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The COVID-19 Initial Impact on Michigan's Labor Market

by Marcelo Siles & Rubén Martínez

The pandemic created by the spread of SARS-Cov-2, the novel coronavirus that causes COVID-19, has had an enormous impact on the economies of states and the nation. Michigan's Gross Domestic Product (GDP) achieved a growth of 2.7 percent in 2002, a high point prior to the Great Recession of 2007-09, then reached a negative 8.8 percent in 2009. It then had a positive increase of 5.5 percent in 2010, and since then had experienced relatively consistent growth, albeit in small increments, with a growth rate of .7 percent in 2019. From 2009 to 2019, the state's GDP increased in nominal terms from \$365.5 million in 2009 to \$541.5 in 2019, representing an increase of 48.2 percent. During this period Michigan's economy grew on average at 2.2 percent annually.

This economic expansion had a direct impact on the state's labor markets. The labor force participation rate (LFPR), people available to work as a percentage of the total population, reached a high of 62.8 percent in 2010, but this rate was lower than the national rate, which was 66.8 percent. This difference is due to Michigan having a higher proportion of elders than does the country as a whole. In 2012, Michigan's LFPR declined to 60.0 percent and remained practically constant at 60.5 percent up to 2016, when it began to increase slowly but steadily to 61.8 percent in 2019 but remaining lower during this period than the national average. The state's unemployment rate reached a peak close to 15.0 percent in 2010, and then declined steadily to 3.6 percent in December 2019.

In January 2020, just as the pandemic was beginning, the state's unemployment rate reached 4.1 percent. Due to the COVID-19 outbreak, by April the state's unemployment rate jumped to 22.7 percent. Predictably, the decline in Michigan's unemployment rates show huge disparities

among racial and ethnic groups. In 2009, during the Great Recession, African Americans were facing 17 percent unemployment, followed by Hispanics with 13 percent, Whites with 9 percent, and Asians with 8 percent. In 2019, the disparities continued even after the steady improvement in unemployment rates in the state. For African Americans it was 6.6 percent, for Hispanics 4.4 percent, for Whites 3.4 percent, and for Asians 3.3 percent. During this 10-year period, the improvement in unemployment rates was highest for African Americans with a difference of 10.4 percent, while the lowest was for Asians with 4.7 percent.

In March 2020, the Governor of Michigan and state health officials decided to halt economic activities to prevent the spread of the virus. As a result of this action, local labor markets experienced a direct negative impact even as it slowed the spread of the virus and saved lives. This article provides an analysis of the impact of the pandemic on employment changes during the periods March through April and May through June in Michigan's frontline and essential industries. We also describe changes in employment patterns during these two periods by selected worker characteristics, such as full-/part-time status, race and ethnicity, educational attainment, gender, age group, and family income. In addition, we describe employment changes in select industries by educational attainment and race and ethnicity.

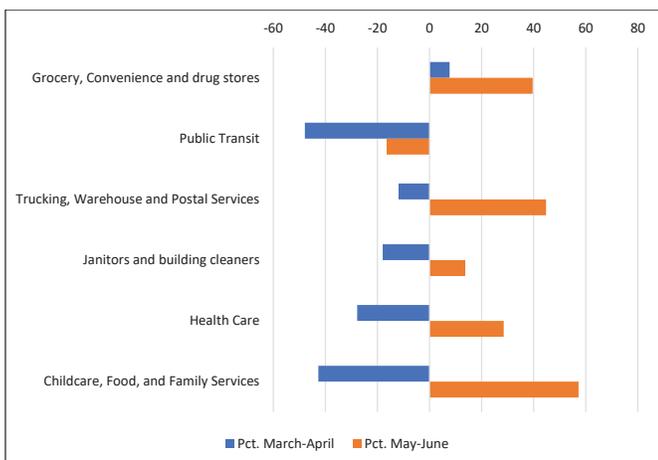
Finally, we expand the analysis to job losses in four Michigan metropolitan areas: Detroit (Livingston, Macomb, Oakland, and Wayne Counties), Grand Rapids (Kent and Muskegon Counties), Saginaw (Saginaw and Genesee Counties), and Jackson (Jackson and Washtenaw Counties). To show the extent of the impact of COVID-19 on

unemployment rates within the state we examine increases in rates within the four metropolitan areas from March to June. Data used for the analysis were obtained from the Current Population Survey (CPS) of the U.S. Bureau of the Census and the U. S. Bureau of Labor Statistics.

Researchers from the Center for Economic and Policy Research identified six broad industries currently on the frontlines of the response to the pandemic. These include “grocery store clerks, nurses, janitors and business cleaners, warehouse workers, and bus drivers, among others. They were essential before the pandemic hit, yet also overworked, underpaid, under protected, and under-appreciated” (Rho, et.al, 2020, p. 3).

