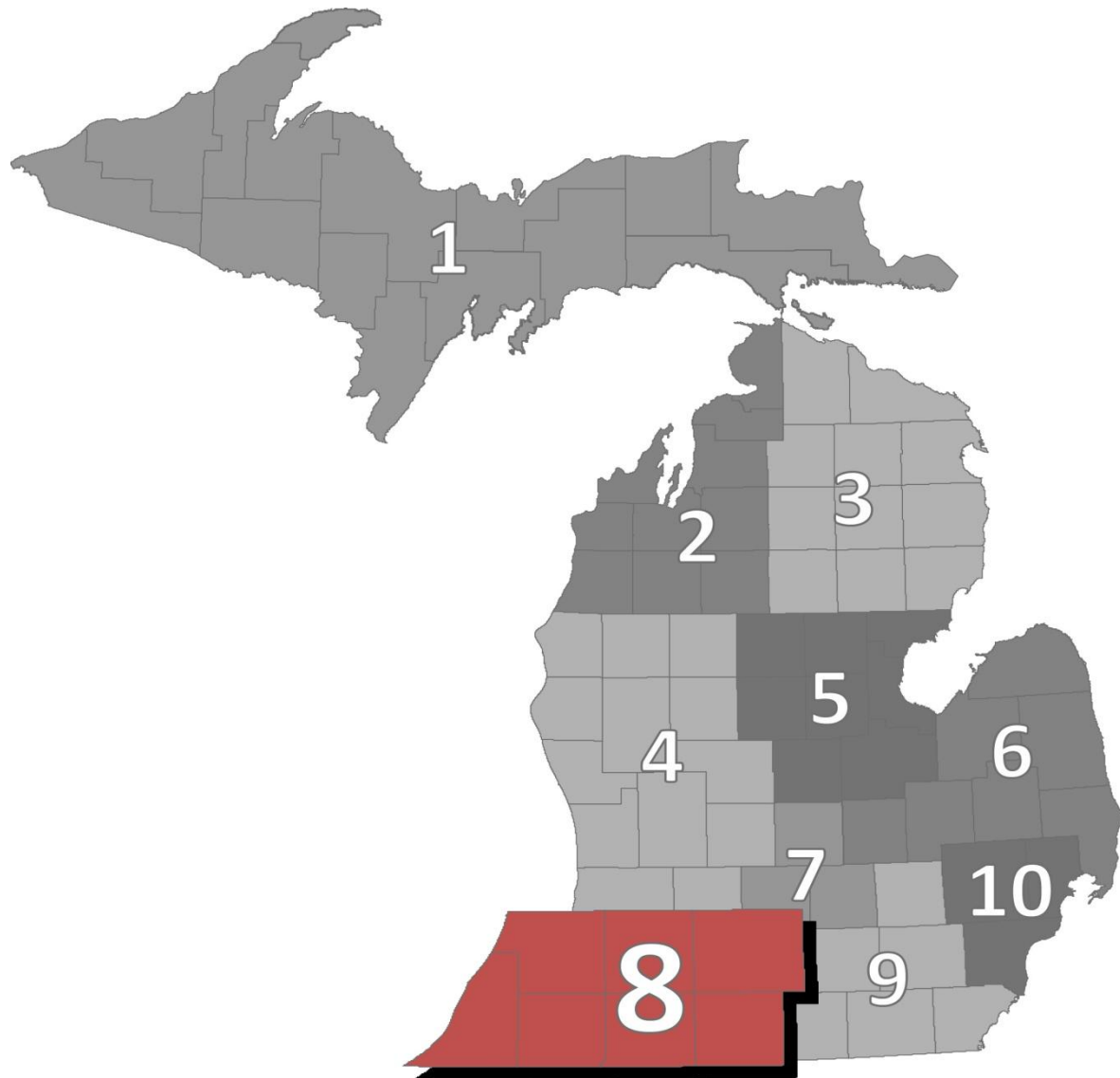


Regional Prosperity Initiative: Labor Market Information Supplement



Prepared For:

Southwest Prosperity Region (Region 8)

(Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren)

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

- As of 2012, the Southwest Prosperity Region (Region 8) had an estimated population of 778,106, representing 7.9 percent of the statewide population.
- Between 2000 and 2012, the Region’s population was nearly unchanged, falling by just 3,505 residents or 0.5 percent. Over the same period, Michigan’s population has remained relatively flat, inching lower by 55,500 residents or 0.6 percent.
- In Region 8, five of seven counties reported population decline over the period. These losses were nearly offset by a strong population gain in Kalamazoo County, which grew by 15,978 residents or 6.7 percent. Kalamazoo recorded a considerable gain from migration, which can partially be attributed to (among other factors) the implementation of the Kalamazoo promise – a program that pledges up to free tuition at any of Michigan’s colleges and universities for graduates of the Kalamazoo Public High Schools.
- The age distribution of the Region 8 population is similar to the statewide average. In 2012, nearly 30 percent of residents were at or nearing retirement age (55 or older) while 26.8 percent were in the younger worker cohorts, including those 15 to 24 and those 25 to 34.

