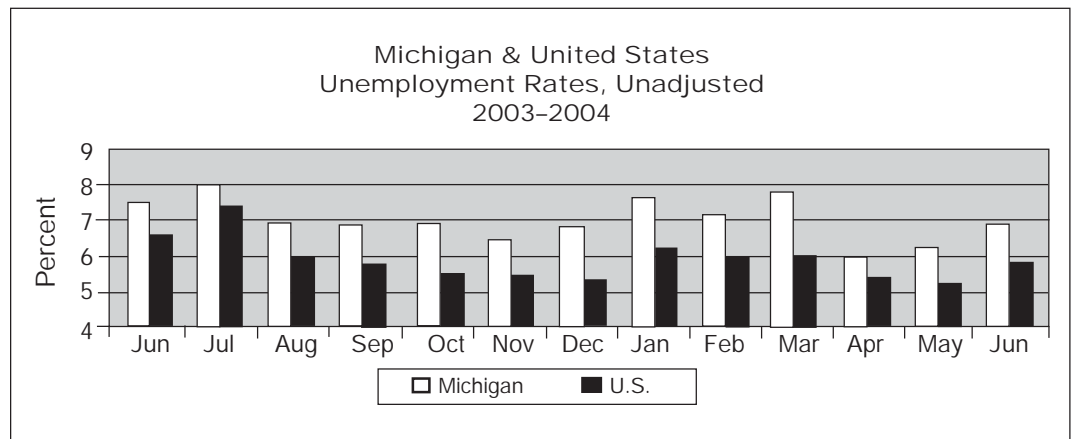


## Michigan's June Unemployment Rate Increases Seasonally

Michigan's unemployment rate increased by 0.5 percentage points during the month, as the unadjusted jobless rate moved up from 6.3 percent in May to 6.8 percent in June. The rate increase represents 30,000 additional individuals out of work, as unemployment expanded to 348,000. The state's civilian labor force advanced by 74,000 during the month to 5,145,000, while employment moved up by 45,000 to 4,797,000. The rise in the jobless rate during June was primarily the result of seasonal expansion of the state's labor force. The number of workers entering the job market,

most notably university and high school students, outpaced the number of positions offered, mainly by employers in retail trade and services. The nation's jobless rate (unadjusted) increased in June by 0.5 percentage points to 5.8 percent.

Compared to a year ago, June's labor force dipped by 2,000, employment advanced by 40,000 and unemployment fell by 42,000. This has resulted in an over-the-year drop of 0.8 percentage points in the state's jobless rate.



## Nonfarm Employment Drops Slightly in June

Michigan's nonfarm employment dipped during the month of June, as industry jobs fell to 4,431,000. Employment opportunities contracted by 4,000 jobs, with losses recorded in the service-providing sector of the economy. Service-providing employment declined by 11,000 during the month. Moderate gains in leisure and hospitality (accommodation and food services, arts, entertainment, amusement and gambling) along with advances in professional and business services (administrative and support services) were not enough to offset seasonal losses in government (state and local educational facilities releasing staff for summer vacation). Goods-producing employment increased by 7,000 during the month, due to seasonal increases in the construction industry (specialty trade contractors and construction of buildings), making up for small job reductions in the durable goods sector caused by production adjustments in the transportation equipment industry.

In June, average weekly hours in Michigan's manufacturing industries decreased to 42.5 hours from 42.6 hours in the previous month, while average hourly earnings moved up by 4 cents to \$21.49. As a result, average weekly earnings in manufacturing remained virtually unchanged, falling to \$913.33, a loss of 44 cents from the previous month's total.

	Average Hourly Earnings		Average Weekly Hours	
	2004 June	2004 May	2004 June	2004 May
Manufacturing	\$21.49	\$21.45	42.5	42.6
Durables	22.88	22.80	43.3	43.5
Transport Equipment	28.20	27.85	45.0	45.0
Nondurables	15.13	15.10	38.9	39.0

# Now Available:

## Affirmative Action Information Report – 2004

The report, titled “Labor Market Information For Affirmative Action Programs, 2004,” is available for distribution.

