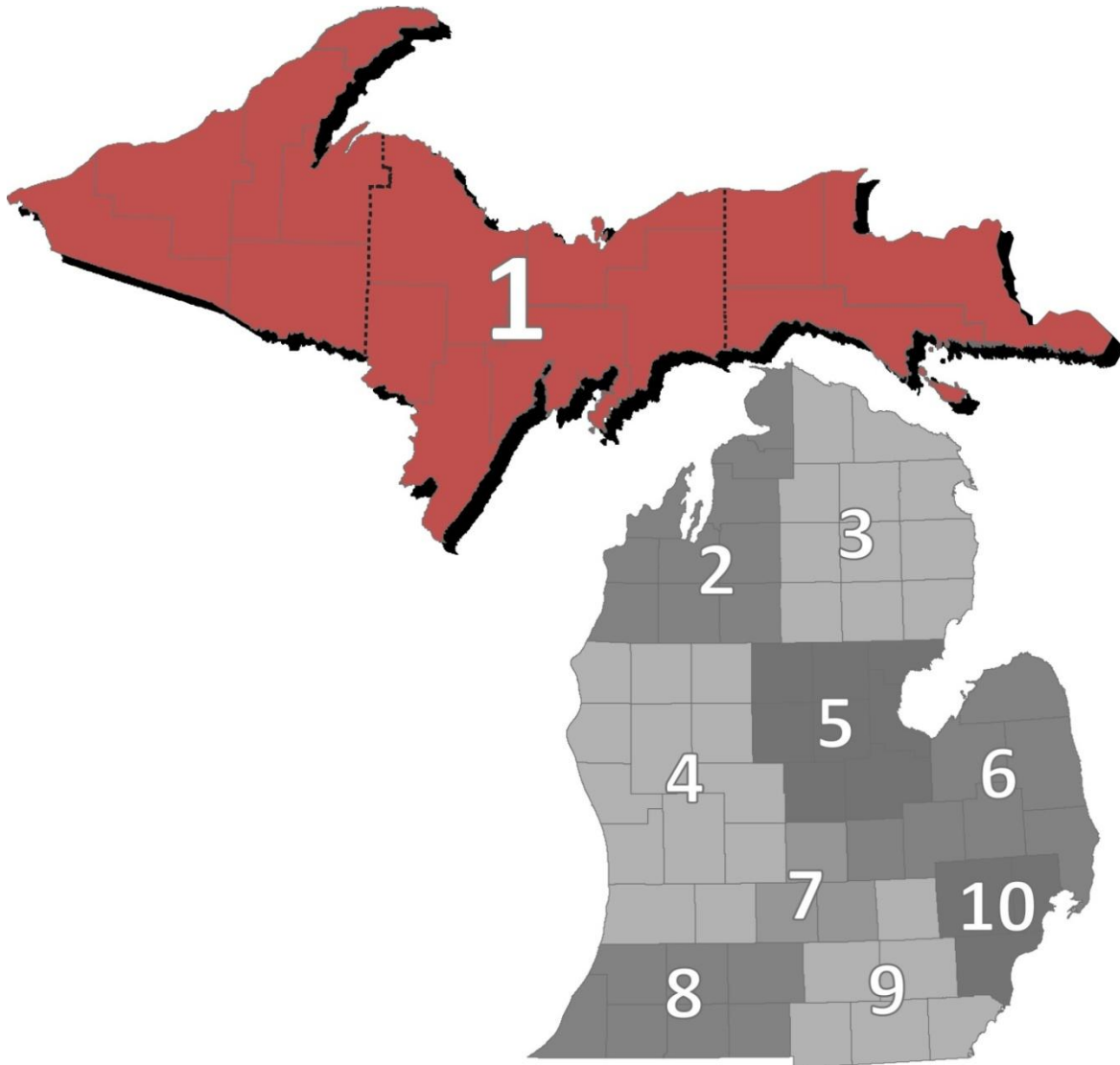


Regional Prosperity Initiative: Labor Market Information Supplement



Prepared For:

