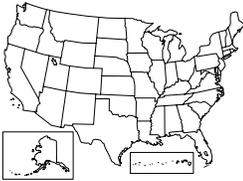


MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS

- The **U.S. unemployment rate** decreased from 9.5% in June to 9.4% in July, which was the first monthly decline since April 2008, but did not reflect particularly positive economic conditions. The size of the labor force fell by 422,000 people in July, while employment declined by 155,000 jobs. About the only positive aspect of the figures was that the decline in employment represented the second "best" change in monthly employment in a year.
- **Housing starts** remained at levels roughly half of the lows posted in previous slowdowns, with July starts down 37.7% from one year ago. However, July starts were down only 1.0% from the June level and were 21.3% above the record low posted in April 2009. Declines in multi-unit starts accounted for most of the decrease in total housing starts in July compared with both June 2009 and July 2008 levels. The Northeast remained the weakest region, exhibiting significantly larger declines than the rest of the country. The Midwest fared the best, with increases in multi-unit housing making total starts rise 12.8% between June and July.
- In July, seasonally adjusted **light vehicle sales** increased 16.0% from the June level but were still 11.3% below the July 2008 level. The increase from June reflected the effects of the Federal government's "cash for clunkers" program, which largely focused on encouraging the use of more fuel-efficient vehicles. Sales of automobiles increased 23.1% compared with June, while light truck sales rose only 8.4% and sales of heavy trucks increased only 0.5%.
- **Retail sales** fell 0.1% in July from the June level, and were 9.4% below the level one year ago. The growth from the June level largely reflected increases at vehicle dealers (up 2.8%), offsetting declines in building material stores and gasoline stations (both down 2.1%). Most other sectors exhibited weak growth, or declines, compared with June. Only food stores and health/personal care stores exhibited increases compared with one year ago.



- Consistent with the pattern in recent months, **average weekly earnings** during July were lower than year-ago levels in most goods-producing sectors and meaningfully higher in service-producing sectors. Average earnings for the durable goods manufacturing sector were down 3.6%, with earnings in transportation equipment manufacturing down 5.7%. Sectors exhibiting the strongest growth included: financial activities (10.3%), information (10.0%), accommodation/food service (7.7%), food stores (7.2%), and nondurable manufacturing (7.2%).
- **Michigan personal income** fell 0.8% in the first quarter of 2009, ranking Michigan 41st among the states. Much of the decline reflected weakness in the vehicle sector, where earnings fell 7.9% in the durable goods manufacturing sector.
- **Building permits** in Michigan during July reflected continued housing problems and the poor economic climate. Building permits totaled 783 in July 2009, compared with 1,143 one year ago (a 31.5% decline). Year-to-date, building permits statewide totaled 3,613 through July, compared with 6,747 between January and July 2008 (a 46.5% decline).



