

# Michigan Economy

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The economy fell into a deep hole at unprecedented speed in late March 2020

# Introduction

A Virus and Public Health  
Response Not a Broken Economy

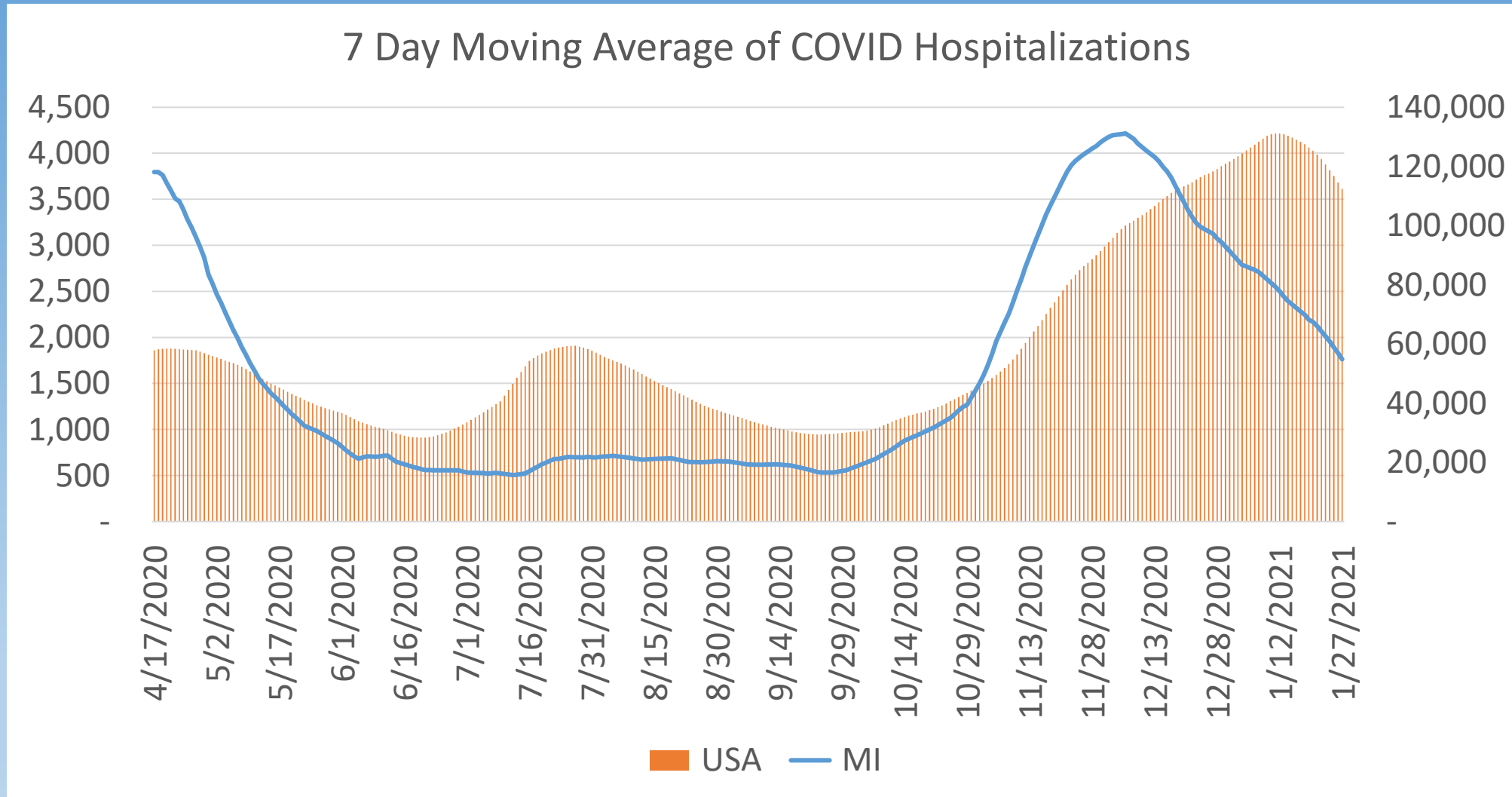
# What Caused the Fall?

- Vast Majority of states instituted some restrictions on gatherings, restaurants, and bars around mid-March
- This advanced to some level of stay-at-home order with varying degrees of what is “essential” – for instance, only 20% of states effectively listed construction as “non-essential” during April
- Almost every country that has gotten it under control has had a second jump in cases – often starting in nightclubs and bars

Source 1: Journal of Light Construction

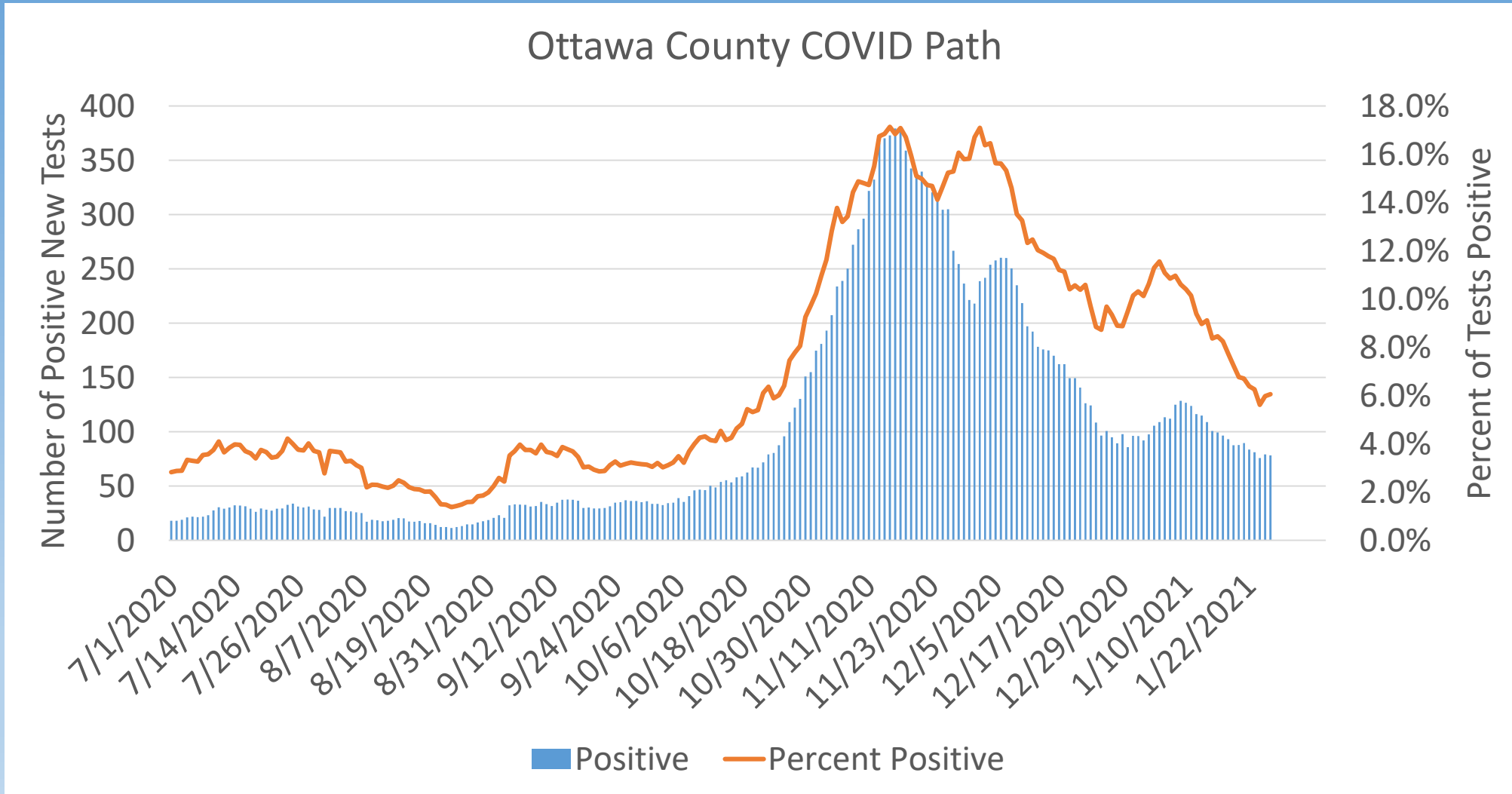
Source 2: Executive Orders accessed on litter.com

