



Labor Day Report: Racial Wage Gap Grows in the Workplace *Too many Michigan jobs can't support families*

This is the Michigan League for Human Services' third annual Labor Day Report. In this issue, we give special attention to racial disparities in the wages, unemployment and educational level of Michigan's workers. We also continue the tradition of looking at employment in Michigan's lowest-wage jobs, what the state has done to help working families in the past year, and what more needs to be done. This paper has been produced with the support of the Economic Policy Institute, and unless otherwise noted, the data has been supplied as part of its State of Working America project.

Unemployment Continues to Rise in Michigan

Due to the continuing problems in the automobile manufacturing industry and the ripple effects in local communities, Michigan has led the nation in unemployment for several years. During June 2009, Michigan's unemployment rate reached 15.2 percent. Each month since July 2006, its unemployment rate has been highest (29 months) or second-highest (8 months) among the 50 states, and has been at least 40 percent higher than the national monthly average.

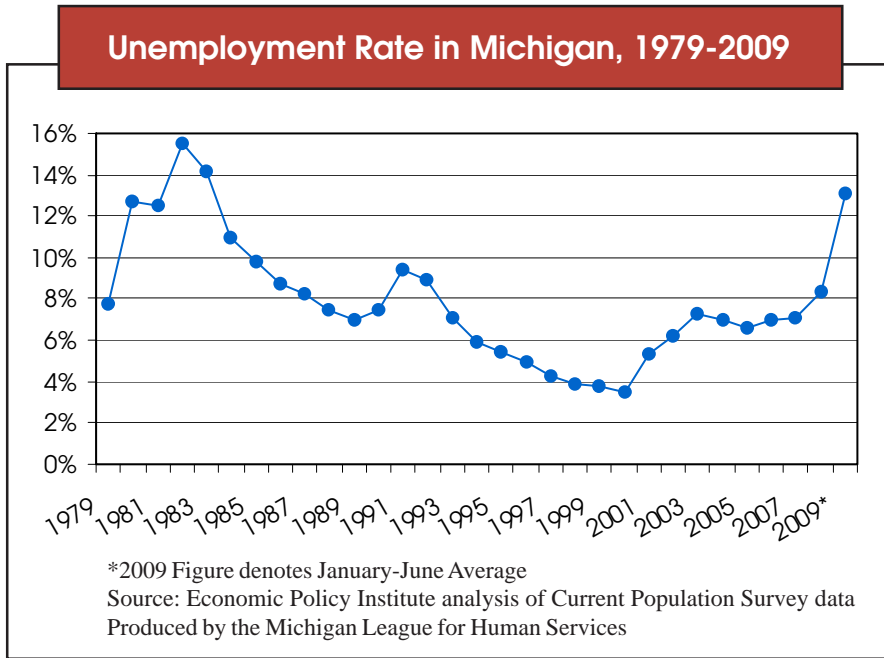
Michigan's unemployment also has been at record high levels compared to its own previous periods of

economic downturn. The average unemployment rate of 13.1 percent during the first six months of 2009 was higher than any Michigan annual average since 1983. Though July's rate dropped slightly to 15 percent, Michigan's unemployment rate is not expected to decrease substantially in the next several months, and if current trends continue, it is possible that the 2009 annual unemployment rate will nearly tie or even surpass the all-time record of 15.5 percent in 1982.¹ (Fig. 1) The highest monthly unemployment rate was 16.9 percent in November of 1982.

The loss of jobs in the manufacturing sector has been particularly harsh. From June 2000 to June 2009, the number of Michigan's manufacturing jobs dropped

¹ According to the Economic Policy Institute and projections by Moody's Economy, the U.S. unemployment rate is projected to reach a peak of 10.1% in the second quarter of 2010, while in Michigan it will reach 15.4%.

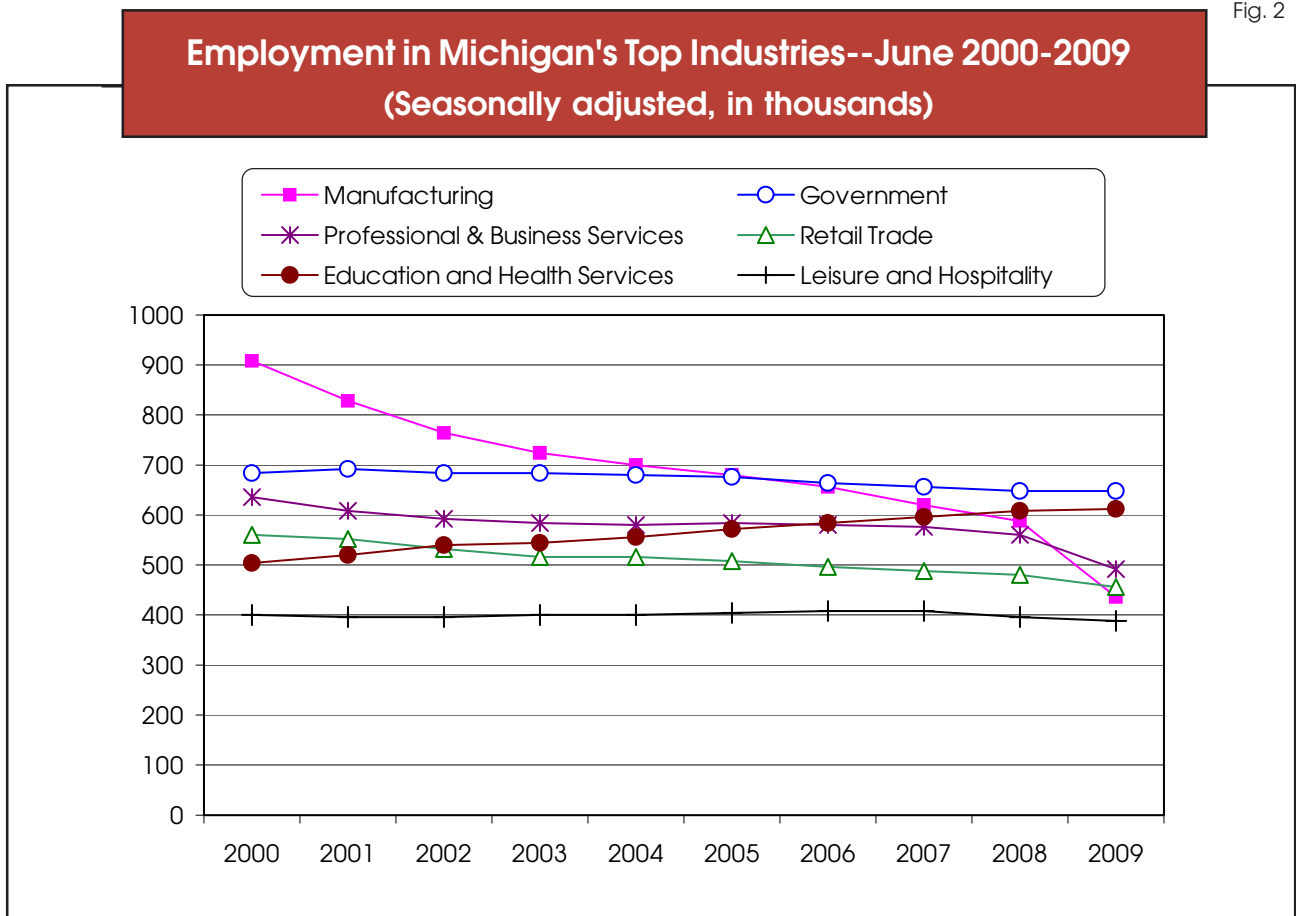
Fig. 1



from 908,000 to 436,000, a drop of more than half.(Fig. 2) The bankruptcies of two of the “Big Three” and continuing decline of the domestic automakers’ market share—from 70 percent of U.S. sales in 1997 a forecast of less than 35 percent for 2010—has had a profound negative impact on Michigan jobs.² In addition, because these are generally good-paying jobs, the losses have contributed to the decline in the average wage in the state.

