

Annual Planning Information and Workforce Analysis Reports: Upper Peninsula

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

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Dear Partner:

Welcome to the 2016 Annual Planning Information and Workforce Analysis Reports. As you know, the Workforce Innovation and Opportunity Act (WIOA) requires that each local board develop and submit a comprehensive plan, showing “an analysis of the regional economic conditions.” Like you, we have been studying the legislation and have put together the following information to help you with your plans.

Included, you will find two products:

- Annual Planning Information – Over 30 tables of economic, demographic, and labor market information, each specifically tied back to WIOA so you have the right information in the right place.
- Workforce Analysis – A narrative analysis for your region of some of the most important information, complete with references to the relevant tables in the Annual Planning Information tables.

We hope that these reports will be a strong resource in the development of your regional and local plans. Please let us know if we can be of any assistance or if you require any additional information or insights.

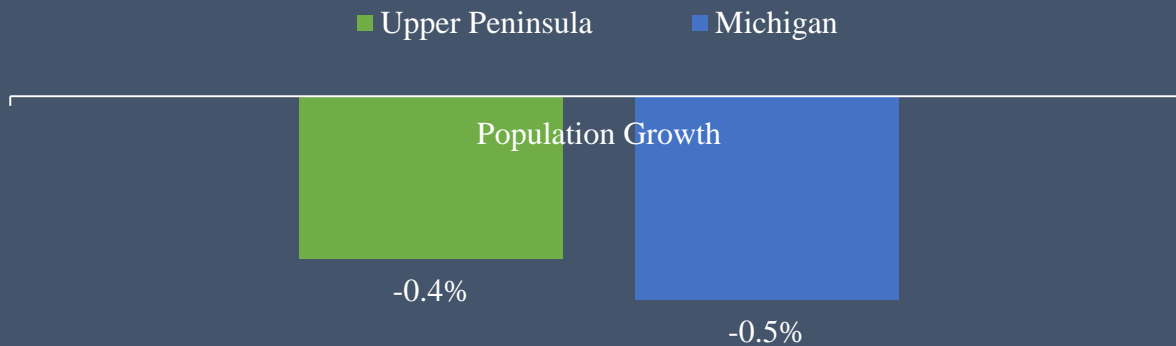
Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional Population Was Virtually Flat Since 2010.

Population Change (2009-2015)

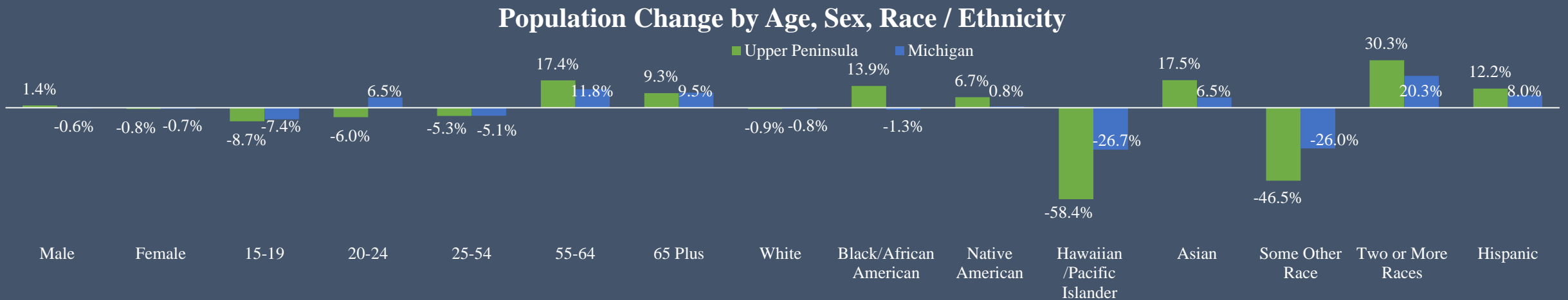


Source: U.S. Bureau of the Census, Annual Population Estimates

- Recent population estimates from the U.S. Census Bureau indicate that the population of the Upper Peninsula Prosperity Alliance remained virtually unchanged, edging down by 1,200, from 306,900 in 2009 to 305,700 in 2015. **(Table 1)**
- In 2015, the state population was still 47,000 below the 2009 level, despite minor gains recorded since 2013. Nationwide, the population rose by 4.7 percent over this period. **(Table 1)**
- Five of fifteen counties of the Upper Peninsula recorded population gains between 2009 and 2015, ranging from 50 in Schoolcraft to 1,500 in Marquette. The population in Houghton was up 1,000. Population reductions in the UP extended from -50 in Baraga to -900 in Dickinson. Most of the population loss in the Upper Peninsula was due to domestic out-migration to other areas of the state. **(Table 1)**

The Population in the Upper Peninsula Is Getting Older.

- Between 2009 and 2014, the population in all age categories 54 and younger reduced in the Upper Peninsula. This is in contrast to the statewide population trend which recorded a growth of 6.5 percent in the number of young adults (20 to 24 years of age) over this period. On the other hand, older generations expanded faster in the Upper Peninsula than statewide. In fact, the population in the age group of 55 to 64 expanded by 7,000 (or +17.4 percent) in the UP (11.8 percent statewide). Additionally, individuals aged 65 years or older increased by 5,000 (or +9.3 percent, similar to the state's rate of 9.5 percent) in the UP, over the period. **(Table 2)**
- The recent population estimates showed an expansion of the male population in the UP (+2,200 or +1.4 percent) between 2005 and 2014, while the female population reduced. This could be partially explained by the presence of major state prisons for men in the area. The White population was still a majority in the region (89.5 percent) but recorded a 1 percent decline (or -2,600) between 2009 and 2014. All other racial/ethnic groups were very small in the UP but have recorded population growth over the period, with the exception of Hawaiian and Pacific Islanders and people classified in Some Other Race. **(Table 2)**

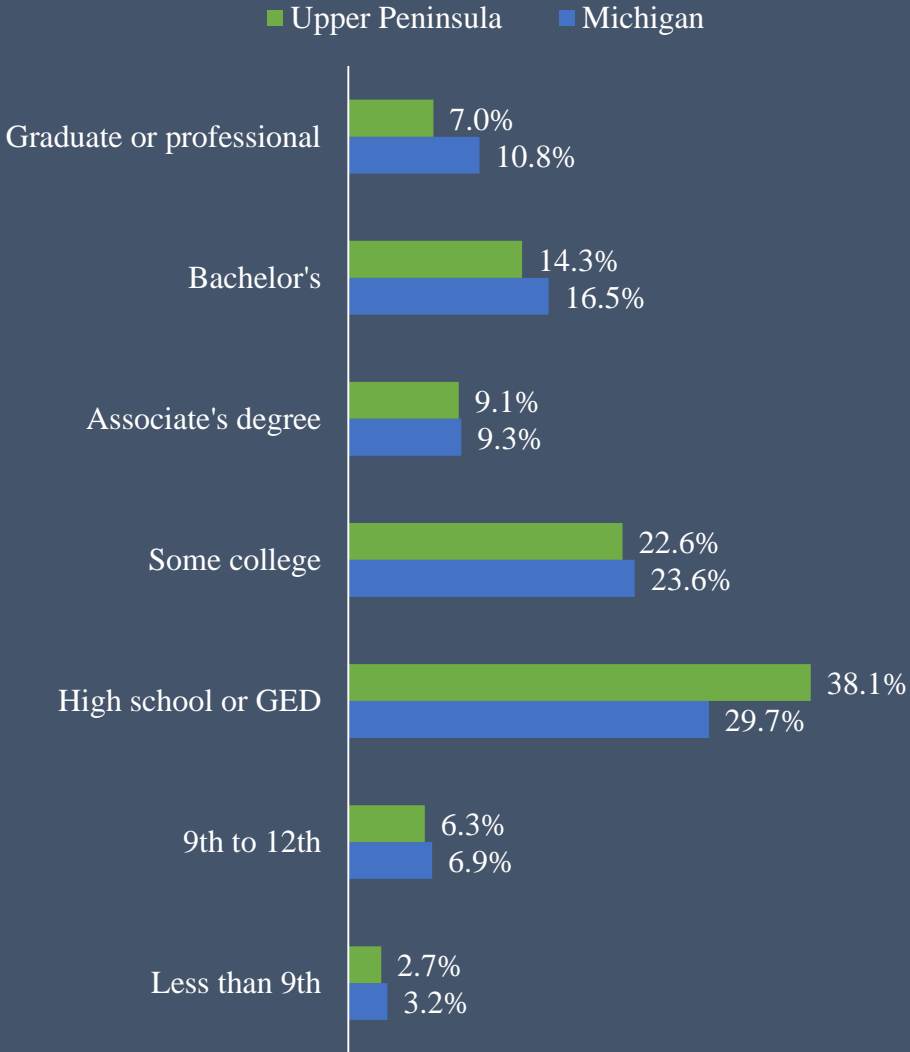


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Region's Educational Attainment Lower than State Average.