Upper Peninsula Prosperity Alliance (Region 1)

(Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, and Schoolcraft)

Prepared By:

State of Michigan

Department of Technology, Management, and Budget

Bureau of Labor Market Information and Strategic Initiatives

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POPULATION AND DEMOGRAPHICS

- As of 2012, the Upper Peninsula Prosperity Alliance (Region 1) had an estimated population of 310,787 representing 3.1 percent of the statewide population.
- Between 2000 and 2012, the Region’s population fell by over 6,800 residents or 2.1 percent. A combination of out-migration and natural population decline (deaths exceeding births) contributed to these losses. Over the same period, Michigan’s population remained relatively flat, edging down by 55,500 residents or 0.6 percent.
- The age distribution of the Region 1 population is slightly older than the Michigan average. In 2012, 34 percent of residents were at or nearing retirement age (55 or older) compared to 28 percent statewide. On par with statewide averages, about 25 percent of residents in Region 1 were in the younger workforce cohorts, including those 15 to 24 and 25 to 34.
- A solid 39 percent of Region 1 residents hold a high school diploma or equivalent. At both ends of the educational attainment spectrum, Region 1 shares fall below statewide averages. Fewer Upper Peninsula residents have less than a high school diploma (10 percent compared to 11.6 percent statewide), and fewer hold a Bachelor’s degree or more (20 percent compared to 25.3 percent).

Population and Demographics

Upper Peninsula Prosperity Alliance

310,787

Total Population, 2012 Estimate

3.1%

Share of State

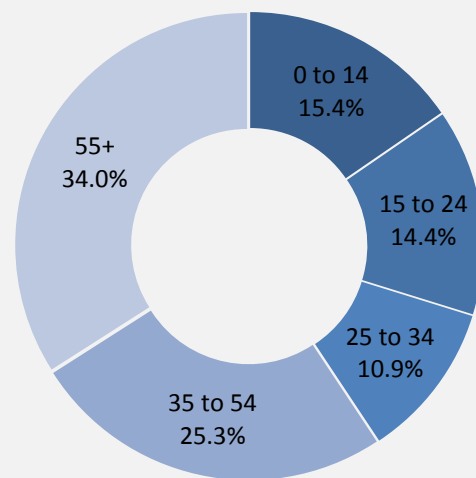
-6,813

Total Change in Residents, 2000-2012

-2.1%

Percent Change in Residents, 2000-2012

Population by Age



Population by Gender

48%
Female

52%
Male

Educational Attainment of 25+ Population

Less than High School Diploma

10% Share • **21,257** Residents

High School Graduate, GED or Alternative

39% Share • **84,377** Residents

Some College or Associate’s Degree

31% Share • **67,645** Residents

Bachelor’s Degree or Higher

20% Share • **44,243** Residents

Source: U.S. Census Bureau / DTMB, Center for Shared Solutions

LABOR FORCE AND UNEMPLOYMENT

- The Upper Peninsula Prosperity Alliance in 2013 had nearly 147,000 residents active in the Regional job market, either working or seeking a job. Since 2009, the Region’s labor force fell significantly by 8,200 or 5.3 percent. Over the same period, labor force levels statewide have also declined, down by 166,430 or 3.4 percent. Labor force reductions have been due to out-migration, increased retirements, as well as more discouragement among jobseekers.
- Labor force indicators from 2011-2013 in the Upper Peninsula have shown less improvement than was the case statewide. Labor force and employment levels have been relatively flat over the last year, although both measures showed slight improvement over the year in the second quarter 2013.
- The unemployment rate so far in 2013 was 9.9 percent, up slightly from the 2012 rate. The jobless rate has declined by just two percentage points since 2009, compared with the roughly four percentage point reduction in Michigan. The rate in Region 1 is now higher than the statewide rate of 9.1 percent.
- Michigan’s jobless rate drop since the national recession has been led by job recalls in *Manufacturing*. With the Upper Peninsula economy less reliant on factory jobs, the Region has recorded a bit less recall activity.