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

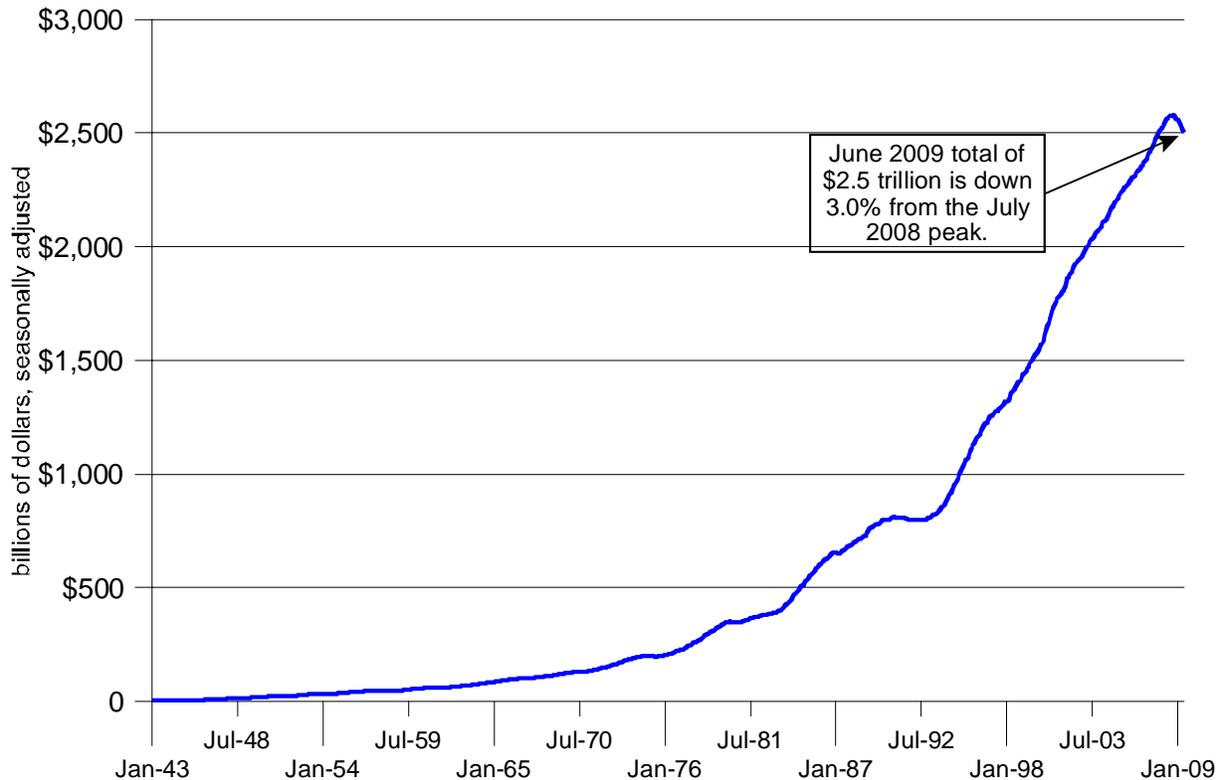
U.S.	July 2009	June 2009	July 2008	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,504	154,926	154,506	(422)	(0.3)%	(2)	(0.0)%
Employment	140,041	140,196	145,596	(155)	(0.1)	(5,555)	(3.8)
Unemployment	14,463	14,729	8,910	(266)	(1.8)	5,553	62.3
Unemployment Rate	9.4%	9.5%	5.8%	---	---	---	---

Michigan	July 2009	June 2009	July 2008	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,864	4,869	4,927	(5)	(0.1)%	(63)	(1.3)%
Employment	4,134	4,129	4,520	4	0.1	(386)	(8.5)
Unemployment	731	740	407	(9)	(1.3)	323	79.3
Unemployment Rate	15.0%	15.2%	8.3%	---	---	---	---

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

Consumer Credit Outstanding

Current Recession Exhibiting Most Substantial Decline in Modern Records



Source: Federal Reserve Board of Governors

**MICHIGAN WAGE AND SALARY EMPLOYMENT
(Seasonally adjusted, thousands)**

	July 2009*	June 2009	July 2008	Change from June		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Wage & Salary Jobs	3,879	3,841	4,160	38	1.0%	(281)	(6.7)%
Goods Producing Industries	583	568	733	15	2.7	(150)	(20.5)
Mining and Logging	7	7	8	0	1.4	(0)	(5.1)
Construction	122	125	152	(3)	(2.6)	(30)	(20.0)
Manufacturing	454	436	573	18	4.2	(119)	(20.8)
Transportation Equipment	119	102	170	17	17.1	(51)	(29.9)
Service Producing Industries	3,297	3,274	3,427	23	0.7	(131)	(3.8)
Trade, Transportation & Utilities	717	719	770	(2)	(0.3)	(53)	(6.9)
Wholesale Trade	150	148	167	1	0.9	(17)	(10.4)
Retail Trade	454	457	479	(3)	(0.7)	(25)	(5.2)
Transportation & Utilities	114	114	125	(1)	(0.5)	(11)	(9.0)
Information	55	56	62	(1)	(1.6)	(7)	(11.4)
Financial Activities	192	192	204	(0)	(0.2)	(12)	(5.8)
Professional & Business Services	494	490	555	4	0.8	(61)	(11.0)
Education & Health Services	619	614	609	5	0.8	10	1.7
Leisure & Hospitality Services	395	388	398	7	1.8	(4)	(0.9)
Other Services	169	170	177	(1)	(0.4)	(7)	(4.2)
Government	657	645	653	11	1.7	3	0.5

