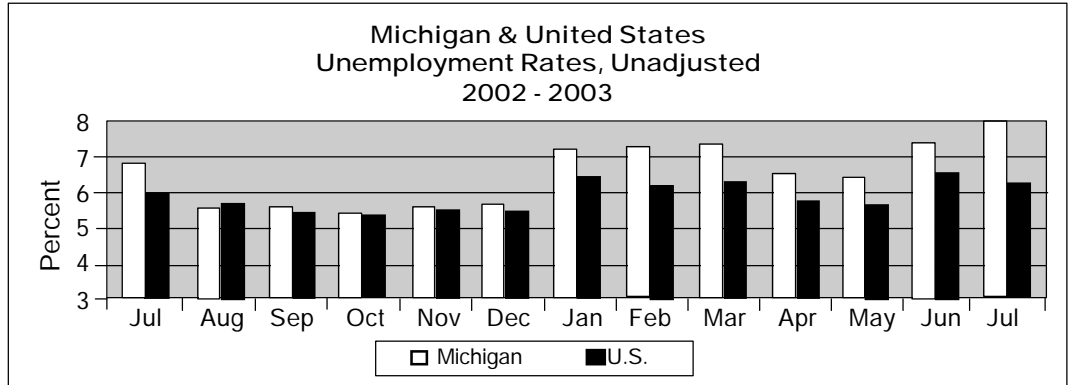


Michigan's Unemployment Rate Moves Up to 8.0 Percent in July

Temporary layoffs among workers in the automotive sector and auto-related suppliers caused Michigan's jobless level to increase in July. During the month, the state's unemployment rate (unadjusted) advanced to 8.0 percent, up from 7.4 percent recorded in June. The jobless rate increase represents 30,000 additional individuals out of work, as unemployment expanded to 417,000. The state's civilian labor force fell by 6,000, during the month to 5,217,000, while employment contracted by 37,000 to 4,800,000. Typically, manufacturing employment tends to decline in the month of July due to model changeover and retooling activities in the automotive industry. However,

although the employment changes among most industries followed seasonal patterns, job cuts were a bit higher than usual this July in both the manufacturing and government sectors. The nation's unemployment rate (unadjusted) decreased during July, moving down by 0.2 percentage points to 6.3 percent.

Compared to a year ago, July's labor force increased by 144,000, employment advanced by 74,000 and unemployment climbed by 70,000. This has resulted in an over-the-year hike of 1.2 percentage points in the state's jobless rate.



Nonfarm Job Cuts in Manufacturing and Education

Michigan's nonfarm employment moved down during the month, as industry jobs fell to 4,382,000 in July. Employment opportunities dropped by 109,000 jobs, with losses recorded in both the goods-producing and service-providing sectors of the economy. Goods-producing jobs decreased by 20,000, as both the durable goods sector (transportation equipment), and the nondurable goods sector (mainly plastics and rubber products), experienced short-term layoffs caused by model changeovers in the automotive industry. Service-providing employment declined by 89,000 jobs during the month, chiefly due to seasonal payroll reductions in state and local educational facilities. Small seasonal losses were also observed in private educational and health services, retail trade (mainly in general merchandise and department stores), transportation, warehousing and utilities, and professional and business services (mostly in architectural, engineering, and related services).

In July, the average workweek in Michigan's manufacturing industries decreased to 40.1 hours from 42.4 in the previous month, while average hourly earnings moved down by 65 cents to \$20.60. As a result, average weekly earnings in manufacturing contracted to \$826.06, a loss of \$74.94 from the previous month's total.

