

Michigan's December Jobless Rate Remains Unchanged At 4.5 Percent

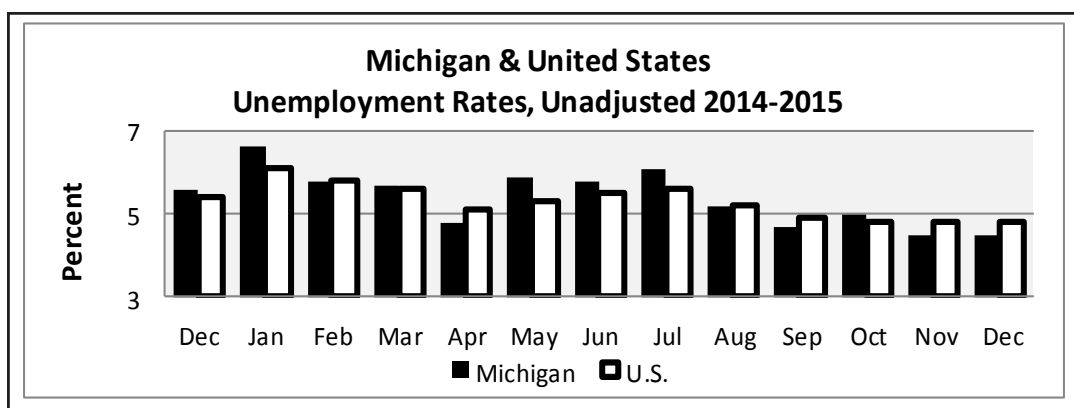
Michigan's unemployment rate (not seasonally adjusted) was unchanged in December at 4.5 percent. During the month, all of Michigan's labor force components remained flat. Both the state's civilian labor force (4,760,000) and total employment (4,546,000) reported no change, while the number of unemployed edged up by 1,000 to 215,000.

Michigan's preliminary annual average jobless rate in 2015 was 5.4 percent, just slightly above the 5.3 percent national annual rate. This was a significant drop of -1.9 percentage points from the annual average of 7.3 percent recorded in 2014. In 2015, Michigan's total employment averaged 4,493,000, the number of the unem-

ployed fell to 256,000, while the state's average annual labor force was 4,749,000. The nation's 2015 annual unemployment rate fell by -0.9 of a percentage point.

2015 marked the sixth consecutive year of annual unemployment rate reductions in Michigan. The state's rate fell by 8.3 percentage points since the recent annual high of 13.7 percent recorded in 2009.

From annual 2014 to annual 2015 the number of unemployed in Michigan dropped by 92,000 or 26.4 percent. Since 2014 annual total employment rose by 91,000 or 2.1 percent, while the state workforce was essentially unchanged.



Michigan December Nonfarm Jobs Decrease Seasonally

Michigan's nonfarm employment moved down during the month of December, as industry jobs contracted to 4,319,000. Total employment fell seasonally by -15,600 during the month with declines recorded in the service-providing and goods producing sectors of the economy.

Service-providing jobs inched down by -4,200 during the month, with seasonal losses in professional and business services (-7,000), mainly

in administrative and support services. Seasonal job cuts also occurred in educational and health services (-2,100), and government (-4,600) as state and local educational facilities released staff for the winter break.

Goods producing employment fell by -11,400 during December, mostly due to seasonal reductions in the construction industry, down by -8,800 (specialty trade contractors and heavy civil engineering construction). The manufacturing sector declined by -2,300 jobs, mainly due to reductions in non-durable goods (-1,400), primarily in food manufacturing.

In December, average weekly hours in Michigan's manufacturing sector edged upward to 44.9, up from 44.7 hours in the previous month, while average hourly earnings rose by four cents to \$21.03. As a result, average weekly earnings in manufacturing climbed to \$944.25, a gain of \$6.00 over the previous month's total.

| HOURS AND EARNINGS, MICHIGAN December & November 2015 | | | | |
|--|-------------------------|-------|----------------------|------|
| | Average Hourly Earnings | | Average Weekly Hours | |
| | 2015 | | 2015 | |
| | DEC | NOV | DEC | NOV |
| Manufacturing | 21.03 | 20.99 | 44.9 | 44.7 |
| Durables | 22.17 | 22.17 | 45.8 | 45.5 |
| Transport Equip | 24.59 | 25.17 | 48.9 | 49.1 |
| Nondurables | 16.92 | 16.79 | 42.1 | 42.0 |