# The Pandemic

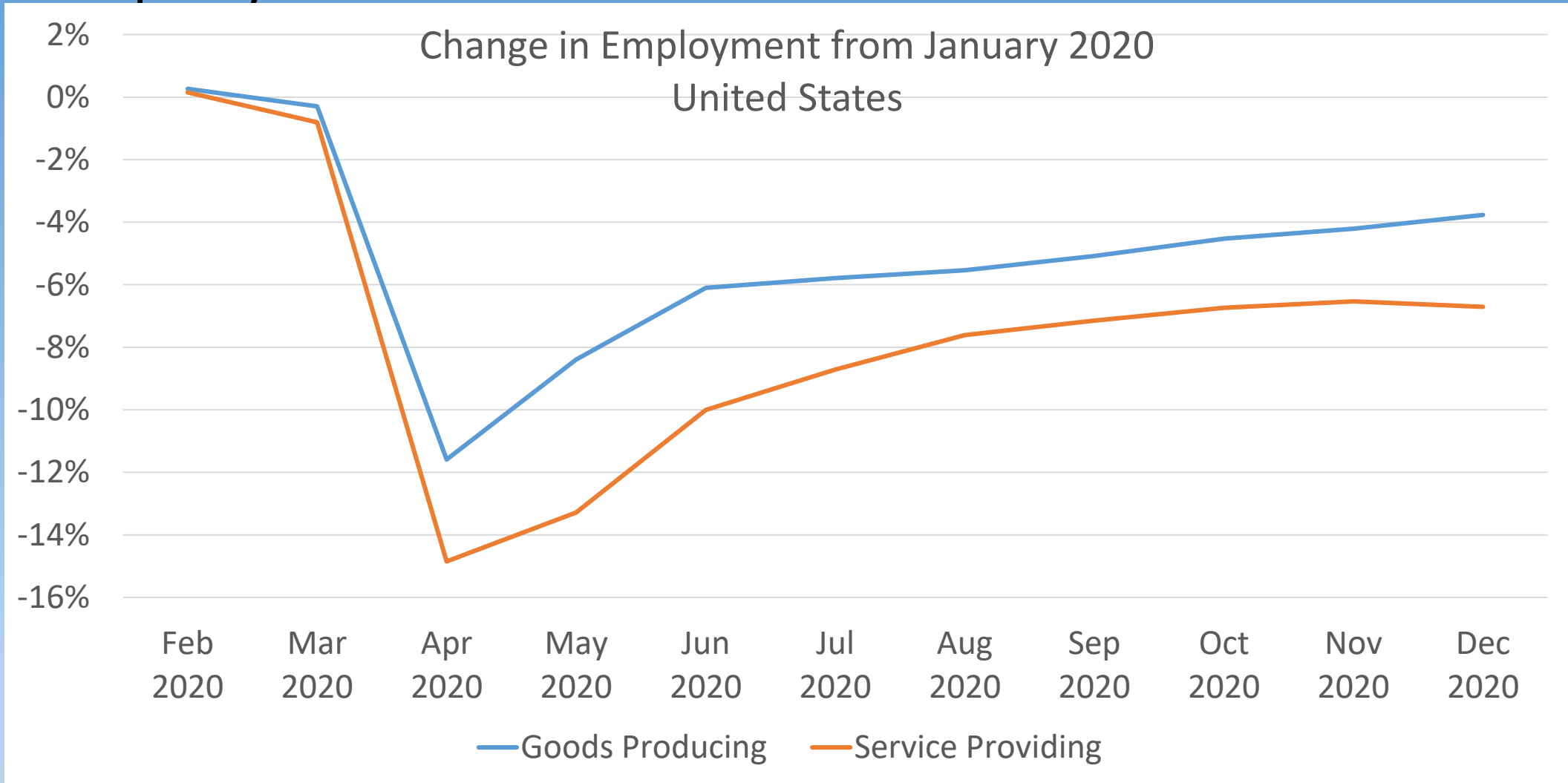


Source: Covid Tracking Project

# Good Trend



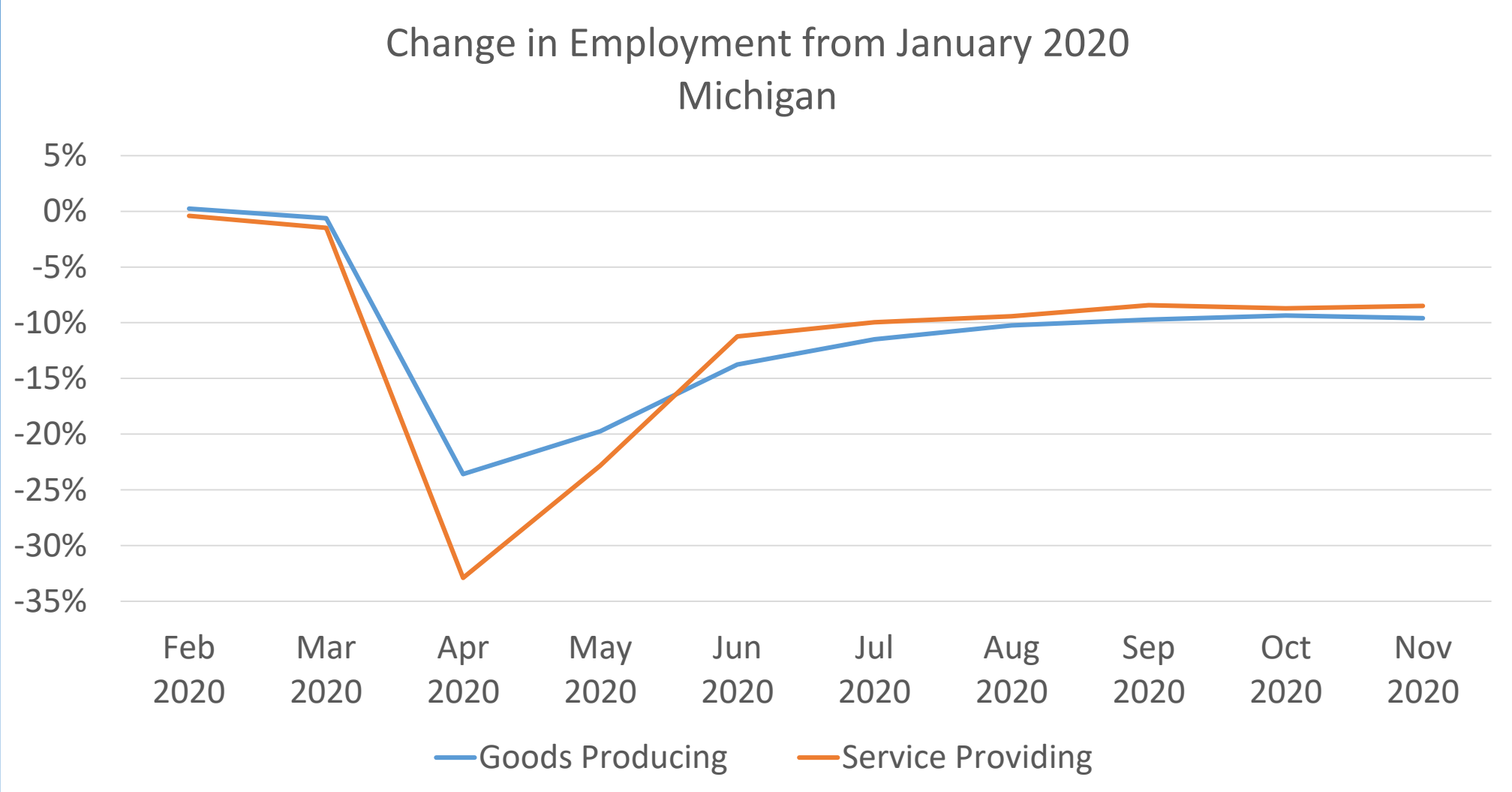
# Employment



Source: BLS



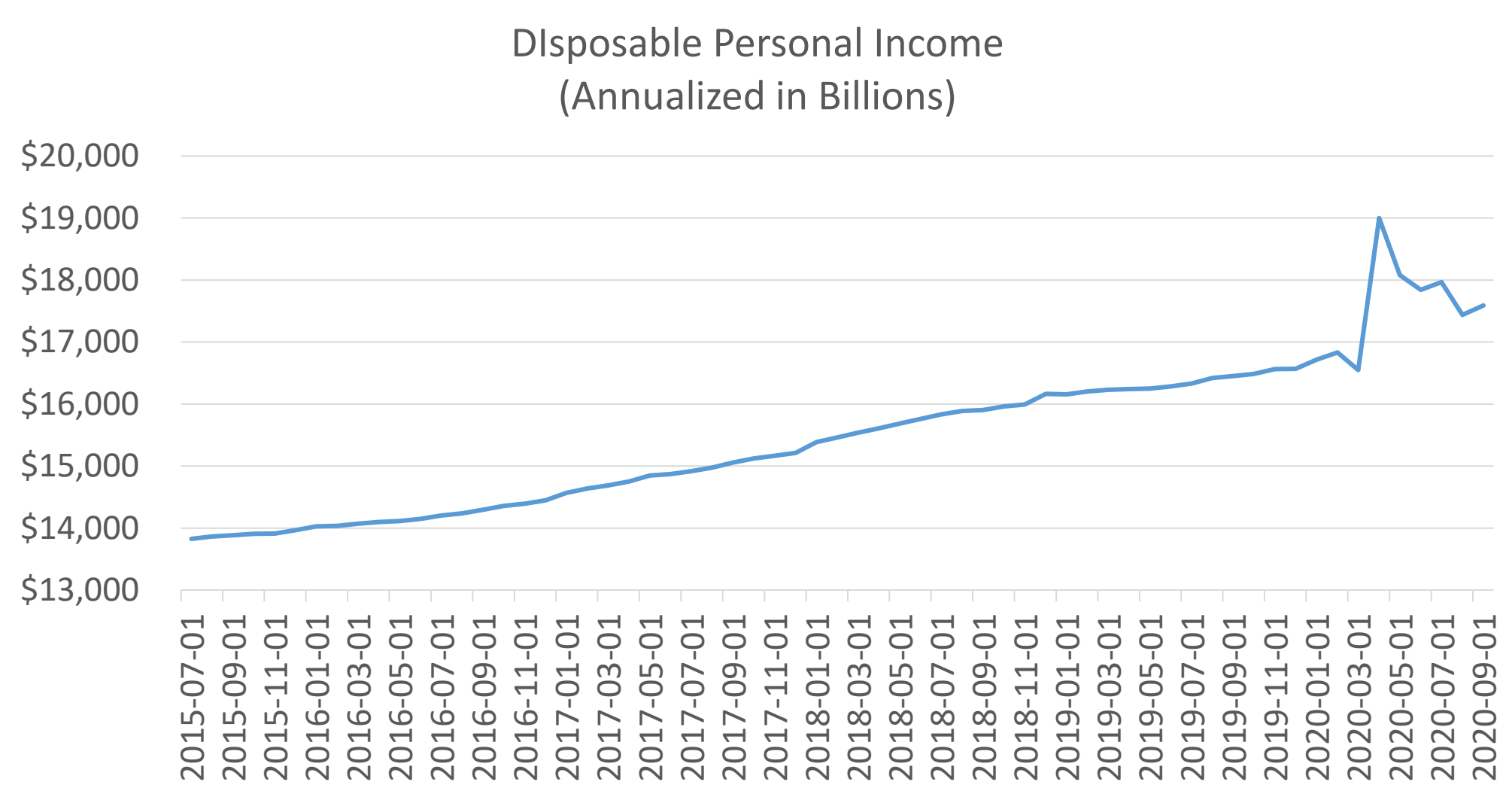
