

UPDATE ON THE MICHIGAN AND WEST MICHIGAN WORKS! LABOR MARKETS

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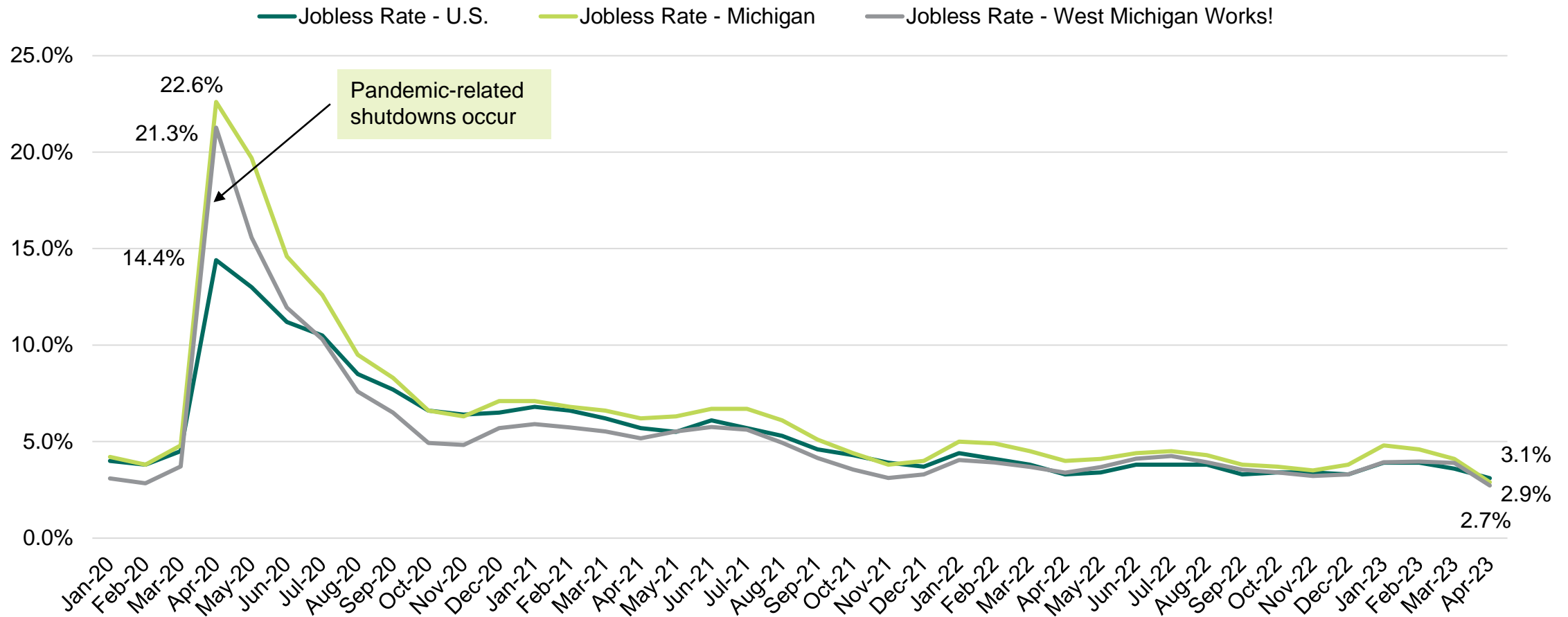
Key Takeaways

- Several West Michigan Works! area labor market metrics have recovered from changes observed during the pandemic. Meanwhile, the statewide labor force remains slightly lower than pre-pandemic levels.
- Many demographic groups were disproportionately affected during the pandemic. Jobless rates among some groups have recovered, but it is notable how many women have left the labor force since the pandemic started.
- Statewide employment is projected to expand by 8.8 percent between 2020 and 2030 as the state recovers from employment losses seen during the pandemic.

COVID-19 AND THE

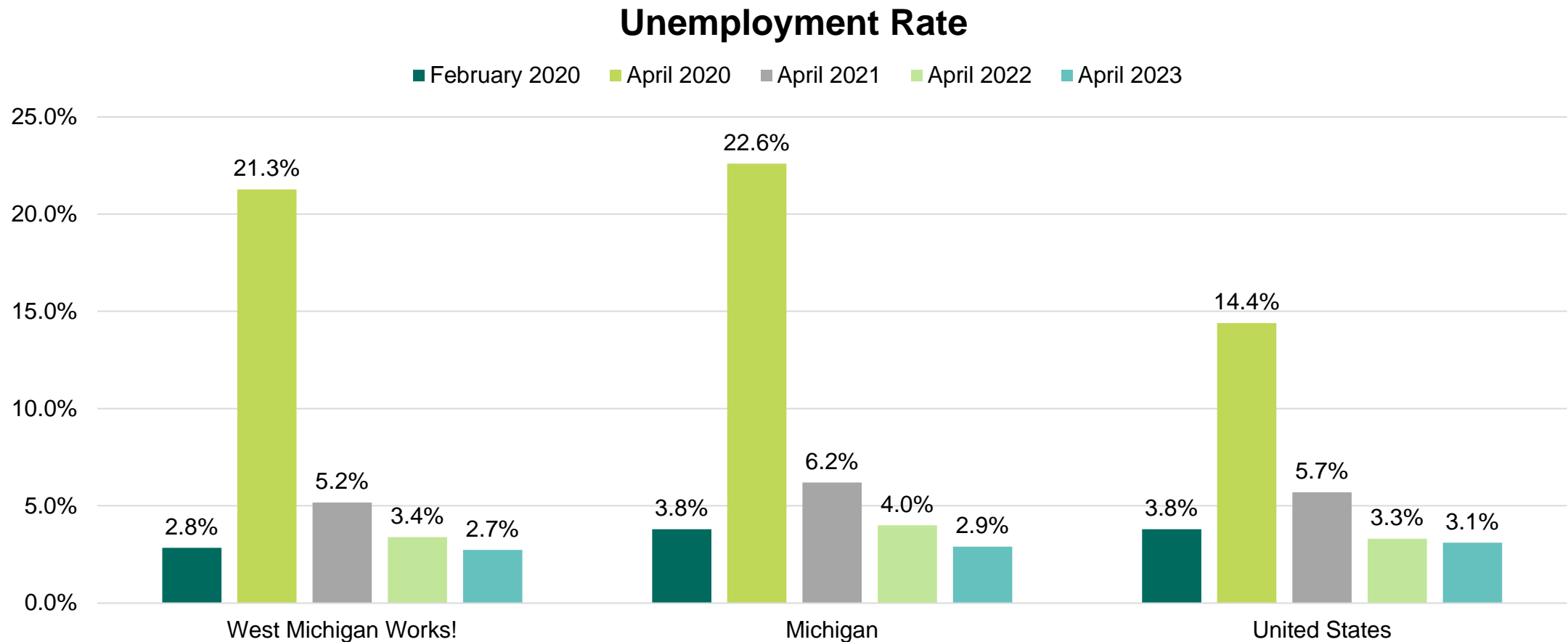
LABOR MARKET

Following initial pandemic-related shocks, the jobless rate slowly reversed direction. The jobless rate in the West Michigan Works! (WMW!) region currently sits at 2.7 percent, lower than the pre-pandemic rate of 2.8 percent observed in February 2020.



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

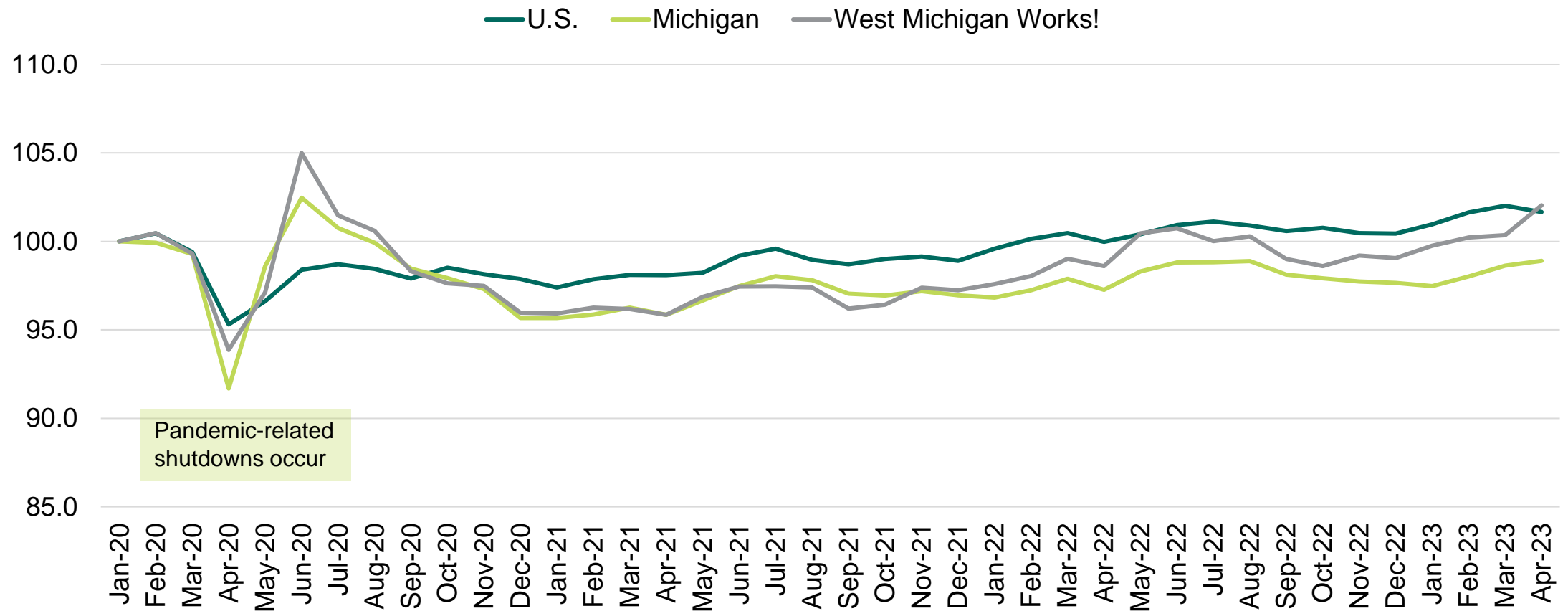
Following initial pandemic-related shocks, the jobless rate slowly reversed direction. Unemployment rates currently sit below pre-pandemic levels.



