



City of Detroit

Economic Outlook

2025–2031

September 2026



MICHIGAN STATE
UNIVERSITY

Extension
Center for Local Government
Finance and Policy



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The Detroit Economic Outlook for 2025–2031 Executive Summary: September 2026

Detroit's economy continues to navigate a challenging macroeconomic environment marked by high interest rates, volatile trade policy, and geopolitical tensions stemming from the war in Iran. The city's labor market has shown notable strength over the past year, despite the increase in its unemployment rate. Between May 2025 and May 2026, Detroit's labor force expanded 2.9 percent even as Michigan's declined 2.2 percent. Over the same time, Detroit resident employment increased by 1.6 percent, compared with a 2.2 percent decline statewide. As a result, Detroit's unemployment rate increased to 11.0 percent in May 2026, reflecting a growing labor force rather than weakening labor demand.

Payroll employment also held relatively stable in Detroit during most of 2025, running near its 2019 average after a temporary decline early in the year. However, we estimate that Detroit's payroll employment fell in the final quarter of 2025 as GM temporarily idled Factory Zero before moving to one shift in January 2026, a result of weak consumer demand for EVs and new federal policies favoring traditional internal combustion engine vehicles.

Looking ahead, we expect employment growth to resume as the automotive sector adjusts and a more supportive policy environment strengthens the Detroit Three's market position. Payroll employment is projected to grow an average of 0.4 percent annually from 2027 through 2031, while resident employment edges up by 0.1 percent per year. Meanwhile, the annual average unemployment rate is forecast to peak at 10.7 percent next year before declining to 9.9 percent by 2031.

As labor market conditions stabilize, we expect wage and income growth to moderate from the rapid pace seen during the post-pandemic recovery. Even so, we estimate that wage growth in Detroit

remained strong in 2025, while easing inflation supported modest gains in real household income. We forecast average annual wage growth of 3.3 percent per year for Detroit payroll jobs and 4.2 percent annually for employed Detroit residents from 2026 through 2031. Adjusting for inflation, real wages are projected to stand 6.7 percent above 2019 levels for Detroit payroll jobs and 13.0 percent higher for residents.

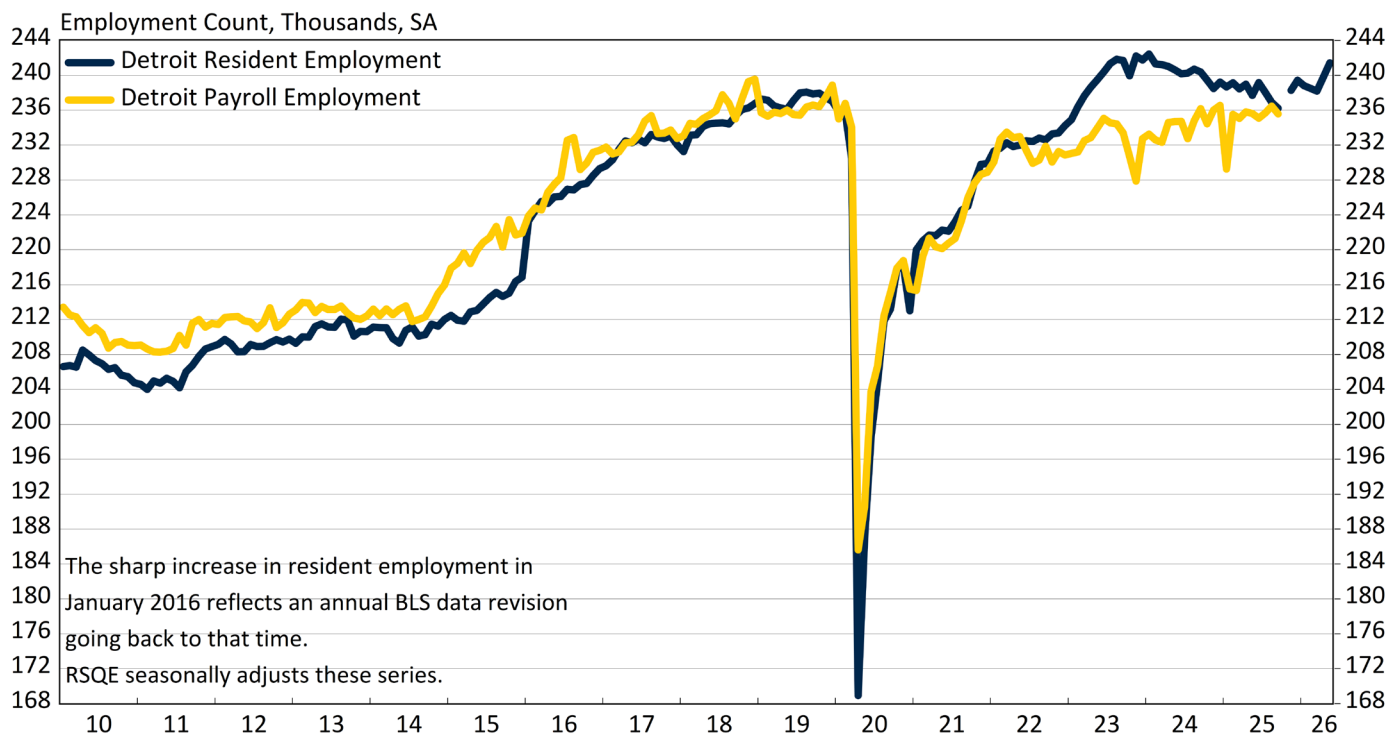
Local inflation has accelerated in recent months, driven largely by higher energy prices stemming from the war in Iran. We expect inflation to ease as energy markets stabilize, with local headline inflation slowing from 3.2 percent in 2026 to 2.2 percent in 2028, before settling around the 2.4 to 2.5 percent range during 2029–2031. Our baseline forecast assumes shipping through the Strait of Hormuz gradually normalizes during 2026, allowing energy prices to retreat durably. The recent reescalation of tensions could reignite energy price inflation, leading our inflation forecast to be too rosy.

Despite the many risks to our forecast, we expect Detroit’s economy to continue expanding over the next several years. We project employment to surpass its pre-pandemic level and the unemployment rate to decline modestly. We are also forecasting solid labor force growth, and for real wages to increase both at jobs located in the city and among Detroit residents, even amid elevated inflation. Taken together, we believe our forecast points to an encouraging outlook for Detroit’s economy in the years ahead.

Still, our report suggests that there is still a good deal of work remaining for Detroit’s economy to produce widely shared economic success. We estimate that only 34.4 percent of Detroit’s primary earners attained a living wage in 2024. In comparison, 44.1 percent of Cleveland’s working residents and nearly 60 percent of Chicago’s earned a living wage that year. We considered several possible explanations for Detroit’s lower share of residents earning a living wage: educational attainment, occupational category, and hours worked. We found that, on average, educational attainment had the most explanatory power of these variables, accounting for roughly two-fifths of the gap between Detroit and a group of Midwestern cities in their shares of workers earning a living wage. Still, the combined explanatory variables explained only half of the gap, leaving much to explore on this subject.

