

Annual Planning Information and Workforce Analysis Reports: West Michigan

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

Regional Contact:

Michelle Wein

517-241-8272

WeinM@michigan.gov





STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

DAVID B. BEHEN
DIRECTOR

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.

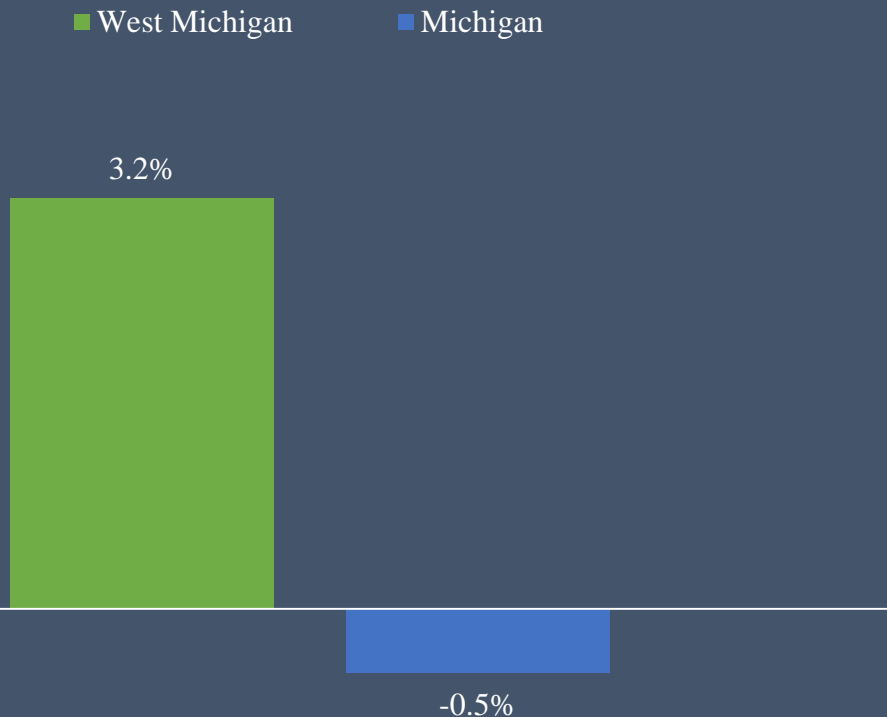
Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional Population Grows From 2009.

Population Change (2009-2015)



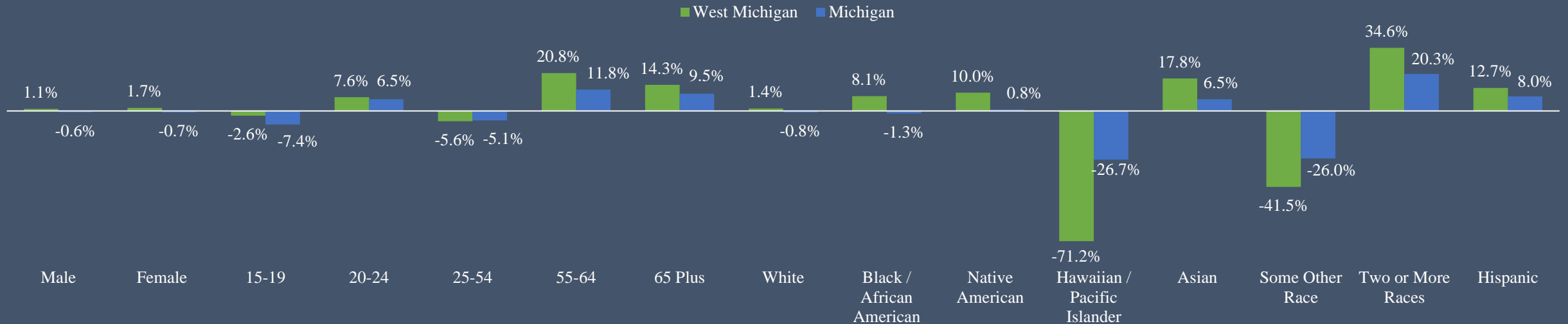
Source: U.S. Bureau of the Census, Annual Population Estimates

- According to the latest estimates from the U.S. Census Bureau, the population in West Michigan was 1,571,000 in 2015. **(Table 1)**
- While the region's population has grown since 2009, edging up by 49,000 (or +3.2 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 West Michigan were registered in Ottawa (6.9 percent or +18,000) and Kent (4.6 percent or +28,000). Three counties – Muskegon, Newaygo and Oceana – lost population since 2009. The remaining nine counties saw gains. **(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 59,000 or 17.3 percent in West Michigan. In contrast, the number of individuals 54 years old and younger was relatively unchanged, falling by 31,000 or 0.04 percent. **(Table 2)**
- The white population remains the majority in the region, but their numbers have only slightly increased since 2009-2014 by 18,500 or 1.4 percent, while almost all major minority groups gained population. **(Table 2)**

Population Change by Age, Sex, Race / Ethnicity

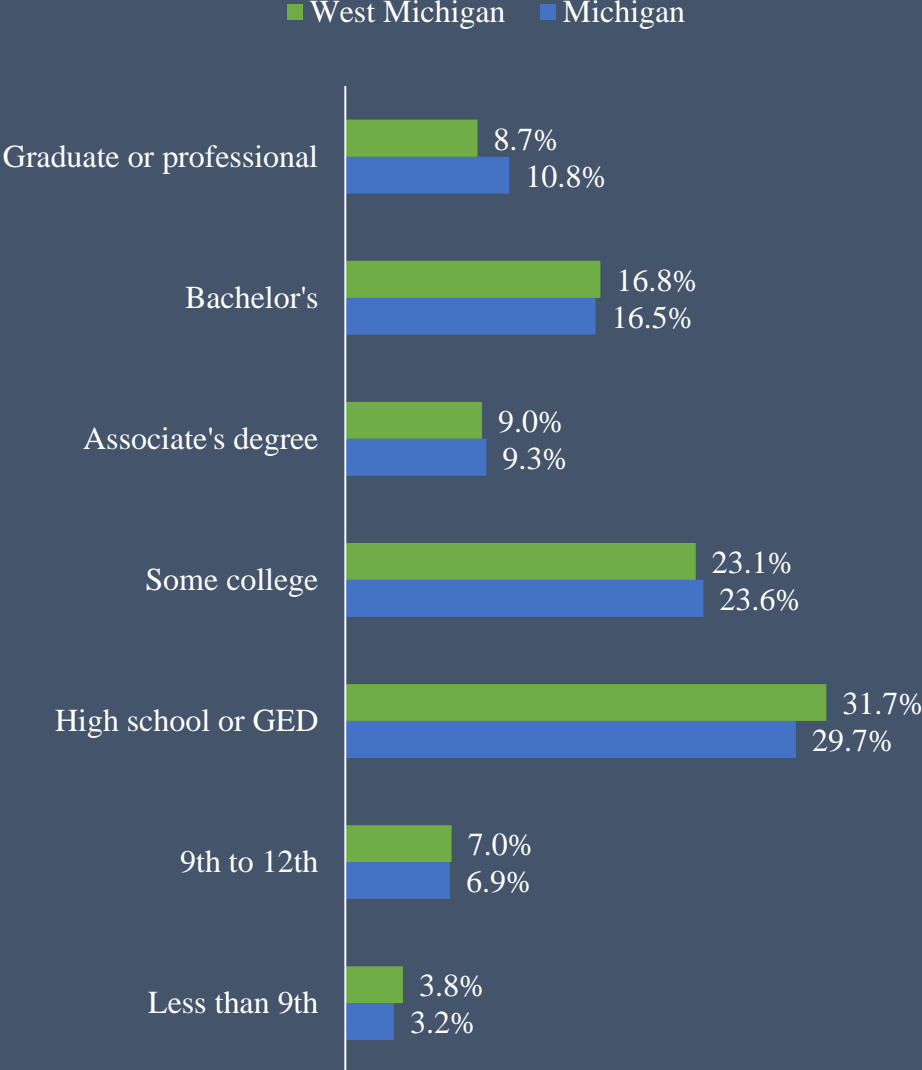


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

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. In West Michigan there are about 997,000 residents aged 25 or older; among them, 316,000 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, Associate's degrees* and *Bachelor's degrees*. West Michigan slightly underperforms the state in the share of the 25 and older population with *Graduate or professional training*. (Table 4)

