

Just as it is important to understand the demographic characteristics of a local community, it is also important to understand its economic characteristics. Rates of employment and joblessness, income levels, and commercial activity affect land use patterns, the demand for public services provided by local government, and the ability of local government to provide those public services. Understanding economic conditions and their potential effects can inform decision makers and enable them to make choices that encourage future prosperity.

Much has changed in the Township economically since the last master plan was written in 1974. That document was published at a time when the Township depended “heavily upon the Lansing Metropolitan Area as a source of employment” and the region itself was becoming more dominant as a “regional center of trade and employment” (p. C-1 Background for Planning: an Inventory). While that is still the case, local communities are now affected by economic conditions and trends far beyond their borders. This is certainly the case for communities throughout Michigan and the Midwestern United States where a once robust manufacturing industry has contracted due to globalization. The loss of jobs in the automotive industry has been felt acutely in Lansing Township as General Motors has reduced its hourly and salaried workforce and decommissioned factories that were once thought to be permanent features of the local landscape.

To understand the consequences of these and other economic phenomena, this chapter explores income, employment, and poverty rates within the Township; the types of jobs found in the Township; economic activity in the Township; and larger regional and national trends that will shape the Township’s economic future.

Income and Poverty Rates

Household Income

According to the 2000 Census, nearly 70% of households in Lansing Township reported income between \$15,000 and \$74,999 (see Table 4). With under 12% of households reporting income of \$14,999 or less, there were fewer households in the Township in this group than there were nationally (15.85%), in the state of Michigan (14.07%), the Lansing-East Lansing MSA (13.88%), and Ingham County (15.49%), Meridian Township (12.96%), and the city of Lansing (17.9%). Lansing Township had more households in this group than did several neighboring Townships including Delta (8.08%), Delhi (7.11%), Alaiedon (6.18%), and Windsor (5.14%). In Lansing Township, a little over one-fifth (20.67%) of households had income of at least \$75,000. This is slightly under the number of households making more than \$75,000 reported for the entire nation (22.52%), the state of Michigan (24.1%), the Lansing-East Lansing MSA (22.98), and Ingham County (26.95%). Significantly more households in neighboring Townships reported income of at



Household Income Distribution Comparison

	%Lansing Township	%US	%Michigan	%MSA	%Ingham	% 9 Townships	%Delta	%Meridian	%Lansing
Less than \$10,000	6.85%	9.54%	8.29%	8.21%	9.53%	5.16%	4.47%	8.40%	10.74%
\$10,000 to \$14,999	4.63%	6.31%	5.78%	5.67%	5.96%	4.04%	3.61%	4.56%	7.16%
\$15,000 to \$24,999	12.17%	12.83%	12.38%	12.20%	12.11%	8.55%	7.51%	9.15%	14.11%
\$25,000 to \$34,999	12.28%	12.81%	12.42%	12.66%	12.18%	9.89%	10.71%	9.16%	14.62%
\$35,000 to \$49,999	21.21%	16.53%	16.48%	16.85%	15.33%	14.79%	15.29%	11.23%	17.35%
\$50,000 to \$74,999	22.17%	19.46%	20.55%	21.42%	17.93%	20.36%	21.42%	18.31%	17.53%
\$75,000 to \$99,999	8.59%	10.23%	11.42%	11.78%	9.50%	12.33%	12.75%	10.36%	7.51%
\$100,000 and over	12.08%	12.29%	12.68%	11.20%	17.45%	24.89%	24.24%	28.83%	10.98%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 4 source: Census Bureau 2000

least \$75,000 including Delta (36.99%), Delhi (37.27%), Meridian (39.19%), and Alaiedon (44.09%).

Median household income for Lansing Township was \$41,017 in 2000. This was above median household income reported for all of Ingham County (\$40,774), and the cities of Lansing (\$34,949) and East Lansing (\$28,217). However, median household income in the Township was slightly below that for the nation (\$41,994), state of Michigan (\$44,667), and the MSA (\$44,441), and significantly below that of all neighboring Townships. Median household income in DeWitt, Delta, Delhi, Meridian, and Alaiedon townships were 20% to 60% higher than Lansing Township.