- A region's educational attainment is based on the number of residents 25 and older with various education. Based on 2014 5-year population estimates, Michigan's Upper Peninsula counted about 217,400 residents aged 25 or older; among them, 82,800 or 38 percent held a high school diploma or equivalent, higher than the 30 percent statewide. **(Table 4)**
- On par with the state average were the shares of the 25 and older population with *Some college* (22.6 versus 23.6 percent statewide) and those with an *Associate's degree* (9.1 versus 9.3 percent).
- On the other hand, the UP had a below-state-average share of individuals 25 years or older with a *Bachelor's degree* or with a *Graduate or professional degree*. **(Table 4)**

Educational Attainment

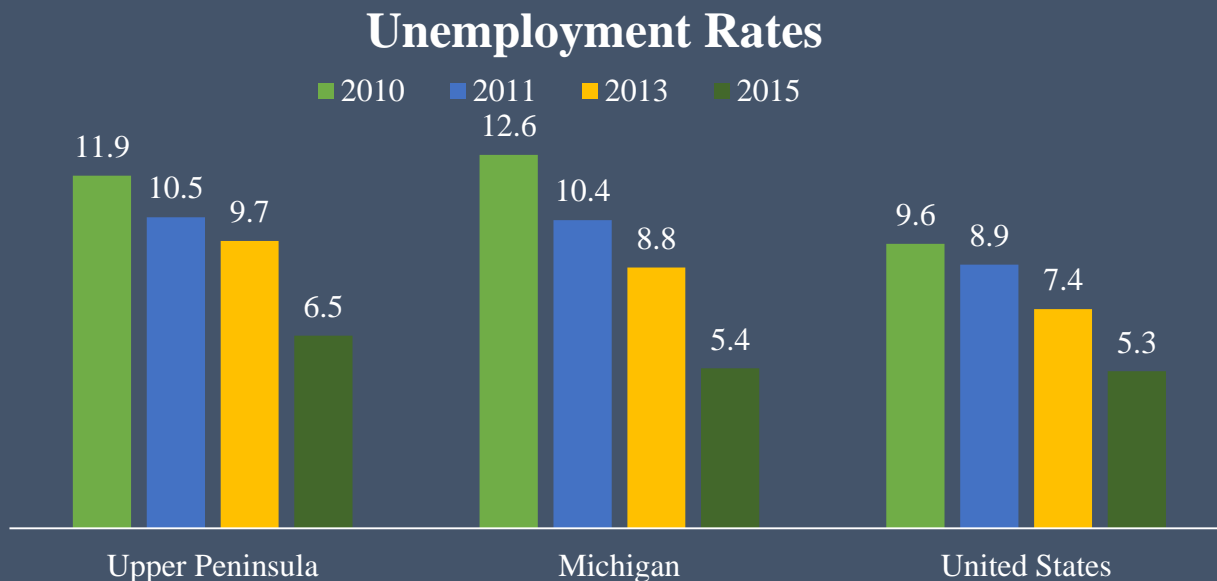


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8

Jobless Rates and Unemployment Drop Considerably Since 2010, but Labor Force Remains Below the 2010 Level, and Employment Is Flat.



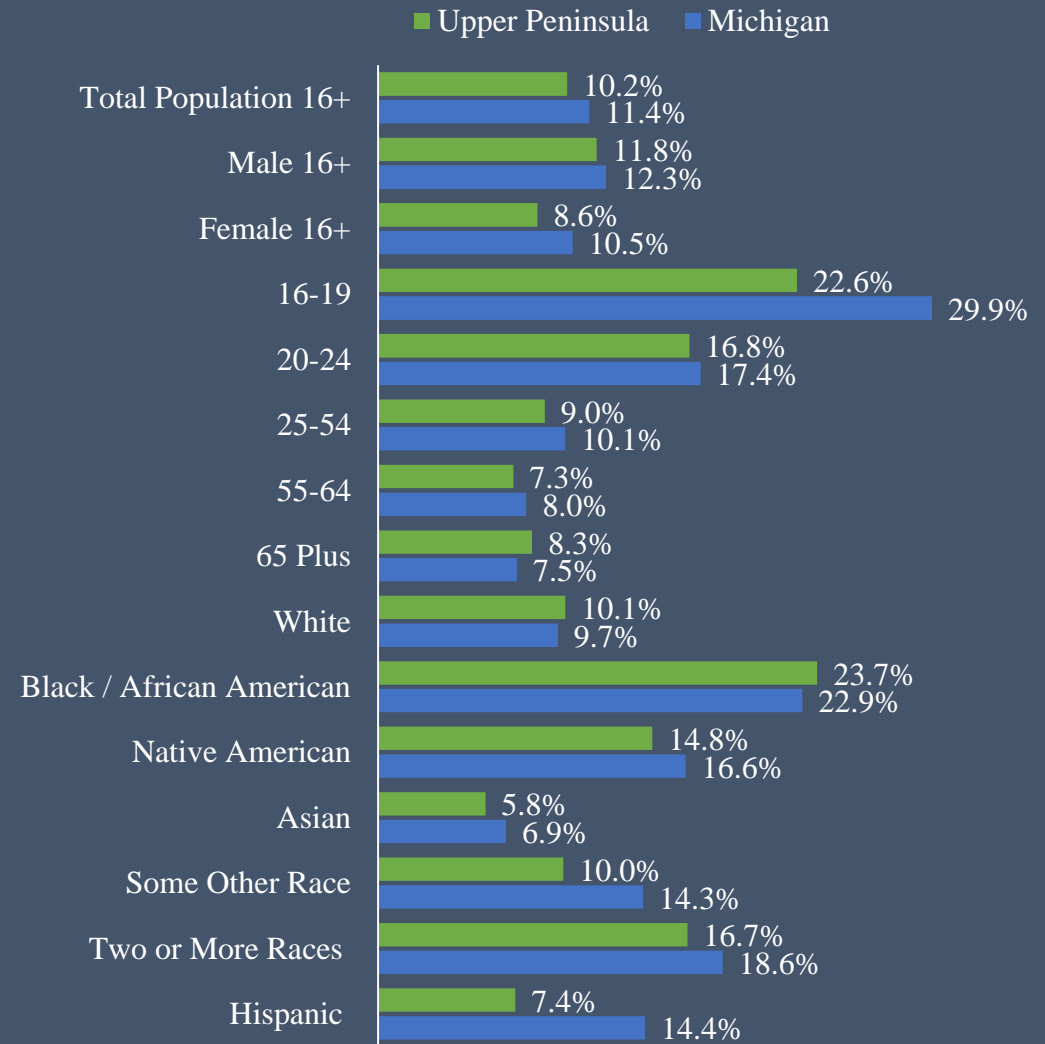
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The unemployment rate in the Upper Peninsula followed the trend in state and national rates, dropping by 5.4 percentage points between 2010 and 2015. Over that period, the number of unemployed individuals in the UP plunged by 8,600 or 48 percent, from 18,800 in 2010 to 9,200 in 2015. **(Tables 7 and 13)**
- The labor force in the Upper Peninsula has declined since the end of the Great Recession. Regional workforce levels dropped by 7,600 (or -5.0 percent), from 150,000 in 2010 to 142,400 in 2015; this contrasts with the statewide labor force trend which has steadily increased since 2011 (although in 2015, still below the 2010 levels). **(Table 5)**
- In the UP, employment inched up by eight tenths of a percent (or +1,100) from 132,100 in 2010 to 133,200 in 2015, considerably below the statewide employment growth of 7.1 percentage points. **(Table 6)**

Regional Jobless Rates Elevated for Youth and Young Adults.

