WSI RECRUITMENT AND STAFFING

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Trump's Tariff Blitz Rattles Michigan Automakers

Consumers Face Higher Costs

Michigan's manufacturing sector, particularly its world-renowned auto industry, is bracing for major shifts as President Donald Trump's newly announced tariff package takes effect. Described by the administration as "discounted reciprocal" tariffs, the sweeping policy imposes a baseline 10% duty on all imports, with significantly steeper rates for specific countries: China (34%), the European Union (20%), Japan (24%), and Vietnam (46%).

Though aimed at boosting U.S. industry and correcting long-standing trade imbalances, the policy is sparking concern across Michigan, where automakers and parts suppliers are deeply integrated into global supply chains.

Auto Industry in the Crosshairs

The tariff package includes a 25% levy on imported vehicles and critical auto components such as engines, transmissions, and electronic systems. For Michigan-based manufacturers like Ford, General Motors, and Stellantis, these new costs could add significant pressure to production budgets and increase complexity for sourcing teams.

Trade Deficit Primer

A trade deficit occurs when a country imports more than it exports. In 2018, the U.S. imported $3.1 trillion in goods and services and exported only $2.5 trillion—creating a deficit of $621 billion.

Why It Matters:

Critics argue that persistent deficits weaken domestic industry, increase foreign debt exposure, and lead to job losses.

President Trump reportedly informed auto executives during a March call - including GM's Mary Barra, Stellantis' John Elkann, and Ford's Jim Farley - that tariffs were no longer a negotiating bluff. The message this time: "Get on board."

That conversation appears to have solidified a shift in sentiment. While during Trump's first term many executives viewed tariffs as temporary leverage, they now see them as central to his economic agenda.

Exemptions for Canada and Mexico: Not the Whole Story

Initial reports indicated that Canada and Mexico were exempt from the new 10% global tariff baseline, thanks to the U.S.-Mexico-Canada Agreement (USMCA). While technically accurate, this has led to confusion—especially within Michigan's auto industry.

According to Reuters, while most USMCA-compliant goods are spared from the new tariffs, "auto exports, along with steel and aluminum, fall under separate tariff policies that remain in place." That means autos and many components sourced from Canada and Mexico still face duties, depending on their classification and content.

The Wall Street Journal added that exemptions are "limited to goods meeting strict origin requirements under USMCA—and auto parts are among the most scrutinized categories."

For Michigan, where supply chains often involve parts and assemblies crossing the northern and southern borders multiple times before final vehicle production, this creates a gray area and renewed uncertainty.

"We're not dealing with a full exemption here," said a senior logistics manager at a Tier 1 supplier near Flint. "The parts that matter most—engines, frames, electrical systems—still face tariffs if they don't meet complex content rules."

Sticker Shock for Consumers

Analysts estimate that the new tariffs could increase the cost of a typical imported vehicle by $3,000 to $12,000. In Michigan, where personal vehicle ownership is essential for daily life and commuting, those increases could have tangible effects on household budgets.

Auto insurance costs are also expected to rise. Insurify, a data analytics firm, projects an 8% national increase in full-coverage car insurance premiums, driven largely by the higher cost of imported replacement parts—many of which come from Canada and Mexico.

This presents an affordability challenge for working families and middle-income

Michiganders already contending with high interest rates and tightening credit conditions.

Supporters contend that trade deficits reflect strong consumer demand and access to a wider range of affordable goods.

Trump's Rationale and the Car Loan Deduction Proposal

The Trump administration has framed the tariffs as a direct response to what it calls decades of unfair trade practices. Citing the trade deficit and national economic security, the president declared a "national economic emergency" and called the tariff package the largest of its kind in U.S. history.

In an effort to offset consumer pain, Trump also floated a new proposal: **a federal tax deduction for interest on car loans—**but only for vehicles built in the United States. Though details remain vague, the incentive is designed to encourage domestic purchases and further drive manufacturing investment at home.

Market Response and Global Repercussions

Markets responded quickly. U.S. stock futures tumbled after the announcement, with the S&P 500 and Nasdaq both slipping sharply. Tech and manufacturing sectors were hit hardest. The U.S. dollar weakened, and gold prices rose as investors sought safe havens.

Meanwhile, international allies and competitors alike are preparing responses. The European Union and the United Kingdom are reportedly considering retaliatory tariffs. Fitch Ratings downgraded China's credit outlook, citing fears of an extended trade war.

