

Michigan's June Unemployment Rate Remains at 6.9 Percent

Michigan's unemployment rate (unadjusted) remained unchanged during the month of June, holding steady at 6.9 percent. Although the unemployment rate did not change, labor force, employment, and the unemployment levels did move up during the month. The state's civilian labor force increased by 23,000, advancing to 5,155,000, while employment expanded by 22,000 to 4,798,000. Unemployment totals edged up by 1,000 to 357,000. Typically, unemployment rates tend to move up in Michigan during June, as college and high school students join the labor force during the summer months. However, this June fewer

young people sought summer jobs than what is typically experienced. The result was a smaller than expected labor force increase, causing the state's jobless rate to remain unchanged. The nation's unemployment rate (unadjusted) increased during June, moving up by 0.3 percentage points to 5.2 percent.

Compared to a year ago, June's labor force increased by 26,000, employment jumped by 42,000 and unemployment dropped by 16,000. This has resulted in an over-the-year drop of 0.4 percentage points in the state's jobless rate.



Nonfarm Employment Increases Slightly During June

Michigan's nonfarm employment moved up slightly during the month of June, as industry jobs advanced to 4,427,000. Employment opportunities increased by 5,000 jobs, with gains recorded mainly in the goods-producing sector of the economy. Goods-producing employment increased by 4,000 during the month, due to seasonal growth in the construction industry (specialty trade contractors, and construction of buildings), making up for job reductions in the durable goods sector caused by production adjustments in the transportation equipment industry (down by 7,000). Service-providing employment remained flat, as seasonal increases in the leisure and hospitality sector (arts, entertainment and recreation, as well as food, drinking and accommodation establishments); professional and business services sector (administrative, support and employment services); and retail trade (food, beverage and grocery stores), just made up for seasonal losses in government (state and local educational facilities releasing staff for summer vacation).

In June, average weekly hours in Michigan's manufacturing industries increased to 41.9 hours from 41.4 hours in the previous month, while average hourly earnings moved up by six cents to \$21.37. As a result, average weekly earnings in manufacturing expanded to \$895.40, a gain of \$13.17 from the previous month's total.

	Average Hourly Earnings		Average Weekly Hours	
	2005 June	2005 May	2005 June	2005 May
Manufacturing	\$21.37	\$21.31	41.9	41.4
Durables	22.86	22.77	42.6	42.0
Transport Equipment	28.54	28.50	43.7	42.2
Nondurables	15.37	15.17	39.3	38.7

State of Michigan Industry Employment Forecasts Percent Changes 2002—2012

Industry Title	Employment		Percent Change
	2002	2012	
Total Employment	4,482,840	4,957,860	10.8
Goods-Producing	968,210	986,060	1.8
Construction	199,780	227,469	13.9
Manufacturing	759,850	750,440	-1.2
Durable Goods	601,830	587,160	-2.4
Transportation Equip	292,370	269,700	-7.8
Nondurable Goods	158,010	163,280	3.3
Plastics & Rubber	43,650	51,790	18.6
Service-Providing	3,514,640	3,971,800	13.0
Trade	706,030	764,520	8.3
Wholesale Trade	175,370	197,270	12.5
Retail Trade	530,660	567,250	6.9
Transportation, Ware- housing & Utilities	159,430	175,070	9.8
Information	73,670	81,780	11.0
Finance & Insurance	159,350	169,920	6.6
Real Estate, Rental & Leasing	55,640	61,190	10.0
Professional & Business	595,910	751,110	26.0
Education & Health	927,760	1,050,850	13.3
Leisure & Hospitality	402,230	453,510	12.7
Other Services	173,670	197,400	13.7
Government	260,960	266,460	2.1

Detailed industrial employment forecasts for 2012 were developed by the Michigan Department of Labor & Economic Growth, Bureau of Labor Market Information & Strategic Initiatives for Michigan and 18 regions in the state.

Additional Labor Market Information (LMI) for Michigan and its areas can be obtained from the MDCD-LMI website at: www.michlmi.org

Source: Michigan Department of Labor & Economic Growth, Bureau of Labor Market Information & Strategic Initiatives, July 2005.

