



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

LANSING

RICK SNYDER
GOVERNOR

DAVID B. BEHEN
DIRECTOR

FOR IMMEDIATE RELEASE

Date: January 20, 2016

Contact: Kurt Weiss, 517-335-0050

Michigan's December Unemployment Rate Unchanged

Annual Rate Falls for Sixth Consecutive Year

Lansing – Michigan's seasonally adjusted unemployment rate in December was unchanged over the month at 5.1 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). Total employment in Michigan rose by 20,000 in December while the number of unemployed was little changed, edging up by 2,000. As a consequence, the state's workforce grew by 22,000 over the month.

The Michigan jobless rate in December 2015 was one and three-tenths percentage points below the state's December 2014 rate of 6.4 percent. The national jobless rate decreased by six-tenths of a percentage point over this period. The state's December unemployment rate was one-tenth of a percentage point above the national rate. The U.S. jobless rate was unchanged from November to December at 5.0 percent.

"Michigan's December jobless rate was steady, and capped off another solid year for the state's labor market," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "In 2015, payroll jobs rose in the state for the fifth consecutive year while Michigan's unemployment rate continued a downward trend, falling for the sixth year in a row."

Monthly Labor Force Trends & Highlights

- Michigan's unemployment rate has been very steady since August, remaining within the narrow band of 5.0 to 5.1 percent in that period. Prior to August, the state's rate fell by a full percentage point from January to July.
- After declining monthly for the first half of the year, then stabilizing in the third quarter, Michigan's labor force recorded strong gains over the last three months of the year. Michigan's December workforce level of 4,787,000 was the highest level posted in 2015. From December 2014 to December 2015, the state's labor force grew by 39,000 or 0.8 percent, slightly below the national workforce gain of 1.1 percent over the same period.
- The marginal increase in the number of unemployed in December was the state's third consecutive monthly advance, and the fourth monthly uptick in 2015. All

four increases were relatively small, and coincided with total employment and workforce gains over those months.

- December marked the fifth consecutive monthly total employment gain in the state. Over that period, total employment rose in Michigan by 62,000 or 1.4 percent. Total employment increased statewide in ten months of 2015.
- From the third quarter to the fourth quarter 2015, the state's quarterly jobless rate was unchanged at 5.1 percent. Over that time frame, the number of unemployed in Michigan was essentially unchanged, however both total employment and the labor force rose by 36,000

**MICHIGAN
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	December 2014	November 2015	December 2015	Change	
				Month	Year
Civilian Labor Force	4,748	4,765	4,787	22	39
Employment	4,442	4,521	4,541	20	99
Unemployment	306	244	246	2	-60
Rate (Percent)	6.4	5.1	5.1	xxx	xxx

Michigan's 2015 Preliminary Annual Average Labor Force Data

Michigan's preliminary annual average unemployment rate in 2015 was 5.4 percent, just slightly above the 5.3 percent national annual rate. Total employment averaged 4,493,000 in 2015, while the number of unemployed in the state averaged 256,000. The state's annual average labor force level was 4,749,000.

Annual Average Trends and Highlights

- Michigan's preliminary 2015 annual average unemployment rate of 5.4 percent fell by 1.9 percentage points from the 2014 annual rate of 7.3 percent. This was the largest annual rate reduction since the 2011 rate drop of 2.2 percentage points.
- 2015 marked the sixth consecutive year of annual unemployment rate reductions in Michigan. The state's rate fell by 8.3 percentage points since the recent annual high of 13.7 percent recorded in 2009.
- Michigan's 2015 annual jobless rate was the lowest since the 5.2 percent rate posted in 2001.
- From annual 2014 to annual 2015, the number of unemployed in Michigan fell by 92,000 or 26.4 percent. The national reduction was 13.7 percent from 2014 to 2015.

- Since 2014, total employment in the state rose by 91,000 or 2.1 percent, which outpaced the national gain of 1.7 percent.
- The state's workforce was essentially unchanged from 2014 to 2015 after recording moderate gains in both 2014 and 2013.

Detroit Metropolitan Area's December Jobless Rate Increases

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in December increased by three-tenths of a percentage point to 6.2 percent. This was the third consecutive monthly jobless rate hike for the metro area, with the area's rate increasing by seven-tenths of a percentage point from the September 2015 monthly low of 5.5 percent. However, December's unemployment rate for the region was well below rates posted in 2014 and early 2015. In December, the Detroit MSA recorded a labor force gain of 8,000 as total employment rose slightly by 2,000 while the number of unemployed increased by 6,000. After remaining flat throughout a good portion of 2015, the area's workforce rose by 16,000 since September.

From December 2014 to December 2015, the Detroit metropolitan area's jobless rate fell by one and a half percentage points. Since December 2014, the region's employment rose by 22,000 or 1.2 percent, which was below the statewide gain of 2.2 percent, and the national increase of 1.7 percent. Over that period, the number of unemployed in the area fell by 30,000 or 19.4 percent. With recent monthly workforce growth, the Detroit MSA's labor force since December 2014 registered a moderate reduction of 8,000 or 0.4 percent.

