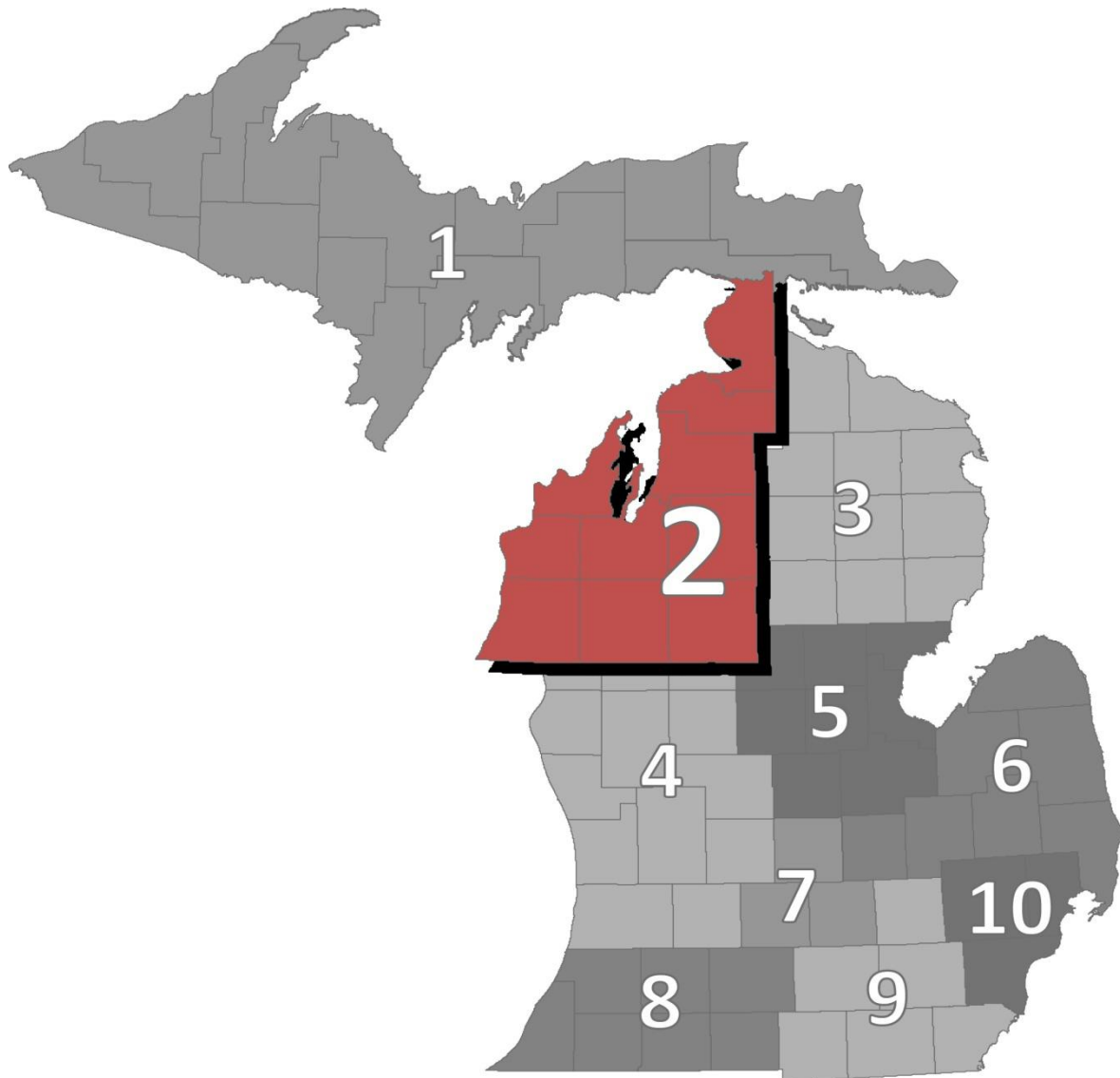


# Regional Prosperity Initiative: Labor Market Information Supplement



Prepared For:

## **Northwest Prosperity Region (Region 2)**

(Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford)

