

MICHIGAN'S LABOR MARKET NEWS

VOL. 76, NO. 8
OCTOBER 2020

SPECIAL ISSUE

2019 ANNUAL
ECONOMIC
ANALYSIS



Michigan's unemployment rate in August was 8.7 percent. There were 13 states nationwide with a higher jobless rate.

AUGUST 2020 JOBLESS RATE

MICHIGAN
8.7%
NATIONAL
8.4%

TABLE OF CONTENTS

4	Michigan Employment and Unemployment Trends
6	Michigan Job Trends by Industry Sector
10	Regional Labor Market Analysis
15	Infographic of the Month: Michigan's Historical Trends for Select Economic Indicators
16	Feature Article: 2019 Annual Economic Analysis
22	Online Job Advertisements
24	Relevant Rankings
26	Data Spotlight: RSQE's Economic Outlook for Michigan's Labor Market



WAYNE ROURKE
EDITOR
Associate Director
RourkeW@michigan.gov



JIM BIRNEY
CONTRIBUTOR
Economic Analyst
BirneyJ@michigan.gov



SHIBANI PUTATUNDA
CONTRIBUTOR
Economic Specialist
PutatundaS@michigan.gov



MARK REFFITT
PROJECT MANAGER
Economic Specialist
ReffittM@michigan.gov



GABRIEL EHRLICH
CONTRIBUTOR
Director, University of Michigan
Research Seminar in Quantitative
Economics
GEhrlich@umich.edu



TRISHA SCHLEGEL
CONTRIBUTOR
Economic Analyst
SchlegelT@michigan.gov



HAILEY BARRUS
DESIGNER
Communications Representative
BarrusH1@michigan.gov



DONALD GRIMES
CONTRIBUTOR
Senior Research Area Specialist,
University of Michigan Research
Seminar in Quantitative Economics
DGrimes@umich.edu



BRUCE WEAVER
CONTRIBUTOR
Economic Manager
WeaverB1@michigan.gov

About Our Cover: The South Haven South Pierhead Light is a lighthouse in South Haven, Michigan, located at the entrance to the Black River on Lake Michigan. The station was lit in 1872 and is still operational. According to the Historical Association of South Haven, the tower is a shortened version of the Muskegon South Pierhead Light, and the U.S. Lighthouse Service replaced the original wooden tower in 1903. In 1913, the location of the light was deemed unsatisfactory, and the cast iron lighthouse was moved 425 feet (130 m) to the end of the pier. The keeper's house on shore, also built in 1872, has been renovated by the Michigan Maritime Museum as the Marialyce Canonie Great Lakes Research Library.

IT'S BIGGER THAN DATA.

The Bureau of Labor Market Information and Strategic Initiatives is your one-stop shop for information and analysis on Michigan's population, labor market, and more.

- Our Federal-State Programs division runs the state's cooperative agreements with the U.S. Bureau of Labor Statistics and the U.S. Census Bureau, making us the official source for this information.
- Our Research and Evaluation division conducts workforce research and program evaluation, giving you the insight you need to make smarter decisions.

The Michigan jobless rate held steady in August at 8.7 percent. The August 2020 state jobless rate was 4.7 percentage points higher over the year, matching the increase observed nationally. Total payroll jobs were up 54,500 percent over the month, as workers continued to be recalled from pandemic-related layoffs and jobs increased across all major industry sectors. Annually, nonfarm jobs were down 448,000 over August 2019.

This month, we repurpose our *Annual Economic Analysis Report* to review key labor market indicators for 2019 and describe the pandemic's impact on the state's labor market in 2020. Also this month, we are delighted to spotlight the economic forecasts from the University of Michigan's Research Seminar in Quantitative Economics. Our *Relevant Rankings* looks at jobs losses between 2009 and August 2020 among the states and in Michigan's metropolitan statistical areas.

We hope you enjoy this month's issue of *Michigan's Labor Market News*. If there is something you would like to know more about, please let us know.



JASON PALMER
DIRECTOR

Bureau of Labor Market Information and Strategic Initiatives
PalmerJ2@michigan.gov



MICHIGAN'S JOBLESS RATE UNCHANGED IN AUGUST

Michigan's seasonally adjusted unemployment rate was unchanged between July and August, remaining at 8.7 percent. Total employment rose by 93,000 over the month while unemployment edged up by 7,000. Michigan's total labor force advanced by 99,000 in August.

The jobless rate in the U.S. decreased in August by 1.8 percentage points to 8.4 percent. Michigan's August rate was three-tenths of a percentage point above the national rate. Over the year, both the national rate and the state rate advanced by 4.7 percentage points.

Michigan's over-the-month employment gain of 2.1 percent was slightly below the national percentage advance of 2.6 percent. Total unemployment in the state edged up by 1.7 percent over the month, while the U.S. unemployment level fell by 17.1 percent since July. Over the year, Michigan employment declined by 5.3 percent while U.S. employment fell by 6.7 percent.

Impact of COVID-19 Pushes Down Average 2020 Michigan Workforce Levels

An examination of the statewide labor force for the past five years reveals that Michigan's workforce had been steadily expanding until the year 2020. Michigan's labor force level during August of 2015 was 4,756,000. During August of 2016, the workforce level rose to 4,860,000. This was an advance of 104,000, or 2.2 percent.

The statewide labor force continued to grow slowly during the following year, resulting in an over-the-year workforce gain of 34,000, or 0.7 percent, by August of 2017. This was less than half of the over-the-year advance observed during the previous year.

Between August 2017 and August 2018, Michigan's labor force was relatively unchanged. The over-the-year workforce advance of 10,000 was a small percent gain of just 0.2 percent. The rate of over-the-year expansion moved up slightly through August 2019 (+0.7 percent).

Michigan's workforce continued to increase in the first two months of 2020, culminating in a recent high of 4,950,000 labor force participants in February. However, due to the COVID-19 pandemic's impact on the state labor market, the state workforce fell during March and plunged sharply in April of 2020. Between February and April, Michigan's workforce plummeted by 358,000, or 7.2 percent.

Michigan's workforce began to increase between April and August 2020, as workers were recalled to jobs or began a job search. This four-month growth of 324,000 workforce participants was only slightly below the labor force loss of 358,000 between February and April.

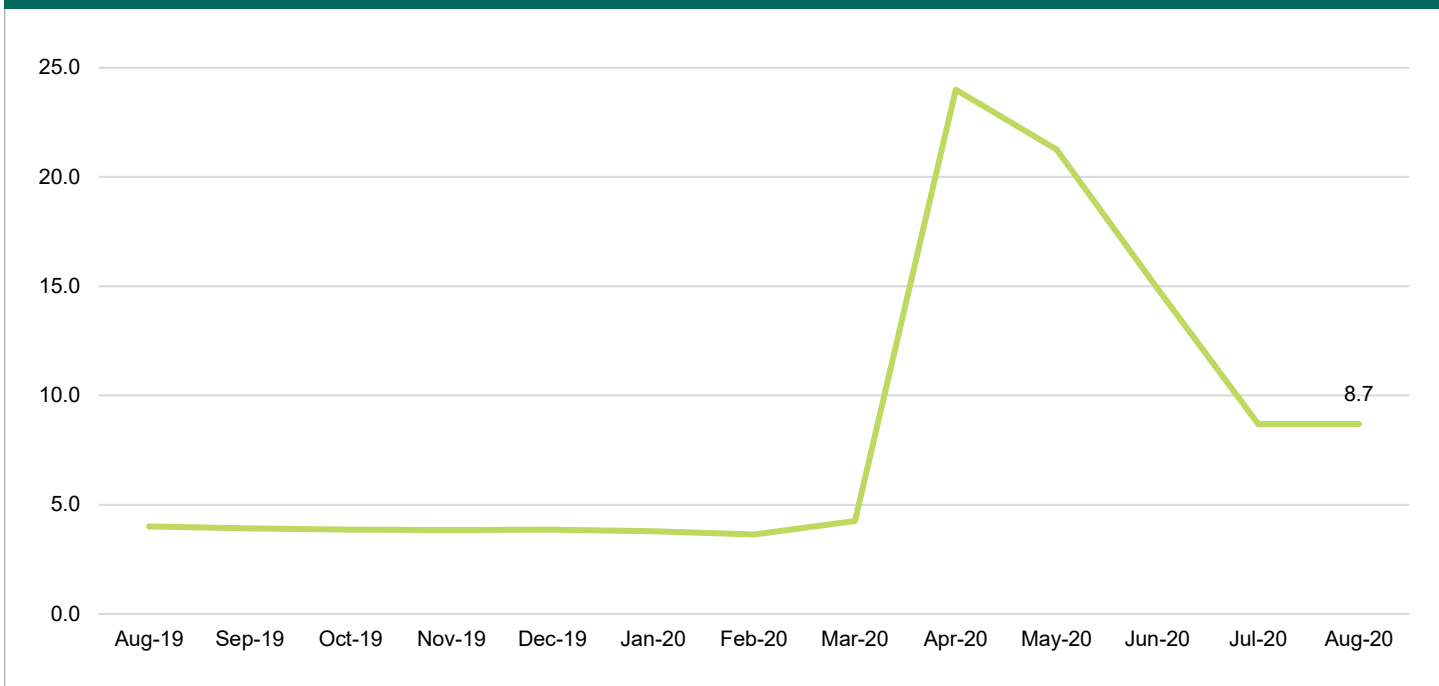
However, the eight-month average 2020 Michigan labor force of 4,854,000 was about 84,000 below the 2019 annual average.

SHIBANI PUTATUNDA
Economic Specialist

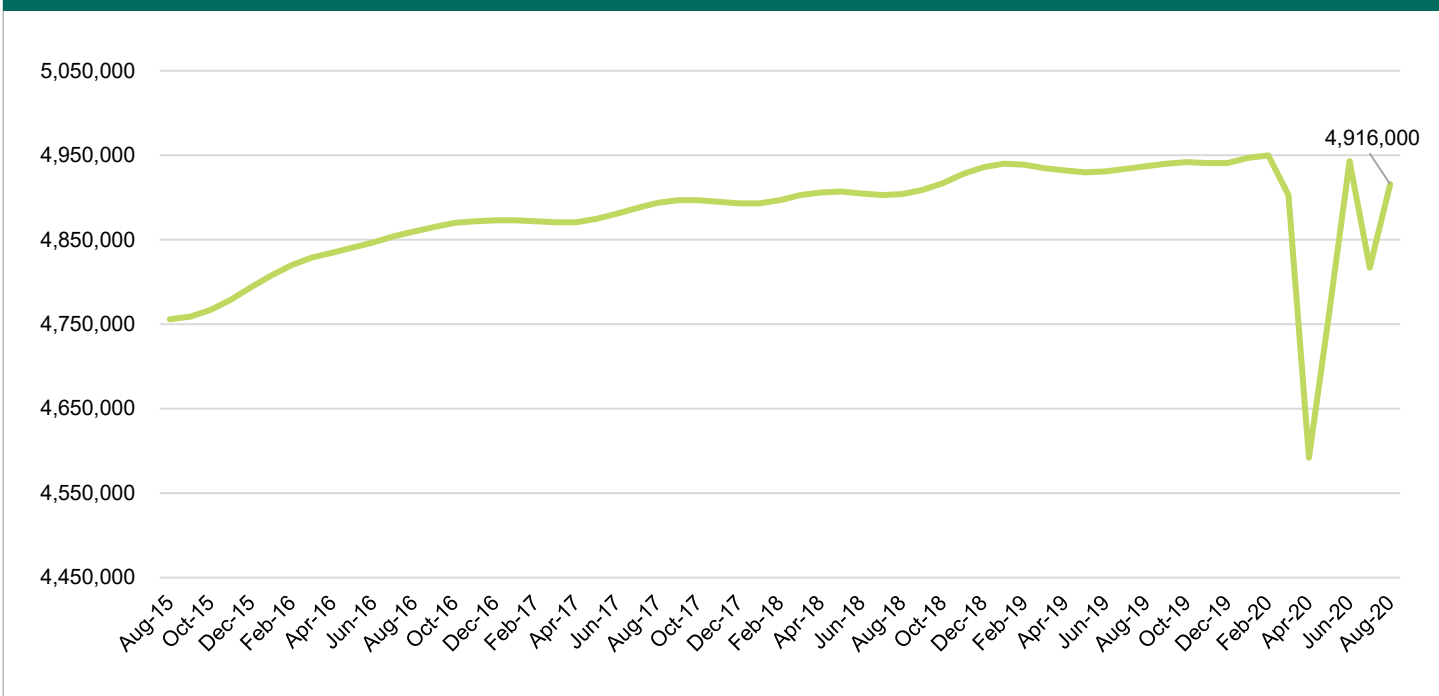
MICHIGAN LABOR FORCE ESTIMATES (SEASONALLY ADJUSTED)

	AUGUST 2020	JULY 2020	AUGUST 2019	CHANGE OVER THE MONTH	CHANGE OVER THE YEAR
Labor Force	4,916,000	4,817,000	4,937,000	+99,000	-21,000
Employed	4,488,000	4,395,000	4,739,000	+93,000	-251,000
Unemployed	428,000	421,000	198,000	+7,000	+230,000
Jobless Rate	8.7	8.7	4.0	0.0	+4.7

MICHIGAN JOBLESS RATE, AUGUST 2019–AUGUST 2020 (PERCENT)



MICHIGAN LABOR FORCE, AUGUST 2015–AUGUST 2020



MICHIGAN JOB TRENDS BY INDUSTRY SECTOR

Monthly Overview

On a seasonally adjusted basis, total Michigan payroll jobs rose 54,500 or 1.4 percent in August, as workers continued to be recalled to work since the extraordinary pandemic-related job decline in April. This monthly job advance was well below the job additions recorded in June and July. Nonfarm payroll jobs again moved up in all major industry sectors. August job gains were led by the broad industry sectors of *Leisure and hospitality* (+3.4 percent), *Government* (+2.7 percent); *Trade, transportation, and utilities* (+1.4 percent); and *Professional and business services* (+1.4 percent). Smaller industry sub-sectors with job additions included *Educational services* (+4.6 percent), *Administrative and support services* (+3.3 percent), and *Real estate and rental and leasing* (+2.8 percent). Despite four consecutive months of payroll job gains, Michigan jobs remained down by 467,300 in comparison with February pre-pandemic levels.

