

# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- Seasonally adjusted **light vehicle sales** declined a slight 0.8% in December from the November level, to a 13.5 million unit annual rate, but were 8.3% above the level one year ago. Compared with December 2010, auto sales were up 6.8%, with sales of domestic autos up 11.1%; and light truck sales were up 9.8%, with domestic light trucks also 11.1% above the year-ago level. Heavy truck sales were up 51.1% from a year ago.
- **Retail sales** in December were up 6.3% from one year ago, but unchanged from November. Compared with November, lower sales at general merchandise stores, gas stations, and food stores were offset by higher sales at vehicle dealers and building materials, furniture, and apparel stores. Compared with last December, the most increases were at nonstore retailers (10.6%), gas stations (8.9%) and vehicle dealers (8.8%).



- **Michigan's unemployment rate** decreased from 9.8% in November to 9.3% in December, down from 11.1% one year ago. However, the decreases reflect workers leaving the labor force rather than employment gains. Compared with a year ago, employment was down by 3,000 jobs, and the size of the labor force (those working or looking for work) had fallen by 100,000 people. As of December 2011, Michigan's labor force had declined for nine consecutive months, and 20 of the last 21 months. *January 2012 employment data for Michigan, and final 2011 data, will be released after revised benchmarks are complete, in early March.*
- The **housing market** in Michigan appeared to stabilize somewhat in 2011, with realtor reported sales declining 0.4% and the average sales price rising 0.9%. For realty associations with at least 3,000 sales (roughly 3.0% of the market), the Grand Rapids area experienced the greatest increase in sales (10.2%), while average sale prices increased the most in Macomb County (8.0%).

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

U.S.	Dec. 2011	Nov. 2011	Dec. 2010	Change from Nov.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	153,887	153,937	153,613	(50)	(0.0%)	274	0.2%
Employment	140,790	140,614	139,220	176	0.1	1,570	1.1
Unemployment	13,097	13,323	14,393	(226)	(1.7)	(1,296)	(9.0)
Unemployment Rate	8.5%	8.7%	9.4%	---	---	---	---
Michigan	Dec. 2011	Nov. 2011	Dec. 2010	Change from Nov.		Change from Year Ago	
Labor Force	4,646	4,658	4,746	(12)	(0.3%)	(100)	(2.1%)
Employment	4,214	4,201	4,217	13	0.3	(3)	(0.1)
Unemployment	431	456	529	(25)	(5.5)	(97)	(18.4)
Unemployment Rate	9.3%	9.8%	11.1%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Dec. 2011*	Nov 2011	Dec. 2010	Change from Nov.		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	3,935	3,931	3,867	4	0.1%	68	1.8%
<b>Goods Producing Industries</b>	638	636	609	2	0.3	29	4.8
Mining and Logging	8	8	7	(0)	(2.6)	0	2.7
Construction	126	127	123	(2)	(1.5)	2	1.9
Manufacturing	505	501	478	4	0.8	26	5.5
Transportation Equipment	140	138	126	2	1.2	14	10.9
<b>Service Producing Industries</b>	3,297	3,295	3,258	2	0.1	39	1.2
Trade, Transportation & Utilities	715	715	707	(1)	(0.1)	8	1.1
Wholesale Trade	154	153	152	0	0.2	2	1.1
Retail Trade	443	446	441	(3)	(0.6)	2	0.4
Transportation & Utilities	119	117	115	2	1.6	4	3.5
Information	55	55	54	0	0.2	1	1.3
Financial Activities	188	187	186	1	0.4	2	1.1
Professional & Business Services	553	549	522	4	0.7	31	5.9
Education & Health Services	637	637	625	1	0.1	12	1.9
Leisure & Hospitality Services	367	366	372	1	0.2	(5)	(1.3)
Other Services	171	171	168	0	0.1	4	2.2
Government	611	615	624	(4)	(0.6)	(13)	(2.1)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Dec. 2011	Year Ago	Percent Change	Dec. 2011	Year Ago	Percent Change
Construction	39.9	39.9	0.0%	\$936.45	\$906.13	3.3%
Manufacturing	44.4	44.4	0.0	918.19	972.36	(5.6)
Durable Goods	45.3	45.9	(1.3)	1,002.94	1,081.86	(7.3)
Transportation Equipment Mfg.	46.6	46.3	0.6	1,294.55	1,331.13	(2.7)
Motor Vehicle Parts Mfg.	46.5	45.0	3.3	1,172.73	1,146.60	2.3
Nondurable Goods	41.9	39.9	5.0	669.98	648.38	3.3
Wholesale Trade	37.9	38.0	(0.3)	768.61	775.20	(0.9)
Retail Trade	30.8	30.1	2.3	388.70	385.28	0.9
Information	35.2	32.6	8.0	867.33	811.74	6.8
Financial Activities	37.2	36.0	3.3	713.87	726.84	(1.8)
Professional & Business Services	34.0	33.9	0.3	727.26	720.71	0.9
Health Care & Social Assistance	31.3	31.4	(0.3)	584.37	593.46	(1.5)
Leisure & Hospitality	22.6	22.2	1.8	225.55	219.56	2.7
Accommodation & Food Services	22.5	22.1	1.8	214.88	213.27	0.8

