

# City of Detroit-University Economic Analysis Partnership



MICHIGAN STATE  
UNIVERSITY

Extension  
Center for Local Government  
Finance and Policy



# About the Data

- New data source: Detroit-specific establishment job counts and wages
  - Produced by the Michigan Bureau of Labor Market Information and Strategic Initiatives
  - Comparable to the Quarterly Census of Employment and Wages (QCEW) statistics published by the Bureau of Labor Statistics (BLS)
- American Community Survey (ACS): annual survey conducted by the Census Bureau, ~1% of U.S. population, available at city level
  - Provides “household” job counts for Detroit *residents*, not jobs located in the city
- Local Area Unemployment Statistics (LAUS): monthly statistics published by the BLS

# About the Forecast

- Annual and Quarterly forecast of Detroit economy, 2020–2025
- Forecasting model follows jobs by major industry on a payroll basis
  - Forecasting model also follows jobs on a household basis as measured by the BLS and ACS
  - Wage bill and average wage by major industry is only available on a payroll basis
- The data on COVID-19's impact on payroll currently ends in 2020q2

# The Economic Outlook for Detroit



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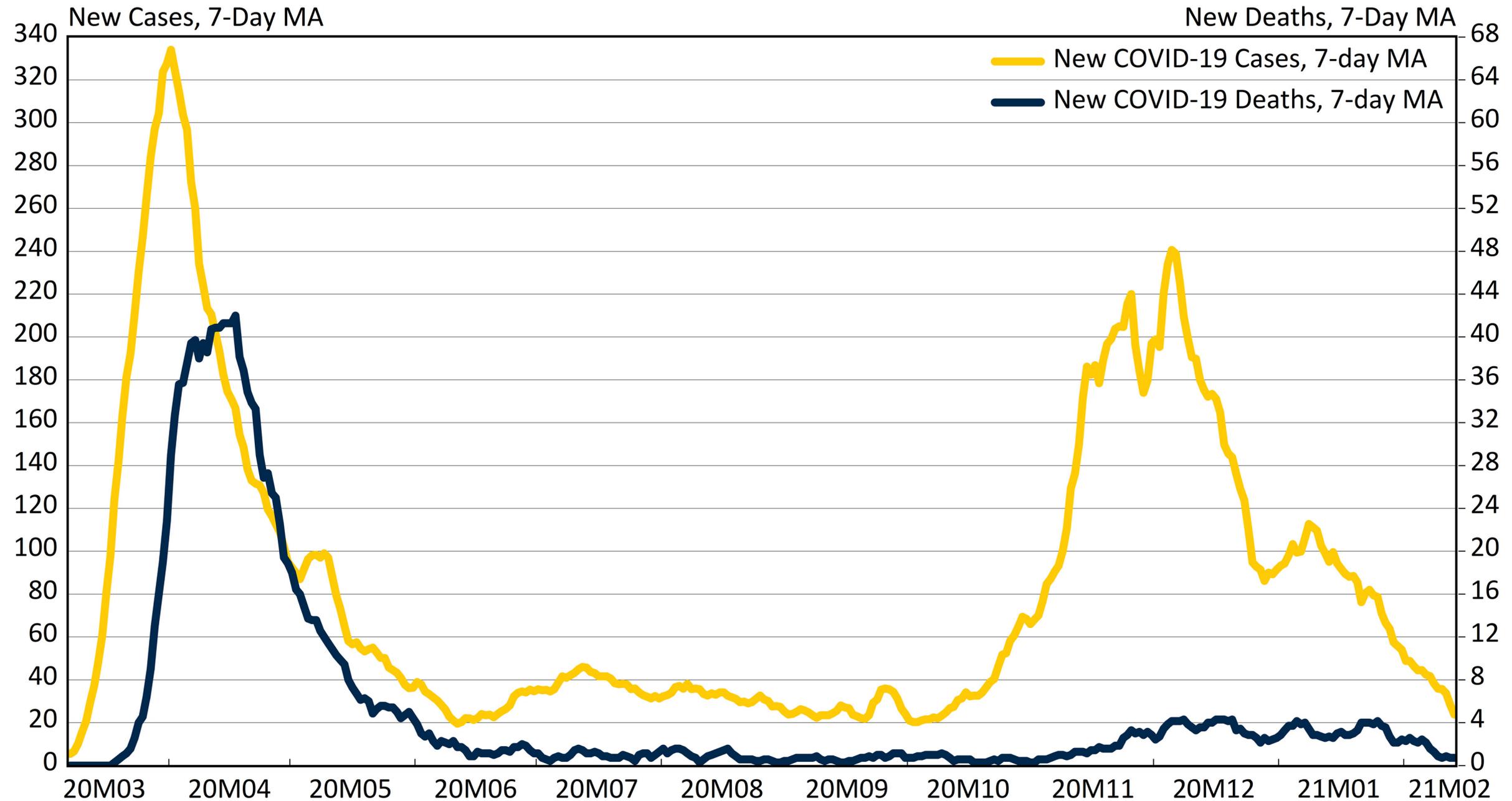
**WAYNE STATE**  
UNIVERSITY