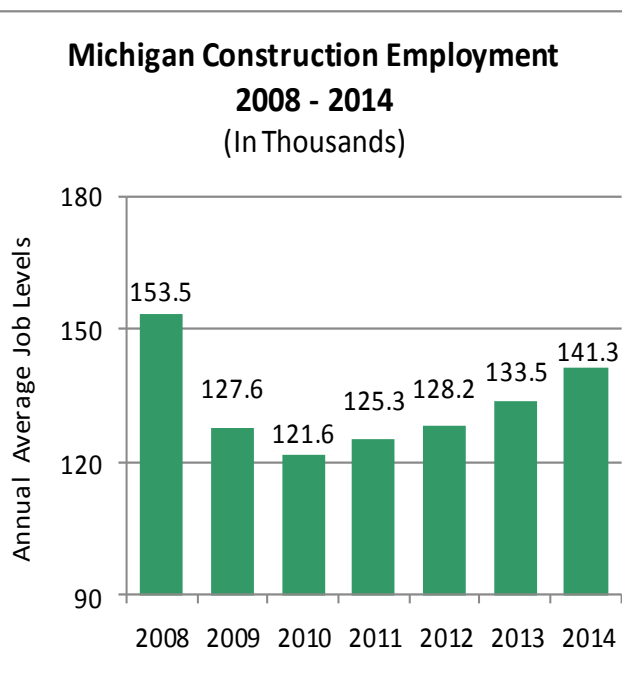
EMPLOYMENT CHANGES IN MICHIGAN'S CONSTRUCTION INDUSTRY 2008-2014

Between the years 2000 and 2010 Michigan's construction industry experienced a very significant employment decline, dropping by -88,100 jobs or -42.0 percent. Similarly, during this period, the two major detailed industries within the construction sector reported major job losses: specialty trade contractors lost -58,900 jobs or -42.5 percent; while heavy and civil engineering construction contracted by -7,800 jobs or -32.4 percent.

However, the economic downturn that seriously impacted Michigan's labor market conditions in the past decade ended in 2011, and the state started to show steady signs of recovery. Both the goods producing sector as a whole and the construction industry in particular benefited from this economic upturn. In 2011 Michigan construction jobs finally posted a minor increase, and the number of jobs in this sector moved up steadily ever since. In 2014 the number of jobs in construction stood at 141,300, an increase of 19,700 or 16.2 percent over 2010.

Additionally, Michigan industry employment projections prepared by the Michigan Bureau of Labor Market Information & Strategic Initiatives expect job gains in construction to continue. Between 2012 and 2022, the construction industry is projected to add 25,190 jobs, an increase of 19.7 percent. In comparison, Michigan's total industry employment is projected to grow during this period by 8.7 percent. Within the construction industry, the sector that is forecast to add the largest number of jobs will be specialty trade contractors, up by 16,330, or 18.9 percent.

Michigan Department of Technology, Management and Budget, Bureau of Labor Market Information & Strategic Initiatives; December 2015.



Michigan (Data In Thousands)

| | Dec 2015 | Nov 2015 | Dec 2014 |
|--------------------------------------|-------------|-------------|-------------|
| Place of Residence | | | |
| Labor Force | 4,760 | 4,760 | 4,712 |
| Employment | 4,546 | 4,546 | 4,448 |
| Unemployment | 215 | 214 | 264 |
| Rate (Percent) | 4.5 | 4.5 | 5.6 |
| Industry Jobs (Place of Work) | | | |
| Total Nonfarm | 4,319 | 4,334 | 4,238 |
| Goods Producing | 766 | 777 | 736 |
| Mining & Logging | 8 | 8 | 8 |
| Construction | 150 | 159 | 139 |
| Manufacturing | 608 | 610 | 589 |
| Durable Goods | 465 | 466 | 451 |
| Fabricated Metals | 81 | 80 | 81 |
| Machinery Manufact. | 72 | 72 | 71 |
| Transportation Equip. | 194 | 194 | 186 |
| Nondurable Goods | 142 | 144 | 137 |
| Service - Providing | 3,553 | 3,557 | 3,502 |
| Trade, Transport & Util. | 787 | 780 | 778 |
| Wholesale Trade | 175 | 174 | 170 |
| Retail Trade | 478 | 475 | 477 |
| Motor Vehicle Dealers | 60 | 60 | 59 |
| Food & Beverage Stores | 75 | 75 | 76 |
| General Merchandise | 118 | 116 | 120 |
| Transp, Warehousing & Util | 135 | 132 | 132 |
| Information | 55 | 55 | 57 |
| Financial Activities | 213 | 212 | 206 |
| Finance & Insurance | 160 | 160 | 154 |
| Real Estate & Rental | 52 | 52 | 52 |
| Prof & Business Services | 647 | 654 | 634 |
| Prof, Scientific & Technical | 281 | 279 | 273 |
| Management of Companies | 59 | 59 | 58 |
| Administrative Support | 307 | 317 | 303 |
| Education & Health Services | 674 | 676 | 655 |
| Education Services | 85 | 87 | 80 |
| Health Care & Social Asst | 589 | 589 | 575 |
| Leisure & Hospitality | 400 | 400 | 392 |
| Arts, Entertainment & Rec | 40 | 42 | 40 |
| Accommodation & Food | 360 | 358 | 351 |
| Other Services | 176 | 174 | 171 |
| Government | 602 | 607 | 609 |
| Federal | 53 | 52 | 52 |
| State | 187 | 190 | 189 |
| Local | 362 | 365 | 369 |

