

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS

- The **U.S. unemployment rate** decreased from 10.1% in October to 10.0% in November, boosted by the largest increase in employment recorded since November 2007. The unemployment rate declined in November because 134,000 individuals dropped out of the labor force and 139,000 more jobs were created. Despite the increase, employment was still down more than 5.5 million jobs from the year-ago level.
- **Oil prices** increased 3.0% in November, rising from \$75.82 per barrel in October to \$78.08. Compared with one year ago, the price of oil was up 35.9%. November oil prices were at the highest level since September 2008 and almost double the recent low of \$39.16 per barrel in February 2009.
- **Housing starts** increased 10.7% in November from the October level and were down only 11.5% from one year ago. Housing starts showed improvement in all regions of the country, although single-unit starts were down in both the Midwest and the Northeast. As a result of the monthly increase, November starts exhibited the smallest year-over-year decline since May 2006.
- **Retail sales** increased 1.9% in November from the October level and were 2.8% above the year-ago level. Gains in sales were consistent across most sectors, with only furniture stores, electronics/appliance stores, and building material stores exhibiting meaningful year-over-year declines. The strongest growth was exhibited by motor vehicle sales, gasoline sales (reflecting higher fuel prices), and nonstore retailers such as online, catalog and mail-order merchants.



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- In November, for a seventh consecutive month, **average weekly earnings** exhibited strong year-over-year growth in most sectors. Five sectors exhibited year-over-year growth rates exceeding 7.0%: food/beverage stores (12.0%), transportation equipment manufacturing (7.9%), nondurable manufacturing (7.8%), information (7.8%), and leisure/hospitality (7.3%). Only wholesale trade (-3.0%) and retail trade (-1.7%) exhibited declines.
 - **Detroit-area home prices** increased for a third consecutive month in October, rising at an annual rate of 15.8%. Despite the increase, the index of metro-area home prices was still 15.2% below the year-ago level and consistent with 1995 home prices.
 - **Michigan personal income** grew 0.3% in the third quarter of 2009, equal to the national average and ranking 24th among the states. While transfer payments increased 0.9%, above the national average of 0.4%, State unemployment benefits increased 14.7% compared with an average 18.0% increase nationally. Income from dividends, interest, and rent also rose at a faster rate than the national average. Nonfarm earnings (reflecting wage income) rose more slowly than the national average, particularly in administrative/waste services, government, and management of companies; earnings were much stronger in arts/entertainment, real estate, and manufacturing.



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

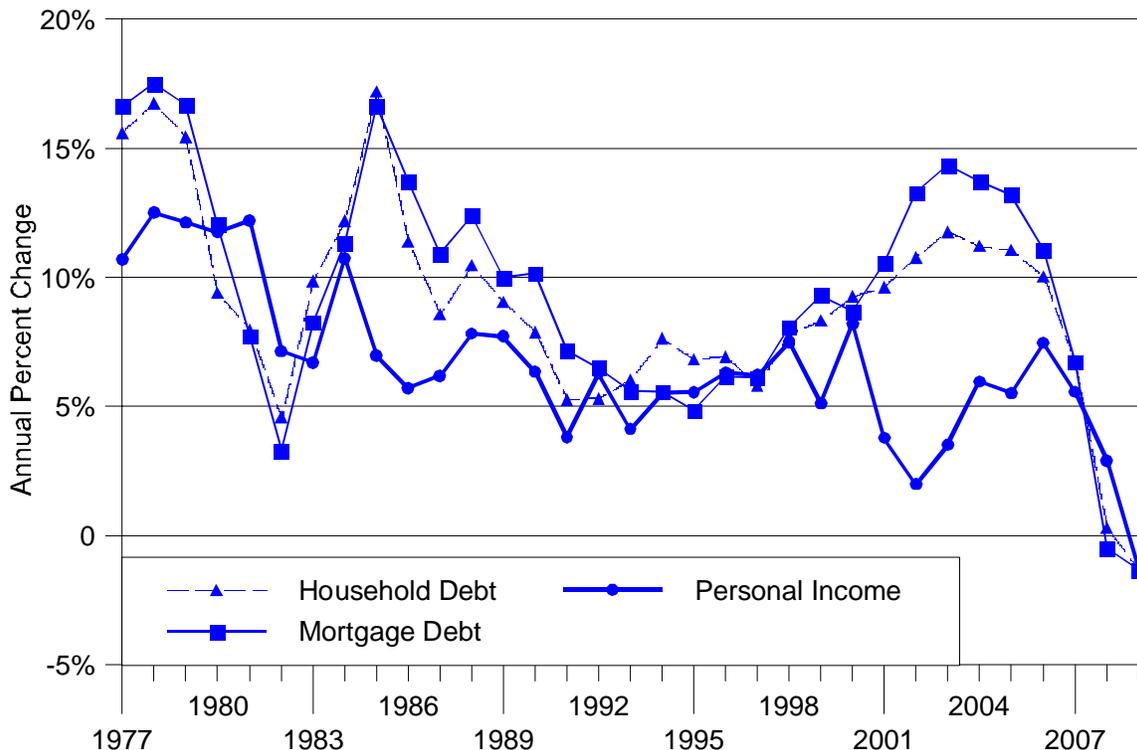
U.S.	Nov. 2009	Oct. 2009	Nov. 2008	Change from Oct.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	153,720	153,854	154,524	(134)	(0.1)%	(804)	(0.5)%
Employment	138,381	138,242	143,907	139	0.1	(5,526)	(3.8)
Unemployment	15,339	15,612	10,617	(273)	(1.7)	4,722	44.5
Unemployment Rate	10.0%	10.1%	6.9%	---	---	---	---

