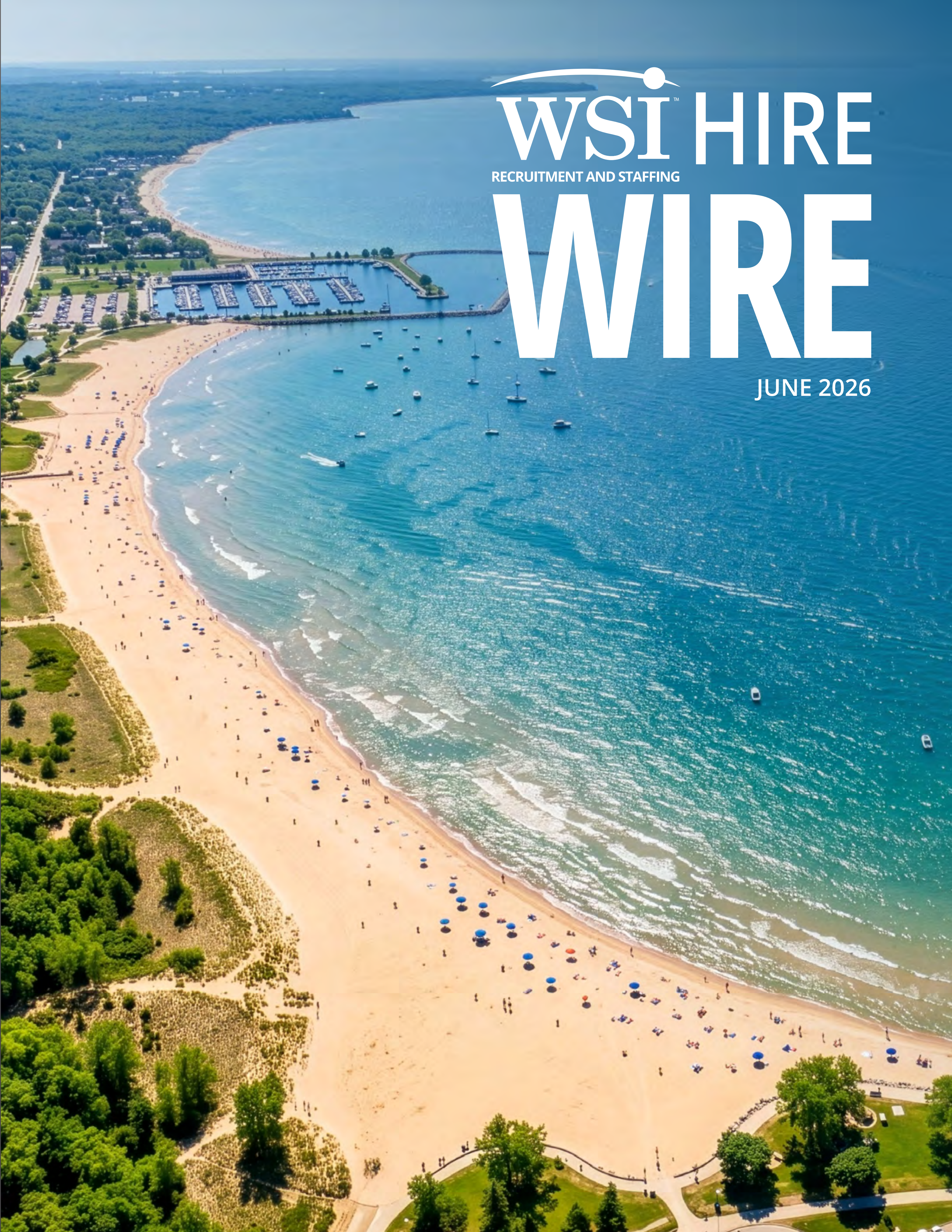


WSI HIRE

RECRUITMENT AND STAFFING

WIRE

JUNE 2026

HOW WORRY SHOWS UP

THE PULLBACK

Beneath the Consumer Confidence Index numbers, two surveys describe the same behavior: households bracing, trimming, and delaying.

Two major consumer surveys released this month show Americans are increasingly uneasy about their financial outlook, though they differ on the depth of the concern.

The Conference Board's **Consumer Confidence Index** fell 0.7 points in May to 93.1, its first decline after three months of gains. The University of Michigan's **Index of Consumer Sentiment** dropped more sharply, falling 10% from April to 44.8, its third consecutive monthly decline and a reading just below the historical trough recorded in June 2022.

The gap between the two figures is notable. The Conference Board index, which tends to weight labor market conditions more heavily, remains well above recessionary territory. The Michigan index, which places greater emphasis on personal financial conditions and inflation expectations, is near all-time lows. Readers should treat these as measuring different dimensions of consumer psychology rather than contradictory findings.

Both surveys point to the same primary driver: the economic fallout from the U.S.-Israeli conflict with Iran, which has disrupted shipping through the Strait of Hormuz and pushed the national average gas price to $4.49 per gallon, according to AAA.

66.5% of consumers say they are cutting back on spending.

These measure different dimensions of consumer psychology — not a contradiction. Both point to one driver: the U.S.–Israeli conflict with Iran, disruption through the Strait of Hormuz, and a national average gas price of $4.49/gal (AAA).

