WSI RECRUITMENT AND STAFFING

HIRE WIRE

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FROZEN IN PLACE

Tariffs, weak demand, and rising costs stall manufacturing momentum, leaving Michigan's factories trimming jobs, slowing investments, and freezing hiring plans.

UNEMPLOYMENT

Market	May	June	July
Battle Creek	6.2	6.7	7.4
Grand Rapids	5.0	5.3	5.5
Detroit (metro)	4.6	4.5	5.7
Kalamazoo	5.3	5.7	5.9
Michigan	5.4	5.3	5.3
USA	4.1	4.2	4.2

As of early September 2025, U.S. manufacturing is contending with weak demand, higher input costs, and unusual policy volatility. The administration's tariff program, conceived to pull production home, has delivered mixed results so far. Activity in the sector has contracted for much of the year, and sentiment remains fragile in purchasing, capital planning, and hiring.

The effective average tariff rate sits near 18 percent, up from roughly 2.3 percent last year and the highest since the 1930s. Major partners face about 15 percent levies. Some producers can treat that as a single price reset, but the pace and unpredictability of changes make it hard to greenlight multi-year investments.

On the ground, cautious producers have trimmed output and payrolls. Whirlpool has built fewer appliances amid front-loaded Asian shipments and a cooling housing market. Harley-Davidson and Polaris have also moderated production, citing softer orders and consumer uncertainty. Manufacturing employment fell by about 26,000 in May and June and an estimated 11,000 in July. Reshoring faces two hurdles: tight skilled labor and higher input costs from tariffs on steel, copper, and aluminum, especially for globally integrated plants. Large project announcements approaching 2 trillion dollars are encouraging, yet most are years away from operation.

Separately, a July 4 tax law is producing substantial corporate cash savings by accelerating or expanding deductions for research, interest, and equipment. This is not tariff revenue and is not earmarked for federal debt reduction. For manufacturers, the near-term question is how companies deploy newfound liquidity. If used for capex, it could support selective automation, tooling refreshes, and working capital buffers. If funneled to buybacks or debt reduction, hiring effects may be muted. Priorities for WSI clients include skills mapping, cross-training, flexible staffing models, supplier diversification, and forward buys of critical materials where pricing permits. Watch overtime creep, renegotiate freight, and budget for staggered wage adjustments as competitors chase scarce talent this fall.

ALL EYES ON POWELL AS TRUMP TURNS UP THE HEAT ON THE FEDERAL RESERVE, DEMANDING INTEREST RATE CUTS.

Decision time for the Fed Chairman.

The Federal Reserve's Federal Open Market Committee (FOMC) meets September 16–17, with Chair Jerome Powell set to announce the interest rate decision on the 17th. The gathering marks one of the most consequential meetings in recent years as policymakers weigh a potential rate cut against persistent inflation risks.

The Fed has held its benchmark federal funds rate steady at 4.25% to 4.50% for five consecutive meetings. Weakening labor market indicators, including slower job creation and a higher unemployment rate, have intensified calls for easing. Governor Christopher Waller and others have urged the committee to act, warning that without support, labor conditions could deteriorate further.

At the same time, inflation remains above the Fed's 2% target and could accelerate under new global tariffs imposed by President Trump. The uncertainty surrounding tariffs and supply chain costs complicates the Fed's path, with the risk that premature cuts could reignite price pressures.

Political pressure adds another layer of difficulty. The White House has advocated for a sharp reduction in borrowing costs, calling for rates several points below current levels. Powell must balance economic signals with political independence, as financial markets brace for a decision with far-reaching consequences for stocks, bonds, and mortgages.

FORD'S EV OVERHAUL SIGNALS A TURNING POINT IN U.S. CARMAKING

Ford Motor Company is undertaking a radical transformation of its electric vehicle (EV) production model — one that could redefine how cars are built in America. Dubbed the "Ford Universal EV Production System," this new approach breaks from the traditional linear assembly line in favor of a modular, three-part assembly process. The goal is to dramatically reduce complexity, cut costs, and gain a competitive edge against Chinese automakers and Tesla.

