

BUSINESS CLIMATE UPDATE

NCI Works! Meeting

January 26, 2010

(Housing): Frustration with HUD cutting funding and using new method of calculating rent based on previous earnings. Obviously situations have changed, making it harder for residents to pay new rate. Positive note, a lot of construction work has been done with ARRA funds.

(Financial): Also frustrations with HUD – more forms and additional fees. Everyone “blaming” banks and the smaller ones are paying the price. Community banks still making loans, never stopped.

(Financial): Hard to get loans through because everyone wants to be sure paperwork is correct. Taking additional time and work now.

(Manufacturing): Busy. Had a good 2009; would like to expand because at maximum production now. See business picking up, orders increasing, but still cautious about hiring any one new. Only real competition is China.

(Economic Development): New ARRA money coming out slower than anticipated. Having more inquiries these days. Have new website now.

(Construction): So far, 2010 no better than 2009, but hopefully won't be any worse. Sees those who are employed are working less and making less now than they were before.

(Adult Education): Less funding, but want to do more. A lot of people are in GED these days.

(Perkins/Community College): Record enrollments and credit hours; cancelled far fewer classes due to low enrollments than in the past. Full service satellite office will be ready in Fall 2010.

(Construction): A lot of phone calls coming in; not like in the past, but still busy. Good diversity in terms of interest, but not much in manufacturing. “Turning the corner” – getting better.

(Services): More foreclosures these days, but company not real involved in real estate so may not be good barometer. City projects due to ARRA.

(Logistics): Turnover down to single digits; focus on training staff and management staff. Company is in foods, and with economy as is, more people are turning to store brands vs name brands. However, their company provides both so maintain a balance. Full pharmacy site; ship from there. Installing a new technology to pick up products, scan, audit and re-order all at same time (ring scan). Not hiring, don't plan to, but everyone going along and trained.

Senior Employment Program): Received additional funding from DoL, but not sure if can hire more people with it, or just give more hours. More seniors looking for work these days; also more seniors homeless these days.

(Manufacturing): Still closed; business picking up in the region.

(Services): Distributed Manpower Quarterly Outlook Survey; our area no longer gets its own survey (need 250,000 population). Results from the Peoria district, which is the closest one to area: 16% of employers looking to add employees, but 15% looking to decrease. Locally, gaining a few jobs, losing a few jobs, but those coming in not paying as well as those that are leaving. Typical hourly wage is \$8.50 - \$9.00 an hour. Sees companies hiring more seniors because of employer loyalty, which is not seen in younger employees. Need to find ways to engage the workforce. If benefits offered, real plus.

(Dislocated Worker Center): Triple the numbers they've had in the past . More money this year than in the past, but 3 times as many people so still underfunded. Possible Trade events: Johnson Controls, ArcelorMittal, Hobbs Honeywell.