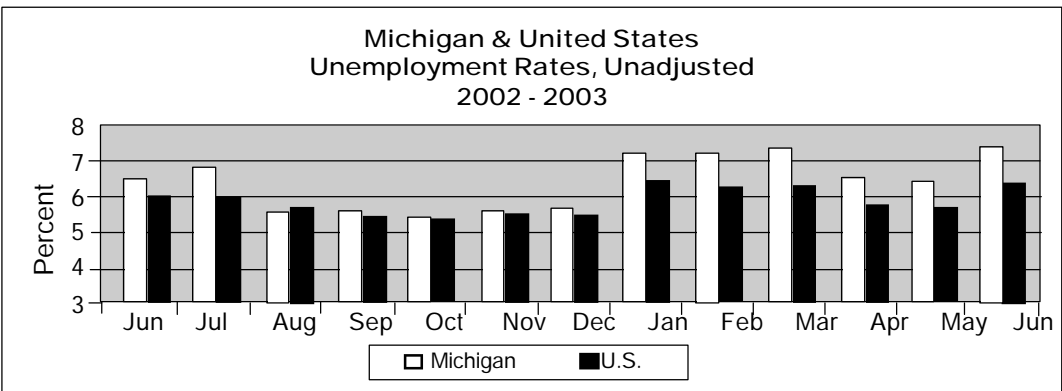


Michigan's June Unemployment Rate Increases To 7.4 Percent

Michigan's unemployment rate increased by 0.9 percentage points during the month as the unadjusted jobless rate advanced from 6.5 percentage points in May to 7.4 percent in June. The increase in the jobless rate represents 54,000 additional individuals out of work, as unemployment expanded to 385,000. The state's civilian labor force jumped by 101,000 during the month, moving up to 5,218,000, while total employment advanced by 47,000 to 4,833,000. The rise in unemployment during June was mostly a result of a seasonal expansion in the state's labor force combined with the sluggish economy. The number of persons

entering the job market, most notably university and college students seeking summer employment, outpaced the number of new positions offered, mostly by employers in trade and services. The nation's unemployment rate (unadjusted) also increased during June, moving up by 0.7 percentage points to 6.5 percent.

Compared to a year ago, June's labor force increased by 121,000, employment advanced by 67,000, and unemployment climbed by 54,000. This has resulted in an over-the-year hike of 0.9 percentage points in the state's jobless rate.



Michigan's Nonfarm Employment Remains Stagnant In June

Michigan's nonfarm employment moved down slightly during the month of June, with industry jobs falling to 4,487,000, a decline of 1,000 jobs from the previous month. In the goods-producing sector, employment decreases in the automotive and related industries were offset by small advances in nondurable goods (plastic and rubber, as well as chemical manufacturing). The increase in manufacturing jobs along with seasonal gains in construction caused an employment increase of 18,000 in durable goods. However, the service-providing sector decreased by 19,000 jobs during the month. Small seasonal gains in financial activities (real estate, and rental and leasing), retail trade (food and beverages), and leisure and hospitality (amusement, gambling, recreation, food services and drinking places) occurred in June. These were not enough to offset seasonal losses in government, as state and local educational facilities temporarily released staff for summer vacation.

In June, the average workweek in Michigan's manufacturing industries decreased to 41.8 hours from 42.2 in the previous month, while average hourly earnings moved up by 7 cents to \$21.19. As a result, average weekly earnings in manufacturing fell to \$885.74, a loss of \$5.52 from May's total.

	Average Hourly Earnings		Average Weekly Hours	
	2003 June	2003 May	2003 June	2003 May
Manufacturing	\$21.19	\$21.12	41.8	42.2
Durables	22.64	22.59	42.7	43.0
Motor Vehicles	27.48	27.15	43.9	44.9
Nondurables	14.43	14.27	38.1	38.7