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 Northwest Prosperity Region (Region 2) had an estimated population of almost 300,000, representing 3.0 percent of the statewide population.
- Between 2000 and 2012, the Region’s population grew by 18,500 or 6.6 percent, running counter to Michigan’s loss of 0.6 percent. This was a pretty substantial increase and was among the best growth rates statewide when compared the nine other Prosperity Regions during this period.
- A combination of migration and natural population increase contributed to the area’s population growth, but in-migration had the greatest impact, likely due in part to the movement of retirees into the area.
- Partially due to the Region’s attractiveness to retirees both in Michigan and other Midwestern states, 35 percent of residents were 55 years or older in 2012, compared to the State average of 22 percent. About 28 percent of residents were also in the younger worker cohorts, including those 15 to 24 years old and those 25 to 34.
- A quarter of Region 2 residents held a Bachelor’s degree or higher, mirroring the 25 percent statewide average. At the same time, 33 percent of residents have some college or hold an Associate’s Degree. Only 9 percent of residents reported holding less than a high school diploma, which is lower than the statewide average of 12 percent.

**Population and Demographics**

**Northwest Prosperity Region**

**299,938**

Total Population, 2012 Estimate

**3.0%**

Share of State

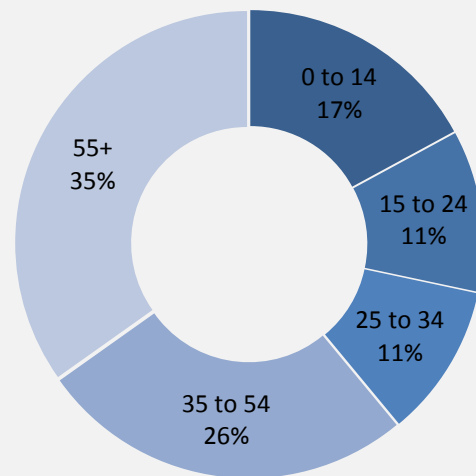
**+18,535**

Total Change in Residents, 2000-2012

**+6.6%**

Percent Change in Residents, 2000-2012

**Population by Age**



**Population by Gender**

**50%**  
Female

**50%**  
Male

**Educational Attainment of 25+ Population**

Less than High School Diploma

**9%** Share • **19,624** Residents

High School Graduate, GED or Alternative

**33%** Share • **69,578** Residents

Some College or Associate’s Degree

**33%** Share • **69,043** Residents

Bachelor’s Degree or Higher

**25%** Share • **52,442** Residents

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

**LABOR FORCE AND UNEMPLOYMENT**

- Year-to-date monthly averages for 2013 put the labor force total for the Northwest Michigan Prosperity Region at just under 146,000 area residents. Since 2009, the Region’s labor force has fallen by 5,700 or 3.8 percent, roughly in line with labor force levels statewide, which fell by 3.4 percent during this time. Withdrawal has been due to retirements as well as more discouragement among jobseekers, while some have also exited the labor force to go back to school or attend job training programs to update their skills.
- The Northwest Michigan Regional labor force has rebounded in recent years despite post-recession declines between 2009 and 2011. Workforce levels have expanded since 2011 due primarily to area employment gains and increased jobseeker participation.
- There were about 14,000 unemployed residents in the Northwest Region in 2013, with the area’s unemployment rate measuring 10.1 percent, up slightly from the 2012 level of 9.6 percent.
- Though the 2013 average jobless rate is up slightly from 2012, labor force and employment levels are up as well. Most of the cause of the unemployment rate increase is from an influx of unemployed jobseekers over the past year. The Region’s jobless rate fell substantially from levels observed from 2009 to 2011.

