

Hello, my name is Jeremy Manthei, President of Manthei Veneer and member of the Manthei Group of companies based in Petoskey and Charlevoix.

- I sincerely want to thank you for the opportunity to speak with you today. I know you all have complicated jobs, and this past 16 months has been anything but normal. I appreciate all the efforts you have made to keep Michigan residents healthy and safe, while keeping our economy functioning the best you can.
- A little about us: We are a third-generation family business. Our primary business units are involved in manufacturing hardwood veneer, architectural plywood, concrete products, and custom steel equipment for the precast concrete industry. Additionally, we have a division that does heavy construction services and redi-mix concrete. My grandfather and his brother started our original hardwood veneer in Petoskey in 1944. (history)
- Total number of employees: 290
- Avg blue collar/frontline wage: \$18.87 + profit sharing and full health benefits at an 80/20 cost share split

In 2021:

- This year has been by far the most difficult year we ever have faced from a staffing perspective.
- Only 85% staffed/ 15% with open positions available
- Indeed, number 1 job search engine reports 1,144 in Emmet County and 561 in Charlevoix County. I know this is not a lot by downstate standards, this is a big deal up here.
- Every sector in Northern Michigan, hospitality, manufacturing, healthcare, retail and education has help wanted signs, with reduction in hours due to staffing, not meeting customer expectations on lead times or able to efficiently handle service and care for the population.

We are doing the best we can, and again, I appreciate the opportunity to share our challenges today. A few things we are doing to continue to staff our operations in this environment are:

- Purchased a 2 year out of service motel for housing
- Recruiting staffing from the impoverished US providence of Puerto Rico
- Invested in a full time, on staff licensed professional counselor for employees to access during work
- Reviewing opportunities for group home recovery centers and return to work opportunities
- Designing blue collar/frontline 2 person income affordable housing development
- Investing heavily in automation

Here are a few comments with regard to possible state involvement in finding solutions to the workforce shortage crisis:

- In general
- Shifting the \$300 federal funding away from unemployment toward incentive to reenter the workforce would be a big help, I read about this on the news, while I don't know the details, it sounds like a good idea on the surface
- The recent adding back of the work search requirement didn't do much other than waste our time, as we have been flooded with applications from people who won't return calls to set up interviews, so they are not really looking for work, just checking a box. Anything you could do to add accountability to this process would be appreciated.

- Anything you can do or advise us to do that could make returning to work more appealing than staying on unemployment and remove barriers to improve quality of life
- Focus investment and education on professional skilled trades. Quoted from Michigan talent connect: "A sizable professional trades shortage exists in Michigan and is expected to continue through 2026. Professional trades will account for more than 545,000 jobs in the Michigan economy, and approximately 47,000 new job openings are expected annually in the state during that time. Wages for professional trades occupations is 45 percent higher than other occupations – \$54,000 is the median annual salary for these jobs! Opportunities exist in a variety of emerging industries including IT, healthcare, advanced manufacturing, construction and automotive. And many of the career fields do not require a four-year degree." We partner with many of these programs and schools locally and throughout the state
- Day care and housing are big issues up here, as well as elsewhere I'm sure. The \$300 addition unemployment seems to have indirectly made daycare more expensive as many providers are short staffed as well.
- In a neighboring community, Traverse city we are watching closely, the MI trishare child care pilot program that was introduced as a partnership between employers, employees and the state. A great example of shared responsibility, stabilizing the childcare industry and removing cost barriers. Specifically Emmet county has lost 50% of licensed providers since 2009. This doesn't address the lack of providers but helps with the barrier of cost it may be able to allow more sustainable growth for centers in the future. Something to follow and keep our eye on, as it seems like a great model.
- We look toward a future of rewarding or subsidizing those that maintain and sustain gainful employment that are able and an agency that can handle the volume for proper support and accountability.

Thank you again for your time. Are there any questions?