

WORKFORCE AND LABOR

MARKET INFORMATION

BRIEFING

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Director

Bureau of Labor Market Information and Strategic Initiatives



STATE OF MICHIGAN

Department of Technology, Management & Budget

Bureau of Labor Market Information and Strategic Initiatives

About Us

- 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 Analytics division conducts workforce research and program evaluation, giving you the insight you need to make smarter decisions.

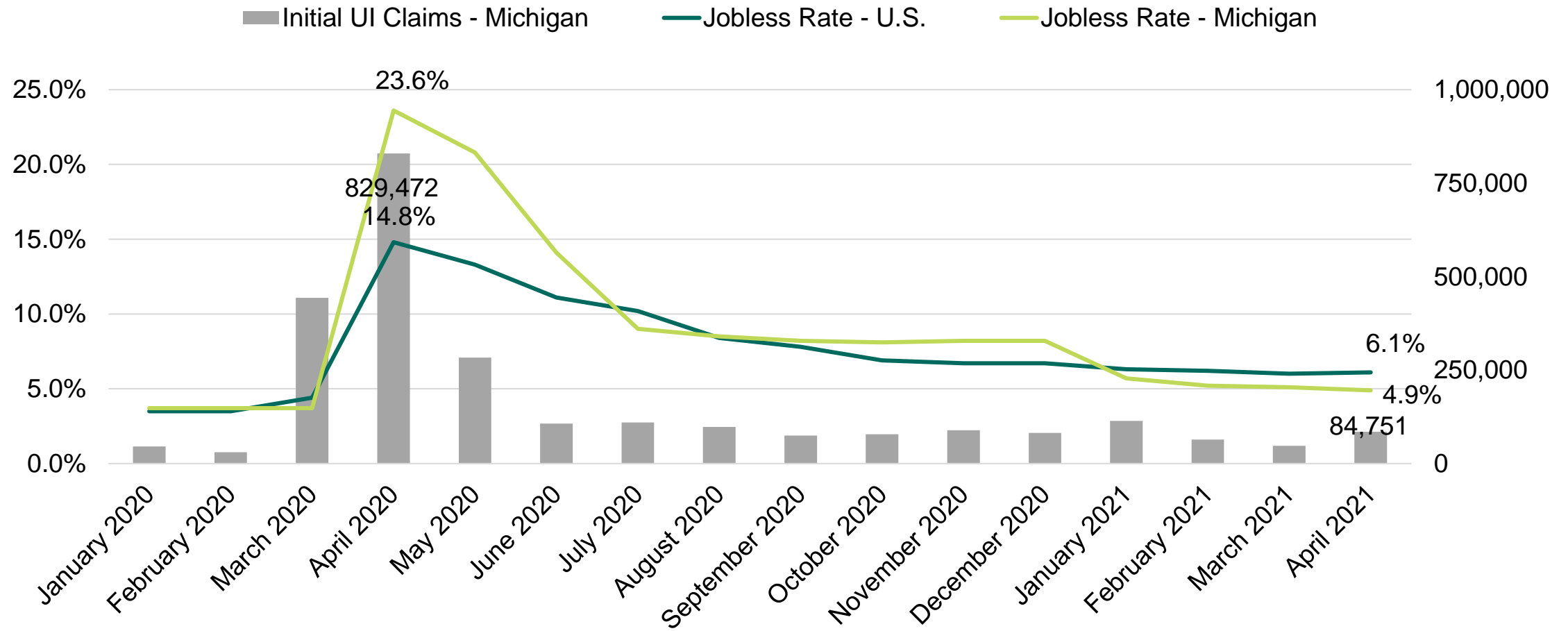
Four Key Takeaways

- Michigan's labor market has seen marked improvement since last spring but has not yet returned to pre-pandemic employment levels.
- Multiple groups have been disproportionately affected by the pandemic.
- Educational attainment plays a critical role in improving the employment outcomes of Michigan residents.
- There is a wide array of high-wage, high-demand occupations in the Michigan labor market.

