

Annual Planning Information and Workforce Analysis Reports: Northeast 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.

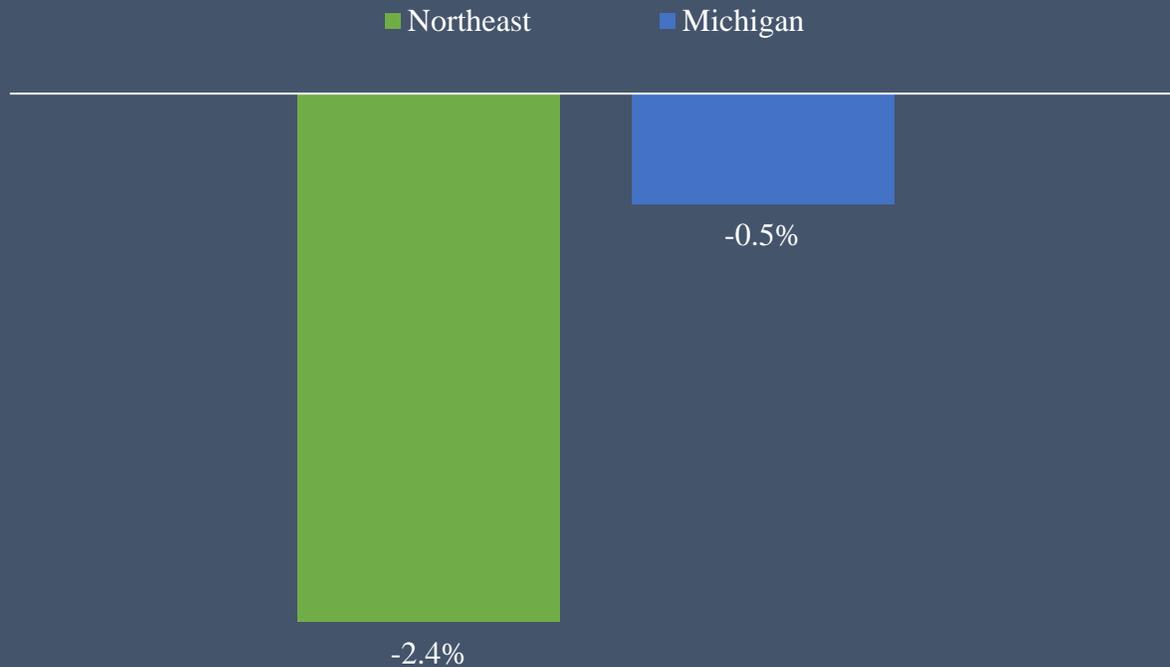
Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional population down 2.4 percent between 2009-2015.

Population Change (2009-2015)



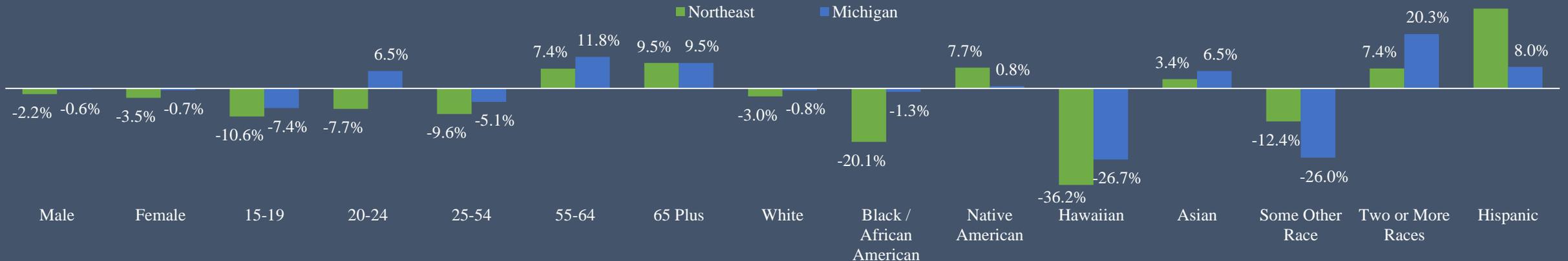
Source: U.S. Census Bureau, Annual Population Estimates

- According to the latest estimates from the U.S. Census Bureau, the population in Northeast Michigan was 203,160 in 2015. **(Table 1)**
- The region lost 2.4 percent of its population from 2009-2015, a larger percentage reduction than the state as a whole, which lost 0.5 percent of its residents over the same period. This reduction amounts to 4,910 fewer residents for the region in 2015 than in 2009. Nationwide, the population rose by 4.7 percent over this period. **(Table 1)**
- Otsego County was the only county in Northeast Michigan to see more residents in 2015 than in 2009, up 840 persons or 3.6 percent. The largest drop was recorded in Montmorency County, which lost 835 residents, or 8.3 percent of its population. **(Table 1)**

Estimates show an aging population in Northeast Michigan.

- From 2009 to 2014, the age group with the greatest percentage gain in the region was those over 65 years of age. Statewide, the 55-64 year-old age group grew the most over the period, while the 15-19 year-old age group experienced the greatest decrease in both the region and state. Another notable trend was the 20-24 year-old age group in Northeast Michigan, which lost 7.7 percent of its population in the region but gained 6.5 percent in the state as a whole. (Table 2)
- Northeast Michigan residents of Hispanic ethnicity registered a large percentage increase in the region, up 29.9 percent, a much higher increase than was seen statewide. However, this population (and other minority populations) remain a very small part of the region's makeup, which is 96.4% white. (Table 2)

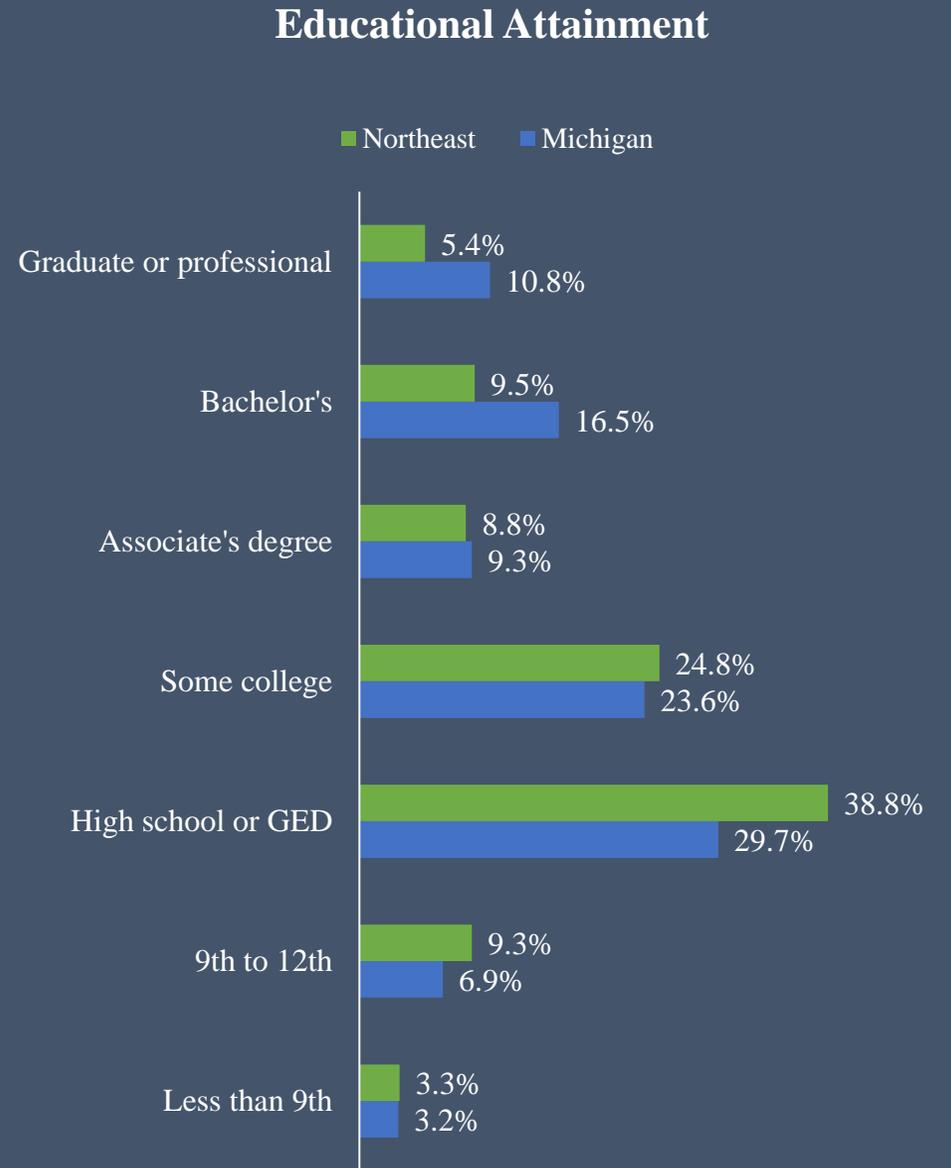
Population Change by Age, Sex, Race / Ethnicity