Michigan

(Data In Thousands)

Jun 2005 May 2005 Jun 2004

Place of Residence

Labor Force	5,155	5,132	5,129
Employment	4,798	4,776	4,756
Unemployment	357	356	373
Rate (Percent)	6.9	6.9	7.3

Industry Jobs (Place of Work)

Total Nonfarm	4,427	4,422	4,445
Goods-Producing	889	885	914
Nat Resources & Mining	9	9	8
Construction	202	193	204
Manufacturing	678	683	702
Durable Goods	529	535	553
Fabricated Metals	83	83	84
Machinery Manufact.	77	76	76
Transportation Equip.	239	246	258
Nondurable Goods	149	147	149
Service-Providing	3,538	3,537	3,531
Trade, Transport & Util.	818	811	818
Wholesale Trade	174	173	173
Retail Trade	516	511	517
Motor Vehicle Dealers	64	64	64
Food & Beverage Stores	91	88	90
General Merchandise	108	108	114
Transp, Warehousing & Util	129	127	127
Information	66	65	69
Financial Activities	221	219	221
Finance & Insurance	164	163	162
Real Estate & Rental	57	56	58
Prof & Business Services	589	577	595
Prof, Scientific & Technical	248	244	245
Management Scientific Services	20	20	19
Administrative Support	262	254	270
Education & Health Services	558	558	553
Educational Services	66	68	67
Health Care & Social Asst	492	491	485
Leisure & Hospitality	431	420	427
Arts, Entertainment & Rec	74	70	73
Accommodation & Food	357	351	354
Other Services	183	180	181
Government	672	706	668
Federal	55	55	56
State	159	163	157
Local	457	488	456

Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Battle Creek			Bay City		
	Jun	May	Jun	Jun	May	Jun	Jun	May	Jun
	2005	2005	2004	2005	2005	2004	2005	2005	2004
Place of Residence									
Labor Force	191,500	191,900	189,000	74,400	75,000	74,200	57,000	57,400	57,900
Employment	183,000	182,800	179,600	69,500	69,800	68,800	53,000	53,100	53,200
Unemployment	8,500	9,100	9,400	4,900	5,200	5,400	3,900	4,300	4,600
Rate (Percent)	4.4	4.7	5.0	6.6	6.9	7.3	6.9	7.5	8.0

Place of Work

Total Nonfarm Jobs	201,200	201,200	201,400	63,900	64,100	64,600	39,700	40,000	41,000
Nat Resources & Construction	6,100	5,900	6,100	2,500	2,400	2,500	1,700	1,600	1,700
Manufacturing	22,500	22,600	23,400	14,500	14,400	14,400	4,400	4,400	4,700
Trade, Transport & Utilities	27,600	27,500	27,400	10,400	10,400	10,700	9,200	9,100	9,200
Wholesale Trade	5,500	5,500	5,300	1,400	1,400	1,400	1,300	1,300	1,300
Retail Trade	18,800	18,800	18,900	7,900	7,900	8,100	6,500	6,400	6,500
Information	3,700	3,700	3,900	*	*	*	600	600	700
Financial Activities	5,700	5,600	6,100	1,600	1,600	1,600	1,500	1,400	1,500
Professional & Business Services	27,900	27,300	27,300	6,400	6,400	6,500	3,700	3,700	3,800
Educational & Health Services	23,000	23,000	22,600	9,200	9,200	9,200	5,500	5,500	5,700
Leisure & Hospitality	14,800	14,600	15,100	6,400	6,200	6,000	5,000	5,000	5,100
Other Services	6,200	6,100	6,300	2,500	2,500	2,500	2,500	2,500	2,500
Government	63,700	64,900	63,200	10,200	10,700	10,600	5,600	6,200	6,100

Detroit-Warren-Livonia

(Data in Thousands)

	Jun	May	Jun	Jun	May	Jun	Jun	May	Jun
	2005	2005	2004	2005	2005	2004	2005	2005	2004

Flint

Grand Rapids-Wyoming

Place of Residence

Labor Force	2,220	2,192	2,217	215,600	218,600	215,500	410,100	411,100	406,400
Employment	2,050	2,034	2,055	198,800	200,600	197,300	385,000	385,000	376,500
Unemployment	170	157	162	16,800	17,900	18,200	25,100	26,100	29,900
Rate (Percent)	7.7	7.2	7.3	7.8	8.2	8.5	6.1	6.3	7.4

