



# Michigan's August Unemployment Rate Falls to 6.9 Percent

Michigan's unadjusted unemployment rate declined by 1.1 percentage points during the month of August, bringing the state's jobless rate to 6.9 percent, down from the 8.0 percent recorded in July. The decline in the jobless rate represents 67,000 fewer individuals out of work, as unemployment decreased to 353,000. The state's civilian labor force fell by 84,000 during the month, moving down to 5,136,000, while employment decreased by 18,000 to 4,783,000. The decrease in unemployment during the month of August was primarily attributed to a seasonal decline in the state's labor force, as many temporary, seasonal, and summer workers, most notably college and high

school students, left the summer job market. Many auto plants also have completed their annual changeover activities and recalled workers who were on temporary layoff. The nation's unemployment rate (unadjusted) also decreased during August, moving down by 0.3 percentage points to 6.0 percent.

Compared to a year ago, August's labor force increased by 119,000, employment advanced by 48,000, and unemployment climbed by 71,000. This has resulted in an over-the-year hike of 1.3 percentage points in the state's jobless rate.



# Auto Workers Return to Work, as Model Changeover Ends

Michigan's nonfarm employment declined slightly during the month of August, as industry jobs fell to 4,369,000. Employment opportunities moved down by 14,000 jobs, as seasonal gains in the goods-producing sector were erased by losses in service-providing employment. Goods-producing employment expanded by 7,000 during the month, mostly in the durable goods sector, following worker recalls from the annual model changeover layoffs in the automotive and auto supplier industries. Nondurable goods employment also advanced during August, adding 2,000 jobs, mainly in plastic and rubber products manufacturing. Service-providing employment fell by 20,000 positions, with seasonal reductions in state and local government, as educational facilities temporarily reduced staff with the end of the summer semester. Seasonal employment losses also were recorded in the leisure and hospitality industry, mainly in accommodation and food services, as well as arts, entertainment, and recreation.

In August, the average workweek in Michigan's manufacturing industries decreased to 39.2 hours from 40.2 in the previous month, while average hourly earnings moved up by 78 cents to \$21.47. As a result, average weekly earnings in manufacturing advanced to \$841.62, a gain of \$9.88 from July's total.

	Average Hourly Earnings		Average Weekly Hours	
	2003 August	2003 July	2003 August	2003 July
Manufacturing	\$21.47	\$20.69	39.2	40.2
Durables	23.10	22.08	39.5	40.7
Transport Equip	28.80	26.76	39.8	41.4
Nondurables	14.41	14.51	38.0	38.1

## The August 2003 Consumer Price Index (CPI) Increased for the Detroit CMSA\*, and for the Nation

The Detroit Consumer Price Index CPI-U (for all urban consumers) increased by 0.4 percent from June 2003\*\* and by 1.5 percent from August 2002. Among the eight major consumer categories, four showed an increase for the two-month period. The sharpest gains were recorded by the other goods and services component, up by 1.8 percent, followed by education and communication with a gain of 1.2 percent. Other sectors to show increases for the period were transportation (which includes motor fuel and gasoline prices) and housing, moving up by 1.1 percent and 0.9 percent, respectively. A notable development among the changes in the Detroit Price Index during August was the increase in gasoline prices, up by 3.5 percent, while overall energy prices moved up by 5.8 percent for the two-month period.

The consumer categories to show a decline in August were recreation, apparel, and food and services, falling by 1.4, 1.2 and 0.3 percent, respectively. Medical care remained unchanged for the period.

The U.S. Consumer Price Index CPI-U moved up by 0.4 percentage points during August 2003, and rose by 2.2 percent from August 2002. The largest gain in the nation's commodities and services basket for the month was recorded by education and communication, and transportation, up by 1.1 and 1.0 percent, respectively.

\* The Detroit CMSA (Consolidated Metropolitan Statistical Area) includes the metro areas of Ann Arbor, Flint, and Detroit.

