

## Chapter 3 ECONOMY AND ECONOMIC DEVELOPMENT

### INTRODUCTION

This chapter discusses employment, unemployment, the labor force and other economic characteristics of Montcalm County such as growth of taxable property values which reflect both new investments in the County as well as how the value of real estate is maintaining. Data from the US Census Bureau, Michigan Department of Labor and Economic Growth (DLEG), and others are provided with projections and brief discussions of implications.

### EMPLOYMENT

The available labor force in a county can be a crucial determinant in the decision making process for business attraction and retention. There were nearly 26,000 persons employed in Montcalm County in 2004, which was an increase of 2,375 since 1990 (see Table 3-1). Montcalm County experienced a 5.9% gain in labor force between 1990 and 2000, and a 3.5% gain between 2000 and 2004. The number of those employed increased by 15% between 1990 and 2000, but fell slightly (-0.2%) between 2000 and 2004.

Table 3-1  
**Employment Trends in Montcalm County, 1990-2004**

Status	1990 Employment	2000 Employment	2004 Employment	% Change	
				1990-2000	2000-2004
Labor Force	23,600	25,075	25,975	5.9	3.5
Employed	19,900	23,500	23,450	15.3	-0.2
Unemployed	3,700	1,575	2,525	-57.1	37

*Source: Michigan Department of Economic Growth, January of each year*

Table 3-2 illustrates the total labor force and persons employed between 1990 to 2004 for Montcalm and surrounding counties. According to the Michigan Department of Labor and Economic Growth, Montcalm County saw an increase in employed labor force between 1990 and 2000, but a slight decrease between 2000 and 2004. Two other counties surrounding Montcalm experienced a drop of employed labor force in the early part of the new century.

The employed labor force percentage change between 2000 and 2004 was greatest in Mecosta County with an 8% increase followed by Newaygo County (4.3%), Clinton County (4%), Isabella County (3.1%), and Ionia County (2.4%). Kent County experienced the greatest loss in employed labor force during this time (-5%), followed by Montcalm County (1.2%) and Gratiot County (0.1%). Although Montcalm County experienced a 1.2% loss in employed labor force between 2000 and 2004, the area remained better than the eight county regional average employed labor force loss of 2.1% and well above the 5.1% drop in employed labor force for the State as a whole.

The decreased number of employed persons between 2000 and 2004 in Montcalm County is in part due to the closing of many manufacturing plants and major reductions in others in the region including; Bosh, Steelcase, Siemens, Herman Miller, Lear,

Butternut Bread, and Lifesavers Candy. The numbers for Montcalm County and surrounding areas will be much worse after 2006 with the closing of Electrolux (2,700 persons) and Hitachi Magnetics (100 persons). Bosh Steelcase was the largest furniture manufacturer in the U.S in 2000 and Electrolux one of the largest refrigerator manufacturers. Electrolux contributed about 20% of Greenville's tax base, and for the region the overall economic impact each year is estimated to be \$243 million, including the impact on the service industry and Electrolux suppliers.

Table 3-2  
**Employment for Montcalm and Surrounding Counties, 1990-2004**

Region	Labor Force			Total Employment			Employment % Change 2000-2004
	1990	2000	2004	1990	2000	2004	
<b>State</b>							
Michigan	4,551,000	5,075,000	5,030,000	4,136,000	4,870,000	4,624,000	-5.1
<b>County</b>							
Clinton	32,050	34,300	36,400	28,475	33,425	34,775	4
Gratiot	18,475	20,050	20,450	16,225	18,900	18,875	-0.1
Ionia	27,225	27,050	28,325	23,550	25,825	26,200	2.4
Isabella	24,925	32,725	34,050	23,400	31,450	32,375	3.1
Kent	264,200	329,125	327,800	247,050	318,575	303,600	-5
Mecosta	16,975	16,625	18,300	15,350	15,500	16,800	8
Montcalm	23,600	25,075	25,975	19,900	23,500	23,450	-1.2
Newaygo	16,500	20,975	22,125	14,550	19,175	20,000	4.3
<b>Eight County Total</b>	<b>423,410</b>	<b>505,925</b>	<b>513,425</b>	<b>388,500</b>	<b>486,350</b>	<b>476,075</b>	<b>-2.1</b>