Over-the-Year Analysis

The impact of the coronavirus has caused a significant cut in Michigan payroll jobs since August 2019, with a decline of 448,200 or 10.1 percent. Jobs fell over this period in all major industries. Sustained and considerable over-the-year job losses occurred in industries such as *Leisure and hospitality* (-35.7 percent), *Other services* (-12.2 percent), and *Manufacturing* (-10.5 percent). Several other industries reported noteworthy over the year employment declines, including *Information* and *Professional and business services* (-9.3 percent) and *Educational and health services* (-8.9 percent). The smallest over-the-year job cuts occurred in the *Construction* (-1.3 percent) and *Financial activities* (-1.8 percent) sectors.

Job Change Among Below-Average and Above-Average Wage Sectors

In August, total private payroll jobs in Michigan continued to remain far below pre-pandemic job levels. Furthermore, on the statewide level, the largest recorded employment percent declines since February occurred in below-average wage sectors.

In Michigan, among selected industries, total jobs in *Accommodation and food services* experienced the largest percent reduction since February 2020 (-34.0 percent). Additionally, this job sector reported the lowest 2019 weekly

wage among all other charted industries. Other industries that recorded large percent job losses had wages well below the private sector average, such as *Educational services* (-21.0 percent), *Administrative and support services* (-15.9 percent), and *Other services* (-11.4 percent).

Among selected industries with weekly wages more aligned with the private sector average, job reductions were large but less significant. The *Real estate and rental and leasing*, *Health care and social assistance*, and *Construction* sectors lost a combined 7.4 percent of jobs since February, well below the 17.3 percent job cut among below-average wage sectors.

An examination of recent job change among broad Michigan industries with above-average wages shows a more moderate combined job loss of 7.0 percent. *Manufacturing* (-9.9 percent) and *Professional, scientific, and technical services* (-5.7 percent) provide large numbers of jobs to the Michigan economy, and *Management of companies* has the highest average wage. *Finance and insurance* is an above-average wage sector with the smallest rate of job loss since February.

Significant Industry Employment Developments

GOVERNMENT

The total number of *Government* jobs increased by 15,300 or 2.7 percent over the month on a seasonally adjusted basis. The majority of these job gains were recorded within two sub-sectors. Due mainly to the hiring of temporary Census 2020 workers, *Federal government* jobs rose by 6,100 or 11.6 percent in August. Additionally, the number of jobs in *Local government* increased for the third consecutive month as workers were recalled following sharp job cuts in April and May. Nationally, total employment within the *Government* industry moved up by 344,000 or 1.6 percent over the month but was still down 3.3 percent over the year.

LEISURE AND HOSPITALITY

On a seasonally adjusted basis, total jobs in the *Leisure and hospitality* sector advanced by 9,100 or 3.4 percent in August. Despite this, this sector remains the hardest-hit in terms of pandemic-related job cuts, down by 35.7 percent (-155,100) over the year. The majority of the industry's over the month employment gain occurred in *Accommodation and food services*, which moved up by 8,200 or 3.4 percent since July. Total jobs in *Leisure and hospitality* have now

increased for four consecutive months, however, at a decreasing rate of gain. Consequently, total employment for this industry is still well-below its February pre-pandemic job level (-156,000). Nationwide, jobs in *Leisure and hospitality* rose by 174,000 or 1.4 percent, however, were still significantly below year-ago levels.

RETAIL TRADE

The number of *Retail trade* jobs statewide moved up by 6,500 or 1.5 percent in August, as recalls of laid off workers continued for the fourth consecutive month. Since the dramatic employment decline recorded in April, this major industry sector has gained back 89,500 jobs over the past four months. On a not seasonally adjusted basis, August employment additions were observed in this industry primarily in *General merchandise stores and Motor vehicle and parts dealers*. Nationally, total payroll jobs in this major industry sector rose in August by 249,000 or 1.7 percent but were still down by 3.8 percent since August 2019.

Metropolitan Statistical Areas (MSAs)

On a not seasonally adjusted basis, total nonfarm employment in August rose across all 14 metro areas in Michigan. Over the month, job gains ranged from 0.5 percent in the Muskegon MSA to 1.9 percent in the Grand Rapids region. Several areas recorded similar over-the-month job growth, including Midland, Battle Creek, and Kalamazoo which all advanced by 1.8 percent. The state of Michigan recorded a job advance of 1.5 percent in August, slightly above the not seasonally adjusted national rate (+1.1 percent).

Most Michigan metro areas recorded job additions in the *Trade, transportation, and utilities*; *Professional and business services*; and *Leisure and hospitality* sectors.

Jobs in the *Trade, transportation, and utilities* sector in both the Kalamazoo and Monroe regions grew by 2.1 percent over the month, the largest percent increase for this industry among Michigan metro areas. Additionally, the Grand Rapids region recorded a sharp job recall of 7.5 percent in its *Leisure and hospitality* sector, 4.9 percentage points higher than the statewide trend for August. Total employment in *Government* rose in most Michigan metropolitan areas in August, reflecting Census 2020 hiring.

JIM BIRNEY

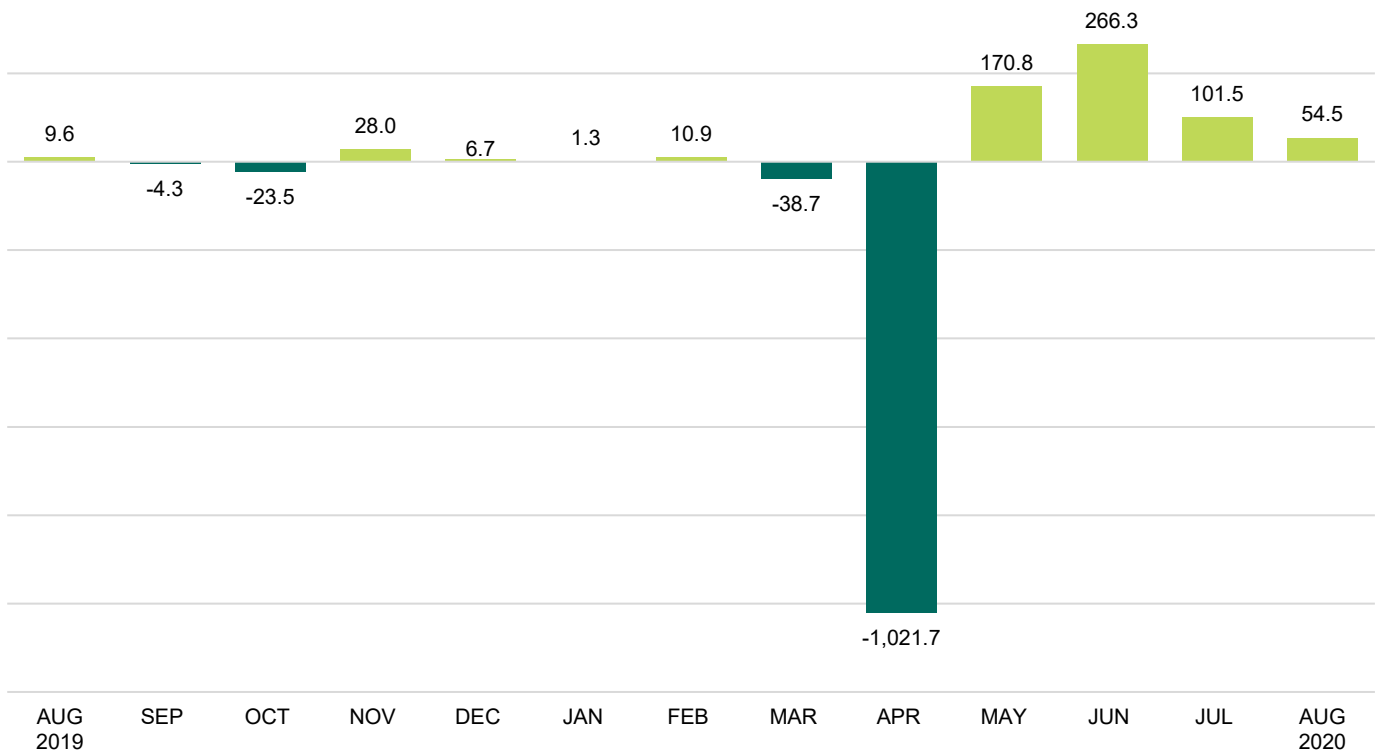
Economic Analyst



MICHIGAN PAYROLL JOBS (SEASONALLY ADJUSTED)

INDUSTRY	AUGUST 2020	JULY 2020	AUGUST 2019	OVER THE MONTH		OVER THE YEAR	
				LEVEL	PERCENT	LEVEL	PERCENT
TOTAL NONFARM	3,994,200	3,939,700	4,442,400	54,500	1.4%	-448,200	-10.1%
Total Private	3,407,000	3,367,800	3,822,900	39,200	1.2%	-415,900	-10.9%
Private Service-Providing	2,667,200	2,632,400	3,013,700	34,800	1.3%	-346,500	-11.5%
GOODS-PRODUCING	739,800	735,400	809,200	4,400	0.6%	-69,400	-8.6%
Mining, Logging, and Construction	177,800	176,900	181,100	900	0.5%	-3,300	-1.8%
Mining and Logging	6,400	6,300	7,400	100	1.6%	-1,000	-13.5%
Construction	171,400	170,600	173,700	800	0.5%	-2,300	-1.3%
Manufacturing	562,000	558,500	628,100	3,500	0.6%	-66,100	-10.5%
Durable Goods	415,200	413,200	474,300	2,000	0.5%	-59,100	-12.5%
Transportation Equipment Manufacturing	167,500	106,400	190,000	61,100	57.4%	-22,500	-11.8%
Non-Durable Goods	146,800	145,300	153,800	1,500	1.0%	-7,000	-4.6%
SERVICE-PROVIDING	3,254,400	3,204,300	3,633,200	50,100	1.6%	-378,800	-10.4%
Trade, Transportation, and Utilities	756,500	746,400	796,300	10,100	1.4%	-39,800	-5.0%
Wholesale Trade	162,000	161,100	171,700	900	0.6%	-9,700	-5.6%
Retail Trade	438,200	431,700	463,100	6,500	1.5%	-24,900	-5.4%
Transportation, Warehousing, and Utilities	156,300	153,600	161,500	2,700	1.8%	-5,200	-3.2%
Information	49,900	49,500	55,000	400	0.8%	-5,100	-9.3%
Financial Activities	220,600	219,100	224,700	1,500	0.7%	-4,100	-1.8%
Finance and Insurance	169,300	169,200	168,600	100	0.1%	700	0.4%
Real Estate and Rental and Leasing	51,300	49,900	56,100	1,400	2.8%	-4,800	-8.6%
Professional and Business Services	592,700	584,400	653,700	8,300	1.4%	-61,000	-9.3%
Professional, Scientific, and Technical Services	281,700	281,500	298,400	200	0.1%	-16,700	-5.6%
Management of Companies and Enterprises	68,400	68,100	70,300	300	0.4%	-1,900	-2.7%
Administrative and Support and Waste Management and Remediation Services	242,600	234,800	285,000	7,800	3.3%	-42,400	-14.9%
Education and Health Services	622,000	617,600	683,100	4,400	0.7%	-61,100	-8.9%
Educational Services	59,400	56,800	74,700	2,600	4.6%	-15,300	-20.5%
Health Care and Social Assistance	562,600	560,800	608,400	1,800	0.3%	-45,800	-7.5%
Leisure and Hospitality	279,300	270,200	434,400	9,100	3.4%	-155,100	-35.7%
Arts, Entertainment, and Recreation	27,500	26,600	53,400	900	3.4%	-25,900	-48.5%
Accommodation and Food Services	251,800	243,600	381,000	8,200	3.4%	-129,200	-33.9%
Other Services	146,200	145,200	166,500	1,000	0.7%	-20,300	-12.2%
Government	587,200	571,900	619,500	15,300	2.7%	-32,300	-5.2%
Federal Government	58,600	52,500	52,500	6,100	11.6%	6,100	11.6%
State Government	180,600	178,700	195,400	1,900	1.1%	-14,800	-7.6%
Local Government	348,000	340,700	371,600	7,300	2.1%	-23,600	-6.4%

