

County's 'service jobs' set pace for growth

By Tim Richard
staff writer

No surprise. Oakland County already is leading Michigan's economic recovery, and its dominant position "seems secure," say University of Michigan economists.

Business and professional services — not manufacturing — will set the pace, researcher George Fulton said. "This tends to undermine the argument that a healthy manufacturing sector is necessary or sufficient for rapid growth in per capita income," Fulton told a record 520 business and educational leaders last week during the seventh annual economic luncheon on the Oakland University campus.

"Service jobs," to some folks, means flipping hamburgers. Not so, said Fulton. "The growing orientation toward a service-based economy does not necessarily result in low

growth or low levels of per-capita income."

IN MICHIGAN, only Oakland County and the Grand Rapids market topped the U.S. average in job growth in 1979-91. Even Ann Arbor was a shade behind the national pace (see chart).

In the Reagan boom years of 1982-9, Oakland's total jobs grew 6.25 percent a year — "enormous and unsustainable," Fulton said.

In 1990 and the first half of 1991, Oakland lost 12,000 jobs. "It actually turned around in the third quarter of 1990," said fellow U-M researcher Donald Grimes. He predicted a gain of 6,000 jobs in 1992 and 17,000 in 1993 — a net of 11,000 plus since the beginning of the recession.

They predicted annual rate growth of 1.5 percent in the first half of 1992, 2.5 percent in the second half of '92, 3.7 percent in the

first half of '93, and 3.1 percent in the last half of '93.

CONSUMERS LOST confidence after the 1991 Gulf war, but public perception can be wrong, Grimes said.

"Many believe this is a worse recession than 1979-82. George Bush even got into trouble for saying the recession had ended. "The decline in 1979 was 10.3 percent (employment). The decline in this recession was 3.5 percent."

Why was public perception so wrong? Grimes gave these guesses:

1. "Faulty memories."
2. "Before (the current) recession, the economy was very flat. In 1979 there had been sharp growth until the recession hit."
3. "The bad news has high visibility. Layoffs by big firms make big news. Hiring by small firms doesn't make headlines."

4. People now recognize the U.S. economy has long-term problems — debt, lack of competitiveness — and blame these problems on the recession.

FULTON SAID U-M's six-year record of employment forecasting was within 2 percent of the actual performance except for its 1992 glitch, when it was 3.9 percent too high.

"That was by far the largest forecasting error we've ever made," Fulton said.

One-third of the error was made by using too high a base for the last half of 1990; one-third was caused by the Michigan Employment Security Commission changing its statistical bases; and one-third was caused by the economy's performance.

Fulton and Grimes are researchers in the U-M Institute of Labor and Industrial Relations.

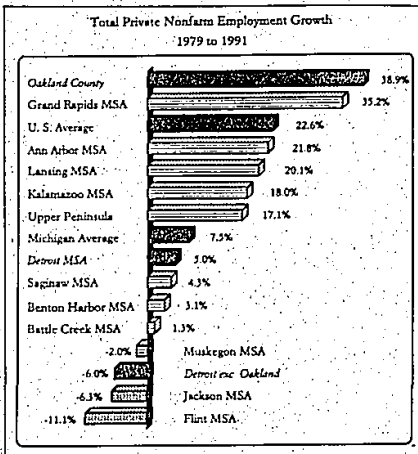


Chart was compiled by the University of Michigan, MSA stands for Metropolitan Statistical Area.

Smoking policy on OCC board agenda

Oakland Community College's Board of Trustees holds its public meeting at 7:30 p.m. Thursday in the Guest House of the George A. Bee Administrative Center, 2480 Opdyke Road, Bloomfield Hills.

Revision of OCC's smoking policy and the 1991-92 budget are among items up for board action.

A 7 p.m. board work session precedes the regular meeting.

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So what's Oakland doing right?

Why Oakland?

Why, when neighboring Detroit's and Flint's economies are sinking, does Oakland County continue to attract offices, industries, stores and residents?

What is Oakland doing right that other Michigan job markets could emulate?

A University of Michigan economist and members of his audience scratched their heads and took their time answering "after" giving and hearing U-M's forecasts of continued leadership for the state's second largest county.

"IT HAS a fairly substantial business and professional service base that was strong in the 1980s," said economist George Fulton. "Its work force is highly educated, and conse-

quently some firms came here that required such workers."

Should county economic policies get credit, Fulton was asked. "Yes — but I don't think that's the long term driving force. Education matters."

"We have one of the most active departments of economic development in the region," said Robert Pliska, chair of the South Oakland Board of Realtors' Commercial and Industrial division.

"They coordinate themselves. They have a large, qualified staff. The community has pizzazz. People like to locate here. When you've got a snowball going, it tends to stay in motion," Pliska said.

MANAGEMENT consultant Donald E. Wilson of Hartland, who does

work for utilities among others, traced Oakland's rise to the post-war construction of freeways. "People were moving somewhere. Look at the trends in the number of customers."

"There's no single element," said Joseph Joachim, the deputy county executive most associated with economic development.

"It's a combination of things: high skills level of the people, skills in running small business, educational levels, the quality of life, high personal incomes."

"Employers will often move to Oakland because they can attract people to where the best lakes, a university and good schools."

"GMF Robotics said they couldn't have done it in other parts of the region. It's a synergism that builds on

itself," Joachim said.

SOME EVIDENCE shows that Oakland's business growth has come at the expense of other areas.

In the 1980s Detroit Edison's commercial and industrial electric customers grew more in Oakland County than other places in the region. Here are end-of-year 1991 figures followed by end-of-1990 figures:

• Oakland — 31,200 to 45,400 — up 45 percent

• City of Detroit — 46,200 to 39,400 — down 15 percent

• Ann Arbor area, including the south half of Livingston County — 12,800 to 17,800 — up 39 percent

• Western Wayne County, downriver and part of Monroe County — 18,200 to 24,600 — up 35 percent

County redistricting gets another look

By Pat Murphy
staff writer

Would-be Oakland County commissioners may have to put campaign plans on hold — at least temporarily — because of a ruling by the Michigan Supreme Court last week.

The state's highest court ordered the next highest court, the court of appeals, to again look at a plan for redrawing boundaries for new county commission districts.

The plan submitted by a Republican-dominated county redistricting committee earlier this year would reduce the number of county commission districts from 27 to 25, and force some interesting election matchups — such as incumbent Rep-

ublicans Nancy McConnell and Mariynn E. Gosling vying against each other in Bloomfield Hills.

The county reapportionment committee drew the new district boundaries over objections from its only Democratic member, Donald Tucker of Birmingham, who is chairman of the Oakland County Democrats.

Tucker insists the Republican-backed plan did not conform with court-ordered rules for redistricting as required after each 10-year census.

On previous occasions both the appeals court and the supreme court rejected appeals from Oakland County Democrats to review the GOP plan.

Thursday the supreme court, acting on a request to reconsider, ordered the appeals court to review the GOP plan and issue a ruling by April 30.

The state's highest court said the lower court had not given adequate consideration to the plan drafted by Democrats.

While the appeals court ruling will likely come well before the May 12 filing deadline, last week's decision will force some would-be candidates to reconsider — or at least put their plans on hold.

Neither Tucker nor his Republican counterpart, James M. Alexander, also a Birmingham lawyer, could be reached for comment.

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