

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The **U.S. unemployment rate** increased from 7.8% in December to 7.9% in January, but was down from 8.3% one year ago. However, the increase in the unemployment rate between December and January is more a reflection of additional workers entering the labor force (those working or looking for work), which increased by 143,000 people, than the change in the number employed, which increased by 17,000. Compared with one year ago, employment grew more rapidly than the labor force, with employment rising by 1.7 million jobs and the labor force growing by 1.3 million persons.

- Non-farm business sector labor productivity**, measured by output per hour, increased at a 0.7% rate during 2012. The annual average was pushed down by a decline of 1.9% (annualized) in the fourth quarter of 2012, the largest productivity decline since the fourth quarter of 2008. In contrast, productivity in the durable goods manufacturing sector increased 4.6% in 2012, and rose at an annualized rate of 2.7% in the fourth quarter of 2012.



- Michigan wage and salary employment** increased by 27,000 jobs in January from the December level, the largest one-month gain since January 2000, driven by a 16,000 job increase in the transportation equipment manufacturing sector. The January 2013 level of wage and salary employment was 48,000 jobs above the level in January 2012, and the highest level since December 2008. Most sectors exhibited higher levels of employment in January, with the financial activities sector exhibiting the largest decline (1,000). Compared with one year ago, the only sectors that exhibited declines were the mining (100), construction (1,000), information (1,000), and government (3,000) sectors.

- January **revenue from Michigan's major taxes** was down 8.1% from one year ago, largely due to calendar year-factors that boosted collections in January 2012. Reflecting improvements in the Michigan housing sector, real estate transfer tax collections were up 82.7% from January 2012, the third consecutive month where collections have been more than 68.0% above the year-ago level.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Jan. 2013	Dec. 2012	Jan. 2012	Change from Dec.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,654	155,511	154,356	143	0.1%	1,298	0.8%
Employment	143,322	143,305	141,608	17	0.0	1,714	1.2
Unemployment	12,332	12,206	12,748	126	1.0	(416)	(3.3)
Unemployment Rate	7.9%	7.8%	8.3%	---	---	---	---
Michigan	Jan. 2013	Dec. 2012	Jan. 2012	Change from Dec.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,644	4,640	4,667	4	0.1%	(23)	(0.5%)
Employment	4,231	4,227	4,238	4	0.1	(7)	(0.2)
Unemployment	414	414	429	(0)	(0.0)	(15)	(3.5)
Unemployment Rate	8.9%	8.9%	9.2%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Jan. 2013*	Dec. 2012	Jan. 2012	Change from Dec.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,055	4,029	4,008	27	0.7%	48	1.2%
Goods Producing Industries	685	679	665	6	0.8	19	2.9
Mining and Logging	8	8	8	(0)	(1.3)	(0)	(2.5)
Construction	128	125	129	3	2.7	(1)	(0.6)
Manufacturing	549	547	529	2	0.4	20	3.8
Transportation Equipment	161	145	148	16	11.0	13	8.8
Service Producing Industries	3,371	3,350	3,343	21	0.6	28	0.8
Trade, Transportation & Utilities	738	731	728	7	1.0	11	1.5
Wholesale Trade	160	159	157	1	0.5	3	1.7
Retail Trade	454	449	450	5	1.0	4	0.8
Transportation & Utilities	125	123	121	2	1.5	4	3.6
Information	52	52	53	(0)	(0.2)	(1)	(2.6)
Financial Activities	195	196	194	(1)	(0.6)	1	0.4
Professional & Business Services	576	576	570	(0)	(0.0)	6	1.0
Education & Health Services	634	632	629	2	0.3	5	0.8
Leisure & Hospitality Services	393	387	386	6	1.5	7	1.8
Other Services	172	169	168	2	1.3	4	2.3
Government	612	607	615	5	0.9	(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		
	Jan. 2013	Year Ago	Percent Change	Jan. 2013	Year Ago	Percent Change
Construction	39.0	38.6	1.0%	\$909.1	\$903.2	0.6%
Manufacturing	43.8	42.9	2.1	902.3	890.2	1.4
Durable Goods	44.6	44.0	1.4	968.3	977.7	(1.0)
Transportation Equipment Mfg.	47.0	43.8	7.3	1,224.4	1,218.5	0.5
Motor Vehicle Parts Mfg.	48.1	46.8	2.8	1,159.7	1,183.4	(2.0)
Nondurable Goods	41.1	39.5	4.1	689.7	622.9	10.7
Wholesale Trade	37.5	38.1	(1.6)	846.4	789.1	7.3
Retail Trade	29.3	29.3	0.0	383.0	374.2	2.3
Information	36.1	36.5	(1.1)	873.3	870.9	0.3
Financial Activities	35.7	36.9	(3.3)	680.1	714.4	(4.8)
Professional & Business Services	33.9	34.3	(1.2)	779.4	745.3	4.6
Health Care & Social Assistance	32.2	31.8	1.3	616.6	600.1	2.8
Leisure & Hospitality	20.8	21.5	(3.3)	204.5	211.8	(3.5)
Accommodation & Food Services	20.9	21.5	(2.8)	198.1	203.8	(2.8)

