



Tuesday, November 11, 2008

High-tech jobs taper off in Michigan

Study shows a slight decline overall, but growth in life sciences, advanced manufacturing.

Christina Rogers / The Detroit News

Job losses in southeastern Michigan's high-tech industry leveled out in 2006 with a less than 1 percent decline in employment and growth in some areas, such as life sciences and advanced manufacturing, according to an annual report released Monday by Automation Alley, a regional technology consortium based in Troy.

High tech employment dropped to 311,438 in 2006, about a .3-percent change from the year before.

Between 2004 and 2005, employment numbers slid 6.1 percent, representing a loss of about 20,119 high tech jobs in southeastern Michigan. The study looks at data from 2005 and 2006, the most recent year with available statistics, but the trends are likely to hold steady, said Scott Watkins, senior consultant with the Anderson Economic Group in Lansing.

In 2006, growth in other high-tech sectors balanced out a 4 percent decline in auto manufacturing jobs, he said.

"If you take the auto sector out, we actually had 2 percent growth in the other sectors," Watkins said.

Automation Alley commissioned the Anderson Group to conduct the study.

Now in its fourth year, the report documents the size and scope of the region's technology industry with a goal to use that information as a tool for growing existing tech businesses and attracting new ones.

The life sciences sector, which includes pharmaceuticals and medical research, was among the fastest growing sectors of employment in 2006 with 13.2 percent job growth from the year before, a gain of about 4,232 jobs for a total of 36,275. The increase is a marked turnaround from the years 2004 to 2005 when employment in life sciences dipped 7.1 percent.

"Some of that's just the volatility you'd expect in a rapidly developing industry when change

can occur over night," Watkins said.

The life sciences were among the more lucrative technology sectors, paying employees an average annual wage of about \$97,000 in 2006, the study found.

Stephen Rapundalo, president and CEO of MichBio, a bio science industry association in Ann Arbor, described the findings as encouraging and in step with hiring trends observed by other industry groups.

But with the state's economic conditions continuing to deteriorate, the life science sector also could see a slowdown in new employment in the coming years, Rapundalo said.

While some areas may remain strong, such as those that directly support medical research and health care testing, the bio sciences sector overall could experience some belt-tightening with companies trying to contain costs, Rapundalo said.

In 2006, high-tech jobs represented 14.7 percent of total employment in the Alley's eight-county region, which includes Genesee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne.

They paid an average wage of \$70,311 a year in 2006, a 1.8 percent increase from the year before, the study found.

Advanced manufacturing, which includes manufacturing jobs outside the auto industry, also grew 3.9 percent, gaining about 1,200 positions.

Employment in information technology declined less than 1 percent to 56,771 jobs. Chemical and material manufacturing also saw a drop of 5.1 percent to 8,584 jobs.

Watkins said even with the state sinking deeper into a recession, the trends should continue.

"We don't expect any drastic changes to occur in the next couple years," Watkins said.

"A lot of this is occurring at the small business level where human innovation will take you a lot farther than credit lines and financing ability."

You can reach Christina Rogers at (313) 222-2300 or cvrogers@detnews.com.

Find this article at:

<http://www.detroitnews.com/apps/pbcs.dll/article?AID=/20081111/BIZ/811110355>

Check the box to include the list of links referenced in the article.

© Copyright 2008 The Detroit News. All rights reserved.