

Michigan's December Unemployment Rate Increases

Michigan's unadjusted unemployment rate increased by 0.4 percentage points during the month of December, bringing the state's jobless rate to 6.9 percent, up from 6.5 percent in November. The state's civilian labor force contracted by 55,000 during the month to 5,039,000, while employment declined by 71,000 to 4,690,000. Unemployment moved up by 16,000 to 349,000. Preliminary annual labor force averages for 2004 have been released and reveal the following: A) Michigan's 2004 annual average unemployment rate was 6.8 percent. This was a drop of five-tenths of a percentage point from the 2003 annual rate of 7.3 percent. B) 2004 marked the

first yearly decrease in Michigan's annual average jobless rate since 2000. C) The state's preliminary annual average employment increased by 46,000 or almost 1.0 percent over the 2003 annual total. In that period, unemployment declined by 26,000 while the state civilian labor force gained 20,000.

Compared to a year ago, December's labor force increased by 12,000, employment advanced by 21,000 and unemployment fell by 9,000. This has resulted in an over-the-year decrease of 0.2 percent in the state's jobless rate.



Seasonal Drop in Nonfarm Employment During December

Michigan's nonfarm employment decreased during the month of December, with industry jobs moving down to 4,381,000. Employment opportunities contracted by 35,000 jobs, with losses recorded in both the goods-producing and service-providing sectors of the economy. Goods-producing employment dropped by 5,000 jobs during the month, mainly due to seasonal reductions in the construction industry (heavy and civil engineering construction, and special trade contractors). The transportation equipment sector moved up by 7,000 during December, following worker recalls in the Lansing and the Detroit areas. Service-providing employment declined by 30,000 positions during the month, caused mainly by seasonal reductions in professional and business services (mostly in administrative and support services, and employment services). Seasonal employment losses were also recorded in government, as state and local education facilities continued to release staff for the holidays.

In December, average weekly hours in Michigan's manufacturing industries increased to 44.0 hours from 42.8 hours in the previous month, while average hourly earnings moved up by 35 cents to \$22.05. As a result, average weekly earnings in manufacturing expanded to \$970.20, a gain of \$41.44 from November's total.

Michigan Hours and Earnings December & November, 2004				
	Average Hourly Earnings		Average Weekly Hours	
	2004		2004	
	Dec.	Nov.	Dec.	Nov.
Manufacturing	\$22.05	\$21.70	44.0	42.8
Durables	23.48	23.19	45.1	43.8
Transport Equipment	28.96	28.71	46.9	45.0
Nondurables	15.36	15.20	39.7	39.2

Labor Force Data Methodology Changes in 2005

Beginning with the release of data for January 2005 in March, a redesigned method for producing labor force estimates will be implemented by Michigan's Department of Labor & Economic Growth (DLEG) in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics (BLS). Changes affecting the estimation of sub-state areas include:

- Implementation of Census 2000-based geographic area definitions;
- Incorporation of Census 2000 inputs for estimation;
- Updates in sub-state estimation methodology including improved ability to reflect the impact of commuting patterns on employment;
- Improved ability to measure unemployed workers entering or reentering the workforce.

All data from January 2000 forward will be revised to incorporate these changes. Also, in order to present a more consistent series, the sub-state data for 1990-99 will be adjusted to replicate new area definitions.

The geographic boundaries of Michigan's Metropolitan Statistical Areas (MSAs) have been redefined. New micropolitan and small labor market areas have also been formed. Both local area and metropolitan area labor force estimates along with metropolitan area payroll employment estimates will be revised to reflect these new geographic boundaries.

For more information on methodology changes please go to:

www.bls.gov/lau/lauschanges2005.htm

For more information on the new area designations please see:

www.bls.gov/lau/lausmsa.htm

or contact DLEG's Bureau of Labor Market Information & Strategic Initiatives at (313) 456-3090.