	Average Hourly Earnings		Average Weekly Hours	
	2003 July	2003 June	2003 July	2003 June
Manufacturing	\$20.60	\$21.25	40.1	42.4
Durables	21.97	22.72	40.6	43.4
Motor Vehicles	26.48	27.50	41.5	45.0
Nondurables	14.52	14.30	37.9	38.2

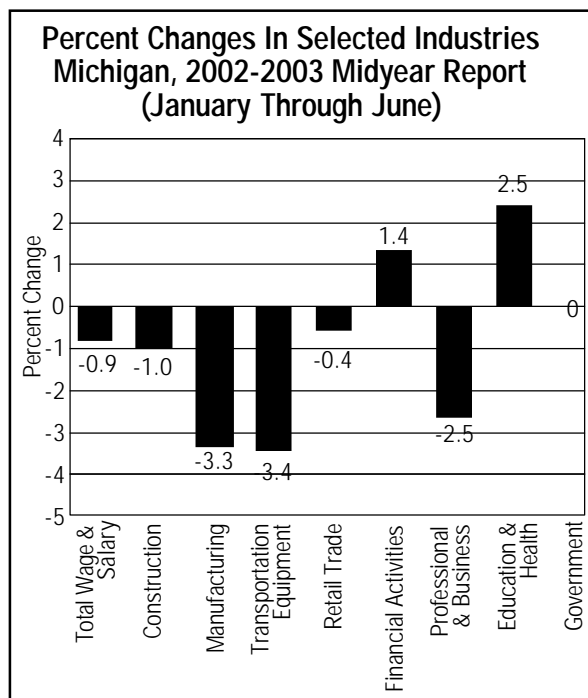
Wage and Salary (W&S) Employment in Michigan, Midyear Report, 2003

Michigan's total nonfarm employment changes during the first half of 2003 continued to reflect the economic slowdown experienced for the third consecutive year in the state and the nation. Although Michigan's employers supplied a monthly average of more than 4.4 million jobs during the first six months of 2003, it was a decrease of 41,000, or a drop of 0.9 percent, from the same period in 2002. Employment opportunities declined throughout the state's economy, with the exception of the financial activities sector and the education and health sector.

During the first six months of 2003, jobs in Michigan's service-providing industries fell by 12,000 or 0.3 percent. Retail trade and professional and business services, two of the largest sectors in Michigan's economy, recorded job cuts of 2,000 (0.4 percent) and 15,000 (2.5 percent), respectively. Conversely, finance activities increased employment by 3,000 or 1.4 percent and education and health services moved up by 13,000 jobs or 2.5 percent.

Among the goods-producing industries, the construction industry fell by 2,000 jobs, or 1.0 percent, while manufacturing decreased by 25,000 or 3.3 percent. Most of the employment losses came from the durable goods sector, as transportation equipment (down by 10,000, or 3.4 percent) and its related industries registered most of the downward adjustments. Government employment remained unchanged over the period.

Source: MDCD, Employment Service Agency, Office of Labor Market Information, August 2003.



Michigan			
(Data In Thousands)			
	Jul	Jun	Jul
	2003	2003	2002
Place of Residence			
Labor Force	5,217	5,223	5,073
Employment	4,800	4,837	4,726
Unemployment	417	387	347
Rate (Percent)	8.0	7.4	6.8
Industry Jobs (Place of Work)			
Total Nonfarm	4,382	4,491	4,435
Goods-Producing	954	974	965
Nat Resources & Mining	8	8	9
Construction	219	216	218
Manufacturing	727	751	738
Durable Goods	574	593	579
Fabricated Metals	79	81	83
Machinery Manufact.	77	78	79
Transportation Equip.	276	291	268
Nondurable Goods	153	158	159
Service-Providing	3,428	3,517	3,470
Trade, Transport & Util.	831	836	837
Wholesale Trade	175	174	177
Retail Trade	529	532	530
Motor Vehicle Dealers	63	63	64
Food & Beverage Stores	90	91	95
General Merchandise	119	122	122
Transp, Warehousing & Util	128	130	130
Information	74	75	76
Financial Activities	225	224	218
Finance & Insurance	169	168	160
Real Estate & Rental	56	56	57
Prof & Business Services	582	586	598
Prof, Scientific & Technical	253	257	258
Management Scientific Service	24	25	23
Administrative Support	247	248	260
Education & Health Services	530	538	530
Education Services	65	71	62
Health Care & Social Asst	465	468	467
Leisure & Hospitality	416	410	422
Arts, Entertainment & Rec	74	73	73
Accommodation & Food	341	337	350
Other Services	177	180	180
Government	594	668	610
Federal	58	58	57
State	155	152	160
Local	381	458	393

