

THE CURRENT ECONOMIC CONDITIONS

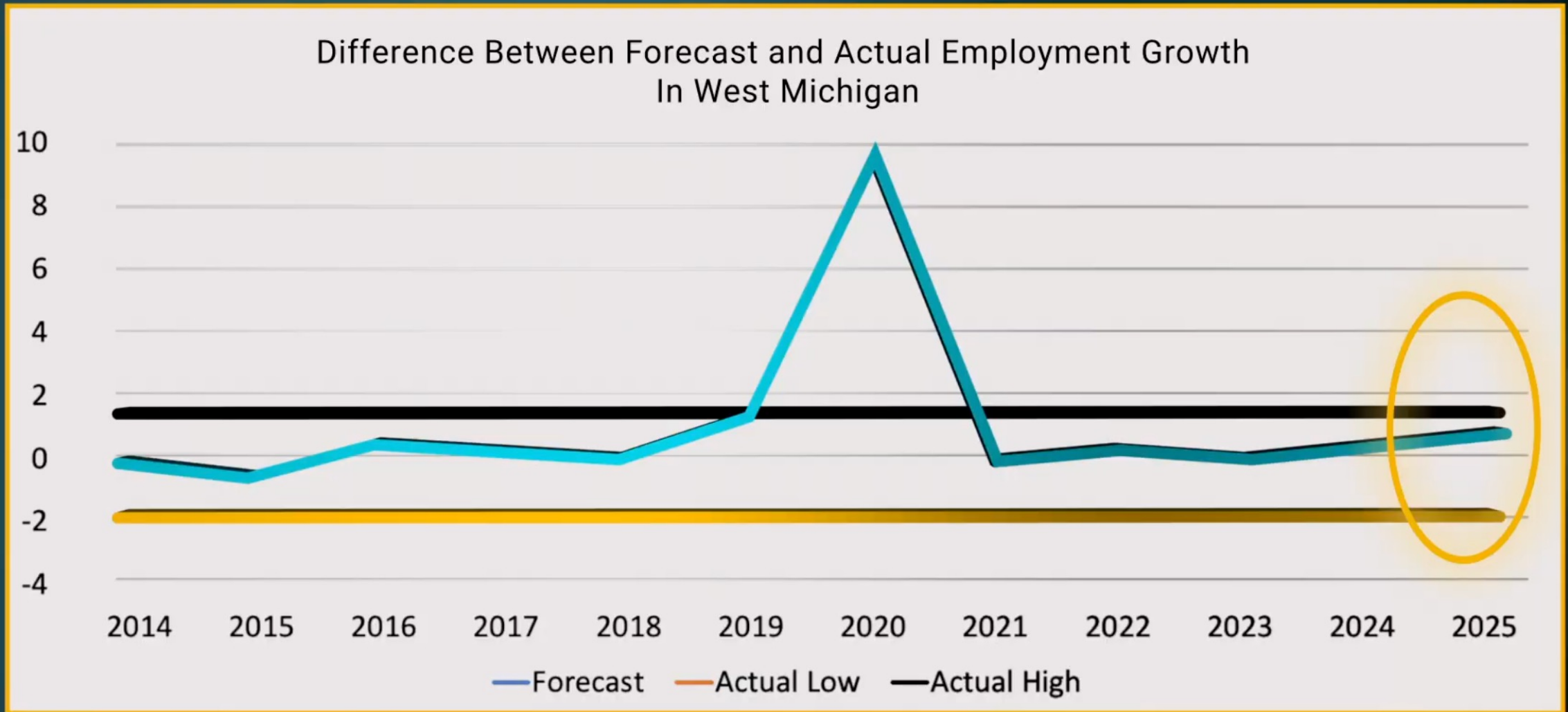
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HOW WE DID LAST YEAR - EMPLOYMENT



