MICHIGAN'S
LABOR MARKET NEWS

SPECIAL ISSUE

2022 ANNUAL ECONOMIC ANALYSIS

About the Cover

The original Marquette Harbor Lighthouse was built in Marquette, Michigan in 1853, four years after the city's 1849 incorporation. The quarters and tower were replaced in 1866 with the present lighthouse.

The 1866 story-and-a-half brick structure with an attached 40-foot square brick tower has seen many changes and additions over the years, including a light at the end of the breakwater, a two-whistle signal system installed at the end of the point, a second story to house the assistant keeper, and a covered staircase. The lighthouse was painted red in 1965.

The Marquette Harbor Lighthouse is the oldest significant structure in the city and is one of the most historic navigation beacons on Lake Superior—critical to the development of the Great Lakes iron ore trade.

On July 30, 2016, the 150th birthday of the lighthouse, the property was transferred to the City of Marquette for use as a public park. The Marquette Maritime Museum, through a long-term agreement with the City of Marquette, continues to conduct interpretive tours of the lighthouse building and grounds. The lighthouse is listed on the National Register of Historic Places.

Adapted from mqtmaritimemuseum.com

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Michigan's Labor Market News is a product of the Michigan Center for Data and Analytics (MCDA), which enhances and promotes evidence-based decision making across state government through advanced research and analytics.

The Labor Market Information division of the MCDA is the official source for Michigan's employment, occupation, and industry data through a partnership with U.S. Department of Labor.

EXECUTIVE SUMMARY

Michigan's labor market continued to improve through 2022 and the first half of 2023, returning close to or reaching pre-pandemic levels on most major labor market indicators. In fact, labor force growth has surged in mid-2023. However, the rates at which people returned to the labor force, changes in unemployment rates, and wage growth varied by gender, race, and age group. While Michigan's labor market recovered from the pandemic relatively quickly, challenges remain that could affect the state's future labor market growth. Michigan's natural population change has recently been negative (more deaths than births) and is likely to remain negative if recent population trends continue. A key factor in being able to meet the employment needs of industries in the state will be increased domestic and international migration to counter the state's natural population decline and provide the workers needed for the state's economy.

This report presents information on Michigan's labor market, including information on the labor force, industry employment, wages, and more. It also examines the differences in recovery seen by various demographic groups in terms of labor force participation, unemployment, and wages. Sections on the current labor market demand and regional employment projections provide an overview of the employment outlook in Michigan. The final section of this report discusses Michigan's changing population and how migration will play a critical role in the state's population growth going forward.

KEY TAKEAWAYS

Labor Market and Wages Recover to Pre-Pandemic Levels

- Although more than one million jobs were lost between February 2020 and April 2020, total nonfarm payroll jobs have rebounded strongly, having recovered 99 percent of all jobs lost.

- Service-providing industries are expected to have more employment growth through 2030 than goods-producing industries in nine out of 10 prosperity regions.

- The state's average hourly wage was $30.77 for private sector workers in June 2023, a 3.3 percent increase from June 2022.

- In 2022, the percentage of jobs paying between $15 and $20 is now higher than the percentage of jobs paying under $15 per hour.

- Wages increased, but inflation cut their impact.

  - The 22 percent increase in private sector wages from June 2018 through June 2023 feels like only a 1 percent increase, due to inflation.

- The labor market appears to be slowing down, with job openings and postings slowing down over the year.

Recovery Differs by Demographics

- Men have rejoined the labor force at a faster rate than women, surpassing their pre-pandemic workforce levels.

- The average number of Black individuals in the labor force in 2022 was the highest in over 20 years and continues to grow.

- The labor force of the prime working-age of 25- to 54-year-olds declined by 5 percent between 2019 and 2022.

- In the 12 months ending in June 2023, there were approximately 75,000 men and 92,000 women on average that were not in the labor force or actively seeking employment, but indicated that they wanted a job.

- In most instances, increases in median incomes for women and racial minorities exceeded that of men and white non-Hispanic workers, causing wage gaps to narrow slightly.

Migration Critical to Michigan's Population Growth

- Michigan's internal population growth engine (births minus deaths) is turning from positive to negative, with a long-term period of deaths exceeding births expected.

  - In 2022, Michigan's population declined for the second consecutive year. Michigan lost 3,390 people between July 1, 2021 and June 30, 2022 compared to the more severe loss of 32,070 people the year prior.

- Growing the state's total population will increasingly depend on retaining Michiganders and attracting new residents from outside the state.

  - Michigan is losing a relatively large share of its young adult population, compared to older groups.

- Jobs were identified as the most important reason for moving for both in- and out-migrants. Recently, people moving to Michigan indicated jobs as their primary reason for moving at a higher rate than those moving away.

MICHIGAN'S LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

This section examines the health of Michigan's labor market through some of the state's broad workforce measures such as the unemployment rate, total employment, and labor force, and also analyzes some in-depth metrics pertaining to the U.S. Bureau of Labor Statistics Current Population Survey (CPS) data such as job losers, job leavers, and educational attainment by unemployment rate.

Michigan's workforce was severely affected by the 2020 pandemic-related recession, with monthly unemployment rates reaching record highs and labor force levels declining. Unlike prior recessions, however, Michigan's workforce was able to quickly rebound and by the end of 2022, nearly all major workforce indicators were back to their 2019 pre-pandemic levels. More recently, Michigan's workforce has been making even greater strides at recovery.

Unemployment Rate

Michigan's unemployment rate recovery from the COVID-19 pandemic has been markedly faster than the recovery seen during the Great Recession. Between 2008 and 2009, the state rate advanced by 4.9 percentage points to 13.1 percent. It took 10 years, from 2009 to 2019, for the rate to recede to 4.1 percent. The statewide annual unemployment rate leapt up to 10.0 percent in 2020 as a result of the pandemic's impact on the labor market, with a monthly peak of 22.6 percent in April 2020. In just the two-year period between 2020 and 2022, Michigan's annual jobless rate fell by 5.8 percentage points. The state's 2022 annual average unemployment rate of 4.2 percent was only one-tenth of a percentage point above its 2019 pre-pandemic counterpart rate of 4.1 percent. Michigan's annual average unemployment rate for the first six months of 2023 was 4.0 percent, 0.1 percentage points below the 2019 rate.

Michigan's unemployment rates over the past 20 years have consistently remained above national rates. Michigan closed the gap in 2015 and 2016 when the state's rates exceeded those of the U.S. by only one-tenth of a percentage point. Michigan's unemployment rate remained fairly close to the national rate through 2019, before the dramatic peak in 2020. Both rates fell substantially after the pandemic, with the national rate receding from 8.1 to 3.6 percent and the Michigan rate decreasing from 10.0 to 4.2 percent between 2020 and 2022. More recently, Michigan's monthly unemployment rate during June 2023 was 3.6 percent, matching the national rate.

While Michigan has made great progress and has been closing the gap with the national unemployment rate, the state still exhibited one of the largest annual average jobless rates out of all U.S. states during 2022. Michigan, along with Washington, Oregon, Connecticut, and California, demonstrated the sixth largest jobless rate overall of 4.2 percent. The largest annual unemployment rate was seen in Nevada at 5.4 percent. In the past six months, Michigan's average rate was 4.0 percent.

▶ **DATA NOTE:** *Michigan's Local Area Unemployment Statistics program (LAUS) provides economic indicators for the state, including employment, unemployment, labor force, and official unemployment rate estimates.*

MICHIGAN AND U.S. UNEMPLOYMENT RATES, ANNUAL AVERAGE 2002–2023
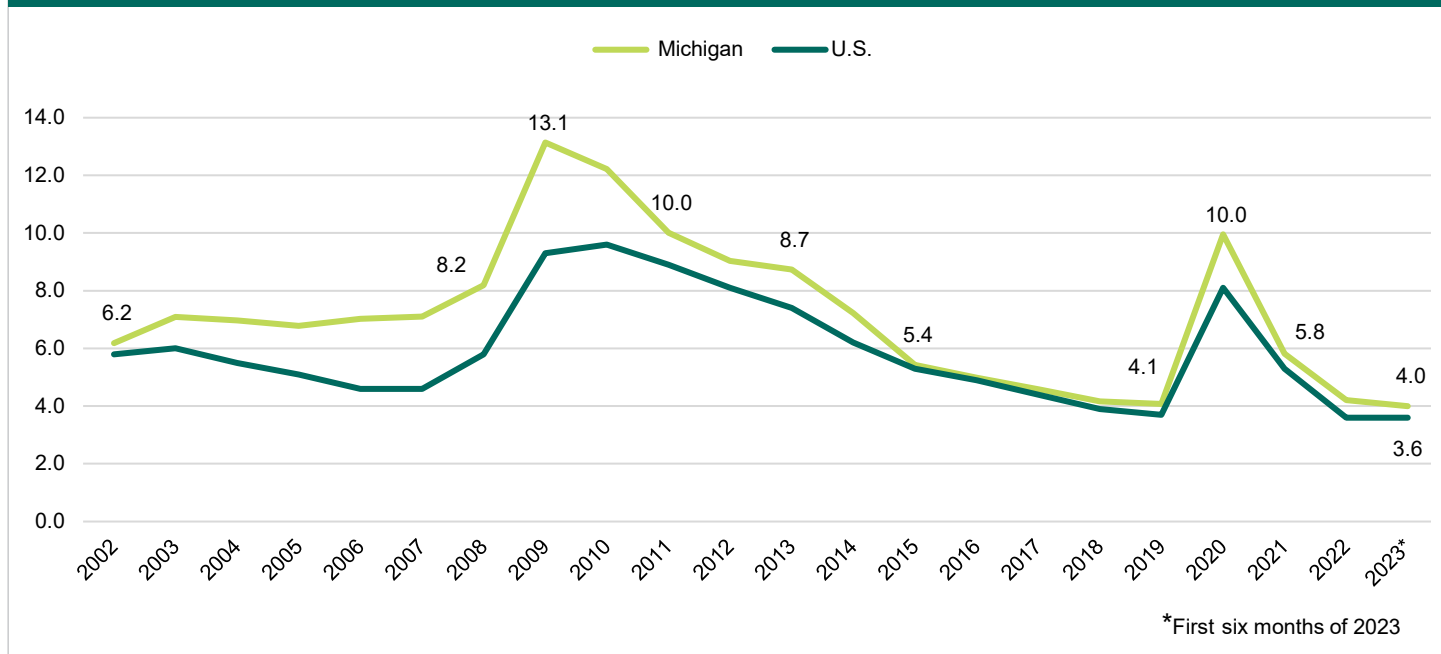
Michigan — — U.S.

6.2   8.2   13.1   10.0   8.7   5.4   4.1   10.0   5.8   4.0   3.6

*First six months of 2023

Employment

Michigan's total annual average employment[1] rose consistently from 2012 to 2019, with an average employment gain of 71,000, or 1.6 percent. This growth was severely interrupted by the pandemic, which caused Michigan's annual average employment total to drop by 394,000, or 9.0 percent, during 2020.

Michigan's employment level experienced an extensive recovery after the pandemic-related employment drop during 2020. Between 2020 and 2022 Michigan's annual average employment total advanced by 254,000, or 5.8 percent. However, Michigan's 2022 annual employment level remained 140,000, or 2.9 percent, below the pre-pandemic employment level in 2019. Significant gains have been made in the first half of 2023 with Michigan's average employment total reaching a level only approximately 74,000, or 1.6 percent, below the pre-pandemic level. In fact, the recent employment gains put Michigan's total June 2023 employment only 0.2 percent below the pre-pandemic employment level from February 2020.
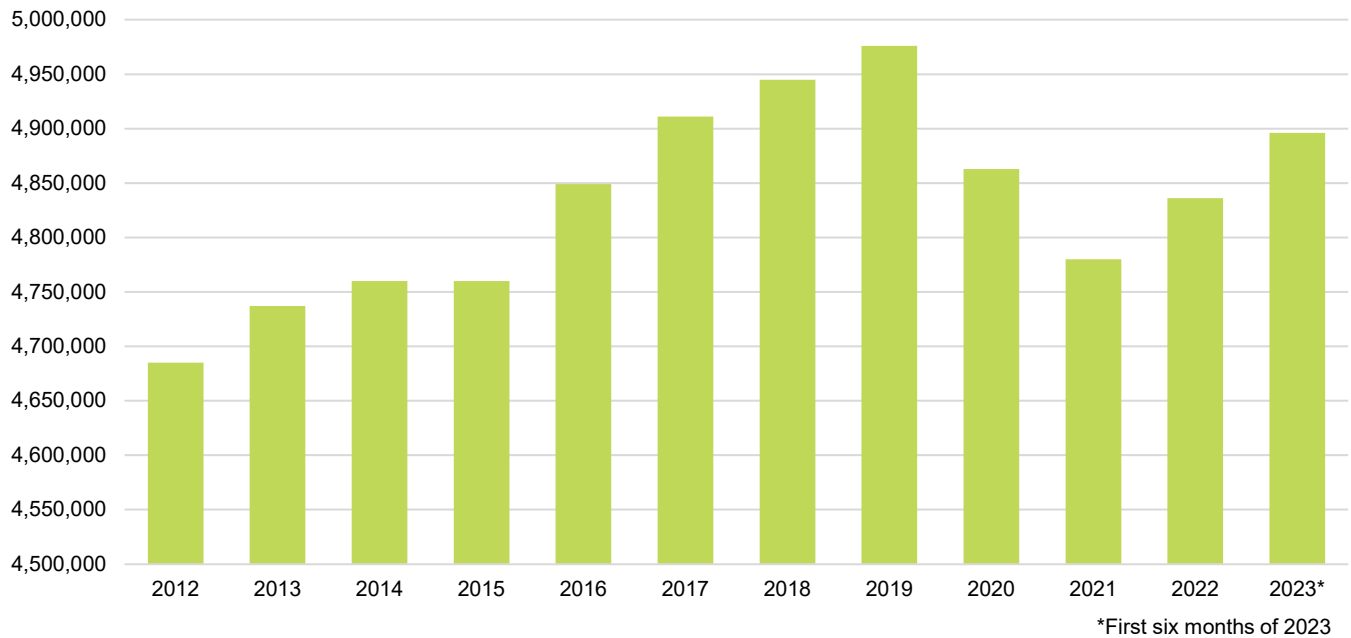
[1] The total number of employed includes a combination of payroll employment, agricultural jobs, unpaid family workers, and the self-employed.

MICHIGAN TOTAL EMPLOYMENT, ANNUAL AVERAGE 2012–2023
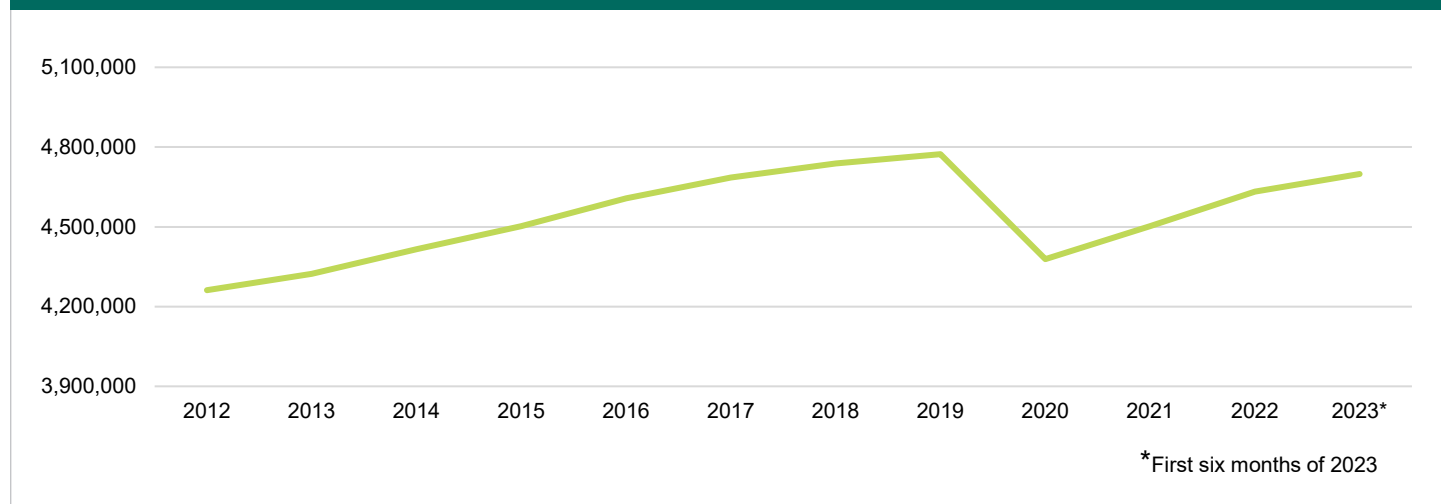
*First six months of 2023

MICHIGAN WORKFORCE LEVELS, ANNUAL AVERAGE 2012–2023

*First six months of 2023

Source: Local Area Unemployment Statistics, Michigan Center for Data and Analytics, Michigan Department of Technology, Management & Budget

Workforce

An examination of the state workforce demonstrates consistent growth between 2015 and 2019, with the workforce advancing by 216,000, or 4.5 percent, during this period. Between 2019 and 2020, the state's workforce fell by 113,000, or 2.3 percent. Michigan's labor force fell further during 2021 by an additional 83,000, or 1.7 percent. The state workforce rebounded slightly during 2022 with an increase of 56,000, or 1.2 percent. Michigan's 2022 labor force remained 140,000, or 2.8 percent, below its 2019 pre-pandemic level. In the first half of 2023, Michigan experienced a significant increase in its labor force, up 60,000 over the annual 2022 level. As of June 2023, Michigan's workforce was only 0.5 percent below the pre-pandemic workforce level from February 2022.

