

Oakland County
Executive
L. Brooks Patterson

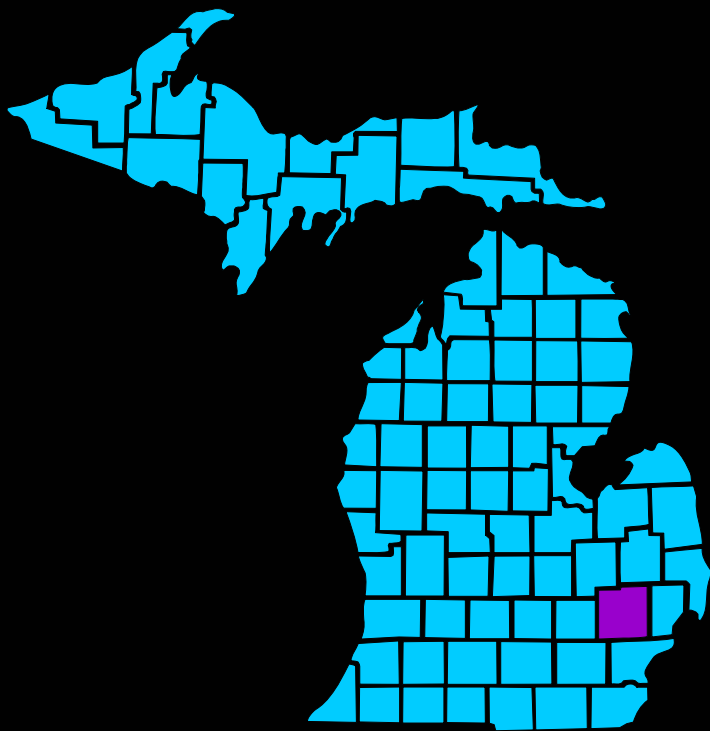


WHERE PEOPLE & TECHNOLOGY PROSPER

*Oakland County
Michigan*

Planning & Economic Development Services

THE ECONOMIC OUTLOOK FOR OAKLAND COUNTY



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Track Record over the Years

Year	% Error	Year	% Error
1986	+ 1.4	1998	+ 1.3
1987	+ 0.7	1999	- 1.2
1988	- 1.8	2000	+ 0.6
1989	- 1.9	2001	+ 1.9
1990	+ 2.2	2002	+ 2.5
1991	+ 3.9	2003	+ 1.6
1992	- 2.0	2004	+ 2.6
1993	+ 0.5	2005	+ 1.4
1994	- 1.3	2006	+ 3.3
1995	+ 0.2	2007	0
1996	- 0.5	2008	+ 2.2
1997	+ 0.6		

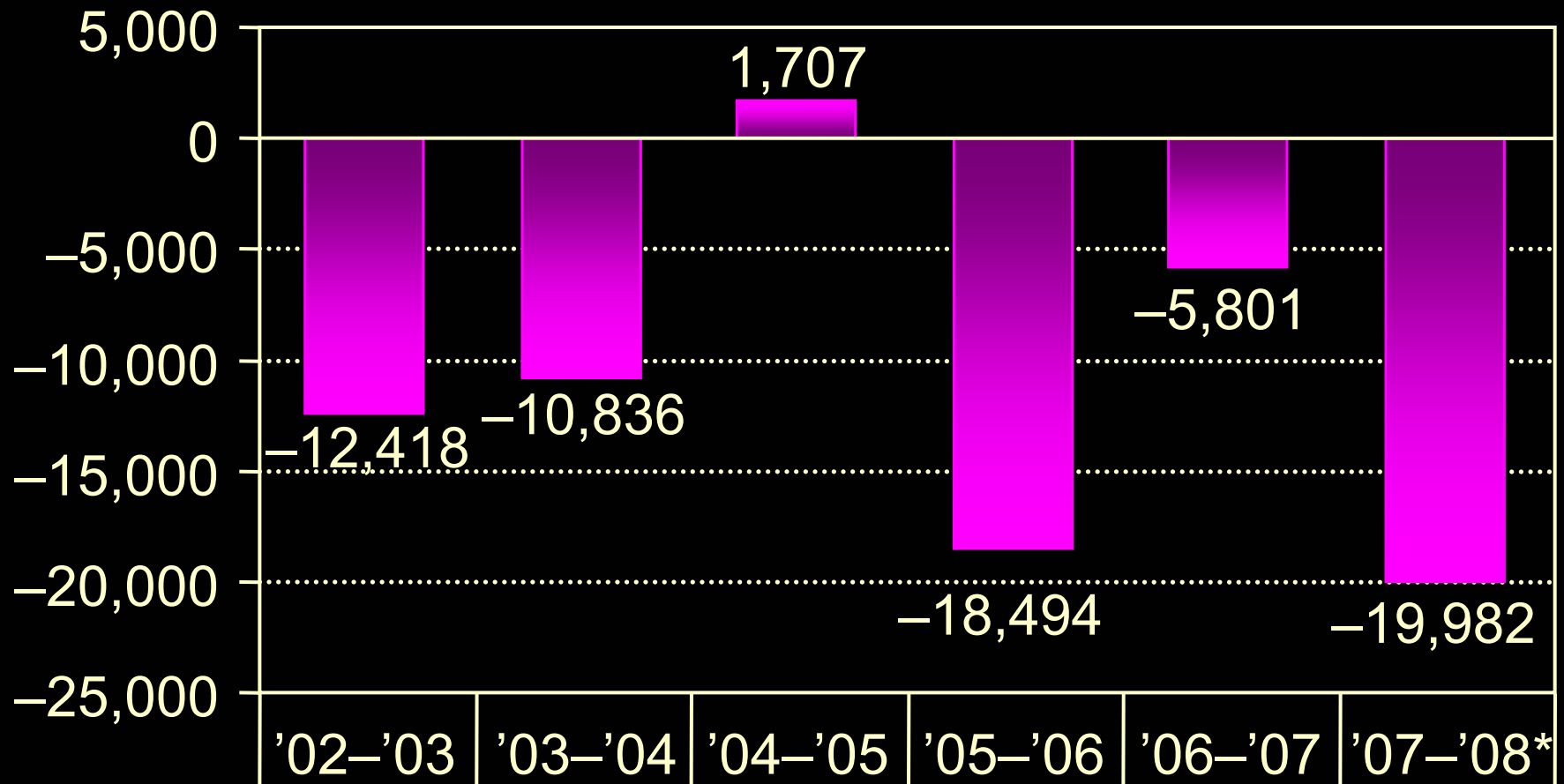
A red flag on a green hole with a white arrow pointing to it. The hole is a bright green oval shape with a white center. A red flag is planted in the center. A white arrow points from the left towards the hole.