Educational Attainment



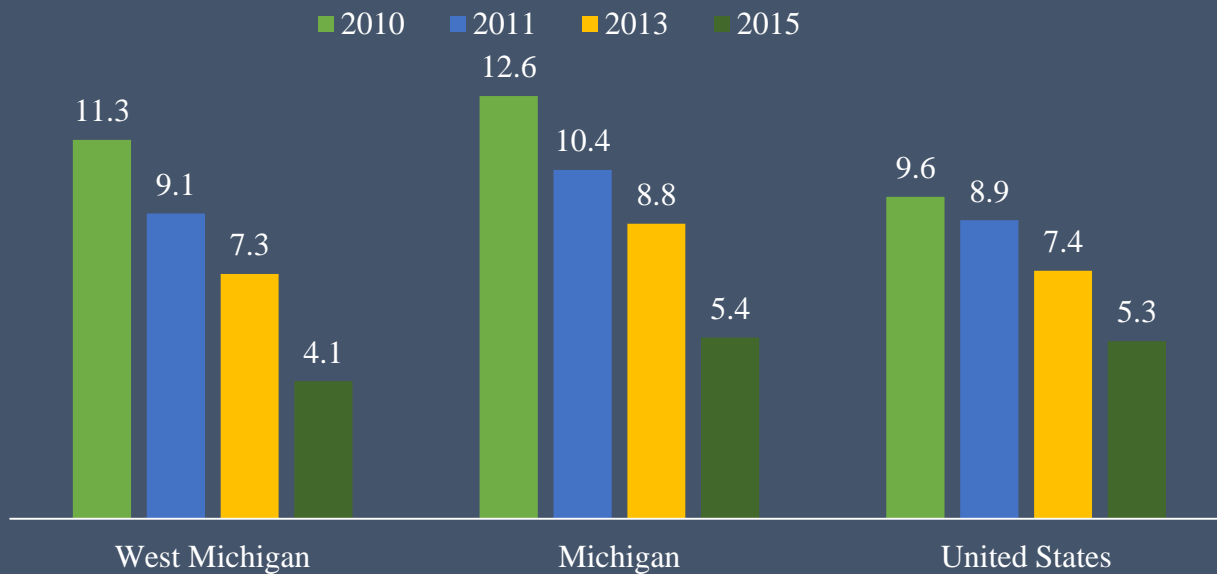
Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8 and 13

West Michigan Labor Force and Employment Above Recessionary Levels, Outperforming the State.

Unemployment Rates



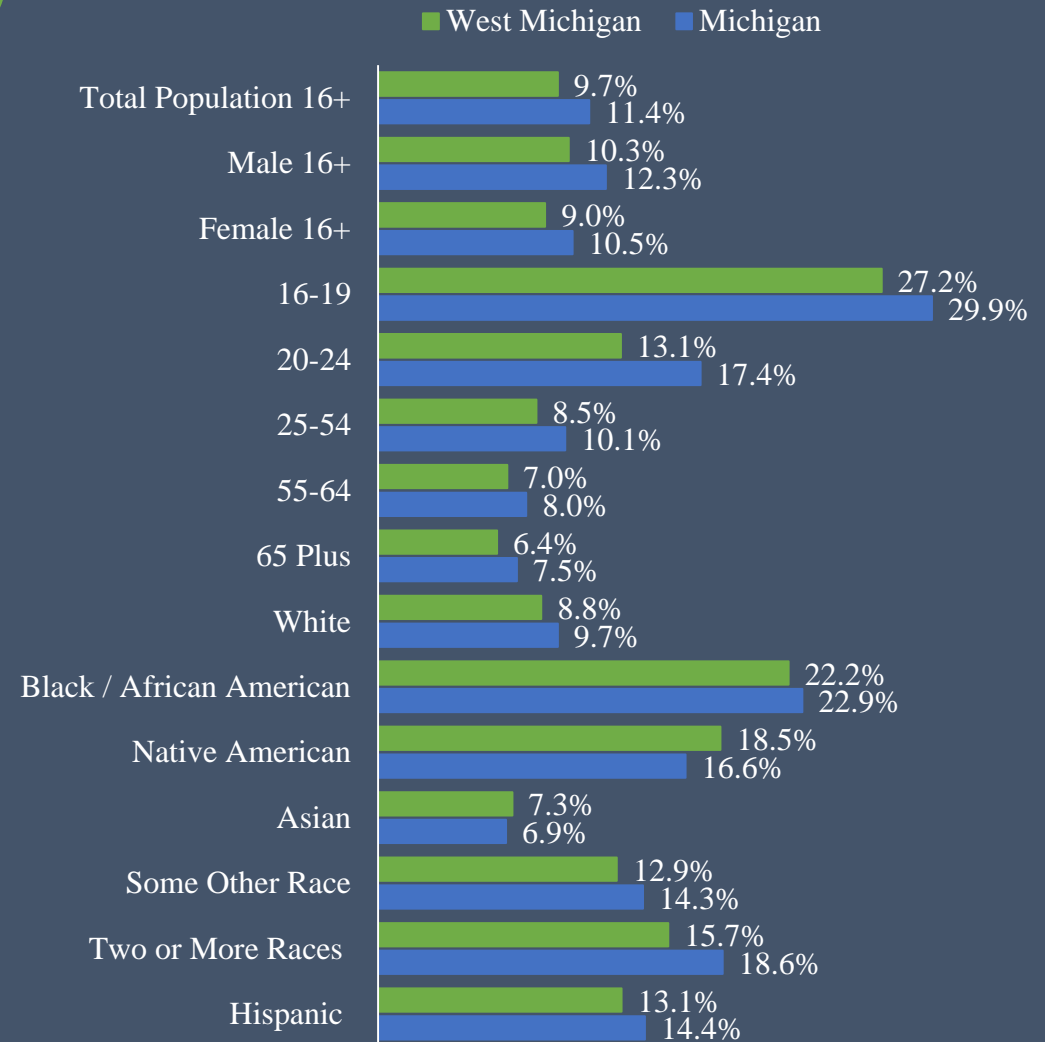
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- Since 2010, the size of the labor force and the number of employed in West Michigan have both posted recent gains, pushing these measures above their pre-recessionary levels. **(Tables 5 and 6)**
- In West Michigan, the labor force measured 807,900 in 2015, up 31,400 since 2013, and up by 44,800, or 5.9 percent, over the 2010 level. **(Table 5)**
- In addition, the unemployment rate in West Michigan followed state and national trends, dropping significantly between 2010 and 2015.
- Over that period, the jobless rate fell by 7.2 percentage points and unemployed individuals dropped by 52,900 or 61.4 percent in West Michigan. **(Tables 7 and 13)**

Regional Jobless Rates Below State in Almost Every Demographic.