COVID-19 AND THE

LABOR MARKET

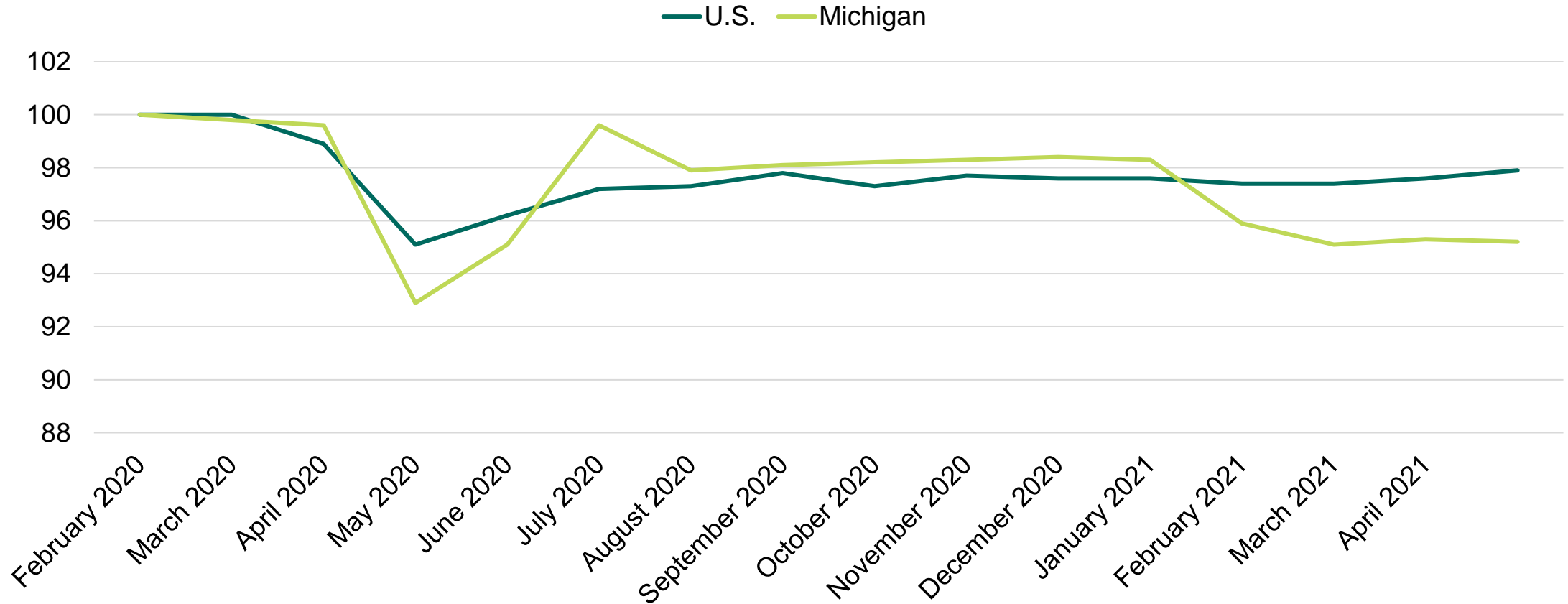
Following initial pandemic-related shocks, the jobless rate slowly reversed direction and UI claims dropped. However, each measure remains elevated compared to the pre-COVID labor market.



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics; Michigan Unemployment Insurance Agency (claims)

Labor force levels in Michigan recovered above pre-pandemic levels by June 2020. However, this has been followed by the labor force tapering off and significant decreases since the beginning of the year.

Index of Labor Force February 2020–April 2021



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

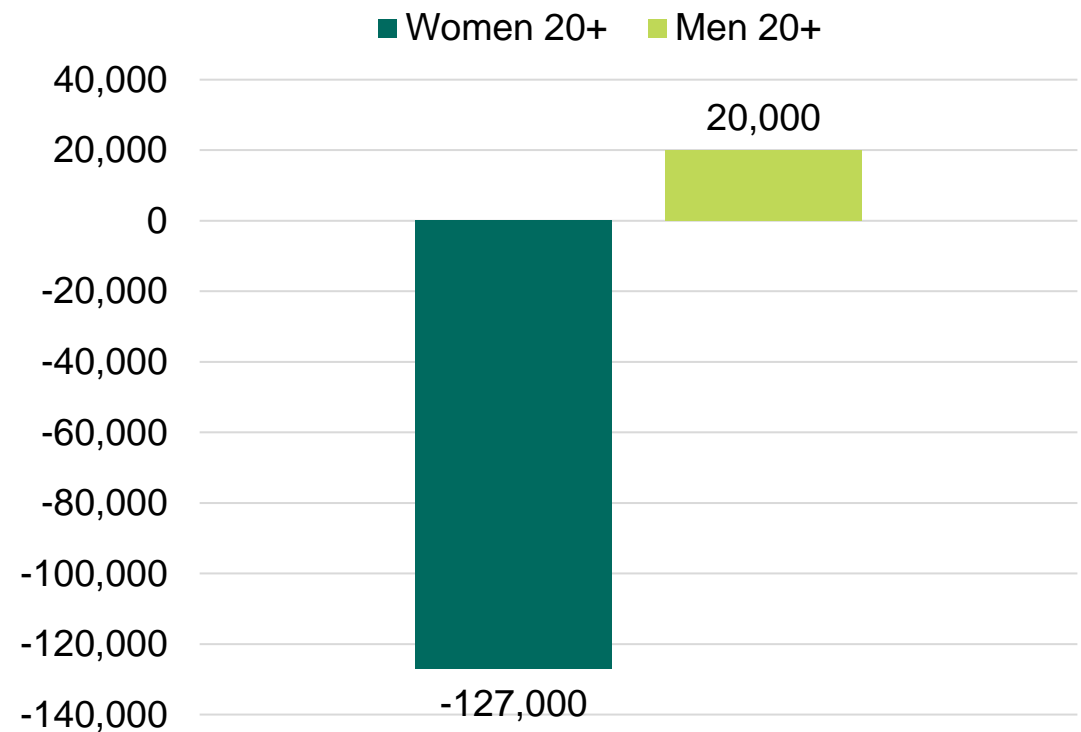
Defining Unemployed Persons

- To be counted as unemployed, persons must meet **all three** of the following conditions:
 - Must have had no earnings due to employment during the reference week
 - Must have made specific efforts to find employment some time during the four-week period ending with the reference week
 - Must have been available for work during the reference week, except for temporary illness
- Persons who were waiting to be recalled to a job from which they had been laid off do not need to have been looking for work to be classified as unemployed.

Labor force participation for women in Michigan was down significantly from the pre-pandemic period at the end of 2020.

- From February to October–December 2020, there were nearly 130,000 fewer adult women in the labor force. This was 5.5 percent lower than pre-pandemic levels.
- For adult men, this number edged up by 20,000 from pre-pandemic levels, or an increase of 0.8 percent.