Average absolute forecast error 1986–2008: 1.5%

	Forecast 2008	Actual 2008
Unemployment rate	6.4%	7.1%
Consumer inflation rate	2.6%	2.3%

Job Growth in Oakland County, 2002–08

Job Growth



*Estimate

Growing and Declining Private Industries in Oakland 2002–07

Number of private industries:

Growing or unchanged	403 (44.3%)
Declining	506 (55.7%)

Private industry employment change 2002–07:

Total	-44,198
Growing	60,082
Declining	-104,280

Average
Wage
2007



\$48,206
\$56,705

Fifteen Selected Growing Industries in Oakland County 2002–07

MANUFACTURING

- Motor vehicle powertrain components
- Motor vehicle steering and suspension parts
- Commercial bakeries

Fifteen Selected Growing Industries in Oakland County 2002–07

INFORMATION, FINANCIAL ACTIVITIES

- Wireless telecommunications carriers
- Securities brokerage
- Commercial banking

Fifteen Selected Growing Industries in Oakland County 2002–07

PROFESSIONAL, BUSINESS SERVICES

- Engineering services
- Telemarketing and other contact centers
- Professional employer organizations
- Temporary help services

Fifteen Selected Growing Industries in Oakland County 2002–07

HEALTH CARE

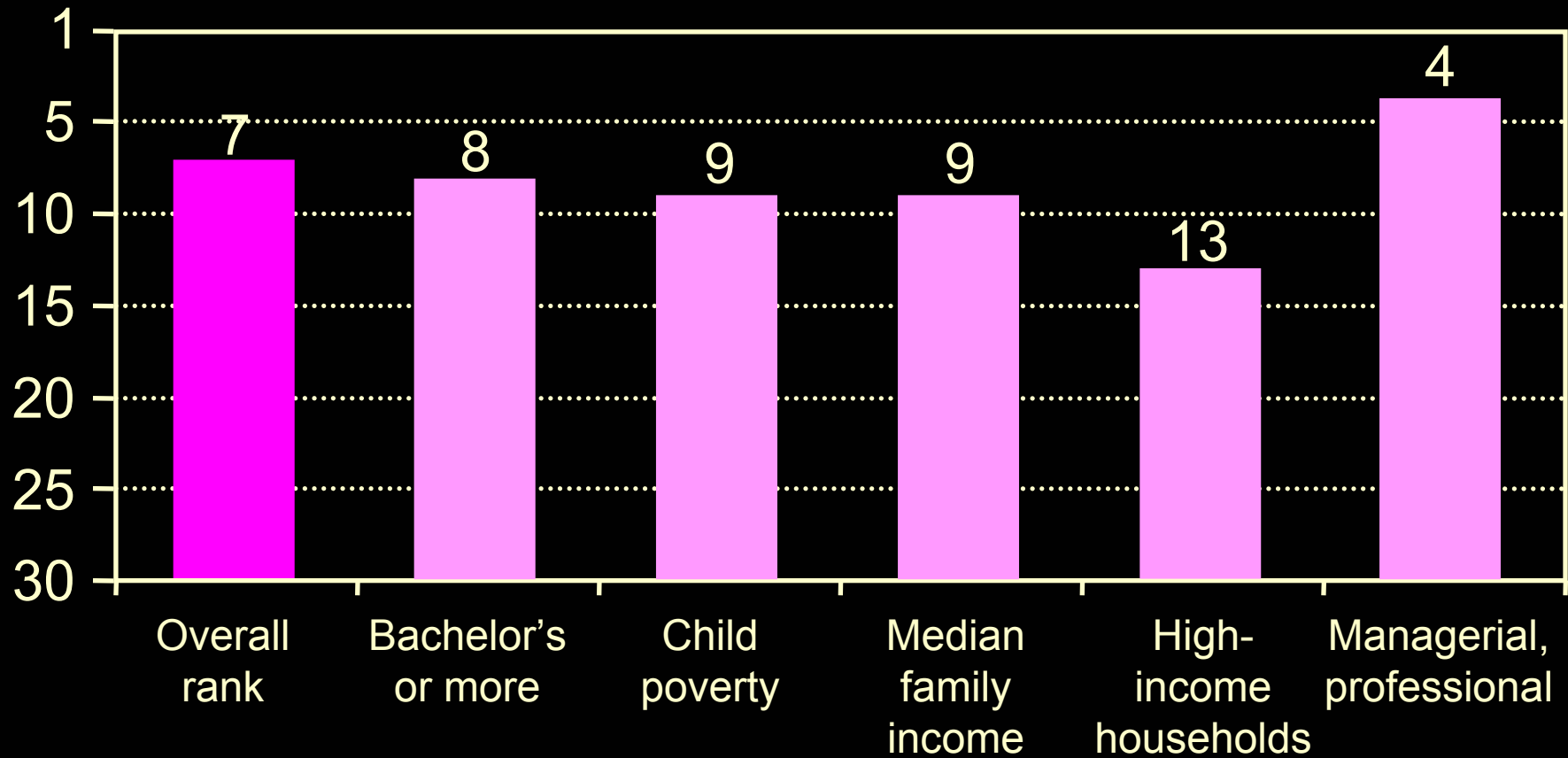
- Offices of physicians
- Home health care services

