

The Current Economic Conditions

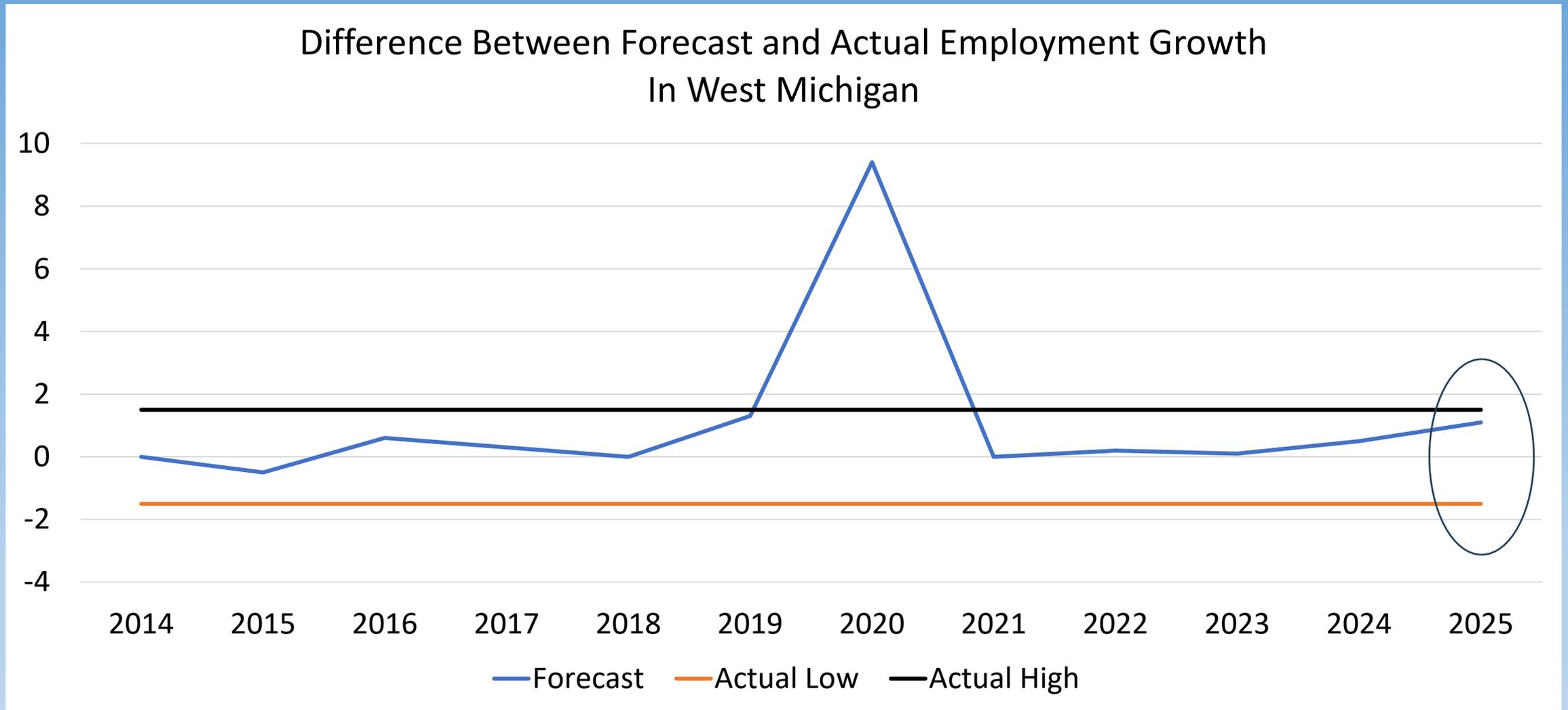
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How We Did Last Year - Employment

