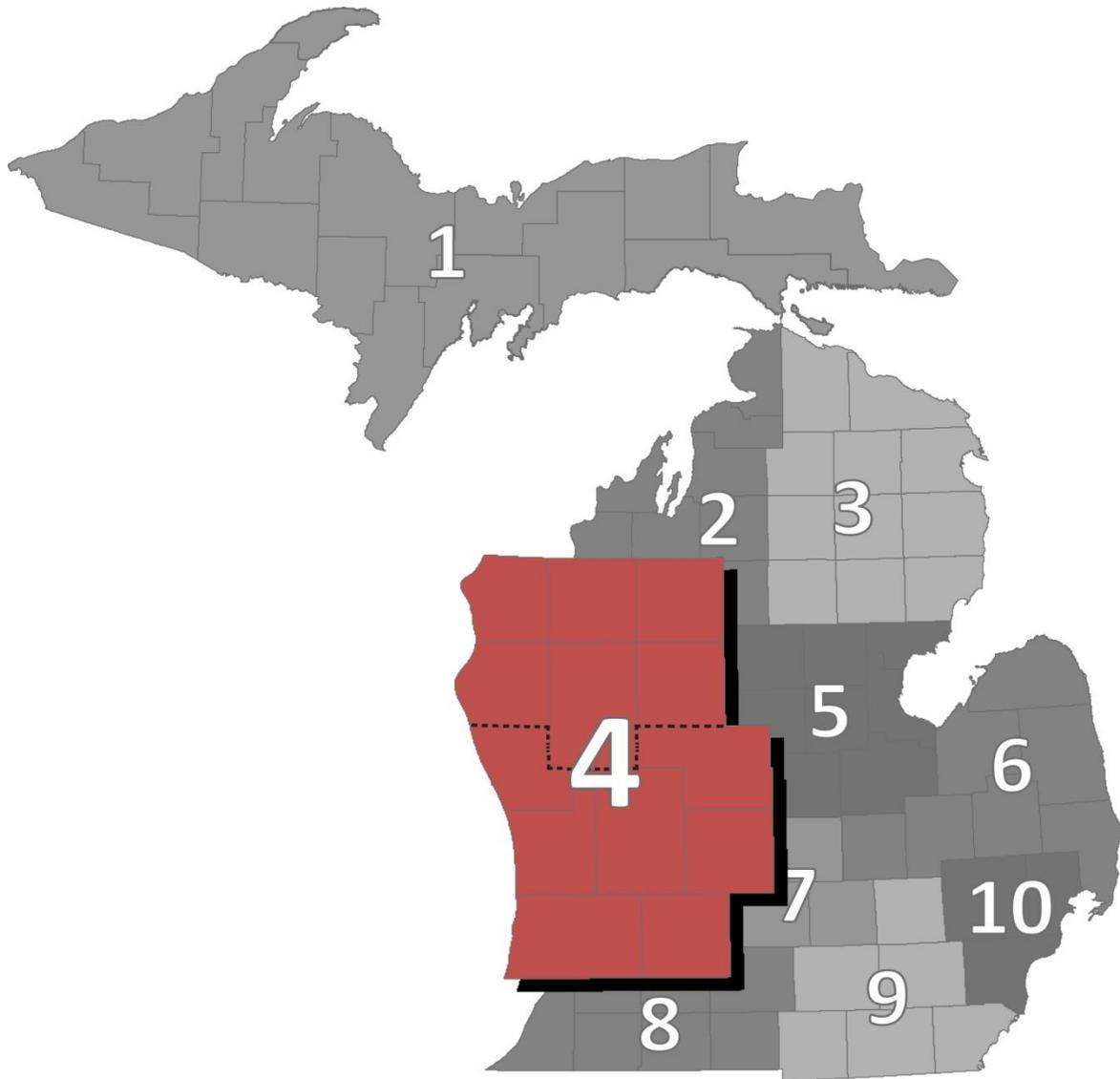


Regional Prosperity Initiative: Labor Market Information Supplement



Prepared For:

West Michigan Prosperity Region (Region 4)

(Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa)

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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.

