

GRETCHEN WHITMER GOVERNOR STATE OF MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET LANSING

BROM STIBITZ DIRECTOR

Michigan's unemployment rate decreases in February

LANSING, Mich. -- Michigan's seasonally adjusted unemployment rate declined by half a percentage point during February to 5.2 percent, according to data released today by the Michigan Department of Technology, Management & Budget. The state's labor force experienced a second consecutive month of labor force withdrawal, down by 42,000, in February. Despite the jobless rate reduction, the state employment level edged down slightly over the month (-14,000), as did the number of unemployed (-28,000).

The unemployment rate in the U.S. inched down in February by one-tenth of a percentage point to 6.2 percent. Michigan's February jobless rate was a full percentage point below the national rate. Over the year, the national jobless rate increased by 2.7 percentage points, while Michigan's rate advanced by 1.5 percentage points.

"For the second consecutive month, Michigan's jobless rate reduction primarily reflected fewer persons active in the state labor market," said Wayne Rourke, associate director of the Bureau of Labor Market Information and Strategic Initiatives. "A separate business survey revealed a significant level of job recalls in the restaurant industry in February."

Monthly labor force trends and highlights

- Michigan's total number of unemployed in February was the lowest level exhibited by the state since March 2020 (183,000).
- The state workforce fell by 4.7 percent over the year, a reduction well above the nationwide labor force drop (-2.6 percent).
- Total employment in Michigan receded by 6.1 percent since February 2020, reflecting the impact of the COVID-19 pandemic.
- Since the height of pandemic-related layoffs in April 2020, Michigan unemployment fell by 841,000, or by 77.6 percent. However, the number of Michigan unemployed in February was still about 59,000 above pre-pandemic levels.

Michigan Labor Force Estimates

Seasonally Adjusted

(Data in Thousands)

	Feb.	Jan.	Feb.	Over the Month		Over the Year	
	2021	2021	2020				
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	4,695	4,737	4,928	-42	-0.9%	-233	-4.7%
Employed	4,452	4,466	4,743	-14	-0.3%	-291	-6.1%
Unemployed	243	271	185	-28	-10.3%	58	31.4%
Unemployment Rate	5.2	5.7	3.7	-0.5	XXX	1.5	XXX

Detroit metro area February unemployment rate edges down

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA) seasonally adjusted February jobless rate declined by seven-tenths of a percentage point to 4.5 percent. As with the state, a monthly workforce reduction resulted in the jobless rate decrease, as the number of employed moved down by 7,000.

The Detroit MSA jobless rate edged up by 0.3 percentage points over the year. Employment plunged by 150,000, as workers lost jobs due to the pandemic. The Detroit metro region workforce level fell sharply by 151,000 since February 2020.

> Detroit-Warren-Dearborn MSA Labor Force Estimates Seasonally Adjusted

	Feb.	Jan.	Feb.	Over the Month		Over the Year	
	2021	2021	2020				
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	2,002	2,024	2,153	-22	-1.1%	-151	-7.0%
Employed	1,912	1,919	2,062	-7	-0.4%	-150	-7.3%
Unemployed	91	105	91	-14	-13.3%	0	0.0%
Unemployment Rate	4.5	5.2	4.2	-0.7	XXX	0.3	XXX

(Data in Thousands)

Leisure and hospitality industry recalls push up payroll jobs

The monthly survey of employers showed that seasonally adjusted payroll jobs rose substantially in February by 64,000, or 1.6 percent, to 4,121,000.

Most of the monthly job expansion occurred in the leisure and hospitality sector, as recalls of laid-off workers resulted in a sharp monthly job gain of 56,000. Jobs advanced in the restaurant industry in Michigan in February, and the entire accommodation and food sector recalled nearly 50,000 workers. Minor employment additions occurred in several other Michigan industries. The only sector in Michigan with a measurable job cut in February was construction, where difficult weather conditions resulted in a decline of 3,000 jobs.

