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Building Community.

Economic Outlook

for the 5-County Region of Antrim, Benzie,
Grand Traverse, Kalkaska, and Leelanau Counties

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The Traverse City Area Chamber of Commerce helps to grow business and build community. It helps to grow business by promoting its members' businesses and delivering sales leads, providing cost-cutting benefits, and sponsoring networking programs. It builds community by giving its members a voice in the growth of the region, bringing together groups to address the region's biggest issues, and helping to recruit and retain enterprises in the area.

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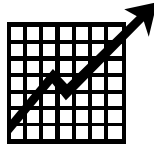
Jan Warren, Northwest Michigan Works!



"I hope we don't have a double-dip recession, but that's a possibility...The thing that no one knows is, will all this government spending, all this money being put into the system, bring inflation?"

-Ron Heaton, State Bank of Southern Utah

TABLE OF CONTENTS:



Economic Outlook Considerations	1
The Global Economy	2
The Global Outlook	2
Global Indicators	3
The National & State Economy	4
National Indicators	4
A State Perspective	5
State Indicators	7
The 5-County Regional Economy	8
A Regional Perspective	8
Regional Indicators	10
<i>Employment</i>	10
<i>Unemployment</i>	11
<i>Population</i>	12
<i>Income & Wages</i>	13
Regional Industry Profiles	15
<i>Agriculture, Forestry, and Fishing</i>	16
<i>Mining (Extraction)</i>	18
<i>Utilities</i>	20
<i>Construction</i>	22
<i>Manufacturing</i>	24
<i>Wholesale Trade</i>	26
<i>Retail Trade</i>	28
<i>Transportation and Warehousing</i>	30
<i>Information (Communication)</i>	32
<i>Finance and Insurance</i>	34
<i>Real Estate</i>	36
<i>Professional and Technical Services</i>	38
<i>Administrative Services</i>	40
<i>Health Care and Social Assistance</i>	42
<i>Arts, Entertainment, and Recreation</i>	44
<i>Accommodation and Food Services</i>	46
<i>Government</i>	48
<i>Special Report: The Role of the Nonprofits</i>	50
County Economic Profiles	52
<i>Antrim County</i>	52
<i>Benzie County</i>	54
<i>Grand Traverse County</i>	56
<i>Kalkaska County</i>	58
<i>Leelanau County</i>	60

Economic Outlook Considerations

This regional economic outlook should be considered an informative resource that can assist in making critical business decisions affecting the 5-county region of Antrim, Benzie, Grand Traverse, Kalkaska, and Leelanau Counties.

All sources contributing to this report were compared against numerous other data and information sources. Best efforts were made to reconcile these sometimes widely varying outlooks; however, no economic outlook should ever be considered definitive or flawless, due to the number of variables contributing to the sources.

All of the “industry” data within this outlook are categorized by the North American Industry Classification System (NAICS). NAICS is the standard used by statistical agencies for the purpose of collecting, analyzing, and publishing statistical data related to the economy. For more information on the NAICS, visit: <http://www.census.gov/eos/www/naics/>.

The economic conditions of the latter part of 2009 and the expected continuation will greatly affect the accuracy of this year’s outlook- more so than any previous outlook. The following should be understood as significant factors in the precision of this year’s (and any) economic outlook:

- Market recovery
- Consumer confidence
- Lingering recessionary concerns
- Tightening of credit
- Fluctuations in energy prices
- Inflation
- Geopolitical concerns

The nation’s worst recession since World War II deeply affected the accuracy of last year’s forecast. Ultimately, the accuracy of last year’s economic forecast was inspired by regional optimism and impaired by the global recession.

The overriding intention of this economic outlook is to provide a trended illumination of the regional economy (past, present, and future), not to analyze the accuracy of past forecasts or to provide pages of academic discussion. The Traverse City Area Chamber of Commerce Economic Outlook is for all those who have an interest in understanding the regional economy and its relationship to the state and national economy.

The region’s economic future is not a foregone conclusion. The region has the ability to create policies and practice that create economic expansion in any or all of the sectors included in this outlook.

The Global Economy

The Global Outlook

The following are excerpts from the World Bank, *Prospects for the Global Economy* and *The Global Outlook*, published in June of 2009.

...The financial crisis that erupted in September 2008—following more than a year of financial turmoil—has become a global crisis for the real economy.

Economic activity in high-income and developing countries alike fell abruptly in the final quarter of 2008 and in the first quarter of 2009. Unemployment is on the rise, and poverty is set to increase in developing economies, bringing with it a substantial deterioration in conditions for the world's poor and most vulnerable.

...The outbreak of the financial crisis provoked a broad liquidation of investments, substantial loss in wealth worldwide, a tightening of lending conditions, and a widespread increase in uncertainty.

Higher borrowing costs and tighter credit conditions, coupled with the increase in uncertainty provoked a global flight to quality, caused firms to cut back on investment expenditures, and households to delay purchases of big-ticket items.

...Policy reactions to the crisis have been swift and, although not always well coordinated, have so far succeeded in preventing a broader failure among financial institutions, and thereby avoided a much more severe collapse in production.

In the absence of public-sector assistance, the massive losses suffered by investment banks and other institutions would have forced commercial banks to sharply reduce lending—forcing firms to cut back on investment and production even more forcefully. Instead, bank lending continued to grow until very recently, although much less rapidly than in the past.

...The drop in economic activity, combined with much weaker capital flows to developing countries, is placing a large number of low- and middle-income countries under serious financial strain.

Many countries are having difficulty generating sufficient foreign currency from exports or borrowing to cover import demand.

...Despite the rapid decline in GDP in high-income countries during the first quarter of 2009, a number of indicators point to the beginnings of an economic recovery.

Stabilizing and even recovering stock markets, modest improvements in exports in some countries, a recovery in consumer demand and the still-to-come demand-boosting effects of discretionary fiscal stimulus measures are among the factors pointing to the beginning of recovery. High frequency indicators vary distinctly by country at the moment, however, with data for the United States and China more suggestive of economic revival than those for western Europe and other developing regions.

...Moreover, several factors point to continued weakness.

Unemployment continues to rise throughout the world, housing prices in many countries are still falling (adding to negative wealth effects), bank balance sheets are fragile, and much more consolidation and recapitalization required.

As a result, the timing and strength of the eventual recovery in the global economy remain highly uncertain.

Global Indicators

Although not as pronounced as other areas, the regional economy is certainly influenced by a variety of global forces. Despite fluctuating oil prices and geopolitical uncertainties, it is estimated that the world economy grew by 1.9 percent in 2008. Continued global economic expansion is expected for the foreseeable future, albeit at a slower pace than previous forecasts have stated.

Real Gross Domestic Product Growth for the World and selected Sub-Regions, 2006-2010 (Actual, Estimate, & Forecast).

	2007a	2008e	2009f	2010f	2011f
World	3.8	1.9	-2.9	2.0	3.2
High Income	2.6	0.7	-4.2	1.3	2.4
Euro Area	2.7	0.6	-4.5	0.5	1.9
Japan	2.3	-0.7	-6.8	1	2
United States	2	1.1	-3	1.8	2.5
Developing Countries	11.4	8	5	6.6	7.8
East Asia and Pacific	6.9	4	-4.7	1.6	3.3
Europe and Central Asia	5.8	4.2	-2.2	2	3.3
Latin America and Caribbean	5.4	6	3.1	3.8	4.6
Middle East and North Africa	8.4	6.1	4.6	7	7.8
South Asia	6.2	4.8	1	3.7	5.2
Sub-Saharan Africa	11.4	8	5	6.6	7.8

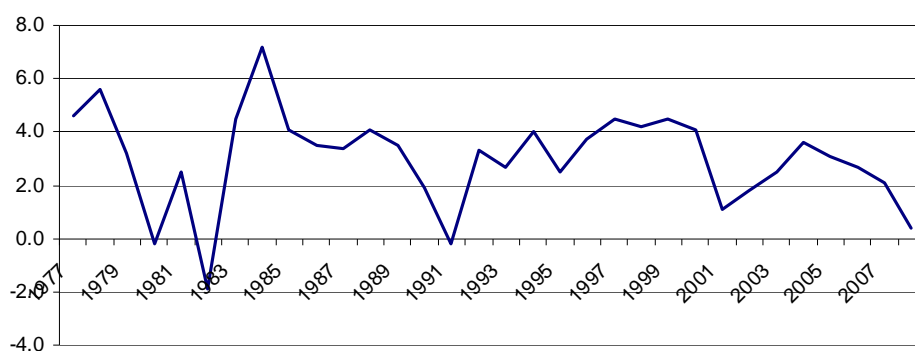
Source: The World Bank. 2009.

The National Economy

National Indicators

The U.S. has historically enjoyed varying levels of economic expansion throughout the years resulting in average annual gross domestic product (GDP¹) gains. 2008-2009 provided the nation with the steepest drop in real GDP; sharp declines in payroll jobs, highest unemployment rate in 25 years, record low housing starts, and light vehicle sales at their lowest level since 1981.² To many observers, this recent economic downturn will forever bear the unwelcome moniker of the “Great Recession.”

**Percent Change Gross Domestic Product (GDP) for the U.S.,
1977-2008.**
(in chained 2000 dollars)



Source: Bureau of Economic Analysis. Northwest Michigan Council of Governments. 2009.

In 2009, the CBO predicts a 2.5% decrease in Real GDP. However, the downward trend is expected to rebound in the coming years, as the CBO projects a 1.7% rise in 2010 GDP and 3.5% in 2011.

The CBO's expectations of real GDP growth in 2009 are equal to the expectations of the University of Michigan's Research Seminar in Quantitative Economics (RSQE) forecast.³ Complimentary to the CBO's estimates of positive GDP growth in 2010, the RSQE projects a 1.9% rise in 2010 GDP and 2.8% in 2011.

¹ Gross Domestic Product: The value of all goods and services produced within a nation in a given year.

² University of Michigan: Research Seminar in Quantitative Economics. The U.S. Economic Outlook for 2009-2011. September 2009.

³ University of Michigan: Research Seminar in Quantitative Economics. The U.S. Economic Outlook for 2009-2011. September 2009.

The State Economy

A State Perspective

Five key topics for Northern Michigan in 2010

Michigan has now endured nine years of a terrible economic decade—one that invites comparisons with the Great Depression for the severity and length of economic loss. However, even during these years, Northern Michigan has managed to move ahead on several fronts. As we plan for 2010, we should ask ourselves how Northern Michigan can improve itself even if the state continues to falter.

In our opinion, Northern Michigan has tremendous assets that will enable this area to outperform the rest of the state over the next few years. Seizing the advantages we have in this part of Michigan—and using them properly—is the key to doing well in a difficult time. From our work in this area, including several market and feasibility studies for private clients, as well as assessments of the underlying industry and employment base, we can confirm quantitatively what everyone here already knows: Northern Michigan is different than Southeast Michigan, different than Lansing, and different from the rest of the country.

Those differences create opportunities and burdens. Let us briefly consider five topics that will help determine success or failure in the upcoming years: business tax burdens; high-tech industry clusters; the quality of life found in Michigan; the changing economic base; and turning Michigan around.

Business tax burdens. Employers seek locations with good work forces, access to markets, and competitive costs. Taxes are part of those costs, and one where Michigan as a whole needs improvement. According to our annual *State Business Tax Burden Rankings* business taxes as a share of profits earned within the state in 2006 were 15.5%, compared to the national average of 16.7%. Since then, we've raised business taxes, pushing us farther away from lower-tax competing states like Ohio.

For Michigan's employers and investors, that is just not good enough. While tax burdens are not the only factors considered by those who invest, they are something that we directly control. We must improve our tax climate as we look to 2010.

High-tech industry clusters. Our state has powerful high-tech assets in place. Regions like Automation Alley, projects like the Facility for Rare Isotope Beams (FRIB) at MSU, and research and development conducted by the University Research Corridor (MSU, UofM, and Wayne State), are some of the best in the nation. These centers are leading the way bringing revenue and technology to the state in industries that have room to grow, and will be essential to our state in the future. Although the best-known centers for high-tech in Michigan are likely to be outside this region, we are already using such technology in our life sciences, energy, and other industries. To be successful in the future, Northern Michigan should connect with these clusters, and foster growth in this region where possible.

The quality of life found in Michigan. The State of Michigan is uniquely positioned to draw new residents to our state based on the quality of life found here. Our state contains urban and metro areas, rural beauty, and safe and affordable neighborhoods. Michigan is also home to great universities. At the same time, residents here are never more than a few hours from the lake shores surrounding Michigan. Quality of life—and quality of place—are key differentiators for talented entrepreneurs and employees. Northern Michigan recognized this some time ago, and we must continue to enhance this economic advantage.

The changing economic base. The Michigan economy has changed. Unfortunately, is it not possible to build a future for our state on the assumption that we can bring back the past. The failure of our state government's leaders to address this has produced repeated fiscal crises, tax increases, and dissipated opportunities.

In Northern Michigan, however, the new Michigan economy is being built today. This region provides an example for the rest of the state of how to use the assets we have in the 21st century, rather than dwell on the fact that the 20th century has passed. This is primarily a state of mind, not a change in policy. Looking ahead, the rest of the state should evaluate the forward looking thinking found here.

Turning Michigan around. In Northern Michigan, we can't wait for leadership in Lansing, or for the automobile industry to return to its former glory. We can, however, continue to do our part to pull Michigan out of its slump. Job opportunities, education, and quality of life will dominate personal and business choices in the coming years. Michigan has all the right components of a state that is ready to attract, grow, and prosper—if we take decisive action. Improving our business climate, adopting a stable game plan for the future, and getting our government finances under control, will help Michigan residents and those considering Michigan to see a positive state. Northern Michigan citizens, like those in the rest of the state, must make extra effort to ensure that our elected officials address our serious problems in the years to come.

Northern Michigan is blessed with quality of life and burdened with the legacy of a poor state economy and an underperforming state government. However, we can't let that stop us from making the next decade a good one for everyone that lives or works in this beautiful part of the country.

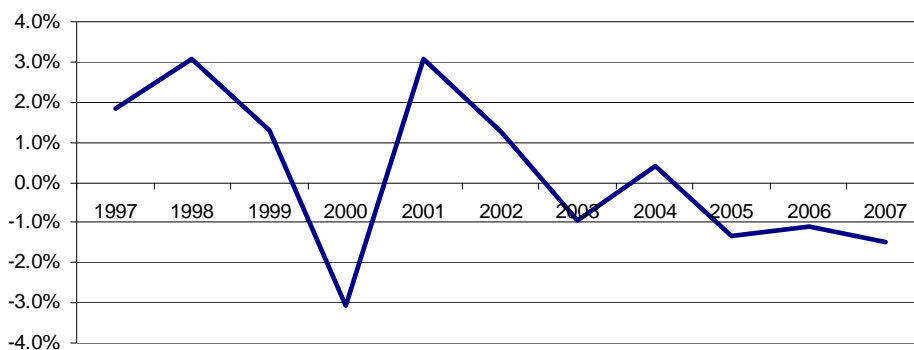
-Patrick Anderson
Principal and CEO, Anderson Economic Group

Anderson Economic Group, LLC is an economic consulting firm specializing in public policy, business valuation, and market analysis. AEG is located in East Lansing, Michigan; Chicago, Illinois; and Los Angeles California. For more information, please visit www.AndersonEconomicGroup.com.

State Indicators

Over the last ten years, the State of Michigan has endured varying levels of economic expansion and contraction. Indeed, Michigan has been in a recession for much longer than the nation, mainly due to an over reliance on manufacturing.

Percent Change Gross Domestic Product (GDP) for the State of Michigan, 1997-2008.
(in chained 2000 dollars)



GDP (millions of chained 2000 dollars) by Industry for the State of Michigan, 2008.

	Amount	Rank (U.S.)	% Chg. Index (year 2000=100)	Rank (U.S.)
Total Gross Domestic Product	326,123	11	96.705	51
Private industries	294,245	9	96.928	51
Agriculture, forestry, fishing, and hunting	2,176	22	137.144	16
Mining	548	26	79.433	32
Utilities	6,645	8	103.214	31
Construction	7,533	16	48.386	51
Manufacturing	68,084	6	89.197	46
Durable goods	55,175	4	88.05	51
Nondurable goods	12,761	16	93.368	29
Wholesale trade	19,545	10	98.415	51
Retail trade	26,861	10	117.413	51
Transportation and warehousing	8,775	11	105.12	45
Information	12,016	16	138.882	44
Finance and insurance	18,921	15	105.887	45
Real estate, rental, and leasing	35,475	13	92.876	51
Professional and technical services	29,611	10	105.337	51
Management of companies and enterprises	5,318	13	58.871	47
Administrative and waste services	10,379	10	98.192	50
Educational services	1,867	17	120.594	17
Health care and social assistance	25,473	10	122.387	45
Arts, entertainment, and recreation	3,117	8	120.212	26
Accommodation and food services	7,235	14	101.548	51
Other services, except government	6,704	10	91.033	50

Source: U.S. Bureau of Economic Analysis (BEA). STATS Indiana. 2009.

The 5-County Regional Economy

A Regional Perspective

Two Roads to Recovery

Michigan has certainly felt the dire effects of this recession...the Great Recession. Most often that has been demonstrated in terms of a rise in unemployment. In fact, Michigan has the seemingly ever-present position of actually leading the nation in unemployment (a terrible distinction, indeed). Closer to home, northwest Lower Michigan has recently lost some of its thin immunity to years of prolonged economic turmoil in the state. With the exception of Leelanau County, every county in the region now feels the ill effects of double-digit unemployment.

Even though there are many indicators telling the general public whether we are in economic expansion or contraction, usually the most personally impactful one is unemployment. The measurement of unemployment is one of the most understandable, timely and accurate economic indicators available to the public. As a result, there is a lot of policy emphasis on reducing unemployment rate. Creating jobs is the vocal crescendo to many lawmakers' speeches throughout our nation's history. Most recently, the American Recovery Reinvestment Act (ARRA) of 2009 was built on the premise of jobs.

"More jobs, better jobs" while the most oft used cry of policy makers, are important, but too often it is seen as the most important piece to economic recovery. There is certainly nothing wrong with creating jobs, as a job is the most common way people build pride and create wealth. However, people and policy makers alike forget that building *wealth* is most people's ultimate goal. People work in jobs to build wealth and wealth ultimately builds jobs. Without question, a 20% increase in the region's wealth would have a more profound effect than a 20% increase in jobs.

