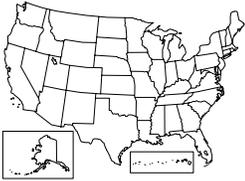


MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS

- The advance estimate for **inflation-adjusted Gross Domestic Product (GDP)** in the first quarter of 2009 reported an annualized decline in the economy of 6.1%, following the 6.3% decline in the fourth quarter of 2008 and a 0.5% decline in the third quarter. The three-quarter decline represents the most significant decline on record in the quarterly GDP data, which begin in 1947. While consumption exhibited the first growth since the second quarter of 2008, significant declines in business investment, exports, and government spending (particularly at the state and local levels) more than offset the improvement in consumption.
- **Retail sales** fell 1.3% in March from the February level, wiping out the modest increases reported in January and February. March sales were down 10.9% from one year ago. All sectors, except food/beverage stores and health/personal care stores, experienced declines compared with February. The largest declines occurred in motor vehicles/parts, electronics/appliances, furniture/home furnishings, and gas stations.
- **U.S. motor vehicle production** increased for a second consecutive month in March, rising 12.9% from the February level. However, production remained 73.0% below the March 2008 level and 36.5% below the December 2008 level. While March **light vehicle sales** were slightly above February's level, year-over-year sales were down 26.0% or more in all sectors.
- **U.S. wage and salary employment** fell by 699,000 jobs in March from the February level, the 15th consecutive monthly decline. Since December 2007, employment has declined by 5.2 million jobs, the largest drop in the monthly series that begins in January 1939, surpassing the 3.4 million drop in September 1945 as World War II production ended. Adjusted for the size of the labor force, the decline still represented the fourth-largest decline in the last 70 years.



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- Seasonally adjusted **Michigan motor vehicle production** increased 32.9% in March from February's exceedingly depressed level but was still down 35.7% from one year ago, with automobile production down 44.7%. March production remained 15.0% below the November 2008 level, which until 2009 represented the lowest level since at least January 1982.
 - Compared with March 2008, **average weekly earnings** during March were substantially lower in goods-producing sectors and meaningfully higher in service-producing sectors. Average weekly earnings for the manufacturing sector were down 9.1%, with earnings in transportation equipment manufacturing down 12.2%. In contrast, earnings were up 16.0% in the financial activities sector and 25.2% in the professional/business services sector.
 - **Michigan's unemployment rate** increased from 12.0% in February to 12.6% in March, the highest level since December 1983, and up from 5.1% in March 2008. While the loss of 41,000 jobs in March kept Michigan's unemployment rate the highest in the nation, six other states (California, Nevada, North Carolina, Oregon, Rhode Island, and South Carolina) had unemployment rates of more than 10.0%.



