

MICHIGAN DEPT. OF ENERGY, LABOR & ECON. GROWTH/LABOR MARKET ANALYSIS - SOUTH CENTRAL MICHIGAN
CIVILIAN LABOR FORCE ESTIMATES
By Place of Residence/Seasonally Unadjusted. July, 2010 **

Areas	CIVILIAN LABOR FORCE					EMPLOYMENT					UNEMPLOYMENT RATES		
	July 2010	June 2010	July 2009	Monthly Change	Annual Change	July 2010	June 2010	July 2009	Monthly Change	Annual Change	July 10	June 10	July 09
Jackson MSA	75,900	75,800	77,000	100	-1,100	65,000	65,900	65,500	-900	-500	14.3	13.2	14.9
Hillsdale Co.	19,850	19,925	21,175	-75	-1,325	16,500	16,850	17,125	-350	-625	16.9	15.4	19.2
Lenawee Co.	46,625	47,100	48,475	-475	-1,850	39,050	40,175	40,125	-1,125	-1,075	16.2	14.7	17.2
Michigan	4,918,000	4,889,000	4,974,000	29,000	-56,000	4,230,000	4,248,000	4,241,000	-18,000	-11,000	14.0	13.1	14.7
U.S.A.*	155,270	154,767	156,255	503	-985	140,134	139,882	141,055	252	-921	9.7	9.6	9.7

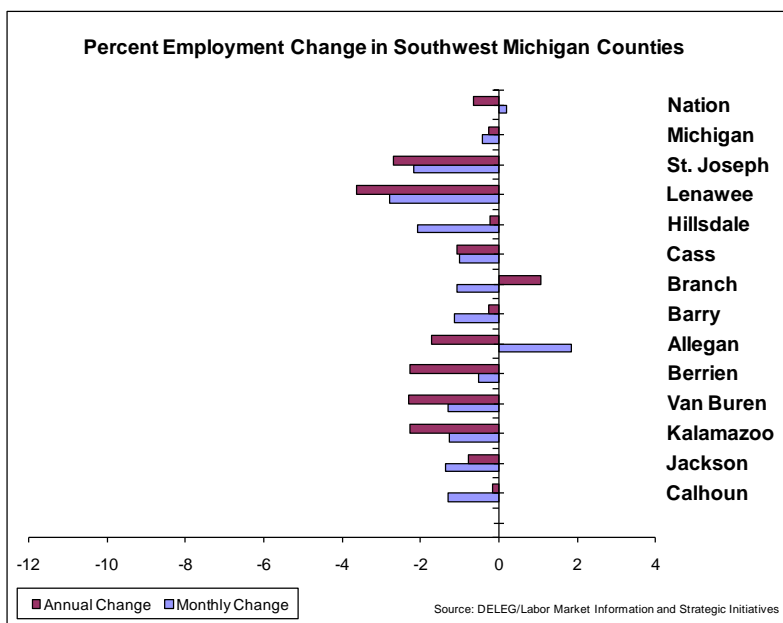
* Expressed in thousands; ** All labor force and employment numbers are rounded to the nearest 25 for counties, 100 for MSAs, and 1,000 for the State and the U.S.

Seasonal Layoffs in Education Behind the Rise in Regional Jobless Rates in July

In July, layoffs of support staff continued with the summer recess at local schools. In addition, manufacturing jobs edged down in regional metro areas. However, these manufacturing job declines were smaller than normal in July 2010, as auto suppliers laid off fewer workers due to the annual July factory retooling process. A shift in production schedules and low inventories for certain vehicle models ensured that fewer auto supply workers were affected by seasonal layoffs. Regional jobless rates rose in July by an average of 1.1 percentage points.

Labor Force Changes Mixed Over the Month but Mostly Down Over the Year

The civilian labor force (the number of employed workers plus those looking for jobs) rose in seven of the twelve regional labor markets in July, ranging from +50 in Cass to +1,125 in Allegan County. The labor force reductions in the remaining five counties ranged from -75 in Hillsdale to -475 in Lenawee County. Over the year, labor force levels have generally declined, extending from -375 in Allegan to -1,850 in Lenawee County. Labor force inched up over the year in Cass (+75), Calhoun (+100), and Barry (+275) counties.



Employment Declined Over the Month and Remains below Year-ago Levels in Almost All Counties

Employment by place of residence fell in almost all regional counties by an average of 1.5 percent. The only exception was Allegan County, with an employment gain of 875 over the month. Job losses in July ranged from -200 in Branch to -1,500 in Kalamazoo County. Substantial employment cuts over the month were registered in the educational sector as a result of temporary summer layoffs. Manufacturing jobs also edged down in July, but at a reduced pace due to fewer auto retooling layoffs.