Population and Demographics

West Michigan Prosperity Region

1,532,851

Total Population, 2012 Estimate

15.5%

Share of State

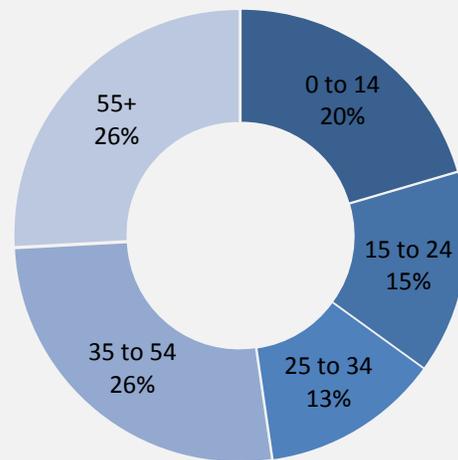
+86,575

Total Change in Residents, 2000-2012

+6.0%

Percent Change in Residents, 2000-2012

Population by Age



Population by Gender

50%

Female

50%

Male

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.

Labor Force and Unemployment

West Michigan Prosperity Region

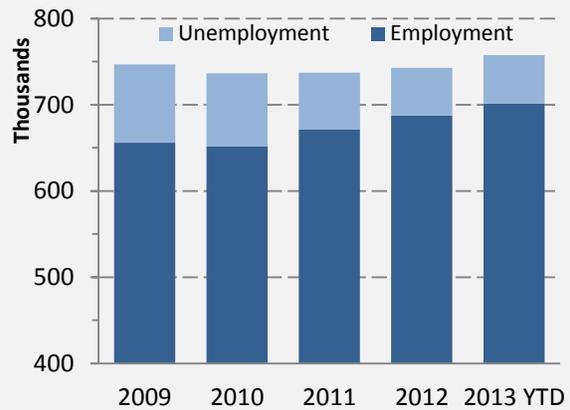
757,540

Labor Force Participants, 2013 YTD

+1.5%

Percent Change in Labor Force, 2009-2013

Labor Force, Employment, Unemployment



West Michigan Prosperity Region

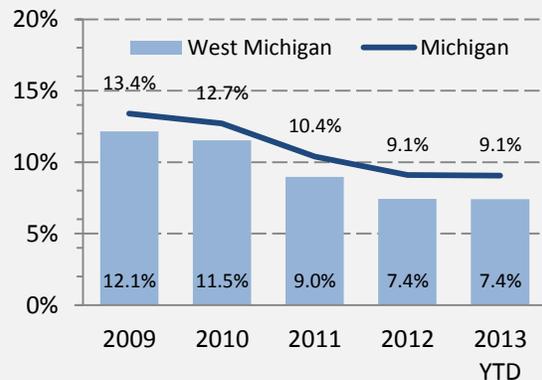
7.4%

Unemployment Rate, 2013 YTD

-4.7

Change in Unemployment Rate, 2009-2013

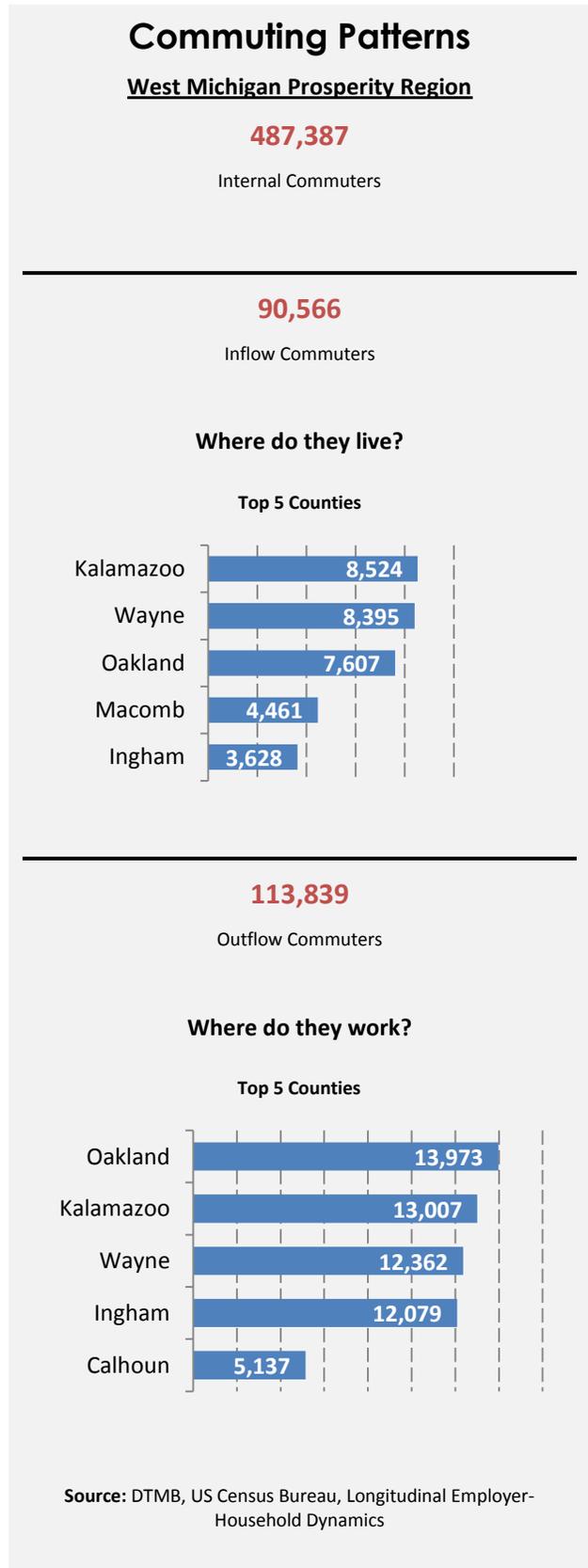
Unemployment Rate



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.



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 Employment

West Michigan Prosperity Region

628,850

Total, All Industry Payroll Jobs

\$785

Total, All Industry Average Weekly Wage

Top 10 Industries by Employment

Manufacturing

131,175 Jobs • 20.9% Share

Health Care and Social Assistance

