

Michigan's November Unemployment Rate Increases to 6.5 Percent

Michigan's unadjusted unemployment rate moved up by 0.5 percentage point during the month of November, bringing the state's jobless rate to 6.5 percent, up from 6.0 percent in October. The state's civilian labor force dipped by 1,000 during the month to 5,096,000, while employment declined by 26,000 to 4,765,000. Unemployment totals increased by 24,000 to 331,000. Joblessness rose in November for seasonal reasons, such as job cuts in construction and the leisure and hospitality industry, and due to auto-related manufacturing employment

reductions. The uncertainty concerning Michigan's economic recovery continues to have an impact on the state's labor market. The nation's unemployment rate (unadjusted) also increased during November, moving up by 0.1 percentage point to 5.2 percent.

Compared to a year ago, November's labor force increased by 12,000, employment expanded by 34,000 and unemployment fell by 21,000. This has resulted in an over-the-year decrease of 0.4 percentage points in the state's jobless rate.



Nonfarm Employment Declines Seasonally During November

Michigan's nonfarm employment moved down during the month of November, as industry jobs decreased to 4,420,000. Employment opportunities contracted by 14,000 jobs, with losses recorded in both the goods-producing and service-providing sectors of the economy. Goods-producing employment fell by 9,000 during the month, partly due to seasonal reductions in the construction industry (specialty trade contractors). Losses were also recorded in manufacturing, mainly in the durable goods sector (temporary production adjustments in transportation equipment), down by 5,000 jobs. The service-providing sector fell by 5,000 jobs, as seasonal gains in retail trade (general merchandise stores), and government (local educational facilities), were not enough to make up for seasonal losses in the professional and business services (mainly in administrative support services), and leisure and hospitality services (arts, entertainment, and recreation; amusement and gambling; and

accommodation and food services).

In November, the average weekly hours in Michigan's manufacturing industries fell to 42.7 hours from 42.8 hours in October, while average hourly earnings increased by 4 cents to \$21.75. As a result, average weekly earnings in manufacturing declined to \$928.73, a loss of \$0.46 from last month's total.

	Average Hourly Earnings		Average Weekly Hours	
	2004 Nov.	2004 Oct.	2004 Nov.	2004 Oct.
Manufacturing	\$21.75	\$21.71	42.7	42.8
Durables	23.23	23.25	43.5	43.8
Transport Equipment	28.77	28.65	44.6	45.3
Nondurables	15.25	14.91	39.2	39.1

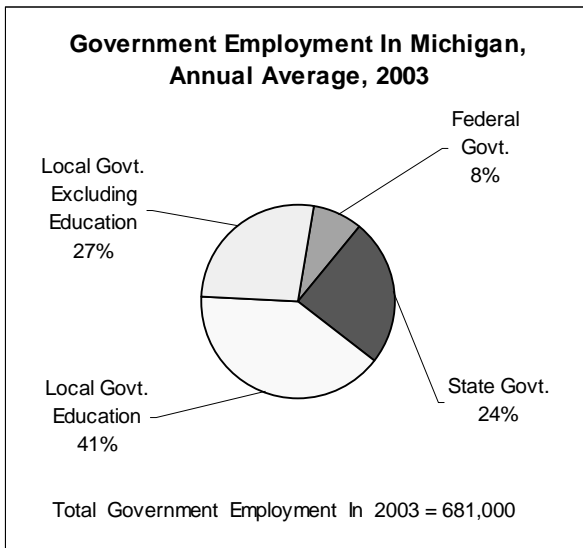
Government Employment in Michigan

Between the years 2000 (the year preceding the 2001 recession) and 2003, Michigan's total nonfarm employment has been dropping steadily, losing an annual average of 66,000 jobs. In 2003, the state's average employment stood at 4,412,000, a drop of 262,000 jobs or 5.6 percent from 2000. In comparison, total government employment in 2003 stood at 681,000, virtually unchanged from 2000 totals of 682,000. As a result, Michigan's public sector increased its share of total nonfarm employment. During 2000, Michigan's annual average government jobs stood at 14.6 percent of total nonfarm employment. In 2003, it edged up to 15.4 percent.

