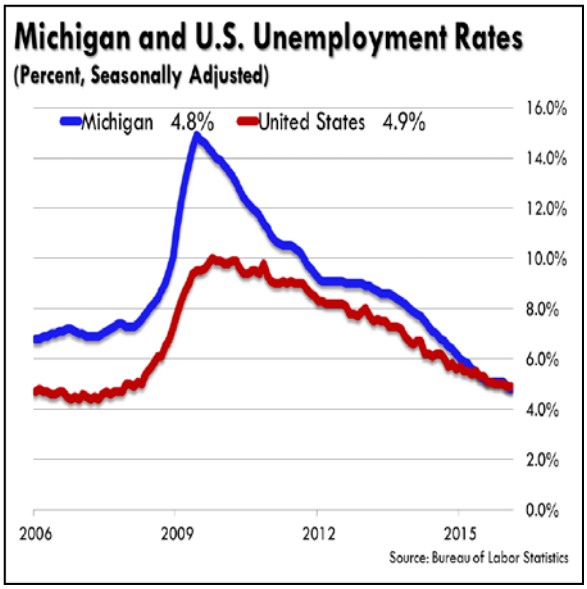
Michigan Economic Update

March 28, 2016

Summary

Nonfarm payroll employment in Michigan increased by 5,500 jobs and the unemployment rate fell to 4.8 percent in February according to data released by the Bureau of Labor Statistics (BLS).

Michigan Unemployment Rate



During February, the unemployment rate in Michigan declined by 0.1 percentage point to 4.8 percent. The number of people counted as unemployed fell by 4,409 in February to 232,969, while the labor force grew by 31,551 to 4,829,506. Among the 50 states and the District of Columbia, 26 posted lower unemployment rates for the month than Michigan. A year earlier, the unemployment rate in Michigan stood at 5.9 percent.

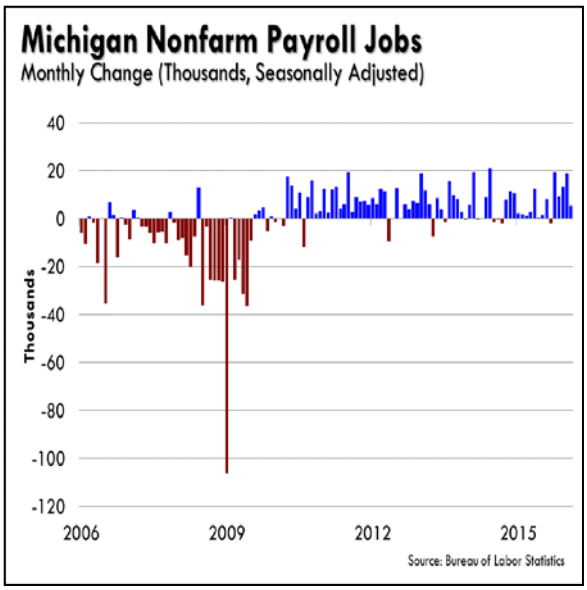
The 10 year peak for the unemployment rate in Michigan was 14.9 percent in June 2009. The series high for the unemployment rate in Michigan occurred in December 1982 when the unemployment rate reached 16.5 percent. The 10 year low for the unemployment rate in Michigan was 4.8 percent in February 2016. The series low for the unemployment rate in Michigan occurred in March 2000 when the unemployment rate reached 3.2 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in February. February's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.

