

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- Seasonally adjusted **light vehicle** sales increased 6.4% in February from the January level, to a 15.0 million unit annual rate, and were 13.6% above the level one year ago. February's 15.0 million unit rate was the highest level since February 2008. Sales of heavy trucks were up 31.7% from one year ago.
- Housing starts** fell 1.1% in February from the January level, but were 34.7% above the February 2011 level. The year-over-year gains primarily reflected increases in multiunit housing, where starts were up 108.0% from the year-ago level. All regions exhibited year-over-year gains in starts. Among the regions, housing starts in the Midwest exhibited the strongest year-over-year growth, with total starts rising 63.5% and single-unit starts increasing 47.5%.



- Personal income per person** in Michigan increased 5.2% in 2011. Michigan's growth in personal income per person ranked fifth among the 50 states and the District of Columbia, and was the fastest growth among the five Great Lakes states. Nationally, personal income rose 4.3%.
- Michigan wage and salary employment** was up only 1,000 jobs in February from the January level, but was 69,000 jobs above the level in February 2011. Compared with one year ago, the manufacturing and professional/business services sectors exhibited the largest increases (both at 28,000 jobs), while the government sector exhibited the largest decrease (8,000 jobs). The only other sectors posting year-over-year employment declines were retail trade (5,000 jobs), construction (2,000 jobs), information (1,000 jobs) and leisure/hospitality (1,000). Government employment in February was below the year-ago level for the 33rd consecutive month, while manufacturing employment exhibited year-over-year gains for the 22nd consecutive month.

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

U.S.	Feb. 2012	Jan. 2012	Feb. 2011	Change from Jan.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,871	154,395	153,302	476	0.3%	1,569	1.0%
Employment	142,065	141,637	139,551	428	0.3	2,514	1.8
Unemployment	12,806	12,758	13,751	48	0.4	(945)	(6.9)
Unemployment Rate	8.3%	8.3%	9.0%	---	---	---	---
Michigan	Feb. 2012	Jan. 2012	Feb. 2011	Change from Jan.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,647	4,633	4,675	14	0.3%	(29)	(0.6%)
Employment	4,238	4,216	4,176	22	0.5	62	1.5
Unemployment	409	417	499	(8)	(2.0)	(90)	(18.1)
Unemployment Rate	8.8%	9.0%	10.7%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb. 2012*	Jan. 2012	Feb. 2011	Change from Jan.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,981	3,980	3,912	1	0.0%	69	1.8%
Goods Producing Industries	653	658	627	(4)	(0.7)	27	4.3
Mining and Logging	7	7	7	0	0.0	0	1.4
Construction	124	123	125	1	0.9	(2)	(1.2)
Manufacturing	522	528	494	(5)	(1.0)	28	5.7
Transportation Equipment	146	148	136	(3)	(1.8)	10	7.0
Service Producing Industries	3,327	3,322	3,285	5	0.1	42	1.3
Trade, Transportation & Utilities	723	725	717	(2)	(0.2)	6	0.8
Wholesale Trade	160	159	154	0	0.2	6	3.9
Retail Trade	443	445	448	(2)	(0.4)	(5)	(1.0)
Transportation & Utilities	120	121	116	(0)	(0.1)	4	3.8
Information	53	53	54	0	0.8	(1)	(2.0)
Financial Activities	196	197	193	(1)	(0.5)	3	1.8
Professional & Business Services	570	565	542	5	0.9	28	5.2
Education & Health Services	628	624	615	4	0.7	13	2.1
Leisure & Hospitality Services	377	376	378	0	0.1	(1)	(0.3)
Other Services	168	169	167	(0)	(0.1)	1	0.8
Government	613	615	620	(2)	(0.4)	(8)	(1.2)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Feb. 2012	Year Ago	Percent Change	Feb. 2012	Year Ago	Percent Change
Construction	38.1	39.3	(3.1%)	\$891.59	\$898.79	(0.8%)
Manufacturing	42.8	44.0	(2.7)	896.66	954.36	(6.0)
Durable Goods	44.2	45.3	(2.4)	992.29	1,057.30	(6.1)
Transportation Equipment Mfg.	45.4	46.3	(1.9)	1,276.65	1,308.44	(2.4)
Motor Vehicle Parts Mfg.	46.5	44.9	3.6	1,184.36	1,138.22	4.1
Nondurable Goods	38.7	40.3	(4.0)	617.27	654.07	(5.6)
Wholesale Trade	38.2	38.3	(0.3)	783.86	779.02	0.6
Retail Trade	29.5	28.9	2.1	372.00	380.61	(2.3)
Information	34.8	32.2	8.1	835.55	801.14	4.3
Financial Activities	36.6	35.5	3.1	692.11	722.07	(4.1)
Professional & Business Services	35.0	33.6	4.2	738.50	708.62	4.2
Health Care & Social Assistance	31.5	31.3	0.6	588.74	596.27	(1.3)
Leisure & Hospitality	22.0	22.0	0.0	219.56	218.02	0.7
Accommodation & Food Services	22.1	22.1	0.0	211.50	214.15	(1.2)

