

Annual Planning Information and Workforce Analysis Reports: Northwest Michigan

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

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STATE OF MICHIGAN

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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.

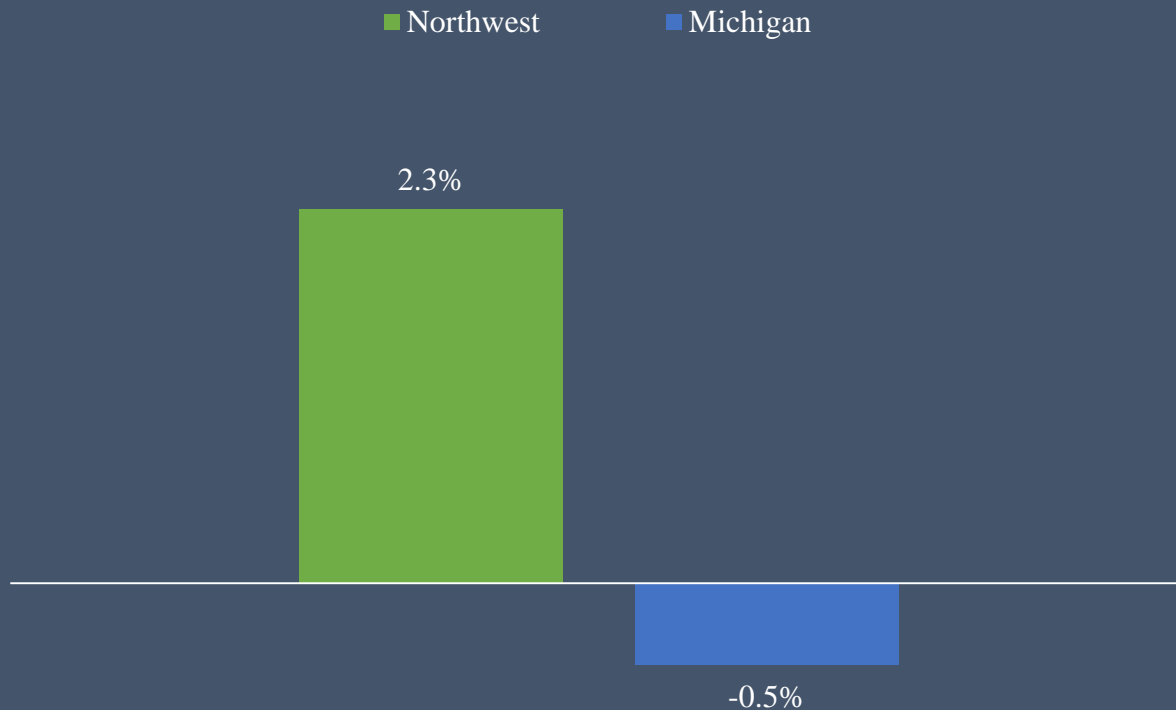
Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional Population Grows From 2009.

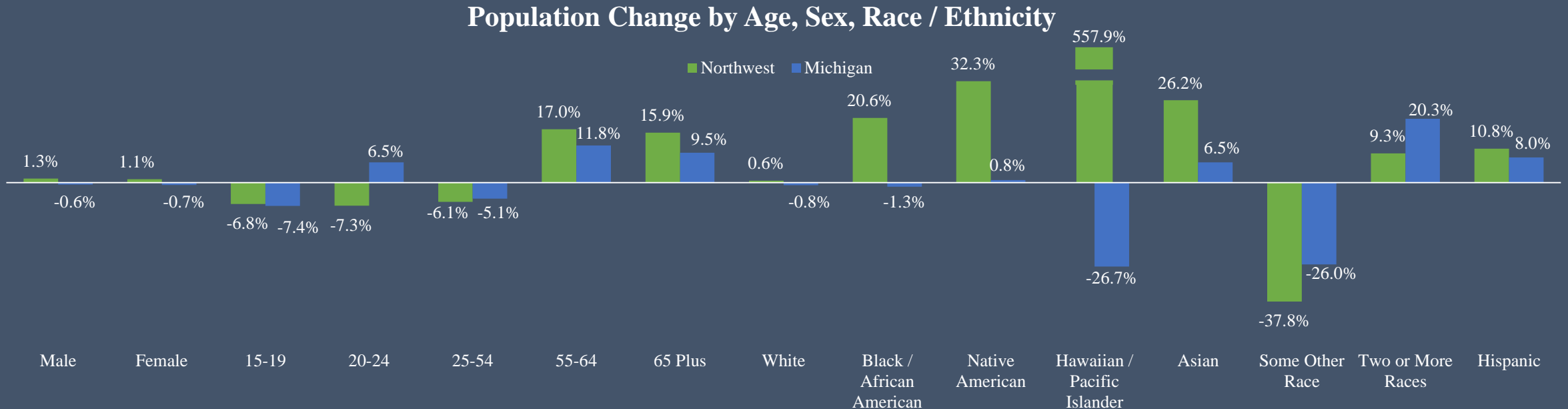
Population Change (2009-2015)



- According to the latest estimates from the U.S. Census Bureau, the population in Northwest Michigan was 303,000 in 2015. (Table 1)
- While the region's population has grown since 2009, edging up by around 7,000 (or +2.3 percent), the population statewide was still 47,000 below the 2009 level in 2015, despite minor gains recorded since 2011. Nationwide, the population rose by 4.7 percent over this period. (Table 1)
- Most of the population gains in Northwest Michigan were registered in Grand Traverse (6.1 percent or +5,300) and Wexford (4.6 percent or +1,450). With the exception of Antrim (-2.9 percent) and Emmet (-1.5 percent), the remaining six Northwest Michigan counties all gained population over the period between 2009 and 2015. (Table 1)

Regional Population Getting Older and More Diverse, Similar to State Demographic Trends.

