

A Demographic and Labor Market Profile of Jackson County Michigan



Prepared by:

State of Michigan

Department of Technology, Management and Budget

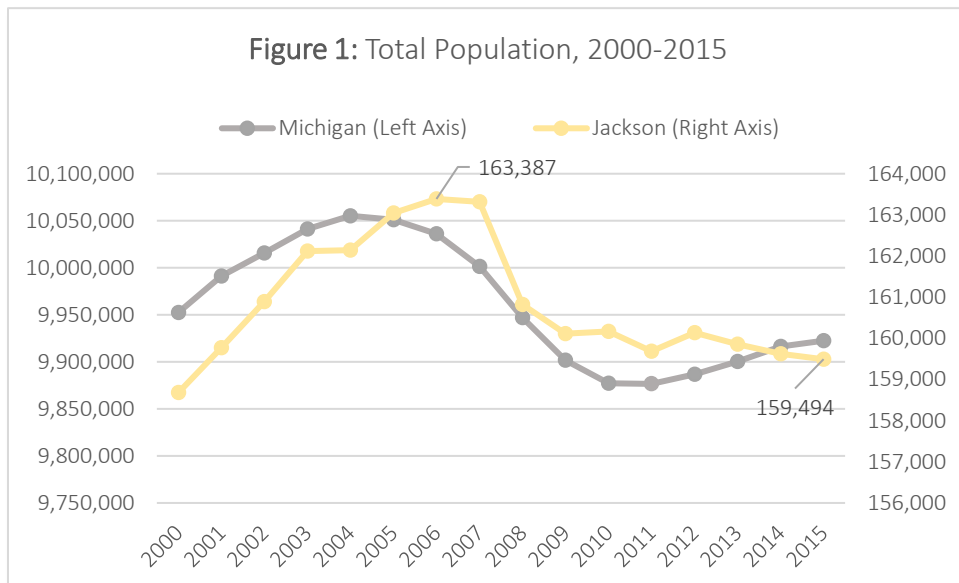
Bureau of Labor Market Information and Strategic Initiatives

Part I: Population Indicators

Information about the size and characteristics of an area’s population is important to workforce developers for a number of reasons. One of those reasons is ensuring there is an adequate labor supply for area businesses. What does recent data indicate about the size and characteristics of the Jackson County population?

Population Trends

- The U.S. Census Bureau estimated the Jackson County population at 159,500 in 2015, ranking it 14th among all counties in the state and representing 1.6 percent of the total statewide population.
- Jackson County has seen its population decline in recent years, with residents falling by 3,900 or 2.4 percent from a recent peak in 2006. In contrast, Michigan’s population, which steadily fell from 2004 to 2011, reported consecutive upticks through 2015. (Figure 1)

