



## CHAPTER 2 SNAPSHOT

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### ECONOMIC OVERVIEW

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#### **Purpose:**

- Describes characteristics of Oakland County's economy, including current conditions, recent trends, and projections for the remainder of the decade.

#### **Content:**

- This chapter includes information on the following economic indicators. Unless otherwise noted, the data are reported for the county as a whole. Where possible and appropriate, Oakland County's numbers are compared to those of other counties in the region and/or state.
  - Employment trends in Oakland County from 1990 to 2004
    - By sector
    - By industry
    - County's share of employment statewide
  - Employment trends from 2000 to 2002 (by Community)
  - Counties where Oakland County residents work 1960 to 2000
  - Counties where Oakland County workers live 1960 to 2000
  - Industries that employ Oakland County residents
  - Occupations of Oakland County residents
  - Labor force and unemployment 1990-2000
  - Employment change 1990-2003 by pay and education level
  - Estimated employment growth through 2007
  - Employment forecasts from 2000 to 2010 (by Community)

#### **Major Findings:**

- ***The decade of the 1990's was one of consistent economic growth for Oakland County.*** By one estimate, the county gained about 183,000 jobs from 1991-2000.
- ***The major drivers of this growth were service-sector jobs,*** such as business services, health services, and engineering and management services. Oakland tends to have far more managerial and professional workers than most places in the state, many of them in scientific and technical industries.
- ***Manufacturing (mainly auto-related), retail, and construction jobs accounted for most of the remaining growth.***
- ***Recession in the early part of the 2000s led to significant job losses***—annual losses of 11,000 to 15,000 private sector, full-time jobs through 2004.

- **Manufacturing accounted for over half the losses.** Professional and business services, particularly in technology-based and business support activities also accounted for many losses.
- While most **communities throughout the county experienced moderate job losses during the early part of this decade, certain communities were hit especially hard.** Troy, Pontiac, and Rochester Hills took the largest hits, each losing over 3000 jobs. Auburn Hills, Bingham Farms, and Madison Heights all lost an estimated 1500-2400 jobs. In contrast, Milford, Commerce Twp, White Lake, and Oakland Twp each gained 200 – 1200 jobs.
- In spite of more recent losses, **the county accounted for a growing share of all jobs in the state**—1.5 to 2 percentage points more in 2003 than 1990.
- **Employment grew in the latter part of 2004 and is predicted to continue to grow through the end of the decade at steady, but modest rates that are less than 1/3 of the annual gains during the 1990s.**
- The **job gain leaders**, in terms of **number of jobs gained through 2010**, are expected to be Auburn Hills; Pontiac; Novi; Milford; Farmington Hills; Troy; Southfield; and Lyon, Orion, and West Bloomfield townships. Auburn Hills and Pontiac are forecast to see the biggest gains by far.
- The communities forecast to have the **largest percentage gains in jobs** (40 percent or more) through 2010 are Lyon, Oakland, Springfield, Groveland, Orion, Rose and Holly Townships and the Villages of Milford and Ortonville.
- **Oakland County has consistently lower unemployment percentages than in most of the state.** Only Washtenaw and Livingston counties fare better in the region for unemployment.
- **Oakland County provides the vast majority of jobs for its residents**, and this dominance has grown over the years.
- **More and more people are coming from outside of Oakland County to work in the county**—5.5 times more Wayne County residents, 16 times more Macomb County residents, and 18 times more Genesee County residents commuted to Oakland to work in 2000 than in 1960. **The number of commuters in the county has increased. Many of the Macomb and Genesee commuters are former Oakland County residents.**
- **Increasingly, jobs in the county pay high wages and require a high level of education.**

### **Conclusions:**

- **Oakland County's strong economy has helped, and is likely to continue to help, it attract residents and investment.**
- **This growth has created many opportunities**, including quality jobs, high incomes, and enhanced life opportunities for residents. They also include a strong tax base to support critical public services.
- **This growth has also created challenges**, including increased demands on infrastructure and the associated economic and social costs that come with these demands. Increased demands for other public services and increased housing costs (documented in Chapters 1 and 4) have

also come with growth. It is likely that the continued growth of the economy in the coming years will cause these challenges to continue, though on a smaller scale than experienced in the 1990s.

- ***Two outcomes of these growth-related challenges are particularly important for housing and community development.*** The first is an increase in the number of people moving out of the county while retaining their jobs in the county, which reduces the county's ability to capture the benefits of job growth within its borders and increases the burden on infrastructure. The second is the increased difficulty for both middle-income and lower-wage service sector employees to attain affordable housing close to their jobs. This may make it more difficult for employers to fill vacant positions and make the county less attractive for business investment. It will also further the trend of increased commuting into the county.
- ***Much of what the county and its various stakeholders have done to make Oakland County's economy strong has had a positive impact on economic growth.*** It will be important for the county to maintain many of its practices and continue to be proactive in developing new strategies to attract economic investment.
- ***County stakeholders must be aware of the impacts that economic growth has had on housing and infrastructure and adopt and/or advocate for policies that can ameliorate the negative effects.***