

SEVEN THINGS TO KNOW

ABOUT THE MICHIGAN UPPER

PENINSULA LABOR MARKET

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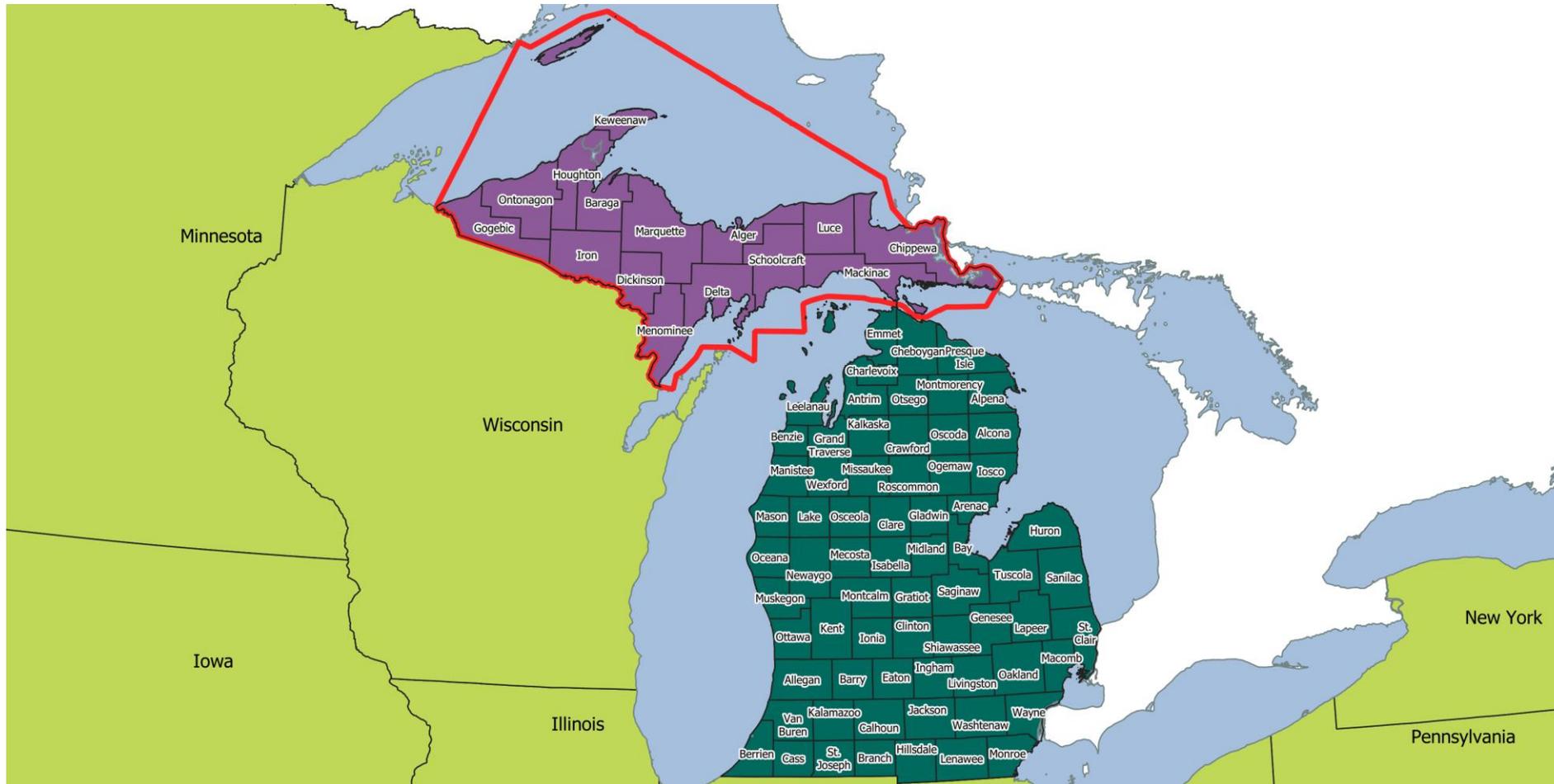
Economic Specialist

Bureau of Labor Market Information and Strategic Initiatives

1

Michigan's Upper Peninsula (UP) is an important part of Michigan, culturally and economically.

The UP represents 29 percent of Michigan's total land area and 3 percent of the state's population.