The 2004 affirmative action report was designed to assist employers in evaluating the utilization of women and minorities in their work force and in establishing goals to improve such utilization. The report was prepared by the Michigan Department of Labor & Economic Growth (DLEG), Bureau of Labor Market Information & Strategic Initiatives, in accordance with United States Department of Labor guidelines covering affirmative action information as agreed to by the Office of Federal Contract Compliance (OFCC).

The 2004 affirmative action report contains 2002 population data; 2003 labor force demographics, and 2000 data on the occupational attachment to the labor force. The report contains statistics for the state, its nine Metropolitan Statistical Areas (MSAs), 53 Labor Market Areas (LMAs) and the United States.

**The affirmative action publication is free of charge.**

To order the report, please write to:  
 DLEG - Labor Market Analysis Section  
 Cadillac Place  
 3032 West Grand Boulevard  
 Suite 9 - 100  
 Detroit, Michigan 48202

Or contact the Labor Market Analysis Section:

Fax: (313) 456-3097

Phone: (313) 456-3090.

The 2004 affirmative action report is also available on our Web site: [www.michlmi.org](http://www.michlmi.org).

	<b>Michigan</b>		
	(Data In Thousands)		
	<b>Jun 2004</b>	<b>May 2004</b>	<b>Jun 2003</b>
<b>Place of Residence</b>			
Labor Force	5,145	5,071	5,147
Employment	4,797	4,752	4,757
Unemployment	348	318	390
Rate (Percent)	6.8	6.3	7.6
<b>Industry Jobs (Place of Work)</b>			
Total Nonfarm	4,431	4,435	4,476
Goods-Producing	923	916	947
Nat Resources & Mining	8	8	9
Construction	205	195	204
Manufacturing	710	713	734
Durable Goods	561	567	580
Fabricated Metals	83	82	83
Machinery Manufact.	78	77	77
Transportation Equip.	266	274	282
Nondurable Goods	149	147	155
Service-Providing	3,508	3,519	3,529
Trade, Transport & Util.	811	806	823
Wholesale Trade	174	174	175
Retail Trade	509	508	521
Motor Vehicle Dealers	63	63	64
Food & Beverage Stores	91	90	92
General Merchandise	115	114	117
Transp, Warehousing & Util	128	124	127
Information	68	69	71
Financial Activities	219	217	223
Finance & Insurance	160	160	165
Real Estate & Rental	60	58	58
Prof & Business Services	603	597	598
Prof, Scientific & Technical	251	249	251
Management Scientific Services	21	20	20
Administrative Support	272	268	266
Education & Health Services	543	551	544
Education Services	68	77	71
Health Care & Social Asst	475	474	474
Leisure & Hospitality	426	412	423
Arts, Entertainment & Rec	70	65	73
Accommodation & Food	356	346	351
Other Services	175	171	173
Government	663	696	673
Federal	56	55	56
State	154	160	152
Local	454	481	465

## Civilian Labor Force and Wage & Salary Estimates

### Ann Arbor

### Benton Harbor

### Detroit

(Data in Thousands)

	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003
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#### Place of Residence

Labor Force	322,300	318,700	314,600	83,900	82,600	82,600	2,288	2,247	2,296
Employment	309,500	307,100	301,300	78,200	77,400	76,400	2,122	2,099	2,118
Unemployment	12,800	11,500	13,300	5,700	5,200	6,200	166	149	179
Rate (Percent)	4.0	3.6	4.2	6.7	6.3	7.6	7.3	6.6	7.8

#### Place of Work

Total Nonfarm Jobs	290,700	291,700	289,200	69,800	69,900	69,900	2,061	2,063	2,097
Nat Resources & Construction	11,100	11,100	12,100	2,500	2,400	2,600	87	84	91
Manufacturing	39,700	40,400	42,200	16,800	16,800	16,800	307	311	322
Trade, Transport & Utilities	42,900	42,800	42,900	13,000	13,200	13,100	382	384	391
Wholesale Trade	7,600	7,700	7,500	2,700	2,700	2,600	96	96	97
Retail Trade	30,600	30,500	30,500	7,900	8,200	8,200	219	221	226
Information	5,100	5,100	5,300	900	900	900	36	36	38
Financial Activities	11,700	11,500	11,600	2,300	2,200	2,200	118	116	120
Professional & Business Services	39,800	39,100	38,100	5,600	5,600	5,700	376	375	371
Educational & Health Services	29,900	30,600	29,700	9,800	9,700	9,500	249	251	251
Leisure & Hospitality	24,700	23,800	22,900	7,100	6,800	7,100	190	188	192
Other Services	8,700	8,500	8,600	3,400	3,400	3,500	79	77	78
Government	77,100	78,800	75,800	8,400	8,900	8,500	237	241	243