SPLIT SIGNALS

Two major surveys agree Americans are uneasy — and disagree, sharply, on how deep the worry runs.

The Conference Board Consumer Confidence Index

93.1 ↓ 0.7 pts
Index level · May 2026

- First decline after three straight months of gains
- Weights labor-market conditions more heavily
- Remains well above recessionary territory
- Only 19% expect business conditions to improve ↓ from 19.4%

University of Michigan Index of Consumer Sentiment

44.8 ↓ 10%
Index level · May 2026

- Third consecutive monthly decline Just below the June 2022 trough — near all-time lows
- Emphasizes personal finances & inflation expectations
- 57% cite high prices eroding finances from 50%
- Year-ahead inflation expectations: 4.8%

Spending behavior

The Conference Board found 66.5% of consumers said they are cutting back on spending due to rising prices, 49.5% have delayed major purchases, and 46.6% have postponed discretionary items. Groceries and gasoline were the categories consumers said they expect to maintain at current levels over the next six months, at 60.8% and 53.6% respectively. Only 19% of respondents expected business conditions to improve, down slightly from 19.4% in April.

The Michigan survey found 57% of consumers spontaneously cited high prices as eroding their personal finances, up from 50% the prior month. Lower-income consumers and those without college degrees posted the steepest sentiment declines, which Michigan director Joanne Hsu attributed to their heightened sensitivity to gas prices and essential goods costs.

Inflation expectations rising

The Michigan data shows inflation expectations moving in a direction that could concern policymakers. Year-ahead inflation expectations rose to 4.8% in May from 4.7% in April, compared to 3.4% in February 2026 before the Iran conflict began. Long-run inflation expectations climbed from 3.5% to 3.9%, well above the 2.8% to 3.2% range seen throughout 2024.
Hsu noted consumers appear worried that inflation will spread beyond fuel prices even over the longer term, a signal that price expectations may be becoming less anchored.

Political divides

The two surveys show different political patterns worth flagging. The Conference Board found Republican consumers reporting the highest confidence, at just under 130, compared to Democrats and independents at just under 80. The Michigan survey found the opposite directional trend for the month: independents and Republicans saw sentiment declines and hit their lowest readings of the current presidential administration, while Democrat sentiment was largely unchanged.

The divergence likely reflects timing and question framing differences between the two instruments rather than a factual conflict, though the Michigan finding of Republican long-run inflation expectations now more than double their February 2025 reading is a significant data point.

49.5% have delayed a major purchase

46.6% postponed discretionary buys

57% ↑ from 50% say high prices are eroding their finances

19% ↓ from 19.4% expect business conditions to improve

INFLATION EXPECTATIONS

4.8% ↓ from 4.7%
Year-ahead · was 3.4% pre-conflict (Feb '26)

3.9% ↑ from 3.5%
Long-run · vs 2.8–3.2% through 2024

The U of M Survey warned consumers increasingly expect inflation to spread beyond fuel — a sign price expectations may be becoming less anchored.

Generational and income splits

The Conference Board found confidence rose among consumers aged 35 to 54 while declining among older and younger cohorts. Households earning $100,000 or more saw confidence improve, while most other income brackets declined, consistent with the Michigan finding that lower-income consumers are bearing a disproportionate share of sentiment erosion.

Gas prices have eased modestly as the U.S. and Iran conduct negotiations in Qatar, though Iran's Foreign Ministry characterized U.S. defensive strikes on Iranian boats Monday as a ceasefire violation, adding uncertainty to the near-term outlook.

JOBS REPORT AMAZES

MAY JOBS CRUSH FORECASTS

The labor market kept its footing in May, and Southwest Michigan rode the momentum, with unemployment falling across the region's key markets even as a Middle East war and lingering tariff disputes hung over the outlook.

The U.S. economy **added 172,000** jobs last month, the Bureau of Labor Statistics reported Friday, roughly doubling the 85,000 economists had forecast. The national unemployment rate held at 4.3% for a third straight month. Revisions sweetened the picture: April's gain was raised to 179,000 and March's to 214,000, the first month above 200,000 since early 2024.

Michigan tracked the national strength. Statewide unemployment held at 5.0% in April, but local numbers told a sharper story. Kalamazoo dropped to 3.9% from 4.1%, Grand Rapids fell to 3.6% from 4.0%, and Battle Creek slid to 4.7% from 5.2%. Muskegon and the Lakeshore eased to 4.7% from 5.1%. Detroit was the outlier, flat at 5.0%.

	February	March	April
Kalamazoo	4.1	4.1	3.9
Grand Rapids	4.0	4.0	3.6
Muskegon	5.2	5.1	4.7
Detroit	5.0	5.0	5.0
Battle Creek	5.2	5.2	4.7
Michigan	5.0	5.0	5.0
USA	4.4	4.3	4.3

SOURCE: BLS.GOV

Hiring spread beyond healthcare, which had carried much of the recent growth. Leisure and hospitality led with 70,000 jobs, local governments added 55,000 and food services and drinking places contributed 48,000. Healthcare added roughly 35,000.

