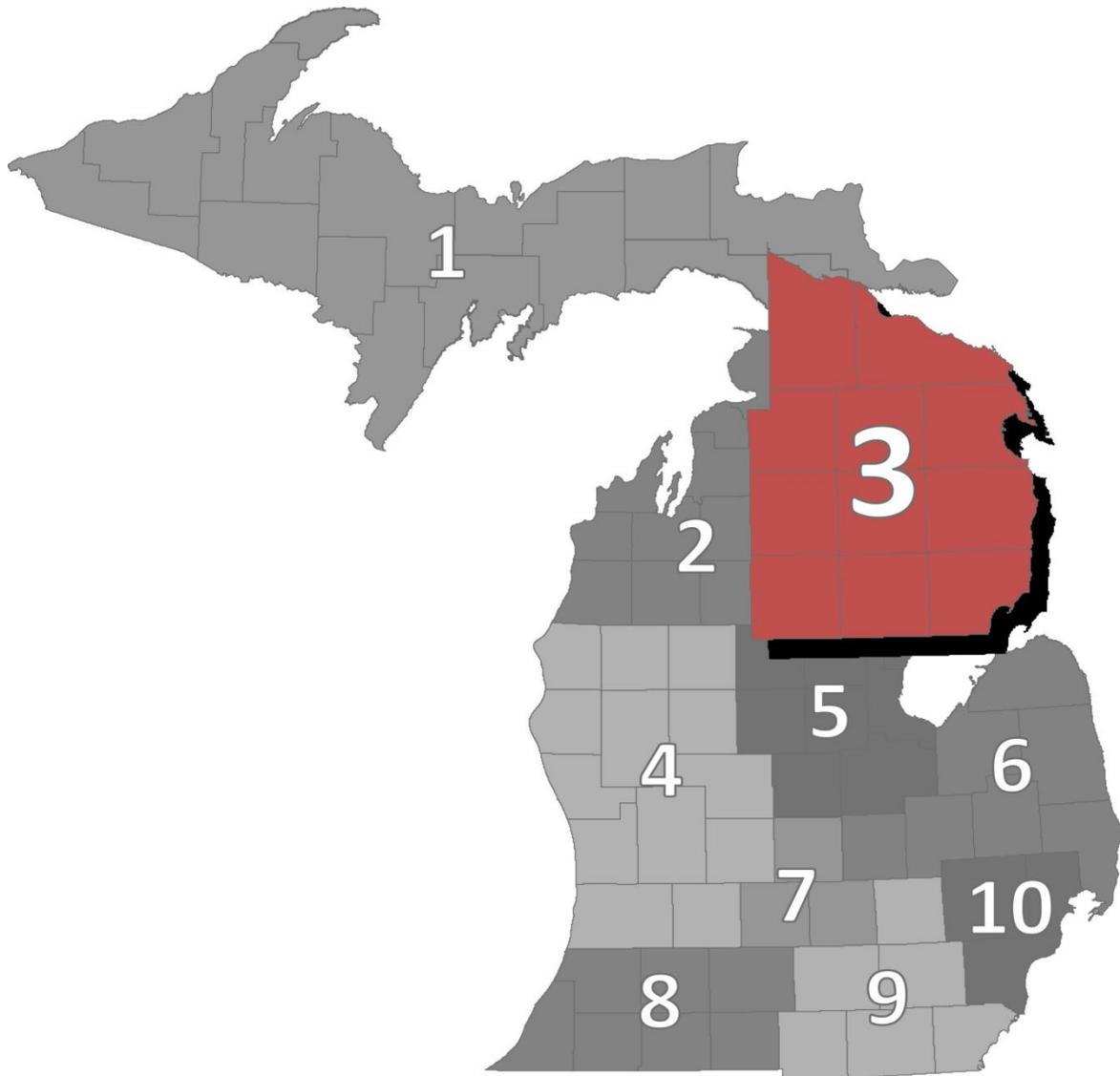


Regional Prosperity Initiative: Labor Market Information Supplement



Prepared For:

Northeast Prosperity Region (Region 3)

(Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, and Roscommon)

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 Northeast Prosperity Region (Region 3) had an estimated population of 205,830 representing 2.1 percent of the statewide population.
- Between 2000 and 2012, the Region’s population has fallen by 9,703 residents or 4.5 percent. Over the same period, Michigan’s population has remained relatively flat, inching lower by 55,500 residents or 0.6 percent. A combination of migration and natural population decline (deaths exceeding births) contributed to the losses.
- The age distribution of Region 3 residents is considerably older than the statewide average. In 2012, nearly 42 percent of residents were at or nearing retirement age (55 or older), while 18.8 percent were in the younger worker cohorts, including those 15 to 24 and those 25 to 34.
- With over 40 percent of residents aged 55 or older, there are potential workforce and economic implications. From possible talent shortages resulting from retirements, to increased demand for health services, demographics are sure to influence the Regional labor market and economy.
- Just 14 percent of Region 3 residents hold a Bachelor’s degree or higher, lower than the 25 percent statewide average. At the same time, 32 percent of residents have Some College or an Associate’s Degree.

Population and Demographics

Northeast Prosperity Region

205,830

Total Population, 2012 Estimate

2.1%

Share of State

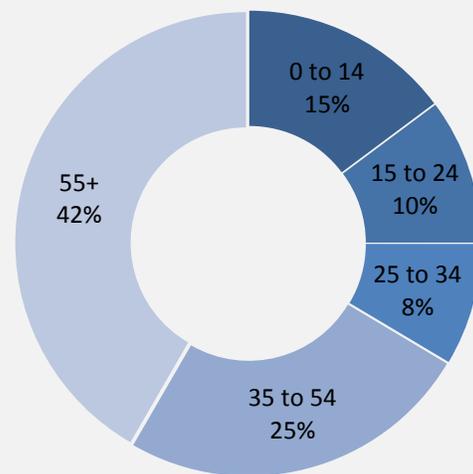
-9,703

Total Change in Residents, 2000-2012

-4.5%

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

14% Share • **21,985** Residents

High School Graduate, GED or Alternative

39% Share • **61,438** Residents

Some College or Associate’s Degree

32% Share • **50,022** Residents

Bachelor’s Degree or Higher

14% Share • **22,613** Residents

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

LABOR FORCE AND UNEMPLOYMENT

- There are 84,900 labor market participants in the Northeast Michigan Prosperity Region. Since 2009, the Region’s labor force has fallen by 7,010 or 7.6 percent. Over the same period, labor force levels statewide have declined by 166,430 or 3.4 percent. Withdrawal has been due to increased retirements and enrollments as well as more discouragement among jobseekers.
- The labor force in Region 3 rose by 760 from July 2012 to July 2013, steadying the steep dropping trend seen since the end of the “Great Recession”. The Northeast Michigan labor force has experienced the greatest percentage reduction of all Prosperity Regions since 2009.
- The Region’s labor force is comprised of 74,540 employed and 10,360 unemployed. The unemployment rate measures 12.2 percent, up 1 percentage point from 2012, a testament to the difficult recovery the Region has experienced.
- Notwithstanding a slight dip in 2012, the unemployment rate in Region 3 has remained stubbornly high in recent years. Currently standing at 12.2 percent, the Region’s jobless rate is over three percentage points higher than the statewide average of 9.1 percent.