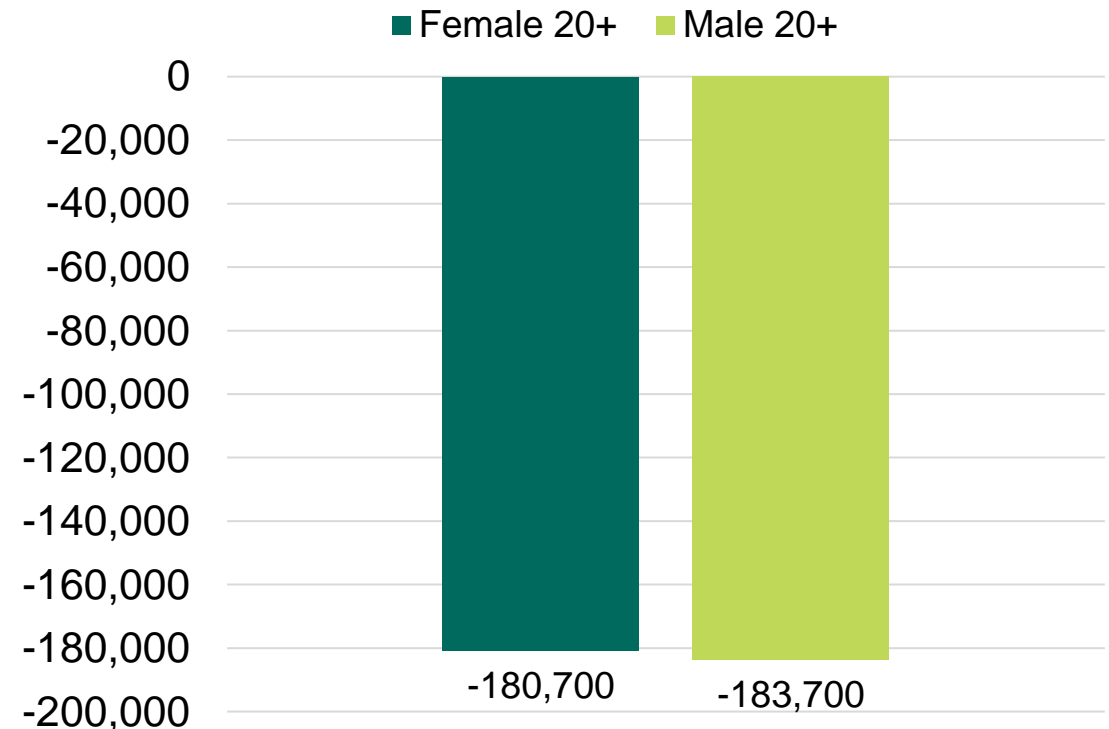
Change in Michigan Labor Force Since February 2020



However, compared to the levels in February-April 2021, labor force levels have dropped similarly for both men and women.

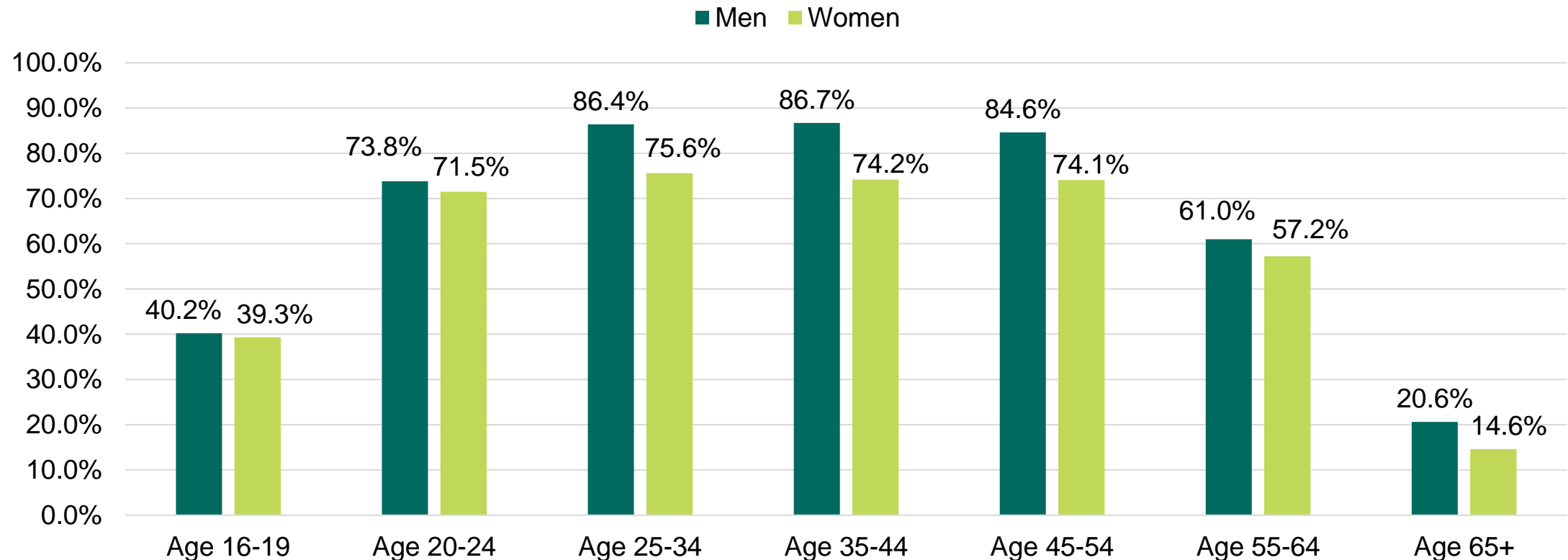
- From pre-pandemic February 2020 to February-April 2021, the Michigan labor force among adult women dropped by nearly 181,000, or 7.8 percent.
- Labor force trends over this period were similar among adult men, falling by 184,000 or 7.5 percent.