**Labor Force and Unemployment**

**Northwest Prosperity Region**

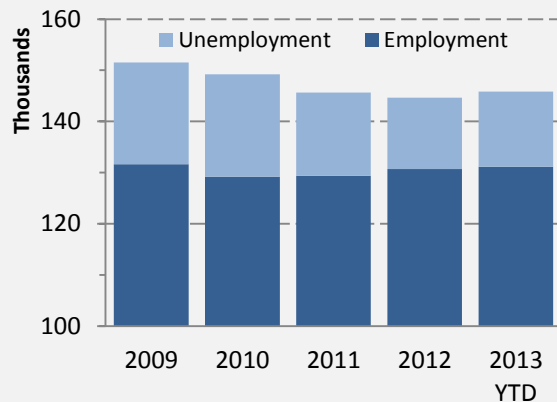
**145,850**

Labor Force Participants, 2013 YTD

**-3.8%**

Change in Labor Force, 2009-2013

**Labor Force, Employment, Unemployment**



**Northwest Prosperity Region**

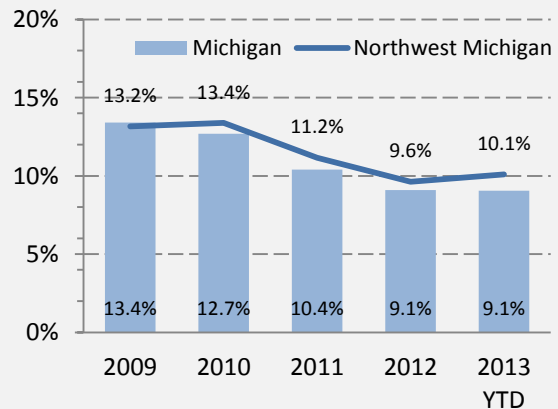
**10.1%**

Unemployment Rate, 2013 YTD

**-3.1**

Change in Unemployment Rate, 2009-2013

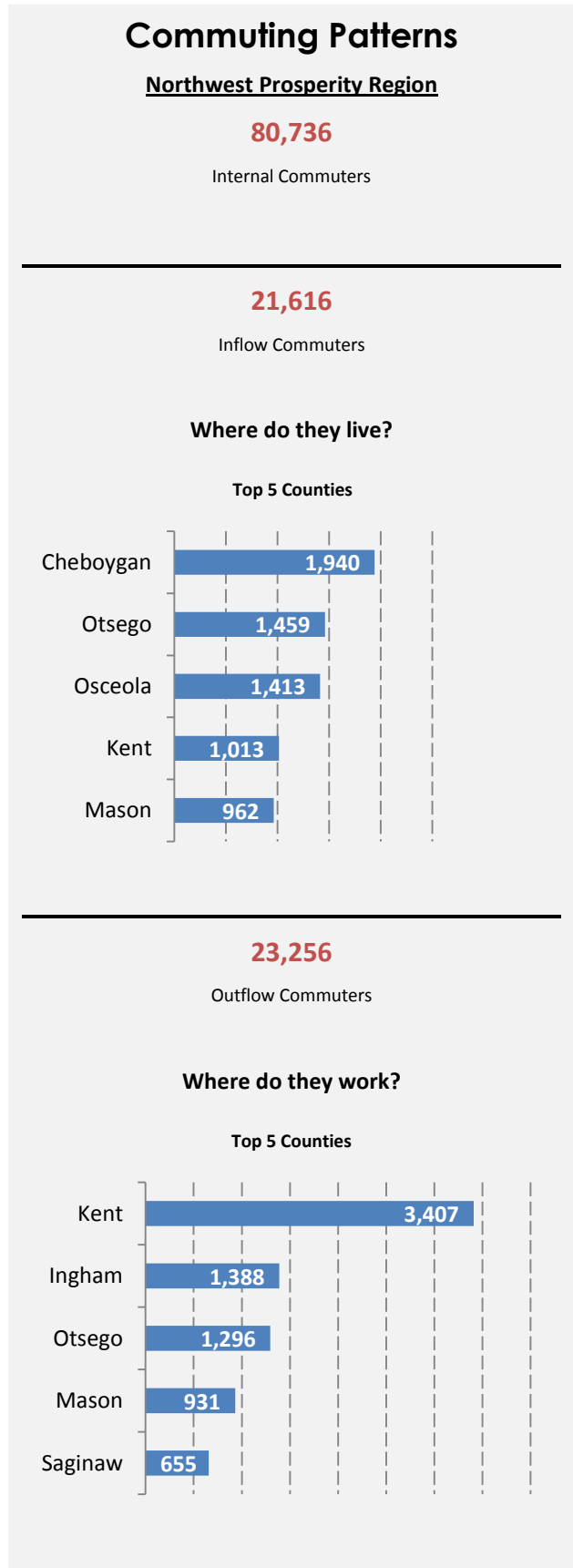
**Unemployment Rate**



Source: DTMB, Local Area Unemployment Statistics (LAUS)

