

Annual Planning Information and Workforce Analysis Reports: East Central 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.

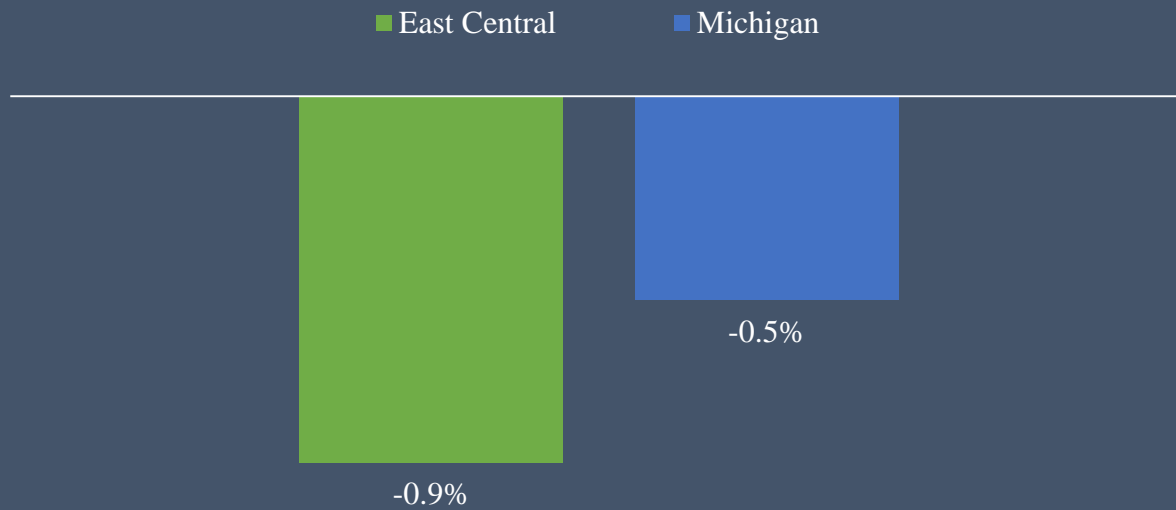
Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional Population Registers Slight Decrease From 2009 Level.

Population Change (2009-2015)

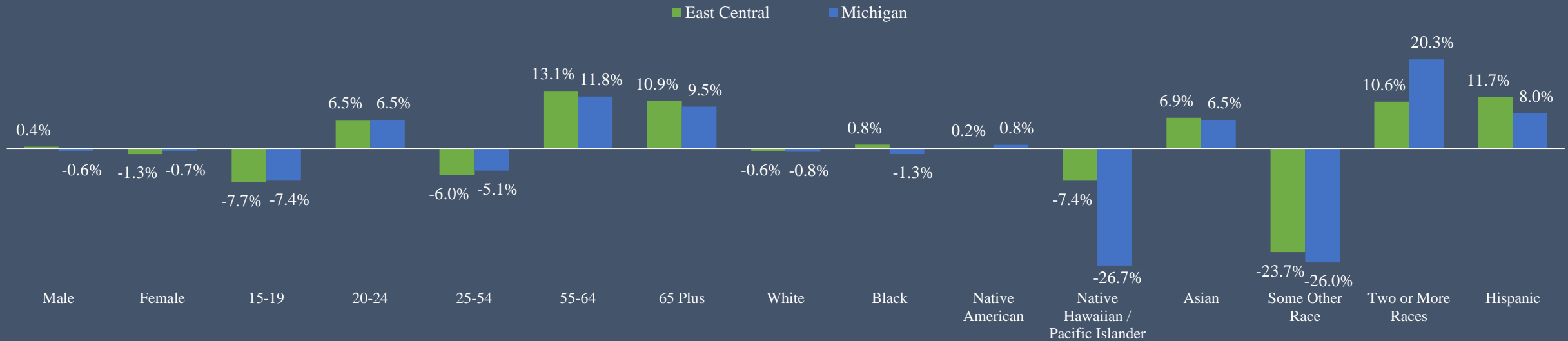


- According to the latest estimates from the U.S. Census Bureau, the population in East Central Michigan was 565,810 in 2015. **(Table 1)**
- While the East Central Michigan region lost nearly one percent of its population from 2009 to 2015, the state as a whole dropped half of one percent of its population over the same period. The regional reduction amounts to 5,262 fewer residents in 2015 than in 2009. Nationwide, the population rose by 4.7 percent over this period. **(Table 1)**
- Population gains were registered in three counties in the region from 2009-2015: Isabella (+3,520, +5.2%), Clare (+450, +1.5%), and Midland (+1,080, +1.3%) Counties. The Saginaw County population dropped by 6,740, or 3.4 percent, over the same time period. **(Table 1)**

Regional Population Getting Older and Growing Diverse More Quickly than state as a whole.

- From 2009 to 2014, the age group with the greatest percentage gain in both the state and region was 55-64 year-olds. Similarly, the same age group, 15-19 year-olds, experienced the greatest decrease in both the region and state. **(Table 2)**
- In an interesting departure from the statewide trend, the Black population gained 0.8% in the region while falling by 1.3% statewide. Those of Hispanic ethnicity also registered a greater increase in the region than in the state, another sign pointing to a more quickly diversifying population. **(Table 2)**

