

Sleeping Bear Gateways Council Seasonal Workforce Housing Study

Final Report

July 21, 2020

Project Overview

The Sleeping Bear Gateways Council works to address the infrastructure needs of the villages and businesses within 60 miles of the Sleeping Bear Dunes National Lakeshore.

One of the unique challenges facing gateway communities in Leelanau and Benzie Counties is the lack of regional housing options for workers, especially during the summer season and autumn shoulder season.

The Gateways Council is developing potential solutions to address the seasonal housing gap. In order to do this effectively, however, the Gateways Council needs a reasonably accurate estimate of the size of the need. The SBGC also needs to identify the business partners willing to work collaboratively to develop solutions.



Principal Research Questions

- What is the demand for seasonal workforce housing in gateway communities?
- Who are the employers with the greatest workforce housing needs?
- What is the response of employers to potential solutions – pros and cons, questions or concerns, overall willingness to participate, etc.?

Research Approach: Who Hires Seasonal Workers?

- According to payroll data collected from the U.S. Bureau of Labor Statistics, employers in several industries – food services and drinking places; retail trade; arts, entertainment and recreation and accommodation – account for 62.4% of the seasonal workforce hiring in Benzie and Leelanau Counties
- These industries are therefore the focus of this study

Industries Hiring At Least 100 Seasonal Workers In Either Leelanau or Benzie Counties, 2019 (March Payroll vs. June-August Average)

Industry/Employer	Seasonal Employment (Full Time Equivalent)			% Of All Seasonal Employment
	Benzie	Leelanau	Combined	
Food services and drinking places (NAISC 722)	333	718	1051	31.8%
Retail trade (NAISC 44-45)	139	222	361	10.9%
Arts, entertainment and recreation (NAISC 71)	168	172	340	10.3%
Accommodation (NAISC 721)	151	160	311	9.4%
Construction (NAISC 23)	108	34	142	4.3%
Crop Production (NAISC 111)	18	108	126	3.8%

**Industries
of
Focus**

Source: Bureau of Labor Statistics, U.S. Department of Labor, Quarterly Wage Report, Q1-Q3, 2019.

Research Approach: Respondents from 62 businesses hiring seasonal employees provided input into our survey. This is a robust sample.

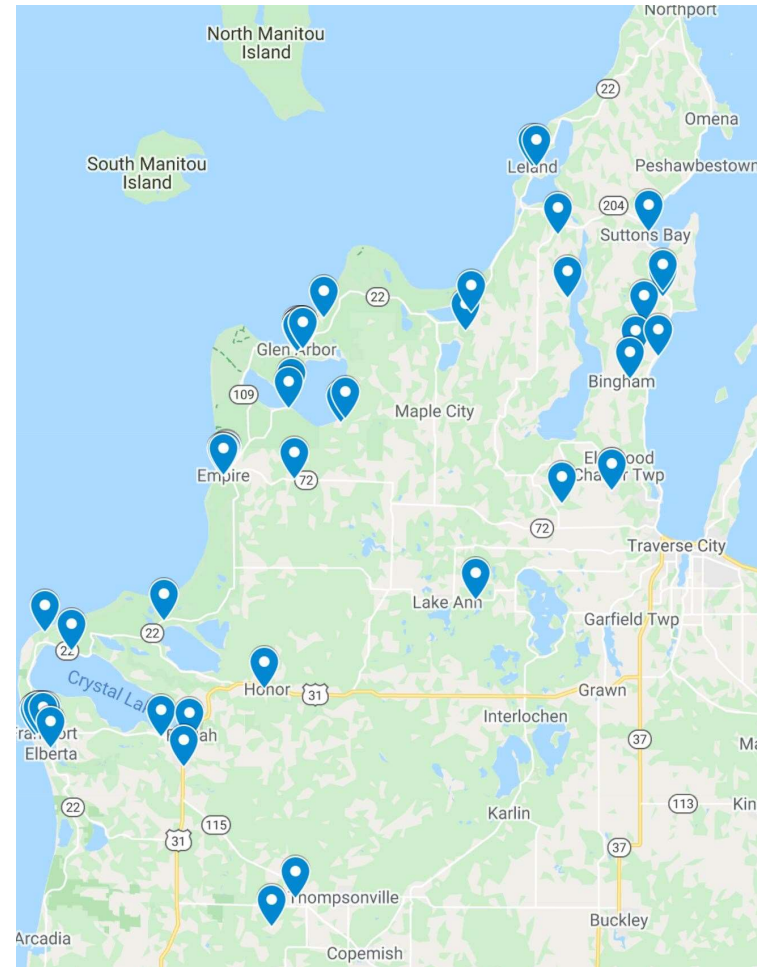
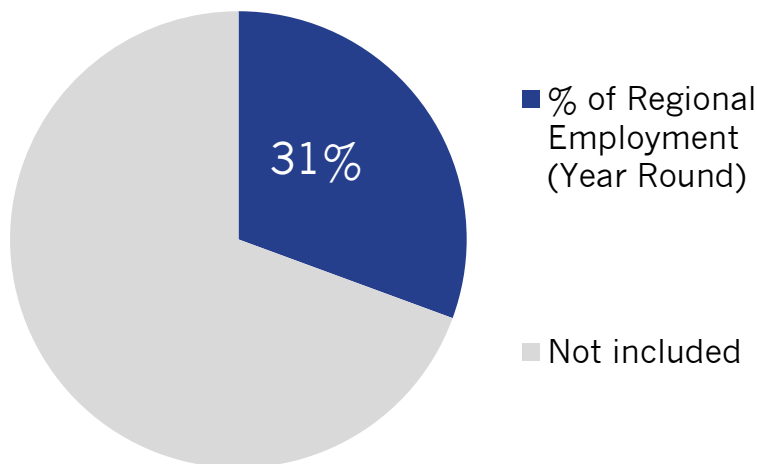
- Business decision makers (owners and managers) contributed input either via telephone interview or online survey
- These business are important year-round employers in the region

Study Participants



Respondents

- Respondents represent 62 businesses in Benzie and Leelanau Counties participated
- Participating businesses employ nearly a third (31%) of year-round employees in hospitality, food service, retail trade and entertainment

