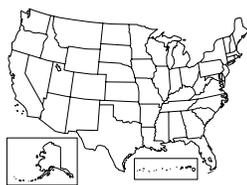


MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The preliminary estimate for **inflation-adjusted Gross Domestic Product (GDP)** indicated an annual growth rate of 5.3% in the first quarter of 2006, compared with growth of 1.7% during the fourth quarter of 2005. The increase in the growth rate reflected the most rapid rate of growth in personal consumption expenditures since the third quarter of 2003 (5.2%, compared with 0.9% in the fourth quarter of 2005), increases in government spending (particularly defense spending), and a substantial improvement in exports.
- Imported **light vehicles sales** continued to gain market share in April. Imports comprised 29.9% of automobile sales in April, up from 24.4% in January and the largest increase over four months since the fourth quarter of 2001. Imports comprised a record high of 16.7% of light truck sales in April, up from 14.6% in January and 13.7% in April 2005. Sales of domestic light trucks were down 9.2% from last year, while sales of imported light trucks were up 14.5%.
- In April, **disposable personal income per person, adjusted for inflation**, fell for the second month in a row, and the third time in the last four months. Personal saving, as a percentage of disposable personal income, also fell again in April, to -1.6%, marking the 11th consecutive month the saving rate has been negative. Since December 2005, personal income (not adjusted for inflation) has risen 2.0%, while personal consumption outlays have risen 2.2% and inflation has grown 1.4% (an annual rate of 4.2%).
- **Retail sales** were 6.6% above the year-ago level in April. As has been the case for much of the last year, sales at gasoline stations accounted for the fastest growth, rising 17.4% over last year. Sales at both department stores and motor vehicle/parts dealers showed declines from April 2005, falling 1.4% and 0.3%, respectively.



- Michigan's **unemployment rate** rose to 7.2% in April, from 6.8% in March and 6.9% in April 2005. The increase reflected faster growth in the size of the labor force compared with employment growth: Employment rose by 33,000 jobs from last year while the number of people in the labor force increased by 52,000.
- **Michigan motor vehicle production** fell in April and was 23.2% below the level one year ago. Compared with April 2005, auto production was down 25.2% and light truck production was down 21.5%. Michigan's share of U.S. light vehicle production was 20.8% in April, up slightly from recent months but below the 23.6% exhibited in April 2005.
- Growth in **average weekly earnings** was mixed in April, with earnings in most manufacturing sectors and some large service sectors, such as leisure/hospitality, auto repair/maintenance, and personal/laundry services, even or down from year-ago levels. However, earnings in the trade sector and other service sectors, such as information, financial activities, professional/business services, and health care/social assistance, were all up 4.3% or more from year-ago levels.