Instead of building vehicles piece by piece in a single sequence, Ford's new method assembles the front, middle, and rear sections of a car in parallel — then combines them at the end. This shift, to be piloted at Ford's Louisville plant with a $2 billion investment, is expected to reduce production time by 40 percent and parts usage by 20 percent. Large aluminum unicastings, simplified wiring harnesses, and a new structural battery design all contribute to leaner, more efficient manufacturing.

The implications for the U.S. auto industry are profound. By streamlining production and embracing zonal electronics, Ford is aligning more closely with the methods already used by China's BYD and, to some extent, Tesla. But unlike Tesla's unboxed vision, Ford appears closer to delivering a truly modular EV platform, with its first vehicle — a midsize pickup priced around $30,000 — set to arrive in 2027.

For American labor markets, particularly in the Midwest, this evolution presents both opportunity and disruption. On one hand, new EV assembly methods could reshore some competitive advantage lost to overseas manufacturers. On the other, reduced part counts and fewer workstations may lead to lower labor demand per vehicle.

Still, this strategy signals a broader pivot: innovation, not just scale, is becoming the key battleground in global carmaking. As Ford CEO Jim Farley put it, "*We can't beat [China] on scale... But we can beat them on innovation.*" If successful, Ford's approach could become a blueprint for how legacy automakers adapt to the electric age — and a critical lever for keeping American manufacturing competitive in a changing global landscape.

Trump's Overtime Tax Cut: A Boost or a Mirage for Michigan's Workforce?

In July, the federal government enacted what the White House has dubbed the "*Big Beautiful Bill*," delivering on a campaign promise by President Trump to eliminate federal income taxes on overtime pay. While the headline promises relief for hardworking Americans, particularly those clocking extra hours, the legislation's fine print tells a more complicated story.

At its core, the law offers partial federal tax relief on overtime wages, retroactive to January 1, 2025. But the exemption applies only to the "half" portion of the traditional time-and-a-half overtime formula. For instance, an employee earning \$40 per hour would see \$20 of their \$60 overtime rate shielded from federal income tax. Regular income taxes still apply to the base wage, and Social Security, Medicare, and most state and local income taxes remain unchanged.

Moreover, the benefit is capped. Individuals can claim tax-free overtime only up to \$12,500 annually, or \$25,000 for joint filers. Higher earners making over \$150,000 (or \$300,000 for couples) are excluded altogether.

The implications for Michigan's manufacturing-heavy economy are mixed. For hourly workers at plants in Kalamazoo, Battle Creek, and Holland, this could translate to modest increases in take-home pay. But the cap may limit its impact for skilled trades and supervisors who frequently exceed the earnings threshold. Salaried employees, who often work significant overtime without FLSA protections, see no benefit at all, raising equity concerns.

For employers, the policy might spark renewed interest in overtime as a cost-effective strategy over hiring. While this could ease some labor shortages, especially in logistics and production, it may also raise burnout risks if companies lean too heavily on fewer workers putting in longer hours.

Ultimately, the law may provide some near-term financial relief and incentive for overtime participation, particularly in sectors where demand routinely outpaces staffing. But with limitations and exclusions baked into the policy, HR leaders and plant managers across Michigan will need to assess whether the legislation represents a meaningful workforce benefit or a narrowly targeted tax gesture with uneven results.

IF WE BUILD IT, THEY WILL COME.

HOW MORE HOUSING HELPS MANUFACTURERS HIRE BETTER CANDIDATES

The first shift at a plastics supplier outside Holland is short six people. The supervisor has three temps who want the hours, but two live almost fifty miles away and keep missing the punch by eight minutes. The third is sleeping on a cousin's couch and cannot hold a steady schedule. None of this shows up on the production dashboard. It shows up as scrap, overtime, and a maintenance backlog that should have been cleared last week.

Ask any plant manager in Grand Rapids, Kalamazoo, Sturgis, or Battle Creek what keeps them up at night, and the answer is not robotics or reshoring. It is people, the reliable kind who can get to work, learn a process, and stick with it through the first ninety days. Here is the unglamorous truth that more of the business community is starting to say out loud. If you want better hiring outcomes at the factory, you need more housing near the factory.

