

MICHIGAN'S LABOR MARKET NEWS

VOL. 76, ISSUE NO. 1
MARCH 2020

Michigan's Labor Force Projections Through 2028

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January Michigan jobless rate inched down by 0.1 percentage point.

JANUARY 2020 JOBLESS RATE

MICHIGAN
3.8%
NATIONAL
3.6%

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Michigan Department of Labor and Economic Opportunity



BRUCE WEAVER
EDITOR
Economic Manager
WeaverB1@michigan.gov



JIM BIRNEY
REGIONAL CONTRIBUTOR
Economic Analyst
BirneyJ@michigan.gov



EVAN LINSKEY
CONTRIBUTOR
Economic Analyst
LinskeyE@michigan.gov



MARK REFFITT
PROJECT MANAGER
Economic Specialist
ReffittM@michigan.gov



KEVIN DOYLE
CONTRIBUTOR
Employment Projections Specialist
DoyleK4@michigan.gov



LEONIDAS MUREMBYA
REGIONAL CONTRIBUTOR
Economic Specialist
MurembyaL@michigan.gov



HAILEY BARRUS
DESIGNER
Communications Representative
BarrusH1@michigan.gov



ERIC GUTHRIE
CONTRIBUTOR
State Demographer
GuthrieE@michigan.gov



SHIBANI PUTATUNDA
CONTRIBUTOR
Economic Specialist
PutatundaS@michigan.gov



JEFFREY AULA
CONTRIBUTOR
Economic Analyst
AulaJ@michigan.gov



ALAN LEACH
CONTRIBUTOR
Demographic Analyst
LeachA1@michigan.gov



ASHLEY TARVER
CONTRIBUTOR
Demographic Analyst
TarverA2@michigan.gov

IT'S BIGGER THAN DATA.

The Bureau of Labor Market Information and Strategic Initiatives is your one-stop shop for information and analysis on Michigan's population, labor market, and more.

- Our Federal-State Programs division runs the state's cooperative agreements with the U.S. Bureau of Labor Statistics and the U.S. Census Bureau, making us the official source for this information.
- Our Research and Evaluation division conducts workforce research and program evaluation, giving you the insight you need to make smarter decisions.

In January, the Michigan jobless rate edged lower to 3.8 percent as employment rose slightly from December levels. Annually, the rate was four-tenths of a point lower, mirroring the national trend. Payroll jobs were little changed over the month and up 0.5 percent over the year.

As we publish this month's issue, it is important to acknowledge the current and developing economic situation resulting from the COVID-19 pandemic has undoubtedly impacted national and international labor markets. The data that we present in this issue reflects time periods before the pandemic reached Michigan or were produced before the COVID-19 pandemic was foreseeable. We discuss this topic more in this month's *Ask the Economist*, found in the back of this issue.

Despite these challenges, we are excited to publish our newly produced labor force projections through 2028 for Michigan and its counties. Our *Feature Article* this month provides a summary of these data and how they were put together, while our *Map of the Month* illustrates how Michigan compares to other states in terms of labor force change since 2005. In our *Relevant Rankings*, we take a look at Michigan's rank in terms of February 2020 labor force participation rates as well as Michigan county rankings by projected labor force growth through 2028.

We hope you enjoy this issue of *Michigan's Labor Market News*. Please let us know if there is something you would like to know more about.



JASON PALMER
DIRECTOR

Bureau of Labor Market Information and Strategic Initiatives
PalmerJ2@michigan.gov



MICHIGAN UNEMPLOYMENT RATE EDGES DOWN IN JANUARY

Michigan's seasonally adjusted jobless rate inched down by a tenth of a percentage point between December 2019 and January 2020 to 3.8 percent. The number of employed advanced by 10,000 over the month while unemployment receded by 4,000. The state labor force displayed a small monthly gain of 6,000 in January. The state's January jobless rate was the lowest recorded since August of 2000.

The national jobless rate moved up by a tenth of a percentage point in January to 3.6 percent, slightly below the Michigan rate. Over the year, both Michigan and the U.S. had the same rate decline of four-tenths of a percentage point.

Michigan's total workforce has been relatively flat, up by a mere 0.1 percent both over the month and over the year. However, the January 2020 labor force level of 4,947,000 was the highest total registered in the state since June of 2009. Michigan's total employment count rose by 0.2 percent over the month and 0.6 percent

over the year. Total unemployment in the state fell by 2.1 percent in January and by 9.7 percent over the year.

Detroit Metro Region Annual Average Unemployment Rate Remains Constant in 2019

The second figure on the following page displays the annual average jobless rates for the Detroit-Warren-Dearborn Metropolitan Statistical Area (MSA) for the period from 2009 to 2019. The 2009 rate of 15.1 percent was one of the highest rates ever recorded for the region (surpassed only by the 1983 average jobless rate of 15.7 percent).

From 2009 to 2018, the region recorded steady reductions in the unemployment rate, culminating in a low of 4.3 percent in 2018. During this period, the largest annual jobless rate cut occurred between 2010 and 2011, when the Detroit annual rate fell by 2.5 percentage points.

The Detroit region's 2018 jobless rate of 4.3 percent was 10.8 percentage points below the peak recessionary 2009 rate. The Michigan jobless rate was unchanged in 2019, thus ending a nine-year period of annual jobless rate declines. The unemployment rate of 4.3 percent in 2018 and 2019 was the lowest seen in the Detroit MSA since the year 2000 (3.4 percent).

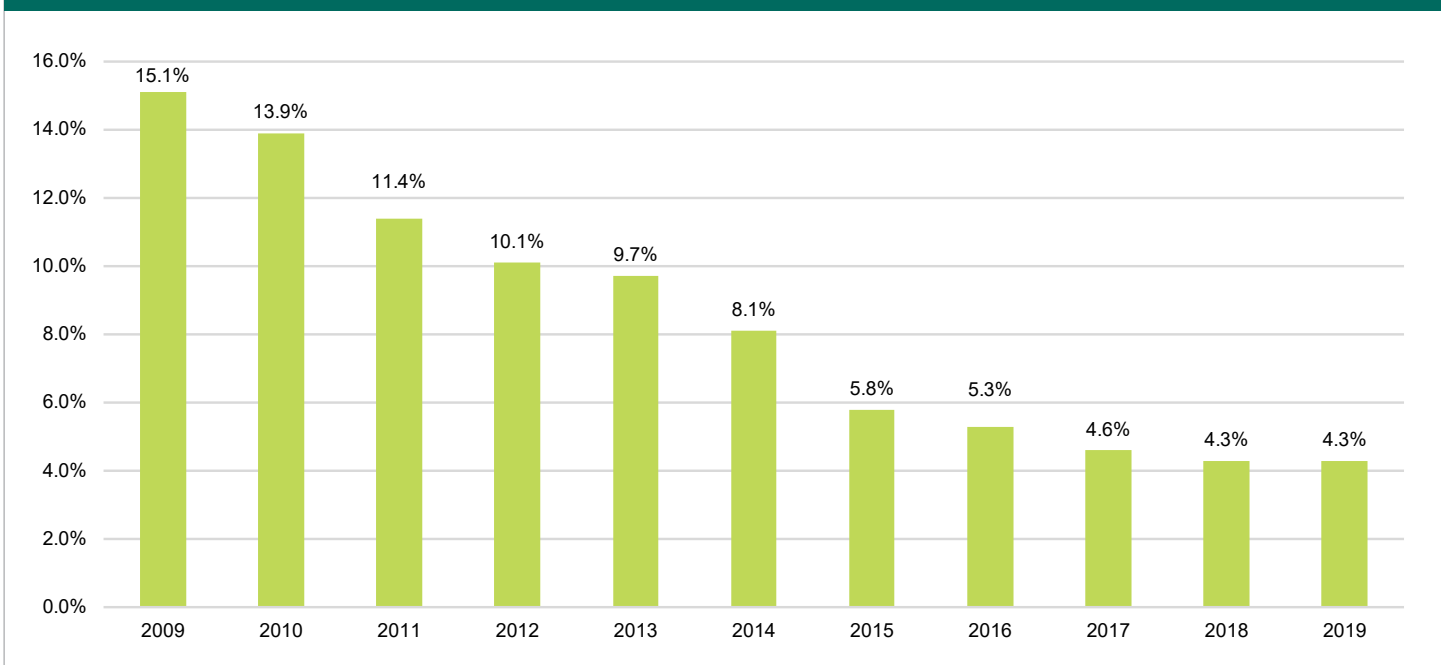
Between 2018 and 2019, the Detroit MSA annual employment total rose by 23,000, or 1.1 percent. Unemployment edged up by 2,000, or 2.2 percent. The result was a net workforce advance of 25,000 over the year, or 1.2 percent. The 2019 Detroit annual labor force total of 2,162,000 was the highest seen in the region since 2006 (2,189,000).

SHIBANI PUTATUNDA
Economic Specialist

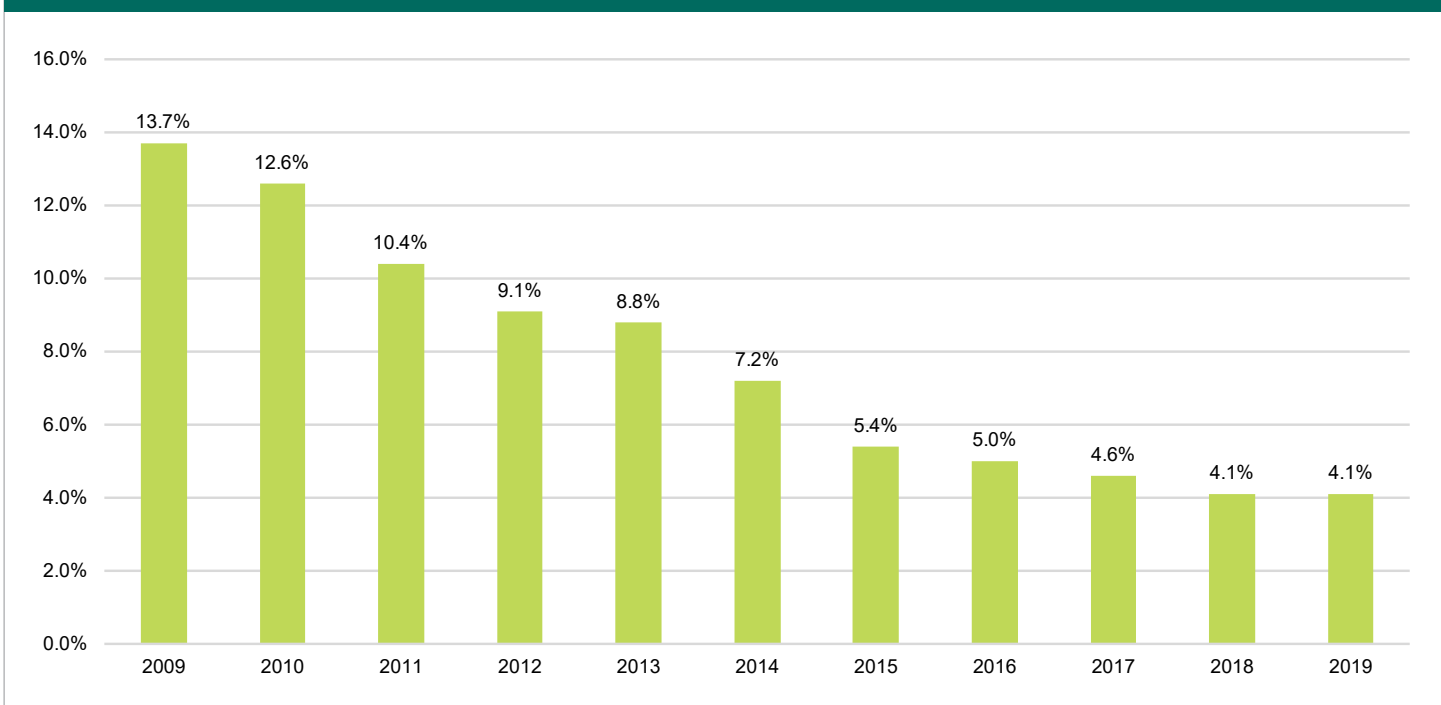
MICHIGAN LABOR FORCE ESTIMATES (SEASONALLY ADJUSTED)

	JANUARY 2020	DECEMBER 2019	JANUARY 2019	CHANGE OVER THE MONTH	CHANGE OVER THE YEAR
Labor Force	4,947,000	4,941,000	4,940,000	+6,000	+7,000
Employed	4,760,000	4,750,000	4,733,000	+10,000	+27,000
Unemployed	187,000	191,000	207,000	-4,000	-20,000
Jobless Rate	3.8	3.9	4.2	-0.1	-0.4

DETROIT MSA ANNUAL AVERAGE JOBLESS RATE, 2009–2019



MICHIGAN ANNUAL AVERAGE JOBLESS RATE, 2009–2019



MICHIGAN JOB TRENDS BY INDUSTRY SECTOR

Monthly Overview

Michigan nonfarm job levels were essentially unchanged during January, notching higher by 400 to total 4,449,700. Job gains were concentrated in *Professional and business services* (+3,800), *Construction* (+2,600), and *Financial activities* (+1,400). These job advances were offset by payroll declines in *Government* (-3,400), *Other services* (-1,900), *Education and health services* (-1,700), and *Trade, transportation, and utilities* (-1,300). Job levels in the state's key *Transportation equipment manufacturing* sector rose by 1,200 over the month.

