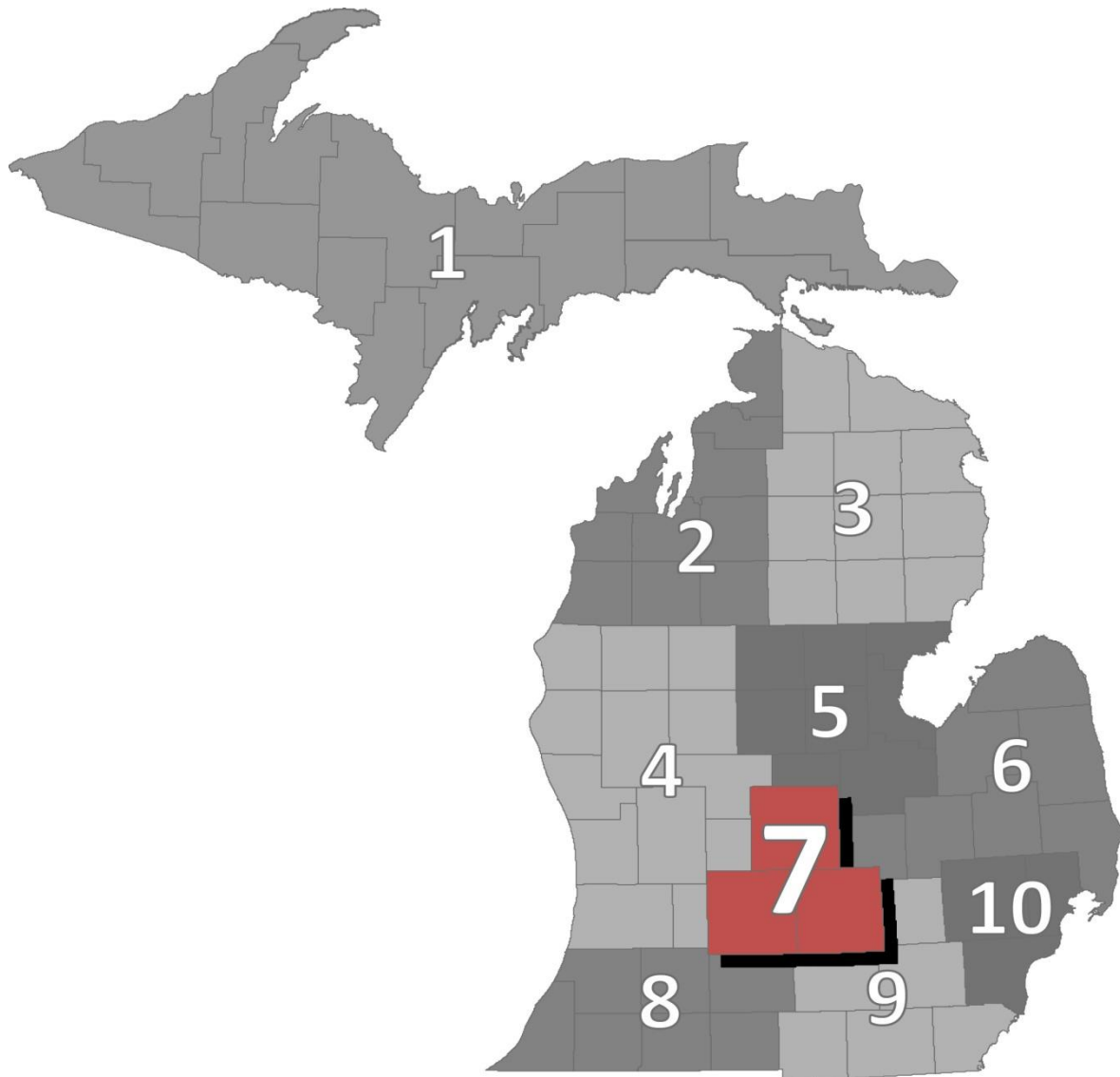


# Regional Prosperity Initiative: Labor Market Information Supplement



Prepared For:

## **South Central Prosperity Region (Region 7)**

(Clinton, Eaton, and Ingham)

Prepared By:

State of Michigan

**Department of Technology, Management, and Budget**

Bureau of Labor Market Information and Strategic Initiatives

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**POPULATION AND DEMOGRAPHICS**

- There was just under half a million people (465,000) living in Prosperity Region 7 in 2012, which includes Clinton, Eaton and Ingham Counties, accounting for 4.7 percent of statewide population.
- The Region’s population grew by 4.0 percent between 2000 and 2012, adding almost 18,000 people to the area’s total and significantly outpacing the statewide loss of 0.6 percent during the same period.
- Migration and natural increase both contributed to the overall population gain, with the bulk of area growth coming in Clinton County, which had among the fastest-growing populations in Michigan during this period. It grew by 17 percent and accounted for two thirds of the Region’s overall gain.
- The 2012 age distribution in Region 7 shows a slightly younger population than the State average. Almost one in five were 14 years old or younger and nearly a third were between 15 and 34 years old. One quarter of people were in the 55 and over group, slightly less than the statewide average.
- Nearly 90,000 area residents aged 25 years and older held at least a Bachelor’s degree, representing roughly 31 percent of the Region’s total. This was somewhat higher than the statewide average of 25 percent and illustrates the impact of Michigan State University and the prevalence of knowledge jobs in the Region in industries like *Finance and insurance, IT and Public administration*.

**Population and Demographics**

**South Central Prosperity Region**

**465,732**

Total Population, 2012 Estimate

**4.7%**

Share of State

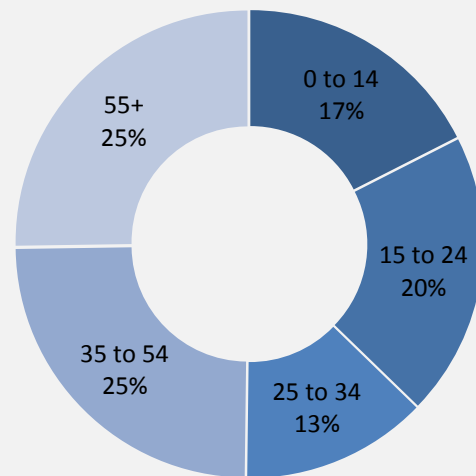
**17,887**

Total Change in Residents, 2000-2012

**4.0%**

Percent Change in Residents, 2000-2012

**Population by Age**



**Population by Gender**

**51%**

Female

**49%**

Male

**Educational Attainment of 25+ Population**

Less than High School Diploma

**8%** Share • **24,170** Residents

High School Graduate, GED or Alternative

**26%** Share • **74,670** Residents

Some College or Associate’s Degree

**34%** Share • **98,305** Residents

Bachelor’s Degree or Higher

**31%** Share • **89,829** Residents

Source: U.S. Census Bureau / DTMB, Center for Shared Solutions

**LABOR FORCE AND UNEMPLOYMENT**

- Prosperity Region 7 has averaged roughly 234,600 labor force participants year-to-date in 2013. The size of the workforce has fallen by 3.6 percent since 2009, on pace with the statewide average labor force decline of 3.4 percent during this period.
- This exit of over 8,000 residents from the area’s labor force was impacted by a number of factors. Retirements due to an aging workforce were only part of that equation, as the recession’s downward pressure on jobs also pushed jobseekers into education and training programs as well as forcing some discouraged workers out of the labor force.
- Despite the 2009-2013 drop in workforce, the Capital Area’s labor force levels have edged upward in the past year, adding 1,600 participants or 0.7 percent since 2012.
- The number of unemployed (about 17,800 in 2013) fell in the Region between 2009 and 2012, but is up slightly in 2013 due to modest labor force expansion as residents entered the labor market in search of employment.
- The 2013 year-to-date jobless rate of 7.6 percent is up slightly from 2012, but has retreated from double-digit territory in 2009 and 2010 as the Region’s auto manufacturing sector and economy have gradually improved.
- Due to its unique economic diversity, the Region’s jobless rate remained well below the statewide average in 2013, as has been the case historically.

