



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

LANSING

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Michigan's May Unemployment Rate Edges Downward

Lansing – Michigan's seasonally adjusted unemployment rate in May edged down over the month by one-tenth of a percentage point to 4.7 percent, according to data released today by the Michigan Department of Technology, Management & Budget (DTMB). Total employment was unchanged from April to May, while both the state's labor force and the number of unemployed declined by 6,000.

The Michigan jobless rate in May 2016 was eight-tenths of a percentage point below the state's May 2015 rate of 5.5 percent. The national jobless rate also decreased by eight-tenths of a percentage point over this period. The state's unemployment rate in May matched the national rate. The U.S. jobless rate declined by three-tenths of a percentage point from April to May.

"In May, Michigan recorded a minor reduction in the number of unemployed individuals actively seeking employment," said Jason Palmer, director of the Bureau of Labor Market Information and Strategic Initiatives. "Despite a decline in payroll jobs in May, Michigan continues to outpace the nation in the rate of job growth over-the-year."

Monthly Labor Force Trends & Highlights

- The state's unemployment rate has remained below 5.0 percent through the first five months of 2016.
- May's small workforce decline was the first monthly reduction since June 2015. Even with the May decrease, the state's labor force advanced by a solid 2.8 percent since May 2015.
- May marked the first month in 2016 that the state's total employment level did not expand.
- The number of unemployed in Michigan fell to 227,000 in May, the lowest level since December 2000.
- From May 2015 to May 2016, the number of unemployed in Michigan declined by 32,000 or 12.4 percent, which was slightly less than the 13.7 percent reduction nationwide over the same period.

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**MICHIGAN
Labor Force Estimates**

Seasonally Adjusted
(Data in Thousands)

	May 2015	April 2016	May 2016	Change	
				Month	Year
Civilian Labor Force	4,736	4,875	4,869	-6	133
Employment	4,477	4,642	4,642	0	165
Unemployment	259	233	227	-6	-32
Rate (Percent)	5.5	4.8	4.7	xxx	xxx

Detroit Metropolitan Area's May Jobless Rate Falls

The Detroit-Warren-Dearborn Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in May fell by four-tenths of a percentage point to 5.2 percent. Total employment rose by 8,000 over the month, while the number of unemployed declined by 8,000, leaving the area's workforce essentially unchanged. The May unemployment rate was the lowest for the region since August 2001. The five-tenths of a percentage point unemployment rate difference between the Detroit metro area and the state in May was the smallest rate differential since January 2009. The metro area's total employment and workforce levels have increased every month so far in 2016, while the number of unemployed has fallen every month as well.

From May 2015 to May 2016, the Detroit metropolitan area's jobless rate declined by one and one-tenth percentage points. Since May 2015, total employment rose by 81,000 or 4.3 percent in the region, while the number of unemployed declined by 18,000 or 14.3 percent. The Detroit area's workforce grew by 64,000 or 3.2 percent over this period. The Detroit metro region's total employment and labor force gains since May 2015 outpaced both the state and the nation on a percentage basis.

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

Seasonally Adjusted
(Data in Thousands)

	May 2015	April 2016	May 2016	Change	
				Month	Year
Civilian Labor Force	1,998	2,062	2,062	0	64
Employment	1,873	1,946	1,954	8	81
Unemployment	126	116	108	-8	-18
Rate (Percent)	6.3	5.6	5.2	xxx	xxx

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Reductions in Two Sectors Push State Payroll Jobs Downward

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs declined in May by 13,000 to 4,318,000. The overall reduction was primarily due to job decreases in two industry sectors; manufacturing (-7,000), and leisure and hospitality services (-7,000). Relatively moderate job declines in trade, transportation and utilities (-3,000) and construction (-2,000) also contributed to the statewide reduction in May. Somewhat offsetting the May job cuts were gains in education and health services (+3,000), and professional and business services (+2,000). The remaining major sectors were little changed.

Industry Employment Trends and Highlights

- The May decline in Michigan payroll jobs broke a string of seven consecutive months of gains dating back to October. Since May 2014, the state recorded only five monthly reductions in overall payroll jobs.
- The over-the-month job decline in manufacturing was primarily due to short-term layoffs in the auto industry. Even with the May job cuts, the manufacturing sector continues to show solid over-the-year gains.
- With the May decrease, leisure and hospitality services has recorded three consecutive months of job reductions. However, the May total count in this sector remains 6,000 above the May 2015 job level.
- The moderate over-the-month job gains in education and health services and professional and business services continued a strong upward growth rate in both sectors that recently accelerated in the fourth quarter of 2015.
- From May 2015 to May 2016, payroll jobs in Michigan increased by 80,000 or 1.9 percent, which slightly outpaced the national gain over this period of 1.7 percent. All major sectors in the state recorded job additions over this period with the exception of natural resources and mining.
- Since May 2015, four of Michigan's 11 major industry sectors accounted for 73 percent of total job growth. Professional and business services (+23,000), education and health services (+15,000), manufacturing (+12,000), and financial activities (+8,000) posted significant job additions during this period.
- 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>May</u>	<u>April*</u>	<u>May**</u>	CHANGE***	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>MONTH</u>	<u>YEAR</u>
Total Nonfarm Payroll Jobs	4,239	4,331	4,318	-13	80
Natural Resources & Mining	8	7	7	0	-1
Construction	148	153	151	-2	3
Manufacturing	585	603	596	-7	12
Transportation Equipment	173	182	175	-7	2
Trade, Transportation & Utilities	772	778	776	-3	4
Retail Trade	468	471	472	0	4
Information	57	57	58	1	1
Financial Activities	207	214	215	1	8
Professional & Business Services	639	660	662	2	23
Education & Health Services	650	662	665	3	15
Leisure & Hospitality Services	413	426	419	-7	6
Other Services	168	170	170	0	2
Government	594	601	600	-1	6

* Final data for April

** Preliminary data for May

*** Change calculated using unrounded data

Hours & Earnings for Production Workers

Seasonally Adjusted

Manufacturing

	<u>May</u>	<u>April</u>	<u>May</u>	CHANGE	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>MONTH</u>	<u>YEAR</u>
Average Weekly Earnings	\$930.19	\$878.94	\$839.12	-\$39.82	-\$91.07
Average Weekly Hours	44.7	42.7	42.4	-0.3	-2.3

Transportation Equipment

Average Weekly Earnings	\$1,239.38	\$1,003.43	\$919.53	-\$83.90	-\$319.85
Average Weekly Hours	50.2	44.5	41.7	-2.8	-8.5

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