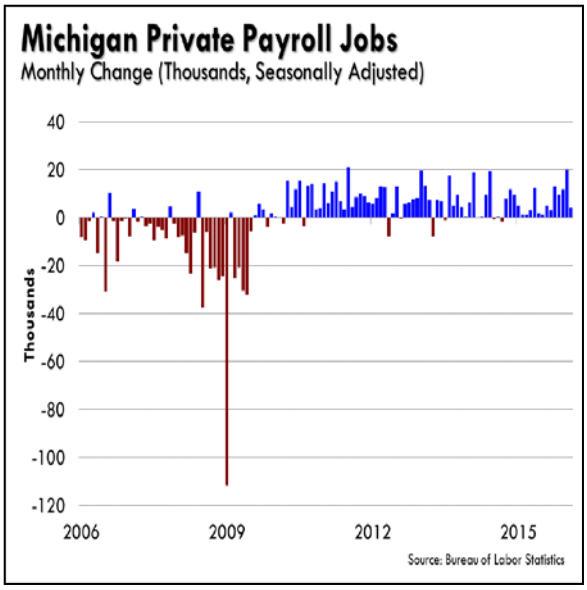
Prepared by the Joint Economic Committee
Senator Dan Coats, Chairman Representative Pat Tiberi, Vice Chairman

Michigan Payroll Employment

Michigan nonfarm payrolls increased by 5,500 jobs, or 0.13 percent, on a seasonally adjusted basis during February. In the prior month, nonfarm payrolls increased by 18,800. Over the past 12 months nonfarm payrolls in Michigan increased by 90,800, or 2.15 percent. Michigan nonfarm payroll employment has increased in 11 of the past 12 months.



Nationally, nonfarm payrolls increased by 242,000 jobs in February, or 0.17 percent. Over the 12-month period ending February 2016 nonfarm payrolls grew by 2,672,000 jobs, or 1.9 percent. Michigan ranks 17th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

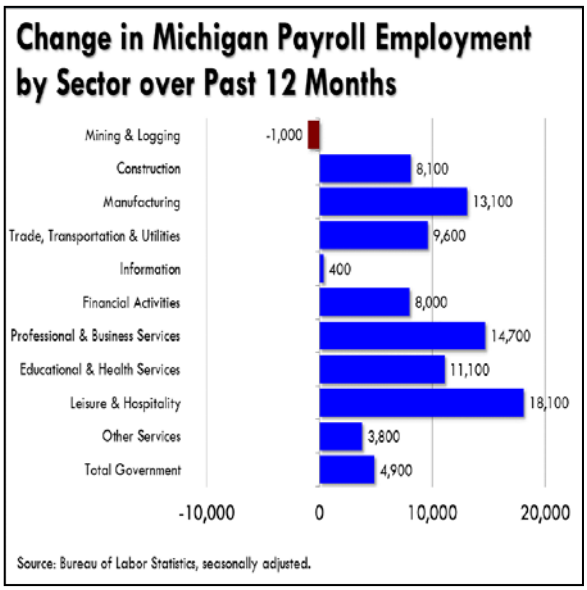


During February, Michigan private sector payrolls increased by 4,100, or 0.11 percent. Private sector payrolls increased by 19,800 jobs in the prior month. Over the past 12 months, private sector payrolls in Michigan increased by 85,900, or 2.37 percent. Michigan private sector payroll employment has increased in each of the past 12 months.

Nationally private-sector payroll jobs increased by 230,000 jobs in 1.9, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,597,000 jobs in the private sector, an increase of 2.18 percent. Michigan ranks 18th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During February, total government payroll employment in Michigan increased by 1,400, or 0.23 percent. Federal government payroll employment increased by 300, or 0.58 percent. State government payroll employment increased by 3,100, or 1.67 percent, while local government payroll employment declined by 2,000, or 0.55 percent.

Over the past year, total government payroll employment increased by 4,900, or 0.82 percent. State government payroll employment increased by 5,400, or 2.94 percent. Local government payroll employment declined by 1,100, or 0.31 percent.