- In general, West Michigan enjoys an unemployment rate that is lower than the statewide average for almost all demographic categories, with the exception of Native Americans and Asians.
- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in West Michigan. However, males experienced a higher unemployment rate at 10.3 percent, compared to 9.0 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)**

Unemployment Rates by Sex, Age, and Race / Ethnicity



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

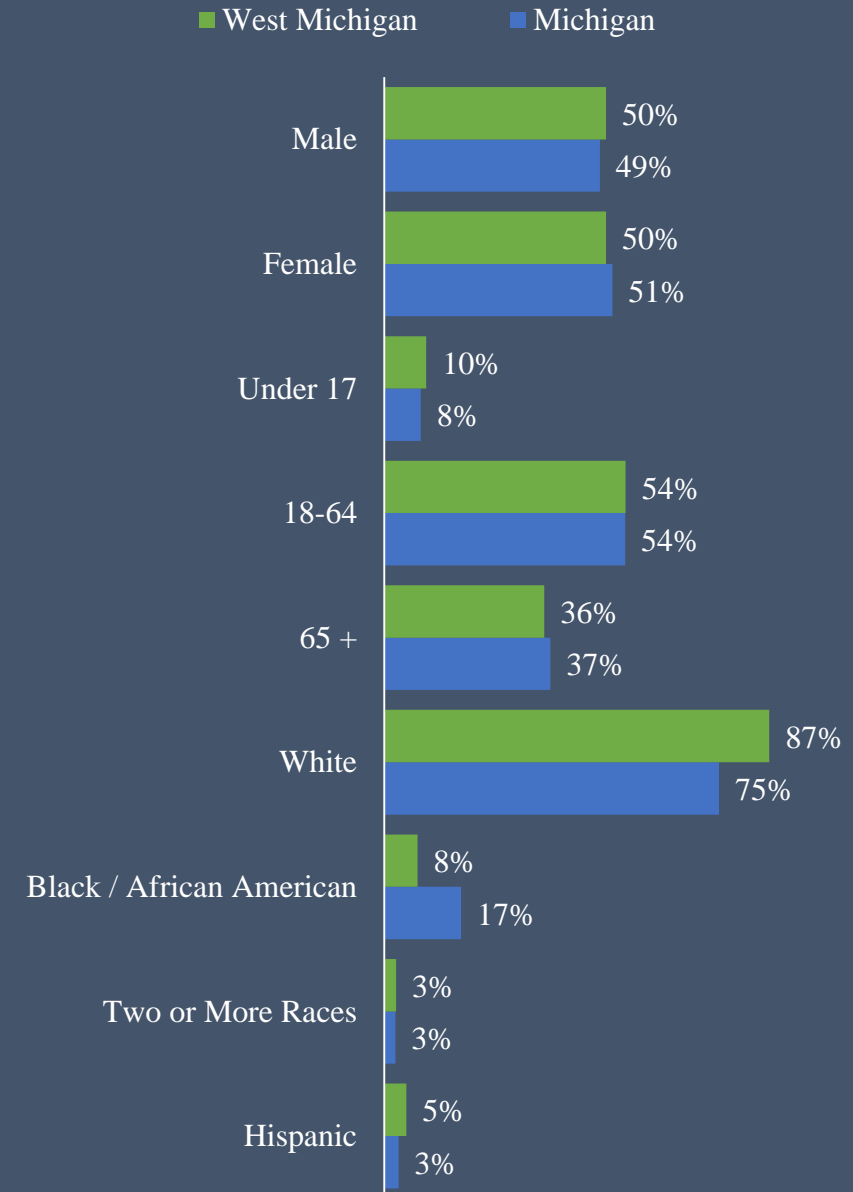
Individuals with Barriers to Employment

Tables 28-37

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

- According to the U.S. Census Bureau, 191,000 people in West Michigan report a disability. About 36 percent of them were 65 year of age and older. The demographic characteristics of individuals with disabilities in West Michigan were similar to statewide estimates, with a slight variance 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

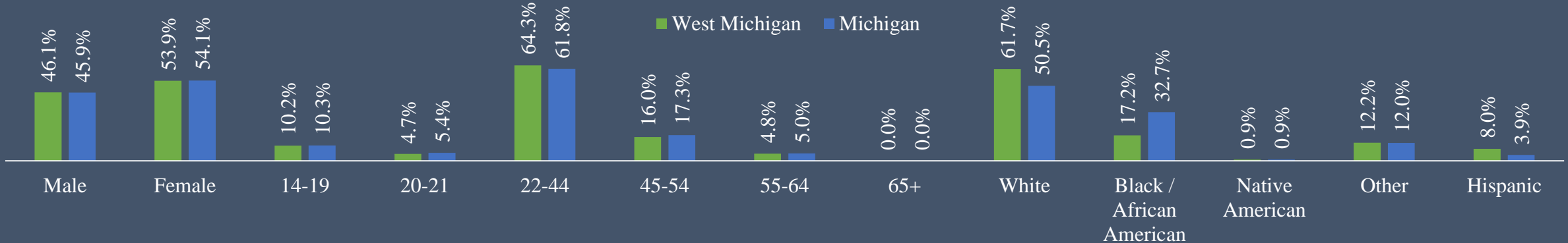


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare Registrants Concentrated in the Working Age and White Demographics.

- According to the Michigan Department of Health and Human Services, there were about 65,500 welfare registrants in West Michigan counties in December 2014. **(Table 30)**
- The majority of the welfare registrants were in the prime working age of 22 to 54 (about 80 percent). **(Table 31)**
- Around 62 percent of the registrants were White and 17 percent Black or African American, both larger and smaller (respectively) than the statewide average. **(Table 31)**

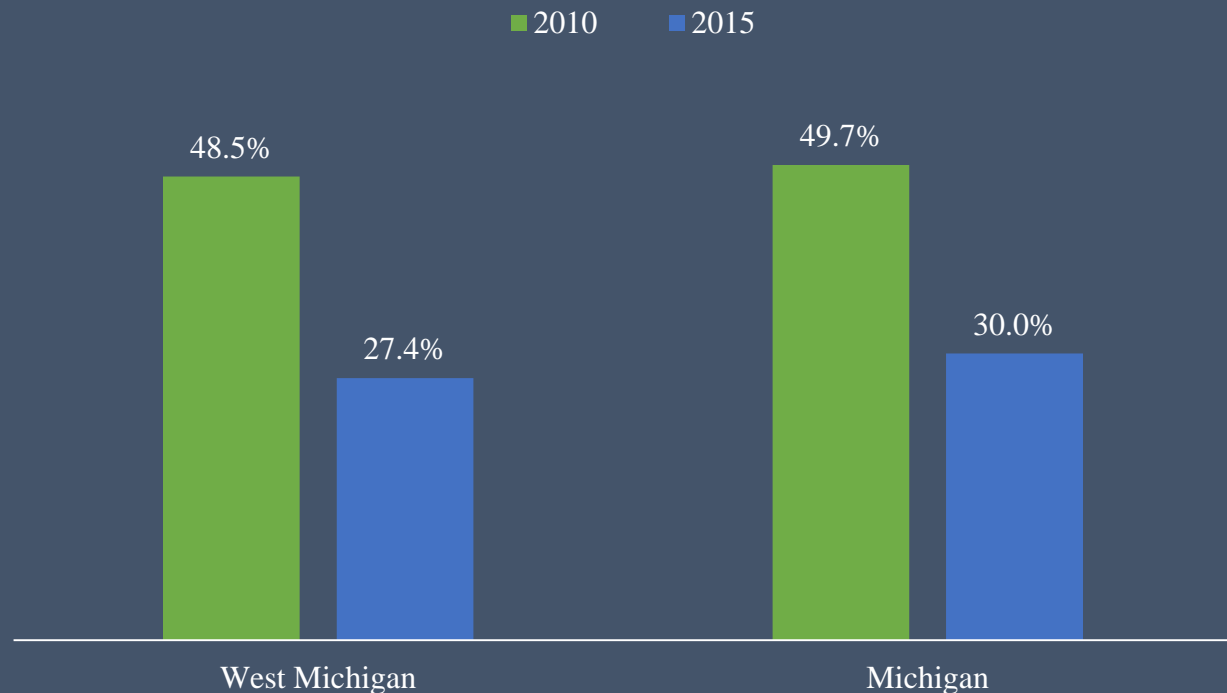
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