Between 2001 and 2003, Michigan's federal government employment remained unchanged at 56,000 (in 2000 federal employment temporarily increased to 60,000, following short term hiring of census workers). State government employment fell slightly during this period, reaching 167,000 in 2003, a drop of 3,000 jobs from 2000.

The third component of public employment, local government, moved up by 8,000 jobs during this period. While local government excluding education increased by 2,000 jobs between 2000 and 2003, local government education (the largest component in all the government sectors), increased from 267,000 to 273,000, a gain of over 2 percent. Local educational employment not only increased in absolute numbers, but also rose in the share of total nonfarm employment, from 5.7 percent in 2000 to 6.2 percent in 2003.

Source: DLEG, Bureau of Labor Market Information & Strategic Initiatives.



	Michigan		
	(Data In Thousands)		
	Nov 2004	Oct 2004	Nov 2003
Place of Residence			
Labor Force	5,096	5,097	5,084
Employment	4,765	4,791	4,731
Unemployment Rate (Percent)	331	307	352
	6.5	6.0	6.9
Industry Jobs (Place of Work)			
Total Nonfarm	4,420	4,434	4,459
Goods-Producing	909	918	925
Nat Resources & Mining	8	8	8
Construction	199	202	196
Manufacturing	702	708	721
Durable Goods	552	557	571
Fabricated Metals	83	84	82
Machinery Manufact.	75	75	73
Transportation Equip.	261	265	282
Nondurable Goods	150	151	150
Service-Providing	3,511	3,516	3,533
Trade, Transport & Util.	809	801	830
Wholesale Trade	173	173	176
Retail Trade	513	503	530
Motor Vehicle Dealers	63	63	61
Food & Beverage Stores	88	89	92
General Merchandise	122	115	128
Transp, Warehousing & Util	123	125	124
Information	66	66	70
Financial Activities	214	214	218
Finance & Insurance	156	155	161
Real Estate & Rental	58	59	57
Prof & Business Services	592	601	586
Prof, Scientific & Technical	249	248	246
Management Scientific Services	20	20	20
Administrative Support	264	273	261
Education & Health Services	560	556	559
Education Services	85	83	87
Health Care & Social Asst	475	473	472
Leisure & Hospitality	389	403	392
Arts, Entertainment & Rec	52	59	58
Accommodation & Food	337	344	334
Other Services	176	177	171
Government	705	699	708
Federal	55	55	55
State	174	175	172
Local	476	470	480

Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit		
	(Data in Thousands)								
	Nov 2004	Oct 2004	Nov 2003	Nov 2004	Oct 2004	Nov 2003	Nov 2004	Oct 2004	Nov 2003
Place of Residence									
Labor Force	327,100	327,100	321,800	82,900	83,200	82,400	2,249	2,246	2,242
Employment	314,700	315,800	309,500	77,500	78,200	76,400	2,099	2,104	2,086
Unemployment	12,400	11,400	12,300	5,400	5,000	6,000	150	142	156
Rate (Percent)	3.8	3.5	3.8	6.5	6.1	7.3	6.6	6.3	7.0

Place of Work

Total Nonfarm Jobs	297,100	297,300	296,600	69,900	70,200	69,600	2,043	2,045	2,067
Nat Resources & Construction	11,700	12,300	12,000	2,500	2,500	2,400	86	87	87
Manufacturing	40,000	40,200	41,700	16,900	17,100	16,100	307	310	319
Trade, Transport & Utilities	43,300	42,600	44,300	12,800	12,800	13,100	388	380	397
Wholesale Trade	7,700	7,700	7,600	2,600	2,600	2,600	95	94	97
Retail Trade	31,000	30,400	31,900	8,000	7,900	8,300	225	219	232
Information	4,900	4,900	5,200	900	900	900	35	35	37
Financial Activities	10,700	10,600	11,100	2,200	2,200	2,200	115	115	117
Professional & Business Service	40,700	40,400	38,200	5,600	5,700	5,600	366	369	358
Educational & Health Service	30,800	30,400	31,100	10,300	10,300	10,400	251	250	251
Leisure & Hospitality	23,200	23,700	21,700	6,500	6,500	6,600	177	183	180
Other Services	8,600	8,600	8,600	3,400	3,400	3,500	76	77	76
Government	83,200	83,600	82,700	8,800	8,800	8,800	243	239	245

