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Michigan's July Jobless Rate Edges Down

Lansing – Michigan's seasonally adjusted unemployment rate in July inched down over the month by one-tenth of a percentage point to 3.7 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). Total employment declined in July by 18,000 while the number of unemployed in Michigan was also down over the month, decreasing by 7,000. The net result was a third consecutive month of workforce reduction in the state.

The Michigan jobless rate in July 2017 was one and two-tenths percentage points below the state's July 2016 rate of 4.9 percent. The national jobless rate declined by six-tenths of a percentage point over this period. The state's unemployment rate in July was six-tenths of a percentage point below the national rate. The U.S. jobless rate edged down by one-tenth of a percentage point to 4.3 percent in July.

"Michigan's unemployment rate decreased slightly in July, however for the third consecutive month the drop in the rate reflected fewer people in the state's labor market actively seeking employment," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "Payroll jobs rose in July for the fifth month in 2017, but monthly job growth so far this year has lagged behind gains posted in 2016."

Monthly Labor Force Trends & Highlights

- Michigan's monthly jobless rates in mid-2017 have been the lowest recorded since mid-year 2000. However, Michigan's current labor force and employment totals are well below those in 2000. Since July 2000, both the state's workforce and total employment levels fell by over 300,000.
- Although not close to 2000 levels, the state's 2017 year-to-date seven-month average employment count of 4,665,000 was the highest level recorded in Michigan since 2007. Total employment has advanced every year since 2010 in the state.
- Michigan's workforce level in July decreased for the third consecutive month after reaching an eight-year peak in April.
- The number of unemployed in the state has declined for five consecutive months since February. Since July 2016, the number of unemployed in Michigan dropped by 55,000 or 23.4 percent.
- From July 2016 to July 2017, total employment rose in Michigan by 71,000 or 1.5 percent while the state's workforce was up by 18,000 or 0.4 percent. Michigan's employment growth

rate over this period slightly outpaced the national advance, but the state labor force increase lagged behind the U.S. rate.

MICHIGAN Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	July 2016	June 2017	July 2017	Change	
				Month	Year
Civilian Labor Force	4,823	4,865	4,841	-24	18
Employment	4,589	4,678	4,660	-18	71
Unemployment	235	187	180	-7	-55
Rate (Percent)	4.9	3.8	3.7	xxx	xxx

Detroit Metropolitan Area's July Jobless Rate Drops

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in July fell by half of a percentage point to 3.3 percent. This was the lowest rate in the region since May 2000, and was below the statewide rate for the first time since July 2008. Total employment was essentially unchanged over the month (+1,000), while the number of unemployed decreased by 12,000. The region's workforce declined by 10,000 in July. Although the gain was marginal in July, total employment has risen in the area every month so far in 2017, while the number of unemployed decreased each month since February.

From July 2016 to July 2017, the Detroit metropolitan area's jobless rate declined by one and nine-tenths percentage points. Since July 2016, total employment in the Detroit metro area grew by 51,000 or 2.6 percent while the area's workforce advanced by 11,000 or 0.5 percent. The total employment percentage gain in the Detroit MSA well outpaced both the Michigan and national growth rates over the year. The July 2017 unemployment count of 68,000 was the lowest recorded for the region since at least 1983.

Detroit-Warren-Dearborn MSA Labor Force Estimates

Seasonally Adjusted
(Data in Thousands)

	July 2016	June 2017	July 2017	Change	
				Month	Year
Civilian Labor Force	2,067	2,088	2,078	-10	11
Employment	1,959	2,009	2,010	1	51
Unemployment	108	80	68	-12	-40
Rate (Percent)	5.2	3.8	3.3	xxx	xxx

(more)

July Payroll Jobs Up Moderately

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs rose slightly in July by 8,000 to 4,394,000. Jobs increased over the month in *Government* (+4,000), *Education and health services* (+3,000), and *Trade, transportation and utilities* (+3,000). Jobs fell slightly in July in *Professional and business services* (-2,000) and the *Transportation equipment manufacturing* industry (-2,000), due to temporary layoffs at auto assembly plants. Michigan's remaining major sectors registered only minor job changes over the month.

Industry Employment Trends and Highlights

- With the over-the-month gain, the Michigan July payroll job count was the highest in 2017. Overall jobs rose in five of the first seven months of the year.
- Payroll job additions so far in 2017 have averaged nearly 4,000 per month, which was below the 2016 average monthly growth of nearly 7,000 per month.
- The minor over-the-month job loss in *Professional and business services* was the first monthly decline recorded in this sector since January.
- The minor job gain in *Trade, transportation and utilities* pushed its July level to the highest in 2017 (matching March). This sector, Michigan's largest, has reported very sluggish job change over the year, up by only 1,000 since July 2016.
- From July 2016 to July 2017, payroll jobs in Michigan increased by 62,000 or 1.4 percent, which was similar to the national rate of gain. Since July 2016, *Construction* (+3.7%), *Other services* (+3.0%), *Financial activities* (+2.5%), and *Government* (+2.5%) displayed the largest percent job advances among the state's major sectors.
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing increased over the month, as well as over the year.

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MICHIGAN
Payroll Employment Estimates
Seasonally Adjusted
 (Data in Thousands)

	<u>July</u> <u>2016</u>	<u>June*</u> <u>2017</u>	<u>July**</u> <u>2017</u>	<u>CHANGE***</u>	
				<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4,332	4,386	4,394	8	62
Natural Resources & Mining	7	8	8	0	0
Construction	155	160	161	0	6
Manufacturing	601	604	604	0	4
Transportation Equipment	180	179	177	-2	-3
Trade, Transportation & Utilities	783	782	784	3	1
Retail Trade	474	469	471	2	-3
Information	58	58	58	0	0
Financial Activities	213	219	218	-1	5
Professional & Business Services	652	667	666	-2	14
Education & Health Services	667	669	672	3	4
Leisure & Hospitality Services	426	433	433	0	8
Other Services	169	174	174	0	5
Government	601	612	616	4	15

* Final data for June 2017

** Preliminary data for July 2017

*** Change calculated using unrounded data

Hours & Earnings for Production Workers
Seasonally Adjusted

Manufacturing

	<u>July</u> <u>2016</u>	<u>June</u> <u>2017</u>	<u>July</u> <u>2017</u>	<u>CHANGE</u>	
				<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$889.59	\$883.92	\$897.02	\$13.10	\$7.43
Average Weekly Hours	43.1	43.0	43.3	0.3	0.2

Transportation Equipment

Average Weekly Earnings	\$1,086.81	\$1,090.38	\$1,151.66	\$61.28	\$64.85
Average Weekly Hours	45.8	46.1	47.7	1.6	1.9

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