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)				
	Feb. 2012	Jan. 2012	Dec. 2011	Feb. 2011
Metropolitan Statistical Areas				
Ann Arbor	5.4%	5.6%	5.4%	6.5%
Battle Creek	7.7	8.0	7.6	9.6
Bay City	9.3	9.3	8.5	11.0
Detroit-Warren-Livonia	10.2	10.7	9.7	12.2
Flint	9.8	10.0	9.5	12.0
Grand Rapids-Wyoming	7.4	7.5	7.2	9.1
Holland-Grand Haven	7.2	7.4	7.0	9.4
Jackson	8.8	9.1	8.6	11.0
Kalamazoo-Portage	8.0	8.3	8.0	9.6
Lansing-East Lansing	7.2	7.4	7.0	8.6
Monroe	8.7	9.1	8.4	10.7
Muskegon-Norton Shores	9.4	9.6	8.8	11.3
Niles-Benton Harbor	9.9	10.1	9.3	11.6
Saginaw-Saginaw Twp North	9.3	9.4	8.6	10.6
Multi-County Areas				
Northeast Lower Michigan	14.0	13.9	12.5	15.6
Northwest Lower Michigan	11.8	11.9	10.9	13.6
Upper Peninsula	10.5	10.6	9.7	12.0
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	9.4	9.7	9.0	11.3

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Feb. 2012	Jan. 2012	Dec. 2011	Nov. 2011	Year Ago February	Percent Change From:	
						Feb./Jan.	Feb. 2012/ Feb. 2011
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	8,140	7,376	6,462	6,625	6,696	10.4%	21.6%
Domestics	5,846	5,340	4,492	4,673	4,634	9.5	26.2
Imports	2,294	2,036	1,970	1,952	2,062	12.7	11.3
Import Share	28.2%	27.6%	30.5%	29.5%	30.8%	---	---
Light Trucks	6,891	6,756	7,035	6,976	6,541	2.0	5.4
Domestics	5,850	5,715	6,012	5,984	5,492	2.4	6.5
Imports	1,041	1,041	1,023	992	1,049	0.0	(0.8)
Import Share	15.1%	15.4%	14.5%	14.2%	16.0%	---	---
Subtotal: Light Vehicle Sales	15,031	14,132	13,497	13,601	13,237	6.4	13.6
Heavy Trucks	353	331	337	322	268	6.6	31.7
Total Vehicle Sales	15,384	14,463	13,834	13,923	13,505	6.4	13.9
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,066	4,198	3,743	3,372	2,866	(3.1)	41.9
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	1,096	1,047	1,018	872	569	4.6	92.4
Trucks	1,269	1,382	1,296	1,240	1,114	(8.2)	13.9
Total	2,364	2,429	2,314	2,113	1,684	(2.7)	40.4
Michigan Production as % of U.S.	20.7%	20.3%	23.0%	22.0%	20.0%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,200	1,181	1,156	1,105	1,218	1.5	(1.5)
Days Supply	48	60	55	59	57	(20.0)	(15.8)
Total Truck	1,404	1,317	1,235	1,326	1,267	6.7	10.9
Days Supply	66	72	50	63	63	(8.3)	4.8