Population Change by Age, Sex, Race / Ethnicity

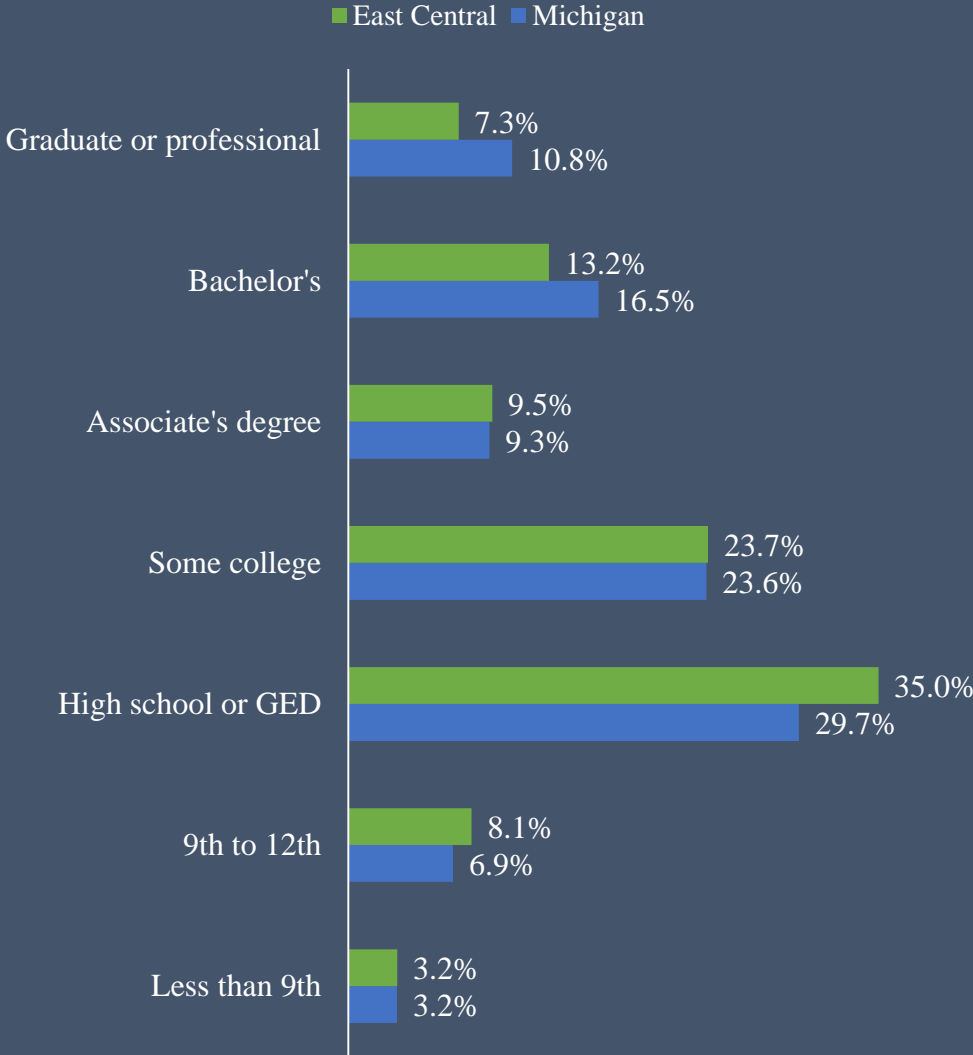


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

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 levels. In East Central Michigan, there are fewer residents with a *Bachelor's degree* or higher than seen statewide, 20.5% (or 234,300 residents) in the region versus 27.3% statewide. **(Table 4)**
- Consequently, residents of the region with a *high school diploma* or less are higher than the statewide level, 46.3% (or 176,370 residents) in the region versus 39.8% statewide. **(Table 4)**

Educational Attainment

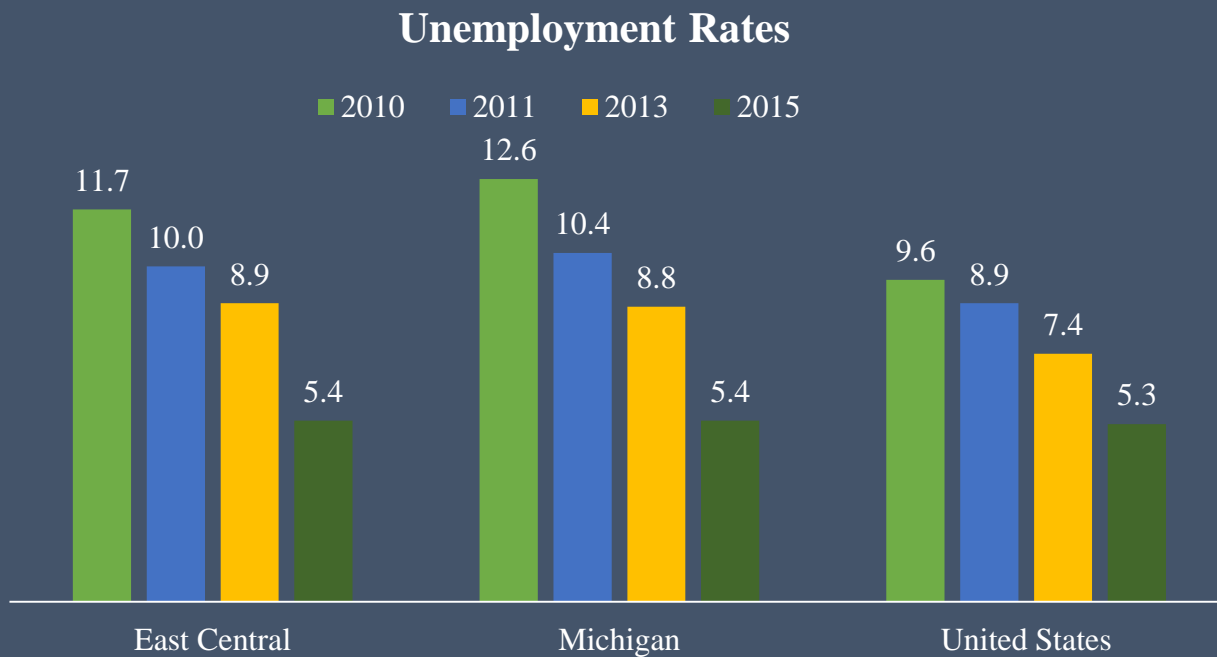


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8 and 13

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



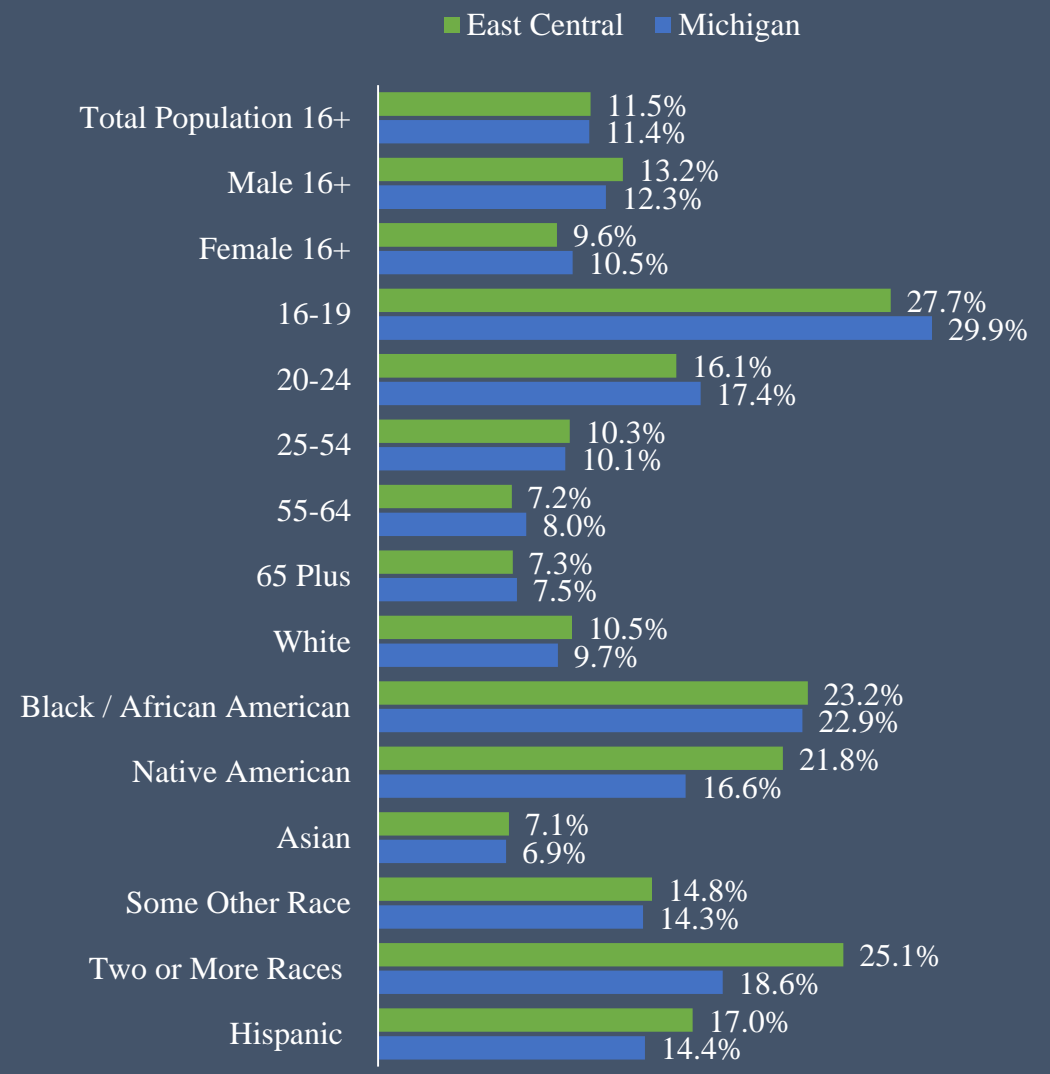
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The unemployment rate in East Central Michigan followed state and national trends, dropping significantly between 2010 and 2015.
- Over that period, the jobless rate fell by 6.3 percentage points and the count of unemployed individuals dropped by 17,440 or 55 percent in East Central 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 East Central Michigan, the labor force measured 265,820 in 2015, nearly unchanged from 2013, but down 5,770, or 2.1%, from the 2010 level. **(Table 5)**

Regional Jobless Rates Elevated for Youth and Young Adults, Hispanics and Native Americans.

- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in East Central Michigan. However, males experienced a higher unemployment rate at 13.2 percent, compared to 9.6 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)**
- In general, East Central Michigan unemployment rates are nearly equal for almost all demographic categories, with the exception of Hispanic, Native American and people within 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

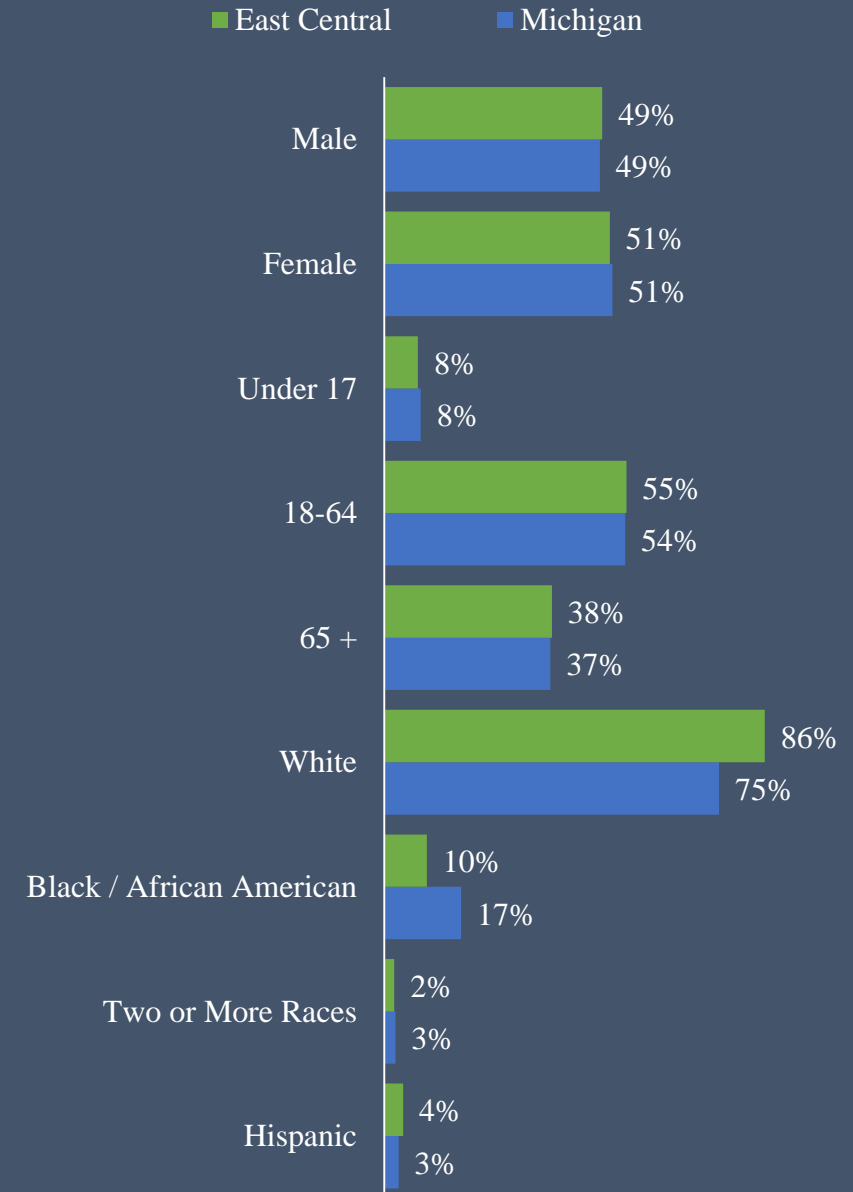
Individuals with Barriers to Employment

Tables 28-37

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

- According to the U.S. Census Bureau, 88,170 people in East Central Michigan report a disability. About 38 percent of them were 65 years of age and older. The demographic characteristics of individuals with disabilities in East Central Michigan were skewed more heavily towards white individuals than the statewide average. **(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

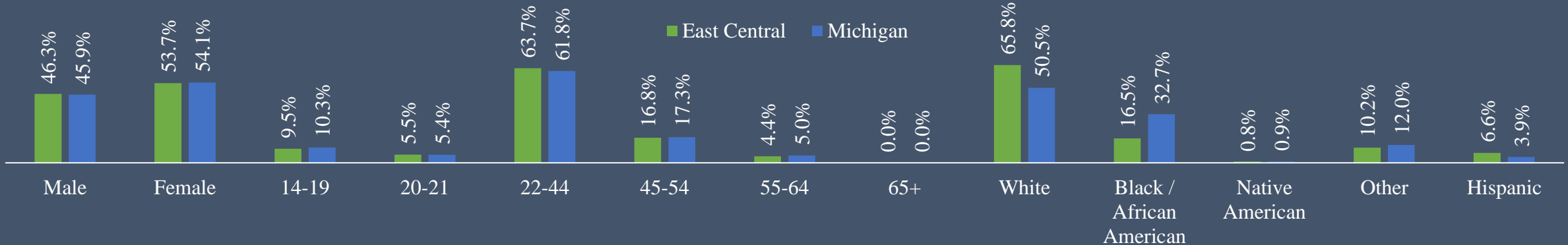


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare Registrants Concentrated in the Working Age and White Demographics.

- According to the Michigan Department of Health and Human Services, there were about 32,600 welfare registrants in East Central Michigan counties in December 2014. **(Table 30)**
- The majority of the welfare registrants were in the prime working age of 22 to 44 (about 64 percent). **(Table 31)**
- Around 66 percent of the registrants were White and 17 percent Black or African American, differing significantly from the statewide average. **(Table 31)**

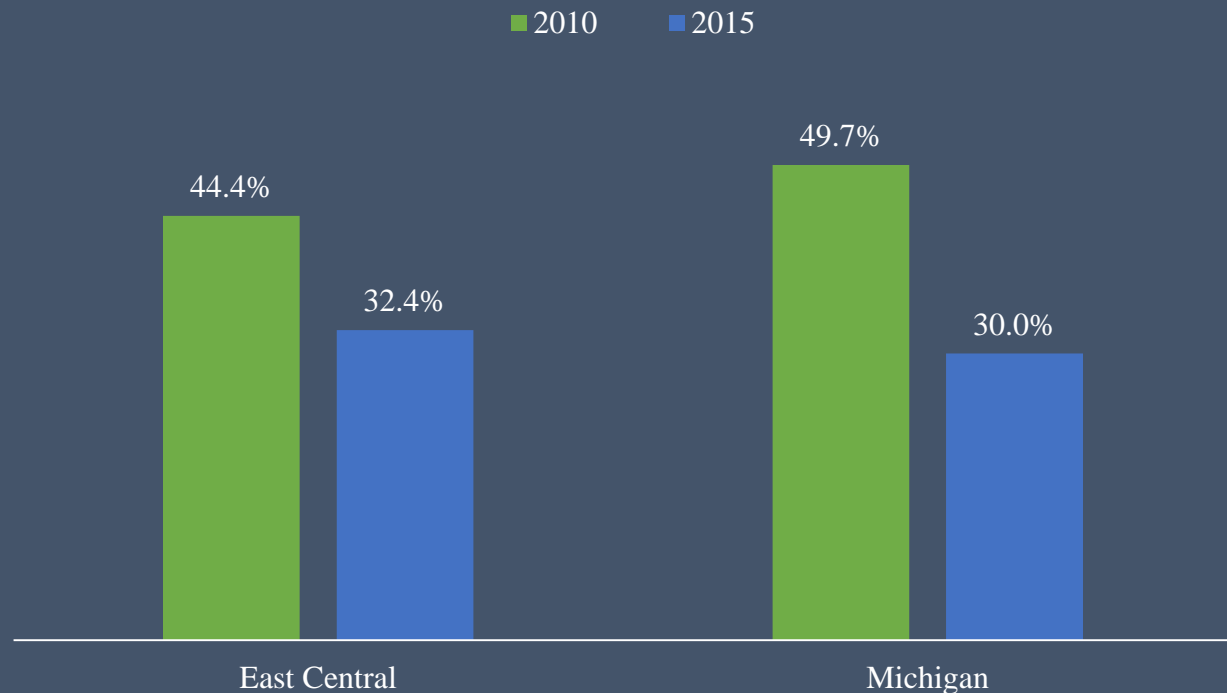
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