# Employment Michigan



Source: BLS

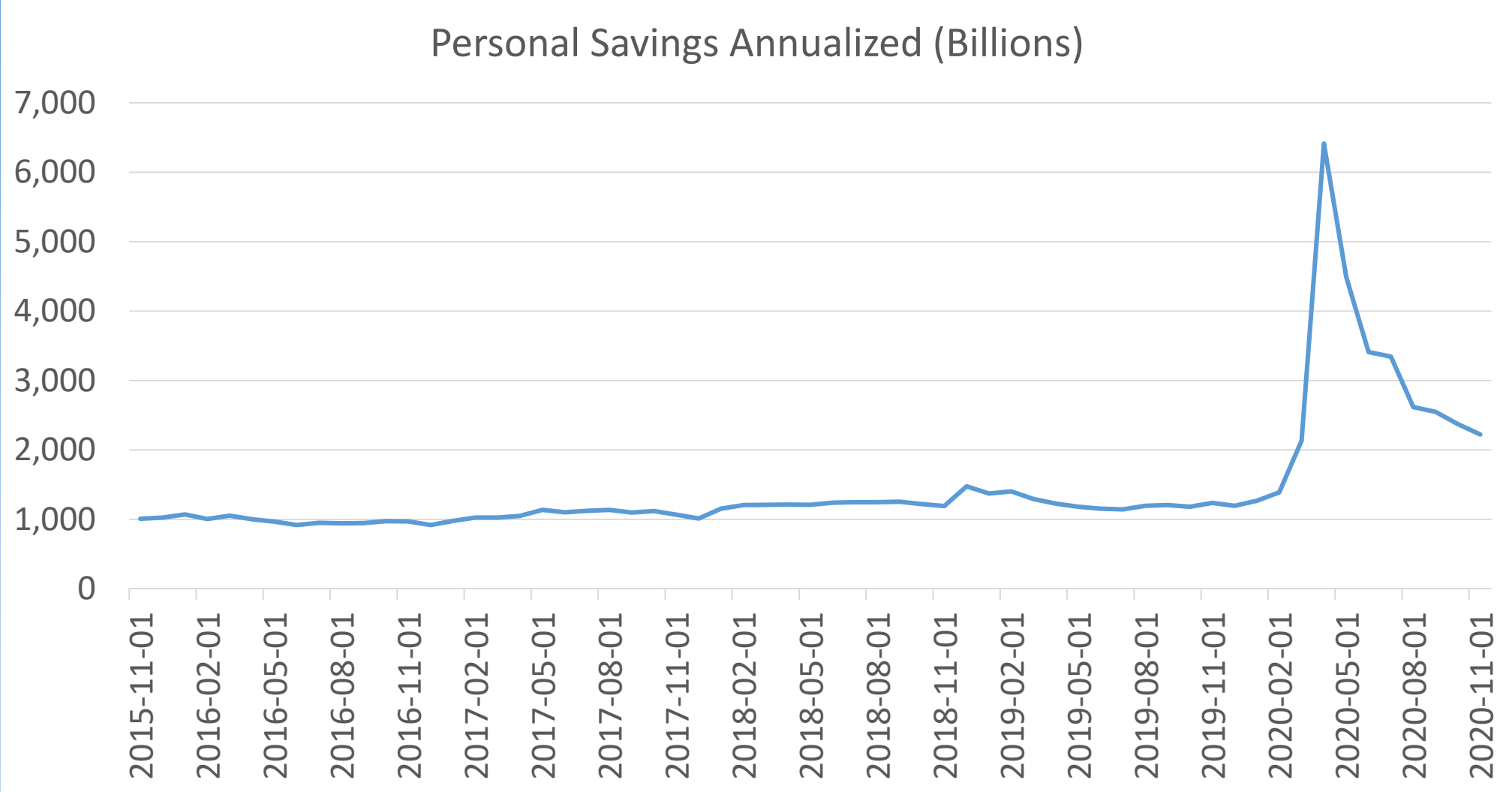
Massive Government Stimulus

# Federal Stimulus



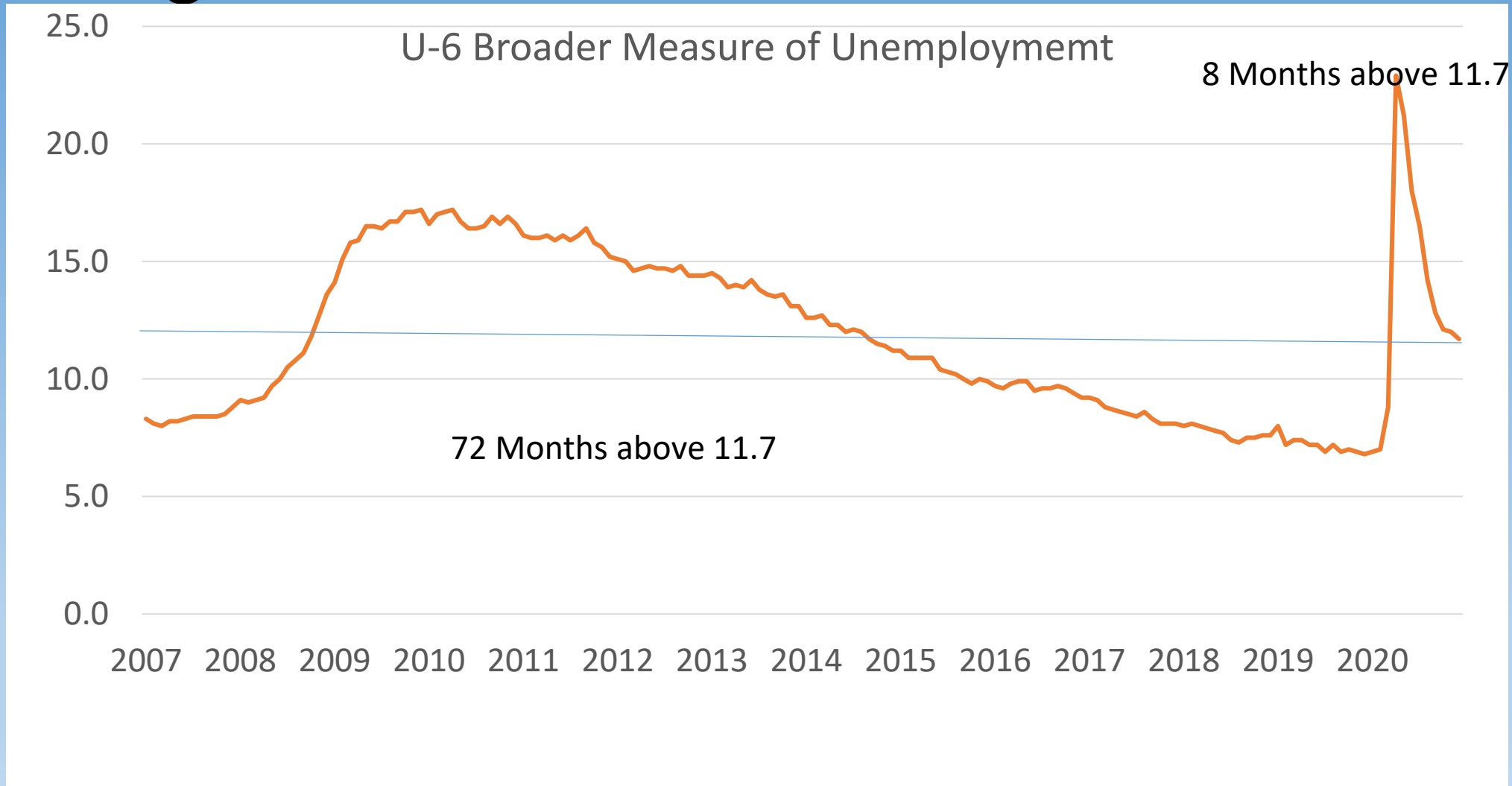
Source: BEA

# Consumer Potential



Source: BEA

