

Economy is headed up, if you can get through 2003

The war in Iraq may be going well and spring may have at last arrived, but the current news for Michigan's economy is not good. The main headline last week read: "Michigan's jobless rate is the highest in 9 years."

The details behind the headline make dismal reading. The state's unemployment rate jumped from 6.2 percent in January to 6.6 percent in February, the highest level since February, 1994. The total number of jobless people looking for work in Michigan was 338,000, up 18,000 from January. Manufacturing accounts for about one out of every five jobs in Michigan.

Hardest hit were our manufacturing jobs, down 14,000 to 737,000 from January and 30,000 less than a year ago. U.S. automakers are still losing market share to foreign competitors, while some auto parts suppliers are laying off workers and others are going out of business.

Tourism, another major sector in our economy, was hurt as well. The sector lost 5,000 jobs since January and is down 9,000 from a year ago. As tourism expenditures are largely discretionary, the national economic slowdown has hurt Michigan's tourist business.

Air travel is off 17 percent compared to last year, according to the Air Transport Association, a casualty of the recession and fears of terrorism resulting from the war in Iraq. Northwest Airlines, Michigan's dominant air carrier, started laying off thousands of employees last year and is accelerating the trend this year. Moody's Investor Service last week downgraded the company's bond rating to B3, five levels below investment grade. And, like other airlines, Northwest is asking its unions for wage and contract concessions and threatening to go to bankruptcy court if it can't get them.

The Business Roundtable, made up of chief executive officers of the biggest U.S.-based companies last week released a survey showing its members won't be hiring new workers or investing in new factories, machinery and technology this year. Forty-five percent of the 120 CEOs surveyed said they didn't expect to hire new workers in 2003, compared with only 9 percent who expected to increase hiring.

Most business people with whom I talk have simply given up maintaining their profit margins by trying to increase sales. "We are trying, but it just isn't there," said one CEO who seemed to summarize most opinion. Instead, businesses have decided to maintain earnings by cutting costs, which usually means reducing labor and deferring any investments.

So are we facing another recession before we



Phil Power

Most business people with whom I talk have simply given up maintaining their profit margins by trying to increase sales. "We are trying, but it just isn't there," said one CEO who seemed to summarize most opinion.

Instead, businesses have decided to maintain earnings by cutting costs, which usually means reducing labor and deferring any investments.

even get out of the first one? Not necessarily. The most recent report from the University of Michigan's respected survey of consumer attitudes showed stronger improvement than expected, rising from 77.6 in March to 83.2 in April. Economists point out that consumer spending is an important component of the economy and that improving consumer expectations generally preview increases in actual consumer spending.

And the U-M's Research Seminar in Quantitative Economics April forecast for the Michigan economic outlook predicted that, "the local economy snaps back during the second half of 2003, rebounding to job growth of 1.5 percent, a little above the pace of job creation over the past 25 years..." Job growth then accelerates into 2004, expanding at a rate of 2 percent in the opening quarter before edging down to average a pace of 1.8 percent during the year."

These predictions suggest our current unemployment rate of 6.6 percent will fall to 6.4 percent by the end of the year and to 6 percent by the end of 2004. The U-M economists predict inflation will remain low, an average of 2.1 percent in 2003 and 1.8 percent in 2004. Personal income is forecast to increase 2.1 percent in 2003 and jump to 5.2 percent in 2004. Real disposable income, or purchasing power, which increased 2.4 percent in 2002, will dip to 1.9 percent in 2003; 2004, however, should show a big jump of 3.8 percent, according to the Research Seminar economists.

So the bottom line seems to be: If you can get through the end of this year, things will get better in 2004. I sure hope so.

Phil Power is the chairman of the board of the company that owns this newspaper. He would be pleased to get your reactions to this column either at (313) 953-2047 or at ppower@hometownobserver.com.

Some lessons can't be measured by MEAP

What Sam Bohl and Brian Dunn do for a living makes Michigan history come alive for those who watch their Mackinac State Historic Parks outreach program.

The re-enactors portray a fair trader and a French trader who can also be seen on Mackinac Island during the summer. I saw him there last Labor Day weekend, doing a lively demonstration that involved the firing of a musket.

Bohl and Dunn take their show on the road because Michigan schools are required to include a state history component in the fourth grade curriculum. These kinds of hands-on lessons were not only reinforce what kids learn from their textbooks, they make history come alive in a way that can't be captured in words.

The scent of smoldering charcoal, the smooth feel of a beaver-skin hat, those you won't find in a book. Nor will you find the kind of enthusiasm and rapt interest kids showed as they were shown how colonial men and women dressed and lived.

