



Michigan Department of Labor & Economic Growth

Michigan's Labor Market News

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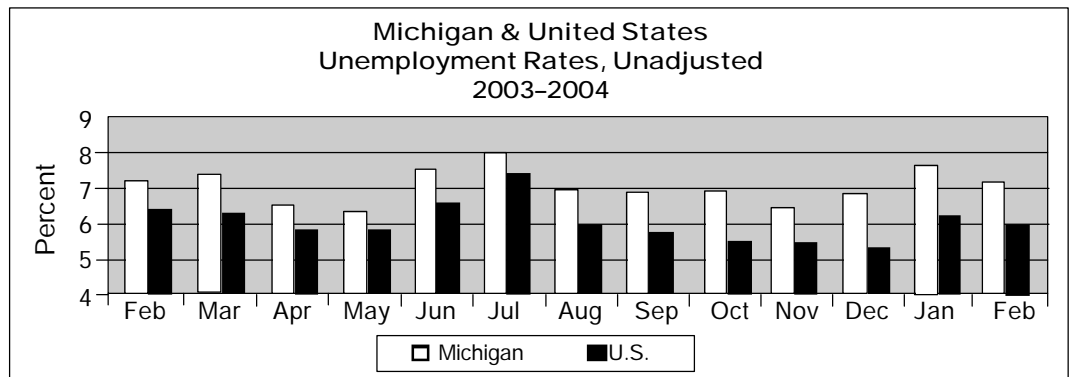
April 2004

Michigan's February Unemployment Rate Down to 7.3 Percent

Michigan's unemployment rate moved down by 0.3 percentage points during the month, as the unadjusted jobless rate decreased from 7.6 to 7.3 percent in February. The jobless rate decline represents 14,000 fewer individuals out of work, as unemployment contracted to 365,000. The state's civilian labor force increased by 11,000 during the month to 5,014,000, while employment expanded by 24,000 to 4,648,000. Michigan's unemployment rate was well above the February 2004 national rate of 6.0 percent (unadjusted). The decline in the number of individuals seeking employment combined with the solid increase in total employment was the main reason for

Michigan's unemployment rate coming down during the month. Although Michigan's labor market patterns remain uncertain, the decrease in the state's unemployment rate was a positive development. The nation's unemployment rate (unadjusted) also fell during February by 0.3 percentage points to 6.0 percent.

From February 2003 to February 2004, the number of unemployed in Michigan edged down by three percent, slightly less than the nationwide drop of five percent. During that period, Michigan's jobless rate decreased by three-tenths of a percentage point, compared to the nation's decline of 0.4 percent.



Schools Recall Staff Following Winter Break

Michigan's nonfarm employment edged upward during the month of February, as industry jobs moved up to 4,310,000. Employment opportunities advanced by 14,000 jobs, due to gains recorded in the service-providing sector. Service-providing employment expanded by 20,000 jobs during the month, as state and local schools recalled teachers and other staff members following the end of winter vacation. Private educational facilities also increased their staff during the month, with teachers returning to work mainly in colleges and universities. Goods-producing employment fell by 5,000 jobs during February, mostly due to seasonal reductions in the construction industry (specialty trade contractors and construction of buildings, among others). Manufacturing employment remained unchanged at 710,000, as both the durable goods sector (transportation equipment up by 1,000 jobs) and the non-durable goods sector held their own.

In February, the average workweek in Michigan's manufacturing industries decreased to 42.6 hours from 42.7 in the previous month, while average hourly earnings moved down by 10 cents to \$21.75. As a result, average weekly earnings in manufacturing contracted to \$926.55, a loss of \$6.45 from the previous month's total.

February & January, 2004				
	Average Hourly Earnings		Average Weekly Hours	
	2004		2004	
	Feb.	Jan.	Feb.	Jan.
Manufacturing	\$21.75	\$21.85	42.6	42.7
Durables	23.21	23.28	43.4	43.7
Transport Equipment	28.40	28.34	45.4	45.8
Nondurables	14.84	14.91	39.1	38.5

Productivity Growth in Manufacturing, U.S. 2003

The Bureau of Labor Statistics of the U.S. Department of Labor recently reported preliminary productivity data — as measured by output per hour of all persons — for 2003. The seasonally adjusted annual rates of productivity changes for annual average 2003 were as follows:

