

The Current Economic Conditions

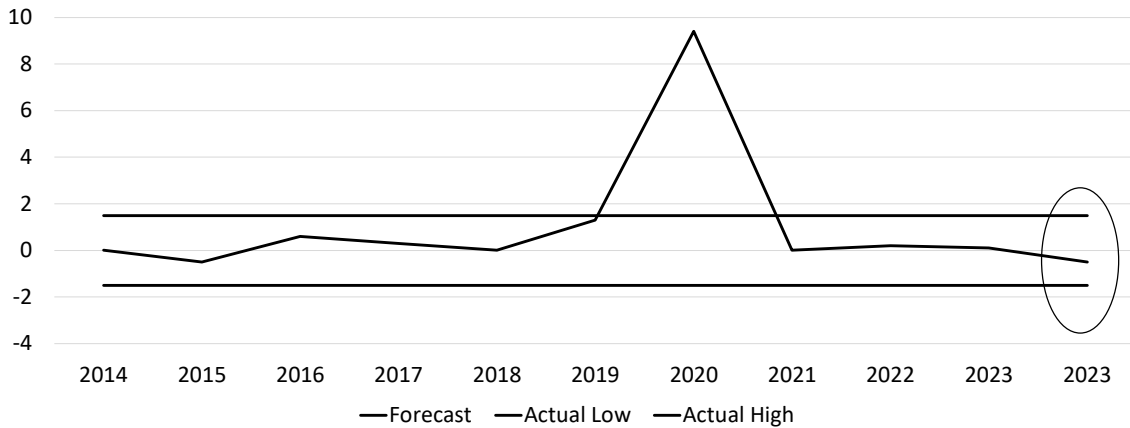
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How We Did Last Year - Employment

Difference Between Forecast and Actual Employment Growth
In West Michigan



Source: BLS and Isely calculations




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Uncertainty

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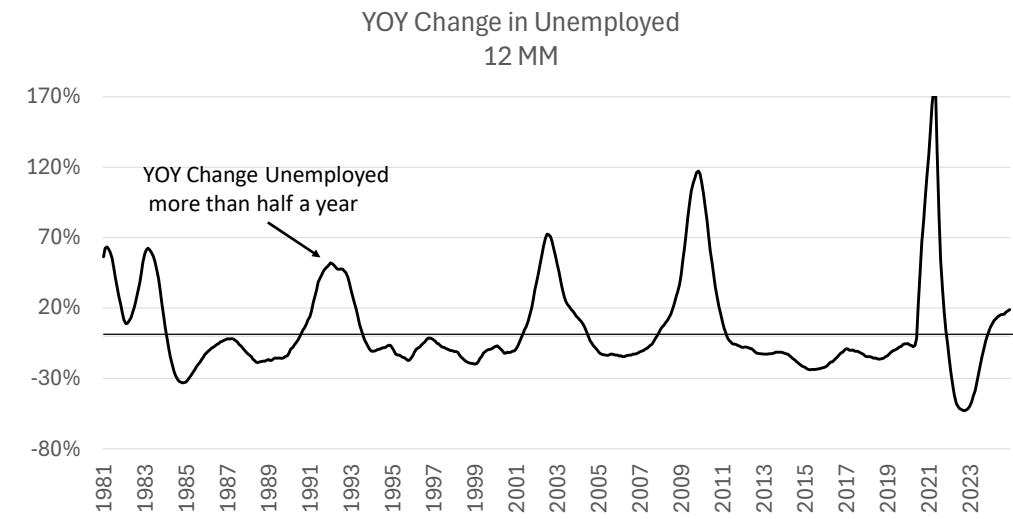
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Consumers Uncertainty