Fifteen Selected Growing Industries in Oakland County 2002–07

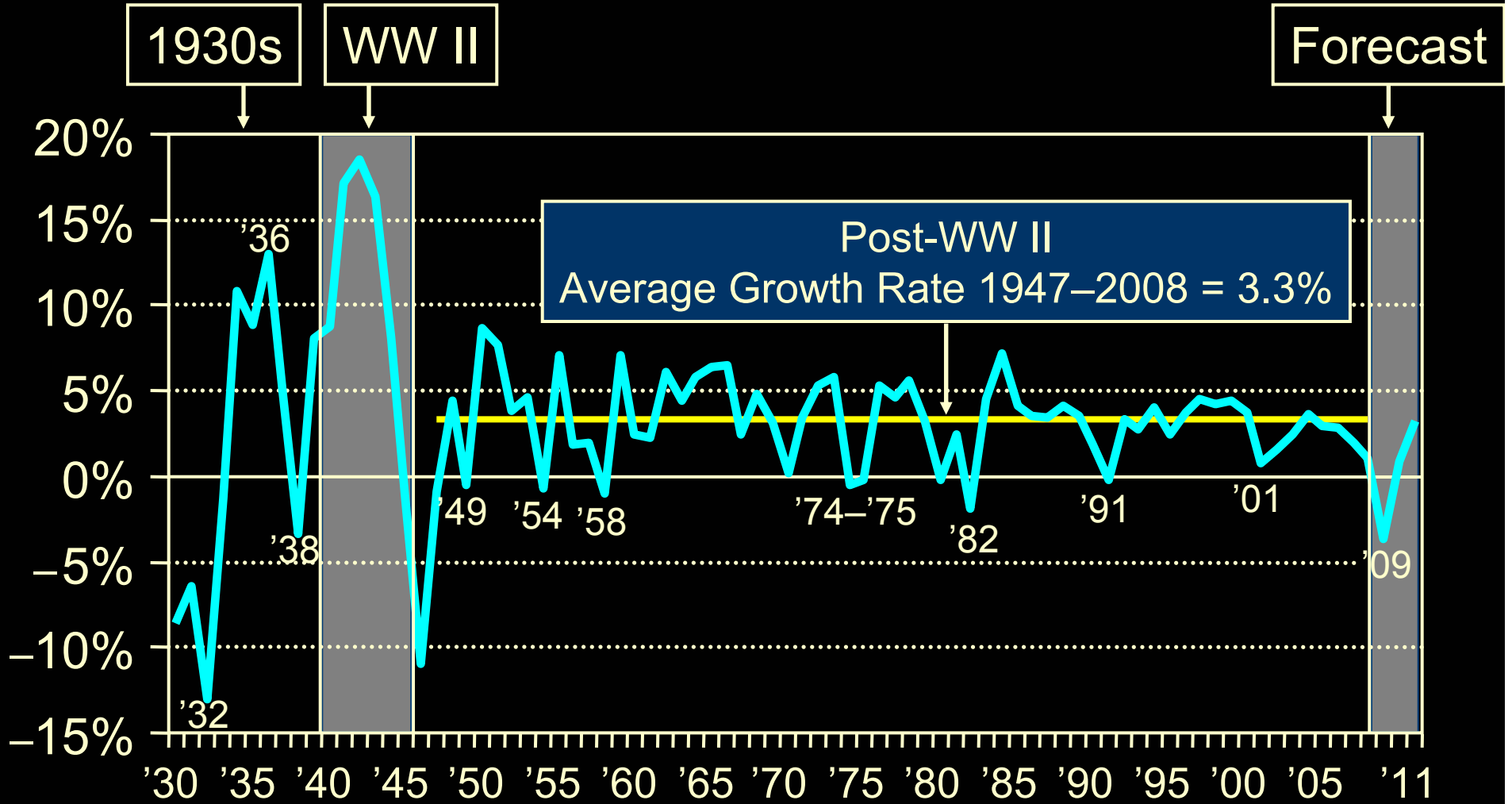
HOSPITALITY, PERSONAL SERVICES

- Full-service restaurants
