

# Annual Planning Information and Workforce Analysis Reports: Southwest Michigan

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

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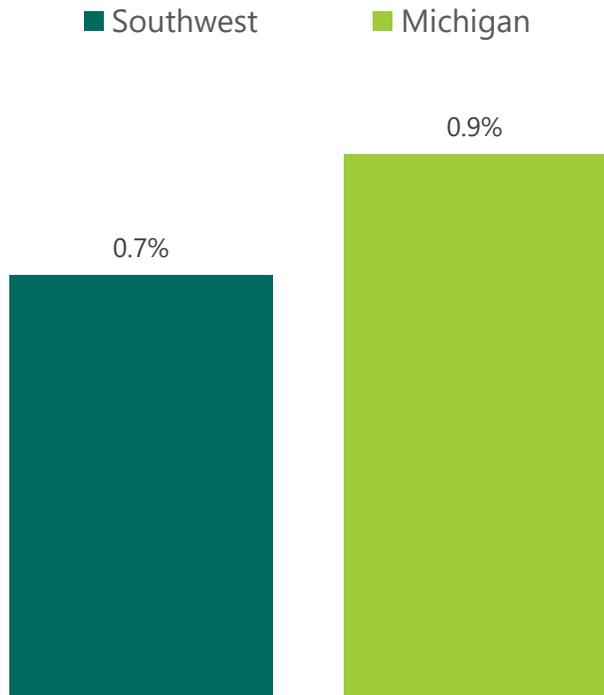
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# Population Trends and Characteristics

Tables 1-3

# Regional population growth over the 2011-2017 period similar to the state's rate.

## Population Change (2011-2017)



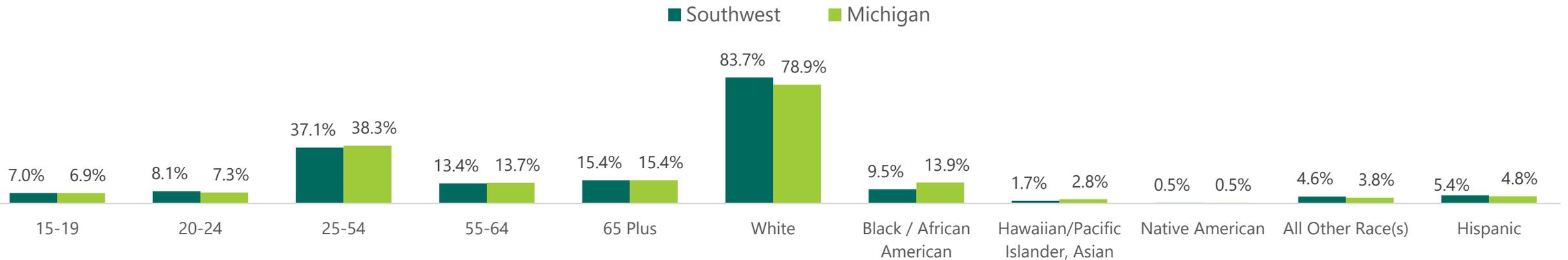
Source: U.S. Census Bureau, Annual Population Estimates

- Recent population estimates from the U. S. Census Bureau show the population of the Southwest Prosperity Region inching up by 5,100, from 777,300 in 2010 to 782,400 in 2017. The area's population was flat between 2011 and 2015, inching up 1,800 before increasing by about 3,300 over the past two years. **(Table 1)**
- State population steadily rose since 2011 to add over 86,000 by 2017. Nationwide, the population rose by more than 4 percent (or about 14.1 million) over this period. **(Table 1)**
- All population growth in Southwest Michigan was concentrated in Kalamazoo County at 4 percent (+10,500). The remaining six counties of Southwest Michigan recorded population reductions, ranging from loss of 100 in St. Joseph to a 2,500 drop in Berrien. **(Table 1)**

# Demographic distribution in Southwest Michigan similar to the statewide spread.

- The population of Southwest Michigan was almost evenly distributed across the two genders in 2016; women commanded a small majority at 51 percent, matching the statewide gender population distribution. **(Table 2)**
- The spread of the population in Southwest Michigan by age groups is similar to the statewide age distribution for every group. About 30 percent of the population in each area is 55 years of age or older. **(Table 2)**
- The share of White population in Southwest is about five percent points higher than state average. African Americans only make up 10 percent of the population compared to 14 percent in Michigan overall. **(Table 2)**

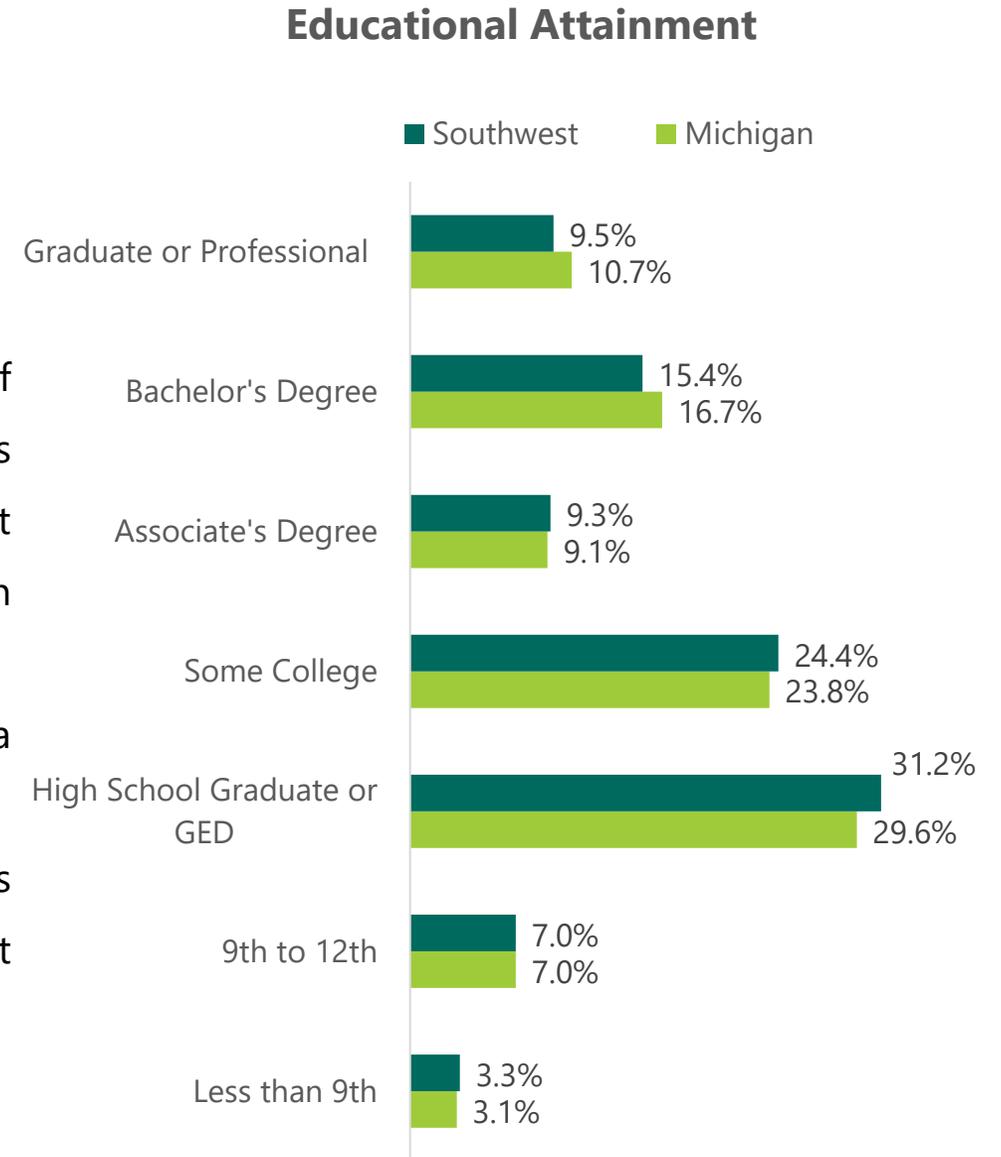
**Population by Age, Race / Ethnicity**



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey 5-Year Estimates

# The educational attainment of the region's residents continues to be below state averages.

- The structure of the educational attainment of the population 25 years of age and older has not changed over the past several years. Individuals with a high school diploma or a GED continued to constitute the largest group in Southwest Michigan. In 2016, 31 percent of Southwest Michigan residents fell in this category. The share was 30 percent statewide.
- Southwest Michigan still shows lower proportions of individuals with a bachelor's degree or higher (25 percent) than statewide (27 percent).
- The shares of residents with some college but no degree or an associate's degree continue to be almost the same in both areas (Southwest Michigan and the state). **(Table 3)**

