

Annual Planning Information and Workforce Analysis Reports: Southwest Michigan

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

Regional Contact:

Leonidas Murembya, PhD

517-241-6574

MurembyaL@Michigan.gov





STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

DAVID B. BEHEN
DIRECTOR

Dear Partner:

Welcome to the 2016 Annual Planning Information and Workforce Analysis Reports. As you know, the Workforce Innovation and Opportunity Act (WIOA) requires that each local board develop and submit a comprehensive plan, showing “an analysis of the regional economic conditions.” Like you, we have been studying the legislation and have put together the following information to help you with your plans.

Included, you will find two products:

- Annual Planning Information – Over 30 tables of economic, demographic, and labor market information, each specifically tied back to WIOA so you have the right information in the right place.
- Workforce Analysis – A narrative analysis for your region of some of the most important information, complete with references to the relevant tables in the Annual Planning Information tables.

We hope that these reports will be a strong resource in the development of your regional and local plans. Please let us know if we can be of any assistance or if you require any additional information or insights.

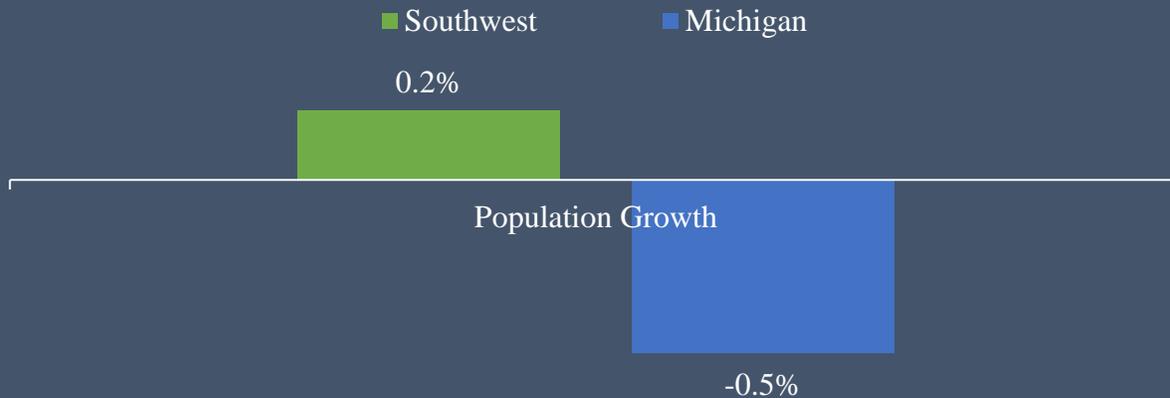
Best regards,
Scott Powell, Ph.D.
Director of Research
DTMB, Bureau of Labor Market Information and Strategic Initiatives

Population Trends and Characteristics

Table 1-4

Regional Population Remains Stable Since 2009.

Population Change (2009-2015)

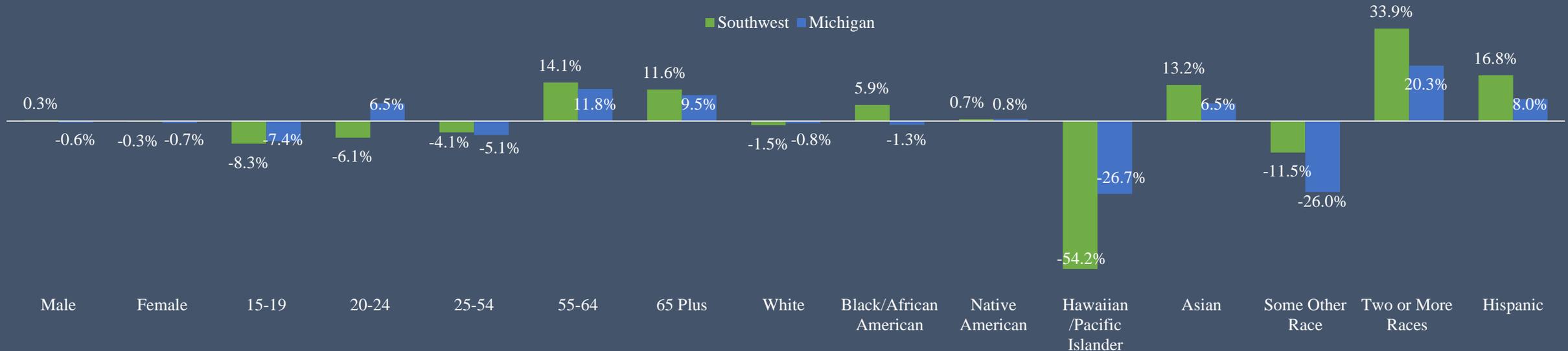


- According to the latest estimates from the U.S. Census Bureau, the population in Southwest Michigan was 780,600 in 2015. **(Table 1)**
- While the region’s population remained mostly unchanged since 2009, edging up by a little over 1,500 (or +0.2 percent), the population statewide was still 47,000 below the 2009 level in 2015, despite minors gains recorded since 2011. Nationwide, the population rose by 4.7 percent over this period. **(Table 1)**
- Most of the population gains in Southwest Michigan were registered in Kalamazoo (4.8 percent or +11,800) and Cass (3.5 percent or +1,700). The remaining five Southwest Michigan counties lost population over this period between 2009 and 2015. **(Table 1)**

Regional Population Getting Older and More Diverse, Similar to State Demographic Trends.

- Between 2009 and 2014, the population 55 years and older grew by 25,000 or 12.8 percent in Southwest Michigan. In contrast, the number of individuals 54 years old and younger fell by 21,000 or 5 percent. **(Table 2)**
- The White population remains the majority in the region, but their numbers have declined since 2005-2009 by 9,900 or -1.5 percent, while almost all major minority groups gained population, with the exception of Hawaiian and Some Other Race. **(Table 2)**

Population Change by Age, Sex, Race / Ethnicity

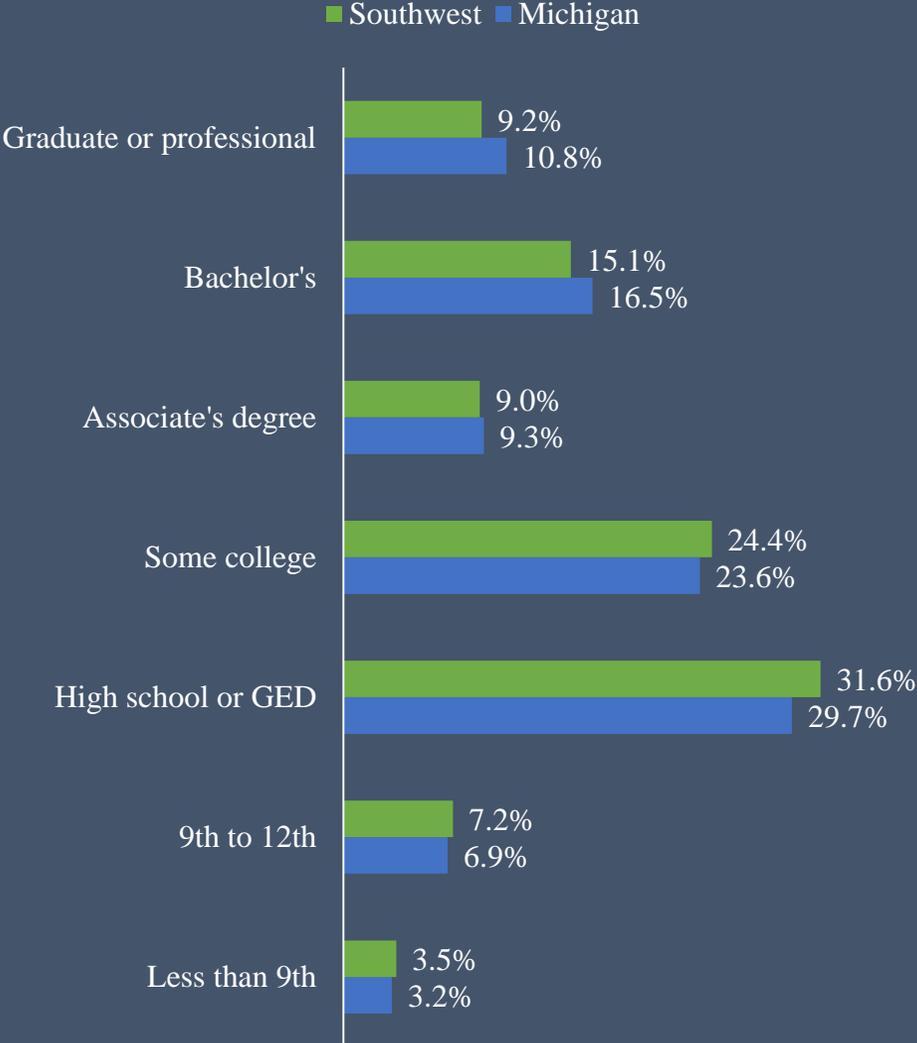


Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Region's Educational Attainment Similar to State Average.

