



Manpower, Inc. of SE Michigan

231 Little Lake Drive
Ann Arbor, MI • 734-665-3757

1122 South Telegraph Road
Monroe, MI • 734-241-2040

www.manpowermi.com

Current Labor Market Overview (Manpower, Inc. of SE Michigan)

Our constant contact with both individuals and companies provides early awareness of employment trends and makes us highly-attuned to shifts in the local job market. As your staffing solutions partner, it is our privilege to share these insights with you. We do this to provide information and perspective for your consideration as you address your staffing strategy within the context of the competitive marketplace.

Pay Rate Information

Despite recent minimum wage increases, The PayScale Index shows that nominal wages have not kept pace with inflation. Since 2006, wages have risen 12.7% overall in the U.S. But when you factor in inflation, “real wages” have actually fallen 9.5%. This means the increases observed in nominal wages are not enough to outpace the increases experienced in the prices of goods and services. In other words, typical full-time, private industry workers have less buying power than they did in 2006. (Source: payscale.com/payscale-index/real-wage-index)

Furthermore, the talent shortage and competition for available candidates means entry-level jobs need to offer more competitive wages to attract and retain workers.

According to Salary.com, hourly pay rates for entry-level manufacturing workers are as follows:

General Laborer

- Ann Arbor - \$14.00/hour (low end); \$16.00/hour (median); \$19.00/hour (high end)
- Jackson - \$13.00/hour (low end); \$15.00/hour (median); \$18.00/hour (high end)
- Detroit - \$13.00/hour (low end); \$15.00/hour (median); \$18.00/hour (high end)
- Monroe - \$13.00/hour (low end); \$15.00/hour (median); \$17.00/hour (high end)

Light Assembler I

- Ann Arbor - \$13.00/hour (low end); \$15.00/hour (median); \$17.00/hour (high end)
- Jackson - \$12.00/hour (low end); \$14.00/hour (median); \$16.00/hour (high end)
- Detroit - \$13.00/hour (low end); \$14.00/hour (median); \$17.00/hour (high end)
- Monroe - \$12.00/hour (low end); \$14.00/hour (median); \$16.00/hour (high end)

Packaging Machine Operator I

- Ann Arbor - \$13.00/hour (low end); \$15.00/hour (median); \$17.00/hour (high end)
- Jackson - \$13.00/hour (low end); \$14.00/hour (median); \$16.00/hour (high end)
- Detroit - \$13.00/hour (low end); \$15.00/hour (median); \$17.00/hour (high end)
- Monroe - \$12.00/hour (low end); \$14.00/hour (median); \$16.00/hour (high end)

Warehouse Worker

- Ann Arbor - \$14.00/hour (low end); \$16.00/hour (median); \$18.00/hour (high end)
- Jackson - \$13.00/hour (low end); \$15.00/hour (median); \$17.00/hour (high end)
- Detroit - \$13.00/hour (low end); \$16.00/hour (median); \$18.00/hour (high end)
- Monroe - \$13.00/hour (low end); \$15.00/hour (median); \$17.00/hour (high end)

Currently, both [Washtenaw County](#) and the [City of Ann Arbor](#) have hourly living wage rates set at \$14.75/hour. While the Washtenaw and Monroe County area and our customers within these territories remain a location of choice for associates, pay rates in the minimum wage to \$11.00 per hour range are no longer compelling. This particularly holds true when coupled with pre-employment requirements (i.e., immunizations, PPE, etc.), ongoing compliance expectations, and increased scope of responsibilities that accompany such roles.

Even major retailers like Walmart, Target, and Amazon are raising minimum starting wages to attract and retain employees. Target announced on March 6, 2018 that they are raising minimum starting pay for workers for the second time in less than a year after seeing a bigger and better pool of candidates. Last fall they hiked starting pay to \$11.00/hour and this spring all workers will receive a minimum of \$12.00/hour with a plan to raise starting hourly pay to \$15.00/hour by the year 2020. In the days after Target increased its minimum wage by \$2.00, to \$11.00/hour, the number of job applicants rose by 60%! (Source: [ABC News](#)) On January 11, 2018, Walmart also announced a wage hike, taking the minimum pay up from the current \$10.00/hour, aimed at helping the company attract workers at a time when the U.S. unemployment rate is at 4.1%, a 17-year low, making it harder to attract and retain minimum wage employees. (Source: [Reuters](#)) Most recently, Amazon announced on October 2, 2018 they were boosting minimum wage for all U.S. workers to \$15.00/hour starting in November stating that the raise will benefit more than 350,000 workers, which includes full-time, part-time, temporary, and seasonal employees as well as those at Whole Foods. (Source: [Chicago Tribune](#))

Local Market Assessment

ManpowerGroup's Market Intelligence, Global Marketing team recently provided information regarding our local market. Highlights from the 2017/2018 market assessment include:

- Total projected growth (for 2018-2020) is 3.7% for Washtenaw County and 9.3% for Monroe County, compared to 4.3% for the state projection and 3.7% for the national projection.
- Top industry groups for the Employment Services field include many entry-level manufacturing and administrative positions.