- Over the five-year period of 2010-14, the U.S. Census Bureau estimates there were slightly more male than female participants in the Upper Peninsula. However, men experienced a higher unemployment rate by about 3.2 percentage points. **(Table 8)**
- During recessions, some of the jobs traditionally held by youth and young adults (16-24 years old) get taken by adults (25+ years old) who cannot find employment elsewhere. As a result, youth and young adults experience higher jobless rates. **(Table 8)**
- In general, the Upper Peninsula displays unemployment rates that are lower than statewide averages for almost all age groups, gender, and race/ethnic groups, with the exceptions of the 65 plus age group and of Whites and Blacks. **(Table 8)**

Unemployment Rates by Sex, Age, and Race / Ethnicity



Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

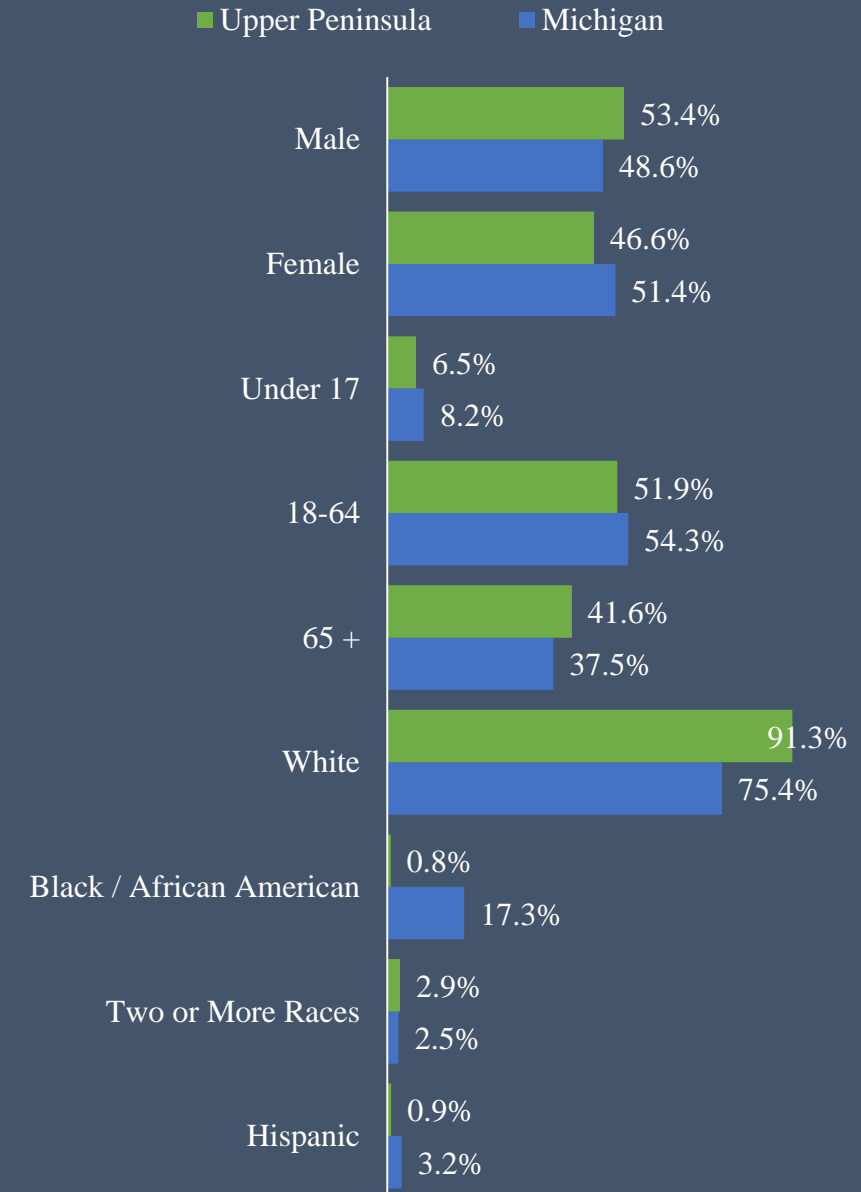
Individuals with Barriers to Employment

Tables 28-37

Individuals with a Disability See Higher Jobless Rates and Lower Labor Force Participation.

- Based on the 2014 estimates from the U.S. Census Bureau, 48,000 of 310,200 people in the Upper Peninsula had a disability. About 42 percent of these individuals (20,000) were 65 + years of age, and 52 percent (24,900) were aged 18 to 64. The racial distribution of individuals with a disability mimicked the distribution of the general population with a majority of Whites (91 percent). All other racial/ethnic groups were minimal. **(Tables 28 and 29)**
- Two labor market metrics highlight the challenges faced by people with disabilities in the statewide labor market: labor force participation rates and unemployment rates. At just 21 percent, participation among individuals with disabilities is lower than that for those with no disability (67 percent). When active in the labor market, individuals with disabilities face higher joblessness, with unemployment rates measuring 13.5 percent, nearly double the 7.0 percent reported for those with no disability. **(Unified State Plan)**

Individuals with A Disability

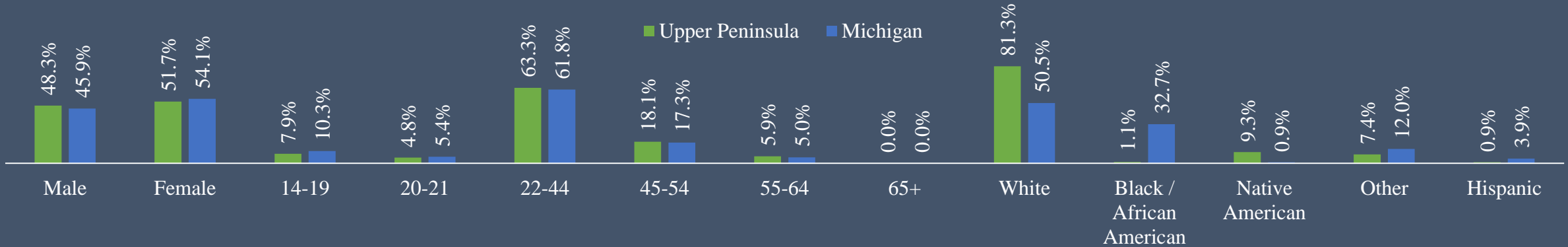


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare Registrants Concentrated in the Working Age and White Demographics.

- The Department of Health and Human Services counted about 13,600 welfare registrants in the Upper Peninsula as of December 2014. **(Table 30)**
- The majority of the registrants were in the prime working age of 22 to 54 (about 81 percent). Over seven percent were in the 16-19 age group. **(Table 31)**
- A little over 81 percent of the registrants were White and 9 percent were Native American, reflecting the predominance of the White population (89 percent of total population). Also, of the 55,000 Native Americans that were tallied in the state in 2014, almost a quarter of them (a little over 12,000) lived in the Upper Peninsula. **(Table 31)**