Figure 1 shows that only one of those industries, Grocery, Convenience, and Drug Stores, increased its numbers of workers from March to April, reflecting a 7.7 percent increase. The other five industrial sectors showed declines in employment during this period with Public Transit (47.9%) and Childcare, Food, and Family Services (42.7%) having the highest employment losses, and Trucking, Warehouse, and Postal Service (11.9%) the lowest, with Janitors and Building Cleaners (18.0%) between the two. The public transit sector is the only frontline industry with negative employment figures in both periods from March through June. The sector lost 16.5 percent of its employed from May through June, which represents a total loss of 18,931 jobs from March to June. The other five industries showed employment gains from May through June, with Childcare, Food, and Family Services (57.2%) and Trucking, Warehouse, and Postal Services (44.7%) experiencing the highest gains, and Janitors and Building Cleaners (18.0%) and Health Care (27.8%) the lowest gains in employment.

Figure 1. Michigan Frontline Industry Employment Changes, March to April and May to June 2020



Source: Current Population Survey.



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The six frontline industries experienced a total loss in employment of 421,973 jobs from March to April, but they recovered 342,574 jobs from May through June. This makes a net loss in employment of 79,399 jobs across the six frontline industries during the period of March to June 2020.

Table 1 presents figures for 13 industrial sectors in Michigan which are considered essential and have major employers in the state. The number of workers declined in all of these sectors from March to April. The four industrial sectors with the highest numbers of job losses were Educational and Health Services with 307,179, Manufacturing with 222,969, Leisure and Hospitality with 177,401, and Wholesale and Retail Sales with 173,103 jobs lost. These four essential industries reported a total loss of 880,652 jobs from March to April, representing 62.9 percent of the total number of jobs lost across the thirteen industrial sectors considered essential for Michigan’s economy.

Table 1. Michigan Essential Employment Change, March to April and March to June 2020

Essential Industry	April vs. March		June vs. March	
	% Change	Employment Change	% Change	Employment Change
Agriculture, Forestry, and Fishing	-44.2%	-33,189	20.3%	8,504
Financial Activities	-17.0%	-54,930	7.4%	19,893
Professional and Business Occupations	-14.9%	-60,344	47.9%	165,191
Service Occupations	-28.5%	-63,505	-18.5%	-29,492
Wholesale and Retail Sales	-28.4%	-173,103	-0.4%	-1,896
Office and Administrative Support	-2.6%	-10,139	16.3%	61,797
Construction and Extraction	-20.6%	-45,437	7.5%	13,135
Manufacturing	-27.7%	-222,969	31.6%	184,120
Leisure and Hospitality	-43.7%	-177,401	36.5%	83,284
Installations, Maintenance, and Repair	-29.6%	-52,914	-1.1%	-1,413
Production Occupations	-46.4%	-159,410	82.1%	151,257
Educational and Health Services	-25.5%	-307,179	14.9%	133,959
Transportation and Utilities	-17.4%	-38,624	3.9%	7,093

Source: Current Population Survey.

Only three of the thirteen essential industries reported employment losses from May through June: Service occupations lost 29,492 jobs, Wholesale and Retail Sales 1,896 jobs, and Installations, Maintenance, and Repair 1,413 jobs. The other ten industries had employment gains during this period. Manufacturing, Michigan’s key industry, added 184,120 jobs, Professional and Business Occupations added 165,191 jobs, Production Occupations added 151,257 jobs, and Educational and Health Services added

133,959 jobs. The total number of jobs recovered during this period was 795,432 jobs, which makes a net job loss from March to June 603,712, representing 11.2 percent of the number of jobs available in the essential industries in March.

Michigan’s essential industries with the highest numbers of job losses from March through June—Wholesale and Retail Sales (174,999), Educational and Health Services (173,220), Leisure and Hospitality (94,117), and Service Occupations (92, 997)—belong to the service sector of the state’s economy. Among these four industries the state lost 535,333 jobs or 88.7 percent of the total employment losses among all essential industries from March through June. Only two of Michigan’s essential industries reported employment gains during the period from March through June—Professional and Business Occupation with a gain of 104,847 jobs, and Office and Administrative Support with 51,658 jobs.

Table 2. Michigan Employment Change, Selected Characteristics, March to April and March to June 2020.

Selected Characteristics	March Employment	% Change March-April	Employment Change March-April	% Change May-June	Employment Change May-June
Full/part-time status					
Full-time	3,683,938	-21.9%	-805,229	22.5%	649,072
Part-time	1,016,006	-38.6%	-392,145	10.8%	67,419
Race/ethnicity					
White	3,867,194	-22.3%	-863,657	20.8%	623,844
Black	580,690	-49.9%	-289,892	27.5%	79,843
Hispanic	161,956	-6.0%	-9,640	74.3%	113,195
Asian	204,385	-17.0%	-34,675	-16.6%	-28,127
Education					
High School	1,195,455	-34.0%	-406,699	19.3%	152,476
Some College	869,659	-33.0%	-287,416	41.2%	239,621
Associate Degree	403,605	-31.7%	-128,038	21.8%	60,177
College	1,061,166	-10.2%	-108,014	10.0%	95,242
Advanced	696,432	-10.9%	-75,742	3.3%	20,324
Gender					
Male	2,425,329	-25.4%	-615,509	20.7%	375,062
Female	2,336,021	-27.7%	-647,068	20.4%	345,226
Age group					
16-24	599,942	-31.4%	-188,108	17.7%	72,954
25-34	1,031,767	-26.9%	-278,010	11.8%	89,093
35-44	897,245	-19.5%	-174,779	26.8%	193,427
45-54	1,074,626	-28.1%	-302,350	27.6%	213,314
55-64	715,647	-15.5%	-110,882	21.2%	128,019
65+	380,717	-37.6%	-143,245	25.5%	60,655
Family Income					
Under \$25,000	284,601	-46.0%	-130,816	27.9%	42,919
\$25,000 to \$49,999	844,417	-42.6%	-360,135	23.7%	114,630
\$50,000 to \$74,999	899,679	-20.0%	-180,207	-3.0%	-21,675
\$75,000 and over	2,671,247	-19.7%	-526,214	27.1%	580,615

