



Labor Markets in Michigan

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An educated and skilled population matters for Michigan...

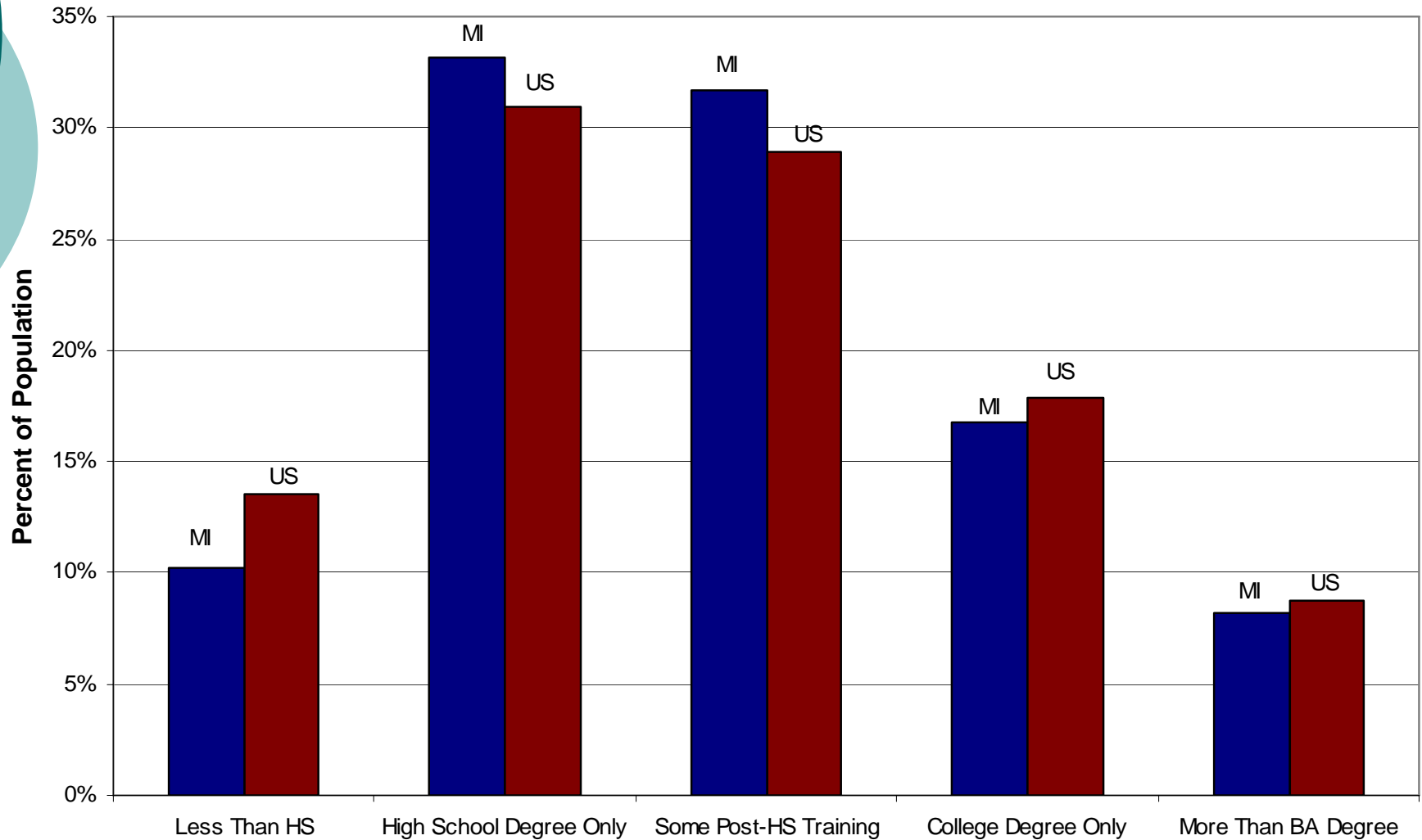
- Increases the productivity and economic resources in the state
- Creates a strong base of economic spending and taxable resources
- Attracts new firm location
- Associated with greater civic involvement



Larger numbers of less-skilled workers can lower economic growth...