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

Long-Term Unemployed / Total Unemployed

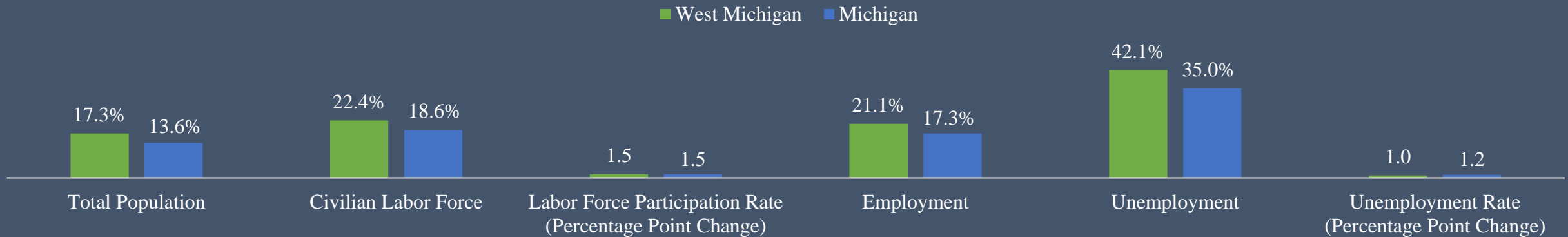


- Long-term unemployment remains an issue in Michigan and in West Michigan, as the number and share of those out of work for 27 weeks or more has remained stubbornly high despite the labor market recovery.
- In 2000, 3.5 percent of unemployed Michiganders were out of work for 27 weeks or more. It then 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 West Michigan has followed the statewide trend. In 2010, 41,800 individuals or 49 percent of all unemployed were long-term unemployed. Long-term unemployment has recovered somewhat, falling to about 10,100 or 27 percent in 2015. **(Table 35)**

Older Workers Staying in the Labor Market Longer in Michigan and in West 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 West Michigan, the labor force participation rate of this group during 2010-14 was estimated at 37.3 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 West Michigan and by 19 percent in Michigan over this period. **(Table 36)**

Change in Labor Force Status of Older Workers

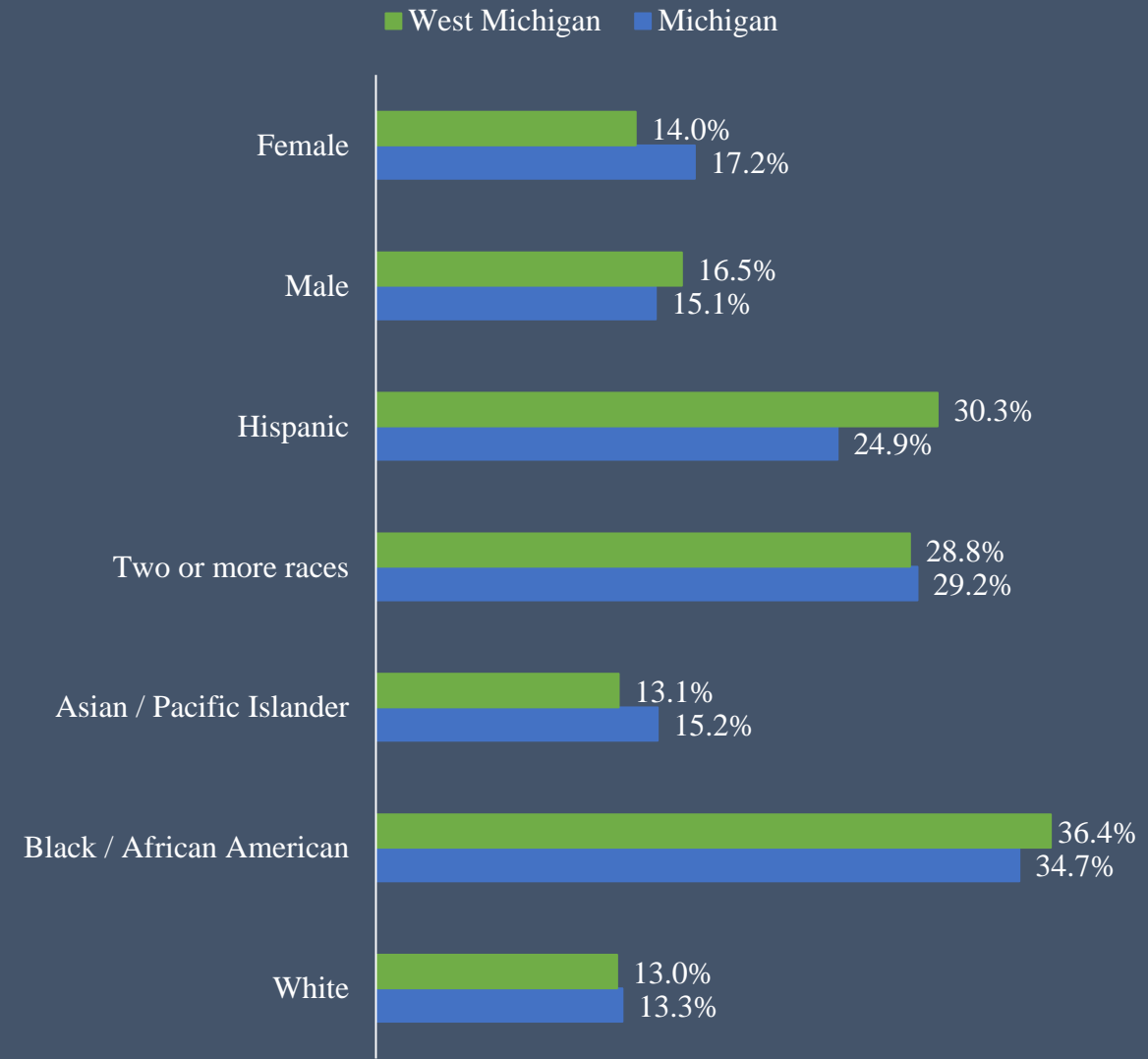


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Poverty Rate at 15.2 Percent in West Michigan, Slightly Below Statewide Rate.

