



Michigan Department of
Labor & Economic Growth

Michigan's Labor Market News

Vol. 60, Issue No. 5

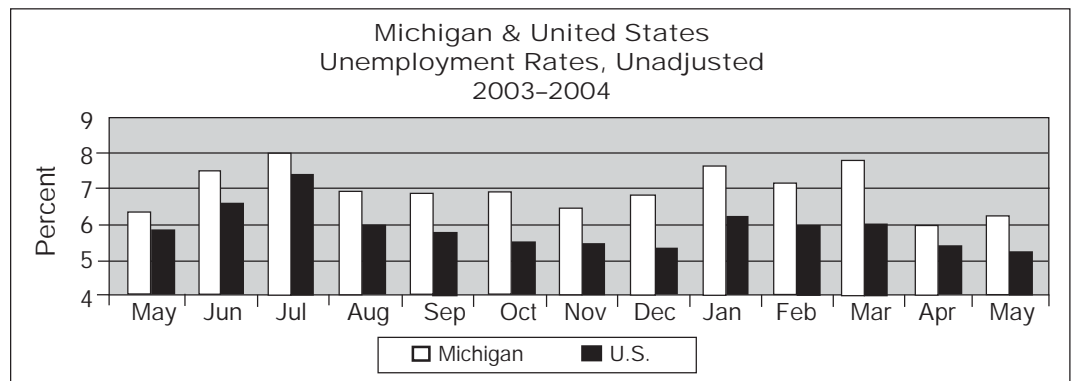
July 2004

Michigan's May Jobless Rate Increases to 6.3 Percent

Michigan's unemployment rate increased by 0.3 percentage points during the month, as the unadjusted jobless rate moved up from 6.0 to 6.3 percent in the month of May. The unemployment rate increase represents 19,000 additional individuals out of work, as unemployment expanded to 318,000. The state's civilian labor force jumped by 107,000 during the month to 5,075,000, while employment advanced by 88,000 to 4,757,000. The increase in the unemployment rate was primarily due to labor force expansion. During May, Michigan experienced typical seasonal patterns of labor force and employment growth. Many workers, including college students, joined the

labor force over the month in search of seasonal jobs. While a good number of individuals were successful finding work in May, some others were not. The nation's jobless rate (unadjusted) decreased slightly during May by 0.1 percentage point to 5.3 percent.

Compared to a year ago, May's labor force increased by 25,000, employment advanced by 56,000 and unemployment dropped by 31,000. This has resulted in an over-the-year decline of 0.6 percentage points in the state's jobless rate.



Michigan's Nonfarm Employment Increases Seasonally in May

Michigan's nonfarm employment moved up during the month of May, as industry jobs increased to 4,440,000. Employment opportunities advanced by 72,000 jobs, with gains recorded in both the goods-producing and service-providing sectors of the economy. Service-providing employment expanded by 56,000 during the month, mainly due to seasonal advances in several sectors. Leisure and hospitality moved up by 27,000 jobs, with gains in arts, entertainment, recreation, amusement and gambling, and accommodation and food services. Professional and business services was up by 14,000 jobs, mostly in administrative and support services. Retail trade recorded moderate gains among several industries including food and beverage stores and general merchandise stores. Goods-producing employment gained 16,000 jobs during May as a result of seasonal advances in the construction industry, up by 12,000. Some employment gains were recorded in manufacturing, mostly in the durable goods sector.

In May, the average weekly hours in Michigan's manufacturing industries increased to 42.7 hours from 42.4 hours in the previous month, while average hourly earnings moved down by 3 cents to \$21.48. As a result, average weekly earnings in manufacturing expanded to \$994.95, a gain of \$7.83 from the previous month's total.

	Average Hourly Earnings		Average Weekly Hours	
	2004 May	2004 Apr.	2004 May	2004 Apr.
Manufacturing	\$21.48	\$21.51	42.7	42.4
Durables	22.82	22.85	43.6	43.2
Transport Equipment	27.87	28.08	45.1	44.7
Nondurables	15.13	15.10	39.1	38.7

Michigan Retail Index; Analysis of Economic Indicators, First Quarter 2004

Given that consumer spending represents two-thirds of the U.S. economy, understanding retailing is an important part of analyzing overall economic activity. While retail sales data is readily available nationally, it is more difficult to obtain state or regional data. To address this need for local information, the Michigan Retailers Association and the Federal Reserve Bank of Chicago began a monthly survey of retailers in Michigan in July 1994. The resulting Michigan Retail Index tracks year-to-year increases or decreases in retail sales, inventory, prices, promotional efforts and hiring. It also analyzes retailers' expectations. The data is seasonally adjusted.