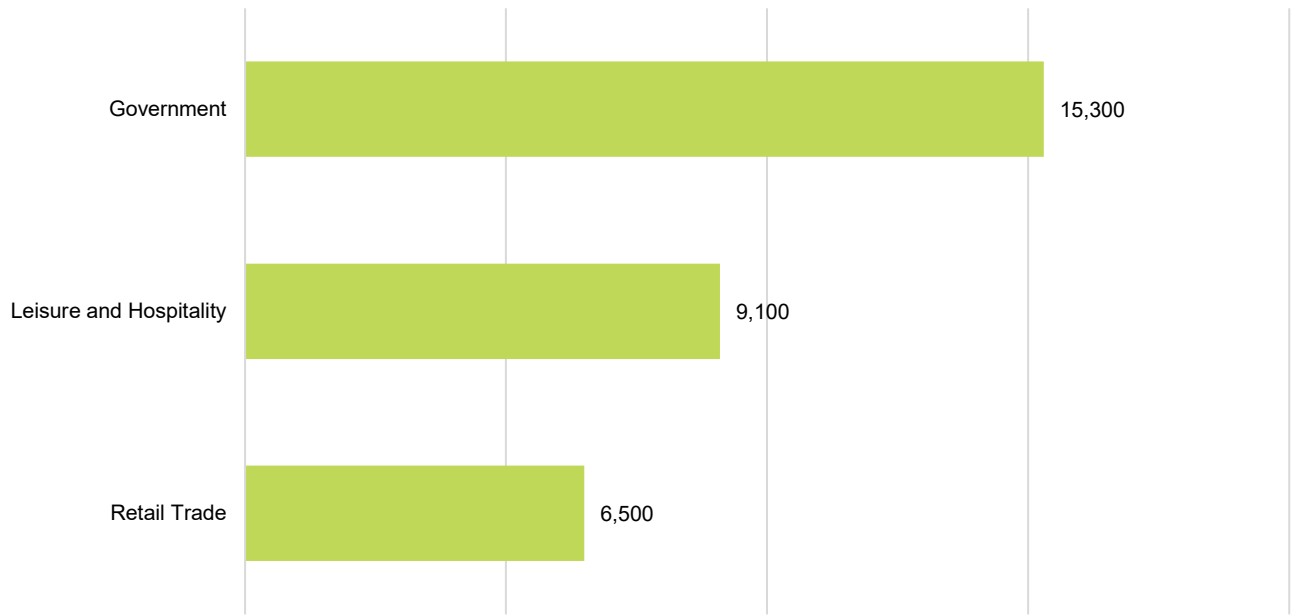
MICHIGAN OVER-THE-MONTH PAYROLL JOB CHANGE, AUGUST 2019–AUGUST 2020 (IN THOUSANDS)



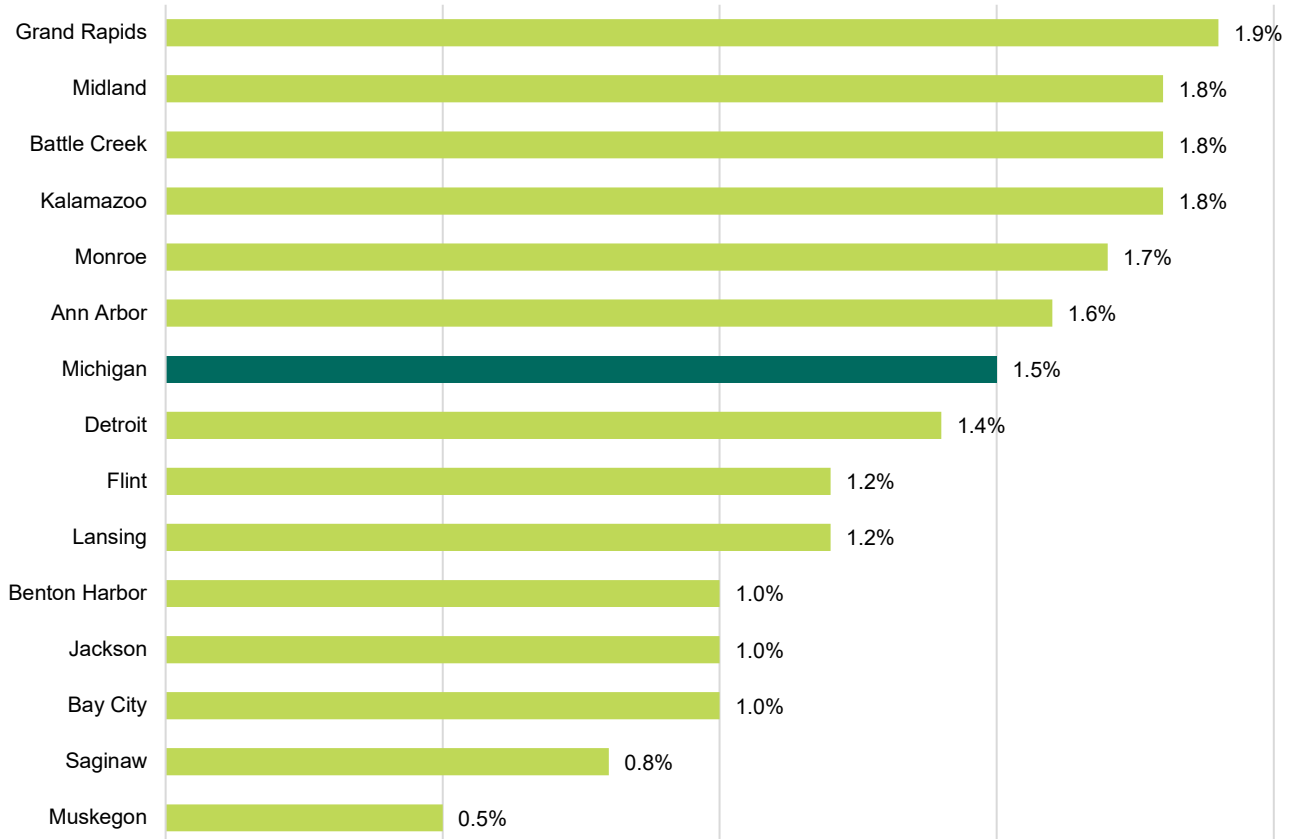
JOB CHANGE BY SELECT INDUSTRY SECTOR SINCE FEBRUARY 2020 (IN THOUSANDS)

MAJOR INDUSTRY SECTOR		FEB 20	JULY 20	CHANGE		2019 ANNUAL AVERAGE WEEKLY WAGES
				LEVEL	PERCENT	
TOTAL PRIVATE		3,844.2	3,407.0	-437.2	-11.4%	\$1,054
BELOW AVERAGE	Accommodation and Food Services	381.3	251.8	-129.5	-34.0%	\$371
	Educational Services	75.2	59.4	-15.8	-21.0%	\$753
	Other Services	165.0	146.2	-18.8	-11.4%	\$660
	Retail Trade	466.4	438.2	-28.2	-6.0%	\$616
	TOTAL	1,087.9	895.6	-192.3	-17.7%	\$600
AVERAGE	Administrative and Support and Waste Services	288.6	242.6	-46.0	-15.9%	\$726
	Real Estate and Rental and Leasing	57.9	51.3	-6.6	-11.4%	\$945
	Manufacturing	623.7	562.0	-61.7	-9.9%	\$1,317
	Health Care and Social Assistance	608.3	562.6	-45.7	-7.5%	\$1,002
	Construction	182.2	171.4	-10.8	-5.9%	\$1,221
	TOTAL	1,760.7	1,589.9	-170.8	-9.7%	\$1,042
ABOVE AVERAGE	Information	55.4	49.9	-5.5	-9.9%	\$1,491
	Professional, Scientific, and Tech. Services	298.6	281.7	-16.9	-5.7%	\$1,710
	Wholesale Trade	171.4	162.0	-9.4	-5.5%	\$1,488
	Management of Companies	70.9	68.4	-2.5	-3.5%	\$2,428
	Finance and Insurance	170.9	169.3	-1.6	-0.9%	\$1,591
	TOTAL	767.2	731.3	-35.9	-4.7%	\$1,742

MICHIGAN OVER-THE-MONTH JOB CHANGE BY SELECT INDUSTRY, JULY 2020–AUGUST 2020



METROPOLITAN AREA JOB CHANGE, JULY 2020–AUGUST 2020 (NOT SEASONALLY ADJUSTED)



REGIONAL LABOR MARKET ANALYSIS

ANN ARBOR METROPOLITAN AREA

- The Ann Arbor jobless rate declined in August by 1.1 percentage points to 6.9 percent and was 2.0 percentage points lower than the statewide unemployment rate (8.9 percent).
- The number of unemployed residents fell by 2,000 (-12.3 percent) over the month but was still up 8,000 since August 2019.

MONTHLY INDUSTRY DEVELOPMENTS

- Total regional payroll jobs in the Ann Arbor area increased by 3,400 or 1.6 percent this month, similar to the statewide August job growth rate (+1.5 percent).

INDUSTRY TRENDS

- Despite job gains in *Manufacturing; Trade, transportation, and utilities*; and *Leisure and hospitality* (+300 each), total Ann Arbor nonfarm job levels remained 9,800 below year-ago levels.

BATTLE CREEK METROPOLITAN AREA

- In August, the regional jobless rate in the Battle Creek area moved down by 1.1 percentage points to 9.8 percent, but rose 5.5 percentage points since August 2019.
- Although employment in the metro area advanced by 1,000 (+1.8 percent), the labor force remained relatively flat over the month due to a decline in the total number of unemployed.

MONTHLY INDUSTRY DEVELOPMENTS

- Battle Creek nonfarm jobs rose 900 or 1.8 percent in August, outpacing the statewide rate by 0.3 percentage points.
- Most area job gains occurred in the *Service providing* sector (+800), led by seasonal and temporary job additions in *Government*.

INDUSTRY TRENDS

- All major sectors lost jobs since August 2019, led by *Manufacturing* (-16.4 percent) and *Leisure and hospitality* (-35.4 percent).

BAY CITY METROPOLITAN AREA

- Joblessness in the Bay City MSA dropped by 1.1 percentage points to 8.5 percent in August.
- Total workforce in the region remained virtually unchanged (+100), as employment gains were offset by a decline in the total number of unemployed.

MONTHLY INDUSTRY DEVELOPMENTS

- Bay City regional payroll jobs increased by 300 or 1.0 percent in August.

INDUSTRY TRENDS

- In August, *Professional and business services* (+100) and *Leisure and hospitality* (+100) recorded marginal job gains as most other major job sectors remained unchanged over the month.

DETROIT-WARREN-DEARBORN METRO AREA

- The unemployment rate in the Detroit region edged up slightly by 0.1 percentage points this month to 10.2 percent, the only Michigan metro area to record a jobless rate increase in August.
- Detroit's workforce advanced 53,000 (+2.6 percent) in August, which was the largest monthly percent increase among Michigan major regions.

MONTHLY INDUSTRY DEVELOPMENTS

- Total nonfarm jobs in the Detroit MSA moved up by 25,300 or 1.4 percent in August, tracking with the state growth rate while slightly outpacing the national average (+1.1 percent)
- *Trade, transportation, and utilities* jobs rose by 4,300 or 1.2 percent since last month but were still down 23,800 since February pre-pandemic levels.

INDUSTRY TRENDS

- Strong rates of area job loss have occurred since August 2019, with significant job cuts in *Leisure and hospitality*, *Professional and business services*, and *Health care and social assistance*.

FLINT METROPOLITAN AREA

- The Flint MSA unemployment rate moved down by 1.2 percentage points in August to 10.6 percent, well above the statewide August jobless rate (8.9 percent).
- This monthly rate drop in Flint was accompanied by a 9.5 percent decline in the number of unemployed. Over the last year, however, the number of area unemployed has soared by 11,200.

MONTHLY INDUSTRY DEVELOPMENTS

- Flint regional payroll jobs advanced by 1,500 or 1.2 percent in August but were still down 11.0 percent over the year.
- Minimal job gains were recorded in the *Durable goods* sector (+3.8 percent), led by *Transportation, warehousing, and utilities* (+5.0 percent).

INDUSTRY TRENDS

- Area *Manufacturing* jobs were still down 3,300 (-22.6 percent) over the year despite continued over the month job recalls since April.

GRAND RAPIDS-WYOMING METRO AREA

- The jobless rate in the Grand Rapids labor market decreased by 1.2 percentage points to 7.2 percent in August. Since August 2019, the metro area rate rose by 4.2 percentage points.
- The region's total labor force advanced by 4,900 (+0.8 percent) over the month, primarily due to an employment gain of 11,500.

MONTHLY INDUSTRY DEVELOPMENTS

- Total payroll jobs in the Grand Rapids metro area moved up by 9,800 or 1.9 percent in August. This was the largest rate of monthly job expansion among Michigan metro areas.

INDUSTRY TRENDS

- The *Finance and insurance* subsector added 300 more jobs this month (+1.4 percent), matching the pre-pandemic February 2020 peak in jobs in this sector.