Median Household Income Comparison

	United States	Michigan	Lansing--East Lansing MSA	Ingham County	De Witt TP	Delta TP	Alaiedon TP	Delhi TP	East Lansing	Lansing	Lansing TP	Meridian TP
Median Income	41,994	44,667	44,441	40,774	49,782	52,711	64,680	50,922	28,217	34,949	41,017	55,203

Table 5 source: Census Bureau 2000 Decennial Census

Poverty

Like many nearby communities, household poverty rates in Lansing Township spiked in the 1990 Census. At that time, 9.20% of Lansing Township residents were estimated to have been living in poverty. And although poverty rates fell to 7.48% between 1990 and 2000, they remained higher than they were in 1980. With a poverty rate of 7.48% in 2000, the Township had the second highest level of poverty among neighboring Townships. Meridian Township, which



had one of the highest median incomes, recorded the highest poverty among neighboring Townships with 9.42%. Lansing Township's poverty rate remained below that of the national average (12.38%), the MSA (11.04%), Ingham County (14.63%), Lansing (16.95%), and East Lansing (34.86%).

Employment and Joblessness

Labor and other economic markets are regional in nature and spillover beyond the political boundaries of individual communities. Workers in the greater Lansing area often live in one community and work in another. It is, therefore, important to consider broader labor market trends that affect Lansing Township.

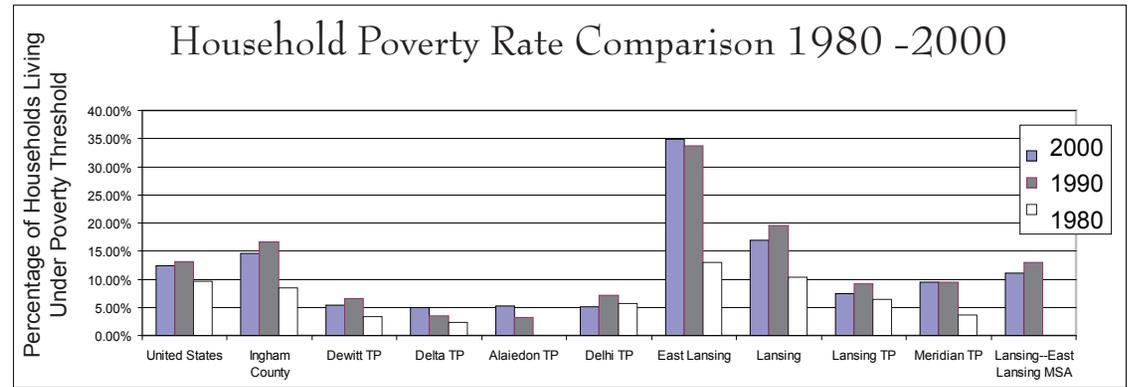


Figure 6 source: Census Bureau 2000 Decennial Census.

