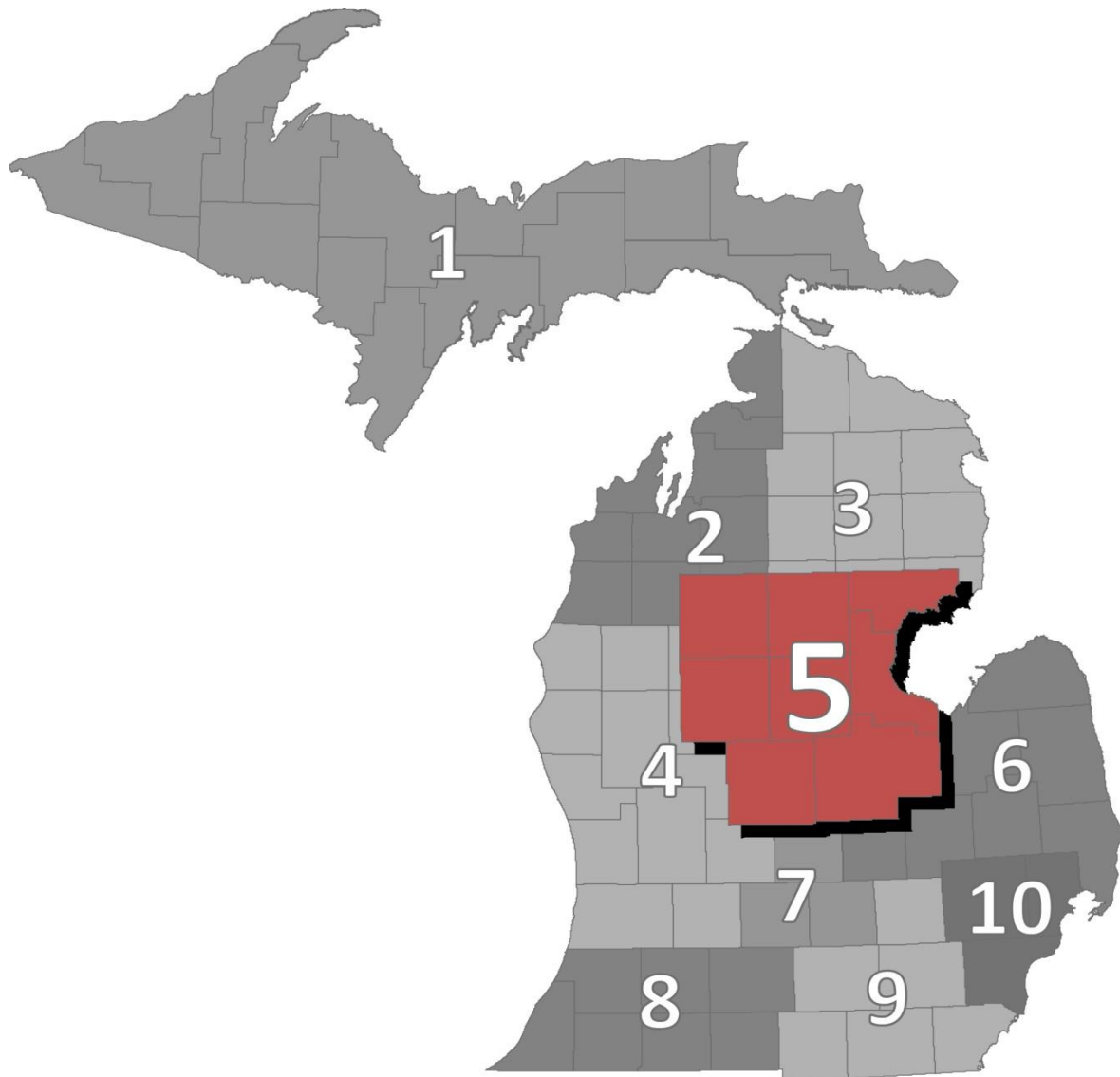


Regional Prosperity Initiative: Labor Market Information Supplement



Prepared For:

East Central Michigan Prosperity Region (Region 5)

(Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, and Saginaw)

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 East Central Michigan Prosperity Region (Region 5) had an estimated population of 573,504, representing 5.8 percent of the statewide population.
- Between 2000 and 2012, the Region’s population has fallen by 9,820 or 1.7 percent. Over the same period, Michigan’s population has remained relatively flat, inching lower by 55,500 residents or 0.6 percent.
- In Region 5, Saginaw County reported the largest population decline, falling by 11,698 residents, or 5.6 percent. Other sizeable declines were seen in Bay and Arenac. Partially offsetting population declines in other areas of the Region were increases in Isabella and Midland Counties.
- The age distribution of the Region 5 population is slightly older than the statewide average. In 2012, 30 percent of residents were at or nearing retirement age (55 or older) while 27 percent were in the younger worker cohorts, including those 15 to 24 and those 25 to 34.
- In the East Central Michigan Prosperity Region, 1 in 5 residents hold a Bachelor’s degree or higher, slightly lower than the statewide average of 25 percent. At the same time, 12 percent of residents report having less than a high school diploma.

Population and Demographics

East Central Michigan Prosperity Region

573,504

Total Population, 2012 Estimate

5.8%

Share of State

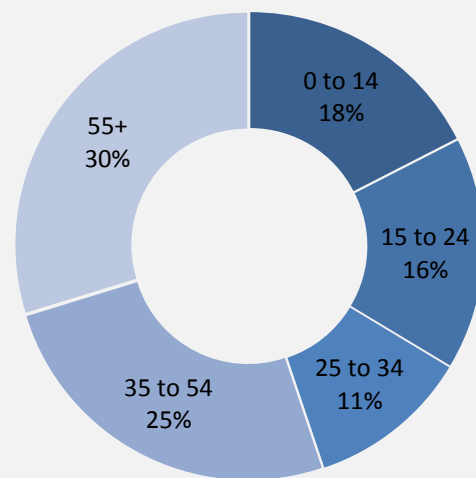
-9,820

Total Change in Residents, 2000-2012

-1.7%

Percent Change in Residents, 2000-2012

Population by Age



Population by Gender

51%

Female

49%

Male

Educational Attainment of 25+ Population

Less than High School Diploma

12% Share • **47,059** Residents

High School Graduate, GED or Alternative

35% Share • **134,031** Residents

Some College or Associate’s Degree

33% Share • **123,581** Residents

Bachelor’s Degree or Higher

20% Share • **74,679** Residents

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

LABOR FORCE AND UNEMPLOYMENT

- There are 268,140 labor market participants in the East Central Michigan Prosperity Region. Since 2009, the Region’s labor force has decreased by 9,060 or 3.3 percent. Over the same period, labor force levels statewide have declined by 166,430 or 3.4 percent.
- In recent years, labor force withdrawal has been due to increased retirements, as well as economic conditions. Withdrawals due to economic conditions have come in the form of enrollments into job training programs or higher education, as well as discouragement among out-of-work jobseekers.
- Unemployment in the Region has improved since the end of the recession. While the number of employed persons in the Region has remained relatively flat since 2009, the number of unemployed has fallen by a full 25 percent during the same period.
- At 9.1 percent, the unemployment rate in Region 5 is equal to the Michigan average, also 9.1 percent, so far in 2013.
- July 2013 was the first month that Region 5 posted a double-digit jobless rate since July 2011. This rise in the unemployment rate, an exception to the general downward trend seen since 2009, is partially due to reentrants in the labor force who have resumed their search for employment in response to generally improving labor market conditions.

