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Agency: Energy, Labor & Economic Growth

Michigan's February Jobless Rate Moves Upward

March 25, 2009 – Michigan's seasonally adjusted unemployment rate in February increased by four-tenths of a percentage point to 12.0 percent, according to data released today by the Michigan Department of Energy, Labor & Economic Growth (DELEG). Total employment declined by 29,000 over the month while unemployment rose by 21,000. The state's labor force recorded a moderate reduction of 8,000 in February.

The U.S. jobless rate displayed a similar trend, increasing by half a percentage point in February to 8.1 percent.

Michigan's February 2009 jobless rate jumped four and six-tenths percentage points above the state's February 2008 rate of 7.4 percent. In the same period, the national jobless rate also recorded a significant increase, rising by three and three-tenths percentage points.

"The February increase in the state's jobless rate was less than the monthly advances of the prior three months," said Rick Waclawek, director of DELEG's Bureau of Labor Market Information and Strategic Initiatives. "Recalls from temporary layoffs in the auto industry helped moderate February job losses."

Monthly Labor Force Trends & Highlights

- February marked the eighth consecutive monthly increase in Michigan's jobless rate. In that period, the state's rate has risen by nearly four percentage points.
- In the first two months of 2009, statewide unemployment rose by 88,000.
- Michigan's labor force has declined every month since January 2007.
- Since February 2008, unemployment in Michigan increased by 215,000 or 58.3 percent. Unemployment nationally rose by a larger 68.0 percent in the same period.

Note: Seasonally adjusted labor force estimates from 2004 to 2008 for Michigan and the Detroit-Warren-Livonia Metropolitan Statistical Area were recently revised. For newly revised data, go to www.michigan.gov/lmi or contact DELEG at 313-456-3090.

MICHIGAN Labor Force Estimates Seasonally Adjusted (Data in Thousands)

| | February 2008 | January 2009 | February 2009 | Change | |
|----------------------|------------------|-----------------|------------------|--------|------|
| | | | | Month | Year |
| Civilian Labor Force | 4,973 | 4,862 | 4,854 | -8 | -119 |
| Employment | 4,604 | 4,299 | 4,270 | -29 | -334 |
| Unemployment | 369 | 563 | 584 | 21 | 215 |
| Rate (Percent) | 7.4 | 11.6 | 12.0 | xxx | xxx |

Significant Increase in Detroit Metropolitan Area's February Jobless Rate

The Detroit-Warren-Livonia Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate in February rose sharply by one and three-tenths percentage points to 13.1 percent. In the first two months of 2009, the metropolitan area's jobless rate has jumped by over three full percentage points. The area's total employment level

declined over the month by 12,000 and unemployment increased by 28,000.

From February 2008 to February 2009, the metropolitan area's jobless rate advanced by five and one-tenth percentage points. Since February 2008, total employment fell by 136,000 and unemployment rose by 103,000. The area's work force declined by 33,000 in this period.

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

| | February 2008 | January 2009 | February 2009 | Change | |
|----------------------|------------------|-----------------|------------------|--------|------|
| | | | | Month | Year |
| Civilian Labor Force | 2,120 | 2,070 | 2,087 | 17 | -33 |
| Employment | 1,950 | 1,826 | 1,814 | -12 | -136 |
| Unemployment | 170 | 245 | 273 | 28 | 103 |
| Rate (Percent) | 8.0 | 11.8 | 13.1 | xxx | xxx |

February Payroll Jobs Edge Downward

According to the monthly survey of employers, seasonally adjusted Michigan payroll jobs decreased in February by 21,000 to total 3,954,000. Most industry job changes over the month were not statistically significant. Payroll job declines were led by a 12,000 reduction in government. Lesser decreases were recorded in professional and business services (-3,000) along with minor reductions of around 2,000 each in trade, transportation and utilities, leisure and hospitality services, and in manufacturing. A moderate gain in education and health services (+2,000) somewhat offset the overall job losses in February. The state's remaining major industry sectors reported little change over the month.