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

Labor force levels in both Michigan and the WMW! region recovered to above pre-pandemic levels by June 2020 before quickly decreasing. In the WMW! region, the labor force has been above pre-pandemic levels since February 2023.

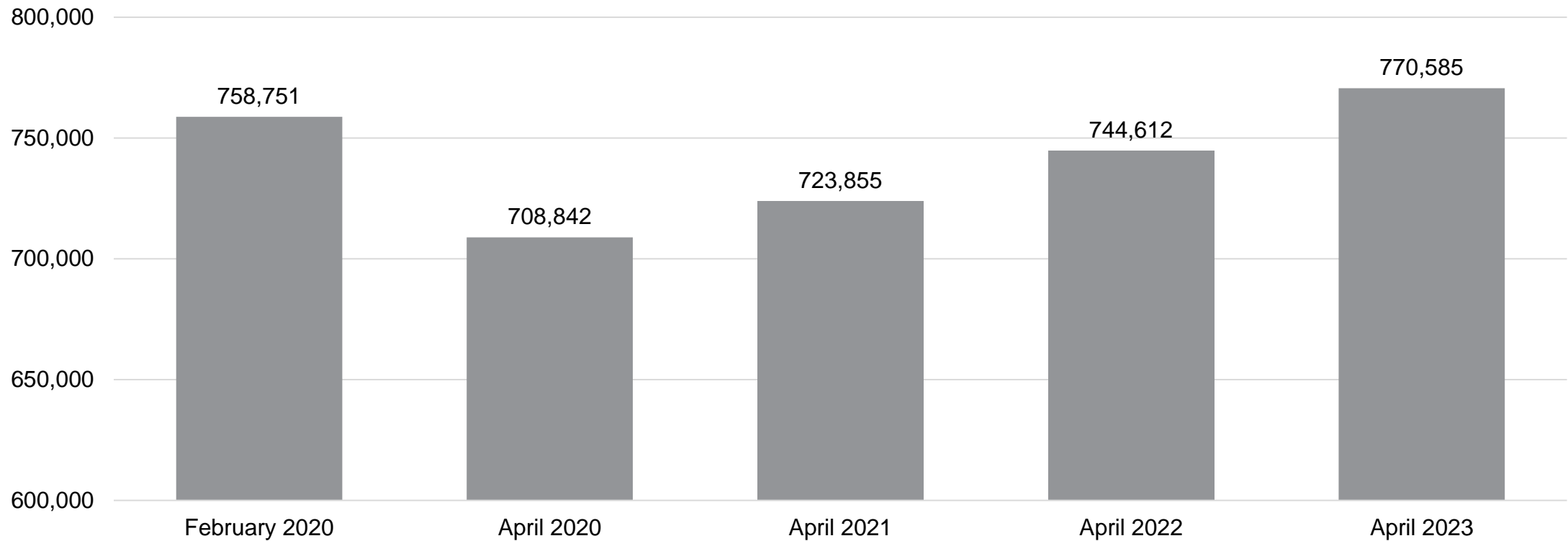
Index of Labor Force February 2020–April 2023



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

The total number of labor force participants in the WMW! region dropped 6.6 percent between February 2020 and April 2020. Since April 2020, the labor force has increased by 8.7 percent and has surpassed the pre-pandemic level.

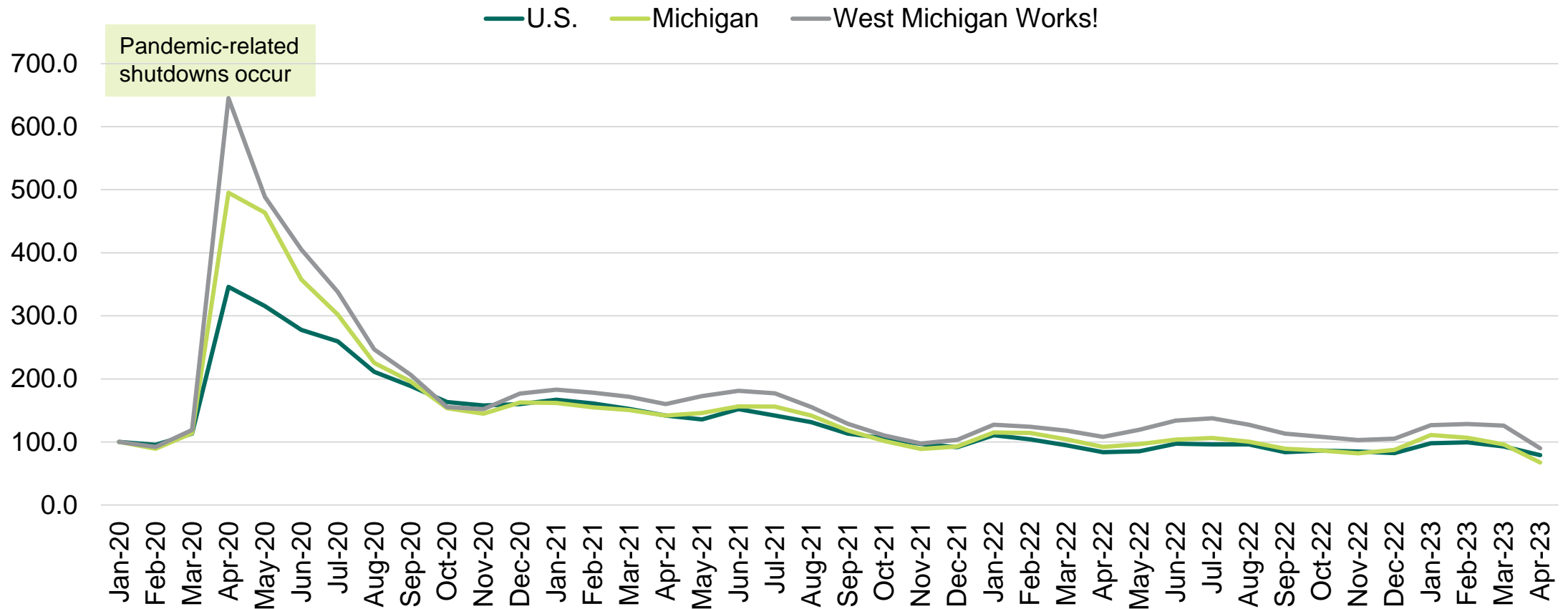
Labor Force in West Michigan Works!



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

Michigan and WMW! area unemployment levels spiked significantly in April 2020, much more dramatically than that of the U.S. as a whole. Unemployment numbers have recovered slowly since initial declines and just recently fell below pre-pandemic unemployment.

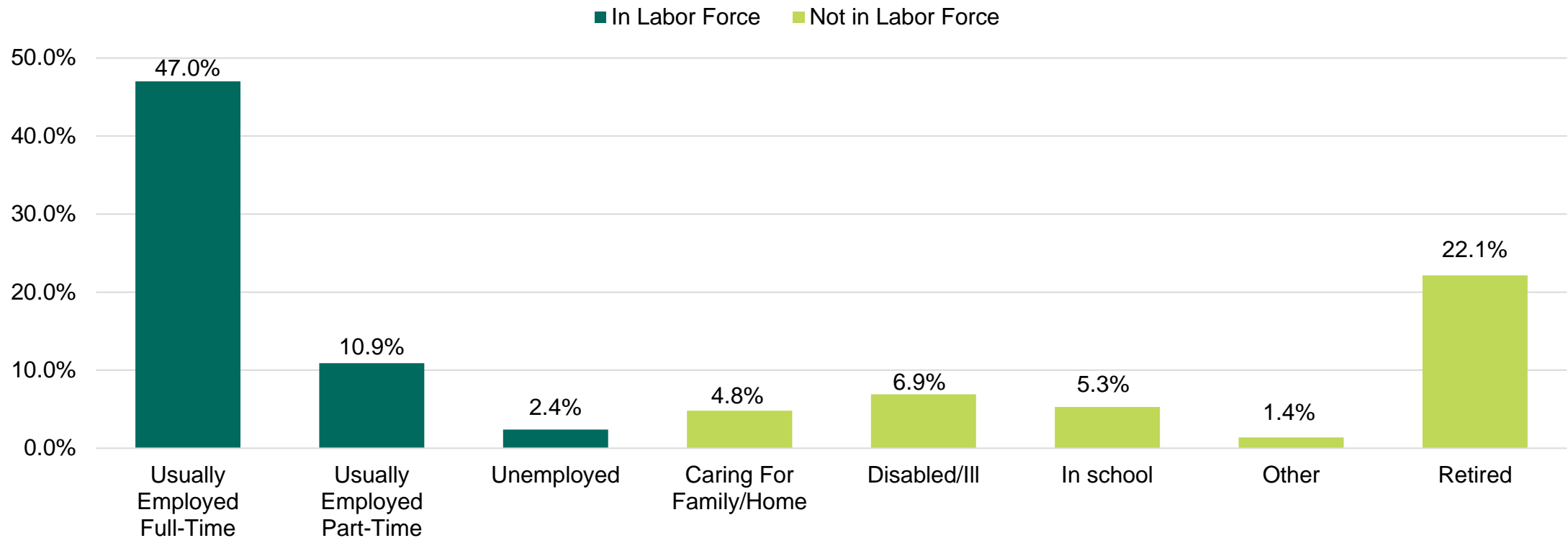
Index of Unemployment February 2020–April 2023



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

Over the 12-month period ending in March 2023, 47.0 percent of the working age population were employed full-time. Among those not in the labor force, the biggest reason was retirement.