Place of Work

Total Nonfarm Jobs	2,074	2,066	2,081	159,500	161,800	161,900	389,200	389,800	387,400
Nat Resources & Construction	95	90	91	7,600	7,000	7,100	20,200	19,900	20,300
Manufacturing	292	294	298	21,800	22,300	23,500	74,200	74,400	74,200
Trade, Transport & Utilities	383	382	386	31,800	31,800	31,900	74,700	73,800	73,800
Wholesale Trade	95	95	95	6,600	6,600	6,600	21,300	21,000	20,200
Retail Trade	222	221	226	21,600	21,600	21,700	43,600	43,000	43,400
Information	36	36	37	2,000	2,000	2,100	5,600	5,700	5,600
Financial Activities	119	118	119	6,700	6,700	6,600	21,200	21,300	21,100
Professional & Business Services	362	357	364	19,000	19,000	19,600	52,800	51,500	53,600
Educational & Health Services	259	259	256	25,100	24,700	24,500	53,000	53,700	52,300
Leisure & Hospitality	191	187	190	15,300	15,600	15,700	32,800	32,500	32,800
Other Services	98	96	100	7,000	6,800	7,100	17,100	16,800	17,200
Government	241	247	239	23,200	25,900	23,800	37,600	40,200	36,500

* Data Not Available

Civilian Labor Force and Wage & Salary Estimates

Niles-Benton Harbor

Saginaw-Sag. Township North

	Jun 2005	May 2005	Jun 2004	Jun 2005	May 2005	Jun 2004
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Place of Residence

Labor Force	79,700	79,700	79,800	101,300	102,600	102,100
Employment	74,100	73,800	73,300	93,200	94,200	92,700
Unemployment	5,600	5,900	6,500	8,000	8,400	9,300
Rate (Percent)	7.0	7.4	8.1	7.9	8.2	9.2

Place of Work

Total Nonfarm Jobs	64,300	64,200	65,100	93,300	94,400	94,600
Nat Resources & Construction	2,500	2,400	2,500	4,300	4,100	4,500
Manufacturing	14,600	14,600	15,500	13,500	14,200	14,400
Trade, Transport & Utilities	12,900	12,700	12,400	17,800	17,900	17,700
Wholesale Trade	2,700	2,700	2,600	2,700	2,700	2,700
Retail Trade	7,900	7,800	7,600	12,300	12,500	12,400
Information	800	800	900	2,000	2,000	2,100
Financial Activities	2,300	2,300	2,300	5,100	5,100	5,100
Professional & Business Services	4,800	4,700	4,900	8,600	8,600	9,200
Educational & Health Services	9,300	9,400	9,000	15,300	15,100	14,700
Leisure & Hospitality	6,300	6,100	6,700	10,200	10,100	10,000
Other Services	2,800	2,800	2,800	4,400	4,300	4,500
Government	8,000	8,400	8,100	12,100	13,000	12,400

Upper Peninsula

Northeast Lower Michigan

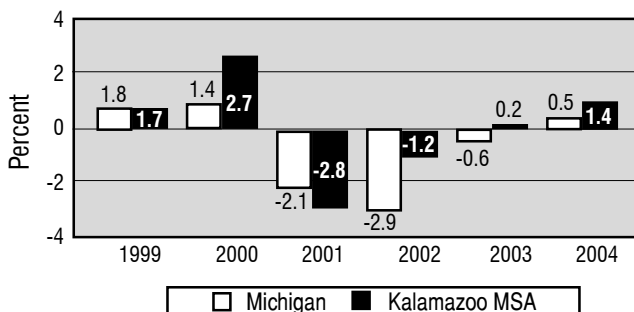
Northwest Lower Michigan

	Jun 2005	May 2005	Jun 2004	Jun 2005	May 2005	Jun 2004	Jun 2005	May 2005	Jun 2004
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Place of Residence

Labor Force	164,700	162,900	162,700	104,300	103,200	102,600	167,300	162,900	165,000
Employment	154,300	151,300	151,200	97,200	95,100	94,300	157,500	152,000	153,600
Unemployment	10,400	11,600	11,500	7,100	8,100	8,400	9,800	10,900	11,400
Rate (Percent)	6.3	7.1	7.1	6.8	7.9	8.1	5.8	6.7	6.9

Percent Total Employment Changes, Michigan and Kalamazoo-Portage MSA, Annual Averages, 1999-2004



Regional Focus

Percent Employment Changes in Michigan and the Kalamazoo MSA (Annual Averages), 1999 - 2004

Between 1999 and 2004, Kalamazoo-Portage MSA's total employment remained virtually unchanged, rising from 161,100 to 161,600, a gain of 500 positions, or 0.3 percent. In comparison, Michigan's employment fell from 4,897,000 to 4,719,000 a drop of 3.6 percent. During this period, the Kalamazoo MSA's annual employment changes tended to outperform Michigan's, recording better growth rates in four out of six years since 1999.