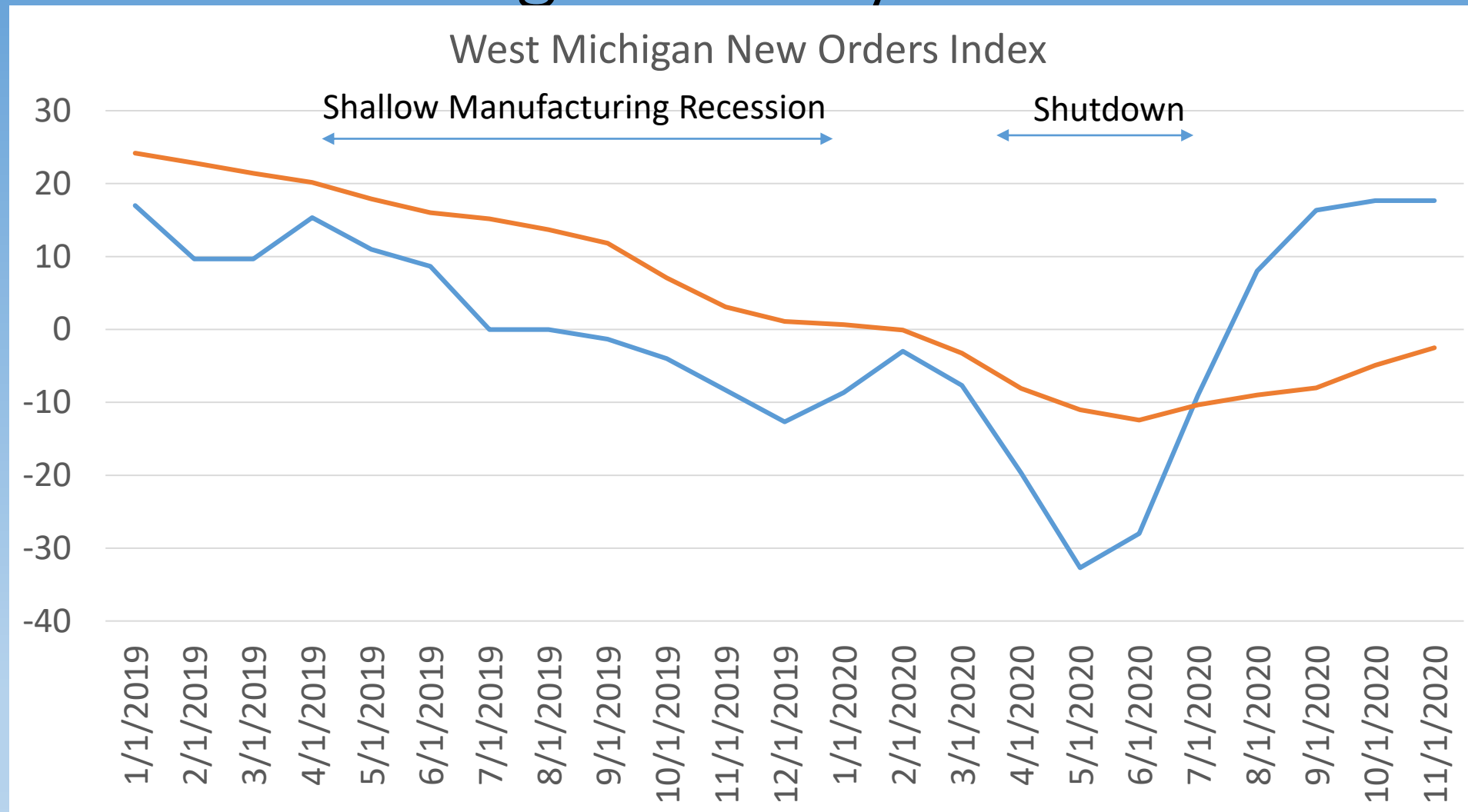
# Nothing Like the Last Recession



Source: BLS

# Manufacturing vs Services

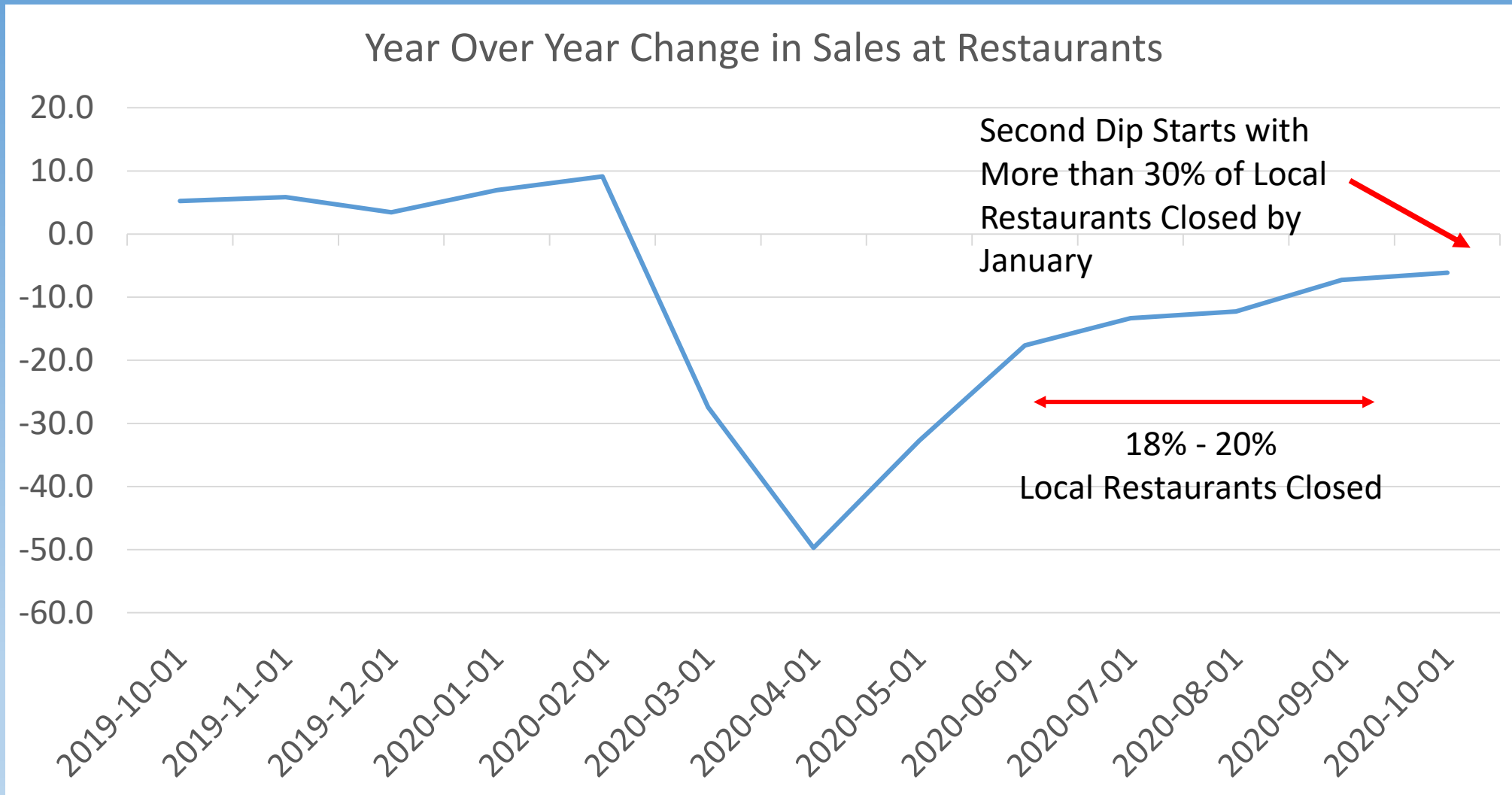
# Manufacturing is Mostly Out of the Hole



