Annual Planning Information and Workforce Analysis Reports: South Central

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

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STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

RICK SNYDER
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Dear Partner:

Welcome to the 2016 Annual Planning Information and Workforce Analysis Reports. As you know, the Workforce Innovation and Opportunity Act (WIOA) requires that each local board develop and submit a comprehensive plan, showing "an analysis of the regional economic conditions." Like you, we have been studying the legislation and have put together the following information to help you with your plans.

Included, you will find two products:

- Annual Planning Information – Over 30 tables of economic, demographic, and labor market information, each specifically tied back to WIOA so you have the right information in the right place.

- Workforce Analysis – A narrative analysis for your region of some of the most important information, complete with references to the relevant tables in the Annual Planning Information tables.

We hope that these reports will be a strong resource in the development of your regional and local plans. Please let us know if we can be of any assistance or if you require any additional information or insights.
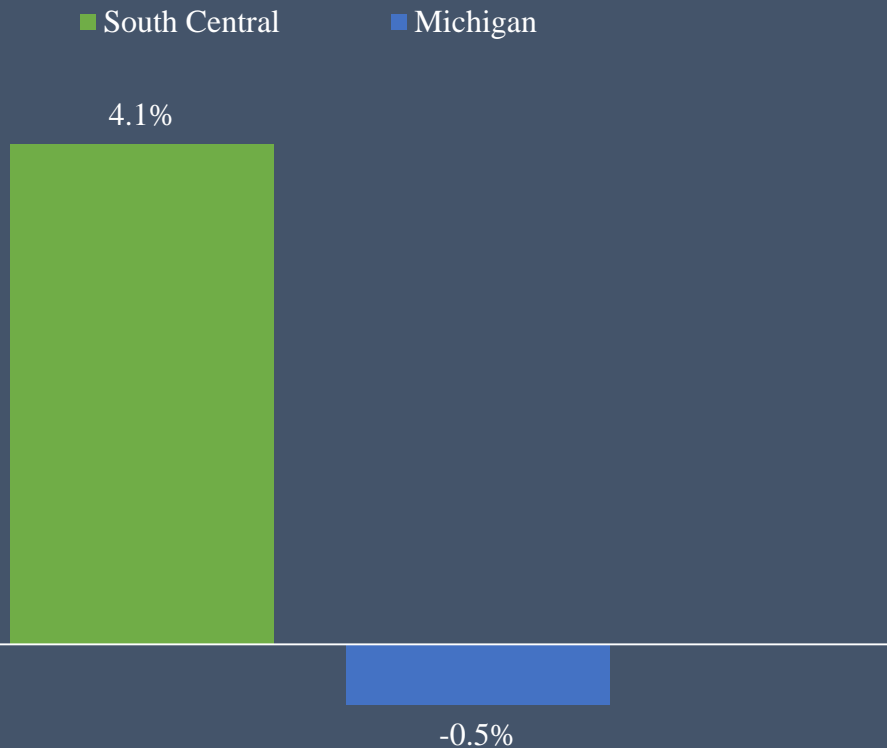

Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional Population Grows Faster than Michigan Since 2009.

Population Change (2009-2015)

■ South Central   ■ Michigan

4.1%

-0.5%

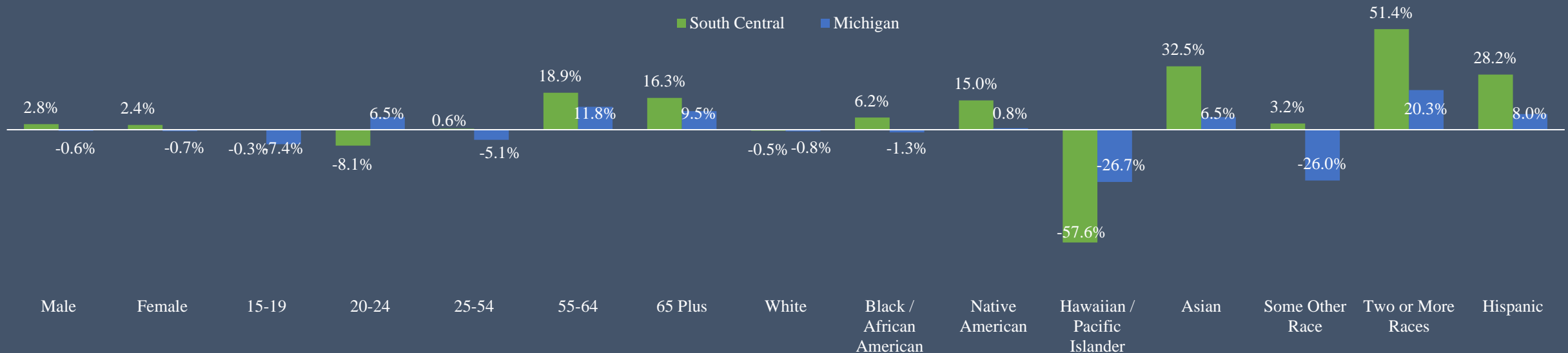**Source:** U.S. Bureau of the Census, Annual Population Estimates

- According to the latest estimates from the U.S. Census Bureau, the population in South Central Michigan was 472,300 in 2015. (Table 1)

- While the population statewide was still 47,000 below the 2009 level in 2015, South Central Michigan has grown significantly, adding 18,700 people or 4.1 percent to its population. Nationwide, the population rose by 4.7 percent over this period. (Table 1)

- Gains were made in all South Central Michigan counties. Specifically, Clinton grew by 7,500 or 10.7 percent, Ingham grew by 8,500 or 3.0 percent, and Eaton grew by 2,700 or 2.6 percent. (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 17,600 or 17.6 percent in South Central Michigan. In contrast, the number of individuals 54 years old and younger fell by 3,700 or 1 percent. **(Table 2)**

- The white population remains the majority in the region, but their numbers have declined since 2005-2009 by 6,500 or -1.8 percent, while almost all major minority groups gained population. **(Table 2)**
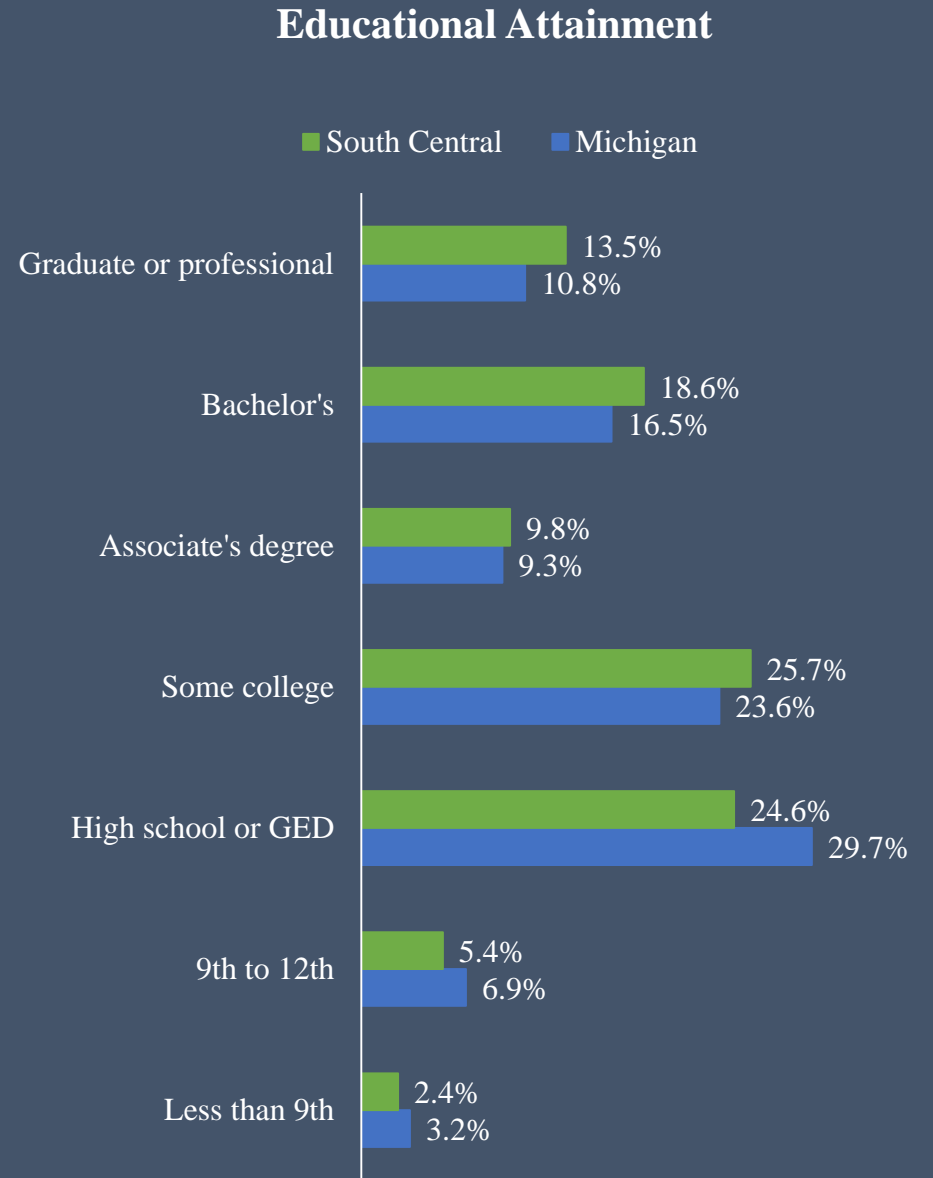
Population Change by Age, Sex, Race / Ethnicity

