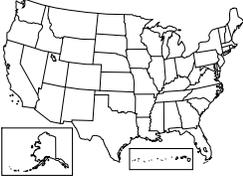


MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- **Consumer sentiment** increased by 5.4% in December 2014, to the highest monthly reading since January 2007, and 13.5% above the level in December 2013. Consumers' attitudes reflected lower gas prices and improvements in the outlook for jobs and wages, with incomes expected to rise 1.7% in 2015. Respondents reported gains in jobs and wages in 2014 across all population groups and regions.
- **Retail sales** in December 2014 declined 1.1% from November 2014, but were 2.6% above December 2013. Compared with December 2013, sales in December 2014 increased most rapidly at motor vehicle and parts dealers (8.6%), electronics and appliance stores (6.8%), health and personal care stores (6.1%), and furniture and home furnishing stores (5.8%). Reflecting the decline in gas prices, sales at gasoline stations decreased 14.2% in December 2014 compared to December 2013.



- **Michigan motor vehicle production** increased by 27.2% in December 2014 compared with November 2014, and was 8.6% higher than in December 2013. Michigan production as a percentage of total U.S. production declined from 21.8% in December 2013 to 17.0% in December 2014.
- **Average weekly earnings** for employees increased in most sectors in December 2014 compared with December 2013 and generally grew at a faster rate than average weekly hours. Standout sectors with growth in average weekly earnings were financial activities, which increased by 14.9%, accommodation and food services at 8.6%, and motor vehicle parts manufacturing at 8.1%. Retail trade posted growth of 5.2% in earnings and durable goods manufacturing increased by 4.4%. Earnings declined in construction (0.1%), information (2.6%), and health care and social assistance (2.1%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Dec. 2014	Nov. 2014	Dec. 2013	Change from Nov.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	156,129	156,402	155,047	(273)	(0.2%)	1,082	0.7%
Employment	147,442	147,331	144,671	111	0.1	2,771	1.9
Unemployment	8,688	9,071	10,376	(383)	(4.2)	(1,688)	(16.3)
Unemployment Rate	5.6%	5.8%	6.7%	---	---	---	---
Michigan	Dec. 2014	Nov. 2014	Dec. 2013	Change from Nov.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,748	4,748	4,744	(0)	(0.0%)	3	0.1%
Employment	4,442	4,439	4,364	3	0.1	79	1.8
Unemployment	306	309	381	(4)	(1.1)	(75)	(19.7)
Unemployment Rate	6.4%	6.5%	8.0%	---	---	---	---

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



December 2014

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Dec. 2014*	Nov. 2014	Dec. 2013	Change from Nov.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,170	4,166	4,126	5	0.1%	44	1.1%
Goods Producing Industries	723	722	705	2	0.2	18	2.6
Mining and Logging	9	9	8	0	1.1	1	12.2
Construction	140	138	132	2	1.2	7	5.4
Manufacturing	575	575	565	(0)	(0.0)	10	1.7
Transportation Equipment	179	178	172	1	0.7	7	4.2
Service Producing Industries	3,447	3,444	3,421	3	0.1	26	0.8
Trade, Transportation & Utilities	756	759	751	(4)	(0.5)	5	0.7
Wholesale Trade	166	166	164	(1)	(0.3)	2	1.2
Retail Trade	457	458	460	(2)	(0.4)	(3)	(0.7)
Transportation & Utilities	134	135	127	(1)	(1.0)	6	5.0
Information	56	56	56	(0)	(0.2)	0	0.0
Financial Activities	200	198	201	2	1.0	(2)	(0.7)
Professional & Business Services	625	622	606	3	0.4	18	3.0
Education & Health Services	643	642	635	1	0.2	8	1.3
Leisure & Hospitality Services	402	401	400	0	0.0	2	0.4
Other Services	171	171	172	(0)	(0.2)	(1)	(0.3)
Government	595	594	600	1	0.2	(5)	(0.8)

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		
	Dec. 2014	Year Ago	Percent Change	Dec. 2014	Year Ago	Percent Change
Construction	39.2	39.0	0.5%	\$963.54	\$964.47	(0.1%)
Manufacturing	45.2	45.1	0.2	934.74	903.35	3.5
Durable Goods	46.3	46.0	0.7	1,007.03	964.62	4.4
Transportation Equipment Mfg.	49.8	49.8	0.0	1,300.28	1,218.61	1.0
Motor Vehicle Parts Mfg.	49.7	48.2	3.1	1,227.09	1,134.63	8.1
Nondurable Goods	41.8	42.0	(0.5)	705.58	702.66	0.4
Wholesale Trade	38.4	38.5	(0.3)	877.44	873.95	0.4
Retail Trade	30.6	29.9	2.3	412.18	391.69	5.2
Information	34.7	34.1	1.8	852.23	875.01	(2.6)
Financial Activities	35.7	34.6	3.2	780.40	679.20	14.9
Professional & Business Services	36.7	35.6	3.1	825.75	827.70	(0.2)
Health Care & Social Assistance	31.7	32.3	(1.9)	607.06	619.84	(2.1)
Leisure & Hospitality	22.7	22.5	0.9	249.47	232.65	7.2
Accommodation & Food Services	22.7	22.5	0.9	240.39	221.40	8.6