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

* Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS

Industry	Average Weekly Hours			Average Weekly Earnings		
	July 2009	Year Ago	Percent Change	July 2009	Year Ago	Percent Change
Construction	38.2	35.4	7.9%	\$838.11	\$783.05	7.0%
Manufacturing	41.5	41.6	(0.2)	883.10	911.87	(3.2)
Durable Goods	42.4	43.3	(2.1)	995.98	1,032.71	(3.6)
Transportation Equipment Mfg.	40.9	42.8	(4.4)	1,142.34	1,211.67	(5.7)
Motor Vehicle Parts Mfg.	41.9	41.5	1.0	1,073.48	1,062.82	1.0
Nondurable Goods	39.2	36.6	7.1	601.33	561.08	7.2
Wholesale Trade	36.5	38.4	(4.9)	663.21	738.82	(10.2)
Retail Trade	30.2	30.8	(1.9)	381.73	381.61	0.0
Food & Beverage Stores	24.4	27.7	(11.9)	331.35	309.13	7.2
Information	32.2	33.1	(2.7)	825.93	751.04	10.0
Financial Activities	36.1	34.5	4.6	747.27	677.58	10.3
Professional & Business Services	33.2	33.7	(1.5)	665.99	667.26	(0.2)
Health Care & Social Assistance	34.8	34.5	0.9	620.48	605.48	2.5
Leisure & Hospitality	24.1	22.5	7.1	219.79	207.68	5.8
Accommodation & Food Services	24.4	22.5	8.4	217.40	201.83	7.7

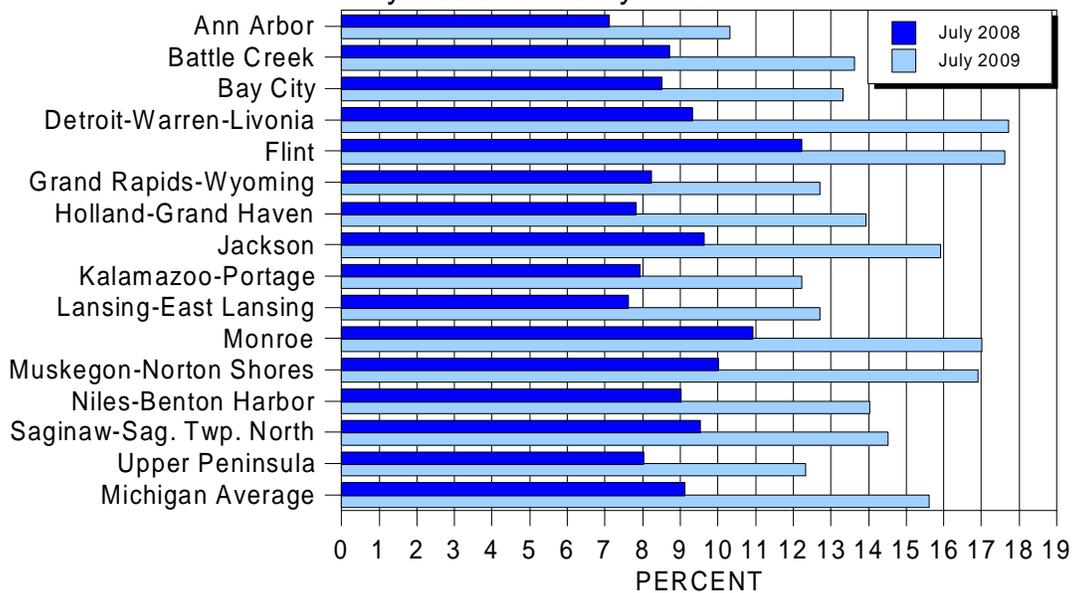
Source: Bureau of Labor Statistics, U.S. Department of Labor