The current recession started officially in December 2007. For Michigan, the duration of this recession stands apart from

Fig. 2



² Economic and Revenue Forecasts: FY2009 and FY2010. Consensus Revenue Estimating Conference, May 2009. Data obtained from Automotive News.

previous recessions in that 18 months after it began, Michigan's unemployment rate continues to climb. The increase began to accelerate in January 2009, the 13th month of the recession. In contrast, during other recessions the unemployment rate had stabilized or even waned slightly by the 18th month. (Fig. 3)

Many Jobs in Michigan are Low Paying

Since 1980, wages in the 20th percentile—the 20 percent of jobs with the lowest pay out of the more than 4 million jobs in Michigan—have remained below the poverty wage for a family of four. Stated another way, each year more than one-fifth of the total jobs held in Michigan do not pay an hourly wage high enough to bring a family of four above the poverty line. Since 2005, and throughout most of the 1980s and

1990s, wages in the 10th percentile have not been enough to bring a family of three out of poverty. Parents who hold these jobs often must rely on income from a spouse, from an additional job, or from public or charity assistance in order to meet their families' needs. (Fig. 4)

When we look at the occupations with the highest employment in Michigan, we find they tend to pay low wages. Four out of the top six jobs in Michigan, with a combined total of approximately 409,000 workers (or nearly 10% of the workforce), have a median wage that does not pay enough to lift a family of four above the federal poverty line. (Fig. 5) This is true for a total of 68 occupations, representing more than 836,550 jobs. What is more, there are 12 occupations, representing more than 248,000 jobs, in which the median wage will not lift a family of three over the poverty line (this

Fig. 3

Michigan Unemployment Rate Nineteen Months After Start of Recession* (Comparison of the Four Most Recent Recessions)

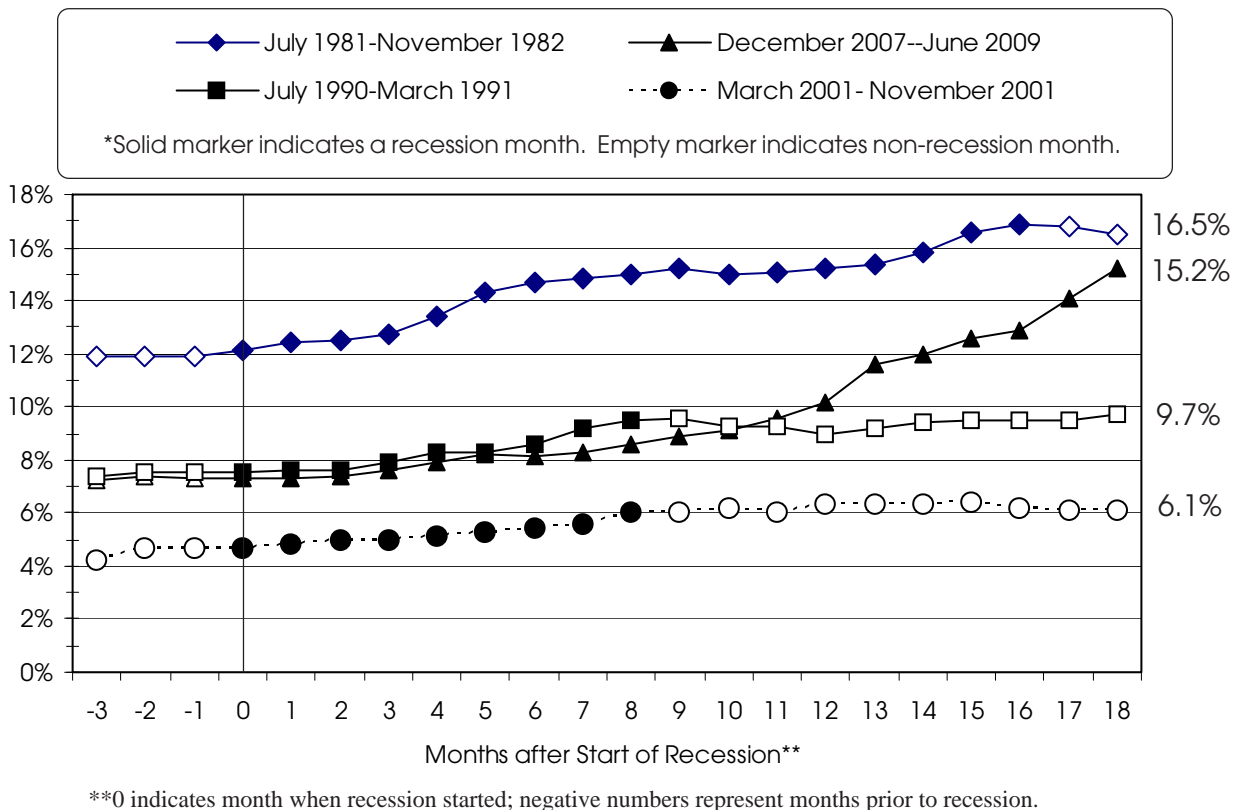


Fig. 4

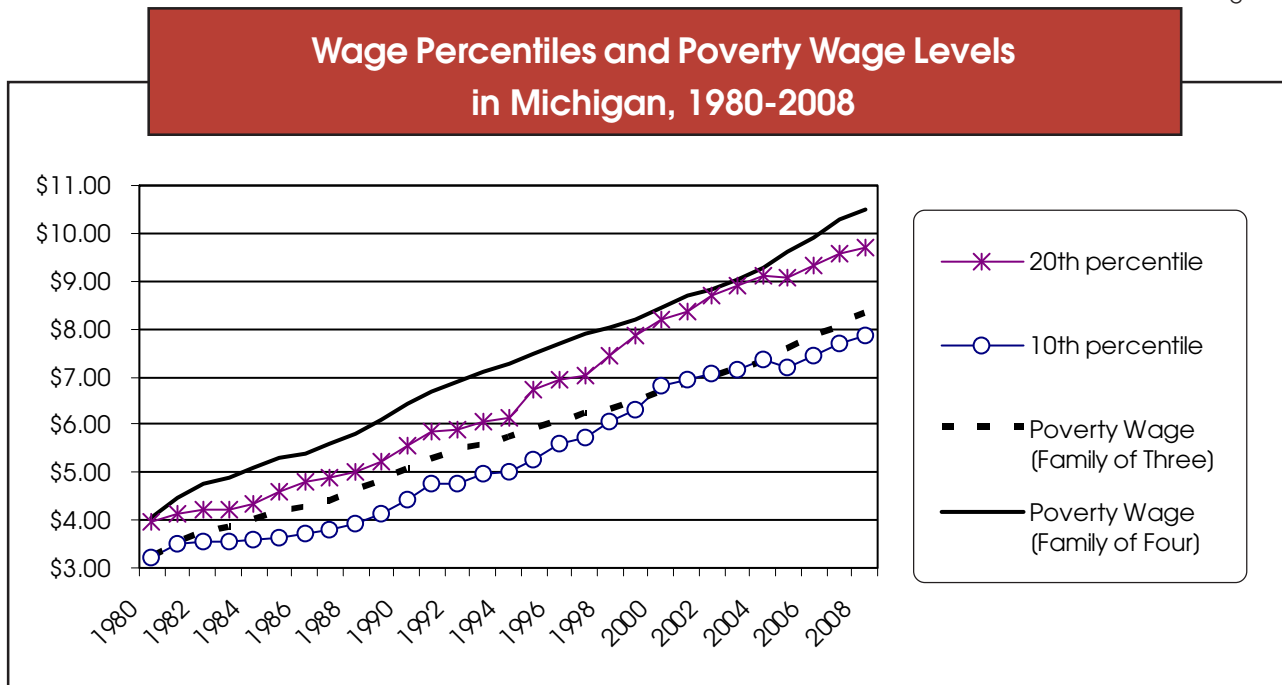
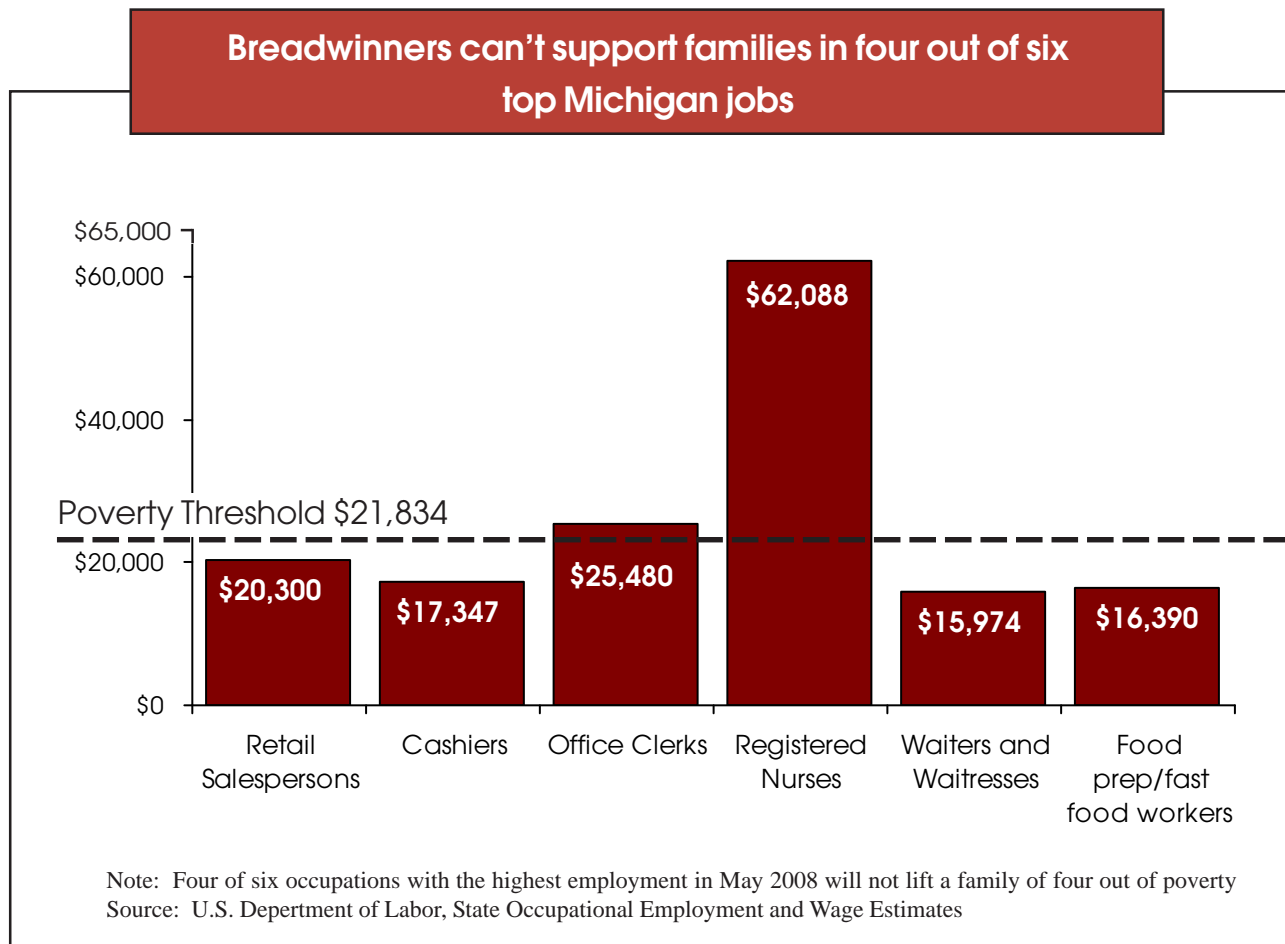


