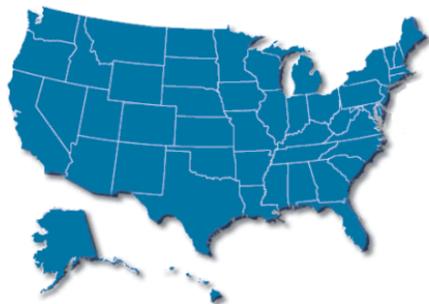


ECONOMIC HIGHLIGHTS



Labor productivity, as measured by output per hour in the business sector, increased 0.6% in 2015 from the 2014 level, the 12th smallest gain according to data back to 1948 and the fifth consecutive year below 1.0% growth. In comparison, between 1995 and 2007, labor productivity increased by an average of 2.8% per year, and between 1947 and 2010, productivity increased an average of 2.5% per year. This measure relates to economic growth because the inflation-adjusted growth in an economy is primarily limited by the growth in population plus the growth in productivity.

The **U.S. current-account deficit** increased from \$389.5 billion in 2014 to \$484.1 billion in 2015, the fourth-largest dollar increase in the trade deficit since at least 1960. Goods exports declined \$119.2 billion, reflecting the combination of the stronger dollar and reduced exports of petroleum and related products. The increase in the deficit occurred despite an \$88.2 billion decline in imports.



Employment in Michigan increased by 102,000 jobs to 4.6 million from January 2015 to January 2016. The labor force increased by 53,000 workers and the number of people unemployed declined by 49,000 or 17.1% to 237,000 from the level of a year ago. These changes resulted in an unemployment rate of 4.9% in January 2016, the first month in which the Michigan unemployment rate was less than 5.0% since June 2001.

Home sales in Michigan increased 6.9% in 2015 from the 2014 level, and the average sale price increased 4.0%. Home sales reported by the Detroit Board of Realtors declined 16.8% in 2015, but the average sale price increased 46.4%, the strongest gain of any area in the State. Despite the growth in the average home sale price in Detroit, the average sale price of \$50,346 was still roughly two-thirds the next-lowest average price reported by any area in the State, and only 35.0% of the \$145,708 statewide average.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Jan. 2016	Dec. 2015	Jan. 2015	Change from Dec.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	158,335	157,833	157,025	502	0.3%	1,310	0.8%
Employment	150,544	149,929	148,104	615	0.4	2,440	1.6
Unemployment	7,791	7,904	8,921	(113)	(1.4)	(1,130)	(12.7)
Unemployment Rate	4.9%	5.0%	5.7%	---	---	---	---
Michigan	Jan. 2016	Dec. 2015	Jan. 2015	Change from Dec.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,798	4,771	4,745	27	0.6%	53	1.1%
Employment	4,561	4,527	4,458	33	0.7	102	2.3
Unemployment	237	243	286	(6)	(2.4)	(49)	(17.1)
Unemployment Rate	4.9%	5.1%	6.0%	---	---	---	---

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Jan. 2016*	Dec. 2015	Jan. 2015	Change from Dec.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,307	4,289	4,220	19	0.4%	87	2.1%
Goods Producing Industries	759	753	737	5	0.7	22	3.0
Mining and Logging	7	7	8	(0)	(1.4)	(1)	(9.9)
Construction	152	152	147	(1)	(0.3)	5	3.2
Manufacturing	600	594	582	6	1.0	18	3.1
Transportation Equipment	176	192	186	(17)	(8.8)	(10)	(5.4)
Service Producing Industries	3,549	3,535	3,483	13	0.4	66	1.9
Trade, Transportation & Utilities	775	774	768	1	0.1	7	0.9
Wholesale Trade	174	173	169	1	0.5	5	3.1
Retail Trade	466	466	466	1	0.1	1	0.1
Transportation & Utilities	135	135	134	(0)	(0.2)	1	1.0
Information	56	57	57	(0)	(0.7)	(0)	(0.7)
Financial Activities	214	211	205	3	1.2	9	4.3
Professional & Business Services	650	646	634	4	0.7	16	2.4
Education & Health Services	661	659	647	2	0.2	13	2.1
Leisure & Hospitality Services	426	421	412	5	1.1	14	3.4
Other Services	171	170	168	0	0.2	3	1.8
Government	598	599	593	(1)	(0.2)	4	0.7