**Labor Force and Unemployment**

**South Central Prosperity Region**

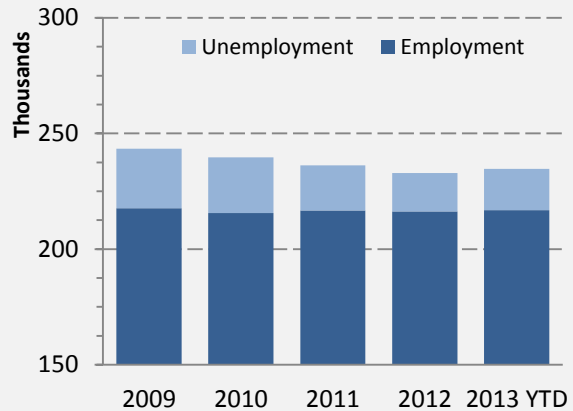
**234,620**

Labor Force Participants, 2013 YTD

**-3.6%**

Change in Labor Force, 2009-2013

**Labor Force, Employment, Unemployment**



**South Central Prosperity Region**

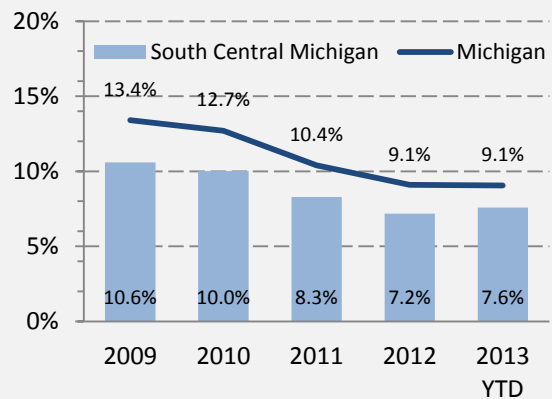
**7.6%**

Unemployment Rate, 2013 YTD

**-3.0**

Change in Unemployment Rate, 2009-2013

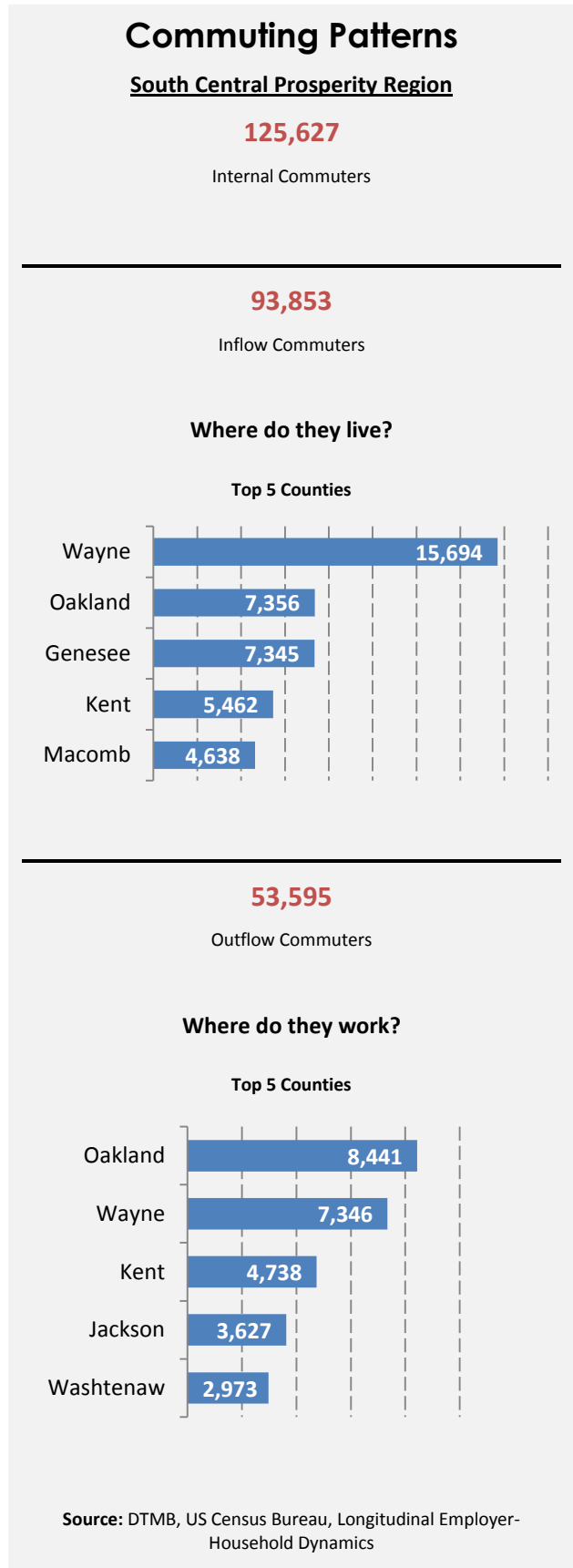
**Unemployment Rate**



Source: DTMB, Local Area Unemployment Statistics (LAUS)

**COMMUTING PATTERNS**

- The Region has roughly 125,600 workers who both live and work with the Tri-County Area. These internal commuters account for well over half of all those employed (57 percent) in the multi-county Region, which has historically been a solidly-defined metropolitan area.
- Due to the sheer size of these areas, Oakland and Wayne Counties (both part of the Detroit metro area) account for a good portion of the movement of workers into and out of the Capital Area’s economy. Over 23,000 or about a quarter of the Region’s jobs are held by workers residing in these two counties, while almost a third of the Region’s residents commute to one of these counties to work.
- The Capital Area economy’s magnetic effect on workers in surrounding counties offset the outward movement of workers leaving the area in 2011, as net commuting (inflow – outflow) in the Region was +40,000 in 2011. State government, the presence of major insurance company headquarters, Michigan State University, two health systems, and a fast-growing IT sector are all factors drawing in workers from outside of the Region.
- This positive net commuting figure is second only to Prosperity Region 10, which comprises the Detroit metro area. Region 7’s unique economy, coupled with a centralized location that lends proximity to many well-populated counties in the surrounding Region, attracts a good number of commuters despite its relatively moderate size.



**INDUSTRY EMPLOYMENT**

- There were roughly 198,000 payroll jobs in the Capital Area in 2012, representing 5.0 percent of statewide payrolls (please note that payroll job data from the CES monthly survey includes non-covered jobs and is slightly different from this total).
