



**WHY KALAMAZOO:
A Locational-Opportunities Analysis
for Advanced Manufacturers**

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KALAMAZOO

Where Advanced Manufacturing Makes Sense

EXECUTIVE SUMMARY

The Kalamazoo Region of Michigan has a long history of innovation in manufacturing and engineering. For years, companies have been attracted to the region for its strong supply of well-educated, skilled workers; excellent quality of life; commitment to supporting corporate partners; and for the extensive support services offered to local businesses.

The community has built upon its manufacturing foundation to become a region rich in talent, space and resources all available in a prime location midway between Detroit and Chicago along the I-94 NAFTA corridor.

- ◆ **Workforce:** More than 58,000 available workers at all levels of skill, experience, education and pay range. There are also several options locally for workforce selection and training. And, despite Michigan's reputation as a union state, less than six percent of Kalamazoo's private workforce is unionized. In fact, *Site Selection* magazine named Michigan the second most business-friendly state in the nation.
- ◆ **Workforce Training:** The Kalamazoo Region offers an array of workforce training options. There are existing programs and options to create fully-customized programs for your company, as well as organizations that will help you find the best employees for your business.
- ◆ **Location:** Ideally situated midway between Detroit and Chicago—and just a 30 minute drive from the sandy beaches of Lake Michigan, the Kalamazoo Region has a more than 3.5 million square feet of existing and build-to-suit sites available to meet your individual needs.
- ◆ **Local Industry and Supplier Base:** The Kalamazoo Region is home to a diverse base of industrial employers that create an array of products, from pharmaceuticals to industrial robots; paper to medical equipment. Companies like Pfizer, Stryker Corporation, Eaton Corporation, Borroughs Manufacturing, International Paper and Dana Corporation already call Kalamazoo home.

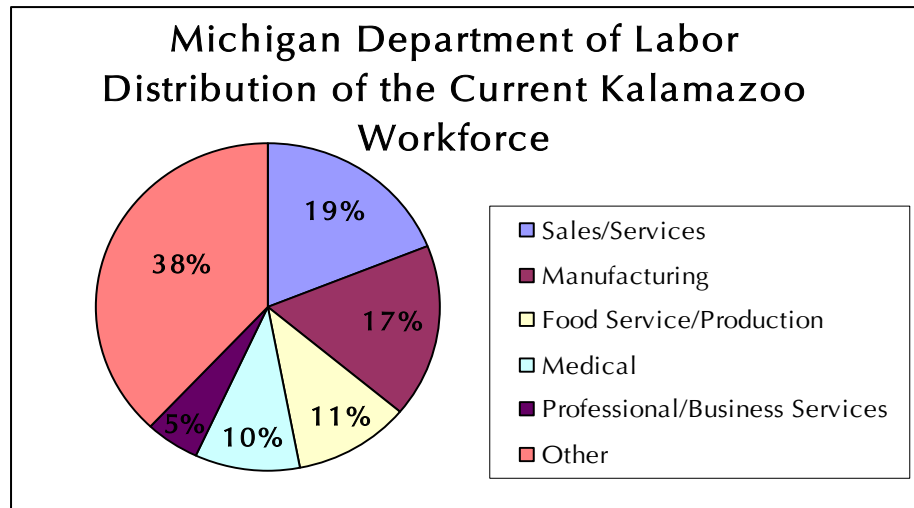
Kalamazoo is a model of education, recreation, culture and community collaboration: the ideal location for your business.

WORKFORCE

The Kalamazoo Region’s workforce draws from a pool of well educated people from an eight-county area. Residents represent a wide range of ages, educational backgrounds, work experience and desired pay ranges. Additionally, it should be noted that, despite Michigan’s reputation as a union state, less than six percent of Kalamazoo’s private workforce is unionized.

A particularly strong attribute for administrative offices and call centers is the Kalamazoo Region’s large population of college students. With nearly 40,000 college students in the Kalamazoo/Portage area and a total of 220,000 college students within a 75 mile radius, there is a large pool of well-educated potential workers with flexible schedules.