Civilian Labor Force and Wage & Salary Estimates

Ann Arbor

Benton Harbor

Detroit

(Data in Thousands)

	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002
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Place of Residence

Labor Force	315,900	319,000	308,000	81,300	82,800	81,100	2,331	2,337	2,251
Employment	301,100	305,900	294,500	74,500	76,700	75,700	2,139	2,160	2,091
Unemployment	14,900	13,100	13,400	6,800	6,200	5,500	191	177	160
Rate (Percent)	4.7	4.1	4.4	8.3	7.4	6.8	8.2	7.6	7.1

Place of Work

Total Nonfarm Jobs	280,800	290,300	282,000	66,700	69,700	69,200	2,055	2,112	2,062
Nat Resources & Construction	13,100	12,400	13,100	2,500	2,400	2,500	97	96	97
Manufacturing	40,200	41,100	41,300	15,000	16,400	15,400	325	336	316
Trade, Transport & Utilities	43,400	44,000	43,400	12,800	13,200	13,100	386	391	393
Wholesale Trade	7,400	7,400	7,400	2,300	2,300	2,400	97	97	99
Retail Trade	31,200	31,200	31,200	8,100	8,400	8,300	226	228	227
Information	5,900	5,900	5,900	1,000	1,000	1,000	40	40	40
Financial Activities	11,400	10,500	11,200	2,300	2,400	2,300	116	116	117
Professional & Business Service	37,800	38,500	36,200	5,500	5,900	6,200	368	374	368
Educational & Health Services	28,100	29,300	29,400	10,100	10,100	10,400	251	251	248
Leisure & Hospitality	23,700	23,900	22,500	6,500	6,300	7,100	185	187	183
Other Services	8,300	8,400	8,200	3,200	3,200	3,200	80	80	81
Government	68,900	75,300	70,800	7,800	8,800	8,000	208	241	217

Kalamazoo-Battle Creek

Lansing

Saginaw-Bay-Midland

	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002
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Place of Residence

Labor Force	232,600	233,100	230,800	255,100	253,700	245,500	206,200	205,600	199,500
Employment	215,900	217,900	217,000	241,100	241,600	235,000	188,000	188,500	186,200
Unemployment	16,600	15,300	13,800	14,000	12,100	10,500	18,100	17,100	13,300
Rate (Percent)	7.1	6.5	6.0	5.5	4.8	4.3	8.8	8.3	6.7

Place of Work

Total Nonfarm Jobs	202,100	207,600	208,400	236,200	240,500	235,900	174,300	177,500	176,800
Nat Resources & Construction	10,100	10,400	10,200	13,400	12,800	10,600	10,400	10,300	9,800
Manufacturing	40,200	40,900	41,700	23,400	24,300	24,000	24,100	24,500	24,800
Trade, Transport & Utilities	39,100	38,400	37,900	38,400	38,200	39,000	32,700	33,100	33,800
Wholesale Trade	5,900	5,700	5,900	5,600	5,700	6,100	4,300	4,400	4,600
Retail Trade	28,100	27,500	26,800	26,400	26,200	26,500	23,900	24,200	24,800
Information	2,400	2,400	2,400	4,000	3,900	3,900	3,100	3,100	3,100
Financial Activities	9,800	9,800	9,100	16,100	16,000	14,600	7,300	7,700	7,800
Professional & Business Service	19,100	19,400	20,500	20,900	21,700	22,300	22,500	22,400	23,400
Educational & Health Service	24,400	25,500	25,800	24,800	24,800	23,800	26,300	26,800	26,500
Leisure & Hospitality	21,100	20,900	21,800	19,400	19,400	19,800	17,300	17,100	17,400
Other Services	9,100	9,300	9,100	11,500	11,600	11,400	8,600	8,700	8,500
Government	26,800	30,600	29,900	64,300	67,800	66,500	22,000	23,800	21,700

