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Michigan payroll jobs down in October, jobless rate little changed

LANSING, Mich. -- Michigan's seasonally adjusted unemployment rate was essentially unchanged in October, inching down by a tenth of a percentage point to 4.1 percent, according to data released today by the Michigan Department of Technology, Management & Budget. However, payroll jobs fell sharply by 22,000, or 0.5 percent, over the month, due largely to a strike in the auto industry. (Persons on strike are counted as employed, having no impact on the unemployment rate. However, they are not included in the count of jobs, contributing to fewer payroll jobs.)

Nationally, the jobless rate advanced by one-tenth of a percentage point over the month and was 0.5 percentage points below the Michigan rate.

Michigan's October 2019 jobless rate of 4.1 percent was a tenth of a percentage point above the state's October 2018 rate, while the U.S. jobless rate edged down over that period by two-tenths of a percentage point.

"Michigan payroll jobs fell temporarily in October due to the large, nearly six week-long strike in the auto sector," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives, "Job levels in the manufacturing sector should rebound in November, as autoworkers are now back on the job."

Monthly labor force trends and highlights

- Michigan's total labor force fell slightly for the second consecutive month, edging down by 3,000.
- Michigan's total employment levels were little changed in October.
- Over the year, total employment in Michigan advanced by 1.0 percent, and the number of unemployed rose by 4.1 percent. In comparison, national employment increased by 1.2 percent, while unemployment fell by 4.2 percent since October 2018.

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MICHIGAN
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	October 2018	September 2019	October 2019	Change	
				Month	Year
Civilian Labor Force	4,900	4,961	4,958	-3	58
Employment	4,706	4,753	4,755	2	49
Unemployment	194	208	202	-6	8
Rate (Percent)	4.0	4.2	4.1	xxx	xxx

Detroit Metropolitan Area's October jobless rate at 4.2 percent

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) seasonally adjusted jobless rate declined by two-tenths of a percentage point over the month to 4.2 percent in October. Employment edged up by 5,000, and the area labor force was largely unchanged.

Over the year, the Detroit metro region jobless rate rose by 0.2 percentage points. Total employment advanced by 27,000, or 1.3 percent, while unemployment edged up by 4,000, or 4.7 percent. The workforce in the Detroit MSA increased by 32,000, or 1.5 percent, since October 2018.

Detroit-Warren-Dearborn MSA
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	October 2018	September 2019	October 2019	Change	
				Month	Year
Civilian Labor Force	2,132	2,163	2,164	1	32
Employment	2,046	2,068	2,073	5	27
Unemployment	86	95	90	-5	4
Rate (Percent)	4.0	4.4	4.2	Xxx	xxx

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October manufacturing jobs fall sharply due to strike

According to the monthly survey of employers, October's seasonally adjusted payroll jobs in Michigan fell by 22,000, or 0.5 percent, over the month, essentially due to a considerable job decline in the state's manufacturing sector. This change reflected workers on strike in the auto industry, as well as associated layoffs.

Industry employment trends and highlights

- The state's transportation equipment manufacturing sector payroll job level fell by 13.5 percent over the month due to the strike. This was the lowest job level in Michigan in this industry since September 2014.
- For the second consecutive month, Michigan's professional and business services industry demonstrated a decline in nonfarm jobs, receding by 0.6 percent over the month and 0.3 percent over the year.
- The state's leisure and hospitality sector recorded a slight increase in employment in October. Industry jobs advanced by 1.0 percent over the month and by 2.9 percent since October 2018.
- Since October 2018, payroll jobs in Michigan inched down by 2,000, but this was distorted by the impact of the auto strike. During the first nine months of 2019, Michigan payroll jobs averaged 4,445,000, or 29,000 above year-ago levels.
- Seasonally adjusted average weekly earnings for production workers in the transportation equipment sector fell by approximately 4.0 percent over the month.

Please note:

The large auto industry labor dispute began Monday, Sept. 16, and ended Friday, Oct. 25.

There are two basic measures published each month on employment. The statistical programs producing these two measures handle persons on strike in different ways.

- **Household survey - Local Area Unemployment Statistics program (LAUS)** - Estimates of the number of employed and unemployed in Michigan; and the unemployment rate.
 - Persons who are away from their job due to a labor dispute are considered employed in the LAUS program.
- **Establishment survey – Current Employment Statistics program (CES)** - Estimates of the number of payroll jobs in various industry sectors in the state.
 - The monthly estimates of the number of jobs by industry in Michigan will decline to reflect jobs involved with labor disputes.

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MICHIGAN
Payroll Employment Estimates
Seasonally Adjusted
 (Data in Thousands)

	<u>October</u> <u>2018</u>	<u>September*</u> <u>2019</u>	<u>October**</u> <u>2019</u>	CHANGE***	
				<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4,427	4,446	4,425	-22	-2
Natural Resources & Mining	7	7	7	0	0
Construction	170	173	174	1	4
Manufacturing	633	629	607	-22	-27
Transportation Equipment	195	196	170	-26	-25
Trade, Transportation & Utilities	795	794	796	3	2
Retail Trade	470	466	467	1	-3
Information	56	57	57	0	2
Financial Activities	219	224	225	0	6
Professional & Business Services	662	664	660	-4	-2
Education & Health Services	677	670	668	-2	-9
Leisure & Hospitality Services	436	444	449	4	13
Other Services	167	170	168	-2	2
Government	605	614	613	0	8

*Final data for September 2019

** Preliminary data for October 2019

*** Change calculated using unrounded data

Hours & Earnings for Production Workers
Seasonally Adjusted

Manufacturing

	<u>October</u> <u>2018</u>	<u>September</u> <u>2019</u>	<u>October</u> <u>2019</u>	CHANGE	
				<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$927.87	\$951.60	\$947.18	-\$4.42	\$19.31
Average Weekly Hours	42.9	42.8	42.1	-0.7	-0.8

Transportation Equipment

	<u>October</u> <u>2018</u>	<u>September</u> <u>2019</u>	<u>October</u> <u>2019</u>	CHANGE	
				<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$1,209.34	\$1,280.74	\$1,225.09	-\$55.65	\$15.75
Average Weekly Hours	47.7	47.4	45.5	-1.9	-2.2