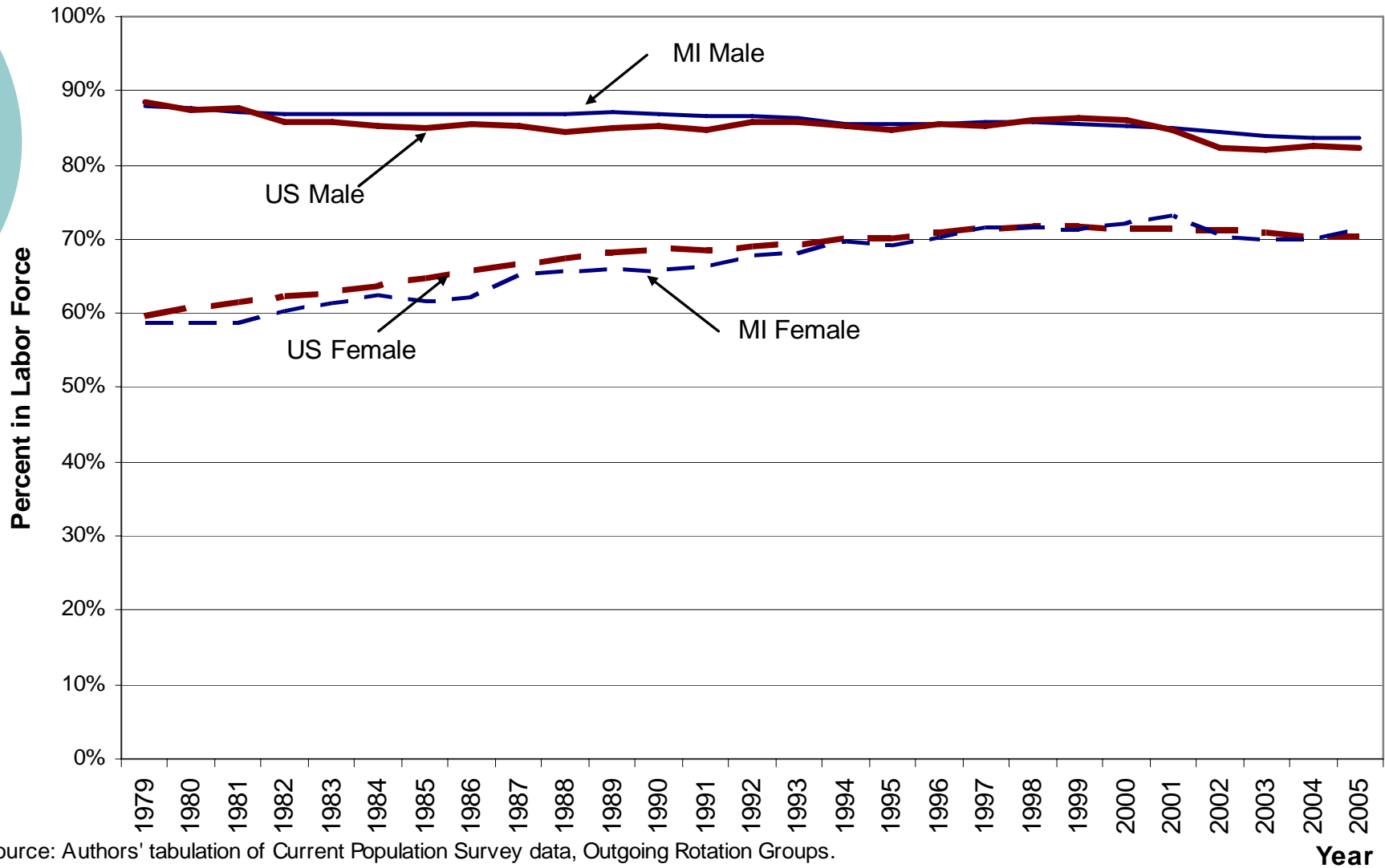
- Less-skilled workers are more likely to be in jobs that are more cyclical or short-term. They experience more unemployment, which causes economic, social (and political) pain.
- Less-skilled workers are less likely to be covered by pension or health plans, and use more public resources.
- Firms employing less-skilled workers can find equivalent workers in other locations.

Figure 1a
Population Shares by Skill Level in Michigan and the U.S.,
2005



Source: Authors' tabulation of Current Population Survey data, Outgoing Rotation Groups.

