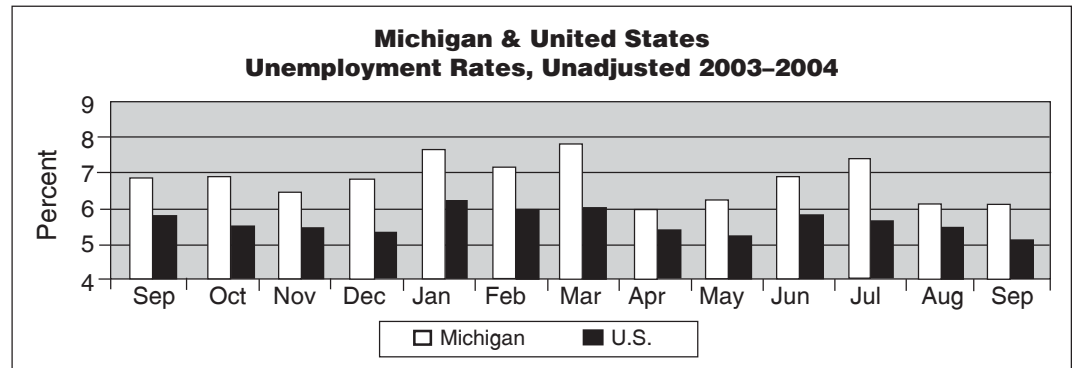


# Michigan's September Unemployment Rate Remains at 6.2 Percent

Michigan's unemployment rate (unadjusted) remained unchanged during the month of September, holding steady at 6.2 percentage points. Although the unemployment rate did not change, labor force, employment and the unemployment levels did move down during the month. The state's civilian labor force decreased by 55,000, dropping to 5,041,000, while employment contracted by 54,000, moving down to 4,727,000. Unemployment totals edged down 1,000 to 314,000. The reductions in the labor force and employment levels during the month of September were seasonal and were caused primarily by youth leaving their summer jobs and going back to

school, and by seasonal job cuts in the leisure and hospitality industries. These were most evident in the three northernmost areas - the Upper Peninsula, the Northeast and Northwest Lower Michigan Regions. The nation's jobless rate (unadjusted) decreased during September, moving down by 0.3 percentage points to 5.1 percent.

Compared to a year ago, September's labor force decreased by 1,000, employment moved up by 37,000 and unemployment fell by 38,000. This has resulted in an over-the-year decrease of 0.8 percentage points in the state's jobless rate.



## Summer Vacation Ends, Educational Facilities Resume Classes

Michigan's nonfarm employment moved up during the month of September, with industry jobs advancing to 4,383,000. Employment opportunities increased by a total of 40,000 jobs, with gains recorded in the service-providing sector of the economy. Payroll job expansion was concentrated in the government sector, up by 80,000 jobs during the month, as state and local educational facilities reopened for the fall semester. Seasonal job losses were recorded in the leisure and hospitality industry, mainly in accommodation and food services. Small employment reductions were also observed in financial activities, professional and business services, and retail trade. Goods producing employment declined by 11,000 jobs, mostly due to seasonal losses in the construction industry, down by 5,000 jobs (mainly in special trade contractors), and in the durable goods sector following production adjustments in the automotive industry.

In September, average weekly hours in Michigan's manufacturing industries increased to 42.4 hours from 42.0 hours in the previous month, while average hourly earnings moved up by 26 cents to \$21.91. As a result, average weekly earnings in manufacturing expanded to \$928.98, a gain of \$19.68 from the previous month's total.

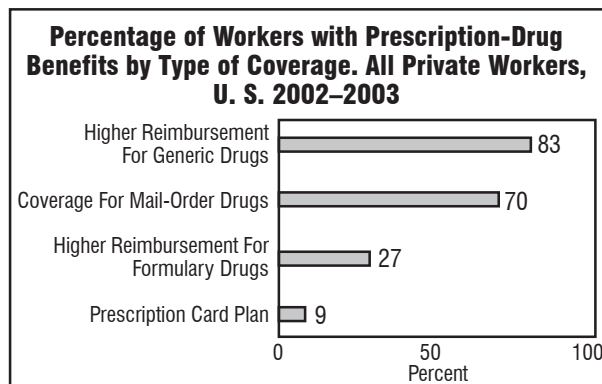
Michigan Hours and Earnings September & August, 2004				
	Average Hourly Earnings		Average Weekly Hours	
	2004		2004	
	Sep.	Aug	Sep	Aug
Manufacturing	\$21.91	\$21.65	42.4	42.0
Durables	23.46	23.10	43.3	43.0
Transport Equipment	28.83	28.41	45.3	44.5
Nondurables	15.13	15.12	39.0	38.2