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Muskegon			Jackson		
	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002
Place of Residence									
Labor Force	192,600	190,500	188,100	631,900	633,100	622,500	81,400	81,400	81,000
Employment	169,700	172,000	169,600	578,100	581,800	578,300	74,400	74,800	75,300
Unemployment	22,900	18,600	18,500	53,800	51,200	44,200	7,000	6,600	5,700
Rate (Percent)	11.9	9.7	9.9	8.5	8.1	7.1	8.6	8.1	7.0

Place of Work

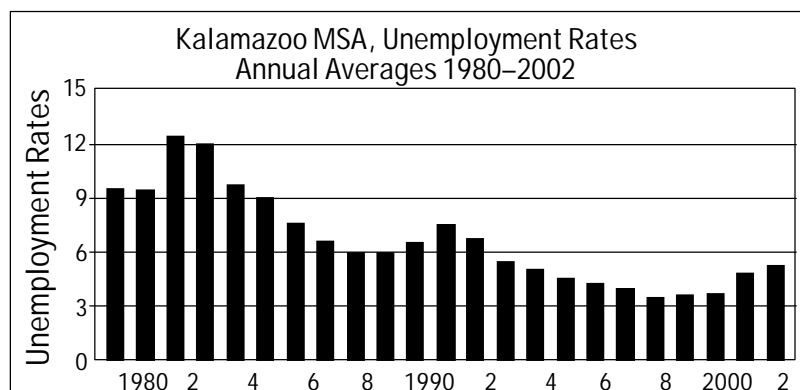
Total Nonfarm Jobs	156,800	161,800	160,600	559,900	573,700	575,200	61,300	62,900	63,700
Nat Resources & Construction	8,100	7,500	8,500	29,100	28,900	30,400	3,000	2,900	3,000
Manufacturing	23,800	24,000	25,600	131,700	135,400	137,200	9,400	9,900	10,400
Trade, Transport & Utilities	32,300	32,700	32,500	111,600	111,400	111,200	13,200	13,500	14,000
Wholesale Trade	6,600	6,700	6,700	30,400	30,100	29,600	1,600	1,600	1,700
Retail Trade	21,700	22,200	21,900	66,800	67,000	67,000	8,400	8,600	9,000
Information	2,500	2,500	2,500	7,900	8,000	8,700	600	600	600
Financial Activities	6,200	5,600	5,600	23,900	23,600	24,900	2,700	2,700	2,600
Professional & Business Service	18,400	18,800	20,000	66,600	66,100	69,600	4,700	4,700	4,800
Educational & Health Service	22,600	23,600	23,000	68,600	70,600	69,200	8,400	8,600	8,600
Leisure & Hospitality	15,200	15,300	15,700	45,100	45,100	49,000	5,700	5,900	6,000
Other Services	6,800	6,900	6,900	24,300	25,700	24,000	2,900	3,000	2,900
Government	20,900	24,900	20,300	51,100	58,900	51,000	10,700	11,100	10,800

Upper Peninsula

Northeast Lower Michigan

Northwest Lower Michigan

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002
Place of Residence									
Labor Force	160,800	159,900	156,000	99,000	98,900	96,800	163,500	160,600	156,600
Employment	150,700	147,600	146,800	90,800	90,200	89,200	151,800	149,200	147,200
Unemployment	10,000	12,300	9,200	8,300	8,600	7,700	11,700	11,400	9,300
Rate (Percent)	6.2	7.7	5.9	8.3	8.7	7.9	7.2	7.1	6.0



Regional Focus

Until 2000, Kalamazoo-Battle Creek MSA 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 1990-91, the Kalamazoo MSA's unemployment rates reached 12.1 and 7.5 percent, respectively. In the current downturn, the highest jobless rate experienced was in 2002, at 5.3 percent. This was the highest rate since 1993, when it also stood at 5.3 percent.