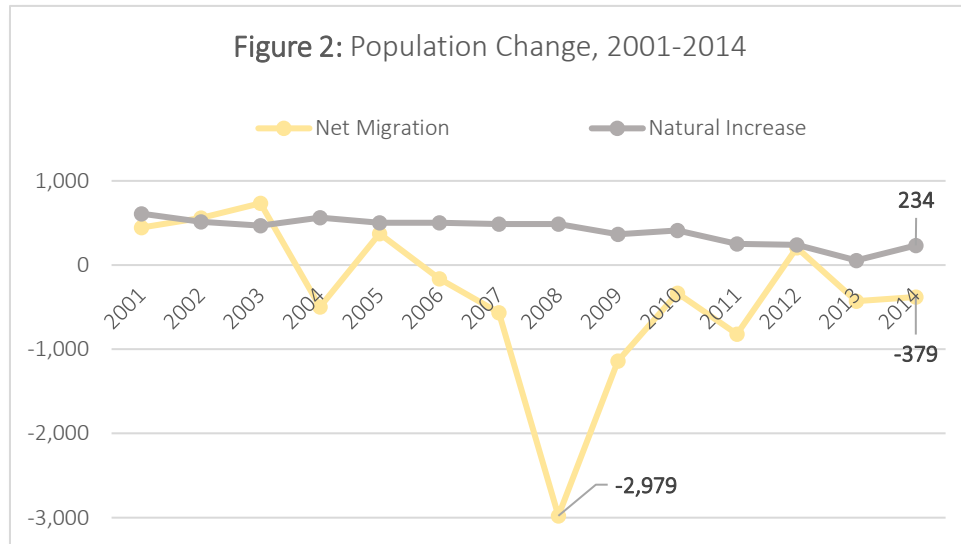


Source: U.S. Census Bureau

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- The recent population decline in Jackson County can be traced to migration of residents out of the county, occurring in most years since 2004. An offsetting force to the loss of residents to migration is a slight natural population increase, resulting from births exceeding deaths. In 2014, for instance, Jackson County lost 379 residents to migration but gained 234 residents from natural increase.

(Figure 2)



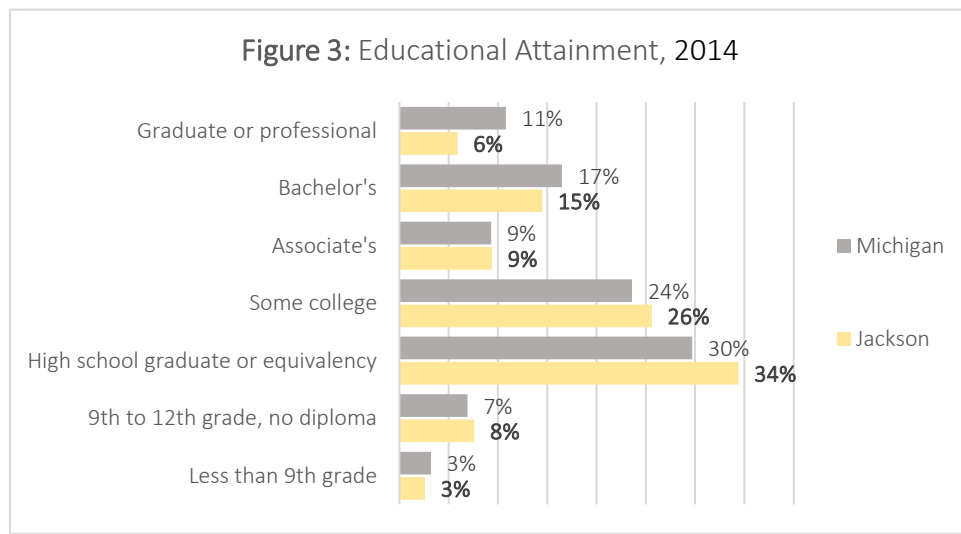
Source: U.S. Census Bureau

Population Characteristics

- The population of Jackson County is a bit older, more male, and whiter than the statewide average. First, the median age in the county was 40.8 compared to the statewide median age of 39.7. Next, Jackson County had a greater share of males, specifically males aged 25 to 60, as a result of a major state correctional facility in the county. Third, the county had an above-average share of whites (about nine percentage points above the statewide average) in its population, while the share of minority populations is below the statewide average.

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- Jackson County trails the statewide average in educational attainment. While a higher share of the adult population held a high school diploma or equivalent, the county lagged behind the state in the *Bachelor's* and *Graduate or professional* categories. Importantly, the county remains at or above statewide levels in the important *Associate's* and *Some college* categories, two educational attainment levels often associated with in-demand skilled-trades and so-called “middle skill” careers. (Figure 3)