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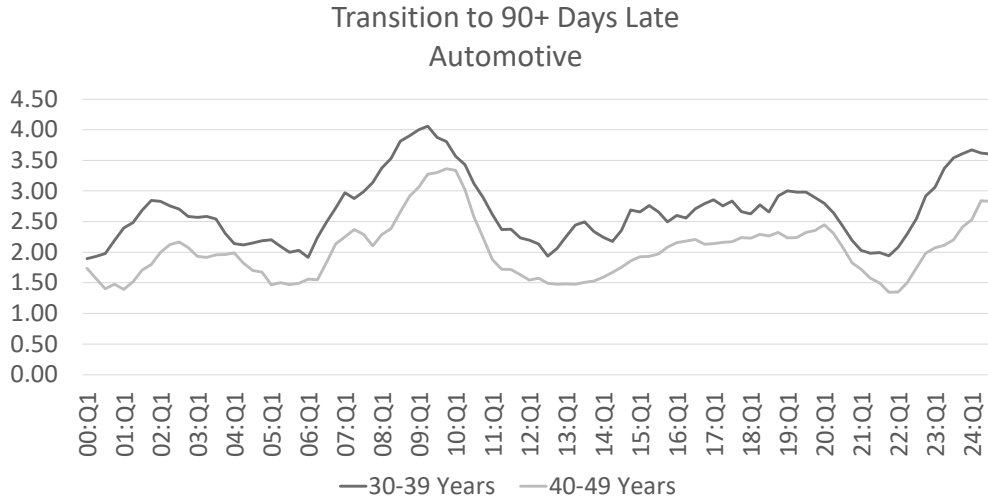
Job Uncertainty



Source: BLS with author calculations

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Problems With Debt

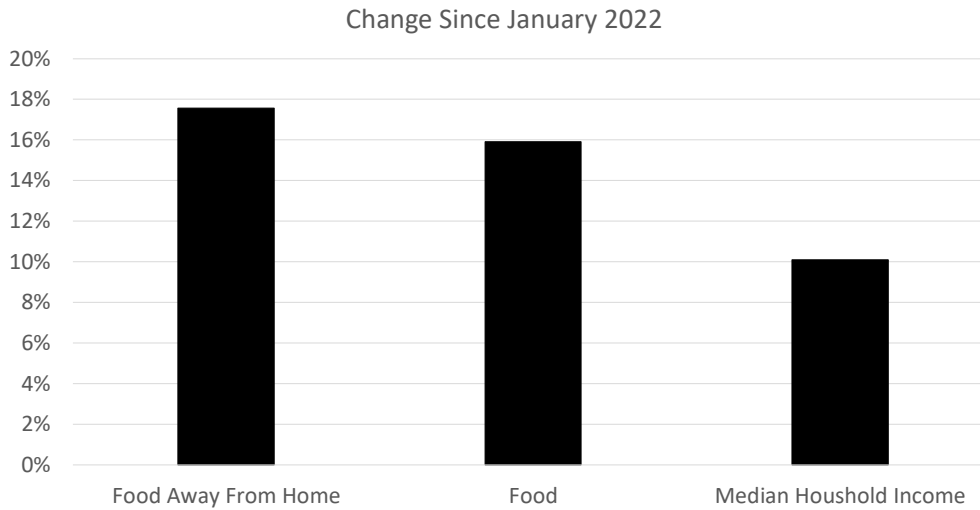


Source: New York Fed Consumer Credit



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Wages vs Food Cost West Michigan

