

City of Detroit-University Economic Analysis Partnership



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Finance and Policy



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Introduction to the Forecast

- We forecast employment at jobs *located in* the city of Detroit and employment among *residents of* Detroit (working inside or outside the city)
- We also forecast average wages and total Detroit household income
 - Plus Detroit's unemployment rate and Detroit CPI inflation
- This year, we have conducted an additional analysis of Detroit workers' ability to earn middle-class incomes

Current State of Detroit's Economy



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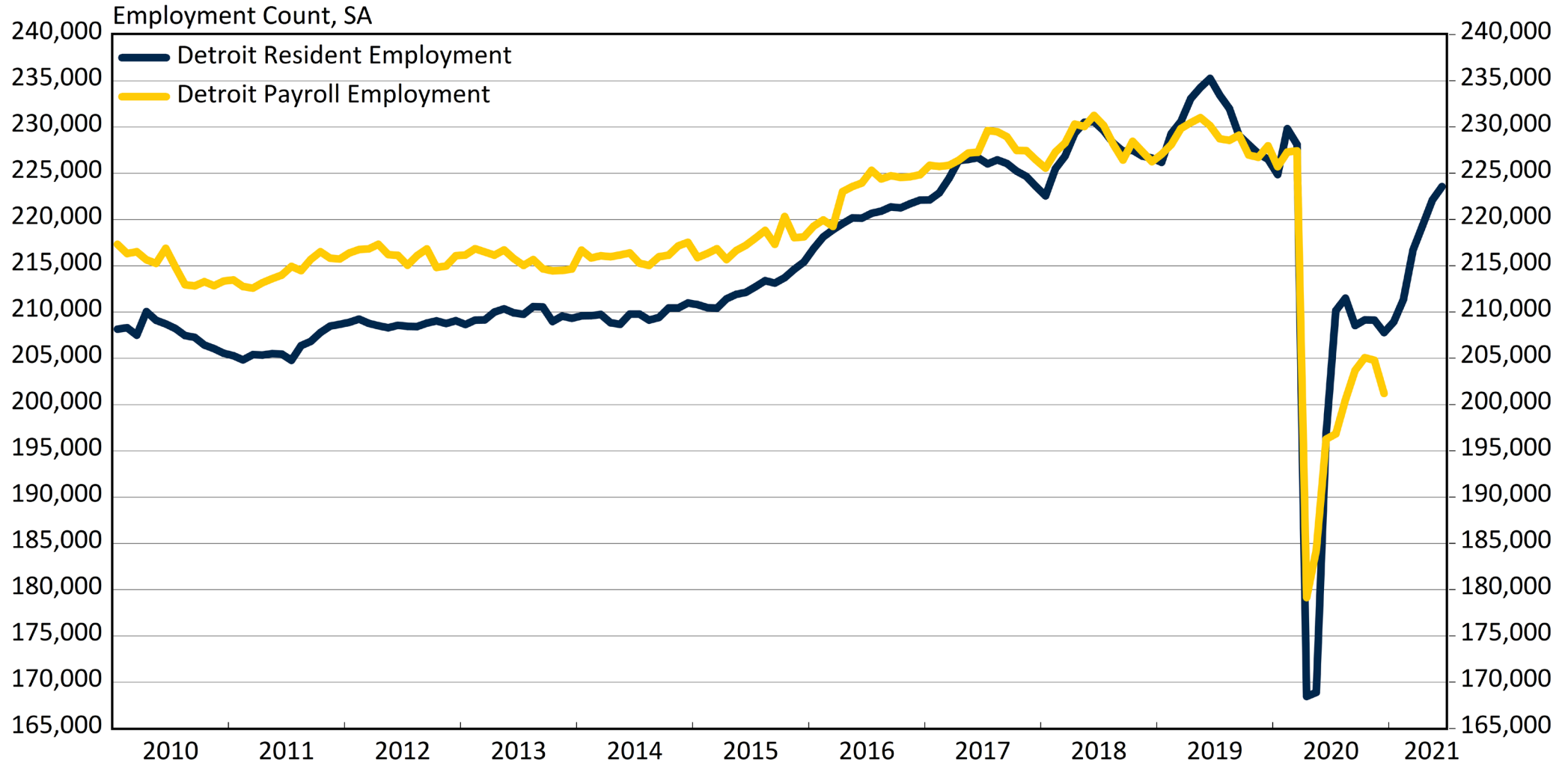
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Seasonally Adjusted Monthly Employment Count, City of Detroit



