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THE MICHIGAN LABOR MARKET STAYED AFLOAT IN 2024. **WHAT'S IN STORE FOR 2025?**

Michigan's labor market demonstrated resilience in 2024, despite indications of cooling. The state's preliminary annual average **unemployment rate increased to 4.5%**, up from 3.9% in 2023. Total employment averaged 4,821,000, with 228,000 individuals unemployed, contributing to a labor force of 5,049,000.

This rise in unemployment, despite a modest increase in total employment, suggests that while more individuals entered the labor force, not all secured employment, leading to a higher unemployment rate. Notably, Michigan's 2024 average jobless rate was 0.5 percentage points higher than the preliminary national average of 4.0%. Over the year, employment in the state grew by 9,000 (0.2%), while the number of unemployed increased by 33,000 (16.9%). The labor force expanded by 41,000 (0.8%), indicating ongoing engagement in the job market.

Nationally, the labor market is also experiencing a deceleration. Economists anticipate that the upcoming January report will show an addition of 165,000 nonfarm jobs, a decrease from December's gain of 256,000. This trend reflects a general cooling, though the job market remains robust, bolstered by strong consumer spending and sustained demand in the service sector.

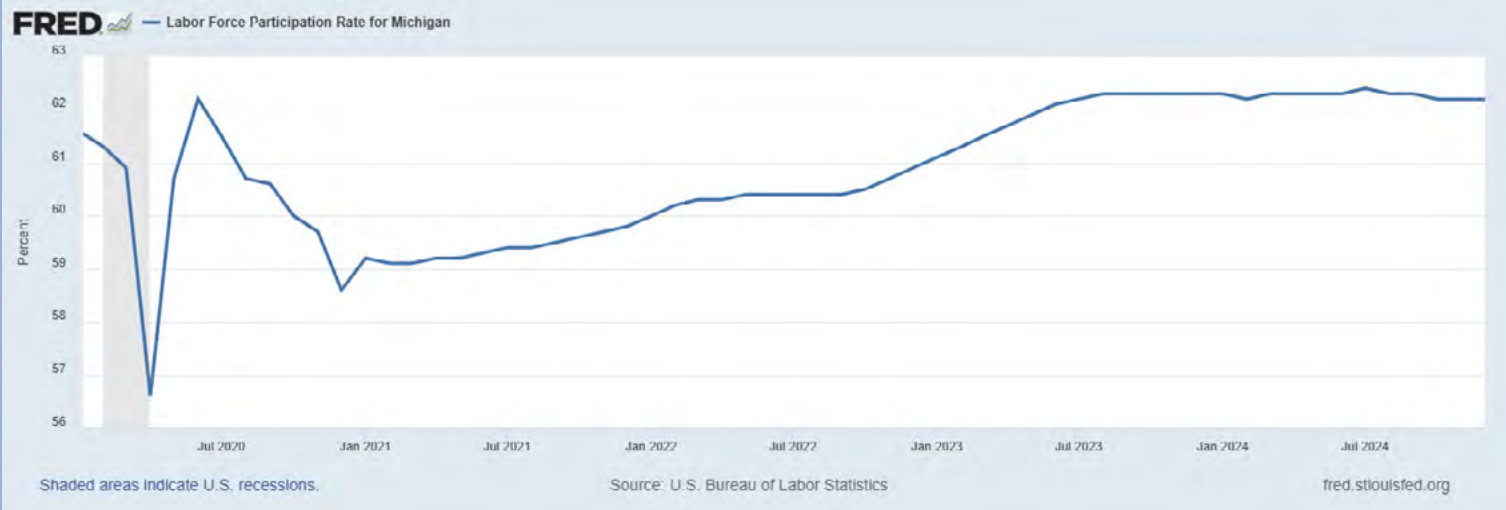
In Michigan, nonfarm payrolls demonstrated steady yet modest growth in November, a pattern expected to continue into early 2025. However, the manufacturing and service industries remain susceptible to national economic challenges, including inflation and elevated interest rates. The state's economic health will depend on navigating these headwinds while fostering job creation and supporting key industries.