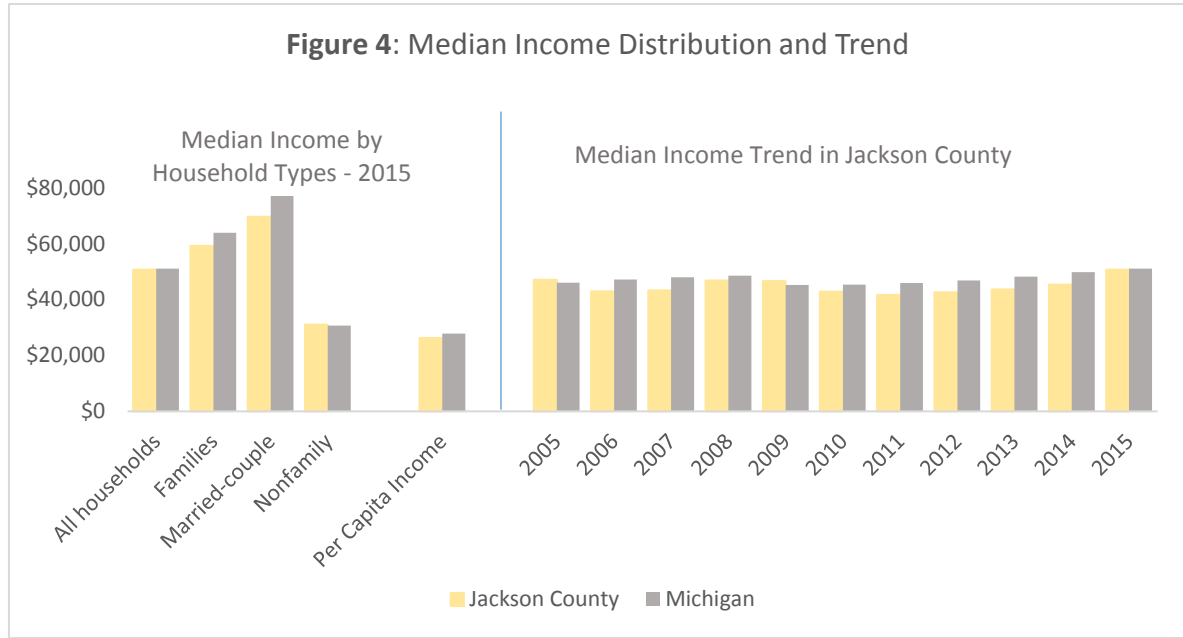
Source: U.S. Census Bureau

Part II: Income Indicators

Income is one of the main indicators of a society's wellbeing. Higher income implies higher affordability of material goods and services. How has income trended recently in Jackson County? How does the type of household affect the level of income in the county?

The US Census Bureau defines a household as a group of people (one or more) sharing a housing unit. When these individuals are related to the householder (the person who fills out the census forms) by birth, marriage, or adoption, the household is a family. The count of households excludes group quarters.

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Source: U.S. Census Bureau

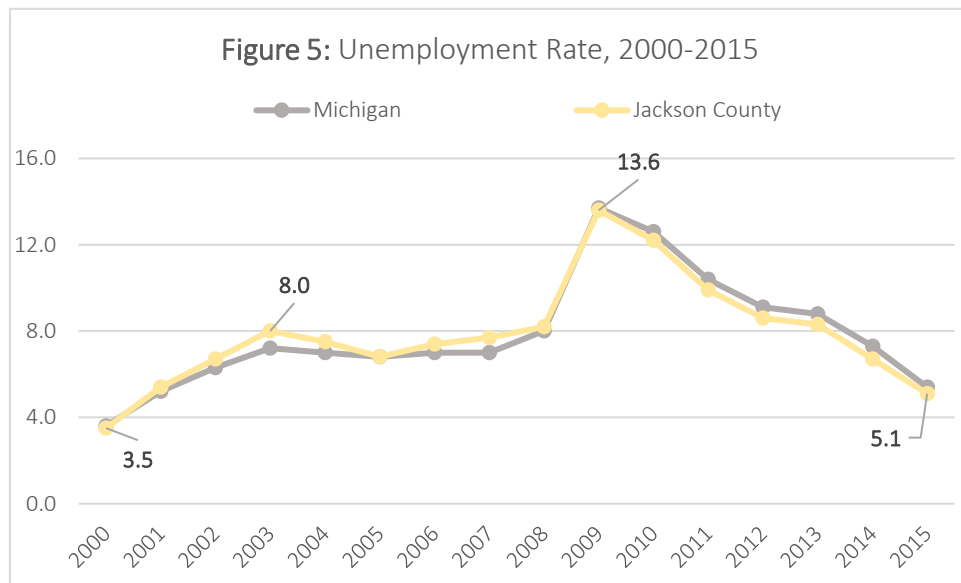
- In 2015, the median income in Jackson County was estimated at \$50,800, nearly identical to the statewide average of \$51,100. In both areas, married-couple family households recorded higher income than any other type of household. However, married-couple families in Jackson County earned approximately \$7,400 less income than the statewide average. **(Figure 4)**
- Median income in Jackson County consistently lagged behind the statewide average between 2006 and 2014. Income in the county fell in 2006, coinciding with the closure of a correctional facility, then rose in 2008 - 2009, only to decline again as a result of the Great Recession. Income in Jackson County has been increasing since 2012 and has finally rebounded to the statewide average in 2015.
- The 2015 per capita income in Jackson County was approximately \$1,700 lower than the statewide average. When reviewing and comparing income by race and ethnicity, Asian Americans recorded the highest per capita income statewide, followed by Whites, non-Hispanic, Native Americans, and African Americans. In contrast, Whites, non-Hispanic had the highest per capita income, followed by Asian Americans, African Americans, and Native Americans in Jackson County. **(Figure 4)**