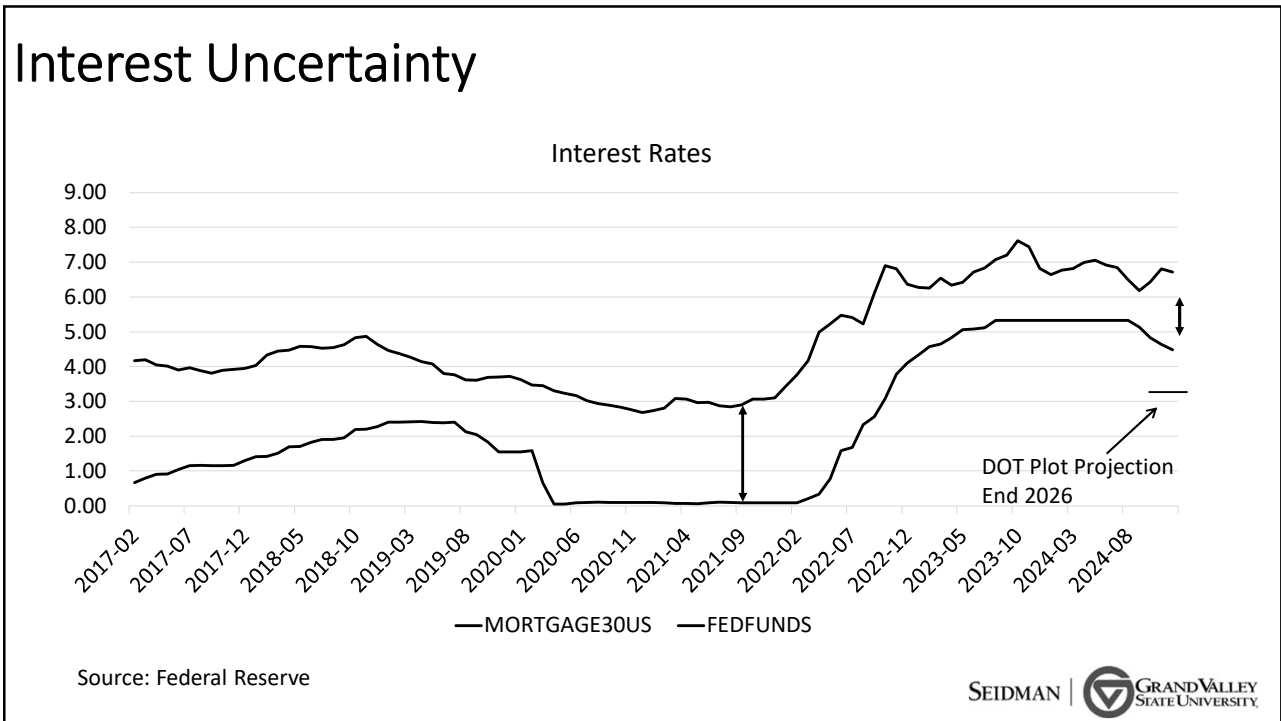


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Business Uncertainty

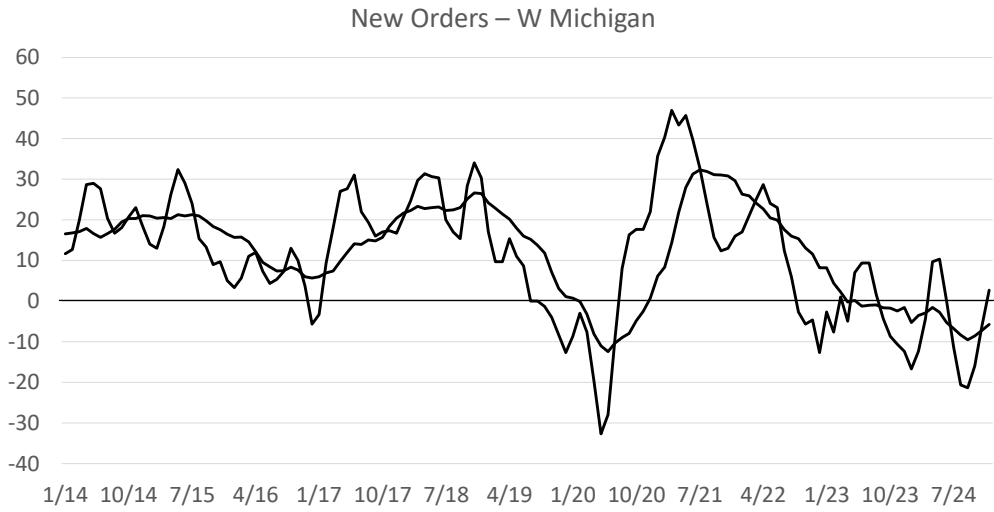


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Orders Uncertainty



Source: GVSU PMI Survey



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Government Uncertainty



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Tariffs

- 25% on Canada
- 25% on Mexico
- 10% on China
- 38% of imports from these three countries are auto supply chain
- Companies have already been adjusting

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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