▶ **DATA NOTE:** *Michigan's labor force includes those in the civilian noninstitutionalized population who are 16 or older and are employed or are unemployed and seeking employment.*

Unemployment

Michigan's unemployment level exhibited continuous declines between 2012 and 2019, with unemployment receding by 220,000, or 52.0 percent. Joblessness in the state expanded by 281,000 during the 2020 recession, but bounced back completely with an unemployment reduction of 281,000 between 2020 and 2022. Michigan's 2022 unemployment level matched the 2019 pre-pandemic joblessness total of 203,000. In the first half of 2023, Michigan's number of unemployed persons was 2.8 percent below the pre-pandemic level.
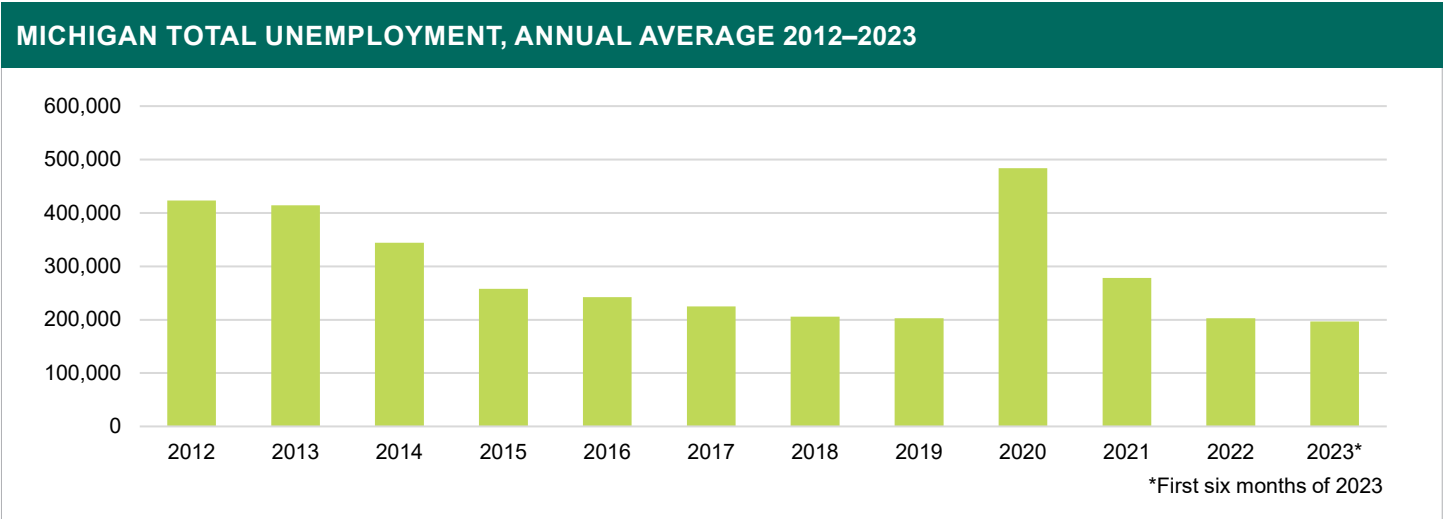
Marginally Attached to the Labor Force

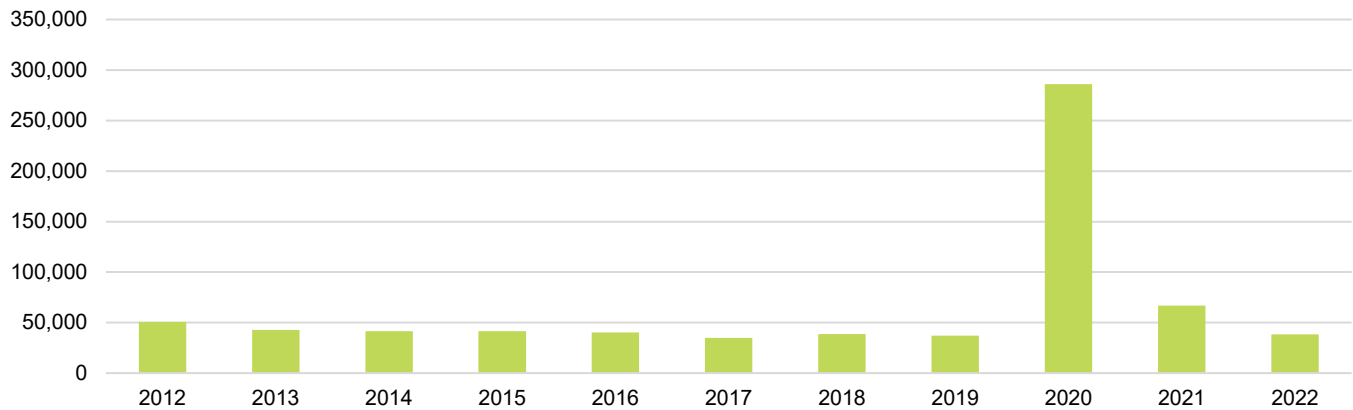Between 2012 and 2019, the number of people marginally attached in Michigan's workforce fell by approximately 61,000, or 60.1 percent. During 2022, the number of marginally attached persons in Michigan was 43,000. This was 25,000, or 37.0 percent, below the amount of marginally attached in the state during 2020. In the first half of 2023, the number of marginally attached continued to trend downward.

DATA NOTES: *The number of unemployed includes Michigan residents who are not currently working but are actively seeking employment. Individuals who are not actively looking for work are not counted as unemployed, but instead are considered as out of the labor force.*

Michigan's Current Population Survey (CPS) provides information about Michigan residents who are marginally attached to the labor force. Individuals who are considered marginally attached to the workforce are defined as persons who want a job, but are not currently working, and have not searched for work during the prior month but have looked for a job during the prior year.

MICHIGAN TOTAL UNEMPLOYMENT, ANNUAL AVERAGE 2012–2023

*First six months of 2023

Source: Local Area Unemployment Statistics, Michigan Center for Data and Analytics, Michigan Department of Technology, Management & Budget

ANNUAL NUMBER OF PERSONS IN MICHIGAN UNEMPLOYED AND ON TEMPORARY LAYOFF, 2012–2022

Persons on Temporary Layoff

Analysis of temporary layoff data for Michigan during the 10-year period from 2012 to 2022 demonstrates the subsequent recovery of temporary layoff activity during the two years following the start of the pandemic in 2020.[2] Between 2020 and 2022, Michigan individuals on temporary layoff receded by approximately 248,000, or 87.0 percent. Michigan's 2022 total number of persons on temporary layoff was only 1,300, or 3.5 percent, larger than the total observed during pre-pandemic 2019. The number on temporary layoff continued to decline in the first six months of 2023.

Permanent Job Losers

The state recorded a 10-year high number of permanent job losers during 2012, with 143,400 persons having employment that ended involuntarily. Between 2012 and 2018, the amount of permanent job losers in Michigan progressively decreased, culminating in a 10-year low level of 31,200 during 2018. Permanent job losers increased by 6,600, or 21.2 percent, during 2019, and then advanced by another 27,700, or 73.3 percent, during 2020.

The number of permanent job losers in the state rose by 5,300, or 8.1 percent, between 2020 and 2021, then fell substantially by 32,400, or 45.8 percent, in the following year. Michigan's 2022 permanent job loser total was only 600, or 1.6 percent, larger than its 2019 number. In the first half of 2023, the number of permanent job losers has been declining.

[2] Persons on temporary layoff in the CPS include people who are currently unemployed and have been given a date to return to work as well as those who expect to return to work during the next six months.
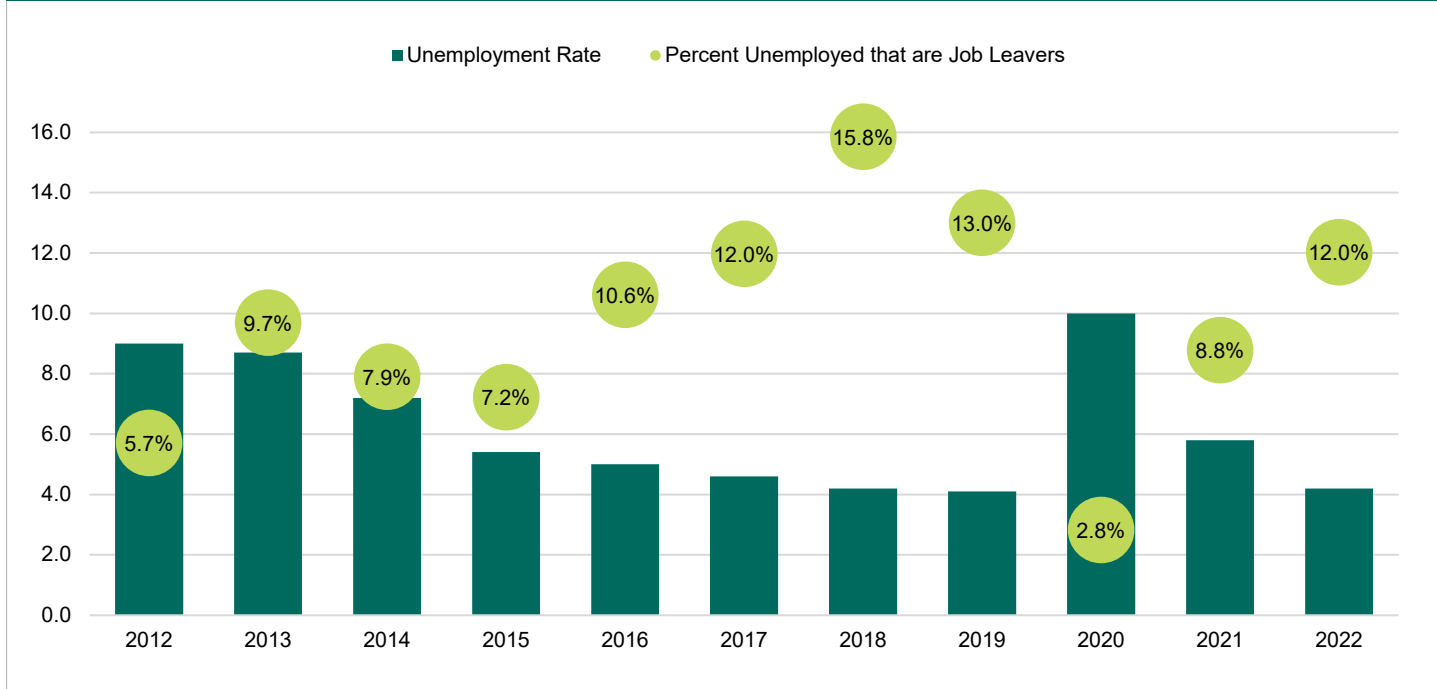
▶ **DATA NOTE:** *The CPS also collects data on permanent job losers. These are people whose employment ended involuntarily. The number of individuals on temporary layoff and the amount of permanent job losers together make up the total amount of job losers in the CPS.*

ANNUAL NUMBER OF PERMANENT JOB LOSERS IN MICHIGAN, 2012–2022
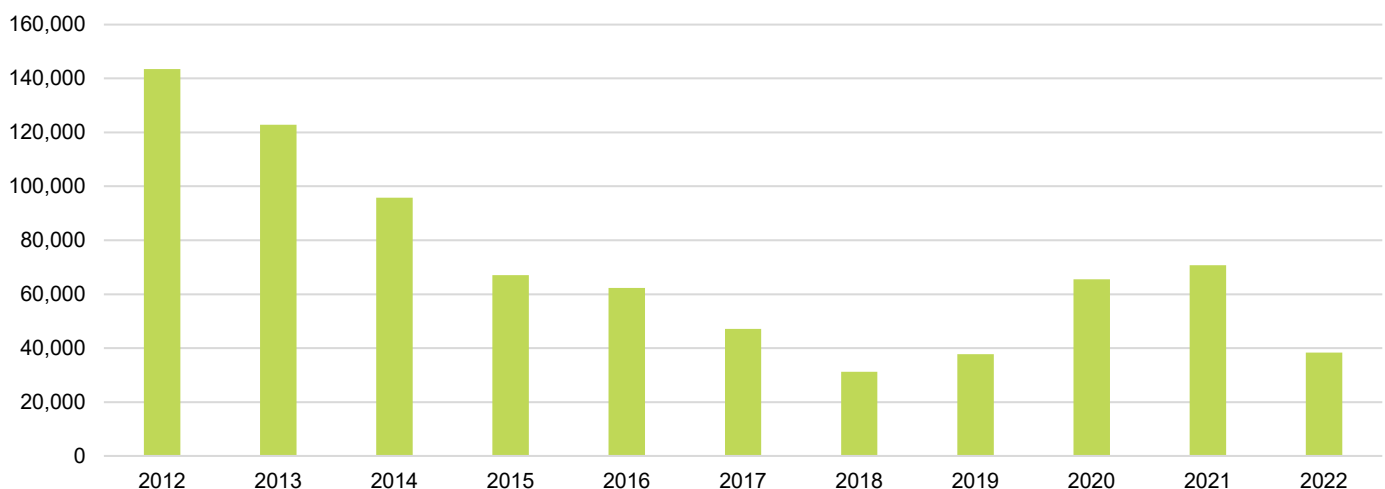
MICHIGAN UNEMPLOYMENT RATE VS. PERCENT OF JOB LEAVERS, 2012–2022

■ Unemployment Rate   ● Percent Unemployed that are Job Leavers

Year	Unemployment Rate	Percent Unemployed that are Job Leavers
2012	9.0	5.7%
2013	8.7	9.7%
2014	7.2	7.9%
2015	5.4	7.2%
2016	5.0	10.6%
2017	4.6	12.0%
2018	4.2	15.8%
2019	4.1	13.0%
2020	10.0	2.8%
2021	5.8	8.8%
2022	4.2	12.0%

Source: Current Population Survey and Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

Job Leavers

The percentage of unemployed who are characterized as job leavers can provide valuable insights on the health of the statewide economy. When the unemployment rate is low, people may be more likely to voluntarily leave their current job for new employment opportunities.

An examination of annual average Michigan Current Population Survey data over the 10-year period between 2012 and 2022 displays an inverse relationship between the statewide unemployment rate and the percentage share of the unemployed who are job leavers. The highest jobless rate in Michigan during this 10-year period occurred during 2020 as a result of the pandemic. The percent of job leavers was 2.8 percent, the lowest percent during this period. During 2022, Michigan's jobless rate fell from 5.8 to 4.2 percent and the percentage of job leavers advanced from 8.8 to 12.0 percent, further demonstrating the inverse relationship between the two metrics. As of June 2023, this trend has continued with the percent of job leavers slowing increasing.

▶ **DATA NOTE:** *The Current Population Survey defines job leavers as individuals who are unemployed and who voluntarily left their previous job and began searching for new employment.*

Unemployment Rates by Educational Attainment

The Current Population Survey collects data about the employment status of Michigan's civilian population ages 25 years and older by educational attainment. Analysis of this data for the 10-year period from 2012 to 2022 reveals that those with a bachelor's degree or higher consistently had the lowest jobless rates out of the four education categories tracked in the CPS.

Between 2021 and 2022, jobless rates for all four education categories decreased. For those with a bachelor's degree or higher, the jobless rate fell by seven-tenths of a percentage point to 1.8 percent. This rate matched 2016 levels. The 2016 and 2022 rate of 1.8 percent was the lowest jobless rate observed in the 10-year period between 2012 and 2022 for all four categories of educational attainment.
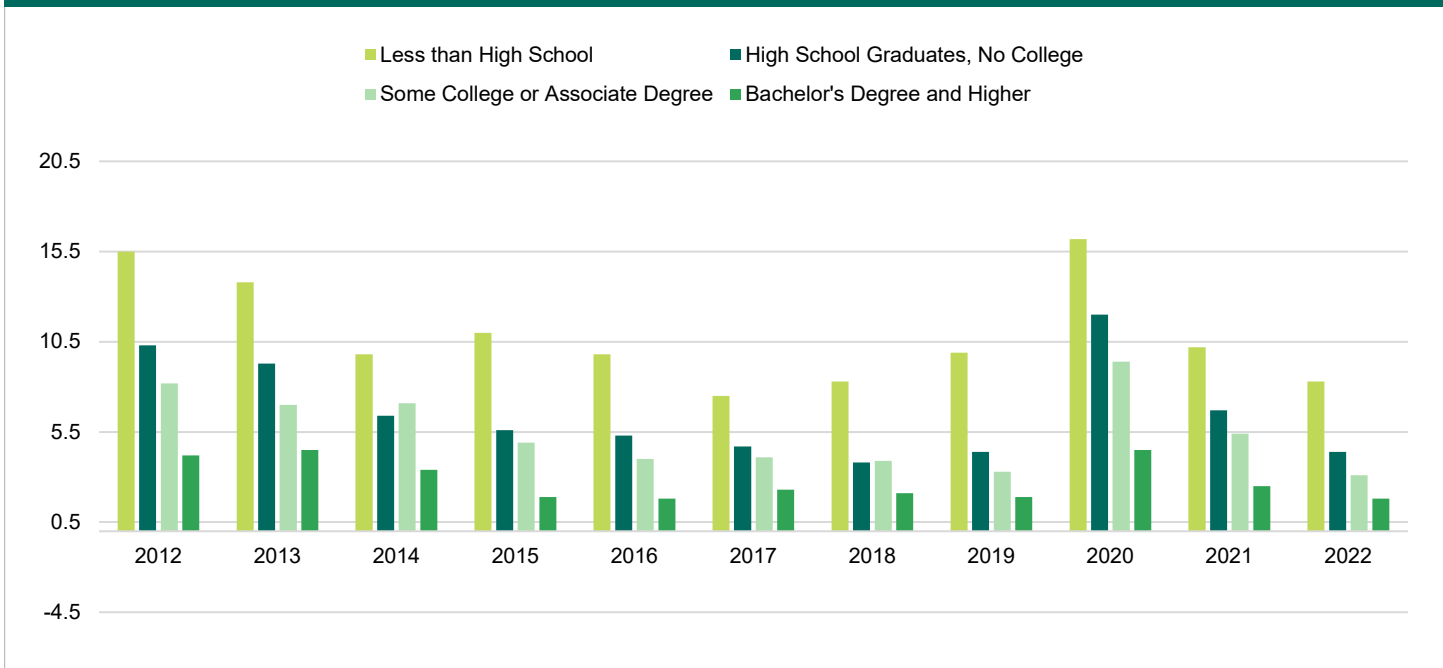
Conclusion

In 2022, Michigan's labor market continued to rebound from the COVID-19 pandemic, with the majority of indicators close to or reaching 2019 pre-pandemic levels. The state's 2022 annual average unemployment rate of 4.2 percent was only one-tenth of a percentage point above the 2019 rate, and as of June 2023, Michigan's monthly unemployment rate was 3.6 percent, matching the national rate. Michigan's 2022 annual employment was 2.9 percent below the pre-pandemic employment level while the annual unemployment levels in 2022 matched the 2019 pre-pandemic unemployment total of 203,000. The state's workforce rebounded slightly between 2021 and 2022 with an increase of 56,000, or 1.2 percent, but remained 2.8 percent below its 2019 counterpart. Continued job growth in the first half of 2023 has closed the gap by 1.2 percentage points, with a workforce 1.6 percent below its 2019 level. Data from the CPS regarding persons on temporary layoff, permanent job losers, and job leavers demonstrated levels markedly close to pre-pandemic metrics as well.