- Beauty salons
- Snack bars, coffee shops

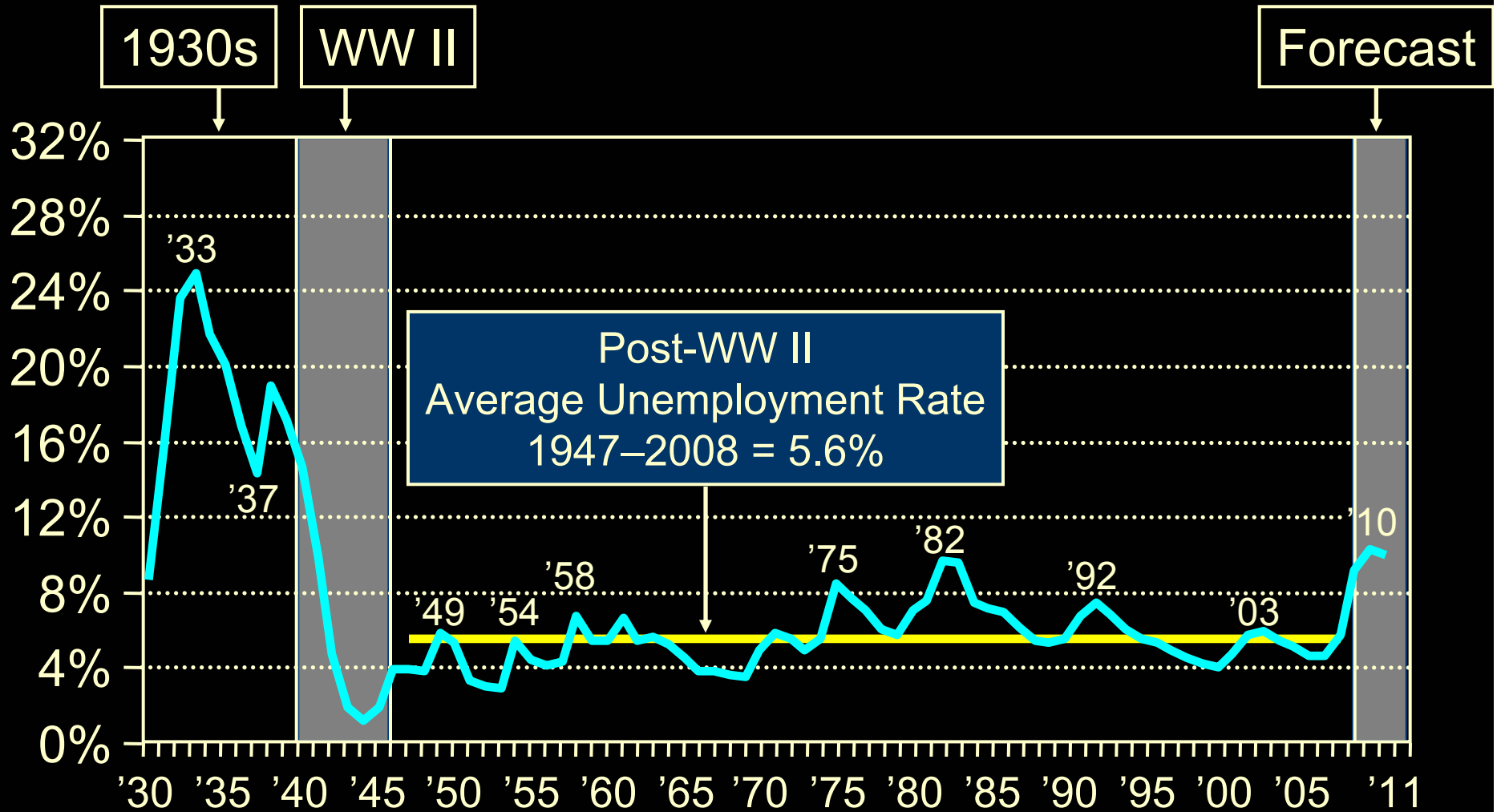
Oakland County's Rankings among 30 Counties of Similar Size Nationwide