**COMMUTING PATTERNS**

- As of 2011, the Northwest Prosperity Region had about 80,700 internal commuters, who are defined as people both living and working within the Region. This represented about two-thirds of the area’s workers in primary jobs according to Census data.
- The top three counties providing inflow commuters are Cheboygan, Otsego, and Osceola counties. Since each of these counties border Region 2, most of this commuting is simply a circumstance of proximity.
- Residents who leave Region 2 to work elsewhere (outflow commuters) primarily work in Kent, Ingham, and Otsego counties, mainly because of the number of jobs available in Grand Rapids and Lansing. These three counties combined represent about 26 percent of total outflow commuters from the Northwest Region.
- Though net commuting (inflow – outflow) in Region 2 was -1,600 in 2011, in reality it was one of the most balanced of all of the State’s Prosperity Regions. This is largely because it is a considerably large Region in terms of geography and its major city, Traverse City, is somewhat centrally located within the Region. Kent County was a big factor in tilting the scale towards outflow of workers overall, with 2,400 more workers leaving the Region to work there than vice versa.



**INDUSTRY EMPLOYMENT**

- In 2012, the Northwest Prosperity Region posted 112,000 total covered payroll jobs, representing 2.8 percent of statewide payrolls.
- *Health care and social assistance, Accommodation and food services, Retail trade, Manufacturing, and Educational services*, the Region’s top five industry sectors, accounted for a combined two out of every three area jobs. These industries combined pumped 2.6 billion dollars into the area economy in the form of wages in 2012.
- The Region’s major health care system is not only a notable employer in Traverse City but in the entire Region overall, as *Health care and social assistance* establishments were responsible for over 19,000 jobs or 17.1 percent of total payrolls.
- Though lower-paying in general, *Retail trade* and *Accommodation and food services* are especially important in Region 2, which relies heavily on tourism not only during the peak summer months, but also during the hunting, snowmobiling and skiing seasons each fall and winter. Combined, these two industries represent close to 29 percent of area jobs.
- *Manufacturing* remains a major industry regionally. *Plastics and rubber products manufacturing* and *Fabricated metal product manufacturing* accounted for nearly 28 percent of all *Manufacturing* workers, thanks in part to ties between these sectors locally and the State’s auto sector.