APRIL 2006

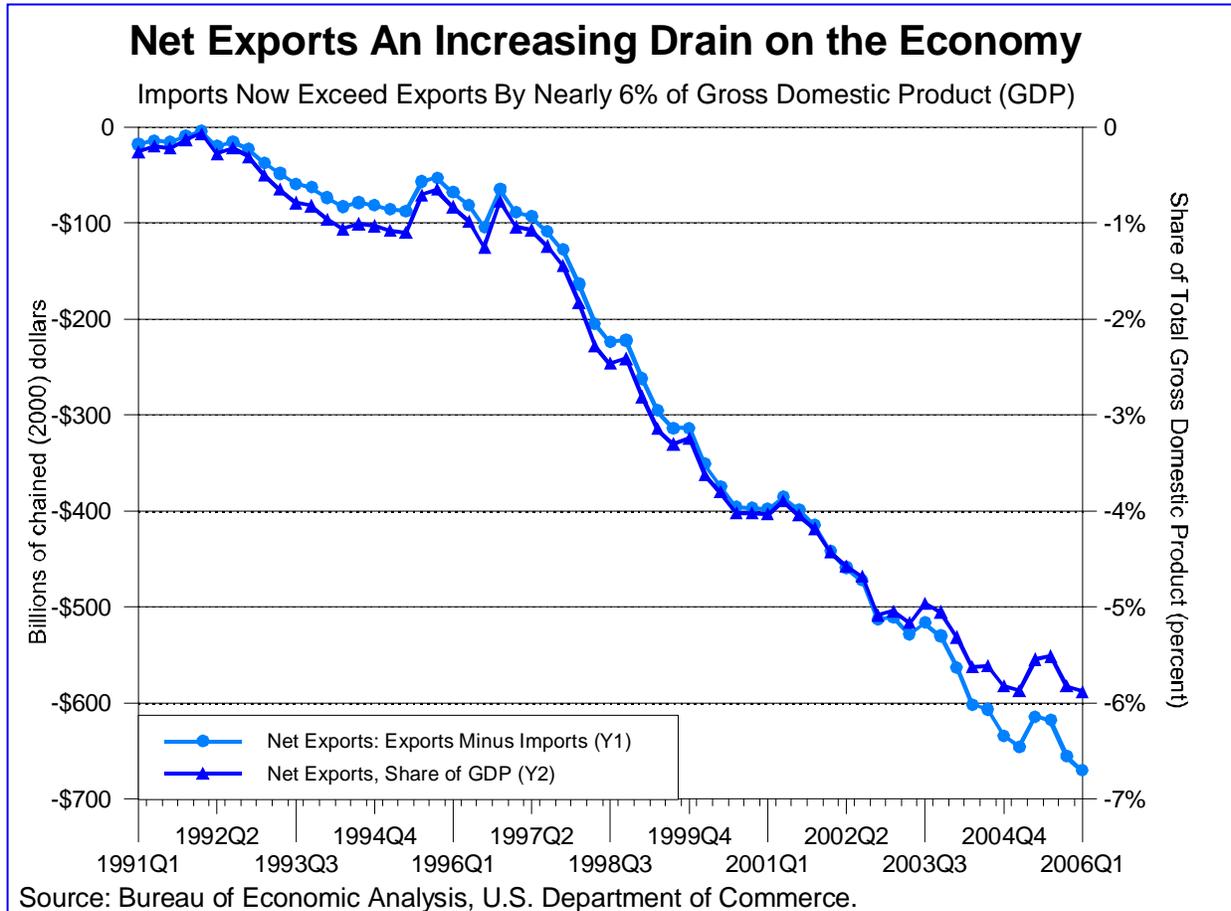
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U.S. & MICHIGAN LABOR MARKET NEWS
(Seasonally adjusted, thousands)

U.S.	Apr. 2006	Mar. 2006	Apr. 2005	Change from Mar.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	150,811	150,652	148,839	159	0.1%	1,972	1.3%
Employment	143,688	143,641	141,196	47	0.0	2,492	1.8
Unemployment	7,123	7,011	7,644	112	1.6	(521)	(6.8)
Unemployment Rate	4.7%	4.7%	5.1%	---	---	---	---

Michigan	Apr. 2006	Mar. 2006	Apr. 2005	Change from Mar.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	5,158	5,131	5,106	27	0.5	52	1.0
Employment	4,788	4,782	4,755	6	0.1	33	0.7
Unemployment	369	349	351	21	5.9	19	5.4
Unemployment Rate	7.2%	6.8%	6.9%	---	---	---	---