Kalamazoo-Battle Creek

Lansing

Saginaw-Bay-Midland

Nov 2004	Oct 2004	Nov 2003	Nov 2004	Oct 2004	Nov 2003	Nov 2004	Oct 2004	Nov 2003
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Place of Residence

Labor Force	238,300	237,600	237,200	253,000	253,200	255,100	194,400	194,300	198,600
Employment	224,500	224,700	222,700	237,300	238,300	243,500	180,400	181,000	182,600
Unemployment	13,700	12,900	14,600	15,600	14,900	11,600	14,000	13,300	15,900
Rate (Percent)	5.8	5.4	6.1	6.2	5.9	4.5	7.2	6.9	8.0

Place of Work

Total Nonfarm Jobs	212,700	212,000	213,800	235,000	235,200	244,800	168,900	168,800	173,700
Nat Resources & Construction	10,300	10,300	10,300	10,800	11,000	10,200	6,600	6,600	7,300
Manufacturing	38,800	38,000	40,100	18,200	18,500	23,700	22,000	22,100	23,000
Trade, Transport & Utilities	35,900	35,800	37,200	37,200	36,300	39,500	32,500	32,300	33,500
Wholesale Trade	6,000	6,000	6,300	5,800	5,800	6,200	4,400	4,400	4,600
Retail Trade	25,100	24,800	26,100	25,200	24,300	27,100	23,800	23,500	24,700
Information	2,000	1,900	2,100	3,300	3,300	3,500	2,700	2,700	2,900
Financial Activities	10,600	10,400	9,100	16,300	16,400	17,000	7,400	7,300	7,400
Professional & Business Services	19,600	21,200	19,900	19,400	19,600	21,100	22,000	21,700	23,400
Educational & Health Services	28,400	28,200	27,600	23,400	23,500	25,200	28,400	28,100	27,000
Leisure & Hospitality	19,800	19,700	19,600	18,900	19,700	18,700	15,100	15,900	15,900
Other Services	9,100	9,100	9,300	10,900	10,900	10,900	7,800	7,800	8,000
Government	38,200	37,400	38,600	76,600	76,100	75,000	24,400	24,300	25,300

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Holland Muskegon			Jackson		
	Nov	Oct	Nov	Nov	Oct	Nov	Nov	Oct	Nov
	2004	2004	2003	2004	2004	2003	2004	2004	2003
Place of Residence									
Labor Force	187,500	187,400	188,000	617,400	617,900	612,600	78,700	79,100	80,500
Employment	171,900	172,600	171,000	579,800	582,200	567,900	73,700	74,400	74,600
Unemployment	15,600	14,800	17,000	37,500	35,700	44,700	5,000	4,700	5,900
Rate (Percent)	8.3	7.9	9.1	6.1	5.8	7.3	6.4	6.0	7.4

Place of Work

Total Nonfarm Jobs	160,600	160,200	162,900	568,500	569,800	565,400	61,300	61,500	63,100
Nat Resources & Construction	7,700	7,900	7,300	27,400	28,000	27,200	2,600	2,600	2,500
Manufacturing	22,100	22,600	24,500	126,600	128,000	126,200	10,100	10,200	10,000
Trade, Transport & Utilities	31,400	30,600	31,400	108,100	107,100	110,100	12,100	12,100	13,500
Wholesale Trade	6,500	6,500	6,600	30,000	30,200	29,800	1,700	1,700	1,700
Retail Trade	21,600	20,700	21,500	63,800	62,500	65,900	7,800	7,800	8,700
Information	2,100	2,100	2,200	8,000	8,000	8,200	500	500	500
Financial Activities	7,000	7,000	7,000	23,700	23,800	23,100	2,500	2,500	2,500
Professional & Business Services	17,900	18,000	18,200	65,000	65,200	63,300	4,500	4,500	4,500
Educational & Health Services	24,200	24,100	24,300	81,000	79,400	76,500	9,800	9,700	9,600
Leisure & Hospitality	15,900	15,800	15,400	45,600	47,700	47,000	5,300	5,300	5,600
Other Services	6,800	6,800	6,500	21,400	21,600	23,700	2,700	2,700	2,700
Government	25,500	25,300	26,100	61,700	61,000	60,100	11,200	11,400	11,700