Labor Force and Unemployment

Upper Peninsula Prosperity Alliance

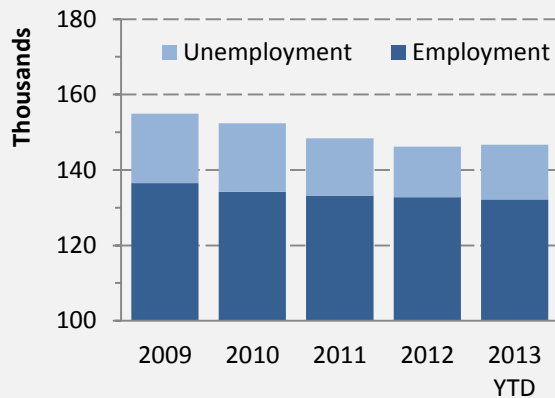
146,680

Labor Force Participants, 2013 YTD

-5.3%

Change in Labor Force, 2009-2013

Labor Force, Employment, Unemployment



Upper Peninsula Prosperity Alliance

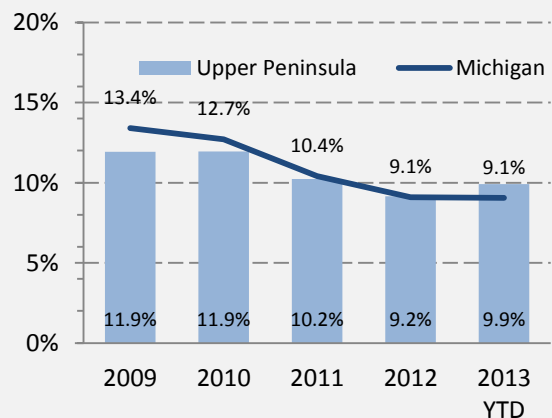
9.9%

Unemployment Rate, 2013 YTD

-2.0

Change in Unemployment Rate, 2009-2013

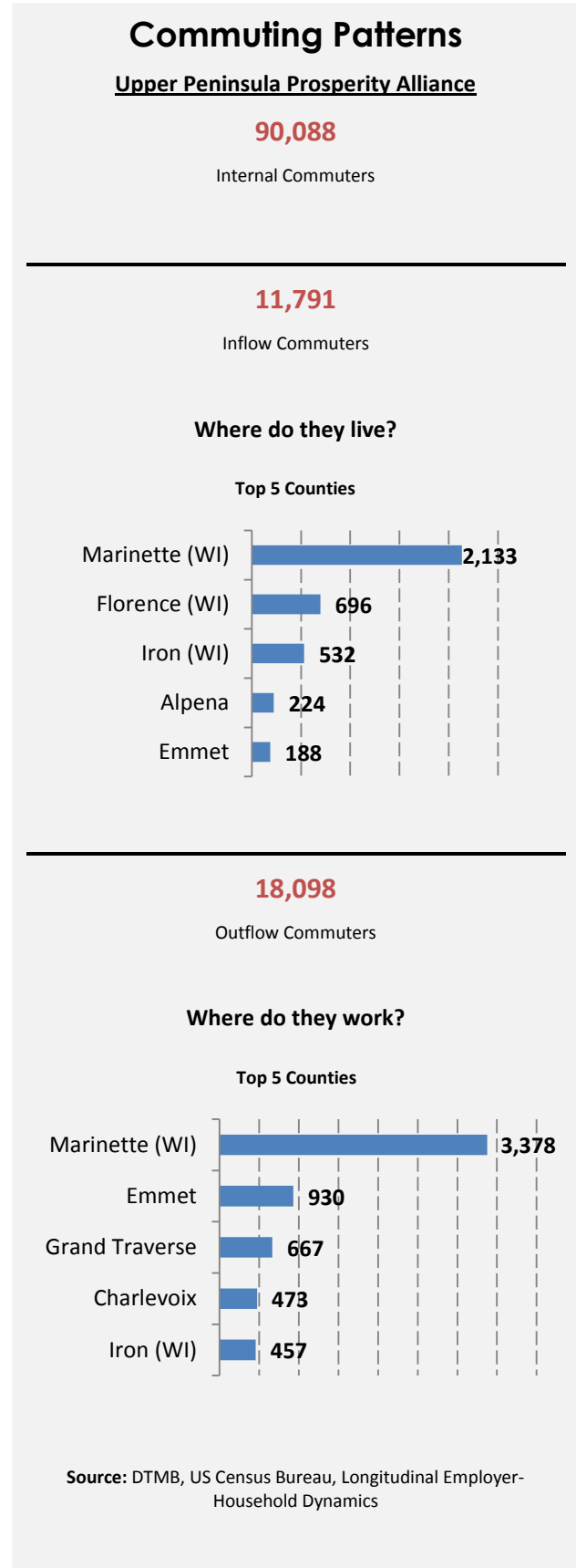
Unemployment Rate



Source: DTMB, Local Area Unemployment Statistics (LAUS)

COMMUTING PATTERNS

- The Upper Peninsula Prosperity Alliance has a total of 90,088 internal commuters, or those workers who both reside and are employed within Region 1. This ranks as the 7th largest internal commuting population out of the ten Prosperity Regions.
- Inflow commuters, those who live outside the Region but commute to work inside Region 1, total 11,791. The top three sources of commuters into the Region are the counties of Marinette (Wisconsin), Florence (Wisconsin), and Iron (Wisconsin). These inflow commuters account for just 11.6 percent of all those employed within Region 1.
- There are 18,098 residents of Region 1 who work elsewhere (outflow commuters). The primary destination for these commuters is Marinette County, Wisconsin. Marinette County alone is the employment center for 3,378 Region 1 residents, which accounts for almost 19 percent of all outflow commuters.
- Net commuting (inflow – outflow) in Region 1 is -6,307, meaning that there are more commuters leaving the Region to work than there are coming to the Region to work.
- The number of Region 1 residents commuting out of the Region actually increased from 2009-2011 faster than the gain in in-commuting.