Long-Term Joblessness Remains an Issue in Michigan and in East Central Michigan.

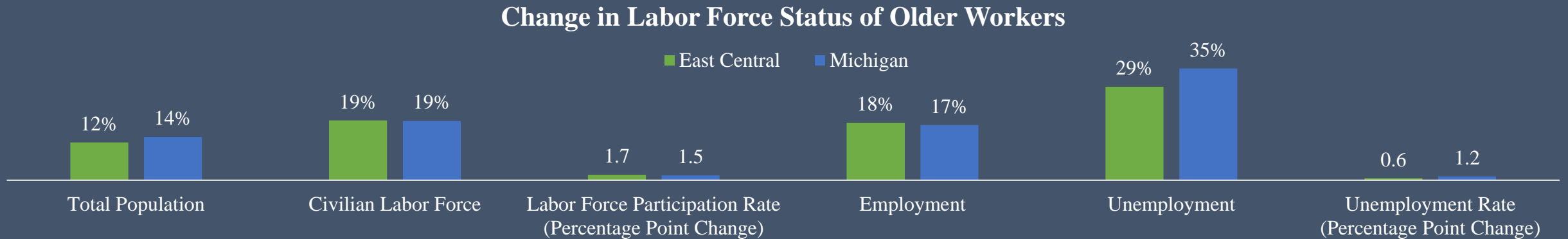
Long-Term Unemployed / Total Unemployed



- Long-term unemployment remains an issue in Michigan and in East Central 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 East Central Michigan has followed the statewide trend. In 2010, 14,140 individuals or 44.4 percent of all unemployed were long-term unemployed. Long-term unemployment has recovered since, falling to about 5,140 or 32.4 percent in 2015. **(Table 35)**

Older Workers Staying in the Labor Market Longer in Michigan and in East Central 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 East Central Michigan, the labor force participation rate of this group during 2010-14 was estimated at 29.5 percent, nearly two percentage points above the rate during the 2005-2009 timeframe. The number of individuals in this group that were in the labor force (employed or looking for jobs) rose by 19 percent in both East Central Michigan and Michigan as a whole over this period. **(Table 36)**

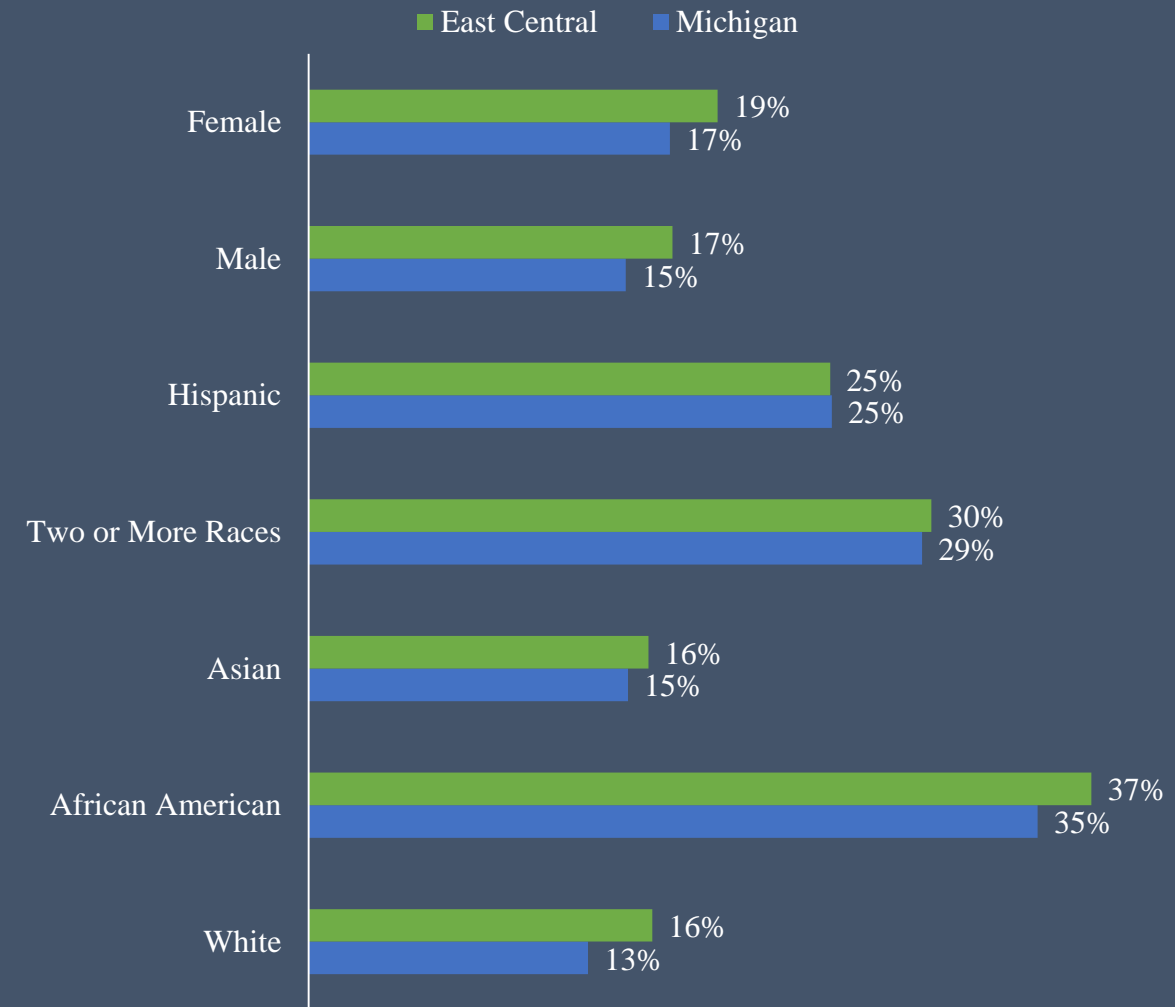


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Poverty Rate at 18.4 Percent in East Central Michigan, Above Statewide Rate.