\*\* The Detroit Consumer Price Index (CPI) is published only for even-numbered months. The next CPI for the Detroit MSA will be published for the month of October 2002.

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

CONSUMER PRICE INDEX (CPI) ALL URBAN CONSUMERS AUGUST 2003			
	Index Number	Percent Changes From	
		Last Period	Last Year
Detroit	183.6	0.4	1.5
U.S.	184.6	0.4	2.2

<b>Michigan</b>			
(Data In Thousands)			
	<b>Aug 2003</b>	<b>Jul 2003</b>	<b>Aug 2002</b>
<b>Place of Residence</b>			
Labor Force	5,136	5,220	5,017
Employment	4,783	4,801	4,735
Unemployment	353	420	282
Rate (Percent)	6.9	8.0	5.6
<b>Industry Jobs (Place of Work)</b>			
Total Nonfarm	4,369	4,383	4,466
Goods Producing	961	954	989
Nat Resources & Mining	8	9	9
Construction	216	218	220
Manufacturing	736	727	760
Durable Goods	582	574	599
Fabricated Metals	80	80	84
Machinery Manufact.	77	77	79
Transportation Equip.	282	276	287
Nondurable Goods	155	153	160
Service Providing	3,409	3,429	3,477
Trade, Transport & Utilities	829	831	841
Wholesale Trade	175	174	177
Retail Trade	527	530	533
Motor Vehicle Dealers	62	63	63
Food & Beverage Stores	90	90	94
General Merchandise	121	121	123
Transportation Warehousing & Utilities	127	126	131
Information	74	74	74
Financial Activities	223	223	219
Finance & Insurance	168	169	161
Real Estate & Rental	55	54	58
Prof & Business Services	586	582	609
Prof, Scientific & Technical	256	254	259
Management Scientific Service	25	24	24
Administrative Support	248	248	268
Education & Health Services	526	530	529
Education Services	62	65	61
Health Care & Social Asst	464	465	467
Leisure & Hospitality	407	414	416
Arts, Entertainment & Rec	73	75	72
Accommodation & Food	334	340	344
Other Services	175	177	177
Government	590	597	613
Federal	58	58	57
State	150	152	159
Local	383	387	397

## Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit		
	(Data in Thousands)								
	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002
<b>Place of Residence</b>									
Labor Force	312,300	317,200	307,400	81,500	81,600	80,800	2,284	2,332	2,228
Employment	299,800	302,200	297,200	75,600	74,800	76,300	2,123	2,139	2,099
Unemployment	12,500	15,000	10,200	5,900	6,800	4,500	161	193	129
Rate (Percent)	4.0	4.7	3.3	7.2	8.3	5.6	7.1	8.3	5.8
<b>Place of Work</b>									
Total Nonfarm Jobs	280,700	282,100	285,400	67,700	67,000	70,000	2,050	2,058	2,083
Nat Resources & Construction	13,300	12,800	12,600	2,400	2,500	2,500	96	97	100
Manufacturing	40,500	40,100	43,500	16,100	15,300	16,000	328	325	330
Trade, Transport & Utilities	43,500	43,400	44,300	13,100	12,900	13,200	386	385	395
Wholesale Trade	7,300	7,400	7,400	2,300	2,300	2,400	99	97	100
Retail Trade	31,300	31,100	31,700	8,400	8,200	8,400	226	227	228
Information	5,900	5,900	5,700	1,000	1,000	1,000	40	40	39
Financial Activities	11,500	11,400	11,600	2,300	2,300	2,300	115	116	116
Professional & Business Services	37,400	38,200	36,600	5,600	5,500	6,400	370	368	375
Educational & Health Services	28,400	28,000	30,200	10,000	10,000	10,300	247	251	246
Leisure & Hospitality	23,900	23,600	22,200	6,400	6,500	7,000	180	184	184
Other Services	8,300	8,300	8,300	3,200	3,200	3,200	81	80	81
Government	68,000	70,400	70,400	7,600	7,800	8,100	208	211	217
<b>Place of Residence</b>									
Labor Force	229,800	232,700	229,600	251,900	254,600	244,600	203,100	205,900	198,000
Employment	215,200	215,900	217,900	240,400	240,500	235,900	187,000	187,800	186,700
Unemployment	14,600	16,800	11,700	11,500	14,000	8,700	16,100	18,200	11,300
Rate (Percent)	6.4	7.2	5.1	4.6	5.5	3.5	7.9	8.8	5.7
<b>Place of Work</b>									
Total Nonfarm Jobs	200,800	202,500	209,100	236,000	235,800	237,800	173,900	174,200	178,000
Nat Resources & Construction	10,000	10,100	10,200	13,300	13,300	11,200	10,200	10,300	10,100
Manufacturing	40,200	40,200	41,300	24,300	23,400	24,800	24,400	24,100	25,300
Trade, Transport & Utilities	38,300	38,900	38,000	37,000	38,300	39,200	33,500	32,800	33,800
Wholesale Trade	5,700	5,800	5,800	6,000	5,600	6,000	4,400	4,400	4,600
Retail Trade	27,500	28,000	27,000	24,700	26,400	26,800	24,600	24,000	24,800
Information	2,400	2,400	2,300	3,900	3,900	3,800	3,100	3,100	3,000
Financial Activities	9,500	9,700	9,300	16,700	16,100	15,100	7,400	7,300	8,100
Professional & Business Services	19,000	18,700	20,000	21,300	21,000	22,900	22,300	22,400	23,500
Educational & Health Services	24,200	24,500	26,100	25,000	24,800	24,000	26,400	26,400	26,600
Leisure & Hospitality	20,800	21,300	22,100	19,300	19,000	19,600	17,200	17,300	17,600
Other Services	9,100	9,100	9,100	11,400	11,500	11,300	8,500	8,600	8,500
Government	27,300	27,600	30,700	63,800	64,500	65,900	20,900	21,900	21,500

## Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Muskegon-Holland			Jackson		
	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002
<b>Place of Residence</b>									
Labor Force	188,100	192,900	183,900	620,900	632,900	609,700	80,900	81,600	80,000
Employment	170,100	169,800	169,100	575,000	578,900	572,900	74,500	74,600	75,300
Unemployment	18,000	23,000	14,900	46,000	54,000	36,800	6,400	7,100	4,700
Rate (Percent)	9.6	11.9	8.1	7.4	8.5	6.0	7.9	8.7	5.9

### Place of Work

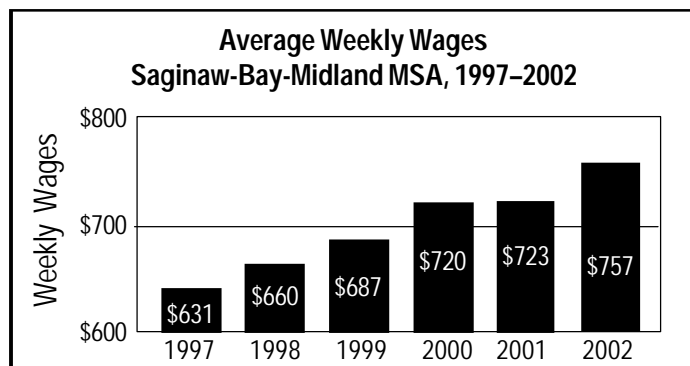
Total Nonfarm Jobs	157,900	157,300	160,900	559,300	561,400	573,600	61,400	61,600	64,200
Nat Resources & Construction	8,200	8,000	8,300	29,500	29,200	30,200	2,900	3,000	3,000
Manufacturing	25,100	23,900	26,200	132,100	132,000	137,300	9,400	9,500	10,500
Trade, Transport & Utilities	32,100	32,400	32,200	110,600	111,600	112,000	13,300	13,300	14,000
Wholesale Trade	6,700	6,700	6,700	30,200	30,400	29,700	1,600	1,600	1,700
Retail Trade	21,600	21,900	21,600	66,100	66,900	67,600	8,500	8,500	9,000
Information	2,500	2,500	2,400	7,900	8,000	8,600	600	600	600
Financial Activities	5,700	6,100	5,800	23,800	23,900	24,800	2,600	2,600	2,600
Professional & Business Serv	18,700	18,800	19,400	66,000	66,800	69,100	4,700	4,700	4,900
Educational & Health Serv	23,300	22,700	23,000	67,900	68,600	68,700	8,400	8,500	8,600
Leisure & Hospitality	15,500	15,400	15,800	45,500	45,100	47,500	5,800	5,700	6,000
Other Services	6,700	6,800	6,700	24,400	24,600	23,500	2,900	3,000	2,900
Government	20,100	20,700	21,100	51,600	51,600	51,900	10,800	10,700	11,100