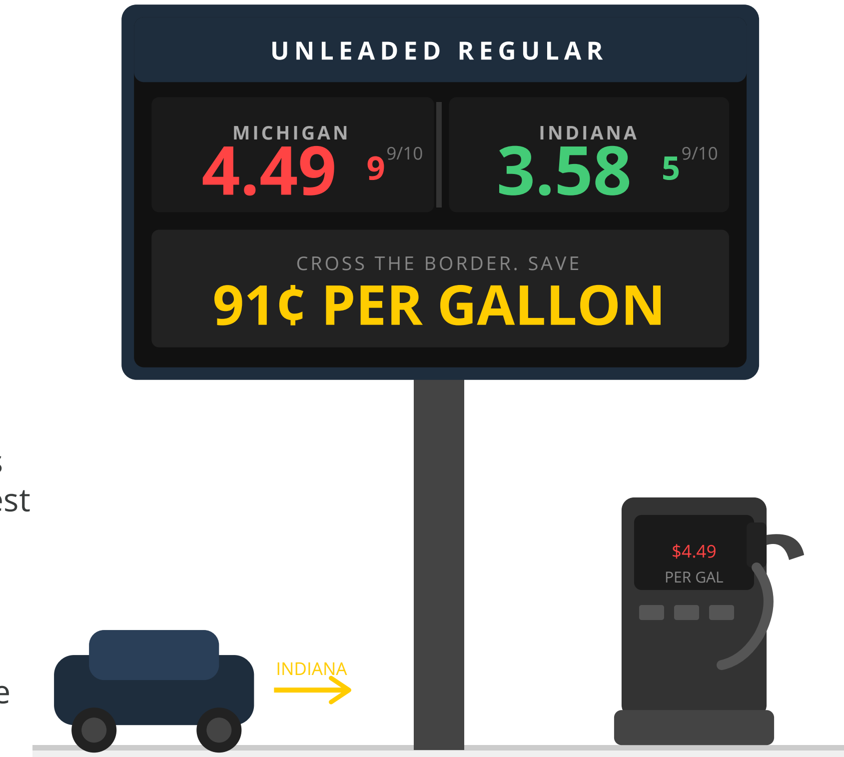
The gains came in a "slow-hire, slow-fire" market. Layoffs stayed low, and businesses leaned on attrition replacement rather than aggressive expansion. The Federal Reserve's Beige Book noted little employment change in 11 of 12 districts, with workers reluctant to switch jobs amid uncertainty.

Tariffs remain part of the background noise. The Supreme Court struck down the sweeping import duties in February, and businesses have since filed for refunds that, along with tax credits, padded corporate profits and helped firms avoid large-scale cuts. Corporate profits rose $40.4 billion in the first quarter.

The larger weight on the economy is the U.S.-Israeli war with Iran, disrupting shipping through the Strait of Hormuz and pushing oil prices higher. Economists have not yet found a measurable hit to the jobs market, but the energy spike threatens to squeeze household budgets.

For now, the Fed is expected to keep its benchmark rate in the 3.50% to 3.75% range, content to wait while the labor market grinds forward and inflation pressures work through the system.

INDIANA SUSPENDS TWO FUEL TAXES while Michigan Lawmakers DEBATE AND HESITATE



Source: AAA — Michigan avg. approx. $4.49 / Indiana avg. $3.585 as of June 3–4, 2026

West Michigan drivers are doing the math, and the **math says drive** to Indiana.

Michigan's statewide average sits around $4.49 a gallon, with Kalamazoo and Sturgis pushing closer to $5 — the result of Midwest refinery disruptions compounded by the U.S. conflict with Iran. Just across the state line, Indiana holds the lowest average gas prices in the country at $3.585 per gallon. That is a 91-cent gap, and Michiganders are making deliberate detours to close it.

The reason is not complicated. Indiana suspended both its gasoline excise tax and its gas sales tax — together worth 59 cents a gallon in May. Indiana removed both. Michigan removed neither. "The entirety of the difference is that Indiana right now is waiving two gasoline taxes," said Patrick De Haan, head of petroleum analysis at GasBuddy.

Indiana's relief did not fall from the sky. Gov. Mike Braun extended the sales tax suspension and added the excise tax suspension as prices surged. Indiana acted. Michigan is still in discussion mode. Lansing lawmakers have floated a gas tax holiday but stopped short of passing one, citing road funding concerns — a legitimate tension, though worth noting that Indiana also has roads.

At the federal level, President Trump has proposed suspending the federal gas tax, which would cut prices roughly 18 cents per gallon for gasoline. That requires congressional approval and bipartisan support remains uncertain.

The national average stands at $4.261. Michigan drivers know where the border is.

DENSO BATTLE CREEK IS CLOSING THE SKILLS GAP

DENSO Manufacturing Michigan graduated its **largest-ever class** of skilled trades apprentices in April, with 11 workers earning journeyman credentials after completing the company's rigorous four-year program.

The milestone coincides with DENSO's 40th year of manufacturing in Battle Creek. Since the program launched in 2003, the company has credentialed 77 apprentices through a U.S. Department of Labor registered program supported by Michigan Works! Southwest and the State of Michigan.

Graduates now move into expanded roles as tool and die makers, machine repairmen, and electricians.