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

Northeast Michigan residents hold fewer Bachelor's and advanced degrees than state average.

- A region's educational attainment is based on the number of residents 25 and older with various education levels. In Northeast Michigan, there are fewer residents with a *Bachelor's degree* or higher than seen statewide, 15.0% (or 23,130 residents) in the region versus 27.3% statewide. **(Table 4)**
- Consequently, the proportion of residents of the region with a *high school diploma* or less is higher than the statewide level, 51.4% (or 79,500 residents) in the region versus 39.8% statewide. **(Table 4)**



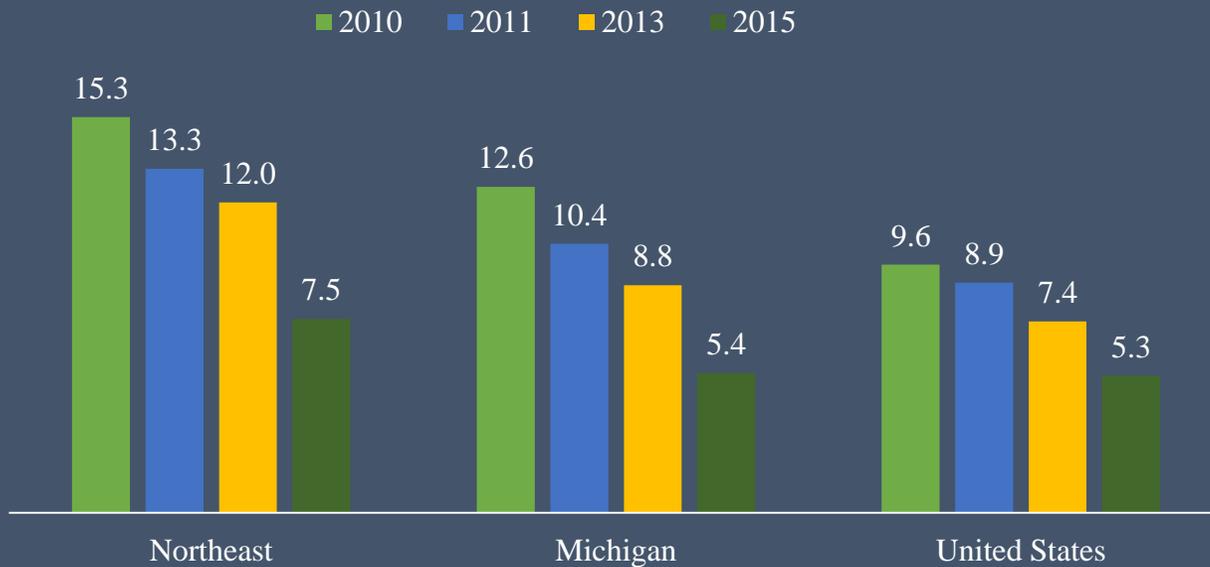
Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8 and 13

Jobless rates and unemployment lower since 2010, labor force and employment remain below 2010 levels.

Unemployment Rates

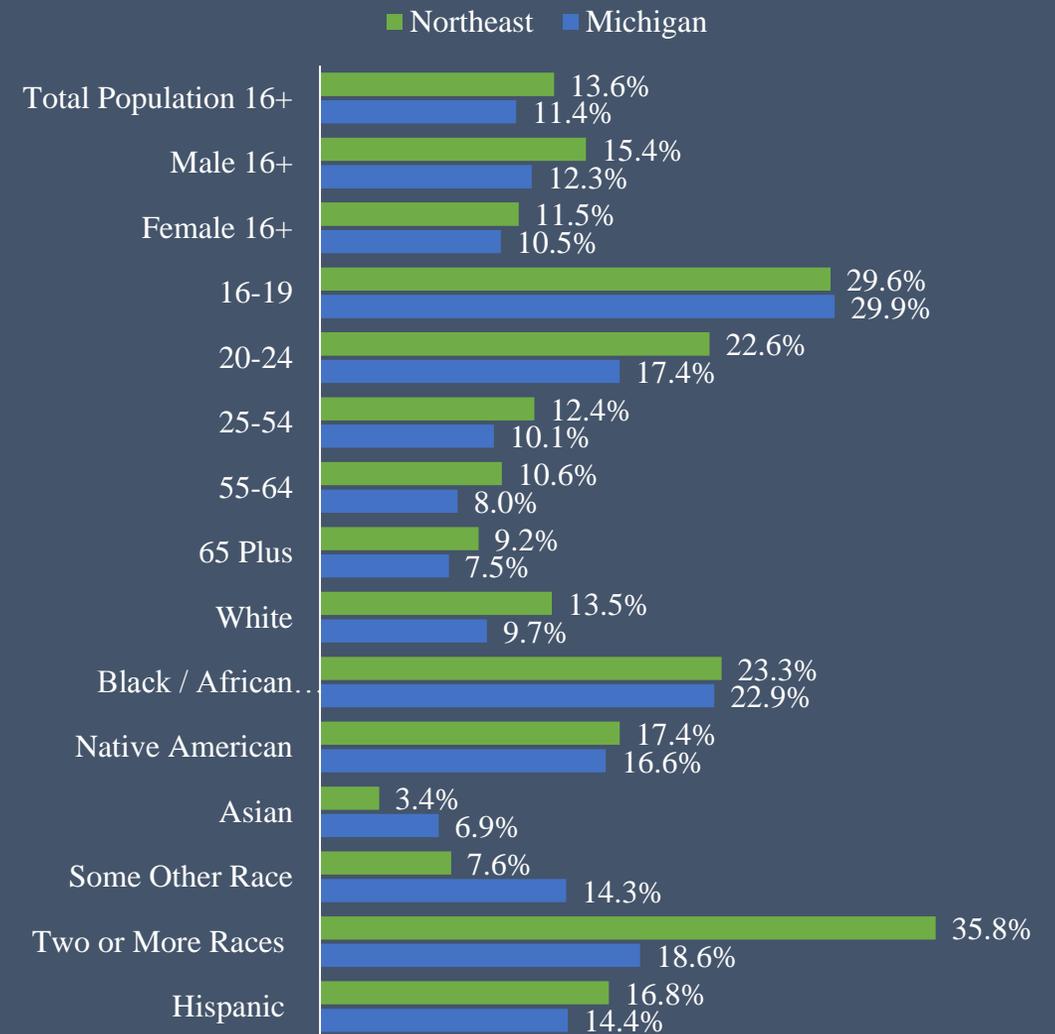


- The unemployment rate in Northeast Michigan followed state and national trends, dropping significantly between 2010 and 2015.
- Over that period, the jobless rate fell by 7.8 percentage points and the count of unemployed individuals dropped by 7,190, or 54 percent, in Northeast Michigan. **(Tables 7 and 13)**
- While the size of the labor force and the number of employed have both posted recent gains, both measures remain below their pre-recessionary levels. **(Tables 5 and 6)**
- In Northeast Michigan, the labor force measured 82,720 in 2015, down about 500 from 2013 and 5,030, or 5.7%, below the 2010 level. **(Table 5)**

Regional jobless rates elevated for youth and young adults as well as many minority groups.

- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in Northeast Michigan. However, males experienced a higher unemployment rate at 15.4 percent, compared to 11.5 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 the regional jobless rates for Black and Native American populations were relatively equal to the state level, higher rates are seen among the White, Hispanic and Two or More Races groups, while lower rates were seen among Asians and those of Some Other Race. Regardless of their relative difference to statewide levels, many minority groups still experience elevated jobless rates. **(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

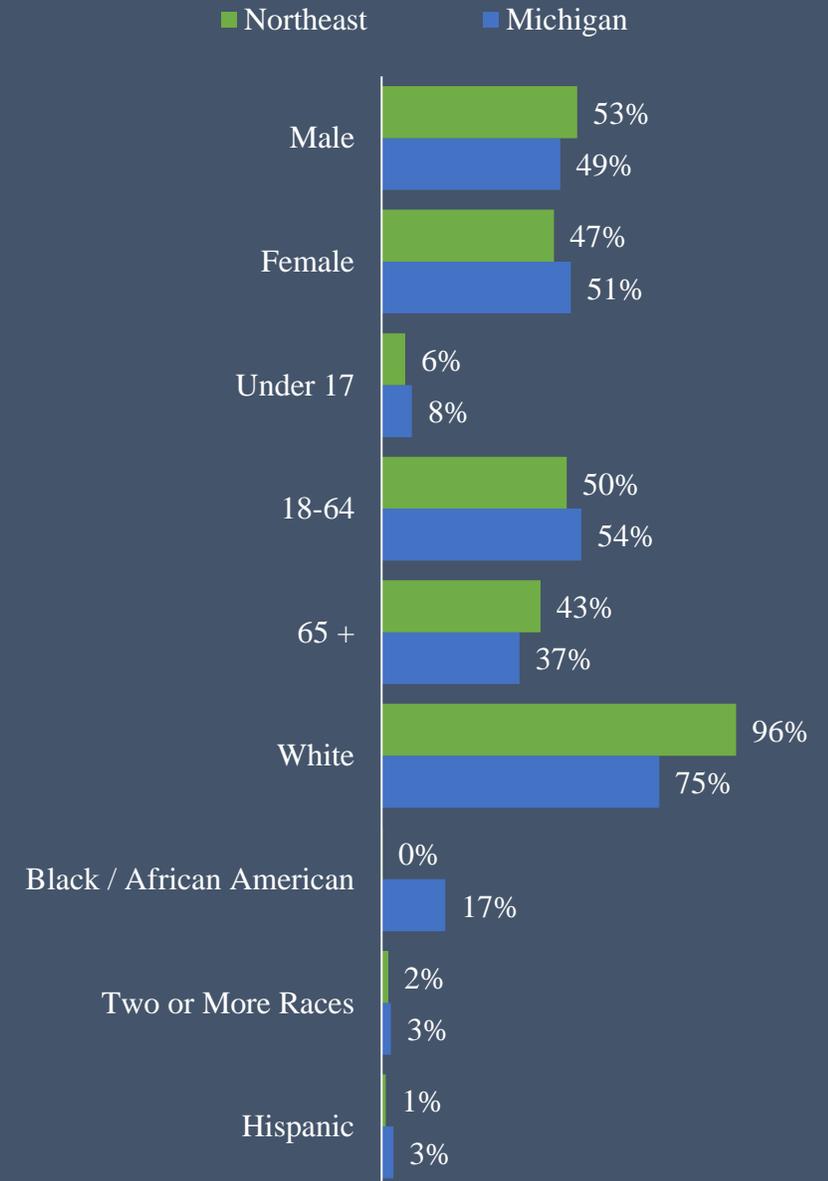
Individuals with Barriers to Employment

Tables 28-37

Individuals with a disability see higher jobless rates and lower labor force participation.

- According to the U.S. Census Bureau, about 42,410 people in Northeast Michigan report a disability. About 43 percent of them were 65 years of age and older. The individuals with disabilities in Northeast Michigan were nearly all white (96 percent), a reflection of the group's 96 percent share of total population in the region. **(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

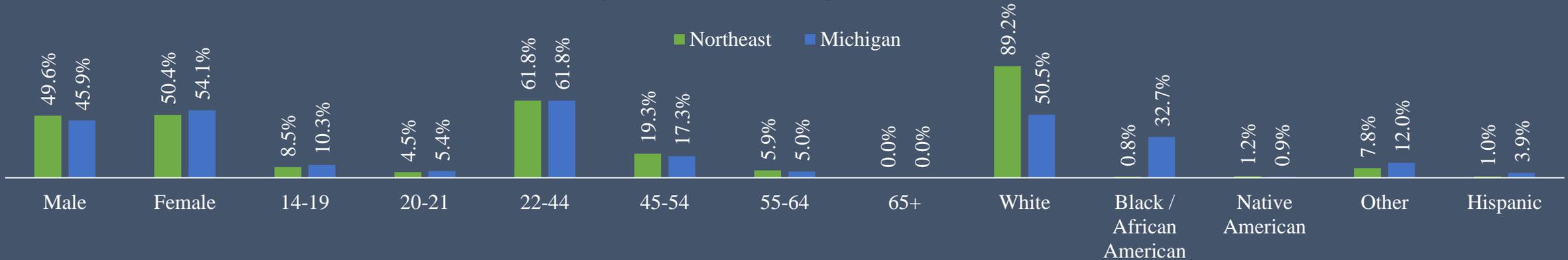


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare registrants concentrated in the working age and white demographics.

- According to the Michigan Department of Health and Human Services, there were about 12,520 welfare registrants in Northeast Michigan counties in December 2014. **(Table 30)**
- The majority of the welfare registrants were in the prime working age of 22 to 44 (about 62 percent). **(Table 31)**
- Around 89 percent of the registrants were White and under one percent were Black or African American, differing significantly from the statewide average. **(Table 31)**

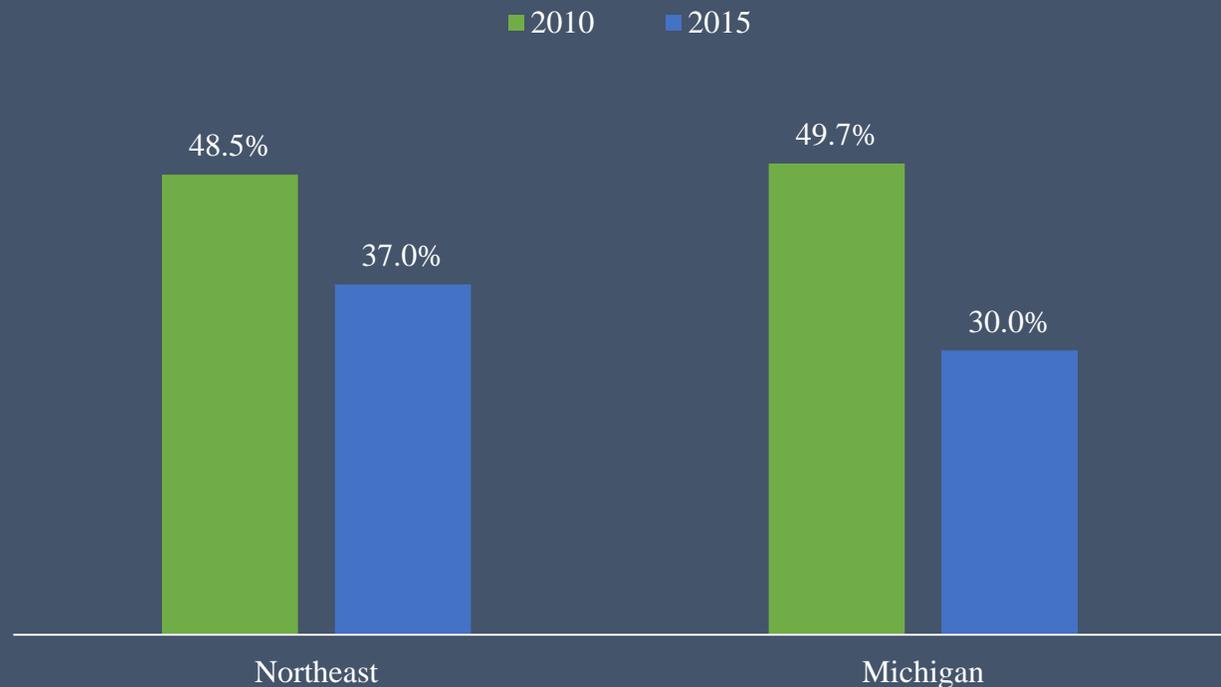
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