For the Ann Arbor market, the top 10 include:

1. Laborers and Freight, Stock, and Material Movers, Hand
2. Team Assemblers
3. Life, Physical, and Social Science Technicians, All Other
4. Office Clerks, General
5. Customer Service Representatives
6. Human Resources Specialists
7. Packers and Packagers, Hand
8. Helpers – Production Workers
9. Personal Care Aides
10. Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic

For the Monroe market, the top 10 include:

1. Laborers and Freight, Stock, and Material Movers, Hand
2. Packers and Packagers, Hand
3. Team Assemblers
4. Office Clerks, General
5. Customer Service Representatives
6. Secretaries and Administrative Assistants, Except Legal, Medical, and Executive
7. Personal Care Aides
8. Packaging and Filling Machine Operators and Tenders
9. Helpers – Production Workers
10. Nursing Assistants

According to the [Bureau of Labor Statistics](#), unemployment rates are the lowest they have been in over 15 years. Recent data for October 2018 shows the following unemployment rates:

- 2.9% for Ann Arbor;
- 4.0% for Monroe;
- 4.4% for Detroit;
- 3.4% for Jackson;
- 3.9% for the State of Michigan; and
- 3.7% for the United States.

As the labor market continues to tighten, along with the decline in unemployment rates, employers increasingly feel the impact of rising wages and the on-going skills mismatch.

Manpower Employment Outlook Survey (MEOS)

The ManpowerGroup Employment Outlook Survey is released quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is one of the most trusted surveys of employment activity in the world, and is the only forward looking survey of its kind.

The competition for skilled talent is set to rise in the first quarter of 2019 as employers across the U.S. are reporting the strongest hiring intentions in 12 years, according to the latest ManpowerGroup Employment Outlook Survey released on December 11, 2018. More than 12,500 U.S. employers report double-digit Outlooks across all four regions indicating continued employer optimism.

All 13 industry sectors forecast optimistic hiring plans with the strongest hiring Outlook in Transportation & Utilities as consumer expectations for on-demand delivery grows. Hiring intentions remain robust in Leisure & Hospitality (+27%) with more Americans spending on travel and tourism indicative of strong consumer confidence in a healthy economy. Professional & Business Services has the third strongest Outlook (+25%), driving the need for a breadth of workers from insurance to information technology.

Locally, Michigan employers expect to hire at a favorable pace during Quarter 1 2019. Among employers surveyed, 24% plan to hire more employees from January through March. This number is offset by the 6% that plan to reduce payrolls, while 69% of employers expect to maintain current staff levels and 1% indicate they are not sure of their hiring plans. This yields a Net Employment Outlook of 18%.

"Increased employer optimism tells us employers have jobs to fill, yet we know they are struggling to find the talent they need from production line workers to IT professionals," said Becky Frankiewicz, President of ManpowerGroup North America. "With so many U.S. organizations set to hire in an already tight labor market, skilled workers can call the shots. For some workers benefits including childcare facilities, free transportation, or the offer of certification and career progression are key. We've seen large organizations increase wages and add new perks and benefits like unlimited paid-time-off to compete for talent. Employers can increase their offer, yet ultimately there is a finite supply of skilled talent, unless we're investing in development and giving employees the chance to upskill, move up and earn more. That's why we're working with companies from transportation to high-tech IT to implement accelerated upskilling programs to help people learn skills to do the jobs open today and those created tomorrow."

To read the full Manpower Employment Outlook Survey for the U.S., go to: manpowergroup.us/MEOS/ or to access the downloadable pdf version of the complete report, [click here](#). The next Manpower Employment Outlook Survey will be released on March 12, 2019 to report hiring expectations for Quarter 2 2019. [Sign up here](#) to receive email notification when the survey is available each quarter.

Manpower Annual Talent Shortage Survey

On June 26, 2018, ManpowerGroup announced the results of the 2018 annual Talent Shortage Survey. Now in its 12th year, the ManpowerGroup Talent Shortage research is the largest global human capital survey of its kind.

More employers than ever are struggling to fill open jobs – 45% globally say they can't find the skills they need, up from 40% in 2017 and the highest in over a decade. For large organizations (250+ employees) it's even higher, with 67% reporting talent shortages in 2018.

For the 6th consecutive year, skilled trades positions are the hardest to fill globally. This is followed by 2) Sales Representatives, 3) Engineers, 4) Drivers, 5) Technicians, 6) IT, 7) Accounting & Finance, 8) Professionals, 9) Office Support, and 10) Manufacturing. Though artificial intelligence is fast-expanding what can be automated, technology is redefining rather than replacing in-demand roles.

"We continue to see increasing demand for skilled workers across all sectors of the U.S. economy from transport and trade to manufacturing and sales," said Becky Frankiewicz, President of ManpowerGroup North America. "Employers cannot find the people they need with the right blend of technical skills and human strengths and the problem won't fix itself. It's time for a new approach to attract, recruit and retain talent. Employers need to buy skills where necessary, borrow from external sources and help people with adjacent skills bridge from one role to another. Above all, we need to be builders of talent, rather than consumers of work to create a workforce with the skills companies and individuals need to thrive today and tomorrow."

