

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS

- **Consumer sentiment** increased by 5.1% in April 2014, to the third-highest monthly reading since 2007, and 10.1% above the level in April 2013. The gains reflected improved personal finances and expected growth in the national economy, although consumers do not expect much improvement in the unemployment rate during the next year. The share of consumers who reported worsening personal finances declined to 28.0% in April 2014, the lowest level since April 2007, and down from 37.0% in March 2014.



- **Retail sales** in April 2014 were up 4.7% from the level in April 2013, the fastest year-over-year growth in retail sales since August 2013. Motor vehicle sales (11.0%) rose more rapidly than any other sector, although furniture stores (7.1%), nonstore retailers (6.4%), health/personal care stores (5.9%), and building materials stores (5.1%) also experienced strong growth. Sporting goods/hobby/book/music stores were the only major sector to exhibit a year-over-year decline in sales.

- **Michigan's unemployment rate** was 7.4% in April 2014, down from 8.8% in April 2013. During the last 12 months, the labor force grew by 0.6% or 27,000 workers to 4.7 million, employment increased by 2.1% or 90,000 employed individuals to 4.4 million, and the number of unemployed individuals declined by 63,000 or 15.2% to 352,000.



- **The Detroit Consumer Price Index (CPI)** increased at a 7.9% annual rate between February 2014 and April 2014, primarily due to higher prices for apparel and energy, particularly motor fuel. Despite the increase, prices were only 2.0% above the year-ago level in April.

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

U.S.	Apr. 2014	Mar. 2014	Apr. 2013	Change from Mar.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,421	156,227	155,359	(806)	(0.5%)	62	0.0%
Employment	145,669	145,742	143,676	(73)	(0.1)	1,993	1.4
Unemployment	9,753	10,486	11,683	(733)	(7.0)	(1,930)	(16.5)
Unemployment Rate	6.3%	6.7%	7.5%	---	---	---	---
Michigan	Apr. 2014	Mar. 2014	Apr. 2013	Change from Mar.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,741	4,730	4,714	11	0.2%	27	0.6%
Employment	4,389	4,375	4,299	14	0.3	90	2.1
Unemployment	352	355	415	(3)	(0.8)	(63)	(15.2)
Unemployment Rate	7.4%	7.5%	8.8%	---	---	---	---

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



April 2014

Prepared by:
Elizabeth Pratt, Fiscal Analyst
David Zin, Chief Economist

MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Apr. 2014*	Mar. 2014	Apr. 2013	Change from Mar.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,116	4,115	4,092	1	0.0%	24	0.6%
Goods Producing Industries	706	708	690	(2)	(0.3)	16	2.3
Mining and Logging	8	9	8	(0)	(1.2)	1	10.5
Construction	137	136	131	1	0.4	6	4.3
Manufacturing	561	563	551	(3)	(0.5)	10	1.7
Transportation Equipment	167	171	164	(4)	(2.3)	3	1.9
Service Producing Industries	3,410	3,406	3,402	4	0.1	8	0.2
Trade, Transportation & Utilities	749	748	741	1	0.1	8	1.0
Wholesale Trade	165	165	163	0	0.1	1	0.9
Retail Trade	455	454	453	1	0.2	2	0.4
Transportation & Utilities	129	129	124	0	0.0	5	3.6
Information	55	56	55	(0)	(0.7)	0	0.5
Financial Activities	200	198	202	2	0.9	(2)	(0.8)
Professional & Business Services	605	601	598	3	0.5	7	1.1
Education & Health Services	635	636	639	(2)	(0.2)	(5)	(0.7)
Leisure & Hospitality Services	400	402	396	(2)	(0.5)	4	1.1
Other Services	168	169	171	(0)	(0.1)	(2)	(1.4)
Government	598	597	600	2	0.3	(2)	(0.3)

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. 2014	Year Ago	Percent Change	Apr. 2014	Year Ago	Percent Change
Construction	38.3	38.4	(0.3%)	\$940.65	\$888.58	5.9%
Manufacturing	43.8	43.5	0.7	895.71	881.31	1.6
Durable Goods	45.2	44.3	2.0	967.73	944.92	2.4
Transportation Equipment Mfg.	48.8	46.2	5.6	1,211.70	1,197.97	1.0
Motor Vehicle Parts Mfg.	45.4	46.3	(1.9)	1,060.09	1,122.31	(5.5)
Nondurable Goods	39.1	41.1	(4.9)	658.05	682.26	(3.5)
Wholesale Trade	38.0	37.7	0.8	873.24	824.88	5.9
Retail Trade	29.5	29.5	0.0	400.61	388.81	3.0
Information	33.7	34.9	(3.4)	899.12	830.62	8.2
Financial Activities	34.6	35.3	(2.0)	690.27	667.88	3.4
Professional & Business Services	35.6	35.1	1.4	830.19	814.67	1.9
Health Care & Social Assistance	31.5	32.0	(1.6)	599.76	609.92	(1.7)
Leisure & Hospitality	23.0	22.1	4.1	234.37	219.01	7.0
Accommodation & Food Services	22.9	22.2	3.2	221.44	209.35	5.8

