

Manufacturing Rebound in Michigan: New Insights into Job Transitions

State of Michigan

Department of Technology, Management, and Budget

Bureau of Labor Market Information and Strategic Initiatives

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<http://milmi.org>



VISUALIZING JOB-TO-JOB FLOWS

MARCH 7, 2016

LED WORKSHOP

New Insights into Michigan Manufacturing Rebound

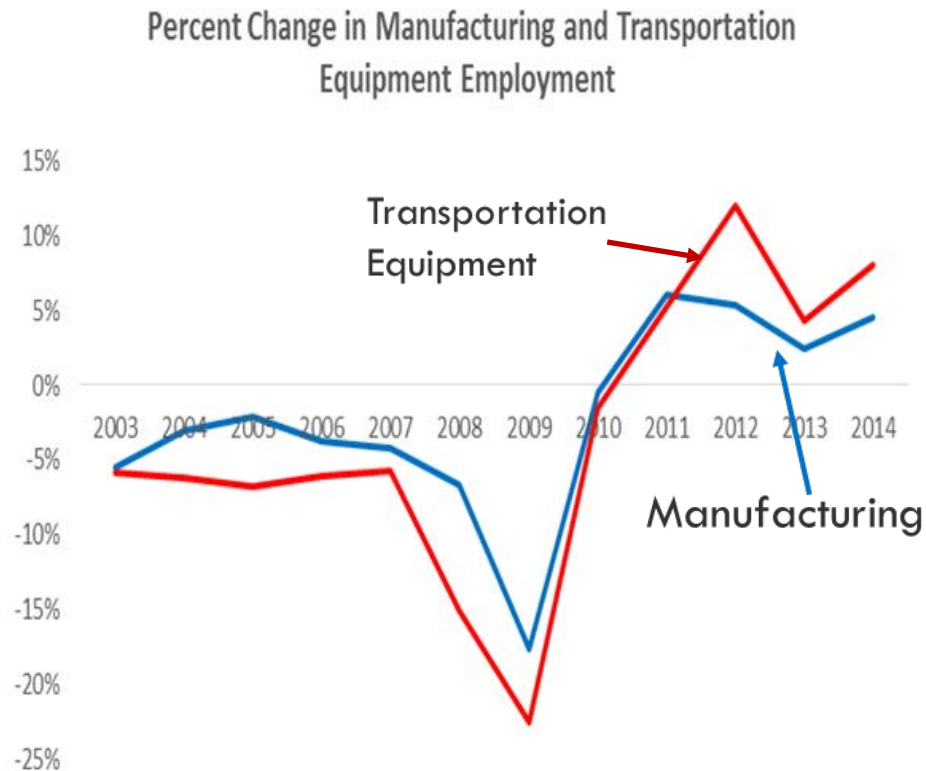
Main Objective of the Presentation

- 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

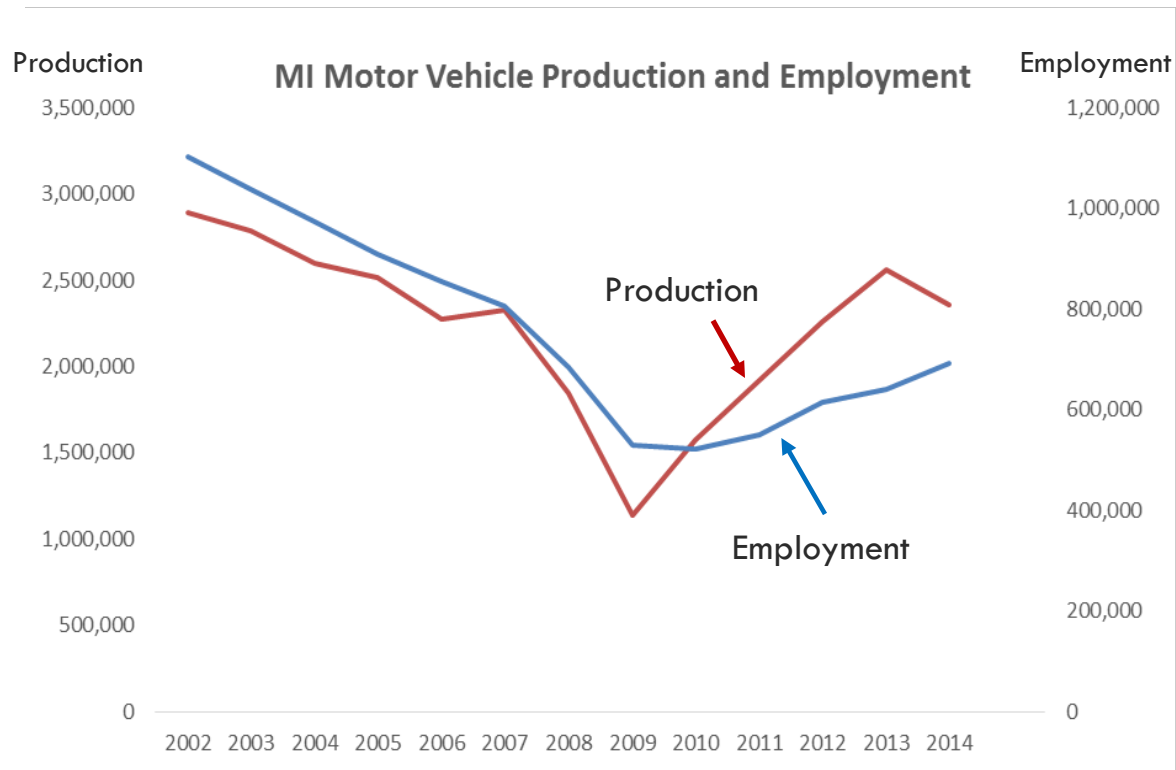
Background to the Decline in MI Manufacturing

- ❑ 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



Motor Vehicle Production and Employment

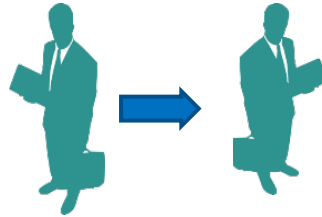


Michigan Vehicle Production fell 20.9 percent in 2008 and dropped 37.9 percent in 2009.

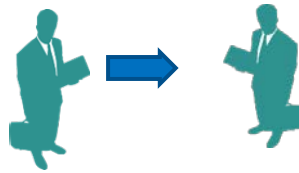
Job To Job Flows

US Census Bureau, LEHD, MIDTMB

Job2Job Hires:



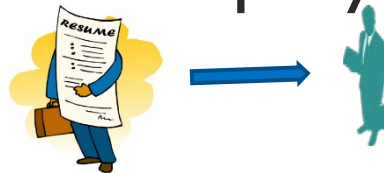
Job2Job Separations:



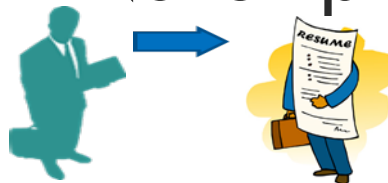
- J2J Hires and Separations have no non-employed spells. They are equal.