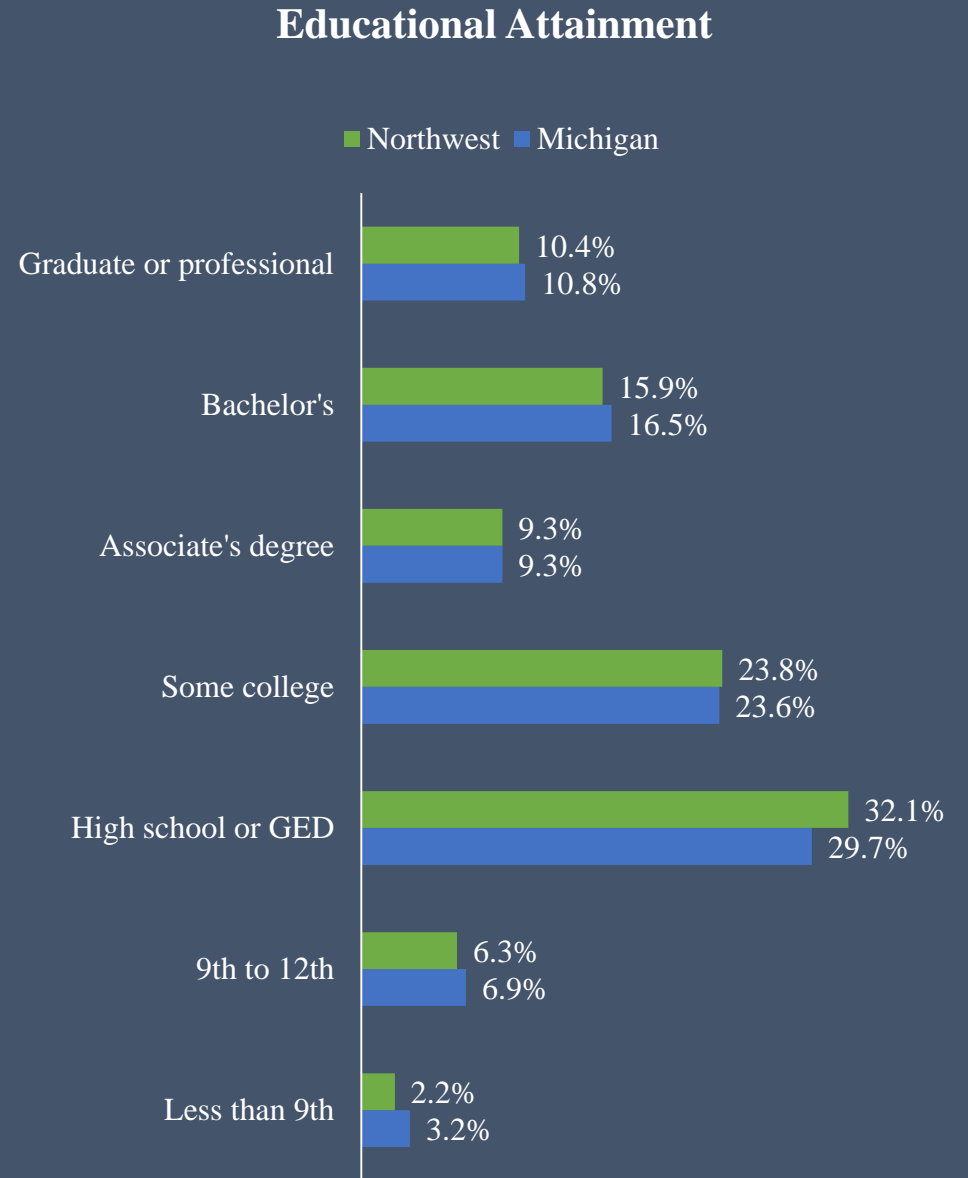
- Between 2009 and 2014, the population 55 years and older grew by 15,000 or 16.3 percent in Northwest Michigan. In contrast, the number of individuals 54 years old and younger fell by 10,000 or 6.3 percent. **(Table 2)**
- The white population remains the majority in the region, but their numbers have changed little since 2009-2014 (+0.6 percent). Interestingly, Hawaiian/Pacific Islanders have grown five times their size since 2009, though in 2009 they only numbered around 19. **(Table 2)**



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. In Northwest Michigan there are about 215,000 residents aged 25 or older; among them, 69,000 or 32 percent held a high school diploma or equivalent, slightly larger than the 30 percent statewide. **(Table 4)**
- Also on par with the state average is the share of the 25 and older population with *Some college* and *Associate's degrees*. Northwest Michigan slightly underperforms the state in the share of the 25 and older population with *Bachelor's degrees* and *Graduate or professional* training. **(Table 4)**

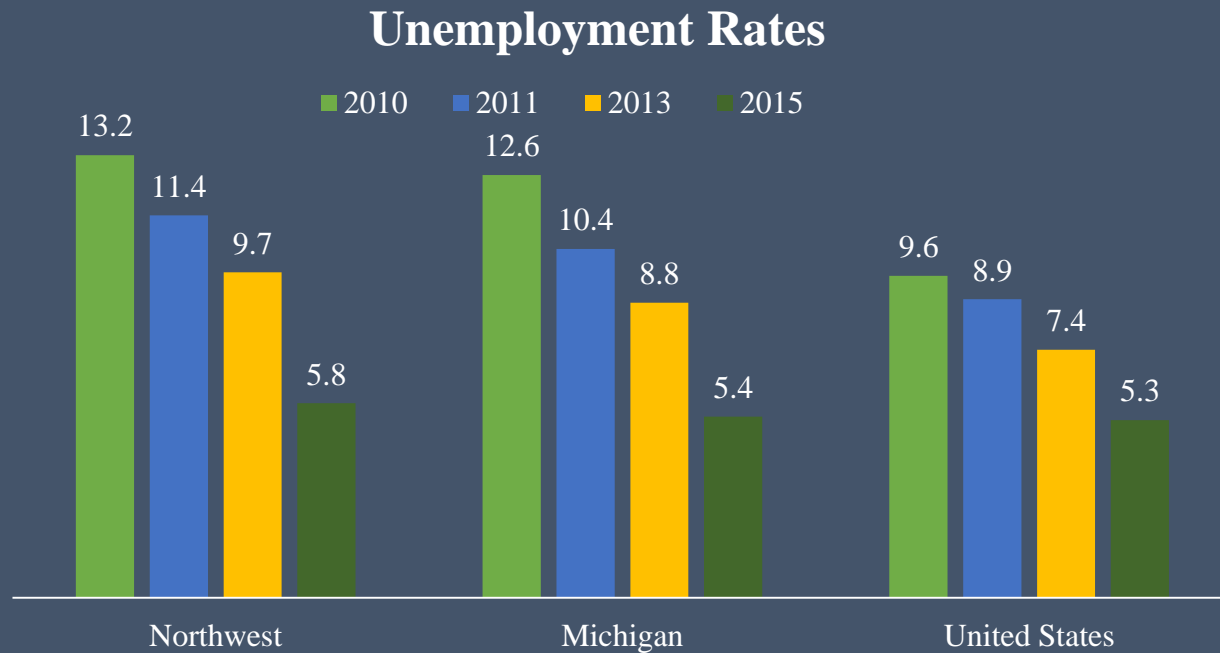


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8 and 13

Jobless Rates and Unemployment Lower Since 2010; Labor Force Remains Below 2010 Levels.



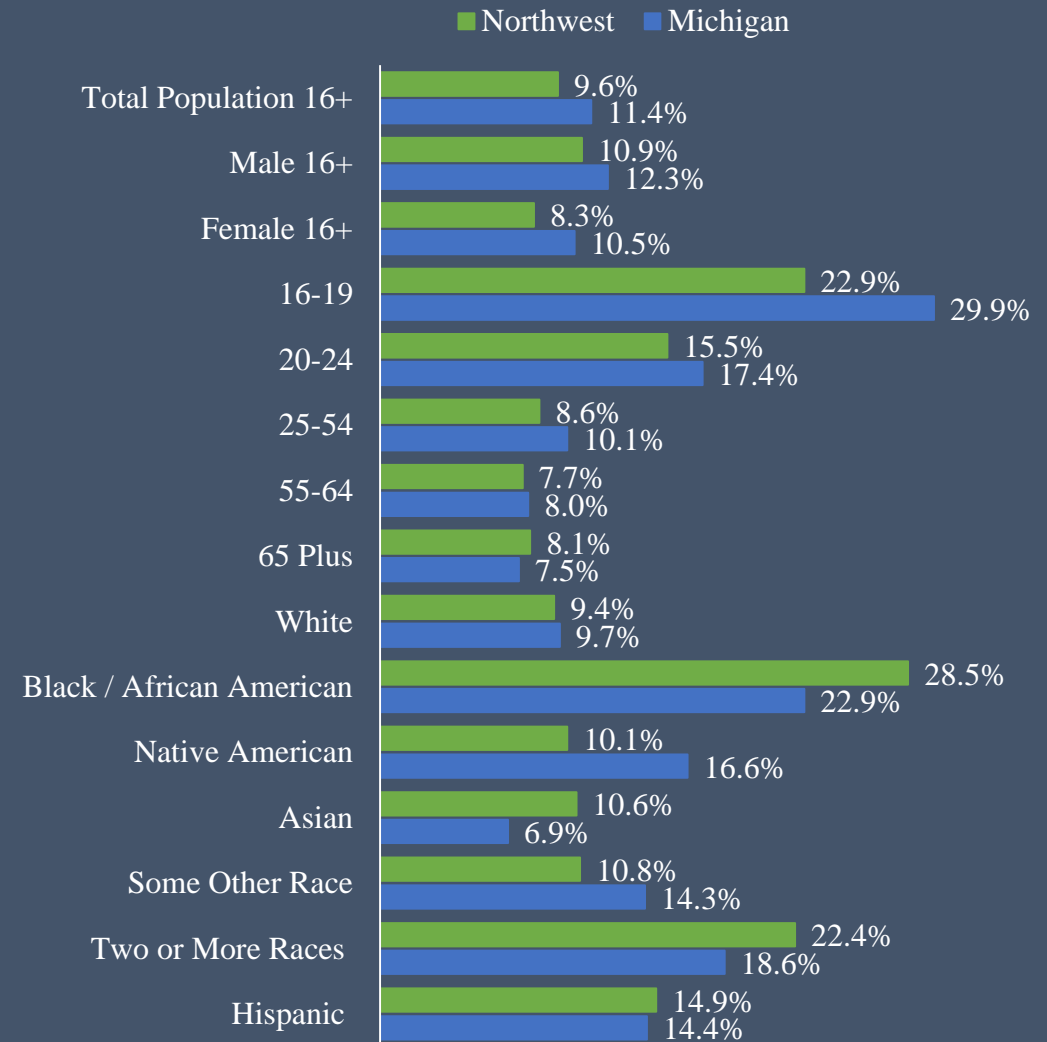
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The unemployment rate in Northwest Michigan followed state and national trends dropping significantly between 2010 and 2015.
- Over that period, the jobless rate fell by 7.4 percentage points and unemployed individuals dropped by 11,300 or 57 percent in Northwest Michigan. **(Tables 7 and 13)**
- Since 2011, the size of the labor force and the number of employed have both posted recent gains, but these measures still remain below their pre-recessionary levels. **(Tables 5 and 6)**
- In Northwest Michigan, the number of employed measures 139,850 in 2015, up 6,825 since 2013, and up by 8,850, or 6.8 percent, over the 2010 level. **(Table 5)**