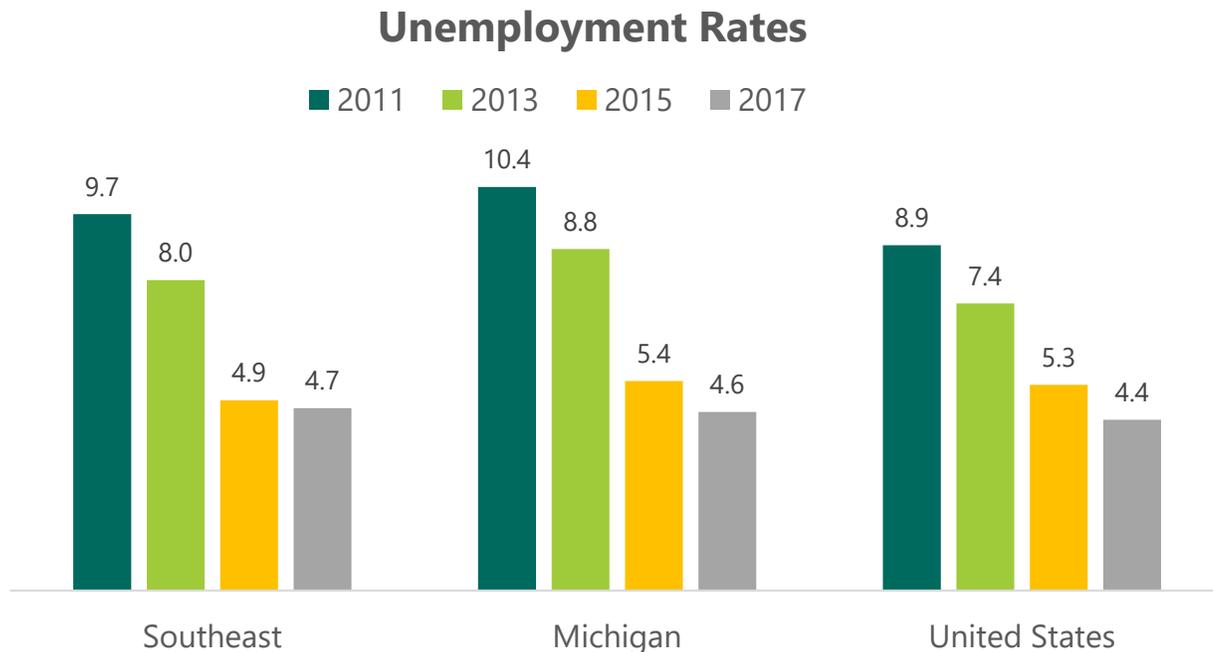


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

# Labor Force and Employment Trends and Characteristics

Tables 4-7 and 12

# Southwest Michigan records a stable workforce and a substantial employment gain over the 2011-2017 period.



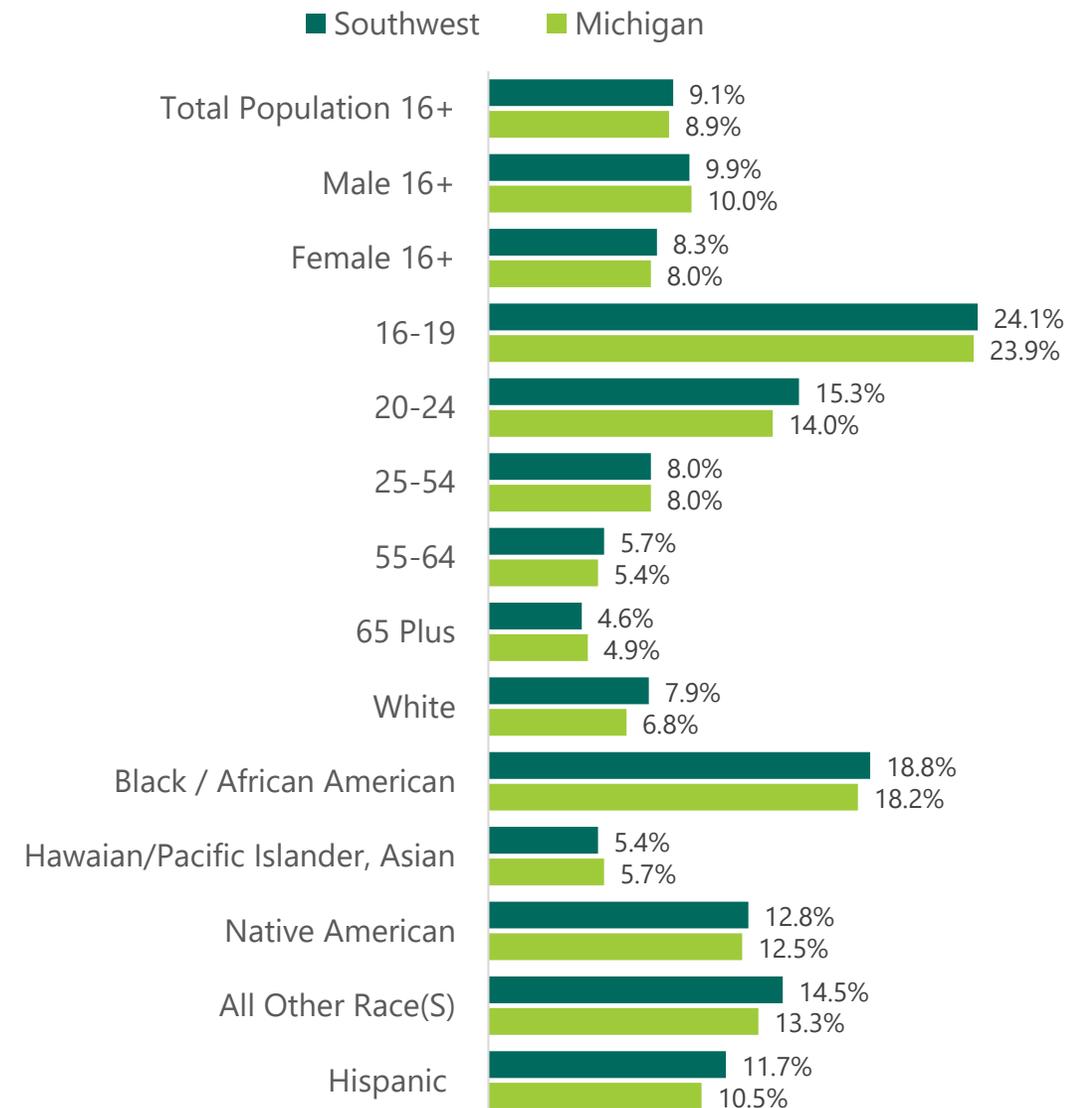
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- Unemployment rate changes for Southwest Michigan followed state and national trends, dropping significantly (by close to half) between 2011 and 2015. Area jobless rates were stable over the past two years, edging down by two tenths of a percent between 2015 and 2017.
- Over the 2011-2017 period, the count of unemployed individuals dropped by 51 percent (-18,300), from 36,000 in 2011 to 17,700 in 2017. Most of the drop occurred between 2013 and 2015 (-11,000). **(Tables 6 and 12)**
- The civilian labor force in Southwest Michigan edged up by 2 percent (+6,200) between 2011 and 2017. After dropping by 4,500 between 2011 and 2013, the area's workforce rebounded by 6,900 during the 2013-2015 period and then by 3,800 in the past two years. **(Table 4)**
- Employment in Southwest Michigan expanded substantially by over 7 percent (+24,500) between 2011 and 2017, with close to 4,500 added in the last two years and 18,000 in the two years before that (2013 to 2015). **(Table 5)**