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Apr. 2006*	Mar. 2006	Apr. 2005	<u>Change from Mar.</u>		<u>Change from Yr Ago</u>	
				Number	Percent	Number	Percent
Total Nonagricultural Jobs	4,387	4,371	4,400	17	0%	(13)	(0)%
Goods Producing Industries	863	863	883	1	0	(20)	(2)
Natural Resources & Mining	8	8	9	0	0	(0)	(2)
Construction	193	191	192	2	1	1	0
Manufacturing	662	663	683	(1)	(0)	(21)	(3)
Transportation Equipment	228	229	240	(1)	(0)	(12)	(5)
Service Producing Industries	3,524	3,508	3,517	16	0	8	0
Trade, Transportation & Utilities	797	795	808	2	0	(11)	(1)
Information	68	67	68	0	0	(0)	(0)
Financial Activities	220	219	218	1	1	2	1
Professional & Business Services	599	596	591	3	1	8	1
Education & Health Services	574	572	570	2	0	5	1
Leisure & Hospitality Services	416	408	407	8	2	9	2
Other Services	179	179	178	(0)	(0)	1	1
Government	671	672	676	(1)	(0)	(5)	(1)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	<u>Average Weekly Hours</u>			<u>Average Weekly Earnings</u>		
	Apr. 2006	Year Ago	Percent Change	Apr. 2006	Year Ago	Percent Change
Construction	38.1	38.0	0.3%	\$824.87	\$839.42	(1.7)%
Manufacturing	40.5	41.3	(1.9)	884.93	883.41	0.2
Durable Goods	41.3	42.1	(1.9)	968.07	961.99	0.6
Motor Vehicle Manufacturing	41.1	42.9	(4.2)	1,266.29	1,316.60	(3.8)
Motor Vehicle Parts Manufacturing	41.4	42.6	(2.8)	1,148.44	1,158.72	(0.9)
Nondurable Goods	37.8	38.3	(1.3)	594.59	584.08	1.8
Wholesale Trade	37.4	35.2	6.2	709.10	668.10	6.1
Retail Trade	29.0	28.9	0.3	361.63	342.18	5.7
Grocery Stores	26.8	25.1	6.8	236.11	222.39	6.2
General Merchandise Stores	28.0	29.0	(3.4)	292.60	299.86	(2.4)
Information	34.8	37.3	(6.7)	708.88	647.90	9.4
Financial Activities	33.8	33.2	1.8	608.40	579.10	5.1
Prof. & Business Services	34.6	34.7	(0.3)	644.94	609.33	5.8
Health Care & Social Assistance	34.7	33.9	2.4	566.65	543.08	4.3
Leisure & Hospitality	22.3	22.7	(1.8)	184.42	184.55	(0.1)
Auto. Repair & Maintenance	35.3	36.7	(3.8)	511.50	557.47	(8.2)
Personal & Laundry Services	25.2	27.2	(7.4)	316.51	321.23	(1.5)

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

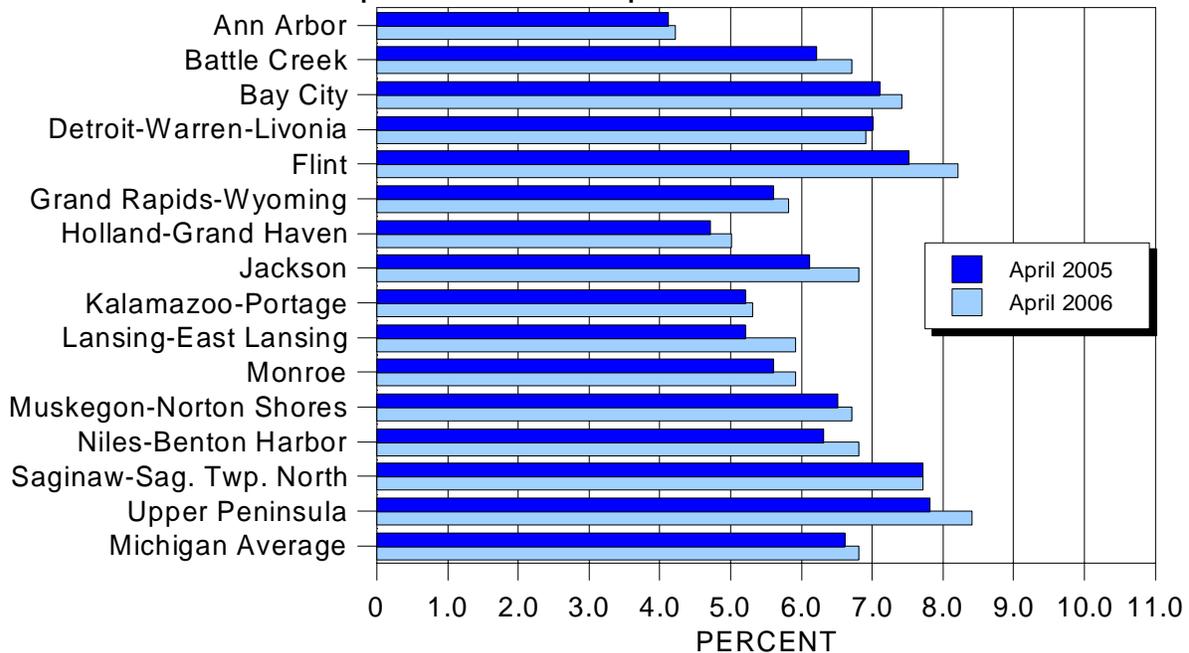
**MICHIGAN UNEMPLOYMENT RATES
BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS
(Not Adjusted for Seasonal Variations)**