MARCH 2009

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

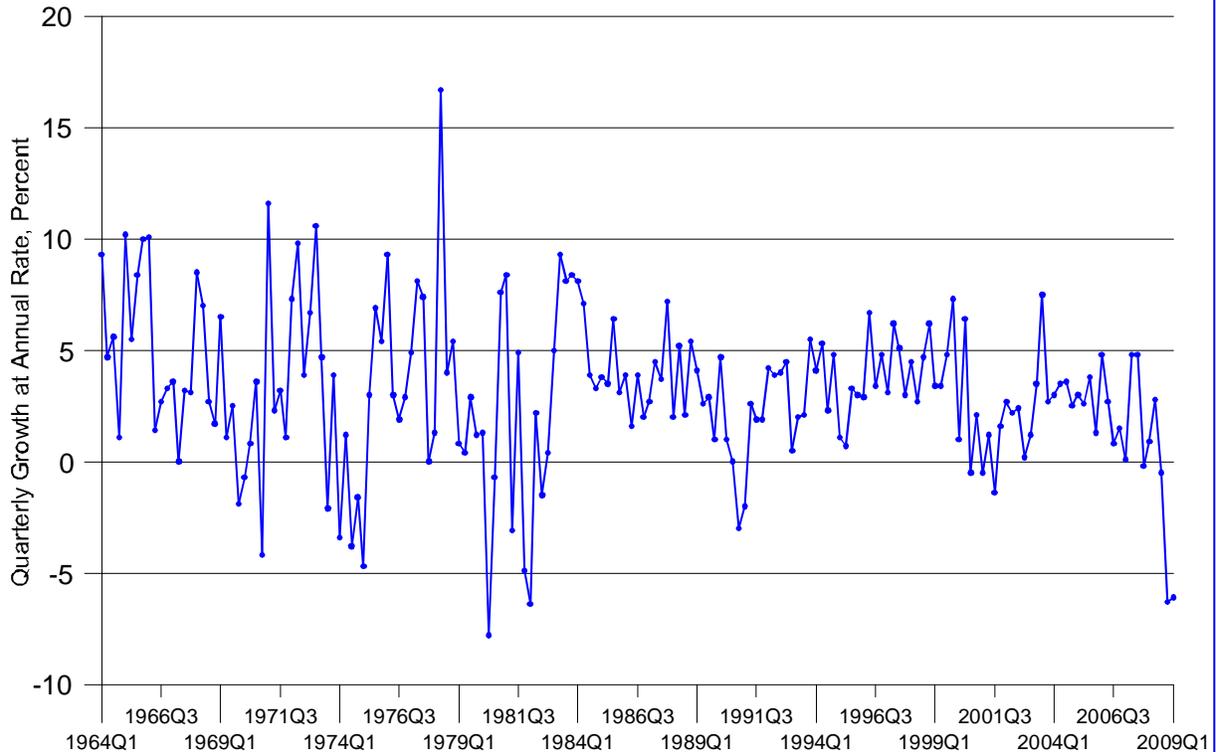
U.S.	Mar. 2009	Feb. 2009	Mar. 2008	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,048	154,214	153,843	(166)	(0.1)%	205	0.1%
Employment	140,887	141,748	146,023	(861)	(0.6)	(5,136)	(3.5)
Unemployment	13,161	12,466	7,820	695	5.6	5,341	68.3
Unemployment Rate	8.5%	8.1%	5.1%	---	---	---	---

Michigan	Mar. 2009	Feb. 2009	Mar. 2008	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,842	4,858	4,961	(16)	(0.3)%	(119)	(2.4)%
Employment	4,233	4,274	4,584	(41)	(1.0)	(352)	(7.7)
Unemployment	609	584	377	26	4.4	232	61.7
Unemployment Rate	12.6%	12.0%	7.6%	---	---	---	---

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

Worst Back-to-Back Quarters of Economic Growth

Inflation-Adjusted Gross Domestic Product, Seasonally Adjusted



Source: Bureau of Economic Analysis, U.S. Department of Commerce

**MICHIGAN WAGE AND SALARY EMPLOYMENT
(Seasonally adjusted, thousands)**

	Mar. 2009*	Feb. 2009	Mar. 2008	<u>Change from Feb.</u>		<u>Change from Yr Ago</u>	
				Number	Percent	Number	Percent
Total Wage & Salary Jobs	3,941	3,963	4,211	(23)	(0.6)%	(271)	(6.4)%
Goods Producing Industries	644	646	757	(2)	(0.3)	(113)	(14.9)
Natural Resources & Mining	8	8	8	(0)	(2.6)	(0)	(3.8)
Construction	143	146	159	(3)	(2.3)	(16)	(10.3)
Manufacturing	493	492	590	2	0.3	(96)	(16.3)
Transportation Equipment	134	130	179	4	3.0	(46)	(25.5)
Service Producing Industries	3,297	3,318	3,454	(21)	(0.6)	(158)	(4.6)
Trade, Transportation & Utilities	729	733	781	(4)	(0.5)	(52)	(6.6)
Wholesale Trade	152	153	169	(1)	(0.7)	(17)	(10.0)
Retail Trade	462	464	485	(2)	(0.5)	(23)	(4.8)
Transportation & Utilities	115	116	127	(1)	(0.7)	(12)	(9.2)
Information	58	60	63	(1)	(2.3)	(4)	(6.9)
Financial Activities	195	196	208	(1)	(0.3)	(12)	(6.0)
Professional & Business Services	504	512	575	(8)	(1.6)	(71)	(12.4)
Education & Health Services	614	615	605	(0)	(0.1)	9	1.5
Leisure & Hospitality Services	386	388	400	(3)	(0.7)	(15)	(3.7)
Other Services	170	172	176	(2)	(1.2)	(6)	(3.3)
Government	640	641	646	(1)	(0.2)	(7)	(1.0)