Please turn to the last page of this publication for a table displaying Michigan's new metropolitan statistical area designations along with former designated areas based on the 1990 census.

Michigan

(Data In Thousands)

Dec Nov Dec
2004 2004 2003

Place of Residence

Labor Force	5,039	5,094	5,027
Employment	4,690	4,761	4,669
Unemployment	349	333	358
Rate (Percent)	6.9	6.5	7.1

Industry Jobs (Place of Work)

Total Nonfarm	4,381	4,416	4,429
Goods-Producing	899	904	919
Nat Resources & Mining	8	8	8
Construction	186	197	188
Manufacturing	705	699	722
Durable Goods	557	549	573
Fabricated Metals	83	83	82
Machinery Manufact.	76	75	75
Transportation Equip.	265	258	283
Nondurable Goods	149	151	149
Service-Providing	3,482	3,512	3,510
Trade, Transport & Util.	817	813	830
Wholesale Trade	174	174	175
Retail Trade	520	516	532
Motor Vehicle Dealers	63	63	61
Food & Beverage Stores	89	87	91
General Merchandise	121	121	128
Transp, Warehousing & Util	122	124	124
Information	65	66	70
Financial Activities	215	214	218
Finance & Insurance	157	156	161
Real Estate & Rental	58	58	57
Prof & Business Services	580	594	578
Prof, Scientific & Technical	251	249	246
Management Scientific Services	21	20	20
Administrative Support	249	266	253
Education & Health Services	554	558	556
Education Services	80	85	84
Health Care & Social Asst	474	474	473
Leisure & Hospitality	388	389	391
Arts, Entertainment & Rec	52	53	56
Accommodation & Food	336	336	334
Other Services	171	173	170
Government	694	704	698
Federal	55	55	56
State	172	174	167
Local	467	475	474

Civilian Labor Force and Wage & Salary Estimates

Ann Arbor

Benton Harbor

Detroit

(Data in Thousands)

	Dec 2004	Nov 2004	Dec 2003	Dec 2004	Nov 2004	Dec 2003	Dec 2004	Nov 2004	Dec 2003
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Place of Residence

Labor Force	323,500	326,300	317,900	81,900	82,900	81,400	2,224	2,251	2,220
Employment	310,400	313,900	305,400	76,000	77,400	75,300	2,070	2,101	2,063
Unemployment	13,100	12,400	12,500	5,900	5,400	6,100	154	150	157
Rate (Percent)	4.1	3.8	3.9	7.2	6.6	7.5	6.9	6.7	7.1

Place of Work

Total Nonfarm Jobs	296,100	296,800	294,700	69,300	69,900	69,100	2,033	2,049	2,057
Nat Resources & Construction	11,600	11,800	11,700	2,300	2,400	2,300	83	86	84
Manufacturing	40,100	39,800	41,600	17,100	16,900	16,000	311	307	320
Trade, Transport & Utilities	43,400	43,200	44,000	13,100	12,900	13,100	391	388	397
Wholesale Trade	7,800	7,700	7,600	2,600	2,600	2,600	96	96	96
Retail Trade	31,000	30,900	31,700	8,300	8,000	8,300	227	225	234
Information	4,900	4,900	5,200	900	900	900	35	35	37
Financial Activities	10,600	10,600	11,100	2,300	2,300	2,200	115	115	117
Professional & Business Services	40,600	40,600	37,900	5,500	5,600	5,500	358	369	353
Educational & Health Services	30,500	30,700	30,900	9,800	10,300	10,400	250	251	251
Leisure & Hospitality	23,000	23,400	21,800	6,200	6,400	6,500	179	179	181
Other Services	8,600	8,600	8,500	3,400	3,400	3,400	75	76	76
Government	82,800	83,200	82,000	8,700	8,800	8,800	236	243	241

