

Annual Planning Information and Workforce Analysis Reports: Upper Peninsula

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

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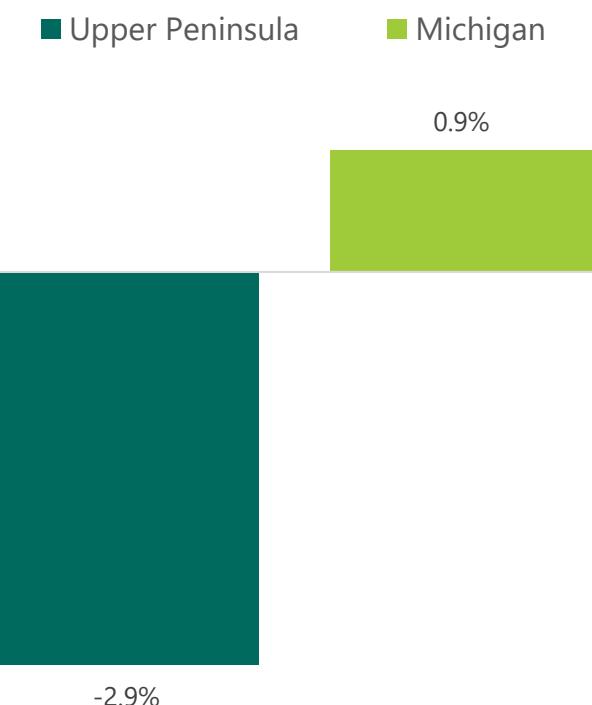
IT'S BIGGER THAN DATA.

Population Trends and Characteristics

Tables 1-3

Regional population displays a substantial drop over the 2011-2017 period.

Population Change (2011-2017)



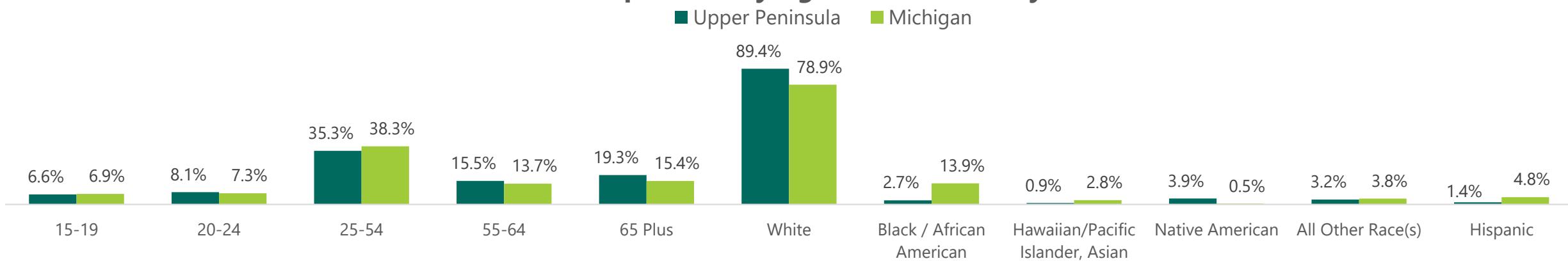
Source: U.S. Census Bureau, Annual Population Estimates

- Recent population estimates from the U. S. Census Bureau show the population of the Upper Peninsula Prosperity Alliance dropping by over 8,800, from 310,900 in 2011 to 302,100 in 2017. The area lost about 3,000 residents in just the past two years (2015-2017). (**Table 1**)
- State population steadily rose since 2011 to add over 86,000 by 2017. Nationwide, the population rose by more than 4 percent (or about 14.1 million) over this period. (**Table 1**)
- All 15 counties of the Upper Peninsula lost population, ranging from a loss of 70 in Keweenaw to a drop of 1,150 in Chippewa County. Most of the population loss in the Upper Peninsula continued to be attributable to domestic out-migration to other areas of the state. (**Table 1**)

The residents of the Upper Peninsula are much older than the state's population, on average.

- The population of the Upper Peninsula has been and still is majority male at 52 percent or 160,800, in 2016. In contrast, the female population commands a slight majority statewide at 51 percent. ([Table 2](#))
- The area's population is older than the state's population. The shares of the population in the age groups of 15-54 years are below statewide averages by 3 percentage points or less, while the proportions of older population groups (55 years or more) in the Upper Peninsula surpass statewide averages by 2 to 4 percentage points.
- The population in the Upper Peninsula is majority White (89 percent vs. 79 percent statewide). Only about 3 percent of the area's population is Black, compared to 14 percent statewide. However, the share of Native Americans in the area is almost eight times the statewide average. ([Table 2](#))

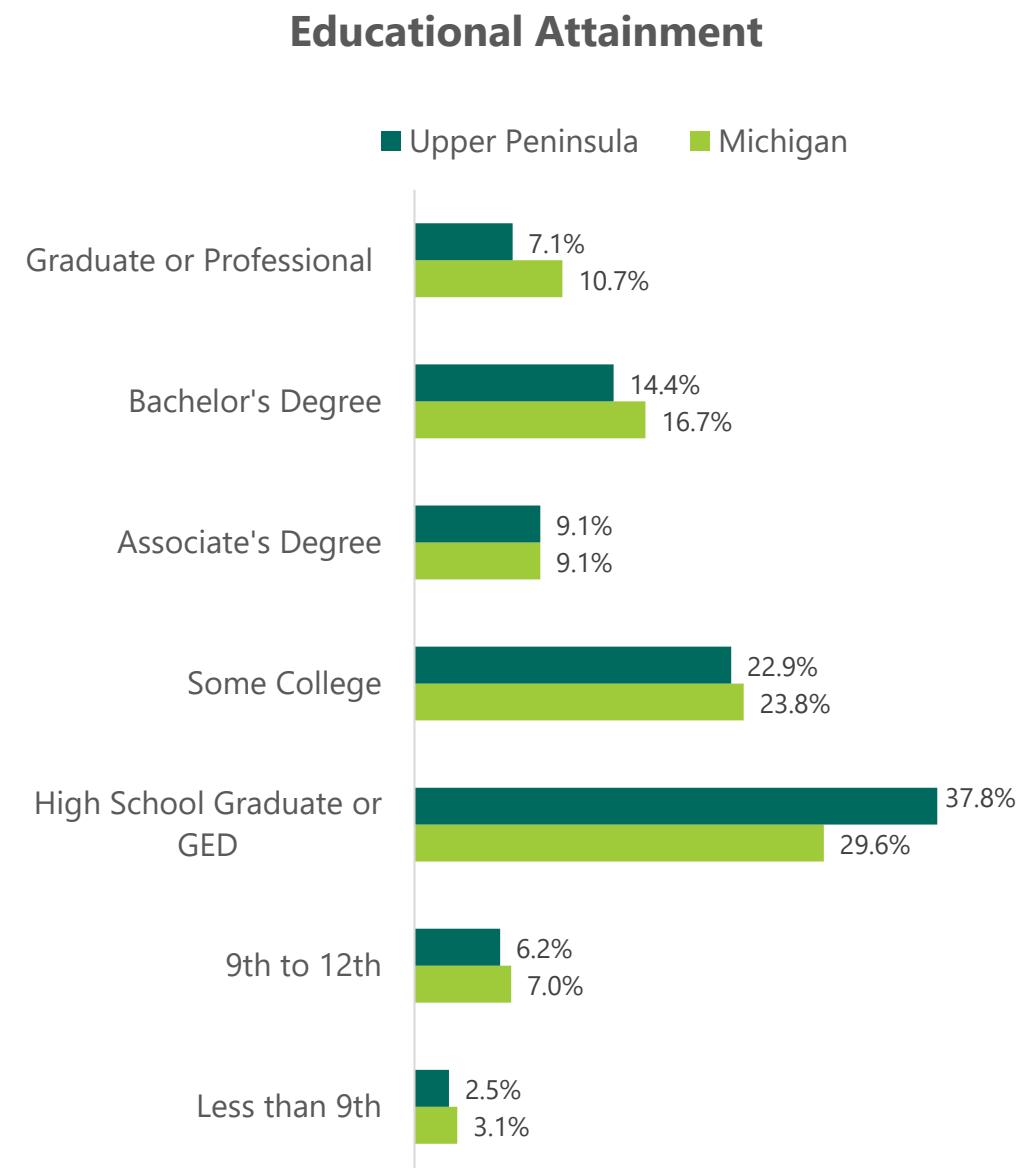
Population by Age, Race / Ethnicity



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey 5-Year Estimates

The educational attainment of the Upper Peninsula's residents continues to be below statewide averages.

