

City of Detroit-University Economic Analysis Partnership Detroit Consensus Revenue Estimating Conference, Sept. 10, 2020



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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, 2019–2024
 - Still have incomplete data for 2019
- Forecasting model follows jobs by major industry both on a payroll basis and a household basis
 - Wage bill and average wage by major industry is only available on a payroll basis
- Due to data lags, we will not have data on COVID-19's impact on payroll jobs until early 2021

The Economic Outlook for Detroit

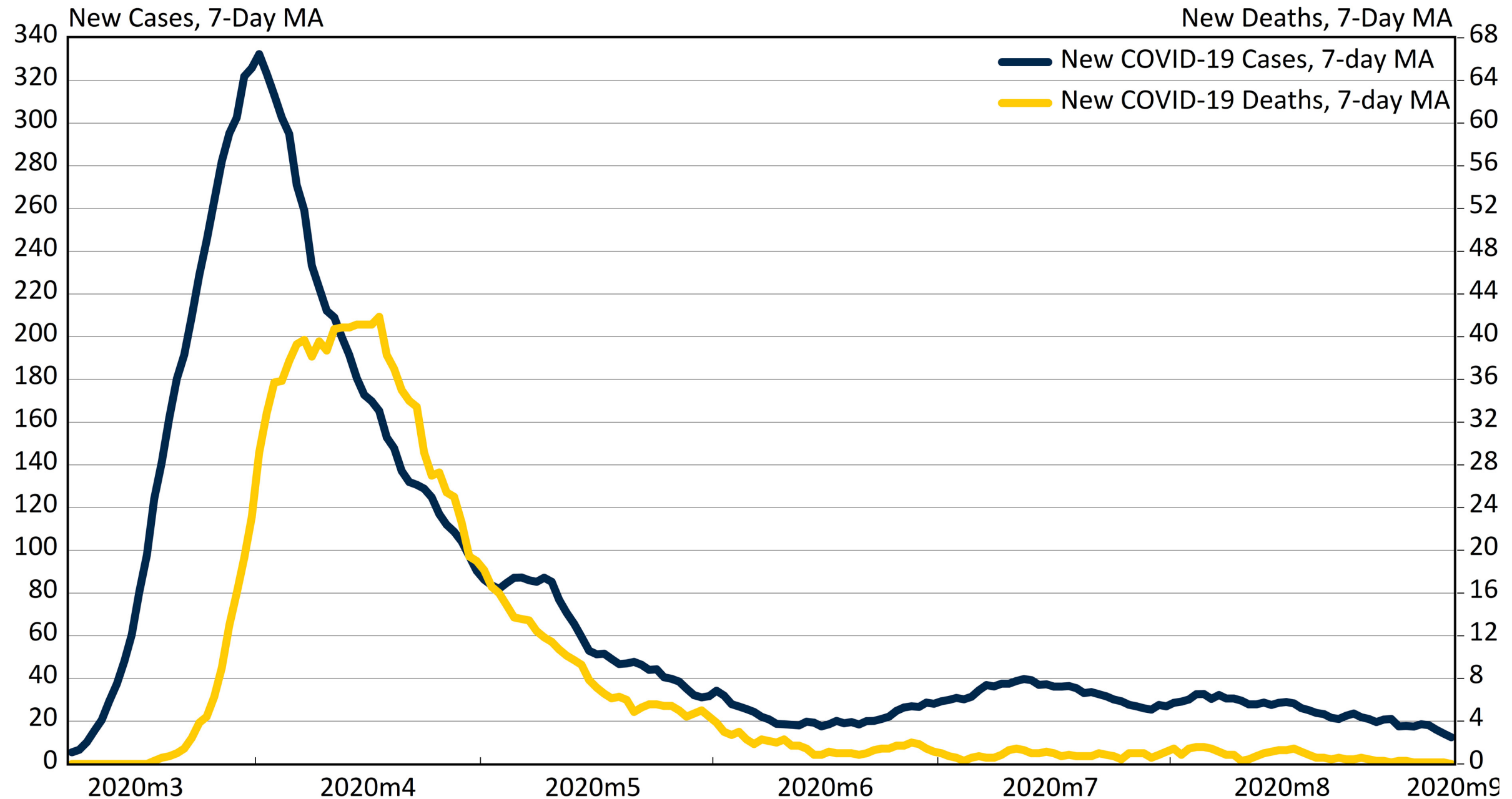


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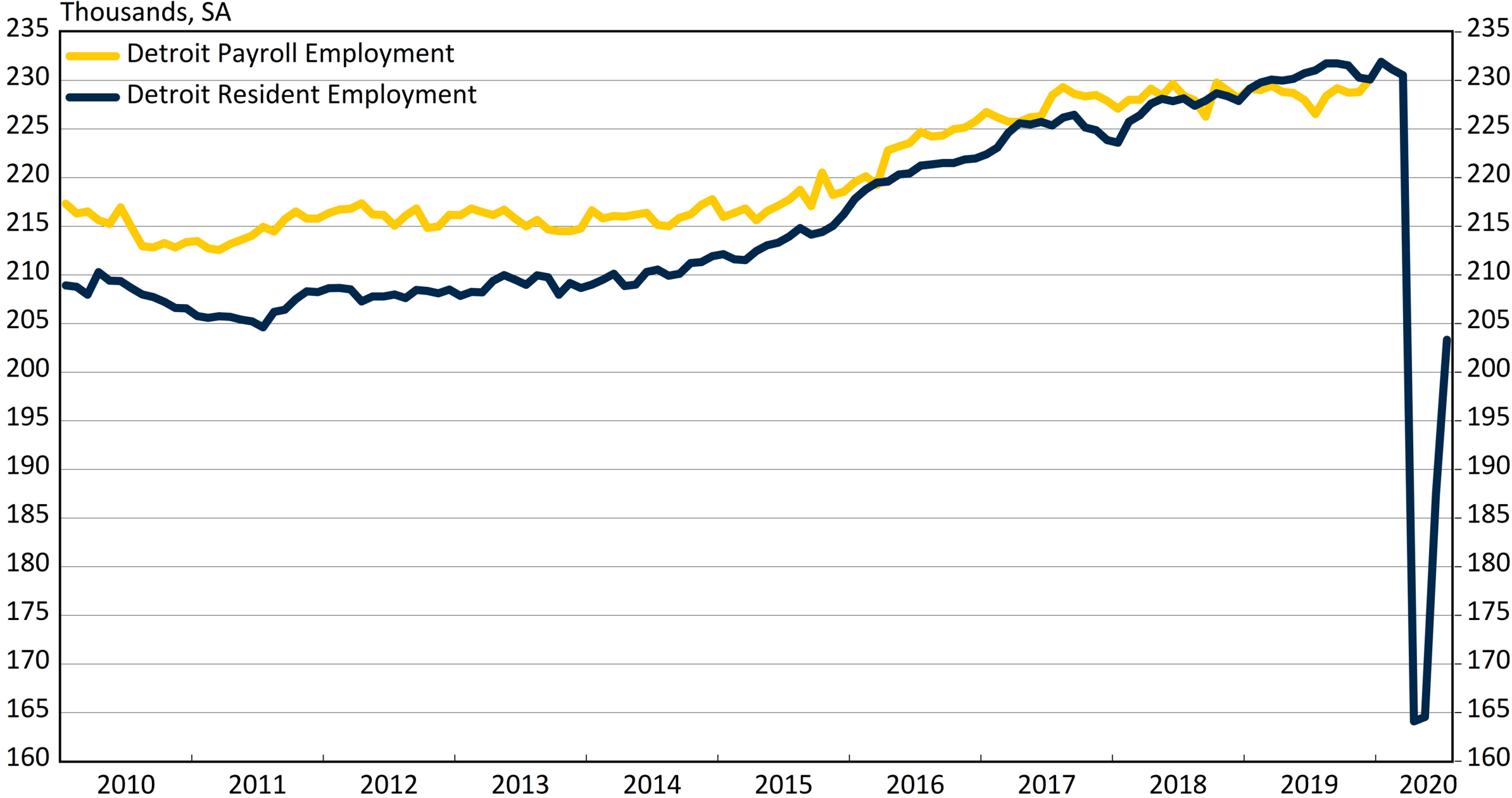
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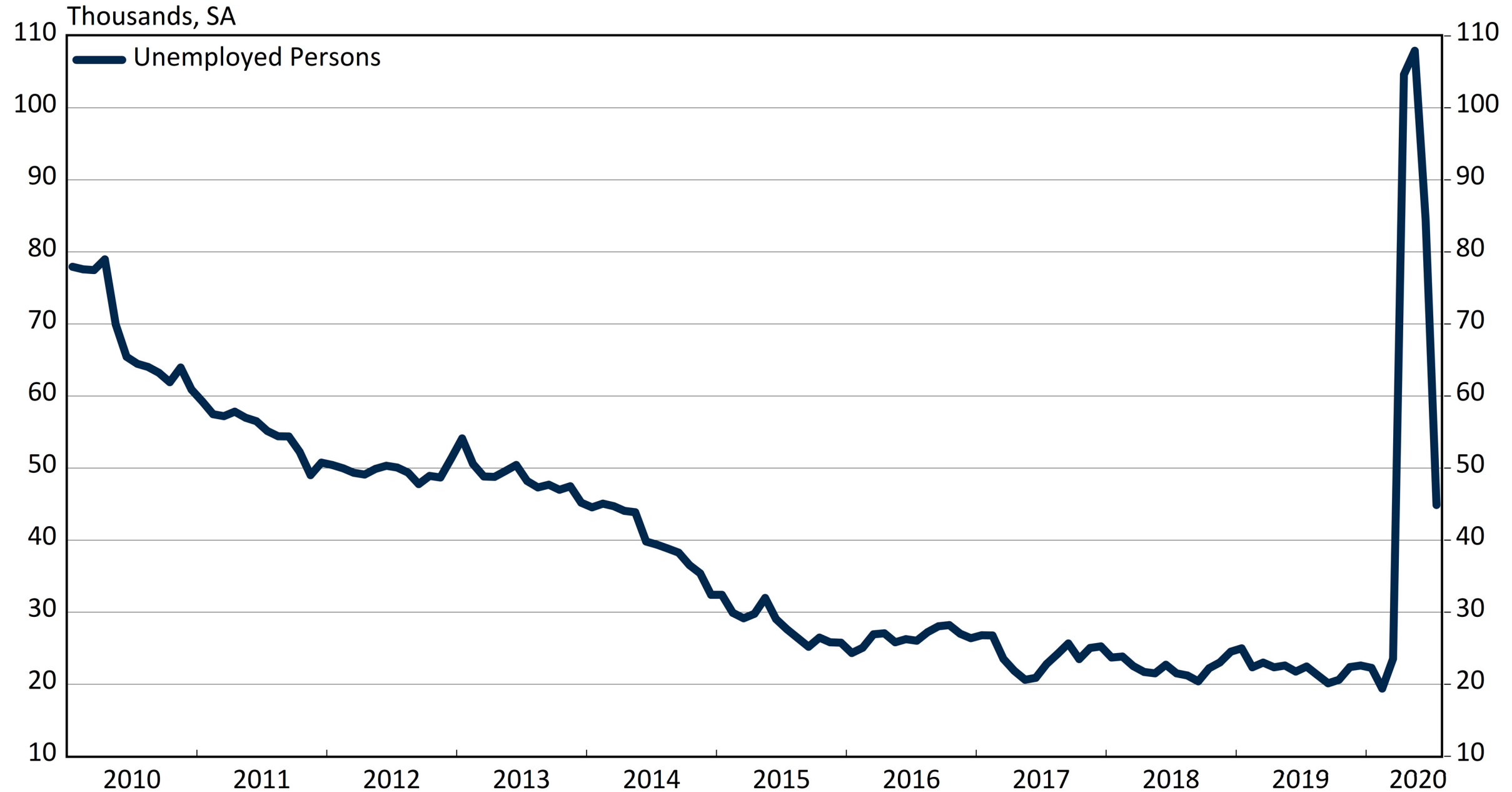
Number of New Confirmed Cases of COVID-19 in the City of Detroit