Source: GVSU Supply Chain and Brian Long

12 Month Average Almost Positive

# Restaurants are Still in the Hole

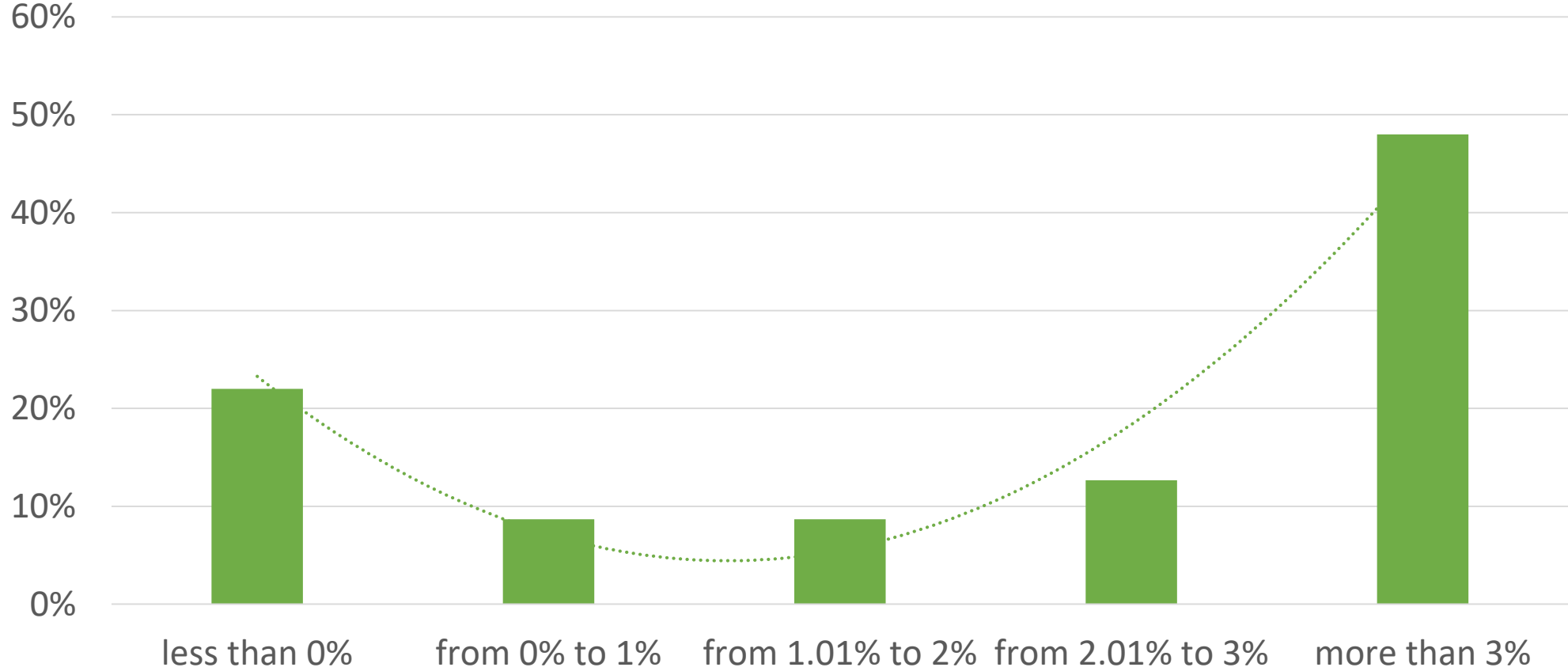


Source: US Census Womply  
Many of the Transactional Jobs Will Never Come Back



# Expectations in Hiring

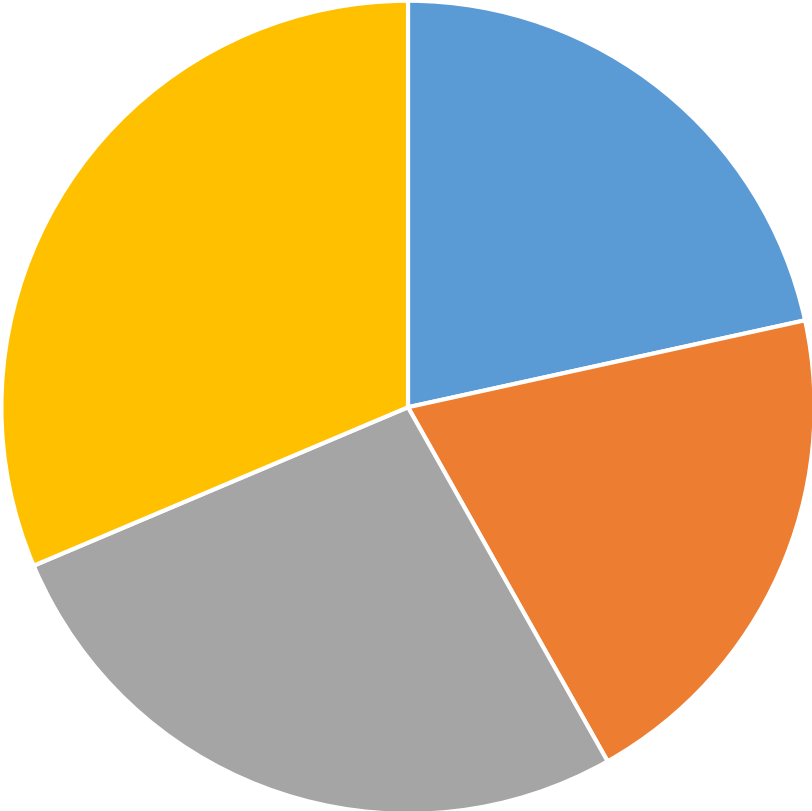
Repondents' Anticipated Change in Employment for 2021 as Compared to Expecations in 2020 and 2019