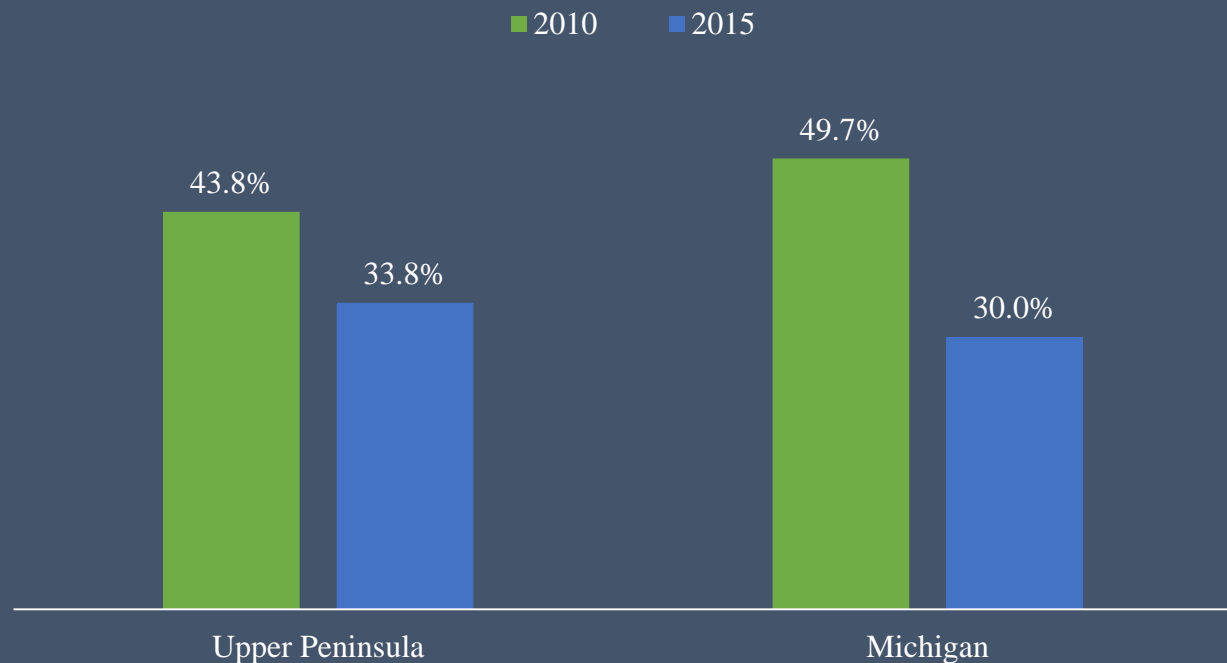
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

Long-Term Joblessness Remains an Issue in Michigan and in the Upper Peninsula.

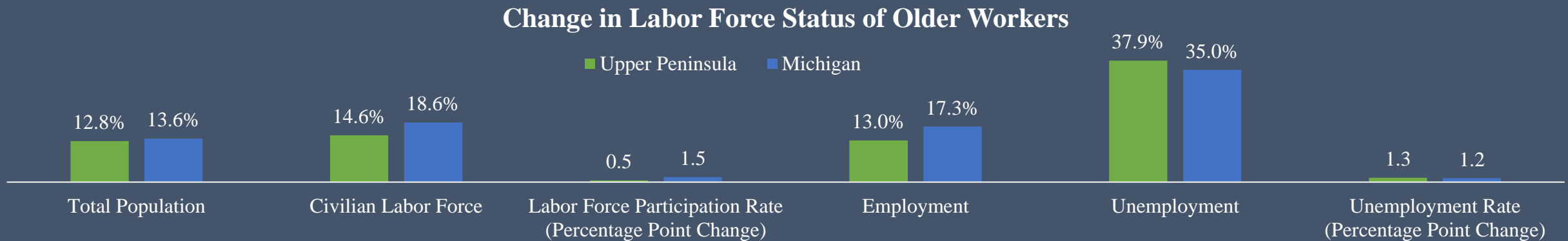
Long-Term Unemployed / Total Unemployed



- Long-term unemployment remains an issue in Michigan and in the Upper Peninsula, as the number and share of those out of work for 27 weeks or more has remained stubbornly high despite the labor market recovery.
- In 2000, the share of long-term unemployed in the total number of unemployed was around 3.5 percent in Michigan. It then escalated to nearly 25 percent by 2003 and swelled to around 50 percent following the Great Recession. The share was about 30 percent in 2015. **(Table 35)**
- The number of long-term unemployed individuals in the Upper Peninsula has followed the statewide trend. In 2010, 7,800 individuals or 43.8 percent of all unemployed individuals were long-term. Long-term unemployment has recovered somewhat, falling to about 3,300 or 33.8 percent in 2015. **(Table 35)**

Older Workers Staying in the Labor Market Longer in Michigan and the Upper Peninsula.

- The number of older workers, defined as those 55 years of age and older, staying active in the labor market has been on the rise, particularly after the 2009 financial crisis that depleted some retirement investments. **(Table 36)**
- In the Upper Peninsula, the labor force participation rate of this group during 2010-14 was estimated at 29.3 percent, about a half percentage point above the rate during the 2005-09 timeframe. The number of individuals in this group that were in the labor force (employed or looking for jobs) rose by 15 percent in the Upper Peninsula (or +3,900), lower than 19 percent statewide over this period. **(Table 36)**

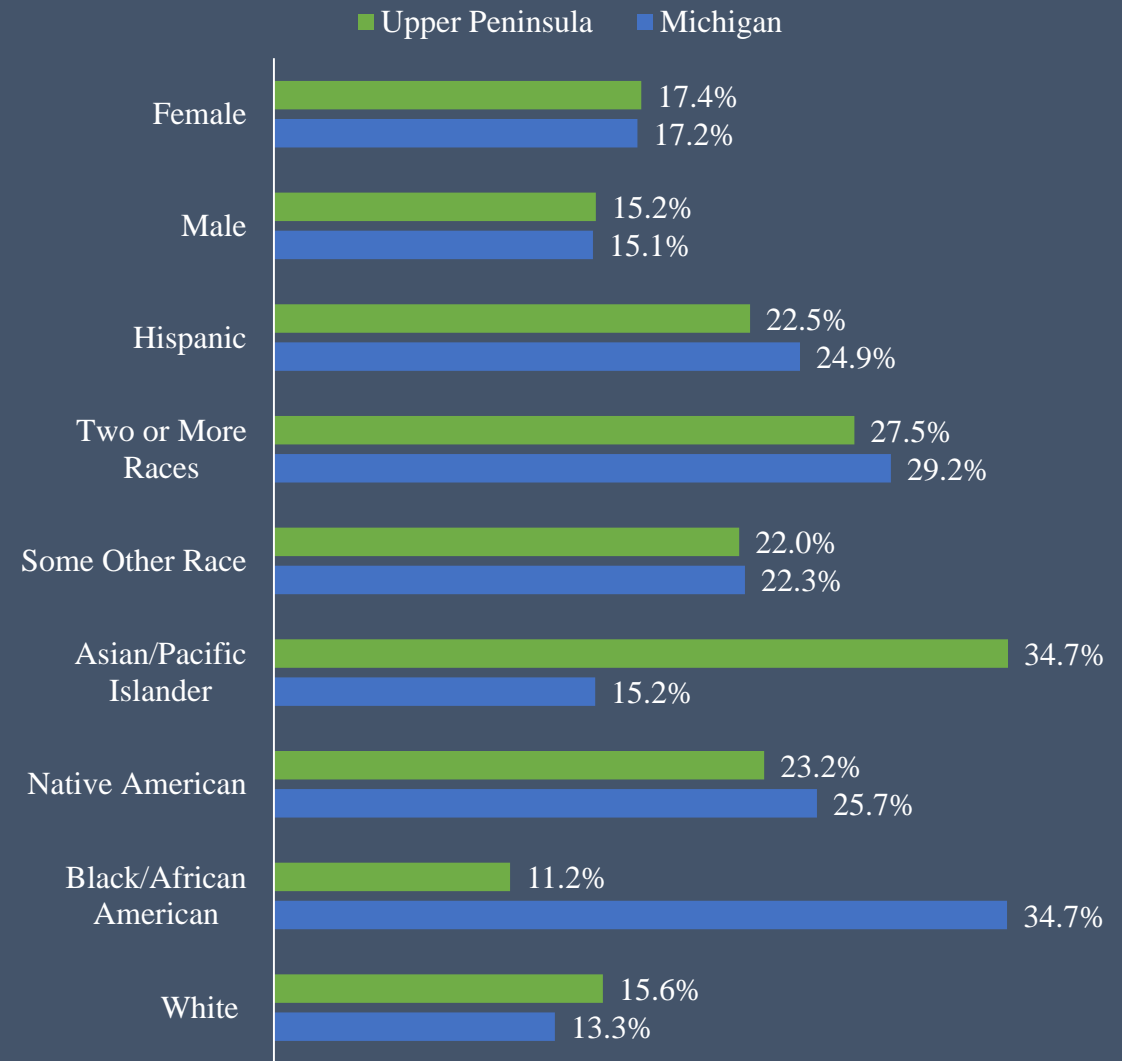


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Poverty Rate at 16.3 Percent in the Upper Peninsula, Similar to Statewide Rate.