**Industry Employment**

**Northwest Prosperity Region**

**112,000**

Total, All Industry Payroll Jobs

**\$688**

Total, All Industry Average Weekly Wage

**Top 10 Industries by Employment**

**Health Care and Social Assistance**

19,150 Jobs • 17.1% Share

**Accommodation and Food Services**

16,525 Jobs • 14.8% Share

**Retail Trade**

15,650 Jobs • 14.0% Share

**Manufacturing**

13,800 Jobs • 12.3% Share

**Educational Services**

8,375 Jobs • 7.5% Share

**Public Administration**

5,550 Jobs • 4.9% Share

**Construction**

5,350 Jobs • 4.8% Share

**Administrative and Support and Waste Management**

4,525 Jobs • 4.0% Share

**Professional, Scientific, and Technical Services**

3,475 Jobs • 3.1% Share

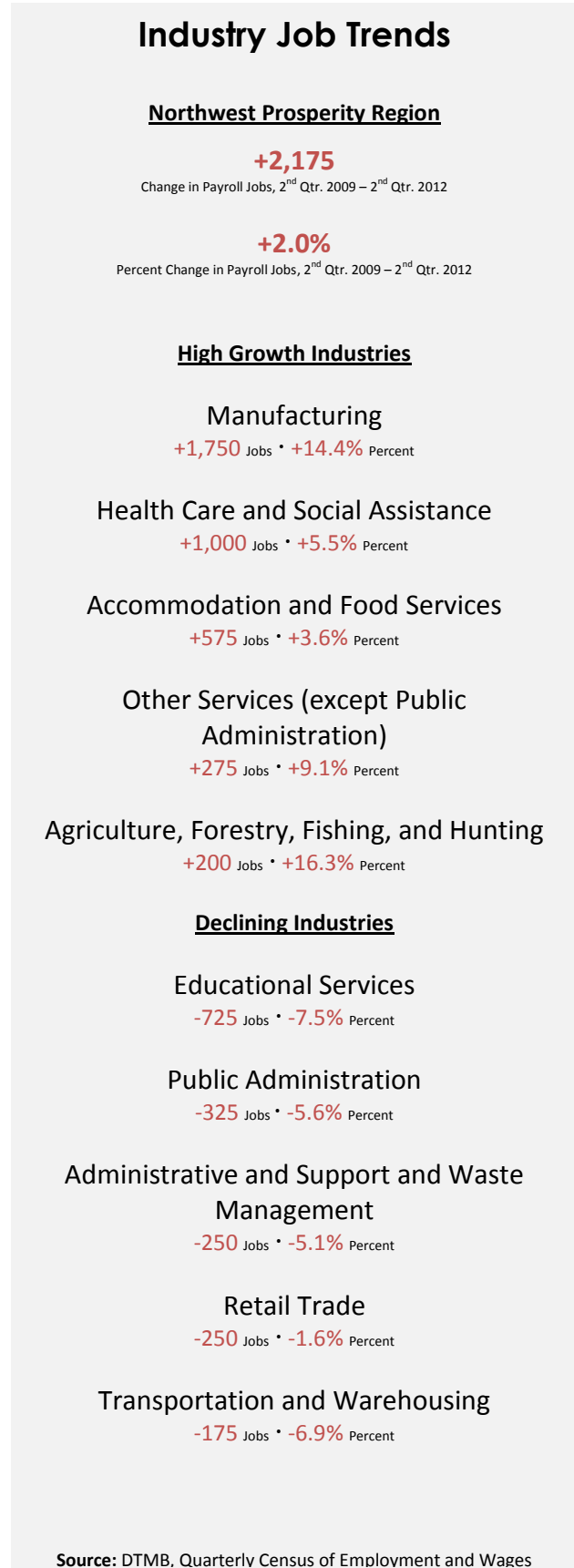
**Finance and Insurance**

3,375 Jobs • 3.0% Share

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

**INDUSTRY JOB TRENDS**

- Between 2009 and 2012, payroll jobs in the Northwest Prosperity Region have grown by 2,200 or 2.0 percent. This is below the pace of growth observed statewide during this time, but the Region also wasn't quite as deeply impacted by auto sector losses in 2009 like other portions of Michigan during the financial crisis of 2008.
- However, *Manufacturing* was still the number one industry in terms of job growth during this period. The sector added over 1,700 jobs in the area, accounting for much of the area's overall job growth since 2009.
- As activity continued to increase in healthcare due to an older workforce within the industry and increased demand for services from an aging population, *Health care and social assistance* also added over 1,000 jobs between 2009 and 2012. The sector is particularly large in the Traverse City area because of the presence of the Munson Health System located in the Region.
- Growth in the *Agriculture, forestry, fishing, and hunting* industry has been driven mainly by gains within the *Animal production and aquaculture* subsector, which added 112 jobs since 2009. This helped offset a slight loss in the subsector *Crop production*.
- *Accommodation and food services*, one of the area's tourism-intensive sectors, grew 9.1 percent from the recent economic lows in 2009. This gain was split roughly evenly across hotels, restaurants and hotel casinos.