Source: Michigan Department of Labor and Economic Growth, January of each year

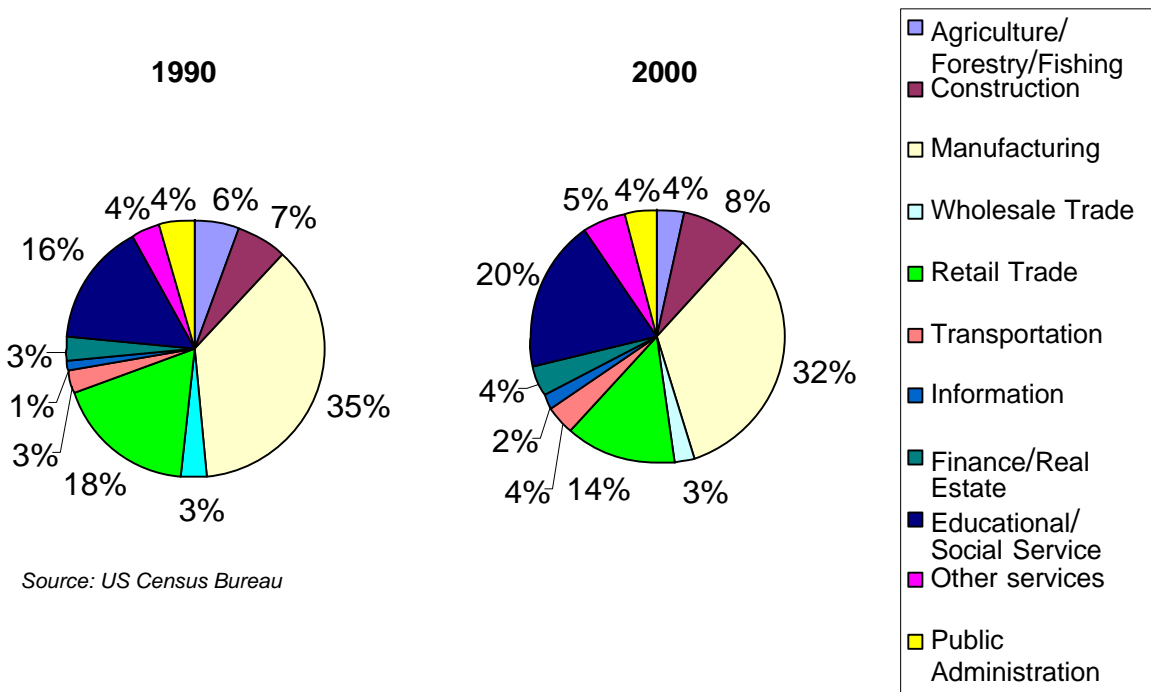
Montcalm County's employment base largely comes from the manufacturing industry which had 29.7% of the labor force in 2000, a decline of 3.1% since 1990 (see Table 3-3). The county's education and social services sector serves as its second highest employed sector at 17.6% of the labor force with an increase in 2.6% between 1990 and 2000. There has been a decrease in the agriculture sector (-22 %), as well as in the retail trade industry (-4.5 %) with a gradual increase in all others. Montcalm County has a higher proportion of its population employed in the manufacturing, agriculture, public administration, and construction sectors than the State as a whole.

Table 3-3  
**Employment Distribution in Montcalm County, 1990-2000**

Industry	1990		2000		Michigan
	#	%	#	%	%
<i>Employed Persons 16+</i>	20,595	100.0	26,560	100.0	<b>100.0</b>
Agriculture/ Forestry/Fishing	1,107	5.4	869	3.3	<b>1.1</b>
Construction	1,260	6.1	1,998	7.5	<b>6.0</b>
Manufacturing	6,977	33.9	7,900	29.7	<b>22.5</b>
Wholesale Trade	526	2.6	673	2.5	<b>3.3</b>
Retail Trade	3,439	16.7	3,286	12.4	<b>11.9</b>
Transportation	552	2.7	892	3.4	<b>4.1</b>
Information	263	1.3	415	1.6	<b>2.1</b>
Finance/Real Estate	562	2.7	920	3.5	<b>5.3</b>
Educational/Health/Social Service	3,019	14.7	4,680	17.6	<b>19.9</b>
Other services	705	3.4	1,251	4.7	<b>4.6</b>
Public Administration	853	4.1	1,004	3.8	<b>3.6</b>