- A region's educational attainment is based on the number of residents 25 and older with various education. Based of 2014 5-year population estimates, Southwest Michigan counted about 513,000 residents aged 25 or older; among them, 162,000 or 32 percent held a high school diploma or equivalent, similar to the 30 percent statewide. (Table 4)
- Also on par with the state average is the share of the 25 and older population with *Some college* and *Associate's degrees*. Southwest Michigan underperforms the state in the share of the 25 and older population with a *Bachelor's degree* and with *Graduate or professional* training. (Table 4)

Educational Attainment



Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Labor Force and Employment Trends and Characteristics

Tables 5-8 and 13

Jobless Rates and Unemployment Lower Since 2010; Labor Force Remain Below 2010 Levels, While Employment Displays Strong Growth Since the Recession.

Unemployment Rates



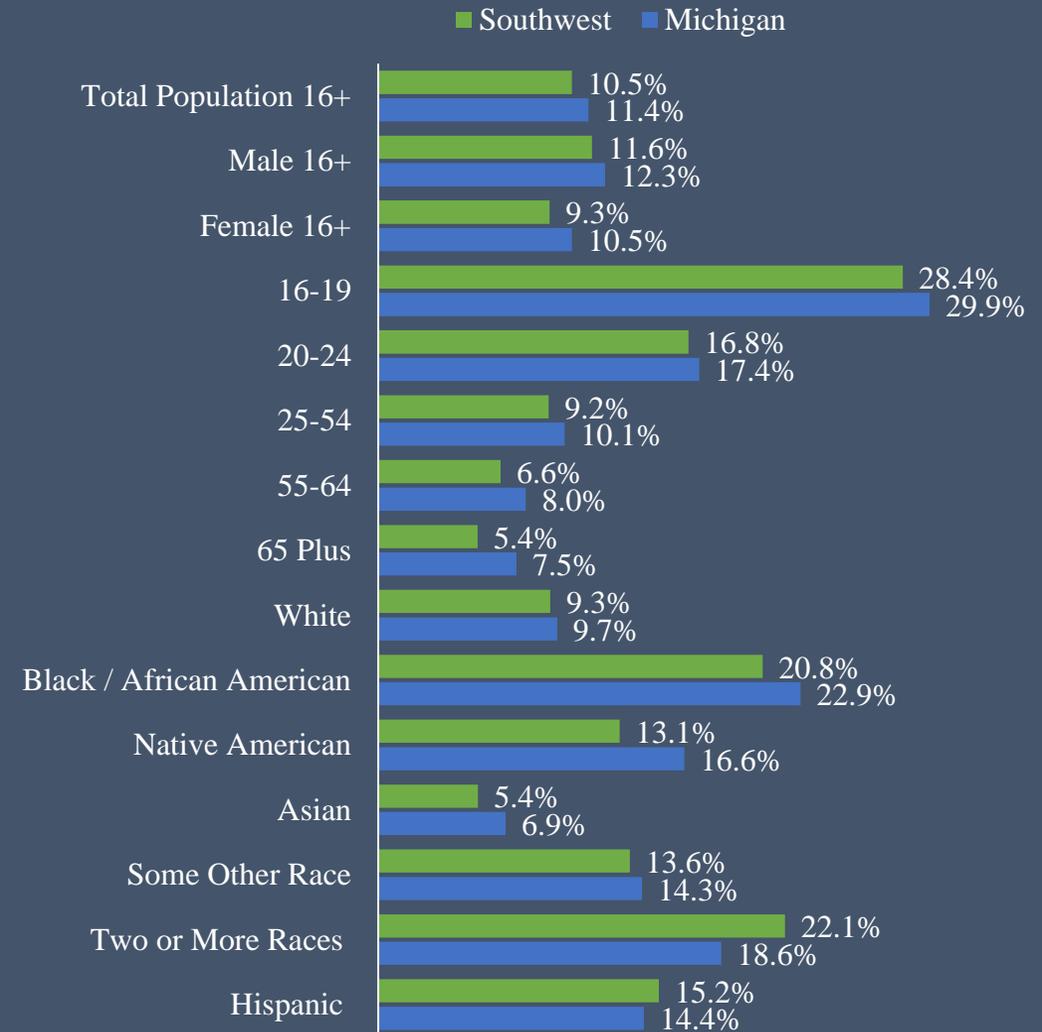
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The unemployment rate in Southwest Michigan followed state and national trends dropping significantly between 2010 and 2015.
- Over that period, the jobless rate fell by 8.7 percentage points and unemployed individuals dropped by 28,700 or 66 percent in Southwest Michigan. **(Tables 7 and 13)**
- Household employment in Southwest Michigan grew by 20,500 or +6.1 percent, from 338,100 in 2010 to 358,600 in 2015. **(Table 6)**
- In Southwest Michigan, while the size of the labor force has posted recent gains, the measure remains below the 2010 levels. The labor force measured 319,800 in 2015, up 6,500 since 2013, but lower by 6,000 or 1.9 percent than the 2010 level. **(Table 5)**

Regional Jobless Rates Elevated for Youth and Young Adults.

- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in Southwest Michigan. However, males experienced a higher unemployment rate at 11.6 percent, compared to 9.3 percent for females. **(Table 8)**
- During recessions, some of the jobs traditionally held by youth and young adults (16-24 years old) get taken by adults (25+ years old) who cannot find employment elsewhere. As a result, youth and young adults experience higher jobless rates. **(Table 8)**
- In general, Southwest Michigan enjoys an unemployment rate that is lower than the statewide average for almost all demographic categories, with the exception of Hispanics and people in the Two or More Races category.