Source: BLS and Isely calculations

SLOW

CONSUMERS ARE SLOWING

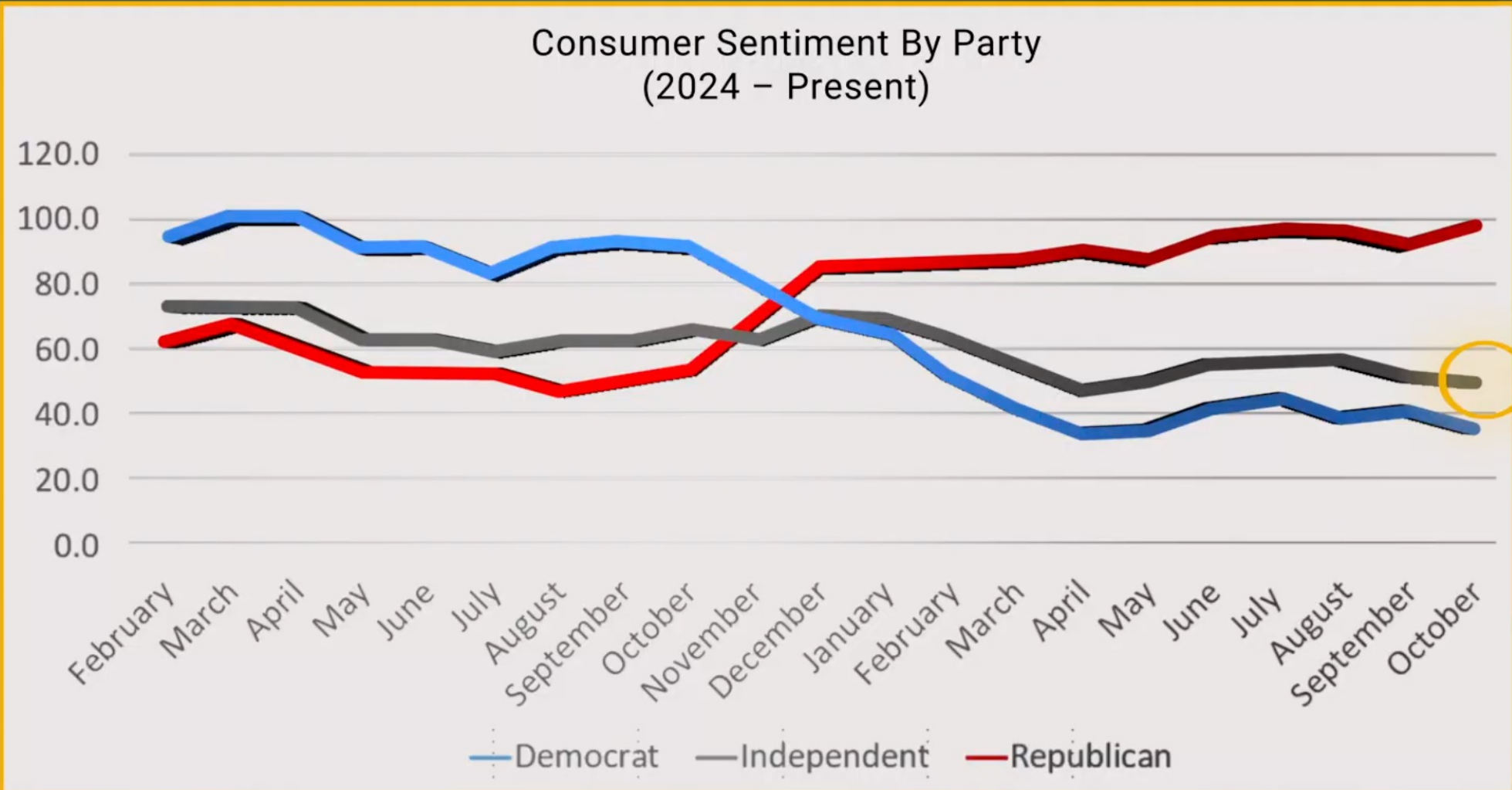
BUSINESS IS SLOWING

GOVERNMENT IS SLOWING BUSINESS INVESTMENT

AI SLOWING EMPLOYMENT

CONSUMERS ARE SLOWING

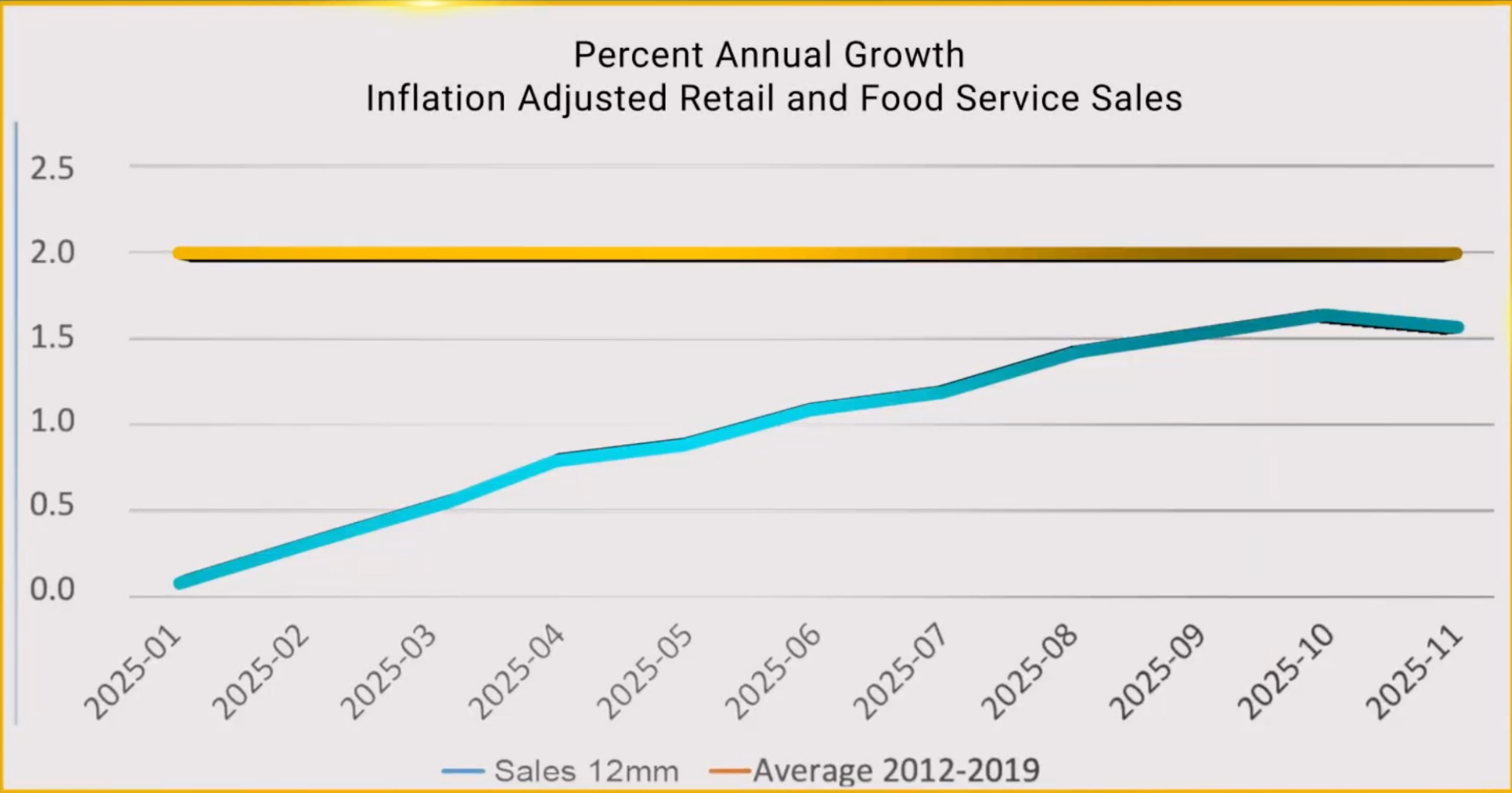
PARTY MATTERS



Lowest Point For Independents Since 1980

Source: University of Michigan

RETAIL SALES GROWING SLOWER THAN NORMAL AND SLOWING