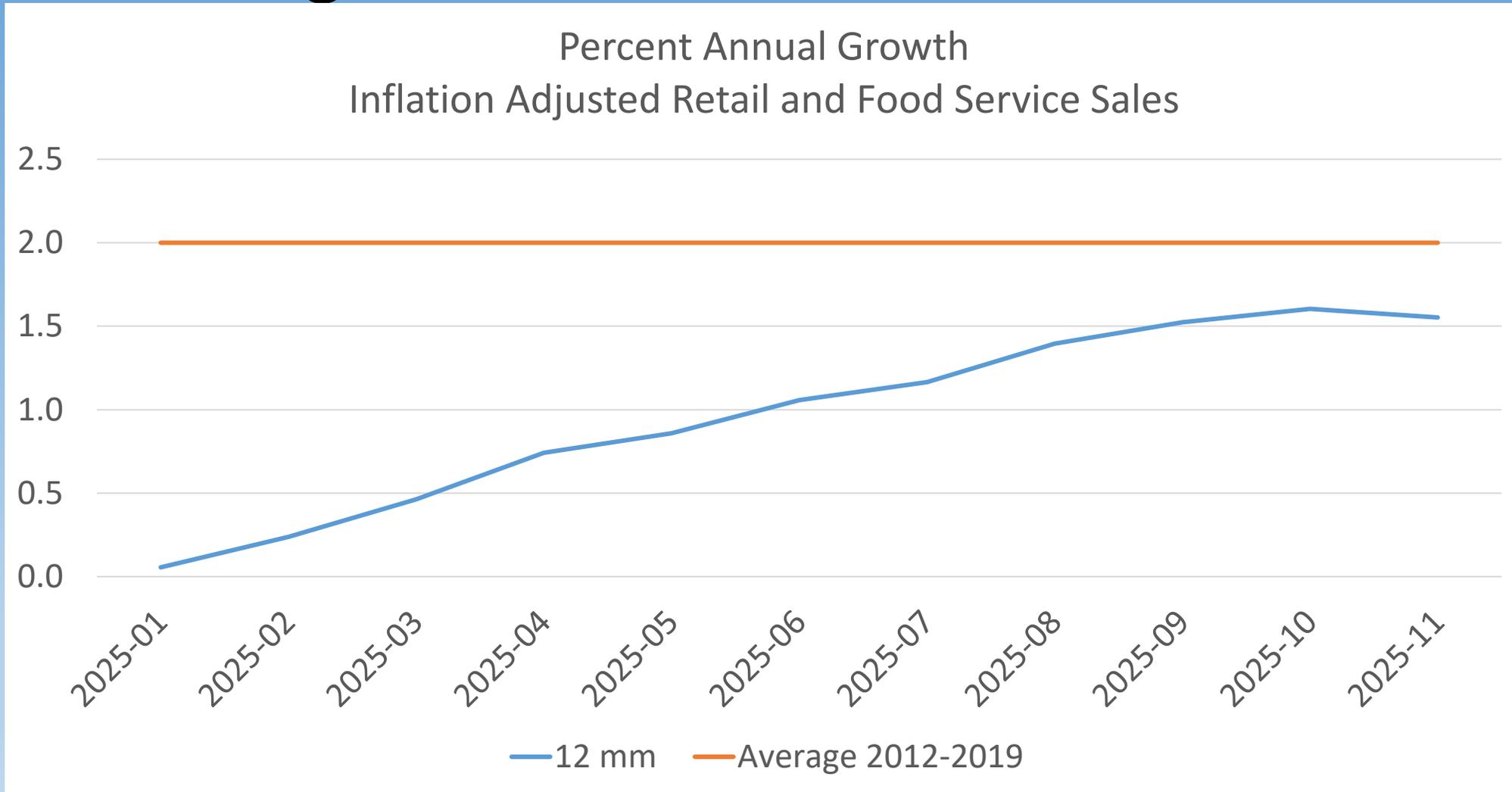


Source: BLS and Isely calculations

NW Ottawa Cautious 2026

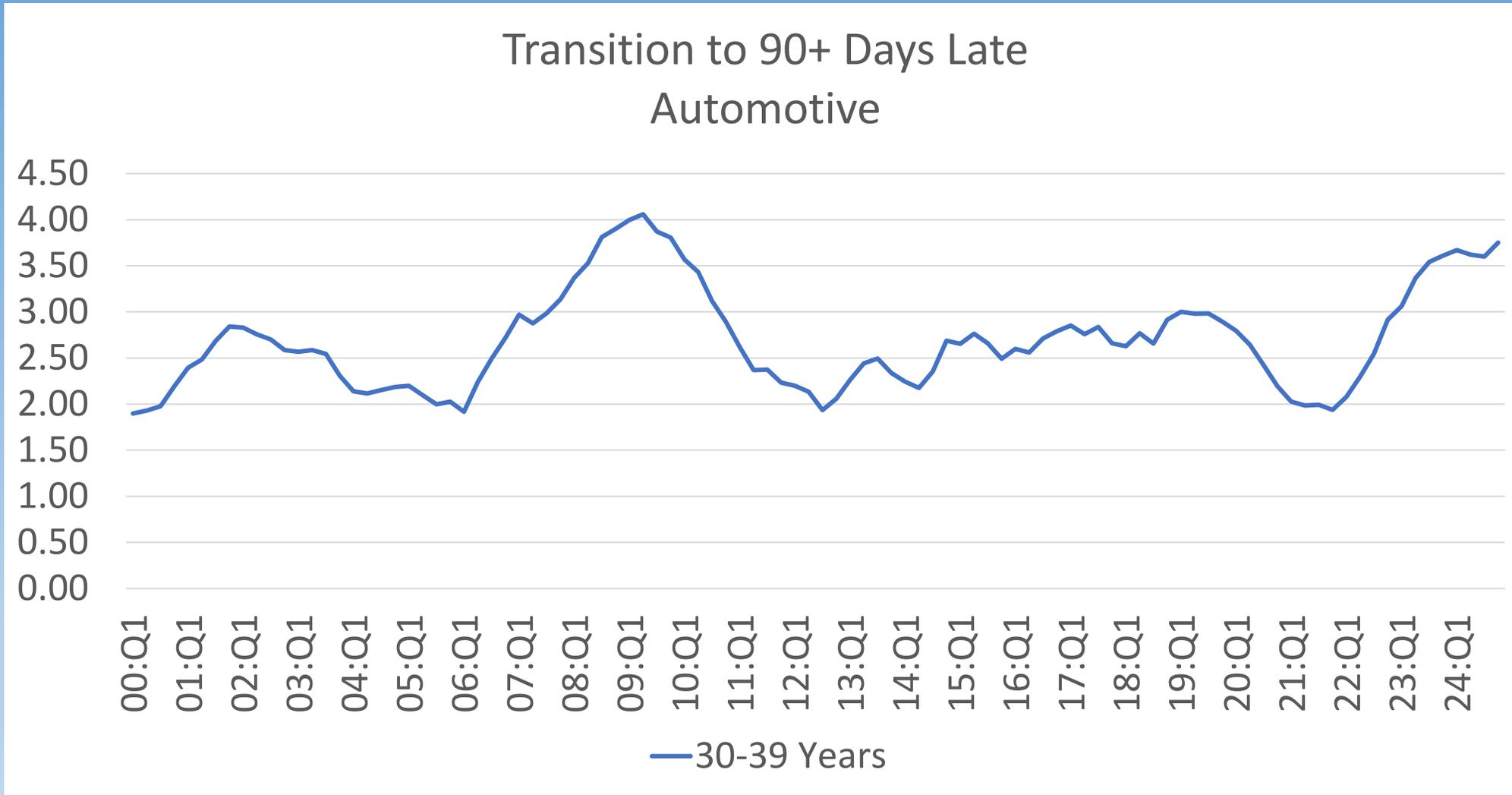