- In 2014, the U.S. Census Bureau estimated that 50,500 individuals (or 16.3 percent of the population) lived below the poverty line in the Upper Peninsula, similar to the state poverty rate (16.2 percent). **(Table 37)**
- Asians and Whites recorded percentages of people living in poverty that were substantially higher than statewide rates for these groups. **(Table 37)**
- The share of women living in poverty is slightly higher than that of men in both Michigan and the Upper Peninsula. **(Table 37)**

Poverty by Sex and Race / Ethnicity



Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

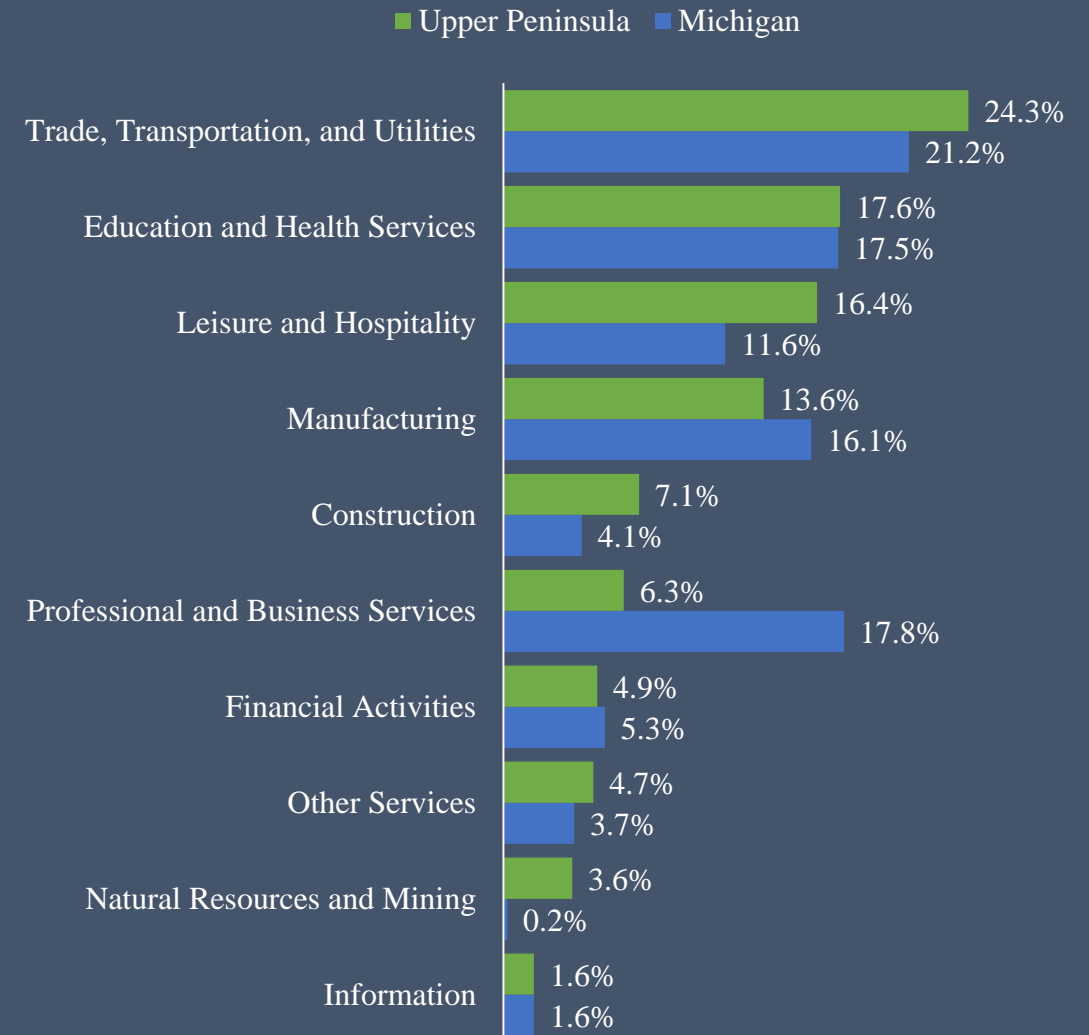
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

Over 80 Percent of Region's Jobs Concentrated in Five Major Industries.

- With a count of around 19,800 jobs during the second quarter of 2015, the super-sector of *Trade, Transportation, and Utilities* was the largest private employer in the Upper Peninsula, just as in the state as a whole .
- *Trade, Transportation, and Utilities* was followed by *Private Education and Health Services*, and *Leisure and Hospitality*. **(Table 9)**
- *Manufacturing* was the fourth largest private employer both in the Upper Peninsula and in the state overall. The sector of *Professional and Business Services*, although substantial statewide, was small in the Upper Peninsula, ranking sixth just behind *Construction*. **(Table 9)**

Distribution of Industry Jobs, 2nd Quarter 2015

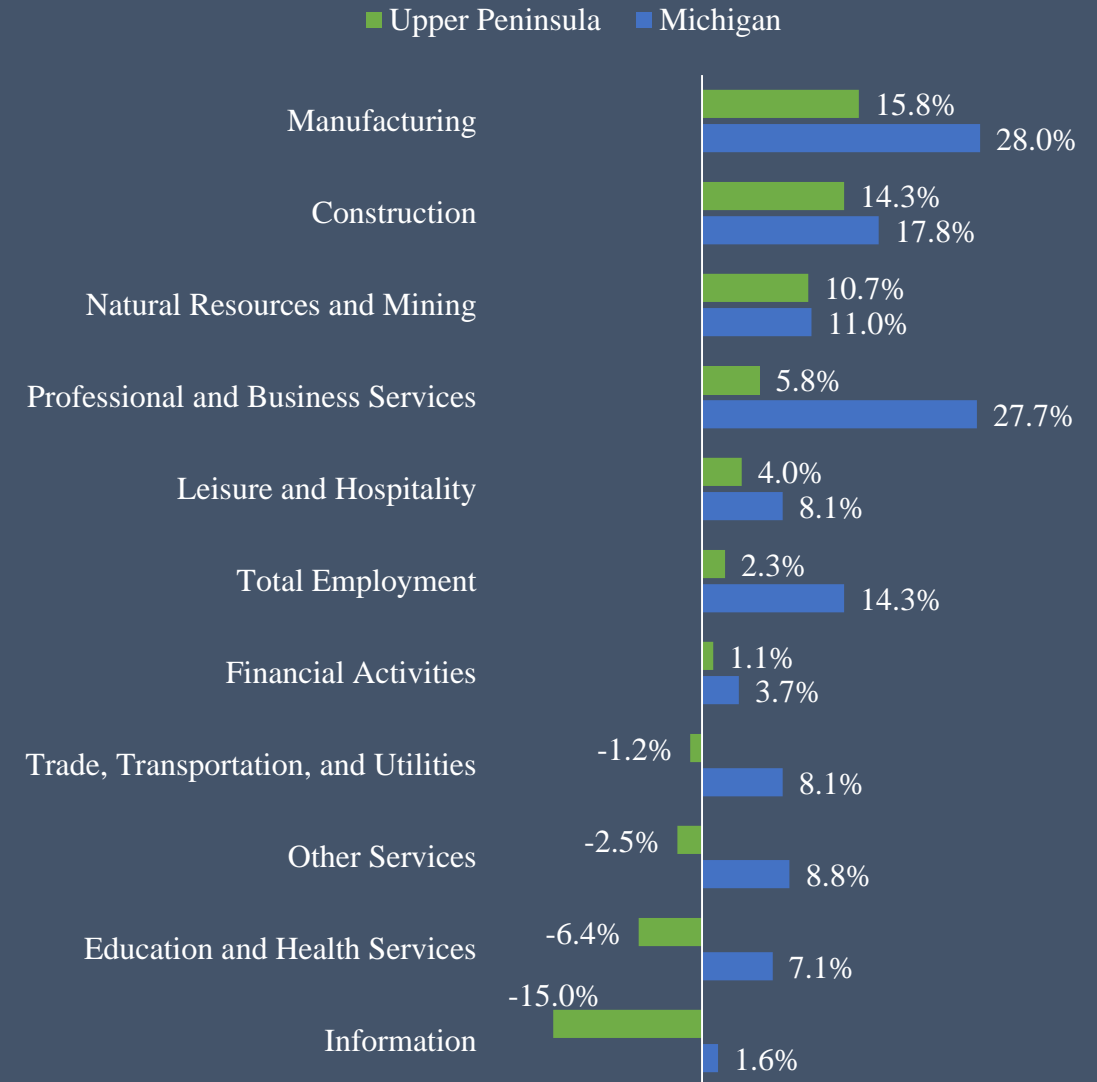


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Private Sector Jobs Were Virtually Flat, Inching Up by 1,800 or 2.3 percent Between 2009 and 2015.

