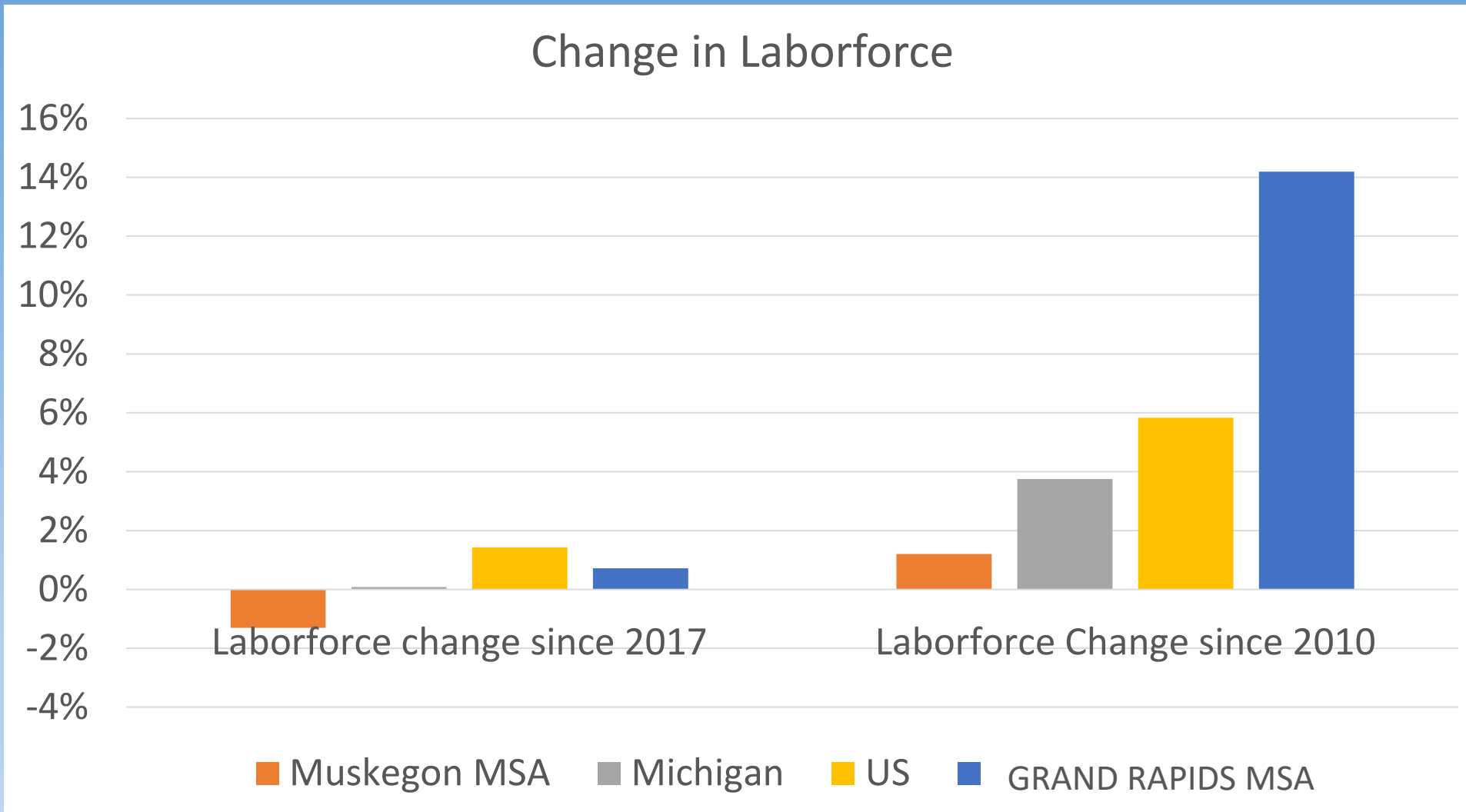
Demand for Housing?

