

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 0.2% seasonally adjusted annual rate in the first quarter of 2015, the second-slowest growth since the fourth quarter of 2012. Personal consumption spending increased 1.9%, with stronger growth in the services sector (1.3%) than in the goods sector (0.1%). Investment increased 2.0%, primarily due to an increase in inventories. Due to the strong dollar, exports were down 7.2% and imports increased by 1.8%, with both changes reducing GDP. Government spending declined 0.8%.
- On a year-to-date basis, **new manufacturing orders** for January through March 2015 were down 5.4% compared with the first three months of 2014. Orders for nondurable goods declined 9.2% compared with a 1.2% reduction in durable goods orders.



- Michigan average weekly earnings** increased in March 2015 compared with March 2014 for most sectors of the economy. The financial activities sector exhibited the largest increase (18.6%), followed by accommodation and food service (7.2%), transportation equipment manufacturing (6.0%), construction (5.3%), and nondurable goods manufacturing (4.7%). Most sectors also increased the average weekly hours of employment, led by motor vehicle parts manufacturing with a 7.7% increase in hours to 47.7 hours per week, followed by transportation equipment manufacturing with a 4.5% increase to 51.1 hours per week.
- Michigan **wage and salary employment** in March 2015 was up 88,000 jobs or 2.1% from March 2014. The construction sector, which gained 14,000 or 10.4%, exhibited the strongest year-over-year growth of any sector. The construction sector regained 32,900 jobs since the June 2010 low point, but remained 28.8% below the peak employment level of 214,200 registered in April 2000.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Mar. 2015	Feb. 2015	Mar. 2014	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	156,906	157,002	156,180	(96)	(0.1%)	726	0.5%
Employment	148,331	148,297	145,796	34	0.0	2,535	1.7
Unemployment	8,575	8,705	10,384	(130)	(1.5)	(1,809)	(17.4)
Unemployment Rate	5.5%	5.5%	6.6%	---	---	---	---
Michigan	Mar. 2015	Feb. 2015	Mar. 2014	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,746	4,758	4,752	(12)	(0.3%)	(5)	(0.1%)
Employment	4,479	4,477	4,389	2	0.1	90	2.1
Unemployment	267	281	363	(15)	(5.2)	(96)	(26.4)
Unemployment Rate	5.6%	5.9%	7.6%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar. 2015*	Feb. 2014	Mar. 2014	Change from Feb.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,246	4,248	4,158	(2)	(0.0%)	88	2.1%
Goods Producing Industries	752	753	720	(1)	(0.2)	32	4.5
Mining and Logging	9	9	8	0	0.0	0	2.4
Construction	153	151	138	1	0.7	14	10.4
Manufacturing	591	593	573	(2)	(0.4)	18	3.1
Transportation Equipment	184	188	176	(4)	(1.9)	8	4.7
Service Producing Industries	3,495	3,495	3,439	(0)	(0.0)	56	1.6
Trade, Transportation & Utilities	764	764	754	0	0.0	10	1.4
Wholesale Trade	171	170	166	0	0.1	4	2.6
Retail Trade	464	465	459	(1)	(0.2)	5	1.1
Transportation & Utilities	129	129	129	1	0.6	1	0.5
Information	58	57	57	1	1.1	1	1.8
Financial Activities	206	205	204	1	0.3	2	0.9
Professional & Business Services	634	641	611	(7)	(1.1)	24	3.8
Education & Health Services	654	652	643	2	0.3	11	1.6
Leisure & Hospitality Services	413	411	404	3	0.6	9	2.2
Other Services	171	172	171	(0)	(0.1)	1	0.4
Government	595	594	596	1	0.2	(1)	(0.2)

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. 2015	Year Ago	Percent Change	Mar. 2015	Year Ago	Percent Change
Construction	39.2	37.6	4.3%	\$974.51	\$925.34	5.3%
Manufacturing	44.3	44.1	0.5	928.09	902.73	2.8
Durable Goods	45.7	45.5	0.4	997.63	975.07	2.3
Transportation Equipment Mfg.	51.1	48.9	4.5	1,305.09	1,230.81	6.0
Motor Vehicle Parts Mfg.	47.7	44.3	7.7	1,099.96	1,067.63	3.0
Nondurable Goods	39.7	39.4	0.8	695.94	664.68	4.7
Wholesale Trade	38.8	38.2	1.6	865.63	880.13	(1.6)
Retail Trade	29.6	29.3	1.0	410.85	393.79	4.3
Information	34.5	34.4	0.3	850.08	886.14	(4.1)
Financial Activities	36.7	35.5	3.4	836.76	705.39	18.6
Professional & Business Services	35.7	35.5	0.6	813.25	833.90	(2.5)
Health Care & Social Assistance	31.5	31.8	(0.9)	605.12	608.33	(0.5)
Leisure & Hospitality	22.4	22.7	(1.3)	241.70	231.54	4.4
Accommodation & Food Services	22.4	22.7	(1.3)	234.98	219.28	7.2