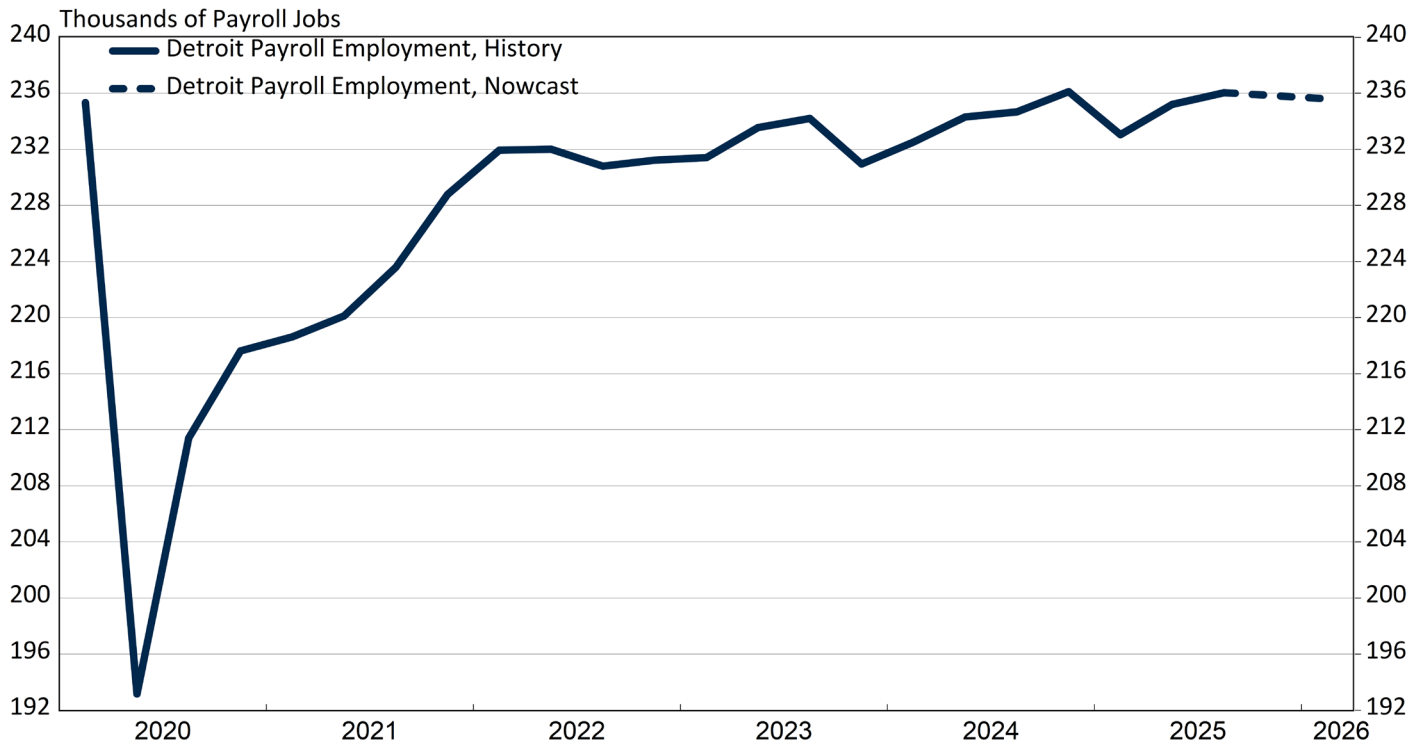
Figure 1

Seasonally Adjusted Monthly Employment, Detroit Resident and Payroll Jobs



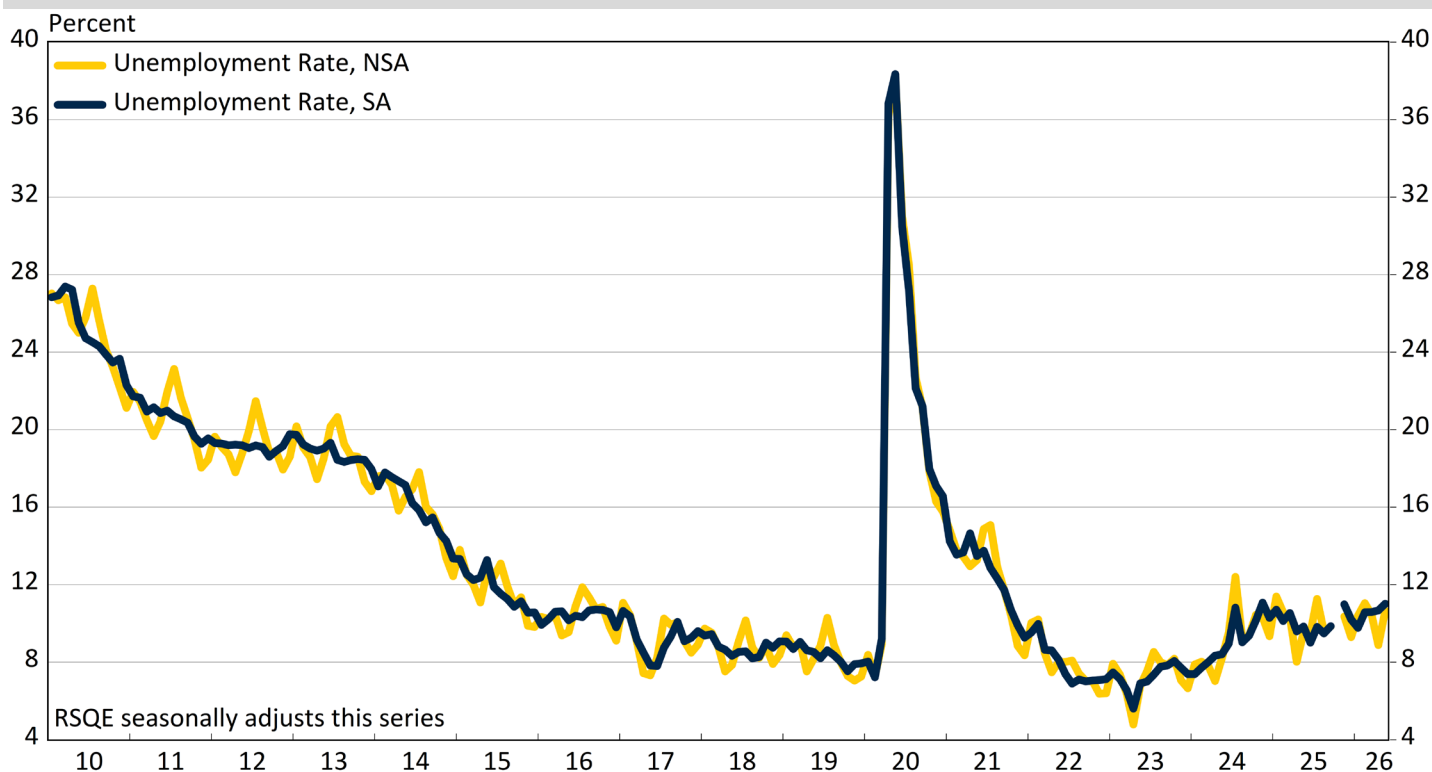
- Figure 1 illustrates two different measures of employment in Detroit's economy. The maize line displays what we call Detroit payroll employment, which is the count of wage and salary jobs at establishments physically located within the city boundaries. The blue line displays what we call Detroit resident employment, which is the count of employed Detroit residents, whether they work inside or outside the city. We have seasonally adjusted both employment series ourselves.
- The payroll employment data are available with a substantial lag. At the time this forecast was produced, the payroll employment data extended through September 2025, while the resident employment data was available through May 2026.
- Payroll employment in the city of Detroit came roaring back after the COVID-19 pandemic, but it did not recover to its 2019 average until December 2024.
- Since then, payroll employment has largely hovered around that level despite substantial volatility. The city lost 7,300 jobs in January 2025, before regaining all but 1,000 of those losses in February. The temporary decline was heavily concentrated in manufacturing, although it is difficult to attribute it to any specific event or temporary layoff announcement.
- Employment among Detroit residents experienced an even stronger post-pandemic recovery, surpassing its 2019 level by 400 jobs in March 2023. By December 2023, resident employment exceeded its 2019 count by 4,500, or 1.9 percent.
- However, employment among Detroit residents reversed course and declined during 2024 and most of 2025.
- The household data have been somewhat noisy since the lapse in data collection during the federal government shutdown last fall. Nevertheless, the post-shutdown data suggest that Detroit resident employment has strengthened, especially when compared with Michigan employment data.
- Michigan resident employment declined by 2.2 percent from May 2025 to May 2026, while Detroit resident employment increased by 1.6 percent, supported by strong gains in April and May. Although the household data remain difficult to interpret statewide, the recent figures suggest that Detroit's labor market has been growing.
- The Michigan Center for Data and Analytics produces Detroit payroll employment data on behalf of the City of Detroit University Economic Analysis Partnership.

Figure 2
The Nowcast of Detroit Payroll Jobs



- It takes approximately seven months after the end of each quarter for initial statistics on Detroit payroll employment to be released. Other economic data that correlates with Detroit payroll growth is released sooner. For example, statewide payroll employment becomes available approximately four weeks after the end of the month, while Wayne County data comparable to our Detroit series comes out six months after the end of the quarter.
- Our nowcast—a statistical model that exploits these historical correlations—estimates the yet-to-be-released levels of Detroit payroll employment most consistent with the other currently available data. The nowcast is a purely statistical endeavor that summarizes the information from several key variables. We use the nowcast as an input into our forecasting process, but our final forecast usually diverges slightly from the nowcast's predictions.
- At the time our nowcast was compiled, many of the state and metro data series were available through the end of 2026Q1. Hence, our nowcast currently extends through 2026Q1.
- The solid line on Figure 2 shows historical data, while the dashed line displays our nowcast for Detroit payroll employment. In 2025Q3, Detroit's payroll job count climbed to 236,000 jobs, or nearly 3,000 jobs more than the 2025Q1 level.
- Our nowcasting model suggests that Detroit payroll employment stabilized near 236,000 heading into 2026, despite some modest declines in state- and county-wide job counts. The payroll job count in the city remained roughly flat in 2025Q4–2026Q1.
- There is a wide degree of uncertainty surrounding our nowcast estimates. Furthermore, changes in Detroit's payroll employment have shown substantial volatility, far beyond the level predicted by Michigan and Wayne County data. Hence, large nowcast errors are possible.
- We will continue to refine the methodology and the nowcasting model as more data sources for the Detroit economy become available.

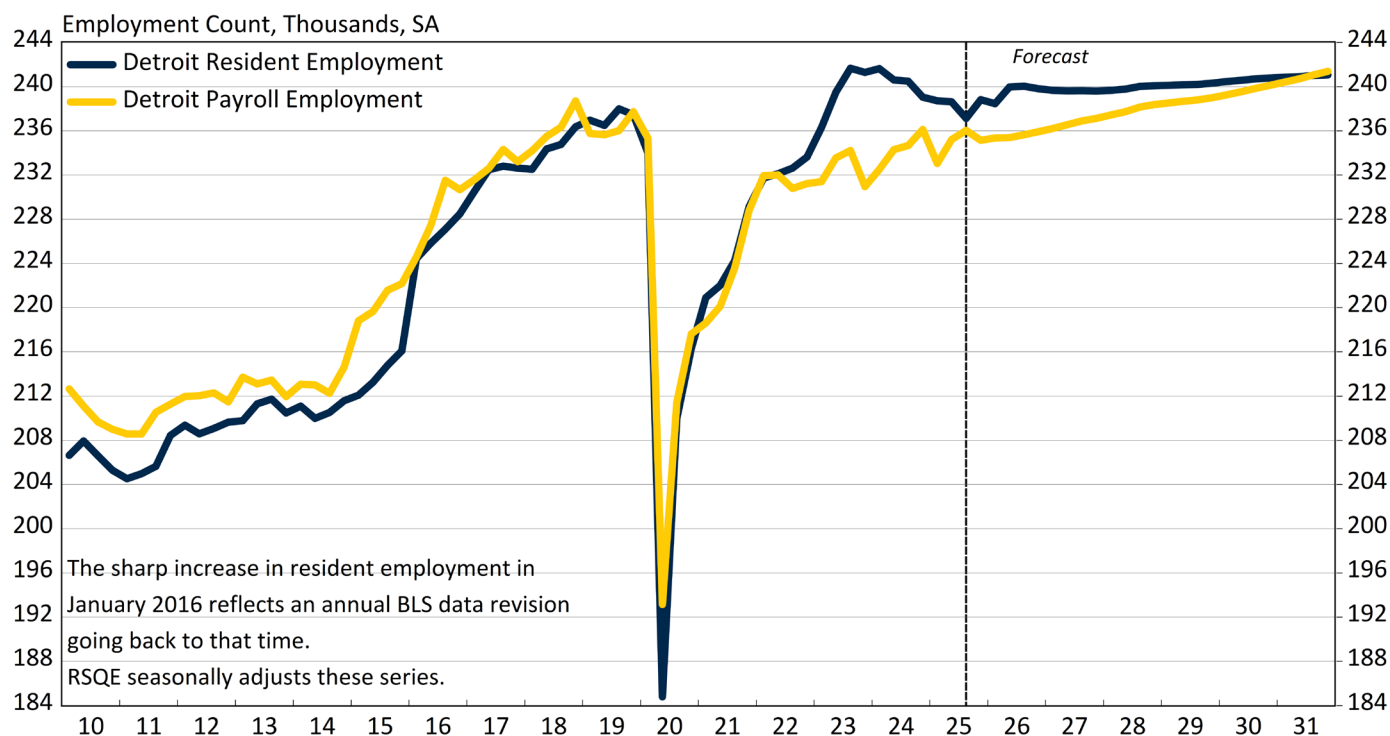
Figure 3
Unemployment Rate in Detroit



- Figure 3 shows the seasonally adjusted unemployment rate for Detroit residents alongside the published not seasonally adjusted rate. The Bureau of Labor Statistics (BLS) does not provide a seasonally adjusted version of this series, so we have seasonally adjusted the unemployment rate data ourselves.
- Overall, Detroit's labor market softened over the course of 2023 and 2024, with its unemployment rate peaking at 11.1 percent in November 2024.
- Detroit was not alone in the softening trend. Michigan's unemployment rate increased from 3.9 percent in the first quarter of 2023 to 5.2 percent in the final quarter of 2024.
- Although both Michigan's and Detroit's labor markets relaxed over the course of 2024, one key difference emerged last year.
- In 2025 and early 2026, Michigan's unemployment rate hovered around 5.0 percent as a shrinking labor force kept a lid on the jobless rate. From May 2025 to May 2026, Michigan's labor force declined by 2.2 percent, with declines in all but six of the state's 83 counties.
- In contrast, the city of Detroit's labor force increased 2.9 percent from May 2025 to May 2026, outpacing every county in the state. While this is strong news for the city, we must confess that it has been very difficult to interpret the local labor force data over the past year, especially during the months following the federal government shutdown last fall.
- Ultimately, we believe Detroit's labor market has held up relatively well over the past year. Despite an elevated unemployment rate, much of the increase reflects growth in the city's labor force rather than a deterioration in labor market conditions.
- We estimate that if Detroit's labor force had remained at its 2023 level, the unemployment rate would have been 6.6 percent in May 2026—below the city's 7.2 percent unemployment rate in 2023. Instead, Detroit's labor force was 5.0 percent higher in May 2026 than in 2023, contributing to an unemployment rate of 11.0 percent.