### Kalamazoo-Battle Creek

### Lansing

### Saginaw-Bay-Midland

	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003
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#### Place of Residence

Labor Force	236,000	236,300	234,700	247,600	248,700	249,400	196,200	194,000	200,800
Employment	221,700	222,900	219,300	235,200	237,800	237,200	180,700	179,600	183,600
Unemployment	14,300	13,300	15,400	12,400	10,900	12,200	15,500	14,300	17,300
Rate (Percent)	6.1	5.7	6.6	5.0	4.4	4.9	7.9	7.4	8.6

#### Place of Work

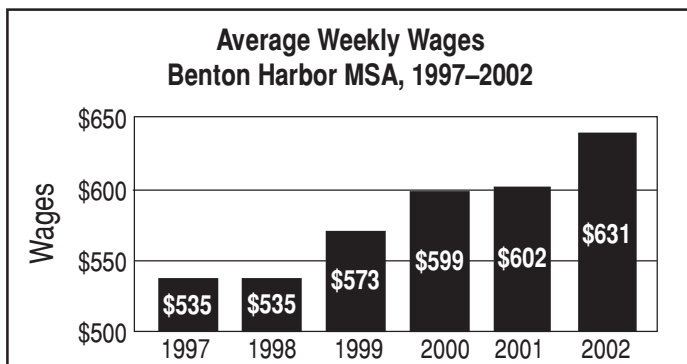
Total Nonfarm Jobs	208,500	212,000	210,900	231,500	236,700	238,700	168,600	169,200	174,700
Nat Resources & Construction	10,800	10,500	10,400	10,200	10,100	9,800	7,100	6,800	9,200
Manufacturing	39,300	39,100	40,800	21,300	22,100	24,700	21,600	22,400	24,100
Trade, Transport & Utilities	35,700	36,000	36,500	37,900	37,900	38,200	31,500	30,200	32,900
Wholesale Trade	6,100	5,900	5,600	6,000	5,900	5,900	4,400	4,400	4,500
Retail Trade	24,500	25,100	26,000	25,800	25,800	26,000	22,500	21,400	24,100
Information	2,000	2,000	2,100	3,400	3,400	3,500	2,800	2,800	2,900
Financial Activities	9,500	9,700	9,300	17,100	16,500	16,000	7,300	7,100	7,700
Professional & Business Services	20,300	20,100	20,400	20,300	20,800	22,100	22,400	22,200	23,300
Educational & Health Services	27,800	27,900	28,400	23,100	24,100	24,500	26,900	27,100	26,000
Leisure & Hospitality	20,300	19,800	20,600	20,100	19,600	19,900	17,800	17,500	17,300
Other Services	9,400	9,300	9,500	11,000	10,900	11,100	7,900	7,900	7,900
Government	33,400	37,600	32,900	67,100	71,300	68,900	23,300	25,200	23,400

## Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids-Holland Muskegon			Jackson		
	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003
<b>Place of Residence</b>									
Labor Force	186,700	185,300	189,700	620,600	613,800	618,900	79,600	79,600	80,700
Employment	170,800	170,000	171,000	579,400	576,100	567,400	74,300	74,400	74,000
Unemployment	15,900	15,300	18,700	41,200	37,800	51,600	5,400	5,200	6,700
Rate (Percent)	8.5	8.3	9.9	6.6	6.2	8.3	6.7	6.5	8.2