Source: U.S. Census Bureau

Figure 3-1  
**Employment Distribution in Montcalm County, 1990-2000**



Source: US Census Bureau

## UNEMPLOYMENT

Unemployment numbers fluctuated considerably during the last 14 years as well, with a 57% drop between 1990 and 2000, but a 37% increase between 2000 and 2004. These numbers can be attributed to several industrial plant closings which took place in the early part of the new century, and resulted in significant numbers of people losing their jobs. Unemployment rates in Montcalm County have generally been high in comparison to surrounding counties and the State of Michigan. Table 3-4 shows the change in average annual unemployment rates from 1990 for the seven counties surrounding Montcalm, as well as for Montcalm County. Unemployment was at a very high rate of 15.6% in Montcalm County in 1990, which was 38.5% greater than the rate of 9.6 in 2004. Notably, Montcalm County's unemployment rate has fluctuated parallel with Michigan's unemployment rates, as is also illustrated in Table 3-4.

Table 3-4  
Annual Average Unemployment Rate for Montcalm and Surrounding Counties,  
1990-2004

State	1990	1995	2000	2004	% Change 2000-2004
Michigan	9.1	6.2	4.0	7.6	3.6

County	1990	1995	2000	2004	% Change 2000-2004
Clinton	11.1	4.1	2.6	4.5	1.9
Gratiot	12.2	8.5	5.8	7.7	1.9
Ionia	13.5	7.4	4.6	7.5	2.9
Isabella	6.2	5.4	3.9	4.9	1.0
Kent	6.5	4.1	3.2	7.4	4.2
Mecosta	9.7	8.1	6.8	8.2	1.6
Montcalm	15.6	9.1	6.3	9.6	3.3
Newaygo	11.9	12.3	8.6	9.6	1.0
<b>Regional Average</b>	<b>10.8</b>	<b>7.4</b>	<b>5.2</b>	<b>7.4</b>	<b>2.2</b>

Source: Michigan Department of Labor and Economic Growth, January of each year.

## LABOR FORCE

The Montcalm County labor force (all persons employed or unemployed who are able to work) has grown from 23,600 in 1990 to 25,975 in 2004 (see Table 3-5), an increase of 2,375 (10.1%). The Montcalm communities with the smallest number of people in the work force in 2004 were Carson City (625) and the Townships of Ferris and Day, both at 575. Carson City experienced the largest percentage gain in the number of people in the labor force from 1990 to 2004 with a 13.6% increase. The largest number of persons in the labor force in 2004 was in the city of Greenville (4,100) and Eureka Township (1,525).

Table 3-5  
**Annual Average Labor Force for Townships and Cities within Montcalm County,  
 1990-2004**

Township	1990	1995	2000	2004	% Change 1990-2004
Belvidere	875	900	925	950	8.5
Bloomer	550	575	575	600	9.0
Bushnell	650	675	675	725	11.5
Cato	1175	1225	1225	1275	8.5
Crystal	1050	1100	1125	1150	9.5
Day	525	550	550	575	9.5
Douglass	875	950	950	975	11.4
Eureka	1375	1475	1500	1525	10.9
Evergreen	1275	1300	1300	1375	7.8
Fairplain	725	750	775	800	10.3
Ferris	500	550	550	575	15.0
Home	1075	1150	1150	1200	11.6
Maple Valley	825	875	875	900	9.1
Montcalm	1475	1525	1525	1600	8.5
Pierson	975	1050	1050	1075	10.3
Pine	650	700	725	725	11.5
Reynolds	1375	1450	1475	1525	10.9
Richland	950	1000	1000	1025	7.9
Sidney	1125	1200	1200	1250	11.1
Winfield	625	675	675	700	12.0
<b>Total</b>	<b>18,650</b>	<b>19,625</b>	<b>19,825</b>	<b>20,550</b>	<b>10.2</b>

City	1990	1995	2000	2004	% Change 1990-2004
Carson City	550	600	600	625	13.6
Greenville	3725	3925	3975	4100	10.1
Stanton	675	675	675	700	3.7
<b>Total</b>	<b>4,950</b>	<b>5,200</b>	<b>5,250</b>	<b>5,425</b>	<b>9.6</b>

<b>Montcalm Total</b>	<b>23,600</b>	<b>24,825</b>	<b>25,075</b>	<b>25,975</b>	<b>10.1</b>
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Source: Michigan Department of Labor and Economic Growth, January of each year.  
 Village labor force is included in the Township figures.

## PROJECTIONS

Labor force, employment, and unemployment statistics are numbers which may be used to measure the economic health of a region. The rate at which these numbers grow or decline can indicate the future stability of a region and can aid in the understanding of the importance of employment retention. Montcalm County is in a region which has experienced employment reductions since 2000. For the purpose of these projections, the percentage of employed persons and unemployed persons in the labor force were projected using the decrease seen between 2000 and 2004 to give an idea of the size of the labor force in the next twelve years if the current rates continued.