The survey is mailed monthly to members of the Michigan Retailers Association, and the results are calculated into a diffusion index. This index is seasonally adjusted and is the sum of the percentages indicating an increase plus half the percentages indicating no change, assuming them to be positive. ... Index values above 50 generally indicate an increase in activity, while values below 50 indicate decrease.

The most recent Michigan Retail Index (April 2004) reports that in the first-quarter of 2004, Michigan's retail industry experienced the best first-quarter performance since 2000. For March, the index found that 52 percent of retailers increased sales over the same month last year, while 14 percent reported as-good sales and 34 percent reported declines. These results create a seasonally adjusted performance index of 59.9, up from 53.1 in February and the best for any month since March 2000.

Sixty-six percent of Michigan retailers project better sales for the second quarter over the same period last year, while 21 percent project as-good sales and only 13 percent expect a decline.

Source: Michigan Retailers Association News, April 2004.

Michigan Retail Index, Current Performance – First Quarter, 2004				
	Sales Index	Prices Index	Marketing/Promotions Index	Hiring Plans Index
March	59.9	60.7	61.6	51.5
February	53.1	58.2	61.3	46.5
January	49.9	60.5	63.0	50.3

	Michigan		
	(Data In Thousands)		
	May 2004	Apr 2004	May 2003
Place of Residence			
Labor Force	5,075	4,968	5,050
Employment	4,757	4,669	4,701
Unemployment Rate (Percent)	318	299	349
	6.3	6.0	6.9
Industry Jobs (Place of Work)			
Total Nonfarm	4,440	4,368	4,469
Goods-Producing	915	899	937
Nat Resources & Mining	8	8	9
Construction	193	181	196
Manufacturing	714	710	732
Durable Goods	567	565	578
Fabricated Metals	83	82	83
Machinery Manufact.	77	76	77
Transportation Equip.	274	275	282
Nondurable Goods	146	145	154
Service-Providing	3,525	3,469	3,532
Trade, Transport & Util.	806	794	817
Wholesale Trade	174	172	174
Retail Trade	508	500	516
Motor Vehicle Dealers	63	63	63
Food & Beverage Stores	89	86	90
General Merchandise	114	113	116
Transp, Warehousing & Util	124	121	127
Information	69	68	71
Financial Activities	217	216	221
Finance & Insurance	160	159	164
Real Estate & Rental	58	57	57
Prof & Business Services	599	585	595
Prof, Scientific & Technical	249	250	250
Management Scientific Services	21	20	20
Administrative Support	270	256	264
Education & Health Services	552	554	543
Education Services	78	82	70
Health Care & Social Asst	474	472	473
Leisure & Hospitality	415	388	412
Arts, Entertainment & Rec	66	56	69
Accommodation & Food	349	332	343
Other Services	171	170	172
Government	697	695	701
Federal	55	56	56
State	161	170	164
Local	481	469	480

Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit		
	(Data in Thousands)								
	May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003
Place of Residence									
Labor Force	318,500	318,000	310,800	82,500	81,900	81,500	2,249	2,198	2,248
Employment	307,100	307,300	298,800	77,300	77,000	76,000	2,101	2,063	2,090
Unemployment	11,500	10,600	12,000	5,200	4,900	5,500	148	134	158
Rate (Percent)	3.6	3.3	3.9	6.3	6.0	6.8	6.6	6.1	7.0

