

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- **U.S. seasonally adjusted total vehicle sales** declined 1.8% in April from the March level, but were 5.4% above the level one year ago. April's year-over-year growth in total vehicle sales was the weakest of any month since June 2011. **Light vehicle sales** were down 2.2% from the March level, but were 5.6% above last year's level, and averaged a 14.9 million unit annual rate. Year-over-year growth in both total and light vehicle sales was largely driven by strong light truck sales, which increased 11.7% from last year's level.
- **Oil prices** decreased 1.1% in April from the March level, and were 10.9% below last year's level. The average monthly price of \$92.07 per barrel was the lowest price of oil for April in three years.



- **Michigan private-sector average weekly earnings** exhibited year-over-year declines in most sectors in April, as average weekly hours also declined. Average weekly earnings in the manufacturing sector were down 5.5%, dominated by a 15.5% decline in earnings in the transportation equipment manufacturing sector that likely reflects new hires with lower entry-level wages in the aftermath of the auto companies' bankruptcies. The professional/business services sector exhibited the strongest year-over-year growth (5.0%), followed by the retail trade (2.4%) and wholesale trade (2.0%) sectors.
- April **local area unemployment rates** were at or below year-ago levels in every metropolitan area except Bay City and Lansing/East Lansing. The Holland/Grand Haven area saw the greatest year-over-year improvement, with the area's unemployment rate falling by approximately 0.6 percentage point. Declines more often reflected employment gains rather than the departure of unemployed individuals from the labor force.

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

U.S.	Apr. 2013	Mar. 2013	Apr. 2012	Change from Mar.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,238	155,028	154,451	210	0.1%	787	0.5%
Employment	143,579	143,286	141,934	293	0.2	1,645	1.2
Unemployment	11,659	11,742	12,517	(83)	(0.7)	(858)	(6.9)
Unemployment Rate	7.5%	7.6%	8.1%	---	---	---	---
Michigan	Apr. 2013	Mar. 2013	Apr. 2012	Change from Mar.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,670	4,658	4,668	12	0.3%	3	0.1%
Employment	4,280	4,261	4,244	18	0.4	36	0.8
Unemployment	391	396	424	(6)	(1.5)	(33)	(7.9)
Unemployment Rate	8.4%	8.5%	9.1%	---	---	---	---