What's Next for Michigan

Some foreign automakers are reportedly exploring the expansion of U.S.-based production to avoid penalties, which could bring new investment to states like Michigan. However, those transitions take time—and don't alleviate short-term cost pressures.

While optimism remains around strengthening domestic manufacturing, business leaders are urging caution.

"We want more U.S. jobs—but not at the cost of destabilizing what's already working," said a Michigan-based auto parts CEO. "This policy changes the rules mid-game, and we're already deep in the fourth quarter."

For now, Michigan's manufacturers will be watching closely. The coming months may determine whether this bold economic strategy bolsters the state's manufacturing legacy—or adds a new layer of volatility to an already complex global trade environment.

Can Tariffs Fix the Trade Deficit?

The effectiveness of tariffs in reducing trade deficits is hotly debated.

Proponents argue that tariffs protect vulnerable industries and create leverage in trade negotiations.

Critics say they raise prices for consumers, disrupt supply chains, and rarely reduce the deficit in practice.

EMPLOYMENT NUMBERS HOLD STEADY.

MANUFACTURING JOBS SEE UPTICK NATIONALLY IN MARCH.

Private sector hiring picked up in March as U.S. employers added 155,000 jobs, led by gains in manufacturing, financial activities, and professional services, according to the **ADP National Employment Report** released Wednesday, April 2nd. The figures reflect an improvement over February's upwardly revised total of 84,000 jobs and outpaced most economists' forecasts.

Manufacturing posted a notable rebound, adding 21,000 jobs - the sector's strongest showing since October 2022. Professional and business services led all categories with 57,000 new positions, followed by financial activities at 38,000. Service-providing industries contributed 132,000 jobs overall, while goods-producing sectors added 24,000.

"Despite policy uncertainty and downbeat consumers, the March topline number was a good one for the economy and employers of all sizes, if not necessarily all sectors," said Nela Richardson, chief economist at ADP.

However, wage growth cooled. Annual pay gains slowed to 4.6% for workers staying in their jobs and 6.5% for those changing positions, with the job-changer pay premium falling to a record-tying low of 1.9 percentage points.

Meanwhile, February data from the U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey (JOLTS) showed a labor market largely holding steady. Job openings remained flat at 7.6 million, though down nearly 900,000 from a year earlier. Hiring totaled 5.4 million, with little variation across industries. February unemployment was 4.1%.

Separations also held even at 5.3 million, including 3.2 million quits - unchanged month over month but down by 273,000 compared to February 2024. Layoffs remained at 1.8 million, with increases in retail and real estate offset by a decline in transportation and warehousing.

UNEMPLOYMENT

	Nov	Dec	Jan
Battle Creek	5.2	5.9	6.1
Grand Rapids	3.8	4.2	4.7
Kalamazoo	4.3	4.7	4.9
Michigan	5.2	5.3	5.4
USA	4.2	4.1	4.0

FEDERAL RESERVE HOLDS INTEREST RATES STEADY

In a widely expected move following its two-day policy meeting, the Federal Reserve announced on March 19th it would keep its benchmark lending rate between 4.25% and 4.5%. This decision follows earlier guidance signaling two quarter-point cuts by year's end. The last cut occurred in December.

However, the predictable outcome was overshadowed by a major shift in the Fed's economic outlook. **It lowered its 2025 U.S. GDP growth forecast to 1.7%,** down from 2.1% in December. At the same time, it raised its near-term core inflation estimate to 2.8%, up from 2.5%. In its statement, the Federal Open Market Committee (FOMC) cited concerns about the inflationary effects of President Donald Trump's tariff, immigration, and budget policies. This marks a rare instance of the Fed directly linking inflation to government actions.

According to CME Group's **FedWatch tool**, the chance of a May rate cut has dropped to 15%, while the likelihood of a quarter-point cut in June stands at 53.5%.

MICHIGAN GOVERNMENT INCENTIVES KEEP MANUFACTURING EXPANSIONS IN-STATE

The scent of welding and fresh steel hung in the air as a decision loomed: Montreal, Chicago, or a return to roots? For Kalamazoo Outdoor Gourmet, a $200,000 grant from the **Michigan Strategic Fund** offered a strong pull—tangible recognition of their value.

The 22 new jobs were just a start. At Pleina Group, the parent company, leadership felt a deeper bond with Kalamazoo. Their legacy, dating back over a century as Kalamazoo Sheet Metal, was tightly woven into West Michigan's identity. As Scott Kohler put it, continuing their "rich history of craftsmanship and expertise" in Kalamazoo felt right.