EMPLOYMENT GROWTH



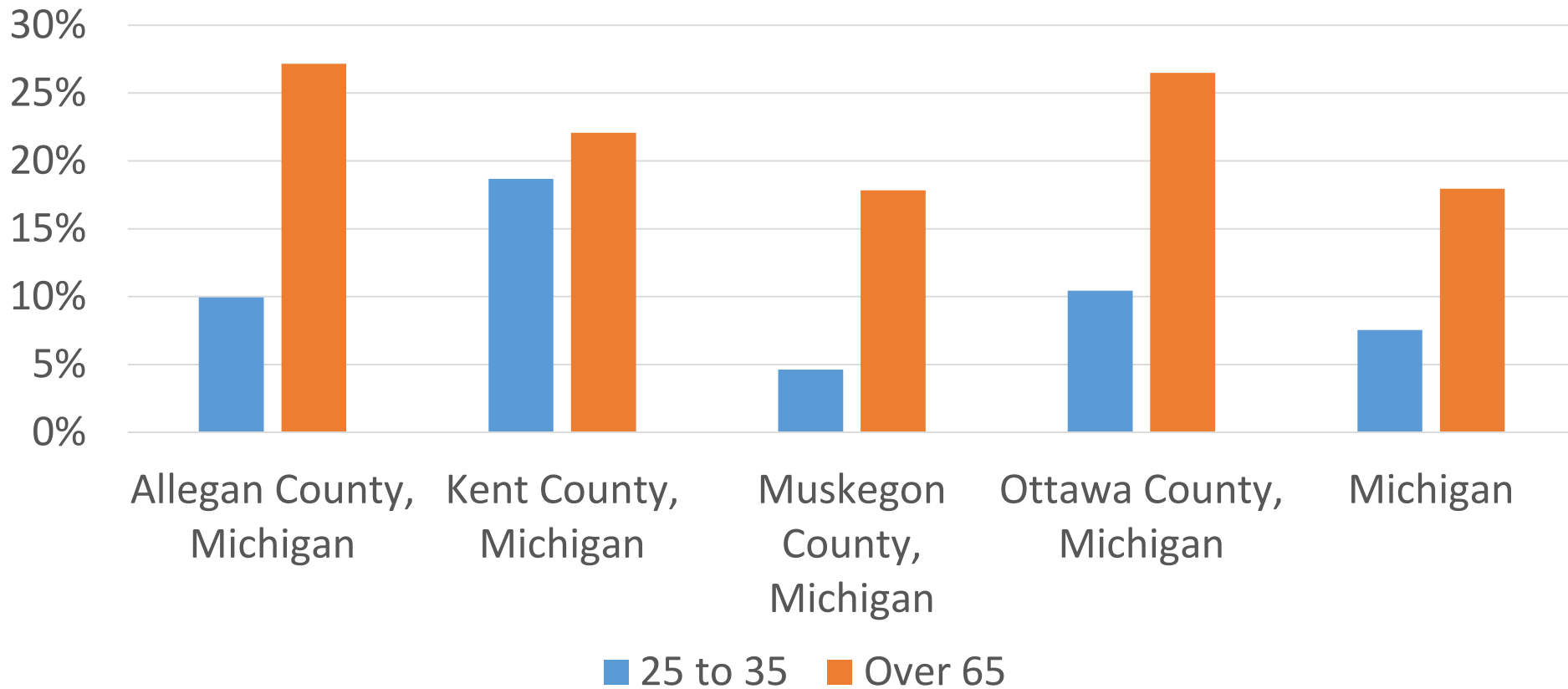
Source:
BLS and Isely

Workers

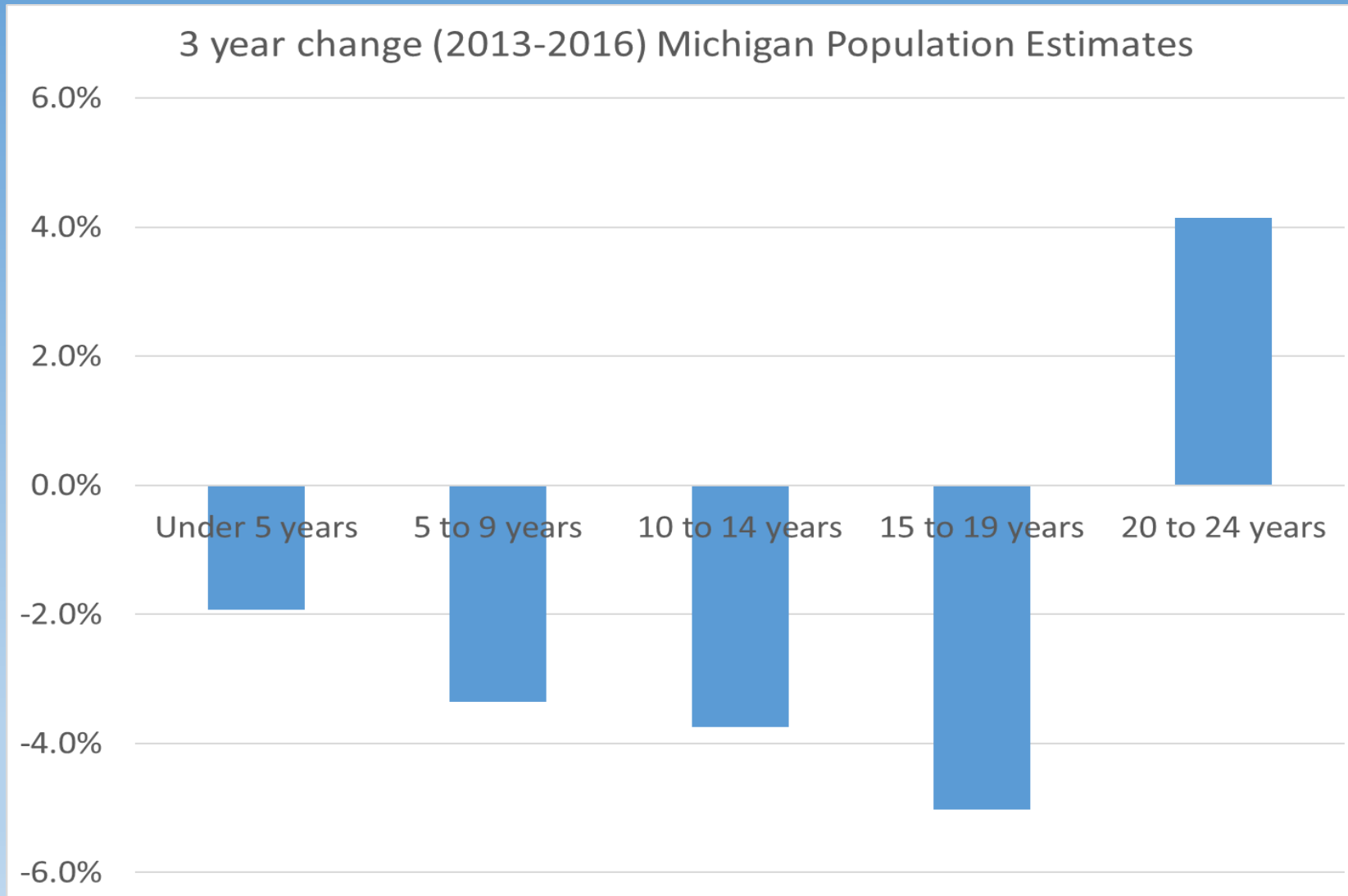


WORKFORCE

Change in Population
by Age 2010 to 2016



WORKFORCE