Fig. 5



Racial and Gender Disparities in Unemployment During the Current Recession

	Start of Recession: 2007 Quarter 4	Most Recent Data: 2009 Quarter 2	Change: 2007 Quarter 4 to 2009 Quarter 2	Projection: 2010 Quarter 2	Projected Change: 2007 Quarter 4 to 2010 Quarter 2
All	7.3%	14.1%	6.7%	15.4%	8.0%
White	6.1%	12.9%	6.7%	14.0%	7.9%
African American	15.5%	22.8%	7.3%	24.9%	9.4%
Hispanic	NA	NA	NA	NA	NA
Asian	NA	NA	NA	NA	NA
Male	6.6%	17.2%	10.6%	18.8%	12.2%
Female	8.1%	10.6%	2.5%	11.6%	3.4%
National Average	4.8%	8.1%	3.3%	10.1%	5.3%

number excludes some farm occupations, so the actual figure may be much higher). (See appendix A)

The federal poverty threshold is based on a method considered by many to be out of date, and as such is not necessarily a reliable indicator of need in Michigan.³ In response, the Michigan League for Human Services periodically calculates a self-sufficiency level for family income, which is the minimum level of income that a family must have in order to meet its needs without public or charitable assistance. Of the 35 occupations in Michigan with the highest employment, 23 do not pay high enough wages to bring a single parent with two children up to the self-sufficiency level.⁴

Racial and Gender Disparities in the Current Recession

When Michigan enters hard times, racial minorities tend to be disproportionately affected. At the start of the current recession (the fourth quarter of 2007), African American unemployment was 9.4 percentage points higher than white unemployment; that gap is now at 9.9 percentage points. African American unemployment in

Michigan was 10.7 percentage points higher than the national average at the start of the recession and 14.7 percentage points higher now.⁵ Interestingly, the unemployment rate for women was only slightly higher than that for men at the start of the recession, but the unemployment rate for men is now 6.6 percentage points higher than that for women. (Fig. 6)

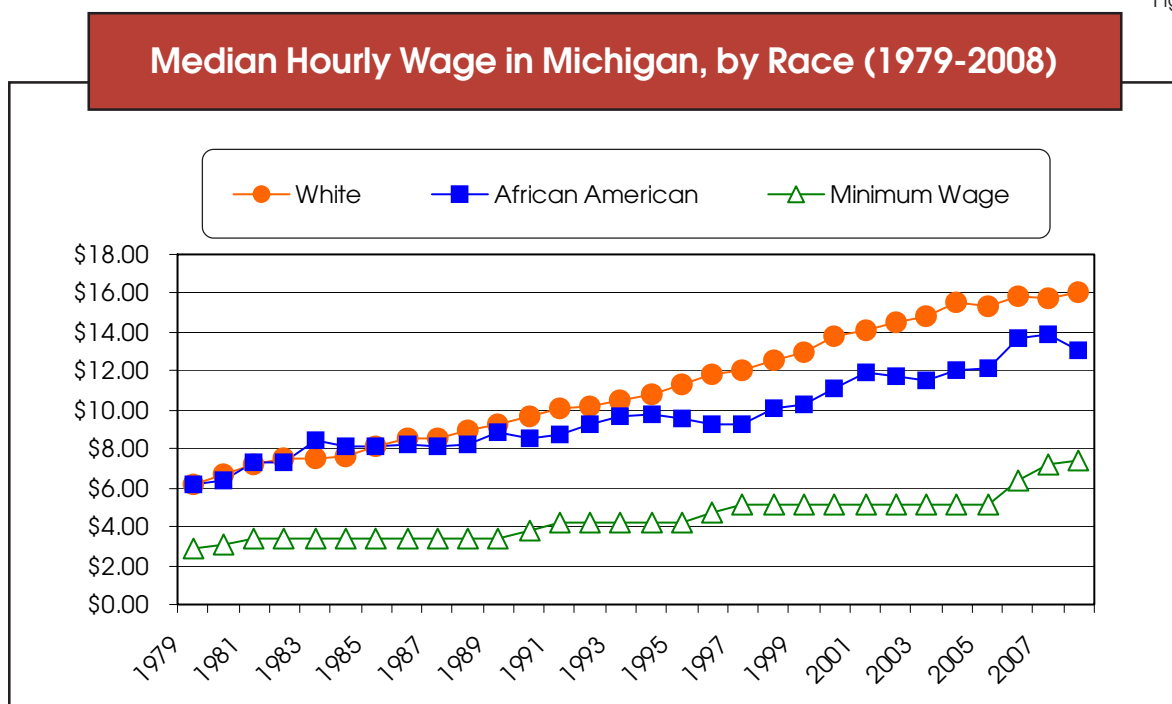
Racial Disparities Seen in Historical Perspective

There has always, unfortunately, been a gap between the unemployment rates of racial minorities and those of whites, in Michigan and nationwide. The African American unemployment rate has each year been considerably higher than that of whites, and the Hispanic unemployment rate has generally been in between that of the two other groups. The Hispanic rate has generally (but not always) exceeded the white rate by at least four percentage points each year, and at times by 10 or more points. The gap between the white and African American rate exceeded 18 points for several years in the early to middle 1980s, with a peak gap of 20.2 points in 1985.

³ A good discussion of this can be found in Bernstein, J., *Crunch: Why do I feel so squeezed (and other unsolved economic mysteries)*, Berrett-Koehler Publishers, Inc., San Francisco, CA, 2008.

⁴ For more information see the Michigan League for Human Services' *Economic Self-Sufficiency in Michigan: A Benchmark for Ensuring Family Well-Being*, May 2007.

⁵ Unfortunately, quarterly unemployment statistics for Hispanics, Asians and other racial groups are unavailable.



