

Annual Planning Information and Workforce Analysis Reports: East Michigan

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

Regional Contact:

Kevin Doyle

517-335-2161

DoyleK4@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

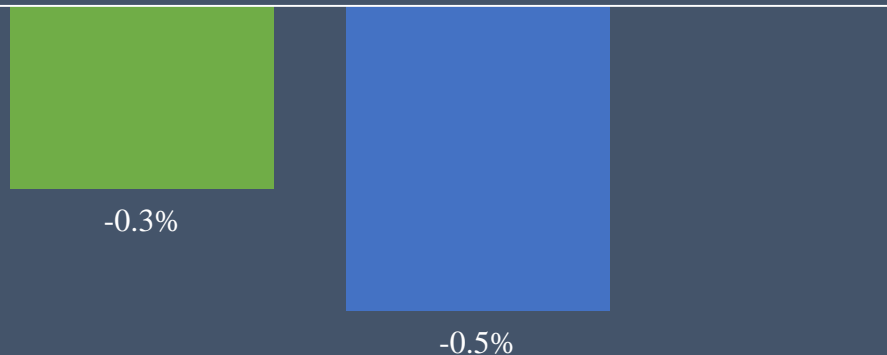
Population Trends and Characteristics

Table 1-4

The East Michigan population continues its downward trend in 2015.

Population Change (2009-2015)

■ East Michigan ■ Michigan

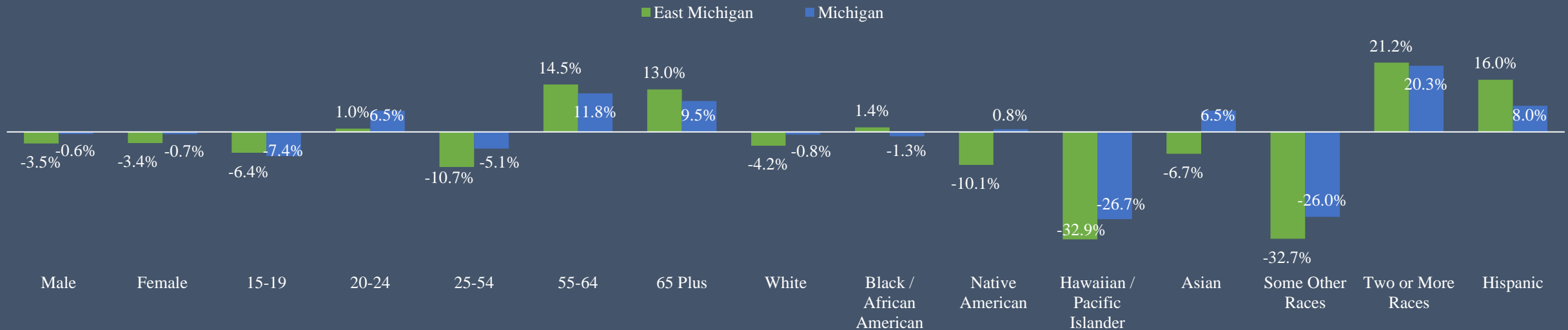


- According to the latest estimates from the U.S. Census Bureau, the population in the East Michigan Prosperity Region counted 854,900 in 2015. **(Table 1)**
- Nearly half (48 percent) of the region’s population lived in Genesee County, with the remaining 444,000 residents distributed throughout the region’s other suburban and rural counties. **(Table 1)**
- The latest estimates show that the region’s population continued its downward trend with residents down by 26,500 or 3.0 percent since 2009. Over the same period, the statewide population inched down 0.5 percent while the population nationally rose by 4.7 percent. **(Table 1)**
- Every county in the East Michigan Prosperity Region experienced negative population growth between 2009 and 2015. Declines ranged from a large 13,200 in Genesee County to a modest 350 in Huron. **(Table 1)**

The East Michigan population: aging and becoming more diverse.

- Notwithstanding a modest uptick in residents aged 20 to 24, the only age groups to report population gains in the East Michigan Prosperity Region between 2009 and 2014 were those 55 and older, giving the region a population that is aging faster than the statewide average. **(Table 2)**
- While White category represents over 85 percent of the region's total population, their numbers have fallen by 4.2 percent since 2009. Over that same period, large gains were seen in the Two or More Races category (3,500 or 21.2 percent) and among Hispanics (+3,800 or 16 percent). **(Table 2)**

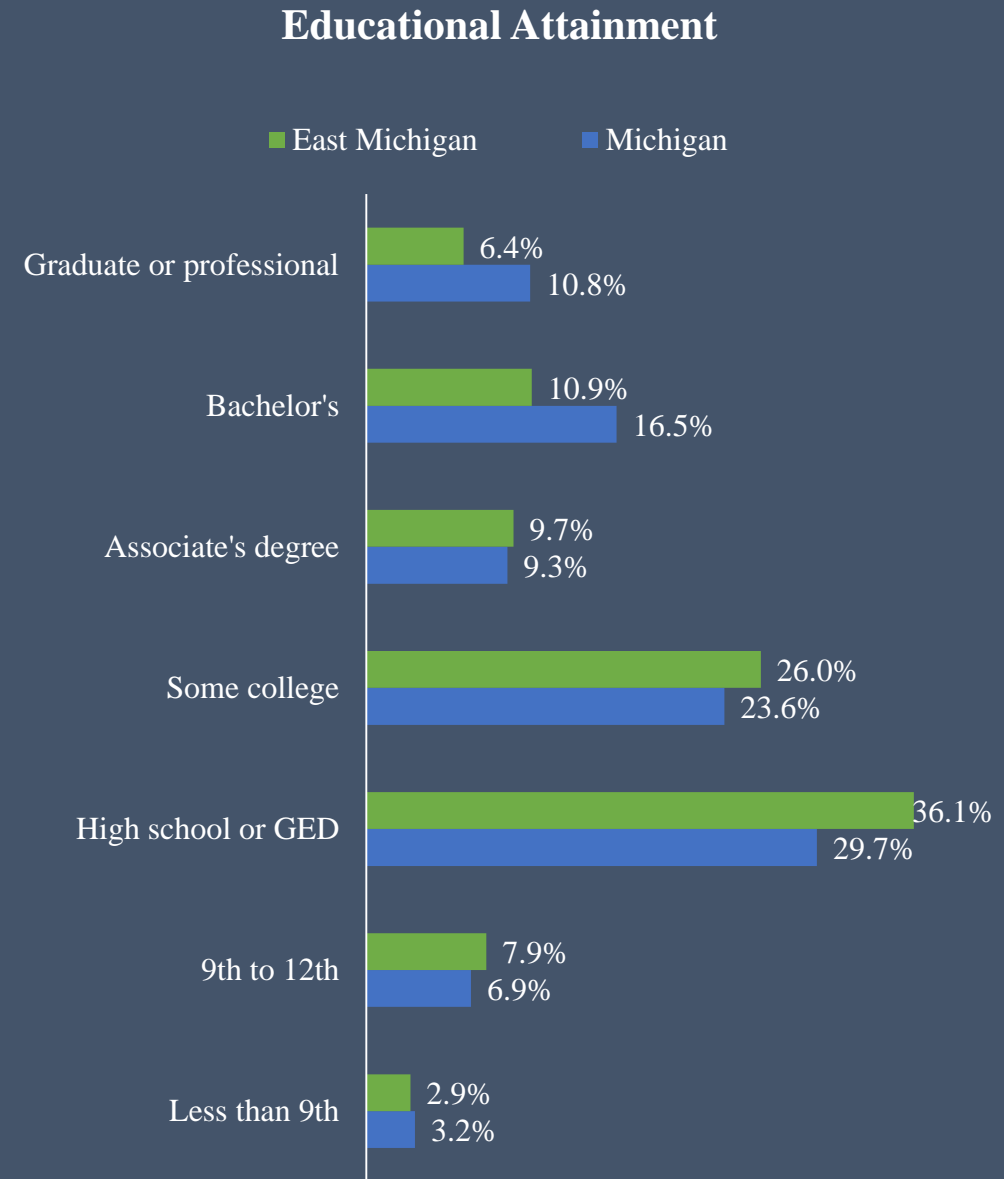
Population Change by Age, Sex, Race / Ethnicity



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

Over half of East Michigan residents have some college or have earned an Associate's degree or higher.