INDUSTRY EMPLOYMENT

- In 2012, employers in the Upper Peninsula Prosperity Region supplied 112,200 payroll jobs, or 2.9 percent of statewide payrolls.
- Sixty-two percent of the Region’s jobs were concentrated in five industries: *Health care and social assistance, Retail trade, Accommodation and food services, Public administration, and Manufacturing.*
- *Health care and social assistance* establishments are a major source of employment in the Region, responsible for 19,843 jobs or 17.7 percent of total payrolls.
- *Retail trade* and *Accommodation and food services* are also a major source of jobs due to the impact of tourism on the Regional economy. Combined, these sectors account for nearly a quarter of all payroll jobs in Region 1. These industries employ high shares of younger workers, although many positions are part-time or relatively low wage.
- *Manufacturing* is a highly important industry, both in Michigan as well as Region 1. Within the Upper Peninsula Prosperity Region, *Paper manufacturing* makes up the largest proportion of jobs, employing nearly one in five of all *Manufacturing* workers.
- Behind *Paper manufacturing*, many jobs are found in *Fabricated metal manufacturing* and *Wood product manufacturing.*

Industry Employment

Upper Peninsula Prosperity Alliance

112,200

Total, All Industry Payroll Jobs

\$696

Total, All Industry Average Weekly Wage

Top 10 Industries by Employment

Health Care and Social Assistance

19,850 Jobs • 17.7% Share

Retail Trade

14,700 Jobs • 13.1% Share

Accommodation and Food Services

13,275 Jobs • 11.8% Share

Public Administration

11,350 Jobs • 10.1% Share

Manufacturing

10,700 Jobs • 9.5% Share

Educational Services (Public & Private)