Michigan state Senator Sean McCann noted the fund helps "our state stay competitive and retain manufacturing," reinforcing the appeal of staying in Kalamazoo County over relocating to a major metro.

Though the merger with Urban Bonfire might have prompted a move, Michigan offered both financial support and a sense of homecoming. The company, which makes premium outdoor kitchen appliances, secured the grant to support a $3.8 million project - relocating manufacturing from Montreal and creating 22 jobs, strengthening its century-old roots in the region.

UNIVERSITY OF MICHIGAN CONSUMER SENTIMENT INDEX DROPS IN MARCH.

A primary driver of this pessimism is a surge in long-term inflation expectations, which have hit a 32-year high.

A wave of economic unease is sweeping across the United States, as consumer sentiment has tumbled for the third consecutive month, hitting its lowest point since November 2022. The University of Michigan's preliminary **consumer sentiment index** for March registered a concerning 57.9, significantly below economists' expectations of 63.1. This marked decline underscores growing anxieties about the current and future economic landscape.

Adding to these worries, long-term inflation expectations have surged to a 32-year high, reaching 3.9 percent, the highest level since 1993, according to Bloomberg data. Short-term inflation expectations for the year ahead also saw a significant jump to 4.9 percent, the highest since November 2022. Several interconnected factors appear to be fueling this erosion of consumer confidence. A primary concern revolves around economic policy uncertainty under the Trump administration.

Many consumers surveyed by the University of Michigan explicitly pointed to the frequent gyrations in economic policies" as making it "very difficult for consumers to plan for the future," according to survey director Joanne Hsu. Worries are mounting that Donald Trump's policies are negatively impacting the economy.

Beyond policy anxieties, unemployment fears among consumers have surged to levels not seen since the 2008 financial crisis. This heightened concern about job security, coupled with the "drumbeat of bad news around the stock market and lay-offs among federal workers," as noted by Ryan Sweet, chief US economist at Oxford Economics, is clearly weighing heavily on consumer sentiment.

Notably, consumer prices increased at an annual rate of 2.8 percent in February.

In response to the growing economic uncertainty and renewed inflation fears, consumers are showing signs of altering their spending habits. There's an increasing trend of "front-loading' purchases of durable goods, like cars and home appliances, to try to get ahead of Trump's tariffs".

Data from the US Bureau of Economic Analysis reveals that consumer spending on durable goods jumped more than 4 percent year-on-year in November, December, and January, more than double the rate in the three months preceding President Trump's election.

MICHIGAN'S ABORTION POLICIES:

A Decisive Edge in the Battle for Top Talent

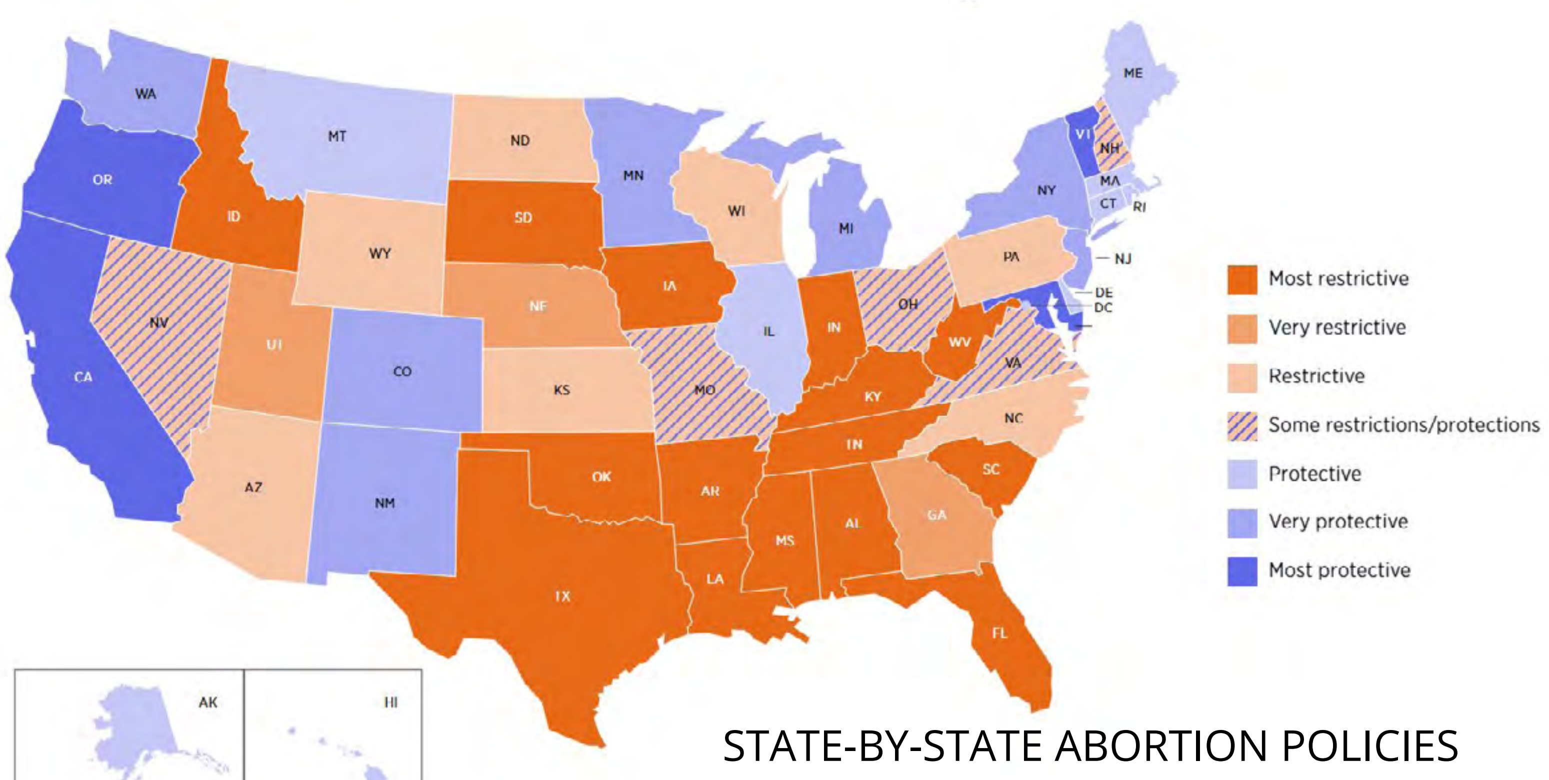
It's a sensitive subject that can be very divisive, but emerging data suggests high-level talent considers state abortion policies when relocating. In the wake of national uncertainty surrounding reproductive rights, Michigan stands to gain. A recent nationwide poll reveals that states with restrictive abortion policies face a significant disadvantage in attracting talent, as individuals prioritize healthcare access when making career and family decisions. For Michigan employers, this isn't just a social issue; it's a strategic advantage.

The Institute for Women's Policy Research poll shows that abortion policies are a key factor in relocation considerations. Individuals in states with limited access to abortion, OB-GYNs, prenatal care, and fertility treatments are understandably concerned. Conversely, states like Michigan, with more accessible reproductive healthcare, garner broader support.

Nearly 40% of those surveyed would be less likely to relocate to a state with poor access to OB-GYN or prenatal care.

Michigan businesses can directly capitalize on this reality. By boldly highlighting the state's commitment to reproductive healthcare access, especially with female candidates, companies can position themselves as attractive employers for a significant portion of the national workforce. Furthermore, the poll indicates that 45% of individuals are more likely to seek out and apply for jobs that offer reproductive health care benefits. Michigan employers who proactively emphasize such benefits in their recruitment strategies will undoubtedly gain a competitive edge.

In a landscape where personal autonomy and healthcare access are increasingly valued, Michigan's policies are not just about healthcare - they are a powerful tool for economic growth and talent acquisition. Employers who recognize and leverage this advantage will be best positioned to thrive.



STATE-BY-STATE ABORTION POLICIES

PHASED RETIREMENT

Is it time for Gen X and young Boomers to start thinking about the perfect scenario for both them and their employer?

Retirement used to mean a hard stop: age 65, gold watch, then straight to the golf course. But today's Gen Xers and Boomers aren't exactly buying that script—and for good reason.

Enter phased retirement—a smarter, smoother glide into life after full-time work. Instead of quitting cold turkey, employees gradually reduce their hours over time. Maybe it's dropping to four days a week, then three, then taking on contract work. You still earn, you still contribute, and in many cases, you still keep your benefits.

Why now? The workplace is being upended. Hybrid jobs, remote flexibility, AI automation, and even whispers of the four-day workweek are changing how Americans work. So why should retirement stay stuck in 1985?

