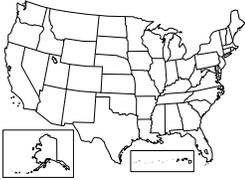


# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- **Housing starts** fell 4.8% in May from the April level, but were 29.0% above the May 2011 level. While housing starts in the South grew most rapidly compared with February 2011, with total starts rising 44.1%, the West was the only region to exhibit increased starts between April and May of 2012, with total starts rising 8.8%.
- **Median weekly earnings, adjusted for inflation**, increased 0.3% in the second quarter of 2012, compared with the second quarter of 2011, but were down 2.0% from the second quarter of 2010 and down 0.6% from the second quarter of 2002. Although median weekly earnings in the second quarter of 2012, adjusted for inflation, were also above the levels in the mid-1980s and mid-1990s, they were only 0.3% above the level in the second quarter of 1979.



- **Michigan private-sector average weekly earnings** exhibited year-over-year declines in most sectors in May, as average weekly hours also declined. Average weekly earnings in the transportation equipment manufacturing sector were down 5.7% from the year-ago level, while average earnings in the manufacturing sector as a whole were down 6.7%. Wholesale trade exhibited the strongest year-over-year growth (5.3%), followed by the information sector (2.4%), professional/business services (0.9%), and health care/social assistances (0.7%). All other major sectors exhibited declines.
- After declining 9.0% between 2008 and 2009 and rising 4.9% between 2009 and 2010, **inflation-adjusted State Gross Domestic Product** in Michigan increased 2.3% between 2010 and 2011. Michigan's growth in 2011 ranked 16<sup>th</sup>, and exceeded the national average increase of 1.5%. Growth in the durable goods manufacturing sector accounted for approximately half of the total growth in Michigan's inflation-adjusted State Gross Domestic Product, while growth in the professional/scientific/technical services sector accounted for approximately 25.0%.

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

U.S.	May 2012	Apr. 2012	May 2011	Change from Apr.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,007	154,365	153,700	642	0.4%	1,307	0.9%
Employment	142,287	141,865	139,808	422	0.3	2,479	1.8
Unemployment	12,720	12,500	13,892	220	1.8	(1,172)	(8.4)
Unemployment Rate	8.2%	8.1%	9.0%	---	---	---	---
Michigan	May 2012	Apr. 2012	May 2011	Change from Apr.		Change from Year Ago	
Labor Force	4,663	4,659	4,667	5	0.1%	(3)	(0.1%)
Employment	4,268	4,270	4,174	(2)	(0.0)	95	2.3
Unemployment	395	389	493	6	1.6	(98)	(19.8)
Unemployment Rate	8.5%	8.3%	10.6%	---	---	---	---

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



MAY 2012

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2012*	Apr. 2012	May 2011	Change from Apr.		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	3,983	3,988	3,936	(5)	(0.1%)	48	1.2%
<b>Goods Producing Industries</b>	650	655	638	(5)	(0.7)	12	1.9
Mining and Logging	8	7	7	0	1.4	0	2.7
Construction	119	120	125	(1)	(0.8)	(6)	(5.0)
Manufacturing	524	528	505	(4)	(0.8)	18	3.6
Transportation Equipment	146	145	142	1	0.7	4	3.1
<b>Service Producing Industries</b>	3,334	3,334	3,298	(0)	(0.0)	35	1.1
Trade, Transportation & Utilities	724	720	721	3	0.4	2	0.3
Wholesale Trade	160	160	156	0	0.3	5	2.9
Retail Trade	442	442	448	1	0.1	(6)	(1.3)
Transportation & Utilities	121	119	118	2	1.8	4	3.1
Information	53	53	53	0	0.0	1	1.1
Financial Activities	200	197	192	3	1.6	8	4.2
Professional & Business Services	569	572	555	(3)	(0.6)	14	2.4
Education & Health Services	629	631	616	(2)	(0.3)	12	2.0
Leisure & Hospitality Services	380	380	376	0	0.1	4	0.9
Other Services	168	170	166	(2)	(0.9)	2	1.3
Government	612	611	619	1	0.1	(7)	(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		
	May 2012	Year Ago	Percent Change	May 2012	Year Ago	Percent Change
Construction	39.4	41.0	(3.9%)	\$924.72	\$937.26	(1.3%)
Manufacturing	43.4	44.5	(2.5)	890.13	954.08	(6.7)
Durable Goods	44.7	45.7	(2.2)	974.46	1,049.27	(7.1)
Transportation Equipment Mfg.	47.1	46.4	1.5	1,264.64	1,340.96	(5.7)
Motor Vehicle Parts Mfg.	45.4	45.3	0.2	1,112.30	1,164.21	(4.5)
Nondurable Goods	39.6	40.8	(2.9)	637.96	668.71	(4.6)
Wholesale Trade	38.3	39.1	(2.0)	829.96	788.26	5.3
Retail Trade	30.0	29.9	0.3	383.70	383.92	(0.1)
Information	35.6	34.0	4.7	847.99	827.90	2.4
Financial Activities	36.5	36.4	0.3	694.96	710.89	(2.2)
Professional & Business Services	34.5	34.7	(0.6)	738.99	732.17	0.9
Health Care & Social Assistance	32.1	31.5	1.9	594.81	590.63	0.7
Leisure & Hospitality	22.3	22.8	(2.2)	222.33	223.67	(0.6)
Accommodation & Food Services	22.3	22.6	(1.3)	213.86	213.57	0.1