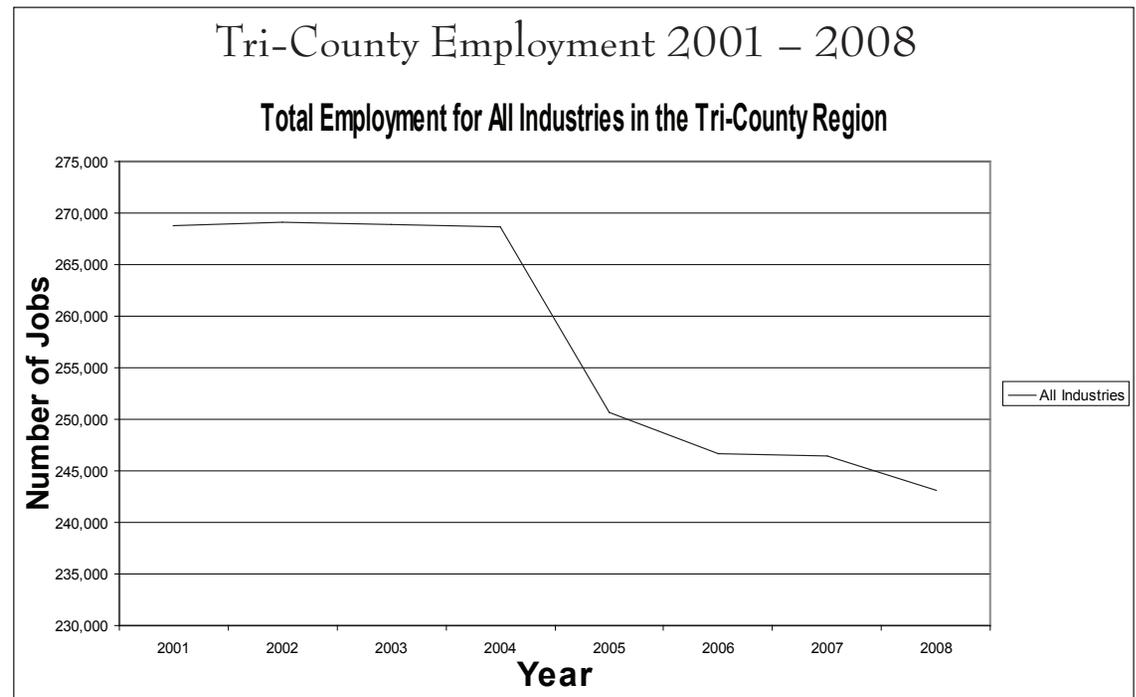


Figure 7 source: U.S. Census Bureau LEHD QWI

Total employment for the Lansing-East Lansing MSA was 243,110 in the first quarter of 2008, down from an average of 247,585 for the fourth quarter of 2007 (U.S. Census Bureau, Longitudinal Employer-Household Dynamics Quarterly Workforce Indicators). Net job flow was negative for 2007 with 1,880 jobs lost. Since 2001, 3 of the 7 years for which data is available posted average annual net negative job flows. As shown in Figure 6, the number of jobs for all industries in the tri-county



region has fallen steadily since 2003 from a high of 268,919 to 243,110 in 2008. Average monthly earnings for all of 2007 was \$3,180.50, up from 3,072.75 in 2006. This continued a trend toward positive earnings growth beginning in 2003.

As Figure 8 shows, annual unemployment rates for the tri-county region follow statewide trends but have been lower than the state average for the past 10 years. There has tended to

