

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- **U.S. motor vehicle production** increased 8.8% in April from the March level, and was up 60.3% from the level in April 2011. The production level in April 2012 was the strongest since July 2008 and the second-highest since May 2006. While a portion of the increase reflected the 101% year-over-year increase in vehicle production by Toyota and 153% increase by Honda, increases that reflected low production in April 2011 that resulted from the Japanese earthquake and tsunami, many other manufacturers exhibited substantial increases in production. Production of Chrysler brand vehicles was up 17% from April 2011, while Ford's production was up 18%. General Motors' vehicle production in April was down 2% from last year.
- The **U.S. Consumer Price Index (CPI)** for April increased at an annual rate of 0.4% from the March level and was 2.3% above the level one year ago. The energy component of the index declined, after three consecutive months of increases. "Core" prices, excluding food and energy, were also up 2.3% over the last 12 months, the first time since October 2009 that the increase in the overall index has not exceeded the increase in core prices.



- **Michigan wage and salary employment** increased by 5,000 jobs in April from the March level, and was 59,000 jobs above the level in April 2011. Compared with one year ago, the manufacturing (26,000 jobs) and professional/business services (20,000 jobs) sectors exhibited the largest increases, while the government sector exhibited the largest decrease (10,000 jobs). The only other sectors posting year-over-year employment declines were retail trade (7,000 jobs) and construction (3,000 jobs). Government employment in April was below the year-ago level for the 35th consecutive month.
- **Building permits in Michigan** increased 2.9% in 2011, the first annual increase since 2004. However, despite the increase, the number of permits issued in 2011 was 82.9% below the peak in 2004.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Apr. 2012	Mar. 2012	Apr. 2011	Change from Mar.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,365	154,707	153,420	(342)	(0.2%)	945	0.6%
Employment	141,865	142,034	139,628	(169)	(0.1)	2,237	1.6
Unemployment	12,500	12,673	13,792	(173)	(1.4)	(1,292)	(9.4)
Unemployment Rate	8.1%	8.2%	9.0%	---	---	---	---
Michigan	Apr. 2012	Mar. 2012	Apr. 2011	Change from Mar.		Change from Year Ago	
Labor Force	4,659	4,656	4,670	2	0.1%	(12)	(0.2%)
Employment	4,270	4,259	4,179	10	0.2	91	2.2
Unemployment	389	397	491	(8)	(2.0)	(102)	(20.8)
Unemployment Rate	8.3%	8.5%	10.5%	---	---	---	---

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



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Prepared by:
David Zin
Chief Economist

MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Apr. 2012*	Mar. 2012	Apr. 2011	Change from Mar.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,989	3,984	3,929	5	0.1%	59	1.5%
Goods Producing Industries	655	661	632	(6)	(0.8)	23	3.7
Mining and Logging	8	7	7	0	2.7	0	2.7
Construction	121	126	124	(4)	(3.3)	(3)	(2.4)
Manufacturing	526	528	500	(2)	(0.3)	26	5.2
Transportation Equipment	145	149	141	(4)	(2.5)	4	2.5
Service Producing Industries	3,334	3,324	3,298	10	0.3	36	1.1
Trade, Transportation & Utilities	720	719	720	1	0.1	(1)	(0.1)
Wholesale Trade	160	159	155	1	0.3	5	3.0
Retail Trade	442	440	449	2	0.4	(7)	(1.6)
Transportation & Utilities	119	120	117	(1)	(1.1)	2	1.6
Information	53	53	53	0	0.0	1	1.1
Financial Activities	197	194	192	2	1.1	5	2.5
Professional & Business Services	572	566	552	6	1.0	20	3.6
Education & Health Services	631	629	617	2	0.4	14	2.3
Leisure & Hospitality Services	380	381	376	(1)	(0.3)	3	0.9
Other Services	170	169	166	1	0.7	4	2.3
Government	611	612	621	(1)	(0.1)	(10)	(1.6)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Apr. 2012	Year Ago	Percent Change	Apr. 2012	Year Ago	Percent Change
Construction	38.7	39.6	(2.3%)	\$904.81	\$905.65	(0.1%)
Manufacturing	44.1	43.7	0.9	922.13	935.62	(1.4)
Durable Goods	45.5	44.6	2.0	1,012.83	1,028.92	(1.6)
Transportation Equipment Mfg.	49.1	44.6	10.1	1,354.67	1,272.44	6.5
Motor Vehicle Parts Mfg.	47.7	45.5	4.8	1,198.70	1,142.05	5.0
Nondurable Goods	40.0	41.0	(2.4)	651.20	654.36	(0.5)
Wholesale Trade	38.5	38.3	0.5	857.78	773.66	10.9
Retail Trade	29.9	29.9	0.0	389.90	387.80	0.5
Information	36.1	32.7	10.4	866.04	815.87	6.1
Financial Activities	36.7	35.3	4.0	704.64	712.00	(1.0)
Professional & Business Services	34.9	34.2	2.0	774.08	736.67	5.1
Health Care & Social Assistance	31.8	31.3	1.6	593.07	589.07	0.7
Leisure & Hospitality	21.9	22.4	(2.2)	218.12	221.09	(1.3)
Accommodation & Food Services	21.9	22.4	(2.2)	210.24	214.59	(2.0)

