

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The **U.S. unemployment rate** decreased from 7.6% in June to 7.4% in July, and was down from 8.2% one year ago. The decrease between June and July more reflected an increase in employment, which grew by 227,000, than it reflected workers leaving the labor force (those working or looking for work), which fell by 37,000 people. Compared with July 2012, both the labor force and employment were higher, with employment rising by 2.0 million jobs and the labor force growing by 803,000 people.
- The **Index of Consumer Sentiment** was 17.7% above the year-ago level in July, and rose from 84.1 in June to 85.1 in July. This was the highest recorded level for the index since July 2007. The index indicated that consumers exhibited more favorable opinions about the economy than in June, with more consumers reporting that their finances had improved rather than worsened. The survey also indicated that consumers accelerated their buying plans for the month of July, as they anticipated future increases in interest rates.



- Seasonally adjusted **Michigan motor vehicle production** decreased 6.9% in July from the June level and was 7.2% below the level in July 2012. Compared with one year ago, automobile production was down 33.0%, while truck production increased 14.2%. July 2013 was the lowest-producing month for the State since October 2011.
- **Building permits in Michigan** increased 24.7% from the year-ago level, and rose from 1,406 permits in June, to 1,445 in July. This was the highest number of building permits issued for July since 2007.

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

U.S.	July 2013	June 2013	July 2012	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,798	155,835	154,995	(37)	(0.0%)	803	0.5%
Employment	144,285	144,058	142,250	227	0.2	2,035	1.4
Unemployment	11,513	11,777	12,745	(264)	(2.2)	(1,232)	(9.7)
Unemployment Rate	7.4%	7.6%	8.2%	---	---	---	---
Michigan	July 2013	June 2013	July 2012	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,728	4,719	4,657	9	0.2%	71	1.5%
Employment	4,310	4,310	4,223	(0)	(0.0)	87	2.1
Unemployment	418	408	434	10	2.4	(16)	(3.6)
Unemployment Rate	8.8%	8.7%	9.3%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	July 2013*	June 2013	July 2012	Change from June		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,095	4,073	4,024	21	0.5%	70	1.7%
Goods Producing Industries	692	685	673	7	1.1	19	2.8
Mining and Logging	8	8	8	0	0.0	0	2.6
Construction	125	125	126	(0)	(0.2)	(1)	(0.8)
Manufacturing	559	552	540	8	1.4	19	3.6
Transportation Equipment	169	163	157	7	4.1	12	7.8
Service Producing Industries	3,403	3,389	3,351	14	0.4	52	1.5
Trade, Transportation & Utilities	742	737	729	5	0.7	13	1.8
Wholesale Trade	161	161	159	0	0.2	2	1.1
Retail Trade	458	454	448	3	0.7	9	2.1
Transportation & Utilities	123	122	122	1	1.2	2	1.3
Information	53	52	53	1	2.3	(0)	(0.4)
Financial Activities	198	198	197	(0)	(0.1)	0	0.2
Professional & Business Services	594	588	576	6	1.0	17	3.0
Education & Health Services	641	641	632	(0)	(0.0)	9	1.4
Leisure & Hospitality Services	399	398	388	1	0.2	11	2.8
Other Services	168	168	168	1	0.4	0	0.0
Government	609	608	607	1	0.1	1	0.2

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		
	July 2013	Year Ago	Percent Change	July 2013	Year Ago	Percent Change
Construction	42.4	40.9	3.7%	\$1,011.66	\$951.33	6.3%
Manufacturing	42.7	42.8	(0.2)	842.47	883.39	(4.6)
Durable Goods	43.4	43.7	(0.7)	901.85	960.53	(6.1)
Transportation Equipment Mfg.	43.2	45.7	(5.5)	1,057.54	1,241.21	(14.8)
Motor Vehicle Parts Mfg.	44.3	46.7	(5.1)	1,038.39	1,169.37	(11.2)
Nondurable Goods	40.5	40.2	0.7	663.39	653.65	1.5
Wholesale Trade	38.4	39.2	(2.0)	849.79	849.46	0.0
Retail Trade	30.0	30.8	(2.6)	394.20	394.24	(0.0)
Information	34.9	36.4	(4.1)	823.99	879.06	(6.3)
Financial Activities	34.7	36.1	(3.9)	651.32	679.04	(4.1)
Professional & Business Services	35.6	35.2	1.1	841.58	784.61	7.3
Health Care & Social Assistance	31.9	32.1	(0.6)	612.48	609.90	0.4
Leisure & Hospitality	23.5	23.5	0.0	233.36	231.24	0.9
Accommodation & Food Services	23.5	23.4	0.4	225.13	222.07	1.4