- The structure of the educational attainment of the population 25 years of age and older has not changed over the past several years. Individuals with a high school diploma or a GED have typically constituted the largest group in the Upper Peninsula. The situation has not changed today. In 2016, 38 percent of U.P. residents fell into this category. The share was 30 percent statewide.
- The Upper Peninsula still shows lower proportions of individuals with a bachelor's degree or higher (22 percent) than statewide (27 percent).
- The shares of residents with some college but no degree or an associate's degree continue to be almost the same in both areas (the U.P. and the state). **(Table 3)**

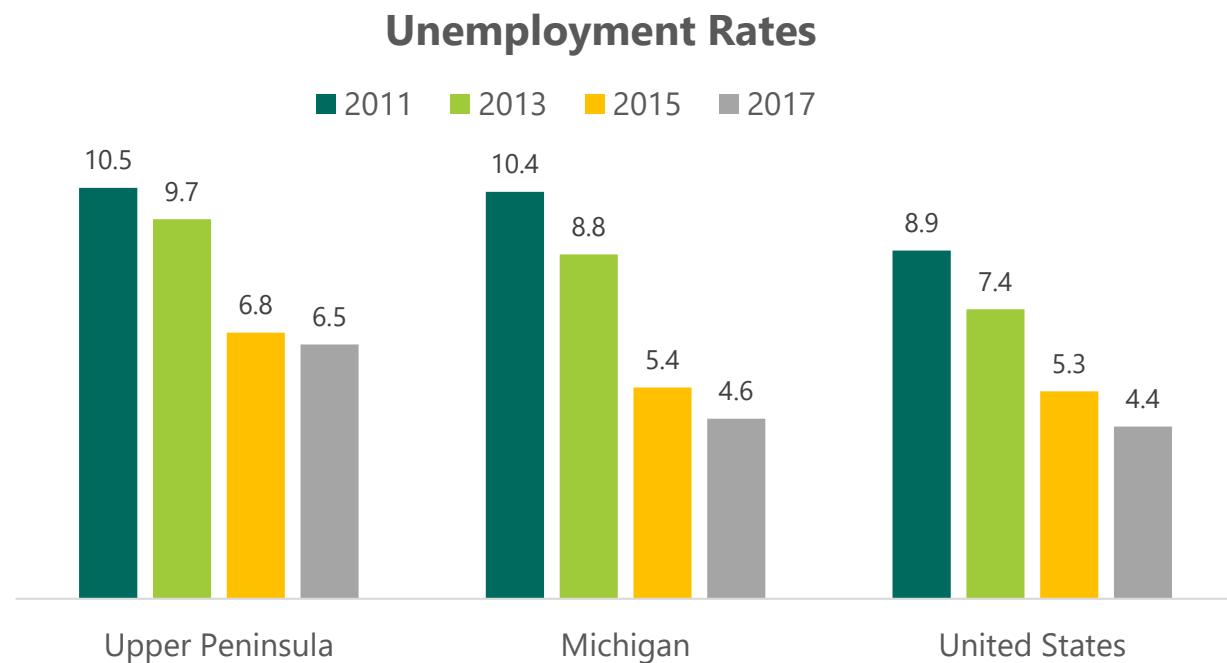


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 4-7 and 12

Unemployment rates in the Upper Peninsula remain above statewide and national averages.



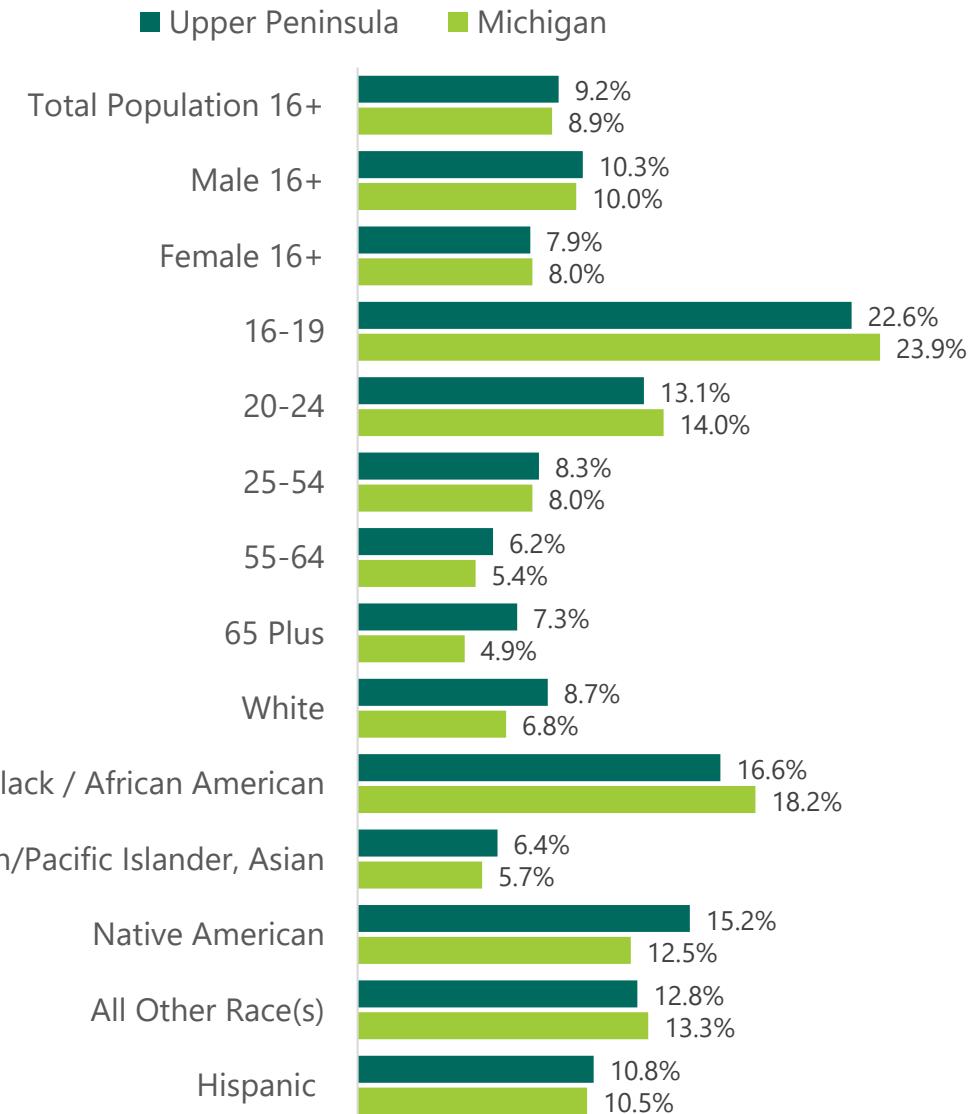
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The unemployment rate movements for the Upper Peninsula followed state and national trends, dropping significantly (by close to half) between 2011 and 2015. The area's jobless rates were stable over the past two years, edging down by three tenths of a percent between 2015 and 2017.
- However, the area's jobless rates have been higher than the state's and nation's rates in every year considered.
- Over the 2011-2017 period, the count of unemployed individuals dropped by 41 percent, from 15,300 in 2011 to 9,000 in 2017. The largest fall of 4,400 was recorded between 2013 and 2015. Unemployment has been stable over the past two years (2015-2017), edging down 600. ([Tables 6 and 12](#))
- The civilian labor force in the Upper Peninsula fell by 5 percent (-6,900) between 2011 and 2017, with over 1,800 lost in just the last two years. ([Table 4](#))
- Employment in the Upper Peninsula has been stable over the 2011-2017 period, inching down by 600. The area gained 1,400 jobs in 2013-2015 period but lost 1,200 positions over the past two years. ([Table 5](#))

Area jobless rates are higher for males, youths, and certain racial groups.