- When public sector jobs are included in the area’s economic mix, the *Educational services* sector is the largest source of employment in the Region, responsible for 28,225 jobs or 14.3 percent of total payrolls. This includes public and private K-12 schools, colleges, universities and professional schools.
- The presence of two major health systems and a number of primary care and specialist facilities made *Health care and social assistance* the Region’s second largest industry in 2012. *Nursing and residential care facilities* and *Social assistance* also contributed jobs in this sector, accounting for over a third of the Region’s 27,375 total.
- Because the Region includes the State’s capital city, *Public administration* represented one in ten payroll jobs in Region 7, despite budgetary issues pushing total government employment lower in recent years.
- Despite well-documented struggles in recent history, the Region’s *Manufacturing* sector remains an important job provider both in terms of the number of jobs (over 17,700 in 2012) and the quality of these jobs locally in terms of pay and benefits, thanks in large part to domestic automakers’ continued presence in the Region.

**Industry Employment**

**South Central Prosperity Region**

**197,975**

Total, All Industry Payroll Jobs (UI covered)

**\$856**

Total, All Industry Average Weekly Wage

**Top 10 Industries by Employment**

**Educational Services**

28,225 Jobs • 14.3% Share

**Health Care and Social Assistance**

27,375 Jobs • 13.8% Share

**Retail Trade**

20,175 Jobs • 10.2% Share

**Public Administration**

19,775 Jobs • 10.0% Share

**Manufacturing**

17,725 Jobs • 9.0% Share

**Accommodation and Food Services**

16,250 Jobs • 8.2% Share

**Administrative and Support and Waste Management**

10,275 Jobs • 5.2% Share

**Finance and Insurance**

9,825 Jobs • 5.0% Share

**Professional, Scientific, and Technical Services**

8,600 Jobs • 4.3% Share

**Transportation and Warehousing**

8,200 Jobs • 4.1% Share

Source: DTMB, Quarterly Census of Employment and Wages (Customized Report)