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

* Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS

Industry	<u>Average Weekly Hours</u>			<u>Average Weekly Earnings</u>		
	Mar. 2009	Year Ago	Percent Change	Mar. 2009	Year Ago	Percent Change
Construction	34.9	34.7	0.6%	\$65.01	\$81.10	(2.1)%
Manufacturing	40.3	43.1	(6.5)	885.39	973.63	(9.1)
Durable Goods	41.8	45.3	(7.7)	997.77	1,101.70	(9.4)
Transportation Equipment Mfg.	40.8	45.3	(9.9)	1,133.83	1,291.96	(12.2)
Motor Vehicle Parts Mfg.	40.6	43.4	(6.5)	1,012.16	1,114.08	(9.1)
Nondurable Goods	35.9	36.3	(1.1)	554.30	575.36	(3.7)
Wholesale Trade	36.9	38.7	(4.7)	660.14	747.68	(11.7)
Retail Trade	29.2	30.2	(3.3)	376.39	377.20	(0.2)
Food & Beverage Stores	24.3	27.7	(12.3)	305.21	297.22	2.7
Information	32.7	33.6	(2.7)	805.07	738.86	9.0
Financial Activities	36.3	35.0	3.7	796.42	686.35	16.0
Professional & Business Services	35.0	34.0	2.9	869.05	694.28	25.2
Health Care & Social Assistance	36.1	35.1	2.8	630.67	614.60	2.6
Leisure & Hospitality	22.8	22.0	3.6	207.48	202.84	2.3
Accommodation & Food Services	23.1	22.0	5.0	204.90	197.34	3.8

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

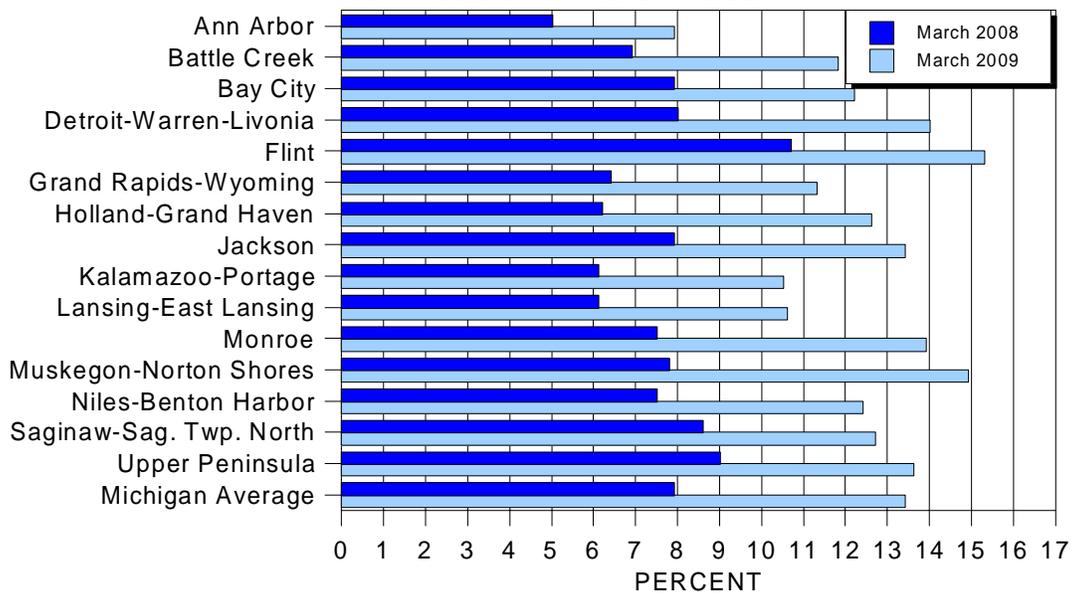
**MICHIGAN UNEMPLOYMENT RATES
BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS
(Not Adjusted for Seasonal Variations)**

