

# Annual Planning Information and Workforce Analysis Reports: Detroit Metro

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.

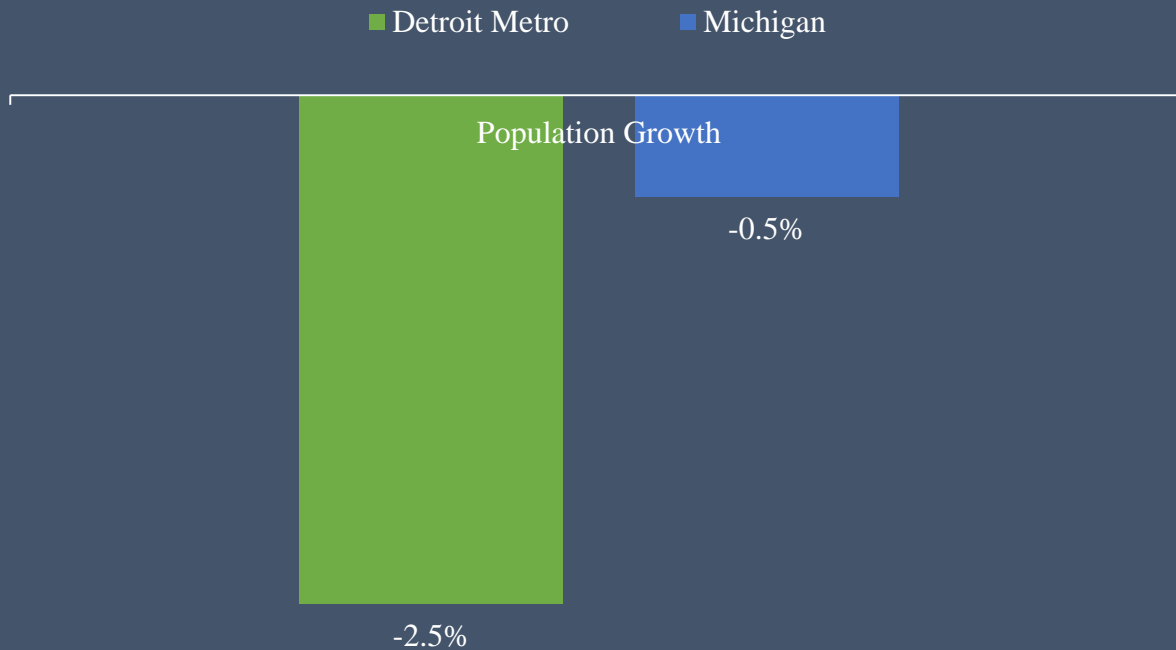
Best regards,  
Scott Powell, Ph.D.  
Director of Research  
DTMB, Bureau of Labor Market Information and Strategic Initiatives

# Population Trends and Characteristics

**Table 1-4**

# Regional Population Continues to Decline After the Recession.

Population Change (2009-2015)



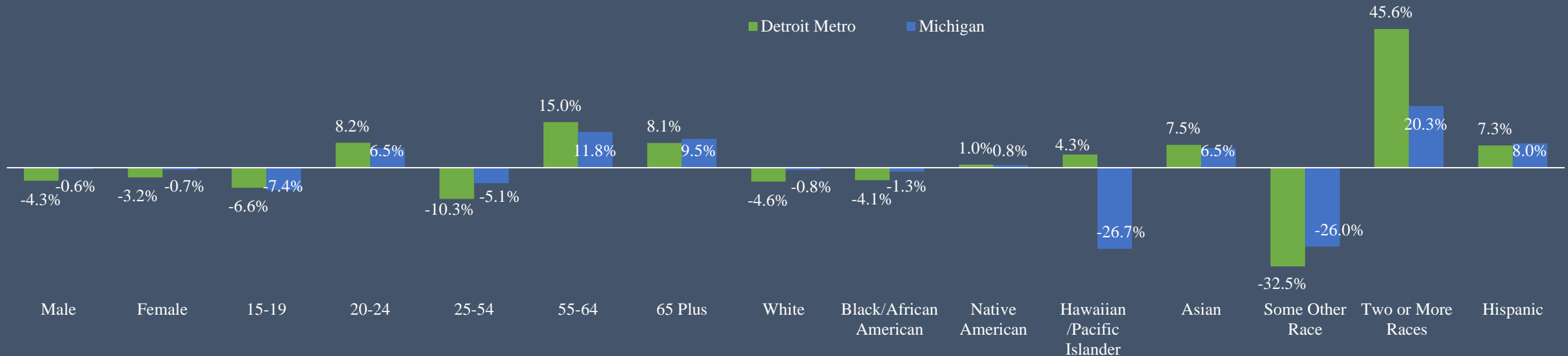
Source: U.S. Bureau of the Census, Annual Population Estimates

- Recent population estimates from the U.S. Census Bureau indicate that the Detroit Metro Prosperity Region lost close to 96,300 people, from 3,962,800 in 2009 to 3,866,500 in 2015. **(Table 1)**
- In 2015, the state population was still 47,000 below the 2009 level, despite minor gains recorded since 2011. Nationwide, the population rose by 4.7 percent over this period. **(Table 1)**
- Most of the population reductions in the Detroit Metro region were in Wayne County (-8.6 percent or -166,500). In fact, the other two Detroit Metro counties recorded population gains: Macomb (+33,400 or +4.0 percent) and Oakland (+36,800 or +3.1 percent). **(Table 1)**

# The Number of Young Adults and Older Workers Expanded in the Detroit Metro region.

- Between 2009 and 2014, the population 20 to 24 years old increased by 8.2 percent (or +19,000). About 66,200 more individuals in the age group of 55 to 64 (or +15 percent) and 40,000 more individuals aged 65 years or older (or +8.1 percent) were recorded in the Detroit Metro region over the period. However, the population in the working age group of 25 to 54 declined by 10.3 percent (or -178,700). (Table 2)
- The recent population estimates showed about 130,000 more women than men in the Detroit Metro region. While Whites were still the majority in the region (67.4 percent), followed by Blacks (24.9 percent), the population of both groups has declined between 2005 and 2014. On the other hand, almost all other racial/ethnic groups gained population, with the exception of Some Other Race. (Table 2)