Source: Current Population Survey.

Table 2 provides employment losses for six socio-economic characteristics of Michigan workers due to the coronavirus pandemic during the months of March and April and from May to June. The initial impact of the pandemic was uneven for Full and Part-time workers, with the latter group losing 392,145 jobs, or 38.6 percent, during March and April, while Full-time workers lost 805,229 jobs, representing 21.9 percent. From May through June, 716,491 jobs were recovered by Full-time and Part-time workers, which represents 59.8 percent of the total job losses by both types of workers from March to April. Full-time workers gained 649,072 jobs while Part-time workers gained

only 67,419 jobs during the second period.

The analysis shows that the impact of the pandemic was also uneven among racial and ethnic groups. Blacks were the most impacted by the pandemic from March to April with 49.9 percent of them losing their jobs, while 6.0 percent of Hispanics, 17.0 percent of Asians, and 22.3 percent of Whites losing employment. This implies that the groups are differentially located in the occupational structure, and that Hispanics are disproportionately concentrated in essential industries. Among the four groups, a total of 1,197,864 jobs were lost during this period. The employment situation improved for three of the four racial and ethnic groups, but not for Asians who lost 28,127 jobs. Whites gained 623,844 jobs, Hispanics 113,195 jobs, and Blacks 79,843. A total of 788,755 were recovered from May through June by these groups of workers, which represent 65.8 percent or two-thirds of the total jobs lost during March and April 2020.

Regarding level of education, workers with only a high school education and those with some college lost employment in large numbers. The number of workers with a high school education who reported employment losses during March and April was 406,699 or 34.0 percent of this category, while workers with some college experienced a loss of 287,416 jobs or 33.0 percent of their employment at the beginning of the pandemic. On the other hand, employment losses for workers with college or advanced degrees were lower on a percentual basis—10.2 percent of workers with college degrees and 10.9 percent of workers with advanced degrees lost their jobs. Among these two categories a total of 183,756 workers lost their jobs during March and April 2020.

Workers in all the educational attainment levels reported job gains from May through June 2020. Those with some college education had the highest increases with 239,621 or 41.2 percent returning to work, followed by workers with only high school degrees who reported an increase of 152,476 or 19.3 percent. During this period, 82.3



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percent of job recovery were for workers with educational attainments at the levels of high school, some college, and associate degrees, for a total of 452,274 jobs. The total number of job gains for workers at all educational attainment levels from May through June was equal to 567,840 jobs, which represents 56.5 percent of job losses from the previous period.

Analysis of the pandemic’s impact on employment losses by gender shows almost an even distribution among male and female workers in both periods. Male workers lost 615,509 jobs or 25.4% from March through April. Female workers lost a slightly higher number of jobs at 647,068 or 27.7 percent. Male and female workers together lost a total of 1,262,577 jobs during this period. Male and female workers reported job gains from May through June, with men’s job gains at 375,062 and women’s job gains at 345,226, with a total of 720,288, or 57.0 percent of jobs lost during the first period.

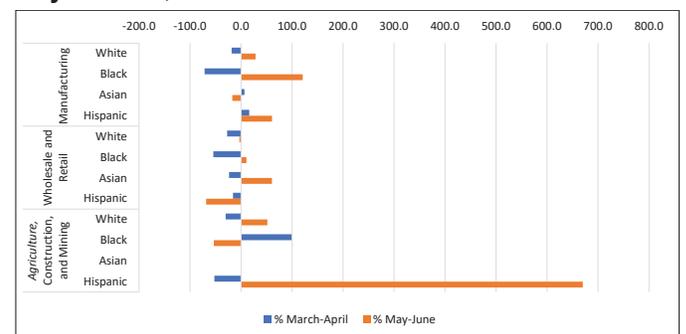
The analysis also included an examination of employment losses among different age groups, which run from 16 years old to 65 and over. From March to April, all the age brackets showed job losses, with the largest at the two extremes. Workers in the age group of 16 to 24 years old experienced a loss of 188,108 jobs, or 31.4 percent in the first period, and workers within the 65 years old and over bracket lost 143,245 jobs or 37.6 percent. On the other hand, workers in all the age brackets reported job gains from May through June, but these gains were higher in the age brackets from 35 to 64 years old. Employment for workers in the age bracket 35 to 44 years increased by 193,427 jobs, for workers in the age bracket 45 to 54 years by 213,314, and for those in the age bracket 55 to 64 years by 128,019. From May to June the total number of jobs gained was equal to 757,462 jobs, representing a job recovery of 63.3 percent of those lost during the first period.

