

# Demographic and Labor Market Profile: City of Pontiac

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Prepared by:

State of Michigan

**Department of Technology, Management, and Budget**

Bureau of Labor Market Information and Strategic Initiatives

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## Demographic and Labor Market Profile: City of Pontiac

This profile was produced by the Department of Technology, Management, and Budget, Bureau of Labor Market Information and Strategic Initiatives (BLMISI), to provide an overview of the labor market, population, and other socio-economic indicators, such as educational attainment, income, housing, etc., for the City of Pontiac in comparison to Oakland County and the state as a whole. To access more statewide and regional labor market information, please visit our website at [www.michigan.gov/lmi](http://www.michigan.gov/lmi).

### SUMMARY STATISTICS 2015



**59,917**  
Population

**20 mi<sup>2</sup>**  
Size

**2,996**  
Density  
(Population/Mi<sup>2</sup>)

**27,963**  
Labor Force

**61.3%**  
Participation Rate

**11.6%**  
Unemployment Rate

**Source:** 1) U.S. Census Bureau, 2015 Population Estimates;  
2) U.S. Census Bureau, 2015 TIGER/Line Shapefiles. & Eric Guthrie, Michigan's State Demographer (map);  
3) Bureau of Labor Market Information and Strategic Initiatives (for unemployment rate and labor force);  
4) U.S. Census Bureau, 2011-2015 American Community Survey, 5-year Estimates (for Participation Rate).

## EXECUTIVE SUMMARY

- The City of Pontiac’s population was 59,917 in 2015. In 2010, for the first time since 1920, the population in Pontiac was enumerated at a level below 60,000 and has stabilized around that level since.
- The City of Pontiac’s population is much younger and much less educated than that of Oakland County or the state.
- Over half of household families with children in Pontiac are headed by a female with no spouse present. This is in clear contrast with the county of Oakland and the state, where married-couple households are the majority.
- On average, a household in the City of Pontiac makes about 40 cents for every dollar in the county and 57 cents for every dollar in the state. An average person in the City of Pontiac makes \$21,800 and \$10,700 less income than a comparable person in the county or the state.
- The value of a typical housing unit in the City of Pontiac is about a third of the home value in Oakland County and about 44 percent of the value statewide.
- The City of Pontiac displays characteristics of concentrated urban poverty. Over half of children under 18 years are living in poverty, which is much higher than the county or state.
- The unemployment rate in the City of Pontiac has been about double the rates registered in Oakland County and the State, but has displayed similar trends since 2000.
- The City of Pontiac displays a similar rate of labor force participation as the statewide average but a rate lower than that for the county by five percentage points.

Metric	City of Pontiac	Oakland County	Michigan
<b>Population and Demographics</b>			
Population (2015)	59,917	1,242,304	9,922,600
Median Age	32.8	40.8	39.5
Adult Population w/ Bachelor’s or More	11.5%	44.4%	27.0%
<b>Types of Households w/ Children</b>			
Married-couple (2011-2015)	37.3%	74.0%	65.9%
Male-headed, no spouse (2011-2015)	10.3%	6.7%	8.4%
Female-headed, no spouse (2011-2015)	52.4%	19.3%	25.8%
<b>Income, Housing, and Poverty</b>			
Household Median Income (2011-2015)	\$28,505	\$67,465	\$49,576
Per Capita Income (2011-2015)	\$15,900	\$37,700	\$26,600
Housing Value (2011-2015)	\$54,100	\$178,900	\$122,400
Poverty, Children Under 18 Years (2011-2015)	51.4%	13.1%	23.5%
<b>Labor Force and Unemployment</b>			
Unemployment Rate	9.9%	4.2%	4.9%
Labor Force Participation Rate (2011-2015)	61.3	66.4	61.3
Labor Force (2011-2015)	27,963	656,139	4,858,631
Total Employment (2011-2015)	22,671	606,731	4,375,145
Employment Change (2005-2010 & 2011-2015)	1.9%	3.7%	0.1%

## Demographic and Labor Market Profile: City of Pontiac

- Employment in the City of Pontiac and in Oakland County recorded a significant boost after the recession, rising by 1.9 and 3.7 percent, respectively.
- The share of Pontiac’s residents employed in low-paying occupations is 22 and 14 percentage points above the rates in Oakland and the state, respectively.
- Conversely, the proportion of Pontiac’s residents employed in high-wage occupations is half or less the percentages in Oakland County or statewide.
- *Education and healthcare services* employs the largest share of residents in the three areas being compared. In the City of Pontiac, however, this industry is followed by *Leisure and hospitality* and *Retail trade*, both low paying sectors. By comparison, in Oakland County and the state, the high-paying sector, *Manufacturing*, is the second largest employer.
- The majority of jobs available within the City of Pontiac are held by individuals living outside the city (93 percent). About 90 percent of the city’s working residents commute outside of the city for work.
- Employed residents of the City of Pontiac are younger, are less educated, and earn much less than those individuals who commute into the city to work.
- More than half of in-commuters are employed in high-paying industries such as *Health care and social assistance* and *Manufacturing*. Only about 40 percent of the city’s residents work in these industries, while another 34 percent are employed in lower- wage sectors like *Accommodation and food services* and *Retail trade*.
- While working residents of the City of Pontiac are evenly distributed between African Americans and Whites, the majority of the individuals commuting into the city for work are White.
- Six of the top 10 jobs currently advertised online in the City of Pontiac require less than an Associate’s degree but require some post-secondary training beyond High School and/or some work experience.

Metric	City of Pontiac	Oakland County	Michigan
<b>Occupational Employment</b>			
Share of Low-paying Occupations (<\$19.12 Detroit MSA’s Average Hourly Wage in 2016)	64%	42%	50%
<b>Industry Employment</b>			
Share of Leisure and Hospitality and Retail Trade (2011-2015)	29.2%	18.8%	20.9%
Share of Educational and health services (2011-2015)	21.9%	23.1%	23.9%
Share of Manufacturing (2011-2015)	12.1%	17.8%	17.8%
<b>Workers’ Commuting Patterns</b>			
In-Commuters (2014)	92.6%	54.6%	1.6%
Out-Commuters (2014)	90.1%	43.4%	3.2%
Live & Work (2014)	9.9%	56.6%	96.8%

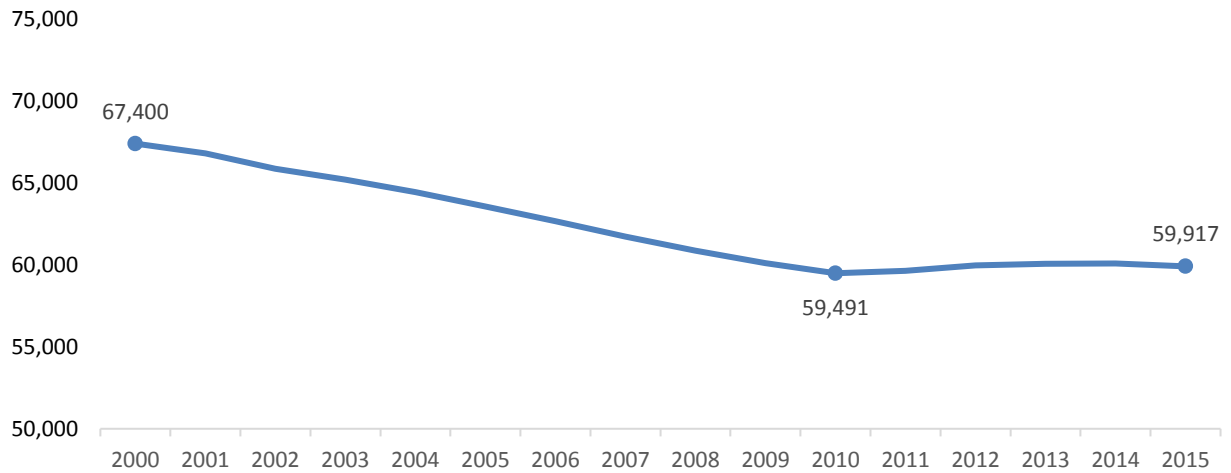
## PART I: POPULATION INDICATORS

Understanding general population trend indicators is essential for human resource planning and development. Characteristics of the general population have important implications for both current and future employment and training policies. The demographics of an area's population, such as age, disability status, educational attainment, gender, marital status, race and ethnicity, etc., have a major influence on its labor supply.

### Population Trends

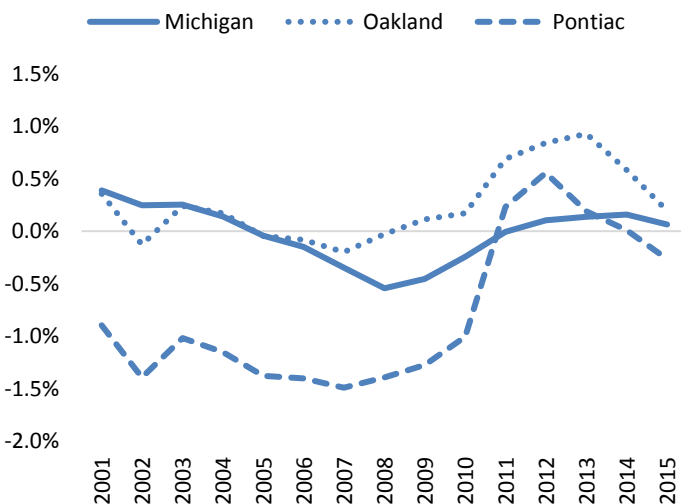
The City of Pontiac's population has been flat since the Great Recession, after declining for several years between 2000 and 2010. This is in contrast with the Oakland County population which had a steady increase over this period.

**Figure 1: Total Population of Pontiac, 2000-2015**



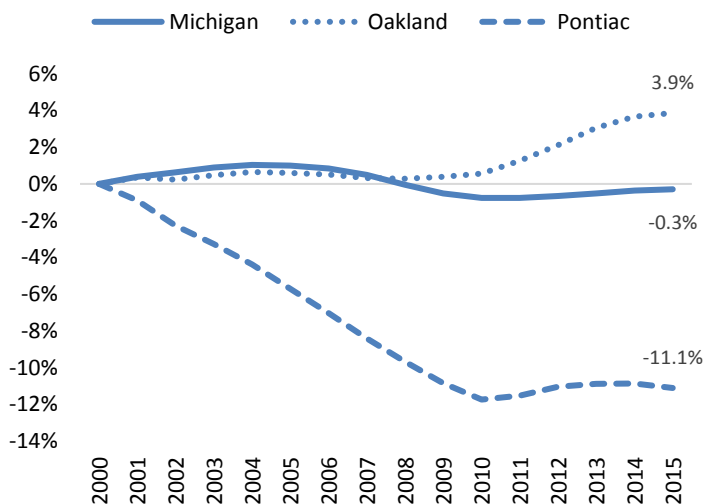
Source: U.S. Census Bureau, 2015 Population Estimates and 2010 Intercensal Estimates

**Figure 2: Annual Population Change, 2001-2015**



Source: U.S. Census Bureau, 2015 Population Estimates and 2010 Intercensal Estimates

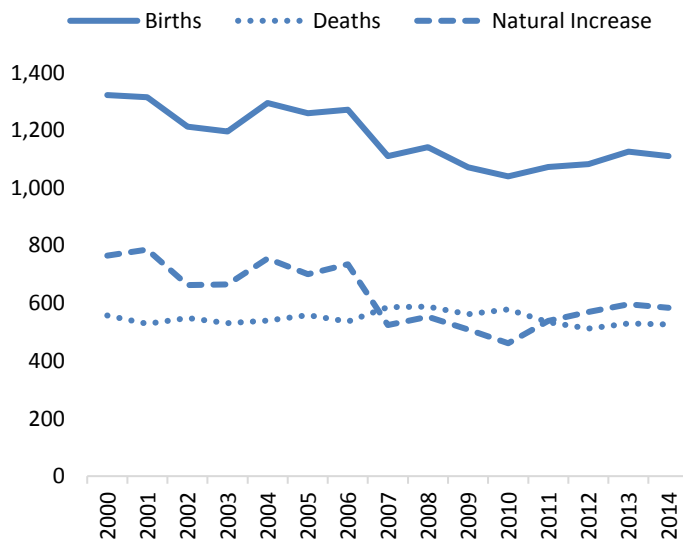
**Figure 3: Population Change Indexed to 2000**