We're proud to partner with an organization that has operated this way from the start.

DENSO doesn't treat workforce development as a talking point -- it treats it as a production input. Four years of structured training, hands-on mentorship, and real credentials that follow workers for life. That's not a hiring strategy. That's a commitment to the people building the future of mobility manufacturing.

Eleven journeymen. Seventy-seven total. Forty years in Michigan. The skilled trades gap in advanced manufacturing is real and widening. Companies like DENSO -- and partnerships built around growing people from the inside out -- are exactly how the Midwest closes it.

MIDWEST WAGES HOLD STEADY

Labor costs for private sector workers rose 3.3% in the Midwest over the past year, slightly trailing the national rate of 3.4%, according to Bureau of Labor Statistics data released this week.

Midwest wages **alone grew 3.4%,** matching the national average. Workers in the Pacific and New England regions saw the fastest gains, topping 3.9%.

In plain terms: employers are paying more, but the pace is slowing from the sharp increases seen in recent years. Workers are still getting raises, but the gap between wage growth and inflation is narrowing -- meaning purchasing power gains are modest at best.

SOURCE: BLS.

STATE OF MICHIGAN BETS ON THE CLASSROOM FLOOR

Michigan has launched a $150,000 grant program aimed at closing the gap between classroom instruction and factory floors, with applications due July 10.

The Skills in Sync Regional Partnership Pilot Program, administered by the Michigan Department of Labor and Economic Opportunity, will award up to three regional grants supporting coordinated efforts between K-12 schools, manufacturers, post-secondary institutions, and community organizations. Funded projects run August 2026 through August 2028.

The program targets regions where manufacturing education already exists but lacks meaningful industry connection -- a gap state officials say is limiting career readiness in Michigan's automotive and advanced manufacturing sectors.

This is exactly the kind of infrastructure the skilled trades pipeline needs. Not a job fair. Not a poster in a high school hallway. A structured, multi-year framework that puts employers in the room while curriculum is still being written. Michigan's manufacturing base doesn't have a talent awareness problem. It has a talent conversion problem -- students who never get close enough to the work to see themselves in it. Programs that put real production environments in front of young people early don't just fill jobs. They build careers.

An informational webinar is scheduled for June 16. **Click here to learn more and to register.**

RESEARCH THAT ACTUALLY SHIPS

The University of Michigan has launched a manufacturing research institute built around a problem most academics quietly ignore: brilliant research that never leaves the university.

UMAMI -- the U-M Advanced Manufacturing Institute -- is designed to close the "valley of death" between lab discovery and factory-floor reality. Director Chinedum Okwudire, a mechanical engineering professor and manufacturing startup founder, is betting a retooled doctoral program, a student work-study pipeline, and genuine industry partnerships can finally bridge that gap.

The approach is unconventional. Rather than chasing contracts with automotive giants, UMAMI is deliberately focused on small- and medium-sized manufacturers -- the 98% of U.S. producers that most research universities overlook entirely.

The institute pulls engineers, behavioral scientists, business faculty, and sustainability researchers into the same room, operating under an Industry 5.0 framework that asks a harder question than most innovation centers will touch: what happens to workers when automation arrives, and who is responsible for what comes next?

Co-director Jeff Abell brings 40 years as GM's chief manufacturing scientist. The facility itself just received a $4.45 million upgrade. Michigan is done publishing research. It wants to build something.

GOVERNMENT BORROWING JUST GOT A LOT MORE EXPENSIVE

Strait of Hormuz disruption sends borrowing costs to levels not seen since before the 2008 financial crisis.

For most of the past two decades, governments could borrow freely without much consequence. Interest rates stayed low, inflation stayed quiet, and debt seemed almost costless. That era is ending.

The clearest signal is in the bond market, where investors who lend money to governments are now demanding significantly higher returns to compensate for growing risk. The 30-year U.S. Treasury yield hit 5.18% this month, its highest level since 2007. The same trend is playing out globally, with Japan and the United Kingdom both hitting multi-decade highs on long-term government debt.

The primary driver is the disruption to global shipping caused by the U.S.-Israeli conflict with Iran. Closure of the Strait of Hormuz has choked off key commodity flows, pushing fuel and fertilizer prices higher worldwide and reigniting inflation fears that markets had only recently begun to settle.

Investors now face two compounding concerns: that inflation will permanently erode the value of long-term bonds, and that governments will keep borrowing heavily at exactly the moment when the cost of doing so is rising. AI infrastructure buildout is adding another massive competing demand for capital.

The practical consequences for American households are already visible. The 30-year fixed mortgage rate climbed from under 6% in February to 6.65%, tightening affordability across the housing market. Federal Reserve chair Kevin Warsh is now expected by traders to raise rates rather than cut them.

The harder problem is fiscal. When the next recession comes, the traditional response of government stimulus spending carries a new risk: bond markets may punish the move with even higher rates, potentially making the economic pain worse rather than better.

ECONOMIC INDICATOR

Bond yields hit multi-decade highs

Strait of Hormuz disruption sends borrowing costs to historic levels.

WHAT IS A BOND?

