

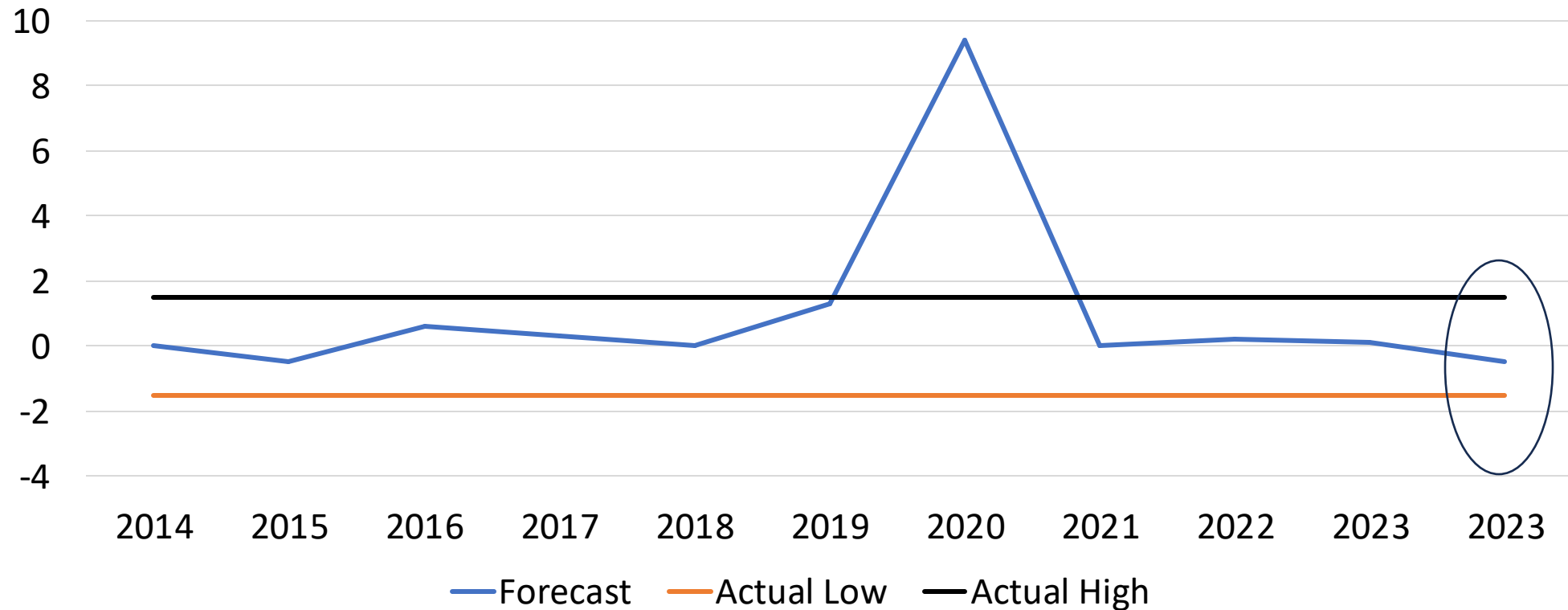
# THE CURRENT ECONOMIC CONDITIONS

DR. PAUL ISELY  
ASSOCIATE DEAN AND PROFESSOR OF ECONOMICS  
SEIDMAN COLLEGE OF BUSINESS AT GVSU



# HOW WE DID LAST YEAR - EMPLOYMENT

Difference Between Forecast and Actual Employment Growth  
In West Michigan



Source:

