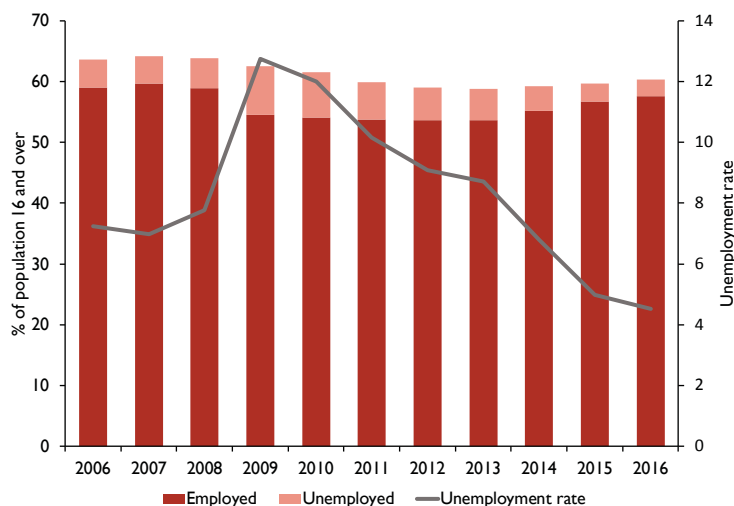


NILES–BENTON HARBOR MSA

The labor force participation rate was 60.3 percent in the Niles–Benton Harbor MSA in 2016, over two points below the national rate of 62.7. Labor force participation fell during the Great Recession and for several years afterward and did not begin growing again until 2014 (figure below). Even now, the labor force participation rate remains below 63.6 percent, the level posted in 2006. Unemployment has fallen well below the 2006 level, to 4.5 percent from 7.3. With a smaller pool of persons unemployed and actively seeking work, employers may have to try to draw workers back into the labor force to meet current labor demand.

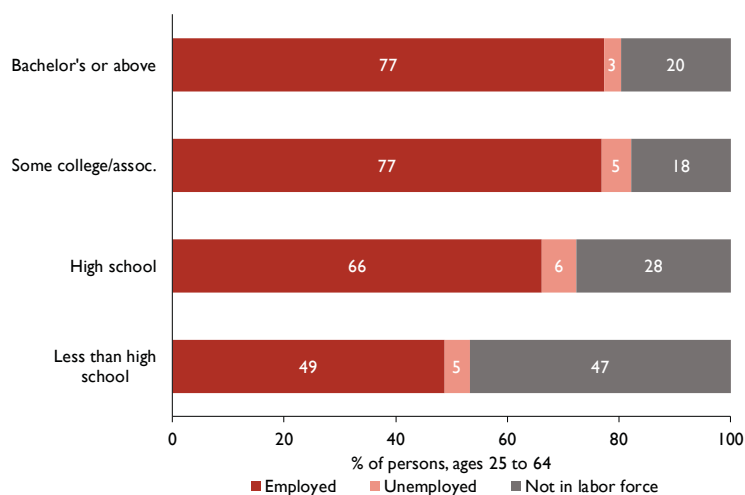
Niles–Benton Harbor Labor Force and Unemployment



The labor force participation rate—the percentage of the employed and unemployed, combined, in the adult population—was 60.3 percent in the Niles–Benton Harbor MSA. The nation posted a rate of 62.7 in the same period. The unemployment rate is lower than in 2006, suggesting employers may have to find workers from those who are currently not in the labor force.

The area’s unemployment rate increased to 4.9 percent from 4.4 percent in the third quarter of 2016. The rate of initial claims for unemployment insurance rose slightly, from 105 per week to 107 per week in the fourth quarter of 2016.

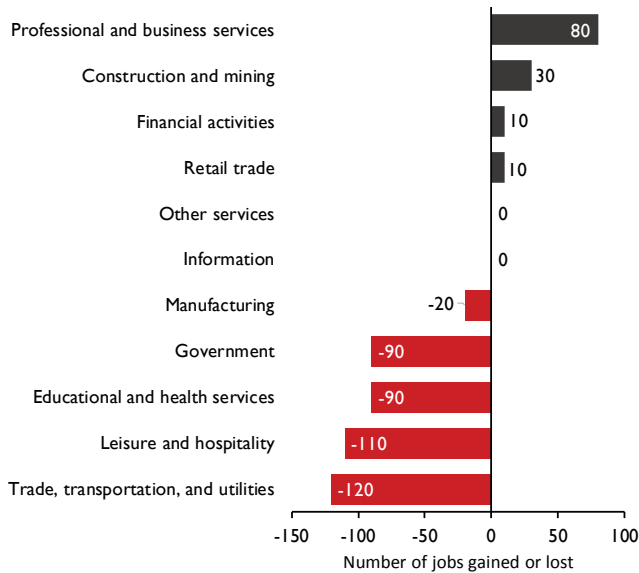
Niles–Benton Harbor Education and Employment Status



Whether one has some college or has completed at least a bachelor’s degree in the population aged 25 to 64, 77 percent are employed. However, fewer than half of those who have not finished high school have an job, and 47 percent are out of the labor force.

U.S. Census American Community Survey, 2015

Q3 to Q4 Employment Growth by Sector



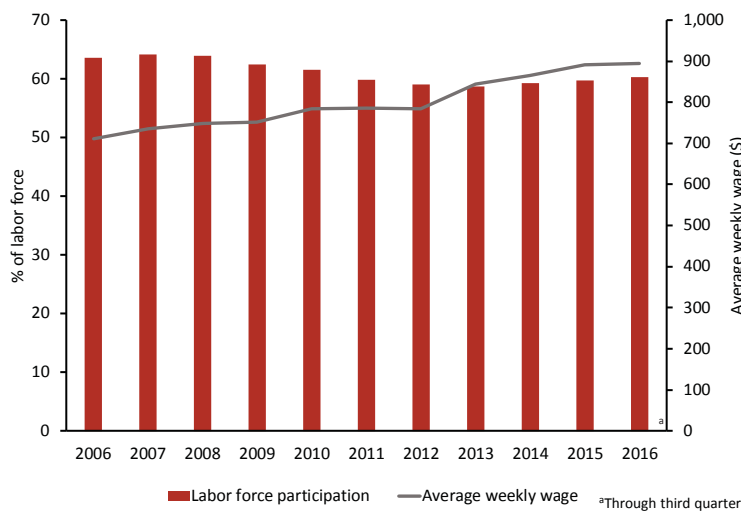
Employment fell by 0.5 percent in the fourth quarter, with losses of around 100 jobs across several industries. Professional and business services posted growth of just 80 jobs.

Total employment in the Niles–Benton Harbor MSA fell by 0.5 percent, or 310 jobs, in the fourth quarter of 2016. The service-providing sector fell by 230 jobs; losses were led by trade, transportation, and utilities, followed by the leisure and hospitality industry. The goods-producing sector was flat: an increase of 30 construction jobs was partly balanced out by a loss of 20 manufacturing jobs. Government employment fell by 90 jobs over the fourth quarter.

The labor force participation rate in Niles–Benton Harbor fell steadily during and after the Great Recession and then flattened out until wages started rising. Nominal wages (not adjusted for inflation) were flat from 2010 through 2012. Wages rose in 2013 as the labor force participation rate bottomed out, and they continued rising as the labor force participation rate also began to slowly rise.

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 fell while wage growth was flat from 2010 to 2013, but the rate seems to have slightly rebounded while wages were rising from 2013 to 2016.