- Private sector jobs in the Upper Peninsula remained virtually unchanged since 2009, edging up by 1,800 or 2.3 percent. Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. **(Table 9)**
- Growth was mostly recorded in *Manufacturing, Construction, Natural Resources and Mining, Professional and Business Services* and *Leisure and Hospitality*.
- Unlike the state where employment in every sector showed some growth, jobs in several industry sectors declined, including *Information, Education and Health Services, Other Private Services, and Trade, Transportation, and Utilities*.

Private Sector Job Trends



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Online Job Postings Reach 3,300 in 1st Quarter 2016.

Online Advertised Job Postings – Upper Peninsula

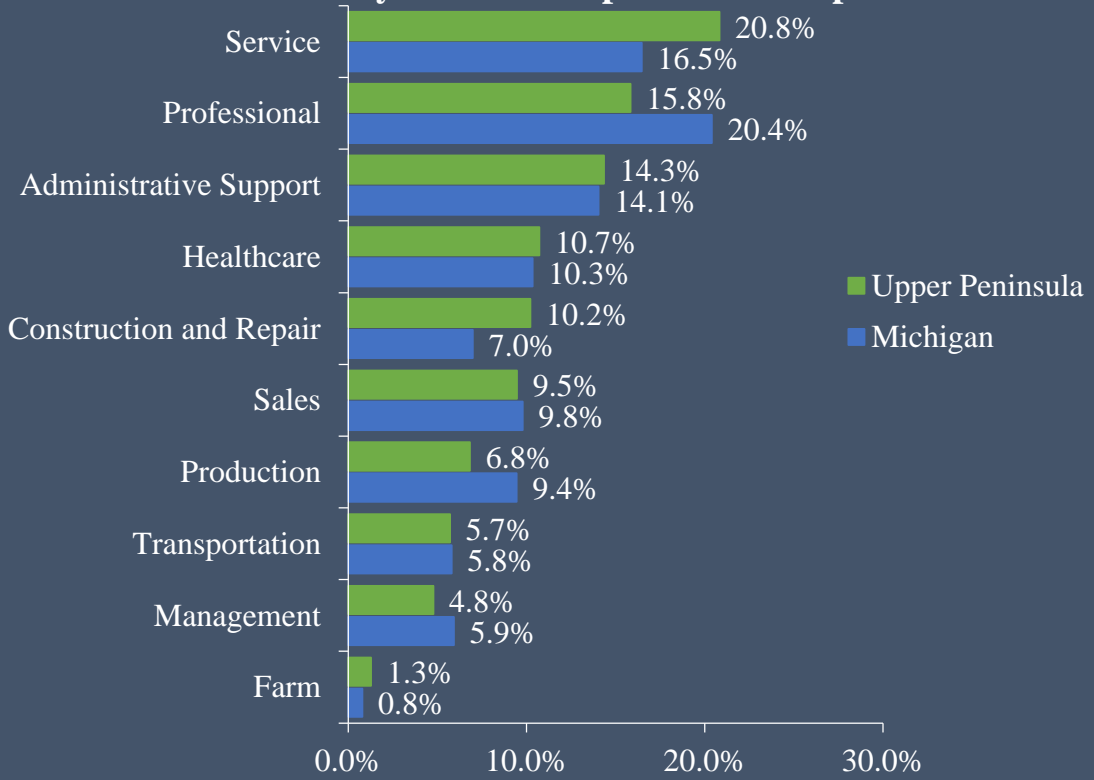
Job Title	Number
Registered Nurses	144
Heavy and Tractor-Trailer Truck Drivers	143
Retail Salespersons	122
First-Line Supervisors of Retail Sales Workers	118
First-Line Supervisors of Food Preparation and Serving Workers	87
Customer Service Representatives	80
Physical Therapists	74
Social and Human Service Assistants	62
First-Line Supervisors of Office and Administrative Support Workers	61
Maids and Housekeeping Cleaners	56

Source: The Conference Board, Help Wanted Online Database

- In the 1st Quarter 2016, there were 3,300 online advertised job postings in the Upper Peninsula, according to the Conference Board's Help Wanted Online Database. **(Table 19)**
- Most of the top job advertisements posted online in the Upper Peninsula required a high school diploma, some vocational training, or an *Associate's degree*. Work experience was also a requirement for some of the openings (e.g., First-Line Supervisors).
- Current openings online reflected the economic environment in the Upper Peninsula, with needs of workers in retail, health care and social assistance, and accommodation and food services. **(Table 19)**

About Half of the Upper Peninsula Jobs in 2022 Are Concentrated in Three Job Groups.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



Source: Bureau of Labor Market Information and Strategic Initiatives

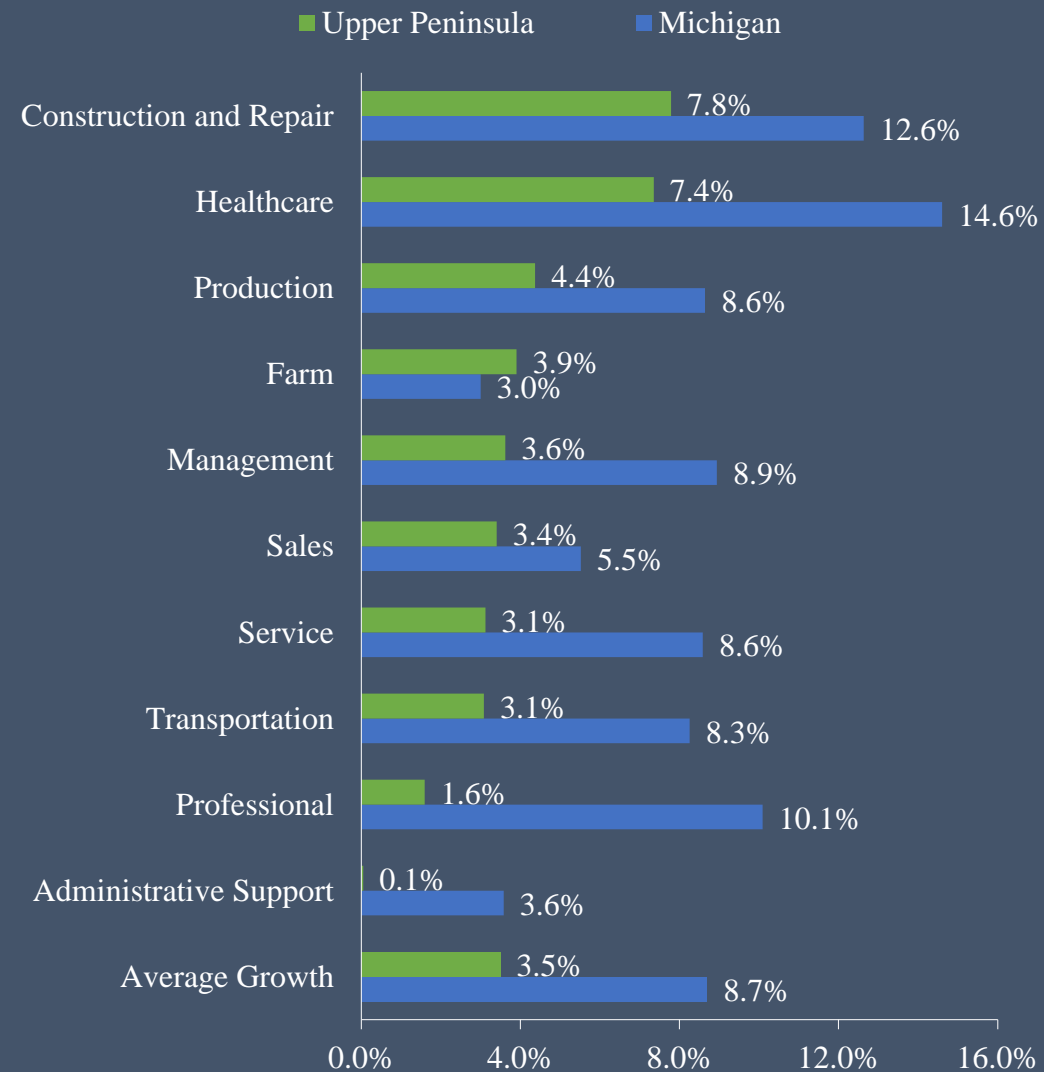
- Of the roughly 134,790 expected jobs in the Upper Peninsula, about half will be in three major occupational groups:
- *Service* – at 20.8% (almost flat from 2012 but four percentage points above the share of this group in statewide employment), is the largest occupational category in terms of total jobs. It includes occupations in *Protective services, Food preparation and servicing, Building and grounds cleaning and maintenance, and Personal care services.*
- *Professional* – is the second largest occupational group with 15.8% of total jobs, four tenths of a percentage point below the group’s share in 2012 and five percentage points below the share of this group in statewide employment. This group includes a diverse set of jobs, such as business, computer, technical, science, social service, and education positions.
- *Administrative Support* – contributes about 14.3% of the region’s employment in 2022 (14.8% in 2012 and similar share as statewide). This occupational group includes some of the largest single occupations such as bookkeepers, secretaries and office clerks.
- The group of *Healthcare* services is the fourth largest employer at 10.7% of employment in 2022 (10.3% in 2012). Just like for the state and the nation, many health careers in the UP are forecast to show strong growth. **(Table 20)**

