

MICHIGAN ECONOMIC INDICATORS

A newsletter on key economic indicators prepared by the Senate Fiscal Agency.

ECONOMIC HIGHLIGHTS

- Seasonally adjusted **light vehicle sales** increased 1.9% in August 2013 from the July level, and were 11.1% above the level one year ago. Compared with August 2012, sales of imported light trucks and automobiles increased 28.1% and 15.1%, respectively. Meanwhile, sales of domestic light trucks and automobiles increased from last year's level by 10.6% and 7.0%, respectively. August light vehicle sales were at a 16.0 million unit annual rate, the highest level since November 2007.
- The **value of the dollar** fell 1.2% against major currencies in August from the July level. However, the value of the dollar has grown 2.8% from August 2012 and was at its highest value for the month of August since 2007. The value of the dollar against major currencies also has grown 10.6% from the modern record-low set in August 2011.



- Michigan's unemployment rate** increased from 8.8% in July to 9.0% in August, but was down from 9.3% one year ago. The increase in the unemployment rate from July reflected declining employment rather than a growing labor force, the fourth consecutive month of increasing unemployment and the highest unemployment rate since November 2012. Compared with one year ago, however, employment was up 81,000 jobs, and the size of the labor force (those working or looking for work) had grown by 74,000 individuals.
- Average weekly hours** in August fell in most major industries compared with August 2012. The most substantial declines occurred in the financial activities and motor vehicle parts manufacturing industries, where average weekly hours fell between 2.7% and 3.3%. The only industries to post gains over the previous year were nondurable goods (2.9%) and health care and social assistance (0.6%).



U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)

U.S.	Aug. 2013	July 2013	Aug. 2012	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,486	155,798	154,647	(312)	(0.2%)	839	0.5%
Employment	144,170	144,285	142,164	(115)	(0.1)	2,006	1.4
Unemployment	11,316	11,514	12,483	(198)	(1.7)	(1,167)	(9.3)
Unemployment Rate	7.3%	7.4%	8.1%	---	---	---	---
Michigan	Aug. 2013	July 2013	Aug. 2012	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,727	4,728	4,653	(1)	(0.0%)	74	1.6%
Employment	4,302	4,309	4,221	(7)	(0.2)	81	1.9
Unemployment	425	418	432	6	1.5	(7)	(1.6)
Unemployment Rate	9.0%	8.8%	9.3%	---	---	---	---

Source: Bureau of Labor Statistics, U.S. Department of Labor (Household Data)



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Aug. 2013*	July 2013	Aug. 2012	Change from July		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,098	4,090	4,030	8	0.2%	68	1.7%
Goods Producing Industries	693	687	674	6	0.9	19	2.8
Mining and Logging	8	8	8	0	0.0	0	1.3
Construction	127	125	126	3	2.2	1	0.8
Manufacturing	558	555	540	3	0.6	18	3.3
Transportation Equipment	168	165	158	3	1.8	10	6.3
Service Producing Industries	3,405	3,403	3,356	2	0.1	49	1.5
Trade, Transportation & Utilities	744	742	728	2	0.3	16	2.2
Wholesale Trade	161	161	159	1	0.3	2	1.3
Retail Trade	460	458	448	2	0.4	13	2.8
Transportation & Utilities	123	123	121	(0)	(0.2)	2	1.3
Information	52	53	54	(1)	(1.9)	(2)	(3.0)
Financial Activities	196	198	198	(2)	(0.8)	(2)	(0.9)
Professional & Business Services	595	592	579	3	0.5	16	2.7
Education & Health Services	642	641	633	1	0.1	9	1.4
Leisure & Hospitality Services	400	401	388	(1)	(0.1)	12	3.2
Other Services	170	169	168	1	0.5	2	1.0
Government	606	608	608	(2)	(0.4)	(2)	(0.4)

Source: Bureau of Labor Statistics, U.S. Department of Labor (Establishment Data) *Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Aug. 2013	Year Ago	Percent Change	Aug. 2013	Year Ago	Percent Change
Construction	40.4	41.3	(2.2%)	\$958.69	\$985.01	(2.7%)
Manufacturing	43.5	44.0	(1.1)	853.47	905.96	(5.8)
Durable Goods	44.1	45.1	(2.2)	912.43	985.44	(7.4)
Transportation Equipment Mfg.	46.2	47.1	(1.9)	1,120.81	1,277.35	(12.3)
Motor Vehicle Parts Mfg.	46.0	47.3	(2.7)	1,064.90	1,176.35	(9.5)
Nondurable Goods	41.9	40.7	2.9	684.23	667.07	2.6
Wholesale Trade	38.0	38.0	0.0	848.92	824.22	3.0
Retail Trade	30.2	30.5	(1.0)	390.79	389.18	0.4
Information	34.9	35.1	(0.6)	844.58	838.89	0.7
Financial Activities	35.1	36.3	(3.3)	648.30	682.08	(5.0)
Professional & Business Services	34.6	35.4	(2.3)	766.74	785.53	(2.4)
Health Care & Social Assistance	32.4	32.2	0.6	618.84	606.33	2.1
Leisure & Hospitality	23.7	23.7	0.0	236.05	231.55	1.9
Accommodation & Food Services	23.5	23.7	(0.8)	225.13	223.73	0.6