Seasonally Adjusted Monthly Unemployment Rate, City of Detroit



The Economic Outlook for Detroit



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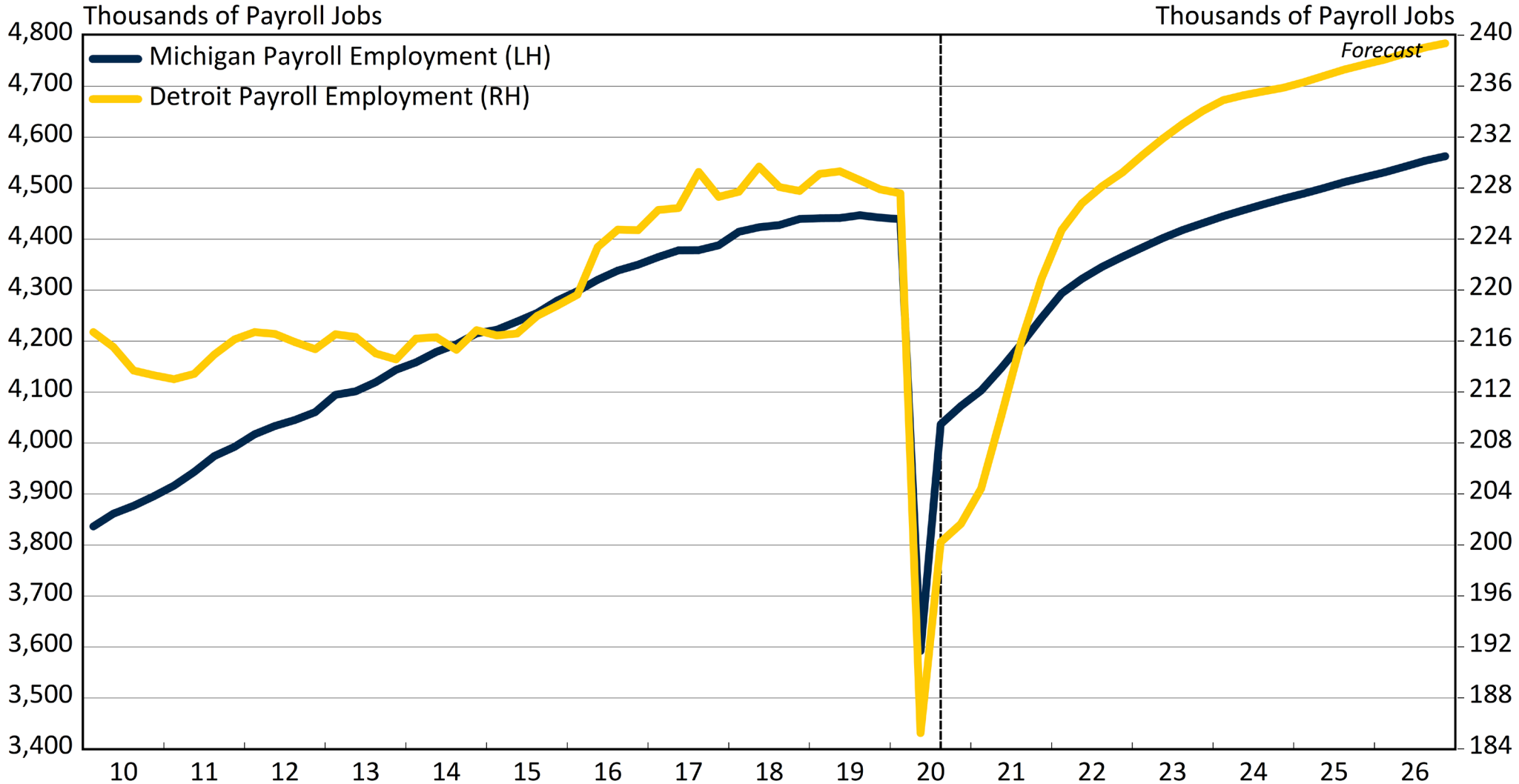
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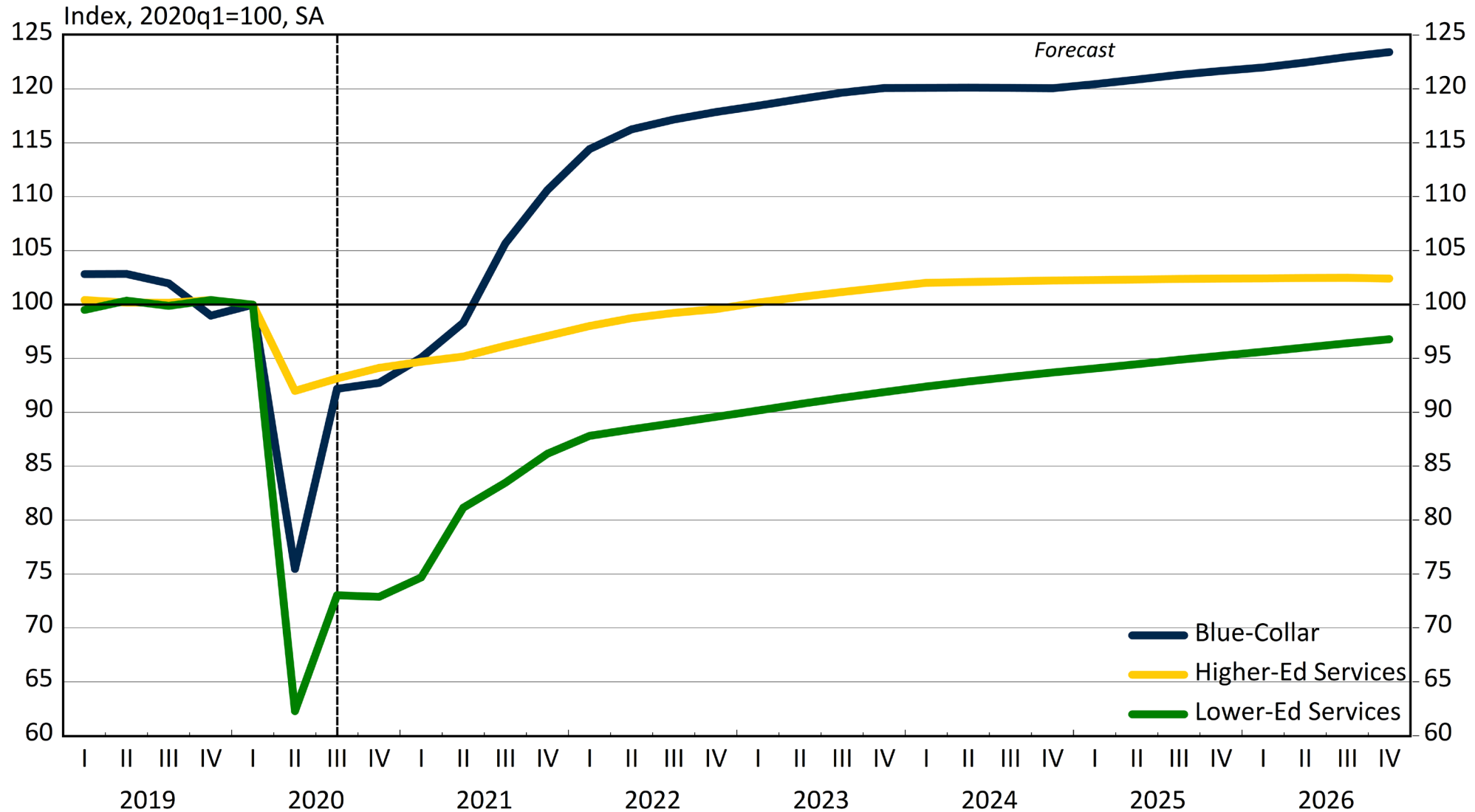
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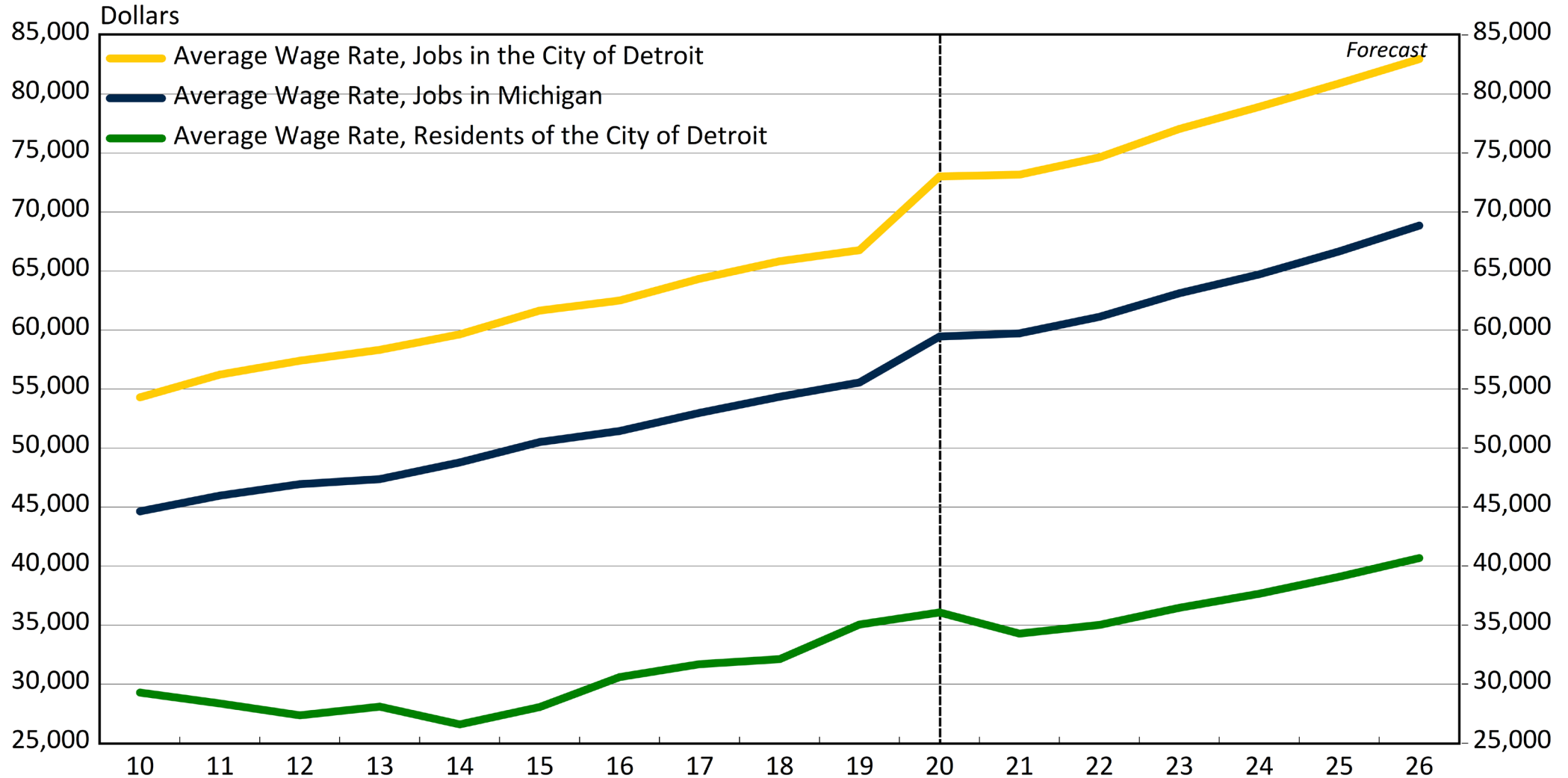
Seasonally Adjusted Quarterly Average Payroll Employment, City of Detroit and Michigan



