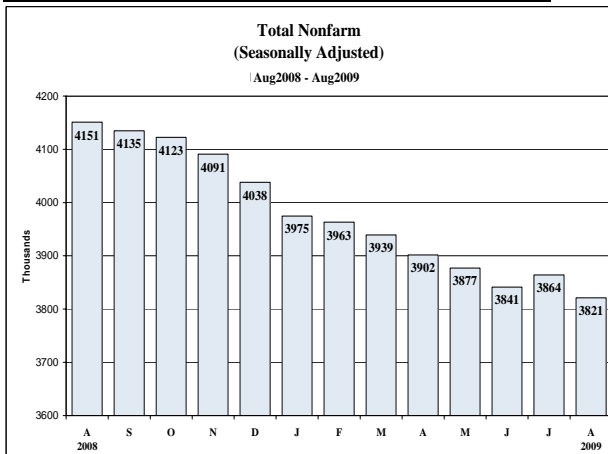


CURRENT EMPLOYMENT STATISTICS
MONTHLY INDUSTRY EMPLOYMENT HIGHLIGHTS
AUGUST 2009 - MICHIGAN
 Seasonally Adjusted Preliminary Estimates

Aneesa I. Rashid

OVERVIEW

MICHIGAN TOTAL NONFARM JOBS (-42,900)



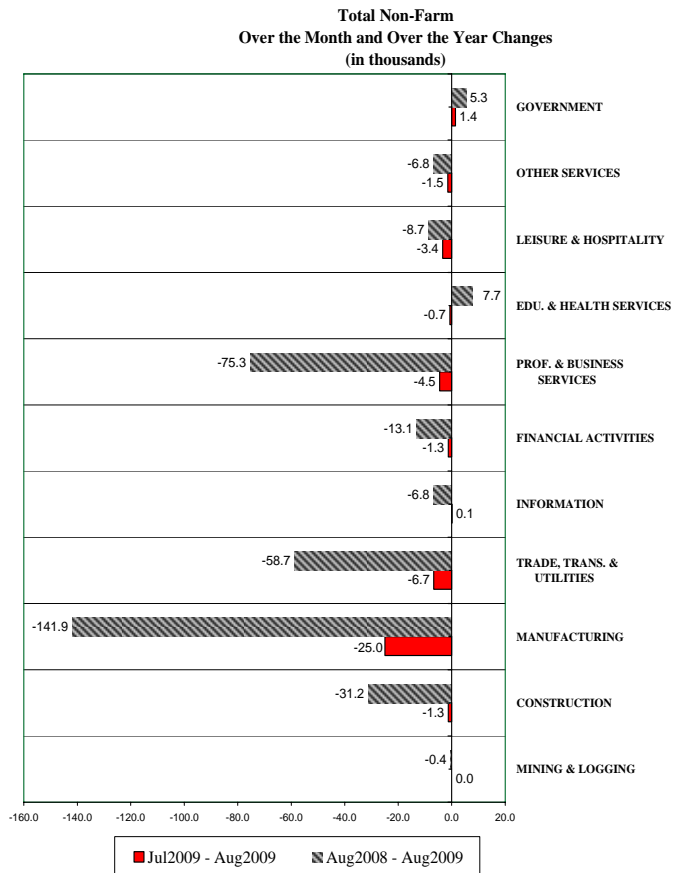
Michigan total nonfarm payroll jobs fell by 42,900 in August, the largest drop since January 2009. Manufacturing accounted for 58 percent of the decline. Significant losses were also recorded in Trade, Transportation and Utilities.

Michigan payrolls continued to be heavily impacted by the automotive industry with sales and inventory levels dictating production schedules. This has resulted in shifts in the timing of layoffs and extended plant shutdowns which have injected considerable volatility in the seasonally adjusted job numbers. This became more pronounced in the summer retooling months of July and August. This year, some plants were idled in May and June, others rebounded in July, and additional layoffs occurred in August. As a result, employment change in July and August did not follow typical seasonal patterns, distorting the seasonally adjusted job estimates.

Since August 2008, Michigan lost 329,900 jobs (-7.9 percent). Over the last 3 months, an average of 18,700 jobs per month were lost compared to an average of 33,000 per month in the first quarter.

Nationally, payrolls continued their downward trend losing 216,000 jobs. Job reductions nationally moderated to a monthly average of 318,000 jobs

over the last 3 months, down from an average of nearly 700,000 per month in the first quarter. Significant job cuts were recorded in Mining and Logging, Construction, Manufacturing, Wholesale Trade and Financial Activities. Education and Health Care continued to expand payrolls. Over the year, U.S. total private sector employment contracted by 5.0 percent with losses primarily in the goods producing sector.



