

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- **Retail sales** (excluding food services and drinking places) in June 2015 were down 0.3% from May 2015, but were 0.6% above June 2014. Compared with June 2014, motor vehicle and parts sales increased by 6.5% and sporting goods/hobby/book/music stores were up 6.6% in June 2015. Reflecting lower gasoline prices, gas station sales declined by 17.1% from June 2014 to June 2015.
- **E-commerce sales** (transactions where orders are placed and terms of sale are determined online) increased by 14.1% from the second quarter of 2014 to the second quarter of 2015. E-commerce sales accounted for 7.2% of total retail sales in the second quarter of 2015, up from 6.3% in the second quarter of 2014.



- **Gross sales tax collections** in June 2015 were 1.2% lower than in June 2014. June 2015 was the fifth consecutive month in which sales tax collections were below prior-year amounts, and year-to-date collections as of June were up only 0.2%. Sales tax revenue collected by the Secretary of State (primarily from sales of new motor vehicles) increased 3.6% during the first eight months of revenue collections in FY 2014-15 compared with the same period in FY 2013-14, but was offset by a 1.0% decline in sales tax collections on other types of products.
- **Wage and salary employment** increased by 2.2% or 91,000 jobs from June 2014 to June 2015. Sectors with the highest growth rates during that period were construction (9.8%), transportation equipment manufacturing (6.8%), professional and business services (3.9%), and transportation and utilities (3.3%). Employment declined in the information sector (2.6%), mining and logging (1.2%), and government (1.0%).

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

U.S.	June 2015	May 2015	June 2014	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	157,037	157,469	155,700	(432)	(0.3%)	1,337	0.9%
Employment	148,739	148,795	146,247	(56)	(0.0)	2,492	1.7
Unemployment	8,298	8,674	9,453	(376)	(4.3)	(1,155)	(12.2)
Unemployment Rate	5.3%	5.5%	6.1%	---	---	---	---
Michigan	June 2015	May 2015	June 2014	Change from May		Change from Year Ago	
Labor Force	4,740	4,750	4,747	(10)	(0.2%)	(7)	(0.1%)
Employment	4,480	4,487	4,409	(7)	(0.2)	71	1.6
Unemployment	261	264	338	(3)	(1.1)	(77)	(22.9)
Unemployment Rate	5.5%	5.5%	7.1%	---	---	---	---

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



June 2015

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	June 2015*	May 2015	June 2014	Change from May		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,279	4,276	4,188	3	0.1%	91	2.2%
Goods Producing Industries	761	760	729	1	0.1	32	4.4
Mining and Logging	8	8	8	(0)	(1.2)	(0)	(1.2)
Construction	156	155	142	2	1.2	14	9.8
Manufacturing	597	598	578	(1)	(0.2)	18	3.2
Transportation Equipment	191	188	179	3	1.5	12	6.8
Service Producing Industries	3,518	3,516	3,459	2	0.1	58	1.7
Trade, Transportation & Utilities	767	765	758	1	0.2	8	1.1
Wholesale Trade	170	169	168	1	0.6	1	0.8
Retail Trade	464	465	461	(1)	(0.2)	3	0.6
Transportation & Utilities	133	132	129	1	1.1	4	3.3
Information	56	56	57	(0)	(0.7)	(2)	(2.6)
Financial Activities	210	209	205	1	0.2	5	2.4
Professional & Business Services	645	640	621	5	0.8	24	3.9
Education & Health Services	663	658	644	6	0.9	20	3.1
Leisure & Hospitality Services	416	420	407	(3)	(0.8)	9	2.2
Other Services	171	172	172	(1)	(0.5)	(1)	(0.4)
Government	590	596	596	(6)	(1.0)	(6)	(1.0)

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 2015	Year Ago	Percent Change	June 2015	Year Ago	Percent Change
Construction	39.7	40.4	(1.7%)	\$970.27	\$988.99	(1.9%)
Manufacturing	45.0	44.2	1.8	933.75	907.87	2.9
Durable Goods	46.1	45.4	1.5	1,002.21	978.82	2.4
Transportation Equipment Mfg.	50.3	49.0	2.7	1,263.54	1,232.84	2.5
Motor Vehicle Parts Mfg.	49.5	46.6	6.2	1,142.46	1,103.02	3.6
Nondurable Goods	41.3	40.2	2.7	702.93	672.14	4.6
Wholesale Trade	38.6	38.7	(0.3)	898.99	894.74	0.5
Retail Trade	29.9	29.8	0.3	415.01	403.79	2.8
Information	35.3	34.8	1.4	899.09	904.45	(0.6)
Financial Activities	36.4	35.4	2.8	827.37	726.05	14.0
Professional & Business Services	35.8	36.8	(2.7)	799.41	852.29	(6.2)
Health Care & Social Assistance	31.7	31.7	0.0	614.03	606.10	1.3
Leisure & Hospitality	23.2	24.0	(3.3)	246.85	244.32	1.0
Accommodation & Food Services	23.0	23.6	(2.5)	238.97	229.16	4.3