Change in Michigan Labor Force Since February 2020



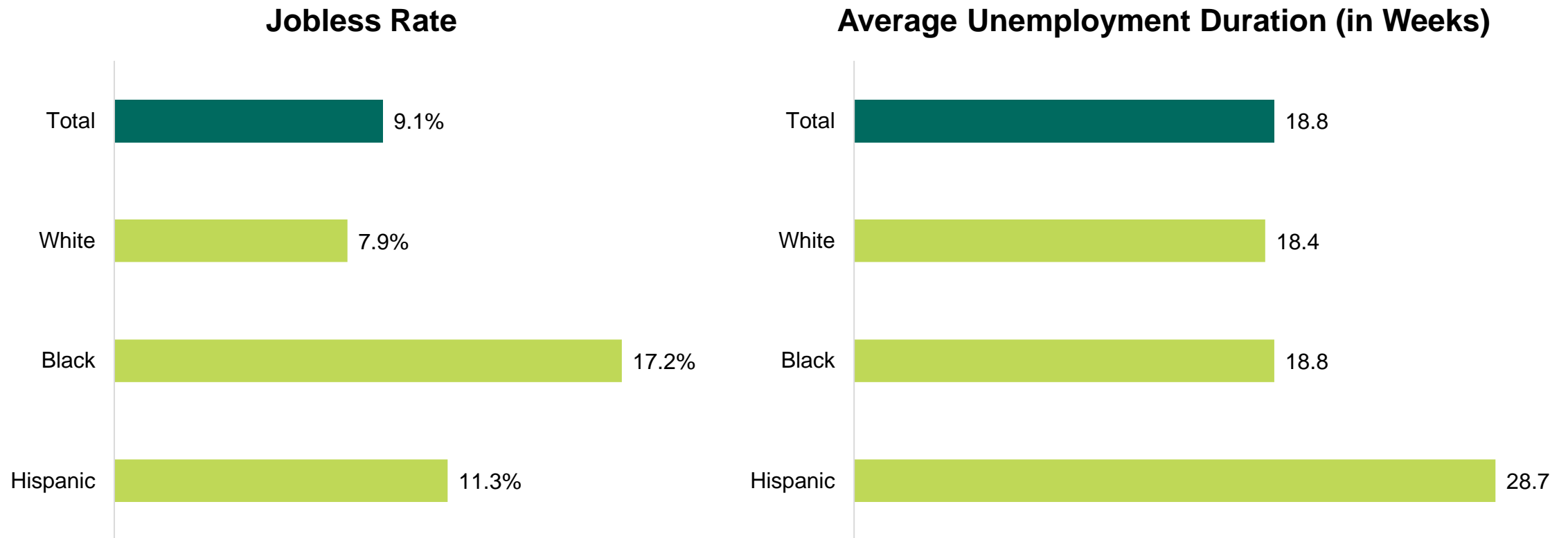
Participation rates are much higher for people ages 25 to 54 than those ages 16 to 19 and 55 years and older. Women observe lower participation rates than men across all age brackets.

Labor Force Participation Rate by Age and Gender



Source: Current Population Survey, 12-Month DEMECON May 2020-April 2021

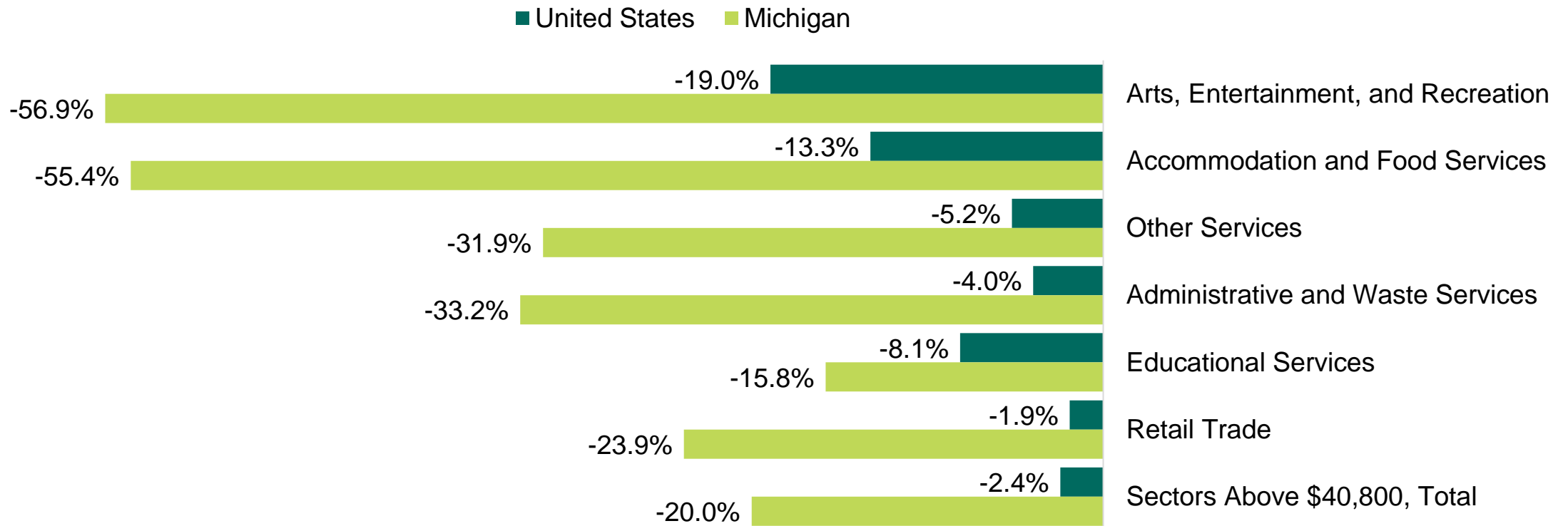
Jobless rates and average length of unemployment duration varies by race and ethnicity, with some groups being disproportionately impacted by the current economic situation.