CIVILIAN LABOR FORCE AND NONFARM PAYROLL JOBS

	ANN ARBOR			BATTLE CREEK			BAY CITY		
	AUG 2020	JULY 2020	AUG 2019	AUG 2020	JULY 2020	AUG 2019	AUG 2020	JULY 2020	AUG 2019
PLACE OF RESIDENCE									
Labor Force	204,800	203,200	196,000	62,300	62,000	62,200	49,500	49,400	50,100
Employment	190,500	187,000	189,800	56,200	55,200	59,600	45,300	44,600	47,900
Unemployment	14,200	16,200	6,200	6,100	6,800	2,700	4,200	4,800	2,200
Rate (percent)	6.9%	8.0%	3.2%	9.8%	10.9%	4.3%	8.5%	9.6%	4.4%
PLACE OF WORK									
Total Nonfarm Jobs	214,100	210,700	223,900	50,300	49,400	57,400	30,900	30,600	35,300
Mining, Logging, and Construction	4,600	4,500	5,200	1,700	1,600	1,900	1,400	1,400	1,500
Manufacturing	14,000	13,700	14,800	9,700	9,700	11,600	3,100	3,100	4,600
Trade, Transportation, and Utilities	26,200	25,900	27,100	8,600	8,500	9,100	7,100	7,100	7,500
Wholesale Trade	6,200	6,200	6,900	*	*	*	*	*	*
Retail Trade	15,900	15,700	15,900	5,600	5,600	5,700	4,400	4,400	4,800
Information	5,500	5,500	5,600	*	*	*	300	300	300
Financial Activities	6,600	6,600	7,000	1,100	1,100	1,200	1,200	1,200	1,300
Professional and Business Services	27,800	27,800	30,700	4,800	4,700	5,600	2,100	2,000	2,400
Educational and Health Services	27,200	27,200	29,200	9,800	9,700	10,700	6,000	6,000	6,500
Leisure and Hospitality	14,200	13,900	18,800	3,100	3,000	4,800	3,800	3,700	4,600
Other Services	5,900	5,800	6,500	1,800	1,800	2,000	1,100	1,100	1,300
Government	82,100	79,800	79,000	9,400	9,000	10,200	4,800	4,700	5,300
DETROIT-WARREN-DEARBORN									
FLINT									
GRAND RAPIDS-WYOMING									
	AUG 2020	JULY 2020	AUG 2019	AUG 2020	JULY 2020	AUG 2019	AUG 2020	JULY 2020	AUG 2019
PLACE OF RESIDENCE									
Labor Force	2,094,000	2,041,000	2,184,000	186,700	186,200	183,600	595,200	590,300	581,800
Employment	1,881,000	1,835,000	2,080,000	166,800	164,200	174,900	552,100	540,600	564,100
Unemployment	213,000	207,000	104,000	19,900	22,000	8,700	43,100	49,700	17,600
Rate (percent)	10.2%	10.1%	4.8%	10.6%	11.8%	4.7%	7.2%	8.4%	3.0%
PLACE OF WORK									
Total Nonfarm Jobs	1,825,200	1,799,900	2,043,700	127,100	125,600	142,800	518,900	509,100	565,600
Mining, Logging, and Construction	75,900	74,900	81,200	5,800	5,600	6,400	28,900	29,000	27,100
Manufacturing	231,100	228,500	258,200	11,300	10,900	14,600	105,500	104,100	119,600
Trade, Transportation, and Utilities	356,600	352,300	382,200	28,900	28,600	29,300	92,200	91,700	98,800
Wholesale Trade	79,500	79,100	85,500	5,700	5,700	5,800	30,300	30,100	32,800
Retail Trade	194,500	192,400	210,500	19,000	18,900	19,200	45,000	45,000	48,900
Information	24,800	24,700	26,800	3,100	3,200	3,600	5,900	5,900	6,500
Financial Activities	118,200	117,900	122,900	5,800	5,800	6,000	26,700	26,300	27,100
Professional and Business Services	360,400	355,500	393,100	15,300	15,100	16,600	67,900	65,800	75,200
Educational and Health Services	276,600	274,300	317,300	23,400	23,400	26,600	85,400	84,800	92,900
Leisure and Hospitality	142,000	137,800	208,900	12,500	12,400	16,100	41,800	38,900	51,500
Other Services	70,300	70,100	75,800	5,100	5,100	5,400	21,200	21,000	22,900
Government	169,300	163,900	177,300	15,900	15,500	18,200	43,400	41,600	44,000

JACKSON METROPOLITAN AREA

- The Jackson regional jobless rate moved down by 1.3 percentage points to 8.8 percent in August, but remained 5.0 percentage points above the August 2019 rate.
- Despite an above average percent drop in the number of unemployed in August, the unemployment level in the Jackson metro area over the past year jumped by 3,800, or over 130 percent.

MONTHLY INDUSTRY DEVELOPMENTS

- In the Jackson region, total nonfarm jobs moved up by 500 or 1.0 percent in August.
- Most major industries added jobs slightly over the month, with the entirety of growth occurring in the *Service providing* sector.

INDUSTRY TRENDS

- Area payroll jobs in *Professional and business services* rose both over the month and over the year, by 1.9 and 3.8 percent, respectively.

KALAMAZOO-PORTAGE METRO AREA

- In August, the jobless rate in the Kalamazoo metro area decreased by 1.0 percentage point to 7.7 percent.
- Employment levels in the region advanced by 2,500 or 1.6 percent over the month, but declined 1.2 percent since August 2019.

MONTHLY INDUSTRY DEVELOPMENTS

- August nonfarm jobs in the Kalamazoo MSA advanced by 2,500 or 1.8 percent, tied for the second fastest monthly job growth among Michigan metro areas.
- The *Trade, transportation, and utilities* sector rose by 500 or 2.1 percent this month, which was well above the typical seasonal gain in August.

INDUSTRY TRENDS

- Jobs in most regional major sectors remained down over the year, with the exception of *Mining, logging, and construction*; *Information*; and *Financial activities*, which were little changed.

LANSING-EAST LANSING METRO AREA

- The August unemployment rate in the Lansing region declined by 0.9 percentage points to 7.6 percent, which was 1.3 percentage points below the state jobless rate.
- Regional employment rose by 1.4 percent, which was the smallest August rate of gain among major Michigan regions. The labor force in the metro area moved up slightly (+1,000) in August.

MONTHLY INDUSTRY DEVELOPMENTS

- Lansing job levels in August rose by 2,400 or 1.2 percent but were still down a significant 9.4 percent over the year (-21,600).

INDUSTRY TRENDS

- Total jobs in the *Professional and business services* sector moved up in August by 900 or 4.2 percent, the largest percent increase among the major industry sectors in the region.

MIDLAND METROPOLITAN AREA

- Joblessness in the Midland labor market moved down by 1.0 full percentage point in August to 7.0 percent.
- The region experienced a marginal gain in its total workforce this month due to an increase in the number of employed residents (+800).

MONTHLY INDUSTRY DEVELOPMENTS

- In the Midland MSA, total payroll jobs moved up by 600 or 1.8 percent over the month, exceeding the rate of job expansion recorded statewide.

INDUSTRY TRENDS

- Nonfarm jobs remained below year-ago levels (-8.8 percent) and 2,500 lower than the February pre-pandemic employment level.

MONROE METROPOLITAN AREA

- The Monroe MSA August unemployment rate fell by 1.2 percentage points to 8.1 percent.
- Labor force in the region remained relatively unchanged (+0.3 percent) since July and has declined slightly over the year (-1.1 percent).

MONTHLY INDUSTRY DEVELOPMENTS

- Metro area jobs in the Monroe region increased by 600 or 1.7 percent this month. This was 0.6 percentage points above the national rate of gain in August.

INDUSTRY TRENDS

- Most major industries recorded little job change in the Monroe MSA over the month, except for *Professional and business services* (+300) and *Trade, transportation, and utilities* (+200).

MUSKEGON METROPOLITAN AREA

- Joblessness in the Muskegon MSA declined by 1.4 percentage points to 11.4 percent this month, however, the region continues to display the highest unemployment rate among all Michigan major regions.
- Total labor force in the region remained virtually flat in August but moved up by 1,900 over the year.

MONTHLY INDUSTRY DEVELOPMENTS

- Total nonfarm payroll jobs in the Muskegon MSA inched up by 300 or 0.5 percent over the month. This was the lowest August rate of job gain among Michigan metro areas.

INDUSTRY TRENDS

- Job additions in August were concentrated in *Retail trade* (+300) and *Government* (+200).

CIVILIAN LABOR FORCE AND NONFARM PAYROLL JOBS

	JACKSON			KALAMAZOO-PORTAGE			LANSING-EAST LANSING		
	AUG 2020	JULY 2020	AUG 2019	AUG 2020	JULY 2020	AUG 2019	AUG 2020	JULY 2020	AUG 2019
PLACE OF RESIDENCE									
Labor Force	75,400	75,500	73,700	173,100	172,300	167,900	244,700	243,700	242,200
Employment	68,800	67,800	70,800	159,700	157,200	161,600	226,200	223,100	233,800
Unemployment	6,600	7,600	2,800	13,400	15,100	6,200	18,500	20,600	8,400
Rate (percent)	8.8%	10.1%	3.8%	7.7%	8.7%	3.7%	7.6%	8.5%	3.5%
PLACE OF WORK									
Total Nonfarm Jobs	52,300	51,800	58,200	138,000	135,500	148,000	208,200	205,800	229,800
Mining, Logging, and Construction	2,200	2,300	2,200	6,800	6,700	6,700	7,700	7,700	8,800
Manufacturing	8,500	8,400	9,900	20,600	20,500	23,500	16,300	16,100	19,300
Trade, Transportation, and Utilities	10,600	10,500	12,300	23,900	23,400	26,100	33,300	33,000	35,700
Wholesale Trade	*	*	*	5,900	5,800	6,400	6,000	5,900	6,500
Retail Trade	6,200	6,100	6,400	14,100	13,800	15,700	19,900	19,700	21,400
Information	200	200	200	700	700	700	2,800	2,800	2,900
Financial Activities	2,200	2,100	2,200	8,200	8,100	8,200	16,900	16,700	17,200
Professional and Business Services	5,400	5,300	5,200	16,800	16,500	17,300	22,500	21,600	23,400
Educational and Health Services	8,800	8,700	10,100	22,700	22,600	24,900	29,200	29,100	32,100
Leisure and Hospitality	4,500	4,500	5,500	16,600	16,300	16,800	16,100	16,100	19,700
Other Services	2,400	2,400	2,700	4,900	4,800	5,300	9,200	9,100	10,400
Government	7,500	7,400	7,900	16,800	15,900	18,500	54,200	53,600	60,300
PLACE OF RESIDENCE									
Labor Force	40,600	40,100	40,200	73,900	73,700	74,700	80,000	80,100	78,100
Employment	37,700	36,900	38,700	67,900	66,900	71,800	70,900	69,800	74,800
Unemployment	2,800	3,200	1,500	6,000	6,800	2,800	9,100	10,300	3,300
Rate (percent)	7.0%	8.0%	3.6%	8.1%	9.3%	3.8%	11.4%	12.8%	4.2%
PLACE OF WORK									
Total Nonfarm Jobs	34,300	33,700	37,600	35,000	34,400	40,500	57,000	56,700	65,400
Mining, Logging, and Construction	*	*	*	1,800	1,800	2,000	2,800	2,800	2,600
Manufacturing	*	*	*	4,900	4,800	5,700	11,400	11,500	13,900
Trade, Transportation, and Utilities	*	*	*	9,800	9,600	10,500	13,300	13,200	13,700
Wholesale Trade	*	*	*	1,700	1,700	1,700	*	*	*
Retail Trade	*	*	*	4,200	4,100	4,700	10,500	10,200	11,100
Information	*	*	*	*	*	*	200	200	300
Financial Activities	*	*	*	900	900	900	1,700	1,800	1,800
Professional and Business Services	*	*	*	4,300	4,000	5,000	3,400	3,400	3,400
Educational and Health Services	*	*	*	4,500	4,500	4,900	10,100	10,000	11,900
Leisure and Hospitality	*	*	*	3,000	3,000	4,800	5,900	5,800	8,700
Other Services	*	*	*	1,300	1,300	1,500	1,800	1,800	2,300
Government	2,800	2,700	2,700	4,200	4,200	4,800	6,400	6,200	6,800

NILES-BENTON HARBOR METRO AREA

- The jobless rate in the Niles-Benton Harbor metro area fell by 1.2 percentage points in August to 8.7 percent.
- The total labor force count edged up slightly over the month (+0.3 percent), as the gain in the number of employed residents was offset by the decline in the number of unemployed.

MONTHLY INDUSTRY DEVELOPMENTS

- Payroll jobs in the Niles-Benton Harbor region advanced by 600 or 1.0 percent in August, tracking with the U.S. national growth rate.
- Over the month, job additions in this metro area were located entirely in the *Service providing* sector.

INDUSTRY TRENDS

- The *Government* sector led the way in job gains in August, due to hiring of temporary census workers and initial hiring for the new academic year at local school districts.

SAGINAW METROPOLITAN AREA

- The regional unemployment rate in the Saginaw MSA decreased by 0.9 percentage points to 9.7 percent in August, remaining above the statewide jobless rate.
- The total number of unemployed residents was significantly above year-ago levels (+4,600) despite registering a reduction in August.

MONTHLY INDUSTRY DEVELOPMENTS

- Regional jobs in the Saginaw labor market moved up by 600 or 0.8 percent in August, the second lowest percent increase among all Michigan metro areas.
- Half of the total jobs added in the region in August were in the *Retail trade* sector (+300).

INDUSTRY TRENDS

- Job losses since August 2019 in the Saginaw MSA have been substantial, dropping by 9,900 or 11.3 percent. This rate of job decline exceeded the pace of job cuts in Michigan and the nation.