Civilian Labor Force and Nonfarm Jobs Estimates

| | Ann Arbor | | | Battle Creek | | | Bay City | | |
|--------------------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 |
| Place of Residence | | | | | | | | | |
| Labor Force | 191,300 | 191,200 | 186,900 | 64,900 | 65,000 | 64,000 | 53,400 | 53,200 | 53,000 |
| Employment | 186,300 | 185,500 | 180,700 | 62,400 | 62,300 | 60,900 | 51,100 | 50,900 | 50,000 |
| Unemployment | 4,900 | 5,600 | 6,300 | 2,500 | 2,700 | 3,100 | 2,300 | 2,300 | 3,000 |
| Rate (Percent) | 2.6 | 2.9 | 3.3 | 3.9 | 4.1 | 4.8 | 4.3 | 4.3 | 5.6 |
| Place of Work | | | | | | | | | |
| Total Nonfarm Jobs | 217,700 | 217,600 | 213,000 | 59,800 | 60,100 | 59,100 | 37,600 | 37,700 | 37,500 |
| Mining, Logging & Construction | 3,600 | 3,800 | 3,600 | 1,400 | 1,700 | 1,400 | 1,200 | 1,300 | 1,200 |
| Manufacturing | 14,400 | 14,300 | 14,100 | 11,700 | 11,700 | 11,500 | 3,800 | 4,000 | 3,800 |
| Trade, Transport & Utilities | 27,000 | 26,700 | 25,600 | 9,400 | 9,300 | 9,600 | 8,200 | 8,200 | 8,100 |
| Wholesale Trade | 5,200 | 5,200 | 5,100 | * | * | * | * | * | * |
| Retail Trade | 18,300 | 18,100 | 17,100 | 5,900 | 5,900 | 5,900 | 5,400 | 5,300 | 5,400 |
| Information | 5,100 | 5,100 | 5,000 | * | * | * | 500 | 500 | 500 |
| Financial Activities | 7,900 | 7,800 | 7,600 | 1,200 | 1,200 | 1,200 | 1,300 | 1,300 | 1,300 |
| Professional & Business Serv | 27,200 | 27,000 | 27,900 | 6,700 | 6,800 | 6,500 | 4,000 | 3,800 | 3,600 |
| Educational & Health Serv | 27,000 | 27,200 | 26,400 | 11,300 | 11,300 | 11,000 | 6,900 | 7,000 | 6,800 |
| Leisure & Hospitality | 15,900 | 16,300 | 15,000 | 4,600 | 4,700 | 4,500 | 4,600 | 4,500 | 4,900 |
| Other Services | 6,700 | 6,700 | 6,700 | 2,200 | 2,200 | 2,100 | 1,500 | 1,500 | 1,600 |
| Government | 82,900 | 82,700 | 81,100 | 10,700 | 10,800 | 10,600 | 5,600 | 5,600 | 5,700 |