Unemployment Rates by Sex, Age, and Race / Ethnicity



Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

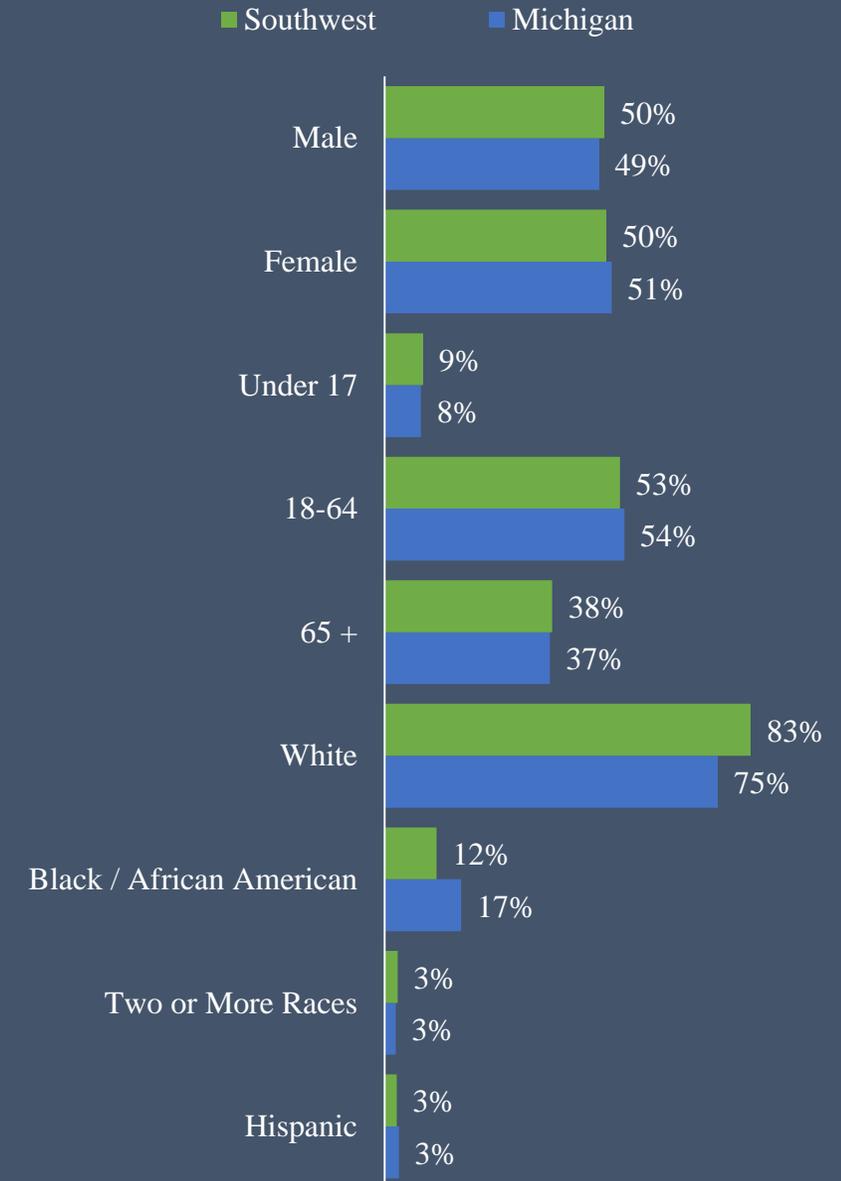
Individuals with Barriers to Employment

Tables 28-37

Individuals with a Disability See Higher Jobless Rates and Lower Labor Force Participation.

- According to the U.S. Census Bureau, 107,000 people in Southwest Michigan report a disability. About 38 percent of them were 65 year of age and older. The demographic characteristics of individuals with disabilities in Southwest Michigan were similar to statewide estimates, with a slight variance among the White and Black / African American groups. **(Tables 28 and 29)**
- Two labor market metrics highlight the challenges faced by people with disabilities in the statewide labor market: labor force participation rates and unemployment rates. At just 21 percent, participation among individuals with disabilities is lower than that for those with no disability (67 percent). When active in the labor market, individuals with disabilities face higher joblessness, with unemployment rates measuring 13.5 percent, nearly double the 7.0 percent reported for those with no disability. **(Unified State Plan)**

Individuals with A Disability

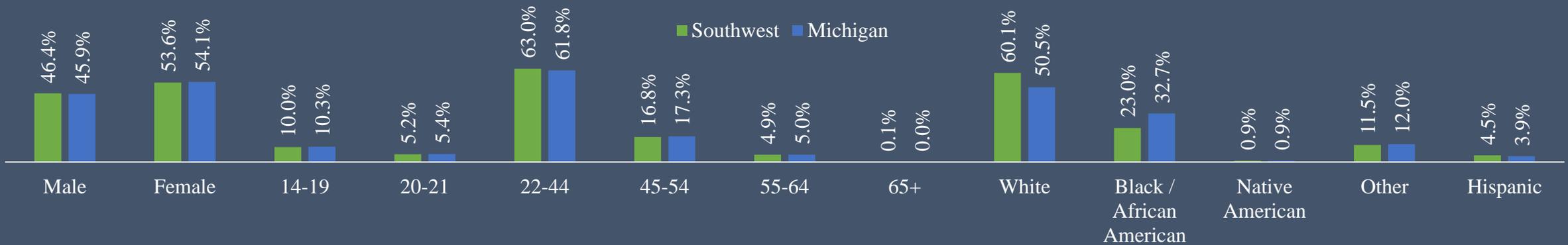


Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

Welfare Registrants Concentrated in the Working Age and White Demographics.

- According to the Michigan Department of Health and Human Services, there were about 40,000 welfare registrants in Southwest Michigan counties in December 2014. **(Table 30)**
- The majority of the welfare registrants were in the prime working age of 22 to 54 (about 80 percent). **(Table 31)**
- Around 60 percent of the registrants were White and 23 percent Black or African American, slightly differing from the statewide average. **(Table 31)**

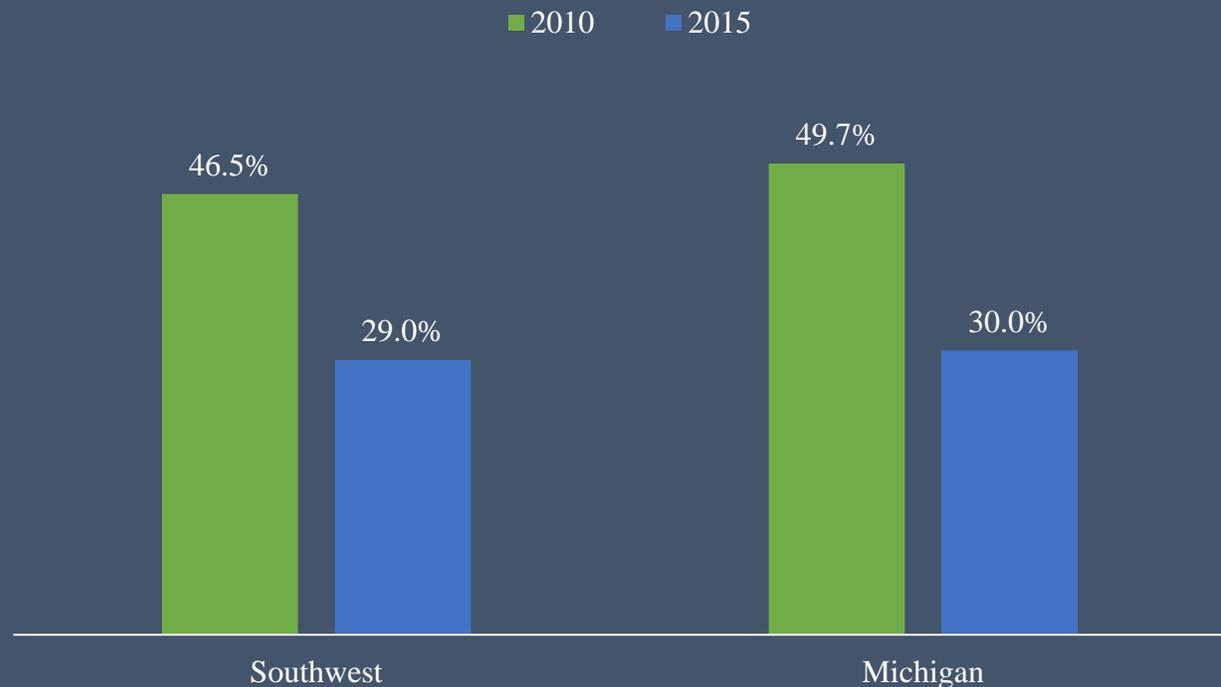
Welfare Registrants by Sex, Age, and Race / Ethnicity



Source: Michigan Department of Health and Human Services

Long-Term Joblessness Remains an Issue in Michigan and in Southwest Michigan.