Over the Year Analysis

Since January 2019, total Michigan payroll jobs increased by 20,000, or 0.5 percent. This was well under the 1.4 percent growth rate nationally during this period. In Michigan, the major sectors of *Construction* (+7,600), *Financial activities* (+6,800), *Trade, transportation, and utilities* (+5,300), *Government* (+3,800), and *Education and health services* (+2,100) led the way in over the year job gains. Job cuts since January 2019 occurred primarily in *Other services* (-3,800), *Leisure and hospitality* (-1,100), and *Information* (-800).

Michigan 2019 Annual Average Job Performance

Industry job estimates have recently been revised for 2018 and 2019. This data shows that total nonfarm employment in Michigan grew by 14,900 during 2019 or by 0.3 percent. This was well below the 1.4 percent job advance nationally for this period.

In Michigan, 2019 marked the ninth consecutive year of payroll job expansion. The 2019 performance, however, was below the 1.1 percent growth in 2018 and 2017, and was the lowest rate of annual job growth since payrolls started to expand in 2011.

The industry sectors with larger than average percent job gains during 2019 included *Construction* (+2.5 percent), *Financial activities* (+1.7 percent), *Mining and logging* (+1.1 percent), *Government* (+0.8 percent), *Education and health services* (+0.6 percent), and *Trade, transportation, and utilities* (+0.6 percent).

The *Information* (-1.4 percent) sector recorded a third consecutive year of payroll job loss and employment levels in *Transportation equipment manufacturing* declined by 1.5 percent during 2019.

Significant Industry Employment Developments

CONSTRUCTION

January job levels in this sector rose on a seasonally adjusted basis by 2,600. Part of this increase was due to smaller than typical seasonal job reductions in *Heavy and civil engineering construction* and *Specialty trade contractors*. On an annual average basis, job levels advanced by 4,300, marking nine consecutive years of expansion. Since January 2019, employment gains totaled 7,600 for an increase of 4.4 percent. Nationally, job levels moved up by 49,000 over the month and by 2.0 percent over the year.

EDUCATION AND HEALTH SERVICES

Payrolls in *Education and health services* declined by 1,700 over the month. This contraction occurred in the *Health care and social assistance* (-2,200) subsector and was primarily the result of larger than typical payroll reductions in *Home health care services*, *Nursing and residential care facilities*, and *Individual and family services*. Jobs in *Education services* increased by 500 positions. During 2019, payrolls moved up by 4,100 or by 0.6 percent. This was somewhat lower than the 1.1 percent advance recorded in 2018. Between January 2019 and January 2020, job totals increased by 2,100 or 0.3 percent. Nationally, employment rose by 72,000 over the month and by 2.7 percent over the year.

TRANSPORTATION, WAREHOUSING, AND UTILITIES

The number of jobs in this sector declined by 2,500 in January. This decrease was due to a significant seasonal reduction in the number of jobs in *Warehousing and storage*. This broad sector in 2019 had one of the fastest rates of job expansion, up by 10,700 or 7.2 percent. Since January 2019, job totals advanced by 8,500 or 5.4 percent. These growth rates partially reflect the impact of online shopping preferences of consumers, and the resultant demand for

warehouse and delivery operations in Michigan. Nationally, employment increased by 28,800 over the month and by 1.6 percent over the year.

Metropolitan Statistical Areas (MSAs)

On a not seasonally adjusted basis, total nonfarm jobs declined in every Metropolitan Statistical Area (MSA) during January. Statewide, payrolls contracted by 2.1 percent over the month.

Seven MSAs recorded job cuts below the statewide average, ranging from -1.3 percent in Benton Harbor to -2.0 percent in Kalamazoo and Bay City. Seven metro areas reported declines greater than the statewide average, led by a 3.4 percent job loss in Saginaw.

A primary cause for the reductions in total nonfarm employment in the metro areas was seasonal payroll job cuts in *Retail trade* and the education components of *State and Local government*. Lower winter staffing needs in the *Construction* and *Leisure and hospitality* sectors also played a part in these overall seasonal job contractions.

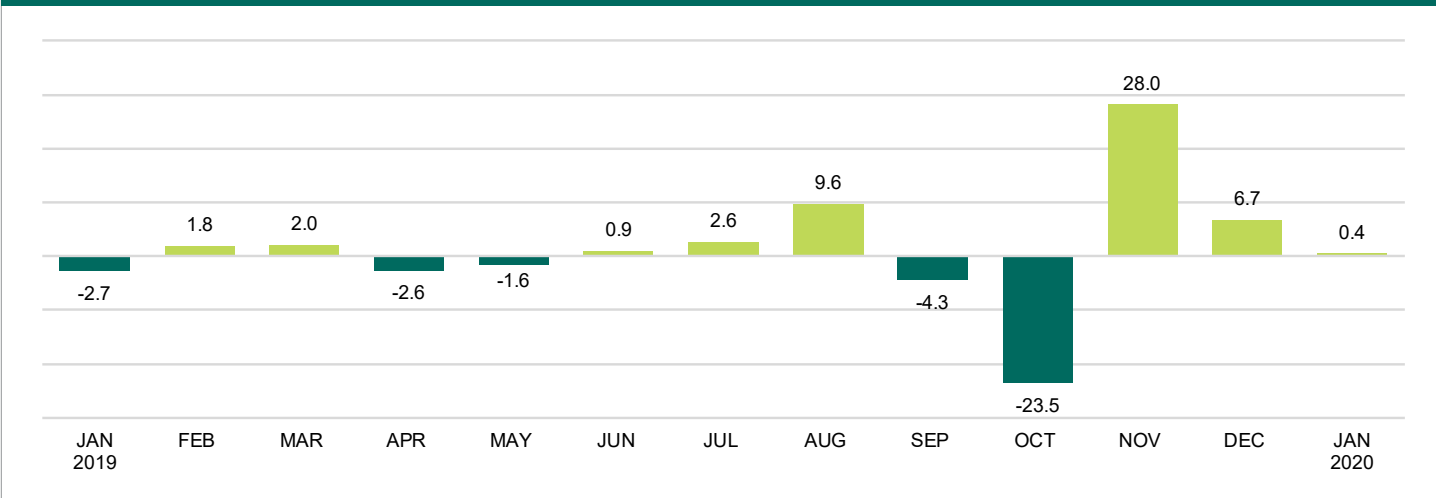
JEFFREY AULA
Economic Analyst



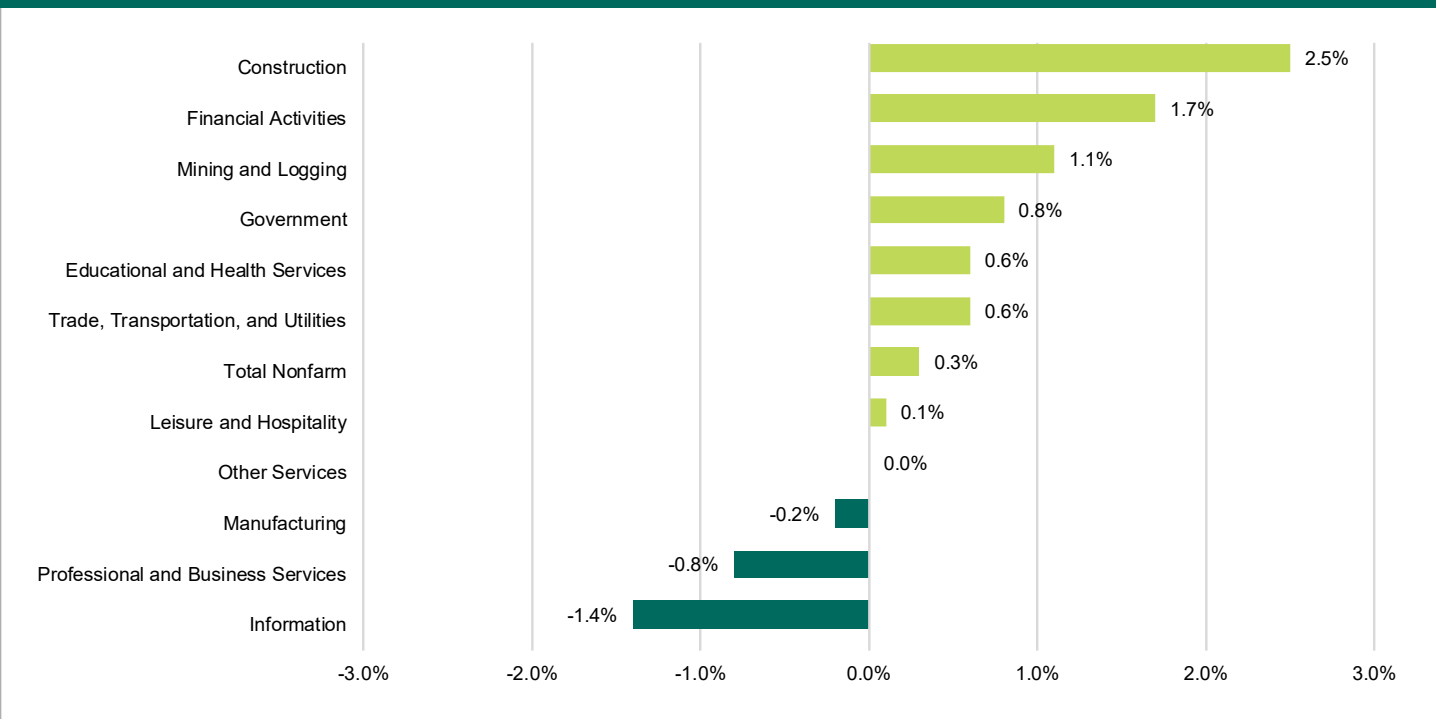
MICHIGAN PAYROLL JOBS (SEASONALLY ADJUSTED)

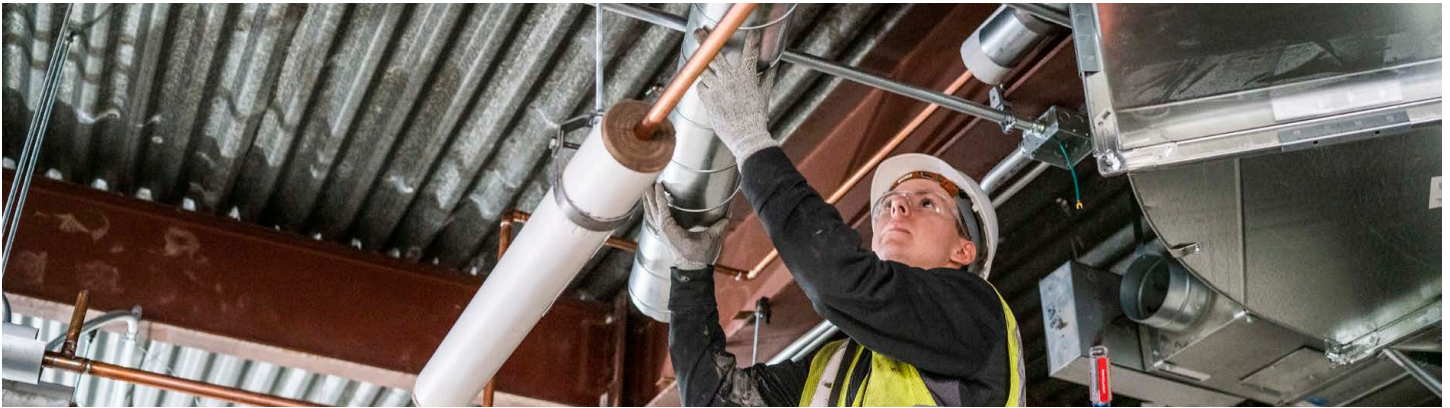
INDUSTRY	JANUARY 2020	DECEMBER 2019	JANUARY 2019	OVER THE MONTH		OVER THE YEAR	
				LEVEL	PERCENT	LEVEL	PERCENT
TOTAL NONFARM	4,449,700	4,449,300	4,429,700	400	0.0%	20,000	0.5%
Total Private	3,836,900	3,833,100	3,820,700	3,800	0.1%	16,200	0.4%
Private Service-Providing	3,020,500	3,019,800	3,012,400	700	0.0%	8,100	0.3%
GOODS-PRODUCING	816,400	813,300	808,300	3,100	0.4%	8,100	1.0%
Mining, Logging, and Construction	186,900	184,200	179,200	2,700	1.5%	7,700	4.3%
Mining and Logging	7,400	7,300	7,300	100	1.4%	100	1.4%
Construction	179,500	176,900	171,900	2,600	1.5%	7,600	4.4%
Manufacturing	629,500	629,100	629,100	400	0.1%	400	0.1%
Durable Goods	473,800	473,000	475,100	800	0.2%	-1,300	-0.3%
Transportation Equipment Manufacturing	188,400	187,200	187,900	1,200	0.6%	500	0.3%
Non-Durable Goods	155,700	156,100	154,000	-400	-0.3%	1,700	1.1%
SERVICE-PROVIDING	3,633,300	3,636,000	3,621,400	-2,700	-0.1%	11,900	0.3%
Trade, Transportation, and Utilities	802,300	803,600	797,000	-1,300	-0.2%	5,300	0.7%
Wholesale Trade	172,200	171,600	172,200	600	0.3%	0	0.0%
Retail Trade	465,300	464,700	468,500	600	0.1%	-3,200	-0.7%
Transportation, Warehousing, and Utilities	164,800	167,300	156,300	-2,500	-1.5%	8,500	5.4%
Information	54,900	54,600	55,700	300	0.5%	-800	-1.4%
Financial Activities	228,900	227,500	222,100	1,400	0.6%	6,800	3.1%
Finance and Insurance	170,600	170,400	166,300	200	0.1%	4,300	2.6%
Real Estate and Rental and Leasing	58,300	57,100	55,800	1,200	2.1%	2,500	4.5%
Professional and Business Services	656,600	652,800	657,000	3,800	0.6%	-400	-0.1%
Professional, Scientific, and Technical Services	296,600	297,200	300,000	-600	-0.2%	-3,400	-1.1%
Management of Companies and Enterprises	70,900	70,300	70,100	600	0.9%	800	1.1%
Administrative and Support and Waste Management and Remediation Services	289,100	285,300	286,900	3,800	1.3%	2,200	0.8%
Education and Health Services	680,800	682,500	678,700	-1,700	-0.2%	2,100	0.3%
Educational Services	75,000	74,500	74,200	500	0.7%	800	1.1%
Health Care and Social Assistance	605,800	608,000	604,500	-2,200	-0.4%	1,300	0.2%
Leisure and Hospitality	434,500	434,400	435,600	100	0.0%	-1,100	-0.3%
Arts, Entertainment, and Recreation	54,300	53,600	53,900	700	1.3%	400	0.7%
Accommodation and Food Services	380,200	380,800	381,700	-600	-0.2%	-1,500	-0.4%
Other Services	162,500	164,400	166,300	-1,900	-1.2%	-3,800	-2.3%
Government	612,800	616,200	609,000	-3,400	-0.6%	3,800	0.6%
Federal Government	52,200	51,800	52,300	400	0.8%	-100	-0.2%
State Government	192,800	196,400	192,100	-3,600	-1.8%	700	0.4%
Local Government	367,800	368,000	364,600	-200	-0.1%	3,200	0.9%