Department of Economics

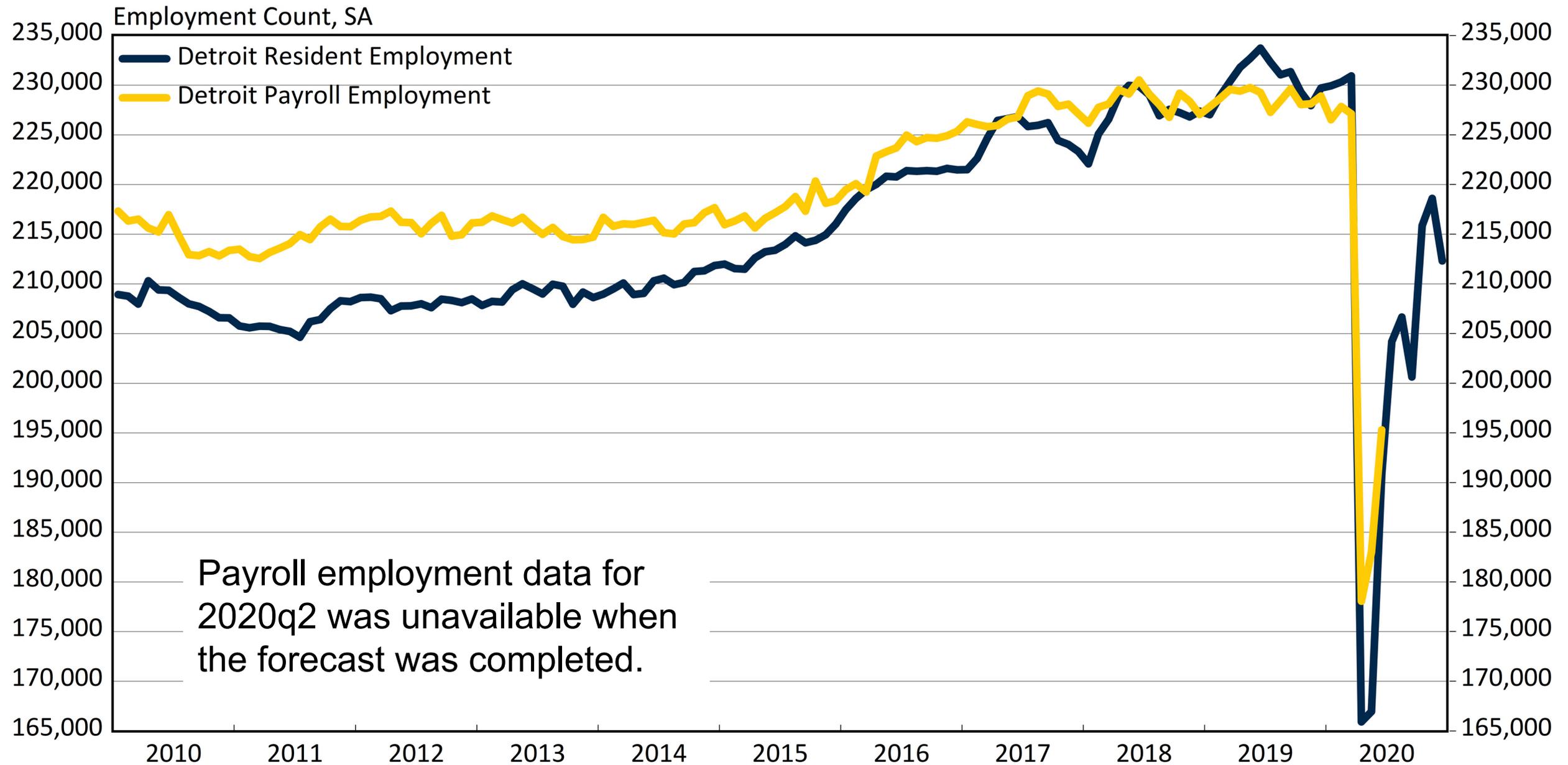


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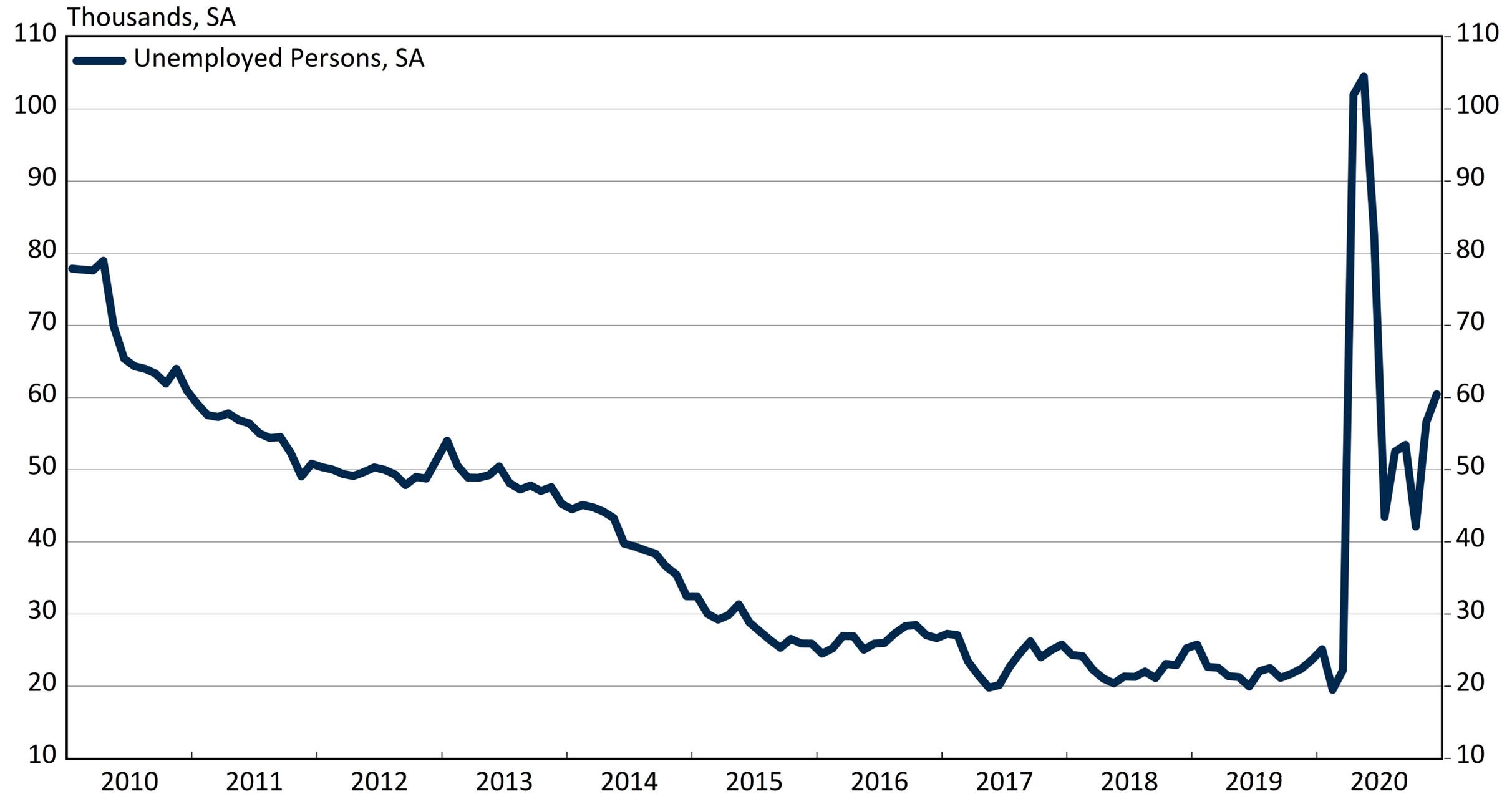
# Number of New Confirmed Cases of COVID-19 in the City of Detroit