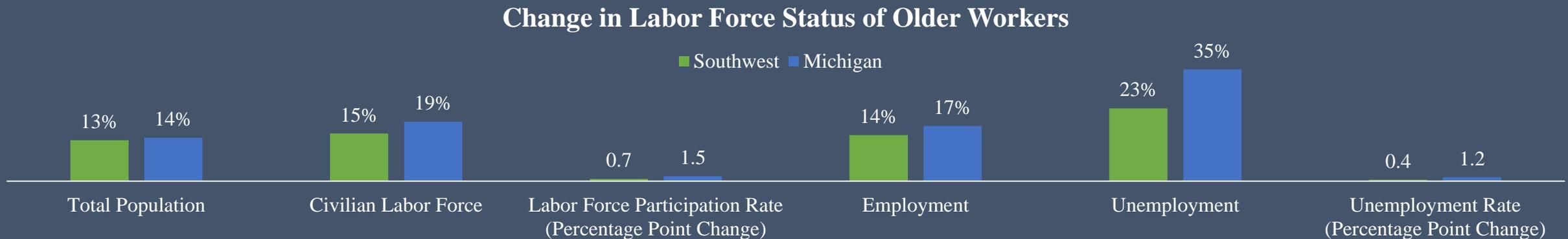
Long-Term Unemployed / Total Unemployed



- Long-term unemployment remains an issue in Michigan and in Southwest Michigan, as the number and share of those out of work for 27 weeks or more has remained stubbornly high despite the labor market recovery.
- In 2000, the Michigan share of long-term unemployed in the total number of unemployed was around 3.5 percent. It then escalated to nearly 25 percent by 2003 and swelled to around 50 percent following the Great Recession. The share was about 30 percent in 2015. **(Table 35)**
- The number of long-term unemployed individuals in Southwest Michigan has followed the statewide trend. In 2010, 20,350 individuals or 46.5 percent of all unemployed were long-term unemployed. Long-term unemployment has recovered somewhat, falling to about 5,655 or 29 percent in 2014. **(Table 35)**

Older Workers Staying in the Labor Market Longer in Michigan and in Southwest Michigan.

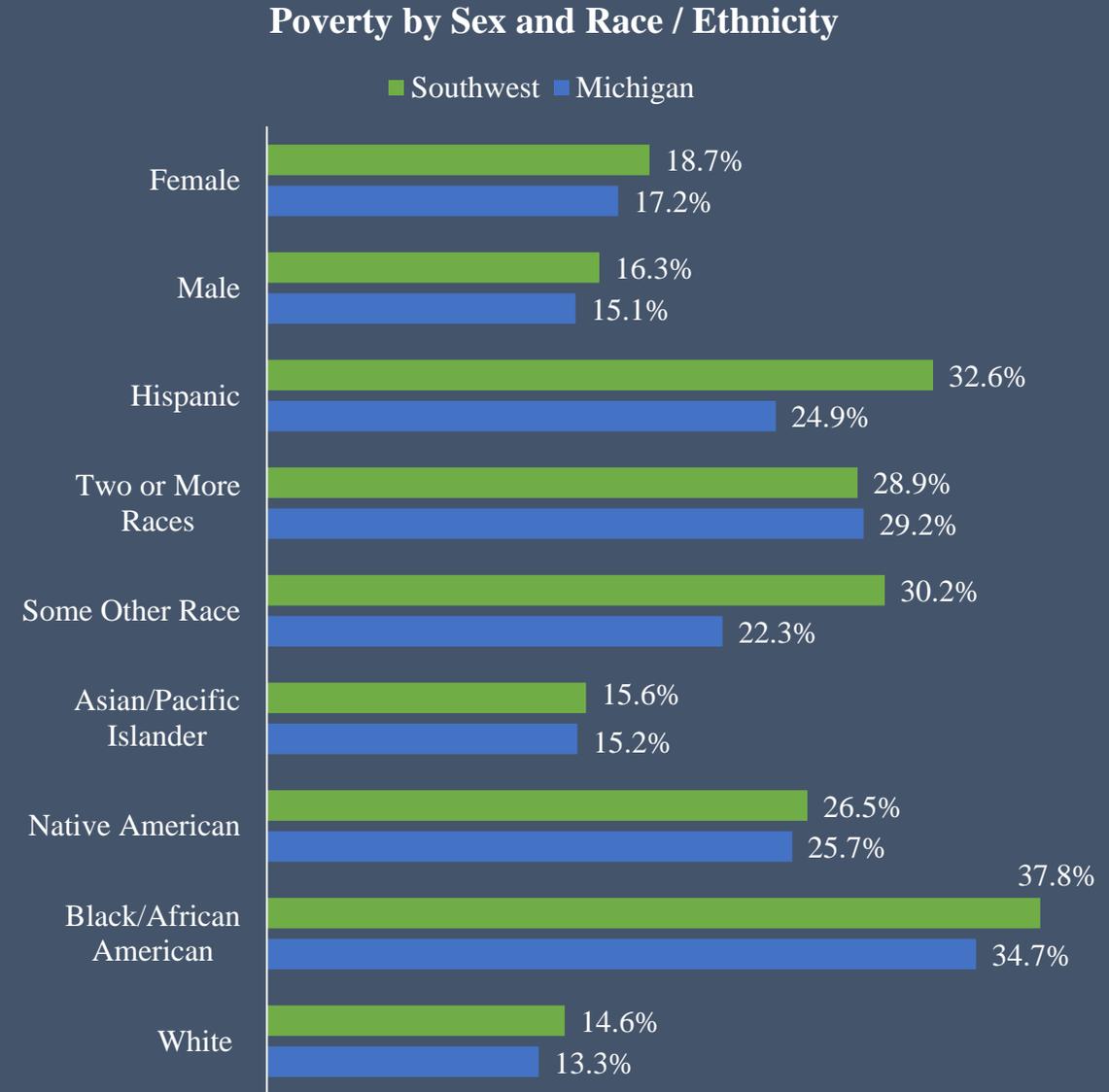
- The number of older workers, defined as those 55 years of age and older, staying active in the labor market has been on the rise, particularly after the 2009 financial crisis that depleted some retirement investments. **(Table 36)**
- In Southwest Michigan, the labor force participation rate of this group during 2010-14 was estimated at 36.1 percent, nearly a percentage point above the rate during the 2005-09 timeframe. The number of individuals in this group that were in the labor force (employed or looking for jobs) rose by 15 percent in Southwest Michigan and by 19 percent in Michigan over this period. **(Table 36)**



Source: U.S. Bureau of the Census, 2005-2009 and 2010-2014 American Community Survey Five-Year Estimates

Poverty Rate at 17.5 Percent in Southwest Michigan, Slightly Above Statewide Rate.

- In 2014, the U. S. Census Bureau estimated that 136,400 individuals (or 17.5 percent of the population) lived below the poverty line in Southwest Michigan. That is about 1.3 percentage points above the state poverty rate. **(Table 37)**
- African Americans and Hispanics recorded higher percentages of people living in poverty than any other race/ethnic group and above the statewide rate. **(Table 37)**
- The share of women living in poverty is slightly higher than that of men in both areas. **(Table 37)**



Source: U.S. Bureau of the Census, 2010-2014 American Community Survey Five-Year Estimates

