

# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- The **U.S. unemployment rate** decreased to 6.6% in January 2014, down from 7.9% one year ago. The decrease in the unemployment rate reflected both an increase in employment, which grew by 1.8 million, and the departure of 239,000 workers from the labor force (those working or looking for work). The January 2014 unemployment rate was the lowest rate since October 2008.
- Seasonally adjusted **light vehicle sales** were at a 15.2 million unit rate in January 2014, a 1.0% decrease from the December 2013 level, and 0.2% below the level one year ago. Compared with January 2013, automobile sales decreased 6.7% while light truck sales increased 6.4%.



- **Michigan personal income** increased 2.5% in 2013, slightly less than the U.S. average of 2.6% and ranking 24<sup>th</sup> among the 50 states and the District of Columbia. On a per-person basis, personal income increased 2.4%, above the U.S. average of 1.8% and ranked ninth. Both total income and per-person income increased more rapidly in Michigan than in Illinois, Indiana, and Ohio.
- **Michigan exports** increased 2.7% in 2013, after rising 12.0% in 2012, driving State exports to a new record high. Nationally, exports grew 2.1% in 2013 and Michigan's growth in exports ranked 20<sup>th</sup> among the 50 states. Michigan ranked eighth in export volume in 2013, with Michigan's \$58.5 billion worth of exports representing 3.7% of the U.S. total.

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

U.S.	Jan. 2014	Dec. 2013	Jan. 2013	Change from Dec.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,460	154,937	155,699	523	0.3%	(239)	(0.2%)
Employment	145,224	144,586	143,384	638	0.4	1,840	1.3
Unemployment	10,236	10,351	12,315	(115)	(1.1)	(2,079)	(16.9)
Unemployment Rate	6.6%	6.7%	7.9%	---	---	---	---
Michigan	Jan. 2014	Dec. 2013	Jan. 2013	Change from Dec.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,698	4,687	4,696	11	0.2%	2	0.0%
Employment	4,330	4,299	4,279	31	0.7	52	1.2
Unemployment	367	387	417	(20)	(5.2)	(50)	(11.9)
Unemployment Rate	7.8%	8.3%	8.9%	---	---	---	---

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



JANUARY 2014

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Jan. 2014*	Dec. 2013	Jan. 2013	Change from Dec.		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,113	4,126	4,081	(13)	(0.3%)	32	0.8%
<b>Goods Producing Industries</b>	703	705	688	(3)	(0.4)	15	2.2
Mining and Logging	8	8	8	0	1.2	0	3.8
Construction	134	132	133	1	1.0	1	0.5
Manufacturing	561	565	547	(4)	(0.7)	14	2.6
Transportation Equipment	168	172	161	(4)	(2.4)	7	4.2
<b>Service Producing Industries</b>	3,411	3,421	3,394	(10)	(0.3)	17	0.5
Trade, Transportation & Utilities	747	751	738	(4)	(0.5)	9	1.2
Wholesale Trade	165	164	162	1	0.5	2	1.5
Retail Trade	454	460	452	(6)	(1.2)	2	0.5
Transportation & Utilities	128	127	124	1	0.4	4	3.3
Information	55	56	54	(1)	(0.9)	1	2.6
Financial Activities	200	201	201	(1)	(0.6)	(1)	(0.2)
Professional & Business Services	607	606	594	1	0.1	13	2.2
Education & Health Services	635	635	636	0	0.0	(0)	(0.0)
Leisure & Hospitality Services	400	400	398	0	0.1	2	0.5
Other Services	169	172	171	(3)	(1.5)	(2)	(1.3)
Government	597	600	602	(3)	(0.5)	(5)	(0.9)

**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		
	Jan. 2014	Year Ago	Percent Change	Jan. 2014	Year Ago	Percent Change
Construction	37.4	39.0	(4.1%)	\$906.58	\$906.36	0.0%
Manufacturing	42.2	43.7	(3.4)	844.00	900.22	(6.2)
Durable Goods	43.1	44.5	(3.1)	904.67	966.10	(6.4)
Transportation Equipment Mfg.	44.5	46.5	(4.3)	1,087.14	1,210.86	(10.2)
Motor Vehicle Parts Mfg.	41.8	47.1	(11.3)	974.78	1,134.64	(14.1)
Nondurable Goods	39.5	41.1	(3.9)	650.96	689.66	(5.6)
Wholesale Trade	37.9	37.4	1.3	846.31	820.93	3.1
Retail Trade	28.6	29.1	(1.7)	383.24	378.30	1.3
Information	33.1	34.7	(4.6)	850.67	841.82	1.1
Financial Activities	34.8	35.1	(0.9)	687.30	664.79	3.4
Professional & Business Services	34.2	33.9	0.9	793.10	781.06	1.5
Health Care & Social Assistance	31.5	32.2	(2.2)	612.36	617.92	(0.9)
Leisure & Hospitality	21.2	21.2	0.0	212.85	209.03	1.8
Accommodation & Food Services	21.1	21.4	(1.4)	202.14	202.23	(0.0)

