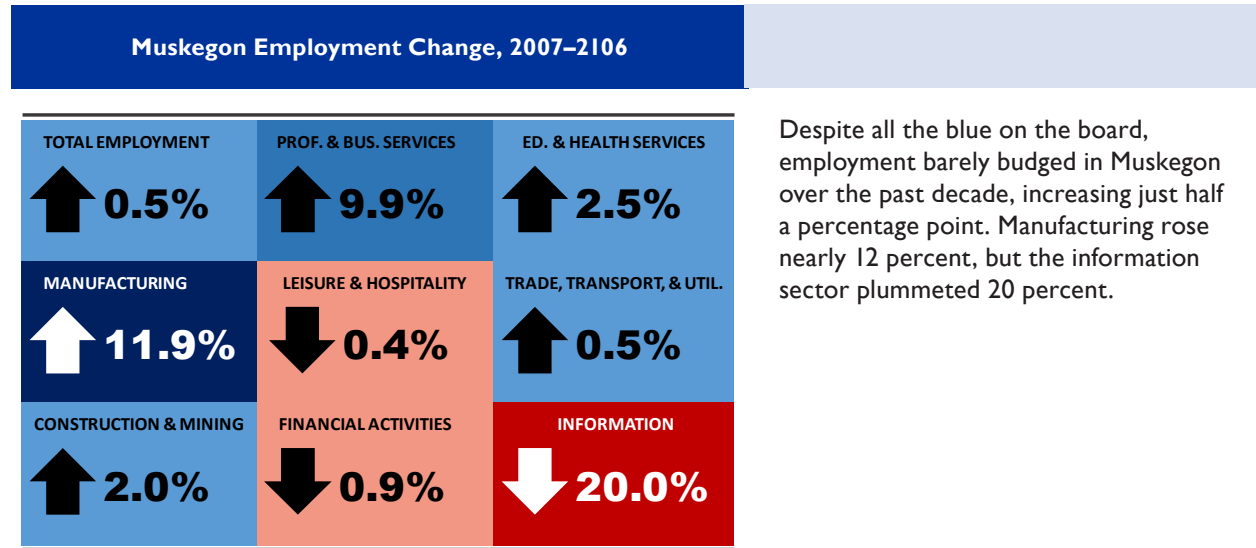


# MUSKEGON–NORTON SHORES MSA

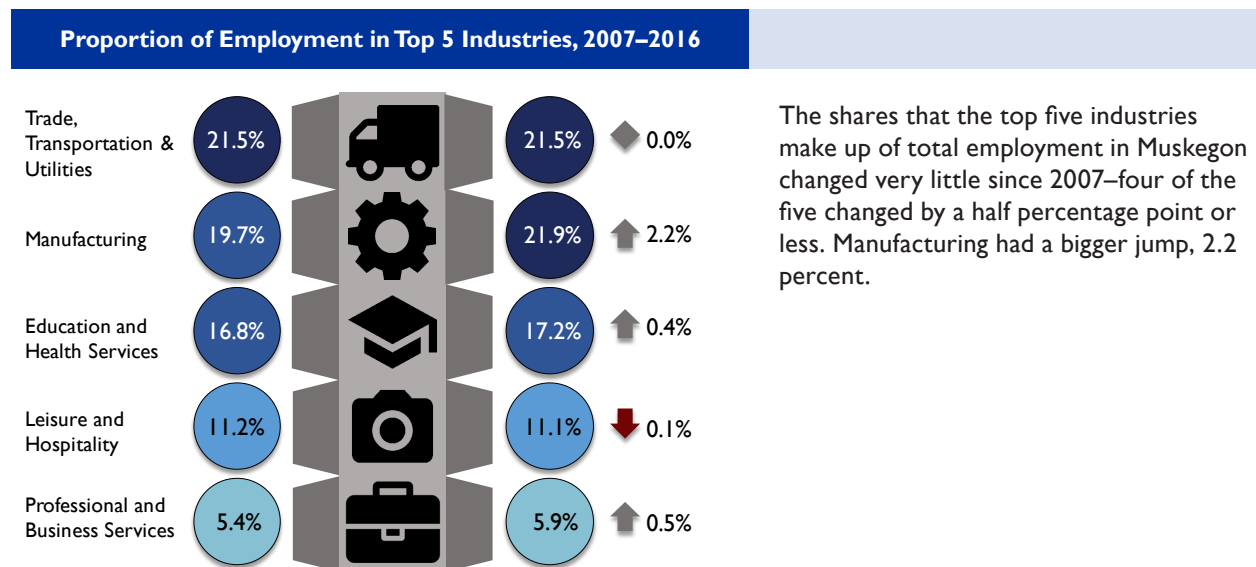
Overall employment in Muskegon increased just 0.5 percent from 2007 through 2016. Employment fell by nearly 7,000 jobs during the Great Recession and in the years afterward, and it only fully recovered recently. Manufacturing employment is up by nearly 12 percent, and the professional and business services sector is up by 9.9 percent. Because temporary workers are in the business services group, it is likely that manufacturing gains are even higher than 12 percent.



