

# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- **Retail sales** in March 2014 were up 4.0% from one year ago and 1.5% from February. Compared with March 2013, sales increased most rapidly at motor vehicle/parts dealers (10.4%), nonstore retailers (7.8%), and electronic/appliance stores (5.8%). Only three major sectors exhibited declines: sporting goods/hobby/book/music stores (-4.2%), department stores (-3.5%), although general merchandise stores as a whole were up 2.0%, and gasoline stations (-3.4%).
- Seasonally adjusted **light vehicle** sales increased 6.9% in March 2014 from the February level, and were 7.0% above the level one year ago. Much of the increase is attributable to better weather allowing purchases that were deferred in January and February, creating some pent-up demand. At a 16.3 million unit annual rate, March was the strongest month for light vehicle sales since February 2007. Compared with March 2013, domestic automobile sales fell 0.6% while domestic light truck sales increased 11.3%. Imported automobile and light truck sales increased by 6.3% and 18.6%, respectively.



- **Michigan average weekly earnings** increased for most economic sectors in March 2014 compared with earnings in March 2013. Only the nondurable manufacturing (-4.3%) and motor vehicle parts manufacturing (-5.9%) sectors exhibited declines. Outside of the manufacturing sector, only health care/social assistance (0.8%) and retail trade (1.0%) exhibited year-over-year increases of less than 3.7%.
- **Revenue from Michigan's major taxes** was up 3.6% from one year ago in March, at \$1.2 billion. Contributing to the increase in revenue for the month was a 12.8% increase in sales tax receipts from March 2013, which was pushed higher by both calendar issues and a 7.0% increase in new and used vehicle sales.

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

U.S.	Mar. 2014	Feb. 2014	Mar. 2013	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	156,227	155,724	155,099	503	0.3%	1,128	0.7%
Employment	145,742	145,266	143,393	476	0.3	2,349	1.6
Unemployment	10,486	10,459	11,706	27	0.3	(1,220)	(10.4)
Unemployment Rate	6.7%	6.7%	7.5%	---	---	---	---
Michigan	Mar. 2014	Feb. 2014	Mar. 2013	Change from Feb.		Change from Year Ago	
Labor Force	4,730	4,719	4,709	11	0.2%	21	0.4%
Employment	4,375	4,356	4,295	19	0.4	80	1.9
Unemployment	355	363	415	(8)	(2.1)	(59)	(14.3)
Unemployment Rate	7.5%	7.7%	8.8%	---	---	---	---

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



March 2014

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar. 2014*	Feb. 2014	Mar. 2013	Change from Feb.		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,115	4,115	4,095	(1)	(0.0%)	20	0.5%
<b>Goods Producing Industries</b>	708	712	691	(3)	(0.4)	17	2.5
Mining and Logging	9	9	8	(0)	(1.2)	0	4.9
Construction	136	137	131	(1)	(0.4)	5	3.8
Manufacturing	563	566	552	(3)	(0.4)	12	2.2
Transportation Equipment	171	172	165	(1)	(0.3)	7	4.1
<b>Service Producing Industries</b>	3,407	3,404	3,404	3	0.1	3	0.1
Trade, Transportation & Utilities	748	747	741	1	0.2	7	0.9
Wholesale Trade	165	165	163	(0)	(0.1)	1	0.7
Retail Trade	454	454	454	0	0.1	1	0.2
Transportation & Utilities	129	128	124	1	0.7	5	3.9
Information	56	55	55	1	0.9	1	2.2
Financial Activities	198	199	201	(1)	(0.4)	(3)	(1.5)
Professional & Business Services	601	602	600	(1)	(0.2)	1	0.2
Education & Health Services	636	636	637	0	0.1	(1)	(0.2)
Leisure & Hospitality Services	402	399	398	3	0.8	4	1.0
Other Services	169	170	172	(1)	(0.6)	(3)	(1.6)
Government	597	596	600	0	0.0	(3)	(0.5)

**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		
	Mar. 2014	Year Ago	Percent Change	Mar. 2014	Year Ago	Percent Change
Construction	37.6	38.6	(2.6%)	\$923.08	\$889.73	3.7%
Manufacturing	44.1	44.2	(0.2)	902.73	898.14	0.5
Durable Goods	45.5	45.0	1.1	975.07	963.45	1.2
Transportation Equipment Mfg.	48.9	46.6	4.9	1,230.81	1,206.01	2.1
Motor Vehicle Parts Mfg.	44.3	46.9	(5.5)	1,067.63	1,134.98	(5.9)
Nondurable Goods	39.4	41.8	(5.7)	664.68	694.72	(4.3)
Wholesale Trade	38.2	37.5	1.9	880.13	824.63	6.7
Retail Trade	29.3	29.6	(1.0)	393.79	389.83	1.0
Information	34.4	34.1	0.9	886.14	828.97	6.9
Financial Activities	35.5	34.9	1.7	705.39	651.58	8.3
Professional & Business Services	35.5	34.5	2.9	833.90	785.57	6.2
Health Care & Social Assistance	31.8	32.2	(1.2)	608.33	603.75	0.8
Leisure & Hospitality	22.7	22.1	2.7	229.95	219.90	4.6
Accommodation & Food Services	22.7	22.2	2.3	219.28	211.12	3.9