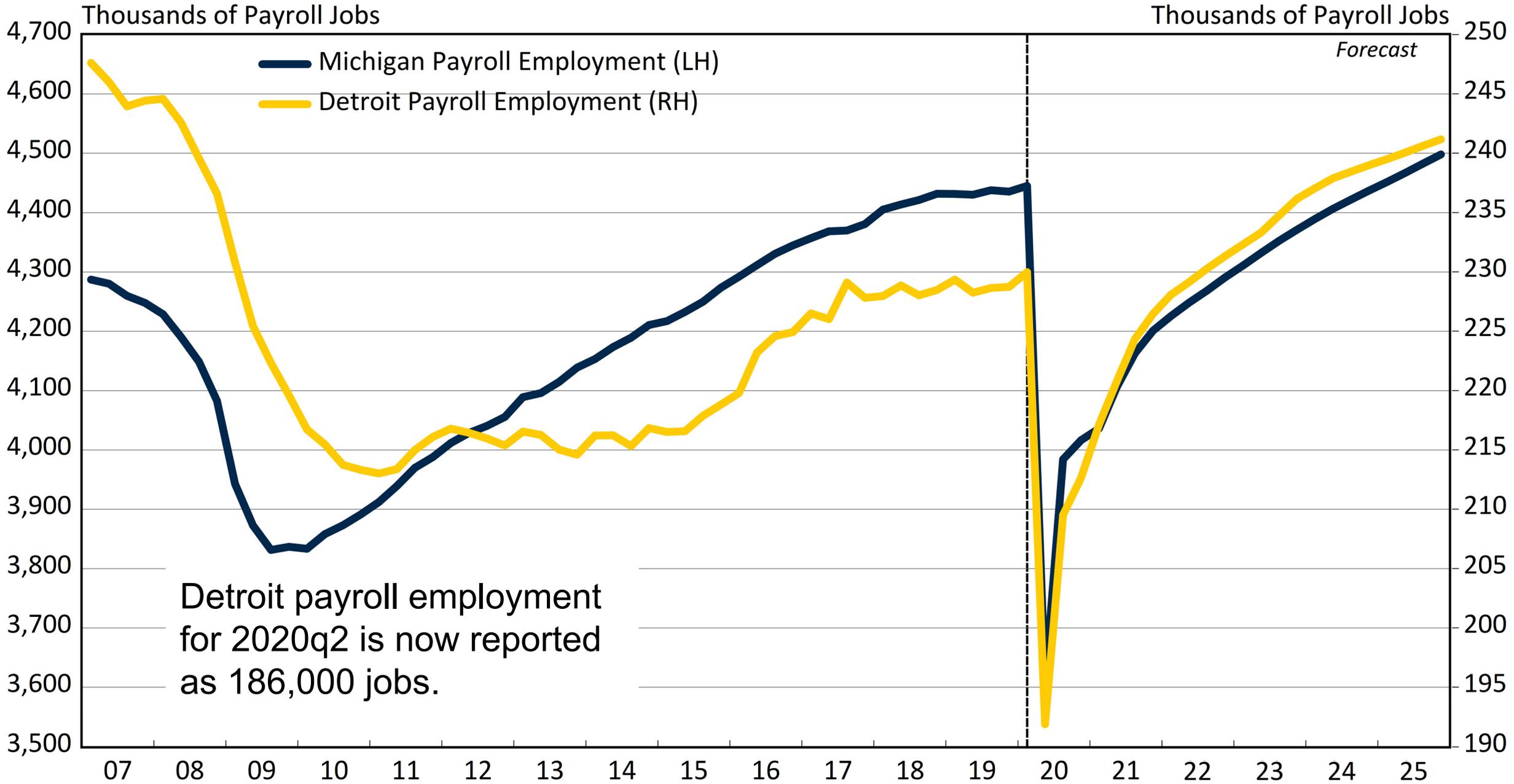
# Seasonally Adjusted Monthly Employment Count, City of Detroit