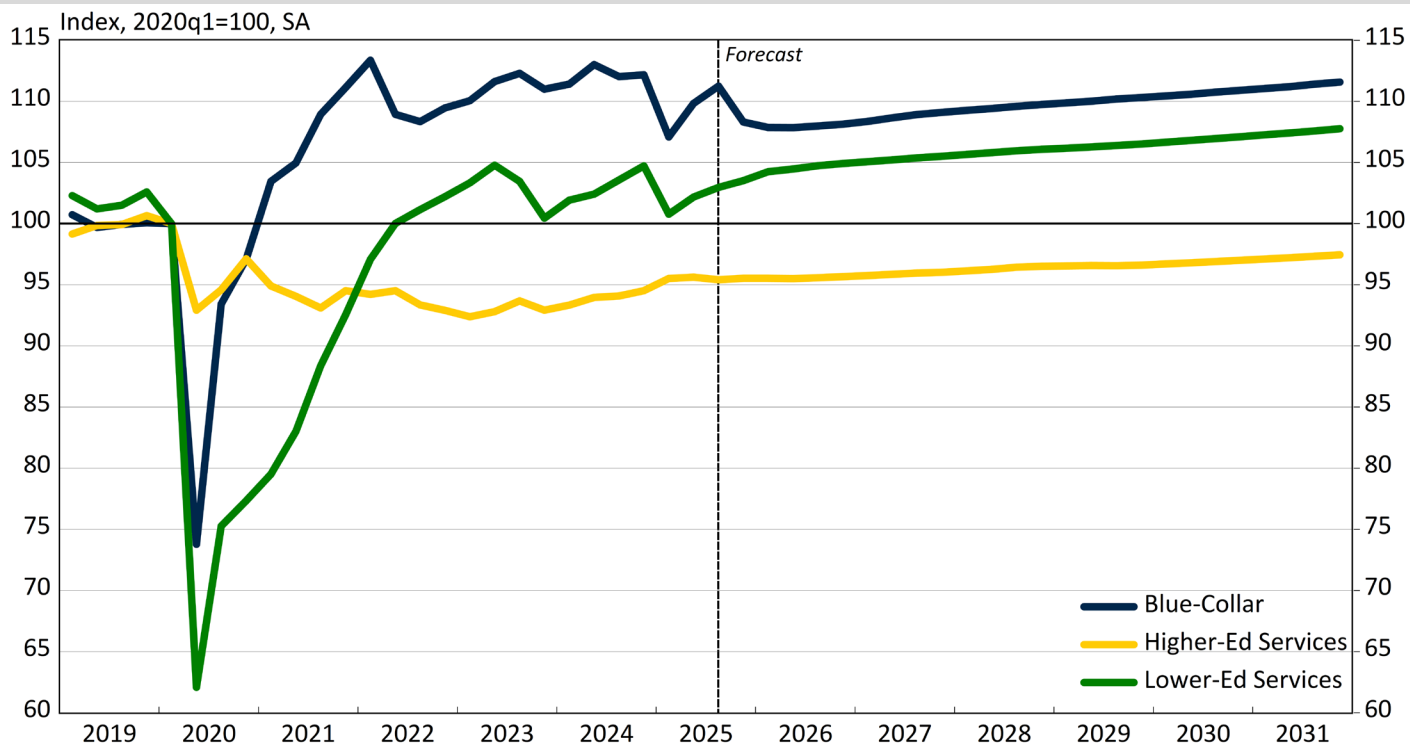
Figure 4

Quarterly Average Payroll and Resident Employment, City of Detroit



- Figure 4 displays the history and our forecast of the quarterly average payroll and resident employment counts for Detroit. The data for these series are the same as in Figure 1, but they are aggregated from monthly values to quarterly averages.
- Michigan's economy has softened over the past year as high interest rates and trade uncertainty weighed on growth. We expect conditions to improve as the year progresses, supported by AI-driven investment, greater trade policy certainty, and lower energy prices.
- While the war in Iran and higher gasoline prices remain downside risks, we have not found evidence that Michigan is more vulnerable to energy price shocks than the broader U.S. economy. Energy prices have eased since the peak of the conflict, but its ultimate resolution remains very uncertain.
- We estimate that Detroit's payroll employment declined in the final quarter of 2025 as GM temporarily idled Factory Zero before moving to one shift in January 2026, reflecting weak consumer demand for EVs and new federal policies favoring traditional internal combustion engine vehicles.
- Ultimately, we anticipate that steady payroll and resident employment growth will return as the dust settles on the most recent auto industry shakeup. The more supportive federal policy environment should cushion the Detroit Three's share of the light vehicle market.
- We expect payroll employment to grow faster than resident employment during the forecast period. Payroll jobs appear to have been more hindered by higher interest rates and thus have more room to recover if rates decline. However, since the release of our May U.S. and Michigan Economic Outlooks, markets have begun pricing in higher interest rates than our baseline forecast.
- On a calendar year basis, payroll employment growth is projected to average 0.4 percent annually from 2027–2031, while resident employment growth averages 0.1 percent per year.
- Employment at Detroit establishments is projected to return to its 2019 average by the first quarter of 2027 and rise to 2.2 percent above that level by the end of the forecast. Resident employment is expected to exceed its 2019 level by 1.6 percent by the end of 2031. We project these two employment measures to converge to roughly the same level by 2031, similar to the years preceding the pandemic (2016–2019) and during 2021–2022, before their recoveries diverged.

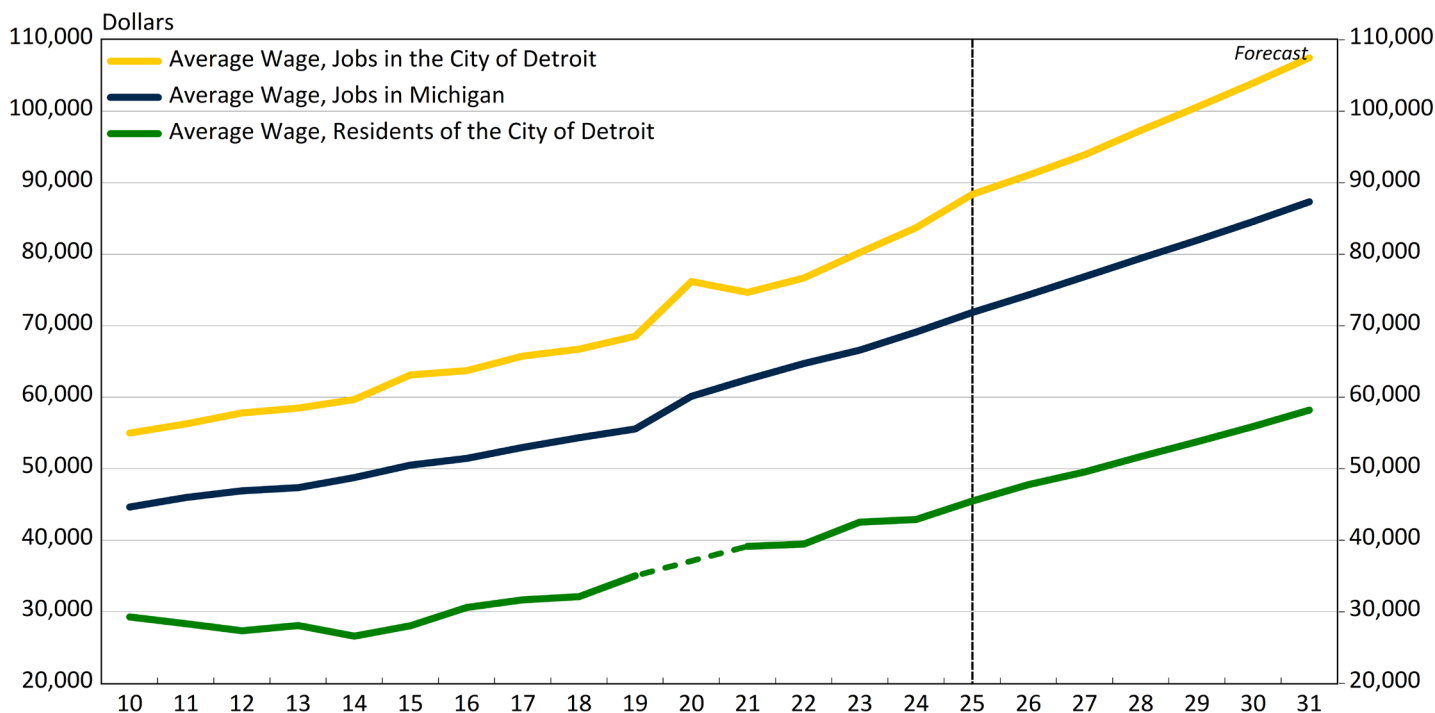
Figure 5
Payroll Employment by Industry Group, City of Detroit



- On the chart above, we categorize each of Detroit's industries into three groups. The graph displays our forecast for each group's total employment level, with values indexed to 100 in 2020Q1.
- The **blue-collar** industry group comprises mining, construction, and manufacturing, as well as wholesale trade, transportation, warehousing, and utilities. We estimate that Detroit's blue-collar employment declined by 1,300 jobs in 2025Q4, as GM's Factory Zero began its transition to one shift with roughly 1,200 layoffs.
- We expect blue-collar industries to return to growth by the end of this year, as short-term pain from the transition away from EVs gives way to medium-run growth. Employment in blue-collar industries ends our forecast at levels last seen in 2024, nearly 12 percent above the pre-pandemic level.
- The **higher-educational** attainment services category includes public and private education and healthcare, finance, information, most business services, and public administration.
- On a calendar year basis, employment in Detroit's higher-ed services industries increased by 1,400 jobs in 2024. We estimate higher-ed employment increased another 2,100 jobs in 2025, despite 540 job losses in the financial activities sector last year.
- Overall, we expect higher-ed services employment to post tepid growth over the forecast and to remain 2.5 percent below its pre-pandemic level by the end of 2031. Weakness in financial services and headquarters employment is expected to weigh on growth. However, Michigan's aging population and the expansion of the Henry Ford hospital should help support job growth in the healthcare sector despite a tough federal funding landscape.
- Additionally, we expect modest growth in public administration over the forecast, even as the private sector contends with higher interest rates.
- The **lower-educational** attainment services industries include retail trade, leisure and hospitality, administrative and business support services, and other services. These industries were hit hardest by the pandemic but completed their recovery in 2022Q2. Since then, employment in this group has hovered roughly 2.5 percentage points above its pre-pandemic level, posting a net gain of 1,600 jobs from 2022Q2 to 2025Q3.
- We forecast lower-ed services to return to growth as administrative and business support services stabilizes around its current level. That growth takes employment in these industries to 4,300 jobs, or 7.8 percent, higher than the pre-pandemic level by the end of 2031.

Figure 6

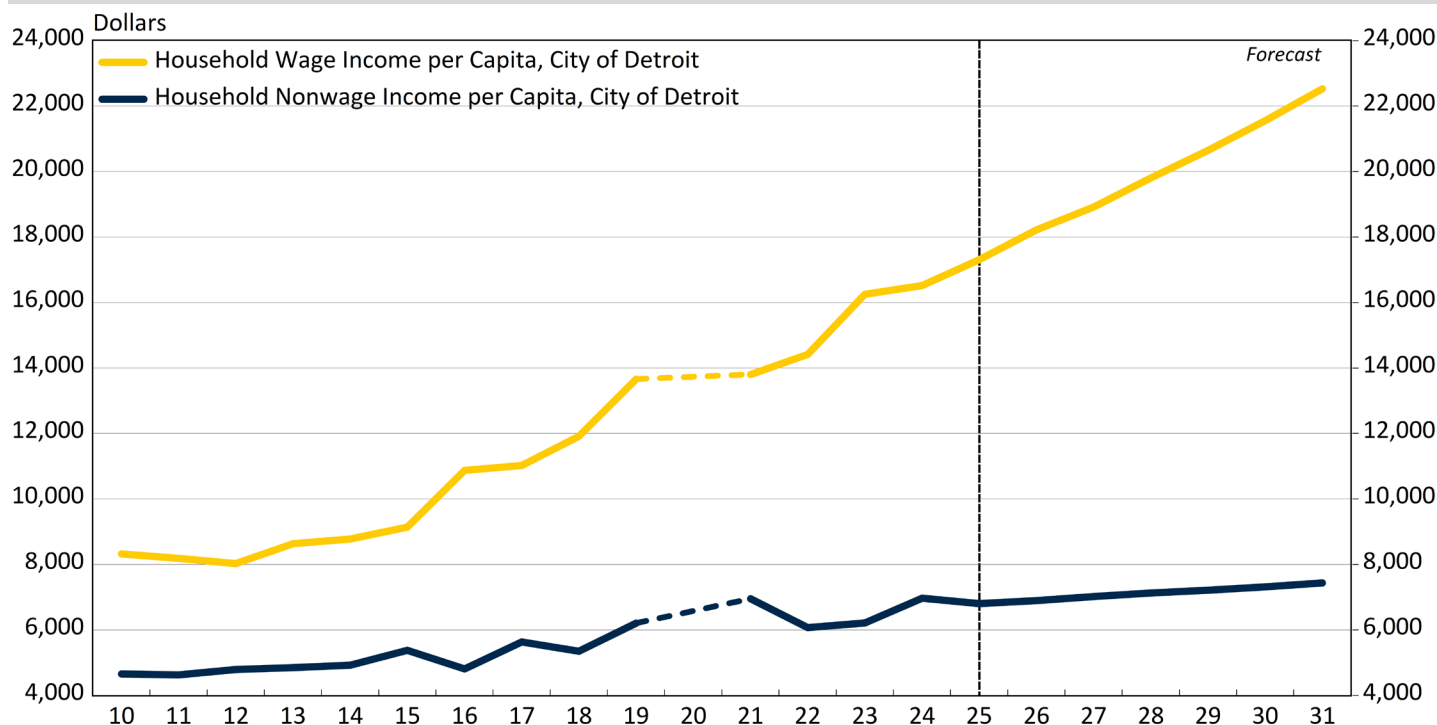
Annual Wage and Salary Income per Worker, City of Detroit and Michigan