Kalamazoo-Battle Creek

Lansing

Saginaw-Bay-Midland

	Dec 2004	Nov 2004	Dec 2003	Dec 2004	Nov 2004	Dec 2003	Dec 2004	Nov 2004	Dec 2003
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Place of Residence

Labor Force	234,300	237,800	232,000	248,300	252,600	250,600	191,700	194,400	196,400
Employment	219,500	223,900	217,200	235,100	236,900	238,500	176,900	180,300	180,500
Unemployment	14,800	13,900	14,800	13,200	15,700	12,100	14,800	14,100	15,900
Rate (Percent)	6.3	5.8	6.4	5.3	6.2	4.8	7.7	7.2	8.1

Place of Work

Total Nonfarm Jobs	210,200	212,500	210,000	235,200	234,900	241,300	167,400	169,300	172,900
Nat Resources & Construction	9,600	10,300	10,100	9,400	10,700	10,000	6,600	6,600	7,600
Manufacturing	39,700	38,900	40,100	21,300	18,300	23,600	21,700	21,900	23,500
Trade, Transport & Utilities	36,300	36,000	36,800	37,000	37,000	39,700	32,700	32,900	33,000
Wholesale Trade	6,000	6,000	6,000	5,800	5,800	6,100	4,400	4,500	4,600
Retail Trade	25,500	25,100	26,000	25,000	25,000	27,400	24,000	24,100	24,200
Information	1,900	2,000	2,100	3,200	3,300	3,500	2,700	2,700	2,900
Financial Activities	10,500	10,500	9,700	16,300	16,300	16,900	7,300	7,400	7,400
Professional & Business Services	19,400	19,900	19,200	19,500	19,700	21,000	21,300	22,000	23,300
Educational & Health Services	28,200	28,400	26,800	23,200	23,400	25,000	28,600	28,400	27,100
Leisure & Hospitality	18,700	19,200	18,500	19,100	19,200	18,500	15,000	15,200	15,800
Other Services	9,100	9,100	9,200	10,700	10,700	10,700	7,700	7,800	7,800
Government	36,800	38,200	37,500	75,500	76,300	72,400	23,800	24,400	24,500

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Holland Muskegon			Jackson		
	Dec	Nov	Dec	Dec	Nov	Dec	Dec	Nov	Dec
	2004	2004	2003	2004	2004	2003	2004	2004	2003
Place of Residence									
Labor Force	186,300	187,100	185,600	612,400	616,500	607,400	77,500	78,500	80,000
Employment	169,700	171,400	168,600	573,200	578,800	563,900	72,300	73,500	73,900
Unemployment	16,600	15,700	17,000	39,200	37,700	43,500	5,200	5,000	6,100
Rate (Percent)	8.9	8.4	9.2	6.4	6.1	7.2	6.7	6.4	7.6

Place of Work

Total Nonfarm Jobs	159,800	160,500	161,400	567,700	568,600	565,600	60,600	61,100	63,000
Nat Resources & Construction	7,300	7,700	7,100	26,900	27,100	27,200	2,400	2,500	2,400
Manufacturing	21,900	22,100	24,200	126,700	127,000	126,500	10,200	10,100	10,100
Trade, Transport & Utilities	31,400	31,700	31,400	108,800	108,100	110,300	12,000	12,100	13,400
Wholesale Trade	6,600	6,500	6,600	29,800	30,000	30,000	1,700	1,700	1,700
Retail Trade	21,500	21,800	21,500	64,500	63,700	66,000	7,800	7,800	8,600
Information	2,000	2,100	2,200	8,000	8,000	8,300	500	500	500
Financial Activities	6,900	7,000	7,000	24,000	23,800	22,700	2,500	2,500	2,500
Professional & Business Services	18,000	17,900	18,000	64,100	64,600	64,000	4,400	4,500	4,400
Educational & Health Services	24,300	24,200	24,200	80,400	80,700	75,900	9,700	9,700	9,600
Leisure & Hospitality	15,800	15,800	15,300	45,900	46,200	47,300	5,200	5,300	5,800
Other Services	6,700	6,700	6,300	21,800	21,600	23,300	2,600	2,600	2,600
Government	25,500	25,300	25,700	61,100	61,500	60,100	11,100	11,300	11,700