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)				
	Mar. 2015	Feb. 2015	Jan. 2015	Mar. 2014
Metropolitan Statistical Areas				
Ann Arbor	3.5%	3.4%	4.0%	5.2%
Battle Creek	5.2	5.2	5.8	7.3
Bay City	6.3	6.4	7.0	8.9
Detroit-Warren-Livonia	6.0	6.3	7.4	9.4
Flint	6.3	6.2	7.1	9.1
Grand Rapids-Wyoming	3.9	3.9	4.5	5.9
Holland-Grand Haven	5.5	5.6	6.2	7.8
Jackson	4.9	5.0	5.6	7.2
Kalamazoo-Portage	4.5	4.6	5.4	6.3
Lansing-East Lansing	5.4	5.3	5.7	7.5
Monroe	4.7	4.7	5.4	6.8
Muskegon-Norton Shores	5.9	6.0	6.5	8.7
Niles-Benton Harbor	5.4	5.6	6.3	8.2
Saginaw-Saginaw Township North	6.1	6.1	6.8	8.9
Multi-County Areas				
Northeast Lower Michigan	10.0	10.3	11.0	13.8
Northwest Lower Michigan	7.4	7.5	10.6	10.3
Upper Peninsula	7.8	7.7	8.2	10.5
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	5.7	5.8	6.6	8.5

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Mar. 2015	Feb. 2015	Jan. 2015	Dec. 2014	Year Ago Mar.	Percent Change From:	
						Mar./Feb.	Mar. 2015/ Mar. 2014
Motor Vehicle Sales¹⁾							
Autos	7,497	7,019	7,338	7,897	7,575	6.8%	(1.0%)
Domestics	5,380	5,148	5,433	5,816	5,385	4.5	(0.1)
Imports	2,117	1,871	1,905	2,081	2,190	13.1	(3.3)
Import Share	28.2%	26.7%	26.0%	26.4%	28.9%	---	---
Light Trucks	9,556	9,144	9,233	8,902	8,849	4.5	8.0
Domestics	7,955	7,690	7,887	7,616	7,391	3.4	7.6
Imports	1,601	1,454	1,346	1,286	1,458	10.1	9.8
Import Share	16.8%	15.9%	14.6%	14.4%	16.5%	---	---
Subtotal: Light Vehicle Sales	17,053	16,163	16,571	16,799	16,424	5.5	3.8
Heavy Trucks	437	427	432	416	374	2.3	16.8
Total Vehicle Sales	17,490	16,590	17,003	17,215	16,798	5.4	4.1
U.S. Motor Vehicle Production¹⁾							
Autos	4,224	3,824	4,169	4,547	4,126	10.4	2.4
Michigan Motor Vehicle Production²⁾							
Autos	931	903	983	965	769	3.1	21.2
Trucks	1,563	1,455	917	1,618	1,640	7.4	(4.7)
Total	2,494	2,358	1,900	2,583	2,408	5.8	3.6
Michigan Production as % of U.S.	21.3%	17.0%	17.0%	17.0%	20.7%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,734	1,757	1,743	1,712	1,859	(1.3)	(6.7)
Days Supply	59	73	85	66	63	(19.2)	(6.3)
Total Truck	1,906	1,886	1,899	1,846	1,870	1.0	1.9
Days Supply	59	66	80	58	63	(10.6)	(6.3)

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)	Mar.	93.0	95.4	80.0	(2.5%)	16.3%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Mar.	\$47.82	\$50.58	\$100.80	(5.5)	(52.6)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Mar.	944	900	963	4.9	(2.0)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Mar.	\$385.9	\$381.4	\$382.4	1.2	0.9
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Mar.	105.5	105.8	103.1	(0.3)	2.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Mar.	78.6	78.9	79.1	(0.5)	(0.7)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Mar.	235.7	235.2	235.8	2.9	(0.0)
Detroit (not seasonally adjusted)	Feb.	216.5	218.1	220.5	(4.3)	(1.8)
Interest Rates						
3-month Treasury Bill ⁴⁾	Mar.	0.03%	0.02%	0.05%	--	--
Corporate Aaa Bonds ⁴⁾	Mar.	3.64%	3.61%	4.38%	--	--
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2015 1st Quarter	\$16,304.8	\$16,294.7	\$15,831.7	0.2	3.0
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Mar.	\$1,235.7	\$1,029.6	\$1,234.7	NM	0.1

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.