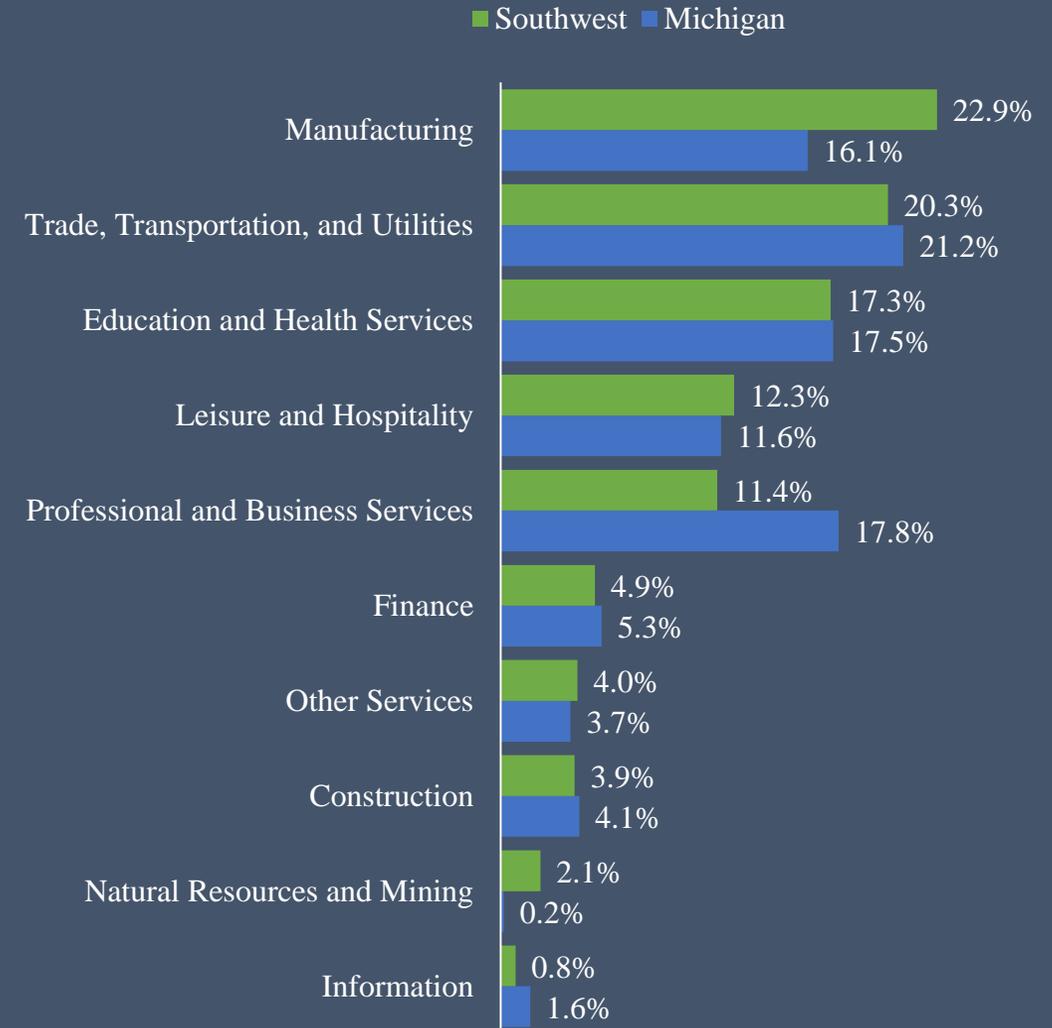
Existing and Emerging In- Demand Industry Sectors and Occupations

Tables 9-12 and 18-27

Over 80 Percent of Region's Jobs Concentrated in Five Major Industries.

- With many world class manufactures like Whirlpool, American Axle, Lear Corporation, Pfizer, Stryker, Kellogg, and others operating in Southwest Michigan, *Manufacturing* remains the region's largest industry.
- *Manufacturing* is followed by *Trade, Transportation, and Utilities*, *Education & Health Services*, and *Leisure and Hospitality*. **(Table 9)**
- *Professional and Business Services* ranks as the 5th largest employer in the region. This is in contrast to the statewide industry composition, where this sector is the second largest and *Manufacturing* fourth largest among all private employers. **(Table 9)**

Distribution of Industry Jobs, 2nd Quarter 2015

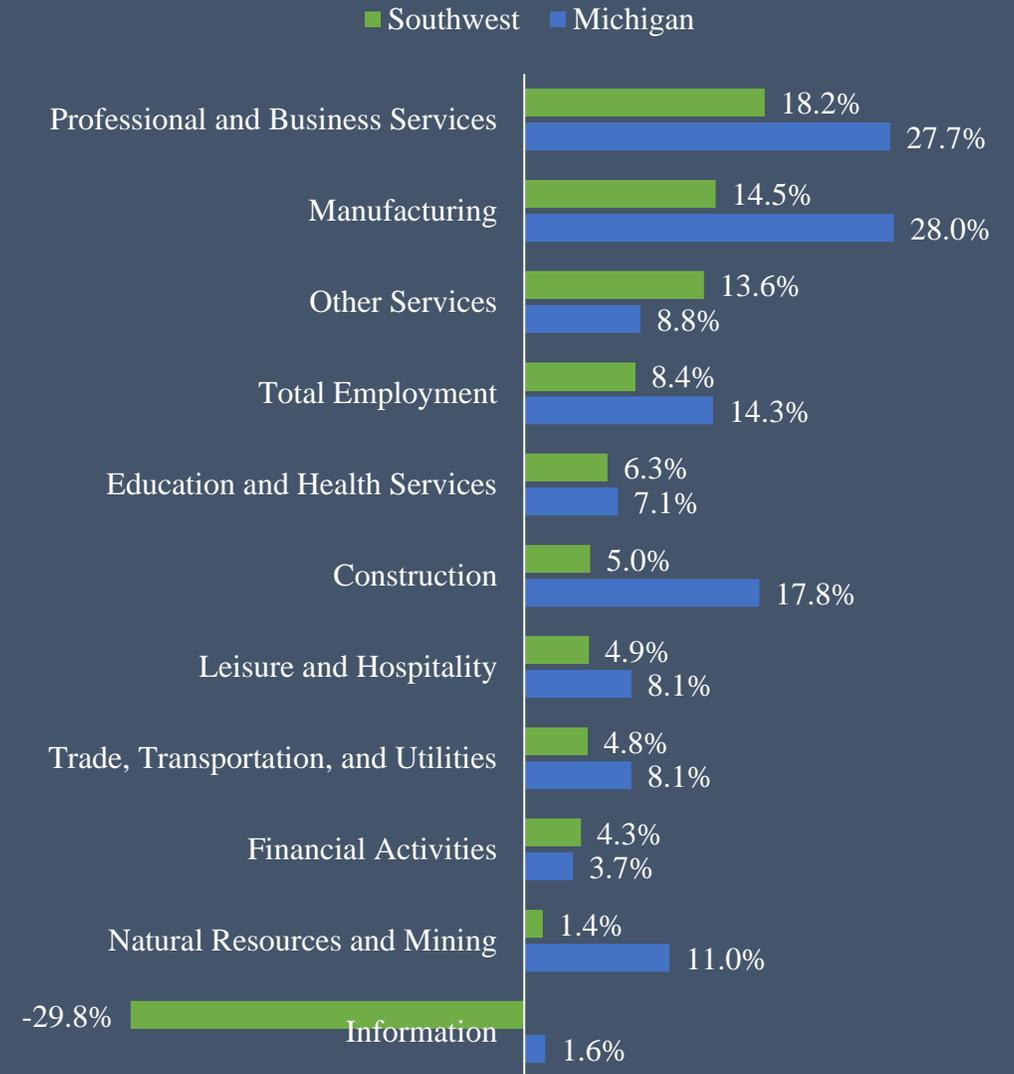


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

Private Sector Jobs Grow by 19,850 or 8.4 percent Between 2009 and 2015.

- Southwest Michigan saw private sector jobs expand by 19,850 or 8.4 percent since 2009, fueled by a 7,425 job expansion in *Manufacturing* and 4,475 job expansion in *Professional and Business Services*. Statewide, private payrolls grew by 453,500 or 14.3 percent during the same period. (Table 9)
- Continued growth was seen in *Private Education and Health Services* while job gains in *Construction, Leisure, and Trade* have seen an uptick in the last few years.
- The only industry to see private sector job losses over 2009 levels was *Information*. This sector was down by 2,000 jobs or 30 percent, following company merging and downsizing in the publishing industries (except the Internet).

Private Sector Job Trends



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

Online Job Postings Reach 12,350 in 1st Quarter 2016.