Population and Demographics

Southwest Prosperity Region

778,106

Total Population, 2012 Estimate

7.9%

Share of State

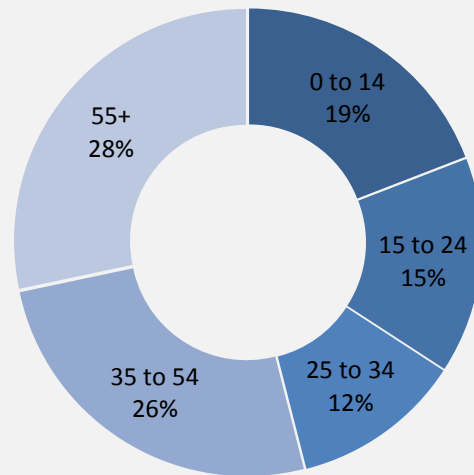
3,505

Total Change in Residents, 2000-2012

0.5%

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

12% Share • **60,578** Residents

High School Graduate, GED or Alternative

32% Share • **164,259** Residents

Some College or Associate’s Degree

33% Share • **165,638** Residents

Bachelor’s Degree or Higher

23% Share • **118,823** Residents

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

LABOR FORCE AND UNEMPLOYMENT

- There are 369,610 labor market participants in the Southwest Prosperity Region. Since 2009, the Region’s labor force has fallen by 20,030 or 5.1 percent. Over the same period, labor force levels statewide have declined by 166,430 or 3.4 percent. Withdrawal has been due to increased retirements and enrollments as well as more discouragement among jobseekers, following the recent national recession.
- A post-recession low in the number of labor force participants in Region 8 occurred in January 2013. Since then, the downward trend in the labor force has slowed.
- The Region’s labor force is comprised of 340,210 employed and 29,400 unemployed, resulting in an unemployment rate of 8.0 percent, relatively unchanged from the 2012 annual jobless rate for the Region but lower than the current statewide rate of 9.1 percent.
- The relatively flat unemployment rate since 2012 hides the positive changes in labor force and employment over the same time period. The Region 8 labor force grew and employment rose over the same period, a positive sign for the Regional economy.

Labor Force and Unemployment

Southwest Prosperity Region

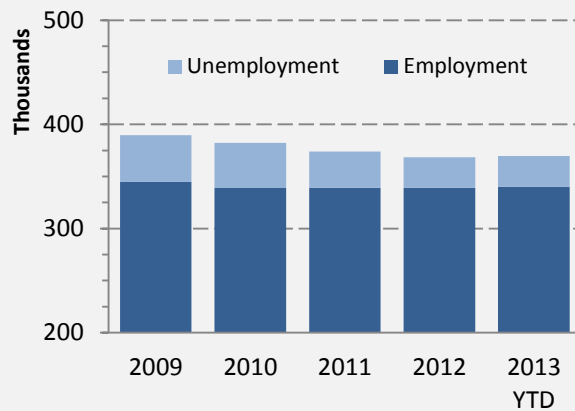
369,610

Labor Force Participants, 2013 YTD

-5.1%

Change in Labor Force, 2009-2013

Labor Force, Employment, Unemployment



Southwest Prosperity Region

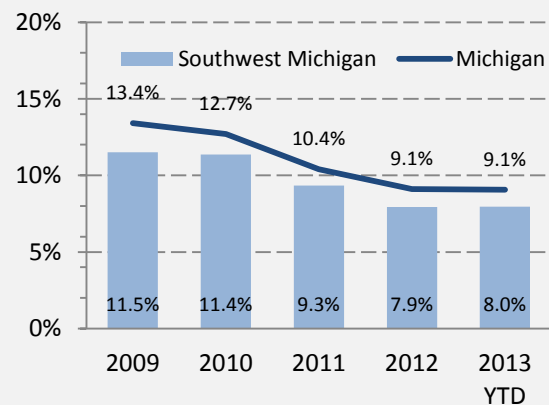
8.0%

Unemployment Rate, 2013 YTD

-3.6

Change in Unemployment Rate, 2009-2013

Unemployment Rate



Source: DTMB, Local Area Unemployment Statistics (LAUS)