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)	Feb.	75.3	75.0	77.5	0.4%	(2.8%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Feb.	\$102.25	\$100.24	\$89.58	2.0	14.1
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Feb.	698	706	518	(1.1)	34.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Feb.	\$364.4	\$360.4	\$342.8	1.1	6.3
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Feb.	96.2	96.2	92.3	0.0	4.2
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Feb.	78.4	78.4	75.9	(0.1)	3.2
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Feb.	228.4	227.5	222.0	5.0	2.9
Detroit (not seasonally adjusted)	Feb.	214.8	213.5	206.8	3.8	3.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Feb.	0.09%	0.03%	0.13%	---	---
Corporate Aaa Bonds ⁴⁾	Feb.	3.85%	3.85%	5.22%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2011 4th Qtr.	\$13,429.0	\$13,331.6	\$13,216.1	3.0	1.6
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Feb. 2012	\$725.5	\$2,087.0	\$721.2	NM	0.6

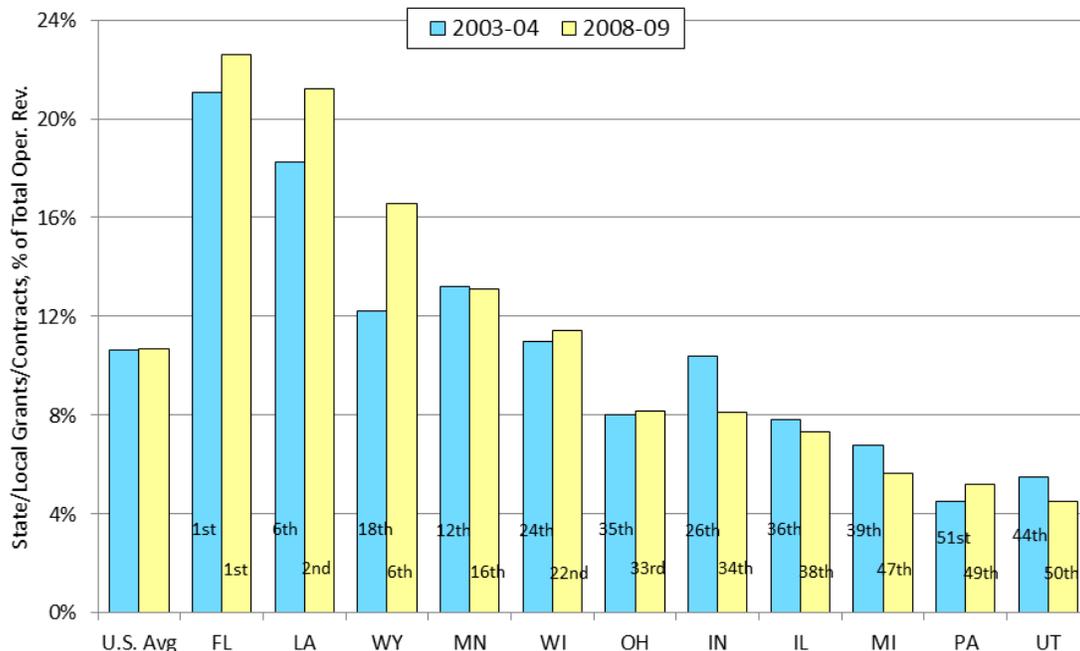
SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.

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.

State & Local Funding of Public Degree-Granting Institutions of Higher Education



Source: Digest of Education Statistics, U.S. Department of Education