While such ongoing disparities are problematic and suggest racial disparities in other areas that need to be addressed, the silver lining is that Michigan appears to be making great progress in this area. When we look at the gap between the white and African American unemployment rates over time, we see that 2008 had the smallest gap (6 percentage points) of all the recession years, and the smallest of any other year outside of the period 1997-2000, when Michigan's economy was especially good. At 2.9 percentage points, the gap in 2008 between the white and Hispanic unemployment rates was the lowest for every year in which data has been available.

While the reduction in the racial unemployment gap is encouraging, the wage gap between African American workers and white workers seems to have gotten worse. The gap is more pronounced in the late 1990s and the current decade than it was in the 1980s. During that decade, white and African American median wages were often very close, and in 1983 and 1984 African American wages had even surpassed those of whites by a small margin. (Remember that these two years also saw a very large gap in unemployment between the two races, with African American unemployment at 30 and 27 percent, respectively, so we might conclude that African

Americans did not hold as many of the low-wage jobs as they would come to hold in future years.) While the nominal median wage for whites went consistently up each year (with a couple of exceptions), the African American median wage increased in fits and starts, and in 2008 saw a marked plunge. (Fig. 7)

The historical wage gap as seen in inflation-adjusted dollars reveals even more. In 1979, the median wage for whites and African Americans was roughly the same, at \$6.16 and \$6.20 respectively. In 2008, the median wage in 1979 dollars for each race had dropped to \$5.81 for whites and \$4.74 for African Americans. In other words, while both races experienced a decline in real wages over the past 30 years, the ground lost by African American workers as a whole was much greater (a 23.5% decline) than that lost by white workers (a 5.68% decline). (Fig. 8)

Some Likely Causes of Racial Disparities

There are likely several factors contributing to the gap between minorities and whites in unemployment and wage levels. Historically, discrimination in hiring and promotion was seen as one of the main reasons for the disparity, and although that was outlawed in 1965 by

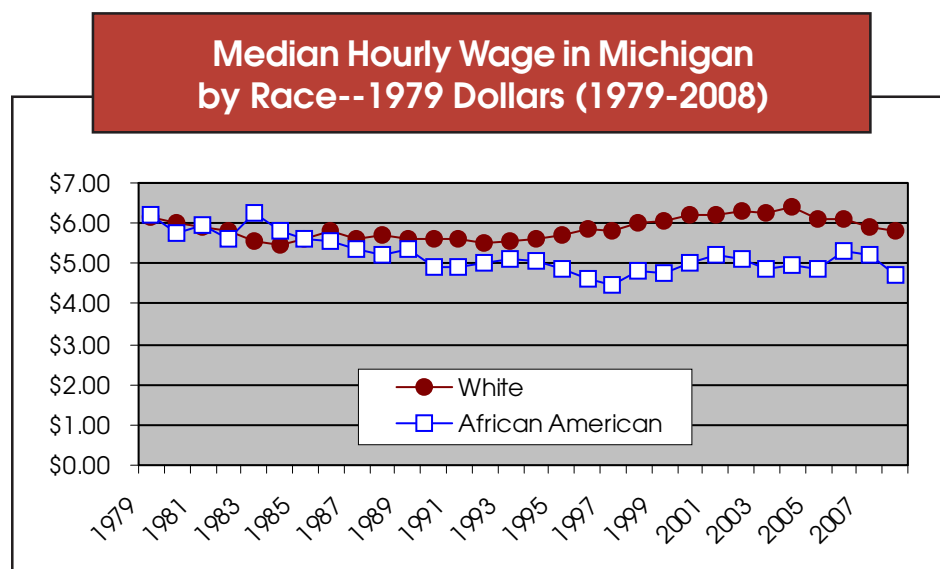
the Civil Rights Act, in some cases it might still be practiced. There are three main reasons for present differences in unemployment and wages between whites and minorities, one being the fact that most racial minorities are in poverty at a much higher rate than whites.

Poverty itself provides many challenges to finding and keeping the kind of employment that enables families and individuals to escape poverty. People in poverty often have less access to well-paying jobs.

One reason for this is that these jobs, and often jobs in general, are less prevalent in poor communities, requiring many people who live in those communities to travel a long distance to work. When the public transportation system is inadequate, as is the case in Detroit and many other urban and rural areas in Michigan, the ability of the poor to travel to their jobs is severely compromised. This can result in loss of employment, or in having to settle for a lower-paying job because a higher-paying job cannot be accessed. For the working poor who own a car, the car itself, in addition to being a large expense, is often unreliable. Public transportation is necessary as a backup.

The fact that a large percentage of the population of Michigan's core cities are racial minorities and low-income or poor, combined with the inadequate public transportation in those cities, may be a contributing factor to the racial disparities in wages and unemployment. Detroit is 83.9 percent African American, for example, and had a poverty rate of 33.8 percent in 2007. Many of its low-income and poor workers must commute to suburbs such as Royal Oak or Southfield to work in low-wage jobs, yet there is no regional transportation system to help facilitate this. This creates another barrier for African Americans, in particular, seeking work.

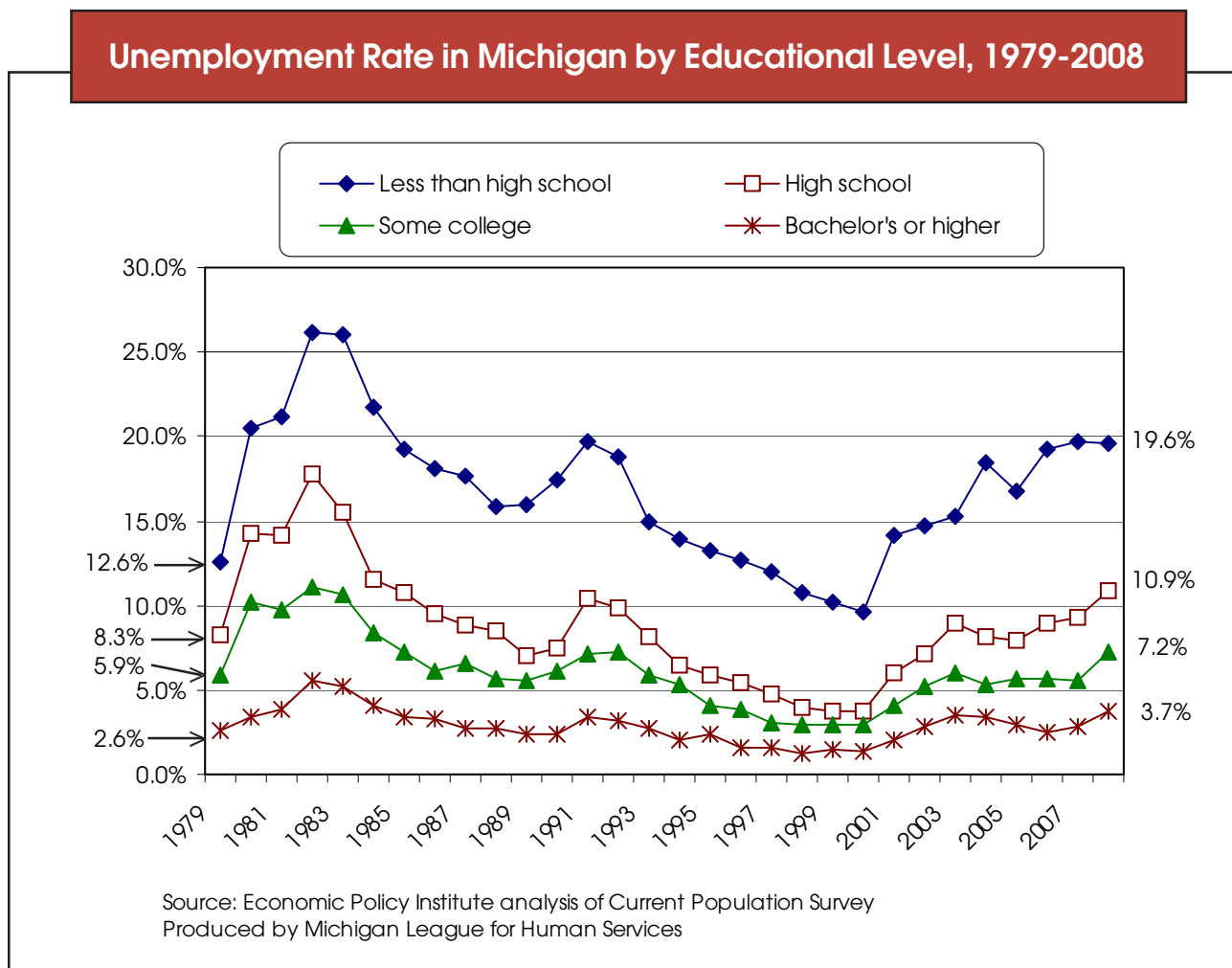
Another factor that often prevents poor and low-income parents, disproportionately minority families,



from getting employment or accessing better-paying jobs is the lack of affordable child care. In 2007 the average cost of full-time child care for a preschool child in Michigan represented 42 percent of gross income from a full-time minimum wage job. While Michigan does provide a subsidy for child care expenses to eligible families, the eligibility level has fallen to roughly 137 percent of the poverty level—one of the lowest in the nation and the subsidy amount has not kept up with inflation. This low subsidy amount severely limits child care options for low-income parents.

