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News Release

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Michigan's July Jobless Rate Declines Slightly

August 19, 2009 – Michigan's seasonally adjusted unemployment rate in July was little changed over the month, edging downward by two-tenths of a percentage points to 15.0 percent, according to data released today by the Michigan Department of Energy, Labor & Economic Growth (DELEG). Unemployment declined by 9,000 and total employment increased slightly by 5,000. The state's labor force recorded a minor decrease in July.

The U.S. unemployment rate reported a slight drop of one-tenth of a percentage point in July to 9.4 percent.

Michigan's July 2009 jobless rate was up significantly over the year, rising by six and seven-tenths percentage points above the state's July 2008 rate of 8.3 percent. In the same period, the national jobless rate rose by three and six-tenths percentage points.

"The Michigan jobless rate stabilized a bit in July, as hiring occurred in hotels and the nursing and residential care industry," said Rick Waclawek, director of DELEG's Bureau of Labor Market Information and Strategic Initiatives. "However, because of the large number of auto workers already on layoff in June, the July model-changeover auto plant shutdowns resulted in fewer worker layoffs than usual. Therefore, the higher level of seasonally adjusted manufacturing jobs in July does not reflect any real improvement in the job picture, but is just an artifact of the seasonal adjustment process."

Monthly Labor Force Trends & Highlights

- July marked the first decline in the state's jobless rate since June 2008.
- Michigan's average unemployment rate for the first seven months of 2009 was 13.3 percent. The state's 2008 annual average was 8.4 percent.
- Although showing some monthly variations throughout 2009, the state's labor force in July was similar to the January 2009 level.

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MICHIGAN
Labor Force Estimates
 Seasonally Adjusted
 (Data in Thousands)

	July 2008	June 2009	July 2009	Change	
				Month	Year
Civilian Labor Force	4,927	4,869	4,864	-5	-63
Employment	4,520	4,129	4,134	5	-386
Unemployment	407	740	731	-9	324
Rate (Percent)	8.3	15.2	15.0	xxx	xxx

Detroit Metropolitan Area's July Jobless Rate Edges Upward

The Detroit-Warren-Livonia Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in July increased slightly by one-tenth of a percentage point to 16.4 percent. This was the smallest monthly jobless rate increase for the metropolitan area so far in 2009. Both total employment and the labor force declined by 6,000 over the month, as the area's unemployment level was essentially unchanged.

From July 2008 to July 2009, the metropolitan area's jobless rate jumped by seven and seven tenths percentage points. Since July 2008, total employment fell by 179,000 and unemployment rose by 158,000. This was an 87 percent advance in the area's unemployment level over the year, exceeding the state's 80 percent increase in the same period.

Detroit-Warren-Livonia MSA
Labor Force Estimates
 Seasonally Adjusted
 (Data in Thousands)

	July 2008	June 2009	July 2009	Change	
				Month	Year
Civilian Labor Force	2,101	2,087	2,081	-6	-20
Employment	1,919	1,746	1,740	-6	-179
Unemployment	182	341	340	-1	158
Rate (Percent)	8.7	16.3	16.4	xxx	xxx

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July Payroll Jobs Increase

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs increased in July by 38,000 to total 3,879,000. Although employment rose in nursing and residential care and accommodations, much of the gain in total payroll jobs was due to difficulties in the seasonal adjustment of manufacturing jobs. A substantial number of layoffs in auto related industries had occurred in the preceding months leading up to the July retooling period. Thus, typical seasonal layoffs in the July model-changeover period were far less than usual, pushing the seasonally adjusted estimates in manufacturing upward (+18,000). On an unadjusted basis however, manufacturing jobs in July were essentially flat.

Job gains were recorded in government (+11,000), leisure and hospitality services (+7,000), education and health services (+5,000), and professional and business services (+4,000). Minor over-the-month job reductions were registered in construction (-3,000) and in retail trade (-3,000).

Industry Employment Trends and Highlights

- Since the major restructuring in the auto industry that began in May, manufacturing lost a total of 17,000 jobs (April through July). Over the same period in 2008, manufacturing recorded a 6,000 reduction.
- July marked the third consecutive monthly gain in leisure and hospitality services jobs. Since April, this sector has reported an 11,000 increase.
- The construction industry continued its slide in July. This sector has recorded consecutive monthly losses since January, and is down 25,000 jobs in that period.
- The state's information sector has been hit hard this year. In 2009, this job category has lost 6,000 jobs, or ten percent of the total.
- Education and health services reported its largest monthly job gain so far in 2009. This sector had recorded job reductions from March through May. With the July increase, education and health services now displays over-the-year job growth of 10,000 or 1.7 percent.
- From July 2008 to July 2009, payroll jobs in Michigan fell by 281,000 or 6.7 percent. In that period, the majority of the state's major industry sectors showed significant job loss.
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing rose over the month, but declined over the year.

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MICHIGAN
Payroll Employment Estimates
Seasonally Adjusted
 (Data in Thousands)

	<u>July</u>	<u>June*</u>	<u>July**</u>	CHANGE***	
	<u>2008</u>	<u>2009</u>	<u>2009</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4160	3841	3879	38	-281
Natural Resources & Mining	8	7	7	0	0
Construction	152	125	122	-3	-30
Manufacturing	573	436	454	18	-119
Transportation Equipment	170	102	119	17	-51
Trade, Transportation & Utilities	770	719	717	-2	-53
Retail Trade	479	457	454	-3	-25
Information	62	56	55	-1	-7
Financial Activities	204	192	192	0	-12
Professional & Business Services	555	490	494	4	-61
Education & Health Services	609	614	619	5	10
Leisure & Hospitality Services	398	388	395	7	-4
Other Services	177	170	169	-1	-7
Government	653	645	657	11	3

* Final data for June

** Preliminary data for July

*** Change calculated using unrounded data

Hours & Earnings for Production Workers
Seasonally Adjusted

Manufacturing

	<u>July</u>	<u>June</u>	<u>July</u>	Change	
	<u>2008</u>	<u>2009</u>	<u>2009</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$997.06	\$851.87	\$958.25	\$106.38	-\$38.81
Average Weekly Hours	43.4	40.7	43.3	2.6	-0.1

Transportation Equipment

Average Weekly Earnings	\$1,314.23	\$1,105.42	\$1,236.57	\$131.15	-\$77.66
Average Weekly Hours	46.7	40.2	44.6	4.4	-2.1

The Department of Energy, Labor & Economic Growth (DELEG) is investing in Michigan's future by helping to create the jobs of today and tomorrow, ensuring that our children and adults have the skills these jobs demand, making Michigan a better place to do business, and training and placing those who need jobs now.

Note to Editors: Please ensure that the source for state unemployment rates reads "Michigan Department of Energy, Labor & Economic Growth."