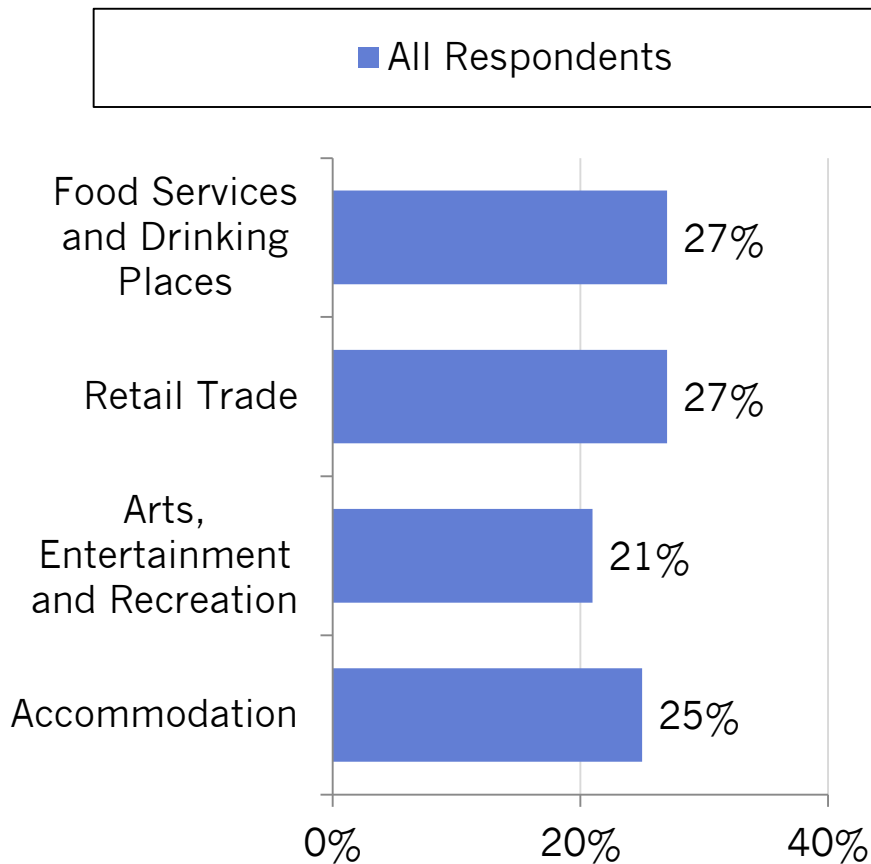


Geographic Distribution of Respondents (July 21, 2020)

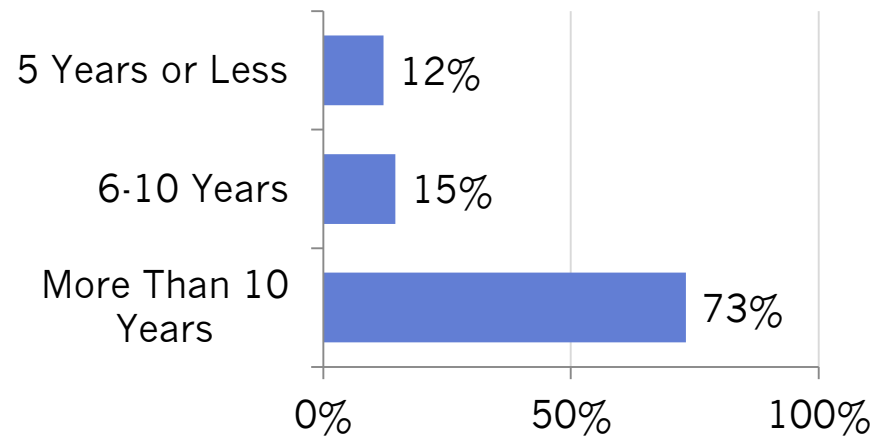
Respondent Profile

- There is a good mix of respondents from all of the business types of interest
- Generally well-established business participated
- A larger percentage of respondents are from Leelanau County

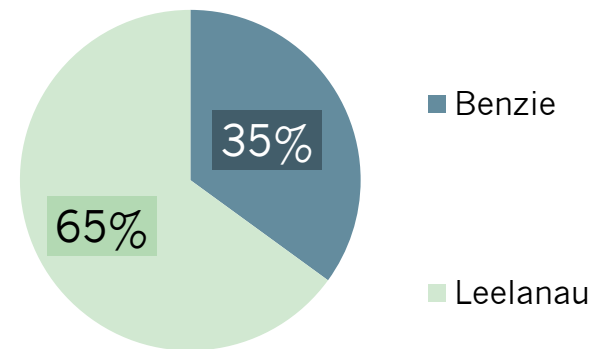
Type of Business



Years in Business



County



When do businesses need seasonal workers?

- For these respondents, the peak need for seasonal employees is between June and August, though many ramp up considerably between May and October
- Some businesses need seasonal workers leading up to Christmas and through the winter months; these are not year-round employees

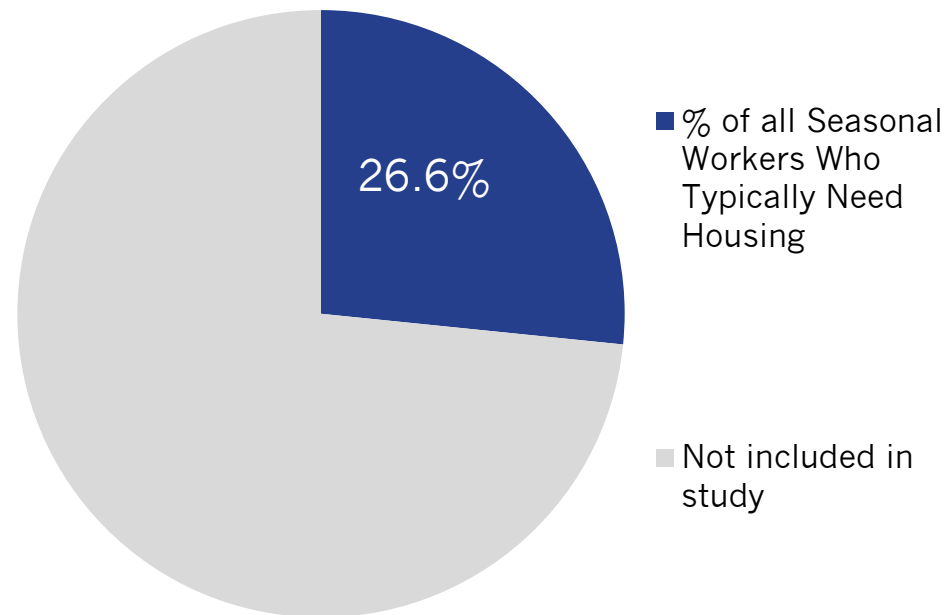
Respondents: Number of Seasonal Workers Hired



How many seasonal workers need housing?