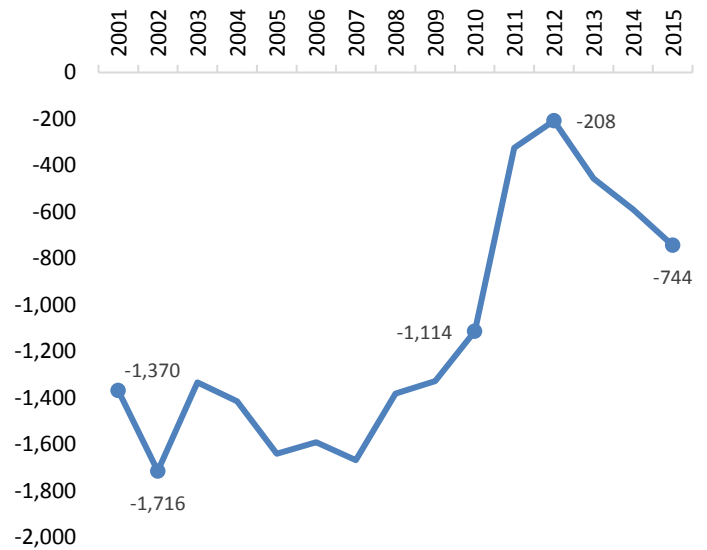
## Demographic and Labor Market Profile: City of Pontiac

- Population estimates from the U.S. Census Bureau put the population of Pontiac in 2015 at 59,917. This is a slight decrease from the previous year. The population has been fluctuating around 60,000 residents since about 2008 (about 11 percent below the 2000 population count), and 2010 was the first time since 1920 that the population was enumerated at a level below 60,000.
- Between 2000 and 2010, Pontiac’s population dropped by 7,900, or around 11.7 percent. Over the same period, Michigan’s population edged down by 76,300 or 0.8 percent. The City of Pontiac lost population largely due to domestic out-migration.
- The population decline represented in Figures 2 and 3 above are the result of negative net migration, shown in Figure 5, in combination with the decreasing rate of natural increase over the period 2000-2014, shown in Figure 4.
- Over the period 2000-2014 births declined while deaths have remained relatively constant. This dynamic has resulted in a natural increase that in 2014 was nearly 24 percent lower than the natural increase in 2000.
- Since 2001, net migration in Pontiac has been negative, with the greatest out-migration occurring in 2002. Since 2010, the net out-migration has slowed, reaching its lowest level in 2012 when the city lost slightly over 200 residents. Out-migration has been increasing again in the most recent data.

**Figure 4: Vital Statistics in Pontiac, 2000-2014**



**Figure 5: Net Migration in Pontiac, 2001-2015**



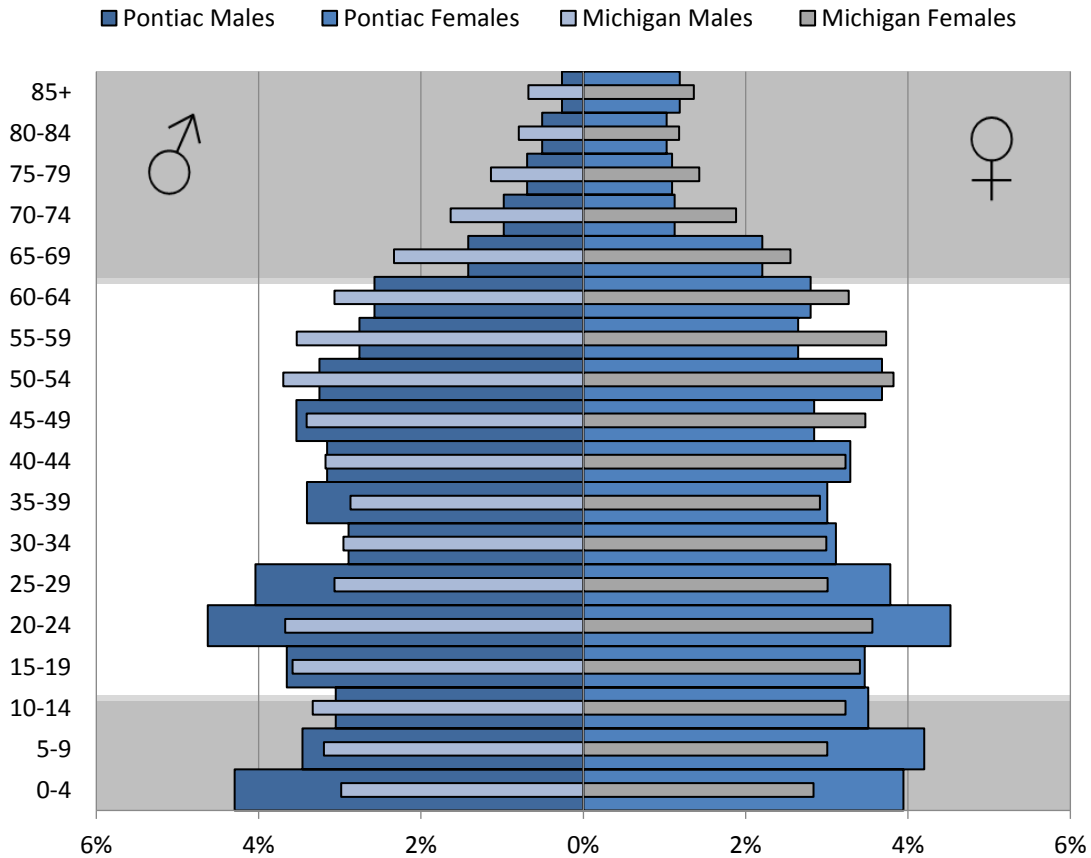
Source: Michigan DHHS, Birth and Death Files, 2000 to 2014; U.S. Census Bureau, 2015 Population Estimates and 2010 Intercensal Estimates



## Population Structure and Characteristics – Age and Gender Distribution

The population structure of the City of Pontiac is younger than that of Oakland County or of Michigan as a whole. This can be seen in the population pyramid below and in the median ages for the areas, which are 39.5, 40.8 and 32.8 for Michigan, Oakland County, and Pontiac respectively.

**Figure 6:** Pontiac and Michigan Population Structure, 2011-2015



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

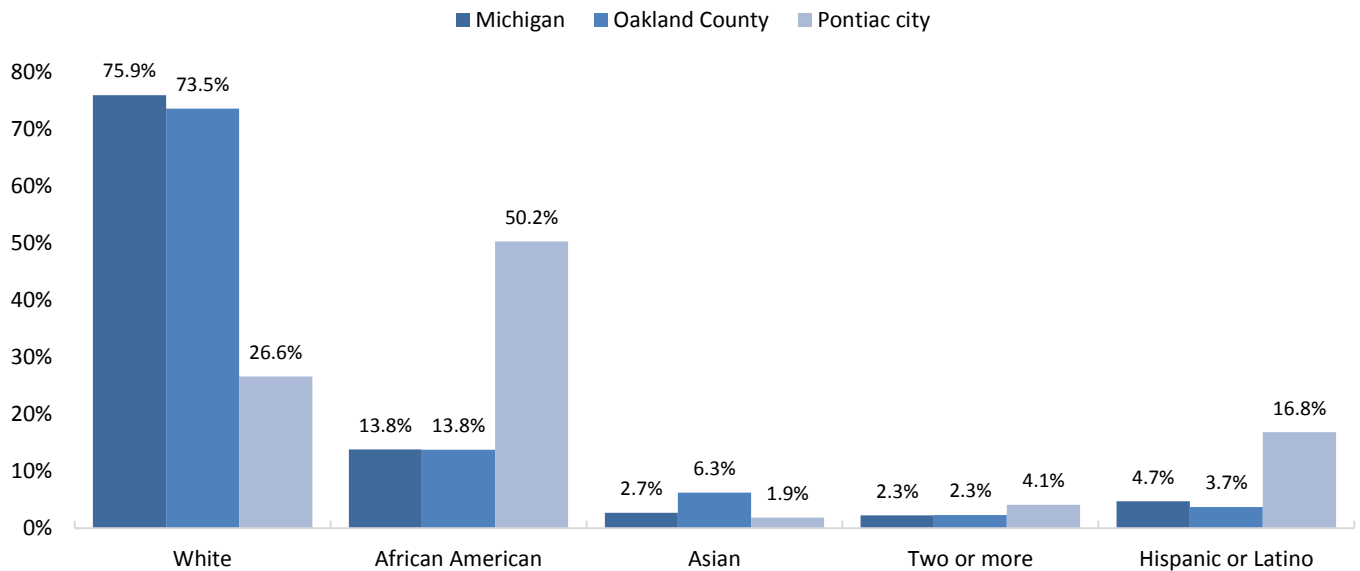
- Pontiac’s proportionally larger population of child-bearing age, whose fertility is higher than both the county and the state’s, is causing the population in the youngest cohorts (0-9 years) to expand while the same cohorts are shrinking in the county and the state.
- Pontiac displays a larger share of the 20-29 year old population group, which is usually indicative of a college or university population. This may be due to the proximity of Oakland University in neighboring Auburn Hills and Rochester Hills.

## Population Structure and Characteristics – Race and Ethnicity

The racial and ethnic makeup of the population are similar in Oakland County and the state of Michigan overall but differs significantly in the City of Pontiac. Pontiac’s population is predominantly African American.

- Unlike the state and Oakland County whose populations are predominantly White, non-Hispanic (76 and 73 percent, respectively), about half of the population in the City of Pontiac is African American. Whites constitute the second largest group with 26.6 percent of the city’s residents. The City of Pontiac also has a much larger share of the population identifying as Hispanic or Latino (16.8 percent) than Oakland County (3.7 percent) or the state overall (4.7 percent).
- While the overall proportions are small, Pontiac has nearly double the share of residents identifying as two or more races when compared to the share of this group in the state’s and county’s population. Additionally, the proportion of residents who identify as Asian is only a third of the share of this group in the county’s population. Pontiac’s Asian proportion is also slightly lower than the state’s.

**Figure 7: Racial/Ethnic Breakdown, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

## Population Structure and Characteristics – Educational Attainment

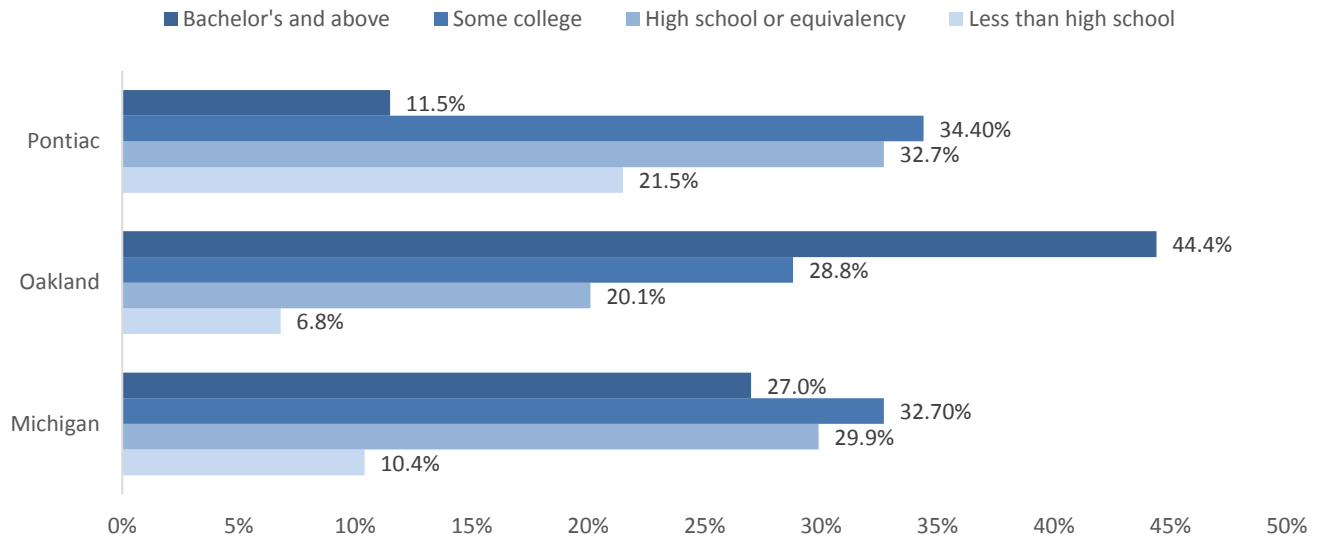
*The City of Pontiac’s population is much less educated than the Michigan or Oakland County average. While Oakland County has levels of educational attainment that are higher than the state, the City of Pontiac lags behind both areas by a considerable amount. This, together with other factors, likely has significant implications for the levels of household income and the poverty rate in the city.*

- Pontiac has double the statewide proportion of persons over 25 years of age who have less than a high school education, and over three times the same share for Oakland County.
- The largest proportions of Pontiac’s population have either a high school education or some college but no degree, which is similar to Michigan overall but higher than Oakland County.

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- The largest difference between Pontiac and the county is in the proportion of the 25 year old and over population that have a Bachelor’s degree or higher. Oakland County has nearly four times the proportion of residents in this group than does the City of Pontiac. Similarly, the state has well over double the proportion of persons with a Bachelor’s degree or higher.