COMMUTING PATTERNS

- The Southwest Prosperity Region has 198,572 internal commuters, or those residents who live and are also employed within the Region. Internal commuters account for about 75 percent of all who are employed in Region 8. This is on par with the percent of internal commuters which make up each of the other nine Prosperity Regions.
- Inflow commuters, those who live outside Region 8 but travel to the Region for their employment, number almost 67,000. The top three counties these inflow commuters come from are Allegan, Kent, and Barry counties, all to the north of Prosperity Region 8. These counties alone account for almost 19,000 inflow commuters.
- Those who live in Region 8 but work outside of the Region (about 88,000 in 2011) travel primarily to Kent county, as well as St. Joseph and Elkhart counties in Indiana. These three counties are the destinations of over 28,000 outflow commuters, or about 32 percent of all the over 88,000 outflow commuters from Region 8.
- The total number of net commuters (inflow – outflow) is -21,422, meaning that many more people are commuting out of the Region to work than are coming to the Region to work. Kent County alone makes up over -4,000 of the total net commuters.

Commuting Patterns

Southwest Prosperity Region

198,572

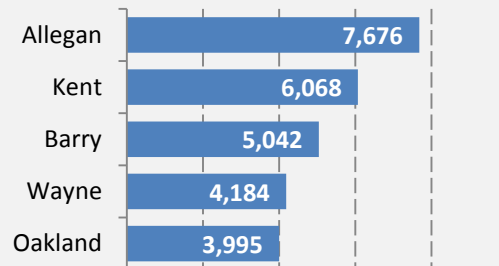
Internal Commuters

66,713

Inflow Commuters

Where do they live?

Top 5 Counties

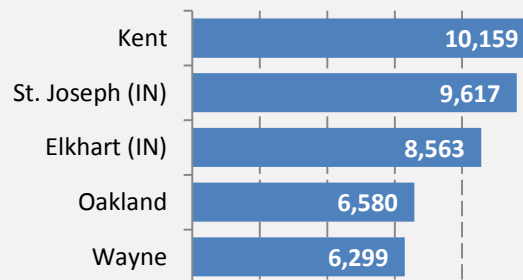


88,135

Outflow Commuters

Where do they work?

Top 5 Counties



Source: DTMB, US Census Bureau, Longitudinal Employer-Household Dynamics

INDUSTRY EMPLOYMENT

- In 2012, the Southwest Prosperity posted 284,525 payroll jobs, representing 7.2 percent of total statewide payroll jobs. The average weekly wage for those on covered payrolls in Region 8 measured \$813.
- Nearly 2 in 3 payroll jobs in Region 8 were concentrated in five industries: *Manufacturing, Health care and social assistance, Retail trade, Accommodation and food services, and Educational services.*
- Half of all payroll jobs in the Region’s *Manufacturing* industry were concentrated in the *Transportation equipment manufacturing, Fabricated metal product manufacturing, Machinery manufacturing* and *Food manufacturing* sectors.
- *Health care and social assistance*, the Region’s second largest industry, saw the most jobs in *Ambulatory health care services* and *Hospitals*, with smaller, but still significant employment in *Nursing and residential care facilities* and *Social assistance*. Since 2009, all four sectors have shown growth.
- *Retail trade* and *Accommodation and food services* provide many jobs in the Southwest Prosperity Region. Despite a tempered economic recovery, jobs in both industries have remained relatively flat since the end of the “Great Recession.”