- In 2014, the U. S. Census Bureau estimated that 234,000 individuals (or 15.2 percent of the population) lived below the poverty line in West Michigan. That is about 1 percentage point below the state poverty rate. **(Table 37)**
- Almost all demographic groups in West Michigan report a similar poverty rate to the statewide average, with the exception of Hispanics, which see a rate 5 percentage points higher. **(Table 37)**
- The share of women living in poverty is slightly lower than that of men in West Michigan, the opposite of the statewide trend. **(Table 37)**

Poverty by Sex and Race / Ethnicity



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

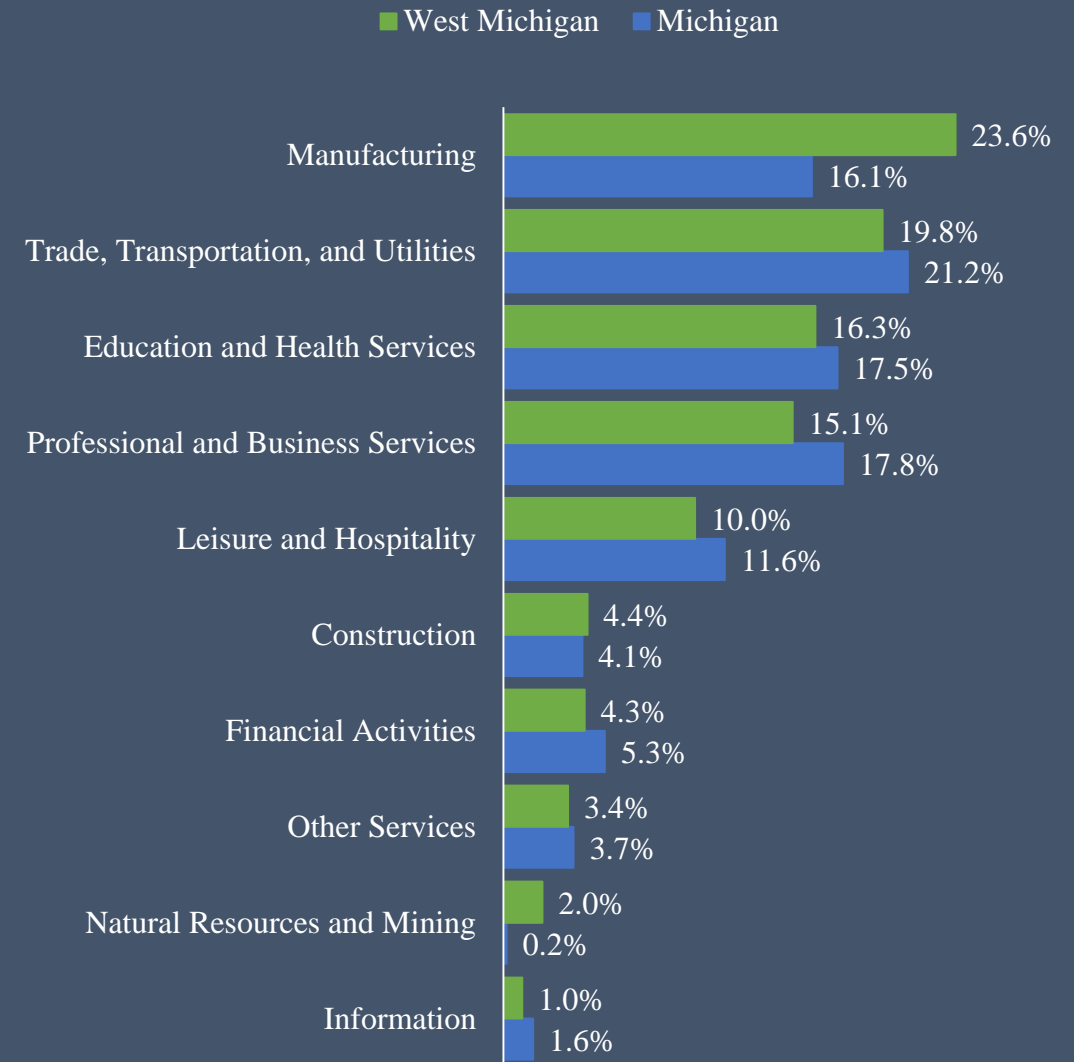
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

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

- With *Manufacturing* payroll jobs reaching heights not seen since 2003, *Manufacturing* remains the region's largest industry.
- *Manufacturing* is followed by *Trade, Transportation, & Utilities*, *Education and Health Services*, and *Professional and Business Services*. (Table 9)
- *Professional and Business Services* ranks as the 4th largest employer in the region. This is in contrast to the statewide industry composition, where this sector is the second largest and *Manufacturing* fourth largest among all private employers. (Table 9)

Distribution of Industry Jobs, 2nd Quarter 2015

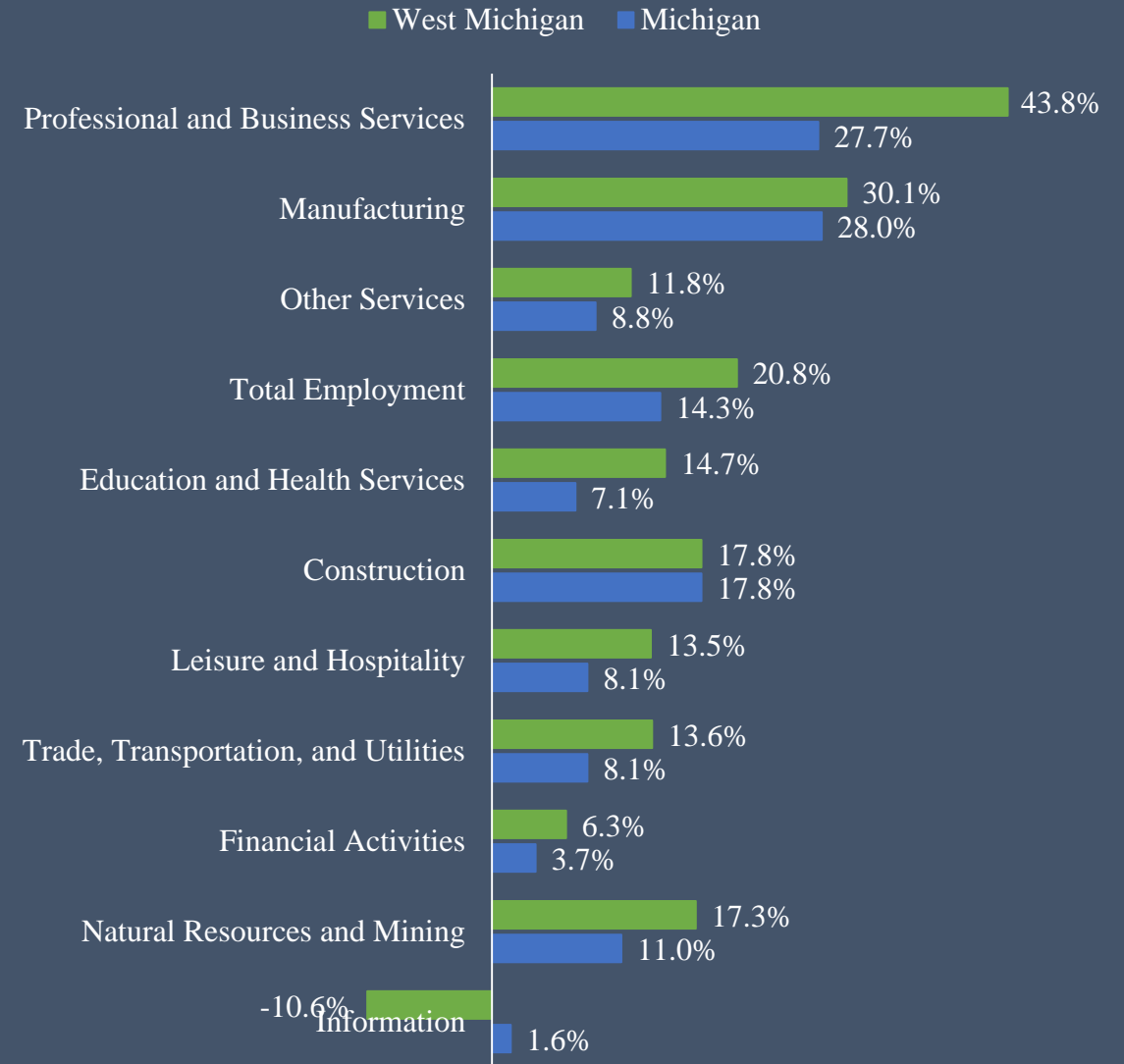


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Private Sector Jobs Grow by 106,200 or 20.8 percent Between 2009 and 2015.