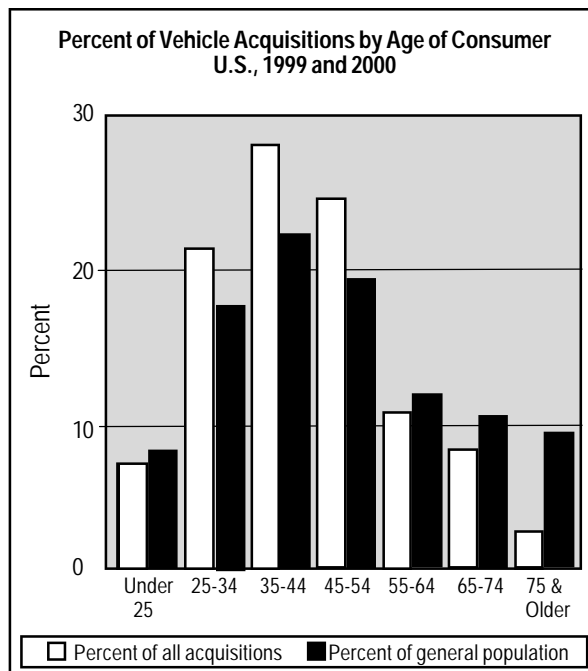
The Demographics of U.S. Vehicle Acquisition, 1999 and 2000

In a recent Consumer Expenditure Survey conducted by the Census Bureau for the U.S. Department of Labor, Bureau of Labor Statistics, the findings indicate that age was an important factor in affecting acquisitions of vehicles. Of the individuals acquiring vehicles during 1999 and 2000, 28 percent were in the 35- to 44-year-old age bracket, although that group made up just 22 percent of the population. The 25- to 34-, and the 45- to 54-year-old age groups each posted more than 20 percent of all vehicle acquisitions, yet accounted for a smaller share of the population.

Men, with 54 percent of the total population, acquired 58 percent of all vehicles. However, men and women acquired vehicles differently. Single men leased vehicles 10 percent of the time, compared with single women, who leased vehicles 12 percent of the time. Women's preference for the acquisition of new vehicles (37 percent) was higher than men's (21 percent), but women bought used vehicles only 52 percent of the time compared to men's 70 percent.

Among the race categories, the white population accounted for 88 percent of those acquiring vehicles, with 66 percent buying used vehicles, 27 percent buying new, and 8 percent leasing vehicles. Of the consumer units acquiring vehicles in the black population, 75 percent purchased used vehicles, 20 percent bought new vehicles, and 5 percent leased.

Source: Bureau of the Census for the U.S. Department of Labor, Bureau of Labor Statistics, June 2003.



Michigan

(Data In Thousands)

Jun 2003 May 2003 Jun 2002

Place of Residence

Labor Force	5,218	5,117	5,097
Employment	4,833	4,786	4,766
Unemployment Rate (Percent)	385	331	331
	7.4	6.5	6.5

Industry Jobs (Place of Work)

Total Nonfarm	4,487	4,488	4,543
Goods-Producing	969	951	991
Nat Resources & Mining	8	8	9
Construction	216	203	213
Manufacturing	745	740	769
Durable Goods	587	584	609
Fabricated Metals	81	80	85
Machinery Manufact.	78	78	80
Transportation Equip.	286	285	296
Nondurable Goods	158	156	160
Service-Providing	3,518	3,537	3,552
Trade, Transport & Util.	837	834	845
Wholesale Trade	175	173	178
Retail Trade	532	530	536
Motor Vehicle Dealers	63	63	65
Food & Beverage Stores	91	89	94
General Merchandise	121	122	124
Transp, Warehousing & Util	131	130	131
Information	75	76	75
Financial Activities	225	220	217
Finance & Insurance	168	168	160
Real Estate & Rental	57	52	57
Prof & Business Services	583	584	607
Prof, Scientific & Technical	255	255	258
Management Scientific Services	25	25	23
Administrative Support	248	248	267
Education & Health Services	539	545	535
Education Services	70	77	67
Health Care & Social Asst	469	468	468
Leisure & Hospitality	410	398	419
Arts, Entertainment & Rec	74	70	72
Accommodation & Food	336	328	347
Other Services	180	178	178
Government	668	702	676
Federal	58	58	56
State	153	163	163
Local	458	482	457

Civilian Labor Force and Wage & Salary Estimates

Ann Arbor

Benton Harbor

Detroit

(Data in Thousands)

	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002
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Place of Residence

Labor Force	319,900	316,800	314,200	82,500	82,200	81,900	2,328	2,272	2,270
Employment	306,800	305,400	301,800	76,400	77,000	76,500	2,152	2,122	2,119
Unemployment	13,000	11,400	12,500	6,100	5,200	5,400	176	150	151
Rate (Percent)	4.1	3.6	4.0	7.4	6.3	6.7	7.6	6.6	6.6

