West Michigan Vocational Education:

What Local Firms Are Asking For

by
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June 4, 2015

Monthly Report

Institute for Supply Management,
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Grand Rapids, MI [illegible]

News Release (For immediate Release)
June 3, 2015

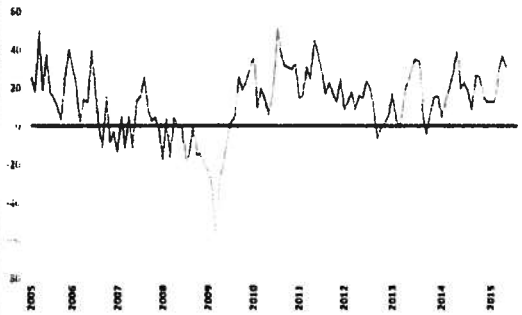
Current Business Trends

Growth: Improvement Continues for a Third Month

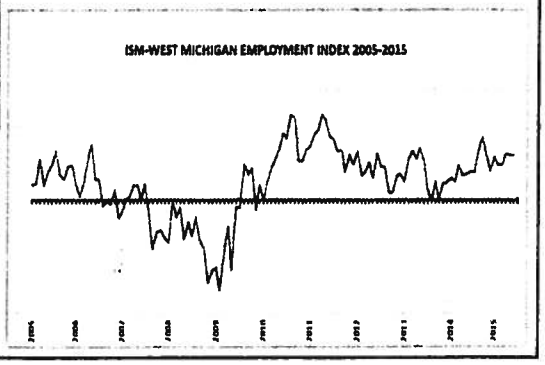
Report Description:

- West Side of State
- 72 Industrial Purchasing Professionals
- Annual Spending: Approx. $15 Billion
- 36 Years of Data
- Leading Edge Indicator
- 10 Statistical Measures
- Candid Comments

New Orders: Key to the Future Months



Employment Index



Unemployment Recap

Latest Unemployment Reports
(Except as noted, data are NOT seasonally adjusted)

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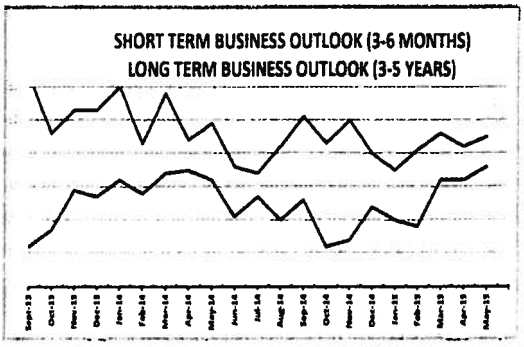
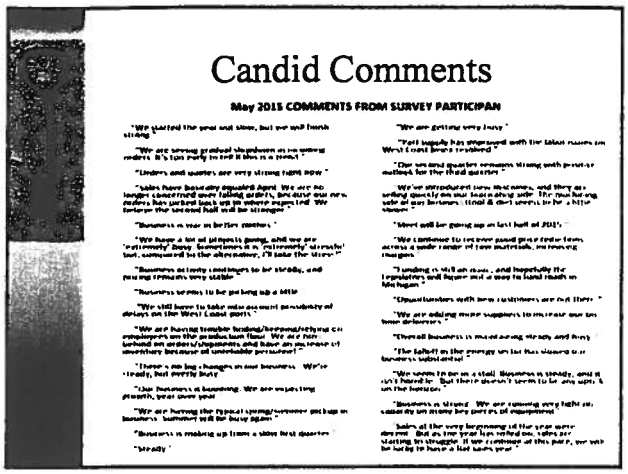
State of Michigan (Adj.)	5.4%	5.6%	14.6%	3.2%
State of Michigan (Unadj.)	4.8%	5.7%	14.1%	2.9%
Kent County	3.1%	3.8%	11.9%	2.1%
Kalamazoo County	3.8%	4.8%	11.1%	2.1%
Calhoun County	4.5%	5.2%	12.8%	2.7%
Ottawa County	3.1%	3.7%	11.3%	1.8%
Barry County	3.7%	4.7%	10.9%	2.2%
Kalamazoo City	4.7%	5.4%	15.2%	3.2%
Portage City	3.5%	4.0%	8.7%	1.3%
Grand Rapids City	4.4%	5.1%	16.1%	3.0%
Kentwood City	3.1%	3.6%	10.7%	1.4%
Plainfield Twp.	2.5%	2.9%	8.0%	1.4%
U.S. National Official Rate	5.4%	5.5%	9.6%	3.8%
U.S. Rate Unadjusted	5.1%	5.6%	9.6%	3.6%
U.S. U-6 Rate**	10.8%	10.9%	16.7%	8.0%

**U-6 for Michigan 13.1% for Apr. 2014 to Mar. 2015

Business Optimism/Pessimism



Candid Comments


May 2015 COMMENTS FROM SURVEY PARTICIPAN

"We started the year out slow, but we will finish strong."

"We are seeing gradual slowdown as incoming orders. It's too early to tell if this is a trend."

"Orders and quotes are very strong right now."

"Sales have basically equaled April. We are no longer concerned over falling orders, but delay our new orders has pushed back out in other expected. We believe the second half will be stronger."

"Business is year in better numbers."

