Regional Prosperity Initiative: Labor Market Information Supplement

Prepared For:

**West Michigan Prosperity Region (Region 4)**
(Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa)

Prepared By:

State of Michigan

**Department of Technology, Management, and Budget**

Bureau of Labor Market Information and Strategic Initiatives
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**POPULATION AND DEMOGRAPHICS**

- **As of 2012**, the West Michigan Prosperity Region (Region 4) had an estimated population of 1,532,851, representing 15.5 percent of the statewide population.
- **Between 2000 and 2012**, the Region’s population has grown by 86,575 or 6.0 percent. In-migration and natural growth (births exceeding deaths) have contributed to the population growth over the period. Michigan’s population has remained relatively flat, inching lower by 55,500 residents or 0.6 percent during this same period.
- **In 2012**, nearly 26 percent of residents in Region 4 were at or nearing retirement age (55 or older) while nearly 28 percent were in the younger worker cohorts, including those 15 to 24 and those 25 to 34.
- **Compared with other regions**, especially those in Northern Michigan, Region 4 has fewer workers nearing retirement age, and has 26 percent of workers in the middle of their careers, aged 35 to 54.
- **Thirty three percent** of residents hold a high school diploma or equivalent. At both ends of the educational attainment spectrum, Region 4 very closely mirrors statewide averages with the same shares of residents with less than a high school diploma and the same shares of residents holding a Bachelor’s degree or higher.

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**Population and Demographics**

**West Michigan Prosperity Region**

1,532,851
Total Population, 2012 Estimate

15.5%
Share of State

+86,575
Total Change in Residents, 2000-2012

+6.0%
Percent Change in Residents, 2000-2012

**Population by Age**

- 0 to 14: 20%
- 15 to 24: 15%
- 25 to 34: 13%
- 35 to 54: 26%
- 55+: 26%

**Population by Gender**

- Female: 50%
- Male: 50%

**Educational Attainment of 25+ Population**

- Less than High School Diploma: 12% Share • 112,183 Residents
- High School Graduate, GED or Alternative: 33% Share • 318,204 Residents
- Some College or Associate’s Degree: 32% Share • 309,097 Residents
- Bachelor’s Degree or Higher: 24% Share • 233,258 Residents

*Source: U.S. Census Bureau / DTMB, Center for Shared Solutions*
LABOR FORCE AND UNEMPLOYMENT

- There are 757,540 labor market participants in the West Michigan Prosperity Region. Since 2009, the Region’s labor force has risen by 11,000 or 1.5 percent. Over the same period, labor force levels statewide have declined by 166,340 or 3.4 percent. The recent gain in labor force can be attributed to the Regional labor market’s notably strong recovery from the “Great Recession.”

- West Michigan was the sole Prosperity Region to show an increase in labor force since 2009. These gains reflected an impressive uptick in employment and significant reductions in unemployment, each pointing towards a strong labor market recovery in the Region.

- The Region’s labor force is comprised of 701,400 employed and 56,130 unemployed. The unemployment rate stands at 7.4 percent so far in 2013, unchanged from the 2012 figure, but improved by nearly 5 percentage points since 2009.

- With an unemployment rate of 7.4 percent, the unemployment rate in Region 4 is well below the Michigan average of 9.1 percent. The West Michigan unemployment rate has been consistently lower than the statewide rate, coming in lower each month since January 2012.

Source: DTMB, Local Area Unemployment Statistics (LAUS)
COMMUTING PATTERNS

- The West Michigan Prosperity Region has 487,387 internal commuters, accounting for almost 85 percent of those employed within the Region. This is much higher than the average of 77 percent seen for all ten Prosperity Regions, which means that more workers employed within Region 4 are internal commuters compared to the percent of internal commuters around the State.

- Although 85 percent of those employed within the Region also live within the Region (internal commuters), there are still over 90,000 commuters who live outside Region 4 but travel to the Region to work (inflow commuters).

- The top three counties providing inflow commuters are Kalamazoo, Wayne, and Oakland counties, representing a combined 27 percent of all inflow commuters.

- Residents leaving Region 4 to work elsewhere (outflow commuters) primarily work in Oakland, Kalamazoo, and Wayne counties. There are almost 114,000 outflow commuters from Region 4, of which almost 40,000 commute to work in these three counties.

- Net commuting (inflow – outflow) in Region 4 is -23,273, meaning that more people leave the Region to work than are commuting into the Region to work. Net commuting to Kalamazoo County accounts for about -4,500 of this net commuting total.