MICHIGAN OVER THE MONTH PAYROLL JOB CHANGE (IN THOUSANDS)

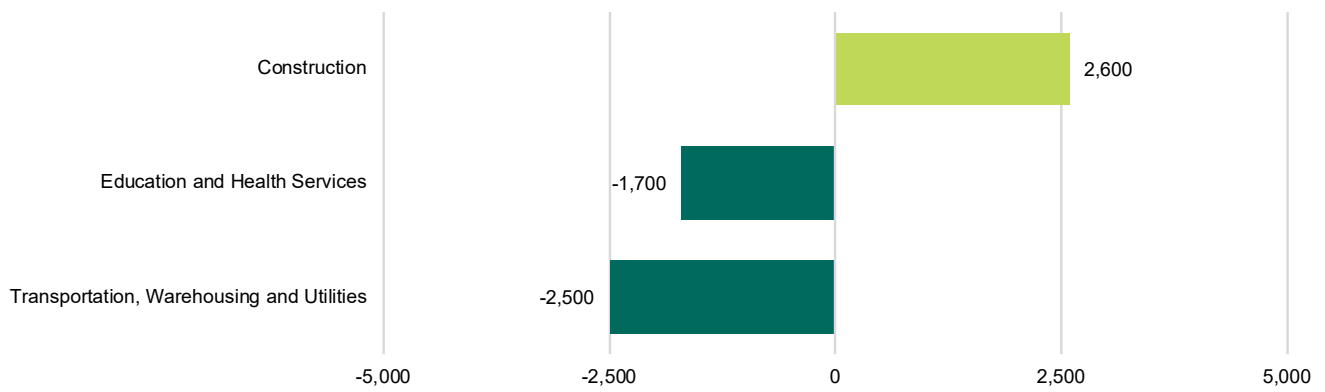


PERCENTAGE ANNUAL AVERAGE JOB CHANGE, 2018–2019

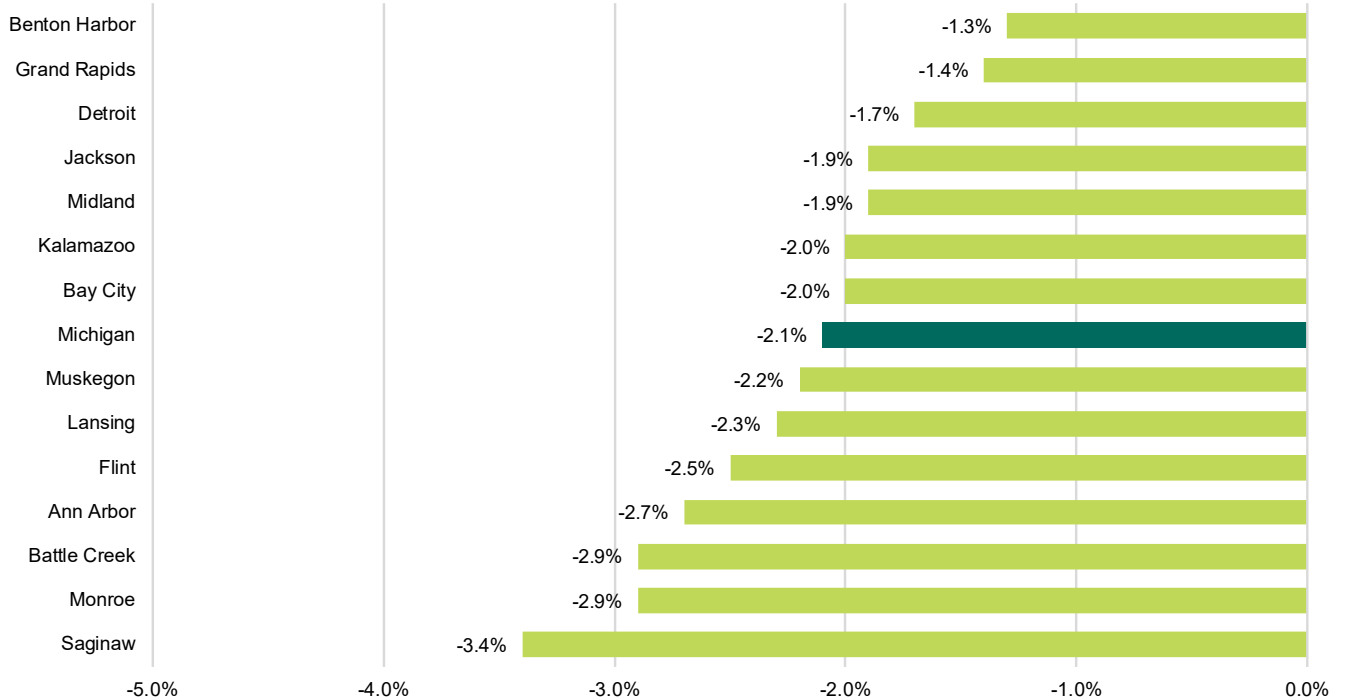




MICHIGAN OVER THE MONTH JOB CHANGE BY SELECT INDUSTRY, DECEMBER 2019–JANUARY 2020



METROPOLITAN AREA JOB CHANGE, DECEMBER 2019–JANUARY 2020 (NOT SEASONALLY ADJUSTED)



REGIONAL LABOR MARKET ANALYSIS

ANN ARBOR METROPOLITAN AREA

- Ann Arbor's unemployment rate in January 2020 rose by four-tenths of a percentage point to 2.5 percent.
- The region's labor force decreased by 1,200, or 0.6 percent, since December.

MONTHLY INDUSTRY DEVELOPMENTS

- The total nonfarm job count in Ann Arbor moved down by 6,400 in January, or 2.7 percent, due to seasonal declines in several regional industries. *Government* led the way with a seasonal education-related drop of 4,800 jobs.

INDUSTRY TRENDS

- Jobs in *Trade, transportation, and utilities* fell significantly less over the month than what is typical for the area (-400).

BAY CITY METROPOLITAN AREA

- The Bay City MSA jobless rate increased by 1.3 percentage points in January to 5.5 percent, which was the highest unemployment rate among all Michigan metro areas.
- The number of unemployed in the Bay City area rose by 600 over the month.

MONTHLY INDUSTRY DEVELOPMENTS

- Total payroll jobs in the region declined by 700, or 2.0 percent, in January.

INDUSTRY TRENDS

- Jobs in the *Leisure and hospitality industry* fell by 300, or 6.8 percent, since January of 2019. This was the largest over the year percentage job decline in this industry among Michigan metro areas.

FLINT METROPOLITAN AREA

- The jobless rate in the Flint MSA rose by 1.0 percentage point in January to 5.0 percent.
- Employment in the Flint region grew by 3,200, or 1.9 percent, over the year, bringing the total labor force up by 1,400.

MONTHLY INDUSTRY DEVELOPMENTS

- Total payroll jobs in January fell by 3,600, or 2.5 percent.
- Job reductions were widespread in January, but were concentrated in *Durable goods, Transportation and warehousing, and Retail trade*.

INDUSTRY TRENDS

- January jobs in *Durable goods* declined by 800, or 7.5 percent, which was the largest January reduction for this industry since 2014.

BATTLE CREEK METROPOLITAN AREA

- The January 2020 jobless rate rose by 0.7 percentage points to 4.1 percent, as the number of unemployed moved up by 300.
- Over the past year, unemployment fell by 500, pushing the area jobless rate down by seven-tenths of a percentage point.

MONTHLY INDUSTRY DEVELOPMENTS

- January nonfarm payroll jobs in the Battle Creek MSA fell by 2.9 percent (-1,700). Seasonal job cuts were recorded in private and public *Education, Retail trade, Construction and mining, and Leisure and hospitality*.
- Since January 2019, jobs in the Battle Creek MSA were down by 1.4 percent (-800), mostly from *Manufacturing* (-400) and *Professional and business services* (-300).

INDUSTRY TRENDS

- Since January 2011, payroll jobs in the Battle Creek MSA have expanded by 5.2 percent versus 14.1 percent statewide.

DETROIT-WARREN-DEARBORN METRO AREA

- Joblessness in the Detroit Metro region advanced by 0.6 percentage points to 4.4 percent in January.
- The total workforce remained virtually flat over the month in the Detroit MSA, as the decline in the employment count was offset by the rise in the number of unemployed.

MONTHLY INDUSTRY DEVELOPMENTS

- Nonfarm payroll jobs moved down by 34,300, or 1.7 percent, over the month. This was a typical, seasonal decline for the region in January.
- Although most regional industries experienced job reductions in January, a majority of area sectors added jobs over the year.

INDUSTRY TRENDS

- Jobs in the *Construction* sector rose by 2,600 or 3.8 percent since January 2019.

GRAND RAPIDS-WYOMING METRO AREA

- The Grand Rapids MSA jobless rate advanced in January by 0.5 percentage points to 2.9 percent.
- Total labor force increased by 3,600, or 0.6 percent, well above the rate of change statewide.

MONTHLY INDUSTRY DEVELOPMENTS

- January nonfarm payroll jobs in the Grand Rapids MSA dropped by 7,900, or 1.4 percent, due to seasonal declines in several industries.

INDUSTRY TRENDS

- Jobs in the *Professional and business services* industry grew marginally over the month, but moved down over the past year.