Consumers Slower

Retail Sales Growing Slower Than Normal And Slowing



Source: Federal Reserve Bank of St Louis

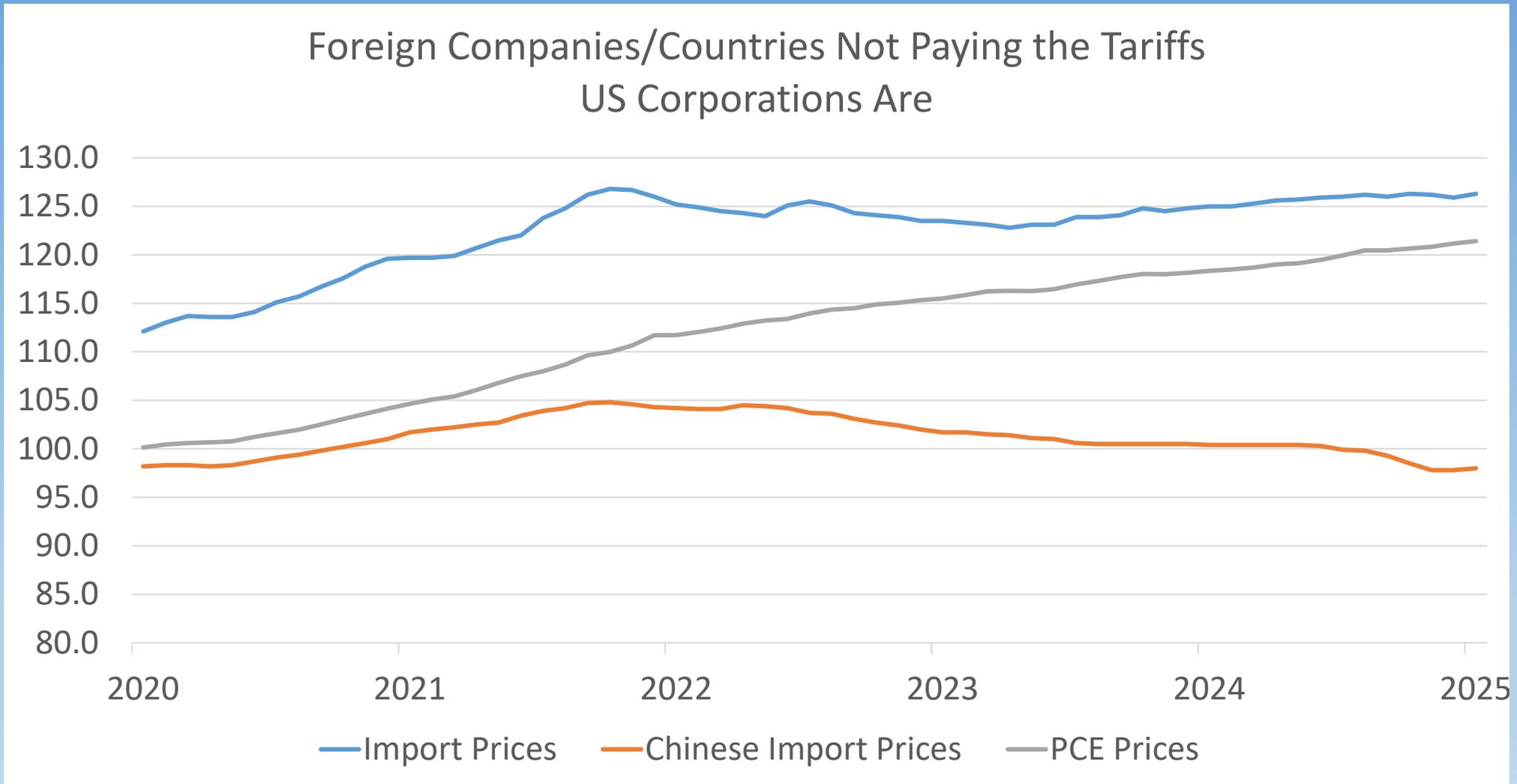