Population Change by Age, Sex, Race / Ethnicity

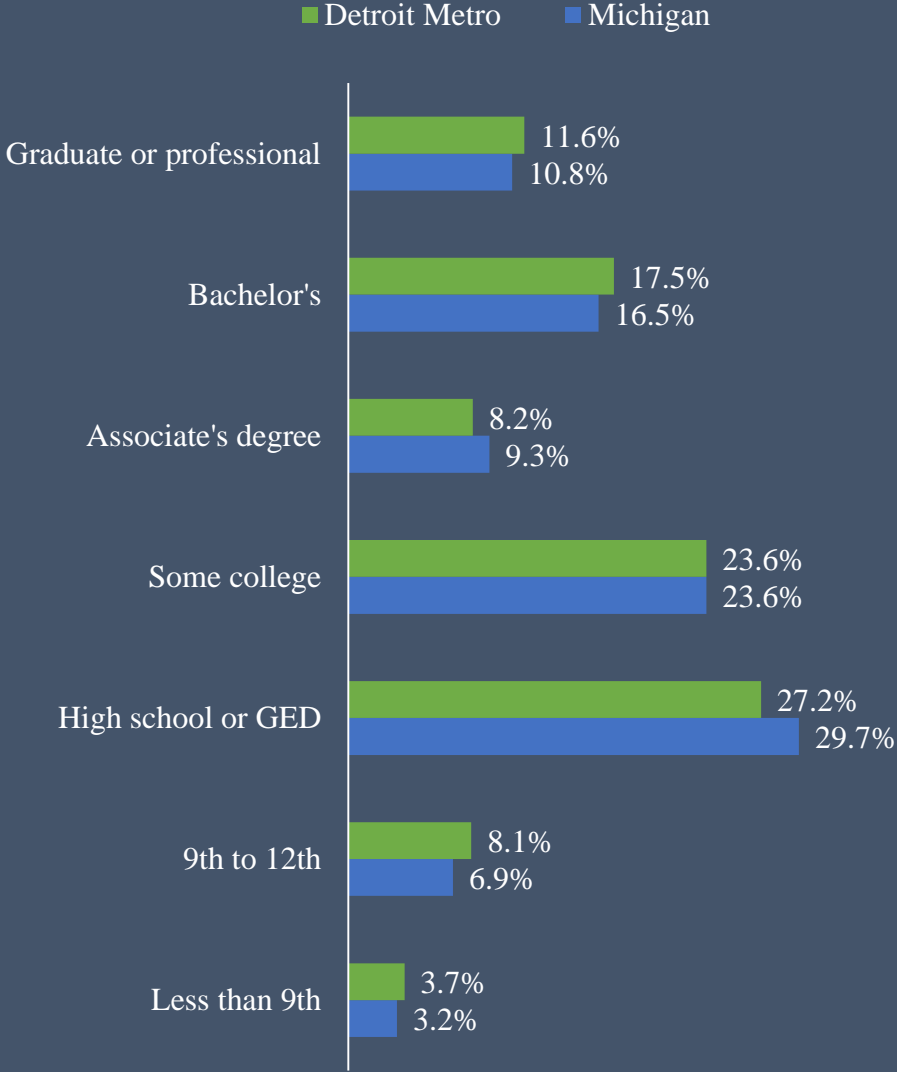


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

# Region's Educational Attainment Similar to State Average.

- A region's educational attainment is based on the number of residents 25 and older with various education. Based off of 2014 5-year population estimates, the Detroit Metro region counted a higher share of individuals 25 years of age or older with a *Bachelor's degree* or higher (29 percent) than the statewide average (27 percent). **(Table 4)**
- All other categories of educational attainment closely follow the statewide distribution. On par with the state average is the share of the 25 and older population with *Some college*. Detroit had a slightly lower share of individuals with a high school diploma or less (39.1 versus 39.8 percent statewide) and those with an *Associate's degree* (8.2 against 9.3 percent for the state) . **(Table 4)**

**Educational Attainment**



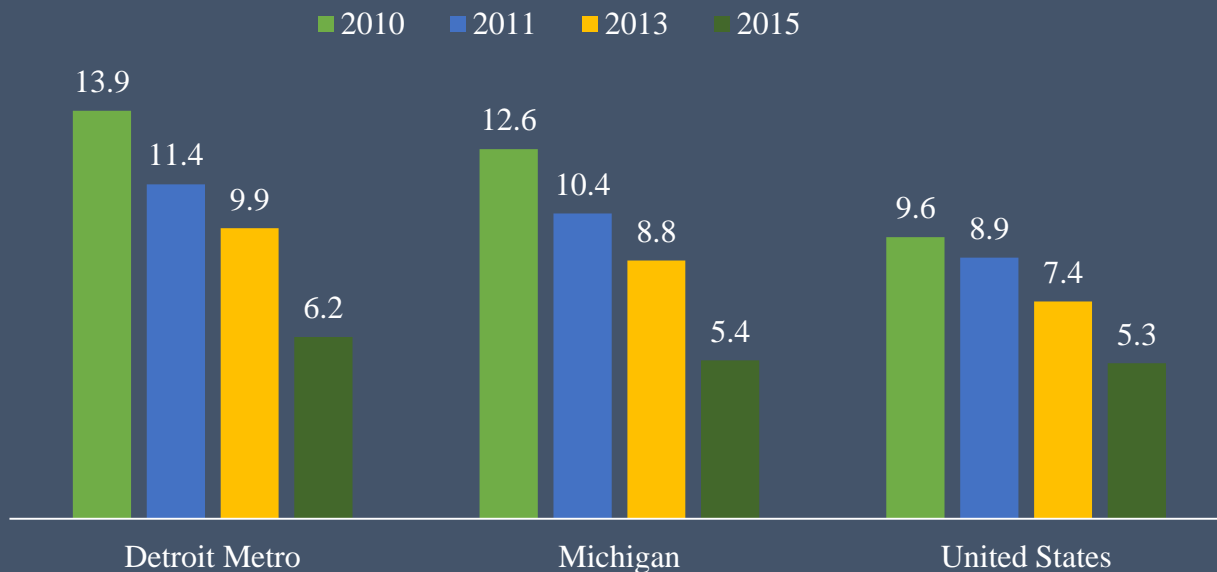
Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

# Labor Force and Employment Trends and Characteristics

**Tables 5-8 and 13**

# *Jobless Rates and Unemployment Drop considerably Since 2010, but Labor Force Remains Below the 2010 Level.*

**Unemployment Rates**



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

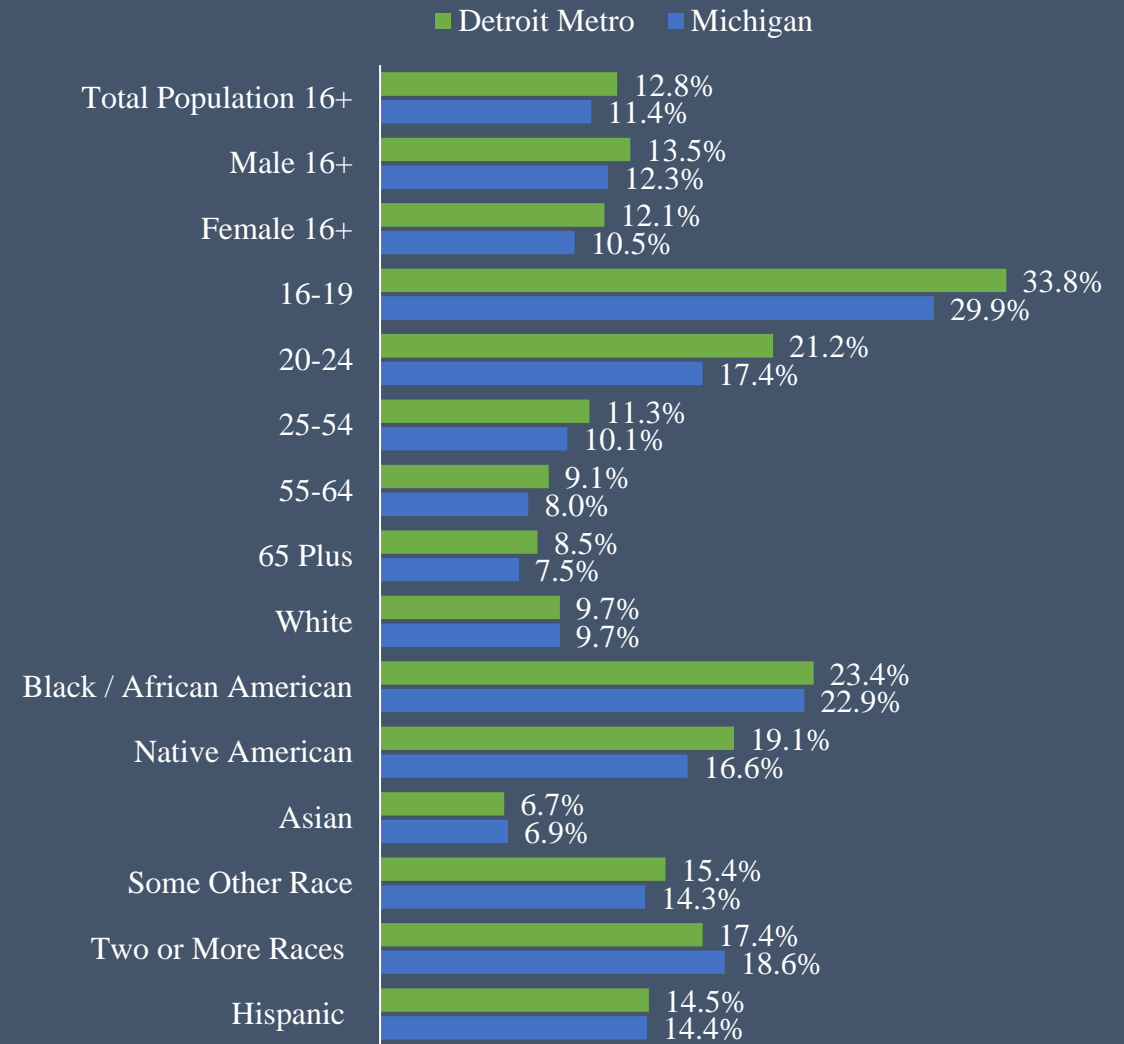
- The unemployment rate in the Detroit Metro region followed the trend in state and national rates, dropping by over half (or -7.7 percentage points) between 2010 and 2015. Over that period, the number of unemployed individuals in Detroit plunged by 57 percent, from 255,900 in 2010 to 110,300 in 2015. **(Tables 7 and 13)**
- The labor force in the Detroit Metro region has declined since the end of the Great Recession. Regional workforce levels dropped by 53,200 (or -2.9 percent), from 1,845,400 in 2010 to 1,792,300 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 Detroit, employment rose by 5.8 percent from 1,589,500 in 2010 to 1,681,900 in 2015, below the statewide employment growth of 7.1 percentage points. **(Table 6)**