# Elevated jobless rates for males, youths, and most racial and ethnic groups.

- The jobless rate for the Southwest population 16+ years of age (9 percent) was on par with the state rate for the 2012-2016 period. Generally speaking, unemployment rates have been declining since the end of the 2009 recession. **(Table 7)**
- According to estimates from the U.S. Census Bureau, more men than women participated in the labor market in Southwest Michigan during the 2012-2016 period. Men also continued to experience a higher unemployment rate at 10 percent than females at 8 percent. **(Table 7)**
- The unemployment rates of youth and young adults (16-24 years old) are typically higher than other groups in both Southwest Michigan and the state for obvious reasons (e.g., less experience, lower education, etc.). The unemployment rate of the 16-19 year old group was over one percentage point higher in Southwest Michigan than in the state overall. **(Table 7)**
- In general, the regional jobless rates for almost every racial and ethnic group were higher than the state level, with the exception of Asians, Native Hawaiian and Pacific Islanders. **(Table 7)**

## Unemployment Rates by Sex, Age, and Race / Ethnicity



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

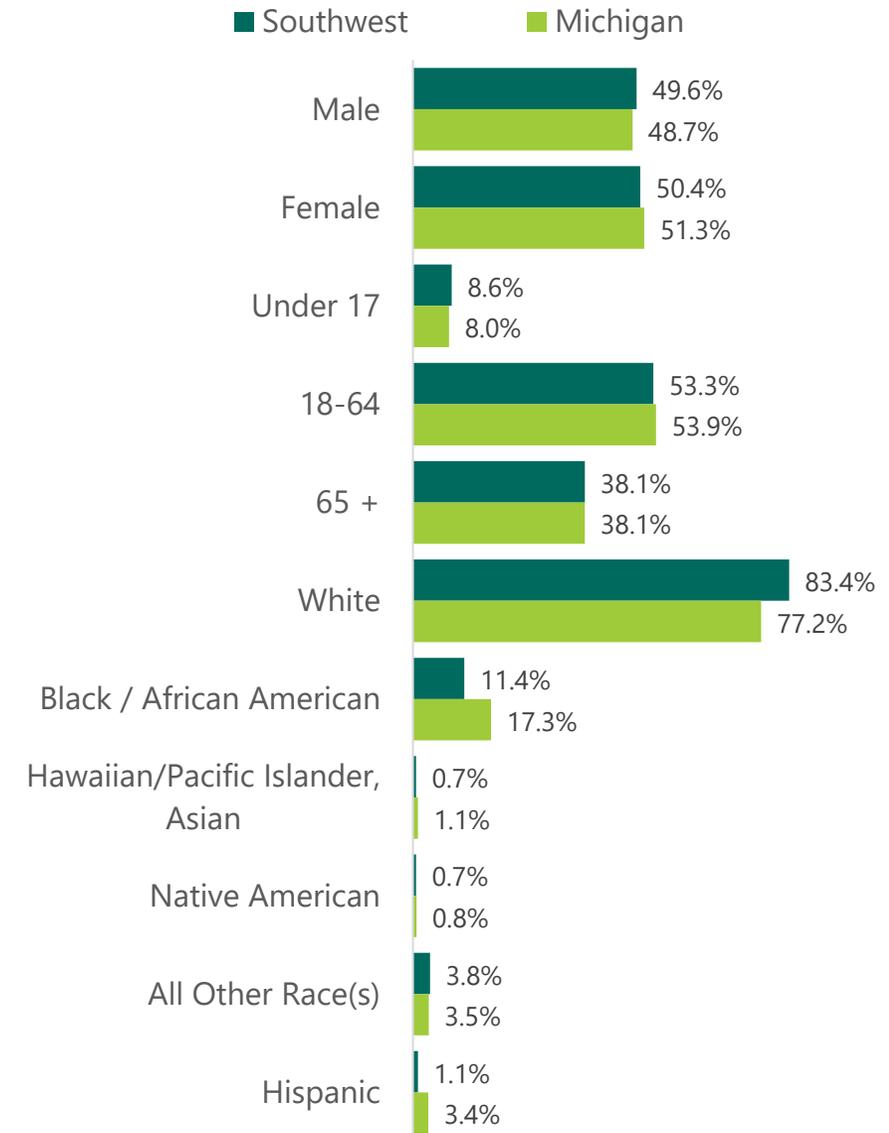
# Individuals with Barriers to Employment

Tables 28-36

# Regional distribution of individuals with a disability by sex and age similar to the statewide pattern.

- Disability is one of the several factors that can lead to poverty and other forms of economic distress. Disability increases with age. According to the U.S. Census Bureau, about 109,300 people in Southwest Michigan report a disability in 2016. A little over 38 percent of them were 65 years of age and older; on par with the state average. **(Table 28)**
- A little over eight in ten individuals with disabilities in the Southwest region were White (83 percent versus 77 percent statewide); this is a reflection of the group's 84-percent share of total population in the region. **(Table 28)**
- The labor market status of persons with a disability has improved in Michigan over the past two years (2014-2016), as the economy of the state continues to recover. The labor force participation rate advanced by two percentage points to 25 percent. The unemployment rate reduced by four percentage points, from 16 percent in 2014 to 12 percent in 2016. And the ratio of the employed over the total number of people eligible for work (16 years of age and above) substantially increased by over 2 percentage points to 22 percent. **(Unified State Plan Update)**

## Individuals with a Disability

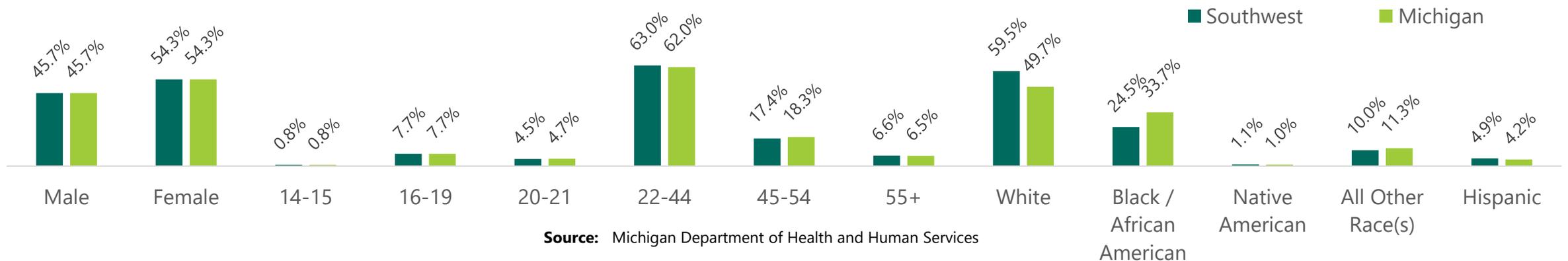


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

# Assistance program recipients still concentrated in the working age and white demographics.

- Two years ago in December, the Michigan Department of Health and Human Services counted roughly 40,000 assistance program recipients in Southwest Michigan. The number has dropped to 31,000 as of June 2017. **(Table 30)**
- There continued to be more female than male recipients of public assistance in both Southwest Michigan and the state. **(Table 30)**
- The majority of the registrants were in the prime working age of 22 to 44 (about 63 percent of the registrants in June 2017). **(Table 30)**
- Approximately 60 percent of the registrants in Southwest Michigan were White (vs. 50 percent statewide) and 24 percent were Black or African American ( vs. 34 percent statewide). **(Table 30)**