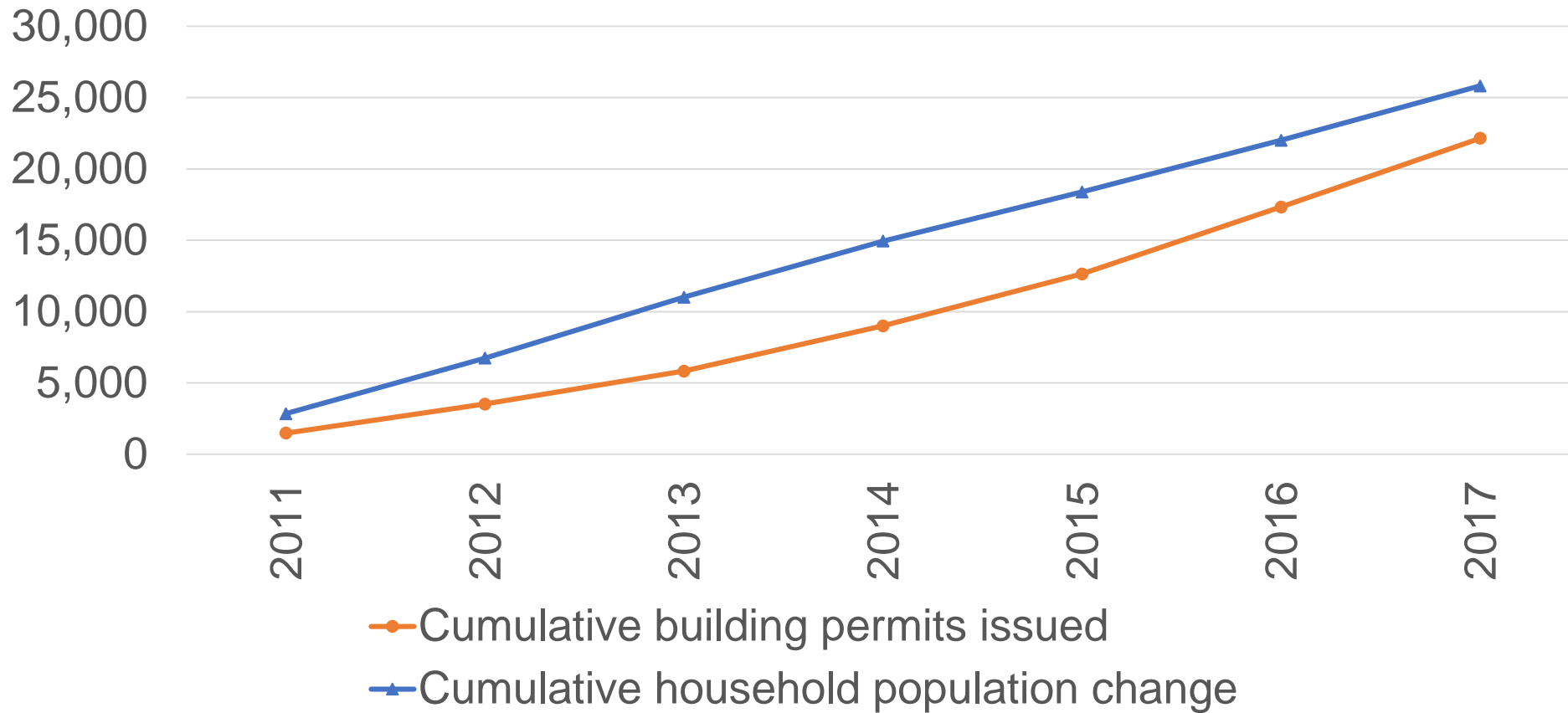


Source: ACS

Is Supply matching Demand?

West Side of State

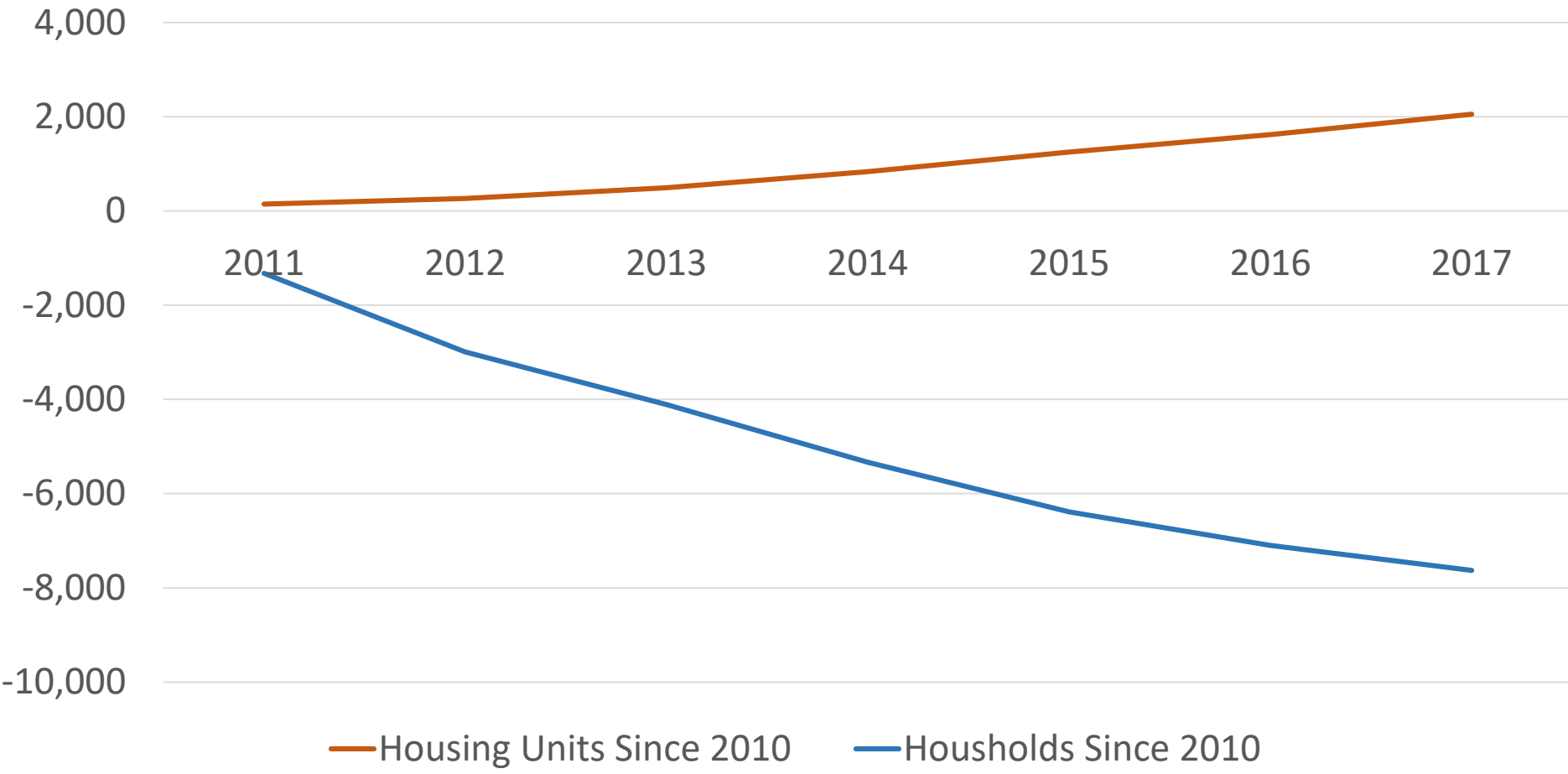
New Building vs Population Growth Grand Rapids