Labor Force and Unemployment

Northeast Prosperity Region

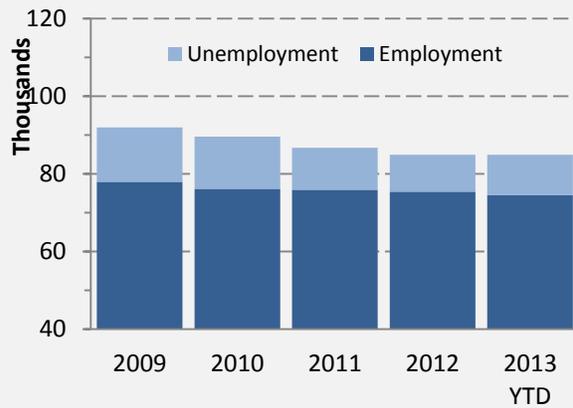
84,900

Labor Force Participants, 2013 YTD

-7.6%

Change in Labor Force, 2009-2013

Labor Force, Employment, Unemployment



Northeast Prosperity Region

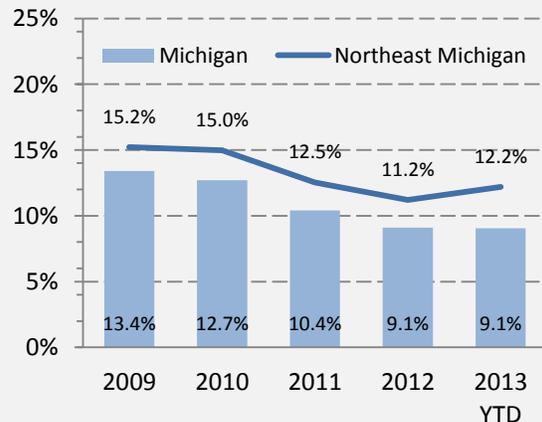
12.2%

Unemployment Rate, 2013 YTD

-3.0

Change in Unemployment Rate, 2009-2013

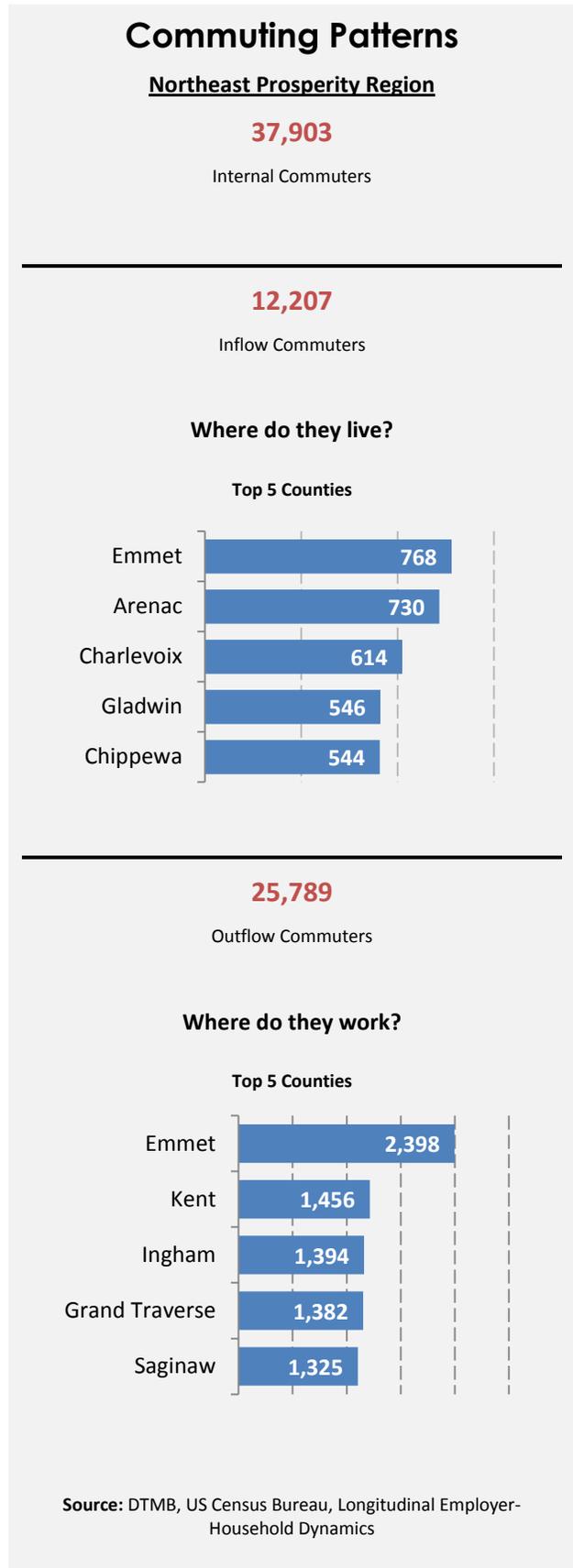
Unemployment Rate



Source: DTMB, Local Area Unemployment Statistics (LAUS)