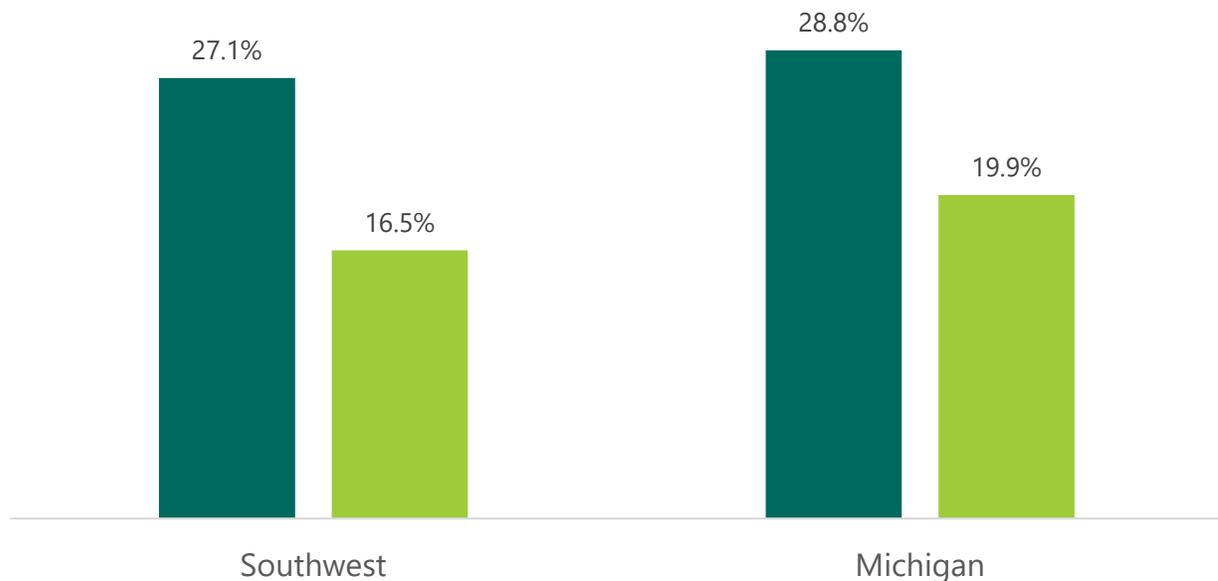
Assistance Program Recipients by Sex, Age, and Race / Ethnicity



# Noticeable decline in long-term joblessness posted in Southwest Michigan.

Percentage Long-Term Unemployed of Total Unemployed

■ 2015 ■ 2017

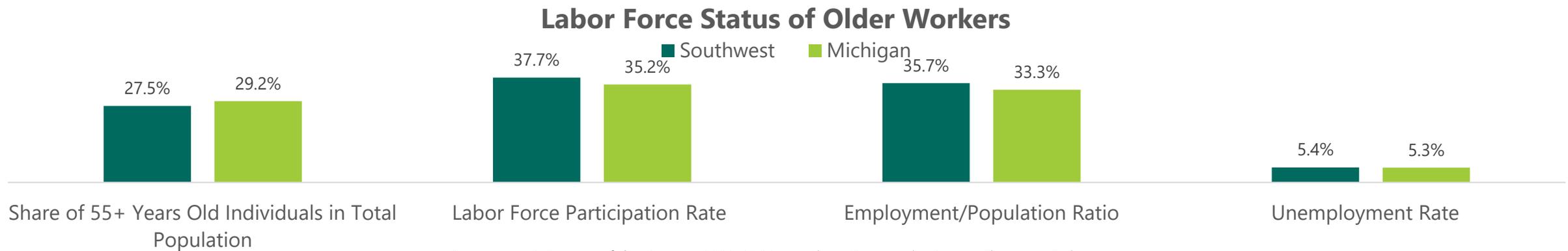


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

- The number of long-term unemployed individuals, or the share of individuals out of work for 27 weeks or more, has made a significant recovery since 2010. In 2010, almost half of unemployed Southwest Michiganders (46 percent) were considered long-term unemployed. That number shrunk to a little over a quarter in 2015 (27 percent) and then to 16 percent in 2017. **(Table 34)**
- The Southwest region's share of long-term unemployed has fared well relative to Michigan's other prosperity regions. The Southwest region was ranked fifth lowest rate of long-term unemployed in 2010 and fourth in 2015. In 2017, the Southwest region continued to display the fourth lowest share of long-term unemployed, right after South Central, Southeast, and West Michigan. **(Table 34)**

# Older workers continue to stay in labor market longer in Southwest Michigan and the state.

- A little over a quarter of the population 16+ years of age in Southwest Michigan is in the category of older workers (aged 55 years or more). The ratio is one in three statewide. **(Table 35)**
- The labor force participation rate for older workers continues to improve in both Southwest Michigan and the state, as the economy continues to grow. In 2016, the rate was estimated at 38 percent in Southwest Michigan, three percentage points above statewide average. At 36 percent, the proportion of older workers employed among all residents 55 years and older in Southwest Michigan was also higher than the state's rate. **(Table 35)**
- The jobless rate of older workers in Southwest Michigan was on par with the Michigan rate of a little over 5 percent. **(Table 35)**