The word "wealth" often has a negative connotation, because many correlate it to "greed." Despite what the infamous character Gordon Gecko stated in the movie *Wall Street*, greed is not good. Greed does not build highly competitive regions- wealth does. Also, to be clear, this article advocates for the creation of individual wealth, not corporate wealth. By fostering wealth creation for all, we create a stronger network of economic and social stability. The success of localized wealth producers is best demonstrated by the continued benefits Michigan receives from figures like Henry Ford, W.K. Kellogg, Herbert Dow, C.S. Mott, Jay Van Andel, and Richard DeVos to name a few.

Regional wealth will always bring jobs, but jobs don't always bring regional wealth. In order for the region to further economic expansion and achieve greater prosperity, concurrent strategies addressing job creation and wealth creation must be adopted. Our ability to compete long-term in a global marketplace will be largely dependent on wealth creation. We must be able to build systems that embrace the idea that the best jobs will be created out of local wealth producers (i.e. job providers).

Since 2001, Michigan has continued to languish in its own single state recession. Given a lack of structural policy shifts and a continued reliance on early 20th Century business models, it seems unlikely that Michigan will follow the nation into recovery at the same pace. However, many economists are beginning to believe that as a nation the worst may indeed be behind us. So, the question is now whether the region will be able to define future prosperity outside the continued uncertainties that plague the State. How shall the region go about bringing in jobs to the region? Is it our preference to be the beneficiary of jobs? Or, rather would we prefer to create jobs? Localized innovation, production, entrepreneurship, and lending create a far better multiplier of economic impact through wealth generation than any other path to job creation.

This year's Traverse City Area Chamber of Commerce's Economic Forecast does provide great detail to employment levels over the impact of wealth in the region, mainly due to the availability of data. It is relatively easy to count those who are employed or not employed. What is not easy is understanding the true value or potential of wealth in the region. However, the failure not to pursue this source of regenerative prosperity may be the truest indicator yet of whether or not we are on the road to economic recovery.

-Matt McCauley
Northwest Michigan Council of Governments

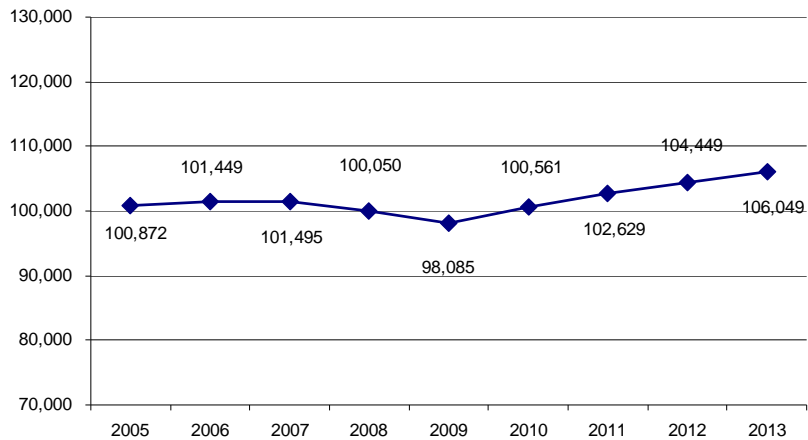
-Tino Breithaupt
Traverse Bay Economic Development Corporation

Regional Indicators

Employment

The 5-county region experienced a decline in employment levels from 2005-2009. In 2009, it is estimated that there are 98,085 employees in the region, a 2.8% decrease from 2005 levels.

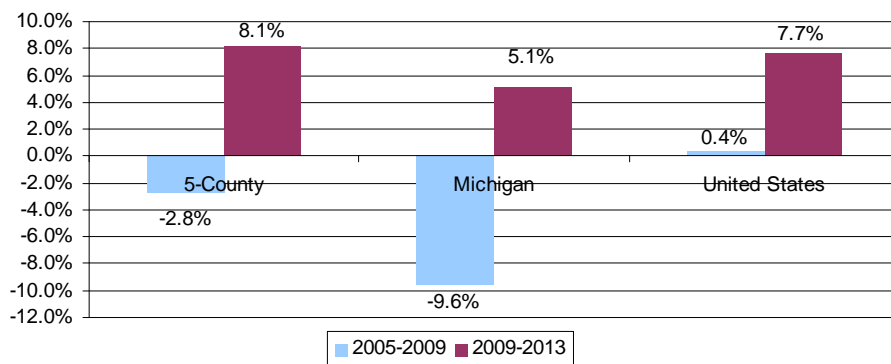
Total Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Economic Modeling Specialists, Inc. (EMSI). 2009.

Since 2005, the region and state both experienced overall employment losses. However, the nation was somewhat stagnant in overall employment. It is expected that in the coming years, the region, state, and nation will each experience total employment growth, with the highest percentage gains felt at the regional level (8.1%).

Percent Change Total Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



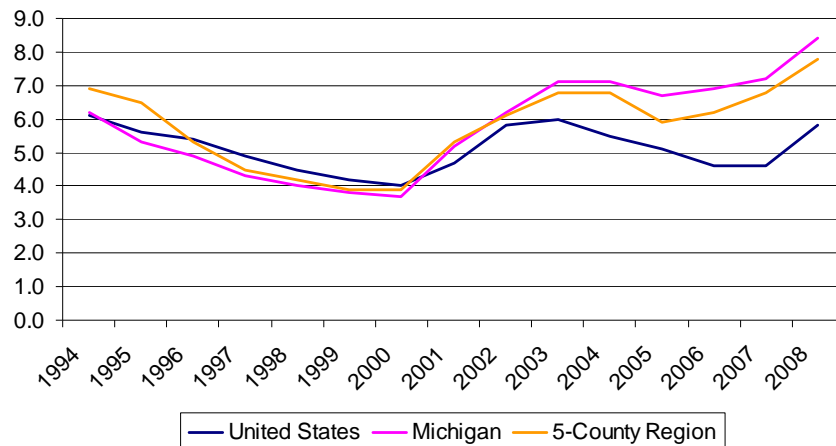
Source: Economic Modeling Specialists, Inc. (EMSI). 2009.

Unemployment

Unemployment rates in the 5-county region have generally followed the same cycles experienced by the State. However, the gap between the state/region and the nation appears to be widening. Michigan continues to lead the nation in unemployment and was recently the first state since the early 1980's to eclipse 15%. The region's unemployment while less than the state, also hit double digits in 2009.

Based on past trends, Michigan's economic downturn, and the seasonal nature of much of the employment in the region, it is expected that the area's unemployment rate will remain higher than the nation's. Yet, when compared to state figures, the region's unemployment rate appears poised to remain below state levels in the coming years.

Annual Unemployment Rate for the 5-County Region, Michigan, and the U.S., 1994-2008.



Source: U.S. Bureau of Labor Statistics (BLS). MI Dept of Labor, Energy, and Economic Growth (DELEG). 2009.

A Local Perspective:

High unemployment rates in the region tend to mask the reality that there are good jobs available. It is critical that job seekers become aware that our economy is in the midst of a massive transformation similar in scope to the shift made from an agrarian to an industrial economy years ago. They must be prepared to move into the knowledge economy which will require a new level of education and skills for workers - those producing products as well as those providing services. It is widely recognized that a high school diploma is no longer the entry point to a good job. Workers must constantly upgrade their knowledge and skills through post secondary education and training on the job. A college degree may not always be necessary but competencies demonstrated by a credential or certificate will add value to a worker's resume.

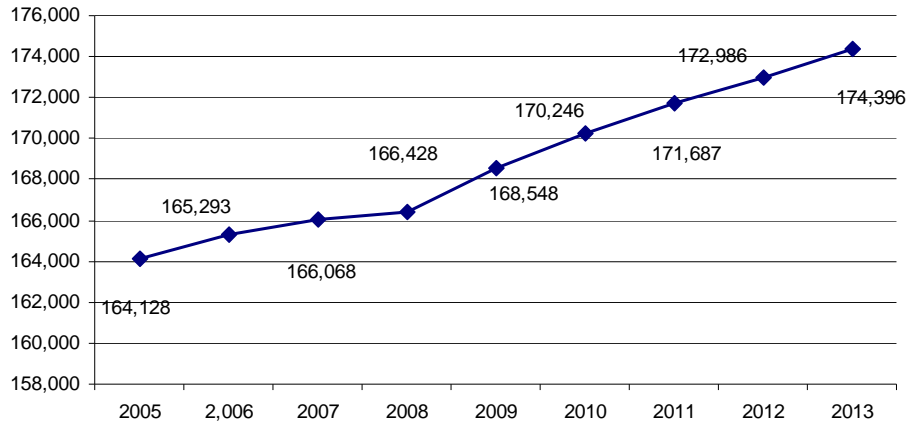
The way work is performed is also changing at a very fast rate. Technology is infused into most job functions and workers must utilize their reading, writing and math skills on a daily basis. Workers need to be flexible, able to work in teams and make decisions requiring critical thinking and leadership skills. This new economy has created an environment in which local employers are competing for business with companies around the world. For our companies to remain viable, workers' skills and knowledge must continually improve to keep pace with the expectations of the global marketplace.

-Jan Warren,
Program Director, Northwest Michigan Works!

Population

The 5-County Region of Antrim, Benzie, Grand Traverse, Kalkaska, and Leelanau Counties held a total population of approximately 168,548 individuals in 2009, equating to approximately 1.7 percent of Michigan’s total population.

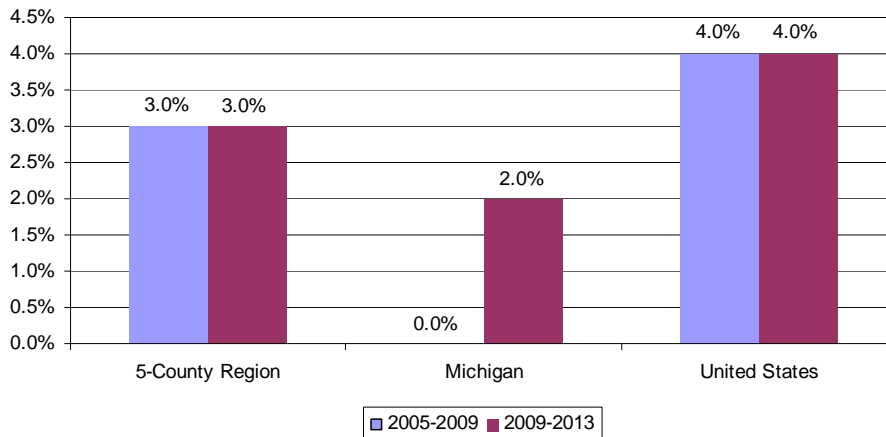
Total Population for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Economic Modeling Specialists, Inc. (EMSI). 2009.

The region experienced greater population growth (based on percent change) than the state over the last five years and continues to be one of the fastest growing regions in Michigan. This trend is expected to continue; however, it is expected that the regional growth rate will not eclipse that of the nation’s.

Percent Change Total Population for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Economic Modeling Specialists, Inc. (EMSI). 2009.

Income & Wages

In 2007, the regional per capita personal income⁴ (PCPI) was \$32,997, approximately 95.8 percent of the state and 85.4 percent of national PCPI.⁵ In 2006 regional PCPI was approximately 95.7 percent of the state and 88.1 percent of national PCPI.⁶

Because population acts as the denominator of the PCPI equation, there are underlying characteristics that can impact PCPI- estimated earnings per worker should also be considered. The 2008 median earnings per worker are \$43,071 (up \$78 from 2007), representing 89.3% of the state value and 86.1% of the national value.

Estimated Earnings per Worker for the 5-County Region, Michigan, and U.S., 2008.

	5-County Region	Michigan	United States
Agriculture, forestry, fishing and hunting	\$23,663	\$23,152	\$21,909
Mining	\$66,042	\$68,298	\$105,239
Utilities	\$112,092	\$104,798	\$108,230
Construction	\$35,837	\$48,214	\$50,014
Manufacturing	\$52,599	\$76,621	\$70,285
Wholesale trade	\$48,139	\$74,154	\$73,040
Retail trade	\$24,797	\$26,972	\$29,097
Transportation and warehousing	\$46,379	\$54,392	\$52,579
Information	\$49,446	\$62,556	\$78,313
Finance and insurance	\$48,664	\$61,901	\$82,740
Real estate and rental and leasing	\$24,575	\$31,066	\$28,033
Professional and technical services	\$43,071	\$74,553	\$74,422
Administrative and waste services	\$24,884	\$30,977	\$31,621
Educational services	\$20,440	\$27,553	\$35,407
Health care and social assistance	\$48,346	\$44,872	\$46,792
Arts, entertainment, and recreation	\$16,798	\$25,415	\$26,416
Accommodation and food services	\$16,926	\$15,822	\$19,618
Other services, except public administration	\$20,452	\$22,618	\$23,835
Government	\$47,708	\$58,689	\$61,632
Median earnings per worker (all industries)	\$43,071	\$48,214	\$50,014

Source: Northwest Michigan Council of Governments (NWMCOG). Economic Modeling Specialists, Inc. (EMSI). 2009.

⁴ Personal income is the income that is received by persons from all sources. Personal income is the sum of net earnings, rental income, personal dividend income, personal interest income, and personal current transfer government receipts. In computing per capita personal income, BEA uses the Census Bureau's annual midyear population estimates.

⁵ U.S. Department of Commerce. Bureau of Economic Analysis. BEAR Facts.

⁶ U.S. Department of Commerce. Bureau of Economic Analysis. BEAR Facts.

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Regional Industry Profile

In 2009, it is estimated that there are approximately 98,085 employees in the 5-county region. Retail trade is the largest employment industry (12,571 employees) in the region. From 2009-2013, it is forecasted that the region will experience a 8.1% increase in total employment growth, as opposed to -2.8% from 2005-2009.

Total 5-County Regional Employment by Industry, 2005-2013 (Actual & Forecast).

Industry	Year			Actual		Forecast	
	2005	2009	2013	Change 2005-09	% Change 2005-09	Change 2009-13	% Change 2009-13
Agriculture, forestry, fishing and hunting	2,514	2,752	2,820	238	9.5%	68	2.5%
Mining (Extraction)	1,592	1,782	1,919	190	11.9%	137	7.7%
Utilities	348	341	354	(7)	-2.0%	13	3.8%
Construction	10,023	7,843	8,645	(2,180)	-21.7%	802	10.2%
Manufacturing	8,113	6,261	6,654	(1,852)	-22.8%	393	6.3%
Wholesale trade	2,144	1,820	1,968	(324)	-15.1%	148	8.1%
Retail trade	13,422	12,571	13,112	(851)	-6.3%	541	4.3%
Transportation and warehousing	1,797	1,678	1,772	(119)	-6.6%	94	5.6%
Information (Communication)	1,514	1,466	1,534	(48)	-3.2%	68	4.6%
Finance and insurance	4,453	4,589	5,189	136	3.1%	600	13.1%
Real estate and rental and leasing	5,112	5,573	6,594	461	9.0%	1,021	18.3%
Professional and technical services	5,629	6,340	7,003	711	12.6%	663	10.5%
Administrative Services	4,583	4,595	5,209	12	0.3%	614	13.4%
Educational services*	1,485	1,735	1,961	250	16.8%	226	13.0%
Health care and social assistance	10,590	11,736	12,776	1,146	10.8%	1,040	8.9%
Arts, entertainment, and recreation	2,313	2,285	2,531	(28)	-1.2%	246	10.8%
Accommodation and food services	8,982	9,300	9,850	318	3.5%	550	5.9%
Other services, except public administration	4,824	4,825	4,974	1	0.0%	149	3.1%
Government*	11,434	10,593	11,184	(841)	-7.4%	591	5.6%
TOTAL	100,872	98,085	106,049	(2,787)	-2.8%	7,964	8.1%

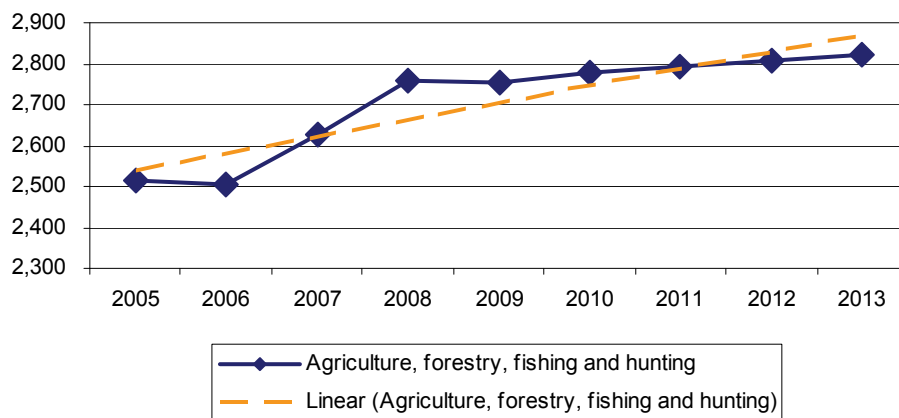
Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). Northwest Michigan Council of Governments (NWMCOG). 2009.

*"Educational Services" data are not an accurate portrayal of educational employment, due to many educational service providers being recorded within the "Government" sector.

Agriculture, Forestry, Fishing, and Hunting

Regionally, the agriculture, forestry, fishing, and hunting sector experienced employment growth over the last five years. In 2009, it is estimated that there are approximately 2,752 agriculture, forestry, fishing, and hunting employees in the region, representing 2.8% of total regional employment. Agriculture, forestry, fishing, and hunting employment growth is expected to remain relatively stagnant in the coming years and it is expected that by 2013 there will be 2,820 agriculture, forestry, fishing, and hunting employees in the region.

Total Agriculture, Forestry, Fishing and Hunting Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Benzie County experienced higher percentage growth in agriculture, forestry, fishing, and hunting employment than the other four counties in the region. In the next five years, Benzie County is also expected to have the greatest percentage growth of agriculture, forestry, fishing, and hunting employment. From 2009-2013, it is forecasted that the region as a whole will experience 2.5% employment growth in this industry.

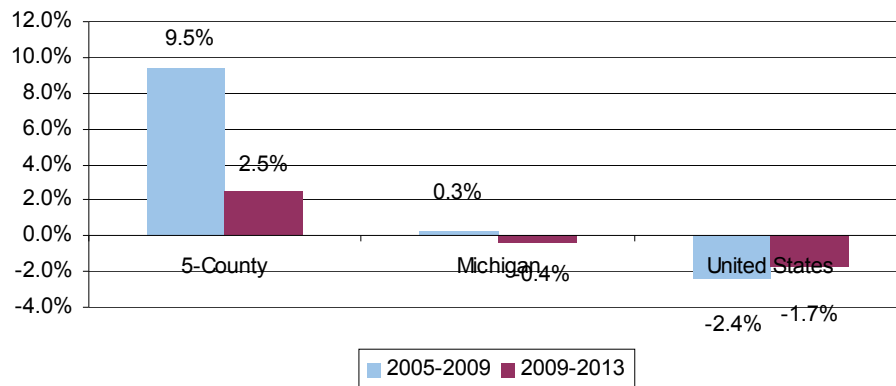
Total Agriculture, Forestry, Fishing, and Hunting Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	437	489	508	11.9%	3.9%
Benzie	275	314	336	14.2%	7.0%
Grand Traverse	809	917	937	13.3%	2.2%
Kalkaska	234	221	221	-5.6%	0.0%
Leelanau	757	810	818	7.0%	1.0%
5-County Region	2,514	2,752	2,820	9.5%	2.5%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region experienced growth in agriculture, forestry, fishing, and hunting employment as compared to the state and nation. In the next five years, regional agriculture, forestry, fishing, and hunting employment is expected to grow at 2.5%, while the state and nation are expected to experience employment losses.