Part III: Labor Force, Employment, and Unemployment

Information about an area’s labor force gives workforce developers insights about the health of the labor market. Whatever is happening with employment and unemployment may reflect challenges and opportunities. How do recent trends in the Jackson County labor market compare with statewide trends?

Unemployment Rates

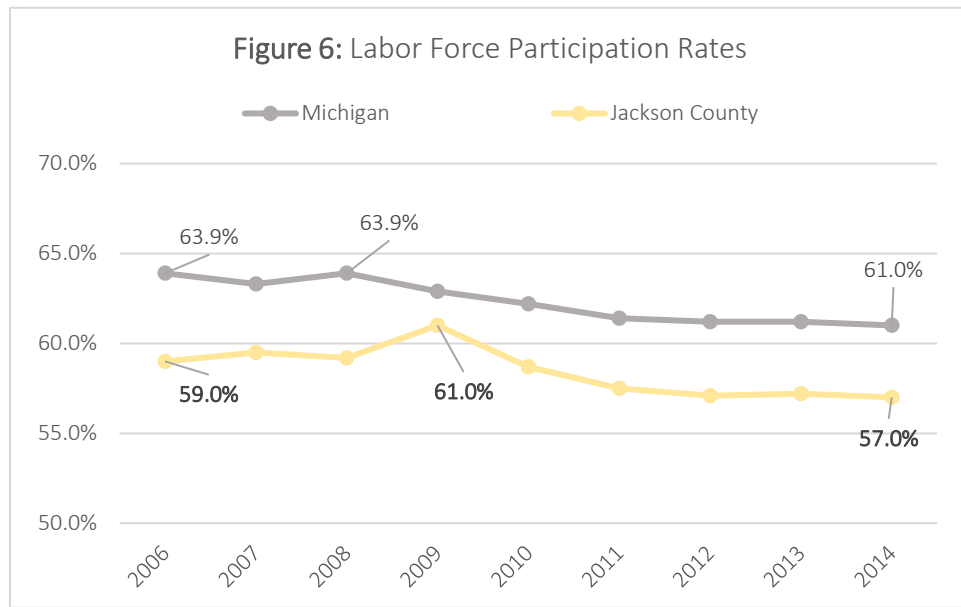
- The unemployment rate in Jackson County has closely followed the statewide pattern. Jobless rates for both areas trended upward following the brief, but severe 2001 recession, then leveled-off somewhat through 2006, and then rose significantly during the “Great Recession” to the peaks recorded in 2009. Likewise, unemployment rates in both areas have fallen significantly since 2009 and are within a one tenth of a percentage point of each other today. (Figure 5)



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

Labor Force

- While jobless rates statewide and in Jackson County have tracked, labor force participation rates, or the share of the working age population active in the labor market, have been consistently lower in Jackson County than statewide (by about four percentage points) over the past decade (2006-2015). **(Figure 6)**
- Demographic factors, primarily an aging workforce, remain the leading reason for lower labor force participation. Others include family responsibilities, education and training, disability, and discouragement with labor markets.