Growth in U.S. GDP 1930–2011



U.S. Unemployment Rate 1930–2011

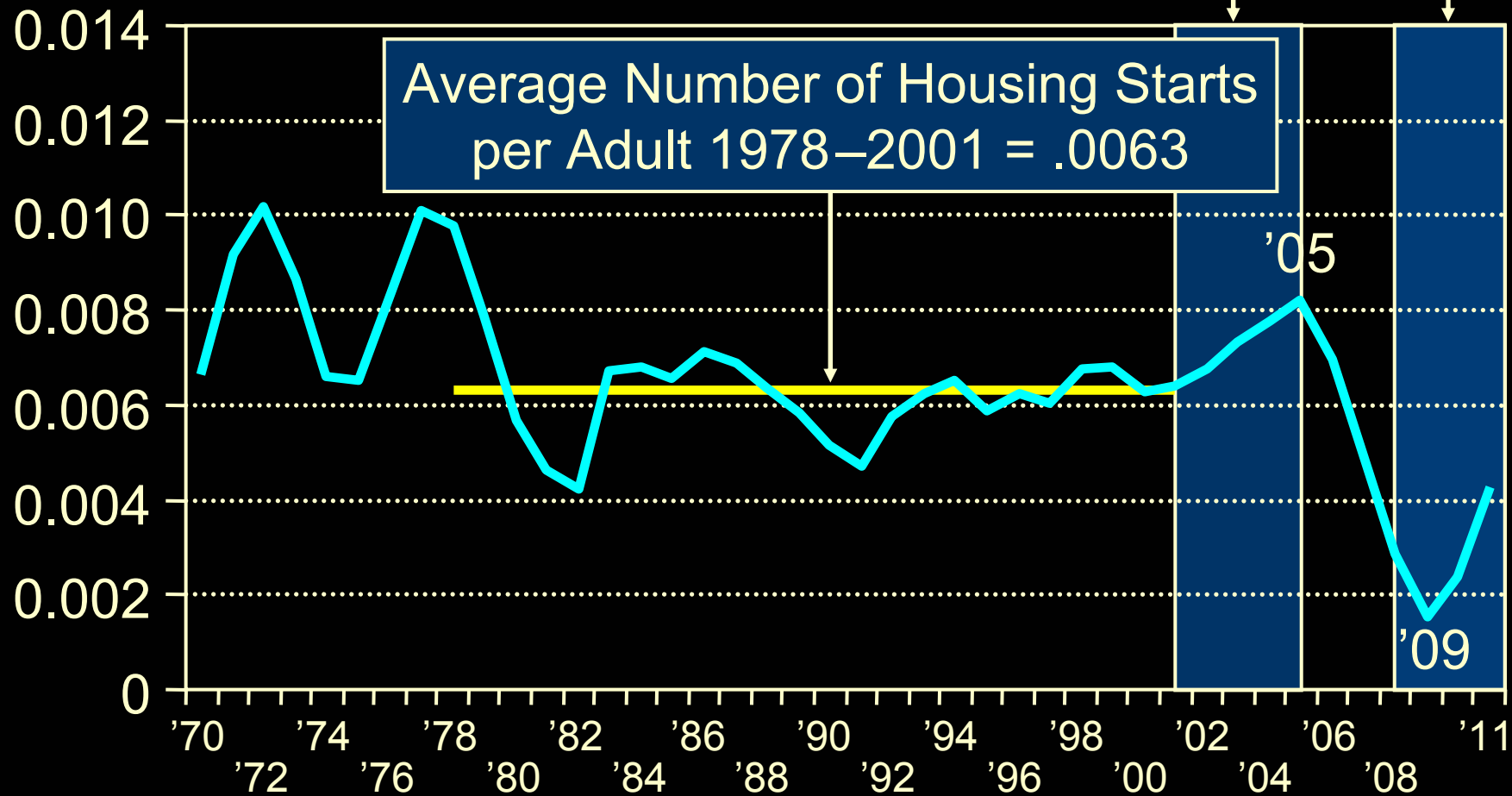


U.S. Single-Unit Housing Starts per Adult 1970–2011

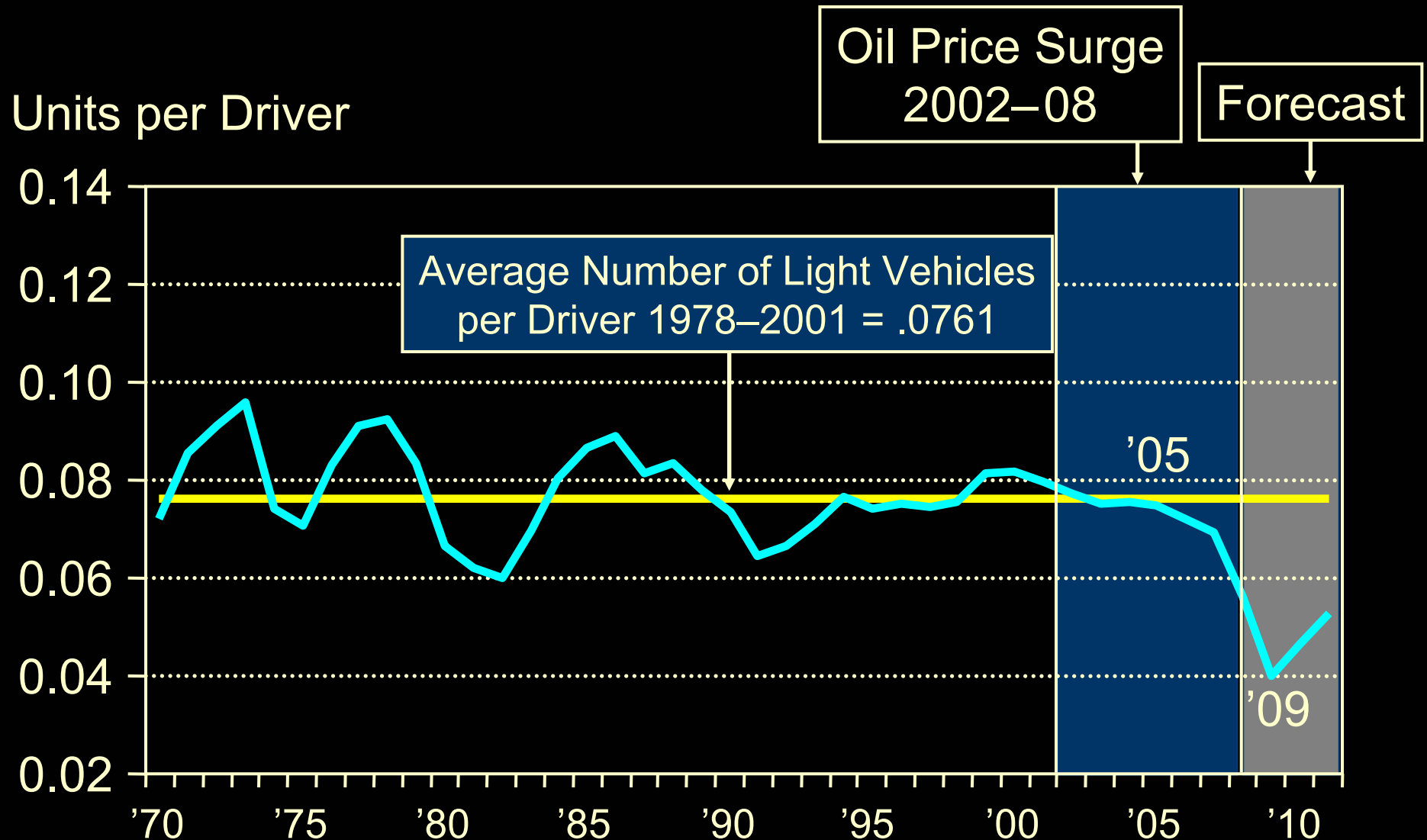
Units per Adult

Housing Bubble
2001–2005

Forecast

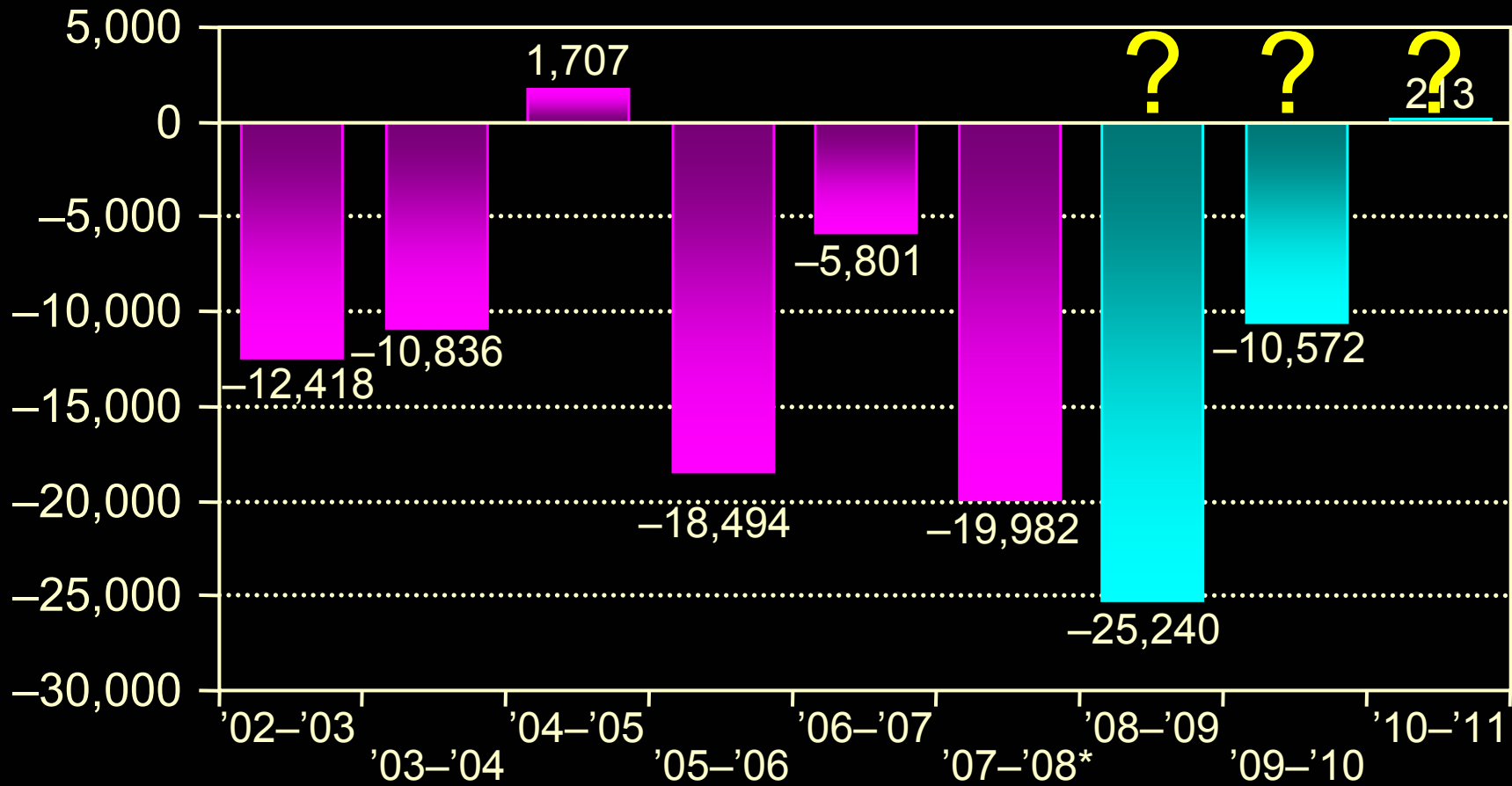


U.S. Light Vehicle Sales per Driver 1970–2011



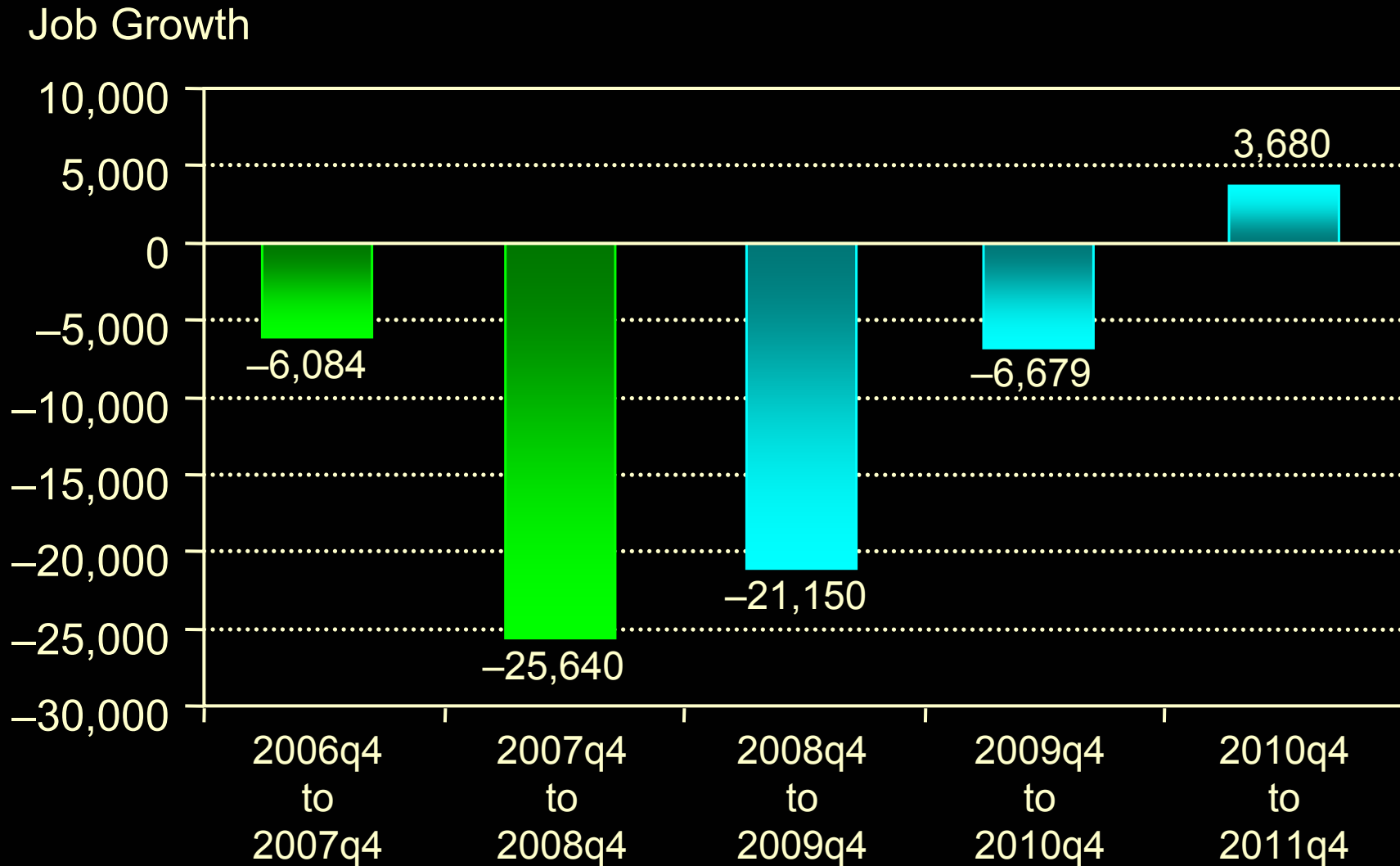
Job Growth in Oakland County, 2002–11

Job Growth



*Estimate

Job Growth in Oakland County Year-End to Year-End, 2007–11



Forecast of Employment in Oakland County, 2009–11 (Thousands of persons)