CIVILIAN LABOR FORCE AND NONFARM PAYROLL JOBS

	NILES-BENTON HARBOR			SAGINAW					
	AUG 2020	JULY 2020	AUG 2019	AUG 2020	JULY 2020	AUG 2019			
PLACE OF RESIDENCE									
Labor Force	76,800	76,600	74,000	87,400	86,900	86,700			
Employment	70,100	69,000	70,900	78,900	77,700	82,800			
Unemployment	6,700	7,600	3,100	8,500	9,200	3,900			
Rate (percent)	8.7%	9.9%	4.1%	9.7%	10.6%	4.5%			
PLACE OF WORK									
Total Nonfarm Jobs	58,400	57,800	63,100	77,900	77,300	87,800			
Mining, Logging, and Construction	2,900	2,900	2,500	3,000	3,000	3,400			
Manufacturing	13,000	13,000	13,200	10,600	10,600	12,500			
Trade, Transportation, and Utilities	10,000	9,900	10,800	15,300	15,000	16,700			
Wholesale Trade	*	*	*	1,900	1,900	2,100			
Retail Trade	6,100	6,000	6,900	10,800	10,500	11,900			
Information	400	400	500	1,100	1,100	1,300			
Financial Activities	2,400	2,500	2,500	3,600	3,600	3,800			
Professional and Business Services	5,100	4,900	5,200	10,200	10,100	11,600			
Educational and Health Services	8,800	8,800	9,500	14,600	14,700	15,900			
Leisure and Hospitality	5,900	5,900	8,500	7,200	7,100	9,200			
Other Services	2,100	2,100	2,300	3,100	3,100	3,200			
Government	7,800	7,400	8,100	9,200	9,000	10,200			
UPPER PENINSULA									
	AUG 2020	JULY 2020	AUG 2019	NORTHEAST MICHIGAN					
				AUG 2020	JULY 2020	AUG 2019	NORTHWEST MICHIGAN		
							AUG 2020	JULY 2020	AUG 2019
PLACE OF RESIDENCE									
Labor Force	145,300	142,600	138,200	84,800	83,800	84,600	162,600	160,700	158,000
Employment	135,200	130,900	131,700	77,400	75,200	80,400	150,700	146,700	152,300
Unemployment	10,000	11,700	6,500	7,500	8,600	4,200	11,900	14,000	5,700
Rate (percent)	6.9%	8.2%	4.7%	8.8%	10.3%	5.0%	7.3%	8.7%	3.6%

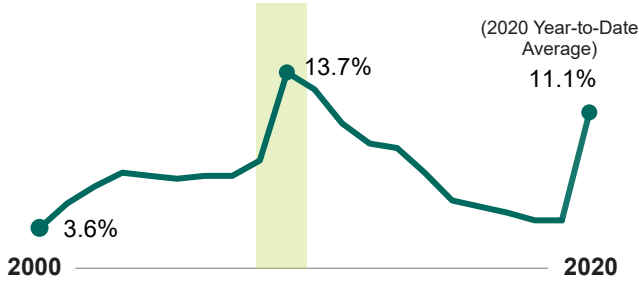
INFOGRAPHIC OF THE MONTH:

MICHIGAN'S HISTORICAL TRENDS FOR SELECT ECONOMIC INDICATORS

Michigan U.S.

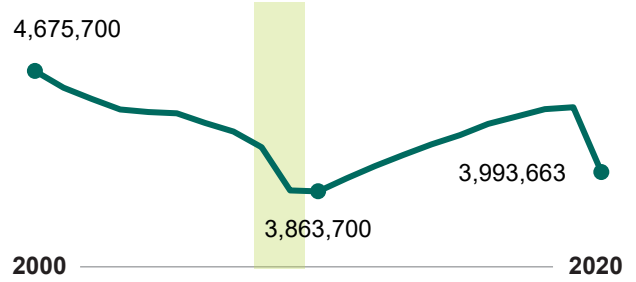
Great Recession (December 2007–June 2009)

Unemployment Rate



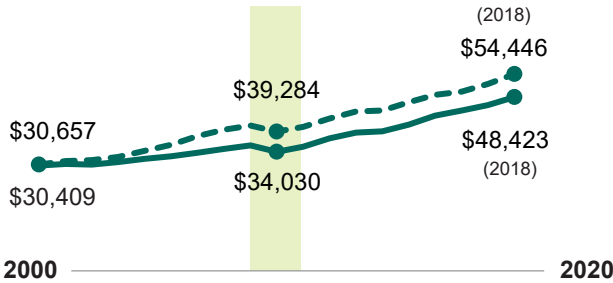
Local Area Unemployment Statistics, Bureau of Labor Market Information and Strategic Initiatives, Michigan Department of Technology, Management & Budget

Payroll Jobs



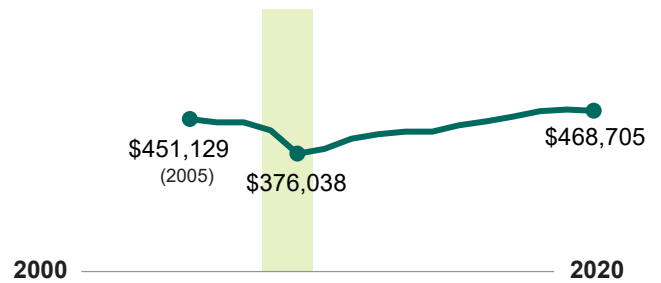
Local Area Unemployment Statistics, Bureau of Labor Market Information and Strategic Initiatives, Michigan Department of Technology, Management & Budget

Per Capita Income



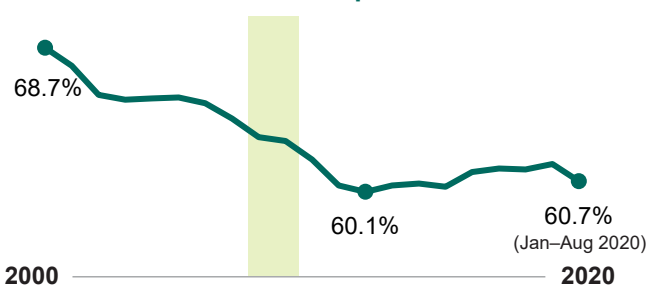
Bureau of Economic Analysis, U.S. Department of Commerce

Real GDP (in Millions of Chained 2012 Dollars)



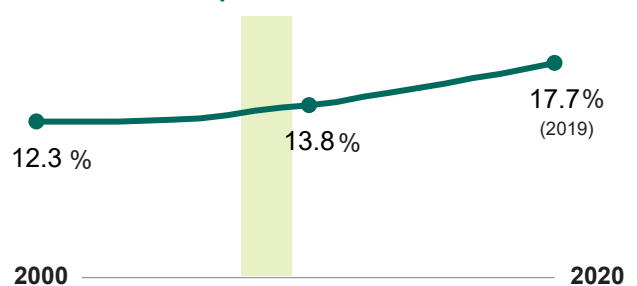
Bureau of Economic Analysis, U.S. Department of Commerce

Labor Force Participation Rate



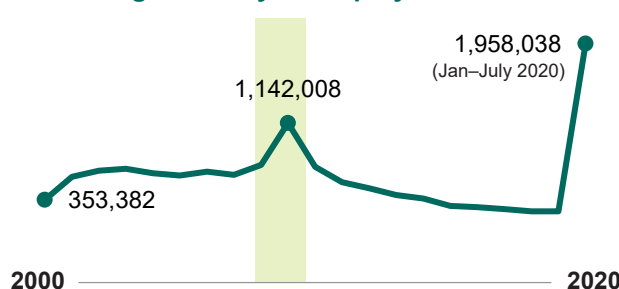
Bureau of Labor Market Information and Strategic Initiatives, Michigan Department of Technology, Management & Budget

Population 65 and Older



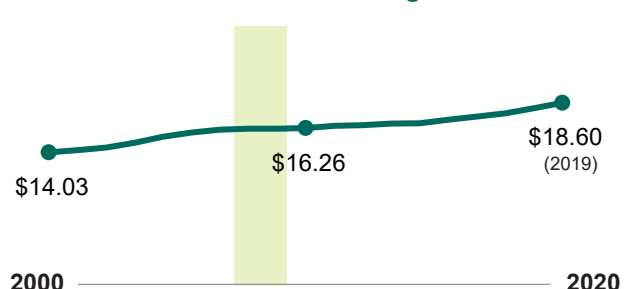
Intercensal Estimates (2000–2009), Annual Population Estimates (2010–2019), U.S. Census Bureau

Average Monthly Unemployment Claims



Employment and Training Administration, U.S. Department of Labor

Median Wage



Occupational Employment and Wage Estimates, U.S. Bureau of Labor Statistics



2019 ANNUAL ECONOMIC ANALYSIS

In a typical year, we use our annual economic analysis report to highlight statewide economic and labor market conditions from the previous year. Our customers tell us they find this analysis helpful as they write grants or prepare administrative reports. That is in a typical year. But 2020 is no “typical year.”

In this year’s analysis, we pivot and review conditions in 2019, but spend at least equal time discussing the current pandemic’s impact on the state’s labor market. We spend the last part of the article looking beyond the virus to tomorrow’s labor market.

2019: Another Solid Year, But With Some Notable Areas for Improvement

In general, 2019 was another solid year for the Michigan economy and labor market. As economic indicators became available, we observed:

- Gross domestic product in the state increased for a tenth straight year as Michigan enjoyed its share of the longest economic expansion on record.
- Following nine straight years of unemployment rate declines, the Michigan jobless rate held steady at 4.1 percent in 2019. This was only slightly above the 2019 national rate of 3.7 percent, marking significant improvement compared to a decade earlier.
- Payroll employment increased for a ninth straight year to 4,432,600 in 2019.
- Per capita personal income grew for a tenth straight year, up \$1,840 or 3.8 percent.
- While per capita personal income had improved, Michigan fell from on par with the national average and ranking 17th to being well-below the average and ranking 32nd.
- Despite nine years of growth, Michigan’s 2019 payroll jobs remained 243,000 or 5.2 percent below 2000 levels.
- Job growth in average- and below-average wage industries had outpaced gains in above-average wage industries with the later recovering just 84 percent of jobs lost since 2000.
- In 2019, 15 percent of part-time workers wanted a full-time job. Behind this number is about 143,000 residents.
- Eighteen percent of all unemployed in Michigan had been out of work for 27 or more weeks. Behind this number is about 37,000 residents.

When discussing the Michigan labor market’s performance in 2019, we noted that there was some room to expand. This was mostly due to residents who had been left behind by structural shifts in the labor market, particularly the well-documented, decades-long shifts from production occupations to professional and technical occupations.

We also warned of looming demographic changes and rapidly advancing technology that would bring continued change for our state, meaning opportunities and challenges.



For example:

- Between 2018 and 2030, 1.7 million residents will cross the 65-year mark. On average, that is 131,400 people per year or 360 per day.
- Starting in 2030, the state's population is projected to enter a period of natural decline, meaning deaths will outnumber births.
- As a result, we will be more and more reliant on in-migration for our labor force. Indeed, for the areas of growth identified in our long-term employment projection to be realized, we will need in-migration.

As we were finalizing the findings for our 2019 economic analysis report in early 2020, we started hearing news of a novel coronavirus. Fast forward to March 2020, with just two-and-a-half months of 2020 in the books, the pandemic had reached Michigan and economic and labor market conditions began to erode quickly.

2020: The Pandemic Reaches Michigan

During the second quarter of 2020, Michigan recorded 52,074 positive cases of COVID-19, ranking it 15th nationally, and registered 5,642 COVID-19 deaths (7th highest nationally).

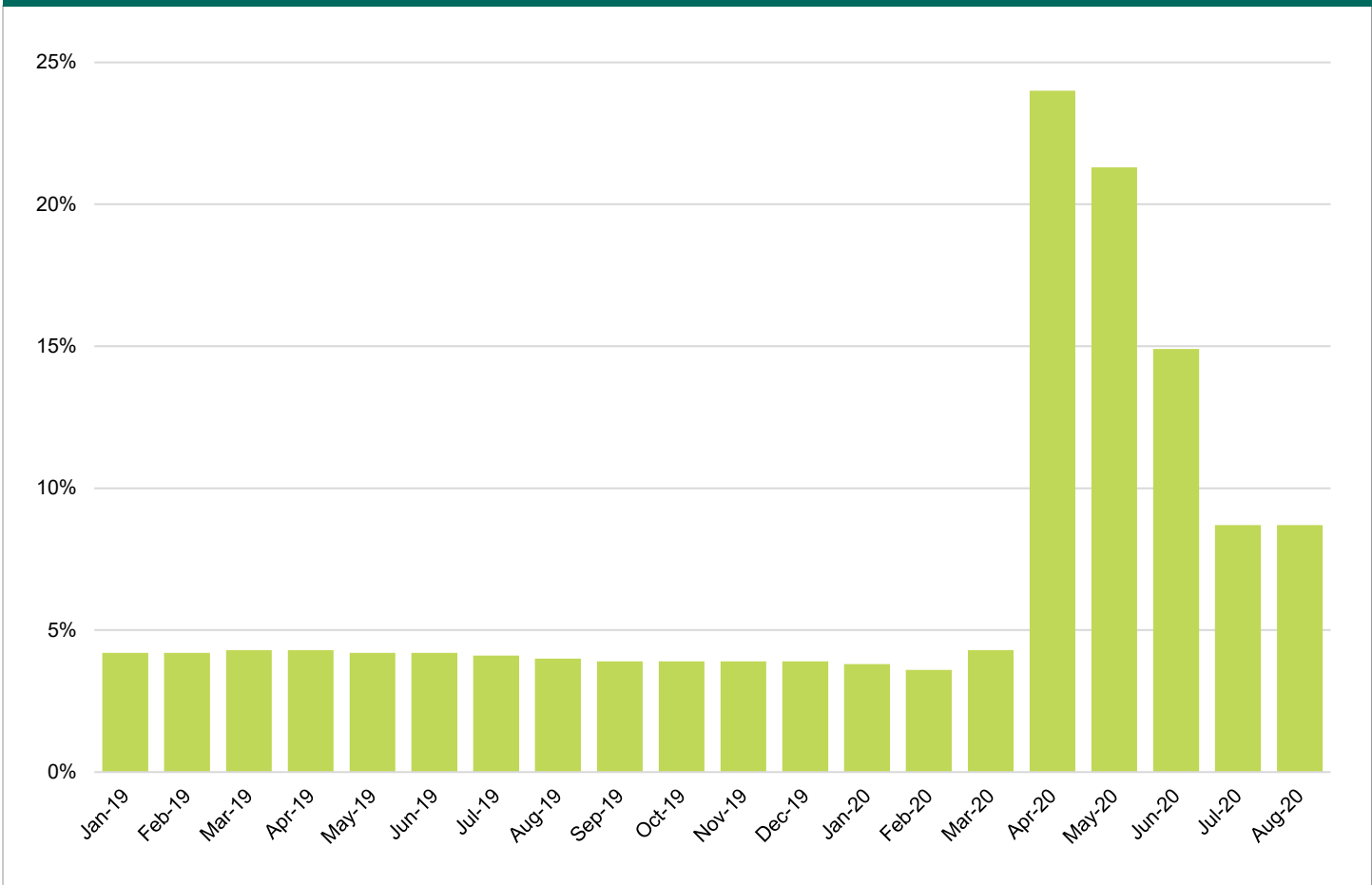
As the 10th most populous state with nearly 10 million residents and the 12th highest median age nationally, Michigan was among the first wave of states in late March to issue a stay-at-home order in an effort to combat widescale illness and fatalities as a result of the fast-moving and largely unknown coronavirus pandemic (Exec. Order No. 2020-21). This initiative suspended activities that were "not necessary to sustain or protect life," as per the executive order. (Ibid.) As a result, the state economy came to an abrupt halt. Michigan's unemployment rate spiked from 4.3 percent in March (slightly below the U.S. rate of 4.4 percent) to 24.0 percent in April, almost 10 percentage points higher than the nation. Total payroll jobs fell by over 1 million in April (600,000 remain lost as of June) and initial

unemployment insurance claims rose to over 383,000 by the first week of April.

