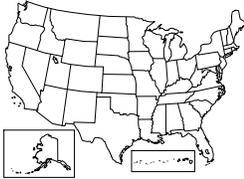


# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- **Oil prices** decreased 14.9% in July 2015 from the June level, which was the first monthly decrease since March 2015. July 2015 oil prices were 50.9% below the level in July 2014. Oil prices averaged above the \$90-per-barrel level in every month between January 2013 and September 2014, but averaged below the \$60-per-barrel level for eight consecutive months, since December 2014.
- The **U.S. Consumer Price Index (CPI)** for July 2015 increased at an annual rate of 1.6% from the June level and was 0.2% above the level in July 2014. Compared with July 2014, energy prices were down substantially, with the CPI for gasoline down 22.3%. The most significant year-over-year CPI increases were for medical care commodities and shelter, which both rose 3.1%. Prices of medical care services were up 2.3% while apparel prices were down 1.6%.



- **Michigan motor vehicle production** increased by 9.6% in July 2015 compared with June 2015, but was down 15.2% from the level in July 2014. Compared with one year ago, automobile production was 19.3% lower, while truck production was down 13.5%. Michigan production as a percentage of total U.S. production declined from 23.1% in July 2014 to 18.3% in July 2015.
- **Michigan's unemployment rate** decreased from 5.5% in June 2015 to 5.3% in July 2015, the lowest rate since August 2001. The decrease in the unemployment rate from June to July 2015 reflected the departure of 12,000 individuals from the labor force, while employment remained relatively flat (a decline of 285 jobs). Compared with August 2001, 376,000 fewer people were in the labor force in July 2015, and there were 355,000 fewer jobs.

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

U.S.	July 2015	June 2015	July 2014	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	157,106	157,037	156,048	69	0.0%	1,058	0.7%
Employment	148,840	148,739	146,401	101	0.1	2,439	1.7
Unemployment	8,266	8,298	9,647	(32)	(0.4)	(1,381)	(14.3)
Unemployment Rate	5.3%	5.3%	6.2%	---	---	---	---
Michigan	July 2015	June 2015	July 2014	Change from June		Change from Year Ago	
Labor Force	4,728	4,740	4,746	(12)	(0.2%)	(18)	(0.4%)
Employment	4,479	4,479	4,416	(0)	(0.0)	63	1.4
Unemployment	249	261	330	(11)	(4.4)	(81)	(24.5)
Unemployment Rate	5.3%	5.5%	7.0%	---	---	---	---

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 2015*	June 2015	July 2014	Change from June		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,278	4,279	4,186	(1)	(0.0%)	91	2.2%
<b>Goods Producing Industries</b>	762	761	727	1	0.1	35	4.8
Mining and Logging	8	8	8	(0)	(1.2)	(0)	(1.2)
Construction	155	156	143	(1)	(0.8)	13	8.8
Manufacturing	599	597	576	2	0.4	22	3.9
Transportation Equipment	192	191	181	1	0.4	11	5.8
<b>Service Producing Industries</b>	3,516	3,518	3,459	(2)	(0.0)	57	1.6
Trade, Transportation & Utilities	764	767	758	(3)	(0.4)	5	0.7
Wholesale Trade	170	170	168	0	0.0	1	0.8
Retail Trade	464	464	461	(0)	(0.0)	3	0.5
Transportation & Utilities	130	133	129	(3)	(2.1)	1	1.1
Information	55	56	57	(0)	(0.4)	(2)	(3.0)
Financial Activities	212	210	205	2	1.0	7	3.4
Professional & Business Services	647	645	621	2	0.3	26	4.2
Education & Health Services	663	663	644	(1)	(0.1)	19	3.0
Leisure & Hospitality Services	416	416	407	(0)	(0.1)	9	2.1
Other Services	172	171	172	1	0.4	(0)	(0.1)
Government	588	590	596	(2)	(0.3)	(8)	(1.3)