Long-term joblessness in Northeast Michigan above Michigan average.

Long-Term Unemployed / Total Unemployed

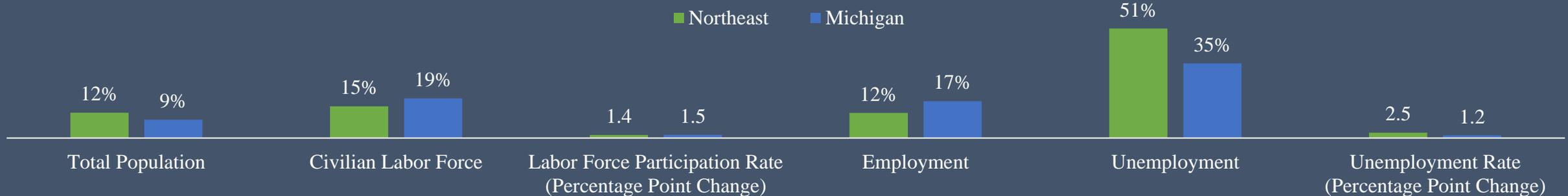


- Long-term unemployment remains an issue in Michigan and in Northeast Michigan, as the number and share of those out of work for 27 weeks or more has remained stubbornly high despite the labor market recovery.
- In 2000, 3.5 percent of unemployed Michiganders were out of work for 27 weeks or more. It then escalated to nearly 25 percent by 2003 and swelled to around 50 percent following the Great Recession. The share was 30 percent in 2015.
- The number of long-term unemployed individuals in Northeast Michigan has followed the statewide trend, but has not shown as strong of a recovery. In 2010, 6,510 individuals or 48.5 percent of all unemployed were long-term unemployed. Long-term unemployment has recovered by nearly 12 percentage points, falling to about 2,490 or 37 percent in 2015, but is still well above the Michigan average of 30 percent. **(Table 35)**

Older workers in Northeast Michigan rise in number, but labor force participation rates relatively flat.

- 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 Northeast Michigan, the labor force participation rate of this group during 2010-2014 was estimated at 25.4 percent, 1.4 percentage points above the rate during the 2005-2009 timeframe, a relatively small change. The number of individuals in this group that were in the labor force (employed or looking for jobs) rose by 15 percent in Northeast Michigan and 19 percent Michigan as a whole over this period. **(Table 36)**

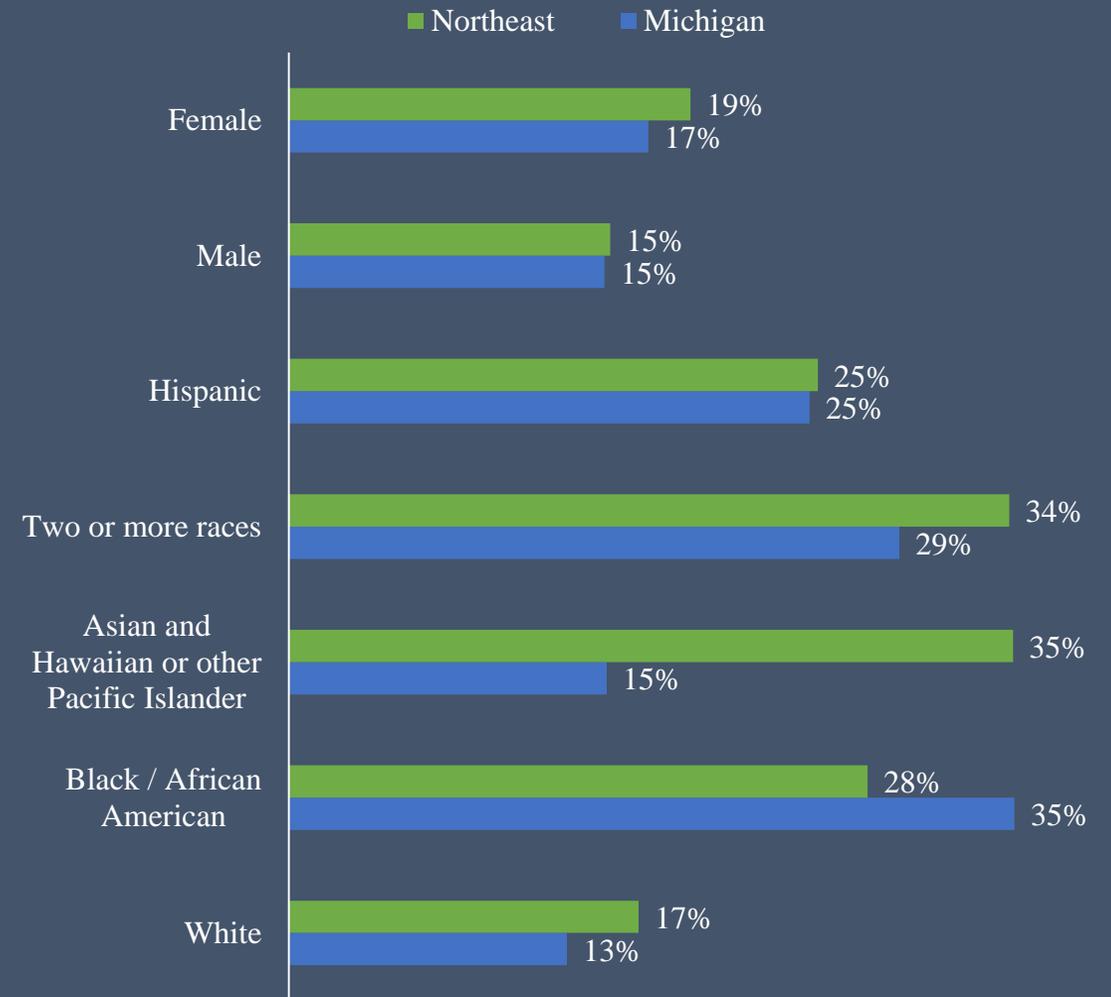
Change in Labor Force Status of Older Workers



Poverty rate at 17.3 percent in Northeast Michigan, slightly above statewide rate.