Labor Force and Unemployment

East Central Michigan Prosperity Region

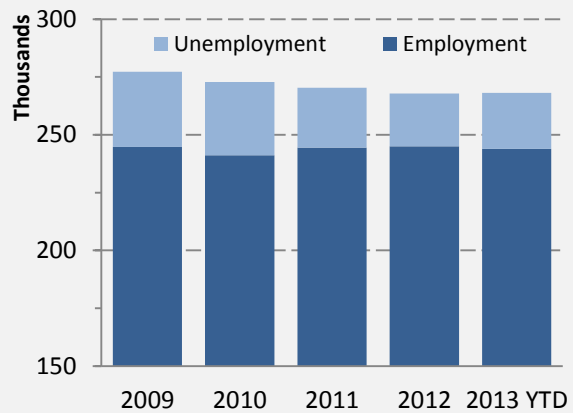
268,140

Labor Force Participants, 2013 YTD

-3.3%

Change in Labor Force, 2009-2013

Labor Force, Employment, Unemployment



East Central Michigan Prosperity Region

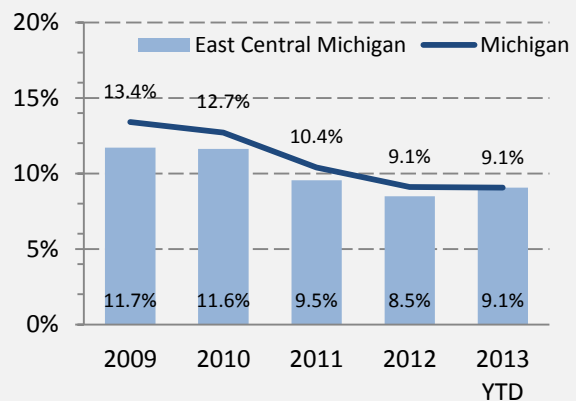
9.1%

Unemployment Rate, 2013 YTD

-2.7

Change in Unemployment Rate, 2009-2013

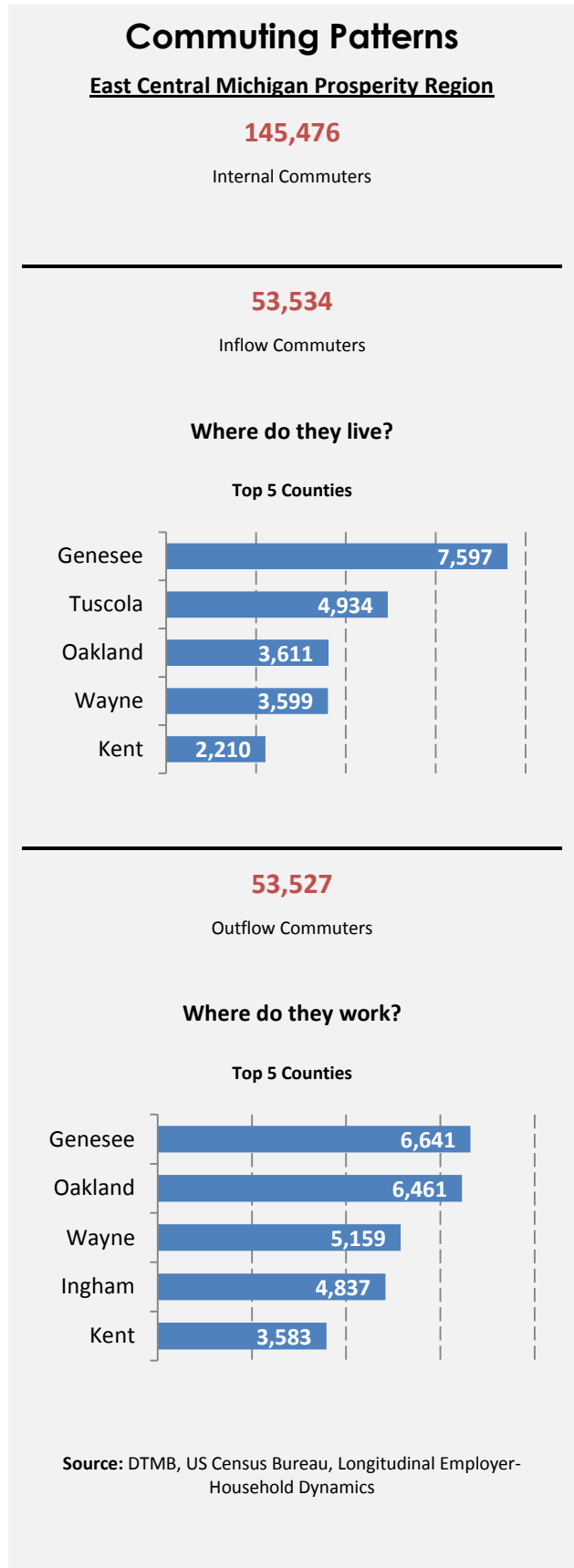
Unemployment Rate



Source: DTMB, Local Area Unemployment Statistics (LAUS)