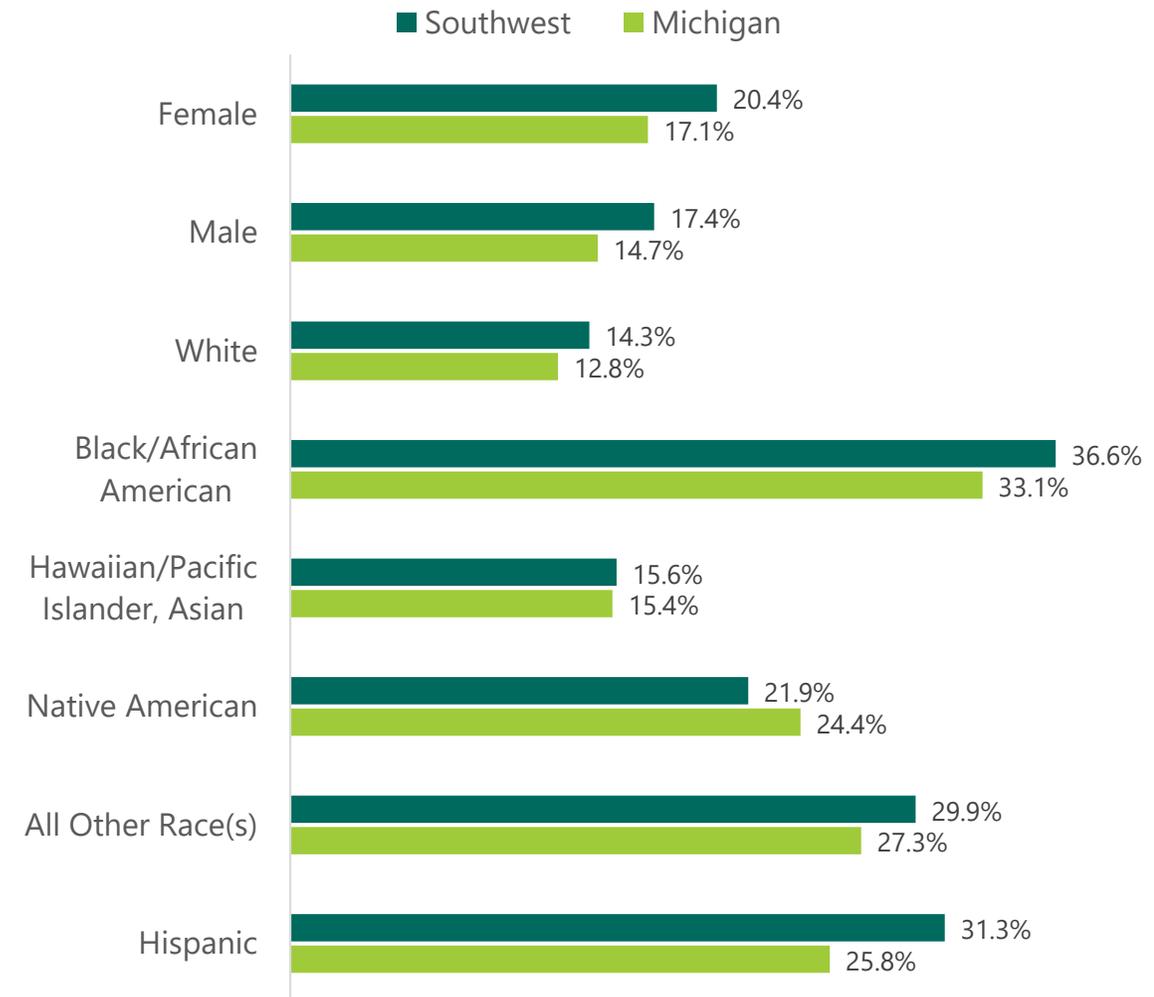


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

## Poverty rate at 15 percent in Southwest Michigan, slightly below Michigan.

- The U.S. Census Bureau estimated approximately 147,400 individuals (or 15 percent of the population) lived below the poverty line in Southwest Michigan, in 2016. This is about a full percent point below the state poverty rate of 16 percent. **(Table 36)**
- Black or African American individuals had the highest poverty rate in Southwest Michigan at 37 percent, about 4 percentage points higher than statewide rate for this group. Hispanics also recorded a higher-than-average poverty rate in Southwest Michigan compared to the state (31 vs. 26 percent, respectively). **(Table 36)**
- The share of women living in poverty was slightly higher than that of men in both areas. **(Table 36)**

### Poverty by Sex and Race / Ethnicity



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

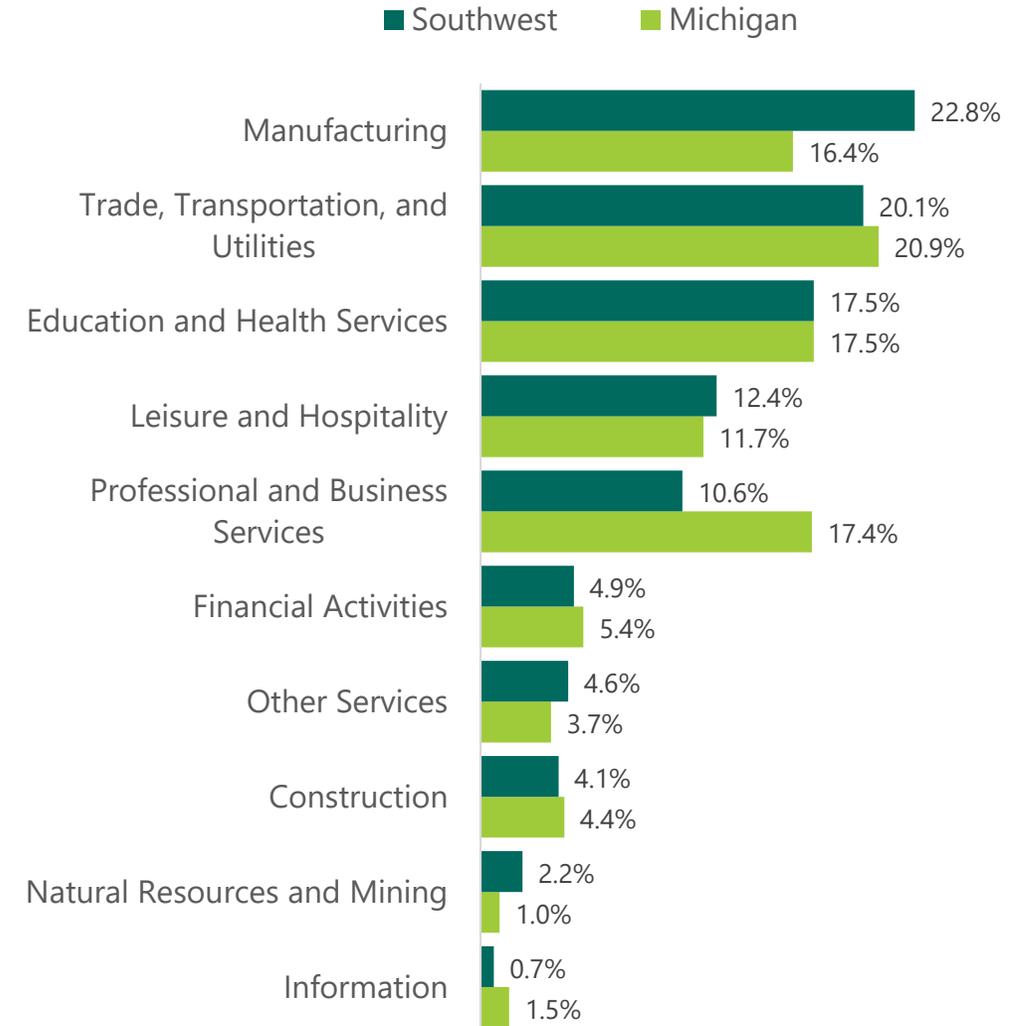
# Existing and Emerging In-Demand Industry Sectors and Occupations

Tables 8-11 and 17-26

# Higher share of manufacturing jobs in Southwest Michigan than statewide.

- The current ranking of regional industries based on their share in total private payroll jobs has remained unchanged compared to two years ago in 2015.
- Southwest Michigan continues to be home for many world class manufacturers like Whirlpool, American Axle, Lear Corporation, Pfizer, Stryker, Kellogg, etc., making *Manufacturing* the region's largest industry, with a share of total private payroll jobs that is over six percentage points above statewide average. **(Table 8)**
- *Manufacturing* is followed by *Trade, transportation, and utilities*, *Education and health services*, and *Leisure and hospitality*. **(Table 8)**
- *Professional and business services* ranks as the 5th largest employer in the region. This is in contrast to the statewide industry composition, where this sector is the third largest and *Manufacturing* fourth largest among all private employers. **(Table 8)**