Hires from Persistent Nonemployment:

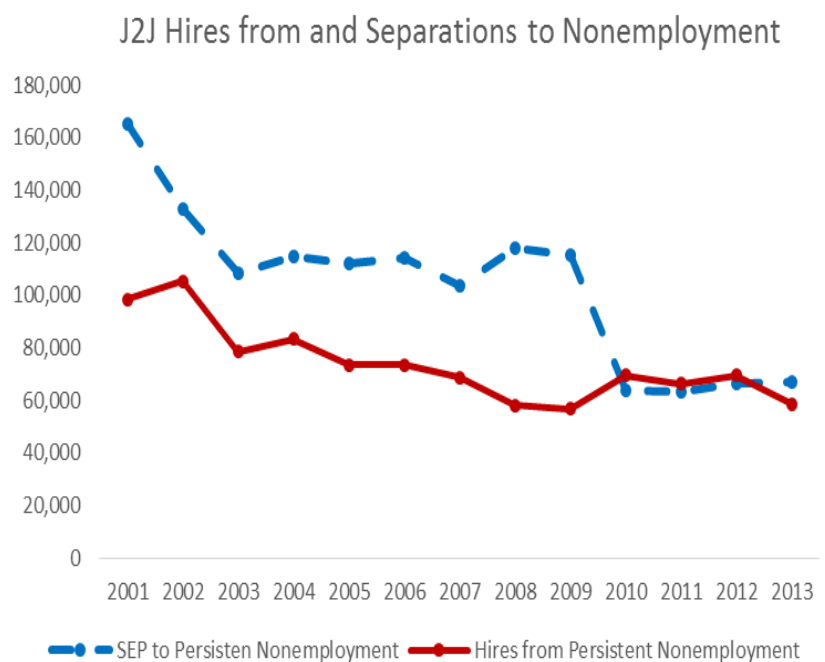
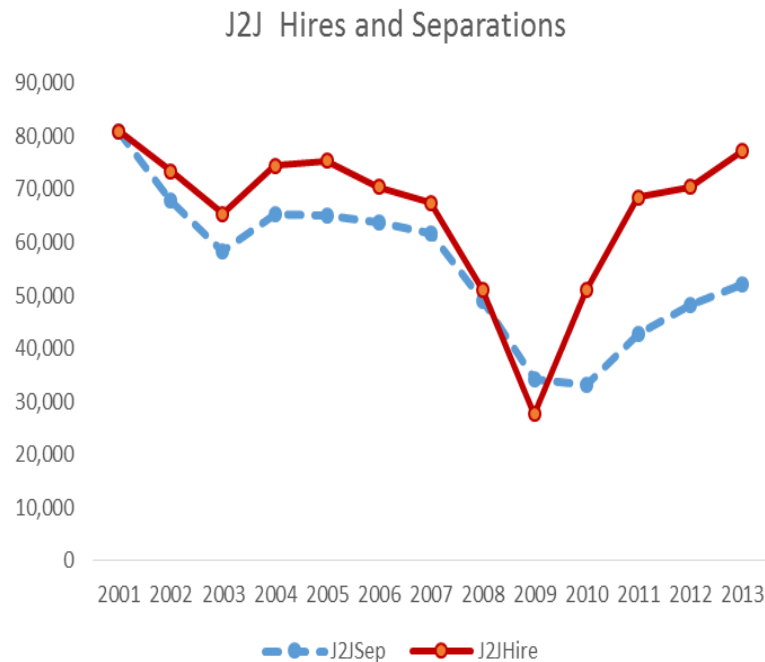
(A minimum of 3 months)



Separations to Persistent Nonemployment:

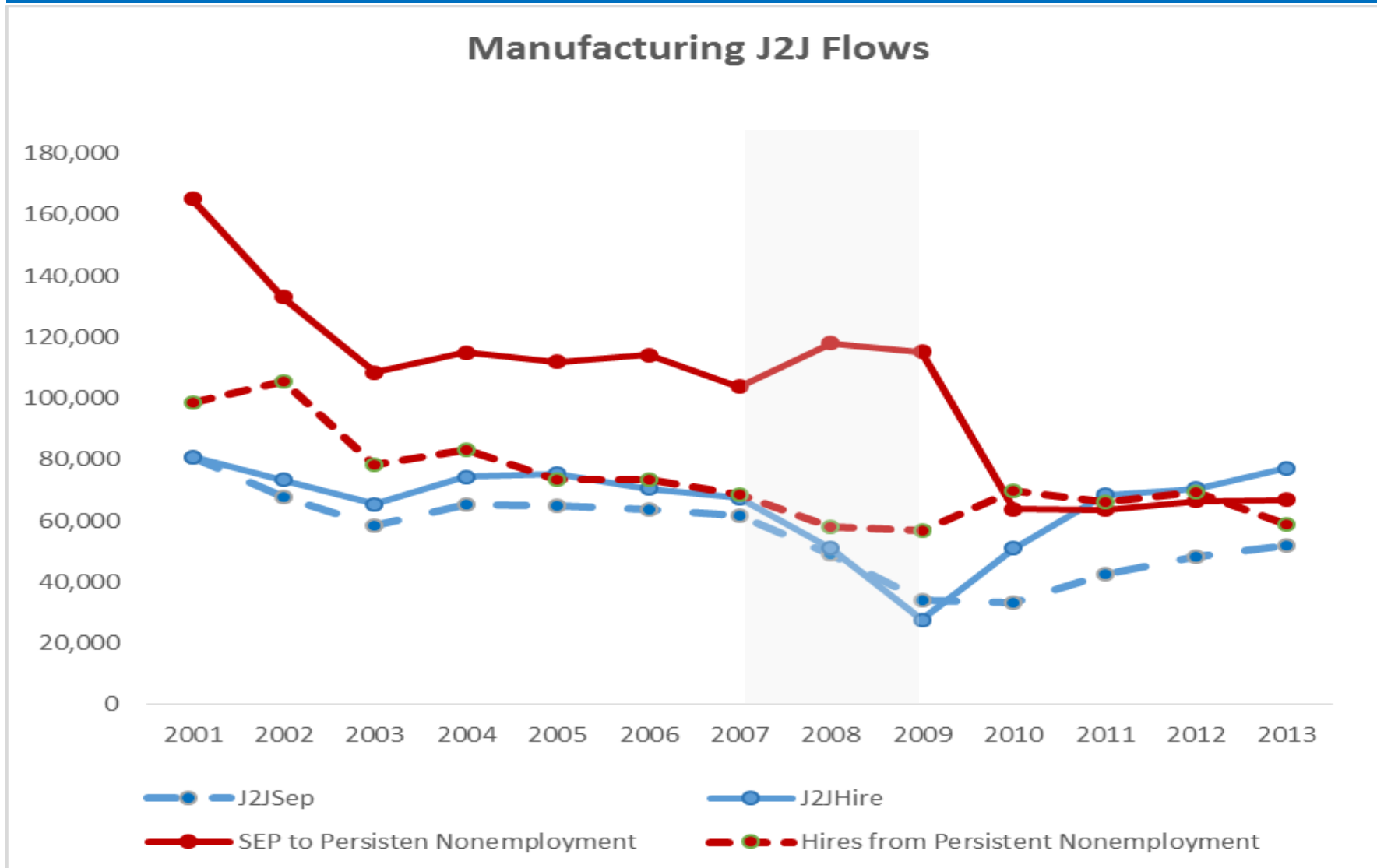


Main J2J Flows Indicators in MFG



- 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 Total J2J Flows



Manufacturing J2J Flows – Overview (2001 – 2013)

Net J2J Outflows to other States:
- 29,172



- Michigan Manufacturing to Other States
- From other States to Michigan Manufacturing

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



- Workers from Michigan Manufacturing to other Industries
- Workers to Michigan Manufacturing from other Industries