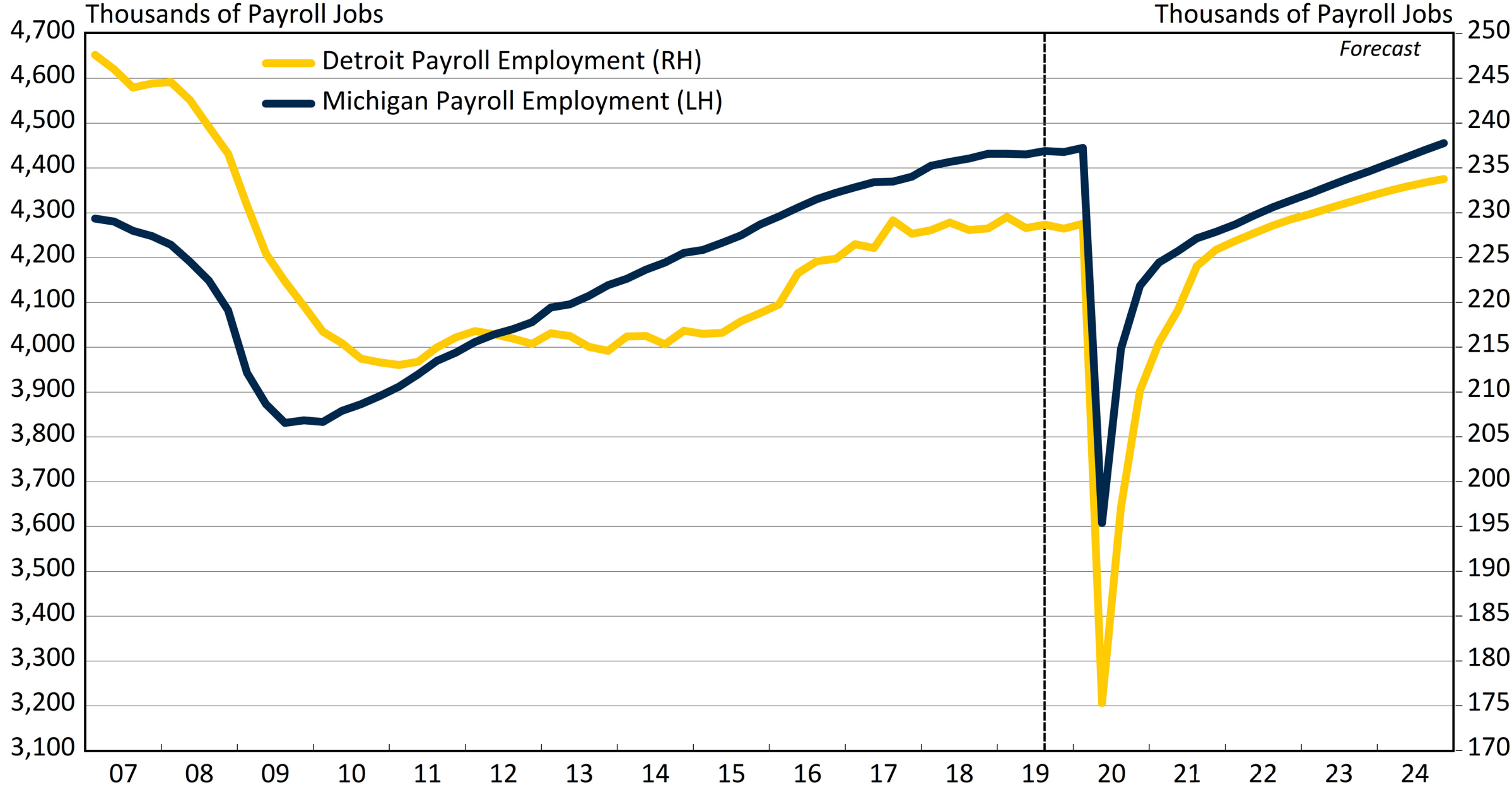
Monthly Employment Count, City of Detroit, 2010–2020