**DO NOT FREEZE  
BECAUSE OF UNCERTAINTY**



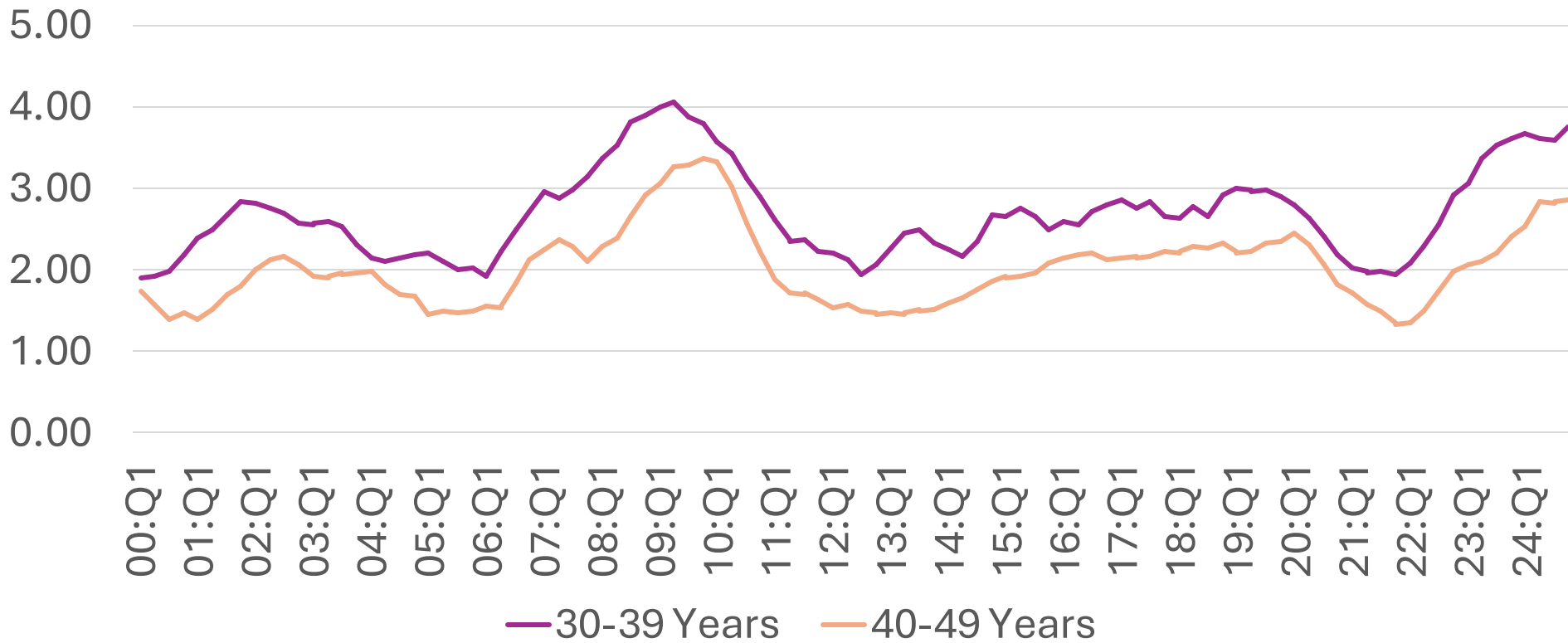


# CONSUMERS ARE MAXED AND WORRIED



# PROBLEMS WITH DEBT

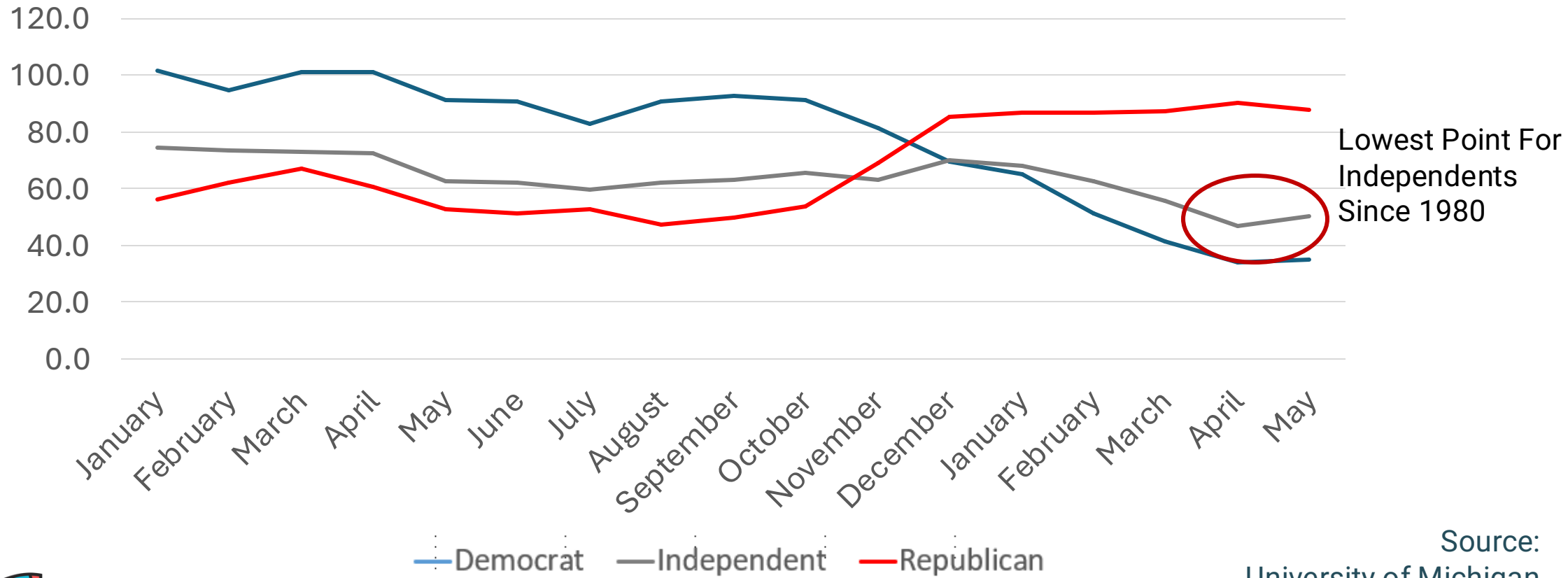
## Transition to 90+ Days Late Automotive



