

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The advance estimate for **inflation-adjusted Gross Domestic Product (GDP)** indicated the economy grew at a 1.5% annual rate in the second quarter of 2012, down from the rates of 2.0% in the first quarter of 2012 and 4.1% in the fourth quarter of 2011. Personal consumption spending grew at the slowest pace since the second quarter of 2011, while business investment spending rose at the slowest rate in over a year. State and local government spending fell for the 11th consecutive quarter, declining at a 2.1% rate and lowering the overall growth rate for the quarter by 0.3 percentage point.
- **Retail sales** in June declined for a third consecutive month, falling 0.8% from May and down 1.5% from March. Despite the decline, retail sales were 3.2% above the year-ago level. The monthly decline was led by lower sales at gasoline stations (1.8%), reflecting the lower average price of gasoline. However, declines were experienced in most major sectors, with food and grocery stores, apparel stores, and nonstore retailers being the only major sectors to exhibit monthly increases in sales. Compared with June 2011, sales were down at electronics and appliance stores, as well as general merchandise stores.



- **Michigan wage and salary employment** fell by 1,000 jobs in June from the May level, but was 52,000 jobs above the level in June 2011. Employment declined most in the government sector, compared with both May (down 5,000 jobs) and June 2011 (down 13,000 jobs). Government employment in Michigan has been below the year-ago level for 35 consecutive months, and in 108 of the last 114 months.
- **Personal income** in Michigan increased 0.9% between the fourth quarter of 2011 and the first quarter of 2012, compared with increases of 1.1% and 1.0%, respectively, in the prior two quarters. Michigan's personal income growth ranked 25th among the 50 states and the District of Columbia, but marked the third consecutive quarter in which personal income grew more rapidly than the national average.

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

U.S.	June 2012	May 2012	June 2011	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,163	155,007	153,409	156	0.1%	1,754	1.1%
Employment	142,415	142,287	139,385	128	0.1	3,030	2.2
Unemployment	12,748	12,720	14,024	28	0.2	(1,276)	(9.1)
Unemployment Rate	8.2%	8.2%	9.1%	---	---	---	---
Michigan	June 2012	May 2012	June 2011	Change from May		Change from Year Ago	
Labor Force	4,664	4,664	4,662	(0)	(0.0%)	1	0.0%
Employment	4,261	4,269	4,167	(7)	(0.2)	94	2.3
Unemployment	402	395	495	7	1.8	(93)	(18.8)
Unemployment Rate	8.6%	8.5%	10.6%	---	---	---	---

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



JUNE 2012

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	June 2012*	May 2012	June 2011	Change from May		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,983	3,984	3,932	(1)	(0.0%)	52	1.3%
Goods Producing Industries	650	649	637	1	0.1	13	2.0
Mining and Logging	7	8	7	(0)	(2.7)	(0)	(1.4)
Construction	119	118	125	1	0.7	(6)	(5.0)
Manufacturing	524	523	505	0	0.0	19	3.8
Transportation Equipment	146	146	142	(1)	(0.3)	4	2.8
Service Producing Industries	3,333	3,335	3,294	(2)	(0.1)	39	1.2
Trade, Transportation & Utilities	720	724	722	(4)	(0.6)	(3)	(0.4)
Wholesale Trade	159	160	156	(1)	(0.7)	3	1.6
Retail Trade	441	443	449	(2)	(0.3)	(7)	(1.6)
Transportation & Utilities	120	121	118	(1)	(1.2)	2	1.7
Information	53	53	53	0	0.2	1	1.1
Financial Activities	200	199	192	0	0.2	8	4.0
Professional & Business Services	575	572	551	3	0.5	24	4.3
Education & Health Services	632	629	616	3	0.5	16	2.7
Leisure & Hospitality Services	380	380	376	(1)	(0.2)	4	1.1
Other Services	168	168	166	0	0.2	2	1.4
Government	606	611	619	(5)	(0.8)	(13)	(2.1)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	June 2012	Year Ago	Percent Change	June 2012	Year Ago	Percent Change
Construction	41.4	40.5	2.2%	956.75	908.01	5.4%
Manufacturing	43.2	44.3	(2.5)	896.40	931.19	(3.7)
Durable Goods	44.2	45.5	(2.9)	980.80	1,028.76	(4.7)
Transportation Equipment Mfg.	45.4	46.2	(1.7)	1,278.92	1,316.24	(2.8)
Motor Vehicle Parts Mfg.	46.5	45.8	1.5	1,202.96	1,219.87	(1.4)
Nondurable Goods	40.2	40.7	(1.2)	644.00	643.47	0.1
Wholesale Trade	38.4	38.8	(1.0)	841.34	786.48	7.0
Retail Trade	30.7	30.3	1.3	392.35	388.45	1.0
Information	35.1	34.0	3.2	846.26	851.70	(0.6)
Financial Activities	36.7	36.3	1.1	684.82	691.15	(0.9)
Professional & Business Services	35.1	34.1	2.9	744.82	713.03	4.5
Health Care & Social Assistance	32.0	31.6	1.3	600.96	592.82	1.4
Leisure & Hospitality	23.2	23.2	0.0	231.54	226.43	2.3
Accommodation & Food Services	23.2	22.8	1.8	221.79	214.55	3.4