To further demonstrate Michigan's specific economic struggle as a result of COVID-19, the state ranked in the bottom quintile or lower in several key economic measures for the pandemic period, including:

1. Change in the unemployment rate (5th largest increase February-June, 3rd largest March-April)
2. Change in total payroll jobs (44th numeric change, 46th percent change)
3. Change in *Manufacturing* jobs (49th numeric change, 46th percent change)
4. Change in *Leisure and hospitality* jobs (42nd numeric change, 45th percent change)
5. Number of COVID-19-related deaths (7th highest nationally, 2nd quarter 2020)
6. Increase in initial UI claims (4th highest overall, first week of March to COVID peak)

MICHIGAN MONTHLY UNEMPLOYMENT RATE, JAN 2019–AUG 2020



Local Area Unemployment Statistics, Bureau of Labor Market Information and Strategic Initiatives, Michigan Department of Technology, Management & Budget

These facts, along with disproportionate challenges facing Michigan's lower-paid, female, and minority workers, paint a more complete picture of the initial burden on Michigan residents, workforce, businesses, and economy resulting from the COVID-19 pandemic.

IMPACT ON MICHIGAN UNEMPLOYMENT RATE AND UNEMPLOYMENT INSURANCE CLAIMS

Prior to the COVID-19 pandemic, Michigan's economy benefited from the longest expansion on record, posting healthy payroll job gains and lowering unemployment annually. April 2020 however, brought about the largest single-month spike in the state unemployment rate on record, as executive leadership attempted to slow the spread of the coronavirus, which had proved early on to be particularly deadly in Michigan. The unemployment rate had previously moved in monthly lockstep with the nation since early 2015 and was in fact slightly below the U.S. rate in March 2020. By April, the state experienced a nearly six-fold increase in the jobless rate,

as it rocketed from 4.3 percent to 24.0 percent in a single month. This increase of nearly 20 percentage points was the 3rd largest nationally.

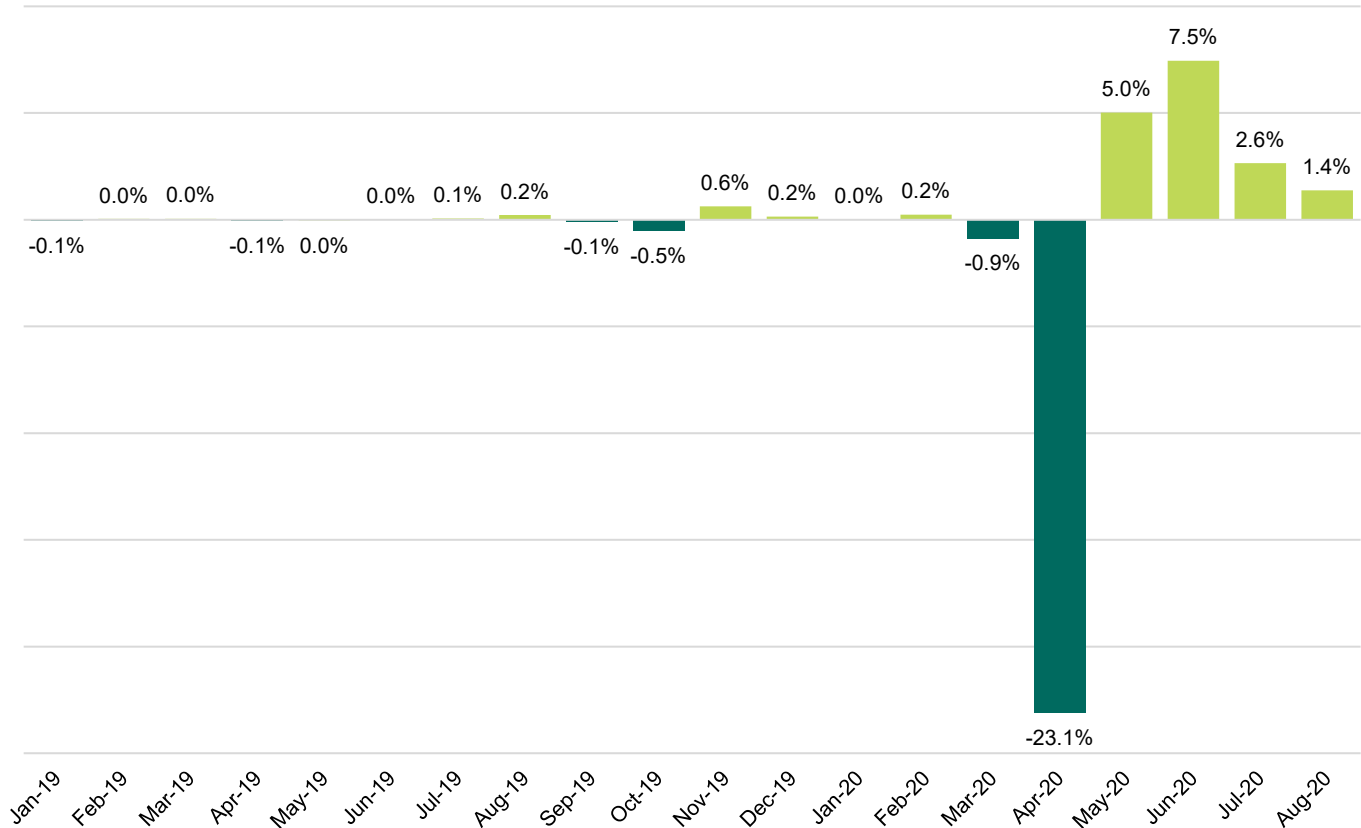
It is well known that Michigan was heavily impacted by the Great Recession, when its jobless rate peaked at 14.6 percent compared to the national peak rate of 10.0 percent. By comparison, the Michigan-U.S. unemployment rate gap in April 2020 was 9.3 percentage points, or twice the peak gap that was observed during the Great Recession. And though rates have somewhat rebounded since April, Michigan's rate remains significantly above the U.S. as of June and ranked the 5th highest nationally at 14.8 percent. The overall jobless rate increase from February to June of 11.2 percentage points placed Michigan in the bottom 10 percent (5th largest rate increase) compared to all other states nationally.

The job losses that resulted from a swift and strict stay-at-home order dramatically increased initial unemployment claims in Michigan. In the first two weeks of March 2020, prior to the

effects of the pandemic, initial unemployment insurance claims in Michigan were just above 5,000, placing the state 10th and 13th lowest nationally. After the stay-at-home order went into effect on March 24th, initial claims reached over 300,000 for the week ending March 28th. Initial claims peaked in the week ending April 4th, with 383,404 claims, ranking it the 4th highest climb of any state from the week ending March 7th to the corresponding COVID-period peak. The state not only had the 4th highest overall increase from start to peak, but also the 4th largest nationally in percentage terms with a 7,445 percent increase. These measures more accurately reflect the impact on Michigan's workers and UI claims system, placing it in the bottom decile nationally.

It is also worth noting that claims did not come from all groups equally. In Michigan, as well as the U.S., the percentage increase in UI claims among females nearly doubled the increase among males between February and May. While claims among males increased 903 percent, they spiked 2,066 percent among females,

MICHIGAN MONTHLY PAYROLL JOB CHANGE, JAN 2019–AUG 2020



Local Area Unemployment Statistics, Bureau of Labor Market Information and Strategic Initiatives, Michigan Department of Technology, Management & Budget

almost doubling the national increase for each group. Nearly every racial minority group in Michigan had claim increases outpacing the total state increase. Claims among Asians increased 3,810 percent, far outpacing the national increase for the group of 1,839. With a claims increase of 1,528 percent among the Black or African American population, total claims also well outpaced the national increase among the group of 890 percent.

IMPACT ON MICHIGAN PAYROLL JOBS

Naturally, dramatic increases in unemployment and UI claims occurred contemporaneously with largescale job losses across most Michigan industries. Total payroll jobs in Michigan fell by nearly a quarter off a base of roughly 4.5 million in April. The 23.1 percent reduction was almost 10 percentage points worse than the national job decline and represented over 1 million fewer jobs across the state, marking the largest numeric and percentage monthly drop in payroll jobs in Michigan's recorded history. As of June, Michigan's overall job count remained

13.5 percent lower than its February level. By comparison, the national loss was 9.6 percent during this period.

Compared to other states, Michigan's pandemic-related job losses placed it well within the lowest quintile in terms of both numeric and percent job growth. The loss of 600,000 payroll jobs between February and June ranked Michigan 44th in numeric job growth, while the corresponding 13.5 percent decline placed the state even lower at 46th.

While a discussion of each industry sector is beyond the scope of this narrative, the performance of two Michigan sectors is noteworthy. First, *Leisure and hospitality* jobs were among the largest affected in the initial stages of the pandemic. As a state with a relatively large population, Michigan has a sizable number of jobs in this sector, registering roughly 435,000 in January and February of this year. The timing of the pandemic was such that Michigan lost 255,000 jobs in this sector between February

and April—over half of its base—right at a time when businesses in these industries are typically ramping up hiring for the coming summer season. While some jobs in this industry did bounce back by June, the total sector remained down almost 192,000 jobs, or 44 percent, from February. Respectively, these two figures ranked Michigan in the bottom quintile (42nd and 45th) nationally for this period.

Another sector of notable mention is *Manufacturing*. Michigan is heavily reliant on its manufacturing base, as the sector accounts for 14 percent of total nonfarm jobs in the state, the 4th highest concentration of such jobs nationally. Because these jobs are not conducive to teleworking accommodations, measures like percent of population without broadband access, where Michigan ranks near the middle of the pack, fail to fully capture at least some of the workplace burden posed by stay-at-home restrictions. Furthermore, production jobs present an additional pandemic-related hardship since manufacturers tend to employ relatively

TOP AND BOTTOM OCCUPATIONAL GROUPS BY EMPLOYMENT GROWTH (MICHIGAN)

OCCUPATIONAL GROUP	EMPLOYMENT		PROJECTED CHANGE	
	2018	2028	NUMERIC	PERCENT
TOTAL, ALL OCCUPATIONS	4,672,450	4,675,200	2,750	0.1%
Healthcare Practitioners and Technical Occupations	297,120	311,360	14,240	4.8%
Personal Care and Service Occupations	165,820	179,720	13,900	8.4%
Healthcare Support Occupations	140,660	151,400	10,740	7.6%
Education, Training, and Library Occupations	241,760	251,220	9,460	3.9%
Construction and Extraction Occupations	170,340	177,410	7,070	4.2%
Arts, Design, Entertainment, Sports, and Media Occupations	74,440	72,440	-2,000	-2.7%
Protective Service Occupations	83,340	80,990	-2,350	-2.8%
Sales and Related Occupations	439,500	420,750	-18,750	-4.3%
Production Occupations	478,220	458,960	-19,260	-4.0%
Office and Administrative Support Occupations	638,320	594,590	-43,730	-6.9%

Source: 2018–2028 Employment Projections, Bureau of Labor Market Information and Strategic Initiatives, Michigan Department of Technology, Management & Budget

larger numbers of workers concentrated in one location. Only one other state (California) lost more manufacturing jobs between February and June. Michigan's loss of 69,100, and the corresponding 11.1 percent decline placed the state in the bottom decile (46th) nationally.

JOB LOSSES IN LOWER-PAYING INDUSTRY SECTORS

Also demonstrating the economic impact of the pandemic on Michigan is the vulnerability of workers in lower-paying industries who were disproportionately affected by job losses in 2020. Not only was this the case relative to other higher-paying sectors, but it was also true across the same sectors nationally. Roughly 353,000 of the 600,000 Michigan jobs lost during this span came from industries with average annual wages of \$40,820 or lower. Overall, these lower-paying industries lost 25 percent of jobs during the pandemic period, compared to a loss of only 8 percent overall in sectors with annual wages above this level. Nationally, the lower-paying wage sectors were also disproportionately impacted relative to the overall job loss, but the decline was only 17 percent, a full 8 percentage points better than these sectors in Michigan. Sectors paying above this wage level only lost 6 percent of jobs nationally, comparable to Michigan.

CONCLUDING REMARKS

Though the COVID-19 pandemic has left its mark on the U.S. and world overall, Michigan's aggressive early response has had an exceptional impact on the state economy. Michigan's residents, workers,

businesses, and others have experienced rapid, unprecedented hardship and challenges as a result. Unemployment increases and payroll job losses registered some of the largest monthly movements on record, piling the well-known and documented devastation Michigan faced during the Great Recession, and pushed the state near the bottom 20 (and in some cases 10) percent when compared to how other states have fared during the pandemic period.