### Upper Peninsula

### Northeast Lower Michigan

### Northwest Lower Michigan

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002
<b>Place of Residence</b>									
Labor Force	159,600	160,600	154,500	97,800	98,900	95,400	160,800	163,300	153,700
Employment	149,900	150,600	146,200	90,500	90,700	89,200	150,700	151,600	145,800
Unemployment	9,600	10,000	8,300	7,300	8,300	6,200	10,100	11,800	7,900
Rate (Percent)	6.0	6.3	5.4	7.5	8.4	6.6	6.3	7.2	5.2



### Regional Focus

#### Average Weekly Wages Ann Arbor MSA, 1997 - 2002

Average weekly wages (AWW) in the Ann Arbor MSA moved up to \$757 during 2002, an annual gain of \$34 or 4.7 percent. In 2001, the area's AWW stood at \$723, an increase of \$3 or 0.4 percent over 2000. 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.

## August Unemployment Rates Decline in All of Michigan's Major Areas

August jobless rates (unadjusted) decreased seasonally in all of Michigan's 12 major labor market areas. Employment totals fell in most areas over the month, while labor force levels declined in every major area. Jobless rate decreases during August were significant, with a median drop of 0.9 percentage point. Four areas, the Flint, Detroit, Grand Rapids-Muskegon-Holland, and Benton Harbor Metropolitan Statistical Areas (MSA) had rate drops of more than a full percentage point. The decline in the jobless rates reflected typical seasonal labor market patterns brought about by two main factors. First, the number of the unemployed decreased in most areas with the recall of auto-related workers on temporary layoffs, following model changeover activities in July. Second, many jobseekers,

particularly college and high school students, began leaving the job market, either returning to school or giving up the search for summer employment. This caused labor force, employment, and unemployment levels to fall. From August 2002 to August 2003, jobless rates rose in all 12 areas with increases ranging from 0.6 percent (the Upper Peninsula) to 2.2 percent (the Saginaw-Bay-Midland MSA).

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.0 percent, followed by Lansing with 4.6 percent, and the Upper Peninsula with 6.0 percent. The highest jobless rate in the month of August was recorded by the Flint MSA at 9.6 percent, followed by the Jackson and Saginaw MSAs, both with 7.9 percent.

## Most Major Areas Report Minor Losses in Non-farm Employment

Nonfarm employment fell in six of the nine Metropolitan Statistical Areas (MSAs) in Michigan during August. Most declines were minor, averaging 0.6 percentage points. The three areas to show small gains for the month were the Benton Harbor, Flint and Lansing MSAs. Employment losses in most areas were seasonal and concentrated mainly in the service producing industries. They were caused mainly by seasonal reductions in state and local educational facilities. Conversely, manufacturing employment advanced in most MSAs, as many automotive plants and suppliers recalled workers from the model changeover layoffs. These gains were reflected in both the durable and nondurable goods sectors. Construction employment remained stable for the most part, with small declines in specialty trade contractors, outpacing gains in residential building construction. Among the MSAs, Saginaw-

Bay-Midland had the largest percentage job decline at 1.0 percent, followed by the Kalamazoo-Battle Creek MSA with a drop of 0.8 percent, and the Jackson MSA with a decline of 0.7 percentage point.