| | Detroit-Warren-Dearborn (Data in Thousands) | | | Flint | | | Grand Rapids-Wyoming | | |
|--------------------------------|--|-------------|-------------|-------------|-------------|-------------|----------------------|-------------|-------------|
| | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 |
| Place of Residence | | | | | | | | | |
| Labor Force | 2,005 | 2,002 | 2,003 | 184,500 | 184,500 | 184,700 | 561,700 | 561,500 | 541,900 |
| Employment | 1,896 | 1,898 | 1,874 | 176,000 | 175,700 | 174,000 | 546,000 | 544,700 | 521,800 |
| Unemployment | 109 | 105 | 129 | 8,500 | 8,800 | 10,700 | 15,600 | 16,800 | 20,100 |
| Rate (Percent) | 5.4 | 5.2 | 6.5 | 4.6 | 4.8 | 5.8 | 2.8 | 3.0 | 3.7 |
| Place of Work | | | | | | | | | |
| Total Nonfarm Jobs | 1,968 | 1,968 | 1,929 | 143,100 | 143,500 | 143,400 | 542,600 | 543,700 | 522,800 |
| Mining, Logging & Construction | 69 | 73 | 64 | 4,300 | 4,500 | 4,100 | 22,000 | 22,200 | 19,000 |
| Manufacturing | 252 | 252 | 248 | 12,400 | 12,500 | 12,500 | 110,800 | 110,700 | 104,400 |
| Trade, Transport & Utilities | 373 | 368 | 365 | 31,900 | 31,500 | 32,000 | 93,400 | 93,200 | 92,300 |
| Wholesale Trade | 88 | 87 | 86 | 6,100 | 6,000 | 6,000 | 30,000 | 29,900 | 29,200 |
| Retail Trade | 217 | 215 | 214 | 21,200 | 21,100 | 21,600 | 49,300 | 49,300 | 49,200 |
| Information | 27 | 27 | 28 | 4,300 | 4,200 | 4,000 | 5,300 | 5,200 | 5,400 |
| Financial Activities | 112 | 111 | 106 | 6,300 | 6,300 | 6,300 | 25,800 | 25,900 | 25,000 |
| Professional & Business Serv | 380 | 381 | 369 | 15,000 | 15,300 | 15,200 | 79,700 | 81,800 | 79,100 |
| Educational & Health Serv | 312 | 313 | 305 | 29,000 | 29,200 | 28,600 | 88,500 | 88,100 | 85,000 |
| Leisure & Hospitality | 183 | 182 | 178 | 15,100 | 15,100 | 15,400 | 48,200 | 47,500 | 44,400 |
| Other Services | 79 | 78 | 79 | 5,700 | 5,800 | 5,700 | 21,800 | 21,600 | 21,500 |
| Government | 182 | 184 | 186 | 19,100 | 19,100 | 19,600 | 47,100 | 47,500 | 46,700 |