CIVILIAN LABOR FORCE AND NONFARM PAYROLL JOBS

	ANN ARBOR			BATTLE CREEK			BAY CITY		
	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019
PLACE OF RESIDENCE									
Labor Force	199,100	200,300	194,800	61,900	62,400	62,500	49,700	49,500	50,300
Employment	194,100	196,100	188,600	59,400	60,200	59,500	47,000	47,400	47,200
Unemployment	5,000	4,300	6,100	2,500	2,200	3,000	2,700	2,100	3,100
Rate (percent)	2.5%	2.1%	3.1%	4.1%	3.4%	4.8%	5.5%	4.2%	6.2%
PLACE OF WORK									
Total Nonfarm Jobs	227,400	233,800	221,900	56,600	58,300	57,400	33,900	34,600	34,500
Mining, Logging, and Construction	4,800	4,900	4,300	1,400	1,600	1,400	1,100	1,300	1,100
Manufacturing	14,700	14,800	15,100	11,300	11,300	11,700	4,400	4,500	4,600
Trade, Transportation, and Utilities	26,800	27,200	26,600	9,100	9,400	8,900	7,300	7,400	7,200
Wholesale Trade	6,600	6,600	6,500	*	*	*	*	*	*
Retail Trade	16,000	16,300	16,200	5,900	6,000	5,600	4,800	4,800	4,700
Information	5,600	5,600	5,500	*	*	*	300	300	300
Financial Activities	6,900	6,900	6,700	1,200	1,200	1,200	1,200	1,300	1,300
Professional and Business Services	31,100	31,100	29,700	5,900	5,900	6,200	2,300	2,300	2,300
Educational and Health Services	29,600	30,100	28,800	10,600	10,800	10,800	6,400	6,500	6,400
Leisure and Hospitality	17,500	17,900	17,700	4,400	4,600	4,400	4,100	4,100	4,400
Other Services	6,200	6,300	6,400	2,100	2,100	2,000	1,200	1,200	1,300
Government	84,200	89,000	81,100	10,300	11,100	10,400	5,600	5,700	5,600
DETROIT-WARREN-DEARBORN									
FLINT									
GRAND RAPIDS-WYOMING									
	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019
PLACE OF RESIDENCE									
Labor Force	2,160,000	2,163,000	2,152,000	183,600	183,600	182,200	579,500	575,900	579,600
Employment	2,066,000	2,082,000	2,042,000	174,500	176,300	171,300	562,700	561,900	559,800
Unemployment	95,000	81,000	110,000	9,100	7,300	10,900	16,900	13,900	19,800
Rate (percent)	4.4%	3.8%	5.1%	5.0%	4.0%	6.0%	2.9%	2.4%	3.4%
PLACE OF WORK									
Total Nonfarm Jobs	2,024,400	2,058,700	2,009,900	140,700	144,300	138,900	559,100	567,000	561,300
Mining, Logging, and Construction	71,100	73,300	68,500	5,500	5,700	5,200	25,700	25,800	24,100
Manufacturing	257,600	259,900	254,600	13,500	14,100	12,700	116,900	118,200	118,900
Trade, Transportation, and Utilities	383,400	396,700	378,800	29,100	30,600	29,200	96,100	98,600	97,200
Wholesale Trade	85,200	85,900	85,800	5,800	5,800	5,400	32,300	32,600	32,000
Retail Trade	209,200	217,900	210,500	19,200	19,900	19,600	46,800	48,500	48,900
Information	26,200	26,300	27,000	3,600	3,500	3,800	6,400	6,400	6,300
Financial Activities	120,600	121,200	118,300	6,100	6,200	5,900	27,200	27,000	26,800
Professional and Business Services	389,900	391,500	391,000	16,900	17,300	16,600	74,800	74,500	77,200
Educational and Health Services	320,100	324,300	314,800	26,600	26,800	26,400	93,300	95,100	92,500
Leisure and Hospitality	192,400	197,600	194,700	15,300	15,600	15,100	47,800	48,400	47,900
Other Services	73,400	74,600	74,400	5,300	5,300	5,400	22,500	22,700	22,400
Government	189,700	193,300	187,800	18,800	19,200	18,600	48,400	50,300	48,000

JACKSON METROPOLITAN AREA

- The Jackson metro area jobless rate was 3.9 percent in January, up by seven-tenths of a percentage point. The number of area unemployed rose by 20.8 percent, similar to the statewide trend.
- Since January 2019, employment advanced by 600, while unemployment was down by 500. The jobless rate fell by seven-tenths of a percentage point over the past year.

MONTHLY INDUSTRY DEVELOPMENTS

- January nonfarm payroll jobs in the Jackson MSA dropped by 1.9 percent (-1,100). Seasonal job cuts were led by a 400-job reduction in *Retail trade*.
- Over the past year, jobs in the Jackson region inched down by 300, mostly in *Manufacturing* (-500).

INDUSTRY TRENDS

- Jackson metro area jobs advanced by 9.7 percent (+5,100) since January 2011, compared to 14.1 percent statewide.

LANSING-EAST LANSING METRO AREA

- The January jobless rate in the Lansing MSA was 3.2 percent, up by 0.5 percentage points over the month.
- Despite a monthly employment reduction, employment has advanced over the year by 0.9 percent.

MONTHLY INDUSTRY DEVELOPMENTS

- Total payroll jobs in Lansing fell 5,500 over the month, or 2.3 percent, due to seasonal job cuts in *Trade, transportation, and utilities, Professional and business services, and Government*.

INDUSTRY TRENDS

- Jobs in *Manufacturing* declined for the second month in a row and have fallen by 800, or 4.2 percent, over the year.

MONROE METROPOLITAN AREA

- The Monroe region unemployment rate increased by 1.3 percentage points between December and January, to 4.3 percent.
- Total workforce in the region remained relatively flat over the month, moving up by only 300, or 0.4 percent.

MONTHLY INDUSTRY DEVELOPMENTS

- Payroll jobs in Monroe fell by 1,200 over the month, or 2.9 percent, due to seasonal job declines in most industries.

INDUSTRY TRENDS

- *Government* jobs edged down by 300, or 5.5 percent over the month, which was a slightly larger than normal change between December and January.

KALAMAZOO-PORTAGE METRO AREA

- The January 2020 jobless rate in the Kalamazoo-Portage metro area rose by 0.6 percentage points to 3.6 percent, as the number of regional unemployed went up by 1,000. Labor force levels in the region were essentially unchanged.
- Since January 2019, unemployment fell by 1,100, while employment advanced by 1,600. As a result, the jobless rate dropped by six-tenths of a percentage point.

MONTHLY INDUSTRY DEVELOPMENTS

- January nonfarm payroll employment in the Kalamazoo-Portage MSA fell by 2.0 percent (-3,100), mainly from seasonal job reductions in *Local and state education, Retail trade, Professional and business services, and Leisure and hospitality*.
- Since January 2019, jobs in *Financial activities, Leisure and hospitality, and Wholesale trade* were down.

INDUSTRY TRENDS

- Since January 2011, Kalamazoo-Portage jobs grew by 12.2 percent (+16,300), just below the 14.1 percent rate of gain statewide.

MIDLAND METROPOLITAN AREA

- Joblessness in January in the Midland metro area advanced by a full percentage point to 4.3 percent.
- Midland's employment level fell by 1.3 percent since January 2019, the largest decrease of any Michigan metro area.

MONTHLY INDUSTRY DEVELOPMENTS

- Nonfarm jobs in the area moved down by 700, or 1.9 percent, since last month. Most of the monthly job cuts were in the *Private service providing* sector.

INDUSTRY TRENDS

- The region's *Goods producing* and *Service providing* sectors had job reductions of 2.3 percent and 1.8 percent, respectively, since January 2019.

MUSKEGON METROPOLITAN AREA

- The January jobless rate in the Muskegon MSA rose by 0.6 percentage points to 4.4 percent.
- This monthly advance in the area jobless rate represented an additional 500 unemployed workers.

MONTHLY INDUSTRY DEVELOPMENTS

- Total nonfarm payroll jobs in the Muskegon region decreased by 1,400, or 2.2 percent, between December and January, mainly due to a seasonal decline in the *Retail* sector (-4.3 percent).

INDUSTRY TRENDS

- The region's *Service providing* industry has added 600 jobs (+1.3 percent) over the year.

CIVILIAN LABOR FORCE AND NONFARM PAYROLL JOBS

	JACKSON			KALAMAZOO-PORTAGE			LANSING-EAST LANSING		
	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019
PLACE OF RESIDENCE									
Labor Force	74,300	74,000	74,200	169,000	168,900	168,400	249,200	249,700	249,900
Employment	71,400	71,600	70,800	162,900	163,800	161,300	241,300	243,000	239,200
Unemployment	2,900	2,400	3,400	6,100	5,100	7,200	7,900	6,700	10,800
Rate (percent)	3.9%	3.2%	4.6%	3.6%	3.0%	4.2%	3.2%	2.7%	4.3%
PLACE OF WORK									
Total Nonfarm Jobs	57,600	58,700	57,900	149,400	152,500	149,100	235,100	240,600	235,200
Mining, Logging, and Construction	1,900	2,000	1,900	6,100	6,300	6,000	7,400	7,800	7,500
Manufacturing	9,500	9,500	10,000	23,200	23,400	23,000	18,200	19,000	19,000
Trade, Transportation, and Utilities	11,900	12,500	12,200	26,400	27,100	26,400	36,500	37,900	37,100
Wholesale Trade	*	*	*	6,200	6,300	6,500	6,300	6,400	6,500
Retail Trade	6,200	6,600	6,400	16,000	16,500	15,900	22,000	22,800	21,900
Information	200	200	300	700	700	800	2,900	2,900	2,700
Financial Activities	2,200	2,200	2,100	8,100	8,100	8,300	17,100	17,100	16,800
Professional and Business Services	6,000	6,100	5,900	17,800	18,100	17,500	23,900	24,800	23,700
Educational and Health Services	10,200	10,300	10,000	25,100	25,400	24,800	32,700	33,000	32,500
Leisure and Hospitality	5,100	5,200	5,000	15,300	15,600	15,600	18,500	18,800	18,700
Other Services	2,600	2,600	2,500	5,200	5,200	5,200	9,800	10,000	10,000
Government	8,000	8,100	8,000	21,500	22,600	21,500	68,100	69,300	67,200
MIDLAND									
	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019
PLACE OF RESIDENCE									
Labor Force	39,900	39,800	40,400	75,500	75,200	75,200	77,100	76,900	76,600
Employment	38,100	38,500	38,600	72,200	72,900	71,500	73,700	74,000	72,700
Unemployment	1,700	1,300	1,900	3,200	2,300	3,700	3,400	2,900	3,900
Rate (percent)	4.3%	3.3%	4.6%	4.3%	3.0%	4.9%	4.4%	3.8%	5.1%
PLACE OF WORK									
Total Nonfarm Jobs	36,600	37,300	37,300	40,300	41,500	40,200	63,300	64,700	62,900
Mining, Logging, and Construction	*	*	*	1,700	1,800	1,800	2,400	2,600	2,300
Manufacturing	*	*	*	5,600	5,700	5,500	13,800	13,800	14,100
Trade, Transportation, and Utilities	*	*	*	10,600	10,800	10,600	13,700	14,400	13,400
Wholesale Trade	*	*	*	1,700	1,700	1,700	*	*	*
Retail Trade	*	*	*	4,700	4,800	4,800	11,000	11,500	10,800
Information	*	*	*	*	*	*	300	300	300
Financial Activities	*	*	*	900	900	900	1,800	1,800	1,700
Professional and Business Services	*	*	*	5,500	5,700	5,400	3,700	3,600	3,600
Educational and Health Services	*	*	*	4,800	5,000	5,000	11,600	11,800	11,600
Leisure and Hospitality	*	*	*	4,100	4,200	4,100	7,000	7,200	6,700
Other Services	*	*	*	1,500	1,500	1,400	2,000	2,000	2,100
Government	3,000	3,000	2,900	5,200	5,500	5,200	7,000	7,200	7,100
MUSKEGON									

NILES-BENTON HARBOR METRO AREA

- January employment in the Niles-Benton Harbor MSA was flat, while unemployment rose by 700. The jobless rate increased by nine-tenths of a percentage point to 4.5 percent.
- The jobless rate dropped by seven-tenths of a percentage point since January 2019, as the number of unemployed fell by 500.

MONTHLY INDUSTRY DEVELOPMENTS

- Payroll employment in the Niles-Benton Harbor MSA edged down in January by 1.3 percent (-800), primarily from seasonal cuts in private and public *Education, Leisure and hospitality, and Retail trade*.
- Since January 2019, jobs in most major sectors improved or remained flat.

INDUSTRY TRENDS

- Payroll jobs in the Niles-Benton Harbor MSA grew by 7.5 percent (+4,300) since January 2011. This was a little more than half the statewide job advance of 14.1 percent.

SAGINAW METROPOLITAN AREA

- The January area unemployment rate increased by 1.0 percentage point to 5.1 percent.
- Total labor force in the region fell by 300, or 0.3 percent, since December.

MONTHLY INDUSTRY DEVELOPMENTS

- Total January job levels in Saginaw decreased by 3,000, or 3.4 percent, due in part to a larger than usual job cut in *Manufacturing*.
- Typical seasonal reductions in the *Trade, transportation, and utilities* and *Leisure and hospitality* industries also added to the over the month job loss.

INDUSTRY TRENDS

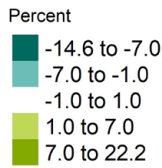
- Since January of 2019, the *Durable goods* industry has moved down by 700 jobs (-6.3 percent).

