

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS

- The **U.S. Consumer Price Index (CPI)** for February increased at an annual rate of 8.5% from the January level but was 2.0% above the level one year ago. The monthly increase primarily reflected rising energy prices, particularly gasoline. The gasoline index rose 9.1% in February and accounted for almost three-fourths of the increase in the overall CPI. "Core" prices, excluding volatile food and energy prices, were up only 2.0% over the last 12 months.
- **Corporate profits** increased 6.8% in 2012, after rising 7.3% in 2011. However, domestic profits increased 9.5% in 2012, compared with a 6.7% gain in 2011. The fourth quarter of 2012 marked the first quarter in which corporate profits exceeded \$2.0 trillion, and marked the highest level in the post-World War II period, in both nominal and inflation-adjusted terms.



- **Personal income** in Michigan increased 3.5% in 2012, identical to the average increase experienced nationally, and ranking Michigan's growth in personal income 22nd among the 50 states. On a per-person basis, Michigan personal income per person increased 3.4% in 2012, compared with the 2.7% average increase nationally, ranking Michigan 8th among the 50 states. The 2012 growth in Michigan personal income per person was the strongest growth rate since 2003.
- Seasonally adjusted **Michigan motor vehicle production** decreased 14.5% in February from the January level but was 2.9% above the level in February 2012. Compared with one year ago, automobile production was up 7.6%, while truck production decreased 0.8%. Despite the decline in production from January, February was the third-highest month for Michigan vehicle production since August 2007.



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

U.S.	Feb. 2013	Jan. 2013	Feb. 2012	Change from Jan.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,524	155,654	154,825	(130)	(0.1%)	699	0.5%
Employment	143,492	143,322	142,019	170	0.1	1,473	1.0
Unemployment	12,032	12,332	12,806	(300)	(2.4)	(774)	(6.0)
Unemployment Rate	7.7%	7.9%	8.3%	---	---	---	---
Michigan	Feb. 2013	Jan. 2013	Feb. 2012	Change from Jan.		Change from Year Ago	
Labor Force	4,655	4,644	4,667	12	0.2	(12)	(0.3)
Employment	4,245	4,230	4,244	15	0.3	0	0.0
Unemployment	411	414	423	(3)	(0.7)	(12)	(2.9)
Unemployment Rate	8.8%	8.9%	9.1%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb. 2013*	Jan. 2013	Feb. 2012	Change from Jan.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,067	4,054	4,016	14	0.3%	51	1.3%
Goods Producing Industries	685	684	668	1	0.2	17	2.6
Mining and Logging	8	8	8	0	2.6	0	0.0
Construction	128	128	130	1	0.7	(1)	(0.8)
Manufacturing	549	549	531	0	0.0	18	3.5
Transportation Equipment	161	162	153	(1)	(0.5)	8	5.2
Service Producing Industries	3,382	3,370	3,348	12	0.4	34	1.0
Trade, Transportation & Utilities	738	738	728	0	0.0	11	1.5
Wholesale Trade	161	160	158	1	0.4	3	1.9
Retail Trade	457	453	450	4	0.8	7	1.6
Transportation & Utilities	124	125	121	(1)	(1.1)	3	2.2
Information	52	52	53	1	1.2	(1)	(1.7)
Financial Activities	197	195	195	2	1.0	3	1.3
Professional & Business Services	583	577	573	6	1.0	10	1.7
Education & Health Services	639	634	631	5	0.7	8	1.2
Leisure & Hospitality Services	391	392	388	(1)	(0.1)	4	0.9
Other Services	172	171	168	1	0.5	4	2.5
Government	607	611	613	(4)	(0.7)	(6)	(1.0)

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		
	Feb. 2013	Year Ago	Percent Change	Feb. 2013	Year Ago	Percent Change
Construction	39.3	38.3	2.6%	\$909.0	\$897.0	1.3%
Manufacturing	43.9	42.9	2.3	898.6	898.8	(0.0)
Durable Goods	44.7	44.2	1.1	964.2	991.4	(2.7)
Transportation Equipment Mfg.	47.0	45.4	3.5	1,230.9	1,274.8	(3.4)
Motor Vehicle Parts Mfg.	46.6	46.2	0.9	1,129.1	1,173.5	(3.8)
Nondurable Goods	41.4	39.1	5.9	694.3	621.3	11.7
Wholesale Trade	37.6	38.3	(1.8)	827.2	782.5	5.7
Retail Trade	29.5	29.4	0.3	384.4	371.6	3.4
Information	34.8	34.8	0.0	863.0	835.2	3.3
Financial Activities	35.3	36.7	(3.8)	656.6	702.8	(6.6)
Professional & Business Services	34.9	34.9	0.0	794.7	741.6	7.2
Health Care & Social Assistance	32.3	31.6	2.2	607.6	590.9	2.8
Leisure & Hospitality	21.8	21.9	(0.5)	215.2	217.9	(1.3)
Accommodation & Food Services	21.9	22.0	(0.5)	208.7	211.0	(1.1)