Regional Jobless Rates Elevated for Youth and Young Adults.

- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in Northwest Michigan. However, males experienced a higher unemployment rate at 10.9 percent, compared to 8.3 percent for females. **(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)**
- While whites and Hispanics have an jobless rate that is on par with the statewide average, for all other demographic categories the unemployment rate differs. This is especially true for African Americans and Asians, who see a higher jobless rate.

Unemployment Rates by Sex, Age, and Race / Ethnicity



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

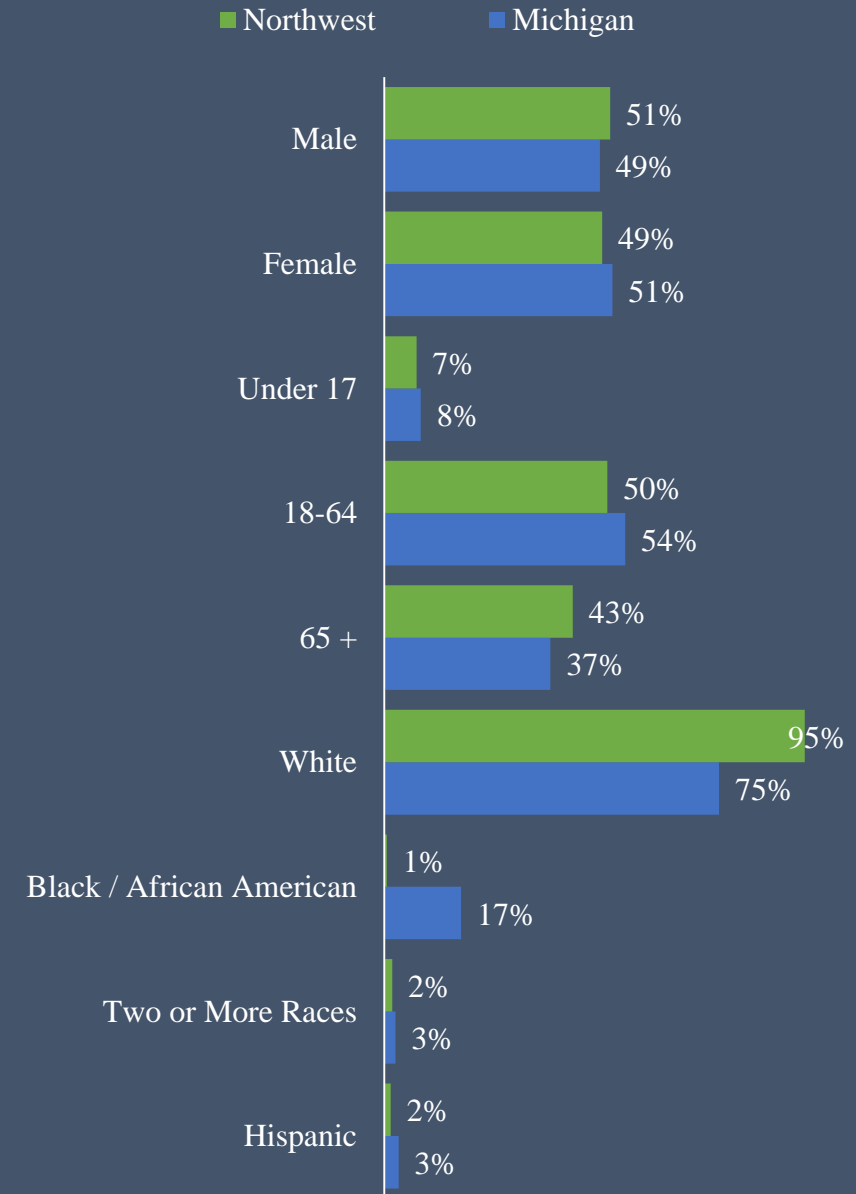
Individuals with Barriers to Employment

Tables 28-37

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

- According to the U.S. Census Bureau, 43,000 people in Northwest Michigan report a disability. About 43 percent of them were 65 years of age and older. While many of the demographic characteristics of individuals with disabilities in Northwest Michigan were similar to statewide estimates, there were substantial variances among the White and Black / African American groups. **(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

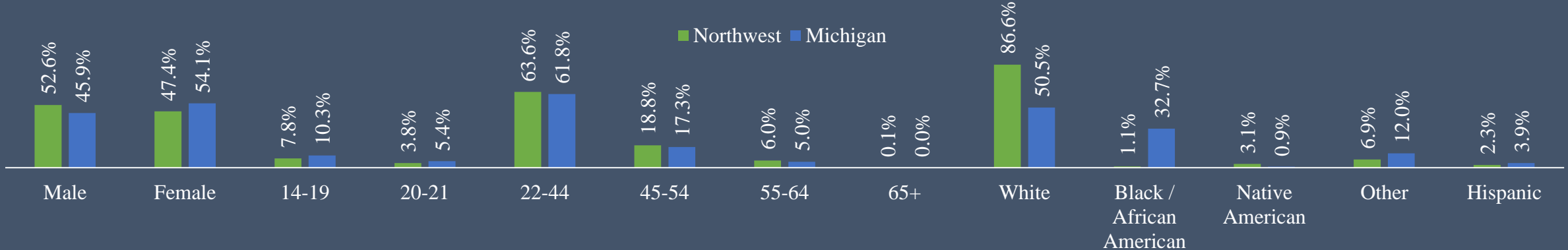


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare Registrants Concentrated in the Working Age and White Demographics.

