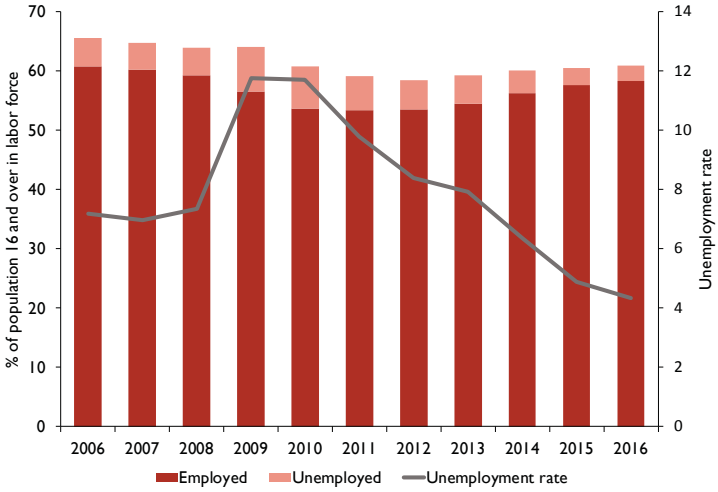


# BATTLE CREEK MSA

The labor force participation rate in Battle Creek was 60.9 percent in 2016, below the national rate of 62.7 percent and below the local rate of 65.5 percent in 2006. The unemployment rate is also lower in 2016 than it was in 2006 (see figure below). As discussed in the Viewpoint on page I, in parts of west Michigan the labor force participation rate is above the national average, and further growth may be hindered by a labor shortage. However, in Battle Creek, some room to grow remains, assuming that workers' skills fit the needs of employers.

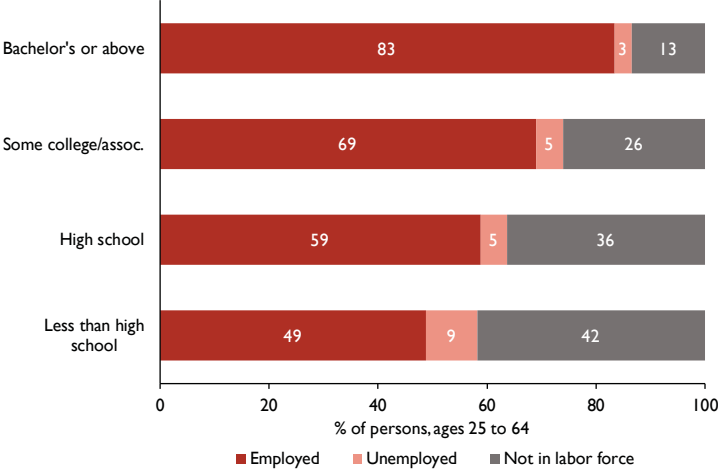
## Battle Creek Labor Force and Unemployment



The labor force participation rate, which is the percentage of the working-age population employed and unemployed, was 60.9 percent in Battle Creek in 2016, lower than the national rate of 62.7 percent. This means employers looking for workers have a smaller pool to draw upon, unless they can coax workers back into the labor force.

The figure below shows the labor force status by educational attainment for people aged 25 to 64. The increased employment returns to education are apparent, as only 49 percent (or one in two) of those without a high school diploma are employed, compared to 83 percent (five in six) of those with at least a bachelor's degree. Similarly, those with some college or an associate's degree are employed at a higher rate than those with

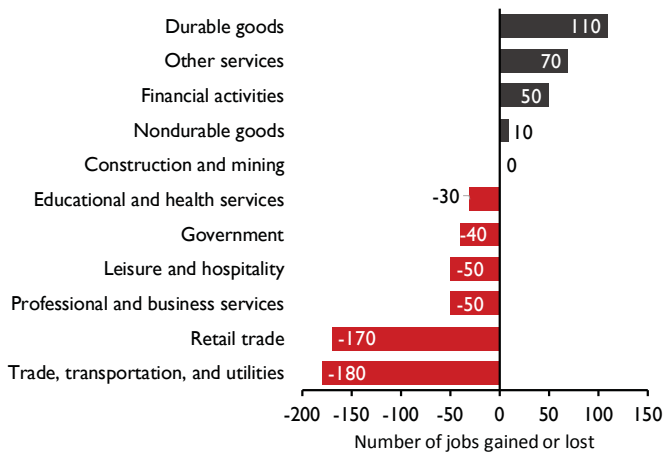
## Battle Creek MSA Education and Employment Status



Each level of education attained improves a person's chances of finding employment by at least 10 percentage points.

US Census American Community Survey, 2015

### Q3 to Q4 Employment Growth by Sector



Total nonfarm employment fell by 0.2 percent. Industry change was modest in both growth and decline, possibly due to the overall tight labor market hindering growth.

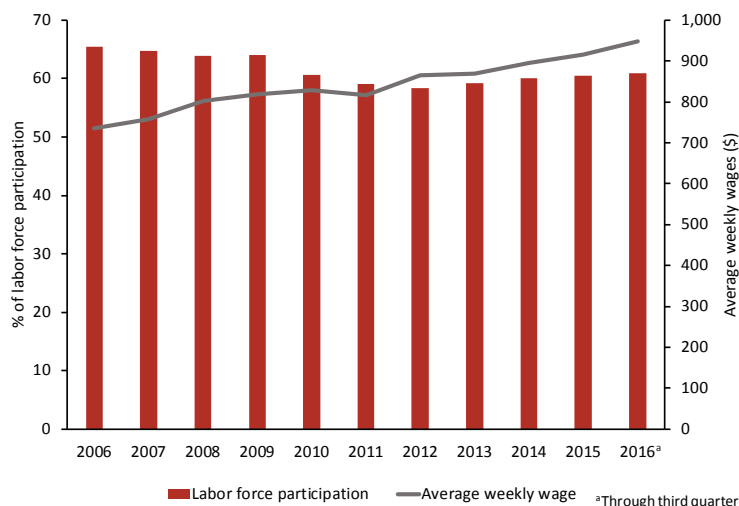
only a high school diploma. The lack of employment for the less educated is more apparent in the out-of-the-labor-force segment than among those who are unemployed.

Nonfarm employment in Battle Creek fell by 0.2 percent in the fourth quarter of 2016, with losses driven by the services sector. Service-providing employment fell by 0.5 percent, led by retail employment, which lost 170 jobs. Financial and other services were the only growth industries in the service sector. Government employment fell by 40 jobs. Goods-producing employment rose by 0.9 percent, with most growth coming from durable goods manufacturing, which added 110 jobs. Construction employment was unchanged, and nondurable goods employment rose by 10 jobs.

The area's unemployment rate increased slightly, rising to 4.6 percent from 4.2 percent in the previous quarter. The increase in the unemployment rate was not matched by growth in the number of new unemployment insurance claims, which held steady at 115 per week. The figure below shows the labor force participation rate in the Battle Creek MSA compared to the average weekly wage. Nominal wages (not adjusted for inflation) have been rising unevenly since 2006, and since 2013 they have risen steadily. However, wage growth has not been enough to push the labor force participation rate back up to the level of 2006.

More detail on industry employment change is found on our website at [research.upjohn.org/bus\\_outlook/](http://research.upjohn.org/bus_outlook/).

### Labor Force Participation and Average Weekly Wage



Rising average weekly wages since 2011 have not been enough to boost the labor force participation rate back to prerecession levels.