Figure 2
Labor Force Participation Rates by Gender in Michigan and the U.S., 1979-2005

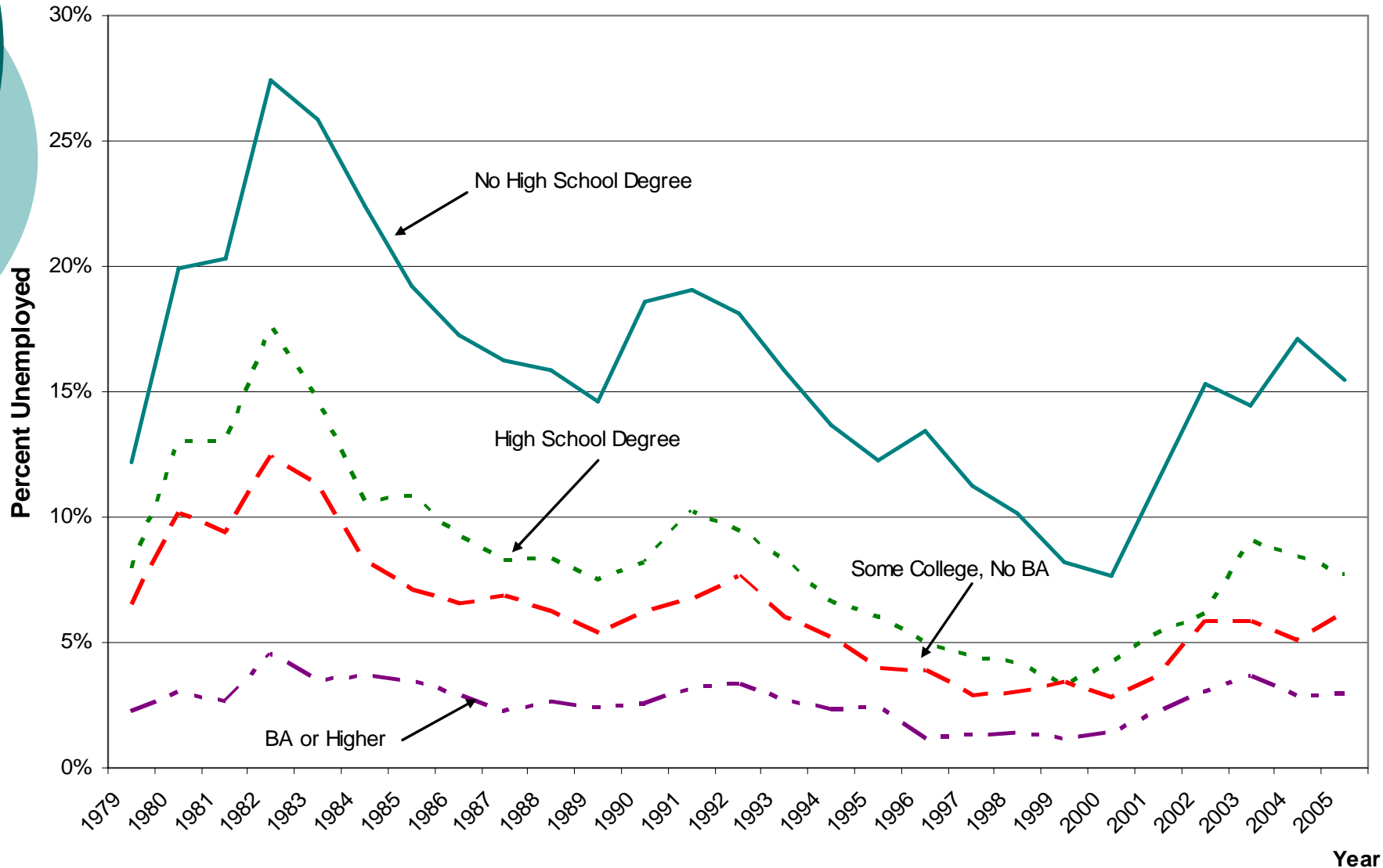


Source: Authors' tabulation of Current Population Survey data, Outgoing Rotation Groups.