- Figure 6 shows the average annual wage and salary income earned by workers at establishments in Detroit and Michigan in the yellow and blue lines, respectively. The green line shows the average wage and salary income of Detroit residents, which we calculate from the American Community Survey (ACS). The data for 2020 are unreliable due to issues associated with the COVID-19 pandemic and have been replaced by a dashed line. These values have not been adjusted for inflation.
- Jobs located within Detroit's boundaries pay relatively high wages. From 2010–2019, wages at establishments located in the city averaged 23 percent above the statewide average and were more than double the wages earned by Detroit residents.
- Large shifts in the composition and location of employment at the onset of the pandemic in 2020 changed the dynamic of city wages. By 2024, wages at city establishments averaged 21 percent above the statewide average and 95 percent above the wages earned by Detroit residents.
- Even so, nominal wages at Detroit establishments grew a healthy 4.3 percent in 2024. Meanwhile, after rising 7.8 percent in 2023, wages earned by Detroit residents increased just 0.9 percent in 2024.
- We estimate that wage growth accelerated to 5.6 percent for payroll jobs located in Detroit last year and to 6.0 percent for city residents. Both measures outpaced the statewide average of 4.0 percent. Looking ahead, we expect a more stable growth pace as the policy environment stabilizes.
- We project wage growth in Detroit to ease over the rest of the forecast. Wages at payroll jobs located in the city increase by 3.3 percent per year on average from 2026–2031, on par with the statewide pace. Although wages earned by Detroit residents grow faster, averaging 4.2 percent annually during that time, they remain well below wages earned at payroll jobs located in Michigan and Detroit throughout the forecast.
- By 2031, Detroit residents' average wages rise to 54.2 percent of the average wage earned at jobs in Detroit establishments. That would be the highest reading since the start of our data series in 2010, although a large gap would remain.
- Small differences in nominal wage growth rates translate to meaningfully different trajectories after adjusting for local inflation. While average real wages for jobs located in the city rise 6.7 percent between 2019 and 2031, Detroit residents' real wages improve by 13.0 percent over the same time. For comparison, real wages statewide increase by 6.9 percent during that time.

Figure 7

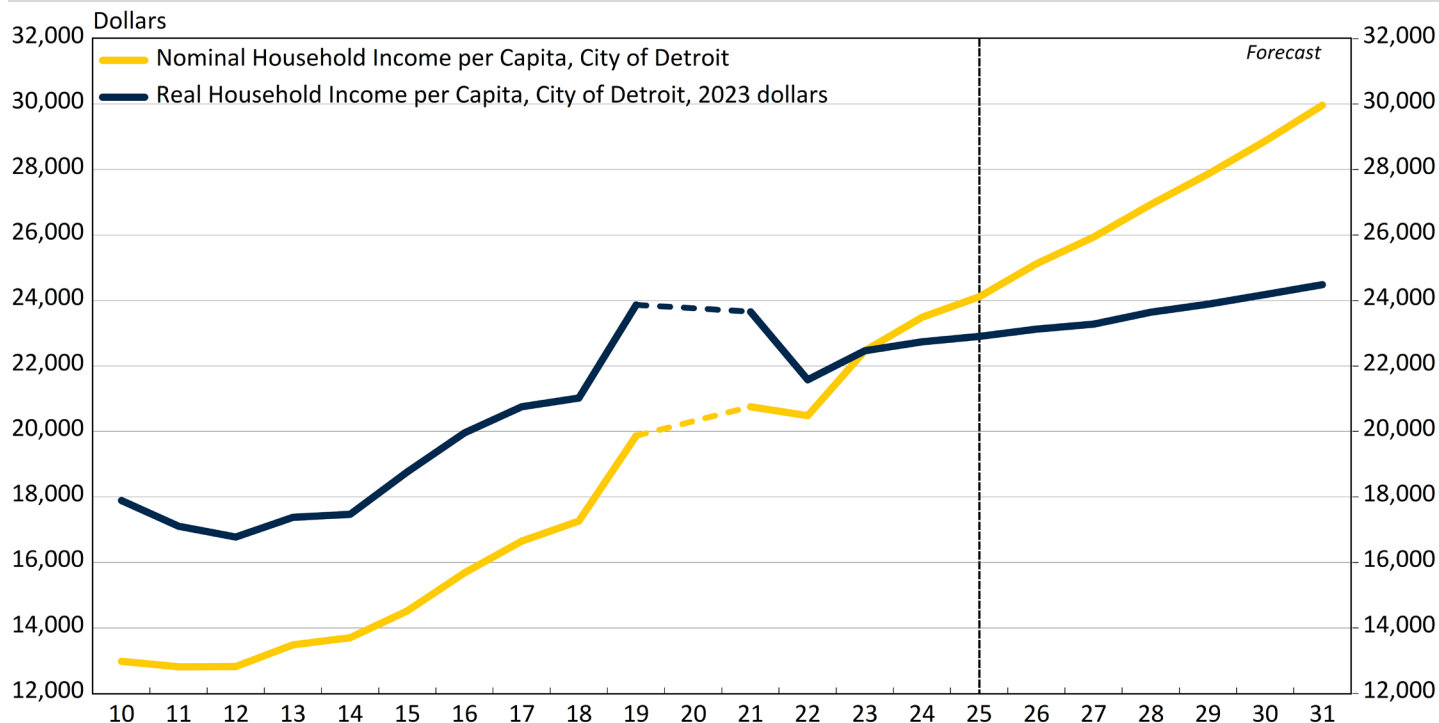
Nominal Wage and Nonwage Income per Capita, City of Detroit



- Figure 7 shows nominal household income in Detroit on a per capita basis, divided into wage income (yellow line) and nonwage income (blue line). The data comes from the ACS and is available through 2024. As in Figures 6 and 8, we omit 2020 because of pandemic-related data collection and publication issues.
- The yellow line in Figure 7 uses Detroit's entire resident population as its denominator to generate per capita wages; the green line in Figure 6 uses employed Detroiters as its denominator for average wages per worker. Therefore, the yellow line in Figure 7 shows significantly lower values.
- Nonwage income consists of all reported income sources other than wage income, such as investment, self-employment, and retirement income. Nonwage income also includes transfers from social security, supplemental security income, public assistance or welfare payments, and other transfer sources such as unemployment compensation, child support, alimony, and veterans' payments.
- Compared with 2019, wage income per capita among Detroit residents increased by nearly 21 percent cumulatively through 2024. Over the same time, nonwage income per capita rose by 12.3 percent, largely reflecting strong growth in 2024.
- We estimate that wage income per capita grew by 4.8 percent in 2025. However, we expect nonwage income per capita to decline 2.4 percent, reflecting slower growth in transfer income and a pullback in other nonwage income following the previous year's outsized gain.
- From 2026–2031, we project relatively steady growth in both wage and nonwage income. Nonwage income per capita rises 1.5 percent per year on average, while wage income per capita grows more quickly, averaging 4.5 percent annually.
- We forecast that annual wage income per capita in Detroit will reach \$22,500 by 2031, or 36.4 percent higher than in 2024. During that time, nonwage income per capita rises to \$7,400, a cumulative increase of 6.7 percent from 2024.
- As a result of brisk wage growth and much slower nonwage income growth, wage income accounts for 75.2 percent of Detroit household's average income per capita by the end of our forecast. That share would be the highest since the start of our data in 2010.