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)				
	Apr. 2012	Mar. 2012	Feb. 2012	Apr. 2011
Metropolitan Statistical Areas				
Ann Arbor	5.0%	5.5%	5.4%	6.1%
Battle Creek	6.8	7.5	7.7	8.7
Bay City	8.0	9.2	9.3	9.8
Detroit-Warren-Livonia	8.7	9.6	10.2	11.1
Flint	8.6	9.6	9.8	10.8
Grand Rapids-Wyoming	6.3	7.2	7.4	8.1
Holland-Grand Haven	6.1	7.1	7.2	8.0
Jackson	7.7	8.6	8.8	9.7
Kalamazoo-Portage	6.8	7.8	8.0	8.5
Lansing-East Lansing	6.4	7.2	7.2	7.8
Monroe	7.6	8.4	8.7	9.5
Muskegon-Norton Shores	8.3	9.1	9.4	10.0
Niles-Benton Harbor	8.2	9.3	9.9	10.0
Saginaw-Saginaw Twp North	8.0	9.1	9.3	9.4
Multi-County Areas				
Northeast Lower Michigan	11.3	13.4	13.9	13.2
Northwest Lower Michigan	9.7	11.4	11.8	11.9
Upper Peninsula	9.0	10.3	10.5	10.8
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.0	9.0	9.4	10.1

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Apr. 2012	Mar. 2012	Feb. 2012	Jan. 2012	Year Ago April	Percent Change From:	
						Apr./Mar.	Apr. 2012/ Apr. 2011
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,408	7,582	8,145	7,374	6,692	(2.3%)	10.7%
Domestics	5,226	5,399	5,765	5,252	4,550	(3.2)	14.9
Imports	2,182	2,183	2,380	2,122	2,142	(0.0)	1.9
Import Share	29.5%	28.8%	29.2%	28.8%	32.0%	---	---
Light Trucks	6,963	6,733	6,891	6,756	6,440	3.4	8.1
Domestics	5,887	5,689	5,850	5,715	5,475	3.5	7.5
Imports	1,076	1,044	1,041	1,041	965	3.1	11.5
Import Share	15.5%	15.5%	15.1%	15.4%	15.0%	---	---
Subtotal: Light Vehicle Sales	14,371	14,315	15,036	14,130	13,132	0.4	9.4
Heavy Trucks	325	344	353	331	272	(5.5)	19.5
Total Vehicle Sales	14,696	14,659	15,389	14,461	13,404	0.3	9.6
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,388	4,034	3,955	3,979	2,737	8.8	60.3
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	999	949	1,096	1,047	712	5.3	40.3
Trucks	1,316	1,284	1,269	1,382	1,199	2.5	9.8
Total	2,315	2,233	2,364	2,429	1,911	3.7	21.2
Michigan Production as % of U.S.	22.1%	21.4%	20.7%	20.3%	24.1%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,212	1,220	1,200	1,181	988	(0.6)	22.6
Days Supply	45	44	48	60	43	2.3	4.7
Total Truck	1,524	1,496	1,404	1,317	1,319	1.9	15.5
Days Supply	67	66	66	72	67	1.5	0.0

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)	April	76.4	76.2	69.8	0.3%	9.5%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	April	\$103.33	\$106.19	\$110.04	(2.7)	(6.1)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	April	717	699	552	2.6	29.9
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	April	\$364.2	\$363.7	\$343.2	0.1	6.1
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	April	97.4	96.4	92.6	1.1	5.2
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	April	79.2	78.4	76.1	1.0	4.1
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	April	229.2	229.1	224.0	0.4	2.3
Detroit (not seasonally adjusted)	April	216.2	214.8	211.7	3.9	2.1
Interest Rates						
3-month Treasury Bill ⁴⁾	April	0.08%	0.08%	0.06%	---	---
Corporate Aaa Bonds ⁴⁾	April	3.96%	3.99%	5.16%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2011 4th Qtr.	\$13,491.0	\$13,429.0	\$13,227.9	1.9	2.0
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	April 2012	\$1,892.2	\$990.9	\$1,799.3	NM	5.2

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.