The chart and table below illustrates the wide range of skills and job experience held by members of the Kalamazoo Region workforce:



Kalamazoo’s location along the I-94 NAFTA corridor and at the US 131 interchange makes it extremely easy to get to, allowing the community to draw workers from neighboring communities:

Commuters into Kalamazoo County from Surrounding Counties

Allegan County	4,020	Calhoun County	5,003
Barry County	2,413	Cass County	527
Berrien County	466	St. Joseph County	2,310
Branch County	192	Van Buren County	9,205

Source: United States Census

Kalamazoo's Underemployed

According to a 2005 study conducted by The Pathfinders, the Kalamazoo Region has a household population of approximately 630,200 and a civilian labor force of approximately 354,200. The area has about **58,400 available underemployed workers**. These potentially available workers are referred to as the “underemployed” because they possess the skills, experience and education to qualify them for pay rates at which they would take a new job. The desired pay rates of these underemployed workers are reasonable when compared to their existing pay rates:

- ◆ The median current pay rate of underemployed workers is \$14.47 per hour, and the median desired pay rate is \$15.05 per hour.
- ◆ About 25% of the underemployed workers would take a new job for \$10.79 per hour or less.

Employment Skills of Underemployed Workers*

Skills	Number of Persons	Percentage
Office Operations	22,500	65%
Warehouse/Materials Handling	17,300	50%
Manufacturing/Assembly/Fabrication	20,100	58%
Medical/Health Sciences	9,000	26%
Maintenance/Installation Repair	14,200	41%
Technician/Quality Assurance	11,100	32%
Information Technology/Telecommunications	10,700	31%
Electronics/Engineering	5,200	15%

Source: The Pathfinders 2005

*Many people indicated multiple skills, which makes the sum of the percentages equal more than 100%.

Pay Rates of Underemployed Workers in the Kalamazoo Region

Hourly Pay Rate	Number of available underemployed workers	Hourly Pay Rate	Number of available underemployed workers
\$7.99 or Less	900	\$20.00 - \$20.99	1,800
\$8.00 - \$8.99	2,400	\$21.00 - \$21.99	700
\$9.00 - \$9.99	2,100	\$22.00 - \$22.99	1,500
\$10.00 - \$10.99	4,100	\$23.00 - \$23.99	400
\$11.00 - \$11.99	900	\$24.00 - \$24.99	900
\$12.00 - \$12.99	3,200	\$25.00 - \$25.99	100
\$13.00 - \$13.99	1,800	\$26.00 - \$26.99	900
\$14.00 - \$14.99	1,800	\$27.00 - \$27.99	300
\$15.00 - \$15.99	2,100	\$28.00 - \$28.99	100
\$16.00 - \$16.99	1,200	\$29.00 - \$29.99	700
\$17.00 - \$17.99	1,200	\$30.00 - \$30.00	1,200
\$18.00 - \$18.99	700	\$31.00 or More	2,400
\$19.00 - \$19.99	1,200		

Source: The Pathfinders 2005

WORKFORCE TRAINING

Attracting and retaining talented employees who can help companies keep up with the ever-changing demands of the global marketplace is a tough challenge for employers. But the resources available in the Kalamazoo Region make it easier. The area boasts several workforce training programs that allow local firms to keep their employees at the forefront of new information, methods, skills and techniques.

The Michigan Technical Education Center (M-TEC)

M-TEC at Kalamazoo Valley Community College (KVCC) works with companies and universities to provide training programs that help build a stronger workforce for the community. In addition to several established programs ranging from manufacturing to information systems technology, the center can help companies create customized training solutions to meet unique requirements.

Michigan Works! in Kalamazoo and St. Joseph Counties

The program connects people who need jobs with companies who need to fill jobs throughout the state. Funded by state and federal governments through the Michigan Department of Labor and Economic Growth, Michigan Works! is a *free* service to both employers and job seekers.

To retain the current workforce, Michigan Works! offers several workforce assistance programs, including Employee Enhancement Training through the Incumbent Worker Program. This program allows companies to spend up to \$3,500 to train each employee, depending on the company's training plan. It is a cost-effective way to help employees gain valuable new skills in order to keep pace with changing strategies and new technology. Past training programs have included computer skills, LEAN manufacturing, ISO and trade apprenticeships.