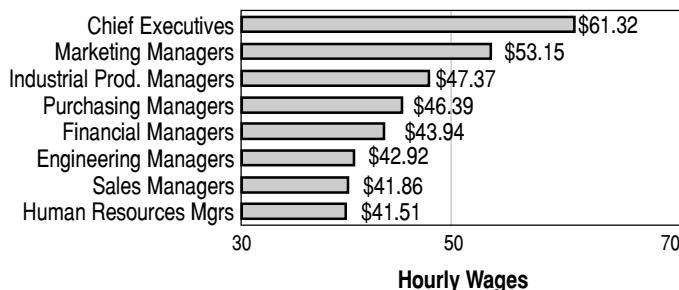
Upper Peninsula

Northeast Lower Michigan

Northwest Lower Michigan

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Nov	Oct	Nov	Nov	Oct	Nov	Nov	Oct	Nov
	2004	2004	2003	2004	2004	2003	2004	2004	2003
Place of Residence									
Labor Force	156,600	157,900	154,800	94,200	95,000	94,000	154,000	154,900	151,900
Employment	146,300	150,200	143,300	85,900	89,000	84,500	143,100	146,200	139,900
Unemployment	10,300	7,700	11,500	8,300	6,100	9,500	11,000	8,700	12,000
Rate (Percent)	6.6	4.9	7.4	8.8	6.4	10.1	7.1	5.6	7.9

Average Hourly Wages for Selected Managerial Occupations Kalamazoo MSA November, 2003



Regional Focus

Average Hourly Wages, Managerial Occupations, Kalamazoo MSA, November 2003

During 2003 there were 650 chief executives employed in the Kalamazoo MSA. These executives received the highest average hourly wages at \$61.32. Marketing managers (150), and industrial production managers (500) were second and third with salaries averaging \$53.15 and \$47.37, respectively. The managerial occupation with the lowest average hourly wage for the period was food service managers (230), with \$17.89.

November Unemployment Totals Rise in All of Michigan's Major Areas

During November, the number of unemployed persons moved up in all of Michigan's 12 major labor market areas. Over the month, employment levels fell in all the areas while labor force totals remained mixed. The result of these changes was that unemployment rates increased in all 12 major areas. The rate increases were moderate in Michigan's southern areas, moving up by either 0.3 or 0.4 percent. However, in the three northernmost labor market areas, the Northeast and the Northwest Lower Michigan Regions, as well as the Upper Peninsula, jobless rate hikes were higher, advancing by 2.4 percent, 1.5 percent and 1.7 percent, respectively. The jobless rate gains in these areas were due to typical seasonal declines in tourism-related employment. Since November 2003, unemployment

rates fell in 10 of Michigan's labor market areas. Many decreases were significant, with a median drop of 0.8 of a percentage point. Three areas, the Grand Rapids-Muskegon-Holland Metropolitan Statistical Area (MSA), the Jackson MSA, and the Northwest Lower Michigan Region displayed rates drop of a full percentage point or more.

Among Michigan's major labor markets, the Ann Arbor MSA had the lowest unemployment rate at 3.8 percent, followed by the Kalamazoo-Battle Creek MSA with 5.8 percent, and the Grand Rapids MSA with 6.1 percent. The highest jobless rate in the month of November was recorded by the Northeast Lower Michigan Region with 8.8 percent.