- West Michigan saw private sector jobs expand by 106,200 or 20.8 percent since 2009, fueled by a 33,750 job expansion in *Manufacturing* and 28,450 job expansion in *Professional and Business Services*. Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. (Table 9)
- West Michigan outperformed the state in private sector job growth in every category, with the exception of *Construction* (on par) and *Information*, which declined.
- Indeed, the only industry to see private sector job losses over 2009 levels was *Information*. This sector was down by 725 jobs or 10.6 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 23,900 in 1st Quarter 2016.

Online Advertised Job Postings - West Michigan

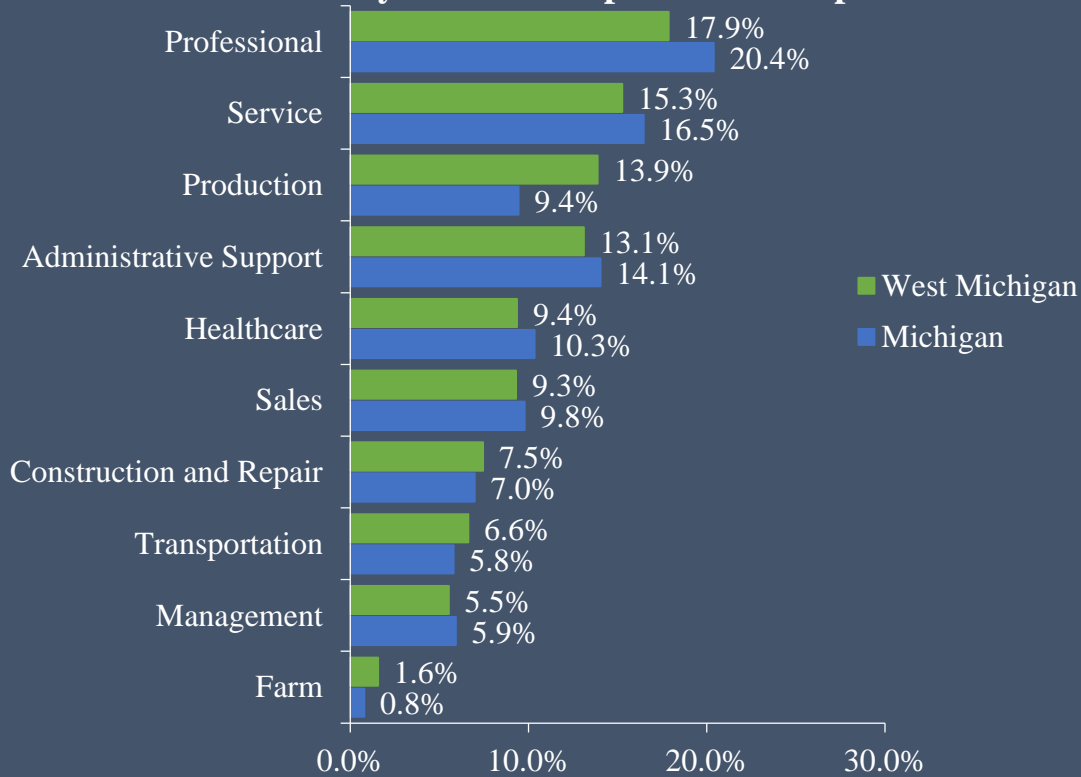
Job Title	Number
Heavy and Tractor-Trailer Truck Drivers	1,102
Registered Nurses	984
Retail Sales Supervisors	713
Retail Salespersons	694
Customer Service Representatives	561
Production and Operating Supervisors	528
Industrial Engineers	508
General Maintenance and Repair Workers	424
Food Service Supervisors	378
Office and Administrative Supervisors	366

Source: The Conference Board, Help Wanted Online Database

- In the 1st Quarter 2016, there were 23,900 online advertised job postings in West Michigan, according to the Conference Board's Help Wanted Online Database. **(Table 19)**
- The majority of top job advertisements posted online required a high school diploma, some vocational training, or an associate's degree. In West Michigan, nine of the top ten online job postings during the first quarter of 2016 fell in this category (the only exception being Industrial Engineers). The range was eight of ten statewide.
- As the economy recovers, more businesses are in need of workers' supervisors to run the growing businesses. Four of the top ten job ads in West Michigan (three of ten statewide) were for First-line Supervisors, during the first quarter of 2016. **(Table 19)**

Little Change in the Makeup of Large Occupations in West Michigan.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



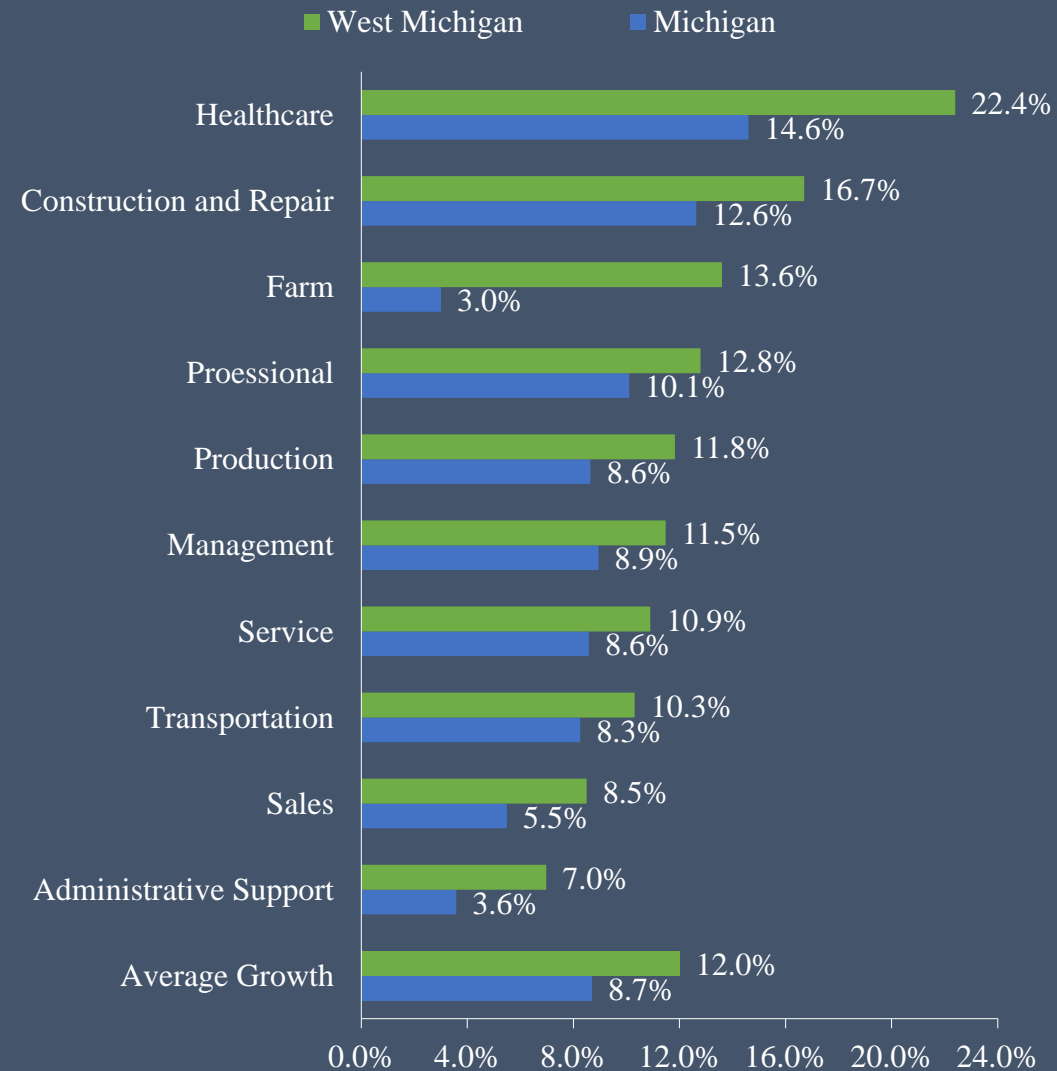
Source: Bureau of Labor Market Information and Strategic Initiatives