Place of Work

Total Nonfarm Jobs	291,300	292,800	293,100	69,500	70,800	71,100	2,106	2,091	2,120
Nat Resources & Construction	12,400	11,900	12,600	2,400	2,300	2,500	95	89	94
Manufacturing	40,600	40,900	43,600	16,400	16,600	16,200	331	331	337
Trade, Transport & Utilities	43,700	43,800	43,900	13,300	12,900	13,200	391	389	403
Wholesale Trade	7,400	7,400	7,400	2,300	2,300	2,400	98	97	100
Retail Trade	31,100	31,200	31,700	8,500	8,100	8,300	228	227	231
Information	5,900	6,000	5,900	1,000	1,000	1,000	41	41	40
Financial Activities	11,400	11,400	11,600	2,400	2,300	2,300	117	114	117
Professional & Business Service	38,700	38,000	37,100	5,700	6,400	6,300	373	372	373
Educational & Health Service	31,400	30,900	29,800	10,000	10,300	10,600	251	252	248
Leisure & Hospitality	23,500	22,400	23,200	6,300	6,300	7,000	186	182	185
Other Services	8,400	8,300	8,200	3,200	3,200	3,200	80	78	81
Government	75,300	79,200	77,200	8,800	9,500	8,800	242	244	242

Kalamazoo-Battle Creek

Lansing

Saginaw-Bay-Midland

	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002
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Place of Residence

Labor Force	232,700	230,800	230,100	253,600	254,200	246,500	207,300	202,500	199,300
Employment	217,500	217,800	217,600	241,600	243,700	236,000	190,300	188,000	185,900
Unemployment	15,000	12,900	12,500	12,000	10,500	10,500	17,100	14,500	13,400
Rate (Percent)	6.5	5.6	5.4	4.7	4.1	4.3	8.2	7.2	6.7

Place of Work

Total Nonfarm Jobs	207,600	209,600	212,300	240,600	245,200	240,400	179,300	178,800	179,100
Nat Resources & Construction	10,400	9,900	10,300	13,000	12,200	10,400	10,600	9,900	9,600
Manufacturing	41,000	40,600	41,900	24,300	23,800	24,400	24,400	24,300	25,500
Trade, Transport & Utilities	38,400	38,900	37,900	38,100	38,700	39,000	34,700	32,800	34,100
Wholesale Trade	5,700	5,600	5,800	5,700	5,900	6,000	4,400	4,300	4,600
Retail Trade	27,400	28,100	26,800	26,100	26,500	26,500	25,800	24,000	25,100
Information	2,400	2,500	2,400	3,900	4,000	3,800	3,100	3,200	3,100
Financial Activities	9,800	10,000	9,200	16,000	15,900	14,900	7,600	7,700	7,800
Professional & Business Service	19,200	19,300	20,500	21,500	21,300	23,200	22,300	22,400	23,400
Educational & Health Service	25,600	25,600	26,400	24,700	25,300	23,900	26,700	27,200	26,400
Leisure & Hospitality	21,200	20,500	21,700	19,700	18,600	19,900	17,500	16,900	17,500
Other Services	9,300	9,200	9,100	11,600	11,500	11,400	8,700	8,600	8,600
Government	30,300	33,100	32,900	67,800	73,900	69,500	23,700	25,800	23,100

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Muskegon-Holland			Jackson		
	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002
Place of Residence									
Labor Force	190,800	185,900	190,200	636,100	626,800	617,300	81,400	80,300	80,700
Employment	172,200	169,600	173,400	585,000	583,300	574,600	74,800	74,700	75,400
Unemployment	18,500	16,300	16,800	51,100	43,500	42,700	6,600	5,700	5,300
Rate (Percent)	9.7	8.8	8.8	8.0	6.9	6.9	8.1	7.1	6.6