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MICHIGAN ANNUAL UNEMPLOYMENT RATES BY EDUCATIONAL ATTAINMENT, 2012–2022

Legend:
- Less than High School
- High School Graduates, No College
- Some College or Associate Degree
- Bachelor's Degree and Higher

Source: Current Population Survey, U.S. Bureau of Labor Statistics

RECENT INDUSTRY JOB TRENDS

This portion of the MCDA's Annual Economic Analysis publication provides an overview of Michigan's seasonally adjusted payroll jobs, including 2022 annual average job change for the state, as well as major industry sector employment trends on the national and statewide levels.

Many changes have occurred within Michigan's statewide and regional economies since the onset of the COVID-19 pandemic. Total nonfarm payroll job counts across the state and its 14 metropolitan regions have almost returned fully to their pre-pandemic employment levels. Analyzing current employment data allows for a better understanding of the recent shift in economic landscapes across industries in the context of total nonfarm statewide and regional payroll jobs.

Statewide Nonfarm Job Trends

Seasonally adjusted nonfarm payroll jobs on the statewide level have recovered steadily since the beginning of the COVID-19 global pandemic. Total nonfarm payroll jobs in Michigan dipped to a new 20-year low of 3,394,000 in April 2020, exceeding the previous low recorded in July 2009 during the Great Recession. However, as of June 2023, payroll jobs in Michigan were only 0.2 percent below their February 2020 pre-pandemic job level, signifying an almost complete job recovery in just over two years. In contrast,

the Great Recession took six years to return to employment levels seen at the beginning of the recession in 2007. Total nonfarm payroll employment increased gradually between the Great Recession trough in July 2009 and February 2020, rising by 618,000 or 16.1 percent. The more than decade-long employment advancement symbolized a strengthening economy, but total statewide jobs remained 5.4 percent below their June 2000 all-time high (4,694,100).

Between February and April 2020 however, seasonally adjusted total nonfarm payroll

jobs plunged by 23.7 percent (-1,055,500), an unprecedented amount in Michigan. Nationwide, total nonfarm employment also declined dramatically between February and April 2020, but the 14.4 percent decline was a markedly lesser magnitude than Michigan's.

Throughout the past three years, extensive job rebounds have been recorded overall within major industry sectors. On the statewide level, seasonally adjusted total nonfarm jobs recovered greatly and were only 10,400, or 0.2 percent, below its February 2020 pre-pandemic level, as of June 2023.

DATA NOTE: *Current employment data are produced through the Current Employment Statistics (CES) program, which is published by the Bureau of Labor Statistics (BLS) in cooperation with the Michigan Center for Data and Analytics (MCDA).*

SEASONALLY ADJUSTED TOTAL NONFARM PAYROLL JOBS IN MICHIGAN (IN THOUSANDS)
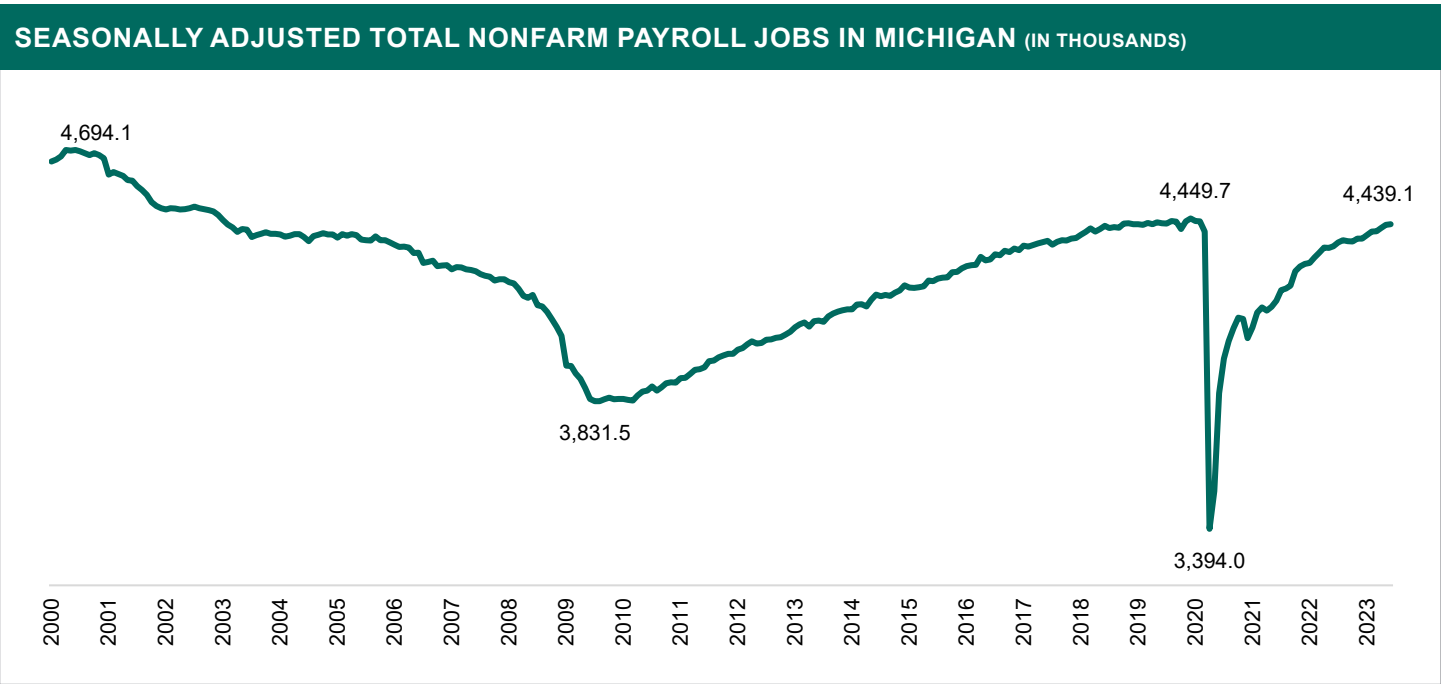
Source: Current Employment Statistics, U.S. Bureau of Labor Statistics

Michigan Annual Average Jobs

According to the Current Employment Statistics (CES) survey, on a not seasonally adjusted basis, Michigan's annual average nonfarm payroll employment increased by 3.9 percent (+163,000), between 2021 and 2022. Prior to the unprecedented annual average job decline from 2019 to 2020 (-403,500 or -9.1 percent), annual nonfarm payroll jobs were at their highest level since 2002. On the national level, annual average nonfarm payroll employment rose by 4.3 percent between 2021 and 2022, or 0.4 percentage points higher than Michigan's during the same time frame.

Every major industry sector in Michigan, besides *Financial activities* (-0.2 percent), recorded not seasonally adjusted job growth between 2021 and 2022, on an annual average basis. Several statewide major industry growth rates outpaced their national sector counterparts on a percentage basis, including *Leisure and hospitality, Other services*, and *Government*. Both the *Construction* and *Information* industry sectors in Michigan and the United States recorded similar change rates between 2021 and 2022, at 4.2 percent and 7.6 percent, respectively. The remaining five major industry sectors recorded stronger annual average growth rates in the United States compared to Michigan.

In Michigan, the five largest major industry sectors in terms of total employment remained the same from 2021 to 2022, with the highest total job counts during 2022 in *Trade, transportation, and utilities* (804,000), *Private education and health services* (661,800),

Professional and business services (658,000), *Manufacturing* (603,200), and *Government* (589,800).

Industry Job Trends

Every major industry sector in Michigan recorded tremendous job loss during the early onset of the COVID-19 pandemic. However, over 71 percent of the total nonfarm employment decline between February and April 2020 was concentrated in just four of Michigan's 11 major industry sectors: *Leisure and hospitality*; *Manufacturing*; *Trade, transportation, and utilities*; and *Professional and business services*.

Due to strong job recovery over the past several years across most major industry sectors in Michigan, as of June 2023, total

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ANNUAL AVERAGE JOB CHANGE, 2021 TO 2022
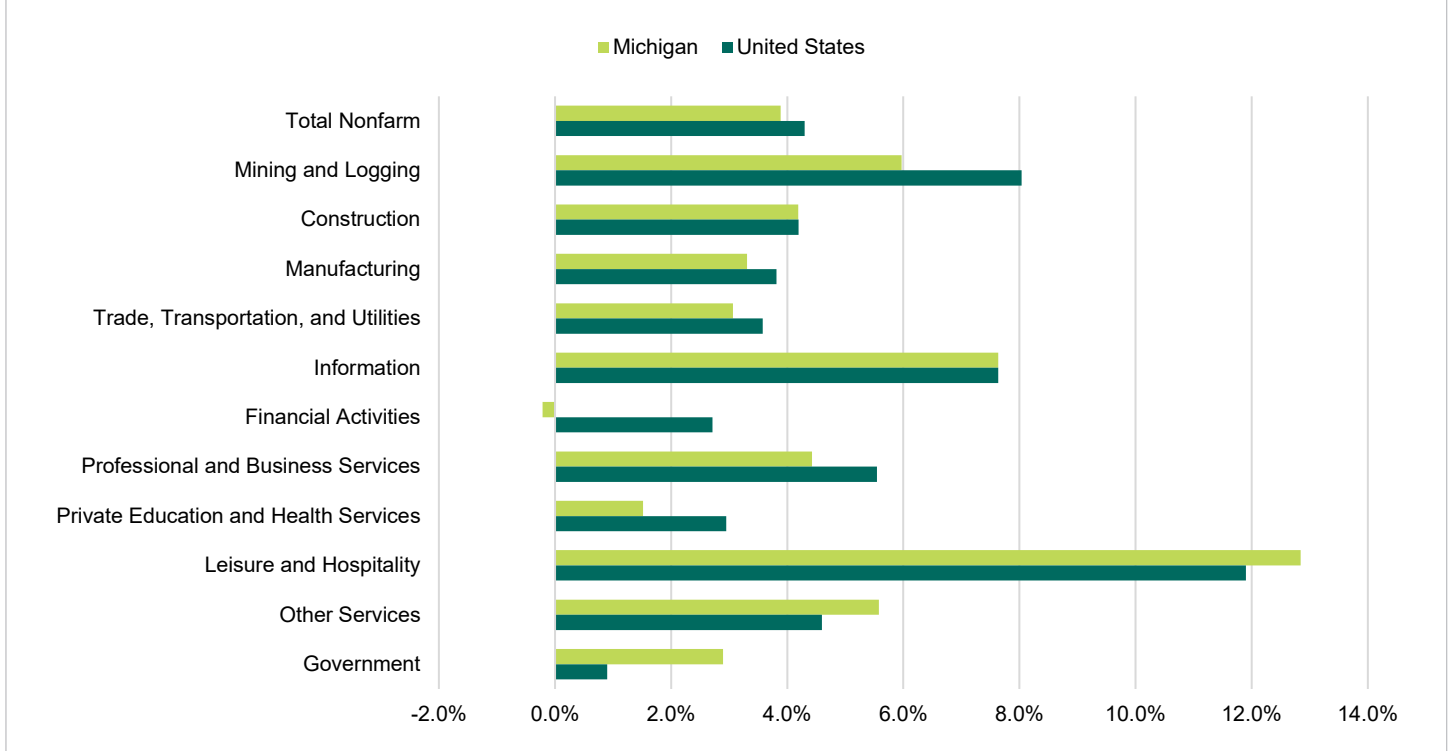
Source: Current Employment Statistics, U.S. Bureau of Labor Statistics

SEASONALLY ADJUSTED MAJOR MICHIGAN INDUSTRY SECTOR JOB CHANGE (IN THOUSANDS)

INDUSTRY	FEBRUARY TO APRIL 2020 JOBS LOST DUE TO COVID-19 PANDEMIC		SHARE OF JOBS LOST IN APRIL 2020 THAT WERE RECOVERED BY JUNE 2023		SHARE OF MICHIGAN'S TOTAL EMPLOYMENT AS OF JUNE 2023	
	NUMERIC	PERCENT	NUMERIC	PERCENT	NUMERIC	PERCENT
TOTAL NONFARM	**-1,055.5**	**-23.7%**	**1,045.1**	**99.0%**	**4,439.1**	**100.0%**
GOODS-PRODUCING						
Mining and Logging	-0.9	-13.0%	1.4	155.6%	7.4	0.2%
Construction	-73.4	-41.3%	87.3	118.9%	191.5	4.3%
Manufacturing	-217.3	-35.1%	206.1	94.8%	608.4	13.7%
Durable Goods	-188.3	-40.3%	178.0	94.5%	457.1	10.3%
Non-Durable Goods	-29.0	-19.1%	28.1	96.9%	151.3	3.4%
SERVICE-PROVIDING						
Trade, Transportation, and Utilities	-162.2	-20.4%	176.9	109.1%	809.1	18.2%
Wholesale Trade	-26.5	-15.3%	33.3	125.7%	179.9	4.1%
Retail Trade	-111.0	-24.1%	104.3	94.0%	454.8	10.2%
Transportation, Warehousing, and Utilities	-24.7	-15.5%	39.3	159.1%	174.4	3.9%
Information	-6.8	-12.3%	8.0	117.6%	56.6	1.3%
Financial Activities	-13.8	-6.0%	14.1	102.2%	229.4	5.2%
Professional and Business Services	-131.9	-20.2%	146.3	110.9%	668.3	15.1%
Private Education and Health Services	-110.4	-15.9%	99.4	90.0%	681.3	15.3%
Private Educational Services	-12.4	-16.8%	13.9	112.1%	75.1	1.7%
Health Care and Social Assistance	-98.0	-15.8%	85.5	87.2%	606.2	13.7%
Leisure and Hospitality	-242.4	-55.6%	222.4	91.7%	415.7	9.4%
Arts, Entertainment, and Recreation	-31.6	-58.8%	35.7	113.0%	57.8	1.3%
Accommodation and Food Services	-210.8	-55.2%	186.7	88.6%	357.9	8.1%
Other Services	-54.3	-32.4%	47.3	87.1%	160.4	3.6%
Government	-42.1	-6.8%	35.9	85.3%	611.0	13.8%
Federal Government	0.9	1.7%	3.2	355.6%	56.2	1.3%
State Government	-15.0	-7.7%	3.9	26.0%	183.3	4.1%
Local Government	-28.0	-7.6%	28.8	102.9%	371.5	8.4%

Source: Current Employment Statistics, U.S. Bureau of Labor Statistics

nonfarm payroll jobs have almost completely rebounded (99.0 percent) on the statewide level. Some industries have rebounded more quickly than others and some have grown significantly beyond their pre-pandemic levels. Six of Michigan's 11 major industry sectors have surpassed their February 2020 pre-pandemic level, including: *Mining and logging*; *Construction*; *Trade, transportation, and utilities*; *Information*; *Financial activities*; and *Professional and business services*. These six major industries combined account for nearly 42 percent of the seasonally adjusted nonfarm job gain since April 2020. Nationally, seven major industry sectors have surpassed their February 2020 pre-pandemic job levels,

five of which also appear on Michigan's list: *Construction*; *Trade, transportation, and utilities*; *Information*; *Financial activities*; and *Professional and business services*. The two national industries that do not appear on Michigan's growth list were *Manufacturing* and *Private education and health services*.

Conclusion

Although some sectors and subsectors recovery rates have been outpaced by their national counterpart, it is important to note that Michigan lost a larger share of jobs in all its major industry sectors between February 2020 and April 2020 than the United States. Since then, jobs across all Michigan major industry

sectors have moved in a positive direction, with most of them surpassing their February pre-pandemic levels. Although more than one million jobs were lost between February 2020 and April 2020, total nonfarm payroll jobs have rebounded strongly, having recovered 99 percent of all jobs lost.

JIM BIRNEY
Economic Analyst

LABOR MARKET RECOVERY BY DEMOGRAPHIC GROUP

Michigan's unemployment rate saw historic lows in 2023. Not only has the state's unemployment rate recovered to pre-pandemic levels, but it also matched low rates not seen since early 2000. The state's labor force has also substantially recovered to nearly match levels previously held prior to the pandemic recession. While overall unemployment remains low, various groups have experienced the latest recovery at different levels.

Gender Unemployment Rates and Labor Force

In the two years prior to the pandemic recession in 2020, annual average unemployment rates for men and women in Michigan hovered between 3 and 5 percent, with the female rate typically being lower than the male rate. In the second quarter of 2020, when the effects of the pandemic reached their peak, the unemployment rate for women climbed slightly above 20 percent, while the male rate spiked to just over 18 percent. Since then, both rates have declined considerably. However, while the overall unemployment rate in the state has reached historic lows, it is the average male unemployment rate that has dipped below its pre-pandemic levels by roughly one half of a percentage point, while the female rate is averaging slightly above what it was in the two years prior to the pandemic.

In Michigan, women are typically unemployed for shorter durations than men on average. In 2019, females' unemployment lasted an average of 17 weeks, while males were without a job for 20 weeks on average. This observation was still true in 2022, when women's average duration of unemployment was 18 weeks compared to 21 weeks for men. This gap may be reversing in 2023, since the female average duration of unemployment in the 12 months ending June 2023 has risen above 24 weeks, while the male 12-month average unemployment duration climbed marginally to 22 weeks.