CIVILIAN LABOR FORCE AND NONFARM PAYROLL JOBS

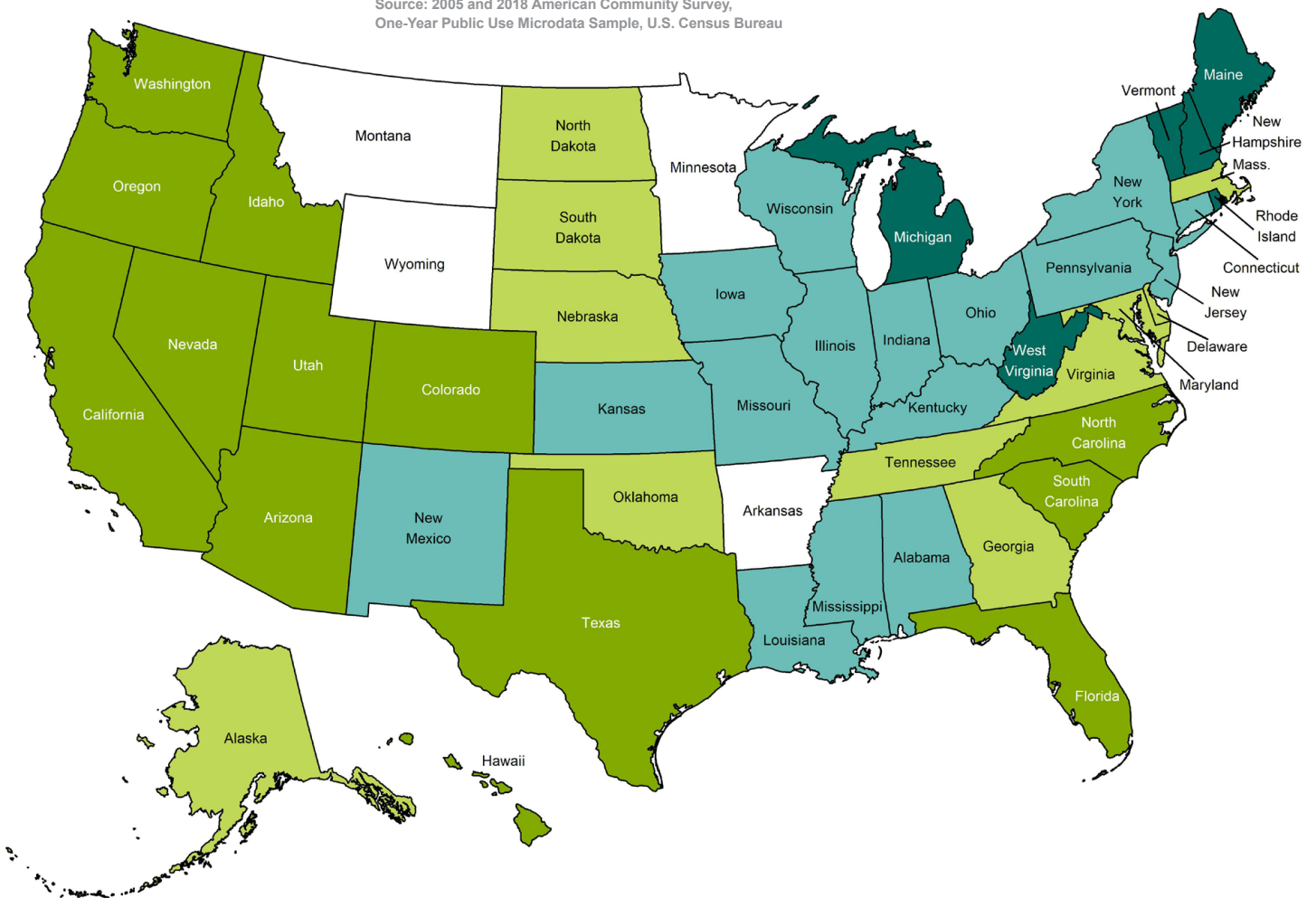
	NILES-BENTON HARBOR			SAGINAW					
	JAN 2020	DEC 2019	JAN 2019	JAN 2020	DEC 2019	JAN 2019			
PLACE OF RESIDENCE									
Labor Force	73,000	72,400	72,300	86,400	86,700	86,800			
Employment	69,800	69,800	68,500	82,000	83,100	81,500			
Unemployment	3,300	2,600	3,800	4,400	3,500	5,300			
Rate (percent)	4.5%	3.6%	5.2%	5.1%	4.1%	6.1%			
PLACE OF WORK									
Total Nonfarm Jobs	61,500	62,300	60,600	85,700	88,700	86,100			
Mining, Logging, and Construction	2,400	2,500	2,300	2,600	3,000	2,700			
Manufacturing	13,100	13,000	13,200	11,600	12,300	12,100			
Trade, Transportation, and Utilities	10,700	11,000	10,200	16,900	17,700	16,700			
Wholesale Trade	*	*	*	1,900	1,900	2,000			
Retail Trade	6,800	7,000	6,500	12,300	12,900	12,000			
Information	500	500	500	1,200	1,200	1,300			
Financial Activities	2,500	2,500	2,500	3,700	3,800	3,700			
Professional and Business Services	5,500	5,300	5,400	11,300	11,500	11,000			
Educational and Health Services	9,400	9,600	9,300	15,800	16,000	15,700			
Leisure and Hospitality	6,600	6,900	6,600	8,500	8,800	8,800			
Other Services	2,300	2,300	2,200	3,100	3,200	3,100			
Government	8,500	8,700	8,400	11,000	11,200	11,000			
UPPER PENINSULA									
	JAN 2020	DEC 2019	JAN 2019	NORTHEAST MICHIGAN					
				JAN 2020	DEC 2019	JAN 2019	NORTHWEST MICHIGAN		
							JAN 2020	DEC 2019	JAN 2019
PLACE OF RESIDENCE									
Labor Force	134,800	135,700	134,700	81,000	79,700	80,800	147,600	147,000	146,400
Employment	126,000	128,100	124,700	73,800	74,300	72,800	139,500	140,700	136,900
Unemployment	8,800	7,600	10,000	7,300	5,400	8,000	8,200	6,300	9,500
Rate (percent)	6.5%	5.6%	7.4%	9.0%	6.8%	9.9%	5.5%	4.3%	6.5%

MAP OF THE MONTH:

PERCENT CHANGE IN PRIME-AGE LABOR FORCE, 2005 THROUGH 2018



Source: 2005 and 2018 American Community Survey, One-Year Public Use Microdata Sample, U.S. Census Bureau



This month's feature article discusses historical and projected trends in Michigan's total labor force. The total labor force consists of all non-institutionalized people ages 16 and over who are employed or actively seeking work. The focus of the *Map of the Month* is to compare changes in the size of the prime-age labor force—workers ages 25 through 54—of each state since before the Great Recession. The prime-age workforce is important because this age class has the highest labor force participation rates.

There were large differences in the growth of each state's prime-age labor force from 2005 through 2018 (2005 and 2018 American Community Survey, One-Year Public Use Microdata Sample). The state with the largest growth in the prime-age workforce was Texas (22.2 percent). A large part of Texas' labor force growth was due to immigration. From 2011 through 2019 Texas was second only to Florida in terms of net migrants moving into the state (U.S. Census Bureau, Population Estimates Program).

Michigan's prime-age labor force declined by 11.0 percent during this time period. Michigan was tied with West Virginia for second lowest growth rate in this age class. The only state experiencing lower growth was Vermont (-14.6 percent). A major factor in this decline was the persistent negative net migration that Michigan experienced since the turn of the century.

ALAN LEACH
Demographic Analyst



MICHIGAN'S LABOR FORCE PROJECTIONS THROUGH 2028

This time last year the Bureau of Labor Market Information and Strategic Initiatives (LMISI) published *Michigan's Population Projections by County Through 2045*, providing an important look at Michigan's population and population structure today and in the coming decades. These projections have major implications for the state's workforce and its broader economy. This year the bureau built on these population projections by publishing projections for Michigan's labor force to 2028 for the first time.

The purpose of this article is to introduce important concepts of the labor force and labor force participation and to provide a brief overview of some of the key findings from these newly released projections. The full dataset is available at www.michigan.gov/lmi.

It is important to note that these labor force projections have a long-term focus and do not reflect the potential labor market impact of the COVID-19 pandemic.

Labor Force Projections in Context

Ongoing demographic trends and a robust economic recovery (at least before the recent COVID-19 pandemic) provide an important

context for these labor force projections. Consider some highlights from Michigan's population projections:

- Michigan's population is expected to grow—albeit at a slower rate than the national average—through 2030 before leveling off and ultimately declining through the end of the projection period (2045).
- Michigan's population is aging. As a result, starting in 2030, the state's population is projected to enter a period of natural decline. That is, the number of deaths should outpace births.
- Increases in the state's population—and workforce—will become increasingly dependent on migration. Attracting residents from other states and abroad is likely the only way Michigan will record net population growth after 2030.

Turning to the economy, consider the following:

- Before the COVID-19 pandemic, the U.S. economy was enjoying the longest period of economic expansion on record. And, although the start of the national recovery predated any major improvements in Michigan, the state's expansion was well underway.

- Michigan's unemployment rate had been on the decline for nine consecutive years from 2010 through 2018, payroll employment had advanced for nine straight years through 2019, and per capita personal income had grown for 10 straight years.
- According to a recent LMISI job vacancy survey (conducted before the pandemic), there were probably as many open positions as there were jobseekers. In 2019, the supply-demand rate was 1.1, meaning there was just over one jobseeker per job opening, lending support to the anecdotal evidence of a tight labor market in the state in 2019.

Concepts of Labor Force and Labor Force Participation Rates

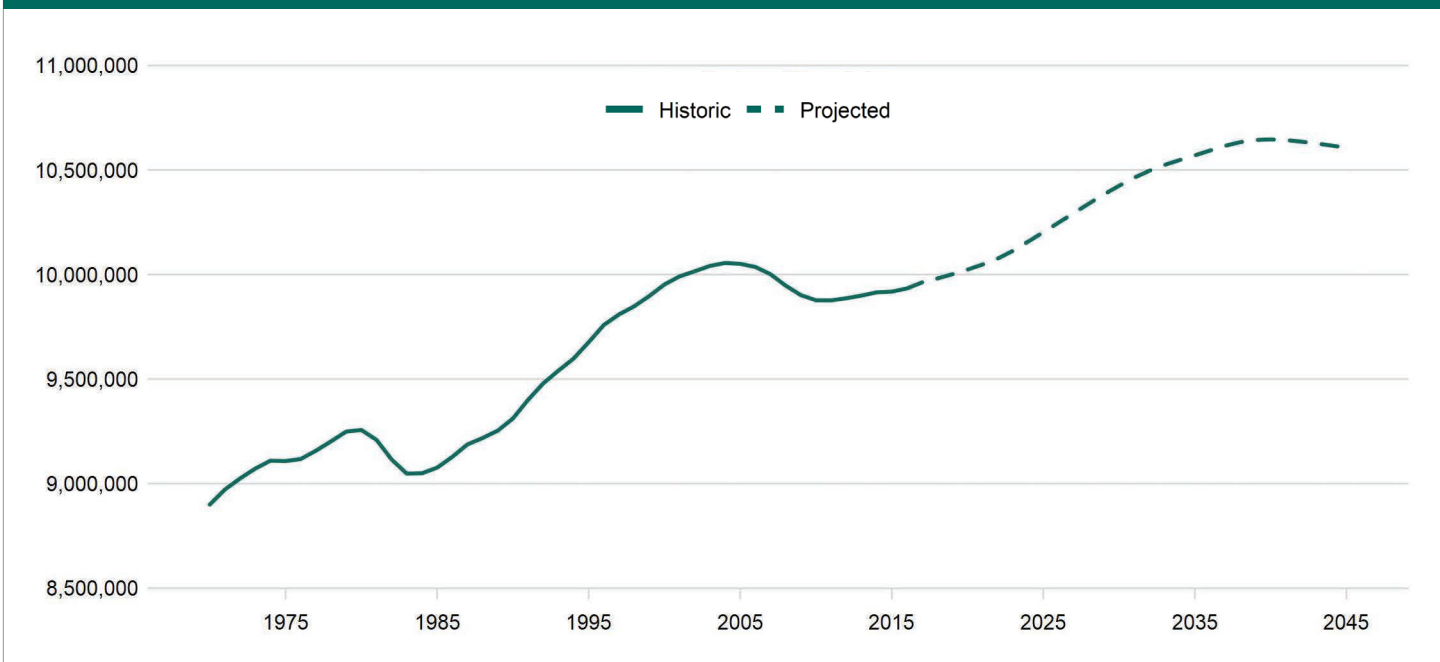
THE LABOR FORCE

By definition, the labor force is the number of employed residents plus the number of unemployed residents. It aims to measure the number of people who are actively engaged in the labor market.

Residents are considered employed and therefore part of the labor force if they:



FIGURE 1: MICHIGAN POPULATION THROUGH 2045



Source: Michigan Population Projections Through 2045, Bureau of Labor Market Information and Strategic Initiatives

- did any work as paid employees, worked in their own business or on a farm, or worked 15 hours or more as an unpaid worker in a family business, or
- were temporarily absent from work due to illness, vacation, bad weather, personal reasons, or labor disputes.

