

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS

- The seasonally adjusted **U.S. unemployment rate** was 6.1% in June 2014, compared with 6.3% in May 2014 and 2.5% in June 2013. In June 2014, 407,000 more people were employed than in May 2014, and 2.1 million more were employed compared with June 2013. However, of the 9.5 million estimated unemployed people in June 2014, 32.8% of those age 16 years and over had been out of work for 27 or more weeks.
- U.S. motor vehicle sales** totaled 17.2 million units at a seasonally adjusted annual rate in June 2014, an increase of 6.8% over sales in June 2013. Sales of domestic autos increased by 5.0% to 5.8 million units and sales of domestic trucks were up 8.3% to 7.4 million units. Heavy truck sales numbered 392,000 units, an increase of 6.2% above June 2013. Despite the increased sales, seasonally adjusted **U.S. motor vehicle production** in June 2014 was 4.3% below the June 2013 level.



- Michigan wage and salary employment** increased by 21,000 jobs in June 2014 from the May 2014 level. Service industry positions accounted for 17,000 newly hired workers, about 80.9% of total new employees. In goods-producing industries, an employment gain of 6,000 in transportation equipment manufacturing was partially offset by a reduction of 2,000 in construction. Total wage and salary employment in June 2014 was 0.9% or 37,000 above the June 2013 level.
- Michigan residential sales prices** averaged \$138,081 in June 2014, 5.2% above the June 2013 average price based on data from Michigan real estate agents. During the first six months of 2014, the average residential sales price was \$127,562, 8.4% above the same period one year ago. While average sales prices were up, the 55,144 home sales from January through June 2014 reflected a 9.5% decline from the first half of 2013.



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

U.S.	June 2014	May 2014	June 2013	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,694	155,613	155,822	81	0.1%	(128)	(0.1%)
Employment	146,221	145,814	144,075	407	0.3	2,146	1.5
Unemployment	9,474	9,799	11,747	(325)	(3.3)	(2,273)	(19.3)
Unemployment Rate	6.1%	6.3%	7.5%	---	---	---	---
Michigan	June 2014	May 2014	June 2013	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,744	4,743	4,719	1	0.0%	25	0.5%
Employment	4,387	4,389	4,297	(2)	(0.1)	90	2.1
Unemployment	357	354	422	3	1.0	(65)	(15.3)
Unemployment Rate	7.5%	7.5%	8.9%	---	---	---	---

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



June 2014

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	June 2014*	May 2014	June 2013	Change from May		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,144	4,122	4,107	21	0.5%	37	0.9%
Goods Producing Industries	711	707	695	4	0.6	17	2.4
Mining and Logging	8	9	8	(0)	(1.2)	1	6.3
Construction	135	137	132	(2)	(1.4)	3	2.3
Manufacturing	567	561	554	6	1.1	13	2.3
Transportation Equipment	176	169	167	6	3.7	9	5.3
Service Producing Industries	3,433	3,415	3,412	17	0.5	20	0.6
Trade, Transportation & Utilities	757	752	744	5	0.7	13	1.7
Wholesale Trade	166	164	164	2	1.0	2	1.3
Retail Trade	459	458	456	1	0.2	3	0.7
Transportation & Utilities	132	130	125	2	1.6	8	6.1
Information	57	56	55	1	2.0	2	3.1
Financial Activities	197	197	204	(0)	(0.1)	(6)	(3.1)
Professional & Business Services	607	602	604	5	0.7	3	0.4
Education & Health Services	638	636	639	3	0.4	(1)	(0.2)
Leisure & Hospitality Services	406	404	398	3	0.6	9	2.2
Other Services	169	171	171	(2)	(1.1)	(2)	(1.1)
Government	601	598	597	4	0.6	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		
	June 2014	Year Ago	Percent Change	June 2014	Year Ago	Percent Change
Construction	40.3	41.2	(2.2%)	\$986.14	964.08	2.3%
Manufacturing	44.2	43.2	2.3	903.81	858.82	5.2
Durable Goods	45.4	43.9	3.4	978.82	919.27	6.5
Transportation Equipment Mfg.	49.0	44.9	9.1	1,232.84	1,123.85	1.0
Motor Vehicle Parts Mfg.	46.6	46.2	0.9	1,103.02	1,100.95	0.2
Nondurable Goods	40.2	41.0	(2.0)	672.14	667.89	0.6
Wholesale Trade	38.7	38.7	0.0	894.74	885.46	1.0
Retail Trade	29.8	30.0	(0.7)	403.79	390.90	3.3
Information	34.8	35.7	(2.5)	904.45	862.87	4.8
Financial Activities	35.4	35.6	(0.6)	726.05	667.50	8.8
Professional & Business Services	36.8	37.3	(1.3)	852.29	935.48	(8.9)
Health Care & Social Assistance	31.7	32.6	(2.8)	606.10	622.33	(2.6)
Leisure & Hospitality	24.0	23.2	3.4	244.32	228.29	7.0
Accommodation & Food Services	23.6	23.1	2.2	229.16	218.53	4.9

