

**MIRS Capitol Capsule**  
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### **Not All Unemployment Pain Is Equal**

No joke. Michigan's unemployment rate is about 3.4 percent.

For college graduates, that is, according to 2006 U.S. Census Bureau statistics for workers age 25 to 64, which are the latest available. Those without high school diplomas, however, are staring at an eye-popping 17.4 percent jobless rate.

High school graduates have a 10.1 percent unemployment rate, underscoring the fact that a diploma isn't enough to guarantee a good-paying job anymore. Those with some college or an associate's degree have 6.9 percent unemployment, close to Michigan's overall jobless rate.

Bruce **WEAVER**, a Department of Labor & Economic Growth (DLEG) analyst, said there's no reason to think 2008 unemployment rates by education level will follow a different trend.

The statistics also are borne out nationally, but they're not nearly as dramatic. In 2006, those with a college degree had 2.3 percent unemployment, whereas those lacking a high school diploma experienced 8.3 percent unemployment (a 9 percent drop from Michigan), according to U.S. Bureau of Labor statistics.

So even as the national economy sours, the pain is not spread equally.

While those with a bachelor's or higher have traditionally done well (unemployment rates were 1.3 percent in March 1970), it was a more forgiving world for the less educated. Those who didn't graduate from high school faced a 4.6 percent jobless rate.

Welcome to the reality of the new economy. A college degree is your best defense, said Lou **GLAZER**, head of Michigan Future Inc., which just released its annual report, "Michigan's Transition to a Knowledge-Based Economy."

"In good national times and bad national times, the best strategy workers have is to have marketable skills," Glazer said. "And largely those require four-year degrees, and also two-year degrees."

We're feeling the economic squeeze more acutely in Michigan, he said, due to our over-concentration of jobs in the Big Three and related industries, which have been shrinking. And we're under-concentrated in knowledge-based jobs.

So Michiganders have to adjust, but change has been slow.

"Jobs that require a bachelor's or associate's degree have the highest growth rates," Weaver confirmed.

Jobs requiring post-secondary training in health care, information technology and business service fields are projected to experience the most growth.

In February, Michigan's unemployment rate was 7.2 percent, remaining the highest of any state for 24 months straight. There are 350,000 people unemployed in a workforce of 5 million, with another 100,000 marginally unemployed.

But DLEG Deputy Director Andy **LEVIN** said there are 23,000 jobs unfilled in Michigan because workers don't have the skills to fill them. Employers like Dow Corning and Hemlock Semiconductor go wanting.

"We're at a tipping point in changing Michigan's economy so that employers and workers stay here," said Levin.

He added that the No Worker Left Behind (NWLB) program — championed by Gov. Jennifer [GRANHOLM](#) — would help the state turn around. From August 2007 to February, 20,000 people have signed on, with 11,000 more on a waiting list. Others have been able to seek retraining by qualifying for federal funds, he said.

"Community colleges are bursting at the seams," Levin said.

So how do we retool Michigan's economy and bring down unemployment?

Levin said his focus is on the current workforce. He said three-quarters of the 2020 workforce has already left high school, so retraining efforts are key. NWLB is seeking a \$40 million General Fund appropriation this year to expand.

Glazer argues that Michigan's workforce has to become younger for the state to thrive, which means retaining college grads and bringing new ones in. That's a long-term strategy to naturally lower the jobless rate and diversify the manufacturing-heavy economy.

But a lot has to be done. Younger, highly educated workers are attracted by quality of life factors — everything from trails to vibrant nightlife to outdoor dining. They come to cities that have a lot more to offer than just a job, such as Seattle or Madison, Wis.

Michigan will see employers follow a well-trained workforce, Glazer said. That's the way to turn the state's economy around — but it takes some profound shifts for the state, businesses and individuals. And so far, we haven't made much headway.

Levin says Michigan is on its way, pointing to the administration's Cool Cities program. He said there's inter-department cooperation on quality of place issues, including DLEG, Department of Natural Resources and Education.

"We do need to be a destination for young people. That's why it's so wrong to want to be like the South in a race-to-the-bottom approach," he said. "Young people aren't looking to move to Little Rock or Jackson, Miss. They're looking to Chicago, Boston, New York."