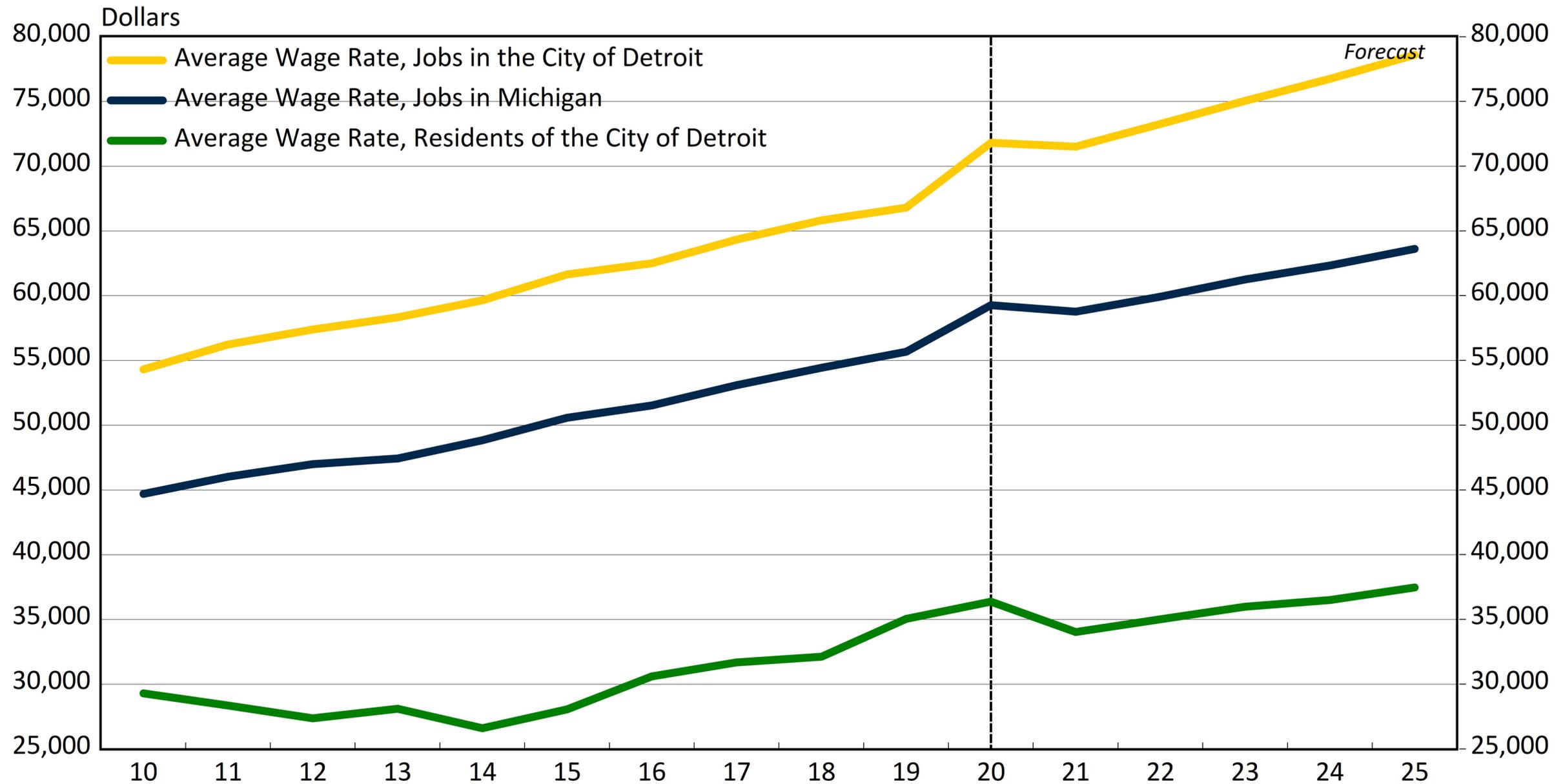
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