**INDUSTRY JOB TRENDS**

- Payroll jobs in Region 7 rose by 2.0 percent between 2009 and 2012, representing a gain of almost 4,000 payroll jobs as the area attempted to rebound from 2009 lows that were the result of the “Great Recession” and financial crisis of 2008.
- Thanks to a rebound from massive job declines in the industry in 2009, *Manufacturing* topped the list of the Region’s high-growth industries in the short run. Since 2009, the Region 7 *Manufacturing* industry has added over 2,800 jobs and grew by 18.7 percent, outpacing industry gains statewide as consumer demand and new car model production upped output in the local automotive sector.
- Growth in *Transportation and warehousing*, which added 1,200 jobs during this period, was also impacted by area *Manufacturing* gains, as this sector has strong ties to local automotive and parts manufacturing locally. As least some of the growth in *Administrative and support services* was also affected by this.
- *Health care and social assistance* has been consistently adding jobs in Region 7, increasing by 1,100 jobs or 4.2 percent since 2009. This sector has grown over the longer term as well; it has added jobs nearly every year since at least the turn of the century.
- *Retail trade*, an industry important to younger and part-time workers, saw a decline of 550 jobs since 2009, or a 2.6% decrease. *Clothing stores, Food and beverage stores* and *Gas stations* all contributed to the sector’s decline, while *General merchandise stores* grew slightly during this period.

**Industry Job Trends**

**South Central Prosperity Region**

**+3,950**

Change in Payroll Jobs, 2<sup>nd</sup> Qtr. 2009 – 2<sup>nd</sup> Qtr. 2012

**+2.0%**

Percent Change in Payroll Jobs, 2<sup>nd</sup> Qtr. 2009 – 2<sup>nd</sup> Qtr. 2012

**High Growth Industries**

**Manufacturing**

**+2,825 Jobs • +18.7% Percent**

**Administrative and Support and Waste Management**

**+2,800 Jobs • +36.1% Percent**

**Transportation and Warehousing**

**+1,200 Jobs • +17.3% Percent**

**Health Care and Social Assistance**

**+1,100 Jobs • +4.2% Percent**

**Management of Companies and Enterprises**

**+325 Jobs • +16.8% Percent**

**Declining Industries**

**Public Administration**

**-1,925 Jobs • -8.8% Percent**

**Educational Services**

**-1,150 Jobs • -3.8% Percent**

**Professional, Scientific, and Technical Services**

**-975 Jobs • -10.3% Percent**

**Retail Trade**

**-550 Jobs • -2.6% Percent**

**Construction**

**-500 Jobs • -8.2% Percent**

Source: DTMB, Quarterly Census of Employment and Wages (Customized Report)

## **EMPLOYMENT CONCENTRATION INDUSTRIES**

- Location quotients (LQ) are defined as ratios that compare the concentration of employment in a defined area to that of a larger area. A LQ greater than 1.0 suggests a higher concentration of industry employment locally than statewide while a LQ of less than one suggests a weaker concentration of industry employment. A quotient of 1.0 suggests the same concentration of industry employment regionally and statewide.
- Among the top industries in terms of location quotients in the Region was *Insurance carriers and related activities*, which posted an LQ of 2.32 and paid over \$1,200 per week on average in 2012. This is an important sector in Region 7, which is home to many insurance companies that recruit talent, particularly IT-related workers, both regionally and nationally.
- *Educational services'* competitive advantage was impacted a great deal by the presence of a nationally-known university, a major community college, and several smaller colleges and professional schools in the area.
- Of those sectors with LQs below 1.0, *Professional and technical services* stands out due to both its sheer size (nearly 8,600 jobs) but also its high weekly wage. It is particularly surprising to see this industry with a low employment concentration in a Region with a relatively well-educated workforce.