- According to the Michigan Department of Health and Human Services, there were about 12,200 welfare registrants in Northwest Michigan counties in December 2014. **(Table 30)**
- The majority of the welfare registrants were in the prime working age of 22 to 54 (about 64 percent). **(Table 31)**
- Around 87 percent of the registrants were White and 1 percent Black or African American, much higher and lower, respectively, than the statewide average. **(Table 31)**

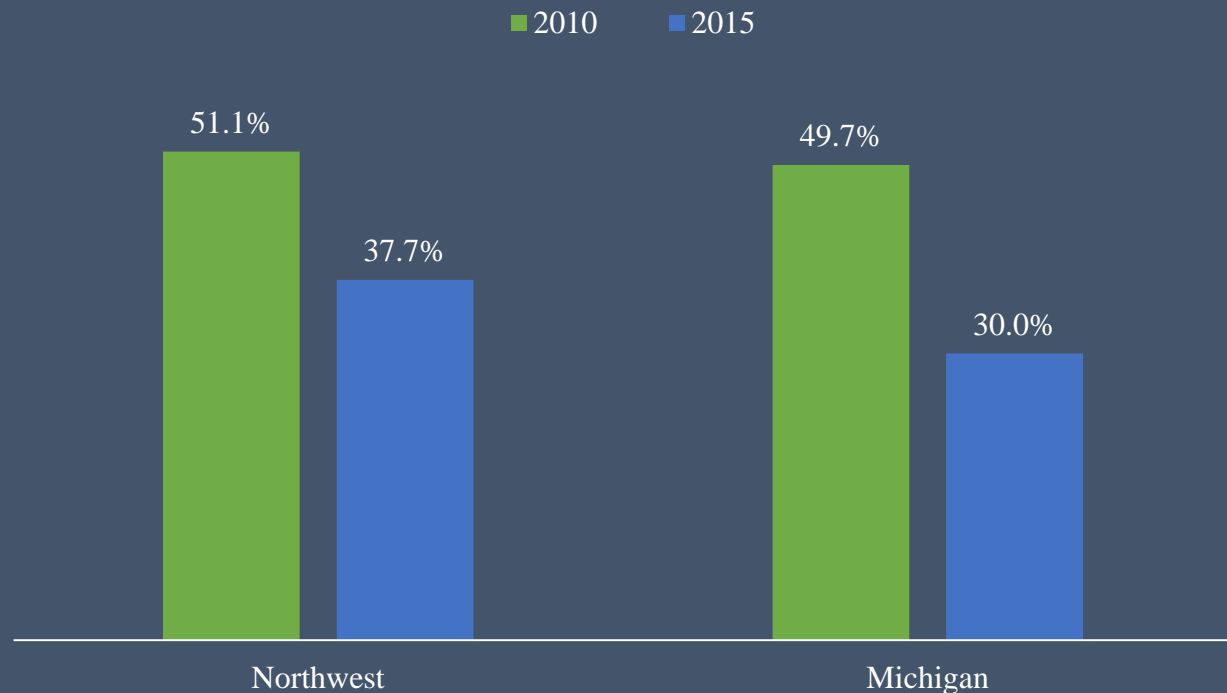
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

Long-Term Joblessness Remains an Issue in Michigan and in Northwest Michigan.

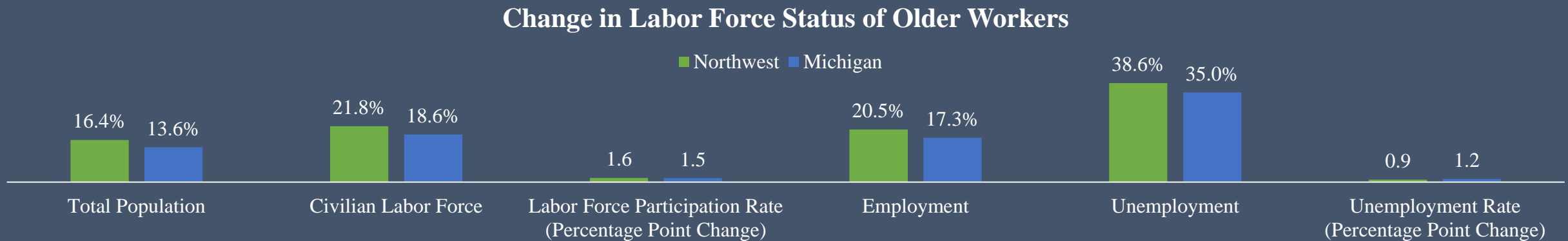
Long-Term Unemployed / Total Unemployed



- Long-term unemployment remains an issue in Michigan and in Northwest Michigan, 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, 3.5 percent of unemployed Michiganders were out of work for 27 weeks or more. 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 Northwest Michigan has followed the statewide trend. In 2010, 10,150 individuals or 51 percent of all unemployed were long-term unemployed. Long-term unemployment has recovered somewhat, falling to about 3,550 or 38 percent in 2015. **(Table 35)**

Older Workers Staying in the Labor Market Longer in Michigan and in Northwest Michigan.

- 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 Northwest Michigan, the labor force participation rate of this group during 2010-14 was estimated at 35.5 percent, over a full percentage point higher than 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 22 percent in Northwest Michigan and by 19 percent in Michigan over this period. **(Table 36)**

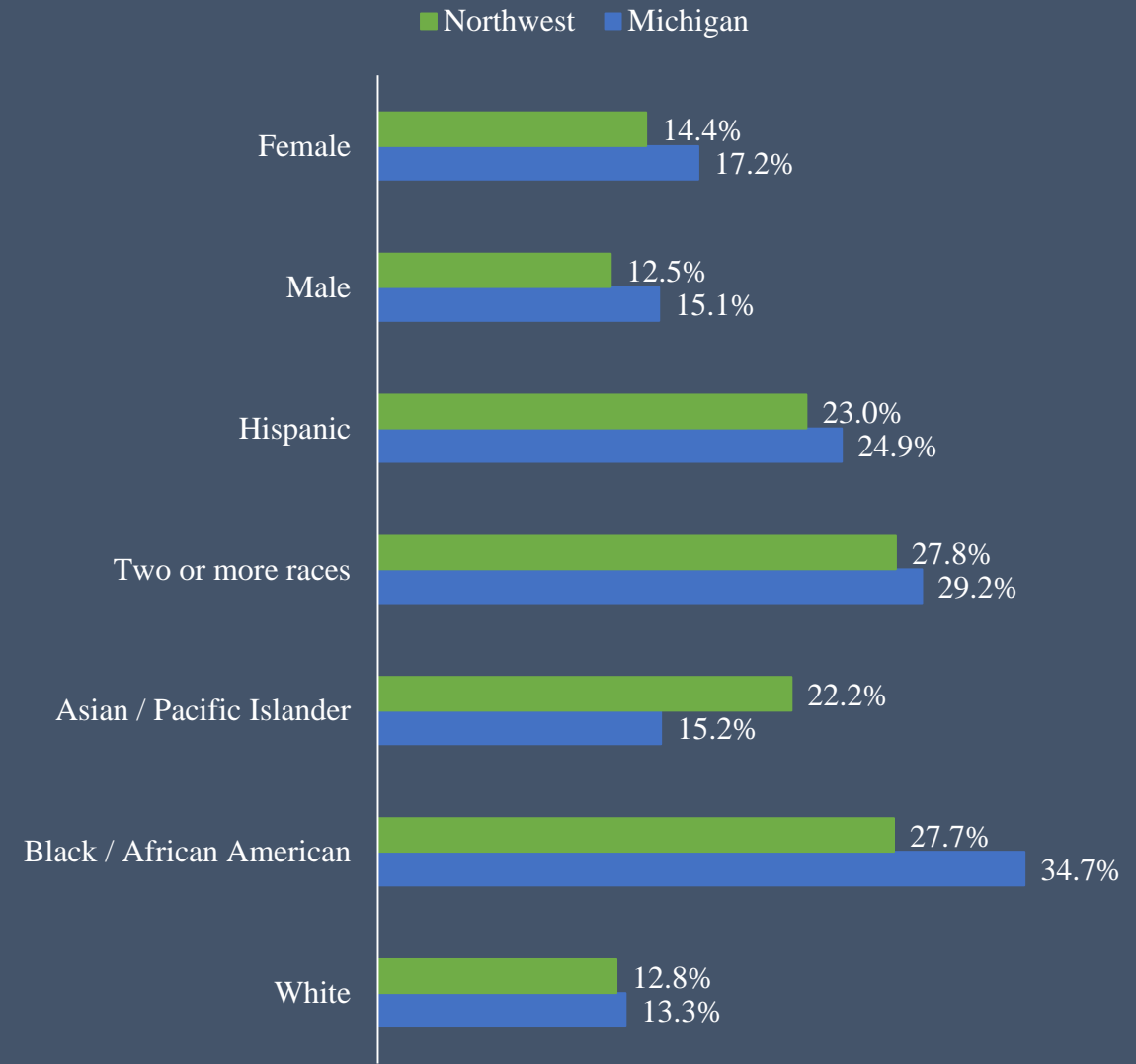


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Poverty Rate at 13.4 Percent in Northwest Michigan, Slightly Below Statewide Rate.