Source: Bureau of Labor Statistics, U.S. Department of Labor

MICHIGAN UNEMPLOYMENT RATES BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS (Not Adjusted for Seasonal Variations)				
	Aug. 2013	July 2013	June 2013	Aug. 2012
Metropolitan Statistical Areas				
Ann Arbor	6.2%	7.3%	6.8%	6.0%
Battle Creek	7.4	8.5	7.9	7.4
Bay City	8.6	9.8	9.3	8.3
Detroit-Warren-Livonia	9.8	10.4	10.3	11.0
Flint	9.7	11.2	10.1	9.5
Grand Rapids-Wyoming	6.4	7.5	7.1	6.8
Holland-Grand Haven	6.5	7.7	7.2	6.7
Jackson	8.7	9.9	9.4	8.6
Kalamazoo-Portage	7.3	8.4	8.0	7.5
Lansing-East Lansing	7.5	8.9	8.1	7.4
Monroe	7.9	9.6	8.8	7.9
Muskegon-Norton Shores	8.5	9.8	9.2	8.8
Niles-Benton Harbor	8.7	9.8	9.5	8.8
Saginaw-Saginaw Twp North	8.8	10.2	9.5	8.6
Multi-County Areas				
Northeast Lower Michigan	10.0	11.3	11.0	9.6
Northwest Lower Michigan	8.4	9.3	9.4	8.4
Upper Peninsula	8.6	9.7	9.6	8.4
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.7	9.7	9.4	9.2

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Aug. 2013	July 2013	June 2013	May 2013	Year Ago Aug.	Percent Change From:	
						Aug./July	Aug. 2013/ Aug. 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,844	7,729	7,667	7,409	7,176	1.5%	9.3%
Domestics	5,520	5,512	5,510	5,282	5,157	0.1	7.0
Imports	2,324	2,217	2,157	2,127	2,019	4.8	15.1
Import Share	29.6%	28.7%	28.1%	28.7%	28.1%	---	---
Light Trucks	8,187	8,010	8,164	8,016	7,249	2.2	12.9
Domestics	6,925	6,695	6,851	6,792	6,264	3.4	10.6
Imports	1,262	1,315	1,313	1,224	985	(4.0)	28.1
Import Share	15.4%	16.4%	16.1%	15.3%	13.6%	---	---
Subtotal: Light Vehicle Sales	16,031	15,739	15,831	15,425	14,425	1.9	11.1
Heavy Trucks	346	354	373	344	356	(2.3)	(2.8)
Total Vehicle Sales	16,377	16,093	16,204	15,769	14,781	1.8	10.8
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,265	3,839	4,565	4,396	4,099	11.1	4.0
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	N/A	752	1,002	989	841	N/A	N/A
Trucks	N/A	1,535	1,453	1,608	1,404	N/A	N/A
Total	N/A	2,286	2,455	2,597	2,245	N/A	N/A
Michigan Production as % of U.S.	N/A	22.3%	22.8%	22.5%	22.5%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,389	1,407	1,595	1,541	1,224	(1.3)	13.5
Days Supply	52	54	58	55	50	(3.7)	4.0
Total Truck	1,516	1,533	1,671	1,627	1,499	(1.1)	1.2
Days Supply	57	58	63	59	64	(1.7)	(10.9)

SAAR = Seasonally Adjusted at Annual Rates.

Sources: 1) U.S. Department of Commerce, Bureau of Economic Analysis. 2) Michigan Department of Treasury, Office of Revenue and Tax Analysis and the Senate Fiscal Agency. 3) Automotive News, Crain Communications, Inc. (ending inventory).

OTHER KEY ECONOMIC INDICATORS

Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period*	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Aug.	82.1	85.1	74.3	(3.5%)	10.5%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Aug.	\$106.57	\$104.67	\$94.13	1.8	13.2
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Aug.	891	883	749	0.9	19.0
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Aug.	\$380.7	\$379.9	\$363.3	0.2	4.8
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Aug.	99.4	99.0	96.8	0.4	2.7
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Aug.	77.8	77.6	77.2	0.3	0.9
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Aug.	233.5	233.3	230.0	1.1	1.5
Detroit (not seasonally adjusted)	Aug.	220.0	221.6	217.1	(4.3)	1.3
Interest Rates						
3-month Treasury Bill ⁴⁾	Aug.	0.04%	0.04%	0.10%	---	---
Corporate Aaa Bonds ⁴⁾	Aug.	4.54%	4.34%	3.48%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2013 2nd Qtr.	\$15,893.9	\$15,789.7	\$15,656.2	2.7	1.5
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Aug. 2013	\$1,636.2	\$1,828.5	\$1,661.7	NM	(1.5)

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.

Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

*Note: Percent changes from previous period for CPI and GDP at annual rate.

Sources: 1) Reuters/University of Michigan Surveys of Consumers. 2) Dow Jones & Company/Federal Reserve Bank of St. Louis. 3) U.S. Department of Commerce, Bureau of the Census. 4) Board of Governors of the Federal Reserve System. 5) U.S. Department of Labor, Bureau of Labor Statistics. 6) U.S. Department of Commerce, Bureau of Economic Analysis. 7) Michigan Department of Treasury and the Senate Fiscal Agency.