Industry Employment

Southwest Prosperity Region

284,525

Total, All Industry Payroll Jobs

\$813

Total, All Industry Average Weekly Wage

Top 10 Industries by Employment

Manufacturing

53,425 Jobs • 18.8% Share

Health Care and Social Assistance

43,525 Jobs • 15.3% Share

Retail Trade

31,525 Jobs • 11.1% Share

Accommodation and Food Services

27,525 Jobs • 9.7% Share

Educational Services

26,275 Jobs • 9.2% Share

Administrative and Support and Waste Management

16,600 Jobs • 5.8% Share

Public Administration

11,475 Jobs • 4.0% Share

Professional, Scientific, and Technical Services

9,775 Jobs • 3.4% Share

Wholesale Trade

9,475 Jobs • 3.3% Share

Finance and Insurance

9,400 Jobs • 3.3% Share

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

INDUSTRY JOB TRENDS

- Between 2009 and 2012, payroll jobs in the Southwest Prosperity Region have grown by 3,975 or 1.4 percent. This is compared to the 4.0 percent growth in payrolls statewide.
- Employment in *Administrative and support and waste management* grew considerably between 2009 and 2012. Job growth in this sector was concentrated in *Administrative support services*. Included in this industry is the large and growing *Employment services* sector.
- Growth in the Region’s *Manufacturing* industry were widespread, and were focused in *Fabricated metal product manufacturing, Plastics and rubber product manufacturing, and Food manufacturing*. Not all *Manufacturing* sectors added jobs; for example, *Transportation equipment manufacturing* was down slightly over the period.
- *Health care and social assistance* is among the Region’s industries with the most job growth. Partly due to demographic and technological factors, this industry has consistently reported positive employment trends.
- Since 2009, not all industries have added jobs. Due to a combination of retirements and budgetary considerations, significant job losses were seen in *Educational services* and *Public administration* industries.

Industry Job Trends

Southwest Prosperity Region

+3,975

Change in Payroll Job, 2nd Qtr. 2009 – 2nd Qtr. 2012

+1.4%

Percent Change in Payroll Jobs, 2nd Qtr. 2009 – 2nd Qtr. 2012

High Growth Industries

Administrative and Support and Waste Management

+3,875 Jobs • +29.4% Percent

Manufacturing

+2,125 Jobs • +4.1% Percent

Health Care and Social Assistance

+1,025 Jobs • +2.4% Percent

Arts, Entertainment, and Recreation

+950 Jobs • +25.0% Percent

Wholesale Trade

+800 Jobs • +9.0% Percent

Declining Industries

Educational Services

-1,625 Jobs • -5.7% Percent

Public Administration

-1,000 Jobs • -8.0% Percent

Information

-675 Jobs • -19.9% Percent

Construction

-650 Jobs • -6.6% Percent

Transportation and Warehousing

-525 Jobs • -6.2% Percent

Source: DTMB, Quarterly Census of Employment and Wages

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.
- The Southwest Prosperity Region has a higher location quotient, and therefore a high employment concentration in industries such as *Crop production, Paper manufacturing, Food manufacturing, Utilities, and Chemical manufacturing.*
- Region 8 has several high wage industries with notably high location quotients. Many such industries are concentrated in *Manufacturing*, but extend to *Utilities* and *Pipeline transportation* and others.
- In Region 8, three quarters of all *Manufacturing* industries with higher location quotients posted job gains between 2009 and 2012.
- *Management of companies and enterprises* and *Telecommunications*, two high wage industries, report comparatively low employment concentration in Region 8 when compared to Michigan.

Location Quotient (LQ)

Higher LQ Industries

Crop Production

3.66 Location Quotient \$454 Average Weekly Wage

Paper Manufacturing

3.38 Location Quotient \$1,098 Average Weekly Wage

Food Manufacturing

2.16 Location Quotient \$1,253 Average Weekly Wage

Utilities

1.78 Location Quotient \$1,892 Average Weekly Wage

Chemical Manufacturing

1.76 Location Quotient \$1,672 Average Weekly Wage

Lower LQ Industries

Air Transportation

0.07 Location Quotient \$589 Average Weekly Wage

Management of Companies and Enterprises

0.40 Location Quotient \$1,903 Average Weekly Wage

Transit and Ground Passenger Transportation

0.42 Location Quotient \$384 Average Weekly Wage

Justice, Public Order, and Safety Activities

0.50 Location Quotient \$1,263 Average Weekly Wage

Telecommunications

0.50 Location Quotient \$1,229 Average Weekly Wage

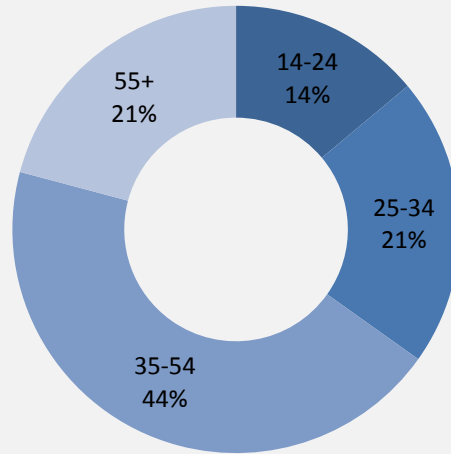
Source: DTMB, Quarterly Census of Employment and Wages