- In 2014, the U. S. Census Bureau estimated that 35,608 individuals (or 17.3 percent of the population) lived below the poverty line in Northeast Michigan. That is about one percentage point above the state poverty rate of 16.2 percent. **(Table 37)**
- Between one in three and one in four of all individuals of minority races live below the poverty line in Northeast Michigan. Furthermore, White residents of the region registered a higher poverty rate than the statewide total; about one in six White residents of Northeast Michigan are living below the poverty line. **(Table 37)**
- The share of women living in poverty is slightly higher than that of men in both areas. **(Table 37)**

Poverty by Sex and Race / Ethnicity



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

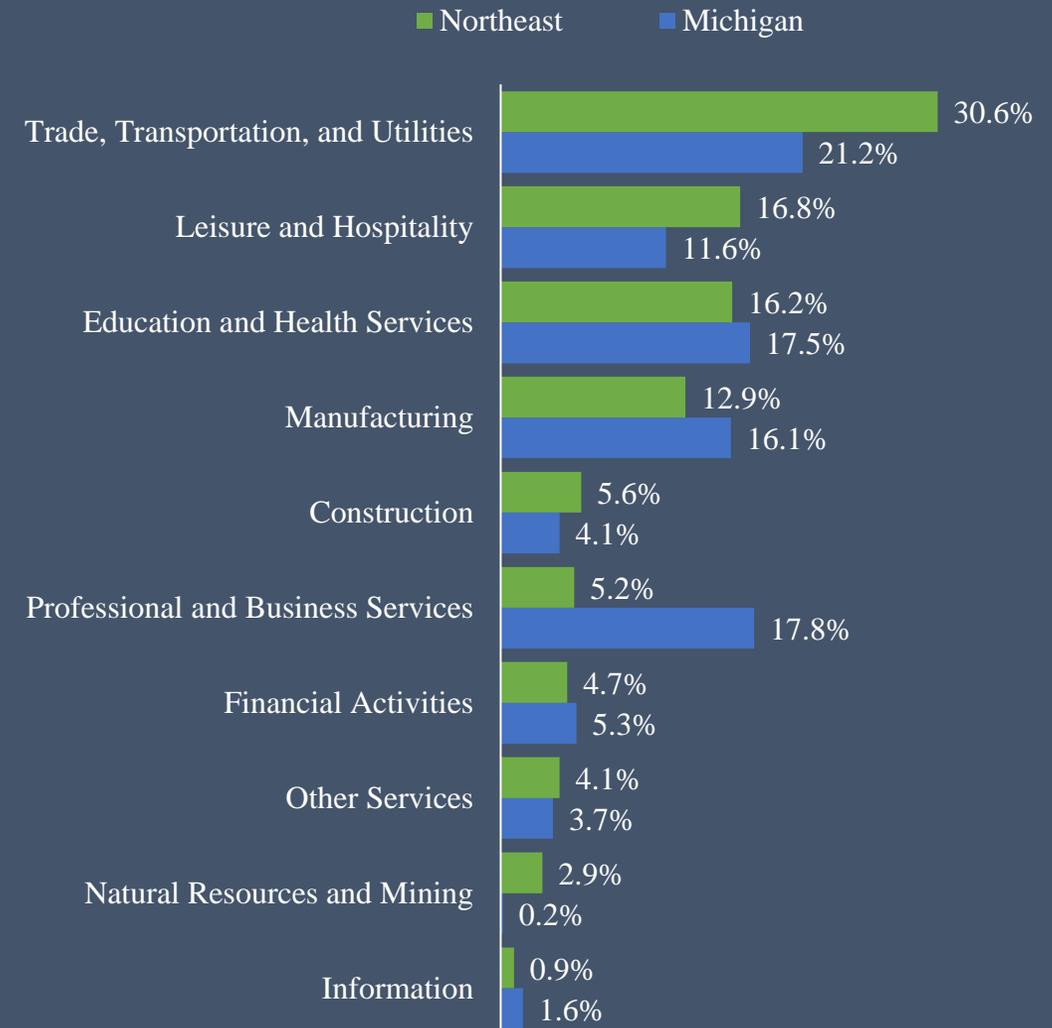
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

Nearly 50 percent of regional employment lies in top two most-concentrated industries.

- In the 2nd quarter of 2015, *Trade, Transportation, and Utilities* was the region's largest industry by a wide margin, employing nearly one in three of the region's workers. **(Table 9)**
- After *Trade, Transportation, and Utilities*, the region's largest industries are *Leisure and Hospitality*, *Education and Health Services*, and *Manufacturing*. **(Table 9)**
- While the 2nd quarter is used for analysis here because it is the least-affected quarter by seasonal patterns, seasonal ebbs and flows are an especially strong force on regional industry employment, varying employment in *Leisure and Hospitality* and other important industries widely throughout the year. **(Table 9)**

Distribution of Industry Jobs, 2nd Quarter 2015

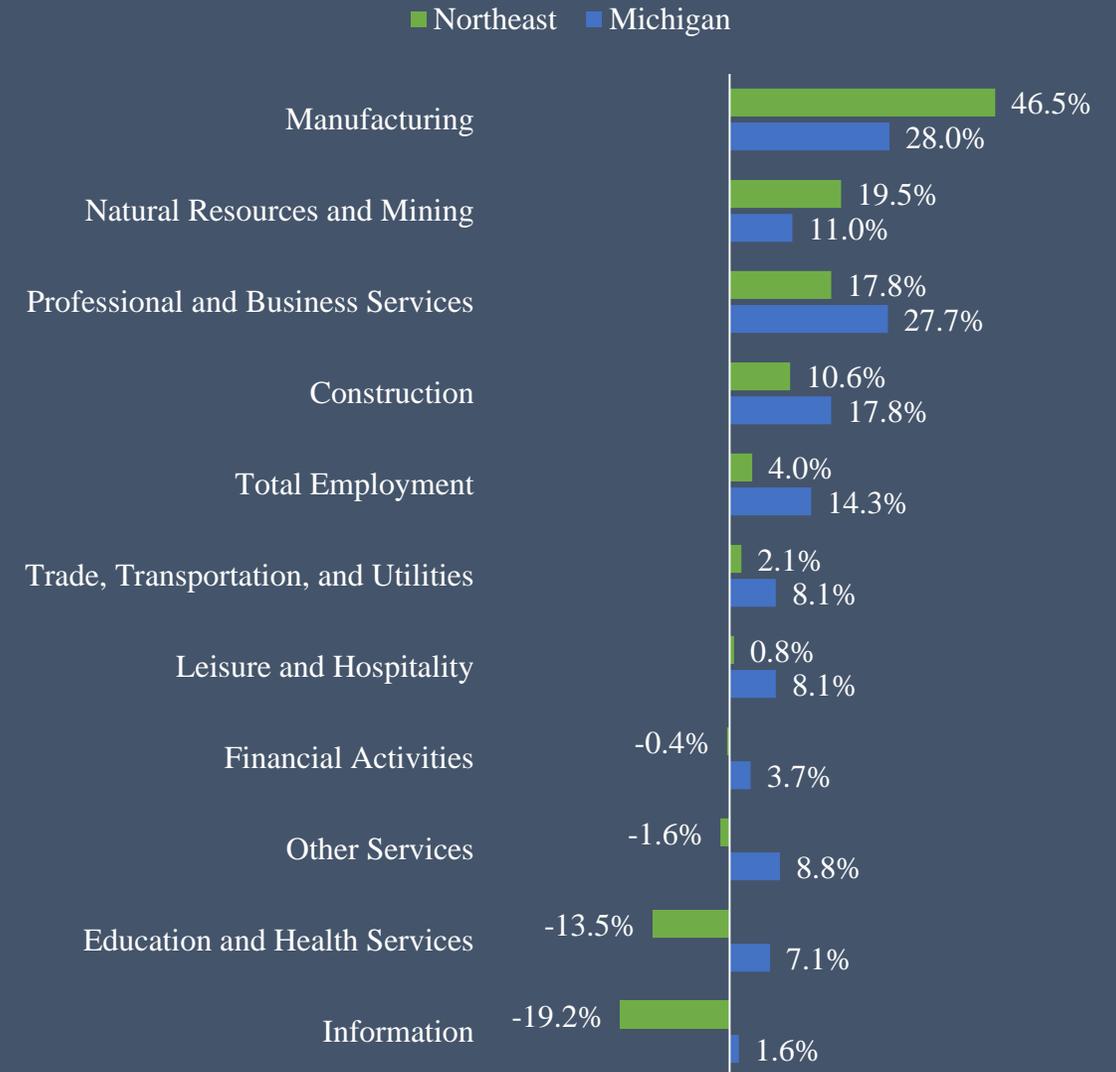


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Manufacturing job additions outpace statewide growth and drive total job gains.