Source: Census,
Ogura and Isely

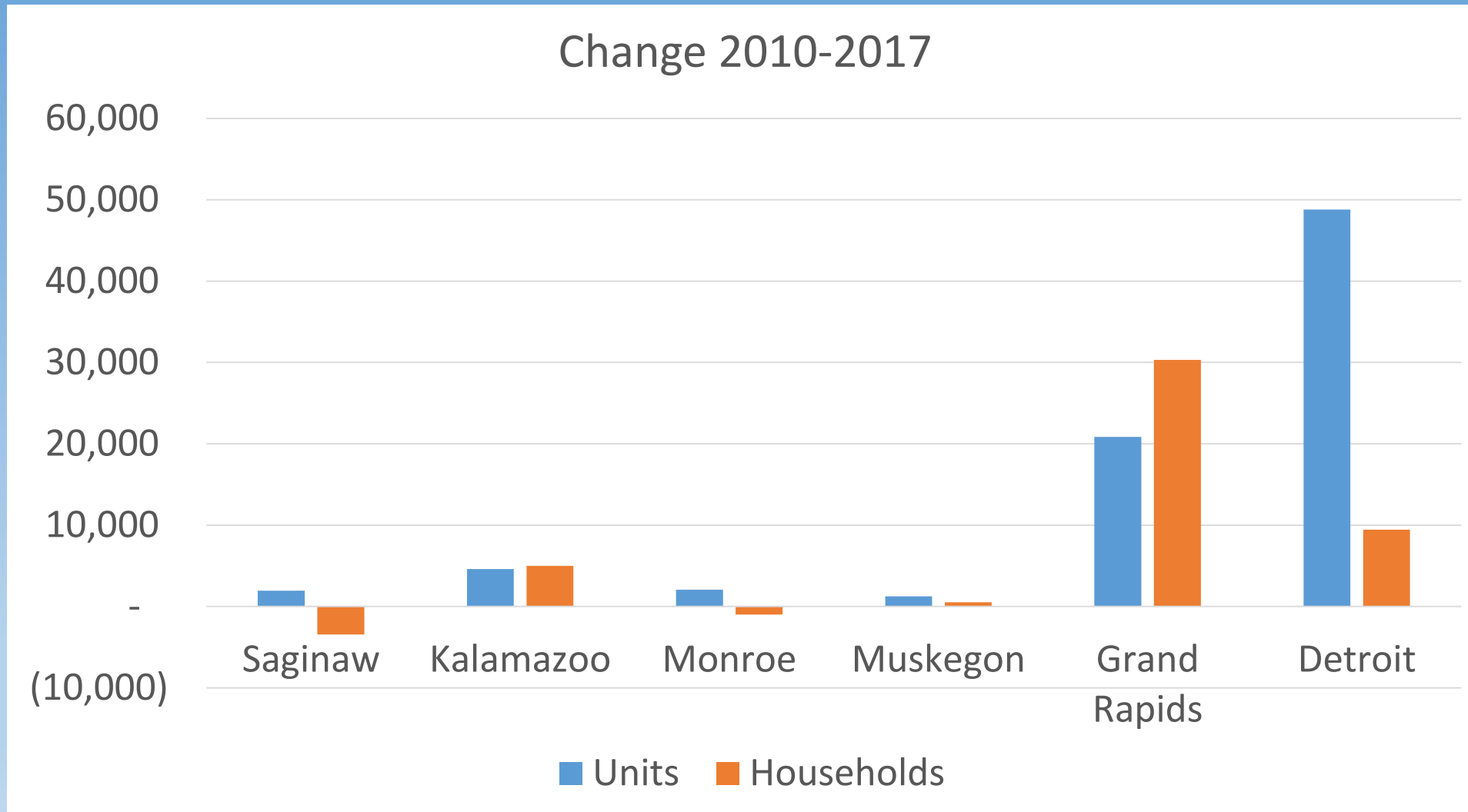
East Side of State

Housing Units vs Households Flint MSA



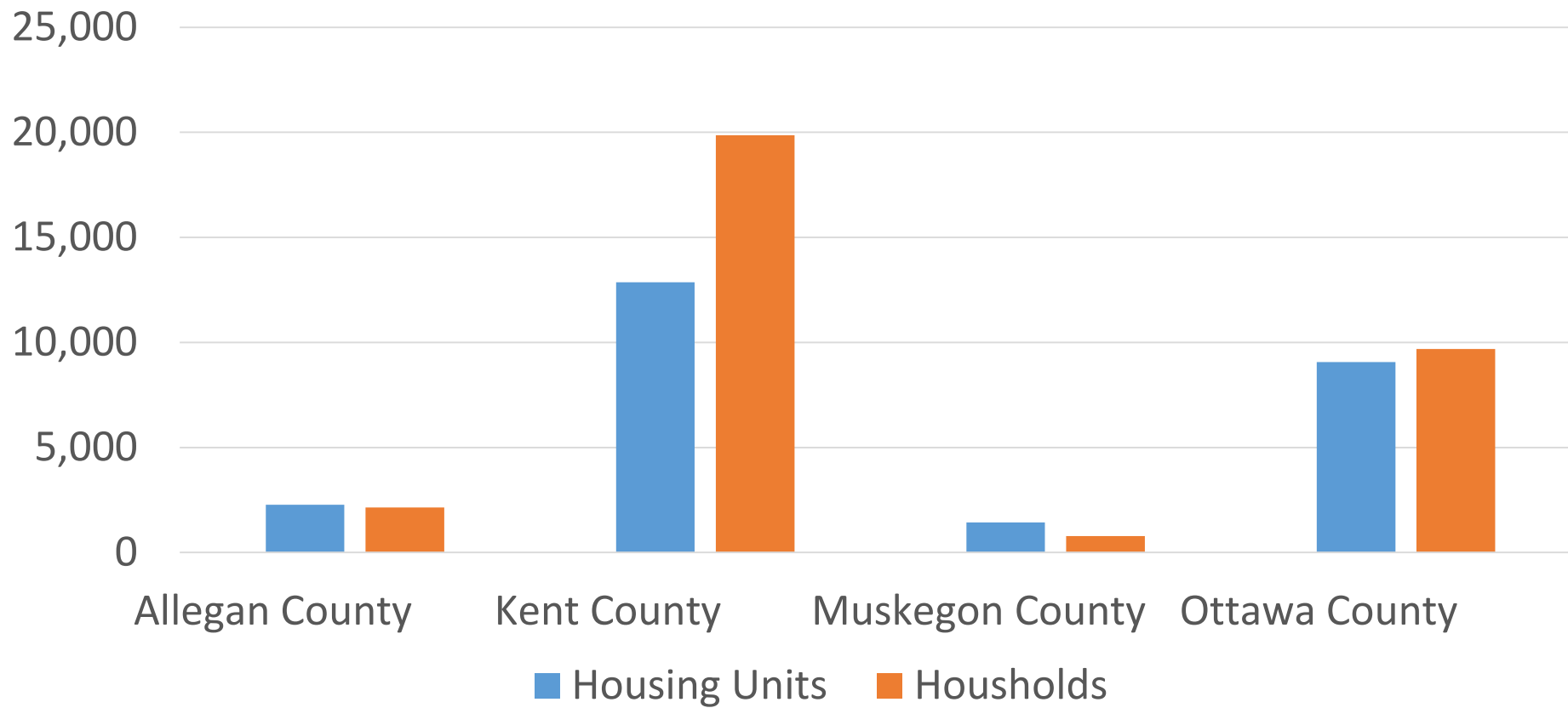
