

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- **U.S. personal income** declined 0.8% between the fourth quarter of 2012 and the first quarter of 2013, the first decline since the third quarter of 2009. Much of the quarter's decline reflected a 14.1% decline in personal dividend income and a 14.6% increase in contributions for government social insurance, attributable to the anticipation and realization of the January 2013 tax changes made as a result of Federal "fiscal cliff" negotiations.
- The **U.S. unemployment rate** decreased from 7.7% in February to 7.6% in March, and was down from 8.2% one year ago. However, the decrease between February and March more reflected workers' leaving the labor force than increased employment. Employment declined by 206,000 jobs (0.12%), but because the labor force fell by 496,000 (0.3%), the unemployment rate fell. Compared with one year ago, employment was up by 1.3 million, while the size of the labor force increased by 321,000 people.



- **Michigan's unemployment rate** decreased from 8.8% in February to 8.5% in March, and was down from 9.0% one year ago. Unlike the national figures, the February-to-March decline in the unemployment rate reflected employment gains rather than labor force decline, with employment up by 17,000 jobs, and the size of the labor force up by 3,000 people. However, compared with March 2012, employment increased by 14,000 jobs, but the size of the labor force declined by 11,000 people.
- Most Michigan sectors exhibited relatively flat year-over-year **private-sector average weekly earnings** in March, with changes ranging from a decline of 0.8% to growth of 0.5%. Compared with March 2012, the only sector experiencing significant year-over-year changes in March weekly earnings were: financial activities (-7.5%), nondurable goods (10.0%), professional/business services (4.5%), health care/social assistance (2.2%), and manufacturing (1.7%).

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

U.S.	Mar. 2013	Feb. 2013	Mar. 2012	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,028	155,524	154,707	(496)	(0.3%)	321	0.2%
Employment	143,286	143,492	142,020	(206)	(0.1)	1,266	0.9
Unemployment	11,742	12,032	12,687	(290)	(2.4)	(945)	(7.4)
Unemployment Rate	7.6%	7.7%	8.2%	---	---	---	---
Michigan	Mar. 2013	Feb. 2013	Mar. 2012	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,657	4,654	4,668	3	0.1%	(11)	(0.2%)
Employment	4,261	4,244	4,247	17	0.4	14	0.3
Unemployment	396	410	422	(13)	(3.2)	(25)	(5.9)
Unemployment Rate	8.5%	8.8%	9.0%	---	---	---	---

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



MARCH 2013

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar. 2013*	Feb. 2013	Mar. 2012	Change from Feb.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,057	4,064	4,025	(7)	(0.2%)	33	0.8%
Goods Producing Industries	682	686	671	(3)	(0.5)	12	1.7
Mining and Logging	8	8	8	(0)	(1.2)	0	0.0
Construction	126	129	130	(3)	(2.4)	(4)	(3.1)
Manufacturing	549	549	533	(0)	(0.0)	16	2.9
Transportation Equipment	159	160	149	(2)	(1.1)	10	6.5
Service Producing Industries	3,375	3,378	3,354	(3)	(0.1)	21	0.6
Trade, Transportation & Utilities	735	741	730	(5)	(0.7)	5	0.7
Wholesale Trade	160	161	158	(1)	(0.4)	2	1.1
Retail Trade	451	456	451	(5)	(1.1)	1	0.1
Transportation & Utilities	124	124	121	1	0.4	3	2.5
Information	51	51	53	(0)	(0.2)	(2)	(3.9)
Financial Activities	199	197	195	1	0.7	3	1.7
Professional & Business Services	586	581	576	4	0.7	10	1.7
Education & Health Services	639	639	631	0	0.1	8	1.2
Leisure & Hospitality Services	390	392	389	(1)	(0.4)	1	0.3
Other Services	170	171	168	(1)	(0.6)	2	1.3
Government	605	606	612	(2)	(0.2)	(7)	(1.1)

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		
	Mar. 2013	Year Ago	Percent Change	Mar. 2013	Year Ago	Percent Change
Construction	38.4	37.8	1.6%	\$885.1	\$888.7	(0.4%)
Manufacturing	44.0	42.7	3.0	893.6	878.3	1.7
Durable Goods	44.7	43.6	2.5	955.7	957.9	(0.2)
Transportation Equipment Mfg.	46.0	43.7	5.3	1,190.0	1,195.6	(0.5)
Motor Vehicle Parts Mfg.	46.9	44.9	4.5	1,131.7	1,129.7	0.2
Nondurable Goods	41.7	39.8	4.8	696.4	632.8	10.0
Wholesale Trade	37.6	38.3	(1.8)	828.7	801.6	3.4
Retail Trade	29.6	29.9	(1.0)	390.4	388.4	0.5
Information	34.1	34.8	(2.0)	829.0	835.9	(0.8)
Financial Activities	34.9	36.8	(5.2)	652.3	705.5	(7.5)
Professional & Business Services	34.5	35.0	(1.4)	784.2	750.4	4.5
Health Care & Social Assistance	32.2	31.7	1.6	602.1	589.0	2.2
Leisure & Hospitality	22.1	22.0	0.5	218.6	218.7	(0.1)
Accommodation & Food Services	22.2	22.1	0.5	210.9	212.2	(0.6)