Place of Work

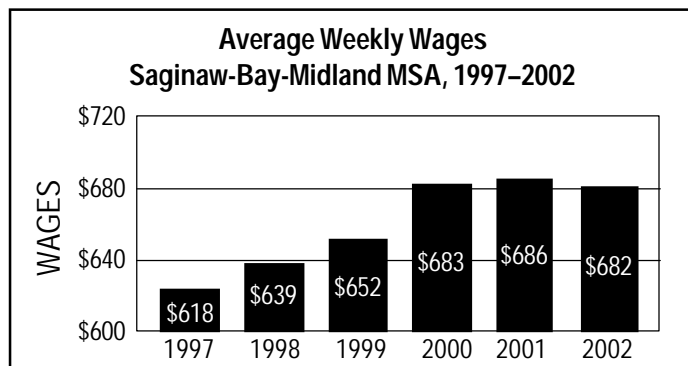
Total Nonfarm Jobs	162,200	161,300	166,600	577,500	579,600	580,200	62,900	63,400	64,900
Nat Resources & Construction	7,600	7,100	8,000	29,100	27,9800	30,200	2,900	2,700	2,900
Manufacturing	24,000	23,800	26,900	135,500	133,400	138,000	9,700	9,900	10,600
Trade, Transport & Utilities	32,500	32,200	32,800	111,800	112,700	111,600	13,600	13,500	14,200
Wholesale Trade	6,700	6,700	6,600	30,200	30,100	29,900	1,600	1,600	1,700
Retail Trade	22,000	21,800	22,400	67,100	68,200	67,400	8,700	8,600	9,200
Information	2,500	2,500	2,400	8,000	8,100	8,600	600	600	600
Financial Activities	5,600	5,800	6,000	23,900	23,500	24,500	2,700	2,600	2,600
Professional & Business Service	19,100	18,100	20,200	66,200	65,300	68,700	4,700	4,700	4,900
Educational & Health Service	23,500	23,400	23,200	70,800	74,800	70,300	8,600	8,700	8,500
Leisure & Hospitality	15,500	15,300	15,900	46,400	43,900	48,900	5,900	5,800	5,900
Other Services	6,900	6,800	6,800	25,500	25,800	23,900	3,000	3,000	2,900
Government	25,000	26,300	24,400	60,300	64,200	55,500	11,200	11,900	11,800

Upper Peninsula

Northeast Lower Michigan

Northwest Lower Michigan

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002
Place of Residence									
Labor Force	159,800	154,200	157,000	98,700	96,000	96,700	160,400	153,900	155,400
Employment	147,400	143,500	145,600	90,100	88,200	89,000	149,000	143,400	145,400
Unemployment	12,300	10,700	11,400	8,600	7,800	7,700	11,400	10,500	10,000
Rate (Percent)	7.7	6.9	7.3	8.7	8.1	8.0	7.1	6.8	6.4



Regional Focus

Average Weekly Wages Saginaw-Bay-Midland MSA, 1997-2002

Annual average weekly wages (AWW) in the Saginaw-Bay-Midland MSA for 2002 stood at \$682, a drop of \$4 from the previous year. In 2001 the area's annual AWW was \$686. Average weekly wages are calculated by dividing the total wages paid that year in the area by the average number of workers and by the number of weeks (52). The weekly wages contain all the area's earnings, including overtime wages.

June Jobless Rates Up Seasonally in All of Michigan's Major Areas

June unemployment rates (unadjusted) increased in all of Michigan's 12 major labor market areas, while labor force totals moved up in 11 areas and employment expanded in nine. The increases in the unemployment rates were seasonal and can be attributed to labor force expansion among seasonal workers and summer job seekers. Although many did find work in June, others did not. Over the month, unemployment rate increases for most of the 12 areas were significant, with the majority of the areas recording hikes of around a full percentage point. The Lansing Metropolitan Statistical Area (MSA), the Northeast Lower Michigan Region, the Ann Arbor MSA and the Northwest Lower Michigan Region were exceptions, with rates increasing by around a half of a percentage point or less. Of the nine labor

market areas recording employment advances, the three northernmost areas registered the largest gains, due mostly to the arrival of the tourism season. From June 2002 to June 2003, unemployment rates moved up in all 12 regions, with increases ranging from 0.1 percent (Ann Arbor MSA) to 1.5 percentage points (Jackson and Saginaw-Bay-Midland MSAs).

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.1 percent, followed by Lansing with 4.7 percent and Kalamazoo-Battle Creek with 6.5 percent. The highest jobless rate in the month of June was recorded by the Flint MSA with 9.7 percent, followed by the Northeast Lower Michigan Region at 8.7 percent.

Most Major Areas Report Seasonal Losses in Nonfarm Employment

Total nonfarm employment in Michigan's major areas revealed somewhat of a mixed picture during the month of June, with seven of the nine areas showing decreases for the month. The two areas recording nonfarm employment gains were the Detroit MSA, with a gain of 0.7 percent and the Flint MSA, up by 0.6 percent. Among the areas showing employment drops, the largest decline (1.9 percent) was recorded in the Lansing MSA, followed by the Ann Arbor MSA (down by 1.8 percent), as many major educational facilities continued reducing staff with the arrival of summer vacation. Conversely, most areas exhibited seasonal employment gains in construction (with the Kalamazoo MSA leading the way with a gain of 8.1 percentage points), while manufacturing employment remained

stagnant. In the service-providing sector, leisure and hospitality showed seasonal employment gains throughout the state, with the Grand Rapids MSA experiencing the largest growth at 5.7 percent.