Occupational Growth Rates in the Upper Peninsula Are Projected to Be Below Statewide Average.

- Employment in nearly all occupational groups in the UP is projected to grow below the statewide average through 2022.
- Three groups of occupations are expected to create over 60 percent of the 4,500 new jobs due to growth in the UP.
 - *Construction and Repair* will contribute about 995 new positions (or +7.8 percent). This group encompasses not only construction laborers but also *Electricians, Powerline repairers, Plumbers, Roofers*, and many other careers in specialty trade contractors.
 - Equally important is the *Healthcare* occupational group, which is projected to add about 990 new jobs (or +7.4 percent). The new jobs will include practitioners (*Physicians, Surgeons, Dentists*, etc.) and technicians (*RN, LPN, Physician assistants*, etc.), as well as support staff (*Home health aides, Medical assistants*, etc.).
 - *Service* is the third largest group in the UP, projected to create 850 new jobs (or +3.1 percent). This group includes many occupations in the gambling, hotel, protective, recreation, and restaurant industries which are predominant in the Upper Peninsula.

(Table 20)

Projected Percent Growth by Broad Occupational Groups (2012-2022)

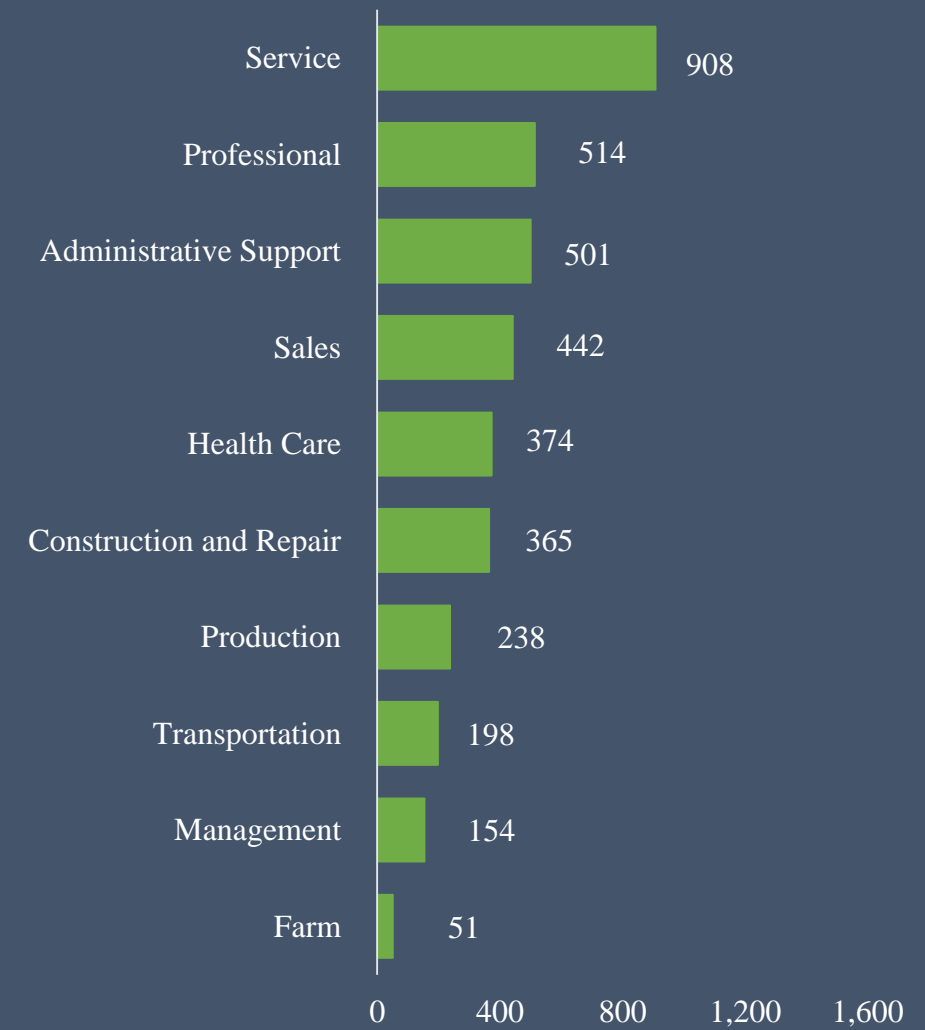


Source: Bureau of Labor Market Information and Strategic Initiatives

Occupations with Large Employment Base Create More Openings Out of the Need to Replace Workers.

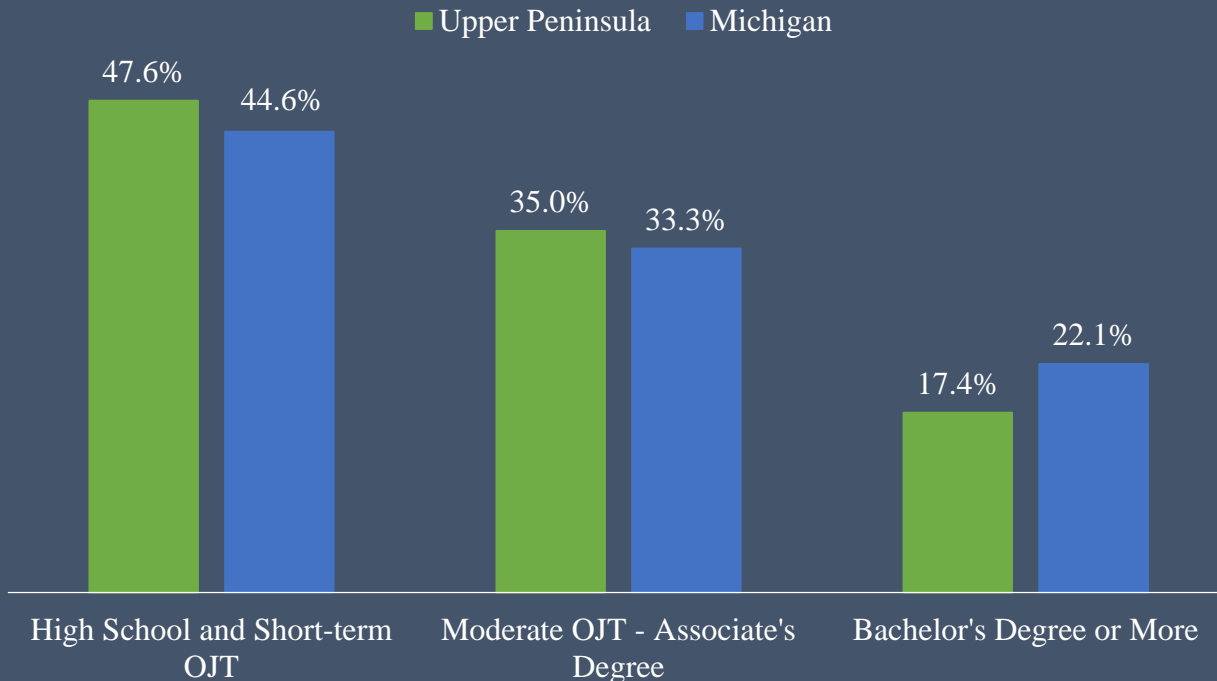
- In general, the top several occupational groups will add the most jobs simply because of their size. But some of these job categories also have above average rates of growth.
- In the Upper Peninsula region, about 17 percent of annual openings are expected to come from employment expansion, while the remaining 83 percent will be from the need to replace workers who leave their jobs for various economic reasons (e.g., retirement, out-migration, etc.) . **(Table 20)**

Projected Annual Openings by Broad Occupational Groups (2012 – 2022)



Nearly Half of Jobs In the Upper Peninsula Will Require a H.S. Diploma, with Minimal Training.

