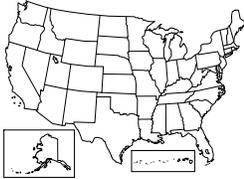


# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- The Federal Reserve Bank of Philadelphia **index of leading indicators** grew in February 2015, the 67<sup>th</sup> consecutive month of increase. The growth rate during this period, however, was lower than the average and was the second slowest growth since August 2010.
- The **civilian labor force** declined by 178,000 individuals in February 2015 from the record high recorded in January 2015, when 157.2 million people age 16 or over were working or available for work. Given that employment increased by only 96,000 jobs, the labor force reduction accounted for the majority of the unemployment rate's decline from 5.7% to 5.5%.



- Michigan **personal income** grew 4.0% in 2014, slightly exceeding the national average growth rate of 3.9%. Among the Great Lakes states, Michigan had the fastest growth, followed by Ohio (3.9%), Wisconsin (3.4%), Indiana (2.5%), and Illinois (2.4%). Nationwide, Michigan ranked 22<sup>nd</sup> in terms of the growth in personal income.
- As reported by the Michigan Association of Realtors, the **average residential sales price** in Michigan increased 8.2% in 2014, to \$133,698. Prices rose most rapidly in Detroit at 52.7%, followed by Tuscola County (24.0%), Shiawassee County (23.4%), and Genesee County (22.0%). Price gains were realized in almost all of the real estate markets except for Midland County, which declined by 0.7%, the Antrim/Charlevoix/Kalkaska area (2.4%), and Emmet County (6.6%) The number of homes sold in Michigan declined by 5.7% to 120,998.

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

U.S.	Feb. 2015	Jan. 2015	Feb. 2014	Change from Jan.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	157,002	157,180	155,688	(178)	(0.1%)	1,314	0.8%
Employment	148,297	148,201	145,301	96	0.1	2,996	2.1
Unemployment	8,705	8,979	10,387	(274)	(3.1)	(1,682)	(16.2)
Unemployment Rate	5.5%	5.7%	6.7%	---	---	---	---
Michigan	Feb. 2015	Jan. 2015	Feb. 2014	Change from Jan.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,758	4,763	4,751	(5)	(0.1%)	8	0.2%
Employment	4,477	4,464	4,381	13	0.3	96	2.2
Unemployment	281	299	369	(17)	(5.7)	(88)	(23.8)
Unemployment Rate	5.9%	6.3%	7.8%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb. 2015*	Jan. 2014	Feb. 2014	Change from Jan.		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,248	4,241	4,158	7	0.2%	90	2.2%
<b>Goods Producing Industries</b>	753	750	720	4	0.5	33	4.5
Mining and Logging	9	9	8	(0)	(1.1)	0	3.6
Construction	151	151	139	0	0.2	12	8.8
Manufacturing	593	590	573	3	0.6	20	3.5
Transportation Equipment	188	186	176	2	1.2	12	6.8
<b>Service Producing Industries</b>	3,495	3,491	3,438	4	0.1	57	1.7
Trade, Transportation & Utilities	764	763	754	1	0.2	10	1.3
Wholesale Trade	170	169	166	2	0.9	4	2.4
Retail Trade	465	464	459	1	0.1	6	1.3
Transportation & Utilities	128	129	129	(1)	(0.7)	(0)	(0.2)
Information	57	57	57	(0)	(0.5)	0	0.7
Financial Activities	205	207	204	(2)	(0.8)	1	0.5
Professional & Business Services	641	639	609	2	0.3	32	5.2
Education & Health Services	652	652	643	(0)	(0.0)	9	1.4
Leisure & Hospitality Services	411	412	404	(1)	(0.3)	7	1.7
Other Services	172	170	171	1	0.8	1	0.3
Government	594	591	596	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		
	Feb. 2015	Year Ago	Percent Change	Feb. 2015	Year Ago	Percent Change
Construction	36.9	38.1	(3.1%)	\$908.85	\$916.31	(0.8%)
Manufacturing	43.8	44.1	(0.7)	916.73	896.99	2.2
Durable Goods	45.0	45.5	(1.1)	984.15	971.43	1.3
Transportation Equipment Mfg.	48.9	49.1	(0.4)	1,238.64	1,217.68	1.0
Motor Vehicle Parts Mfg.	47.8	45.1	6.0	1,131.43	1,067.97	5.9
Nondurable Goods	39.6	39.6	0.0	686.27	656.17	4.6
Wholesale Trade	38.5	38.3	0.5	867.02	883.20	(1.8)
Retail Trade	29.4	29.1	1.0	405.43	393.43	3.1
Information	34.8	34.9	(0.3)	883.22	889.25	(0.7)
Financial Activities	36.6	35.4	3.4	818.74	703.75	16.3
Professional & Business Services	35.6	35.8	(0.6)	809.90	842.73	(3.9)
Health Care & Social Assistance	31.5	31.9	(1.3)	603.86	610.89	(1.2)
Leisure & Hospitality	22.5	22.4	0.4	240.53	232.06	3.6
Accommodation & Food Services	22.5	22.2	1.4	234.23	217.34	7.8