**Figure 8: Educational Attainment for Population 25 Years and Over, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

Population Structure and Characteristics – English Language Skills

- The overall proportion of the state’s population that speaks a language other than English is smaller than it is in either the City of Pontiac or Oakland County, where the proportions were not significantly different.
- When we divide the population that speaks a language other than English by their ability to speak English, Pontiac and the state as a whole are not significantly different, while Oakland County has a lower proportion of individuals that speak English less than very well.

**Table 1: Spoken English Skills, 2011-2015**

	Michigan	Oakland	Pontiac
<b>Percent which speaks only English</b>	90.8%	85.6%	83.8%
<b>Speak a language other than English</b>	9.2%	14.4%	16.2%
Speak English very well	64.3%	67.8%	60.7%
Speak English less than very well	35.7%	32.2%	39.3%

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

## PART II: FAMILY AND HOUSEHOLD CHARACTERISTICS

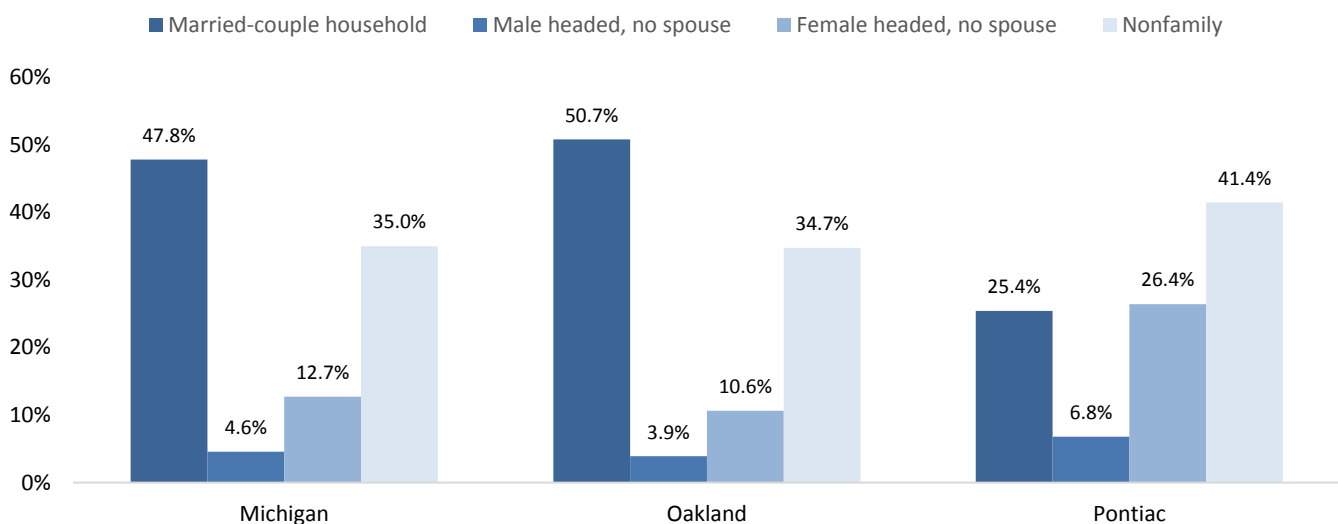
According to the U.S. Census Bureau, a household consists of all people who occupy a housing unit regardless of the relationship. A household may consist of a person living alone or multiple unrelated individuals or families living together. A family consists of two or more people (one of whom is the householder), related by birth, marriage, or adoption, residing in the same housing unit.<sup>1</sup>

### Distribution of Household by Types

*The composition of households by types is considerably different in the City of Pontiac than in either Oakland County or the state overall. The City of Pontiac has a higher share of female and male headed households without spouses than the county or the state.*

- The City of Pontiac has a considerably higher proportion of persons that are living in nonfamily households than do the state or Oakland County. Nonfamily households include people living alone and cohabitants that are not related to one another by birth, marriage, or adoption.
- The City of Pontiac also has over twice the proportion of family households headed by a female with no spouse present. Likewise, the proportion of male headed families is larger in the City of Pontiac than in either Oakland County or Michigan.
- Pontiac has around half the proportion of married-couple families than either Oakland County or Michigan as a whole.

**Figure 9: Distribution of Households, 2011-2015**



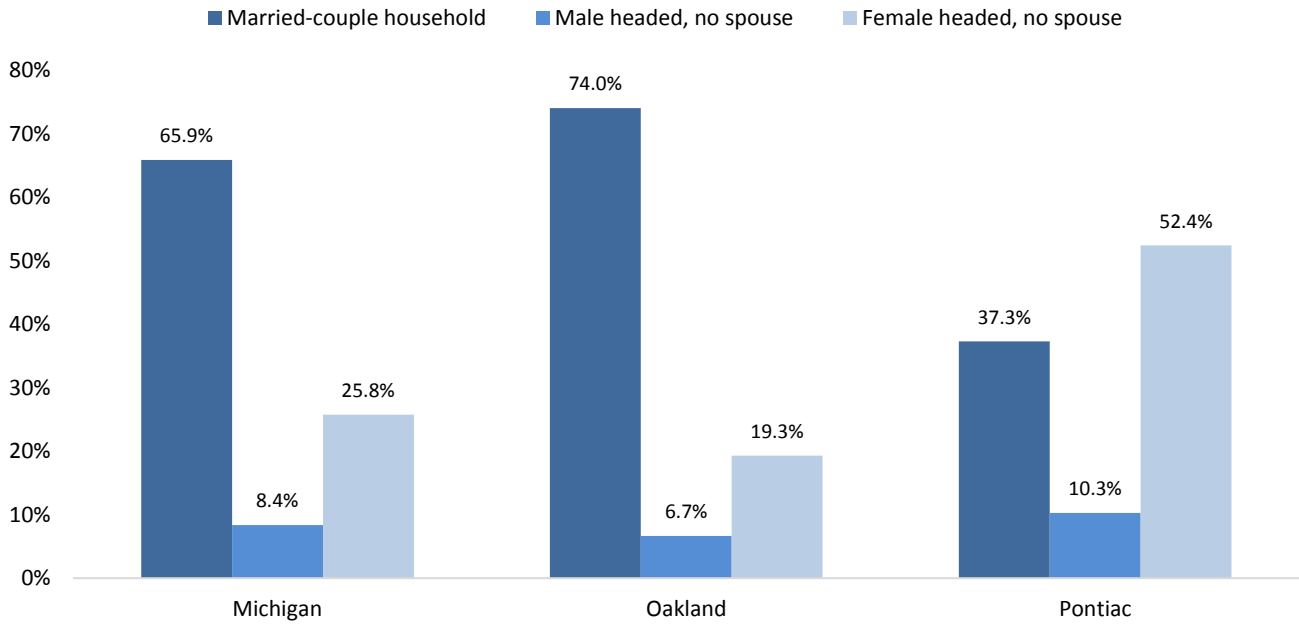
Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

<sup>1</sup> See Appendix A for details.

## Distribution of Families with Children by Household Types

The distribution of family households with children under 18 by type is considerably different in the City of Pontiac than in either Oakland County or the state overall. The City of Pontiac has a higher share of one-parent family households than in the county or the state.

**Figure 10:** Distribution of Families with Children, 2011-2015



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

- The proportion of married-couple families with children in Oakland County is nearly double that of Pontiac. Similarly, the state as a whole has a significantly higher proportion of married-couple families with children.
- Pontiac has a slightly higher proportion of male headed households with no spouse present raising children than either the state or county, but the largest difference can be seen in the proportion of female headed households with no spouse. The 52 percent share of this group in the City of Pontiac is more than double that of the county and state.

## PART III: INCOME AND HOUSING

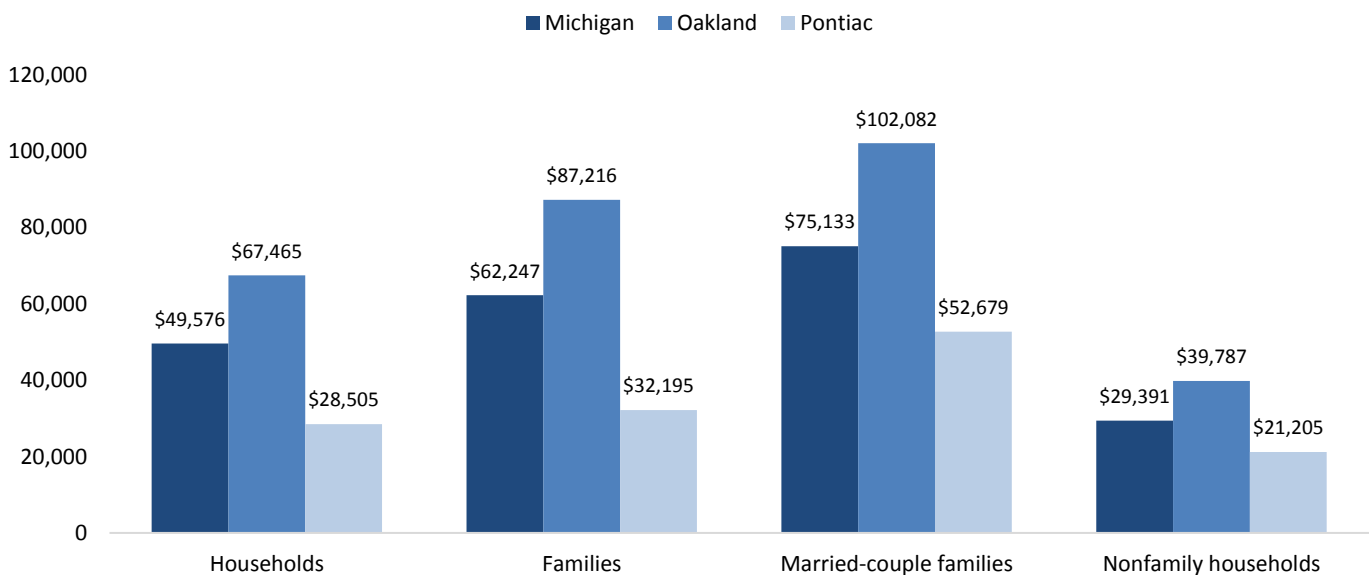
Income is traditionally used by economists to measure material wellbeing of persons and households. Housing value and home ownership are also important indicators of wealth. Aside from providing a place to live and tying one to a community, these provide a mechanism for intergenerational wealth transfer.

### Household and Per Capita Income

*Median household income was lower in the City of Pontiac, in all household categories, than in Oakland County and the state as a whole. The rank order was also the same for all household classifications, as Oakland County had a higher median income than the statewide average and significantly higher than the average in the City of Pontiac.*

- In 2015, a median household made \$28,500 in the City of Pontiac while the state median household income was measured at \$49,600; a difference of \$21,100. This was likely the result of a combination of several factors, some of which were reviewed earlier, such as a younger population, lower educational attainment, and the predominance of single-parent households.

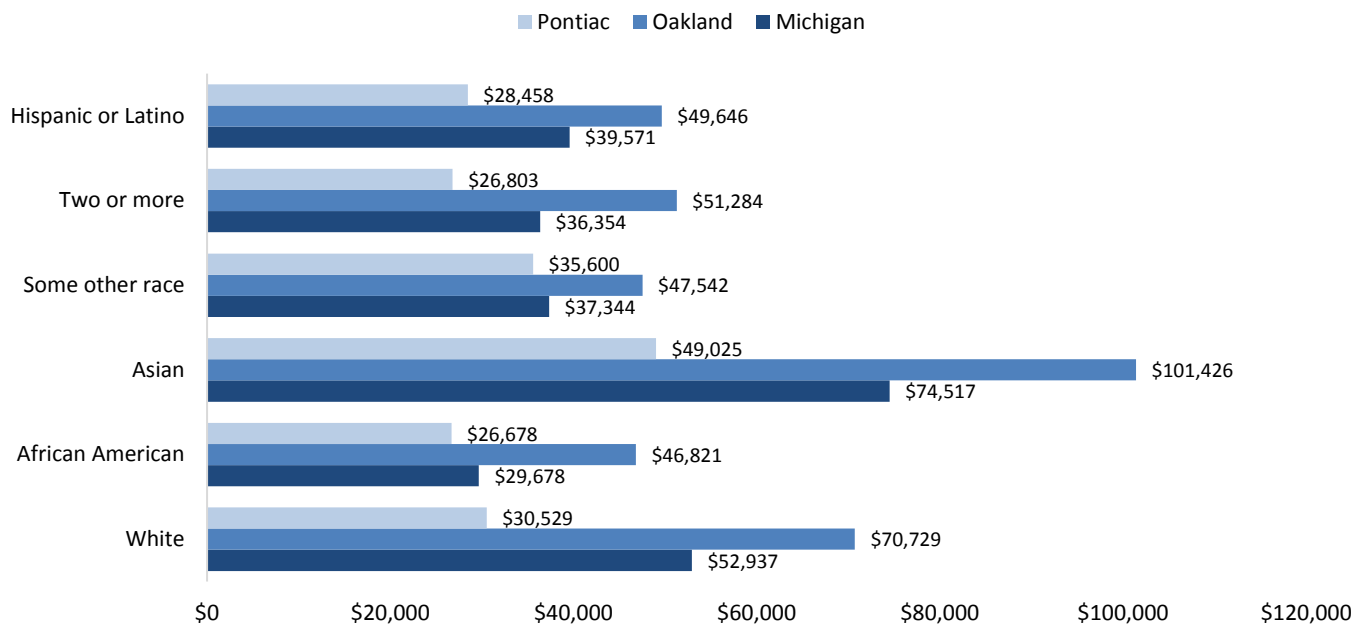
**Figure 11: Median Income by Household Type, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

- While Pontiac saw significantly lower median incomes in all categories, the distribution of median incomes among household types followed the same pattern in Pontiac as in the county and state. Married-couple families do better than other family types and family households do better than nonfamily households.