Source:  
New York Fed Consumer Credit

# PARTY MATTERS

## Consumer Sentiment By Party (2024 – Present)



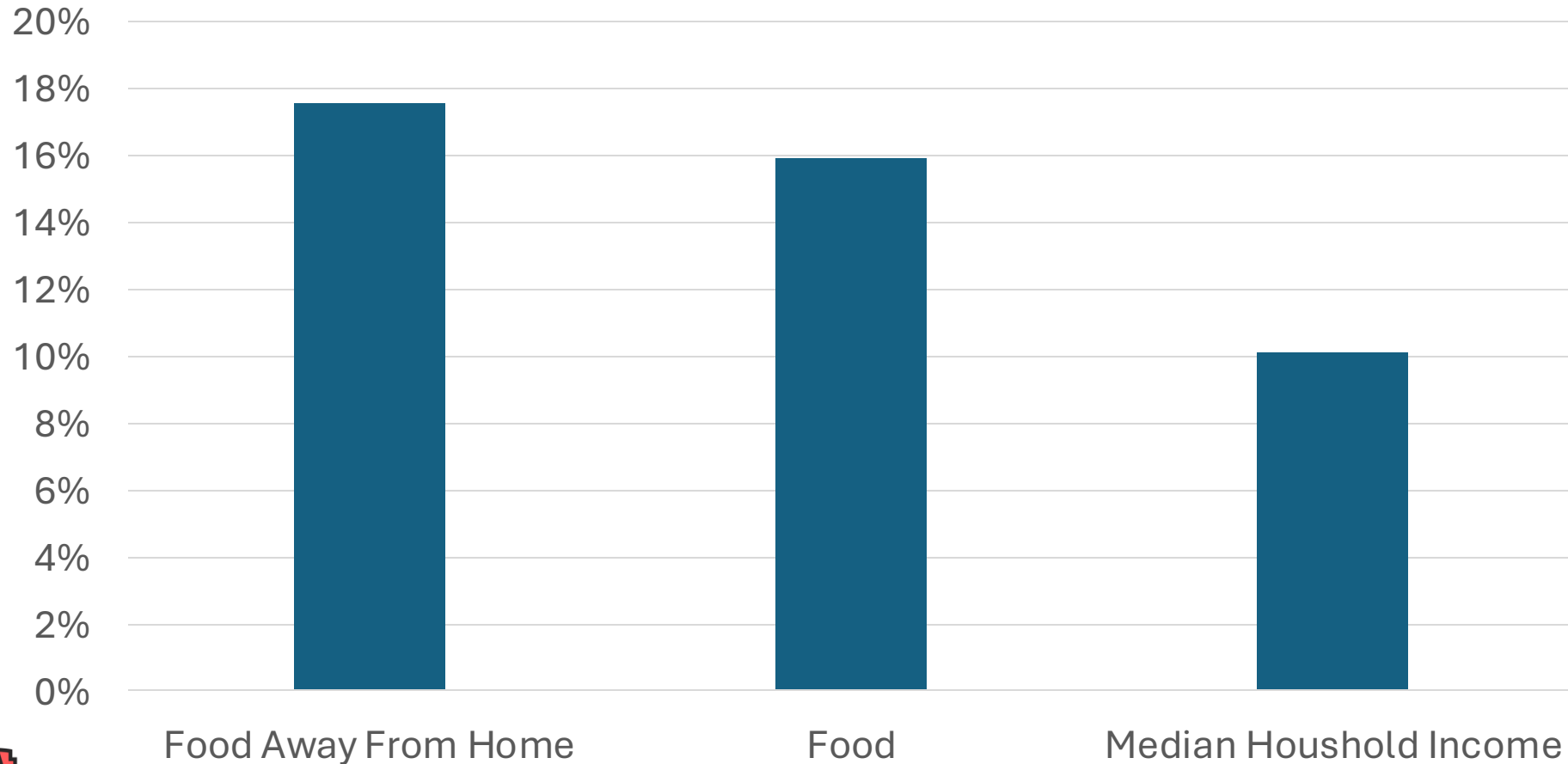
Source:

University of Michigan



# WAGES VS. FOOD - WEST MICHIGAN

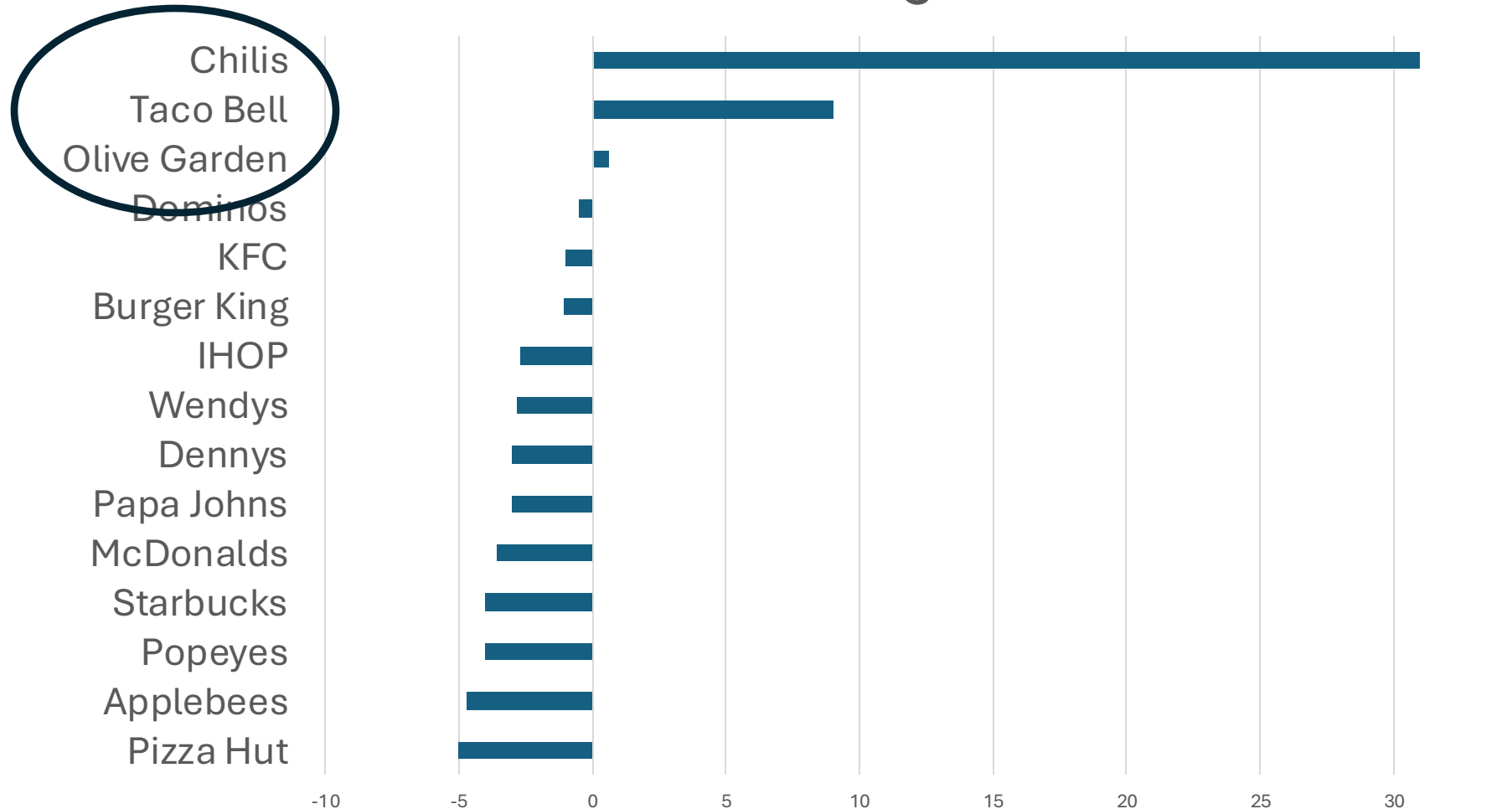
Change Since January 2022



Source:  
ACS and BLS

# WAGES VS. FOOD - WEST MICHIGAN

Quarter One Change in Sales



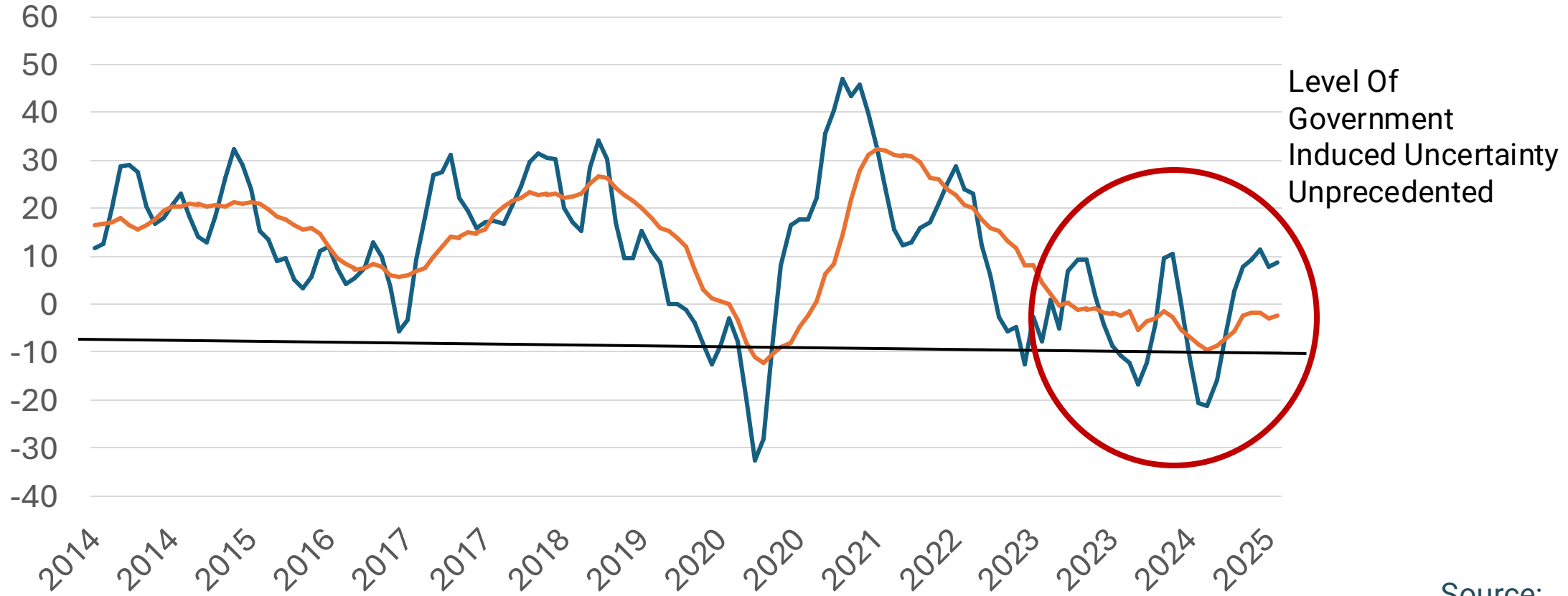
Source:  
Corp  
Statements

# COMPANIES ARE RESPONDING TO MAJOR DISRUPTORS



# EFFECT OF DISRUPTORS

New Orders – W Michigan



Level Of  
Government  
Induced Uncertainty  
Unprecedented

Source:

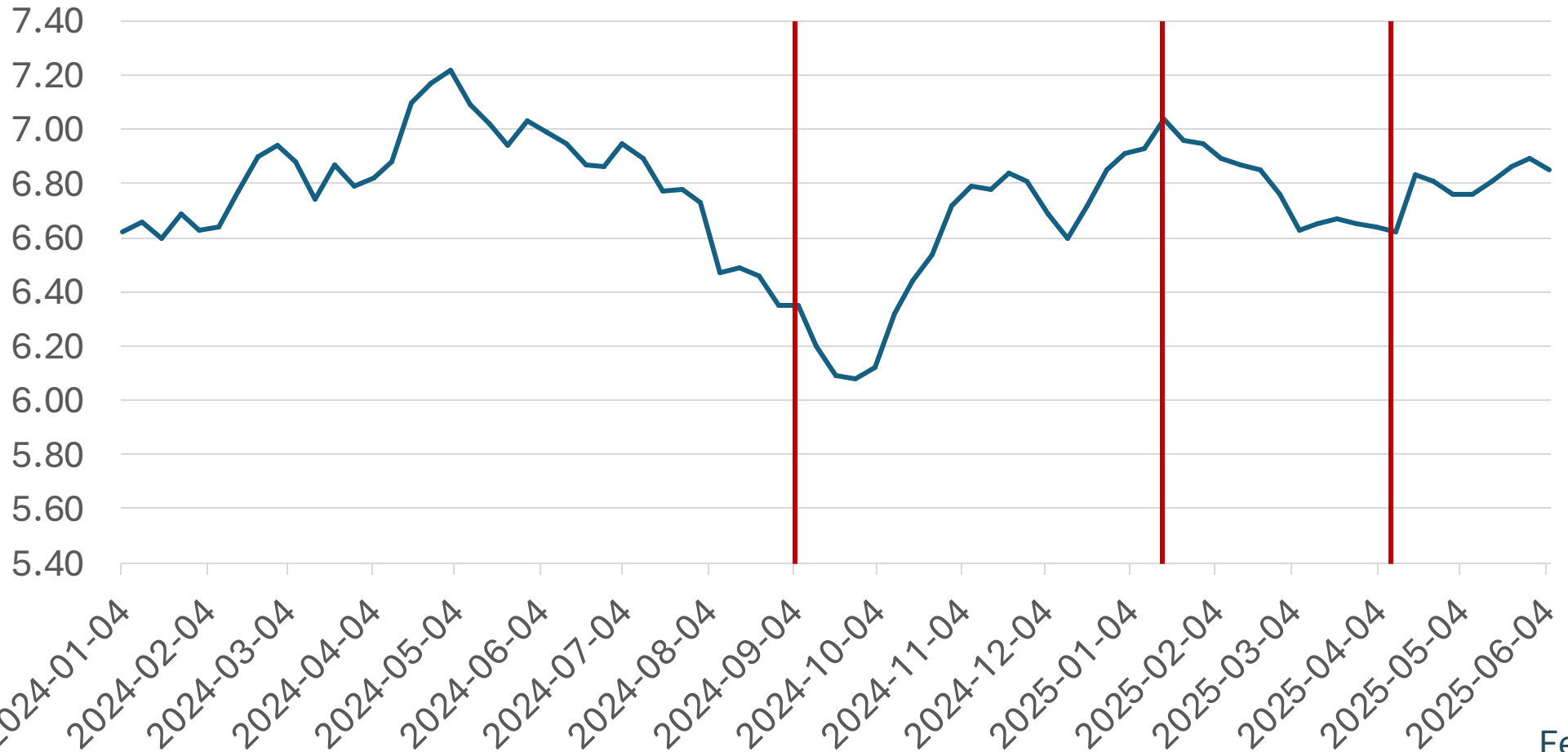
GVSU DPMI SURVEY



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OF BUSINESS**  
GRAND VALLEY STATE UNIVERSITY®

# INTEREST RATE DISRUPTER

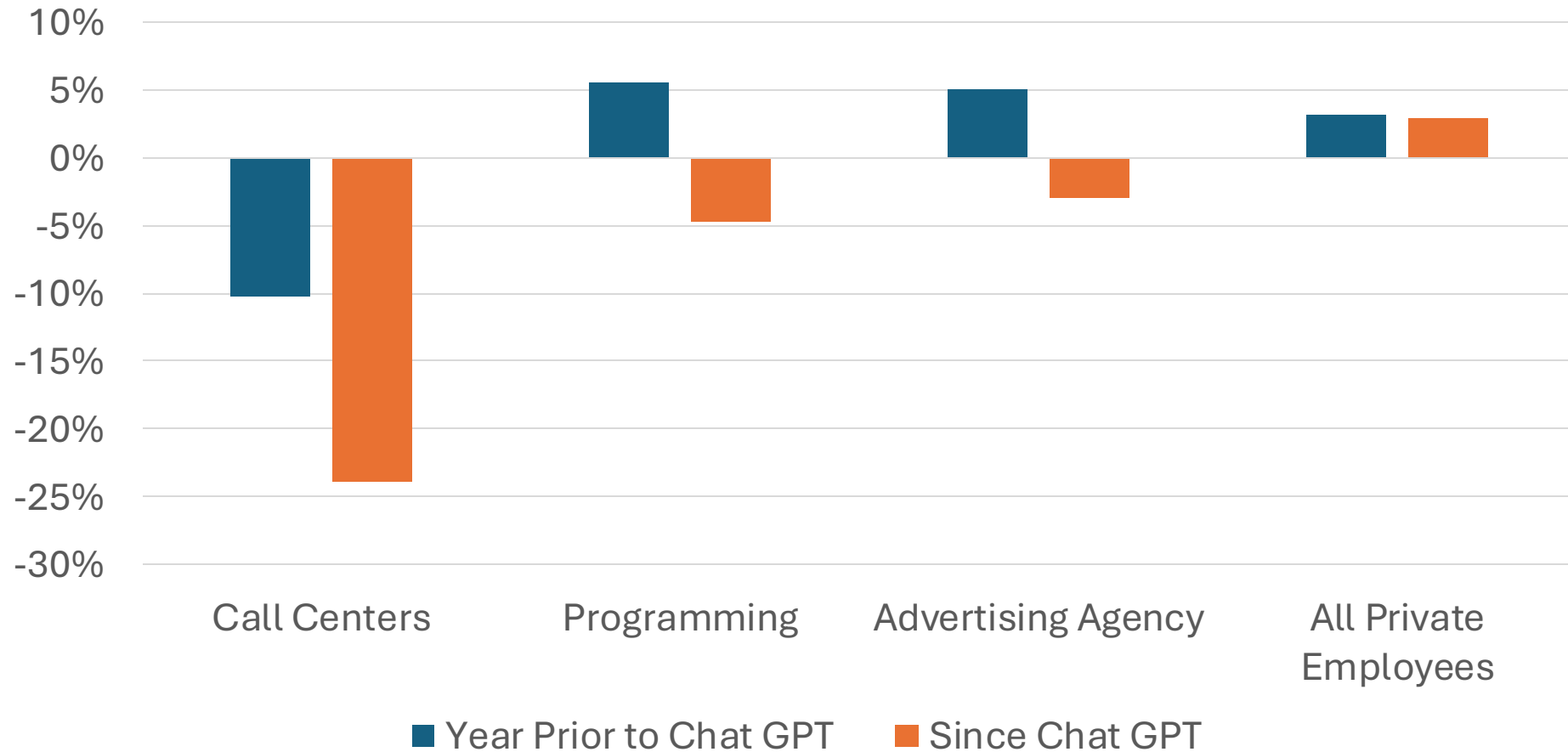
## 30 Year Mortgage Rate



Source:  