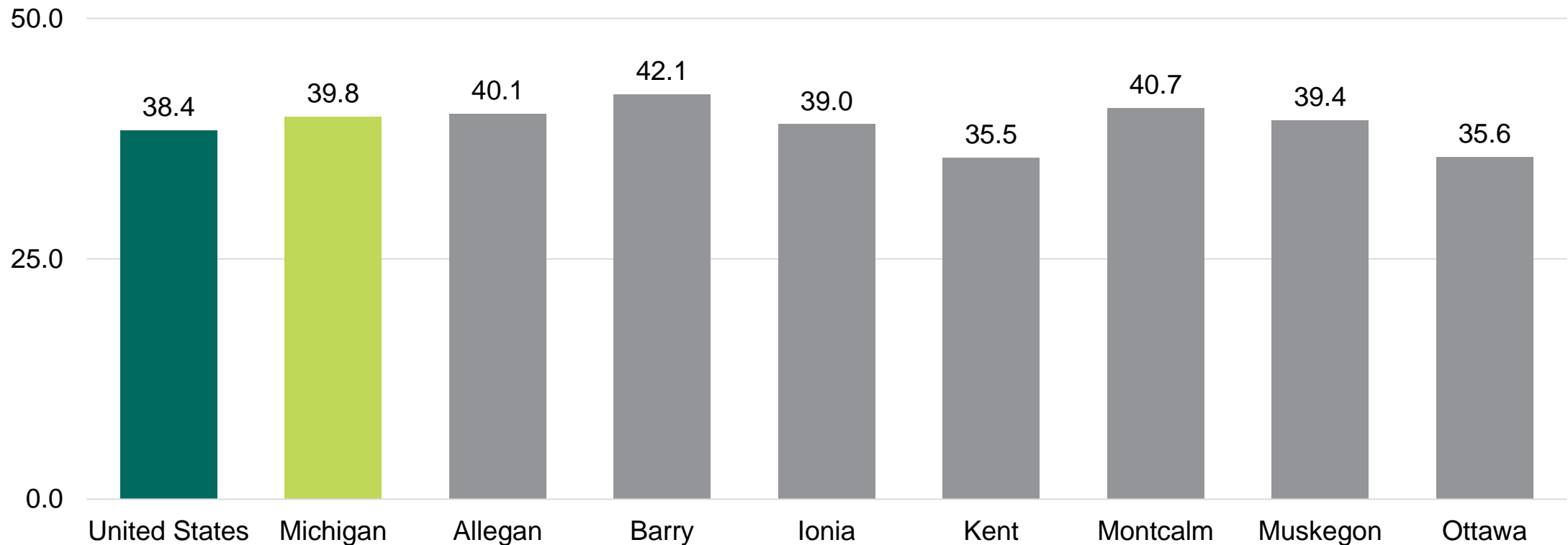
Labor Force Status, April 2022–March 2023 12-Month Average, Michigan



Source: Current Population Survey, U.S. Census Bureau

The median age in Michigan in 2021 was 39.8 years, 1.4 years older than the median age in the United States. Michigan had the 38th highest median age. Several counties in the WMW! region had lower median ages led by Kent County at 35.5 years.

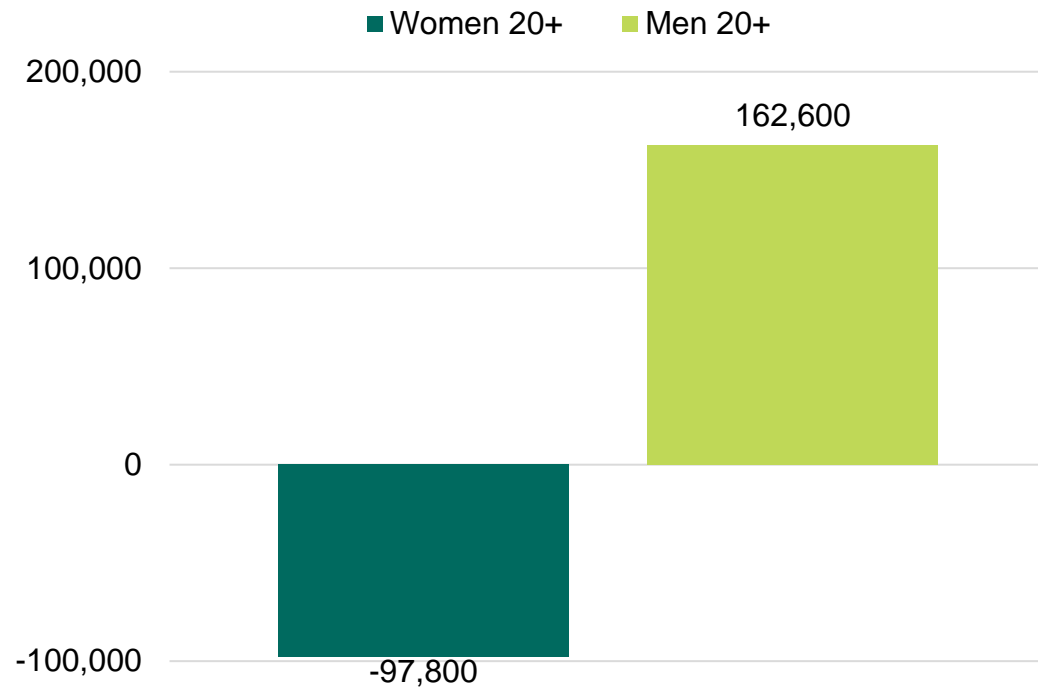
Median Age, 2021 5-Year Estimates



Source: American Community Survey (ACS) 2021 5-Year Estimates

Labor force participation for women in Michigan is down significantly from the pre-pandemic period.

**Change in Michigan Labor Force
Since December 2019-February 2020**

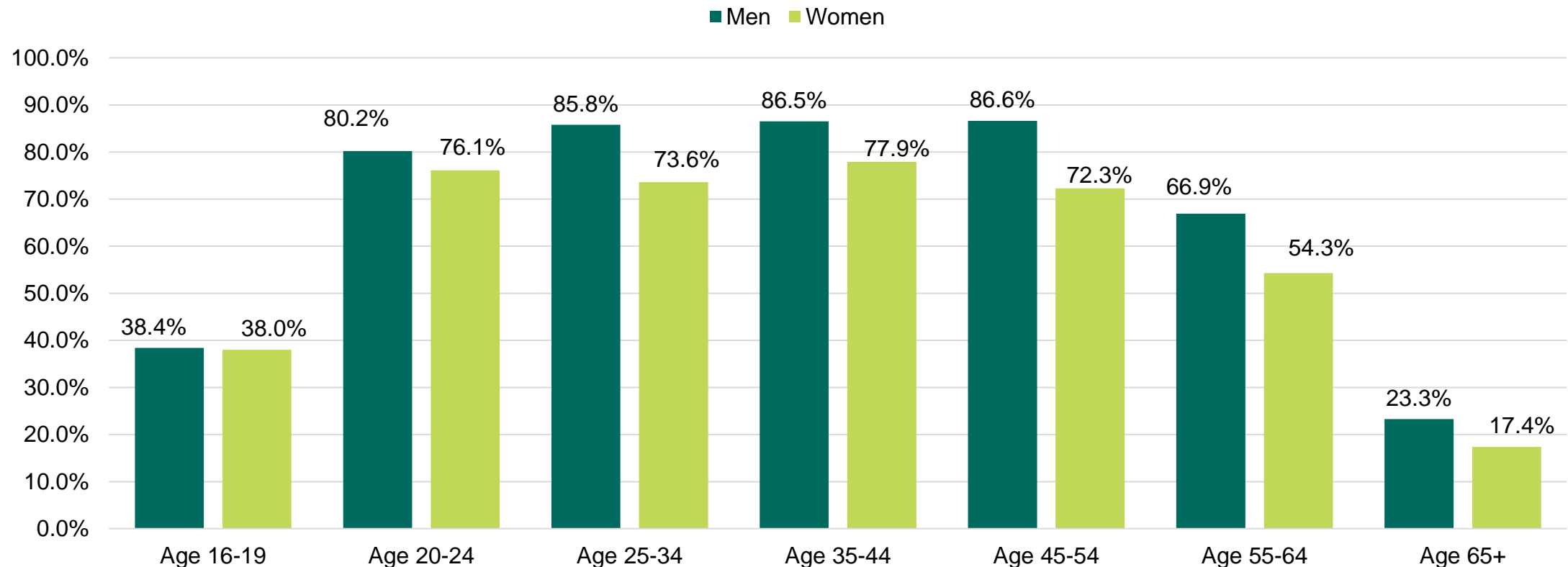


Source: Current Population Survey, U.S. Census Bureau

- From pre-pandemic December 2019-February 2020 to the more recent March-May 2023 average in Michigan, labor force levels among adult women declined notably by 97,800, or 4.2 percent.
- The size of the adult male workforce in Michigan increased significantly over this period, rising by 162,600, or 6.7 percent.