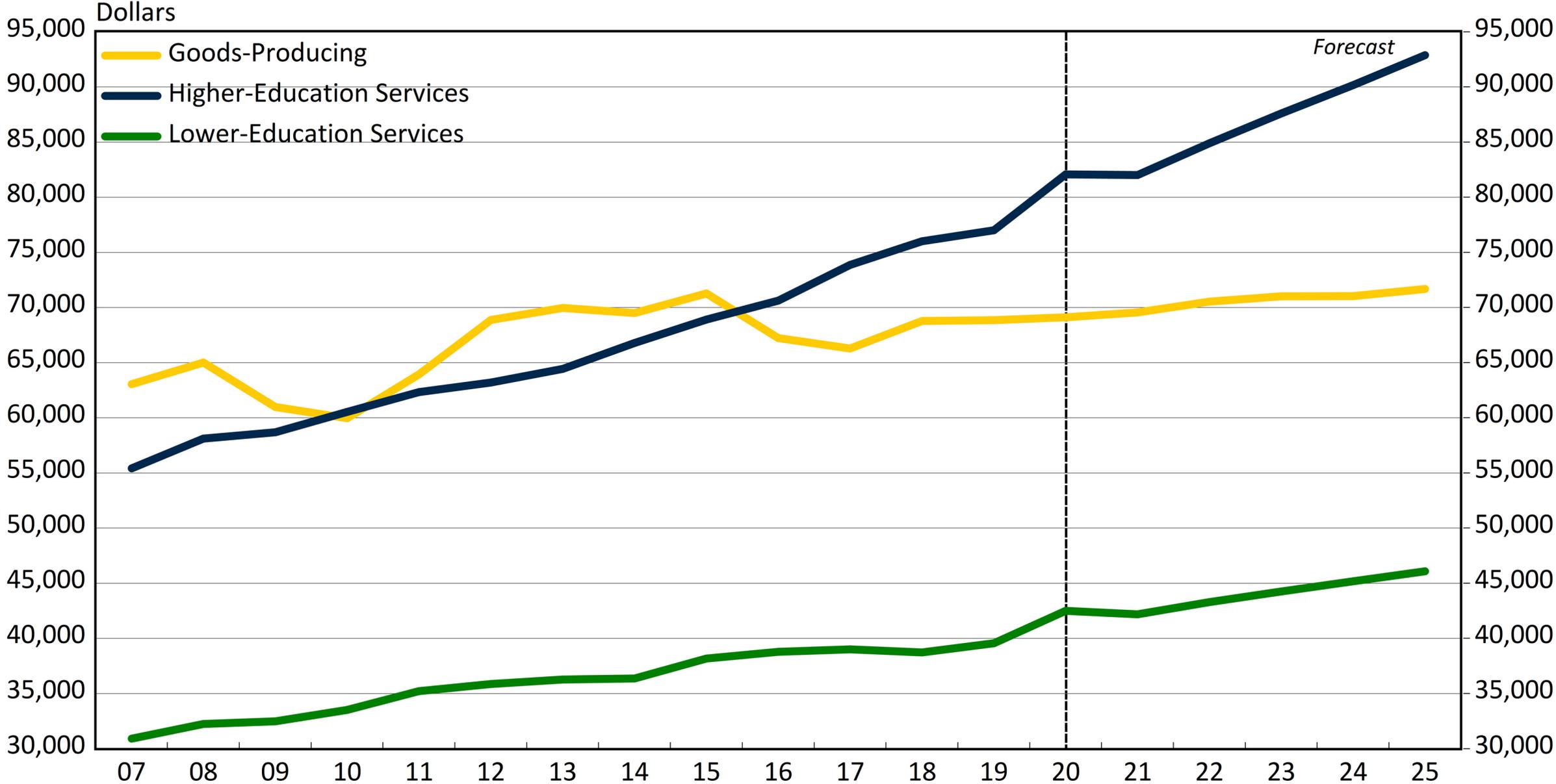
# Seasonally Adjusted Quarterly Average Payroll Employment, City of Detroit and Michigan