- In 2014, the U. S. Census Bureau estimated that 40,000 individuals (or 13.4 percent of the population) lived below the poverty line in Northwest Michigan. That is about 2.8 percentage points below the state poverty rate. **(Table 37)**
- In general, all the demographic groups in Northwest Michigan see a slightly lower poverty rate than those at the state level, with the exception of Asians. **(Table 37)**
- The share of women living in poverty is slightly higher than that of men in Northwest Michigan, continuing the trend seen at the state level. **(Table 37)**

Poverty by Sex and Race / Ethnicity



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

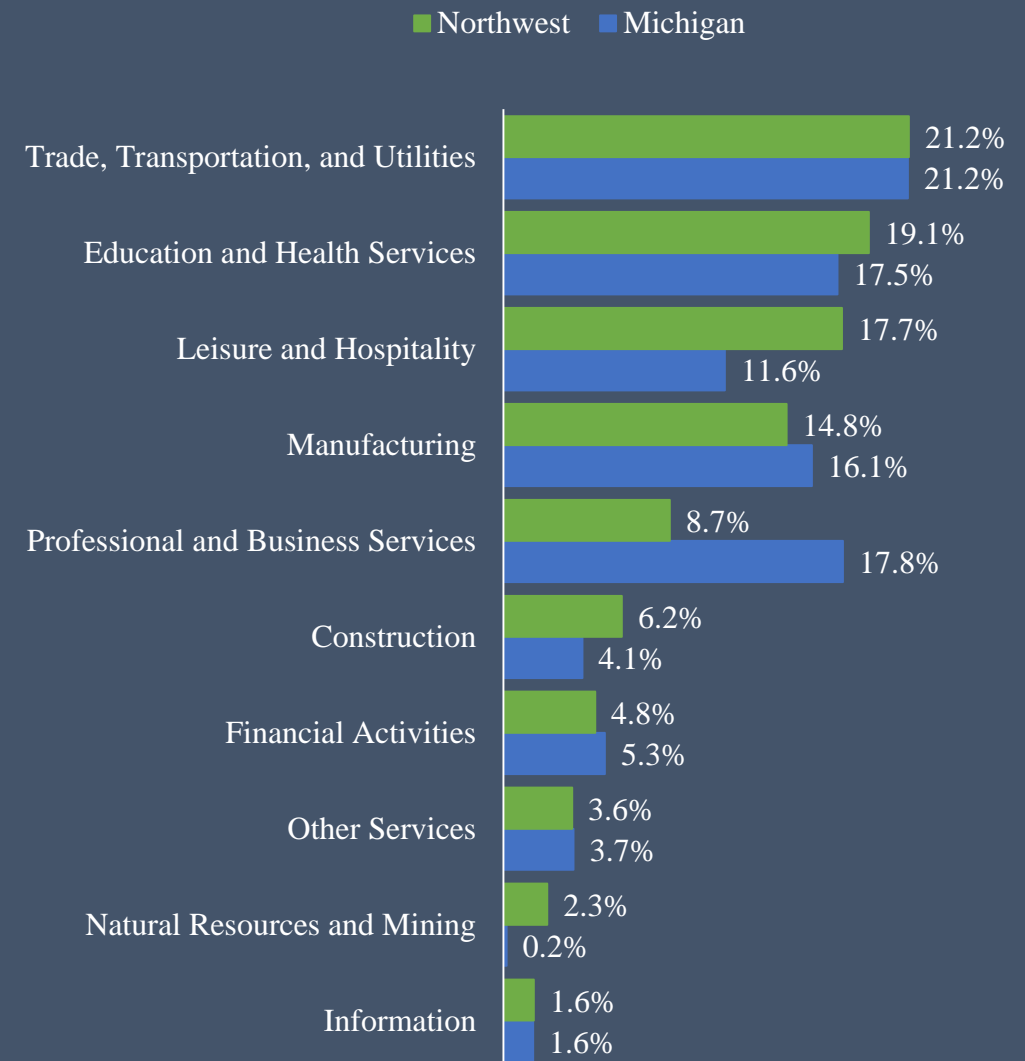
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

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

- *Trade, Transportation, & Utilities* is the largest private industry in the Northwest Michigan region.
- This is followed by *Education and Health Services* and *Leisure and Hospitality*. (Table 9)
- *Professional and Business Services* ranks as the fifth largest employer in the region. This is in contrast to the statewide industry composition, where this sector is the second largest and *Leisure and Hospitality* fifth largest among all private employers. (Table 9)