DEMOGRAPHICS / INDUSTRY EMPLOYMENT

- In the Southwest Prosperity Region, 21 percent of jobs are held by workers 55 years of age or older, on par with the 20 percent of jobs statewide. Also following closely with the State is the percentage of jobs held by 25-34 year-olds in the Region.
- Compared to the age distribution seen in Michigan as a whole, the Region’s older industries are *Public administration* and *Information*. Nearly one in three employees in the *Public administration* industry and about one in five employees in *Information* industry are over the age of 55.
- *Manufacturing* registers the highest number of older employees (jobs held by workers ages 55+). This may make the Region susceptible to potential talent shortfalls, especially if there are not enough skilled workers able to replace existing workers upon retirement or other exits from the labor market. Region 8 and a few other Prosperity Regions are unique in this regard, as many Regions see the largest number of older workers in the *Health care and social assistance* industry.
- While some sectors have a high percentage of workers over the age of 55, all sectors are very near the statewide average of workers ages 55 and up in the sector.

Industry Employment by Age

Industry Employment by Age



Lower Share of Older Workers

Accommodation and Food Services
9% over 55

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

Construction
18% over 55

Finance and Insurance
20% over 55

Higher Share of Older Workers

Public Administration
29% over 55

Educational Services
26% over 55

Wholesale Trade
24% over 55

Information
22% over 55

Source: DTMB, Local Employment Dynamics

OCCUPATIONAL EMPLOYMENT AND WAGES

- Occupational employment in the Southwest Prosperity Region was 278,370 in 2012. Employment is in a wide range of job titles extending from those seen in the large *Office and administrative support* and *Production* categories to those in the smaller but also critical categories of *Architecture and engineering* and *Computer and mathematical*.
- Reflecting the diverse mix of job titles in Region 8, the occupational wage range is quite large, spanning from \$8.54 /hour at the 10th percentile to \$34.47 /hour at the 90th percentile. The median wage in the Region was \$15.16 /hour in 2012.
- The occupational categories with the most employment in Region 8 include *Office and administrative support*, *Production*, and *Food preparation and serving*. In addition, categories like *Management*, *Architecture and engineering*, *Healthcare practitioners and technical*, *Business and financial operations*, and *Computer and mathematical* all report solid employment and wages in Region 8.
- As expected, the highest paying occupations in Region 8 are also the ones that require the most education and training. The highest paying job titles are concentrated in *Healthcare practitioner and technical* occupations, *Management* occupations, and *Computer and mathematical* occupations.

Employment and Wages

Southwest Prosperity Region

278,370

Occupational Employment

\$15.16

Median Occupational Wage

High Employment / High Wage Categories

Management

13,380 Employed • \$20.89 - \$74.12 Wage Range

Architecture and Engineering

6,760 Employed • \$18.43 - \$46.32 Wage Range

Healthcare Practitioners and Technical

16,810 Employed • \$14.63 - \$50.65 Wage Range

Business and Financial Operations

10,960 Employed • \$15.57 - \$42.59 Wage Range

Computer and Mathematical

3,150 Employed • \$15.53 - \$45.58 Wage Range

High Employment / High Wage Occupations

General and Operations Managers

3,240 Employed • \$44.04 Median Wage

Registered Nurses

6,010 Employed • \$29.51 Median Wage

Financial Managers

850 Employed • \$43.86 Median Wage

Industrial Production Managers

900 Employed • \$42.44 Median Wage

Mechanical Engineers

1,400 Employed • \$34.66 Median Wage

Source: DTMB, Occupational Employment Statistics
(Unpublished Data)

OCCUPATIONAL OUTLOOK

- Long-term occupational projections reveal that employment in the Southwest Prosperity Region is expected to grow by 13,800 or 3.8 percent through 2018.
- Total annual openings in the Region are estimated at 10,300, with 2,100 coming from growing occupations and 8,200 coming from the need to replace existing workers.
- In Region 8, job titles with the largest expected growth rates are concentrated in the *Health care* category. Other occupations slated for rapid growth include *Network systems and data communication analysts, Compliance officers, and Employment, recruitment, and placement specialists.*
- Typically, large occupations are expected to provide many job opening opportunities due to the need to replace existing workers. Examples include *Retail salespersons, Cashiers, Customer service representatives, and Team assemblers.*
- A great number of the Region’s high-growth occupations also offer a relatively high wage. Typically, these occupations require significant investment in education or training. Among them are occupations like *Physician assistants, Accountants and auditors, Industrial engineers, and Construction managers.*

