

Annual Planning Information Reports and Workforce Analysis: Southeast 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.

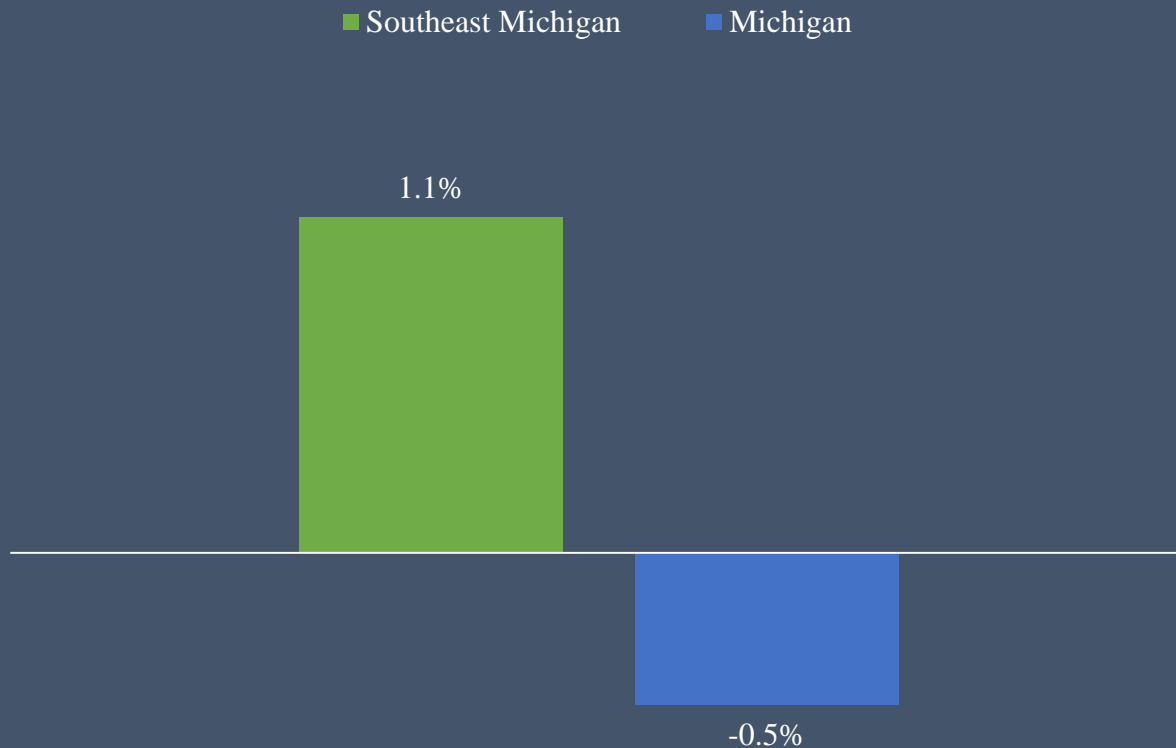
Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional Population Grows Faster than Michigan Since 2009.

Population Change (2009-2015)



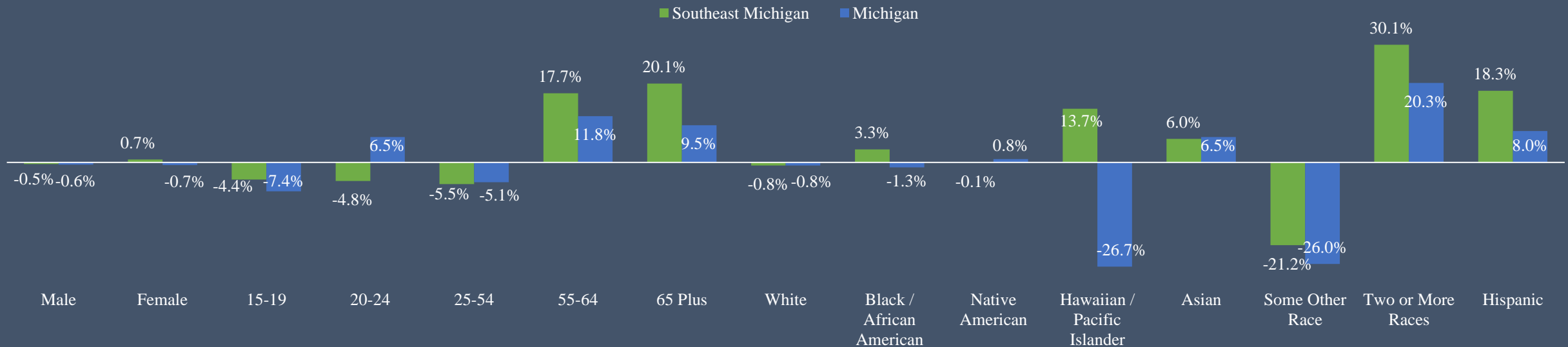
Source: U.S. Bureau of the Census, Annual Population Estimates

- According to the latest estimates from the U.S. Census Bureau, the population in Southeast Michigan was 999,800 in 2015. **(Table 1)**
- While the population statewide was still 47,000 below the 2009 level in 2015, despite minor gains recorded since 2011, Southeast Michigan has grown by 11,100 individuals (+1.1 percent) over this time period. Nationwide, the population rose by 4.7 percent over this period. **(Table 1)**
- Most of the population gains in Southeast Michigan were registered in Washtenaw (3.3 percent or +11,300) and Livingston (2.3 percent or +4,200), while Hillsdale remained relatively stable. Jackson, Lenawee, and Monroe all lost population between 2009 and 2015. **(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 41,900 or 19 percent in Southeast Michigan. In contrast, the number of individuals 54 years old and younger fell by 30,600 or 5.3 percent. **(Table 2)**
- The white population remains the majority in the region, but their numbers have declined since 2005-2009 by 13,900 or -1.6 percent, while almost all major minority groups gained population. **(Table 2)**