# Regional Jobless Rates Elevated for Youth, Young Adults, African Americans, and Men.

- Over the period of 2010-14, the U.S. Census Bureau estimates there were slightly more male than female participants in the Detroit Metro labor market. However, men experienced a higher unemployment rate by about 1.4 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 Detroit Metro region displays an unemployment rate that is higher than the statewide average for almost all demographic categories, with the exception of Asians and people in the Two or More Races category. **(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

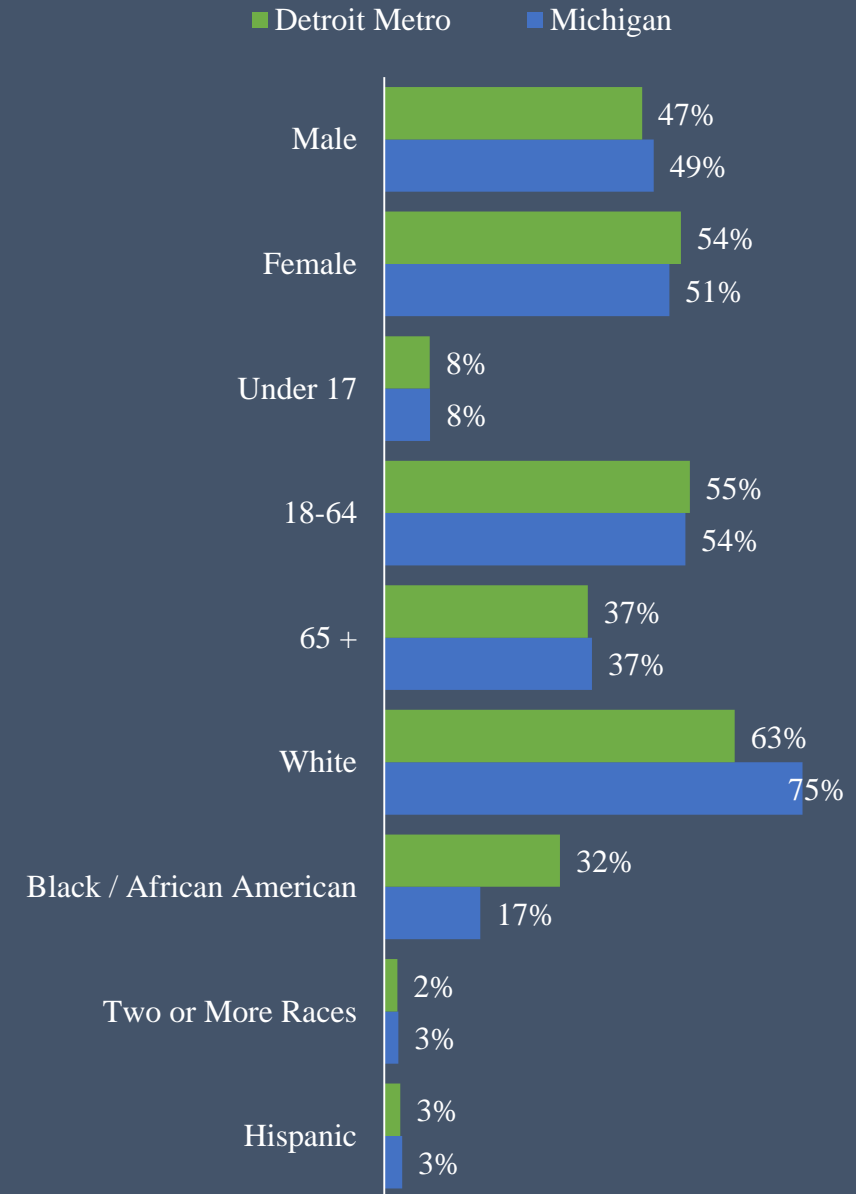
# Individuals with Barriers to Employment

**Tables 28-37**

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

- Based on 2010-2014 data from the U.S. Census Bureau, 537,000 of 3,860,000 people (or 1 in 14) in the Detroit Metro region had a disability. About 37 percent of these individuals (296,000) were 65 + years of age and 8 percent (43,800) were aged 17 and under. The racial distribution of individuals with a disability mimicked the distribution of the general population with a majority of Whites (63 percent). Blacks/African Americans made up 32 percent of this group, and about 3 percent were Hispanics. **(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

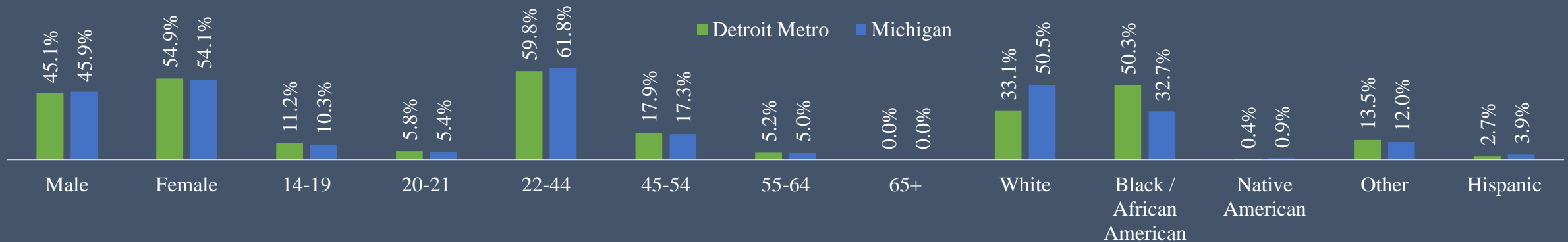


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

# Welfare Registrants Concentrated in the Working Age and Black Demographics.

- The Department of Health and Human Services counted about 254,500 welfare registrants in the Detroit Metro region as of December 2014. (Table 30)
- The majority of the registrants were in the prime working age of 22 to 54 (about 78 percent). A little over 10 percent were in the 16-19 age group. (Table 31)
- Around 33 percent of the registrants were White and 50 percent were Black or African American, which is exactly the reverse of the statewide distribution (50 percent White and 33 percent Black). (Table 31)

