

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The **Index of Consumer Sentiment** in May 2013 was 6.6% above the year-ago level, and rose from 76.4 in April to 84.5 in May. This was the highest recorded level for the index since July 2007. The index indicated that consumers held more favorable opinions about the economy than in April, with more consumers reporting that their finances had improved rather than worsened. However, only 54% of all households and 45% of households with income above \$80,000 anticipated any improvement in their income in the coming year.
- The **U.S. employment-population ratio** in May 2013 was 58.6%, the same as in May 2012. Prior to the 2008-2009 recession, when the ratio reached a low of 58.2%, the rate was last at 58.6% in November 1983.



- **Michigan's unemployment rate** remained constant at 8.4% from April to May and was below the 9.2% level in May 2012. The lack of significant month-over-month change reflected that people were entering the labor force at a rate similar to the rate of increase in employment. Compared with one year ago, employment was up by 66,000 jobs, with the size of the labor force up by 33,000 people.
- **May revenue from Michigan's major taxes** was up 4.6% from one year ago, at \$1.5 billion. Likely reflecting taxpayer-anticipated potential tax changes associated with "fiscal cliff" issues in December 2012, net income tax revenue was up 13.9% from the May 2012 level with the increase in dividend payments and capital gain realizations. Also contributing to the increase in revenue for the month was a 6.9% increase in sales tax receipts from May 2012, reflecting higher new and used vehicle sales.

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

U.S.	May 2013	Apr. 2013	May 2012	Change from Apr.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,658	155,238	154,998	420	0.3%	660	0.4%
Employment	143,898	143,579	142,302	319	0.2	1,596	1.1
Unemployment	11,760	11,659	12,696	101	0.9	(936)	(7.4)
Unemployment Rate	7.6%	7.5%	8.2%	---	---	---	---
Michigan	May 2013	Apr. 2013	May 2012	Change from Apr.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,698	4,670	4,665	28	0.6%	33	0.7%
Employment	4,303	4,279	4,237	23	0.5	66	1.6
Unemployment	395	391	428	4	1.1	(33)	(7.8)
Unemployment Rate	8.4%	8.4%	9.2%	---	---	---	---

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



MAY 2013

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2013*	Apr. 2013	May 2012	Change from Apr.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,073	4,055	4,026	18	0.4%	47	1.2%
Goods Producing Industries	686	684	671	2	0.3	16	2.3
Mining and Logging	8	8	8	0	0.0	(0)	(1.3)
Construction	126	125	128	1	0.9	(2)	(1.3)
Manufacturing	552	551	535	1	0.2	17	3.3
Transportation Equipment	162	161	154	1	0.7	8	5.3
Service Producing Industries	3,387	3,371	3,355	16	0.5	32	0.9
Trade, Transportation & Utilities	734	734	730	0	0.0	4	0.6
Wholesale Trade	161	160	159	1	0.6	2	1.1
Retail Trade	453	451	449	2	0.4	4	0.8
Transportation & Utilities	121	123	121	(2)	(1.5)	0	0.2
Information	52	51	53	0	0.6	(2)	(2.8)
Financial Activities	197	197	196	0	0.1	1	0.7
Professional & Business Services	589	580	581	9	1.6	8	1.4
Education & Health Services	640	641	631	(1)	(0.1)	9	1.4
Leisure & Hospitality Services	399	393	385	7	1.7	14	3.7
Other Services	170	170	168	(0)	(0.1)	2	1.1
Government	605	605	612	(0)	(0.0)	(7)	(1.1)

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		
	May 2013	Year Ago	Percent Change	May 2013	Year Ago	Percent Change
Construction	40.7	39.5	3.0%	\$963.0	\$929.0	3.7%
Manufacturing	43.3	42.7	1.4	860.8	874.9	(1.6)
Durable Goods	44.1	43.8	0.7	922.6	954.0	(3.3)
Transportation Equipment Mfg.	46.1	44.8	2.9	1,157.6	1,213.2	(4.6)
Motor Vehicle Parts Mfg.	46.2	45.8	0.9	1,059.4	1,131.7	(6.4)
Nondurable Goods	40.8	39.5	3.3	667.5	636.0	5.0
Wholesale Trade	37.9	38.1	(0.5)	839.1	824.9	1.7
Retail Trade	30.6	30.3	1.0	398.1	385.7	3.2
Information	34.8	35.6	(2.2)	823.4	848.0	(2.9)
Financial Activities	35.4	36.4	(2.7)	659.2	693.4	(4.9)
Professional & Business Services	35.8	34.6	3.5	832.0	738.0	12.7
Health Care & Social Assistance	32.0	31.9	0.3	602.2	592.7	1.6
Leisure & Hospitality	23.1	22.5	2.7	229.4	223.7	2.6
Accommodation & Food Services	23.1	22.5	2.7	220.4	215.8	2.1