Place of Work

Total Nonfarm Jobs	291,300	291,900	290,100	69,900	69,600	70,300	2,064	2,028	2,088
Nat Resources & Construction	11,000	10,800	11,800	2,400	2,200	2,500	84	80	87
Manufacturing	40,400	40,500	42,100	16,800	16,500	16,800	311	310	323
Trade, Transport & Utilities	42,700	41,900	42,500	13,300	13,100	13,100	383	378	390
Wholesale Trade	7,700	7,700	7,500	2,700	2,600	2,600	96	95	97
Retail Trade	30,500	29,700	30,200	8,300	8,300	8,200	221	217	225
Information	5,100	5,100	5,200	900	900	900	36	35	38
Financial Activities	11,500	11,100	11,400	2,300	2,200	2,200	116	116	119
Professional & Business Services	39,100	38,900	37,900	5,600	5,500	5,900	377	366	370
Educational & Health Services	30,600	31,200	29,600	9,500	10,500	9,600	251	250	251
Leisure & Hospitality	23,600	22,700	22,100	6,800	6,700	7,000	189	179	189
Other Services	8,500	8,500	8,600	3,400	3,400	3,500	77	76	78
Government	78,800	81,200	78,900	8,900	8,600	8,800	241	239	245

Kalamazoo-Battle Creek

Lansing

Saginaw-Bay-Midland

May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003
--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------

Place of Residence

Labor Force	236,600	231,200	230,600	248,700	249,200	248,600	194,500	190,100	196,100
Employment	223,300	218,600	216,900	237,800	239,000	237,500	180,200	176,200	180,800
Unemployment	13,300	12,600	13,700	10,900	10,200	11,100	14,300	13,900	15,300
Rate (Percent)	5.6	5.4	5.9	4.4	4.1	4.4	7.4	7.3	7.8

Place of Work

Total Nonfarm Jobs	212,400	207,900	211,100	236,600	237,900	241,800	169,600	165,900	174,100
Nat Resources & Construction	10,500	9,100	10,100	9,800	9,200	9,300	6,800	6,400	9,100
Manufacturing	39,200	38,700	40,000	22,100	21,900	24,400	22,400	22,400	23,600
Trade, Transport & Utilities	36,000	35,900	36,500	37,600	37,600	37,900	30,300	29,700	32,600
Wholesale Trade	5,900	6,100	5,700	5,900	5,900	5,900	4,400	4,400	4,500
Retail Trade	25,100	24,900	25,900	25,500	25,700	25,700	21,500	21,000	23,800
Information	2,000	2,000	2,200	3,400	3,400	3,500	2,800	2,800	2,900
Financial Activities	9,800	9,900	9,300	16,600	16,400	15,800	7,100	7,200	7,700
Professional & Business Services	20,500	19,600	20,200	20,800	20,400	21,700	22,100	22,500	23,100
Educational & Health Services	27,800	27,900	28,400	24,100	24,300	24,700	27,200	26,500	25,900
Leisure & Hospitality	19,900	18,800	20,300	19,600	19,000	19,900	17,700	15,900	17,000
Other Services	9,300	9,200	9,300	10,900	10,800	11,000	7,900	7,800	8,100
Government	37,400	36,800	34,800	71,700	74,900	73,600	25,300	24,700	24,100

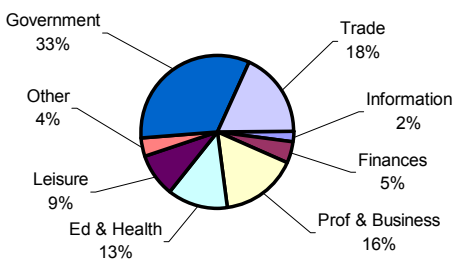
Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Holland Muskegon			Jackson		
	May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003
Place of Residence									
Labor Force	185,300	182,300	186,400	615,500	600,200	608,500	79,700	77,900	79,400
Employment	170,000	168,100	169,200	577,700	565,600	562,700	74,500	73,200	73,400
Unemployment	15,300	14,200	17,200	37,700	34,600	45,800	5,200	4,800	6,000
Rate (Percent)	8.3	7.8	9.2	6.1	5.8	7.5	6.5	6.1	7.6