Source: Current Population Survey, 12-Month DEMECON May 2020-April 2021; U.S. Census Bureau

Job losses throughout the pandemic period have been concentrated in Michigan's lower-paying industries. The magnitude of these losses were much beyond national averages for these sectors in April 2020, the hardest hit month.

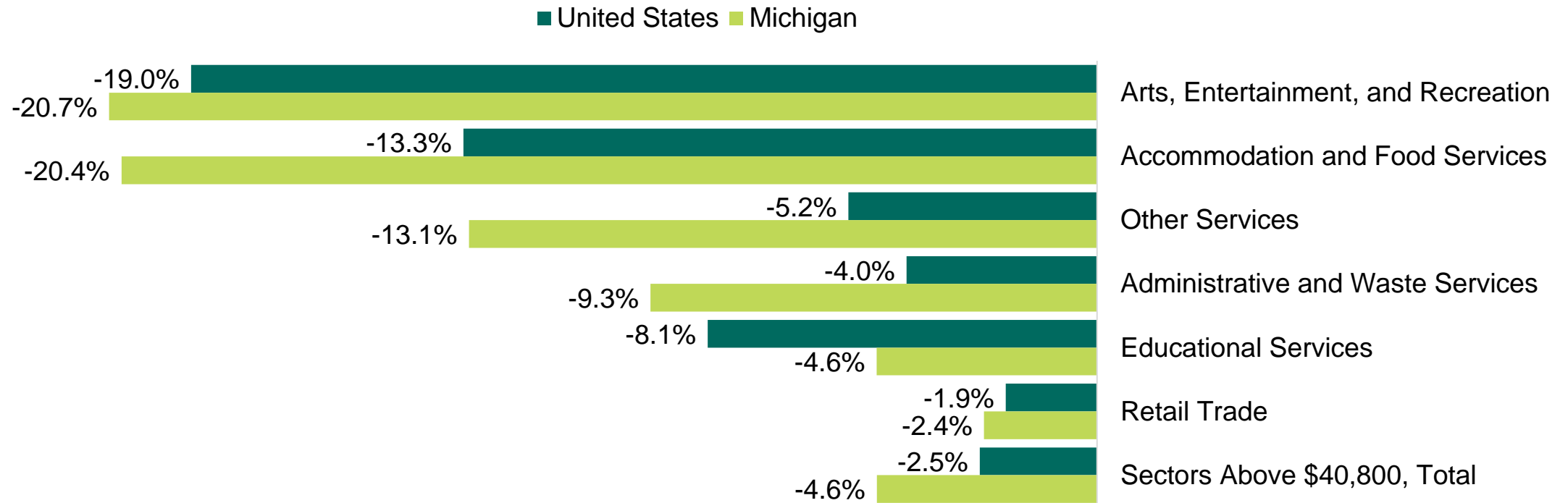
Statewide Percent Change in Jobs, February 2020 to April 2020



Source: Current Employment Statistics and Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics

Michigan's lower-paying industries have yet to recover to pre-pandemic levels. The magnitude of these losses continue to be elevated compared to national losses, but the gap has decreased.

Statewide Percent Change in Jobs, February 2020 to April 2021

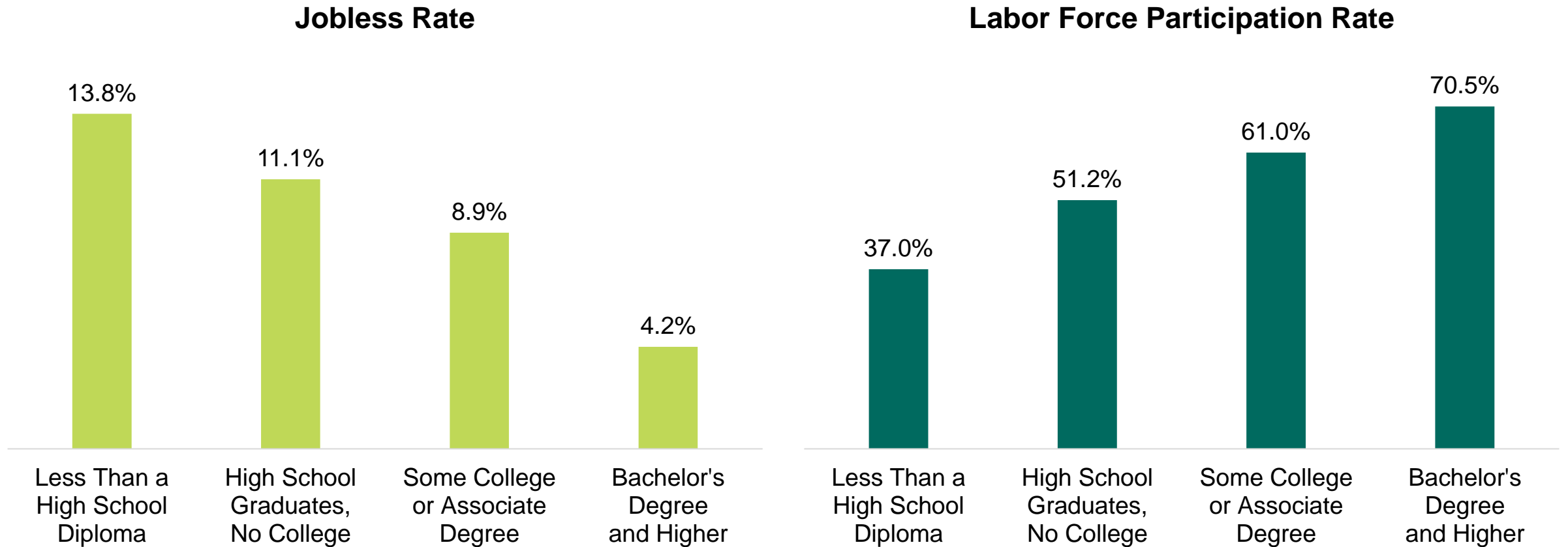


Source: Current Employment Statistics and Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics

EDUCATIONAL ATTAINMENT

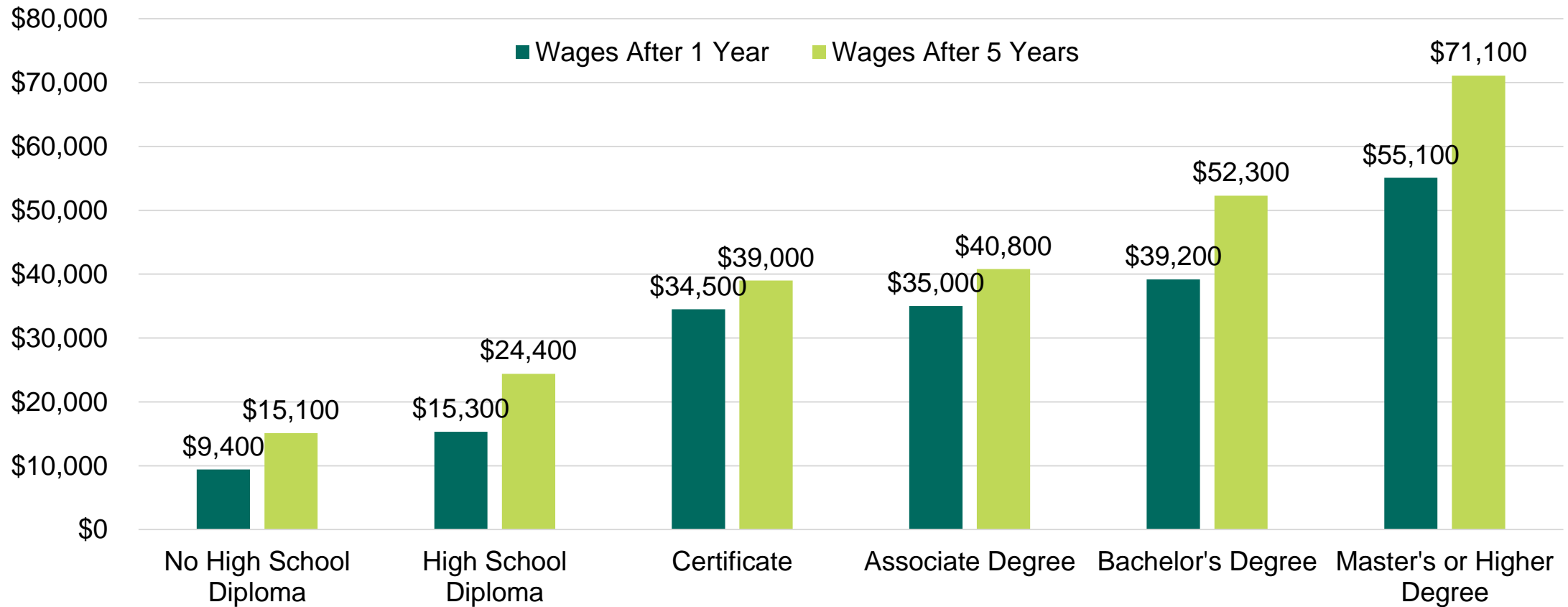
AND EMPLOYMENT

Jobless rates tend to be much higher for individuals without a high school diploma or those without additional education beyond a GED. Labor force participation rates are also lower for these groups.