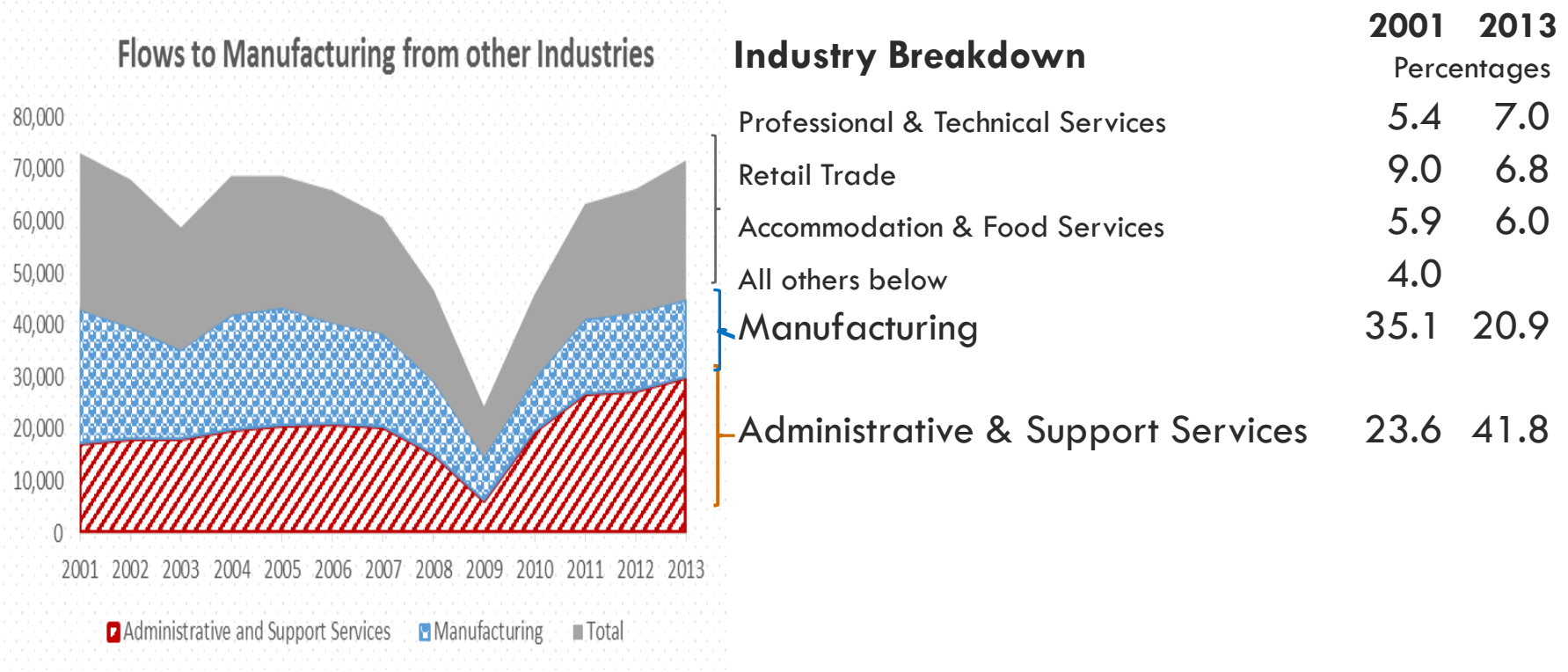
Net Job Hires From Persistent Nonemployment :
-384,923



- Michigan Manufacturing Separations to Persistent Unemployment
- Michigan Manufacturing Hires from Persistent Unemployment