- Northeast Michigan saw private sector jobs expand by 1,840 or 4.0 percent since 2009, largely fueled by a 1,970 job expansion in *Manufacturing* along with gains in *Trade, Transportation, and Utilities, Construction, and Natural Resources and Mining*. Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. **(Table 9)**
- Gains in these industries were offset by a drop of 1,210 jobs or 13.5 percent in *Education and Health Services* from 2009-2015. The *Information, Other Services, and Financial Activities* industries also saw mild reductions in employment over the period. **(Table 9)**

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 1,730 in 1st Quarter 2016.

Online Advertised Job Postings - Northeast Michigan

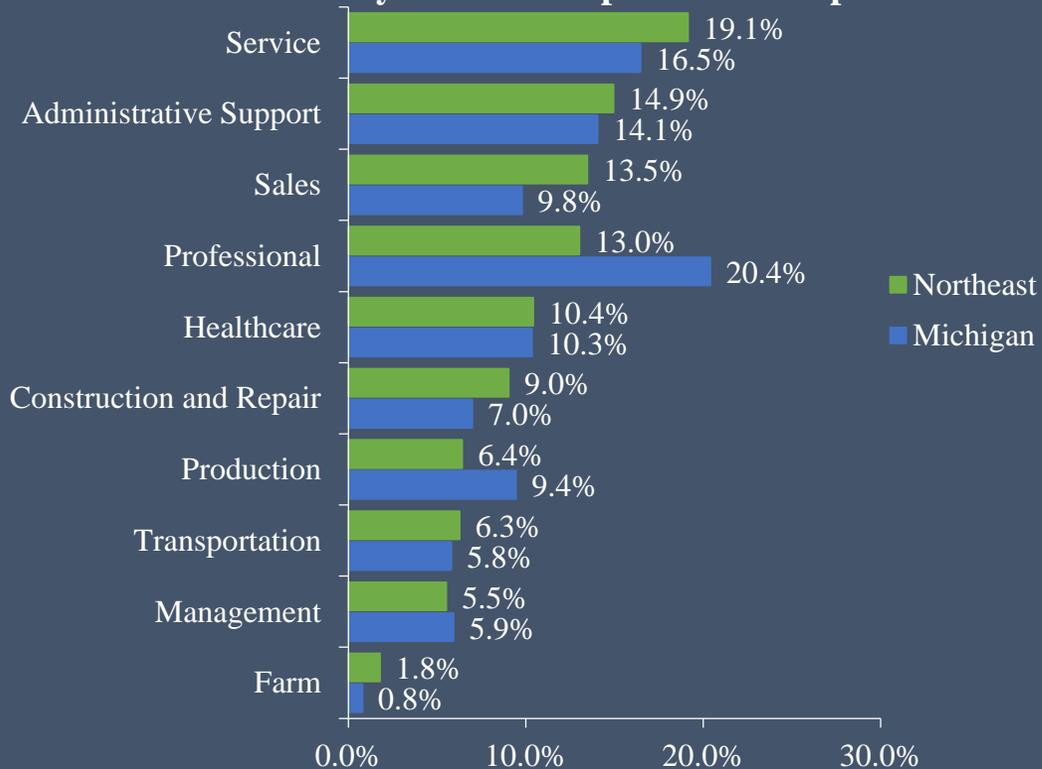
Job Title	Number
Registered Nurses	103
First-Line Supervisors of Retail Sales Workers	82
Physical Therapists	66
Retail Salespersons	57
Heavy and Tractor-Trailer Truck Drivers	57
First-Line Supervisors of Office and Administrative Support Workers	36
Customer Service Representatives	36
Demonstrators and Product Promoters	33
Social and Human Service Assistants	33
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	32

Source: The Conference Board, Help Wanted Online Database

- In the 1st quarter of 2016, there were 1,730 online advertised job postings in Northeast Michigan, according to the Conference Board's Help Wanted Online Database. **(Table 19)**
- The majority of top job advertisements posted online require a high school diploma, some vocational training, or an associate's degree. In Northeast Michigan, nine of the top ten online job postings during the first quarter of 2016 fell in this category. The range was eight of ten statewide.
- Job advertisements in the region are led by *Healthcare* occupations, where employers often post many ads for in-demand positions such as *Registered nurses* and *Physical therapists*. **(Tables 18 and 19)**

Little Change Expected in Mix of Northeast Michigan's Largest Occupations.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



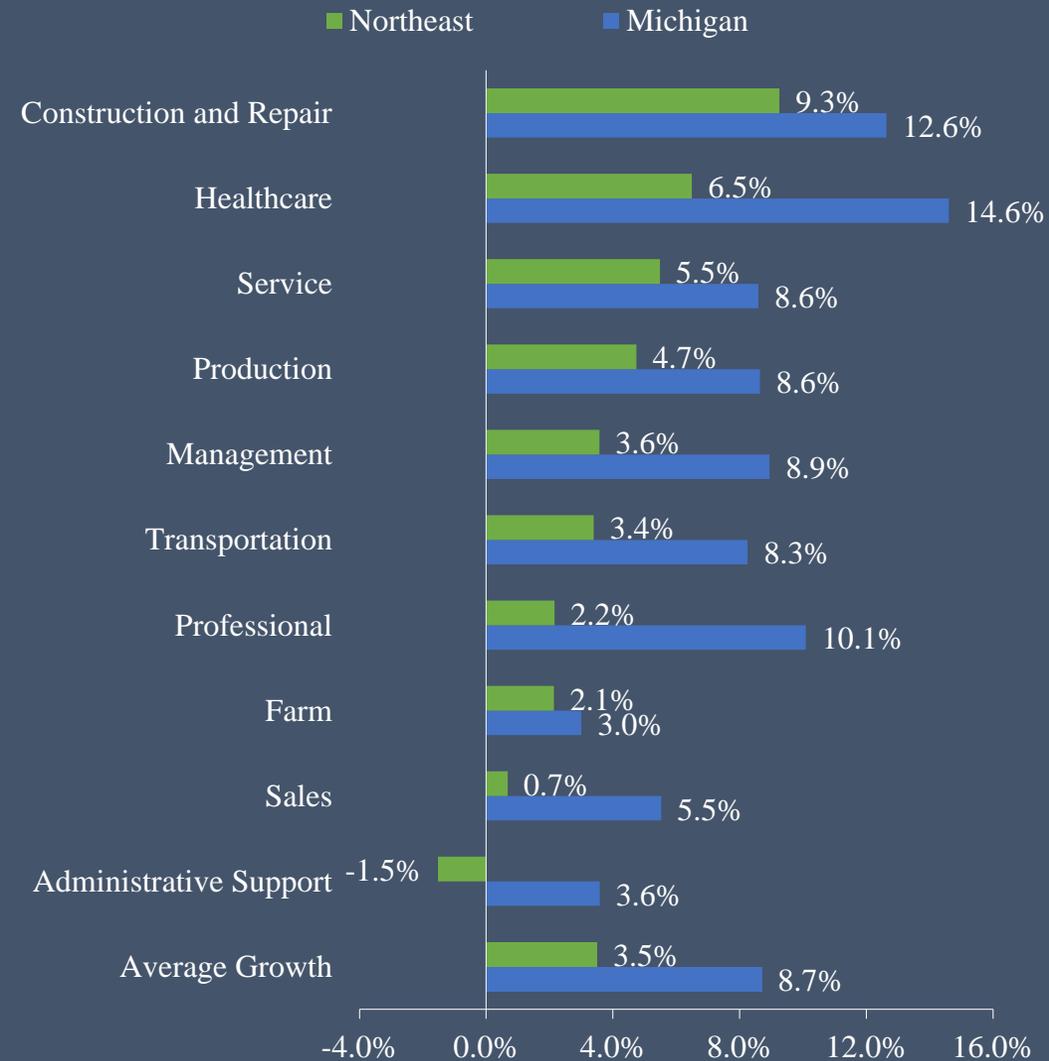
Source: Bureau of Labor Market Information and Strategic Initiatives