Problems With Debt



Source: New York Fed Consumer Credit

Businesses Margins Compressed

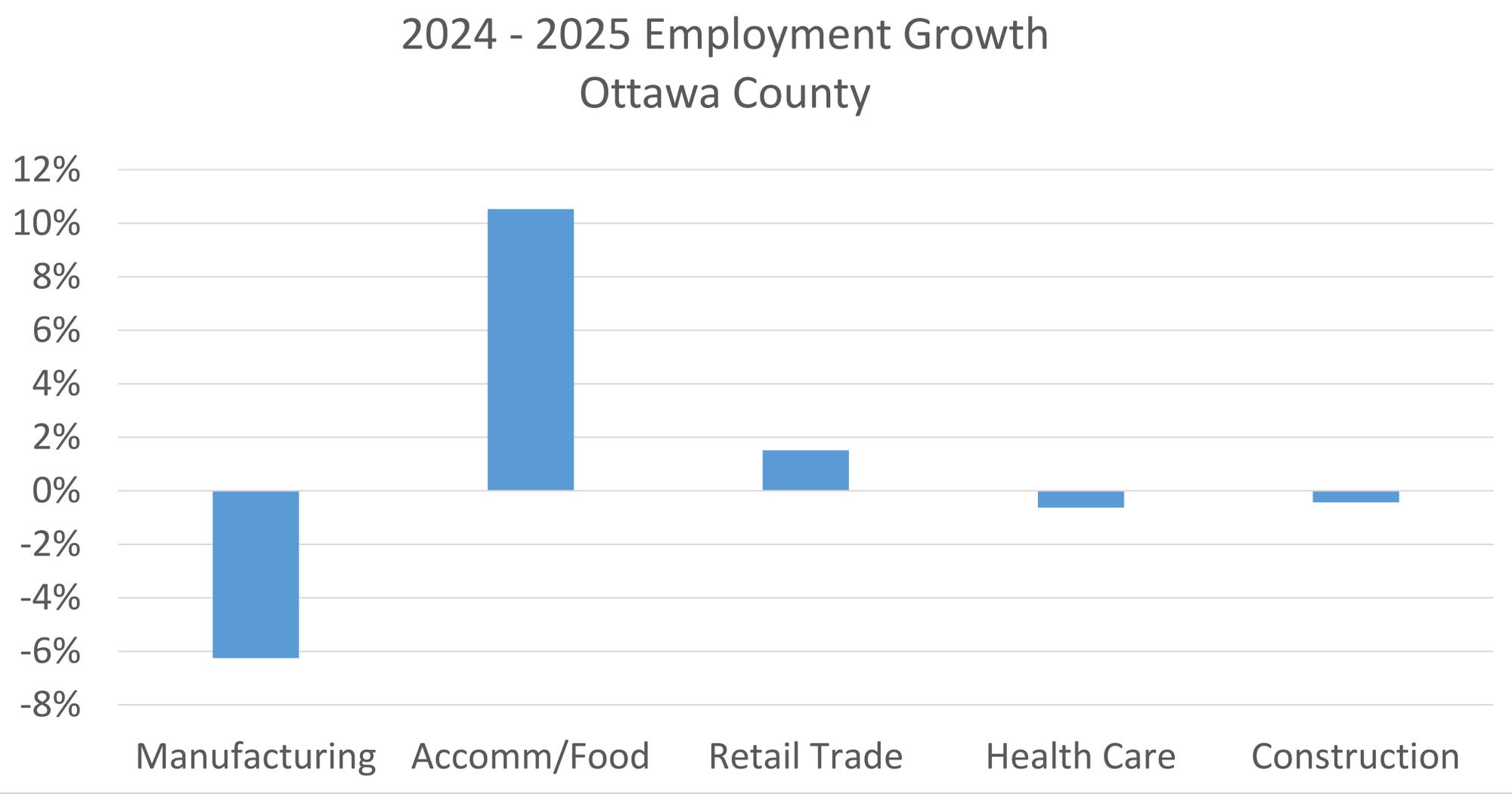
Tariffs Thinning Margins