Residents are considered unemployed and therefore part of the labor force if the following three conditions are all true:

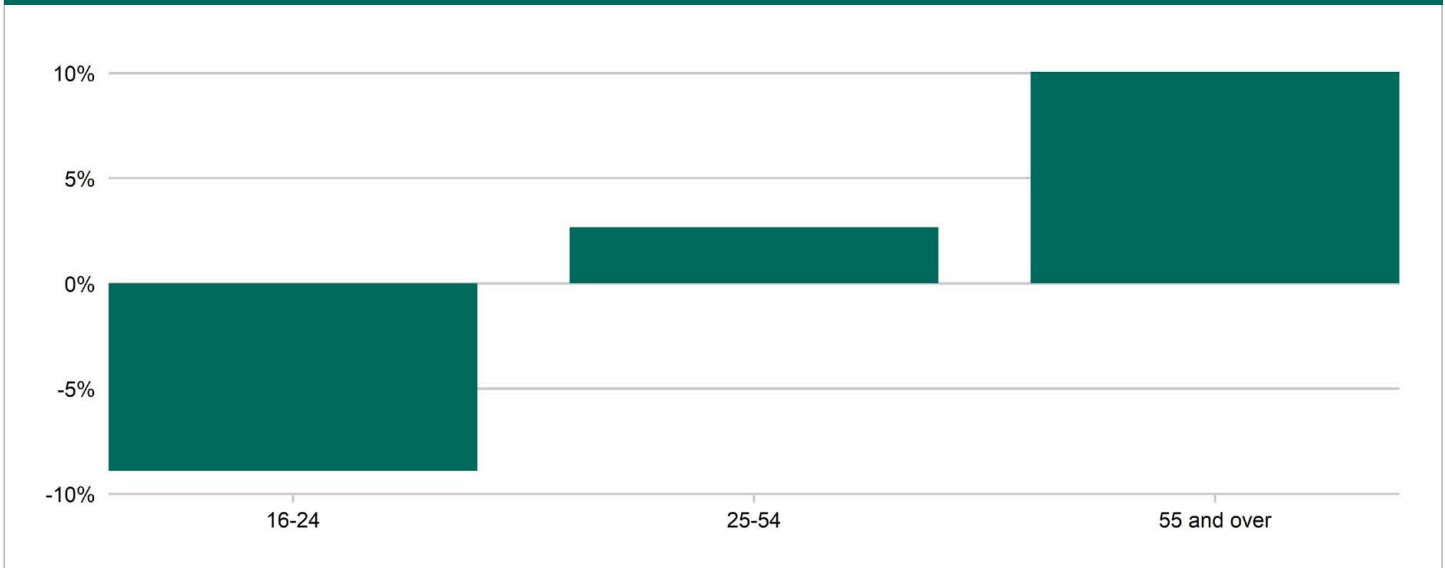
- they had no earnings due to employment, and
- they made specific efforts to find employment some time during the last four weeks, and

- they were able and available to accept a job if it had been offered.

LABOR FORCE PARTICIPATION RATES

While the number of residents active in the labor force is an important indicator, a more meaningful measure—particularly for county, state, and national comparisons—is the

FIGURE 2: PROJECTED MICHIGAN NON-INSTITUTIONAL POPULATION CHANGE, 2018 THROUGH 2028



Source: 2018–2028 Michigan Labor Force Projections, Bureau of Labor Market Information and Strategic Initiatives

labor force participation rate. The labor force participation rate is defined as the number of residents in the labor force divided by the total civilian, 16 years and older noninstitutional population. This measure excludes residents who are active military, who are in prison, or in institutional or residential care facilities such as skilled nursing homes, and who are younger than 16, as these individuals are typically precluded from participating fully in a regional labor market.

NOT IN THE LABOR FORCE

Retirement and disability are two reasons people may not be in the labor market, but there are others. In a recent analysis of Current Population Survey data from 2018, Palmer (2019) identified the primary reasons that people were not in the labor force. These were:

- Retirement – about 45 percent of residents outside the labor market were not participating because of retirement.
- Illness or disability – about 18 percent of nonparticipants were ill or had a disability preventing them from being in the labor market.
- Education or training – another 18 percent were in school or in a job training program. Importantly, this does not include students or trainees who were also working part-time, as they would be counted as employed.
- Home or family responsibilities – about 16 percent of residents outside the labor market were taking care of household or family

responsibilities, including caring for children or older adults.

- Other reasons, including discouraged workers – about 3 percent were out of the labor force for “other reasons” including about 14,000 discouraged workers in Michigan. Discouraged workers indicate they want to work but have stopped looking for a job, citing either personal or job market reasons for their lack of a job search.

Highlights from Michigan’s Labor Force Projections

Through 2028, Michigan’s labor force is projected to increase by about 28,000 residents or 0.6 percent to 4,901,000. The state’s labor force participation rate is projected to decrease by 1.9 percentage points to 58.7 percent.

Over the same period, the national labor force is projected to increase by 8.9 million people or 5.5 percent while the national labor force participation rate is projected to decline by 1.7 percentage points to 61.2 percent (Dubina, et al, 2019).

At least three demographic trends have created significant headwinds for the state’s labor force: declining births, an aging population, and persistent negative net migration.

DECLINING BIRTHS AND BIRTH RATES

A decades-long decline in births, extending back to at least 1970, has resulted in fewer working-age residents entering the workforce each year.

AN AGING POPULATION

As noted above, Michigan was the 12th oldest state in 2018, as those who are 55 and older represented the fastest growing segment of the state’s population. Once the nation’s largest generation, the first baby boomers started crossing the 65 and older mark in 2011 and all will be 65 or older by 2030, meaning more and more retirements.

OUT-MIGRATION

Michigan has experienced consistent out-migration of prime-age workers, largely as a result of the Great Recession, which hit Michigan particularly hard.

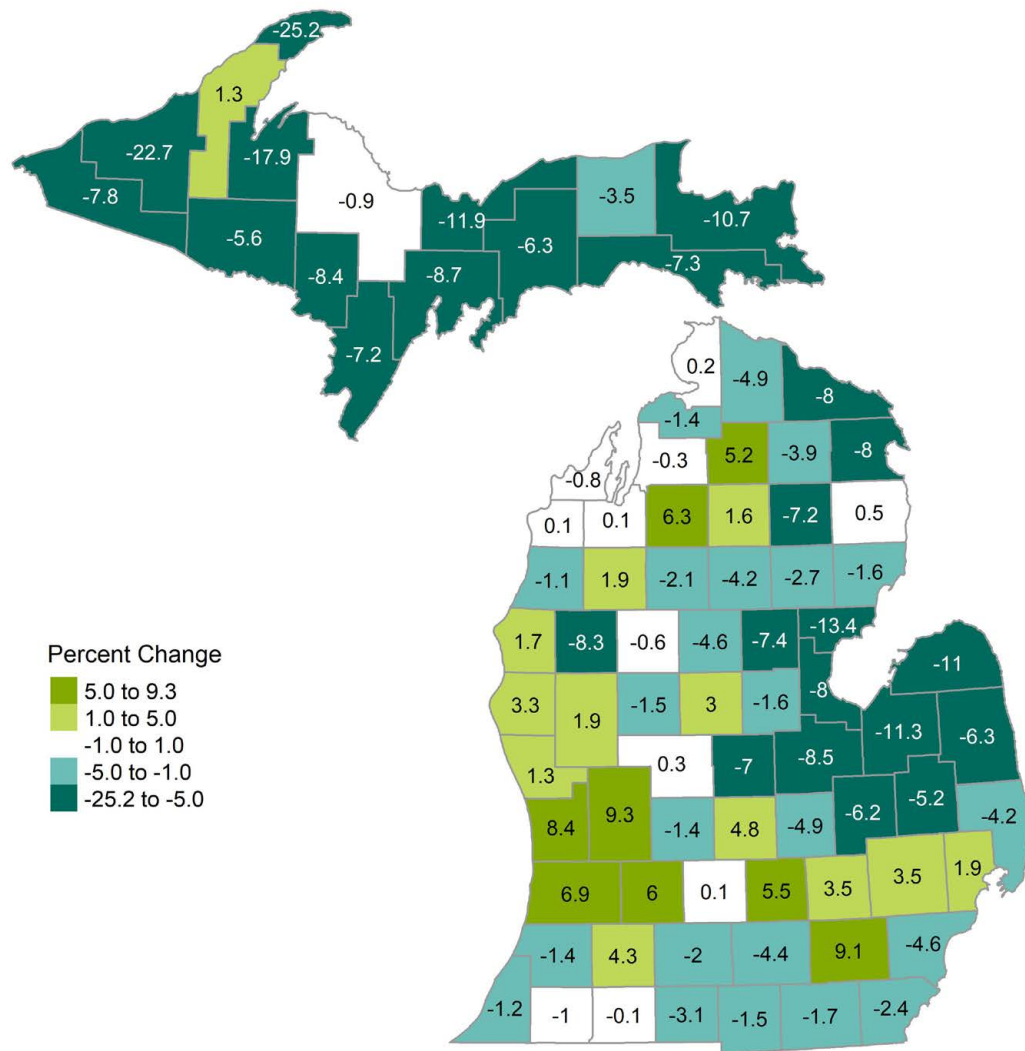
OTHER FACTORS

- Disability claims – Montes (2018) cites an aging population and increased disability claims as two reasons for declines in working-age participation rates. Age-specific labor force participation rates for people 25 to 54 years old are projected to continue to fall due to increases in disability claims.
- Employment Opportunity – Another important component impacting participation of a resident in the labor force is opportunity. This depends on whether there are jobs available that the resident is qualified for and whether there are jobs paying a wage that will entice the resident into the labor market.

Geographic Highlights

The demographic factors discussed above vary across counties and explain much of the regional variation in labor force projections.

FIGURE 3: PROJECTED PERCENT CHANGE IN LABOR FORCE, 2018–2028



Source: 2018–2028 Michigan Labor Force Projections, Bureau of Labor Market Information and Strategic Initiatives

In Michigan, rural and/or nonmetro counties tend to have a higher average age than the statewide median. These older populations result in lower total labor force participation and shrinking population counts. In fact, many of these counties have been experiencing natural decline (i.e., deaths exceeding births) for several decades. Consequently, these counties are projected to have lower labor force growth or even declines in labor force levels.

Most of the counties with the highest projected labor force growth rates are in more heavily populated areas, particularly in the southeast and west Michigan metro areas. These counties tend to be at or below the state median age

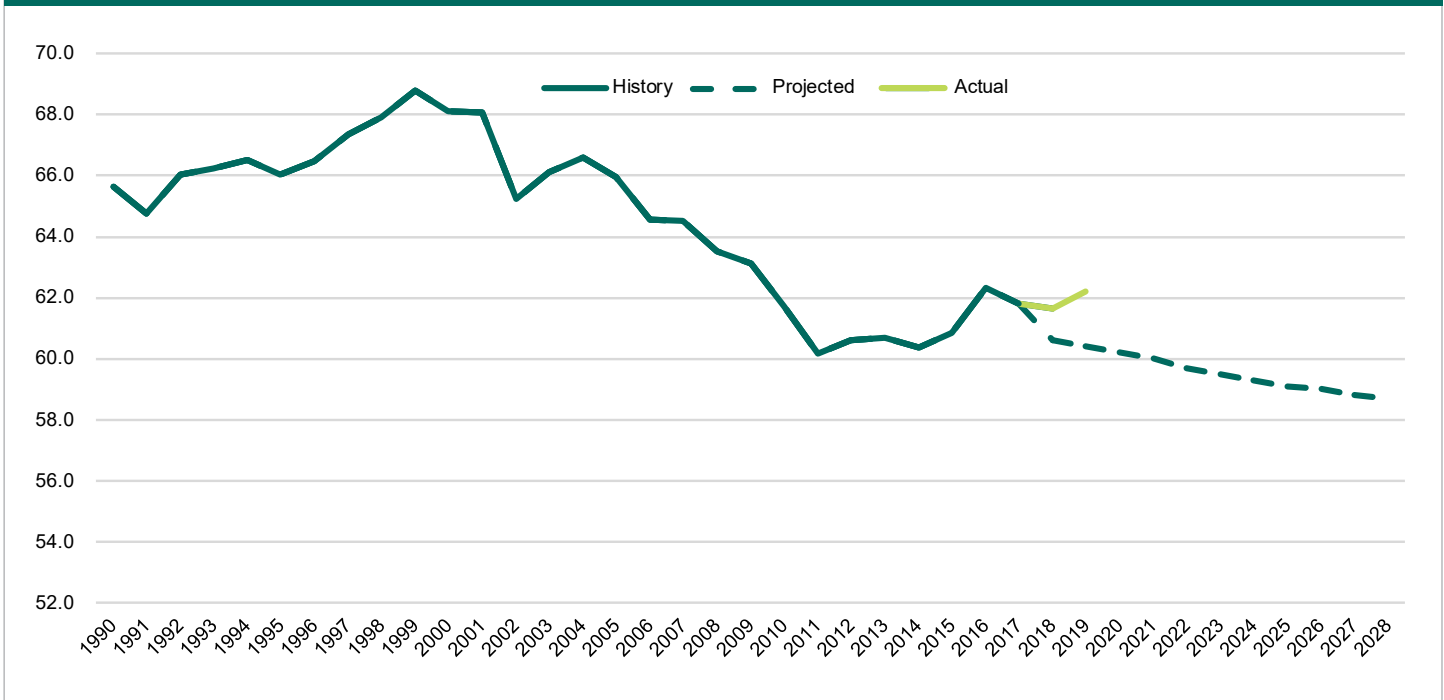
and still undergoing natural increase (i.e., births exceeding deaths). The counties also tend to have higher rates of interstate migration and a relatively high proportion of residents with a college degree, meaning higher rates of labor force participation.

