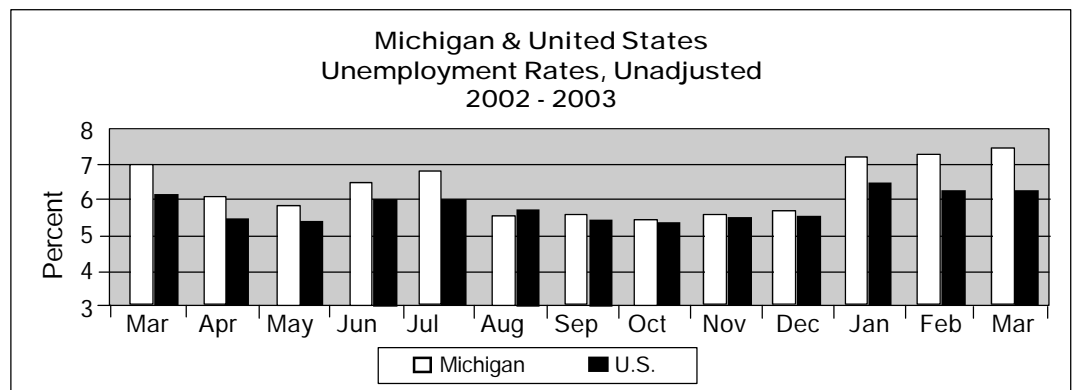


Michigan's March Unemployment Rate Moves Up To 7.4 Percent

Michigan's unemployment rate (not seasonally adjusted) increased by 0.2 percentage points during the month of March, bringing the state's unemployment rate to 7.4 percent. The state's civilian labor force increased slightly during the month, expanding by 23,000 to 5,070,000, while employment levels increased by only 2,000 to 4,694,000. Unemployment stood at 375,000, a gain of 10,000 over the previous month. Although the unemployment rate showed only a small change, employment continued to exhibit weakness during March. The state's major industry sectors remained unchanged for

the most part or showed very little growth. The nation's unemployment rate (unadjusted) fell by 0.2 percentage points during the month, down to 6.2 percent.

Compared to a year ago, March's labor force increased by 58,000, employment advanced by 32,000, and unemployment climbed by 25,000. This has resulted in an over-the-year hike of 0.4 percentage points in the state's jobless rate. Michigan's current jobless total exceeded 370,000 for the first time in 10 years.



Small Seasonal Gains in Non-farm Employment

Michigan's wage and salary employment moved up slightly during the month of March, as industry jobs increased to 4,384,000. Employment opportunities advanced by 4,000 jobs, with small gains recorded mainly in the service-providing sector. Service-providing employment increased by 3,000 jobs during the month, mostly due to seasonal increases in retail trade (food and beverage stores). Small gains were also recorded in financial activities, mainly in the insurance carriers sector. Goods-producing employment was basically flat during March (up by 1,000 jobs), as the durable goods sector (including transportation equipment and related industries) made up for small losses in the non-durable goods sector (food manufacturing). The construction industry remained unchanged for the month, holding steady at 177,000.

In March, the average workweek in Michigan's manufacturing industries remained unchanged at 41.7 hours, while average hourly earnings moved down by 14 cents to \$20.75. As a result, average weekly earnings in manufacturing declined to \$865.28, a loss of \$5.83 from February's total.

	Average Hourly Earnings		Average Weekly Hours	
	2003 Mar.	2003 Feb.	2003 Mar.	2003 Feb.
Manufacturing	\$20.75	\$20.98	41.7	41.7
Durables	22.10	22.25	42.6	42.7
Motor Vehicles	26.98	27.16	43.6	43.7
Nondurables	14.42	14.47	38.0	37.9

Michigan Leads the Nation with the Highest Proportion of High-Technology Jobs

The office of Technology Policy, U.S. Department of Commerce, has recently released a report that provides a range of science and technology indicators for all the states, the District of Columbia, and Puerto Rico. The report, *The Dynamics of Technology-Based Economic Development*, covers a variety of factors that contribute to a state's performance in the science and technology sectors — including employment, payrolls, education levels, research and development investment, and the number of patents issued. This is the third annual report on state indicators and the first to use the North American Industry Classification System (NAICS) codes rather than the outdated SIC codes.