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

Employment and Unemployment

- The labor force is comprised of the employed and the unemployed. Since 2009, labor force levels are indeed lower in Jackson County (-3,500 or 5 percent), but the number of employed is up by 3,200 or 5 percent and the number of unemployed is down by 6,700 or 64 percent. On a percentage basis, these trends once again closely follow the statewide pattern.

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- However, when looking at the current August 2016 levels of labor force and employment for Jackson County, a different picture emerges. Since August 2015, both labor force and employment have declined in Jackson, which contradicts the trend in Michigan. And despite the low unemployment rate, the number of individuals active in the labor market in Jackson County (employed or unemployed) remain below 2007 pre-recessionary levels by an average of 5,100 (with 2,500 fewer individuals employed and 2,600 fewer persons looking for jobs).

Part IV: Private and Public Payroll Jobs

Payroll jobs directly reflect the employment activity of an area's private businesses and public sector (federal, state, and local). Expanding payrolls reflect optimistic employers, while falling payrolls may signal looming economic challenges. What are the major job trends in Jackson County? What are the key sectors in Jackson County in terms of job growth?

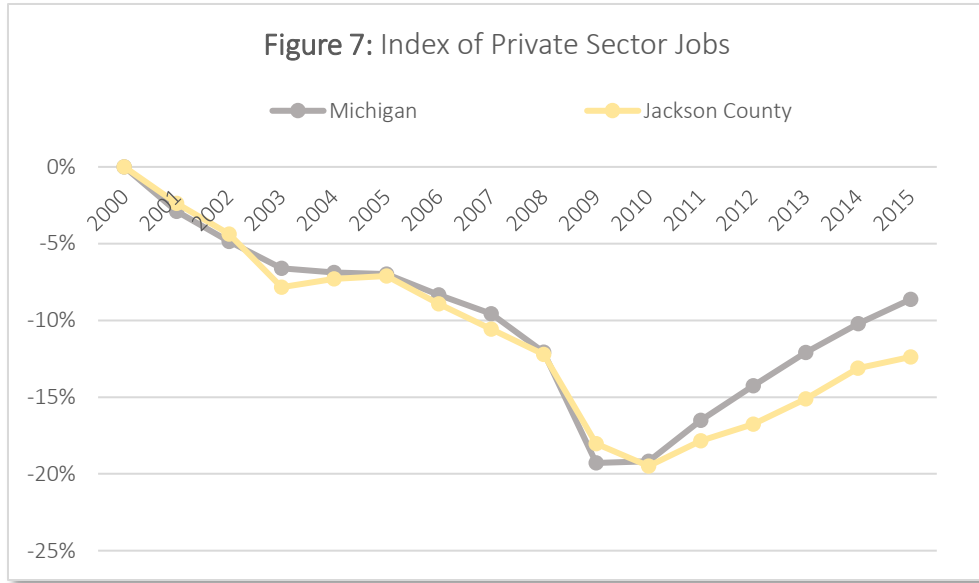
Private Sector Jobs

- In 2015, there were 48,100 private sector jobs in Jackson County. Two thirds of these jobs were concentrated in three industries: *Trade, transportation, and utilities*, *Education and health services*, and *Manufacturing*.