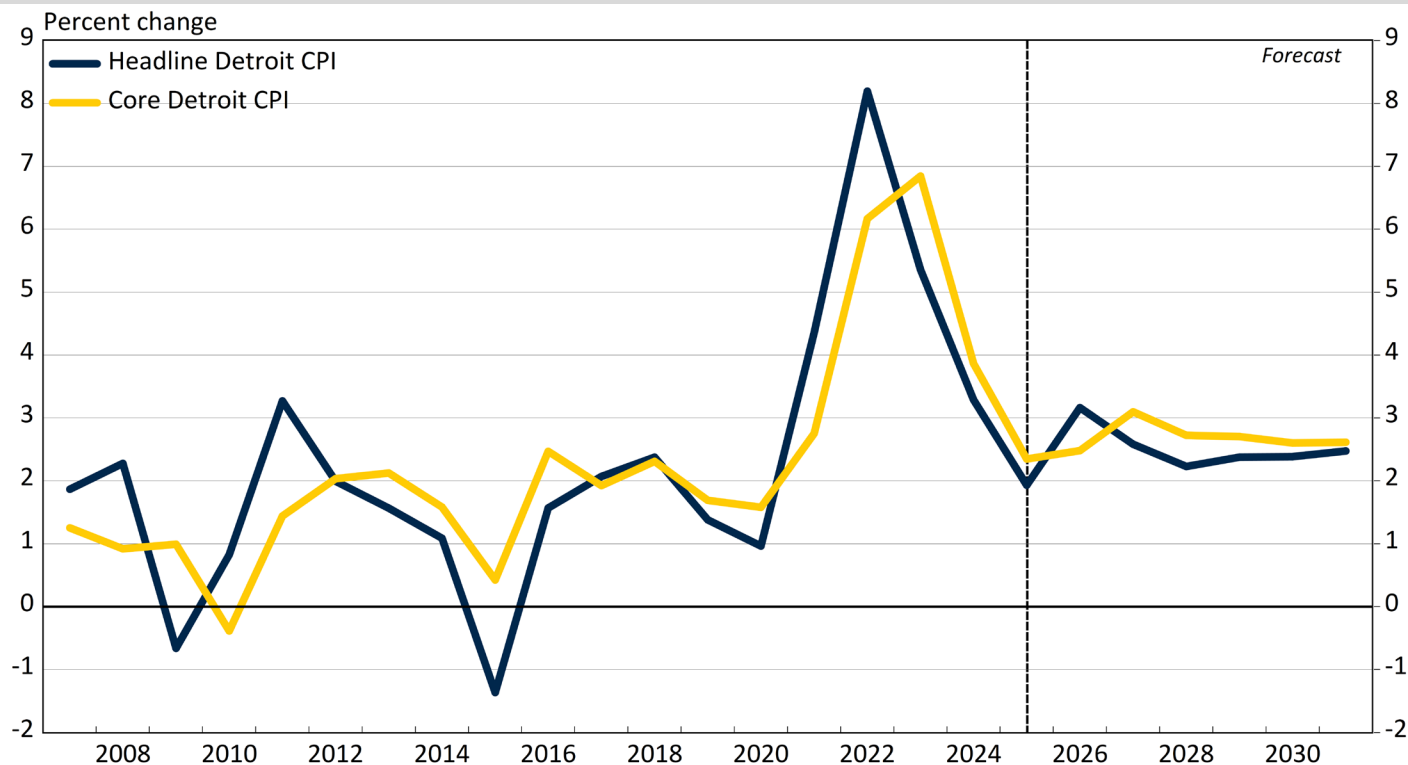
Figure 8

Real and Nominal Household Income per Capita, City of Detroit



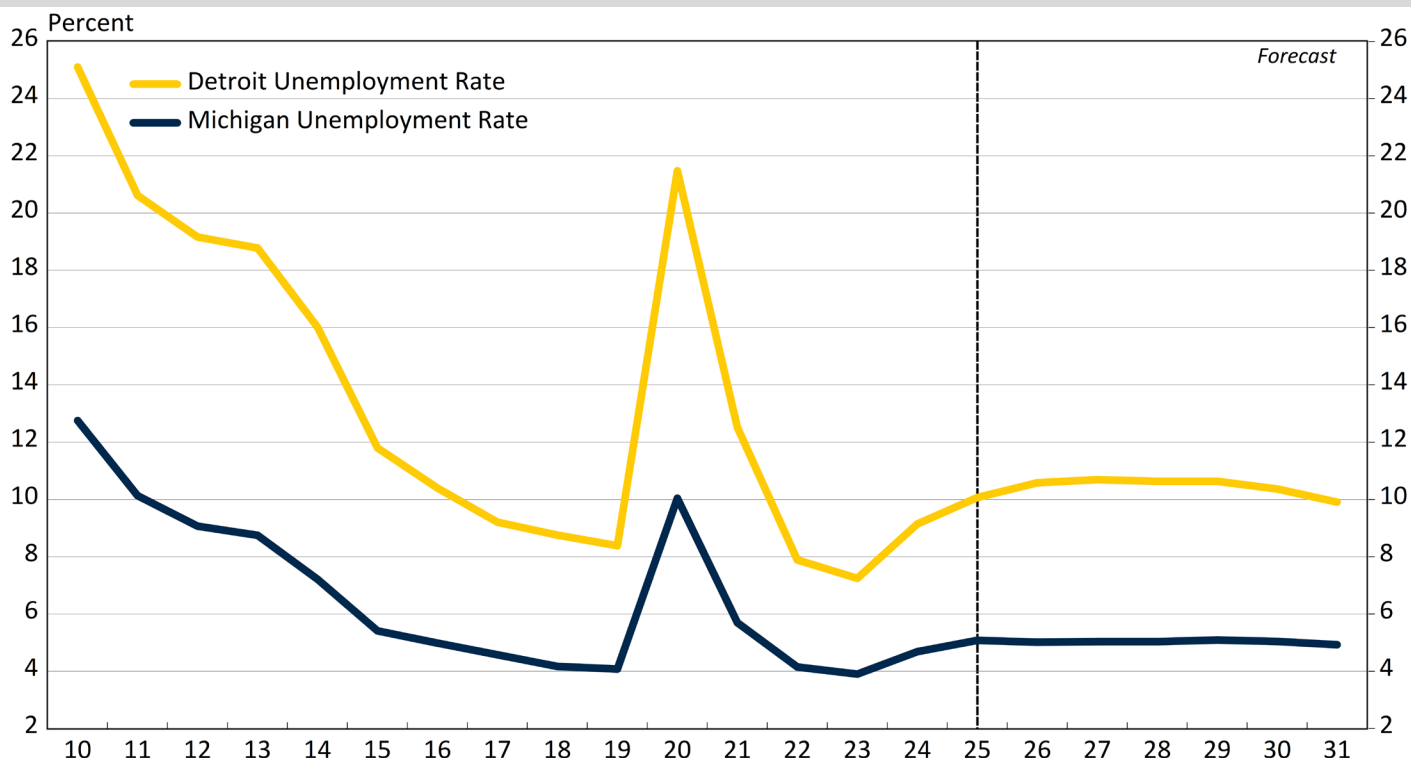
- Figure 8 shows total household income in Detroit on a per capita basis. Nominal income is shown in the yellow line and real (inflation-adjusted) household income per capita is in the blue line. The data comes from the ACS. The yellow line corresponds to the sum of the two lines in Figure 7. The most recent available data is again for 2024.
- As in Figures 6 and 7, we do not show ACS values for 2020 because of data collection and publication issues related to the pandemic.
- Growth in Detroit residents' nominal household income per capita moderated from a hefty 9.7 percent in 2023 to a still-respectable 4.5 percent in 2024.
- Local inflation slowed as well but still measured 3.3 percent in 2024. As a result, real household income per capita increased 1.2 percent in 2024, down from a 4.1 percent gain in 2023.
- We estimate that nominal per capita income growth decelerated to 2.7 percent in 2025, cooling from the large gains recorded in 2023 and 2024. However, inflation also slowed to 1.9 percent. As a result, real income per capita increased 0.7 percent in 2025.
- In level terms, we estimate that real household income per capita in 2025 was 9.0 percent higher than its 2018 level. However, it remained 4.0 percent below its 2019 peak, which followed an exceptionally strong year of income growth. Elevated inflation during the post-pandemic period has kept a lid on real household income growth, but it is continuing to catch up to its pre-pandemic peak.
- We project nominal household income per capita growth to accelerate to 4.5 percent in 2026 before averaging 3.5 percent annually during 2027–2031. After adjusting for inflation, real household income per capita is expected to increase 1.1 percent per year, on average, over 2026–2031.
- Household income and personal income are conceptually different measures, but we note nonetheless that the growth we project Detroit household income is nearly twice as fast as our forecast for Michigan's real personal income per capita growth, which averages 0.6 percent annually over the same time.
- We project Detroit households' nominal income per capita to reach roughly \$30,000 by 2031, nearly 51 percent above its 2019 level. However, much of that gain is offset by the cumulative increase in the local cost of living during that time. As a result, we expect real household income per capita to recover to its 2019 level in 2029 and stand 2.6 percent above that level by 2031.

Figure 9
Inflation Rate, Detroit CPI



- Figure 9 displays history and our forecast for local annual inflation, as measured by the growth rate of the Detroit-Warren-Dearborn metro area all-items Consumer Price index (CPI) and core CPI. The latter drops volatile food and energy prices to better measure trend inflation. The published data are not seasonally adjusted and are only released in even-numbered months. We interpolate the missing months and seasonally adjust the data. The latest reading as of this writing was for April 2026.
- Local inflation has moved higher recently, largely due to the ongoing war in Iran. Year-over-year headline inflation rose to 4.1 percent in April 2026, a significant increase from the 2.3 percent rate recorded in February. This local acceleration has outpaced the pickup in national headline inflation.
- Local core inflation has also begun to firm. Year-over-year core inflation for the Detroit area rose to 3.0 percent in April, up from 2.4 percent in February, also outpacing the national trend.
- The war in Iran remains a primary risk to the local inflation outlook. The forecast assumes an agreement that allows shipping traffic through the Strait of Hormuz to normalize during 2026. Geopolitical developments since we produced the forecast have been a bit of a rollercoaster ride, and the future path of oil prices is very uncertain.
- Unsettled trade policy presents a second major risk, following the Supreme Court ruling on IEEPA and the expiration of temporary Section 122 tariffs. This forecast assumes that the tariffs recently instituted under Section 232 and 301 authorities to replace IEEPA tariffs will endure, resulting in effective tariff rates roughly in line with those in place late in 2025.
- Inflation data for early 2026 remain noisy as the BLS finishes addressing data collection gaps caused by the previous federal government shutdown. The use of year-over-year inflation rates helps smooth out much of this temporary volatility.
- Local core inflation is projected to spike in mid-2026 before moderating thereafter. We forecast calendar year average core inflation at 2.5 percent in 2026, rising to 3.1 percent in 2027 despite a slowing quarterly pace, and then edging down to 2.6 percent in 2030 and 2031.
- By the end of 2026, year-over-year local headline inflation is expected to reach 3.5 percent. On a calendar year basis, we forecast local headline inflation to register 3.2 percent for 2026, then ease to 2.6 percent in 2027 and 2.2 percent in 2028 as energy price inflation reverses course. In 2029–31, local headline CPI inflation settles into the 2.4–2.5 percent range.

Figure 10
Unemployment Rate, City of Detroit and Michigan



- Figure 10 shows the history and our forecast of the average annual unemployment rates in both Detroit and Michigan. Whereas Figure 3 shows the monthly history, here we show the history and our forecast using annual averages.
- On an annual basis, Detroit's unemployment rate improved steadily from the peak of the pandemic through 2023, falling from 21.5 percent in 2020 to 7.2 percent in 2023. That progress subsequently reversed, as the city's jobless rate rose to 9.1 percent in 2024 and 10.1 in 2025.
- While the recent increase in unemployment may sound alarming, it occurred alongside solid labor force growth. Detroit's labor force increased by 2.5 percent (6,600 residents) between 2023 and 2025.
- Those changes stand in sharp contrast to Michigan's labor market. The state's unemployment rate rose from 3.9 percent in 2023 to 5.1 percent in 2025, while its labor force increased by just 0.5 percent over the same period. Moreover, Michigan's labor force actually declined in 2025. Against this backdrop, we view Detroit's labor market performance over the past two years as relatively solid.
- Looking ahead, we expect Detroit's unemployment rate to tick up in 2026 to 10.6 percent, as the city posts modest labor force gains. On the other hand, Michigan's unemployment rate is expected to edge down to 5.0 percent this year amid further labor force declines.
- We forecast that Detroit's unemployment rate will hover around 10.6–10.7 percent through 2029 before decreasing to 10.4 percent in 2030 and 9.9 percent in 2031. Michigan's unemployment rate stays around 5.0 percent during the forecast before inching down to 4.9 percent in 2031, as the state's labor force flatlines around its 2026 level.
- The unemployment rate gap between Detroit and the state has narrowed substantially over time, falling from 12.3 percentage points in 2010 to 4.3 points in 2019. We expect the gap to widen to 5.6 points this year before gradually narrowing to 5.0 points by 2031. Although that is higher than the 3.3-point gap observed in 2023, it still represents meaningful progress considering Detroit's strong labor force growth compared to the state's.
- By 2031, Detroit's labor force is projected to stand 3.3 percent above its 2019 average. In contrast, Michigan's labor force is expected to remain 0.1 percent below its 2019 level.

Table 1

Share of Primary Earners Making an Annual Living Wage in Detroit

	All Races & Ethnicities	Non-Hispanic Black	Hispanic	Non-Hispanic White	All Others, including Multiracial
All ages	34.4	31.4	26.4	50.7	37.3
18–24	9.0	3.8	6.2	25.5	--
25–54	35.7	31.1	31.6	60.0	36.4
55+	41.9	41.4	--	38.1	--

- Table 1 shows the shares of primary earners who make a living wage in Detroit split into demographic groups by age and race or ethnicity. We do not display estimates for demographic groups with fewer than 20 households in the raw survey data.
- We use income and household data from the 2024 ACS and an adapted definition of a living wage from the Massachusetts Institute of Technology (MIT) Living Wage Calculator (Living Wage Institute, 2026). A detailed description of the methodology we use is presented in Appendix A at the end of this report.
- The living wage threshold is based on the local cost of a representative basic needs budget. The basic needs budget varies by the number of children in the household, the total number of adults in the household, and the number of working adults in the household.
- As examples, the costs of basic needs for a single adult with no children living in the Detroit area in December 2025 was \$46,122 and \$76,861 for a two-adult, one-child household with one working adult.
- We define up to two primary earners per household based on reported hours worked. Each primary earner is assumed to be responsible for an equal proportion of the household's budget. For example, if there are two working adults in a household, they are classified as earning a living wage if they earn at least half of the cost of the representative basic needs budget, regardless of what the other adult earns.
- Only 34.4 percent of Detroit's primary earners made a living wage in 2024. Non-Hispanic Black and Hispanic workers were less likely to earn a living wage than primary earners overall. Non-Hispanic White workers and those of other races and ethnicities, including multiracial workers, were more likely to earn a living wage.
- Older primary earners were substantially more likely to earn a living wage than younger workers. Only 9.0 percent of primary earners aged 18 to 24 earned a living wage, compared to 35.7 percent of prime-aged workers aged 25 to 54, and 41.9 percent of workers aged 55 years or older.
- The shares of young Hispanic and non-Hispanic Black primary workers earning a living wage were especially low, at 6.2 percent and 3.8 percent, respectively.
- Although three-fifths of Detroit's prime-aged non-Hispanic White primary earners made a living wage in 2024, well under half of younger and older White workers did.
- We interpret the evidence in Table 1 as showing that Detroit workers across ages and racial and ethnic groups face serious challenges to attaining a living wage, although there are clearly disparities across groups as well.