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



APRIL 2013

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Apr. 2013*	Mar. 2013	Apr. 2012	Change from Mar.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,057	4,061	4,025	(5)	(0.1%)	32	0.8%
Goods Producing Industries	687	686	669	1	0.1	17	2.6
Mining and Logging	8	8	8	(0)	(1.3)	(0)	(1.3)
Construction	125	126	129	(1)	(1.0)	(4)	(3.3)
Manufacturing	554	552	532	2	0.4	22	4.1
Transportation Equipment	164	164	145	0	0.0	19	13.2
Service Producing Industries	3,370	3,376	3,355	(5)	(0.2)	15	0.4
Trade, Transportation & Utilities	734	736	730	(2)	(0.2)	4	0.6
Wholesale Trade	160	160	159	(0)	(0.1)	1	0.8
Retail Trade	451	451	450	(1)	(0.1)	1	0.2
Transportation & Utilities	123	124	121	(1)	(0.8)	2	1.7
Information	51	51	53	0	0.0	(2)	(3.6)
Financial Activities	197	199	196	(2)	(0.8)	2	0.9
Professional & Business Services	578	585	578	(8)	(1.3)	0	0.0
Education & Health Services	641	639	632	2	0.3	9	1.4
Leisure & Hospitality Services	394	391	387	3	0.7	6	1.6
Other Services	170	170	168	0	0.1	3	1.6
Government	605	605	612	1	0.1	(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		
	Apr. 2013	Year Ago	Percent Change	Apr. 2013	Year Ago	Percent Change
Construction	38.4	38.8	(1.0%)	\$891.7	\$907.9	(1.8%)
Manufacturing	43.4	44.1	(1.6)	870.6	920.8	(5.5)
Durable Goods	44.0	45.5	(3.3)	928.4	1,010.6	(8.1)
Transportation Equipment Mfg.	44.9	48.7	(7.8)	1,136.4	1,344.1	(15.5)
Motor Vehicle Parts Mfg.	44.9	47.4	(5.3)	1,070.0	1,190.7	(10.1)
Nondurable Goods	41.4	39.9	3.8	687.2	646.0	6.4
Wholesale Trade	37.6	38.6	(2.6)	852.8	836.1	2.0
Retail Trade	29.4	29.9	(1.7)	390.1	380.9	2.4
Information	34.9	36.2	(3.6)	830.6	867.4	(4.2)
Financial Activities	35.1	36.7	(4.4)	663.7	704.3	(5.8)
Professional & Business Services	35.0	34.9	0.3	812.7	774.1	5.0
Health Care & Social Assistance	31.7	31.9	(0.6)	602.0	594.9	1.2
Leisure & Hospitality	22.1	21.9	0.9	218.6	218.3	0.1
Accommodation & Food Services	22.2	21.9	1.4	209.1	210.5	(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)				
	Apr. 2013	Mar. 2013	Feb. 2013	Apr. 2012
Metropolitan Statistical Areas				
Ann Arbor	5.1%	5.1%	5.3%	5.4%
Battle Creek	6.6	6.8	7.3	7.1
Bay City	8.5	8.9	9.5	8.3
Detroit-Warren-Livonia	8.9	9.9	10.2	9.4
Flint	8.8	9.1	9.8	9.0
Grand Rapids-Wyoming	5.9	6.2	6.6	6.4
Holland-Grand Haven	5.9	6.2	6.7	6.5
Jackson	7.9	8.3	8.8	8.1
Kalamazoo-Portage	6.7	7.1	7.6	7.2
Lansing-East Lansing	7.0	6.7	7.3	6.8
Monroe	7.3	7.7	8.3	7.7
Muskegon-Norton Shores	8.1	8.4	9.2	8.5
Niles-Benton Harbor	8.2	8.8	9.6	8.6
Saginaw-Saginaw Twp North	8.3	8.5	9.1	8.3
Multi-County Areas				
Northeast Lower Michigan	11.8	13.1	14.1	11.7
Northwest Lower Michigan	9.9	10.5	11.3	9.9
Upper Peninsula	9.8	9.9	10.5	9.4
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.2	8.8	9.2	8.5

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Apr. 2013	Mar. 2013	Feb. 2013	Jan. 2013	Year Ago Apr.	Percent Change From:	
						Apr./Mar.	Apr. 2013/ Apr. 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,117	7,432	7,735	7,795	7,143	(4.2%)	(0.4%)
Domestics	5,132	5,381	5,543	5,682	5,021	(4.6)	2.2
Imports	1,985	2,051	2,192	2,113	2,122	(3.2)	(6.5)
Import Share	27.9%	27.6%	28.3%	27.1%	29.7%	---	---
Light Trucks	7,750	7,775	7,588	7,427	6,938	(0.3)	11.7
Domestics	6,614	6,607	6,437	6,350	5,875	0.1	12.6
Imports	1,136	1,168	1,151	1,077	1,063	(2.7)	6.9
Import Share	14.7%	15.0%	15.2%	14.5%	15.3%	---	---
Subtotal: Light Vehicle Sales	14,867	15,207	15,323	15,222	14,081	(2.2)	5.6
Heavy Trucks	354	294	337	326	363	20.4	(2.5)
Total Vehicle Sales	15,221	15,501	15,660	15,548	14,444	(1.8)	5.4
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,495	4,681	4,416	4,433	4,283	(4.0)	5.0
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	1,057	1,060	1,125	1,432	960	(0.2)	10.2
Trucks	1,635	1,304	1,306	1,411	1,345	25.4	21.6
Total	2,693	2,364	2,431	2,843	2,305	13.9	16.8
Michigan Production as % of U.S.	22.0%	23.0%	21.6%	21.9%	22.1%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,587	1,566	1,571	1,553	1,200	1.4	32.3
Days Supply	61	56	61	71	48	8.9	27.1
Total Truck	1,659	1,650	1,619	1,574	1,404	0.5	18.1
Days Supply	66	64	68	78	66	3.1	0.0