- Educational attainment is calculated using the number of residents 25 and older with various levels of education. In The East Michigan Prosperity Region, 36 percent of residents held a high school diploma or equivalent, higher than the 30 percent statewide. **(Table 4)**
- While the region reported a slightly higher share of residents with *Some college* and *Associate's degrees*, a significantly lower share of the population held a *Bachelor's degree* or had *Graduate or professional* training. **(Table 4)**

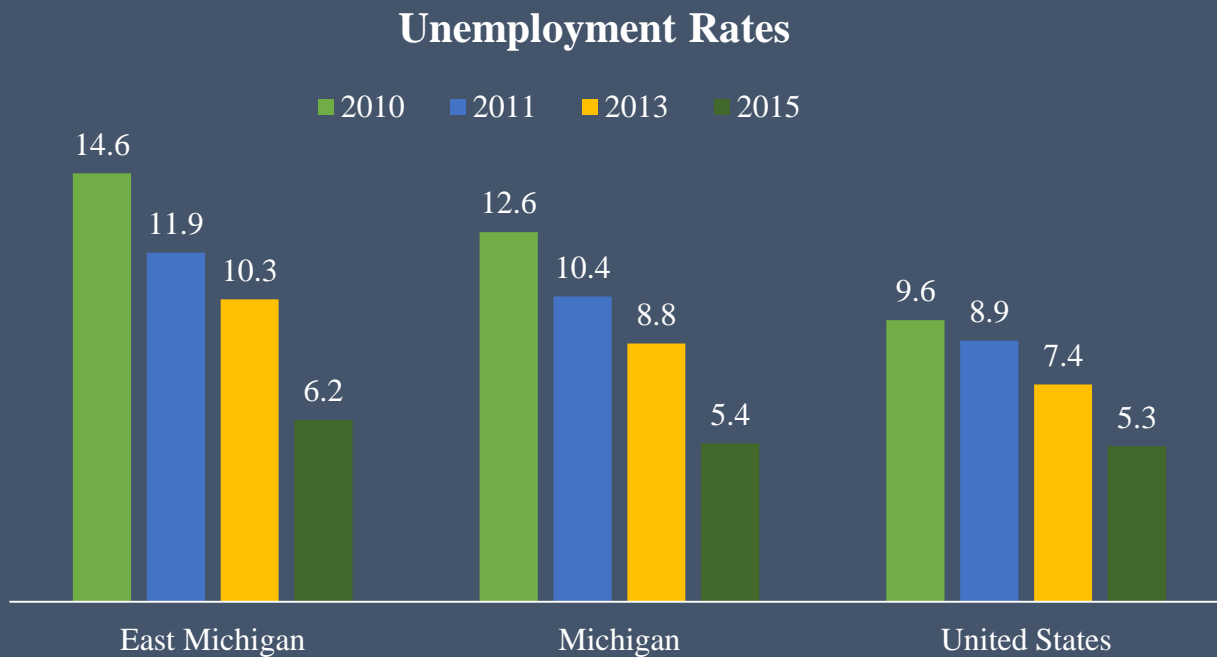


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8 and 13

Jobless rate more than halved since 2010, but a larger number of residents may be on the sidelines of the labor market.



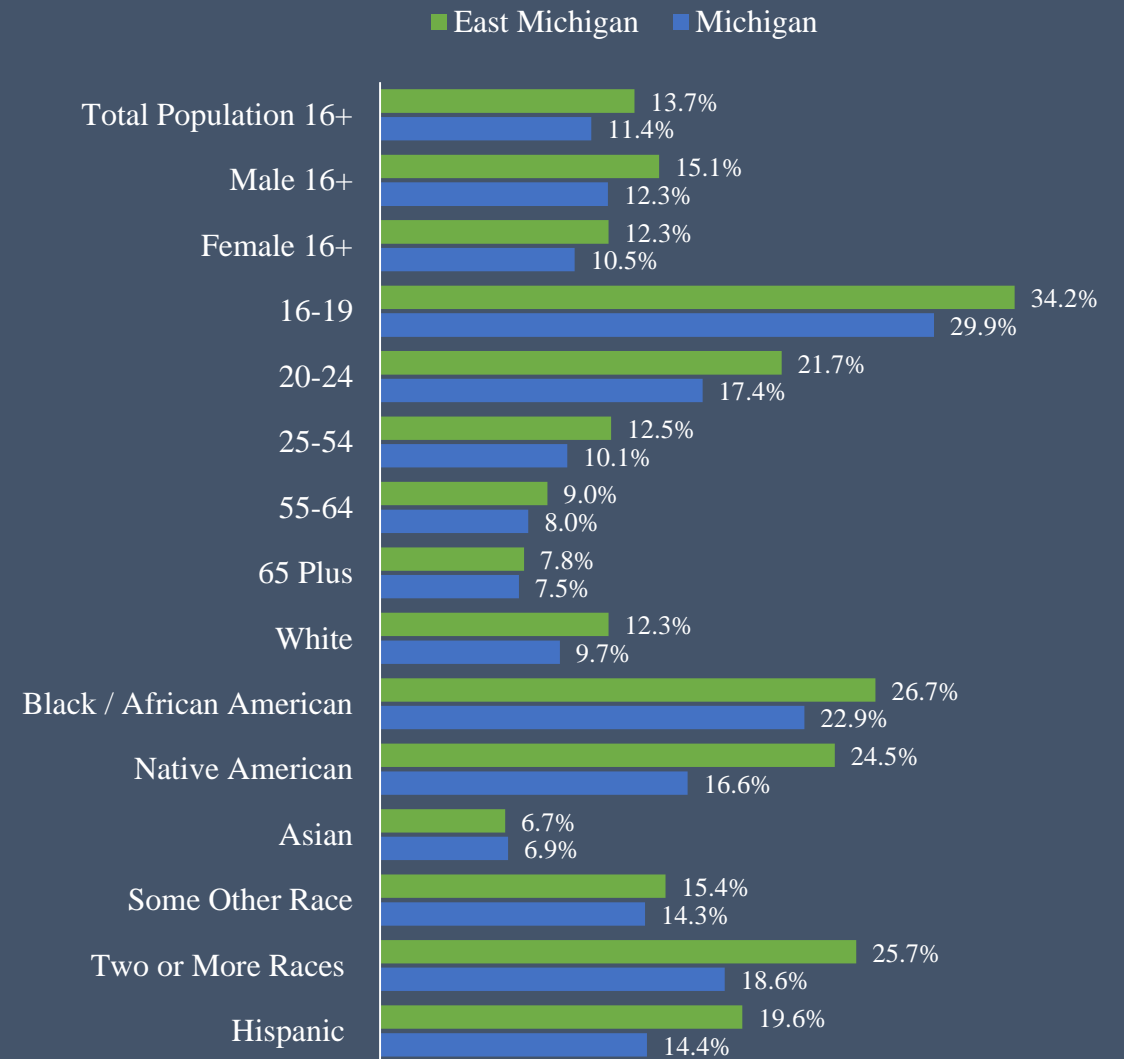
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The jobless rate in the East Michigan Prosperity Region stood at 6.2 percent in 2015 after being more than halved since 2010. **(Table 7)**
- More positive news: since 2015, the number of residents counted as unemployed fell by 35,100 or 60 percent while those employed grew by 22,200 or 6.4 percent. **(Tables 7 and 13)**
- Those participating in the workforce have fallen by 12,800 or 3.2 percent, offering a sobering reminder of the challenges facing some out-of-work residents who have quit looking for work all together. **(Tables 5)**
- Despite the improvements discussed above, the region's unemployment rate remains higher than the state and national averages. **(Table 5)**

Youth and young adults report high joblessness in East Michigan.