9,650 Jobs • 8.6% Share

Construction

6,025 Jobs • 5.4% Share

Other Services (except Public Administration)

3,925 Jobs • 3.5% Share

Finance and Insurance

3,025 Jobs • 2.7% Share

Transportation and Warehousing

3,000 Jobs • 2.7% Share

Source: DTMB, Quarterly Census of Employment and Wages (Customized Report)

INDUSTRY JOB TRENDS

- Between 2009 and 2012, payroll jobs in the Upper Peninsula Prosperity Alliance have remained virtually unchanged. This is compared to the 4.0 percent growth in jobs statewide.
- *Manufacturing* tops the list of the Region’s high-growth industries. Since 2009, the Region 1 *Manufacturing* industry has added almost 1,200 jobs, for a gain of 12.5 percent. This advance lagged behind the Michigan growth rate in this industry of 17.1 percent.
- Over this period, significant job gains were also recorded in *Administrative and support and waste management*. Due primarily to the rise of staffing firms, employment in this industry advanced by 500 or 25.9 percent. However, this industry still accounts for a smaller share of total jobs in the Region (just 2.1 percent) than in other Prosperity Regions across the State.
- There has been a decrease in jobs in the *Public administration* sector since 2009 of almost 8 percent. This reflects payroll job decreases seen in both subsectors: *Executive, legislative, and other general government support* and *Justice, public order, and safety activities*.
- The largest numeric payroll job decline in the private sector occurred in *Retail Trade*, a decrease of 475 jobs or 3.2 percent.

Industry Job Trends

Upper Peninsula Prosperity Alliance

-100

Change in Payroll Jobs, 2nd Qtr. 2009 – 2nd Qtr. 2012

-0.1%

Percent Change in Payroll Jobs, 2nd Qtr. 2009 – 2nd Qtr. 2012

High Growth Industries

Manufacturing

+1,200 Jobs • **+12.5%** Percent

Administrative and Support and Waste Management

+500 Jobs • **+25.9%** Percent

Mining, Quarrying, and Oil and Gas

+325 Jobs • **+20.1%** Percent

Professional, Scientific, and Technical Services

+250 Jobs • **+9.5%** Percent

Accommodation and Food Services

+225 Jobs • **+1.7%** Percent

Declining Industries

Public Administration

-925 Jobs • **-7.6%** Percent

Retail Trade

-475 Jobs • **-3.2%** Percent

Information

-125 Jobs • **-7.7%** Percent

Other Services

-95 Jobs • **-2.4%** Percent

Utilities

-87 Jobs • **-9.9%** Percent

Source: DTMB, Quarterly Census of Employment and Wages (Customized Report)

EMPLOYMENT CONCENTRATION INDUSTRIES

- A location quotient (LQ) is a ratio that compares the concentration of employment in a defined area to that of a larger area. A LQ greater than 1 suggests a higher concentration of industry employment locally than statewide while a LQ of less than one suggests a smaller concentration of industry jobs. A LQ equal to 1 indicates the same concentration of industry employment regionally and statewide.
- Region 1 has a higher location quotient, and therefore an employment concentration, in natural resource-related industries such as *Forestry and logging, Mining, Wood product manufacturing, and Paper manufacturing.*
- *Administrative and support services*, a low wage industry, has a lower employment concentration in Region 1 as compared to the state of Michigan. Although this subsector has seen job growth of almost 33 percent, it still falls behind many other Regions in terms of the proportion of total payroll jobs.
- Location quotients produce an accurate picture of the employment concentrations in the Upper Peninsula Region. Government, natural resource-related, tourism-related, and certain manufacturing and construction sectors provide larger than normal shares of jobs in this Region.