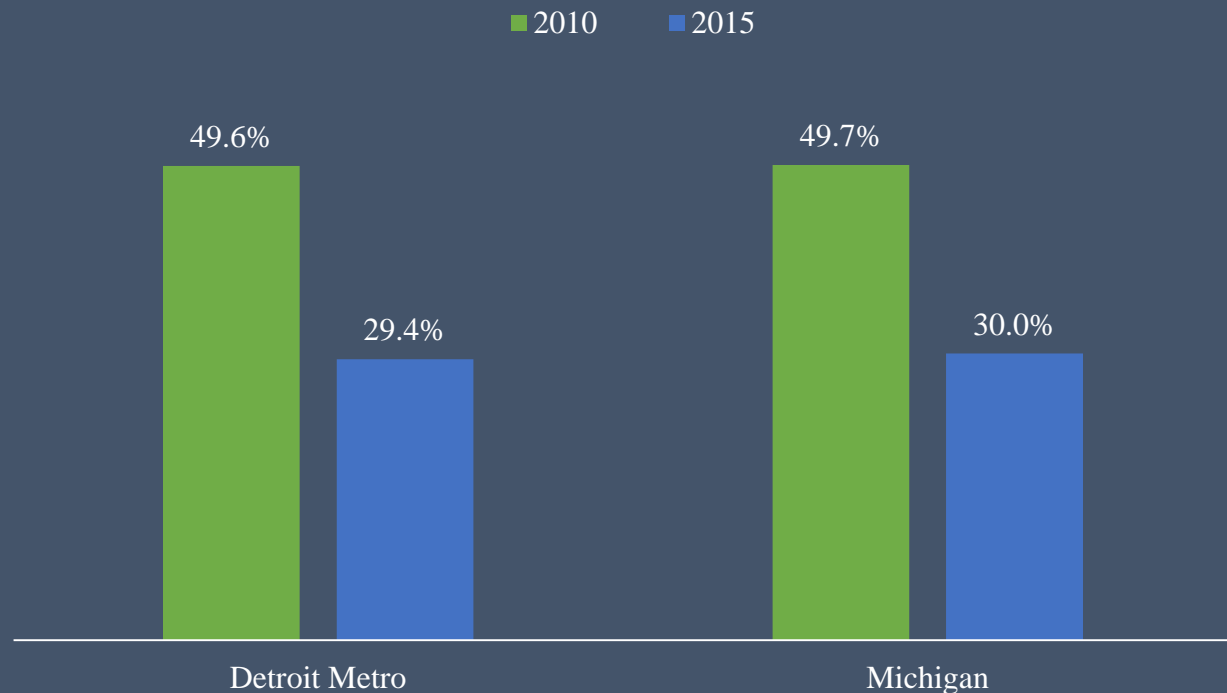
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

# Long-Term Joblessness Remains an Issue in Michigan and in Detroit Metro.

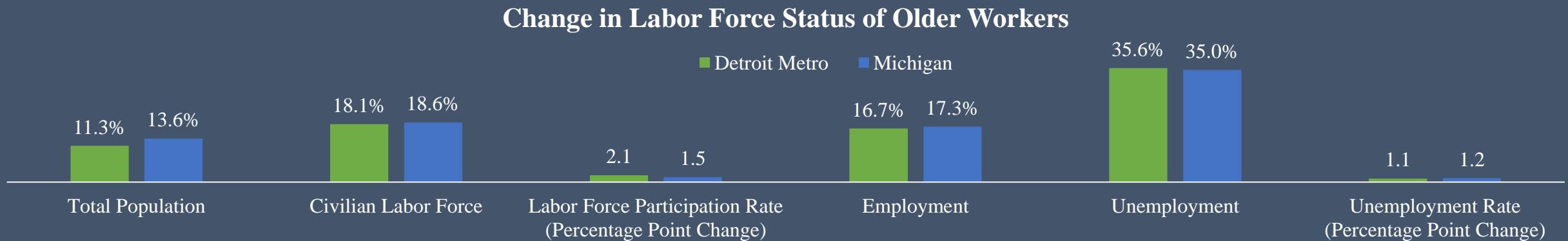
Long-Term Unemployed / Total Unemployed



- Long-term unemployment remains an issue in Michigan and in Detroit Metro, 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 Detroit Metro region has followed the statewide trend. In 2010, 255,900 individuals or 50 percent of all unemployed individuals were long-term. Long-term unemployment has recovered somewhat, falling to about 125,200 or 29 percent in 2015. **(Table 35)**

# Older Workers Staying in the Labor Market Longer in Michigan and Detroit Metro.

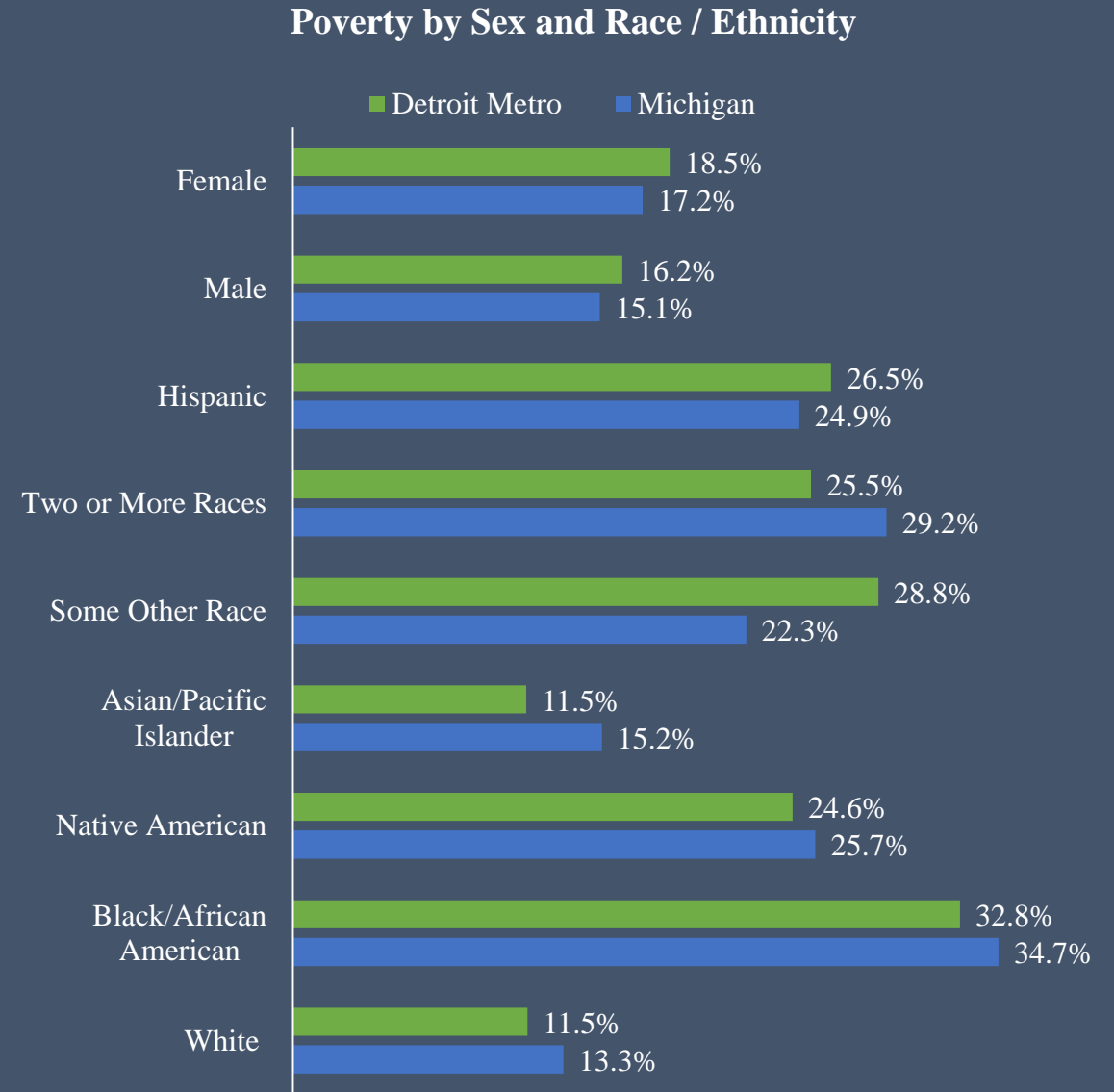
- The number of older workers, defined as those 55 years of age and older, staying active in the labor market has been on the rise, particularly after the 2009 financial crisis that depleted some retirement investments. **(Table 36)**
- In the Detroit Metro, the labor force participation rate of this group during 2010-14 was estimated at 35.7 percent, a little over two full percentage points 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 18 percent in Detroit, similar to 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 17.4 Percent in Detroit Metro, Slightly Above Statewide Rate.