Labor force participation rates are much higher for people ages 25 to 54 than those ages 16 to 19 and 55 years and older. Women observe lower participation rates than men across all age brackets.

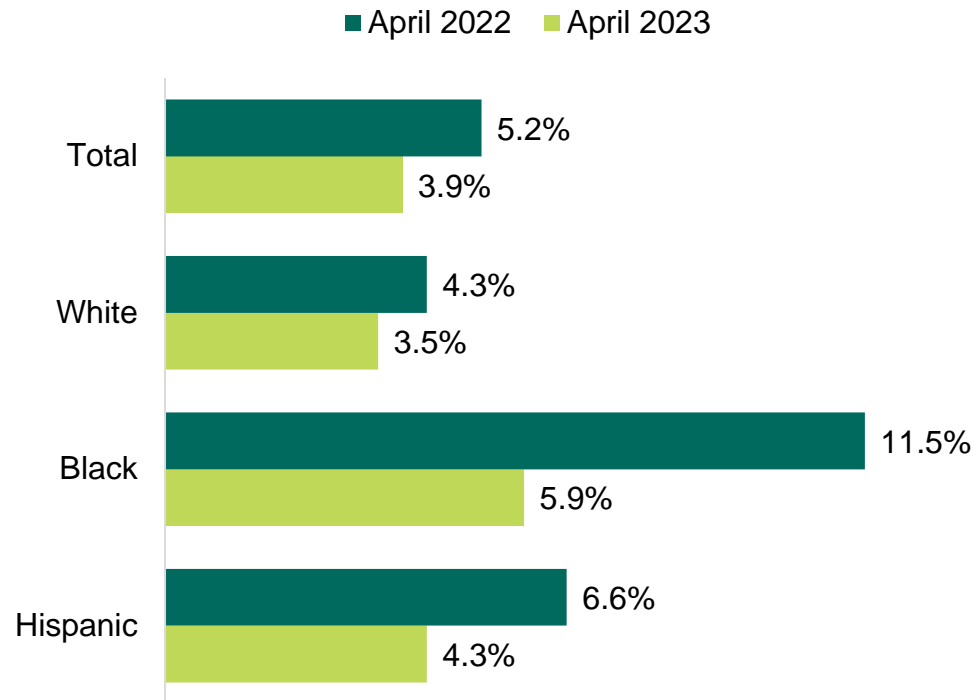
Labor Force Participation Rate by Age and Gender



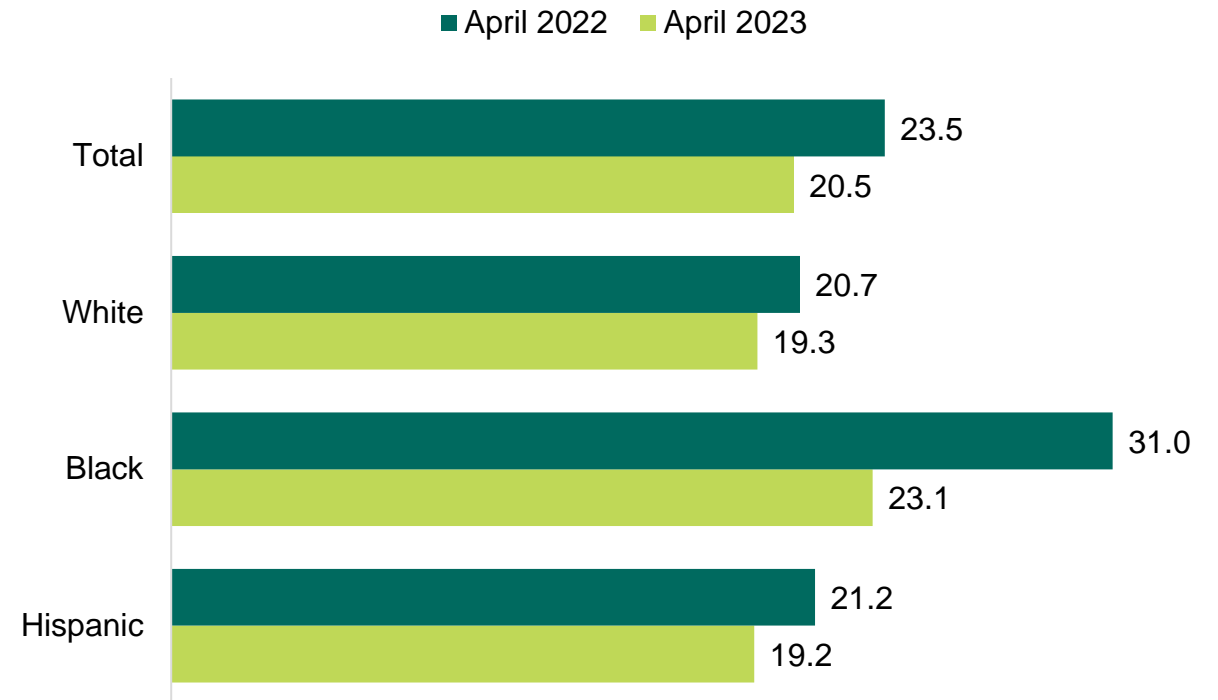
Source: Current Population Survey, 12-Month DEMECON May 2022–April 2023; U.S. Census Bureau

Jobless rates and average length of unemployment duration varies by race and ethnicity, with some groups disproportionately impacted. Compared to the previous year, both Black and Hispanic individuals have seen their jobless rate decline.

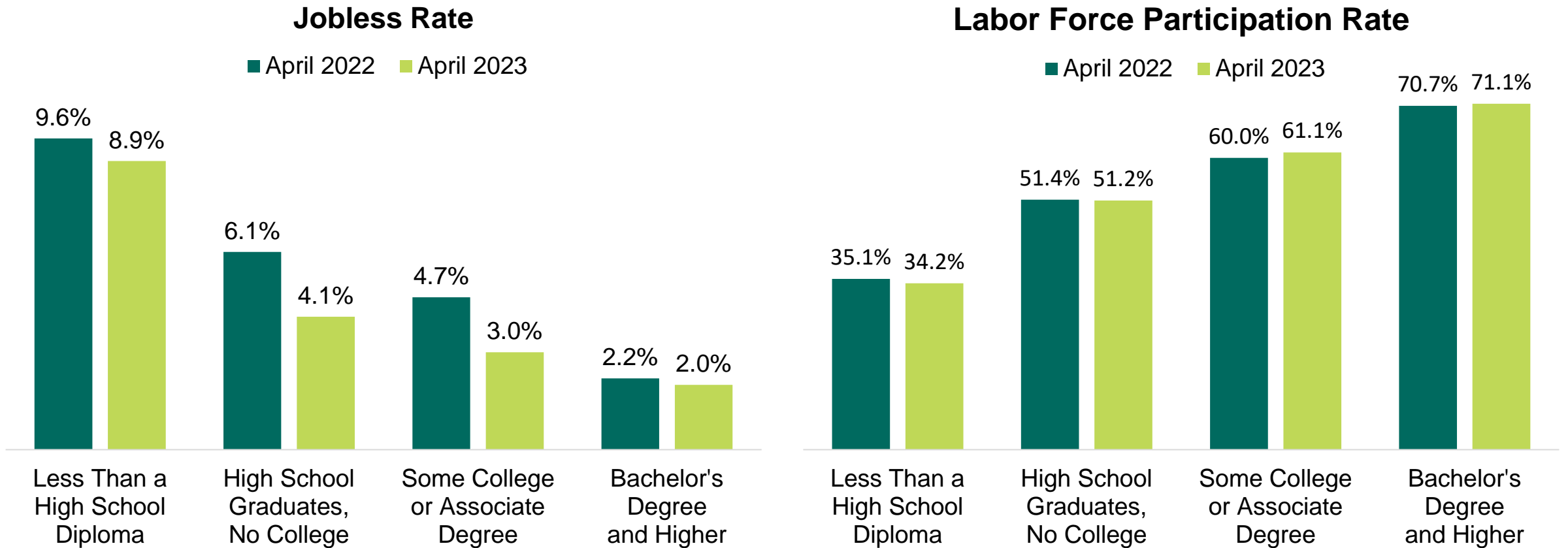
Jobless Rate



Average Unemployment Duration (in Weeks)