COMMUTING PATTERNS

- The East Central Michigan Prosperity Region has 145,476 internal commuters, accounting for about 73 percent of those employed within the Region. Regionally, internal commuters are roughly on par with the average of 77 percent for all Prosperity Regions.
- The top counties providing inflow commuters are Genesee, Tuscola, and Oakland counties. This is generally because of those commuting from Flint (Genesee) and Detroit (Oakland).
- Residents who leave Region 5 to work elsewhere (outflow commuters) primarily work in Genesee, Oakland, and Wayne counties, mainly because of the density of jobs in the Flint and Detroit metropolitan areas. These three counties alone represent over a third of total outflow commuters from the Region.
- Net commuting (inflow – outflow) in Region 5 is nearly zero, meaning that there are virtually the same number of commuters leaving the Region to work than there are coming to the Region to work.
- Region 5 is the only Prosperity Region in Michigan that has a net commuting total of nearly zero, due to an equal pull between those coming to work in metropolitan areas like Saginaw, Midland, and Mount Pleasant and those leaving to work in areas like Flint, Detroit, and Lansing.



INDUSTRY EMPLOYMENT

- In 2012, the East Central Michigan Prosperity Region had 210,600 payroll jobs, representing 5.4 percent of statewide payrolls.
- Sixty-four percent of the Region’s jobs are concentrated in five industries: *Health care and social assistance; Retail trade; Manufacturing; Accommodation and food services; and Educational services.*
- *Health care and social assistance* establishments are a major source of employment in the Region, responsible for 36,550 jobs or 17.4 percent of total payroll jobs. Nearly half of these jobs are in the *Hospitals* sector, while another 30 percent are in the *Ambulatory health care services* sector.
- *Manufacturing* is another major industry in terms of employment. Twenty percent of *Manufacturing* jobs are in each the *Transportation equipment* and *Chemical manufacturing* industries, with an additional 1 in 6 jobs in *Machinery manufacturing*.
- *Accommodation and food services* provides many jobs in Region 5. Within the industry, *Food services and drinking places* added 1,127 jobs since the end of the “Great Recession,” caused by increased consumer spending driven by job growth in high-paying industries like *Manufacturing and Management of companies and enterprises.*

Industry Employment

East Central Michigan Prosperity Region

210,600

Total, All Industry Payroll Jobs

\$765

Total, All Industry Average Weekly Wage

Top 10 Industries by Employment

Health Care and Social Assistance

36,550 Jobs • 17.4% Share

Retail Trade

27,725 Jobs • 13.2% Share

Manufacturing

27,600 Jobs • 13.1% Share

Accommodation and Food Services

24,475 Jobs • 11.6% Share

Educational Services

18,500 Jobs • 8.8% Share

Administrative and Support and Waste Management

13,550 Jobs • 6.4% Share

Public Administration

8,900 Jobs • 4.2% Share

Construction

8,875 Jobs • 4.2% Share

Other Services (except Public Administration)

7,475 Jobs • 3.6% Share

Professional, Scientific, and Technical Services

6,400 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 East Central Michigan Prosperity Region have risen by 7,535 or 3.7 percent. This is compared to the 4.0 percent growth in payrolls statewide.
- *Manufacturing* tops the list of the Region’s high-growth industries. Since 2009, the Region 5 *Manufacturing* industry has added over 3,500 jobs and grown by 14.6 percent, slightly behind industry gains statewide.
- The overwhelming majority of job gains in *Administrative and support and waste management* were seen in *Administrative support services*, up by 2,600 jobs or 24 percent. Included in this industry is the large and growing *Employment services* sector.
- The *Health care and social assistance* industry has been consistently adding jobs in Region 5. Since 2009, the industry is up by 1,000 jobs or 2.8 percent. Major gains have been seen in *Hospitals and Ambulatory health care services* while more tempered gains were seen in *Social assistance*.
- Since 2009, not all industries have added jobs. In fact, sizeable losses were seen in *Educational services* and *Public administration*, two industries in the Region with many older employees.

