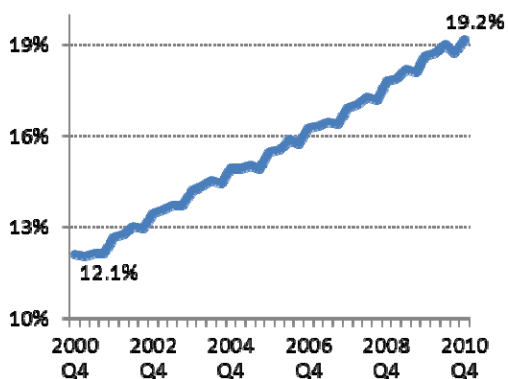


Michigan's Aging Workforce: Identifying Industries with High Concentrations of Older Workers

By: Jacob C. Bisel

Michigan's workforce is getting older. In the final quarter of 2000, less than one in eight workers (12.1 percent) in Michigan was 55 or older. A decade later, nearly one in five (19.2 percent) Michigan workers fell into this age group. (Figure 1) The growth in the number of older workers is not merely the result of demographic trends: Economic uncertainty has the oldest segment of the workforce taking on more hours, and working longer into life, than before.ⁱ

Figure 1: Concentration of Workers 55 and Over in Michigan: 2000 Q4 – 2010 Q4



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Employment Dynamics

However, as increasing numbers of Michigan's baby boom generation hit the Social Security threshold, the state's older workers will soon give way to the next generation of workers. Therefore, it is important to understand which of Michigan's industries currently carry high concentrations of older workers. These are industries that enjoy a great deal of expertise that can be leveraged for future growth, but are also industries that, as

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experience flows out, stand susceptible to knowledge and labor shortfalls.

The remainder of this note will identify the industries in Michigan with the highest concentration of workers age 55 and older. This is possible using data from the Local Employment Dynamics ("LED") program. This program is the result of a partnership between the Bureau of Labor Market Information and Strategic Initiatives and the U.S. Census Bureau. Among other measures, the Local Employment Dynamics program provides local labor market information on employment, job creation, turnover, earnings by industry, and age and gender by industry.

Michigan's Aging Industries

The single highest concentration of older workers in Michigan is in the area of *transit and ground passenger transportation*, where 34 percent of the subsector is 55 or older. (Table 1) This industry includes "a variety of passenger transportation activities, such as urban transit systems; chartered bus, school bus, and interurban bus transportation; and taxis."ⁱⁱ Older workers, perhaps seeking supplemental income in their later years in the labor force, have long made up a relatively high proportion of the subsector – a fact that has become increasingly poignant in recent years as more and more older workers flock to the industry: In 2010, nearly 1 in 4 newly hired workers in the industry was 55 or older, up from 1 in 7 in 2000.

The largest contingent of older workers in Michigan is in the *education services* subsector, where 90,679 older workers comprise more than a quarter of the industry. (Table 1) The majority of these workers are in the *elementary and secondary schools* industry. However, downward pressure on teacher age persists, as public schools work to attract young talent, and state government enacts a set of education reform bills that, among other things, increases the time it takes for a teacher to qualify for tenure and ends the practice of school districts making staffing decisions based solely on seniority.ⁱⁱⁱ

Table 1: Michigan’s 15 Oldest Industries, by Concentration of Older Workers: 2010 Average

Rank	Industry	Total Michigan Employment	# of Older Workers	Concentration of Older Workers
1	Transit and Ground Passenger Transportation	8,843	3,029	34.2%
2	Other Information Services	6,280	1,929	30.7%
3	Museums, Historical Sites, and Similar Institutions	3,282	995	30.3%
4	Administration of Human Resource Programs	14,676	4,291	29.2%
5	Religious, Grantmaking, Civic, Professional, and Similar Organizations	43,972	12,580	28.6%
6	Administration of Environmental Quality Programs	5,627	1,570	27.9%
7	Scenic and Sightseeing Transportation	454	126	27.7%
8	Administration of Economic Programs	9,866	2,705	27.4%
9	Water Transportation	642	176	27.4%
10	Postal Service	23,121*	--	--
11	Educational Services	349,682	90,679	25.9%
12	Pipeline Transportation	923	237	25.7%
13	Administration of Housing Programs, Urban Planning, and Community Development	735	189	25.7%
14	Executive, Legislative, and Other General Government Support	106,902	26,846	25.1%
15	Private Households	7,263	1,820	25.1%

Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Employment Dynamics

A brief review of the 15 industries with the highest concentration of older workers reveals a number of common themes:

- Ten of these industries fall within the *service providing* supersector while the remaining five all share ties to the *government*. Not a single industry in the top 15 falls within the *goods producing* supersector, including industries popularly thought of as relatively old. For example, today, the automotive industry is less concentrated with older workers than the state average. However, in 2005, the industry had a higher concentration of workers 55 and older than the state average, demonstrating the relative impact that the industry’s restructuring efforts have had on the economy and workforce of Michigan.
- Between 2005 and 2010, the employment trend in all 15 industries out-paced the state average. Seven grew over the 5 year span – 8 lost employment – but all fared better than

the 13.7 percent employment contraction witnessed statewide.