## Cost-Saving Incentives in Prescription Drug Coverage Private Industry, 1992-2003

The U.S. Department of Labor, Bureau of Labor Statistics, in an article published recently, reports that although prescription drug coverage remains an integral part of employee health care plans, employers have implemented a variety of methods to reduce the rising costs of such coverage. The plans offered are as follows:

- A) **Prescription drug cards**, which require a monthly fee and allow the card holder discounts on prescription drugs. Prescription cards were offered to 9 percent of employees with prescription drug coverage during 2003.
- B) **Tiered system**, featuring a "formulary" coverage which is a list of drugs that are covered at the highest level. Medications not on the formulary system usually require a higher copayment by the enrollee. Such a feature was offered to 27 percent of the employees with prescription drug coverage.
- C) Many plans cover **mail-order drugs** more generously than those purchased in a local pharmacy. The plan provider contracts with a pharmacy to purchase a large quantity of commonly prescribed drugs at discount prices. In turn, the patients are given the incentive of higher coverage for purchasing through their mail-order services. In 2003, mail-order drugs were offered to 70 percent of the employees with prescription drug coverage.
- D) **Generic drugs** tend to be priced lower than their brand-name counterparts. When enrollees choose a generic over a brand-name drug to fill a prescription, the plan sponsor accrues substantial savings; therefore many plans offer more generous coverage for generic substitutes. The percentage of employees in plans that offer this type of cost-saving incentive has increased markedly over the past decade, to 83 percent in 2003.

Source: U.S. Department of Labor, Bureau of Labor Statistics, September 2004.



	<b>Michigan</b>		
	(Data In Thousands)		
	<b>Sep 2004</b>	<b>Aug 2004</b>	<b>Sep 2003</b>
<b>Place of Residence</b>			
Labor Force	5,041	5,096	5,042
Employment	4,727	4,781	4,690
Unemployment	314	315	352
Rate (Percent)	6.2	6.2	7.0
<b>Industry Jobs (Place of Work)</b>			
Total Nonfarm	4,383	4,343	4,437
Goods-Producing	914	925	932
Nat Resources & Mining	8	8	8
Construction	201	206	203
Manufacturing	705	711	721
Durable Goods	554	560	570
Fabricated Metals	83	83	81
Machinery Manufact.	75	76	75
Transportation Equip.	263	268	279
Nondurable Goods	151	151	151
Service-Providing	3,470	3,418	3,505
Trade, Transport & Util.	800	804	816
Wholesale Trade	175	175	173
Retail Trade	500	503	517
Motor Vehicle Dealers	64	64	62
Food & Beverage Stores	88	90	91
General Merchandise	113	113	120
Transp, Warehousing & Util	125	126	126
Information	66	67	70
Financial Activities	215	218	220
Finance & Insurance	156	157	163
Real Estate & Rental	59	61	57
Prof & Business Services	597	599	595
Prof, Scientific & Technical	246	248	245
Management Scientific Services	20	20	20
Administrative Support	271	272	272
Education & Health Services	541	538	543
Education Services	68	65	73
Health Care & Social Asst	473	474	470
Leisure & Hospitality	407	429	411
Arts, Entertainment & Rec	64	70	70
Accommodation & Food	343	359	340
Other Services	178	174	171
Government	668	588	680
Federal	55	56	56
State	165	152	166
Local	447	380	459

## Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit		
	(Data in Thousands)								
	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003
<b>Place of Residence</b>									
Labor Force	318,900	320,200	314,000	83,200	83,900	81,500	2,226	2,253	2,229
Employment	307,000	308,600	301,100	78,000	78,400	75,700	2,076	2,104	2,066
Unemployment	11,900	11,600	12,900	5,200	5,400	5,900	150	149	163
Rate (Percent)	3.7	3.6	4.1	6.2	6.5	7.2	6.7	6.6	7.3