**Figure 12: Median Income by Householder Race/Ethnicity, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

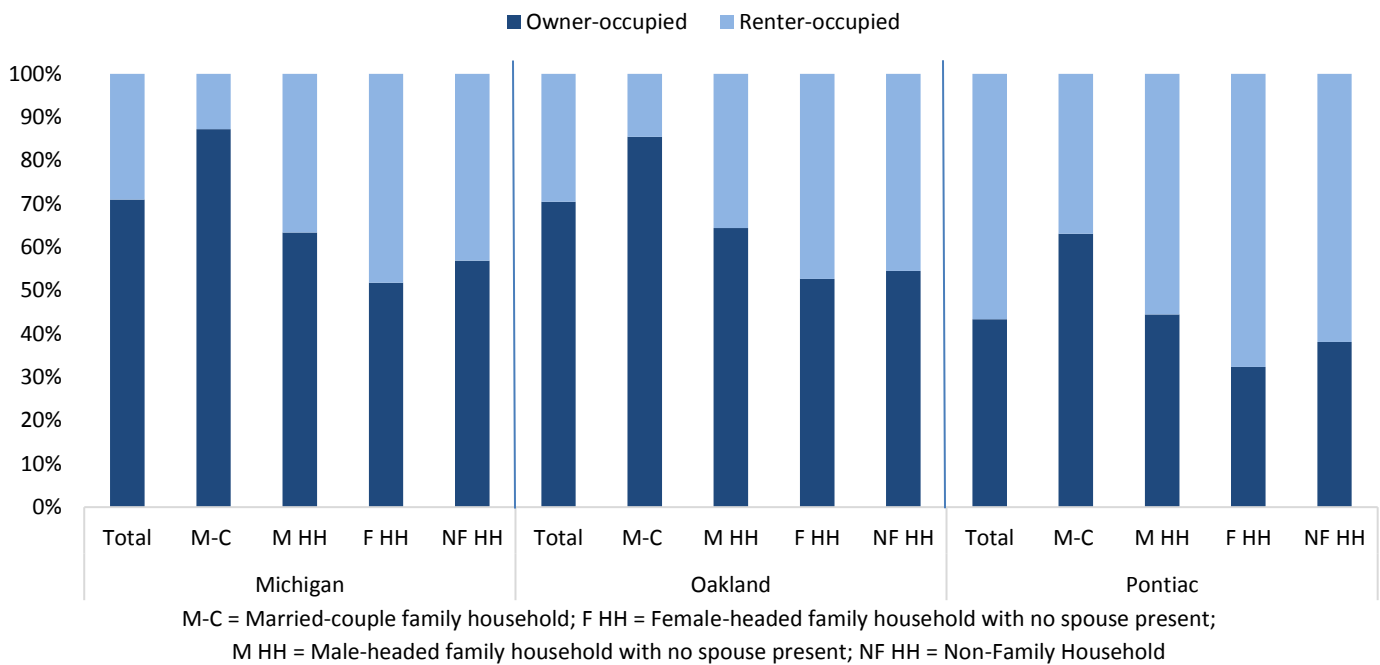
- When incomes are compared by the racial group of the householder, the same pattern observed above holds true. Oakland County has the highest median income in every category, followed by the state.
- An interesting point to note is how close household median incomes are in the City of Pontiac for Whites, African Americans, and Latinos, a noticeable contrast to statewide figures and even more so in Oakland County. In the City of Pontiac, household median income for Whites was only \$4,000 higher than that of African Americans, which is just over 14 percent. Statewide, that difference was almost \$23,000 (78.4 percent) and in Oakland County, it was \$24,000 (51.1 percent). Latinos’ household median income was between that of African Americans and Whites in the City of Pontiac but about \$11,000 (28 percent) and \$21,000 (43 percent) below statewide and countywide averages for Hispanics, respectively. Asian households earn more than any other racial or ethnic group across all three areas.
- Regardless of race or ethnicity, the City of Pontiac has lower levels and a flatter distribution of income on a per capita basis than countywide or statewide. On average in 2015, a person made \$10,700 less in Pontiac than statewide (\$15,900 vs. \$26,600 statewide). The same person made \$21,800 less income compared to the Oakland County average.

## Housing Value and Ownership

*Besides income, wealth is a good measure of material well-being. Home value and home ownership are important metrics of household wealth in America. Generally speaking, housing value and ownership are much lower in the City of Pontiac than in Oakland County and in the state as a whole.*

- Over the period 2011-2015, the median value for an owner-occupied home in Pontiac was estimated at \$54,100, representing only 44.2 percent of the same value statewide (\$122,400), and 30.2 percent of the median home value in Oakland County (\$178,900).
- Building equity through home ownership is not a reality for the majority of residents in Pontiac where only 43.4 percent of households are living in owner-occupied housing units. In fact, the only household type where a majority are living in owner-occupied units in Pontiac are married-couple households. This contrasts with both the state and Oakland County where all household types have a majority living in owner occupied housing units.
- The household type most likely to be renting a home in Pontiac was the female headed household with no spouse present.

**Figure 13: Housing Occupancy by Household Type, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

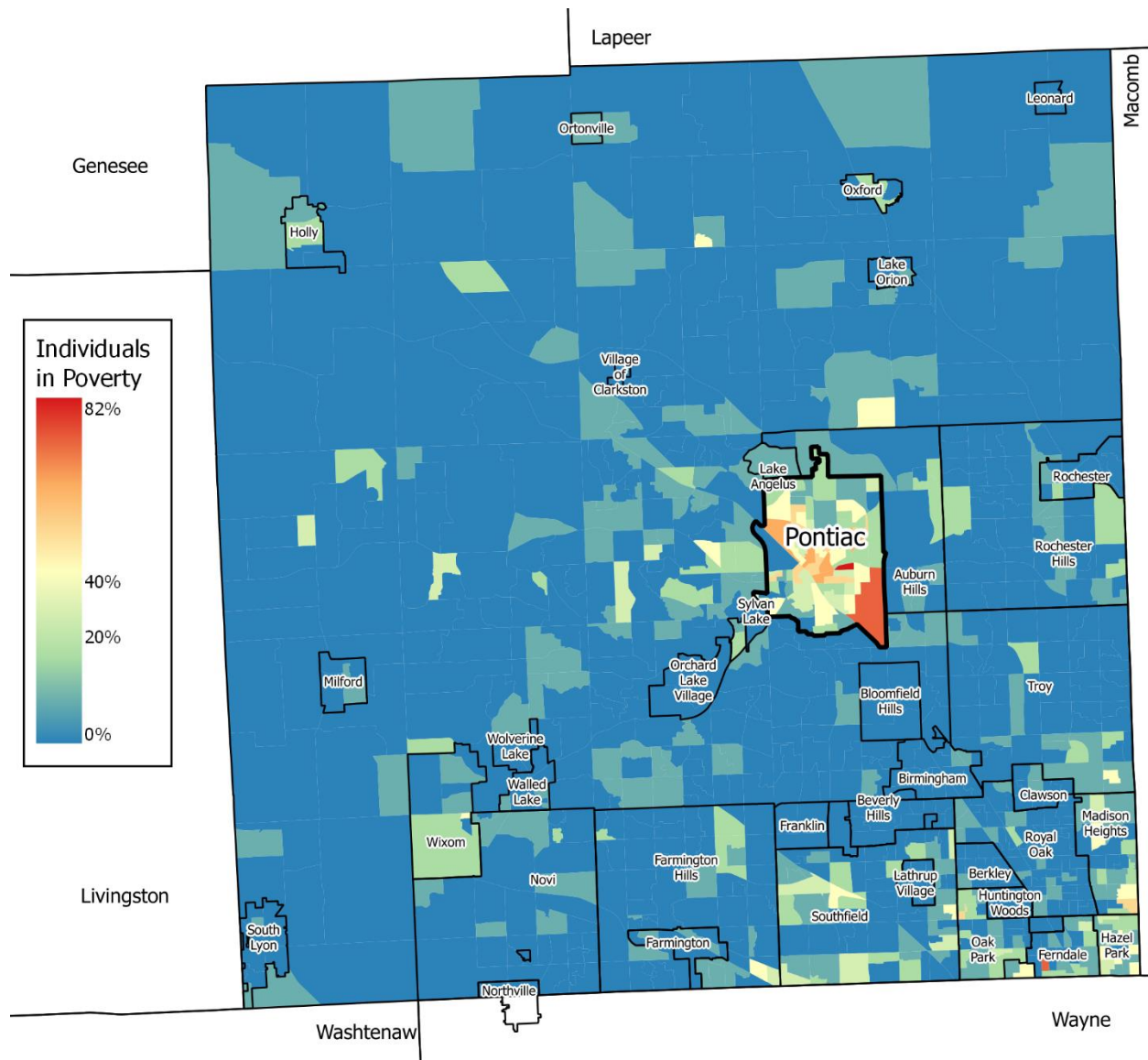


## PART IV: POVERTY STATUS

Poverty, a direct consequence of low levels of income and wealth, is measured at the family level and is based on comparing families' total income against thresholds that vary by family size and presence of children. If a family's income is below the poverty threshold, every member of that family is considered to be in poverty<sup>2</sup>.

The City of Pontiac represents a prime example of concentrated urban poverty. In fact, while the poverty rate in most of Oakland County is well below 20 percent, the rate of poverty can exceed 80 percent in some neighborhoods in the City of Pontiac.

**Figure 14: Poverty Concentration, 2011-2015**



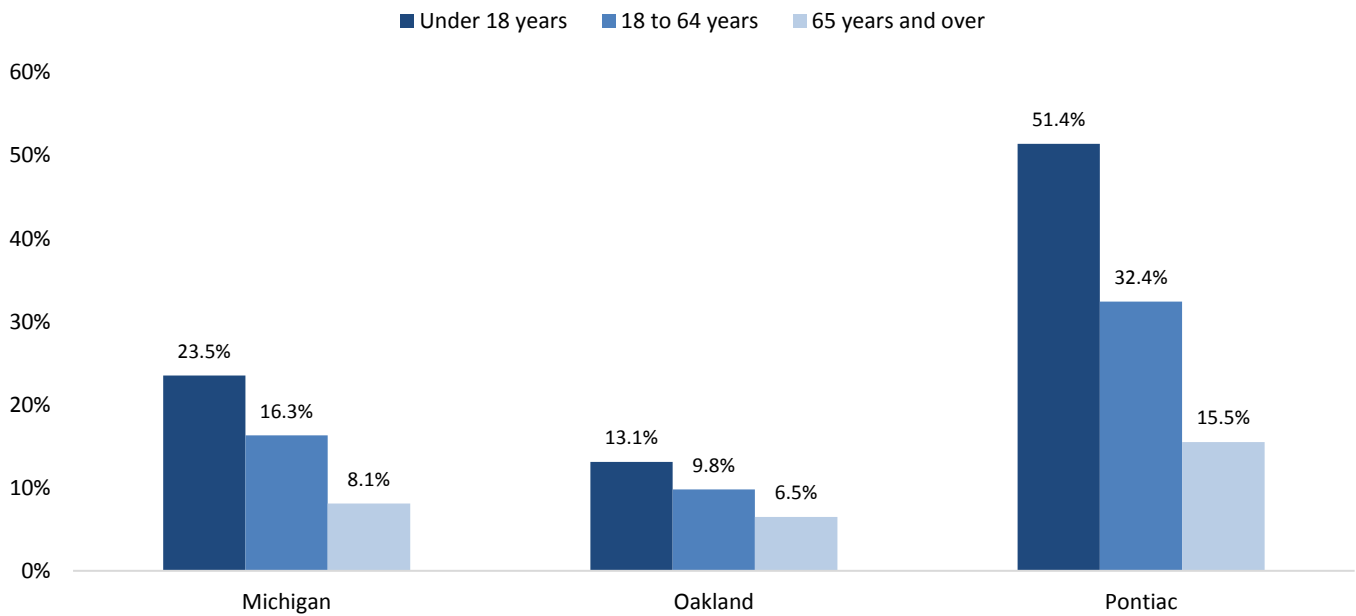
Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

<sup>2</sup> See Appendix B for more details

A wide variety of factors are relevant when considering poverty, including age, race, family structure, and disability status. As is generally the case in the U.S., the children are at the highest risk for poverty. This general trend is the same in Pontiac, Oakland County and Michigan as a whole.