## Distribution of Industry Jobs, 2nd Quarter 2017

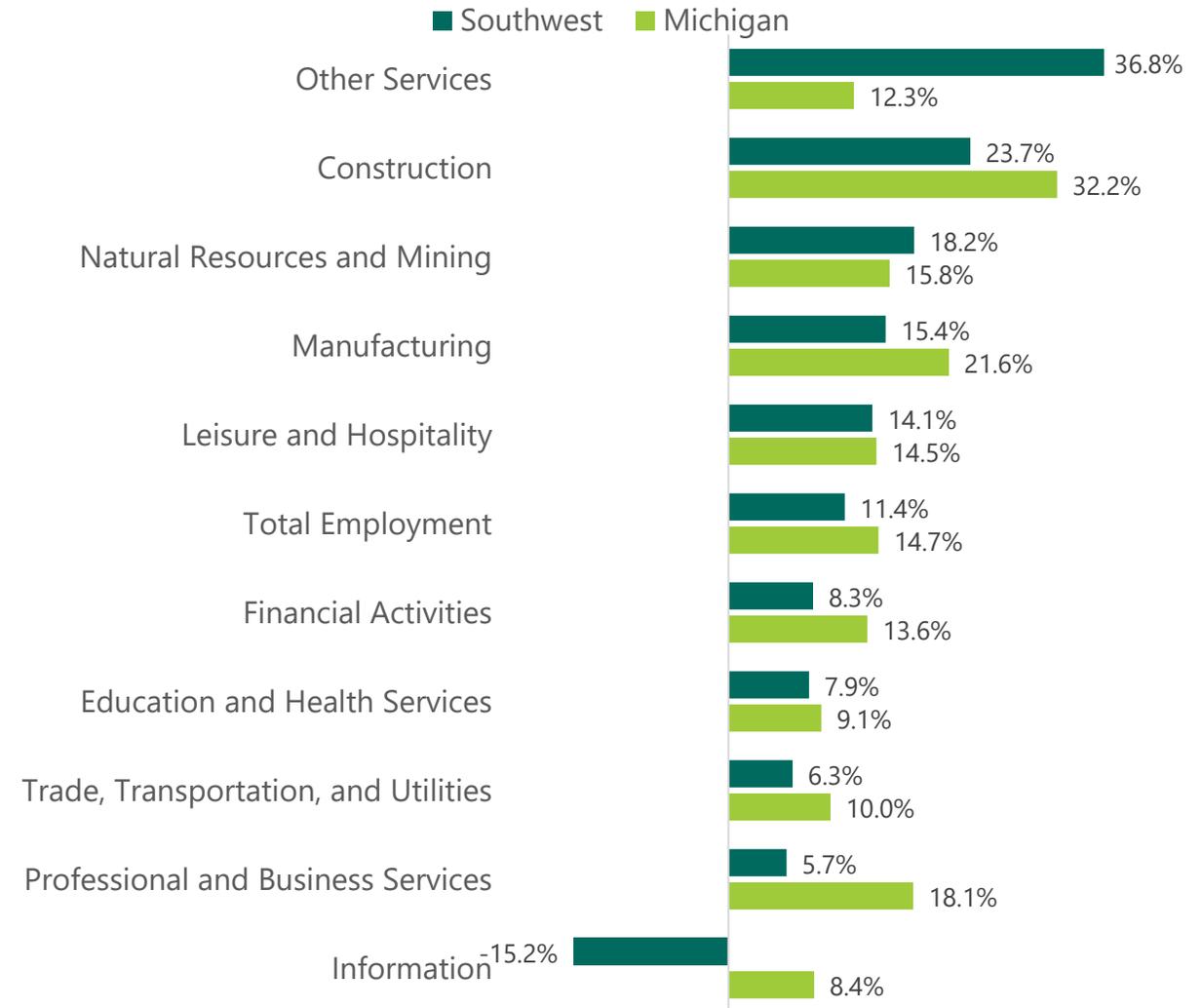


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

# Job additions in other private services outpace statewide growth at a ratio of three to one.

- Southwest Michigan saw private sector jobs expand by 27,000 or 11 percent since 2011, fueled by an 8,000-job expansion in *Manufacturing*, 4,000 in *Leisure and hospitality* and a little over 3,000 each in *Trade, transportation, and utilities*, in *Other private services* (e.g., personal care, repair shops, laundry, etc.), and in *Education and health services*. *Construction* also added 2,000 jobs. Statewide, private payrolls grew by 480,500 or 15 percent during the same period. **(Table 8)**
- Almost all industry sectors in Southwest Michigan recorded positive job expansion over this period, with the exception of *Information* (-15 percent). **(Table 8)**
- Over the past two years (2015-2017), private employers created 8,200 jobs in Southwest Michigan (+3 percent). *Other private services*, *Natural resources and mining*, and *Construction* were the top three fastest growing sectors in the area. **(Table 8)**.

## Private Sector Job Trends 2<sup>nd</sup> Quarter 2011-2017



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

# Online job postings reach 3,860 in 2<sup>nd</sup> quarter 2017.

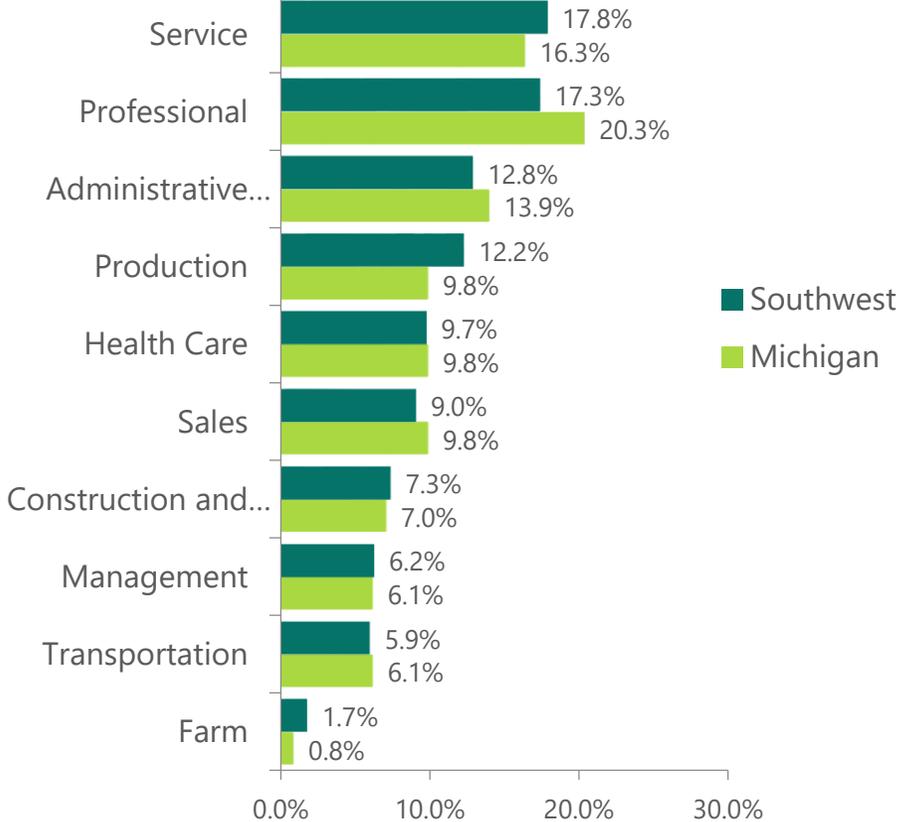
| Online Advertised Job Postings – Southwest         |        |
|--|--------|
| Job Title  | Number |
| Registered Nurses                                  | 771    |
| Heavy and Tractor-Trailer Truck Drivers            | 462    |
| First-Line Supervisors of Retail Sales Workers     | 281    |
| Retail Salespersons                                | 273    |
| Industrial Engineers                               | 249    |
| Maintenance and Repair Workers, General            | 210    |
| First-Line Supervisors of Production and Operating | 179    |
| Customer Service Representatives                   | 139    |
| Medical and Health Services Managers               | 111    |
| Medical Assistants                                 | 93     |

Source: The Conference Board, Help Wanted Online Database

- In the 2<sup>nd</sup> quarter of 2017, there were 3,860 online advertised job postings in Southwest Michigan, according to the Conference Board’s Help Wanted Online Database. **(Table 18)**
- The majority of top job advertisements posted online require a high school diploma, some vocational training, or an associate’s degree. In Southwest Michigan, seven of the top ten online job postings during the second quarter of 2017 fell in this category. The ratio was eight of ten statewide.
- *Registered nurses and Heavy and tractor-trailer truck drivers* are the top two most advertised positions in many regions of the state, including Southwest Michigan. **(Table 18)**