Kalamazoo County Service Center

Employment services are available locally at Kalamazoo County's Service Center. Here, job seekers and employers can access a wide range of employment and training services through the Michigan Talent Bank, an Internet-based labor exchange. They also receive assistance with recruitment events, interviewing, employee training, workshops, screening applicants, collecting applications and space for small job fairs.

Education for Employment

Selected as one of five exemplary school-to-work transition programs in the nation, and personally recognized in 1994 by President Clinton, Kalamazoo County's Education for Employment program provides today's students with the skills, abilities and knowledge needed to succeed.

Through cooperative efforts with area school systems, Kalamazoo Valley Community College and business and industry, Education for Employment offers courses for students grades K-12 that combine academic classes with hands-on learning and workplace training. These courses allow students to gain the workplace skills and attitudes needed to succeed in today's ever-evolving workplace before graduating from high school.

Michigan's Economic Development Job Training Program

This state program is a major feature of the state's economic development efforts, seeking to ensure that Michigan has the training resources to retain and attract smart businesses and skilled people.

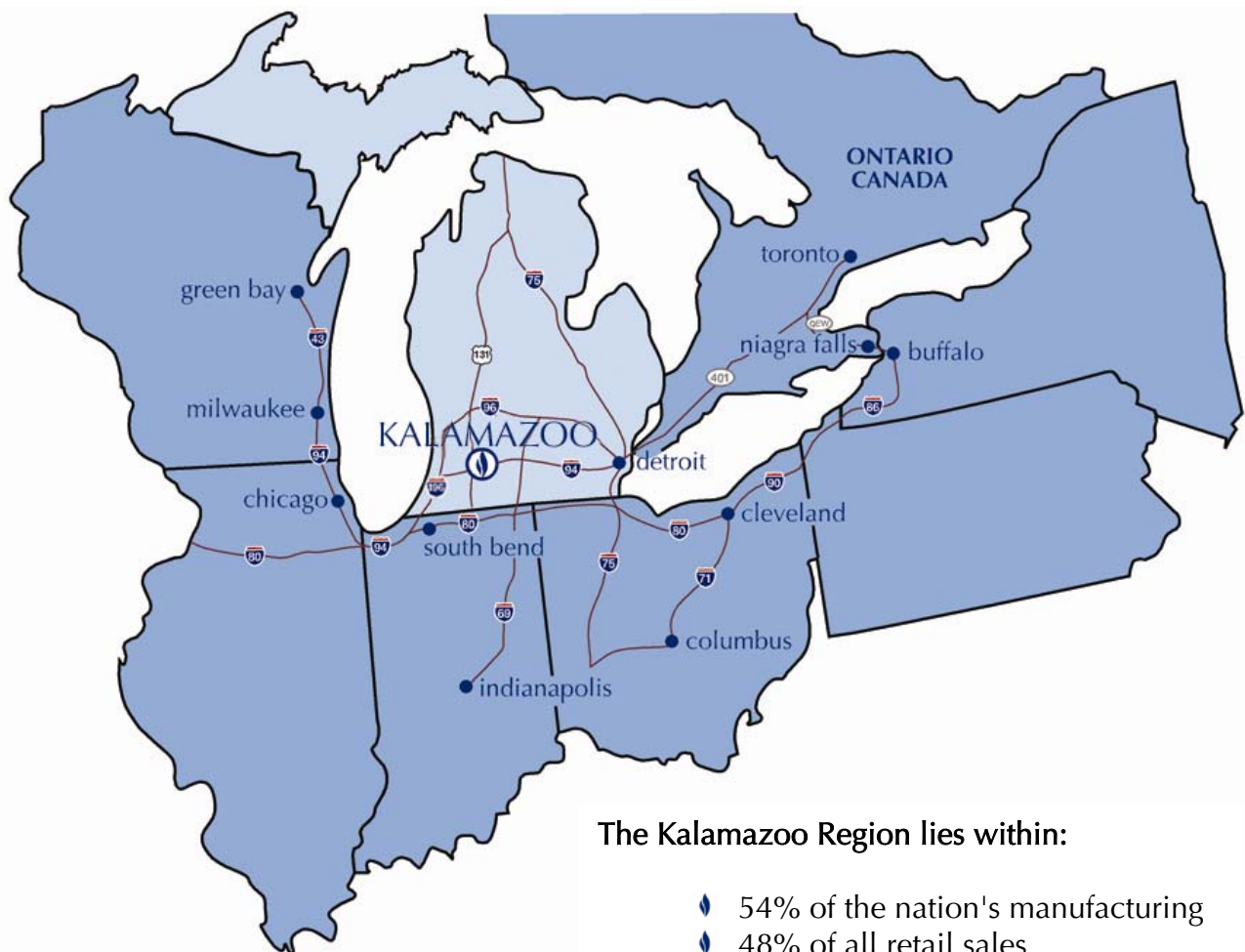
Careers in Manufacturing

Michigan's High-Tech Manufacturing Jobs Web site, "Careers in Manufacturing," is a state-sponsored Web site inviting young people to explore the intellectually demanding jobs available in today's emerging manufacturing industries. The site provides information on well-paid career options unheard of a generation ago. Among these new careers are telematics, small technologies, including nanotechnology, biosciences and manufacturing research in advanced technology vehicles and alternative sources of energy.

GEOGRAPHIC ADVANTAGES AND TRANSPORTATION AVAILABILITY

The Great Lakes region is one of the most geographically unique areas in the world. Like a button on the base of the Michigan mitten, Kalamazoo has a strategically ideal location at the midpoint between two major commercial hubs, Detroit and Chicago. It is approximately 140 miles from either of these major cities.