Online Advertised Job Postings - Southwest Michigan

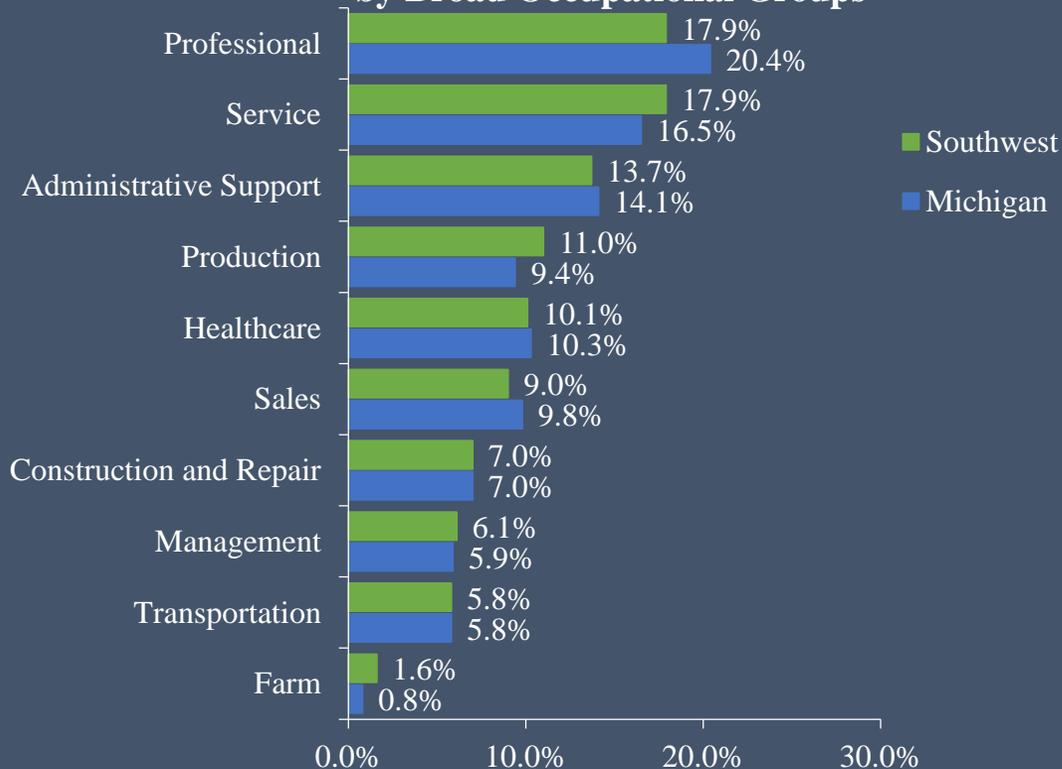
Job Title	Number
Heavy and Tractor-Trailer Truck Drivers	1,108
Registered Nurses	445
Retail Salespersons	348
First-Line Supervisors of Retail Sales Workers	306
Industrial Engineers	295
First-Line Supervisors - Production & Operating Workers	259
Maintenance and Repair Workers, General	234
Customer Service Representatives	205
First-Line Supervisors-Food Prep. & Serving Workers	180
First-Line Supervisors of Office & Admin. Sup. Workers	166

Source: The Conference Board, Help Wanted Online Database

- In the 1st Quarter 2016, there were 12,350 online advertised job postings in Southwest Michigan, according to the Conference Board's Help Wanted Online Database. **(Table 19)**
- The majority of top job advertisements posted online require a high school diploma, some vocational training, or an associate's degree. In Southwest Michigan, nine of the top ten online job postings during the first quarter of 2016 fell in this category. The range was eight of ten statewide.
- As the economy recovers, more businesses are in need of workers' supervisors to run the growing businesses. Four of the top ten job ads in Southwest Michigan (three of ten statewide) were for First-line Supervisors, during the first quarter of 2016. **(Table 19)**

Higher Shares of Production and Service Jobs Projected by 2022 in Southwest Michigan than Statewide.

Projected 2022 Distribution of Jobs by Broad Occupational Groups



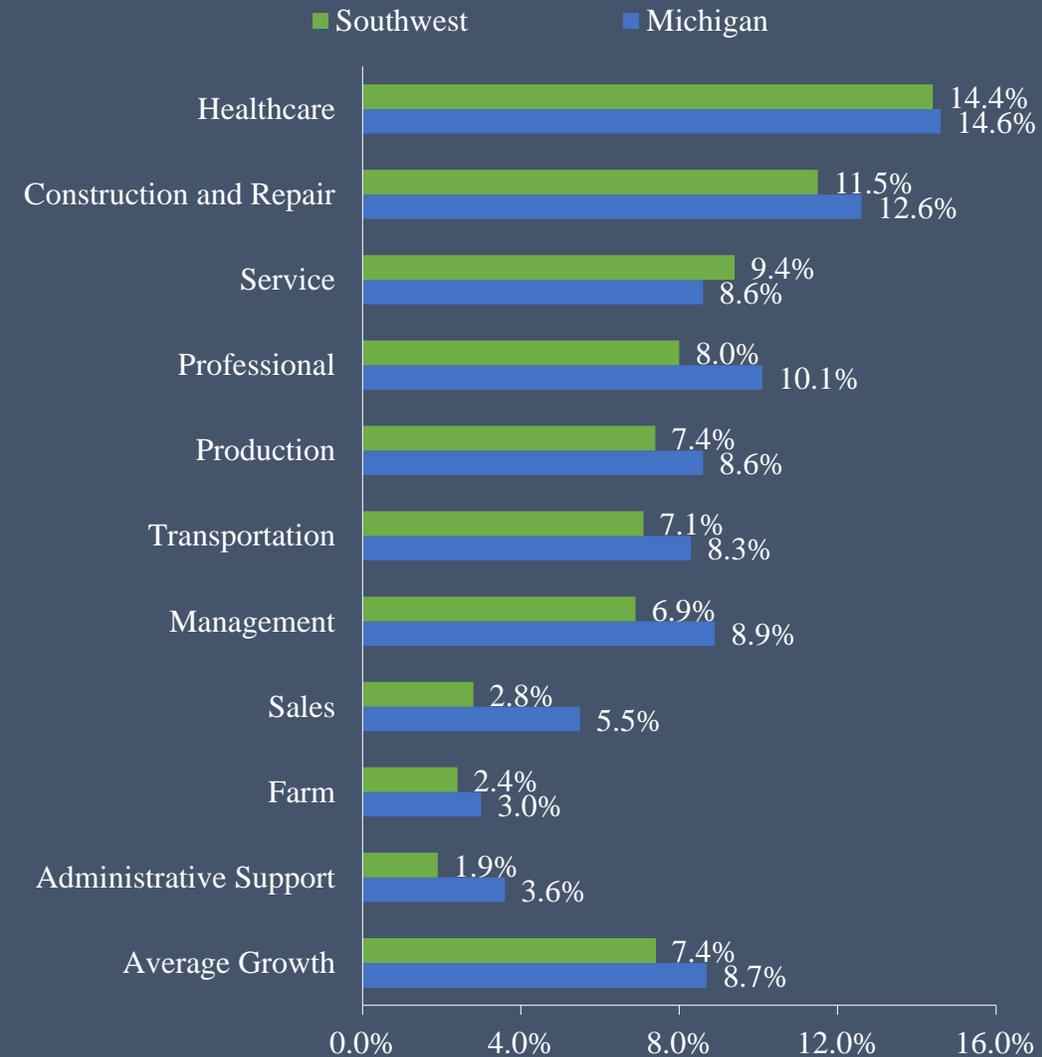
Source: Bureau of Labor Market Information and Strategic Initiatives

- Of the roughly 344,500 expected jobs in Southwest Michigan by 2022 (7.4 percent above the 2012 level), about half will be in three major occupational groups:
 - Professional* – is the largest occupational group with 17.9% (state: 20.4%) of total jobs. It includes a diverse set of jobs, such as business, computer, technical, science, social service, and education positions.
 - Service* – at 17.9% (or 1.4 percentage points above statewide share), is the second largest occupational category in terms of total jobs. It includes occupations in protective services, food preparation and servicing, building and grounds cleaning and maintenance, and personal care services.
 - Administrative Support*, third in size, contributes about 13.7% of the region’s employment (similar to statewide share). This occupational group includes some of the largest single occupations such as bookkeepers, secretaries and office clerks.
- The group of *Production* occupations is the fourth largest employer at 11.0% share of employment, surpassing the statewide share of 9.4% for this group. Southwest Michigan is home to well-established manufacturers such as American Axle, Kellogg, Lear, Pfizer, Stryker, Whirlpool, and others.
- The group of *Healthcare* services is the fifth largest employer at 10.1% share of employment (state: 10.3%). Just like for the state and the nation, many health careers in Southwest Michigan are forecast to show strong growth. **(Table 20)**

Occupational Growth Rates in Southwest Michigan Are Projected to Be Slightly Below Statewide Average.