Michigan's Major Areas Show Small Changes in Nonfarm Jobs

Total nonfarm employment revealed a mixed picture in Michigan's nine MSAs during November. Three of the areas, Flint, Kalamazoo-Battle Creek, and Saginaw-Bay-Midland MSAs experienced payroll job advances, with Kalamazoo showing the largest gain at 0.3 percent. Among the remaining MSAs, Benton Harbor had the largest percentage job drop at 0.4 percent, followed by the Jackson and Grand Rapids-Muskegon areas with reductions of 0.3 and 0.2 percentage points, respectively. Employment levels in the remaining three metropolitan areas, Ann Arbor, Detroit and Lansing remained essentially flat. During November most areas showed seasonal employment gains in retail trade. Minor gains in government were also evident, as local schools continued to recall staff. These advances were countered by seasonal declines in construction, as

well as seasonal reductions in leisure and hospitality services, as the tourism and recreational season ended. Goods-producing employment dipped in all but one area (Kalamazoo MSA), following temporary downward adjustments in manufacturing.

During November, average weekly hours in manufacturing increased in five major areas. The gains were minor and were due mainly to advances in the nondurable goods sector. Average hourly earnings moved up in six areas during the month, with advances recorded in the nondurable goods sectors. The total effect of these changes was that average weekly earnings expanded in four of the major areas. The largest gains in weekly earnings were reported in the Saginaw-Bay-Midland area, up by \$56.30, followed by the Ann Arbor and Flint areas with advances of \$30.49 and \$14.29, respectively.

Manufacturing Hours and Earnings Major Labor Market Areas,* November and October 2004						
Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	Nov	Oct	Nov	Oct	Nov	Oct
Ann Arbor	44.0	43.6	\$26.09	\$25.63	\$1,147.96	\$1,117.47
Benton Harbor	41.7	44.8	15.71	15.34	655.11	687.23
Detroit	43.3	44.3	25.36	25.26	1,098.09	1,119.02
Flint	46.4	45.9	31.33	31.36	1,453.71	1,439.42
Grand Rapids-Muskegon-Holland	41.5	41.1	16.43	16.30	681.85	669.93
Jackson*						
Kalamazoo-Battle Creek	40.1	41.7	15.67	15.57	628.37	649.27
Lansing	39.7	39.6	23.84	24.17	946.45	957.13
Saginaw-Bay-Midland	45.6	44.0	25.84	25.50	1,178.30	1,122.00

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

MICHIGAN'S LABOR SURPLUS AREAS, FISCAL YEAR 2005

Alcona County	Emmet County	Mackinac County	Otsego County
Alpena County	Flint City	Manistee County	Pontiac City
Antrim County	Gladwin County	Mason County	Port Huron City
Arenac County	Gogebic County	Menominee County	Presque Isle County
Baraga County	Grand Rapids City	Bal of Midland County	Roscommon County
Battle Creek City	Highland Park City	Missaukee County	Roseville City
Bay City	Huron County	Montcalm County	Saginaw City
Benzie County	Inkster City	Montmorency County	Sanilac County
Burton City	Iosco County	Mount Morris Twp	Schoolcraft County
Charlevoix County	Jackson City	Muskegon City	Shiawassee County
Cheboygan County	Kalamazoo City	Bal of Muskegon County	Bal of St. Clair County
Chippewa County	Kalkaska County	Newaygo County	St. Joseph County
Clare County	Keweenaw County	Oceana County	Tuscola County
Crawford County	Lake County	Ogemaw County	Van Buren County
Delta County	Lapeer County	Ontonagon County	Warren City
Detroit City	Luce County	Osceola County	Wexford County
		Oscoda County	

NOTICE FOR FISCAL YEAR 2005:

The U.S. Department of Labor has issued the Labor Surplus Area listings for Fiscal Year 2005. The new Fiscal Year 2005 list for Michigan is printed above and **is in effect from October 1, 2004 until September 30, 2005**. The changes made to Michigan's new listings were the subtraction of three areas: *Hillsdale County, Iron County and Marquette County*; and the addition of three areas: *Van Buren County, the City of Warren and the Balance of Midland County*.

The qualifying rate for a labor surplus area classification for Fiscal Year 2005 was calculated at 7.1 percent for the base years including January 2002 through December 2003. (The calculation of the qualifying rate is done by multiplying the nation's average jobless rate of those two years, 5.9 percent, by a factor of 1.2).

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