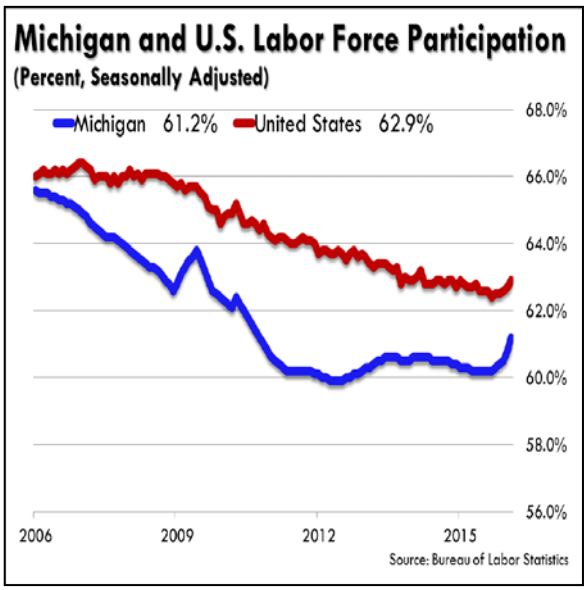


The best performing sectors on a seasonally adjusted basis during February were Leisure & Hospitality (+4,300) and Construction (+3,900). The poorest performing sectors during the month were Manufacturing (-3,300) and Educational & Health Services (-2,300).

The best performing sectors during the last twelve months were Leisure & Hospitality (+18,100) and Professional & Business Services (+14,700). The poorest performing sectors for the year were Mining & Logging (-1,000) and Information (+400).

Other Michigan Labor Force Statistics

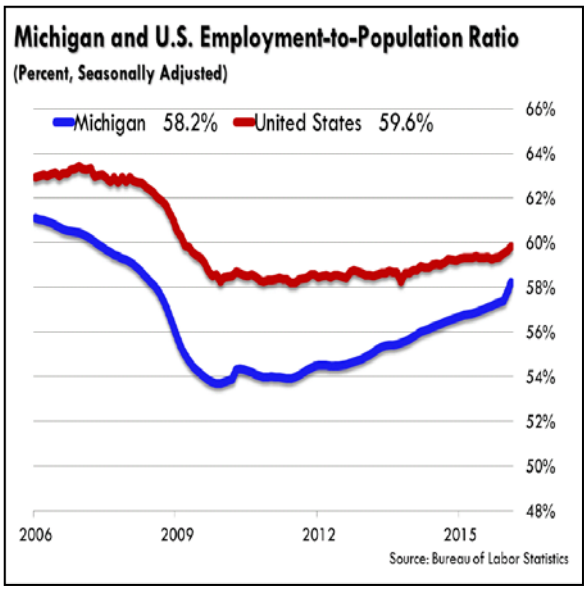
The labor force participation rate in Michigan rose to 61.2 percent in February from 60.8 percent the prior month. Among the 50 states and the District of Columbia, 39 have a higher labor force participation rate than Michigan. The labor force participation rate in Michigan is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10 year high for the labor force participation rate in Michigan was 65.5 percent in April 2006. The series high for the labor force participation rate in Michigan occurred in March 2000 when the labor force participation rate hit 69.0 percent. The 10 year low for the labor force participation rate was 59.9 percent in July 2012. This also represents the series low for the labor force participation rate in Michigan.

The national labor force participation rate rose by 0.2 percentage point to 62.9 percent in February, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Michigan civilian noninstitutionalized population 16 years and older counted as employed, rose to 58.2 percent in February from 57.8 percent the prior month. Among the 50 states and the District of Columbia, 37 have higher employment-to-population ratios than Michigan. The employment-to-population ratio in Michigan is 1.5 percentage points higher than a year earlier.



The 10 year high for the employment-to-population ratio in Michigan was 61.0 percent in April 2006. The series high for the employment-to-population ratio in Michigan occurred in March 2000 when the employment-to-population ratio hit 66.8 percent. The 10 year low for the employment-to-population ratio was 53.7 percent in December 2009. The series low for the employment-to-population ratio occurred in January 1983 when the employment-to-population ratio hit 53.2 percent.

The national employment-to-population ratio rose by 0.2 percentage point to 59.8 percent in February. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for March is scheduled for release on April 15, 2016. The national employment situation report for March will be released on Friday, April 1, 2016.