- In general, the share of total employment for occupation groups in 2012 and 2022 are expected to change little, with currently-large groups expected to remain on top by share of total employment.
- At 19.1 percent, *Service* occupations are the largest occupational category in terms of projected total jobs in 2022. This group includes occupations in *Protective services*, *Food preparation and service*, *Building and grounds cleaning and maintenance*, and *Personal care services*.
- The *Administrative support* group is projected to remain the second-largest in Northeast Michigan with 14.9 percent of total jobs. This category includes positions such as *Bookkeeping, accounting, and auditing clerks*, *Billing and posting clerks*, and *Secretaries and administrative assistants*.
- *Sales* occupations are projected to contribute 13.5 percent of the region's employment. They will comprise nearly 4 percentage points more than the Michigan average for *Sales* occupations, which are projected to be 9.8 percent of Michigan's workforce in 2022.
- A notable difference between the Michigan share of jobs and the regional share can be found in the *Professional* occupational group. In Northeast Michigan, this group is projected to comprise 13 percent of the regional workforce compared to 20.4 percent statewide. This is reflected in the fact that there are fewer opportunities in the region for individuals with a Bachelor's degree or higher. **(Table 20)**

Construction, Healthcare and Service Occupations Projected to Have Highest Percent Growth through 2022.

- Employment in all occupational groups in Northeast Michigan are projected to grow below the statewide average through 2022. In a notable deviation from the norm, opportunities in *Administrative support* occupations in the region are projected to contract through 2022.
- Three groups of occupations are expected to create nearly 70 percent of the 2,290 new jobs in Northeast Michigan.
 - *Construction and repair* will contribute about 550 new jobs (or 9.3 percent). This group encompasses not only *Construction laborers* but also *Electricians*, *Powerline repairers*, *Plumbers*, and many other careers in specialty trade contractors.
 - Equally important is the *Healthcare* occupational group, which is projected to add 445 new jobs (or 6.5 percent). The new jobs will include *Healthcare practitioners and technical* occupations such as *Physical therapists*, *Registered nurses* and *Physician assistants* as well as support staff such as *Home health aides*.
 - *Service* is the largest group in the region as well as the group projected to gain the most new jobs and third-most jobs percentage-wise, up 690 jobs or 5.5 percent through 2022. This group includes many occupations in the hotel, recreation, and restaurant industries which are predominant in Northeast Michigan. **(Table 20)**

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

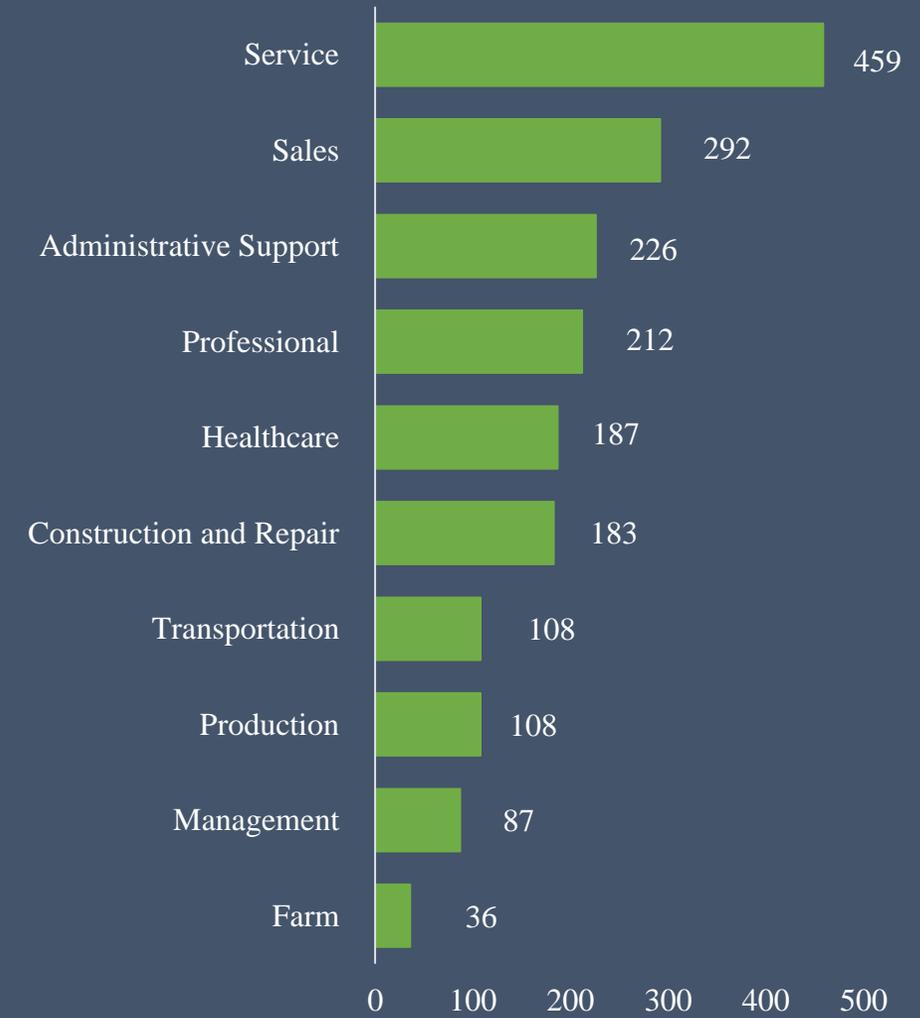


Source: Bureau of Labor Market Information and Strategic Initiatives

Need for Replacement Workers Drive Largest Occupations to Top positions by Annual Openings.

- Because of the need to replace workers who are retiring or otherwise leaving the occupation in the area, the largest groups are projected to see the most annual openings through 2022.
- *Service* occupations, the largest occupational group in the region, are expected to see the highest number of annual openings. Although most of this occupation’s annual openings – 86 percent – will come from the need to replace workers, this is on par with the regional average.
- Conversely, one third of the 183 annual openings in the *Construction and repair* occupational group will come from newly-created positions. This is double the regional average of 16 percent. **(Table 20)**

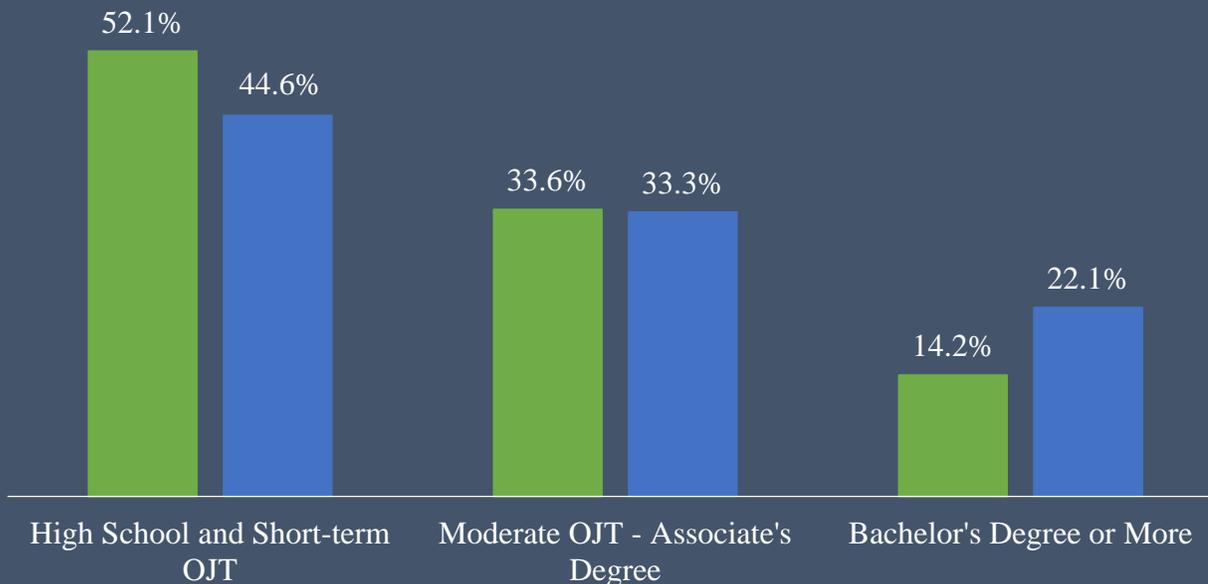
Projected Annual Openings by Broad Occupational Groups (2012 – 2022)