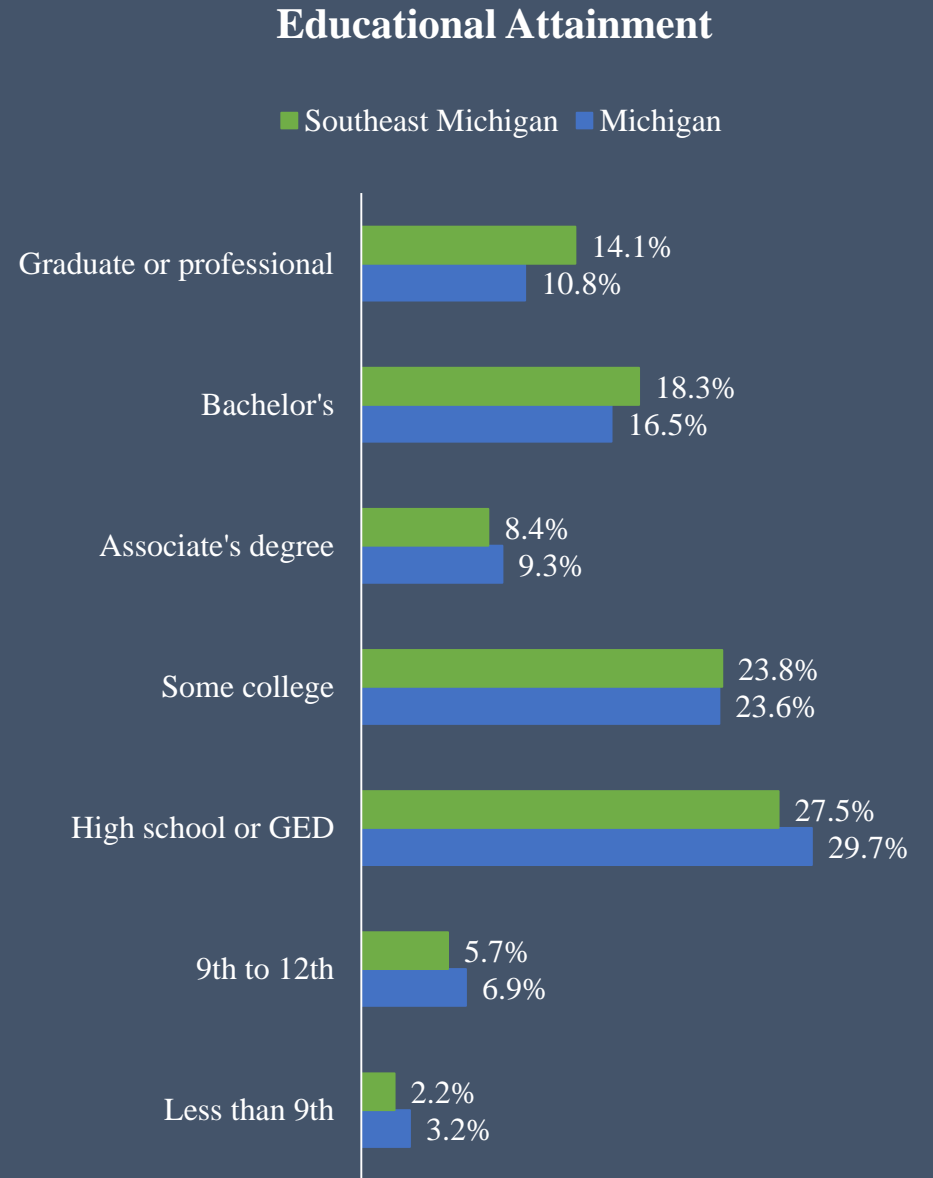
Population Change by Age, Sex, Race / Ethnicity



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

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

- A region's educational attainment is based on the number of residents 25 and older with various education. In Southeast Michigan there are about 653,400 residents aged 25 or older; among them, 211,700 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*. Southeast Michigan has a lower percentage of residents with a *High school or GED* and below than Michigan overall. **(Table 4)**

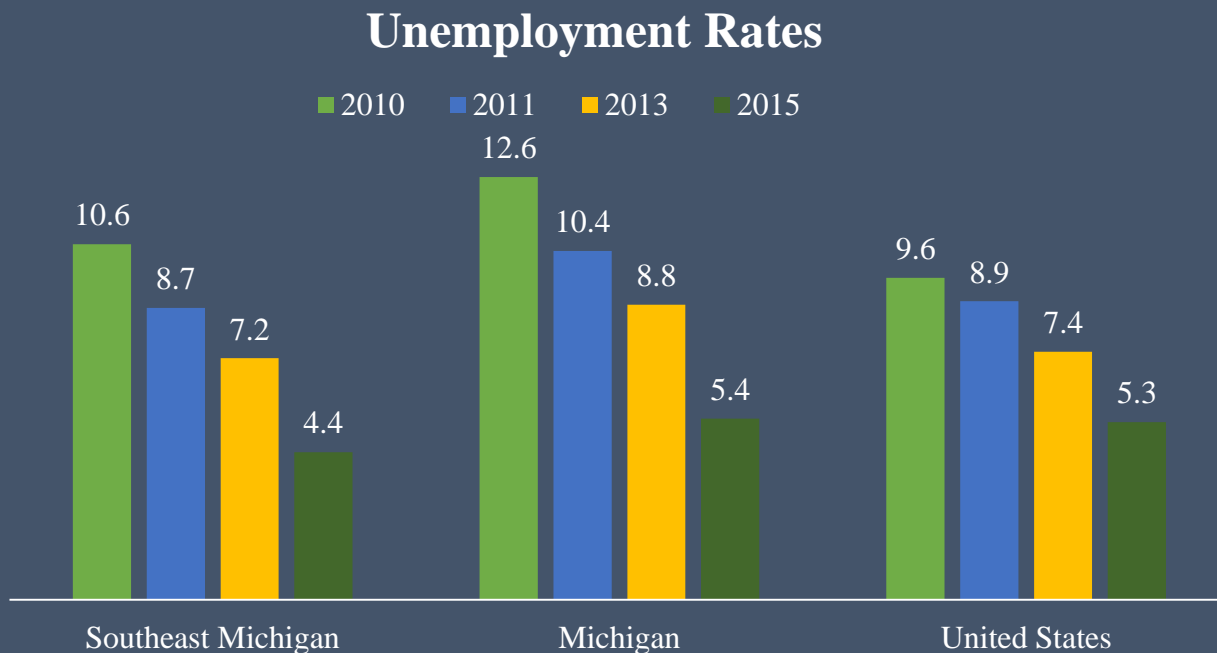


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8 and 13

Jobless Rates and Unemployment Lower Since 2010, Labor Force and Employment Remain Slightly Below 2010 Levels.



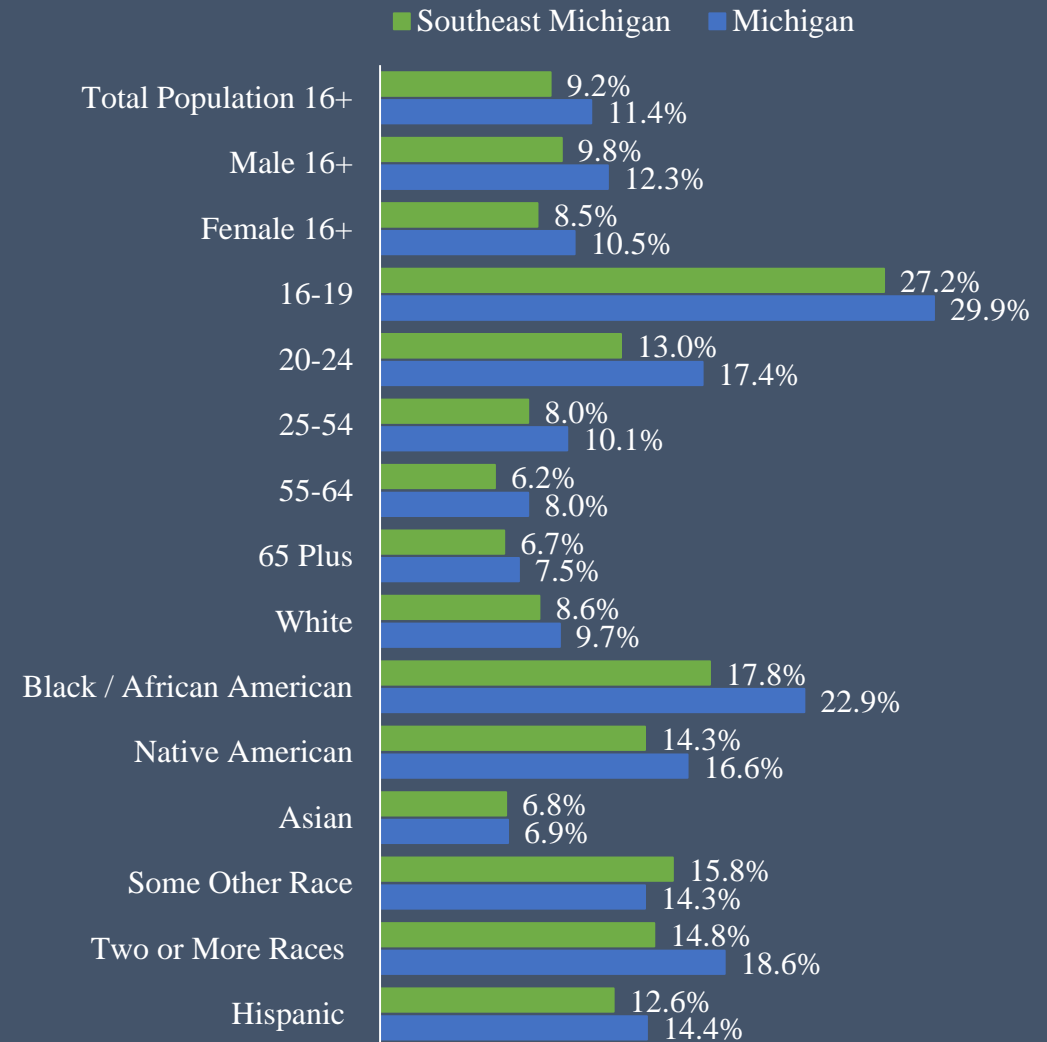
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The unemployment rate in Southeast Michigan followed state and national trends dropping significantly between 2010 and 2015.
- Over that period, the jobless rate fell by 6.2 percentage points and unemployed individuals dropped by 31,000 or 59 percent in Southeast 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 Southeast Michigan, the labor force measures 499,700 in 2015, up 1,200 since 2010 levels. **(Table 5)**

