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Michigan's May Unemployment Rate Edges Upward

Lansing – Michigan's seasonally adjusted unemployment rate in May increased slightly over the month by two-tenths of a percentage point to 8.5 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). The number of unemployed rose by 6,000 over the month and total employment edged downward by 2,000. The net result was a 4,000 increase in the state's labor force.

The Michigan jobless rate in May 2012 was two and one-tenth percentage points below the state's May 2011 rate of 10.6 percent. The national jobless rate decreased by eight-tenths of a percentage point over this period. The state's unemployment rate in May remained slightly above the national rate of 8.2 percent. The U.S. jobless rate also increased in May, advancing by one-tenth of a percentage point.

"Michigan's labor market in May and throughout early 2012 has been stable," said Rick Waclawek, director of the Bureau of Labor Market Information and Strategic Initiatives. "The minor upturn in the state's jobless rate in May was partially due to individuals entering or reentering the workforce looking for jobs."

Monthly Labor Force Trends & Highlights

- May marked the first monthly jobless rate increase for Michigan since May 2011. Prior to May 2012, the state's rate had fallen for nine consecutive months.
- Although the state's unemployment rate edged upward in May, it was the second lowest rate for 2012, matching the March rate.
- Michigan's workforce rose again in May, marking the fifth consecutive month of gains. The state had not seen a run of five monthly labor force advances since late 2005. From December to May, the state's workforce has risen by 33,000 or 0.7 percent. Over the year, Michigan's labor force was little changed.
- Michigan's total employment level declined slightly in May, ending a string of nine consecutive monthly gains since August 2011. Since May 2011, employment rose in Michigan by 94,000 or 2.3 percent. Total employment nationwide grew by a lesser 1.8 percent over the same period.
- From May 2011 to May 2012, the number of unemployed in Michigan fell by 98,000 or nearly 20 percent. Nationally, unemployment declined by 8 percent since May 2011.

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**MICHIGAN
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	May 2011	April 2012	May 2012	Change	
				Month	Year
Civilian Labor Force	4,667	4,659	4,663	4	-4
Employment	4,174	4,270	4,268	-2	94
Unemployment	493	389	395	6	-98
Rate (Percent)	10.6	8.3	8.5	xxx	xxx

Detroit Metropolitan Area's May Jobless Rate Increases

The Detroit-Warren-Livonia Metropolitan Statistical Areas (MSAs) seasonally adjusted unemployment rate in May increased over the month by four-tenths of a percentage point to 9.6 percent. This was the first monthly jobless rate advance for the area since June 2011. Over the month, total employment fell in the MSA by 10,000 while unemployment rose moderately by 6,000. The area's workforce declined slightly for the third consecutive month. With the exception of February 2012, the metro area's labor force has fallen every month since April 2009.

From May 2011 to May 2012, the Detroit metropolitan area's jobless rate fell by two and two-tenths percentage points. The region's total employment level rose over the year by 18,000 or 1.0 percent, while the number of unemployed declined by 48,000 or 20 percent. The Detroit MSA's workforce dropped by 30,000 or 1.5 percent since May 2011.

**Detroit-Warren-Livonia MSA
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	May 2011	April 2012	May 2012	Change	
				Month	Year
Civilian Labor Force	2,021	1,995	1,991	-4	-30
Employment	1,783	1,811	1,801	-10	18
Unemployment	238	184	190	6	-48
Rate (Percent)	11.8	9.2	9.6	xxx	xxx

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Payroll Jobs Edge Downward in May

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs declined slightly in May by 5,000 to 3,983,000. Job cuts were recorded in manufacturing (-4,000) and professional and business services (-3,000), while job gains were posted in financial activities (+3,000), and trade, transportation, and utilities (+3,000). Lesser job reductions were registered in education and health services and other services. The state's remaining major industry sectors were little changed over the month.

Industry Employment Trends and Highlights

- In May, Michigan recorded its first monthly payroll job decline since September 2011. However, the statewide job count for May was the same as Michigan's five-month 2012 year-to-date average, and remains well above 2011 totals.
- Jobs in financial activities rose for the second consecutive month to continue a mostly upward trend seen throughout 2011 and into 2012. Over the year, this sector has reported job advances of 8,000 or 4.2 percent, which is the largest percentage gain of any major sector in the state.
- Even with the minor over-the-month decline in jobs, manufacturing remains steady in 2012. The May total of 524,000 manufacturing jobs in the state is only 2,000 below the five-month 2012 average.
- Jobs in trade, transportation and utilities dipped slightly in March and April, but rose in May back to levels recorded in late 2011 and early 2012. Jobs in this sector have edged up over the year in Michigan by 2,000.
- The relatively small May job reduction in professional and business services did not diminish the overall upward trend for this sector. Since January, jobs in professional and business services have increased by 4,000, while this sector has recorded significant gains over the year.
- After remaining very stable through the first three quarters of 2011, construction jobs have trended downward in Michigan since October. Over the year, construction jobs fell by 6,000 or 5.0 percent, rivaling government job reductions since May 2012 (-7,000 or -1.2 percent), and retail trade losses over the same period (-6,000 or -1.3 percent). These are the only three major sectors in the state to record over-the-year job cuts.
- Since May 2011, payroll jobs in Michigan increased by 47,000 or 1.2 percent. Significant job growth over this period was reported in manufacturing, professional and business services, education and health services, and financial activities.
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing declined over the month and over the year.

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MICHIGAN
Payroll Employment Estimates
Seasonally Adjusted
 (Data in Thousands)

	<u>May</u>	<u>April*</u>	<u>May**</u>	CHANGE***	
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	3936	3988	3983	-5	47
Natural Resources & Mining	7	7	8	0	0
Construction	125	120	119	-1	-6
Manufacturing	505	528	524	-4	18
Transportation Equipment	142	145	146	1	4
Trade, Transportation & Utilities	721	720	724	3	2
Retail Trade	448	442	442	1	-6
Information	53	53	53	0	1
Financial Activities	192	197	200	3	8
Professional & Business Services	555	572	569	-3	14
Education & Health Services	616	631	629	-2	12
Leisure & Hospitality Services	376	380	380	0	3
Other Services	166	170	168	-2	2
Government	619	611	612	1	-7

* Final data for April

** Preliminary data for May

*** Change calculated using unrounded data

Hours & Earnings for Production Workers
Seasonally Adjusted

Manufacturing

	<u>May</u>	<u>April</u>	<u>May</u>	CHANGE	
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$948.34	\$919.88	\$882.29	-\$37.59	-\$66.05
Average Weekly Hours	44.3	44.5	43.2	-1.3	-1.1

Transportation Equipment

Average Weekly Earnings	\$1,326.68	\$1,363.34	\$1,248.41	-\$114.93	-\$78.27
Average Weekly Hours	45.8	49.2	46.5	-2.7	0.7

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