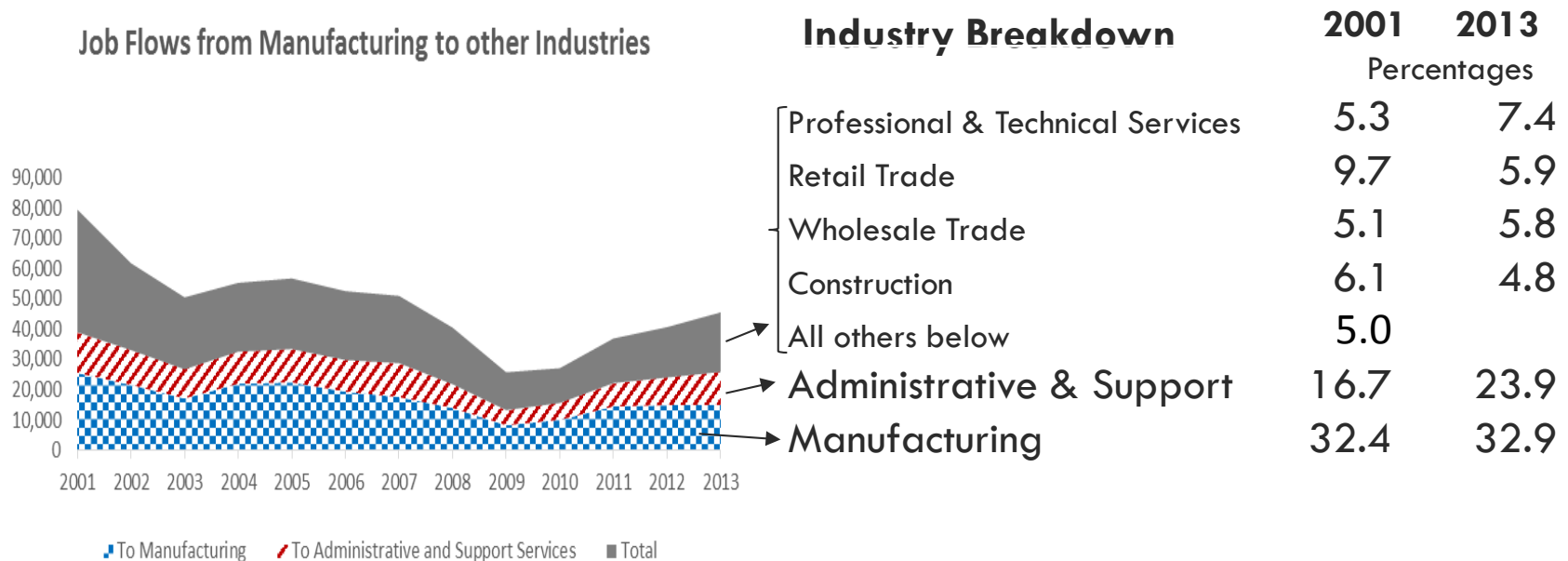
SA data

Job Poaching in Manufacturing



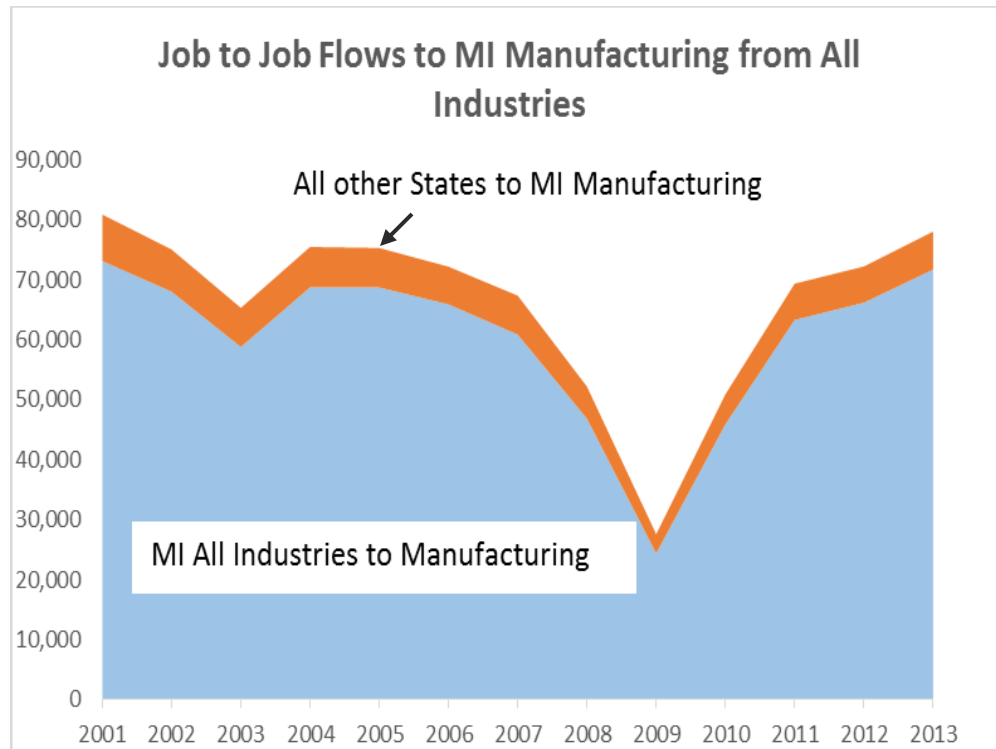
- Flows from the *Administrative and Support Services* which includes the **temporary help** sector have increased since the Recession and flattened out. Since 2001 flows increased by 74 percent while *Manufacturing J2J* flows dropped by 42 percent.

Job to Job Flows out of Manufacturing



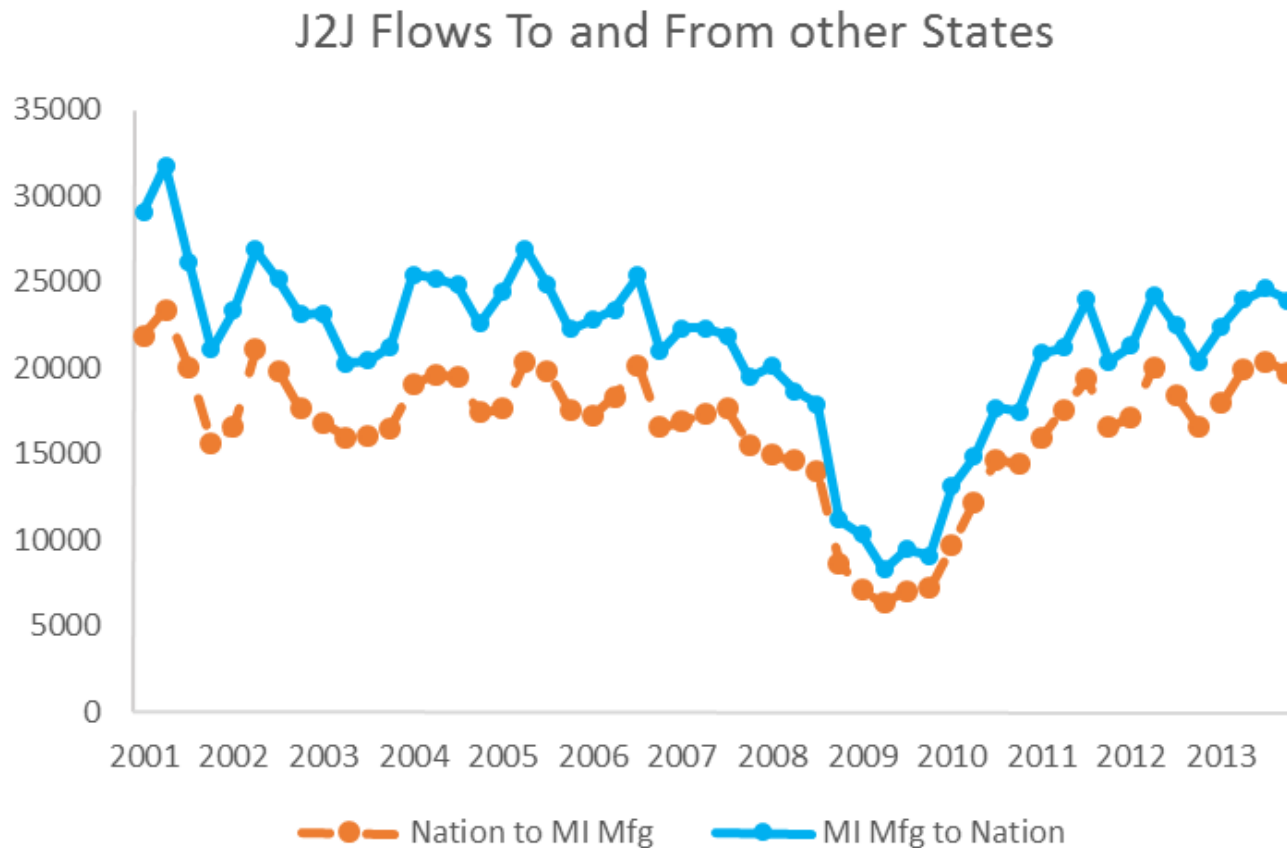
- J2J Flows in *Manufacturing* have dropped by 43 percent between 2001 and 2013. From 2001 to 2009 J2J flows dropped by 68 percent. Since then they have gone up by 77 percent.
- Nearly sixty percent of the flows are job poaching from other firms in *Manufacturing* and *Administrative and support services* (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).

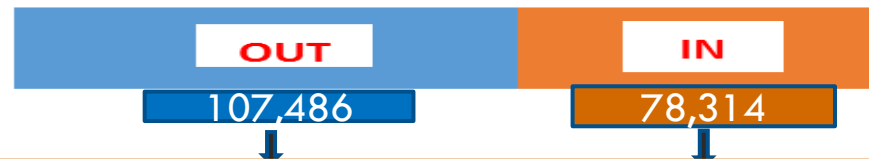
J2J Flows: To and From Nation








Where are MI MFG Workers Going?