**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>				
	Mar. 2014	Feb. 2014	Jan. 2014	Mar. 2013
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	5.2%	5.3%	5.0%	5.7%
Battle Creek	7.0	7.4	6.8	7.9
Bay City	9.1	9.4	9.0	9.9
Detroit-Warren-Livonia	8.3	9.0	8.5	9.7
Flint	9.0	9.4	9.7	9.8
Grand Rapids-Wyoming	6.0	6.2	5.8	6.9
Holland-Grand Haven	6.0	6.2	5.7	6.9
Jackson	8.2	8.5	8.0	9.1
Kalamazoo-Portage	7.0	7.3	6.8	7.8
Lansing-East Lansing	6.4	6.6	6.1	7.3
Monroe	7.2	7.6	7.9	8.3
Muskegon-Norton Shores	7.9	8.3	7.9	9.4
Niles-Benton Harbor	8.3	8.8	8.2	9.5
Saginaw-Saginaw Twp North	8.7	8.9	8.5	9.4
<b>Multi-County Areas</b>				
Northeast Lower Michigan	13.5	14.1	13.2	14.3
Northwest Lower Michigan	10.3	10.8	10.1	11.5
Upper Peninsula	10.4	10.6	9.7	10.9
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	8.0	8.5	8.1	9.2

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

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)</b>							
	Mar. 2014	Feb. 2014	Jan. 2014	Dec. 2013	Year Ago Mar.	Percent Change From:	
						Mar./Feb.	Mar. 2014/ Mar. 2013
<b>Motor Vehicle Sales<sup>1)</sup> (thousands of units, SAAR)</b>							
Autos	7,518	7,117	7,086	7,498	7,425	5.6%	1.3%
Domestics	5,394	5,118	5,048	5,176	5,426	5.4	(0.6)
Imports	2,124	1,999	2,038	2,322	1,999	6.3	6.3
Import Share	28.3%	28.1%	28.8%	31.0%	26.9%	---	---
Light Trucks	8,816	8,162	8,072	7,807	7,844	8.0	12.4
Domestics	7,449	6,890	6,890	6,521	6,691	8.1	11.3
Imports	1,367	1,272	1,182	1,286	1,153	7.5	18.6
Import Share	15.5%	15.6%	14.6%	16.5%	14.7%	---	---
Subtotal: Light Vehicle Sales	16,334	15,279	15,158	15,305	15,269	6.9	7.0
Heavy Trucks	357	357	353	370	334	0.0	6.9
Total Vehicle Sales	16,691	15,636	15,511	15,675	15,603	6.7	7.0
<b>U.S. Motor Vehicle Production<sup>1)</sup> (millions of units, SAAR)</b>							
Autos	4,181	4,276	4,142	4,501	4,494	(2.2)	(7.0)
<b>Michigan Motor Vehicle Production<sup>2)</sup> (thousands of units, SAAR)</b>							
Autos	755	1,042	1,410	831	1,010	(27.5)	(25.2)
Trucks	1,555	1,649	1,613	1,579	1,335	(5.7)	16.5
Total	2,310	2,691	3,023	2,410	2,344	(14.1)	(1.5)
Michigan Production as % of U.S.	20.7%	19.5%	21.4%	22.9%	23.0%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,859	1,882	1,772	1,722	1,566	(1.2)	18.8
Days Supply	63	78	90	68	56	(19.2)	12.5
Total Truck	1,870	1,879	1,785	1,725	1,650	(0.5)	13.3
Days Supply	63	74	86	59	64	(14.9)	(1.6)

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
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Mar.	80.0	81.6	78.6	(2.0%)	1.8%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Mar.	\$100.80	\$100.82	\$92.94	(0.0)	8.5
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Mar.	947	928	994	2.0	(4.7)
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Mar.	\$387.4	\$381.6	\$372.3	1.5	4.0
<b>Industrial Production Index</b> <sup>4)</sup> (1997=100, seasonally adjusted)	Mar.	103.3	102.4	99.5	0.9	3.9
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Mar.	79.3	78.9	78.0	0.5	1.6
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Mar.	235.6	235.2	232.1	2.4	1.5
Detroit (not seasonally adjusted)	Feb.	220.5	218.2	218.9	6.5	0.7
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Mar.	0.05%	0.05%	0.09%	---	---
Corporate Aaa Bonds <sup>4)</sup>	Mar.	4.38%	4.45%	3.93%	---	---
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2014 1st Qtr.	\$15,946.6	\$15,942.3	\$15,583.9	0.1	2.3
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Mar. 2014	\$1,234.7	\$1,034.4	\$1,192.2	NM	3.6

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.