Overall, while Michigan's labor market shows signs of cooling, it continues to display underlying strength. Strategic efforts to address economic challenges and leverage growth opportunities will be essential for sustaining this resilience in the coming year.

UNEMPLOYMENT RATE

	Sep	Oct	Nov	Dec
Battle Creek	4.9	4.9	5.0	5.8
Detroit	4.3	5.0	5.1	4.7
Grand Rapids	3.5	3.6	3.6	4.1
Kalamazoo	4.1	4.2	4.3	5.0
Michigan	4.5	4.6	4.8	5.0
USA	4.1	4.1	4.2	4.1

source: bls.gov



As of December 2024, Michigan’s labor force participation rate stood at 62.2%, according to the U.S. Bureau of Labor Statistics. This seasonally adjusted figure represents the percentage of the state’s civilian population that is either employed or actively seeking employment.

IS YOUR HR DEPARTMENT A.I. READY?

HR is evolving, and Google Notebook LM is your key to navigating complex challenges efficiently. Join WSI Recruitment and Staffing’s free webinar on March 5th to see how this AI-powered platform can streamline HR processes and enhance decision-making with four specific scenarios:

Regulatory Compliance (ETSA in Michigan) – We’ll demonstrate how AI tracks updates, organizes documents, and builds action plans for seamless compliance.

Reducing Legal Costs – See how AI compiles case files, analyzes testimonies, and generates strategic insights to cut billable hours.

Compile SOP’s and Transcribe Meeting Notes: Have a meeting or demonstrate a procedure and have AI build an SOP document instantly!

Evaluating Healthcare Plans – Watch AI create side-by-side comparisons and executive-ready summaries for informed decision-making.

Each scenario highlights how AI can streamline HR operations and drive smarter, faster decisions.



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Join WSI’s AI Expert, Mark Keady, to discover how Google Notebook LM transforms HR operations saving time and improving efficiency. The future of HR is here—are you ready?

CONSUMER CONFIDENCE

DIPS

In January 2025, Michigan’s economic landscape faced challenges as consumer sentiment declined for the first time in six months, dropping 4% from December to a reading of 71.1. This downturn was observed across various demographics, including income, wealth, and age groups. While personal financial assessments improved for the fifth consecutive month, both short- and long-term business outlooks weakened.

The decline in consumer sentiment coincided with debates over new government policies, particularly proposed tariffs. Approximately 19% of consumers believed higher tariffs would benefit the economy, while 62% favored lower tariffs, and the remaining 19% felt tariffs would have little impact. Those supporting higher tariffs anticipated stronger economic growth and lower inflation, whereas others expected the opposite. These differing perspectives have led some consumers to expedite purchases to avoid potential future price increases, a behavior that could inadvertently contribute to inflation.

Despite reporting stronger incomes, consumers expressed concerns about the labor market. Notably, 47% expected unemployment to rise in the coming year, marking the highest level of concern since the pandemic recession. Additionally, expectations for personal income growth weakened, reflecting apprehension about future economic conditions.

In the broader economic context, Michigan’s wage and salary employment is projected to grow by 0.7% in 2025, following a 0.8% increase in 2024. The state’s unemployment rate is expected to rise to 4.9% in 2025, up from 4.3% in 2024. Personal income is anticipated to increase by 3.7% in 2025, compared to a 4.8% rise in 2024.

These developments underscore the complex interplay between policy discussions and economic perceptions. As Michigan navigates 2025, addressing consumer concerns and fostering economic stability will be crucial for sustaining growth and confidence.