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. 2014	Mar. 2014	Feb. 2014	Apr. 2013
Metropolitan Statistical Areas				
Ann Arbor	4.8%	5.2%	5.3%	5.3%
Battle Creek	6.0	7.0	7.4	7.2
Bay City	7.7	9.1	9.4	9.0
Detroit-Warren-Livonia	7.9	8.3	9.0	8.7
Flint	7.8	9.0	9.4	9.1
Grand Rapids-Wyoming	5.1	6.0	6.2	6.3
Holland-Grand Haven	5.0	6.0	6.2	6.3
Jackson	7.2	8.2	8.5	8.3
Kalamazoo-Portage	6.0	7.0	7.3	7.1
Lansing-East Lansing	6.1	6.4	6.6	7.3
Monroe	7.4	7.2	7.6	7.4
Muskegon-Norton Shores	6.9	7.9	8.3	8.7
Niles-Benton Harbor	6.8	8.2	8.8	8.5
Saginaw-Saginaw Twp North	7.5	8.7	8.9	8.7
Multi-County Areas				
Northeast Lower Michigan	11.2	13.5	14.1	12.4
Northwest Lower Michigan	9.0	10.3	10.8	10.4
Upper Peninsula	9.1	10.3	10.6	10.3
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	7.3	8.0	8.5	8.3

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Apr. 2014	Mar. 2014	Feb. 2014	Jan. 2014	Year Ago Apr.	Percent Change From:	
						Apr./Mar.	Apr. 2014/ Apr. 2013
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,340	7,523	7,105	7,072	7,290	(2.4%)	0.7%
Domestics	5,250	5,399	5,106	5,034	5,312	(2.8)	(1.2)
Imports	2,090	2,124	1,999	2,038	1,978	(1.6)	5.7
Import Share	28.5%	28.2%	28.1%	28.8%	27.1%	---	---
Light Trucks	8,616	8,816	8,162	8,072	7,869	(2.3)	9.5
Domestics	7,323	7,449	6,890	6,890	6,728	(1.7)	8.8
Imports	1,293	1,367	1,272	1,182	1,141	(5.4)	13.3
Import Share	15.0%	15.5%	15.6%	14.6%	14.5%	---	---
Subtotal: Light Vehicle Sales	15,956	16,339	15,267	15,144	15,159	(2.3)	5.3
Heavy Trucks	419	374	357	353	370	12.0	13.2
Total Vehicle Sales	16,375	16,713	15,624	15,497	15,529	(2.0)	5.4
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,042	4,118	4,276	4,142	4,397	(1.9)	(8.1)
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	601	755	1,042	1,410	1,004	(20.4)	(40.1)
Trucks	1,720	1,555	1,649	1,613	1,601	10.6	7.4
Total	2,321	2,310	2,691	3,023	2,605	0.5	(10.9)
Michigan Production as % of U.S.	20.7%	20.7%	19.5%	21.4%	23.0%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,805	1,859	1,882	1,772	1,587	(2.9)	13.7
Days Supply	69	63	78	90	61	9.5	13.1
Total Truck	1,901	1,870	1,879	1,785	1,659	1.7	14.6
Days Supply	69	63	74	86	66	9.5	4.5

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.	84.1	80.0	76.4	5.1%	10.1%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Apr.	\$102.07	\$100.80	\$92.02	1.3	10.9
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Apr.	1,072	947	848	13.2	26.4
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Apr.	\$389.6	\$387.3	\$372.3	0.6	4.7
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Apr.	102.7	103.3	99.3	(0.6)	3.5
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Apr.	78.6	79.3	77.8	(0.8)	1.1
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Apr.	237.1	236.3	232.5	4.0	2.0
Detroit (not seasonally adjusted)	Apr.	223.3	220.5	218.9	7.9	2.0
Interest Rates						
3-month Treasury Bill ⁴⁾	Apr.	0.03%	0.05%	0.06%	---	---
Corporate Aaa Bonds ⁴⁾	Apr.	4.24%	4.38%	3.73%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2014 1st Qtr.	\$15,902.9	\$15,942.3	\$15,583.9	(1.0)	2.0
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Apr. 2014	\$1,899.3	\$1,234.7	\$2,298.6	NM	(17.4)

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.