Based on largest Net Outflows

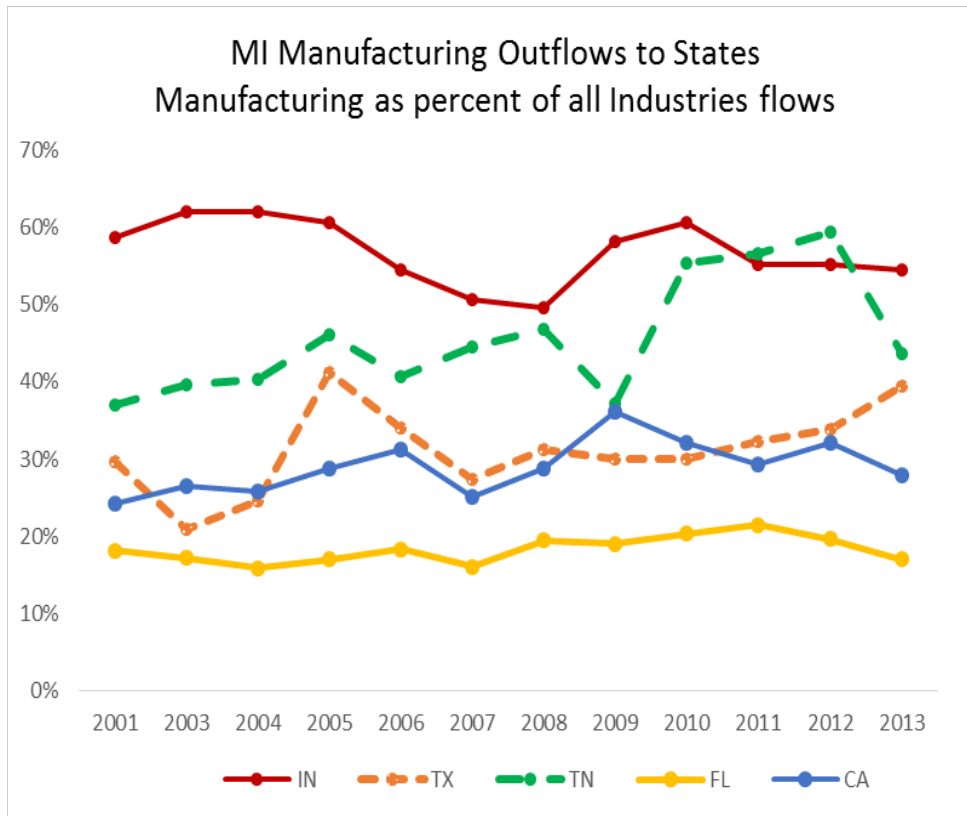
Net J2J Outflows to other States:
- 29,172



STATE	Outflows	Inflows	Net Outflows
Florida 	7,172	3,927	-3,245
Texas 	7,137	4,348	-2,789
Indiana 	16,975	14,510	-2,465
California 	4,907	3,172	-1,735
Tennessee 	4,083	2,721	-1,362