COMMUTING PATTERNS

- The Northeast Prosperity Region has 37,903 internal commuters, the number of people who are both employed and living within Region 3. This is the lowest total of any of the ten Prosperity Regions.
- Although 75 percent of those employed within the Region come from Region 3, there are still over 12,000 workers who commute to Region 3 from outside the Region to work (inflow commuters).
- The top three counties commuters are traveling from to work in the Northeast Prosperity Region are Emmet, Arenac, and Charlevoix, all of which border the Region.
- Commuters who live in Region 3 but who leave the Region to work (outflow commuters) total just less than 26,000. These commuters generally work in Emmet, Kent, or Ingham counties, with some traveling to Grand Traverse and Saginaw counties as well.
- Net commuting (inflow – outflow commuters) for Region 3 is -13,582. This means that there are twice as many outflow commuters than inflow commuters. This is generally true for more rural Regions, as evidenced by the number of commuters going to counties with major metro centers such as Grand Rapids and Lansing.



INDUSTRY EMPLOYMENT

- In 2012, the Northeast Prosperity Region posted 57,075 payroll jobs, representing 1.5 percent of statewide payrolls.
- Sixty-four percent of the Region’s jobs are concentrated in five industries: *Retail trade, Health care and social assistance, Accommodation and food services, Manufacturing, and Public administration.*
- Both *Retail trade* and *Accommodation and food services* are large industries in the Region, with employment concentrated in *Food services and drinking places* and *Amusement, gambling, and recreation.*
- Reflecting the Region’s relatively older population, *Health care and social assistance* remains a major employer in Region 3, accounting for nearly 10,000 jobs.
- *Manufacturing* provides over 5,000 jobs in Region 3, with significant employment in *Machinery manufacturing* and *Transportation equipment manufacturing*, combining to account for over 40 percent of all *Manufacturing* jobs within the Region. Since 2009, both of these *Manufacturing* sectors have seen impressive job gains in Region 3.
- *Public administration* and *Educational services* are also responsible for many jobs in Region 3. However, both industries have registered job declines since 2009.

Industry Employment

Northeast Prosperity Region

57,075

Total, All Industry Payroll Jobs

\$606

Total, All Industry Average Weekly Wage

Top 10 Industries by Employment

Retail Trade

10,825 Jobs • 19.0% Share

Health Care and Social Assistance

9,950 Jobs • 17.4% Share

Accommodation and Food Services

6,350 Jobs • 11.1% Share

Manufacturing

5,125 Jobs • 9.0% Share

Public Administration

4,400 Jobs • 7.7% Share

Educational Services

3,975 Jobs • 7.0% Share

Construction

2,650 Jobs • 4.6% Share

Other Services (except Public Administration)

2,100 Jobs • 3.7% Share

Transportation and Warehousing

1,825 Jobs • 3.2% Share

Wholesale Trade

1,675 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 Northeast Prosperity Region have declined by 817 or 1.4 percent, opposite the 4.0 percent growth in payrolls reported statewide.
- *Manufacturing* tops the list of the Region’s high-growth industries. Since 2009, the Region 3 *Manufacturing* industry has added almost 925 jobs and grown by 21.5 percent, outpacing industry gains statewide. Gains in the *Manufacturing* industry have been led by growth in the *Transportation manufacturing* and *Machinery manufacturing* sectors.
- *Administrative and support and waste management* was another industry in the Region to post strong employment growth since 2009. The *Administrative and support services* subsector saw the greatest growth with job gains reflecting a well-documented expansion at a local call center.
- *Wholesale trade* is another growing industry, not only in Region 3 but also for the entire State. Over the period, this industry added 250 jobs, mostly due to growth in the *Durable goods merchant wholesalers* component.
- *Arts, entertainment, and recreation*, an industry often associated with tourism, has seen some job declines since 2009, with less seasonal hiring occurring in *Amusement, gambling, and recreation* in 2011 and 2012 than in previous years.