Investor — lends $ → Government — issues → Bond (IOU certificate) — pays → Yield (annual interest)

When investors fear inflation or risk, they demand a higher yield.
That raises borrowing costs for governments, companies, and households.

30-YEAR GOVERNMENT BOND YIELDS

U.S. Treasury
5.18%
Post-2007 peak

Japan JGB
4.15%
All-time record

U.K. Gilt
5.85%
Highest since 2008

U.S. INFLATION EXPECTATIONS

Feb 2026	3.4%
May 2026	4.8%

Year-ahead expectations up +1.4 pts since conflict began. Long-run expectations also rising.

WHAT IT MEANS AT HOME

30-yr fixed mortgage
6.65%
Up from under 6% in Feb 2026

Fed next move (traders expect)
Rate hike
Not a cut — inflation risk unmoored

Higher yields mean harder trade-offs. If a recession hits, stimulus spending risks driving rates even higher — removing a tool governments relied on for decades.

Sources: U.S. Treasury, Mortgage News Daily, Axios, Univ. of Michigan Surveys of Consumers

MICHIGAN JUST TOLD MANUFACTURERS SOMETHING THEY CAN'T AFFORD TO IGNORE

The labor market doesn't wait for annual planning cycles. It doesn't pause while your HR team debates budget allocations or while your operations manager finishes Q3 projections. It moves, and right now, it is moving fast in Michigan.

A new **AI Data Trends report**, prepared by Lightcast and unveiled at the Mackinac Policy Conference, confirms what forward-thinking plant managers and workforce strategists have suspected: the workforce transformation driven by artificial intelligence is not a distant forecast. It is a present operational reality, and Michigan is positioning itself at the center of it.

The numbers are not subtle. AI job demand nationwide grew by 120% between 2023 and 2025. In Detroit, that figure hit 162%. In Michigan's Capital region, 138%. These are not rounding errors. They are structural signals.

Here is the friction point that matters most for manufacturers: Michigan workers currently report AI skills at rates below national averages. Demand is accelerating. Supply is lagging. That gap is your problem, and it will not resolve itself through passive hiring.

Roughly 10% of Michigan's workforce holds positions with high AI exposure, particularly in office and administrative support roles where task structures are already being rewritten. But the manufacturing floor is not exempt. Michigan's AI and the Workforce Plan identifies automation systems, data literacy, and engineering competencies as priority skill needs across the state's advanced manufacturing, construction, and mobility sectors. These are not abstract IT concerns. They are production-floor requirements.

What this data also reveals, and this is where most employers miss the strategic implication, is that companies are not primarily hunting for AI specialists. They want workers who can use AI to enhance productivity. Leadership, communication, workflow management, and foundational digital competency are the skills employers are pairing with AI literacy. That combination is rare and increasingly expensive to find.

Small businesses are absorbing this reality in real time. Demand for AI-related skills has more than tripled across six of Michigan's eight priority industries among smaller employers. The competitive pressure does not discriminate by company size.

For manufacturers operating in West Michigan and across the state's industrial corridors, the strategic question is not whether AI will reshape your workforce composition. It already has. The question is whether your talent pipeline is structured to absorb that change without disrupting output.

WORKFORCE INTELLIGENCE

Michigan AI Exposure Risk Matrix

MONITOR AND RETRAIN

High exposure / lower volume

- **Financial analysts**
- **Legal support**
- **Technical writers**

Smaller white-collar populations facing significant disruption risk. Track and intervene early.

AI EXPOSURE HIGH
WORKFORCE VOLUME LOW

IMMEDIATE ACTION ZONE

High exposure / high volume

- **Office & admin**
- **Data entry**
- **Customer service**

Large worker populations with high task-transformation risk. Highest reskilling urgency.

AI EXPOSURE HIGH
WORKFORCE VOLUME HIGH

AI-RESILIENT POSITIONS

Lower exposure / lower volume

- **Skilled trades**
- **Healthcare direct care**
- **Construction**

Physical and relational roles with low task-automation overlap. Maintain and monitor.

AI EXPOSURE LOW
WORKFORCE VOLUME LOW

UPSKILL TO STAY AHEAD

Lower exposure / high volume

- **Manufacturing ops**
- **Assembly & production**
- **Logistics**

75% of Michigan manufacturing roles will need reskilling. Proactive investment pays off.

AI EXPOSURE LOW
WORKFORCE VOLUME HIGH

Up to 2.8M Michigan jobs reshaped by AI over the next decade. Exposure reflects task-transformation risk, not elimination.

The good news: there is real funding available for employers who move now. Michigan's Going PRO Talent Fund provides competitive grants to employers investing in training, upskilling, and reskilling their workforce, and the state is actively expanding the program to prioritize AI-aligned training initiatives. If your operation has roles exposed to AI-driven task transformation, this funding cycle is worth pursuing. Michigan Works! agencies across the state are also actively connecting employers to training resources and placement pipelines as the skill landscape shifts.

This is precisely where a flexible, premium workforce model earns its value. Agility is not a soft benefit. In a labor market defined by rapid skill evolution, the ability to scale your associate base, integrate trained talent quickly, and maintain production continuity while your permanent workforce upskills is a concrete operational advantage. Michigan's manufacturers who treat workforce flexibility as a strategic asset rather than a staffing line item will be better positioned to capture the economic upside this moment represents.

