

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



United States

- The advance estimate in **inflation-adjusted Gross Domestic Product** showed growth of 2% in the 1st quarter of 2001, up from 1% growth during the 4th quarter of 2000. While subject to revision, the growth rate reflected strength in consumer and government spending as well as decreased imports which more than offset slower investment and declining exports. In addition, inventories declined for the third consecutive quarter.
- **Motor vehicle sales** fell slightly in March, after two months of increases, and were 5.1% below the level a year ago. Sales of imported automobiles were 1.2% below the year-ago level, compared with an 8.9% decline in sales of domestic automobiles. Despite lower sales, U.S. **motor vehicle production** rose 7.3% in March, on a seasonally adjusted annual basis, but was 12.5% below last March's level.
- Although **housing starts** fell 2.3% between February and March, housing starts were still 0.2% above the level one year ago. Despite lower rates on conventional mortgages, most areas of the country experienced a sharp drop in March in the number of single-family housing units started. Housing starts in the South showed the worst performance, with both total starts and single-family starts declining between February and March to levels approximately 8.2% below the March 2000 level.
- The **unemployment rate** rose to 4.3% in March, compared with 4.2% in February and 4.0% a year ago. Most of the increase in the unemployment rate was attributable to rising unemployment in the durable goods manufacturing sector, where the unemployment rate rose from 3.2% in March 2000 to 4.2% in February 2000 and then to 5.0% in March 2001. Compared with February 2001, the number of people in the labor force increased while the number of people working declined.