Compared to last year in July, employment was down in almost all regional counties, with the exception of Barry County where employment rose 1.1 percent. Employment losses ranged from -50 in Cass to -2,750 in Kalamazoo County. Total employment declined over the

year in July by an average rate of -1.4 percent.

Jobless Rates Rose in July but Were Mixed Over the Year

July unemployment rates increased in all twelve area counties, ranging from +0.1 percentage points in Van Buren to +2.2 percentage points in St. Joseph County. Six regional counties (Barry, Cass, Kalamazoo, Allegan, Van Buren, and Calhoun) recorded lower rates than the statewide rate of 14.0 percent in July (not seasonally adjusted). The unemployment rates of Branch and Berrien counties matched the state’s rate. The remaining four counties (Jackson, St. Joseph, Lenawee, and Hillsdale) showed higher rates than the state. The Michigan unemployment rate continues to be above the national rate, by 4.3 percentage points in July. Compared to July 2009, jobless rates edged down in seven of the twelve regional counties, from -0.1 in Barry to -2.3 percentage points in Hillsdale County. Unemployment rates inched up in the remaining counties: Calhoun (+0.3 percentage points), Van Buren (+0.4), Cass (+0.6), Berrien (+0.8), and Kalamazoo (+1.0)).

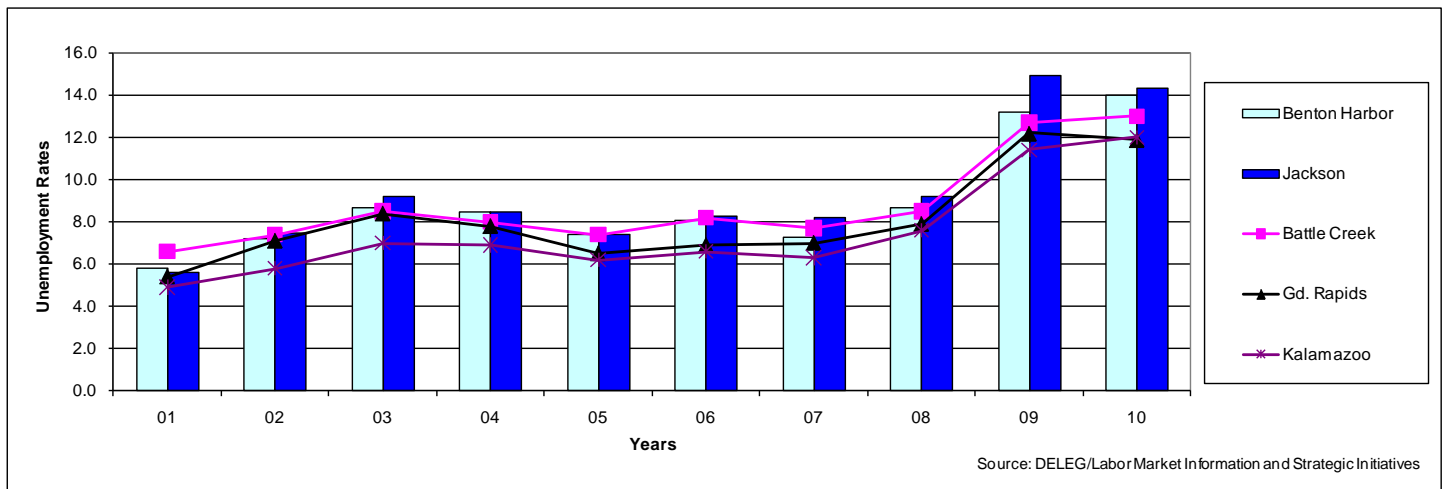
Local Metro Area July Unemployment Rates Since 2001

Although stable compared to the levels attained last year in July 2009, metro area jobless rates remain very high by historical standards. In fact, unemployment rates have soared since 2001 in the Jackson (+7.4 percentage points), Niles-Benton Harbor (+7.0), Kalamazoo (+6.3), Grand Rapids (+5.5), and Battle Creek (+4.6) metro areas.