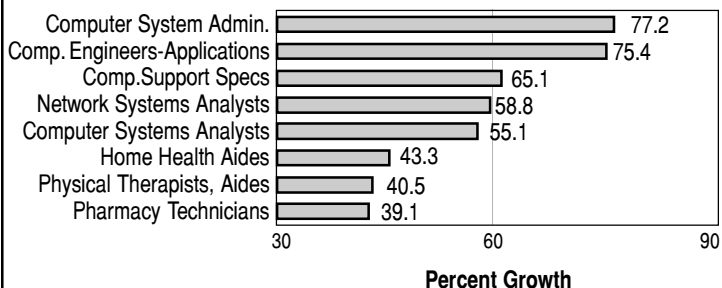
Upper Peninsula

Northeast Lower Michigan

Northwest Lower Michigan

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Dec	Nov	Dec	Dec	Nov	Dec	Dec	Nov	Dec
	2004	2004	2003	2004	2004	2003	2004	2004	2003
Place of Residence									
Labor Force	155,500	156,400	153,100	93,500	94,100	92,900	153,300	153,900	151,000
Employment	142,800	146,000	140,400	83,400	85,800	82,300	140,100	142,800	138,100
Unemployment	12,700	10,400	12,700	10,100	8,400	10,500	13,200	11,100	12,900
Rate (Percent)	8.2	6.7	8.3	10.8	8.9	11.3	8.6	7.2	8.5

Selected Occupations With the Highest Percentage Growth 2000–2010, Saginaw-Bay-Midland MSA



Regional Focus

Fastest Growing Occupations in Saginaw-Bay-Midland MSA, 2000–2010

The fastest-growing occupation projected in the Saginaw-Bay-Midland MSA between 2000 and 2010 is network and computer systems administrators (up by 77.2 percent), followed by computer software engineers-applications (up by 75.4 percent). Five out of the eight occupations projected to grow the fastest are in the computer industry. Five of the eight occupations listed require at least a bachelor's degree, one requires moderate term on-the-job training (OJT), and two require short-term training.

December Jobless Rates Increase in Most of Michigan's Major Areas

December unemployment rates (unadjusted) moved up in 11 of Michigan's 12 major labor market areas. The jobless rate increases in December were seasonal and followed an expected pattern. The rate advances were moderate in Michigan's southern labor market areas, and seasonally large in the northern regions. In the state's southern metropolitan areas jobless rate increases were limited to 0.6 percentage points or less. In the three northernmost labor market areas (the Upper Peninsula, Northeast Lower Michigan and Northwest Lower Michigan) jobless rate hikes stood at 1.6 percent, 2.4 percent and 1.3 percent, respectively. The Lansing Metropolitan Statistical Area (MSA) was the only area to post a drop in its unemployment rate, 0.9 of a

percentage point over the month. This was due primarily to workers returning to jobs after layoffs in auto-related manufacturing. Preliminary annual average data indicate that jobless rates fell in 11 of the state's 12 major labor market areas in 2004. Rate declines ranged from 0.2 to 1.4 percentage points with a median drop of a 0.8 percentage point.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.1 percent, followed by Lansing with 5.3 percent, and Kalamazoo with 6.3 percent. The highest jobless rate in the month of December was recorded by the Northeast Lower Michigan Region at 10.8 percent, followed by the Flint MSA with 8.9 percent.