### Commuting Patterns

<table>
<thead>
<tr>
<th>West Michigan Prosperity Region</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Commuters</strong></td>
<td>487,387</td>
</tr>
<tr>
<td><strong>Inflow Commuters</strong></td>
<td>90,566</td>
</tr>
<tr>
<td><strong>Outflow Commuters</strong></td>
<td>113,839</td>
</tr>
</tbody>
</table>

**Where do they live?**

- **Top 5 Counties**
  - Kalamazoo: 8,524
  - Wayne: 8,395
  - Oakland: 7,607
  - Macomb: 4,461
  - Ingham: 3,628

**Where do they work?**

- **Top 5 Counties**
  - Oakland: 13,973
  - Kalamazoo: 13,007
  - Wayne: 12,362
  - Ingham: 12,079
  - Calhoun: 5,137

*Source: DTMB, US Census Bureau, Longitudinal Employer-Household Dynamics*
INDUSTRY EMPLOYMENT

- In 2012, the West Michigan Prosperity Region totaled 628,850 payroll jobs, representing 16.0 percent of statewide payrolls.
- Over 60 percent of the Region’s payroll jobs are concentrated in five industries: Manufacturing, Health care and social assistance, Retail trade, Administrative and support and waste management, and Educational services.
- Manufacturing establishments are a major source of employment in the Region, responsible for 131,175 jobs or 20.9 percent of total payrolls. Manufacturing remains well diversified in Region 4 as several subsectors contribute to overall jobs in the industry.
- Health care and social assistance is another industry employing many of the workers in Region 4, over 86,000. This number is carried by sizeable employment in Ambulatory health care services and Hospitals, which account for a combined 59,000 jobs.
- Jobs in the Retail trade industry account for just over 10 percent of all payroll employment within the Region. A large portion of Retail jobs are in the General merchandise stores subsector, which accounts for over 1 in every 4 jobs within the industry. This subsector has also seen modest growth over the last three years.
INDUSTRY JOB TRENDS

- Between 2009 and 2012, payroll jobs in the West Michigan Prosperity Region have grown by 50,025 or 8.6 percent, more than twice that of the 4.0 percent growth in statewide payrolls over the same period.

- **Manufacturing** tops the list of the Region’s high-growth industries. Since 2009, the Region 4 Manufacturing industry has added 19,300 jobs and grown by 17.2 percent, matching industry gains statewide.

- Over this period, significant growth was also seen in **Health care and social assistance**. Due primarily to Ambulatory health care services and Social assistance, employment in the industry was up by 6,725 or 8.5 percent.

- Another industry which has grown since 2009 is **Accommodation and food services**, a vitally important industry for young and part-time workers within the Region. Food services and drinking places accounts for most of the employment within this industry, and also accounts for 3,800 of the 4,400 jobs gained industry-wide.

- **Information** has seen jobs decline since the end of the recession, as almost 10 percent of total industry jobs have been lost. This is highlighted by the decreases in payroll jobs seen in the Publishing industries (except internet) and Telecommunications subsectors of 300 and 350 jobs, respectively.

### Industry Job Trends

#### West Michigan Prosperity Region

- **+50,025**
  - Change in Payroll Jobs, 2nd Qtr. 2009 – 2nd Qtr. 2012
  - **+8.6%**
    - Percent Change in Payroll Jobs, 2nd Qtr. 2009 – 2nd Qtr. 2012

#### High Growth Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>+19,300</td>
<td>+17.2%</td>
</tr>
<tr>
<td>Administrative and Support and Waste Management</td>
<td>+17,875</td>
<td>+44.1%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>+6,725</td>
<td>+8.5%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>+4,400</td>
<td>+9.4%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>+1,575</td>
<td>+6.0%</td>
</tr>
</tbody>
</table>

#### Declining Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Services</td>
<td>-2,475</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>-2,175</td>
<td>-9.9%</td>
</tr>
<tr>
<td>Information</td>
<td>-725</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>-475</td>
<td>-8.1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>-125</td>
<td>-5.1%</td>
</tr>
</tbody>
</table>

*Source: DTMB, Quarterly Census of Employment and Wages (Customized Report)*
EMPLEYMENT CONCENTRATION INDUSTRIES

- A location quotient (LQ) is a ratio that compares the concentration of employment in a defined area to that of a larger area. Here, a LQ greater than 1 suggests a higher concentration of industry employment locally than statewide while a LQ of less than one suggests a weaker concentration of industry employment. A LQ equal to 1 suggests the same concentration of industry employment regionally and statewide.

- Region 4 has a higher employment concentration in Manufacturing industries like Furniture and related manufacturing, Food manufacturing, and Computer and electronic manufacturing as well as in other industries like Animal production and aquaculture and Crop production.

- Management of companies and enterprises, a high wage industry, has a lower employment concentration in Region 4. The lower employment concentration is driven by especially large employment concentration in other Regions, most notably Region 10.

- Furniture and related product manufacturing is the largest industry in Region 4 when indexed to the size of the industry statewide. This is because of the massive presence of large furniture manufacturers in the Region.