■ South Central   ■ Michigan

	Male	Female	15-19	20-24	25-54	55-64	65 Plus	White	Black / African American	Native American	Hawaiian / Pacific Islander	Asian	Some Other Race	Two or More Races	Hispanic
South Central	2.8%	2.4%	-0.3%	-8.1%	0.6%	18.9%	16.3%	-0.5%	6.2%	15.0%	-57.6%	32.5%	3.2%	51.4%	28.2%
Michigan	-0.6%	-0.7%	7.4%	6.5%	-5.1%	11.8%	9.5%	-0.8%	-1.3%	0.8%	-26.7%	6.5%	-26.0%	20.3%	8.0%

Region's Educational Attainment Higher at Bachelor's and above level.

- A region's educational attainment is based on the number of residents 25 and older with various education. In South Central Michigan there are about 292,700 residents aged 25 or older; among them, 93,900 or 32 percent have a *Bachelor's degree* or higher, larger than the 27 percent statewide. (Table 4)

- On par with the state average is the share of the 25 and older population with *Some college* and *Associate's degrees*. South Central Michigan has a lower percentage of residents with a *High school or GED* and below than Michigan overall. (Table 4)

Educational Attainment

■ South Central   ■ Michigan

Category	South Central	Michigan
Graduate or professional	13.5%	10.8%
Bachelor's	18.6%	16.5%
Associate's degree	9.8%	9.3%
Some college	25.7%	23.6%
High school or GED	24.6%	29.7%
9th to 12th	5.4%	6.9%
Less than 9th	2.4%	3.2%

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.
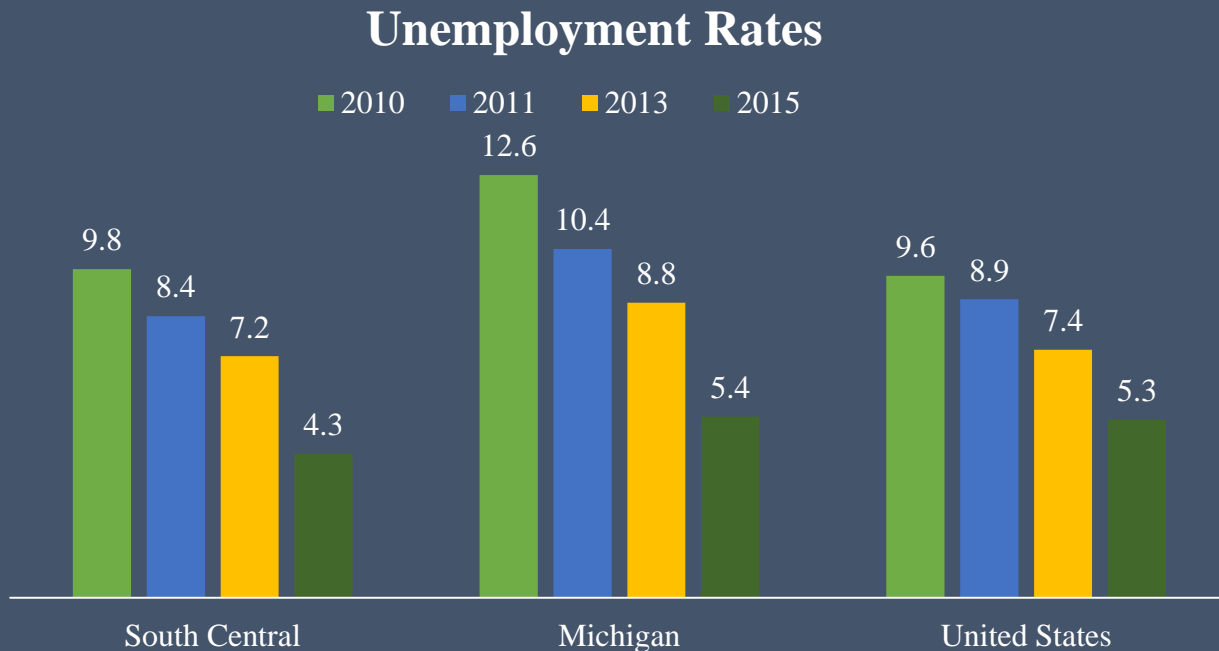
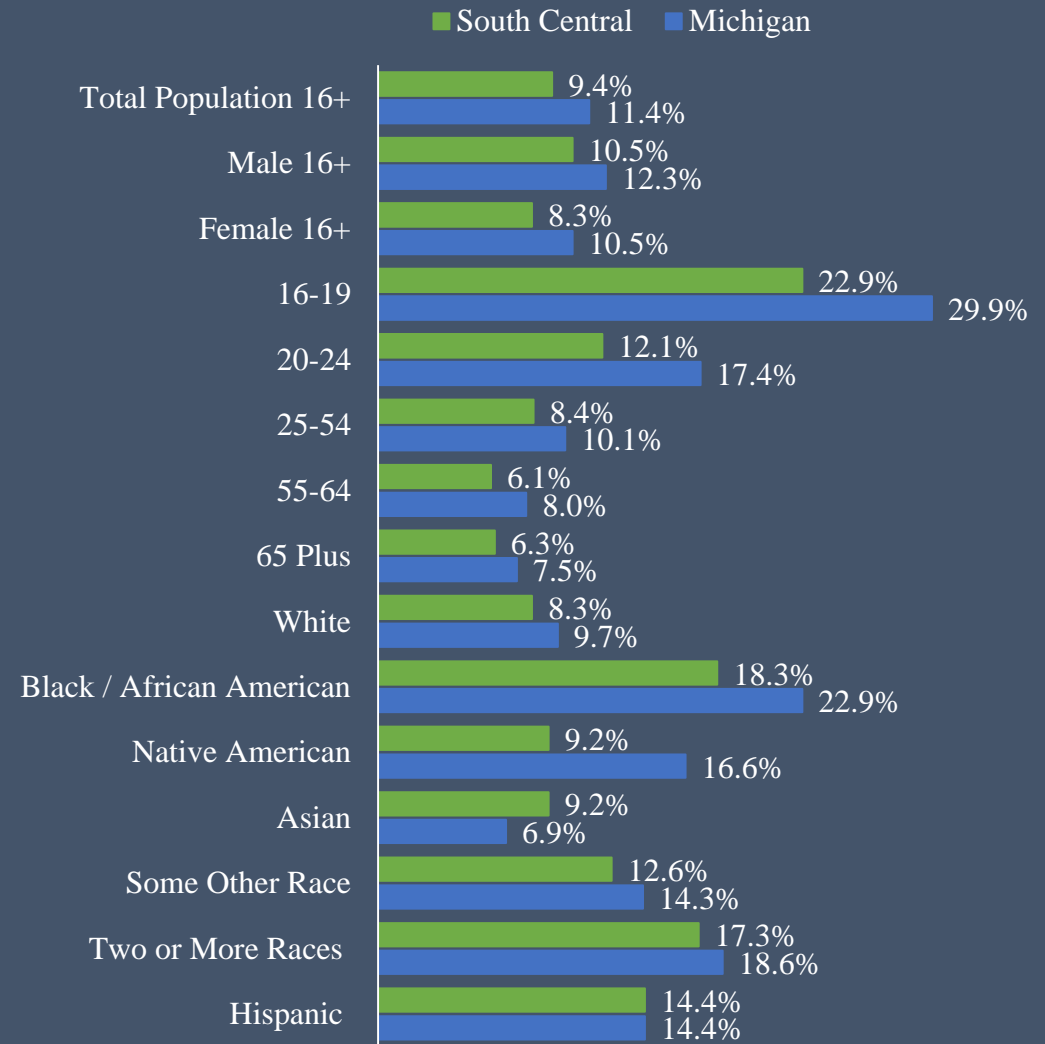**Unemployment Rates**

■ 2010 ■ 2011 ■ 2013 ■ 2015

- The unemployment rate in South Central Michigan followed state and national trends dropping significantly between 2010 and 2015.