### Place of Work

Total Nonfarm Jobs	290,300	285,600	291,100	70,200	69,000	69,700	2,034	2,019	2,060
Nat Resources & Construction	11,700	12,100	12,500	2,400	2,500	2,500	87	88	88
Manufacturing	39,700	40,100	41,100	17,400	17,000	16,300	310	310	317
Trade, Transport & Utilities	42,300	42,300	43,000	13,000	13,100	13,100	379	379	388
Wholesale Trade	7,800	7,700	7,500	2,600	2,600	2,600	96	95	96
Retail Trade	29,900	30,100	30,800	8,100	8,200	8,200	216	217	224
Information	4,900	5,000	5,200	900	900	900	35	35	37
Financial Activities	10,700	10,900	11,400	2,200	2,300	2,200	114	117	119
Professional & Business Serv	40,300	40,800	37,700	5,700	5,700	5,700	371	372	367
Educational & Health Serv	29,900	29,700	30,800	10,200	9,800	10,200	248	248	249
Leisure & Hospitality	23,900	25,100	23,100	6,600	7,100	6,900	183	189	185
Other Services	8,700	8,700	8,600	3,500	3,400	3,400	79	77	75
Government	78,200	70,900	77,700	8,300	7,200	8,500	228	204	235

### Kalamazoo-Battle Creek

### Lansing

### Saginaw-Bay-Midland

	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003
	<b>Place of Residence</b>								
Labor Force	234,200	234,600	231,700	246,100	247,100	251,800	190,900	193,400	197,100
Employment	221,200	221,500	217,500	234,200	235,200	240,300	177,000	179,600	181,200
Unemployment	13,000	13,200	14,300	11,900	11,900	11,500	13,900	13,900	15,900
Rate (Percent)	5.6	5.6	6.2	4.8	4.8	4.6	7.3	7.2	8.1

### Place of Work

Total Nonfarm Jobs	209,600	203,600	210,800	232,000	227,900	243,700	166,000	164,600	173,800
Nat Resources & Construction	10,200	10,500	10,300	10,700	10,800	10,200	6,900	6,800	8,600
Manufacturing	39,200	38,800	40,000	18,300	20,900	24,000	21,400	21,800	23,500
Trade, Transport & Utilities	35,700	36,100	36,500	36,000	36,800	38,600	31,700	30,900	33,100
Wholesale Trade	6,000	6,100	5,900	5,900	6,000	6,000	4,500	4,400	4,500
Retail Trade	24,700	25,000	25,700	24,100	24,700	26,400	22,800	22,100	24,300
Information	2,000	2,000	2,100	3,300	3,300	3,500	2,700	2,700	2,900
Financial Activities	10,200	9,300	9,200	16,900	17,200	17,000	7,300	7,400	7,200
Professional & Business Services	20,900	20,800	20,200	19,300	19,800	21,400	21,200	21,300	23,200
Educational & Health Services	27,200	27,300	26,400	23,400	22,900	25,000	27,400	27,100	26,400
Leisure & Hospitality	19,400	19,500	20,000	20,200	20,900	20,300	16,100	17,800	16,600
Other Services	9,200	9,200	9,300	10,900	10,900	10,800	7,800	7,800	7,800
Government	35,600	30,100	36,800	73,000	64,400	72,900	23,500	21,000	24,500

## Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Holland Muskegon			Jackson		
	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003
<b>Place of Residence</b>									
Labor Force	183,500	183,400	186,000	610,600	615,900	607,300	77,900	79,300	79,800
Employment	168,400	168,200	168,600	574,100	578,900	562,100	73,100	74,200	73,600
Unemployment	15,200	15,200	17,400	36,500	36,900	45,200	4,800	5,100	6,200
Rate (Percent)	8.3	8.3	9.4	6.0	6.0	7.4	6.2	6.4	7.8

