

CURRENT EMPLOYMENT STATISTICS MONTHLY INDUSTRY EMPLOYMENT HIGHLIGHTS

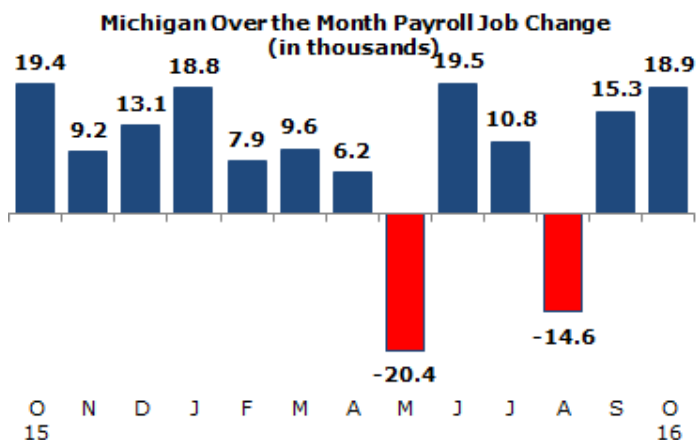
October 2016 - MICHIGAN

Seasonally Adjusted Preliminary Estimates

Jeff Aula

OVERVIEW

Total Nonfarm Jobs (+18,900)



Total nonfarm payroll jobs increased by 18,900 during October to total 4,360,600. Six of the 11 broad industry sectors contributed to this gain with the largest job additions reported in *Leisure and hospitality* (+8,200), *Construction* (+6,000), *Professional and business services* (+3,800), and *Manufacturing* (+2,400). Small monthly job reductions occurred in *Trade, transportation, and utilities* (-1,900), *Government* (-500), *Mining and logging* (-200), and *Other services* (-100).

Between October 2015 and October 2016, total nonfarm payrolls rose by 94,300, or 2.2 percent. This exceeded the 1.7 percent job growth rate nationally during this period. In Michigan, the largest over the year job gains occurred in *Professional and business services* (+23,200), *Leisure and hospitality* (+16,700), *Education and health services* (+15,400), and *Manufacturing* (+11,100). Significant employment growth was also reported in *Construction* (+9,600), *Financial activities* (+6,600), *Government* (+6,000), *Other services* (+2,900), and *Information* (+1,700). Job levels declined over the year in *Mining and logging* (-400).

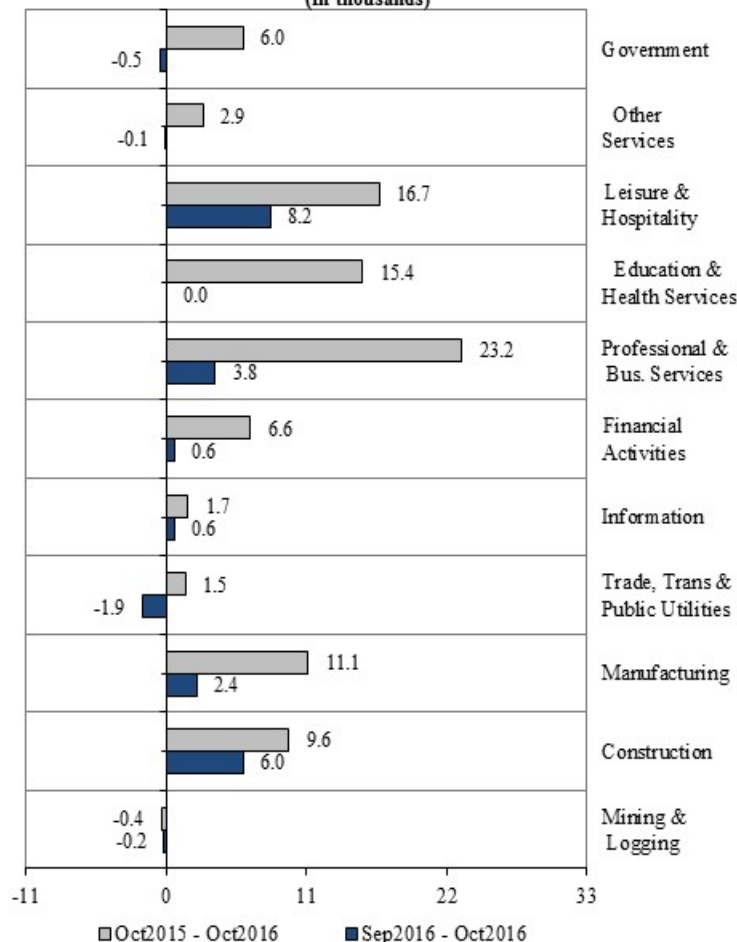
Nationally, payroll jobs rose by 161,000 in October. Job growth averaged 181,000 per month so far this year compared to 229,000 per month in 2015. The sectors with the largest job gains in October were *Education and health services* (+52,000), *Professional and business services* (+43,000), *Government* (+19,000), and *Financial activities* (+14,000).