## **Location Quotient (LQ)**

### **Higher LQ Industries**

#### **Warehousing and Storage**

2.78 Location Quotient \$752 Average Weekly Wage

#### **Insurance Carriers and Related Activities**

2.32 Location Quotient \$1,221 Average Weekly Wage

#### **Religious, Grantmaking, Civic, Professional, and Similar Organizations**

2.07 Location Quotient \$774 Average Weekly Wage

#### **Social Assistance**

1.78 Location Quotient \$511 Average Weekly Wage

#### **Educational Services**

1.63 Location Quotient \$981 Average Weekly Wage

### **Lower LQ Industries**

#### **Food Manufacturing**

0.32 Location Quotient \$776 Average Weekly Wage

#### **Machinery Manufacturing**

0.41 Location Quotient \$1,055 Average Weekly Wage

#### **Wholesale Electronic Markets and Agents and Brokers**

0.45 Location Quotient \$1,166 Average Weekly Wage

#### **Accommodation**

0.50 Location Quotient \$317 Average Weekly Wage

#### **Professional, Scientific and Technical Services**

0.69 Location Quotient \$1,246 Average Weekly Wage

Source: DTMB, Quarterly Census of Employment and Wages

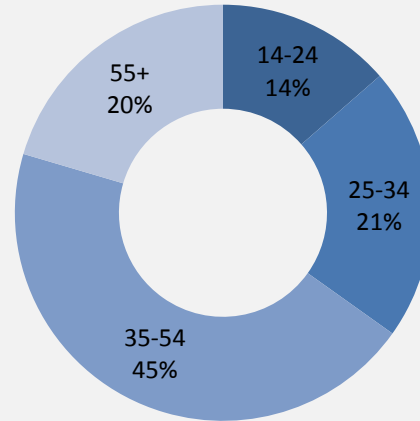


**DEMOGRAPHICS / INDUSTRY EMPLOYMENT**

- About 20 percent of jobs in Region 7 are held by workers 55 years of age or older, mirroring the statewide share. The same is generally true for the share of jobs held by 25-34 year-olds in the Region.
- Several industries, including *Educational services* and *Utilities* had higher than average shares of older workers (aged 55 and over). About two of every seven employees in each of these industries are 55 or older. And when comparing shares of workers in this age group to the statewide average for each industry, *Professional and technical services* is considered an older industry locally with a 22 percent share versus the statewide share of older workers (19 percent) in this industry.
- Like many other Prosperity Regions, the *Health care and social assistance* industry registers the highest number of older employees (ages 55+). Future worker shortages as a result of both an aging workforce and increasing demand for health services as the population overall ages are a real concern in this industry locally.
- The Region’s *Manufacturing* sector, however, has both a higher percentage of 25-34 year-olds (21 percent versus 17 percent) and a lower percentage of 55+ year-olds than the statewide average (19 percent versus 21 percent). Relative to the State overall, the area’s aging workforce issue in *Manufacturing* is somewhat less of a concern than in the industry statewide.

**Industry Employment by Age**

**Industry Employment by Age**



**Lower Share of Older Workers**

Accommodation and Food Services  
6% over 55

Construction  
15% over 55

Administrative and Support and Waste Management and Remediation Services  
16% over 55

Information  
17% over 55

**Higher Share of Older Workers**

Utilities  
28% over 55

Educational Services  
28% over 55

Transportation and Warehousing  
25% over 55

Public Administration  
24% over 55

Source: DTMB, Local Employment Dynamics

**OCCUPATIONAL EMPLOYMENT AND WAGES**

- Occupational employment in Prosperity Region 7 was 195,300 in 2012. Reflecting the Region’s diverse industry mix, occupational employment was spread throughout a wide range of job titles ranging from the large *Office and administrative support* and *Sales and related* categories to those in some of the Region’s critical categories of *Legal*, *Production*, and *Computer and mathematical*.
- Due to the variety of job titles in Region 7, the occupational wage range is quite large, spanning from \$8.66 per hour at the 10th percentile to \$37.13 per hour at the 90th percentile. The median wage in the Region was \$17.51 per hour in 2012.
- The largest occupational categories in Region 7 include *Office and administrative support*, *Sales and related*, and *Education, training, and library*. In addition, categories like *Management*, *Legal*, *Business and financial*, *Architecture and engineering*, and *Computer and mathematical* all report solid employment and wages in the area.
- In line with State and national trends, the highest-paying occupations in Region 7 are also the ones that require the most education and training. The highest paying job titles are concentrated in *Healthcare practitioner and technical* occupations and *Management* occupations.