- The overall jobless rate of the population 16+ years old in the U.P. was similar to the state rate for the 2012-2016 period. Generally speaking, unemployment rates have been declining since the end of the 2009 recession. (**Table 7**)
- There were more males than females participating in the labor market in the U.P. during the 2012-2016 period. Males also experienced higher unemployment rates than females by between two and three percent points. (**Table 7**)
- The unemployment rates of youth and young adults (16-24 years old) are typically higher than for any other groups in both the U.P. and the state for obvious reasons such as less experience, lower education, etc. (**Table 7**)
- Almost all racial and ethnic groups displayed higher jobless rates in the U.P. than in the state, except for Blacks and All Other Races (Two or more Races and Other Races). (**Table 7**)

Unemployment Rates by Sex, Age, and Race / Ethnicity



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

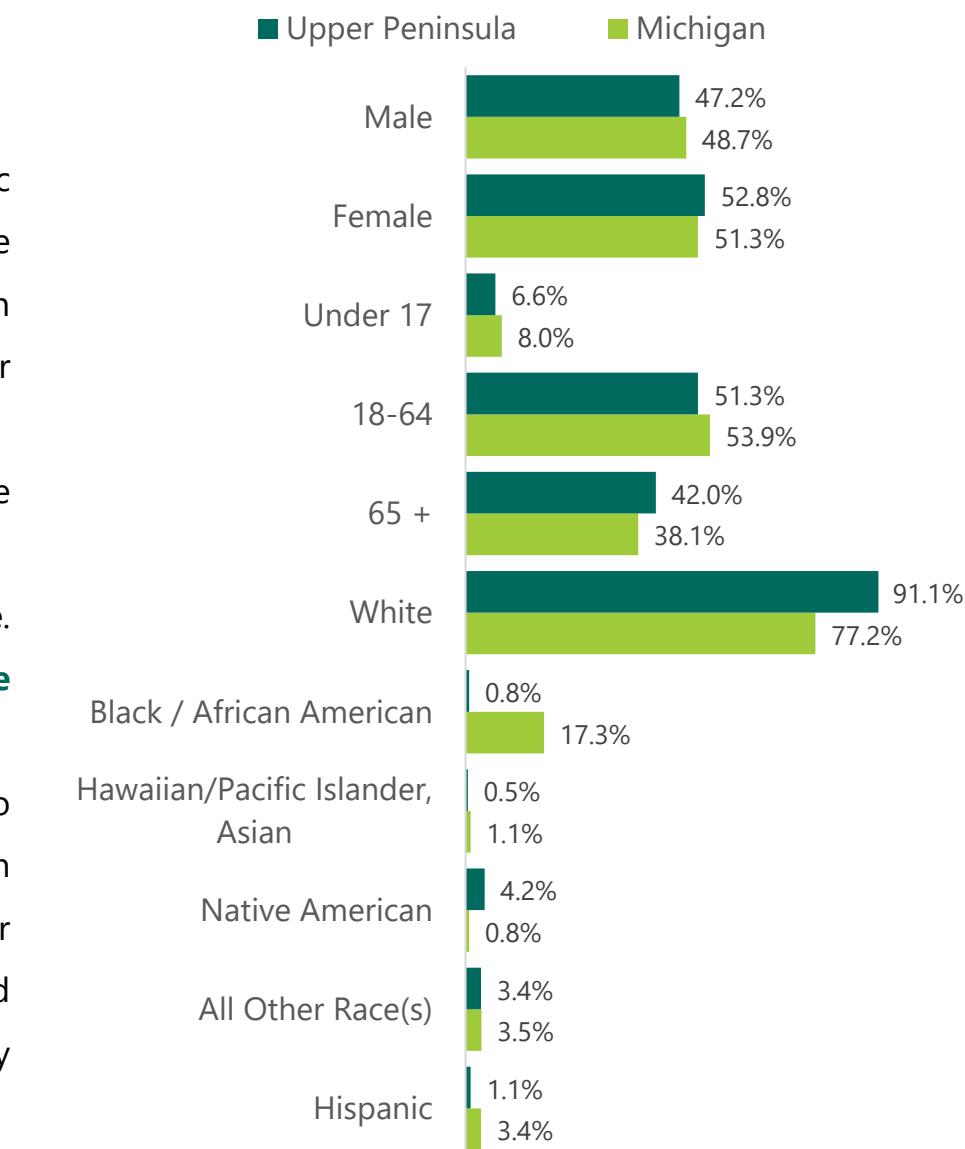
Individuals with Barriers to Employment

Tables 28-36

The U.P. has a higher share of females and whites with a disability than statewide.

- Disability is one of the several factors that can lead to poverty and other forms of economic distress. Disability increases with age. According to the U.S. Census Bureau, about 48,300 people in the U.P. reported a disability during the 2012-2016 period. Over half of them were females in both the state and the U.P. About 42 percent of them were 65 years of age and older; four percentage points higher than the state average. ([Table 28](#))
- Over nine out of ten individuals with disabilities in the U.P. were White (91 percent), reflecting the racial makeup of the general population in the region (89 percent White). ([Table 28](#))
- Native Americans display a higher share of the population in the U.P. than statewide. Consequently, this group also show a higher percentage of individuals with a disability. ([Table 28](#))
- The labor market status of persons with a disability has improved in Michigan over the past two years (2014-2016), as the economy of the state continues to recover. The labor force participation rate advanced by two percentage points to 25 percent. The unemployment rate fell by four percentage points, from 16 percent in 2014 to 12 percent in 2016. And the ratio of the employed over the total number of people eligible for work (16 years of age and above) substantially increased by over 2 percentage points to 22 percent. ([Unified State Plan Update](#))

Individuals with a Disability

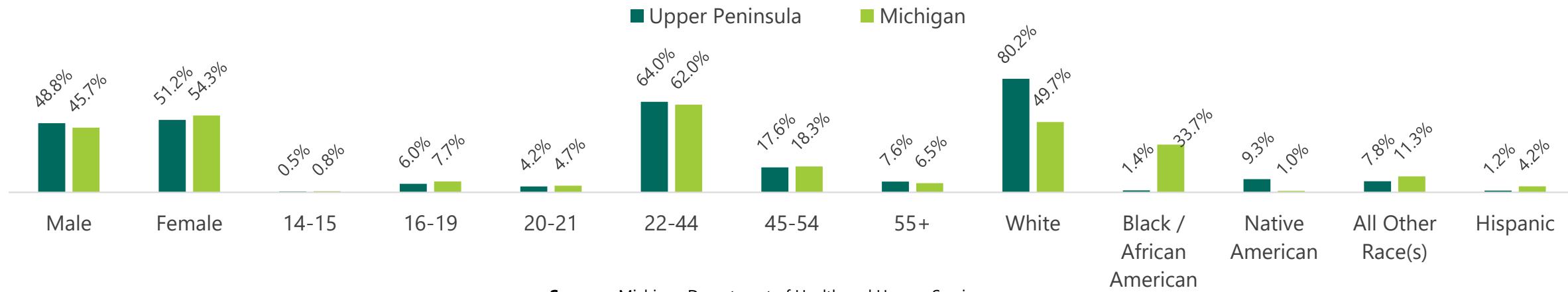


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

Regional assistance program recipients still concentrated in the working age and white demographics.