Looking Ahead

In this month's *Data Spotlight* (page 26), we asked our partners at the University of Michigan, Research Seminar in Quantitative Economics (RSQE) to share their short- and mid-term economic outlook for Michigan. They expect the state to recover 388,700 jobs in the third quarter of 2020 after losing 837,000 jobs in the second quarter. Once the initial rebound of reopening the economy fades, they expect the pace of recovery to slow in future quarters.

WHAT ABOUT THE LONG-TERM OUTLOOK?

In July 2020, we hosted our first ever virtual outlook conference, where we released our long-term employment projections for the ten-year period ending in 2028. At that event, we shared that Michigan's occupational employment is expected to be flat between 2018 and 2028—up just 2,750 positions or 0.1 percent. Six major occupational groups are expected to decline, losing a combined 86,250 positions, while 17 groups should see growth, up 89,000 positions.

It was no surprise that *Personal care* and *Healthcare* occupations were among the winners and *Office and administrative support*, *Production*, and *Sales and related* occupations were slated to lose jobs. What may surprise some data users, particularly those who have used our projections in the past, is the flat employment outlook through 2028.

The pandemic's effect on jobs is not reflected in our long-term employment projections. With no real anticipated growth in employment, some people may assume these projections somehow reflect the economic distress caused by the pandemic. In fact, our long-term employment projections assume an economy at full employment in the projection year, in this case 2028. This is called the "full employment hypothesis." Dubina (2017) notes, "In its projections, BLS assumes full employment to minimize any effect from cyclical fluctuations, focusing instead on structural changes to the economy." But, it is hard to imagine that the pandemic will lead to only a transitory cyclical downturn. Instead, we are likely looking at both cyclical fluctuations and structural changes.

WHAT WOULD (PROBABLY) NOT CHANGE?

Notwithstanding the full employment hypothesis, knowing what we know now about the pandemic would not change the overall themes that emerge from our employment outlook. We would still project growth in the same occupational groups—perhaps more growth in healthcare and IT-related occupations. And, we would look for declining



employment in the same groups identified in our published projections.

WHAT WOULD (PROBABLY) CHANGE?

While we would not expect major adjustments to our occupational outlook, we will likely see changes in “how” or “from where” work is being done. As we have learned during the pandemic, “how” work gets done often involves a (new) set of tools and technologies few of us used before 2020.

Stay-at-home orders followed by safe start workplaces have led to more teleworking and alternative work arrangements. Many people

who have never worked from home before find themselves doing so now.

These changes will almost certainly lead to lasting changes in the labor market. But to what extent will the pandemic lead to lasting, structural changes in employment and work? This is a question we will study for months and years to come.

References

Michigan, Executive Office of the Governor [Gretchen Whitmer]. Executive order 2020-21: “Temporary requirement to suspend activities that are not necessary to sustain or protect life”

Dubina, Kevin S. 2017. “Full employment: an assumption within BLS projections,” Monthly Labor Review, U.S. Bureau of Labor Statistics, November 2017.

MARK REFFITT
Economic Specialist

JASON PALMER
Director

MICHIGAN ONLINE JOB ADS REMAIN STEADY OVER THE MONTH

There were 142,729 online job advertisements in Michigan for the month of August 2020, this is similar to July's 142,347 advertisements. In August, there were 66,471 new online job postings. This is a minor downtick from July when there were 67,097 new advertisements. Over the year, a 4.3 percent decrease in online advertisements in August was observed, with 6,481 less postings than in August 2019.

August's Supply/Demand Rate Remains High Despite Slight Decrease

Michigan's labor force has struggled throughout the pandemic, reaching historic heights of unemployment. Despite the reopening of many businesses in the state, August's supply/demand rate remained high at 3.08. This means there were approximately 308 unemployed individuals for every 100 open job advertisements. One year ago, August had a supply/demand rate of 1.40. While it remains high, the supply/demand rate has been decreasing since its peak of 9.97 in May 2020.

Requests for Individuals with High School Diploma or Vocational Training Rise

Out of the 142,729 job advertisements in August, 73,589 (51.6 percent) had an educational requirement specified. A high school diploma or vocational training was specified in 58.4 percent of ads in August 2020, a jump of nearly 10 percent over August 2019 (49.7 percent). Within this education level, *Laborers*

and *freight, stock, and material movers* (1,305 postings) witnessed a large uptick in job ads with 68.4 percent growth over the year. All other degree levels experienced a percent decrease in job postings over the year, ranging from 0.2 percent to 7.3 percent. For August 2020, a master's degree and above was requested 5.0 percent of the time, an associate degree 7.0 percent of the time, and a bachelor's was specified in 29.5 percent of job advertisements.

Sales and Related Occupations Lead Job Ads

Burning Glass Technologies offers non-seasonally adjusted data on occupations. The system provides job advertisement information based on broad occupation groups as well as detailed occupations. The *Sales and related* occupational group had a slight 1.5 percent decline in job ads from July to August this year, however, it remained the most posted group with 17,383 online ads in August. Following closely behind were *Office and administrative support* (14,483 ads), *Healthcare practitioners and technical* (12,963 ads), *Management* (11,806 ads), and *Transportation and material moving* (11,189 ads).

Over the past twelve months, three occupational groups lost more than a quarter of their online job advertisements. *Architecture and engineering* (3,455 ads) observed the largest downturn with a 39.1 percent decrease. Following were *Computer and mathematics* (7,775 postings) with a 29.6 percent drop, and *Business and financial operations* (5,592 ads) with a loss of 27.4 percent.

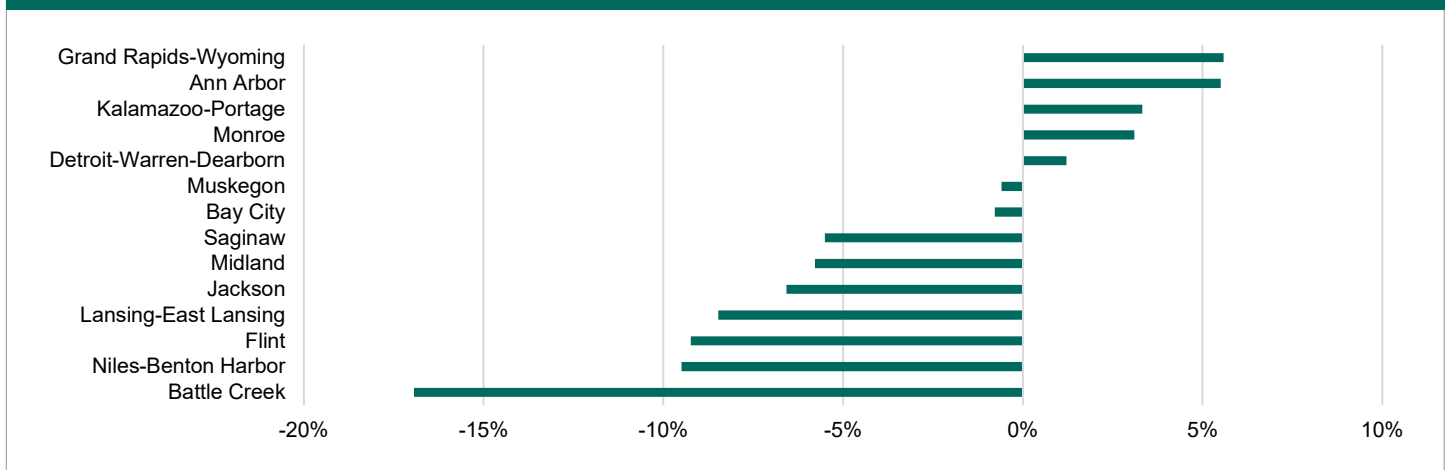
Out of the top twenty most posted detailed occupations, over half observed a drop in job advertisements over the month, ranging from a 1.5 percent to 9.7 percent loss. However, out of the top five advertised, only *Retail salespersons* (5,612 ads) experienced a dip in ads from the previous month. In August, the most advertisements were for *Registered nurses* (4,671 ads), *First-Line supervisors of retail sales workers* (4,025 ads), and *Customer service representatives* (3,706 ads). *Sales representatives* rose to claim the position as the fifth most posted occupation with 3,191 ads. This month, four out of the top five most advertised occupations belonged to the same occupational group, *Sales and related*.

Job Ads Vary for Michigan's Regions

In July, every metropolitan statistical area (MSA) had an increase in job ads over the month, however, August looked a bit different. Since July, nine out of the fourteen MSAs had a drop in job advertisements, ranging from a 0.6 percent reduction in Muskegon to a 16.9 percent loss in Battle Creek. A few of the industries contributing largely to Battle Creek's ad decline over the month were *Accommodation and food services* (-66.2 percent), *Construction* (-45.5 percent), and *Retail trade* (-42.0 percent).

TRISHA SCHLEGEL
Economic Analyst

MONTHLY CHANGE IN JOB ADS BY MICHIGAN METRO AREA, JULY 2020–AUGUST 2020



Source: Conference Board Help Wanted OnLine®, Burning Glass Technologies

MICHIGAN ONLINE JOB ADS BY INDUSTRY, AUGUST 2020

All Other Industries, 36,064	Health Care and Social Assistance, 25,773	Retail Trade, 18,922	Accomm. and Food Services, 12,081	Manufacturing, 10,375
				Finance and Insurance, 7,343

Note: Roughly 32,000 postings did not have specific industry ties in the August 2020 data

Source: Conference Board Help Wanted OnLine®, Burning Glass Technologies

LABOR DEMAND BY OCCUPATION (NOT SEASONALLY ADJUSTED)

OCCUPATION CATEGORIES	AUGUST 2020	JULY 2020	AUGUST 2019	OVER THE MONTH	
				LEVEL	PERCENT
TOTAL	137,427	137,279	143,116	148	0.1%
Administrative Support	14,483	14,418	14,892	65	0.5%
Office and Administrative Support	14,483	14,418	14,892	65	0.5%
Construction and Repair	8,351	8,527	7,256	-176	-2.1%
Construction and Extraction	2,258	2,454	1,654	-196	-8.0%
Installation, Maintenance, and Repair	6,093	6,073	5,602	20	0.3%
Farming, Fishing, and Forestry	186	218	201	-32	-14.7%
Farming, Fishing, and Forestry	186	218	201	-32	-14.7%
Healthcare	18,951	18,439	20,785	512	2.8%
Healthcare Practitioners and Technical	12,963	12,927	15,912	36	0.3%
Healthcare Support	5,988	5,512	4,873	476	8.6%
Management	11,806	11,909	14,757	-103	-0.9%
Management	11,806	11,909	14,757	-103	-0.9%
Production	6,588	6,388	5,746	200	3.1%
Production	6,588	6,388	5,746	200	3.1%
Professional	28,156	27,113	36,805	1,043	3.8%
Architecture and Engineering	3,455	3,446	5,673	9	0.3%
Arts, Design, Entertainment, Sports, and Media	3,146	3,234	3,519	-88	-2.7%
Business and Financial Operations	5,592	5,224	7,703	368	7.0%
Community and Social Services	1,970	1,879	2,077	91	4.8%
Computer and Mathematical	7,775	7,919	11,049	-144	-1.8%
Education, Training, and Library	4,689	3,891	5,098	798	20.5%
Legal	506	469	521	37	7.9%
Life, Physical, and Social Science	1,023	1,051	1,165	-28	-2.7%
Sales	17,383	17,640	18,365	-257	-1.5%
Sales and Related	17,383	17,640	18,365	-257	-1.5%
Service	20,334	21,530	17,098	-1,196	-5.6%
Building and Grounds Cleaning and Maintenance	5,290	5,629	3,554	-339	-6.0%
Food Preparation and Serving Related	8,930	9,744	8,396	-814	-8.4%
Personal Care and Service	4,011	3,912	3,327	99	2.5%
Protective Service	2,103	2,245	1,821	-142	-6.3%
Transportation	11,189	11,097	7,211	92	0.8%
Transportation and Material Moving	11,189	11,097	7,211	92	0.8%

Note: Some job ads do not fit in a major group designation, so topline numbers may appear different between the analysis and the table.