Federal Reserve

# AI DISRUPTOR

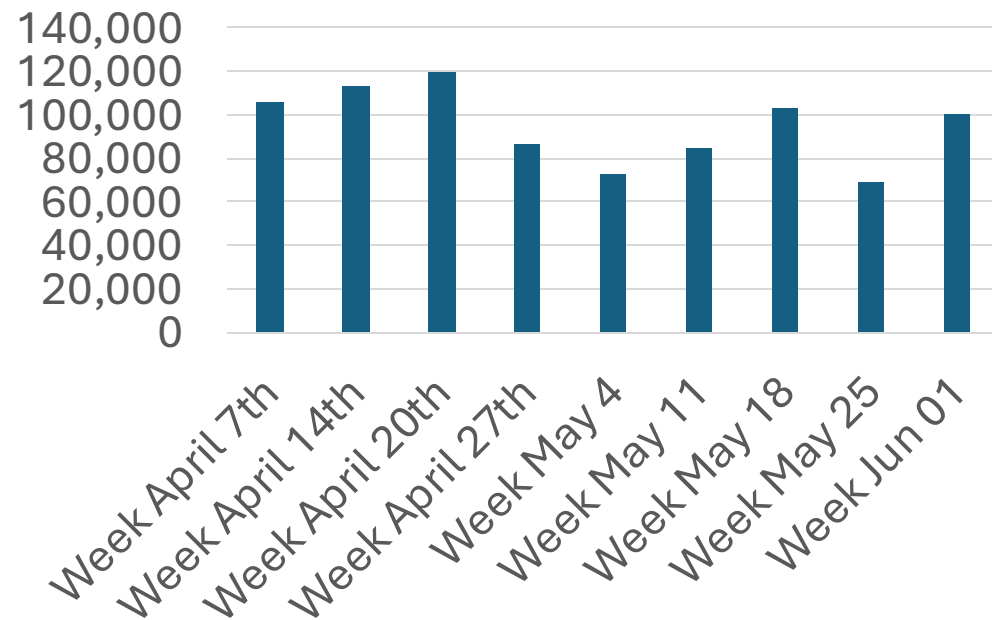
AI Already Having Dramatic Effect On Employment



Source:  
BLS

# TARIFFS DISRUPTOR

Number of Twenty Foot  
Equivalent Containers Arriving at  
Port of Los Angeles