INFLATION DECEMBER 2024	12 MONTH CHANGE
Food	+2.5%
Food at home	+2.9%
Cereals and bakery products	+0.8%
Meats, poultry, fish, and eggs	+4.2%
Dairy and related products	+1.3%
Fruits and vegetables	+1.0%
Nonalcoholic beverages	+2.3%
Other food at home	+0.8%
Food away from home	+3.6%
Energy	-.05%
Gasoline	-3.4%
Fuel Oil	-13.1%
Electricity	+2.8%
Natural Gas	+4.9%
All Items Less Food and Energy	+3.2%
Shelter	+4.6%
Medical Care	+2.8%
Education	+4.0%
Recreation	+1.1%
All Items	+2.9%

PRESIDENT TRUMP LAYS TARIFFS ON MULTIPLE TRADE PARTNERS

WILL THE TARIFF'S HURT OUR ECONOMY?

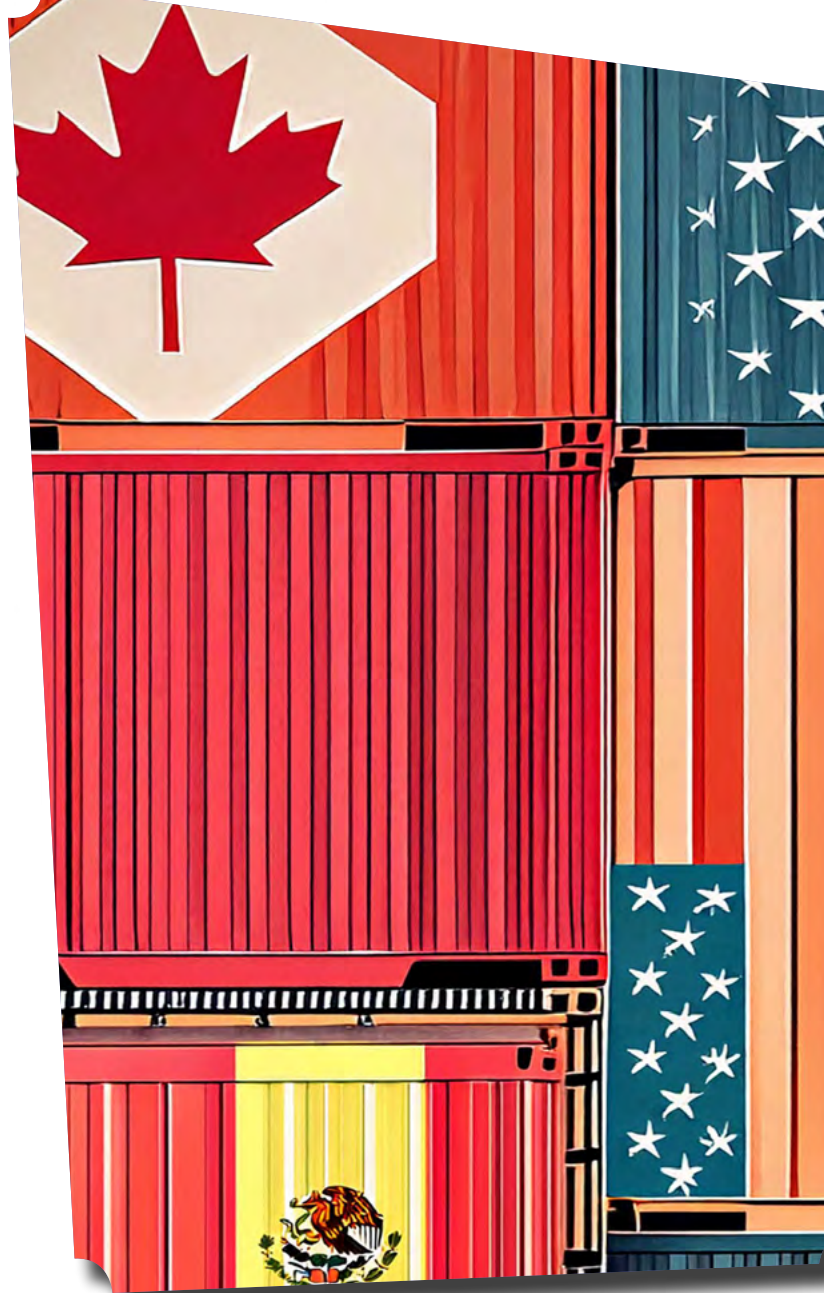
Michigan braces for economic shock as Trump's tariffs hit auto, agriculture, and manufacturing—sparking debate over short-term pain vs. long-term gain.