### Place of Work

Total Nonfarm Jobs	157,500	154,600	161,100	565,400	558,200	564,200	60,900	60,600	62,600
Nat Resources & Construction	7,700	8,200	7,600	28,300	29,300	28,800	2,600	2,700	2,600
Manufacturing	22,200	22,300	24,800	128,300	127,800	127,400	10,100	10,200	10,100
Trade, Transport & Utilities	30,500	30,500	31,000	110,200	108,300	109,400	12,100	12,300	13,100
Wholesale Trade	6,600	6,600	6,500	31,900	29,800	30,100	1,700	1,700	1,700
Retail Trade	20,500	20,500	21,100	63,400	63,800	65,100	7,800	7,900	8,400
Information	2,100	2,100	2,200	7,800	7,800	8,100	500	500	500
Financial Activities	6,800	6,900	6,700	23,900	23,800	23,700	2,500	2,500	2,500
Professional & Business Service	17,800	18,000	18,900	64,800	66,800	62,500	4,500	4,500	4,600
Educational & Health Services	23,900	23,800	23,500	73,900	72,000	73,400	9,600	9,500	9,500
Leisure & Hospitality	15,600	16,200	15,300	48,100	50,400	49,600	5,300	5,200	5,500
Other Services	6,800	6,800	6,400	22,000	22,300	23,100	2,700	2,700	2,700
Government	24,100	19,800	24,700	58,100	49,700	58,200	11,000	10,500	11,500

### Upper Peninsula

### Northeast Lower Michigan

### Northwest Lower Michigan

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003	Sep 2004	Aug 2004	Sep 2003
<b>Place of Residence</b>									
Labor Force	158,000	159,800	156,300	95,600	97,500	94,900	155,800	162,600	153,000
Employment	150,300	151,500	147,100	89,700	91,400	87,800	147,100	153,700	143,200
Unemployment	7,700	8,300	9,200	5,900	6,100	7,100	8,700	8,900	9,800
Rate (Percent)	4.9	5.2	5.9	6.1	6.3	7.5	5.6	5.4	6.4

**Selected Occupations With the Highest Projected Growth  
Flint MSA, 2000–2010**



### Regional Focus

#### Projected Number of Annual Openings of Selected Occupations in the Flint MSA, 2000–2010

The total number of annual openings by occupation in the Flint MSA between 2000 and 2010 is projected to reach 6,510. Almost 20 percent of the projected openings will come from employment growth, while the rest will come from the need to replace workers. The occupations with the largest number of annual openings are: retail salespersons (379), followed by cashiers (292) and waiters (246). Noteworthy are registered nurses, with 142 annual openings.

# September Jobless Rates Register Little Change in Michigan's Major Areas

September unemployment rates (unadjusted) were stable throughout Michigan's 12 major labor market areas. Jobless rates declined in four areas (Benton Harbor and Jackson Metropolitan Statistical Areas [MSAs], the Upper Peninsula, and the Northeast Lower Michigan Region), increased in four areas, and remained unchanged in the remaining four areas. The rate changes were marginal, with no region's change fluctuating by more than three-tenths of a percentage points. Over the month, labor force and employment levels fell seasonally in 11 of the state's 12 major labor market areas, with the average decline in employment totals reaching 0.8 percent. The only area to record slight gains in labor force

and employment was the Flint MSA. Most major areas displayed typical seasonal labor market patterns in September. Labor force withdrawal among youth returning to school and a decline in summer tourism-related employment more than offset seasonal employment gains in both state and local government education.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 3.7 percent, followed by Lansing with 4.8 percent, and the Upper Peninsula with 4.9 percent. The highest jobless rate in the month of September was recorded by the Flint MSA at 8.3 percent, followed by the Saginaw-Bay-Midland MSA with 7.3 percent.

## Michigan's Major Areas Show Seasonal Increases in Nonfarm Employment

Total nonfarm employment increased in all of Michigan's nine Metropolitan Statistical Areas during the month of September, as state and local educational facilities recalled their staff with the reopening of the new academic year. The Kalamazoo area, home of Western Michigan University, exhibited the largest percentage job growth for the month with 2.9 percent, followed by Flint (strong gains in local education) up by 1.9 percent, and the Lansing area, home of Michigan State University, up by 1.8 percent. The employment gains in government more than made up for seasonal losses in retail trade and leisure and hospitality services. Most of the major areas also exhibited small employment reductions in their goods-producing sectors, mainly due to seasonal declines in the construction industries. Some areas also reported decreases in their transportation equipment sectors, caused by tempo-

rary production adjustments. The largest percentage employment drop in this sector was reported by the Lansing MSA, down by 23.8 percent, following a temporary assembly plant shut-down.