Place of Work									
Total Nonfarm Jobs	160,400	158,900	163,100	571,000	559,000	565,700	62,600	61,600	62,900
Nat Resources & Construction	7,200	6,800	7,000	26,700	26,400	27,700	2,500	2,400	2,600
Manufacturing	22,700	22,800	24,400	127,100	126,500	130,500	10,200	10,100	10,300
Trade, Transport & Utilities	31,000	30,500	31,600	108,800	107,100	109,100	12,800	12,700	12,900
Wholesale Trade	6,600	6,500	6,500	29,900	29,200	29,700	1,700	1,700	1,700
Retail Trade	21,000	20,700	21,600	64,500	64,000	65,200	8,300	8,300	8,200
Information	2,200	2,100	2,200	8,100	8,100	8,100	500	500	500
Financial Activities	6,900	6,900	6,500	23,100	22,500	24,400	2,500	2,500	2,500
Professional & Business Service	18,100	18,100	19,000	65,100	62,400	63,400	4,500	4,400	4,500
Educational & Health Service	24,400	24,400	24,200	77,400	76,900	70,200	9,600	9,700	9,400
Leisure & Hospitality	15,700	15,400	15,600	50,900	46,400	48,000	5,500	5,400	5,800
Other Services	6,300	6,300	6,500	22,400	22,500	23,500	2,700	2,600	2,800
Government	25,900	25,600	26,100	61,400	60,200	60,800	11,800	11,300	11,600

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003	May 2004	Apr 2004	May 2003
Place of Residence									
Labor Force	154,100	150,800	152,700	94,800	90,300	94,900	154,400	147,200	152,500
Employment	144,700	139,800	141,400	87,800	82,100	86,700	144,600	136,700	141,500
Unemployment	9,400	11,100	11,300	7,000	8,200	8,200	9,700	10,600	11,100
Rate (Percent)	6.1	7.3	7.4	7.3	9.1	8.6	6.3	7.2	7.2

**PERCENT DISTRIBUTION OF SERVICE-PROVIDING
INDUSTRIES IN THE ANN ARBOR MSA,
ANNUAL AVERAGE 2003**



Regional Focus

Service-Providing Industries in the Ann Arbor MSA, Annual Averages 2003

Total 2003 annual average nonfarm employment in the Ann Arbor MSA stood at 289,200. Eighty-two percent of the jobs in the area (235,800) were in the service-providing industries. The largest number of jobs among the service industries was in *government*, (heavily influenced by the University of Michigan), accounting for 33 percent (78,700) of nonfarm employment, followed by *trade* and *professional and business services* with 18 and 16 percent, respectively.

May Jobless Rates Edge Upward in Most of Michigan's Major Areas

May unemployment rates (unadjusted) increased in nine of Michigan's 12 major labor market areas, as the state experienced typical seasonal labor market patterns. The rate advances over the month in the state's major areas were moderate, with an average increase of 0.3 of a percentage point. The largest increases of a half percentage point occurred in both the Detroit Metropolitan Statistical Area (MSA) and the Flint MSA. The three northernmost labor market areas (the Northwest and Northeast Lower Michigan regions and the Upper Peninsula) recorded unemployment rate declines of at least one full percentage point, a typical development experienced with the arrival of the summer tourism season. From April to

May, employment levels increased in 10 of the 12 major areas. Employment gains were seasonal and were posted in most areas with an average increase of over two percent. The state's three northernmost labor market areas reported a combined employment increase of 18,500. Employment declined slightly in the Ann Arbor and Lansing MSAs over the month.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 3.6 percent, followed by Lansing with 4.4 percent and Kalamazoo with 5.6 percent. The highest jobless rate in the month of May was recorded by the Flint MSA with 8.3 percent, followed by the Saginaw-Bay-Midland MSA with 7.4 percent.

Major Areas Show a Mixed Picture in Nonfarm Employment

Total nonfarm employment increased in seven of the nine metropolitan areas in Michigan, as seasonal factors painted a somewhat mixed picture that is typical for the month of May. On one hand, many areas reported seasonal employment gains in construction (construction of buildings and special trade contractors), professional and business services (administrative and support services) and leisure and hospitality (arts, entertainment, amusement and gambling). On the other hand, many higher education facilities reduced staff with the arrival of summer vacation, causing employment levels in state government to drop. In most areas the gains from the services-providing industries and construction were more than enough to make up for losses in education. However, in two areas containing major universities, Ann Arbor and Lansing, total employment declined

for the month. Among the major areas, the Kalamazoo-Battle Creek and Saginaw-Bay-Midland MSAs had the largest percentage job increases, both with gains of 2.2 percent, followed by the Grand Rapids MSA with 2.1 percent.