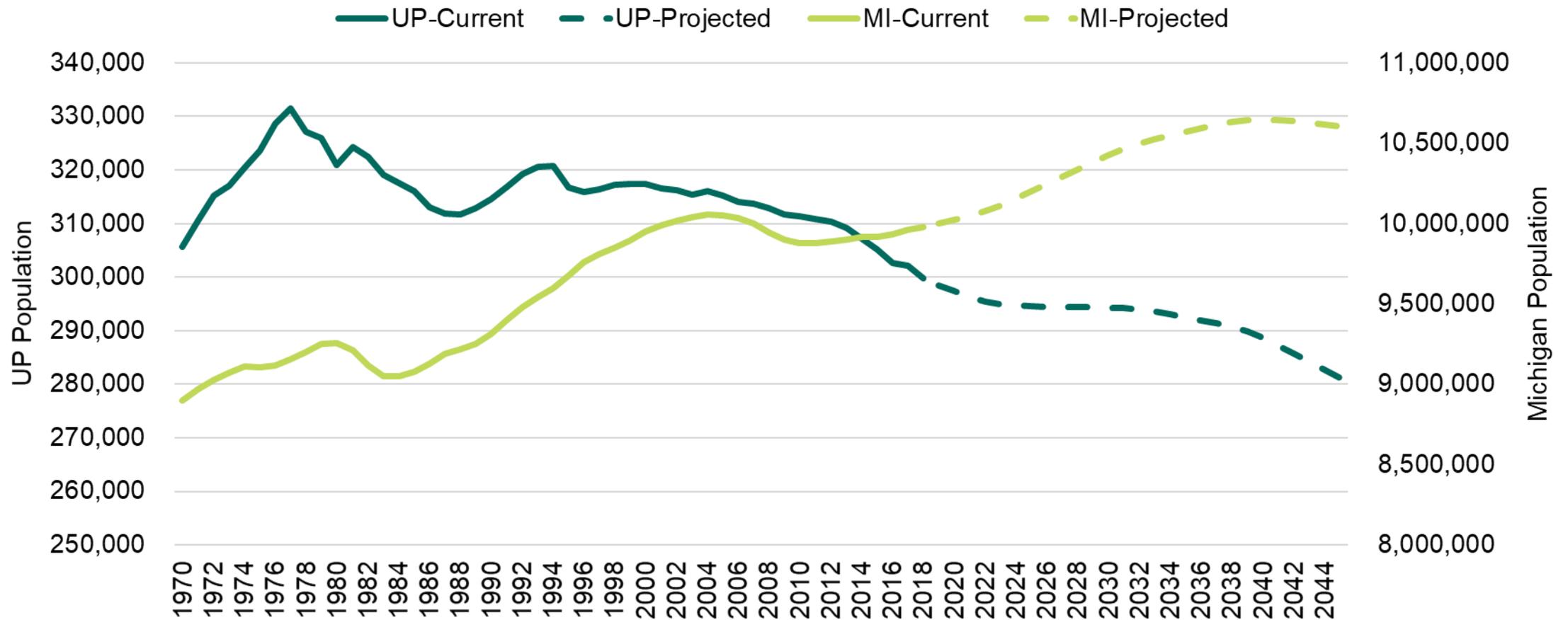


Source: Eric Guthrie, Michigan's State Demographer

2

**The UP population is declining
(and is projected to continue downward through at least 2045).**

The population of the UP peaked in 1975 and has been declining ever since, due mostly to domestic out-migration.



Sixty percent of the UP population live in four counties and only two counties have a median age below the statewide median.

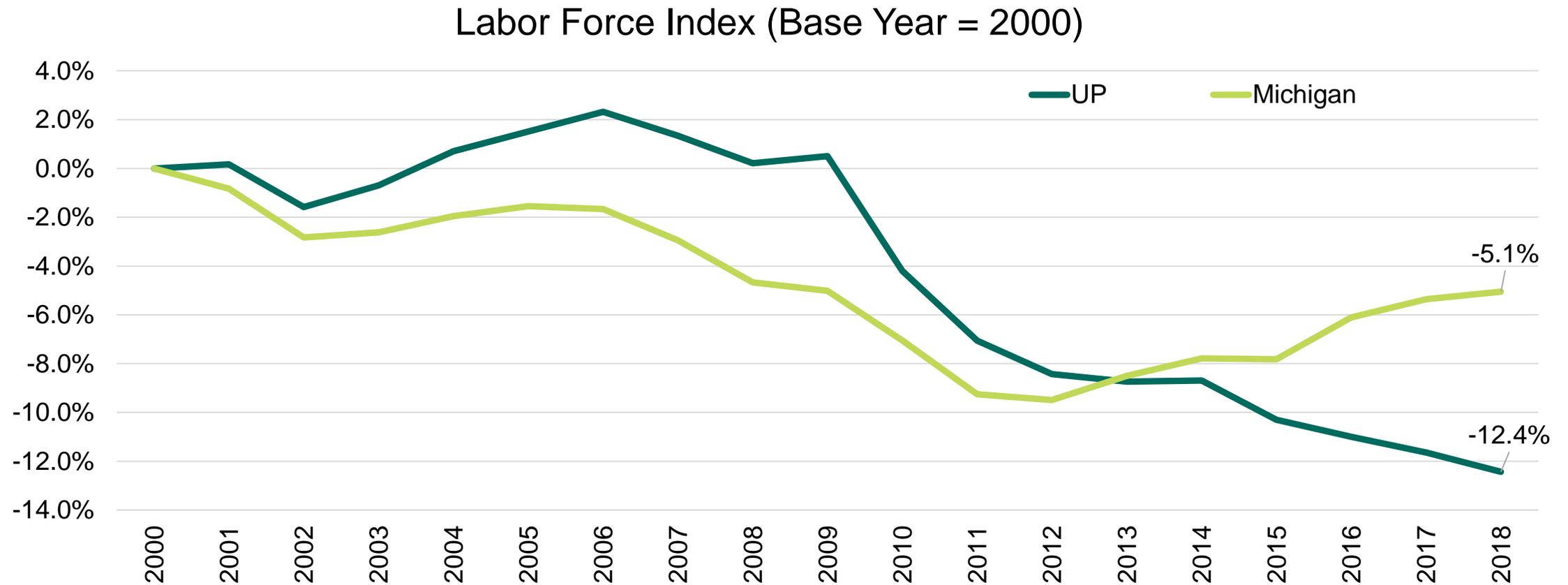
- The four counties (out of 15 comprising the area) are: Marquette, Chippewa, Houghton, and Delta.
 - All four counties have a university or college.
- Only Houghton and Marquette display a median age below the state average (due to college population).