- Over that period, the jobless rate fell by 5.5 percentage points and unemployed individuals dropped by 13,800 or 57 percent in South 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 South Central, the labor force measures 241,700 in 2015, up 2,100 since 2013, but lower by 3,500 or 1.4 percent than the 2010 level. **(Table 5)**

Lower Regional Unemployment Rates than State in Almost All Demographic Groups.

- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in South Central Michigan. However, males experienced a higher unemployment rate at 10.5 percent, compared to 8.3 percent for females. **(Table 8)**

- During recessions, some of the jobs traditionally held by youth and young adults (16-24 years old) get taken by adults (25+ years old) who cannot find employment elsewhere. As a result, youth and young adults experience higher jobless rates. **(Table 8)**

- In general, South Central Michigan enjoys an unemployment rate that is lower than the statewide average for almost all demographic categories, with the exception of Asians.

Unemployment Rates by Sex, Age, and Race / Ethnicity

■ South Central   ■ Michigan

Category	South Central	Michigan
Total Population 16+	9.4%	11.4%
Male 16+	10.5%	12.3%
Female 16+	8.3%	10.5%
16-19	22.9%	29.9%
20-24	12.1%	17.4%
25-54	8.4%	10.1%
55-64	6.1%	8.0%
65 Plus	6.3%	7.5%
White	8.3%	9.7%
Black / African American	18.3%	22.9%
Native American	9.2%	16.6%
Asian	9.2%	6.9%
Some Other Race	12.6%	14.3%
Two or More Races	17.3%	18.6%
Hispanic	14.4%	14.4%

Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates
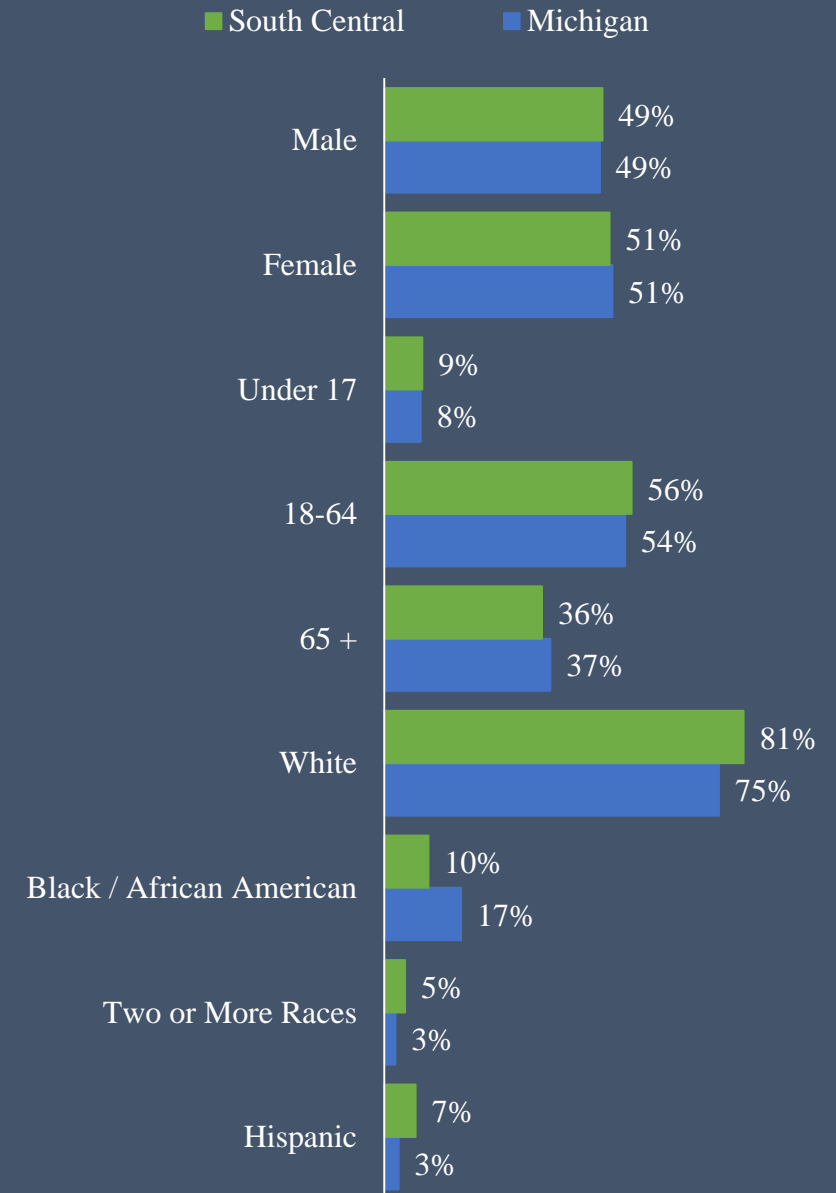
Individuals with Barriers to Employment

Tables 28-37

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

- According to the U.S. Census Bureau, 56,700 people in South Central Michigan report a disability. About 36 percent of them were 65 years of age and older. The demographic characteristics of individuals with disabilities in South Central 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

■ South Central   ■ Michigan

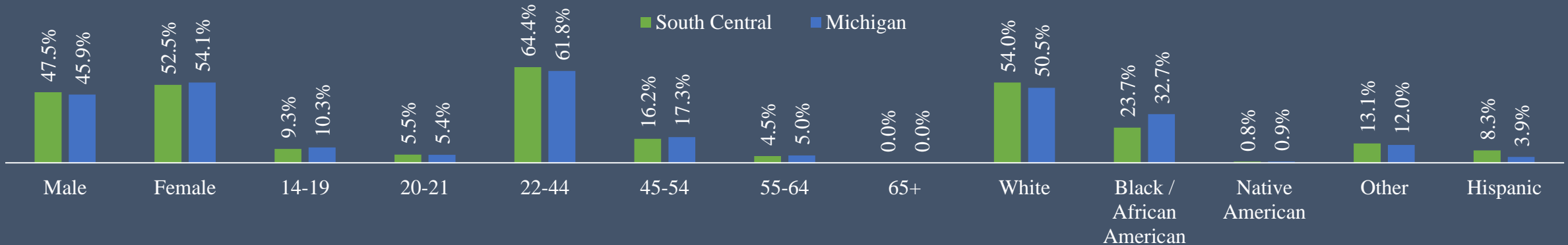| Category	South Central	Michigan
Male	49%	49%
Female	51%	51%
Under 17	9%	8%
18-64	56%	54%
65 +	36%	37%
White	81%	75%
Black / African American	10%	17%
Two or More Races	5%	3%
Hispanic	7%	3%

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 22,400 welfare registrants in South Central Michigan counties in December 2014. **(Table 30)**

- The majority of the welfare registrants were in the prime working age of 22 to 54 (about 81 percent). **(Table 31)**

- Around 54 percent of the registrants were White and 24 percent Black or African American, slightly differing from the statewide average. **(Table 31)**

Welfare Registrants by Sex, Age, and Race / Ethnicity

■ South Central   ■ Michigan

Category	South Central	Michigan
Male	47.5%	45.9%
Female	52.5%	54.1%
14-19	9.3%	10.3%
20-21	5.5%	5.4%
22-44	64.4%	61.8%
45-54	16.2%	17.3%
55-64	4.5%	5.0%
65+	0.0%	0.0%
White	54.0%	50.5%
Black / African American	23.7%	32.7%
Native American	0.8%	0.9%
Other	13.1%	12.0%
Hispanic	8.3%	3.9%