Private Sector Job Trends

- Since 2010, private sector jobs have increased by 3,900 or 9 percent in Jackson County, led by strong growth in the highly compensated *Manufacturing* industry (+2,300 jobs or 31 percent). Other gains were seen in *Professional and business services* and *Trade transportation and utilities*. **(Figure 7)**

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Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

- There has been a strong rebound in private sector jobs statewide and in Jackson County. As of 2015, Jackson County had recouped the private sector job lost during the “Great Recession” and had recovered 88 percent of jobs lost since in 2000. Likewise, statewide private sector jobs surpassed 2009 levels on the way to recovering 91 percent of jobs lost since in 2000. **(Figure 7)**
- However, while private sector jobs in Michigan have surpassed the 2007 pre-recessionary levels by 36,900 or a full percentage point in 2015, they are still below the pre-recessionary level in Jackson County by 900 (or -1.9 percent).
- In both areas, private service-providing industries have seen a more complete recovery when compared to private goods-producing industries. For example, Jackson County has recovered 93 percent of service providing jobs lost since 2000, but just 73 percent of goods producing jobs. (These same calculations are 100 percent and 67 percent in Michigan). Behind these numbers is the well-documented, continuing structural transformation occurring in labor markets. **(Figure 7)**

Public Sector Jobs

- In 2015, the public sector (federal, state, and local) was the fourth largest employer in Jackson County providing 7,800 jobs in the county and representing a little over 14 percent of the 55,900 total payroll jobs.
- Government employment in Jackson County was relatively stable between 2000 and 2006 but has declined by 23 percent since 2000. Job cuts were recorded in state government following the closure of a correctional facility in 2006-2007. Additionally, a continuous employment loss has been registered in local government, and particularly in local K-12 education.

Industry Dynamics

- Some additional insights into industry dynamics in Jackson County: (1) new hires in Jackson County are concentrated in *Temporary employment services*, followed by *Accommodation and food services*, and *Retail trade*; (2) older firms (11 years old or more) employ more than 80 percent of the workforce in both Jackson County (86 percent) and the state (83 percent), (3) the industries displaying the greatest shares of workers 45 and older on their payroll include *Mining*, *Transportation*, *Education*, *Wholesale trade*, *Utilities*, *Real estate*, and *Manufacturing*.

Hours Worked and Earnings

- Per capita weekly hours worked are available for both Michigan and Jackson County since 2006. In both areas, this labor market metric has followed the typical and expected trend over the past 10 years, dropping during the recent Great Recession, but quickly rising in the early stages of the recovery in 2011 and 2012, before tempering somewhat as new hiring activities picked up.
- Generally speaking, the range of weekly hours worked in Jackson County (31.6 - 35.1) is lower than the statewide average (33.3 - 34.9). Accordingly, hourly earnings in Jackson County have been consistently lower than statewide averages over the past 10 years; a range of \$18.56 - \$19.72 in Jackson County, relative to \$20.80 - \$24.061 statewide.

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- In 2015, the top highest-paying private industries included *Management of companies* (\$1,332 per week), *Manufacturing* (\$1,119), and *Professional and technical services* (\$1,118). The lowest-paying private industries comprised *Accommodation and food services*, *Arts, entertainment, and recreation*, and *Administrative and waste services*.

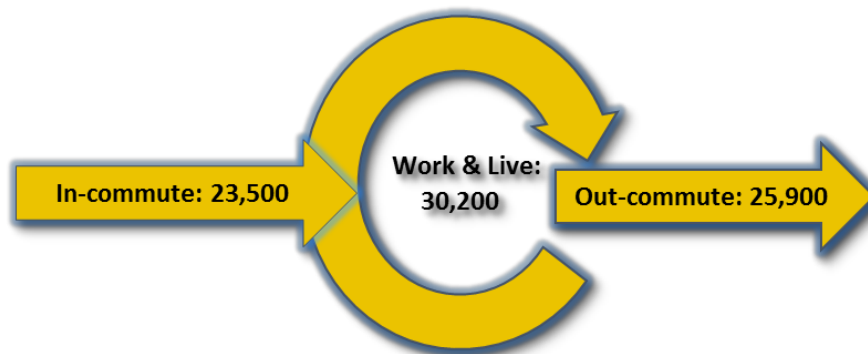
Part V: Worker Commuting Patterns

Because businesses and residents of Jackson County depend on an economically healthy region for customers, a quality workforce, and jobs, information about commuting patterns is important to workforce developers. What are some high-level insights we can get from commuting pattern data?