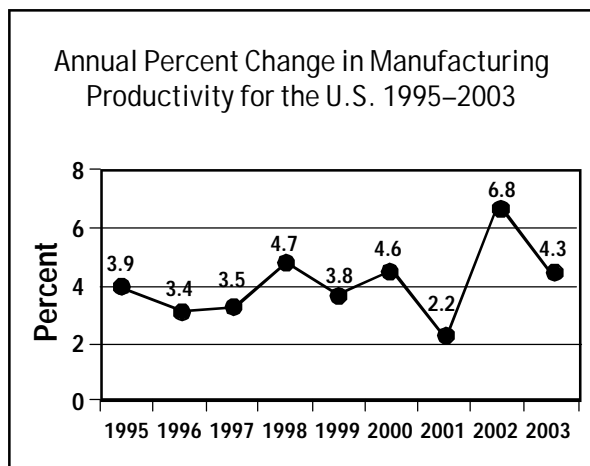
Annual Averages 2002–2003 (%)	
Business Sector	4.3
Nonfarm Business Sector	4.2
Manufacturing Sector	4.3
Durable Goods	6.7
Nondurable Goods	1.2

During 2003, productivity rose 4.3 percent in the business sector and 4.2 percent in the nonfarm business sector. In manufacturing, labor productivity advanced 4.3 percent in 2003, and this occurred as output grew 0.1 percent and work hours of all persons fell 4.0 percent. There was a 6.7 percent increase in durable goods manufacturing productivity, as output rose 2.1 percent and hours fell 4.3 percent. Nondurable goods posted a more modest increase in productivity, 1.2 percent, reflecting an output decline of 2.2 percent and a drop in hours of 3.3 percent.

Hourly compensation of manufacturing workers increased 4.5 percent in 2003, more than the 3.6 percent in 2002. However, taking into account the rise in consumer prices, real hourly compensation in manufacturing rose by only 2.2 percent in 2003 and 2.0 percent one year earlier.

Unit labor costs in manufacturing increased by 0.3 percent in 2003. In comparison, these costs had declined 3.0 percent in calendar year 2002.

Source: U.S. Department of Labor, Bureau of Labor Statistics, February 2004.



Michigan

(Data In Thousands)

Feb 2004 Jan 2004 Feb 2003

Place of Residence

Labor Force	5,014	5,003	4,963
Employment	4,648	4,624	4,587
Unemployment	365	379	377
Rate (Percent)	7.3	7.6	7.6

Industry Jobs (Place of Work)

Total Nonfarm	4,310	4,296	4,357
Goods-Producing	880	885	910
Nat Resources & Mining	7	8	8
Construction	162	168	163
Manufacturing	710	710	739
Durable Goods	565	564	586
Fabricated Metals	82	83	84
Machinery Manufact.	76	75	78
Transportation Equip.	277	276	288
Nondurable Goods	145	146	154
Service-Providing	3,431	3,411	3,447
Trade, Transport & Util.	790	797	799
Wholesale Trade	172	172	172
Retail Trade	497	502	503
Motor Vehicle Dealers	60	61	62
Food & Beverage Stores	87	87	88
General Merchandise	112	117	115
Transp, Warehousing & Util	121	123	124
Information	68	69	71
Financial Activities	216	216	215
Finance & Insurance	160	161	161
Real Estate & Rental	56	56	54
Prof & Business Services	564	566	575
Prof, Scientific & Technical	247	247	255
Management Scientific Services ^b	20	20	20
Administrative Support	239	240	240
Education & Health Services	549	543	541
Education Services	83	75	70
Health Care & Social Asst	467	468	471
Leisure & Hospitality	378	378	368
Arts, Entertainment & Rec	54	53	50
Accommodation & Food	323	325	318
Other Services	169	168	170
Government	697	674	709
Federal	55	55	56
State	171	164	178
Local	470	455	475