Industry Job Trends

Northeast Prosperity Region

-817

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

-1.4%

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

High Growth Industries

Manufacturing

+925 Jobs • +21.5% Percent

Administrative and Support and Waste Management

+525 Jobs • +57.2% Percent

Wholesale Trade

+250 Jobs • +17.1% Percent

Other Services (except Public Administration)

+100 Jobs • +5.0% Percent

Agriculture, Forestry, Fishing, and Hunting

+75 Jobs • +17.3% Percent

Declining Industries

Educational Services

-725 Jobs • -15.0% Percent

Health Care and Social Assistance

-600 Jobs • -5.6% Percent

Public Administration

-425 Jobs • -8.9% Percent

Retail Trade

-350 Jobs • -3.0% Percent

Arts, Entertainment, and Recreation

-225 Jobs • -15.7% 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 weaker concentration of industry employment. A LQ equal to 1 suggests the same concentration of industry employment regionally and statewide.
- Evidencing the Northeast Prosperity Region’s specialization in *Wood product manufacturing* and *Nonmetallic product manufacturing*, both industries report very high location quotients in Region 3. Yet, not all *Manufacturers* have high employment concentration in Region 3. Due to substantial employment elsewhere in Michigan, *Food manufacturing* and *Chemical manufacturing* are among the Region’s lower location quotient industries.
- Higher location quotients, and therefore larger employment concentrations, were also seen in *Mining (except oil and gas)*, *Gasoline stations*, and *Heavy and civil engineering construction*.
- *Administrative and support services*, a low wage industry, has a lower concentration of employment in Region 3 when compared to the State, which is also the case in other northern regions.

Location Quotient (LQ)

Higher LQ Industries

Wood Product Manufacturing
6.14 Location Quotient \$819 Average Weekly Wage

Mining (except Oil and Gas)
5.52 Location Quotient \$1,134 Average Weekly Wage

Nonmetallic Mineral Product Manufacturing
3.16 Location Quotient \$1,432 Average Weekly Wage

Gasoline Stations
2.85 Location Quotient \$361 Average Weekly Wage

Heavy and Civil Engineering Construction
2.56 Location Quotient \$1,043 Average Weekly Wage

Lower LQ Industries

Management of Companies and Enterprises
0.06 Location Quotient \$1,097 Average Weekly Wage

Food Manufacturing
0.20 Location Quotient \$356 Average Weekly Wage

Chemical Manufacturing
0.25 Location Quotient \$1,448 Average Weekly Wage

Professional, Scientific, and Technical Services
0.31 Location Quotient \$745 Average Weekly Wage

Administrative and Support Services
0.34 Location Quotient \$377 Average Weekly Wage

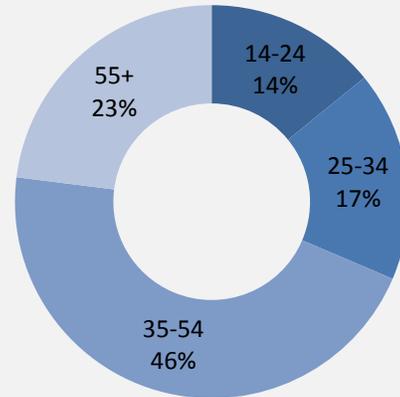
Source: DTMB, Quarterly Census of Employment and Wages

DEMOGRAPHICS / INDUSTRY EMPLOYMENT

- In the Northeast Prosperity Region, 23 percent of jobs are held by workers 55 years of age or older, above the 20 percent of jobs statewide. The Region has a lower percentage of workers ages 25-34 than the State: 17 percent regionally compared to 20 percent statewide.
- Some industries in the Region are older in the sense that they have a greater percentage of older workers than the statewide industry average, such as *Professional, scientific and technical services* and *Information*. More than one in four employees in both industries is over the age of 55.
- The *Health care and social assistance* industry registers the highest number of older employees in the Region (ages 55+). This is significant because the industry both has a higher percentage of older employees and a lower percentage of younger employees than the statewide average, presenting a possible future shortfall of workers in the industry.
- The *Public administration, Professional and business services*, and *Construction* sectors all have a percentage of older workers higher than the statewide average. *Public administration*, which is nearly one-third older workers, also has a lower percentage of workers ages 25-34 and 35-54 than the statewide average.