**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 2015	Year Ago	Percent Change	July 2015	Year Ago	Percent Change
Construction	39.6	39.8	(0.5%)	\$979.70	\$976.69	0.3%
Manufacturing	43.2	43.4	(0.5)	895.97	887.53	1.0
Durable Goods	44.7	44.4	0.7	973.12	959.93	1.4
Transportation Equipment Mfg.	48.5	48.1	0.8	1,211.05	1,206.35	0.4
Motor Vehicle Parts Mfg.	47.1	45.7	3.1	1,095.55	1,075.78	1.8
Nondurable Goods	38.3	40.3	(5.0)	649.57	659.31	(1.5)
Wholesale Trade	38.6	37.8	2.1	901.31	880.74	2.3
Retail Trade	30.3	29.9	1.3	422.38	403.05	4.8
Information	35.4	33.2	6.6	906.59	848.92	6.8
Financial Activities	36.1	35.1	2.8	818.39	719.90	13.7
Professional & Business Services	35.5	36.4	(2.5)	799.82	842.30	(5.0)
Health Care & Social Assistance	31.5	31.5	0.0	628.11	603.23	4.1
Leisure & Hospitality	24.0	24.1	(0.4)	255.84	247.27	3.5
Accommodation & Food Services	23.7	23.8	(0.4)	246.72	232.29	6.2

**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>				
	July 2015	June 2015	May 2015	July 2014
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	4.5%	4.3%	4.2%	6.3%
Battle Creek	5.7	5.4	5.4	7.7
Bay City	6.0	5.9	6.1	8.3
Detroit-Warren-Livonia	7.0	6.6	6.6	9.9
Flint	6.8	6.3	6.4	9.3
Grand Rapids-Wyoming	4.2	4.2	4.2	6.3
Holland-Grand Haven	6.0	5.7	5.7	7.9
Jackson	5.2	5.1	5.2	7.2
Kalamazoo-Portage	5.1	5.0	4.8	7.6
Lansing-East Lansing	5.2	5.2	5.2	7.2
Monroe	5.3	4.8	4.9	7.7
Muskegon-Norton Shores	6.3	6.1	6.1	9.0
Niles-Benton Harbor	5.6	5.5	5.6	7.7
Saginaw-Saginaw Township North	6.2	6.0	6.1	8.8
<b>Multi-County Areas</b>				
Northeast Lower Michigan	6.9	7.0	7.4	9.7
Northwest Lower Michigan	5.4	5.6	6.2	7.8
Upper Peninsula	6.8	6.7	7.0	8.8
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	6.1	5.8	5.9	8.7

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

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)</b>							
	July 2015	June 2015	May 2015	Apr. 2015	Year Ago July	Percent Change From:	
						July/June	July 2015/ July 2014
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	7,620	7,424	7,824	7,340	7,756	2.6%	(1.8%)
Domestics	5,778	5,454	5,798	5,385	5,656	5.9	2.2
Imports	1,842	1,970	2,026	1,955	2,100	(6.5)	(12.3)
Import Share	24.2%	26.5%	25.9%	26.6%	27.1%	---	---
Light Trucks	9,851	9,530	9,809	9,359	8,693	3.4	13.3
Domestics	8,077	7,761	8,097	7,733	7,326	4.1	10.3
Imports	1,774	1,769	1,712	1,626	1,367	0.3	29.8
Import Share	18.0%	18.6%	17.5%	17.4%	15.7%	---	---
Subtotal: Light Vehicle Sales	17,471	16,954	17,633	16,699	16,449	3.0	6.2
Heavy Trucks	470	476	459	424	418	(1.3)	12.4
Total Vehicle Sales	17,941	17,430	18,092	17,123	16,867	2.9	6.4
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	4,620	4,044	4,591	4,374	4,502	14.2	2.6
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	742	815	794	785	919	(8.9)	(19.3)
Trucks	1,859	1,560	1,462	1,600	2,149	19.2	(13.5)
Total	2,601	2,374	2,255	2,385	3,068	9.6	(15.2)
Michigan Production as % of U.S.	18.3%	18.9%	20.8%	20.3%	23.1%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,538	1,639	1,653	1,715	1,562	(6.1)	(1.5)
Days Supply	60	60	56	67	59	0.0	1.7
Total Truck	1,877	1,950	1,871	1,911	1,835	(3.8)	2.3
Days Supply	58	61	56	63	64	(4.9)	(9.4)