Regional Jobless Rates Elevated for Youth and Young Adults.

- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in Southeast Michigan. However, males experienced a higher unemployment rate at 9.8 percent, compared to 8.5 percent for females. **(Table 8)**
- During recessions, some of the jobs traditionally held by youth and young adults (16-24 years old) get taken by adults (25+ years old) who cannot find employment elsewhere. As a result, youth and young adults experience higher jobless rates. **(Table 8)**
- In general, Southeast Michigan enjoys an unemployment rate that is lower than statewide average for almost all demographic categories.

Unemployment Rates by Sex, Age, and Race / Ethnicity



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

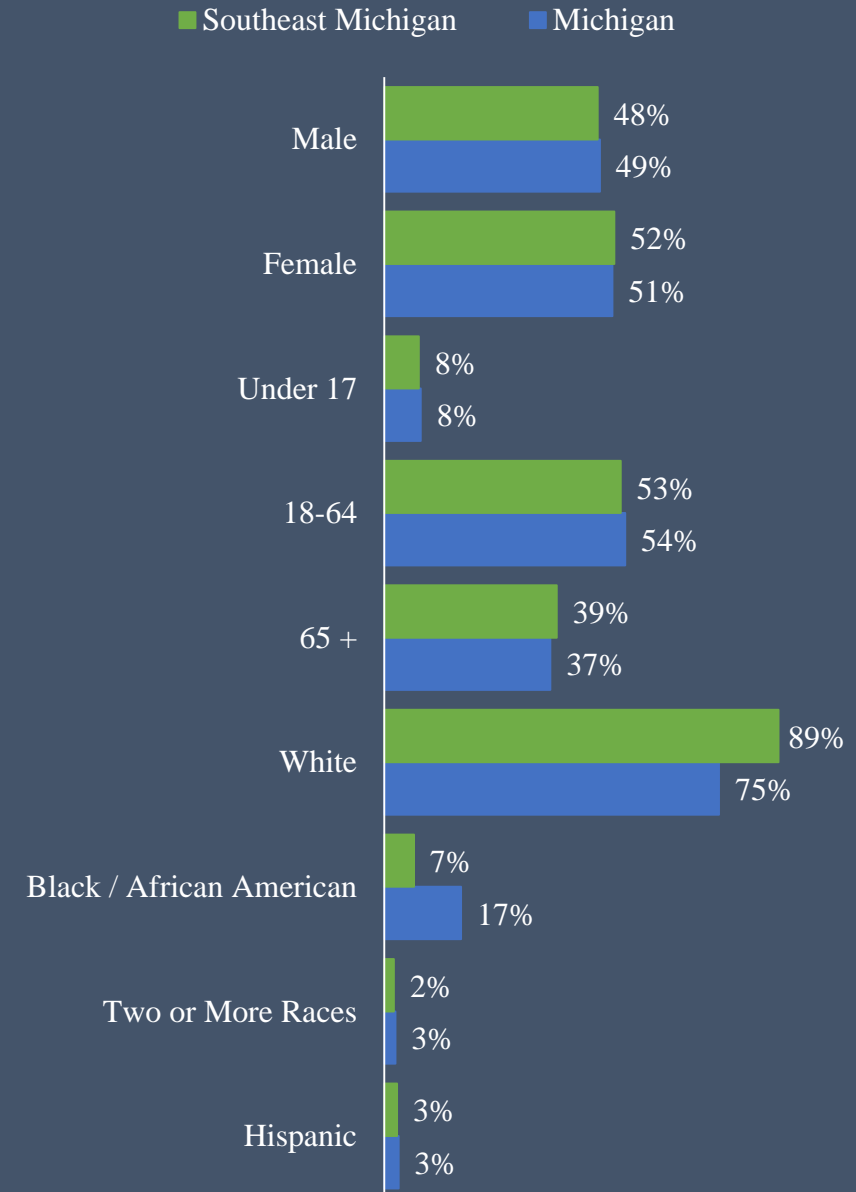
Individuals with Barriers to Employment

Tables 28-37

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

- According to the U.S. Census Bureau, 110,800 people in Southeast Michigan report a disability. About 39 percent of them were 65 year of age and older. The demographic characteristics of individuals with disabilities in Southeast 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

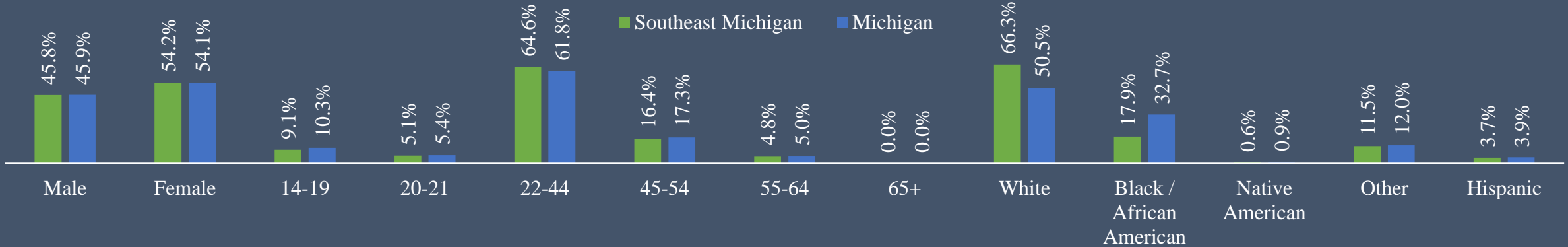


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare Registrants Concentrated in the Working Age and White Demographics.