Source: Conference Board Help Wanted OnLine®, Burning Glass Technologies

RELEVANT RANKINGS

U.S. STATES BY NONFARM PAYROLL JOB CHANGE (SEASONALLY ADJUSTED)

RANK	STATE	AUGUST 2020	AUGUST 2019	CHANGE	
				LEVEL	PERCENT
1	Idaho	758,200	763,700	-5,500	-0.7%
2	Utah	1,538,700	1,566,900	-28,200	-1.8%
3	Mississippi	1,128,000	1,158,300	-30,300	-2.6%
4	Arizona	2,864,200	2,959,800	-95,600	-3.2%
5	Indiana	3,056,100	3,162,300	-106,200	-3.4%
23	Kentucky	1,822,300	1,942,700	-120,400	-6.2%
24	West Virginia	674,400	720,000	-45,600	-6.3%
25	Maryland	2,592,000	2,767,800	-175,800	-6.4%
26	Louisiana	1,855,800	1,986,200	-130,400	-6.6%
27	North Carolina	4,263,100	4,583,200	-320,100	-7.0%
46	Michigan	3,994,200	4,442,400	-448,200	-10.1%
47	Vermont	282,000	315,900	-33,900	-10.7%
48	Massachusetts	3,294,200	3,697,400	-403,200	-10.9%
49	New York	8,588,900	9,803,400	-1,214,500	-12.4%
50	Hawaii	547,600	652,800	-105,200	-16.1%

Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

MICHIGAN MSA BY NONFARM PAYROLL JOB CHANGE (NOT SEASONALLY ADJUSTED)

RANK	MSA	AUGUST 2020	AUGUST 2019	CHANGE	
				LEVEL	PERCENT
1	Ann Arbor	214,100	223,900	-9,800	-4.4%
2	Kalamazoo-Portage	138,000	148,000	-10,000	-6.8%
3	Niles-Benton Harbor	58,400	63,100	-4,700	-7.4%
4	Grand Rapids-Wyoming	518,900	565,600	-46,700	-8.3%
5	Midland	34,300	37,600	-3,300	-8.8%
6	Lansing-East Lansing	208,200	229,800	-21,600	-9.4%
7	Jackson	52,300	58,200	-5,900	-10.1%
8	Detroit-Warren-Dearborn	1,825,200	2,043,700	-218,500	-10.7%
9	Flint	127,100	142,800	-15,700	-11.0%
10	Saginaw	77,900	87,800	-9,900	-11.3%
11	Battle Creek	50,300	57,400	-7,100	-12.4%
12	Bay City	30,900	35,300	-4,400	-12.5%
13	Muskegon	57,000	65,400	-8,400	-12.8%
14	Monroe	35,000	40,500	-5,500	-13.6%

Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

RSQE'S ECONOMIC OUTLOOK FOR MICHIGAN'S LABOR MARKET

About RSQE

The University of Michigan's Research Seminar in Quantitative Economics (RSQE) has been forecasting the economy since 1952. RSQE's founder, Lawrence Klein, won the 1980 Nobel Memorial Prize in Economic Sciences for "the creation of econometric models and their application to the analysis of economic fluctuations and economic policies." Today, RSQE provides regular forecasts of the U.S., Michigan, and Detroit economies, as well as annual forecasts of the Washtenaw and Oakland County economies.

RSQE relies critically on the data produced by the Michigan Bureau of Labor Market Information and Strategic Initiatives (LMISI) to generate our forecasts. The central component of our state and local economic forecasts, and the topic that is of most interest to our stakeholders, is the outlook for employment

growth going forward. The data series produced by LMISI staff offer the best look at how the state and regional economies have been performing, allowing us to forecast future trends.

LMISI recently collaborated with the City of Detroit and its partners in the University Economic Analysis Partnership, including RSQE, to produce city-level payroll employment statistics for Detroit. Previously, no city-level data covering employment at jobs located in Detroit were available, which had been an obstacle in efforts to assess trends in Detroit's economy and track the city's recovery from bankruptcy.

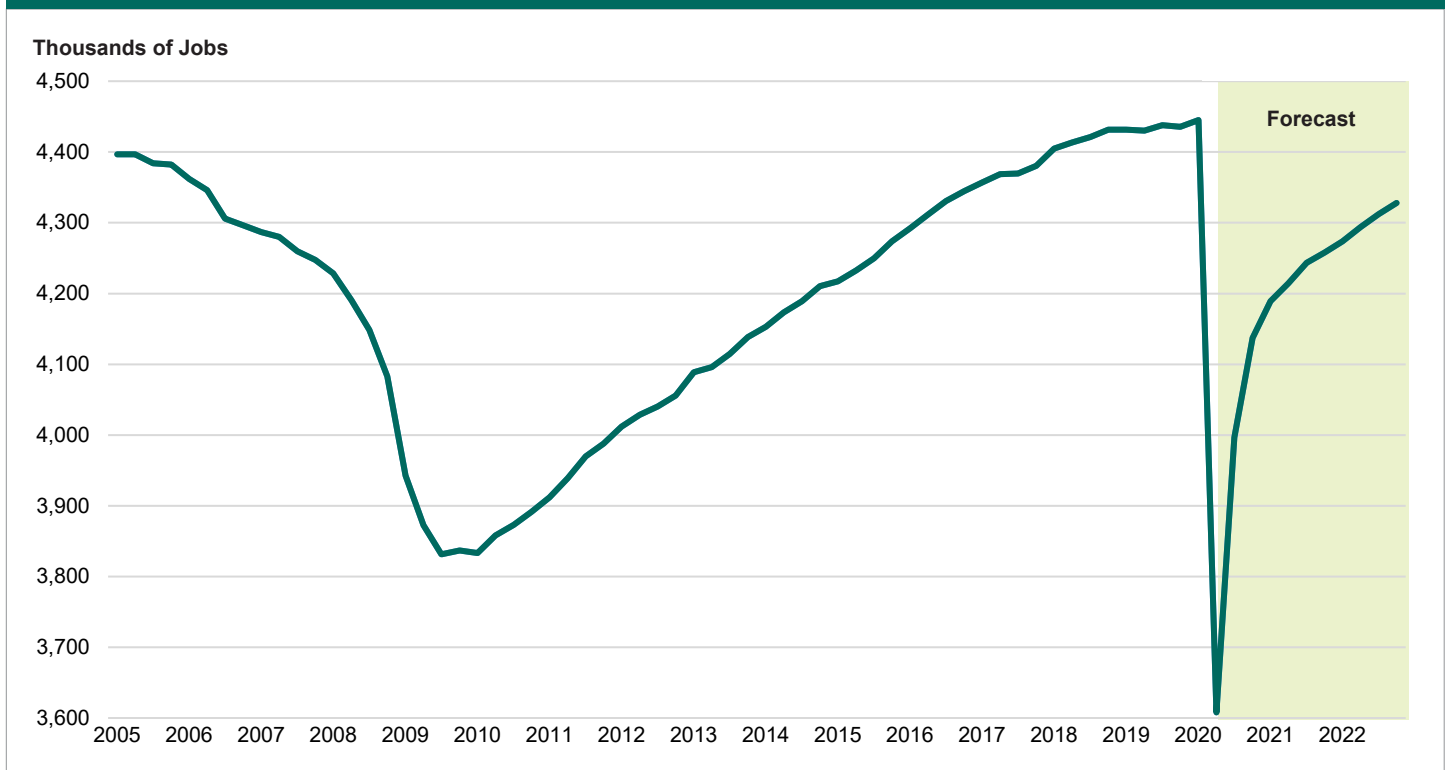
The Economic Outlook for Michigan's Labor Market

In this brief Data Spotlight, we share some observations from our most recent forecast

for the Michigan economy, with a focus on the employment data published by LMISI.

The COVID-19 recession hit Michigan early and hard, but the state's economy is not giving up without a fight. Payroll employment in Michigan fell by 1,047,700 jobs from February to April; from then through July, the state has recovered 527,600 jobs, or just over half of the initial losses. So far, the state's recovery from the pandemic has been brisker than the national economy's, which has recovered about 42 percent of the pandemic job losses in that time. Still, because Michigan lost proportionally more jobs than the nation during the acute phase of the downturn, it has more ground left to recover. As of July, payroll employment in the state stood nearly 12 percent below its February level, while national employment stood a bit more than 8 percent lower.

FIGURE 1: QUARTERLY MICHIGAN PAYROLL EMPLOYMENT, FIRST QUARTER 2005–FOURTH QUARTER 2022 (SEASONALLY ADJUSTED)



Source: University of Michigan Research Seminar in Quantitative Economics

Figure 1 shows our forecast of Michigan's payroll job count on a quarterly basis. We expect the state to recover 388,700 jobs in the third quarter of 2020 after losing 837,000 jobs in the second quarter. Unfortunately, we expect the pace of the recovery to slow as the initial rebound from the reopening of the economy fades. We expect an additional 140,400 job gains in the fourth quarter, a pace that would leave the state's job count 307,900, or 6.9 percent, lower than its first-quarter level. We forecast the state's economy to recover an additional 120,700 jobs from the end of this year to the end of 2021 and a further 70,400 from then to the end of 2022. The state's payroll job count therefore ends our forecast period 116,800 jobs, or 2.6 percent, lower than its pre-pandemic level in the first quarter of this year.

Underlying our forecast for the aggregate path of Michigan's payroll employment numbers are disparate outlooks for different segments of the state's economy. Figure 2 displays our forecast of annual job growth for two groups of private industries, which we have named "fast recovery industries" and "slow recovery industries." The slow recovery industries include leisure and hospitality, other services, and retail trade, while

the fast recovery industries include all other private industries.

Two key features distinguish the two groups of industries. First, the slow recovery industries require substantial in-person customer interaction as a core part of their businesses, whereas the fast recoveries generally require less. Second, the slow recovery industries tend to pay much lower wages. The average annual wage in the slow recovery industries in 2019 was \$27,800, while in the fast recovery industries the average annual wage was \$65,000.

We expect the fast recovery industries to lose 178,300 jobs, or 6.5 percent of their 2019 level, on a calendar year average basis in 2020. We are forecasting the fast recovery industries to recover 126,600 jobs next year and 58,200 in 2022. That recovery path would leave the job count in those industries 6,500 jobs higher in 2022 than in 2019.

In contrast, we expect the slow recovery industries to lose 181,400 jobs this year, or 17 percent of their 2019 level. They then recover 54,800 jobs in 2021 and 11,200 in 2022, leaving them 115,400 jobs (10.8 percent) below their 2019 level in 2022. Despite losing

almost the same number of jobs in 2020, the fast recovery industries gain back over 120,000 more jobs than the slow recovery industries through 2022.

The COVID-19 recession's disparate impact on different segments of the economy is likely to exacerbate income inequality in Michigan and the United States. In particular, we expect the economic recovery to be slower and entail more hardship in parts of the state that depend more heavily on recreation and tourism.

GABRIEL EHRLICH
Director

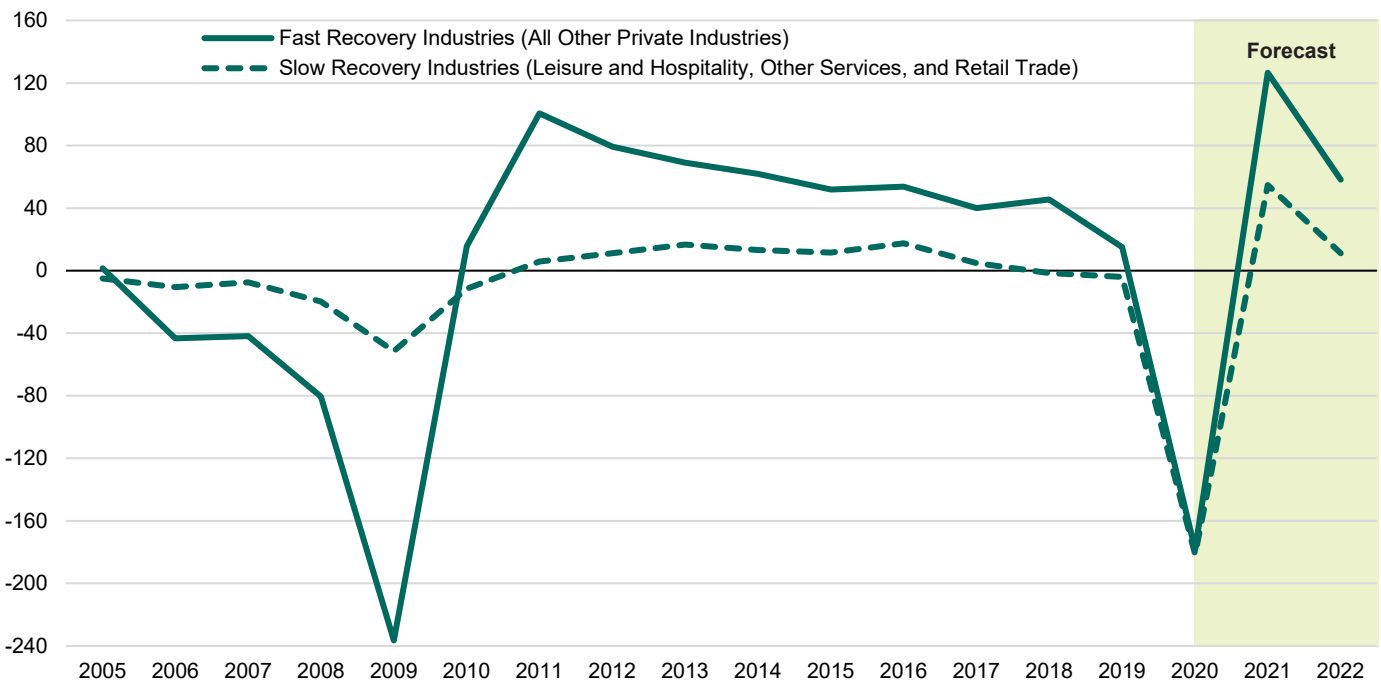
University of Michigan Research Seminar
in Quantitative Economics

DONALD GRIMES
Senior Research Area Specialist

University of Michigan Research Seminar
in Quantitative Economics

FIGURE 2: ANNUAL JOB GROWTH IN MICHIGAN, 2005–2022, PRIVATE INDUSTRIES

Thousands of Payroll Job Gains



Source: University of Michigan Research Seminar in Quantitative Economics



STATE OF MICHIGAN

Department of Technology, Management & Budget

Bureau of Labor Market Information and Strategic Initiatives

Detroit Office

Cadillac Place
3032 West Grand Boulevard
Suite 9-150
Detroit, Michigan 48202
(313) 456-3100

Lansing Office

George W. Romney Building, Floor 5
111 S. Capitol Ave.
Lansing, Michigan 48933
(517) 335-2472

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The U.S. Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.

In accordance with Michigan Law and the Americans with Disabilities Act requirements, an alternate format of this printed material may be obtained by contacting: Bruce Weaver, Economic Manager, Department of Technology, Management & Budget, Bureau of Labor Market Information and Strategic Initiatives, 3032 West Grand Boulevard, Suite 9-150, Detroit Michigan 48202, (313) 456-3091 or WeaverB1@michigan.gov.

