

KALAMAZOO

Real GDP by Metropolitan Area (millions of chained 2005 dollars)

Gross Domestic Product by Metropolitan Statistical Area

U.S. Bureau of Economic Analysis

Real GDP by Metro Area (mil. of chained \$)

Area	Industry	2001	2008	2009	2001-09
Kalamazoo-Portage, MI (MSA)	All industry total	10,138	10,852	10,393	3%
Kalamazoo-Portage, MI (MSA)	Private industries	8,776	9,621	9,168	4%
Kalamazoo-Portage, MI (MSA)	Construction	582	364	311	-47%
Kalamazoo-Portage, MI (MSA)	Manufacturing	2,307	2,246	1,803	-22%
Kalamazoo-Portage, MI (MSA)	Durable goods	947	1,287	960	1%
Kalamazoo-Portage, MI (MSA)	Nondurable goods	1,355	979	848	-37%
Kalamazoo-Portage, MI (MSA)	Retail trade	856	742	737	-14%
Kalamazoo-Portage, MI (MSA)	Information	162	230	198	22%
Kalamazoo-Portage, MI (MSA)	Finance and insurance	648	682	760	17%
Kalamazoo-Portage, MI (MSA)	Real estate and rental and leasing	973	1,450	1,524	57%
Kalamazoo-Portage, MI (MSA)	Professional and technical services	409	502	453	11%
Kalamazoo-Portage, MI (MSA)	Educational services	91	98	100	10%
Kalamazoo-Portage, MI (MSA)	Health care and social assistance	814	1,034	1,060	30%
Kalamazoo-Portage, MI (MSA)	Arts, entertainment, and recreation	57	65	59	4%
Kalamazoo-Portage, MI (MSA)	Accommodation and food services	267	309	284	6%
Kalamazoo-Portage, MI (MSA)	Other services, except government	337	270	251	-26%
Kalamazoo-Portage, MI (MSA)	Government	1,373	1,232	1,224	-11%

Ron Kitchens, president of local economic development agency Southwest Michigan First, said Kalamazoo responded to the loss of a General Motors Co. stamping plant and substantial downsizing in its pharmaceutical industry in the 1980s and 1990s by growing its small-business base. “We didn’t try to be the new microchip capital. We didn’t try to invent new industries,” he said. “Lots of privately owned businesses quietly grew here and brought back jobs.”

One of those is Fabrikal Corp., a maker of plastic food packaging projects. The company is investing \$17.3 million to a local plant that will add 30 jobs to its 72-employee work force. In July, MSN Real Estate and Local Market Monitor named Kalamazoo and neighboring Portage as the third-best metro area in the country to “start over.” Kalamazoo’s growing health care and educational sectors, combined with affordable real estate, make it a good choice for people to relocate and rebuild their financial lives, the report said. MSN Real Estate also cited the Kalamazoo Promise as a reason to move to the area. The Promise, funded by an anonymous donor, provides full scholarships to a public university or community college in Michigan to students who attend Kalamazoo Public Schools from kindergarten through their senior year. Enrollment in Kalamazoo Public Schools has jumped by 1,300 students since the Promise was announced in 2005, Erickcek said. Research by the Upjohn Institute found that many of those students came from local private and parochial schools. The institute has been unable to determine a positive impact on property values in the school district. Homes just outside the school district’s borders are selling for prices about the same as those in the district, Erickcek said.

But Kitchens said the Kalamazoo Promise has helped buttress the real estate market and made the metro area a more attractive place for residents and business growth. Kalamazoo ranked 80th highest in foreclosures last year among the 206 largest U.S. metro areas surveyed by RealtyTrac Inc. That was the best performance among the seven biggest metro areas in Michigan.

“(The Promise) stopped the decline and stabilized prices,” Kitchen said. “I think we staved off a whole lot of foreclosures.”