- According to the Michigan Department of Health and Human Services, there were about 34,800 welfare registrants in Southeast 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 66 percent of the registrants were White and 18 percent Black or African American, slightly differing from the statewide average. **(Table 31)**

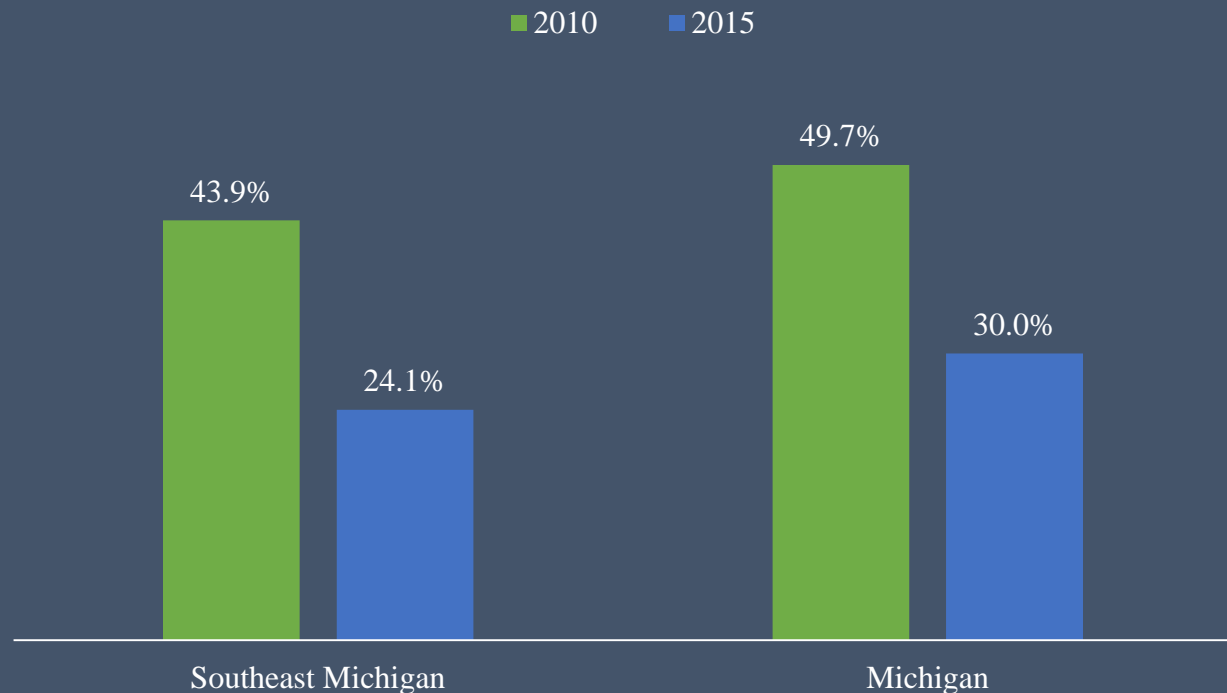
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

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

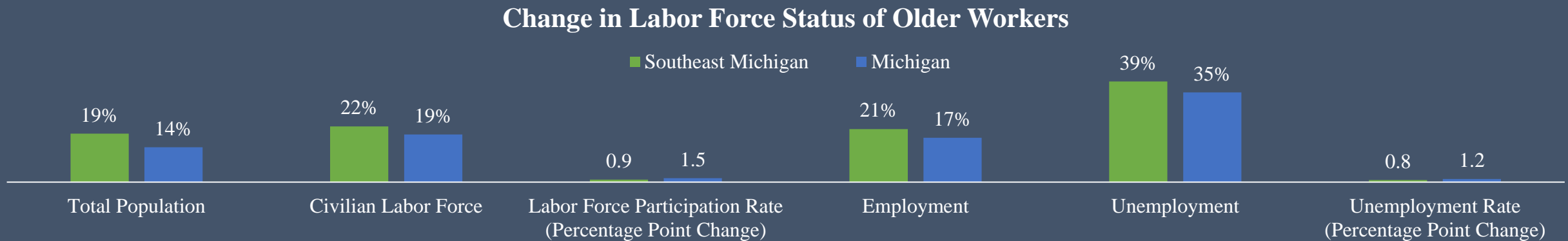
Long-Term Unemployed / Total Unemployed



- Long-term unemployment remains an issue in Michigan and in Southeast 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 Southeast Michigan has followed the statewide trend. In 2010, 23,200 individuals or 44 percent of all unemployed were long-term unemployed. Long-term unemployment has recovered somewhat, falling to about 5,800 or 24 percent in 2015. **(Table 35)**

Older Workers Staying in the Labor Market Longer in Michigan and in Southeast Michigan.

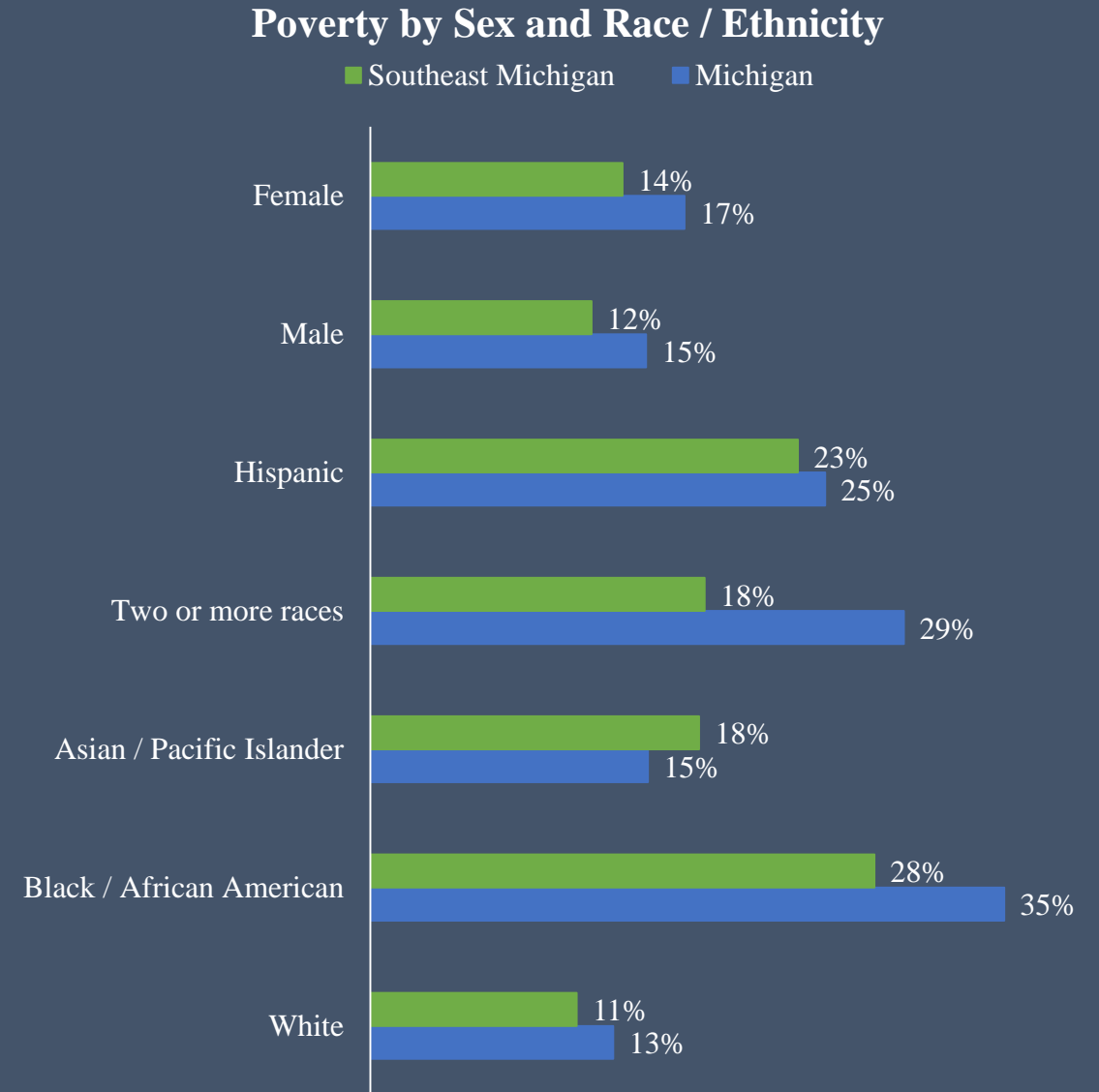
- The number of older workers, defined as those 55 years of age and older, staying active in the labor market has been on the rise, particularly after the 2009 financial crisis that depleted some retirement investments. **(Table 36)**
- In Southeast Michigan, the labor force participation rate of this group during 2010-14 was estimated at 38.4 percent, nearly 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 Southeast Michigan and by 19 percent in Michigan 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 12.9 Percent in Southeast Michigan, Significantly Below Michigan.