Detroit-Warren-Dearborn MSA Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	December 2014	November 2015	December 2015	Change	
				Month	Year
Civilian Labor Force	2,019	2,003	2,011	8	-8
Employment	1,864	1,884	1,886	2	22
Unemployment	155	119	125	6	-30
Rate (Percent)	7.7	5.9	6.2	xxx	xxx

Detroit MSA 2015 Preliminary Annual Average Labor Force Trends and Highlights

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) preliminary annual average unemployment rate in 2015 of 6.2 percent fell by two and three-tenths percentage points from the 2014 annual rate of 8.5 percent. This marked the sixth consecutive annual rate reduction for the region, falling by nearly nine percentage points since the recent 2009 high of 15.1 percent. The Detroit MSAs 2015 annual rate was the lowest for the area since the 2001 rate of 5.0 percent, and slightly below the 6.3 percent rate posted in 2002. From 2014 to 2015, the number of unemployed in the region fell by 48,000 or 28.1 percent, while total employment rose by 26,000 or 1.4 percent. The net result for the Detroit MSA was a workforce

reduction of 22,000 or 1.1 percent from 2014 to 2015. 2015 marked the second consecutive year of moderate workforce reductions in the Detroit MSA after a gain in 2013. The labor force reductions for the region in 2014 and 2015 continued the longer-term trend since the early 2000's of annual workforce declines in the majority of years in the Detroit MSA.

December Payroll Jobs Continue Upward Trend

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs increased in December by 10,000 to 4,297,000. Notable payroll job gains over the month were recorded in professional and business services (+3,000), trade, transportation and utilities (+3,000), and construction (+3,000), with increases also posted in education and health services (+2,000), and other services (+2,000). Somewhat offsetting the gains was a 3,000 job reduction in manufacturing. The state's remaining major industry sectors recorded only minor job changes over the month.

Industry Employment Trends and Highlights

- Michigan recorded a fifth consecutive year of payroll job gains in 2015. Preliminary data indicate that job totals rose by 90,000 or 2.2 percent from annual 2014 to annual 2015. Since 2010, overall payroll jobs in Michigan rose by 407,000 or 10.5 percent.
- In 2015, payroll jobs rose consistently in Michigan throughout the year, averaging a 7,500 net job gain per month.
- In December, the job increase in professional and business services brought the job total in this sector to its second highest level of the year, slightly below the July total. After trending upward in the first half of the year, this sector was essentially flat in the second half of 2015.
- Although manufacturing recorded a minor job reduction in December, this sector consistently trended upward throughout 2015. Since December 2014, jobs rose in manufacturing by 19,000 or 3.2 percent (matching education and health services with the largest numeric job growth among the state's major sectors over that period). Nationally, manufacturing job expansion in 2015 was sluggish.
- The over-the-month job gain in construction was the third consecutive monthly increase in this sector. December's job total was the second highest in 2015, slightly behind the June total. Since December 2014, construction jobs were up in Michigan by 11,000 or 7.6 percent, which was the largest over-the-year percentage gain among Michigan's major job sectors.
- Since December 2014, government and information were the only two major job sectors in the state to record reductions.
- From December 2014 to December 2015, payroll jobs in Michigan increased by 80,000 or 1.9 percent. Nearly half (48 percent) of the job growth occurred in two of the state's 11 major sectors, manufacturing and education and health services.

Most of the state's remaining major sectors reported solid job gains over that period.

- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing declined over the month, but were little changed over the year.

MICHIGAN
Payroll Employment Estimates

Seasonally Adjusted

(Data in Thousands)

	<u>December</u>	<u>November*</u>	<u>December**</u>	CHANGE***	
	<u>2014</u>	<u>2015</u>	<u>2015</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4,218	4,287	4,297	10	80
Natural Resources & Mining	9	8	8	0	0
Construction	145	153	156	3	11
Manufacturing	585	607	604	-3	19
Transportation Equipment	185	193	192	0	8
Trade, Transportation & Utilities	761	766	770	3	8
Retail Trade	463	463	464	1	1
Information	57	55	55	0	-2
Financial Activities	206	213	213	0	7
Professional & Business Services	633	643	646	3	12
Education & Health Services	649	666	668	2	19
Leisure & Hospitality Services	407	415	415	0	8
Other Services	171	174	176	2	5
Government	595	587	588	1	-7

* 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>2014</u>	<u>2015</u>	<u>2015</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$916.69	\$930.62	\$917.19	-\$13.43	\$0.50
Average Weekly Hours	44.3	44.5	43.8	-0.7	-0.5

Transportation Equipment

Average Weekly Earnings	\$1,249.07	\$1,217.47	\$1,163.81	-\$53.66	-\$85.26
Average Weekly Hours	48.7	48.8	47.5	-1.3	-1.2

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