"We have a lot of projects going, and we are 'extremely' busy. Sometimes it is 'extremely' stressful but, compared to the alternative, I'll take the stress."

"Business activity continues to be steady, and pricing remains very stable."

"Business seems to be picking up a little."

"We still have to take into account possibility of delays on the West Coast ports."

"We are having trouble hiring/keeping/training employees on the production floor. We are fair behind on orders/shipments and have an increase of inventory because of unreliable production."

"There are big changes in our business. We're steady, but pretty busy."

"Our business is booming. We are enjoying growth, year over year."

"We are having the typical spring/summer pick up in business. Summer will be busy again."

"Business is making up from a slow first quarter."

"Steady."

"We are getting very busy."

"Fuel supply has improved with the labor issues on West Coast been resolved."

"Our second quarter remains strong with positive outlook for the third quarter."

"We've introduced new equipment, and they are selling quickly on our backorder side. The machining side of our business is good & don't seem to be a little slower."

"Steel will be going up on last half of 2015."

"We continue to receive good price from items across a wide range of raw materials, increasing margins."

"Lending is still an issue, and hopefully the Legislature will figure out a way to bond health in Michigan."

"Quantities with new customers are not there."

"We are adding more suppliers to minimize our no-been deliveries."

"Overall business is moderately strong, and busy."

"The belief in the energy sector has slowed our business substantial."

"We seem to be on a stall. Business is steady, and it isn't bad by far. But there doesn't seem to be any uptick on the horizon."

"Business is strong. We are running very tight on capacity on many key parts of equipment."

"Sales at the very beginning of the year were down. But as the year has rolled on, sales are starting to struggle. If we continue at this pace, we will be lucky to have a flat sales year."

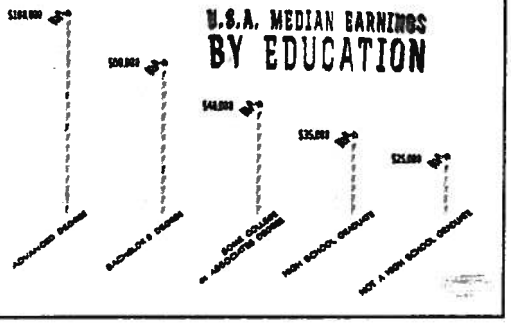
Important Comments

- Almost every month, at least one respondent indicates a shortage of workers
- Key jobs in demand: CNC Operators, Certified Welders, Computer Technicians.
- One firm said, "We cannot expand because we cannot find enough (trained) workers to do the work."

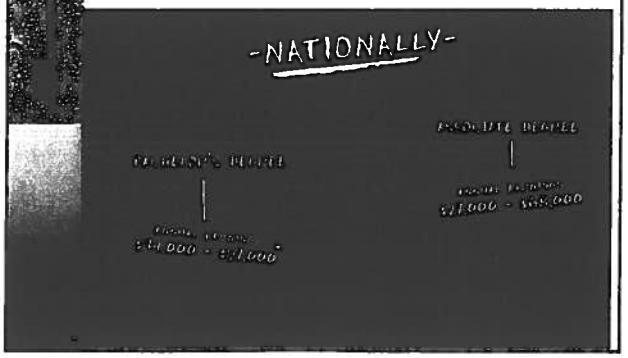
This is a "Must See" Video:

https://vimeo.com/67277269

The "College for All" Deception



25th and 75th Percentile Ranges



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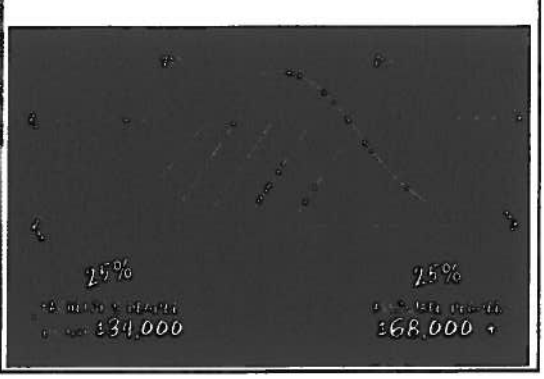
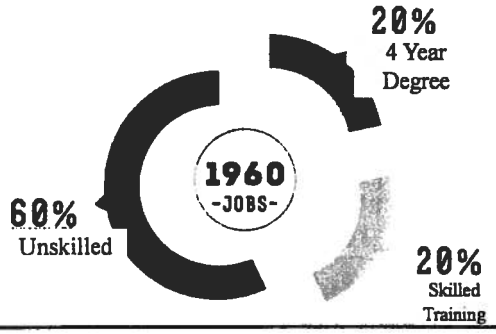


Harvard Study: 1960 Jobs Breakdown



Harvard Study: 2018 Jobs Breakdown

Recommendations:

- Of the 80,000 jobs that employers can't fill, the majority are jobs requiring vocational training, certificates, credentials, etc. The current education system is NOT providing enough of them.
- The state should shift funds in the direction of vocational programs at the high school and junior college level.
- Investing more state funds in four year colleges is a poor investment.
- VocEd funding should be operating funds. Equipment is great, but not as valuable.
- The Michigan Merit Curriculum must be modified further to allow for more VocEd choices.
- The Algebra II requirement and other mandates in the MMC accounts for about 25% of all high school dropouts in some schools.

Questions?

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