- Of the roughly 781,100 expected jobs in West Michigan, about half will be in three major occupational groups: *Professional*, *Service* and *Production*. The state of Michigan shares an emphasis on *Professional* and *Service* occupations, with *Administrative Support* falling into the third position. Compared to 2012, jobs in West Michigan have not changed much, with *Professional*, *Service* and *Production* jobs continuing to be the three largest occupational categories.
- *Professional* – at 17.9%, is the largest occupational category in terms of total jobs. It includes a diverse set of jobs, such as business, computer, technical, science, social service, and education positions.
- *Service* – is the second largest occupational group with 15.3% of total jobs. It includes occupations in protective services, food preparation and servicing, building and grounds cleaning and maintenance, and personal care services.
- *Production* – contributes about 13.9% of the region’s employment. This occupational group includes some of the largest single occupations such as *team assemblers*, *machinists* and *tool and die makers*.
- 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 West Michigan are forecast to show strong growth. **(Table 20)**

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

- Employment in all occupational groups in West Michigan is projected to grow above the statewide average through 2022.
- Three groups of occupations are expected to create over 50 percent of the 83,950 new jobs in West Michigan.
 - *Healthcare* will contribute about 13,400 new jobs (or +22.4 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.).
 - Equally important is the *Construction and Repair* occupational group, which is projected to add about 8,330 new jobs (or +16.7 percent). This group encompasses not only construction laborers but also electricians, powerline repairers, plumbers, roofers, and many other careers in specialty trade contractors.
 - *Professional* is the fourth largest group in West Michigan, projected to create the most new jobs (15,890, or +12.8 percent). This group includes occupations in mathematical analysis, architecture, and art and design. **(Table 20)**

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

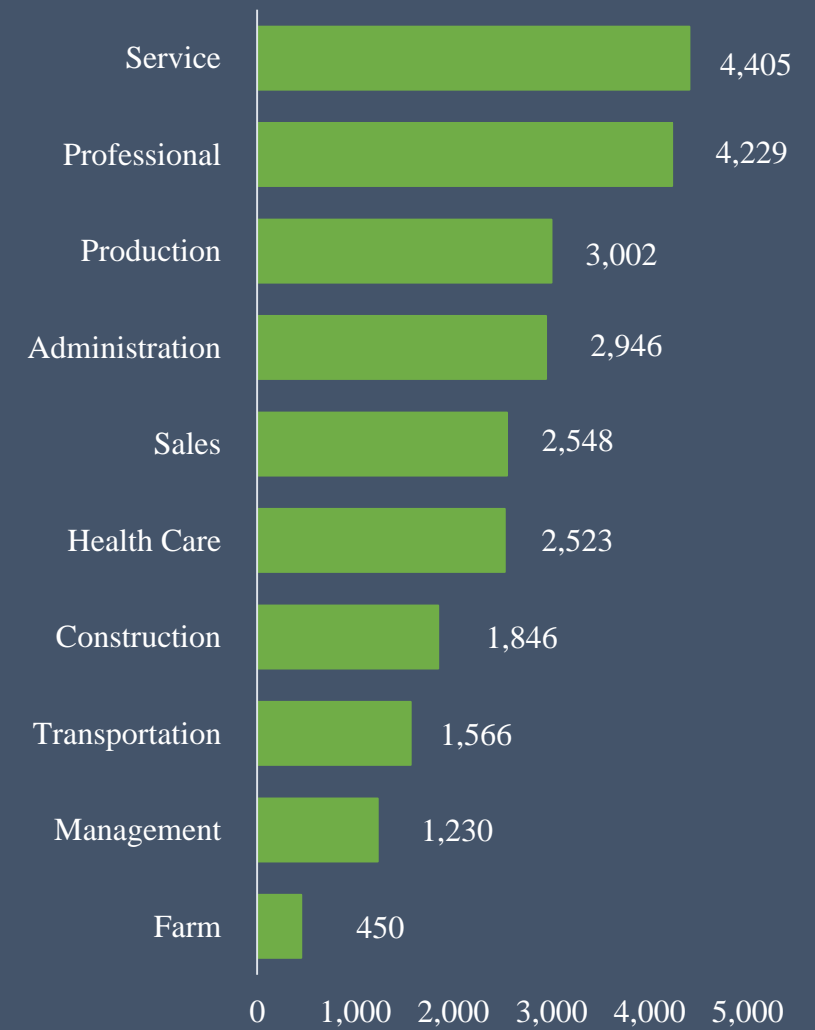


Source: Bureau of Labor Market Information and Strategic Initiatives

West Michigan Occupational Categories Experiencing High Annual Openings Through 2022.