This is not a political pitch and it is not an attack on manufacturing. It is a talent story hiding in plain sight. When communities allow more homes to be built, rents stop racing ahead of wages, commutes shrink to practical drive times, and families can accept shift work without blowing up the household budget. The result looks like a larger and more dependable labor pool, fewer no-shows, and a retention curve that bends in the right direction.

Here are the facts behind that story. U.S. manufacturing output sits near record highs even as headcount has fallen, a pattern driven by automation that lifts productivity per worker. It mirrors the long arc of agriculture, where the country produces more food with far fewer farmers. Construction moves on a different axis. It is labor intensive and tied to place. According to economist Bryan Caplan, construction already employs more than ten million people, about eighty percent without four-year degrees and roughly ninety percent male. Caplan argues that with fewer barriers to building, the industry could scale significantly and absorb many more non-college-educated workers.

WHY DOES SUPPLY LAG?

Local rules matter. Minimum lot sizes that require one acre, even five acres in some suburbs, reduce the number of homes that can be built on the land that already exists. Older neighborhoods often sit comfortably on a tenth of an acre, a reminder that larger lots are not always a consumer preference. Bans on multifamily housing and strict height caps limit apartments and townhomes where land is most valuable. Parking minimums that require two or three spaces per unit raise per door costs and consume land even when not every household owns a car. These are technical levers that have large effects on the volume of work available to trades, suppliers, and the plants that make building components.

Caplan's critique of trade barriers fits the same logic. He contends that recent tariffs created at best a few hundred thousand manufacturing jobs while raising costs for consumers and inputs. By contrast, he argues that housing deregulation could create millions of jobs and, importantly, lower the single biggest monthly expense for most households, which is rent. You do not have to endorse every part of the argument to see the business case. More attainable housing supports a more stable workforce and gives factories a larger pool of candidates who can actually say yes to full time shift work.

Michigan's map makes this concrete. The lakeshore corridor has steady demand from tourism and industry, which drives renovation and new builds when codes make room. Grand Rapids keeps adding jobs in health care and business services, and infill housing follows when the path is clear. Kalamazoo's university and life sciences footprints support ongoing construction cycles. Battle Creek's distribution hubs need workers close by if variable volume is going to be covered without burnout. Sturgis and surrounding towns send talent into larger markets every day, which works better when there are realistic options to live closer to the job. Caplan notes that construction jobs are mobile within a region.

Even in places with soft demand, workers often commute to growth hubs within about fifty miles. He also suggests temporary worksite housing as a practical bridge when projects need people before the local housing stock catches up.

The ripple into factories is not abstract. Every permitted project draws a supply chain through local plants, from windows and wire to fasteners, cabinets, and HVAC. More projects mean steadier purchase orders, which make scheduling and training easier to plan. The benefits run both ways. If a community can rely on a predictable pipeline of housing, employers can line up orientation

IT'S HARD TO FIND HOUSING:

Market tightness is real:

Both owner and rental markets have tightened dramatically since the Great Recession era.

Rental vacancy: peaked 18.1% in 2006; it was just 6.8% in 2024.

Homeowner vacancy: peaked 3.8% in 2007; it was 0.9% in 2024.

Realtor.com/FRED: state active listings are rising year over year in 2025; +18.1% YoY in July 2025. That helps—but from very low pandemic-era bases.

classes with lease-ups, arrange carpools where it actually saves time, and offer relocation stipends that bridge a gap instead of trying to solve a crisis.

None of this requires a manufacturer to plant a flag at city hall. It does call for practical engagement. Share hiring calendars with builders and property managers so lease dates and start dates match. Talk with local officials about inspections capacity, since a permit that sits in a queue helps no one. Support short term housing near large projects, because temporary beds can turn distant applicants into local employees. Above all, keep track of the data you already have, the commute times of your workforce, the rent to wage ratio in your hiring radius, and the retention curve around day thirty and day ninety. When new housing comes online, watch what happens to those metrics.

Latest annual change: Michigan added 21,973 units between 2023 and 2024; statewide shortage now ~119,000 homes, per MSHDA's analysis of Census estimates.