Industry Employment by Age

Industry Employment by Age



Lower Share of Older Workers

Accommodation and Food Services
9% over 55

Administrative and Support and Waste Management and Remediation Services
17% over 55

Construction
20% over 55

Higher Share of Older Workers

Public Administration
33% over 55

Utilities
29% over 55

Professional, Scientific, and Technical Services
29% over 55

Educational Services
29% over 55

Source: DTMB, Local Employment Dynamics

OCCUPATIONAL EMPLOYMENT AND WAGES

- Occupational employment in the Northeast Prosperity Region was 56,750 in 2012. Employment is in a diverse mix of job titles, ranging from those seen in large categories like *Food preparation and serving* to those in smaller, emerging categories like *Computer and mathematical* and *Architecture and engineering* occupations.
- Reflecting the diverse mix of job titles in Region 3, the occupational wage range is quite large, spanning from \$8.28 /hour at the 10th percentile to \$29.56 /hour at the 90th percentile. The median wage in the Region was \$12.88 /hour in 2012.
- Similar to the statewide economy, the occupational categories with the most employment in Region 3 include *Office and administrative support, Sales and related, and Food preparation and serving*. In addition, categories like *Management, Healthcare practitioner and technical, and Architecture and engineering* all boast solid employment and wages in Region 3.
- As expected, the highest paying occupations in Region 3 are also the ones that require the most education and training. The highest paying job titles are concentrated in the *Healthcare practitioner and technical* occupations and in *Management* occupations.

Employment and Wages

Northeast Prosperity Region

56,750

Occupational Employment

\$12.88

Median Occupational Wage

High Employment / High Wage Categories

Management

2,230 Employed • \$12.24 - \$59.00 Wage Range

Healthcare Practitioner and Technical

3,990 Employed • \$12.05 - \$50.87 Wage Range

Architecture and Engineering

450 Employed • \$16.07 - \$42.35 Wage Range

Education, Training, and Library

2,820 Employed • \$10.55 - \$34.86 Wage Range

Community and Social Service

1,070 Employed • \$9.87 - \$29.76 Wage Range

High Employment / High Wage Occupations

General and Operations Managers

2,230 Employed • \$32.96 Median Wage

Registered Nurse

1,140 Employed • \$32.96 Median Wage

Pharmacist

210 Employed • \$56.07 Median Wage

Medical and Health Service Managers

240 Employed • 31.24 Median Wage

Accountants and Auditors

240 Employed • 26.49 Median Wage

Source: DTMB, Occupational Employment Statistics (Unpublished Data)

OCCUPATIONAL OUTLOOK

- According to long-term occupational projections, employment in the Northeast Prosperity Region is expected to expand by 2,550 or 4.7 percent through 2018.
- Annual openings in the Region are estimated at 1,575, with 325 coming from growing occupations and 1,250 coming from the need to replace existing workers.
- *Health care* occupations dominate the list of high-growth occupations in Region 3, led by job titles like *Physicians assistants, Home health aides, and Dental assistants*. Similarly, *Health care* and *Personal care* occupations comprise the list of high-growth, high-wage occupations.
- Despite modest growth, some occupations will still generate many openings due to the need to replace existing workers, such as *Cashiers, Retail salespersons, Waiters and waitresses, and Office clerks*.
- Many high-growth titles also boast a relatively high wage. Typically, these occupations require significant investments in education or training. Among them are *Family and general practitioners, Accountants and auditors, Physical therapists, Pharmacists, and Dental hygienists*, each paying a median wage higher than the Region’s overall median occupational wage of \$12.88.