Finally, Table 2 shows disparities in employment losses related to family income. From March to April, workers with family incomes up to \$50,000 registered the highest numbers of job losses with 490,951 jobs. Families with incomes less than \$25,000 lost 130,816 or 46.0 percent of their jobs, while those with incomes from \$25,000 to \$49,999 lost 360,135 jobs or 42.6 percent of their jobs. Families with incomes of \$75,000 or higher lost 526,214 or 19.7 percent of their jobs. During this period, families at all income levels lost a total of 1,197,372 jobs. In terms of recovery, families with incomes of \$75,000 and higher reported job gains of 580,615 jobs in May and June, exceeding job losses during the first period. Families with incomes Under \$25,000 recovered 42,919 jobs or 27.9 percent of those lost during the first period. Families with incomes be-

tween \$50,000 and \$74,999 continued to lose jobs during the second period losses. They lost an additional 21,675 jobs for a total of 201,882 or 22.4 percent during the two periods combined. A total of 738,164, or 60.5 percent, of jobs lost were recovered from May through June by the family income levels.

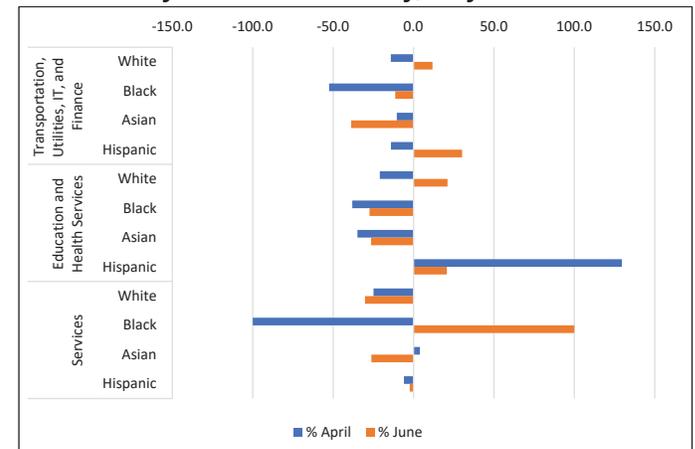
Figures 2 and 3 show changes in employment due to COVID-19 for six broad industries in Michigan by race and ethnicity during the two periods. The six industries are: 1) Manufacturing; 2) Wholesale and Retail Sales; 3) Agriculture, Construction, and Mining; 4) Transportation, Utilities, IT, and Finance; 5) Education and Health Services; and 6) Services. From March to April, African Americans had the largest percentual job losses among the racial and ethnic groups in five of the industries, and only a small number of job gains in the Agriculture, Construction, and Mining sector with 5,791 jobs. They lost 109,503 or 71.5 percent of their jobs in Manufacturing, 28,316 or 54.3 percent in Wholesale and Retail Sales, 47,242 or 52.5 percent of jobs in Transportation, Utilities, IT, and Finance, 71,720 or 38.1 percent of jobs in Education and Health Services, and all their jobs, 100 percent, in the Service sector.

Figure 2. Michigan Employment Change for Broad Industries by Race and Ethnicity, March to April and May to June, 2020.



Source: Current Population Survey.

Figure 3. Michigan Employment Change for Broad Industries by Race and Ethnicity, May and June 2020.



Source: Current Population Survey.

During this period, Whites reported job losses in all the six industries, but at lower percentages than African Americans. They lost 18.5 percent or 111,773 jobs in Manufacturing, 27.3 percent or 146,216 jobs in Wholesale and Retail Sales, 30.3 percent or 87,700 jobs in Agriculture, Construction, and Mining, 14.1 percent or 67,034 in Transportation, Utilities, IT, and Finance, 21.0 percent or 195,843 in Education and Health Services, and 24.9 percent or 47,575 jobs in the Services sector. Asians and Latinos show comparable results. Both groups gained jobs in the Manufacturing sector, Asians gained 6.7 percent, or 3,027 jobs and Latinos gained 5,513 jobs or 16.1 percent. On the other hand, Asians and Latinos reported job losses in the Wholesale and Retail Sales sector, with Asians losing 23.4 percent or 4,063 jobs, and Latinos losing 15.8 percent or 3,709 jobs.