Source: Michigan Department of Health and Human Services

Long-Term Joblessness Remains an Issue in Michigan and in South Central Michigan.
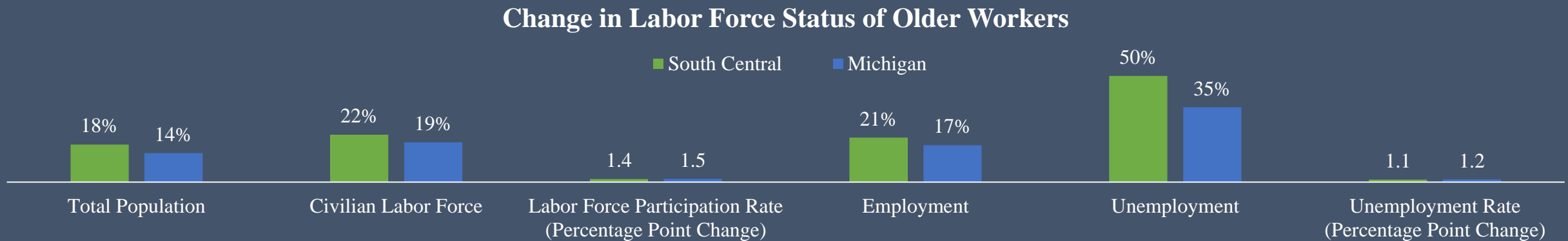
Long-Term Unemployed / Total Unemployed
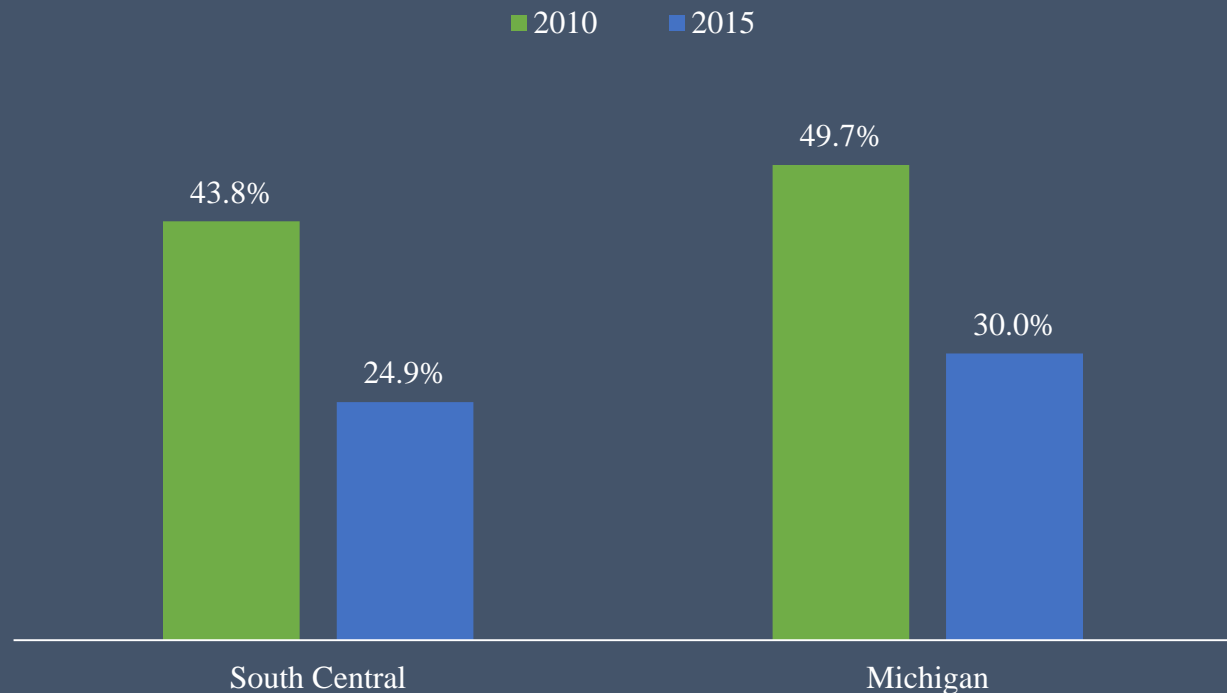
- Long-term unemployment remains an issue in Michigan and in South Central Michigan, as the number and share of those out of work for 27 weeks or more has remained stubbornly high despite the labor market recovery.

- In 2000, 3.5 percent of unemployed Michiganders were counted as long-term unemployed. 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 South Central Michigan has followed the statewide trend. In 2010, 10,600 individuals or 44 percent of all unemployed were long-term unemployed. Long-term unemployment has recovered somewhat, falling to about 2,900 or 25 percent in 2015. **(Table 35)**

Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

Older Workers Staying in the Labor Market Longer in Michigan and in South Central Michigan.
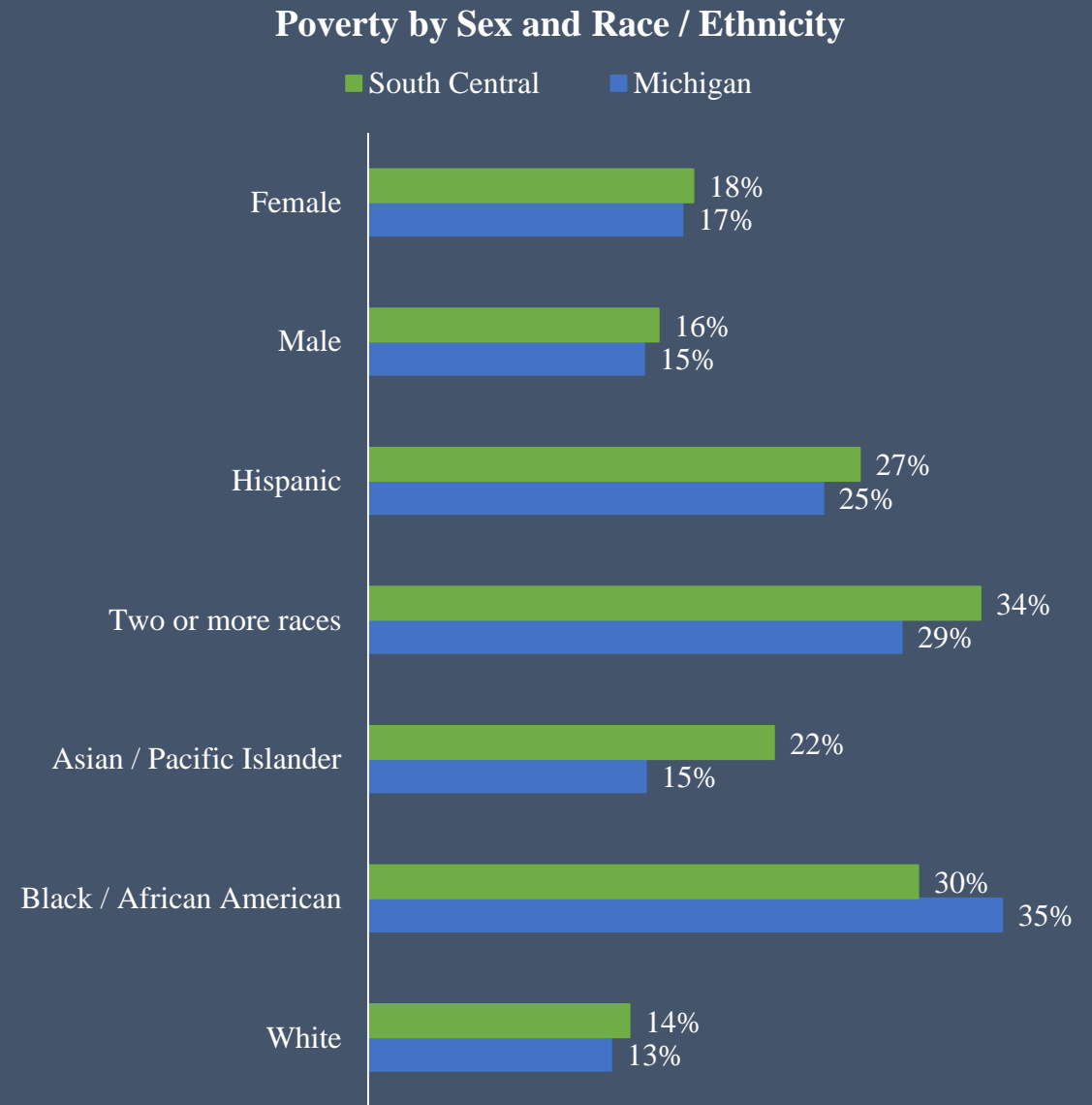
- The number of older workers, defined as those 55 years of age and older, staying active in the labor market has been on the rise, particularly after the 2009 financial crisis that depleted some retirement investments. **(Table 36)**

- In South Central Michigan, the labor force participation rate of this group during 2010-14 was estimated at 37.8 percent, over a percentage point above the rate 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 South Central Michigan and by 19 percent in Michigan over this period. **(Table 36)**

Change in Labor Force Status of Older Workers

Legend: ■ South Central ■ Michigan

	South Central	Michigan
Total Population	18%	14%
Civilian Labor Force	22%	19%
Labor Force Participation Rate (Percentage Point Change)	1.4	1.5
Employment	21%	17%
Unemployment	50%	35%
Unemployment Rate (Percentage Point Change)	1.1	1.2

Poverty Rate at 16.9 Percent in South Central Michigan, Similar to Statewide Rate.

