



STATE OF MICHIGAN

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GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

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Michigan jobless rate increases during December

Payroll jobs down sharply over the year

LANSING, Mich. -- Michigan's seasonally adjusted unemployment rate rose by five-tenths of a percentage point in December to 7.5 percent, according to data released today by the Michigan Department of Technology, Management & Budget. Total employment fell sharply by 154,000 over the month, while unemployment edged up by 14,000. Michigan's workforce decreased significantly by 141,000 in December.

The national unemployment rate remained unchanged between November and December at 6.7 percent. The Michigan December jobless rate was 0.8 percentage points above the national rate. The U.S. unemployment rate advanced by 3.1 percentage points over the year, while the state rate increased by 3.6 percentage points since December 2019.

"Michigan's labor market during 2020 was negatively impacted by the COVID-19 pandemic," said Wayne Rourke, associate director of the Bureau of Labor Market Information and Strategic Initiatives. "The state's annual unemployment rate exhibited a pronounced increase over the year, and payroll jobs plunged in 2020."

Monthly labor force trends and highlights

- Michigan's November unemployment rate was revised slightly upwards by a tenth of a percentage point, from 6.9 to 7.0 percent.
- Since December 2019, Michigan's total number of employed fell by 6.4 percent, 0.8 percentage points above the employment decline recorded by the nation (-5.6 percent.)
- Between the third and fourth quarters of 2020, the number of statewide unemployed dropped by 87,000, or nearly 21 percent.
- Michigan's quarterly jobless rate moved down by 1.9 percentage points between the third and fourth quarters of 2020.

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Michigan
Labor Force Estimates
 Seasonally Adjusted
 (Data in Thousands)

| | Dec. 2020 | Nov. 2020 | Dec. 2019 | Over the Month | | Over the Year | |
|----------------------|--------------|--------------|--------------|----------------|---------|---------------|---------|
| | | | | Numeric | Percent | Numeric | Percent |
| Civilian Labor Force | 4,802 | 4,943 | 4,941 | -141 | -2.9% | -139 | -2.8% |
| Employed | 4,444 | 4,598 | 4,750 | -154 | -3.3% | -306 | -6.4% |
| Unemployed | 359 | 345 | 191 | 14 | 4.1% | 168 | 88.0% |
| Unemployment Rate | 7.5 | 7.0 | 3.9 | 0.5 | XXX | 3.6 | XXX |

Michigan’s 2020 preliminary annual average labor force data

Michigan’s preliminary annual average unemployment rate in 2020 was 9.7 percent, a significant jump of 5.6 percentage points above the 2019 annual average rate of 4.1 percent. This rate reflected pandemic-related job losses in Michigan. Total employment in Michigan averaged 4,392,000 in 2020, while total unemployment soared to 470,000. The state’s annual workforce level was 4,863,000 in 2020.

Annual average trends and highlights

- Michigan’s jobless rate jumped in 2020 for the first time since 2009. The 2020 annual jobless rate of 9.7 percent was 4.0 percentage points below the 2009 annual rate of 13.7 percent during the Great Recession.
- The 2020 annual average unemployment rate was the highest seen by the state since 2011 (10.4 percent).
- Annual average employment in the state fell by 344,000, or 7.3 percent, over the year, while the state’s average number of unemployed moved up significantly by 269,000, or over 133 percent.
- Michigan’s annual average workforce total in 2020 decreased by 1.5 percent over the year.

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Detroit metro area jobless rate advances over month

The Detroit-Warren-Dearborn Metropolitan Statistical Area’s (MSA) seasonally adjusted jobless rate advanced by nine-tenths of a percentage point to 10.2 percent during December. Employment dropped significantly by 71,000 over the month, while unemployment edged up by 14,000, resulting in a net workforce reduction of 57,000 since November.

The Detroit metro region unemployment rate advanced by 6.2 percentage points since December 2019. Employment fell by 142,000 and unemployment rose by 133,000 over this period.

**Detroit-Warren-Dearborn MSA
Labor Force Estimates
Seasonally Adjusted
(Data in Thousands)**

| | Dec. 2020 | Nov. 2020 | Dec. 2019 | Over the Month | | Over the Year | |
|----------------------|--------------|--------------|--------------|----------------|---------|---------------|---------|
| | | | | Numeric | Percent | Numeric | Percent |
| Civilian Labor Force | 2,156 | 2,213 | 2,165 | -57 | -2.6% | -9 | -0.4% |
| Employed | 1,936 | 2,007 | 2,078 | -71 | -3.5% | -142 | -6.8% |
| Unemployed | 220 | 206 | 87 | 14 | 6.8% | 133 | 152.9% |
| Unemployment Rate | 10.2 | 9.3 | 4.0 | 0.9 | XXX | 6.2 | XXX |

Detroit MSA 2020 preliminary annual average labor force trends

The Detroit-Warren-Dearborn MSA’s preliminary annual average jobless rate in 2020 was 11.0 percent, 6.7 percentage points above the 2019 average jobless rate of 4.3 percent. The metro area annual jobless rate during 2020 was 1.3 percentage points above the statewide annual unemployment rate.