Assuming the rates continue to the year 2016 as they have between 2000 and 2004, the labor force would increase by only 1,000 persons between 2000 and 2016 which is a very small increase of 3.8 percent over twelve years. Employment percentage decreased from 95 percent of total labor force in 2000, to 91.5 percent in 2004. If this 3.5 percentage drop continued to 2016, total employment would consist of 81 percent of the labor force and unemployment would increase to 17 percent of the total labor force by the year 2016.

Continuation of the trend in these amounts of new jobs and unemployment rates, however, is unlikely due to the cyclical employment characteristics in the state of Michigan. It is more likely that the existing trend of fewer manufacturing jobs and more service industry jobs will continue.

Table 3-6  
**Projected Change in Employment for Montcalm County, 2000-2016**

Status	2000		2004		2008		2016		Change 2000-2016	
		%		%		%		%	Total	%
Labor Force	26,025	-	26,275	-	26,525	-	27,025	-	1,000	3.8
Employed	24,725	95	24,050	91.5	23,342	88	21,890	81	2,835	-11.5
Unemployed	1,300	5	2,225	8.5	2,225	11	4,594	17	3,294	253

Source: Michigan Department of Labor and Economic Growth

## MAJOR BUSINESSES

Of the top thirty principal employers in Montcalm County in 2005, 13 had headquarters located within the City of Greenville, employing a total of 6,042 persons. This underlines the dominance of Greenville as the economic hub of the county, which includes 43.3% of the top thirty employers in the county. Major employers within Montcalm County are listed in Table 3-7. The three largest in the county are Electrolux, Spectrum Health United Memorial, and Carson City Correctional Facility. Table 3-7 also illustrates the diverse nature of the jobs within the county, producing products ranging from engine bearings to injection molded plastics as well as a significant number of jobs in the healthcare, education, and retail sectors.

Table 3-7  
Principal Employers in Montcalm County, 2004

Firm	Location	Employees	Product
*Electrolux Home Products	Greenville	1,100	Refrigerators
Spectrum Health United Memorial	Greenville	850	Healthcare
Carson City Correctional Facility	Carson City	600	Law enforcement
Greenville Public Schools	Greenville	400	Education
Meijers	Greenville	350	Retail
Carson City Hospital	Carson City	340	Healthcare
Vertis	Greenville	325	Printing
Walmart	Greenville	300	Retail
Montcalm County	Stanton	270	Government
Tri County Schools	Howard City	260	Education
Central Montcalm Schools	Stanton/Sheridan	251	Education
Drake Molding	Greenville	230	Plastic injection molding
Tower Automotive	Greenville	230	Automotive stamping
Lakeview Community Schools	Lakeview	230	Education
Federal Mogul	Greenville	200	Engine bearings
Montcalm Community College	Sidney	200	Education
Greenville Tool and Die	Greenville	177	Specialty dies
Parker Hanifin	Lakeview	175	Brass fittings
Sheridan Community Hospital	Sheridan	160	Healthcare
Montcalm Area ISD	Stanton	155	Education
Metron of Greenville	Greenville	150	Skilled nursing home
Carson City-Crystal Schools	Carson City/Crystal	150	Education
Wolverine Worldwide	Howard City	150	Distribution center
Vestaburg Public Schools	Vestaburg	147	Education
Packaging Corp. of America	Edmore	140	Packaging material
Montabella Public Schools	Edmore	130	Education
Stafford Communications	Greenville/Carson City	130	Newspapers, radio
Wright Plastics	Sheridan	110	Plastic injection molding
Lakeland Mills	Edmore	110	Wood furniture
Northland Refrigeration	Greenville	100	Special refrigerators

Source: Michigan Economic Development Corporation, (MEDC)/ Harris Publishing Company, 2004 Industrial Directory, local data on plant closures.

\*Phased closing in progress with complete closing planned for 2006.

## INDUSTRIAL AND COMMERCIAL BUSINESSES

There is an array of employment opportunities within Montcalm County. Table 3-8 lists the many types of industrial and commercial businesses and the number of establishments located within Montcalm County. Over 230 retail trade establishments exist in the county which is the largest sector in regards to number of establishments. The second largest number with 151 establishments is “other services” (mostly professional services), followed by construction (147) and education and health at 92 establishments.