Occupational Outlook

Southwest Prosperity Region*

+13,800

Projected Employment Growth, 2008-2018

+3.8%

Projected Change in Employment, 2008-2018

High-Growth / High-Demand Occupations

Home Health Aides

45.7% Growth • 111 Annual Openings

Registered Nurses

18.3% Growth • 231 Annual Openings

Nursing Aides, Orderlies, and Attendants

14.6% Growth • 115 Annual Openings

Network Systems and Data Communication Analysts

32.7% Growth • 26 Annual Openings

Dental Hygienists

23.7% Growth • 30 Annual Openings

High-Growth / High-Wage Occupations

Physician Assistants

30.2% Growth • \$39.77 Median Wage

Compliance Officers

28.6% Growth • \$28.93 Median Wage

Accountant and Auditors

13.5% Growth • \$26.44 Median Wage

Industrial Engineers

11.5% Growth • \$32.67 Median Wage

Construction Managers

12.0% Growth • \$35.68 Median Wage

Source: DTMB, Occupational Projections

*Note: Includes the Benton Harbor, Kalamazoo, and Battle Creek Economic Forecast Regions (EFR)

REAL-TIME DEMAND OCCUPATIONS

- There were 12,230 online advertised job vacancies in the Southwest Prosperity Region during the 3rd Quarter of 2013.
- Nearly half of all Regional vacancies were concentrated in five broad occupational categories: *Sales and related; Office and administrative support; Transportation and material moving; Healthcare practitioners and technical; and Management.*
- The top 5 in-demand detailed job titles were responsible for 1 in 6 total postings in the Region. Among the most demanded occupations in Region 8 were *Industrial engineers* and *Registered nurses*. Two supervisor titles were also in high demand: *Food service supervisors* and *Retail sales supervisors*.
- Just over 15 percent of the job ads for Region 8 have been active for more than 120 days, signaling that employers may be having difficulty filling the vacancies. Statewide, 11.9 percent of advertised vacancies go unfilled for 120 days or longer.
- One third of all online advertised job vacancies for the Southwest Prosperity Region were for the positions in the city of Kalamazoo. About one sixth of the advertisements were for Battle Creek positions and one tenth for Benton Harbor.

Online Advertised Vacancies

Southwest Prosperity Region

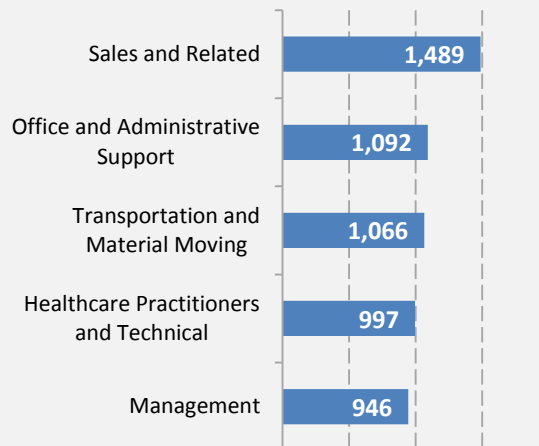
12,230

Total Online Advertised Vacancies, 3rd Quarter 2013

+10.8%

Change in Online Advertised Vacancies, 3rd Quarter 2012 - 3rd Quarter 2013

Top Advertised Categories



Top Advertised Job Titles

Truck Drivers

620 Postings • +5.3% Change over month

Industrial Engineers

400 Postings • +4.4% Change

Registered Nurses

370 Postings • -0.5% Change

Retail Salespersons

370 Postings • +10.8% Change

Food Service Supervisors

295 Postings • +34.7% Change

Retail Sales Supervisors

280 Postings • +15.1% Change

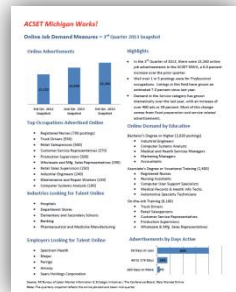
Maintenance and Repair Workers

240 Postings • +13.3% Change

Source: The Conference Board, Help Wanted Online

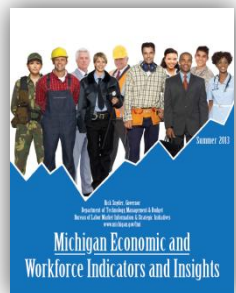
ADDITIONAL RESOURCES

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.



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.