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

<b>MICHIGAN UNEMPLOYMENT RATES BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS (Not Adjusted for Seasonal Variations)</b>				
	May 2012	Apr. 2012	Mar. 2012	May 2011
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	5.5%	5.0%	5.5%	6.7%
Battle Creek	7.0	6.8	7.5	9.2
Bay City	8.2	8.0	9.2	9.7
Detroit-Warren-Livonia	9.9	8.7	9.6	11.4
Flint	8.9	8.6	9.6	10.9
Grand Rapids-Wyoming	6.6	6.3	7.2	8.2
Holland-Grand Haven	6.4	6.1	7.1	8.3
Jackson	8.0	7.7	8.6	10.1
Kalamazoo-Portage	7.2	6.8	7.8	8.8
Lansing-East Lansing	6.8	6.4	7.2	8.1
Monroe	7.8	7.6	8.4	9.5
Muskegon-Norton Shores	8.5	8.3	9.1	10.2
Niles-Benton Harbor	8.6	8.2	9.3	10.1
Saginaw-Saginaw Twp North	8.3	8.0	9.1	9.7
<b>Multi-County Areas</b>				
Northeast Lower Michigan	10.2	11.3	13.4	11.7
Northwest Lower Michigan	8.9	9.7	11.4	10.7
Upper Peninsula	8.5	9.0	10.3	10.1
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	8.6	8.0	9.0	10.2

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

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)</b>							
	May 2012	Apr. 2012	Mar. 2012	Feb. 2012	Year Ago May	Percent Change From:	
						May/Apr.	May 2012/ May 2011
<b>Motor Vehicle Sales<sup>1)</sup> (thousands of units, SAAR)</b>							
Autos	6,799	7,408	7,582	8,145	5,742	(8.2%)	18.4%
Domestics	4,901	5,226	5,399	5,765	3,883	(6.2)	26.2
Imports	1,898	2,182	2,183	2,380	1,859	(13.0)	2.1
Import Share	27.9%	29.5%	28.8%	29.2%	32.4%	---	---
Light Trucks	6,927	6,963	6,733	6,891	5,945	(0.5)	16.5
Domestics	5,837	5,887	5,689	5,850	5,074	(0.8)	15.0
Imports	1,090	1,076	1,044	1,041	871	1.3	25.1
Import Share	15.7%	15.5%	15.5%	15.1%	14.7%	---	---
Subtotal: Light Vehicle Sales	13,726	14,371	14,315	15,036	11,687	(4.5)	17.4
Heavy Trucks	395	325	344	353	312	21.5	26.6
Total Vehicle Sales	14,121	14,696	14,659	15,389	11,999	(3.9)	17.7
<b>U.S. Motor Vehicle Production<sup>1)</sup> (millions of units, SAAR)</b>							
Autos	4,382	4,388	4,034	3,971	2,928	(0.1)	49.7
<b>Michigan Motor Vehicle Production<sup>2)</sup> (thousands of units, SAAR)</b>							
Autos	1,080	999	949	1,096	762	8.1	41.7
Trucks	1,564	1,316	1,284	1,269	1,384	18.9	13.0
Total	2,645	2,315	2,233	2,364	2,146	14.2	23.2
Michigan Production as % of U.S.	22.7%	22.1%	21.4%	20.7%	24.9%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,163	1,212	1,220	1,200	887	(4.0)	31.1
Days Supply	43	45	44	48	38	(4.4)	13.2
Total Truck	1,493	1,524	1,496	1,404	1,297	(2.0)	15.1
Days Supply	61	67	66	66	62	(9.0)	(1.6)