Table 2

Living Wage Attainment over Time in Detroit and Peer Cities

	2021 (%)	2024 (%)	Change (ppt.)
Detroit, MI	40.4	34.4	-6.0
Chicago, IL	63.7	59.5	-4.2
Milwaukee, WI	48.8	47.8	-1.0
St. Louis, MO	61.0	57.6	-3.4
Minneapolis, MN	66.2	60.3	-5.9
Cleveland, OH	50.5	44.1	-6.4

Note: the table displays proportions of all primary earners attaining a living wage in each city and year, plus the change from 2021 to 2024 in percentage points.

- Table 2 shows the shares of primary earners who make a living wage in Detroit and several other large Midwestern cities, which we will refer to as Detroit's peer cities. The table presents data for 2021 and 2024, as well as the changes between the two years.
- Detroit trailed all of the peer cities we considered in the proportion of its primary earners attaining a living wage both in 2021 and in 2024. In 2024, Detroit trailed Cleveland by nearly 10 percentage points, and it trailed Milwaukee by over 13 percentage points.
- Detroit's living wage attainment gaps with St. Louis, Chicago, and Minneapolis were substantially larger, ranging from 23 to 26 percentage points in 2024.
- The differences in living wage attainment among primary earners between Detroit and its peer cities can result both from differences in earnings levels and from differences in the cost of living between cities.
- Detroit and each of its peer cities saw their proportions of primary workers earning a living wage decline from 2021 to 2024 amid the high inflation period following the COVID-19 pandemic.
- The proportion of Detroit's primary workers earning a living wage declined by 6.0 percentage points from 2021 to 2024. Detroit's decline was roughly in line with the trend in Minneapolis and Cleveland in that time. St. Louis and Chicago experienced smaller but still substantial declines, while Milwaukee fared best of the cities we considered, with a decline of just 1.0 percentage point.
- We also analyzed the change in living wage attainment among Detroit's primary earners within the demographic groups considered in Table 1. Detroit's non-Hispanic White primary earners were the only racial or ethnic group to experience an increase in living wage attainment in Detroit, although the gain was modest at 1.1 percentage points.
- Detroit's non-Hispanic Black primary earners experienced a decline in living wage attainment of 7.1 percentage points from 2021 to 2024. Hispanic primary earners experienced a decline of 10.9 percentage points and members of other racial and ethnic groups experienced a decline of 8.8 percentage points during that time.
- Older primary earners fared better than younger ones from 2021 to 2024. Primary earners aged 18 to 24 saw their living wage attainment share fall by 9.8 percentage points. Prime-aged earners experienced a smaller decline of 6.1 percentage points, while earners ages 55 and older saw the smallest decline, at 5.5 percentage points.

Table 3

Decomposing Differences in Living Wage Shares Relative to Detroit, 2024

	Share Earning Living Wage (%)	Share of Difference Explained by Education (%)	Share of Difference Explained by Occupation (%)	Share of Difference Explained by Hours Worked (%)	Share of difference by all observed (%)
Detroit, MI	34.4				
Chicago, IL	59.5	53.5	35.5	17.6	64.3
Milwaukee, WI	47.8	18.5	14.0	22.2	38.5
St. Louis, MO	57.6	52.6	30.6	12.1	55.8
Minneapolis, MN	60.3	52.6	35.8	10.7	58.0
Cleveland, OH	44.1	29.2	18.7	13.5	40.1
Average (excl. Detroit)	53.8	41.3	26.9	15.2	51.3

- Table 3 takes a first step toward explaining why Detroit's peer cities have larger shares of primary earners making a living wage. We considered some key explanatory factors that are observable in the ACS data, specifically workers' educational levels, occupations, and total hours worked. We note that there are many potentially important factors that cannot be observed in this survey data.
- The table presents results from Kitagawa-Oaxaca-Blinder (KOB) decompositions. Our KOB decompositions are designed to explain how much of the difference in the share of primary earners making a living wage in two cities can be explained by a particular set of variables. Appendix B presents a detailed explanation of the KOB decompositions.
- For example, the share of workers in Chicago earning a living wage is 59.5 percent, roughly 25 percentage points higher than in Detroit. One possible reason why more workers in Chicago earn a living wage is that Chicago workers have higher levels of educational attainment than Detroit workers do on average. The KOB decomposition reported in the second row of the education column indicates that Chicago workers' higher average levels of educational attainment can explain 53.5 percent of the gap between Chicago's and Detroit's living wage shares (13.4 percentage points).
- The bottom row of the table shows that differences in educational attainment explain on average 41 percent of the gap in living wage earners between Detroit and its peer cities. The share of the gap explained by education is larger for Chicago, Minneapolis, and St. Louis but relatively low for Cleveland and Milwaukee.
- We classify occupations into five different categories: production and transportation; construction; sales and office; management, business, sciences, and arts; and services. Differences in these occupations explain on average 27 percent of the gap between Detroit and other cities.
- Separately from analyzing occupations, we have found that differences in industry composition do not play an important role in explaining differences in living wage attainment between Detroit and its peer cities.
- Hours worked has modest explanatory power for the living wage gaps between Detroit and its peer cities, explaining roughly 15 percent of the gap on average.
- The final column of the table shows the explanatory power of all three factors combined. Using all four factors together explains on average 51 percent of the gap. The combined share is lower than the sum of the shares explained by the individual factors because the factors are correlated with each other. The predictive ability of each individual factor therefore overlaps with that of the other factors.
- While the factors we considered can explain a substantial share of the gap between the share of Detroiters who earn a living wage and the share in Detroit's peer cities, nearly one-half of the gap remains unexplained.
- There are some key differences in these patterns within demographic groups. For instance, focusing on prime-age non-Hispanic Black primary earners, the gaps between Detroit and its peer cities are smaller on average, and these factors' explanatory power is less consistent across cities.

Appendix: Updating RSQE’s Analysis of Detroiters’ Living Wage Attainment

RSQE conducted a detailed analysis of Detroiters’ success in earning a living wage in its City of Detroit Economic Outlook report for 2022–2028, which was released August 31st, 2023. We have updated that analysis in this forecast report. We have made modest changes to our methodology from our 2023 analysis. For convenient reference, the appendices that follow detail our entire methodology, including portions that have not changed since 2023. Much of the material therefore repeats our original description of our methodology.

Appendix A: Classification Methodology for Living Wage Earners

Brief Introduction to the Classification Methodology

This appendix details the methodology underlying the living wage analysis shown in Tables 1–3. To identify the share of residents earning a living wage income, it is necessary to define an income measure, a threshold defining what constitutes a living wage, and a population of residents to study. Below, we briefly detail the assumptions we made to produce those definitions. We also discuss some of the tradeoffs involved in our assumptions. In addition, we describe the explanatory variables used in Table 3.

Population of Interest

We conduct our analysis on the population of “primary earners” and limit our analysis to the first and second primary earners in each household based on reported hours worked. In a household with multiple working adults, we define the first primary earner as the adult who reports working the greatest number of hours. If the adult working the second-highest number of hours worked at least 1,040 hours over the year (20 hours per week on average), we classify them to be a second primary earner. If multiple adults report the same number of hours, we classify the older adult as a primary earner. Households are determined to have zero primary earners if there are no adults reporting earned income and hours worked.

We limit the number of primary earners to two per household for compatibility with the Living Wage Calculator. By excluding additional working adults, we are ignoring some members of the work force. However, in Detroit, limiting the number of primary earners to two per household eliminates fewer than 5 percent of adults working at least 1,040 hours per year and is therefore unlikely to be consequential for the analysis.

Relative to our analysis in 2023, we have introduced additional restrictions on the set of primary earners in this year's analysis. Our primary motivation was to exclude households who receive a high amount of nonwage income, which may significantly affect the labor earnings they require to afford the expenses envisioned in the Living Wage Calculator. Specifically, we exclude individuals from our target population of primary earners if they work 540 hours per year or fewer, have a family income greater than or equal to three times the federal poverty line as estimated by Ruggles et al. (2025), and their household's unearned income is at least three-quarters of its total income.

For this report, we have also revised all of the living wage attainment statistics for 2021 using the data that underlay the analysis we presented in 2023 to reflect these updated criteria for the target population. Our comparisons between Detroiters' living wage attainment in 2024 and 2021 therefore use a consistent methodology and set of definitions.

Income Definitions

We use the 2021 and 2024 ACS as our primary data source.¹ The ACS includes individual-level data on income, hours worked, and household composition. We consider individual incomes rather than total household incomes when we classify workers' ability to earn a living wage. We adjust 2021 incomes, 2024 incomes, and 2022 Living Wage Calculator thresholds to 2025 dollars using the Consumer Price Index-All Urban Consumers for comparability with the 2025 Living Wage Calculator.

¹ Specifically, we use the harmonized ACS microdata from the Integrated Public Use Microdata Series (IPUMS USA; Ruggles et al., 2023 and Ruggles et al., 2025).

Furthermore, we only consider earned income, which is either wage and salary income or business income. This income measure excludes several sources of unearned income that may be available to a household, such as investment income, retirement income, social security, and public assistance income. By excluding these other sources of income, we hope to provide a focused picture of the labor market opportunities available to residents of Detroit and its peer cities.

It is possible that many people who do not earn a living wage are still able to afford their basic needs using supplemental sources of income. Those people are able to do so, however, not because of their labor market opportunities, but because they have supplemental sources of income. As noted above, we aim to exclude those individuals from our population of interest. Even so, we have found that those exclusions do not have a large quantitative effect on our estimates.

Defining Living Wage Thresholds

Description of the MIT Living Wage Calculator

We base our living wage thresholds on the MIT Living Wage Calculator (Glasmeier, 2023 and Living Wage Institute, 2026). The Living Wage Calculator defines a living wage as a wage sufficient to afford a predetermined “Basic Needs Budget” that includes a broader range of essential expenses than is reflected in measures such as the Federal Poverty Threshold. The Living Wage Calculator considers eight essential spending categories across the United States: food, childcare, medical, housing, transportation, costs related to civic engagement, internet and mobile access, and other necessities (e.g. clothing, household supplies). The Calculator defines the regional prices for the different categories using several different data sources that are detailed in the User’s Guide/Technical Notes (Glasmeier, 2023 and Living Wage Institute, 2026). A living wage is then characterized as the level of hourly earnings that is required to afford the basic needs budget after first paying all relevant taxes.

Table A1
Basic Needs Spending by Household Composition, Detroit-Warren-Dearborn

	1 ADULT				2 ADULTS (1 WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
Food	\$4,276	\$6,273	\$9,399	\$12,510	\$7,840	\$9,730	\$12,515	\$15,270
Child Care	\$0	\$10,985	\$21,152	\$28,140	\$0	\$0	\$0	\$0
Medical	\$3,338	\$7,961	\$8,127	\$8,308	\$6,990	\$9,001	\$9,338	\$9,715
Housing	\$12,168	\$17,044	\$17,044	\$20,957	\$13,610	\$17,044	\$17,044	\$20,957
Transportation	\$8,560	\$9,907	\$12,479	\$14,359	\$9,907	\$12,479	\$14,359	\$16,076
Civic	\$3,347	\$5,650	\$7,451	\$8,485	\$5,650	\$7,451	\$8,485	\$9,500
Internet & Mobile	\$1,640	\$1,640	\$1,640	\$1,640	\$2,176	\$2,176	\$2,176	\$2,176
Other	\$4,549	\$8,272	\$9,043	\$9,846	\$8,272	\$9,261	\$9,846	\$11,023
Required annual income after taxes	\$37,880	\$67,732	\$86,335	\$104,245	\$54,445	\$67,142	\$73,763	\$84,717
Annual taxes	\$8,242	\$11,636	\$15,260	\$20,737	\$9,467	\$9,719	\$8,609	\$8,857
Required annual income before taxes	\$46,122	\$79,368	\$101,595	\$124,982	\$63,911	\$76,861	\$82,372	\$93,574

Source: MIT Living Wage Calculator for Detroit-Warren-Dearborn, MI. <https://livingwage.mit.edu/metros/19820>

These costs can vary dramatically based on household type. The Calculator details different living wage thresholds for individuals across 12 different household compositions, based on the number of adults, working adults, and children, with up to two adults and up to three children. As an example, Table A1 shows the costs of each spending category in the Detroit Metro Area for eight of the twelve household types.