<b>Place of Work</b>									
Total Nonfarm Jobs	159,700	160,500	162,900	565,500	569,600	565,600	61,800	62,400	62,800
Nat Resources & Construction	7,900	7,200	7,400	28,100	27,100	28,600	2,700	2,500	2,700
Manufacturing	22,400	22,700	24,600	128,400	127,200	130,100	10,200	10,200	10,200
Trade, Transport & Utilities	31,300	30,900	31,800	110,300	108,600	109,800	12,600	12,800	13,000
Wholesale Trade	6,600	6,600	6,600	29,700	29,800	29,800	1,700	1,700	1,700
Retail Trade	21,200	20,900	21,700	65,900	64,500	65,700	8,300	8,300	8,300
Information	2,100	2,200	2,200	8,000	8,100	8,100	500	500	500
Financial Activities	6,800	7,000	6,600	23,200	23,000	24,500	2,500	2,500	2,500
Professional & Business Services	18,200	18,300	19,000	66,100	64,900	63,900	4,500	4,500	4,600
Educational & Health Services	24,300	24,500	24,300	73,100	76,500	70,600	9,500	9,600	9,500
Leisure & Hospitality	15,900	15,500	15,500	50,600	50,300	49,500	5,600	5,500	6,000
Other Services	6,400	6,300	6,600	22,600	22,300	23,600	2,700	2,600	2,700
Government	24,400	25,900	24,900	55,100	61,600	56,900	11,000	11,700	11,100

	Upper Peninsula			Northeast Lower Michigan			Northwest Lower Michigan		
	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003	Jun 2004	May 2004	Jun 2003
<b>Place of Residence</b>									
Labor Force	159,100	154,100	157,800	97,800	94,700	97,900	161,000	154,400	159,400
Employment	149,900	144,700	145,400	90,800	87,800	89,200	150,900	144,600	147,900
Unemployment	9,300	9,400	12,400	7,000	7,000	8,700	10,200	9,800	11,500
Rate (Percent)	5.8	6.1	7.9	7.2	7.3	8.9	6.3	6.3	7.2



### Regional Focus Average Weekly Wages Benton Harbor MSA, 1997-2002

Average weekly wages (AWW) in the Benton Harbor MSA in 2002 reached \$631, the highest recorded ever, and \$29 higher than 2001. In 2001, the area's annual AWW stood at \$602. 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. The weekly wages contain all the area's earnings, including overtime wages.

# June Jobless Rates Up Typically in Most of Michigan's Major Areas

June unemployment rates (unadjusted) increased in nine of Michigan's 12 major labor market areas. Employment and labor force levels also rose in nine areas over the month. The advances in the unemployment rates were seasonal and can be attributed to labor force expansion among seasonal workers and summer job seekers. However, not everyone who searched for work was successful, causing June's unemployment rate to edge upward in the state's nine metropolitan statistical areas (MSAs). These increases were moderate, with gains averaging 0.4 of a percentage point. The largest increases were observed in the Detroit and Lansing MSAs, up by 0.7 and 0.6 of a percentage point, respectively. In the

state's remaining major areas, unemployment rate changes were small. The Upper Peninsula and the Northwest Lower Michigan Region recorded a decline of 0.3 and 0.1 percentage points, respectively. The unemployment rate of the Northwest Lower Michigan Region remained unchanged.

Among Michigan's major labor markets, the Ann Arbor area had the lowest unemployment rate at 4.0 percent, followed by Lansing with 5.0 percent and Kalamazoo with 6.1 percent. The highest jobless rate in the month of June was recorded by the Flint MSA at 8.5 percent, followed by the Saginaw-Bay-Midland MSA with 7.9 percent.

# Nonfarm Employment Drops Seasonally in All Metropolitan Areas

Total nonfarm employment decreased in all of Michigan's nine metropolitan areas (MSAs) during the month of June. Most of the reductions were moderate, averaging a drop of 0.8 percentage points. The largest job decrease was recorded in the Lansing area (down by 2.2 percent), followed by the Kalamazoo MSA, (down by 1.7 percent), as many major educational facilities continued reducing staff with the arrival of summer vacation. Goods-producing industries recorded moderate gains for the month, as all but one area exhibited seasonal advances in construction (the Ann Arbor MSA remained unchanged), with Jackson and Benton Harbor areas leading the way with increases of 8.0 and 4.2 percent, respectively. These gains were somewhat offset by minor employment declines in manufacturing, mainly in the Detroit, Saginaw-Bay-

Midland, Lansing and Ann Arbor MSAs. In the service-providing sector, the leisure and hospitality industry showed seasonal job advances throughout the state (up by 14,000 jobs). The Benton Harbor MSA led the way in this industry with a gain of 4.4 percent for the month.