Projected 2022 Occupational Employment by Education (Share of Total)



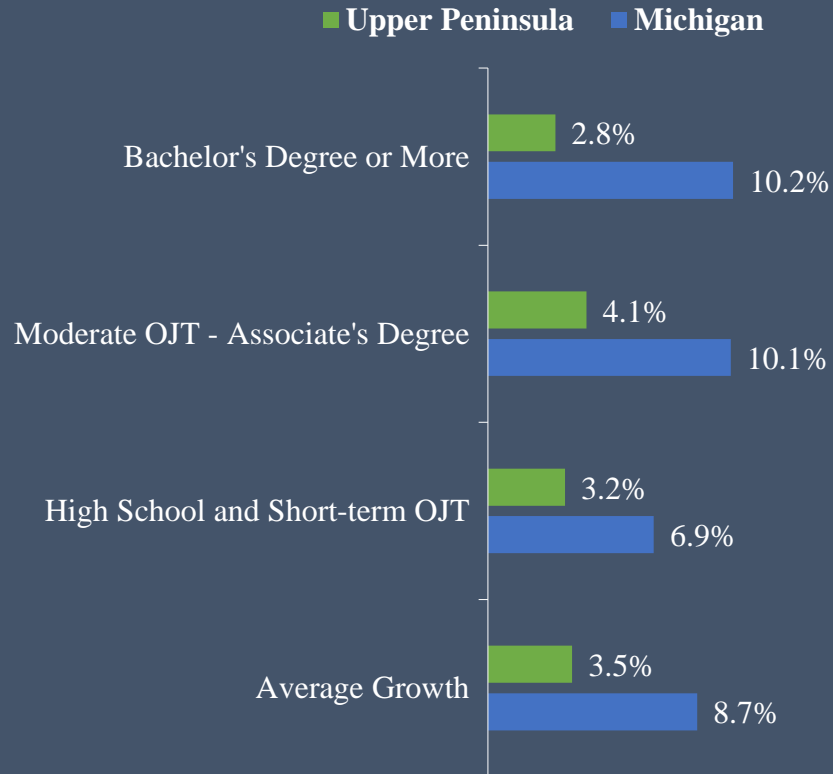
Source: Bureau of Labor Market Information and Strategic Initiatives

Another way to look at the future structure of the job market is by education or training requirements.

- By 2022, close to 48 percent of Upper Peninsula jobs (45 percent statewide) will still need only a high school diploma or less, with short-term to no on-the-job training (same share as in 2012). These occupations have a large employment base and will create jobs through the need to replace workers.
- Just like in 2012, a third of jobs in the area and the state will require an Associate's degree, a post-secondary training, some college with no degree, or a high school diploma or less accompanied with an extended period (six months or more) of apprenticeship and/or on-the-job training in 2022. Many health and construction careers are in this group and are associated with long-run employment growth, high earnings, and low unemployment status.
- Jobs requiring a Bachelor's degree or more will constitute a lower share of total employment in the Upper Peninsula than they do statewide in 2022. This share will be virtually flat at around 17 percent since 2012.

Slower Projected 2022 Growth in the Upper Peninsula than Statewide for Every Educational Group.

Projected Occupational Growth by Education



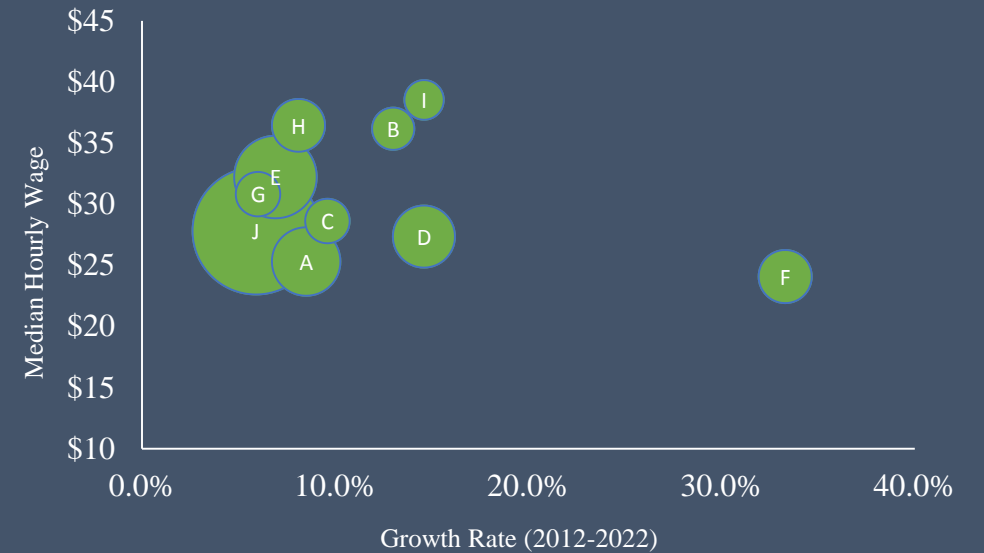
Source: Bureau of Labor Market Information and Strategic Initiatives

- Above regional average growth for jobs requiring an Associate's degree or six months or more of on-the-job training.
 - Jobs in this educational group will grow by 4.1 percent, faster than the overall growth average of 3.5 percent. Within this group, those requiring an Associate's degree will grow fastest. That includes rapid-advancing healthcare careers such as *RN* and *LPN*.
- Many careers requiring a HS diploma or less, with short-term to no training are expected to grow at regional average pace.
 - The UP being a touristic destination, many jobs related to this industry cluster such as *Hotel clerks, Waiters and waitresses, Casino workers, etc.* are expected to show steady growth, as the state's economy continues to recover and leisure consumption rises. **(Table 20)**
- Generally speaking, jobs in the Upper Peninsula are projected to grow slower than the statewide average at every level of educational requirement.

Upper Peninsula's High-Demand, High-Wage Occupations Are Mixed in Terms of Educational Requirements.

- High-demand, high-wage occupations are jobs that demonstrate a favorable mix of long-term job growth, annual openings from both growth and replacement, and median wages.
- The size of the bubble on the chart represents the total number of projected annual openings. For instance, *Registered Nurses* (occupation J on the chart) will generate the highest number of annual openings but mostly due to the need to replace workers (about 59 annually). In fact, this occupation will create only 18 openings due to growth annually. On the other hand, *Market Research Analysts* (occupation F) is a small occupation but will yield a higher proportion of openings from growth.
- In general, occupations with a large employment base create many job openings due to the need to replace workers.
- When the list of high-demand, high-wage occupations is broken down by required training, it becomes clear that the pay level is directly correlated with the level of formal education and/or the length of job training or apprenticeship. (Tables 24-27)

Annual Openings, Growth Rate, and Hourly Wage for High-Demand, High-Wage Occupations



Occupation		Occupation	
A	Accountants and Auditors	F	Market Research Analysts and Marketing Specialists
B	Civil Engineers	G	Mechanical Engineers
C	Dental Hygienists	H	Medical and Health Services Managers
D	First-Line Supervisors of Construction Trades and Extraction Workers	I	Physical Therapists
E	General and Operations Managers	J	Registered Nurses

Source: Bureau of Labor Market Information and Strategic Initiatives