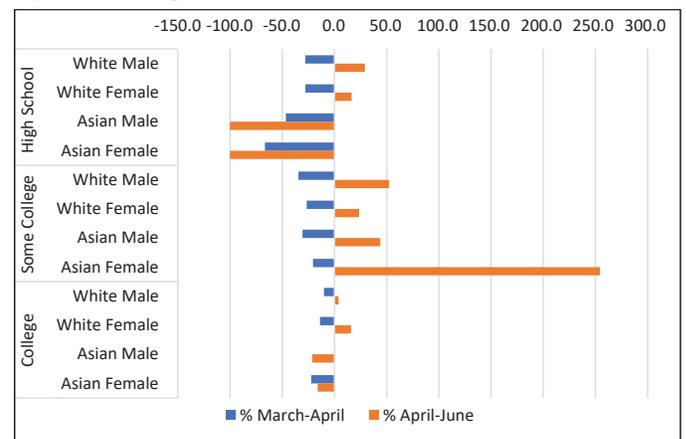
White workers lost jobs in the six industrial sectors, most notably in Education and Health Services where they lost 195,843 jobs or 21.0 percent. African Americans also reported a loss of 71,720 jobs or 38.1 percent in Education and Health Services, but they gained 5,791 jobs in Agriculture, Construction, and Mining. Latinos reported losses in three of the four sectors, but considerable gains in Education and Health Services where they gained 21,025 jobs, which represents a 129.6 percent increase. A total of 929,031 jobs were lost among these six essential industries from March to April 2020.

A total of 444,296 jobs were recovered by these industries from May through June 2020, which represents 52.2 percent of the job losses between March and April. Whites reported job gains in Manufacturing (139,628), Agriculture and others (104,257), Education and Health Services (155,893), and Transportation and others (48,123), and job losses in Wholesale and Retail sales (12,916), and Services (43,314). The other three groups reported mixed figures in the six industries with African Americans having the largest numbers in job losses.

Figures 4 and 5 describe employment changes by gender and educational attainment in the two periods of this study. During the first period, March to April, White and Asian males and females reported job losses at all educational levels but one. Asian males with college degrees reported modest gains of 713 jobs or

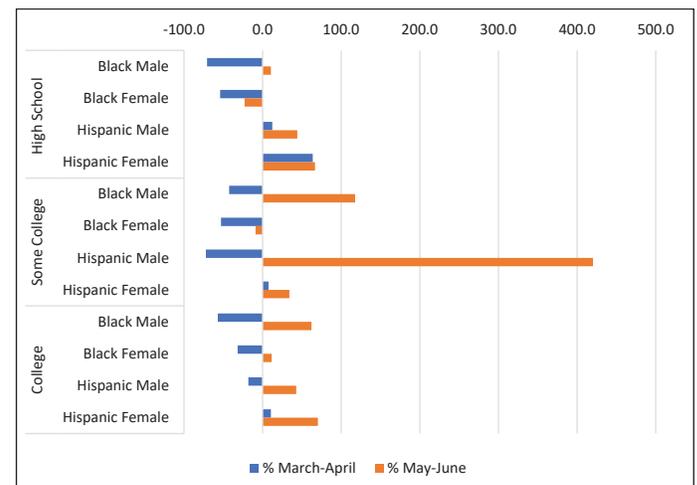
0.8 percent of March figures. From May through June, White males and females had job gains at all educational levels, especially males with some college, who gained 124,582 jobs or 52.2 percent of March figures. Asians with only a high school degree lost 100 percent of their jobs during this period, while Asian females with some college gained 6,123 jobs. Asians with a college degree also lost jobs, males 18,956 jobs and females 9,061 jobs. When considering educational attainment, race/ethnicity, and gender, a total of 1,006,496 jobs were lost between March and April. From May through June, 609,070 were recovered, representing 60.9 percent of total job losses.

Figure 4. Michigan Employment Change by Gender, Race\Ethnicity, and Educational Attainment, March to April and May to June 2020.



Source: Current Population Survey.

Figure 5. Michigan Employment Change by Gender, Race\Ethnicity, and Educational Attainment, March to April and May to June 2020.



Source: Current Population Survey.

A further analysis of the other two racial/ethnic groups, Blacks and Hispanics, show that both male and female Blacks lost jobs during the first period at all educational attainment levels, Black males with only a high school



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degree lost 70.6 percent while Black females lost 54.0 percent of their jobs. During the second period, Black females with high school and some college degrees continue to lose jobs, but at lower percentages than in the first period. High school graduates lost 22.9 percent and those with some college lost 9.0 percent. Black females gained 11.5 percent of jobs during the second period; that is May to June.

Hispanic males and females with high school degrees experienced modest job gains during the first period, males gained 4,147 jobs while females gained 8,028 jobs. Hispanic males with some college and college degrees lost jobs during this period, those with some college lost 10,669 jobs or 72.2 percent and those with college degrees lost 5,437 jobs or 18.1 percent. During the same period, Hispanic females experienced job gains at all educational levels, those with high school degrees gained 8,028 jobs or 63.8 percent, Hispanic females with some college gained 23,494 jobs or 7.6 percent, and those with college degree gained 43,808 jobs or 10.6 percent. Hispanic males and females, and Black males at all educational attainment levels gained jobs during the second period from May to June, while Black females with lower educational levels, high school and some college, lost jobs. Black females with college degrees gained 9,784 jobs during the second period.