In Michigan, the growth rate in total nonfarm payroll employment (+1.7%) has been somewhat larger than the advance nationally (+1.3%) during the first 10 months of this year. Michigan has added 72,000 jobs during the January through October period.

Michigan outperformed the U.S. in percent job change in eight broad industry sectors during the first 10 months of 2016. These included *Information* (+3.9%), *Professional and business services* (+3.6%), *Leisure and hospitality* (+3.3%), *Construction* (+2.8%), *Financial activities* (+2.3%), *Other services* (+1.6%), *Manufacturing* (+1.2%), and *Mining and logging* (-5.4%).

The major industry groups where Michigan has lagged behind the nation in job change over this period included *Education and health services* (+1.7%), *Government* (+0.8%), and *Trade, transportation, and utilities* (-0.2%).

Job Change by Industry Over the Month & Over the Year (in thousands)



INDUSTRY EMPLOYMENT DEVELOPMENTS

LEISURE AND HOSPITALITY employment rose by 8,200 in October, on a seasonally adjusted basis. On an unadjusted basis, jobs fell in this sector as the summer tourism season ended. Since October 2015, job gains in *Accommodation and foodservices* (+15,100) and *Arts, entertainment, and recreation* (+1,600) combined for a 16,700 increase in the broad sector. Nationally, jobs rose by 10,000 in October and by 304,000 over the year.

CONSTRUCTION sector payrolls grew by 6,000 over the month. This gain was partially due to an atypical October increase in the *Construction of buildings* and *Specialty trade contractors* subsectors. Over the year, 9,600 jobs were added in the broad sector. Nationally, jobs grew by 11,000 over the month and by 195,000 over the year.

PROFESSIONAL AND BUSINESS SERVICES employers added 3,800 jobs in October. These additions brought job levels in the broad sector to an all-time high of 668,900. The majority of this increase was reported in *Administrative and support and waste management and remediation services* (+2,600) and *Professional, scientific, and technical services* (+1,000). Part of this gain in the broad sector was due to an atypically large employment increase in *Accounting, tax preparation, bookkeeping, and payroll services*. Over the year, broad sector employment rose 23,200 with the majority of these additions occurring in *Professional, scientific, and technical services* (+15,700). Nationally, employment increased by 43,000 over the month and by 542,000 over the year.

MANUFACTURING job levels increased by 2,400 over the month as employers in both the *Durable goods* (+1,900) and *Nondurable goods* (+500) sectors added to their payrolls. Employment in the state's key *Transportation equipment manufacturing* sector declined by 1,300 in October. Since October 2015, *Manufacturing* employment has grown by 11,100 with both the *Durable goods* (+8,700) and *Nondurable* (+2,400) sectors adding jobs. The *Transportation equipment manufacturing* (+3,600) sector accounted for nearly one-third of the over the year job gain in the broad sector. Nationally, *Manufacturing* employment declined by 9,000 over the month, and unlike Michigan, fell by 53,000 over the year.

Seasonally adjusted average weekly hours increased by 0.2 hours in *Manufacturing* and by 0.7 hours in *Transportation equipment manufacturing* to total 43.0 and 45.6 hours respectively in October. Average weekly earnings rose in both *Manufacturing* (+\$17.84) and *Transportation equipment manufacturing* (+\$39.77) over the month.

