



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

BROM STIBITZ
DIRECTOR

January 2021 Michigan jobless rate declines

LANSING, Mich. -- Michigan's seasonally adjusted unemployment rate fell sharply in January 2021 to 5.7 percent, largely due to significant withdrawal from the state workforce, according to data released today by the Michigan Department of Technology, Management & Budget. As a result of the annual data revision process, the statewide December 2020 rate was revised upwards by seven-tenths of a percentage point to 8.2 percent.

The national jobless rate edged down between December and January by four-tenths of a percentage point to 6.3 percent. Michigan's January jobless rate was 0.6 percentage points below the rate of the U.S. The U.S. unemployment rate rose by 2.8 percentage points over the year, while the state rate advanced by 2.0 percentage points since January 2020.

"The sharp drop in Michigan's January unemployment rate was mainly due to a reduction in the size of the workforce, as the number of employed in Michigan increased only modestly over the month," said Wayne Rourke, associate director of the Bureau of Labor Market Information and Strategic Initiatives. "The state's labor force fell by 2.5 percent in January."

Monthly labor force trends and highlights

- With the annual revision process, Michigan's 2020 annual average unemployment rate was revised slightly upward, from 9.7 percent to 9.9 percent.
- Reflecting the impact of the COVID-19 pandemic, Michigan's annual jobless rate jumped from 4.1 percent in 2019 to 9.9 percent in 2020.
- Michigan's January workforce total of 4,736,000 was the lowest recorded labor force level since May 2020 (4,695,000).
- Over the year, total employment in the state fell by 6.1 percent, which was a 0.7 percent higher decline than registered nationally over this period.

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Michigan
Labor Force Estimates
 Seasonally Adjusted
 (Data in Thousands)

| | Jan. 2021 | Dec. 2020 | Jan. 2020 | Over the Month | | Over the Year | |
|----------------------|--------------|--------------|--------------|----------------|---------|---------------|---------|
| | | | | Numeric | Percent | Numeric | Percent |
| Civilian Labor Force | 4,736 | 4,855 | 4,937 | -119 | -2.5% | -201 | -4.1% |
| Employed | 4,465 | 4,455 | 4,753 | 10 | 0.2% | -288 | -6.1% |
| Unemployed | 271 | 400 | 184 | -129 | -32.3% | 87 | 47.3% |
| Unemployment Rate | 5.7 | 8.2 | 3.7 | -2.5 | XXX | 2.0 | XXX |

Detroit metro area jobless rate down significantly over month

The Detroit-Warren-Dearborn Metropolitan Statistical Area’s (MSA) seasonally adjusted jobless rate dropped sharply in January 2021 to 5.2 percent due to a significant monthly cut in the size of the area workforce. The jobless rate reduction was not primarily due to more employed residents, as employment moved up by only 14,000. The Detroit metro area workforce fell by 100,000 in January. As a result of the annual revision process, the unemployment rate in December was revised up by a tenth of a percentage point in December to 10.3 percent.

Over the year, the Detroit metro region jobless rate rose by a full percentage point. Employment receded by 148,000 while the number of unemployed moved up by 15,000, resulting in a net workforce reduction of 133,000 since January 2020.

Detroit-Warren-Dearborn MSA
Labor Force Estimates
 Seasonally Adjusted
 (Data in Thousands)

| | Jan. 2021 | Dec. 2020 | Jan. 2020 | Over the Month | | Over the Year | |
|----------------------|--------------|--------------|--------------|----------------|---------|---------------|---------|
| | | | | Numeric | Percent | Numeric | Percent |
| Civilian Labor Force | 2,024 | 2,124 | 2,157 | -100 | -4.7% | -133 | -6.2% |
| Employed | 1,919 | 1,905 | 2,067 | 14 | 0.7% | -148 | -7.2% |
| Unemployed | 105 | 219 | 90 | -114 | -52.1% | 15 | 16.7% |
| Unemployment Rate | 5.2 | 10.3 | 4.2 | -5.1 | XXX | 1.0 | XXX |

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Michigan nonfarm jobs rise slightly over the month

The monthly survey of employers indicated that seasonally adjusted payroll jobs edged up by 24,000 over the month, or 0.6 percent, resulting in a job count of 4,052,000.

The largest January seasonally adjusted industry job gains occurred in the state's leisure and hospitality sector (+9,000), as well as the government sector (+8,000).

On an unadjusted basis, January job change was minimal in leisure and hospitality (+1,500), so the seasonally adjusted increase overstated actual job additions.

