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Michigan's October Jobless Rate Increases

Lansing – Michigan's seasonally adjusted unemployment rate in October rose over the month by two-tenths of a percentage point to 4.5 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). The state's workforce advanced by 8,000 as the number of unemployed rose by 9,000. Total employment was little changed over the month, decreasing slightly by 2,000.

The Michigan jobless rate in October 2017 was a half percentage point below the state's October 2016 rate of 5.0 percent. The national jobless rate declined by seven-tenths of a percentage point over this period. The state's unemployment rate in October was four-tenths of a percentage point above the national rate. The U.S. jobless rate edged down by one-tenth of a percentage point to 4.1 percent in October.

"Ten months into 2017, several Michigan labor market trends are apparent," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "The state's jobless rate has declined moderately from 2016, while payroll job gains remain steady."

Monthly Labor Force Trends & Highlights

- The October jobless rate increase was the third consecutive monthly rate gain recorded in the state since the July 2017 low of 3.7 percent.
- The 4.5 percent October unemployment rate matched the current year-to-date average rate for Michigan. The 2017 average rate through October remains below the 2016 annual average rate of 4.9 percent, and is below rates posted in 2015 (5.4%) and 2014 (7.3%).
- October marked the second month in a row that Michigan's jobless rate was above the national rate. Michigan's monthly rates have been similar to the national rates since 2015.
- Michigan's workforce grew for the second consecutive month after declining four months in a row. Since October 2016, the state's labor force edged upward slightly by 7,000. Michigan's workforce expansion has been sluggish in 2017 as compared to the 79,000 or 1.7 percent advance recorded in 2016.
- From October 2016 to October 2017, total employment rose in Michigan by 33,000 or 0.7 percent while the number of unemployed fell by 26,000 or 10.7 percent. Michigan's unemployment reduction over this period was less than the national decline of 15.8 percent, while the state lagged behind the U.S. (+1.3%) in total employment growth.

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MICHIGAN
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	October 2016	September 2017	October 2017	Change	
				Month	Year
Civilian Labor Force	4,852	4,851	4,859	8	7
Employment	4,608	4,643	4,641	-2	33
Unemployment	244	209	218	9	-26
Rate (Percent)	5.0	4.3	4.5	xxx	xxx

Detroit Metropolitan Area's October Jobless Rate Moves Up

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in October rose by three-tenths of a percentage point to 3.9 percent. October marked the second consecutive monthly rate increase after rates dropped from February through August. Between September and October, the area's workforce edged up by 3,000, as the number of unemployed increased by 6,000 and total employment declined by 3,000. October was only the second month in 2017 that the region's total employment level registered a minor reduction. Through the first ten months of year, the metro area's year-to-date average jobless rate was 4.5 percent, which matched the state's 2017 average rate.

From October 2016 to October 2017, the Detroit metropolitan area's jobless rate fell by one and six-tenths percentage points. Since October 2016, total employment advanced by 43,000 or 2.2 percent while the number of unemployed in the region dropped by 33,000. The region outpaced both the state and the nation in total employment growth and unemployment reduction over the year.

Detroit-Warren-Dearborn MSA
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	October 2016	September 2017	October 2017	Change	
				Month	Year
Civilian Labor Force	2,080	2,087	2,090	3	10
Employment	1,965	2,011	2,008	-3	43
Unemployment	115	76	82	6	-33
Rate (Percent)	5.5	3.6	3.9	xxx	xxx

(more)

October Payroll Jobs Up Slightly

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs inched upward in October by 3,000 to 4,410,000. Over-the-month job changes were mixed as gains in *Government* (+4,000), *Leisure and hospitality services* (+3,000) and *Manufacturing* (+2,000) were somewhat offset by reductions in *Education and health services* (-3,000) and *Professional and business services* (-2,000). Michigan's remaining major job sectors were little changed over the month.

Industry Employment Trends and Highlights

- The October statewide job gain was the fifth monthly increase in a row and the eighth monthly advance so far in 2017.
- Payroll job gains in 2017 have been steady, with a job addition of 41,000 since December 2016.
- Minor October job declines were recorded in *Professional and business services* and *Education and health services* after both sectors reached their record high levels in September.
- Jobs in *Leisure and hospitality services* rose for the second consecutive month to reach the sector's third highest level so far in 2017. From August to October, jobs were up by a little over 6,000.
- Jobs in *Trade, transportation and utilities* were essentially flat in October. Over the year, this is the only major sector in Michigan to post a job reduction, albeit a marginal decline of 2,000. *Retail trade* jobs have been trending downward in 2017, and were down by 4,000 since October 2016.
- Since October 2016, payroll jobs in Michigan increased by 45,000 or 1.0 percent, below the 1.4 percent national growth rate over this period.
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing increased slightly over the month, as well as over the year.

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MICHIGAN
Payroll Employment Estimates
Seasonally Adjusted
 (Data in Thousands)

	<u>October</u>	<u>September*</u>	<u>October**</u>	<u>CHANGE***</u>	
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4,365	4,407	4,410	3	45
Natural Resources & Mining	7	7	7	0	0
Construction	159	163	162	-1	3
Manufacturing	602	602	604	2	2
Transportation Equipment	182	176	179	2	-3
Trade, Transportation & Utilities	785	784	783	-1	-2
Retail Trade	473	469	469	1	-4
Information	58	58	58	0	1
Financial Activities	214	219	219	1	5
Professional & Business Services	660	671	670	-2	10
Education & Health Services	667	675	672	-3	5
Leisure & Hospitality Services	434	435	438	3	4
Other Services	172	176	176	0	4
Government	608	619	622	4	14

* Final data for September 2017

** Preliminary data for October 2017

*** Change calculated using unrounded data

Hours & Earnings for Production Workers
Seasonally Adjusted

Manufacturing

	<u>October</u>	<u>September</u>	<u>October</u>	<u>CHANGE</u>	
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$888.32	\$897.12	\$901.84	\$4.72	\$13.52
Average Weekly Hours	42.9	43.0	43.5	0.5	0.6

Transportation Equipment

Average Weekly Earnings	\$1,103.66	\$1,116.96	\$1,128.56	\$11.60	\$24.90
Average Weekly Hours	46.5	47.7	48.1	0.4	1.6

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