

Work in SE Michigan: A Labor-Supply Perspective

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**Geography of Auto Production—
Will Detroit Continue to be the Industry's Hub?**

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THE NATURE OF WORK IS CHANGING:

-PRODUCTIVITY GAINS CALL FOR FEWER WORKERS

-A “KNOWLEDGE REVOLUTION” CHANGES SKILL REQUIREMENTS

-WORKERS NEED TO IMPROVE THEIR HUMAN CAPITAL TO FIT INTO THE NEW WORKPLACE

-DEMANDS FOR FLEXIBILITY LEADS TO A SHIFT TO MORE CONTINGENT LABOR

AS A RESULT, THE QUALITY OF JOBS (inputs, qualifications, knowledge intensive skill sets) AS WELL AS THE QUALITY OF EMPLOYMENT (wages, benefits and protection) IS CHANGING

SHIFTSHARE OF EMPLOYMENT IN THE DETROIT METROPOLITAN STATISTICAL AREA

CMSA	Actual Employment Change		SHIFT SHARE CHANGES	
	(A)	(B)	(C)	(D)
	80-90	90-98	90-98 Anticipated Change	90-98 Net Shift
<u>FUNCTIONS</u>				
direct labor high \$ manufacturing	-59,079	71,540	80,542	-9,002
direct labor low \$ manufacturing	-173	-3,459	9,433	-12,892
direct labor other industrial	7,706	42,253	31,686	10,567
personal services	26,094	41,704	46,604	-4,900
retail & wholesale	103,260	62,918	67,402	-4,484
direct labor health care	51,209	9,609	38,324	-28,715
education	38,878	7,311	39,259	-31,948
police & fire	-1,764	9,291	3,275	6,016
managers	67,920	98,646	45,129	53,517
FIRE & personal business	1,619	48,070	25,448	22,622
prof.coordination/sales	30,580	83,705	26,726	56,979
support labor coordination	13,308	33,158	71,042	-37,884
government admin.	12,558	-13,934	18,499	-32,433
<u>OCCUPATIONS</u>				
mgrs w/o retail, sales supv.etc.	44,840	54,632	31,811	22,821
accts & othr mgmt	14,307	35,472	12,949	22,523
sales rep ,etc.	14,002	57,458	11,038	46,420
sci related prof & pilots	22,073	47,702	18,990	28,712
othr health prof	4,898	10,016	11,112	-1,096
teachers	10,913	24,825	20,106	4,719
arts & letters	10,267	21,188	13,556	7,632
mgrs w/retail, sales supv.etc.	74,239	69,740	27,585	42,155
blue-collar supr & related SE	17,611	5,609	10,074	-4,465
health & sci tech	32,597	31,352	17,370	13,982
craft repair, etc.	-6,193	37,212	44,661	-7,449
clerical & admin sup	-33,369	34,074	78,588	-44,514
operators	-6,938	25,152	72,756	-47,604
sales	61,391	36,472	39,289	-2,817
service workers w/ guards	52,192	-13,597	69,114	-82,711
laborers & helpers	-17,020	12,824	20,447	-7,623

LABOR SUPPLY: HOUSEHOLD SURVEY

Wayne State University, College of Urban, Labor and Metropolitan Affairs

Respondents: Adults 18 and over, randomly selected

2000: 2537 Households (1409 regionally)

+/- 1.95% for 95% Confidence Interval

2001: 2521 Households (1493 regionally)

+/- 1.95% for 95% Confidence Interval

2002: 2374 Households (2178 regionally)

+/- 2.01% for 95% Confidence Interval

2003: 1508 Households (region)

+/- 2.52% for 95% Confidence Interval

What is your current employment status?					
		2000	2001	2002	2003
Employed	Female	45.8%	52.6%	49.0%	49.6%
	Male	68.8%	69.7%	62.0%	59.5%
Unemployed	Female	5.0%	7.5%	8.7%	11.5%
	Male	4.1%	7.9%	12.2%	12.9%
n.i.l.f.	Female	49.1%	39.9%	42.3%	38.9%
	Male	27.1%	23.6%	24.9%	27.7%

Employed Sector	2000	2001	2002	2003
Manufacturing	30.7%	20.0%	16.3%	17.4%
Retail trade	14.0%	9.9%	9.6%	12.3%
Wholesale trade	2.4%	3.2%	2.5%	3.7%
Is your current job connected to the automobile industry directly or indirectly?	n.d.	37.5%	32.5%	33.6%

Percent reporting stress at work

		2000	2001	2002	2003
Do you use a personal computer to perform work functions?	No	46.5%	47.2%	42.9%	46.3%
	Yes	59.8%	64.4%	57.1%	39.2%
Do you use a computer for other work-related tasks?	No	60.8%	63.0%	40.9%	34.6%
	Yes	53.0%	66.9%	59.1%	53.7%
In the next 5 years do you see the nature of your job changing?	No	49.2%	51.2%	43.7%	60.8%
	Yes	59.1%	61.7%	56.3%	65.4%