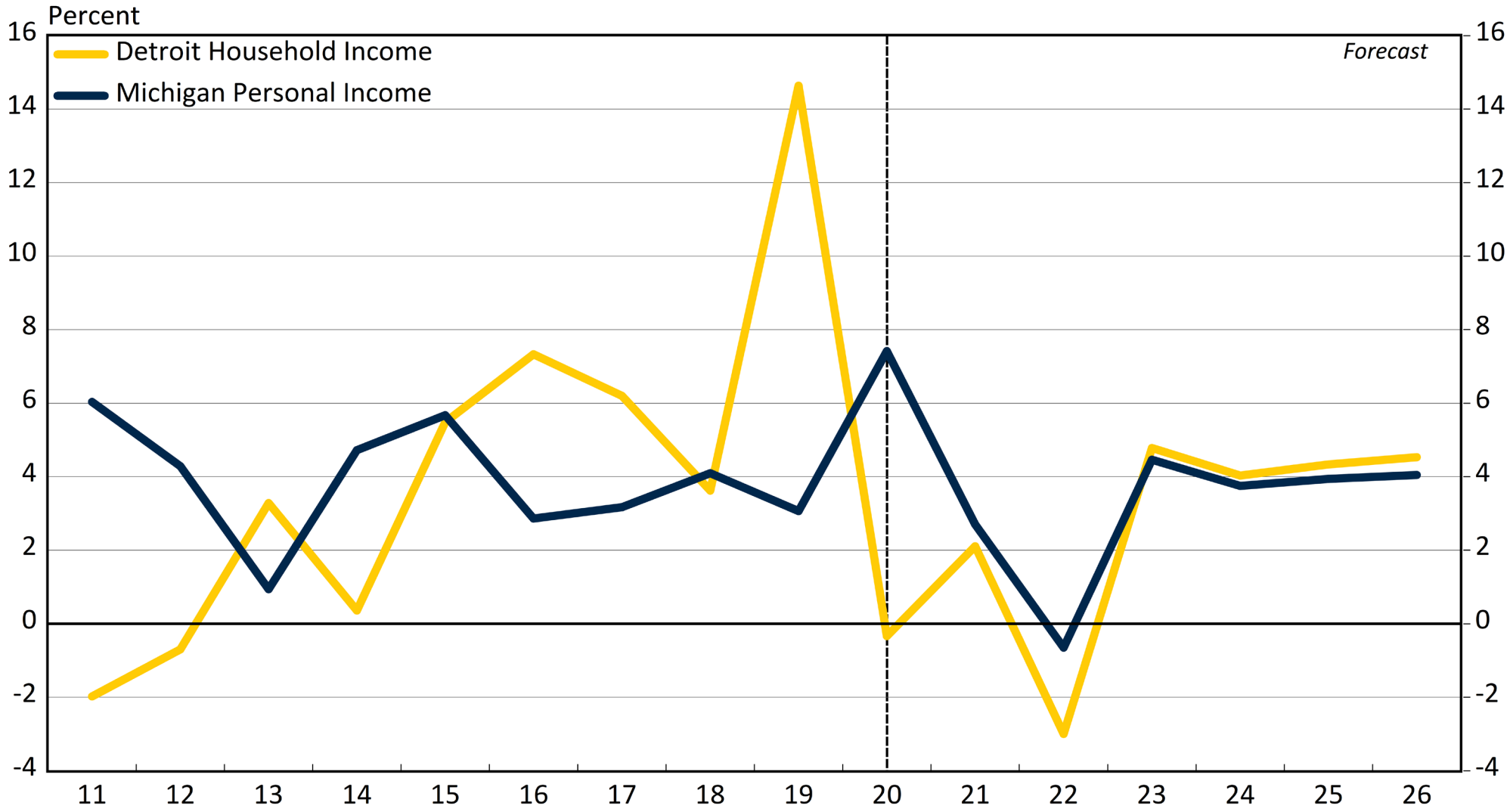
City of Detroit Employment by Industry Group



