

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- **Vehicle sales** increased 7.5% in May 2015 from the April level and were 6.4% above the year-ago level. Automobile sales increased 10.2% between April and May but were only 0.3% above the year-ago level, while light truck sales increased 5.6% between April and May and were up 11.7% from the year-ago level. Sales of heavy trucks increased 1.9% between April and May but were 12.2% above the level in May 2014.
- **Oil prices** increased 8.9% in May 2015 from the April level, but were 42.0% below the level in May 2014. May 2015 represented the second consecutive month of higher oil prices. At \$59.27 per barrel, the May 2015 price was up 25.5% from the low in January 2015, but down 44.0% from the high of \$105.79 in June 2014.



- **Michigan's population** grew 0.1% in 2014, ranking Michigan 42nd among the 50 states and the District of Columbia in population growth. Among the Great Lakes states, only Illinois exhibited weaker population growth, ranking 50th with a 0.1% decline. Minnesota ranked 23rd with 0.6% growth, followed by Indiana (29th/0.4%), Wisconsin (38th/0.3%), and Ohio (39th/0.2%). Nationally, the population increased 0.7% in 2014. Compared with the 2010 Census, Michigan's 2014 population was up 0.3%, ranking 47th in growth, and below the national average of 3.3%.
- The **Southeast Michigan Purchasing Managers Index** for May 2015 was 66.4, up slightly from the April index of 66.3 and the fourth consecutive monthly increase. A reading above 50 indicates expansion in the economy. The increase largely reflected increases in production and inventories, which more than offset a decline in new orders and employment. The only component of the index with a value below 50 was vendor deliveries. The survey indicated that 75.0% of respondents expected the economy to remain the same for the next six months.

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

U.S.	May 2015	Apr. 2015	May 2014	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	157,469	157,072	155,629	397	0.3%	1,840	1.2%
Employment	148,795	148,523	145,868	272	0.2	2,927	2.0
Unemployment	8,674	8,549	9,761	125	1.5	(1,087)	(11.1)
Unemployment Rate	5.5%	5.4%	6.3%	---	---	---	---
Michigan	May 2015	Apr. 2015	May 2014	Change from Apr.		Change from Year Ago	
Labor Force	4,750	4,740	4,748	10	0.2%	2	0.0%
Employment	4,487	4,483	4,402	4	0.1	85	1.9
Unemployment	264	257	347	6	2.4	(83)	(24.0)
Unemployment Rate	5.5%	5.4%	7.3%	---	---	---	---

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



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Prepared by:
Elizabeth Pratt, Fiscal Analyst
David Zin, Chief Economist



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2015*	Apr. 2015	May 2014	Change from Apr.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,278	4,252	4,171	26	0.6%	107	2.6%
Goods Producing Industries	762	754	721	7	1.0	41	5.7
Mining and Logging	8	8	8	(0)	(1.2)	0	2.5
Construction	156	155	141	1	0.5	15	10.7
Manufacturing	598	591	572	7	1.1	26	4.5
Transportation Equipment	188	186	171	2	1.1	18	10.3
Service Producing Industries	3,516	3,498	3,450	18	0.5	66	1.9
Trade, Transportation & Utilities	766	763	757	3	0.4	9	1.2
Wholesale Trade	169	169	168	(0)	(0.2)	1	0.5
Retail Trade	466	462	461	3	0.7	5	1.1
Transportation & Utilities	132	132	129	0	0.0	3	2.3
Information	57	57	57	(0)	(0.5)	(1)	(0.9)
Financial Activities	209	207	205	2	1.1	5	2.2
Professional & Business Services	638	639	616	(1)	(0.2)	22	3.6
Education & Health Services	658	652	644	6	0.8	14	2.2
Leisure & Hospitality Services	421	412	406	9	2.1	15	3.7
Other Services	172	173	171	(1)	(0.6)	0	0.2
Government	596	595	595	1	0.2	2	0.3

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 2015	Year Ago	Percent Change	May 2015	Year Ago	Percent Change
Construction	39.3	38.6	1.8%	\$964.42	\$956.89	0.8%
Manufacturing	44.8	44.3	1.1	930.50	912.58	2.0
Durable Goods	46.0	46.0	0.0	997.28	994.06	0.3
Transportation Equipment Mfg.	50.7	50.5	0.4	1,273.08	1,275.13	(0.2)
Motor Vehicle Parts Mfg.	48.6	45.9	5.9	1,128.49	1,090.58	3.5
Nondurable Goods	40.9	39.0	4.9	708.39	653.25	8.4
Wholesale Trade	39.3	38.0	3.4	896.43	883.50	1.5
Retail Trade	30.0	29.5	1.7	414.30	400.61	3.4
Information	34.4	33.4	3.0	863.44	876.08	(1.4)
Financial Activities	36.5	34.6	5.5	838.41	697.54	20.2
Professional & Business Services	35.6	36.1	(1.4)	797.80	834.27	(4.4)
Health Care & Social Assistance	31.8	31.6	0.6	620.74	601.98	3.1
Leisure & Hospitality	22.8	23.2	(1.7)	247.15	240.58	2.7
Accommodation & Food Services	22.6	23.0	(1.7)	237.98	226.09	5.3