Nationally, the average unemployment rates in 2019 for men (3.7 percent) and women (3.6 percent) were both slightly lower than Michigan's rates (4.1 percent and 3.9 percent, respectively). However, by 2022, the national annual average unemployment rates for both genders matched their pre-pandemic rates, while in Michigan, only the male unemployment rate had recovered. In 2022, the U.S. male unemployment rate of 3.7 percent was 0.3 percentage points lower than the Michigan male rate of 4.0 percent. The

> **DATA NOTE:** *The demographic data provided here is not included in the official statewide employment and unemployment data (seen in Michigan's Labor Force, Employment, and Unemployment chapter) and should not be directly compared. This data comes from the Current Population Survey, which is a different source than the standard labor market information provided in our official monthly employment situation release. Additionally, data for these groups must be analyzed as an average over multiple months due to error ranges and month to month volatility.*

MICHIGAN 12-MONTH AVERAGE UNEMPLOYMENT RATE BY GENDER
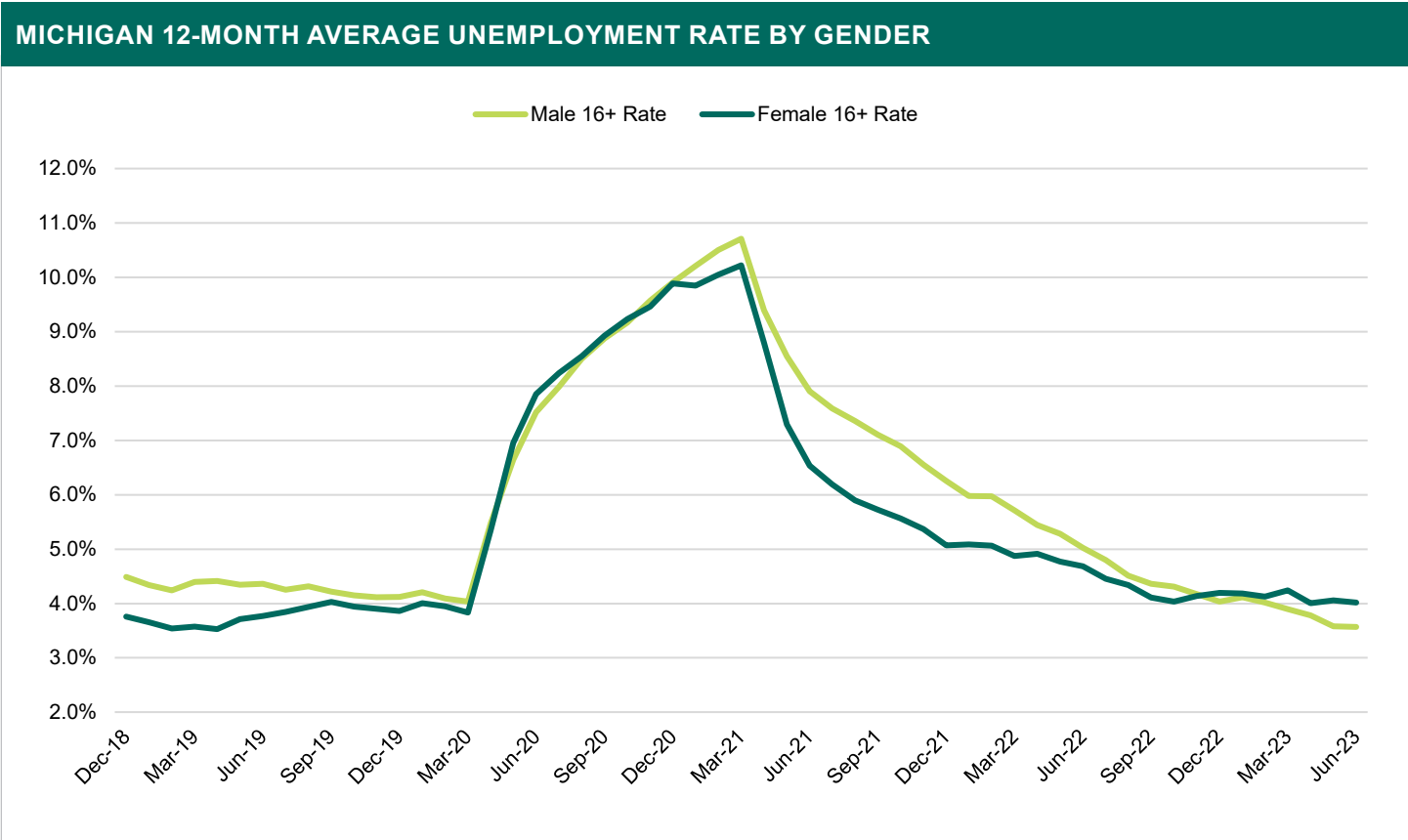
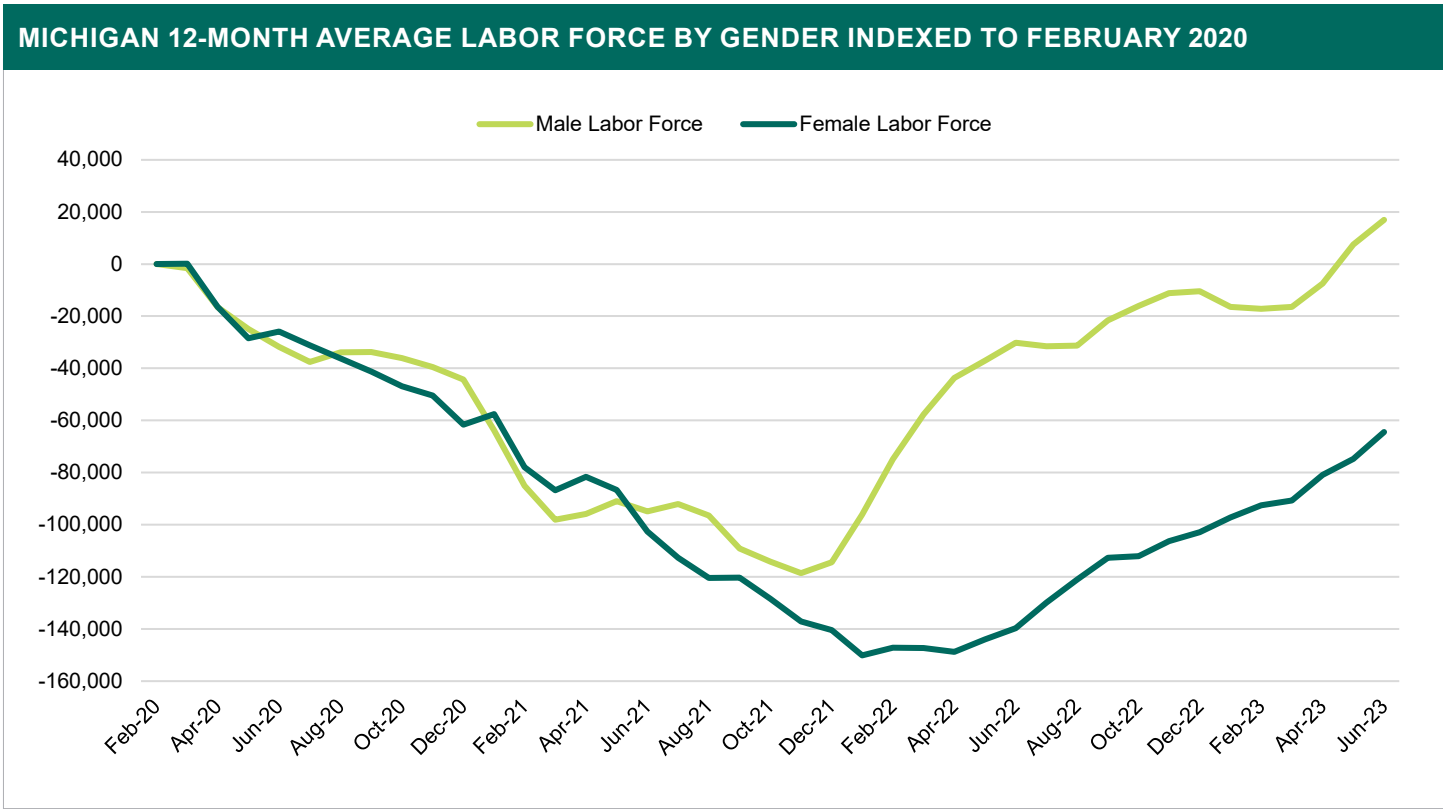Source: Current Population Survey, U.S. Bureau of Labor Statistics

female national unemployment rate from 2022, which was slightly lower than the male rate that year, was 0.6 percentage points lower than the Michigan female unemployment rate for 2022. Like in Michigan, both unemployment rates by gender continued to decrease in the first half of 2023 for the United States.

While Michigan's unemployment rate has recovered from the latest recession, the number of people in the labor force has gotten smaller. In the two years before the pandemic, there were approximately 2,600,000 men in the labor market on average each month. The 12-month average male labor force plummeted during the recession months of 2020 to below 2.5 million, but had substantially recovered by the end of last year. In 2022, the male workforce averaged 2,580,000 people per month, just 20,000 below

2019 levels. In the first half of 2023, men have fully returned to the labor market, slightly surpassing pre-pandemic totals. The number of women in the labor force has nearly recovered to pre-pandemic levels as well but has not surpassed those amounts like the men. There were roughly 2,370,000 women in the workforce in the year prior to the pandemic. Like men, the 12-month average number of women in the labor market declined in 2020 before bottoming out in late 2021 after losing 150,000 individuals. The recovery through 2022 was slower for women than for men, as females reentered the workforce at a more gradual pace and there were still 100,000 less women than pre-pandemic levels on average by the end of that year. However, in June 2023, the 12-month average number of females in the workforce climbed above 2,300,000 and has shown substantial

recovery, even in just the second quarter of 2023. Nationally, both the male and female labor force had fully recovered by 2022 and both groups continued to grow in the first half of 2023.

The labor force participation rate for men and women have followed similar trends in the past five years in Michigan. During 2018 and 2019, the male participation rate hovered around 67 percent, while the female rate was roughly 57 percent. Both of these rates dipped during 2020 by about 3 percentage points and stayed fairly steady through 2022. In the first six months of 2023 however, the 12-month average labor force participation rate for both men and women saw marked gains, as the male participation rate climbed to 66 percent, while the female rate rose to 56 percent.

MICHIGAN 12-MONTH AVERAGE LABOR FORCE BY GENDER INDEXED TO FEBRUARY 2020

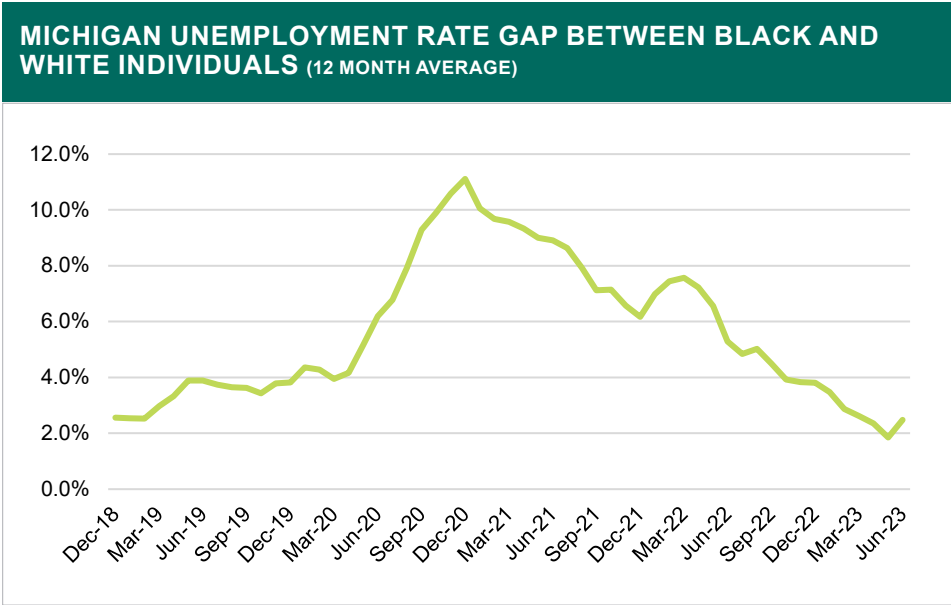Source: Current Population Survey, U.S. Bureau of Labor Statistics

White and Black Unemployment Rates and Labor Force

People of color have experienced the recession and recovery of the past few years differently than the overall population in Michigan. In the year prior to the pandemic, the average gap between the white unemployment rate and the Black unemployment rate ranged between 2.5 to 3.9 percentage points. This average gap climbed above 10 percent during 2020 and has continued to shrink since. In 2023, the unemployment rate gap between Black and white workers has stabilized to be roughly 2.5 percentage points in recent quarters. This diminishing gap is primarily driven by the lowering of the 12-month average Black unemployment rate, which fell below 6 percent in the first half of 2023 and is the lowest it has been in over 20 years.

In the year prior to the pandemic recession, there were 4,000,000 white workers, 620,000 Black workers, and 240,000 Hispanic workers in the state's labor market. During the recovery, Black and Hispanic individuals returned to these totals faster, exceeding their pre-recession levels near the end of 2022, while the number of white individuals in the workforce began to show substantial recovery only in the last six months. As of June 2023, the 12-month average labor force for white workers was down 39,000 compared to 2019, while the Black 12-month average labor force has increased by 25,000 over that time. The 12-month average Hispanic workforce has also increased by 29,000 individuals since 2019.

Similar to Michigan, the U.S. labor force recovery for Black workers has outpaced that of white workers over the past few years. When comparing the average workforces from 2019 to 2022, the number of white people working or seeking employment had decreased by 643,000, while the labor force for Black individuals had increased by 604,000. As of the second quarter 2023, the number of white individuals in the labor market in the U.S. has surpassed 2019 levels by 651,000, while the number of Black individuals employed or seeking work has added 1,154,000 compared to the 2019 monthly average.

Unemployment Rates and Labor Force by Age

While the number of people in Michigan's labor force has slowly been recovering, certain age groups have rejoined the workforce at slower rates.

In 2019, there were 230,000 teens ages 16 to 19 in the workforce on average. In 2022, this total had fallen to 210,000, with the loss of teen workers largely due to the number of females leaving the labor market. Into 2023, the number of teens in the workforce has continued to shrink on average, with both males and females exiting the labor market. Nationally, the number of teens has risen by 6 percent between 2019 and 2022, with more joining the workforce in the first half of 2023.

The average number of Michigan youth ages 20 to 24 in the workforce has increased since prior to the pandemic. There were about 470,000 people in this age group on average in 2019, and this figure has grown to 479,000 (+1.9 percent) as of 2022. Even more promising is the

growth of 20- to 24-year-olds in the labor market in the first half of 2023, indicating this age cohort has grown by an additional 47,600 youth. The gains for this age group have been shared by both men and women nearly equally. In contrast to Michigan, the U.S. data for this age group has decreased by 2.5 percent between 2019 and 2022.

Those in the prime working-age of 25 to 54 have fallen out of the workforce at a much greater level than any other age cohort. Between 2019 and 2022, the labor force of this age group has plummeted by roughly 151,000 and both males and females contributed equally to this drop. This entire drop was caused by the 25 to 34 and 45- to 54-year-olds in this range, while those ages 35 to 44 grew over those three years. Even into 2023, the 12-month average workforce of prime-age adults has continued to fall an additional 20,000, split evenly between men and women. Nationally, the labor force for the prime age of 25- to 54-year-olds grew only marginally between 2019 and 2022. Like in Michigan, there were labor force losses of people 25 to 34 and 45 to 54 years old, while substantial workforce growth was seen in the 35-to-44 age range.

The oldest age category, those 65 and over, is another group that increased their labor force totals since 2019 in the state. There were 290,000 of these older residents in the workforce on average in 2019 and this group has added 70,000 participants through 2022.

This 24 percent increase in the labor market total was the highest percentage of any age group, and the gains were shared by both older men and women. These gains have continued into the first half of 2023, where men have added to this total at a greater rate than women. The labor force of those 65 and older has grown more modestly nationally, increasing just 2.2 percent between 2019 and 2022.

Who is Not in the Labor Force?

There were 3,186,000 people 16 and older in Michigan that were not in the labor force as of the 12-month average ending June 2023. These individuals did not earn any wages nor were they actively seeking a job. Some didn't want to work, while some were discouraged by the job market. This total number of workers out of the labor force was 134,000 individuals greater than the 2019 monthly average.

Of these roughly 3.2 million people not in the labor force in 2023, 1,355,000 were men and 1,832,000 were women. About 95 percent of these men and women did not want a job for a variety of reasons, which is typical. However, there were also 92,000 women on average who

MICHIGAN INDIVIDUALS NOT IN THE LABOR FORCE, BUT WANT A JOB
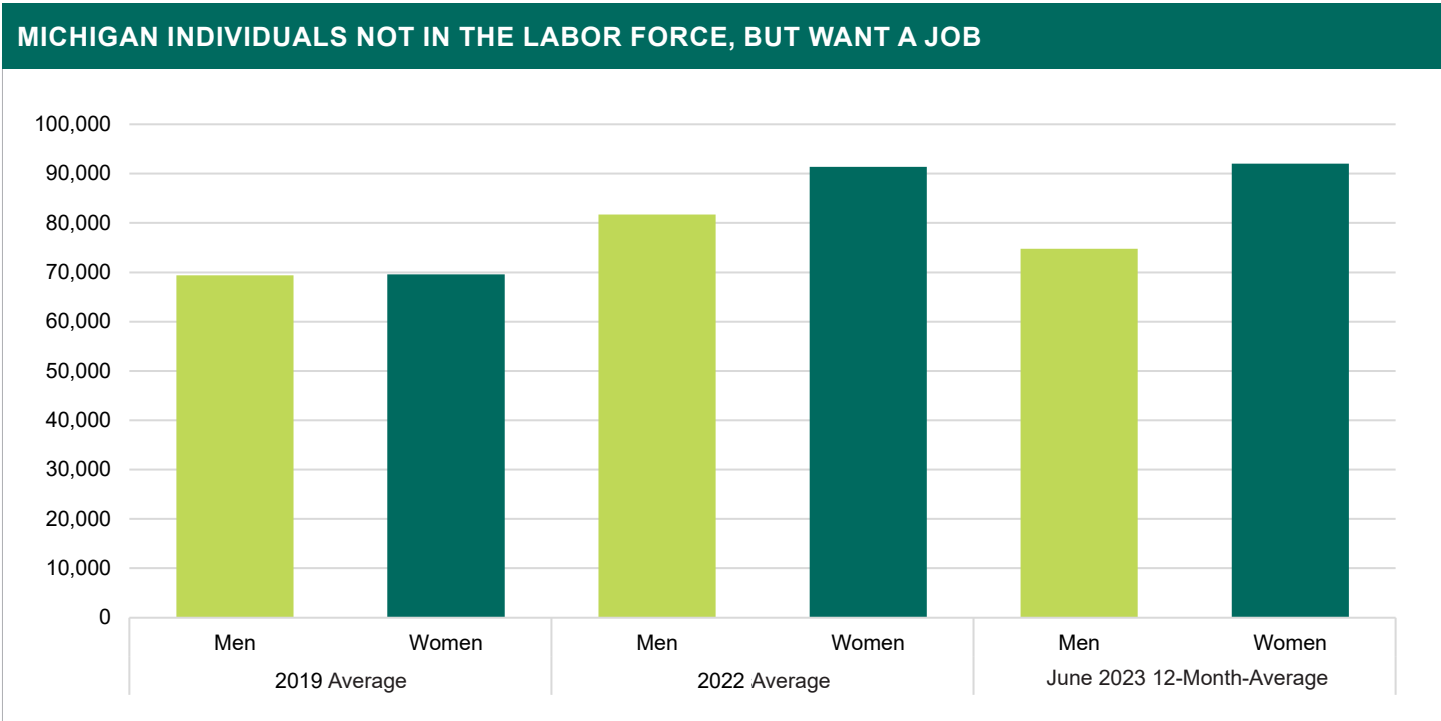
Source: Current Population Survey, U.S. Bureau of Labor Statistics

wanted a job but were not looking, a 32 percent increase over 2019 levels. For men, there were 75,000 on average in the 12 months ending June 2023 that said they wanted a job, but were not actively seeking employment, an 8 percent increase over the 2019 average.