For Boomers, phased retirement offers purpose without pressure. Many don't want to fully check out—but they'd love a lighter load. Gen X? We're the first generation to lean hard on 401(k)s and personal savings. For a lot of us, fully retiring at 65 isn't even realistic. But that doesn't mean we want to stay pedal-to-the-metal either.

Companies benefit, too. At MasterControl, a software company in the life sciences space, leadership found that **phased retirement preserves institutional knowledge,** reduces burnout, and strengthens morale. Employees who phase out don't just vanish—they mentor, train, and pass the torch without a crash landing.

Plus, this flexibility builds loyalty. When younger employees see that their future can include balance and dignity, they're more likely to stick around.

Phased retirement isn't just a perk. It's becoming a strategic advantage—for employers trying to retain talent and for workers who want a soft landing, not a full stop. Retirement doesn't have to be a cliff. For Gen X and Boomers, it can be a staircase. Maybe it's time to start your descent.

MICHIGAN'S PLAN TO GROW A SKILLED LABOR FORCE

Gov. Gretchen Whitmer has unveiled the **Michigan Statewide Workforce Plan**, a comprehensive initiative aimed at training workers, growing the middle class, and bolstering the state's businesses and entrepreneurial spirit. The plan builds on what the governor says is significant progress, including Michigan's current #1 ranking in adult credential attainment and #2 in adult employment.

The multi-faceted strategy acknowledges that while Michigan's top industries are projected to create thousands of well-paying jobs, there's a persistent gap in skilled talent. The plan is structured around three core pillars:

•**Skills:** This pillar focuses on increasing the number of working-age adults with a skill certificate or college degree from 51.1% to 60% by 2030. Key strategies include expanding financial aid through programs like Michigan Reconnect and the Michigan Achievement Scholarship, reskilling workers for evolving industries such as electric vehicles, and promoting lifelong learning through registered apprenticeships and recognizing prior learning.

•**Opportunity**: The goal here is to move 75,000 households into the middle class by the end of 2027. Strategies include expanding career exploration and guidance with a statewide network of career navigators, addressing employment barriers for underrepresented groups through programs like Michigan Offender Success, increasing access to affordable child and elder care via initiatives like Caring for MI Future and MI Tri-Share Child Care, and tackling transportation barriers through virtual training options and support for public transit.

•**Growth:** This pillar aims to make Michigan a top 10 state for labor force participation growth by the end of 2027. The focus is on attracting and retaining businesses through programs like the Going PRO Talent Fund, providing tailored support via the MEDC's Talent Action Team, and fostering the small business and entrepreneurial ecosystem through Small Business Support Hubs and the State Small Business Credit Initiative.

The plan emphasizes racial and gender equity as critical to its success, with specific goals to increase enrollment of Black and Hispanic residents in credential programs and move more of their households into the middle class. Job quality is also a central tenet, aligning with principles promoting fair wages, benefits, and career advancement.

Gov. Whitmer stressed the importance of collaboration across state agencies, educational institutions, businesses, and labor groups to achieve the plan's ambitious targets. The state also intends to implement accountability measures and continuously improve its efforts based on transparent evaluation processes.

The Michigan Statewide Workforce Plan represents a significant effort to address the state's evolving economic landscape by investing in its people and businesses. By focusing on skills development, expanding opportunities, and fostering a supportive business environment, Michigan aims to create a more prosperous and equitable future for its residents.

HALFWAY HOME:

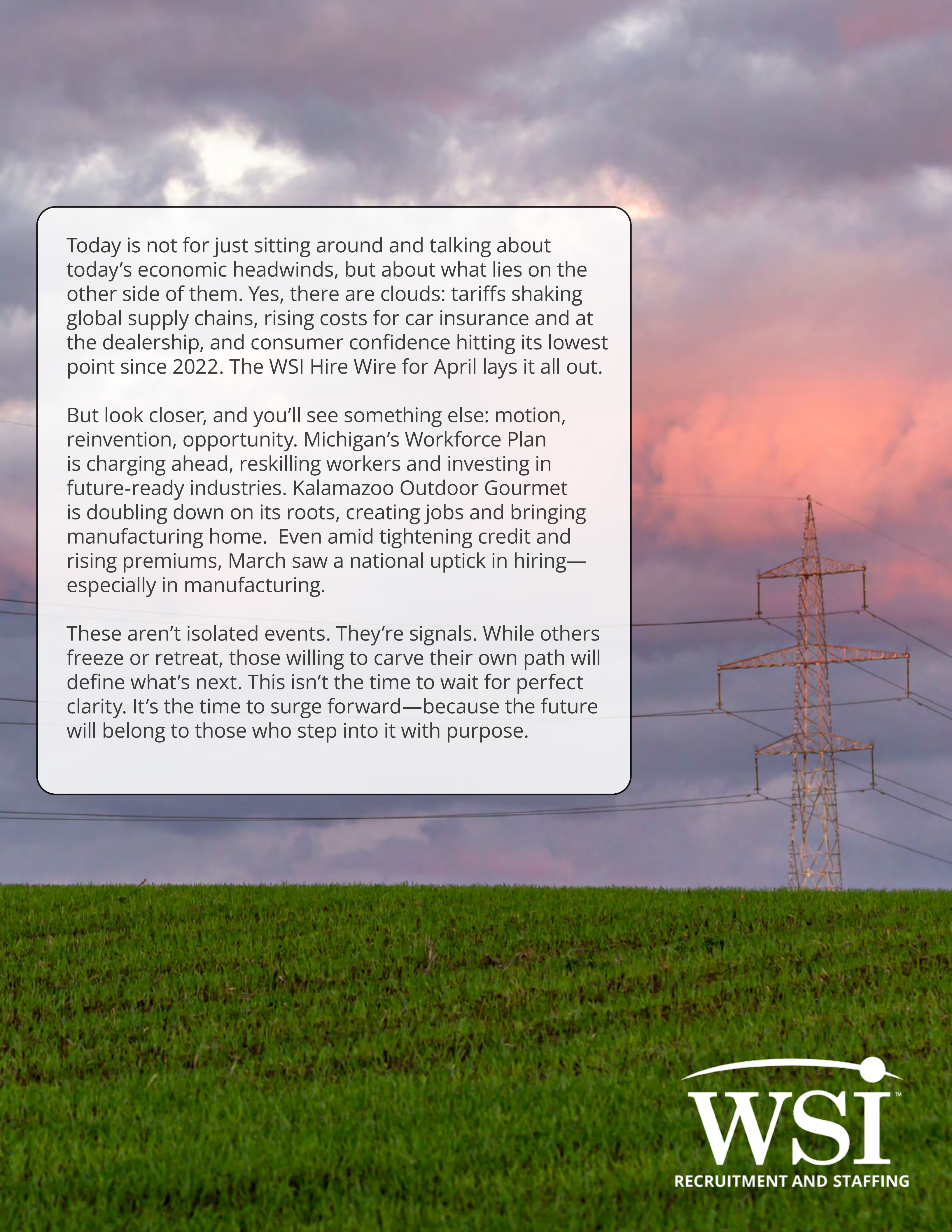
THE NEW DOWNTOWN GRAND RAPIDS AMPITHEATER WILL BE A GAME CHANGER.

Construction on the Acrisure Amphitheater in downtown Grand Rapids, Michigan, reached its halfway mark in March 2025.

A canopy topping-off ceremony was held on Friday, March 14, 2025, for the impressive structure made of 3.2 million pounds of steel. The 60,000 square-foot canopy will cover the stage and about 75 percent of the 12,000 fixed seats, enhancing acoustics and providing shelter. The venue is described as an "engineering feat" with a unique downtown location. Following the canopy completion, work will focus on paneling, seating, concessions, and landscaping.

The Acrisure Amphitheater is on track to be completed by May 2026 and is expected to host 54 events per season. The project is funded through a mix of public and private dollars.

ABOVE: ARTIST RENDERING OF THE AMPITHEATER ONCE COMPLETED. BELOW: CANOPY TOPPING OFF CEREMONY ON MARCH 14TH, 2025



Today is not for just sitting around and talking about today’s economic headwinds, but about what lies on the other side of them. Yes, there are clouds: tariffs shaking global supply chains, rising costs for car insurance and at the dealership, and consumer confidence hitting its lowest point since 2022. The WSI Hire Wire for April lays it all out.

But look closer, and you’ll see something else: motion, reinvention, opportunity. Michigan’s Workforce Plan is charging ahead, reskilling workers and investing in future-ready industries. Kalamazoo Outdoor Gourmet is doubling down on its roots, creating jobs and bringing manufacturing home. Even amid tightening credit and rising premiums, March saw a national uptick in hiring—especially in manufacturing.

These aren’t isolated events. They’re signals. While others freeze or retreat, those willing to carve their own path will define what’s next. This isn’t the time to wait for perfect clarity. It’s the time to surge forward—because the future will belong to those who step into it with purpose.

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