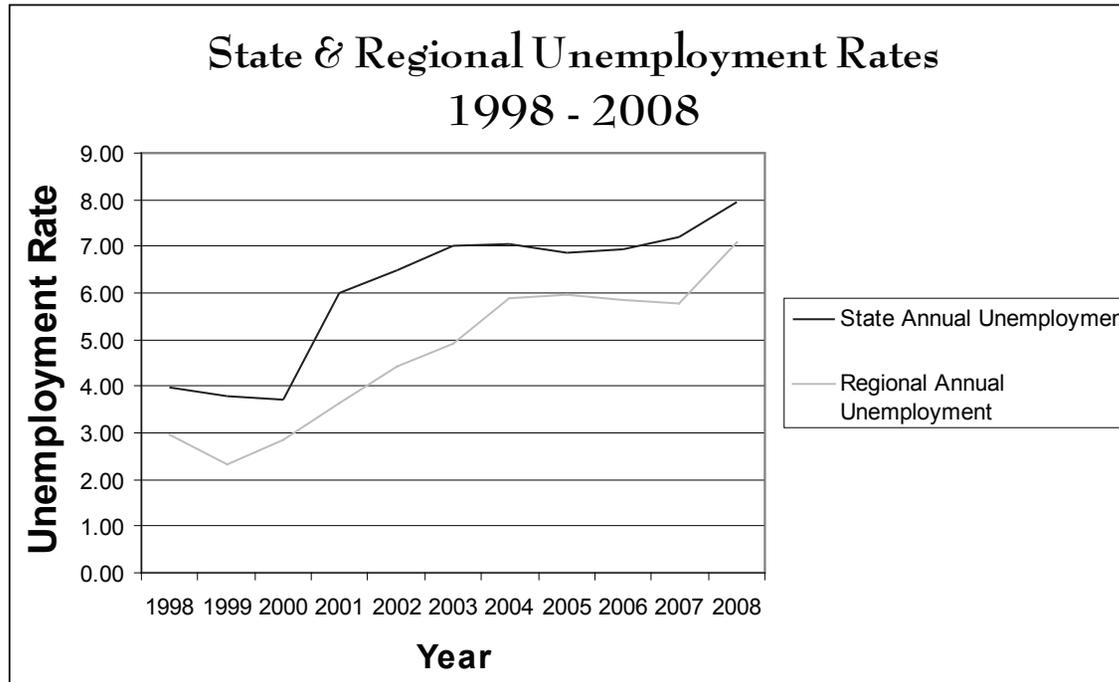


Figure 8 source: Bureau of Labor Statistics

be at least 1% difference between these two indicators, with regional unemployment increasing at a slower rate. Between 2007 and 2008, however, regional unemployment has risen more quickly than statewide unemployment climbing from 5.79% in 2007 to 7.10% in 2008. By comparison, statewide unemployment rose from 7.18% to 7.94% during this same period. Recent data released by the State of Michigan Department of Treasury indicate that unemployment rates for June 2009 at state and regional levels reached 15.2% and 12.3%, respectively. While state and regional unemployment rates rose significantly between 2008 and 2009, unemployment in the tri-county region was roughly 3% less.

Data for unemployment among Township residents specifically is only available from the 2000 Census. At that time the U.S. Census Bureau estimated the labor force in Lansing Township at 4,906 with an unemployment rate of 3.91%. That represents a substantial reduction from the unemployment rate of 6.02% recorded in the 1990 Census, but was still higher than both the statewide and regional unemployment rates for 2000 (3.72% and 2.86% respectively).

In the 2000 Census, over 60% of the labor force in the Township was estimated to be employed in management, sales, and various other professional and office



positions, while 21% were estimated to be employed in construction, maintenance, production, transportation and material handling positions. The top five most prevalent employers as reported by Township residents were 1) education, health and social services with 21.7%; 2) retail trade with 14.2%; 3) public administration with 11.2%; 4) manufacturing with 10.1%; and 5) services with 9.5%.

According to U.S. Census Bureau LED Origin-Destination Data Base records, approximately 5,000 jobs were located in the Township in 2006. Nearly equal percentages of these jobs paid less than \$1,200 a month or between \$1,201 and \$3,400 a month (35.64% and 38.61% respectively). Nearly three-quarters of jobs in the Township paid \$3,400 or less.

Lansing Township Top 5 Job Providing Industries 2006

Employment in Lansing Township by Industrial Sector			
Rank	Industry	Number of Jobs	Percentage
1	Health Care and Social Assistance	1,119	22.28%
2	Accommodation and Food Services	691	13.76%
3	Retail Trade	592	11.79%
4	Administration & Support, Waste Management and Remediation	422	8.40%
5	Real Estate and Rental and Leasing	413	8.22%