- Running 7% ahead through week of April 20<sup>th</sup>
- Running 3.92% ahead on June 6<sup>th</sup>

Source:

Port Optimizer



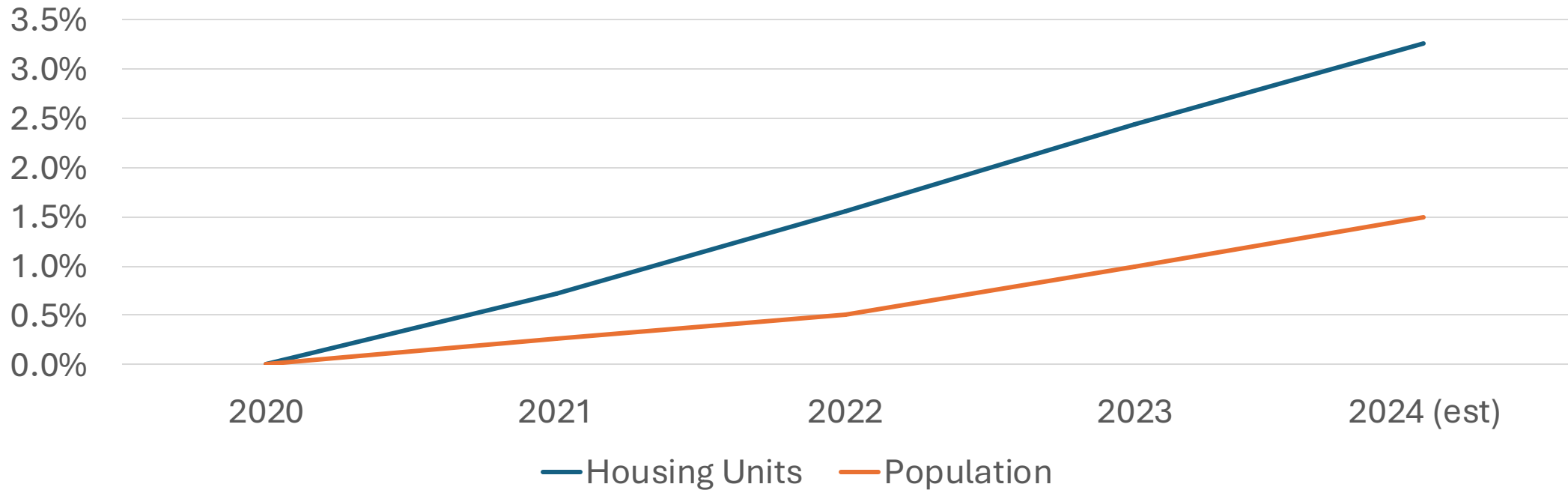
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# REAL ESTATE