What is the highest degree or accreditation you have				
	2000	2001	2002	2003
Did not graduate HS	10.4%	5.6%	6.6%	6.7%
High school graduate w/diploma or GED	49.5%	41.8%	41.3%	42.8%
Apprenticeship Certificate	1.3%	5.1%	6.3%	3.9%
Associate degree (Occupational/Voc)	5.4%	5.3%	3.1%	2.9%
Associate degree (Academic)	4.3%	7.2%	5.9%	7.1%
Bachelor's degree	17.7%	20.6%	21.1%	21.4%
Post-graduate degree	10.7%	10.8%	12.9%	11.9%

IS THERE AN EDUCATED WORKFORCE LOCALLY?

The key to promoting employment is having a trained and educated workforce, is investing in a worker's human capital

DOES THEIR EDUCATION MATTER?

The region's workforce is adequately educated (marginally), but feels that their schooling was not that helpful for the current job, and feels they are better prepared but the jobs are not utilizing that education

Education and your Employment		2000	2001	2002	2003
Formal education prepared them for their jobs	FEMALE	52.5%	55.8%	55.3%	57.3%
	MALE	56.9%	56.0%	59.0%	54.5%
School-based skills not very or at all related to job	FEMALE	40.0%	35.3%	40.3%	36.3%
	MALE	39.8%	42.3%	37.8%	42.0%
Formal education prepared them for better jobs	FEMALE	49.4%	52.5%	59.4%	60.0%
	MALE	54.9%	57.8%	60.9%	57.7%

		ACCORDING TO JOB DESCRIPTION								
		Managers, medical doctors/lawyers	Business professionals	Medical & educational professionals	Supervisors	Skilled manual workers	Clerical & administrative support	Operatives		
SELF CATEGORIZED	2003									
	Managers, medical doctors/lawyers	44.0%	9.5%	11.9%	8.3%	6.0%	6.0%	1.2%	13.1%	100.0%
	Business professionals	10.1%	44.0%	7.3%	0.9%	4.6%	11.0%	1.8%	20.2%	100.0%
	Medical & educational professionals	2.1%	0.0%	68.3%	0.7%	6.2%	2.1%	2.8%	17.9%	100.0%
	Supervisors	30.0%	14.0%	8.0%	10.0%	2.0%	8.0%	2.0%	26.0%	100.0%
	Skilled manual workers	2.4%	9.8%	4.9%	0.0%	48.8%	7.3%	12.2%	14.6%	100.0%
	Clerical & administrative support	7.0%	8.8%	7.0%	0.0%	7.0%	63.2%	1.8%	5.3%	100.0%
	Operatives	0.0%	5.3%	5.3%	0.0%	26.3%	10.5%	26.3%	26.3%	100.0%
	Salesclerks, service workers, & laborers	2.2%	6.7%	5.6%	1.1%	12.4%	9.0%	3.4%	59.6%	100.0%

PERCEPTION BY WORKERS IS THAT THEY NEED BETTER TRAINING IN THIS ECONOMY

Workers are insecure at work and feel they training to help them secure better work or keep their current job

Fewer workers report getting the training they need for their jobs

Employers are cutting back on training provided to their employees

Training and your Employment		2000	2001	2002	2003
You require more training to get or keep better job	FEMALE	65.1%	68.3%	65.0%	73.1%
	MALE	61.9%	65.5%	63.4%	61.0%
Attended training relevant to your job	FEMALE	60.5%	65.7%	64.6%	67.8%
	MALE	61.8%	59.6%	63.3%	54.5%
Your employer provides training you feel you need	FEMALE	68.9%	75.1%	71.0%	71.3%
	MALE	71.0%	75.2%	68.7%	60.4%
Compared to last year, you are getting less training	FEMALE	21.5%	22.3%	28.7%	28.9%
	MALE	19.6%	21.8%	33.1%	28.5%

LOCAL WORKFORCE ARE INTERESTED IN BEING TRAINED, AND KNOW THEY NEED TRAINING TO KEEP THEIR JOBS AND COMPETE IN THIS MARKET

THERE CONTINUES TO BE A DOMINANT ROLE FOR THE AUTOMOBILE INDUSTRY IN THE LOCAL ECONOMY BUT ITS TRANSFORMATION MEANS IT WILL INCREASINGLY FAIL TO DRIVE EMPLOYMENT IN THE REGION, AND THE JOBS REMAINING WILL BE IN A SHRINKING MANUFACTURING SECTOR

THE CHALLENGE FOR POLICY MAKERS: RETHINK THE INDUSTRY MIX AND COME UP WITH THE RIGHT KIND OF TRAINING RATHER THAN COUNT ON EDUCATION AND WORKER DRIVEN HUMAN CAPITAL