# Higher shares of production and service jobs projected by 2024 in Southwest Michigan than statewide.

Projected 2024 Distribution of Jobs by Broad Occupational Groups



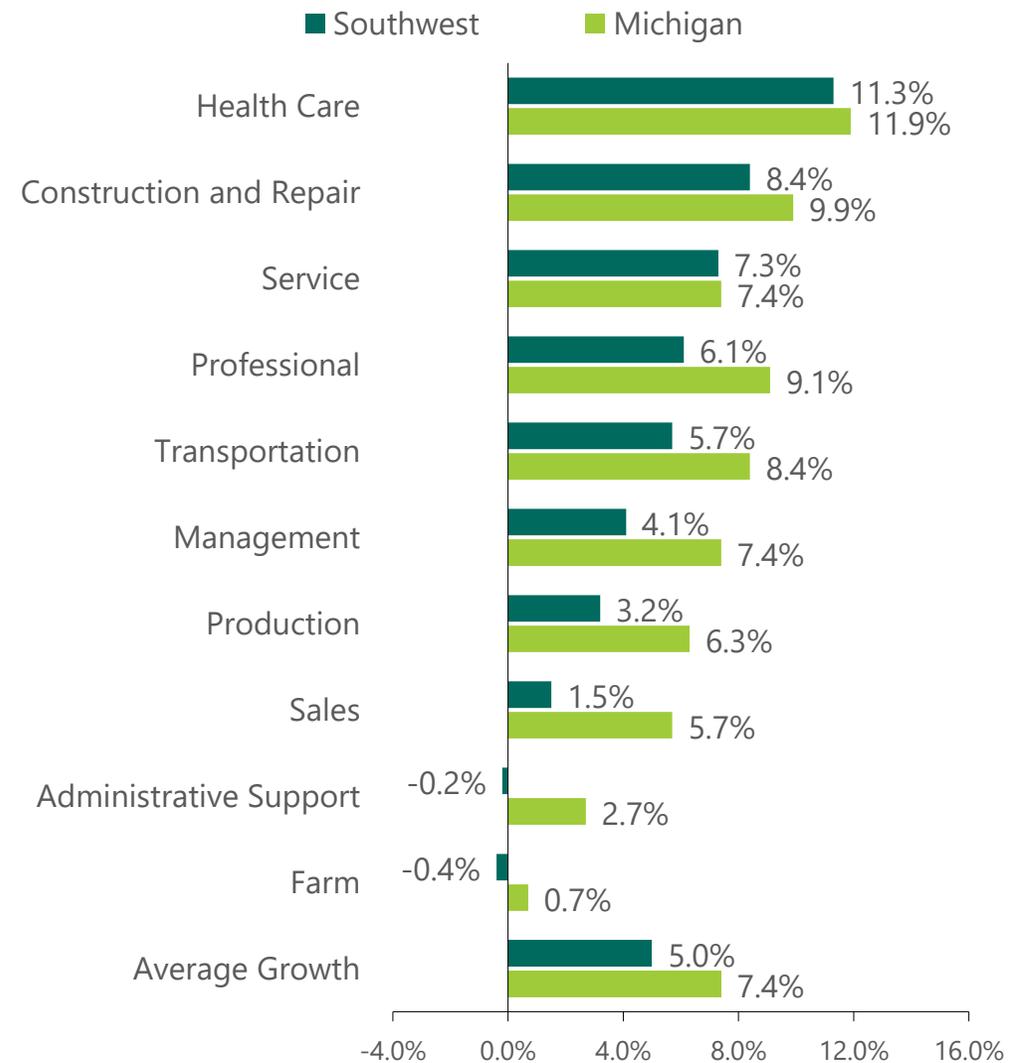
Source: Bureau of Labor Market Information and Strategic Initiatives

- The overall occupational employment in Southwest Michigan is projected to grow by 5 percent (+16,700) between 2014 and 2024; this is slower than the statewide projected expansion rate of 7 percent. About 60 percent of the projected employment in Southwest Michigan will continue to be in four major occupational groups of *Service*, *Professional*, *Administrative support*, and *Production*.
- *Service* will continue to be the largest occupational group with 18 percent of total jobs in 2024 (17 percent in 2014), about two percentage points above the share of this group statewide. This group includes occupations in *Protective services*, *Food preparation and service*, *Building and grounds cleaning and maintenance*, and *Personal care services*.
- At 17 percent, *Professional* occupations are the second largest occupational category in terms of projected total jobs in 2024 (same share as in 2014), about three percentage points below the share of this group statewide. This group includes a diverse set of jobs, such as *business*, *computer*, *technical*, *science*, *social service*, and *education* positions.
- *Administrative support* is projected to contribute about 13 percent of the region's employment by 2024 (down from 14 percent in 2014). This occupational group includes some of the largest single occupations such as *Bookkeepers*, *Secretaries* and *Office clerks*.
- The group of *Production* is fourth largest employer at a projected 12 percent share of employment by 2024 (stable from 2014). Most of the jobs created in this group will come from the need to replace workers. **(Table 19)**

# Healthcare, Construction, and Service occupations projected to have highest percent growth through 2024.

- Employment in all occupational groups in the Southwest is projected to grow slightly below the statewide average through 2024. Jobs in two of ten occupational groups of *Farming* and *Administrative support* are projected to contract in Southwest by 2024, while the remaining six occupational groups are projected to add close to 16,800 jobs.
- Three groups of occupations are expected to create nearly 81 percent of the new jobs.
  - *Healthcare* will contribute about 4,225 new jobs (a projected growth of a little over 11 percent). The new jobs will come from occupations such as *Physical therapists*, *Registered nurses* and *Physician assistants* as well as support staff such as *Home health aides*.
  - Equally important is the *Construction and repair* occupational group, which is projected to add 1,975 new jobs (or slightly above 8 percent growth). This group encompasses not only *Construction laborers* but also *Electricians*, *Powerline repairers*, *Plumbers*, and many other careers in specialty trade contractors.
  - *Service*, the largest group in the region, is projected to create 3,425 new jobs; an expansion rate exceeding 8 percent through 2024. This group includes many occupations in the hotel, recreation, and restaurant industries. **(Table 19)**

Projected Percent Growth by Broad Occupational Groups (2014-2024)

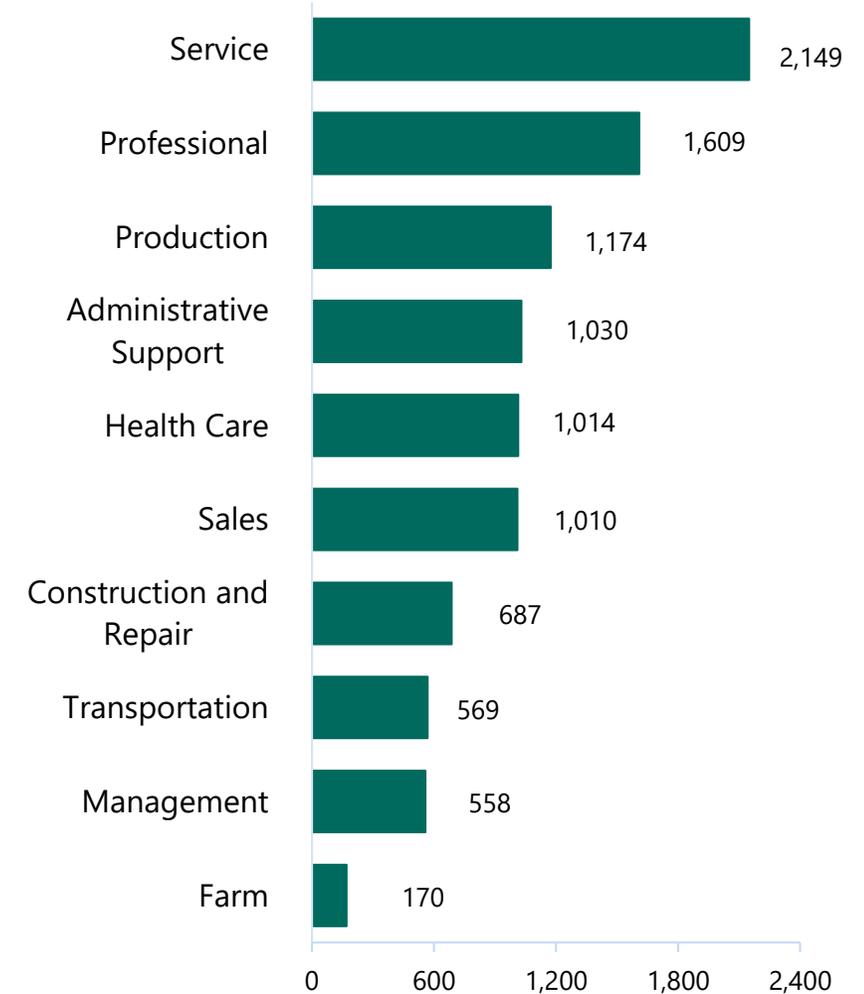


Source: Bureau of Labor Market Information and Strategic Initiatives

## Occupations with large employment base create more openings out of the need to replace workers.

- Because of the need to replace workers who are retiring or otherwise leaving the occupation in the area, the largest groups by employment size are projected to see the most annual openings through 2024.
- Overall, Southwest Michigan is projected to have about 10,000 job opportunities annually, with 80 percent coming from replacing workers.
- Some of the occupational groups projected to expand fastest are also expected to create many annual job openings due to both growth and replacement. These include *Service* (2,150 annual job openings), *Professional* (1,600 openings each year), *Production* (1,170), and *Health Care* (about 1,000). **(Table 20)**