* Data Not Available

Civilian Labor Force and Nonfarm Jobs Estimates

| | Jackson | | | Kalamazoo-Portage | | | Lansing-East Lansing | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|
| | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 |
| Place of Residence | | | | | | | | | |
| Labor Force | 72,800 | 72,900 | 72,300 | 166,600 | 166,400 | 162,100 | 242,400 | 244,500 | 239,800 |
| Employment | 69,900 | 69,800 | 68,600 | 160,700 | 160,200 | 154,500 | 234,700 | 236,200 | 229,800 |
| Unemployment | 2,900 | 3,000 | 3,700 | 5,900 | 6,200 | 7,600 | 7,700 | 8,300 | 10,000 |
| Rate (Percent) | 4.0 | 4.2 | 5.1 | 3.5 | 3.7 | 4.7 | 3.2 | 3.4 | 4.2 |
| Place of Work | | | | | | | | | |
| Total Nonfarm Jobs | 56,500 | 56,700 | 56,100 | 146,200 | 146,400 | 141,500 | 228,700 | 231,200 | 226,200 |
| Mining, Logging & Construction | 1,700 | 1,800 | 1,700 | 5,400 | 5,600 | 4,900 | 7,000 | 7,500 | 6,300 |
| Manufacturing | 9,900 | 9,900 | 9,700 | 20,900 | 20,900 | 20,500 | 20,800 | 20,700 | 20,100 |
| Trade, Transport & Utilities | 13,600 | 13,400 | 13,300 | 25,600 | 25,300 | 24,700 | 35,700 | 35,500 | 35,900 |
| Wholesale Trade | * | * | * | 7,000 | 7,000 | 6,800 | 5,900 | 5,900 | 5,800 |
| Retail Trade | 7,100 | 7,000 | 7,100 | 15,200 | 15,000 | 14,600 | 20,700 | 20,700 | 21,400 |
| Information | 400 | 300 | 400 | 900 | 900 | 900 | 2,700 | 2,700 | 2,800 |
| Financial Activities | 1,900 | 1,800 | 1,900 | 8,100 | 8,100 | 7,900 | 15,700 | 15,600 | 15,300 |
| Professional & Business Serv | 3,700 | 3,800 | 3,800 | 16,600 | 16,800 | 16,600 | 21,100 | 21,900 | 21,100 |
| Educational & Health Serv | 10,100 | 10,400 | 10,000 | 23,300 | 23,400 | 22,800 | 31,600 | 31,500 | 31,500 |
| Leisure & Hospitality | 4,800 | 4,700 | 4,900 | 16,500 | 16,300 | 14,800 | 20,000 | 19,800 | 18,800 |
| Other Services | 2,600 | 2,600 | 2,600 | 5,800 | 5,700 | 5,700 | 10,600 | 10,500 | 10,400 |
| Government | 7,800 | 8,000 | 7,800 | 23,100 | 23,400 | 22,700 | 63,500 | 65,500 | 64,000 |
| | | | | | | | | | |
| | Midland | | | Monroe | | | Muskegon | | |
| | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 |
| Place of Residence | | | | | | | | | |
| Labor Force | 41,800 | 41,700 | 41,200 | 76,500 | 76,700 | 75,200 | 77,600 | 77,900 | 76,100 |
| Employment | 40,200 | 40,100 | 39,300 | 73,900 | 74,000 | 72,000 | 74,300 | 74,300 | 71,700 |
| Unemployment | 1,600 | 1,600 | 1,900 | 2,600 | 2,800 | 3,200 | 3,300 | 3,600 | 4,300 |
| Rate (Percent) | 3.8 | 3.9 | 4.6 | 3.3 | 3.6 | 4.3 | 4.2 | 4.6 | 5.7 |
| Place of Work | | | | | | | | | |
| Total Nonfarm Jobs | 38,400 | 38,500 | 37,900 | 42,800 | 43,400 | 42,100 | 64,800 | 65,000 | 63,200 |
| Mining, Logging & Construction | * | * | * | 2,500 | 2,800 | 2,300 | 2,000 | 2,000 | 1,900 |
| Manufacturing | * | * | * | 6,000 | 6,000 | 5,500 | 13,400 | 13,400 | 13,300 |
| Trade, Transport & Utilities | * | * | * | 11,200 | 11,200 | 11,200 | 14,500 | 14,400 | 13,800 |
| Wholesale Trade | * | * | * | 1,800 | 1,800 | 1,800 | * | * | * |
| Retail Trade | * | * | * | 5,900 | 5,900 | 6,000 | 11,200 | 11,100 | 11,200 |
| Information | * | * | * | * | * | * | 800 | 800 | 800 |
| Financial Activities | * | * | * | 1,100 | 1,100 | 1,100 | 1,800 | 1,800 | 1,800 |
| Professional & Business Serv | * | * | * | 4,600 | 4,700 | 4,500 | 3,800 | 3,800 | 3,600 |
| Educational & Health Serv | * | * | * | 5,700 | 5,800 | 5,700 | 12,500 | 12,700 | 11,900 |
| Leisure & Hospitality | * | * | * | 4,800 | 4,900 | 4,700 | 6,700 | 6,700 | 6,400 |
| Other Services | * | * | * | 1,600 | 1,600 | 1,600 | 2,300 | 2,300 | 2,300 |
| Government | 3,200 | 3,200 | 3,100 | 5,200 | 5,200 | 5,300 | 7,000 | 7,100 | 7,400 |

* Data Not Available

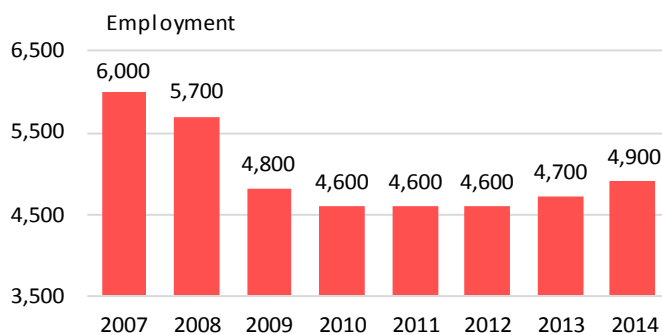
Civilian Labor Force and Nonfarm Jobs Estimates