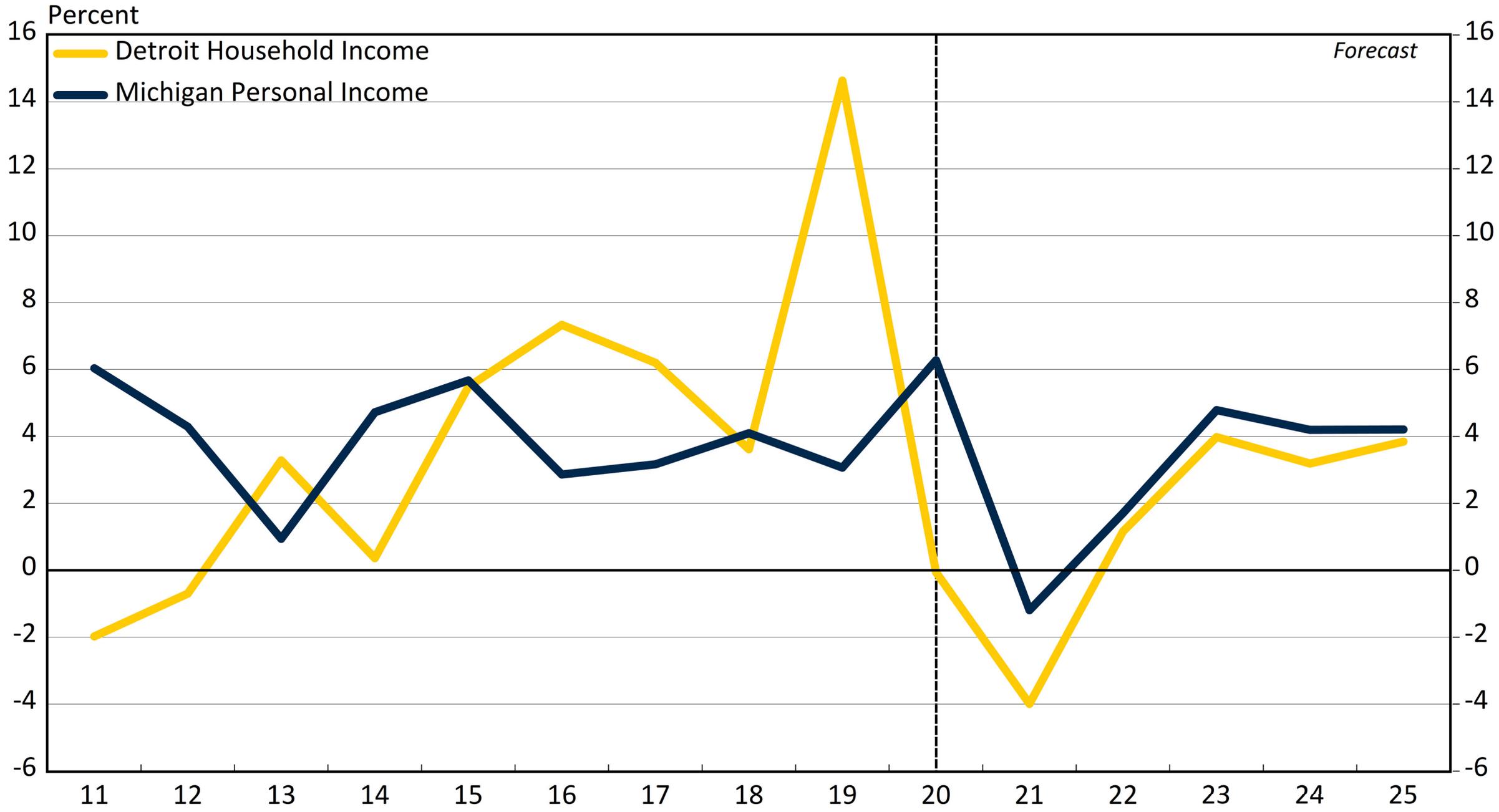
# Annual Wage and Salary Income per Worker, City of Detroit and Michigan