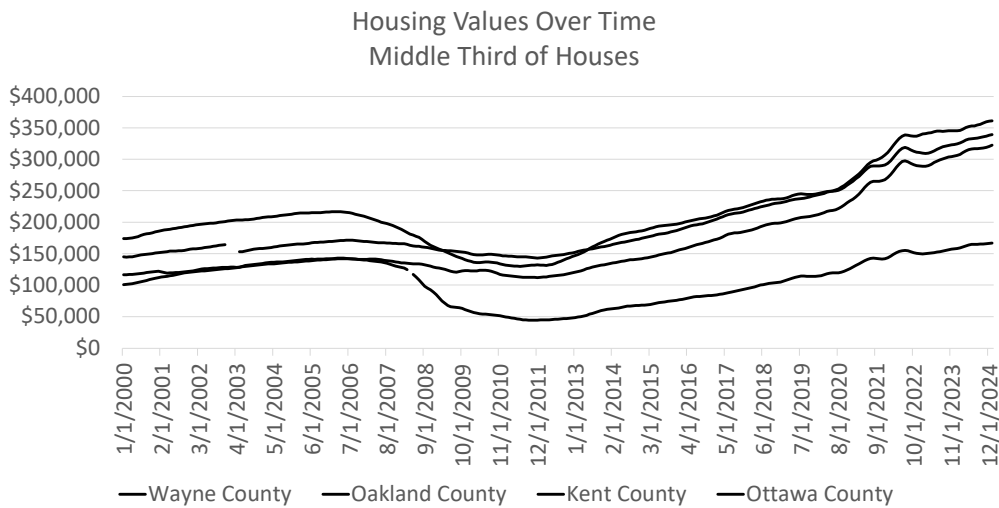
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Uncertainty Finding Housing



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Housing Price Increase Have Flattened

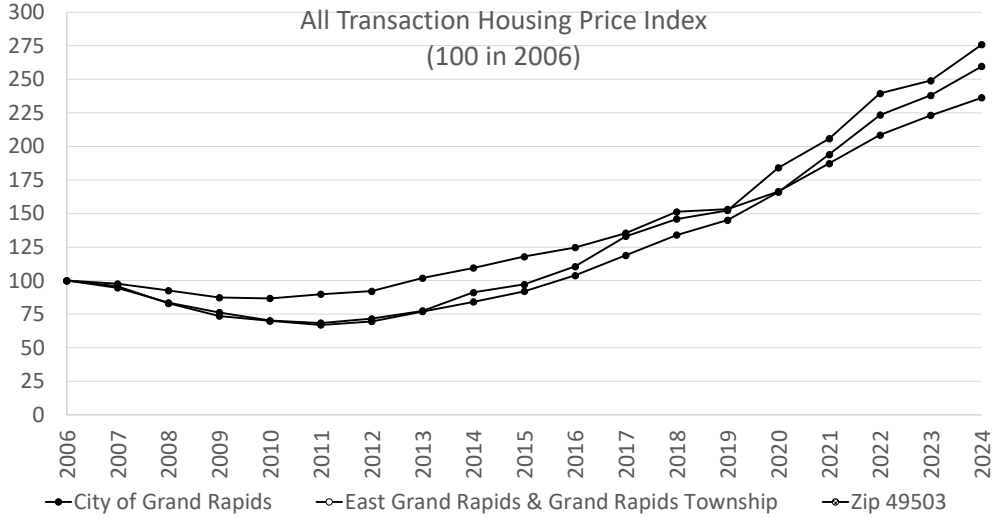


Source: Zillow Price Index



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Not Seeing Same Thing For All Sales