**Employment and Wages**

**South Central Prosperity Region**

**195,300**

Occupational Employment

**\$17.51**

Median Occupational Wage

**High Employment / High Wage Categories**

**Management**

9,940 Employed • \$21.43 - \$72.35 Wage Range

**Legal**

1,500 Employed • \$19.47 – \$86.97 Wage Range

**Business and Financial Operations**

10,400 Employed • \$17.24 - \$41.23 Wage Range

**Architecture and Engineering**

3,800 Employed • \$11.82 - \$45.30 Wage Range

**Computer and Mathematical**

6,420 Employed • \$29.85 - \$42.39 Wage Range

**High Employment / High Wage**

**General and Operations Managers**

2,630 Employed • \$45.97 Median Wage

**Lawyers**

970 Employed • \$46.74 Median Wage

**Medical and Health Services Managers**

800 Employed • \$45.89 Median Wage

**Computer and Information Systems Managers**

880 Employed • \$42.49 Median Wage

**Registered Nurses**

3,600 Employed • \$32.13 Median Wage

**Source:** DTMB, Occupational Employment Statistics (Unpublished Data)

## OCCUPATIONAL OUTLOOK

- Occupational employment is expected to increase in Prosperity Region 7 by 13,450 or 5.6 percent through 2018. Annual openings are estimated at 7,100 per year. On average, over 1,700 of these openings are expected in growing occupations, while three in four, about 5,300 annually, will come from the need to replace existing workers due to retirements, promotions, and regular attrition.
- Occupational titles expected to see the largest growth rates in the Region include a wide-range of *Health care* occupations as well as *IT* occupations like *Network systems and data communications analysts* and *Computer software engineers*. The Region’s healthcare industry is a key sector in the area economy with two major health systems, while the area’s IT sector continues to grow rapidly.
- While some occupations will rely on new job growth for gains, other occupations will provide many opportunities due to the need to replace existing workers. Large occupations like *Cashiers, Retail salespersons, Customer service representatives, General office clerks* and *Team assemblers* are some examples.
- Many of the Region’s high-growth occupations also boast a relatively high wage and generally require significant investment in education or training. These occupations all pay a median wage higher than the Region’s overall median occupational wage of \$17.51 and are expected to significantly outpace the area’s overall employment growth rate.

## Occupational Outlook

### South Central Prosperity Region\*

**+13,450**

Projected Employment Growth, 2008-2018

**+5.6%**

Projected Change in Employment, 2008-2018

### High-Growth / High-Demand Occupations

#### Home Health Aides

44.3% Growth • 96 Annual Openings

#### Personal and Home Care Aides

32.9% Growth • 36 Annual Openings

#### Computer Software Engineers

37.5% Growth • 29 Annual Openings

#### Registered Nurses

17.3% Growth • 179 Annual Openings

#### Dental Hygienists

28.2% Growth • 26 Annual Openings

### High-Growth / High-Wage Occupations

#### Physician Assistants

37.1% Growth • \$45.07 Median Wage

#### Education Administrators

23.2% Growth • \$52.91 Median Wage

#### Family and General Practitioners

22.9% Growth • \$90.03 Median Wage

#### Physical Therapists

18.9% Growth • \$37.61 Median Wage

#### Public Relations Specialists

19.5% Growth • \$26.19 Median Wage

Source: DTMB, Occupational Projections

\*Note: Includes the Lansing Area Economic Forecast Region (EFR)

**REAL-TIME DEMAND OCCUPATIONS**

- There were 8,510 online advertised job vacancies in Prosperity Region 7 during the 3<sup>rd</sup> Quarter of 2013.
- Over half of all Regional vacancies were concentrated in five broad occupational categories: *Sales and related; Computer and mathematical; Office and administrative support; Transportation and material moving; and Management*. This reflected not only demand for jobs in these fields, but also the tendency of firms in related industries to use the Internet to recruit workers.
- IT-related jobs remain well-represented in terms of online demand. *Computer and mathematical* positions overall accounted for 15 percent of all online job ads in the 3<sup>rd</sup> quarter, and IT-related job titles were among the top individual occupations advertised online during the most recent period.
- One out every ten online job ads for Region 7 was more than four months old, signaling that employers may be having difficulty filling these vacancies. However, this was not much different from the statewide share of 11.9 percent of advertised vacancies active for 120 days or longer.
- Online advertised job vacancies in City of Lansing made up over two-thirds of total demand in the Region 7. East Lansing, Okemos, Mason, and Charlotte were also notable cities with online job demand during the period.