Source: Seidman Confidence Survey

# Expectations for Return

When Will Your Business Return to Pre-COVID Levels

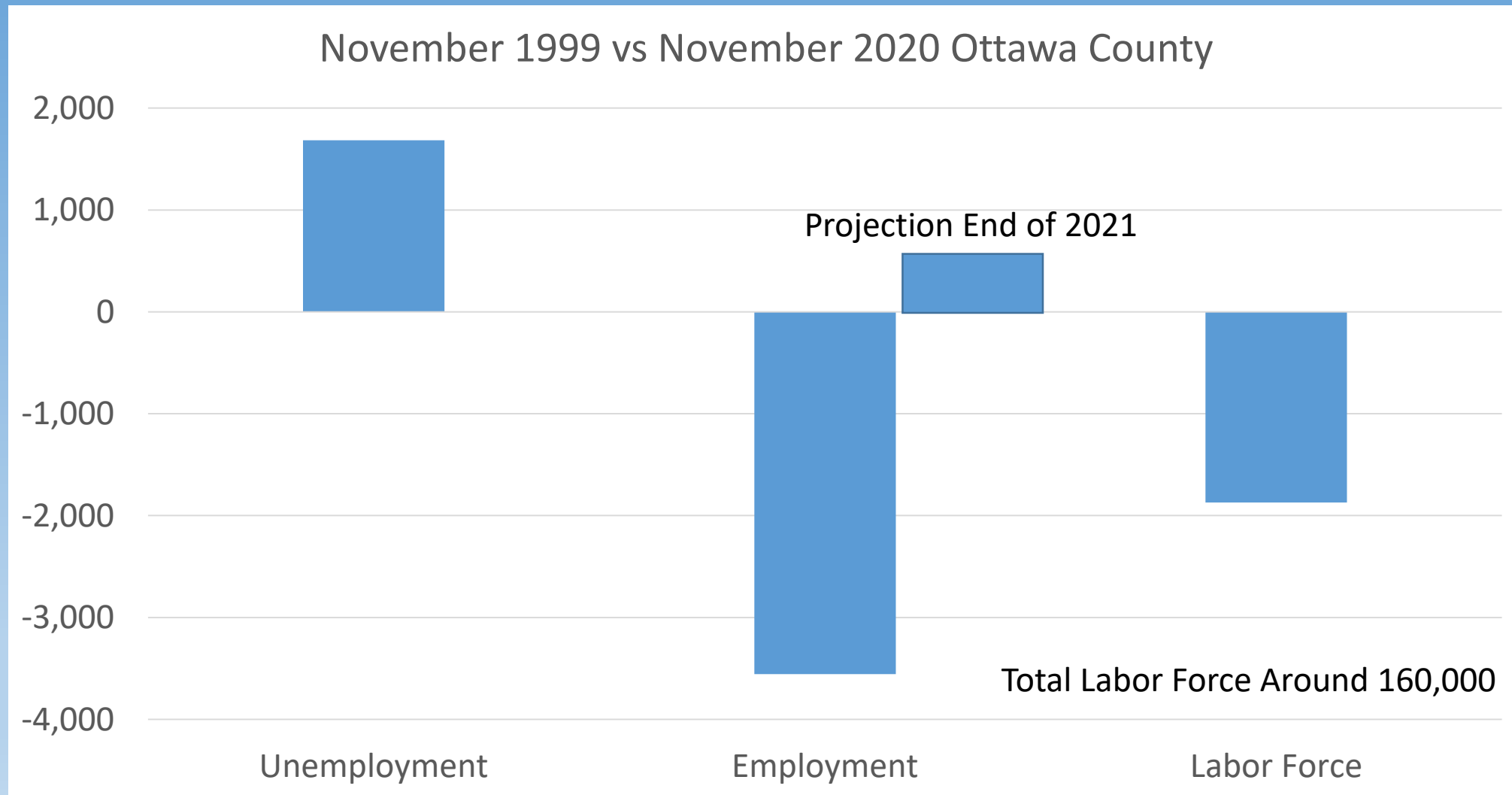


■ End of 2020   ■ July 2021   ■ December 2021   ■ 2022 or Later

Source: Seidman Confidence Survey

# Ottawa County Behaving Differently

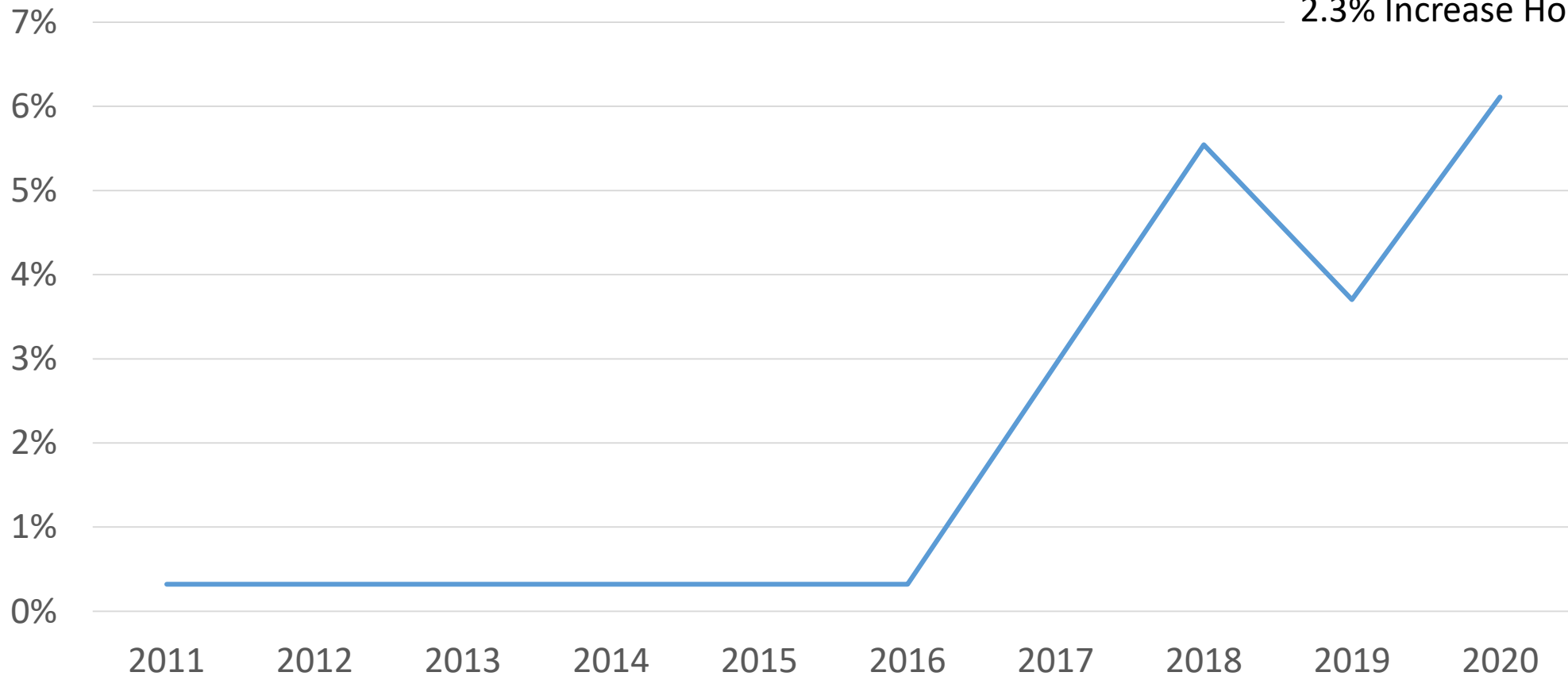
# On Track



Source: BLS

# Average Worker Still Working Better Off

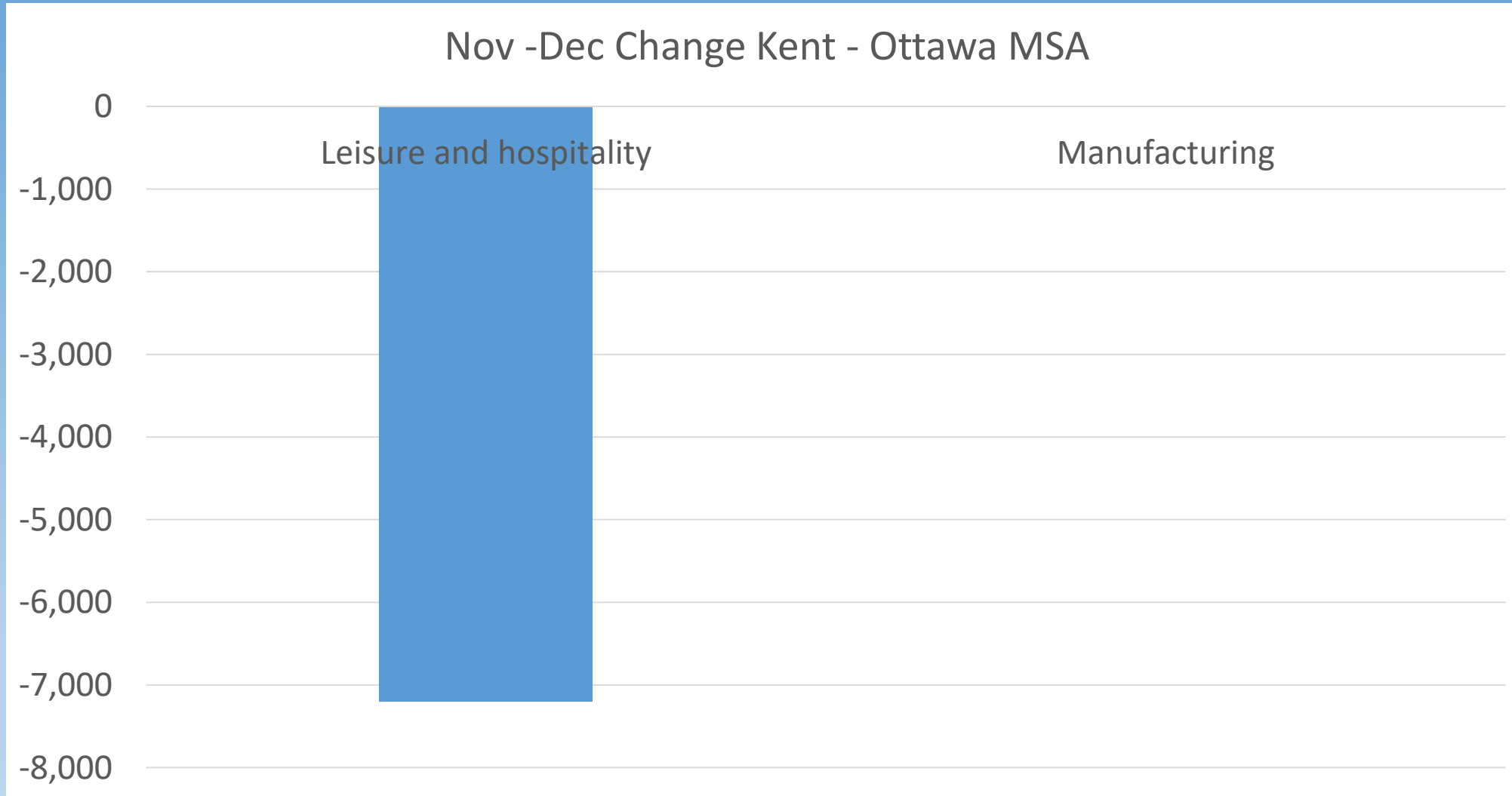
Year over Year Change in Average Weekly Earnings For November  
Kent, Ottawa, Montcalm, and Berry Counties