More than 100 million people live within overnight delivery capability of Kalamazoo. FedEx, FedEx Ground, UPS and DHL offer overnight service from Kalamazoo. What's more, it is possible to reach more than 78% of the population of the United States from Kalamazoo within two days by truck.



Transportation Availability

Interstate 94, U.S. 131 and M-89 serve the city of Kalamazoo. Interstate 80-90 is a short drive to the south. Forty-three truckload and less-than-truckload carriers—including such firms as American Freightways, ABF, ICX, Yellow Roadway, USF and TLC—serve Kalamazoo.

Canadian National (17,500 miles of track) and Norfolk Southern (21,500 miles of track) provide rail freight service from Kalamazoo to all rail-served markets in the nation. *Logistics Today 2003 Atlas of North America* ranked Kalamazoo ahead of Chicago, Indianapolis, Louisville, Memphis and St. Louis in terms of rail access.

Amtrak offers passenger rail service. Trains pass through Kalamazoo several times daily, providing direct service to Ann Arbor, Detroit and Ann Arbor, Michigan; Chicago, Illinois; and Toronto, Canada.

American, Northwest, United and Delta airlines offer service at the Kalamazoo/Battle Creek International Airport. Direct flights connect travelers with Chicago, Cincinnati, Detroit, Minneapolis and Atlanta hub cities.

Proximity to Major Markets

City	Miles	City	Miles	City	Miles
Akron, OH	282	Des Moines, IA	464	Minneapolis, MN	554
Ann Arbor, MI	98	Detroit, MI	140	Nashville, TN	527
Atlanta, GA	773	Fort Wayne, IN	116	Philadelphia, PA	673
Battle Creek	27	Grand Rapids, MI	50	Pittsburgh, PA	375
Boston, MA	860	Harrisburg, PA	573	Richmond, VA	712
Buffalo, NY	408	Indianapolis, IN	244	South Bend, IN	76
Charlotte, NC	758	Kansas City, MO	657	St. Louis, MO	415
Chicago, IL	145	Lansing, MI	75	Toledo, OH	150
Cleveland, OH	259	Louisville, KY	353	Toronto, ONT	377
Columbus, OH	289	Memphis, TN	646	Washington, D.C.	615

Source: MapQuest

SITE AVAILABILITY

There are many site options from which to choose, and Southwest Michigan First will work with your company to find the right fit to maximize savings for training dollars, tax credits and tax abatement. You may review featured sites from across the Kalamazoo Region at www.southwestmichiganfirst.com.