Source: BEA and BLS

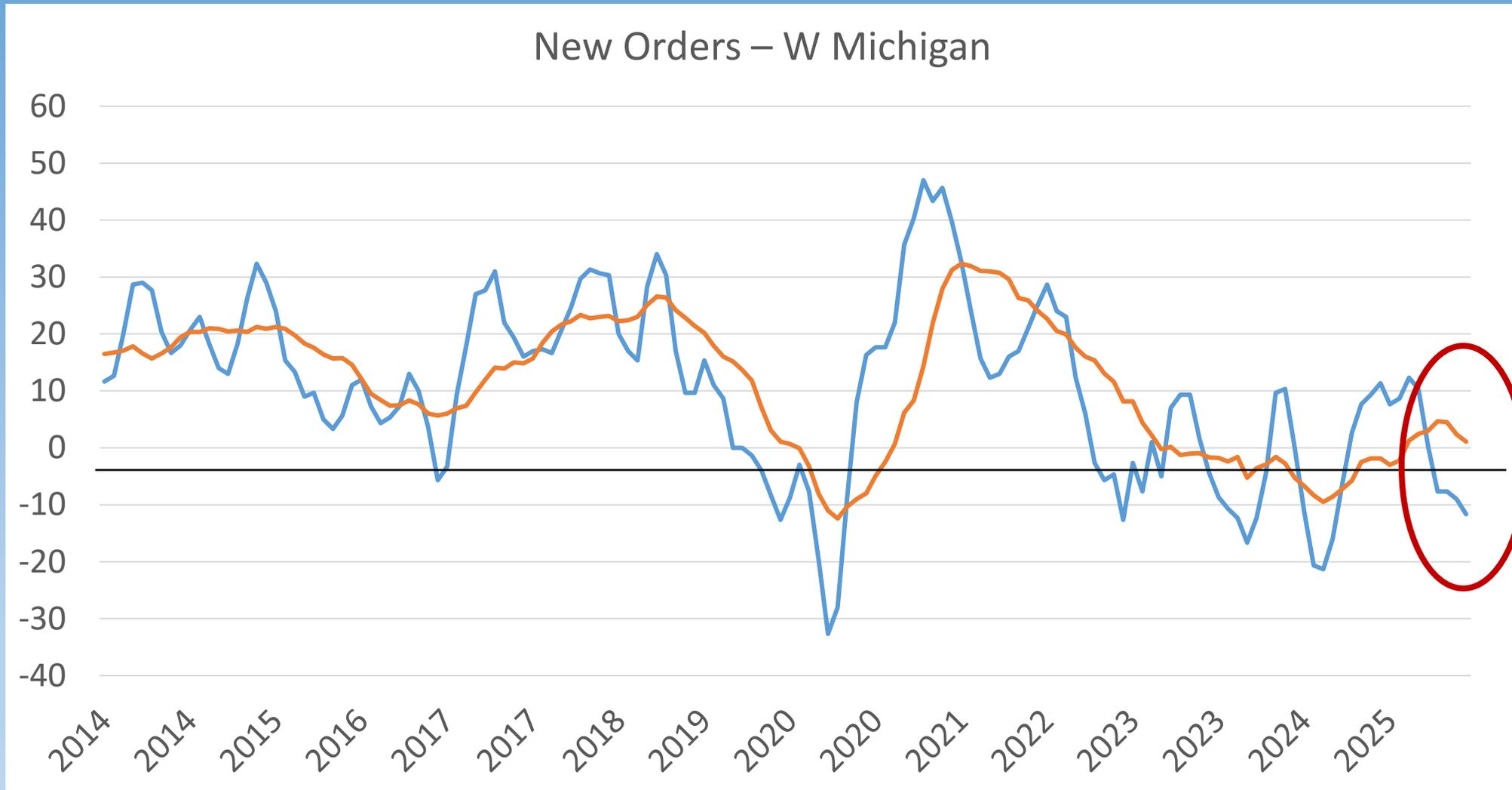
Manufacturing Slowing

Redistributing to Lower Paid Jobs

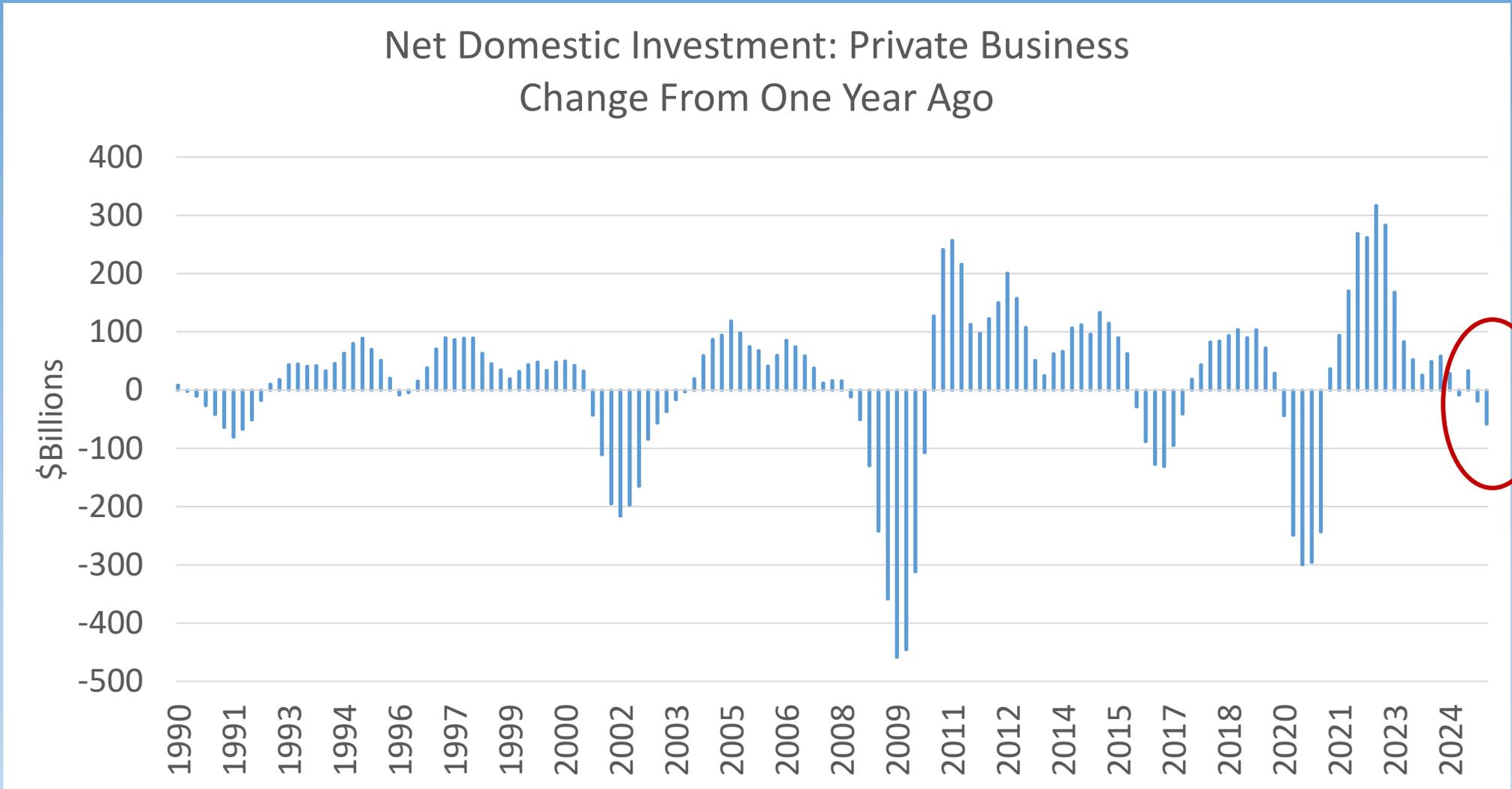