Reviewing these same 3.2 million workers not in the labor force by age cohort can shed additional understanding on this group. There were 430,000 16- to 24-year-olds not in the labor market on average in the 12 months ending in June 2023. Nearly 90 percent of them didn't want a job, while the other 10 percent (45,000) did want to be employed, but were not actively looking for work. The number of these youth that were not in the labor market, but wanted a job has increased by 32 percent since 2019. Those in the prime working-age of 25 to 54 had 712,000 individuals not in the labor market on average in the 12 months ending in June 2023. Over 91 percent (651,000 people ages 25 to 54) did not

want a job, compared to 9 percent (62,000 people ages 25 to 54) who did want a job. The number of prime-age individuals who wanted a job but were out of the labor market is essentially the same as in 2019, although those not in the labor market who don't want a job has increased by 6 percent over that time. Michiganders who are 55 and older were the largest age group of those not in the labor market, averaging 2,043,000 individuals in the 12 months ending in June 2023, likely due to retirement. This is an increase over the 2019 average by 132,000 jobs (7 percent) as more Michigan residents moved into this age category and opted for retirement over the last three years. While the number of older workers out of the labor market has grown, there were still over 60,000 of them that wanted a job but have not looked for employment recently.

Reaching these groups of residents not in the labor market, especially those who say they want a job but are not actively looking, is critical

to increasing the state's overall labor force participation and meeting the demand for workers.

Conclusion

Michigan's labor market indicators have substantially or fully recovered from the pandemic, but various groups have recovered at different rates and levels. Men have rejoined the labor force at a faster rate than women surpassing their pre-pandemic workforce levels. The June 2023 12-month average unemployment rate for Black individuals has reached historically low levels while and the labor force continues to surge for all groups. While labor force numbers are up, there are still those not in the workforce who want in a job, highlighting the potential for further labor force growth.
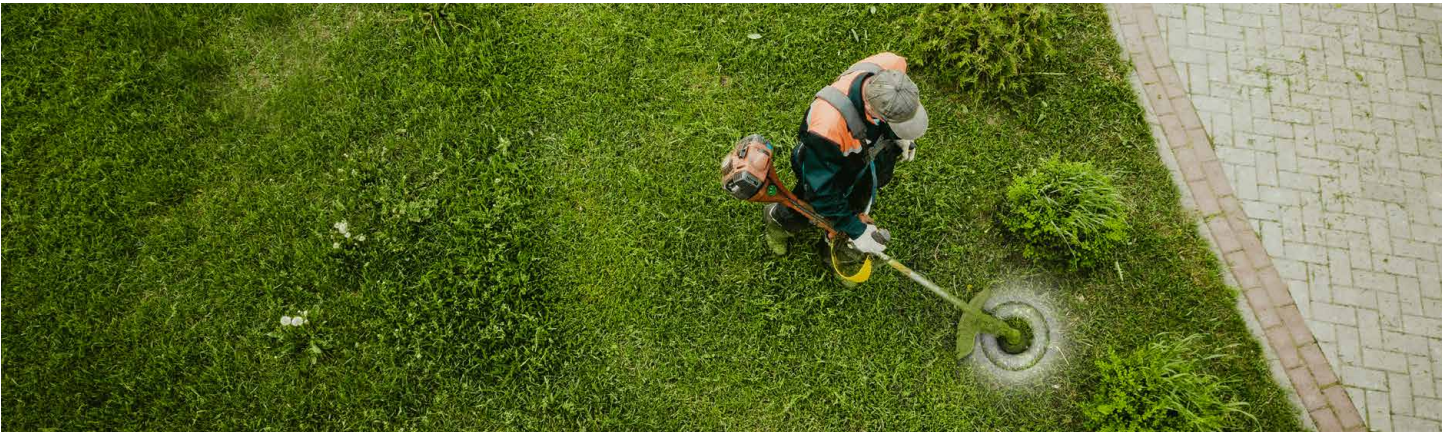

WAYNE ROURKE
Labor Market Information Director

MICHIGAN INDIVIDUALS NOT IN THE LABOR FORCE, BUT WANT A JOB
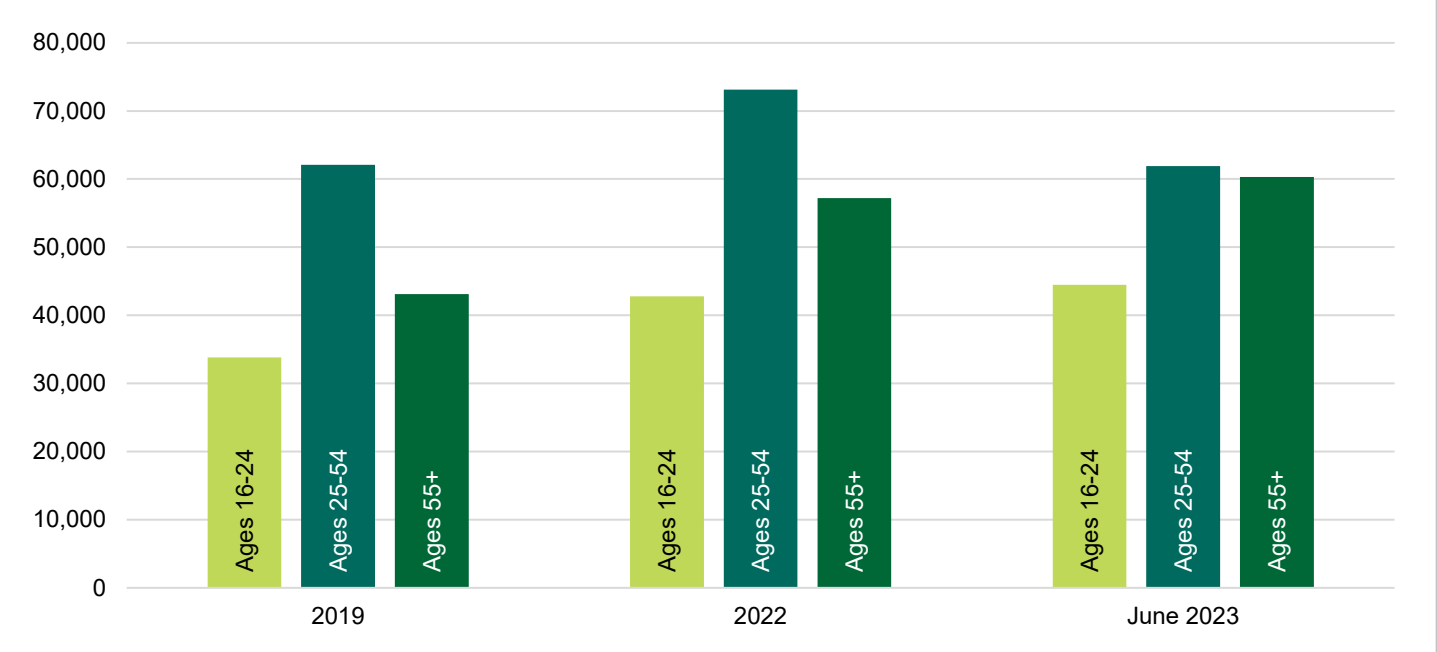
Source: Current Population Survey, U.S. Bureau of Labor Statistics

WAGE CHANGES IN MICHIGAN

Earnings by Industry

According to the monthly survey of employers, Michigan's private sector average hourly earnings continued to rise in 2023. As of June, the state's average hourly wage was $30.77 for private sector workers, a 3.3 percent increase over June 2022. This is slightly lower than the over-the-year growth between June 2020 and June 2021 (+4.4 percent) and June 2021 to June 2022 (+4.8 percent).

Most industries also experienced some wage growth between June 2022 and June 2023, with *Education and health services* (-2.5 percent) and *Professional and business services* (-0.3 percent) being the exceptions. The highest wage industry, the *Information* sector, also had the largest

over-the-year wage gain at 17.2 percent. This contrasts with last year, where the biggest gain (10.8 percent) was in *Leisure and hospitality*, the lowest wage sector. This year, that sector's wages only increased 2.7 percent. This is part of a recurring pattern in the earnings data. Many of the industries that had the largest wage increases between 2021 and 2022, now have some of the smallest increases or even had declining wages. The industries with the next largest over-the-year earnings growth as of June 2023 were *Trade, transportation, and utilities* (8.6 percent); *Construction* (6.6 percent); and *Manufacturing* (4.7 percent). The *Construction* sector stands out as the only industry to show strong growth in both wages and employment.
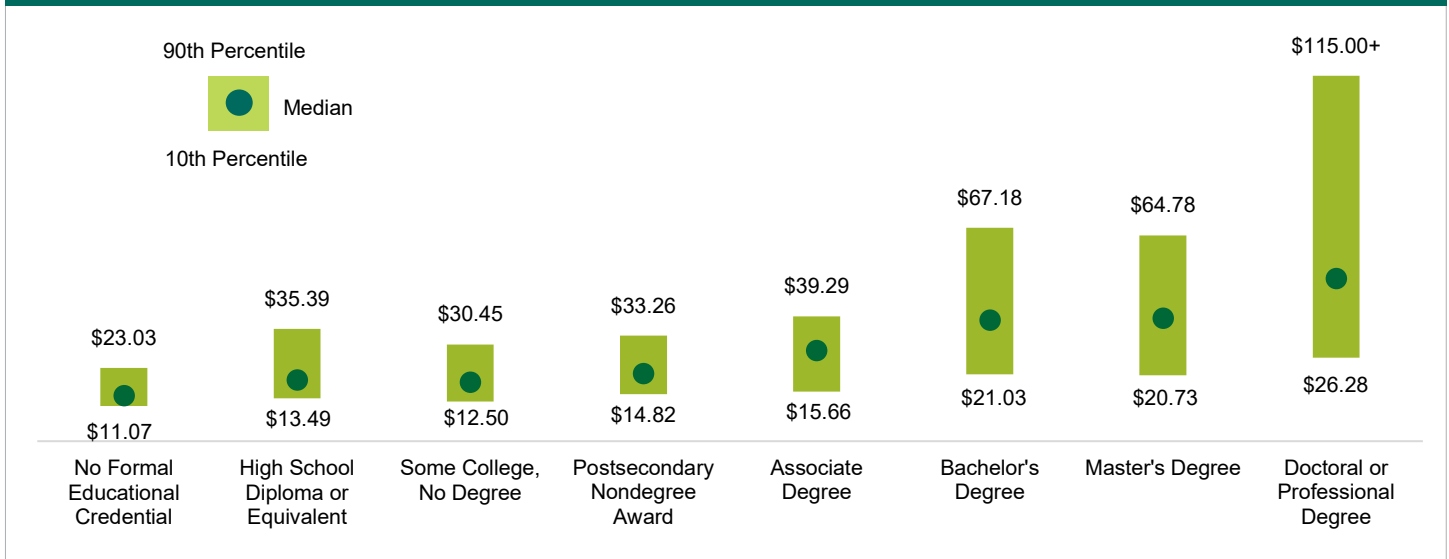
Distribution of Jobs by Wage Ranges

There was a notable decline (314,870 jobs, or 8.8 percentage points) in the number of jobs paying $15 per hour or less between 2021 and 2022. Unsurprisingly, there was a substantial increase in the share of jobs earning between $15 to $20 per hour, with a rise of 5.4 percentage points in 2022. This indicates that many of the jobs in Michigan are starting to move above the $15 per hour wage threshold as the percentage of jobs paying between $15 and $20 is now higher than the percentage under $15 per hour.

While most of the gains in wages were still in occupations that made under $20 per hour,
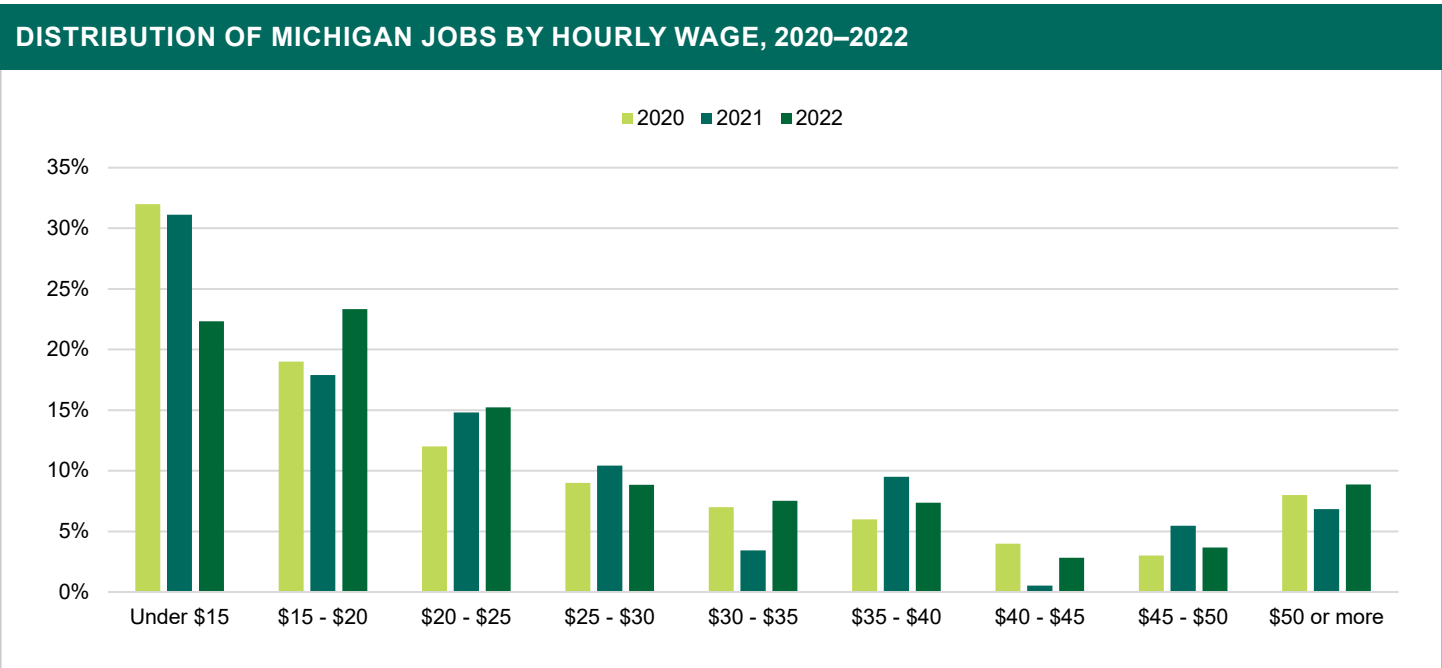
DISTRIBUTION OF MICHIGAN JOBS BY HOURLY WAGE, 2020–2022

Source: Occupational Employment and Wage Statistics, Michigan Center for Data and Analytics, Michigan Department of Technology, Management & Budget

WAGE RANGES FOR MICHIGAN JOBS BY EDUCATIONAL REQUIREMENT, 2022

90th Percentile
● Median
10th Percentile

| | $115.00+ |
| Doctoral or Professional Degree — $26.28 | |

$23.03
$11.07
No Formal Educational Credential

$35.39
$13.49
High School Diploma or Equivalent

$30.45
$12.50
Some College, No Degree

$33.26
$14.82
Postsecondary Nondegree Award

$39.29
$15.66
Associate Degree

$67.18
$21.03
Bachelor's Degree

$64.78
$20.73
Master's Degree

$115.00+
$26.28
Doctoral or Professional Degree

Source: Occupational Employment and Wage Statistics, Michigan Center for Data and Analytics, Michigan Department of Technology, Management & Budget

Note: In each category, 10 percent of occupations pay at least the lower range and 90 percent of occupations pay at least the upper range wage.

there was also some growth in the number of occupations in the higher wage groups as well. The number of jobs earning $30 per hour or more grew by 4.5 percentage points overall in 2022.

Education

In general, occupations requiring more education paid greater wages at both the high and low end of the wage range, with jobs requiring a bachelor's or more having a much higher median and upper bound wages (see

the Michigan wage ranges graph). Nearly all the educational categories saw a large increase in their lower end wages over the year, with the greatest gain occurring in occupations requiring a high school diploma. Occupations requiring no formal education saw wages increase the least.

Inflation's Impact on Wages

While the wages Michigan workers earn have risen in the past few years, inflation has also gone up nationwide, cutting into the spending

power of all earnings. In the last five years, private sector average hourly earnings increased 22.2 percent from $25.19 in June 2018 to $30.77 in June 2023. This sizable increase was significantly undercut by inflation, making the real increase in earnings less than 1 percent. Much of this loss of spending power occurred in 2021 and 2022 when inflation was at its highest.