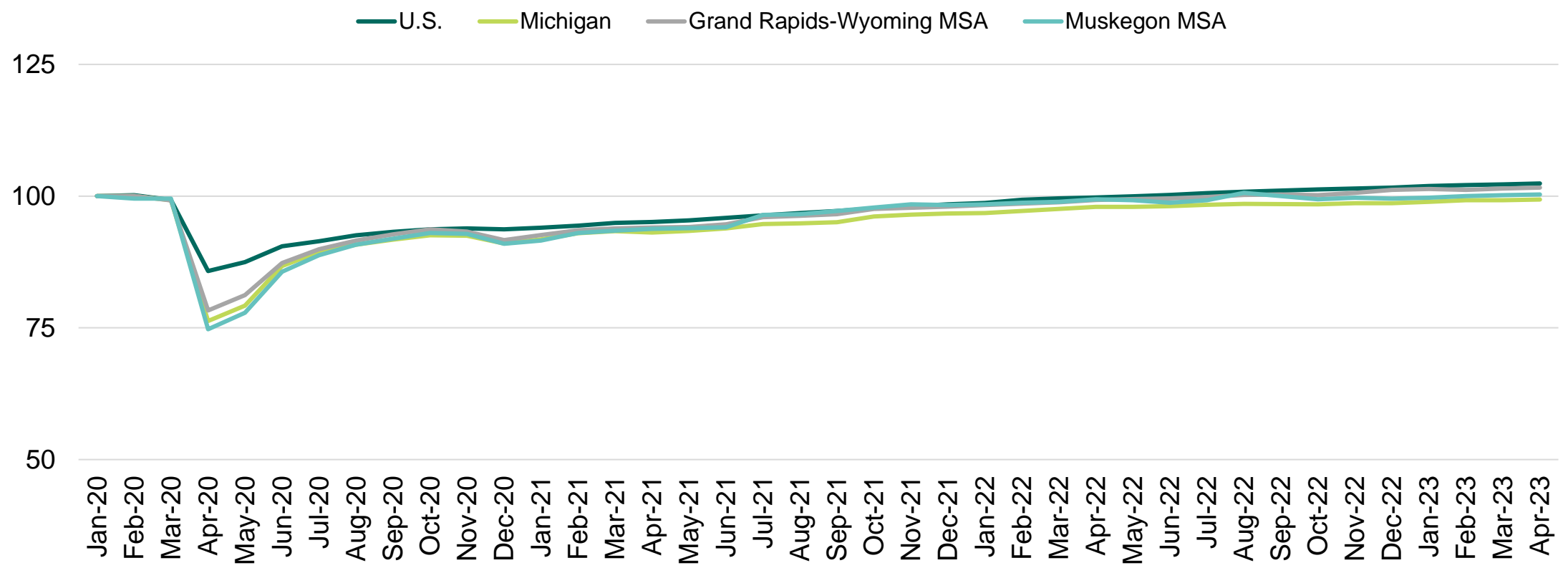
Jobless rates tend to be much higher for individuals without a high school diploma or those without additional education beyond a GED. Labor force participation rates are also lower for these groups. Jobless rates have declined over the last 12-month period while participation rates have remained stable.



Source: Current Population Survey, 12-Month DEMECON May 2021–April 2022 and May 2022–April 2023; U.S. Census Bureau

Payroll jobs in Michigan and the MSA's within the WMW! area decreased dramatically in April 2020. This was followed by quick growth in the summer of 2020 and steady growth since winter of 2020. The number of payroll jobs across both WMW! MSA's are slightly above pre-pandemic levels while Michigan remains slightly below.

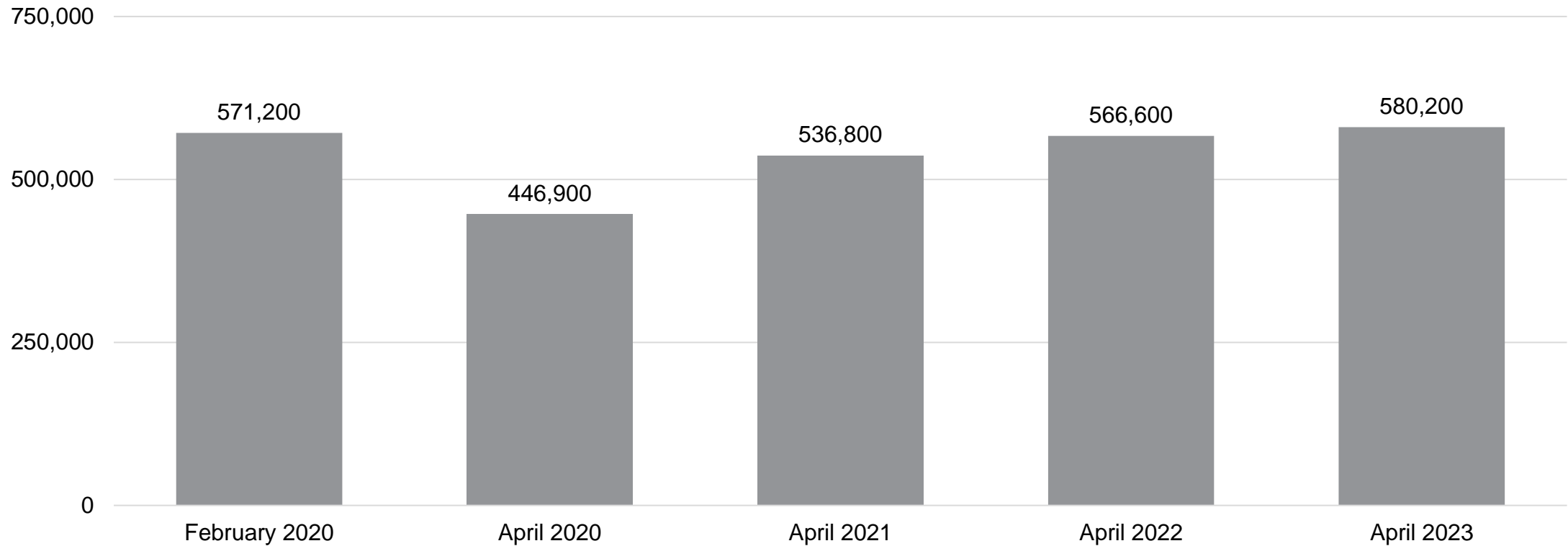
Index of Payroll Jobs January 2020–April 2023



Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

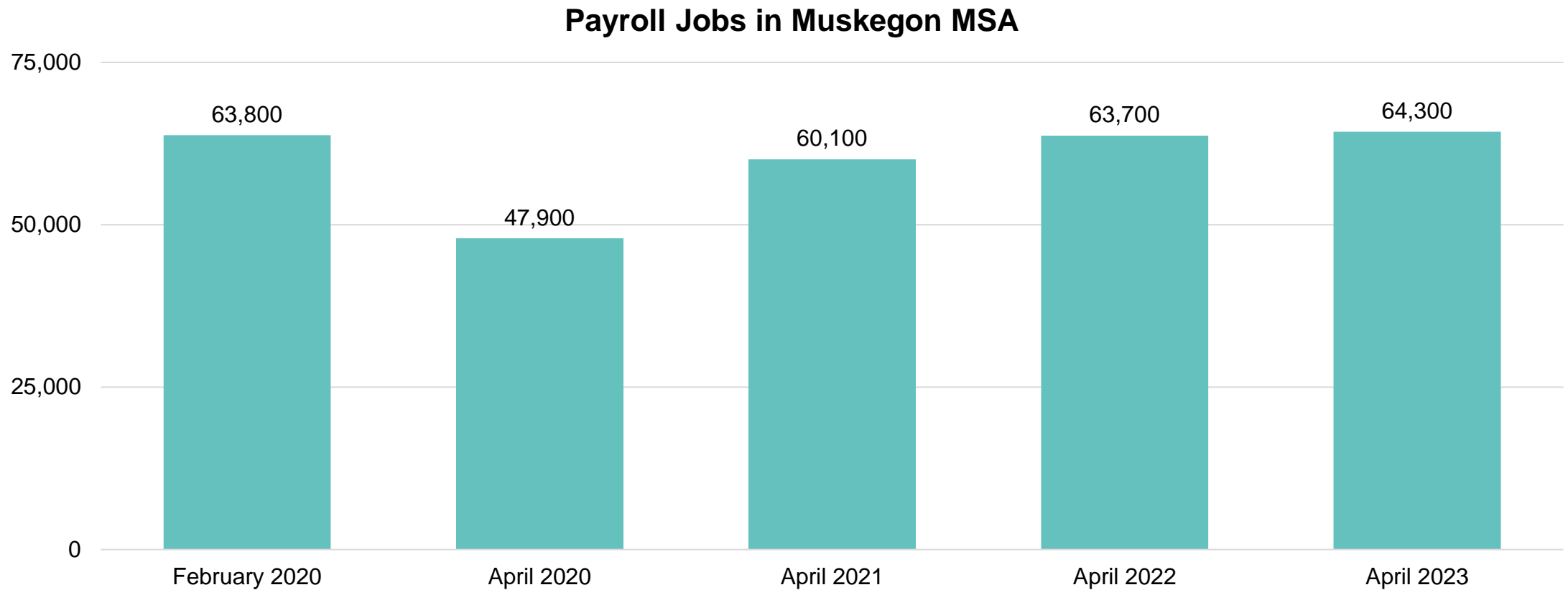
Payroll jobs in the Grand Rapids-Wyoming MSA decreased by 21.8 percent between February 2020 and April 2020. Since April 2020, payroll jobs have increased by 29.8 percent and is 1.6 percent above pre-pandemic levels.