- In 2014, the U.S. Census Bureau estimated that 671,800 individuals (or 17.4 percent of the population) lived below the poverty line in the Detroit Metro region. That is about 1.2 percentage points above the state poverty rate. **(Table 37)**
- African Americans, individuals classified in the Some Other Race category, and Hispanics recorded higher percentages of people living in poverty than any other race/ethnic group. **(Table 37)**
- The share of women living in poverty was slightly higher than that of men in both Michigan and the Detroit Metro region. **(Table 37)**



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

# Existing and Emerging In- Demand Industry Sectors and Occupations

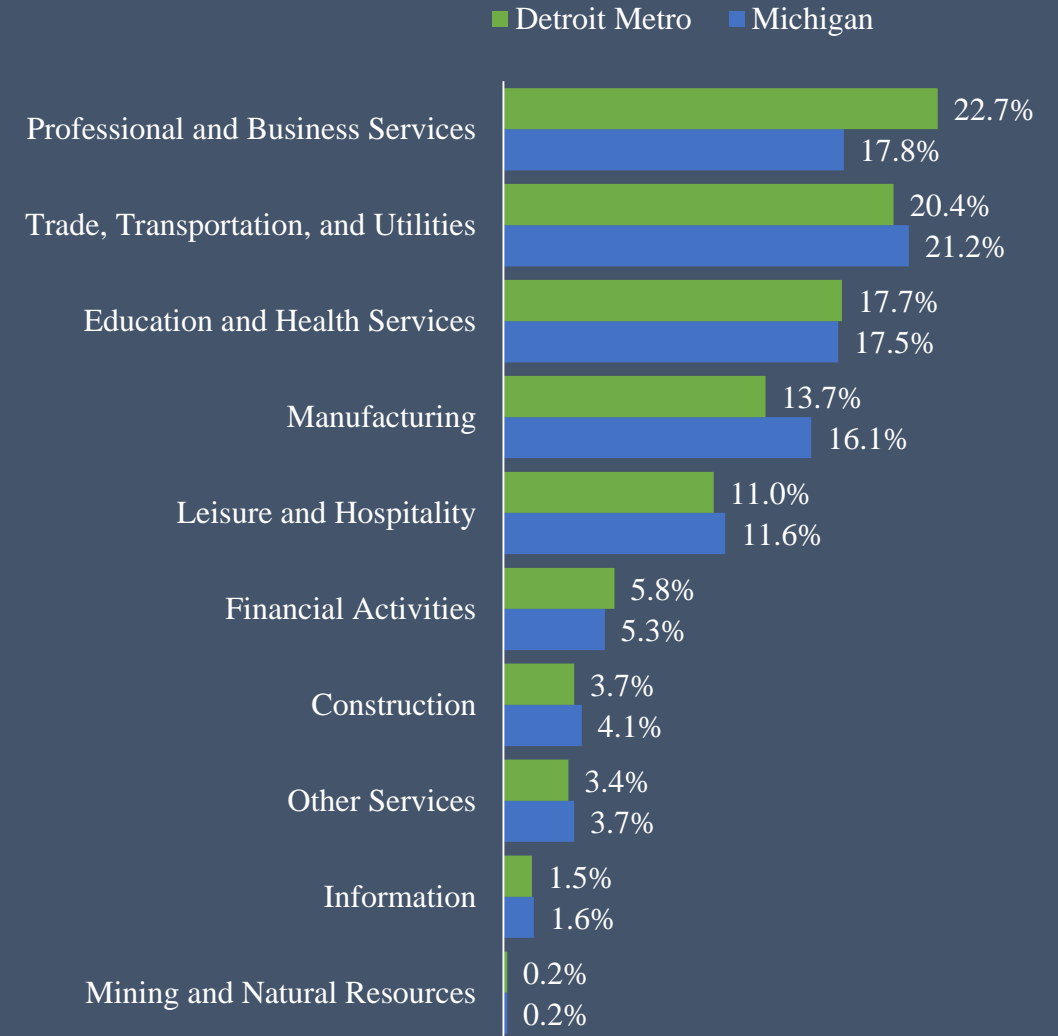
**Tables 9-12 and 18-27**



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

- With a count of around 354,600 jobs during the second quarter of 2015, *Professional and Business Services* holds a share of total private employment in the Detroit Metro region that is almost five percentage points higher than the statewide share in this industry.
- The sector of *Professional and Business Services* is followed by *Trade, Transportation, and Utilities*, *Education and Health Services*, and *Manufacturing*. **(Table 9)**
- Overall, the distribution of private industry employment in the Detroit Metro region mimics the statewide spread. **(Table 9)**