Table 6 source U.S. Bureau LED Origin-Destination Data Base 2006

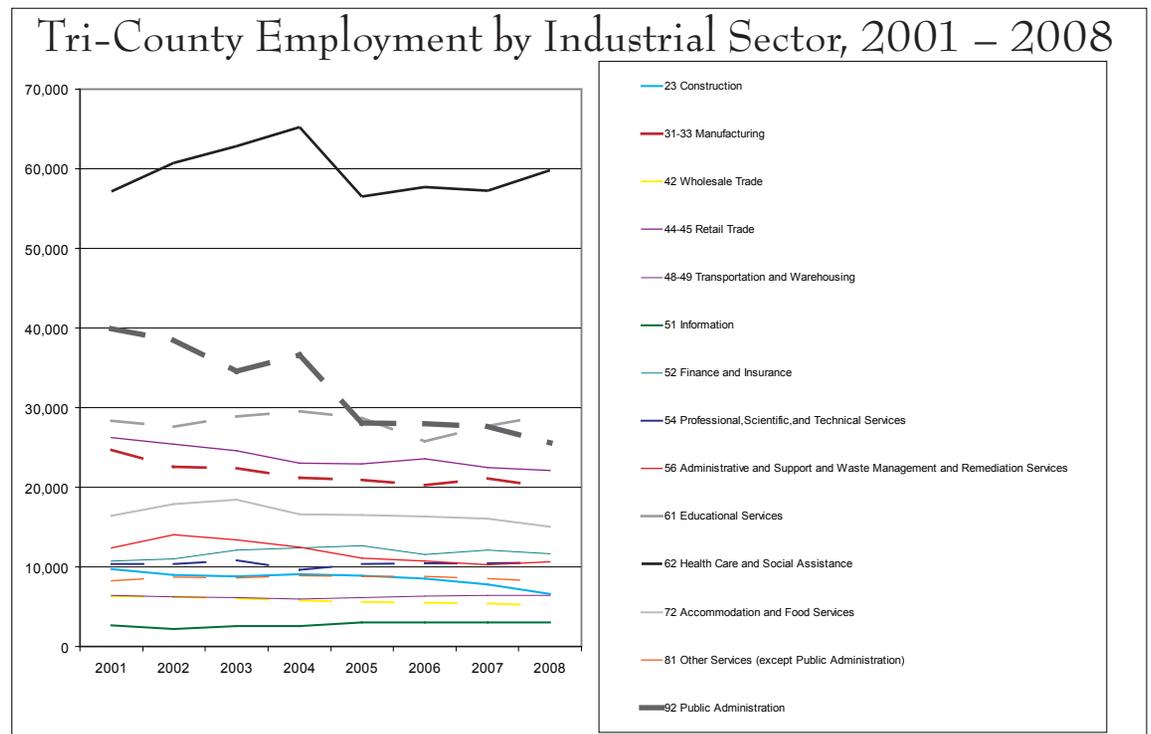


Figure 9 source: Bureau of Labor Statistics



The top five largest job providers in the Township for 2006 are shown in Table 6. The industrial sector employing the most workers in the Township was Healthcare and Social Assistance with 1,119 workers or 22.28% of total jobs in the Township. This was slightly below the regional percentage of 24.39% reported for the Lansing-East Lansing Metropolitan Statistical Area. Accommodation and Food Services provided the second highest number of jobs with 691 or 13.76%. This was nearly double the regional percentage of 6.92%. Retail Trade was the third largest job provider with 592 jobs or 11.79%. This was

above the percentage of 9.95% reported for the entire region in 2006. Manufacturing only provided 180 jobs within the Township in 2006, accounting for only 3.58% of all jobs located in the Township. This was below the regional average of 8.59%.

Employment patterns described in the 1974 Comprehensive Development Plan (CDP) presented a very different employment environment. According to the 1965 Tri-County Regional Planning Commission employment survey referenced in the CDP, 52% of the 7,376 jobs located in the Township were in manufacturing and construction. Neither of these categories made the top 5 employers in 2006. In fact, manufacturing and construction combined accounted for only 8% of jobs in the Township (US Census Bureau, LED Origin-Destination Data Base).

Manufacturing and construction combined accounted for only 8% of jobs in the Township (US Census Bureau, LED Origin-Destination Data Base).