Percent Change Total Agriculture, forestry, fishing and hunting Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“Just 12 months ago we reported on a thriving local agriculture and natural resources industry on the threshold of dramatic growth due to high crop prices, new federal farm bill programs for our specialty crops, sustainable fuels and the emerging locavore movement, topped off by an outpouring of local support for agriculture through the Grand Vision project. The only concern was that we might be seeing some difficult economic times. What a year it has been with an election and a recession and today we face an entirely different world for both agriculture and natural resources.

The reality is that other priorities and other emergencies have pushed the agricultural and natural resources agenda to the back of the line in much federal and state decision making and programs. Coupled with that has been a drastic decline in a number of key crop prices due to decreased demand, particularly for tart cherries and milk along with a squeeze on credit and rising input costs. The mantra for our farmers is not that much different than other industries - Cash is King – Don’t even think that new credit will be available for growth.

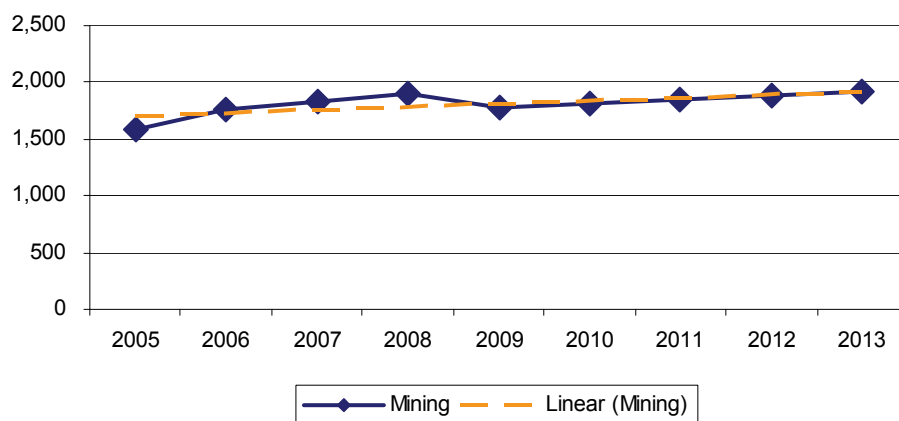
Given these realities agriculture still is a healthy industry and natural resources are being increasingly recognized as important to the quality of life that is valued so highly in our region. Grand Vision has moved to Grand Action for our food and farm system. We have held a successful and widely attended 2009 Farm Route to Prosperity Summit and formed six working groups to achieve goals and objectives in a Food and Farm Network project. These working groups have considerable resources from within our region to call upon and ambitious objectives but can be counted on to keep agriculture and natural resources at the forefront of our regional economy.”

-Don Coe
Black Star Farms and Commissioner, Michigan Department of Agriculture

Mining

Regionally, the mining sector experienced an increase in employment over the last five years. In 2009, it is expected that there are approximately 1,782 mining employees in the region, representing 1.8% of total regional employment. Mining employment growth is expected to experience gains in the coming years and it is forecasted that by 2013 there will be 1,919 mining employees in the region.

**Total Mining Employment for the 5-County Region,
2005-2013 (Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Kalkaska County experienced higher percentage growth in mining employment than the other four counties in the region. In the next five years, Antrim County is expected to continue the greatest percentage growth of mining employment. From 2009-2013, it is forecasted that the region as a whole will experience a total employment gain of 7.7% in this industry.

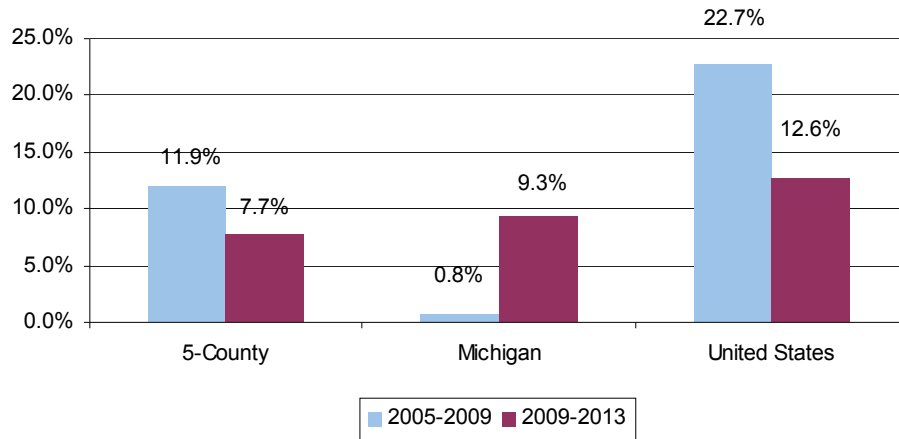
**Total Mining Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	80	89	114	11.3%	28.1%
Benzie	44	43	48	-2.3%	11.6%
Grand Traverse	1,153	1,219	1,350	5.7%	10.7%
Kalkaska	289	407	378	40.8%	-7.1%
Leelanau	26	24	29	-7.7%	20.8%
5-County Region	1,592	1,782	1,919	11.9%	7.7%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region experienced positive percentage growth in mining employment, as did the nation. However, the state experienced stagnant growth. In the next five years, mining employment is expected to increase at a regional, state, and national level.

Percent Change Total Mining Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).

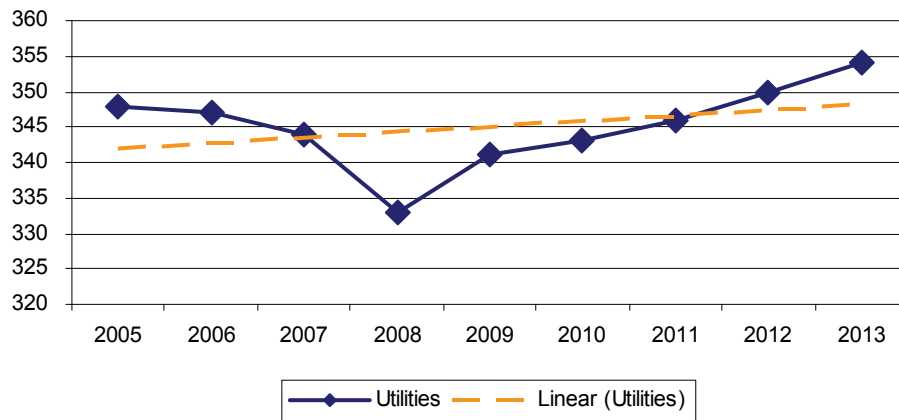


Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

Utilities

Regionally, the utilities sector experienced a decline in total employment over the last five years. In 2009, it is expected that there are approximately 341 utilities employees in the region, representing 0.3% of total regional employment. Utilities employment growth is expected to grow slightly in the coming years and it is forecasted that by 2013 there will be 354 utilities employees in the region.

**Total Utilities Employment for the 5-County Region, 2005-2013
(Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Benzie County experienced higher percentage growth in utilities employment than the other four counties in the region. In the next five years, Benzie County is expected to continue the greatest percentage growth of utilities employment. From 2009-2013, it is forecasted that the region as a whole will experience 3.8% employment growth in this industry.

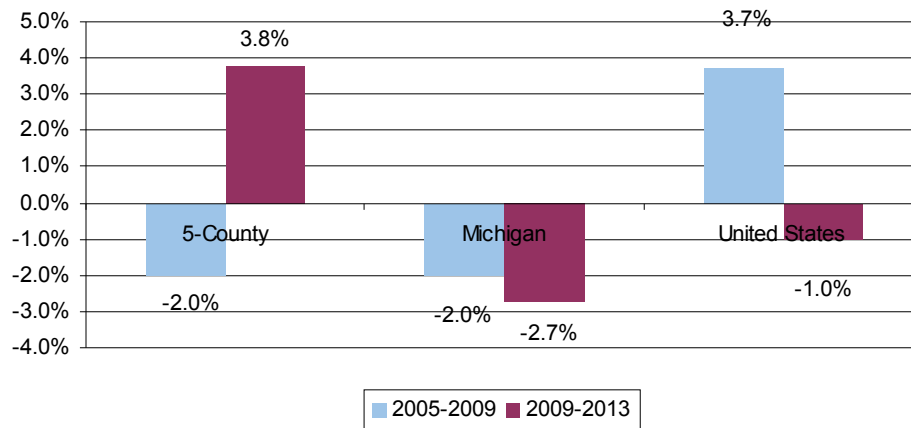
**Total Utilities Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	0	<10	<10	n/a	n/a
Benzie	27	36	43	33.3%	19.4%
Grand Traverse	265	256	268	-3.4%	4.7%
Kalkaska	54	46	40	-14.8%	-13.0%
Leelanau	<10	<10	<10	n/a	n/a
5-County Region	348	341	354	-2.0%	3.8%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region and the state experienced negative percentage growth in utilities employment, whereas, the nation showed employment gains in this industry. In the next five years, regional utilities employment is expected to grow somewhat – with declines at a state and national level.

Percent Change Total Utilities Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

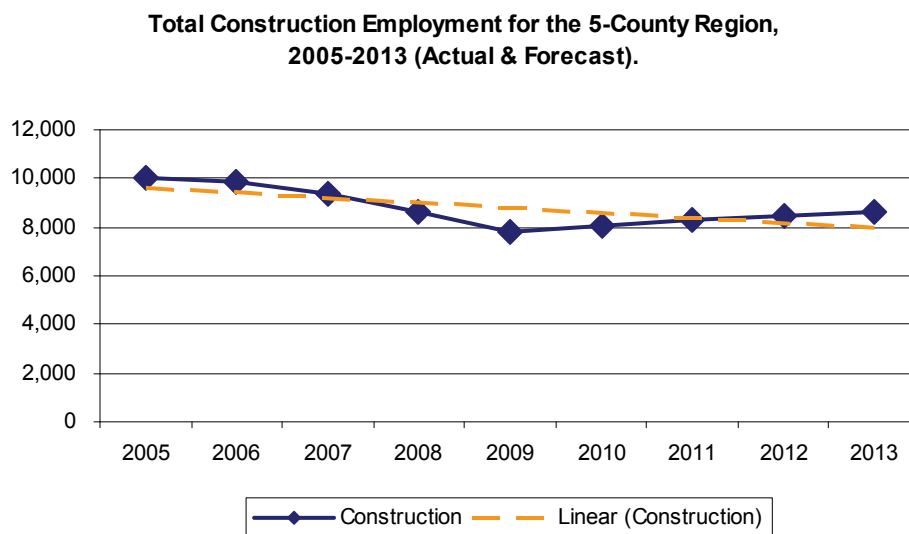
A Local Perspective:

“Consumers Energy forecasts electric sales to its 1.8 million customers will finish 2009 with a decline of 3-4% below 2008. The economy is certainly a contributing factor as was a cooler summer. The expectation for the first half of 2010 is for flat sales. There is some expectation that sales will again begin to increase in the latter half of 2010 with an improving economy. .”

-Bob Gluszewski,
Area Manager, Consumers Energy

Construction

Regionally, the construction sector experienced a decrease in employment over the last five years. In 2009, it is estimated that there are approximately 7,843 construction employees in the region, representing 8.0% of total regional employment. Construction employment growth is expected to grow slightly in the coming years and it is forecasted that by 2013 there will be 8,645 construction employees in the region.



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, all counties lost construction employment, with the biggest percentage lost in Antrim County. In the next five years, Benzie County is expected to have the greatest percentage growth of construction employment. From 2009-2013, it is forecasted that the region as a whole will experience 10.2% employment growth in this industry.

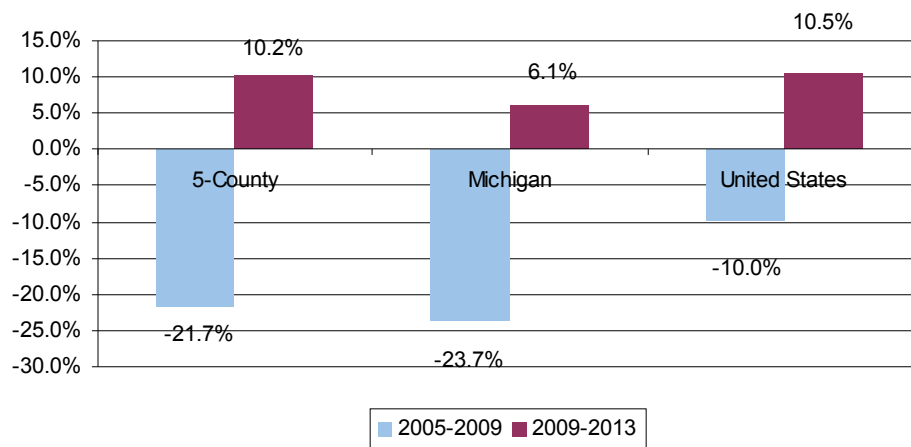
**Total Construction Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	1,391	1,019	1,147	-26.7%	12.6%
Benzie	1,255	1,048	1,281	-16.5%	22.2%
Grand Traverse	5,498	4,318	4,616	-21.5%	6.9%
Kalkaska	671	561	646	-16.4%	15.2%
Leelanau	1,208	898	956	-25.7%	6.5%
5-County Region	10,023	7,843	8,645	-21.7%	10.2%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region, state, and nation experienced negative percentage growth in construction employment. In the next five years, regional construction employment is expected to grow at 10.2%, while the state and nation are also expected to show gains.

Percent Change Total Construction Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“In 2008, the Builders Exchange of Northwest Michigan represented approximately 6,150 workers and collectively contributed over \$315 Million in annual payroll. These figures will undoubtedly change for 2009 as commercial construction has a new face in this new economy. We are seeing downstate contractors and subcontractors moving north to take advantage of a seemingly better construction climate. This takes dollars out of our local economy.”

-Ruth Nunnelley
Builders Exchange

A Local Perspective:

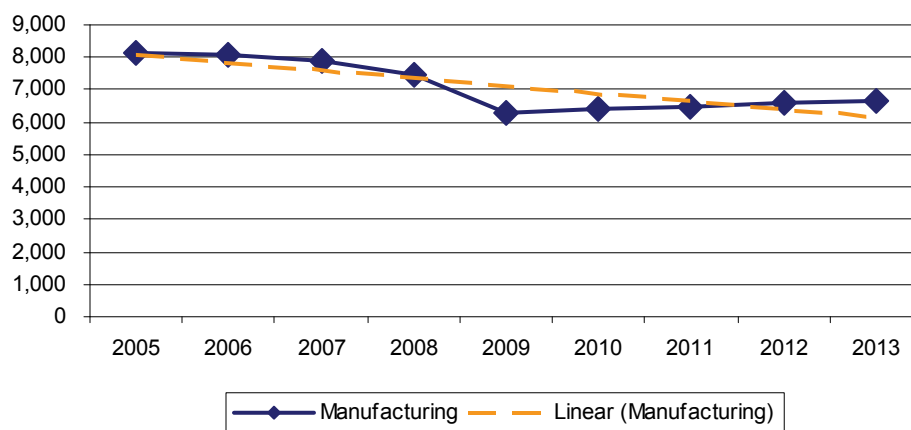
“The current commercial real estate industry is experiencing a much greater supply than demand. Several construction-related businesses are going out of business, due to lack of adequate new construction. Thus, a boom in new construction will not likely occur shortly. Also, the reappraisals are substantially lower than one or two years ago. Banks are employing more rigid guidelines for commercial loans. All of these factors influence the commercial real estate sales in a negative manner. On the other hand, certain businesses have specific facility needs in which case there will be a number of new buildings constructed in 2010.”

-James A. Schmuckal, Realtor
James A. Schmuckal Realtors

Manufacturing

Regionally, the manufacturing sector experienced a decrease in employment over the last five years. In 2009, it is estimated that there are approximately 6,261 manufacturing employees in the region, representing 6.4% of total regional employment. Manufacturing employment is expected to grow slightly the coming years and it is forecasted that by 2013 there will be 6,654 manufacturing employees in the region.

**Total Manufacturing Employment for the 5-County Region,
2005-2013 (Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). NWMCOG. 2009.

In the last five years, all counties lost manufacturing employment, with the biggest percentage lost in Kalkaska County. In the next five years, Leelanau County is expected to experience the greatest percentage growth of manufacturing employment. From 2009-2013, it is expected that the region as a whole will experience 6.3% employment growth in this industry.

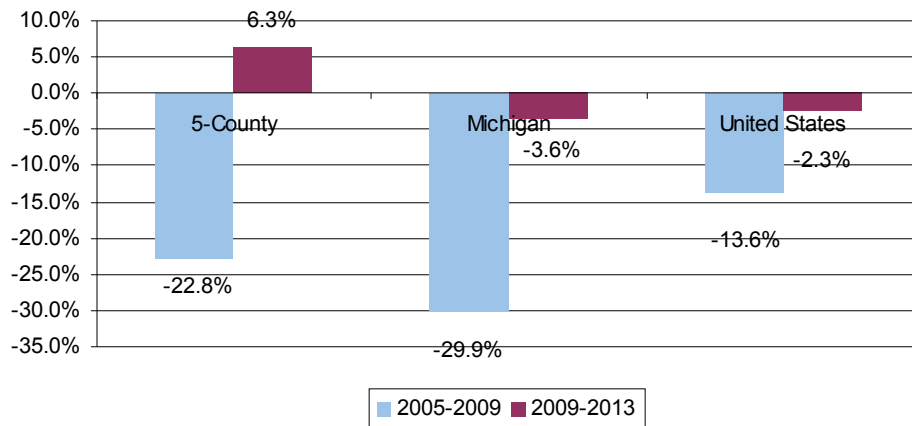
**Total Manufacturing Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	1,272	1,014	1,064	-20.3%	4.9%
Benzie	693	473	500	-31.7%	5.7%
Grand Traverse	5,356	4,166	4,394	-22.2%	5.5%
Kalkaska	510	339	376	-33.5%	10.9%
Leelanau	282	269	320	-4.6%	19.0%
5-County Region	8,113	6,261	6,654	-22.8%	6.3%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region, state, and nation saw a decline in total manufacturing employment. In the next five years, regional manufacturing employment is expected to increase, while the state and nation is expected to continue losses.