86,525 Jobs • 13.8% Share

Retail Trade

66,450 Jobs • 10.6% Share

Administrative and Support and Waste Management

56,925 Jobs • 9.1% Share

Educational Services

50,475 Jobs • 8.0% Share

Accommodation and Food Services

50,075 Jobs • 8.0% Share

Wholesale Trade

27,625 Jobs • 4.4% Share

Construction

23,525 Jobs • 3.7% Share

Professional, Scientific, and Technical Services

20,825 Jobs • 3.3% Share

Finance and Insurance

20,350 Jobs • 3.2% Share

Source: DTMB, Quarterly Census of Employment and Wages (Customized Report)

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

Manufacturing

+19,300 Jobs • +17.2% Percent

Administrative and Support and Waste Management

+17,875 Jobs • +44.1% Percent

Health Care and Social Assistance

+6,725 Jobs • +8.5% Percent

Accommodation and Food Services

+4,400 Jobs • +9.4% Percent

Wholesale Trade

+1,575 Jobs • +6.0% Percent

Declining Industries

Educational Services

-2,475 Jobs • -4.6% Percent

Public Administration

-2,175 Jobs • -9.9% Percent

Information

-725 Jobs • -9.6% Percent

Real Estate and Rental and Leasing

-475 Jobs • -8.1% Percent

Utilities

-125 Jobs • -5.1% Percent

Source: DTMB, Quarterly Census of Employment and Wages (Customized Report)