Source: Census, Ogura and Isely

Housing Momentum



Housing

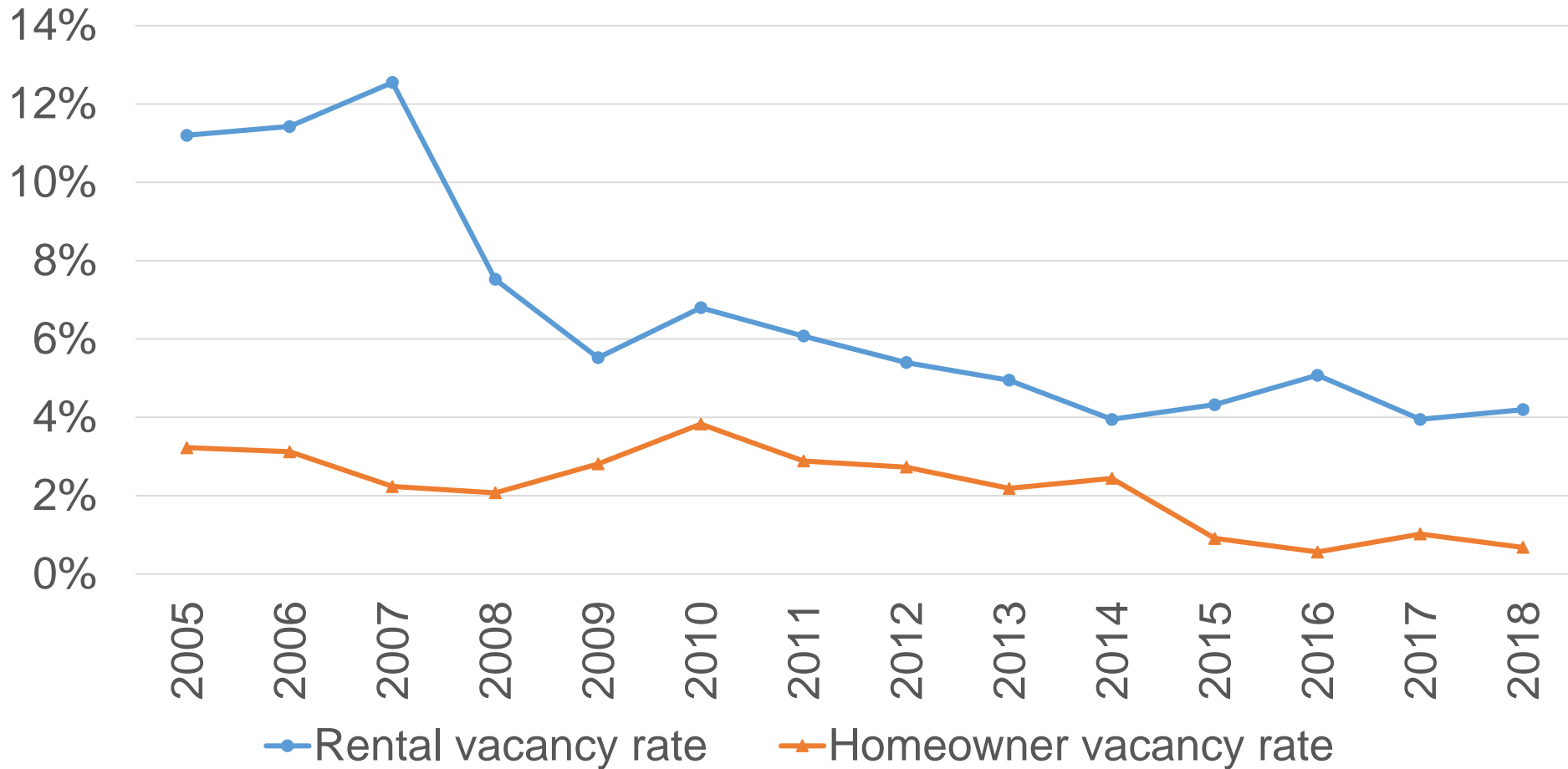
Increase in Housing vs Housholds
2010-2017