**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)				
	Feb. 2015	Jan. 2015	Dec. 2014	Feb. 2014
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.4%	4.0%	3.3%	5.3%
Battle Creek	5.2	5.8	4.8	7.6
Bay City	6.4	7.0	5.6	9.1
Detroit-Warren-Livonia	6.3	7.4	6.5	9.5
Flint	6.3	7.1	5.8	9.4
Grand Rapids-Wyoming	3.9	4.5	3.7	6.0
Holland-Grand Haven	5.6	6.2	5.1	8.0
Jackson	5.0	5.6	4.7	7.3
Kalamazoo-Portage	4.6	5.4	4.2	6.4
Lansing-East Lansing	5.3	5.7	4.6	7.5
Monroe	4.7	5.4	4.3	7.0
Muskegon-Norton Shores	6.0	6.5	5.7	9.0
Niles-Benton Harbor	5.6	6.3	5.2	8.6
Saginaw-Saginaw Township North	6.0	6.8	5.5	8.9
<b>Multi-County Areas</b>				
Northeast Lower Michigan	10.3	11.0	8.5	14.2
Northwest Lower Michigan	7.5	10.6	6.4	10.6
Upper Peninsula	7.7	8.2	6.8	10.6
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	5.8	6.6	5.6	8.6

**Source:** Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Feb. 2015	Jan. 2015	Dec. 2014	Nov. 2014	Year Ago Feb.	Percent Change From:	
						Feb./Jan.	Feb. 2015/ Feb. 2014
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	7,018	7,338	7,897	7,903	7,131	(4.4%)	(1.6%)
Domestics	5,147	5,433	5,816	5,979	5,085	(5.3)	1.2
Imports	1,871	1,905	2,081	1,924	2,046	(1.8)	(8.6)
Import Share	26.7%	26.0%	26.4%	24.3%	28.7%	---	---
Light Trucks	9,144	9,233	8,902	9,191	8,201	(1.0)	11.5
Domestics	7,690	7,887	7,616	7,835	6,883	(2.5)	11.7
Imports	1,454	1,346	1,286	1,356	1,318	8.0	10.3
Import Share	15.9%	14.6%	14.4%	14.8%	16.1%	---	---
Subtotal: Light Vehicle Sales	16,162	16,571	16,799	17,094	15,332	(2.5)	5.4
Heavy Trucks	427	432	416	413	367	(1.2)	16.3
Total Vehicle Sales	16,589	17,003	17,215	17,507	15,699	(2.4)	5.7
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	3,820	4,192	4,547	4,456	4,292	(8.9)	(11.0)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	903	983	965	916	1,248	(8.1)	(27.6)
Trucks	1,455	917	1,618	1,145	1,549	58.6	(6.1)
Total	2,358	1,900	2,583	2,061	2,797	24.1	(15.7)
Michigan Production as % of U.S.	17.0%	17.0%	17.0%	17.4%	21.8%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,757	1,743	1,712	1,759	1,882	0.8	(6.6)
Days Supply	73	85	66	73	78	(14.1)	(6.4)
Total Truck	1,886	1,899	1,846	1,939	1,879	(0.6)	0.4
Days Supply	66	80	58	69	74	(17.5)	(10.8)

**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, not seasonally adjusted).



OTHER KEY ECONOMIC INDICATORS

Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period*	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Feb.	95.4	98.1	81.6	(2.8%)	16.9%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Feb.	\$50.58	\$47.22	\$100.82	7.1	(49.8)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Feb.	908	1,072	928	(15.3)	(2.2)
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Feb.	\$387.5	\$389.7	\$383.5	(0.5)	1.1
<b>Industrial Production Index</b> <sup>4)</sup> (1997=100, seasonally adjusted)	Feb.	105.9	105.8	102.3	0.1	3.6
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Feb.	79.0	79.1	78.6	(0.1)	0.5
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Feb.	235.2	234.7	235.4	2.6	(0.1)
Detroit (not seasonally adjusted)	Feb.	216.5	218.1	220.5	(4.3)	(1.8)
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Feb.	0.02%	0.03%	0.05%	---	---
Corporate Aaa Bonds <sup>4)</sup>	Feb.	3.61%	3.46%	4.45%	---	---
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2014 4th Quarter	\$16,294.7	\$16,205.6	\$15,916.2	2.2	2.4
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Feb.	\$1,029.6	\$2,242.4	\$1,034.4	NM	(0.5)

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.