The report found that Michigan has led the nation in several important categories:

- A) Michigan ranked number one in percent of individuals employed in high-technology industries (12.8 percent), during 1999. The percent of a state's employment in high-technology industries is found by dividing the employment in establishments classified in the 39 NAICS codes identified by the U.S. Department of Commerce as high-technology, by the total employment within the state. The total number of individuals employed in high-technology industries in Michigan during 1999 reached 513,378 out of a total 3,996,300 workers.
- B) Michigan ranked number one (\$58.06) in total performed research & development (R&D) expenditures per \$1,000 of gross state product (GSP), during 2000. Total performed R&D expenditures per \$1,000 of GSP is calculated by dividing the total amount spent on R&D by the state's GSP. R&D expenditures are the total of the basic research, applied research, and development performed by private industry, federal government, academic, and non-profit organizations located in the state. This data is impressive, as the federal R&D expenditures in Michigan ranked only 25th among the states.
- C) Michigan ranked number one in industry-performed R&D expenditures (\$54.21), during 2000. This measurement calculates the amount of R&D expenditures that are actually performed by all non-farm industries in a state divided by the GSP of that state. GSP is defined as the output of goods and services produced by the labor and property located in the state.

Source: U.S. Department of Commerce, Technology Administration, Office of Technology Policy reports, April 2003.

	Michigan		
	(Data In Thousands)		
	Mar 2003	Feb 2003	Mar 2002
Place of Residence			
Labor Force	5,070	5,057	5,012
Employment	4,694	4,692	4,662
Unemployment	375	365	350
Rate (Percent)	7.4	7.2	7.0
Industry Jobs (Place of Work)			
Total Nonfarm	4,384	4,380	4,428
Goods - Producing	918	917	955
Nat Resources & Mining	7	7	8
Construction	177	177	180
Manufacturing	735	734	766
Durable Goods	580	578	608
Fabricated Metals	80	80	83
Machinery Manufact.	78	78	81
Transportation Equip.	280	278	298
Nondurable Goods	155	156	158
Service - Providing	3,466	3,463	3,473
Trade, Transport & Util.	819	816	820
Wholesale Trade	171	171	174
Retail Trade	520	517	520
Motor Vehicle Dealers	62	62	63
Food & Beverage Stores	85	85	90
General Merchandise	120	120	122
Transp, Warehousing & Util	128	128	127
Information	76	74	76
Financial Activities	214	213	212
Finance & Insurance	163	162	158
Real Estate & Rental	52	51	54
Prof & Business Services	570	570	579
Prof, Scientific & Technical	256	255	261
Management Scientific Services	24	24	23
Administrative Support	234	233	237
Education & Health Services	543	545	527
Education Services	79	79	65
Health Care & Social Asst	464	465	462
Leisure & Hospitality	362	363	376
Arts, Entertainment & Rec	53	52	51
Accommodation & Food	310	311	324
Other Services	174	174	173
Government	707	708	709
Federal	58	57	55
State	173	175	181
Local	477	476	473

Civilian Labor Force and Wage & Salary Estimates

Ann Arbor

Benton Harbor

Detroit

(Data in Thousands)

	Mar 2003	Feb 2003	Mar 2002	Mar 2003	Feb 2003	Mar 2002	Mar 2003	Feb 2003	Mar 2002
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Place of Residence

Labor Force	314,600	314,900	312,800	81,500	81,100	79,400	2,246	2,240	2,233
Employment	301,300	301,800	300,200	75,900	75,600	74,000	2,085	2,084	2,086
Unemployment	13,300	13,000	12,600	5,600	5,500	5,400	161	157	147
Rate (Percent)	4.2	4.1	4.0	6.8	6.8	6.8	7.2	7.0	6.6

Place of Work

Total Nonfarm Jobs	286,000	285,800	290,400	69,000	68,500	68,800	2,041	2,031	2,080
Nat Resources & Construction	10,400	10,300	10,800	2,000	2,000	2,100	79	78	83
Manufacturing	40,900	41,000	43,700	16,700	17,000	16,200	330	326	338
Trade, Transport & Utilities	43,700	43,700	43,100	12,400	12,400	12,800	389	386	397
Wholesale Trade	7,400	7,300	7,400	2,200	2,200	2,200	98	97	99
Retail Trade	31,000	31,000	31,000	7,800	7,800	8,100	226	224	228
Information	5,800	5,700	5,800	1,000	900	1,000	40	40	40
Financial Activities	10,900	11,000	11,200	2,300	2,200	2,200	111	110	115
Professional & Business Service	34,200	33,100	35,400	6,200	6,100	5,900	356	355	362
Educational & Health Service	31,200	31,300	29,400	10,900	10,600	10,600	248	250	245
Leisure & Hospitality	19,000	18,600	21,200	5,100	5,000	5,700	168	168	174
Other Services	8,200	8,200	8,300	3,100	3,100	3,100	76	76	79
Government	81,700	82,900	81,500	9,300	9,200	9,200	244	244	246