- Among those active in the East Michigan labor market, 52 percent are male and 48 percent are female. Males were disproportionately affected by unemployment, evidenced by 57 percent of all unemployed residents being male and a jobless rate of 15.1 percent for men, well above the 12.3 percent for females. **(Table 8)**
- Consistent with national and statewide trends, youth and young adults see elevated joblessness. In East Michigan, unemployment rates hit 34.2 percent for youth and 21.7 percent for young adults. **(Table 8)**
- Other notable labor market demographics are higher joblessness for the Black / African American, Native American, and Two or More Races categories as well as for Hispanics. **(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

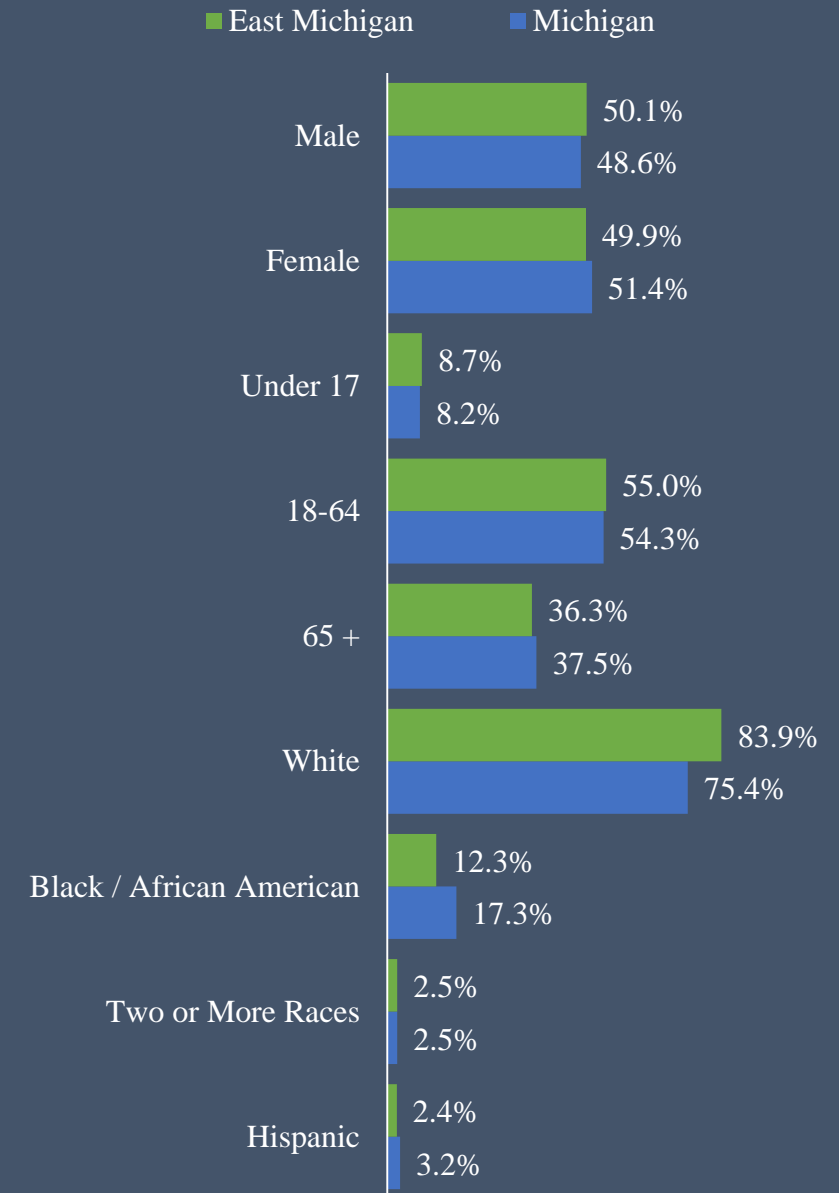
Individuals with Barriers to Employment

Tables 28-37

Individuals with a disability report higher unemployment and lower labor force participation.

- According to the U.S. Census Bureau, 137,234 people in the East Michigan Prosperity Region report a disability. The demographic characteristics of individuals with disabilities in the region were similar to statewide estimates, with countervailing variances in the White and in the 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

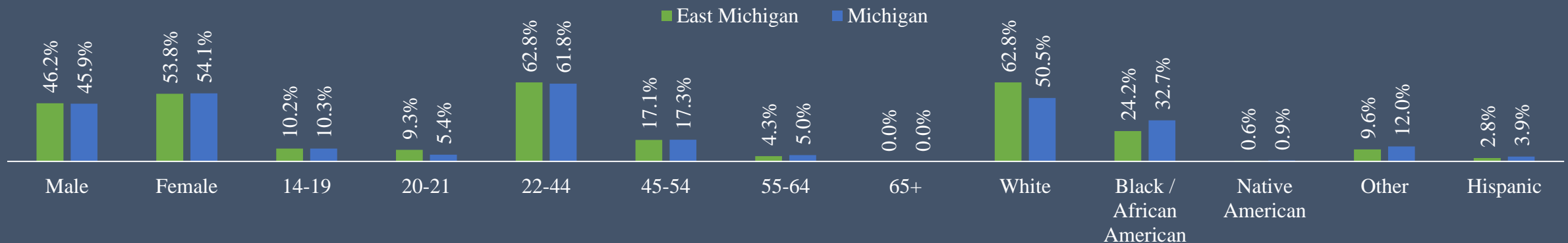


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare registrants measure 59,100 in the East Michigan Prosperity Region.

- According to the latest data from the Michigan Department of Health and Human Services, there are about 59,100 welfare registrants in the East Michigan Prosperity Region. **(Table 30)**
- As is the case statewide, the majority of welfare registrants were in the prime working age ranges of 22 to 54. **(Table 31)**
- Also following statewide trends, welfare registrants were more likely to be women than men and more likely to be White than any other race / ethnicity combination. **(Table 31)**

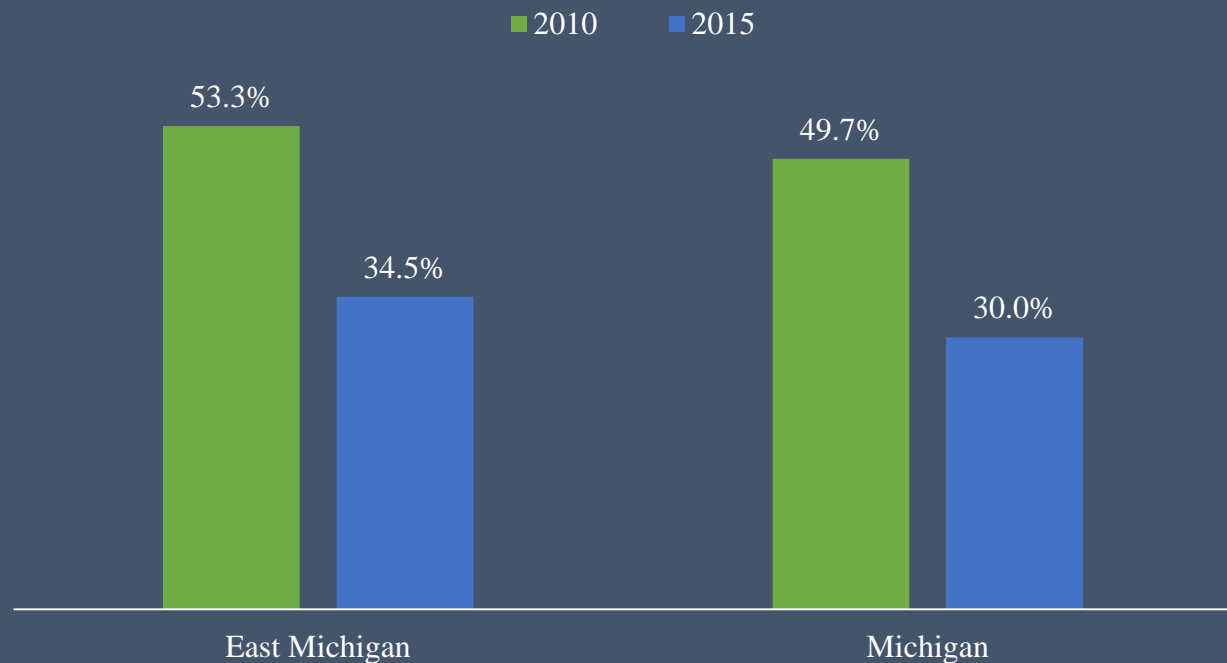
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

Long-term joblessness remains elevated in the East Michigan Prosperity Region.