<u>Geography</u>	<u>Median age (years)</u>
Houghton	32.9
Marquette	39.3
Michigan	39.8
Chippewa	40.1
Luce	44.5
Baraga	45.7
Dickinson	46.5
Delta	47.8
Menominee	49.3
Gogebic	49.5
Alger	50.0
Mackinac	52.3
Schoolcraft	52.5
Iron	54.7
Keweenaw	58.1
Ontonagon	58.6

3

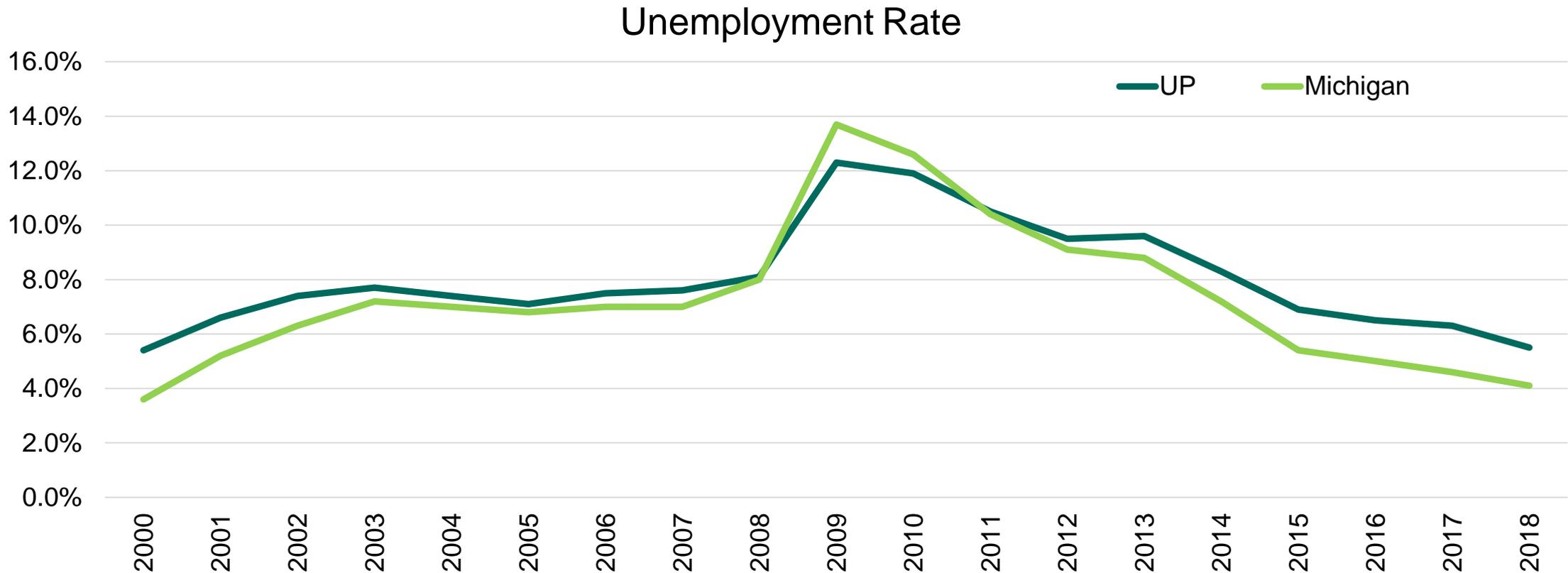
Population decline is one factor in lower labor force participation and employment.

The labor force in the UP has not returned to pre-recession levels.



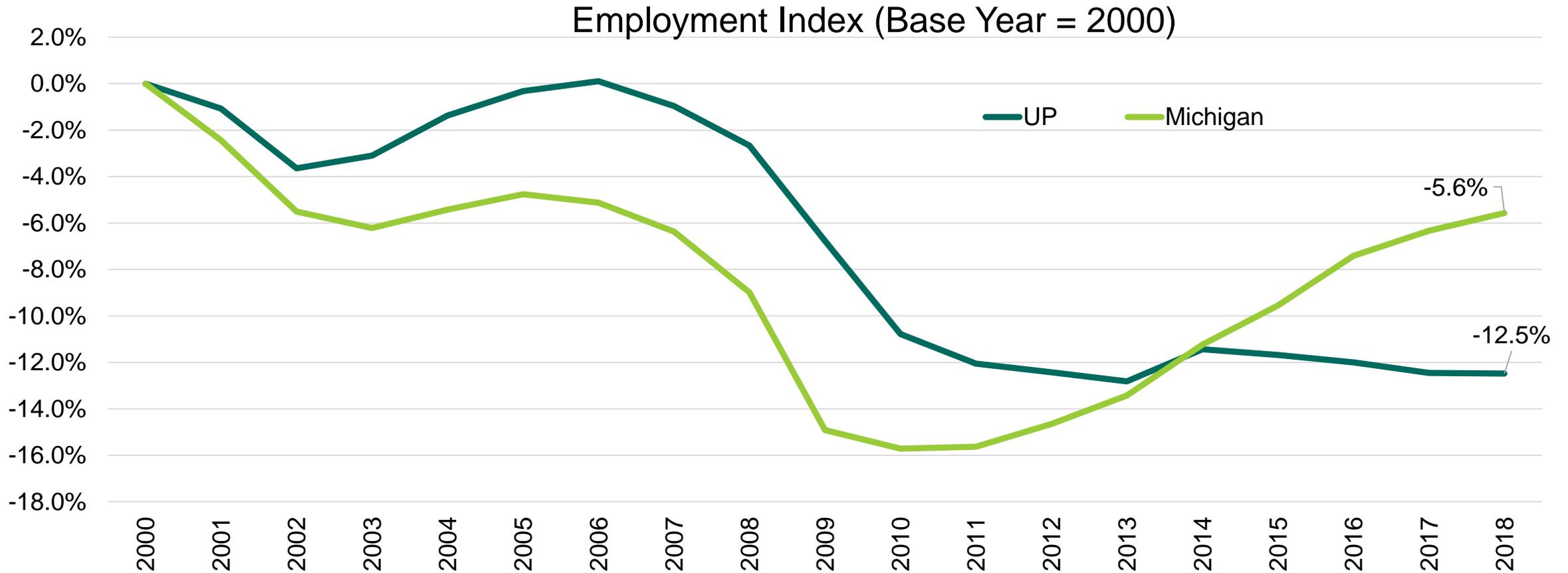
Source: Michigan Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

The unemployment rate pattern in the UP is similar to the state.