Percent Change Total Manufacturing Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“Starting about November of 2008 the floor simply dropped out. Order activity for manufacturing hit a wall. And this wasn’t just in the US. For BORIDE in the past when a particular market/country hit a downturn, another market would be up. In this case, from Europe to China to North America, in 30 plus countries we deal with, all were affected the same way.

The good news is the past several months have been strong and continue to show signs of recovery and stability. Production indicators, new orders and quotes are on the rise. Inventories of many products have depleted and are in need of replenishment.

With respect to some specific markets, our customers in Asia are more confident today than this time last year and are no longer solely relying on exports. Our sales to Canada, once down nearly 45% earlier in the year, are now only off pace 12% from a year ago. Our sales to the tool and die (mold) industry in the states remain down 30% but have been stronger the past couple months.

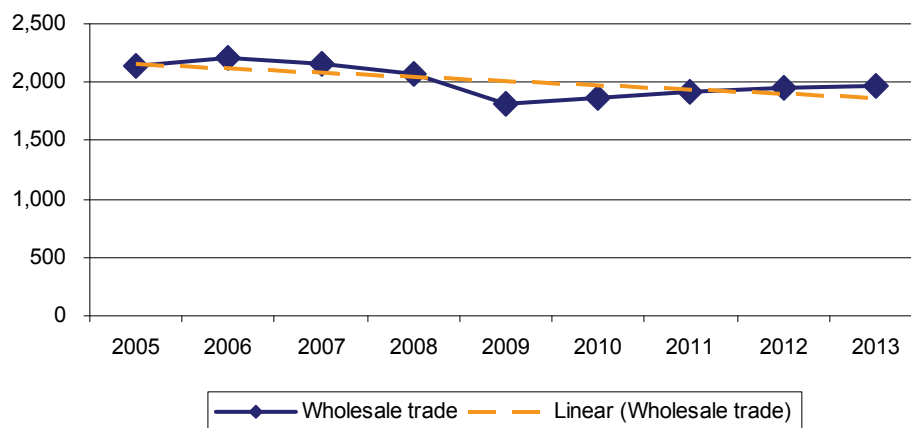
Of course with unemployment being a lagging indicator and still high and with the uncertainty of the real estate industry (now retail and commercial) it is difficult to predict very far out. We are watching the markets and economies closely and are aware that things could take another dip before a sustained recovery. To sum up, we are cautiously optimistic that things will continue to improve, albeit slowly and 2010 should be a more stable and successful year vs. 2009.”

-John Sak,
Vice President Sales and Marketing, BORIDE Engineered Abrasives

Wholesale Trade

Regionally, the wholesale trade sector experienced a decrease in total employment over the last five years. In 2009, it is expected that there are approximately 1,820 wholesale trade employees in the region, representing 1.9% of total regional employment. Wholesale trade employment growth is expected to increase in the coming years and it is forecasted that by 2013 there will be 1,968 wholesale trade employees in the region.

**Total Wholesale Trade Employment for the 5-County Region,
2005-2013 (Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, all counties lost wholesale trade employment, with the biggest percentage lost in Kalkaska County. In the next five years, Benzie County is expected to continue the greatest percentage growth of wholesale trade employment. From 2009-2013, it is expected that the region as a whole will experience 8.1% employment growth in this industry.

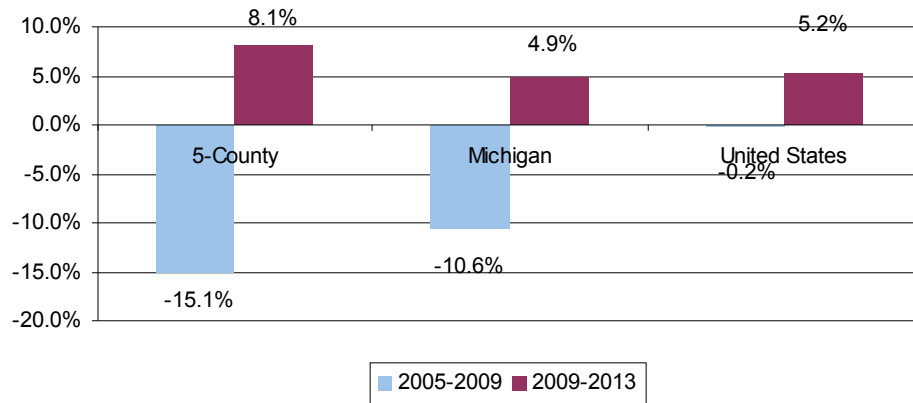
**Total Wholesale Trade Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	214	128	144	-40.2%	12.5%
Benzie	93	88	105	-5.4%	19.3%
Grand Traverse	1,493	1,314	1,394	-12.0%	6.1%
Kalkaska	214	167	181	-22.0%	8.4%
Leelanau	130	122	145	-6.2%	18.9%
5-County Region	2,144	1,820	1,968	-15.1%	8.1%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region and state experienced greater percent change declines in wholesale trade employment than the nation. In the next five years, regional wholesale trade employment is expected to grow at 8.1%, percentage gains are also expected at state and national levels.

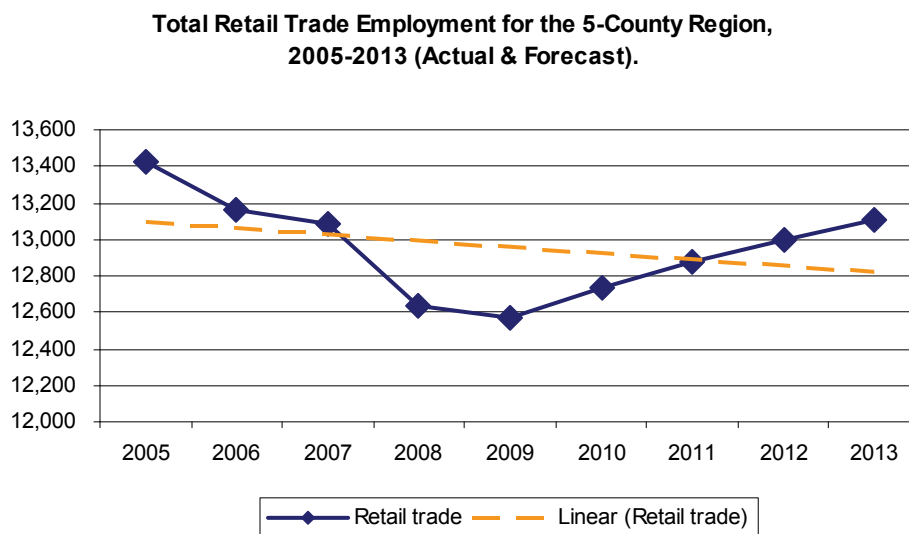
Percent Change Total Wholesale Trade Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: BLS. EMSI. 2008.

Retail Trade

Regionally, the retail trade sector experienced a decrease in employment over the last five years. In 2009, it is expected that there are approximately 12,571 retail trade employees in the region, representing 12.8% of total regional employment. Retail trade employment growth is expected to increase in the coming years and it is expected that by 2013 there will be 13,112 retail trade employees in the region.



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

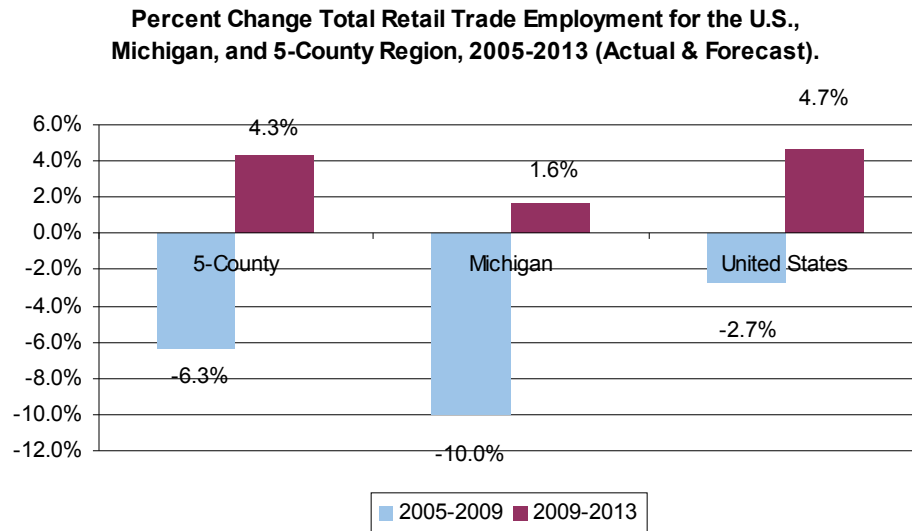
In the last five years, all counties lost retail trade employment, with the biggest percentage lost in Kalkaska County. In the next five years, Benzie County is expected to have the greatest percentage growth of retail trade employment. From 2009-2013, it is expected that the region as a whole will experience 4.3% employment growth in this industry.

**Total Retail Trade Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	1,124	1,151	1,280	2.4%	11.2%
Benzie	1,071	1,041	1,196	-2.8%	14.9%
Grand Traverse	9,654	8,929	9,069	-7.5%	1.6%
Kalkaska	601	553	586	-8.0%	6.0%
Leelanau	972	898	981	-7.6%	9.2%
5-County Region	13,422	12,571	13,112	-6.3%	4.3%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region, state, and nation experienced negative percentage growth in retail trade employment. In the next five years, regional retail trade employment is expected to grow at 4.3%, the state and nation are also expected to experience retail trade employment gains.



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“Cherry Republic is continually amazed at the generous spending of our region's tourists. Sales continue to grow for us and many retailers and I expect this same growth in 2010. The Pure Michigan advertising campaign makes a positive difference for retail. Hopefully that campaign will stay in place and keep new tourists coming to our region, a region that does not disappoint. An area of expansion for my company will be in how much we will show our appreciation to these amazing and generous tourists, so we can keep them coming back.”

-Bob Sutherland,
Owner, Cherry Republic

A Local Perspective:

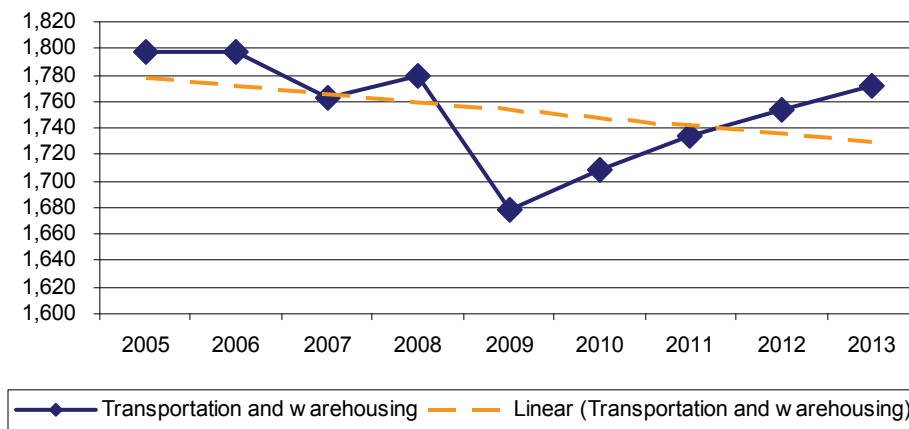
“Though Downtown Traverse City has not been immune from the recent economic downturn, merchants have had a respectable summer thanks to great tourist traffic and strong entertainment and dining attractions. These types of attractions will be key to our success in the future. Downtown already offers a lot in terms of experience, but must continue to grow this dining and entertainment sector to replace others that have left for the big box environment. An exciting and lively downtown as part of this region's great quality of life will help attract and keep the jobs our region needs.”

-Rob Bacigalupi,
Acting Executive Director, Traverse City Downtown Development Authority

Transportation and Warehousing

Regionally, the transportation and warehousing sector experienced a decrease in employment over the last five years. In 2009, it is estimated that there are approximately 1,678 transportation and warehousing employees in the region, representing 1.7% of total regional employment. Transportation and warehousing employment growth is expected to increase in the coming years and it is forecasted that by 2013 there will be 1,772 transportation and warehousing employees in the region.

Total Transportation & Warehousing Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Leelanau County experienced higher percentage growth in transportation and warehousing employment than the other four counties in the region. In the next five years, Benzie County is expected to experience the greatest percentage growth of transportation and warehousing employment. From 2009-2013, it is expected that the region as a whole will experience 5.6% employment growth in this industry.

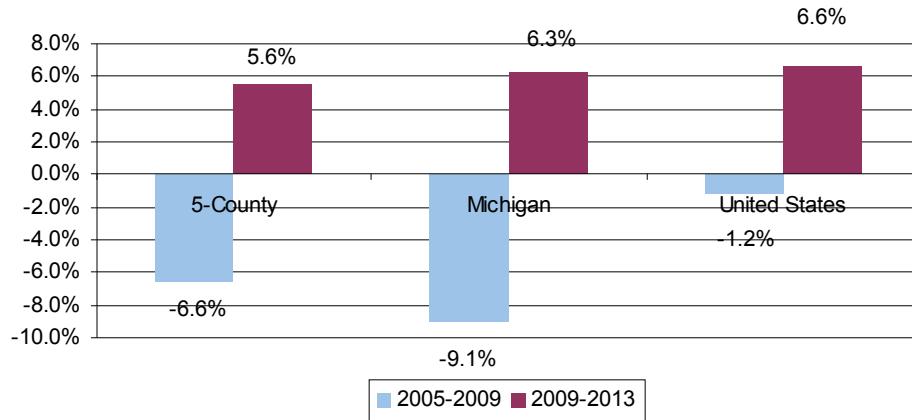
Total Transportation Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	168	176	203	4.8%	15.3%
Benzie	132	135	161	2.3%	19.3%
Grand Traverse	1,232	1,074	1,088	-12.8%	1.3%
Kalkaska	147	161	175	9.5%	8.7%
Leelanau	118	132	145	11.9%	9.8%
5-County Region	1,797	1,678	1,772	-6.6%	5.6%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region, state, and nation experienced declines in transportation and warehousing employment. In the next five years, regional transportation and warehousing employment is expected to grow at 5.6%, which is comparable to expected percent change at state and national levels.

**Percent Change Total Transportation & Warehousing Employment
for the U.S., Michigan, and 5-County Region,
2005-2013 (Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“The airline industry has reduced seat capacity by -10.1% and departures by -12.9% between 2007 and as currently scheduled for 2010. Passenger traffic is off -4.5%. USA seat capacity is being reduced faster than the trend of fewer passengers. This means aircraft will fly at higher load factors (less empty seats) and they will increase the cost of a ticket in an effort to move towards profitability. It may take until 2014 before passenger traffic equals 2008 levels.

The fleet of 50 passenger regional jets will decline 43% between 2010 and 2019. The economics of the 50 seat passenger jet are being reduced due to the missions they can be profitably used in, especially with the high cost of energy.

Demand for larger regional airliners will increase over the next five years in the 70-100 seat range. These are replacement aircraft and are not necessarily increasing seat capacity of airline fleets.

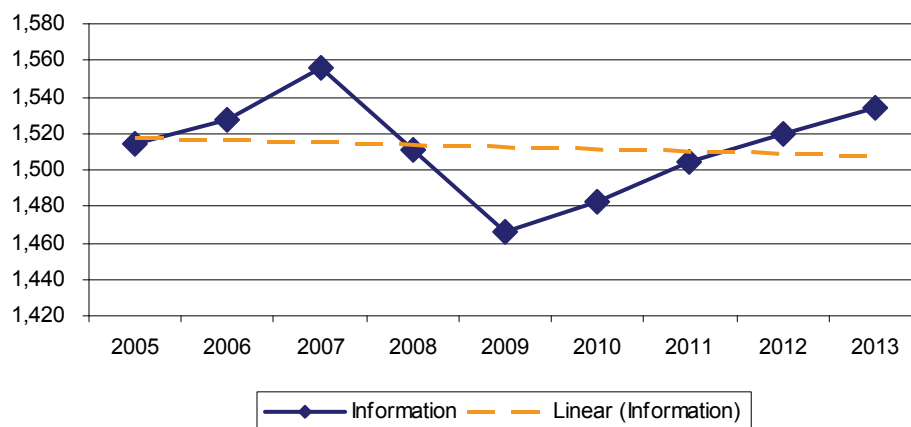
Airports with the best access to key global alliance service will fair better in the new global economy. Cherry Capital Airport is connected through American Eagle, United Express and Delta to Star Alliance, One World, and SkyTeam. Providing access to not only the U.S. domestic air transportation system, but to the global air transportation network.”

-Stephen Cassens,
Director, Cherry Capital Airport

Information (Communication)

Regionally, the information sector experienced a decrease in employment over the last five years. In 2009, it is estimated that there are approximately 1,466 information employees in the region, representing 1.5% of total regional employment. Information employment growth is expected to increase in the coming years and it is expected that by 2013 there will be 1,534 information employees in the region.

**Total Information Employment for the 5-County Region,
2005-2013 (Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Benzie County experienced higher percentage growth in information employment than the other four counties in the region. In the next five years, Kalkaska County is expected to have the greatest percentage growth of information employment. From 2009-2013, it is expected that the region as a whole will experience 4.6% employment growth in this industry.

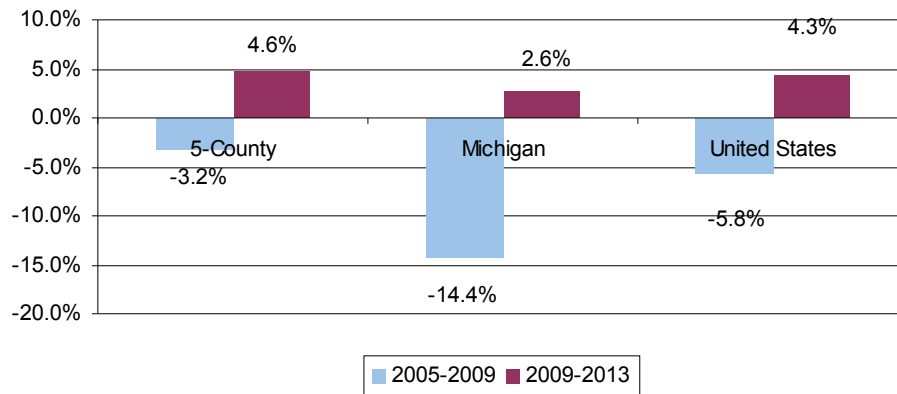
**Total Information Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	153	132	151	-13.7%	14.4%
Benzie	43	58	72	34.9%	24.1%
Grand Traverse	1,193	1,160	1,166	-2.8%	0.5%
Kalkaska	29	27	34	-6.9%	25.9%
Leelanau	95	89	110	-6.3%	23.6%
5-County Region	1,514	1,466	1,534	-3.2%	4.6%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region, state, and nation each experienced negative percentage growth in information employment. In the next five years, regional information employment is expected to grow at 4.6%, comparable to state and national growth rates.