### Location Quotient (LQ)

#### Higher LQ Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Location Quotient</th>
<th>Average Weekly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Related Product Manufacturing</td>
<td>2.82</td>
<td>$576</td>
</tr>
<tr>
<td>Animal Production and Aquaculture</td>
<td>2.71</td>
<td>$875</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>2.69</td>
<td>$1,162</td>
</tr>
<tr>
<td>Computer and Electronic Product</td>
<td>2.53</td>
<td>$462</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.53</td>
<td>$462</td>
</tr>
</tbody>
</table>

#### Lower LQ Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Location Quotient</th>
<th>Average Weekly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>0.52</td>
<td>$1,083</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>0.58</td>
<td>$1,735</td>
</tr>
<tr>
<td>Accommodation</td>
<td>0.59</td>
<td>$344</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0.61</td>
<td>$604</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>0.65</td>
<td>$1,198</td>
</tr>
</tbody>
</table>

Source: DTMB, Quarterly Census of Employment and Wages

P – Protected for Confidentiality Purposes
DEMOGRAPHICS / INDUSTRY EMPLOYMENT

- In the West Michigan Prosperity Region, 19 percent of jobs are held by workers 55 years of age or older, similar to the 20 percent of jobs held by older workers statewide. Also similar to statewide figures is the percentage of jobs held by 25-34 year-olds: about 21 percent in the Region and 20 percent statewide.

- The *Educational services* industry has just over 24 percent of total employees over the age of 55, nearing retirement age. This is very similar to the proportion seen in the industry statewide, in which it is also a fairly older industry.

- Importantly, the *Manufacturing* industry registers the highest total number of older employees in the Region (ages 55+). While the industry has a lower percentage of older workers regionally than the statewide average, the significant number of employees which could be nearing retirement presents a potential challenge to the Region.

- Similarly, *Public administration* may be susceptible to talent shortages as a quarter of its workforce is nearing retirement age.

- All sectors in West Michigan have both a slightly higher percentage of employed persons ages 25-34 and a slightly lower percentage of employed persons ages 35-54 than the statewide average.

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**Industry Employment by Age**

**Lower Share of Older Workers**

- Accommodation and Food Services 7% over 55
- Construction 16% over 55
- Administrative and Support and Waste Management and Remediation Services 16% over 55
- Arts, Entertainment, and Recreation 17% over 55

**Higher Share of Older Workers**

- Utilities 25% over 55
- Educational Services 24% over 55
- Transportation and Warehousing 24% over 55
- Public Administration 24% over 55

*Source: DTMB, Local Employment Dynamics*
OCCUPATIONAL EMPLOYMENT AND WAGES

- Occupational employment in the West Michigan Prosperity Region was a sizable 632,700 in 2012. Employment is in a diverse mix of job titles, ranging from those seen in Production and Office and administrative support occupations to those in emerging categories like Computer and mathematical and Architecture and engineering occupations.

- Reflecting the diverse mix of job titles in Region 4, the occupational wage range is quite large, spanning from $8.63 /hour at the 10th percentile to $34.61 /hour at the 90th percentile. The median wage in the Region was $15.60 /hour in 2012.

- The occupational categories with the most employment in Region 4 include Production, Office and administrative support, Sales and related, and Food preparation and serving. In addition, categories like Management, Computer and mathematical, Architecture and engineering, and Healthcare practitioners and technical, all report solid employment and wages in Region 4.

- As expected, the highest paying occupations in Region 4 are also the ones that require the most education and training. The highest paying job titles are concentrated in Healthcare practitioners and technical occupations and in Management occupations.

### Employment and Wages

**West Michigan Prosperity Region**

- **632,700** Occupational Employment
- **$15.60** Median Occupational Wage

**High Employment / High Wage Categories**

- **Management**
  - 29,630 Employed
  - $21.33 - $77.52 Wage Range

- **Computer and Mathematical**
  - 10,880 Employed
  - $17.40 - $49.42 Wage Range

- **Architecture and Engineering**
  - 14,540 Employed
  - $29.79 - $44.05 Wage Range

- **Healthcare Practitioners and Technical**
  - 36,710 Employed
  - $31.54 - $51.70 Wage Range

- **Business and Financial Operations**
  - 24,350 Employed
  - $15.82 - $43.42 Wage Range