Why are employers having a hard time filling positions? Here's what they reported:

- 29% said lack of applicants;
- 20% said lack of experience;
- 19% said applicants lack required hard skills (technical competencies);
- 12% said applicants expect higher pay than offered; and
- 8% said applicants lack required soft skills (workplace competencies).

The Talent Shortage Survey is one of ManpowerGroup's most popular thought leadership campaigns, generating tremendous interest from media outlets, labor market experts, employers and job seekers. To download the global report, [click here](#). For more information about the 2018 Talent Shortage Survey, go to: <https://go.manpowergroup.com/talent-shortage-2018>.

Manpower's Value Proposition

Due to the talent shortage and current labor market conditions, disproportionate pay rates challenge our ability to provide qualified candidates and can lead to decreased retention as well as increased turnover. The combination of increased demand for temporary associates, higher workforce turnover, and non-competitive pay rates contribute to the current marketplace challenges to find talent at a reasonable cost for these entry-level positions. "Experts estimate it can cost as much as twice an employee's salary to recruit, hire and train a new worker." (Source: [The New York Times](#)). To remedy this, Manpower recommends careful evaluation of current pay rates for temporary associates, including offering pay increases and/or implementing shift premiums when indicated.

Overview of Manpower

Locally, Manpower, Inc. of Southeastern Michigan has provided service to our customers for 55+ years, refining a service model that is based on area knowledge and experience, particularly to the unique and ever-changing world of work in Washtenaw and Monroe Counties. Manpower's bill rate includes an array of pre-employment screenings; social security, federal, state, and local withholding tax; unemployment compensation; workers' compensation; insurance and bonding for our associates; and all business- and payroll-related costs, including ACA compliance and preparation of year-end W-2 forms.

In addition, it is important to consider the broad scope of services Manpower has built into our staffing model which include:

- pre-screen;
- interview;
- pre-employment paperwork;
- competency assessments;
- skill set review;
- employment references/verifications;
- certifications/licenses verifications;
- OIG – Office of the Inspector General exclusions list review;
- OTIS – State of Michigan Offender Tracking Information System review;
- MIPSOR and PSOR – State of Michigan and Federal Public Sex Offender Registry review;
- drug screen;
- ICHAT – State of Michigan criminal background review;
- Priority out-of-state criminal background review (if out-of-state in the past 7 years);
- E-Verify – verify social security number and legal eligibility to work in the U.S.;
- fingerprinting – as required;
- customized compliance management;
- facilitating orientations to train new temporary associates;
- 24/7/365 phone coverage and staffing support from the Manpower office as well as onsite when needed;
- supporting ongoing changes in staffing;
- conducting surveys and feedback calls to monitor performance; and
- absorbing the cost of some pre-employment requirements for temporary associates to remain compliant if necessary.

Conclusion

Our goal is to recruit and retain quality talent. As a staffing solutions partner to 250+ companies in the area, we can provide valuable information to assist you as you consider your temporary workforce and staffing needs within this competitive marketplace. To be included in further updates as it relates to the current labor market trends, please contact Stephen Dillon, Business Development Vice President, at sdillon@manpowermi.com or 734-665-3757 ext: 122.

Additional Articles to Support the Talent Shortage and Trends in Compensation

[UM economists: Michigan about to enter longest job growth period since WWII](#)

[Desperate for holiday help, retailers give away diamond necklaces, kayaks and \\$5,000 vacations to attract workers](#)

[Job quitters rise to 17-year high](#)

[Target, seeing better candidates, raises starting pay, again](#)

[Walmart hikes minimum wage](#)

[The Jobs Recovery: A Longer View](#)

[U.S. Job Openings at Record, Almost Matching Unemployed Workers](#)

[US jobs now equal number of jobless](#)

[Unemployment rate lowest in Jackson County since 2000](#)

[Job and Wage Gains Deliver a Promising Start for the Year](#)

[Job fair for Northern Michigan particle board plant has 200+ openings](#)

[Hiring fair scheduled for new Lear Corp. seating plant in Flint](#)

[Hiring Crisis: Ann Arbor restaurants struggle to find workers](#)

[More than 13,000 jobs expected to be added in Washtenaw County by 2017](#)

[One Downside of an Up Economy: Employee Turnover](#)

[Real wages for Ann Arbor-area workers are likely to continue growing through 2018](#)

[The top-ten lowest paying jobs in the Ann Arbor area](#)

[U.S. Job Growth Expected to Hold Steady in New Year, CareerBuilder's Annual Job Forecast Finds](#)

[Wages Rise as U.S. Unemployment Rate Falls Below 5%](#)

[Wal-Mart giving raises to nearly 29,000 Michigan workers](#)

[Washtenaw County approaching 'full employment'](#)

[Michigan's unemployment rate now under 4 percent](#)