STATISTICALLY SIGNIFICANT CHANGES:

MANUFACTURING jobs declined by 25,000 in Michigan, with the *durable goods* sector dropping by 26,800 due to a reduction of 24,300 workers in the *transportation equipment manufacturing* sector. Over the year, Manufacturing payrolls contracted by 141,900 (-24.9 percent) with *durable goods* industries down by 127,300 (-29.5 percent). *Transportation equipment manufacturing* accounted

for over half the manufacturing decline, shrinking by 74,400 positions (-44.1 percent).

Michigan's average weekly earnings and average weekly hours in *manufacturing* fell by \$66.59 and 2.1 (two and one-tenths of an hour) and in *transportation equipment manufacturing* fell by \$7.04 and 1.0 (one hour).

Nationally, manufacturers shed 69,000 jobs. The pace of decline has slowed considerably from the 161,000 jobs lost per month in the 6 months prior to July. *Motor vehicles and parts* employment had a seasonally adjusted drop of 15,000 jobs as the number of workers returning to payrolls in August were below the norm. Over the year, manufacturing jobs contracted by 1.6 million (-12.1 percent) with motor vehicles and parts employment falling by 207,100 (-24.2 percent).

TRADE TRANSPORTATION AND UTILITIES continued shedding jobs, losing 6,700 (-0.9 percent) which is well above the 3,700 average monthly loss since January. *Wholesale trade* and *Retail trade* contributed to the weakness in the sector. Over the year 58,700 positions (-7.6 percent) were lost. Nationally, the sector eliminated 28,000 jobs in August and 1.2 million (-4.6 percent) over the year. *Retail trade* job cuts moderated to 9,600 in August, the smallest job reduction since January 2008.

OTHER CHANGES:

CONSTRUCTION lost 1,300 jobs in August, which is below the average monthly loss of 3,100 for the prior 7 months. Over the year, jobs contracted by 31,200 (-20.6 percent) for the largest percent decline after manufacturing. Nationally, employment loss moderated to 65,000. Over the year, 15.1 percent of construction workers lost jobs.

FINANCIAL ACTIVITIES continued shedding workers, losing 1,300 positions in August. This loss is consistent with the prior 7 month average decline. Over the year, jobs contracted by 13,100 (-13.1 percent). Nationally, payroll losses moderated to 28,000. Over the year, 435,000 positions (-5.3 percent) were eliminated.

PROFESSIONAL AND BUSINESS SERVICES payrolls contracted by 4,500 over the month and 75,300 (-13.7 percent) over the year. The over the month loss was split between the *professional, scientific and technical services* and *administrative and waste services* components. Over the year, *administrative and waste services* accounted for 59 percent of the sector's loss. This component includes *temporary help services*, which has added jobs in education related services. Therefore, movements in this sector are now reflecting the seasonality of the

school calendar year. This education effect was captured in the large employment reductions in July final estimates. This decline was offset by an increase in local government, which has outsourced education related jobs to temporary help services to deal with budget constraints. The movement of jobs between the two sectors has not been fully captured by the seasonal adjustment process, resulting in large offsetting seasonally adjusted payroll movements. Nationally, employment in professional and business services fell by 22,000, one fifth of the prior six month average decline. Job losses were spread over all the components. Over the year, the sector lost 1.1 million positions (-6.4 percent).

EDUCATION AND HEALTH SERVICES dropped by 700 jobs over the month, with all the losses in *educational services*. *Health services* added 500 positions. Over the year the sector grew by 7,700 (+1.3 percent) with growth concentrated in *health care and social assistance*. Nationally, this sector added 52,000 workers to payrolls with the bulk of the positions in *health care and social assistance*. Over the year the sector grew by 371,000 (+2.0 percent).

LEISURE AND HOSPITALITY shed 3,400 jobs in August after recording 3 consecutive months of job gains. The majority of losses were in *accommodation and food services* (-4,100). Jobs fell by 8,700 (-2.2 percent) over the year. Nationally employment fell by 21,000 in August and 298,000 (-2.2 percent) over the year.

OTHER SERVICES eliminated 1,500 jobs over the month and 6,800 (-3.9 percent) over the year. Nationally, employment fell by 5,000 in August and 114,000 (-2.1 percent) over the year.

GOVERNMENT edged up by 1,400 jobs in August and 5,300 (+0.8 percent) over the year with gains concentrated in the local government sector. Nationally, the Government sector shed 18,000 jobs with cuts in public education and the U.S. Postal Service. Government lost 69,000 jobs (-0.3 percent) since August 2008.

UNCHANGED OVER THE MONTH:

MINING AND LOGGING was unchanged over the month and dropped 400 (-5.1 percent) over the year. Nationally, employment fell by 8,000 in August and by 10.2 percent over the year.

INFORMATION was unchanged (+100) after recording 10 months of consecutive declines. It shrank by 6,800 (-11.0 percent) over the year. Nationally, jobs moderated to a loss of 10,000 in August and by -5.7 percent over the year.