120%

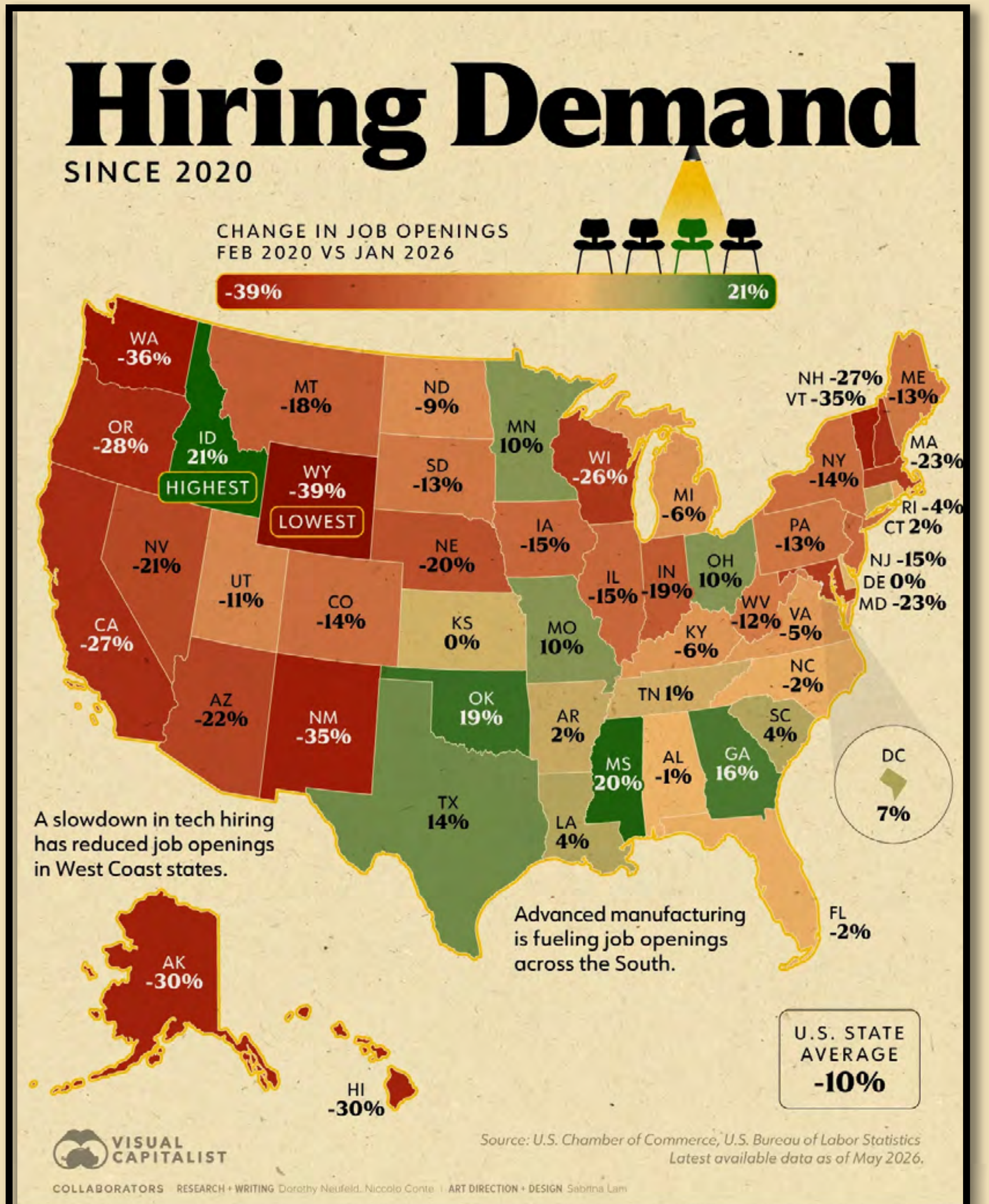
AI Job Demand Growth Nationwide from 2023-2025

The state estimates that a **proactive AI workforce strategy** could generate up to $70 billion in economic impact and create 130,000 jobs. That opportunity does not distribute itself equally.
It flows toward the employers who are already moving.
Connect with your local WSI team to start the conversation.

AMERICA'S HIRING MAP HAS REVERSED SINCE 2020

America's labor market looks almost nothing like it did before the pandemic, and the shift is geographic. Southern and Midwest states lead a hiring rebound the coasts largely missed.

Job openings are up **more than 20%** in Idaho since February 2020, with Mississippi, Oklahoma, Georgia, and Texas also posting double-digit gains, according to U.S. Chamber of Commerce data.



The story driving those numbers: industrial reshoring, semiconductor and EV manufacturing investment, and sustained population migration toward lower-cost states.

Ohio and Missouri both posted gains above 9%, reflecting the broader Midwest's resurgence as a manufacturing destination. Michigan, while not among the top gainers, sits within a region that has absorbed significant industrial investment tied to the EV transition and domestic supply chain rebuilding.