Table 3-8  
**Types of Businesses within Montcalm County**

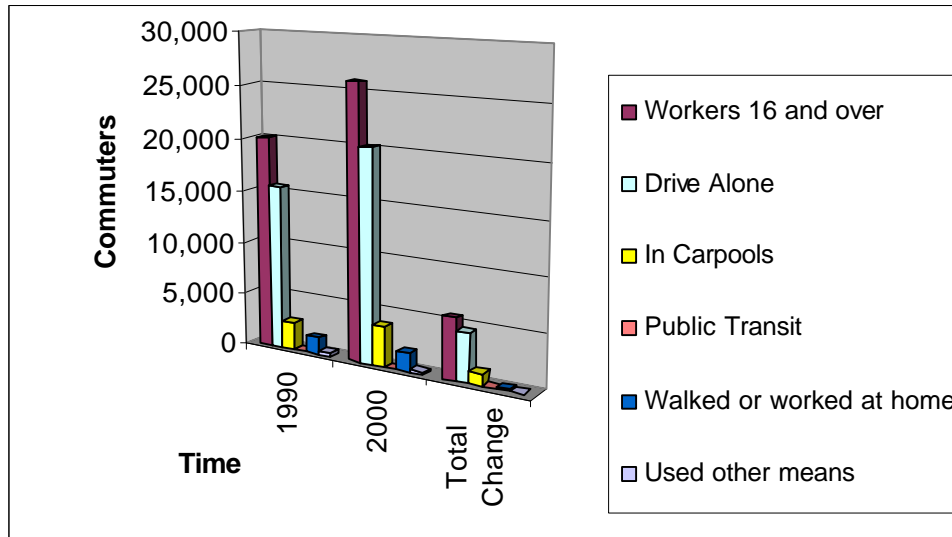
Business	# of Establishments
Forestry, fishing, hunting and agriculture	6
Construction	147
Manufacturing	78
Wholesale trade	41
Retail trade	237
Transportation and warehousing	28
Information	16
Finance and real estate	88
Education and health	92
Other services	151

Source: U.S Department of Commerce, U.S Census Bureau, 2002.

## TRAVEL TIME AND COMMUTING PATTERNS FOR WORKERS

The length of time it takes for one to travel to work can be used as an indicator for traffic congestion and can be used to gauge the degree to which a community is a “bedroom” community or an employment center. Montcalm County had a mean commute time of 28.2 minutes which suggests it is largely a bedroom community where people live in one place and work in another. Between 1990 and 2000, Montcalm County gained 5,807 workers over the age of sixteen. Figure 3-2 illustrates the number of commuters and their preference of how to get to work. In 1990, over 15,000 commuters traveled alone to work and over 20,000 traveled alone in 2000. At the same time the number of carpoolers increased from 2,644 in 1990 to 3,755 in 2000, a 42% increase (see Table 3-9). Although the percentage of those using public transit increased by 92%, the amount of public transit usage, in comparison to the total workforce, is extremely small. Figure 3-2 shows the increase in not only those who use varying vehicles to get to work, but an increase in those who travel to work alone. Table 3-10 illustrates the place of work for residents in Montcalm County between 1990 and 2000. Workers commuting outside of the county increased by 5,459 or 10.4% between 1990 and 2000, which means an increase in travel time and travel distance. If this trend continues, there will be an increased demand for road improvements to ease travel-related problems. This is particularly true of M-57 from Greenville to US-131.

Figure 3-2  
**Travel Patterns in Montcalm County, 1990-2000**



Source: US Census Bureau.

Table 3-9  
**Commuting Preferences in Montcalm County, 1990-2000**

Travel Patterns	1990	2000	Change	
			Total	%
Workers 16 and over	20,120	25,927	5,807	28.9%
Drive Alone	15,605	20,179	4,574	29.3%
In Carpools	2,644	3,755	1,111	42.0%
Public Transit	14	27	13	92.9%
Walked or worked at home	1,577	1,758	181	11.5%
Used other means	280	208	-72	-25.7%

Source: U.S Census Bureau.

Table 3-10  
**Place of Work for Montcalm County Residents, 1990-2000**

	1990		2000	
	Total	%	Total	%
Total Workers	20,120		25,927	
Worked in County of Residence	13,689	68.3	14,967	57.9
Worked Outside County of Residence	6,348	31.7	10,897	42.1
Worked Outside State of Residence	83	0.4	63	0.2

Source: US Census Bureau.

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