

Michigan Employment Forecasts 2006 – 2016

Outlook:

The Michigan employment picture is expected to improve over the forecast period despite the continuing drag from the manufacturing sector. Total employment in Michigan is projected to rise from 4.7 million in 2006 to about 5.0 million in 2016. This is scarcely less than half the growth the state enjoyed during the 1990 – 2000 period when employment grew from 4.3 million in 1990 to 5.0 million in 2000. The rate of growth has slowed from 16.2 percent in 1990 – 2000 to 6.7 percent in the current forecast. Manufacturing, especially automotive and related manufacturing, continues to dampen expansion of Michigan's economy. The forecast of weaker population growth also contributes to a slowing down of the expanding service sector industries. The state's 6.7 percent employment growth for the forecast period tracks below the U.S. national forecast of 10.4 percent, but it is a welcome change considering the state's employment losses experienced in recent years.

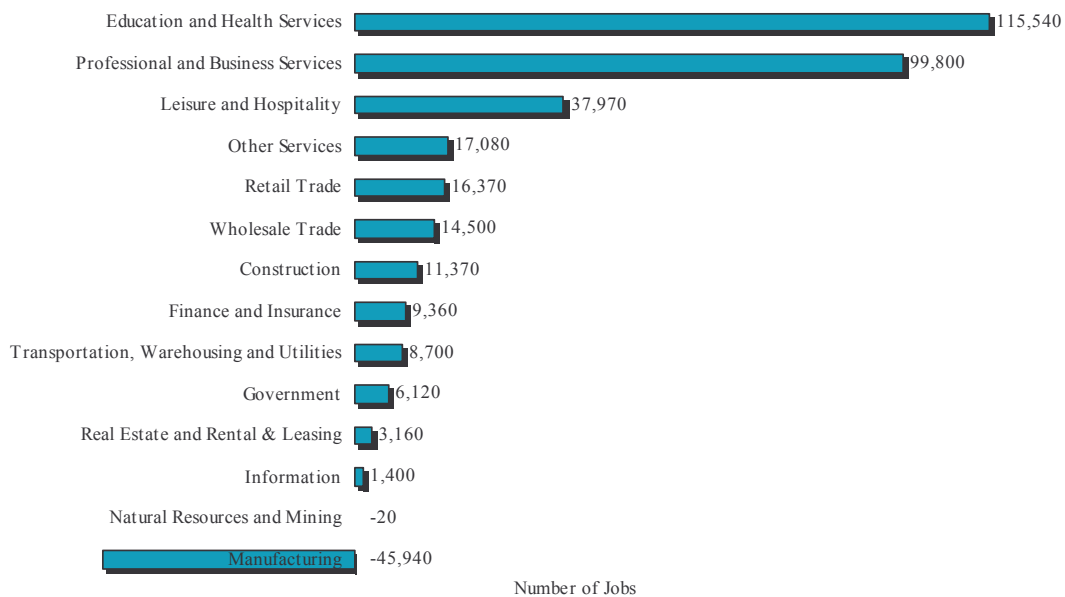
Michigan's population is expected to edge up by nearly four percent during the 2006 – 2016 forecast period. This compares to a 6.9 percent rise in population experienced during the comparable 1990 – 2000 period. The labor force, or the number of people employed or seeking employment, is projected to grow by 273,000; a 5.4 percent increase over current levels. By contrast, the state's labor force rose by nearly 11 percent between 1990 and 2000. Michigan's population and labor force growth will not only be slower than in past periods, but will also lag behind the nation as a whole. Nationally, the population is projected to increase by nearly 9 percent and the labor force by 11 percent between 2006 and 2016.

Industry:

Job growth is projected in all industry sectors except for manufacturing and natural resources and mining. Manufacturing is expected to shed the most jobs, nearly 46,000 during the forecast period, primarily in durable goods' automotive and auto-related industries. Even though annual vehicle sales are expected to increase slightly from the 2006 level of 17.0 million to 17.1 million in 2016, process and productivity improvements along with industry right-sizing contribute to the state's job losses in the automotive manufacturing industry. While durable

goods manufacturing is expected to reduce employment substantially, nondurable goods manufacturing stays reasonably flat losing only 2,000 jobs. Nearly all of Michigan’s job growth is expected in service-producing industries, such as education and health services, professional and business services, and leisure and hospitality. Within the service sector, administrative and support services, professional, scientific, and technical services and ambulatory health care services are expected to record the largest job gains of 58,000, 38,000 and 35,000, respectively.

Michigan Job Growth by Industry 2006 – 2016



Occupations:

Michigan’s economy will continue creating jobs for workers at all levels of education and training. Occupations requiring a postsecondary award (vocational training, associate’s degree or higher) will, on average, continue to have higher growth rates than occupations that require less education or training. Although occupations that call for a postsecondary education degree will grow at a faster pace, more than half of the new jobs will still be in areas that require less than a postsecondary degree. Occupations with the largest growth rates require educational attainment of an associate’s degree or more, supporting demands from the new knowledge-based economy. These

positions tend to be in the faster growing services sector and are in diverse fields such as health, education, and business support services.

Most major occupational groups are projected to increase employment over the forecast period. The fastest-growing group, professional and related occupations, is expected to create more than 108,000 jobs, more than any other occupational group, followed by service occupations at nearly 105,000 new jobs. Only production occupations are expected to post a job loss, totaling 14,000, or three percent over the forecast period.

The profile of Michigan's employment growth rates by major occupational category matches that of the nation as a whole, albeit to a lesser degree. And like the national trend, jobs requiring postsecondary education and training in Michigan will record the greatest rates of increase.

Michigan Employment Growth Rates by Major Occupational Group 2006 – 2016