Source: Michigan Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

Employment in the UP has not rebounded from the Great Recession.



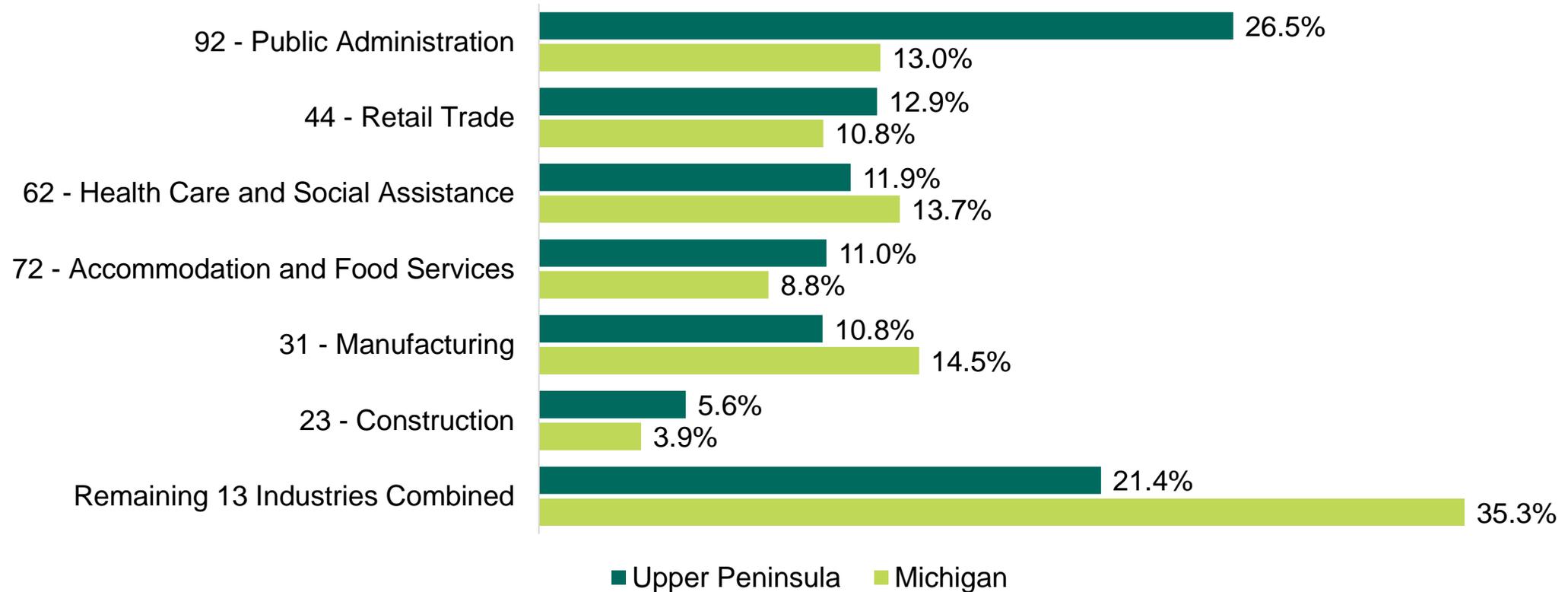
Source: Michigan Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

4

**More than half of the major industry sectors in the UP
are still losing jobs.**

Nearly 80 percent of jobs in the UP are concentrated in six industry groups.

Top Six Industries in the UP (2018)