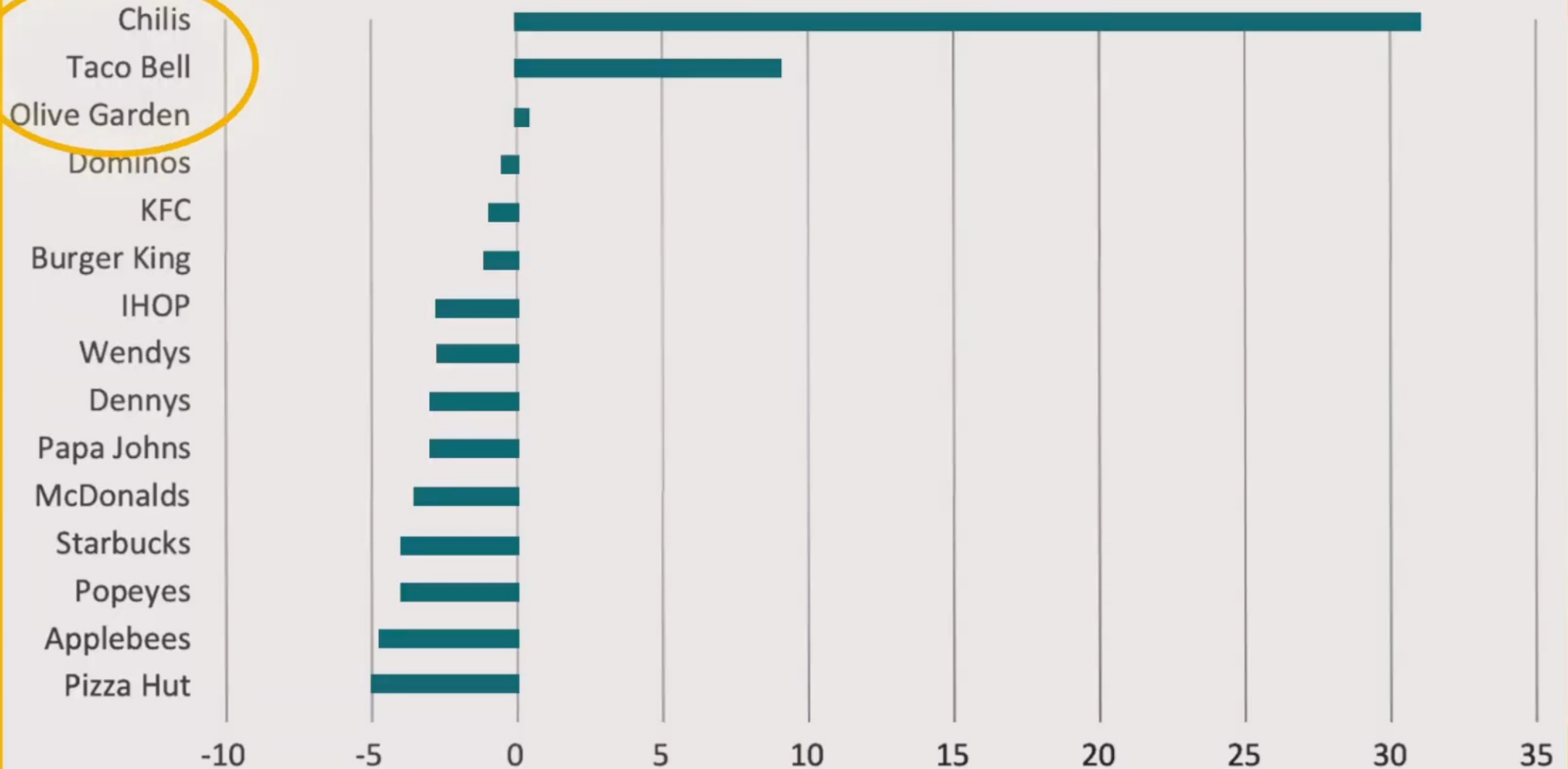


Source: Federal Reserve Bank of St Louis

Source:
Corp Statements

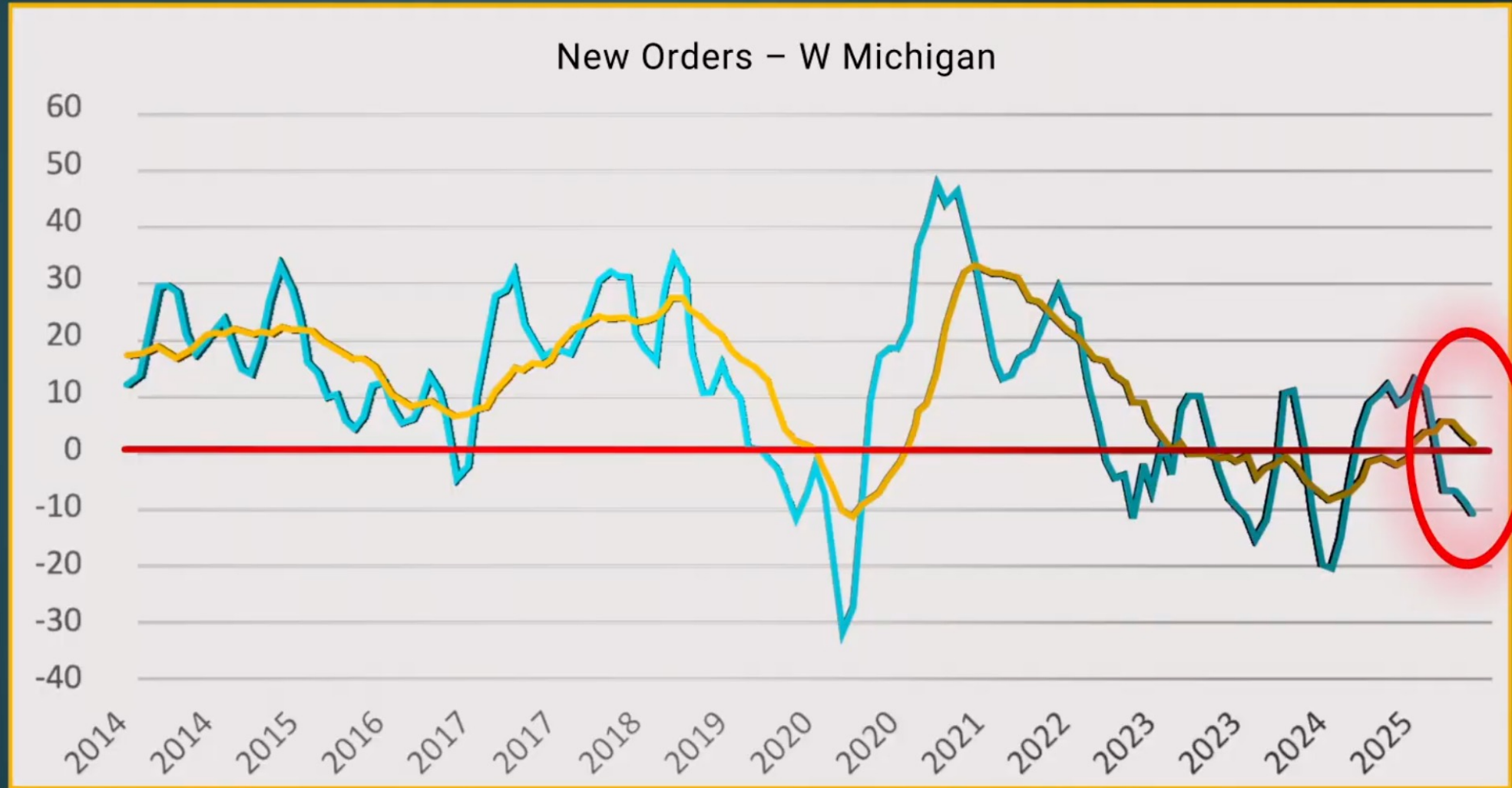
SALES SHOW THE EFFECT

Quarter One 2025 - YOY Change in Sales



BUSINESS IS SLOWING

MANUFACTURING SLOWING AGAIN



Source: GVSU PMI Survey

INTEREST RATE DISRUPTER

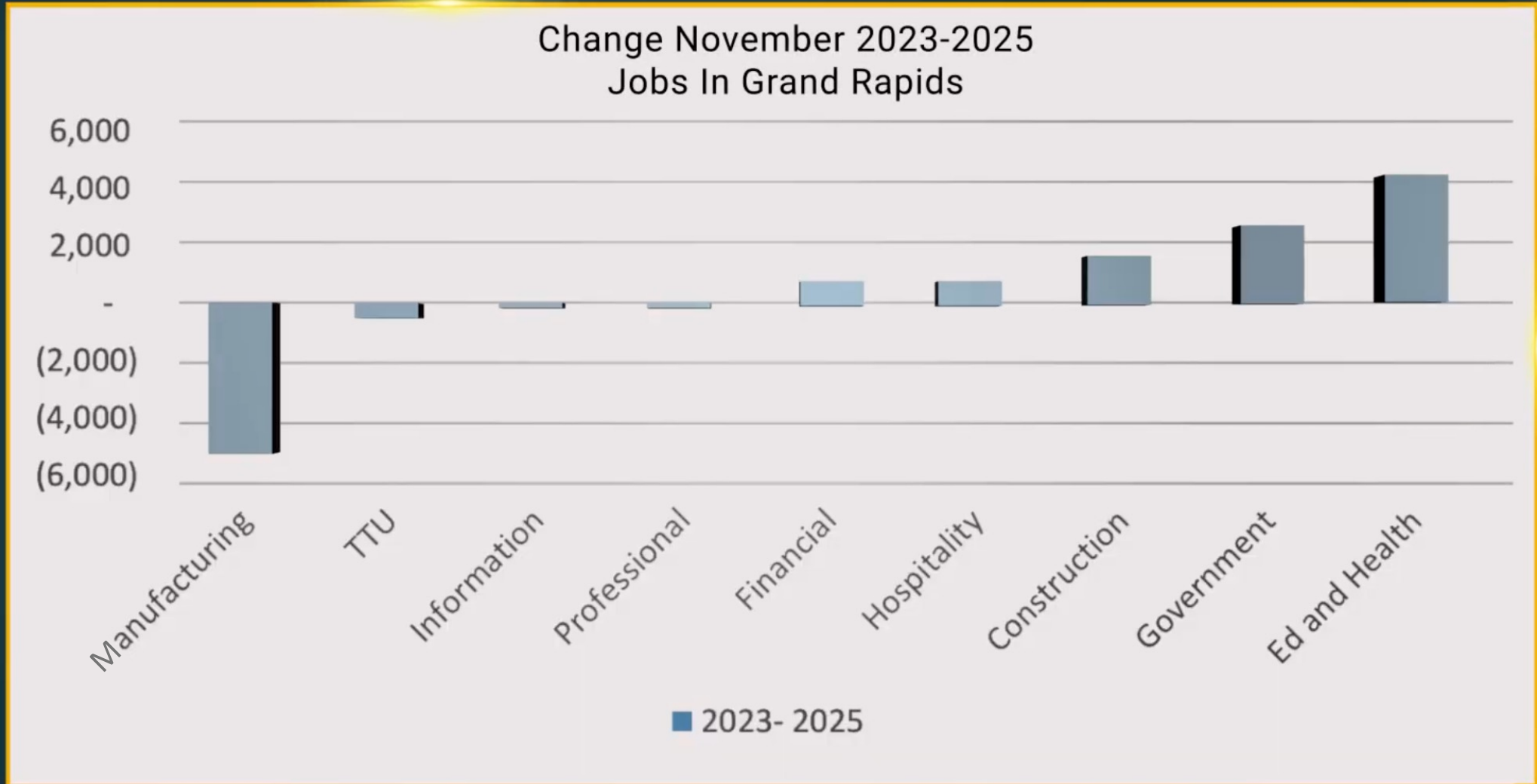
30 Year Mortgage Rate



Dollar Flight
Holding