Tight vacancies are a hiring headwind: when rental vacancy runs ~6–7% and owner vacancy sub-1%, relocating or forming new households near job sites is harder and costlier—especially for production workers.

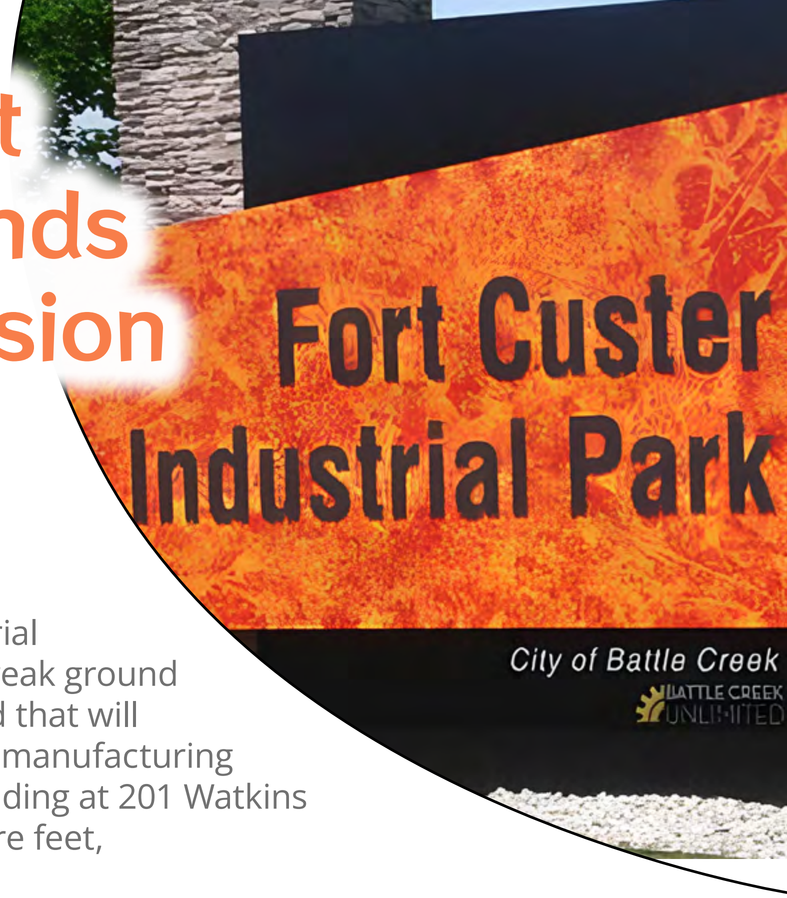
Slow-steady drip: Michigan's production engine is running ~21–23k permits a year lately, well below mid-2000s highs but far above the 2009 trough—consistent with a slow, capacity-constrained recovery.

The scene at that plastics supplier can read differently twelve months from now. The supervisor still needs six people, but the applicant pool is larger because two new apartment buildings opened within a few miles. The bus route was adjusted, which pulled in candidates who could not drive before. A machine operator who was on the fence about third shift moved into a unit ten minutes away, and now she can make the hours work. Scrap falls, overtime steadies, maintenance catches up. The line did not change, the labor market did.

Manufacturing does not need to build everything. It does need a community that builds enough homes for the people who make everything. Give workers a place to live that fits their paychecks and their schedules, and the rest of the hiring story starts to sound a lot more like success.

We are proud of Michigan manufacturing and the clients we serve across Holland, Grand Rapids, Sturgis, Kalamazoo, and Battle Creek. Your plants power local prosperity, train talent, and anchor communities. This is a case for cheering a parallel jobs engine that complements factory strength rather than competing with it. ***The opportunity is housing***. More homes built faster can expand demand for what you make, create steady work for the same non-college-educated talent you hire, and keep our regions growing.

Battle Creek's Fort Custer corridor lands $30 million expansion as multi-phase campus grows.