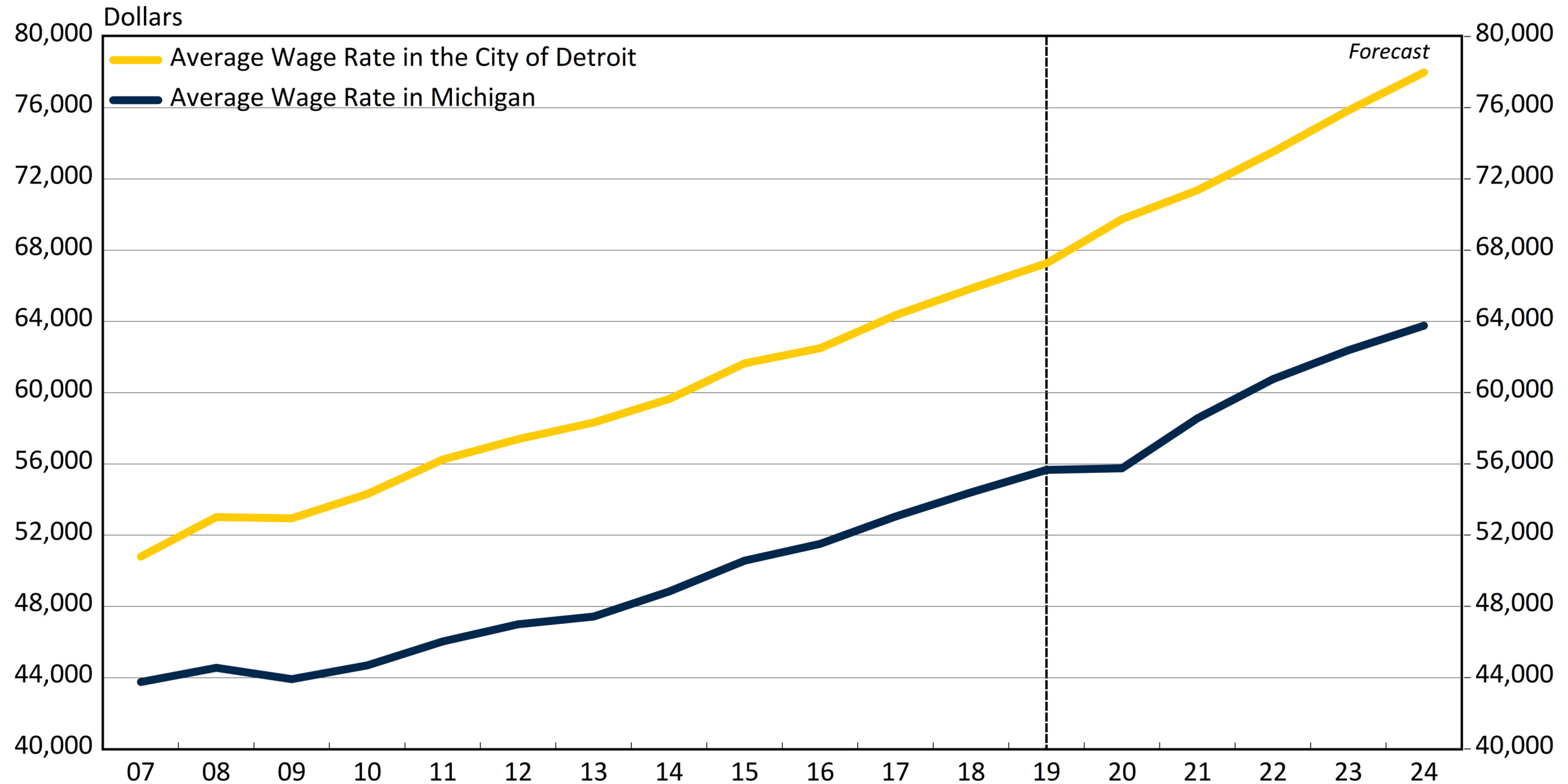
Monthly Unemployment Count, City of Detroit, 2010–2020