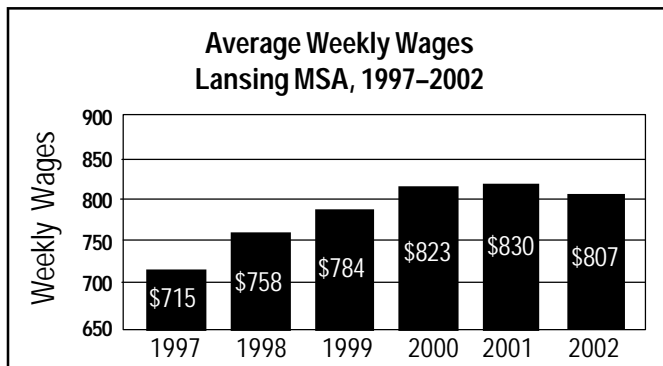
Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit		
	(Data in Thousands)								
	Feb	Jan	Feb	Feb	Jan	Feb	Feb	Jan	Feb
	2004	2004	2003	2004	2004	2003	2004	2004	2003
Place of Residence									
Labor Force	318,100	316,100	310,600	81,300	82,000	76,000	2,216	2,212	2,213
Employment	305,000	302,700	297,200	75,100	75,400	70,300	2,056	2,044	2,052
Unemployment	13,200	13,400	13,400	6,100	6,500	5,700	160	168	161
Rate (Percent)	4.1	4.2	4.3	7.6	8.0	7.5	7.2	7.6	7.3
Place of Work									
Total Nonfarm Jobs	287,200	285,900	287,600	67,500	67,900	64,900	2,003	1,995	2,046
Nat Resources & Construction	10,900	10,900	9,900	2,000	2,100	2,000	73	74	73
Manufacturing	41,400	41,600	42,600	16,200	16,300	16,400	311	311	327
Trade, Transport & Utilities	41,700	42,700	41,800	12,900	12,800	11,900	380	381	387
Wholesale Trade	7,600	7,600	7,500	2,600	2,600	2,300	96	95	97
Retail Trade	29,400	30,400	29,700	8,100	8,000	7,400	217	218	222
Information	5,100	5,200	5,400	900	900	1,000	36	37	38
Financial Activities	11,000	11,100	11,200	2,200	2,200	2,100	117	116	116
Professional & Business Services	37,100	37,100	36,800	5,300	5,300	5,100	349	347	360
Educational & Health Services	30,200	29,800	29,000	9,900	10,400	8,900	249	249	252
Leisure & Hospitality	21,300	20,900	19,800	5,800	6,100	5,500	174	174	172
Other Services	8,400	8,400	8,500	3,400	3,400	3,300	75	74	77
Government	80,100	78,200	82,600	8,900	8,400	8,700	241	232	244
Place of Residence									
Labor Force	234,200	232,700	228,600	251,600	250,100	247,000	192,800	192,600	193,100
Employment	219,200	217,400	213,900	238,700	237,100	234,900	176,300	175,800	176,200
Unemployment	15,000	15,300	14,700	12,900	13,100	12,100	16,400	16,800	16,900
Rate (Percent)	6.4	6.6	6.4	5.1	5.2	4.9	8.5	8.7	8.7
Place of Work									
Total Nonfarm Jobs	206,700	205,900	207,800	235,500	234,700	238,400	164,700	164,700	169,000
Nat Resources & Construction	8,300	8,800	8,600	8,400	8,800	7,800	6,000	6,200	7,300
Manufacturing	39,200	39,100	40,100	22,200	22,700	24,200	22,800	22,400	24,100
Trade, Transport & Utilities	35,500	35,200	35,700	38,000	37,800	37,500	29,400	29,800	31,600
Wholesale Trade	6,000	6,000	5,600	6,000	6,000	5,600	4,400	4,400	4,500
Retail Trade	24,800	24,500	25,200	25,800	25,600	25,600	20,800	21,200	22,900
Information	2,000	2,100	2,200	3,400	3,500	3,800	2,800	2,900	2,900
Financial Activities	10,200	9,900	9,100	16,700	16,700	15,300	7,300	7,300	7,300
Professional & Business Services	18,700	19,500	19,500	20,000	20,200	21,600	22,500	22,600	22,900
Educational & Health Services	27,500	27,200	27,900	24,300	24,700	24,100	26,400	26,200	25,500
Leisure & Hospitality	18,100	18,200	18,100	17,500	17,900	18,300	14,800	15,000	15,600
Other Services	9,000	9,000	9,100	10,700	10,600	10,900	7,800	7,700	7,800
Government	38,200	36,900	37,500	74,300	71,800	74,900	24,900	24,600	24,000