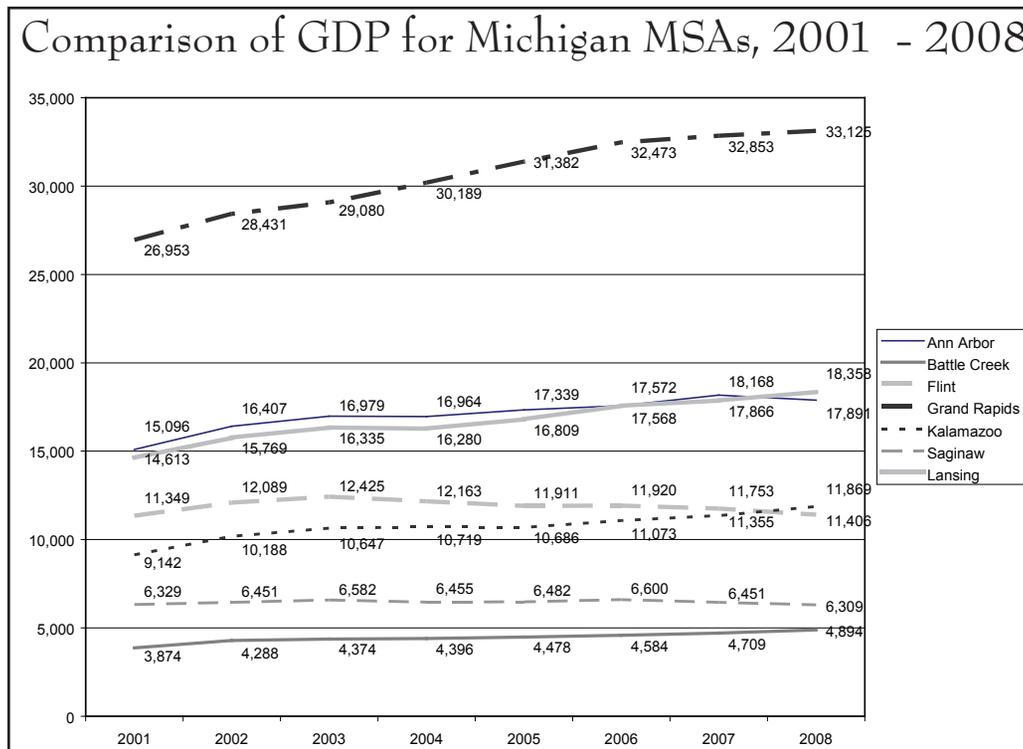


Figure 10 source: Bureau Economic Analysis

Economic Activity

Economic activity is often measured in terms of total expenditures for goods and services at the point of final consumption. This concept, known as Gross Domestic Product, accounts for all private and public consumption of goods and services (including wages paid to employees)



as well as taxes, subsidies, exports and imports. It does not include products and services purchased by producers of final goods and services.

Data for GDP is not customarily estimated for political jurisdictions below the county or metropolitan level. Looking at the Lansing, East Lansing Metropolitan Statistical Area, one can get a good idea of the nature of the economic activity which most directly affects those who live and work in Lansing Township and the tri-county area. GDP continued to grow between 2001 and 2008 from \$14.6B to \$18.3B for a weak 1.08% year to year average growth. In 2008, however, the Lansing/East Lansing MSA outperformed the state average (0.70%) with 2.75% growth. As Figure 10 shows, while GDP growth for this region has been weak, the overall trend has been toward steady gain.

This is a positive sign when compared with other Michigan metro areas that have also been heavily reliant on manufacturing. GDP for both Flint and Saginaw MSAs declined from year to year between 2001 and 2008 (-1.74 and -0.58%, respectively). In fact, year to year average annual change in GDP was actually more positive for the Lansing/East Lansing MSA than it was for any of the other MSAs considered in Table 7 (except Grand Rapids which was slightly stronger with 1.43% growth) and the state as a whole (0.63%). During this same period, the United States experienced an average growth in GDP of

Comparison of Year to Year Average Annual Change in GDP for Several Michigan MSAs 2001 – 2008

2001 - 2008 Average Annual Change	
U.S.	3.99%
Michigan	0.63%
Ann Arbor	0.02%
Battle Creek	0.39%
Flint	-1.74%
Grand Rapids	1.43%
Kalamazoo	0.59%
Saginaw	-0.58%
Lansing	1.08%

Table 7 source: Bureau Economic Analysis
nearly 4% year to year.

Private industrial production (production not including public spending) grew from \$11.3B in 2001 to \$14.1B in 2008 for a year-to-year average annual change in GDP of 3.26%. As Table 8 shows, finance and insurance was the leading growth category with average annual year-to-year of nearly 7.5%, and a total increase of \$731M from 2001 to 2008. Unlike many of the other industrial categories, its growth was consistently strong between 2001 and 2008. Accommodation and food service, real estate and leasing, and leisure and hospitality categories also realized substantial GDP growth between 2001 and 2008 (up 46.62%, 39.59%, and 46.30% respectively). Information, information, communication and technology, and