During June, average weekly hours in manufacturing increased in four major areas. The gains were due to additional hours worked in both the durable and nondurable goods sectors. Average hourly earnings moved up in five areas during the month, with advances recorded mainly in the durable goods industries. The total effect of these changes was that average weekly earnings expanded in four of the major areas. The largest gains in weekly earnings were recorded in the Benton Harbor area, up by \$32.09, followed by the Detroit and Ann Arbor areas with increases of \$10.99 and \$8.79, respectively.

Manufacturing Hours and Earnings Major Labor Market Areas* June and May 2004						
Area	Average Weekly Hours		Average Hourly Earnings		Average Weekly Earnings	
	June	May	June	May	June	May
Ann Arbor	43.8	43.2	\$25.45	\$25.60	\$1,114.71	\$1,105.92
Benton Harbor	42.6	42.4	16.26	15.58	692.68	660.59
Detroit	43.5	43.3	24.62	24.48	1,070.97	1,059.98
Flint	46.1	46.0	30.77	30.91	1,418.50	1,421.86
Grand Rapids-Muskegon-Holland	40.7	41.0	16.57	16.35	674.40	670.35
Jackson*						
Kalamazoo-Battle Creek	42.0	43.1	15.72	15.66	660.24	674.95
Lansing	41.2	42.7	25.22	24.90	1,039.06	1,063.23
Saginaw-Bay-Midland	43.5	43.9	25.90	25.81	1,126.65	1,133.06

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

## 2003 Increase in Michigan's Medical Care Price Index Lowest Since 1997

Medical care is one of the major item groups within the Consumer Price Index (CPI). This group consists of medical care commodities and medical care services. Medical care services, the dominant component of medical care, is organized into two expenditure categories, professional medical services and hospital and related services. Medical care commodities include prescription drugs and nonprescription medical supplies.

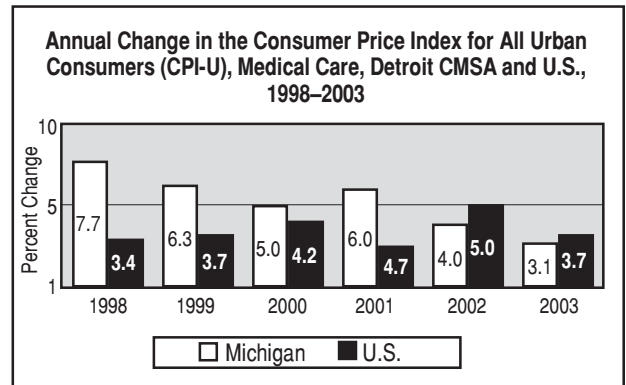
The base period weight for each CPI item is the out-of-pocket expenditures households incurred for that item in a three-year base period. Weights for CPI medical care reflect household expenditures for health insurance premiums as well as out-of-pocket medical expenses (those not covered by health insurance). The CPI does not include employer-paid health insurance premiums or government-paid health care such as Medicare Part A; these are considered part of consumers' income and not their expenditures. Consequently, the share of medical care in the CPI is smaller than its share of the gross domestic product and other national accounts' measures.

Michigan's medical care consumer price index moved up by 3.1 percent in 2003, a drop from the 4.0 percent increase recorded in 2002. This was the lowest increase since 1997, when the annual rate increase stood only at

0.2 percent. It was also the second consecutive year that Michigan's health price index change remained below the national rate.

The nation's medical care price index increased by 3.7 percent in 2003, significantly less than the rise of 5.0 percent in 2002. Lower price increases were reported for hospital services, physicians' services, and prescription drugs and medical supplies.

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



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