Percent Change Total Information Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

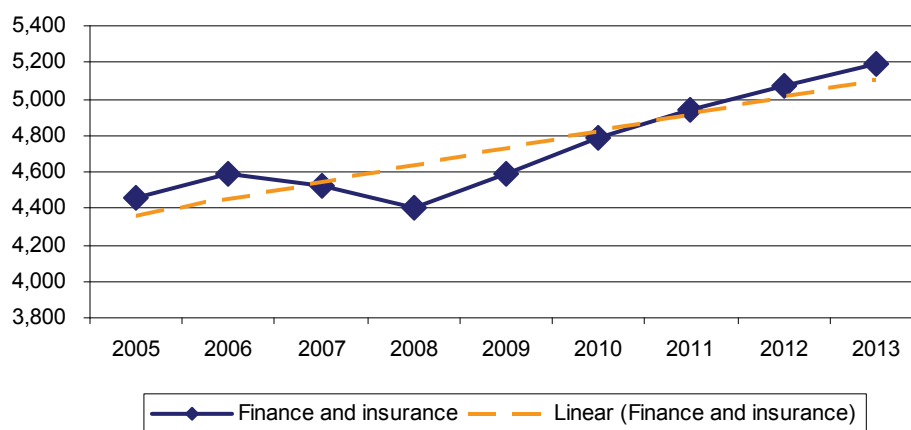
“The way we communicate with each other is constantly changing, whether it’s through new devices or completely new technologies. Consumers continue to have more choices in products and services from more providers than ever before. It is vital that we continue working to ensure Michigan laws are keeping pace with that change and are not left over from the long-gone telephone monopoly days. An up-to-date environment will help encourage providers like AT&T to continue investing in technology and creating good jobs across the state.”

-Gavin Goetz
External Relations Manager, AT&T

Finance and Insurance

Regionally, the finance and insurance sector experienced an increase in employment over the last five years. In 2009, it is estimated that there are approximately 4,589 finance and insurance employees in the region, representing 4.7% of total regional employment. Finance and insurance employment growth is expected to increase in the coming years and it is forecasted that by 2013 there will be 5,189 finance and insurance employees in the region.

**Total Finance & Insurance Employment for the 5-County Region,
2005-2013 (Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Leelanau County experienced higher percentage growth in finance and insurance employment than the other four counties in the region. In the next five years, Leelanau County is expected to continue the greatest percentage growth of finance and insurance employment. From 2009-2013, it is expected that the region as a whole will experience 13.1% employment growth in this industry.

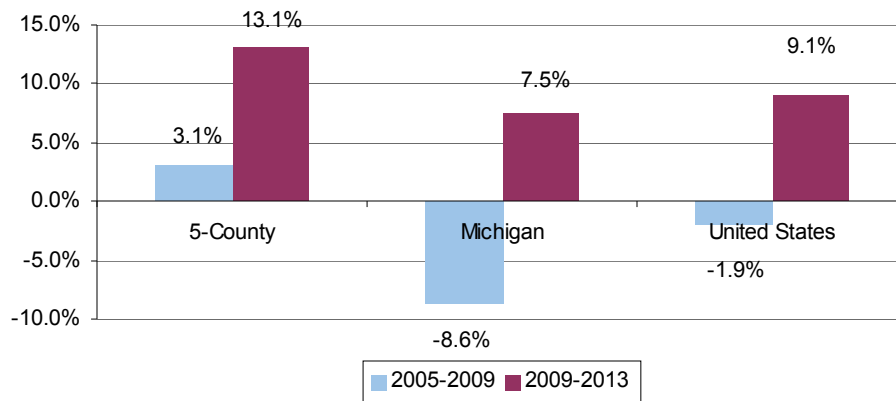
**Total Finance & Insurance Employment by Selected County,
2005-2013 (Actual & Forecast).**

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	380	357	406	-6.1%	13.7%
Benzie	359	317	337	-11.7%	6.3%
Grand Traverse	3,134	3,290	3,670	5.0%	11.6%
Kalkaska	114	109	122	-4.4%	11.9%
Leelanau	465	517	653	11.2%	26.3%
5-County Region	4,453	4,589	5,189	3.1%	13.1%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region experienced positive percentage growth in finance and insurance employment; whereas, the state and nation both experienced losses. In the next five years, regional finance and insurance employment is expected to grow at 13.1%, the state and nation are also expected to show gains.

Percent Change Total Finance & Insurance Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“The economic challenges that continue to burden many small business owners have depressed property and casualty premiums due to lower payroll and gross sale numbers as a whole. A handful of employers have remained immune (some have actually grown) to the downturn, but this is more of an anomaly than the norm. These decreased premiums directly affect agency and insurance company revenues. Those companies that have made the appropriate investments in technology, operations, and talented individuals stand the best chance of weathering the storm. The financial strain has forced sales, mergers, layoffs and more for many agencies in the state and beyond, but I would say our local area has observed less than other regions.

Excess capacity in the insurance industry continues to dwindle. Investment income remains modest at best. Add to this that loss ratios exceed 100% by many insurance companies and one could forecast increased insurance premiums by consumers of all kind. Healthcare providers continue to offer world-class products and services as employers find plans that attempt to keep costs in check. The healthcare debate in the senate and congress presses on as the industry keeps a steady watch. The long term effect on the local small business owner remains a mystery as plans take shape and credits and taxes are discussed.

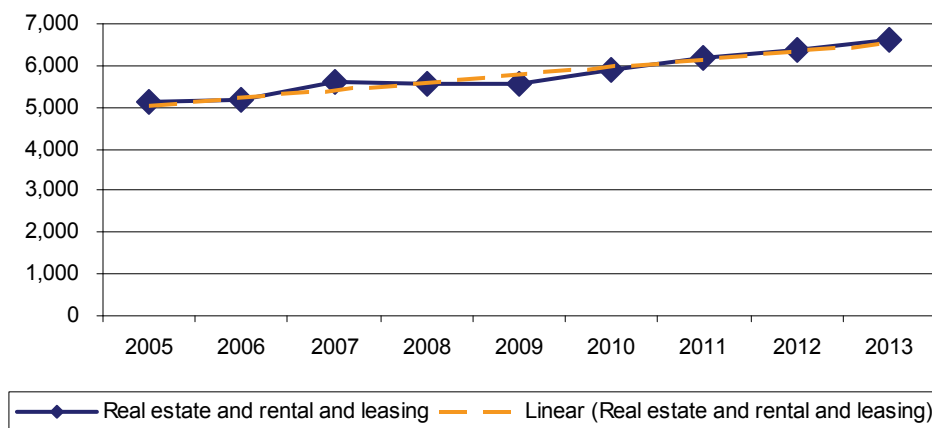
Stay tuned for more.....”

-Dennis Muth, President
Peterson McGregor and Associates

Real Estate

Regionally, the real estate sector experienced an increase in employment over the last five years. In 2009, it is estimated that there are approximately 5,573 real estate employees in the region, representing 5.7% of total regional employment. Real estate employment growth is expected to increase in the coming years and it is expected that by 2013 there will be 6,594 real estate employees in the region.

Total Real Estate Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Antrim County experienced higher percentage growth in real estate employment than the other four counties in the region. In the next five years, Benzie and Antrim Counties are expected to have the greatest percentage growth of real estate employment. From 2009-2013, it is forecasted that the region as a whole will experience 18.3% employment growth in this industry.

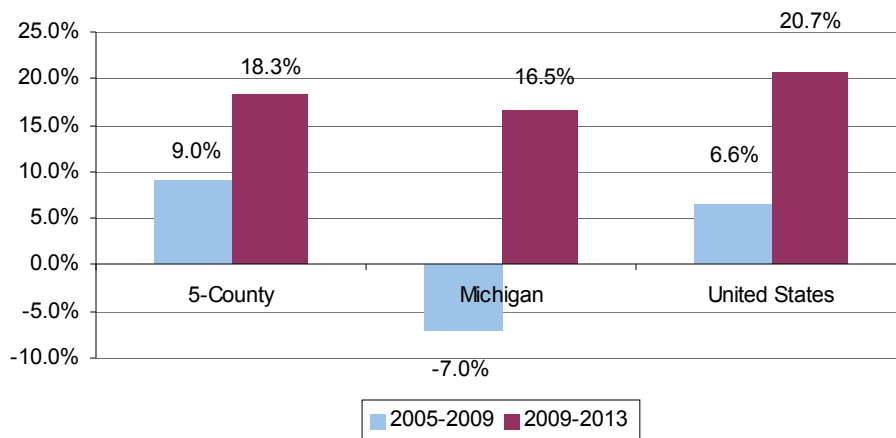
Total Real Estate Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	700	857	1,057	22.4%	23.3%
Benzie	550	627	773	14.0%	23.3%
Grand Traverse	3,082	3,279	3,808	6.4%	16.1%
Kalkaska	178	193	223	8.4%	15.5%
Leelanau	602	616	733	2.3%	19.0%
5-County Region	5,112	5,573	6,594	9.0%	18.3%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region experienced similar percentage growth in real estate employment to the nation, whereas, the state experience declines. In the next five years, regional real estate employment is expected to grow at 18.3%, the state and nation are also expected to show similar gains.

Percent Change Total Real Estate Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“We have seen a strengthening of the residential real estate market over the second and third quarters of 2009. Expect this trend to continue if the federal government extends and expands the home buyer tax credit and interest rates remain low. Rising unemployment and lack of consumer confidence could erode this housing market recovery. At this time the housing market forecast for 2010 and the Grand Traverse region is completely subject to externalities dictated by legislative actions at the state and federal level and the creation/attraction of new jobs in the region more than the consumers’ willingness to buy. Commercial real estate shall continue to be challenged perhaps until the third quarter of 2010 when market forces may require new development or expansion of existing or emerging business operations.

-Kimberly Pontius,
Executive Vice President, Traverse Area Association of Realtors

A Local Perspective:

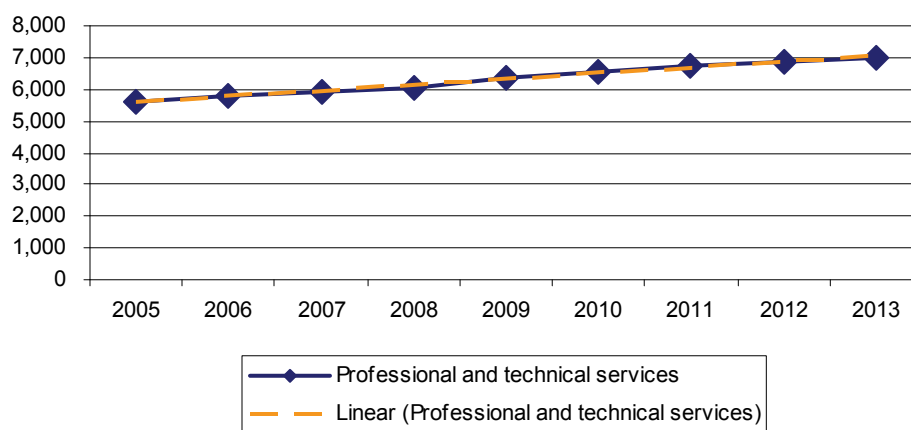
“Reviewing my comments from last year's Chamber publication brought me to the conclusion of "one more year of the same". We will see continued retrenchment in the commercial real estate sector for Traverse City and the surrounding counties. Although not impacted to the degree that downstate has experienced, the Traverse markets will continue to suffer with reduced expectations, lowered rents and a lack of sales velocity. The investor driven real estate market remains severely restricted with very few properties changing hands. Bank underwriting criteria have tightened considerably, causing investors to stay on the sidelines to wait for a more positive environment. Owner occupied buildings are selling in as much as they are viewed not as commercial real estate, but adjuncts to the operations of successful business entities. The industrial sector will continue to see many facilities remain vacant as the automobile industry adjusts to the "new normal" level of equilibrium. My hope is that 2010 is the "bottom" and the market strengthens from here. Traverse still maintains its overall high quality of life environment and this in and of itself lends to future strength in the market. I remain optimistic that as the nation pulls out of the recent recession, the Traverse region will be a leading light for the state of Michigan. Those willing to take some risk could be amply rewarded in the long run.”

-Michael Orden,
Associate Broker, Real Estate One

Professional and Technical Services

Regionally, the professional and technical services sector experienced an increase in employment over the last five years. In 2009, it is estimated that there are approximately 6,340 professional and technical services employees in the region, representing 6.5% of total regional employment. Professional and technical services employment growth is expected to increase in the coming years and it is forecasted that by 2013 there will be 7,003 professional and technical services employees in the region.

Total Professional & Technical Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Kalkaska County experienced higher percentage growth in professional and technical services employment than the other four counties in the region. In the next five years, Benzie County is expected to continue the greatest percentage growth of professional and technical services employment. From 2009-2013, it is forecasted that the region as a whole will experience 10.5% employment growth in this industry.

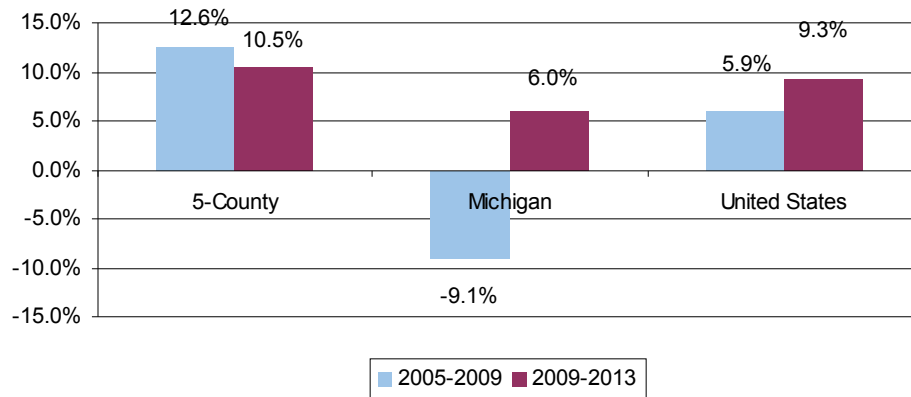
Total Professional & Technical Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	580	665	765	14.7%	15.0%
Benzie	408	417	480	2.2%	15.1%
Grand Traverse	3,908	4,467	4,875	14.3%	9.1%
Kalkaska	129	153	176	18.6%	15.0%
Leelanau	603	640	707	6.1%	10.5%
5-County Region	5,629	6,340	7,003	12.6%	10.5%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region and the nation experienced higher percentage growth in professional and technical services employment than the state. In the next five years, regional professional and technical services employment is expected to grow at 10.5%, the state and nation are also expected to show gains.

Percent Change Total Professional & Technical Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

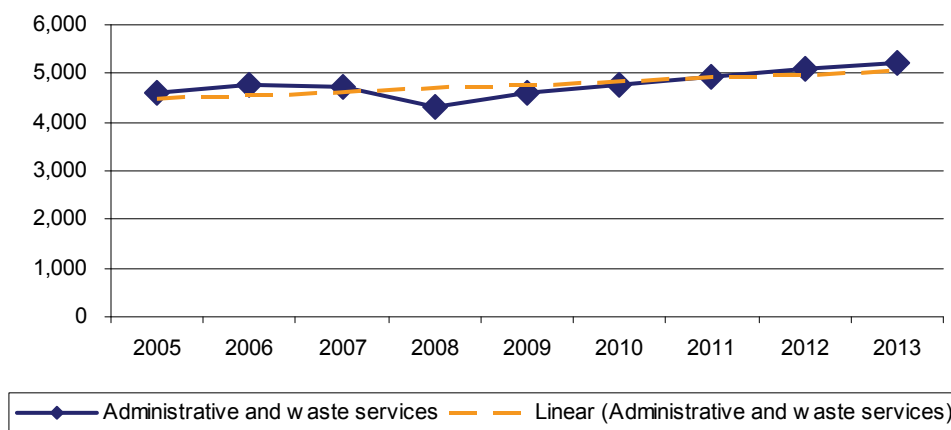
“We are frequently asked “what we have seen” in our client base with respect to the effect of the economic recession. It is difficult to “paint with a broad brush”, as the effects have varied greatly, largely by industry. Many our clients have not only survived, but thrived during the last twelve months, including many service industry clients and some manufacturing clients. Of course, automotive-related manufacturing and almost anything related to real estate development and construction have suffered greatly. As 2009 draws to a close, we are witnessing a gradual recovery of confidence amongst our business clients. We are encouraged that the recovery will continue, albeit gradually. Various industries will experience varying levels of recovery. Also, newer industries will continue to emerge, such as alternative energy, with which we have been actively engaged, to provide many opportunities.”

-Tom Aja
Partner, Plante & Moran, PLLC

Administrative & Waste Services

Regionally, the administrative and waste services sector experienced an increase in employment over the last five years. In 2009, it is estimated that there are approximately 4,595 administrative services employees in the region, representing 4.7% of total regional employment. Administrative services employment growth is expected to increase in the coming years and it is expected that by 2013 there will be 5,209 administrative and waste services employees in the region.

Total Administrative & Waste Services Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Antrim County experienced higher percentage growth in administrative services employment than the other four counties in the region. In the next five years, Antrim County is expected to continue the greatest percentage growth of administrative services employment. From 2009-2013, it is forecasted that the region as a whole will experience 13.4% employment growth in this industry.

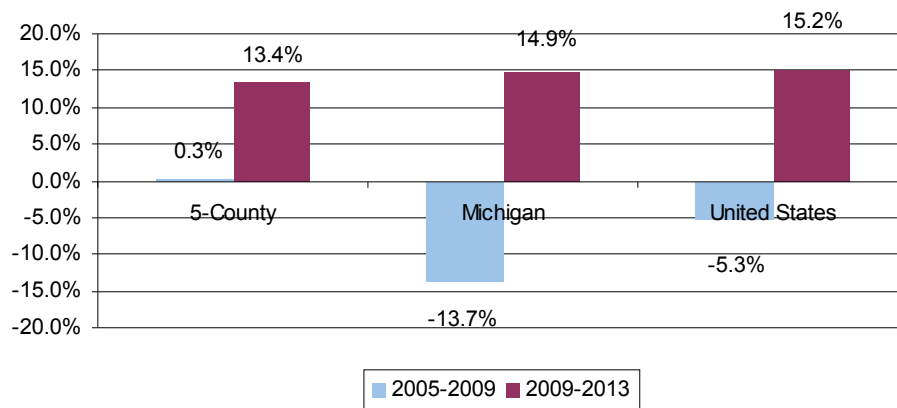
Total Administrative & Waste Services Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	493	592	721	20.1%	21.8%
Benzie	465	441	536	-5.2%	21.5%
Grand Traverse	2,768	2,664	2,978	-3.8%	11.8%
Kalkaska	483	572	602	18.4%	5.2%
Leelanau	373	326	373	-12.6%	14.4%
5-County Region	4,583	4,595	5,209	0.3%	13.4%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region experienced stagnant percentage growth in administrative and waste services employment, whereas, the state and nation experienced declines. In the next five years, regional administrative services employment is expected to grow at 13.4%, which is comparable to expected state and national levels.