Developers behind a 770,000-square-foot industrial project near Fort Custer Industrial Park plan to break ground in September on a third phase, a $30 million build that will expand capacity for large-scale logistics and light manufacturing users. The new phase will enlarge the second building at 201 Watkins Road, taking that facility to roughly 504,000 square feet, according to recent project disclosures.

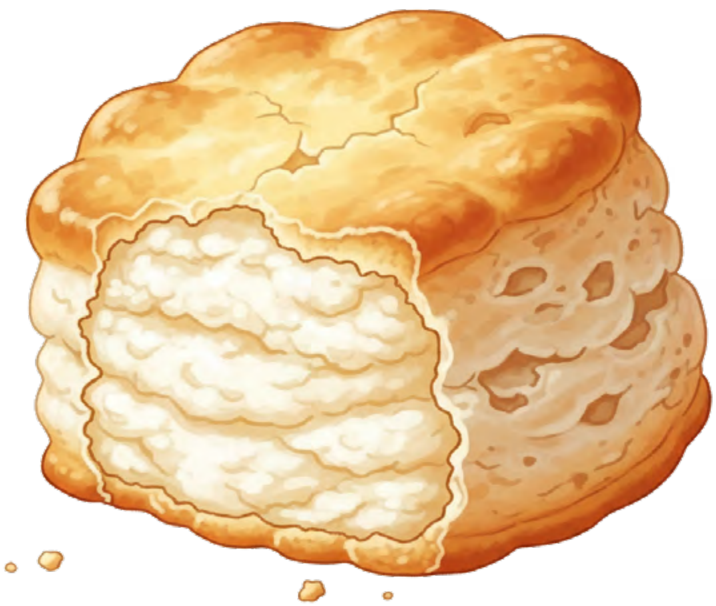
The campus is anchored by two nationally known names. Zoetis leased the first 270,000-square-foot phase, while marketing materials indicate Ford as a tenant on the site, underscoring the location's reach into both life sciences and automotive supply chains.

Industrial Partners USA, a joint venture of Clark Logic and Great Lakes Capital, is leading the buildout along I-94. Earlier filings and local announcements describe the Watkins Road property as a multi-building, modern spec development intended to give users quick occupancy in a tight industrial market.

For HR and operations leaders, the expansion signals continued demand in three areas. First, warehousing and distribution roles will remain elevated as square footage scales, including material handlers, forklift operators, shipping and receiving, and leads. Second, facilities and reliability talent will be essential as the footprint grows, particularly multi-trade maintenance technicians and controls techs. Third, quality and compliance skills add value for life-science adjacent work, where GMP familiarity and documentation discipline are differentiators. Shift flexibility and cross-training plans should be built into hiring models given the site's size and multi-tenant mix.

The project's position along I-94 and its proximity to Ford Motor Company's EV plant, BlueOval Marshall strengthen its regional utility for suppliers serving West Michigan and northern Indiana. Site materials note the campus is roughly 10 miles from BlueOval, which may further concentrate EV-related logistics in Calhoun County.

Fort Custer remains one of Michigan's largest industrial parks, with nearly 90 companies employing more than 13,000 people. Additional buildout at Watkins Road aligns with that long-running concentration of employers and infrastructure.



FROM BISCUITS TO BACKLASH

Cracker Barrel isn't often in the headlines.

For decades the chain has been a dependable highway stop for biscuits, rocking chairs, and nostalgia. That quiet brand stability shattered in August when the company unveiled a new minimalist logo, stripping away its signature image of an old man leaning on a barrel.

The intent was clear. Executives wanted to modernize a brand often tagged as outdated and broaden its appeal to younger diners. The result was anything but. The new look—a plain, text-only wordmark—was blasted by customers, mocked online, and politicized within days. For loyal fans, it felt like the company had erased its own history. By the end of August, management reversed course and restored the original logo, admitting the rollout had gone too far, too fast.

The backlash was not just aesthetic. The chain lost hundreds of millions in market value during the uproar. Influential shareholders called for leadership changes. Politicians weighed in. And most importantly, everyday customers felt alienated. That's the lethal mix that turns a rebrand into a full-blown crisis.