Occupational Outlook

Northeast Prosperity Region*

+2,550

Projected Employment Growth, 2008-2018

+4.7%

Projected Change in Employment, 2008-2018

High-Growth, High-Demand Occupations

Home Health Aides

39.2% Growth • 54 Annual Openings

Personal and Home Care Aides

32.9% Growth • 19 Annual Openings

Registered Nurses

20.6% Growth • 28 Annual Openings

Social and Human Service Assistants

20.1% Growth • 22 Annual Openings

Pharmacy Technicians

23.4% Growth • 8 Annual Openings

High-Growth, High-Wage Occupations

Family and General Practitioners

21.0% Growth • \$61.44 - \$90.86 Wage Range

Accountants and Auditors

19.2% Growth • \$13.81 - \$45.29 Wage Range

Physical Therapists

32.4% Growth • \$28.57 - \$46.71 Wage Range

Dental Hygienists

33.3% Growth • \$26.89 - \$36.07 Wage Range

Pharmacist

13.7% Growth • \$17.01 - \$69.98 Wage Range

Source: DTMB, Occupational Projections

***Note:** Includes the Northeast and East Central Area Economic Forecast Regions (EFR)

REAL-TIME DEMAND OCCUPATIONS

- There were 1,530 online advertised job vacancies in the Northeast Prosperity Region during the 3rd Quarter of 2013.
- Over half of all Regional vacancies were concentrated in five broad occupational categories: *Healthcare practitioners and technical; Sale and related; Healthcare support; Office and administrative support; and Food preparation and serving.*
- The top 5 in-demand detailed job titles were responsible for 1 in 5 total postings in the Region. The *Healthcare* category is a major driver of real-time demand in Region 3, with *Registered nurses* and *Home health aides* among the job titles with the most vacancies. Strong demand was also seen for *Service* and *Sales* occupations.
- Just over 12 percent of the job ads for Region 3 were greater than 120 days old, signaling that employers may be having difficulty filling the vacancies. Statewide, 11.9 percent of advertised vacancies are active for 120 days or longer.
- Over half of the online advertised job vacancies were posted for positions in three cities in the Region: Gaylord, Alpena, and Grayling. With the exception of Alpena, the five cities with the most job ads were on or near I-75.

Online Advertised Vacancies

Northeast Prosperity Region

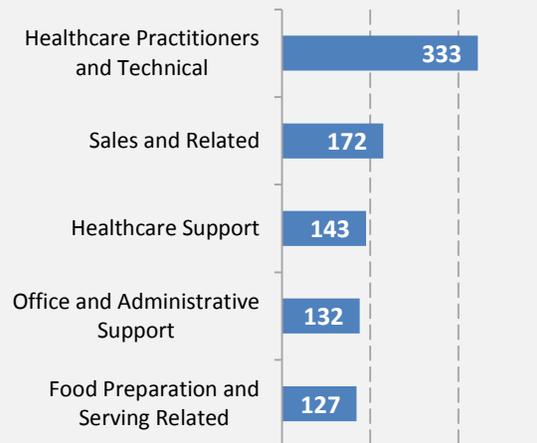
1,530

Total Online Advertised Vacancies, 3rd Quarter 2013

+28.9%

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

Top Advertised Categories



Top Advertised Job Titles

Registered Nurses

75 Postings • +4.2% Change over month

Merchandise Displayers

40 Postings • +9% Change

Retail Salespersons

35 Postings • -10.3% Change

Retail Sales Supervisors

30 Postings • -31.9% Change

Food Service Supervisors

30 Postings • +19.2% Change

Home Health Aides

25 Postings • +20.0% Change

General Maintenance and Repair Workers

20 Postings • +11.0% Change

Source: The Conference Board, Help Wanted Online

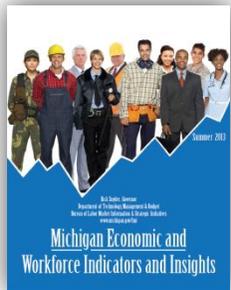
ADDITIONAL RESOURCES

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.