**EMPLOYMENT CONCENTRATION INDUSTRIES**

- Location quotients (LQ) are defined as ratios that compare the concentration of employment in a defined area to that of a larger area. An LQ greater than 1.0 suggests a higher concentration of industry employment locally than statewide while a LQ of less than one suggests a weaker concentration.
- The Northwest Prosperity Region has a Regional advantage relative to the State when it comes to a number of tourism-related industries. This includes obvious sectors like *Accommodation* and *Amusement, gambling and recreation* but also *Beverage and tobacco product manufacturing*, which includes the many wineries that have become popular tourist destinations in the area.
- Manufacturers with high LQs locally include *Plastics and rubber products manufacturing*, which benefits from ties to statewide auto production, and *Food manufacturing*, as portions of the Region are laden with apple and cherry orchards and fruit-packing plants.
- Though *Administrative and support services* and *Professional, scientific and technical services* were among the lower LQ industries in the Region, they still accounted for a good portion of jobs in the area, providing employment to over 7,500 people in 2012. The impact of *Professional and technical* jobs went beyond employment, as the sector paid almost \$1,000 per week in average wages and contributed to other indirect jobs in the area through increased income and consumer spending.

**Location Quotient (LQ)**

**Higher LQ Industries**

**Accommodation**

5.25 Location Quotient \$404 Average Weekly Wage

**Beverage and Tobacco Product Manufacturing**

2.16 Location Quotient \$568 Average Weekly Wage

**Plastics and Rubber Products Manufacturing**

1.98 Location Quotient \$893 Average Weekly Wage

**Food Manufacturing**

1.96 Location Quotient \$793 Average Weekly Wage

**Amusement, Gambling, and Recreation**

1.95 Location Quotient \$461 Average Weekly Wage

**Ambulatory Health Care Services**

1.18 Location Quotient \$1,102 Average Weekly Wage

**Lower LQ Industries**

**Merchant Wholesalers, Durable Goods**

0.39 Location Quotient \$841 Average Weekly Wage

**Transportation Equipment Manufacturing**

0.39 Location Quotient \$965 Average Weekly Wage

**Professional, Scientific, and Technical Services**

0.49 Location Quotient \$966 Average Weekly Wage

**Administrative and Support Services**

0.54 Location Quotient \$481 Average Weekly Wage

**Truck Transportation**

0.61 Location Quotient \$766 Average Weekly Wage

Source: DTMB, Quarterly Census of Employment and Wages

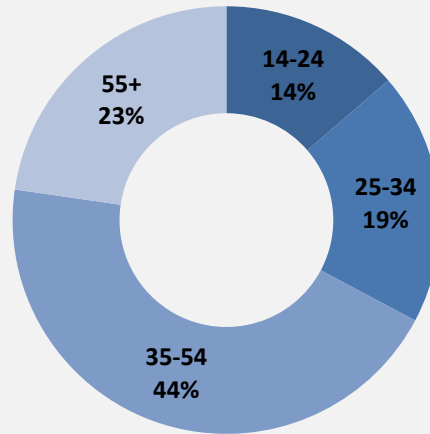


**DEMOGRAPHICS / INDUSTRY EMPLOYMENT**

- In the Northwest Prosperity Region, 23 percent of jobs are held by workers 55 years of age or older, above the statewide average of 20 percent. The Region has a similar share of younger workers (ages 25-34) in Northwest Michigan compared to the Michigan overall (19 percent versus 20 percent).
- While still fairly young industries overall, when compared to the age distribution seen in Michigan as a whole, *Accommodation and food services* and *Retail trade* are considered a bit older in relative terms. About one in eight employees in the *Accommodation and food services* industry are over the age of 55, compared to about one in twelve statewide. About 25 percent of *Retail trade* industry is made up of workers over the age of 55 compared to 18 percent in Michigan.
- Not unlike other Regions across Michigan, *Health care and social assistance* is the industry which registers the highest total number of older employees in the Region (ages 55+). However, like other mentioned industries, the share of older workers in the industry in the Region is higher than the share of older workers in the industry in the State. This presents the possibility of a future shortfall of workers in *Health care and social assistance* in the Region when the older workers begin to retire.