We extended our analysis of employment changes during the two periods to four Michigan metropolitan and main economic centers, Detroit (Livingston, Macomb, Oakland, and Wayne Counties), Grand Rapids (Kent and Muskegon Counties), Saginaw (Saginaw and Genesee Counties), and Jackson (Jackson and Washtenaw Counties). The analysis for each of these metropolitan areas initially is centered on eight important industrial sectors for the state's economy: Manufacturing; Wholesale and Retail; Agriculture, Forestry, and Fishing; Construction; Transportation and Utilities; Financial Activities; Education; and Health Services, and Other Services. It also includes some of the workers' socioeconomic characteristics, such

as type of employment (full vs. part-time), educational attainment, gender, age, and family income.

Table 3. Selected Michigan Metros, Employment Change, March to April and May to June 2020

Characteristics	Detroit		Grand Rapids		Saginaw		Jackson	
	% Change April	% Change June						
Broad Industry								
Manufacturing	-40.0%	23.9%	-53.8%	73.7%	-28.4%	43.3%	53.3%	17.3%
Wholesale and Retail	-33.3%	-18.3%	1.4%	17.6%	-4.2%	-7.9%	-19.0%	28.6%
Agriculture, forestry, and fishing	-4.8%	179.9%	-100%	100%	-----	0.0%	-10.9%	9.5%
Construction	-12.2%	65.2%	-56.0%	401.5%	-50.1%	-0.9%	-35.6%	-27.7%
Transportation and Utilities	14.7%	-9.5%	-68.2%	-0.5%	21.8%	54.7%	-76.4%	241.3%
Financial	-15.2%	7.0%	-13.7%	-6.1%	-87.0%	256.4%	28.8%	9.6%
Activities	-32.8%	5.1%	-13.2%	93.7%	-34.9%	-41.4%	6.2%	12.9%
Education	-28.5%	9.3%	-80.1%	-27.6%	-59.8%	440.9%	103.6%	-40.2%
Health Services								
Total	-29.1%	9.1%	-37.0%	62.2%	-33.4%	15.5%	3.6%	11.0%
Full/part-time Status								
Full-time	-24.1%	15.7%	-37.7%	81.6%	-20.1%	16.9%	-4.5%	37.2%
Part-Time	-42.8%	-1.1%	-47.5%	152.2%	-52.5%	23.1%	2.7%	-40.1%
Education								
High School	-45.2%	27.3%	-58.9%	186.6%	-23.2%	-51.0%	-8.9%	3.9%
Some College	-31.7%	53.1%	-36.2%	25.0%	-43.4%	75.6%	-19.3%	0.5%
College	-17.9%	-0.7%	-33.0%	68.4%	-1.2%	-17.5%	19.2%	23.0%
Gender								
Male	-25.7%	12.8%	-42.0%	66.9%	-19.3%	19.4%	4.5%	31.0%
Female	-30.2%	12.8%	-36.5%	125.1%	-32.6%	15.1%	-11.0%	15.9%
Age Group								
16-34	-33.6%	11.1%	-42.1%	131.9%	-28.0%	-34.3%	8.3%	8.9%
35-54	-30.1%	19.2%	-33.0%	76.4%	-31.4%	45.1%	1.5%	25.9%
55+	-11.9%	3.2%	-43.3%	72.0%	-6.0%	48.1%	-34.9%	59.4%
Family Income								
Under \$50,000	-47.3%	54.3%	-56.8%	73.2%	-35.5%	73.4%	-15.8%	-29.6%
\$50,000 and over	-23.3%	5.9%	-31.3%	99.8%	-21.6%	-0.7%	-26.3%	97.6%

Source: Current Population Survey.

The Detroit metropolitan area lost jobs in seven of the eight industries from March to April. Only Transportation and Utilities gained jobs (12,316). Major job losses were reported in Manufacturing (163,663), and Education and Health Services (156,323). Considerable job losses were also reported in the five categories of worker characteristics included in Table 3, with full-time workers losing 384,822 jobs, workers with only high school degrees losing 212,374 jobs, female workers losing 310,501 jobs, workers in the bracket 35-54 years losing 273,206 jobs, and those with family incomes of \$50,000 and over losing 379,888 jobs

The analysis from May through June shows job gains in six of the industries located in the Detroit area, with Manufacturing (58,671), and Construction (43,102) reporting the highest increases in job numbers. The Wholesale and Retail sector experienced the highest job losses among all industries, 30,703 jobs, during this period. Most workers included within the five characteristics on Table 3 gained jobs, especially those working full-time (189,577) and those within the age bracket between 35 to 54 years (121,602). Only 5,943 workers with college degrees lost their jobs from May through June 2020.

The analysis of the Grand Rapids area shows job losses across all broad industries but one. The Wholesale and Retail sales sector reported a small gain of 609 jobs

from March through April. The two industrial sectors with major employment losses were Manufacturing (38,272) and Services (29,331). Job losses were also reported in all five worker characteristics presented on Table 3. We found major job losses for full-time workers, who lost 114,126 jobs, males, who lost 89,100 jobs, and workers with family incomes over \$50,000, who lost 79,502 jobs.