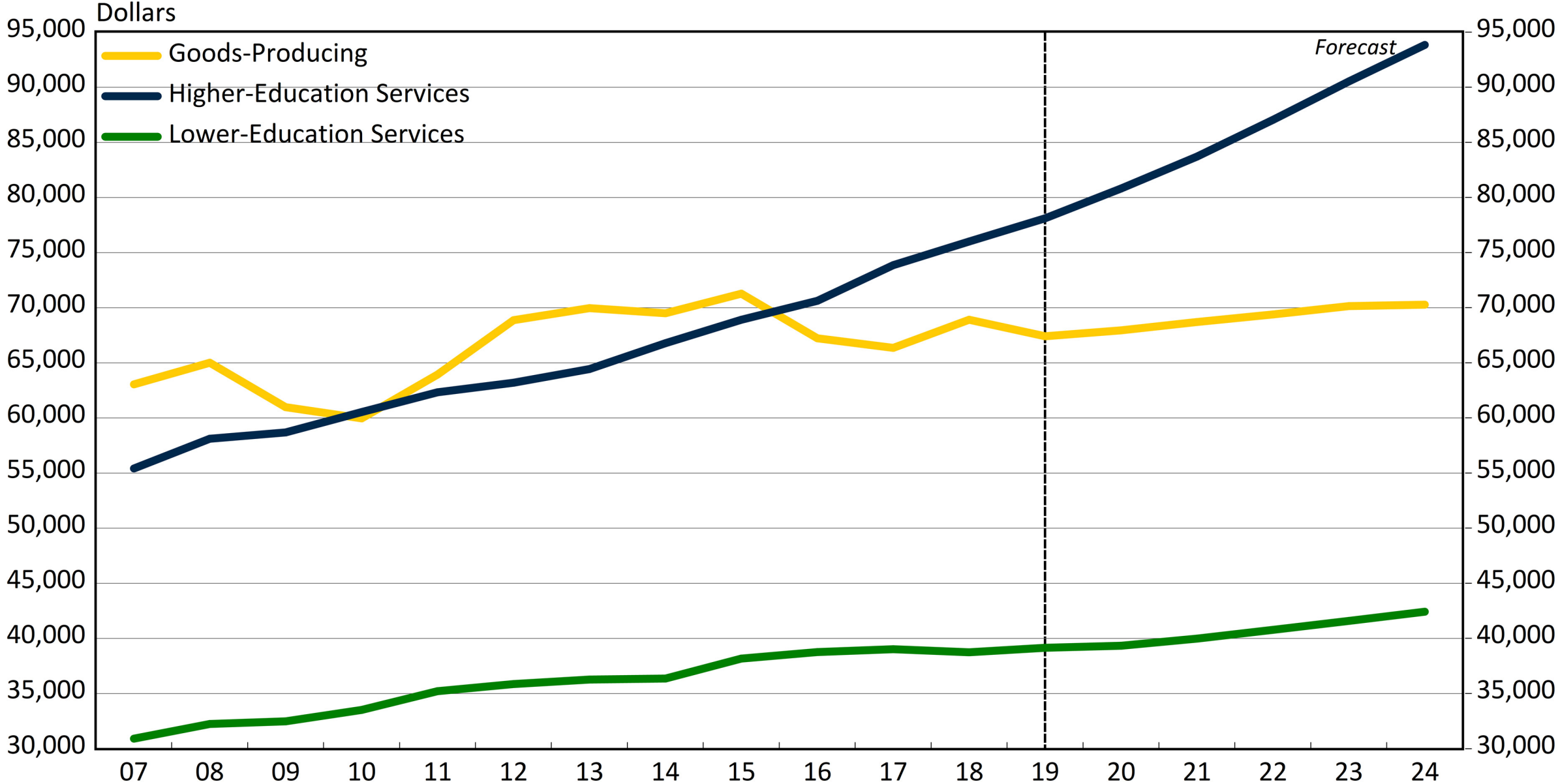
Quarterly Average Payroll Employment, City of Detroit and Michigan, 2007–2024