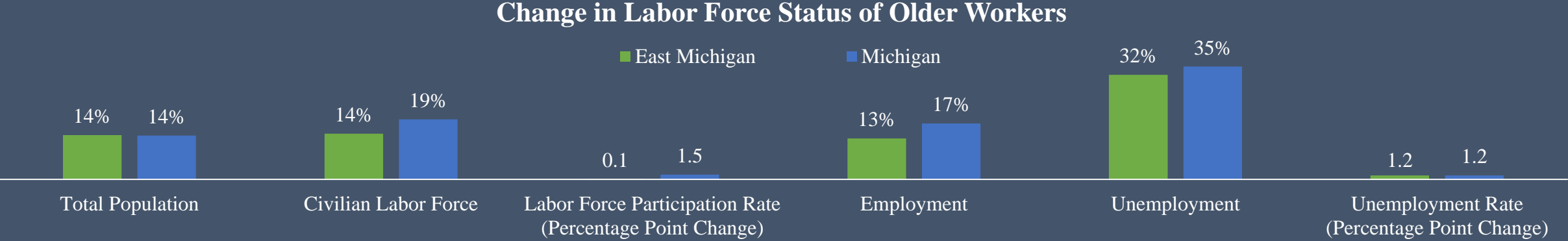
Long-Term Unemployed / Total Unemployed



- Long-term unemployment remains an issue in Michigan and in the East Michigan Prosperity Region, as the number and share of those out of work for 27 weeks or more has remained stubbornly high despite the recent labor market recovery.
- For context, the number of unemployed individuals counted as long-term unemployed measured just 3.5 percent in 2000 before escalating to nearly 25 percent by 2003 and swelling to 50 percent in 2010. That number has receded somewhat (falling to 30 percent in 2015) but it remains alarmingly higher than it was prior to 2003.
- The number of long-term unemployed in the region has followed those same trends seen statewide. In 2010, 31,600 individuals or 53.3 percent of all unemployed were long-term unemployed. Long-term unemployment fell to about 9,300 or 34.5 percent in 2015. **(Table 34)**

About 76,000 older workers remain active in the East Michigan labor market.

- The number of older workers, defined as those 55 and older, staying active in the labor market has been on the rise, with some economists citing the fallout from the 2009 financial crisis as a major culprit.
- However, this trend may be somewhat muted in the East Michigan Prosperity Region. While the size of the 55 and older population grew by 13.7 percent, the number of cohort members active in the labor market grew by a similar 14.2 percent, compared to faster growth statewide. (Table 36)
- Both employment and unemployment for older workers grew at a slower pace in the region when compared to the statewide average. (Table 36)

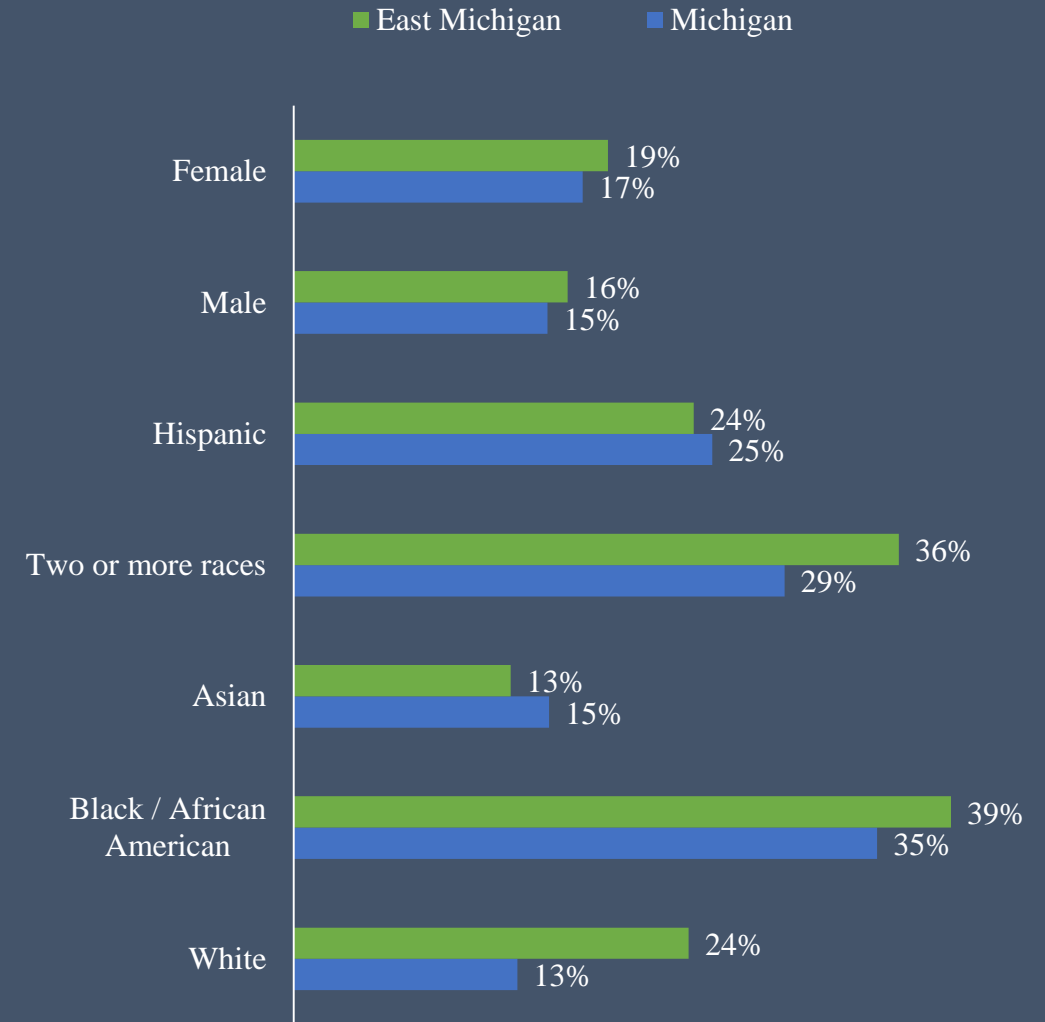


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Poverty rate at 17.5 percent in East Michigan, Slightly Above Statewide Rate.