June Jobless Rates Down in Most of Michigan's Major Areas

June seasonally unadjusted unemployment rates moved down in 15 of Michigan's 17 major labor market areas. Employment levels increased in more than half of the areas, while the labor force fell in the majority of the areas over the previous month. Unemployment rate decreases in the state's southern metropolitan statistical areas (MSAs) were minor, with downward movement of around one half of a percentage point or less. The largest June jobless rate decreases were seasonal drops in the state's three northernmost labor market areas. These three areas, the Northeast Lower Michigan region, Northwest Lower Michigan region, and the Upper Peninsula, reported unemployment rate decreases of 1.1, 0.9, and 0.8 percentage points, respectively. The reason for the jobless rates' downward movement in these three areas was a large seasonal employment hike caused by continuation of hiring for the summer tourism season. The unemployment rate in the Detroit-Warren-Livonia MSA increased by a half percentage point over the month, while the Lansing-

East Lansing MSA's rate remained unchanged; as both areas experienced layoffs in the auto sector.

From June 2004 to June 2005, jobless rates declined in 15 of the state's major labor market areas. Rate decreases were significant over the year in a number of areas, with a median drop of over a full percentage point. The largest unemployment rate drops since June 2004 were reported in the Grand Rapids-Wyoming, Jackson, and Saginaw-Saginaw Township North MSAs, along with the Northeast Lower Michigan Region.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.4 percent, followed by the Holland-Grand Haven MSA with 5.2 percent, and the Kalamazoo-Portage MSA with 5.7 percent. The highest jobless rate in the month of June was recorded by the Saginaw-Saginaw Township North MSA at 7.9 percent, followed by the Flint MSA with 7.8 percent.

Payroll Jobs in the State's Major Areas Shows a Mixed Picture During the Month of June

Total nonfarm employment fell in seven out of Michigan's 14 metropolitan statistical areas (MSAs) during the month of June. Payroll jobs in five areas, the Detroit-Warren-Livonia, Holland-Grand Haven, Monroe, Muskegon-Norton Shores and Niles-Benton Harbor MSAs, rose slightly, and in two areas, Ann Arbor and Jackson it remained unchanged. Among the MSAs, the Flint and Lansing areas had the largest employment declines at 1.4 percent, followed by the Saginaw-Saginaw Township North area with a drop of 1.2 percent. Employment losses were seasonal and in most areas were recorded in both the service-providing and goods-producing industries.

Employment totals in the service-providing industries were mixed in most major areas. Job gains occurred in professional and business services, moving up in ten areas (the Detroit-Warren-Livonia MSA leading the way with an increase of 5,000 jobs, or 1.4 percent); leisure and hospitality services increasing in 11 areas, (the Muskegon-Norton Shores MSA far ahead with a gain of 1,100 jobs, or 14.7 percent), and retail trade with minor gains in seven areas and staying flat in the remaining seven. Employment advances in these industries were seasonal and typical for June. Countering these gains were seasonal reductions in local government, as many local educational facilities reduced staff for the summer. As expected, employment declines in the government sector were recorded

in all the MSAs, with Flint and Monroe showing the largest declines at 10.4, and 9.7 percent, respectively.

In the goods-producing sector employment moved up in most areas due to seasonal gains in the construction industry, mainly in specialty trade contractors and construction of buildings. The largest gains in construction were recorded in the Flint MSA, up by 8.6 percent (600 jobs), and the Detroit MSA up by 4.5 percent (4,000 jobs). However, in many regions these gains were countered by temporary losses in the manufacturing industries, caused by production adjustments in the automotive sector.

During June, average weekly hours in manufacturing advanced in three of the five major areas for which data is currently available. The gains were due to increases in overtime hours worked in the durable goods sector. Average hourly earnings also moved up in three areas during the month, with gains reported in the durable and nondurable goods sectors. The total effect of these changes was that average weekly earnings expanded in three major areas. The largest gains in weekly earnings were reported in the Flint area, up by \$116.03, followed by the Detroit-Warren-Livonia and the Grand Rapids-Wyoming MSAs with advances of \$8.41 and \$7.61, respectively. In the remaining two areas, the Lansing-East Lansing, and Kalamazoo-Portage MSAs, average weekly wages decreased by \$19.77 and \$6.25, respectively.