Distribution of Industry Jobs, 2nd Quarter 2015

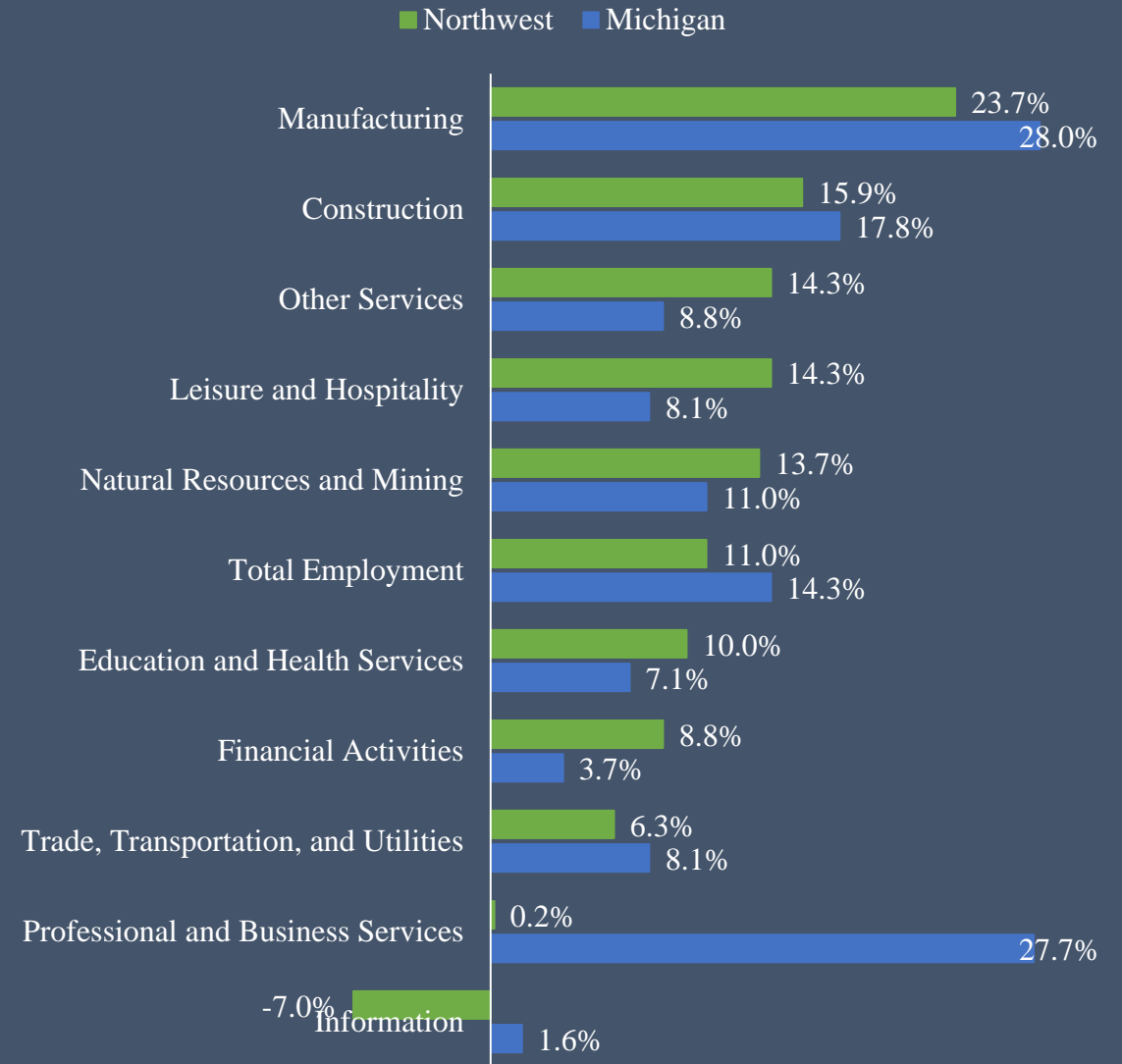


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Private Sector Jobs Grow by 10,000 or 11 percent Between 2009 and 2015.

- Northwest Michigan saw private sector jobs expand by 10,000 or 11 percent since 2009, fueled by a 2,850 job expansion in *Manufacturing* and 2,250 job expansion in *Leisure and Hospitality*. Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. (Table 9)
- The only industry to see private sector job losses over 2009 levels was *Information*. This sector was down by 125 jobs or 7 percent, following company merging and downsizing in the publishing industries (except the Internet).
- *Professional and Business Services* experienced almost no growth in Northwest Michigan, differing from the nearly 28 percent seen at the state level.

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 4,210 in 1st Quarter 2016.

Online Advertised Job Postings - Northwest Michigan

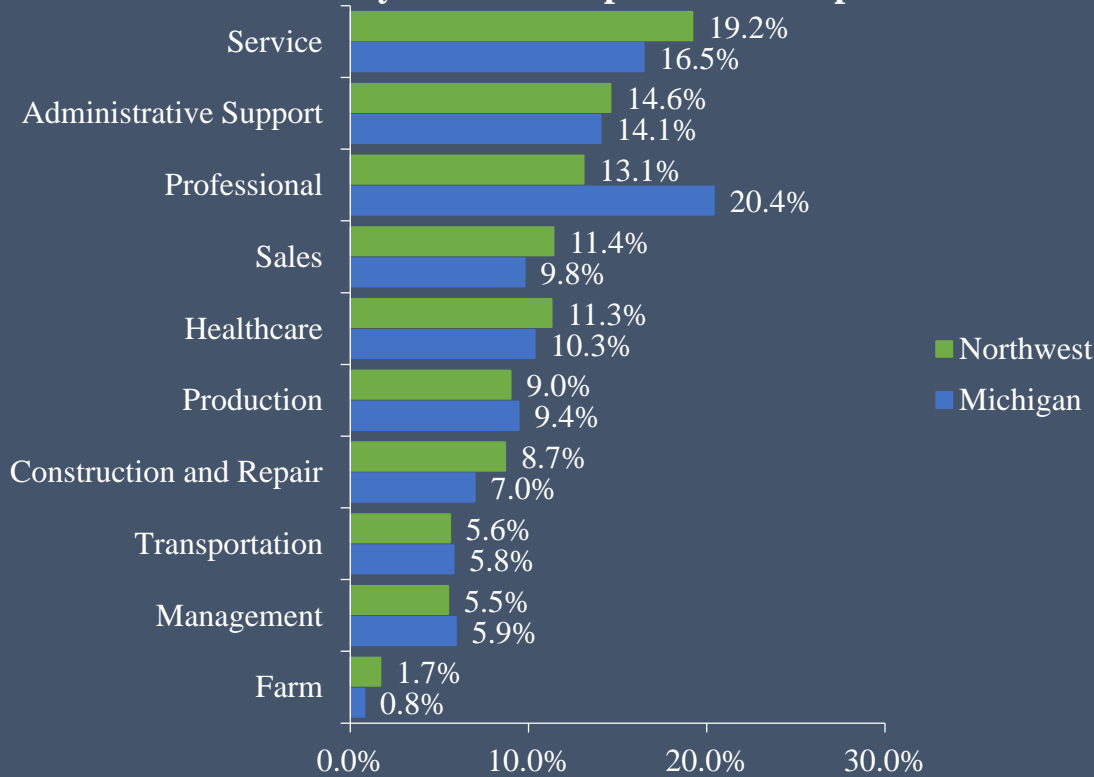
Job Title	Number
Registered Nurses	275
Retail Sales Supervisors	161
Truck Drivers	145
Retail Salespersons	135
Food Service Supervisors	92
Maids and Housekeeping Cleaners	86
Home Health Aides	64
Customer Service Representatives	61
Janitors and Cleaners	61
General Maintenance and Repair Workers	60

Source: The Conference Board, Help Wanted Online Database

- In the 1st Quarter 2016, there were 4,210 online advertised job postings in Northwest Michigan, according to the Conference Board's Help Wanted Online Database. **(Table 19)**
- About half of top job advertisements posted online require a high school diploma, some vocational training, or an associate's degree. In Northwest Michigan, six of the top ten online job postings during the first quarter of 2016 fell in this category. The range was eight of ten statewide.
- As the economy recovers, more businesses are in need of workers' supervisors to run the growing businesses. Two of the top ten job ads in Northwest Michigan (three of ten statewide) were for First-line Supervisors, during the first quarter of 2016. **(Table 19)**

About Half of the Northwest Michigan Jobs in 2022 Are Concentrated in Three Job Groups.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