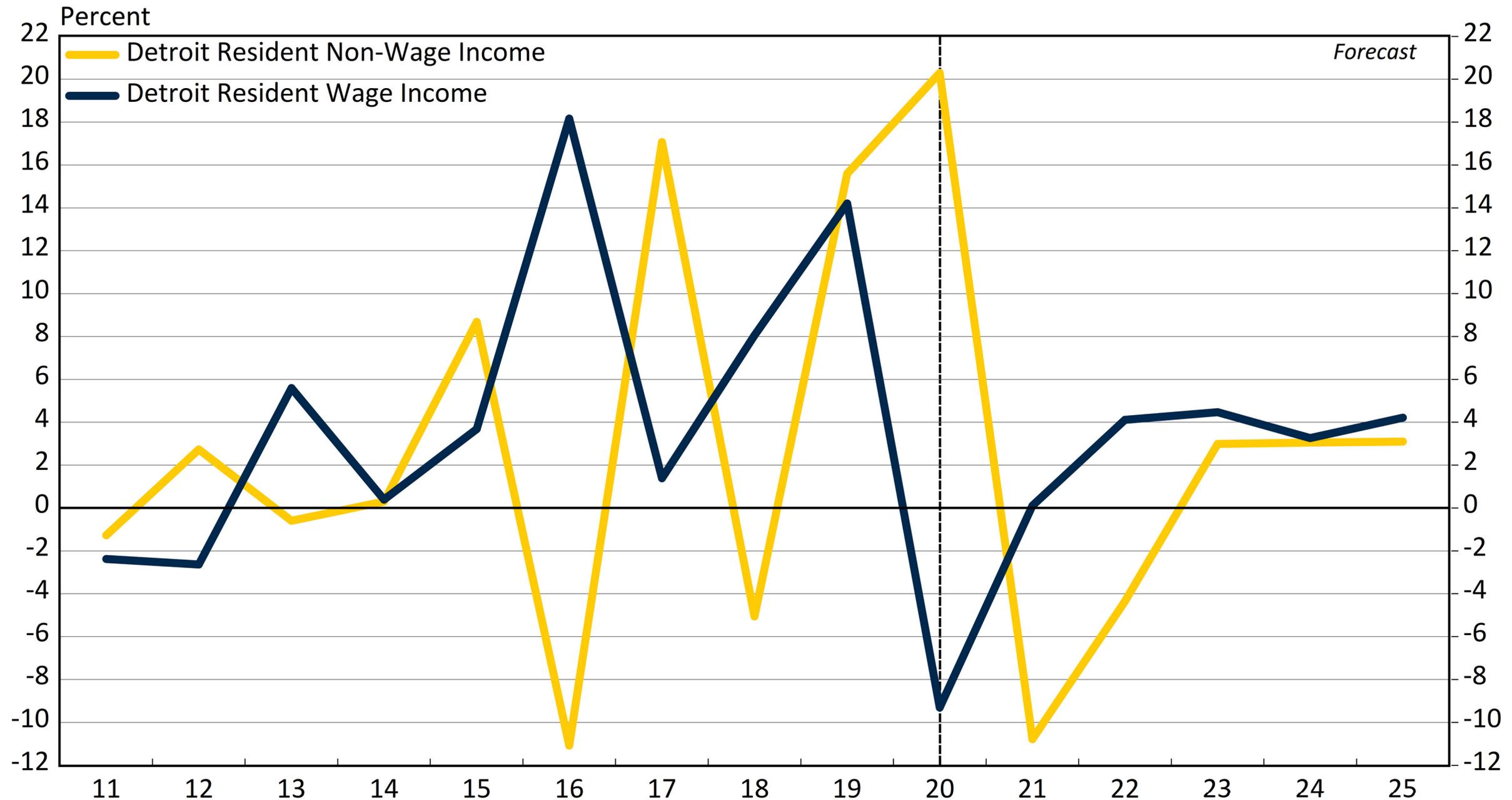
# Annual Wage and Salary Income per Worker by Industry Groupings, City of Detroit