- With the exception of the *Service* occupational group, employment in all other occupational groups in Southwest Michigan is projected to grow below or at the statewide average through 2022.
- Three groups of occupations are expected to contribute about 60 percent of the new jobs due to growth in Southwest Michigan.
 - *Service* occupational group is the largest contributor to Southwest Michigan projected new jobs due to growth at about 22 percent of all new jobs in the region (or +5,300 jobs). At 9.4 percent growth, new jobs in this group are also projected to grow about eight tenths of a percent faster than the statewide job expansion for this group.
 - *Professional* occupational group is the second-largest contributor to Southwest Michigan projected new jobs due to growth at about 19 percent of all new jobs in the region (or +4,550). The *Professional* occupational group in Southwest Michigan is projected to grow by only 8.0 percent, right after *Healthcare*, *Construction*, and *Service* occupational groups.
 - *Healthcare* occupational group is projected to be the third-largest contributor of new jobs in Southwest Michigan by 2022 (about 4,400). The group is also projected to grow the fastest in both the Southwest region and the state at 14.4 and 14.6 percent, respectively. The new jobs will include practitioners (*Physicians, Surgeons, Dentists*, etc.) and technicians (*RN, LPN, Physician assistants*, etc.), as well as support staff (*Home health aides, Medical assistants*, etc.).
- *Construction and Repair* is expected to be the second-fastest growing occupational group in Southwest Michigan and the state. However, because of its relatively smaller size, this group will add 2,500 new jobs to the area's workforce, making it the fifth largest contributor of new jobs due to growth. (Table 20)

Projected 2022 Percent Growth by Broad Occupational Groups

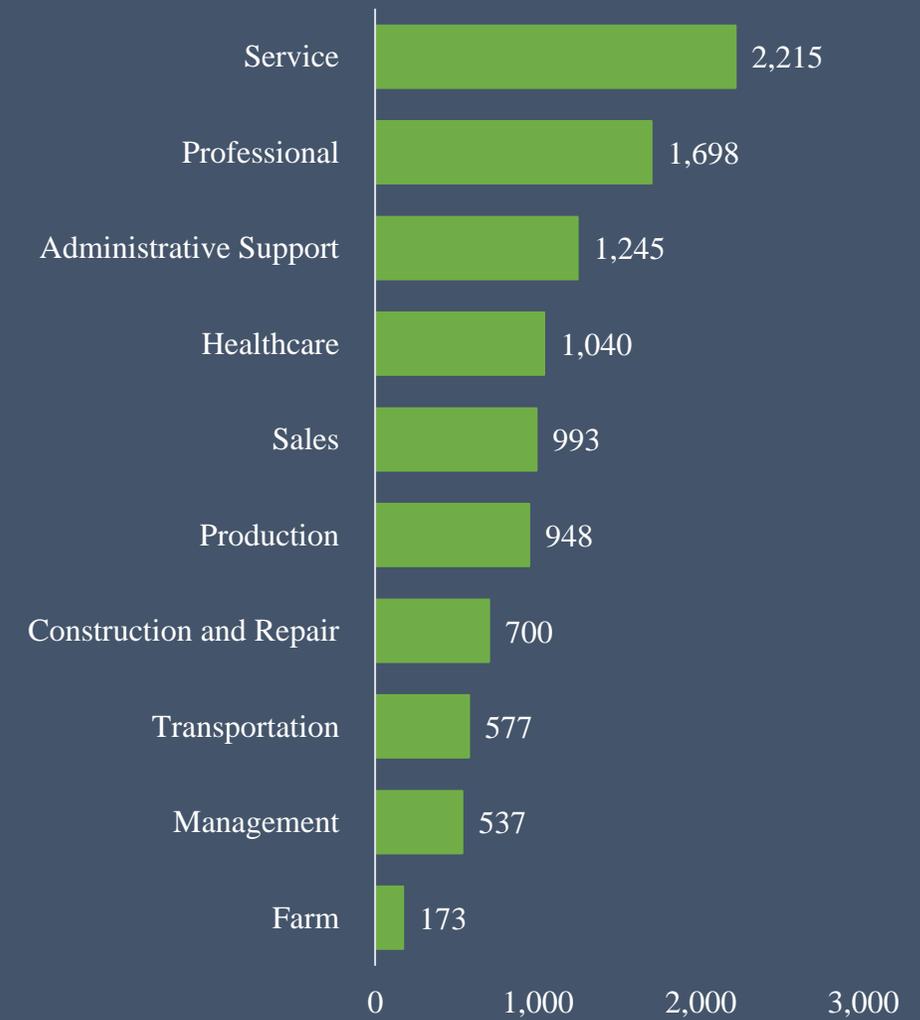


Source: Bureau of Labor Market Information and Strategic Initiatives

Occupations with Large Employment Base Create More Openings Out of the Need to Replace Workers.

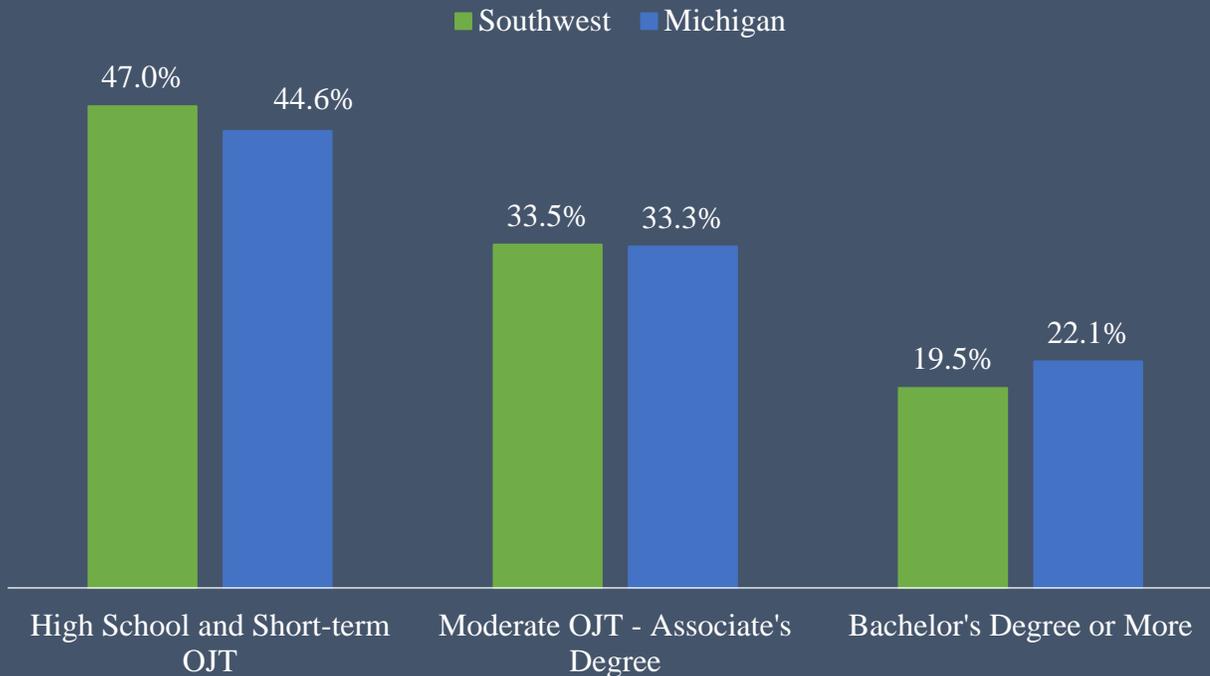
- In general, the top several occupational groups will add the most jobs simply because of their size. But some of these job categories also have above average rates of growth.
- In the Southwest Michigan region, about a quarter of all annual openings are expected to come from employment expansion (about three percent points below statewide share), while the remaining 75 percent will be from the need to replace workers that leave their positions for various economic reasons (e.g., retirement, out-migration, etc.) . **(Table 20)**