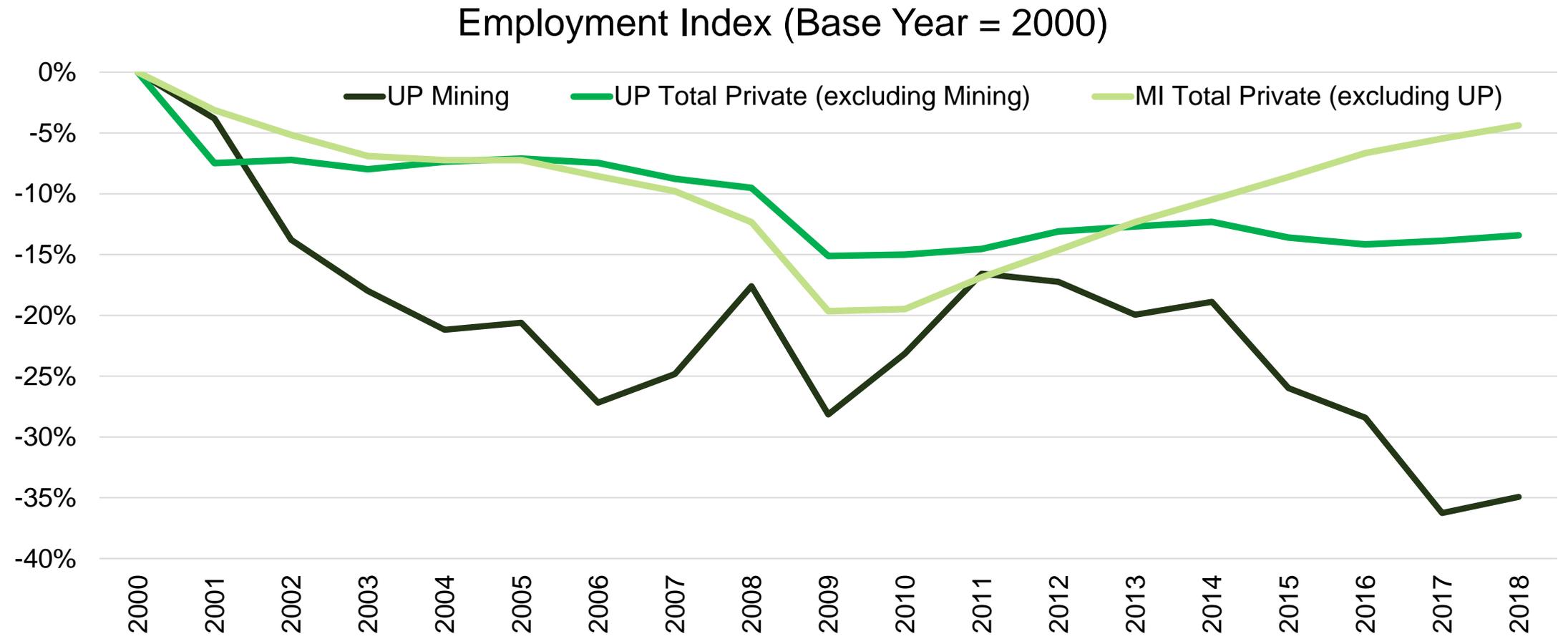


Source: Michigan Bureau of Labor Market Information and Strategic Initiatives; Quarterly Census of Employment and Wages (QCEW)

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Mining is an important part of the UP economy.

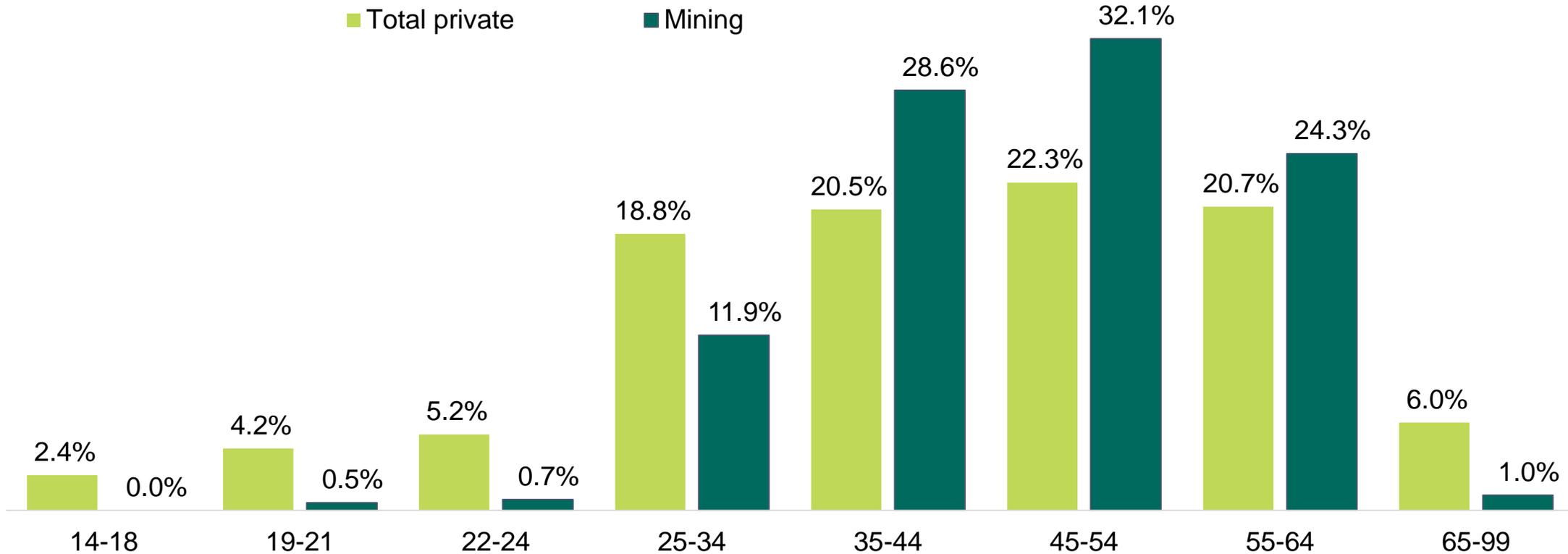
Mining represents only 1.3 percent of payroll employment in the UP, but the UP has over a quarter of total mining jobs in the state.



Source: Michigan Bureau of Labor Market Information and Strategic Initiatives; Quarterly Census of Employment and Wages (QCEW)