Commuting

- There are three metropolitan areas within commuting distance of Jackson County (Ann Arbor, Battle Creek, and Lansing-East Lansing). Of the 53,700 people who work in Jackson County, over half (56 percent) lived and worked in the county while the remaining 44 percent commuted into Jackson County for work. And, there were even more people that commuted out of Jackson County for work. (Figure 8)

Figure 8: Commuting Patterns for Jackson County



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

Destinations

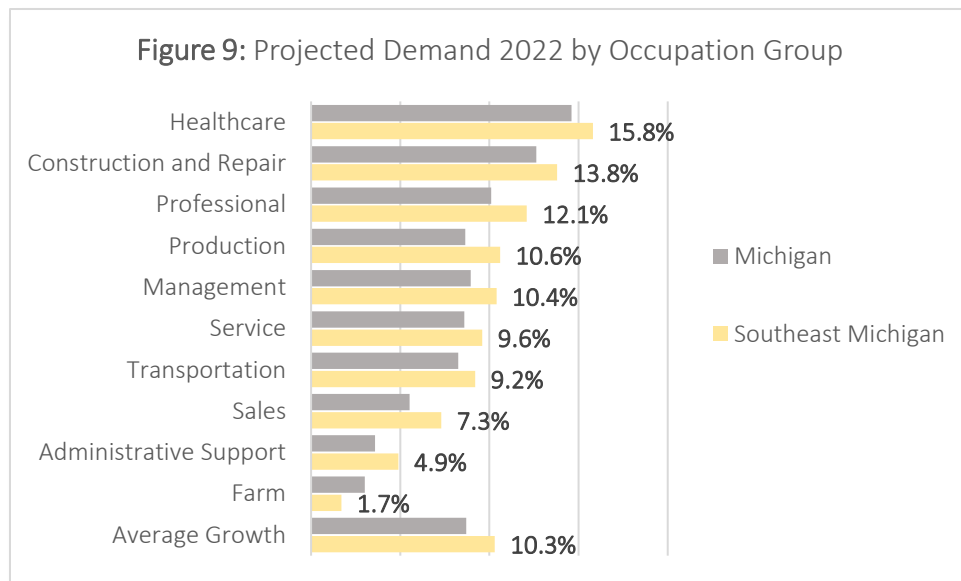
- The top four outside counties where residents commute to for work are Washtenaw (11.2 percent), Ingham (5.7 percent), Wayne (3.9 percent), and Oakland (3.0 percent). The top outside counties of residence of Jackson County workers are Ingham, Lenawee, Hillsdale, and Wayne.

Part VI: Employment Projections

Information on in-demand industry sectors and occupations is critical to workforce developers. What are the likely high demand occupations in the Southeast Michigan Prosperity Region through 2022?
What is the needed educational preparation for these jobs?

In-Demand Occupations

- Employment projections are produced for the state and its 10 Prosperity Regions. Jackson County is part of Region 9, which comprises five other counties (Hillsdale, Lenawee, Livingston, Monroe, and Washtenaw). Recognizing that local economies exist within these broader regions, projections data are produced at the Prosperity Region level only, due largely to the commuting patterns observed between these counties as seen in the previous section.