A final, undeniable factor preventing many of the working poor from accessing better jobs is a lack of skills. Whereas a high school diploma was, for many decades, the key to stable and reliable employment in the manufacturing sector, it is no longer the case. Good jobs are increasingly requiring some kind of postsecondary credential such as a certificate or associate's degree, and workers with only a high school diploma are much more likely to be unemployed now than they were in the 1990s. Workers without a high school diploma are even more at risk, as one out of every five was unemployed in 2008. (Fig. 9)

As expected, wage levels are also highly affected by educational level. The median wage for workers with a bachelor's degree is now \$10 higher than that of a worker with some college but no bachelor's degree, and nearly \$12 higher than a worker with only a high



school diploma. This is in contrast to 30 years ago, when workers with some college and with only a high school diploma earned roughly the same level of wages and workers with a bachelor's degree earned on average just over \$2 an hour more than those other two groups. (Fig. 10)

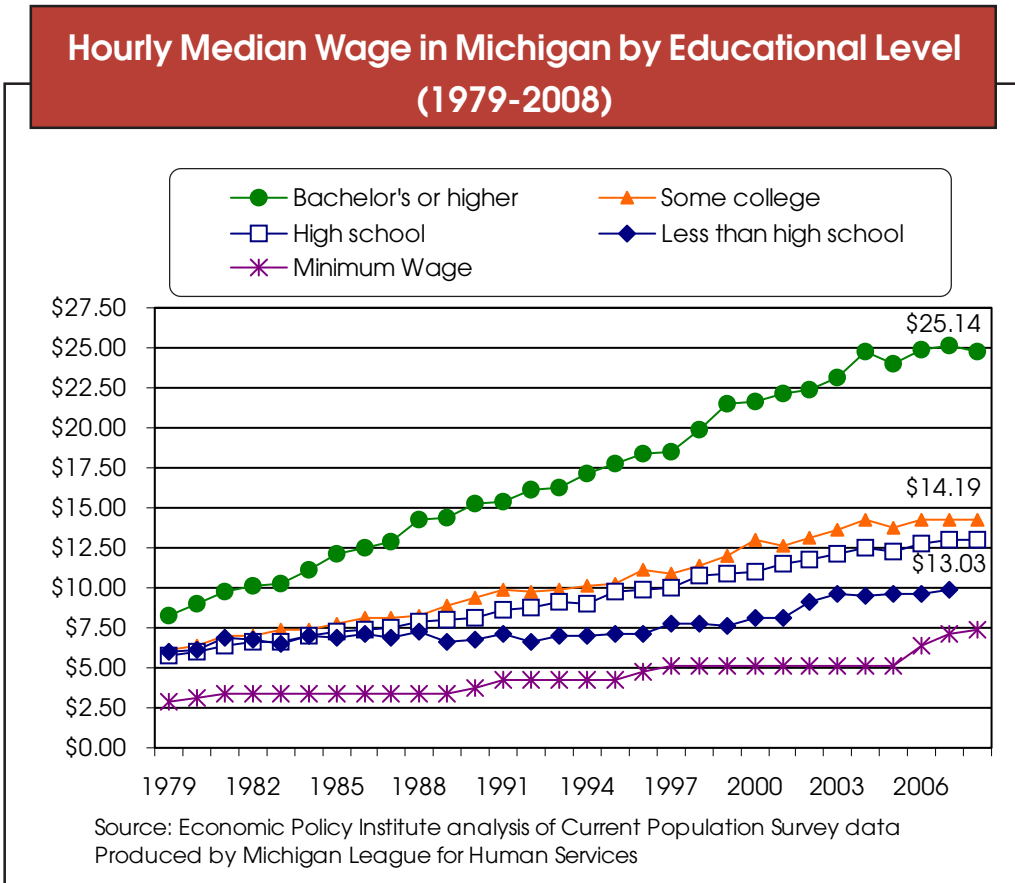
As the economy recovers and more jobs are created, it is expected that the gap in earnings between those with some college and those with only a high school diploma will increase as well. Many of the trades are now requiring some sort of formal postsecondary credential, as are a large number of the emerging manufacturing and service jobs.

The good news is that Michigan has a more highly educated work force than it did in the 1980s and 1990s. The percentage of workers without a high school diploma has been below 8 percent for the past two

years, and the percentage with only a high school diploma is now at 30 percent, down from 42.6 percent 30 years ago. Meanwhile, the percentage of workers with some college surpassed those with only a high school diploma in 2006, and the percentage with a bachelor's degree is nearly as high as the percentage with only a high school diploma. (Fig. 11)

These trends need to continue, however, in order to meet the needs of Michigan's job market and to ensure that more Michigan workers can work their way out of poverty and attain economic self-sufficiency. Michigan, in short, needs to do whatever possible to make postsecondary education affordable and accessible to workers who are low-income and low-skilled. Michigan is taking some steps to do this with its No Worker Left Behind program, and is currently looking at ways to integrate adult education into the community colleges.

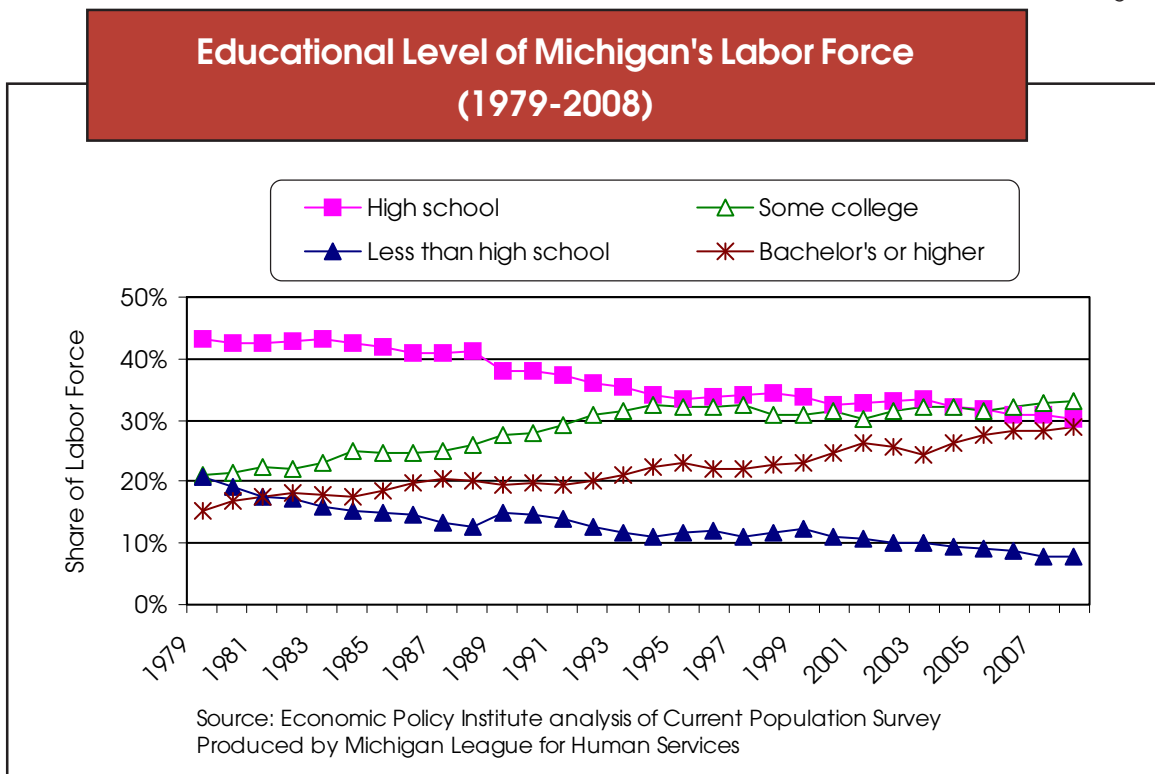
Fig. 10



(Both of these are discussed in more detail later in this paper.)