- Two years ago in December, the Michigan Department of Health and Human Services counted roughly 13,600 assistant program recipients in the U.P. The number has dropped to 10,900 as of June 2017. ([Table 30](#))
- There continues to be more female than male recipients of public assistance in both the U.P. and the state. ([Table 30](#))
- The majority of the registrants were in the prime working age of 22 to 44 (about 64 percent). ([Table 30](#))
- Approximately 80 percent of the registrants were White, compared to only 50 percent statewide. Native Americans were nine times more likely to be on assistance in the U.P. than they were statewide, reflecting the higher-than-average share of this group in the regional population. ([Table 30](#))

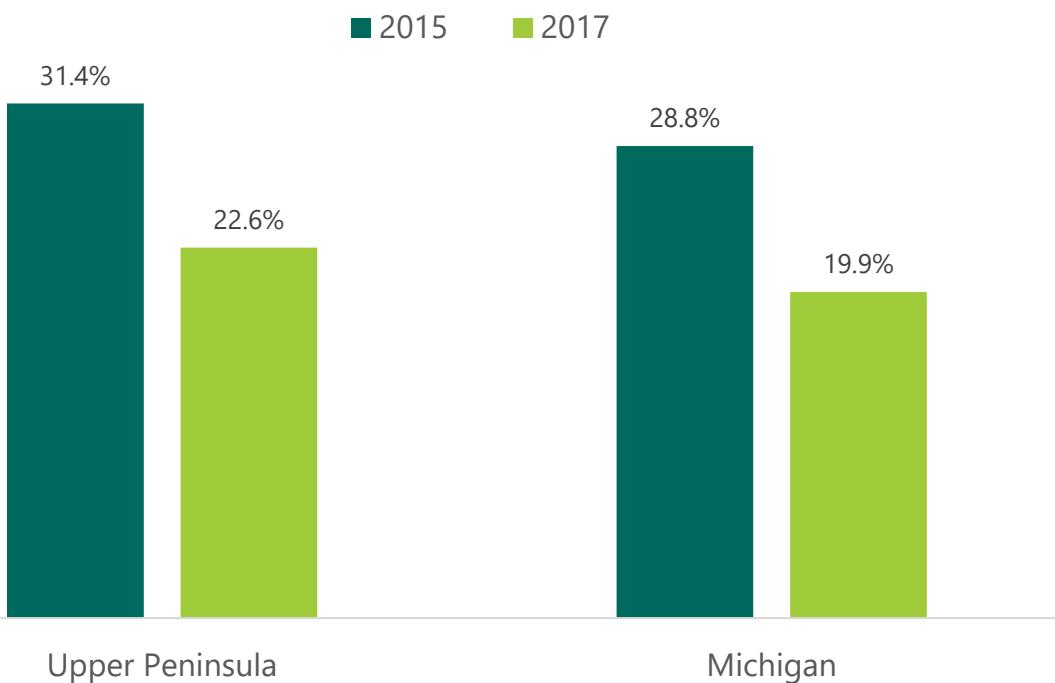
Assistance Program Recipients by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

Long-term joblessness higher than state average in the Upper Peninsula.

Percentage Long-Term Unemployed of Total Unemployed

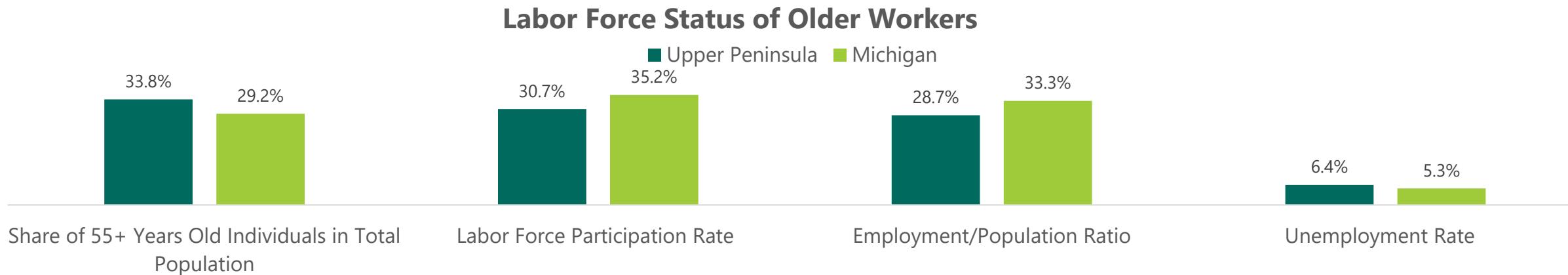


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

- The number of long-term unemployed individuals, or the share of individuals out of work for 27 weeks or more, has made a significant recovery dropping from 44 percent of unemployed residents of the Upper Peninsula in 2010 to 31 percent in 2015 and 29 percent in 2017. (**Table 34**)
- The decline in long-term unemployment has been slower in the Upper Peninsula than statewide. From below average in 2010 (44 vs. 50 percent), the share of long-term unemployed in total unemployment was three percentage points above average in 2017. (**Table 34**)

Older workers continue to stay longer in the labor market in Michigan and the Upper Peninsula.

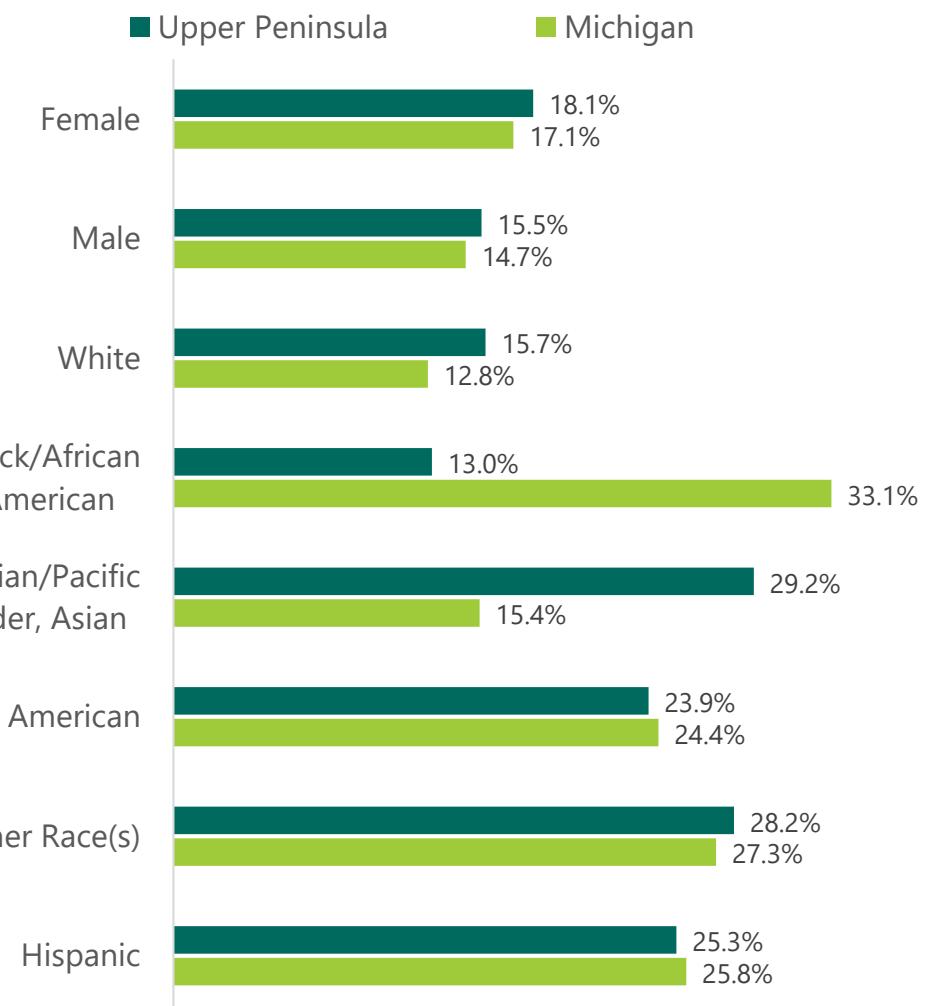
- A little over a third of the population 16+ years of age in the Upper Peninsula and the state is in the category of older workers (aged 55 years or more). **(Table 35)**
- The labor force participation rate for older workers in the Upper Peninsula has hovered around 30 percent over the 2012-2016 period; that is about five percentage points below the statewide participation rate for this group.
- Only 29 percent of older workers actually have jobs, compared to 33 percent statewide. The jobless rate of older workers in the U.P., although higher than the statewide rate, has been declining since the end of the 2009 recession. **(Table 35)**



Poverty rate at 17 percent in the Upper Peninsula; slightly above than statewide rate.

