



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

LANSING

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FOR IMMEDIATE RELEASE

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Michigan's May Jobless Rate Falls

Lansing – Michigan's seasonally adjusted unemployment rate in May dropped over the month by a half percentage point to 4.2 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). The state's workforce fell by 21,000 over the month while total employment edged upward by 3,000. The number of unemployed in Michigan declined by 24,000 in May.

The Michigan jobless rate in May 2017 was six-tenths of a percentage point below the state's May 2016 rate of 4.8 percent. The national jobless rate decreased by four-tenths of a percentage point over this period. The state's unemployment rate in May was one-tenth of a percentage point below the national rate. The U.S. jobless rate declined by one-tenth of a percentage point to 4.3 percent in May.

"Michigan's jobless rate reduction in May primarily reflected fewer residents in the state workforce, rather than a significant monthly gain in hiring," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "However, Michigan employment has advanced sharply over the past year."

Monthly Labor Force Trends & Highlights

- Michigan's May jobless rate was the lowest recorded in the state since December 2000. However, Michigan labor force and employment levels remain significantly below 2000 levels.
- The state's May rate fell below the national unemployment rate for the first time since June 2016. Michigan's monthly jobless rates have been mostly similar to U.S. rates since mid-year 2015, with the state's rates falling below the national rates in March and April 2016 as well as June of that year.
- The main driver of Michigan's jobless rate drop in May was labor force withdrawal.
- Even with the May workforce decline, Michigan's labor force rose by 84,000 or 1.7 percent since May 2016, which well outpaced the national labor force gain of 0.8 percent over the same period.

- With the minor total employment advance over the month, Michigan's average employment level in 2017 through May was 4,664,000. This was 65,000 or 1.4 percent above the state's average employment level in all of 2016.

MICHIGAN
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	May 2016	April 2017	May 2017	Change	
				Month	Year
Civilian Labor Force	4,811	4,916	4,895	-21	84
Employment	4,578	4,684	4,687	3	109
Unemployment	232	231	207	-24	-25
Rate (Percent)	4.8	4.7	4.2	xxx	xxx

Detroit Metropolitan Area's May Jobless Rate Drops

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in May fell by seven-tenths of a percentage point to 4.6 percent. This was the lowest rate in the region since May 2001. Total employment rose over the month by 11,000, while the number of unemployed decreased by 15,000. The region's workforce declined by 4,000 during May, marking the first monthly reduction since July 2015. Total employment in the region has increased every month so far in 2017, and in May rose above the two million mark for the first time since June 2007.

From May 2016 to May 2017, the Detroit metropolitan area's jobless rate declined by six-tenths of a percentage point. Over that period, total employment in the Detroit metro area advanced by 51,000 or 2.6 percent while the area's workforce grew by 39,000 or 1.9 percent. Total employment and labor force percentage gains in the Detroit MSA outpaced both the Michigan and national growth rates since May 2016. From May 2016 to May 2017, the number of unemployed declined by 11,000 or 10.3 percent in the area.

Detroit-Warren-Dearborn MSA
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	May 2016	April 2017	May 2017	Change	
				Month	Year
Civilian Labor Force	2,061	2,104	2,100	-4	39
Employment	1,953	1,993	2,004	11	51
Unemployment	107	111	96	-15	-11
Rate (Percent)	5.2	5.3	4.6	xxx	xxx

(more)

Payroll Jobs Decline in May

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs went down moderately in May by 8,000 to 4,383,000. May job decreases were posted in *Leisure and hospitality services* (-4,000), *Government* (-4,000), and *Trade, transportation and utilities* (-3,000). Slightly countering the reductions was a 2,000 job gain in *Other services*. Michigan's remaining major sectors registered very minor job changes over the month.

Industry Employment Trends and Highlights

- The overall job reduction in May was the first monthly decline in Michigan since February's minor 3,000 decrease. Prior to that, May 2016 was the last monthly job cut in the state.
- The over-the-month job decrease in *Trade, transportation and utilities* continued a mostly downward monthly trend recorded since September 2016. This sector was the only major industry in Michigan to report a decrease in jobs over the year (-4,000). Job cuts in *Retail trade* were the primary reason for the decline in the overall sector since May 2016.
- The May decrease in *Leisure and hospitality services* was only the second monthly job reduction in this sector since mid-year 2016. Over the year, *Leisure and hospitality services* boasted the third largest numerical and percentage gain in jobs among the state's major sectors.
- Prior to the May job decline, the state's *Government* sector had been very stable since October.
- From May 2016 to May 2017, payroll jobs in Michigan increased by 74,000 or 1.7 percent, similar to the national gain over this period of 1.6 percent. Since May 2016, 84 percent of the state's job growth occurred in five of the state's 11 major sectors; *Professional and business services* (18,000 or 2.9%), *Government* (13,000 or 2.3%), *Leisure and hospitality services* (12,000 or 2.9%), *Manufacturing* (10,000 or 1.6%), and *Construction* (9,000 or 5.7%).
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing increased over the month, as well as over the year.

(more)

MICHIGAN
Payroll Employment Estimates

Seasonally Adjusted

(Data in Thousands)

	<u>May</u>	<u>April*</u>	<u>May**</u>	CHANGE***	
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4,308	4,391	4,383	-8	74
Natural Resources & Mining	7	8	8	0	0
Construction	155	164	164	0	9
Manufacturing	599	609	608	0	10
Transportation Equipment	179	182	182	0	3
Trade, Transportation & Utilities	782	781	778	-3	-4
Retail Trade	473	469	469	0	-4
Information	57	58	58	0	1
Financial Activities	212	216	217	1	5
Professional & Business Services	645	663	664	1	18
Education & Health Services	665	670	669	-1	4
Leisure & Hospitality Services	424	440	436	-4	12
Other Services	169	173	175	2	6
Government	593	610	606	-4	13

* Final data for April 2017

** Preliminary data for May 2017

*** Change calculated using unrounded data

Hours & Earnings for Production Workers

Seasonally Adjusted

Manufacturing

	<u>May</u>	<u>April</u>	<u>May</u>	CHANGE	
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$869.72	\$875.22	\$910.00	\$34.78	\$40.28
Average Weekly Hours	43.1	42.4	43.6	1.2	0.5

Transportation Equipment

Average Weekly Earnings	\$1,046.34	\$1,094.49	\$1,102.76	\$8.27	\$56.42
Average Weekly Hours	44.5	46.4	47.4	1.0	2.9

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