Since the education level is an important determinant in how likely a worker is to be unemployed or stuck in low-wage work, we can conclude that racial disparities in these areas are caused in large part by racial disparities in the level of education. As seen in Figure 12, there are marked disparities in the educational level between white adults aged 25-54 and their African American and Hispanic counterparts. While 34 percent of Michigan's white adults

Fig. 11



in this age group possess an associate's degree or higher, only 23 percent of African American adults and 19 percent of Hispanic adults have that level of education. Moreover, 34 percent of Hispanic workers in that age group do not have a high school diploma, compared with 15 percent of African Americans and 8 percent of whites. (Fig. 12)

Finally, a likely barrier especially for many immigrant workers, Hispanic and otherwise, is a lack of fluency or proficiency in English. In 2007, it was estimated that 82,700 Hispanic people ages 18-64, or 34.5 percent of all Hispanics in Michigan in that age group, spoke English "less than very well."⁶ This creates a barrier to both securing gainful employment and to acquiring vocational skills. With Hispanic workers constituting a growing part of Michigan's workforce, it is important that any plan to build the skills of Michigan's workers include strategies to provide

English as a Second Language (ESL) training in tandem with vocational training.⁷

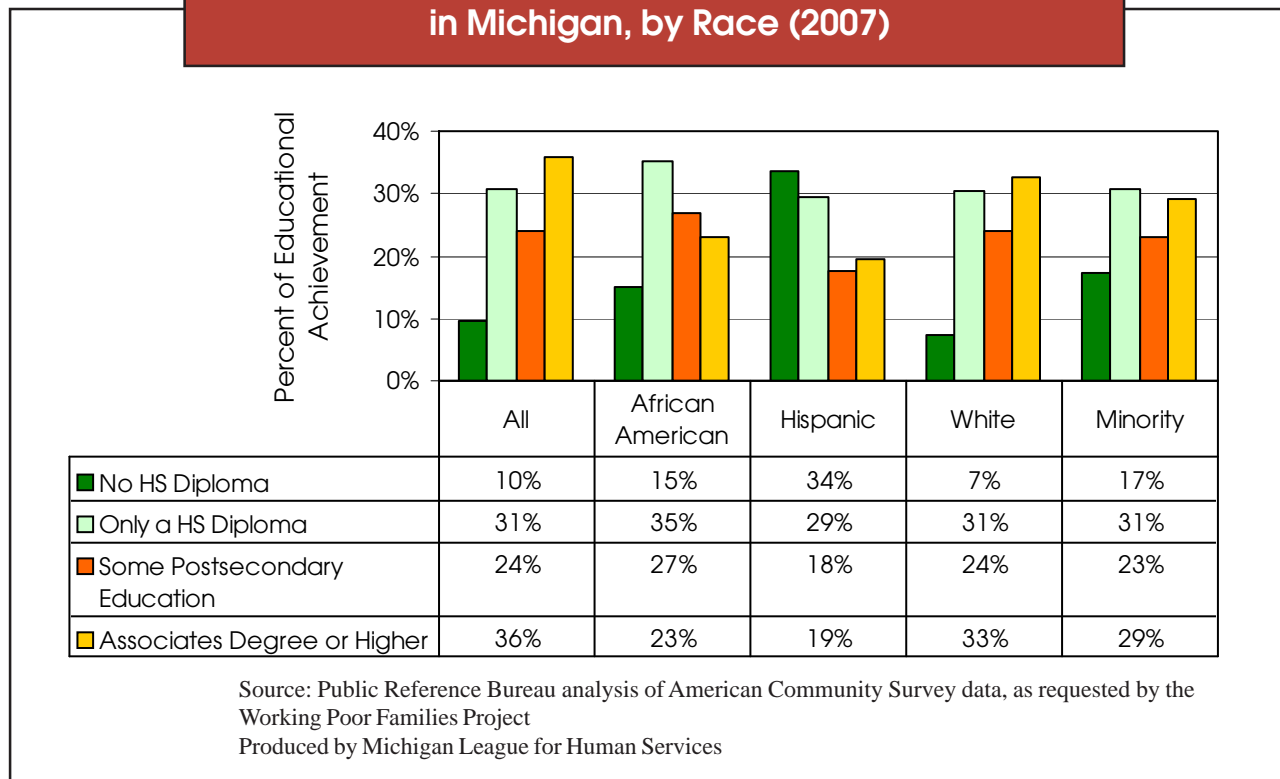
These factors taken together can help to explain the gap that exists here in Michigan between whites and minorities when it comes to unemployment and wage level. Many of these factors are systemic and require policy changes to address them. Without such changes, these disparities will continue, even following an economic recovery in our state.

What has Michigan done lately for working families?

No Worker Left Behind in its second year. This program provides up to two years of tuition (up to \$5,000 a year) in a high-demand or emerging industry at any Michigan university, community college, or other

Educational Achievement of Persons Age 25-54 in Michigan, by Race (2007)

Fig. 12



⁶ Public Reference Bureau analysis of American Community Survey data, as requested by the Working Poor Families Project.

⁷ The American Community Survey indicates that Hispanic workers constitute 3.3 percent of Michigan's workforce in 2007. However, it is likely that both documented and undocumented workers who are Hispanic are undercounted by the census.

approved training program. To be eligible, individuals must be either unemployed, have received a notice of layoff or termination from their employer, or currently employed with a family income at or below \$40,000 a year. Since the launch of the program in August 2007, through June 2009, over 81,000 people have enrolled in training programs. In the first 10 months of the second year, more than 40,000 workers were placed in training programs, which is higher than the total number of workers placed in training through the first 12 months of the program.

Final step of the minimum wage increase. The latest increase to Michigan's minimum wage took effect in July 2008, raising Michigan's minimum wage to \$7.40 per hour. That had a direct impact on an estimated 267,000 minimum wage earners. Michigan's minimum wage is higher than the federal minimum wage of \$7.25, which took effect in July 2009, and is one of only 13 states and the District of Columbia to have a minimum wage higher than the federal minimum wage.

Earned Income Tax Credit took effect. In September 2006, Governor Jennifer Granholm signed a refundable state Earned Income Tax Credit (EITC) into law. It went into effect for tax year 2008 and was 10 percent of the amount that low-income workers could claim for the federal EITC. For tax year 2008, the Michigan Department of Treasury processed 702,000 payments to claimants totaling just under \$144 million.

For tax year 2009, the state EITC increases to 20 percent of the federal credit and it is estimated that the average state credit will be \$420. However, there has been discussion among some policymakers regarding freezing the EITC at 10 percent of the federal EITC for 2009 as the state searches for ways to close an approximately \$3 billion budget gap for fiscal year 2010. The EITC needs to be preserved. It not only supports thousands of working families throughout the state, but with nearly 100,000 Michigan residents exhausting their unemployment benefits between late August and the end of 2009, the EITC will assist many families in meeting their basic needs. In addition, it has been

estimated that for every \$1 that is claimed by the EITC, it generates \$1.67 in spending in local communities.⁸

Transforming Michigan's adult learning infrastructure. In March 2008, under the auspices of the Council for Labor and Economic Growth (CLEG), Michigan's Low-Wage Worker Advancement Committee convened the Adult Learning Work Group (ALWG). This group includes adult learning practitioners representing community colleges, adult education programs, community-based organizations, Michigan Works! and literacy councils from throughout the state, and four state departments. The group worked over the course of six months to provide recommendations on how to transform the state's approach to basic skills development in order to better meet the needs of adult learners, employers, and the state.

The ALWG found that there are approximately 1.7 million working-age adults in Michigan who lack the basic skills needed for entrance to postsecondary education or employment that would lift them and their families out of poverty. Research was conducted regarding current strategies that would address the need for basic skills development. The following recommendations were presented and adopted by CLEG in September 2008 in an effort to halve the number of Michigan workers lacking basic skills or credentials needed to obtain family-sustaining employment:

- Transform Michigan's adult learning infrastructure to create a unified strategic approach to increasing basic skills and post-secondary credential attainment;
- Engage a range of partners in service delivery to meet the diverse needs of adult learners;
- Build clear connections between learning and the promise of good jobs;
- Use accelerated and connected pathways to help adult learners reach their goals;
- Increase access to adult learning;
- Make basic skills development a priority with every funding source that can legally support it;

⁸ Anderson Economic Group (2009, August). Economic benefits of the earned income tax credit in Michigan. Available at: http://www.andersoneconomicgroup.com/Portals/0/upload/AEG_EITC_FINAL_REVISIED_Aug6.pdf

- Hold regional partnerships accountable for success and measure outcomes at the partnership level; and
- Engage a broad coalition in communicating the urgent need to improve basic skills.

