

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS

- According to the advance estimate, **gross domestic product (GDP), adjusted for inflation**, increased at a 3.2% seasonally adjusted annual rate in the fourth quarter of 2013, less than the 4.1% estimated in the third quarter. Most sectors grew more slowly in the fourth quarter, and both Federal spending and residential investment declined. However, personal consumption expenditures increased 3.3% during the fourth quarter, up from 2.0% in the third quarter, while exports increased 11.4%, up from 3.9% growth in the prior quarter.



- The **index of industrial production** has recovered and surpassed its prerecession high of 100.82 in December 2007. During the recession, industrial production had declined 17.1%, to 83.76 in June 2008. The index broke the previous peak in November 2013, and rose to 101.76 in December 2013, the second consecutive month with a new peak value.

- As reported by the Michigan Association of Realtors, the **average residential sales price** in Michigan increased 12.8% in 2013, to \$124,716. Prices rose most rapidly in the Mason-Oceana-Manistee area, with a 39.9% increase, followed by Detroit, at 30.3% growth. Gains over 20.0% also were reported for the Down River, Greater Wayne County, Oakland County, and Macomb County areas. Only Huron County reported a price decline, of 0.5%. Statewide, the number of homes sold rose more slowly than prices, increasing 1.6%.
- **Michigan auto production** declined by 14.5% from December 2012 to December 2013 while **Michigan truck production** increased by 7.1% during the period. Total Michigan vehicle production, at a seasonally adjusted annual rate of 2.4 million in December 2013, represented 22.9% of the U.S. total production, up from 20.5% in December 2012.



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

U.S.	Dec. 2013	Nov. 2013	Dec. 2012	Change from Nov.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,937	155,284	155,485	(347)	(0.2%)	(548)	(0.4%)
Employment	144,586	144,443	143,212	143	0.1	1,374	1.0
Unemployment	10,351	10,841	12,273	(490)	(4.5)	(1,922)	(15.7)
Unemployment Rate	6.7%	7.0%	7.9%	---	---	---	---
Michigan	Dec. 2013	Nov. 2013	Dec. 2012	Change from Nov.		Change from Year Ago	
Labor Force	4,694	4,707	4,640	(13)	(0.3%)	54	1.2%
Employment	4,300	4,293	4,227	7	0.2	73	1.7
Unemployment	394	413	414	(19)	(4.6)	(20)	(4.8)
Unemployment Rate	8.4%	8.8%	8.9%	---	---	---	---

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



DECEMBER 2013

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Dec. 2013*	Nov. 2013	Dec. 2012	Change from Nov.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,093	4,095	4,029	(3)	(0.1%)	64	1.6%
Goods Producing Industries	698	700	679	(2)	(0.3)	19	2.8
Mining and Logging	8	8	8	(0)	(1.2)	0	5.1
Construction	127	129	125	(2)	(1.5)	2	1.6
Manufacturing	563	563	547	(0)	(0.0)	17	3.1
Transportation Equipment	168	169	160	(1)	(0.5)	8	5.3
Service Producing Industries	3,395	3,395	3,350	(0)	(0.0)	45	1.3
Trade, Transportation & Utilities	746	743	731	3	0.4	15	2.0
Wholesale Trade	162	163	159	(0)	(0.1)	3	2.1
Retail Trade	458	455	449	3	0.6	9	2.0
Transportation & Utilities	125	125	123	(0)	(0.1)	2	1.7
Information	52	52	52	(1)	(1.0)	(0)	(0.6)
Financial Activities	195	196	196	(1)	(0.6)	(1)	(0.7)
Professional & Business Services	597	597	576	0	0.1	21	3.6
Education & Health Services	639	641	632	(2)	(0.2)	7	1.2
Leisure & Hospitality Services	395	395	387	(1)	(0.2)	8	2.0
Other Services	168	168	169	0	0.2	(2)	(0.9)
Government	604	604	607	0	0.0	(3)	(0.5)

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		
	Dec. 2013	Year Ago	Percent Change	Dec. 2013	Year Ago	Percent Change
Construction	39.0	39.6	(1.5%)	\$965.64	\$927.83	4.1%
Manufacturing	43.5	44.2	(1.6)	906.06	929.31	(2.5)
Durable Goods	46.1	45.6	1.1	971.33	1,004.57	(3.3)
Transportation Equipment Mfg.	50.0	48.1	4.0	1,229.00	1,288.60	(4.6)
Motor Vehicle Parts Mfg.	48.1	48.5	(0.8)	1,152.48	1,210.56	(4.8)
Nondurable Goods	42.1	41.9	0.5	703.91	694.28	1.4
Wholesale Trade	37.9	38.2	(0.8)	868.25	833.80	4.1
Retail Trade	30.0	30.6	(2.0)	392.10	388.31	1.0
Information	34.0	36.3	(6.3)	873.12	877.37	(0.5)
Financial Activities	34.6	35.8	(3.4)	678.85	675.55	0.5
Professional & Business Services	35.5	35.2	0.9	822.54	799.39	2.9
Health Care & Social Assistance	32.5	32.5	0.0	622.70	616.20	1.1
Leisure & Hospitality	22.6	22.5	0.4	232.78	225.00	3.5
Accommodation & Food Services	22.5	22.5	0.0	220.28	215.33	2.3