- In the third quarter of 2010, the average monthly salary in a majority of these 15 industries was below the state average of \$3,657 per month. Of the six industries that beat the state average, *pipeline transportation* workers earned the most, averaging \$6,531 per month. The lowest average salary went to workers in the *private households*^{iv} industry, who earned just \$1,369 per month.
- According to industry forecasts produced by the Bureau of Labor Market Information and Strategic Initiatives, 6 of the 9 industries for which forecast data are available are expected to grow between 2008 and 2018, and 5 of those are expected to expand more than the statewide average.^v

* While 23,121 Michigan workers, of all ages, were in the *postal service* industry in 2010, age-related data is not available for federal employees working for the United States Postal Service. However, 26 percent of Michigan’s 301 private *postal services* workers are 55 or older, the 10th highest concentration of older workers in 2010. This finding is supported by the fact that in March 2010, then Deputy Postmaster General Patrick Donahoe (now Postmaster General) announced that “[t]he average age of postal employees is 53” (“Patrick Donahoe: Delivering Morale Amid USPS Cuts”, *Bloomberg Businessweek: Executive Insight*, March 30, 2010.) In comparison, the average age of a worker in Michigan in 2008 was 41.4 years.

Appendix 1: Concentration of Older Workers in Michigan's Industries: 2010 Average

Rank	NAICS	Industry	Total Michigan Employment	# of Older Workers	Concentration of Older Workers
1	485	Transit and Ground Passenger Transportation	8,843	3,029	34.2%
2	519	Other Information Services	6,280	1,929	30.7%
3	712	Museums, Historical Sites, and Similar Institutions	3,282	995	30.3%
4	923	Administration of Human Resource Programs	14,676	4,291	29.2%
5	813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	43,972	12,580	28.6%
6	924	Administration of Environmental Quality Programs	5,627	1,570	27.9%
7	487	Scenic and Sightseeing Transportation	454	126	27.7%
8	926	Administration of Economic Programs	9,866	2,705	27.4%
9	483	Water Transportation	642	176	27.4%
10	491	Postal Service *	301	78	26.0%
11	611	Educational Services	349,682	90,679	25.9%
12	486	Pipeline Transportation	923	237	25.7%
13	925	Administration of Housing Programs, Urban Planning, and Community Development	735	189	25.7%
14	921	Executive, Legislative, and Other General Government Support	106,902	26,846	25.1%
15	814	Private Households	7,263	1,820	25.1%
16	331	Primary Metal Manufacturing	17,575	4,329	24.6%
17	211	Oil and Gas Extraction	591	145	24.5%
18	322	Paper Manufacturing	11,569	2,835	24.5%
19	221	Utilities	20,744	4,966	23.9%
20	212	Mining (except Oil and Gas)	3,640	862	23.7%
21	111	Crop Production	13,309	3,128	23.5%
22	115	Support Activities for Agriculture and Forestry	2,131	492	23.1%
23	425	Wholesale Electronic Markets and Agents and Brokers	23,309	5,341	22.9%
24	531	Real Estate	35,745	8,155	22.8%
25	114	Fishing, Hunting and Trapping	186	42	22.6%
26	711	Performing Arts, Spectator Sports, and Related Industries	8,506	1,919	22.6%
27	621	Ambulatory Health Care Services	224,577	50,484	22.5%
28	314	Textile Product Mills	2,041	459	22.5%
29	624	Social Assistance	65,642	14,458	22.0%
30	521	Monetary Authorities-Central Bank	208	46	22.0%
31	442	Furniture and Home Furnishings Stores	11,499	2,511	21.8%
32	524	Insurance Carriers and Related Activities	49,735	10,786	21.7%
33	622	Hospitals	212,198	45,432	21.4%
34	315	Apparel Manufacturing	794	170	21.4%
35	484	Truck Transportation	33,171	7,033	21.2%
36	523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	11,892	2,511	21.1%
37	113	Forestry and Logging	1,558	328	21.0%
38	337	Furniture and Related Product Manufacturing	19,715	4,076	20.7%
39	444	Building Material and Garden Equipment and Supplies Dealers	38,100	7,853	20.6%
40	441	Motor Vehicle and Parts Dealers	50,926	10,483	20.6%
41	453	Miscellaneous Store Retailers	22,178	4,560	20.6%
42	812	Personal and Laundry Services	35,785	7,334	20.5%
43	313	Textile Mills	502	103	20.5%
44	333	Machinery Manufacturing	56,448	11,419	20.2%
45	323	Printing and Related Support Activities	14,279	2,879	20.2%
46	481	Air Transportation	11,830	2,381	20.1%
47	213	Support Activities for Mining	1,626	324	19.9%
48	525	Funds, Trusts, and Other Financial Vehicles	1,526	299	19.6%
49	423	Merchant Wholesalers, Durable Goods	81,956	16,008	19.5%
50	454	Nonstore Retailers	8,628	1,685	19.5%
51	332	Fabricated Metal Product Manufacturing	65,264	12,587	19.3%
52	452	General Merchandise Stores	103,651	19,923	19.2%
53	324	Petroleum and Coal Products Manufacturing	1,289	247	19.2%
54	424	Merchant Wholesalers, Nondurable Goods	46,418	8,822	19.0%
55	334	Computer and Electronic Product Manufacturing	17,595	3,337	19.0%
56	All	NAICS subsectors	3,700,500	699,890	18.9%
57	511	Publishing Industries (except Internet)	15,672	2,959	18.9%
58	339	Miscellaneous Manufacturing	18,466	3,481	18.9%
59	325	Chemical Manufacturing	26,194	4,849	18.5%