- In 2014, the U. S. Census Bureau estimated that 78,900 individuals (or 16.9 percent of the population) lived below the poverty line in South Central Michigan, similar to Michigan overall (16.2 percent). **(Table 37)**

- African Americans and Hispanics recorded higher percentages 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 both areas. **(Table 37)**

Poverty by Sex and Race / Ethnicity

■ South Central   ■ Michigan

Category	South Central	Michigan
Female	18%	17%
Male	16%	15%
Hispanic	27%	25%
Two or more races	34%	29%
Asian / Pacific Islander	22%	15%
Black / African American	30%	35%
White	14%	13%

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

- *Trade, Transportation, and Utilities* recorded the highest number of jobs in the South Central region.

- *Trade, Transportation, and Utilities* is followed by *Education and Health Services, Professional and Business Services, and Manufacturing*. **(Table 9)**

- Although *Financial Activities* in the South Central region ranks 7th among private industries in total employment, it composes 3 percent more of the region's employment than in Michigan overall. **(Table 9)**
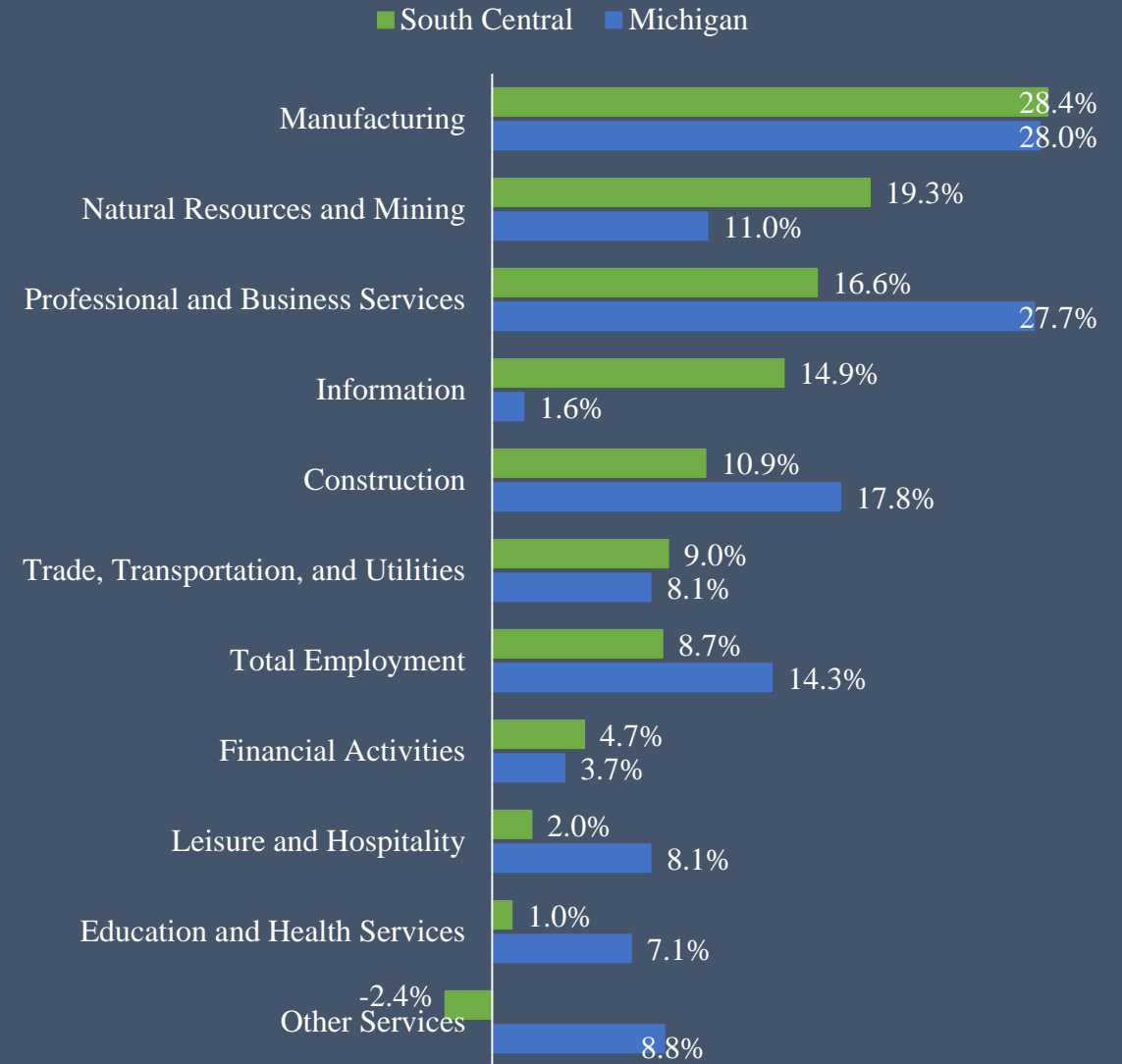
Distribution of Industry Jobs, 2nd Quarter 2015
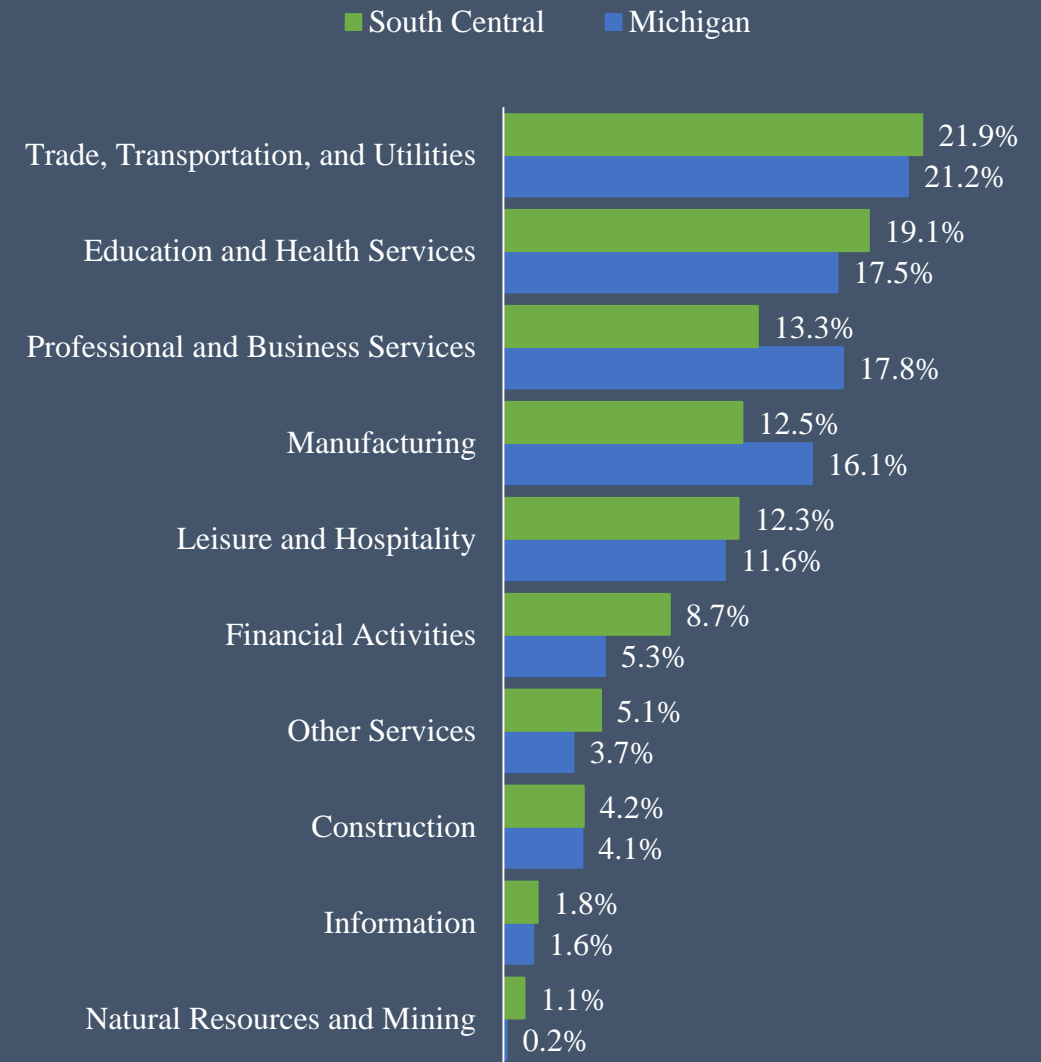
■ South Central   ■ Michigan

Industry	South Central	Michigan
Trade, Transportation, and Utilities	21.9%	21.2%
Education and Health Services	19.1%	17.5%
Professional and Business Services	13.3%	17.8%
Manufacturing	12.5%	16.1%
Leisure and Hospitality	12.3%	11.6%
Financial Activities	8.7%	5.3%
Other Services	5.1%	3.7%
Construction	4.2%	4.1%
Information	1.8%	1.6%
Natural Resources and Mining	1.1%	0.2%

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

Private Sector Jobs Grow by 12,300 or 8.7 percent Between 2009 and 2015.