- In 2014, the U. S. Census Bureau estimated that 105,500 individuals (or 18.4 percent of the population) lived below the poverty line in East Central Michigan. That is 2.2 percentage points above the state poverty rate. **(Table 37)**
- Most racial groups have a higher regional poverty rate than the statewide average with the exception of Asians and individuals of Two or More Races, which are roughly equal to the statewide rate. Those of Hispanic or Latino ethnicity in the region have a poverty rate equal to the statewide rate. However, while African Americans, individuals or two or more races, and those of Hispanic or Latino ethnicity have poverty rates comparable to the state average, the poverty level for these groups are still significantly higher than the regional total poverty rate. **(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

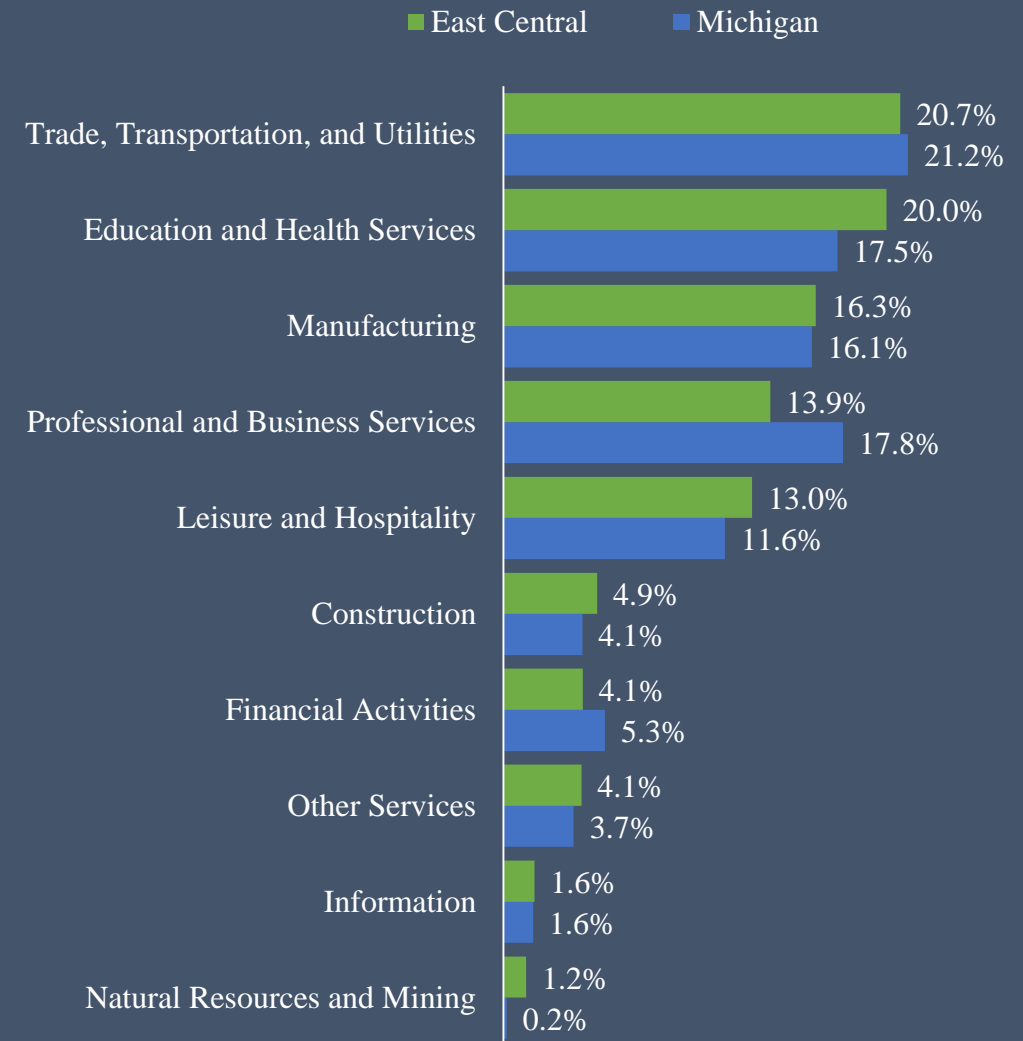
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

Over 50 percent of regional employment lies in top three most-concentrated industries.

- In 2015, *Trade, Transportation, and Utilities* was the region's largest industry, employing just over 20 percent of the region's workers. **(Table 9)**
- After *Trade, Transportation, and Utilities*, the region's largest industries are *Education and Health Services*, *Manufacturing*, and *Professional and Business Services*. **(Table 9)**
- While *Professional and Business Services* is the fourth-largest industry in the region, it ranks third in terms of employment in the state as a whole. **(Table 9)**

Distribution of Industry Jobs, 2nd Quarter 2015

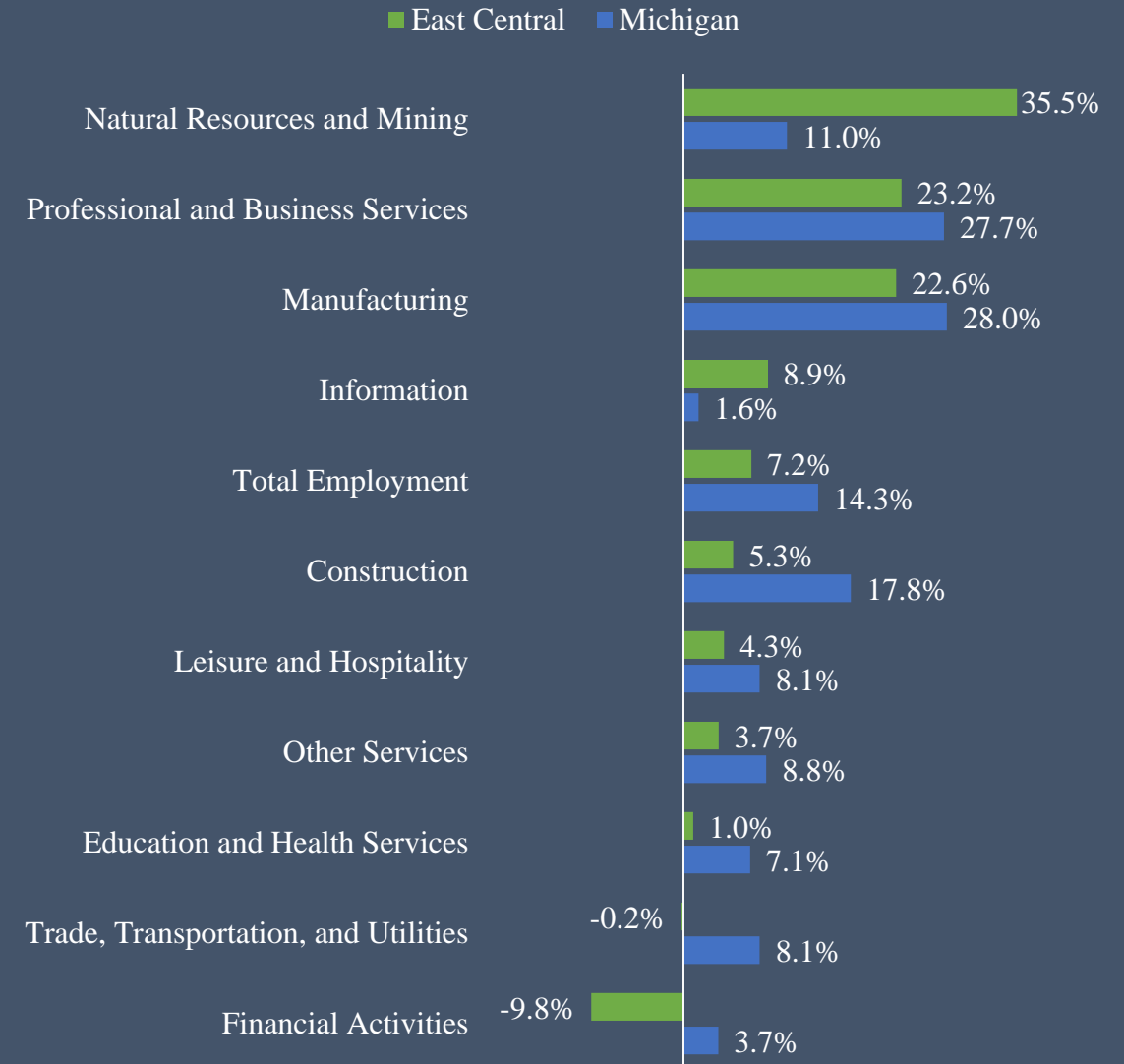


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Private Sector Jobs Grow by 12,120 or 7.2 percent Between 2009 and 2015.