## Distribution of Industry Jobs, 2<sup>nd</sup> Quarter 2015

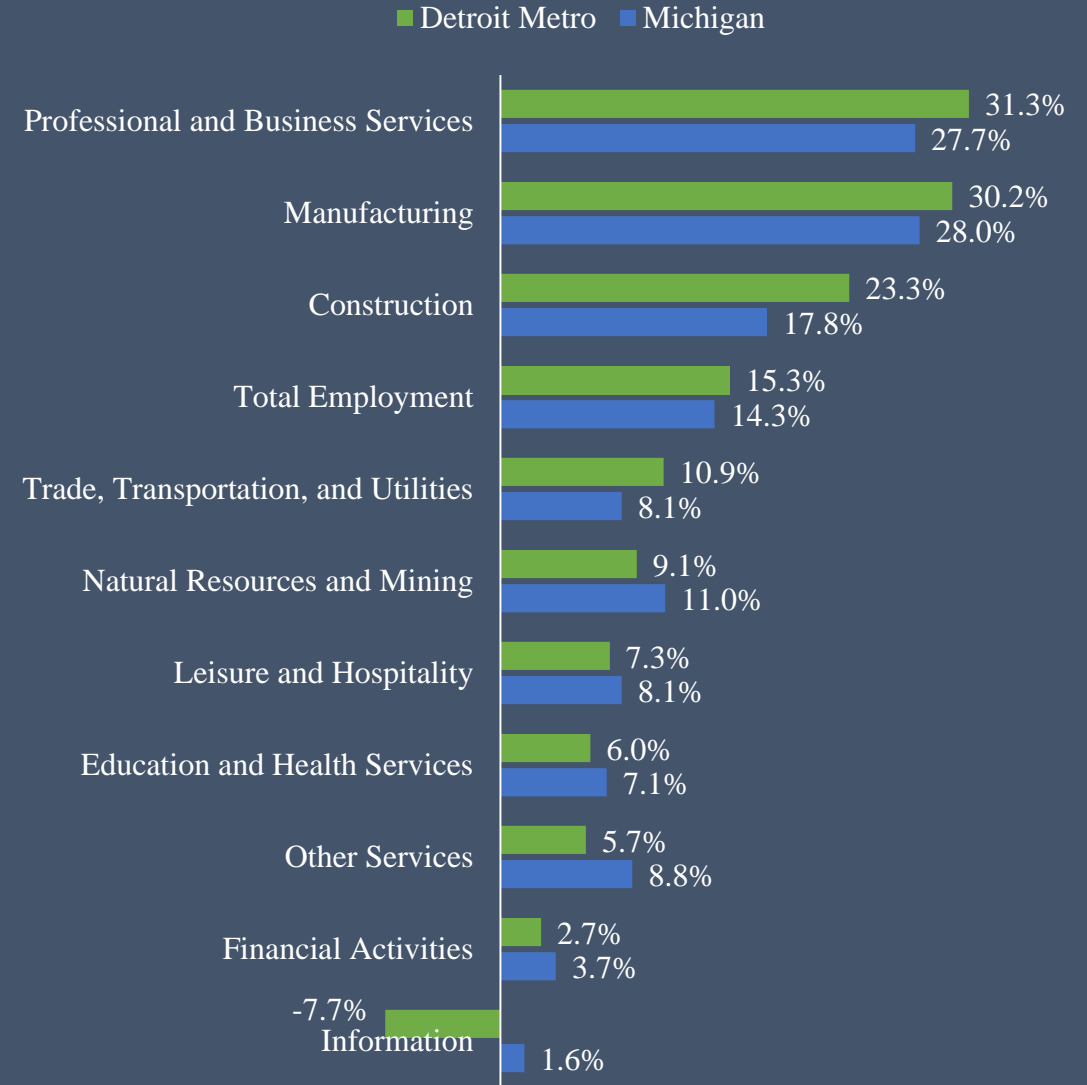


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

# Private Sector Jobs Grow by 207,000 or 15.3 percent Between 2009 and 2015.

- Private sector jobs in the Detroit Metro region expanded by 207,000 or 15.3 percent since 2009, mostly due to substantial job additions in *Professional and Business Services* (+85,500 or 31.3 percent), in *Manufacturing* (49,600 or 30.2 percent), and *Trade, Transportation, and Utilities* (+31,300 or 10.9 percent). Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. **(Table 9)**
- Growth was also recorded in *Natural Resources and Mining*, *Construction*, *Leisure and Hospitality*, and *Private Education and Health Services*.
- The only industry to see private sector job losses over 2009 levels was *Information*. This sector was down by 2,000 jobs or 7.7 percent, following company merging and downsizing in the publishing industries (except the Internet).

## 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 78,700 in 1<sup>st</sup> Quarter 2016.

## Online Advertised Job Postings – Detroit Metro

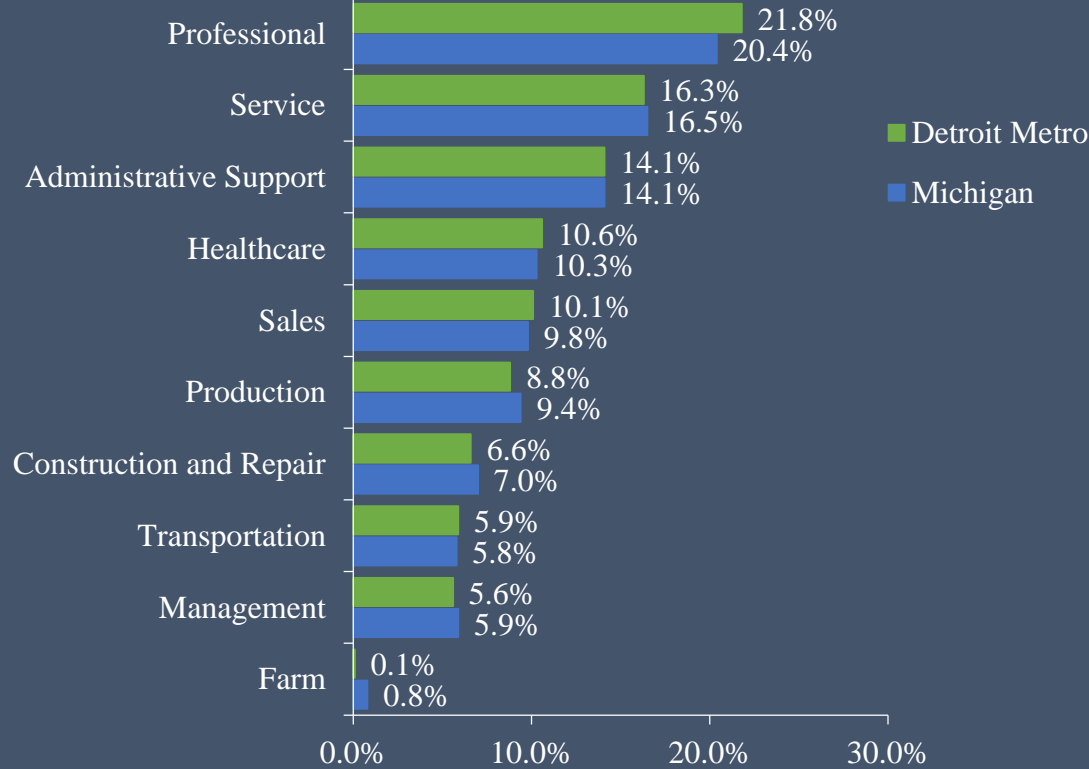
Job Title	Number
Registered Nurses	4,252
Industrial Engineers	3,223
Mechanical Engineers	2,760
Heavy and Tractor-Trailer Truck Drivers	1,956
Retail Salespersons	1,651
First-Line Supervisors of Retail Sales Workers	1,474
Software Developers, Applications	1,453
Computer Systems Analysts	1,401
Customer Service Representatives	1,267
Management Analysts	1,152

Source: The Conference Board, Help Wanted Online Database

- In the 1<sup>st</sup> Quarter 2016, there were 78,700 online advertised job postings in the Detroit Metro region, according to the Conference Board’s Help Wanted Online Database. **(Table 19)**
- The educational requirements of the top job advertisements posted online in Detroit differed substantially from the requirements of the top online job postings statewide. In the Detroit Metro region, five of the top ten online job postings during the first quarter of 2016 required at least a *Bachelor’s degree*. In contrast, eight of the top ten online job ads statewide required an *Associate’s degree* or less.
- With the substantial recovery of the automotive industry recorded since the end of the Great Recession, more workers in engineering and professional careers are in high demand in the Detroit Metro region. Four of the top ten job ads in Detroit Metro were in engineering and in computers. **(Table 19)**

# The Distribution of Jobs in the Detroit Metro Is Projected to Resemble the Statewide Spread in 2022.

**Projected 2022 Distribution of Jobs by Broad Occupational Groups**



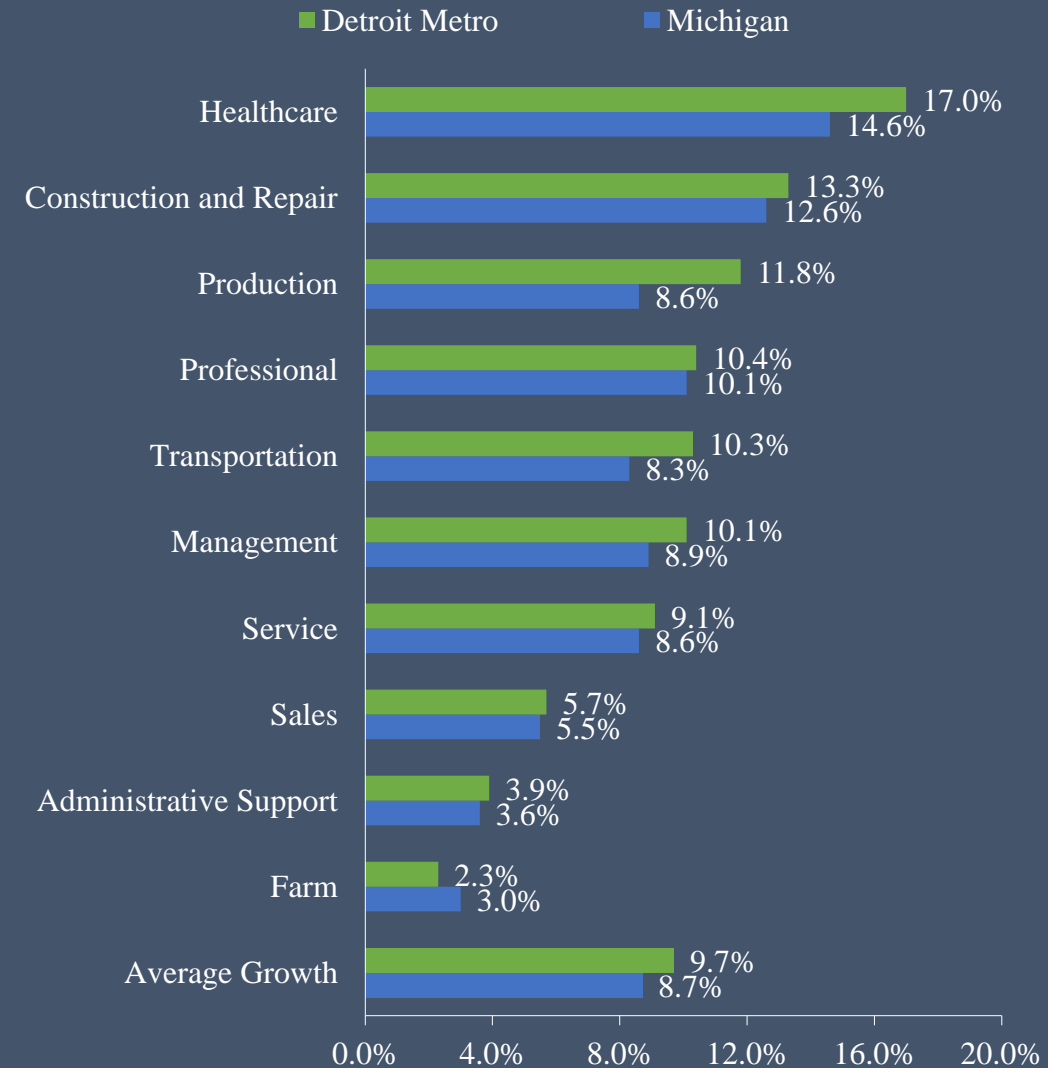
Source: Bureau of Labor Market Information and Strategic Initiatives