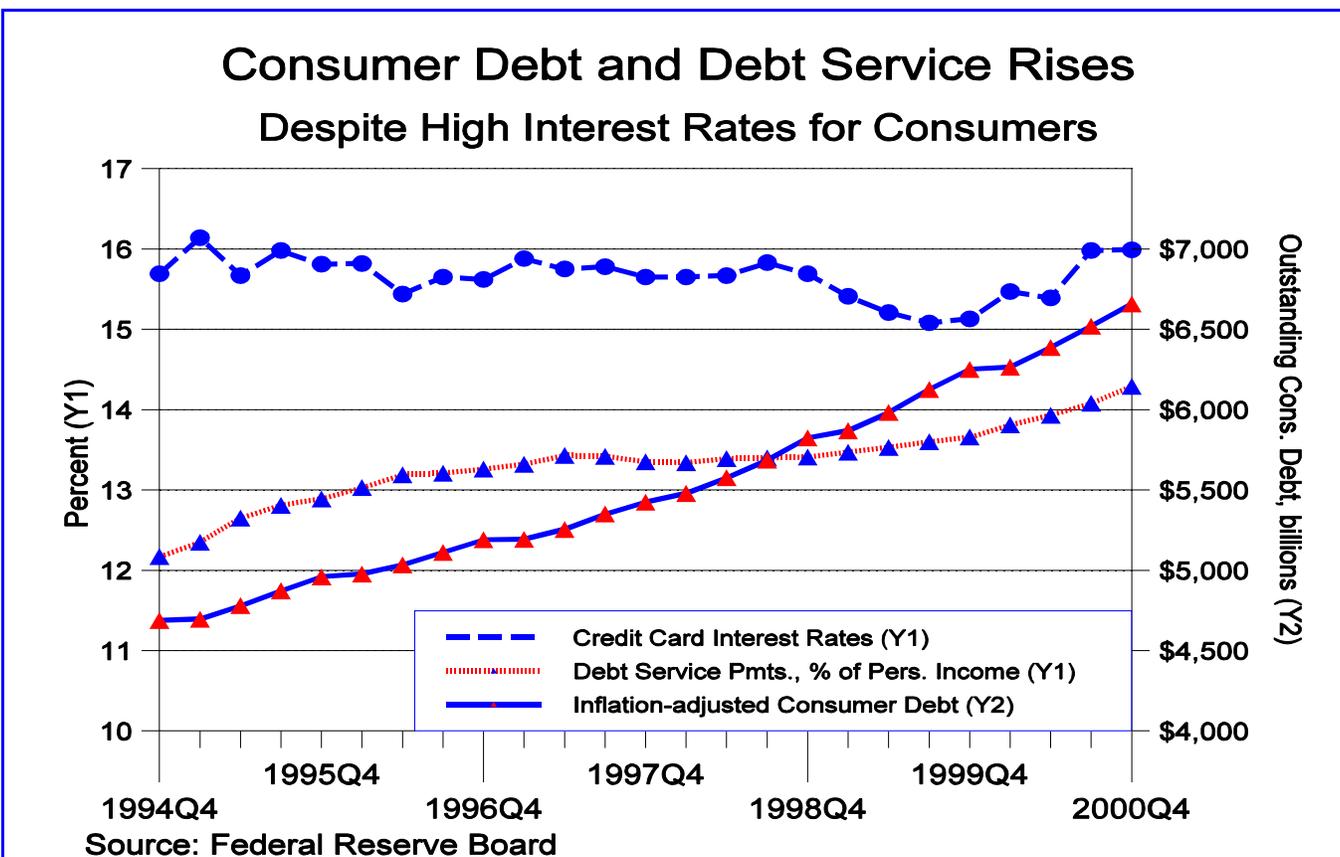


Michigan

- **Michigan's unemployment rate** remained stable in March, at 4.7%, although both the size of the Michigan labor force and the number of people employed decreased. Declines in durable goods manufacturing more than offset increased wage and salary employment in nondurable goods manufacturing, while gains in government employment were insufficient to offset declining employment in other service-producing sectors such as retail trade and transportation, communications, and utilities.
- According to the U.S. Bureau of Economic Analysis, Michigan's **personal income** grew by 6.2% between 1999 and 2000. Although Michigan's growth was the strongest growth among the Great Lakes states, it was below the national average of 7.3%.
- **Tax revenue** from Michigan's 12 major taxes totaled \$1.56 billion in March, 6.8% below the revenues in March 2000. February 2001 revenues were 6.0% below the level a year ago. Over the last two months, all of the major revenue sources (income tax withholding, sales taxes and single business taxes) were well below year-ago levels, reflecting both weaker employment and weaker consumer spending.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally Adjusted, Thousands)							
U.S.	Mar. 2001	Feb. 2000	Mar. 2000	Change From Feb.		Change From Year Ago	
				Number	Percent	Number	Percent
Labor Force	141,868	141,751	140,705	117	0.1%	1,163	0.8%
Employment	135,780	135,815	135,013	(35)	(0.0)	767	0.6
Unemployment	6,088	5,936	5,692	152	2.6	396	7.0
Unemployment Rate	4.3%	4.2%	4.0%	---	---	---	---
Michigan	Mar. 2001	Feb. 2001	Mar. 2000	Change From Feb.		Change From Year Ago	
				Number	Percent	Number	Percent
Labor Force	5,247	5,256	5,186	(9)	(0.2)%	61	1.2%
Employment	5,000	5,011	5,014	(11)	(0.2)	(14)	(0.3)
Unemployment	247	245	172	2	0.9	76	44.0
Unemployment Rate	4.7%	4.7%	3.3%	---	---	---	---

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally Adjusted, Thousands)							
	Mar.	Feb.	Mar.	Change from Feb.		Change from Yr Ago	
	2001*	2001	2000	Number	Percent	Number	Percent
Wage and Salary Employment	4,697	4,702	4,665	(5)	(0)%	32	1%
Goods Producing Industries	1,181	1,185	1,198	(4)	(0)	(17)	(1)
Mining	8	8	7	0	0	1	14
Construction	215	217	211	(2)	(1)	4	2
Manufacturing	958	960	980	(2)	(0)	(22)	(2)
Durable Goods	726	730	748	(4)	(1)	(22)	(3)
Motor Vehicles & Equipment	269	271	289	(2)	(1)	(20)	(7)
Nondurable Goods	231	230	232	1	0	(1)	(0)
Service Producing Industries	3,516	3,517	3,467	(1)	(0)	49	1
Trans., Comm. & Utilities	181	182	181	(1)	(1)	0	0
Wholesale Trade	243	243	239	0	0	4	2
Retail Trade	862	863	851	(1)	(0)	11	1
Finance, Insurance & Real Estate	207	207	205	0	0	2	1
Services	1,332	1,332	1,311	0	0	21	2
Government	691	690	680	1	0	11	2