Interest Rates
Higher Than
They Should Be

Source: Federal Reserve

MANUFACTURING EMPLOYMENT DROPPING

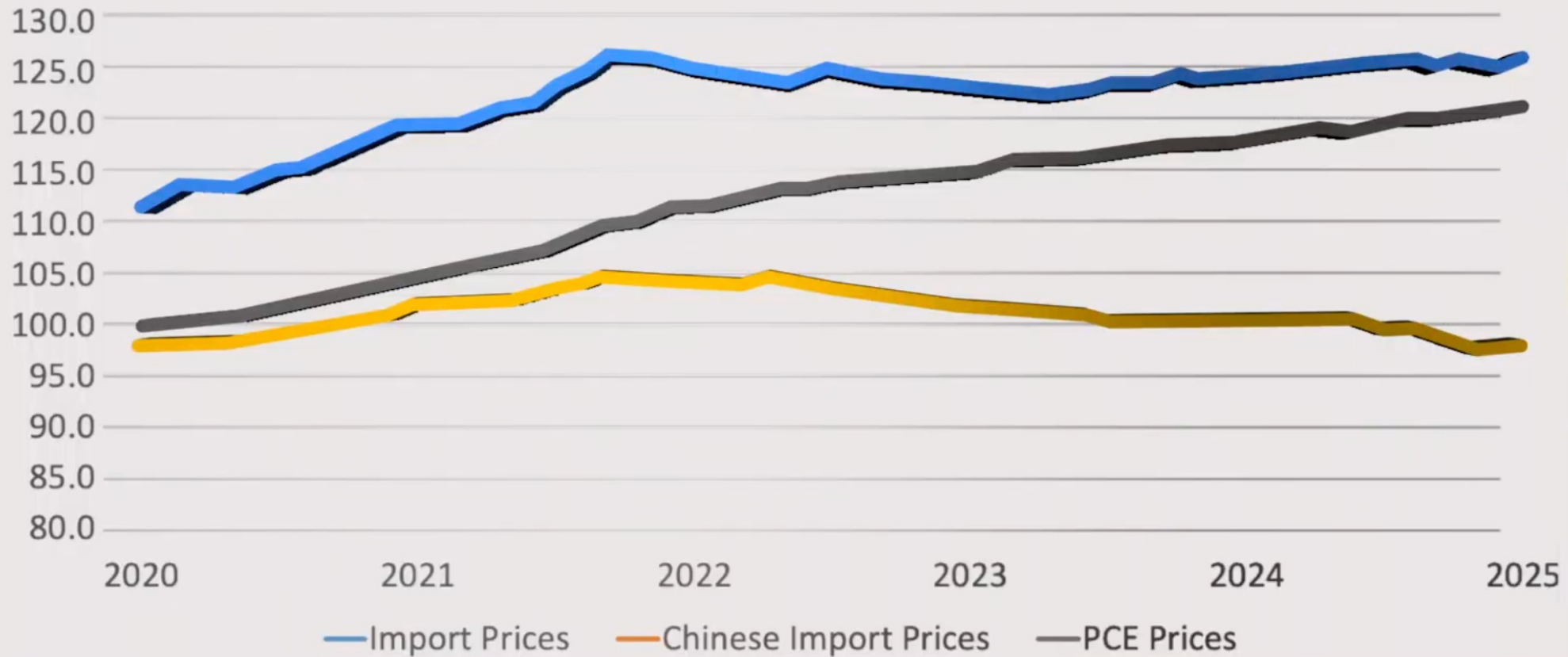


Source: Isely – Chamber Survey

**GOVERNMENT IS SLOWING
BUSINESS INVESTMENT**

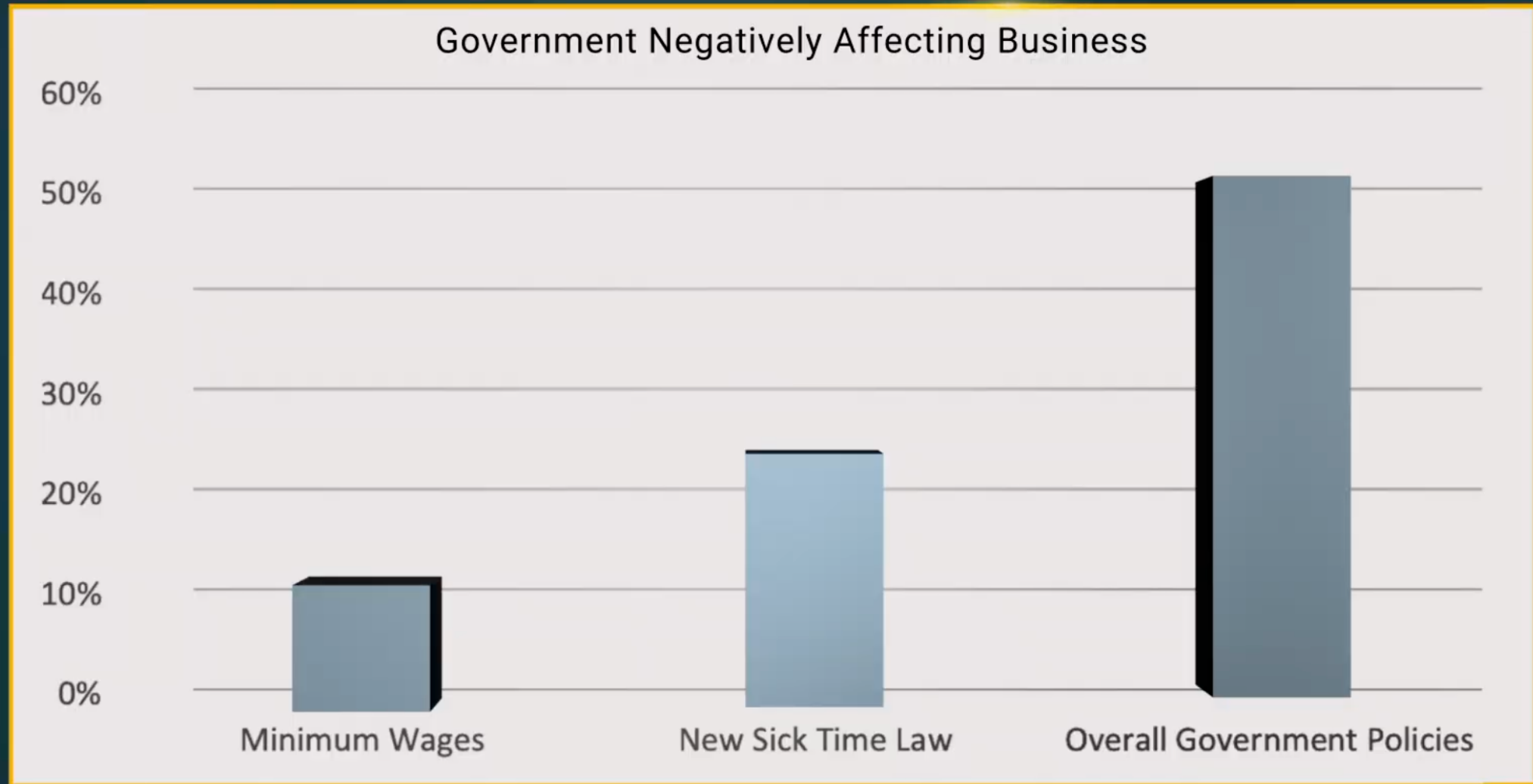
TARIFFS THINNING MARGINS

Foreign Companies/Countries Not Paying the Tariffs
US Corporations Are



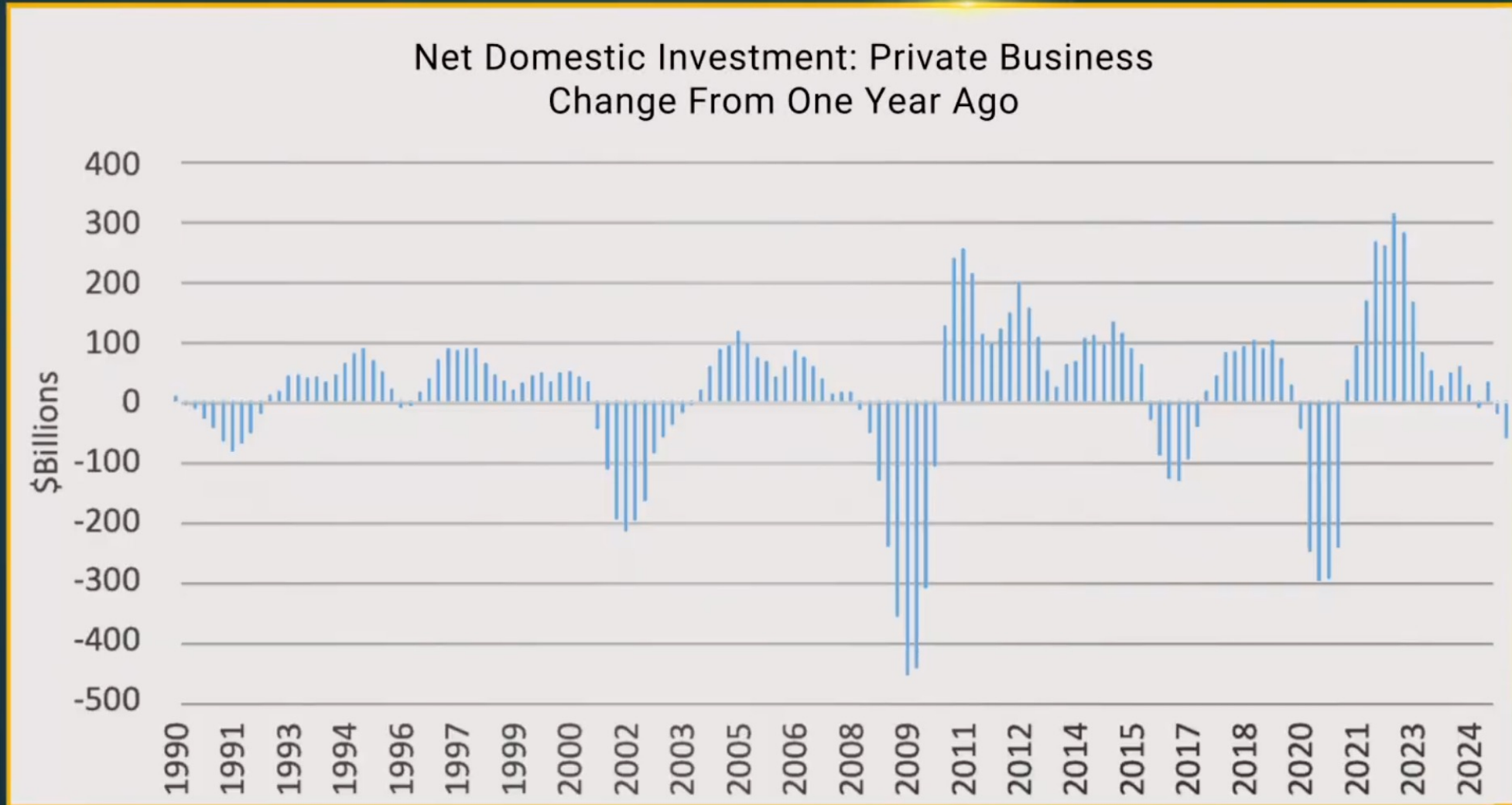