- In response to the question - “How many of these seasonal workers might need seasonal workforce housing? (that is, don’t already have housing when they come to work for you)” – surveyed employers estimate that about 27% of seasonal employees need to secure housing while they are doing seasonal work
- This equates to 377 workers among companies surveyed
- This includes those who find housing on their own and those who end up living in employer-provided housing

Need For Housing For Seasonal Workers (Employer Estimates

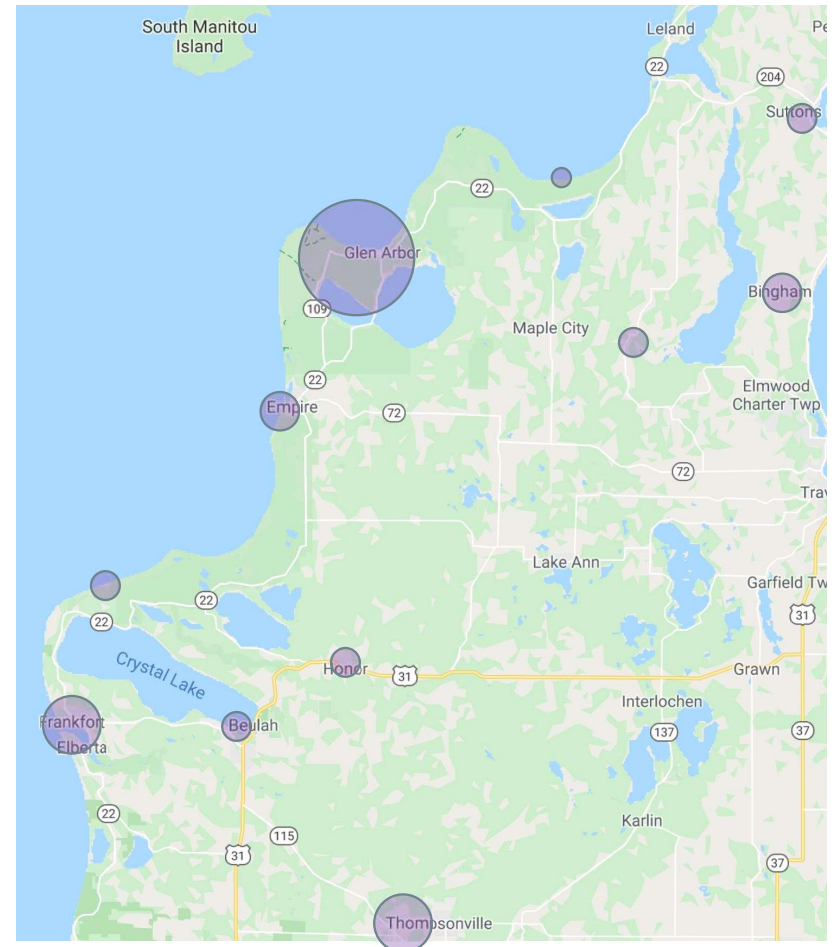


Where do seasonal workers need housing?

- Among survey participants, the 377 seasonal workers who need housing are concentrated in Glen Arbor, Thompsonville and Frankfort/Elberta

Need For Housing For Seasonal Workers

Township/Village	Seasonal Employees Needing Housing*	Extrapolating Based on 31% Share of Employment**
Glen Arbor	226	739
Thompsonville	59	193
Frankfort/Elberta	41	69
Bingham Township	17	65
Empire	11	56
Honor	7	36
Suttons Bay	5	23
Beulah	4	16
Cedar	3	13
Lake Township, Benzie	3	10
Cleveland Township	1	10



* Based on the Question: "How many of these seasonal workers might need seasonal workforce housing? (that is, don't already have housing when they come to work for you)"

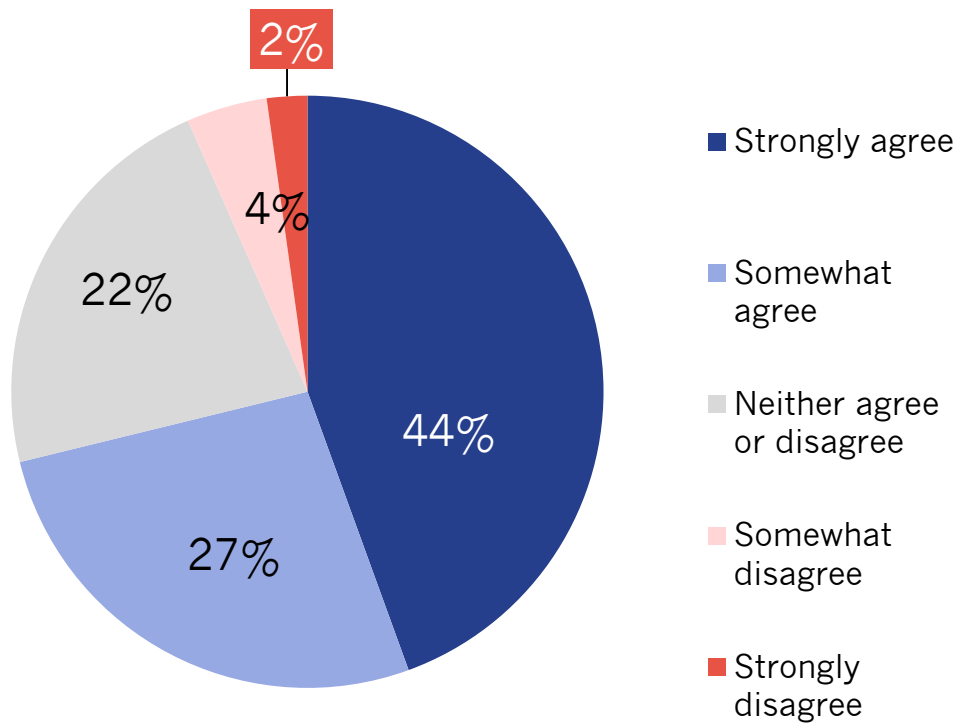
** Based on self-reported data, respondents represent 31% of all employment in the 4 business sectors of interest

Finding enough housing for seasonal workers is a widespread issue among these businesses.

