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Michigan's August Unemployment Rate Moves Upward

Lansing – Michigan's seasonally adjusted unemployment rate in August increased over the month by four-tenths of a percentage point to 9.4 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). Total employment in Michigan declined by 18,000 in August, as the total number of unemployed rose by 16,000. The state's labor force was little changed over the month.

The Michigan jobless rate in August 2012 was one percentage point below the state's August 2011 rate of 10.4 percent. The national jobless rate also decreased by one percentage point over this period. The state's unemployment rate in August was one and three-tenths percentage points above the national rate of 8.1 percent. The U.S. jobless rate edged downward over the month by two-tenths of a percentage point.

"Michigan's labor market indicators have shown little change since late 2011," said Rick Waclawek, director of the Bureau of Labor Market Information and Strategic Initiatives. "The Michigan unemployment rate is comparable with December 2011, and the number of payroll jobs in August was slightly above first quarter 2012 levels."

Monthly Labor Force Trends & Highlights

- Michigan's jobless rate has increased for four consecutive months. Since April, the state's rate has risen by one and one-tenth percentage points. Michigan's August unemployment rate is the highest for the state since the November 2011 rate of 9.6 percent.
- Michigan's labor force level from January to March grew by 23,000. However since March, the state's workforce has been essentially flat.
- Total employment in the state recorded monthly advances early in 2012 through April only to show monthly declines since. From May to August, reductions in total employment have averaged 12,000 per month
- From August 2011 to August 2012, total employment in Michigan rose by 54,000 or 1.3 percent, which was below the 1.7 percent growth rate nationally over the same period.
- Since August 2011, the number of unemployed in the state fell by 49,000 or 10 percent, which matched the national percent reduction.

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**MICHIGAN
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	August 2011	July 2012	August 2012	Change	
				Month	Year
Civilian Labor Force	4,653	4,661	4,658	-3	5
Employment	4,167	4,239	4,221	-18	54
Unemployment	486	421	437	16	-49
Rate (Percent)	10.4	9.0	9.4	xxx	xxx

Detroit Metropolitan Area's August Jobless Rate Increases

The Detroit-Warren-Livonia Metropolitan Statistical Areas (MSAs) seasonally adjusted unemployment rate in August rose over the month by half of a percentage point to 10.7 percent. This was the fourth consecutive monthly rate increase for the area and its highest rate since November. The metro region has recorded a one and a half percentage point jobless rate advance since its 2012 low in April. In August, the number of unemployed in the area increased by 10,000, while total employment declined by 5,000. The area recorded its second consecutive monthly labor force gain; however the region has registered a workforce reduction since the beginning of the year.

From August 2011 to August 2012, the Detroit metropolitan area's jobless rate declined by one percentage point. The number of unemployed and the labor force decreased in the region by 22,000 and 25,000 respectively over the year. The net result was an essentially unchanged total employment level since August 2011.

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

Seasonally Adjusted
(Data in Thousands)

	August 2011	July 2012	August 2012	Change	
				Month	Year
Civilian Labor Force	2,017	1,987	1,992	5	-25
Employment	1,782	1,784	1,779	-5	-3
Unemployment	235	203	213	10	-22
Rate (Percent)	11.7	10.2	10.7	xxx	xxx

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Most Sectors Little Changed As August Payroll Jobs Decline

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs declined in August by 7,000 to 3,990,000. The only significant over-the-month job change was a decrease in manufacturing (-8,000). A minor job reduction in August was posted in trade, transportation and utilities (-2,000), while modest job gains were recorded in professional and business services (+2,000), and government (+2,000). The state's remaining major industry sectors were little changed over the month.

Industry Employment Trends and Highlights

- Although Michigan recorded a minor decline over the month in total payroll jobs, the August job count was the second highest monthly statewide total in 2012.
- The count of seasonally adjusted manufacturing jobs fell in August mostly reflecting a change in the seasonal pattern within this sector. With fewer than normal supplier layoffs in July due to a streamlined retooling process in the auto industry, there was a less-than-typical number of recalls in August. The August job total in manufacturing of 525,000 essentially matched the June total as well as the 2012 year-to-date average in this sector.
- After recording fairly significant job losses in April and May, construction jobs have stabilized over the last three months.
- Retail trade jobs, which fell for four consecutive months from December through March, have been steady at around 442,000 since April.
- Since August 2011, payroll jobs in Michigan increased by 46,000 or 1.2 percent. Significant job growth over this period was confined to professional and business services (+22,000) and manufacturing (+16,000). Other notable over-the-year gains were displayed in financial activities (+7,000), education and health services (+6,000), and leisure and hospitality services (+6,000). Job losses since August 2011 were most pronounced in construction (-7,000) and government (-5,000).
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing declined over the month as well as over the year.

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MICHIGAN
Payroll Employment Estimates
Seasonally Adjusted
 (Data in Thousands)

	<u>August</u>	<u>July*</u>	<u>August**</u>	CHANGE***	
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	3944	3997	3990	-7	46
Natural Resources & Mining	7	7	7	0	0
Construction	126	119	120	1	-7
Manufacturing	508	532	525	-8	16
Transportation Equipment	144	156	152	-4	8
Trade, Transportation & Utilities	722	723	721	-2	0
Retail Trade	446	443	442	-1	-4
Information	53	55	55	0	2
Financial Activities	193	200	200	0	7
Professional & Business Services	548	568	570	2	22
Education & Health Services	623	631	630	-1	6
Leisure & Hospitality Services	374	381	381	-1	6
Other Services	169	168	167	-1	-2
Government	619	612	614	2	-5

* Final data for July

** Preliminary data for August

*** Change calculated using unrounded data

Hours & Earnings for Production Workers
Seasonally Adjusted

Manufacturing

	<u>August</u>	<u>July</u>	<u>August</u>	CHANGE	
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$907.88	\$918.43	\$893.46	-\$24.97	-\$14.42
Average Weekly Hours	43.7	43.9	43.0	-0.9	-0.7

Transportation Equipment

Average Weekly Earnings	\$1,246.36	\$1,289.57	\$1,234.98	-\$54.59	-\$11.38
Average Weekly Hours	44.3	47.6	45.9	-1.7	1.6

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