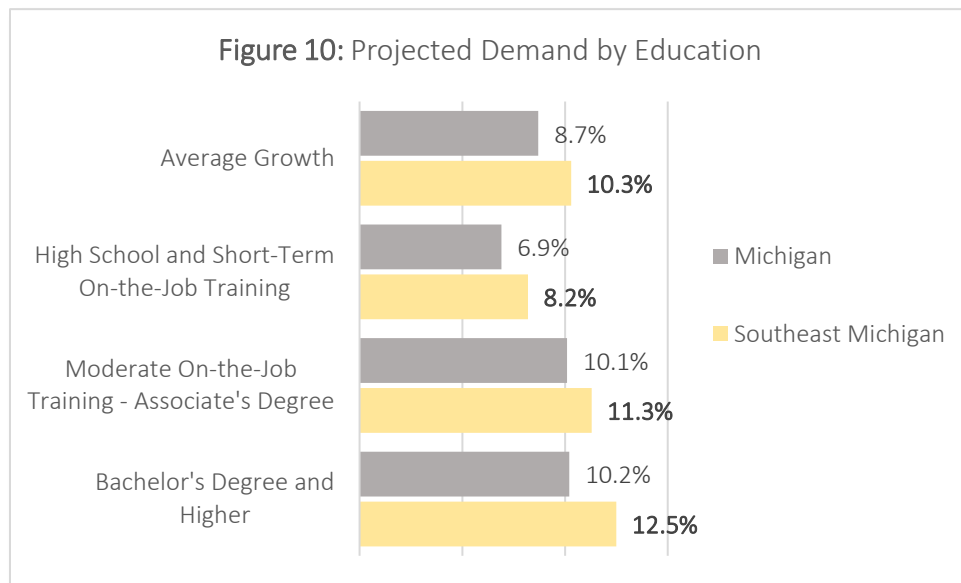
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- Occupational employment in the Southeast Michigan Prosperity Region is expected to grow more than the statewide average through 2022. Projected at 10.3 percent, the region's employment growth ranks 2nd among all Prosperity Regions, trailing only Region 4 at 12.0 percent.
- Three occupational groups are expected to record the highest rates of job expansion in Southeast Michigan: *Healthcare* (+15.8 percent), *Construction and repair* (+13.8 percent), and *Professional* (+12.1 percent). (Figure 9)
- In Southeast Michigan Prosperity Region, about 31 percent of annual openings are expected to come from employment expansion, which is slightly above the Michigan average. The remaining 69 percent will be from the need to replace workers that retire or otherwise permanently leave a particular occupation.

In-Demand Occupations by Education

- There is a clear correlation between an occupation's required education/training and that occupation's long-term projected growth. In the Southeast Michigan Prosperity Region, both the middle-skill occupation category (moderate on-the-job training through *Associate's degree*) and *Bachelor's degree and above* education levels are expected to outpace the region's overall employment growth rate of 10.3 percent. (Figure 10)



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- What about the characteristics of employment in 2022? Over a quarter of jobs by 2022 will require a *Bachelor's degree* or more in the Southeast Michigan Prosperity Region. This is three percentage points higher than Michigan overall, signaling the regional need for a highly skilled workforce. And, just under a third of the area's jobs will fall into the middle-skill occupations category requiring an *Associate's degree* or less, including an extended period (six months or more) of apprenticeship and/or *on-the-job training*). Many skilled-trade careers (e.g., carpenters, electricians, machinists, HVAC mechanics, etc.) are in this group and are associated with long-run employment expansion, high earnings, and low unemployment rates.

High-Demand / High-Wage Occupations

- High-demand, high-wage occupations are jobs that demonstrate a favorable mix of long-term job growth, annual openings from both growth and replacement, and median wages. In the Southeast Michigan Prosperity Region, *Registered nurses, Accountants and auditors, Dental hygienists, Electricians, Software developers, and Industrial engineers* are just a few examples.

Part VII: Online Advertised Jobs

Online advertised jobs are one measure used to tally the so-called “real-time” demand for workers by an area's businesses. Workforce developers are interested in this information to learn what jobs are available in the labor market right now. What are some recent trends in online advertised jobs in Jackson County? What are some of the in-demand occupations in Jackson County?

Trends in Online Job Advertisements

- According to The Conference Board's Help Wanted Online® database, there were 1,876 online job ads in Jackson County in August 2016. Job advertising in the county has closely followed the statewide trend, escalating following the recent Great Recession as business were recalling workers and hiring new workers. Advertising slowed somewhat in 2013 but picked up again in 2014 and 2015.

Advertised Occupations

- Identifying the occupations with the most online jobs ads can be a useful measure of demand. The top positions currently advertised in Jackson County include, *Truck drivers, Retail salespersons, Registered nurses, Industrial engineers, Retail sales and of food service supervisors, and Customer service representatives.*