Trends in the Michigan Economy:
Presentation to the
Michigan Climate Action Committee

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**Michigan Rate of Employment Change**

March 2009/March 2008

- Manufacturing: -16.3%
- Professional & Business Services: -12.4%
- Construction: -10.3%
- Information: -6.9%
- Trade Transportation & Utilities: -6.6%
- Financial Activities: -6.4%
- Mining: -6.0%
- Leisure & Hospitality: -3.8%
- Other Services: -3.7%
- Government: -3.3%
- Education & Health Services: -1.0%
- Total: 1.5%

**Percent Change**

Source: BLS, CES
Michigan Employment is Deepening in Rural Counties

Percent of State and Federal Non-Ag Employment in Non-Metropolitan Counties

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
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<tbody>
<tr>
<td>1969</td>
<td>U.S.</td>
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<tr>
<td>1974</td>
<td>Michigan</td>
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<td>1979</td>
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<td>1984</td>
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<td>1989</td>
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<td>1994</td>
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<td>1999</td>
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<td>2004</td>
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Michigan’s Employment Distribution Hardly Resembles the Nation

Source: BEA: REIS
Percent of Total Employment Engaged in Manufacturing, 2008

Source: BEA, REIS
We are Not Likely to See Michigan’s Employment Reach the 5 Million Mark in the Foreseeable Future


Source: BLS, Unemployment Statistics
Michigan’s Never Experienced a Recovery from the 2001 Recession

Unemployment Rates in Michigan and the United States, 1976-2008

Source: BLS, Unemployment Statistics
Unemployment Rates Vary Across Counties

Legend
2008 Average Unemployment Rate
- 5.9 - 7.2
- 7.2 - 9.2
- 9.2 - 10.6
- 10.6 - 12.1
- 12.1 - 14.4

Source: BLS, Local Area Unemployment Statistics
Michigan’s Relative Income to the U.S. Declines by 0.3% per Year


\[ y = -0.0029x + 1.0584 \]

Source: BEA, Annual Personal Income
Michigan is Relatively Manufacturing Intensive

Percent of W&S Employment in Manufacturing

Year
Percent
U.S.
Michigan

Michigan’s Manufacturing Employment Moves in Lockstep With Motor Vehicle Manufacturing Employment


Source: BEA, REIS
Despite Shedding 250 Thousand Manufacturing Jobs, Michigan is Relatively Dependent on Manufacturing


Source: BEA, REIS
In Rural Counties, Michigan’s Manufacturing Employment Resembles the U.S.

Percent of Local Employment in Manufacturing for Rural Counties, 1969-2007

![Graph showing the percent of local employment in manufacturing for rural counties in Michigan compared to the U.S. from 1969 to 2007. The graph includes data points for both U.S. Non-Metro and MI Non-Metro areas, indicating a decline in manufacturing employment over time.](image-url)
Manufacturing Employment is Shifting to Rural Counties

Percent of State or Federal Manufacturing Employment in Rural Counties

- U.S. Non-Metro
- MI Non-Metro

Year
- 1969
- 1973
- 1977
- 1981
- 1985
- 1989
- 1993
- 1997
- 2001
- 2005

Percent
- 0%
- 5%
- 10%
- 15%
- 20%
- 25%
Michigan Electricity Prices are Consistent with U.S. Prices


Average Retail Prices (cents/KWh)

Year


United States Residential
Michigan Residential
United States Commercial
Michigan Commercial
United States Industrial
Michigan Industrial

Source: U.S. Department of Energy, EIA
Michigan Industrial Use Reflects Accelerated Declines in MFG Activity Relative to the Nation

Growth in Retail Sales of Electricity in Michigan and United States by Use, 1990-2007

Source: U.S. Department of Energy, EIA
Michigan is Missing Population Growth in Key Age Groups


Source: Census
Not All Counties Are Experiencing Population Declines

Legend
Percent Change, 2000-2008
-12.78 - -7.64
-7.63 - -2.34
-2.33 - 1.33
1.34 - 5.41
5.42 - 16.33

Source: Census
Not All Counties Are Experiencing Population Declines

Percent Change, 2005-2008

-6.38 - 4.92
-4.91 - 2.15
-2.14 - 0.85
-0.84 - 0.71
0.72 - 3.10

Legend

Source: Census
Michigan’s Educational Attainment Lags the Nation


Source: Census
What Does this Mean for the Michigan Economy?

• Michigan will not likely share in the same recovery of the nation.
• Michigan’s population education attainment hinders progress in the Global Economy.
• The continued decline in the dollar may temporarily prop Michigan’s manufacturing sector, but the long-term U.S. and Michigan trend is away from manufacturing.
• The auto sector is likely to experience further declines or anemic growth in the foreseeable future.
• PowerPoint presentation can be downloaded at, 
  www.cea.msu.edu

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