- Based on the 2012-2016 five-year estimates from the U. S. Census Bureau, 17 percent of residents of the Upper Peninsula (51,300 persons) lived under the poverty line. The state's poverty rate was 16 percent over this period. (**Table 36**)
- Individuals identifying themselves as Asians, Hawaiian or Pacific Islanders had the highest poverty rate in the Upper Peninsula at 29 percent, almost double the poverty rate of this group statewide. The share of Whites in poverty in the U.P. is also noticeably higher than the statewide rate. (**Table 36**)
- The share of women living in poverty is slightly higher than that of men in both areas. (**Table 36**)

Poverty by Sex and Race / Ethnicity



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

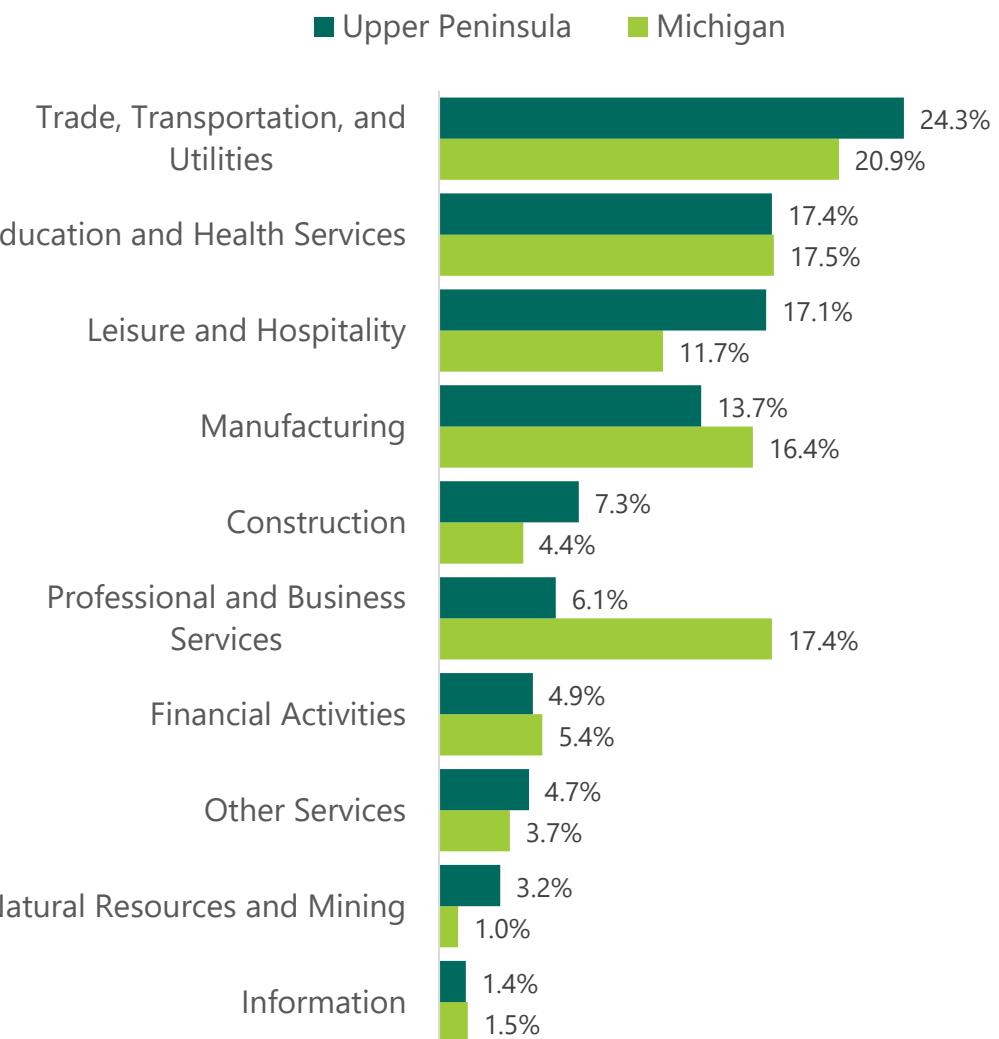
Existing and Emerging In-Demand Industry Sectors and Occupations

Tables 8-11 and 17-26

Close to 60 percent of regional employment is concentrated in top three industries.

- The current ranking of regional industries based on their share in total private payroll jobs has remained unchanged compared to two years ago in 2015.
- In the 2nd quarter of 2017, *Trade, transportation, and utilities* was the region's largest private industry, employing about one in four workers. Statewide, the share of this industry group in total payroll jobs was one in five. (**Table 8**)
- Similar to the state, the region's second largest industry was *Education and health services*. This industry was followed by *Leisure and hospitality* and then *Manufacturing* in the Upper Peninsula. Statewide, *Professional and business services* was the third largest industry followed by *Manufacturing*. (**Table 8**)

**Distribution of Industry Jobs,
2nd Quarter 2017**



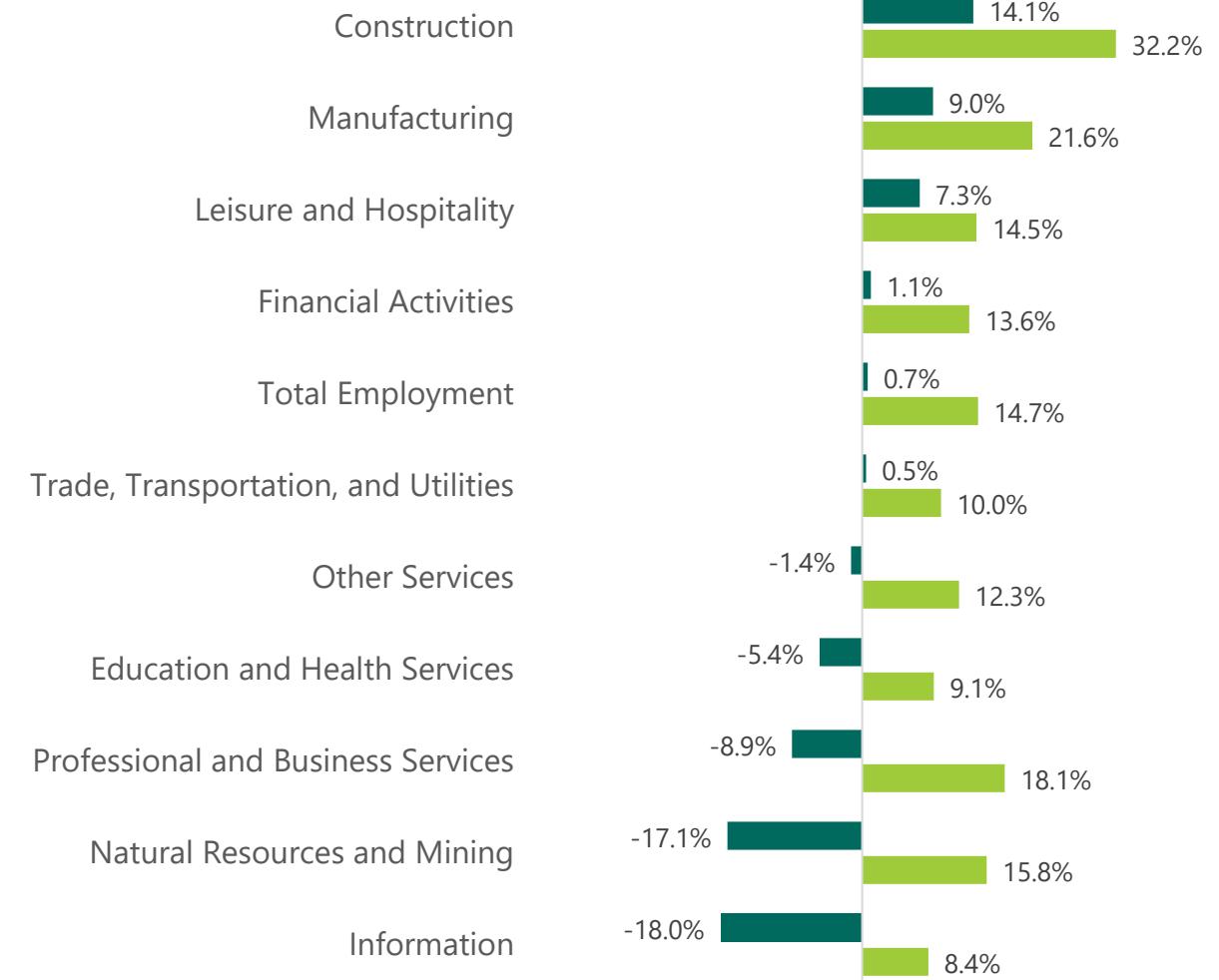
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Only half of regional industries recorded positive job growth over the 2011-2017 period.