- A little over 4 in 10 occupational jobs in the state of Michigan are found in the Detroit Metro area (Macomb, Oakland, and Wayne counties). Of the roughly 1,946,980 expected jobs in the Detroit Metro by 2022 (9.7 percent above the 2012 level), about half will be in three major occupational groups, each with a similar share as for the state as a whole:
- *Professional* – is the largest occupational group with 21.8% (state: 20.4%) of total jobs. It includes a diverse set of jobs, such as business, computer, technical, science, social service, and education positions.
- *Service* – at 16.3% (state: 16.5%), is the second 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.
- *Administrative Support*, third in size, contributes about 14.1% of the region’s employment (same share 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 with a 10.6% share of employment (state: 10.3%). Just like for the state and the nation, many health careers in the Detroit Metro are forecast to show strong growth. **(Table 20)**

# Occupational Growth Rates in the Detroit Metro Are Projected to Be Above Statewide Average.

- With the exception of *Administrative Support*, employment in all other occupational groups in the Detroit Metro (Macomb, Oakland, and Wayne counties) is projected to grow above the statewide average through 2022. In fact, about 46 percent of all new jobs in the state (about 171,700) are projected to be in this region.
- Three groups of occupations are expected to create over half (about 56 percent) of the new jobs due to growth in the Detroit Metro.
  - The *Professional* occupational group is expected to create about 23 percent of all new jobs in the area, not including those jobs that will come from the need to replace existing workers. The Professional occupational group in the Detroit Metro is projected to grow by 10.4 percent, right after *Healthcare*, *Construction*, and *Production* occupational groups.
  - *Healthcare* occupational group is projected to be the second-largest contributor of new jobs in the Detroit Metro by 2022 (about 30,100). The group is also projected to grow the fastest in both Detroit Metro and the state at 17.0 and 14.6 percent, respectively. 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* occupational group is the third-largest contributor to the Detroit Metro’s projected new jobs (about 26,400). However, jobs in this group are projected to grow by only 9.1 percent, making the group seventh in terms of projected percent job expansion.
- *Construction and Repair* is expected to be the second-fastest growing occupational group in Detroit Metro and the state. However, because of its relatively smaller size, this group will add 15,000 new jobs to the area’s workforce, making it fifth largest contributor of new jobs due to growth. **(Table 20)**