Kalamazoo-Battle Creek

Lansing

Saginaw-Bay-Midland

	Mar 2003	Feb 2003	Mar 2002	Mar 2003	Feb 2003	Mar 2002	Mar 2003	Feb 2003	Mar 2002
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Place of Residence

Labor Force	230,600	230,300	229,000	254,400	253,900	249,100	201,600	201,700	197,000
Employment	216,400	216,100	215,800	242,400	242,100	238,300	184,400	185,300	182,000
Unemployment	14,200	14,300	13,200	12,000	11,700	10,800	17,200	16,400	14,900
Rate (Percent)	6.2	6.2	5.8	4.7	4.6	4.3	8.6	8.1	7.6

Place of Work

Total Nonfarm Jobs	206,200	205,500	209,500	241,400	240,700	241,800	173,800	174,000	174,600
Nat Resources & Construction	8,200	8,700	8,600	9,500	9,700	8,700	8,700	9,000	8,300
Manufacturing	40,600	40,300	41,400	23,800	23,700	24,200	24,200	24,700	25,600
Trade, Transport & Utilities	37,600	37,400	36,600	38,400	38,700	38,600	31,700	31,700	32,700
Wholesale Trade	5,400	5,500	5,700	5,800	5,800	5,800	4,300	4,300	4,400
Retail Trade	27,100	26,800	25,800	26,200	26,400	26,500	23,000	23,000	24,100
Information	2,400	2,300	2,300	3,800	3,800	3,500	3,100	3,000	3,100
Financial Activities	9,900	10,100	9,300	15,800	15,300	14,200	7,600	7,600	7,500
Professional & Business Service	18,800	18,000	19,000	21,700	20,900	22,700	22,800	22,700	22,300
Educational & Health Service	25,300	25,500	25,800	25,900	25,700	23,500	26,900	26,800	25,900
Leisure & Hospitality	19,800	19,800	19,700	15,700	15,800	19,000	14,700	14,600	16,300
Other Services	9,000	8,900	8,900	11,300	11,200	11,100	8,500	8,400	8,500
Government	34,600	34,500	37,900	75,500	75,900	76,300	25,600	25,500	24,400

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Muskegon- Holland			Jackson		
	Mar	Feb	Mar	Mar	Feb	Mar	Mar	Feb	Mar
	2003	2003	2002	2003	2003	2002	2003	2003	2002
Place of Residence									
Labor Force	186,500	186,400	190,400	618,800	618,700	604,000	80,200	81,000	77,600
Employment	168,400	168,700	172,300	572,000	573,100	562,500	73,600	74,800	72,300
Unemployment	18,100	17,600	18,100	46,800	45,500	41,500	6,500	6,300	5,400
Rate (Percent)	9.7	9.5	9.5	7.6	7.4	6.9	8.1	7.7	6.9

Place of Work

Total Nonfarm Jobs	158,900	158,200	165,500	564,700	564,100	566,000	61,900	62,500	62,200
Nat Resources & Construction	6,300	6,100	6,800	23,600	24,600	26,200	2,300	2,300	2,400
Manufacturing	23,600	23,300	26,900	131,400	131,800	138,700	10,200	10,600	10,600
Trade, Transport & Utilities	32,000	31,400	32,500	108,600	107,800	108,300	13,600	13,600	13,700
Wholesale Trade	6,600	6,700	6,600	29,500	29,100	28,700	1,600	1,600	1,700
Retail Trade	21,700	21,000	22,200	64,600	64,200	65,400	8,800	8,800	8,800
Information	2,400	2,400	2,500	8,500	8,400	9,100	600	600	600
Financial Activities	5,300	5,600	6,000	23,200	23,200	24,700	2,500	2,500	2,600
Professional & Business Service	17,600	17,700	19,800	63,900	64,300	62,300	4,600	4,600	4,400
Educational & Health Service	23,500	23,600	22,900	74,600	74,100	69,700	8,700	8,700	8,400
Leisure & Hospitality	15,500	15,600	15,100	41,900	41,900	43,500	5,000	5,100	5,300
Other Services	6,700	6,700	6,700	25,700	25,700	23,200	2,900	2,900	2,900
Government	26,000	25,800	26,300	63,300	62,300	60,300	11,500	11,600	11,300