**High Employment / High Wage Occupations**

- **General and Operations Managers**
  - 7,650 Employed
  - $42.35 Median Wage

- **Industrial Production Managers**
  - 1,780 Employed
  - $42.65 Median Wage

- **Industrial Engineers**
  - 3,900 Employed
  - $32.09 Median Wage

- **Registered Nurses**
  - 12,560 Employed
  - $27.91 Median Wage

- **Computer Software Engineers**
  - 2,450 Employed
  - $38.63 Median Wage

**Source:** DTMB, Occupational Employment Statistics (Unpublished Data)
OCCUPATIONAL OUTLOOK

- According to long-term occupational projections, employment in the West Michigan Prosperity Region is expected to grow by 49,550 or 7.4 percent through 2018.
- Annual openings in the Region are estimated at 20,875 with 5,775 coming from growing occupations and 15,100 coming from the need to replace existing workers.
- Healthcare occupations like Home health aides, Physicians assistants, Medical assistants, and Dental assistants are among the occupations in Region 4 with the highest anticipated growth rates.
- Other occupations will provide many opportunities due to the need to replace existing workers. These are typically large occupations, including Waiters and waitresses, Cashiers, and Retail salespersons. In addition, the Registered nurses job title is estimated to provide 462 opening annually.
- A diverse set of occupations in Region 4 are expected to see solid growth through 2018 and report a relatively high wage. Typically, these occupations require significant investment in education or training. Concentrated in Health care, Management, and Engineering, most of these occupations pay a median wage higher than the Region’s overall median occupational wage of $15.60.

### Occupational Outlook

**West Michigan Prosperity Region**

+49,550
Projected Employment Growth, 2008-2018

+7.4%
Projected Change in Employment, 2008-2018

### High-Growth / High-Demand Occupations

- Registered Nurses
  - Growth: 24.5% Growth
  - Annual Openings: 462

- Home Health Aides
  - Growth: 46.7% Growth
  - Annual Openings: 216

- Customer Service Representative
  - Growth: 16.9% Growth
  - Annual Openings: 494

- Nursing Aides, Orderlies, and Attendants
  - Growth: 21.2% Growth
  - Annual Openings: 251

### High-Growth / High-Wage Occupations

- Accountants and Auditors
  - Growth: 18.4% Growth
  - Median Wage: $28.55
- Management Analysts
  - Growth: 18.8% Growth
  - Median Wage: $28.85
- Dental Hygienists
  - Growth: 29.2% Growth
  - Median Wage: $27.90
- Industrial Engineers
  - Growth: 12.2% Growth
  - Median Wage: $32.09
- Physical Therapists
  - Growth: 27.0% Growth
  - Median Wage: $35.60

**Source:** DTMB, Occupational Projections

**Note:** Includes the Muskegon, Grand Rapids, and West Central Economic Forecast Regions (EFR)
REAL-TIME DEMAND OCCUPATIONS

- There were 23,160 online advertised job vacancies in the West Michigan Prosperity Alliance in the 3rd Quarter of 2013.
- Nearly half of all Regional vacancies were concentrated in five broad occupational categories: Sales and related, Office and administrative support, Healthcare practitioners and technical, Production, and Management.
- The top 5 in-demand detailed job titles were responsible for 1 in 7 total postings in the Region. These high demand occupations matched closely with hotly demanded occupations statewide, with 3 of the Region’s top 5 occupations also appearing in the top 5 occupations in demand in Michigan.
- Just over 10 percent of the job ads for West Michigan were greater than 120 days old, signaling that employers may be having difficulty filling the vacancies. Statewide, 11.9 percent of advertised vacancies are active for 120 days or longer.
- Half of all online advertised job vacancies in the Region were for positions in Grand Rapids with an additional 20 percent for positions in Holland, Muskegon, Kentwood, or Grandville. Overall, three out of every four advertised vacancies in Region 4 were for positions in these five cities.
ADDITIONAL RESOURCES

The Bureau of Labor Market Information and Strategic Initiatives is committed to producing timely, accurate, and reliable labor market information and insights as well as other economic intelligence. Below are a few of our key regional products. These and other resources are available on our website at: www.michigan.gov/lmi.

**Regional Online Job Demand Profiles**

Using The Conference Board Help Wanted OnLine (HWOL) Data Series, these profiles are intended to supplement existing labor market information by providing local planners with information on real-time job demand. Produced quarterly, these reports are available for each of the state’s 25 Michigan Works! Agencies (MWAs).

**Michigan Economic and Workforce Indicators and Insights**

This biannual report tracks Michigan labor market and economic trends on a series of indicators related to the workforce, knowledge-based jobs, innovation, education, and the economy. Written for an executive audience, this report provides a concise analysis of recent trends in these indicators as well as national and regional comparisons.

**Coming Soon: Online Advertised Job Demand for Michigan’s Prosperity Regions**

**Regional Prosperity Initiative: Online Job Demand Analysis**

In support of the Regional Prosperity Initiative, these profiles provide a quick reference for those interested in identifying the characteristics of current job vacancies in the regional labor market. Using The Conference Board’s Help Wanted Online (HWOL) Data Series, these profiles will be produced monthly for Michigan’s 10 Prosperity Regions and released alongside the Michigan Online Job Demand Analysis.