Source: BEA and BLS

STATE OF MICHIGAN POLICIES



Source: Isely – Chamber Survey

NET INVESTMENT SLOWING - EVEN WITH AI INVESTMENT

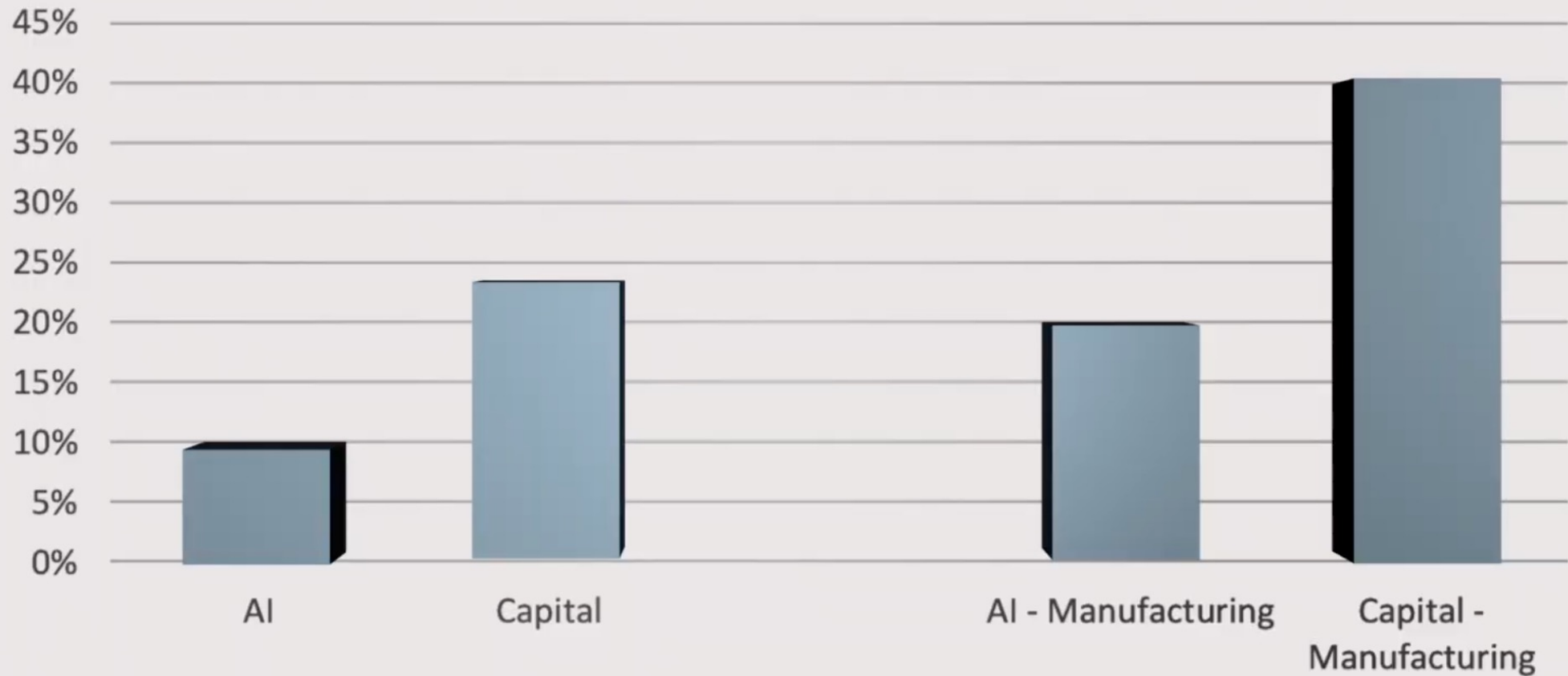


Source: BEA

**AI AND AUTOMATION
SLOWING EMPLOYMENT**

DECREASING NEED FOR LABOR

Percent of Firms Using AI or Capital to Reduce Workforce
In West Michigan



Source: Isely – Chamber Survey

AI AND COST CUTTING INCREASING PRODUCTIVITY