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)				
	May 2013	Apr. 2013	Mar. 2013	May 2012
Metropolitan Statistical Areas				
Ann Arbor	5.9%	5.1%	5.1%	5.9%
Battle Creek	7.3	6.6	6.8	7.4
Bay City	8.9	8.5	8.9	8.5
Detroit-Warren-Livonia	9.0	8.9	9.9	10.1
Flint	9.4	8.8	9.1	9.3
Grand Rapids-Wyoming	6.5	5.9	6.2	6.7
Holland-Grand Haven	6.6	5.9	6.2	6.8
Jackson	8.7	7.9	8.3	8.4
Kalamazoo-Portage	7.4	6.7	7.1	7.6
Lansing-East Lansing	7.4	7.0	6.7	7.2
Monroe	8.2	7.3	7.7	8.0
Muskegon-Norton Shores	8.7	8.1	8.4	8.7
Niles-Benton Harbor	8.9	8.2	8.8	8.9
Saginaw-Saginaw Twp North	8.9	8.3	8.5	8.5
Multi-County Areas				
Northeast Lower Michigan	10.8	11.8	13.1	10.5
Northwest Lower Michigan	9.3	9.9	10.5	9.2
Upper Peninsula	9.5	9.8	9.9	8.9
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.4	8.2	8.8	8.9

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	May 2013	Apr. 2013	Mar. 2013	Feb. 2013	Year Ago Apr.	Percent Change From:	
						May/Apr.	May 2013/ May 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,344	7,116	7,432	7,735	6,891	3.2%	6.6%
Domestics	5,289	5,130	5,381	5,543	4,934	3.1	7.2
Imports	2,055	1,986	2,051	2,192	1,957	3.5	5.0
Import Share	28.0%	27.9%	27.6%	28.3%	28.4%	---	---
Light Trucks	7,886	7,743	7,775	7,588	7,006	1.8	12.6
Domestics	6,652	6,607	6,607	6,437	5,915	0.7	12.5
Imports	1,234	1,136	1,168	1,151	1,091	8.6	13.1
Import Share	15.6%	14.7%	15.0%	15.2%	15.6%	---	---
Subtotal: Light Vehicle Sales	15,230	14,859	15,207	15,323	13,897	2.5	9.6
Heavy Trucks	352	384	294	337	369	(8.3)	(4.6)
Total Vehicle Sales	15,582	15,243	15,501	15,660	14,266	2.2	9.2
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,550	4,513	4,625	4,453	4,259	0.8	6.8
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	989	1,057	1,060	1,125	992	(6.5)	(0.3)
Trucks	1,608	1,635	1,304	1,306	1,447	(1.7)	11.1
Total	2,596	2,693	2,364	2,431	2,439	(3.6)	6.5
Michigan Production as % of U.S.	22.5%	22.0%	23.0%	21.6%	22.7%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,541	1,587	1,566	1,571	1,200	(2.9)	28.5
Days Supply	59	61	56	61	48	(3.3)	22.9
Total Truck	1,627	1,659	1,650	1,619	1,404	(1.9)	15.9
Days Supply	59	66	64	68	66	(10.6)	(10.6)

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
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	May	84.5	76.4	79.3	10.6%	6.6%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$94.80	\$92.07	\$94.70	3.0	0.1
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	914	856	711	6.8	28.6
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$375.2	\$372.7	\$359.7	0.7	4.3
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	May	98.7	98.6	97.1	0.0	1.6
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	77.6	77.7	77.8	(0.1)	(0.3)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	231.8	231.5	228.6	1.8	1.4
Detroit (not seasonally adjusted)	Apr	218.9	218.9	216.2	0.0	1.3
Interest Rates						
3-month Treasury Bill ⁴⁾	May	0.04%	0.06%	0.09%	---	---
Corporate Aaa Bonds ⁴⁾	May	3.89%	3.73%	3.80%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2013 1st Qtr.	\$13,746.2	\$13,665.4	\$13,506.4	2.4	1.8
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	May 2013	\$1,527.3	\$2,303.3	\$1,459.8	NM	4.6

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.