- In 2014, the U. S. Census Bureau estimated that 136,400 individuals (or 17.5 percent of the population) lived below the poverty line in the East Michigan Prosperity Region, 1.3 percentage points higher than the statewide rate of 16.2 percent. **(Table 37)**
- The Black / African American category and Hispanics recorded a higher share of people living in poverty than any other race/ethnic group. **(Table 37)**
- The share of women living in poverty is slightly higher than that of men in the region and in the state. **(Table 37)**

Poverty by Sex and Race / Ethnicity



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

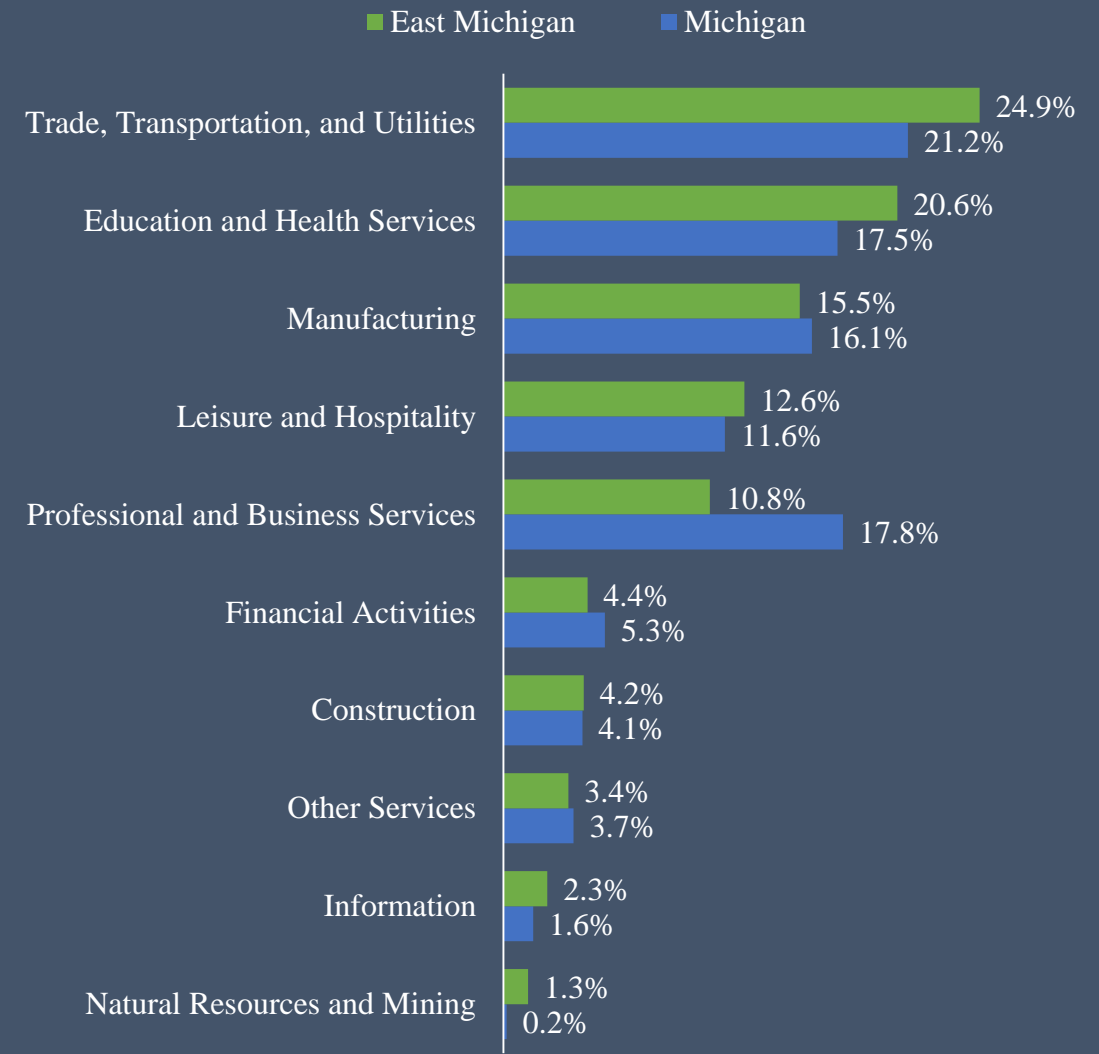
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

60 percent of East Michigan employment found in three major industry sectors.

- One in five jobs in the East Michigan Prosperity Region are concentrated in the *Goods Producing* industries of *Manufacturing* (15.5 percent) and *Construction* (4.2 percent). (Table 9)
- *Trade, Transportation, and Utilities, Leisure and Hospitality, and Natural Resources* all boast a higher share of employment, likely reflecting regional jobs related to travel and tourism and other activities. (Table 9)
- *Professional and Business Services* accounted for just shy of 11 percent of total payrolls, which is in sharp contrast to the statewide average of nearly 18 percent. (Table 9)

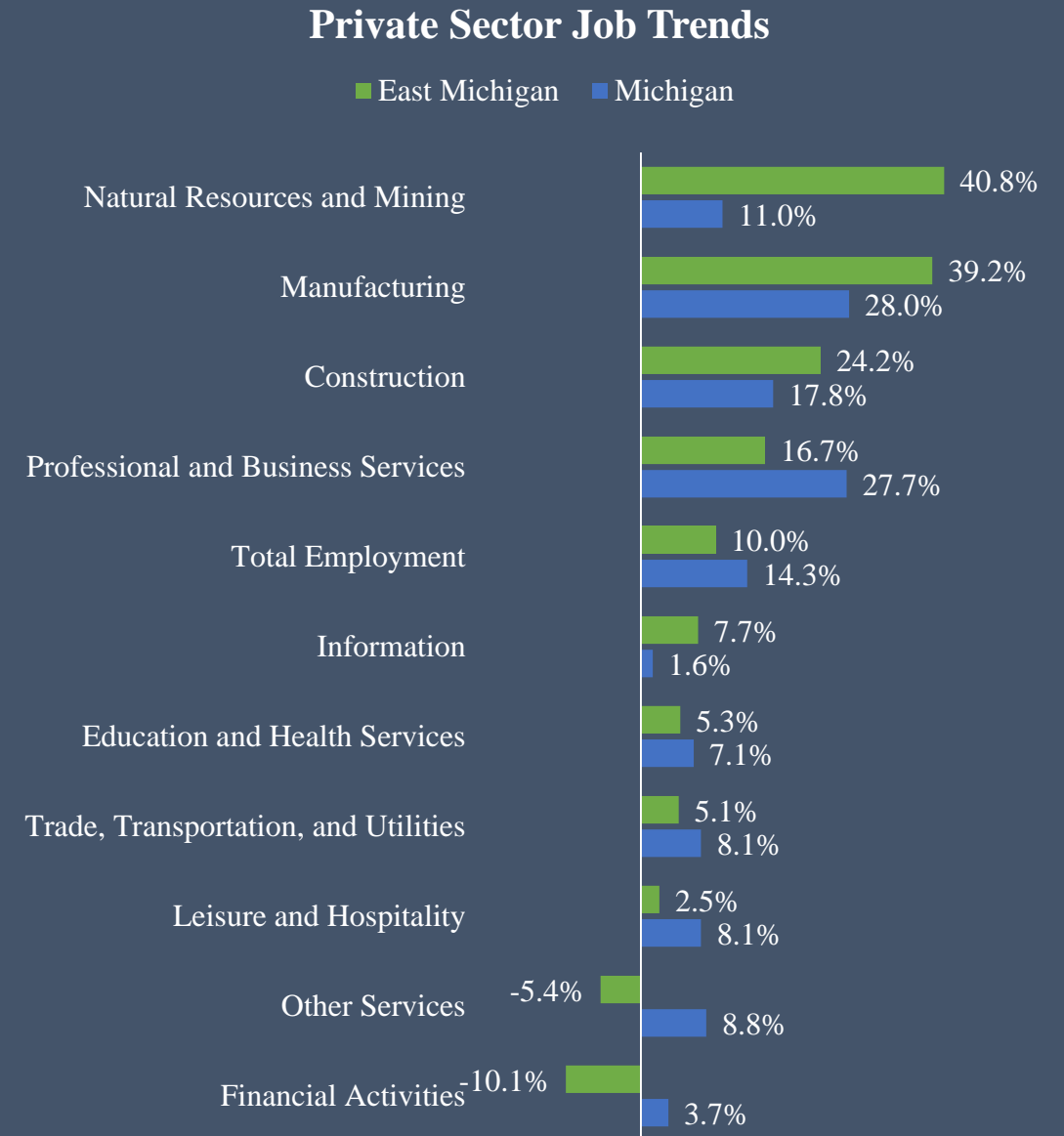
Distribution of Industry Jobs
2nd Quarter 2015



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

Private sector jobs grow by 19,250 or 10 percent between 2009 and 2015.