- East Central Michigan saw private sector jobs expand by 12,120 or 7.2 percent since 2009, largely fueled by a 5,430 job expansion in *Manufacturing* and 4,730 job expansion in *Professional and Business Services*. 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 *Financial Activities* (other than *Trade, Transportation, and Utilities* which was effectively unchanged). The sector was down by 810 jobs or 9.8 percent from 2009-2015. **(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 6,850 in 1st Quarter 2016.

Online Advertised Job Postings - East Central Michigan

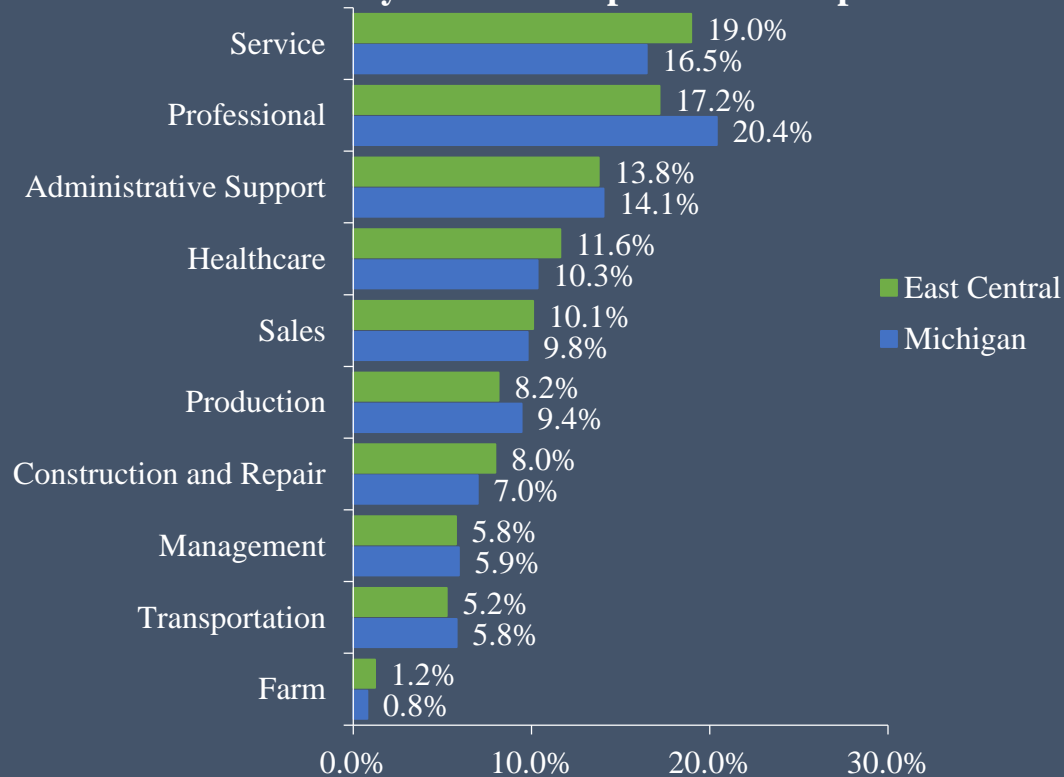
Job Title	Number
Heavy and Tractor-Trailer Truck Drivers	460
Registered Nurses	320
Retail Salespersons	240
Retail Sales Supervisors	190
Customer Service Representatives	150
Food Service Supervisors	120
Light Truck or Delivery Services Drivers	90
Industrial Engineers	90
Nursing Assistants	90
Food Preparation and Serving Workers	90

Source: The Conference Board, Help Wanted Online Database

- In the 1st Quarter 2016, there were 6,850 online advertised job postings in East Central 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 East Central Michigan, seven of the top ten online job postings during the first quarter of 2016 fell in this category. The range was eight of ten statewide.
- The prevalence of the *Healthcare* industry is apparent when viewing the region's top in-demand jobs, with 920 job ads in the region for *Healthcare practitioners* and 350 of the region's total ads coming from a single health care employer (Covenant HealthCare). **(Table 19)**

Service and Professional Occupations Projected to Be East Michigan's Largest Groups in 2022.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



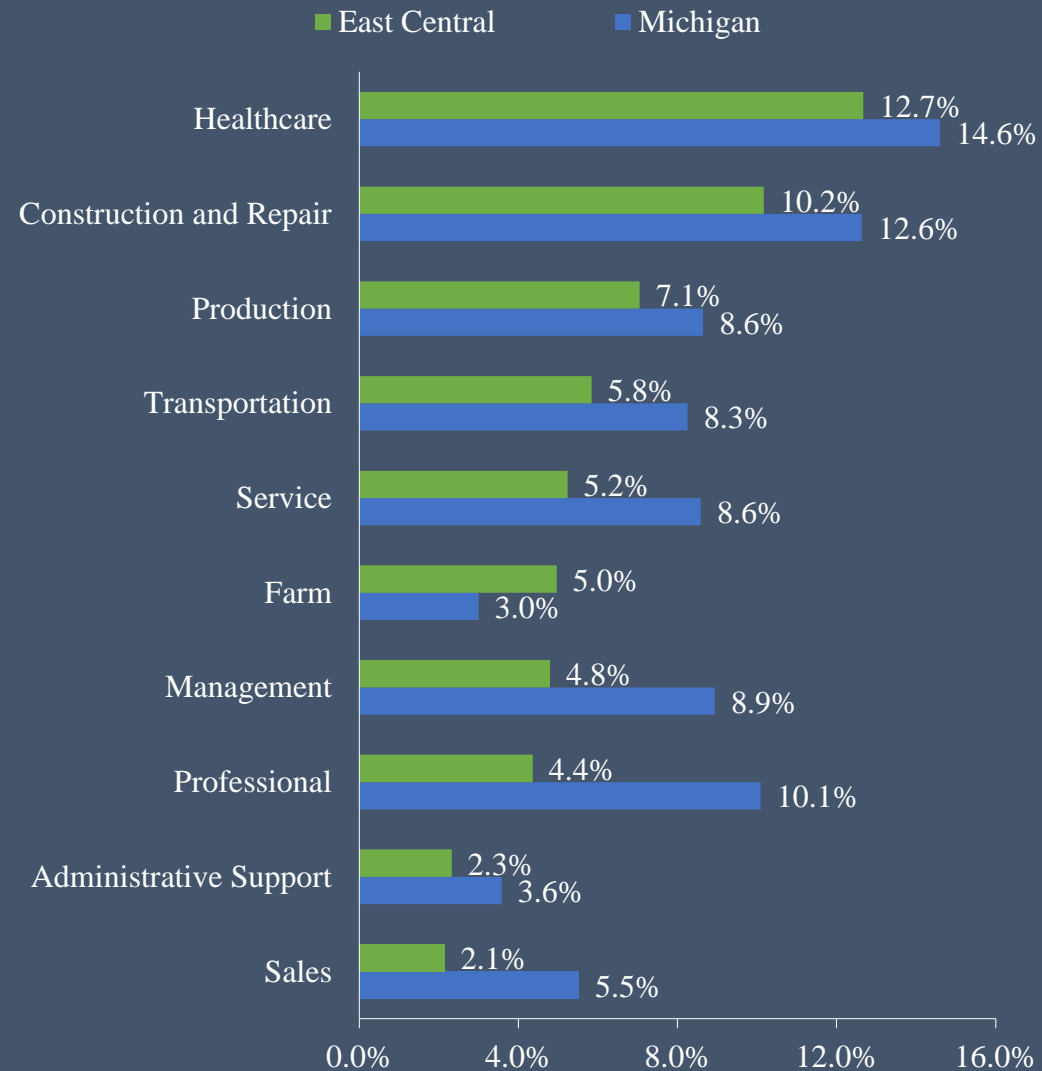
Source: Bureau of Labor Market Information and Strategic Initiatives