**Industry Employment by Age**

Industry Employment by Age



Lower Share of Older Workers

Accommodation and Food Services  
12% over 55

Administrative and Support and Waste Management and Remediation Services  
16% over 55

Construction  
19% over 55

Higher Share of Older Workers

Public Administration  
31% over 55

Transportation and Warehousing  
30% over 55

Educational Services  
29% over 55

Health Care and Social Assistance  
26% over 55

Source: DTMB, Local Employment Dynamics

## OCCUPATIONAL EMPLOYMENT AND WAGES

- Occupational employment in the Northwest Prosperity Alliance was 116,640 in 2012. Employment is in a diverse mix of job titles, ranging from those seen in large categories like *Office and administrative support* and *Food preparation and serving* to those in other critical categories like *Architecture and engineering* and *Computer and mathematical*.
- Reflecting the diverse mix of job titles in Region 2, the occupational wage range is quite large, spanning from \$8.62 per hour at the 10th percentile to \$30.52 per hour at the 90th percentile. The median wage in the Region was \$14.41 per hour in 2012.
- The occupational categories with the most employment in Region 2 include *Office and administrative support*, *Sales and related*, and *Food preparation and serving*. In addition, categories like *Management*, *Legal*, *Architecture and engineering*, *Health care practitioners and technical*, and *Education, training, and library* all report solid employment and wages in Region 2.
- As expected, the highest-paying occupations in Region 2 are also the ones that require the most education and training. The highest paying job titles are concentrated in *Health care practitioner and technical* occupations, *Management* occupations, and *Engineering* occupations.

## Employment and Wages

### Northwest Prosperity Region

**116,640**

Occupational Employment

**\$14.41**

Median Occupational Wage

### High Employment / High Wage Categories

#### Management

4,760 Employed • \$17.43 - \$66.21 Wage Range

#### Legal

610 Employed • \$12.39 - \$64.92 Wage Range

#### Architecture and Engineering

1,450 Employed • \$16.30 - \$43.59 Wage Range

#### Health Care Practitioner and Technical

7,570 Employed • \$13.88 - \$58.79 Wage Range

#### Education, Training, and Library

5,110 Employed • \$10.28 - \$42.17 Wage Range

### High Employment / High Wage Occupations

#### General and Operations Managers

1,430 Employed • \$33.69 Median Wage

#### Pharmacists

360 Employed • \$49.30 Median Wage

#### Registered Nurses

2,730 Employed • \$25.18 Median Wage

#### Medical and Health Services Managers

380 Employed • \$33.43 Median Wage

#### Machinists

930 Employed • \$17.11 Median Wage

Source: DTMB, Occupational Employment Statistics  
(Unpublished Data)

**OCCUPATIONAL OUTLOOK**

- According to long-term occupational projections, employment in the Northwest Prosperity Region is expected to grow by 11,550 or 8.1 percent through 2018.
- Annual openings in the Region are estimated at 4,550, with 1,300 coming from growing occupations and 3,250 coming from the need to replace existing workers.
- Detailed occupations expected to see the largest growth rates in the Region are concentrated in *Health care* and *IT* occupational categories. Included are: *Network systems and data communication analysts, Home health aides, Physicians assistants, and Dental assistants and hygienists.*
- Additionally, some occupations will provide opportunities due to the need to replace existing workers. Examples include: *Retail salesperson, Office clerks, Customer service representatives, and even Teachers.* These are typically larger occupations, responsible for significant employment in Region 2.
- Occupations like *Physical therapists, Dental hygienists, Civil engineers, and Accountants and auditors* report a median wage well above the Region’s average of \$14.41 and are expected to see significant growth through 2018.