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)				
	Feb. 2013	Jan. 2013	Dec. 2012	Feb. 2012
Metropolitan Statistical Areas				
Ann Arbor	5.3%	5.3%	5.2%	5.7%
Battle Creek	7.3	7.4	7.0	8.1
Bay City	9.6	9.4	8.3	9.7
Detroit-Warren-Livonia	10.2	11.3	10.2	10.6
Flint	9.8	9.9	9.1	10.1
Grand Rapids-Wyoming	6.6	6.6	6.3	7.5
Holland-Grand Haven	6.7	6.7	6.4	7.6
Jackson	8.9	8.8	8.2	9.3
Kalamazoo-Portage	7.6	7.7	7.3	8.3
Lansing-East Lansing	7.4	7.6	6.8	7.6
Monroe	8.2	8.9	7.6	8.7
Muskegon-Norton Shores	9.2	9.0	8.3	9.7
Niles-Benton Harbor	9.7	9.7	8.8	10.3
Saginaw-Saginaw Twp North	9.2	9.0	8.3	9.4
Multi-County Areas				
Northeast Lower Michigan	14.1	13.6	11.9	14.3
Northwest Lower Michigan	11.3	11.2	10.0	12.1
Upper Peninsula	10.5	10.3	9.4	10.9
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	9.3	9.7	8.9	9.8

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Feb. 2013	Jan. 2013	Dec. 2012	Nov. 2012	Year Ago Feb.	Percent Change From:	
						Feb./Jan.	Feb. 2013/ Feb. 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,735	7,795	7,827	7,987	7,624	(0.8%)	1.5%
Domestics	5,543	5,682	5,640	5,676	5,313	(2.4)	4.3
Imports	2,192	2,113	2,187	2,311	2,311	3.7	(5.1)
Import Share	28.3%	27.1%	27.9%	28.9%	30.3%	---	---
Light Trucks	7,588	7,427	7,498	7,495	6,805	2.2	11.5
Domestics	6,437	6,350	6,372	6,371	5,752	1.4	11.9
Imports	1,151	1,077	1,126	1,124	1,053	6.9	9.3
Import Share	15.2%	14.5%	15.0%	15.0%	15.5%	---	---
Subtotal: Light Vehicle Sales	15,323	15,222	15,325	15,482	14,429	0.7	6.2
Heavy Trucks	337	326	339	320	349	3.4	(3.4)
Total Vehicle Sales	15,660	15,548	15,664	15,802	14,778	0.7	6.0
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,421	4,433	4,228	4,403	3,974	(0.3)	11.2
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	1,125	1,432	985	1,050	1,045	(21.4)	7.6
Trucks	1,306	1,411	1,417	1,219	1,317	(7.4)	(0.8)
Total	2,431	2,843	2,402	2,268	2,362	(14.5)	2.9
Michigan Production as % of U.S.	21.6%	21.9%	23.8%	20.5%	20.7%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,571	1,553	1,508	1,448	1,200	1.2	31.0
Days Supply	61	71	60	65	48	(14.1)	27.1
Total Truck	1,619	1,574	1,556	1,650	1,404	2.9	15.2
Days Supply	68	78	57	72	66	(12.8)	3.0

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)	Feb.	77.6	73.8	75.3	5.1%	3.1%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Feb.	\$95.32	\$94.69	\$102.25	0.7	(6.8)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Feb.	917	910	718	0.8	27.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Feb.	\$376.3	\$371.6	\$359.5	1.3	4.7
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Feb.	99.0	98.3	96.7	0.8	2.5
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Feb.	78.3	77.8	77.9	0.6	0.5
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Feb.	232.8	231.2	228.3	8.5	2.0
Detroit (not seasonally adjusted)	Feb.	218.9	216.6	214.8	6.6	1.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Feb.	0.10%	0.07%	0.09%	---	---
Corporate Aaa Bonds ⁴⁾	Feb.	3.90%	3.80%	3.85%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2012 4th Qtr.	\$13,665.4	\$13,652.5	\$13,441.0	0.4	1.7
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Feb. 2013	\$1,044.7	\$1,968.3	\$787.4	NM	32.7

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.