Industry employment trends and highlights

- Since the pandemic-related low point in jobs in April 2020, Michigan payroll employment advanced by 654,000, or 19.3 percent.
- Payroll jobs in the state's trade, transportation, and utilities industry rose for the ninth consecutive month during January. Sector jobs advanced by 137,000, or 21.6 percent, since April 2020, but remained nearly 25,000 below pre-pandemic levels.
- Total nonfarm employment fell significantly by 398,000, or 8.9 percent, over the year.
- Michigan's leisure and hospitality industry exhibited the most pronounced employment decrease since January 2020, with jobs plunging by 149,000, or 34.3 percent.
- On a percentage basis, jobs in the state's "other services" sector exhibited the second largest over-the-year decline, with employment down by 14.5 percent.

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**Michigan
Payroll Employment Estimates**

Seasonally Adjusted
(Data in Thousands)

| | Jan.** 2021 | Dec.* 2020 | Jan.* 2020 | Over the Month*** | | Over the Year *** | |
|--------------------------------------|----------------|---------------|---------------|-------------------|---------|-------------------|---------|
| | | | | Numeric | Percent | Numeric | Percent |
| Total Nonfarm Payroll Jobs | 4052 | 4028 | 4449 | 24 | 0.6% | -398 | -8.9% |
| Natural Resources and Mining | 7 | 7 | 7 | 0 | 2.9% | 0 | 1.4% |
| Construction | 175 | 175 | 177 | 0 | -0.1% | -2 | -0.9% |
| Manufacturing | 572 | 572 | 621 | 0 | 0.0% | -49 | -7.8% |
| Transportation Equipment | 178 | 179 | 189 | -1 | -0.3% | -10 | -5.5% |
| Trade, Transportation, and Utilities | 774 | 770 | 797 | 4 | 0.5% | -24 | -3.0% |
| Retail Trade | 445 | 443 | 464 | 2 | 0.5% | -19 | -4.0% |
| Information | 49 | 49 | 55 | 0 | 0.2% | -7 | -11.8% |
| Financial Activities | 224 | 225 | 228 | -1 | -0.3% | -4 | -1.8% |
| Professional and Business Services | 613 | 609 | 653 | 3 | 0.5% | -40 | -6.2% |
| Education and Health Services | 641 | 638 | 692 | 2 | 0.3% | -51 | -7.4% |
| Leisure and Hospitality Services | 285 | 277 | 434 | 9 | 3.2% | -149 | -34.3% |
| Other Services | 143 | 144 | 167 | -1 | -1.0% | -24 | -14.5% |
| Government | 570 | 562 | 618 | 8 | 1.3% | -49 | -7.8% |

* Revised data for December and January 2020

** Preliminary data for January 2021

*** Change calculated using unrounded data

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Michigan
Hours and Earnings for Production Workers
 Seasonally Adjusted

| Manufacturing | | | | | | | |
|---|--------------|--------------|--------------|----------------|---------|---------------|---------|
| | Jan. 2021 | Dec. 2020 | Jan. 2020 | Over the Month | | Over the Year | |
| | | | | Numeric | Percent | Numeric | Percent |
| Average Weekly Earnings | \$935.89 | \$934.54 | \$950.37 | 1.35 | 0.1% | -14.48 | -1.5% |
| Average Weekly Hours | 41.1 | 40.4 | 42.8 | 0.7 | 1.7% | -1.7 | -4.0% |
| Transportation Equipment Manufacturing | | | | | | | |
| | Jan. 2021 | Dec. 2020 | Jan. 2020 | Over the Month | | Over the Year | |
| | | | | Numeric | Percent | Numeric | Percent |
| Average Weekly Earnings | \$1,245.82 | \$1,274.61 | \$1,233.04 | -28.79 | -2.3% | 12.78 | 1.0% |
| Average Weekly Hours | 44.6 | 45.2 | 47.2 | -0.6 | -1.3% | -2.6 | -5.5% |

Note:

Data Revisions:

The data in this release reflects recently revised historical estimates. All states in the nation participate in this revision process facilitated by the U.S. Department of Labor, Bureau of Labor Statistics (BLS).

Seasonally adjusted and unadjusted monthly labor force estimates were revised for 1976–2020 for Michigan and for 1990-2020 for the Detroit-Warren-Dearborn MSA.

In addition, all unadjusted payroll job data was revised for 2019 and 2020. Certain industries had more extensive data revisions, some back to 1990. Seasonally adjusted payroll job data was revised for 2016-2020 for all industries. Some sectors had seasonally adjusted data revised for additional years, sometimes back to 1990. For newly revised data, go to milmi.org/datasearch.

Previously published data for these years should be replaced with these new series.

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