The employment situation in the Grand Rapids area improved from May through June. Only three industrial sectors had negative figures, but with modest numbers. The Service sector lost 2,018 jobs, Financial activities lost 1,712 jobs, and Transportation and Utilities lost 55 jobs. The three sectors with the highest gains in employment were Education and Health, which gained 63,704 jobs, Construction, which gained 25,855 jobs, and Manufacturing, which gained 24,253 jobs during this period. The workers listed within the five characteristics presented in Table 3 reported employment gains from May through June. The three with the major job gains were: workers with family incomes over \$50,000 with 173,890 jobs, full-time workers with 153,933 jobs, and female workers who gained 130,455 jobs.

From March to April 2020, the COVID-19 pandemic had a huge impact on employment in the Saginaw area. All industries included in the study showed losses in employment. Financial Activities, with 24,799 jobs lost, and Education and Health Services, with 20,184 jobs lost, were the two industrial sectors with the highest losses in employment. The analysis by workers' socioeconomic characteristics shows job losses in all categories included in Table 3 with full-time workers losing 35,919 jobs, workers with family incomes over \$50,000 losing 33,052 jobs, and female workers losing 32,678 jobs.

During the second period, May through June 2020, the analysis shows employment increases in the Service

sector, with 11,839 jobs, and the Manufacturing sector, with 9,890 jobs, as the top job winners among all the industries, while Education and Health Services lost 15,579 jobs during this period. In addition, those with the major job gains during this period were workers in the age bracket 35 to 54 years, who gained 29,908 jobs, workers with family incomes under \$50,000, who gained 28,865 jobs, and full-time workers, who gained 24,082 jobs. On the other hand, workers with only a high school degree lost 20,153 jobs, and those within the age group 16 to 34 years lost 19,443 jobs.

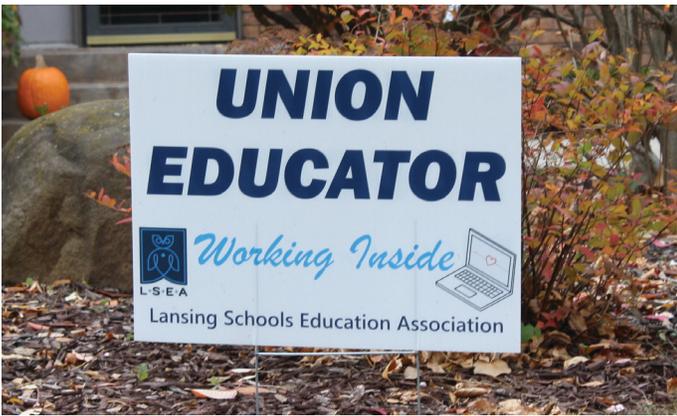
Finally, we analyzed the impact of the pandemic on employment in the Jackson area. During the first period, March to April 2020, Manufacturing, with 17,328 jobs, and Services, with 11,408 jobs, were the industrial sectors with the highest number of jobs increases. The two industrial sectors with the highest job losses were Transportation and Utilities, with 13,273 jobs, and Construction, with 10,459 jobs. The employment situation improved for these industrial sectors from May through June 2020. Six of the eight industrial sectors showed job increases during this period. Education and Health Services created 13,461 jobs, Transportation and Utilities created 9,909 jobs, and Manufacturing gained 8,602 jobs, making these three industrial sectors the top employment winners, while the Service sector lost 9,020 jobs and the Construction sector lost 5,254 jobs.

The analysis of employment changes by workers' socioeconomic characteristics show mixed results during the first period from March to April 2020. Workers with college degrees increased their job numbers by 26,159, and workers within the age bracket 16 to 34 years gained 7,800 jobs, whereas workers with family incomes over \$50,000 lost 52,535 jobs and those within the age group of 55 years and over lost 19,401 jobs. During the second period, from May through June 2020, most workers included within the same five socioeconomic characteristics reported employment increases, especially those with family incomes over \$50,000, who gained 144,072 jobs resulting in a 97.6 percent increase from April. In all, 85,113 or 37.2 percent of full-time workers and 45,884 males or 31.0 percent were hired during this period. Only two types of workers had declines in their employment numbers: 18,830 part-time workers, or 40.1 percent of whom lost their jobs, and 21,282 or 29.6 percent of workers with family incomes lower than \$50,000.

Finally, Figure 6 shows estimated unemployment rates in four Michigan's selected metropolitan areas from March to June 2020. These rates were relatively low in March before the impact of the Coronavirus pandemic. They