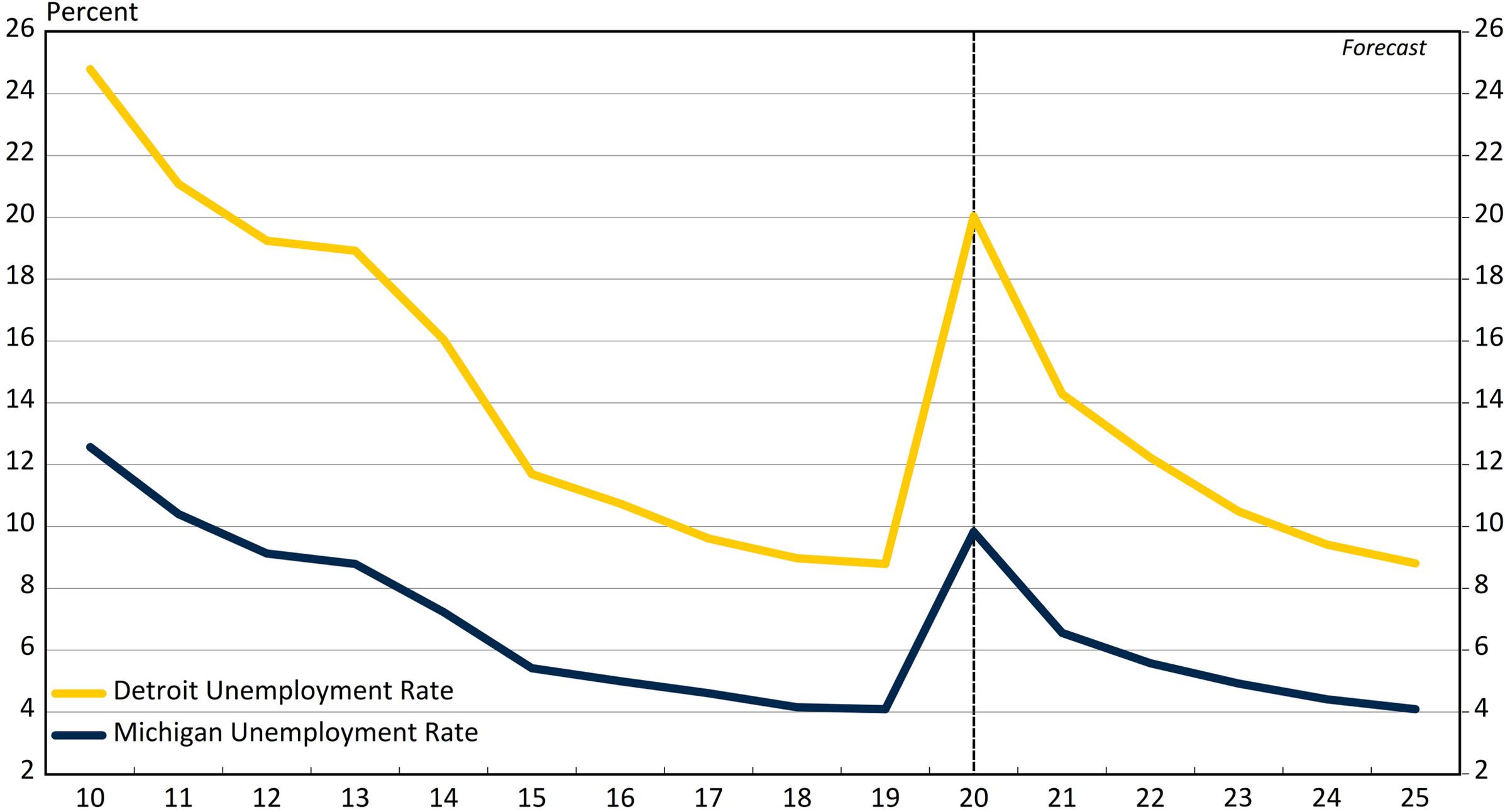
# Annual Income Growth, City of Detroit and Michigan



# Detroit Annual Wage and Non-Wage Income Growth



# Annual Unemployment Rates, City of Detroit and Michigan



# Summary of the Forecast

- COVID-19 pandemic will reduce payroll jobs by approximately 7.8 percent in 2020
  - Detroit's overall payroll jobs count recovers to 2020q1 level by 2022q3
  - Household employment recovers more slowly, reaching its 2020q1 level by mid-2023
- Detroit's unemployment rate jumps from 8.8 percent in 2019 to 20 percent in 2020
  - Declines to 8.8 percent by 2025
- Expanded unemployment insurance and other stimulus protects household incomes in 2020



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