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
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	May	79.3	76.4	74.3	3.8%	6.7%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	May	\$94.70	\$103.33	\$101.33	(8.4)	(6.5)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	May	711	747	551	(4.8)	29.0
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	May	\$359.6	\$360.2	\$342.9	(0.2)	4.9
<b>Industrial Production Index</b> <sup>4)</sup> (1997=100, seasonally adjusted)	May	97.0	97.2	92.9	(0.2)	4.4
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	May	78.7	78.9	76.3	(0.4)	3.1
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	May	228.5	229.2	224.6	(3.4)	1.7
Detroit (not seasonally adjusted)	Apr	216.2	214.8	211.7	3.9	2.1
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	May	0.09%	0.08%	0.04%	---	---
Corporate Aaa Bonds <sup>4)</sup>	May	3.80%	3.96%	4.96%	---	---
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2012 1st Qtr.	\$13,491.4	\$13,429.0	\$13,227.9	1.9	2.0
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	May 2012	\$1,402.6	\$1,892.2	\$1,541.0	NM	(9.0)

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

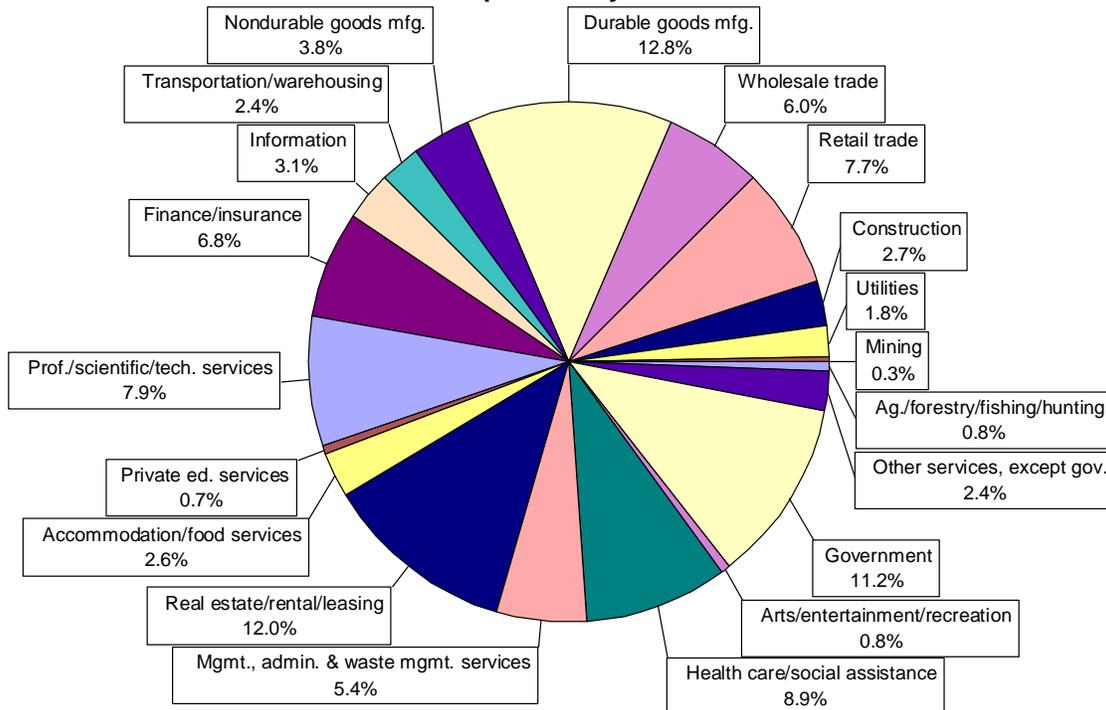
Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

\*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.

**Michigan Inflation-Adjusted Gross Domestic Product, 2011**

**Composition by Sector**



Source: Bureau of Economic Analysis, U.S. Department of Commerce