Furthermore, the Living Wage Calculator provides an individual-level living wage threshold rather than a household-level threshold. Therefore, in households where two adults work, it is assumed

that each working adult is equally responsible for covering half of the household expenses. Each working adult is then categorized as earning a living wage if they earn enough to cover half of the household's basic needs budget, regardless of what the other adult earns. An adult could therefore be defined as earning a living wage but live in a household that is unable to afford the basic needs budget if the other adults earn much less than half the budget. On the other hand, if one adult earns significantly more than the earning threshold, an adult who is not categorized as earning a living wage could still live in a household that can afford the basic needs budget. This individual-specific definition is again intended to reflect the labor market opportunities available to individuals rather than to provide an analysis of total household resources.

Applying the Living Wage Calculator to the ACS Data

In order to classify households in the ACS data into one of the categories defined by the Calculator, we need to classify the number of children, the number of adults, and the number of working adults in a household. Using age 18 as the threshold for adulthood, defining the number of children and the number of adults in a household is straightforward. However, determining the number of working adults requires drawing a line between working and non-working adults. We are primarily interested in workers who work at least half-time and therefore define the number of working adults to be equal to the number of primary earners in the household (as described at the beginning of Appendix A) and conduct our analysis on primary earners.

Using only households that fit into one of the twelve household categories defined by the Calculator ignores a meaningful share of the population, either because there are more than three children or more than two adults living in the household. In households with more than three children, we extrapolate the cost of each additional child by taking the average cost per child as reported by the Calculator going from one to three children.

There are also many households that contain more than two adults. Multigenerational homes and adult children living at home are two of the most common arrangements, but there are a wide

variety of household arrangements not reflected by the Calculator. To apply the Living Wage Calculator to the ACS data, we assume that additional adults living at home are responsible for their own expenses but do not contribute to the greater household expenses, and we therefore consider them a “net neutral” on the household budget and ignore additional adults.

Our treatment of households with more than two adults is a significant but necessary simplification, which may be incorrect in many cases. For example, many households have working adult children living at home and contributing not only to their own expenses, but to the greater household expenses, as well. Conversely, many households likely have adults who are unable to work, but who do increase the household’s costs and, therefore, the income the primary earners need to make to afford the household’s basic needs budget. Without more detailed data on exactly how much each adult is contributing to household expenses, we cannot make such determinations. We therefore do not consider these additional adults in our analysis.

Definitions of Explanatory Variables

In Table 3, we decompose the gaps between the shares of primary workers earning a living wage between Detroit and its peer cities into parts that can be explained by a subset of explanatory variables and unexplained portions. The three explanatory variables we consider are education, occupation, and hours worked.² All explanatory variables come from the ACS.

We classify a person’s primary occupation into five categories based on the IPUMS OCC variable.³ The categories are as follows: Management, Business, Sciences, and Arts Occupations; Service Occupations; Sales and Office Occupations; Natural Resources, Construction and Maintenance Occupations; and Production, Transportation, and Material Moving Occupations.

² In our 2023 analysis, we also included industry of employment as an explanatory variable. We have found that, at the level of detail available in the ACS data, industry of employment has essentially zero explanatory power for living wage attainment in our population of interest.

³ A detailed description of the breakdown of occupations into each category is available from IPUMS (<https://usa.ipums.org/usa/volii/occ2018.shtml>).

We classify educational attainment into three categories based on the reported highest year of school or degree completed. The three categories are High School Degree or Less, Some College or Associate's Degree, and Bachelor's Degree or More.

The hours worked variable is a numerical variable equal to the total number of hours worked last year, calculated from reported usual hours worked per week and weeks worked in the last year.

Appendix B: Kitagawa-Oaxaca-Blinder Decomposition Details

Intuition for the Decomposition

This appendix describes the methodology used in the decompositions of Table 3 coming from pairwise Kitagawa-Oaxaca-Blinder (KOB) decompositions as presented by Kitagawa (1955), Oaxaca (1973), and Blinder (1973). The following explanation is based largely on Jann (2008).

The KOB decomposition is designed to capture how much of the difference in a variable between two groups is explained by differences in an explanatory variable. For example, we estimate that the share of workers earning a living wage is 25 percentage points higher in Chicago than in Detroit. It is also the case that workers have higher average levels of educational attainment in Chicago than in Detroit. In Chicago, 56 percent of primary earners have a bachelor's degree, compared to only 23 percent of primary earners in Detroit. The KOB approach formalizes a way to decompose the 25-percentage point living wage gap between Chicago and Detroit into a share that can be explained by differences in educational attainment and a remaining unexplained gap. To make this decomposition, the first step of the KOB decomposition is to estimate how much education increases the likelihood of earning a living wage. Using these estimates, the KOB decomposition produces predictions for the shares of workers earning a living wage in Detroit and Chicago based purely on their levels of educational attainment. The difference between these predictions is the "share explained by education," and the remaining difference is the unexplained share.

Formal Description

Following the explanation in Jann (2008), let the expected difference between the outcome variables (in this case, the shares of workers earning a living wage in Detroit and in Chicago) be $R = E(Y_{Det}) - E(Y_{Chi})$, where Y represents an indicator variable that takes value one if an individual earns a living wage and value zero if an individual earns a non-living wage, and $E(\cdot)$ is the expectations operator. We hypothesize that there are observable variables such as education, occupation, etc., that

can help explain the outcome variable Y . Calling these explanatory variables X ,⁴ we can determine the effects of education in Chicago and Detroit separately with the following two linear regression models for Chicago and Detroit:

$$Y_{Det} = X_{Det}\beta^{Det} + \epsilon^{Det},$$

$$Y_{Chi} = X_{Chi}\beta^{Chi} + \epsilon^{Chi}.$$

We know from the properties of linear models that the difference in our average outcome variable can be decomposed into differences in the explanatory variables, X , and differences in the coefficients, β , as

$$R = E(X_{Det})\beta^{Det} - E(X_{Chi})\beta^{Chi}.$$

We can further decompose the above gap into differences stemming from the difference in the explanatory variables (e.g., educational levels), and other unexplained differences. By defining a common pooled coefficient β^* , and adding and subtracting $E(X_{Det})\beta^*$ and $E(X_{Chi})\beta^*$, the decomposition can be rewritten as

$$R = \{E(X_{Det}) - E(X_{Chi})\}\beta^* + \{E(X_{Det})(\beta^{Det} - \beta^*) + E(X_{Chi})(\beta^* - \beta^{Chi})\}.$$

The first term, $\{E(X_{Det}) - E(X_{Chi})\}\beta^*$, is the explained portion, i.e., the gap that can be explained by differences in the level of the explanatory variable. The second term shows how much of the gap is left unexplained by differences in the explanatory variables.

In order to operationalize this decomposition, we need a way to estimate the components of the explained term: β^* , $E(X_{Det})$, and $E(X_{Chi})$. The expected value of X_{Det} and X_{Chi} are easily estimated using the sample averages of education levels in Detroit and Chicago. To estimate β^* , we use a

⁴ X can consist of either a single regressor or several explanatory variables, but it is always assumed to include a constant (or intercept) term.

variation of the KOB decomposition called a pooled KOB decomposition, in which we estimate β^* by estimating the linear model:

$$Y = X\beta^* + I_{Det}\delta + \epsilon.$$

We estimate the model using ordinary least squares regression with data pooled from both Detroit and Chicago.

The pooled linear model simply regresses the outcome variable (i.e., whether a worker earns a living wage), on the explanatory variables (education, occupation, etc.) and a dummy variable for the reference city, using data for both cities. Using the estimated coefficient $\widehat{\beta^*}$ and the sample averages, we can therefore estimate the gap between Detroit and Chicago workers earning a living wage that can be explained by differences in education.

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Forecast Data Table 1
Employment in the City of Detroit
Number of Jobs
Calendar Years

	Actual		Forecast						
	2023	2024	2025	2026	2027	2028	2029	2030	2031
TOTAL JOBS* (Number of jobs)	232,538	234,410	234,868	235,587	236,706	237,931	238,754	239,693	240,896
(Annual percentage change)	(0.4)	(0.8)	(0.2)	(0.3)	(0.5)	(0.5)	(0.3)	(0.4)	(0.5)
GOODS-PRODUCING	32,217	32,507	30,925	30,236	30,634	30,971	31,255	31,534	31,828
Natural resources, and mining	680	682	699	714	724	734	744	755	765
Construction	8,010	8,091	8,004	8,003	8,059	8,138	8,195	8,251	8,333
Manufacturing	23,526	23,734	22,223	21,519	21,852	22,099	22,316	22,528	22,730
SERVICE-PROVIDING	200,321	201,903	203,943	205,351	206,072	206,960	207,499	208,159	209,067
Trade, transportation, and utilities	30,142	29,872	30,251	30,549	30,454	30,398	30,323	30,244	30,185
Retail trade	13,056	12,671	12,812	12,936	12,886	12,837	12,782	12,726	12,680
Trade, transportation, warehousing, and utilities	17,086	17,201	17,439	17,614	17,568	17,561	17,541	17,518	17,505
Information	2,186	1,999	1,956	1,902	1,908	1,913	1,919	1,924	1,929
Financial activities	13,538	13,643	13,103	12,525	12,471	12,656	12,777	12,860	12,942
Professional and business services	35,191	33,449	33,745	34,078	34,138	34,094	34,035	34,016	34,069
Professional, scientific, and technical	14,560	14,493	14,189	14,350	14,399	14,367	14,339	14,340	14,390
Management of companies and enterprises	9,004	8,264	9,518	9,495	9,480	9,460	9,432	9,403	9,384
Administrative support and waste management	11,627	10,692	10,038	10,233	10,259	10,267	10,263	10,274	10,296
Education and health services	67,430	68,608	69,904	70,270	70,393	70,515	70,492	70,522	70,681
Leisure and hospitality	25,107	26,367	26,517	27,330	27,654	27,958	28,226	28,530	28,854
Other services	6,875	7,017	6,943	7,040	7,125	7,182	7,227	7,269	7,313
Public Administration	19,382	20,483	20,914	21,108	21,452	21,787	22,050	22,344	22,646
Unallocated services	471	463	610	548	477	457	451	449	449
ADDENDA:									
Household Employment (BLS)**	239,701	240,450	238,326	239,570	239,634	239,894	240,200	240,638	240,963
(Annual percentage change)	(3.1)	(0.3)	(-0.9)	(0.5)	(0.0)	(0.1)	(0.1)	(0.2)	(0.1)
Unemployment Rate**	7.2	9.1	10.1	10.6	10.7	10.6	10.6	10.4	9.9

*Actual data through calendar 2025q3

**Actual data through calendar 2026q1

Forecast Data Table 2
Employment in the City of Detroit
Number of Jobs
Fiscal Years (July 1–June 30)