What more needs to be done?

Implement the recommendations that have been approved by the Council for Labor and Economic Growth. The research and recommendations from the Adult Learning Work Group to CLEG represents only the start of what needs to be done to change the way Michigan approaches adult learning. The principles and recommendations put forth must now be implemented by the adult learning community.⁹ In addition, changes must be made to the state's School Aid Act, specifically the mechanisms that are used to deliver adult education. Greater coordination must occur between the adult education, workforce and community college entities.

Even as it becomes more evident that many Michigan workers need basic skills training to enter or re-enter the workforce, funding for adult education programs continues to be cut, limiting access for thousands of Michigan residents. From fiscal years 1997 to 2001, adult education was funded at \$80 million annually. However, in fiscal year 2004, funding was reduced by \$60 million to just \$20 million. In fiscal year 2009, adult education was funded at \$24 million. However, in an effort to help balance the state's budget, proposals are being discussed to reduce funding further for adult education for the coming fiscal year.

Fully fund No Worker Left Behind. No Worker Left Behind (NWLB) is helping thousands of unemployed individuals earning approximately 200 percent of the poverty level for a family of four receive education and training needed to re-enter the labor force, maintain their current employment or move into higher income jobs. However, NWLB has not been fully funded since its start and has seen further funding reductions as the state attempts to resolve its budget deficit.

NWLB's gross appropriation for fiscal year 2009 was \$130.6 million, \$15 million of which was General Fund dollars. However, as a part of the governor's Executive Order cuts, General Fund spending for the program was cut by more than half. If funding for this program continues to be cut, many of the individuals in need of education and training will not be able to obtain the funding for tuition from the state to obtain the skills needed to re-enter and advance in the workforce.

Reform the unemployment system. Michigan's July unemployment rate was 15 percent and has led the nation in unemployment for 27 out of 28 months. In addition, the Michigan Unemployment Insurance Agency has stated that nearly 100,000 people will exhaust their unemployment benefits by the end of this calendar year. The governor has recently asked Congress for an extension of unemployment benefits.

Under the Unemployment Insurance Modernization Act, included as a part of the American Recovery and Reinvestment Act of 2009 (ARRA), Michigan has qualified for \$69.4 million to strengthen the unemployment insurance (UI) program. Michigan, however, has failed to pass reforms that would allow the state to be eligible for an additional \$139 million in UI funding.

To receive these additional dollars, Michigan must first reform its UI system, but attempts to do so have stalled in the Legislature. For Michigan to be eligible for additional UI funding, the state must adopt two of the following four reforms:

- Allow benefits for part-time workers;
- Allow benefits for individuals who leave work for compelling family reasons;
- Allow benefits for training; and
- Institute a weekly \$15 minimum dependent allowance.

Bills have been introduced in the House and Senate to extend benefits to part-time workers and allow benefits for training, but they have been passed only by the House. They are currently awaiting Senate action.

⁹ For further information on the principles and recommendations adopted by the Council for Labor and Economic Growth, please see the report *Transforming Michigan's Adult Learning Infrastructure* available at: http://www.michigan.gov/documents/mdcd/MI_Adult_Learning_Report_272546_7.pdf

Update the Family Independence Program grant.

If Michigan is serious about helping families become economically self-sufficient and encouraging work, the state must make a legitimate attempt to update the Family Independence Program (FIP) grant. While several years ago a meager increase in the grant was obtained, much progress is still needed.

Currently, there are budget proposals before the state Legislature that would decrease the FIP grant by \$10 per person, per month, which represents a 6.1 percent reduction. If this change is implemented, it would reduce the cash assistance payment to approximately 72 percent below the current poverty threshold for a family of three. A reduction in the grant would do nothing to help low-income working families become self-sufficient and instead would put them further behind. Additionally, Michigan should consider indexing the grant amount to rise at the rate of inflation, thus giving families further assistance in getting above the poverty threshold. Such a change would prevent the loss in purchasing power that has occurred over nearly two decades.

Increase below-market child care subsidies.

Clearly, eligibility and subsidy amounts for Michigan's child day care program need to be raised to reflect current economic realities for working parents. The maximum subsidy adjusted for the age of the child, type of provider and geographic area ranges from \$1.40 to \$3.13 an hour. The subsidy amount, which has steadily lost value since 1996, is so far below the market rate that most parents dependent on the subsidy cannot access licensed care. In the last two years the first across-the-board increases in the subsidy amount raised rates by roughly 6 cents an hour—far below the inflation rate over that same period of roughly 34 percent.

Reform the revenue structure to protect and strengthen programs.

Michigan has been attempting to cut its way out of a structural deficit problem for many years. However, with a budget shortfall of approximately \$3 billion for the coming fiscal year, cutting programs, particularly those that assist the state's most vulnerable citizens, is no longer tolerable. Until Michigan revises its tax structure to keep pace

with current economic trends, policymakers will continue to be constrained by lack of resources with which to make investments in the state's large pool of human capital.

Conclusion

The decline of the automobile industry and its ripple effect have sent shock waves throughout the state. The loss of employment and declining wages has been felt in every community to some degree, with many communities, particularly communities of color, experiencing a disproportionate share of the pain. This report underscores the need for policies that improve workers' skills and educational levels, and that bolster the safety net available to low-wage workers and their families. Michigan faces many challenges in today's global economy; one of those challenges is to invest in the men and women who constitute our current workforce.

Appendix A

Michigan Occupations with Highest Employment (May 2008)¹

Rank	Occupation	Number Employed	Median Hourly	% of Poverty Wage ²		% of Self-Sufficiency Wage for Single Parent with Two Children
				Family of Three	Family of Four	
1	Retail Salespersons	148,770	\$9.76	117.0%	93.0%	50.4%
2	Cashiers	110,430	\$8.34	100.0%	79.4%	43.1%
3	Office Clerks, General	104,650	\$12.25	146.9%	116.7%	63.3%
4	Registered Nurses	86,580	\$29.85	357.9%	284.3%	154.3%
5	Waiters and Waitresses	76,650	\$7.68	92.1%	73.1%	39.7%
6	Combined Food Preparation and Serving Workers, Including Fast Food	73,450	\$7.88	94.5%	75.0%	40.7%
7	Laborers and Freight, Stock, and Material Movers, Hand	69,220	\$11.61	139.2%	110.6%	60.0%
8	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	68,630	\$11.09	133.0%	105.6%	57.3%
9	Customer Service Representatives	61,510	\$15.15	181.7%	144.3%	78.3%
10	Stock Clerks and Order Fillers	59,140	\$10.59	127.0%	100.9%	54.7%
11	Secretaries, Except Legal, Medical, and Executive	54,980	\$14.84	177.9%	141.3%	76.7%
12	Nursing Aides, Orderlies, and Attendants	50,400	\$12.30	147.5%	117.1%	63.6%
13	Truck Drivers, Heavy and Tractor-Trailer	50,070	\$17.87	214.3%	170.2%	92.4%
14	Bookkeeping, Accounting, and Auditing Clerks	49,400	\$15.87	190.3%	151.1%	82.0%
15	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	47,070	\$25.43	304.9%	242.2%	131.4%
16	Team Assemblers	45,690	\$13.32	159.7%	126.9%	68.8%
17	Elementary School Teachers, Except Special Education	41,810	NA	NA	NA	NA
18	Business Operations Specialists, All Other	40,950	\$32.07	384.5%	305.4%	165.7%
19	Maintenance and Repair Workers, General	38,950	\$17.61	211.2%	167.7%	91.0%
20	Executive Secretaries and Administrative Assistants	37,400	\$19.43	233.0%	185.0%	100.4%
21	Teacher Assistants	36,230	NA	NA	NA	NA
22	Assemblers and Fabricators, All Other	36,140	\$26.46	317.3%	252.0%	136.7%
23	General and Operations Managers	35,760	\$41.68	499.8%	397.0%	215.4%
24	Accountants and Auditors	33,650	\$27.89	334.4%	265.6%	144.1%
25	First-Line Supervisors/Managers of Retail Sales Workers	33,580	\$17.40	208.6%	165.7%	89.9%
26	Truck Drivers, Light or Delivery Services	31,870	\$13.80	165.5%	131.4%	71.3%
27	Home Health Aides	31,710	\$9.43	113.1%	89.8%	48.7%
28	Production Workers, All Other	31,650	\$16.06	192.6%	153.0%	83.0%
29	Food Preparation Workers	30,720	\$9.00	107.9%	85.7%	46.5%
30	Receptionists and Information Clerks	30,080	\$12.10	145.1%	115.2%	62.5%
31	First-Line Supervisors/Managers of Office and Administrative Support Workers	29,440	\$22.21	266.3%	211.5%	114.8%
32	Teachers and Instructors, All Other	29,420	NA	NA	NA	NA
33	Cooks, Restaurant	27,670	\$10.01	120.0%	95.3%	51.7%
34	First-Line Supervisors/Managers of Production and Operating Workers	27,320	\$26.63	319.3%	253.6%	137.6%
35	Packers and Packers, Hand	25,380	\$8.75	104.9%	83.3%	45.2%

¹Farm jobs are not included because employment data is not available for some farm sectors. It should be noted, however, that farm jobs constitute a significant portion of low-wage jobs in Michigan.