ROB WALKOWICZ
Economic Program Manager

MICHIGAN PRIVATE SECTOR EARNINGS: AVERAGE HOURLY AND INFLATION ADJUSTED, JUNE 2018–JUNE 2023
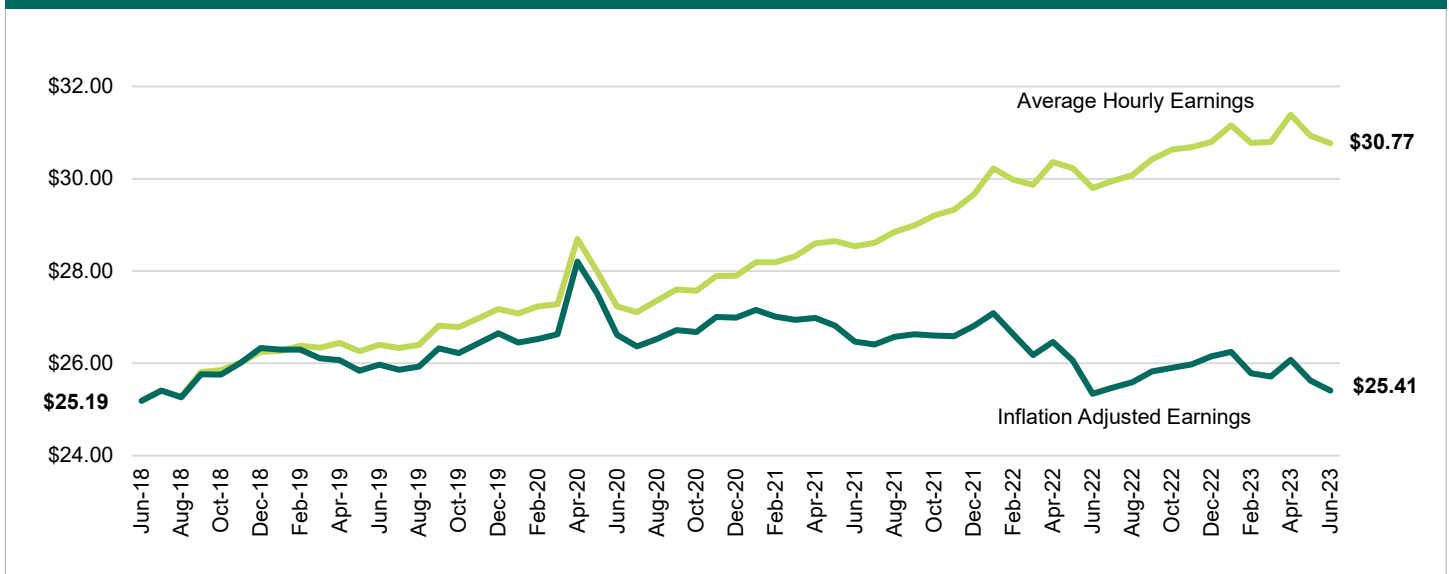
Average Hourly Earnings — $30.77
Inflation Adjusted Earnings — $25.41
$25.19

Source: Current Employment Statistics, Michigan Center for Data and Analytics, Michigan Department of Technology, Management & Budget; Consumer Price Index, U.S. Bureau of Labor Statistics

WAGE GROWTH BY DEMOGRAPHIC GROUP

From 2019 to 2021, wage growth in Michigan varied widely by gender, race, and ethnicity; however, long-standing disparities in wage income between groups do not appear to have been exacerbated for full-time, year-round employed workers. In fact, although wage gaps persisted, many closed slightly over the period. This section analyzes how the personal income of Michigan's prime working-age (25 to 54) individuals has evolved in recent years for various demographic groups. Additionally,

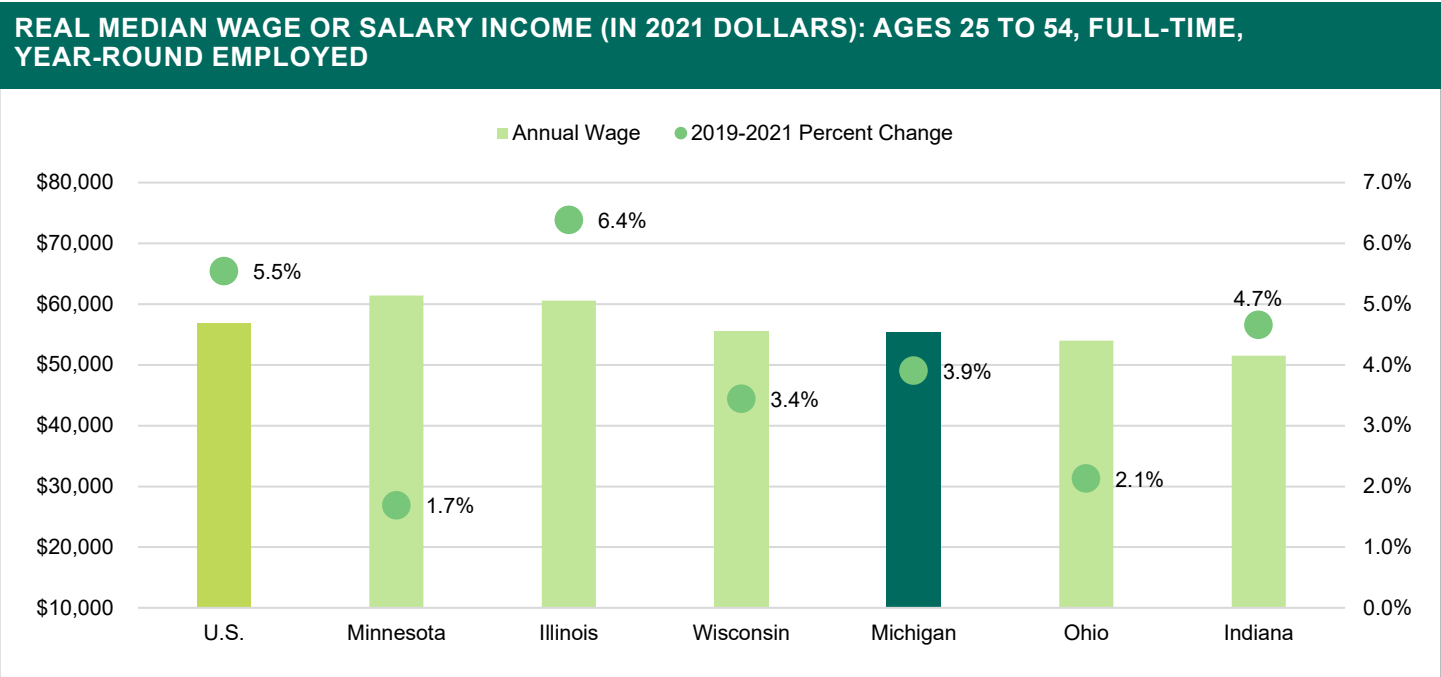wage data by state is used to compare Michigan to other regional states.

Great Lakes Region Prime Working-Age Wage Comparisons

At $55,400, the real median wage or salary income in Michigan was slightly below the U.S. median of $56,800 in 2021. Among the Great Lakes states, Michigan ranked behind Minnesota and Illinois who had the highest median incomes regionally. Michigan was

essentially tied with Wisconsin, while Ohio and Indiana's median wages were not far behind.

Overall, wages in Michigan have grown modestly, increasing by just under 4 percent from 2019 to 2021. This growth lagged behind the national growth rate of 5.5 percent and several states regionally such as Illinois (6.4 percent) and Indiana (4.7 percent).

▶ **DATA NOTE:** *The American Community Survey (ACS) collects information from survey respondents on a variety of income sources ranging from wages or salary to Social Security and public assistance. This section focuses on the incomes of Michigan's prime working-age (25-54), full-time, year-round employed wage or salary workers. This includes both public and private employees and those self-employed in their own incorporated business and excludes individuals who are self-employed in a non-incorporated business or work in a family business without pay.*

REAL MEDIAN WAGE OR SALARY INCOME (IN 2021 DOLLARS): AGES 25 TO 54, FULL-TIME, YEAR-ROUND EMPLOYED

■ Annual Wage ● 2019-2021 Percent Change

Source: 2021 American Community Survey 1-Year Public Use Microdata Samples, U.S. Census Bureau
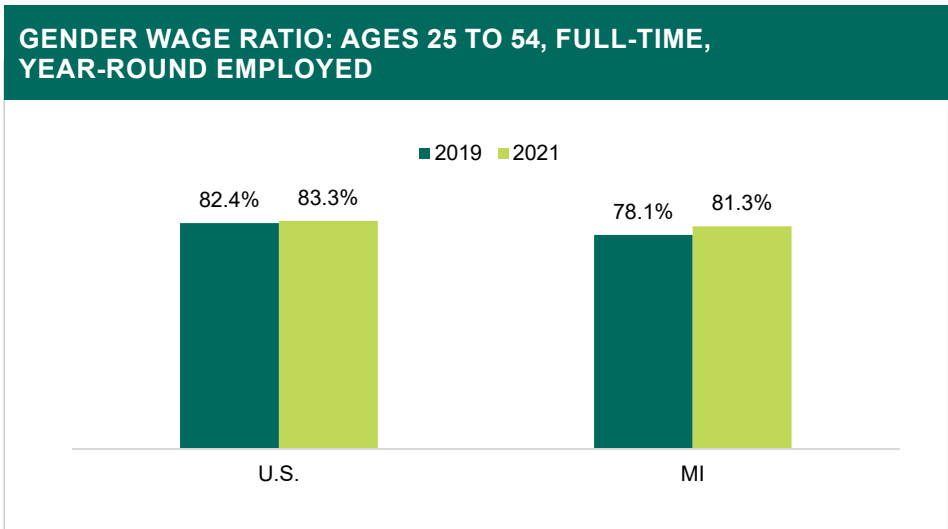
Wage Gaps by Demographic Group

Wage growth can vary considerably by gender, race, and ethnicity. Wage gaps show how much one group earns relative to another, such as how wages for women have changed relative to those of men in Michigan. Female median wages as a percent of male median wages increased from 78.1 percent in 2019 to 81.3 percent in 2021, closing the pay gap by just over 3 percentage points. Similar progress was experienced at the national level where female wages increased from 82.4 percent to 83.3 percent of male wages.

Wage gaps in Michigan for racial and ethnic groups relative to white non-Hispanic workers have largely remained unchanged or have made some progress towards closing. One notable exception is for Asian workers who have seen their wages increase from 125.8 percent of those for white workers in 2019 to 142.6 percent in 2021. In addition, American Indian or Alaska Native workers made substantial progress as their median wages increased from 74.1 to 79.2 percent of the median wage for white workers. Changes in the wage gap for Black, Hispanic, and multiracial workers in Michigan roughly reflected trends at the national level.
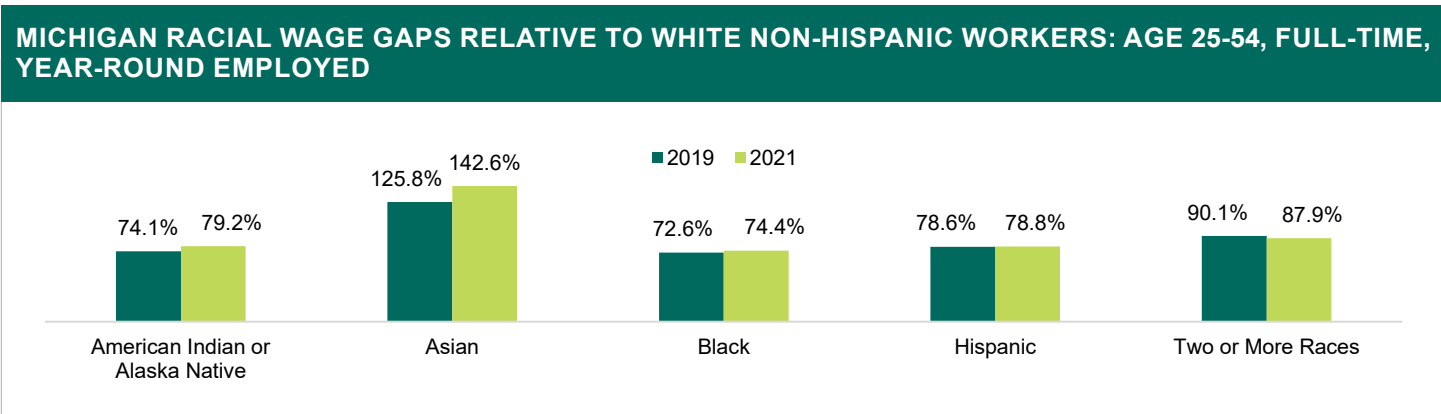
Conclusion

From 2019 to 2021, wage growth in Michigan varied widely by gender, race, and ethnicity. In most instances, however, the increase in median incomes for women and racial minorities exceeded that of men and white non-Hispanic workers, causing wage gaps to narrow slightly. Ultimately, despite the uneven recovery across groups, long-standing demographic disparities in wage income do not appear to have been exacerbated for full-time, year-round employed workers.

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GENDER WAGE RATIO: AGES 25 TO 54, FULL-TIME, YEAR-ROUND EMPLOYED

■ 2019 ■ 2021

	U.S.	MI
2019	82.4%	78.1%
2021	83.3%	81.3%

Source: 2019-2021 American Community Survey 1-Year Public Use Microdata Samples, U.S. Census Bureau

MICHIGAN RACIAL WAGE GAPS RELATIVE TO WHITE NON-HISPANIC WORKERS: AGE 25-54, FULL-TIME, YEAR-ROUND EMPLOYED

■ 2019 ■ 2021

	American Indian or Alaska Native	Asian	Black	Hispanic	Two or More Races
2019	74.1%	125.8%	72.6%	78.6%	90.1%
2021	79.2%	142.6%	74.4%	78.8%	87.9%

Source: 2019-2021 American Community Survey 1-Year Public Use Microdata Samples, U.S. Census Bureau

MICHIGAN'S DEMAND FOR WORKERS

This section examines Help Wanted Online (HWOL) data from Lightcast Developer and the Job Openings and Labor Turnover Survey (JOLTS) data from the Bureau of Labor Statistics. HWOL is real-time online job advertisement data that can be broken down by occupation and industry information. JOLTS provides information on job openings, labor turnover, hires, separations, and more.

Recent data over the past year has indicated that the Michigan labor market is slowing down. Given that most employment indicators have reached near full recovery to pre-pandemic levels and the Federal Reserve's efforts to slow inflation and tighten national monetary policy, a slowing labor market is not unexpected.

Job Openings and Online Job Postings Down over the Year

According to recent Help Wanted Online (HWOL) data, total available online job postings dropped by 13.4 percent between June 2022 and June 2023. Similarly, new job postings declined by 9.0 percent over the same period. A breakdown of new postings by industry shows that 16 of the 21 major industry sectors declined over the year. The top three notable industries with the largest percent drops in new online job ads were *Utilities* (-38.3 percent); *Professional, scientific, and technical services* (-30.8 percent); and *Real estate and rental and leasing* (-29.7 percent). The *Professional, scientific, and technical services* industry saw the largest numeric decline over the 12-month period, with 2,550 less jobs posted in June 2023.

Occupation data followed a similar trend. Examining the top 50 posted occupations, only 14 experienced an uptick in new online job postings between June 2022 and June 2023. Most increases were from occupations within the

MICHIGAN ONLINE JOB POSTINGS, JUNE 2022–JUNE 2023
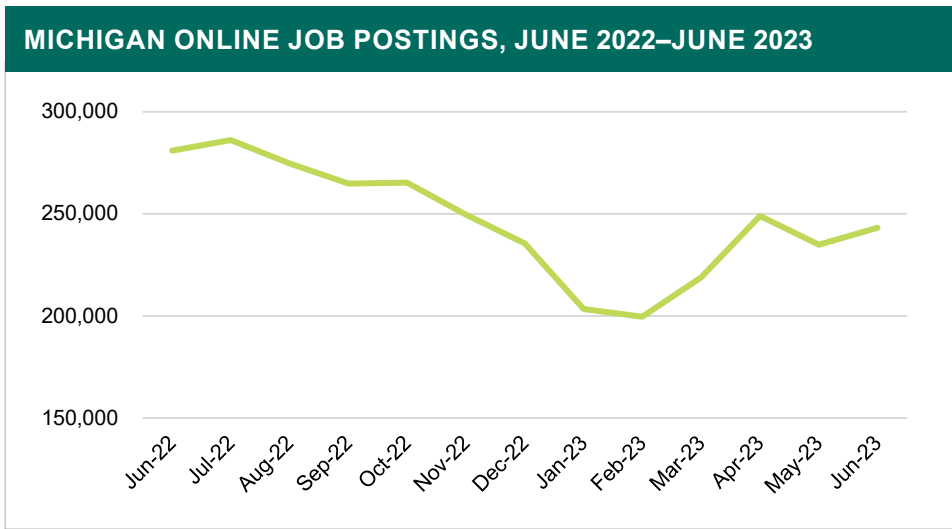
Source: Lightcast Developer, Help Wanted OnLine

service industry, such as *First-line supervisors of retail sales workers* (+42.1 percent); *Stockers and order fillers* (+35.5 percent); and *Retail salespersons* (+34.9 percent). Outside of the service industry, other notable occupations with growth in new job postings include *Laborers and freight, stock, and material movers, hand* (+26.1 percent) and *Medical assistants* (+18.0 percent).

This trend was also reflected in the job openings rate from the Job Openings and Labor Turnover Survey (JOLTS). Like HWOL

job postings, the job openings rate declined between June 2022 and June 2023 by one percentage point, from 6.5 percent to 5.1 percent. Numerically, there were approximately 64,000 less jobs available in June 2023 than in the year prior. Michigan had the fifth lowest job openings rate in the latest data release, which was below the national job openings rate at the time (5.8 percent).

