

# AMTAC

American Manufacturing Trade Action Coalition

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## **QUICK FACT SHEET FOR “MICHIGAN’S WORSENING EIGHT-YEAR DEPRESSION: PAYING THE PRICE FOR \$1 TRILLION IN U.S. AUTO-TRADE LOSSES”**

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EMBARGOED UNTIL 10:00 AM ET ON SEPTEMBER 26, 2008

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Prepared for the American manufacturing Trade Action Coalition (AMTAC) by Dr. Charles W. McMillion, President and Chief Economist of MBG Information Services, the newly released report “Michigan’s Worsening Eight-Year Depression: Paying the Price for \$1 Trillion in U.S. Auto-Trade Losses” showed:

- Although U.S. employment fell by 24.6 percent between 1929 and 1932, it recovered to within 1 percent of the 1929 peak level by 1937. In contrast, Michigan’s 8-year statewide non-farm job employment levels have not recovered anywhere close to their July 2000 level of 4,641,200. In July 2008, Michigan had only 4,151,300 non-farm jobs in July 2008 – a loss of 489,900 jobs (a decline of 10.6 percent).
- A key reason for the lack of job recovery is that Michigan’s manufacturing employment has plunged from 887,300 in July 2000 to 572,100 manufacturing jobs in July 2008 – a loss of 315,200 jobs (a decline of 35.5 percent).
- Michigan employment in the Motor Vehicle and Motor Vehicle Parts manufacturing sectors plummeted even more, falling from a peak of 332,700 in June of 2000 to 176,200 jobs in June 2008 – a loss of 156,500 jobs (a decline of 47 percent)
- Michigan is trading high-paying jobs for lower paying ones. The average Michigan manufacturing job paid \$78,020 in 2006. In comparison, the 2006 average pay for each Michigan’s top 4 job-creating sectors was (1) \$46,117 for health care and social assistance, (2) \$15,108 for food services and drinking places, (3) \$31,255 for educational services, and (4) \$35,624 for administrative and support services.
- U.S. trade deficits for autos and auto parts totaled \$1 trillion over the last 8 years.
- The United States exported twice as many cars to the world as it imported from Mexico in 1993. In 2007, the facts were almost reverse; the United States imported 50 percent more cars from Mexico as it exported to the world.
- Michigan’s Gross Domestic Product (GDP) declined 1.9 percent from 2000 to 2007 compared to a 0.2 percent GDP increase for the U.S. economy from the Great Depression era of 1929 to 1936.

Analyzing the data in the report, all of Michigan's 12 largest metropolitan statistical areas (MSAs) suffered a decline in non-farm employment:

### Michigan Employment June 2000 to June 2008

Source: U.S. Bureau of Labor Statistics (BLS) and MBG Information Services

<u>Metropolitan Statistical Area</u>	<u>June 2000</u>	<u>June 2008</u>	<u>Gain/Loss</u>	<u>Percent Loss</u>
Ann Arbor	201,100	196,400	(4,700)	(2.3)
Battle Creek	63,500	58,600	(4,900)	(7.7)
Detroit-Livonia-Warren	2,250,000	1,962,100	(287,000)	(12.8)
**Detroit-Livonia-Dearborn	929,500	774,800	(154,700)	(16.6)
**Warren-Troy-Farmington Hills	1,320,500	1,187,300	(133,200)	(10.1)
Flint	167,200	144,500	(22,700)	(13.6)
Grand Rapids-Wyoming	408,300	396,000	(12,300)	(3.0)
Holland-Grand Haven	123,700	112,600	(11,100)	(9.0)
Jackson	66,100	57,900	(8,200)	(12.4)
Kalamazoo-Portage	150,500	145,900	(4,600)	(3.1)
Lansing-East Lansing	235,300	220,700	(14,600)	(6.2)
Muskegon-Norton Shores	66,700	66,000	(700)	(1.0)
Niles-Benton Harbor	71,700	66,700	(5,000)	(7.0)
Saginaw	100,400	88,300	(12,100)	(12.1)
Total State	4,745,600	4,275,000	(470,600)	(9.9)

\*Detroit-Livonia-Dearborn encompasses Wayne County only.

\*\*Warren-Troy-Farmington Hills comprises Lapeer, Livingston, Macomb, Oakland, and St. Clair counties.

All of Michigan's twelve largest metropolitan statistical areas (MSAs) suffered severe manufacturing jobs losses. Only the MSAs of Battle Creek, Muskegon-Norton Shores, and Niles-Benton Harbor saw percentage declines smaller than the U.S. average of just under 22 percent.

### Michigan Manufacturing Employment June 2000 to June 2008

Source: U.S. Bureau of Labor Statistics (BLS) and MBG Information Services

<u>Metropolitan Statistical Area</u>	<u>June 2000</u>	<u>June 2008</u>	<u>Gain/Loss</u>	<u>Percent Loss</u>
Ann Arbor	31,000	15,900	(15,100)	(48.7)
Battle Creek	15,700	12,900	(2,800)	(17.8)
Detroit-Livonia-Warren	400,100	246,800	(153,300)	(38.3)
*Detroit-Livonia-Dearborn	154,400	86,800	(67,600)	(43.8)
**Warren-Troy-Farmington Hills	245,700	160,000	(85,700)	(34.9)
Flint	31,300	14,200	(17,100)	(54.6)
Grand Rapids-Wyoming	89,500	69,800	(19,700)	(22.0)
Holland-Grand Haven	45,300	34,200	(11,100)	(24.5)
Jackson	12,900	9,200	(3,700)	(28.7)
Kalamazoo-Portage	30,800	22,000	(8,800)	(28.6)
Lansing-East Lansing	29,200	20,600	(8,600)	(29.5)
Muskegon-Norton Shores	15,400	12,500	(2,900)	(18.8)
Niles-Benton Harbor	17,800	14,500	(3,300)	(18.5)
Saginaw	20,400	11,100	(9,300)	(45.6)
Total State	913,700	597,200	(316,500)	(34.6)

\*Detroit-Livonia-Dearborn encompasses Wayne County only.

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