- In 2014, the U. S. Census Bureau estimated that 128,100 individuals (or 12.9 percent of the population) lived below the poverty line in Southeast Michigan. That is about 3.3 percentage points below the state poverty rate. **(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)**



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

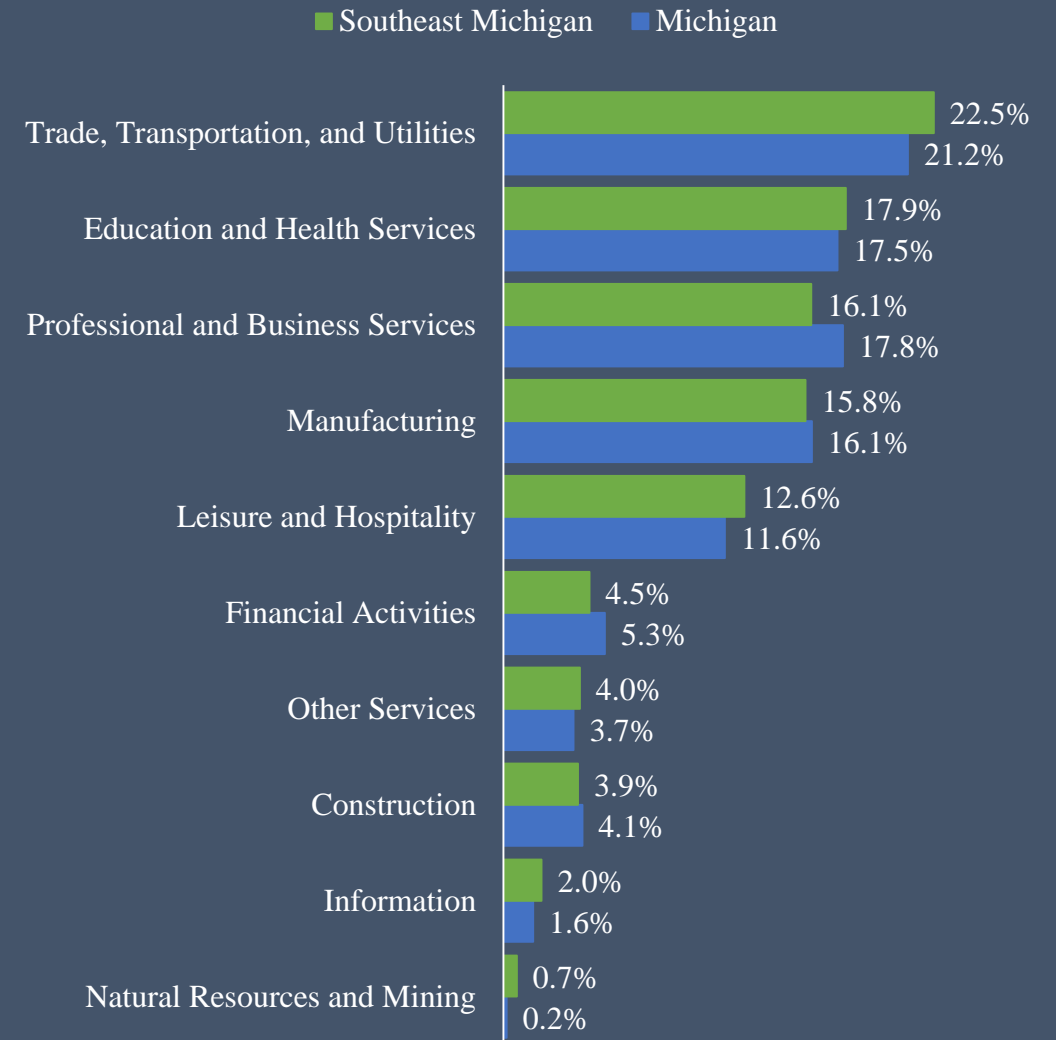
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

Nearly 85 Percent of Region's Jobs Concentrated in Five Major Industries.

- *Trade, Transportation, and Utilities* recorded the highest number of jobs in the Southeast area.
- *Trade, Transportation, and Utilities* is followed by *Education and Health Services*, *Professional and Business Services*, and *Manufacturing*. **(Table 9)**
- *Professional and Business Services* ranks as the 3rd largest employer in the region. This is in contrast from the statewide industry composition, where this sector is the 2nd largest employer and *Education and Health Services* 3rd among all private employers. **(Table 9)**

Distribution of Industry Jobs, 2nd Quarter 2015

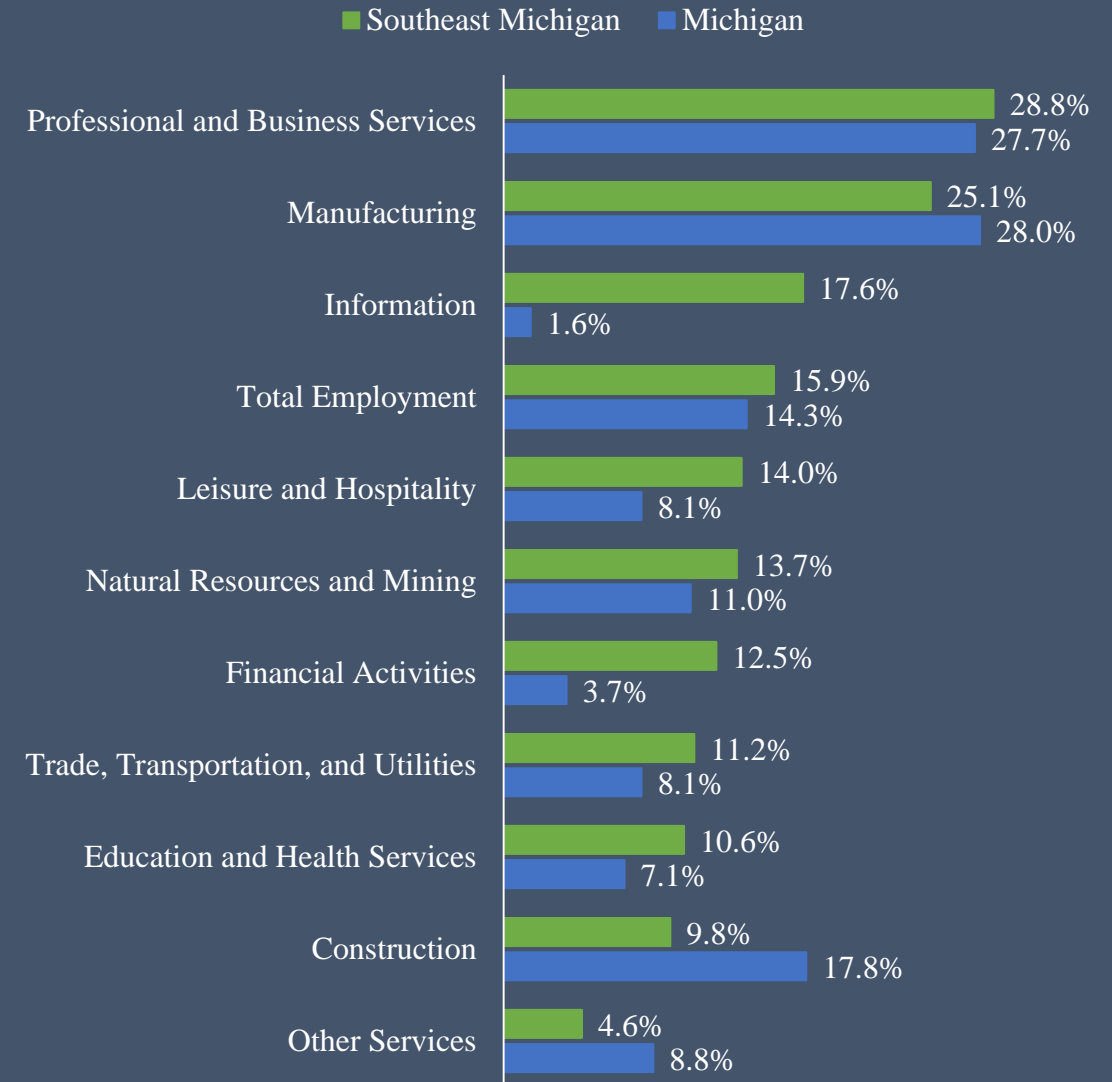


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Private Sector Jobs Grow by 40,500 or 15.9 percent Between 2009 and 2015.