- The differences in childhood poverty in the City of Pontiac compared to Oakland County and the state are striking. In Pontiac, the majority, 51.4 percent, of persons under the age of 18 years are living in households that are below the poverty line. This is more than double the rate of the state and almost four times the rate of Oakland County.

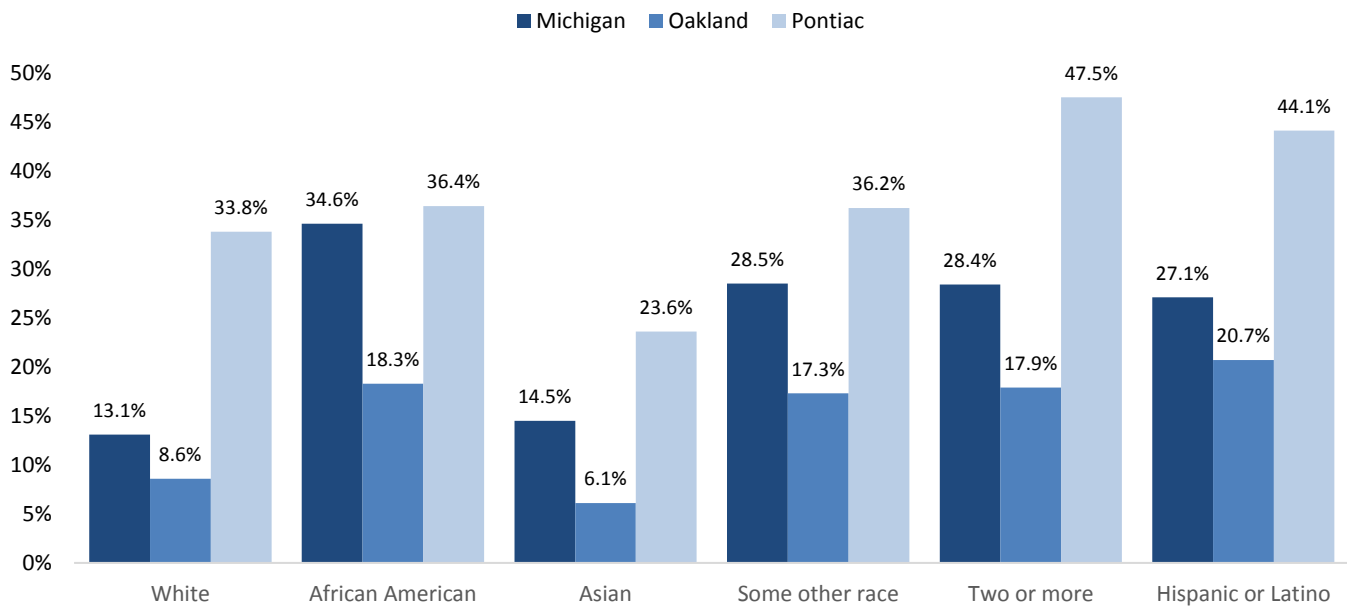
**Figure 15: Poverty by Age Group, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

- Poverty continues to be higher in Pontiac than in the county or state at all age groups, with those between 18 and 64 years twice as likely to be living in poverty in Pontiac when compared to the state and over three times when compared to Oakland County. Elderly poverty is also twice as high in Pontiac as it is in either the county or state.
- Poverty is similarly high among all racial groups in the City of Pontiac relative to the county or the state. The overall high rates point to concentrated urban poverty where the three largest groups, White, African American, and Hispanic or Latino all have poverty rates in excess of 33 percent. The Hispanic or Latino group, in particular, had a poverty rate that was in excess of 44 percent.
- Poverty among African Americans in Pontiac and Michigan are very similar, being less than 2 percentage points apart. There is much greater variation in the proportion of other racial and ethnic groups experiencing poverty between Pontiac and the state.

**Figure 16: Poverty by Racial/Ethnic Group, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

## PART V: DISABILITY STATUS

Disability is an additional factor that can lead to poverty and other forms of economic distress. Disability conditions included in the U.S. Census Bureau’s American Community Survey are:

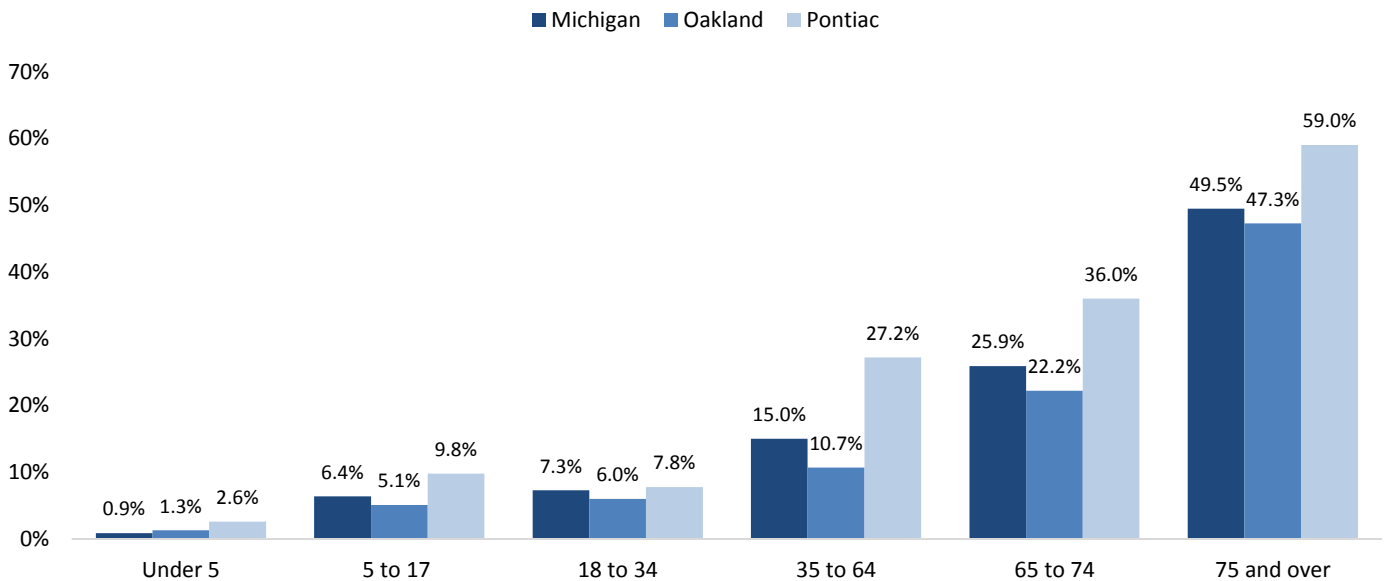
- Hearing difficulty: Deaf or having serious difficulty hearing
- Vision difficulty: Blind or having serious difficulty seeing, even when wearing glasses
- Cognitive difficulty: Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions
- Ambulatory difficulty: Having serious difficulty walking or climbing stairs
- Self-care difficulty: Having difficulty bathing or dressing
- Independent living difficulty: Because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor’s office or shopping

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*Disability rates increase by age in all geographies under consideration, Michigan, Oakland County, and the City of Pontiac. Disability rates in Pontiac were higher than the county and state rates for all age groups.*

- Over the period of 2011-2015, disability status for individuals 18 to 34 years of age was similar across all three areas, with differences within half a percentage point between Pontiac and the state, and of less than two percentage points between Pontiac and Oakland County.
- The age group with the largest proportional difference of persons with a disability was the group between 35 to 64 years of age. This group, in the City of Pontiac, was over 12 percentage points higher than Michigan as a whole and over 16 percentage points higher than Oakland County.
- Disability among all racial/ethnic groups, except the Asian group, were higher in the City of Pontiac than in Oakland County or the state

**Figure 17: Disability by Age Group, 2011-2015**



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

## PART VI: LABOR MARKET INDICATORS

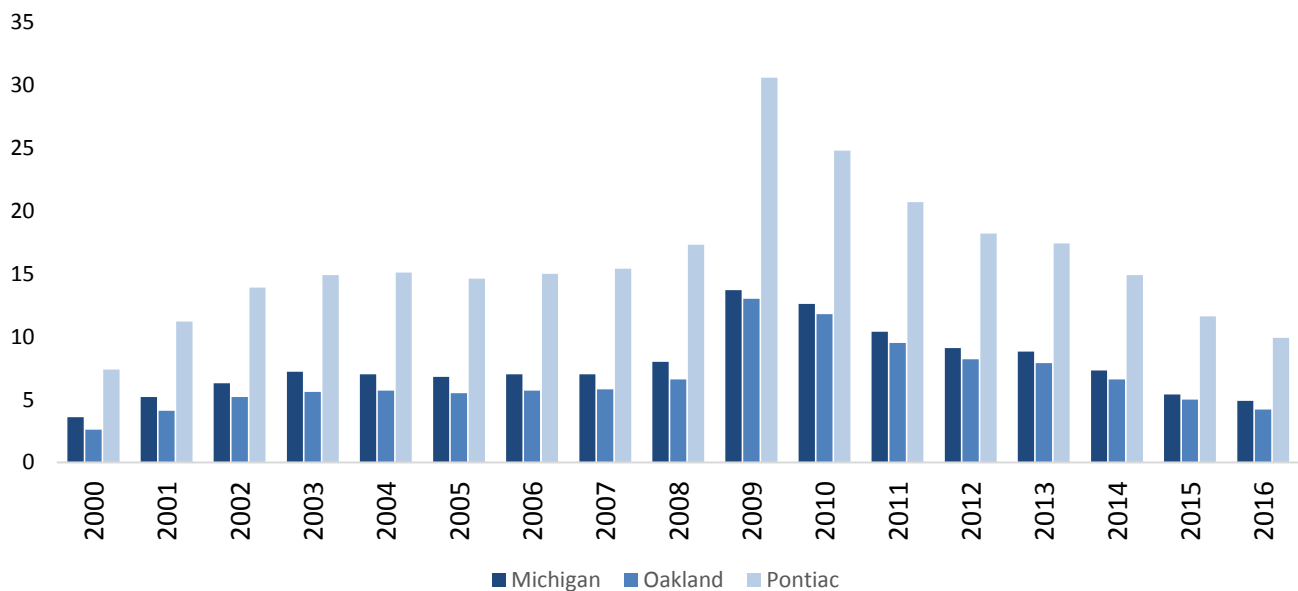
The size of the civilian labor force and its component parts of employed and unemployed follow trends in population and economic development. Information on the labor force can be used to gauge the number of individuals experiencing unemployment problems and to adapt the responsiveness of training programs to changing conditions. The level of employment and the types of jobs held by residents of an area greatly affect the income levels of an area.

### Employment, Unemployment, and Labor Force Participation Trends

*The unemployment rate in the City of Pontiac has been well above the rates registered in Oakland County and the State, but has displayed similar trends since 2000.*

- In general, the unemployment rate in the City of Pontiac is much higher than the countywide and statewide rates (about double). However, as shown in Figure 18, jobless rates in the City of Pontiac have followed the countywide and statewide trend over the past 16 years, rising substantially during the Great Recession in 2009 and dropping thereafter.
- Jobless rates in the City of Pontiac, Oakland County, and the state rose between 2000 and 2003 and remained stable from 2004 to 2007, but at higher levels than in 2000. In 2008, the housing sector crashed, and in 2009, the automotive industry experienced severe financial difficulties, sending unemployment rates for Oakland County and the state to double digits, and in the City of Pontiac to over 30 percent.
- Recently, unemployment rates have shown improvement, reflecting the national and state economic recoveries. During 2016, jobless rates fell to 9.9 percent in Pontiac, 4.2 percent in Oakland County, and 4.9 percent statewide, and were lower than the 2007 pre-recessionary levels in all three areas.

**Figure 18:** Annual Unemployment Rates: 2000 - 2016



Source: Bureau of Labor Market Information and Strategic Initiatives

The level and participation rate of the labor force in the City of Pontiac remained virtually flat before, during and after the Great Recession. However, employment recorded a significant boost after the recession.