	Mar. 2009	Feb. 2009	Jan. 2009	Mar. 2008
Metropolitan Statistical Areas				
Ann Arbor	7.9%	7.4%	7.3%	5.0%
Battle Creek	11.8	11.2	11.1	6.9
Bay City	12.2	11.3	11.4	7.9
Detroit-Warren-Livonia	14.0	13.6	13.0	8.0
Flint	15.3	13.8	14.8	10.7
Grand Rapids-Wyoming	11.3	10.5	10.3	6.4
Holland-Grand Haven	12.6	12.1	11.3	6.2
Jackson	13.4	12.7	12.1	7.9
Kalamazoo-Portage	10.5	9.9	9.6	6.1
Lansing-East Lansing	10.6	10.1	10.8	6.1
Monroe	13.9	12.9	14.6	7.5
Muskegon-Norton Shores	14.9	14.2	13.5	7.8
Niles-Benton Harbor	12.4	11.9	11.6	7.5
Saginaw-Saginaw Twp North	12.7	11.8	12.4	8.6
Multi-County Areas				
Northeast Lower Michigan	18.2	17.4	17.0	12.5
Northwest Lower Michigan	15.1	14.1	13.8	9.4
Upper Peninsula	13.6	12.8	12.2	9.0
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	13.4	12.7	12.5	7.9

Source: Michigan Department of Energy, Labor, and Economic Growth *Preliminary

Michigan Regional Unemployment Rates

March 2008 and March 2009



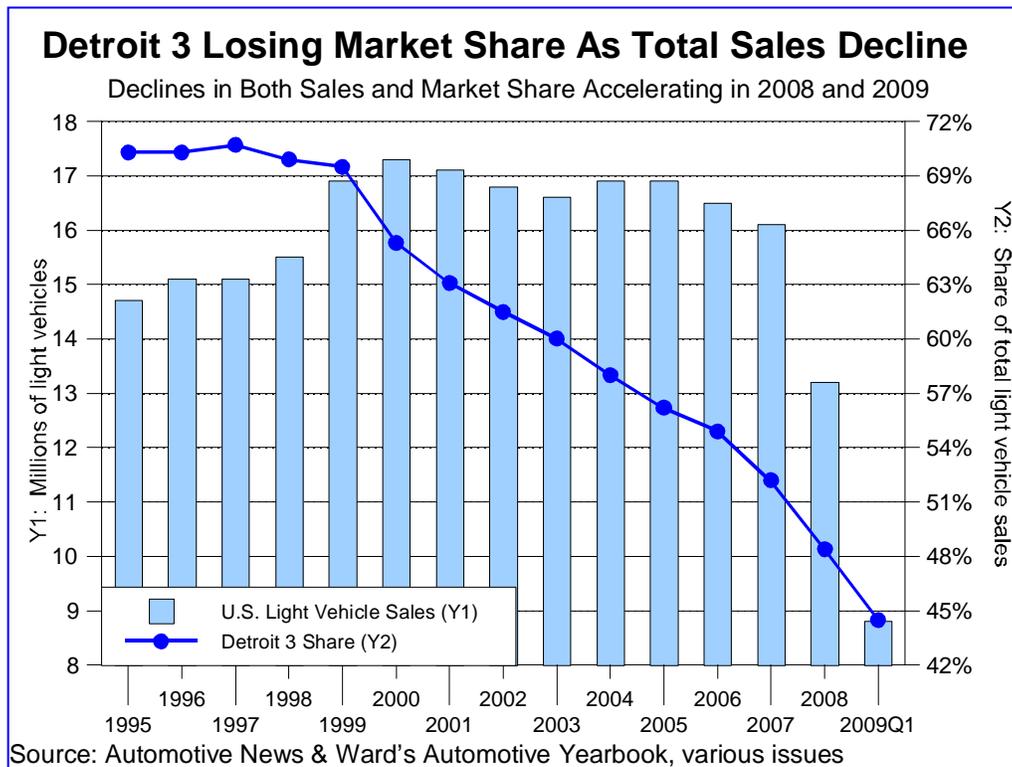
Source: Michigan Department of Energy, Labor, and Economic Growth

