Recent payroll employment trends
With October’s gain of 261,000 jobs, employment exceeds the Feb 2020 peak by 804,000

Nonfarm Employment Index

Employment declined by 22 million between Feb and Apr 2020

Source: Current Employment Survey, Bureau of Labor Statistics, seasonally adjusted data
Monthly payroll changes have eased since March 2022

Leisure and Hospitality

Between Feb and Apr 2020, employment fell from 17 million to 8.8 million, a loss of 48.3%, and a decline of 8.2 million jobs!

7.1 million jobs have been regained by Oct 2022

The industry has 1.1 million jobs left to reach pre-pandemic levels
As of Sep 22, Michigan had regained 959,000 or 91% of the over 1 million job losses experienced early in the pandemic.
Employment is nearly recovered in all four area counties.

Source: Local Area Unemployment Statistics, Bureau of Labor Statistics, not seasonally adjusted data
In Kalamazoo-Portage, many industries now exceed pre-pandemic peak employment levels.

In Kalamazoo-Portage, employment in Government remains below pre-pandemic levels

In Battle Creek, Trade, Transportation and Utilities, Construction, and Retail trade now exceed pre-pandemic peak employment levels.

Employment change Feb 2020 to Sep 2022

- Trade, Transportation, and Utilities
- Mining, Logging, and Construction
- Retail Trade
- Non-Durable Goods
- Financial Activities
- Other Services

In Battle Creek, Education and Health Services are well below pre-pandemic peak employment levels

Employment change Feb 2020 to Sep 2022

Leisure and Hospitality
Government
Durable Goods
Professional and Business Services
Education and Health Services
Nonfarm SA

Trends in Employment/Population Ratios and Labor Force Participation Rates
At 60 percent in Oct 2022, the U.S. employment-population ratio is still below the pre-pandemic rate of 61.2 in Feb 2020

At 62.2 percent in Oct 2022, the U.S. labor force participation rate is still below the pre-pandemic rate of 63.4 in Feb 2020.

Both the Employment-Population ratio and the Labor Force Participation rate for Michigan have partially recovered from their declines in 2020.

Source: Local Area Unemployment Statistics, Bureau of Labor Statistics, seasonally adjusted data
Regional employment-to-population ratios fell below 50% across the region during the depths of the pandemic.

Labor force participation rates have nearly recovered in all four area counties

Source: Local Area Unemployment Statistics, Bureau of Labor Statistics, not seasonally adjusted data
Unemployment trends
After rising to 14.8 percent in April 2020, the civilian unemployment rate fell to 5.9 percent in June 2021 and now stands at 3.5 percent in September 2022.

After rising to 22.7 percent in April 2020, the unemployment rate in Michigan has fallen to 4.1 percent as of September 2022.

In our area, unemployment rates have fallen from pandemic peaks, but remain above February 2020

**Source:** Local Area Unemployment Statistics, Bureau of Labor Statistics, not seasonally adjusted data
Labor Shortages – are they easing?
Job openings have greatly exceeded hires since late 2020, although the gap has closed somewhat in recent months.

Job openings and hires by industry in September 2022

Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics, seasonally adjusted data
Job openings and hires by industry in September 2022

Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics, seasonally adjusted data, in thousands
The number of workers quitting their jobs each month was at 4.1 million in September 2022, slightly lower than the 4.5 million in November 2021, the highest level ever recorded.

Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics, seasonally adjusted data
Changes in quit levels from Sep-21 to Sep-22 by industry

Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics, seasonally adjusted data, in thousands
Changes in quit levels from Sep-21 to Sep-22 by industry

Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics, seasonally adjusted data
After sharp swings related to the pandemic, average hourly earnings remain elevated relative to historical trends.

Changes in Average Hourly Earnings in the Leisure and Hospitality industry

Percent change from 12 months ago

Changes in average hourly earnings in Retail Trade

Percent change from 12 months ago

Changes in average hourly earnings in Transportation and Warehousing

Percent change from 12 months ago

Changes in average hourly earnings in Hospitals

Employment in the temporary help industry has risen sharply since the end of the 2020 recession.

In Michigan, like the nation, job openings greatly exceed hires, with the gap closing somewhat in recent months.

Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics, Seasonally adjusted data, in thousands
Quits in Michigan have levelled off in recent months

The percentage changes in overall prices from 12-months earlier fell to 7.7 percent in October.

Source: Consumer Price Index Program, Bureau of Labor Statistics, not seasonally adjusted data.
At 6.3 percent, the 12-month percent change in core inflation in October fell from 6.6 percent the previous month.

Source: Consumer Price Index Program, Bureau of Labor Statistics, not seasonally adjusted data
The Consumer Price Index for All Urban Consumers increased by 0.4 percent in October, the same increase as the previous month.

The 1-month percent change in core CPI (CPI-U less food and energy) was 0.3 percent in October.

Source: Consumer Price Index Program, Bureau of Labor Statistics, seasonally adjusted data
Anticipated future built-in contract inflation: Recent example of the Jan 2023 COLA increases of 8.7 percent just announced by Social Security – highest since 1981

Source: Social Security Administration
70 expenditure categories in the CPI-U

- Food
- Energy goods
- Household goods
- Apparel
- Transportation goods
- Medical care goods
- Recreation goods
- Education
- Other goods

- Energy services
- Shelter
- Medical care services
- Transportation services
- Recreational services
- Education services
- Other personal services

Federal Reserve
Target Inflation rate
2.1%

Percentage of expenditure categories with inflation rates > 2.1%
Percentage of CPI expenditure items with inflation rates over the prior 12-months that are greater than the Federal Reserve’s target of 2.1% overall inflation

Source: Consumer Price Index Survey, Bureau of Labor Statistics, not seasonally adjusted data
Annualized rate of quarterly changes in producer price inflation for the costs of goods inputs slowed significantly in recent months for all four forward flow stages of production.

Source: Producer Price Index Program, Bureau of Labor Statistics, seasonally adjusted data
Annualized rate of quarterly changes in producer price inflation for the costs of energy inputs slowed significantly in recent months for all four forward flow stages of production.

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
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<tbody>
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<td>88.6</td>
<td>115.6</td>
<td>15.6</td>
<td>4.2</td>
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</tbody>
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Annualized rate of quarterly changes in producer price inflation for the costs of service inputs slowed significantly in recent months for all but one forward flow stage of production.

Annualized rate of quarterly changes in producer price inflation for the costs of food inputs slowed significantly in recent months for all four forward flow stages of production.