



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

MICHELLE LANGE
ACTING DIRECTOR

Michigan jobless rate declines in December

LANSING, Mich. – Michigan’s seasonally adjusted jobless rate fell by three-tenths of a percentage point to 5.6 percent during December, according to data released today by the Michigan Department of Technology, Management & Budget (see technical note at end of this release). The number of employed rose by 16,000, while total unemployed decreased by 15,000. The state workforce was nearly unchanged over the month.

“Labor market conditions in Michigan showed clear improvement in 2021,” said Wayne Rourke, associate director of the Bureau of Labor Market Information and Strategic Initiatives. “The unemployment rate fell sharply over the year, and payroll jobs rose steadily throughout 2021.”

The U.S. jobless rate moved down significantly by three-tenths of a percentage point in December to 3.9 percent. Michigan’s unemployment rate was 1.7 percentage points above the national rate. The U.S. unemployment rate fell by 2.8 percentage points since December 2020, similar to the Michigan trend (-2.6 percentage points).

Monthly and annual labor force trends and highlights

- The number of employed statewide edged up by 0.4 percent during December, an increase identical to that exhibited nationwide.
- Michigan’s workforce decreased by 2.0 percent over the year, while the U.S. total labor force advanced by 1.0 percent since December 2020.
- The statewide number of unemployed declined significantly by 33.8 percent over the past year, although that was outpaced by a sharp 41.4 percent reduction in unemployed nationwide.

Michigan’s December 2021 unemployment rate remained above pre-pandemic levels

- Michigan’s December 2021 jobless rate of 5.6 percent was nearly two percentage points above the pre-pandemic February 2020 rate.
- Michigan’s employment total in December 2021 was 249,000, or 5.3 percent, below the February 2020 level.
- The number of Michigan unemployed rose by 81,000 since February 2020.

Michigan
Labor Force Estimates
 Seasonally Adjusted
 (Data in Thousands)

	Dec. 2021	Nov. 2021	Dec. 2020	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	4,759	4,758	4,855	1	0.0%	-96	-2.0%
Employed	4,494	4,478	4,455	16	0.4%	39	0.9%
Unemployed	265	280	400	-15	-5.4%	-135	-33.8%
Unemployment Rate	5.6	5.9	8.2	-0.3	XXX	-2.6	XXX

Detroit metro area jobless rate decreases during December

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate declined by 0.3 percentage points to 5.2 percent in December.

Employment in the Detroit MSA rose by 15,000, while unemployment moved down by 6,000. The region's labor force increased by 9,000 over the month.

The Detroit MSA jobless rate dropped sharply by 5.1 percentage points over the year. Employment advanced by 66,000 since December 2020.

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

	Dec. 2021	Nov. 2021	Dec. 2020	Over the Month		Over the Year	
				Numeric	Percent		
Civilian Labor Force	2,080	2,071	2,124	9	0.4%	-44	-2.1%
Employed	1,971	1,956	1,905	15	0.8%	66	3.5%
Unemployed	108	114	219	-6	-5.3%	-111	-50.7%
Unemployment Rate	5.2	5.5	10.3	-0.3	XXX	-5.1	XXX

Payroll jobs rise for eighth consecutive month in December

Total nonfarm employment in Michigan advanced by 11,000 in December, or 0.3 percent, according to the monthly survey of employers. This resulted in a statewide job total of 4,248,000.

December job gains in Michigan were concentrated in the professional and business services sector (+9,000).

Industry employment trends and highlights

- December 2021 was the eighth consecutive month of payroll employment advances in the state.
- Michigan's retail trade sector had a job addition of 2,000 over the month, as seasonal hiring for the holiday shopping season was slightly above average.
- The statewide leisure and hospitality industry exhibited the largest job reduction in December (-4,000), as jobs declined in accommodation and food services.
- Total payroll jobs advanced by 220,000, or 5.5 percent, over the year. However, total employment in December was 205,000 below the February 2020 pre-pandemic level.
- The most pronounced over-the-year industry job gains were seen in Michigan's leisure and hospitality sector (+101,000) and professional and business services sector (+41,000). However, leisure and hospitality still accounted for nearly 30 percent of the jobs lost in Michigan since February 2020.
- The monthly survey of employers indicated a preliminary 2021 annual average payroll job total of 4,160,000. This was 128,000, or 3.2 percent, above the 2020 average job level in Michigan.