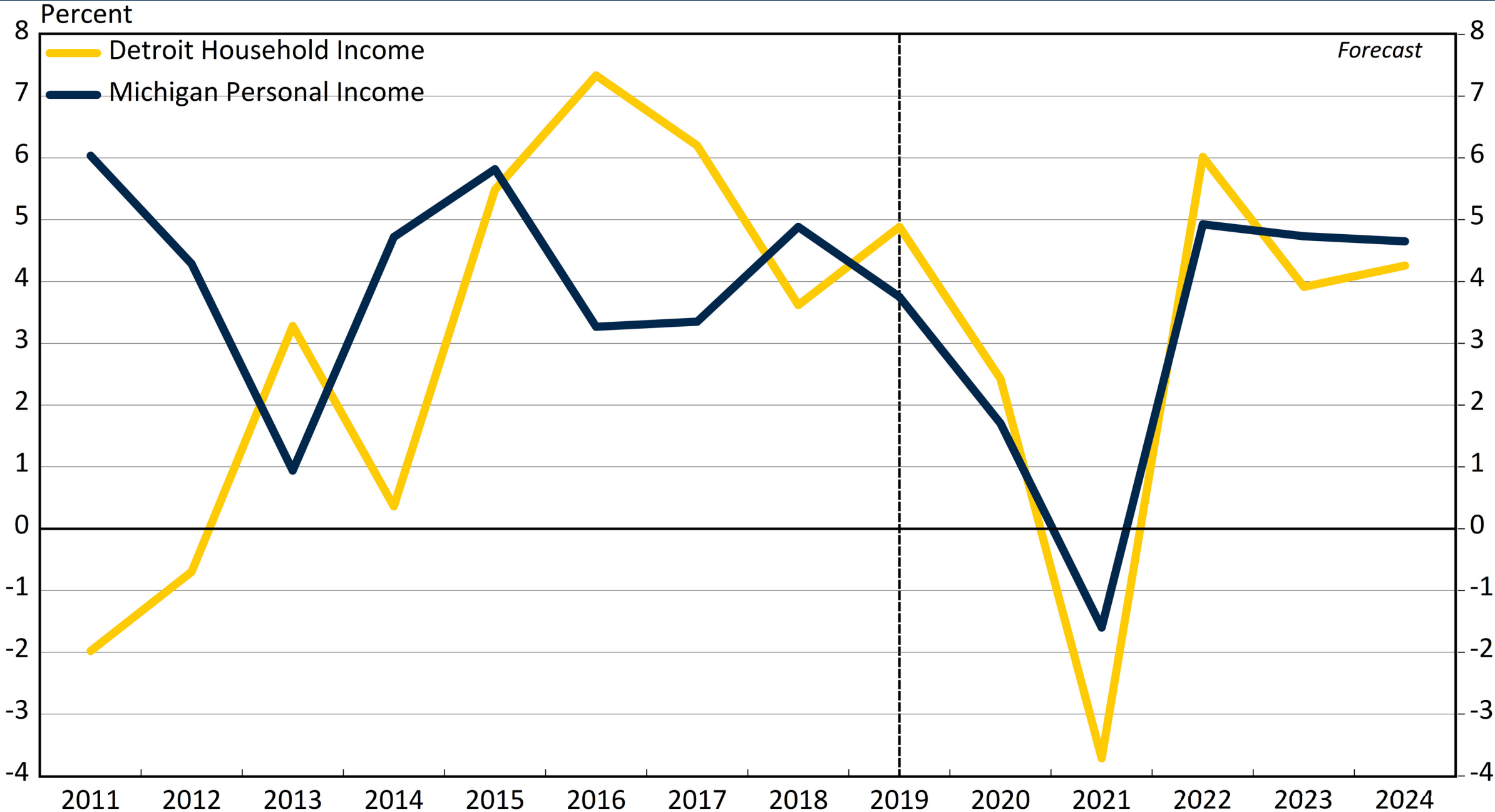
Annual Wage and Salary Income per Worker, City of Detroit and Michigan, 2007–2024



