



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

LANSING

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Michigan's June Unemployment Rate Edges Downward

Lansing – Michigan's seasonally adjusted unemployment rate in June edged down over the month by one-tenth of a percentage point to 4.6 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). Total employment decreased by 25,000 over the month while the number of unemployed declined by 5,000. The net result was a 31,000 reduction in the state's labor force.

The Michigan jobless rate in June 2016 was seven-tenths of a percentage point below the state's June 2015 rate of 5.3 percent. The national jobless rate decreased by four-tenths of a percentage point over this period. The state's unemployment rate in June was three-tenths of a percentage point below the national rate. The U.S. jobless rate increased by two-tenths of a percentage point from May to June.

"Michigan's slight jobless rate decline in June was primarily due to a reduction in the number of persons active in the state's workforce," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "However, Michigan's labor force rebounded strongly in 2016 to the highest levels since 2009."

Monthly Labor Force Trends & Highlights

- June marked the second consecutive monthly unemployment rate decline in Michigan and the fourth reduction recorded so far in 2016.
- The state's jobless rate has remained below 5.0 percent for the entire first half of 2016. June's rate was the lowest posted in Michigan since February 2001.
- June's statewide workforce decline was the second monthly reduction in a row after ten straight months of gains. Even with the reductions in May and June, Michigan's labor force has grown by a strong 101,000 or 2.1 percent since June 2015. This over-the-year advance well outpaced the national labor force increase of 1.2 percent over the same period.
- Michigan's second quarter 2016 unemployment rate of 4.7 percent declined slightly by one-tenth of a percentage point from the state's first quarter rate of 4.8 percent. This was the 14th consecutive quarterly rate drop dating back to the first quarter 2013. From the first quarter to the second quarter 2016, total

employment rose by 39,000 or 0.8 percent while the number of unemployed edged down by 7,000 or 3.0 percent.

- From June 2015 to June 2016, the number of unemployed in Michigan decreased by 30,000 or 11.9 percent, which compared favorably to the 5.8 percent reduction nationwide over the same period.

MICHIGAN
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	June 2015	May 2016	June 2016	Change	
				Month	Year
Civilian Labor Force	4,736	4,868	4,837	-31	101
Employment	4,483	4,641	4,616	-25	133
Unemployment	252	227	222	-5	-30
Rate (Percent)	5.3	4.7	4.6	xxx	xxx

Detroit Metropolitan Area's Labor Force Status Little Changed in June

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in June declined slightly by one-tenth of a percentage point to 5.1 percent. Total employment edged down by 3,000 over the month, while the number of unemployed also declined by 3,000. The area's workforce decreased by 5,000 in June. The Detroit MSA jobless rate has fallen every month so far in 2016, while the region's average unemployment rate through the first half of 2016 stands at 5.6 percent, which is six-tenths of a percentage point below the area's 2015 annual rate of 6.2 percent. June marked the first month in 2016 that the region's total employment and workforce levels declined.

From June 2015 to June 2016, the Detroit metropolitan area's jobless rate fell by a full percentage point. Since June 2015, total employment rose by 77,000 or 4.1 percent in the region, while the number of unemployed declined by 17,000 or 13.9 percent. The Detroit area's workforce grew by 61,000 or 3.1 percent over this period. The Detroit area's total employment and labor force gains since June 2015 outpaced both the state and the nation on a percentage basis.

Detroit-Warren-Dearborn MSA
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	June 2015	May 2016	June 2016	Change	
				Month	Year
Civilian Labor Force	1,996	2,062	2,057	-5	61
Employment	1,874	1,954	1,951	-3	77
Unemployment	122	108	105	-3	-17
Rate (Percent)	6.1	5.2	5.1	xxx	xxx

Widespread Gains Boost June Payroll Jobs Back to April Levels

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs rose in June by 20,000 to 4,330,000. Solid over-the-month job gains were posted in professional and business services (+4,000), education and health services (+4,000), and leisure and hospitality services (+4,000). Lesser job increases of around 2,000 each were recorded in trade, transportation and utilities, financial activities, government, and other services. The remaining major sectors showed only minor changes in June.

Industry Employment Trends and Highlights

- Michigan payroll jobs rebounded in June after a May reduction broke a string of seven consecutive monthly gains. The June increase brought the state's payroll job total of 4,330,000 to essentially the April 2016 level.
- The June increase in professional and business services was this sector's fourth consecutive month of strong job gains. Since February, jobs advanced in professional and business services by 17,000 or 2.6 percent in Michigan.
- Similar to professional and business services, jobs in education and health services have shown a steady growth pattern since April. Over that period, jobs in education and health services advanced by 9,000 or 1.4 percent.
- Jobs in leisure and hospitality services increased in June after recording three consecutive months of job reductions. Even with some moderate early spring instability, this sector has registered a robust job advance of 12,000 or 2.8 percent since June 2015.
- From June 2015 to June 2016, payroll jobs in Michigan increased by 91,000 or 2.2 percent, which outpaced the national gain over this period of 1.7 percent. All major sectors in the state recorded job additions over this period with the exception of mining and logging (-1,000).
- Since June 2015, Michigan major industry sectors with the largest percent job additions were financial activities (+4.8%), professional and business services (+4.3%), information (+2.8%), and leisure and hospitality services (+2.8%).
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing increased over the month, but declined over the year.

(more)

MICHIGAN
Payroll Employment Estimates

Seasonally Adjusted

(Data in Thousands)

	<u>June</u>	<u>May*</u>	<u>June**</u>	CHANGE***	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4,239	4,311	4,330	20	91
Natural Resources & Mining	8	7	7	0	-1
Construction	148	151	150	-1	2
Manufacturing	586	597	596	-1	11
Transportation Equipment	173	175	174	-1	1
Trade, Transportation & Utilities	772	774	776	2	4
Retail Trade	468	470	472	2	5
Information	57	58	58	1	2
Financial Activities	207	215	217	2	10
Professional & Business Services	639	662	666	4	28
Education & Health Services	650	664	668	4	18
Leisure & Hospitality Services	413	420	424	4	12
Other Services	168	170	172	2	5
Government	593	593	595	2	2

* Final data for May

** Preliminary data for June

*** Change calculated using unrounded data

Hours & Earnings for Production Workers

Seasonally Adjusted

Manufacturing

	<u>June</u>	<u>May</u>	<u>June</u>	CHANGE	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$931.29	\$843.24	\$868.89	\$25.65	-\$62.40
Average Weekly Hours	45.0	42.5	42.9	0.4	-2.1

Transportation Equipment

Average Weekly Earnings	\$1,261.06	\$945.21	\$1,000.56	\$55.35	-\$260.50
Average Weekly Hours	50.0	42.8	44.3	1.5	-5.7

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