	Estimate	Forecast Employment Change			
	2008	'08–'09	'09–'10	'10–'11	'08–'11
Total jobs (Annual % change)	672.4 (–2.9)	–25.2 (–3.8)	–10.6 (–1.6)	0.2 (0.03)	–35.6
Total government	52.2	–0.7	–0.7	–0.8	–2.2
Natural resources, mining, construction	24.4	–1.6	–0.4	–0.6	–2.7
Transportation equip- ment (motor vehicles)	23.0	–4.0	–1.5	0.3	–5.1
Machinery	10.4	–0.9	–0.4	0.0	–1.4

Forecast of Employment in Oakland County, 2009–11 (Thousands of persons)

	Estimate	Forecast Employment Change			
	2008	'08-'09	'09-'10	'10-'11	'08-'11
Management of companies and enterprises	12.2	-3.2	-0.3	0.3	-3.2
Professional, scientific, and technical services	86.9	-2.8	-1.3	-0.2	-4.3
Administrative support and waste management	59.7	-3.6	-0.7	0.9	-3.4
Financial activities	54.2	-1.6	-1.1	-0.4	-3.1

Forecast of Employment in Oakland County, 2009–11 (Thousands of persons)

	Estimate	Forecast Employment Change			
	2008	'08-'09	'09-'10	'10-'11	'08-'11
Retail trade	76.6	-2.3	-1.6	-0.6	-4.5
Leisure and hospitality	59.5	-1.5	-1.5	-0.2	-3.2
Health care and social assistance	92.3	2.6	1.8	2.4	6.8