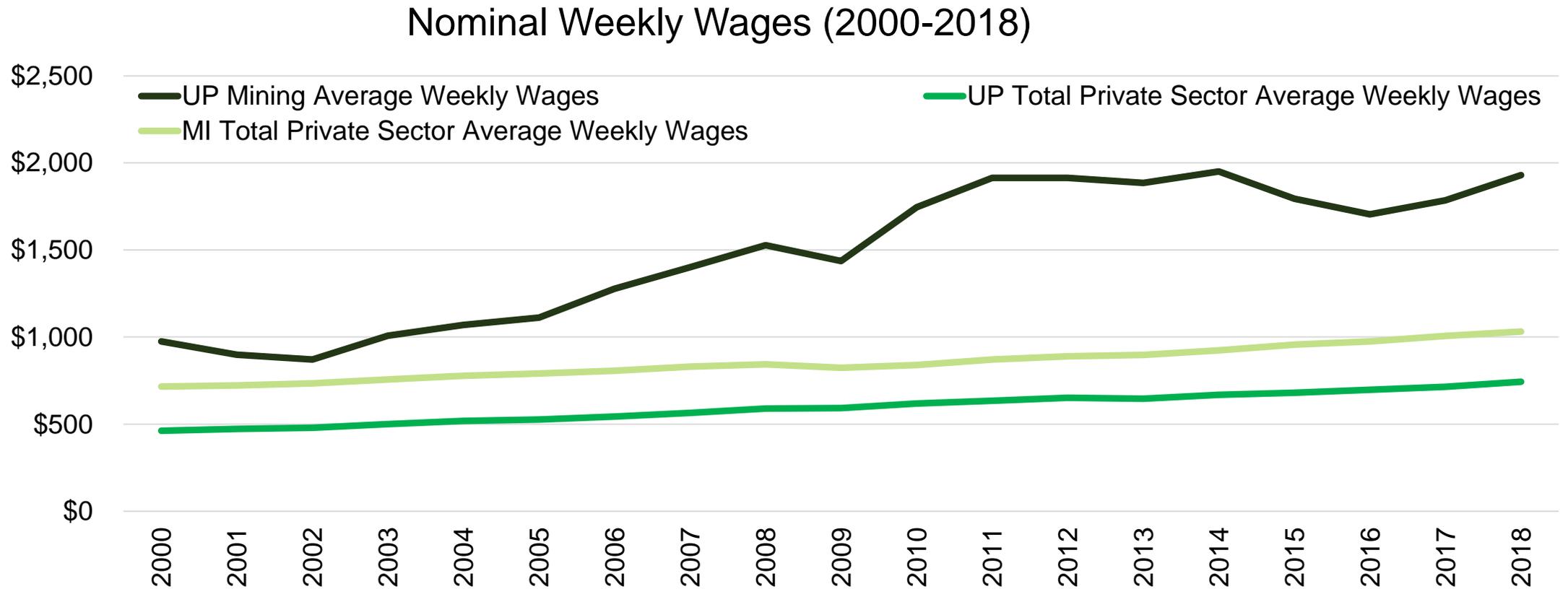
Mining workers are older and predominantly male.

Distribution of UP's Mining Workers by Age



Source: US Census Bureau, Longitudinal Employer-Household Dynamics, Quarterly Workforce Indicators, 2018 (Third Quarter)

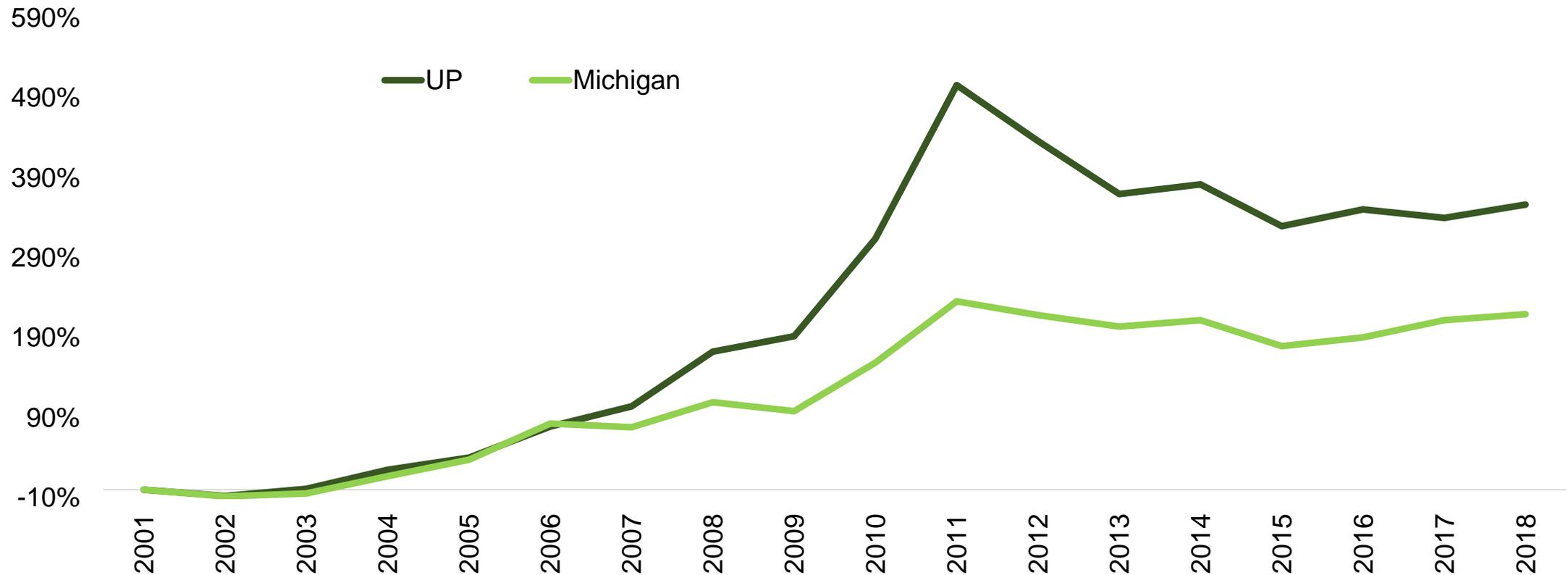
While Mining employment has been declining, the industry's wages have been on the rise.



