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Economist predicts a better year

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If the economy is like charcoal, then the federal government just soaked it in lighter fluid in the form of stimulus grants, cash for clunkers and zero-percent interest rates.

But the charcoal doesn't always catch fire the first time, and now everyone's waiting to see if a recent uptick in consumer confidence continues to keep the economy burning, explained George Erickcek in his presentation on The 2010 and 2011 Employment Forecast for Calhoun County.

The senior regional analyst with the Kalamazoo-based W.E. Upjohn Institute for Employment Research presented his findings Thursday at McCamly Plaza Hotel. It was sponsored by Battle Creek Unlimited's bcVentures, Consumers Energy, SEMCO Energy and the Battle Creek Community Foundation.

Data indicate the local economy is heading out of a recession in 2010. He said Calhoun County always performs better than the state average in employment and manufacturing, and that is expected to continue.

But Erickcek said he is worried Calhoun County, along with the nation, will experience a financial "double dip" if recent federal spending doesn't spur continued growth. He likened it to a period during the Great Depression when federal spending slowed and the economy fell a second time.

"We're hoping that this is different," he said. "We hope the lighter fluid has done its job."

He forecast the local economy will fall 1 percent in 2010 and remain relatively flat with a 0.2 percent drop in 2011, which is better than the 5.1 percent plunge experienced in 2009, he said. Last year, the county lost 2,900 jobs.

"Although we're not adding jobs, we're not going down as fast as before," he said.

Goods-producing sectors will experience the sharpest decline, followed by the service industry. Government jobs will continue to climb by about 4.6 percent in 2010 when counting jobs created by FireKeepers Casino in Emmett Township, and are expected to stay flat in 2011.

Karl Dehn, president and chief executive officer of Battle Creek Unlimited, thanked Erickcek for his insights, but also reminded the audience Thursday that economists' predictions are wrong as often as they are right.

Last year, Erickcek and his team said the local economy would fall 1.7 percent in 2009. It actually fell at three times that rate.

Erickcek also acknowledged Thursday that he underestimated the impact FireKeepers Casino would have on jobs, and overestimated how much those workers would contribute to the local economy.

Now that most of those jobs have been realized, it will be up to Calhoun County's manufacturing sector to increase exports and its schools to train highly skilled workers to compete in a global economy.

Calhoun County is unique in that its food and auto industries export and import goods at a significantly higher rate than most counties. It must compete with not only neighboring states but foreign countries, which can often produce the goods more cheaply.

Design innovation and quality will be the strengths needed to grow local economies. Calhoun County also needs more people to gain higher education. It lags behind the state and nation in both categories.

"Kellogg Community College is really doing a good job here, but bachelor's and graduate degrees in Calhoun County are really lacking," he said.

Improving education needs to be a national concern. The United States is the only developed country in which young people are not more educated than their parents, he said.

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