Location Quotient (LQ)

Higher LQ Industries

Forestry and Logging
18.48 Location Quotient \$669 Average Weekly Wage

Mining (except Oil and Gas)
17.28 Location Quotient \$1,916 Average Weekly Wage

Wood Product Manufacturing
7.14 Location Quotient \$714 Average Weekly Wage

Paper Manufacturing
6.08 Location Quotient \$1,589 Average Weekly Wage

Justice, Public Order, and Safety Activities
4.65 Location Quotient \$1,223 Average Weekly Wage

Lower LQ Industries

Transportation Equipment Manufacturing
0.16 Location Quotient \$866 Average Weekly Wage

Management of Companies and Enterprises
0.19 Location Quotient \$920 Average Weekly Wage

Chemical Manufacturing
0.26 Location Quotient \$951 Average Weekly Wage

Administrative and Support Services
0.27 Location Quotient \$402 Average Weekly Wage

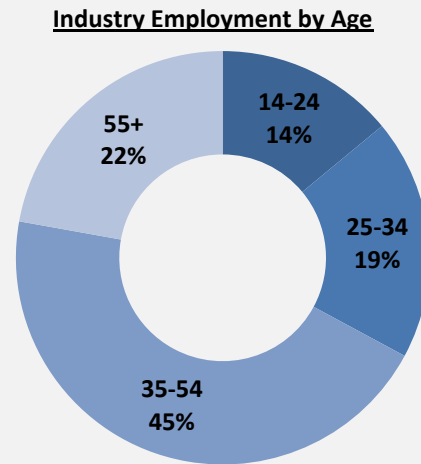
**Furniture and Related Product
Manufacturing**
0.34 Location Quotient \$715 Average Weekly Wage

Source: DTMB, Quarterly Census of Employment and Wages

DEMOGRAPHICS / INDUSTRY EMPLOYMENT

- In the Upper Peninsula Prosperity Alliance, 22.2 percent of jobs are held by workers 55 years of age or older, slightly above the 20 percent of jobs statewide. The percentage of younger workers, ages 25-34, in the Upper Peninsula is about equal to the percentage of these workers statewide.
- The Region’s industries with an older workforce include *Educational services* and *Transportation and warehousing*. Nearly one in three employees in both industries is over the age of 55.
- *Health Care and social assistance* registers the highest actual number of older employees (ages 55+). Nearly one in four employees in this industry is over the age of 55, well above the statewide share (20 percent).
- The Upper Peninsula *Manufacturing* industry has a younger workforce compared to Michigan as a whole. Other younger industries in the Region include *Arts, entertainment, and recreation*, *Construction*, and *Accommodation and food services*.
- The Upper Peninsula *Leisure and hospitality* sector has a significantly larger share of older workers than the State average. Fourteen percent of the U.P. sector’s total employment is older workers, which is five percentage points above the State average.

Industry Employment by Age



Lower Share of Older Workers

- Accommodation and food services
13% over 55
- Construction
19% over 55
- Arts, entertainment, and recreation
21% over 55

Higher Share of Older Workers

- Educational Services
29% over 55
- Transportation and Warehousing
29% over 55
- Utilities
28% over 55
- Wholesale Trade
27% over 55

Source: DTMB, Local Employment Dynamics

OCCUPATIONAL EMPLOYMENT AND WAGES

- Occupational employment in the Upper Peninsula Prosperity Alliance was 111,780 in 2012. Employment was in a diverse mix of job titles, ranging from jobs in large categories such as *Office and administrative support* and *Food preparation and serving* to those in smaller, high skill job groups like *Computer and mathematical* occupations.
- Reflecting the diverse mix of job titles in Region 1, the occupational wage range is quite large, spanning from \$8.40 /hour at the 10th percentile to \$31.36 /hour at the 90th percentile. The median hourly wage in the Region was \$14.55 in 2012.
- The occupational categories with the most jobs in Region 1 include *Office and administrative support*, *Food preparation and serving* and *Sales and related*. In addition, categories like *Management*, *Architecture and engineering*, *Education, training, and library*, *Healthcare practitioners and technical*, and *Protective service* all report solid employment and wages in Region 1.
- As expected, the highest paying occupations in Region 1 often require the most education and training. The highest paying job titles are concentrated in *Healthcare practitioner and technical* occupations, *Management* occupations, and *Engineering and IT* occupations.