Source: Michigan Bureau of Labor Market Information and Strategic Initiatives; Quarterly Census of Employment and Wages (QCEW)

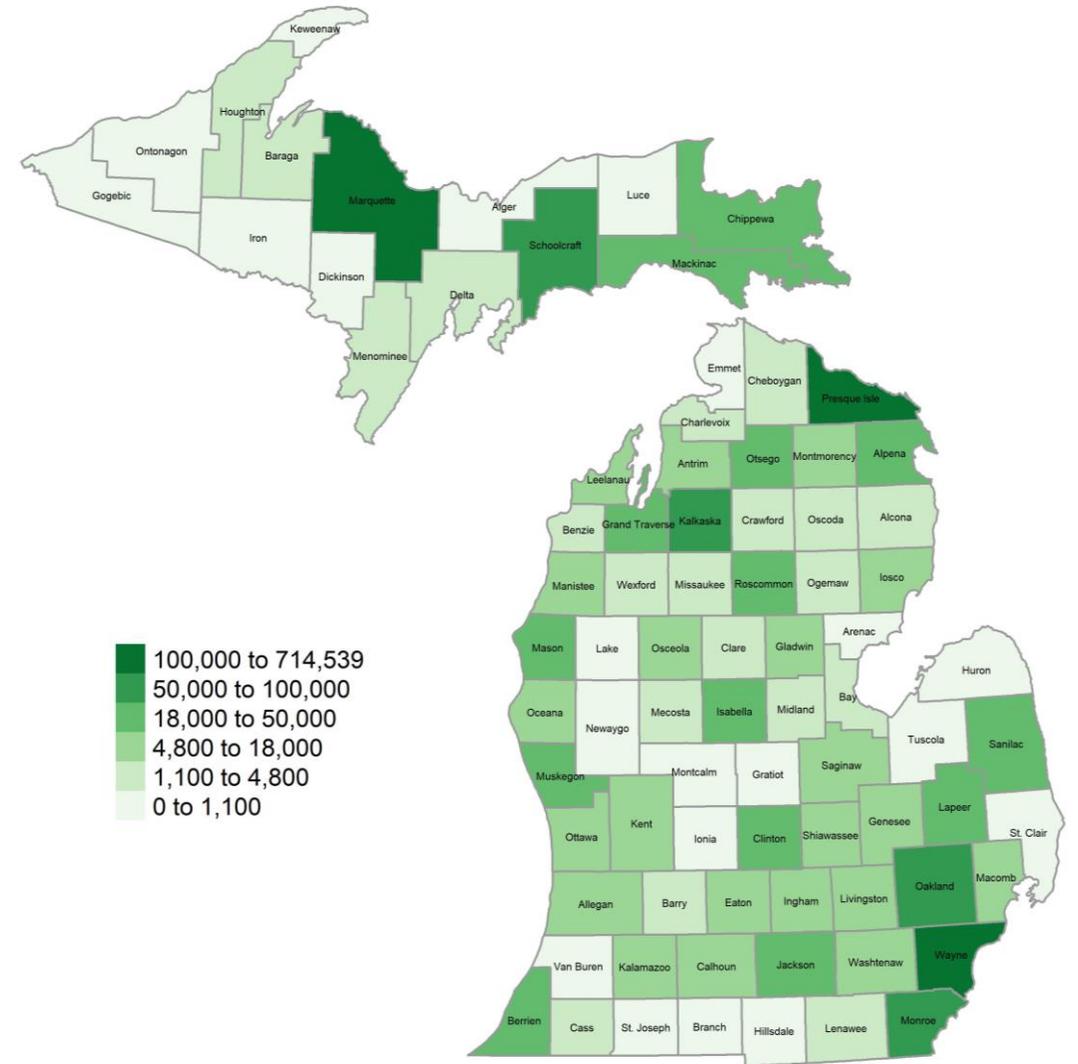
... and the industry's contribution to GDP has been growing (suggesting an increase in productivity in the industry).

Mining GDP (in Current Dollars) Index, Base Year = 2001



Source: US Bureau of Economic Analysis (BEA), Regional Economic Accounts

Over a third of the mining GDP in the state of Michigan in 2018 is produced in one UP county: Marquette.