Year

Figure 3a

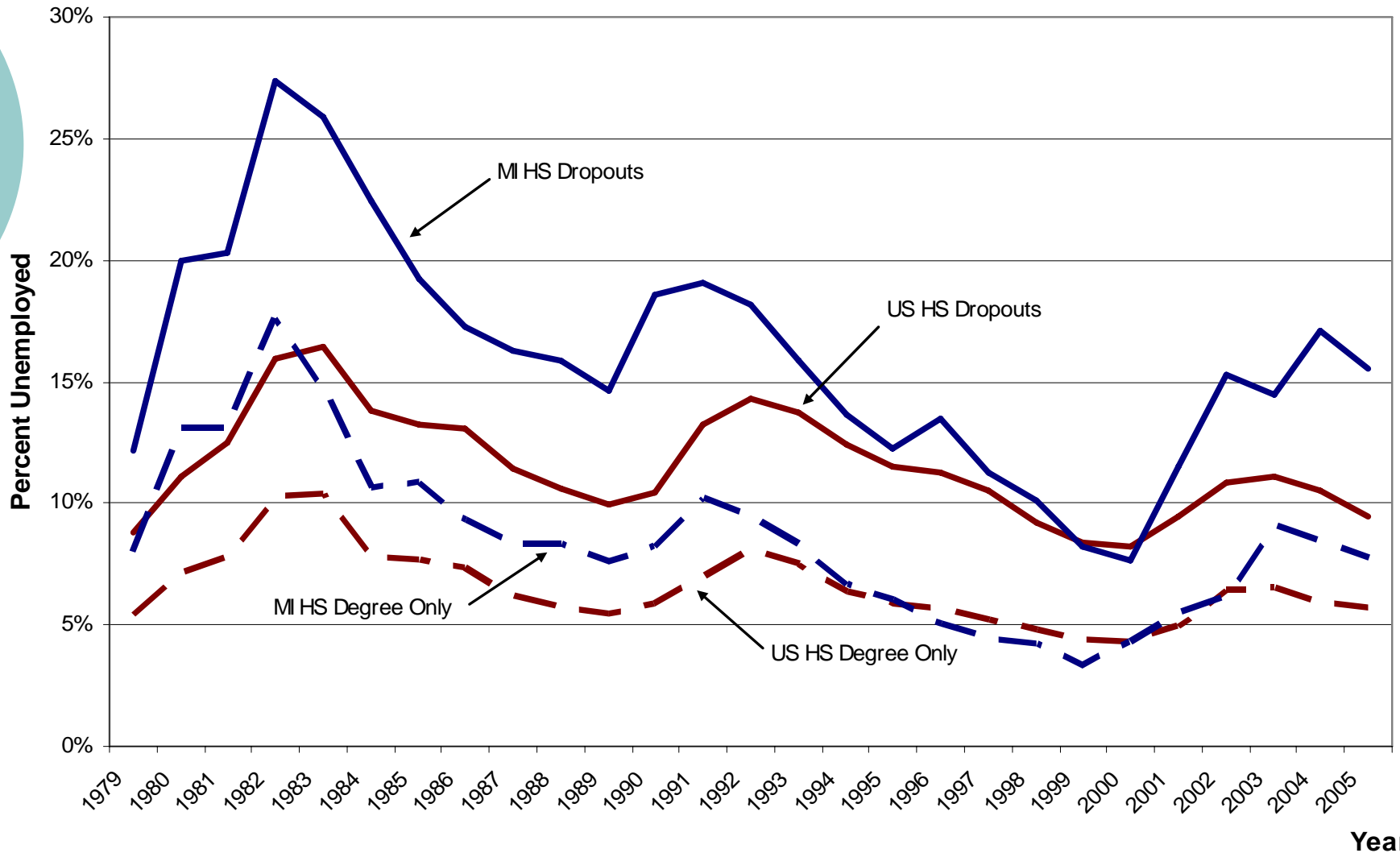
Unemployment Rates by Skill Level in Michigan, 1979-2005



Source: Authors' tabulation of Current Population Survey data, Outgoing Rotation Groups.