- Private sector employment expanded by 19,250 or 10 percent in The East Michigan Prosperity Region since 2009. A resurgence in *Manufacturing* together with solid growth in *Professional and Business Services* led to private sector employment gains during the period. **(Table 9)**
- The region's largest industry in terms of employment, *Trade, Transportation, and Utilities*, added 2,550 jobs or 5.1 percent since 2009, slightly less than the 8.1 percent seen statewide. **(Table 9)**
- Two industries saw private sector job losses over 2009 levels: Other Services fell by 400 jobs or 5.4 percent and Financial Activities was down by 1,000 jobs or 10.1 percent. **(Table 9)**



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

Online job advertisements concentrated in sales, transportation, and health.

Online Advertised Job Postings - Southwest Michigan

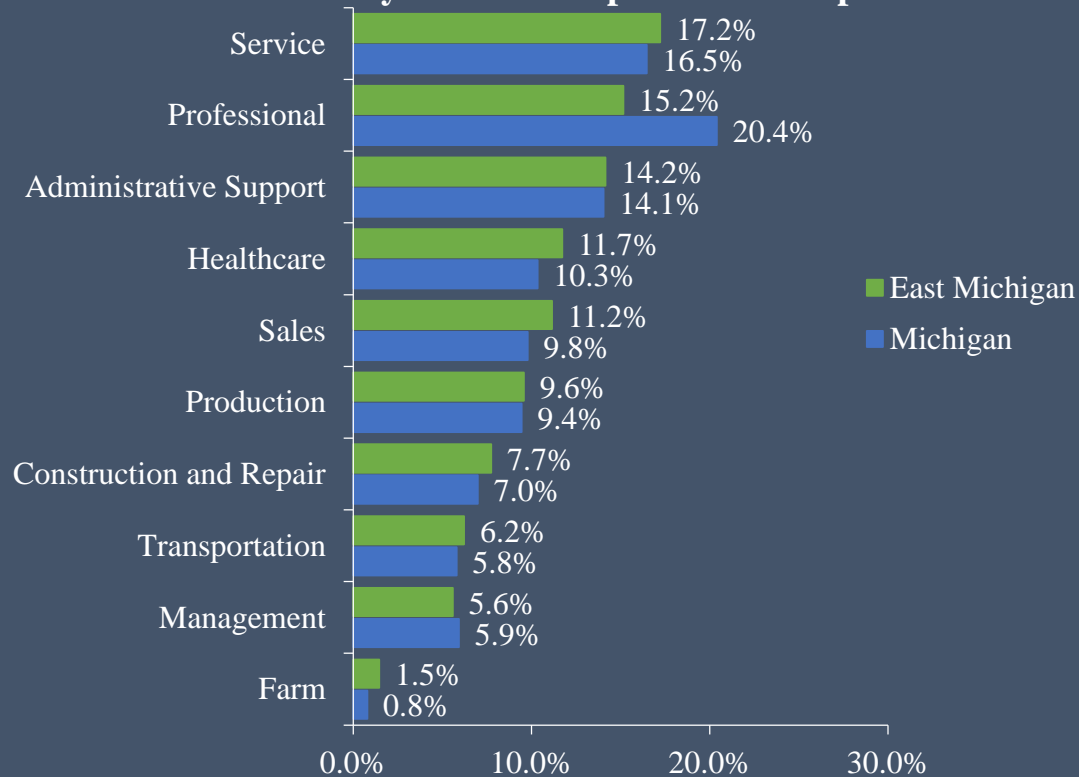
Job Title	Number
Heavy and Tractor-Trailer Truck Drivers	685
Registered Nurses	354
Retail Salespersons	238
First-Line Supervisors of Retail Sales Workers	182
Customer Service Representatives	148
General Maintenance and Repair Workers	118
Sales Representatives, Wholesale and Manufacturing	107
First-Line Supervisors of Food Preparation and Serving Workers	99
First-Line Supervisors of Production and Operating Workers	99
Demonstrators and Product Promoters	90

Source: The Conference Board, Help Wanted Online Database

- According to the Conference Board’s Help Wanted Online Database, there were 7,150 jobs advertised online in the East Michigan Prosperity Region in the 1st Quarter 2016. **(Table 18)**
- The majority of job advertisements (40 percent) were concentrated in three occupational categories: *Transportation and material moving, Sales and related, and Healthcare practitioners and technical.* **(Table 18)**
- The job titles with the most openings advertised online include *Truck drivers* (license), *Registered nurses* (college degree), and *Retail salesperson* (high school), representing a mix of education and training requirements. **(Table 19)**
- Three supervisor job titles are among the most advertised job titles, offering an attractive opportunity those with a resume of the right training and experience. **(Table 19)**

Service and Professional Occupations Projected to Remain Top Groups in East Michigan through 2022.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



Source: Bureau of Labor Market Information and Strategic Initiatives

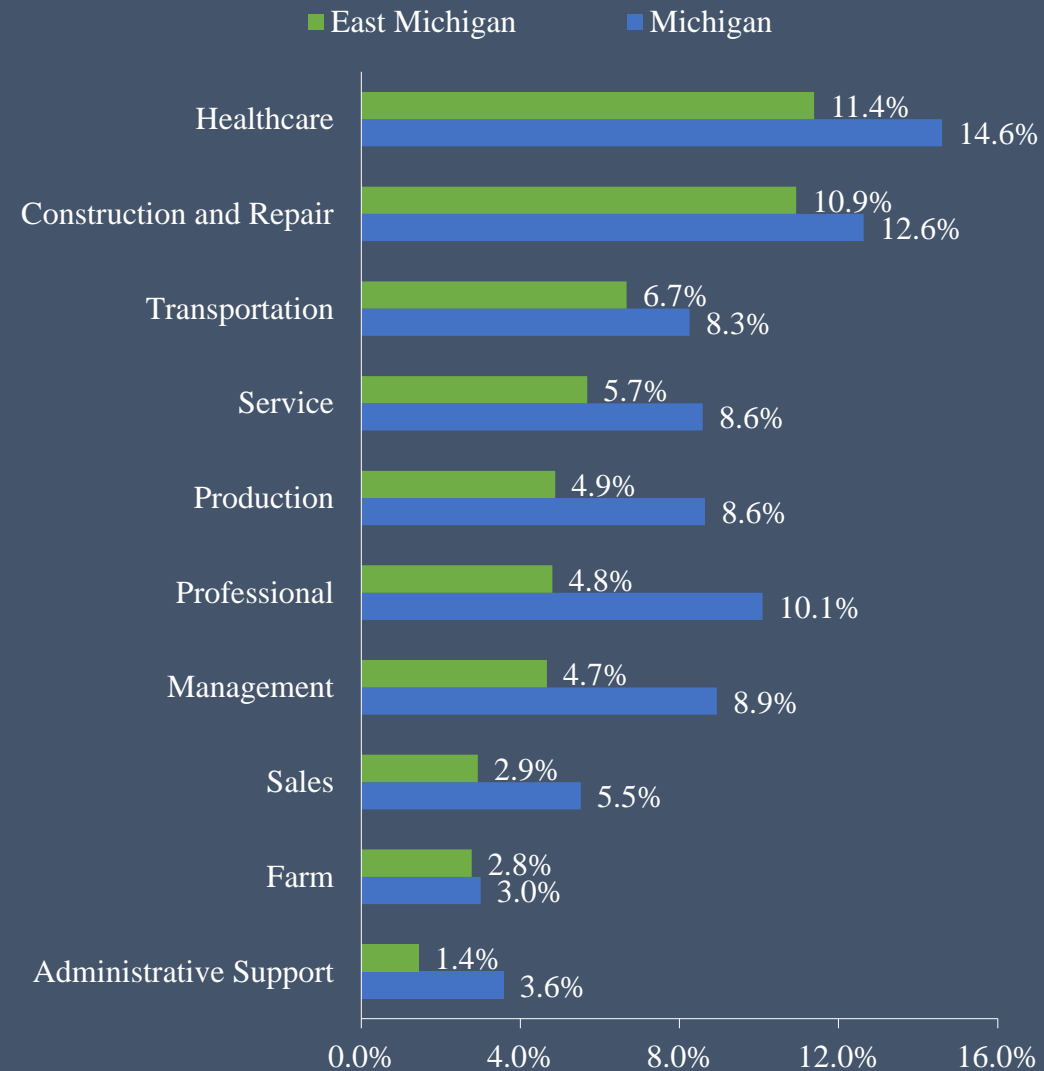
- In general, the share of total employment for occupation groups in 2012 and 2022 are expected to change little, with currently-large groups expected to remain on top by share of total employment.
- The *Service* occupational group is expected to remain the largest in the region through 2022, responsible for about one in six jobs in East Michigan.
- Although the *Professional* occupational group is projected to comprise five percentage points less of the total labor force in the region than it is in the state in 2022, it is still expected to be the second-largest occupational group in East Michigan. It contains many well-paying in-demand occupations such as *Industrial engineers* and *Accountants*, most of which require at least a Bachelor's degree.
- Despite its tepid rate of growth, the *Administrative support* occupational group is still expected to be the third-largest occupational group in the region in 2022. This occupational group includes some of the largest single occupations such as bookkeepers, secretaries and office clerks.
- The region's fourth-largest occupational groups in 2022, *Healthcare*, will also be its fastest-growing. This group contains many in-demand occupations such as *Registered nurses*, *Dental hygienists*, and *Medical and health services managers*.