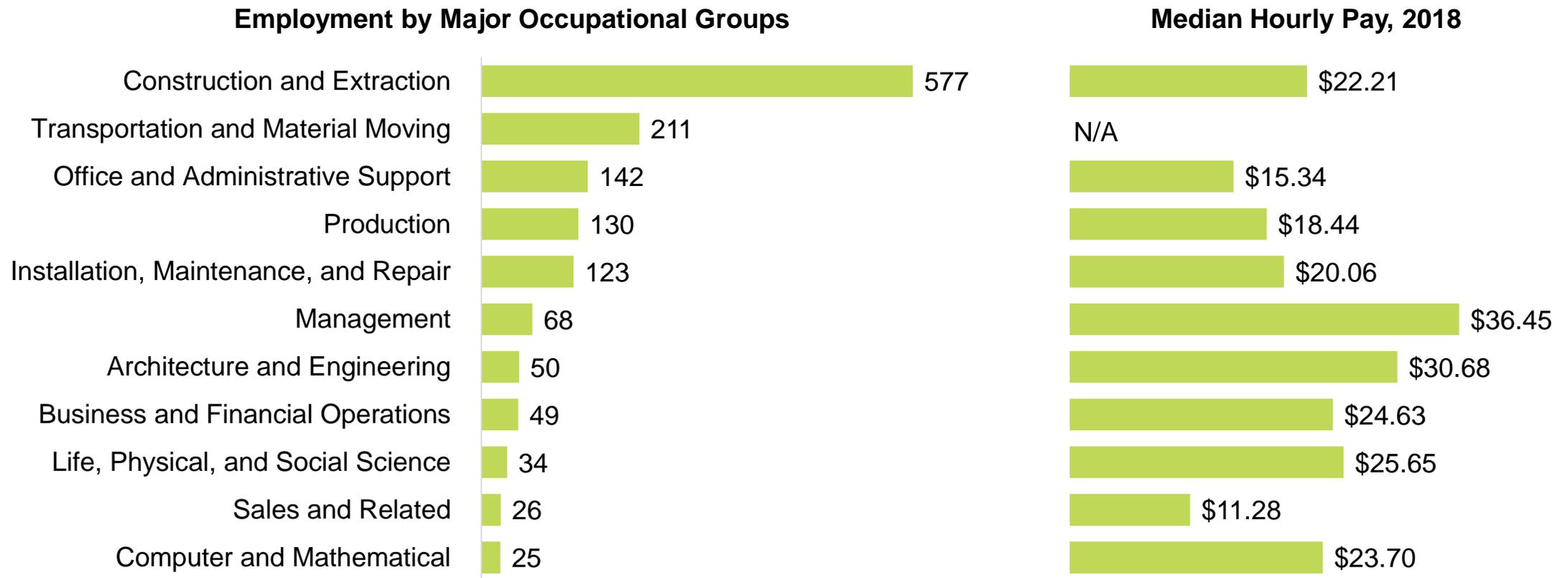


Source: US Bureau of Economic Analysis (BEA), Regional Economic Accounts (Data)

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Almost all Mining occupational groups pay a wage above the regional average.

Construction and extraction is by far the largest occupational group in the UP's mining industry.

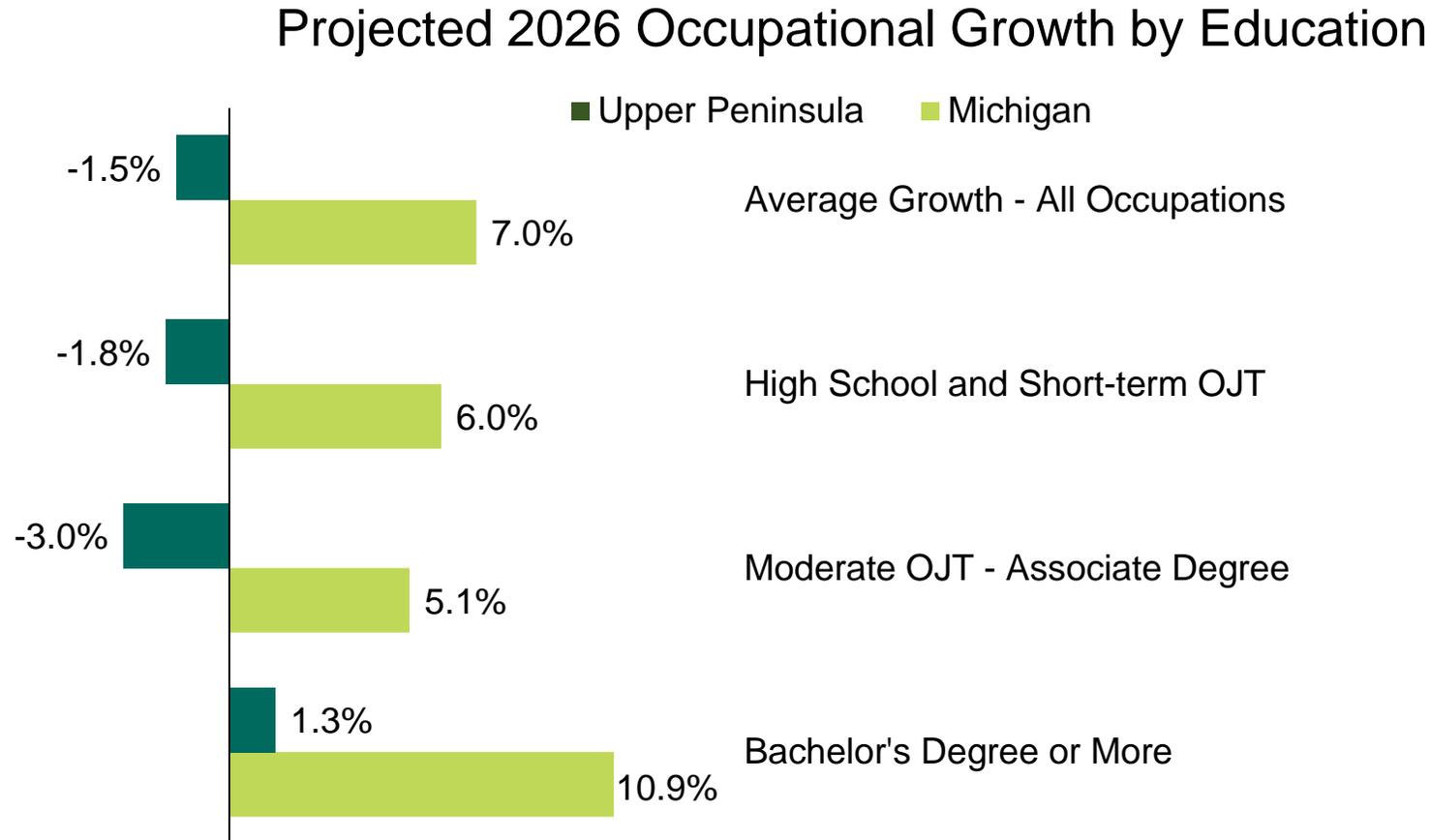


Source: BLS, Michigan Staffing Matrix; Occupational Employment Statistics (OES)

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Certainly in Mining, but also more generally, employment in the UP is expected to be flat or even down.

Job growth will be concentrated in the higher education occupations, but replacement opportunities will be found in many occupations.



Source: Michigan Bureau of Labor Market Information and Strategic Initiatives; Occupational Employment Projections

In a nutshell, the UP is an important part of Michigan.

- Despite a declining population and labor force, the UP's wealth in natural resources (such as copper, iron, nickel, and others yet to be discovered) represents a large contribution to the area and state GDP.
- This contribution has been rising over the past two decades, while employment declined, suggesting increasing productivity in the Mining industry in the UP.

Contact Us



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