Payroll Jobs in Grand-Rapids-Wyoming MSA



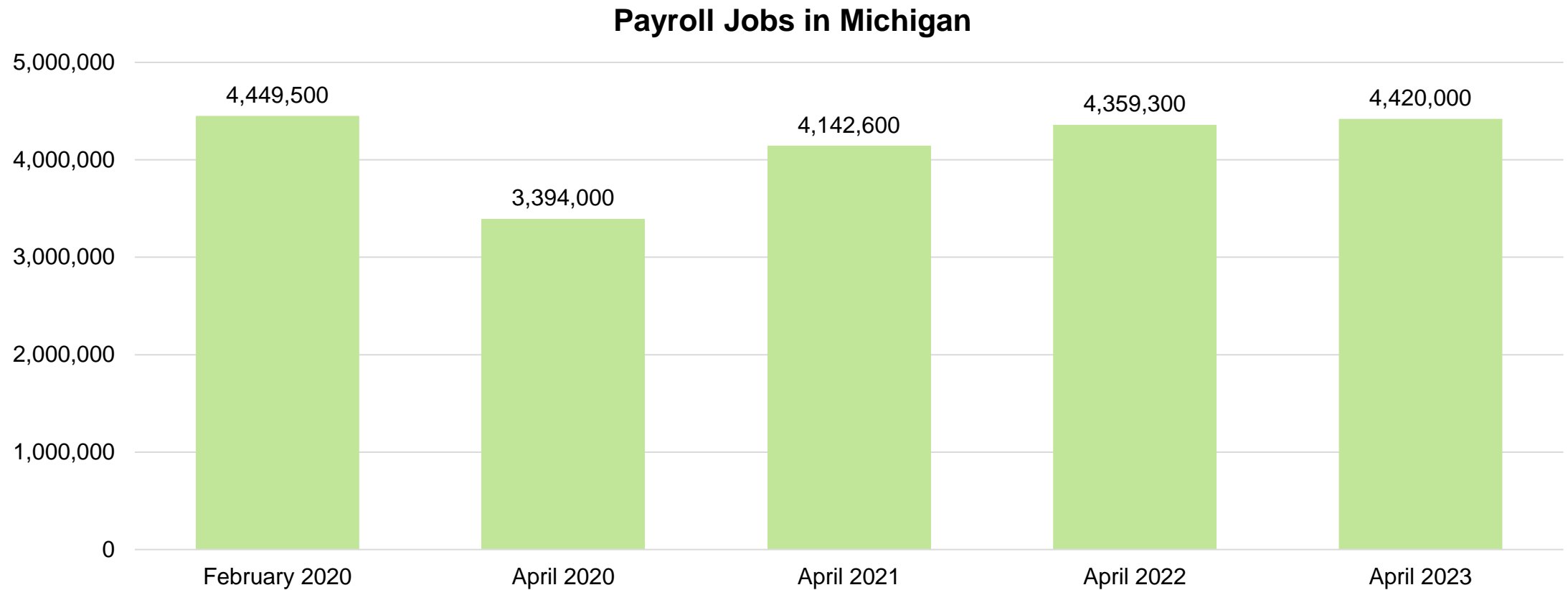
Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

Payroll jobs in the Muskegon MSA decreased by 24.9 percent between February 2020 and April 2020. Since April 2020, payroll jobs have increased by 34.2 percent and is 0.8 percent above pre-pandemic levels.



Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

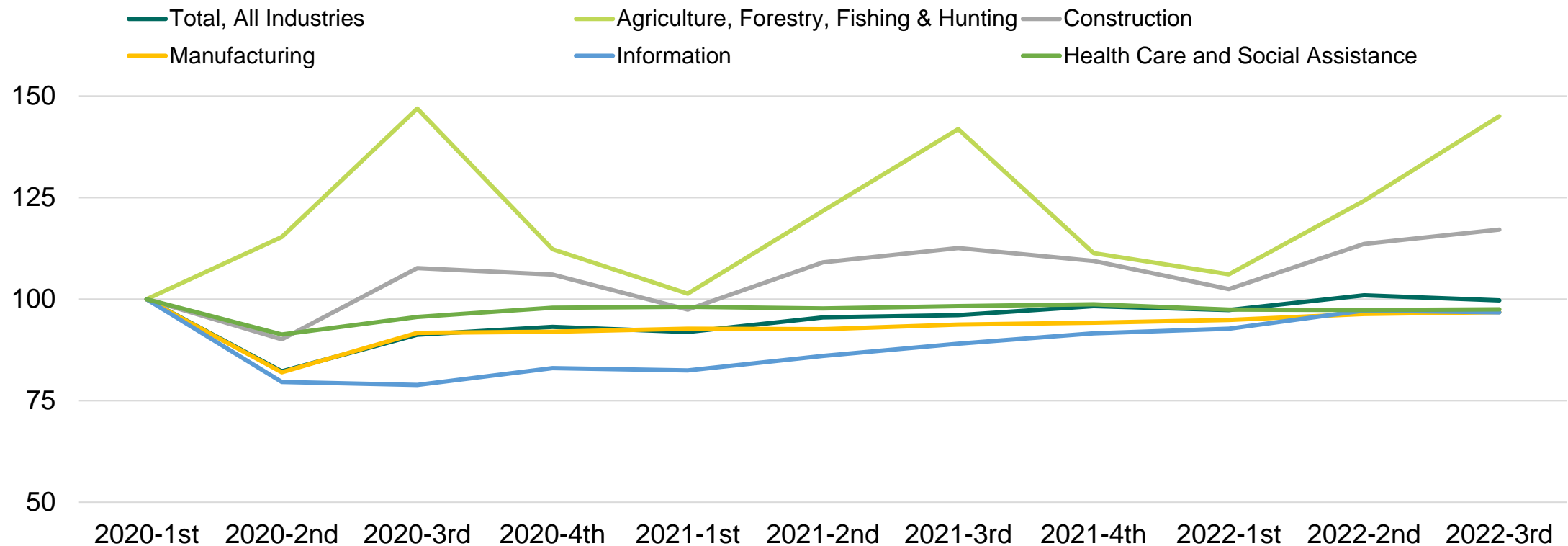
Payroll jobs in Michigan decreased by 23.7 percent between February 2020 and April 2020. Since April 2020, payroll jobs have increased by 30.2 percent, but are still 0.7 percent below pre-pandemic levels.



Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

Average employment of all industries in the WMW! area decreased following initial shocks of the pandemic but fully recovered as of 2nd quarter 2022. Industries such as *Health care, Construction, and Manufacturing* remained slightly below pre-pandemic levels as of 3rd quarter 2022.

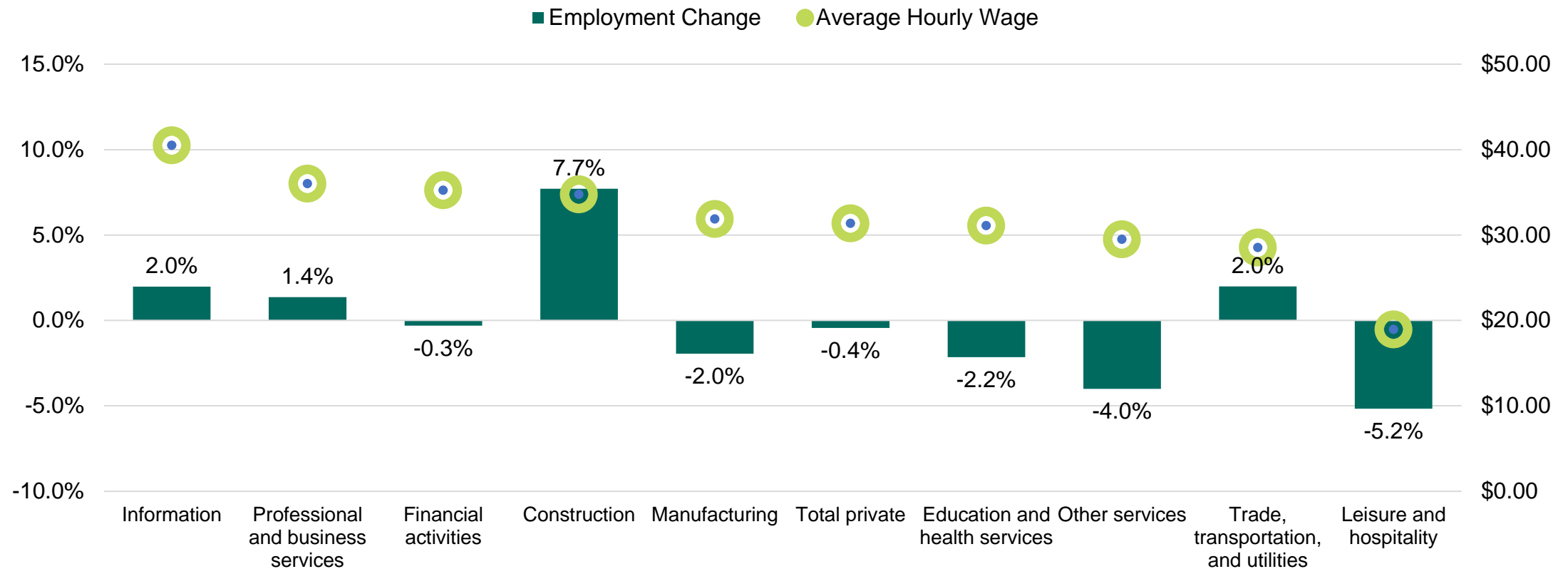
**Index of Average Industry Employment 1st Quarter 2020–3rd Quarter 2022,
West Michigan Works!**



Source: Quarterly Census of Employment and Wages (QCEW), U.S. Bureau of Labor Statistics

Overall, *Total private* employment is still down 0.4 percent since February 2020. *Construction* has seen the greatest positive employment growth over the period. Several lower paying sectors still have yet to recover. Employment in *Leisure and hospitality* is still 5.2 percent lower than the pre-pandemic level.