TRADE, TRANSPORTATION AND UTILITIES employment declined by 1,900 in October as continued job losses in *Retail* (-1,700) and *Wholesale trade* (-600) outpaced a gain in *Transportation, warehousing, and utilities* (+400). The retail decline was primarily due to stronger than typical job cuts in *Building material and garden equipment dealers* and *Food and beverage stores*. The

Wholesale trade job cut was partially due to an atypical contraction in *Wholesale electronic and agents and brokers*. Since October 2015, small employment advances in *Retail* (+3,700) and *Transportation, warehousing, and utilities* (+700) offset job reductions in *Wholesale trade*. Nationally, employment rose by 13,000 in October and by 412,000 since October 2015.

FINANCIAL ACTIVITIES employers added 600 workers in October, a small gain of 0.3 percent. This increase was equally distributed between the *Finance and insurance* (+300) and *Real estate and rental and leasing* (+300) subsectors. Over the year, payrolls in the broad sector have grown by 6,600 jobs with most of this increase recorded in *Finance and insurance* (+5,200). Nationally, employment was up by 14,000 in October and by 172,000 since October 2015.

INFORMATION payrolls increased by 600 over the month and by 1,700 over the year. This sector has added 2,200 jobs for the 10-month period ending in October. Nationally, employment advanced by 4,000 in October and by 10,000 over the year.

GOVERNMENT job levels notched lower by 500 in October as decreases in staff at the *Local* (-3,300) level outpaced an increase at the *State* (+2,800) level. Some of the job decline at the local level reflects the staggered schedule by which municipalities cut seasonal workers. Between October 2015 and October 2016, *Government* employment advanced by 6,000 with the largest gains reported at the *Local* (+4,200) and *Federal* (+1,300) levels. Nationally, *Government* jobs increased by 19,000 over the month and by 208,000 over the year.

MINING AND LOGGING employment decreased by 200 in October and by 400 over the year. Nationally, employment declined by 2,000 over the month and by 108,000 over the year.

OTHER SERVICES job levels were essentially unchanged, inching down by 100 during October. This sector has added 2,800 jobs for the 10-month period ending in October, which accounts for the majority of the 2,900-job increase since October 2015. Nationally, employment advanced by 6,000 over the month and by 84,000 jobs over the year.

EDUCATION AND HEALTH SERVICES employment levels were unchanged in October as job additions in *Educational services* (+1,400) were countered by an equal number of job losses in *Healthcare and social assistance* (-1,400). Part of the job decline in *Healthcare and social assistance* was due to a larger than typical employment decrease in *Nursing and residential care facilities*. Between October 2015 and October 2016, the broad sector added 15,400 jobs. The majority of this increase was in *Health care and social assistance* (+14,500). Nationally, job levels were up by 52,000 over the month and by 591,000 over the year.

At a Glance: Michigan Seasonally Adjusted Data

October, 2016

(Employment in thousands)	October	September	October	OTM		OTY	
	2016(p)	2016	2015	Δ	%Δ	Δ	%Δ
Total Nonfarm	4360.6	4341.7	4266.3	18.9	0.4%	94.3	2.2%
Mining & Logging	7.0	7.2	7.4	-0.2	-2.8%	-0.4	-5.4%
Construction	156.5	150.5	146.9	6	4.0%	9.6	6.5%
Manufacturing	600.7	598.3	589.6	2.4	0.4%	11.1	1.9%
Trade, Trans, and Utilities	772.2	774.1	770.7	-1.9	-0.2%	1.5	0.2%
Information	58.9	58.3	57.2	0.6	1.0%	1.7	3.0%
Financial Activities	215.7	215.1	209.1	0.6	0.3%	6.6	3.2%
Prof & Bus. Services	668.9	665.1	645.7	3.8	0.6%	23.2	3.6%
Edu. & Health Services	669.9	669.9	654.5	0	0.0%	15.4	2.4%
Leisure & Hospitality	434.4	426.2	417.7	8.2	1.9%	16.7	4.0%
Other Services	173.0	173.1	170.1	-0.1	-0.1%	2.9	1.7%
Government	603.4	603.9	597.4	-0.5	-0.1%	6	1.0%