July Jobless Rates Up in Most of Michigan's Major Areas

July unemployment rates (unadjusted) increased in 10 of Michigan's 12 major labor market areas. Employment fell in nine areas over the month, while labor force levels were mixed throughout the state's major areas. The two areas to show jobless rates drop in July were the Upper Peninsula and the Northeast Lower Michigan region. Most major areas in Michigan displayed typical seasonal labor market patterns in July, with unemployment rates increasing in the southern portions of the state as a result of temporary shutdowns in the automotive industry due to retooling, while the northern regions reported typical employment gains with the arrival of the tourism and recreational season. Unemployment rate increases for the 10 areas over the month were moderate for the most part, with an average gain of 0.6

of a percentage point. Only two areas recorded notable divergence from this average rate increase. On one hand, the Flint Metropolitan Statistical Area (MSA) registered an unemployment rate jump of 2.2 percentage points, while the Northwest Lower Michigan Region's rate edged upward by only 0.1 percentage points.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.7 percent, followed by Lansing with 5.5 percent and the Upper Peninsula with 6.2 percent. The highest jobless rate in the month of July was recorded by the Flint MSA at 11.9 percent, followed by the Saginaw-Bay-Midland MSA with 8.8 percent.

Job Cuts Reflect Temporary Model Changeover in the Auto Industry

Total July nonfarm employment declined in all Michigan's nine Metropolitan Statistical Areas (MSAs). Employment losses were seasonal and were reflected in both the goods-producing and service-providing sectors. In the goods-producing sector, employment declined temporarily in manufacturing, due to auto plants halting production following model changeover shutdowns. Declines in the service-providing industries were concentrated mainly in state and local government, as educational facilities continued to reduce staff levels during the summer recess period. Among the MSAs, Benton Harbor had the largest percentage job decline at 4.3 percent (mainly due to losses in the durable goods industries), followed by the Kalamazoo and Ann Arbor MSAs with losses of 3.4 and 3.3 percent, respectively.

The most modest job losses were recorded in the Lansing and Saginaw-Bay-Midland MSAs, both reducing employment by 1.8 percent.

During July, average hourly earnings in manufacturing decreased in eight major areas. Most losses were due to declines in hourly wages in the durable goods industries. Average weekly hours moved down in seven areas during the month, with losses in both the durable goods and non-durable goods sectors. The total effect of these changes was that average weekly earnings decreased in seven major areas. The largest reductions in weekly earnings were recorded in the Saginaw-Bay-Midland MSA, down by \$178.84, followed by the Flint and Ann Arbor MSAs with decreases of \$172.40 and \$131.47, respectively.

Manufacturing Hours and Earnings Major Labor Market Areas* July and June 2003						
Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	July	June	July	June	July	June
Ann Arbor	40.9	43.7	\$21.98	\$23.58	\$ 898.98	\$ 1,030.45
Benton Harbor	38.7	40.9	13.97	14.20	540.64	580.78
Detroit	40.5	43.4	23.84	24.31	965.52	1,055.05
Flint	40.6	44.5	28.46	29.84	1,155.48	1,327.88
Grand Rapids Jackson*	38.6	39.7	16.29	16.33	628.79	648.30
Kalamazoo	39.6	39.1	15.48	15.63	613.01	611.13
Lansing	41.4	42.2	24.27	24.65	1,004.78	1,040.23
Saginaw-Bay-Midland	39.9	43.9	23.20	25.16	925.68	1,104.52

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

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