**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 <sup>1)</sup> (1996 Q1=100)	July	93.1	96.1	81.8	(3.1%)	13.8%
Oil Prices <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	July	\$50.90	\$59.82	\$103.59	(14.9)	(50.9)
Housing Starts, U.S. <sup>3)</sup> (thousands of units, SAAR)	July	1,161	1,211	1,095	(4.1)	6.0
Retail Sales, U.S. <sup>3)</sup> (billions, seasonally adjusted)	July	\$394.9	\$392.0	\$387.5	0.8	1.9
Industrial Production Index <sup>4)</sup> (1997=100, seasonally adjusted)	July	107.5	106.6	106.1	0.9	1.3
Capacity Utilization <sup>4)</sup> (% of total capacity, seasonally adjusted)	July	78.0	77.4	78.3	0.8	(0.4)
Consumer Price Index <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	July	238.1	237.8	237.6	1.6	0.2
Detroit (not seasonally adjusted)	June	219.0	219.0	224.5	0.1	(2.4)
Interest Rates						
3-month Treasury Bill <sup>4)</sup>	July	0.03%	0.02%	0.03%	---	---
Corporate Aaa Bonds <sup>4)</sup>	July	4.15%	4.19%	4.16%	---	---
Real Gross Domestic Product <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2015 2nd Quarter	\$16,333.6	\$16,177.3	\$15,901.5	3.9	2.7
Michigan Tax Collections <sup>7)</sup> (12 major taxes, millions)	July	\$1,940.3	\$1,935.1	\$1,831.7	NM	5.9

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.

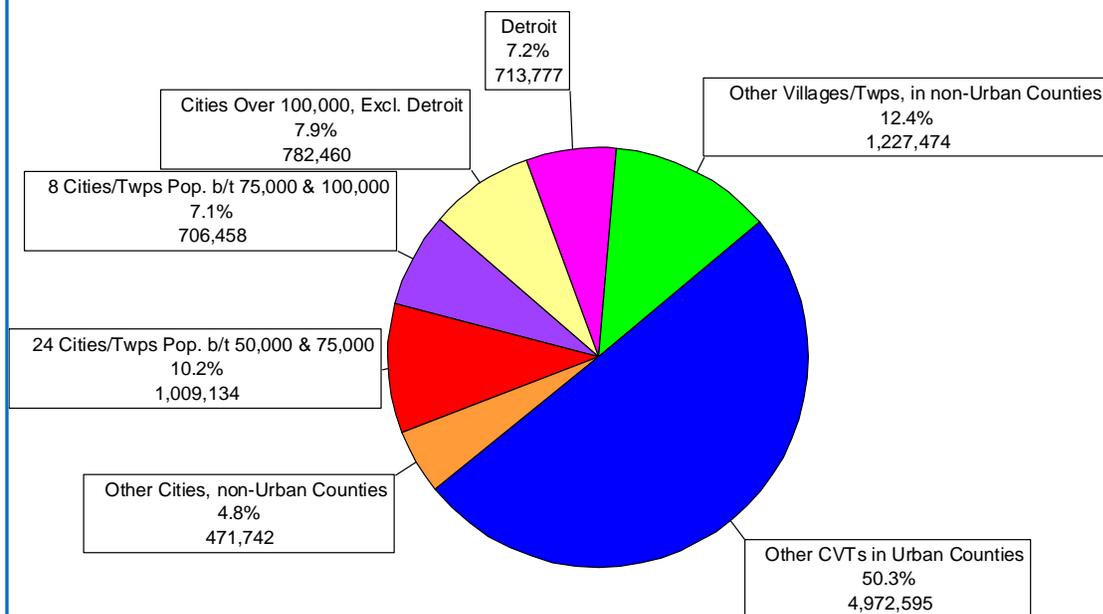
Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

\*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.

## Where Michigan's Population Lives

More Than 87% of the State Lives in an Urban Area



Notes: CVTs = Cities, Villages and Townships

Urban counties are those counties included within a U.S. Census Metropolitan Statistical Area

Source: 2010 Census, Bureau of the Census, U.S. Dept. of Commerce