Percent Change Total Administrative & Waste Services Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

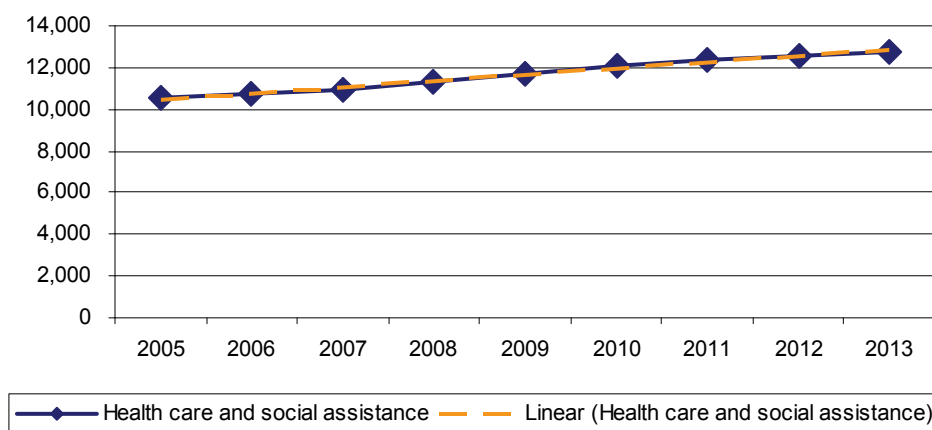
“There will continue to be challenges for both job seekers and employers in 2010. Employers are likely to rely more heavily on contingent workers as their business demands rise. Many have learned during this tumultuous economic cycle that they must find a careful balance between cutting back too significantly on staff levels, and retaining their workforce at an unprofitable level. Using contingent works in a strategic way is a trend that we see expanding in Michigan and around the nation as companies take great care to not become too ambitious with the talk of recovery.”

-Karmin Philp,
Executive Vice President, Manpower

Health Care and Social Assistance

Regionally, the health care and social assistance sector experienced an increase in employment over the last five years. In 2009, it is estimated that there will be approximately 11,736 health care and social assistance employees in the region, representing 12.0% of total regional employment. Health care and social assistance employment growth is expected to increase in the coming years and it is forecasted that by 2013 there will be 12,776 health care and social assistance employees in the region.

Total Health Care & Social Assistance Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

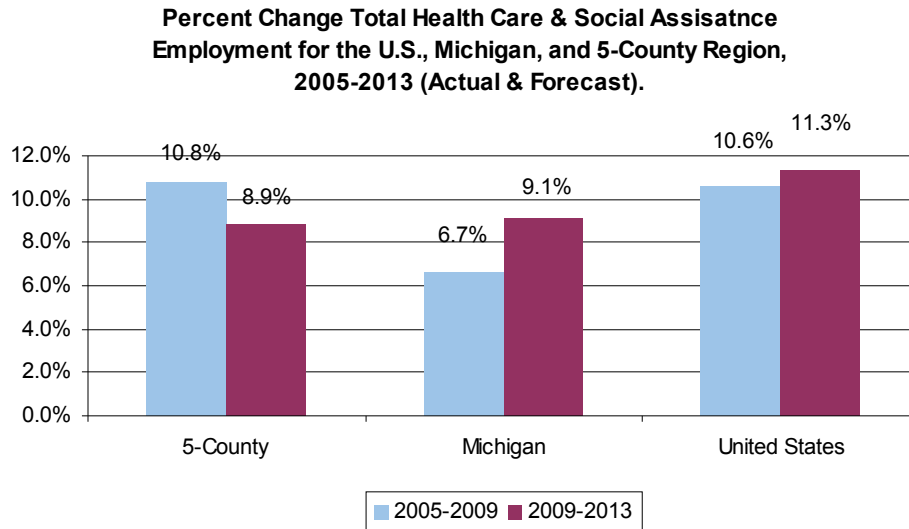
In the last five years, Leelanau County experienced higher percentage growth in health care and social assistance employment than the other four counties in the region. In the next five years, Antrim County is expected to have the greatest percentage growth of health care and social assistance employment. From 2009-2013, it is forecasted that the region as a whole will experience 8.9% employment growth in this industry.

Total Health Care & Social Assistance Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	460	543	641	18.0%	18.0%
Benzie	540	620	679	14.8%	9.5%
Grand Traverse	8,823	9,563	10,276	8.4%	7.5%
Kalkaska	239	308	361	28.9%	17.2%
Leelanau	527	701	819	33.0%	16.8%
5-County Region	10,590	11,736	12,776	10.8%	8.9%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region experienced comparable percentage growth in health care and social assistance employment than the state and nation. In the next five years, regional health care and social assistance employment is expected to grow at 8.9%, which is also comparable to state and national expectations.



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“The current economic conditions will continue to affect healthcare providers. As the unemployment rate rises, the amount of bad debt and charity care that the hospital provides will continue to increase. This year we expect that Bad Debt and Charity care combined will increase almost 9% to a total of \$29 million dollars. In addition, cuts to both the Medicare and Medicaid programs will put financial pressure on all hospitals and physicals, as these programs generally do not provide reimbursement which covers the costs of providing care.

We expect healthcare employment to remain relatively stable in Northern Michigan as the healthcare needs of the region increase with the aging population. Healthcare will continue to be a very important economic driver of the region.”

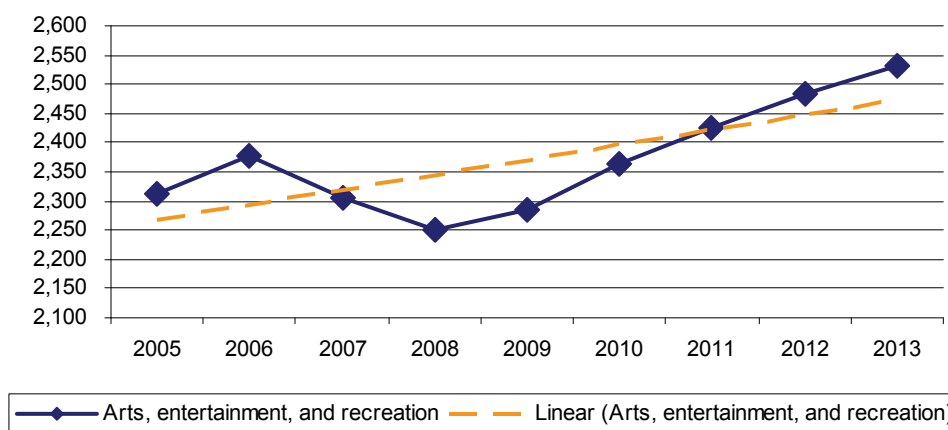
-Ed Ness,
CEO, Munson Medical Center

**Due to reporting stipulations, many educational and health care service providers tend to be recorded within the “Government” sector.*

Arts, Entertainment, and Recreation

Regionally, the arts, entertainment, and recreation sector experienced a decline in employment over the last five years. In 2009, it is estimated that there will be approximately 2,285 arts, entertainment, and recreation employees in the region, representing 2.3% of total regional employment. Arts, entertainment, and recreation employment growth is expected to increase in the coming years and it is forecasted that by 2013 there will be 2,531 arts, entertainment, and recreation employees in the region.

Total Arts, Entertainment, & Recreation Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Antrim County experienced higher percentage growth in arts, entertainment, and recreation employment than the other four counties in the region. In the next five years, Kalkaska County is expected to have the greatest percentage growth of arts, entertainment, and recreation employment. From 2009-2013, it is forecasted that the region as a whole will experience 10.8% employment growth in this industry.

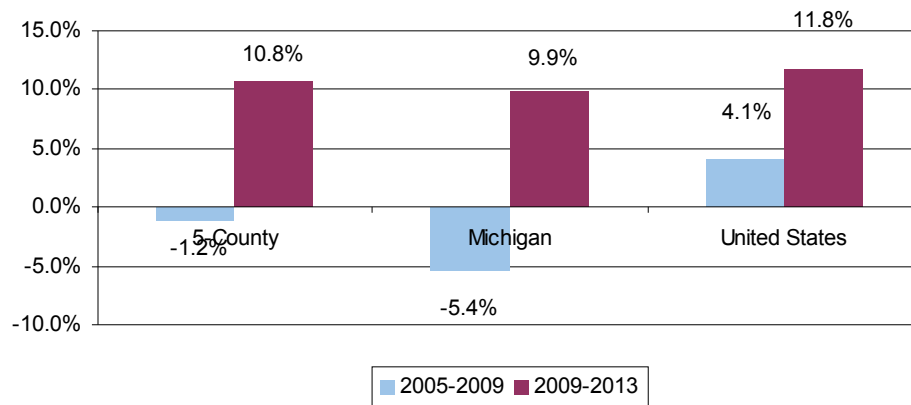
Total Arts, Entertainment, and Recreation Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	250	270	300	8.0%	11.1%
Benzie	332	261	298	-21.4%	14.2%
Grand Traverse	1,293	1,351	1,501	4.5%	11.1%
Kalkaska	107	88	106	-17.8%	20.5%
Leelanau	332	315	327	-5.1%	3.8%
5-County Region	2,313	2,285	2,531	-1.2%	10.8%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region and state experienced negative percentage growth in arts, entertainment, and recreation employment, whereas, the nation experienced gains. In the next five years, regional arts, entertainment, and recreation employment is expected to grow at 10.8%, which is comparable to expected state and national levels.

Percent Change Total Arts, Entertainment, & Recreation Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

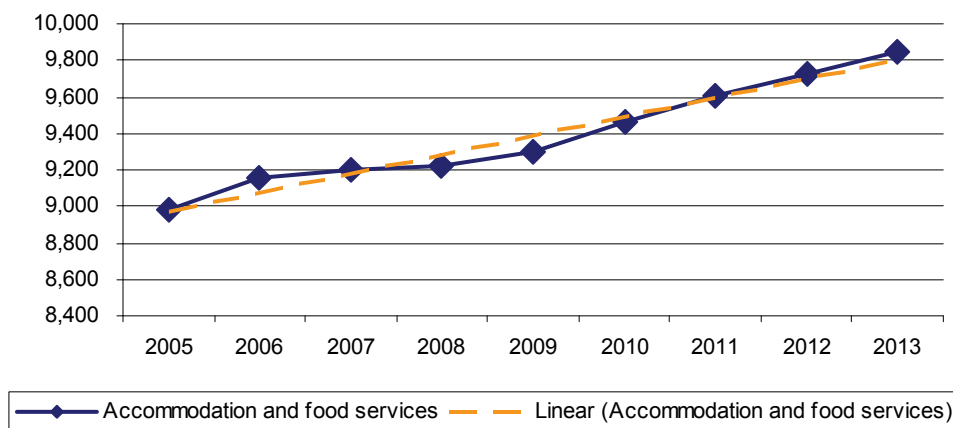
“While arts and cultural institutions are confronting unprecedented challenges around the country and certainly in Michigan, Interlochen Center for the Arts (ICA) finished the 2009 fiscal year in strong standing. We tightened our belts in anticipation of a difficult year, yet ICA enrollments at Interlochen Arts Camp and Interlochen Arts Academy, as well as Interlochen Arts Festival ticket sales and patron volume remained at or above 2008 levels. Aggressive marketing efforts and a trend for parents and patrons to “return to quality” in difficult times helped ICA meet its budget goals, along with the growth of the Grand Traverse region as a retirement and tourist destination. ICA saw increased participation in its adult arts enrichment program, Interlochen College of Creative Arts. Listenership and support for Interlochen Public Radio continue to meet or exceed FY08, as did on-campus sales of food and clothing. ICA expects the business fundamentals for 2010 to continue to strengthen, and all indicators are for continued modest growth in the coming year. We are fortunate that the diversification of our programs and our demographics are assets in challenging times.”

-Jeffrey Kimpton, President
Interlochen Center for the Arts

Accommodation and Food Services

Regionally, the accommodation and food services sector experienced an increase in employment over the last five years. In 2009, it is estimated that there are approximately 9,300 accommodation and food services employees in the region, representing 9.5% of total regional employment. Accommodation and food services employment growth is expected to increase in the coming years and it is forecasted that by 2013 there will be 9,850 accommodation and food services employees in the region.

Total Accommodation & Food Services Employment for the 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, Grand Traverse County experienced higher percentage growth in accommodation and food services employment than the other four counties in the region. In the next five years, Benzie County is expected to have the greatest percentage growth of accommodation and food services employment. From 2009-2013, it is forecasted that the region as a whole will experience 5.9% employment growth in this industry.

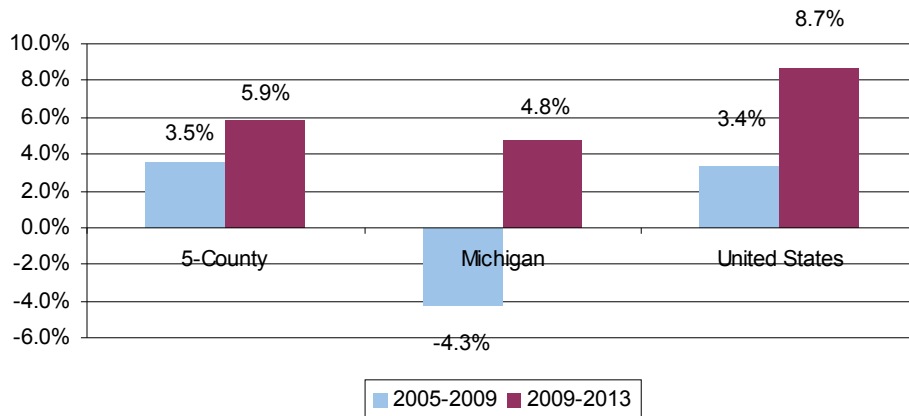
Total Accommodation & Food Services Employment by Selected County, 2005-2013 (Actual & Forecast).

County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	1,370	1,304	1,394	-4.8%	6.9%
Benzie	1,107	1,107	1,213	0.0%	9.6%
Grand Traverse	5,195	5,608	5,937	7.9%	5.9%
Kalkaska	275	273	249	-0.7%	-8.8%
Leelanau	1,035	1,007	1,058	-2.7%	5.1%
5-County Region	8,982	9,300	9,850	3.5%	5.9%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, the 5-county region and nation experienced percentage growth in accommodation and food services employment; whereas the state experienced losses. In the next five years, regional accommodation and food services employment is expected to grow at 5.9%- higher than the state, but below gains expected at a national level.

Percent Change Total Accommodation & Food Services Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“The outlook for the 2010 tourism sector continues to be very guarded. While forecasts are indicating a slight increase in demand for tourism in 2010 the rate discounting that has taken a firm hold in 2009 is expected to continue throughout 2010 having a negative impact on revenues and profitability. As challenging a year 2009 was for the tourism sector, the one bright spot was our continued growth in out-of-state visitor traffic. Our regions future success for tourism growth will be with our ability to build our brand in new markets and attract more out-of-state visitors to our destination. In 2010 we will continue our aggressive out-of-state marketing efforts and, where possible, leverage our Traverse City message off of the strong Pure Michigan campaign that has been creating new interest in our state and changing consumer’s perceptions about Michigan.”

-Brad R. Van Dommelen,
President, Traverse City Convention & Visitors Bureau

A Local Perspective:

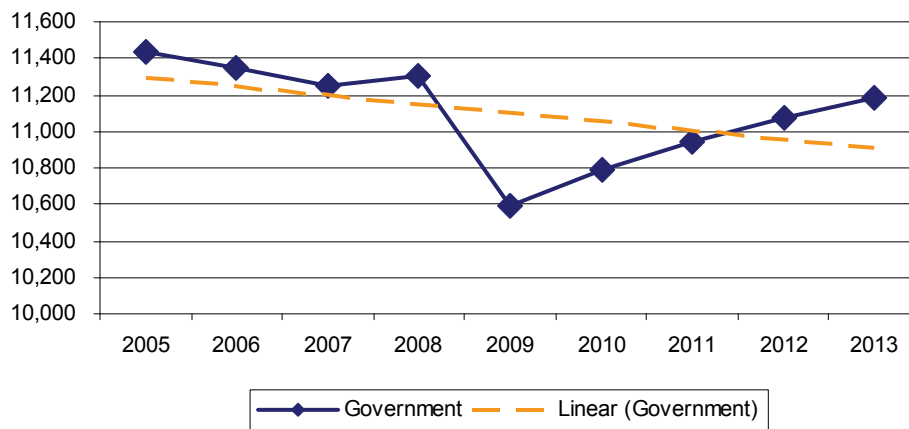
“Michigan is at the epicenter of global change and for many, these changes are profound, difficult and painful. But, we believe these changes can represent new opportunities for our travel and tourism industry. Though travelers today are more constrained by income, energy and time, they still want to “get away” and connect with family, friends and colleagues. Many are choosing to vacation and meet closer to home, and we are in the “sweet spot” to serve them. In fact, despite the weak economy, Crystal experienced a strong summer with occupancy exceeding 2008 and Winter 2009-10 bookings are on pace with last year. Also, we all benefit from the State’s investment in the national Pure Michigan campaign. Though Michigan’s economic forecast is for continued challenge, we believe that associated effects, like closer-to-home travel combined with continued funding for the Pure Michigan campaign, represent new opportunities for our travel industry and Crystal Mountain!”

-Jim & Chris MacInnes, Owners
Crystal Mountain

Government

Regionally, the government sector experienced a decrease in total employment over the last five years. In 2009, it is estimated that there are approximately 10,593 government employees in the region, representing 10.8% of total regional employment. Government employment growth is expected to increase in the coming years and it is expected that by 2013 there will be 11,184 government employees in the region.

**Total Government Employment for the
5-County Region, 2005-2013 (Actual & Forecast).**



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

In the last five years, every county in the region experienced a decline in government employment. In the next five years, Benzie County is expected to have the greatest percentage growth of government employment. From 2009-2013, it is expected that the region as a whole will experience 5.6% employment growth in this industry.