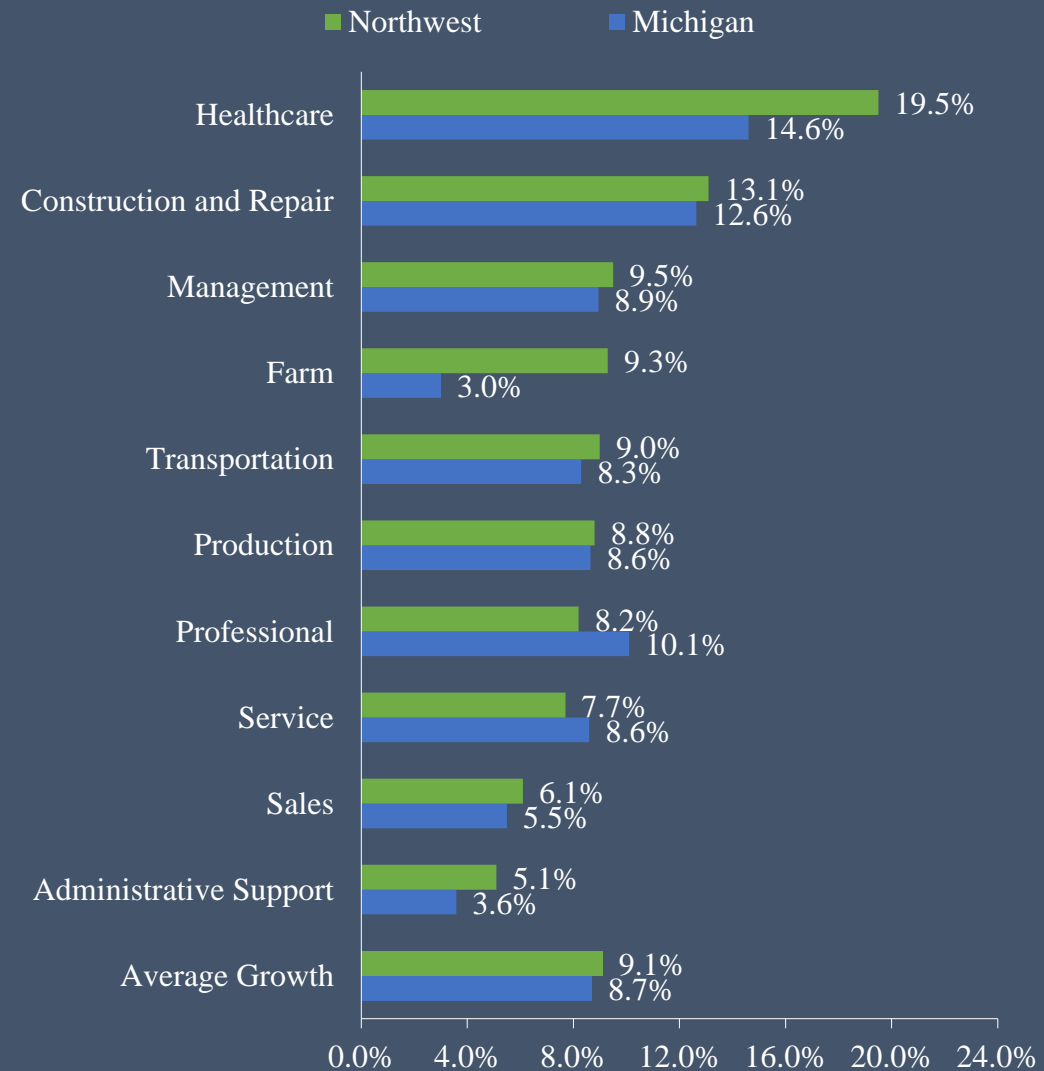
Source: Bureau of Labor Market Information and Strategic Initiatives

- Of the roughly 139,800 expected jobs in Northwest Michigan, about half will be in three major occupational groups: *Service*, *Administrative Support* and *Professional*. The state overall shares an emphasis on *Professional* and *Service* occupations, with *Administrative Support* falling into the third position. Compared to 2012, jobs in Northwest Michigan have not changed much, with *Professional*, *Service* and *Production* jobs continuing to be the three largest occupational categories.
- *Service* – at 19.2%, 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.
- *Administrative Support* – at 14.6%, is the second largest occupational category in terms of total jobs. This occupational group includes some of the largest single occupations such as bookkeepers, secretaries and office clerks.
- *Professional* – contributes about 13.1% of the region’s employment. It includes a diverse set of jobs, such as business, computer, technical, science, social service, and education positions.
- The group of *Healthcare* support services is fifth largest employer at 9.4% share of employment. Just like for the state and the nation, many health careers in Northwest Michigan are forecast to show strong growth. **(Table 20)**

Occupational Growth Rates in Northwest Michigan Are Projected to Be Above Statewide Average.

- Employment in all occupational groups, with the exception of *Professional* and *Service*, in Northwest Michigan is projected to grow above the statewide average through 2022.
- Three groups of occupations are expected to create over 40 percent of the 11,715 new jobs in Northwest Michigan.
 - *Healthcare* will contribute about 2,550 new jobs (or +19.5 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.).
 - Equally important is the *Construction and Repair* occupational group, which is projected to add about 1,400 new jobs (or +13.1 percent). This group encompasses not only construction laborers but also electricians, powerline repairers, plumbers, roofers, and many other careers in specialty trade contractors.
 - *Management* is the third largest group in Northwest Michigan. This group is projected to add 660 new jobs, or +9.5 percent. This group includes occupations such as *Human Resource Managers* and *Marketing Managers*.

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

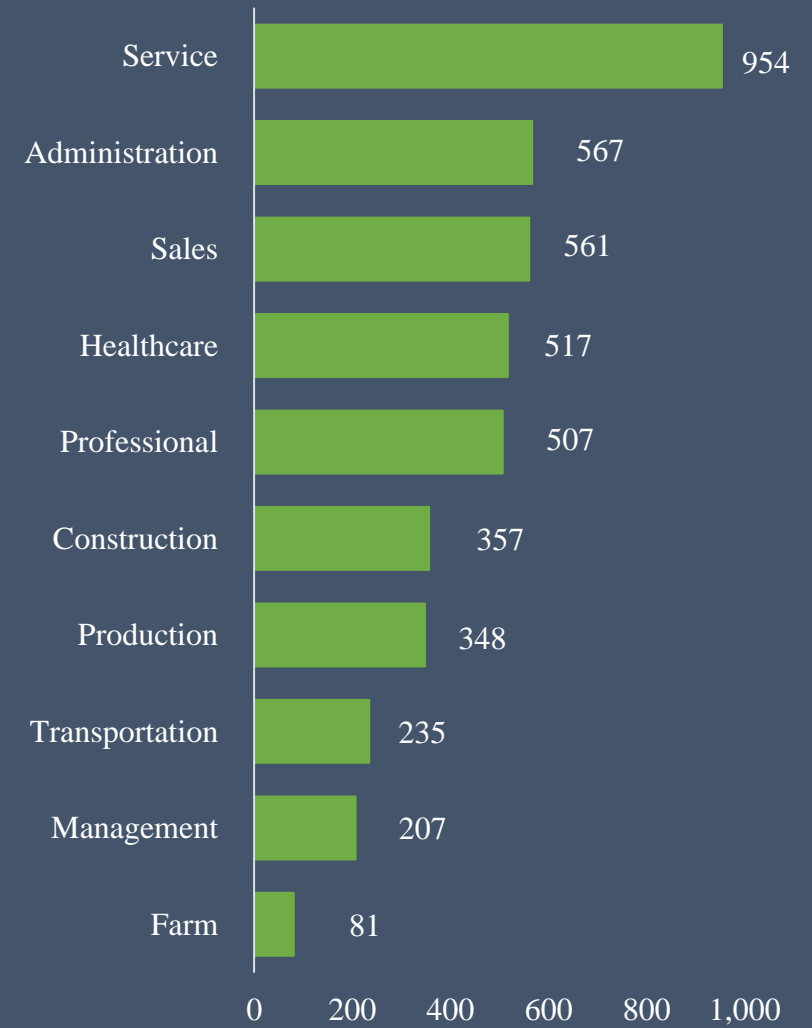


Source: Bureau of Labor Market Information and Strategic Initiatives

Northwest Michigan Experiencing High Annual Openings in Service Occupations.

- 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 Northwest Michigan, about 29 percent of annual openings are expected to come from employment expansion, while the remaining 71 percent will be from the need to replace workers that leave for various economic reasons (e.g., retirement, out-migration, etc.). (Table 20)
- Most of these expansion openings will be found in *Service* and *Healthcare*, while replacement openings will be found in the *Service* and *Sales* occupational categories.