Jobs in Northeast Michigan Projected to Require Less Education on Average than Statewide.

Projected 2022 Occupational Employment by Education (Share of Total)

■ Northeast ■ Michigan

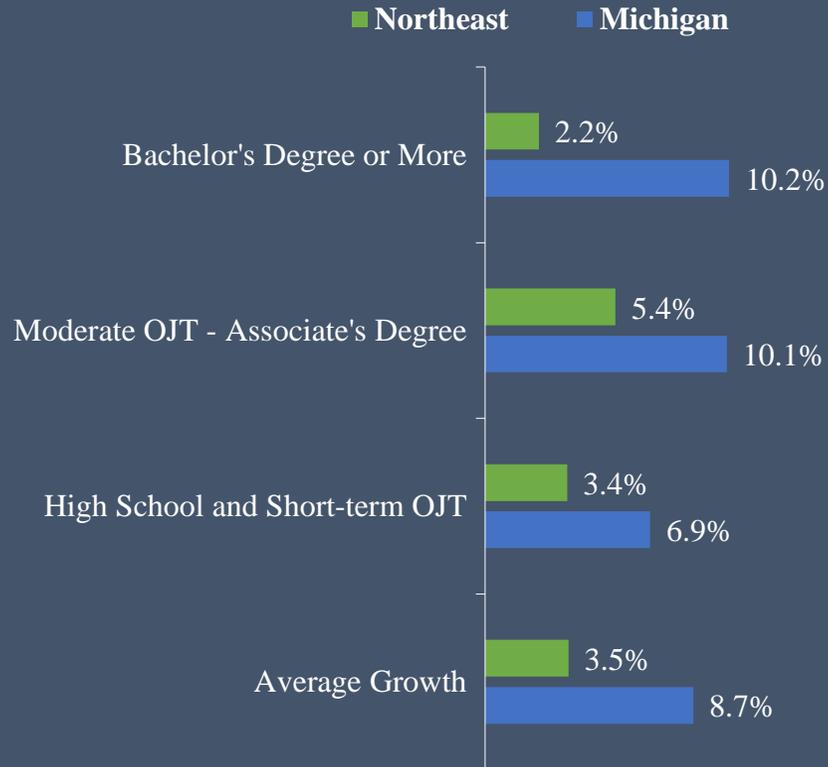


Source: Bureau of Labor Market Information and Strategic Initiatives

- Between 2012 and 2022, the distribution of regional jobs by required education and training will remain virtually unchanged. Projected changes amount to less than one percent each.
- By 2022, over 50 percent of Northeast Michigan jobs will still need only a high school diploma or less, with short-term to no on-the-job training. These occupations have a large employment base and will have many positions available annually through the need to replace workers.
- A third 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 *Healthcare* and *Construction and repair* careers are in this group and provide prospective trainees with opportunities for increased demand and high wages relative to required training through 2022.
- Positions requiring a Bachelor's degree or more are projected to comprise only one in seven regional jobs in 2022, unchanged from 2012. However, there are still many high-demand, high-wage occupations in this group to pursue such as *Physical therapists*, *Medical and health service managers*, and *Construction managers*.

Positions Requiring Between Moderate OJT and an Associate's Degree Projected to Exceed Regional Average Growth through 2022.

Projected Occupational Growth by Education



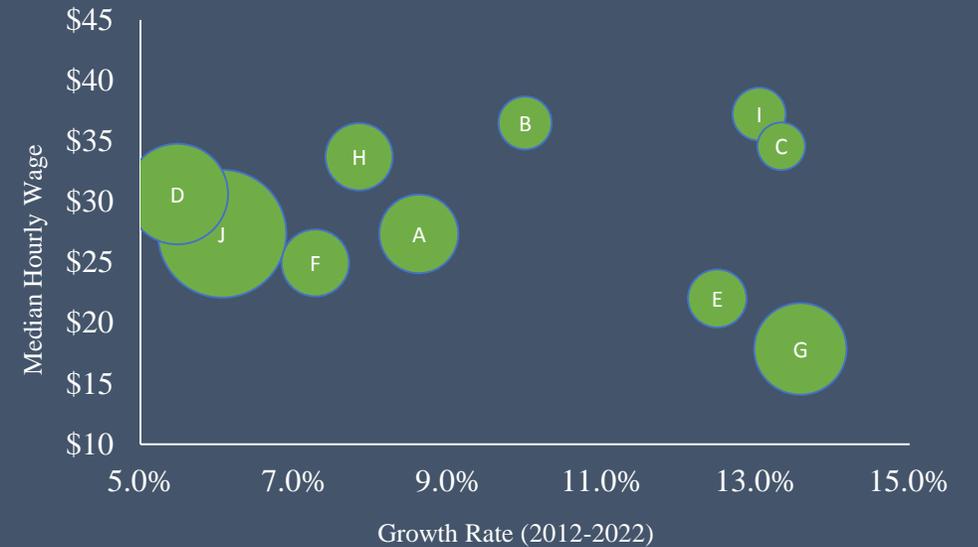
Source: Bureau of Labor Market Information and Strategic Initiatives

- Occupations requiring between moderate OJT and an Associate's degree are projected to exceed the regional average growth rate through 2022, expanding by 1,180 positions or 5.4 percent over the period, contrasting with the statewide average, where occupations requiring at least a Bachelor's degree expect the largest percentage growth. This group contains many of the fastest-growing regional occupations such as *Registered nurses*, *Machinists*, and *Electricians*.
- Positions requiring at most short-term on-the-job training are projected to grow at a rate roughly equal to the regional average through 2022. This category includes many of the *Service* occupations important to the regional tourism economy.
- Occupations that require a Bachelor's degree or more in the region are projected to have a low growth rate through 2022, especially when compared to the projected statewide growth rate of 10.2 percent. Despite low growth, there are still high-paying positions available and over 200 annual openings per year in occupations requiring this level of education.

Many Skilled Trades and Jobs Requiring Post-secondary Education among the Region's High-demand, High-wage Occupations.

- 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.
- In general, occupations with a large employment base create many job openings due to the need to replace workers (size of the bubble on the chart). These include *Registered nurses*, *Machinists*, and *General and operations managers*.
- Levels of pay are directly correlated with the level of formal education and/or the length of job training or apprenticeship, driving a trend of higher-training occupations appearing on the list of high-demand, high-wage occupations. (Tables 24-27)

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



	Occupation		Occupation
A	Accountants and Auditors	F	Insurance Sales Agents
B	Construction Managers	G	Machinists
C	Electrical Power-Line Installers and Repairers	H	Medical and Health Services Managers
D	General and Operations Managers	I	Physical Therapists
E	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	J	Registered Nurses

Source: Bureau of Labor Market Information and Strategic Initiatives