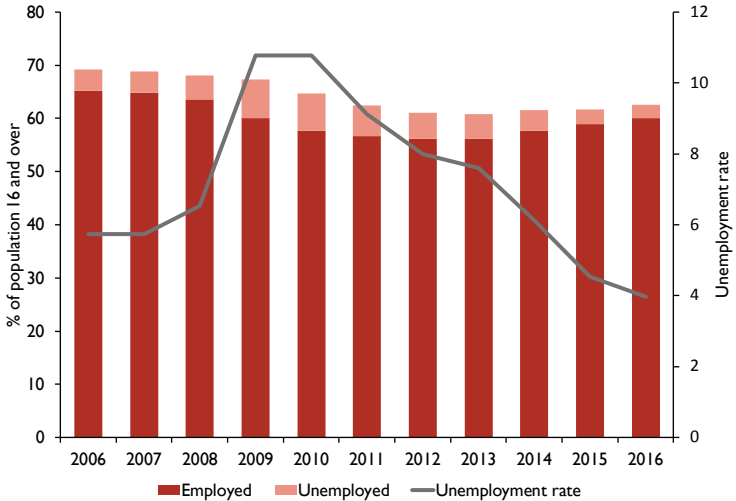


KALAMAZOO-PORTAGE MSA

Labor force participation in the Kalamazoo-Portage MSA is at 62.5 percent, still below the prerecession mark of 69.1, even though the unemployment rate in 2016 was lower than in 2006. The figure below shows the labor force participation rate (both the employed and the unemployed) shrinking during the Great Recession and afterward, from 2008 through 2013. The labor force participation rate did not begin growing again until 2014 and remains below the 2006 level. Employers looking for workers may have to lure them back into the labor force rather than drawing from the unemployed.

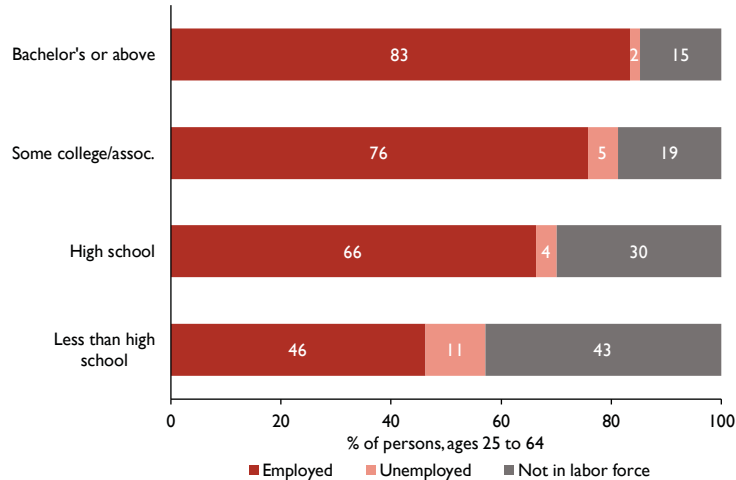
Kalamazoo-Portage Labor Force and Unemployment



The Kalamazoo-Portage MSA posted a labor force participation rate of 62.5 in 2016, nearly on par with the national rate of 62.7. The labor force is made up of both the employed and the unemployed as a percentage of the population 16 and over. Low unemployment suggests that employers may have to find workers not currently in the labor force.

The unemployment rate in Kalamazoo increased to 4.2 from 3.8 in the third quarter. Even though the unemployment rate rose, the rate of initial claims for unemployment insurance was little changed, falling 1.2 percent.

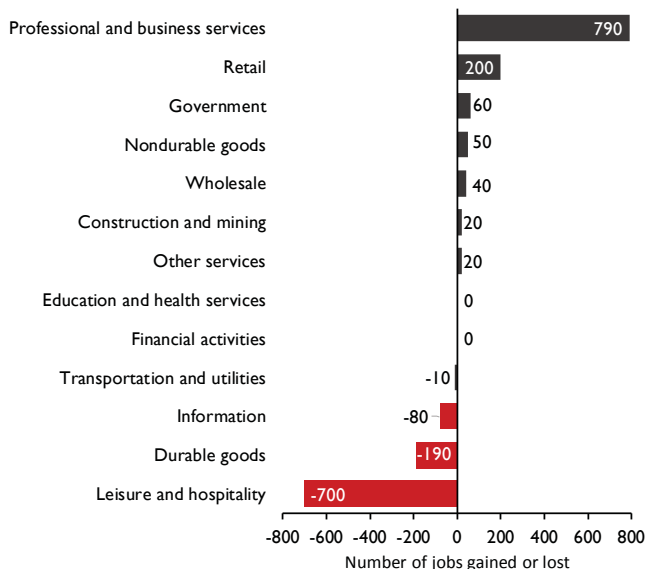
Kalamazoo-Portage MSA Education and Employment Status



Simply completing high school meant that a Kalamazoo-Portage resident's chances of being employed jumped 20 percentage points, from less than half to nearly two-thirds.

U.S. Census American Community Survey, 2015

Q3 to Q4 Employment Growth by Sector



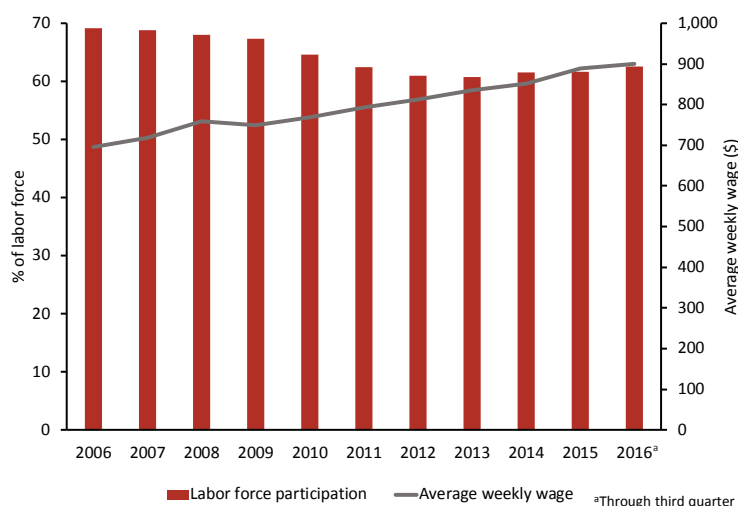
Employment grew by just 0.1 percent in Kalamazoo-Portage over the fourth quarter. The figure shows modest gains and declines across most industries, with just professional and business services posting a large increase and leisure and hospitality a big decline.

Employment was virtually unchanged in Kalamazoo-Portage, increasing by 0.1 percent in the fourth quarter. Durable goods manufacturing employment fell by 190 jobs, which contributed to pushing down employment in the goods-producing sector by 0.4 percent. Construction and nondurable goods employment posted modest gains over the fourth quarter. The service-providing sector grew in spite of offsetting industry sector performance: professional and business services rose by 790 jobs, canceling out losses in leisure and hospitality of 700 jobs over the quarter. Government employment increased by 0.3 percent during the third quarter.

The figure below shows the labor force participation rate along with the average weekly wage in the Kalamazoo-Portage MSA. The labor force participation rate fell through 2012, and growth has been lackluster since then. Wages have been growing since 2009, but possibly not enough to lure workers back into the labor force.

More detail on industry employment change can be found on our website at research.upjohn.org/bus_outlook/.

Labor Force Participation and Average Weekly Wage



The labor force participation rate has not responded to the rising average weekly wages in the Kalamazoo-Portage MSA. Wages improved from 2009 to 2016, while labor force participation fell through 2013.