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)	Apr.	76.4	78.6	76.4	(2.8%)	0.0%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Apr.	\$92.07	\$93.05	\$103.33	(1.1)	(10.9)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Apr.	853	1,021	754	(16.5)	13.1
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Apr.	\$373.2	\$373.2	\$360.4	(0.0)	3.6
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Apr.	98.7	99.3	96.9	(0.5)	1.9
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Apr.	77.8	78.3	77.7	(0.7)	0.0
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Apr.	231.5	232.3	229.0	(4.3)	1.1
Detroit (not seasonally adjusted)	Apr.	218.9	218.9	216.2	0.0	1.3
Interest Rates						
3-month Treasury Bill ⁴⁾	Apr.	0.06%	0.09%	0.08%	---	---
Corporate Aaa Bonds ⁴⁾	Apr.	3.73%	3.93%	3.96%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2013 1st Qtr.	\$13,746.2	\$13,665.4	\$13,506.4	2.4	1.8
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Apr. 2013	\$2,303.3	\$1,193.9	\$1,951.4	NM	18.0

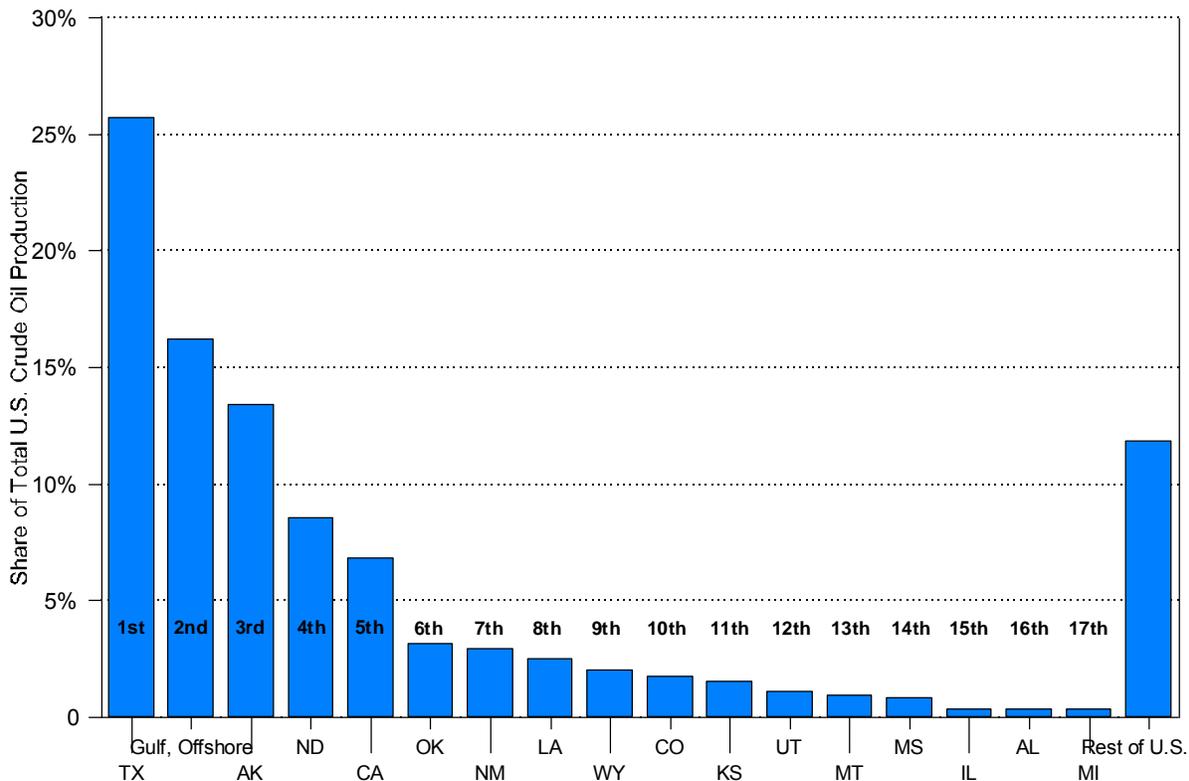
SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.

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.

Crude Oil Production By State, 2012



Source: Energy Information Administration, U.S. Dept. of Energy