TOP FIVE AND BOTTOM FIVE OCCUPATIONS BY PERCENT CHANGE IN JOB POSTINGS

OCCUPATION	JUN 2023	JUN 2022	PERCENT CHANGE	NUMERIC CHANGE
First-Line Supervisors of Retail Sales Workers	2,992	2,106	42.1%	886
Stockers and Order Fillers	1,092	806	35.5%	286
Retail Salespersons	3,407	2,525	34.9%	882
Laborers and Freight, Stock, and Material Movers, Hand	1,565	1,241	26.1%	324
Medical Assistants	726	615	18.0%	111
Marketing Managers	488	724	-32.6%	-236
Software Developers	1,503	2,230	-32.6%	-727
Security Guards	422	642	-34.3%	-220
Licensed Practical and Licensed Vocational Nurses	516	843	-38.8%	-327
Human Resources Specialists	425	730	-41.8%	-305

Source: Lightcast Developer, Help Wanted OnLine
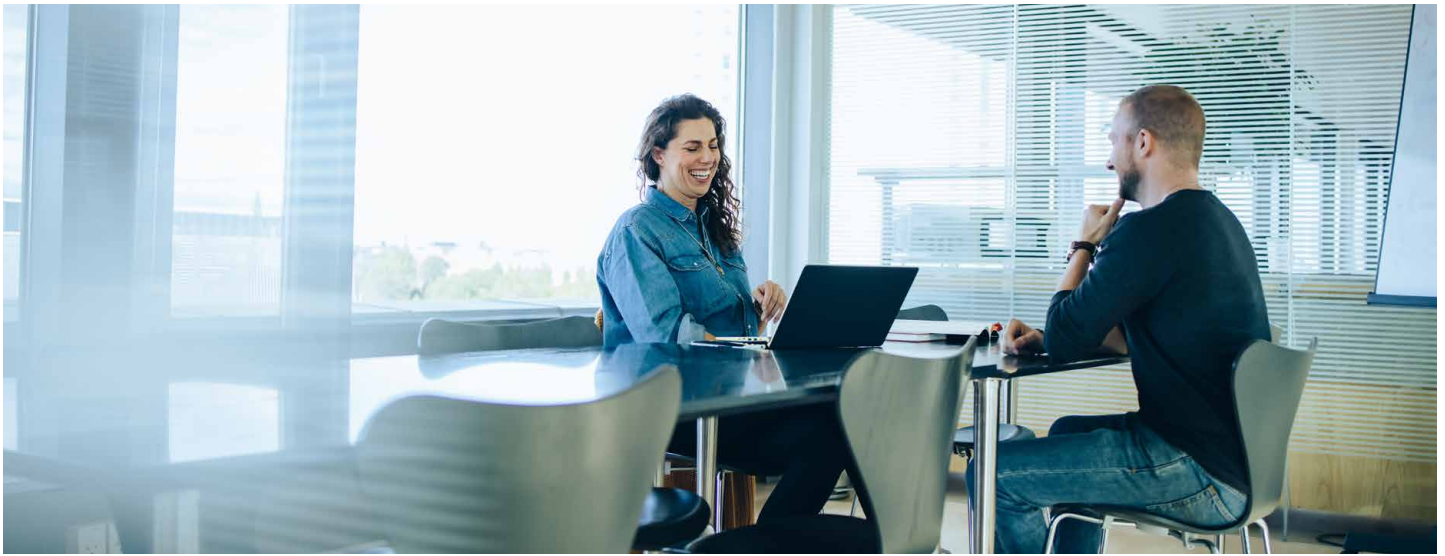
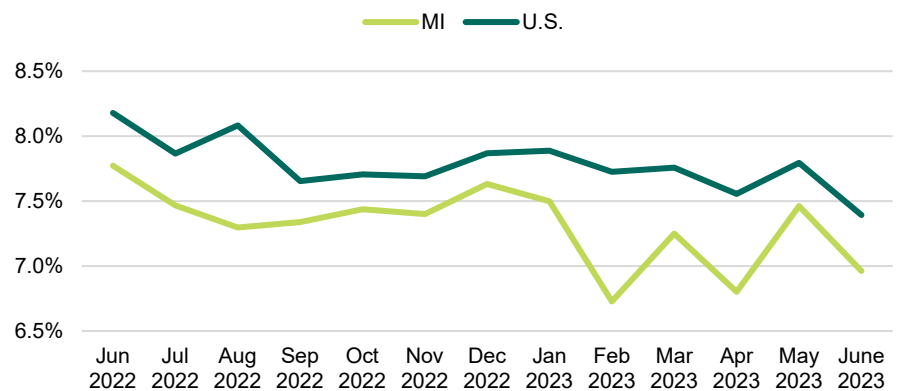## Labor Turnover Stagnated Over the Year

Recent Job Openings and Labor Turnover Survey (JOLTS) data paints a similar picture of Michigan's labor market as HWOL data. Labor turnover, a measure of movement within the labor market, was down nearly a full percentage point from June 2022 to June 2023, dropping from 7.8 percent to 7.0 percent. Consequently, the current trend of decline in labor turnover could indicate the labor market is slowing down. The past 12 months have shown the lowest turnover rates since 2019 for Michigan. Michigan remained below the national turnover rate during this time frame. Across the U.S., Michigan had the 10th lowest labor turnover rate in June 2023.

The two driving factors of labor turnover are hires and separations. Over the year, the number of hires among Michigan employers declined steadily. From June 2022 to June 2023, there were 31,000 less hires, reflected in a decrease of the hires rate from 4.3 percent to 3.5 percent, respectively. Separations in the state showed marginal movement over the year and had a rate of 3.4 percent in both June 2022 and June 2023. The Michigan June 2023 separations rate was below the national average of 3.6 percent and was the 12th lowest of all other states.

Employees Remain in Current Positions

Despite fluctuations in the number of quits over the 12-month period, the rate of employees

MICHIGAN LABOR TURNOVER RATE, JUNE 2022-JUNE 2023

Source: Job Openings and Labor Turnover Survey, U.S. Bureau of Labor Statistics

leaving their jobs was 2.4 percent in both June 2022 and June 2023. Similarly, although there was some movement over the year, layoffs and discharges were also the same in June 2022 and June 2023 (0.9 percent). Michigan was consistently below the national average rate for both quits and layoffs and discharges over the past year.

Conclusion

Both Help Wanted Online (HWOL) and Job Openings and Labor Turnover Survey (JOLTS) data has indicated that Michigan's job market has been slowing down over the year. Less jobs were made available through both total available and newly available online job postings.

Separations data indicated that the rate at which employees left their current jobs has slowed, and employers have elected to retain their current employees as layoffs and discharges stagnated as well. The latest releases from both data sets suggest the possibility of a continued softening of labor demand as the availability of jobs continues to decline.

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Economic Analyst

TRISHA SCHLEGEL
Economic Analyst

▶ **DATA NOTE:** *Separations are a combination of involuntary separations (layoffs and discharges), and voluntary separations (quits).*

EMPLOYMENT OUTLOOK: 2020–2030 LONG-TERM REGIONAL PROJECTIONS

Long-term employment projections forecast the expected growth of industries and occupations across Michigan to provide students, job seekers, public officials, private employers, and others important information to help make decisions. Information on growing occupations and education and training requirements helps students and job seekers make informed decisions. Educational institutions and workforce development agencies can help provide the training and resources needed to ensure an adequate and qualified workforce.

The projections offer an initial view of the regions and how they are expected to change through 2030. The regional outlooks use 2020 as the baseline employment level for industry and occupational projections. With the temporarily depressed starting employment levels due to the pandemic, much of the expected growth through 2030 occurred in the post-pandemic employment 'rebound.' Overall, employment growth across the state is expected to be relatively flat from pre-pandemic levels. However, as the data show, there are still many opportunities for growth and for helping workers pursue high wage, high demand occupations.

The Michigan Center for Data and Analytics releases long-term (10-year) employment projections every year in July. These alternate each year between statewide projections (even years) and regional projections (odd years). Long-term projections for Michigan's 10 prosperity regions were released in July 2023 covering the years 2020 to 2030.

State Growth by Industry and Occupation

In July 2022, the State of Michigan projected an addition of 374,930 jobs and growth of 8.8 percent from 2020 to 2030, with job growth spread across multiple industries. However, after factoring in the decline from 2019 to the 2020 base year, overall projected growth is flat. Industries with the highest expected growth rates were those industries hardest hit by the pandemic, resulting in low 2020 employment levels. For example, the *Arts, entertainment, and recreation* industry leads all industries with a projected growth rate of 48.5 percent, followed by the *Accommodation and food services* industry (28.1 percent). *Transportation and warehousing* (17.5 percent), *Health care and social assistance* (13.0 percent), and *Real estate and rental and leasing* (12.9 percent) round out the top five industries for expected job growth.

Occupational groups also anticipate robust growth from 2020 to 2030 and have a similar trend of growth expected in the occupations hardest hit by the pandemic. The *Food preparation and serving related* jobs expect to lead the growth for all occupational groups with a 23.9 percent increase, followed by *Personal care and services* with a 20.7 percent increase. Other occupations with the highest projected growth include *Healthcare support* (17.5 percent), *Transportation and material moving* (13.1 percent), and *Community and social service* jobs (12.7 percent).

Michigan's Prosperity Regions

In 2023, industry and occupational growth was forecasted for each of Michigan's 10 Prosperity Regions, to allow for more detailed, community-specific information. For 2020 to 2030, positive job growth was projected in all 10 Michigan Prosperity Regions, ranging from a low of 7.5 percent in Northeast and East to a high of 11.0 percent in Northwest and Southeast. Like the statewide projections, the expected growth includes the rebound in employment levels post-pandemic, much of which has occurred in the past two years, resulting in lower yearly growth expected through 2030.

Regional Industry Employment

Employment growth in Michigan's regional economies is expected to favor service-providing rather than goods-producing

▶ **DATA NOTE:** *Current projections use the Census Bureau methodology with 2020 as the base year. The 2020 data had a noticeable employment decline, due to the start of the COVID-19 pandemic. The Quarterly Census of Employment and Wages (QCEW) show that total employment in Michigan declined by nearly 390,000 jobs, or 8.9 percent, from 2019 to 2020. Nonetheless, a key assumption in the projections model prescribed is a full-employment scenario for the years projected. Using 2020 as the base period results in estimated growth rates that include the employment recovery from the pandemic.*
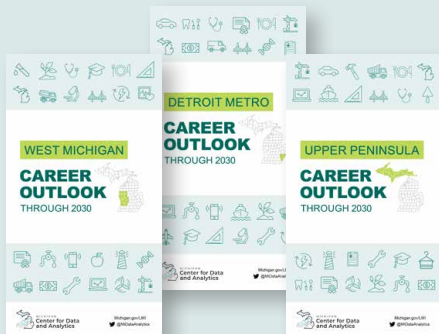
Regional Career Outlooks through 2030

2020-2030 Regional Career Outlook brochures were released in August 2023. These publications assist those exploring new career paths by highlighting occupations that expect to provide high-quality employment opportunities through 2030 and beyond. The brochures list in-demand occupations by educational groups as well as professional trades and STEM occupations. **View and download the brochures at Michigan.gov/LMI**

industries. Such is the case for nine of the 10 regions, with the lone exception being the Upper Peninsula.

"Fast growth" industries are defined as those with employment projections of 30 percent or more over the 10 years. *Amusement, gambling, and recreation* industry jobs are projected to increase over 30 percent in all 10 Prosperity Regions, while *Motion picture and sound recording* industries are expected to be "fast growth" in seven of the regions. Three industries, *Accommodation, including hotels and motels*; *Couriers and messengers*; and *Performing arts, spectator sports, and related* industries are each projected to be "fast growth" in six regions.

Since 2020 employment was lower due to the pandemic, fewer industries projected declines from 2020 to 2030. Industries that expect to lose 10 percent or more of their employment in all or nearly all regions include *Newspaper, periodical, book, and directory publishers group* and *Broadcasting (except internet)*. Regional declines of 10 percent or more are also expected in *Printing and related support activities* (five regions), *Electronics and appliance store* (four regions), and *Primary metal manufacturing* (three regions).
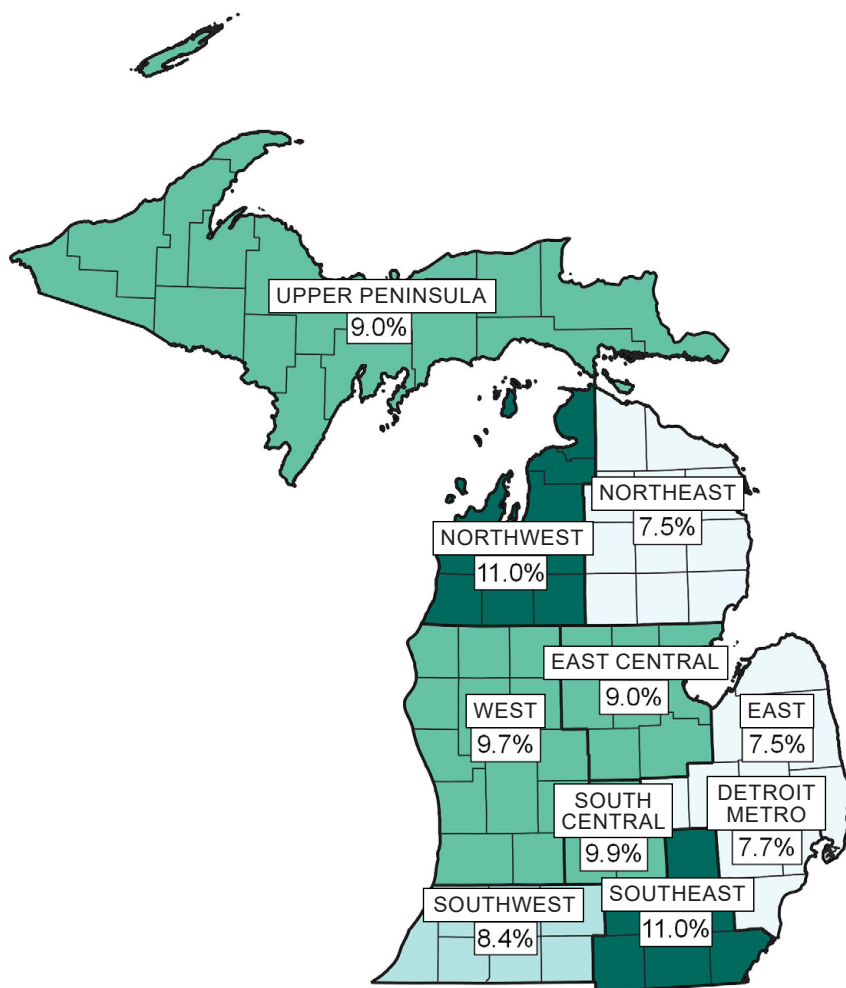
Regional Occupational Employment

In the 10 Prosperity Regions, the *Food preparation and serving related* occupations are expected to post the fastest growth in eight of the 10 Prosperity Regions. The occupation with the fastest expected growth in the other two regions of the state are *Personal care and service* in Northwest Michigan and *Healthcare support* in Northeast Michigan. However, much of the growth expected is due to the low employment level observed in 2020 and significant gains have already been made.

The *Office and administrative support* occupations contained the most jobs in nine of the 10 Prosperity Regions in 2020 and is projected to continue to have the most jobs in eight of these regions by 2030. Southwest Michigan is expected to join West Michigan with the most employees in *Production* occupations by 2030.

Regional Projections by Education

Jobs requiring a bachelor's degree or more are expected to grow at the fastest rate in seven of the 10 regions. All 10 Prosperity Regions are projected to have growth for the number

Michigan Total Projected Percent Change in Employment, 2020–2030

UPPER PENINSULA
9.0%

NORTHEAST
7.5%

NORTHWEST
11.0%

EAST CENTRAL
9.0%

WEST
9.7%

EAST
7.5%

SOUTH CENTRAL
9.9%

DETROIT METRO
7.7%

SOUTHWEST
8.4%

SOUTHEAST
11.0%

Source: 2020-2030 Long-Term Regional Employment Projections, Michigan Center for Data and Analytics, Michigan Department of Technology, Management & Budget

of jobs requiring an associate degree or some postsecondary or college (no degree), with Southeast and Northwest Michigan expected to increase the most at over 11.0 percent each. In terms of the number of jobs, those requiring a high school diploma or less expect to make up the most job growth in all 10 regions by educational category. Professional or skilled trades occupations are careers that often require less education than a four-year degree but more intensive training. Growth in professional trades occupations projects to range from an increase of 8.1 percent in Detroit to 12.8 percent in Southeast Michigan.

Conclusions

Employment projections for each of Michigan's 10 prosperity regions anticipate growth between 2020 and 2030. These regional growth rates of 7.5 to 11.0 percent can be attributed to the downward push that the COVID-19 recession had on employment

levels in 2020. Due to that fact, much of this growth may have already been realized in the substantial rebound of employment that has occurred since 2020. However, by focusing on the magnitude and direction of the industry and occupational growth rates within these regions, there are still opportunities to use these employment projections to find in-demand sectors and jobs.

MATTHEW DOTSON
Projections Specialist

MICHIGAN'S RECENT POPULATION CHANGE AND MIGRATION TRENDS

Michigan's population growth rate has been in long-term decline, and the state's population has dropped in each of the last two years. Migration to and from other states will play a critical role in Michigan's future growth, as the state's aging population and declining birth rates are leading to natural decrease (i.e., more deaths than births). As such, understanding trends and underlying demographics of people moving to and from Michigan is increasingly important. After a description of current population trends, this section addresses four questions: 1) which regions of the country does Michigan lose population to and gain from; 2) how has this changed since the Great Recession; 3) how do migration trends vary by age; and 4) why do people move to and from Michigan?

Michigan Population Trends (2021–2022): Declining Population

In 2022, Michigan's population declined for the second consecutive year. Michigan lost 3,390 people between July 1, 2021 and June 30, 2022 compared to the more severe loss of 32,070

people the year prior. The primary reason for Michigan's recent population loss was that the state experienced a natural decrease of 12,480 people. Specifically, Michigan had a 2,420 increase in births, up to 105,160 for 2021, but deaths also increased by around 2,620, up to 117,640. This marks only the second year since at least 1900 that Michigan experienced more deaths than births (i.e., natural decrease). Although 23 other states experienced natural decrease, Michigan ranked 47th in this metric.

However, Michigan's natural decrease was partially offset by positive migration, with Michigan gaining 10,330 migrants on net.[1] As is typical for the state, Michigan gained from international migration (gain of 18,810) but lost population through domestic migration (loss of 8,480). From 2021 to 2022, Michigan had a growth rate of -0.03 percent. In comparison, the nation had a 0.38 percent growth rate, adding 1.25 million people. Michigan was not alone in losing population from 2021 to 2022. Seventeen other states were estimated to have registered a population decline, with New York (-180,340), California (-113,650), and Illinois (-104,440) losing the most people.