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 2015	May 2015	Apr. 2015	June 2014
Metropolitan Statistical Areas				
Ann Arbor	4.3%	4.2%	3.2%	5.5%
Battle Creek	5.4	5.4	4.5	6.6
Bay City	5.9	6.1	5.4	7.4
Detroit-Warren-Livonia	6.6	6.6	5.1	8.9
Flint	6.3	6.4	5.4	8.0
Grand Rapids-Wyoming	4.2	4.2	3.3	5.4
Holland-Grand Haven	5.8	5.7	4.8	6.9
Jackson	5.1	5.2	4.2	6.5
Kalamazoo-Portage	5.0	4.8	3.9	6.2
Lansing-East Lansing	5.2	5.2	4.4	6.3
Monroe	4.8	4.9	4.1	6.2
Muskegon-Norton Shores	6.1	6.1	5.1	7.7
Niles-Benton Harbor	5.5	5.6	4.6	7.0
Saginaw-Saginaw Township North	6.0	6.1	5.2	7.8
Multi-County Areas				
Northeast Lower Michigan	7.0	7.4	7.6	8.8
Northwest Lower Michigan	5.6	6.2	6.1	7.2
Upper Peninsula	6.7	7.0	6.7	8.2
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	5.8	5.9	4.8	7.7

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	June 2015	May 2015	Apr. 2015	Mar. 2015	Year Ago June	Percent Change From:	
						June/May	June 2015/ June 2014
Motor Vehicle Sales¹⁾							
Autos	7,421	7,817	7,339	7,574	7,936	(5.1%)	(6.5%)
Domestics	5,451	5,791	5,384	5,504	5,733	(5.9)	(4.9)
Imports	1,970	2,026	1,955	2,070	2,203	(2.8)	(10.6)
Import Share	26.5%	25.9%	26.6%	27.3%	27.8%	---	---
Light Trucks	9,530	9,809	9,359	9,490	8,799	(2.8)	8.3
Domestics	7,761	8,097	7,733	7,910	7,412	(4.1)	4.7
Imports	1,769	1,712	1,626	1,580	1,387	3.3	27.5
Import Share	18.6%	17.5%	17.4%	16.6%	15.8%	---	---
Subtotal: Light Vehicle Sales	16,951	17,626	16,698	17,064	16,735	(3.8)	1.3
Heavy Trucks	476	459	424	444	398	3.7	19.6
Total Vehicle Sales	17,427	18,085	17,122	17,508	17,133	(3.6)	1.7
U.S. Motor Vehicle Production¹⁾							
Autos	4,058	4,591	4,374	4,268	4,374	(11.6)	(7.2)
Michigan Motor Vehicle Production²⁾							
Autos	815	794	785	931	976	2.6	(16.5)
Trucks	1,560	1,462	1,600	1,563	1,584	6.7	(1.5)
Total	2,374	2,255	2,385	2,494	2,560	5.3	(7.3)
Michigan Production as % of U.S.	18.9%	20.8%	20.3%	21.3%	21.6%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,639	1,653	1,715	1,734	1,662	(0.9)	(1.4)
Days Supply	60	56	67	59	57	7.1	5.3
Total Truck	1,950	1,871	1,911	1,906	1,887	4.2	3.3
Days Supply	61	56	63	59	63	8.9	(3.2)

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 ¹⁾ (1996 Q1=100)	June	96.1	90.7	82.5	6.0%	16.5%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	June	\$59.82	\$59.27	\$105.79	0.9	(43.5)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	June	1,174	1,069	927	9.8	26.6
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	June	\$390.5	\$391.6	\$388.2	(0.3)	0.6
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	June	107.1	106.9	105.7	0.2	1.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	June	77.8	77.7	78.2	0.1	(0.4)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	June	237.8	237.0	237.3	3.9	0.2
Detroit (not seasonally adjusted)	June	219.0	219.0	224.5	0.1	(2.4)
Interest Rates						
3-month Treasury Bill ⁴⁾	June	0.02%	0.02%	0.04%	---	---
Corporate Aaa Bonds ⁴⁾	June	4.19%	3.98%	4.25%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2015 2nd Quarter	\$16,270.4	\$16,177.3	\$15,901.5	2.3	2.3
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	June	\$1,935.1	\$1,517.6	\$1,834.8	NM	5.5

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.