Figure 3b

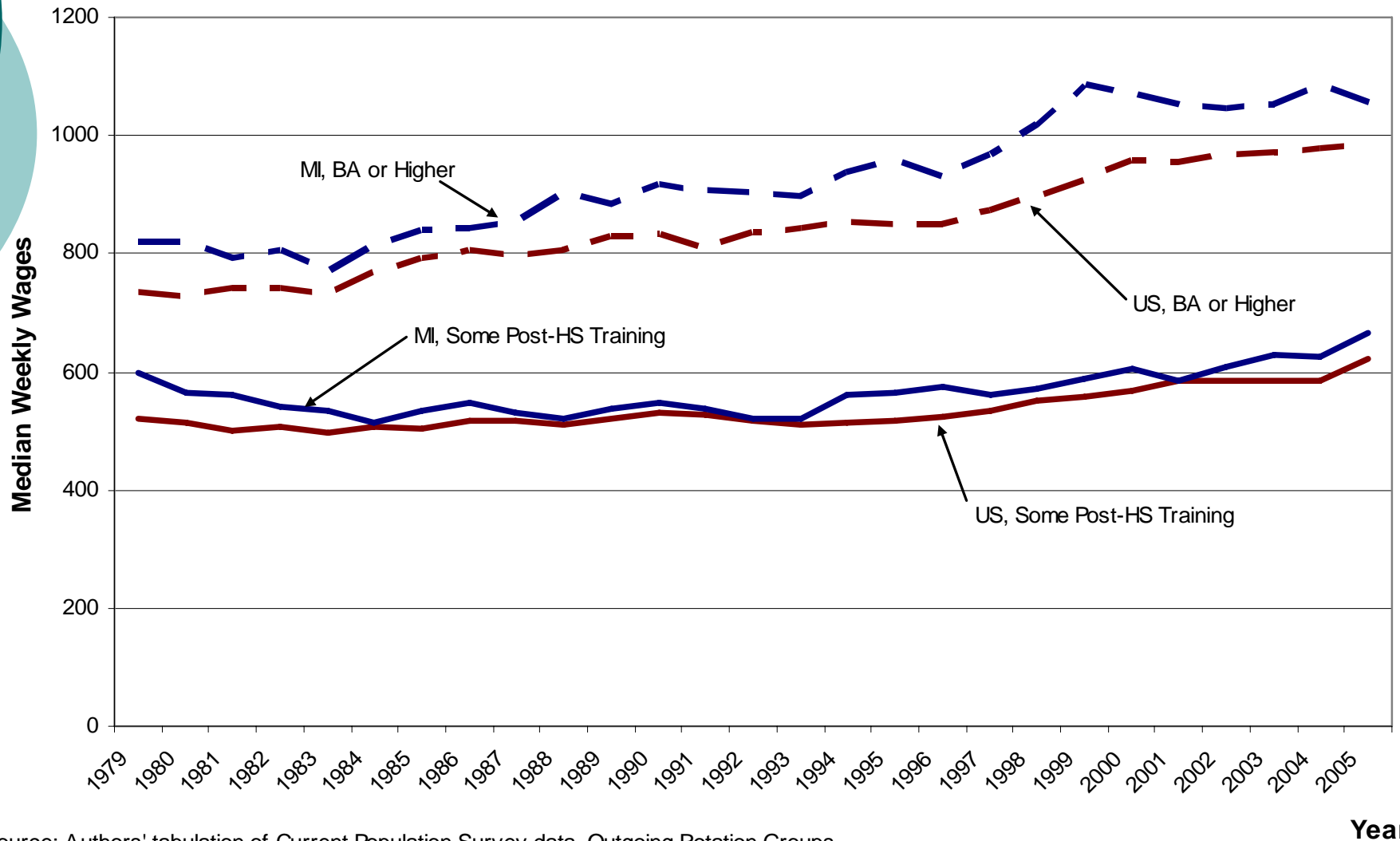
Unemployment Rates for Less Skilled Workers in Michigan and the U.S., 1979-2005



Source: Authors' tabulation of Current Population Survey data, Outgoing Rotation Groups.

Figure 4a

Adjusted Michigan and U.S. Median Weekly Wages for More Skilled Workers, 1979-2005 (2005 Dollars)