With President Donald Trump's new trade tariffs taking effect, Michigan—a state deeply tied to international trade—faces significant economic uncertainty. While a planned 25% tariff on Canadian and Mexican imports has been paused for 30 days following last-minute border security agreements, the 10% tariff on all Chinese imports has proceeded as scheduled. China has responded with tariffs on U.S. coal, gas, and farm machinery, as well as export restrictions on key minerals essential to American industries.

The Auto Industry: Rising Costs and Uncertain Gains

As the hub of the U.S. auto industry, Michigan is particularly sensitive to shifts in trade policy. The tariffs on Chinese imports mean automakers and suppliers will face increased costs for key components such as batteries, steel, and aluminum. These expenses may be passed on to consumers, potentially slowing vehicle sales and impacting thousands of Michigan-based auto workers. Additionally, China's decision to restrict mineral exports could create supply chain disruptions for electric vehicles and high-tech manufacturing.

Some industry leaders believe that, in the long term, these policies could incentivize domestic production. By encouraging companies to reduce reliance on foreign suppliers, the administration argues that U.S. manufacturing could benefit from increased investment and job creation.



Gov. Gretchen Whitmer has condemned the tariffs as a “middle-class tax hike,” warning they will increase costs for working families. However, supporters argue that short-term disruptions are a necessary price for strengthening American manufacturing and reducing dependence on foreign imports.

Higher Consumer Costs:

For Michigan households, the immediate impact of tariffs will be felt in rising prices for everyday goods, including:

Groceries: Michigan imports significant amounts of produce from Canada and Mexico. Although tariffs on these goods have been postponed, uncertainty looms over food prices.

Energy & Utilities: The U.S. imports billions in oil, gas, and electricity from Canada. Any long-term tariff policy could raise heating costs, particularly in Michigan’s harsh winters.

Consumer Products: Electronics, home appliances, and clothing from China are all affected by the 10% tariff, making these items more expensive.

Supporters argue that these tariffs could help rebalance trade deficits and provide leverage for negotiating better trade deals. President Trump

has insisted that his goal is to level the playing field for American workers and secure improved agreements with key trade partners.

Agriculture & Manufacturing:

Michigan’s agriculture and manufacturing sectors remain vulnerable. Although Canada and Mexico are currently exempt from new tariffs, any long-term implementation could threaten Michigan’s \$42 billion export market. China’s counter-tariffs on U.S. farm machinery and energy products could also hurt Michigan-based manufacturers and suppliers.

Tim Boring, Director of the Michigan Department of Agriculture and Rural Development, warned, “We have to expect that these tariffs will impact Michigan farmers, affecting exports, supply chains, and ultimately the cost of food.”

However, Trump administration officials argue that tougher trade policies are necessary to correct long-standing imbalances. By forcing trade partners into negotiations, they believe Michigan’s economy could ultimately emerge stronger.

Retaliation and Trade Tensions:

While tariffs on Canada and Mexico are on hold, China has moved forward with its own countermeasures, imposing new levies on coal,





gas, and farm machinery from the U.S. Additionally, Beijing has restricted the export of key minerals crucial to high-tech industries and has launched an antimonopoly investigation into Google, escalating tensions between the two economic superpowers.

Stock markets have reacted with mixed signals. While Asian markets have recovered after the Canada-Mexico agreements, European and U.S. investors remain cautious, wary of an escalating trade war between the U.S. and China.

A Political and Economic Gamble:

Trump's trade policies have set the stage for an economic and political showdown. While critics warn of job losses and higher costs, supporters believe Michigan must reduce its reliance on foreign trade and reinvest in domestic manufacturing.

