



# MIDDLE MICHIGAN DEVELOPMENT CORPORATION

Testimony For:

The House Workforce, Trades, and Talent Committee  
Beth Griffin, Committee Chair

Thank you Jennifer, I am Jim McBryde, President and CEO of Middle Michigan Development Corporation. We are the local economic development organization for Isabella and Clare counties.

There are three core elements those of us who work in economic development focus on and they are: Business Retention, Business Attraction and Community Development. All three of these areas are heavily impacted by the ability of our companies to attract and retain talent. Also, most business incentive programs are reliant upon a company's ability to hire new employees.

In Isabella and Clare Counties, both the number of available jobs and the level of unemployment are growing. This means that there are jobs openings that are going unfilled causing our businesses to struggle. In addition, this environment makes it extremely difficult to attract new businesses.

Skilled workers are essential for the primary employers in our region such as Delfield, Morbark, Bandit Industries and Lear to name a few. These companies are struggling to maintain effective and efficient operations due to the lack of skilled workers. Even though our counties are home to both a great community college and major university with academic programs matching these job openings, many of these jobs are still not being filled.

Even before the pandemic, Isabella and Clare Counties had higher unemployment rates than the state average. Since the pandemic, our unemployment numbers continue to be proportionally higher than the rest of the state. Despite the increase in unemployment, our local Michigan Works! agencies have seen an 85%

decrease in the number of people using their services. Relaxed requirements around collecting unemployment benefits may be one of the reasons.

Last month, less than 10% of the jobs posted on the Michigan Talent website for Isabella and Clare counties were able to be filled. The current shortage of workers is so severe that, in some cases, employers have been forced to reduce their operating hours due to a lack of staff.

Many manufacturers who previously ran three full shifts have had to cut back to only one or two shifts. Production schedules also are running behind due to unfilled positions. Thankfully, many employees are stepping up and working extra hours to compensate for the reduced workforce.

The service industry also has been hit hard by a shortage of quality talent. Restaurants in my area are reporting that only about one-third of their wait staff has returned to work. Even though we in economic development typically focus on what we've referred to as base economy-producing employers, the realities of 2020 called on us to assist many struggling small businesses as well.

Facilitating the Relief, Restart, and Survival Grant programs for Michigan has allowed each of us more fully understand the needs of our major base-economy employers as well as our service economy businesses, such as restaurants and those who serve the tourism industry. These businesses play a different, yet important role in creating a thriving economy for our communities.

While worker shortages may vary somewhat around the state, all of the members of EDLM have reported similar dynamics in their regions. We as economic developers are always considering how to best connect the needs of our employers with the skills of Michigan's workforce. Michiganders are resilient and hardworking, and we need to get them back to work.

Now I will turn the conversation back to JoAnn and Jennifer to further discuss the current state of talent in our areas.