| | Niles-Benton Harbor | | | Saginaw | | |
|--------------------------------|---------------------|-------------|-------------|-------------|-------------|-------------|
| | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 |
| <i>Place of Residence</i> | | | | | | |
| Labor Force | 73,700 | 73,900 | 72,000 | 90,900 | 90,500 | 89,500 |
| Employment | 70,700 | 70,800 | 68,300 | 87,000 | 86,500 | 84,600 |
| Unemployment | 3,000 | 3,100 | 3,800 | 3,900 | 4,000 | 4,900 |
| Rate (Percent) | 4.0 | 4.2 | 5.2 | 4.2 | 4.4 | 5.5 |
| <i>Place of Work</i> | | | | | | |
| Total Nonfarm Jobs | 62,400 | 62,700 | 60,500 | 91,500 | 91,400 | 89,600 |
| Mining, Logging & Construction | 1,800 | 1,900 | 1,800 | 2,900 | 3,000 | 2,500 |
| Manufacturing | 13,500 | 13,500 | 13,100 | 12,400 | 12,400 | 11,900 |
| Trade, Transport & Utilities | 10,500 | 10,400 | 10,700 | 18,000 | 18,000 | 17,700 |
| Wholesale Trade | * | * | * | 2,300 | 2,400 | 2,400 |
| Retail Trade | 6,700 | 6,700 | 6,800 | 13,300 | 13,300 | 12,900 |
| Information | 500 | 500 | 500 | 1,300 | 1,300 | 1,300 |
| Financial Activities | 2,200 | 2,200 | 2,200 | 3,700 | 3,600 | 3,700 |
| Professional & Business Serv | 5,700 | 5,800 | 5,500 | 11,400 | 11,600 | 11,700 |
| Educational & Health Serv | 9,200 | 9,300 | 9,000 | 17,200 | 16,900 | 16,300 |
| Leisure & Hospitality | 7,400 | 7,500 | 6,400 | 9,200 | 9,200 | 9,600 |
| Other Services | 2,400 | 2,300 | 2,400 | 3,800 | 3,700 | 3,600 |
| Government | 9,200 | 9,300 | 8,900 | 11,600 | 11,700 | 11,300 |

* Data Not Available

| | Upper Peninsula | | | Northeast Michigan | | | Northwest Michigan | | |
|---------------------------|-----------------|-------------|-------------|--------------------|-------------|-------------|--------------------|-------------|-------------|
| | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 | Dec 2015 | Nov 2015 | Dec 2014 |
| <i>Place of Residence</i> | | | | | | | | | |
| Labor Force | 140,900 | 141,300 | 140,900 | 81,200 | 81,400 | 80,400 | 145,800 | 145,200 | 144,500 |
| Employment | 132,800 | 133,600 | 131,300 | 75,500 | 76,100 | 73,600 | 138,600 | 138,300 | 135,300 |
| Unemployment | 8,100 | 7,700 | 9,500 | 5,800 | 5,400 | 6,900 | 7,300 | 6,900 | 9,200 |
| Rate (Percent) | 5.7 | 5.5 | 6.8 | 7.1 | 6.6 | 8.5 | 5.0 | 4.7 | 6.4 |

**Total Natural Resources, Mining and
Construction Employment In the Kalamazoo-
Portage MSA, 2007-2014**



REGIONAL FOCUS

Total Employment in Natural Resources, Mining & Construction, Kalamazoo-Portage MSA 2007 - 2014

Employment in the Kalamazoo-Portage MSA's Natural Resources, Mining & Construction sector declined sharply from 2008 - 2010 due to the housing crisis. From 2010 through 2012, employment in this sector bottomed out and held steady at 4,600. In 2013, employment in this sector reported a small gain. This modest job growth was due mainly to general recovery in the state's economy. In 2014 employment in this sector moved up again and reached 4,900 jobs, still well below pre-recessionary levels.

December Unemployment Rates Decline Slightly In Most Of Michigan's Labor Market Areas

Seasonally unadjusted December jobless rates contracted in 12 of Michigan's 17 regional major labor market areas. Total employment levels moved up in 10 areas with advances ranging from 0.1 to 0.6 percent.

From November to December, jobless rate declines in the 12 areas were modest, ranging from -0.1 to -0.4 of a percentage point with a median drop of -0.2 of a percentage point. Over the month jobless rates increased in four areas, including the Detroit Metropolitan Statistical Area (MSA) and the Upper Peninsula, both up by 0.2 of a percentage point, and the Northeast (+0.5) and Northwest Lower Michigan (+0.3) regions. The unemployment rate in the Bay City MSA was unchanged in December.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate for the month at 2.6 percent, followed by the Grand Rapids-Wyoming and

Lansing-East Lansing MSAs with 2.8 and 3.2 percent, respectively. The highest jobless rate in the month of December was recorded by the Northeast Lower Michigan region at 7.1 percent.