During May, average weekly hours in manufacturing increased in six major areas. The gains were moderate and were due to small advances in both the durable and nondurable goods sectors. Average hourly earnings increased slightly in five areas during the month, with gains showing mainly in the nondurable goods industries. The total effect of these changes was that average weekly earnings expanded in seven of the major areas. The largest gains in weekly earnings were recorded in the Saginaw-Bay-Midland MSA, up by \$30.51, followed by the Kalamazoo MSA with an increase of \$24.81.

Manufacturing Hours and Earnings Major Labor Market Areas* May and April 2004						
Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	May	Apr.	May	Apr.	May	Apr.
Ann Arbor	43.2	43.4	\$25.61	\$25.26	\$1,106.35	\$1,096.28
Benton Harbor	42.9	42.3	15.51	15.19	665.38	642.54
Detroit	43.4	42.8	24.52	24.58	1,064.17	1,052.02
Flint	46.0	45.7	30.91	30.65	1,421.86	1,400.71
Grand Rapids-Muskegon-Holland Jackson*	41.1	39.9	16.38	16.64	673.22	663.94
Kalamazoo-Battle Creek	42.9	41.9	15.59	15.37	668.81	644.00
Lansing	42.7	43.1	24.90	25.16	1,063.23	1,084.40
Saginaw-Bay-Midland	43.9	43.7	25.82	25.24	1,133.50	1,102.99

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

Teen (16-19) Job Outlook, Michigan 2004

Michigan's recent employment trends, the national outlook, and normal seasonal patterns for June, July and August indicate that the teen (ages 16-19) labor market situation will be very competitive this summer. The downward trend in teen labor force participation over the past several years is expected to stabilize in the summer of 2004. The number of teens in the job market should rise by 5,100 to 343,200 for the June - August 2004 period. The competitive nature of this summer's job market is reflected in the expected nominal rise in the teen unemployment rate to 17.6 percent from 17.2 percent in the summer of 2003. Even in more favorable labor market conditions, teen jobless rates are relatively high compared to the overall unemployment rate. A total of 282,800 teens are expected to find jobs in the summer of 2004. The number of unemployed teens is projected to be 2,200 higher than last summer, as more teens are expected to be looking for work.

Michigan's Teen Job Outlook, Summer 2004				
Summer	Teen Labor Force	Teen Employment	Teen Unemployment	Teen Unemployment Rate (%)
2003, Actual	338,100	279,900	58,200	17.2%
2004, Forecast	343,200	282,800	60,400	17.6%
Change	5,100	2,900	2,200	0.4%

Tips for a successful summer job search include:

- Start looking early and keep looking.
- Visit establishments.
- Let friends/neighbors know you are looking.
- Think about self employment: lawn service, pet sitting, etc.

Job Opportunities By Occupation:

Delivery person, waiter/waitress, fast food worker, food market clerk, usher/attendant, golf course worker, sales clerk, camp counselor, cashier, receptionist, construction helper, library aide, stock clerk, car washer.

Job Opportunities By Industry:

Agriculture, landscaping, fruit and vegetable stores, restaurants, camp and trailer parks, hotels and motels, grocery stores, department and retail stores, warehousing, amusement and recreation services, museums/zoos/galleries.

Source: Bureau of Labor Market Information & Strategic Initiatives, Occupational Information & Research Section

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



Michigan Dept. Labor & Economic Growth
 Labor Market Information & Strategic Initiatives
 Cadillac Place
 3032 W. Grand Boulevard, Suite 9-100
 Detroit, Michigan 48202

FIRST CLASS MAIL
 POSTAGE & FEES PAID
 U.S. DEPARTMENT OF LABOR
 PERMIT NO. G738

Official Business
Penalty For Private Use \$300

ADDRESS CHANGE:

Remove From Mailing List Change As Shown

Please send this form and attached label to the Employment Service Agency;

Labor Market Information & Strategic Initiatives; DLEG; Cadillac Place, 3032 W. Grand Boulevard, Suite 9-100; Detroit, Michigan 48202.

For more information, please contact: Labor Market Information & Strategic Initiatives, (313) 456-3090