- Private sector jobs in the Upper Peninsula remained virtually unchanged since 2011, edging up by 600 or seven tenths of a percent. Statewide, private payroll employment grew by 480,500 or 15 percent during the same period. **(Table 8)**
- *Construction* recorded the largest job expansion, followed by *Manufacturing, Leisure and hospitality, Financial activities, and Trade, transportation, and utilities*. The remaining five industry groups recorded employment reductions amounting to a total of about 1,200. The loss of jobs in the *Natural resources and mining* industry is mainly the result of the closure of an iron ore mine in the summer of 2016. **(Table 8)**

Private Sector Job Trends 2nd Quarter 2011-2017

■ Upper Peninsula ■ Michigan



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Online job postings reach 1,500 in 2nd quarter 2017.

Online Advertised Job Postings – Upper Peninsula	
Job Title	Number
Registered Nurses	225
Heavy and Tractor-Trailer Truck Drivers	102
First-Line Supervisors of Retail Sales Workers	88
Licensed Practical and Licensed Vocational Nurses	71
Retail Salespersons	62
Medical and Health Services Managers	55
Demonstrators and Product Promoters	48
Medical Assistants	48
Customer Service Representatives	45
First-Line Supervisors of Food Preparation and Ser	42

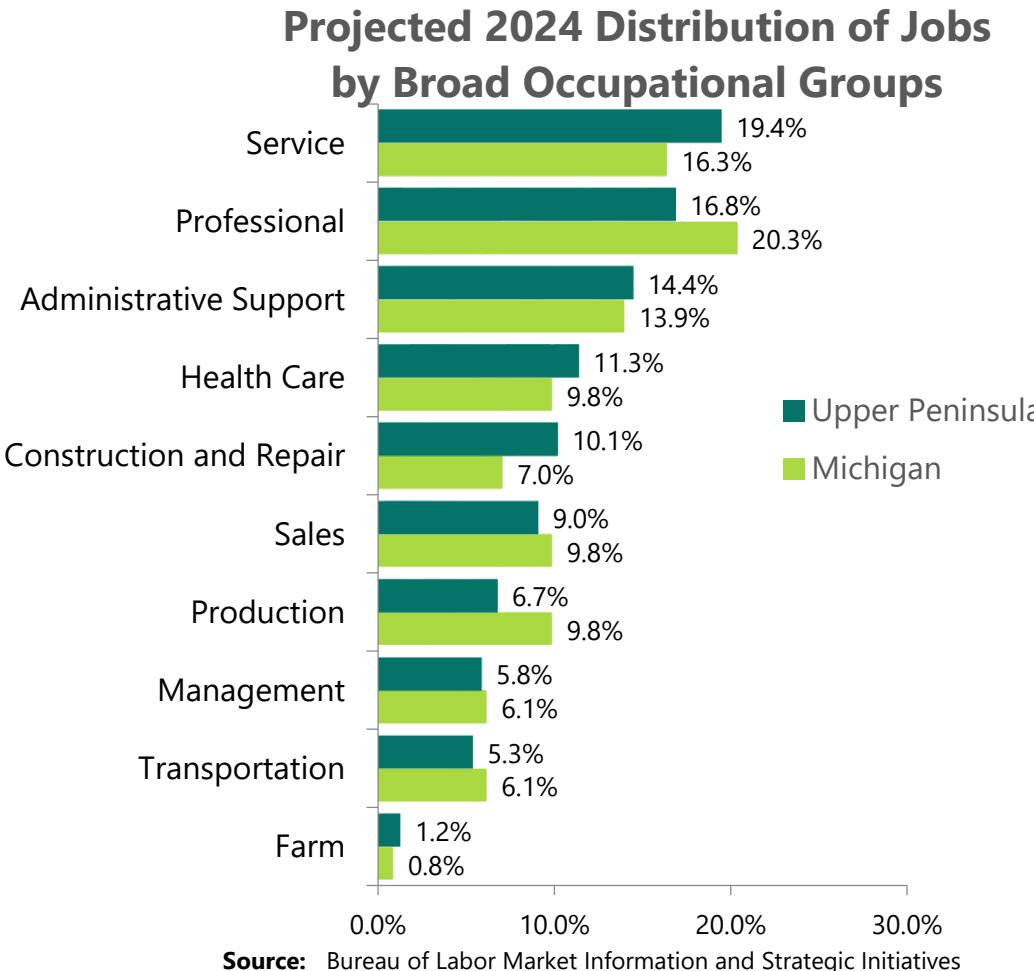
Source: The Conference Board, Help Wanted Online Database

- In the second quarter of 2017, there were 1,500 online advertised job postings in the Upper Peninsula, according to the Conference Board's Help Wanted Online Database. **(Table 18)**

- The majority of top job advertisements posted online require a high school diploma, some vocational training, or an associate's degree. In the Upper Peninsula, eight of the top ten online job postings during the second quarter of 2017 fell in this category. The range was also eight of ten statewide.
- Job advertisements in the region are led by *Healthcare* occupations (four of the top ten), where employers often post many ads for in-demand positions such as *Registered nurses* and *Medical assistants*. *Heavy and tractor-trailer truck drivers* is a career in high demand throughout the state.

(Table 18)

About half of the Upper Peninsula jobs projected to be in three job groups by 2024.