**Table 2:** Labor Force Participation, Civilian Labor Force, & Employment of the Population 16 Years of Age and Older

<b>Labor Force Participation</b>				
	<u>2006-2010</u>	<u>2011-2015</u>	<u>Change</u>	
City of Pontiac	61.2%	61.3%	+0.1	
Oakland County	67.6%	66.4%	-1.2	
Michigan	63.1%	61.3%	-1.8	
<b>Civilian Labor Force</b>				
	<u>2006-2010</u>	<u>2011-2015</u>	<u>Change</u>	<u>Percent Change</u>
City of Pontiac	27,825	27,963	137	0.5%
Oakland County	642,020	656,139	14,119	2.2%
Michigan	4,944,714	4,858,631	-86,083	-1.7%
<b>Employment</b>				
	<u>2006-2010</u>	<u>2011-2015</u>	<u>Change</u>	<u>Percent Change</u>
City of Pontiac	22,142	22,671	529	1.9%
Oakland County	583,136	606,731	23,595	3.7%
Michigan	4,372,663	4,375,145	2,482	0.1%

**Source:** U.S. Census Bureau, American Community Survey 5-year Estimates, 2006-2010 & 2011-2015

- Over the two five-year periods of 2006-2010 and 2011-2015, the labor force participation rate in the City of Pontiac was virtually flat, inching up by one tenth of a percent, while the rates in both Oakland County and the state declined. The reasons for the decline in labor participation are largely related to the aging of the population but could also include other factors such as care for a family (children, elderly), disability, schooling, or simply discouragement. The population of the City of Pontiac was generally younger than Oakland County and statewide, which could promote participation.
- The recent economic growth in and around the City of Pontiac could reflect more available jobs for the city’s residents. Employment in Pontiac rose by almost two percent over the same two five-year periods.

## Industry and Occupational Employment

Knowing the level of employment for an area is important to understand a region's earnings potential. However, not all industries or occupations pay the same. So, it is important to understand the industry and occupational distribution of an area's employed residents.

*A greater share of Pontiac's residents are employed in low-paying occupations and industries than Oakland County and the State.*

- Over the period of 2011-2015, 64 percent of employed residents of the City of Pontiac worked in occupations that paid below the average hourly wage of \$19.12 in the Detroit Metropolitan Statistical Area (MSA). These occupations included *Office and administrative support, Food preparation and service, Sales, Building and grounds cleaning and maintenance, Personal care and service, Construction and extraction, Material moving, Transportation, and Protective services*. The shares of these occupations in the state's and Oakland County's employment were 50 and 42 percent, respectively.

**Table 3:** City of Pontiac: Occupational Employment of the Population 16 Years of Age and Older, 2011-2015

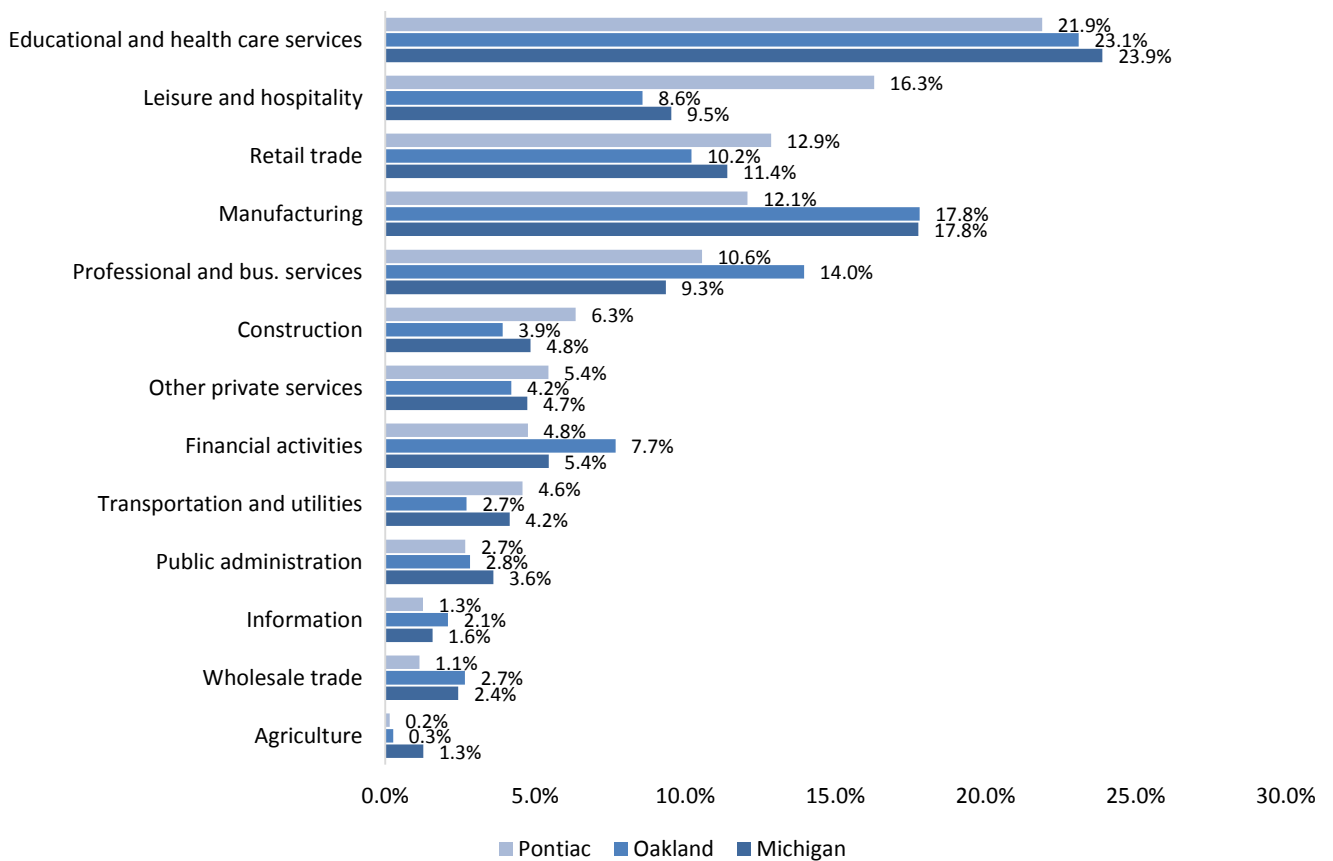
Occupational Employment Distribution (Population 16 Years and Over)				
Occupational Groups	Percent of Total Employment			Median Wage*
	Pontiac	Oakland	Michigan	
<b>Civilian employed population 16 years and over</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$19.12</b>
Office and administrative support	14%	12%	13%	\$12.58
Food preparation and serving	12%	5%	6%	\$18.50
Production	11%	5%	9%	\$22.18
Sales	10%	12%	10%	\$9.92
Building and grounds cleaning and maintenance	7%	3%	4%	\$9.48
Management, business, and financial	7%	19%	13%	\$51.14
Personal care and service	6%	3%	4%	\$11.23
Construction and extraction	6%	3%	4%	\$10.11
Healthcare support	4%	2%	3%	\$31.48
Healthcare practitioner and technical	4%	7%	6%	\$22.58
Material moving	4%	1%	3%	\$16.34
Transportation	3%	2%	3%	\$18.76
Education, training, and library	3%	6%	6%	\$41.40
Protective service	2%	1%	2%	\$13.49
Installation, maintenance, and repair	2%	2%	3%	\$25.86
Computer and mathematical	2%	4%	2%	\$33.11
Community and social services	2%	2%	2%	\$31.10
Architecture and engineering	1%	5%	3%	\$38.45
Arts, design, entertainment, sports, and media	1%	2%	2%	\$22.64
Legal	0%	2%	1%	\$20.19
Life, physical, and social science	0%	1%	1%	\$41.60
Farming, fishing, and forestry	0%	0%	1%	\$16.82

\*2016 Median Hourly Wage in the Detroit Metropolitan Statistical Area

Source: U.S. Census Bureau, American Community Survey 5-year Estimates, 2011-2015

- In contrast, the proportion of the Pontiac’s residents employed in high-wage occupations such as *Management, business and financial, Life, physical, and social science, Architecture and engineering, Computer and mathematical,* and others (Table 3) is half or less the percentages in Oakland County or statewide.
- Over the period of 2011-2015, the sector of *Educational and health care services* displayed the highest share of payroll employment in all three areas of Pontiac, Oakland, and the state. However in Pontiac, this sector was followed in order by the low-paying sectors of *Leisure and hospitality* and *Retail trade*, while in Oakland County and the state as a whole, the high-wage *Manufacturing* sector was the second largest employer (Figure 19).

**Figure 19:** City of Pontiac: Share of Employed Residents by Major Industry, 2011-2015



Source: U.S. Census Bureau, American Community Survey 5-year Estimates, 2011-2015

- Private employment represents the highest proportion of payroll jobs in Oakland County and the state, and an even larger proportion in the City of Pontiac (79 percent, or eight percentage points above the statewide share and seven above the share in the county).
- However, self-employment is very low in the City of Pontiac (about half the share in the county or the state).



## PART VII: WORKERS' COMMUTING PATTERNS AND CHARACTERISTICS

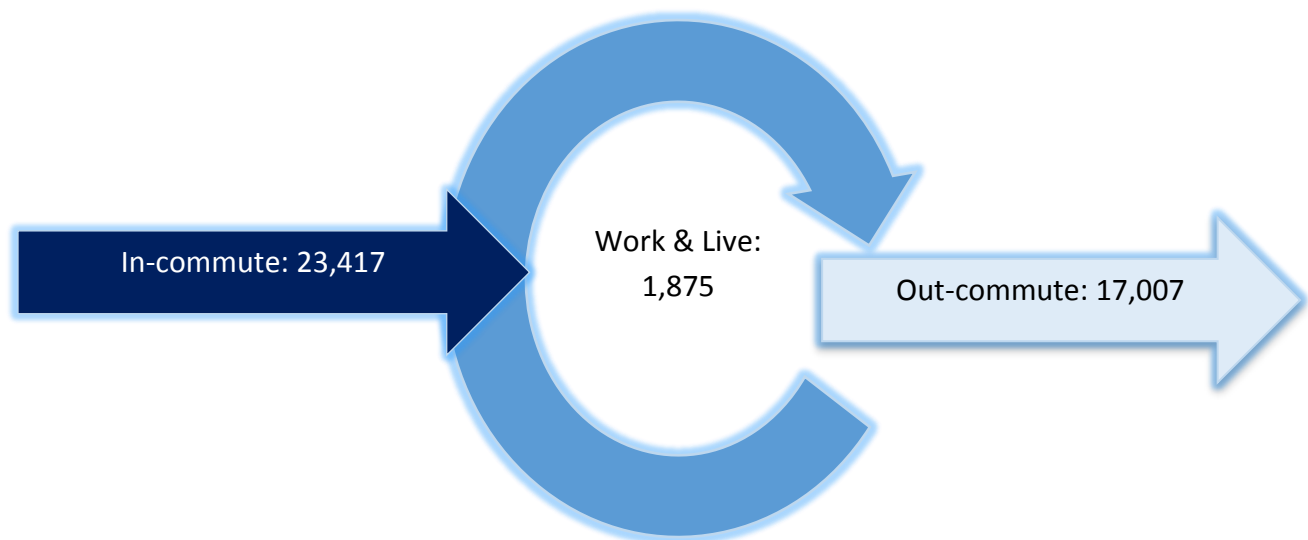
Businesses and residents of the City of Pontiac depend on the economic health of the entire Detroit metro area for customers, a quality workforce, and jobs. Information on workers' commuting patterns between the city and the surrounding region is important for economic and workforce developers to understand. This includes the characteristics of the City of Pontiac's residents who work (wherever they are employed), as well as those individuals who hold jobs within the city's boundaries (no matter where they reside). Examples of questions that will be answered in this section include the following: 1) what are the characteristics of the employed residents of Pontiac? 2) Do they work in the city or do they commute outside of the city? 3) Of those individuals that work in the city, how many also live in the city?

### Workers' Commuting Patterns

*Over the past 13 years, an increasing share of the City of Pontiac's residents work outside the city. More and more residents of the City of Pontiac have been commuting outside the city to work. This rise in the city's out-commuters has been particularly noticeable since the Great Recession of 2009.*

- A very minute portion of the City of Pontiac's employed residents live and work in the city. In 2014, only 10% of Pontiac working residents or about 1,900 people were actually also employed in the city. That represented about only seven percent of all the 25,350 individuals that worked in the city.