- South Central Michigan saw private sector jobs expand by 12,300 or 8.7 percent since 2009, fueled by a 4,300 job expansion in *Manufacturing* and 2,900 job expansion in *Professional and Business Services*. Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. **(Table 9)**

- Continued growth was seen in *Trade, Transportation, and Utilities* while job gains in *Construction*, *Leisure*, and *Private Education and Health Services* have also seen an uptick in the last few years.

- The only industry to see private sector job losses over 2009 levels was *Other Services*. This sector was down by 200 jobs or 2.4 percent.

Private Sector Job Trends

■ South Central ■ Michigan

Sector	South Central	Michigan
Manufacturing	28.4%	28.0%
Natural Resources and Mining	19.3%	11.0%
Professional and Business Services	16.6%	27.7%
Information	14.9%	1.6%
Construction	10.9%	17.8%
Trade, Transportation, and Utilities	9.0%	8.1%
Total Employment	8.7%	14.3%
Financial Activities	4.7%	3.7%
Leisure and Hospitality	2.0%	8.1%
Education and Health Services	1.0%	7.1%
Other Services	-2.4%	8.8%

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

Online Job Postings Reach 8,050 in 1ˢᵗ Quarter 2016.
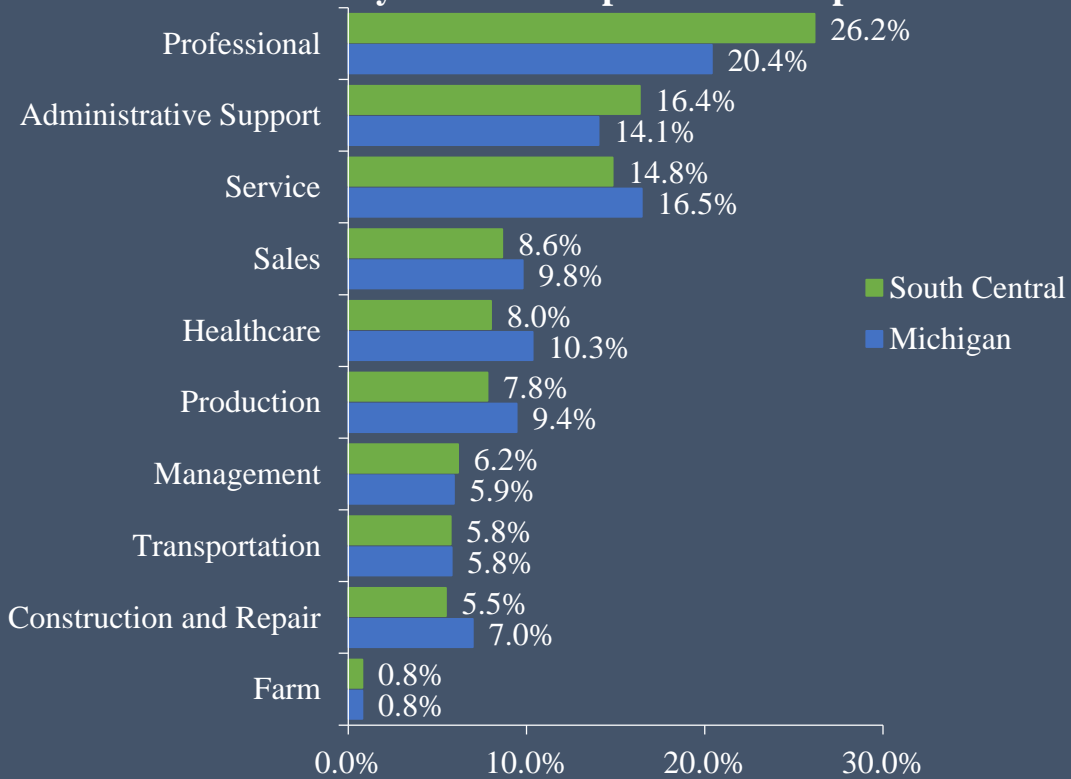
Online Advertised Job Postings – South Central Michigan	
Job Title	Number
Heavy and Tractor-Trailer Truck Drivers	401
Computer Systems Analysts	195
First-Line Supervisors of Retail Sales Workers	188
Retail Salespersons	178
Web Developers	166
Customer Service Representatives	142
Registered Nurses	141
Network and Computer Systems Administrators	140
First-Line Supervisors of Office and Administrative Support Workers	135
Computer User Support Specialists	134

Source: The Conference Board, Help Wanted Online Database

- In the 1ˢᵗ Quarter 2016, there were 8,050 online advertised job postings in South 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 South Central Michigan, six of top ten online job postings during the first quarter of 2016 fell in this category. The range was eight of ten statewide.

- The most highly advertised job categories in South Central Michigan include *Computer and Mathematical*, *Sales and Related*, and *Office and Administrative Support*. **(Table 18)**

Over Half of South Central's Jobs in 2022 Are Projected to be Concentrated in Three Occupational Groups.

Projected 2022 Distribution of Jobs by Broad Occupational Groups

Occupational Group	South Central	Michigan
Professional	26.2%	20.4%
Administrative Support	16.4%	14.1%
Service	14.8%	16.5%
Sales	8.6%	9.8%
Healthcare	8.0%	10.3%
Production	7.8%	9.4%
Management	6.2%	5.9%
Transportation	5.8%	5.8%
Construction and Repair	5.5%	7.0%
Farm	0.8%	0.8%

■ South Central
■ Michigan

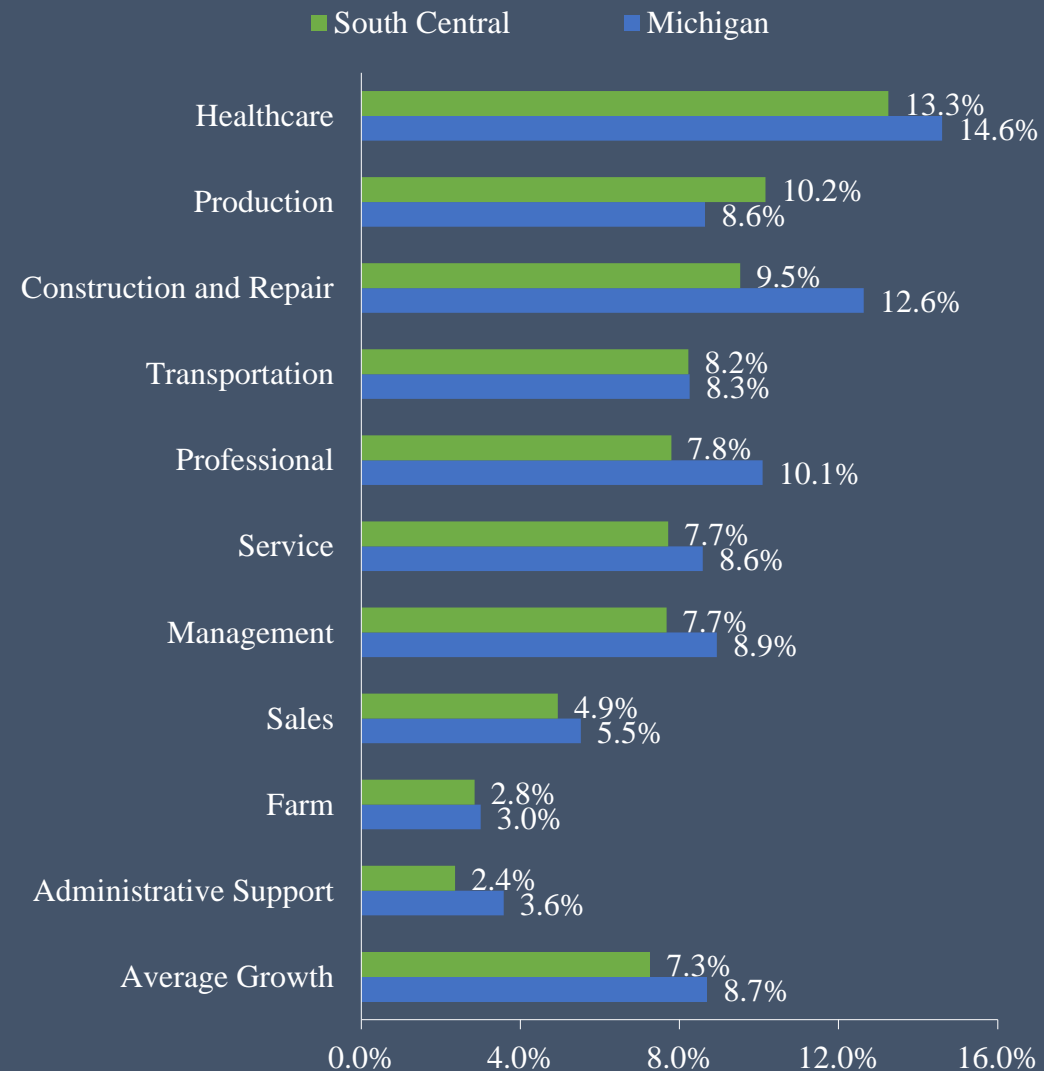**Source:** Bureau of Labor Market Information and Strategic Initiatives

- By 2022, the job distribution in South Central is expected to remain relatively similar to 2012, with the only changes coming in *Healthcare* (+0.4 percentage points) and *Administrative Support* (-0.7 percent).