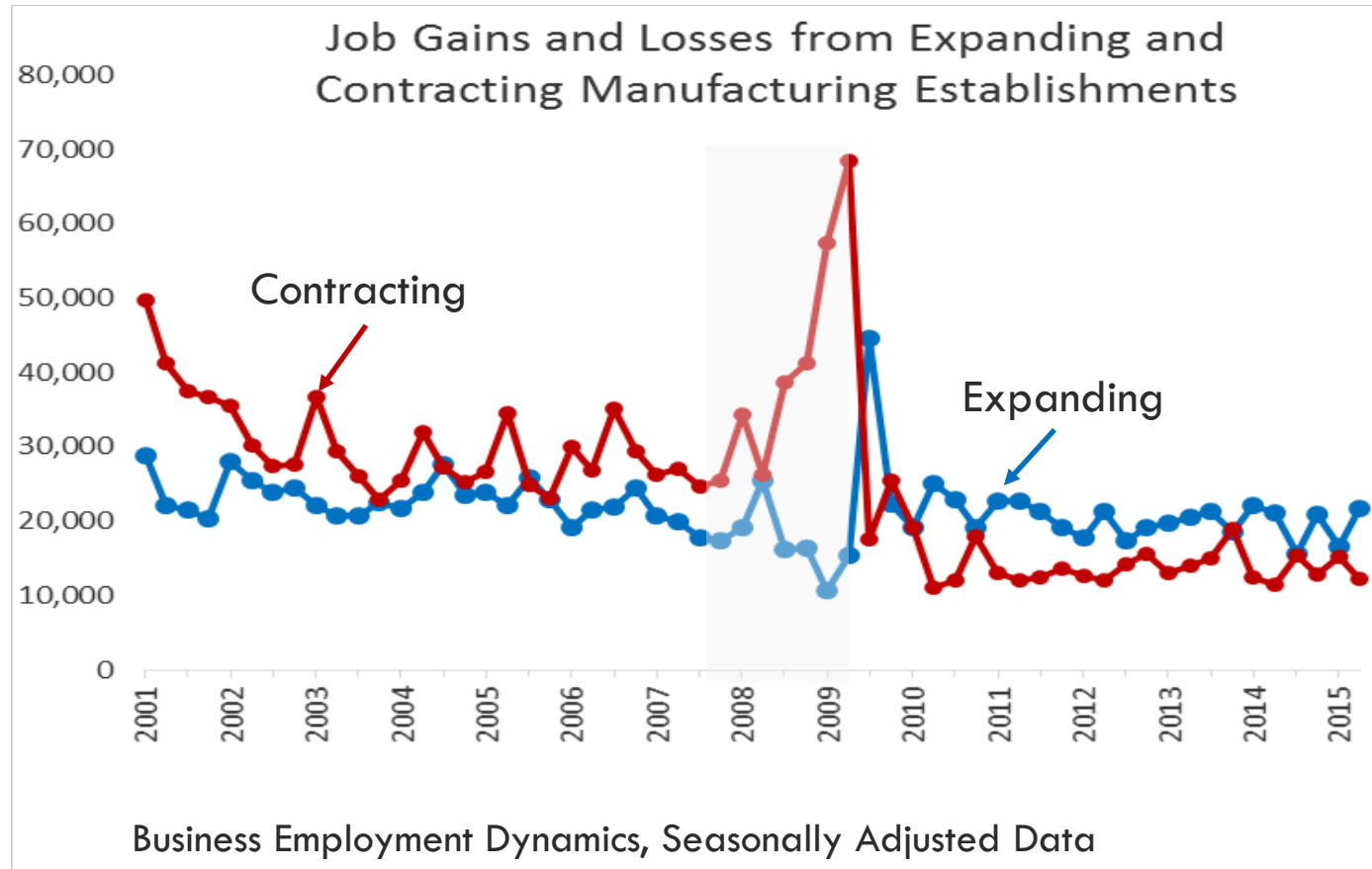
J2J Flows To States

MFG Share of all Industry Flows

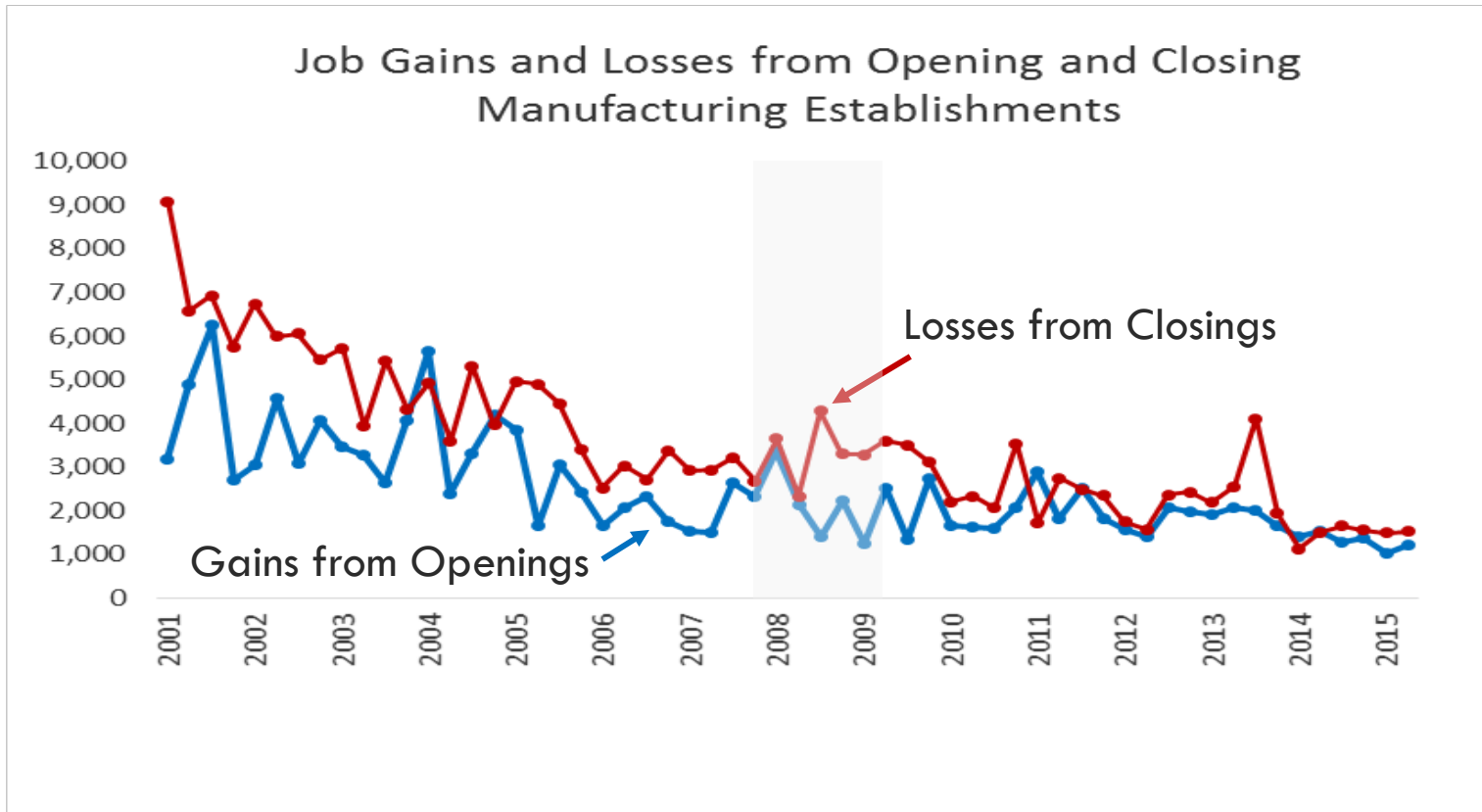


- The chart shows what percent of total outflows to these States are Manufacturing jobs.
- The largest percent (60%) is for *Indiana*.
- The share of manufacturing jobs going to *TX*, *TN* and *IN* increased since 2007. *TN* experienced the largest increase, but dropped in 2013.

Source of Job Gains



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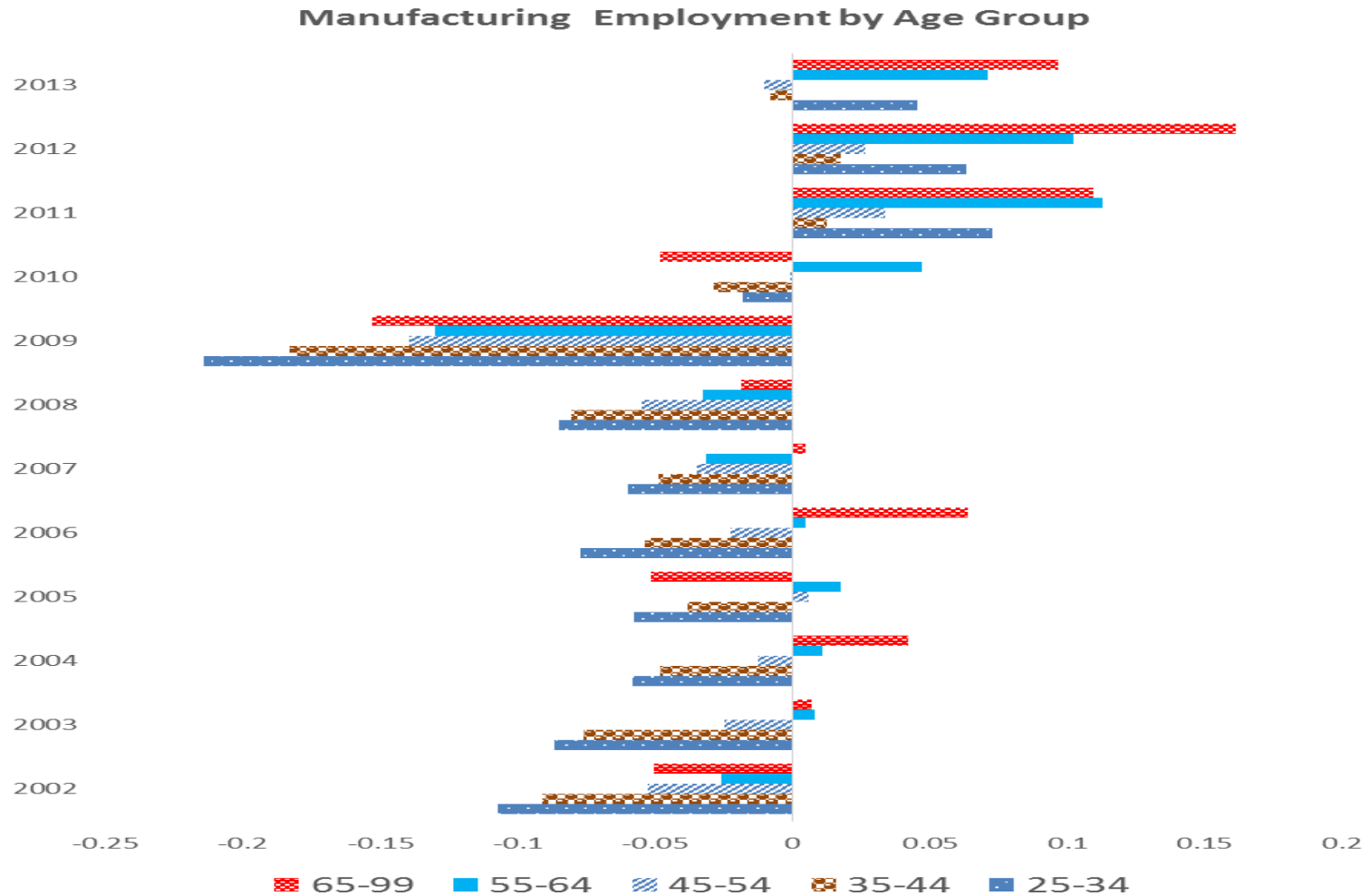
Business Employment Dynamics, Seasonally Adjusted Data