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**Michigan
Payroll Employment Estimates**
Seasonally Adjusted
(Data in Thousands)

	Dec.** 2021	Nov.* 2021	Dec. 2020	Over the Month***		Over the Year ***	
				Numeric	Percent	Numeric	Percent
Total Nonfarm Payroll Jobs	4,248	4,237	4,028	11	0.3%	220	5.5%
Natural Resources and Mining	7	7	7	0	2.9%	0	4.3%
Construction	178	179	175	-1	-0.5%	3	1.8%
Manufacturing	587	585	572	2	0.4%	15	2.6%
Transportation Equipment	182	182	179	1	0.3%	3	1.9%
Trade, Transportation, and Utilities	795	790	770	5	0.6%	25	3.2%
Retail Trade	451	449	443	2	0.4%	9	1.9%
Information	51	51	49	0	0.6%	2	4.3%
Financial Activities	226	226	225	-1	-0.3%	1	0.6%
Professional and Business Services	650	641	609	9	1.4%	41	6.7%
Education and Health Services	641	641	638	0	0.0%	2	0.3%
Leisure and Hospitality Services	378	381	277	-4	-0.9%	101	36.5%
Other Services	149	150	144	-1	-0.5%	5	3.7%
Government	586	586	562	1	0.1%	24	4.3%

* Revised data for November 2021

** Preliminary data for December 2021

*** Change calculated using unrounded data

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Michigan
Hours and Earnings for Production Workers
 Seasonally Adjusted

Manufacturing							
	Dec. 2021	Nov. 2021	Dec. 2020	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Average Weekly Earnings	\$996.47	\$1,011.32	\$934.54	-14.85	-1.5%	61.93	6.6%
Average Weekly Hours	41.3	41.7	40.5	-0.4	-1.0%	0.8	2.1%
Transportation Equipment Manufacturing							
	Dec. 2021	Nov. 2021	Dec. 2020	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Average Weekly Earnings	\$1,315.51	\$1,334.01	\$1,274.61	-18.50	-1.4%	40.90	3.2%
Average Weekly Hours	43.8	44.2	45.2	-0.4	-0.9%	-1.4	-3.2%

Note: Data revision causing temporary series break in September 2021

The U.S. Bureau of Labor Statistics (BLS) is responsible for examining the inputs to the statistical model that produces the Michigan monthly employment and unemployment estimates. Due to the impact of the pandemic on employment, BLS implemented a revised method of examining models for outliers on a monthly basis, as opposed to their usual practice of designating outliers annually. This involved implementing level shifts monthly in response to outliers in the Current Population Survey data, where appropriate. These level shifts are designed to preserve movements in the published estimates that the models otherwise would have discounted.

BLS implemented a level shift due to an outlier identified in the Current Population Survey input to the Detroit-Warren-Dearborn metro area unemployment model in January 2021. This adjustment produced some distortions in the benchmarking factors used for Michigan, the Detroit metro area, and the Balance of Michigan. To reduce these distortions, BLS has modified this outlier intervention with the publication of September through December 2021 estimates. This modification resulted in estimates that better reflect the model inputs for the most recent four months and produced a revised September seasonally adjusted Michigan unemployment rate of 6.3 percent. Data corrections for January - August 2021 will be addressed during the usual annual revision process at the end of 2021. The revised estimates will be published in March 2022.

The revised estimates for September 2021, October 2021, November 2021, and the newly published December 2021 data can be fully compared with data for all months of 2020 and prior years. However, the data for September - December 2021 should not be compared with previously released estimates for January - August 2021 until all months of 2021 are revised in March 2022.