HOW CRACKER BARREL GOT ITS REBRAND WRONG

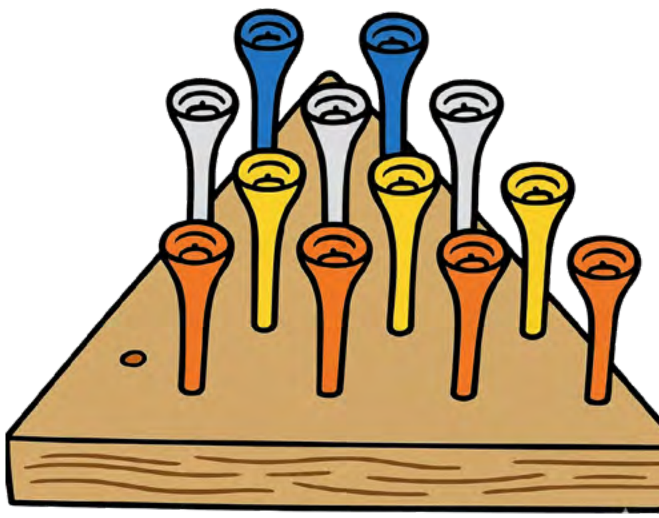
Cracker Barrel®
OLD COUNTRY STORE

Cracker Barrel™

Why This Misstep Matters

Brand identity is not decoration. For companies like Cracker Barrel, symbols carry emotional weight. The "Old Timer" logo told a story of heritage, family road trips, and comfort food. Removing it overnight broke that bond.

Other corporations have learned this lesson the hard way. Gap's 2010 logo lasted just six days before customer fury forced a retreat. Tropicana's packaging overhaul in 2009 was so confusing that sales fell 20 percent in two months. More recently, investment firm Aberdeen tried to "modernize" its name to "Abrdn," only to be ridiculed. In each case, leadership mistook radical change for progress—and paid the price.



The Playbook for Doing Better

Protect what's iconic. Some assets carry too much equity to scrap. Cracker Barrel's barrel wasn't just a design—it was shorthand for everything the company stood for.

Test before launch. Walmart's 2008 logo update worked because it was evolutionary, not revolutionary.

Frame change as continuity. Starbucks dropped "Coffee" from its logo in 2011 but positioned it as an expansion of its story, not a rejection of its past.

Prepare for pushback. Every rebrand sparks debate. Smart companies anticipate questions and have clear communications ready.

Anchor in authenticity. Cosmetic shifts that chase trends—like Abrdn's vowel-free makeover—ring hollow.

The Bigger Picture

Rebranding is high-stakes work. Done right, it signals relevance to new markets. Done wrong, it erases trust in days. Cracker Barrel's stumble is a reminder that brands live in memory and community, not in boardroom slide decks. Executives can spend millions chasing a new look, but if they don't bring customers along, the result is backlash—not renewal.

WSI's Perspective

At WSI, our in-house marketing team has seen this pattern before. Rebrands fail when they ignore story. Our differentiator is simple: we don't just market jobs, we craft narratives that resonate with workers, employers, and communities. Whether it's telling a story of heritage, shaping a new brand identity, or protecting the equity that already exists, WSI approaches marketing with the same mindset we bring to staffing—listen deeply, translate clearly, and deliver strategies that stand the test of time.

Uncertainty has defined much of 2025. Manufacturing has slowed under the weight of tariffs, rising input costs, and cautious investment. Hiring plans were trimmed, output moderated, and projects delayed. But despite the headlines, there is no collapse. Across Michigan and beyond, optimists are already moving levers, preparing for business as usual when momentum returns. Developers are expanding Battle Creek's industrial footprint, Ford is rewriting the playbook for how cars are built, and new housing is beginning to open doors for more stable workforces. Wages are climbing, and businesses are showing resilience through supply chain agility, upskilling, and smart contingency planning.

As fall settles in—with harvests, football weekends, and crisp mornings—it is worth pausing to appreciate the strength of our communities. Progress may feel slow, but it is steady. Cycles turn, and those preparing now will be best positioned to lead the next upswing. As things ramp up, you will need talent—and fast. That is where WSI delivers with speed, scale, and precision.

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