Projected 2022 Percent Growth by Broad Occupational Groups

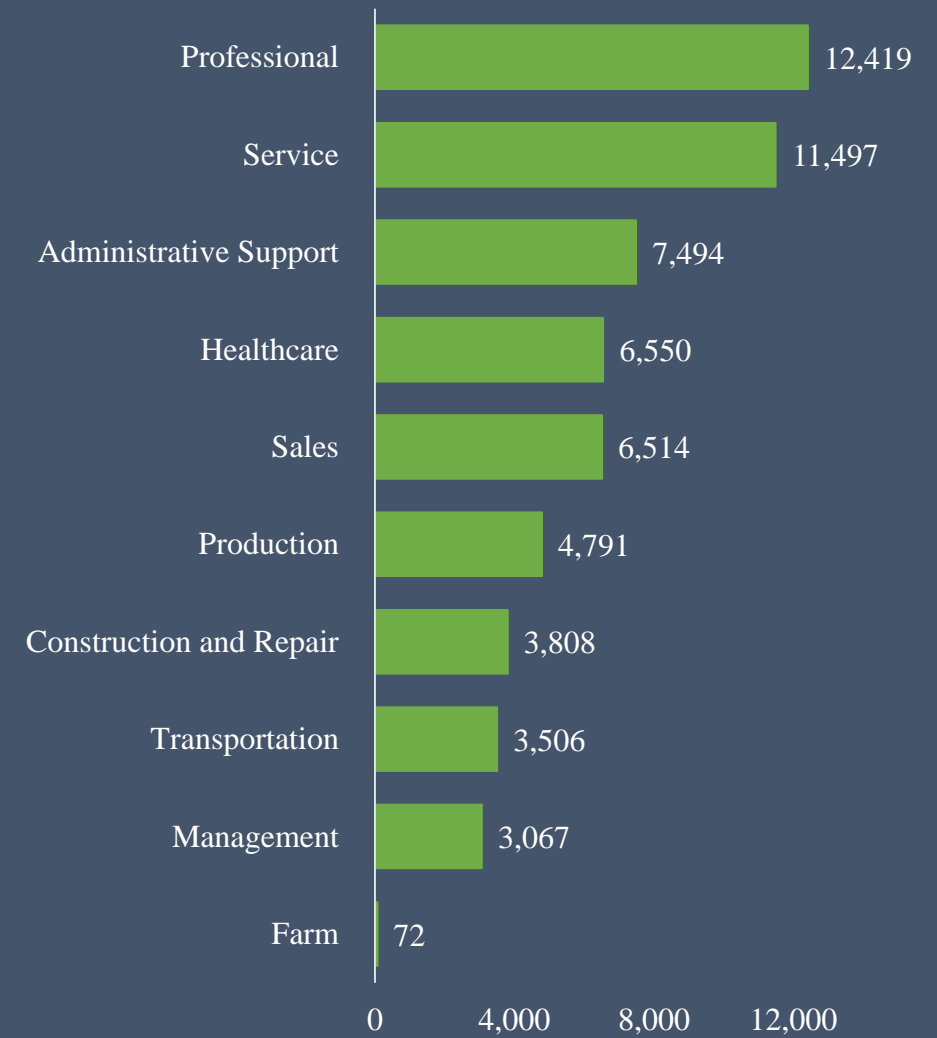


Source: Bureau of Labor Market Information and Strategic Initiatives

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

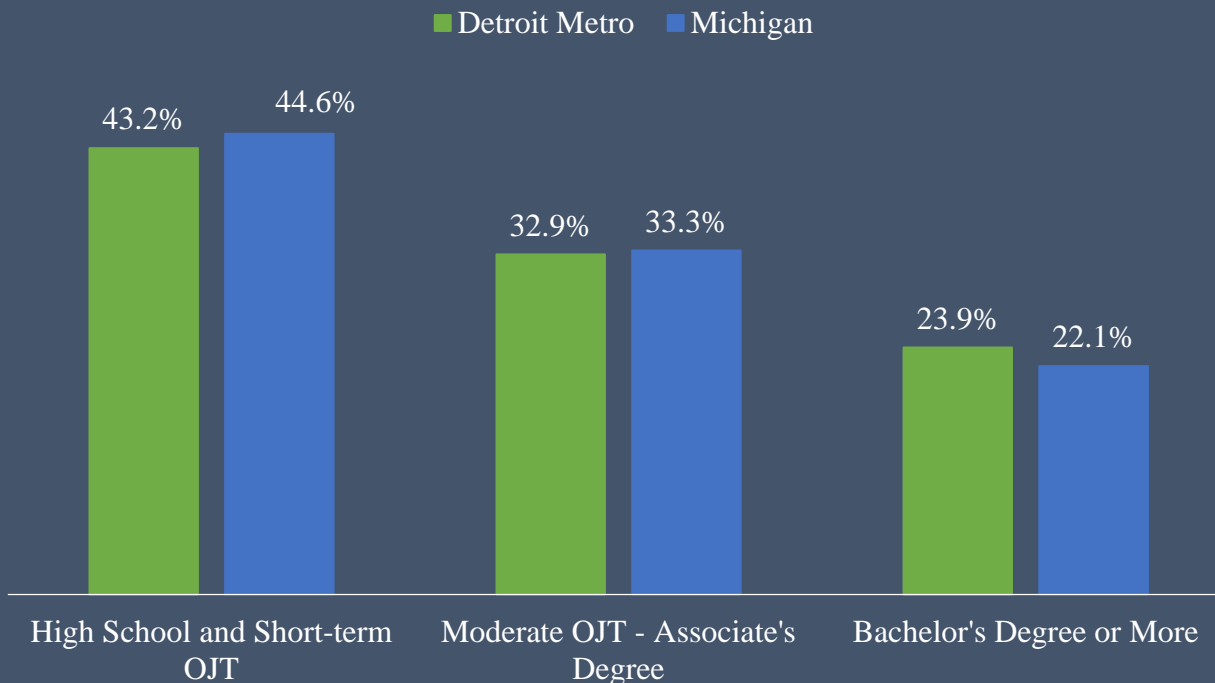
- In general, the top several occupational groups will add the most jobs simply because of their size, but some of these job categories also have above average rates of growth.
- In the Detroit Metro region, about 31 percent of annual openings are expected to come from employment expansion (about three percent points above statewide share), while the remaining 69 percent will be from the need to replace workers that leave their positions for various economic reasons (e.g., retirement, out-migration, etc.) . **(Table 20)**

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



# *Similar Shares of Jobs by Training Requirements in the Detroit Metro as in the State.*

**Projected Occupational Employment by Education (Share of Total)**



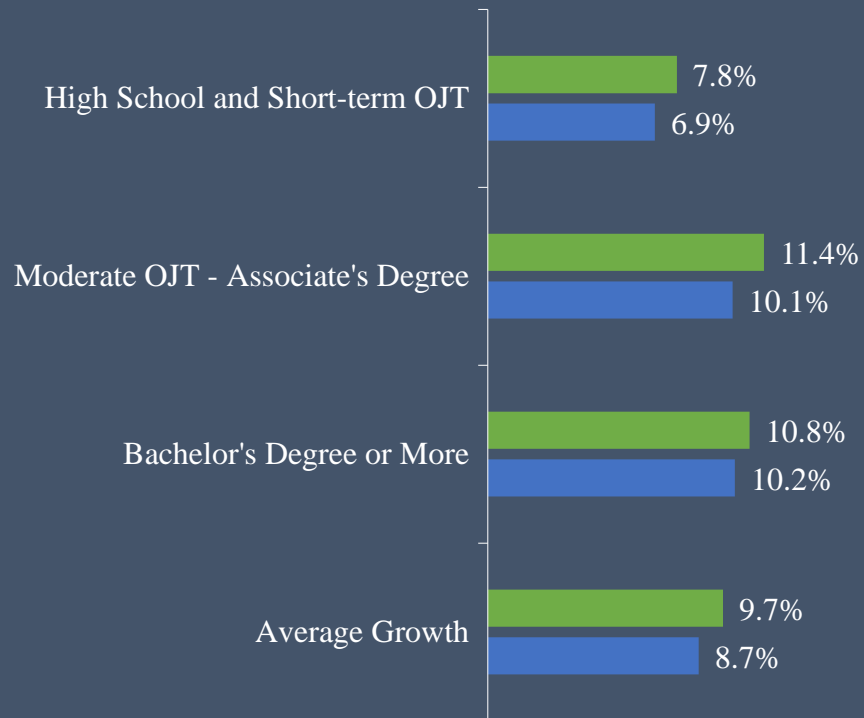
**Source:** Bureau of Labor Market Information and Strategic Initiatives

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

- By 2022, about 43 percent of Detroit Metro jobs (45 percent statewide) will still require only a high school diploma or less, with short-term to no on-the-job training (a drop of a full percentage point from 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 the area's jobs will require an Associate's degree, a post-secondary training, some college with no degree, a high school diploma or less accompanied with an extended period (six months or more) of apprenticeship and/or on-the-job training. 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 are projected to represent a higher share in Detroit Metro than they do statewide by about two percentage points. Virtually unchanged from the 2012 level, this share is estimated at 24 percent of total jobs.

# *Faster Projected 2022 Growth in the Detroit Metro than Statewide for Every Educational Group.*

**Projected Occupational Growth by Education**



Source: Bureau of Labor Market Information and Strategic Initiatives

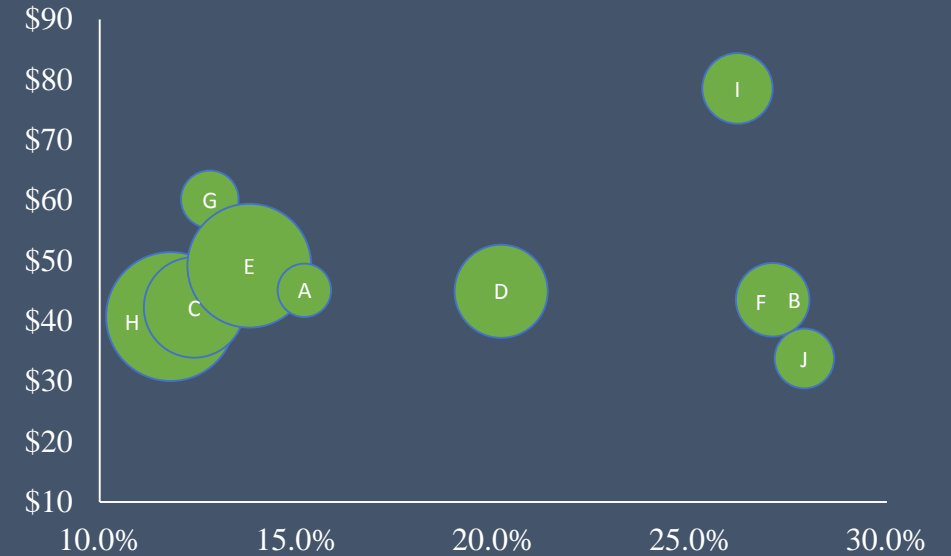
- Jobs requiring an Associate's degree or six months or more of on-the-job training will grow by 11.4 percent, more than a full percentage point faster than the overall growth average of 9.7 percent. Within this group, those requiring an Associate's degree will grow fastest. That includes rapid-advancing healthcare careers such as *RN* and *LPN*.
- Also faster than the regional growth average are careers requiring advanced degrees of formal education (Bachelor's and above). Many professional jobs are in this category.
- Many careers requiring a HS diploma or less, with short-term to no training are expected to grow below the regional average pace but faster than the statewide growth rate for this same group.



# Detroit Metro's High-Demand, High-Wage Occupations Are Dominated by Professional Careers.

- 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* and *Mechanical engineers* (occupations H and E on the chart) will generate the highest number of annual openings but mostly due the need to replace workers (a ratio of 7 and 6 to 10 annually, respectively). On the other hand, *Software developers* (occupation J) is small but will create about 70 percent of openings due to economic 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	Architectural and Engineering Managers	F	Physical Therapists
B	Computer Systems Analysts	G	Physicians and Surgeons, All Other
C	General and Operations Managers	H	Registered Nurses
D	Industrial Engineers	I	Software Developers, Applications
E	Mechanical Engineers	J	Software Developers, Systems Software

Source: Bureau of Labor Market Information and Strategic Initiatives