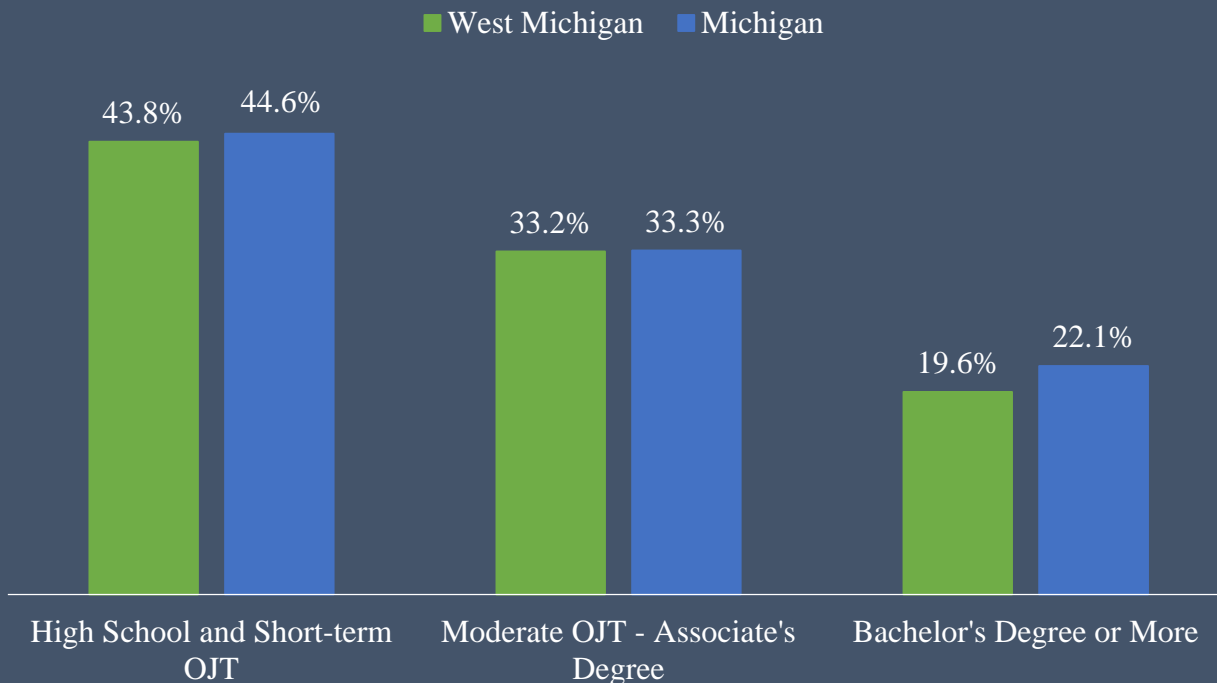
- In general, the top several occupational groups will add the most jobs simply because of their size. But some of these job categories also have above average rates of growth.
- In West Michigan, about 35 percent of annual openings are expected to come from employment expansion, while the remaining 65 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 and replacement openings will be found in the *Professional* and *Service* occupational categories.

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



Jobs in West Michigan Require Similar Education to State Overall.

Projected 2022 Occupational Employment by Education (Share of Total)

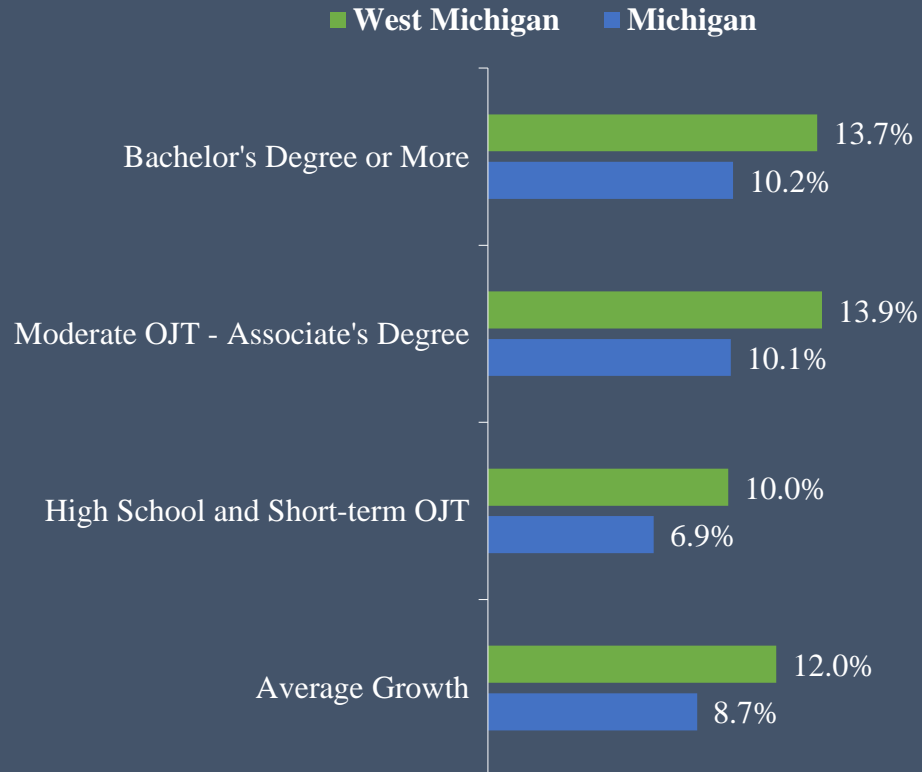


Source: Bureau of Labor Market Information and Strategic Initiatives

- By 2022, 40 percent of West 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 create jobs 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 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 44.6 percent of occupations requiring high school or less, 32.6 percent requiring an Associate's degree – Moderate OJT and 19.3 percent requiring a Bachelor's degree.
- In comparison to the state of Michigan, jobs in West Michigan require a similar mix of degrees, education and on the job training.

Higher Projected 2022 Growth in West Michigan than Statewide for Every Educational Group.

Projected Occupational Growth by Education



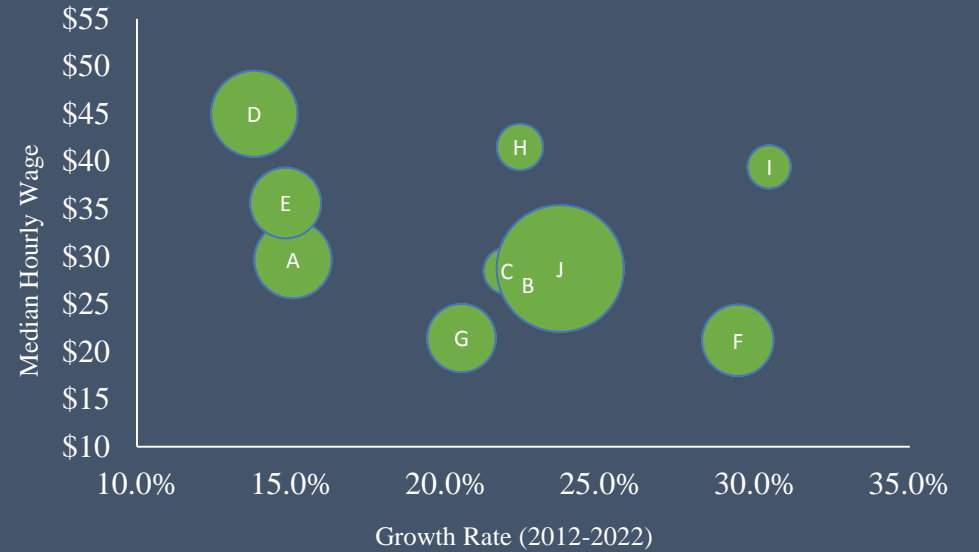
Source: Bureau of Labor Market Information and Strategic Initiatives

- Jobs requiring Bachelor's degrees and Associate's degrees are expected to grow above state levels, as well as regional and statewide average growth levels.
 - Jobs in this educational group will grow by 13.7 percent and 13.9 percent, respectively, faster than the overall growth average of 12.0 percent (8.7 percent in Michigan).
- Even careers requiring a HS diploma or less, with short-term to no training, are still expected to grow faster than the state, and above the statewide average.
 - With much of West Michigan being a tourist destination, many jobs related to this industry cluster (*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.

West 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 552. *Accountants and Auditors* and *General and Operations Managers* will both have above 200 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	Industrial Machinery Mechanics
B	Cost Estimators	G	Licensed Practical and Licensed Vocational Nurses
C	First Line Supervisors of Construction Trades and Extraction Workers	H	Medical and Health Services Managers
D	General and Operations Managers	I	Physical Therapists
E	Industrial Engineers	J	Registered Nurses

Source: Bureau of Labor Market Information and Strategic Initiatives