During September, average weekly hours in manufacturing advanced in five major areas. The gains were due to more hours worked in both the durable and nondurable goods sectors. Average hourly earnings also moved up in five areas during the month, with gains recorded in the durable goods industries. The total effect of these changes was that average weekly earnings expanded in six of the major areas. The largest gains in weekly earnings were reported in the Flint area, up by \$78.34, followed by the Saginaw-Bay-Midland and the Ann Arbor areas with increases of \$63.97 and \$51.00, respectively.

**Manufacturing Hours and Earnings  
Major Labor Market Areas,\* September and August 2004**

Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	Sep	Aug	Sep	Aug	Sep	Aug
Ann Arbor	43.9	42.9	\$26.54	\$25.97	\$1,165.11	\$1,114.11
Benton Harbor	40.2	43.7	15.29	15.69	614.66	685.65
Detroit	43.7	43.2	25.30	25.14	1,105.61	1,086.05
Flint	46.9	45.4	31.64	30.96	1,483.92	1,405.58
Grand Rapids-Muskegon-Holland	40.2	40.8	16.58	16.17	666.52	659.74
Jackson*						
Kalamazoo-Battle Creek	39.3	41.6	15.57	15.76	611.90	655.62
Lansing	43.6	42.7	24.60	24.89	1,072.56	1,062.80
Saginaw-Bay-Midland	46.5	44.7	26.10	25.72	1,213.65	1,149.68

\* Data are not available for the Jackson, Upper Peninsula, Northeast Lower Michigan, and Northwest Lower Michigan areas.

## Michigan's Food Inflation Lower in 2003

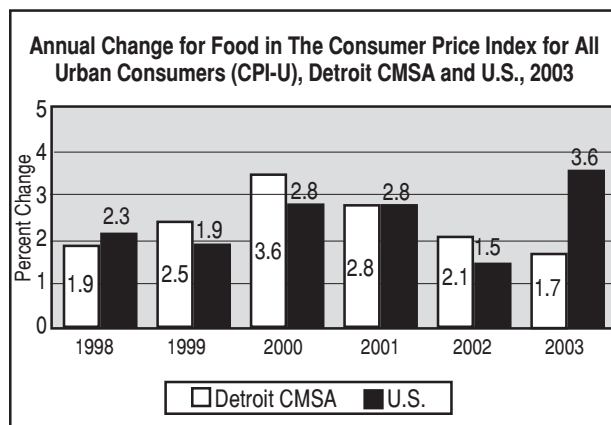
Food and Beverages is one of the major item groups within the consumer price index (CPI). This group consists of three main sectors: Food at home, Food away from home and Alcoholic beverages. Food at home, the dominant component, is organized into the following expenditure categories: cereals and bakery goods; meat, poultry, fish and eggs; dairy products; fruits and vegetables; and other food at home.

The rate of food inflation in Michigan moderated for the fourth consecutive year, dropping to 1.7 percent in 2003, compared with 2.1 percent in 2002. The food at home index (mainly grocery store food) moved up by only 1.0 percent, while the food away from home index (restaurant food) advanced by 1.6 percent. Alcoholic beverages increased by 2.0 percent.

Nationally, in 2003 food inflation expanded by 3.6 percent, compared with 1.5 percent in the prior year. Increases in the nation's prices of food were reported all across the board. The sharpest price increases in 2003 were recorded in beef, veal, and eggs. Price increases for pork, chicken, fish and sea food, dairy products, fresh vegetables, and cereal and bakery products, while not as high, were noticeably higher than in 2002.

In 2003, beef and vegetable prices jumped by 23.5 percent compared to 0.6 percent in 2002. Beef production fell last year by 3.1 percent, while cold storage stocks moved down by 24.5 percent. Poor feeding conditions combined with a ban on beef imports from Canada following the discovery of mad cow disease, were some of the major reasons for the shortage. During 2003, pork prices grew by 5.2 percent compared to 2.4 percent to 2002; chicken prices were up by 4.7 percent compared to 0.1 percent; fish and seafood increased by 2.7 percent, following an increase of 1.1 percent in 2002; and the egg index jumped by 30.1 percent, the highest since 1989.

Source: Consumer Expenditure Report, U.S. Department of Labor, Bureau of Labor Statistics, July 2004.



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