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)				
	Dec. 2013	Nov. 2013	Oct. 2013	Dec. 2012
Metropolitan Statistical Areas				
Ann Arbor	5.2%	5.3%	6.0%	5.2%
Battle Creek	6.6	6.5	7.2	7.0
Bay City	8.3	7.9	8.4	8.3
Detroit-Warren-Livonia	8.0	8.3	9.0	10.2
Flint	8.8	9.0	9.7	9.1
Grand Rapids-Wyoming	5.6	5.6	6.3	6.3
Holland-Grand Haven	5.9	5.8	6.4	6.4
Jackson	8.0	7.9	8.6	8.2
Kalamazoo-Portage	6.8	6.7	7.3	7.3
Lansing-East Lansing	6.3	6.2	7.1	6.8
Monroe	7.1	7.3	7.7	7.6
Muskegon-Norton Shores	8.1	7.9	8.7	8.3
Niles-Benton Harbor	8.3	8.1	8.6	8.8
Saginaw-Saginaw Twp North	8.1	8.1	8.9	8.3
Multi-County Areas				
Northeast Lower Michigan	12.3	11.6	10.8	11.9
Northwest Lower Michigan	9.2	9.2	9.0	8.4
Upper Peninsula	9.5	9.0	8.6	9.4
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	7.7	7.8	8.3	8.9

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Dec. 2013	Nov. 2013	Oct. 2013	Sept. 2013	Year Ago Oct.	Percent Change From:	
						Dec./Nov.	Dec. 2013/ Dec. 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,496	7,918	7,422	7,525	7,581	(5.3%)	(1.1%)
Domestics	5,140	5,570	5,299	5,240	5,419	(7.7)	(5.1)
Imports	2,356	2,348	2,123	2,285	2,162	0.3	9.0
Import Share	31.4%	29.7%	28.6%	30.4%	28.5%	---	---
Light Trucks	7,802	8,388	7,724	7,681	7,602	(7.0)	2.6
Domestics	6,506	7,047	6,418	6,409	6,481	(7.7)	0.4
Imports	1,296	1,341	1,306	1,272	1,121	(3.4)	15.6
Import Share	16.6%	16.0%	16.9%	16.6%	14.7%	---	---
Subtotal: Light Vehicle Sales	15,298	16,306	15,146	15,206	15,183	(6.2)	0.8
Heavy Trucks	348	360	374	362	336	(3.3)	3.6
Total Vehicle Sales	15,646	16,666	15,520	15,568	15,519	(6.1)	0.8
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,510	4,412	4,204	4,427	4,145	2.2	8.8
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	842	1,090	970	952	985	(22.8)	(14.5)
Trucks	1,518	1,546	1,496	1,508	1,417	(1.8)	7.1
Total	2,360	2,636	2,465	2,460	2,402	(10.5)	(1.8)
Michigan Production as % of U.S.	22.9%	22.9%	21.8%	22.6%	20.5%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,722	1,835	1,677	1,515	1,508	(6.1)	14.2
Days Supply	68	80	78	61	60	(15.0)	13.3
Total Truck	1,725	1,866	1,743	1,593	1,556	(7.6)	10.9
Days Supply	59	75	75	64	58	(21.3)	1.7

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)	Dec.	82.5	75.1	72.9	9.9%	13.2%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Dec.	\$97.63	\$93.86	\$87.86	4.0	11.1
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Dec.	999	1,107	983	(9.8)	1.6
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Dec.	\$384.3	\$383.5	\$369.4	0.2	4.0
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Dec.	101.8	101.5	98.2	0.3	3.7
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Dec.	79.2	79.1	77.8	0.1	1.8
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Dec.	234.6	233.9	231.1	3.6	1.5
Detroit (not seasonally adjusted)	Dec.	218.2	219.7	216.6	(3.9)	0.8
Interest Rates						
3-month Treasury Bill ⁴⁾	Dec.	0.07%	0.07%	0.07%	--	--
Corporate Aaa Bonds ⁴⁾	Dec.	4.62%	4.63%	3.65%	--	--
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2013 4th Qtr.	\$15,965.6	\$15,839.3	\$15,539.6	3.2	2.7
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Dec. 2013	\$1,930.9	\$1,641.7	\$1,884.0	NM	2.5

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.