GDP for Lansing/East Lansing MSA by Industry, 2001 – 2008

	Average Year to Year Change, 2001 - 2008	% Change 2001 - 2008
All industry total	3.34%	25.63%
Private industries	3.26%	24.84%
Construction	-1.85%	-13.53%
Manufacturing	-0.26%	-6.96%
Retail trade	0.73%	5.22%
Information	2.34%	15.89%
Finance and insurance	7.48%	61.84%
Real estate and rental and leasing	5.13%	39.59%
Administrative and waste services	1.86%	12.89%
Arts, entertainment, and recreation	5.44%	15.89%
Accommodation and food services	5.64%	46.62%
Other services, except government	3.43%	26.62%
Government	3.67%	28.35%
Financial activities	6.01%	49.01%
Leisure and hospitality	5.61%	46.30%
Private goods-producing industries	-0.29%	-4.47%
Private services-providing industries	4.37%	34.74%

Table 8 source: Bureau Economic Analysis

health care and social assistance also posted gains.

By comparison, the industrial sectors which provided jobs and likely accounted for a substantial portion of regional GDP when the last comprehensive plan was written in 1974 continued to contract. GDP attributable to manufacturing declined by nearly 7% between 2001 and

2008, losing 0.26% every year on average. In absolute terms, GDP from manufacturing fell from \$2B in 2001 to \$1.9B in 2008 (\$657M lower than its 8 year high of \$2.6B in 2003). Construction fared far worse, declining in GDP by 13.5% over that same period, shrinking from \$665M in 2001 to an 8 year low of \$575M in 2008.

More evidence of deindustrialization in mid-Michigan is documented by the relationship between goods-producing and services-producing industries. Overall, regional GDP growth has occurred in services-providing industries which posted aggregate GDP gains of 34.7% while goods-producing industries contracted by 4.5% between 2001 and 2008.

Tax Revenues

Like other communities throughout the United States, the Township depends on property tax revenues to pay for public services. Total taxable value of all real property in the Township was \$304,935,147 in 2009, up almost 32% from 2003. Commercial property accounted slightly more than 57% of total taxable value in 2009 contributing \$174,940,973. Residential property was the second most valuable class contributing 41% of total taxable value or \$125,193,800.

Industrial property taxable values, however, fell sharply in 2009 from \$14.6M in 2008 to \$4.8M in 2009. This 67% drop can almost entirely be attributed to the demolition of 2 General Motors plants that had operated in the



Taxable V values by Real Property Classification 2003 - 2009

Property Class	2003	2004	2005	2006	2007	2008	2009
101 Agriculture	0	0	0	0	0	0	0
201 Commercial	107,708,000	119,855,100	146,520,000	153,916,000	163,630,200	168,450,483	174,940,973
301 Industrial	20,839,900	20,802,745	20,577,200	20,562,900	20,226,800	14,662,610	4,800,374
401 Residential	102,822,100	106,919,000	111,441,500	117,197,100	122,111,000	124,934,906	125,193,800
501 Timber Cutover	0	0	0	0	0	0	0
601 Development	0	0	0	0	0	0	0
800 Total Real	231,370,000	247,576,845	278,538,700	291,676,000	305,968,000	308,047,999	304,935,147

Table 9 source: Charter Township of Lansing Assessor

Township for more than 5 decades. So severe is this loss that taxable value from industrial property slid from nearly 5% of total taxable value for all property classes in 2008 to 1.5% in 2009. This has meant a loss, in absolute terms, of \$3.1M in taxable value and marked the first time since 2003 that the total taxable value of real property in Lansing Township shrank.

Conclusions

Socio-economically speaking, the Township falls in the middle. While the number of households living in poverty in the Township is less than that in the cities of Lansing and East Lansing, it is higher than most neighboring Townships. Similarly, median income and income distribution fall in the middle of communities with much higher median income and larger percentages of households in the highest income groups and communities with much lower median incomes and larger percentages of households in the lowest income groups. The Township has

challenges that are much more like those facing urban, so-called core communities like the city of Lansing, and yet those challenges are not as great.