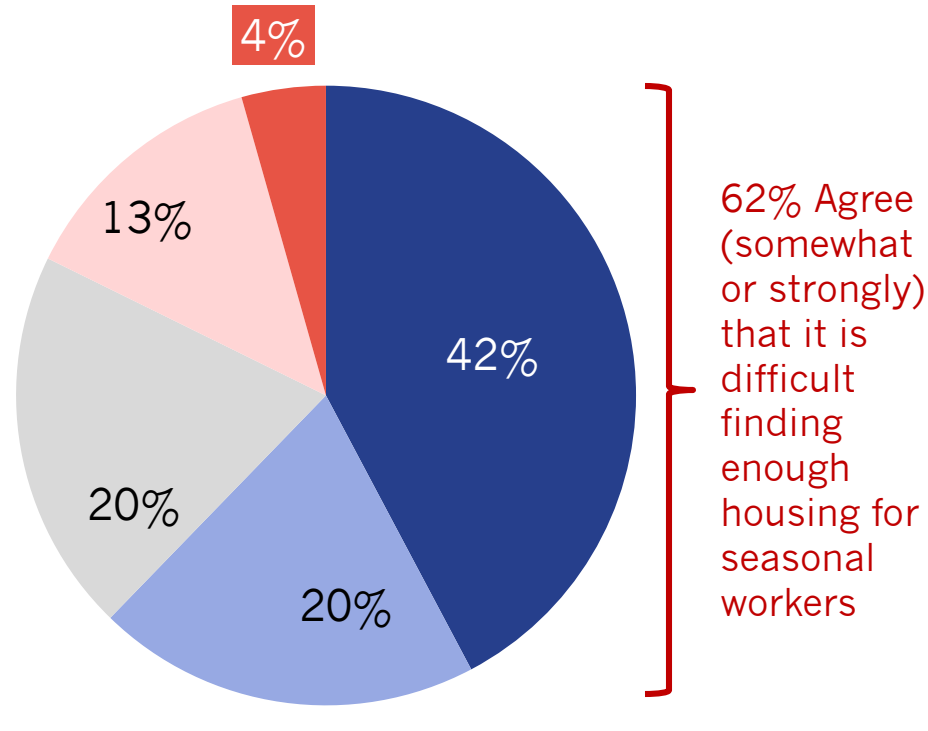
- More than 60% of respondents agree finding housing for seasonal workers that is difficult; and nearly half (42%) strongly agree this is difficult

Difficulty Re: Seasonal Workforce

It Is Difficult Finding Enough Employees To Meet Seasonal Needs



It Is Difficult Finding Enough Housing For Seasonal Workers



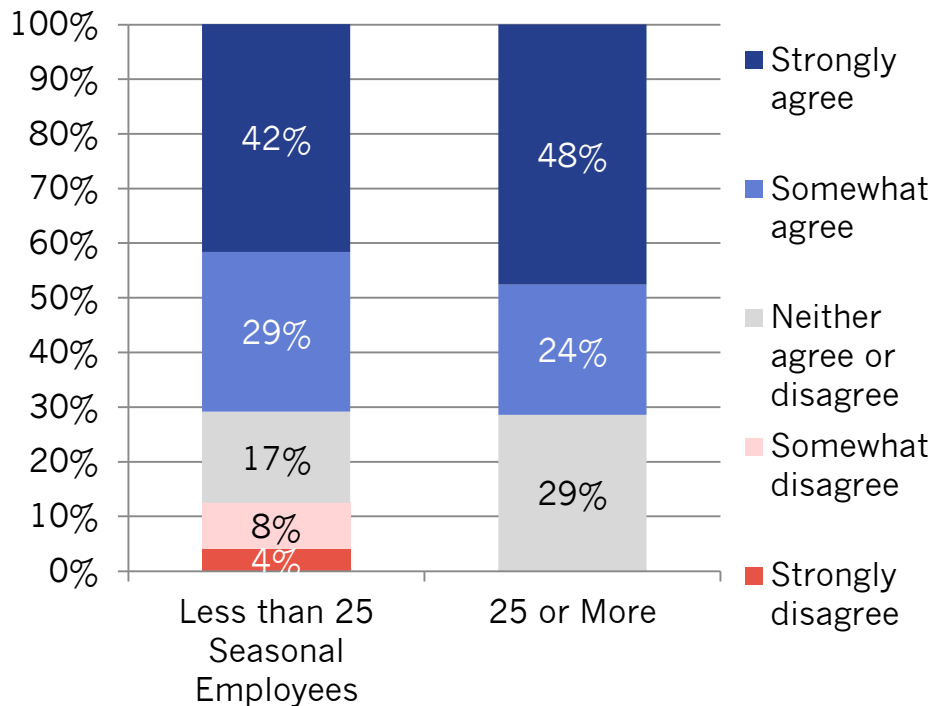
Questions: Do you agree or disagree with the following statements? It is difficult to find enough employees to meet my seasonal workforce needs. AND It is difficult to find enough housing for my seasonal workers

Both employers who hire a large number of seasonal employees (25+) and smaller seasonal employers find it equally difficult to find enough employees to meet seasonal needs.