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)				
	Jan. 2013	Dec. 2012	Nov. 2012	Jan. 2012
Metropolitan Statistical Areas				
Ann Arbor	5.3%	5.2%	4.3%	5.8%
Battle Creek	7.4	7.0	5.9	8.2
Bay City	9.4	8.3	6.8	9.7
Detroit-Warren-Livonia	11.3	10.2	9.7	11.0
Flint	9.9	9.1	7.8	10.3
Grand Rapids-Wyoming	6.6	6.3	5.4	7.5
Holland-Grand Haven	6.7	6.4	5.3	7.7
Jackson	8.8	8.2	6.8	9.4
Kalamazoo-Portage	7.7	7.3	6.0	8.5
Lansing-East Lansing	7.6	6.8	5.6	7.7
Monroe	8.9	7.6	6.4	9.0
Muskegon-Norton Shores	9.0	8.3	7.5	9.8
Niles-Benton Harbor	9.7	8.8	7.2	10.4
Saginaw-Saginaw Twp North	9.0	8.3	7.1	9.4
Multi-County Areas				
Northeast Lower Michigan	13.7	11.9	9.6	14.0
Northwest Lower Michigan	11.2	10.0	8.2	12.1
Upper Peninsula	10.3	9.4	7.5	10.9
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	9.7	8.9	8.2	10.0

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Jan. 2013	Dec. 2012	Nov. 2012	Oct. 2012	Year Ago Jan.	Percent Change From:	
						Jan./Dec.	Jan. 2013/ Jan. 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,795	7,827	7,987	7,385	6,541	(0.4%)	19.2%
Domestics	5,682	5,640	5,676	5,233	4,511	0.7	26.0
Imports	2,113	2,187	2,311	2,152	2,030	(3.4)	4.1
Import Share	27.1%	27.9%	28.9%	29.1%	31.0%	---	---
Light Trucks	7,427	7,498	7,495	6,847	7,025	(0.9)	5.7
Domestics	6,350	6,372	6,371	5,880	5,994	(0.3)	5.9
Imports	1,077	1,126	1,124	967	1,031	(4.4)	4.5
Import Share	14.5%	15.0%	15.0%	14.1%	14.7%	---	---
Subtotal: Light Vehicle Sales	15,222	15,325	15,482	14,232	13,566	(0.7)	12.2
Heavy Trucks	326	339	320	312	338	(3.8)	(3.6)
Total Vehicle Sales	15,548	15,664	15,802	14,544	13,904	(0.7)	11.8
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,408	4,228	4,403	4,094	3,773	4.3	16.8
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	1,432	985	1,050	947	1,046	45.4	36.8
Trucks	1,411	1,417	1,219	1,190	1,347	(0.4)	4.8
Total	2,843	2,402	2,268	2,137	2,393	18.4	18.8
Michigan Production as % of U.S.	21.9%	23.8%	20.5%	21.2%	20.3%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,553	1,508	1,448	1,397	1,156	3.0	34.4
Days Supply	71	60	65	66	55	18.3	29.1
Total Truck	1,574	1,556	1,650	1,600	1,235	1.2	27.4
Days Supply	78	57	72	77	50	36.8	56.0

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)	Jan.	73.8	72.9	75.0	1.2%	(1.6%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Jan.	\$94.69	\$88.25	\$100.24	7.3	(5.5)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Jan.	890	973	697	(8.5)	27.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Jan.	\$371.6	\$370.4	\$357.3	0.3	4.0
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Jan.	98.8	98.7	96.6	0.0	2.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Jan.	79.2	79.3	78.7	(0.1)	0.6
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Jan.	231.2	231.1	227.6	0.3	1.6
Detroit (not seasonally adjusted)	Dec.	216.6	218.1	213.5	(4.1)	1.4
Interest Rates						
3-month Treasury Bill ⁴⁾	Jan.	0.07%	0.07%	0.03%	---	---
Corporate Aaa Bonds ⁴⁾	Jan.	3.80%	3.65%	3.85%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2012 4th Qtr.	\$13,656.8	\$13,652.5	\$13,441.0	0.1	1.6
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Jan. 2013	\$1,968.3	\$1,886.5	\$2,141.9	NM	(8.1)

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.