If regional and statewide unemployment rates are reliable indicators, unemployment among Township residents would have been between 7% and 9% throughout 2008 and early 2009 (perhaps even higher given recent increases in unemployment at regional and state levels). Unfortunately, opportunities for the new workers and the unemployed to find new jobs are disappearing, and the Township needs to seriously consider its role in addressing this situation. To a large extent this relates directly to its ability to spur economic development within its borders and support similar efforts at the regional level. It will also need to be prepared for the consequences of joblessness including increased levels of criminal activity, and growing numbers of tax and mortgage foreclosures.



Other economic trends are more ambiguous in their potential impact on the local economy and quality of life for Township residents. White collar jobs account for a substantial portion of employment among Township residents making the Township more resistant to the loss of manufacturing and construction jobs but more vulnerable to contractions in high skilled, white collar industrial sectors like health care and public administration—State of Michigan budgetary contraction could negatively impact employment in the Township. The Township should be vigilant of conditions which positively or negatively affect health care, higher education, and public administration labor markets.

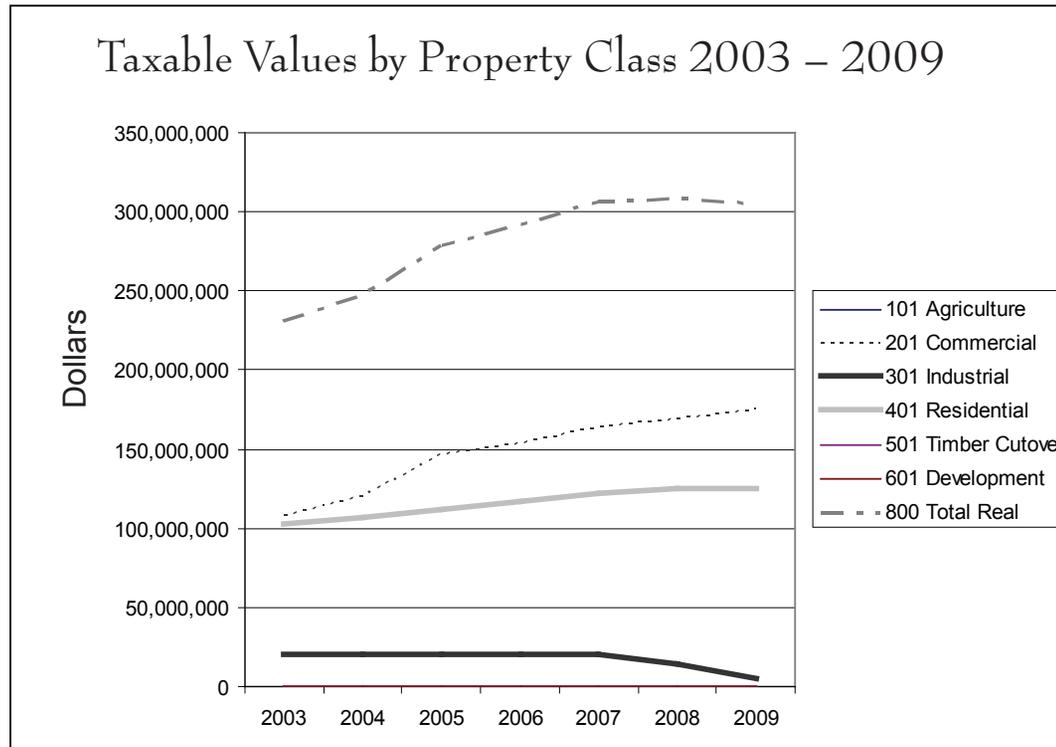


Figure 11 source: Charter Township of Lansing Assessor

Despite the economic challenges posed by long term historical shifts in industrial activity, and the recent global collapse of financial markets, the tri-county region has continued to expand economically—however modestly. Industrial sectors associated with the knowledge economy have grown significantly as manufacturing and other goods-producing industrial sectors continue to decline. That said manufacturing accounted for nearly 14% of GDP generated by all private industry in 2008. Continued erosion of this sector without significant gains in other industrial sectors would negatively affect the fiscal condition of Lansing Township and undermine the quality of life currently enjoyed by its residents. The Township itself has experienced this firsthand: the recent closing and subsequent demolition General Motors plants 2 and 3 have seriously impacted its tax base.