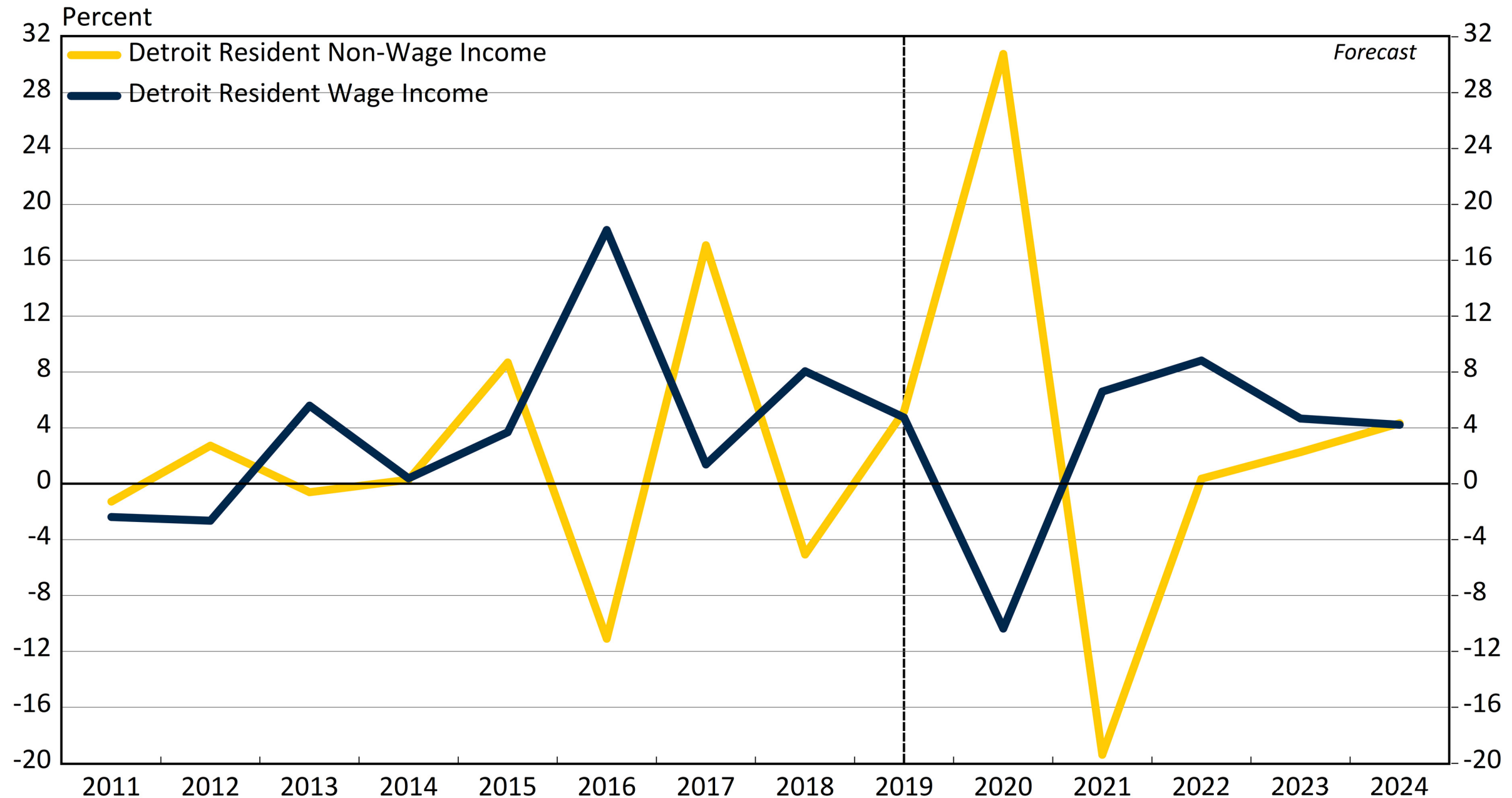
Annual Wage and Salary Income per Worker by Industry Groupings, City of Detroit, 2007–2024