The national average tells a different story: job openings are down 9.6% overall. Western states have taken the hardest hits, with Wyoming off 39% and Washington down 36%. Much of that decline traces back to post-pandemic tech sector retrenchment after aggressive 2021-2022 hiring.

The divergence is widening, not narrowing.

AMERICA IS RUNNING OUT OF REPLACEMENTS

America's workforce is aging faster than it can replace itself, and the gap is beginning to show.

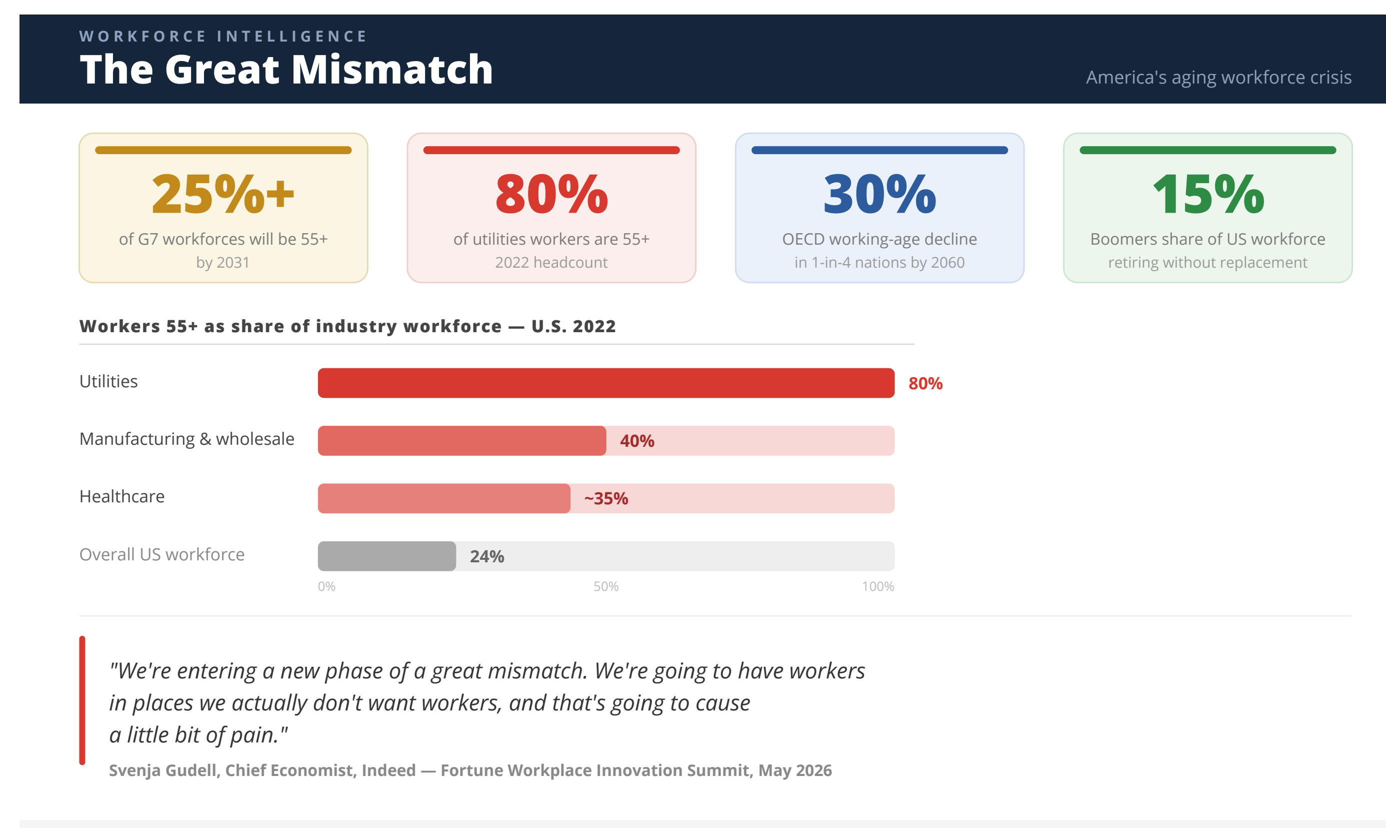
Svenja Gudell, chief economist at Indeed, **warned this month** that the United States is entering what she calls a "great mismatch" — a structural imbalance between where workers exist and where they are actually needed. Speaking at Fortune's Workplace Innovation Summit, Gudell said the shift will force widespread reallocation of jobs and that the transition will not be painless.