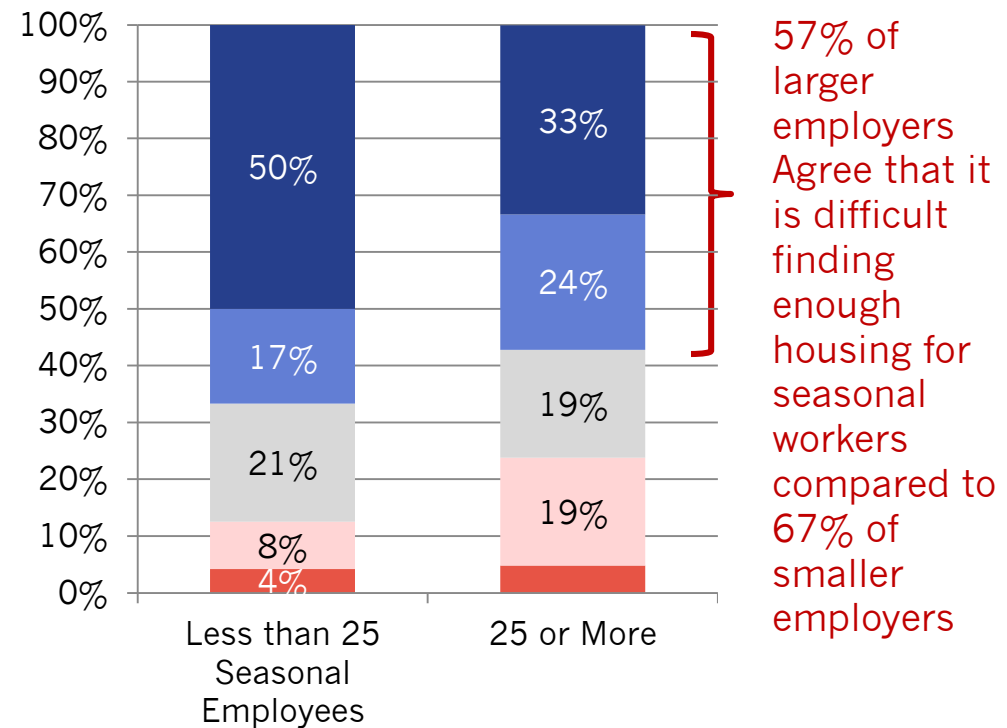
- Larger employers are marginally less likely to have difficulty finding housing for seasonal employees, in part potentially because many have already invested in solutions
- The majority, regardless of size, believe it is “difficult” finding housing for seasonal workers

Difficulty Re: Seasonal Workforce:
Larger Seasonal Employers (25+ Seasonal Workers) vs. Smaller (<25)

It Is Difficult Finding Enough Employees To Meet Seasonal Needs



It Is Difficult Finding Enough Housing For Seasonal Workers

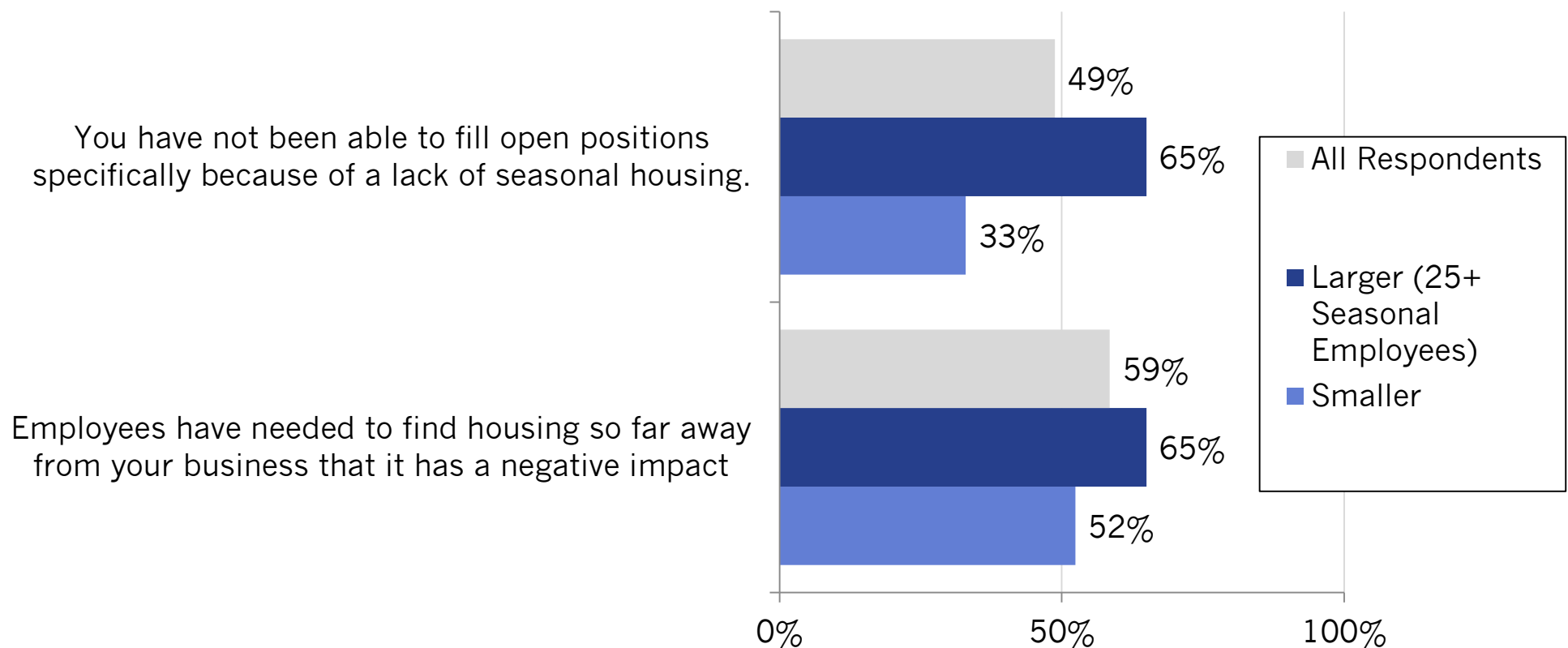


Questions: Do you agree or disagree with the following statements? It is difficult to find enough employees to meet my seasonal workforce needs. AND It is difficult to find enough housing for my seasonal workers

Many gateway communities employers face significant consequences when seasonal employees are not able to find housing.

- Larger employers in particular have challenges
 - Nearly two-thirds (65%) of large employers (25+ Seasonal Employees) have been unable to fill open positions or have seen negative business impacts from employees needing to drive from far away where housing is available

Impacts of Seasonal Housing Scarcity on Businesses



Question: Have any of the following situations applied to you in the past? Please respond with a Yes or No

Lack of seasonal housing affects prospective workers, the businesses who want to employ them and the visitor experience. But business leaders are open to solutions.