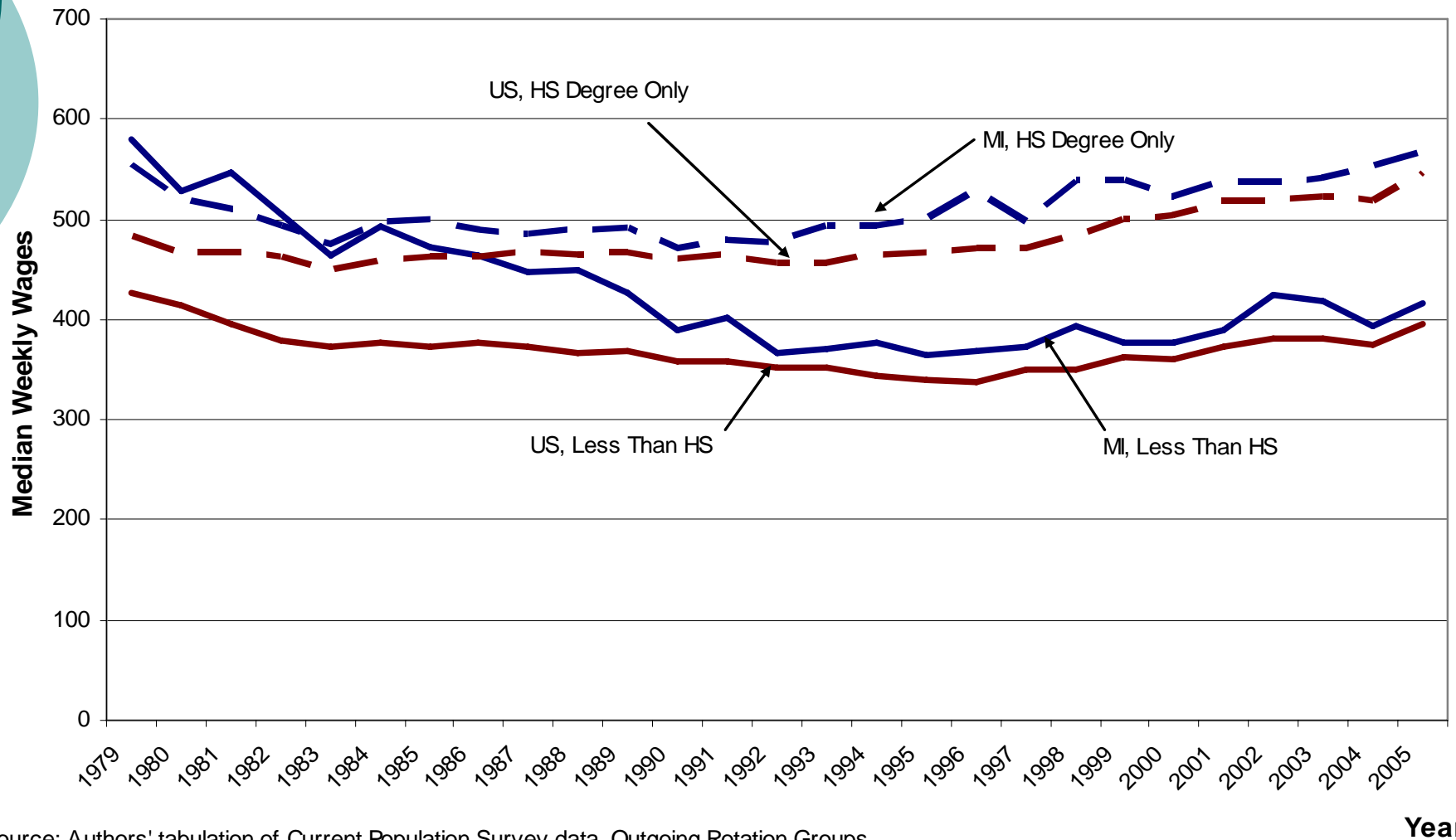
Source: Authors' tabulation of Current Population Survey data, Outgoing Rotation Groups.

Note: Adjusted for full time equivalents; inflation correction based on GDP Personal Consumption Deflator.

Year

Figure 4b

Adjusted Michigan and U.S. Median Weekly Wages for Less Skilled Workers, 1979-2005 (2005 Dollars)



Source: Authors' tabulation of Current Population Survey data, Outgoing Rotation Groups.

Note: Adjusted for full time equivalents; inflation correction based on GDP Personal Consumption Deflator.

Year

Summary

- MI has a smaller share of college educated than in the U.S, but also a smaller share of HS dropouts.
- LF participation among less skilled is lower in MI.
- Unemployment among less-skilled is higher in MI. The difference has widened in the 2000s.
- MI remains a high wage state for the more skilled, but not for the less-skilled.



Policy Issues: Building labor force skills among current workers

- Attract new educated workers to MI
 - Needs diverse industry
 - Needs vibrant urban areas
- Make community colleges affordable/usable for adult workers?
- Public/private partnerships for retraining and skill advancement, using private sector venues or 'intermediary' organizations.



Policy Issues: Keeping low skilled workers in the labor force

- Minimum wage debate
- A state earned income tax credit?
- Efforts to re-integrate those coming out of prison
- Ongoing efforts at welfare-to-work



Policy Issues: Attracting and Keeping High Skilled Workers

- Strong higher education system
- Industrial diversity
- Jobs in growing and technologically interesting industries
- Interesting places for people to live



Focusing on schools and training is not enough...

The labor market and educational challenges within MI are closely linked to the larger economic challenges in the state. If the state is growing economically, solving the education, training, and employment problems will be far easier.