(Table 20)

Strong Growth in Healthcare and Skilled Trades Drive Trends in Highest Growing East Michigan Occupations.

- Employment in all occupational groups in East Michigan is projected to grow below the statewide average through 2022.
- Three groups of occupations are expected to create over half of the 15,300 new jobs in East Michigan.
 - *Healthcare* occupations, while they are the fourth-largest group in the region, are expected to see the most growth through 2022, gaining 3,510 jobs or 11.4 percent from 2012 levels.
 - *Construction and repair* occupations are another group expected to grow more than 10 percent through 2022. These include not only *Construction*-related occupations such as *Construction laborers*, but other in-demand skilled trades occupations such as *Electricians* and *Industrial machinery mechanics*.
 - *Transportation* occupations, such as *Truck drivers*, are expected to register the third-highest percentage growth in the region, rising from around 17,000 jobs in 2012 to over 18,000 jobs in 2022 , a growth rate of 6.7 percent. (Table 20)

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

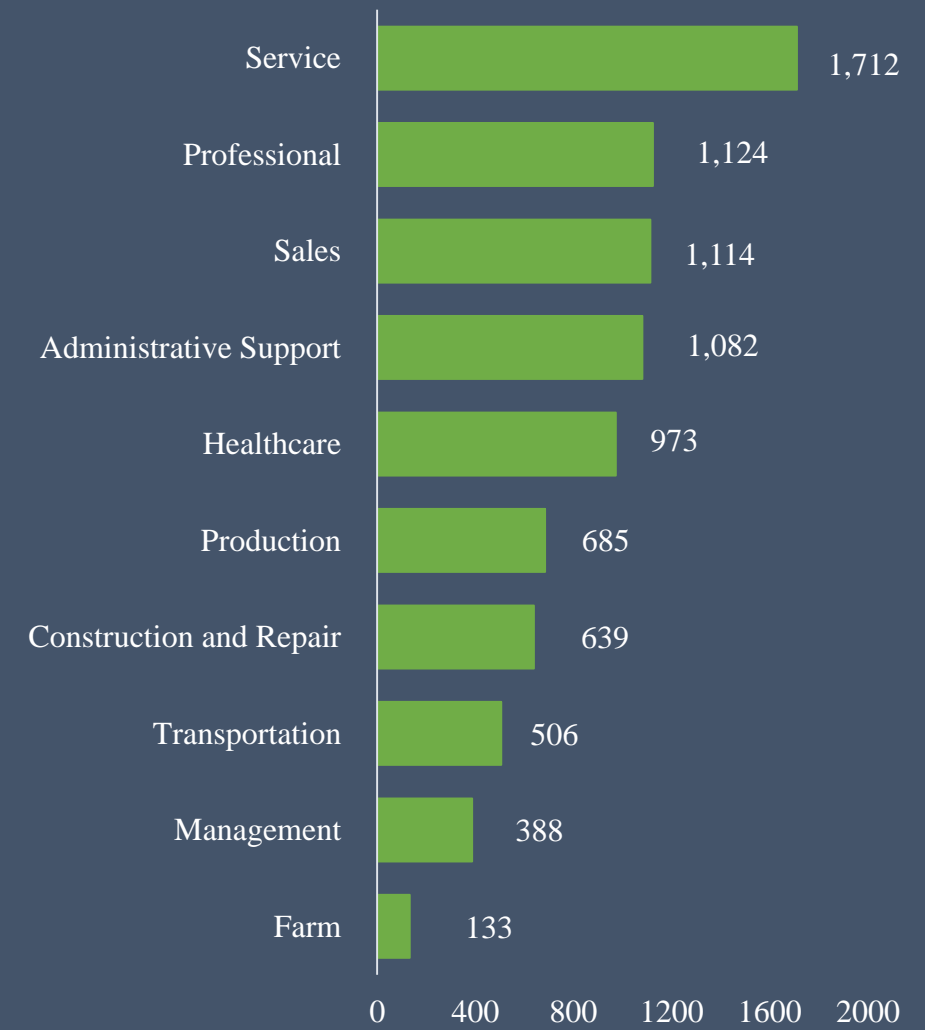


Source: Bureau of Labor Market Information and Strategic Initiatives

Largest Occupations Will Require Many New Workers through 2022 to Replace Retirees and Exiters.

- Because of the need to replace workers who are retiring or otherwise leaving an occupation in the area, the largest groups are projected to see the most annual openings through 2022. This is a trend especially well-reflected in *Service* and *Professional* occupations, two of the largest occupational groups in the region which are expected to have over 1,000 openings each year due to growth or replacement.
- On average, just over 20% of the 8,360 annual job openings in the region will be due to growth (i.e. newly-created jobs) rather than replacement (retirements or out-migrations). Among *Sales* occupations, the third-highest occupational group in annual openings, only 11 percent of annual openings will come from newly-created jobs. This is second to only *Farming* in terms of growth-to-replacement ratio.
- Notably, one third of all openings through 2022 in *Healthcare* and *Construction* occupations will come from newly-created jobs rather than replacement positions. This is reflective of the two groups' high growth rates. [\(Table 20\)](#)

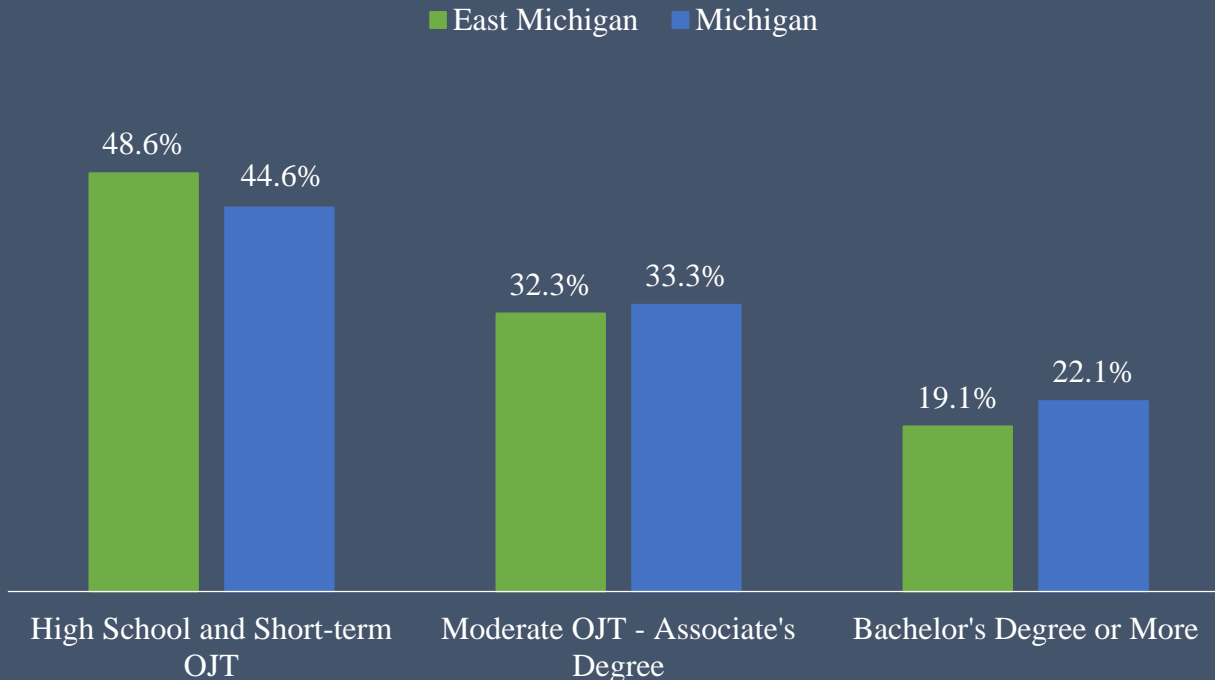
Projected Annual Openings by Broad Occupational Groups (2012 – 2022)