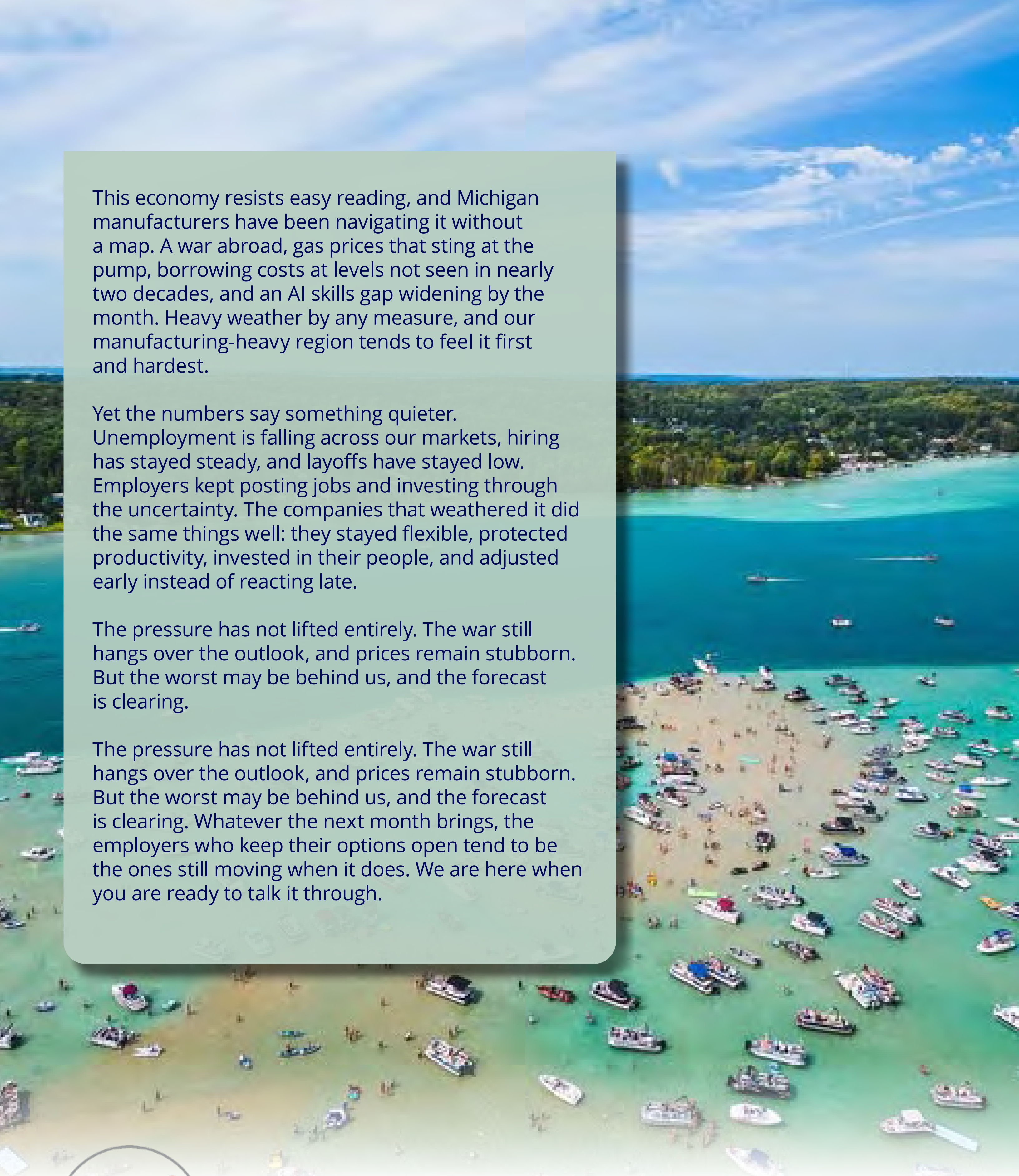
Baby boomers, who represent roughly 15% of the U.S. workforce, are retiring at a pace younger generations cannot absorb. Workers 55 and older already account for nearly a quarter of the American labor force. In utilities, that age bracket made up 80% of the industry headcount in 2022. In manufacturing and wholesale trade, the figure was 40%.

The gap extends well beyond the United States. Among G7 economies, workers 55 and up will represent more than 25% of the combined workforce by 2031, roughly 10 points higher than in 2011. The OECD projects the working-age population will fall 30% in a quarter of its member countries by 2060.

Compounding the numbers problem is a values problem. Younger workers are less willing to enter skilled trades, manufacturing, and healthcare regardless of available openings. PepsiCo chief people officer Becky Schmitt noted the pattern is not limited to the U.S. "They want to be influencers," Schmitt said. "They don't actually want to be a salesperson."

Both executives pointed to artificial intelligence as a partial bridge, suggesting automation can absorb roles younger generations are declining to fill. Whether technology can close a gap this size remains an open question.





This economy resists easy reading, and Michigan manufacturers have been navigating it without a map. A war abroad, gas prices that sting at the pump, borrowing costs at levels not seen in nearly two decades, and an AI skills gap widening by the month. Heavy weather by any measure, and our manufacturing-heavy region tends to feel it first and hardest.

Yet the numbers say something quieter. Unemployment is falling across our markets, hiring has stayed steady, and layoffs have stayed low. Employers kept posting jobs and investing through the uncertainty. The companies that weathered it did the same things well: they stayed flexible, protected productivity, invested in their people, and adjusted early instead of reacting late.

The pressure has not lifted entirely. The war still hangs over the outlook, and prices remain stubborn. But the worst may be behind us, and the forecast is clearing.

The pressure has not lifted entirely. The war still hangs over the outlook, and prices remain stubborn. But the worst may be behind us, and the forecast is clearing. Whatever the next month brings, the employers who keep their options open tend to be the ones still moving when it does. We are here when you are ready to talk it through.