# NEW HOUSING OUTPACING POPULATION GROWTH IN WEST MICHIGAN

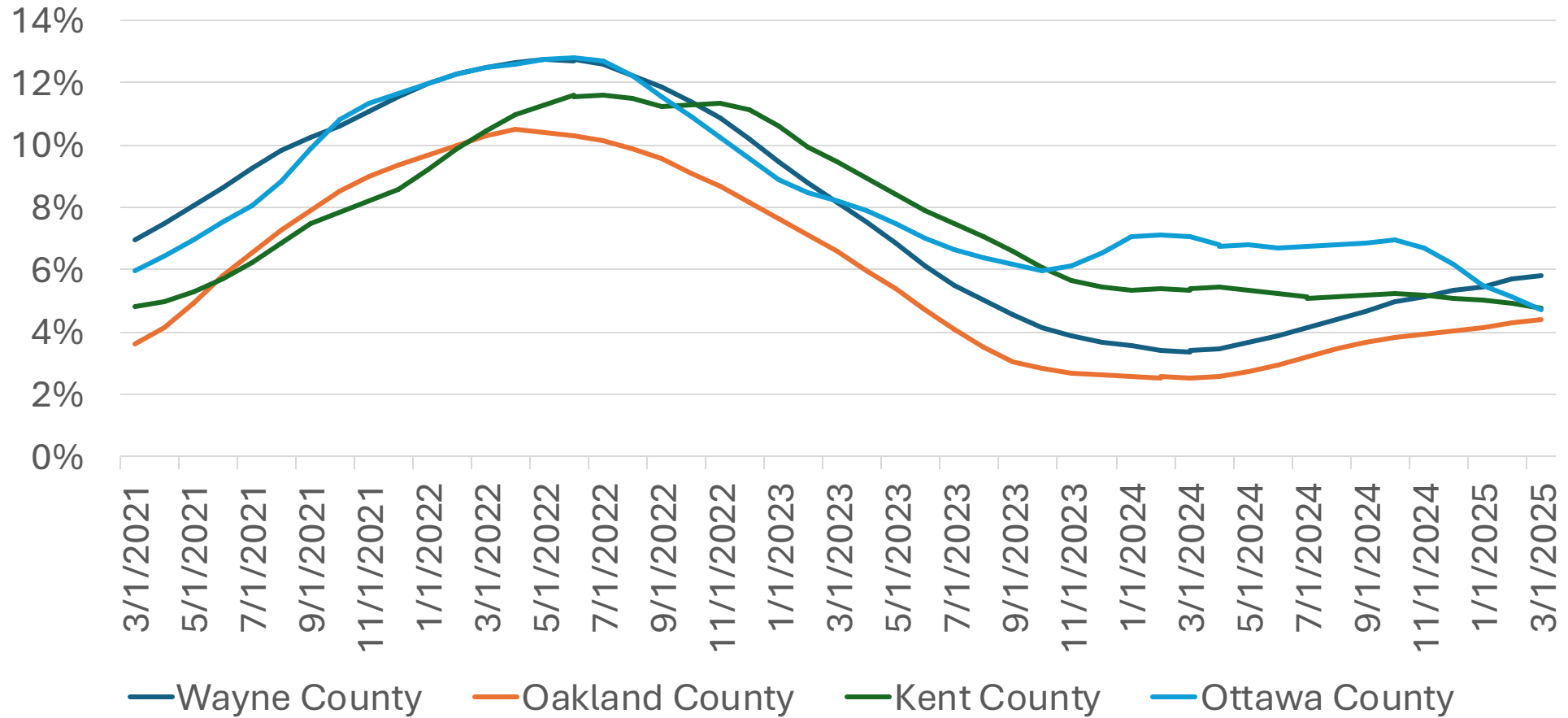
Percent Change In Units  
From 2020



Source:  
Census and Author Calculations

# RENT INCREASE WEAKENED

YOY Percent Change Rents (12MM and 40-60 Percentile)



Source:  
Zillow Data and Isely Calculations

# ONE BIG BEAUTIFUL BILL ACT



# ANNUALIZED ADMINISTRATION EFFECT SO FAR

<b>What the Administration Wants to Fund</b>		
Cost of Tax Cuts Proposed	\$380 billion	
Stable Deficit	\$250 billion	
<b>Administration Cuts</b>		
Force Reduction To Date	\$60 billion	
Cuts claimed by DOGE	\$95 billion	
Medicaid Cuts	\$70 billion	
SNAP Cuts	\$27 billion	
<b>Administration current Tariffs</b>		
Trade Weighted 12%	\$400 Billion	
<b>Additional Needs</b>	<b>\$0 Billion</b>	

Source:

DOGE, White House, Tax Federation, and Author calculations



# OVERALL



# THE PROBLEM - ADJUSTMENT TO GROWTH FROM POLICIES

<b>Initial GDP Growth</b>	<b>2% to 3%</b>
Consumption	-1.0%
Investment	-1.0%
Government Spending	-0.5%
Net Exports	-0.1%
<b>New GDP Growth</b>	<b>-.6% to .4%</b>



# TAKE AWAYS

- Consumers still stressed and starting to freak out
- Tariffs will begin to cause disruption in June
- Interest rates will be elevated – even if there are Fed rate cuts
- “Red” areas will be willing to take riskier investments
- Population growth continues to support housing investment in West Michigan
- Strategically take advantage of the likely 3<sup>rd</sup> quarter slowdown