Source: Bureau of Labor Market Information and Strategic Initiatives

Jobs Requiring Short-term OJT or Less Will Make Up Nearly Half of All East Michigan Positions in 2022.

Projected 2022 Occupational Employment by Education (Share of Total)

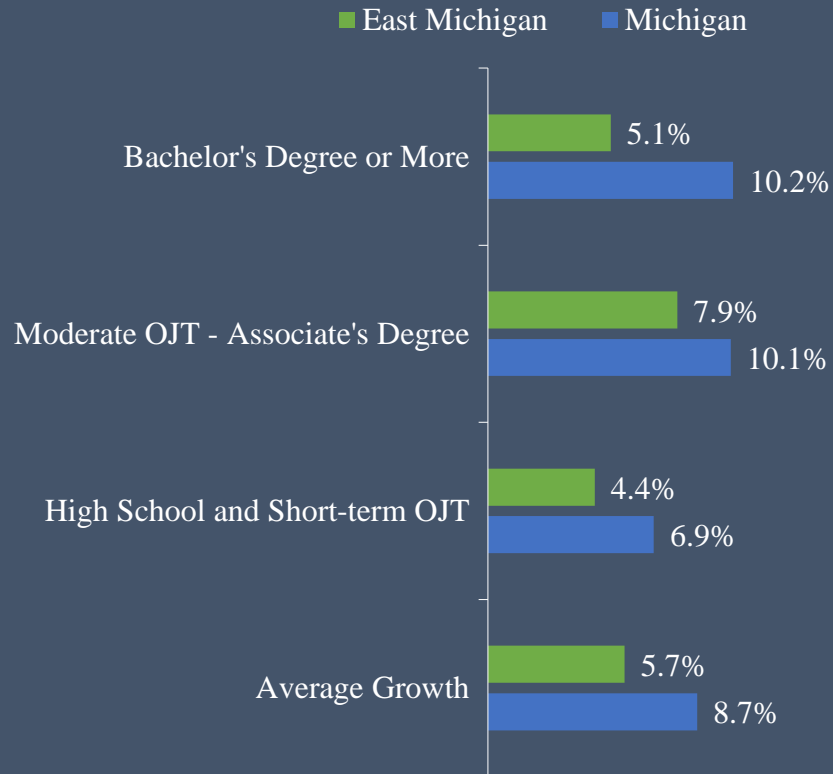


Source: Bureau of Labor Market Information and Strategic Initiatives

- Little is expected to change between 2012 and 2022 in the distribution of jobs by education level in East Michigan. The share of jobs requiring at least a Bachelor's degree will remain nearly unchanged, while slightly less positions requiring a high school diploma and short-term OJT or less will be available. Conversely, slightly more jobs that require moderate OJT or an Associate's degree will be required in 2022 than in 2012. These changes amount to less than one percentage point each.
- By 2022, close to 49 percent of East 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 openings available 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* careers are in this group and offer long-run employment growth and relatively high earnings.
- In 2022, nearly one in five jobs will require a Bachelor's degree or more. These include high-demand occupations such as *Physicians and surgeons*, *Industrial engineers*, and *Accountants and auditors*.

Jobs Requiring More than Moderate OJT and Less than Bachelor's Degree among Fastest-growing in East Michigan.

Projected Occupational Growth by Education



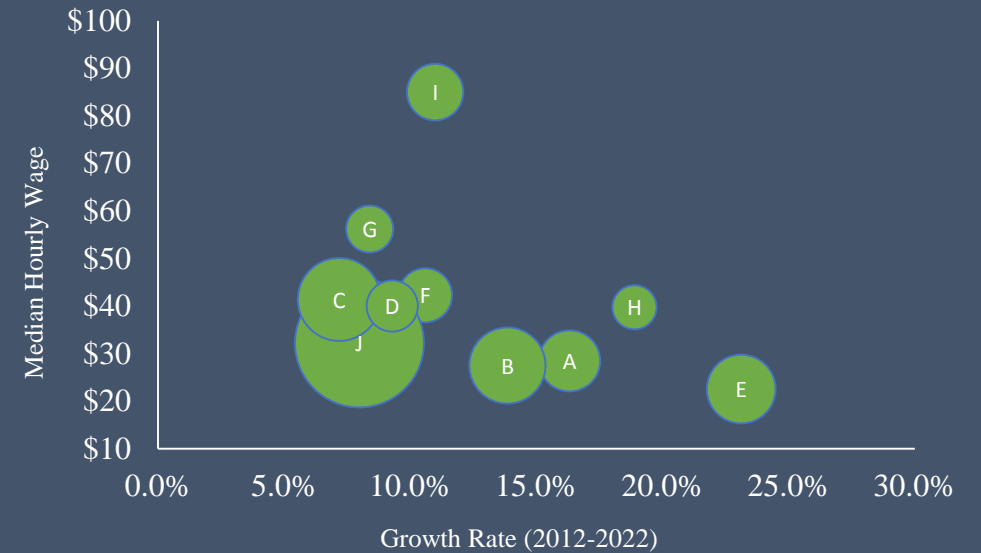
Source: Bureau of Labor Market Information and Strategic Initiatives

- East Michigan is projected to see growth above the regional average for jobs requiring an Associate's degree or six months or more of on-the-job training.
 - Jobs in this educational group will grow by 2.2 percentage points, faster than the overall growth average of 5.7 percent. Within this group, those requiring a post-secondary non-degree award will grow fastest. That includes occupations such as *Heating and air conditioning and refrigeration mechanics and installers* and *Truck drivers*.
- Although occupations requiring a Bachelor's degree or more are projected to grow slightly slower than the region on average, the category contains many high-paying, high-demand occupations such as *Accountants and auditors* and *Industrial and Mechanical engineers*.

Healthcare Occupations Prevalent in East Michigan'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). However, the occupation with the highest number of annual openings and therefore the largest bubble on the chart, *Registered nurses*, are projected to have an above-regional-average growth rate and considerable hourly wages in addition to many annual openings.
- Strong growth and considerable wages give skilled trades occupations such as *Electricians* and *Industrial machinery mechanics* a place among these high-demand occupations, making them a formidable choice for workers looking to enter stable careers. (Tables 24-27)

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



	Occupation		Occupation
A	Dental Hygienists	F	Medical and Health Services Managers
B	Electricians	G	Pharmacists
C	General and Operations Managers	H	Physical Therapists
D	Industrial Engineers	I	Physicians and Surgeons, All Other
E	Industrial Machinery Mechanics	J	Registered Nurses

Source: Bureau of Labor Market Information and Strategic Initiatives