## Positive Migration is Critical for Michigan's Population Growth

Michigan is at approximately the same population level it was prior to the Great Recession. Michigan's lack of longer-term population growth was mainly due to the severe out-migration during, and even before, the Great Recession, resulting in a temporary population decline. During the worst of the out-migration in 2009, Michigan lost about 1 percent of its total population to migration. Since 2010, Michigan's population has recovered to pre-Great Recession levels. The population recovery was the result of migration improving and population growth from natural increase (i.e., more births than deaths) prior to the pandemic.

Michigan's natural change was trending toward zero for decades prior to the pandemic. Moving forward, Michigan's internal growth engine (natural increase), will likely turn into persistent natural decrease this decade due to long-term declines in fertility and increased mortality resulting from a growing proportion of the population over 65.

[1] Note: the sum of natural change and net migration do not match the state's total change because the state populations are controlled to equal the National total.

> **DATA NOTE:** *In December 2022, the U.S. Census Bureau released the 2022 vintage of population estimates for each state. These estimates report changes in population and its components (i.e., births, deaths, and migration) from July 1, 2021 through June 30, 2022.*

MICHIGAN BIRTHS, DEATHS, AND TOTAL NATURAL CHANGE 1900–2021
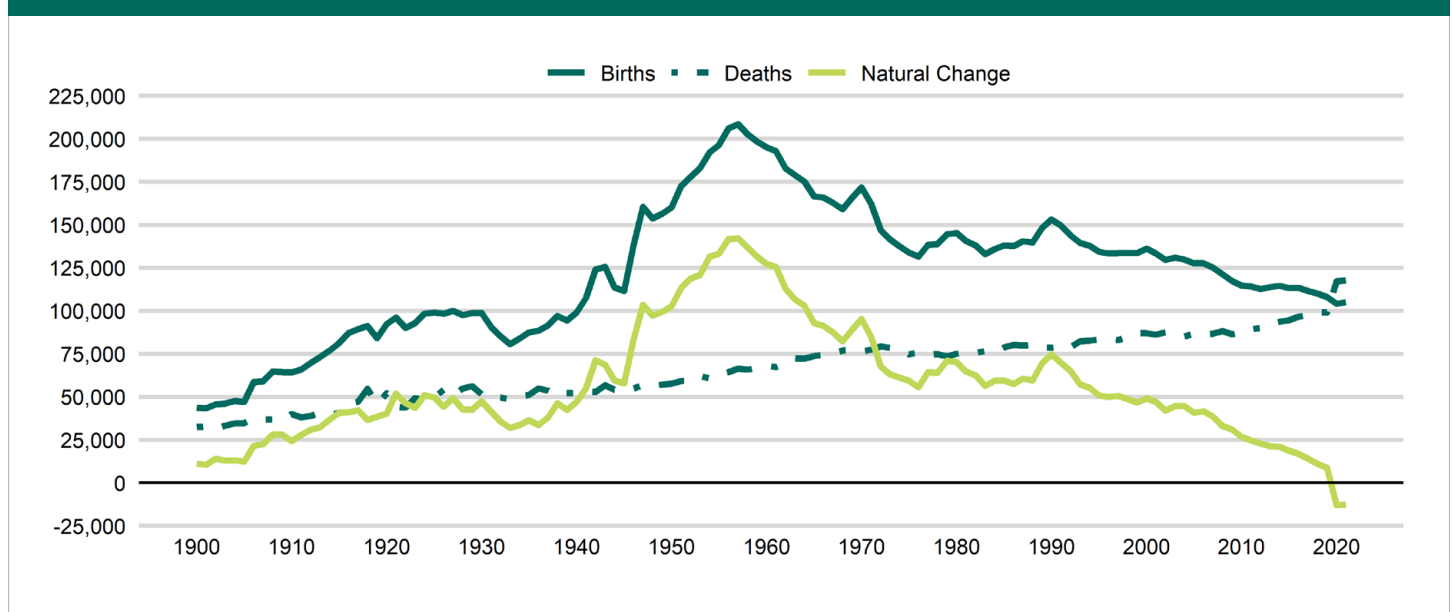
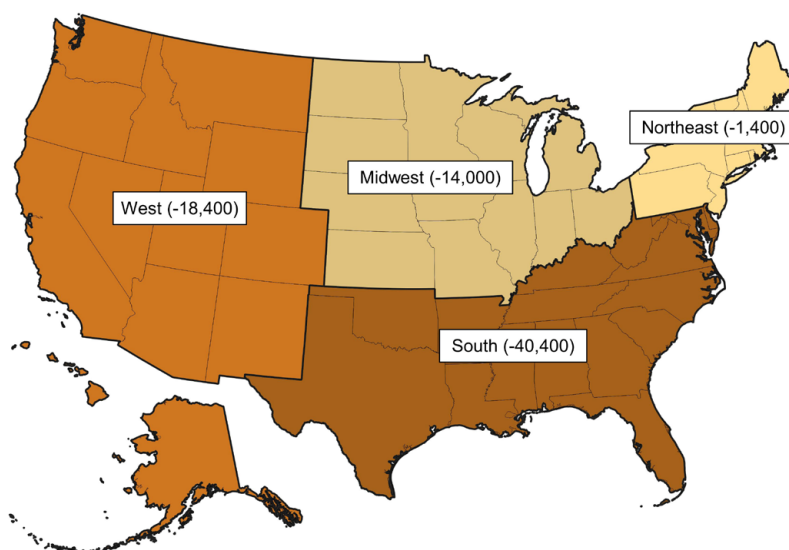Source: Michigan Department of Health and Human Services
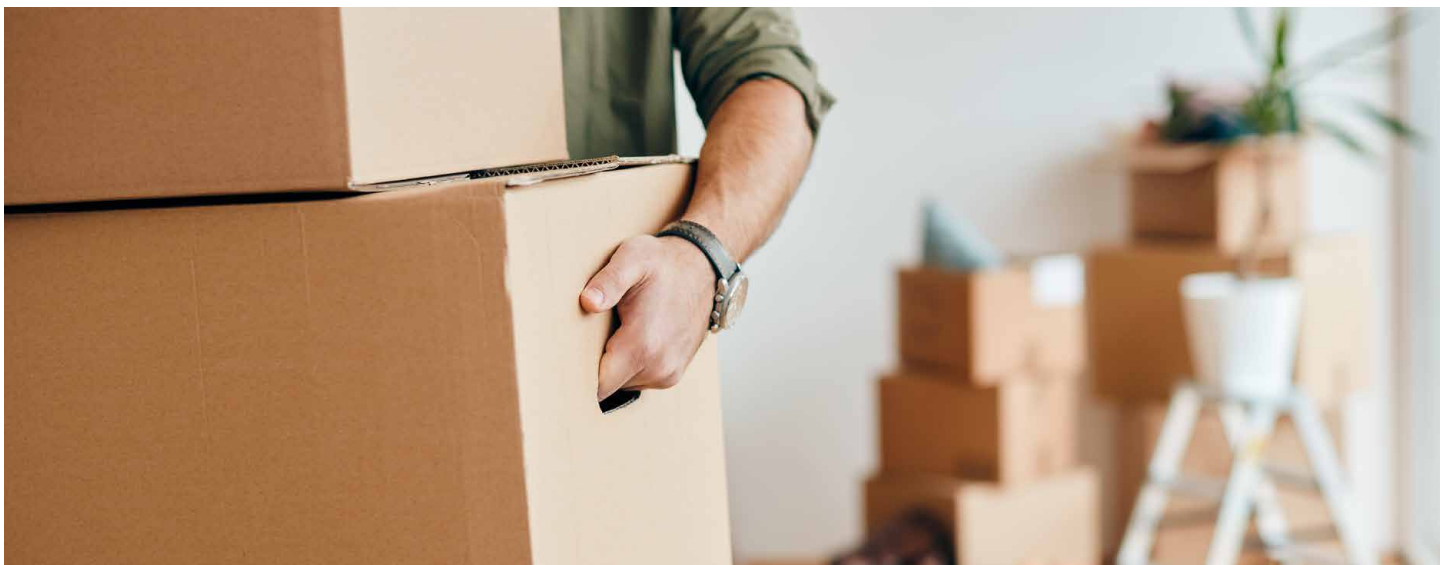
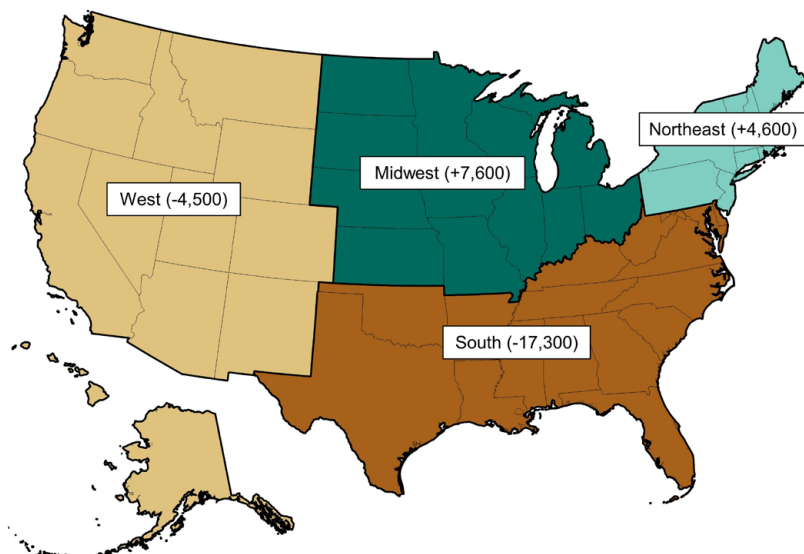## Michigan's Domestic Net Migration: Where are People Moving to and From?

This section utilizes the 5-year public use microdata sample (PUMS) from the American Community Survey (ACS). This dataset averages survey estimates over a five-year period. While this data isn't as temporally specific as annual estimates, it does have a larger sample size resulting in more precise estimates. The 2007–2011 PUMS was used for comparison to the 2017–2021 PUMS. Note: the ACS can only measure net domestic migration (i.e., within the U.S.) because data for people moving to other countries is not available.

Michigan's net migration between the four major regions of the U.S. varies and has changed over time (Census Bureau regions: West, South, Midwest, and Northeast). Comparing the five-year period ending in 2011 to the most recent five-year period ending in 2021, Michigan lost the most residents to the South in both time periods. Michigan's net migration has improved, and from the 2007 to 2011 time frame to the 2017 to 2021 time frame, Michigan has turned net loss to migration gains from the Midwest and Northeast. Although Michigan was still experiencing net negative migration during 2017 to 2021 to the West and South, the losses were less severe. During the 2017 to 2021 period Michigan annually lost the most residents to Florida (-9,876), North Carolina (-2,551), and Arizona (-1,662). Whereas the state gained the most from Illinois (+3,312), Indiana (+2,732), and New York (+2,218).
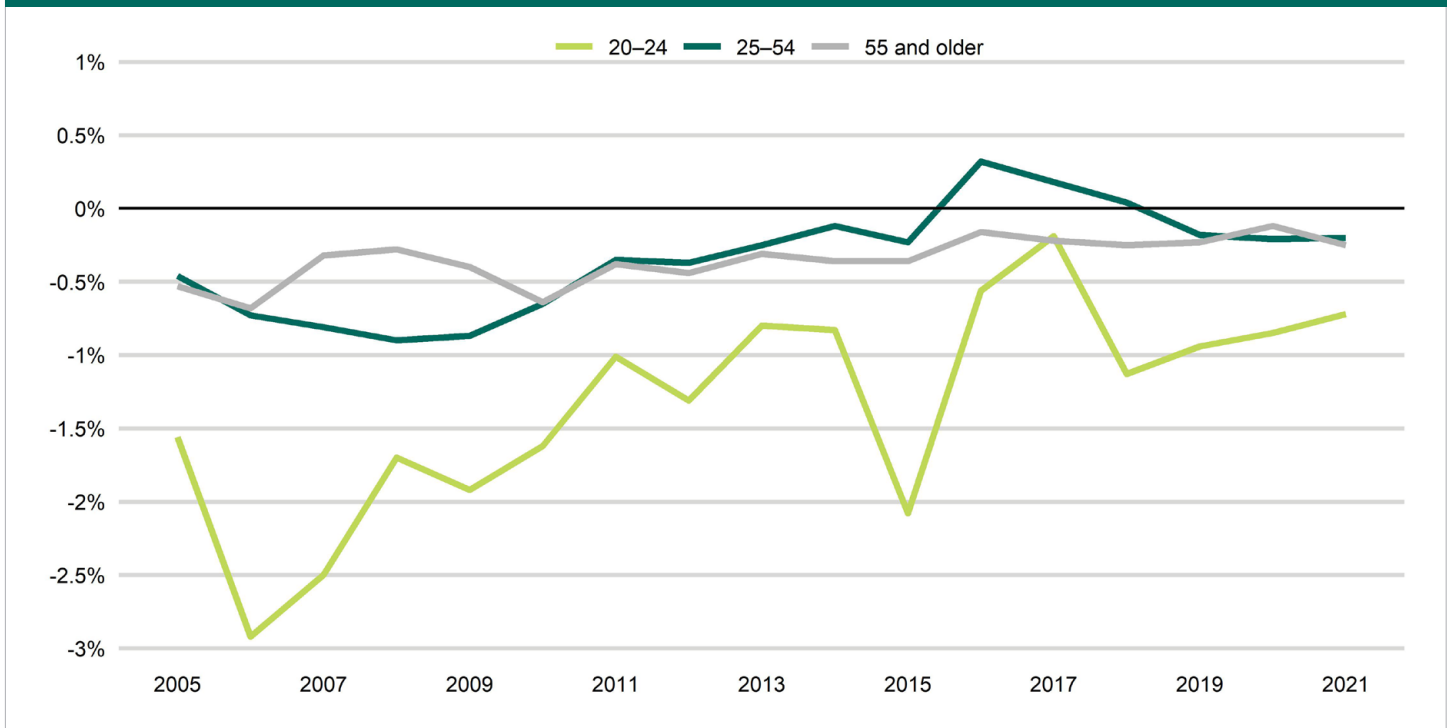
Michigan's Average Annual Migration by U.S. Region (2007–2011)

Northeast (-1,400)
Midwest (-14,000)
West (-18,400)
South (-40,400)

Michigan's Average Annual Migration by U.S. Region (2017–2021)

Northeast (+4,600)
Midwest (+7,600)
West (-4,500)
South (-17,300)

Legend: — 20–24 — 25–54 — 55 and older

Source: 2005–2021 American Community Survey, Public Use Microdata Sample, U.S. Census Bureau

Net Migration by Age Group: Which Age Groups is Michigan Losing/Gaining?

Examining in- and out-migration by age group can help to identify target populations for attraction or retention strategies. This section breaks down migrants into three working-age groups: young adults (ages 20 to 24); the prime-age workforce (ages 25 to 54), many of whom move with their family; and older workers and retirees (age 55 and older).

In general, all age groups followed the tendency of improving migration from 2005 to 2021. However, the 20- to 24-year-old population persistently experienced lower net migration rates than older age groups. In 2006, Michigan lost nearly 3 percent of its 20- to 24-year-old population to domestic migration. As of 2021, the migration loss of young adults has improved, to -0.72 percent. This age group represents college students and early career individuals, who tend to be more mobile than mid-to late-career workers and families. The only age group that had positive domestic migration during the period examined was the 25- to 54-year-old group from 2016 to 2018.

DATA NOTE: *This analysis uses the 1-year ACS PUMS data from 2005 through 2021 and focuses on domestic net migration of three age groups: 20 to 24, 25 to 54, and 55 and older. The net migration data was standardized by dividing by the annual total population for that age group, resulting in net migration by percent of total population for each age group.*

Why Do People Move To and From Michigan?

The Annual Social and Economic Supplement of the Current Population Survey asks for the 'primary' reason respondents moved domestically within the last year. Decisions to move are complex and often involve more than one factor, but the 'primary' reason indicates of their main motivation for moving. The responses can be grouped into four main categories: 1) jobs, 2) housing, 3) family, and 4) other. The data focus on respondents 18 and older because younger people were likely moving for family reasons.

Jobs were identified as the most important reason for moving for both in- and out-migrants. This holds true now (2017 to 2021) as well as a decade ago (2007 to 2011). However, a closer look shows an interesting trend between periods. During the Great Recession people moving away from Michigan indicated jobs as a reason for moving at higher rates than those moving in. More recently, that trend has switched, with people moving to Michigan indicating jobs as the reason at a higher rate.

Less than 3 percent of movers indicated "retired" as a reason for moving. This could be because retirement alone is not a sufficient condition for older people to move. For example, they may

PRIMARY REASONS PEOPLE MOVE TO AND FROM MICHIGAN

REASON FOR MOVING	2007-2011 TIME PERIOD		2017-2021 TIME PERIOD	
	IN-MIGRANT	OUT-MIGRANT	IN-MIGRANT	OUT-MIGRANT
Job	30.4	43.6	45.6	36.2
Housing	19.5	12.7	20.2	18.2
Family	24	23.1	15.2	22.4
Other	26	20.6	19	23.3

Source: Current Population Survey, U.S. Census Bureau and U.S. Bureau of Labor Statistics

need to be retired and have family or better housing options elsewhere to spur a move. Interestingly, less than eight percent of movers indicate "change of climate" as their motivation, and most people indicating "change of climate" moved away from Michigan.

Conclusions

Michigan's population trajectory is entering a new era. One in which the state's internal population growth engine (i.e., natural change) is turning from positive to negative, with a long-term period of natural decrease expected. Therefore, if the state experiences sharp out-migration in the future, it is unlikely that natural increase will be sufficient to offset such losses and could be exacerbated by natural decrease. Growing the state's total population will increasingly depend

on retaining Michiganders and attracting new residents from outside the state.

Michigan is losing a relatively large share of its young adult population, compared to older groups. While some of these Michiganders will return to the Great Lakes state during their prime-age working years, Michigan needs to retain and attract young people to the state to meet positive net migration goals. Nearly half of all recent domestic migrants to Michigan are coming for jobs and, at present, having sufficient attractive job openings will play a crucial role in achieving long-term positive migration.

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