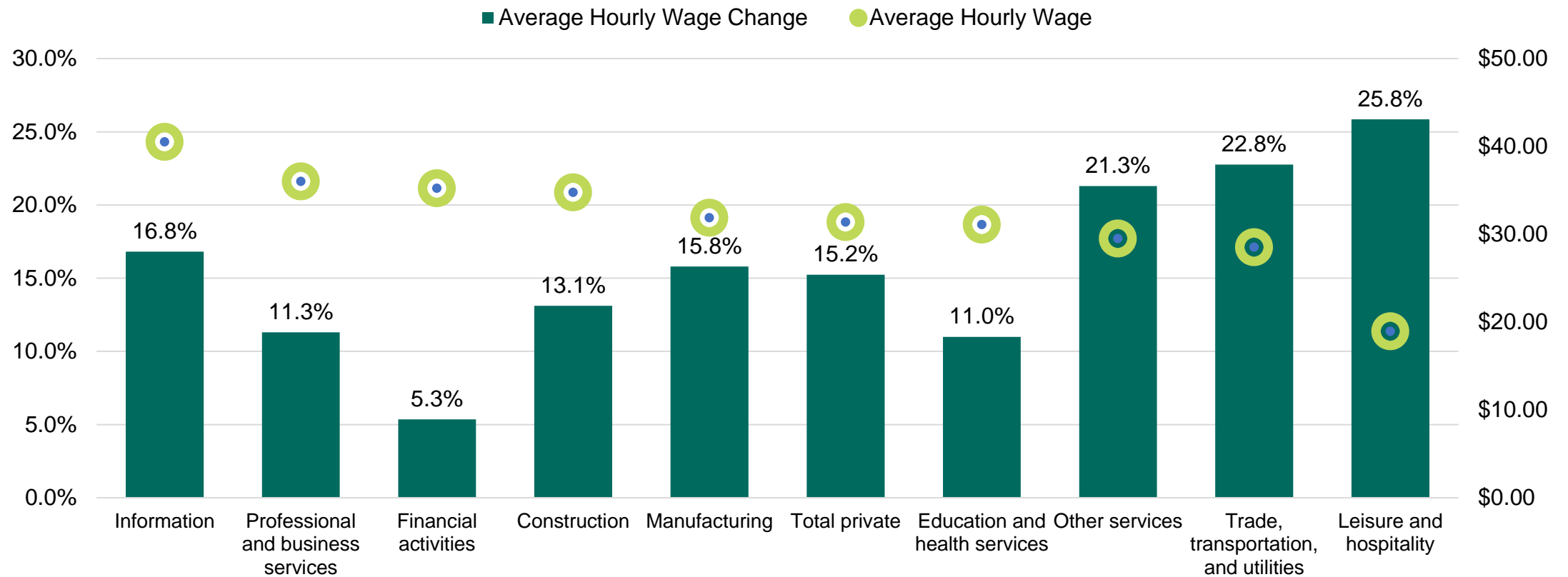
Employment Change Since February 2020, Michigan



Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

Average hourly wages in all supersectors have increased significantly since February 2020. Total private wages grew 15.2 percent. The largest wage growth was in the lower paying sectors of *Leisure and hospitality*. *Information* and *Professional and business services* had the highest average hourly wage in April 2023.

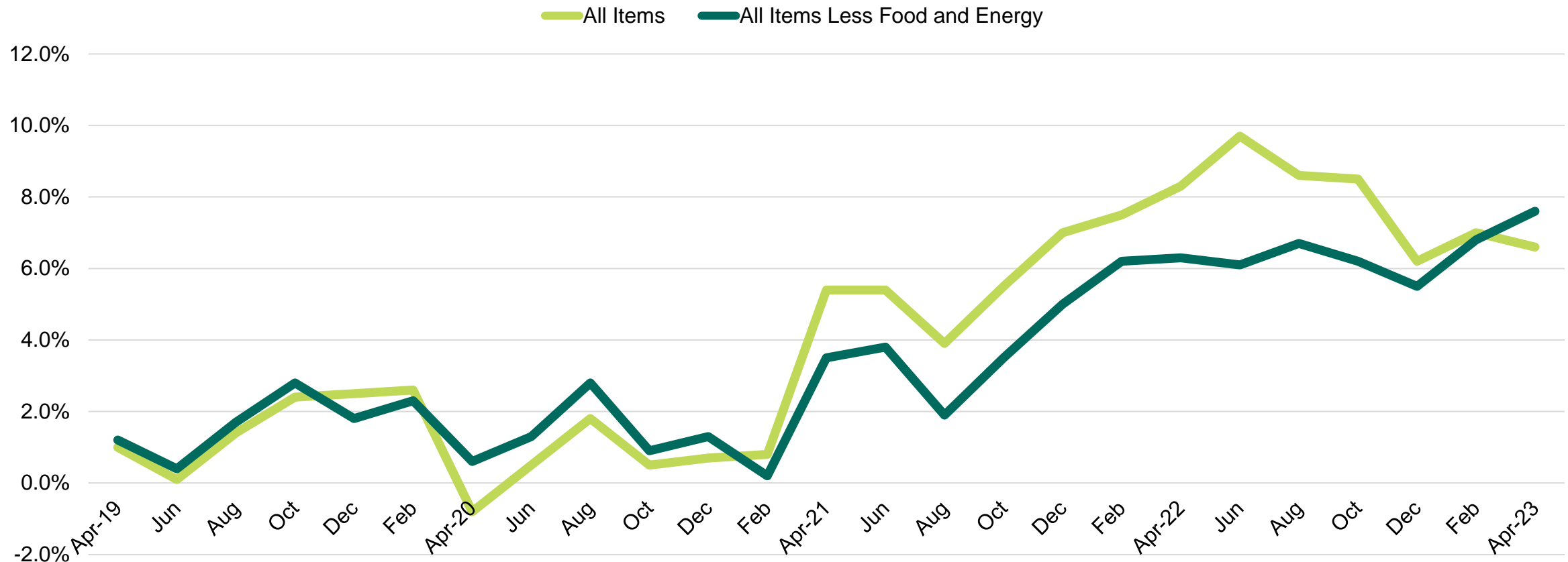
Wage Change Since February 2020, Michigan



Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics

Over the last 12 months, the CPI-U advanced 6.6 percent. The index for all items less food and energy rose 7.6 percent over the year. Food prices rose 7.9 percent. Energy prices decreased 4.6 percent, largely the result of a decline in the price of gasoline.

Over-the-Year Percent Change in CPI-U, Detroit-Warren-Dearborn, MI, April 2019–April 2022



Source: Consumer Price Index, U.S. Bureau of Labor Statistics

PROJECTIONS

Total Michigan Employment

Michigan is expected to gain 374,930 jobs in total over the 2020-2030 period, about 8.8 percent.

- As is the case in many states, much of this projected change is driven by recovery from the COVID-19 pandemic drop in employment.

Roughly half a million job openings are expected each year through 2030.

2020	2030	Change	
4,279,580	4,654,510	+374,930	+8.8%

Growth and demographics

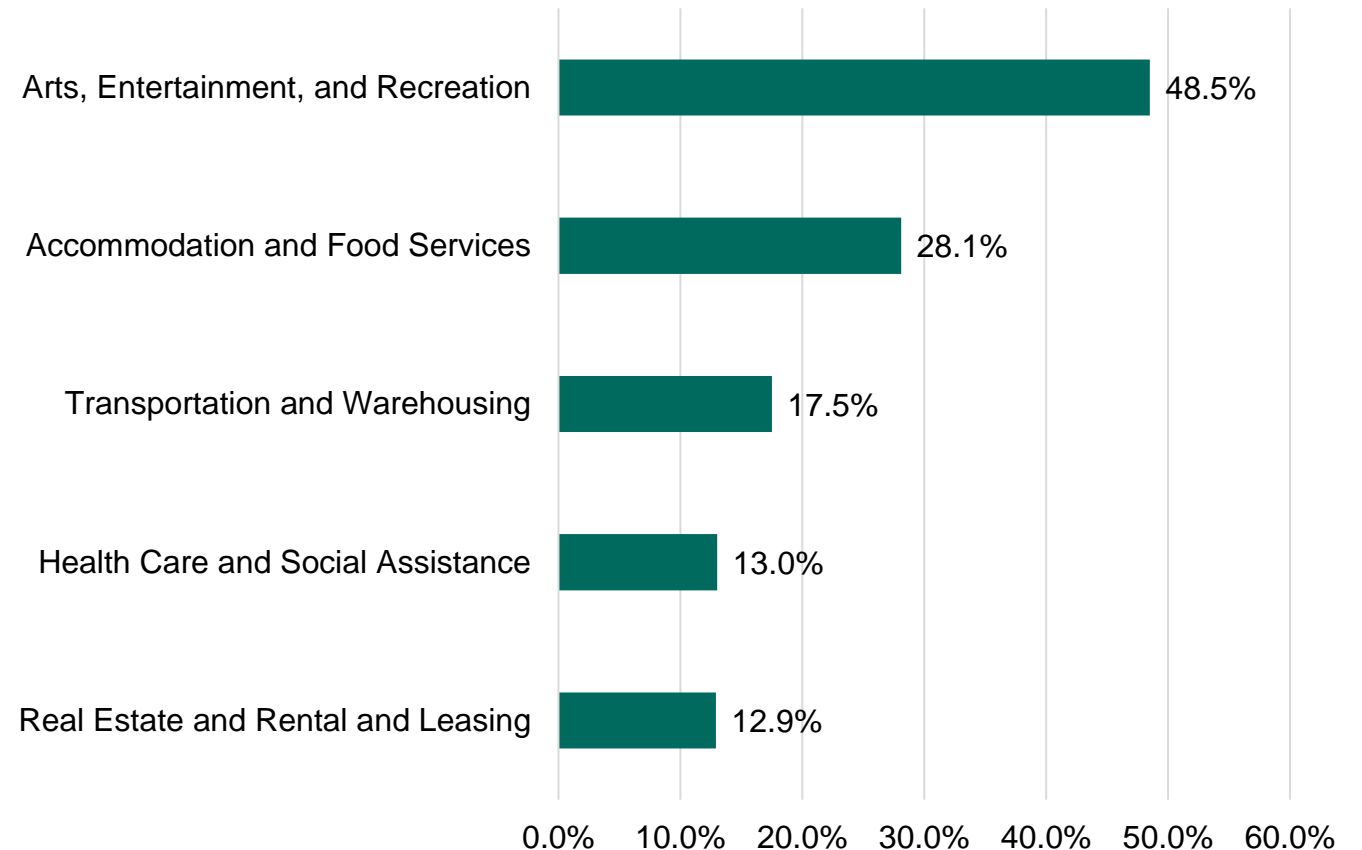
- Large Michigan population cohort (Baby Boomers) aging out of the workforce.
- Low population growth projected in younger cohorts.
- Together, these lead to projected labor force growth of roughly one percent between 2020 and 2030.
- Further employment growth may be difficult to achieve without an increase in the labor force.