Source: Michigan Department of Career Development - Employment Service Agency * Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS (Not Adjusted For Seasonal Variations)						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Feb. 2001	Year Ago	Percent Change	Feb. 2000	Year Ago	Percent Change
Mining	42.5	43.9	(3.2)%	\$719.10	\$746.74	(3.7)%
Construction	38.0	38.7	(1.8)	829.92	814.25	1.9
Manufacturing	41.6	44.0	(5.5)	802.88	834.68	(3.8)
Durable Goods	42.0	44.7	(6.0)	860.16	898.47	(4.3)
Motor Vehicles & Equipment	42.8	46.6	(8.2)	1,116.65	1,188.77	(6.1)
Nondurable Goods	40.4	41.5	(2.7)	614.48	617.52	(0.5)
Wholesale Trade	38.1	40.0	(4.7)	650.37	685.20	(5.1)
Selected Retail Trade:						
General Merchandise Stores	26.5	26.7	(0.7)	268.18	268.34	(0.1)
Department Stores	26.0	26.1	(0.4)	263.38	264.13	(0.3)
Food Stores	25.5	24.2	5.4	228.74	204.73	11.7
Auto Dealers & Service Stations	33.3	33.8	(1.5)	407.26	420.81	(3.2)
Selected Services:						
Depository Institutions	34.5	34.9	(1.1)	392.27	385.99	1.6
Business Services	33.4	34.8	(4.0)	513.69	503.21	2.1
Health Services	32.3	32.0	0.9	515.51	521.28	(1.1)
Engineering & Management	38.7	38.6	0.3	748.46	699.43	7.0

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

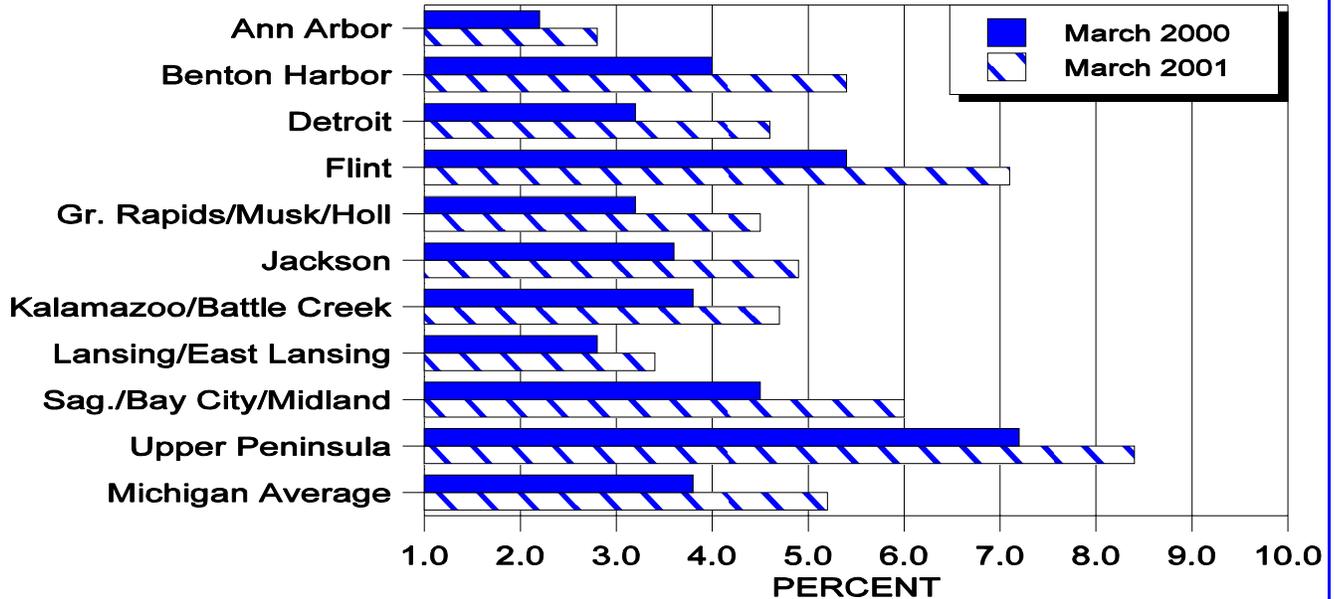
**MICHIGAN UNEMPLOYMENT RATES
BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS
(Not Adjusted for Seasonal Variations)**

