



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

JOHN E. NIXON, CPA
DIRECTOR

FOR IMMEDIATE RELEASE

Date: January 18, 2012
Contact: Kurt Weiss, 517-335-0050

Michigan's December Unemployment Rate Declines

2011 Annual Rate Drops

Lansing – Michigan's seasonally adjusted unemployment rate in December declined by half a percentage point to 9.3 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). Total employment increased by 13,000 over the month and the number of unemployed fell by 25,000. The state's workforce declined by 12,000 in December.

The Michigan jobless rate in December 2011 was one and eight-tenths percentage points below the December 2010 rate of 11.1 percent. The national jobless rate decreased by nine-tenths of a percentage points over this period.

"Michigan's jobless rate fell again in December, as the state added jobs in professional and technical services and manufacturing," said Rick Waclawek, director of the Bureau of Labor Market Information and Strategic Initiatives. "For 2011 as a whole, the state recorded a significant decline in the unemployment rate and a modest gain in payroll jobs."

Monthly Labor Force Trends & Highlights

- Michigan's December jobless rate at 9.3 percent was the lowest for the state since the 8.9 percent rate posted in September 2008.
- December marked the fourth consecutive monthly increase in statewide total employment, along with the fourth monthly decline in the number of unemployed.
- Although employment showed gains over the last several months, Michigan's labor force continued its downward trend in December, marking the ninth monthly reduction in a row dating back to April. Over that period, the state's workforce has fallen by 99,000 or 2.1 percent. This also reflects the long-term trend in Michigan, with the state's workforce decreasing consistently since 2006.
- From the third quarter to the fourth quarter 2011, Michigan's quarterly jobless rate fell by one and two-tenths percentage points from 11.1 to 9.9 percent.
- From December 2010 to December 2011, the number of unemployed in Michigan decreased by nearly 19 percent. Unemployment declined nationally by 9 percent over the same period.

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**MICHIGAN
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	December 2010	November 2011	December 2011	Change	
				Month	Year
Civilian Labor Force	4,746	4,658	4,646	-12	-100
Employment	4,217	4,201	4,214	13	-3
Unemployment	529	456	431	-25	-98
Rate (Percent)	11.1	9.8	9.3	xxx	xxx

Michigan's 2011 Preliminary Annual Average Labor Force Data

Michigan's preliminary annual average unemployment rate in 2011 was 10.4 percent. Total employment averaged 4,216,000 in 2011, while unemployment averaged 487,000. The state's annual labor force level was 4,703,000.

- Michigan's preliminary annual average unemployment rate of 10.4 percent in 2011 dropped by over two full percentage points from the 2010 annual rate of 12.5 percent. The U.S. annual jobless rate declined by seven-tenths of a percentage point from 2010 to 2011 (9.6 to 8.9 percent).
- The state's 2011 jobless rate was nearly three full percentage points below Michigan's recent high unemployment rate of 13.3 percent posted in 2009. However, Michigan's unemployment rate remains elevated relative to historical levels.
- From annual 2010 to 2011, the number of unemployed fell by 110,000 or 18 percent, while total employment moved upward by 23,000 or 0.5 percent.
- The state's annual average labor force level dropped by 87,000 or 1.8 percent from 2010 to 2011.
- Although unemployment declined in 2011, the average number of weeks individuals remained unemployed in Michigan increased from 40 weeks in 2010 to 45 weeks in 2011.

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Detroit Metropolitan Area's December Jobless Rate Decreases

The Detroit-Warren-Livonia Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in December declined over the month by seven-tenths of a percentage point to 10.5 percent. This was the lowest jobless rate for the area since the October 2008 rate of 10.0 percent. Over the month, total employment grew by 10,000 while the number of unemployed fell by 13,000. The metro area's workforce declined slightly in December, continuing the downward trend seen throughout most of 2011.

From December 2010 to December 2011, the Detroit metropolitan area's jobless rate decreased by one and seven-tenths percentage points. In that period, the area's unemployment level fell by 37,000 or 15 percent; however total employment was little changed. Similar to the state, the primary reason unemployment declined over the year in the metro area was labor force withdrawal. The area's workforce recorded a 36,000 or 1.8 percent drop since December 2010.