- 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.
- Service – Nearly one in five jobs in East Central Michigan will be a service job in 2022, unchanged from the 2012 share of jobs in services occupations. These jobs include positions in *Food preparation and serving, Building and grounds cleaning and maintenance, Personal care and service, and Protective service.*
- Professional – The second-largest occupational group both now and in 2022, this category includes a diverse group of occupations representing everything from *Accountants to Computer programmers and Postsecondary teachers.*
- Administrative Support – Contributes about 13.8% of the region's employment. This occupational group includes some of the largest single occupations such as bookkeepers, secretaries and office clerks.
- Healthcare – This group of occupations is projected to have the largest increase in share of regional employment for 2022, increasing from 10.9 percent of regional employment in 2012 to 11.6 percent in 2022. **(Table 20)**

Healthcare and Construction Occupations to Experience Most Growth through 2022 in East Central Michigan, Both Exceeding 10%.

- Employment in almost all occupational groups in East Central Michigan is projected to grow below the statewide average through 2022.
- Three groups of occupations are expected to account for over half of the 13,560 new jobs in East Central Michigan.
 - *Healthcare* occupations will contribute about 3,295 new jobs to the regional economy (or 24.2 percent of all new jobs). This group includes the fast-growing *Registered nurses* occupation along with *Physical therapists*, *Dental hygienists*, and *Pharmacists*.
 - *Service* is the second-largest group in terms of newly-added jobs, projected to create 2,380 positions through 2022. This group includes many occupations in the restaurant, hotel, and recreation industries which are predominant in the region.
 - The *Construction and repair* group of occupations will contribute 1,855 new positions to the region, or about 14 percent of the region’s newly-created jobs. This group encompasses not only construction laborers but also electricians, powerline repairers, plumbers, roofers, and many other careers in specialty trade contractors. **(Table 20)**

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

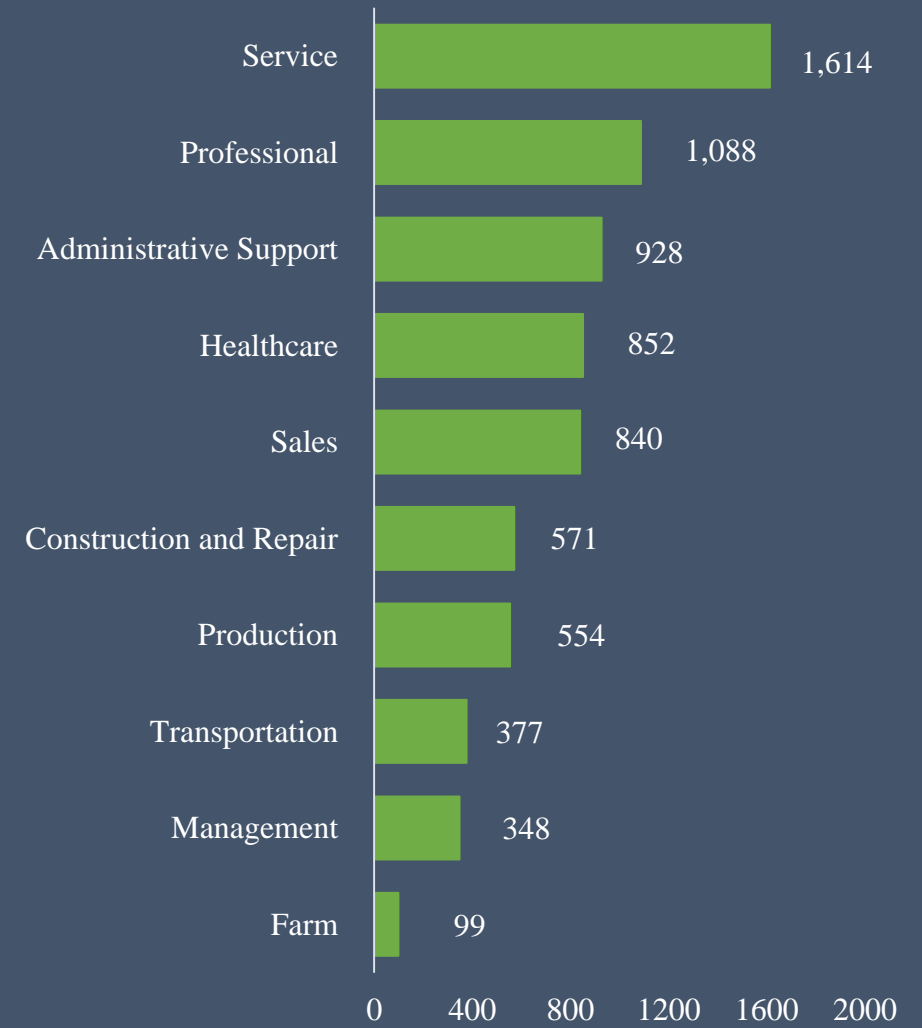


Source: Bureau of Labor Market Information and Strategic Initiatives

Region's Largest Occupations Are Projected to Have the Highest Number of Openings Per Year through 2022.

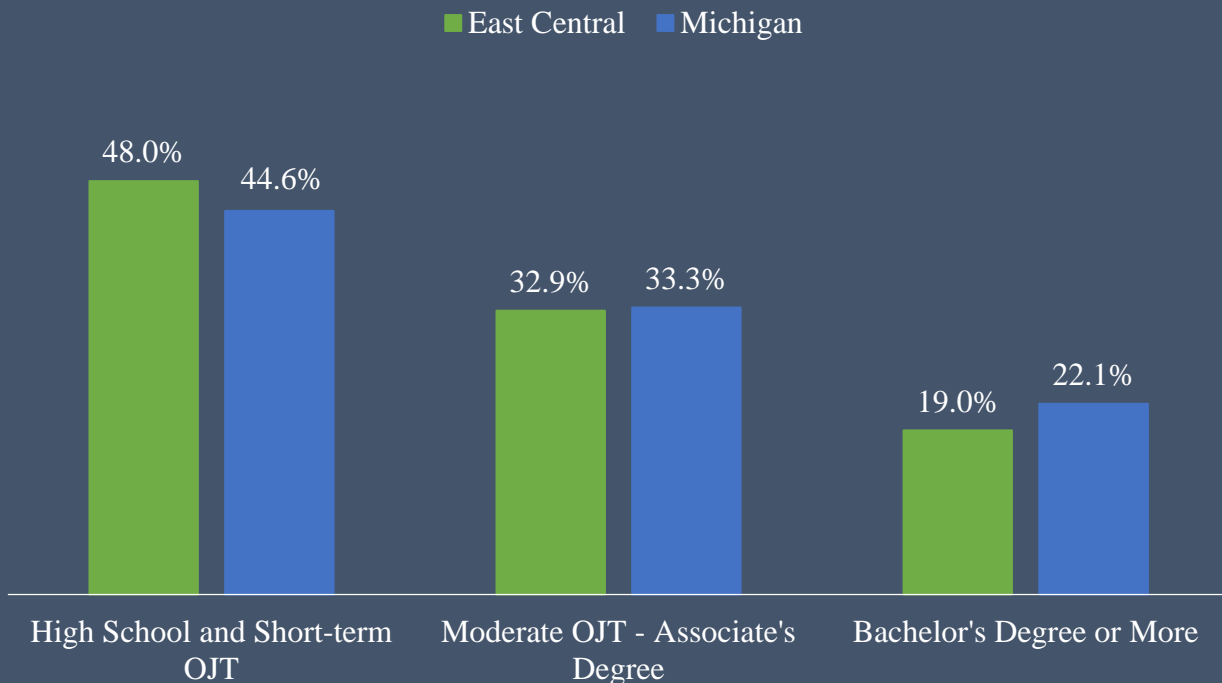
- Because of the need to replace workers who are retiring or otherwise leaving the occupation in the area, the largest groups are projected to see the most annual openings through 2022.
- Fast-growing occupational groups such as *Healthcare* will have significant numbers of annual openings due to growth each year. In fact, nearly 40 percent of all annual openings in *Healthcare* occupations are expected to be due to newly-created openings.
- In the East Central region, about 21 percent of annual openings are expected to come from employment expansion, while the remaining 79 percent will be from the need to replace workers. **(Table 20)**

