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A Rebound Takes Root in Michigan, but Voters' Gloom Is Hard to Shake

By JONATHAN WEISMAN SEPT. 12, 2014

GRAND RAPIDS, Mich. — Another blustery Midwestern winter approaches, but along a blue-collar stretch of Leonard Street in this conservative, famously button-down city, an economic springtime has arrived.

The Mitten Brewing Company, less than three years old, has grown to 40 employees from 10, and is expanding across the street with gleaming new fermentation tanks. Next door, Kyle Van Strien and Jon O'Connor have gutted an 1890s dry-goods store to build Long Road Distillers. Down the block, A-1 Small Engine Repair is stirring with traffic at last, said Randy Wodarek, a co-owner, after years of “a lot of peanut butter and jelly, for sure.”

Yet the economic recovery taking root in Michigan — among the states hit hardest by the 2008 recession — has not translated into an improved political environment for officials in either party. Gov. Rick Snyder, a Republican and a computer executive who was elected four years ago as an economic Mr. Fix-It, is neck-and-neck with his Democratic challenger. Representative Gary Peters, the Detroit-area Democrat who was handpicked to succeed Senator Carl Levin, who is retiring, is struggling to maintain a lead over his Republican opponent.

The growing set of up arrows among many economic indicators has proved to be more of an abstraction to voters struggling to get by.

Jared Bernstein, a former Obama administration economist now with the liberal Center on Budget and Policy Priorities, said economic growth was up 12 percent since the recession's end, stock prices had doubled and corporate profits were up nearly 50 percent. But median household income, adjusted for inflation, is down 3 percent. Incomes have just started ticking up, but that is because people

are working longer hours, not because of rising wages.

“A lot of political scientists will tell you it’s the trend that matters,” Mr. Bernstein said. “People can take a whole lot of whacking around as long as they feel things are improving. But that’s not how it’s playing out.”

Even as employers in Michigan have added 310,000 jobs and unemployment has dropped to 7.5 percent from 14.2 percent — the best improvement in the country since the recession — voters here seem to view the glass as half empty, largely because of stagnant wages, rising living costs and diminished opportunities.

“I’ll tell you why,” said Jim Chase, a local Teamsters union organizer, over beer and pizza at the Mitten. “Because most of those jobs don’t pay nothing.”

The number of unemployed in Michigan, 357,408, is down from 686,199 in August 2009, and back to the level of March 2008. But people dropping out of the work force account for some of that change. Today, 4.4 million Michiganders have jobs, up from 4.1 million in December 2009, but that number trails the 4.7 million who had jobs in the state in February 2006.

Manufacturing has come back, with payrolls rising to 567,900 this June from 440,600 in June 2009, bringing manufacturing payrolls back to July 2008 levels, but short of the peak of 906,900 in September 1999.

The auto industry has revived, owing largely to the bailout that President Obama pushed and Republicans opposed. But a leaner, more efficient Big Three — General Motors, Ford and Chrysler — may never employ as many in the state as they once did, Mr. Peters said, nor will their suppliers.

“My gut tells me things are getting better,” said Bobby J. Hopewell, the mayor of nearby Kalamazoo, “but there are just too many people out of work.”

For more affluent business owners and executives, robust profits have meant rapidly rising wealth — and some disbelief at all the grumbling.

“People are very negative,” said Heather Johnson of Comstock Park, just north of Grand Rapids, a Republican whose husband’s industrial vacuum equipment business has been “blessed” with recent good fortune. “No matter how good people are doing, they find the few things that are wrong.”

On the lower end, the worst of the desperation has subsided, helped in part by government action. Barbara Grinwis, 63, executive director of Oasis of Hope, a free health clinic on Leonard Street, spends much of her time signing up patients

for Michigan's insurance exchange or expanded Medicaid under the president's health care law. The clinic opened in 2007, and "I remember the first three or four years, seeing people at the end of the exam tables weeping, saying: 'I've lost everything, my house, my job, my wife. I never dreamed I'd be in a free clinic,'" she recalled. "I'm not hearing that anymore."

For the vast middle, however, there is a pervasive gloom. Incomes have stagnated. Many Americans have given up trying to find work.

"My generation is trying to figure out how to buy a house, how to afford that second child. We're not feeling it," said Jon Hoadley, a 31-year-old running as a Democrat for state representative in Kalamazoo.

"If you would've asked me several months ago, I would have expected both the governor and Congressman Peters to be further ahead," said Douglas B. Roberts, director of the Institute for Public Policy and Social Research at Michigan State University. "It doesn't really matter if you're an R or a D. We're just fed up."

That sentiment is playing into races that will ultimately determine control of the Senate in November. A Pew Research Center survey conducted last month found that people's assessment of the availability of jobs had improved, but 56 percent said their family's incomes were falling behind living costs — about where that sentiment was in 2008 — and 45 percent said they had experienced financial hardships like layoffs, inability to pay health care bills, or run-ins with debt-collection agents over the past year.

In Arkansas, where Senator Mark Pryor, a Democrat, has lost a once-healthy lead over Representative Tom Cotton, his Republican challenger, the unemployment rate has fallen to 6.2 percent from a 2011 peak of 8.1 percent. But the number of employed Arkansans, 1.2 million, is lower than at any point in the recession and recovery.

In North Carolina and Louisiana, where two other Senate Democrats are struggling, the numbers are far better, but the fortunes of the incumbent senators are in no way assured. North Carolina's unemployment rate of 11.3 percent in the winter of 2010 is down to 6.5 percent, and the number of employed North Carolinians is above prerecession levels. Louisiana saw its unemployment rate peak at 7.8 percent in the fall of 2010 and drop to 5.4 percent this month. Employment is more than two million, the highest level on record.

Republican governors struggling to be re-elected in Kansas, Pennsylvania,

Wisconsin and Georgia are facing the same economic headwinds, regardless of their party.

A George Washington University poll conducted last month found the economy to be the top issue on voters' minds, with 71 percent saying their personal economic situation was either the same or worse than four years ago.

To Jason Spaulding, co-owner of the thriving Brewery Vivant on the fancier side of Grand Rapids, the pessimism is baffling. Four years ago he took over a funeral home, kept the stained glass of the chapel for his restaurant and set up brewing equipment in stables that once housed horse-drawn hearses.

Business has exceeded expectations. He expects to hit 5,000 barrels a year soon, and spends evenings arguing with relatives that the state owes much to Mr. Obama — to little avail.

“No one wants to give credit for doing good. They just want to talk about the bad,” he said, after a private chat with Mr. Peters. “But slowly things are getting better.”

Correction: September 12, 2014

An earlier version of this article misstated the name, age and location of a brewery in Grand Rapids, Mich. It is the Mitten Brewing Company, not the Mitten Brewery Company. It was established in February 2012, not 18 months ago. The brewery is located on Leonard Street in Grand Rapids, not Leonard Avenue.

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