Highlights:

- Twenty-two counties are projected to post labor force gains, 54 are projected to decline, and seven are projected to be flat.
- The median change in labor force among the 83 counties in Michigan is projected to be a loss of 2.0 percent.

- Projections range from solid labor force expansion in Kent (+9 percent), Washtenaw (+9 percent), and Ottawa (+8 percent) counties to sharp declines in Baraga (-18 percent), Ontonagon (-23 percent), and Keweenaw (-25 percent) counties.
- By 2028, the counties slated for growth should represent over half (55 percent) of the statewide labor force while the counties expecting reductions represent 41 percent.
- Through 2028, metro area counties should expect labor force growth by an average of 1.1 percent while non-metro area counties are projected to decline by an average of 2.1 percent.

FIGURE 4: MICHIGAN TOTAL LABOR FORCE PARTICIPATION RATES THROUGH 2028



PROJECTED MICHIGAN AND U.S. LABOR FORCE PARTICIPATION RATES, 2028

	PROJECTED PARTICIPATION RATE (2028)	PROJECTED PERCENTAGE POINT CHANGE, 2018–2028
Michigan	58.7	-1.9
U.S.	61.2	-1.7

Source: Current Population Survey, U.S. Census Bureau; 2018–2028 Michigan Labor Force Projections, Bureau of Labor Market Information and Strategic Initiatives

Conclusions

Michigan’s labor force projections are largely a reflection of the state’s population projections, which anticipate slow growth, an aging population, and lower labor force participation. As a result, Michigan’s labor force should grow at a modest 0.6 percent through 2028 while the rate of labor force participation is projected to decline by 1.9 percentage points to 58.7 percent.

Compared to the nation, Michigan’s less optimistic outlook is the result of three long-term demographic trends: a decades-long decline in births, an aging population with increasing retirements, and out-migration of prime-age workers.

During the projection period and beyond, increases in the state’s population and workforce will become increasingly dependent on migration. Attracting residents from other states and abroad is the primary way Michigan

can expect to register population and labor force growth.

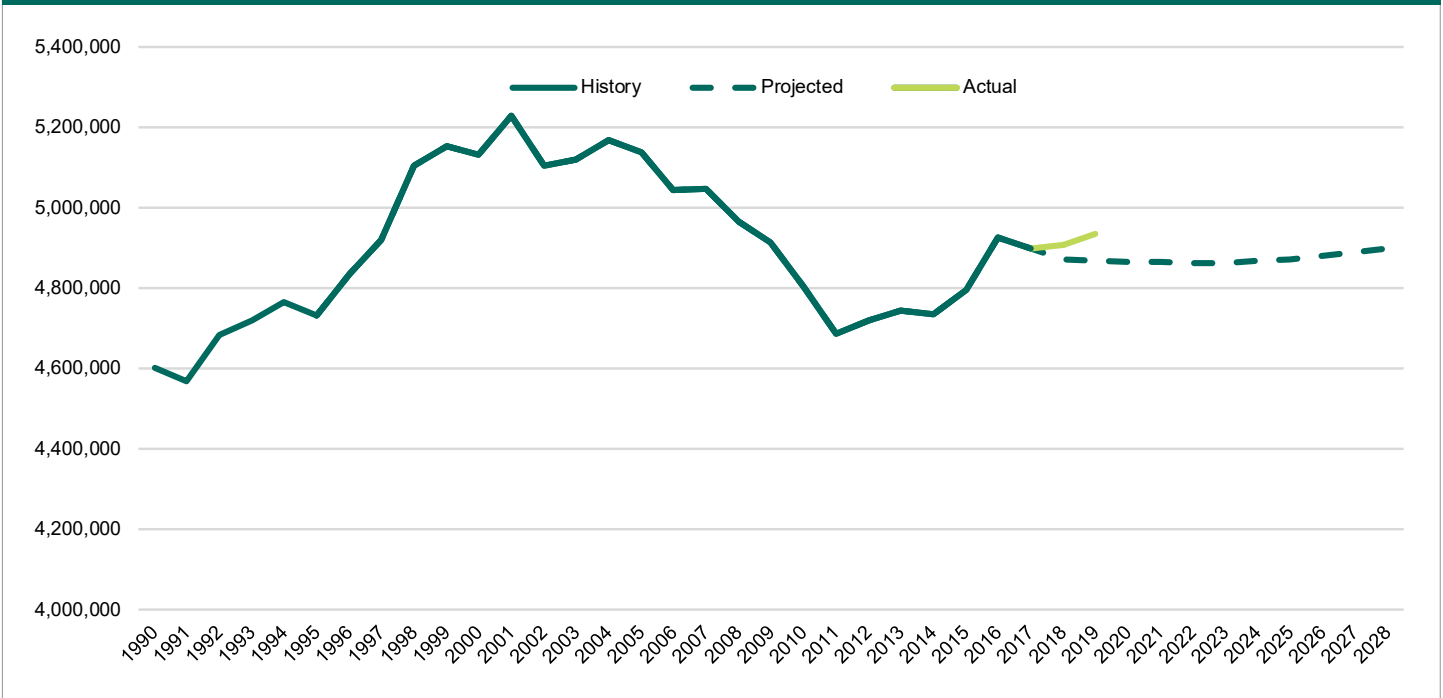
Methods

The basis for the projection of Michigan’s labor force was the total population projections for the state and its counties. These population projections were produced using a cohort component methodology. Data from the Population Estimates program (vintage 2017) from the U.S. Census Bureau were used as the starting point for each county’s projection. Next, county birth and death data from the Michigan Department of Health and Human Services were used to create projections of natural change (i.e., births minus deaths) for every county. Finally, migration projections were modeled using projections of Michigan’s population structure and projected jobs. The summation of the birth, death, and migration components resulted in the cohort projection for each county.

To produce labor force projections, the total population projections were first adjusted to the civilian noninstitutional population basis used by the U.S. Bureau of Labor Statistics in the Current Population Survey. This was done by first removing residents below the age of 16 from the total population. Then, institutionalized residents were removed from the 16 and older population projection series. Once these individuals were removed, a final civilian non-institutional population projection was calculated.

The next step was to compute and project rates of labor force participation for the civilian non-institutional population. For this, 30 years of historic age- and sex-specific labor force participation rates were calculated using data from the CPS. These rates were then smoothed to filter out outlying rates leaving only long-term trends. These trends were then transformed into log-odds ratios, or logits, and regressed against year, allowing for a linear extrapolation to be

FIGURE 5: MICHIGAN LABOR FORCE THROUGH 2028



MICHIGAN AND U.S. LABOR FORCE PROJECTIONS, 2018 THROUGH 2028

	PROJECTED LABOR FORCE (2028)	PROJECTED NUMERIC CHANGE, 2018–2028	PROJECTED PERCENT CHANGE, 2018–2028
Michigan	4,901,000	28,000	0.6
U.S.	171,000,000	8,900,000	5.5

Source: Current Population Survey, U.S. Census Bureau; 2018–2028 Michigan Labor Force Projections, Bureau of Labor Market Information and Strategic Initiatives

projected. Projected logits were transformed back into percentages to achieve a projection of each age- and sex-specific participation rate. The logit transformation process allowed for non-linear rate projections.

Once participation rates were projected, these were applied to the age- and sex-specific civilian noninstitutional population projections. At the statewide level, the age- and sex-specific labor force projections were then summed to calculate total annual labor force level projections. At the county level, labor force levels projected through this method were adjusted to equal the level of the Local Area Unemployment Statistics program county labor force estimates at the projection's base year (2018), preserving the trends in labor force caused by demographic changes in the counties determined from the population projections. The sum of all county projections were then adjusted to the total Michigan labor force projection, a process called raking.

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JASON PALMER
Director

ALAN LEACH
Demographic Analyst

KEVIN DOYLE
Employment Projections Specialist

ERIC GUTHRIE
State Demographer

ASHLEY TARVER
Demographic Analyst

MICHIGAN ONLINE JOB ADS EDGE UP IN JANUARY

During January 2020, there were 161,633 online job advertisements in Michigan. This was a minor increase (+1.8 percent) from December when the state had 158,847 ads. Over the year, online ads were down 9,900 or 5.8 percent.

Michigan Supply/Demand Rate

The ratio of unemployed persons per job advertisement is known as the supply/demand rate. Michigan's supply demand rate for January was 1.31, which indicates 131 available job seekers for every 100 job advertisements posted. This rose over the month from a December rate of 1.10. In January of 2019, the supply/demand rate was 1.44.

Job Ad Posting Length

Of all online ads in January, 28 percent were posted for less than 30 days. 15 percent were posted for more than 30 days but less than 60. The remaining 57 percent of ads were posted for longer than 60 days.

Minimum Education Requirements

Nearly 57 percent of job ads (91,551) provide a minimum educational requirement. Of those, 44

percent list a high school degree or equivalency as the minimum education needed. A similar share of ads (42 percent) require a bachelor's degree. The third most listed education is an associate degree (8 percent), while roughly 6 percent of ads list an educational requirement above a bachelor's degree.

Job Ads by Occupation

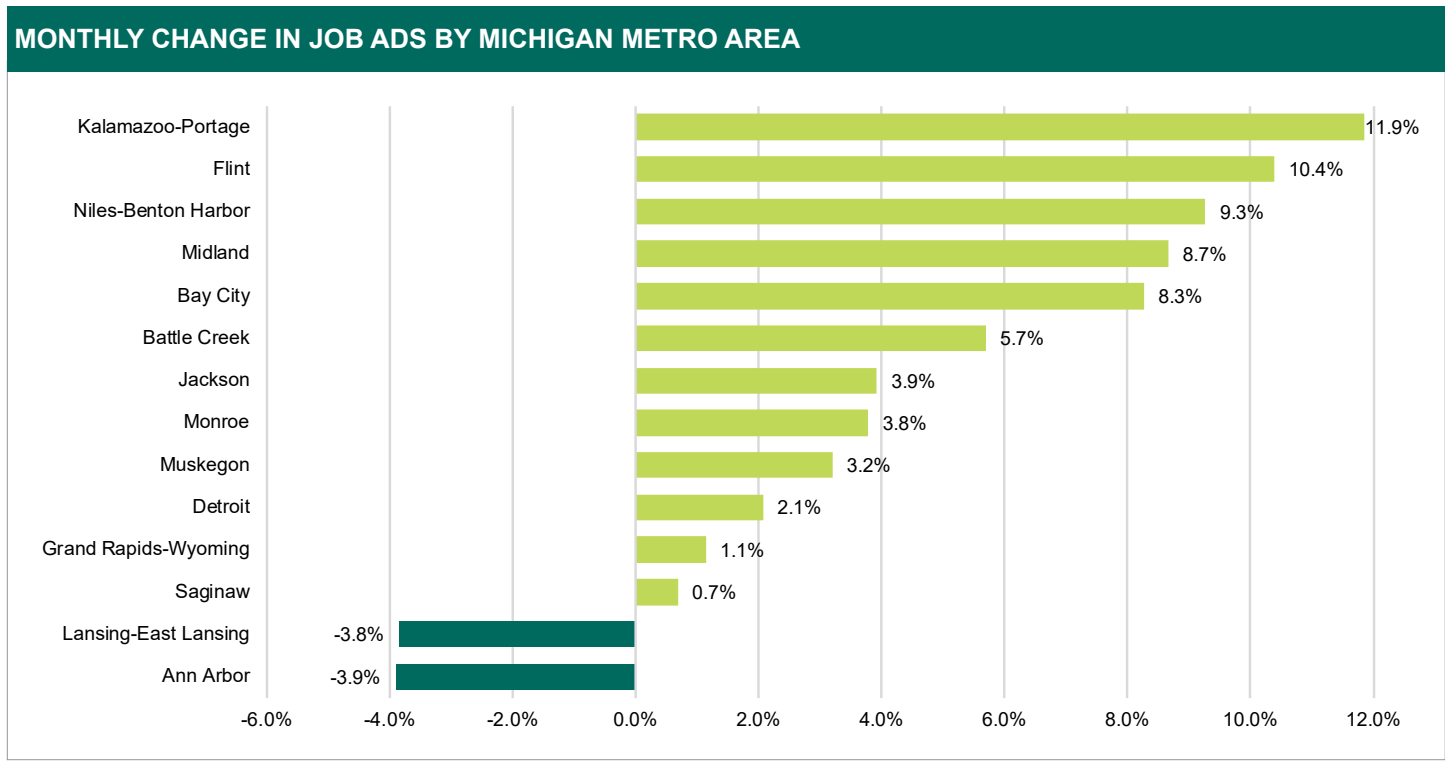
Information is available from the The Conference Board Help Wanted OnLine® data series on advertised jobs by detailed occupation as well as broad occupation groups. This month, *Sales and related* was the most prominent occupational group represented in job ad data with 18,993 ads. *Healthcare practitioners and technical* was the second largest occupational category with 17,850 ads, followed by *Management* with 16,332 ads.