Employment and Wages

Upper Peninsula Prosperity Alliance

111,780

Occupational Employment

\$14.55

Median Occupational Wage

High Employment / High Wage Categories

Management

4,180 Employed • \$17.89 - \$59.34 Wage Range

Architecture and Engineering

1,560 Employed • \$17.59 - \$43.89 Wage Range

Education, Training, and Library

6,290 Employed • \$10.07 - \$45.06 Wage Range

Healthcare Practitioners and Technical

8,520 Employed • \$13.10 - \$54.00 Wage Range

Protective Service

3,780 Employed • \$11.15 - \$29.53 Wage Range

High Employment / High Wage Occupations

General and Operations Managers

1,200 Employed • \$34.11 Median Wage

Registered Nurses

2,880 Employed • \$27.00 Median Wage

Pharmacists

310 Employed • \$55.05 Median Wage

Medical and Health Services Managers

400 Employed • \$32.25 Median Wage

Correctional Officers and Jailers

1,730 Employed • \$24.43 Median Wage

Source: DTMB, Occupational Employment Statistics
(Unpublished Data)

OCCUPATIONAL OUTLOOK

- According to long-term occupational projections, employment in the Upper Peninsula Prosperity Alliance is expected to expand by 4,290 or 3.1 percent through 2018.
- Annual openings in the Region are estimated at 3,850, with 650 per year generated from expanding occupations and 3,200 due to the need to replace existing workers.
- Detailed occupations expected to see the largest growth rates include IT occupations like *Network systems and Data communication analysts*. Many *Healthcare* occupations will also post impressive growth rates, both in Region 1 and statewide.
- Despite modest (or even negative) growth, some occupations will still provide job opportunities due to the need to replace existing workers. These are typically large occupations, such as *Cashiers, Waiters and waitresses, Retail salespersons, and Registered nurses*.
- Many of the Region's high-growth occupations also boast a relatively high wage. These occupations often require significant investment in education or training. Among them are *Veterinarians* and *Physical therapists*, to name a few. These occupations, and others, pay a wage well above the Region's overall median occupational wage of \$14.55.

Occupational Outlook

Upper Peninsula Prosperity Alliance*

+4,290

Projected Employment Growth, 2008-2018

+3.1%

Projected Change in Employment, 2008-2018

High-Growth / High-Demand Occupations

Registered Nurses

17.6% Growth • 82 Annual Openings

Home Health Aides

30.7% Growth • 26 Annual Openings

Accountants and Auditors

14.2% Growth • 24 Annual Openings

Market Research Analysts

34.8% Growth • 19 Annual Openings

Social and Human Services Assistants

18.0% Growth • 18 Annual Openings

High-Growth / High-Wage Occupations

Veterinarians

30.0% Growth • \$35.00 Median Wage

Biological Scientists

33.3% Growth • \$33.08 Median Wage

Physical Therapists

22.6% Growth • \$35.55 Median Wage

Compliance Officers

24.4% Growth • \$31.01 Median Wage

Dental Hygienists

21.4% Growth • \$27.96 Median Wage

Source: DTMB, Occupational Projections

*Note: Includes the Upper Peninsula Economic Forecast Region (EFR)