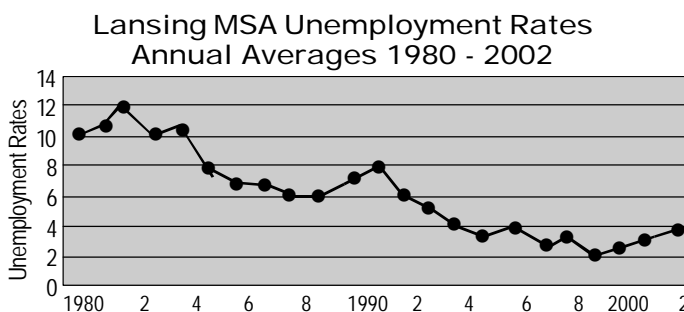
Upper Peninsula

Northeast Lower Michigan

Northwest Lower Michigan

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Mar	Feb	Mar	Mar	Feb	Mar	Mar	Feb	Mar
	2003	2003	2002	2003	2003	2002	2003	2003	2002
Place of Residence									
Labor Force	152,700	152,600	151,500	93,600	92,700	92,600	150,300	149,500	145,100
Employment	138,800	138,600	136,400	81,200	80,700	79,500	136,200	135,700	131,100
Unemployment	13,900	14,000	15,200	12,400	12,000	13,100	14,100	13,900	14,000
Rate (Percent)	9.1	9.2	10.0	13.2	12.9	14.2	9.4	9.3	9.6

Regional Focus



Until 2001, the Lansing MSA's annual jobless rates have been on a downward trend since 1982, with the exception of the recession of 1990-1991. During the economic recessions of 1981-83 and 1990-92, the Lansing MSA's unemployment rates reached 11.7 and 7.5 percent, respectively. In the current downturn, the highest jobless rate the area experienced was in 2002, at 3.9 percent. This was the highest rate since 1995. However, despite the current economic slowdown, the 3.9 percent unemployment rate experienced in the Lansing metropolitan area during 2002 was still lower than any other annual jobless rate between 1970 and 1994.

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March Jobless Rates Move Up in Michigan's Major Labor Markets

March unemployment rates (unadjusted) increased slightly in nine of Michigan's 12 major labor market areas. Employment was mixed with very little change in most areas over the month, while labor force levels increased seasonally in many areas. The jobless rate increases for the nine areas were marginal and registered a median gain of 0.2 percentage points. The only moderately significant unemployment rate changes were recorded in the Saginaw-Bay-Midland and Jackson metropolitan statistical areas, moving up by 0.5 of a percentage point and 0.4 of a percentage point, respectively. The jobless rate in the Upper Peninsula decreased slightly while the rates in the Kalamazoo-Battle Creek and Benton Harbor MSAs remained unchanged. Employment levels increased moderately in seven areas

during the month, while labor force levels moved up seasonally in 10 areas. From March 2002 to March 2003, unemployment rates rose in eight of the 12 major areas. Increases were significant in four areas including the Detroit, Grand Rapids, Saginaw-Bay-Midland, and Jackson MSAs, with rate increases ranging from 0.6 to 1.2 percentage points.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.2 percent, followed by Lansing with 4.7 percent and Kalamazoo-Battle Creek with 6.2 percent. The highest jobless rate in the month of March was recorded by Northeast Lower Michigan at 13.2 percent, followed by the Flint MSA with 9.7 percent.