Manufacturing Hours and Earnings* Michigan & Selected Metropolitan Areas June and May 2005

Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	June	May	June	May	June	May
Michigan	41.9	41.4	21.37	21.31	895.40	882.23
Detroit-Warren-Livonia	42.1	42.7	25.12	24.57	1,057.55	1,049.14
Flint	46.3	44.1	31.49	30.43	1,457.99	1,341.96
Grand Rapids-Wyoming	38.9	40.6	17.97	17.03	699.03	691.42
Kalamazoo-Portage	39.1	38.5	14.62	15.01	571.64	577.89
Lansing-East Lansing	40.8	40.4	23.30	24.02	950.64	970.41

* Hours and earnings data for the manufacturing sector is currently available only in the above MSAs.

Consumer Price Index (CPI) Detroit Metropolitan Area June, 2005

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics (BLS) publishes CPIs for two population groups: 1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population, and 2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial and technical workers, the unemployed, retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country, including the Detroit-Ann Arbor-Flint Consolidated Metropolitan Statistical Area (CMSA). The Detroit CPI is published every other month.

Consumer prices (CPI-U) in the Detroit CMSA, fell from an average of 189.8 index points in April 2005 to an average of 189.6 in June 2005. The 0.1 percent decrease was primarily due to lower costs for apparel, recreation, food and beverages, and education and communication. Price increases for motor fuel, and energy in general, temporarily moderated during this period, while the index for housing and medical care moved up.

Consumer Price Index (CPI)

All Urban Consumers (CPI-U) Detroit Metropolitan Area June, 2005

	Index Number For June 2005	Percent Change From Apr To Jun 2005
1982-84=100		
Detroit Metro All Items	189.6	-0.1
Food and Beverages	180.0	-0.4
Food At Home	178.2	-1.4
Food Away From Home	181.7	+0.6
Housing	181.7	+1.0
Shelter	208.4	+1.3
Fuels & Utilities	191.2	+3.0
Apparel	108.7	-6.1
Transportation	187.1	-0.1
Motor Fuel	186.9	-3.4
Medical Care	313.6	+0.6
Education & Communication	118.8	-0.7
Energy	172.9	+0.1
Recreation	118.8	-1.8

Characteristics of Minimum Wage Workers: 2004

The Bureau of Labor Statistics of the U.S. Department of Labor reports that in 2004, some 73.9 million American workers were paid at hourly rates, representing 59.8 percent of all wage and salary workers in the nation. Of those paid by the hour, 520,000 were reported as earning exactly \$5.15, the prevailing federal minimum wage, and another 1.5 million were reported earning wages below minimum. Together, these two million workers with wages at or below the minimum, made up 2.7 percent of all hourly paid workers. In **Michigan**, some 2.9 million workers were paid hourly rates, representing 61.2 percent of all wage and salary workers. Of those paid by the hour, 16,000 were reported as earning exactly \$5.15, and another 74,000 were reported earning wages below minimum. Together, these 90,000 workers with wages at or below the minimum, made up 3.1 percent of all hourly paid workers.

Some characteristics of minimum wage workers:

- Minimum wage workers tend to be young. About half of all hourly paid workers earning \$5.15 or less, were under 25, and about one-fourth were age 16-19. Among teenagers, about nine percent earned \$5.15 or less. About two percent of workers age 25 and over earned the minimum wage or less. Among those age 65 and over, the proportion was four percent.
- About four percent of women paid hourly rates reported wages at or below the prevailing federal minimum, compared with about two percent for men.
- Nearly three percent of white hourly-paid workers earned \$5.15 or less, compared with about two percent of both blacks and Hispanics, and one percent of Asians. Among whites and Hispanics, women were about twice as likely as men to earn the Federal minimum wage or less.

U.S. Department of Labor, Bureau of Labor Statistics

Characteristics of Minimum Wage Workers, U.S. and Michigan, 2004							
	Number Of Workers (In Thousands)				Percent Of Workers Paid Hourly Wages		
	Total Paid Hourly Rates	At or Below \$5.15 Per Hour			At or Below \$5.15 Per Hour		
		Total	At \$5.15	Below \$5.15	Total	At \$5.15	Below \$5.15
U.S.	73,939	2,003	520	1,482	2.7	0.7	2.0
Michigan	2,888	90	16	74	3.1	0.6	2.6

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