**MICHIGAN UNEMPLOYMENT RATES
BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS
(Not Adjusted for Seasonal Variations)**

	July 2009	June 2009	May 2009	July 2008
Metropolitan Statistical Areas				
Ann Arbor	10.3%	10.6%	9.2%	7.1%
Battle Creek	13.6	13.5	12.7	8.7
Bay City	13.3	13.6	12.5	8.5
Detroit-Warren-Livonia	17.7	17.1	14.9	9.3
Flint	17.6	17.5	16.5	12.2
Grand Rapids-Wyoming	12.7	12.8	11.7	8.2
Holland-Grand Haven	13.9	14.0	12.9	7.8
Jackson	15.9	15.5	14.1	9.6
Kalamazoo-Portage	12.2	12.1	10.8	7.9
Lansing-East Lansing	12.7	12.4	11.2	7.6
Monroe	17.0	17.0	16.2	10.9
Muskegon-Norton Shores	16.9	16.8	15.8	10.0
Niles-Benton Harbor	14.0	14.0	12.8	9.0
Saginaw-Saginaw Twp North	14.5	14.7	13.5	9.5
Multi-County Areas				
Northeast Lower Michigan	15.1	15.3	15.1	10.1
Northwest Lower Michigan	13.1	13.6	13.1	8.4
Upper Peninsula	12.3	13.0	12.6	8.0
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	15.6	15.4	13.9	9.1
Source: Michigan Department of Energy, Labor, and Economic Growth				*Preliminary

Michigan Regional Unemployment Rates

July 2008 and July 2009



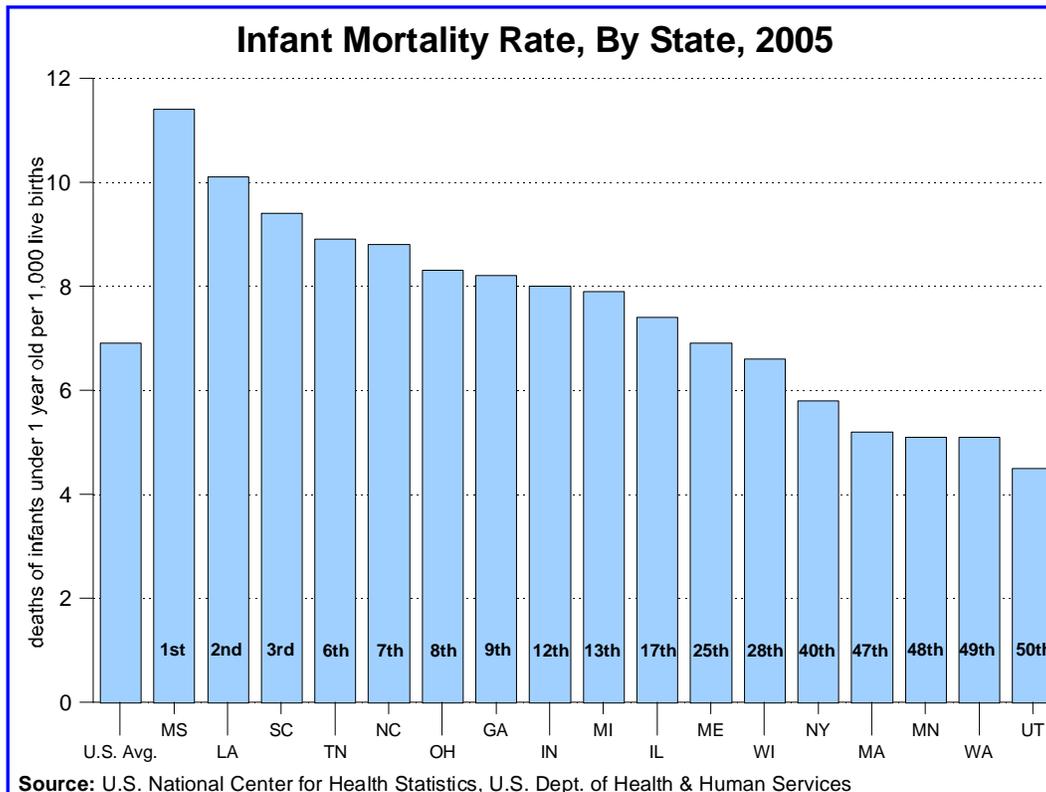
Source: Michigan Department of Energy, Labor, and Economic Growth