**Figure 20:** Pontiac City: Workers Commuting Patterns, 2014

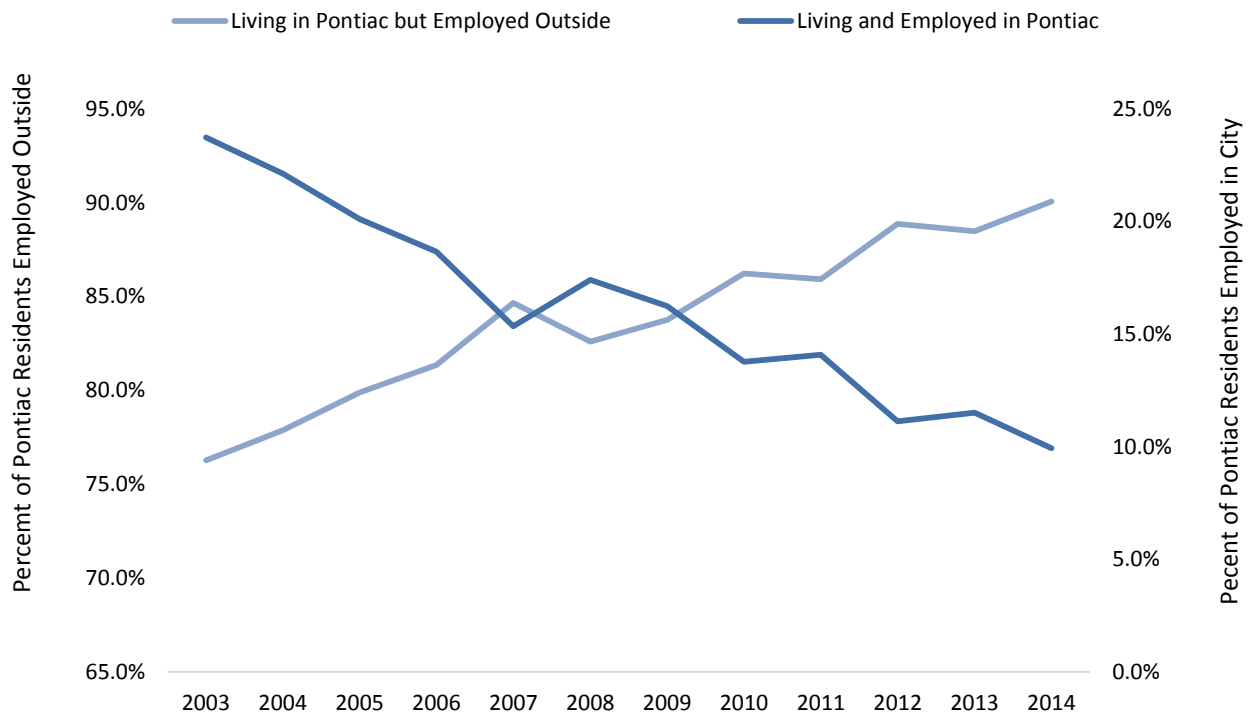


**Source:** U. S. Census Bureau, Local Employment Dynamics (LED), 2014

Demographic and Labor Market Profile: City of Pontiac

- Figure 21 shows that the percentage of out-commuters compared to the share of the residents that live and work in the city has increased by 15 percentage points since 2003. But, this does not mean that there are no jobs available within the city's limits. In fact, as shown in Figure 20 above, while 17,000 Pontiac residents commuted outside to work in 2014, about 23,400 individuals commuted into the city to work. A partial explanation of this situation can be provided by the characteristics of workers in the two groups (in- and out-commuters) in terms of age, gender, educational attainment, race/ethnicity, and industries in which they were employed.

**Figure 21: Pontiac City: Change in Worker Commuting Patterns, 2003-2014**



**Source:** U. S. Census Bureau, Local Employment Dynamics (LED), Origin-Destination Statistics, 2014

## Workers' Characteristics – Age and Earnings

*Employed residents of the City of Pontiac are younger and earn much less than those individuals who commute into the city to work.*

- In 2014, 30 percent of the 17,000 individuals that commuted outside to work were 29 years of age or younger. Only 18 percent of in-commuters fell in this category.
- On the other hand, 58 percent of individuals that commute to Pontiac for work earn more than \$40,000 a year, compared to only about 28 percent of Pontiac's working residents in this category. Statewide and countywide, about 41 and 49 percent of workers are in this group of high-income earners, respectively.

**Table 4:** Pontiac City: Workers by Age and Earnings, 2014

	Live & Work	Out-commute	In-commute
<b><u>Age Distribution</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>
Workers Aged 29 or younger	21.0%	30.4%	17.9%
Workers Aged 30 to 54	55.3%	55.0%	58.6%
Workers Aged 55 or older	23.7%	14.6%	23.5%
<b><u>Earnings</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>
Workers Earning \$15,000 per year or less	22.9%	28.5%	14.5%
Workers Earning \$15,001 to \$40,000 per year	50.2%	42.8%	27.2%
Workers Earning More than \$40,000 per year	26.9%	28.7%	58.3%

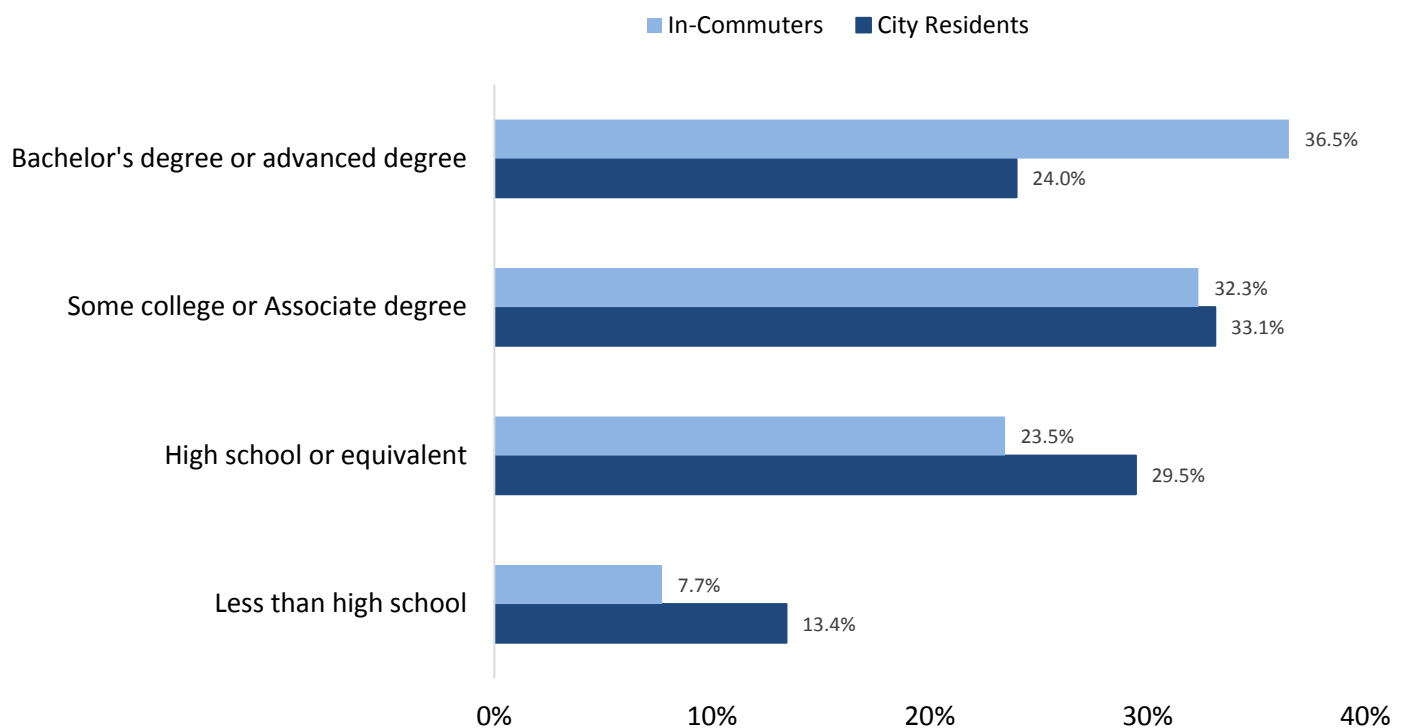
**Source:** U. S. Census Bureau, Local Employment Dynamics (LED), Origin-Destination Statistics, 2014

## Workers' Characteristics – Educational Attainment

*Employed residents of the City of Pontiac display lower educational attainment than those individuals that commute into the city to work.*

- The share of in-commuters with a Bachelor's degree or more was 12 percentage points above the share of this group in the city's working residents (36 vs. 24 percent), which could partially explain the higher earnings of in-commuters. Statewide, the share of this group in total employment was about 30 percent.
- The shares of other educational categories (Some college or Associate's degree, High school or equivalent, Less than high school) are higher for the residents of the City of Pontiac than for those individuals that commute into the city to work. For instance, the proportion of Pontiac's working residents with less than a high school (13.4 percent) is almost twice the share of this group among those that commute into the city to work (7.7 percent).

**Figure 22:** Pontiac City: Educational Attainment of Employed, 2014



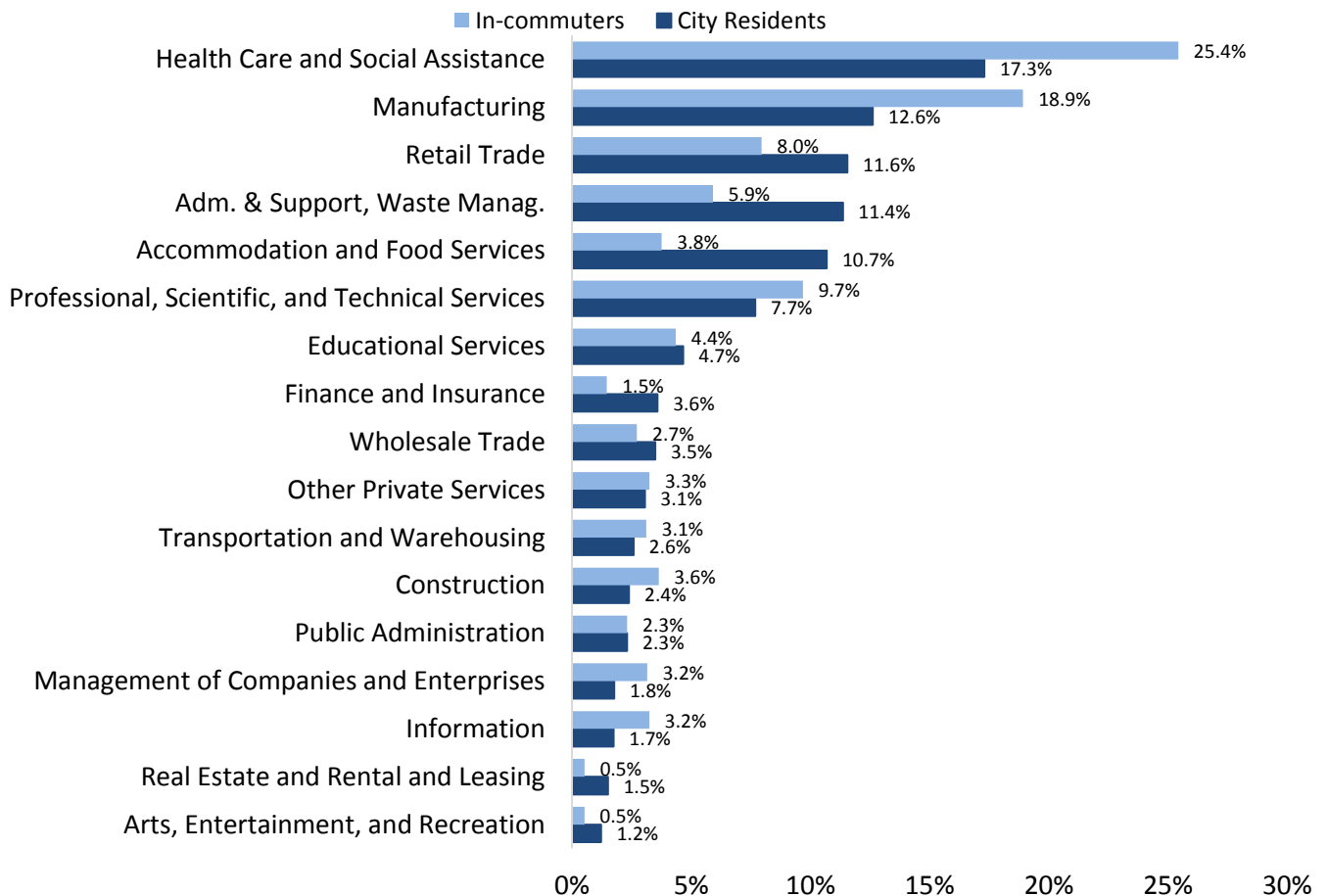
**Source:** U. S. Census Bureau, Local Employment Dynamics (LED), Origin-Destination Statistics, 2014

## Workers' Characteristics – Industry of Employment

A higher share of Pontiac's residents work in low-paying industries compared to individuals that commute into the city for work.

- Healthcare and social assistance was the major employer for both the city's residents and in-commuters in 2014. Besides young age and lower educational attainment, another factor that could explain the lower earnings for Pontiac residents relative to individuals that commute into the city for work is the industries in which the two groups are employed. About 54% of the in-commuters are employed in the high-paying industries of *Health care and social assistance, Manufacturing and Professional, scientific, and technical services*. In contrast, only about 40% of the city's residents work in these industries, while another 34 percent were employed in the lower wage sectors of *Accommodation and food services, Retail trade, and Administrative support and waste management*.