²Based on the 2008 U.S. Census Bureau poverty thresholds (\$17,346 for a family of three and \$21,834 for a family of four) and assuming year-round employment at 40 hours per week, the poverty wage is \$8.34 per hour and \$10.50 per hour respectively.

NA = not available

Source: U.S. Department of Labor, Occupational Employment and Wage Estimates

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Appendix A

Lowest Wage Nonfarm Occupations in Michigan (May 2008)

Rank	Occupation	Median Hourly	% of Poverty Wage ¹		% of Self Sufficiency Wage for Single Parent with Two Children	Number Employed ¹
			Family of Three	Family of Four		
1	Travel Guides	\$7.57	90.8%	72.1%	39.1%	NA
2	Waiters and Waitresses	\$7.68	92.1%	73.1%	39.7%	76,650
3	Cooks, Fast Food	\$7.86	94.2%	74.9%	40.6%	21,310
4	Combined Food Preparation and Serving Workers, Including Fast Food	\$7.88	94.5%	75.0%	40.7%	73,450
5	Dining Room and Cafeteria Attendants and Bartender Helpers	\$7.92	95.0%	75.4%	40.9%	12,860
6	Dishwashers	\$7.95	95.3%	75.7%	41.1%	15,020
7	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$8.00	95.9%	76.2%	41.3%	10,640
8	Bartenders	\$8.01	96.0%	76.3%	41.4%	16,430
9	Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	\$8.21	98.4%	78.2%	42.4%	12,880
10	Shampooers	\$8.27	99.2%	78.8%	42.7%	520
11	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	\$8.27	99.2%	78.8%	42.7%	NA
12	Amusement and Recreation Attendants	\$8.32	99.8%	79.2%	43.0%	8,270
13	Cashiers	\$8.34	100.0%	79.4%	43.1%	110,430
14	Tour Guides and Escorts	\$8.35	100.1%	79.5%	43.2%	840
15	Ushers, Lobby Attendants, and Ticket Takers	\$8.38	100.5%	79.8%	43.3%	3,240
16	Manicurists and Pedicurists	\$8.40	100.7%	80.0%	43.4%	1,000
17	Locker Room, Coatroom, and Dressing Room Attendants	\$8.65	103.7%	82.4%	44.7%	690
18	Graders and Sorters, Agricultural Products	\$8.73	104.7%	83.1%	45.1%	930
19	Packers and Packagers, Hand	\$8.75	104.9%	83.3%	45.2%	25,380
20	Gaming Dealers	\$8.89	106.6%	84.7%	45.9%	2,810
21	Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers	\$8.95	107.3%	85.2%	46.3%	3,120
22	Motion Picture Projectionists	\$8.98	107.7%	85.5%	46.4%	300
23	Parking Lot Attendants	\$8.98	107.7%	85.5%	46.4%	3,070
24	Food Preparation Workers	\$9.00	107.9%	85.7%	46.5%	30,720
25	Entertainment attendants and related workers, all other	\$9.00	107.9%	85.7%	46.5%	980
26	Cooks, Short Order	\$9.04	108.4%	86.1%	46.7%	7,340
27	Communications Equipment Operators, All Other	\$9.05	108.5%	86.2%	46.8%	NA
28	Hotel, Motel, and Resort Desk Clerks	\$9.12	109.4%	86.9%	47.1%	4,910
29	Service Station Attendants	\$9.22	110.6%	87.8%	47.6%	2,160
30	Nonfarm Animal Caretakers	\$9.29	111.4%	88.5%	48.0%	3,690
31	Cooks, All Other	\$9.37	112.4%	89.2%	48.4%	660
32	Pressers, Textile, Garment, and Related Materials	\$9.38	112.5%	89.3%	48.5%	1,360
33	Segmental Pavers	\$9.41	112.8%	89.6%	48.6%	NA
34	Home Health Aides	\$9.43	113.1%	89.8%	48.7%	31,710
35	Counter and Rental Clerks	\$9.45	113.3%	90.0%	48.8%	13,050
36	Demonstrators and Product Promoters	\$9.46	113.4%	90.1%	48.9%	3,310
37	Personal and Home Care Aides	\$9.51	114.0%	90.6%	49.1%	14,000
38	Cleaners of Vehicles and Equipment	\$9.56	114.6%	91.0%	49.4%	11,860
39	Taxi Drivers and Chauffeurs	\$9.57	114.7%	91.1%	49.5%	4,120
40	Actors	\$9.58	114.9%	91.2%	49.5%	120
41	Library Assistants, Clerical	\$9.59	115.0%	91.3%	49.6%	3,940
42	Food Preparation and Serving Related Workers, All Other	\$9.63	115.5%	91.7%	49.8%	3,170
43	Maids and Housekeeping Cleaners	\$9.63	115.5%	91.7%	49.8%	24,580
44	Pharmacy Aides	\$9.65	115.7%	91.9%	49.9%	1,690
45	Fitness Trainers and Aerobics Instructors	\$9.66	115.8%	92.0%	49.9%	6,120
46	Agricultural Equipment Operators	\$9.70	116.3%	92.4%	50.1%	NA
47	Bicycle Repairers	\$9.72	116.5%	92.6%	50.2%	520
48	Retail Salespersons	\$9.76	117.0%	93.0%	50.4%	148,770
49	Child Care Workers	\$9.77	117.1%	93.0%	50.5%	19,400
50	Tax Preparers	\$9.81	117.6%	93.4%	50.7%	2,760

¹Estimates do not include self-employed workers.

NA = not available

Source: U.S. Department of Labor, State Occupational Employment and Wage Estimates

Produced by Michigan League for Human Services

Appendix B

Michigan Labor Force Statistics, 2008

	Labor Force Participation Rate	Unemployment		Underemployment			Share of Labor Force
		Rate	Long-Term Unemployment Share	Rate	Part-Time Workers Share	Part-time for Economic Reasons Share	
All	63.3%	8.3%	28.1%	15.1%	26.1%	22.2%	100.0%
Gender							
Male	69.3%	9.1%	28.6%	15.5%	18.7%	28.4%	52.9%
Female	57.8%	7.4%	27.6%	14.7%	34.3%	18.5%	47.1%
Age							
16-24 yrs	59.4%	16.4%	18.5%	29.0%	53.1%	22.0%	15.0%
25-54 yrs	81.6%	7.1%	33.4%	13.2%	20.2%	25.8%	67.7%
55 yrs and older	34.9%	5.7%	(a)	10.4%	28.2%	12.6%	17.4%
Race/Ethnicity							
White	64.1%	7.4%	26.9%	13.8%	26.4%	20.9%	79.9%
African-American	56.2%	13.4%	34.0%	23.9%	26.1%	31.6%	11.7%
Hispanic	62.7%	10.3%	(a)	17.9%	22.7%	(a)	3.3%
Asian/Pacific Aslander	71.7%	(a)	(a)	9.2%	17.9%	(a)	3.3%
Education							
Less than high school	35.4%	19.6%	27.8%	32.7%	46.7%	23.3%	7.9%
High school	58.8%	10.9%	29.7%	19.9%	25.0%	32.6%	30.1%
Some college	71.5%	7.2%	25.0%	13.6%	30.0%	19.1%	33.1%
Bachelor's or higher	75.8%	3.7%	31.1%	6.8%	18.4%	13.6%	28.9%

Source: Economic Policy Institute analysis of Current Population Survey data

(a) Does not meet standards for sample size.