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Michigan jobless rate remains high in May despite initial rebound in payroll jobs

LANSING, Mich. -- Michigan's seasonally adjusted jobless rate edged down slightly in May to 21.2 percent, a small monthly reduction of 2.8 percentage points, according to data released today by the Michigan Department of Technology, Management & Budget. (The April state unemployment rate was revised upward to 24.0 percent.) Employment in Michigan rose by a solid 256,000 in May but remained over 1 million below February levels. The number of unemployed declined by 97,000, following almost a 900,000 increase in April. The Michigan labor force in May registered a significant gain of 159,000.

The national unemployment rate of 13.3 percent was down 1.4 percentage points in May. Michigan's rate was 7.9 percentage points above the U.S. rate. Since May 2019, the Michigan jobless rate soared by 17.0 percentage points, well above the rate gain nationally of 9.7 percentage points.

"The May job market was marked by two primary trends: a continuation of record-high unemployment and job gains resulting from initial recalls from pandemic-related layoffs," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "Jobs rose in most industries in May, but these additions accounted for only about 17 percent of the jobs lost in April."

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Monthly labor force trends and highlights

- The impact of the COVID-19 pandemic kept Michigan’s May unemployment rate above 20.0 percent for the second straight month. In April, Michigan was only one of three states with a jobless rate above 20.0 percent.
- With the end of the Great Recession, Michigan’s unemployment rate hit a peak of 14.6 percent in June 2009.
- Michigan’s labor force level rebounded in May to within 179,000 of the May 2019 level.

Michigan
Labor Force Estimates
 Seasonally Adjusted
 (Data in Thousands)

	May 2020	Apr 2020	May 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	4,751	4,592	4,930	159	3.5%	-179	-3.6%
Employment	3,745	3,489	4,721	256	7.3%	-976	-20.7%
Unemployment	1,006	1,103	209	-97	-8.8%	797	381.3%
Rate (Percent)	21.2	24.0	4.2	xxx	xxx	xxx	xxx

Detroit metropolitan area’s unemployment rate increases again in May

The Detroit-Warren-Dearborn Metropolitan Statistical Area’s (MSA) seasonally adjusted unemployment rate increased by 1.7 percentage points to 23.2 percent in May. Total employment moved down by 28,000, while unemployment rose by 35,000, resulting in a net workforce increase of 7,000 since April.

Over the year, the Detroit metro area jobless rate surged by 18.7 percentage points. Employment plunged by 573,000, while the number of unemployed advanced substantially by 352,000, resulting in a net workforce reduction of 221,000 since May 2019.

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

	May 2020	Apr 2020	May 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	1,936	1,929	2,157	7	0.4%	-221	-10.2%
Employment	1,487	1,515	2,060	-28	-1.8%	-573	-27.8%
Unemployment	449	414	97	35	8.5%	352	362.9%
Rate (Percent)	23.2	21.5	4.5	xxx	xxx	xxx	xxx

Payroll jobs in Michigan rebound modestly in May

The monthly survey of employers indicated that seasonally adjusted jobs showed some initial signs of recovery in May. Michigan jobs rose by 178,000, or 5.2 percent, in May to 3,579,000. Despite this significant job gain, it represented only 17 percent of the jobs lost in April.

The most prominent monthly job advance occurred in the state’s construction sector, with a sharp recovery of 51,000 jobs over the month (+51 percent). Trade, transportation, and utilities had the second largest numeric job addition of 50,000 in May.

Industry employment trends and highlights

- Over the year, Michigan payroll employment fell substantially by 850,000, or 19.2 percent.
- Jobs in the state’s mining and logging sector fell to only 5,000 in May, the lowest level since at least 1990.
- Michigan’s government sector recorded the largest numeric job cut of any major industry in May, dropping sharply by 13,000 jobs.
- All major Michigan industries registered employment reductions since May 2019.
- Over the year, leisure and hospitality had the largest employment decrease of any major sector, with jobs plunging by 238,000, or 54.7 percent.

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Michigan
Payroll Employment Estimates
 Seasonally Adjusted
 (Data in Thousands)

	May** 2020	Apr* 2020	May 2019	Over the Month***		Over the Year ***	
				Numeric	Percent	Numeric	Percent
Total Nonfarm Payroll Jobs	3,579	3,401	4,429	178	5.2%	-850	-19.2%
Natural Resources and Mining	5	7	7	-2	-28.6%	-2	-28.6%
Construction	149	98	172	51	52.0%	-23	-13.4%
Manufacturing	477	443	627	34	7.7%	-151	-24.1%
Transportation Equipment	108	96	190	12	13.1%	-82	-43.3%
Trade, Transportation, and Utilities	692	642	794	50	7.8%	-103	-13.0%
Retail Trade	394	349	465	45	12.9%	-71	-15.3%
Information	51	52	55	-1	-1.9%	-5	-9.1%
Financial Activities	217	215	223	2	0.9%	-6	-2.7%
Professional and Business Services	530	510	653	20	3.9%	-123	-18.8%
Education and Health Services	579	567	681	11	1.9%	-103	-15.1%
Leisure and Hospitality Services	196	180	435	17	9.4%	-238	-54.7%
Other Services	117	107	167	10	9.3%	-50	-29.9%
Government	567	580	613	-13	-2.2%	-47	-7.7%

* Revised data for April 2020

** Preliminary data for May 2020

*** Change calculated using unrounded data

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Michigan
Hours and Earnings for Production Workers
 Seasonally Adjusted

Manufacturing							
	May 2020	Apr 2020	May 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Average Weekly Earnings	\$871.58	\$840.02	\$932.84	\$31.56	3.8%	-61.26	-6.6%
Average Weekly Hours	38.3	36.7	42.1	1.6	4.4%	-3.8	-9.0%
Transportation Equipment Manufacturing							
	May 2020	Apr 2020	May 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Average Weekly Earnings	\$1,179.31	\$1,049.90	\$1,189.54	129.41	12.3%	-10.23	-0.9%
Average Weekly Hours	42.1	40.0	45.7	2.1	5.3%	-3.6	-7.9%

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Note COVID-19 pandemic:

State employment estimates are produced on a monthly basis using employment information from the week of the 12th of each month. The information in this release covers labor market trends for the week of May 10–16, 2020, in the midst of Gov. Gretchen Whitmer’s [Executive Order 2020-42](#) “Stay Home, Stay Safe.”

As such, the information in this release significantly reflects the May employment impacts of the COVID-19 pandemic on Michigan’s workforce.

For more information on the COVID-19 pandemic’s effect on workforce statistics, please visit the following resources from the U.S. Bureau of Labor Statistics:

[Effects of COVID-19 on the Local Area Unemployment Statistics Program](#)

[FAQs – The impact of COVID-19 pandemic on The Employment Situation for April 2020](#)

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