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Holland Muskegon			Jackson		
	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003
Place of Residence									
Labor Force	185,300	184,800	184,400	607,900	605,800	600,000	79,600	78,900	78,000
Employment	167,500	166,200	166,300	565,000	561,600	553,200	73,700	72,800	71,600
Unemployment Rate (Percent)	17,800 9.6	18,600 10.1	18,200 9.8	43,000 7.1	44,200 7.3	46,800 7.8	5,900 7.4	6,100 7.7	6,400 8.3
Place of Work									
Total Nonfarm Jobs	156,700	155,800	159,300	553,300	551,100	556,200	61,500	60,800	61,300
Nat Resources & Construction	6,500	6,500	5,800	24,200	24,900	24,500	2,100	2,200	2,200
Manufacturing	23,300	23,600	25,100	126,800	126,600	132,100	10,200	10,200	10,200
Trade, Transport & Utilities	29,900	30,200	30,700	105,200	107,300	106,400	13,000	12,900	12,600
Wholesale Trade	6,500	6,500	6,500	29,200	29,300	29,000	1,700	1,700	1,700
Retail Trade	20,200	20,500	21,000	62,200	63,700	63,700	8,200	8,300	7,900
Information	2,200	2,200	2,200	7,900	8,000	7,900	500	500	500
Financial Activities	7,000	7,100	6,200	22,400	22,200	24,300	2,400	2,400	2,500
Professional & Business Services	17,000	17,600	18,600	62,800	63,500	60,700	4,300	4,300	4,200
Educational & Health Services	24,200	22,500	24,100	75,800	73,500	71,900	9,600	9,500	9,500
Leisure & Hospitality	15,100	15,000	14,400	45,700	45,400	43,600	5,200	5,300	5,300
Other Services	6,200	6,200	6,500	22,800	23,000	23,300	2,600	2,600	2,800
Government	25,300	24,900	25,700	59,700	56,700	61,500	11,600	10,900	11,500

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003
Place of Residence									
Labor Force	151,600	150,900	150,200	91,300	91,800	90,600	148,300	149,400	145,500
Employment	138,700	137,900	135,800	80,200	80,500	78,300	134,900	135,900	131,200
Unemployment Rate (Percent)	12,900 8.5	13,000 8.6	14,400 9.6	11,100 12.2	11,400 12.4	12,400 13.6	13,400 9.0	13,500 9.0	14,300 9.8



Regional Focus

Average Weekly Wages Lansing MSA, 1997-2002

Average weekly wages (AWW) in the Lansing MSA in 2002 reached \$807. In 2001, Lansing's annual AWW stood at \$830, the highest recorded in recent years and \$23 higher than 2002. 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 in the period (i.e., 52 if calculated for the year). The weekly wages contain all the area's earnings, including overtime wages.

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

February unemployment rates (unadjusted) declined in 11 of Michigan's 12 major labor market areas, as a result of a slight seasonal increase in employment levels, combined with moderate cuts in the number of local residents seeking employment. Most jobless rate declines in the 11 areas were relatively minor, averaging 0.2 of a percentage point. The largest decrease of 0.5 percent was recorded in the Flint Metropolitan Statistical Area (MSA), while both the Detroit and Benton Harbor MSAs registered a drop of 0.4 of a percentage point. The unemployment rate in the Northwest Lower Michigan Region remained unchanged over the month. From January to February, employment levels increased in nine of the 12 areas. Gains were moderate, with most areas recording employment growth under one percent. The Saginaw-

Bay-Midland MSA registered the smallest gain of 0.3 percent, while the Jackson MSA displayed the largest at 1.2 percent. From February 2003 to February 2004, unemployment rates fell in nine areas, moved up slightly in two areas, and remained unchanged in one. In seven areas, the rates were little changed in either direction over the year. However, five areas displayed notable rate declines of at least 0.7 percent.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.1 percent, followed by the Lansing MSA with 5.1 percent and the Kalamazoo-Battle Creek area with 6.4 percent. The highest jobless rate in the month of February was recorded by the Northeast Lower Michigan area at 12.2 percent, followed by the Flint MSA with 9.6 percent.