**Total Government Employment by Selected County,
2005-2013 (Actual & Forecast).**

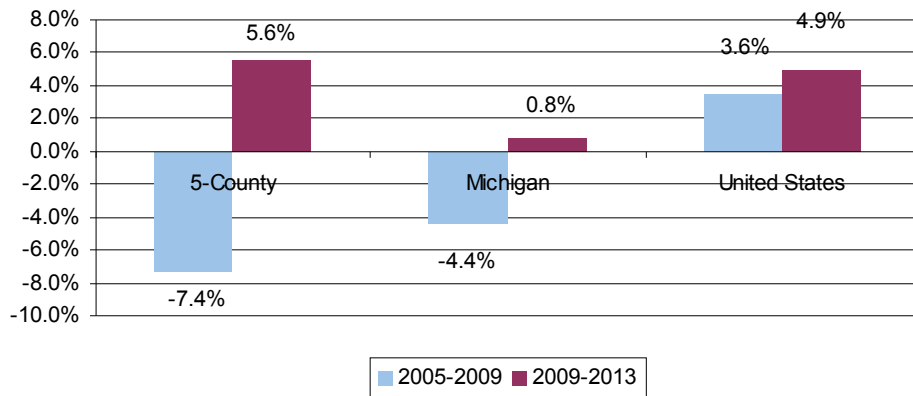
County	2005	2009	2013	% Change 2005-09	% Change 2009-13
Antrim	1,414	1,198	1,314	-15.3%	9.7%
Benzie	721	654	728	-9.3%	11.3%
Grand Traverse	6,344	6,021	6,248	-5.1%	3.8%
Kalkaska	966	818	851	-15.3%	4.0%
Leelanau	1,989	1,902	2,043	-4.4%	7.4%
5-County Region	11,434	10,593	11,184	-7.4%	5.6%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

**Due to reporting stipulations, many traditional educational and health care service providers tend to be recorded within the "Government" sector.*

In the last five years, the 5-county region and state experienced negative percentage growth in government employment; whereas, the nation experienced gains. In the next five years, regional government employment is expected to grow at 5.6%, while the state and nation are also expected to show gains.

Percent Change Total Government Employment for the U.S., Michigan, and 5-County Region, 2005-2013 (Actual & Forecast).



Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). 2009.

A Local Perspective:

“The vision of the Traverse Bay Area Intermediate School District is for our five county region to have the best educational system in the world. Preparing students to compete and succeed in the ever-changing 21st century global economy is a priority. As in other sectors, critical resources for education have diminished dramatically, driving innovation and increased collaboration. We look forward to the relentless pursuit of our vision and the positive impact on the region’s economy.”

-Michael J. Hill
Superintendent, Traverse Bay Area Intermediate School District

A Local Perspective:

“This year, NMC saw double digit growth, fueled by a workforce seeking new skills and a traditional aged college population seeking the highest value for their dollar. We expect this trend to continue at least into next year. Despite anticipated state reductions of up to 20% in aid for higher education next year, NMC is finding ways to fulfill our college's values of agility and innovation. We continue to invest in programs and services that are directly tied to regional economic and social drivers. These include water, value added agriculture, healthcare, alternative energy and global competencies. We are working with Michigan’s legislature to gain authority to offer baccalaureate degrees in select areas. The founding model of community colleges based on access is rapidly expanding to have an even greater focus on success. Community colleges and NMC will become more important contributors to the development of the next economy. An economy that maintains a talented workforce, encourages entrepreneurial activity, provides access to capital, supports innovation and is connected to a global network.”

-Tim Nelson,
President, Northwestern Michigan College

Special Report: The Role of Nonprofits in the Economy

In 2010, the nonprofit sector will continue to play a key role as employer, service provider and key partner in driving economic development and recovery in our region, state and nation.

Michigan:

- At least **1 of every 10 Michigan workers** is employed in the nonprofit sector, excluding governmental bodies and public universities and colleges
- Economic activity of **\$108 billion is generated annually**- organizational expenditures of more than \$60 billion - employee expenditures of an additional \$48 billion.
- Michigan **nonprofits employ 440,000 people**, an increase of 40% since 2001. An additional 162,000 people are employed indirectly as a result of organizational expenditures and 219,000 as a result of employee expenditures at grocery stores, dry cleaners, etc.
- Annual revenue statewide increased **85% since 2003**.

Regionally:

County	Total Nonprofits	Total Employment	Public Charities Per 10,000 Residents	Third Quarter Wages 2006 Actual	Estimated Annual Wages
Antrim	34	62	8	\$552,705	\$2,210,820
Benzie	37	411	16	\$2,022,092	\$8,088,368
Grand Traverse	241	5,846	20	\$55,293,116	\$221,172,464
Kalkaska	10	13	5	\$19,250	\$77,000
Leelanau	54	400	15	\$2,211,305	\$8,845,220
TOTAL	376	6,732	64	\$60,098,468	\$240,393,872

Total Assets and Expenditures

County	Assets	Expenditures
Antrim	\$11,888,873	\$6,900,729
Benzie	\$25,645,868	\$17,278,556
Grand Traverse	\$833,336,867	\$488,599,179
Kalkaska	\$1,534,194	\$627,521
Leelanau	\$36,929,417	\$14,599,866
TOTAL	\$909,335,219	\$527,965,851

Source: National Center for Charitable Statistics, report derived from the 2006 IRS 990 Forms of organizations with gross receipts of \$25,000 or more annually. This is only an estimated 35% of the total number of Michigan nonprofit corporations. 2009.

A Local Perspective:

“Nonprofit organizations play an important role in building strong communities and they will continue to play a key role in economic development/recovery services in 2010. Although, the nonprofit organizations themselves will be under tremendous pressure as demand for services increases and revenues, both earned and donated, will most likely decline or at the very best remain stable.

Government is a prime customer of many nonprofit organizations, contracting with them to provide goods and services considered to be of community benefit. Next year the struggle of the State of Michigan to fund these services will continue to put extreme pressure on the nonprofit sector. This could have a ripple effect beyond the nonprofit sector, as nonprofits provide critical services that affect many factors in the full employability of the workforce. These include: health, education, job training, housing, food, transportation, stress management and daycare.

Some of the services that assist in creating a well-prepared and able workforce include: youth development, employment support services, foreclosure prevention counseling, micro-loan programs, literacy programs, financial counseling, foster care and adoption, home weatherization program administration, supported child care, food pantries, affordable housing.

Nonprofits are also a primary provider of services and programs that contribute to the quality of life and make this an attractive place to live, work and play. Nonprofit organizations that ensure our historical, cultural and environmental assets remain vital and provide arts and recreational programs, helping the Grand Traverse region attract and retain a world class workforce.

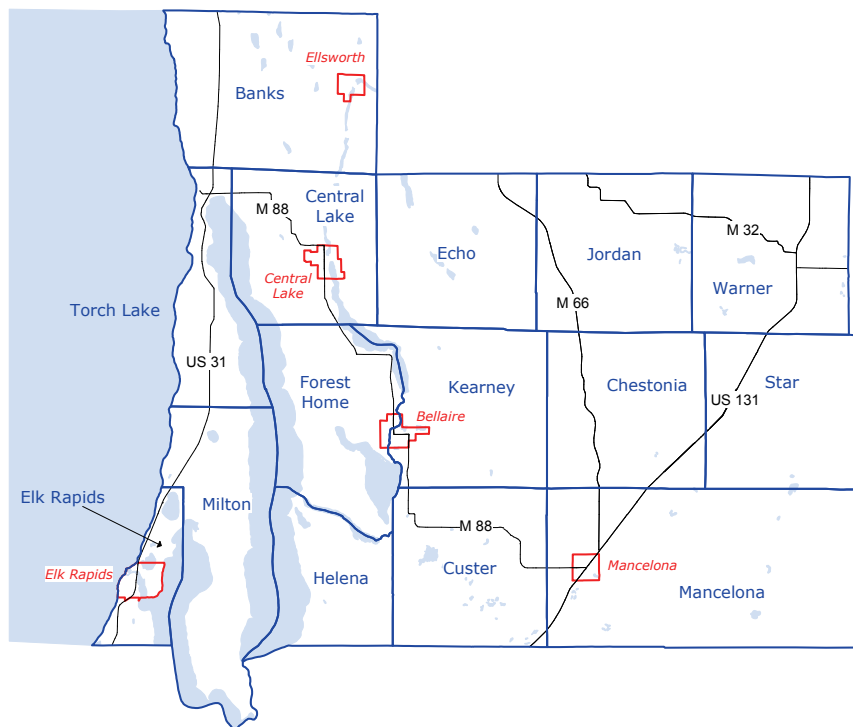
A strong and vital nonprofit sector is an essential building block in shaping a new and vibrant economic model for our region and state.”

-Debbie McKeon
Executive Director, NorthSky Nonprofit Network

A Local Perspective:

“Private, Public, Family, Community and Corporate Foundations will all have flat or reduced giving budgets in 2010. This is largely because most of their portfolios will not have fully recovered from the large losses in 2008. Most national experts think that giving from individuals will increase slightly in 2010 as the economy recovers. Donations from individuals constitute approximately 80% of the total giving in the USA annually. Nonprofits can take this as a good sign, but should continue to reduce expenses, explore more collaborations and partnerships and focus on their mission.

-Marsha Smith
Executive Director, Rotary Charities of Traverse City



Antrim County People & Income Overview

	Value	Rank in State (83 counties)		Value	Rank in State (83 counties)
Population (2008)	24,109	60	Per Capita Personal Income (2007)	\$29,126	30
Growth (%) since 1990	32.6%	6	Median Household Income (2007)	\$43,099	30
Households (2000)	9,222	60	Poverty Rate (2007)	12.0	63
Labor Force (persons) (2008)	11,825	57	H.S. Diploma or More (2000)	84.6	23
Unemployment Rate (2008)	9.7	35	Bachelor's Deg. or More (2000)	19.4	20

Source: Northwest Michigan Council of Governments. STATS Indiana. 2009.

According to the Bureau of Economic Analysis (BEA), in 2007, Antrim County had a per capita personal income (PCPI) of \$29,126. This PCPI ranked 30th in the state and was 85 percent of the state average, \$34,423, and 75 percent of the national average, \$38,615. The 2007 PCPI reflected an increase of 5.9 percent from 2006. The 2006-2007 state change was 4.4 percent and the national change was 4.9 percent. In 1997, the PCPI of Antrim County was \$21,929 and ranked 32nd in the state. The 1997-2007 average annual growth rate of PCPI was 2.9 percent. The average annual growth rate for the state was 3.1 percent and for the nation was 4.3 percent.

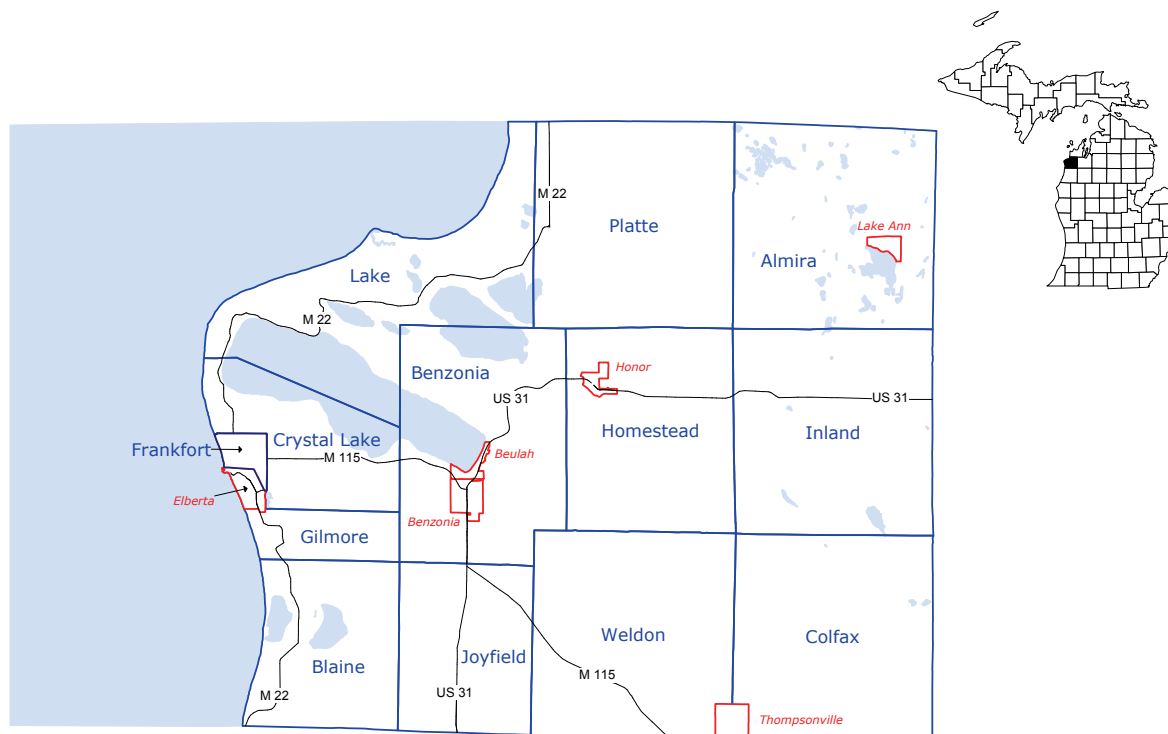
In 2009, it is estimated that there are approximately 10,712 employees in Antrim County, representing 10.9% of total regional employment. Manufacturing is the largest employment industry (1,014 employees) in the county. From 2009-2013, it is forecasted that Antrim County will experience a 12.0% increase in total employment growth, as opposed to -4.4% from 2005-2009.

Total Antrim County Employment by Industry, 2005-2013 (Actual & Forecast).

Industry	Year			Actual		Forecast	
	2005	2009	2013	Change 2005-09	% Change 2005-09	Change 2009-13	% Change 2009-13
Agriculture, forestry, fishing and hunting	437	489	508	52	11.9%	19	3.9%
Mining (Extraction)	80	89	114	9	11.3%	25	28.1%
Utilities	0	<10	<10	n/a	n/a	n/a	n/a
Construction	1,391	1,019	1,147	(372)	-26.7%	128	12.6%
Manufacturing	1,272	1,014	1,064	(258)	-20.3%	50	4.9%
Wholesale trade	214	128	144	(86)	-40.2%	16	12.5%
Retail trade	1,124	1,151	1,280	27	2.4%	129	11.2%
Transportation and warehousing	168	176	203	8	4.8%	27	15.3%
Information (Communication)	153	132	151	(21)	-13.7%	19	14.4%
Finance and insurance	380	357	406	(23)	-6.1%	49	13.7%
Real estate and rental and leasing	700	857	1,057	157	22.4%	200	23.3%
Professional and technical services	580	665	765	85	14.7%	100	15.0%
Administrative Services	493	592	721	99	20.1%	129	21.8%
Educational services*	56	92	118	36	64.3%	26	28.3%
Health care and social assistance	460	543	641	83	18.0%	98	18.0%
Arts, entertainment, and recreation	250	270	300	20	8.0%	30	11.1%
Accommodation and food services	1,370	1,304	1,394	(66)	-4.8%	90	6.9%
Other services, except public administration	658	636	670	(22)	-3.3%	34	5.3%
Government*	1,414	1,198	1,314	(216)	-15.3%	116	9.7%
TOTAL	11,200	10,712	11,997	(488)	-4.4%	1,285	12.0%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). Northwest Michigan Council of Governments (NWMCOG). 2009.

*"Educational Services" data are not an accurate portrayal of educational employment, due to many educational service providers being recorded within the "Government" sector.



Benzie County People & Income Overview

	Value	Rank in State (83 counties)		Value	Rank in State (83 counties)
Population (2008)	17,396	65	Per Capita Personal Income (2007)	\$28,165	36
Growth (%) since 1990	42.6%	2	Median Household Income (2007)	\$41,198	45
Households (2000)	6,500	67	Poverty Rate (2007)	9.7	70
Labor Force (persons) (2008)	8,955	65	H.S. Diploma or More (2000)	85.4	21
Unemployment Rate (2008)	9.2	43	Bachelor's Deg. or More (2000)	20.0	17

Source: Northwest Michigan Council of Governments. STATS Indiana. 2009.

According to the U.S. Bureau of Economic Analysis, in 2007, Benzie County had a per capita personal income (PCPI) of \$28,165. This PCPI ranked 36th in the state and was 82 percent of the state average, \$34,423, and 73 percent of the national average, \$38,615. The 2007 PCPI reflected an increase of 6.2 percent from 2006. The 2006-2007 state change was 4.4 percent and the national change was 4.9 percent. In 1996, the PCPI of Benzie County was \$21,269 and ranked 35th in the state. The 1997-2007 average annual growth rate of PCPI was 2.8 percent. The average annual growth rate for the state was 3.1 percent and for the nation was 4.3 percent.

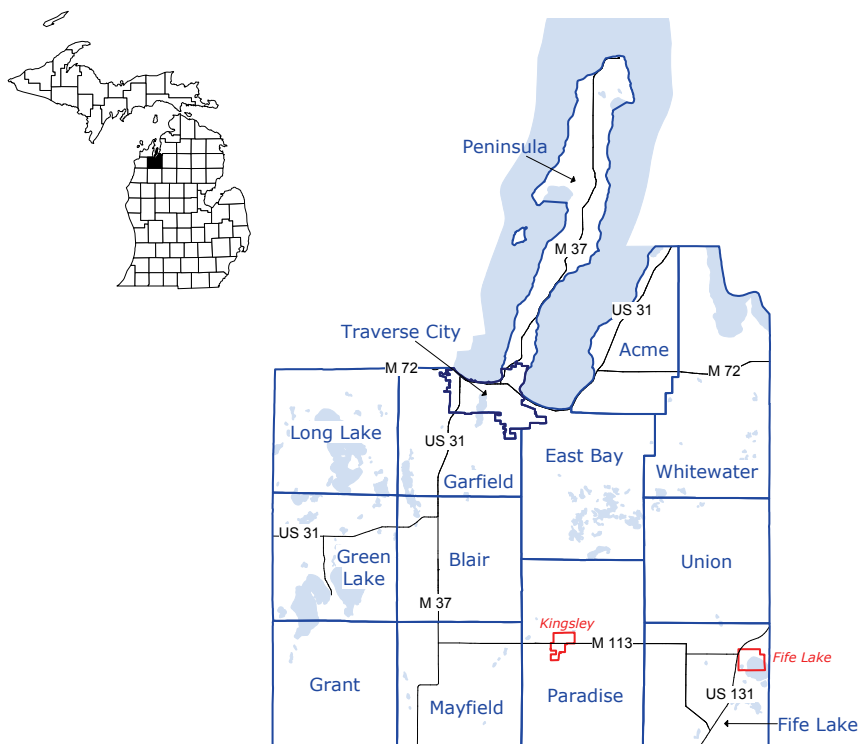
In 2009, it is estimated that there are approximately 8,291 employees in Benzie County, representing 8.5% of total regional employment. Accommodation and food services is the largest employment industry (1,107 employees) in the county. From 2009-2013, it is forecasted that Benzie County will experience a 14.3% increase in total employment growth, as opposed to -4.1% from 2005-2009.