Source: BLS

Manufacturing Slowing Again



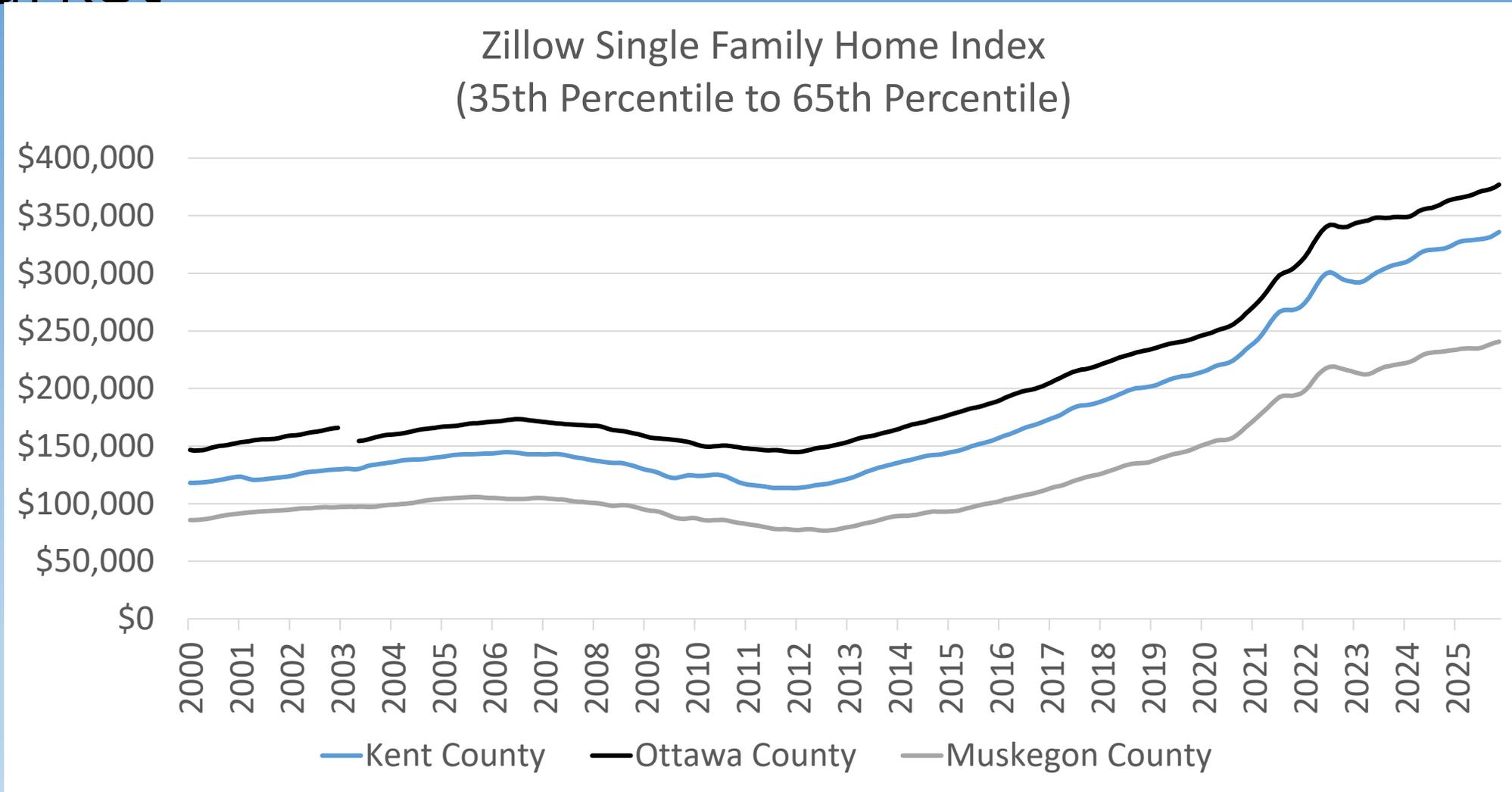
Net Investment Slowing – Even With AI Investment