Age and Earnings

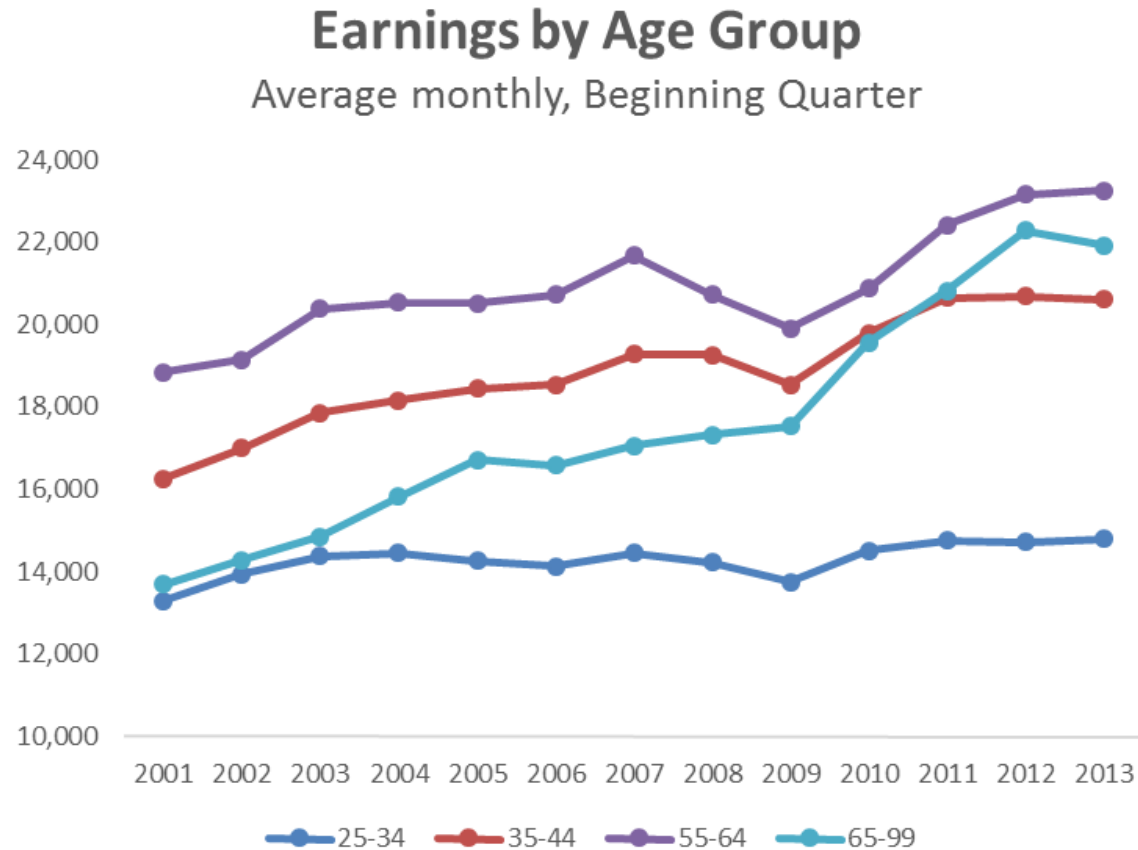


More Insights from other Data Sources

Manufacturing Employment by Age Group

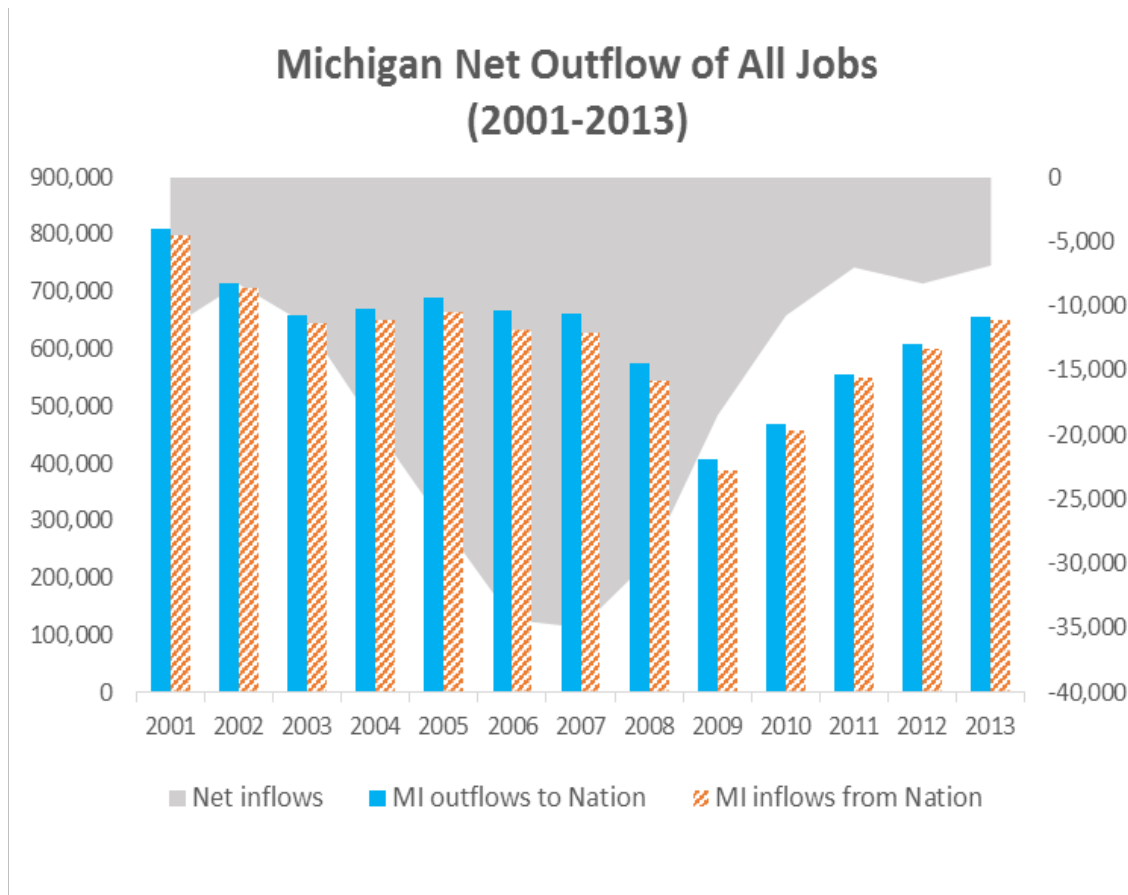


Earnings by Age Group



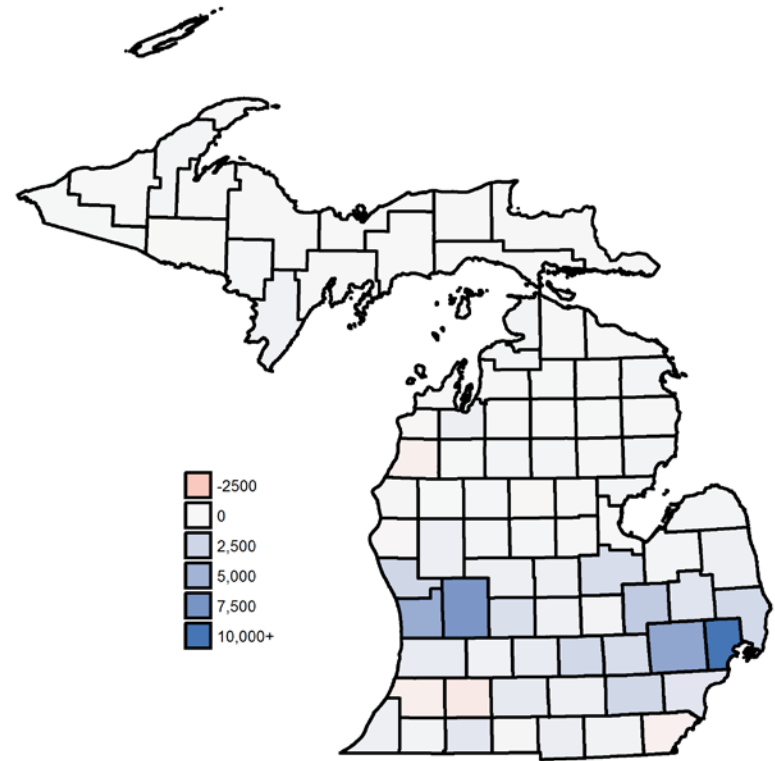
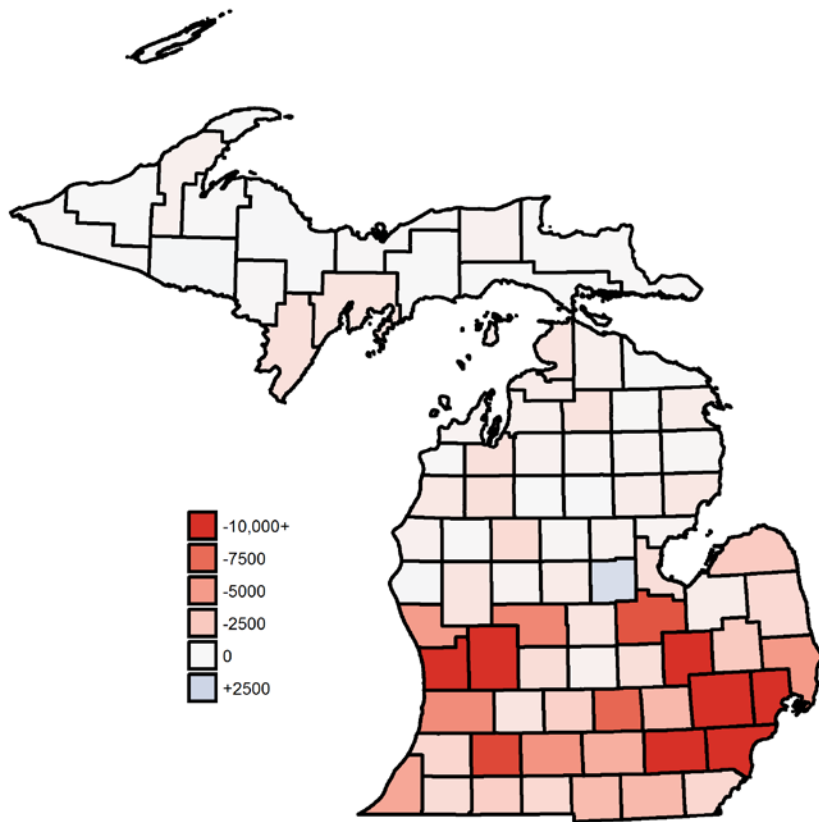
Source: QWI

Michigan – Total Net J2J Flows



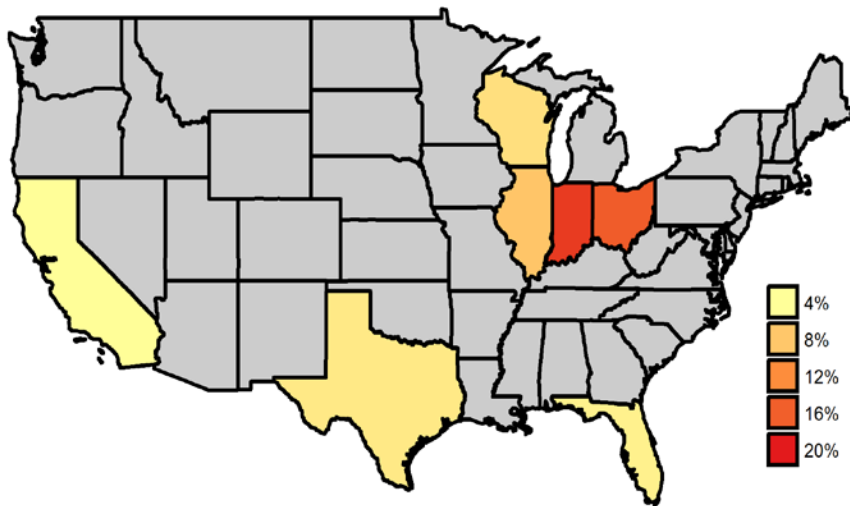
- Net outflow of jobs from MI were the largest (-35,000) in 2007.