Nonfarm Employment Moves Up as Teachers Return to Work

Total nonfarm jobs increased in seven of Michigan's nine metro areas during the month of February. The only area to show a small decline was the Benton Harbor MSA, while jobs in the Saginaw-Bay-Midland MSA remained unchanged. Job gains in most areas were seasonal and concentrated in the service-providing industries. Among the MSAs, Jackson had the largest percentage job growth at 1.2 percent, followed by the Flint and Ann Arbor MSAs with gains of 0.6 and 0.5 percent, respectively. Employment gains in the Kalamazoo-Battle Creek, Lansing, Ann Arbor and most other metropolitan areas were the result of resumption of classes in their respective educational facilities following the end of winter break. Manufacturing job levels were steady in most areas during December, with the Saginaw-Bay-Midland area showing a small gain for the month.

During February, average hourly earnings in manufacturing moved down in four major areas. The losses were due to declines in hourly wages in both the durable and nondurable goods industries. Average weekly hours decreased in six areas during the month, with losses recorded mainly in the durable goods sector. The total effect of these changes was that average weekly earnings contracted in five major areas. The largest losses in weekly earnings were recorded in the Flint MSA, down by \$44.18, followed by the Saginaw-Bay-Midland and Detroit MSAs with decreases of \$22.63 and \$20.44, respectively. Among the three areas showing increases in their average weekly earnings in February, the Ann Arbor MSA had the highest gains at \$71.82.

**Manufacturing Hours and Earnings
Major Labor Market Areas*
February and January 2004**

Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.
Ann Arbor	43.7	43.8	\$26.39	\$24.69	\$ 1,153.24	\$ 1,081.42
Benton Harbor	44.2	45.2	15.59	15.39	689.08	695.63
Detroit	43.3	43.6	24.51	24.81	1,061.28	1,081.72
Flint	44.7	45.3	30.59	31.16	1,367.37	1,411.55
Grand Rapids-Muskegon-Holland	38.9	40.0	16.49	16.46	641.46	658.40
Jackson*						
Kalamazoo-Battle Creek	40.9	40.9	15.85	15.71	648.27	642.54
Lansing	43.9	42.3	25.44	25.75	1,116.82	1,089.23
Saginaw-Bay-Midland	44.5	44.7	24.62	25.01	1,095.59	1,117.95

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

Michigan's Labor Surplus Areas, Fiscal Year 2004

Alcona County	Emmet County	Luce County	Osceola County
Alpena County	Flint City	Mackinac County	Oscoda County
Antrim County	Gladwin County	Manistee County	Otsego County
Arenac County	Gogebic County	Marquette County	Pontiac City
Baraga County	Grand Rapids City	Mason County	Port Huron City
Battle Creek City	Highland Park City	Menominee County	Presque Isle County
Bay City	Hillsdale County	Missaukee County	Roscommon County
Benzie County	Huron County	Montcalm County	Roseville City
Burton City	Inkster City	Montmorency County	Saginaw City
Charlevoix County	Iosco County	Mount Morris Twp	Sanilac County
Cheboygan County	Iron County	Muskegon City	Schoolcraft County
Chippewa County	Jackson City	Bal of Muskegon County	Shiawassee County
Clare County	Kalamazoo City	Newaygo County	Bal of St. Clair County
Crawford County	Kalkaska County	Oceana County	St. Joseph County
Delta County	Keweenaw County	Ogemaw County	Tuscola County
Detroit City	Lake County	Ontonagon County	Wexford County
	Lapeer County		

Notice for Fiscal Year 2004:

The U.S. Department of Labor has issued the Labor Surplus Area listings for Fiscal Year 2004. The new Fiscal Year 2004 list for Michigan is printed above and **is in effect from October 1, 2003, until September 30, 2004.** The changes made to Michigan's new listings were the addition of sixteen areas. The newly added areas are the counties of *Charlevoix, Hillsdale, Lapeer, Marquette, Menominee, Missaukee, Otsego, Shiawassee and St. Joseph*, as well as the cities of *Battle Creek, Grand Rapids, Inkster, Kalamazoo, and Roseville*. To the list were also added *the balance of the counties of Muskegon and St. Clair*.

The qualifying rate for a labor surplus area classification for Fiscal Year 2004 was calculated at 6.4 percent for the base years including January 2001 through December 2002. (The calculation of the qualifying rate is done by multiplying the nation's average unemployment rate of those two years by a factor of 1.2).

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 Labor Market Analysis Section
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