Former Michigan Gov. Jim Blanchard called the tariffs "the most destructive thing any president has done to Canada since the War of 1812." But Republican analysts counter that short-term pain could lead to long-term gains, forcing trading partners to play fair and reinvest in American industries.

For now, Michigan remains caught in a high-stakes trade strategy that could redefine its economic landscape for years to come. With a 30-day pause on tariffs for Canada and Mexico, the coming weeks will be crucial in determining whether further escalation or new trade agreements shape the state's future

West Michigan's Business Buzz: Optimism on the Rise for 2025

A **new survey** from Grand Valley State University's Seidman College of Business and the Grand Rapids Area Chamber of Commerce reveals growing optimism among West Michigan executives. Leaders from 75 companies across Kent, Ottawa, Muskegon, and Allegan counties anticipate a 3.4% sales growth in 2025, up from last year's 2.5% projection. Regional employment is expected to rise by 1.25%, provided the labor supply can meet demand.

The confidence index also saw a boost, with fewer executives citing the political climate as a concern—dropping from 70% last year to 36% this year. Despite this positive outlook, talent shortages remain a key challenge, with Seidman College Dean Diana Lawson cautioning that skill gaps could impact long-term growth. Still, businesses are feeling more upbeat about the year ahead, signaling a shift in momentum for West Michigan's economy.

HOT N' NOW LIVES ON

West Michigan is about to experience a delicious dose of nostalgia as the beloved Hot 'n Now fast-food chain makes a highly anticipated return! Thanks to an exciting partnership between Gun Lake Investments (GLI), the economic development arm of the Gun Lake Tribe, and Alpena-based developer Jeff Konczak, multiple new locations are in the works, marking the brand's first expansion in years.

Fans of the once-thriving Michigan-born burger chain will no longer have to make a pilgrimage to Sturgis, the last remaining Hot 'n Now location, to get their fix. Two brand-new restaurants are set to open in 2025, with one near Gun Lake Casino in Wayland and another in Alpena. These modernized locations will feature sleek modular designs crafted by B Cubed Manufacturing, the same company responsible for Biggby Coffee's innovative drive-thru models.

For those who remember the 1990s heyday of Hot 'n Now—when it boasted over 150 locations across 15 states—this expansion is nothing short of a dream come true. The new ownership group, HNN Holdings LLC, has a vision to restore and grow the brand, founded in Kalamazoo in 1984, fueling speculation that this could be the start of an even bigger resurgence.