REAL-TIME DEMAND OCCUPATIONS

- There were 2,560 online advertised job vacancies in the Upper Peninsula Prosperity Alliance during the 3rd Quarter of 2013.
- Over half of all Regional vacancies were concentrated in five broad occupational categories: *Healthcare practitioners and technical; Office and administration support; Sales and related; Food preparation and serving; and Transportation and material moving.*
- The top 5 in-demand detailed job titles were responsible for about 15 percent of total postings in the Region. These top 5 Regional occupations differed from the top five in-demand occupations in Michigan, with only one common occupation between the Regional top five and the statewide top five.
- Just over 16 percent of the job ads for the UP Prosperity Alliance were posted for more than 120 days, signaling that employers may be having difficulty filling some vacancies. Statewide, only about 12 percent of advertised vacancies were active for 120 days or longer.
- The cities with the most advertised job vacancies in the Upper Peninsula Prosperity Region were Escanaba, Marquette, Iron Mountain, and Sault Ste. Marie. Just over half of all ads were for openings in these four cities.

Online Advertised Vacancies

Upper Peninsula Prosperity Alliance

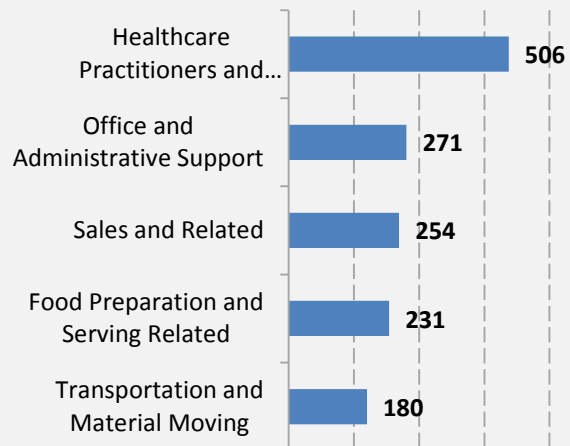
2,560

Total Online Advertised Vacancies, 3rd Quarter 2013

+16.3%

Change in Online Advertised Vacancies, 3rd Quarter 2012- 3rd Quarter 2013

Top Advertised Categories



Top Advertised Job Titles

Physical Therapists

90 Postings • -1.1% Change

Food Service Supervisors

80 Postings • +28.1% Change

Occupational Therapists

80 Postings • +1.3% Change

Registered Nurses

70 Postings • +7.7% Change

Retail Salespersons

60 Postings • -12.5% Change

Truck Drivers

60 Postings • +23.8% Change

Customer Services Representatives

60 Postings • +7.3% Change

Source: The Conference Board, Help Wanted Online

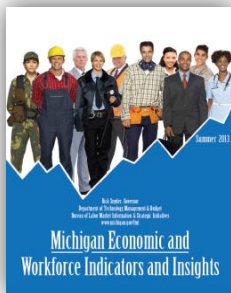
ADDITIONAL RESOURCES

The Bureau of Labor Market Information and Strategic Initiatives is committed to producing timely, accurate, and reliable labor market information and insights as well as other economic intelligence. Below are a few of our key regional products. These and other resources are available on our website at: www.michigan.gov/lmi.



Regional Online Job Demand Profiles

Using The Conference Board Help Wanted OnLine (HWOL) Data Series, these profiles are intended to supplement existing labor market information by providing local planners with information on real-time job demand. Produced quarterly, these reports are available for each of the state's 25 Michigan Works! Agencies (MWAs).



Michigan Economic and Workforce Indicators and Insights

This biannual report tracks Michigan labor market and economic trends on a series of indicators related to the workforce, knowledge-based jobs, innovation, education, and the economy. Written for an executive audience, this report provides a concise analysis of recent trends in these indicators as well as national and regional comparisons.

Coming Soon: Online Advertised Job Demand for Michigan's Prosperity Regions

Regional Prosperity Initiative: Online Job Demand Analysis

In support of the Regional Prosperity Initiative, these profiles provide a quick reference for those interested in identifying the characteristics of current job vacancies in the regional labor market. Using The Conference Board's Help Wanted Online (HWOL) Data Series, these profiles will be produced monthly for Michigan's 10 Prosperity Regions and released alongside the Michigan Online Job Demand Analysis.