**Online Advertised Vacancies**

**South Central Prosperity Region**

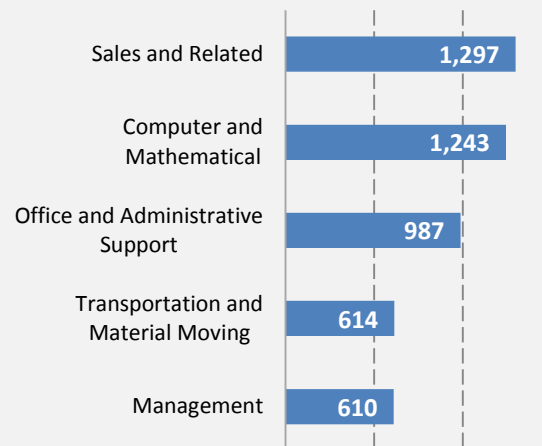
**8,510**

Total Online Advertised Vacancies, 3<sup>rd</sup> Quarter 2013

**+14.8%**

Change in Online Advertised Vacancies, 3<sup>rd</sup> Quarter 2012 - 3<sup>rd</sup> Quarter 2013

**Top Advertised Categories**



**Top Advertised Job Titles**

**Retail Salespersons**

350 Postings • +17.8% Change over month

**Truck Drivers**

320 Postings • +1.6% Change

**Web Developers**

200 Postings • +15.2% Change

**Retail Sales Supervisors**

200 Postings • +23.8% Change

**Customer Service Representatives**

190 Postings • +8.4% Change

**Computer Systems Analysts**

170 Postings • +14.0% Change

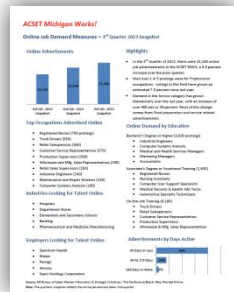
**IT Project Managers**

150 Postings • +28.1% Change

Source: The Conference Board, Help Wanted Online

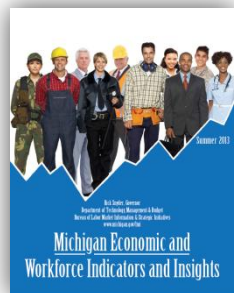
**ADDITIONAL RESOURCES**

The Bureau of Labor Market Information and Strategic Initiatives is committed to producing timely, accurate, and reliable labor market information and insights as well as other economic intelligence. Below are a few of our key regional products. These and other resources are available on our website at: [www.michigan.gov/lmi](http://www.michigan.gov/lmi).



**Regional Online Job Demand Profiles**

Using The Conference Board Help Wanted OnLine (HWOL) Data Series, these profiles are intended to supplement existing labor market information by providing local planners with information on real-time job demand. Produced quarterly, these reports are available for each of the state’s 25 Michigan Works! Agencies (MWAs).



**Michigan Economic and Workforce Indicators and Insights**

This biannual report tracks Michigan labor market and economic trends on a series of indicators related to the workforce, knowledge-based jobs, innovation, education, and the economy. Written for an executive audience, this report provides a concise analysis of recent trends in these indicators as well as national and regional comparisons.

**Coming Soon: Online Advertised Job Demand for Michigan's Prosperity Regions**

**Regional Prosperity Initiative: Online Job Demand Analysis**

In support of the Regional Prosperity Initiative, these profiles provide a quick reference for those interested in identifying the characteristics of current job vacancies in the regional labor market. Using The Conference Board’s Help Wanted Online (HWOL) Data Series, these profiles will be produced monthly for Michigan’s 10 Prosperity Regions and released alongside the Michigan Online Job Demand Analysis.