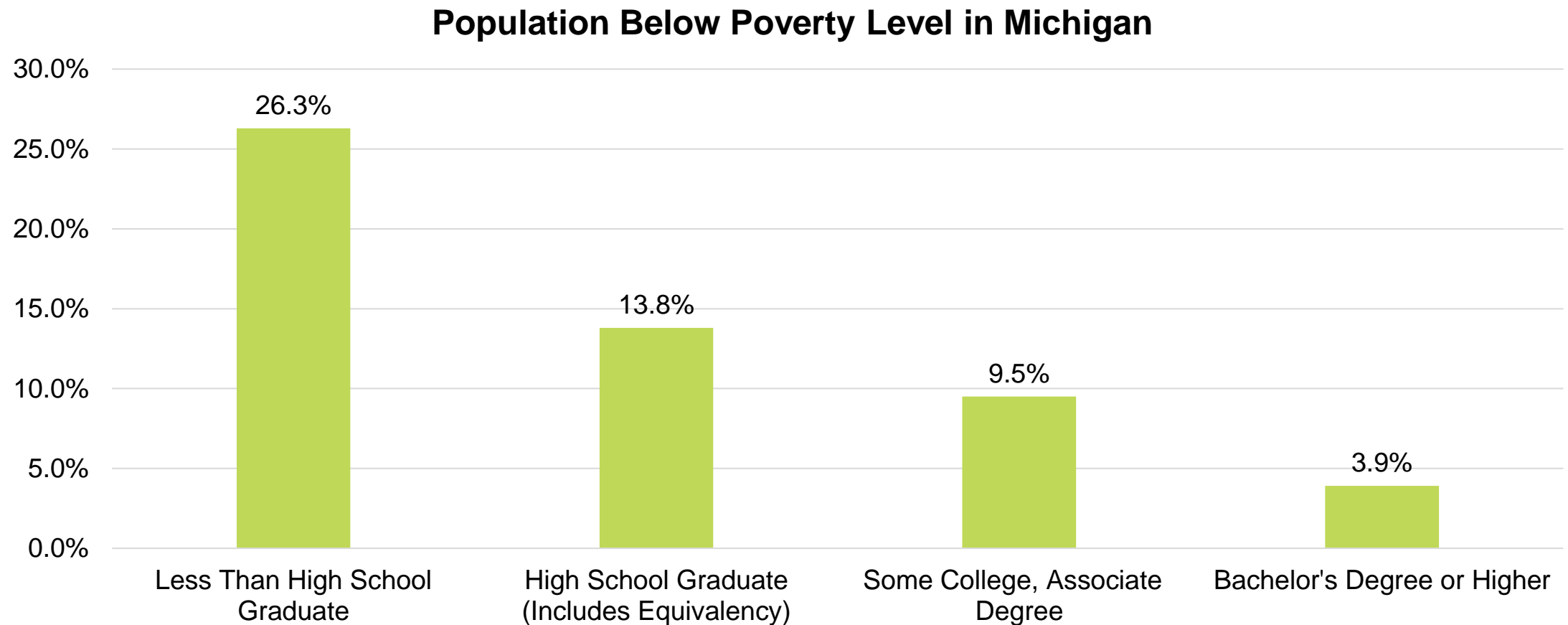


Median annual wages increase with higher educational attainment. Outcomes for recent graduates show significant increases in wages with postsecondary education.

Median Annual Wages by Educational Attainment



Postsecondary education is correlated with lower poverty rates in Michigan. Completing high school or equivalent had a poverty rate nearly 13 percentage points less than not completing.



Source: American Community Survey, 2019 1-Year Estimates, U.S. Census Bureau

JOB DEMAND

AND OPPORTUNITIES

Total Michigan Employment

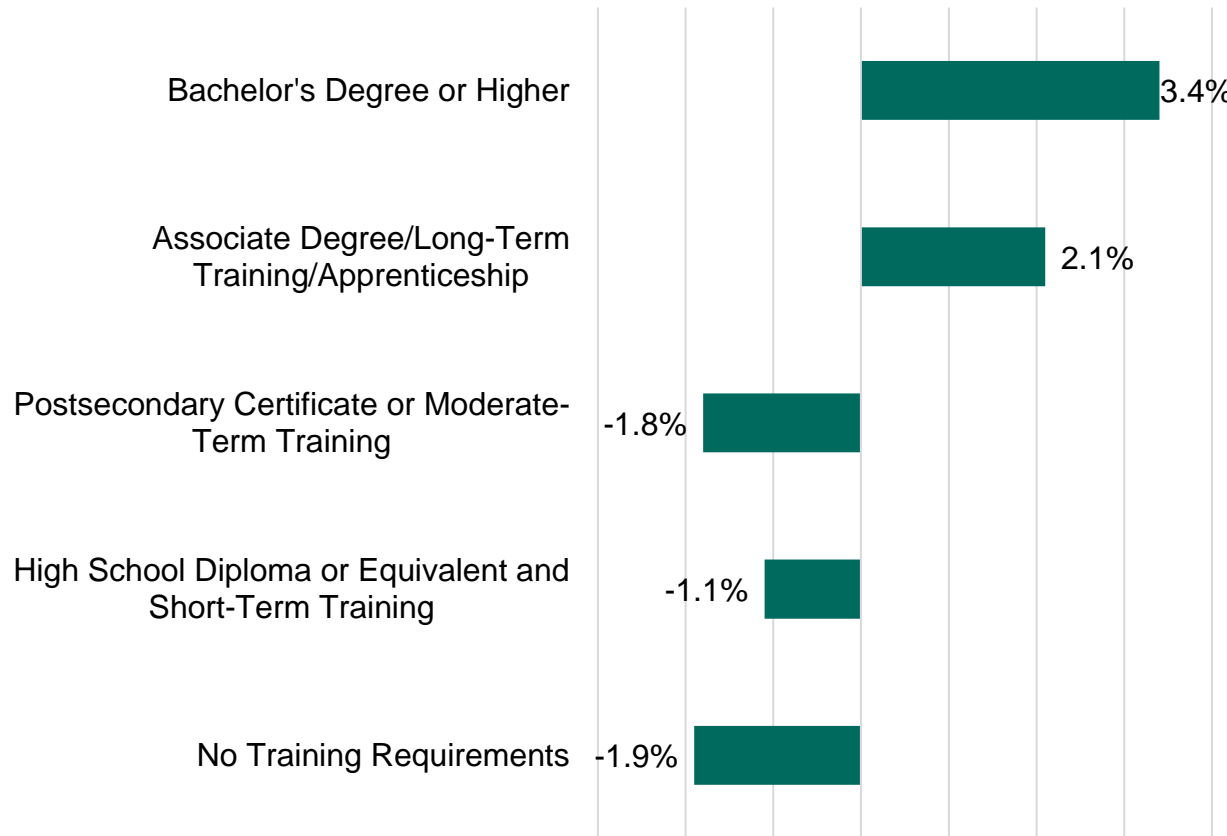
- Michigan's employment is expected to expand by less than 0.1 percent over the 2018–2028 period.
- Despite the low projected growth, we expect over 500,000 job openings on average annually through the projection period.
 - About one in three openings will come from labor force exits.
 - Approximately two in three openings will come from occupational transfers.

Why Only 0.1 Percent Gain?