Michigan	Nov. 2009	Oct. 2009	Nov. 2008	Change from Oct.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,849	4,833	4,912	16	0.3%	(63)	(1.3)%
Employment	4,116	4,094	4,463	22	0.5	(347)	(7.8)
Unemployment	733	739	449	(6)	(0.8)	284	63.4
Unemployment Rate	15.1%	15.3%	9.1%	---	---	---	---

Source: Bureau of Labor Statistics, U.S. Department of Labor

Household Debt and Personal Income Growth

Between 1999 and 2007, Debt Grew Far More Rapidly Than Income



Source: Bureau of Economic Analysis, U.S. Department of Commerce and Federal Reserve Board of Governors

**MICHIGAN WAGE AND SALARY EMPLOYMENT
(Seasonally adjusted, thousands)**

	Nov. 2009*	Oct. 2009	Nov. 2008	Change from Oct.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Wage & Salary Jobs	3,851	3,865	4,091	(14)	(0.4)%	(240)	(5.9)%
Goods Producing Industries	590	596	711	(7)	(1.1)	(121)	(17.0)
Mining and Logging	8	8	8	(0)	(1.3)	(1)	(6.3)
Construction	121	123	147	(2)	(1.4)	(26)	(17.4)
Manufacturing	461	466	556	(5)	(1.0)	(95)	(17.1)
Transportation Equipment	120	123	164	(3)	(2.4)	(44)	(26.8)
Service Producing Industries	3,261	3,268	3,380	(7)	(0.2)	(119)	(3.5)
Trade, Transportation & Utilities	694	701	754	(7)	(1.0)	(60)	(8.0)
Wholesale Trade	147	147	163	0	0.0	(16)	(9.6)
Retail Trade	437	443	469	(6)	(1.2)	(32)	(6.8)
Transportation & Utilities	109	111	122	(2)	(1.6)	(12)	(10.0)
Information	53	54	61	(1)	(1.8)	(8)	(12.5)
Financial Activities	189	189	201	(1)	(0.3)	(12)	(6.1)
Professional & Business Services	520	512	540	8	1.6	(20)	(3.7)
Education & Health Services	621	621	612	0	0.0	10	1.6
Leisure & Hospitality Services	382	385	394	(2)	(0.5)	(12)	(3.0)
Other Services	169	170	175	(1)	(0.3)	(5)	(3.0)
Government	632	636	644	(4)	(0.6)	(13)	(1.9)

Source: Bureau of Labor Statistics, U.S. Department of Labor

* Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS

Industry	Average Weekly Hours			Average Weekly Earnings		
	Nov. 2009	Year Ago	Percent Change	Nov. 2009	Year Ago	Percent Change
Construction	36.5	34.4	6.1%	785.48	751.64	4.5%
Manufacturing	42.1	40.9	2.9	913.15	894.89	2.0
Durable Goods	43.3	42.1	2.9	1,023.61	997.77	2.6
Transportation Equipment Mfg.	43.3	40.0	8.2	1,222.36	1,132.40	7.9
Motor Vehicle Parts Mfg.	43.1	41.2	4.6	1,096.03	1,055.13	3.9
Nondurable Goods	38.9	37.0	5.1	613.45	569.06	7.8
Wholesale Trade	37.5	37.8	(0.8)	702.38	723.87	(3.0)
Retail Trade	29.0	29.9	(3.0)	365.11	371.36	(1.7)
Food & Beverage Stores	25.1	27.2	(7.7)	366.21	326.94	12.0
Information	33.2	33.3	(0.3)	833.32	773.23	7.8
Financial Activities	36.6	34.9	4.9	730.54	693.11	5.4
Professional & Business Services	33.9	33.4	1.5	680.03	671.67	1.2
Health Care & Social Assistance	34.4	34.0	1.2	636.06	596.02	6.7
Leisure & Hospitality	22.7	22.0	3.2	215.20	200.64	7.3
Accommodation & Food Services	22.9	22.3	2.7	211.83	198.02	7.0