3.7 % Increase Hourly Wages  
2.3% Increase Hours

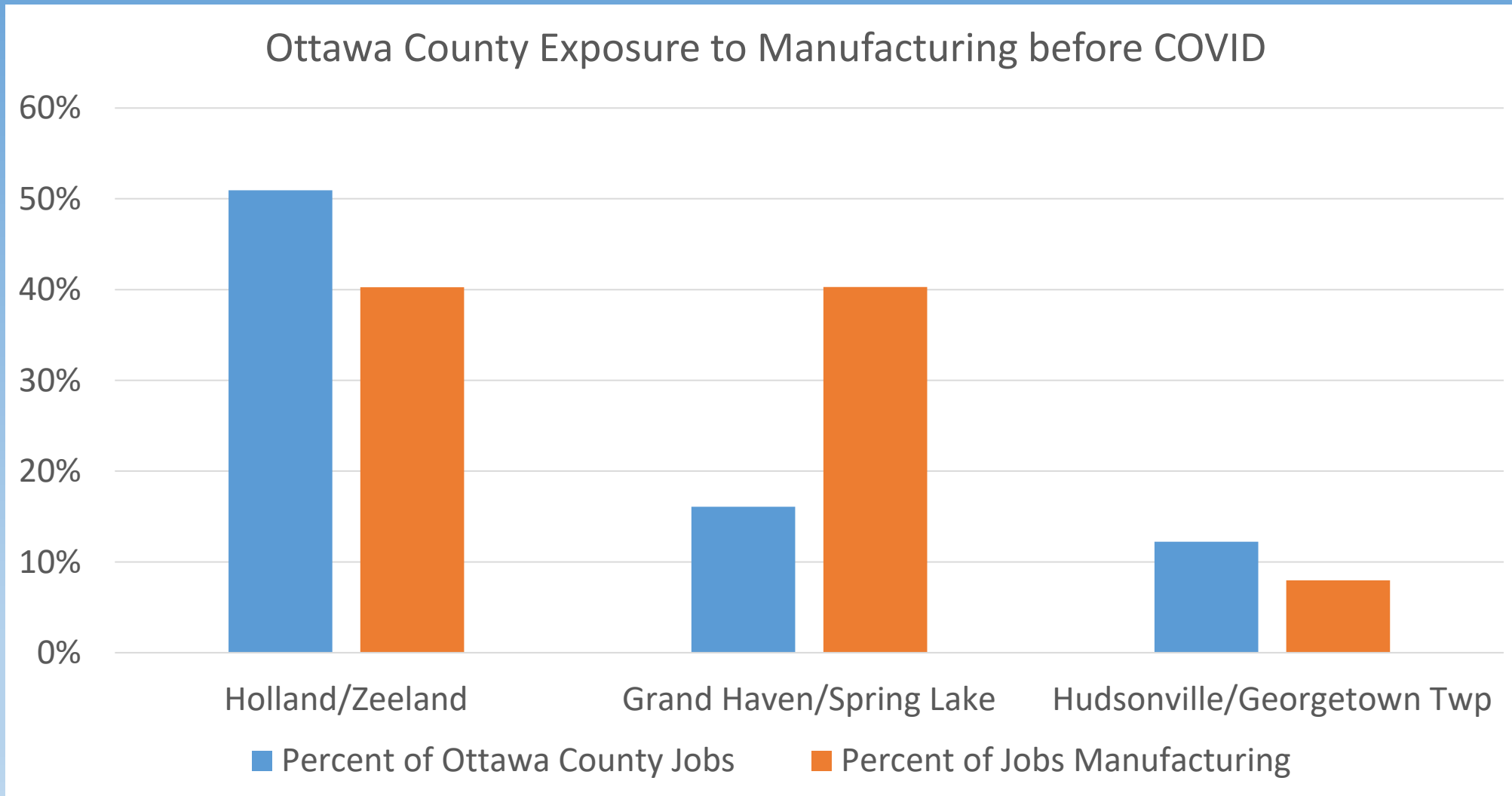
Source: BLS

# The 2<sup>nd</sup> Shutdown



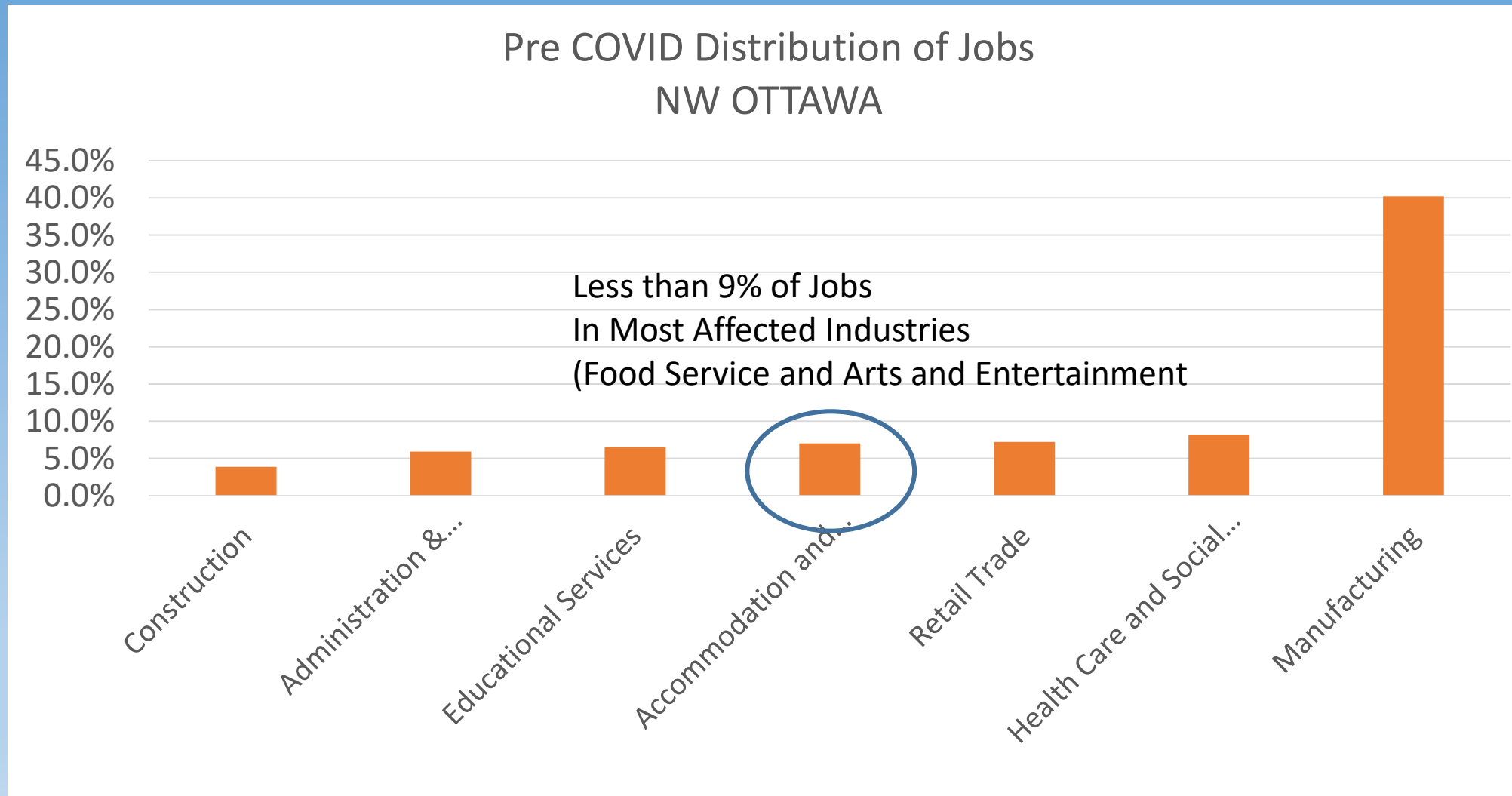
Source:  
Isely estimates  
Using BLS

# What is Happening?



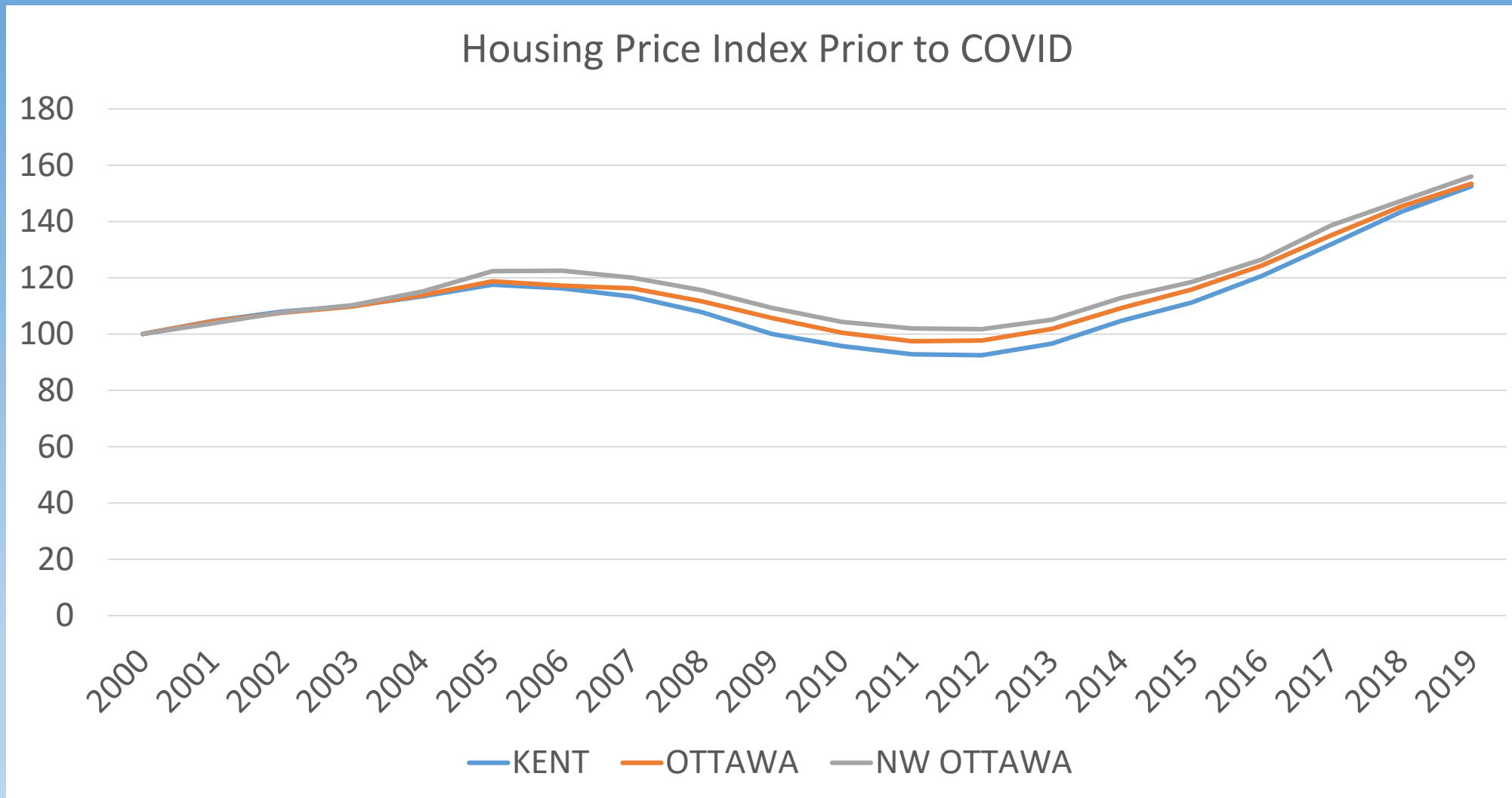
Source:  
On the Map

# Job Mix More Resilient

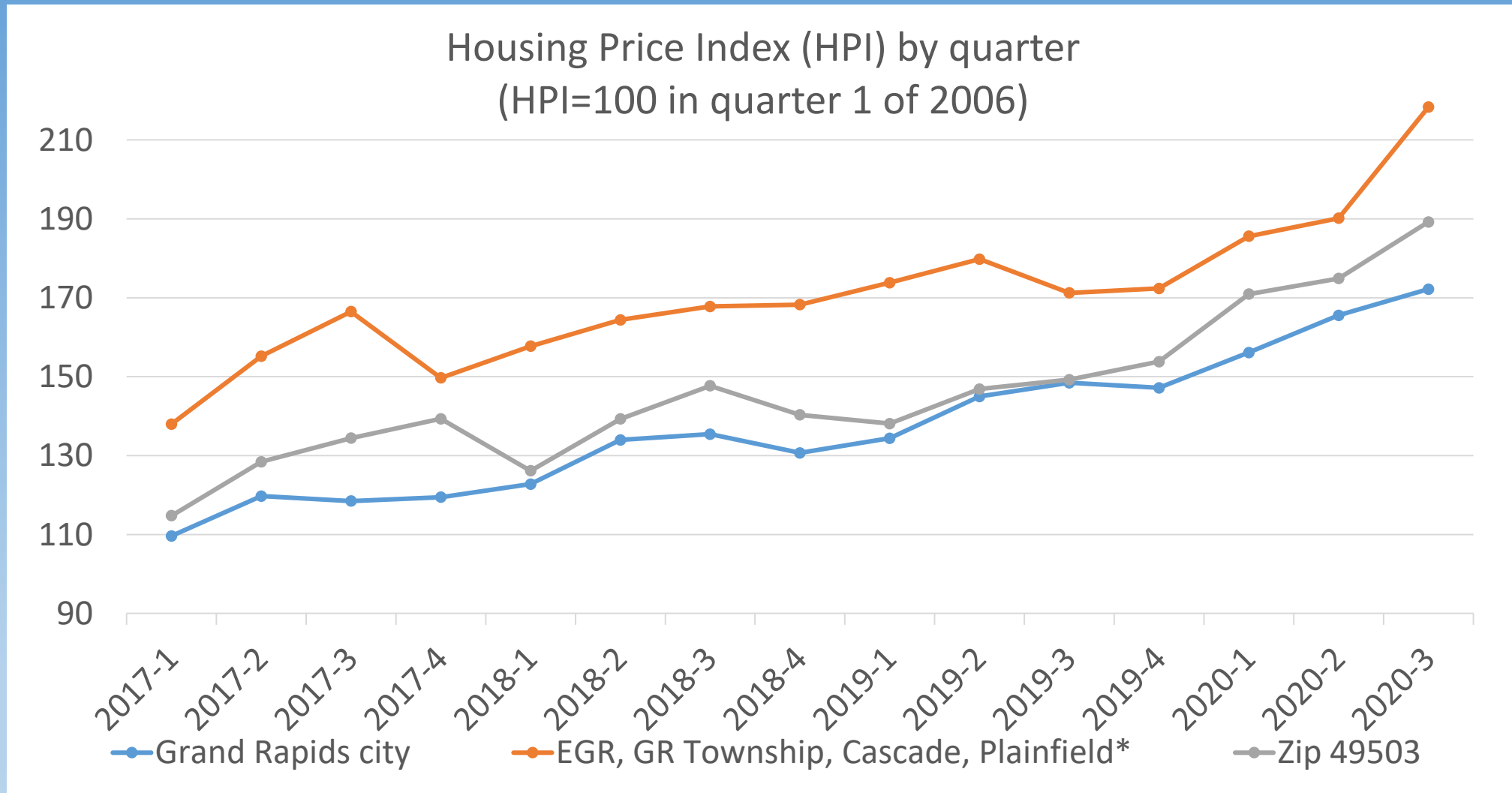




# Strength in Housing Market



# Residential Real Estate is Out of the Hole



Source: Laudo Ogura

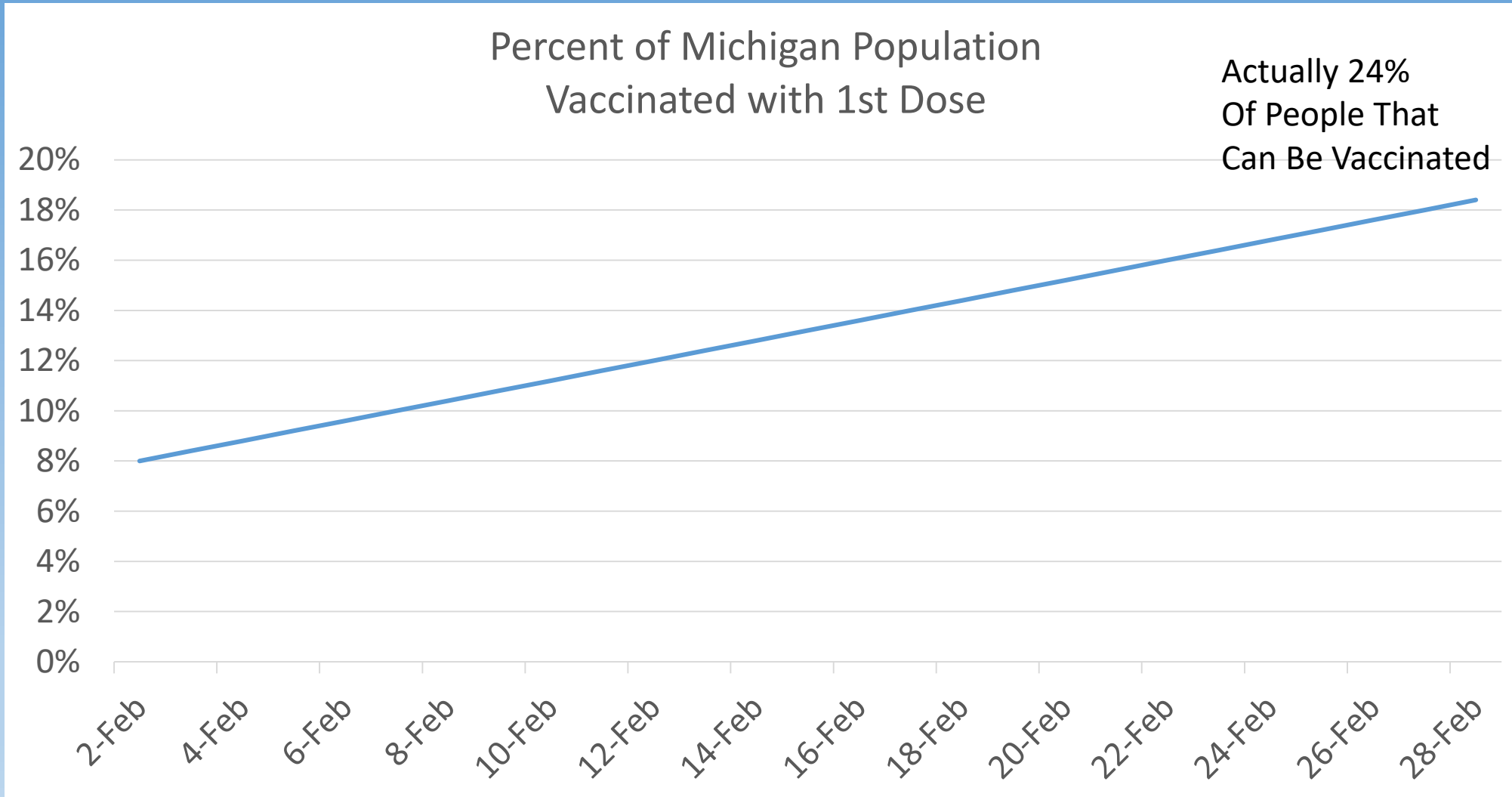
Demographics Mean this Market Barely Noticed the Hole