	Mar. 2001*	Feb. 2001	Jan. 2001	Mar. 2000
Metropolitan Statistical Areas				
Ann Arbor	2.8%	2.8%	2.7%	2.2%
Benton Harbor	5.4	5.8	5.5	4.0
Detroit	4.6	4.6	5.0	3.2
Flint	7.1	7.2	7.6	5.4
Grand Rapids	4.5	4.5	4.1	3.2
Jackson	4.9	4.8	4.7	3.6
Kalamazoo-Battle Creek	4.7	4.9	4.5	3.8
Lansing-East Lansing	3.4	3.5	3.3	2.8
Saginaw-Bay City-Midland	6.0	5.7	5.4	4.5
Multi-County Areas				
Alcona-Iosco	12.9	12.2	11.7	8.9
Grand Traverse-Leelanau	7.0	7.3	6.3	5.6
Houghton-Keweenaw	7.8	7.4	7.0	6.3
Missaukee-Wexford	10.9	13.5	13.7	6.9
Upper Peninsula	8.4	8.5	7.9	7.2
Michigan Statewide Average				
--Unadjusted (comparable to figures shown above)	5.2	5.2	5.2	3.8

Source: Michigan Department of Career Development - Employment Service Agency

* Preliminary

**Michigan Regional Unemployment Rates
March 2000 and March 2001**



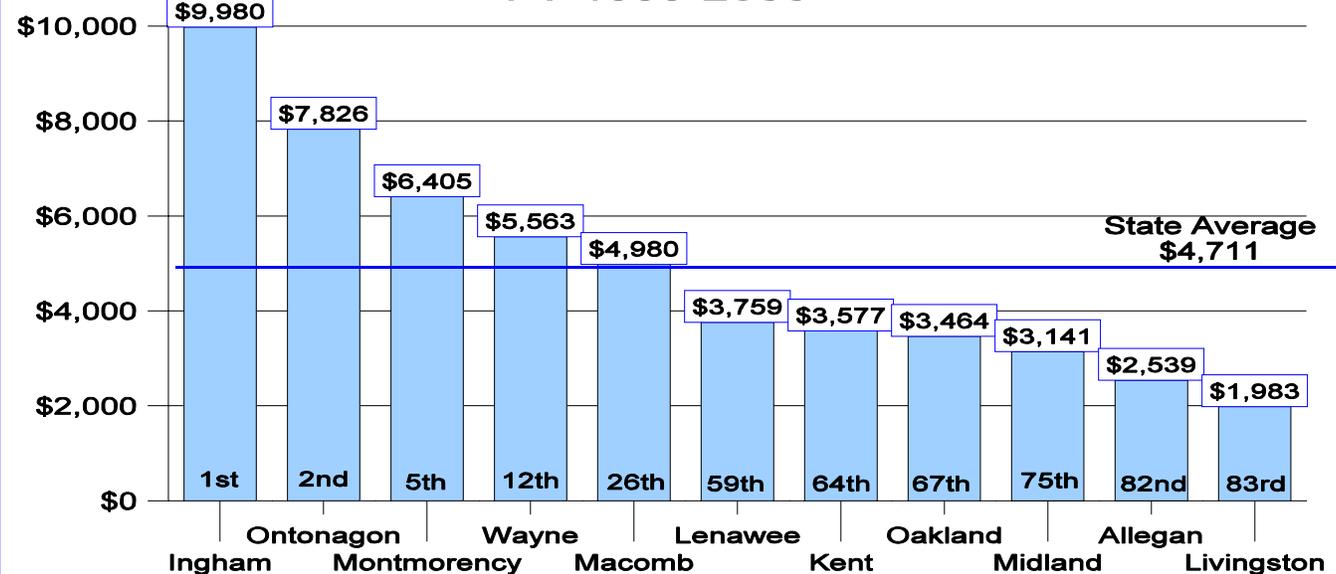
Source: Michigan Department of Career Development - Employment Service Agency