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)				
	May 2015	Apr. 2015	Mar. 2015	May 2014
Metropolitan Statistical Areas				
Ann Arbor	4.2%	3.2%	3.5%	5.3%
Battle Creek	5.4	4.5	5.2	6.5
Bay City	6.1	5.4	6.3	7.0
Detroit-Warren-Livonia	6.6	5.1	6.0	8.6
Flint	6.4	5.4	6.3	8.0
Grand Rapids-Wyoming	4.2	3.3	3.9	4.6
Holland-Grand Haven	5.7	4.8	5.5	6.9
Jackson	5.2	4.2	4.9	6.4
Kalamazoo-Portage	4.8	3.9	4.5	6.4
Lansing-East Lansing	5.2	4.4	5.4	6.2
Monroe	4.9	4.1	4.7	6.4
Muskegon-Norton Shores	6.1	5.1	5.9	7.6
Niles-Benton Harbor	5.6	4.6	5.4	7.0
Saginaw-Saginaw Township North	6.1	5.2	6.1	7.7
Multi-County Areas				
Northeast Lower Michigan	7.4	7.6	10.0	9.4
Northwest Lower Michigan	6.2	6.1	7.4	7.7
Upper Peninsula	7.0	6.7	7.8	8.5
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	5.9	4.8	5.7	7.5

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	May 2015	Apr. 2015	Mar. 2015	Feb. 2015	Year Ago May	Percent Change From:	
						May/Apr.	May 2015/ May 2014
Motor Vehicle Sales¹⁾							
Autos	7,898	7,167	7,514	7,019	7,875	10.2%	0.3%
Domestics	5,820	5,219	5,402	5,153	5,618	11.5	3.6
Imports	2,078	1,948	2,112	1,866	2,257	6.7	(7.9)
Import Share	26.3%	27.2%	28.1%	26.6%	28.7%	---	---
Light Trucks	9,818	9,297	9,557	9,144	8,793	5.6	11.7
Domestics	8,097	7,643	7,955	7,690	7,457	5.9	8.6
Imports	1,721	1,654	1,602	1,454	1,336	4.1	28.8
Import Share	17.5%	17.8%	16.8%	15.9%	15.2%	---	---
Subtotal: Light Vehicle Sales	17,716	16,464	17,071	16,163	16,668	7.6	6.3
Heavy Trucks	432	424	437	427	385	1.9	12.2
Total Vehicle Sales	18,148	16,888	17,508	16,590	17,053	7.5	6.4
U.S. Motor Vehicle Production¹⁾							
Autos	4,558	4,370	4,268	3,887	4,052	4.3	12.5
Michigan Motor Vehicle Production²⁾							
Autos	794	785	931	903	675	1.1	17.6
Trucks	1,462	1,600	1,563	1,455	1,975	(8.7)	(26.0)
Total	2,255	2,385	2,494	2,358	2,650	(5.4)	(14.9)
Michigan Production as % of U.S.	20.8%	20.3%	21.3%	17.0%	20.6%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,653	1,715	1,734	1,757	1,691	(3.6)	(2.3)
Days Supply	56	67	59	73	57	(16.4)	(1.8)
Total Truck	1,871	1,911	1,906	1,886	1,888	(2.1)	(0.9)
Days Supply	56	63	59	66	63	(11.1)	(11.1)

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)	May	90.7	95.9	81.9	(5.4%)	10.7%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$59.27	\$54.45	\$102.18	8.9	(42.0)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	1,036	1,165	986	(11.1)	5.1
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$393.4	\$388.2	\$385.8	1.4	2.0
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	May	105.1	105.3	103.7	(0.2)	1.4
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	78.1	78.3	79.1	(0.3)	(1.4)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	237.0	236.0	237.0	5.5	0.0
Detroit (not seasonally adjusted)	Apr	219.0	216.5	223.3	7.2	(1.9)
Interest Rates						
3-month Treasury Bill ⁴⁾	May	0.02%	0.02%	0.03%	---	---
Corporate Aaa Bonds ⁴⁾	May	3.98%	3.52%	4.16%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2015 1st Quarter	\$16,287.7	\$16,294.7	\$15,831.7	(0.2)	2.9
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	May	\$1,517.6	\$1,853.3	\$1,489.1	NM	1.9

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.