During August, average weekly hours in manufacturing moved down in four major areas. Most losses were minor and were due to downward movements in the durable goods sector. Average hourly earnings moved up in seven areas, with advances also recorded in the durable goods sector. The total effect of these changes was that average weekly earnings increased in five major areas. The largest gains in weekly earnings were recorded in the Saginaw-Bay-Midland area, up by \$111.08, followed by the Flint and Benton Harbor MSAs with gains of \$91.74 and \$56.07, respectively.

**Manufacturing Hours and Earnings  
Major Labor Market Areas\*  
August and July 2003**

Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	August	July	August	July	August	July
Ann Arbor	38.8	40.8	\$23.57	\$21.95	\$ 914.52	\$ 895.56
Benton Harbor	41.0	39.3	14.95	14.17	612.95	556.88
Detroit	37.7	40.4	24.73	24.07	932.32	972.43
Flint	41.0	40.6	30.42	28.46	1,247.22	1,155.48
Grand Rapids	39.8	38.6	16.43	16.27	653.91	628.02
Jackson*						
Kalamazoo	39.2	39.7	15.25	15.47	597.80	614.16
Lansing	37.4	41.4	26.43	24.20	988.48	1,001.88
Saginaw-Bay-Midland	41.3	40.0	25.14	23.18	1,038.28	927.20

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

## Employment and Unemployment among Youth in the U.S., Summer 2003

The Bureau of Labor Statistics, U.S. Department of Labor, reports that the youth labor force, 16-to-24-year-olds working or actively looking for work, increased by 2.7 million between the months of April and July 2003, reaching a total of 24.2 million in July. However, the July labor force participation rate of youth, (defined as the proportion of the population working or looking for work) in 2003, reached 67.3 percent, markedly lower than the participation rate recorded in 2002 (69.5 percent). This was the lowest rate for any July since 1966. The over-the-year decrease in the youth labor force participation rate may reflect, at least in part, the continuing weakness in the nation's labor markets in 2003. The participation rates of youth in July have been on the decline for a number of years, perhaps in response to an increase in school enrollments during the summer.

There were 21 million 16-to-24-year-olds employed in July 2003. The employment to population ratio for youth, which is the proportion of 16-to-24-year-old civilian noninstitutional population that were employed, was 58.3 percent, the lowest July ratio since 1964. The ratio decreased by 2.6 percentage points from last year, and has fallen by 6.5 percent since July 2000. The employment to population ratios for all the demographic categories, including men, women, whites, and blacks, were all lower than a year earlier.

There were 3.2 million youth unemployed in July 2003. Unemployment among youth increased by 628,000 between April and July, the largest seasonal increase since 1988. In July, the youth jobless rate was 13.3 percent, up from 12.4 percent in July 2002 and 9.6 percent in July 2000.

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

EMPLOYMENT STATUS OF THE CIVILIAN NONINSTITUTIONAL POPULATION 16-TO-24-YEARS OLD						
(In Thousands)						
	April	May	June	July	April-July Changes	
					Number	Percent
Civilian Noninstitutional Population	35,815	35,847	35,880	35,905	91	0.3
Civilian Labor Force	21,445	21,870	23,975	24,150	2,705	12.6
Participation Rate	59.9	61.0	66.8	67.3	7.4	12.3
Employment	18,873	19,032	20,432	20,950	2,077	11.0
Employment-Population Ratio	52.7	53.1	56.9	58.3	5.7	10.7
Unemployment	2,572	2,838	3,542	3,200	628	24.4
Unemployment Rate	12.0	13.0	14.8	13.3	1.3	10.5

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



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