Most major groups had minor growth in total job ads this month while some of the small groups saw larger changes. The seven largest occupational categories recorded modest ad gains in January, and nine of the top ten groups had some advances. *Transportation and material moving* was the only group in the top ten with a minor decline, down 252 ads (-3.4 percent) over the month.

Registered nurses (5,975 ads) remained the most sought-after occupation this month. *Retail salespersons* (5,869) had the second largest number of ads among detailed occupations. Rounding out the top 10 were several detailed occupations related to retail, customer service, food service, and computer-related positions.

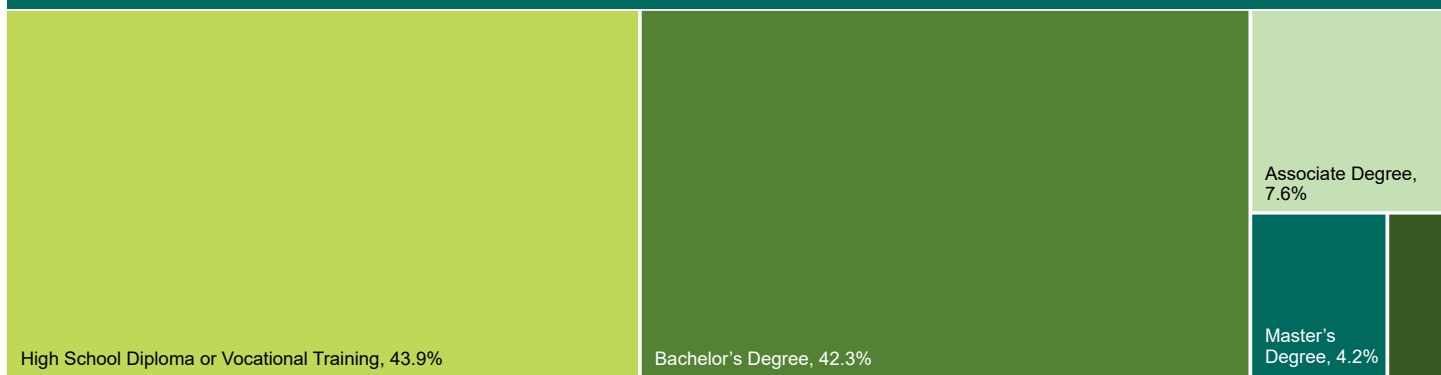
LMISI publishes job advertisement data through the The Conference Board Help Wanted OnLine® data series. In January 2020 this service partnered with Burning Glass Technologies and revised its job advertisement data collection methodology. Consequently, this month's data may demonstrate significant variation from prior publications, which may be related to methodology changes and not necessarily indicative of actual changes in job advertisement levels.

EVAN LINSKEY
Economic Analyst



Source: Conference Board Help Wanted OnLine®, Burning Glass Technologies

MINIMUM EDUCATION REQUIREMENTS FOR JOB POSTINGS IN MICHIGAN



Source: Conference Board Help Wanted OnLine®, Burning Glass Technologies

Note: 43 percent of records have been excluded because they do not include a degree level. As a result, the data may not be representative of the full sample.

Doctoral Degree, 2.0%

LABOR DEMAND BY OCCUPATION (NOT SEASONALLY ADJUSTED)

OCCUPATION CATEGORIES	JAN 2020	DEC 2019	JAN 2019	OVER THE MONTH	
				LEVEL	PERCENT
TOTAL	154,222	151,213	163,270	3,009	2.0%
Administrative Support	15,302	15,183	17,875	119	0.8%
Office and Administrative Support	15,302	15,183	17,875	119	0.8%
Construction and Repair	7,566	7,446	8,466	120	1.6%
Construction and Extraction	1,817	1,721	2,067	96	5.6%
Installation, Maintenance, and Repair	5,749	5,725	6,399	24	0.4%
Farming, Fishing, and Forestry	150	100	188	50	50.0%
Farming, Fishing, and Forestry	150	100	188	50	50.0%
Healthcare	22,470	21,591	21,141	879	4.1%
Healthcare Practitioners and Technical	17,850	17,067	16,306	783	4.6%
Healthcare Support	4,620	4,524	4,835	96	2.1%
Management	16,332	15,715	16,934	617	3.9%
Management	16,332	15,715	16,934	617	3.9%
Production	5,473	5,441	7,564	32	0.6%
Production	5,473	5,441	7,564	32	0.6%
Professional	43,443	42,749	44,146	694	1.6%
Architecture and Engineering	6,808	6,579	7,715	229	3.5%
Arts, Design, Entertainment, Sports, and Media	4,407	3,808	3,780	599	15.7%
Business and Financial Operations	8,563	8,533	9,409	30	0.4%
Community and Social Services	2,178	2,163	2,004	15	0.7%
Computer and Mathematical	14,946	14,917	15,294	29	0.2%
Education, Training, and Library	4,405	4,687	3,803	-282	-6.0%
Legal	767	797	708	-30	-3.8%
Life, Physical, and Social Science	1,369	1,265	1,433	104	8.2%
Sales	18,993	18,505	19,414	488	2.6%
Sales and Related	18,993	18,505	19,414	488	2.6%
Service	17,346	17,084	18,060	262	1.5%
Building and Grounds Cleaning and Maintenance	3,546	3,366	3,971	180	5.3%
Food Preparation and Serving Related	8,650	8,635	8,388	15	0.2%
Personal Care and Service	3,435	3,421	3,709	14	0.4%
Protective Service	1,715	1,662	1,992	53	3.2%
Transportation	7,147	7,399	9,482	-252	-3.4%
Transportation and Material Moving	7,147	7,399	9,482	-252	-3.4%

Note: Some job ads do not fit in a major group designation, so topline numbers may appear different between the analysis and the table.

RELEVANT RANKINGS

STATE RANKINGS BY LABOR FORCE PARTICIPATION RATE, FEBRUARY 2020

RANK	STATE	CIVILIAN NONINSTITUTIONAL POPULATION	CIVILIAN LABOR FORCE	LABOR FORCE PARTICIPATION RATE (%)
1	Iowa	2,473,213	1,752,764	70.9
2	Minnesota	4,445,229	3,121,259	70.2
3	Nebraska	1,486,762	1,042,417	70.1
4	Colorado	4,591,039	3,186,421	69.4
5	New Hampshire	1,126,189	779,489	69.2
23	Texas	22,155,850	14,200,106	64.1
25	Pennsylvania	10,286,870	6,558,209	63.8
26 (tie)	Alaska	543,956	345,422	63.5
26 (tie)	Nevada	2,455,309	1,559,531	63.5
28	Ohio	9,252,155	5,829,061	63.0
36	Michigan	8,003,857	4,950,003	61.8
46	South Carolina	4,101,740	2,391,831	58.3
47	Arkansas	2,349,523	1,367,278	58.2
48	Alabama	3,872,006	2,243,967	58.0
49	West Virginia	1,442,405	806,517	55.9
50	Mississippi	2,289,040	1,276,525	55.8

Source: Current Population Survey, U.S. Bureau of Labor Statistics

MICHIGAN COUNTY RANKINGS BY PROJECTED PERCENT CHANGE IN LABOR FORCE

RANK	COUNTY	LABOR FORCE (2018)	LABOR FORCE (PROJECTED 2028)	PERCENT CHANGE (PROJECTED)
1	Kent	356,730	389,902	9.3
2	Washtenaw	193,444	211,063	9.1
3	Ottawa	159,133	172,492	8.4
4	Allegan	61,863	66,118	6.9
5	Kalkaska	7,769	8,258	6.3
6	Barry	31,473	33,372	6.0
7	Ingham	149,564	157,807	5.5
8	Otsego	11,514	12,114	5.2
9	Clinton	40,799	42,749	4.8
10	Kalamazoo	132,083	137,820	4.3
79	Alger	3,223	2,838	-11.9
80	Arenac	5,938	5,142	-13.4
81	Baraga	3,157	2,592	-17.9
82	Ontonagon	2,097	1,621	-22.7
83	Keweenaw	877	656	-25.2

Source: 2018–2028 Michigan Labor Force Projections, Bureau of Labor Market Information and Strategic Initiatives



ASK THE ECONOMIST

What impact will the
COVID-19 pandemic have
on Michigan's unemployment
rate, and when?

Here's what you need to know...

The COVID-19 pandemic has caused a major economic disruption and led to significant unemployment, evidenced by record-setting initial claims for unemployment insurance benefits. However, today's situation will not be reflected in the state's official unemployment rate until the middle of May 2020 when data is released for the month of April.

The Official Unemployment Rate

The official unemployment rate is based on a monthly survey of households and reflects the labor market situation of all members of the household for the week that includes the 12th of the month (the "reference week").

While the COVID-19 pandemic was rapidly unfolding in early March, only a few of many labor market disruptions had occurred during the reference week (the week of March 12th). The following week, businesses increasingly closed their doors to help fight the pandemic, causing more widespread unemployment. As a result, most of the impact on labor markets started just days after the close of the March reference week and continue today.

It is possible that the first signs of the virus' impact on official unemployment rates may be available on April 15th, when Michigan labor force and industry jobs estimates for March 2020 are released. However, the April 2020 data (available May 20th) will be the first official Michigan unemployment and jobs data that will

likely illustrate the full impact of the pandemic's ongoing labor market impact.

Initial Claims for Unemployment Benefits

Weekly claims for unemployment insurance benefits offer an early look at the pandemic's impact on labor markets. Nationally, initial claims have skyrocketed in recent weeks, with 2.9 million filed during the week ending March 21st and 5.8 million filed for the week ending March 28th. For context, weekly claims reached a peak of just under 1 million in 2009 at the height of the Great Recession.

In Michigan, initial claims reached 128,000 during the week of March 21st and 303,500 during the week of March 28th, overshadowing the peak of 76,700 during the Great Recession. Weekly claims reached 108,600 in the middle of 1992, reflecting the early 1990s recession.

The table below shows initial claims for unemployment benefits by industry for three consecutive weeks in March 2020. Among the industries seeing the largest volume of claims were *Manufacturing*, *Retail trade*, and *Leisure and hospitality*, which includes restaurants.

Economic Forecasts

One closely-watched forecast is the *U.S. and Michigan Economic Outlook* from the University of Michigan Research Seminar in Quantitative Economics (RSQE). In an Interim Update,

RSQE modeled two scenarios: "effective mitigation," where the measures taken in response to COVID-19 are effective at limiting economic contraction; and "prolonged fallout," where such measures are ineffective in the near term and result in a longer, prolonged contraction in economic activity.

Under the prolonged fallout—the more relevant scenario now—they see the Michigan jobless rate increasing to 8.1 percent in 2020 and 8.8 percent in 2021 before beginning a decline. In this second scenario, payroll jobs are expected to fall 400,000 between the first and third quarters of 2020, with the Michigan jobless rate peaking at 10.0 percent in the third quarter of 2020. For more information on these forecasts and for updates, please visit www.lsa.umich.edu/econ/rsqe

Conclusion

No doubt, the COVID-19 pandemic has had, and will continue to have, a profound impact on labor markets. Early indicators like initial claims for unemployment benefits may answer some questions about the virus' impact while waiting for the publication of official unemployment rates and payroll job estimates. Looking ahead, economic forecasts such as those from RSQE may help us prepare for what's to come.

JASON PALMER
Director

INITIAL CLAIMS FOR UNEMPLOYMENT BENEFITS BY INDUSTRY, MARCH 14–28, 2020

INDUSTRY	WEEK OF MARCH 14	WEEK OF MARCH 21	WEEK OF MARCH 28
Natural Resources and Mining	100	200	600
Construction	700	2,800	27,100
Manufacturing	1,000	11,800	82,700
Transportation Equipment Manufacturing	300	4,900	35,200
Trade, Transportation, and Utilities	900	12,800	50,800
Retail Trade	400	8,400	32,600
Information	100	1,500	1,700
Financial Activities	200	1,600	4,300
Professional and Business Services	1,100	12,700	39,100
Education and Health Services	500	18,800	29,300
Leisure and Hospitality	600	51,000	33,400
Other Services	100	6,700	14,200
Public Administration	100	600	1,100
Unclassified	500	9,700	29,500

Source: Michigan Department of Labor and Economic Opportunity and U.S. Department of Labor, Employment and Training Administration

Note: Initial claims are rounded to the nearest 100



STATE OF MICHIGAN

Department of Technology, Management & Budget

Bureau of Labor Market Information and Strategic Initiatives

Detroit Office

Cadillac Place
3032 West Grand Boulevard
Suite 9-150
Detroit, Michigan 48202
(313) 456-3100

Lansing Office

Victor Office Building, Floor 5
201 North Washington Square
Lansing, Michigan 48933
(517) 335-2472



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