Public Warehousing

The Kalamazoo Region offers nearly four million square feet of available warehouse space as well as eight public warehouses to serve those who wish to contract their warehousing operations. Public warehousing and contract distribution services available through full-service asset-based firms in the Kalamazoo Region include:

- ◆ Dry space
- ◆ Storage
- ◆ Assembly
- ◆ Bar coding
- ◆ Labeling
- ◆ Blending
- ◆ Inventory control
- ◆ Reporting
- ◆ Truckload transportation
- ◆ Pick and pack
- ◆ Analysis and design
- ◆ Electronic data interchange
- ◆ Customized store display
- ◆ Storage of goods requiring freezer, cold or temperature control
- ◆ Cross dock
- ◆ Break bulk
- ◆ Packaging
- ◆ Returns
- ◆ Shrink wrapping
- ◆ Line haul trucking
- ◆ Order entry
- ◆ Import/export
- ◆ Information systems
- ◆ Less-than-truckload transportation
- ◆ Dedicated transportation
- ◆ Freight brokerage

LOCAL INDUSTRY AND SUPPLIER BASE

Kalamazoo is home to a diverse base of industrial employers. In all, more than 400 firms manufacture a wide range of products, including pharmaceuticals, industrial robots, paper, chemicals, medical equipment and plastics. At Pfizer, the area's largest employer, 5,700 local residents work in the company's administrative, research and manufacturing facilities. Stryker Corporation, Eaton Corporation, Borroughs Manufacturing, International Paper and Dana Corporation also call Kalamazoo home.

Kalamazoo County, Michigan—Largest Manufacturers

Pfizer, Inc.	Pharmaceuticals
Stryker Corporation	Medical-surgical and orthopedic equipment
Summit Polymers Inc.	Plastic injection products
Eaton Corporation-TCOA	Global engineering, truck components
Parker Hydraulics Systems Division	Aerospace aircraft parts
American Greetings—Designware	Paper party goods
Benteler Automotive	Automotive supplier
Flowserve Corporation	Gaskets and seals
Checker Motor Corporation	Automotive stamping plant
Graphic Packaging Corporation—Mill Division	Paper mill/folding paperboard
MANN+HUMMEL	Plastic injection products
Dana Corporation	Global engineering, truck components
Eimo Inc.	Plastic injection products
Bowers Manufacturing	Aluminum products
Borroughs Corporation	Office furniture

EDUCATION

Kalamazoo area high schools are committed to preparing young men and women to continue their education or to join the local workforce as productive members of society. Area high schools graduate 82 percent of their students. And more than 88 percent of residents over 25 years of age have at least a high school education.

Education Level	Kalamazoo Average	National Average
High school graduates	82%	80%
Two-year college graduates	80%	76%
Four-year college graduate	21%	17%
PhD Graduates	14%	8.5%

Source: Sperling's Best Places

The Kalamazoo Promise

Each and every Kalamazoo Public School graduate residing in the district and attending Kalamazoo Public Schools for four years or more is given up to 100% funding for college tuition and mandatory fees, depending on his or her length of attendance. The funds can be used at any public university or community college in the State of Michigan. These funds, donated by a group of anonymous citizens interested in economic strength and quality of life in the City of Kalamazoo, are guaranteed indefinitely. Learn more about the Kalamazoo Promise at www.kalamazoopublicschools.com.