SOURCE: Bureau of Labor Statistics, Current Employment Statistics.

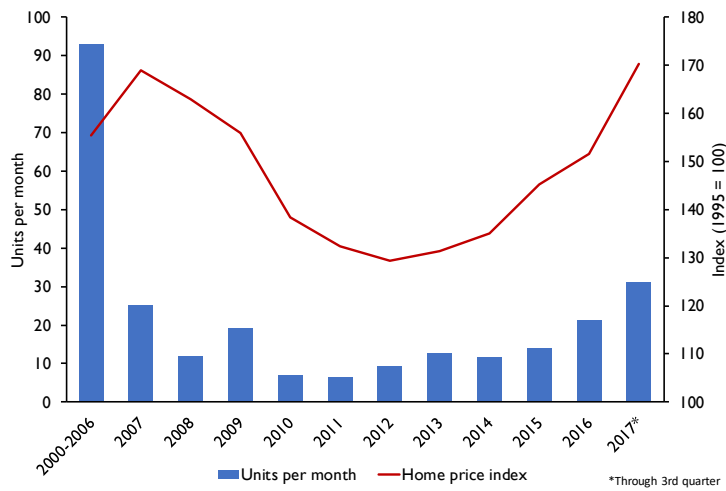
The top industry group—trade, transportation, and utilities—was the largest employer in the area in 2007, at 21.5 percent of employed persons, and that percentage is unchanged in 2016. Manufacturing employment has grown by 2.2 percentage points, to 21.9 percent of total employment.

The blue bars in the top figure on the next page show new housing starts in the Muskegon MSA as compiled by Dodge Data and Analytics, and the red line indicates the home purchase price index from the Federal Housing



SOURCE: Bureau of Labor Statistics, Current Employment Statistics.

### Muskegon–Norton Shores Housing Units and Prices



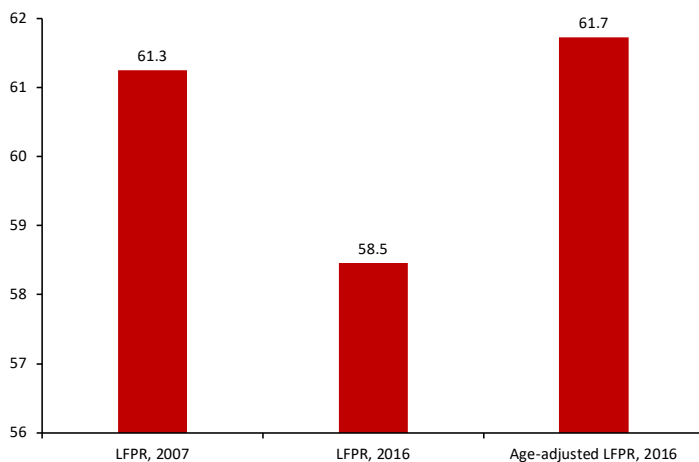
New housing starts in Muskegon have not risen as much over the past decade as in some other parts of west Michigan. However, proportionally, the rise is quite similar—about four times the number of housing starts at the low point of the recession.

Finance Agency (FHFA). The pace of construction plummeted in 2007, even before the recession officially started at the end of that year. That pace has increased slightly in the most recent years but remains relatively low. In contrast, prices made a robust turnaround after hitting bottom in 2012: through the third quarter of 2017, they stand where they were at their peak in 2007.

In previous issues of *Business Outlook*, we looked into labor-force participation, meaning the percentage of individuals employed or unemployed in the whole population 16 and over, and the effects of the aging workforce. Here we examine the *relationship* of those two elements—i.e., the effect that the aging of the workforce has had on the labor-force participation rate. We do this by using an age-adjusted rate.

The age-adjusted labor-force participation rate shifts the age distribution in 2016 to that of 2007, while still using the labor-force rates for each age group in 2016. The labor-force rate contracted to 58.5 percent in 2016, from 61.3 percent in 2007. The adjusted rate shows that while the Great Recession pushed some workers out of the labor force, an aging population did so as well. Had the population age distribution remained the same, the rate would have been 61.7 percent in 2016, more than three percentage points higher than it actually was.

### Labor-Force Rates—2007, 2016, and Age-Adjusted 2016



The Muskegon MSA shows a similar feature to many others—an age-adjusted labor-force participation rate that is higher than the actual rate from nine years earlier. This adjusted LFPR reflects what employment would be like in west Michigan if the population cohorts had not aged.

SOURCE: U.S. Census American Community Survey (ACS).