During June, average weekly hours in manufacturing decreased in four major areas. Most reductions were minor and were due to declines in both the durable goods and nondurable goods sectors. Average hourly earnings also moved down in four areas during the month, with small losses in the durable goods sector. The total effect of these changes was that average weekly earnings fell in five major areas. The largest declines in weekly earnings were recorded in the Lansing MSA, down by \$45.90, followed by the Detroit MSA with a loss of \$15.02.

Manufacturing Hours and Earnings Major Labor Market Areas* June and May 2003						
Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	June	May	June	May	June	May
Ann Arbor	43.3	42.8	\$23.23	\$23.35	\$ 1,005.86	\$ 999.38
Benton Harbor	41.0	41.8	14.24	14.03	583.84	586.45
Detroit	42.2	43.2	24.09	23.88	1,016.60	1,031.62
Flint	44.5	44.3	29.84	29.65	1,327.88	1,313.50
Grand Rapids	39.7	39.7	16.29	16.42	646.71	651.87
Jackson*						
Kalamazoo	39.2	39.4	15.58	15.75	610.74	620.55
Lansing	42.1	43.9	24.77	24.80	1,042.82	1,088.72
Saginaw-Bay-Midland	44.1	43.2	25.29	25.10	1,115.29	1,084.32

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

Reasons For Extended Layoffs in the First Quarter of 2003

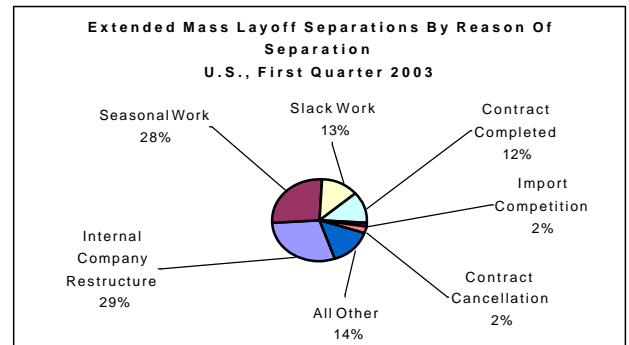
The U.S. Department of Labor, Bureau of Labor Statistics, reports that in the first quarter of 2003, 1,508 mass layoff actions (events) were taken by employers, which resulted in the separation of 272,000 workers from their jobs for at least 30 days. However, both the total number of layoff events and the number of separations were lower than in January through March 2002, and they were the lowest for the first quarter since 2000. Internal company restructuring (bankruptcy, business ownership change, financial difficulty, and reorganization) resulted in a total of 78,000 separations and accounted for 29 percent of all extended layoffs. These layoffs were observed mostly among workers in general merchandise stores. The completion of seasonal work resulted in 76,000 separations during the period and accounted for 23 percent of extended layoffs. Permanent closure of worksites occurred in 14 percent of all events and affected 51,000 workers. A year earlier, permanent closures occurred in 20 percent of all events and affected 93,000 workers.

Extended mass layoff separations occurred in 468 of the 1,197 detailed industries for which data are available. Manufacturing industries accounted for 36 percent of private-sector layoff events and 32 percent of all separations (84,000 workers) during January-March 2003. This was the lowest number of first-quarter separations since 1988. Separations in this sector were concentrated in computer and electronic products (16,000 workers, mostly in semiconductors and related

services), followed by transportation equipment (11,000, mainly in automobiles and aircrafts). Retail trade accounted for 14 percent of worker separations followed by agriculture, forestry, fishing and hunting with 12 percent, and construction with 10 percent.

In Michigan, the number of mass layoff events during the first quarter of 2003 fell to 34, down from 41 and 54 events in the first and fourth quarter of 2002, respectively. This resulted in 4,079 initial claims for unemployment insurance. This was less than half of the claims filed in Michigan during the fourth quarter of 2002. Of the 4,079 initial claims recorded in the third quarter of 2003, 17 percent were filed by blacks, 4 percent were filed by Hispanics, and 39 percent were filed by women.

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



Visit our Web site at www.michigan.gov/mdcd (Labor Market Information Quick Link)



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 Labor Market Analysis Section
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