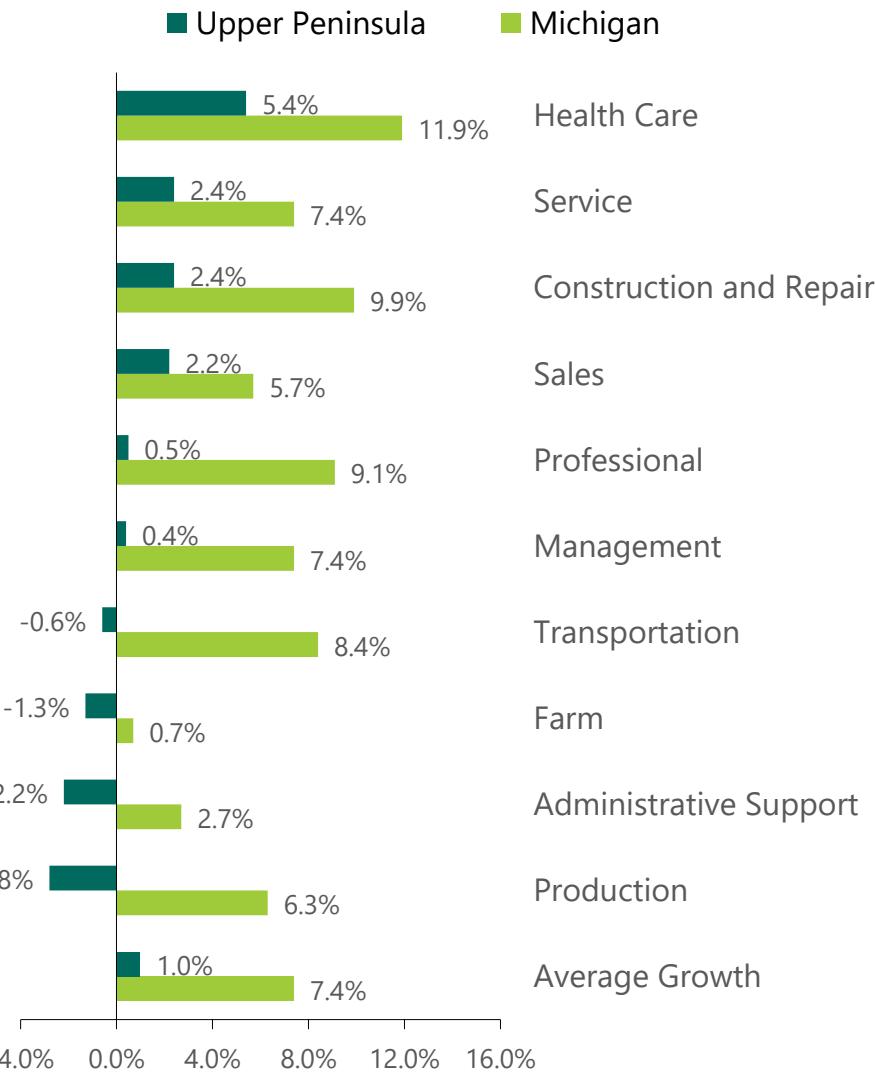


- The overall occupational employment in the Upper Peninsula is projected to post marginal growth of one percent (+1,300) between 2014 and 2024. This compared to an expansion of 7 percent statewide. About half of the projected employment will continue to be in three major occupational groups of *Service*, *Professional*, and *Administrative support*.
- At 19 percent, *Service* occupations are the largest occupational category in terms of projected total jobs in 2024 (same share in 2014). This group includes occupations in *Protective services*, *Food preparation and service*, *Building and grounds cleaning and maintenance*, and *Personal care services*.
- *Professional* will continue to be the second largest occupational group with 16.8 percent of total jobs in 2024 (same share in 2014), about four percentage points below the share of this group in statewide employment. This group includes a diverse set of jobs, such as *Business*, *Computer*, *Technical*, *Science*, *Social service*, and *Education* positions.
- The *Administrative support* group is also projected to remain the third largest in the Upper Peninsula, with 14 percent of total jobs in 2024 (down from 15 percent in 2014). This category includes positions such as *Bookkeeping, accounting, and auditing clerks*, *Billing and posting clerks*, and *Secretaries and administrative assistants*.
- The group of *Healthcare* services is the fourth largest employer at 11 percent of employment in 2024 (five tenths of a percent above 2014). Just like for the state and the nation, many health careers in the U.P. are forecast to show strong growth. ([Table 19](#))

Healthcare, Service, and Construction occupations projected to have highest percent growth through 2024.

- Employment in all occupational groups in the Upper Peninsula are projected to grow below the statewide average through 2024. Jobs in four of ten occupational groups of *Transportation, Farming, Administrative support, and Production* are projected to contract in the U.P. by 750 by 2024, while the remaining six occupational groups are projected to add a little over 2,000 jobs.
- Three groups of occupations are expected to create nearly 81 percent of the new jobs.
 - Healthcare* will contribute about 765 new jobs (a projected growth of a little above 5 percent). The new jobs will come from occupations such as *Physical therapists, Registered nurses* and *Physician assistants* as well as support staff such as *Home health aides*.
 - Service*, the largest group in the region, is projected to create 585 new jobs; an expansion rate of 2 percent through 2024. This group includes many occupations in the hotel, recreation, and restaurant industries which are predominant in the U.P.
 - Equally important is the *Construction and repair* occupational group, which is projected to add 305 new jobs (or 2 percent growth). This group encompasses not only *Construction laborers* but also *Electricians, Powerline repairers, Plumbers*, and many other careers in specialty trade contractors. ([Table 19](#))

Projected Percent Growth by Broad Occupational Groups (2014-2024)

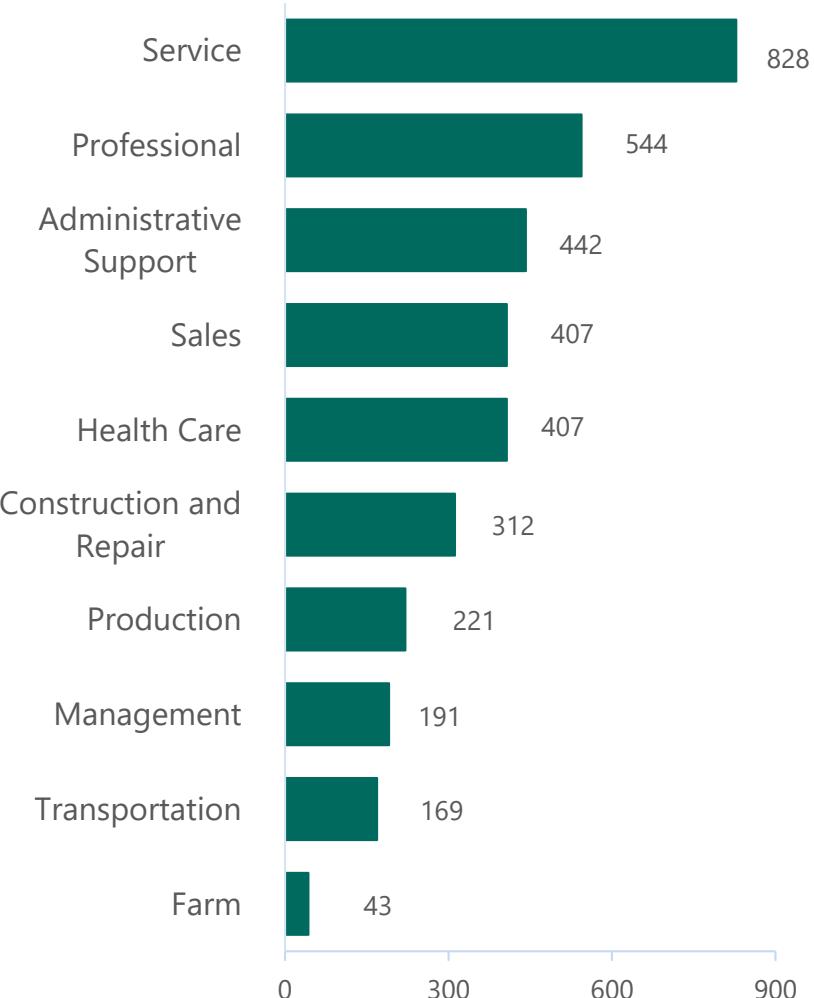


Source: Bureau of Labor Market Information and Strategic Initiatives

Occupations with large employment base will continue to create more openings out of the need to replace workers.

- Because of the need to replace workers who are retiring or otherwise leaving the occupation in the area, the largest groups are projected to see the most annual openings through 2024.
- In the Upper Peninsula region, only 12 percent of annual openings are expected to come from employment expansion, while the remaining 88 percent will be from the need to replace workers.
- Service occupations, the largest occupational group in the region, are expected to see the highest number of annual openings. About 86 percent of this occupation's annual openings will come from the need to replace workers. Similarly, one in four new jobs will be created in this group. **(Table 20)**