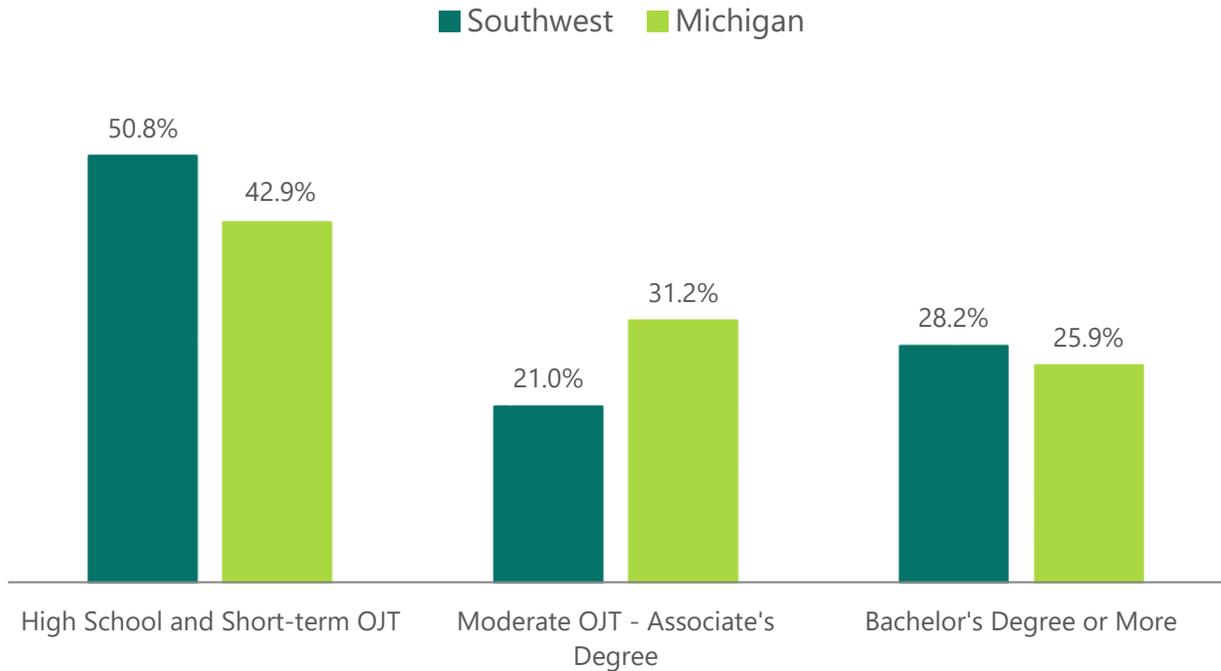
Projected Annual Openings by Broad Occupational Groups (2014 – 2024)



Source: Bureau of Labor Market Information and Strategic Initiatives

# Over a third of jobs by 2024 will require a bachelor's degree or higher in Southwest Michigan.

## Projected 2024 Occupational Employment by Education (Share of Total)

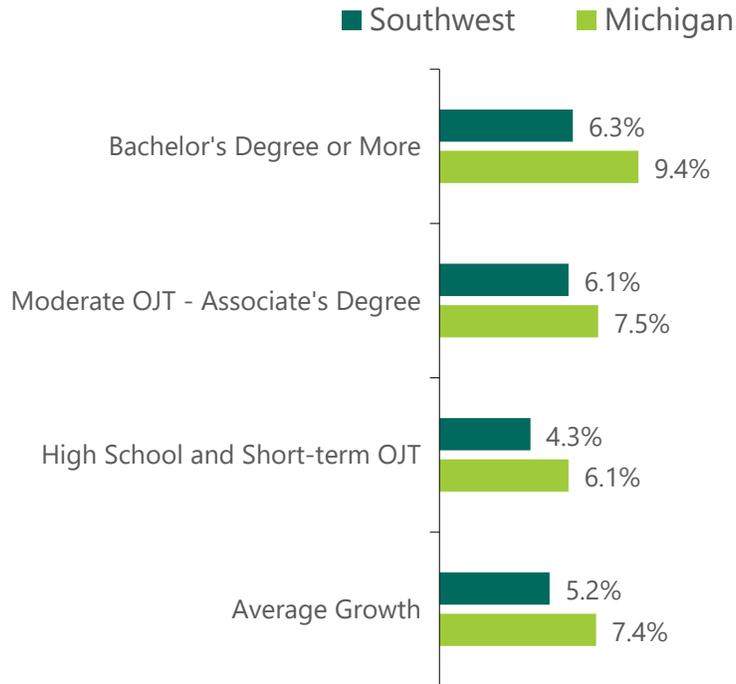


Source: Bureau of Labor Market Information and Strategic Initiatives

- Between 2014 and 2024, the share of regional jobs requiring a bachelor's degree or more will slightly rise by about five tenths of a percent, while the fraction of jobs demanding a High school and short-term OJT will decline by around four tenths of a percent. The proportion of careers asking for moderate OJT to an associate's degree will be virtually flat.
- By 2024, about 51 percent of Southwest Michigan jobs will still need only a high school diploma or less, with short-term to no on-the-job training. These occupations have a large employment base and will have many positions available annually through the need to replace workers.
- Close to 21 percent of the area's jobs (10 percentage points below statewide average) will require an associate's degree, a post-secondary training, some college with no degree, or a high school diploma or less accompanied with an extended period (six months or more) of apprenticeship and/or on-the-job training. Many *Healthcare* and *Construction and repair* careers are in this group. However, registered nursing now requires a bachelor's degree and greatly affects the share of this group's employment in comparison to past years' projections .
- By 2024, 28 percent of Southwest jobs will require a bachelor's degree or higher. This is about two percentage points above Michigan overall, signaling the need the region has for a highly skilled workforce.

# 2024 job growth in Southwest Michigan projected to be below the statewide expansion for every educational group.

Projected 2024 Occupational Growth by Education



Source: Bureau of Labor Market Information and Strategic Initiatives

- Occupations requiring a bachelor's degree or higher and those demanding a moderate OJT to an associate's degree are projected to exceed the regional average growth rate through 2024, expanding by 7,260 positions or 6 percent over the period. Statewide, careers calling for a bachelor's degree are projected to expand by 9 percent and those necessitating a moderate OJT to an associate's degree by 8 percent. *Registered nurses*, which used to require just an associate's degree now calls for a bachelor's degree. Many growing construction careers necessitate just a High school diploma and some moderate OJT or apprenticeship (e.g., *Electricians, HVAC*, etc.).
- Positions that entail a high school diploma and short-term OJT are projected to expand by 4 percent in the Southwest Michigan through 2024 (almost a full percentage point below regional average); this is in contrast to the group's projected growth rate of 6 percent statewide. *Service and Administrative Support* occupations are in this group.

# Many skilled trades and jobs requiring post-secondary education among the region's high-demand, high-wage occupations.

- High-demand, high-wage occupations are jobs that demonstrate a favorable mix of long-term job growth, annual openings from both growth and replacement, and median wages.
- In general, occupations with a large employment base create many job openings due to the need to replace workers (size of the bubble on the chart). These include *Registered nurses, Machinists, and General and operations managers*.
- Levels of pay are directly correlated with the level of formal education and/or the length of job training or apprenticeship, driving a trend of higher-training occupations appearing on the list of high-demand, high-wage occupations. **(Tables 23-26)**

Annual Openings, Growth Rate, and Hourly Wage for High-Demand, High-Wage Occupations



|   | Occupation                      |   | Occupation                           |
|---|---------------------------------|---|--------------------------------------|
| A | Accountants and Auditors        | F | Machinists                           |
| B | Financial Managers              | G | Mechanical Engineers                 |
| C | General and Operations Managers | H | Medical and Health Services Managers |
| D | Industrial Machinery Mechanics  | I | Physical Therapists                  |
| E | Insurance Sales Agents          | J | Registered Nurses                    |

Source: Bureau of Labor Market Information and Strategic Initiatives