Nonfarm jobs fall sharply in December and over the year

The monthly survey of employers registered a seasonally adjusted payroll job reduction of 64,000 over the month, or 1.6 percent, resulting in an employment total of 3,963,000.

The largest industry employment decline overwhelmingly occurred in Michigan’s leisure and hospitality sector, with a reduction of 60,000 jobs over the month. Restaurants and other firms providing entertainment services registered large pandemic-related job cuts in December.

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Industry employment trends and highlights

- December was the second consecutive month of job declines in Michigan and had the largest job reduction since the pandemic-related plunge in jobs in April.
- After nine consecutive years of annual average payroll employment gains, jobs dropped significantly in 2020 due to the pandemic. Annual average job levels fell sharply by 424,000, or 9.6 percent, in 2020.
- The state's trade, transportation, and utilities industry was the only Michigan sector with a notable job increase over the month (+8,000), primarily due to job gains in retail trade related to the holiday shopping season.
- Since December 2019, payroll employment fell by 487,000, or 10.9 percent.
- Over the year, all major statewide industries exhibited payroll employment declines, led on a numerical basis by leisure and hospitality, manufacturing, and education and health services.

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Michigan
Payroll Employment Estimates
 Seasonally Adjusted
 (Data in Thousands)

| | Dec.** 2020 | Nov.* 2020 | Dec. 2019 | Over the Month*** | | Over the Year *** | |
|--------------------------------------|----------------|---------------|--------------|-------------------|---------|-------------------|---------|
| | | | | Numeric | Percent | Numeric | Percent |
| Total Nonfarm Payroll Jobs | 3,963 | 4,027 | 4,449 | -64 | -1.6% | -487 | -10.9% |
| Natural Resources and Mining | 7 | 6 | 7 | 0 | 4.7% | -1 | -8.2% |
| Construction | 175 | 177 | 177 | -2 | -1.0% | -2 | -1.0% |
| Manufacturing | 568 | 566 | 629 | 2 | 0.3% | -62 | -9.8% |
| Transportation Equipment | 164 | 161 | 187 | 3 | 2.0% | -23 | -12.3% |
| Trade, Transportation, and Utilities | 773 | 765 | 804 | 8 | 1.1% | -31 | -3.8% |
| Retail Trade | 446 | 438 | 465 | 8 | 1.7% | -19 | -4.1% |
| Information | 50 | 51 | 55 | -1 | -1.0% | -4 | -7.9% |
| Financial Activities | 222 | 221 | 228 | 1 | 0.3% | -6 | -2.4% |
| Professional and Business Services | 603 | 604 | 653 | -1 | -0.2% | -50 | -7.6% |
| Education and Health Services | 624 | 627 | 683 | -3 | -0.5% | -59 | -8.6% |
| Leisure and Hospitality Services | 229 | 289 | 434 | -60 | -20.7% | -205 | -47.2% |
| Other Services | 148 | 150 | 164 | -1 | -0.7% | -16 | -9.7% |
| Government | 563 | 571 | 616 | -8 | -1.4% | -53 | -8.6% |

* Revised data for November 2020

** Preliminary data for December 2020

*** Change calculated using unrounded data

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Michigan
Hours and Earnings for Production Workers
 Seasonally Adjusted

| Manufacturing | | | | | | | |
|---|--------------|--------------|--------------|----------------|---------|---------------|---------|
| | Dec. 2020 | Nov. 2020 | Dec. 2019 | Over the Month | | Over the Year | |
| | | | | Numeric | Percent | Numeric | Percent |
| Average Weekly Earnings | \$926.83 | \$931.57 | \$966.28 | -4.74 | -0.5% | -39.45 | -4.1% |
| Average Weekly Hours | 40.3 | 40.8 | 43.2 | -0.5 | -1.2% | -2.9 | -6.6% |
| Transportation Equipment Manufacturing | | | | | | | |
| | Dec. 2020 | Nov. 2020 | Dec. 2019 | Over the Month | | Over the Year | |
| | | | | Numeric | Percent | Numeric | Percent |
| Average Weekly Earnings | \$1,169.89 | \$1,175.05 | \$1,273.31 | -5.16 | -0.4% | -103.42 | -8.1% |
| Average Weekly Hours | 42.5 | 42.8 | 46.9 | -0.3 | -0.7% | -4.4 | -9.3% |

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