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



One in Five East Central Jobs Will Require at Least a Bachelor's Degree by 2022.

Projected 2022 Occupational Employment by Education (Share of Total)

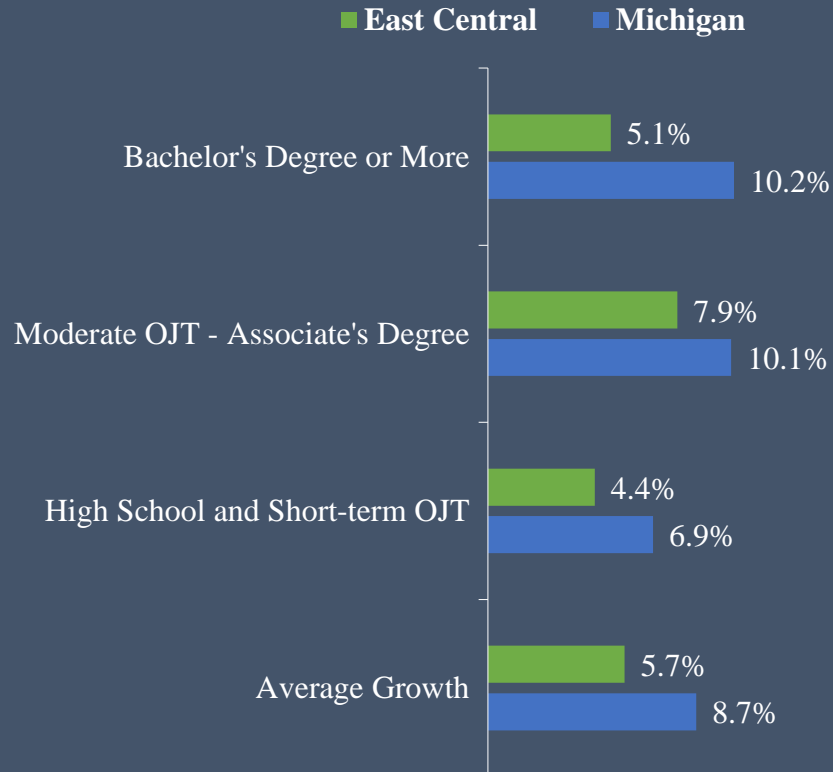


Source: Bureau of Labor Market Information and Strategic Initiatives

- By 2022, nearly half of all East Central Michigan jobs will still need only a high school diploma or less, requiring at most short-term on-the-job training. These occupations have a large employment base and include many jobs from groups such as *Service, Production, Transportation and material moving, and Sales*.
- 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 skilled trades careers fall within this group and are associated with long-run employment growth and high earnings.
- One fifth of all jobs in the region will require at least a Bachelor's degree by 2022, including some of the highest-paying in-demand positions such as *Physical therapists, Medical and health services managers, and Architecture and engineering managers*.
- For each group, the shares in total employment we expect to see in 2022 have changed little from the shares we saw in 2012 employment. The largest change that is expected to take place is a one-half percentage point shift in total employment from occupations requiring at most short-term training to occupations that require at least moderate OJT or an Associate's degree.

At All Levels of Education and Training, East Central Michigan Growth Is Projected to Be Below Statewide Levels.

Projected Occupational Growth by Education



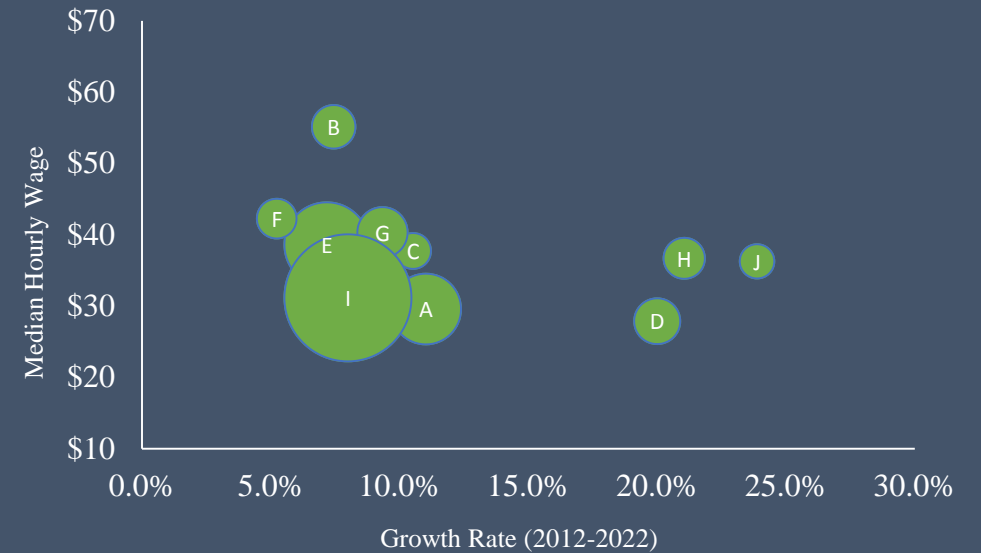
Source: Bureau of Labor Market Information and Strategic Initiatives

- Jobs requiring an Associate's degree or six months or more of on-the-job training are expected to see growth above the regional average.
 - Jobs in this educational group will grow by 7.9 percent, faster than the overall growth average of 5.7 percent. Within this group, those requiring an Associate's degree will grow most quickly, including rapidly-advancing healthcare careers such as RN and LPN.
- Occupations requiring only short-term on-the-job training or less are expected to grow a whole 3.5 percentage points less than occupations requiring some post-secondary training. East Central Michigan residents looking for more opportunities and higher pay may benefit from pursuing occupations that require at least moderate OJT.
- Occupations that require a Bachelor's degree or more will grow just below the regional average, at 5.1 percent versus 5.7 percent for the region as a whole.

Large occupations and those requiring more education rise to top of occupations with favorable mixes of growth, openings, and wages

- 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). However, the occupation with the highest number of annual openings, *Registered nurses* (bubble I on the chart), also boast an above-regional-average growth rate and considerable hourly wages.
- 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	Lawyers
B	Architectural and Engineering Managers	G	Medical and Health Services Managers
C	Construction Managers	H	Physical Therapists
D	Dental Hygienists	I	Registered Nurses
E	General and Operations Managers	J	Software Developers, Applications

Source: Bureau of Labor Market Information and Strategic Initiatives