**MOTOR VEHICLE SALES AND PRODUCTION STATISTICS
(Thousands of Units)**

	July 2009	June 2009	May 2009	Apr. 2009	Year Ago July	Percent Change From:	
						July/June	July 2009/ July 2008
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	6,158	5,003	4,855	4,737	6,976	23.1%	(11.7)%
Domestics	4,159	3,312	3,211	3,140	4,511	25.6	(7.8)
Imports	1,999	1,691	1,644	1,597	2,465	18.2	(18.9)
Import Share	32.5%	33.8%	33.9%	33.7%	35.3%	---	---
Light Trucks	5,062	4,669	4,993	4,466	5,669	8.4	(10.7)
Domestics	4,166	3,881	4,148	3,693	4,667	7.3	(10.7)
Imports	896	788	845	773	1,002	13.7	(10.6)
Import Share	17.7%	16.9%	16.9%	17.3%	17.7%	---	---
Subtotal: Light Vehicle Sales	11,220	9,672	9,848	9,203	12,645	16.0	(11.3)
Heavy Trucks	195	194	175	170	294	0.5	(33.7)
Total Vehicle Sales	11,415	9,866	10,023	9,373	12,939	15.7	(11.8)
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	2,266	1,799	1,832	1,904	4,535	26.0	(50.0)
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	532	366	322	442	1,377	45.6	(61.3)
Trucks	870	313	328	622	753	177.8	15.5
Total	1,402	679	650	1,064	2,129	106.6	(34.2)
Michigan Production as % of U.S.	17.3%	16.8%	16.8%	20.3%	17.0%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,029	1,242	1,310	1,427	1,156	(17.1)	(11.0)
Days Supply	46	65	67	83	47	(29.2)	(2.1)
Total Truck	800	957	1,068	1,247	1,846	(16.4)	(56.7)
Days Supply	49	62	66	87	98	(21.0)	(50.0)

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)	July	66.0	70.8	61.2	(6.8)%	7.8%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	July	\$64.09	\$69.68	\$133.44	(8.0)	(52.0)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	July	581	587	933	(1.0)	(37.7)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	July	\$304.0	\$304.3	\$335.3	(0.1)	(9.4)
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	July	96.0	95.5	110.4	0.5	(13.1)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	July	68.5	68.1	78.6	0.6	(12.8)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	July	214.5	214.5	218.6	0.1	(1.9)
Detroit (not seasonally adjusted)	June	204.5	202.4	207.6	6.6	(1.5)
Interest Rates						
3-month Treasury Bill ⁴⁾	July	0.19%	0.17%	1.72%	--	--
Corporate Aaa Bonds ⁴⁾	July	5.41%	5.61%	5.67%	--	--
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2009 2nd Qtr.	\$12,892.5	\$12,925.4	\$13,415.3	(1.0)	(3.9)
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	July 2008	\$1,743.8	\$1,626.4	\$1,945.6	NM	(10.4)

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.