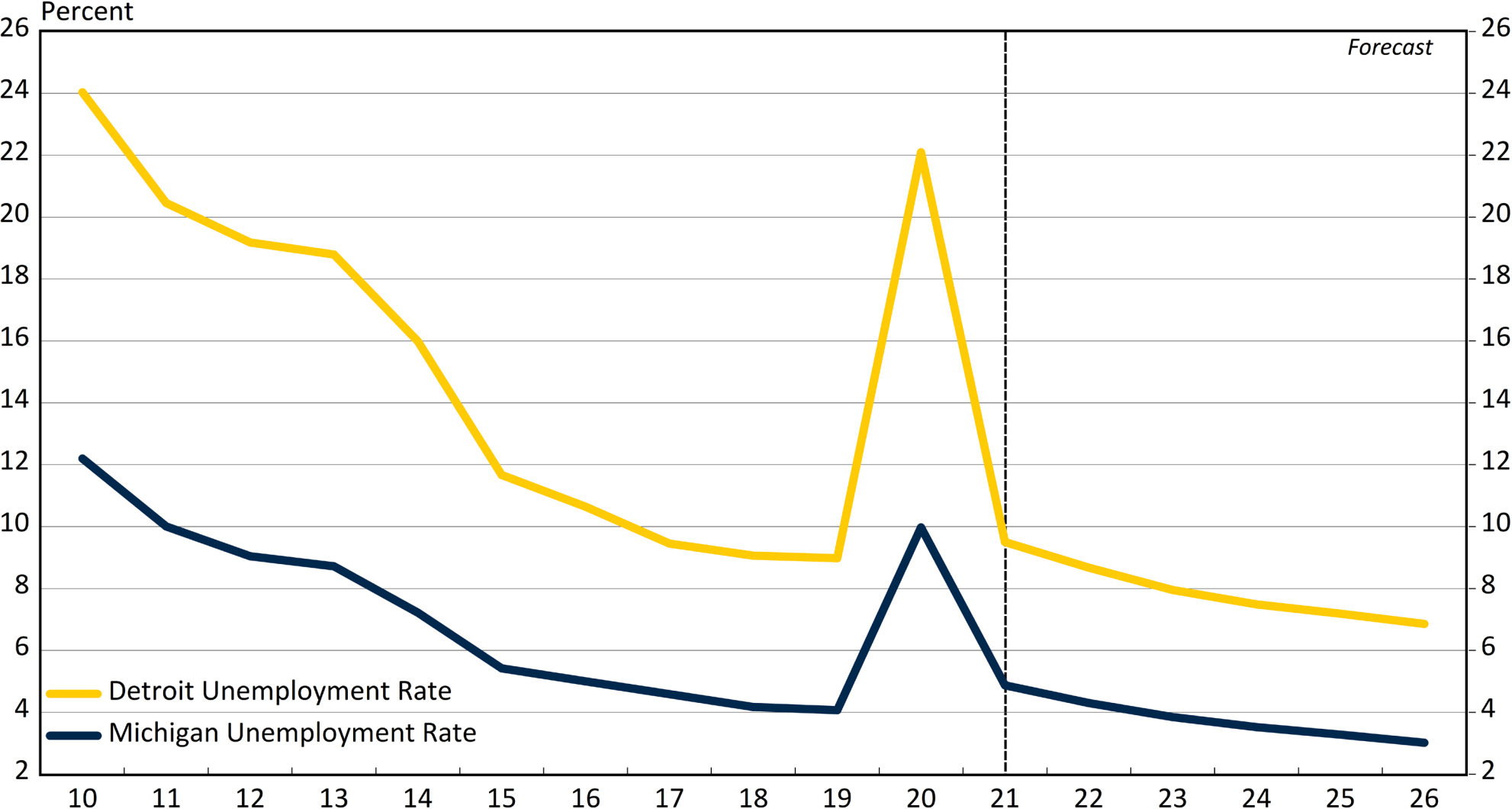
Annual Wage and Salary Income per Worker, City of Detroit and Michigan



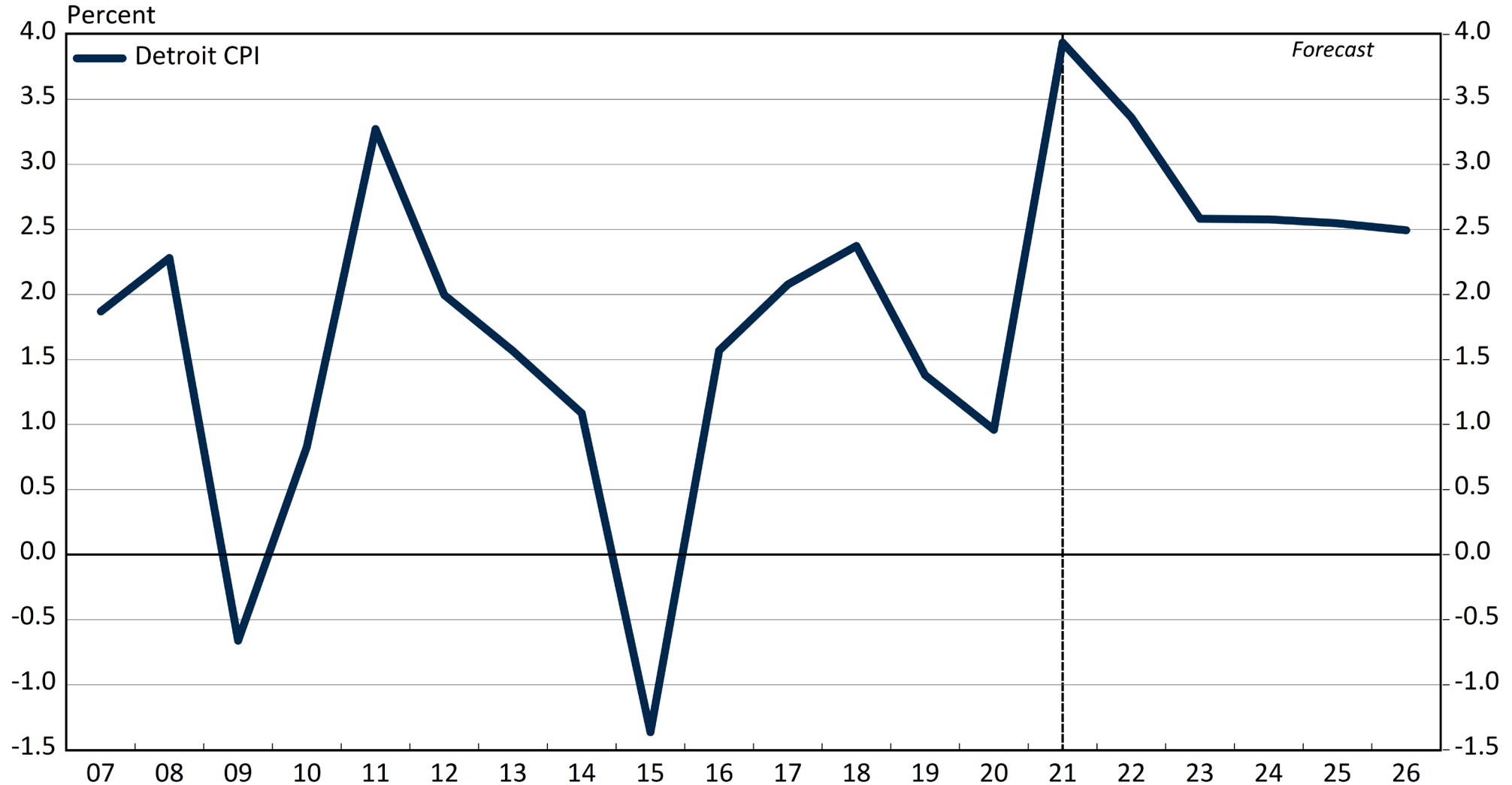
Annual Income Growth, City of Detroit and Michigan