Small Non-farm Employment Gains in Most Major Areas

Non-farm employment increased in seven of the nine MSAs in Michigan during March. Employment gains were modest and concentrated mainly in the service-providing sectors. The areas showing a small decline in their employment levels were the Jackson and Saginaw-Bay-Midland MSAs. Among the MSAs, Benton Harbor had the largest percentage job growth at 0.7 percent, followed by the Detroit and Flint MSAs, both with gains of 0.4 percent. Small employment gains in retail trade were recorded in most areas, mainly in food and beverages as well as grocery stores. Some employment advances were also recorded by motor vehicle and parts dealers. Manufacturing employment remained virtually unchanged in most areas. Only the Detroit MSA showed a gain of close to 4,000 jobs, concentrated mainly in motor vehicle parts manufacturing. Construc-

tion employment fluctuated slightly during March, as small gains in residential building contractors were erased by losses in special trade contractors.

During March, average hourly earnings in manufacturing decreased in four major areas. Most losses were minor and were due to small declines in both the durable goods and non-durable goods industries. Average weekly hours also fell in four areas during the month, with reductions mainly in the non-durable goods sector. The total effect of these changes was that average weekly earnings decreased in five major areas, and moved up in three. The largest drop in weekly earnings was recorded in the Ann Arbor MSA, down by \$26.85, followed by the Detroit and Saginaw areas, with losses of \$9.34 and \$6.80, respectively.

Manufacturing Hours and Earnings Major Labor Market Areas* March and February 2003						
Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	Mar	Feb	Mar	Feb	Mar	Feb
Ann Arbor	41.3	42.2	\$23.27	\$23.41	\$ 961.05	\$ 987.90
Benton Harbor	43.9	43.9	13.85	13.76	604.66	604.06
Detroit	43.3	43.4	23.96	24.12	1,032.76	1,046.81
Flint	43.0	43.2	29.77	29.78	1,287.36	1,286.50
Grand Rapids	40.0	39.6	16.47	16.42	650.63	650.23
Jackson*						
Kalamazoo	39.0	38.6	15.28	15.53	596.33	599.46
Lansing	42.7	42.2	24.77	24.77	1,046.14	1,045.29
Saginaw-Bay-Midland	43.5	44.4	24.82	24.47	1,077.56	1,086.47

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

Detroit's CMSA Medical Care Price Index Fell to 4.0 Percent in 2002

Medical care is one of the major item groups within the Consumer Price Index (CPI). This group consists of medical care commodities and medical care services. Medical care services, the dominant component of medical care, is organized into two expenditure categories: professional medical services and hospital and related services. Medical care commodities comprise prescription drugs and nonprescription medical equipment and supplies.

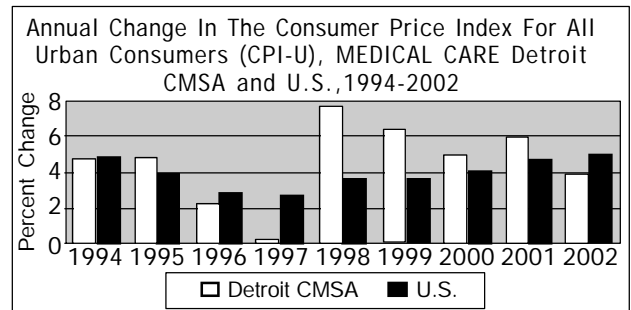
The base period weight for each CPI item is the out-of-pocket expenditures households incurred for that item in a three-year base period. Weights for CPI medical care reflect household expenditures for health insurance premiums as well as out-of-pocket medical expenses (those not covered by health insurance). The CPI does not include employer-paid health insurance premiums or government-paid health care such as Medicare Part A; these are considered part of consumers' income and not their expenditures. Consequently, the share of medical care in the CPI is smaller than its share of the gross domestic product and other national accounts measures.

Detroit's Consolidated Metropolitan Statistical Area (CMSA) medical care consumer price index moved up by 4.0 percent in 2002, a notable decline from the 6.0 percent increase recorded in 2001, and the lowest increase since 1997, when the annual rate increase stood at only 0.2

percent. It was also the first time since 1998 that Michigan's health price index stood below the nation's index of 5.0 percent.

The nation's medical care price index rise of 5.0 percent in 2002 was the highest calendar-year increase since 1993. This was the fifth year in a row nationally that the rate of medical care inflation was higher than the preceding year. Larger price increases for hospital services and dental services in 2002 were partly offset by smaller price increases for prescription drugs (due to patent losses on many name-brand drugs in the CPI sample), internal and respiratory over-the-counter drugs, physician services, and eyeglasses and eye care.

Source: U.S. Department of Labor, Bureau of Labor Statistics. April 2003.



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