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. 2016	Year Ago	Percent Change	Jan. 2016	Year Ago	Percent Change
Construction	39.4	37.4	5.3%	\$977.51	\$921.54	6.1%
Manufacturing	42.4	44.2	(4.1)	863.69	918.03	(5.9)
Durable Goods	43.2	45.2	(4.4)	922.75	984.00	(6.2)
Transportation Equipment Mfg.	44.1	48.4	(8.9)	1,018.27	1,229.84	(17.2)
Motor Vehicle Parts Mfg.	45.7	46.9	(2.6)	999.00	1,116.69	(10.5)
Nondurable Goods	39.7	40.9	(2.9)	674.90	707.16	(4.6)
Wholesale Trade	38.6	38.1	1.3	908.64	854.58	6.3
Retail Trade	28.7	29.4	(2.4)	405.24	400.72	1.1
Information	35.6	34.1	4.4	920.62	866.48	6.2
Financial Activities	36.3	35.9	1.1	823.28	794.83	3.6
Professional & Business Services	35.1	35.4	(0.8)	806.60	802.16	0.6
Health Care & Social Assistance	31.3	31.4	(0.3)	626.94	606.65	3.3
Leisure & Hospitality	21.4	21.9	(2.3)	234.33	235.43	(0.5)
Accommodation & Food Services	21.2	21.8	2.0	224.93	228.46	(1.5)

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)				
	Jan. 2016	Dec. 2015	Nov. 2015	Jan. 2015
Metropolitan Statistical Areas				
Ann Arbor	2.9%	2.5%	2.9%	4.1%
Battle Creek	4.4	3.9	4.1	6.0
Bay City	5.3	4.4	4.3	7.3
Detroit-Warren-Dearborn	5.7	5.4	5.2	7.2
Flint	5.5	4.6	4.8	7.4
Grand Rapids-Wyoming	3.2	2.8	3.0	4.6
Jackson	4.7	4.0	4.2	6.3
Kalamazoo-Portage	4.1	3.5	3.7	5.8
Lansing-East Lansing	4.1	3.2	3.4	5.6
Midland	4.6	3.8	3.9	5.9
Monroe	4.2	3.3	3.6	5.5
Muskegon	4.8	4.3	4.6	6.9
Niles-Benton Harbor	4.8	4.0	4.2	6.5
Saginaw	5.2	4.2	4.4	7.1
Multi-County Areas				
Northeast Lower Michigan	8.6	7.1	6.6	11.3
Northwest Lower Michigan	6.0	5.0	4.7	8.2
Upper Peninsula	6.7	5.8	5.5	8.5
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	5.1	4.5	4.5	6.7

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Jan. 2016	Dec. 2015	Nov. 2015	Oct. 2015	Year Ago Jan.	Percent Change From:	
						Jan./Dec.	Jan. 2016/ Jan. 2015
Motor Vehicle Sales¹⁾							
Autos	7,204	7,145	7,539	7,762	7,457	0.8%	(3.4%)
Domestics	5,462	5,434	5,613	5,859	5,535	0.5	(1.3)
Imports	1,742	1,711	1,926	1,903	1,922	1.8	(9.4)
Import Share	24.2%	23.9%	25.5%	24.5%	25.8%	---	---
Light Trucks	10,242	10,070	10,522	10,363	9,175	1.7	11.6
Domestics	8,315	8,049	8,416	8,301	7,811	3.3	6.5
Imports	1,927	2,021	2,106	2,062	1,364	(4.7)	41.3
Import Share	18.8%	20.1%	20.0%	19.9%	14.9%	---	---
Subtotal: Light Vehicle Sales	17,446	17,215	18,061	18,125	16,632	1.3	4.9
Heavy Trucks	461	416	491	427	432	10.8	6.7
Total Vehicle Sales	17,907	17,631	18,552	18,552	17,064	1.6	4.9
U.S. Motor Vehicle Production¹⁾							
Autos	3,952	3,846	3,943	4,085	4,164	2.7	(5.1)
Michigan Motor Vehicle Production²⁾							
Autos	902	863	801	691	968	4.5	(6.9)
Trucks	1,218	1,422	1,495	1,574	929	(14.3)	31.0
Total	2,120	2,285	2,296	2,264	1,898	(7.2)	11.7
Michigan Production as % of U.S.	18.2%	19.1%	19.5%	18.7%	19.1%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,575	1,563	1,611	1,542	1,743	0.7	(9.6)
Days Supply	80	69	70	71	85	15.9	(5.9)
Total Truck	2,116	2,021	2,126	2,033	1,899	4.7	11.4
Days Supply	75	56	62	67	80	33.9	(6.3)

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, not seasonally adjusted).



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)	Jan.	92.0	92.6	98.1	(0.6%)	(6.2%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Jan.	\$31.68	\$37.19	\$47.22	(14.8)	(32.9)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Jan.	1,120	1,159	1,080	(3.4)	3.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Jan.	\$394.8	\$396.0	\$384.4	(0.3)	2.7
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Jan.	104.7	104.1	106.0	0.6	(1.2)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Jan.	75.8	75.4	78.0	0.6	(2.8)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Jan.	238.1	238.0	235.0	0.3	1.3
Detroit (not seasonally adjusted)	Jan.	218.4	217.8	216.5	1.7	0.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Jan.	0.26%	0.23%	0.03%	---	---
Corporate Aaa Bonds ⁴⁾	Jan.	4.00%	3.97%	3.46%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2015 4th Quarter	\$16,470.6	\$16,414.0	\$16,151.4	1.4	2.0
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Jan.	\$2,318.0	\$1,829.0	\$2,242.4	NM	3.4

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.

