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FOR IMMEDIATE RELEASE

Date: January 16, 2013
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Michigan's December Unemployment Rate Unchanged *Annual Rate Falls for Third Year in a Row*

Lansing – Michigan's seasonally adjusted unemployment rate in December was unchanged over the month at 8.9 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). Total employment declined by 11,000 in December; however the number of unemployed was little changed, edging upward by 1,000. The net impact was a 10,000 reduction in the state's labor force over the month.

The Michigan jobless rate in December 2012 was four-tenths of a percentage point below the state's December 2011 rate of 9.3 percent. The national jobless rate decreased by seven-tenths of a percentage point over this period. The state's unemployment rate in December was over a full percentage point above the national rate of 7.8 percent. The U.S. jobless rate was also unchanged over the month.

"Most of Michigan's 2012 job gains occurred during the first half of the year," said Rick Waclawek, director of the Bureau of Labor Market Information and Strategic Initiatives. "Taken as a whole, the state's labor market improved during 2012. The number of unemployed fell in 2012, and Michigan recorded job gains for a second consecutive year."

Monthly Labor Force Trends & Highlights

- During the fourth quarter 2012, Michigan's unemployment rate edged downward by two-tenths of a percentage point from 9.2 to 9.0 percent.
- Michigan's workforce fell in December for the second consecutive month. The state's labor force in 2012 had been tracking upward or was stable in most months leading up to October. Over the last two months, the labor force fell to its lowest level since January.
- From December 2011 to December 2012, total employment in Michigan increased by 28,000 or 0.7 percent. The national rate of increase over the same period was 1.7 percent.
- Since December 2011, the number of unemployed in the state fell by 18,000 or 4.2 percent. The number of unemployed declined nationally by 6.5 percent over the same period.

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MICHIGAN
Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	December 2011	November 2012	December 2012	Change	
				Month	Year
Civilian Labor Force	4,630	4,650	4,640	-10	10
Employment	4,199	4,238	4,227	-11	28
Unemployment	431	412	413	1	-18
Rate (Percent)	9.3	8.9	8.9	xxx	xxx

Michigan's 2012 Preliminary Annual Average Labor Force Data

Michigan's preliminary annual average unemployment rate in 2012 was 8.9 percent. Total employment averaged 4,242,000 in 2012, while unemployment averaged 415,000. The state's annual average labor force level was 4,656,000.

- Michigan's preliminary annual average unemployment rate of 8.9 percent in 2012 was one and four-tenths percentage points below the 2011 annual rate of 10.3 percent. The U.S. annual jobless rate declined by eight-tenths of a percentage point from 2011 to 2012 (8.9 to 8.1 percent).
- 2012 marked the third consecutive year of annual unemployment rate declines in Michigan. The state's rate fell by four and a half percentage points since the recent annual high of 13.4 recorded in 2009. However, Michigan's unemployment rate remains above pre-recessionary levels.
- From annual 2011 to 2012, the number of unemployed in Michigan declined by 65,000 or 13.5 percent.
- Since 2011, annual total employment rose in the state by 64,000 or 1.5 percent.
- The state's annual average labor force level was essentially unchanged from 2011 to 2012, edging down by 2,000.

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Detroit Metropolitan Area's December Jobless Rate Little Changed

The Detroit-Warren-Livonia Metropolitan Statistical Area (MSA) seasonally adjusted unemployment rate in December edged upward over the month by one-tenth of a percentage point to 10.8 percent. Since August, the area's rates have remained within the narrow band of 10.7 to 10.8 percent. In December, the region's total employment declined by 5,000 and the number of unemployed increased by 3,000. The Detroit area labor market in 2012 was marked by a stable second half as compared to a more favorable labor market situation in the first half of the year.

From December 2011 to December 2012, the Detroit metropolitan area's jobless rate rose slightly by three-tenths of a percentage point. Over that period, total employment declined by 8,000 and the number of unemployed increased by 7,000, while the workforce was little changed in the region.

**Detroit-Warren-Livonia MSA
Labor Force Estimates**
Seasonally Adjusted
(Data in Thousands)

	December 2011	November 2012	December 2012	Change	
				Month	Year
Civilian Labor Force	2,005	2,007	2,004	-3	-1
Employment	1,796	1,793	1,788	-5	-8
Unemployment	210	214	217	3	7
Rate (Percent)	10.5	10.7	10.8	xxx	xxx

Detroit Metropolitan Area's 2012 Preliminary Annual Average Labor Force Data

The Detroit-Warren-Livonia Metropolitan Statistical Areas (MSAs) preliminary annual average unemployment rate of 10.2 percent was one and three-tenths percentage points below the 2011 annual rate of 11.5 percent. The area's 2012 annual rate dropped by nearly five percentage points from the recent high of 15.0 percent recorded in 2009.

From 2011 to 2012, the number of unemployed in the region fell by 27,000 or 11.6 percent, while total employment increased moderately by 10,000 or 0.5 percent. The net result for the Detroit MSA was a labor force reduction of 18,000 or 0.9 percent from 2011 to 2012.

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December Payroll Jobs Decline

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs decreased in December by 11,000 to 3,973,000. Job change was minor throughout most of Michigan's major industry sectors with the exceptions of professional and business services (-6,000) and retail trade (-3,000). The remaining job reductions were limited to 1,000 or less per sector. Manufacturing posted the only over-the-month job gain (+2,000) among the major sectors.

Industry Employment Trends and Highlights

- December's overall job count matched the October job total as the lowest monthly levels posted in 2012. However, December's job level for Michigan was well above all monthly totals recorded in 2011.
- In 2012, payroll jobs peaked in the summer and have trended downward since.
- Jobs in professional and business services tracked upward in 2012 until mid-year. Since June, professional and business service job gains have paused. This sector's monthly job count in December was the lowest since March.
- While most of the state's major job sectors have stagnated in the second half of 2012, manufacturing jobs have trended slightly upward since September.
- Since December 2011, payroll jobs in Michigan increased by 13,000 or 0.3 percent. Over this period, manufacturing (+17,000) led the job growth. Lesser gains since December 2011 were displayed in professional and business services (+6,000), education and health services (+3,000), and financial activities (+3,000). These gains were countered by job declines in construction (-7,000), retail trade (-6,000), government (-4,000), and information (-3,000).
- Preliminary annual average payroll jobs rose in Michigan by 47,000 or 1.2 percent from 2011 to 2012. This was the second consecutive annual payroll job gain for the state after ten years of job losses dating back to 2001.
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing decreased 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>	<u>CHANGE***</u>	
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	3960	3984	3973	-11	13
Natural Resources & Mining	7	7	7	0	0
Construction	123	118	117	-1	-7
Manufacturing	511	526	528	2	17
Transportation Equipment	141	147	145	-1	5
Trade, Transportation & Utilities	726	723	722	-1	-4
Retail Trade	446	443	440	-3	-6
Information	55	53	52	-1	-3
Financial Activities	195	199	198	-1	3
Professional & Business Services	560	572	566	-6	6
Education & Health Services	626	629	629	-1	3
Leisure & Hospitality Services	375	377	377	0	2
Other Services	170	170	170	0	-1
Government	613	609	607	0	-4

* 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>	<u>CHANGE</u>	
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$901.01	\$915.93	\$893.79	-\$22.14	-\$7.22
Average Weekly Hours	43.9	44.1	43.7	-0.4	-0.2

Transportation Equipment

Average Weekly Earnings	\$1,262.70	\$1,290.95	\$1,221.71	-\$69.24	-\$40.99
Average Weekly Hours	45.6	47.6	45.9	-1.7	0.3

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