Source: BEA

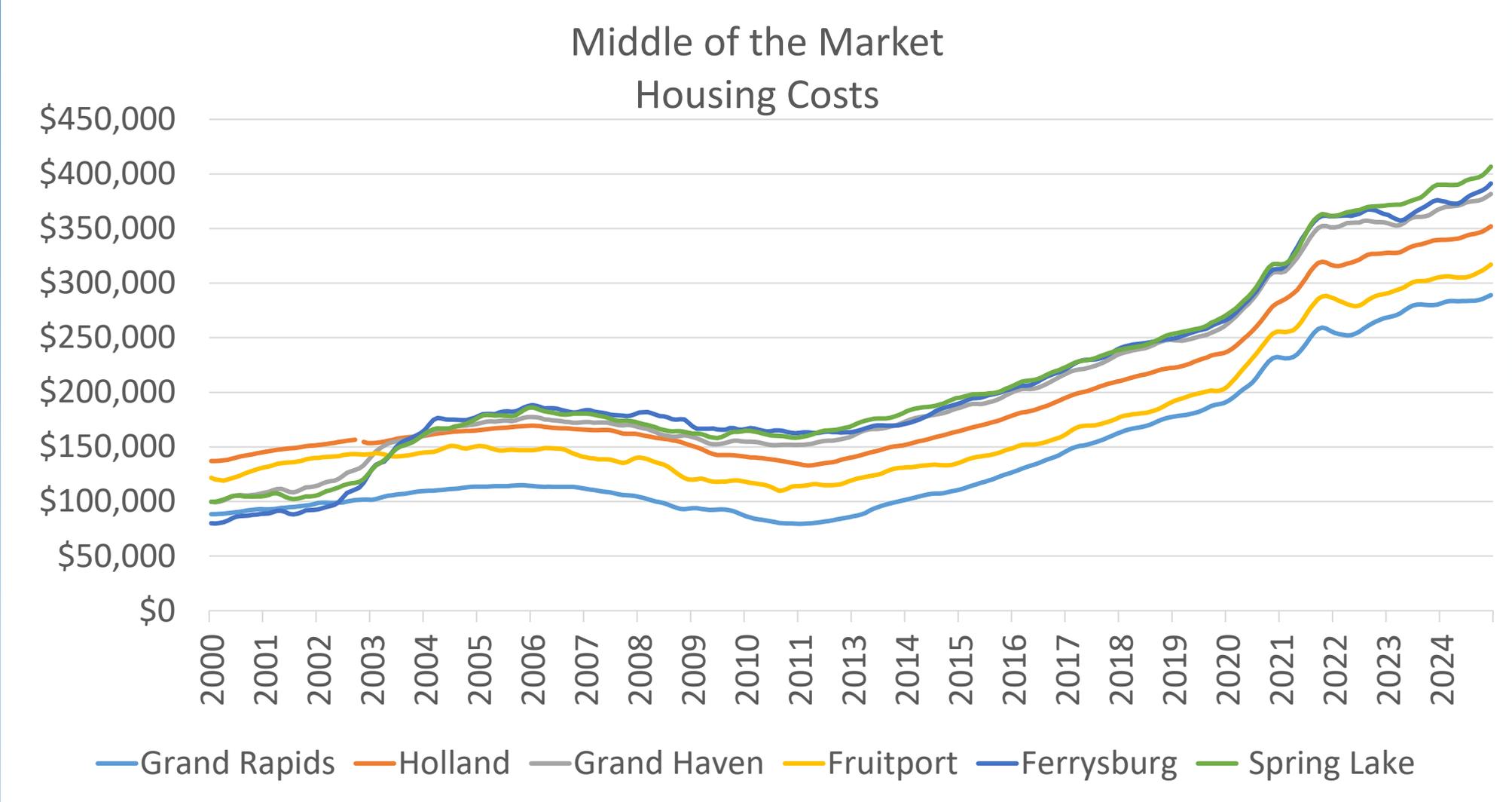
Housing Slowing

Housing Price Increase Are Flat Middle Market



Source: Zillow Price Index

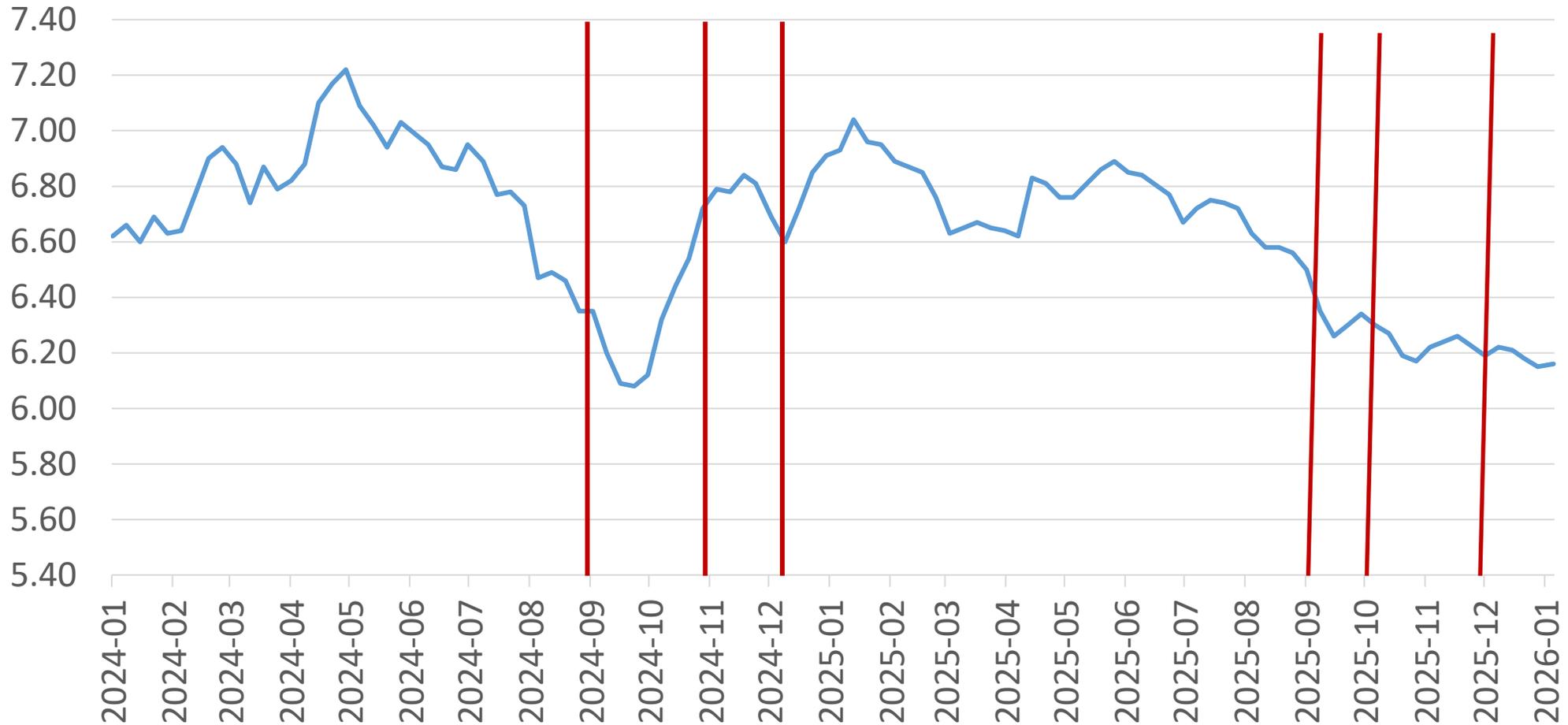
Most Expensive Area



Source: Zillow Data and Isely Calculations

Interest Rate Disrupter

30 Year Mortgage Rate



Dollar Flight
Holding
Interest Rates
Higher Than
They Should Be

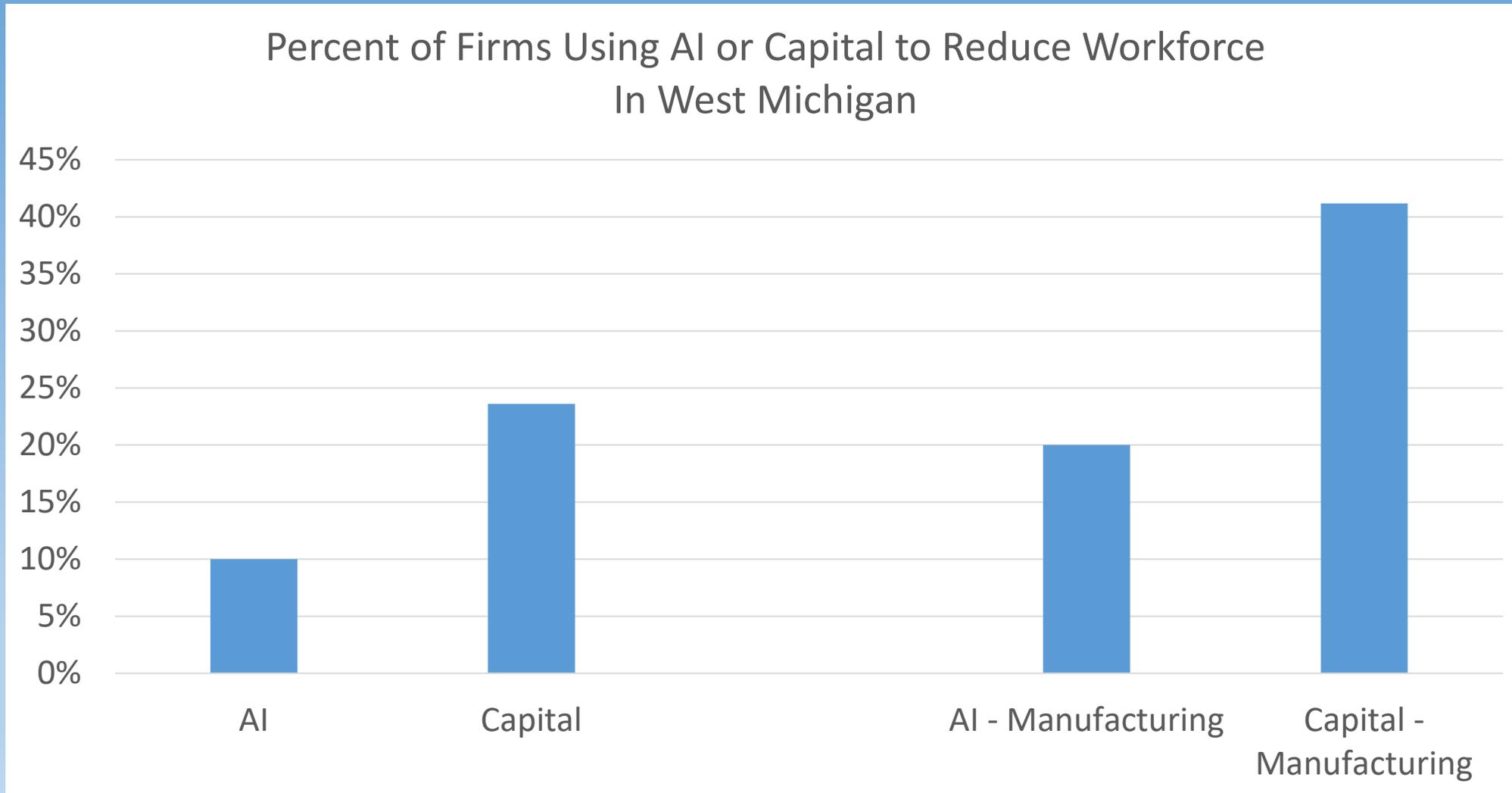
Outlook -- Survey

Businesses Were Affected By State and Federal Policies

Percent Negatively Effected	Grand Rapids	Holland Area	Grand Haven Area
ESTA (Sick Time)	24%	27%	42%
Minimum Wage	11%	8%	16%
Overall Government (State and Federal)	51%	53%	58%

Source: Survey of West Coast and Grand Haven Chamber Members

Decreasing Need for Labor



Source: Isely – Chamber Survey

NW Ottawa County Outlook

Survey Results	2025	Acual(2025)	2026
Current Business Confidence	66%		71
Future Business Confidence	70%		69
Sales Growth	2.3%	4.0%	2.3%
Employment Growth	0.7%	-0.1% - 0.2%	0.22%
Wage Growth	3.1%	3.4%	3.3%
Inflation (adj)	2.6%	2.7%	3.2
Employment and Wages YOY September			
Inflation YOY November			
Sales Growth Proxie of Total Wages			

Source: Survey of Grand Haven Chamber Members

Overall

Government Goes from Restrictive to More Expansionary

- Middle of next year interest rate cuts accelerate
 - Speed economy up
 - Increases inflation
 - Expect interest below inflation
- Refinance
 - Rates trend towards 5%
 - Refi's pick-up releasing equity
- Initial reactions to tariffs done
- Tax cuts from Big Beautiful Bill begin to really affect choices
- AI investment will continue

Take Aways

- **Consumers still stressed – Selling to high earners still has strength**
- **Tariffs began creating measurable effects in July**
- **Changes in productivity making us better off.... but**
- **Interest rates will be elevated – even if there are Fed rate cuts**
- **“Red” areas will be willing to take riskier investments**
- **Population growth continues to support housing investment in West Michigan**
- **Young population financial stress will leave them in rentals longer and looking for cost effectiveness**
- **Price Increases continue**