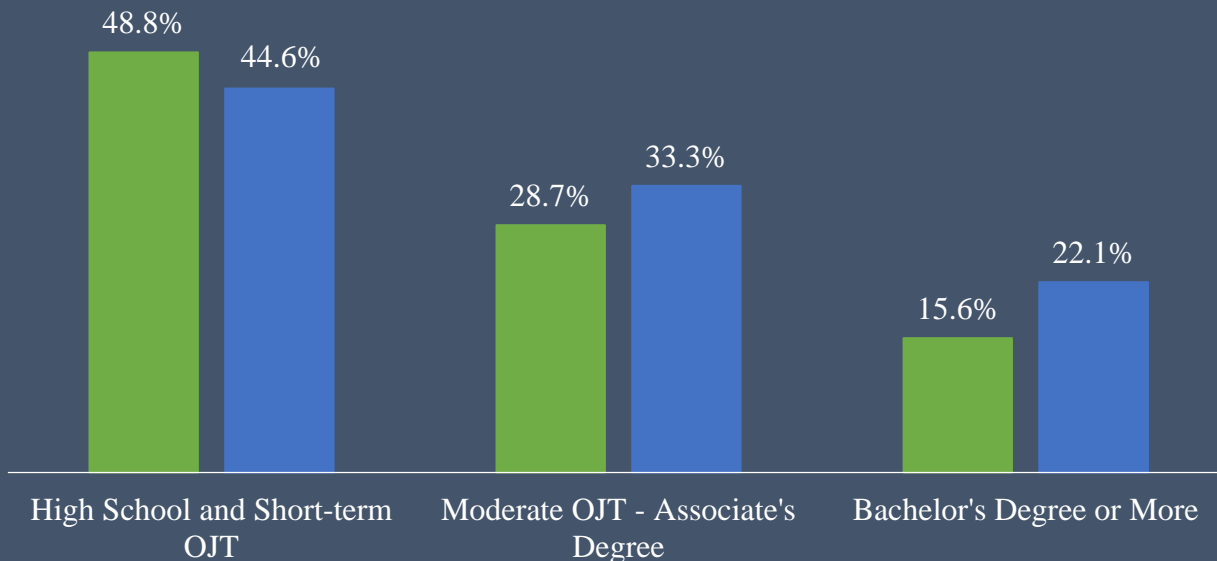
Projected Annual Openings by Broad Occupational Groups (2012 – 2022)



Nearly Half of Jobs In Northwest Michigan Will Require a H.S. Diploma or Less.

Projected 2022 Occupational Employment by Education (Share of Total)

■ Northwest ■ Michigan

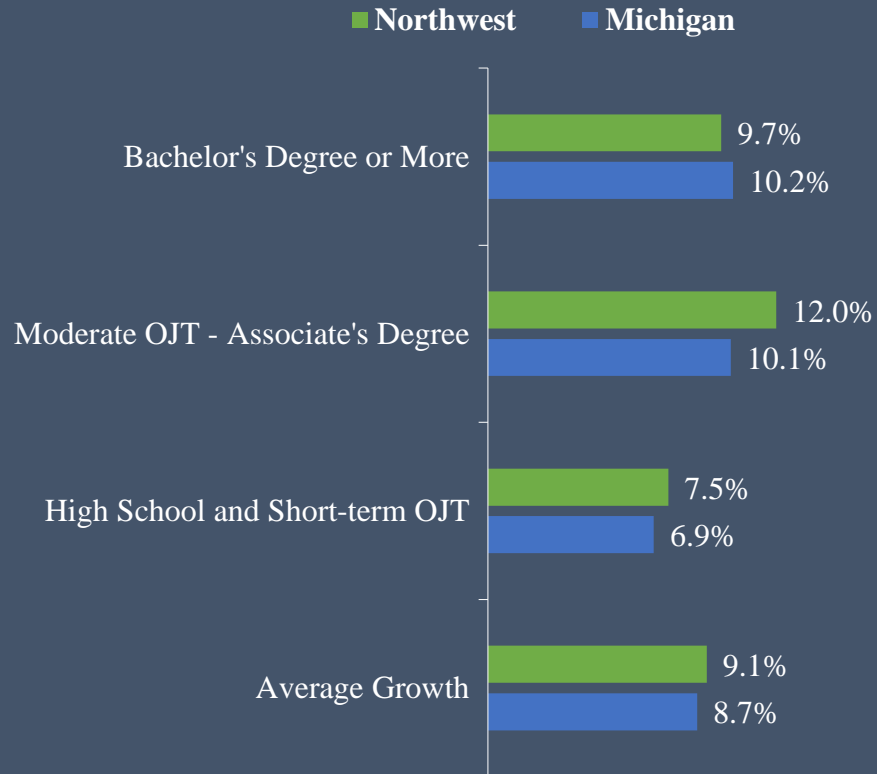


Source: Bureau of Labor Market Information and Strategic Initiatives

- By 2022, nearly half of Northwest Michigan jobs will still need only a high school or less, with short-term to no on-the-job training. These occupations have a large employment base and will create jobs through the need to replace workers.
- 28.7 percent of the area's jobs 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. Many health and construction careers are in this group and are associated with long-run employment growth, high earnings, and low unemployment status.
- In comparison to 2012, these numbers have remained fairly similar, with 50.6 percent of occupations requiring a high school diploma or less, 28 percent requiring an Associate's degree or moderate on-the-job training, and 15.5 percent requiring a Bachelor's degree.
- In comparison to the state overall, jobs in Northwest Michigan are more concentrated in the category requiring up to a high school diploma and short-term training, but less concentrated in categories with more extensive education or training requirements.

Higher Projected 2022 Growth in Northwest Michigan than Statewide for Most Educational Groups.

Projected Occupational Growth by Education



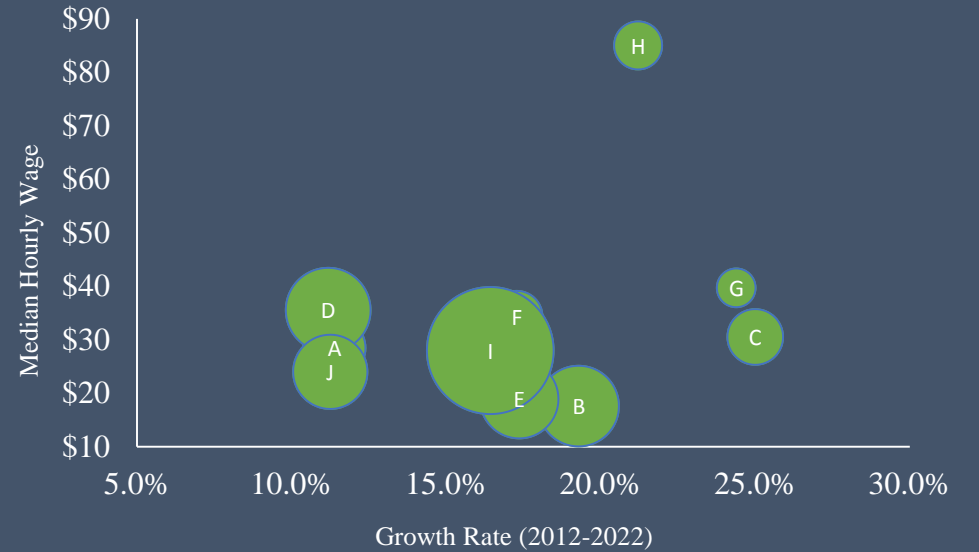
Source: Bureau of Labor Market Information and Strategic Initiatives

- Jobs requiring High School diplomas or Associate's degrees are expected to grow above state levels.
 - Jobs in this educational group will grow by 7.5 percent and 12.0 percent, respectively. In addition, Associate's degrees are expected to grow faster than the overall growth average of 9.1 percent (8.7 percent in Michigan).
- Moreover, jobs requiring Bachelor's degrees, while growing below the state level, are still expected to grow above the statewide and regional average.
 - Many of these jobs include medical professionals and mathematical analysts, which will be key as the *Healthcare* sector expands in Northwest Michigan.

Northwest Michigan'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.
- *Registered Nurses* are expected to have the most annual openings through 2022, with 100. *General and Operations Managers* and *Sales Representatives* will both have above 30 annual openings.
- 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 the 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	Medical and Health Services Managers
B	Carpenters	G	Physical Therapists
C	Dental Hygienists	H	Physicians and Surgeons, All Other
D	General and Operations Managers	I	Registered Nurses
E	Machinists	J	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products

Source: Bureau of Labor Market Information and Strategic Initiatives