



STATE OF MICHIGAN

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LANSING

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Michigan July jobless rate down, but pace of job expansion moderates

LANSING, Mich. -- Michigan's published seasonally adjusted unemployment rate in July 2020 was 8.7 percent, according to data released today by the Michigan Department of Technology, Management & Budget. July payroll jobs in Michigan rose by 103,000, but this was well below the 266,000 jobs added in the month of June.

The U.S. jobless rate moved down by nine-tenths of a percentage point between June and July to 10.2 percent. Michigan's July rate was 1.5 percentage points below the national rate.

"Michigan has now recovered about half of the coronavirus-related job cuts that occurred in March and April 2020," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "Payroll employment has increased by about 540,000 over the three-month period of May through July 2020."

Monthly labor force trends and highlights

- Michigan labor force estimates in July 2020 were difficult to evaluate, particularly due to a sharp estimated reduction in the number of unemployed. This monthly drop exceeded other indicators, such as the decline in the number of continued unemployment insurance claimants.
- A better measure may be the average number of employed and unemployed over the last three months in Michigan:
 - Michigan employment:
 - From May-July, Michigan's employment level averaged 652,000 below the prepandemic February 2020 level.
 - Michigan unemployment:
 - From May-July, Michigan's unemployment level averaged 543,000 above the prepandemic February 2020 level.
- Over the year, the number of Michigan employed fell by 7.0 percent, while national employment receded by 8.8 percent.

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**Michigan
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	July 2020	June 2020	July 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	4,816	4,943	4,934	-127	-2.6%	-118	-2.4%
Employment	4,398	4,205	4,732	193	4.6%	-334	-7.1%
Unemployment	418	738	203	-320	-43.4%	215	105.9%
Rate (Percent)	8.7	14.9	4.1	xxx	xxx	xxx	xxx

Detroit metropolitan area's unemployment rate declines in July

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA) seasonally adjusted jobless rate receded in July to 9.2 percent. Total employment rose by 147,000, or 8.8 percent, over the month. The monthly published unemployment decrease was very large in July and difficult to evaluate. Over the last three months, unemployment has averaged 250,000 above the prepandemic February level.

The July Detroit MSA unemployment rate was 4.9 percentage points above the July 2019 level, but over the last three months, the rate has averaged a very high 16.7 percent.

**Detroit-Warren-Dearborn MSA
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	July 2020	June 2020	July 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	2,012	2,046	2,161	-34	-1.7%	-149	-6.9%
Employment	1,827	1,680	2,067	147	8.8%	-240	-11.6%
Unemployment	186	366	94	-180	-49.2%	92	97.9%
Rate (Percent)	9.2	17.9	4.3	xxx	xxx	xxx	xxx

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Nonfarm jobs increase for third consecutive month, but at lower pace

The monthly survey of employers showed that seasonally adjusted jobs rebounded in Michigan for the third straight month, up by 103,000, or 2.7 percent. This gain was well below the job advance in June (+266,300).

Most major industry sectors exhibited employment increases in July. Leisure and hospitality recorded the largest monthly industry job advance on both a numeric and percentage basis, up by 28,000, or 11.7 percent.

Industry employment trends and highlights

- July statewide nonfarm jobs moved up for the third consecutive month after the bulk of the coronavirus-related layoffs during April. Since April, seasonally adjusted employment increased by 540,000, or approximately 16.0 percent.
- Over the year, total Michigan nonfarm jobs fell by 491,000, or 11.1 percent.
- Job advances in July in the state's Transportation equipment manufacturing sector were well below the pace of hiring in June, but the industry added 9,000 jobs over the month. Typical July retooling-related layoffs in the auto sector did not occur in 2020.
- All major Michigan industries registered job cuts since July 2019.
- Construction had the smallest over-the-year percentage drop in jobs, receding by 1.4 percent since July 2019.

NOTE: The impact of the coronavirus pandemic on the "[Employment Situation for July 2020](#)" special notice was issued by the Bureau of Labor Statistics. This material addresses some of the questions about the effect of the pandemic on the employment situation for July 2020.

NOTE: This release reflects estimates of the number of Michigan unemployed from the Local Area Unemployment Statistics program. The primary source for the information is a monthly survey of Michigan households conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics.

In a separate database, every week, the U.S. Department of Labor's Employment and Training Administration (ETA) reports the number of people filing [initial and continued claims](#) for unemployment insurance (UI) benefits. A continued claim is filed after an initial claim to receive benefits for a particular week of unemployment.

Data users must be cautious about trying to compare or reconcile the UI claims data with the official unemployment figures derived from the household survey. The unemployment data gathered through the household survey do not depend upon the eligibility for or receipt of UI benefits. There are conceptual, coverage, and scope differences between the two data sources.

Under normal circumstances, these differences tend to cause the household survey estimate of unemployed people to be larger than the number of individuals claiming benefits in UI programs. However, the coronavirus pandemic is a unique circumstance in which the relative relationship between unemployment as measured by the household survey and recipients of unemployment compensation is volatile and can shift over time.

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Michigan
Payroll Employment Estimates
 Seasonally Adjusted
 (Data in Thousands)

	July** 2020	June* 2020	July 2019	Over the Month***		Over the Year ***	
				Numeric	Percent	Numeric	Percent
Total Nonfarm Payroll Jobs	3,941	3,838	4,433	103	2.7%	-491	-11.1%
Natural Resources and Mining	6	6	7	0	3.3%	-1	-14.9%
Construction	171	169	174	3	1.5%	-2	-1.4%
Manufacturing	560	550	626	9	1.7%	-67	-10.6%
Transportation Equipment	169	160	192	9	5.6%	-23	-11.8%
Trade, Transportation, and Utilities	744	732	796	12	1.6%	-52	-6.5%
Retail Trade	429	420	464	9	2.1%	-35	-7.5%
Information	50	50	55	-1	-1.2%	-6	-10.3%
Financial Activities	219	219	224	0	0.1%	-5	-2.3%
Professional and Business Services	588	561	653	27	4.9%	-65	-10.0%
Education and Health Services	618	610	681	8	1.4%	-63	-9.2%
Leisure and Hospitality Services	270	242	435	28	11.7%	-165	-37.9%
Other Services	144	132	167	12	9.0%	-23	-13.6%
Government	571	568	614	3	0.6%	-43	-7.0%

* Revised data for June 2020

** Preliminary data for July 2020

*** Change calculated using unrounded data

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Michigan
Hours and Earnings for Production Workers
 Seasonally Adjusted

Manufacturing							
	July 2020	June 2020	July 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Average Weekly Earnings	\$902.83	\$869.13	\$947.65	\$33.70	3.9%	-44.82	-4.7%
Average Weekly Hours	40.8	39.4	42.3	1.4	3.6%	-1.5	-3.5%
Transportation Equipment Manufacturing							
	July 2020	June 2020	July 2019	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Average Weekly Earnings	\$1,199.32	\$1,143.91	\$1,271.38	\$55.41	4.8%	-72.06	-5.7%
Average Weekly Hours	43.5	41.6	47.0	1.9	4.6%	-3.5	-7.4%

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