

Oakland economy is in the early stages of sustained recovery

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After posting modest job losses last calendar year following an abysmal 2009, the Oakland County economy should add nearly 29,000 jobs over the next three years—the best years since 2000, say University of Michigan economists.

In their annual forecast of the Oakland County economy, George Fulton and Don Grimes of the U-M Institute for Research on Labor, Employment, and the Economy say that Oakland will add nearly 11,000 jobs this year, another 8,000 next year and more than 9,700 in 2013.

Last calendar year, Oakland County lost less than 1,200 jobs after losing nearly 60,000 jobs in 2009, and is currently adding jobs—the majority in sectors most tied to the New Economy.

"The resurgence in the Oakland County economy appears to be no fluke, not related to any unusual events, but rather is backed by improvements in the U.S. economy, a reborn auto industry and the county's still-strong economic fundamentals and forward-looking policy initiatives," Fulton said. "Although the recovery is slower than what we've seen in the most recent expansions—a trend we also anticipate for the nation as a whole—we do see the county economy as being on an upward and sustained growth trajectory.

"The net gain in jobs forecast over the next three years (including 2011), however, indicates only that the broad decline in employment has ended. It does not mean that the economy is back to normal. For many

residents, the economic struggles will continue."

According to the forecast, the private service-providing sector will add more than 25,000 jobs through 2013. More than half of these job gains (14,000) will be in professional and business services, with another 3,900 new jobs in health services and 3,100 in wholesale trade. Overall job gains in the service-providing sector will be spread out over the three years: 8,900 this year, 7,300 next year and 9,000 in 2013.

In the goods-producing sector, which includes manufacturing, construction and natural resource industries, Fulton and Grimes predict jobs gains of 5,400 over the next three years, with motor vehicle manufacturing accounting for about half. Nearly two-thirds of the overall job gains in the goods sector through 2013 will occur this year.

"The major contributing factor to the job gains in manufacturing is the resurgence of the motor vehicle manufacturing industry, where employment is forecast to increase 20 percent over the next three years," Fulton said. "These job gains include the anxiously awaited reopening of General Motors' Orion Assembly Plant this year for small-car production. "Despite the solid rebound, however, the local auto industry will employ only slightly more than one-third of the workers it had in 2000."

While the private sector in Oakland County will post job gains over the next three years, jobs in the government sector, which includes public schools and local government administration, will continue to shrink, with more than 2,000 jobs lost through 2013. Nearly 70 percent of these losses will occur this year.

Despite the economic difficulties of the past decade, Oakland County still remains among the premier local economies in the country, with its coveted AAA bond rating and high ranking among 33 comparable

counties in the United States on a series of measures that indicate future economic prosperity.

"Oakland ranks 8th overall—an impressive standing, especially considering that a number of these counties house some of the most thriving local economies in the nation," Grimes said. "This is even more impressive in light of Oakland's location within the state that has become notorious for its recent position near the bottom of the economic barrel.

"It is clear that whether we assess Oakland County with respect to how it is positioned in key economic fundamentals across all regions of the United States, or more restrictively here among its peers, there are few local economies with a more favorable composite profile for succeeding in the New Economy."

The 26th annual U-M forecast of Oakland County's [economy](#) was sponsored by 12 regional organizations. Its presentation was hosted by the county's Department of Economic Development & Community Affairs, Chase and Oakland Community College.

Provided by University of Michigan

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