Annual Unemployment Rates, City of Detroit and Michigan



Inflation Rate, Detroit CPI



Middle-Class Jobs



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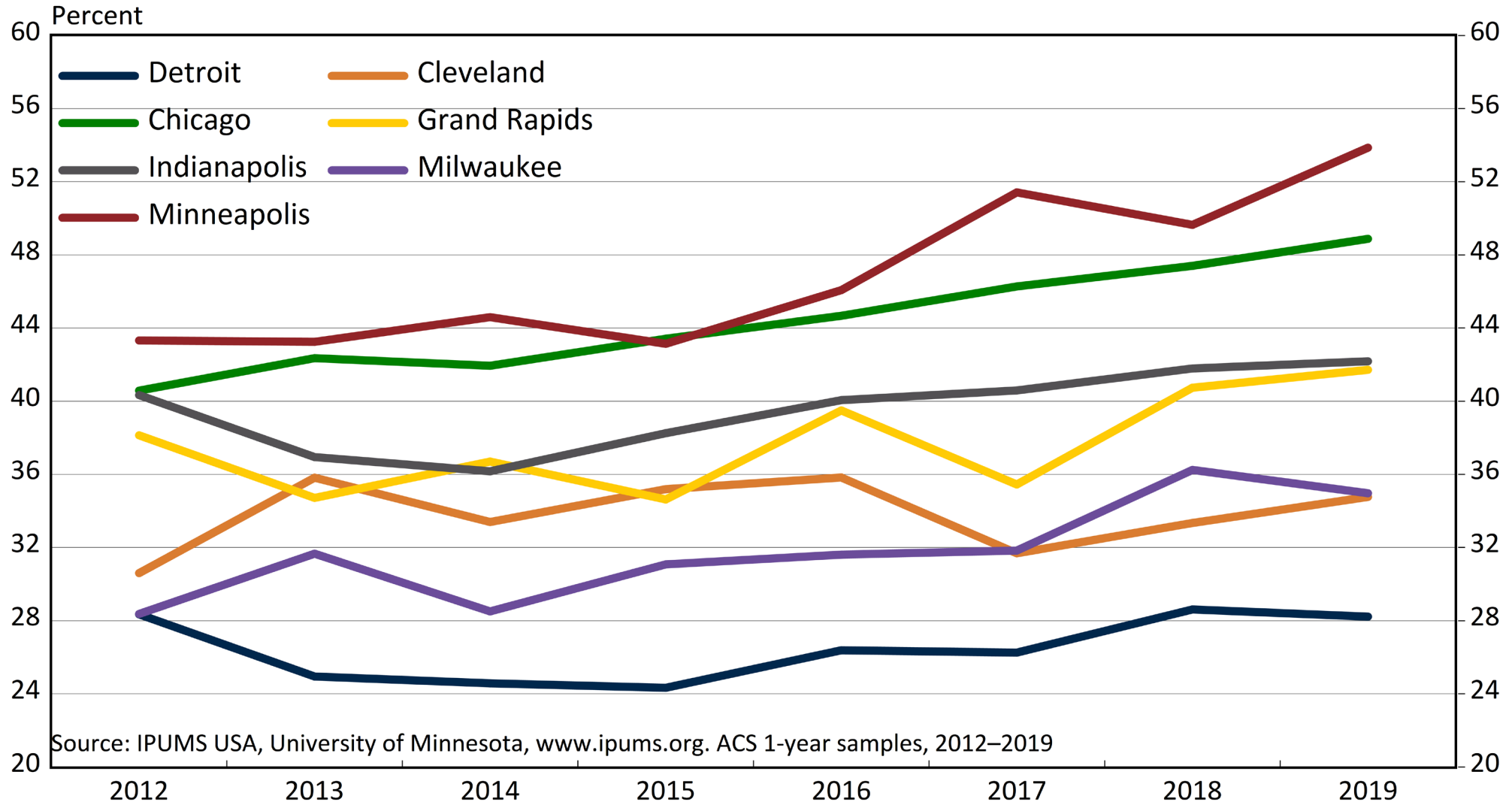
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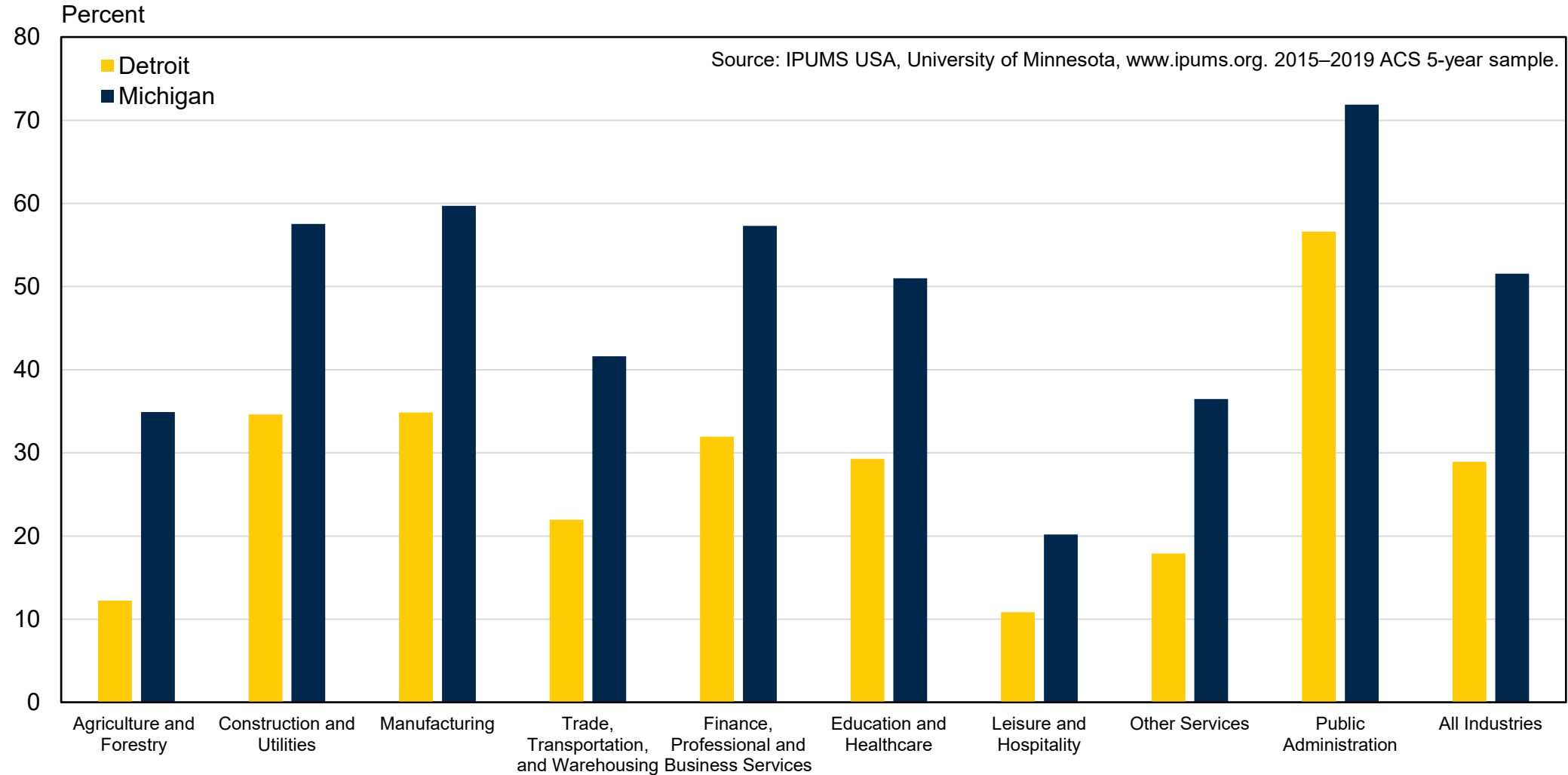
Detroit Workers Earning Middle-Class Incomes