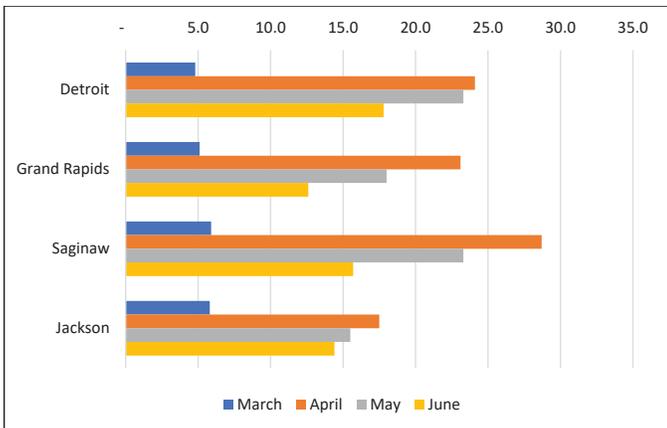


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varied from a low of 4.8 percent in the Detroit area to a high of 5.9 percent in Saginaw. In April just after the initial impact of the pandemic, unemployment rates in the four metropolitan areas reflected huge increases, with Saginaw's unemployment rising to 28.7 percent, a net increase of 22.8 percent from March rates. Detroit's unemployment rate rose to 24.1 percent, representing an increase of 19.3 percent from the previous month. The Grand Rapids area unemployment rate reached 23.1 percent, increasing by 18.0 percent in a month, while the Jackson area unemployment rate grew by 11.7 percent since March reaching 17.5 percent in April.

Figure 6. Unemployment Rates in Selected Michigan Metropolitan Areas, March through June 2020



Source: U.S. Bureau of Labor Statistics; Employment and Unemployment Rates by State, June 2020.

Unemployment rates declined during the next two months, May and June, in the four metro areas, although at different rates. From April to May, Detroit had the lowest decline with 0.8 percent, while in Saginaw the rate declined by 5.4 percent, in Grand Rapids by 5.1 percent, and in Jackson by only 2.0 percent. From May to June, unemployment rates continued declining, reaching 17.8 percent in Detroit, 5.5 percent lower than in May and 6.3 percent lower than in April. The other three metro areas had a similar trend. The Grand Rapids area declined by 5.4 percent from May and 10.5 percent from its highest in

April, reaching 12.60 percent in June. The Saginaw area unemployment rate in June reached 15.7 percent, 13.0 percent higher than in April and 7.6 percent higher than the previous month May. The lowest monthly declines in unemployment rate are observed in the Jackson area which registered 14.4 percent in June, 1.1 percent higher than in May and 2.0 percent higher than in April.

Despite the noticeable declines in unemployment rates in the four metro areas, the registered rates in June were much higher than their rates in March. The unemployment rate in Detroit was still 13.0 percent higher, in Grand Rapids 7.5 percent higher, in Saginaw 9.8 percent higher, and in Jackson 8.6 percent higher.

Summary

Michigan's economy grew relatively steadily since 2010, following the Great Recession of 2007-2009, on an annual average of 2.2 percent until 2018. In 2019, the economy grew by only 0.7 percent. Even during this period of economic boom, Michigan's labor force participation rates were lower than the national average by close to 5.0 percentage points. The unemployment rate in the state reached a high of 15.0 percent in 2010, and since then gradually declined, reaching a low of 4.1 percent in January 2020. In April 2020, from the initial impact of the COVID-19 pandemic, Michigan's unemployment rate reached 22.0 percent, an all-time high in the state.

When considering race and ethnicity and job losses, this rate shows important differences, with African Americans having the highest losses, followed by Latinos, Whites, and Asians. In 2010, the unemployment rate for African Americans was around 17.5 percent, almost double the rate for Asians, which was less than 8.5 percent. In 2019, the unemployment rate for African Americans was 6.6 percent, for Latinos 4.4 percent, for Whites 3.4 percent, and for Asians 3.3 percent. Again, the latest figures show an unemployment rate for African Americans double that corresponding to Asians.

According to the U.S. Bureau of Labor Statistics, Michigan lost more than 1.2 million jobs by April due to the initial impact of the pandemic which represented 25.7 percent of the state's employment figures in March. From May through June, 725 thousand jobs were recovered, or 60.2 percent of the total jobs lost. Regardless of the relatively high number of jobs recovered in these months, Michigan's employment numbers are still below March figures by 480 thousand or 10.2 percent. As a result of employment increases, the unemployment rate in the state's four major metropolitan areas declined, but at different rates. By June 2020, the unemployment rate varied from 12.6 percent in Grand Rapids to 17.8 percent in the Detroit

area.

The analysis presented in this study shows an uneven impact of the COVID-19 pandemic on Michigan's employment patterns, with the most vulnerable groups being African Americans and Latinos, females, part-time workers, young people, adults 65 years and over, low income families, and workers with low levels of education. We observed this trend both at the state and metropolitan levels.

Only one of the six frontline industries showed employment increases in the two periods, while four others reported losses during the first period and job gains during the second period. Only the Public Transit sector reported job losses from March through June 2020. On the other hand, all of the thirteen industrial sectors considered essential for Michigan's economy lost jobs in the first period, and three of them continued losing jobs during the second period, with the Service occupations sector impacted the most. This industrial sector mainly employs racial/ethnic minorities, part-time workers, females, and workers with low education level.

Lastly, the coronavirus pandemic impacted tremendously the U.S. and Michigan's economies, especially their labor markets. In May and June, we observe some signs of recovery, but it is highly dependent on the health conditions of workers. The problems will continue until a vaccine is available. Until then, people should take precautions shown to be effective in slowing the spread of the virus, namely wearing masks and social distancing. Some progress has been made, but there is still a long way to go until the nation recovers from the pandemic. 

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