**MOTOR VEHICLE SALES AND PRODUCTION STATISTICS
(Thousands of Units)**

	Mar. 2001	Feb. 2001	Jan. 2001	Dec. 2000	Year Ago Mar.	Percent Change From:	
						Mar./Feb.	Mar. 2001/ Mar. 2000
Motor Vehicle Sales^{1,2)}							
Autos	8,377	9,004	8,787	7,848	9,024	(7.0)%	(7.2)%
Domestics	6,425	7,002	6,713	5,759	7,049	(8.2)	(8.9)
Imports	1,952	2,002	2,074	2,089	1,975	(2.5)	(1.2)
Import Share	23.3%	22.2%	23.6%	26.6%	21.9%	---	---
Light Trucks	8,598	8,370	8,210	7,458	8,709	2.7	(1.3)
Domestics	7,655	7,460	7,304	6,603	7,890	2.6	(3.0)
Imports	943	910	906	855	819	3.6	15.1
Import Share	11.0%	10.9%	11.0%	11.5%	9.4%	---	---
Heavy Trucks	476	477	494	492	662	(0.2)	(28.1)
Total	17,451	17,851	17,491	15,798	18,395	(2.2)	(5.1)
U.S. Motor Vehicle Production^{1,2)}							
Autos	5,047	4,705	5,033	4,732	5,768	7.3	(12.5)
Michigan Motor Vehicle Production^{2,3)}							
Autos	1,740	1,644	1,827	1,398	2,150	5.9	(19.0)
Trucks	965	869	900	909	1,336	11.0	(27.8)
Total	2,705	2,513	2,727	2,308	3,486	7.6	(22.4)
Michigan Production as % of U.S.	23.6%	26.1%	25.4%	22.4%	25.0%	---	---
U.S. Motor Vehicle Inventories⁴⁾							
Total Car	1,762	1,740	1,750	1,756	1,751	1.3	0.7
Days Supply	59	58	74	70	56	1.7	5.4
Total Truck	2,190	1,984	2,009	2,046	2,005	10.4	9.2
Days Supply	75	75	93	83	65	0.0	15.4

Sources: 1) U.S. Department of Commerce, Bureau of Economic Analysis. 2) SAAR = Seasonally Adjusted at Annual Rates. 3) Michigan Department of Treasury, Office of Revenue and Tax Analysis and the Senate Fiscal Agency. 4) Automotive News, Crain Communications, Inc. (ending inventory)

**Federal Spending Per Person in Michigan Counties
FY 1999-2000**



Source: U.S. Bureau of the Census, U.S. Department of Commerce

OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Change From:	
		Latest Period	Previous Period	Year Ago	Previous Period	Year Ago
Composite Index of Leading Indicators¹⁾ (1992=100, seasonally adjusted)	March	108.8	108.8	110.5	(0.2)%	(1.7)%
Composite Index of Coincident Indicators¹⁾ (1992=100, seasonally adjusted)	March	116.5	116.4	115.0	0.1	1.3
Housing Starts, U.S.²⁾ (thousands of units, SAAR)	March	1,586	1,623	1,583	(2.3)	0.2
Retail Sales, U.S.²⁾ (billions, seasonally adjusted)	March	\$273.3	\$274.3	\$269.7	(0.4)	1.3
Industrial Production Index³⁾ (1992=100)	March	145.3	145.5	145.2	(0.1)	0.1
Consumer Price Index⁴⁾ (1982-84=100)						
U.S.	March	176.2	175.8	171.2	0.2	2.9
Detroit	February	173.2	171.7	167.3	0.9	3.5
Interest Rates³⁾						
3-month Treasury Bill	March	4.50%	4.93%	5.72%	---	---
Corporate Aaa Bonds	March	6.98%	7.10%	7.68%	---	---
Real Gross Domestic Product⁵⁾ (billions of 1996 \$, SAAR)	2000 1st Qtr.	\$9,438.9	\$9,393.7	\$9,191.8	2.0	2.7
Michigan Tax Collections⁶⁾ (12 major taxes, millions)	Mar. 2001	\$1,555.4	\$1,521.8	\$1,669.5	NM	(6.8)

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.
Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

Sources: 1) Conference Board. 2) U.S. Department of Commerce, Bureau of the Census. 3) Board of Governors of the Federal Reserve System. 4) U.S. Department of Labor, Bureau of Labor Statistics. 5) U.S. Department of Commerce, Bureau of Economic Analysis. 6) Michigan Department of Treasury and the Senate Fiscal Agency.