- We calculate the percent of full-time year-round workers in Detroit earning middle-class incomes
 - Workers who report working 50–52 weeks per year and 35+ hours per week
- In 2019, a Detroit worker needed to earn \$49,568 to support a family of three at a middle-class lifestyle
 - This threshold is two-thirds the national median household income, adjusting for local cost of living and household size
 - In years prior to 2019, the 2019 national threshold is deflated by the PCE price index and Detroit workers' incomes are adjusted for local cost of living

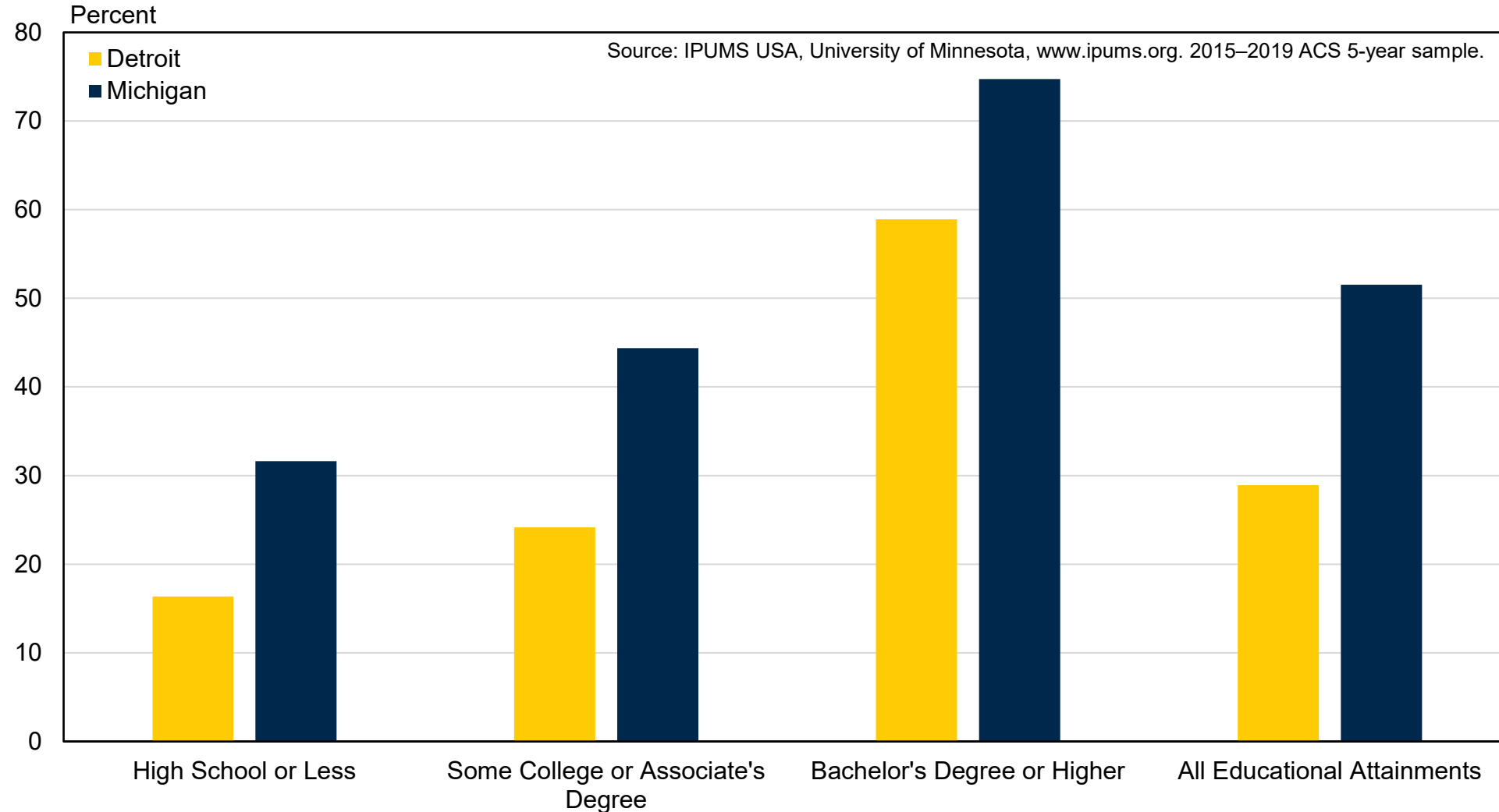
Workers Earning Middle-Class Family Incomes in Midwestern Cities



