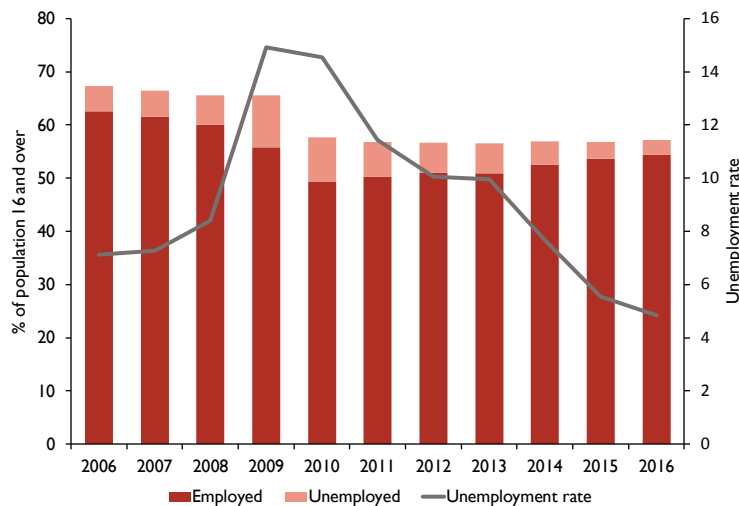


# MUSKEGON–NORTON SHORES MSA

The labor force participation rate in Muskegon was 57.1 percent in 2016, below the national average of 62.7 percent. Labor force participation fell sharply from 2009 to 2010, even after the Great Recession was technically over, and it still has not recovered (figure below). The labor force participation rate currently stands 57.1 percent, over 10 points lower than where it was in 2006, at 67.3 percent. Since 2010, the rate has been relatively flat as unemployment has fallen. It appears that workers who are unemployed—meaning they are actively seeking work—have been finding work, while other workers have dropped out of the labor force.

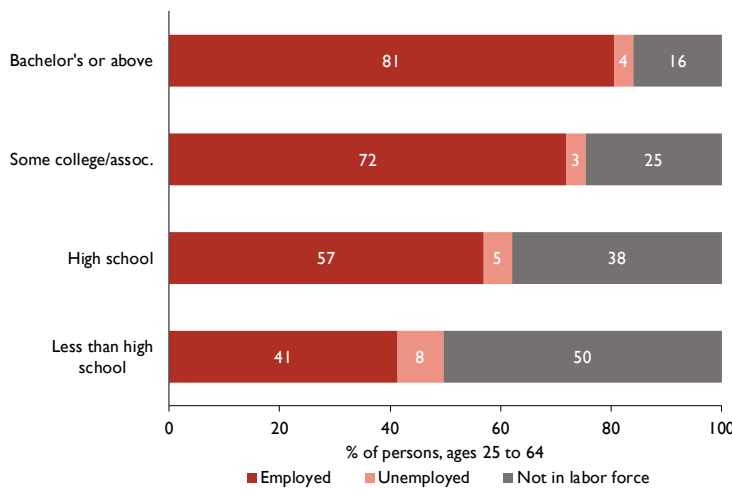
## Muskegon Labor Force and Unemployment



In Muskegon, the labor force participation rate—the percentage of the adult working population that is employed or unemployed—was 57.1 in 2016. The national rate was 62.7 in the same period. Unemployment is low, suggesting employers may have to lure workers back into the labor force.

The unemployment rate increased to 5.0 percent over the fourth quarter, from 4.8 in the previous quarter. Even so, the rate of initial claims for unemployment insurance fell by 20.7 percent to 142 per week over the quarter.

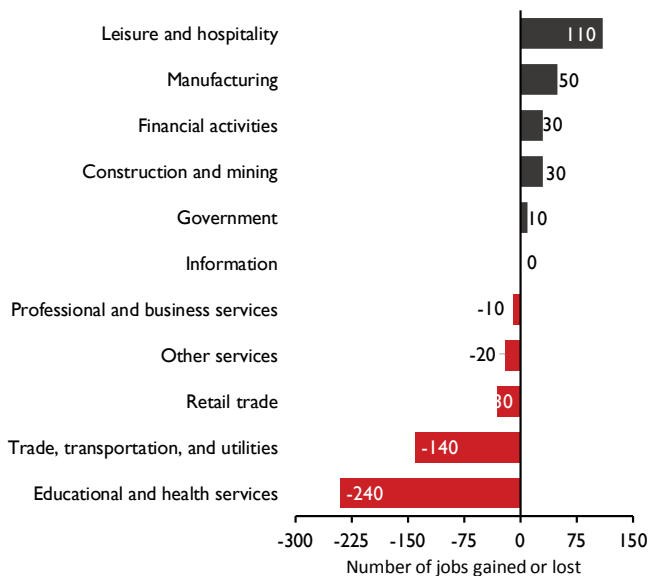
## Muskegon MSA Education and Employment Status



A full 50 percent of people between the ages of 25 and 64 in the Muskegon MSA have dropped out of the labor force.

U.S. Census American Community Survey, 2015

### Q3 to Q4 Employment Growth by Sector



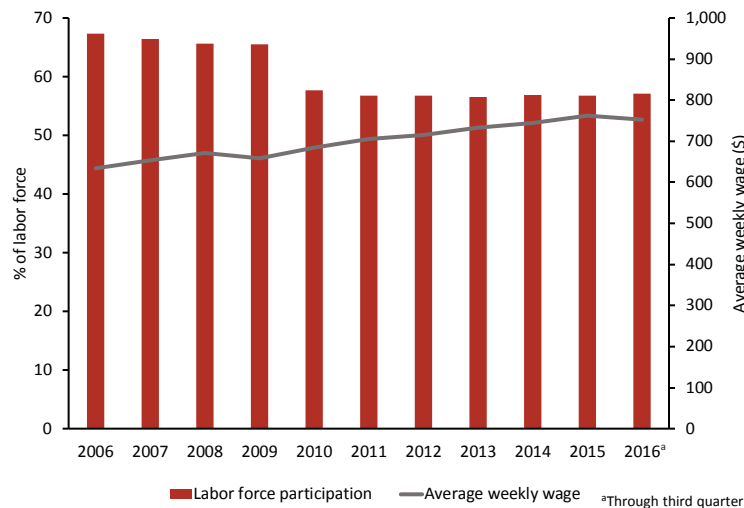
Total employment in Muskegon fell by 0.3 percent, with muted growth and decline across most industries. Labor force participation is below the national average, suggesting some slack remains in the economy.

Nonfarm employment in Muskegon slipped by 0.3 percent over the fourth quarter of 2016. Losses were led by education and health services, which fell by 240 jobs. Leisure and hospitality increased by 110 jobs over the quarter. Gains in the goods-producing sector were modest: construction and mining employment rose by 30 jobs, and manufacturers added 50 jobs over the fourth quarter. Public-sector employment was little changed, adding just 10 jobs.

The average weekly wage is shown compared to the labor force participation rate in the figure below. Labor force participation fell sharply in 2010 and has remained consistently low. The average weekly wage has grown during that period, but the data are not adjusted for inflation, and the wage growth may not be 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/](http://research.upjohn.org/bus_outlook/).

### Labor Force Participation and Average Weekly Wage



Rising wages have had little effect on the labor force participation rate. The labor force rate has been essentially flat since 2010, while average weekly wages have risen.