

WEST MICHIGAN VIEWPOINT

Never Look Back: Revised Employment Estimates for 2007

Every March, with the availability of more complete data, Michigan's Department of Labor and Economic Growth (MDLEG) publishes new "rebenchmarked" employment estimates for the previous two years. Unfortunately, this year the revised estimates show that 2007 was worse than previously estimated. In fact, the revised employment statistics now show that employers in the six metro areas of west Michigan reduced their workforce by 0.4 percent, a loss of 3,100 jobs. Previously, it was thought that employers would add 1,100 workers during the year.

Overall, 2007 proved to be a very harsh year for manufacturers. While previous estimates reported that the region's manufacturers trimmed their workforce by 1.6 percent, it is now estimated that the cuts were much deeper—a 3.0 percent reduction, or a loss of 5,200 jobs.

In addition, the full extent of the collapse of the residential construction sector was not captured in the first estimates. It is now estimated that the region's construction firms cut 6.1 percent of their workforce last year—a loss of 2,300 jobs—which is much more severe than the earlier reported 1.9 percent drop.

The employment revisions also show that employment gains in the region's education and health services sector

were overestimated. The sector grew by an impressive 2.4 percent in 2007, but that was down from the earlier estimate of a more robust 3.2 percent gain.

On the upside, the region's professional and business services sector had a much better year in 2007 than previously estimated, growing by 3.4 percent, up from 1.1 percent. A part of this increase could stem from the proper reclassification of temporary workers: it is possible that employers mistakenly listed temp agency workers as their own employees, whereas the new estimates, which are based on unemployment insurance administrative records, properly classified temporary workers as business services workers, regardless of where they work.

The revised employment estimates confirm that the Kalamazoo-Portage and Niles-Benton Harbor MSAs posted job gains in 2007, as employers in the two metro areas added 1,400 jobs. Unfortunately, the revised estimates also show that the Grand Rapids-Wyoming MSA suffered a modest 0.1 percent loss in employment, whereas the previous estimate had its employment growing by 0.4 percent. Finally, the revised numbers show that the employment losses in the Battle Creek, Holland-Grand Haven, and Muskegon-Norton Shores MSAs were deeper than previously expected.

West Michigan						
Estimated 2007 Employment Change by Major Sector						
Industry	New rebenchmarked estimate			Old benchmarked estimates		
	2007 estimate	% change from 2006	Employment change	% change from 2006	Employment change	Difference
Total nonfarm	842,300	-0.4	-3,100	0.1	1,100	-4,200
Manufacturing	169,600	-3.0	-5,200	-1.6	-2,800	-2,400
Construction	34,800	-6.1	-2,300	-1.9	-700	-1,600
Retail	93,000	-0.9	-900	-0.2	-200	-700
Financial activities	38,600	-1.2	-500	0.7	300	-800
Professional and business svcs.	100,300	3.4	3,300	1.1	1,100	2,200
Education and health svcs.	121,100	2.4	2,800	3.2	3,800	-1,000
Leisure and hospitality	75,700	0.3	200	0.4	300	-100
Other services	35,700	-0.6	-200	-0.6	-200	0
Government	103,200	-0.7	-700	-0.5	-500	-200
Total Employment						
Estimated 2007 Employment Change by Area						
Metropolitan area	New rebenchmarked estimate			Old benchmarked estimates		
	2007 estimate	% change from 2006	Employment change	% change from 2006	Employment change	Difference
Battle Creek	59,000	-1.7	-1,000	-1.1	-700	-300
Grand Rapids-Wyoming	393,400	-0.1	-300	0.4	1800	-2,100
Holland-Grand Haven	113,500	-1.8	-2,000	-0.5	-600	-1,400
Kalamazoo-Portage	146,600	0.4	600	0.5	700	-100
Muskegon-Norton Shores	65,100	-1.8	-1,200	-0.7	-400	-800
Niles-Benton Harbor	64,700	1.3	800	0.6	400	400
West Michigan	842,300	-0.4	-3,100	0.1	1100	-4,200