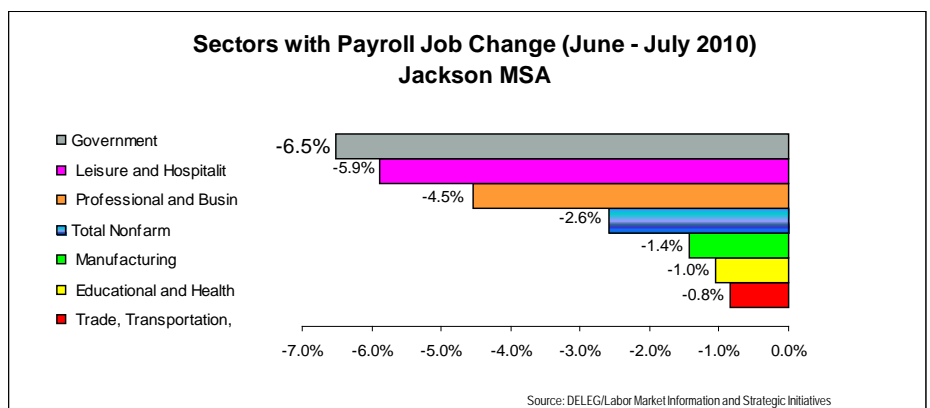
Year \ Areas	01	02	03	04	05	06	07	08	09	10
Jackson	5.6	7.5	9.2	8.5	7.4	8.3	8.2	9.2	14.9	13.0

Unemployment rates for local metro areas increased through 2003; then slightly declined from 2004 to 2006. Jobless rates rose sharply during 2008, and in 2009 unemployment rates jumped to record highs last seen in the early 1980s. Massive layoffs in 2009 (particularly in the auto and construction sectors) occurred due to the national recession and severe financial issues in the auto sector.

Comparing the Trend of Local MSAs’ July Unemployment Rates Since 2001



The **Jackson MSA** (Jackson County) cut 1,400 jobs over the month, due primarily to a seasonal employment decline in the private and public education sectors (-700). The lodging and restaurant industry also cut 300 jobs, while professional and business services jobs fell by 200. Overall, nonfarm payroll jobs were estimated at 52,700 in July (down from 54,100 in June).





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Over the year, professional and business services recorded a 200 employment gain. However, manufacturing and leisure and hospitality continued to lose jobs (-300 and -200, respectively). Employment in all other sectors was either flat or down modestly. Overall payroll employment in Jackson was 300 (or 0.6 percent) below the July 2009 level.

Jackson MSA	July 2010	June 2010	July 2009	Monthly Change	Monthly % Change	Annual Change	Annual % Change
Total Nonfarm	52,700	54,100	53,000	-1,400	-2.6%	-300	-0.6%
Mining, Logging, and Construction	1,700	1,700	1,800	0	0.0%	-100	-5.6%
Manufacturing	6,900	7,000	7,200	-100	-1.4%	-300	-4.2%
Trade, Transportation, Utilities	11,700	11,800	11,800	-100	-0.8%	-100	-0.8%
Information	400	400	400	0	0.0%	0	0.0%
Financial Activities	1,900	1,900	1,900	0	0.0%	0	0.0%
Professional and Business	4,200	4,400	4,000	-200	-4.5%	200	5.0%
Educational and Health	9,500	9,600	9,400	-100	-1.0%	100	1.1%
Leisure and Hospitality	4,800	5,100	5,000	-300	-5.9%	-200	-4.0%
Other Services	3,000	3,000	3,000	0	0.0%	0	0.0%
Government	8,600	9,200	8,500	-600	-6.5%	100	1.2%

South Central Michigan Works! Agencies Local Area Employment Data - 2010

	January	February	March	June	July	June	July	August	September	October	November	December	Ann Avg
South Central Michigan													
Labor force	142,000	141,975	141,900	141,350	141,775	142,850	142,350						142,025
Employment	118,900	119,400	118,700	120,825	121,925	122,875	120,575						120,450
Unemployed	23,100	22,575	23,200	20,525	19,850	19,975	21,775						21,575
Rate	16.3	15.9	16.3	14.5	14.0	14.0	15.3						15.2
Hillsdale													
Labor force	19,850	19,775	19,825	19,750	19,800	19,925	19,850						19,825
Employment	16,225	16,250	16,200	16,575	16,750	16,850	16,500						16,475
Unemployed	3,650	3,525	3,650	3,200	3,075	3,075	3,350						3,350
Rate	18.3	17.9	18.3	16.1	15.5	15.4	16.9						16.9
Jackson													
Labor force	75,100	75,100	74,900	74,900	75,400	75,800	75,900						75,300
Employment	63,700	64,000	63,600	64,800	65,600	65,900	65,000						64,600
Unemployed	11,400	11,100	11,400	10,200	9,800	9,800	10,900						10,700
Rate	15.2	14.8	15.2	13.6	13.0	13.2	14.3						14.2
Lenawee													
Labor force	47,075	47,075	47,125	46,650	46,550	47,100	46,625						46,875
Employment	39,025	39,125	38,950	39,525	39,575	40,175	39,050						39,350
Unemployed	8,050	7,950	8,200	7,150	6,975	6,925	7,550						7,550
Rate	17.1	16.9	17.4	15.3	15.0	14.7	16.2						16.1