Preliminary annual average data indicate that jobless rates fell significantly from 2014 to 2015 in all major regions of the state. Over-the-year rate decreases ranged from -1.2 to -2.3 percentage points with a median drop of -1.7 percentage points. The largest rate reductions over this period were posted in the Detroit-Warren-Dearborn MSA and the Northeast Lower Michigan region, with both moving down by -2.3 percentage points. The unemployment rate declines over the year in Michigan's major labor markets compare favorably with the -0.9 of a percentage point reduction nationally since 2014.

Payroll Jobs Decrease Seasonally In Most Of Michigan's Metropolitan Areas During December

Total nonfarm jobs contracted in most of Michigan's 14 MSAs during the month of December. Among the areas, the Monroe and Lansing MSAs had the highest job reductions at -1.4 and -1.1 percent, respectively. The two areas posting job gains were the Ann Arbor and Saginaw MSAs, both up slightly by 0.1 percent. The Detroit and Midland MSAs reported no rate changes for the month.

The service-providing sector revealed a mixed picture in December with seven areas showing declines, three areas reporting no change, and four areas experiencing minor gains for the month. The areas posting the largest job decreases in the service-providing sector were the Lansing and Monroe MSAs down by -1.0 and -0.9 percent, respectively. Job declines were often posted in professional and business services (mainly in administrative and support services) and private educational services.

Seasonal job losses were also reported in state and local government, often in areas with universities and other large educational facilities. Among the areas experiencing the largest percentage job contractions in government were the Lansing MSA (-3.1 percent) and Kalamazoo MSA (-1.3 percent). Most other major sectors (information, financial activities and other services) remained flat. Retail trade was one sector posting some seasonal job increases, with seven areas experiencing gains and the other seven areas showing no changes for the month.

In the goods producing sector, payroll jobs contracted in all but one area, chiefly due to seasonal reductions in the

construction industry, particularly in specialty trade contractors and heavy and civil engineering construction. Among the MSAs posting job reductions in construction, the Battle Creek MSA (-17.7 percent) and the Monroe MSA (-10.7 percent) experienced the largest declines.

In the manufacturing sector, nine areas reported no changes, two areas posted minor reductions, and three MSAs, Ann Arbor (+0.7 percent), Lansing (+0.5 percent) and Grand Rapids (+0.1 percent) experienced minor gains.

In Michigan's goods producing sector, December average weekly earnings in construction increased by \$31.14, following gains in average weekly hours worked in most of the sector's detailed industries. Foundation, Structure and Building Exterior Contractors reported the highest weekly wage gain at \$100.55. In the manufacturing sector, average weekly wage edged up by \$6.00 following a minor gain in overtime hours worked in durable goods. Transportation equipment posted a loss of -\$33.40, bringing the sector's weekly earnings down to \$1,202.45. Nondurable goods reported a minor gain in average weekly earnings, expanding by \$7.15 for the month.

In the service-providing sector all but one industry had losses in weekly earning. The largest drop was posted by health care and social assistance, down by -\$13.98, followed by professional and business services (-\$8.34), financial activities (-\$7.74) and retail trade (-\$2.04). The only industry showing a gain for the month was leisure and hospitality services, up by +\$2.46.

**HOURS AND EARNINGS
For Selected Industries In Michigan
December and November 2015**

| Area | Average Weekly Hours | | Average Hourly Earnings | | Average Weekly Earnings | |
|----------------------------------|----------------------|----------|-------------------------|----------|-------------------------|----------|
| | December | November | December | November | December | November |
| Construction | 41.1 | 40.0 | 25.04 | 24.95 | 1,029.14 | 998.00 |
| Manufacturing | 44.9 | 44.7 | 21.03 | 20.99 | 944.25 | 938.25 |
| Durable Goods | 45.8 | 45.5 | 22.17 | 22.17 | 1,015.39 | 1,008.74 |
| Transportation Equipment | 48.9 | 49.1 | 24.59 | 25.17 | 1,202.45 | 1,235.85 |
| Nondurable Goods | 42.1 | 42.0 | 16.92 | 16.79 | 712.33 | 705.18 |
| Retail Trade | 30.1 | 29.6 | 13.67 | 13.97 | 411.47 | 413.51 |
| Financial Activities | 36.4 | 36.0 | 22.95 | 23.42 | 835.38 | 843.12 |
| Professional & Business Services | 33.8 | 35.8 | 24.04 | 22.93 | 812.55 | 820.89 |
| Health Care & Social Assistance | 31.4 | 31.6 | 20.92 | 21.23 | 656.89 | 670.87 |
| Leisure & Hospitality | 22.7 | 22.6 | 11.00 | 10.94 | 249.70 | 247.24 |