- Between 2001 and 2009 job **inflows** dropped by 51 percent and have picked up by 67 percent between 2009 and 2013.
- Job **outflows** dropped by 50 percent during the same period. They have gone up by 61 percent since 2009.

Mapping the Job Losses and Gains

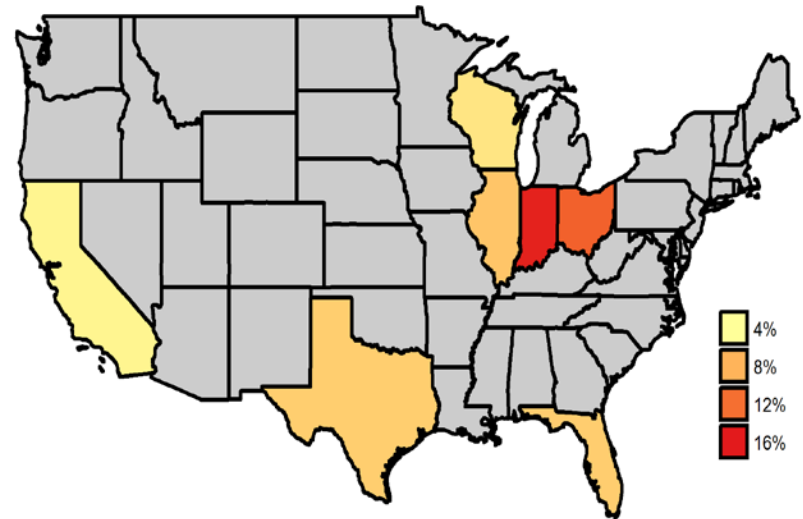


Mapping the Flows to States

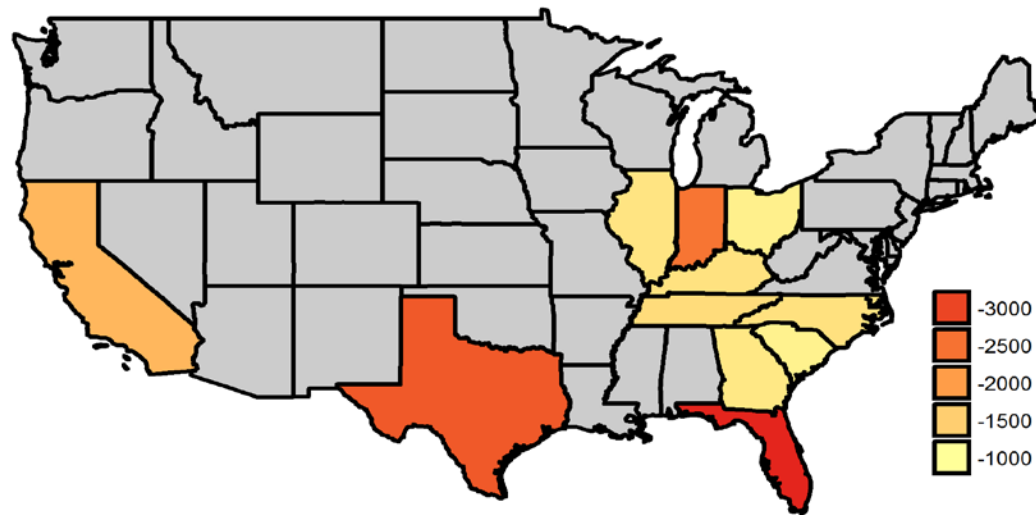
Percentage of Total Manufacturing
Inflows (2001-2013)



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

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