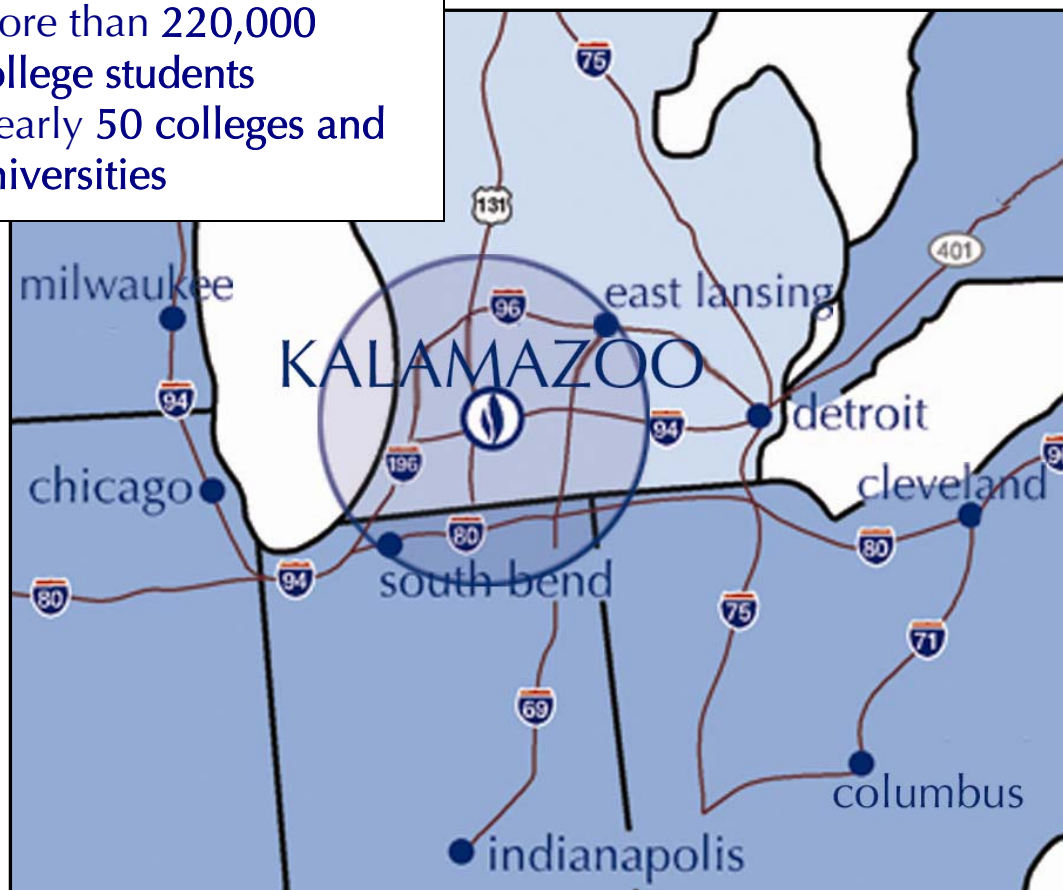
A College Town

The City of Kalamazoo is home to Western Michigan University (WMU), Kalamazoo College and Kalamazoo Valley Community College (KVCC). With 28,000 students, WMU is listed among *U.S. News and World Report's* Top 100 public universities in the nation. A fixture in Kalamazoo since 1833, Kalamazoo College is the oldest private college in Michigan and even though the school caps its enrollment at 1,500, it attracts scholars from 41 states and 22 countries around the globe. In 2002 a *U.S. News and World Report* article ranked Kalamazoo College and its Center for International Programs number one in the nation for study abroad. A leader in quickly responding to market needs with unique educational initiatives, KVCC has nearly 11,000 students enrolled in certificate or associate of applied science degree programs in more than 45 areas of study.

Additionally, there are nearly **50** colleges and universities within a 75 mile radius of Kalamazoo, with a total of more than **220,000 college students** in the region:

Within a 75 mile radius of Kalamazoo:

- ◆ More than 220,000 college students
- ◆ Nearly 50 colleges and universities



SUMMARY

Kalamazoo is a model of education, recreation, culture and community collaboration. Ideally situated midway between Detroit and Chicago—and just a 30 minute drive from the sandy beaches of Lake Michigan—the Kalamazoo area offers great schools, nationally recognized institutions of higher learning, two renowned healthcare systems and a cost of living remarkably low for a city of its size and caliber.

Clearly, Kalamazoo is easy to get to, but convenience is only one factor in the region's fantastic quality of life. The cost of living in Kalamazoo is well below the national average and healthcare costs—even though the care here is among the best in the world—is 10 percent lower than the national average.

The Kalamazoo Promise, an extraordinary free tuition program unequalled for its vision and scope anywhere in the United States, fuels an already excellent public school system and nationally prominent colleges and universities. (See details about The Kalamazoo Promise in the Workforce Training section.)

For More Information

This document is intended as a broad overview highlighting factors of interest to those evaluating sites for call centers. To learn more about our history, personality and remarkable quality of life, we urge you to visit www.southwestmichiganfirst.com.