Nonfarm Employment Drops in All But One of Michigan's Major Areas

Total nonfarm employment decreased in eight of Michigan's nine Metropolitan Statistical Areas (MSAs) during the month of December. Only the Lansing MSA reported employment gains, following worker recalls in its transportation equipment sector. The Kalamazoo-Battle Creek and the Saginaw-Bay-Midland MSAs had the largest percentage of job reductions both at 1.1 percent, followed by the Benton Harbor MSA, with a drop of 0.9 percent. Most major areas experienced job reductions in their service-providing sectors following seasonal losses in professional and business services, as well as retail trade, education and health services. Employment reductions occurred also in state and local government, affecting primarily areas with large universities, as higher education facilities began releasing staff for the holidays. In the goods-producing sector,

seasonal declines were observed in construction, with the Lansing and the Kalamazoo MSAs showing the largest percentage drop at 12.1 and 6.8 percent, respectively. Manufacturing employment remained basically flat in most areas during December.

During December, average hourly earnings in manufacturing increased in six major areas. The gains were due to advances in both the durable and nondurable goods sectors. Average weekly hours moved up in all eight areas during the month, with gains recorded mainly in the durable goods industries. The total effect of these changes was that average weekly earnings expanded in all eight of the major areas. The largest increases in weekly earnings were reported in the Flint MSA, up by \$69.99, followed by the Lansing and Saginaw-Bay Midland MSAs with increases of \$62.50 and \$60.38, respectively.

**Manufacturing Hours and Earnings
Major Labor Market Areas,* December and November 2004**

Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	Dec	Nov	Dec	Nov	Dec	Nov
Ann Arbor	44.4	43.8	\$25.85	\$26.04	\$1,147.74	\$1,140.55
Benton Harbor	45.6	42.0	15.33	15.34	699.05	644.28
Detroit	44.9	43.5	25.66	25.30	1,152.13	1,100.55
Flint	47.6	46.4	32.03	31.35	1,524.63	1,454.64
Grand Rapids-Muskegon-Holland	42.3	41.3	16.87	16.39	713.60	676.91
Jackson*						
Kalamazoo-Battle Creek	42.8	40.7	15.88	15.68	679.66	638.18
Lansing	40.8	39.7	24.70	23.81	1,007.76	945.26
Saginaw-Bay-Midland	46.7	45.3	26.30	25.78	1,228.21	1,167.83

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

MICHIGAN'S REVISED METROPOLITAN STATISTICAL AREAS (MSAS)			
CURRENT METRO AREAS (9)		NEW METRO AREAS (14)	
MSA Name	Component Counties	MSA Name	Component Counties
Ann Arbor	Lenawee, Livingston, Washtenaw	Ann Arbor	Washtenaw
Benton Harbor	Berrien	Niles-Benton Harbor	Berrien
Flint	Genesee	Flint	Genesee
Grand Rapids-Muskegon-Holland	Allegan, Kent, Muskegon, Ottawa	Grand Rapids-Wyoming	Barry, Ionia, Kent, Newaygo
Jackson	Jackson	Jackson	Jackson
Kalamazoo-Battle Creek	Calhoun, Kalamazoo, Van Buren	Kalamazoo-Portage	Kalamazoo, Van Buren
		Battle Creek	Calhoun
		Monroe	Monroe
		Holland-Grand Haven	Ottawa
		Muskegon-Norton Shores	Muskegon
Lansing-East Lansing	Clinton, Eaton, Ingham	Lansing-East Lansing	Clinton, Eaton, Ingham
Saginaw-Bay-Midland	Saginaw, Bay, Midland	Saginaw-Saginaw Township North	Saginaw
		Bay City	Bay
Detroit	Lapeer, Macomb, Monroe, Oakland, St. Clair, Wayne	Detroit-Warren-Livonia	Lapeer, Livingston, Macomb, Oakland, St. Clair, Wayne
		<i>Detroit MSA Is Divided Into Two Divisions:</i>	
		Detroit-Livonia-Dearborn	Wayne
		Warren-Farmington Hills-Troy	Lapeer, Livingston, Macomb, Oakland, St. Clair

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