Industry Job Trends

East Central Michigan Prosperity Region

+7,535

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

+3.7

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

High Growth Industries

Manufacturing

+3,500 Jobs • +14.6% Percent

Administrative and Support and Waste Management

+2,900 Jobs • +26.2% Percent

Accommodation and Food Services

+1,225 Jobs • +5.2% Percent

Health Care and Social Assistance

+1,000 Jobs • +2.8% Percent

Management of Companies and Enterprises

+950 Jobs • +29.0% Percent

Declining Industries

Educational Services

-1,790 Jobs • -8.6% Percent

Public Administration

-870 Jobs • -8.8% Percent

Real Estate and Rental and Leasing

-425 Jobs • -18.5% Percent

Information

-410 Jobs • -13.6% Percent

Retail Trade

-230 Jobs • -0.8% 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.
- The East Central Michigan Prosperity Region has a higher location quotient, and therefore a regional advantage, in industries such as *Chemical manufacturing* and *Nonmetallic mineral product manufacturing*, due to several major manufacturers located in the Region.
- But, not all *Manufacturing* industries have large employment concentrations in Region 5. For example, *Computer and electronic product manufacturing* reports a lower employment concentration regionally than statewide.
- Three of the top high-LQ industries have very high wages, far above the all-industry average in the Region (\$765). This is highlighted by *Management of companies and enterprises*, boasting an average weekly wage of \$2,041, aided by the presence of major corporate headquarters in the Region.

Location Quotient (LQ)

Higher LQ Industries

Chemical Manufacturing

3.55 Location Quotient \$1,638 Average Weekly Wage

Nonmetallic Mineral Product Manufacturing

2.68 Location Quotient \$1,422 Average Weekly Wage

Accommodation

2.24 Location Quotient \$492 Average Weekly Wage

Gasoline Stations

1.53 Location Quotient \$313 Average Weekly Wage

Management of Companies and Enterprises

1.45 Location Quotient \$2,041 Average Weekly Wage

Lower LQ Industries

Furniture and Related Product Manufacturing

0.10 Location Quotient \$681 Average Weekly Wage

Wholesale Electronic Markets and Agents and Brokers

0.19 Location Quotient \$851 Average Weekly Wage

Warehousing and Storage

0.21 Location Quotient \$893 Average Weekly Wage

Publishing Industries (except Internet)

0.35 Location Quotient \$663 Average Weekly Wage

Computer and Electronic Product Manufacturing

0.44 Location Quotient \$1,396 Average Weekly Wage

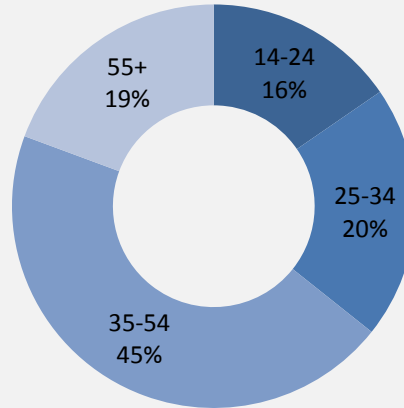
Source: DTMB, Quarterly Census of Employment and Wages