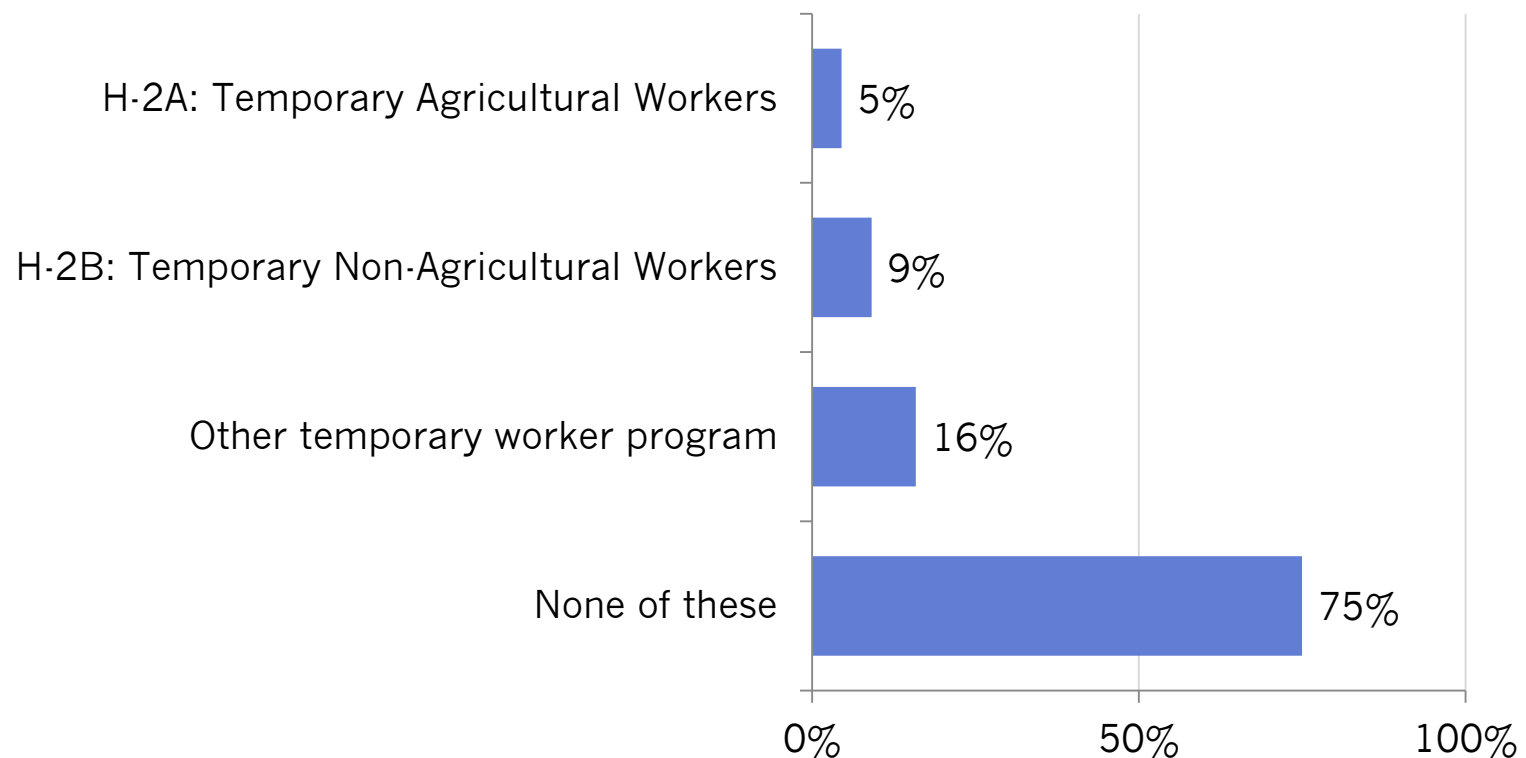
Question: (optional) Feel free to explain your answers to the previous question Why did you agree or disagree with these statements?

- **Overall scarcity of options across many types of employees**
 - *“The challenge is that unless you have a connection (family with second home, etc.) it is difficult to hire enough staff because they don't have a guaranteed place to live.”*
 - *“Due to the current way things are, I do not seek out folks unless they have a permanent residence here.”*
 - *“Even well-paid full-time workers have a difficult time finding affordable housing.”*
 - *“What housing is available is so damn expensive that I can't pay them enough! They wind up way out in the boonies, which now means they need to have transportation. Some can't afford to drive and some are legally prohibited from driving.”*
- **Lack of housing puts businesses in a crunch and impacts the visitor experience**
 - *“I aim for 80 employees and settle for 40 who then work double shifts much of the time.”*
 - *“This truly is the challenge of today. There have been past years where I've had my pick from multiple people applying and in today's world, I hire anybody that walks in the door and hope it works out.” [implication is lower quality employees with housing is a driver]*
- **Businesses see the potential to develop solutions**
 - *“Employers must get creative and work to address these issues and it is proven it can be done.”*
 - *“Seasonal help was more of a problem in the past. It's less of a problem now because it had to be addressed by those it affected. Most business owners came up with solutions at this point in time.”*
 - *“We are a small restaurant, and we struggle to find kitchen staff. I think offering a job + room could help attract people out this way.”*

Some employers have solved their seasonal workforce needs by participating in guest worker programs

- Those using H-2A workers are wineries, those using H-2B workers are hotels and resorts; the “other” temporary worker programs are the J-1 (visiting student) program, interns and workampers
- All of these (aside from workampers) typically require a housing program