Workers Earning Middle-Class Family Incomes by Industry



Workers Earning Middle-Class Incomes by Educational Attainment



Summary of the Forecast

- Detroit's recovery from the COVID-19 pandemic is well underway
 - Resident employment has recovered to 3% below pre-pandemic level
- Detroit resident employment recovers to pre-pandemic levels by the end of this year
- Payroll employment in Detroit recovers by the second half of next year
- Both series end our forecast about 10,000 jobs higher than their 2019 levels
- Detroit's unemployment rate declines to 6.9 percent by 2026
- The most important factor we identified in determining Detroit workers' ability to earn a middle-class family wage is a college degree



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Extra Slides



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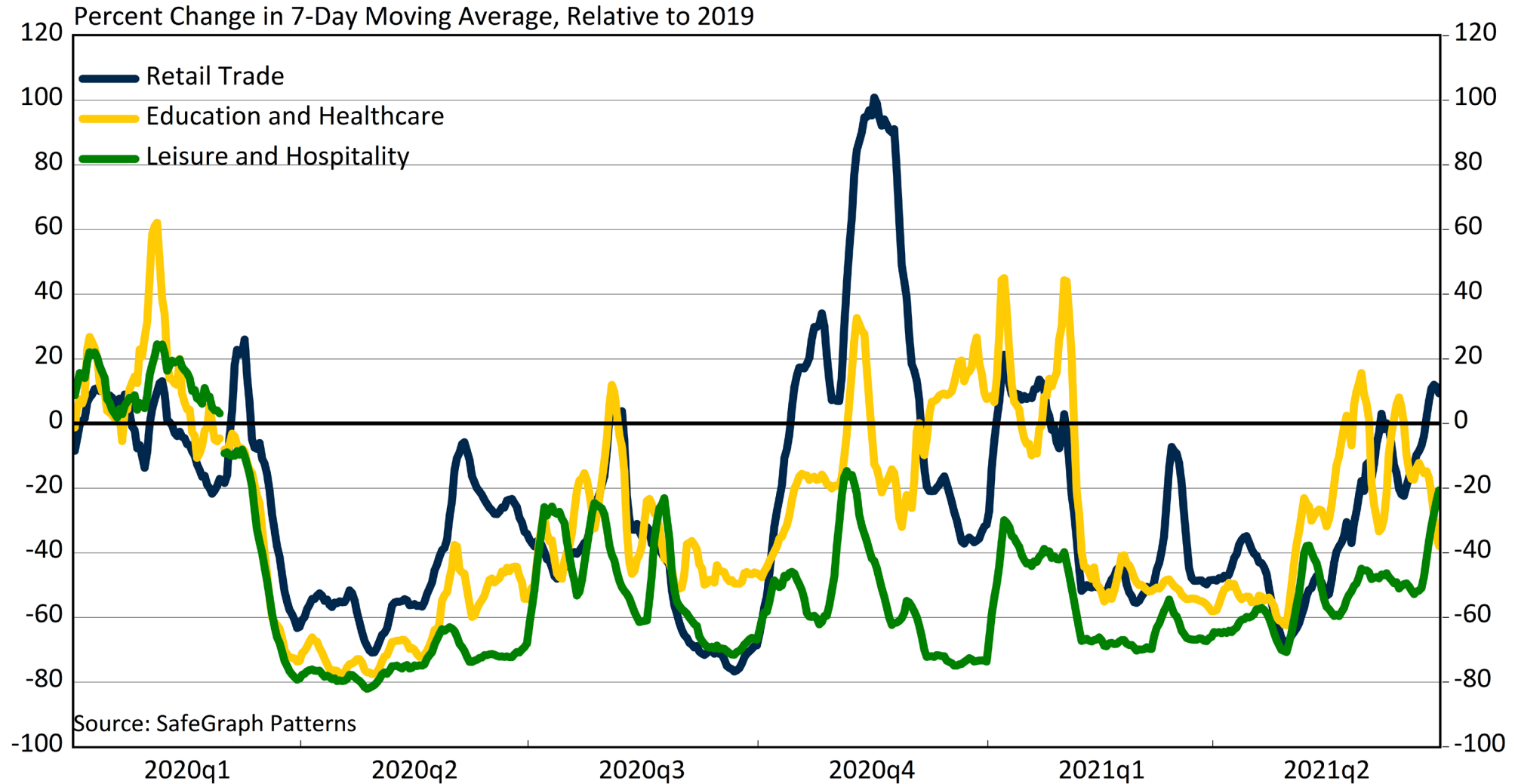
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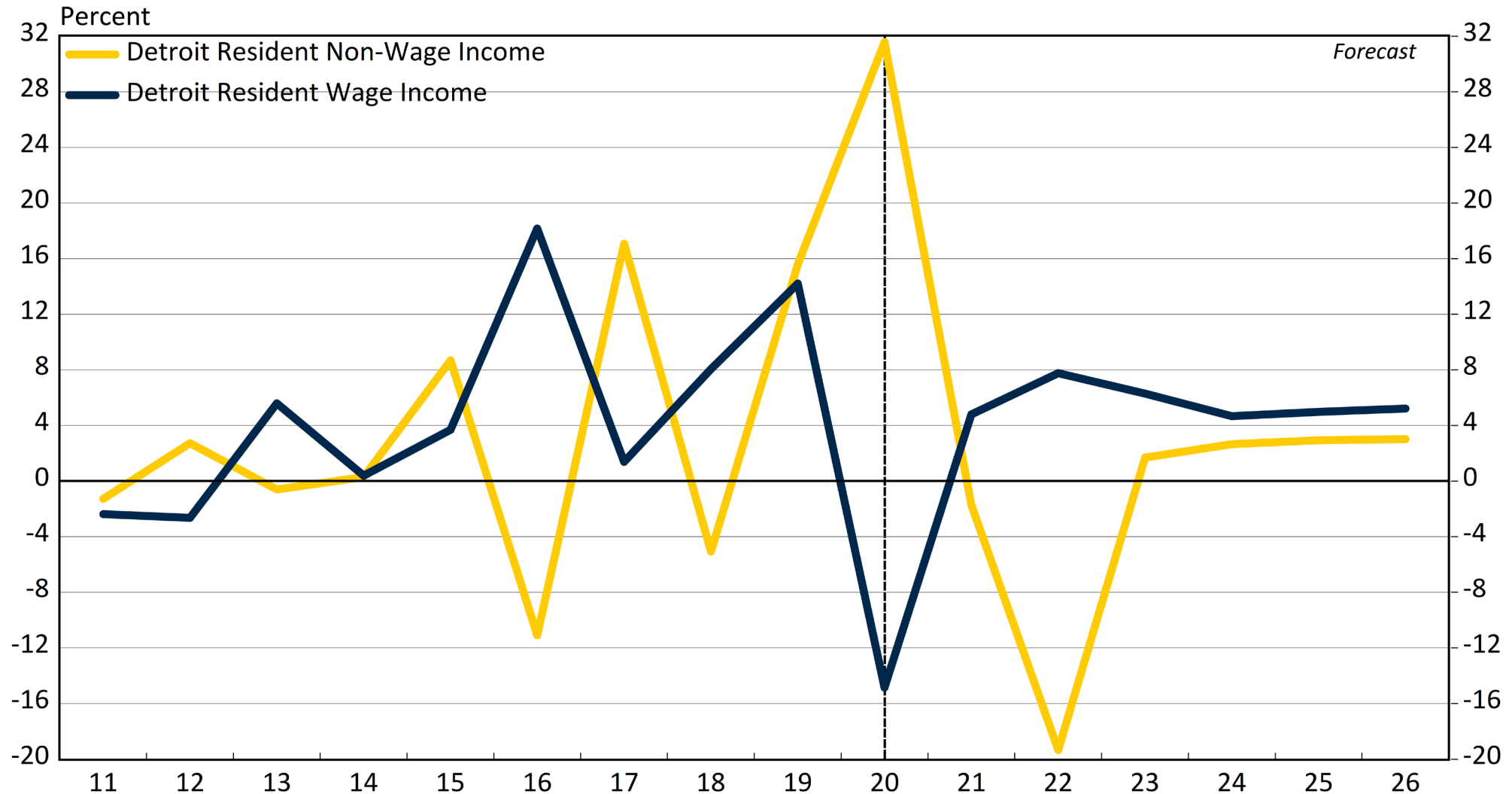
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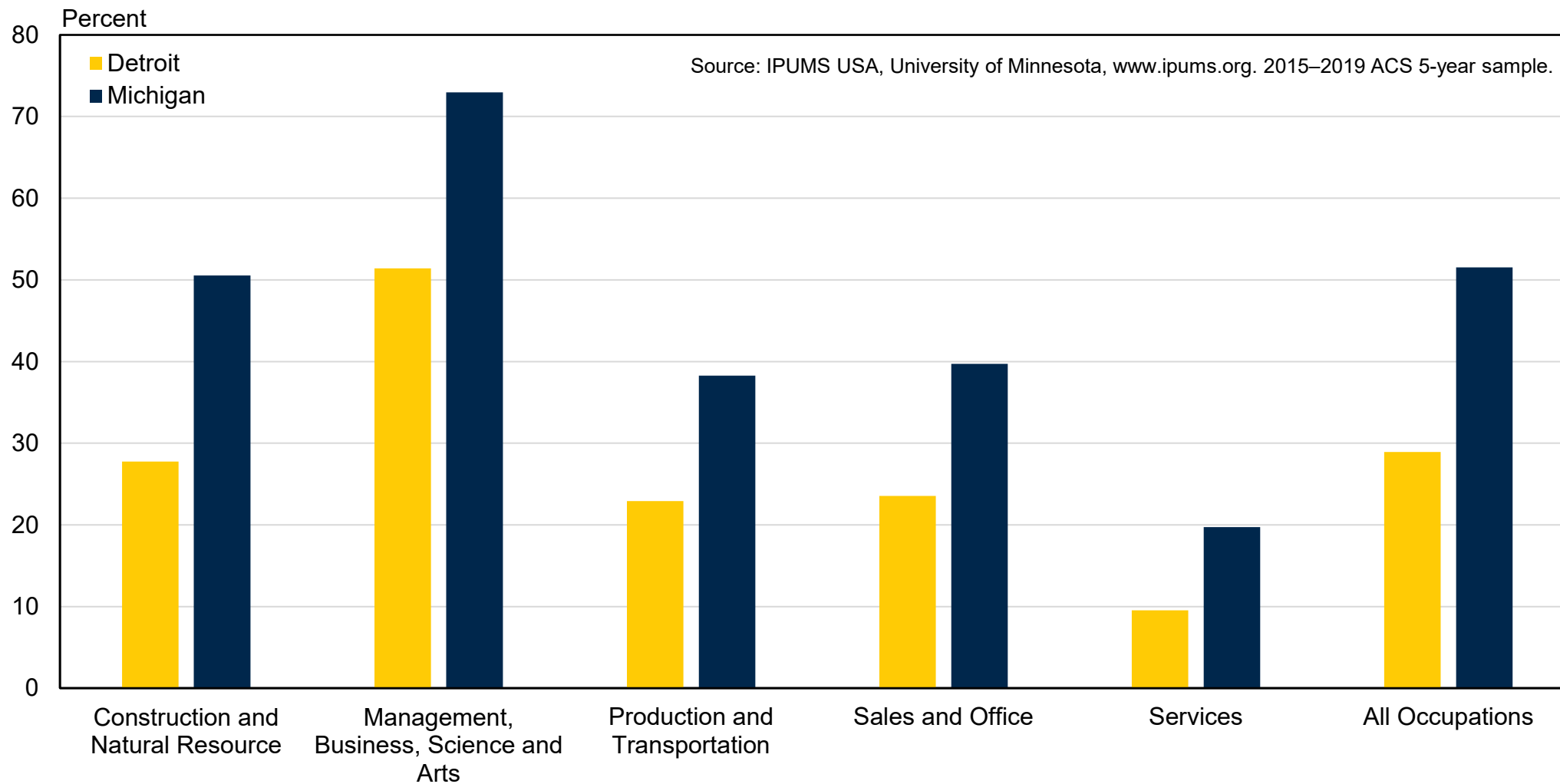
Daily Visits to Detroit Establishments by Industry



Annual Wage and Non-Wage Income Growth, City of Detroit



Workers Earning Middle-Class Incomes by Occupation Group



Tables



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