**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>				
	Jan. 2014	Dec. 2013	Nov. 2013	Jan. 2013
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	5.0%	5.2%	5.3%	5.7%
Battle Creek	6.7	6.8	6.5	8.3
Bay City	9.0	8.2	7.9	10.2
Detroit-Warren-Livonia	8.5	8.0	8.3	10.9
Flint	9.5	8.8	9.0	10.3
Grand Rapids-Wyoming	5.8	5.8	5.6	7.2
Holland-Grand Haven	5.8	6.0	5.8	7.2
Jackson	8.0	8.0	7.9	9.4
Kalamazoo-Portage	6.8	6.9	6.7	8.4
Lansing-East Lansing	6.1	6.2	6.2	8.2
Monroe	7.9	6.9	7.3	9.4
Muskegon-Norton Shores	7.9	8.2	7.9	9.7
Niles-Benton Harbor	8.1	8.2	8.1	10.1
Saginaw-Saginaw Twp North	8.5	8.0	8.1	9.7
<b>Multi-County Areas</b>				
Northeast Lower Michigan	13.2	12.3	11.6	14.5
Northwest Lower Michigan	10.1	9.8	9.2	11.8
Upper Peninsula	9.7	9.5	9.0	10.9
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	8.1	7.7	7.8	9.9

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

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)</b>							
	Jan. 2014	Dec. 2013	Nov. 2013	Oct. 2013	Year Ago Jan.	Percent Change From:	
						Jan./Dec.	Jan. 2014/ Jan. 2013
<b>Motor Vehicle Sales<sup>1)</sup> (thousands of units, SAAR)</b>							
Autos	7,086	7,498	7,921	7,422	7,596	(5.5%)	(6.7%)
Domestics	5,048	5,176	5,601	5,321	5,531	(2.5)	(8.7)
Imports	2,038	2,322	2,320	2,101	2,065	(12.2)	(1.3)
Import Share	28.8%	31.0%	29.3%	28.3%	27.2%	---	---
Light Trucks	8,072	7,807	8,388	7,724	7,585	3.4	6.4
Domestics	6,890	6,521	7,052	6,424	6,500	5.7	6.0
Imports	1,182	1,286	1,336	1,300	1,085	(8.1)	8.9
Import Share	14.6%	16.5%	15.9%	16.8%	14.3%	---	---
Subtotal: Light Vehicle Sales	15,158	15,305	16,309	15,146	15,181	(1.0)	(0.2)
Heavy Trucks	353	370	360	374	328	(4.6)	7.6
Total Vehicle Sales	15,511	15,675	16,669	15,520	15,509	(1.0)	0.0
<b>U.S. Motor Vehicle Production<sup>1)</sup> (millions of units, SAAR)</b>							
Autos	4,142	4,501	4,446	4,286	4,327	(8.0)	(4.3)
<b>Michigan Motor Vehicle Production<sup>2)</sup> (thousands of units, SAAR)</b>							
Autos	1,410	831	1,061	1,053	1,390	69.7	1.4
Trucks	1,613	1,579	1,540	1,494	1,423	2.1	13.3
Total	3,023	2,410	2,602	2,547	2,813	25.4	7.4
Michigan Production as % of U.S.	21.4%	22.9%	22.9%	21.8%	21.9%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,772	1,722	1,835	1,677	1,553	2.9	14.1
Days Supply	90	68	80	78	71	32.4	26.8
Total Truck	1,785	1,725	1,866	1,743	1,574	3.5	13.4
Days Supply	86	59	75	75	78	45.8	10.3

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)	Jan.	81.2	82.5	73.8	(1.6%)	10.0%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Jan.	\$94.62	\$97.63	\$94.76	(3.1)	(0.1)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Jan.	903	1,024	898	(11.8)	0.6
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Jan.	\$379.5	\$382.0	\$372.2	(0.7)	1.9
<b>Industrial Production Index</b> <sup>4)</sup> (1997=100, seasonally adjusted)	Jan.	101.3	101.5	98.4	(0.2)	2.9
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Jan.	78.1	78.4	77.4	(0.4)	0.9
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Jan.	234.9	234.6	231.3	1.7	1.6
Detroit (not seasonally adjusted)	Dec.	218.2	219.7	216.6	(3.9)	0.8
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Jan.	0.04%	0.07%	0.07%	---	---
Corporate Aaa Bonds <sup>4)</sup>	Jan.	4.49%	4.62%	3.80%	---	---
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2013 4th Qtr.	\$15,942.3	\$15,839.3	\$15,539.6	2.6	2.6
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Jan. 2014	\$1,993.9	\$1,930.9	\$1,968.4	NM	1.3

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.