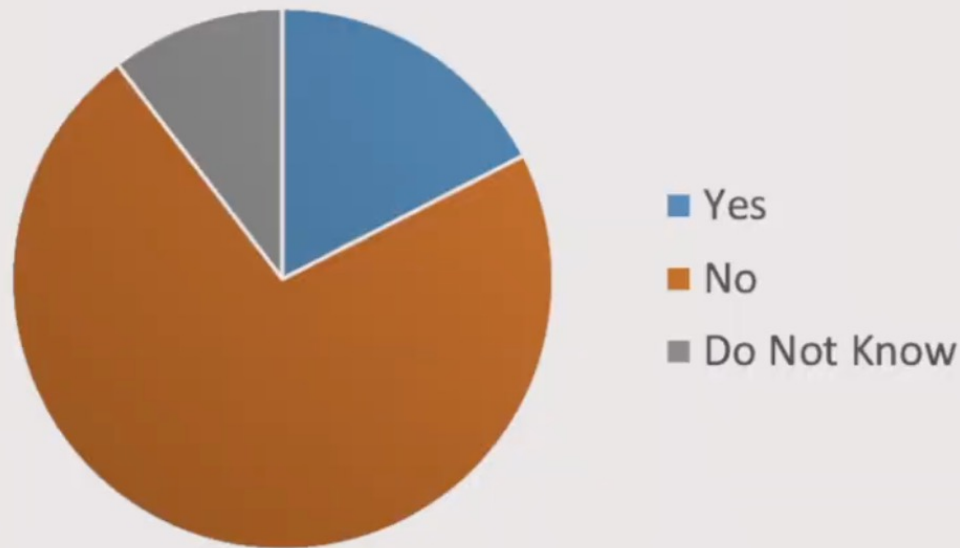


Source: BLS and Isely Calculations

ONLY 1/6TH OF AI CHANGES TO WORKFORCE DONE

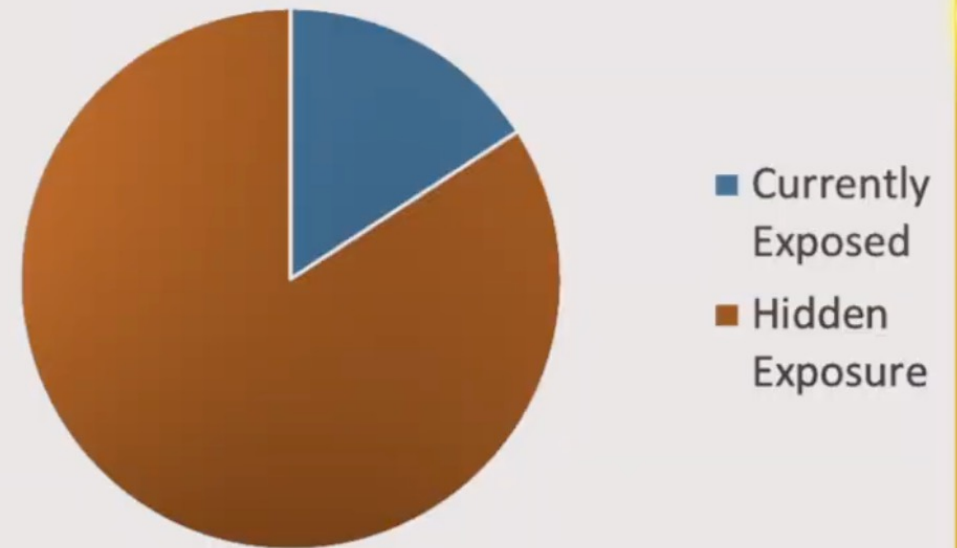
Census BTOS Survey

Use Artificial Intelligence in any of its business functions?



MIT Iceberg Study

13.9% Of Jobs Exposed to Current AI Tools



Source: Census and MIT with Author Calculations

OVERALL - SLOW GROWTH EXPECTED

Survey Results	2025	Actual(2025)	2026
Current Business Confidence	69.0%		72.4%
Future Business Confidence	73.0%		71.0%
Sales Growth ¹	3.1-3.6%	4.0%	3.2%
Employment Growth ²	1.0-1.6%	0.4%	0.2%
Wage Growth ²	3.0-3.4%	3.4%	3.5%
Inflation (adj) ³	2.5-3.0%	2.7%	2.8%

¹ Sales Growth Proxy of Total Wages

² Employment and Wages YOY September

³ Inflation YOY November

Source: Isely – Chamber Survey

TAKE AWAYS

- Consumers stressed
- Tariffs began creating measurable effects in July
- Changes in productivity making us better off... But slowing job growth
- AI investment hiding weakness elsewhere in economy
- Interest rates will drop faster in second half of year
- Federal government moving to expansionary
- “Red” areas will be willing to take riskier investments
- Price Increases continue