DEMOGRAPHICS / INDUSTRY EMPLOYMENT

- In the East Central Prosperity Region, 19.4 percent of jobs are held by workers 55 years of age or older, on par with the 20 percent of jobs statewide. Also on par with the State is the percentage of 25-34 year-olds in the Region.
- Some industries in the Region are older in that they have a greater percentage of older workers than the statewide industry average. For example, about 22 percent of employees in the *Finance and insurance* industry are over the age of 55 compared to the State’s average of 19 percent.
- Like many other Prosperity Regions, the *Health care and social assistance* industry registers the largest number of older employees (ages 55+). This presents the Region with the possibility of a shortfall of health care workers if there are not enough qualified workers to enter the industry when older workers begin to retire.
- The East Central Michigan *Manufacturing* sector is an example of an industry that is younger than average when compared to the State. It has both a higher percentage of younger workers and a lower percentage of older workers, showing that the problem of the State’s aging *Manufacturing* industry might be less of an issue for the Region.

Industry Employment by Age

Industry Employment by Age



Lower Share of Older Workers

Accommodation and Food Services
9% over 55

Construction
15% over 55

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

Manufacturing
17% over 55

Higher Share of Older Workers

Educational Services
29% over 55

Public Administration
25% over 55

Transportation and Warehousing
25% over 55

Utilities
25% over 55

Source: DTMB, Local Employment Dynamics

OCCUPATIONAL EMPLOYMENT AND WAGES

- Occupational employment in the East Central Prosperity Region was an impressive 206,670 in 2012. Employment is in a diverse mix of job titles, ranging from those seen in the large *Sales and related* and *Office and administrative support* categories to those in small, emerging categories like *Life, physical, and social science* and *Computer and mathematical*.
- Reflecting the diverse mix of job titles in Region 5, the occupational wage range is quite large, spanning from \$8.41 /hour at the 10th percentile to \$34.79 /hour at the 90th percentile. The median wage in the Region was \$14.94 /hour in 2012.
- The occupational categories with the most employment in Region 5 include *Office and administrative support*, *Sales and related*, and *Food preparation and serving*. In addition, categories like *Management*, *Architecture and engineering*, and *Healthcare practitioner and technical*, all report solid employment and wages in Region 5.
- As expected, the highest paying occupations in Region 5 are also the ones that require the most education and training. The highest paying job titles are concentrated in *Healthcare practitioner and technical* occupations, *Management* occupations, and *Architecture and engineering* occupations.

Employment and Wages

East Central Michigan Prosperity Region

206,670

Occupational Employment

\$14.94

Median Occupational Wage

High Employment / High Wage Categories

Management

9,510 Employed • \$19.70 - \$68.70 Wage Range

Architecture and Engineering

5,310 Employed • \$16.80 - \$51.59 Wage Range

Healthcare Practitioner and Technical

14,740 Employed • \$14.42 - \$53.89 Wage Range

Business and Financial Operations

6,720 Employed \$14.71 - \$42.48 Wage Range

Education, Training, and Library

11,560 Employed • \$10.84 - \$38.66 Wage Range

High Employment / High Wage Occupations

Chemists

1,310 Employed • \$48.48 Media Wage

General and Operations Managers

2,450 Employed • \$35.31 Media Wage

Industrial Production Managers

700 Employed • \$41.67 Media Wage

Registered Nurses

5,270 Employed • \$28.60 Media Wage

Medical and Health Services Managers

690 Employed • \$39.92 Media Wage

Source: DTMB, Occupational Employment Statistics (Unpublished Data)

OCCUPATIONAL OUTLOOK

- According to long-term forecasts, employment in the East Central Michigan Prosperity Region is expected to increase by 14,865 or 4.6 percent through 2018.
- Annual openings in the Region are estimated at 9,250, with 2,050 coming from growing occupations and 7,200 coming from the need to replace existing workers
- Detailed occupations expected to see the largest growth rates in Region 5 include *Health care* occupations like *Home health aides* and *Medical assistants* as well as *IT occupations* like *Network systems and communication analysts* and *Software engineers*.
- Despite modest (or even negative) growth, some occupations will still provide many opportunities due to the need to replace existing workers. These include typically large occupations, such as *Cashiers*, *Retail salespersons*, and *Waiters and waitresses*.
- Many high-growth occupations also report relatively high wages. Typically, these occupations require significant investments in education or training. Examples include *Accountants and auditors*, *Occupational therapists*, and *Medical and health service managers*, each with median wages higher than the Region's overall median occupational wage of \$14.94.