Source: Census
And Isely

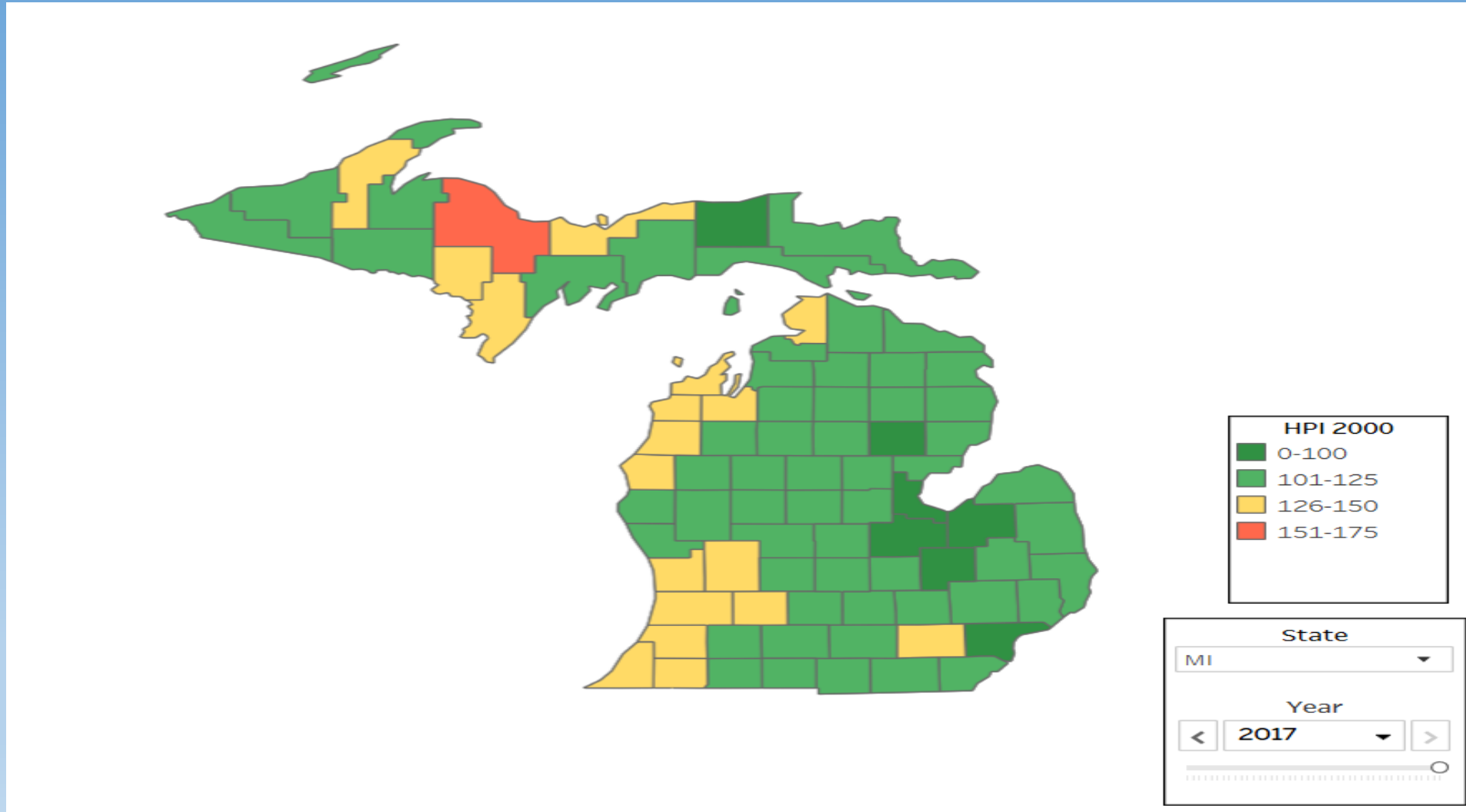
HOUSING

Vacancy Rates



Source: Census,
Ogura and Isely

Michigan Housing Prices

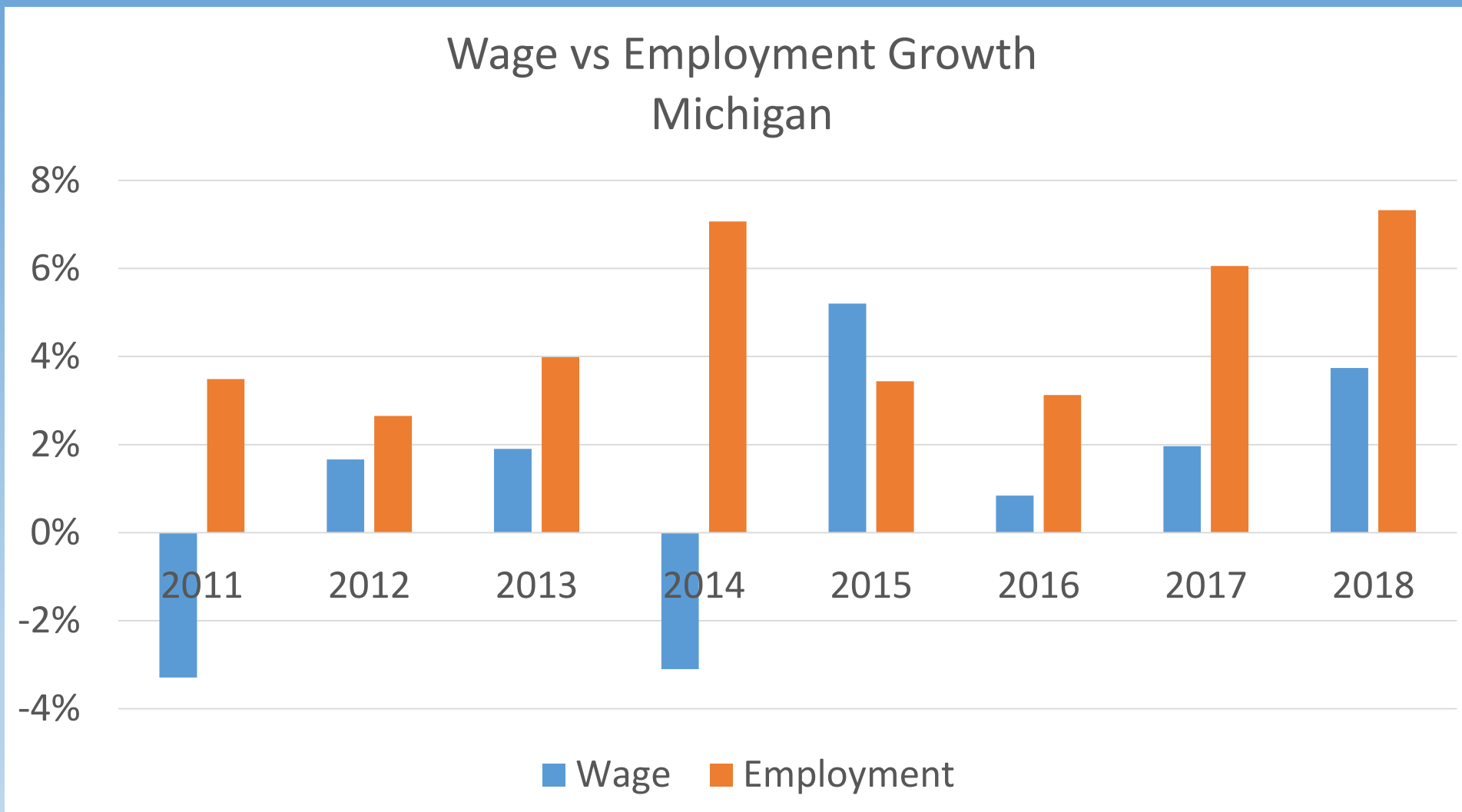


Source: Federal Housing Finance Agency

Construction Wages

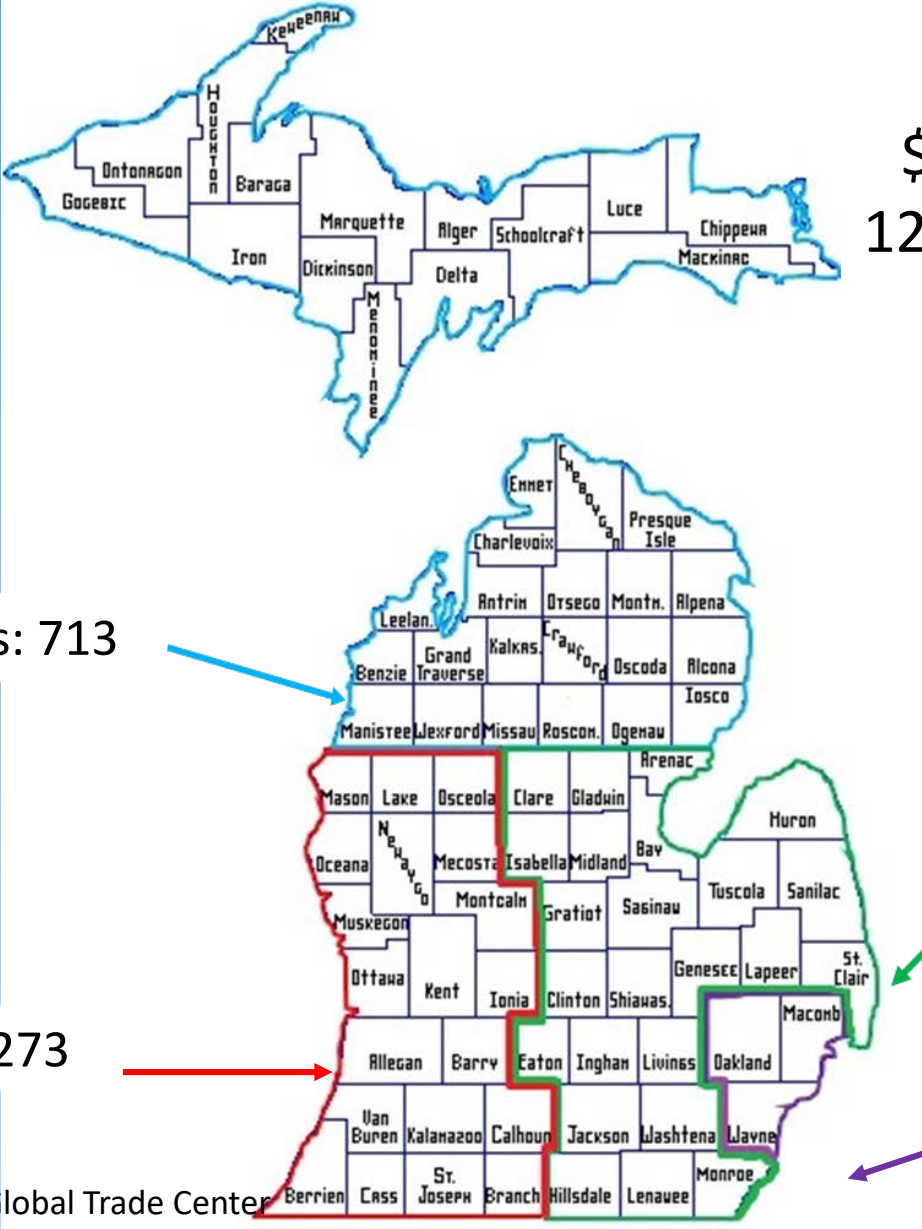