EMPLOYMENT 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

Furniture and Related Product Manufacturing

P Location Quotient **P** Average Weekly Wage

Animal Production and Aquaculture

2.82 Location Quotient **\$576** Average Weekly Wage

Food Manufacturing

2.71 Location Quotient **\$875** Average Weekly Wage

Computer and Electronic Product Manufacturing

2.69 Location Quotient **\$1,162** Average Weekly Wage

Crop Production

2.53 Location Quotient **\$462** Average Weekly Wage

Lower LQ Industries

Professional, Scientific, and Technical Services

0.52 Location Quotient **\$1,083** Average Weekly Wage

Management of Companies and Enterprises

0.58 Location Quotient **\$1,735** Average Weekly Wage

Accommodation

0.59 Location Quotient **\$344** Average Weekly Wage

Real Estate

0.61 Location Quotient **\$604** Average Weekly Wage

Telecommunications

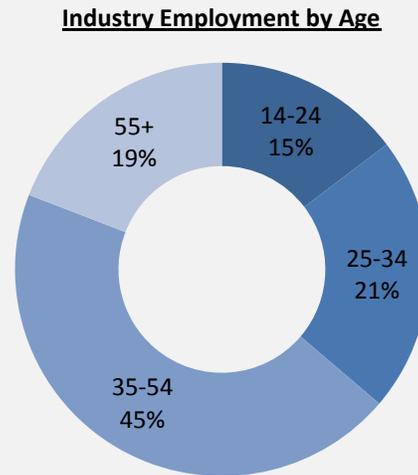
0.65 Location Quotient **\$1,198** Average Weekly Wage

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.

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

24.5% Growth • 462 Annual Openings

Home Health Aides

46.7% Growth • 216 Annual Openings

Customer Service Representative

16.9% Growth • 494 Annual Openings

Nursing Aides, Orderlies, and Attendants

21.2% Growth • 251 Annual Openings

Accountants and Auditors

18.4% Growth • 180 Annual Openings

High-Growth / High-Wage Occupations

Accountants and Auditors

18.4% Growth • \$28.55 Median Wage

Management Analysts

18.8% Growth • \$28.85 Median Wage

Dental Hygienists

29.2% Growth • \$27.90 Median Wage

Industrial Engineers

12.2% Growth • \$32.09 Median Wage

Physical Therapists

27.0% Growth • \$35.60 Median Wage

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.

Online Advertised Vacancies

West Michigan Prosperity Region

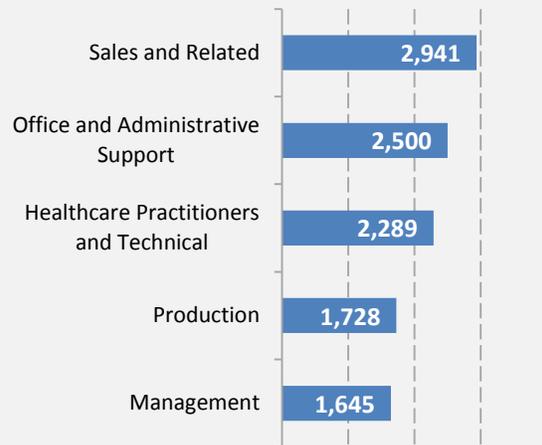
23,160

Total Online Advertised Vacancies, 3rd Quarter 2013

+10.6%

Change in Online Advertised Vacancies, 3rd Quarter 2012 - 3rd Quarter 2013

Top Advertised Categories



Top Advertised Job Titles

Registered Nurses

990 Postings • +5.2% Change over month

Truck Drivers

730 Postings • -2.5% Change

Retail Salespersons

700 Postings • +28.9% Change

Customer Service Representatives

520 Postings • +2.6% Change

Production Supervisors

500 Postings • +9.5% Change

Food Service Supervisors

430 Postings • +43.0% Change

Industrial Engineers

400 Postings • +1.3% Change

Source: The Conference Board, Help Wanted Online

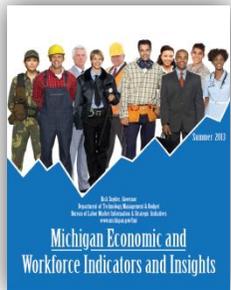
ADDITIONAL RESOURCES

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.