	Apr. 2006*	Mar. 2006	Feb. 2006	Apr. 2005
Metropolitan Statistical Areas				
Ann Arbor	4.2%	4.7%	4.5%	4.1%
Battle Creek	6.7	7.2	7.1	6.2
Bay City	7.4	8.0	7.8	7.1
Detroit-Warren-Livonia	6.9	7.6	7.0	7.0
Flint	8.2	8.9	8.7	7.5
Grand Rapids-Wyoming	5.8	6.4	6.2	5.6
Holland-Grand Haven	5.0	5.6	5.6	4.7
Jackson	6.8	7.4	7.2	6.1
Kalamazoo-Portage	5.3	6.0	6.0	5.2
Lansing-East Lansing	5.9	6.3	6.3	5.2
Monroe	5.9	6.6	6.7	5.6
Muskegon-Norton Shores	6.7	7.2	7.1	6.5
Niles-Benton Harbor	6.8	7.4	7.5	6.3
Saginaw-Saginaw Twp North	7.7	8.4	8.3	7.7
Multi-County Areas				
Northeast Lower Michigan	9.9	11.7	11.3	9.2
Northwest Lower Michigan	7.7	8.8	8.6	7.1
Upper Peninsula	8.4	9.0	8.6	7.8
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	6.8	7.5	7.2	6.6

Source: Michigan Department of Labor and Economic Growth *Preliminary

Michigan Regional Unemployment Rates

April 2005 and April 2006



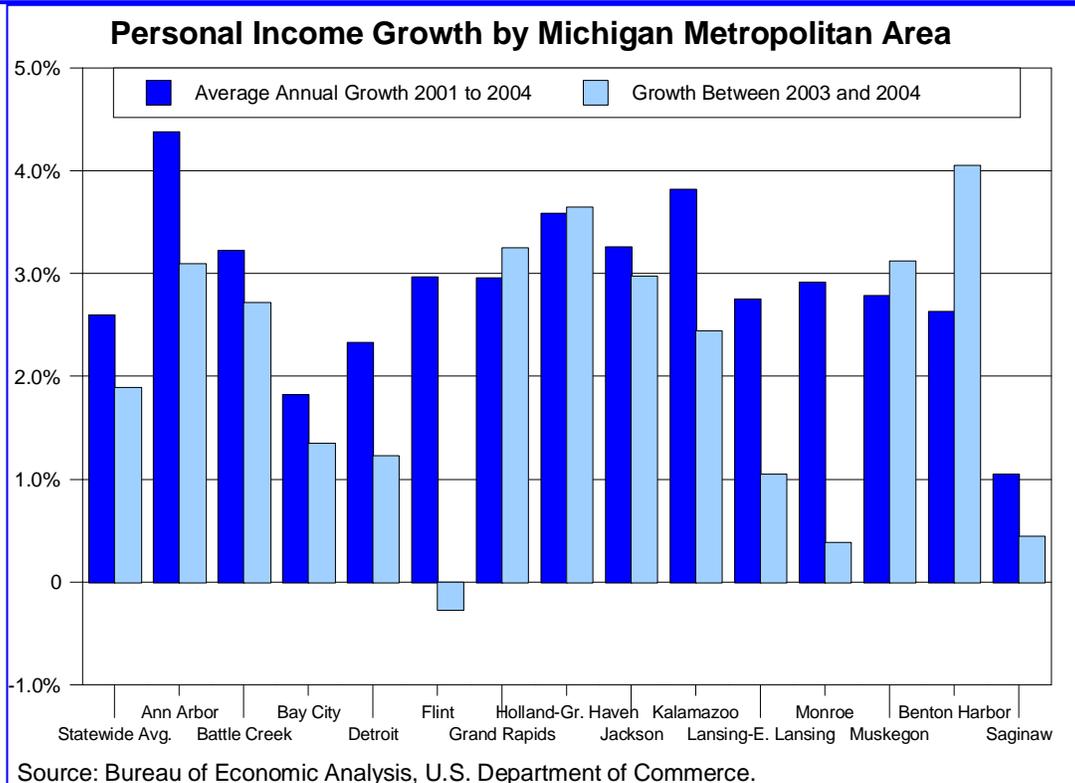
Source: Michigan Department of Labor and Economic Growth