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)				
	Mar. 2013	Feb. 2013	Jan. 2013	Mar. 2012
Metropolitan Statistical Areas				
Ann Arbor	5.1%	5.3%	5.3%	6.0%
Battle Creek	6.8	7.3	7.4	8.0
Bay City	8.9	9.5	9.4	9.7
Detroit-Warren-Livonia	9.9	10.2	11.3	10.4
Flint	9.1	9.8	9.9	10.1
Grand Rapids-Wyoming	6.2	6.6	6.6	7.5
Holland-Grand Haven	6.2	6.7	6.7	7.6
Jackson	8.3	8.8	8.8	9.2
Kalamazoo-Portage	7.1	7.6	7.7	8.3
Lansing-East Lansing	6.7	7.3	7.6	7.7
Monroe	7.7	8.3	8.9	8.6
Muskegon-Norton Shores	8.4	9.2	9.0	9.6
Niles-Benton Harbor	8.8	9.6	9.7	9.9
Saginaw-Saginaw Twp North	8.6	9.1	9.0	9.3
Multi-County Areas				
Northeast Lower Michigan	13.1	14.1	13.6	14.0
Northwest Lower Michigan	10.5	11.3	11.2	11.8
Upper Peninsula	9.9	10.5	10.3	10.9
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.8	9.2	9.7	9.6

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Mar. 2013	Feb. 2013	Jan. 2013	Dec. 2012	Year Ago Mar.	Percent Change From:	
						Mar./Feb.	Mar. 2013/ Mar. 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,431	7,735	7,795	7,827	7,314	(3.9%)	1.6%
Domestics	5,383	5,543	5,682	5,640	5,156	(2.9)	4.4
Imports	2,048	2,192	2,113	2,187	2,158	(6.6)	(5.1)
Import Share	27.6%	28.3%	27.1%	27.9%	29.5%	---	---
Light Trucks	7,772	7,588	7,427	7,498	6,788	2.4	14.5
Domestics	6,603	6,437	6,350	6,372	5,725	2.6	15.3
Imports	1,169	1,151	1,077	1,126	1,063	1.6	10.0
Import Share	15.0%	15.2%	14.5%	15.0%	15.7%	---	---
Subtotal: Light Vehicle Sales	15,203	15,323	15,222	15,325	14,102	(0.8)	7.8
Heavy Trucks	316	337	326	339	363	(6.2)	(12.9)
Total Vehicle Sales	15,519	15,660	15,548	15,664	14,465	(0.9)	7.3
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,676	4,416	4,433	4,228	4,013	5.9	16.5
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	1,060	1,125	1,432	985	908	(5.8)	16.8
Trucks	1,304	1,306	1,411	1,417	1,286	(0.2)	1.4
Total	2,364	2,431	2,843	2,402	2,194	(2.8)	7.7
Michigan Production as % of U.S.	23.0%	21.6%	21.9%	23.8%	21.4%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,566	1,571	1,553	1,508	1,200	(0.4)	30.5
Days Supply	56	61	71	60	48	(8.2)	16.7
Total Truck	1,650	1,619	1,574	1,556	1,404	1.9	17.5
Days Supply	64	68	78	57	66	(5.9)	(3.0)

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)	Mar.	78.6	77.6	76.2	1.3%	3.1%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Mar.	\$93.05	\$95.32	\$106.19	(2.4)	(12.4)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Mar.	1,036	968	706	7.0	46.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Mar.	\$372.7	\$374.9	\$363.1	(0.6)	2.6
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Mar.	99.5	99.1	96.1	0.4	3.5
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Mar.	78.5	78.3	77.3	0.3	1.5
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Mar.	232.3	232.8	229.0	(2.2)	1.5
Detroit (not seasonally adjusted)	Feb.	218.9	216.6	214.8	6.6	1.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Mar.	0.09%	0.10%	0.08%	---	---
Corporate Aaa Bonds ⁴⁾	Mar.	3.93%	3.90%	3.99%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2013 1st Qtr.	\$13,750.1	\$13,665.4	\$13,506.4	2.5	1.8
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Mar. 2013	\$1,193.9	\$1,044.7	\$1,091.3	NM	9.4

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.