**Figure 23:** Pontiac City: Industries Where Workers Are Employed, 2014



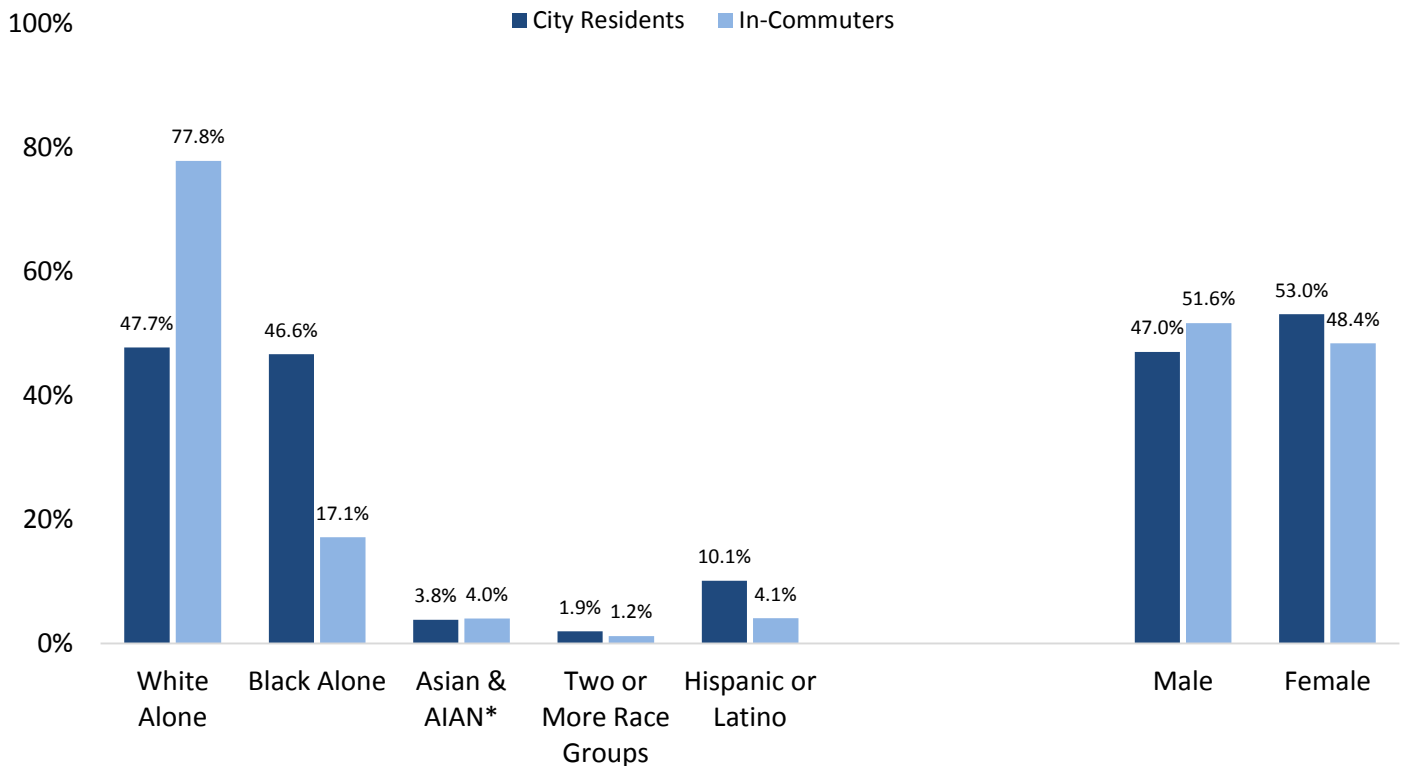
Source: U. S. Census Bureau, Local Employment Dynamics (LED), Origin-Destination Statistics, 2014

## Workers' Characteristics – Race and Gender

While working residents of the City of Pontiac are evenly distributed between African Americans and Whites, the majority of the individuals commuting into the city to work are White.

- African Americans and Whites each comprise about 47 percent of the city's working residents. However, close to 78 percent of in-commuters are White, with only 17 percent of this group being African American. In-commuters are also slightly majority male (52 percent) in contrast with the city's employed residents who command a slight female majority at 53 percent.

**Figure 24:** Pontiac City: Workers by Race and Gender, 2014



\*AIAN: American Indians and Alaska Natives

Source: U. S. Census Bureau, Local Employment Dynamics (LED), Origin-Destination Statistics, 2014

## Workers' Destination and Origin

While the majority of working residents of the City of Pontiac travel outside for work, most of those that work in the city commute from surrounding areas.

- About half of the Pontiac's employed residents either work in the city or surrounding cities like Auburn Hills, Troy, Rochester Hills, and Detroit (Table 5). In 2014, 10.5 percent of the working residents of the City of Pontiac traveled greater than 50 miles to work. This share was estimated at 7.2 percent for Oakland County and 14.4 percent statewide.
- The majority of in-commuters reside outside Pontiac in surrounding cities such as Detroit, Rochester Hills and others, while some drive from as far as Ann Arbor, Grand Rapids, or Lansing. In fact, 10.0 percent (or 2,500 persons) that worked in the city in 2014 commuted more than 50 miles. This share was 9.0 percent for Oakland County and 13.7 percent statewide.

**Table 5:** Top 10 Cities of Workers' Origin and Destination, 2014

<u>Where Pontiac Residents Work, 2014</u>			<u>Where Workers in Pontiac Live, 2014</u>		
	Count	Share		Count	Share
Pontiac	1,875	9.9%	Pontiac	1,875	7.4%
Auburn Hills	1,864	9.9%	Detroit	877	3.5%
Troy	1,154	6.1%	Rochester Hills	847	3.3%
Rochester Hills	934	4.9%	Sterling Heights	746	2.9%
Detroit	925	4.9%	Troy	736	2.9%
Southfield	818	4.3%	Farmington Hills	444	1.8%
Farmington Hills	454	2.4%	Southfield	417	1.6%
Livonia	442	2.3%	Royal Oak	416	1.6%
Warren	425	2.3%	Warren	402	1.6%
Birmingham	335	1.8%	Auburn Hills	360	1.4%
All Other Locations	9,656	51.1%	All Other Locations	18,226	71.9%

Source: U. S. Census Bureau, Local Employment Dynamics (LED), Origin-Destination Statistics, 2014

## PART VIII: REAL-TIME ONLINE IN-DEMAND JOBS AND TOP JOB ADVERTISERS IN PONTIAC

Online advertised jobs are one measure used to tally the so-called “real-time” demand for workers by an area’s businesses. Workforce developers are interested in this information to learn what jobs are available in the labor market right now.

*Six of the top 10 jobs currently advertised online in the City of Pontiac require less than an Associate’s degree but require some post-secondary training beyond High School and/or some work experience.*

**Table 6:** Top 10 Detailed Job Ads Posted Online in the City of Pontiac, April 2017

Occupation	# Ads	2022 Projected Job Growth*	Education Required	25 <sup>th</sup> Perc. Wage*	75 <sup>th</sup> Perc. Wage*
Registered Nurses	115	11.8%	Associate's	\$28.6	\$37.4
Industrial Engineers	59	20.2%	Bachelor's	\$35.7	\$50.2
Security Guards	51	9.5%	High school or GED	\$10.4	\$14.1
Mechanical Engineers	45	13.8%	Bachelor's	\$36.2	\$52.0
Maintenance & Repair Workers	23	7.0%	High school or GED	\$12.9	\$23.0
First-Line Supervisors of Prod. Workers	21	8.2%	Postsecondary non-degree	\$24.4	\$43.4
Electrical Engineers	20	10.2%	Bachelor's	\$36.4	\$51.5
Computer User Support Specialists	20	25.8%	Some college, no degree	\$15.2	\$27.7
Heavy and Tractor-Trailer Truck Drivers	19	16.1%	Postsecondary non-degree	\$15.9	\$25.6
First-Line Supervisors of Retail Workers	18	6.6%	High school or GED	\$13.4	\$22.9

\* This data is for the Detroit Metro Prosperity Region (Macomb, Oakland, and Wayne counties)

**Source:** Conference Board, Help Wanted Online©, March 14 – April 13, 2017 for the number of ads; Michigan Bureau of Labor Market and Strategic Initiatives for all other information

- With the exceptions of Security Guards and Maintenance & Repair Workers, all other eight top jobs advertised online in Pontiac in April pay above the regional Metro Detroit average wage. Employment in these occupations is also expected to grow above regional average rate until 2022.
- Three of the top 10 job ads are in engineering, and two are supervisory positions in retail and manufacturing production. *Registered nurses* and *Heavy trailer truck drivers* are sought after in every corner of Michigan and the nation. *Registered nurses* are in high demand in response to aggressive growth in healthcare services, partially due to an aging baby boomer population.

For more information on this profile, please contact the authors of this study: **Leonidas Murembya, PhD at (517) 241-6574 ([murembyal@michigan.gov](mailto:murembyal@michigan.gov))** or **Eric Guthrie (517) 241-8667 ([guthrie@michigan.gov](mailto:guthrie@michigan.gov))**. Please visit our website at [www.michigan.gov/lmi](http://www.michigan.gov/lmi) for more statewide and regional labor market information.



## APPENDIX A – HOUSEHOLDS AND FAMILIES DEFINITIONS

### 1. *Households and Families*

Households and families are different units that have different characteristics. These appear separately in the census data and, as such, it is important to understand what is being referred to when the terms are used. According to the Census Bureau, a household:

...includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters. There are two major categories of households, "family" and "nonfamily."<sup>3</sup>

It is evident from this definition that a family is a related but different category in census data. A family is a type of household that:

...includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family.

A family household may contain people not related to the householder, but those people are not included as part of the householder's family in census tabulations. Thus, the number of family households is equal to the number of families, but family households may include more members than do families.<sup>4</sup>

These definitions seem confusing at first glance, at least in part because they use the same terms to define different things. A "householder" is the person that fills out the census forms. So if people are related to the householder, they are part of his or her family and considered a family household. If they are not then they are considered a nonfamily household.

Within the family designation, there are three separate types of families that can exist. According to the Census definition, "[f]amilies may be a 'Married Couple Family,' 'Female householder, no spouse present' or 'Male householder, no spouse present'."<sup>5</sup> These categories are self-explanatory with the caveat that the last two, female and male householders are not only single parent families. These family types would include grandparents and grandchildren, uncles caring for nieces and nephews, and the plethora of other family compositions that can exist that are not married-couples.

### 2. *Family Types*

When a discussion of family types is initiated, the conversation eventually turns to single parent households. This is an important topic because these families have different needs and experience different levels of hardship than do their counterparts that either do not have children or are in married-couple families. Data on these types of families can be obtained by looking at the male and female-headed households that are listed as not having a spouse present. There is a subcategory that indicates whether these families have their own children under the age of 18 present. This is not a perfect breakout of the family type, but it is the best available measure. There become issues associated with cohabitating couples that are not married falling into this category, but there is not a way to separate out those situations. Additionally, there are issues with same-sex-couple families in this categorization scheme.

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<sup>3</sup> Census Glossary, <https://www.census.gov/glossary/>

<sup>4</sup> Ibid

<sup>5</sup> Ibid

## APPENDIX B – POVERTY THRESHOLDS

If the total income of a family is below the poverty threshold, then the entire family is considered to be living in poverty. The following guidelines are used to determine total family income:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources
- Noncash benefits (such as food stamps and housing subsidies) do not count
- All earnings are counted before taxes
- Excludes capital gains or losses
- If a person lives with a family, add up the income of all family members. (Non-relatives, such as housemates, do not count.)<sup>6</sup>

The data presented in this profile compared incomes to the 2015 poverty thresholds. The thresholds do not vary by geography and are based on the cost of a minimum diet, which is updated annually using the Consumer Price Index (CPI). The most current guidelines, which are simplified versions derived from the Census Bureau's thresholds used to determine eligibility for many programs, are presented below:

<b>2017 Poverty Guidelines for the 48 Contiguous States and the District of Columbia</b>	
<b>Persons in family/household</b>	<b>Poverty guideline</b>
1	\$12,060
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320

***For families/households with more than 8 persons, add \$4,180 for each additional person***

<sup>6</sup> U.S. Census Bureau, "How the Census Measures Poverty", <http://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>

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**2017 Poverty Guidelines for Alaska**

<b>Persons in family/household</b>	<b>Poverty guideline</b>
1	\$15,060
2	\$20,290
3	\$25,520
4	\$30,750
5	\$35,980
6	\$41,210
7	\$46,440
8	\$51,670

*For families/households with more than 8 persons, add \$5,230 for each additional person*

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**2017 Poverty Guidelines for Hawaii**

<b>Persons in family/household</b>	<b>Poverty guideline</b>
1	\$13,860
2	\$18,670
3	\$23,480
4	\$28,290
5	\$33,100
6	\$37,910
7	\$42,720
8	\$47,530

*For families/households with more than 8 persons, add \$4,810 for each additional person*

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