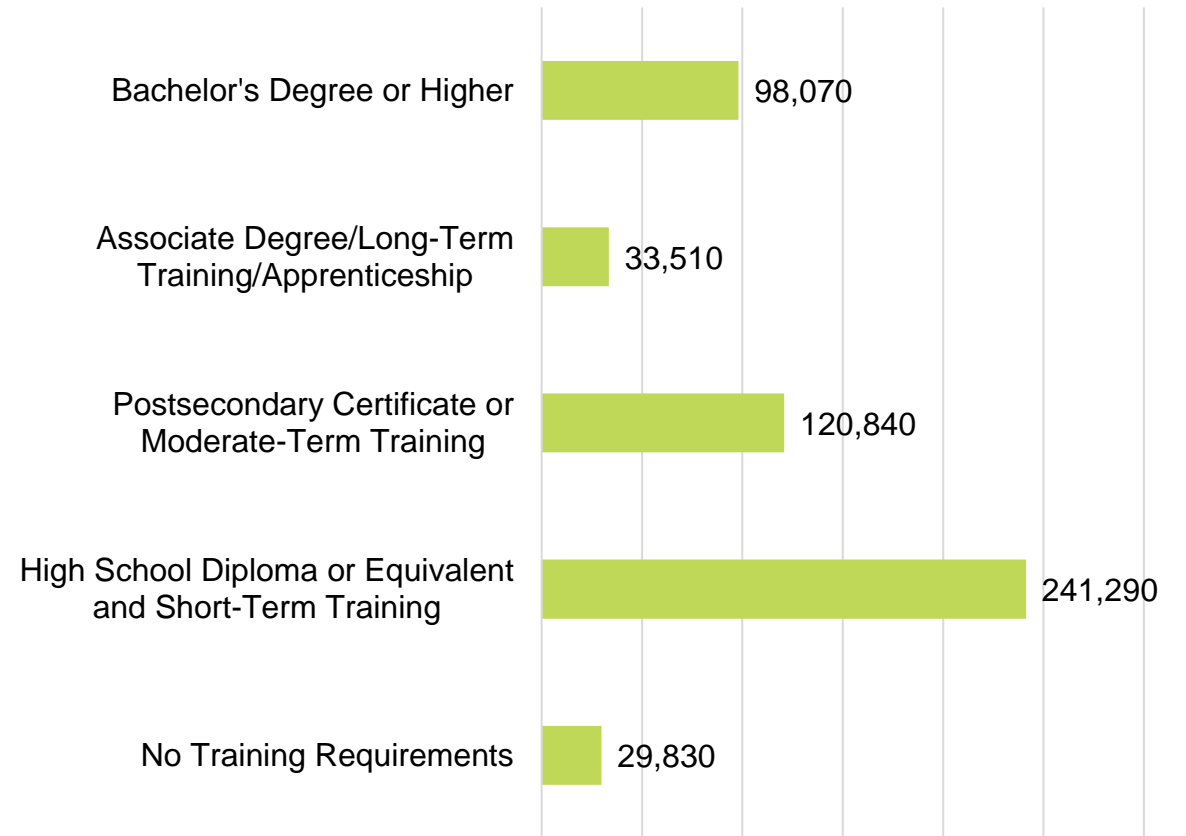
- This is due to two facts:
 - The Michigan labor force is projected to be relatively flat through 2028.
 - The 2018 unemployment rate in Michigan was 4.1 percent, even lower than the 4.6 percent full employment rate assumed for 2028.
- Together, these mean that without significant, unprojected domestic or international migration to Michigan, we won't have enough workers or slack in the labor market for significant employment growth.

Projections by Educational Requirements

Projected Growth by Education and Training Group



Annual Openings by Education and Training Group



Hot 50 Highlights

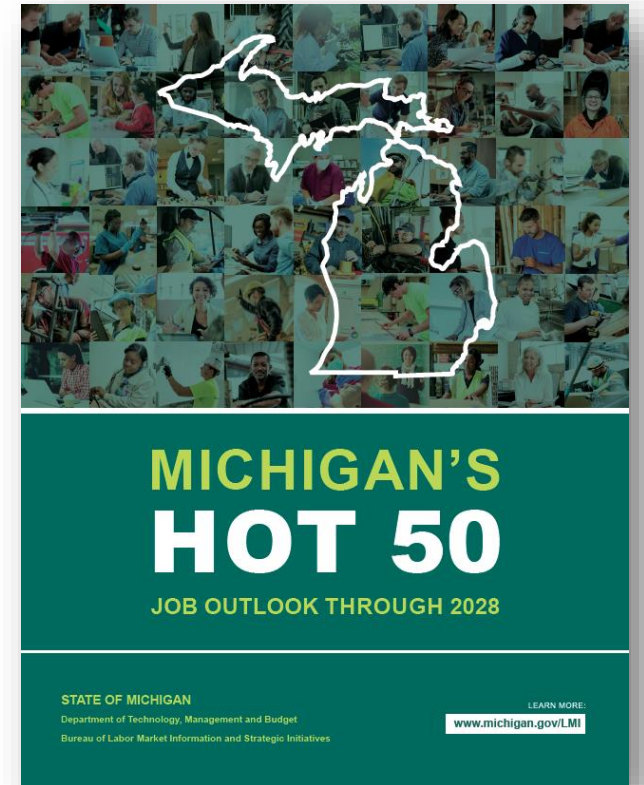
38 occupations that require a bachelor's degree or higher

12 occupations requiring more than high school but less than a bachelor's degree

7 occupations in the skilled trades

7 STEM occupations

38 occupations in the previous Hot 50



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Thank you!

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