**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>				
	Dec. 2011	Nov. 2011	Oct. 2011	Dec. 2010
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	5.5%	5.1%	5.7%	6.6%
Battle Creek	7.7	6.9	7.6	9.4
Bay City	8.4	7.4	7.9	10.4
Detroit-Warren-Livonia	9.7	9.5	10.8	11.1
Flint	9.6	8.7	9.4	11.9
Grand Rapids-Wyoming	7.1	6.5	7.1	8.9
Holland-Grand Haven	7.1	6.5	7.0	9.2
Jackson	8.6	7.8	8.4	10.9
Kalamazoo-Portage	7.7	6.9	7.4	9.4
Lansing-East Lansing	6.9	6.4	6.7	8.3
Monroe	8.4	7.5	8.1	10.6
Muskegon-Norton Shores	9.0	8.4	9.0	11.4
Niles-Benton Harbor	9.2	8.2	8.3	10.9
Saginaw-Saginaw Twp North	8.6	7.7	8.1	10.3
<b>Multi-County Areas</b>				
Northeast Lower Michigan	12.6	10.6	10.1	14.6
Northwest Lower Michigan	11.1	9.5	9.1	13.0
Upper Peninsula	9.6	8.2	7.9	11.2
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	9.0	8.4	9.2	10.6

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

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)</b>							
	Dec. 2011	Nov. 2011	Oct. 2011	Sept. 2011	Year Ago December	Percent Change From:	
						Dec./Nov.	Dec. 2011/ Dec. 2010
<b>Motor Vehicle Sales<sup>1)</sup></b>							
<b>(thousands of units, SAAR)</b>							
Autos	6,460	6,626	6,378	6,010	6,049	(2.5%)	6.8%
Domestics	4,493	4,674	4,529	4,242	4,045	(3.9)	11.1
Imports	1,967	1,952	1,849	1,768	2,004	0.8	(1.8)
Import Share	30.4%	29.5%	29.0%	29.4%	33.1%	---	---
Light Trucks	7,035	6,976	6,841	7,040	6,407	0.8	9.8
Domestics	6,012	5,984	5,842	5,975	5,410	0.5	11.1
Imports	1,023	992	999	1,065	997	3.1	2.6
Import Share	14.5%	14.2%	14.6%	15.1%	15.6%	---	---
Subtotal: Light Vehicle Sales	13,495	13,602	13,219	13,050	12,456	(0.8)	8.3
Heavy Trucks	337	322	345	345	223	4.7	51.1
Total Vehicle Sales	13,832	13,924	13,564	13,395	12,679	(0.7)	9.1
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
<b>(millions of units, SAAR)</b>							
Autos	3,426	3,326	3,310	3,026	2,555	3.0	34.1
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
<b>(thousands of units, SAAR)</b>							
Autos	966	807	628	583	371	19.8	160.2
Trucks	1,233	1,180	1,140	1,199	1,029	4.5	19.8
Total	2,200	1,986	1,768	1,782	1,400	10.7	57.1
Michigan Production as % of U.S.	23.0%	22.0%	22.3%	22.6%	18.4%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,156	1,105	964	874	1,185	4.5	(2.5)
Days Supply	55	59	51	44	59	(6.8)	(6.8)
Total Truck	1,235	1,326	1,278	1,222	1,158	(6.8)	6.6
Days Supply	50	63	62	55	52	(20.6)	(3.8)

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)	Dec.	69.9	63.7	74.5	9.7%	(6.2%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Dec.	\$98.57	\$97.21	\$89.04	1.4	10.7
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Dec.	657	685	526	(4.1)	24.9
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Dec.	\$358.0	\$357.9	\$336.9	0.0	6.3
<b>Industrial Production Index</b> <sup>4)</sup> (1997=100, seasonally adjusted)	Dec.	95.3	94.9	92.6	0.4	2.9
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Dec.	78.1	77.8	76.8	0.4	1.8
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Dec.	226.7	226.7	220.2	0.1	3.0
Detroit (not seasonally adjusted)	Dec.	213.5	212.9	206.4	1.6	3.5
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Dec.	0.01%	0.01%	0.14%	---	---
Corporate Aaa Bonds <sup>4)</sup>	Dec.	3.93%	3.87%	5.02%	---	---
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2011 4th Qtr.	\$13,422.4	\$13,331.6	\$13,216.1	2.8	1.6
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Dec. 2011	\$1,703.5	\$1,611.3	\$1,695.6	NM	0.5

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.