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

	Apr. 2006	Mar. 2006	Feb. 2006	Jan. 2006	Year Ago Apr.	Percent Change From:	
						Apr./Mar.	Apr. 2006/ Apr. 2005
Motor Vehicle Sales^{1,2)} (thousands of units, SAAR)							
Autos	8,007	7,420	7,410	8,560	7,953	7.9%	0.7%
Domestics	5,615	5,279	5,413	6,468	5,666	6.4	(0.9)
Imports	2,392	2,141	1,997	2,092	2,287	11.7	4.6
Import Share	29.9%	28.9%	27.0%	24.4%	28.8%	---	---
Light Trucks	8,680	9,117	9,138	9,018	9,230	(4.8)	(6.0)
Domestics	7,234	7,744	7,790	7,703	7,967	(6.6)	(9.2)
Imports	1,446	1,373	1,348	1,315	1,263	5.3	14.5
Import Share	16.7%	15.1%	14.8%	14.6%	13.7%	---	---
Subtotal: Light Vehicle Sales	16,687	16,537	16,548	17,578	17,183	0.9	(2.9)
Heavy Trucks	517	555	538	527	479	(6.8)	7.9
Total Vehicle Sales	17,204	17,092	17,086	18,105	17,662	0.7	(2.6)
U.S. Motor Vehicle Production^{1,2)} (millions of units, SAAR)							
Autos	4,555	4,538	4,409	4,633	4,470	0.4	1.9
Michigan Motor Vehicle Production^{2,3)} (thousands of units, SAAR)							
Autos	973	1,370	1,190	1,329	1,301	(29.0)	(25.2)
Trucks	1,142	1,195	1,041	969	1,454	(4.5)	(21.5)
Total	2,114	2,565	2,231	2,298	2,755	(17.6)	(23.2)
Michigan Production as % of U.S.	20.8%	19.8%	19.8%	19.9%	23.6%	---	---
U.S. Motor Vehicle Inventories⁴⁾							
Total Car	1,484	1,553	1,422	1,360	1,485	(4.4)	(0.1)
Days Supply	52	58	57	56	55	(10.3)	(5.5)
Total Truck	2,317	2,391	2,281	2,247	2,495	(3.1)	(7.1)
Days Supply	85	80	82	97	87	6.3	(2.3)

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)

OTHER KEY ECONOMIC INDICATORS



Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period*	Year Ago
Weekly Leading Index , monthly ¹⁾ (1992=100)	April	136.8	136.2	133.6	0.4%	2.4%
Coincident Index ¹⁾ (1992=100)	April	151.0	150.3	145.9	0.5	3.5
Housing Starts, U.S. ²⁾ (thousands of units, SAAR)	April	1,849	1,996	2,079	(7.4)	(11.1)
Retail Sales, U.S. ²⁾ (billions, seasonally adjusted)	April	\$327.5	\$325.9	\$307.3	0.5	6.6
Industrial Production Index ³⁾ (1997=100, seasonally adjusted)	April	112.3	111.4	107.2	0.8	4.7
Capacity Utilization ³⁾ (% of total capacity, seasonally adjusted)	April	81.9	81.4	79.7	0.6	2.8
Consumer Price Index ⁴⁾ (1982-84=100)						
U.S. (seasonally adjusted)	April	201.0	199.8	194.1	7.5	3.6
Detroit (not seasonally adjusted)	April	197.2	194.8	189.8	7.6	3.9
Interest Rates						
3-month Treasury Bill ³⁾	April	4.59%	4.51%	2.79%	--	--
Corporate Aaa Bonds ³⁾	April	5.84%	5.53%	5.33%	--	--
Real Gross Domestic Product ⁵⁾ (billions of 2000 \$, SAAR, Chain-Weighted)	2006 1st Qtr.	\$11,394.7	\$11,248.3	\$10,999.3	5.3	3.6
Michigan Tax Collections ⁶⁾ (12 major taxes, millions)	Apr 2006	\$1,705.1	\$988.7	\$1,614.4	NM	5.6

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) Economic Cycle Research Institute 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.