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

Seasonally Adjusted
(Data in Thousands)

	December 2010	November 2011	December 2011	Change	
				Month	Year
Civilian Labor Force	2,046	2,013	2,010	-3	-36
Employment	1,797	1,788	1,798	10	1
Unemployment	249	225	212	-13	-37
Rate (Percent)	12.2	11.2	10.5	xxx	xxx

Detroit Metropolitan Area's Annual Average Labor Force Data

The Detroit-Warren-Livonia Metropolitan Statistical Areas (MSA's) preliminary 2011 annual average unemployment rate of 11.6 percent fell by nearly two full percentage points from the 2010 annual rate of 13.5 percent. The area's annual jobless rate was down by over three percentage points from the recent high of 14.9 percent registered in 2009. From 2010 to 2011, the number of unemployed in the area fell by 45,000 or 16 percent, however total employment also declined, edging downward over that period by 3,000. The net result was a workforce reduction of 48,000 or 2.3 percent from 2010 to 2011.

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December Payroll Jobs Increase Slightly

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs edged upward in December by 4,000 to 3,935,000. Job gains were recorded over the month in professional and business services (+4,000) and manufacturing (+4,000). Somewhat offsetting these increases were job reductions in government (-4,000). The state's remaining major industry sectors recorded relatively minor changes in December.

Industry Employment Trends and Highlights

- December marked the third consecutive monthly increase in the state's payroll job count. However, these monthly gains were modest, with an advance since September of only 11,000 jobs.
- Payroll jobs were mostly stable in Michigan throughout 2011, with an upward track from January to December. Total payroll jobs dipped in late spring, while reaching the highest levels in mid-summer. December's job count was slightly below the state's July and August levels.
- Government jobs continued to trend downward in December, with the fifth consecutive monthly decline. Over the year in Michigan, government jobs fell by 13,000 or 2.1 percent. The majority of the decreases over this period were at the local level, but job declines were also reported in state and federal government.
- Construction jobs registered another minor decline in December, recording a third monthly job decrease since the 2011 peak in late summer. However, construction jobs continued to display minor over-the-year gains in Michigan.
- The over-the-month job addition in manufacturing brought this sector to its highest level in 2011. Manufacturing jobs have been climbing steadily in Michigan since the end of the national recession in June 2009.
- With the increase in December, jobs in professional and business services advanced for the fifth consecutive month. This sector has posted the largest over-the-year job increase of any sector in Michigan. Professional and business services registered a 31,000 or nearly 6.0 percent job gain since December 2010.
- Since December 2010, payroll jobs in Michigan increased by 67,000 or 1.7 percent. Over the year, job growth has been recorded in nine of the state's 11 major sectors.
- 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>December</u>	<u>November*</u>	<u>December**</u>	CHANGE***	
	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	3868	3931	3935	4	67
Natural Resources & Mining	7	8	8	0	0
Construction	125	127	126	-2	1
Manufacturing	478	501	505	4	26
Transportation Equipment	132	138	140	2	8
Trade, Transportation & Utilities	707	715	715	-1	8
Retail Trade	441	446	443	-3	2
Information	54	55	55	0	1
Financial Activities	186	187	188	1	2
Professional & Business Services	522	549	553	4	31
Education & Health Services	625	637	637	1	12
Leisure & Hospitality Services	372	366	367	1	-5
Other Services	168	171	171	0	4
Government	624	615	611	-4	-13

* Final data for November

** Preliminary data for December

*** Change calculated using unrounded data

Hours & Earnings for Production Workers

Seasonally Adjusted

Manufacturing

	<u>December</u>	<u>November</u>	<u>December</u>	CHANGE	
	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$948.06	\$915.26	\$888.86	-\$26.40	-\$59.20
Average Weekly Hours	44.1	44.3	43.7	-0.6	-0.4

Transportation Equipment

Average Weekly Earnings	\$1,309.68	\$1,263.67	\$1,284.15	\$20.48	-\$25.53
Average Weekly Hours	45.7	45.3	45.5	0.2	-0.2

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