VISUALIZING JOB-TO-JOB FLOWS
MARCH 7, 2016
LED WORKSHOP
Main Objective of the Presentation

- Use the new J2J flows data series to provide insights into:
  - job hopping in the manufacturing sector as compared to job transitions from the pool of nonemployed industries and States that the manufacturing sector is poaching jobs from
Background to the Decline in MI Manufacturing

- Global Recession, Credit Crisis and gas prices exceeding $4 a gallon in 2008 affected the Detroit 3 adversely.
- Auto Sales dropped by 18% in 2008 (6.3 million sales in 2008).
- April 30th 2009, Chrysler was under Chapter 1, emerged June 10, 2009.
- GM filed Bankruptcy June 1, 2009, emerged early July 2009.
Manufacturing and TEM Changes

Percent Change in Manufacturing and Transportation Equipment Employment

Manufacturing
Transportation Equipment
Michigan Vehicle Production fell 20.9 percent in 2008 and dropped 37.9 percent in 2009.
Job To Job Flows
US Census Bureau, LEHD, MIDTMB

Job2Job Hires:

Job2Job Separations:

Hires from Persistent Nonemployment:
(A minimum of 3 months)

Separations to Persistent Nonemployment:

• J2J Hires and Separations have no non-employed spells. They are equal.
Main J2J Flows Indicators in MFG

- Since 2009, Hires are greater than Separations which means the sector is poaching employees either from other industries or States.

- Hires from nonemployment are stable. Separations to persistent non-employment have also declined post bankruptcy (2010).
Manufacturing J2J Flows – Overview
(2001 – 2013)

**Net J2J Outflows to other States:**  
-29,172

<table>
<thead>
<tr>
<th>Out</th>
<th>In</th>
</tr>
</thead>
<tbody>
<tr>
<td>107,486</td>
<td>78,314</td>
</tr>
</tbody>
</table>

- Blue: Michigan Manufacturing to Other States
- Orange: From other States to Michigan Manufacturing

**Net Job to Job Hires in Manufacturing from all other Industries:** +159,329

<table>
<thead>
<tr>
<th>Out</th>
<th>In</th>
</tr>
</thead>
<tbody>
<tr>
<td>623,164</td>
<td>782,493</td>
</tr>
</tbody>
</table>

- Blue: Workers from Michigan Manufacturing to other Industries
- Orange: Workers to Michigan Manufacturing from other Industries

**Net Job Hires From Persistent Nonemployment:** -384,923

<table>
<thead>
<tr>
<th>SEPS</th>
<th>HIRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,344,922</td>
<td>959,999</td>
</tr>
</tbody>
</table>

- Blue: Michigan Manufacturing Separations to Persistent Unemployment
- Orange: Michigan Manufacturing Hires from Persistent Unemployment

SA data
Job Poaching in Manufacturing

- Flows from the **Administrative and Support Services** which includes the *temporary help* sector have increased since the Recession and flattened out. Since 2001 flows increased by 74 percent while **Manufacturing** J2J flows dropped by 42 percent.
J2J Flows in *Manufacturing* have dropped by 43 percent between 2001 and 2013. From 2001 to 2009 J2J flows dropped by 68 percent. Since then they have gone up by 77 percent.

- Nearly sixty percent of the flows are job poaching from other firms in *Manufacturing* and *Administrative and support services* (this sector includes the Temp Help Industry).
Job to Job Flows - MI and Nationwide

- Michigan is not poaching many jobs from other states.
- Most of the J2J flows are from within the State.
- J2J flows within MI are close to the peak in 2001.
- J2J flows from other States are still 18 percent below the peak 2001 level (since the start of the series).
J2J Flows: To and From Nation

J2J Flows To and From other States

- Nation to MI Mfg
- MI Mfg to Nation

Years: 2001 to 2013

Values range from 0 to 35,000.
Where are MI MFG Workers Going?
Based on largest Net Outflows

Net J2J Outflows to other States: - 29,172

<table>
<thead>
<tr>
<th>STATE</th>
<th>Outflows</th>
<th>Inflows</th>
<th>Net Outflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>7,172</td>
<td>3,927</td>
<td>-3,245</td>
</tr>
<tr>
<td>Texas</td>
<td>7,137</td>
<td>4,348</td>
<td>-2,789</td>
</tr>
<tr>
<td>Indiana</td>
<td>16,975</td>
<td>14,510</td>
<td>-2,465</td>
</tr>
<tr>
<td>California</td>
<td>4,907</td>
<td>3,172</td>
<td>-1,735</td>
</tr>
<tr>
<td>Tennessee</td>
<td>4,083</td>
<td>2,721</td>
<td>-1,362</td>
</tr>
</tbody>
</table>
The chart shows what percent of total outflows to these States are Manufacturing jobs.

The largest percent (60%) is for Indiana.

The share of manufacturing jobs going to TX, TN and IN increased since 2007. TN experienced the largest increase, but dropped in 2013.
Source of Job Gains

Job Gains and Losses from Expanding and Contracting Manufacturing Establishments

Business Employment Dynamics, Seasonally Adjusted Data
Source of Job Gains

Job Gains and Losses from Opening and Closing Manufacturing Establishments

Gains from Openings

Losses from Closings

Business Employment Dynamics, Seasonally Adjusted Data
Age and Earnings

More Insights from other Data Sources
Earnings by Age Group

Average monthly, Beginning Quarter

Source: QWI
Michigan – Total Net J2J Flows

- Net outflow of jobs from MI were the largest (-35,000) in 2007.

- Between 2001 and 2009 job inflows dropped by 51 percent and have picked up by 67 percent between 2009 and 2013.

- Job outflows dropped by 50 percent during the same period. They have gone up by 61 percent since 2009.
Mapping the Job Losses and Gains
Mapping the Flows to States

Percentage of Total Manufacturing Inflows (2001-2013)

Percentage of Total Manufacturing Outflows (2001-2013)
Net Manufacturing J2J Flows to States
Insights Gained

- J2J Flows in Manufacturing are mainly from Administrative and support services and job hopping in the Manufacturing sector.
- The largest J2J flows are to and from the neighboring states of Illinois, Indiana and Ohio.
- The largest net outflows of manufacturing jobs are to Florida, Texas and Indiana, Tennessee and California.
- BED data shows that the source of job gains in Manufacturing is primarily from business expansions.
- More research needs to be done on demographics and education.
Contact Information

Aneesa I. Rashid, Ph.D.
Economic Specialist
Bureau of Labor Market Information and Strategic Initiatives/QCEW

P: 313-456-3054
E: rashida@michigan.gov

www.michigan.gov/lmi