Rank	NAICS	Industry	Total Michigan Employment	# of Older Workers	Concentration of Older Workers
60	321	Wood Product Manufacturing	7,626	1,411	18.5%
61	311	Food Manufacturing	35,001	6,416	18.3%
62	335	Electrical Equipment, Appliance, and Component Manufacturing	10,311	1,886	18.3%
63	327	Nonmetallic Mineral Product Manufacturing	10,486	1,915	18.3%
64	551	Management of Companies and Enterprises	46,703	8,344	17.9%
65	237	Heavy and Civil Engineering Construction	18,580	3,315	17.8%
66	623	Nursing and Residential Care Facilities	105,376	18,742	17.8%
67	922	Justice, Public Order, and Safety Activities	19,141	3,403	17.8%
68	336	Transportation Equipment Manufacturing	146,365	25,946	17.7%
69	326	Plastics and Rubber Products Manufacturing	30,530	5,278	17.3%
70	541	Professional, Scientific, and Technical Services	215,428	37,216	17.3%
71	112	Animal Production	5,904	1,020	17.3%
72	533	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	753	130	17.3%
73	515	Broadcasting (except Internet)	5,686	981	17.3%
74	493	Warehousing and Storage	11,093	1,895	17.1%
75	561	Administrative and Support Services	228,821	38,825	17.0%
76	451	Sporting Goods, Hobby, Book, and Music Stores	19,955	3,380	16.9%
77	446	Health and Personal Care Stores	32,431	5,434	16.8%
78	445	Food and Beverage Stores	73,899	12,286	16.6%
79	316	Leather and Allied Product Manufacturing	820	136	16.6%
80	713	Amusement, Gambling, and Recreation Industries	41,888	6,734	16.1%
81	518	Data Processing, Hosting and Related Services	3,544	560	15.8%
82	532	Rental and Leasing Services	14,028	2,214	15.8%
83	236	Construction of Buildings	26,479	4,152	15.7%
84	522	Credit Intermediation and Related Activities	67,389	10,551	15.7%
85	721	Accommodation	42,973	6,694	15.6%
86	811	Repair and Maintenance	34,701	5,400	15.6%
87	488	Support Activities for Transportation	11,446	1,758	15.4%
88	238	Specialty Trade Contractors	75,487	10,595	14.0%
89	562	Waste Management and Remediation Services	10,272	1,377	13.4%
90	492	Couriers and Messengers	9,404	1,186	12.6%
91	517	Telecommunications	22,640	2,848	12.6%
92	447	Gasoline Stations	24,746	2,904	11.7%
93	312	Beverage and Tobacco Product Manufacturing	4,555	525	11.5%
94	448	Clothing and Clothing Accessories Stores	35,775	4,013	11.2%
95	443	Electronics and Appliance Stores	15,199	1,378	9.1%
96	512	Motion Picture and Sound Recording Industries	6,102	530	8.7%
97	722	Food Services and Drinking Places	280,854	19,231	6.8%

Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Employment Dynamics

ⁱ U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey. (To illustrate, between 1976 and 1999, the share of workers in the U.S. age 65 and older who worked full-time hovered at or below 50 percent. Since 1999, the share of full-time workers has steadily risen, reaching 58 percent in 2010.)

ⁱⁱ U.S. Department of Commerce, Bureau of the Census, North American Industry Classification System (NAICS).

ⁱⁱⁱ M.C.L. §§ 38.81, 380.1248 (2011).

^{iv} The *private households* industry includes “private households that engage in employing workers on or about the premises in activities primarily concerned with the operation of the household. These private households may employ individuals, such as cooks, maids, and butlers, and outside workers, such as gardeners, caretakers, and other maintenance workers.” (NAICS).

^v Michigan Department of Technology, Management and Budget, Bureau of Labor Market Information and Strategic Initiatives, Industry Forecasts. www.michigan.gov/lmi