Total Benzie County Employment by Industry, 2005-2013 (Actual & Forecast).

Industry	Year			Actual		Forecast	
	2005	2009	2013	Change 2005-09	% Change 2005-09	Change 2009-13	% Change 2009-13
Agriculture, forestry, fishing and hunting	275	314	336	39	14.2%	22	7.0%
Mining (Extraction)	44	43	48	(1)	-2.3%	5	11.6%
Utilities	27	36	43	9	33.3%	7	19.4%
Construction	1,255	1,048	1,281	(207)	-16.5%	233	22.2%
Manufacturing	693	473	500	(220)	-31.7%	27	5.7%
Wholesale trade	93	88	105	(5)	-5.4%	17	19.3%
Retail trade	1,071	1,041	1,196	(30)	-2.8%	155	14.9%
Transportation and warehousing	132	135	161	3	2.3%	26	19.3%
Information (Communication)	43	58	72	15	34.9%	14	24.1%
Finance and insurance	359	317	337	(42)	-11.7%	20	6.3%
Real estate and rental and leasing	550	627	773	77	14.0%	146	23.3%
Professional and technical services	408	417	480	9	2.2%	63	15.1%
Administrative Services	465	441	536	(24)	-5.2%	95	21.5%
Educational services*	55	113	153	58	105.5%	40	35.4%
Health care and social assistance	540	620	679	80	14.8%	59	9.5%
Arts, entertainment, and recreation	332	261	298	(71)	-21.4%	37	14.2%
Accommodation and food services	1,107	1,107	1,213	0	0.0%	106	9.6%
Other services, except public administration	478	498	537	20	4.2%	39	7.8%
Government*	721	654	728	(67)	-9.3%	74	11.3%
TOTAL	8,648	8,291	9,476	(357)	-4.1%	1,185	14.3%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). Northwest Michigan Council of Governments (NWMCOG). 2009.

*"Educational Services" data are not an accurate portrayal of educational employment, due to many educational service providers being recorded within the "Government" sector.



Grand Traverse County People & Income Overview

	Value	Rank in State (83 counties)		Value	Rank in State (83 counties)
Population (2008)	86,071	23	Per Capita Personal Income (2007)	\$35,520	9
Growth (%) since 1990	33.9%	4	Median Household Income (2007)	\$47,747	19
Households (2000)	30,396	24	Poverty Rate (2007)	8.8	73
Labor Force (persons) (2008)	48,734	22	H.S. Diploma or More (2000)	89.3	5
Unemployment Rate (2008)	7.6	66	Bachelor's Deg. or More (2000)	26.1	9

Source: Northwest Michigan Council of Governments. STATS Indiana. 2009.

According to the Bureau of Economic Analysis (BEA), in 2007, Grand Traverse County had a per capita personal income (PCPI) of \$35,520. This PCPI ranked 9th in the state and was 103 percent of the state average, \$34,423, and 92 percent of the national average, \$38,615. The 2007 PCPI reflected an increase of 4.3 percent from 2006. The 2006-2007 state change was 4.4 percent and the national change was 4.9 percent. In 1997, the PCPI of Grand Traverse County was \$24,692 and ranked 11th in the state. The 1997-2007 average annual growth rate of PCPI was 3.7 percent. The average annual growth rate for the state was 3.1 percent and for the nation was 4.3 percent.

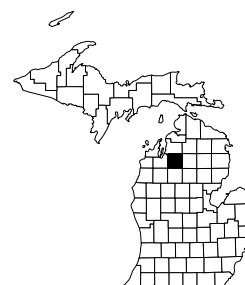
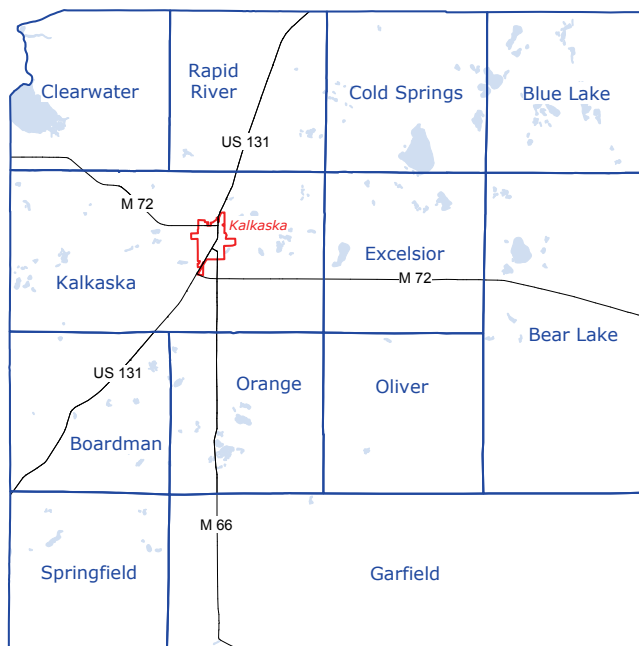
In 2009, it is estimated that there are approximately 63,911 employees in Grand Traverse County, representing 65.1% of total regional employment. Retail trade is the largest employment industry (8,929 employees) in the county. From 2009-2013, it is forecasted that Grand Traverse County will experience a 6.5% increase in total employment growth, as opposed to -2.2% from 2005-2009.

Total Grand Traverse County Employment by Industry, 2005-2013 (Actual & Forecast).

Industry	Year			Actual		Forecast	
	2005	2009	2013	Change 2005-09	% Change 2005-09	Change 2009-13	% Change 2009-13
Agriculture, forestry, fishing and hunting	809	917	937	108	13.3%	20	2.2%
Mining (Extraction)	1,153	1,219	1,350	66	5.7%	131	10.7%
Utilities	265	256	268	(9)	-3.4%	12	4.7%
Construction	5,498	4,318	4,616	(1,180)	-21.5%	298	6.9%
Manufacturing	5,356	4,166	4,394	(1,190)	-22.2%	228	5.5%
Wholesale trade	1,493	1,314	1,394	(179)	-12.0%	80	6.1%
Retail trade	9,654	8,929	9,069	(725)	-7.5%	140	1.6%
Transportation and warehousing	1,232	1,074	1,088	(158)	-12.8%	14	1.3%
Information (Communication)	1,193	1,160	1,166	(33)	-2.8%	6	0.5%
Finance and insurance	3,134	3,290	3,670	156	5.0%	380	11.6%
Real estate and rental and leasing	3,082	3,279	3,808	197	6.4%	529	16.1%
Professional and technical services	3,908	4,467	4,875	559	14.3%	408	9.1%
Administrative Services	2,768	2,664	2,978	(104)	-3.8%	314	11.8%
Educational services*	1,186	1,328	1,474	142	12.0%	146	11.0%
Health care and social assistance	8,823	9,563	10,276	740	8.4%	713	7.5%
Arts, entertainment, and recreation	1,293	1,351	1,501	58	4.5%	150	11.1%
Accommodation and food services	5,195	5,608	5,937	413	7.9%	329	5.9%
Other services, except public administration	2,978	2,987	3,032	9	0.3%	45	1.5%
Government*	6,344	6,021	6,248	(323)	-5.1%	227	3.8%
TOTAL	65,364	63,911	68,081	(1,453)	-2.2%	4,170	6.5%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). Northwest Michigan Council of Governments (NWMCOG). 2009.

*"Educational Services" data are not an accurate portrayal of educational employment, due to many educational service providers being recorded within the "Government" sector.



Kalkaska County People & Income Overview

	Value	Rank in State (83 counties)		Value	Rank in State (83 counties)
Population (2008)	17,066	66	Per Capita Personal Income (2007)	\$22,631	78
Growth (%) since 1990	26.4%	13	Median Household Income (2007)	\$39,739	51
Households (2000)	6,428	68	Poverty Rate (2007)	14.0	42
Labor Force (persons) (2008)	8,642	66	H.S. Diploma or More (2000)	80.0	61
Unemployment Rate (2008)	9.0	46	Bachelor's Deg. or More (2000)	9.7	76

Source: Northwest Michigan Council of Governments. STATS Indiana. 2009.

According to the Bureau of Economic Analysis (BEA), in 2007, Kalkaska County had a per capita personal income (PCPI) of \$22,631. This PCPI ranked 78th in the state and was 66 percent of the state average, \$34,423, and 59 percent of the national average, \$38,615. The 2007 PCPI reflected an increase of 6.0 percent from 2006. The 2006-2007 state change was 4.4 percent and the national change was 4.9 percent. In 1997, the PCPI of Kalkaska County was \$17,759 and ranked 68th in the state. The 1997-2007 average annual growth rate of PCPI was 2.5 percent. The average annual growth rate for the state was 3.1 percent and for the nation was 4.3 percent.

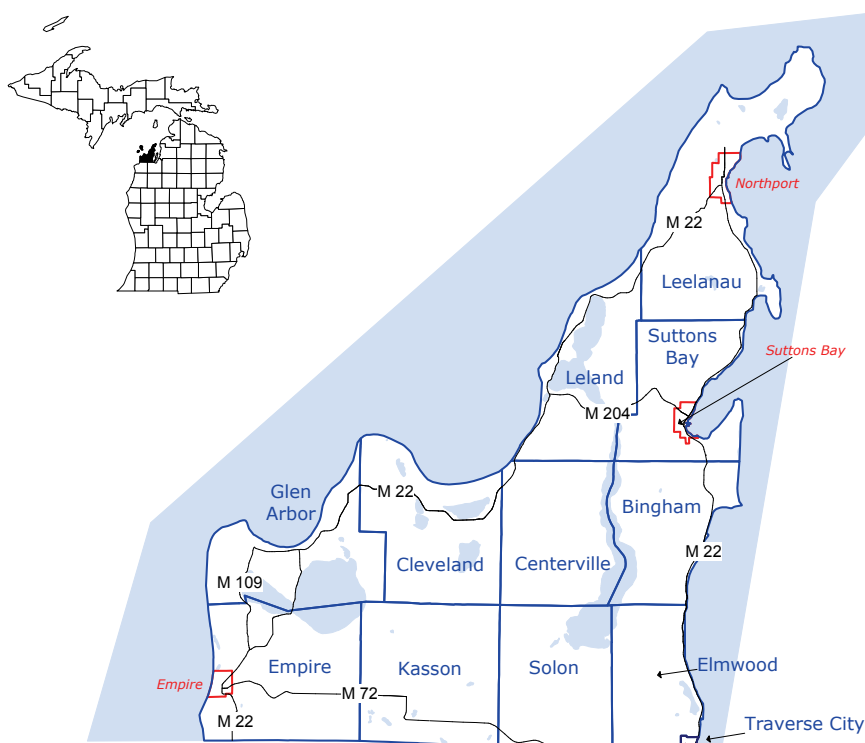
In 2009, it is estimated that there are approximately 5,304 employees in Kalkaska County, representing 5.4% of total regional employment. Government* is the largest employment industry (818 employees) in the county. From 2009-2013, it is forecasted that Kalkaska County will experience a 6.6% increase in total employment growth, as opposed to -4.3% from 2005-2009.

Total Kalkaska County Employment by Industry, 2005-2013 (Actual & Forecast).

Industry	Year			Actual		Forecast	
	2005	2009	2013	Change 2005-09	% Change 2005-09	Change 2009-13	% Change 2009-13
Agriculture, forestry, fishing and hunting	234	221	221	(13)	-5.6%	0	0.0%
Mining (Extraction)	289	407	378	118	40.8%	(29)	-7.1%
Utilities	54	46	40	(8)	-14.8%	(6)	-13.0%
Construction	671	561	646	(110)	-16.4%	85	15.2%
Manufacturing	510	339	376	(171)	-33.5%	37	10.9%
Wholesale trade	214	167	181	(47)	-22.0%	14	8.4%
Retail trade	601	553	586	(48)	-8.0%	33	6.0%
Transportation and warehousing	147	161	175	14	9.5%	14	8.7%
Information (Communication)	29	27	34	(2)	-6.9%	7	25.9%
Finance and insurance	114	109	122	(5)	-4.4%	13	11.9%
Real estate and rental and leasing	178	193	223	15	8.4%	30	15.5%
Professional and technical services	129	153	176	24	18.6%	23	15.0%
Administrative Services	483	572	602	89	18.4%	30	5.2%
Educational services*	15	19	26	4	26.7%	7	36.8%
Health care and social assistance	239	308	361	69	28.9%	53	17.2%
Arts, entertainment, and recreation	107	88	106	(19)	-17.8%	18	20.5%
Accommodation and food services	275	273	249	(2)	-0.7%	(24)	-8.8%
Other services, except public administration	288	289	299	1	0.3%	10	3.5%
Government*	966	818	851	(148)	-15.3%	33	4.0%
TOTAL	5,543	5,304	5,652	(239)	-4.3%	348	6.6%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). Northwest Michigan Council of Governments (NWMCOG). 2009.

*"Educational Services" data are not an accurate portrayal of educational employment, due to many educational service providers being recorded within the "Government" sector.



Leelanau County People & Income Overview

	Value	Rank in State (83 counties)		Value	Rank in State (83 counties)
Population (2008)	21,783	63	Per Capita Personal Income (2007)	\$39,445	4
Growth (%) since 1990	31.8%	8	Median Household Income (2007)	\$55,292	6
Households (2000)	8,436	64	Poverty Rate (2007)	7.5	80
Labor Force (persons) (2008)	11,252	59	H.S. Diploma or More (2000)	90.7	3
Unemployment Rate (2008)	6.2	80	Bachelor's Deg. or More (2000)	31.4	4

Source: Northwest Michigan Council of Governments. STATS Indiana. 2009.

According to the Bureau of Economic Analysis (BEA), in 2007, Leelanau County had a per capita personal income (PCPI) of \$39,445. This PCPI ranked 4th in the state and was 115 percent of the state average, \$34,423, and 102 percent of the national average, \$38,615. The 2007 PCPI reflected an increase of 6.8 percent from 2006. The 2006-2007 state change was 4.4 percent and the national change was 4.9 percent. In 1997, the PCPI of Leelanau County was \$25,500 and ranked 7th in the state. The 1997-2007 average annual growth rate of PCPI was 4.5 percent. The average annual growth rate for the state was 3.1 percent and for the nation was 4.3 percent.

In 2009, it is estimated that there are approximately 9,863 employees in Leelanau County, representing 10.0% of total regional employment. Government* is the largest employment industry (1,902 employees) in the county. From 2009-2013, it is forecasted that Leelanau County will experience a 9.9% increase in total employment growth, as opposed to -2.4% from 2005-2009.

Total Leelanau County Employment by Industry, 2005-2013 (Actual & Forecast).

Industry	Year			Actual		Forecast	
	2005	2009	2013	Change 2005-09	% Change 2005-09	Change 2009-13	% Change 2009-13
Agriculture, forestry, fishing and hunting	757	810	818	53	7.0%	8	1.0%
Mining (Extraction)	26	24	29	(2)	-7.7%	5	20.8%
Utilities	<10	<10	<10	n/a	n/a	n/a	n/a
Construction	1,208	898	956	(310)	-25.7%	58	6.5%
Manufacturing	282	269	320	(13)	-4.6%	51	19.0%
Wholesale trade	130	122	145	(8)	-6.2%	23	18.9%
Retail trade	972	898	981	(74)	-7.6%	83	9.2%
Transportation and warehousing	118	132	145	14	11.9%	13	9.8%
Information (Communication)	95	89	110	(6)	-6.3%	21	23.6%
Finance and insurance	465	517	653	52	11.2%	136	26.3%
Real estate and rental and leasing	602	616	733	14	2.3%	117	19.0%
Professional and technical services	603	640	707	37	6.1%	67	10.5%
Administrative Services	373	326	373	(47)	-12.6%	47	14.4%
Educational services*	174	183	190	9	5.2%	7	3.8%
Health care and social assistance	527	701	819	174	33.0%	118	16.8%
Arts, entertainment, and recreation	332	315	327	(17)	-5.1%	12	3.8%
Accommodation and food services	1,035	1,007	1,058	(28)	-2.7%	51	5.1%
Other services, except public administration	421	414	436	(7)	-1.7%	22	5.3%
Government*	1,989	1,902	2,043	(87)	-4.4%	141	7.4%
TOTAL	10,109	9,863	10,843	(246)	-2.4%	980	9.9%

Source: Bureau of Labor Statistics (BLS). Economic Modeling Specialists, Inc. (EMSI). Northwest Michigan Council of Governments (NWMCOG). 2009.

*"Educational Services" data are not an accurate portrayal of educational employment, due to many educational service providers being recorded within the "Government" sector.

About the Data

As stated previously in this document, All sources contributing to this report were compared against numerous other data and information sources. Best efforts were made to reconcile these sometimes widely varying outlooks; however, no economic forecast should ever be considered definitive or flawless, due to the number of variables contributing to the sources.

Below are some of the primary data sources used as the basis for this year's forecast data analysis.

Bureau of Economic Analysis (BEA)- www.bea.gov

The BEA is an agency of the Department of Commerce. BEA produces economic accounts statistics that enable government and business decision-makers, researchers, and the American public to follow and understand the performance of the Nation's economy. To do this, BEA collects source data, conducts research and analysis, develops and implements estimation methodologies, and disseminates statistics to the public. BEA's economic statistics, which provide a comprehensive, up-to-date picture of the U.S. economy, are key ingredients in critical decisions affecting monetary policy, tax and budget projections, and business investment plans.

Bureau of Labor Statistics (BLS)- www.bls.gov

The BLS is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics. The BLS is an independent national statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, the U.S. Congress, other Federal agencies, State and local governments, business, and labor. The BLS also serves as a statistical resource to the Department of Labor.

Economic Modeling Specialists (EMSI)- www.economicmodeling.com

The proprietary EMSI model serves as the basis for this regional forecast was built especially for the 5-county region of Antrim, Benzie, Grand Traverse, Kalkaska, and Leelanau Counties.

EMSI's *Strategic Advantage* product brings together workforce and economic development in one powerful web-based tool. Over 25 government sources are combined to bring county level industry, occupation and demographic data. This is then combined to a community based input/output model that quantifies the impact of increasing or decreasing jobs in a given industry.

Northwest Michigan Council of Government (NWMCOG)- www.nwm.org

As the regional repository for a variety of public use data, the NWMCOG provides access to economic, population, and education statistics for the counties, townships, cities, villages and schools located in northwest lower Michigan.