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 2013	June 2013	May 2013	July 2012
Metropolitan Statistical Areas				
Ann Arbor	7.2%	6.8%	5.9%	7.1%
Battle Creek	8.5	7.9	7.3	8.7
Bay City	9.7	9.3	8.9	9.3
Detroit-Warren-Livonia	10.4	10.3	9.0	12.2
Flint	11.2	10.1	9.4	10.9
Grand Rapids-Wyoming	7.5	7.1	6.5	7.9
Holland-Grand Haven	7.7	7.2	6.6	8.0
Jackson	9.8	9.4	8.7	9.8
Kalamazoo-Portage	8.4	8.0	7.4	8.6
Lansing-East Lansing	8.9	8.1	7.5	8.7
Monroe	9.5	8.8	8.2	9.4
Muskegon-Norton Shores	9.7	9.2	8.6	9.8
Niles-Benton Harbor	9.8	9.5	8.9	10.0
Saginaw-Saginaw Twp North	10.2	9.5	8.9	9.7
Multi-County Areas				
Northeast Lower Michigan	11.3	11.0	10.8	10.8
Northwest Lower Michigan	9.3	9.4	9.3	9.2
Upper Peninsula	9.7	9.6	9.5	9.6
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	9.7	9.4	8.4	10.5

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	July 2013	June 2013	May 2013	Apr. 2013	Year Ago July	Percent Change From:	
						July/June	July 2013/ July 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,729	7,667	7,409	7,291	7,005	0.8%	10.3%
Domestics	5,512	5,510	5,282	5,261	4,967	0.0	11.0
Imports	2,217	2,157	2,127	2,030	2,038	2.8	8.8
Import Share	28.7%	28.1%	28.7%	27.8%	29.1%	---	---
Light Trucks	8,010	8,164	8,016	7,867	7,157	(1.9)	11.9
Domestics	6,695	6,851	6,792	6,723	6,103	(2.3)	9.7
Imports	1,315	1,313	1,224	1,144	1,054	0.2	24.8
Import Share	16.4%	16.1%	15.3%	14.5%	14.7%	---	---
Subtotal: Light Vehicle Sales	15,739	15,831	15,425	15,158	14,162	(0.6)	11.1
Heavy Trucks	354	373	344	365	360	(5.1)	(1.7)
Total Vehicle Sales	16,093	16,204	15,769	15,523	14,522	(0.7)	10.8
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	3,839	4,565	4,396	4,369	4,650	(15.9)	(17.4)
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	752	1,002	989	1,057	1,121	(25.0)	(33.0)
Trucks	1,535	1,453	1,608	1,635	1,344	5.7	14.2
Total	2,286	2,455	2,597	2,693	2,465	(6.9)	(7.2)
Michigan Production as % of U.S.	22.3%	22.8%	22.5%	22.0%	23.0%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,407	1,595	1,541	1,587	1,155	(11.8)	21.8
Days Supply	54	58	55	61	47	(6.9)	14.9
Total Truck	1,533	1,671	1,627	1,659	1,443	(8.3)	6.2
Days Supply	58	63	59	66	61	(7.9)	(4.9)

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	85.1	84.1	72.3	1.2%	17.7%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	July	\$104.61	\$95.80	\$87.93	9.2	19.0
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	July	883	835	741	5.7	19.2
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	July	\$379.9	\$378.4	\$358.5	0.4	6.0
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	July	99.0	99.0	97.6	(0.0)	1.4
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	July	77.6	77.8	77.9	(0.2)	(0.3)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	July	233.3	232.9	228.8	1.9	2.0
Detroit (not seasonally adjusted)	June	221.6	218.9	214.5	7.6	3.3
Interest Rates						
3-month Treasury Bill ⁴⁾	July	0.04%	0.05%	0.10%	---	---
Corporate Aaa Bonds ⁴⁾	July	4.34%	4.27%	3.40%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2013 2nd Qtr.	\$15,681.0	\$15,583.9	\$15,427.7	2.5	1.6
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	July 2013	\$1,828.5	\$1,773.2	\$1,806.2	NM	1.2

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.