Projected Annual Openings by Broad Occupational Groups (2012 – 2022)



Nearly Half of Jobs In Southwest Michigan Will Require a H.S. Diploma, with Minimal Training.

Projected Occupational Employment by Education (Share of Total)



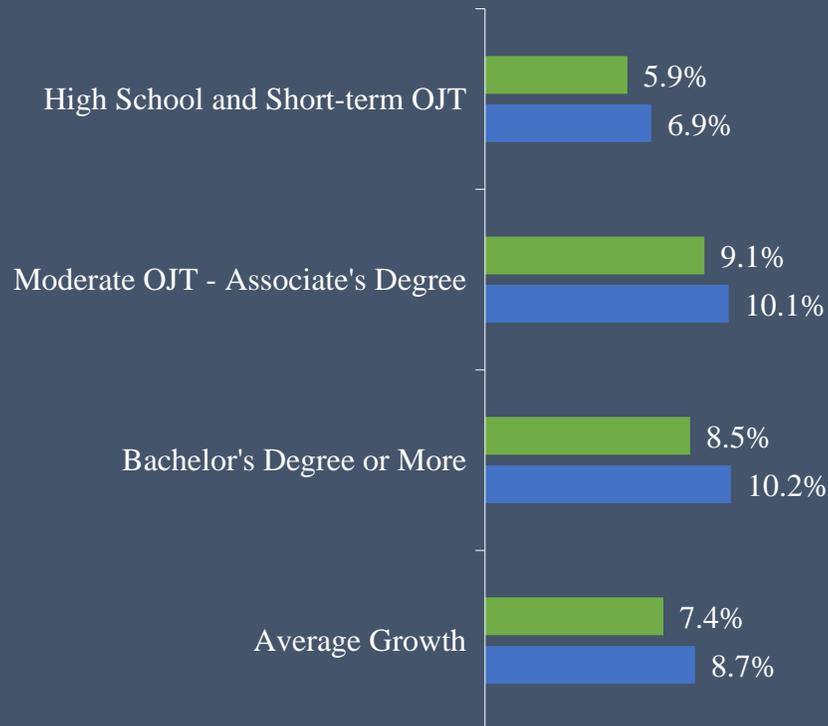
Source: Bureau of Labor Market Information and Strategic Initiatives

Another way to look at the future structure of the job market is by education or training requirements.

- By 2022, about 47 percent of Southwest Michigan jobs (45 percent statewide) will still require only a high school diploma or less, with short-term to no on-the-job training (a drop of seven tenths of a percentage point from 2012). These occupations have a large employment base and will create jobs through the need to replace workers.
- Just like in 2012, a third of the area's jobs will require an Associate's degree, a post-secondary training, some college with no degree, or a high school diploma or less accompanied with an extended period (six months or more) of apprenticeship and/or on-the-job training. Many health and construction careers are in this group and are associated with long-run employment growth, high earnings, and low unemployment status.
- Virtually unchanged from the 2012 level is the 2022 projected share of jobs requiring a Bachelor's degree or more, estimated at around 20 percent of total employment in Southwest Michigan. This share is about three percentage points below the statewide average.

Slightly Slower Projected 2022 Growth in Southwest Michigan than Statewide for Every Educational Group.

Projected Occupational Growth by Education



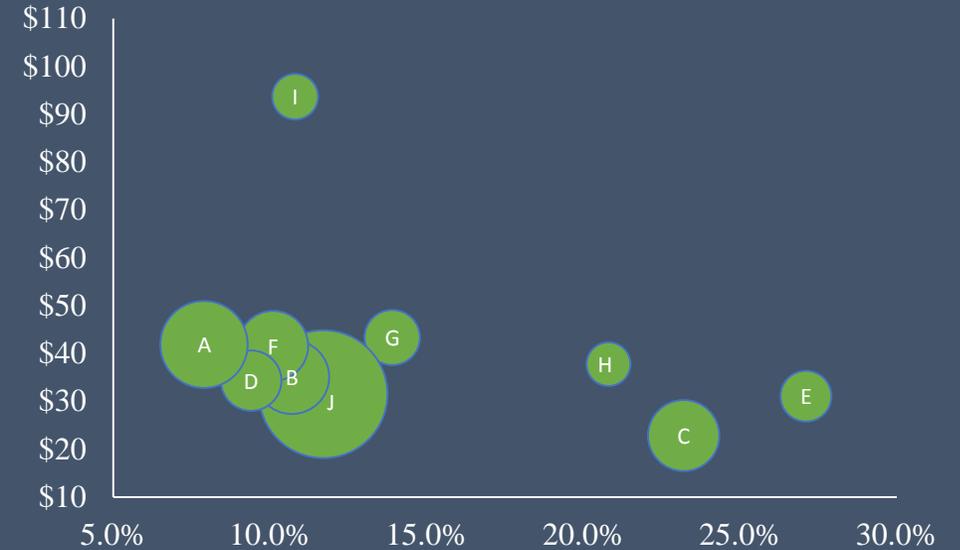
Source: Bureau of Labor Market Information and Strategic Initiatives

- Jobs requiring an Associate’s degree or six months or more of on-the-job training will grow by 9.1 percent, close to two percentage points faster than the overall growth average of 7.4 percent in the area, but a full percentage point slower than the growth of this group statewide. Within this group, those requiring an Associate’s degree will grow fastest. That includes rapid-advancing healthcare careers such as *RN* and *LPN*.
- Also growing faster than the regional growth average are careers requiring advanced degrees of formal education (Bachelor’s and above). Many *Professional* occupations are in this category.
- Many careers requiring a HS diploma or less, with short-term to no training are expected to grow below the regional average pace and below the statewide growth rate for this same group.

Southwest Michigan High-Demand, High-Wage Occupations Are Dominated by Professional Careers.

- High-demand, high-wage occupations are jobs that demonstrate a favorable mix of long-term job growth, annual openings from both growth and replacement, and median wages.
- The size of the bubble on the chart represents the total number of projected annual openings. For instance, *Registered Nurses* (occupations J on the chart) will generate the highest number of annual openings but mostly due the need to replace workers (a ratio of 6 to 10 annually). On the other hand, *Market Research Analysts* (occupation E) is small but will create about 66 percent of openings due to economic growth.
- In general, occupations with a large employment base create many job openings due to the need to replace workers.
- When the list of high-demand, high-wage occupations is broken down by required training, it becomes clear that the pay level is directly correlated with the level of formal education and/or the length of job training or apprenticeship. (Tables 24-27)

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



	Occupation		Occupation
A	General and Operations Managers	F	Mechanical Engineers
B	Industrial Engineers	G	Medical and Health Services Managers
C	Industrial Machinery Mechanics	H	Physical Therapists
D	Management Analysts	I	Physicians and Surgeons, All Other
E	Market Research Analysts and Marketing Specialists	J	Registered Nurses

Source: Bureau of Labor Market Information and Strategic Initiatives