- Of the roughly 251,720 expected jobs in South Central, over half will be in three major occupational groups: *Professional* (26.2 percent), *Administrative Support* (16.4 percent), and *Service* (14.8 percent).

- *Professional*, at 26.2 percent, is the largest occupational category in terms of expected total jobs. It includes a diverse set of jobs, such as business, computer, technical, science, social service, and education positions.

- *Administrative Support* is the second largest occupational group with 16.4 percent of total jobs. This occupational group includes some of the largest single occupations such as bookkeepers, secretaries and office clerks.

- *Service* contributes about 14.8% of the region's employment. It includes occupations in *protective services*, *food preparation and servicing*, *building and grounds cleaning and maintenance*, and *personal care services*.

- *Sales* services is the fourth largest employer at 8.6 percent of employment. (Table 20)

Occupational Growth Rates in South Central Are Projected to Be Slightly Lower Than the Statewide Average.

- With the exception of *Production*, employment in all other occupational groups in South Central is projected to grow below the statewide average through 2022.
- *Production* occupations are expected to experience a 10.2 percent gain in jobs, outpacing Michigan by 1.6 percentage points.
- Three groups of occupations are expected to create nearly 60 percent of the 17,055 new jobs in South Central.
  - *Professional* occupations are expected to contribute about 4,765 new jobs due to growth, or a 7.8 percent growth.
  - Also adding a large number of jobs over the projection period is *Service* occupations, which are projected to add about 2,675 new jobs due to growth, or a 7.7 percent growth.
  - *Healthcare* is the third largest group in this region in terms of new job growth, projected to create 2,360 new jobs (or a 13.3 percent growth). The new jobs will include practitioners (*Physicians and Surgeons*, *Dentists*, etc.) and technicians (RN, LPN, *Physician Assistants*, etc.), as well as support staff (*Home Health Aides*, *Medical Assistants*, etc.). **(Table 20)**

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

■ South Central ■ Michigan

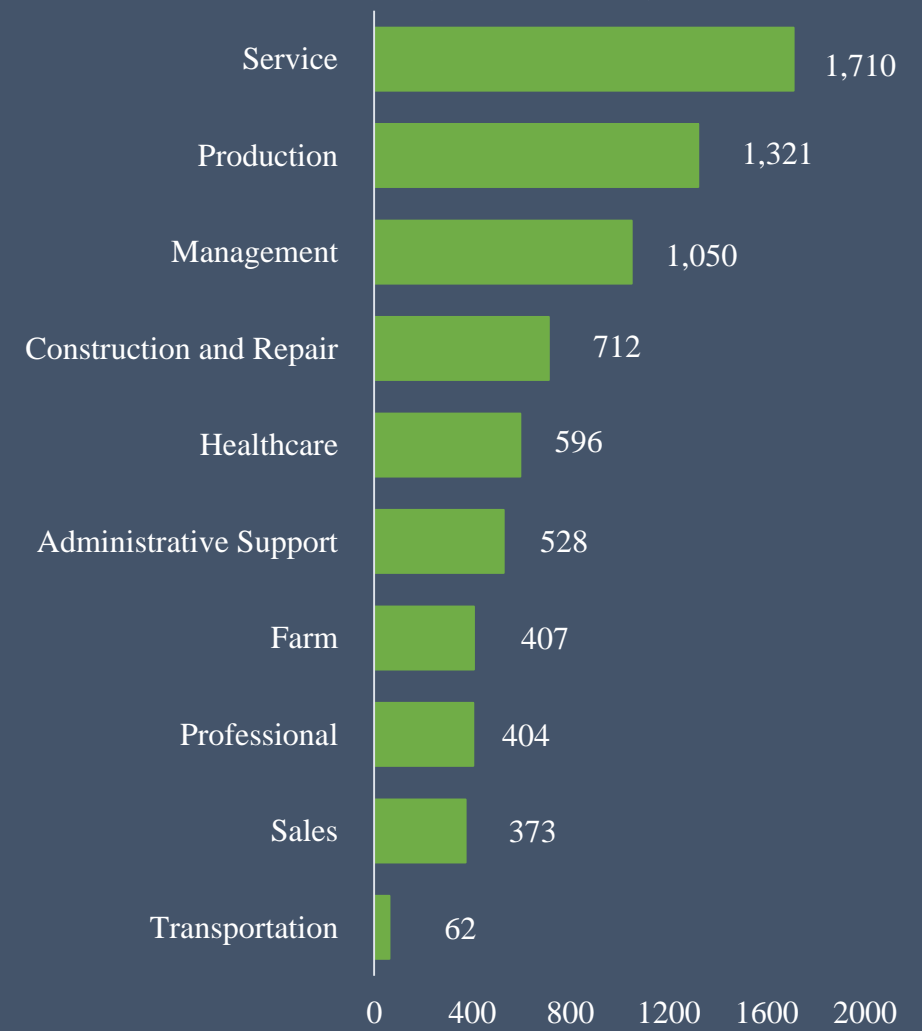| Occupational Group	South Central	Michigan
Healthcare	13.3%	14.6%
Production	10.2%	8.6%
Construction and Repair	9.5%	12.6%
Transportation	8.2%	8.3%
Professional	7.8%	10.1%
Service	7.7%	8.6%
Management	7.7%	8.9%
Sales	4.9%	5.5%
Farm	2.8%	3.0%
Administrative Support	2.4%	3.6%
Average Growth	7.3%	8.7%

Source: Bureau of Labor Market Information and Strategic Initiatives

Occupations with Large Employment Base Create More Openings Out of the Need to Replace Workers.

- Overall, South Central is projected to have 7,160 job opportunities each year, due to both growth and replacement of workers.

- In general, several of the top 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 this region, about 26 percent of annual openings are expected to come from employment expansion, while the remaining 74 percent will be from the need to replace workers that leave for various economic reasons (e.g., retirement, out-migration, etc.). This proportion is similar to Michigan overall. **(Table 20)**
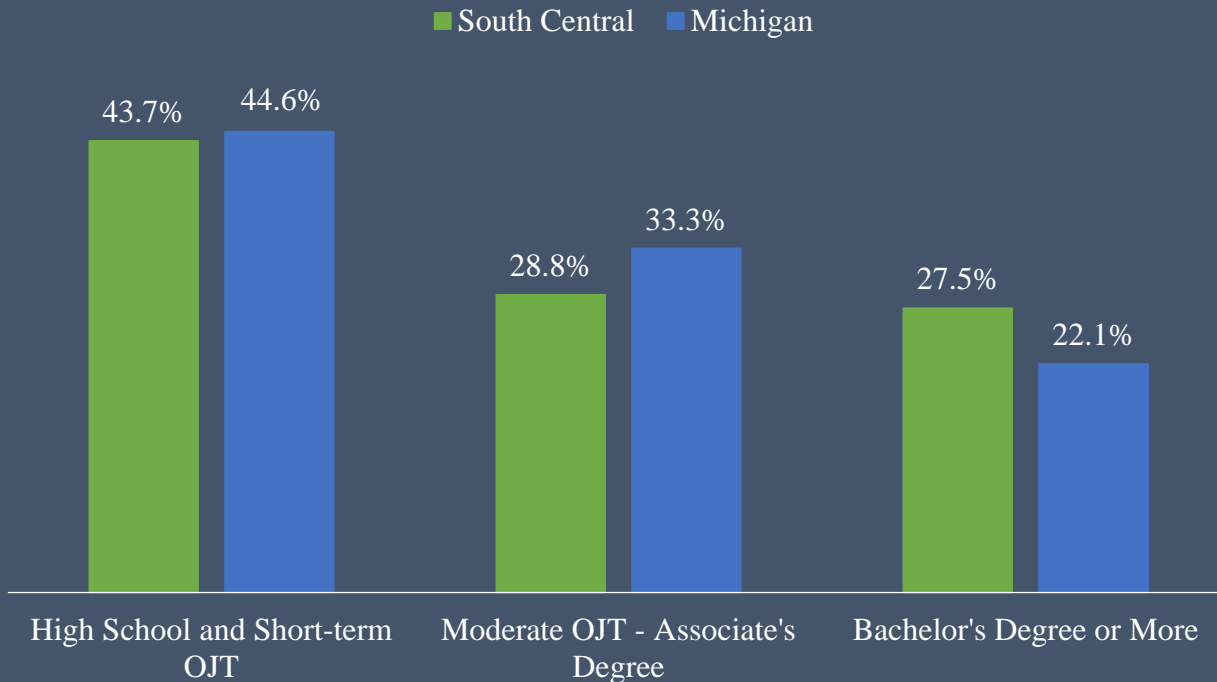
Projected Annual Openings by Broad Occupational Groups in South Central (2012 – 2022)