Wage vs Employment Growth
Michigan

Source: BLS



What should you watch?

TRADE



\$59.8 Billion in Exports
12% of Michigan's Output

Exporters: 713

Exporters: 3,017

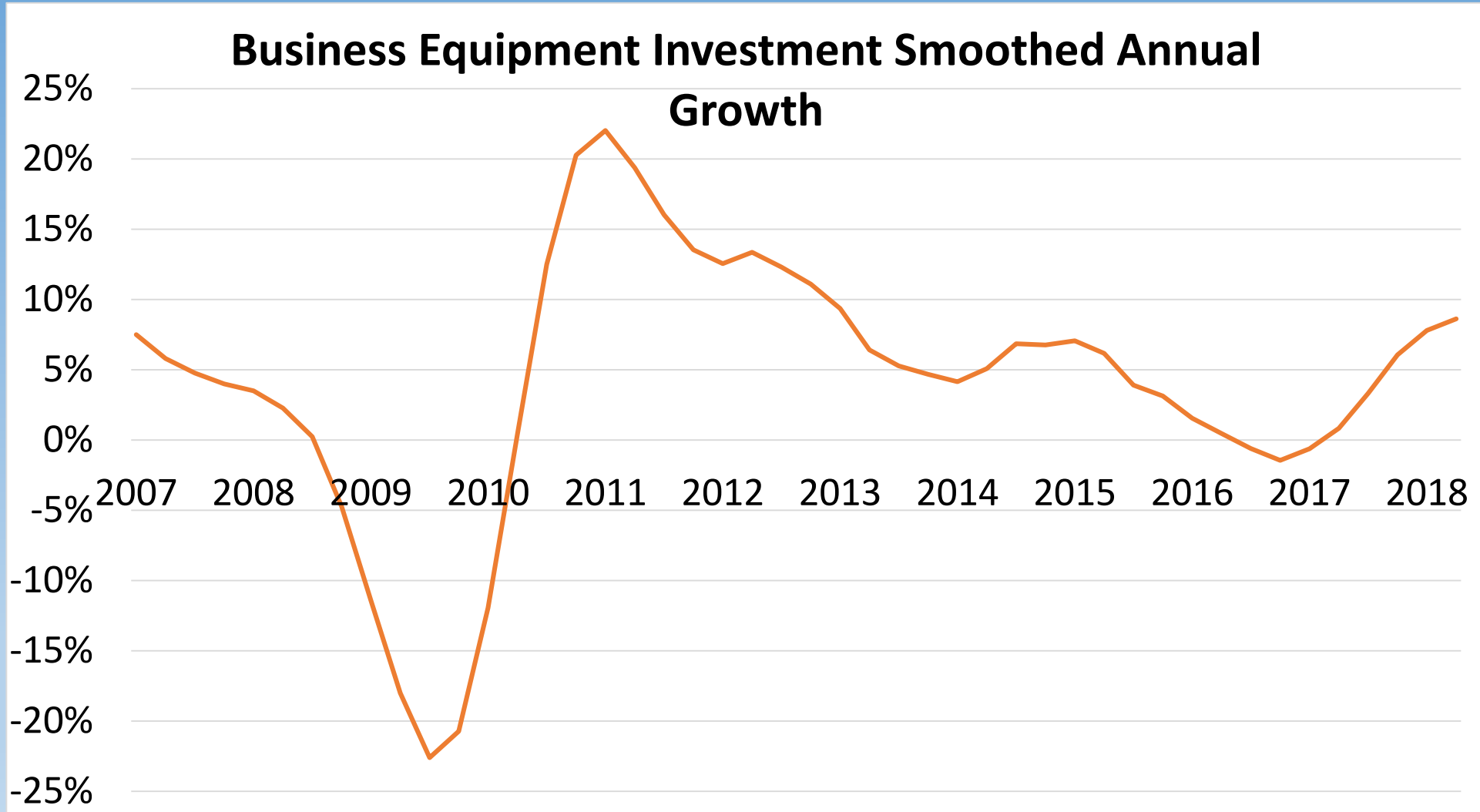
Exporters: 3,273

Exporters: 7,069

Source: Van Andle Global Trade Center

US Census
BEA
USDA

TAX LAW - GROWTH?



Source: St Louis Fed

UNCERTAINTY

Preparing for the Rough Waters Ahead

Prepare for:

- Interest rates near peak
- Continued compensation pressure
- Smaller, less qualified worker pools

Plan for

- Taking advantage of a short, shallow recession

iselyp@gvsu.edu