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)				
	June 2012	May 2012	April 2012	June 2011
Metropolitan Statistical Areas				
Ann Arbor	6.2%	5.5%	5.0%	7.4%
Battle Creek	7.9	7.1	6.8	9.5
Bay City	8.7	8.2	8.0	10.1
Detroit-Warren-Livonia	10.2	9.9	8.7	12.4
Flint	9.6	8.9	8.6	11.4
Grand Rapids-Wyoming	7.3	6.6	6.3	8.9
Holland-Grand Haven	7.2	6.5	6.1	9.0
Jackson	8.8	8.0	7.7	10.6
Kalamazoo-Portage	7.9	7.2	6.8	9.5
Lansing-East Lansing	7.7	6.8	6.4	9.1
Monroe	8.4	7.8	7.6	10.3
Muskegon-Norton Shores	9.2	8.5	8.3	10.7
Niles-Benton Harbor	9.5	8.6	8.2	10.6
Saginaw-Saginaw Twp North	9.0	8.2	8.0	10.2
Multi-County Areas				
Northeast Lower Michigan	10.3	10.1	11.3	11.6
Northwest Lower Michigan	9.0	8.9	9.7	10.4
Upper Peninsula	9.1	8.5	9.0	10.2
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	9.2	8.6	8.0	11.0

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	June 2012	May 2012	Apr. 2012	Mar. 2012	Year Ago June	Percent Change From:	
						June/May	June 2012/ June 2011
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	6,910	6,799	7,408	7,582	5,604	1.6%	23.3%
Domestics	5,012	4,901	5,226	5,399	3,862	2.3	29.8
Imports	1,898	1,898	2,182	2,183	1,742	0.0	9.0
Import Share	27.5%	27.9%	29.5%	28.8%	31.1%	---	---
Light Trucks	7,131	6,927	6,963	6,733	5,908	2.9	20.7
Domestics	6,035	5,837	5,887	5,689	5,019	3.4	20.2
Imports	1,096	1,090	1,076	1,044	889	0.6	23.3
Import Share	15.4%	15.7%	15.5%	15.5%	15.0%	---	---
Subtotal: Light Vehicle Sales	14,041	13,726	14,371	14,315	11,512	2.3	22.0
Heavy Trucks	333	395	336	344	307	(15.7)	8.5
Total Vehicle Sales	14,374	14,121	14,707	14,659	11,819	1.8	21.6
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,445	4,382	4,388	4,034	2,910	1.4	52.7
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	899	1,080	999	949	574	(16.8)	56.6
Trucks	1,320	1,564	1,316	1,284	1,208	(15.6)	9.3
Total	2,220	2,645	2,315	2,233	1,782	(16.1)	24.6
Michigan Production as % of U.S.	21.2%	22.7%	22.1%	21.4%	21.6%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,227	1,163	1,212	1,220	882	5.5	39.1
Days Supply	49	43	45	44	43	14.0	14.0
Total Truck	1,539	1,493	1,524	1,496	1,325	3.0	16.1
Days Supply	67	61	67	66	67	9.8	0.0

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)	June	73.2	79.3	71.5	(7.7%)	2.4%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	June	\$82.41	\$94.70	\$96.29	(13.0)	(14.4)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	June	760	711	615	6.9	23.6
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	June	\$356.9	\$359.8	\$345.9	(0.8)	3.2
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	June	97.4	97.0	93.1	0.4	4.7
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	June	78.9	78.7	76.3	0.3	3.3
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	June	228.6	228.5	224.8	0.5	1.7
Detroit (not seasonally adjusted)	June	214.5	216.2	213.5	(4.7)	0.4
Interest Rates						
3-month Treasury Bill ⁴⁾	June	0.09%	0.09%	0.04%	---	---
Corporate Aaa Bonds ⁴⁾	June	6.40%	3.80%	4.99%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2012 2nd Qtr.	\$13,558.0	\$13,506.4	\$13,264.7	1.5	2.2
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	June 2012	\$1,716.1	\$1,402.6	\$1,670.2	NM	2.7

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.