- Southeast Michigan saw private sector jobs expand by 40,500 or 15.9 percent since 2009, fueled by a 10,600 job expansion in *Professional and Business Services* and 9,400 job expansion in *Manufacturing*. Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. **(Table 9)**
- Continued growth was seen in *Private Education and Health Services* while job gains in *Construction, Leisure, and Trade* have seen an uptick in the last few years.
- No single private industry lost jobs between 2009 and 2015 in Southeast Michigan.

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 15,750 in 1st Quarter 2016.

Online Advertised Job Postings - Southeast Michigan

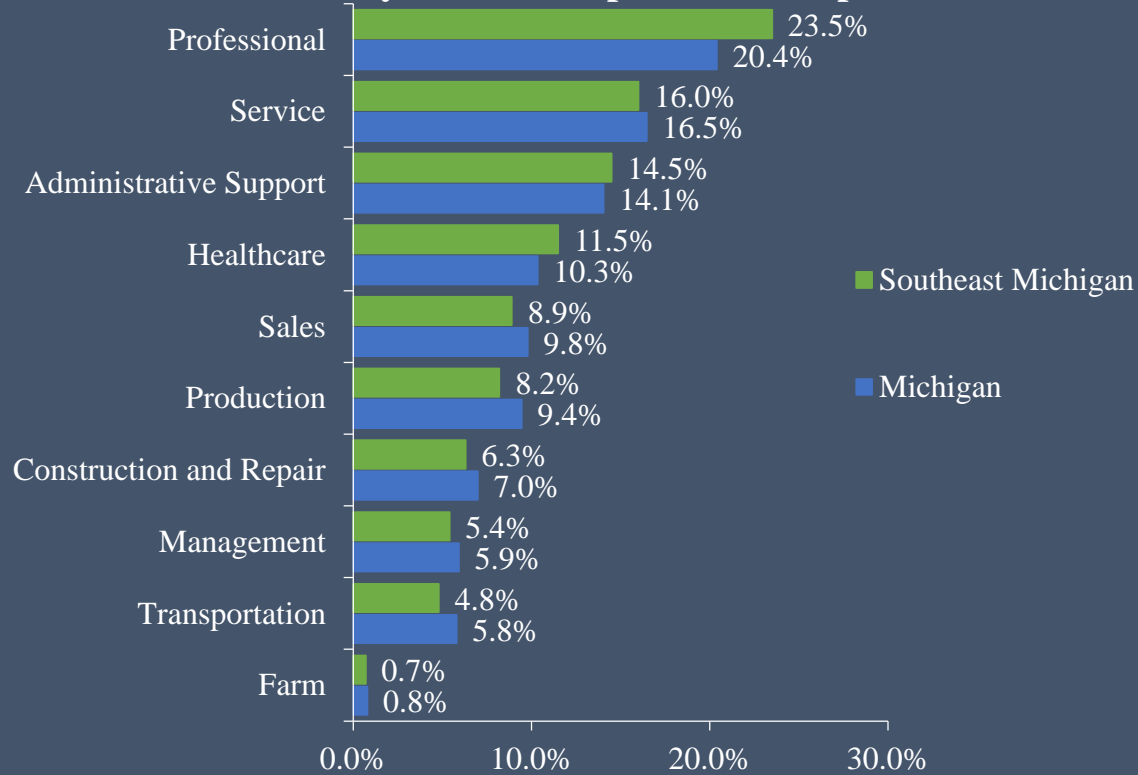
Job Title	Number
Heavy and Tractor-Trailer Truck Drivers	937
Registered Nurses	618
Retail Salespersons	471
First-Line Supervisors of Retail Sales Workers	410
Industrial Engineers	312
Customer Service Representatives	280
Maintenance and Repair Workers, General	271
Software Developers, Applications	255
First-Line Supervisors of Food Preparation and Serving Workers	247
Mechanical Engineers	241

Source: The Conference Board, Help Wanted Online Database

- In the 1st Quarter 2016, there were 15,750 online advertised job postings in Southeast 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 Southeast Michigan, eight of the top ten online job postings during the first quarter of 2016 fell in this category. Job ads online displayed the same range statewide.
- The most highly advertised job categories in Southeast Michigan include *Sales and Related*, *Healthcare Practitioners*, and *Office and Administrative Support*.
- *Heavy and Tractor-Trailer Truck Drivers* and *Registered Nurses* are in high demand across all regions of Michigan, and Southeast Michigan is no exception. **(Table 18)**

Over Half of the Southeast Michigan Jobs in 2022 Are Concentrated in Three Job Groups.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



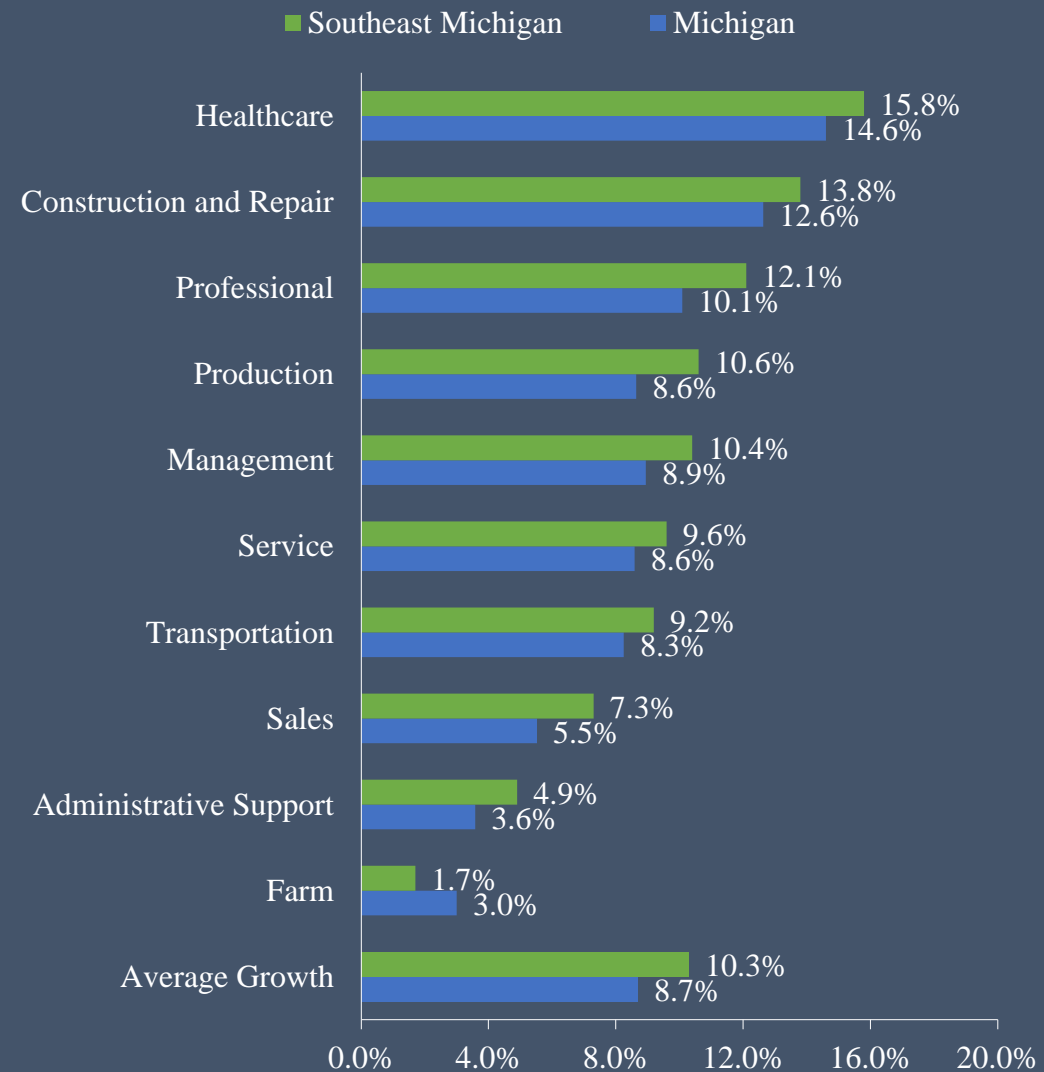
Source: Bureau of Labor Market Information and Strategic Initiatives