**Occupational Outlook**

**Northwest Prosperity Region\***

**+11,550**

Projected Employment Growth, 2008-2018

**+8.1%**

Projected Change in Employment, 2008-2018

**High-Growth / High-Demand Occupations**

**Home Health Aides**

51.9% Growth • 35 Annual Openings

**Medical Assistants**

34.8% Growth • 29 Annual Openings

**Registered Nurses**

23.2% Growth • 133 Annual Openings

**Network Systems and Data Communications Analysts**

67.8% Growth • 15 Annual Openings

**Gaming Dealers**

27.2% Growth • 24 Annual Openings

**High-Growth / High-Wage Occupations**

**Physical Therapists**

31.2% Growth • \$27.66 to \$45.66 Wage Range

**Physicians Assistants**

40.0% Growth • \$32.71 to \$68.57 Wage Range

**Dental Hygienists**

38.0% Growth • \$17.98 to \$35.27 Wage Range

**Civil Engineers**

24.7% Growth • \$24.30 to 45.66 Wage Range

**Accountants and Auditors**

21.7% Growth • \$19.09 to \$37.65 Wage Range

**Source:** DTMB, Occupational Projections

**\*Note:** Includes the Northwest Economic Forecast Region (EFR)

**REAL-TIME DEMAND OCCUPATIONS**

- There were 3,340 online advertised job vacancies in the Northwest Prosperity Region during the 3<sup>rd</sup> Quarter of 2013.
- Over half of all Regional vacancies were concentrated in five broad occupational categories: *Healthcare practitioners and technical, Sales and related, Office and administrative support, Food preparation and serving, and Transportation and material moving.*
- The top five in-demand detailed job titles were responsible for one in six total postings in the Region. Led by Registered nurses, the Region’s list of in-demand job titles matches closely with statewide in-demand occupations, with 3 of the top 5 occupations appearing both regionally and statewide.
- About 12 percent of the job ads for Region 2 were greater than 120 days old, signaling that employers may be having difficulty filling the vacancies. However, share was nearly identical to the statewide average of 11.9 percent, so the Region’s ads aren’t generally going unfilled any longer than Michigan’s overall.
- Nearly two-thirds of all postings were for Traverse City job openings. Petoskey and Cadillac were the second and third most frequently advertised cities for openings.

**Online Advertised Vacancies**

**Northwest Prosperity Region**

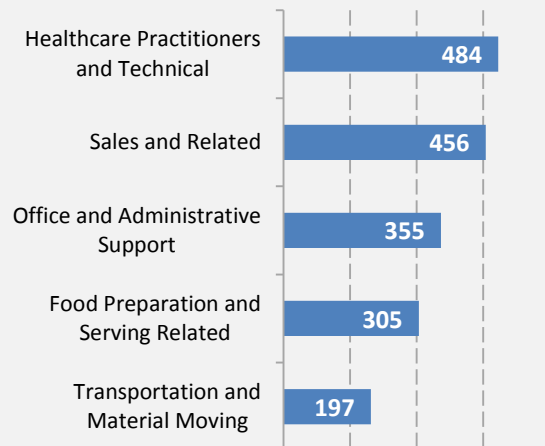
**3,340**

Total Online Advertised Vacancies, 3<sup>rd</sup> Quarter 2013

**+ 9.0%**

Change in Online Advertised Vacancies, 3<sup>rd</sup> Quarter 2012- 3<sup>rd</sup> Quarter 2013

**Top Advertised Categories**



**Top Advertised Job Titles**

**Registered Nurses**

210 Postings • +58.8% Change over month

**Retail Salesperson**

130 Postings • +14.9% Change

**Customer Sales Representatives**

70 Postings • +6.2% Change

**Maids and Housekeeping Cleaners**

70 Postings • -21.3% Change

**Retail Sales Supervisors**

70 Postings • +29.4% Change

**Truck Drivers**

70 Postings • +13.8% Change

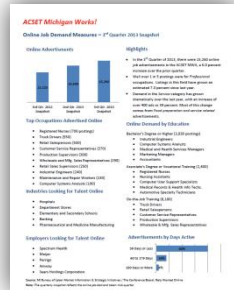
**Food Service Supervisors**

60 Postings • -17.1% Change

Source: The Conference Board, Help Wanted Online

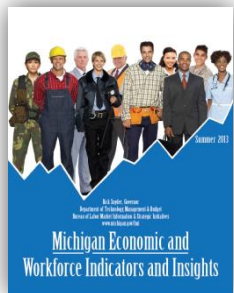
**ADDITIONAL RESOURCES**

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](http://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.