# Two Warnings

# What to Watch – Mostly Fear of Falling Again

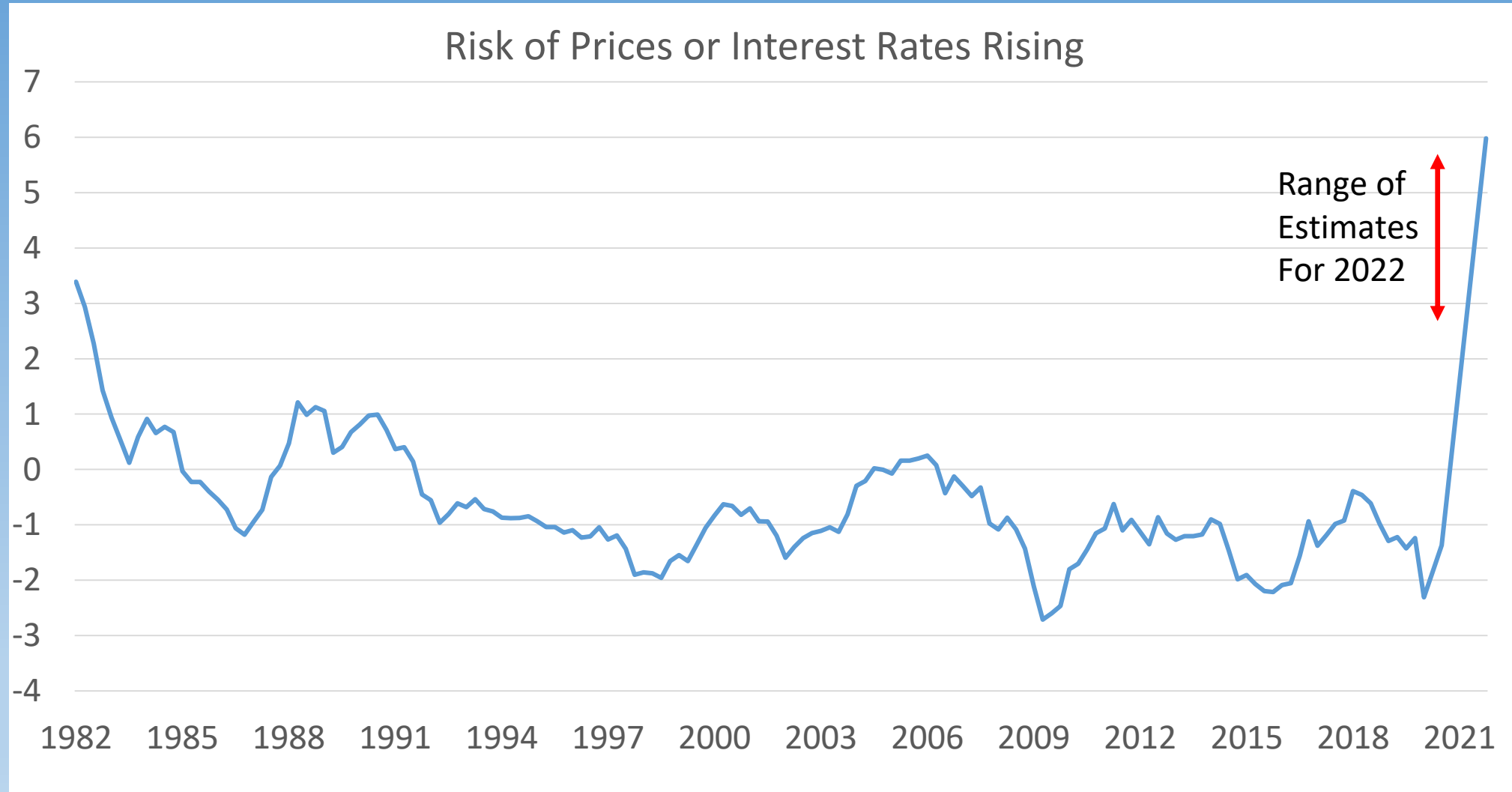
- **DO NOT** watch unemployment
- **DO** watch hospitalizations for COVID
- **DO** watch passenger miles
- **DO** watch border closures
- **DO** watch consumer consumption expenditures

# A Race



Source: Isely Estimate Using CDC Data and Bloomberg Virus Tracker Data Assuming Current Known Increases In Availability

# Potential of Rising Prices or Rising Interest Rates



Source: Isely Calculation

The US and Michigan Economies will likely reach Pre COVID levels in the second half of 2022, but Ottawa county will likely reach these levels by end of year.