Trends Driving Industry Change

Recovery from COVID-19 impacts is the main driving force behind many high growth rates in top sectors.

Technology and Michigan's aging population are contributing factors in other growth sectors through 2030.

Top Sectors by Percent Growth, 2020-2030



Top Occupational Groups by Percent Growth

Food preparation and serving related occupations are expected to see the highest growth through 2030 at 23.9 percent.

Personal care and service occupations, a smaller group, is expected to add 20.7 percent to its employment rolls.

Healthcare support occupations expected to grow by 17.5 percent, with most growth coming from *Home health aids*, adding 18,080 of the 31,370 new jobs.

Top Occupational Groups by Percent Growth

SOC TITLE	2020	2030	NUMERIC	PERCENT
Food Preparation and Serving Related	314,570	389,600	75,030	23.9%
Personal Care and Service	98,880	119,320	20,440	20.7%
Healthcare Support	179,580	210,950	31,370	17.5%
Transportation and Material Moving	355,380	402,050	46,670	13.1%
Community and Social Service	68,290	76,990	8,700	12.7%

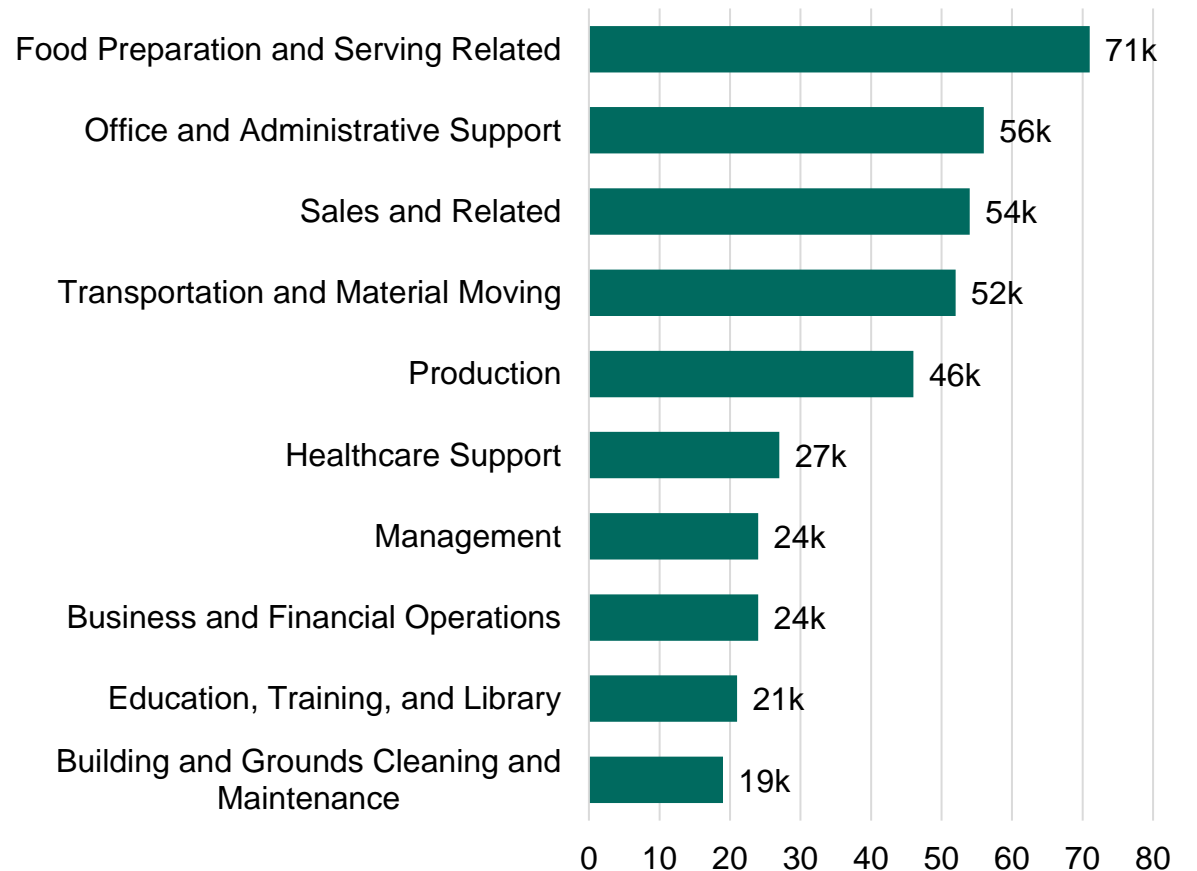
Sources of Job Openings

Food preparation and serving occupations are projected to have the greatest number of job openings each year.

- About half of all openings are from employees transferring to other occupations
- Just under 40 percent of the openings in the group are from labor force exits

Office and administrative support occupations is second-highest for job openings, again mostly from transfers to other occupations.

Top Occupational Groups by Annual Job Openings



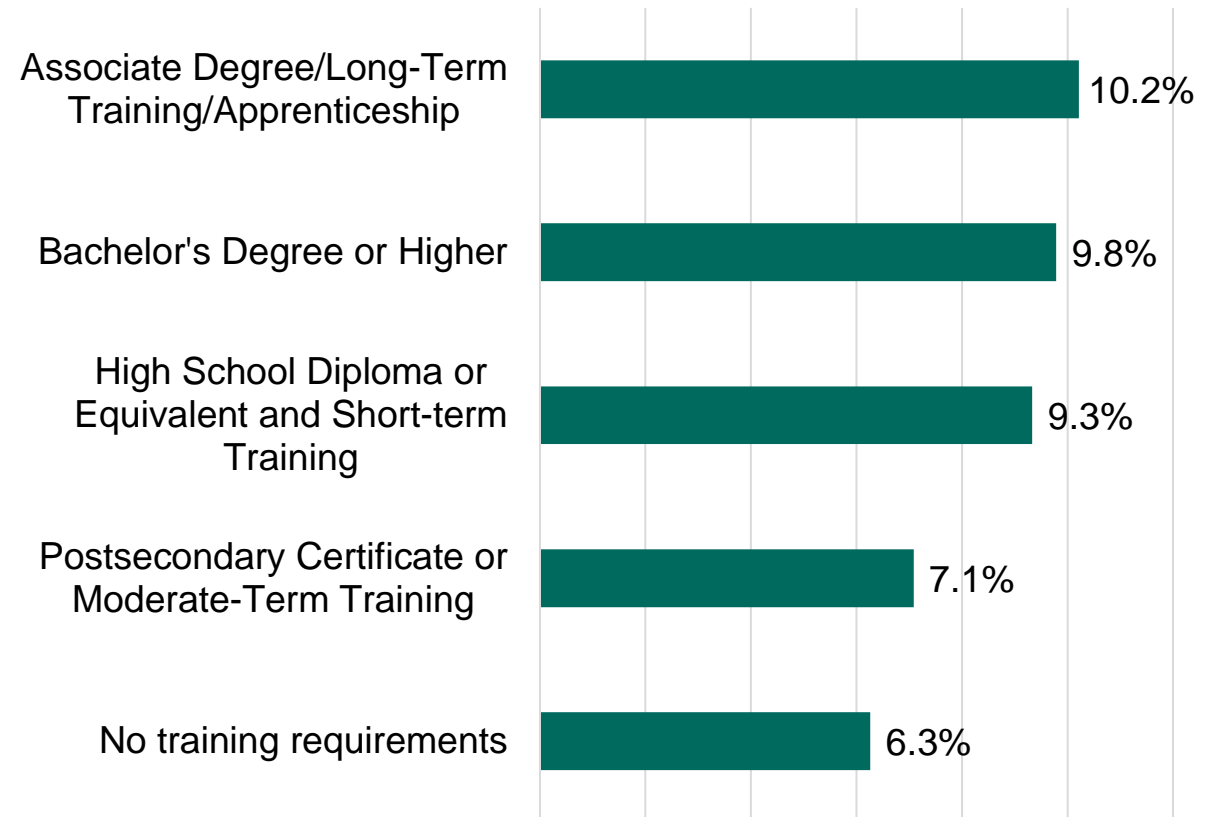
Projected Growth by Educational Group

Jobs requiring an associate degree, long-term training, or an apprenticeship are projected at 10.2 percent.

Those requiring at least a four-year degree are expected to grow by 9.8 percent.

Much of the projected growth in jobs requiring a high school diploma and short-term training is driven by recovery from deep COVID-19 related declines.

Projected Growth by Education and Training Group



Key Takeaways

- Several West Michigan Works! area labor market metrics have recovered from changes observed during the pandemic. Meanwhile, the statewide labor force remains slightly lower than pre-pandemic levels.
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Thank you!

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