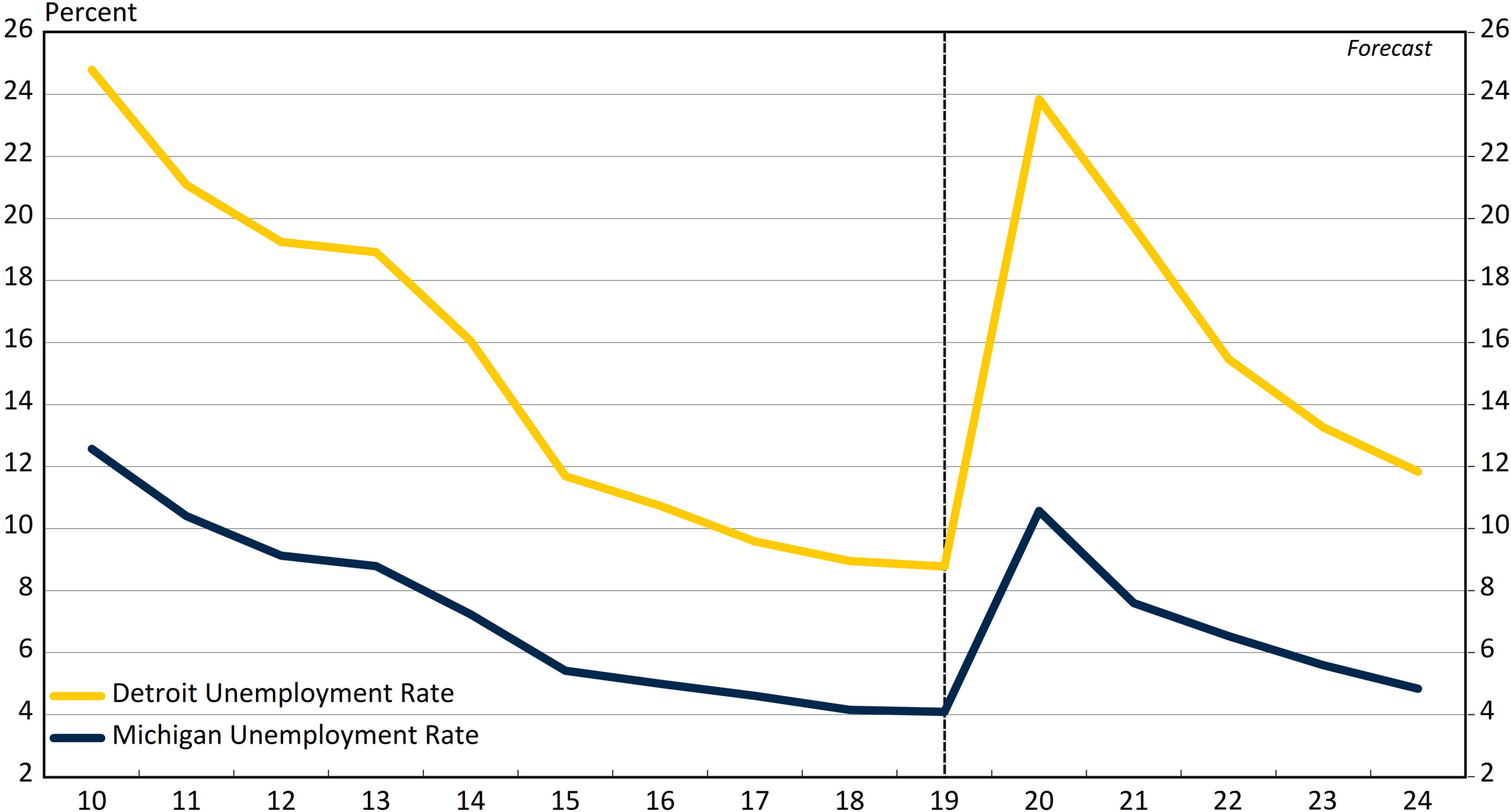
Annual Income Growth, City of Detroit and Michigan, 2011–2024



Detroit Annual Wage and Non-Wage Income Growth, 2011–2024



Annual Unemployment Rates, City of Detroit and Michigan, 2010–2024



Summary of the Forecast

- COVID-19 pandemic will reduce payroll jobs by approximately 11 percent in 2020
 - Detroit's overall payroll jobs count recovers to 2019q4 level by 2022q3
 - Household employment follows a similar path
- Detroit's unemployment rate jumps from 8.8 percent in 2019 to 23.8 percent in 2020
 - Declines to 11.8 percent by 2024
- Expanded unemployment insurance and other stimulus protects overall incomes in 2020



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