- By 2022, the job distribution in Southeast Michigan is expected to remain relatively similar to 2012, with the only changes coming in *Healthcare* (+0.5 percentage points) and *Administrative Support* (-0.7 percent).
- Of the roughly 460,465 expected jobs in Southeast Michigan, about half will be in three major occupational groups: *Professional*, *Service*, and *Administrative Support*.
- *Professional*, at 23.5 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.
- *Service* contributes about 16.0% 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*.
- *Administrative Support* – contributes about 14.5% of the region’s employment. This occupational group includes some of the largest single occupations such as bookkeepers, secretaries and office clerks.
- The group of *Healthcare* services is fourth largest employer at 11.5% share of employment. Just like for the state and the nation, many health careers in Southeast Michigan are forecast to show strong growth. **(Table 20)**

Occupational Growth Rates in Southeast Michigan are Projected to be Above the Statewide Average.

- Almost all occupation groups in Southeast Michigan are projected to grow above the statewide average through 2022.
- By percent growth, the three fastest growing occupational groups are *Healthcare* (+15.8 percent), *Construction and Repair* (+13.8 percent), and *Professional* (+12.1 percent).
- Three groups of occupations are expected to create approximately 60 percent of the 42,840 new jobs in Southeast Michigan.
 - *Professional occupations* will contribute about 11,735 new jobs (or 27.1 percent of the new jobs).
 - Also important is the *Healthcare* occupational group, which is projected to add about 7,260 new jobs (or 17 percent). 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.*).
 - *Service* is the third largest group in Southeast Michigan, projected to create 6,475 new jobs (or 15.1 percent). **(Table 20)**

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

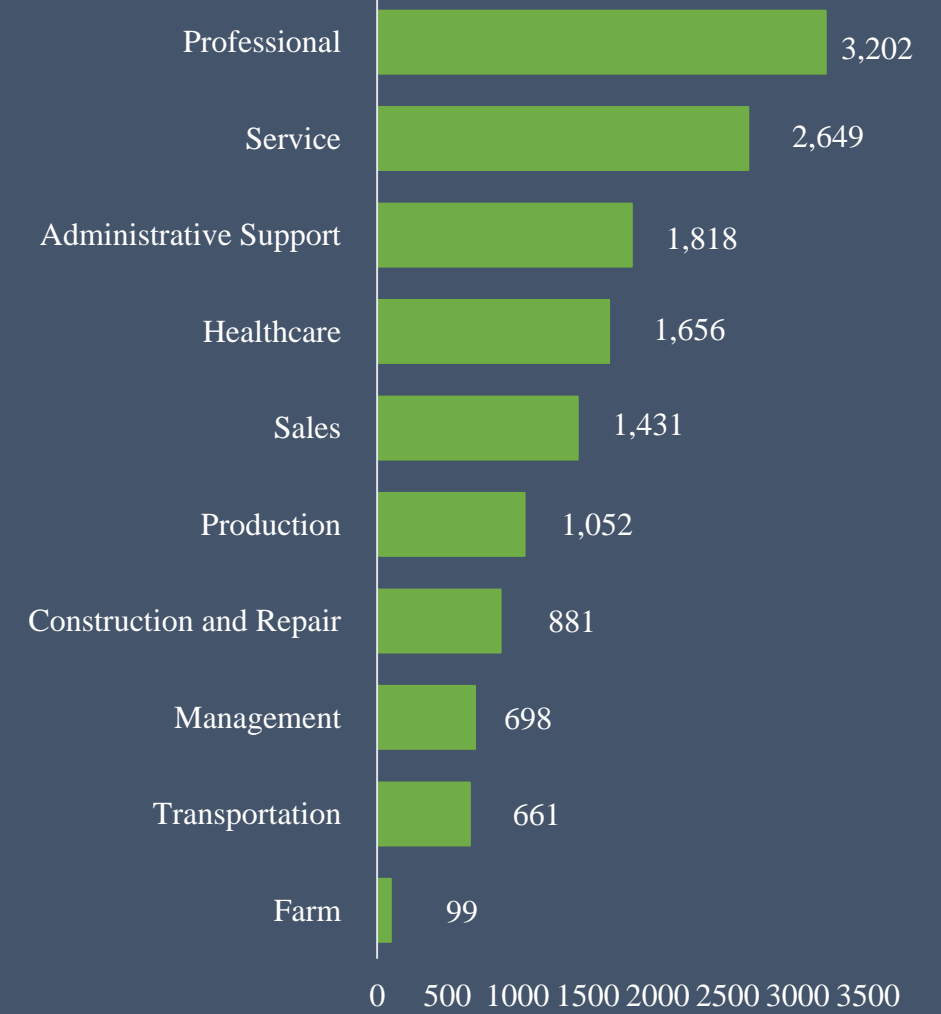


Source: Bureau of Labor Market Information and Strategic Initiatives

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

- Overall, Southeast Michigan is projected to have 14,145 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 Southeast Michigan, about 31 percent of annual openings are expected to come from employment expansion, while the remaining 69 percent will be from the need to replace workers that leave for various economic reasons (e.g., retirement, out-migration, etc.). This proportion is slightly above Michigan overall. **(Table 20)**