Industry employment trends and highlights

- Payroll jobs in Michigan have increased in nine of 10 months since the large, pandemic-related job reduction in April 2020. Since then, total nonfarm employment has advanced by 723,000, or 21.3 percent.
- However, payroll employment in Michigan remained 332,000 below prepandemic February 2020 levels.
- Despite the monthly recall of jobs in the leisure and hospitality sector, jobs in this industry remained 94,000 below year-ago levels.
- Employment in the state retail trade sector rose for the fourth consecutive month during February, up by 11,000 since October 2020.
- Over the past year, the Michigan industries with the largest percent payroll job cuts included leisure and hospitality, other services, and information.
- Average weekly hours in the state's manufacturing sector fell by 6.5 percent over the past year.

		(Data i	n Thous	ands)			
	Feb.**	Jan.*	Feb.	Over the Month***		Over the Year ***	
	2021	2021	2020				
				Numeric	Percent	Numeric	Percent
Total Nonfarm Payroll Jobs	4,121	4,057	4,453	64	1.6%	-332	-7.5%
Natural Resources and Mining	7	7	7	0	0.0%	0	2.9%
Construction	172	175	177	-3	-1.8%	-6	-3.2%
Manufacturing	576	574	619	2	0.3%	-44	-7.1%
Transportation Equipment	177	177	187	0	-0.3%	-11	-5.7%
Trade, Transportation, and Utilities	778	775	798	4	0.5%	-20	-2.5%
Retail Trade	449	446	464	3	0.7%	-15	-3.3%
Information	49	49	55	0	0.8%	-6	-11.2%
Financial Activities	225	224	230	1	0.3%	-5	-2.1%
Professional and Business Services	615	613	654	2	0.4%	-39	-6.0%
Education and Health Services	643	643	692	0	0.0%	-49	-7.1%
Leisure and Hospitality Services	342	286	436	56	19.5%	-94	-21.5%
Other Services	144	143	167	2	1.1%	-23	-13.7%
Government	571	570	617	1	0.1%	-46	-7.5%

Michigan Payroll Employment Estimates Seasonally Adjusted

* Revised data for January 2021

** Preliminary data for February 2021

*** Change calculated using unrounded data

Manufacturing									
	Feb.	Jan.	Feb.	Over the Month		Over the Year			
	2021	2021	2020	Numeric	Percent	Numeric	Percent		
Average									
Weekly	\$926.13	\$949.54	\$961.96	-23.41	-2.5%	-35.83	-3.7%		
Earnings									
Average									
Weekly	40.4	41.5	43.2	-1.1	-2.7%	-2.8	-6.5%		
Hours									
Transportation Equipment Manufacturing									
	Feb.	Jan.	Feb.	Over the	Over the Year				
	2021	2021	2020	Numeric	Percent	Numeric	Percent		
Average									
Weekly	\$1,202.85	\$1,264.28	\$1,242.87	-61.43	-4.9%	-40.02	-3.2%		
Earnings									
Average									
Weekly	43.2	44.9	46.8	-1.7	-3.8%	-3.6	-7.7%		
Hours									

Michigan Hours and Earnings for Production Workers Seasonally Adjusted

Note:

Data Revisions:

The data in this release reflects recently revised historical estimates. All states in the nation participate in this revision process facilitated by the U.S. Department of Labor, Bureau of Labor Statistics (BLS).

Seasonally adjusted and unadjusted monthly labor force estimates were revised for 1976–2020 for Michigan and for 1990-2020 for the Detroit-Warren-Dearborn MSA.

In addition, all unadjusted payroll job data was revised for 2019 and 2020. Certain industries had more extensive data revisions, some back to 1990. Seasonally adjusted payroll job data was revised for 2016-2020 for all industries. Some sectors had seasonally adjusted data revised for additional years, some back to 1990. For newly revised data go to <u>milmi.org/datasearch</u>.

Previously published data for these years should be replaced with these new series.

1998 Data Revision:

Model-based employment and unemployment data for July 1998 have been corrected by the Bureau of Labor Statistics for Michigan, the Detroit-Warren-Dearborn MSA, and the Balance of Michigan. The corrected estimates better reflect the impact of a large-scale labor dispute. Both seasonally adjusted and not seasonally adjusted data for the three areas were revised. The 1998 annual averages also were recalculated to reflect corrections to the estimates for July.

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