Use of Guest Worker Programs

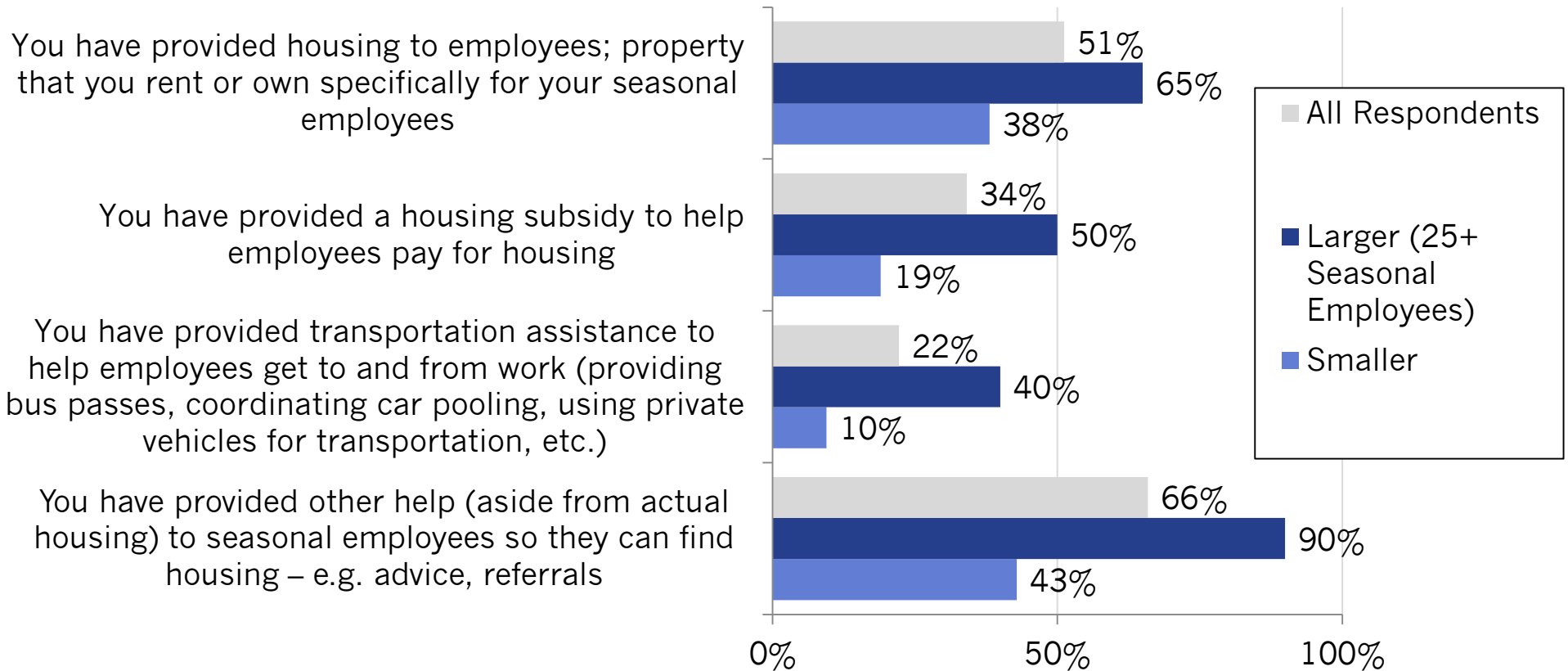


Question: In a “typical good year” are you likely to use any of these programs for THIS BUSINESS, either through direct application or through a 3rd party contractor? Please select all that apply.

These gateway community employers frequently expend time and resources to help seasonal employees with housing and related transportation needs.

- Nearly all (90%) of larger employers have provided some form of help to seasonal employees in finding housing and 65% have actually provided housing
- When employers provided information on spending, they spend an average of \$2,500 per seasonal employee for those that they house

Employer Actions Re: Seasonal Workforce Housing

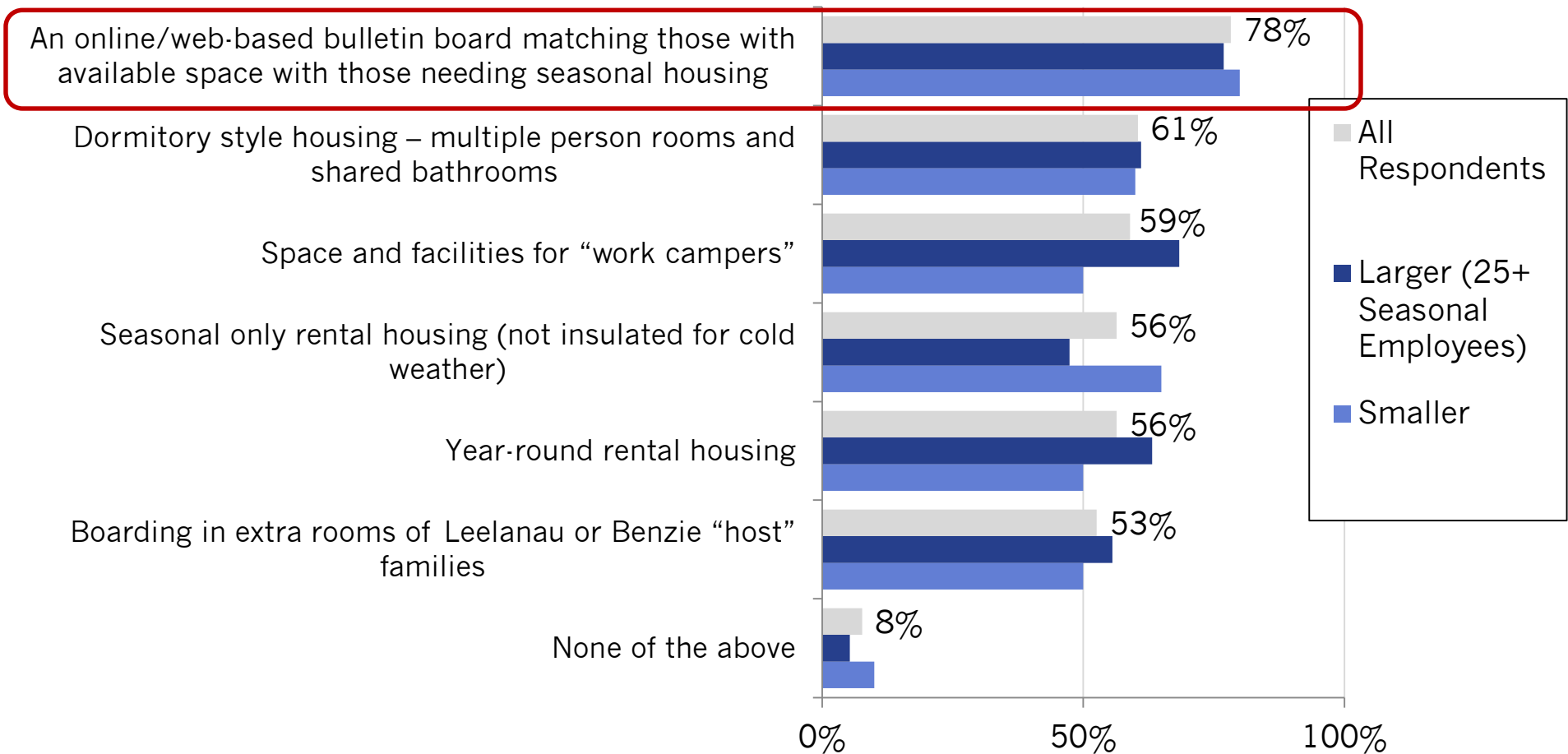


Question: Have any of the following situations applied to you in the past? Please respond with a Yes or No

There are significant numbers of respondents who think any one of these solutions might work for their employees.