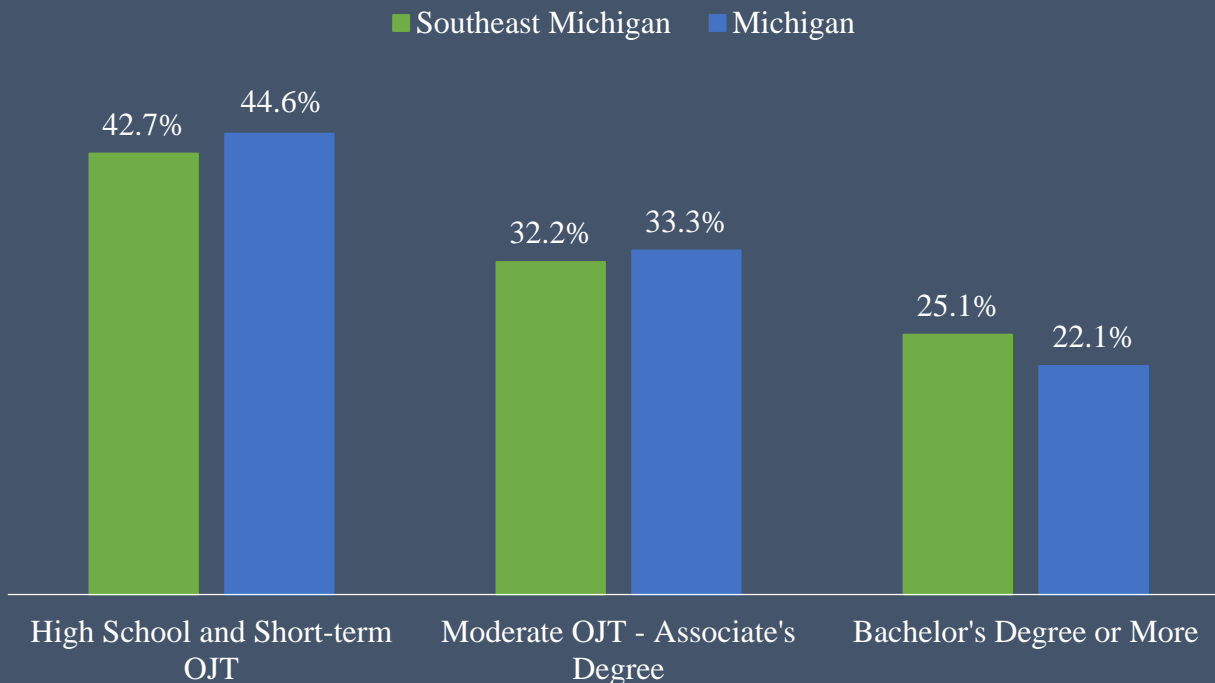
Projected Annual Openings by Broad Occupational Groups in Southeast Michigan (2012 – 2022)



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 Southeast Michigan.

Projected 2022 Occupational Employment by Education (Share of Total)

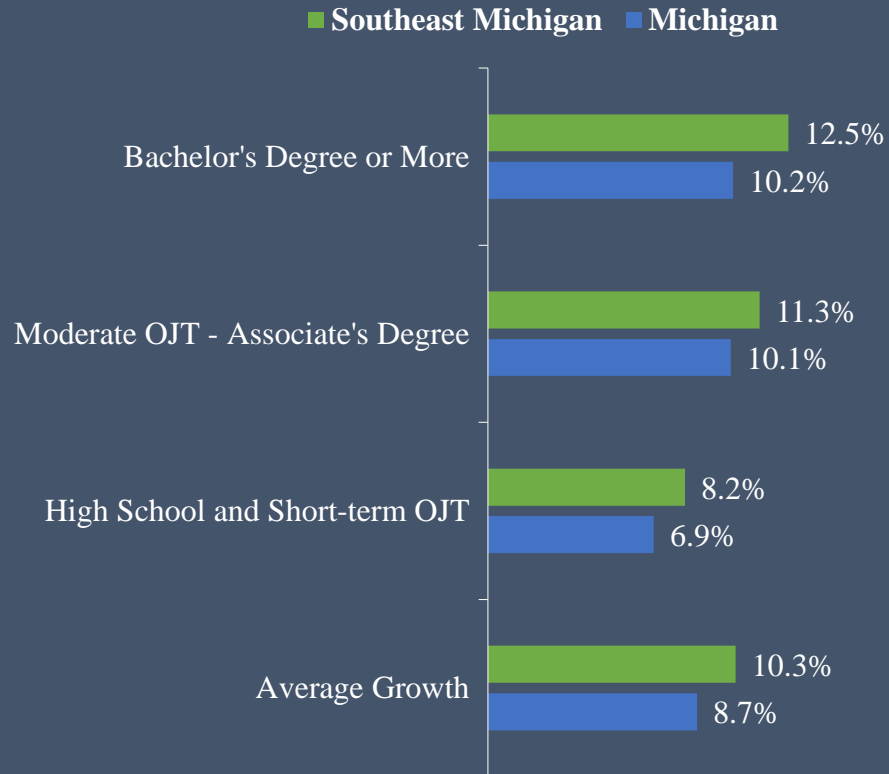


Source: Bureau of Labor Market Information and Strategic Initiatives

- Southeast Michigan'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 Southeast Michigan, 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, 25.1 percent of Southeast jobs will require a Bachelor's degree or more. This is 3.0 percentage points higher than Michigan overall, signaling the need the region has for a highly skilled workforce.
- Just under 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.

Faster Projected 2022 Growth in Southeast Michigan than Statewide for Every Educational Group.

Projected Occupational Growth by Education



Source: Bureau of Labor Market Information and Strategic Initiatives

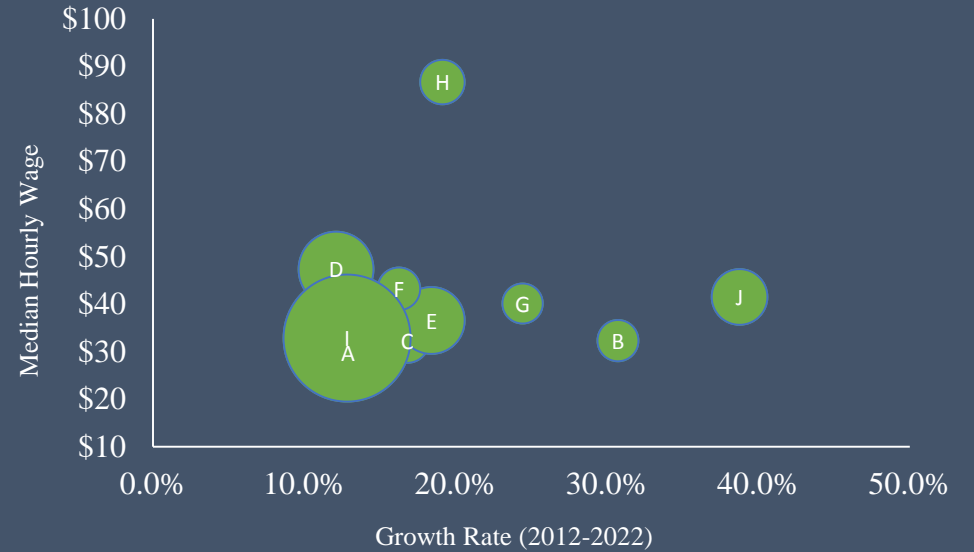
- In Southeast Michigan, both the moderate on-the-job training through Associate's degree and Bachelor's degree or more education levels are expected to outpace the region's overall growth rate.
 - Jobs requiring an Associate's degree or six months or more of on-the-job training are expected to grow by 11.3 percent, faster than the overall growth average of 10.3 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 12.5 percent, over 2.0 percentage points faster than the region's and Michigan's average growth.
- Many careers requiring a high school diploma or less, with short-term to no training are expected to grow slower than the regional average pace (8.2 percent).

Southeast 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.
- In general, occupations with a large employment base create many job openings due to the need to replace workers. This is represented by the size of the bubble in the chart.
- Outside of *Physicians and Surgeons*, the majority of top occupations in the region have relatively similar hourly wages, however vary more when it comes to growth rates.
- 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	Medical and Health Services Managers
B	Dental Hygienists	G	Physical Therapists
C	Electricians	H	Physicians and Surgeons, All Other
D	General and Operations Managers	I	Registered Nurses
E	Industrial Engineers	J	Software Developers, Applications

Source: Bureau of Labor Market Information and Strategic Initiatives