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 2014	May 2014	Apr. 2014	June 2013
Metropolitan Statistical Areas				
Ann Arbor	5.7%	5.3%	4.8%	7.0%
Battle Creek	6.7	6.3	6.0	8.4
Bay City	7.9	7.6	7.7	9.7
Detroit-Warren-Livonia	9.2	8.0	7.9	10.1
Flint	8.3	8.0	7.8	10.3
Grand Rapids-Wyoming	5.7	5.4	5.1	7.4
Holland-Grand Haven	5.8	5.3	5.0	7.6
Jackson	7.7	7.3	7.2	9.7
Kalamazoo-Portage	6.7	6.3	6.0	8.3
Lansing-East Lansing	6.5	6.4	6.1	8.3
Monroe	6.8	6.8	7.4	8.9
Muskegon-Norton Shores	7.4	7.0	6.9	9.7
Niles-Benton Harbor	7.4	7.2	6.9	9.6
Saginaw-Saginaw Twp North	8.1	7.6	7.4	9.8
Multi-County Areas				
Northeast Lower Michigan	9.0	9.2	11.2	11.3
Northwest Lower Michigan	7.6	7.9	9.0	9.7
Upper Peninsula	8.3	8.5	9.2	10.0
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	7.9	7.3	7.3	9.4

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	June 2014	May 2014	Apr. 2014	Mar. 2014	Year Ago June	Percent Change From:	
						June/May	June 2014/ June 2013
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	8,072	7,875	7,351	7,575	7,678	2.5%	5.1%
Domestics	5,795	5,615	5,191	5,387	5,521	3.2	5.0
Imports	2,277	2,260	2,160	2,188	2,157	0.8	5.6
Import Share	28.2%	28.7%	29.4%	28.9%	28.1%	---	---
Light Trucks	8,776	8,793	8,619	8,852	8,101	(0.2)	8.3
Domestics	7,388	7,459	7,292	7,463	6,811	(1.0)	8.5
Imports	1,388	1,334	1,327	1,389	1,290	4.0	7.6
Import Share	15.8%	15.2%	15.4%	15.7%	15.9%	---	---
Subtotal: Light Vehicle Sales	16,848	16,668	15,970	16,427	15,779	1.1	6.8
Heavy Trucks	392	385	414	374	369	1.8	6.2
Total Vehicle Sales	17,240	17,053	16,384	16,801	16,148	1.1	6.8
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,414	3,962	4,039	4,118	4,610	11.4	(4.3)
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	959	685	601	755	1,030	40.0	(6.9)
Trucks	1,573	1,972	1,720	1,555	1,435	(20.2)	9.6
Total	2,531	2,657	2,321	2,310	2,465	(4.7)	2.7
Michigan Production as % of U.S.	21.5%	20.6%	20.7%	20.7%	22.8%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,662	1,691	1,805	1,859	1,595	(1.8)	4.1
Days Supply	57	57	69	63	58	0.0	(1.7)
Total Truck	1,887	1,888	1,901	1,870	1,671	(0.1)	12.9
Days Supply	63	63	69	63	63	0.0	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	82.5	81.9	84.1	0.7%	(1.9%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	June	\$105.79	\$102.18	\$95.77	3.5	10.5
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	June	945	984	831	(4.0)	13.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	June	\$392.5	\$391.5	\$377.4	0.2	4.0
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	June	103.9	103.5	99.6	0.4	4.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	June	79.1	79.0	77.8	0.1	1.7
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	June	237.7	237.1	232.9	3.1	2.1
Detroit (not seasonally adjusted)	June	224.5	223.3	221.6	3.1	1.3
Interest Rates						
3-month Treasury Bill ⁴⁾	June	0.04%	0.03%	0.05%	---	---
Corporate Aaa Bonds ⁴⁾	June	4.25%	4.16%	4.27%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2014 2nd Quarter	\$15,985.7	\$15,831.7	\$15,606.6	3.9	2.4
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	June	\$1,834.8	\$1,489.1	\$1,767.3	NM	3.8

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.