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)				
	Dec. 2014	Nov. 2014	Oct. 2014	Dec. 2013
Metropolitan Statistical Areas				
Ann Arbor	3.2%	3.5%	4.1%	5.2%
Battle Creek	4.6	4.6	5.1	6.8
Bay City	5.5	5.1	5.5	8.2
Detroit-Warren-Livonia	6.7	7.0	8.1	8.0
Flint	5.6	5.7	6.2	8.8
Grand Rapids-Wyoming	3.6	3.7	4.2	5.8
Holland-Grand Haven	3.6	3.8	4.1	6.0
Jackson	5.3	5.3	5.8	8.0
Kalamazoo-Portage	4.5	4.4	4.9	6.9
Lansing-East Lansing	4.1	4.1	5.1	6.2
Monroe	4.4	4.5	5.2	6.9
Muskegon-Norton Shores	5.0	5.0	5.5	8.2
Niles-Benton Harbor	5.2	5.2	5.4	8.2
Saginaw-Saginaw Township North	5.2	5.2	5.7	8.0
Multi-County Areas				
Northeast Lower Michigan	8.1	7.4	6.6	12.3
Northwest Lower Michigan	6.3	5.8	5.6	9.8
Upper Peninsula	6.5	6.1	5.8	9.5
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	5.6	5.7	6.4	5.7

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Dec. 2014	Nov. 2014	Oct. 2014	Sept. 2014	Year Ago Dec.	Percent Change From:	
						Dec./Nov.	Dec. 2014/ Dec. 2013
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,897	7,903	7,726	7,517	7,519	(0.1%)	5.0%
Domestics	5,816	5,979	5,795	5,543	5,286	(2.7)	10.0
Imports	2,081	1,924	1,931	1,974	2,233	8.2	(6.8)
Import Share	26.4%	24.3%	25.0%	26.3%	29.7%	---	---
Light Trucks	8,902	9,191	8,619	8,818	7,921	(3.1)	12.4
Domestics	7,616	7,835	7,294	7,377	6,634	(2.8)	14.8
Imports	1,286	1,356	1,325	1,441	1,287	(5.2)	(0.1)
Import Share	14.4%	14.8%	15.4%	16.3%	16.2%	---	---
Subtotal: Light Vehicle Sales	16,799	17,094	16,345	16,335	15,440	(1.7)	8.8
Heavy Trucks	416	413	429	444	372	0.7	11.8
Total Vehicle Sales	17,215	17,507	16,774	16,779	15,812	(1.7)	8.9
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,547	4,456	3,976	4,193	4,501	2.0	1.0
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	1,000	875	751	810	831	14.3	20.4
Trucks	1,617	1,182	1,269	1,216	1,579	36.8	2.4
Total	2,617	2,057	2,020	2,026	2,410	27.2	8.6
Michigan Production as % of U.S.	17.0%	17.4%	17.0%	17.4%	21.8%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,712	1,759	1,654	1,509	1,722	(2.7)	(0.6)
Days Supply	66	73	75	62	68	(9.6)	(2.9)
Total Truck	1,846	1,939	1,935	1,822	1,725	(4.8)	7.1
Days Supply	58	69	76	66	59	(15.9)	(1.7)

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)	Dec.	93.6	88.8	82.5	5.4%	13.5%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Dec.	\$59.29	\$75.79	\$97.63	(21.8)	(39.3)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Dec.	1,087	1,015	1,034	7.1	5.1
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Dec.	\$393.2	\$397.7	\$383.1	(1.1)	2.6
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Dec.	106.0	106.3	101.6	(0.3)	4.4
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Dec.	79.4	79.8	78.5	(0.6)	1.2
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Dec.	236.3	237.1	234.7	(3.9)	0.7
Detroit (not seasonally adjusted)	Dec.	218.1	222.0	218.2	(10.1)	(0.1)
Interest Rates						
3-month Treasury Bill ⁴⁾	Dec.	0.03%	0.02%	0.07%	---	---
Corporate Aaa Bonds ⁴⁾	Dec.	3.79%	3.92%	4.62%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2014 4th Quarter	\$16,293.7	\$16,205.6	\$15,916.2	2.2	2.4
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Dec.	\$1,922.6	\$1,721.6	\$1,930.9	NM	(0.4)

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.