Twenty Selected Growing Industries in Oakland County 2008–11

MEDICAL RELATED

- Medical equip. manufacturing
- Medical equip. wholesalers
- Health, personal care stores
- Hospitals
- Home health care services
- Outpatient care centers
- Offices of physicians
- Scientific R&D services

Twenty Selected Growing Industries in Oakland County 2008–11

EMERGING SECTORS*

- Aerospace product manuf.
- Commercial banking
- Software publishers
- Securities, investments
- Motion picture, video
- Specialized design

*Authors' definition

Twenty Selected Growing Industries in Oakland County 2008–11

ENERGY AND STIMULUS-PROGRAM RELATED

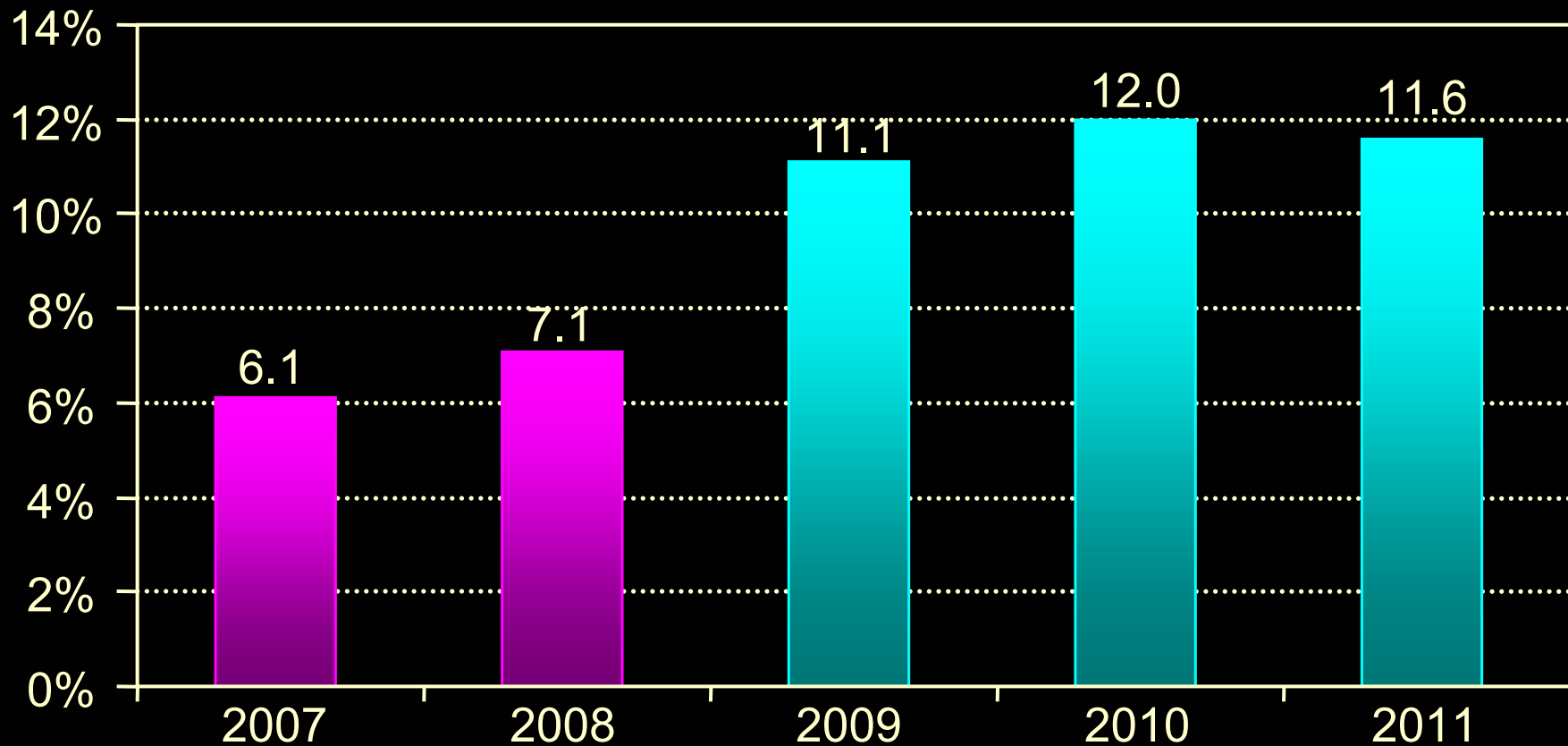
- Turbine, power transmission equipment
- Utilities
- Highway, street, bridge construction

Twenty Selected Growing Industries in Oakland County 2008–11

SPIN-OFF FROM DOWNSIZING

- Discount department stores
- Business support services
- Bakery manufacturing

Forecast of Unemployment Rate in Oakland County, 2009–11



Forecast of Inflation Rate, Detroit CPI 2009–11



Summary of the Outlook

- Substantial job loss over the next two years
- Slight job gains in 2011
- Several green shoots:
 - ▶ Anything connected to health care
 - ▶ The Emerging Sectors
 - ▶ Stimulus- and energy-related industries
 - ▶ Industries that prosper during downturns

Risks to the Forecast

- Bankruptcy of Chrysler or General Motors
- Credit conditions do not improve
- Further deterioration in the local housing market
- Impact of fiscal and monetary stimulus greater than predicted

Long-Term Prospects for Oakland?

They remain good.

Why?

- One of the most prosperous counties in the country despite all of the hits it has endured
- Highly educated work force
- Programs and policies that are forward-looking and strengthen the knowledge economy



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