Occupational Group	Annual Openings
Service	1,710
Production	1,321
Management	1,050
Construction and Repair	712
Healthcare	596
Administrative Support	528
Farm	407
Professional	404
Sales	373
Transportation	62

Source: Bureau of Labor Market Information and Strategic Initiatives

Over a Quarter of Jobs by 2022 Will Require a Bachelor's Degree or More in South Central.

Projected 2022 Occupational Employment by Education (Share of Total)

■ South Central   ■ Michigan

- High School and Short-term OJT: South Central 43.7%, Michigan 44.6%
- Moderate OJT - Associate's Degree: South Central 28.8%, Michigan 33.3%
- Bachelor's Degree or More: South Central 27.5%, Michigan 22.1%
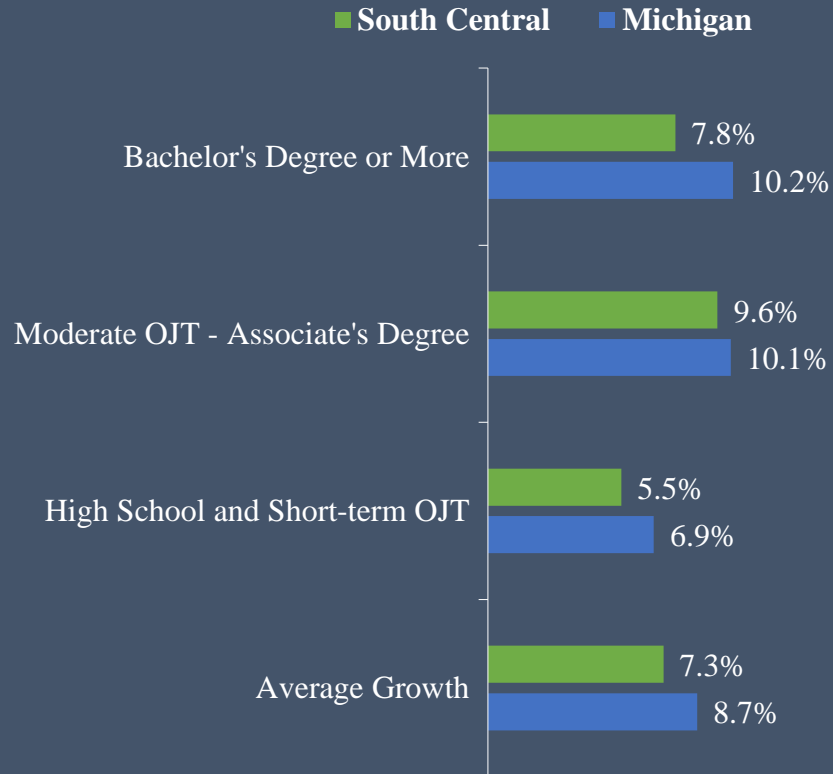
Source: Bureau of Labor Market Information and Strategic Initiatives

- South Central's share of employment by education is relatively similar to Michigan overall, having a higher share of the region's employment requiring a Bachelor's degree or more, and lower share in the other two education groups.

- In South Central, the share of jobs by educational categories is expected to remain relatively similar between 2012 and 2022, with High School and Short-Term OJT's share slightly falling, and the other two categories slightly increasing their share.

- By 2022, 27.5 percent of South Central's jobs will require a Bachelor's degree or more. This is over 5.0 percentage points higher than Michigan overall, signaling the need the region has for a highly skilled workforce.

- Approximately 28.8 percent of the area's jobs will require an Associate's degree, a post-secondary training, some college with no degree, or a high school diploma or less accompanied with an extended period (six months or more) of apprenticeship and/or on-the-job training. Many health and construction careers are in this group and are associated with long-run employment growth and high earnings.

Slightly Slower Projected 2022 Growth in South Central than Statewide for Every Educational Group.

Projected Occupational Growth by Education

■ **South Central** ■ **Michigan**

Category	South Central	Michigan
Bachelor's Degree or More	7.8%	10.2%
Moderate OJT - Associate's Degree	9.6%	10.1%
High School and Short-term OJT	5.5%	6.9%
Average Growth	7.3%	8.7%

**Source:** Bureau of Labor Market Information and Strategic Initiatives

- In South Central, both Moderate on-the-job training through Associate's degree and Bachelor's degree or more education levels are expected to outpace the region's overall growth rate.
  - Jobs requiring an Associate's degree or six months or more of on-the-job training are expected grow by 9.6 percent, faster than the overall growth average of 7.3 percent. Within this group, those requiring an Associate's degree will grow fastest. That includes rapid-advancing healthcare careers such as RN and LPN.
  - Jobs requiring a Bachelor's degree or more are expected to grow by 7.8 percent, faster than the region's average growth, but slower than Michigan's growth rate for this educational cohort.
- Careers requiring a high school diploma or less, with short-term to no training, are expected to grow below the regional average pace (5.5 percent).

South Central'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.

- In general, occupations with a large employment base create many job openings due to the need to replace workers. Many of the region's top 10 high-demand, high-wage occupations have large amounts of annual openings, represented by the size of the bubble in the chart.

- 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
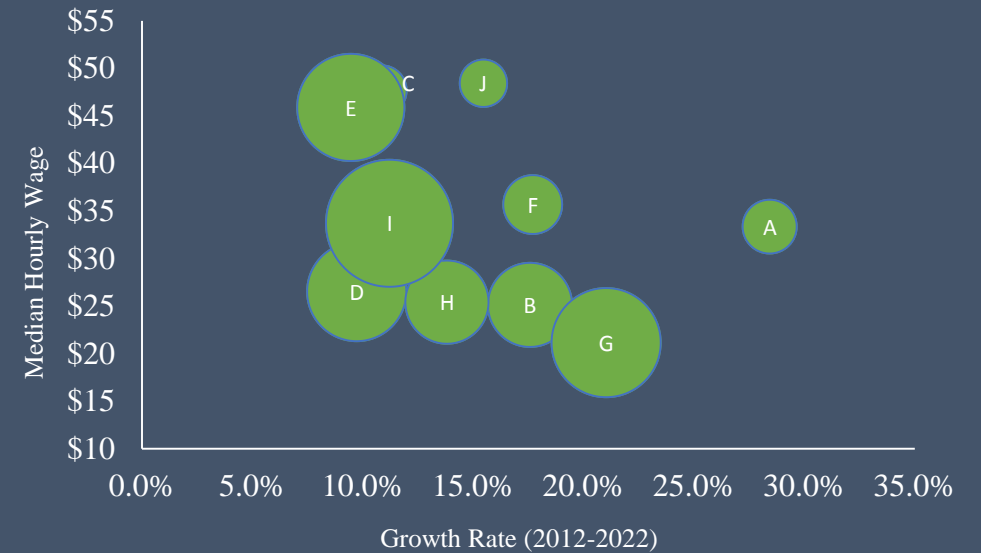
	Occupation		Occupation
A	Computer Systems Analysts	F	Industrial Engineers
B	Computer User Support Specialists	G	Insurance Sales Agents
C	Financial Managers	H	Machinists
D	First-Line Supervisors of Office and Administrative Support Workers	I	Registered Nurses
E	General and Operations Managers	J	Sales Managers

Source: Bureau of Labor Market Information and Strategic Initiatives