**Projected Annual Openings by Broad Occupational Groups
(2014 – 2024)**

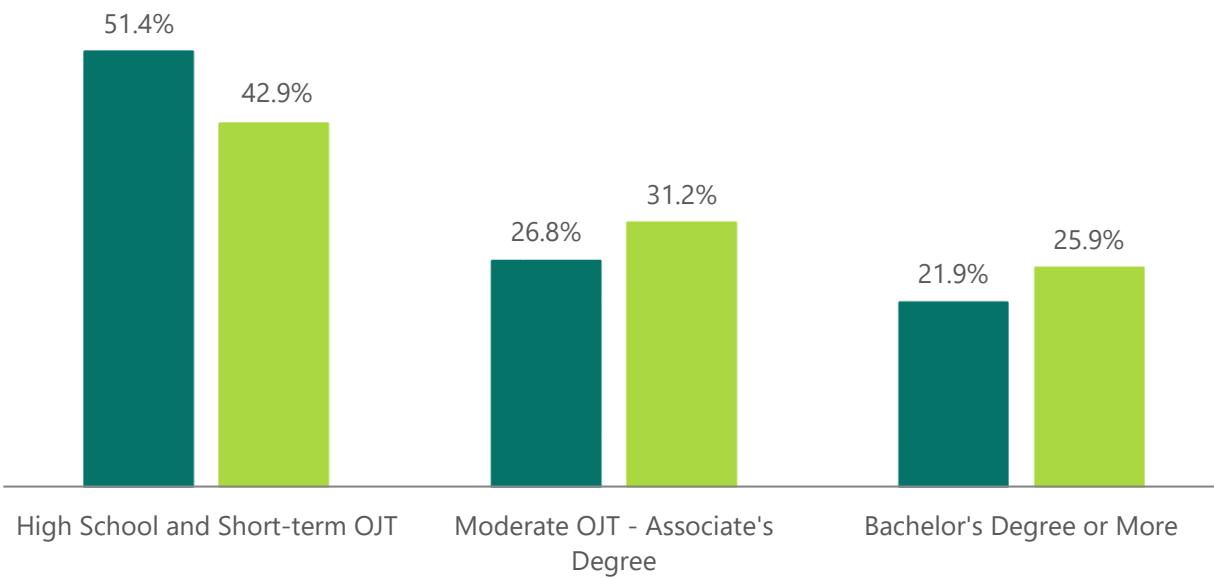


Source: Bureau of Labor Market Information and Strategic Initiatives

Over half of jobs in the Upper Peninsula will require a H.S. diploma, with minimal training.

Projected 2024 Occupational Employment by Education (Share of Total)

■ Upper Peninsula ■ Michigan

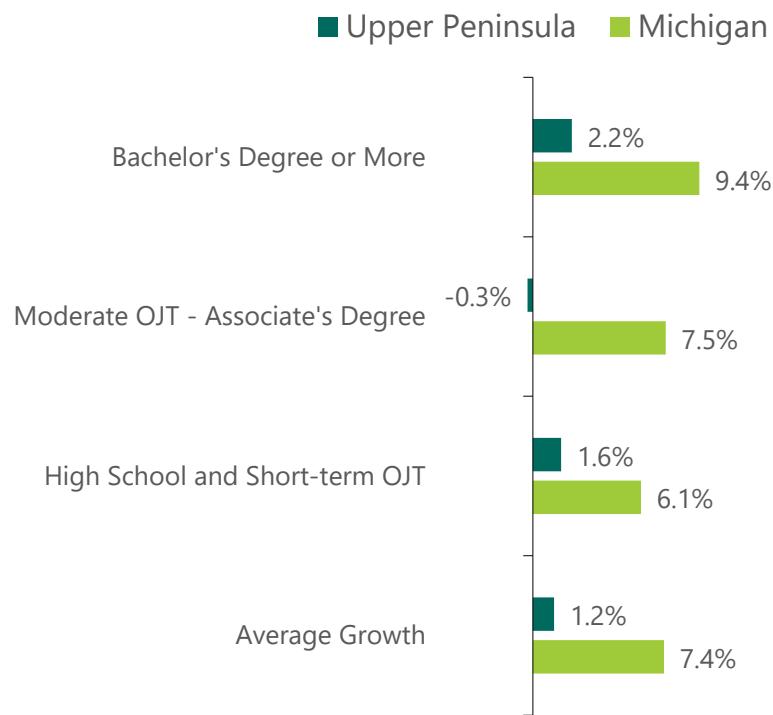


Source: Bureau of Labor Market Information and Strategic Initiatives

- Another way to look at the future structure of the job market is by education or training requirements.
- Just like in 2014, by 2024, a little over 51 percent of Upper Peninsula jobs (43 percent statewide) will still need only a high school diploma or less, with short-term to no on-the-job training. These occupations have a large employment base and will create jobs through the need to replace workers.
- Similarly, just like in 2014, a little over a quarter of jobs in the area (close to a third for the state) will require an associate's degree, a post-secondary training, some college with no degree, or a high school diploma or less accompanied with an extended period (six months or more) of apprenticeship and/or on-the-job training in 2024. Many construction careers are in this group and are associated with long-run employment growth, high earnings, and low unemployment status.
- Jobs requiring a bachelor's degree or more will constitute a lower share of total employment in the Upper Peninsula than they do statewide in 2024. This share will be virtually flat at around 22 percent since 2014.

Slower projected long-term growth in the Upper Peninsula than statewide for every educational group.

Projected 2024 Occupational Growth by Education



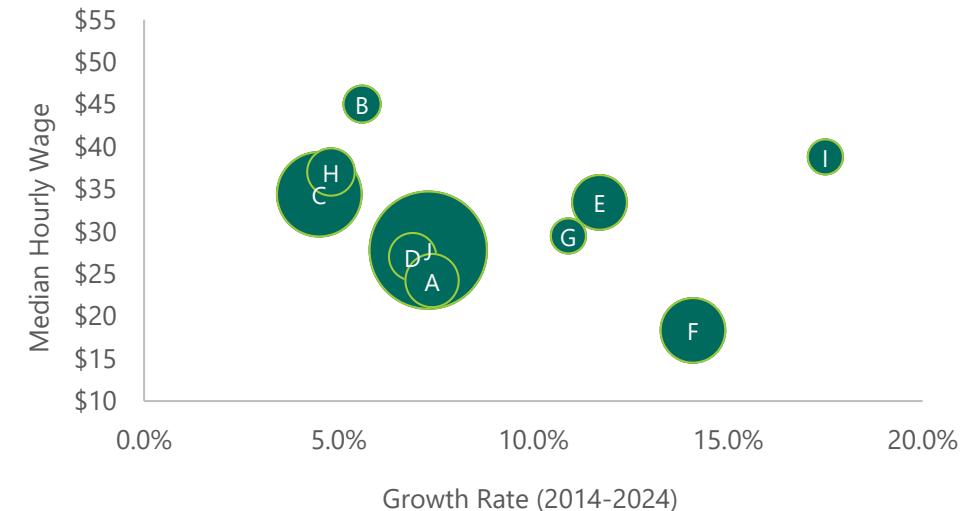
Source: Bureau of Labor Market Information and Strategic Initiatives

- Occupations requiring a bachelor's degree or higher are projected to exceed the regional average growth rate through 2024, by a full percentage point. Statewide, careers calling for a bachelor's degree are projected to expand by 9 percent. *Registered nurses*, which used to require just an associate's degree now calls for a bachelor's degree.
- Careers demanding a high school diploma and short-term OJT are also projected to exceed the regional average growth rate through 2024, expanding by 1,260 positions or over one percent during the period. However, this rate is way below the projected growth rate of 6 percent statewide for this group. Many growing constructions careers necessitate just a high school diploma and some OJT or apprenticeship (e.g., *Electricians, HVAC repairers, etc.*). Service occupations important to the regional tourism economy are also in this group.
- Positions that entail a Moderate OJT to an associate's degree are projected to inch down in the Upper Peninsula through 2024; this is in contrast to the group's projected growth rate of over 7 percent statewide.

Many skilled trades and jobs requiring post-secondary education among the region's high-demand, high-wage occupations.

- High-demand, high-wage occupations are jobs that demonstrate a favorable mix of long-term job growth, annual openings from both growth and replacement, and median wages.
- In general, occupations with a large employment base create many job openings due to the need to replace workers (size of the bubble on the chart). These include *Registered nurses*, *General and operations managers*, and *Machinists*.
- Levels of pay are directly correlated with the level of formal education and/or the length of job training or apprenticeship, driving a trend of higher-training occupations appearing on the list of high-demand, high-wage occupations. (**Tables 23-26**)

Annual Openings, Growth Rate, and Hourly Wage for High-Demand, High-Wage Occupations



	Occupation		Occupation
A	Accountants and Auditors	F	Machinists
B	Financial Managers	G	Mechanical Engineers
C	General and Operations Managers	H	Medical and Health Services Managers
D	Industrial Machinery Mechanics	I	Physical Therapists
E	Insurance Sales Agents	J	Registered Nurses

Source: Bureau of Labor Market Information and Strategic Initiatives

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