French students at G.E. Bruchel Middle School shared a similarly enhanced lesson last week, hosting their own Auto Show. With help from Bob Sellers Pontiac-GMC and a group of French exchange students, small groups created vivid displays in a variety of media and gave presentations - all in French. Fortunately for people like me, they were also kind enough to interpret.

Farmington Schools students have the good fortune to live in a district, in a community, with enough resources to provide those kinds of experiences. In 15 or 20 minutes, you can drive into a neighborhood where graffiti-splashed walls and littered grounds reflect the lack of respect that comes with too little money, a lack of parental involvement and a general disconnect between schools and the communities they serve.

During last Friday's visioning dialogue presented by the Farmington Hills/Farmington Chamber of Commerce, Superintendent of Schools Bob Maxfield talked about this "mismatch." But what struck me most about his comments was something connected with the idea that teaching kids is about more than scoring points on a test form, more than grade-point averages and school performance.

We've entered a time in our history when a dramatic shift in educational philosophy has become evident. It's not about styles of learning, brain-based or otherwise. It's not about



Joni Hubred

which textbooks to use or how to teach reading skills.

Today, Maxfield said, the focus has moved from "educational access" -- the right to publicly funded education -- to proficiency. Government has not been about the business so much of ensuring public education as it has been looking for ways to measure the "success" of public schools.

Let me be the bearer of bad tidings, folks. An education system accessible to all children is never going to educate all children equally. And our government is on track to punish schools that don't accomplish this feat.

The "No Child Left Behind" legislation is just as much "ivory tower" thinking as any academic philosophy parents and politicians have been complaining about for years -- except in this case, the tower is government, where far too many people are out of touch with life down here in the real world.

The goal of NCLB is that all children will be "proficient" in math and reading by the year 2014. Proficiency is measured here by scores on the Michigan Educational Assessment Program tests.

"Is that really possible for all kids and is it broad enough?" Maxfield asked.

The only sensible answer, on both counts, is "no." Even children who are highly intelligent can have trouble with standardized tests, and measuring the quality of education based on limited testing in two content areas should not be the basis for taking money away from schools already in financial vice grips.

In poverty-stricken districts, a sense of hopelessness prevails. Farmington and Farmington Hills seem more prone to something Mayor Nancy Bates called "affluenza," an overemphasis on living the good life.

NCLB simply ignores those societal issues, and in doing so, lets parents completely off the hook. Why is it everyone's so afraid of telling parents the better life they're trying to make for their children isn't all that much better?

Tests can't measure the impact when parents abdicate their responsibility, any more than they'll capture the lessons those Hillside fourth-graders learned from Sam Bohl and Brian Dunn. Should we throw them out? Of course not.

But we shouldn't balance our entire system of education on them, either.

Joni Hubred is editor of the Farmington Observer. She welcomes your comments in person or by mail at 3340 Grand River, Farmington, MI 48335; by phone, (248) 477-5450; by fax, (248) 477-9722; or via e-mail, jhubred@hometownobserver.com.

free decorative post upgrade.

\$55 value! FREE

An order and receive a free decorative post upgrade. Call 1.888.767.8548 or order online at www.dteenergy.com

DTE Energy

Follow your favorite high school sports team each week in the Observer

PAY NOTHING FOR ONE FULL YEAR

At The MATTRESS SUPERSTORE

*** No Interest * No Payments * No Money Down * For 12 Months**

DREAMSCAPE PLUSH BACK SUPPORTER		DREAMSCAPE P.T. BACK SUPPORTER	
NeverTum	NOW!	NeverTum	NOW!
Twin	\$297/ret	Twin	\$347/ret
Full	\$347/ret	Full	\$447/ret
Queen	\$397/ret	Queen	\$497/ret
King	\$597/ret	King	\$697/ret

EMPIRE PLUSH FIRM		NEWLY FIRM OR PILLOW TOP	
NeverTum	NOW!	NeverTum	NOW!
Twin	\$397/ret	Twin	\$497/ret
Full	\$447/ret	Full	\$597/ret
Queen	\$597/ret	Queen	\$697/ret
King	\$797/ret	King	\$897/ret

AIR BEDS NOW ON SALE

Starting \$87	Starting \$147	Starting \$247	Starting \$297

Grand Rapids Bedding Co. THE MATTRESS SUPERSTORE

TROY	ROCHESTER	WATERFORD	ROYAL OAK
WAREHOUSE CLEARANCE CENTER 12701 STEPHENSON HWY 1-800-668-MATS	SHOWROOM CLEARANCE CENTER 2123 ROCHESTER RD 1-800-579-MATS	SHOWROOM CLEARANCE CENTER 4855 DIVIS HWY 1-800-929-MATS	SHOWROOM CLEARANCE CENTER 32222 WOODBRIDGE 1-800-336-MATS