**CONSUMER PRICE INDEX (CPI)
DETROIT METROPOLITAN AREA
DECEMBER 2015**

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics (BLS) publishes three main CPI series: 1) CPI for All Urban Consumers (CPI-U), 2) CPI for Urban Wage Earners and Clerical Workers (CPI-W), and 3) Chained CPI for all urban consumers (C-CPI-U). The (CPI-U) and the C-CPI-U cover about 88 percent of the U.S. population, while the CPI-W covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial and technical workers, the unemployed, retirees and others not in the labor force.

The CPI is based on prices of various categories of consumer spending - such as food, clothing, shelter, fuels, and medical services - that people buy for day-to-day living. CPI data is published for the U.S., four major regions, metropolitan areas and nonmetropolitan urban areas. The CPI data for the Detroit-Ann Arbor-Flint Consolidated Metropolitan Statistical Area (CMSA) is published every other month.

Consumer prices (CPI-U) in the Detroit CMSA fell from an average of 220.5 index points in October 2015 to an average of 217.8 points in December 2015. This -1.2 percent decrease was due mostly to lower costs for apparel, down by -9.7 percent, and transportation (-6.0 percent). The major categories reporting a price increase for the period were: recreation, up by 0.8 percent, housing (+0.2 percent) and education and communication (+0.2 percent). Prices for food and beverages and medical care remained unchanged for the period. Prices for energy in general contracted by -12.0 percent.

**ALL URBAN CONSUMERS (CPI-U)
DETROIT METROPOLITAN AREA
DECEMBER 2015**

| | Index Number For December 2015 | Percent Change From Oct. 2015 To Dec. 2015 |
|--------------------------------|--|---|
| Detroit Metro All Items | 217.8 | -1.2 |
| Food And Beverages | 221.0 | 0.0 |
| Food At Home | 212.3 | +0.7 |
| Food Away From Home | 233.8 | -1.2 |
| Housing | 202.1 | +0.2 |
| Shelter | 228.2 | +0.1 |
| Fuels & Utilities | 239.8 | +0.4 |
| Apparel | 110.8 | -9.7 |
| Transportation | 217.5 | -6.0 |
| Motor Fuel | 166.1 | -24.5 |
| Medical Care | 405.5 | 0.0 |
| Education & Communicat. | 146.5 | +0.2 |
| Recreation | 112.9 | +0.8 |
| Energy | 181.6 | -12.0 |



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Labor Market News

UNIVERSITY OF MICHIGAN INFLATION AND INCOME OUTLOOK, 2015 - 2017

Periodically the University of Michigan’s forecasting group (Research Seminar in Quantitative Economics - RSQE) prepares projections for indicators of the state’s economy. In November of 2015 a new forecast was published, including information on expected inflation and income growth in Michigan from 2015 through 2017.

The RSQE economists observe that local inflation as measured by the Detroit Consumer Price Index (CPI) is expected to fall by -1.4 percent during 2015. The drop was caused by a strong decline in energy prices, along with little or no changes in core items. (Core items are all the items included in the CPI, excluding food and energy. For example, Housing, Medical Care and Education & Communication are core items). However, energy prices and core inflation will move up slightly in the next two years and local inflation will rise to 1.6 percent in 2016 and 2.4 percent in 2017.

Personal income will advance by 4.1 percent in 2015 and is forecast to grow by 4.4 and 4.3 percent in 2016 and 2017, respectively. These gains are caused by increases in wage and salaries and property income (interest, dividends and rent).

In 2015 the growth in real disposable income (personal income adjusted to taxes and inflation) will advance by 5.0 percent reflecting a drop in the CPI. In 2016 and 2017, as minor inflation returns along with a larger increase in federal income taxes, the growth of real disposable income will decline to 2.8 and 1.7 percent, respectively.

Source: *Research Seminar in Quantitative Economics (RSQE), University of Michigan, November 2015*