	Actual			Forecast					
	2023	2024	2025	2026	2027	2028	2029	2030	2031
TOTAL JOBS* (Number of jobs)	231,754	233,002	234,770	235,488	236,094	237,306	238,439	239,152	240,272
(Annual percentage change)	(1.2)	(0.5)	(0.8)	(0.3)	(0.3)	(0.5)	(0.5)	(0.3)	(0.5)
GOODS-PRODUCING	31,671	32,410	31,772	30,491	30,421	30,820	31,114	31,395	31,676
Natural resources, and mining	708	653	697	709	719	729	739	749	760
Construction	7,658	8,074	8,025	8,055	8,024	8,098	8,173	8,217	8,291
Manufacturing	23,305	23,683	23,051	21,727	21,679	21,993	22,202	22,428	22,625
SERVICE-PROVIDING	200,083	200,592	202,998	204,997	205,672	206,486	207,325	207,757	208,596
Trade, transportation, and utilities	29,997	30,045	29,772	30,667	30,484	30,427	30,365	30,280	30,213
Retail trade	12,973	12,847	12,669	12,927	12,913	12,861	12,812	12,752	12,703
Trade, transportation, warehousing, and utilities	17,024	17,198	17,104	17,740	17,571	17,566	17,553	17,528	17,511
Information	2,300	2,066	1,997	1,905	1,905	1,910	1,916	1,921	1,927
Financial activities	14,300	13,528	13,504	12,764	12,435	12,558	12,727	12,818	12,898
Professional and business services	35,926	34,061	33,523	33,941	34,137	34,117	34,068	34,014	34,037
Professional, scientific, and technical	14,280	14,634	14,240	14,286	14,395	14,383	14,354	14,331	14,360
Management of companies and enterprises	9,125	8,598	8,870	9,513	9,488	9,470	9,448	9,416	9,393
Administrative support and waste management	12,520	10,829	10,413	10,142	10,253	10,264	10,266	10,266	10,284
Education and health services	66,805	67,872	69,475	70,111	70,351	70,424	70,568	70,462	70,598
Leisure and hospitality	24,209	25,563	26,500	27,037	27,501	27,806	28,096	28,372	28,690
Other services	6,886	6,907	6,977	6,997	7,088	7,155	7,206	7,247	7,291
Public Administration	19,175	20,115	20,703	20,971	21,271	21,624	21,926	22,192	22,495
Unallocated services	485	435	547	602	501	464	453	450	449
ADDENDA:									
Household Employment (BLS)**	235,528	241,303	239,224	238,597	239,784	239,676	240,103	240,390	240,817
(Annual percentage change)	(2.7)	(2.5)	(-0.9)	(-0.3)	(0.5)	(-0.0)	(0.2)	(0.1)	(0.2)
Unemployment Rate**	6.9	7.9	10.0	10.4	10.7	10.6	10.6	10.5	10.2

*Actual data through calendar 2025q3

**Actual data through calendar 2026q1

Forecast Data Table 3
Average Wage by Industry in the City of Detroit
Dollars
Calendar Years

	Actual		Forecast						
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Average Wage* (Dollars)	80,248	83,716	88,382	91,064	93,906	97,323	100,569	103,929	107,477
(Annual percentage change)	(4.6)	(4.3)	(5.6)	(3.0)	(3.1)	(3.6)	(3.3)	(3.3)	(3.4)
GOODS-PRODUCING	80,239	89,621	94,659	99,391	102,985	107,683	110,989	114,268	118,023
Natural resources, and mining	90,113	95,663	91,855	92,372	94,789	97,268	99,813	102,425	105,104
Construction	104,066	111,623	115,898	121,082	125,448	129,966	134,435	139,251	144,342
Manufacturing	71,841	81,946	87,097	91,557	94,972	99,823	102,752	105,514	108,809
SERVICE-PROVIDING	80,250	82,766	87,430	89,837	92,556	95,772	99,000	102,363	105,872
Trade, transportation, and utilities	65,097	66,961	67,544	69,350	71,886	74,235	76,428	78,631	80,872
Retail trade	37,412	38,232	38,384	39,919	41,487	43,009	44,478	45,996	47,567
Trade, transportation, warehousing, and utilities	86,251	88,125	88,966	90,964	94,183	97,061	99,710	102,339	104,997
Information	118,802	127,408	130,561	136,719	141,118	145,531	149,289	152,678	155,647
Financial activities	108,601	112,936	127,865	126,338	124,117	128,242	132,631	137,152	141,779
Professional and business services	117,930	123,380	130,283	136,320	141,734	147,381	152,933	158,942	165,327
Professional, scientific, and technical	123,210	131,696	137,657	140,675	146,504	152,515	158,439	164,751	171,342
Management of companies and enterprises	175,732	169,881	189,776	206,767	215,693	225,049	234,078	244,242	255,252
Administrative support and waste management	66,556	76,169	63,455	64,840	66,695	68,639	70,661	72,767	74,961
Education and health services	72,754	75,295	79,661	82,717	85,630	88,638	91,761	94,993	98,356
Leisure and hospitality	52,842	54,345	59,395	59,867	61,356	63,298	65,208	67,214	69,294
Other services	54,164	56,779	59,860	62,071	63,938	65,922	67,936	70,021	72,183
Public Administration	82,976	86,412	89,423	91,425	94,457	97,458	100,553	103,726	107,035
Unallocated services	43,516	44,630	50,481	47,794	46,174	46,994	48,016	49,037	50,061

*Actual data through calendar 2025q3

Forecast Data Table 4
Average Wage by Industry in the City of Detroit
Dollars
Fiscal Years (July 1–June 30)

	Actual			Forecast					
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Average Wage* (Dollars)	78,774	82,071	85,511	90,151	92,354	95,602	98,923	102,257	105,668
(Annual percentage change)	(4.1)	(4.2)	(4.2)	(5.4)	(2.4)	(3.5)	(3.5)	(3.4)	(3.3)
GOODS-PRODUCING	75,999	85,489	91,159	97,898	101,214	105,149	109,438	112,776	116,011
Natural resources, and mining	85,453	93,555	95,510	91,187	93,572	96,020	98,533	101,110	103,756
Construction	98,891	108,711	113,210	118,844	123,321	127,767	132,083	136,819	141,752
Manufacturing	68,190	77,349	83,351	90,352	93,285	97,123	101,465	104,356	106,990
SERVICE-PROVIDING	79,213	81,518	84,627	88,999	91,043	94,178	97,345	100,667	104,097
Trade, transportation, and utilities	64,358	66,102	67,217	68,031	70,652	73,088	75,328	77,529	79,743
Retail trade	36,516	37,813	38,091	39,073	40,723	42,257	43,735	45,232	46,772
Trade, transportation, warehousing, and utilities	85,574	87,234	88,791	89,133	92,647	95,661	98,386	101,026	103,660
Information	119,266	123,583	127,124	134,862	138,999	143,425	147,360	151,051	154,203
Financial activities	106,709	109,716	118,718	130,991	122,891	126,117	130,417	134,879	139,454
Professional and business services	112,962	120,167	126,268	134,314	139,095	144,669	149,965	155,909	162,074
Professional, scientific, and technical	120,637	126,425	136,557	138,267	143,647	149,597	155,325	161,573	168,001
Management of companies and enterprises	166,168	170,734	175,703	203,461	211,435	220,644	229,107	239,095	249,607
Administrative support and waste management	65,430	71,558	70,090	63,881	65,759	67,660	69,640	71,703	73,852
Education and health services	72,542	74,348	76,943	81,368	84,149	87,120	90,186	93,358	96,663
Leisure and hospitality	51,979	54,521	56,120	59,975	60,494	62,318	64,243	66,204	68,242
Other services	52,924	55,605	58,003	61,185	62,992	64,920	66,921	68,970	71,091
Public Administration	81,762	84,064	88,161	89,901	92,937	95,947	98,994	102,123	105,369
Unallocated services	48,048	42,438	46,426	50,817	46,280	46,517	47,503	48,527	49,548

*Actual data through calendar 2025q1

Forecast Data Table 5
City of Detroit Resident Income
Millions of Nominal Dollars (Annual Percent Changes in Parentheses)
Calendar Years

	Actual		Forecast						
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Resident Income	14,228	15,169	15,680	16,384	16,912	17,535	18,128	18,759	19,422
	(11.9)	(6.6)	(3.4)	(4.5)	(3.2)	(3.7)	(3.4)	(3.5)	(3.5)
Wage and Salary Income	10,292	10,667	11,255	11,899	12,347	12,902	13,438	14,007	14,604
	(15.1)	(3.6)	(5.5)	(5.7)	(3.8)	(4.5)	(4.2)	(4.2)	(4.3)
Transfer Income	1,992	2,168	2,220	2,234	2,269	2,289	2,289	2,289	2,289
	(-1.6)	(8.8)	(2.4)	(0.6)	(1.6)	(0.8)	(0.0)	(0.0)	(0.0)
Other Income	1,944	2,333	2,205	2,251	2,295	2,345	2,401	2,463	2,529
	(11.7)	(20.0)	(-5.5)	(2.1)	(2.0)	(2.2)	(2.4)	(2.6)	(2.7)
ADDENDA:									
Household Employment (ACS, Persons)	241,862	248,535	247,372	249,037	249,121	249,469	249,880	250,467	250,903
	(6.8)	(2.8)	(-0.5)	(0.7)	(0.0)	(0.1)	(0.2)	(0.2)	(0.2)
Average Wage (ACS, Dollars)	42,553	42,921	45,499	47,779	49,560	51,716	53,778	55,924	58,205
	(7.8)	(0.9)	(6.0)	(5.0)	(3.7)	(4.3)	(4.0)	(4.0)	(4.1)
Total Resident Income in 2023\$	14,228	14,685	14,893	15,084	15,178	15,394	15,545	15,711	15,873
	(6.2)	(3.2)	(1.4)	(1.3)	(0.6)	(1.4)	(1.0)	(1.1)	(1.0)
CPI, Detroit (1982–84=100)*	282.8	292.1	297.8	307.2	315.1	322.1	329.8	337.7	346.0
	(5.4)	(3.3)	(1.9)	(3.2)	(2.6)	(2.2)	(2.4)	(2.4)	(2.5)

*Actual data through calendar 2025q4

Forecast Data Table 6
City of Detroit Resident Income
Millions of Nominal Dollars (Annual Percent Changes in Parentheses)
Interpolated Fiscal Years (July 1–June 30)

	Actual		Forecast						
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Resident Income	13,384	14,761	15,439	16,031	16,653	17,219	17,831	18,439	19,087
	(5.6)	(10.3)	(4.6)	(3.8)	(3.9)	(3.4)	(3.6)	(3.4)	(3.5)
Wage and Salary Income	9,608	10,527	10,944	11,586	12,128	12,618	13,169	13,719	14,302
	(10.5)	(9.6)	(4.0)	(5.9)	(4.7)	(4.0)	(4.4)	(4.2)	(4.3)
Transfer Income	1,965	2,075	2,204	2,228	2,251	2,281	2,290	2,289	2,289
	(-11.7)	(5.6)	(6.2)	(1.1)	(1.0)	(1.3)	(0.4)	(-0.0)	(0.0)
Other Income	1,812	2,160	2,291	2,217	2,273	2,319	2,372	2,432	2,496
	(3.1)	(19.2)	(6.1)	(-3.2)	(2.5)	(2.0)	(2.3)	(2.5)	(2.6)
ADDENDA:									
Household Employment (ACS, Persons)	234,021	246,228	248,266	248,126	249,161	249,275	249,660	250,172	250,704
	(4.8)	(5.2)	(0.8)	(-0.1)	(0.4)	(0.0)	(0.2)	(0.2)	(0.2)
Average Wage (ACS, Dollars)	41,057	42,754	44,083	46,693	48,676	50,621	52,747	54,837	57,047
	(5.4)	(4.1)	(3.1)	(5.9)	(4.2)	(4.0)	(4.2)	(4.0)	(4.0)
Total Resident Income in 2023\$	13,683	14,496	14,806	14,996	15,129	15,282	15,472	15,627	15,793
	(-3.0)	(5.9)	(2.1)	(1.3)	(0.9)	(1.0)	(1.2)	(1.0)	(1.1)
CPI, Detroit (1982–84=100)*	276.5	287.5	295.1	302.1	311.7	318.6	325.9	333.7	341.8
	(7.1)	(4.0)	(2.7)	(2.4)	(3.2)	(2.2)	(2.3)	(2.4)	(2.4)

*Actual data through calendar 2025q4