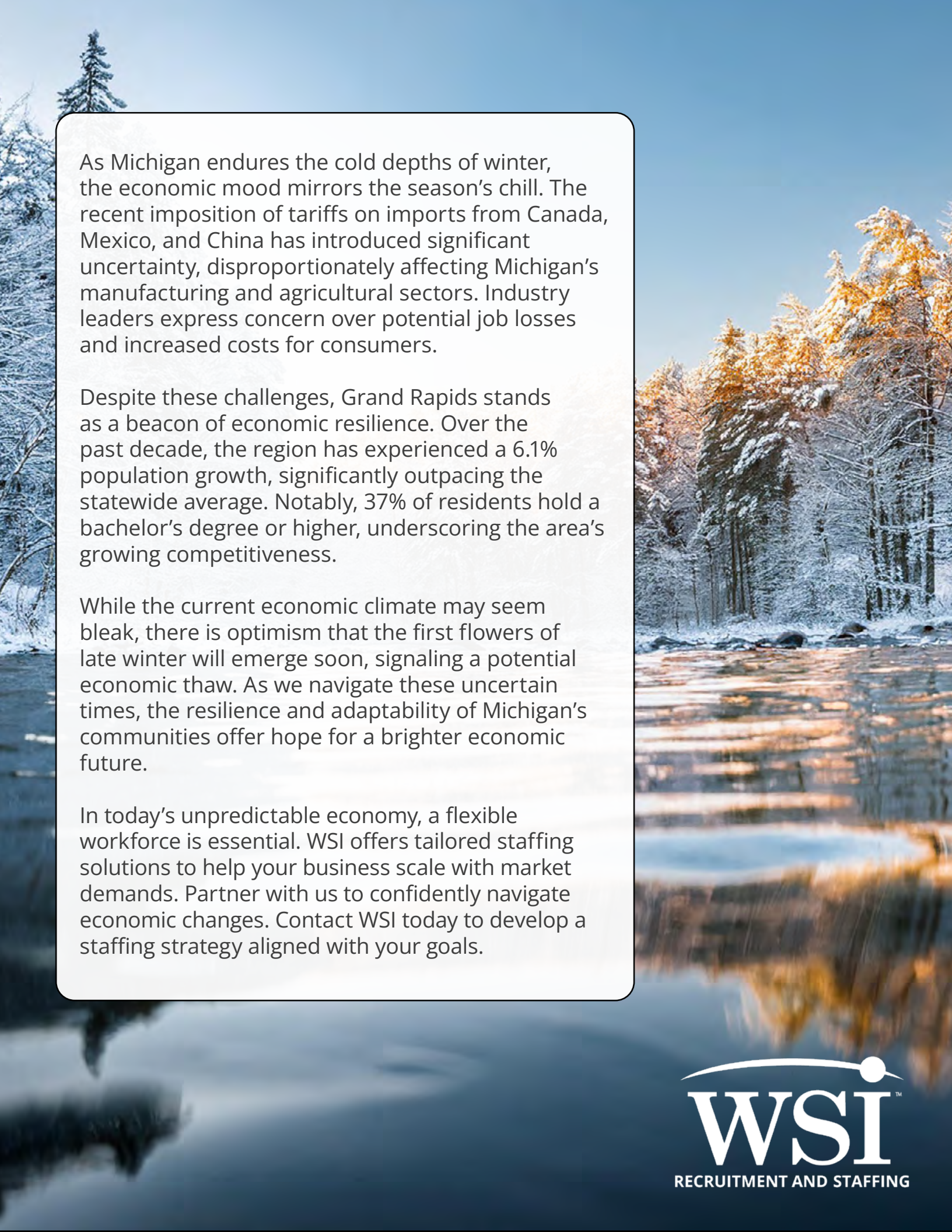


GRAND RAPIDS RECOGNIZED AS LAND OF OPPORTUNITY

Grand Rapids ranks 11th among large U.S. cities in the Milken Institute's 2025 Best-Performing Cities report. This standing reflects its notable housing affordability, where it places 7th nationally, strong broadband access, and a resilient community framework. The Milken Institute's evaluation includes metrics such as the Gini Index, broadband connectivity, and economic resilience.

Grand Rapids' balanced performance in these areas highlights its dedication to equitable economic access and stability. The city's dynamic job market and supportive community environment further enhance its reputation as a beacon of opportunity in the Midwest. Raleigh, North Carolina, secured the top spot in this year's rankings. [See the full report here.](#)





As Michigan endures the cold depths of winter, the economic mood mirrors the season's chill. The recent imposition of tariffs on imports from Canada, Mexico, and China has introduced significant uncertainty, disproportionately affecting Michigan's manufacturing and agricultural sectors. Industry leaders express concern over potential job losses and increased costs for consumers.

Despite these challenges, Grand Rapids stands as a beacon of economic resilience. Over the past decade, the region has experienced a 6.1% population growth, significantly outpacing the statewide average. Notably, 37% of residents hold a bachelor's degree or higher, underscoring the area's growing competitiveness.

While the current economic climate may seem bleak, there is optimism that the first flowers of late winter will emerge soon, signaling a potential economic thaw. As we navigate these uncertain times, the resilience and adaptability of Michigan's communities offer hope for a brighter economic future.

In today's unpredictable economy, a flexible workforce is essential. WSI offers tailored staffing solutions to help your business scale with market demands. Partner with us to confidently navigate economic changes. Contact WSI today to develop a staffing strategy aligned with your goals.