Industry Employment Trends and Highlights

- Overall job losses moderated somewhat over the month. The statewide job decline in February was the smallest monthly decrease since September 2008.
- Construction employment has been essentially flat since November. This sector had consistently lost jobs throughout 2008.
- Although the manufacturing sector as a whole registered a minor reduction over the month, transportation equipment manufacturing reported a 7,000 increase due to recalls from temporary January layoffs in the auto industry.
- The drop in government jobs over the month reflected two issues; a slight shift in the academic calendar at state universities and reduced seasonal hiring in local education.
- In February, leisure and hospitality services reported its fourth consecutive monthly job loss. Since October, this sector has shown a 12,000 drop, which is 85.0 percent of its total over-the-year decline.
- From February 2008 to February 2009, payroll jobs in Michigan fell by 277,000 or 6.5 percent. Nearly all industry sectors within the state registered job losses in this period. However three sectors; manufacturing, professional and business services, and trade, transportation and utilities, accounted for 80 percent of the state's overall job loss.
- Education and health services (+10,000) was the only major industry sector in the state to report a gain since February 2008.
- Seasonally adjusted average weekly hours and earnings of production workers in manufacturing increased over the month, but fell over the year.

MICHIGAN
Payroll Employment Estimates
Seasonally Adjusted
(Data in Thousands)

| | <u>February</u> | <u>January*</u> | <u>February**</u> | <u>CHANGE***</u> | |
|-----------------------------------|-----------------|-----------------|-------------------|------------------|-------------|
| | <u>2008</u> | <u>2009</u> | <u>2009</u> | <u>MONTH</u> | <u>YEAR</u> |
| Total Nonfarm Payroll Jobs | 4231 | 3975 | 3954 | -21 | -277 |
| Natural Resources & Mining | 8 | 8 | 8 | 0 | 0 |
| Construction | 162 | 146 | 146 | 0 | -16 |
| Manufacturing | 600 | 490 | 488 | -2 | -112 |
| Transportation Equipment | 187 | 122 | 129 | 7 | -58 |
| Trade, Transportation & Utilities | 783 | 736 | 733 | -2 | -49 |
| Retail Trade | 487 | 465 | 464 | 0 | -22 |
| Information | 63 | 60 | 60 | 0 | -3 |
| Financial Activities | 208 | 197 | 196 | -1 | -13 |
| Professional & Business Services | 577 | 516 | 513 | -3 | -63 |
| Education & Health Services | 605 | 613 | 615 | 2 | 10 |
| Leisure & Hospitality Services | 401 | 389 | 387 | -2 | -14 |
| Other Services | 177 | 173 | 172 | -1 | -4 |
| Government | 648 | 647 | 636 | -12 | -12 |

* Final data for January

** Preliminary data for February

*** Change calculated using unrounded data

Hours & Earnings for Production Workers
Seasonally Adjusted

| | <u>Manufacturing</u> | | | <u>Change</u> | |
|-------------------------|----------------------|----------------|-----------------|---------------|-------------|
| | <u>February</u> | <u>January</u> | <u>February</u> | <u>MONTH</u> | <u>YEAR</u> |
| | <u>2008</u> | <u>2009</u> | <u>2009</u> | | |
| Average Weekly Earnings | \$970.73 | \$821.08 | \$890.21 | \$69.13 | -\$80.52 |
| Average Weekly Hours | 43.4 | 38.2 | 41.0 | 2.8 | -2.4 |

Transportation Equipment

| | | | | | |
|-------------------------|------------|------------|------------|----------|-----------|
| Average Weekly Earnings | \$1,274.97 | \$1,005.89 | \$1,119.79 | \$113.90 | -\$155.18 |
| Average Weekly Hours | 44.9 | 35.3 | 39.4 | 4.1 | -5.5 |

The Department of Energy, Labor & Economic Growth (DELEG) is investing in Michigan's future by helping to create the jobs of today and tomorrow, ensuring that our children and adults have the skills these jobs demand, making Michigan a better place to do business, and training and placing those who need jobs now.

Note to Editors: Please ensure that the source for state unemployment rates reads "Michigan Department of Energy, Labor & Economic Growth."

[Read more releases from the Michigan Department of Energy, Labor & Economic Growth.](#)