**MOTOR VEHICLE SALES AND PRODUCTION STATISTICS
(Thousands of Units)**

	Mar. 2009	Feb. 2009	Jan. 2009	Dec. 2008	Year Ago Feb.	Percent Change From:	
						Mar./Feb.	Mar. 2009/ Mar. 2008
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	5,096	4,613	4,586	5,198	7,525	10.5%	(32.3)%
Domestics	3,284	2,874	2,911	3,618	4,955	14.3	(33.7)
Imports	1,812	1,739	1,675	1,580	2,570	4.2	(29.5)
Import Share	35.6%	37.7%	36.5%	30.4%	34.2%	---	---
Light Trucks	4,740	4,482	4,957	5,070	7,514	5.8	(36.9)
Domestics	3,777	3,471	3,968	4,135	6,212	8.8	(39.2)
Imports	963	1,011	989	935	1,302	(4.7)	(26.0)
Import Share	20.3%	22.6%	20.0%	18.4%	17.3%	---	---
Subtotal: Light Vehicle Sales	9,836	9,095	9,543	10,268	15,039	8.1	(34.6)
Heavy Trucks	169	194	211	257	315	(12.9)	(46.3)
Total Vehicle Sales	10,005	9,289	9,754	10,525	15,354	7.7	(34.8)
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	1,876	1,662	1,333	2,952	6,936	12.9	(73.0)
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	576	243	134	853	1,042	136.9	(44.7)
Trucks	650	679	504	713	866	(4.4)	(25.0)
Total	1,226	923	639	1,567	1,908	32.9	(35.7)
Michigan Production as % of U.S.	23.3%	19.1%	16.7%	22.6%	22.3%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,548	1,578	1,627	1,734	1,442	(2.0)	7.3
Days Supply	83	107	130	102	53	(22.4)	56.6
Total Truck	1,289	1,322	1,357	1,489	1,909	(2.5)	(32.4)
Days Supply	82	94	106	85	76	(12.8)	7.9

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⁾ (1992=100)	Mar.	57.3	56.3	69.5	1.8%	(17.6)%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Mar.	\$47.98	\$39.16	\$105.56	22.5	(54.5)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Mar.	510	572	988	(10.8)	(48.4)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Mar.	\$300.8	\$304.9	\$337.6	(1.3)	(10.9)
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Mar.	97.4	98.8	111.6	(1.5)	(12.8)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Mar.	69.3	70.3	79.8	(1.4)	(13.2)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Mar.	212.7	213.0	213.7	(1.6)	(0.4)
Detroit (not seasonally adjusted)	Feb.	201.9	198.0	202.4	12.5	(0.2)
Interest Rates						
3-month Treasury Bill ⁴⁾	Mar.	0.25%	0.31%	1.38%	---	---
Corporate Aaa Bonds ⁴⁾	Mar.	5.50%	5.27%	5.51%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2000 \$, SAAR, Chain-Weighted)	2009 1st Qtr.	\$11,340.9	\$11,522.1	\$11,646.0	(6.1)	(2.6)
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Mar. 2008	\$995.0	\$666.3	\$1,199.4	NM	(17.0)

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.