- An online/web-based bulleting board is the solution that is most widely supported but many others have significant support

Reactions to Potential Solutions

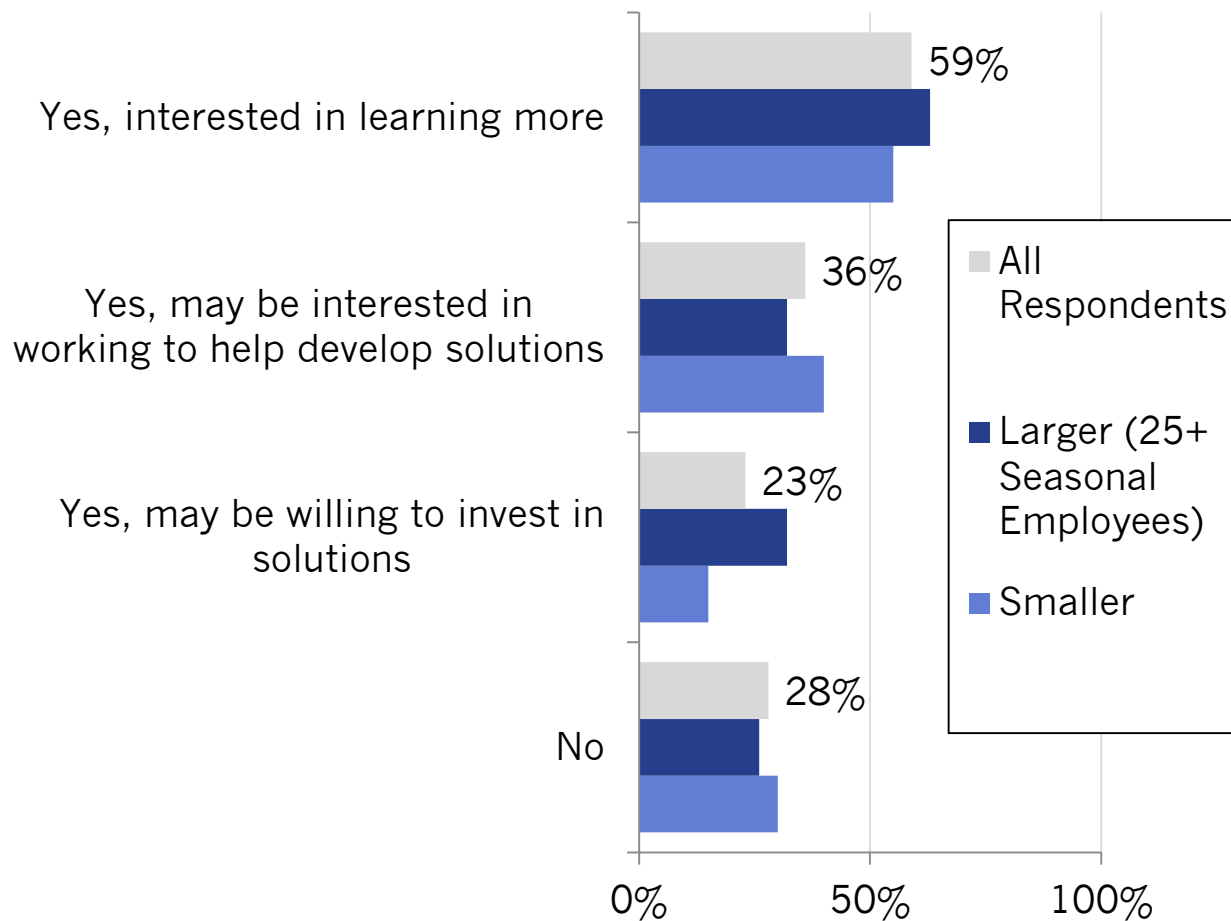


Question: Which of the following types of solutions do you think might work for your seasonal employees?

The majority of these respondents are at least interested in learning more about the efforts of the SBGC

- Many are willing to pitch in and/or invest already

Willingness to Partner



Questions: *Would your business be interested in learning more about or actively participating in these efforts? Please select all that apply*

Addressing housing gaps may require addressing regional transportation needs as well.

Question: *Do you have any additional thoughts what's needed in terms of regional transportation solutions?*

- **Regional transit operators are already providing support to businesses**
 - *“Even though our housing is fairly close and somewhat walkable, we do use Benzie Bus as a daily transportation option.”*
 - *“Internationals really don't have access to vehicles...so we have tried to find places along BATA lines.”*
- **Potential changes**
 - *“Hours of Benzie Bus could be expanded to suit our employees schedule. Could employers help subsidize a portion of that cost to attract employees who need public transportation?”*
 - *“With [our business] being on the southern edge of Leelanau County and a large proportion of the workers living in Benzie, an inter-county transportation system would be beneficial!”*
- **It may be possible to cooperate to keep cars off congested roads and streets**
 - *“I think that there are some park properties around that the park services owns that are on the outskirts of these business communities. I would look at a partnership where you could put parking close to trailheads where employees could bike into work. Or consider park and ride solution where bus drops off at a central location and employees could walk or bike to work. Having these different work pods where you could create a public-private partnership to write grants to hire busing with BATA or similar. Could be anything but cars: e-bikes, bikes, scooters, golf carts.”*
 - *“Ride share/car pooling from same locations to same job sites.”*

Key Takeaways and Implications

- The businesses who hire the most seasonal workers in the warmer months tend to be restaurants, retail stores, entertainment companies and venues (e.g. golf courses, canoe liveries) and hotels/resorts.
- There is a considerable need for seasonal workforce housing in the gateway communities of Leelanau and Benzie Counties, especially in Glen Arbor, Thompsonville and Frankfort/Elberta and especially between May and October.
- The lack of housing causes negative impacts on businesses and on the customer experience for visitors and other customers, including local residents.
- Many businesses have invested time and money trying to address the difficulty their seasonal workers have finding housing. Those who are investing business resources are spending an average of \$2,500 per employee on housing solutions.
- There is a considerable appetite to learn more and/or to actively work with the Sleeping Bear Gateways Council developing solutions – from an online message board to actively building or refurbishing new housing units.
- This is a clear opportunity for the SBGC to address a significant challenge facing these gateway communities.

Thank You!