Occupational Outlook

East Central Michigan Prosperity Region*

+14,865

Projected Employment Growth, 2008-2018

+4.6%

Projected Change in Employment, 2008-2018

High-Growth / High-Demand Occupations

Registered Nurses

21.1% Growth • 278 Annual Openings

Home Health Aides

42.1% Growth • 197 Annual Openings

Nursing Aides, Orderlies, and Attendants

15.8% Growth • 127 Annual Openings

Licensed Practical / Licensed Vocational Nurses

14.9% Growth • 100 Annual Openings

Medical Assistants

28.6% Growth • 53 Annual Openings

High-Growth / High-Wage Occupations

Accountants and Auditors

15.1% Growth • \$28.10 Median Wage

Occupational Therapists

23.9% Growth • \$30.88 Median Wage

Medical and Health Service Managers

11.4% Growth • \$39.92 Median Wage

Dental Hygienists

26.2% Growth • \$26.78 Median Wage

Public Relations Specialists

20.0% Growth • \$22.53 Median Wage

Source: DTMB, Occupational Projections

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

REAL-TIME DEMAND OCCUPATIONS

- There were 6,500 online advertised job vacancies in the East Central Prosperity Region during the 3rd Quarter of 2013.
- Over half of all Regional vacancies were concentrated in five broad occupational categories: *Sales and related; Healthcare practitioners and technical; Office and administrative support; Transportation and material moving; and Management.*
- The top 5 in-demand detailed job titles were responsible for 1 in 6 total postings in the Region. The top 5 in-demand occupations in the Region matches almost exactly with the top 5 occupations in demand in Michigan, with 4 of the top 5 occupations also appearing in the top 5 occupations in demand in Michigan.
- Over 16 percent of the job ads in Region 5 were greater than four months old, signaling that employers may be having difficulty filling the vacancies. Statewide, 11.9 percent of advertised vacancies are active for four months or longer.
- Nearly 40 percent of all online advertised job vacancies for East Central Michigan were for positions in the City of Saginaw. Advertisements for positions in Midland, Mount Pleasant, and Bay City also made up large portions of the Region’s total real-time demand.

Online Advertised Vacancies

East Central Michigan Prosperity Region

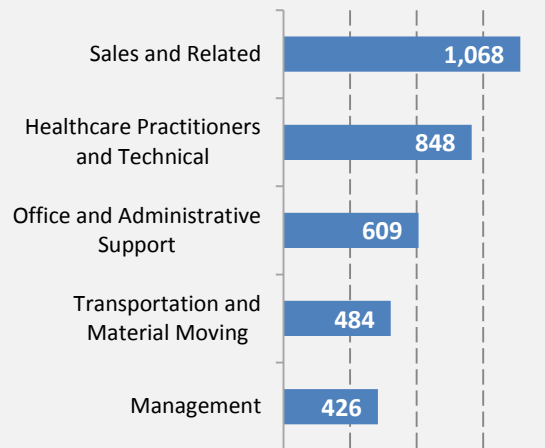
6,500

Total Online Advertised Vacancies, 3rd Quarter 2013

+0.3%

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

Top Advertised Categories



Top Advertised Job Titles

Truck Drivers

260 Postings • +18.4% Change over month

Retail Salespersons

250 Postings • +14.2% Change

Registered Nurses

210 Postings • -5.3% Change

Retail Sales Supervisors

160 Postings • +11.6% Change

Food Service Supervisors

150 Postings • +22.7% Change

Physical Therapists

144 Postings • -19.6% Change

Source: The Conference Board, Help Wanted Online

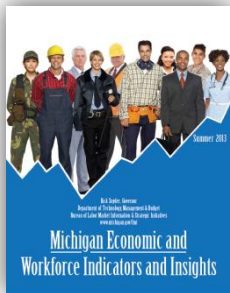
ADDITIONAL RESOURCES

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.