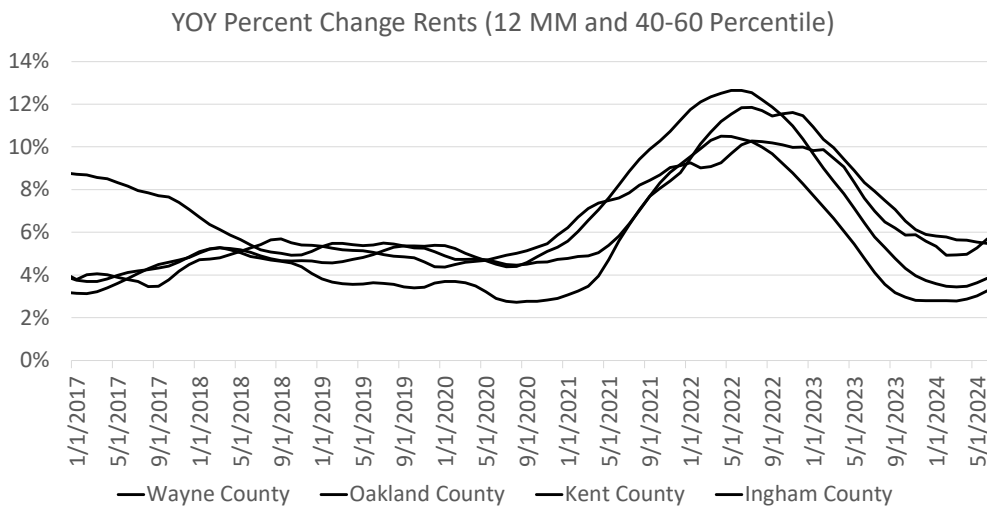


Source: Laudo Ogura



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Rent Increases Weakened



Source: Zillow Data and Isely Calculations



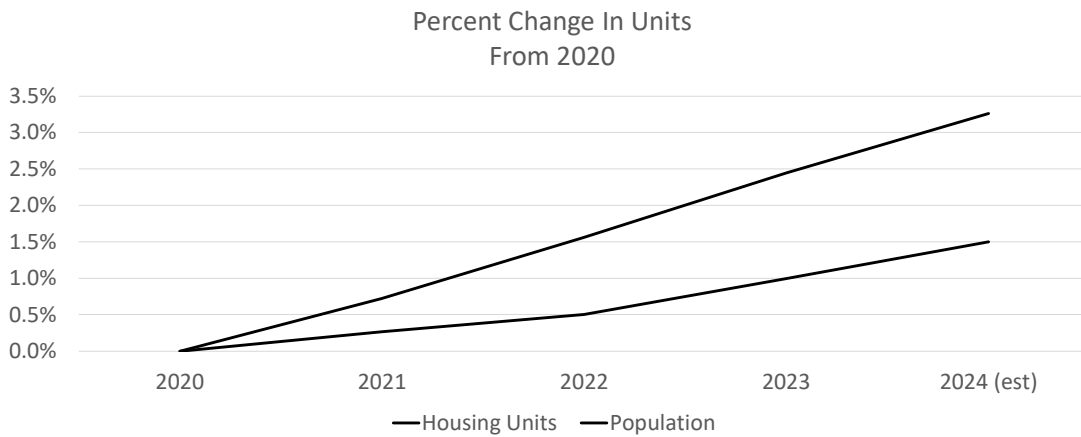
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Housing Going Forward



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New Housing Outpacing Population Growth In West Michigan

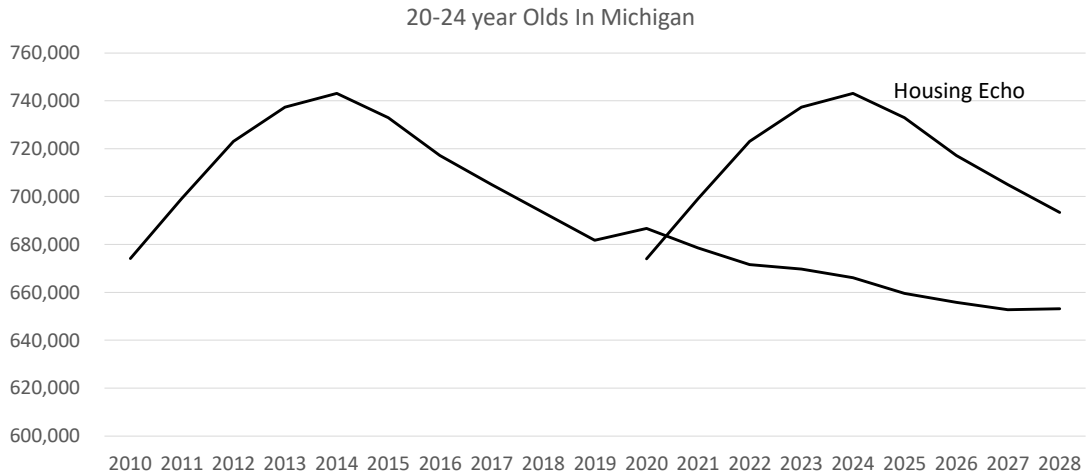


Source: Census and Author Calculations



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Demographics Increasing Both Wages and Housing Costs



Source: Census and Isely Calculations



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Housing Price Changes Since 2000



Source: FHA via FRED



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Uncertainty Likely Decreasing
During 2025

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Take Aways

- **Consumers still stressed, but making it work still**
- **Housing pressures will continue for a few years**
- **Changes in productivity making us better off.... but**
- **Starting to see uncertainty's hold on the economy weaken**