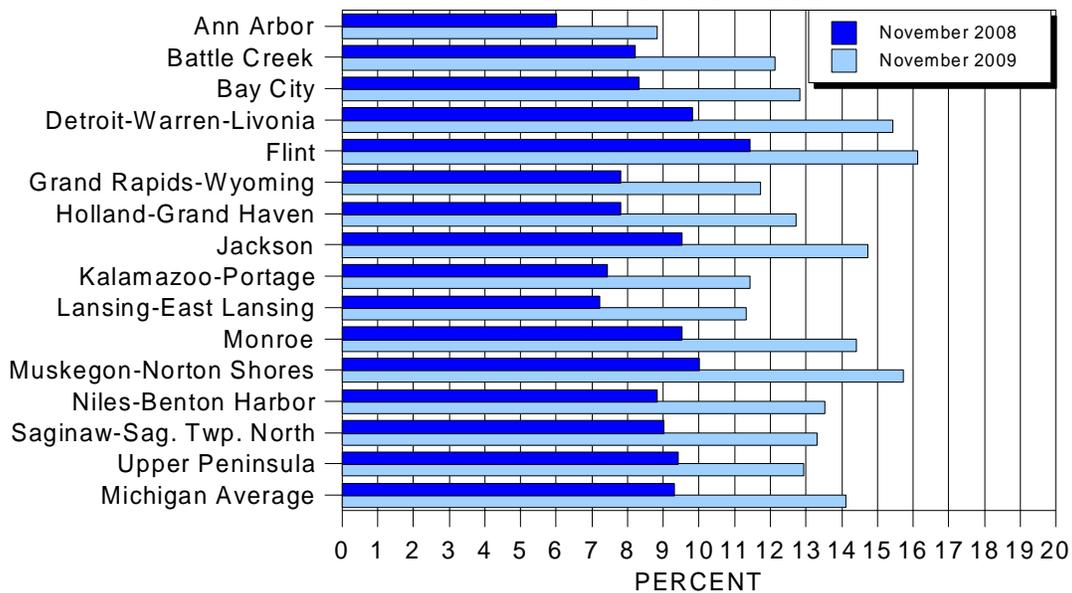
Source: Bureau of Labor Statistics, U.S. Department of Labor

**MICHIGAN UNEMPLOYMENT RATES
BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS
(Not Adjusted for Seasonal Variations)**

	Nov. 2009	Oct. 2009	Sept. 2009	Nov. 2008
Metropolitan Statistical Areas				
Ann Arbor	8.8%	8.8%	9.3%	6.0%
Battle Creek	12.1	12.0	12.4	8.2
Bay City	12.8	12.1	12.3	8.3
Detroit-Warren-Livonia	15.4	16.7	17.3	9.8
Flint	16.1	15.2	15.8	11.4
Grand Rapids-Wyoming	11.7	11.4	11.9	7.8
Holland-Grand Haven	12.7	12.6	12.8	7.8
Jackson	14.7	14.5	14.9	9.5
Kalamazoo-Portage	11.4	11.2	11.7	7.4
Lansing-East Lansing	11.3	10.6	11.0	7.2
Monroe	14.4	13.6	14.2	9.5
Muskegon-Norton Shores	15.7	15.7	16.0	10.0
Niles-Benton Harbor	13.5	13.2	13.5	8.8
Saginaw-Saginaw Twp North	13.3	12.6	12.9	9.0
Multi-County Areas				
Northeast Lower Michigan	16.7	14.7	14.2	12.4
Northwest Lower Michigan	14.8	13.2	13.1	10.4
Upper Peninsula	12.9	11.5	11.5	9.4
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	14.1	14.3	14.8	9.3
Source: Michigan Department of Energy, Labor, and Economic Growth				*Preliminary

Michigan Regional Unemployment Rates

November 2008 and November 2009

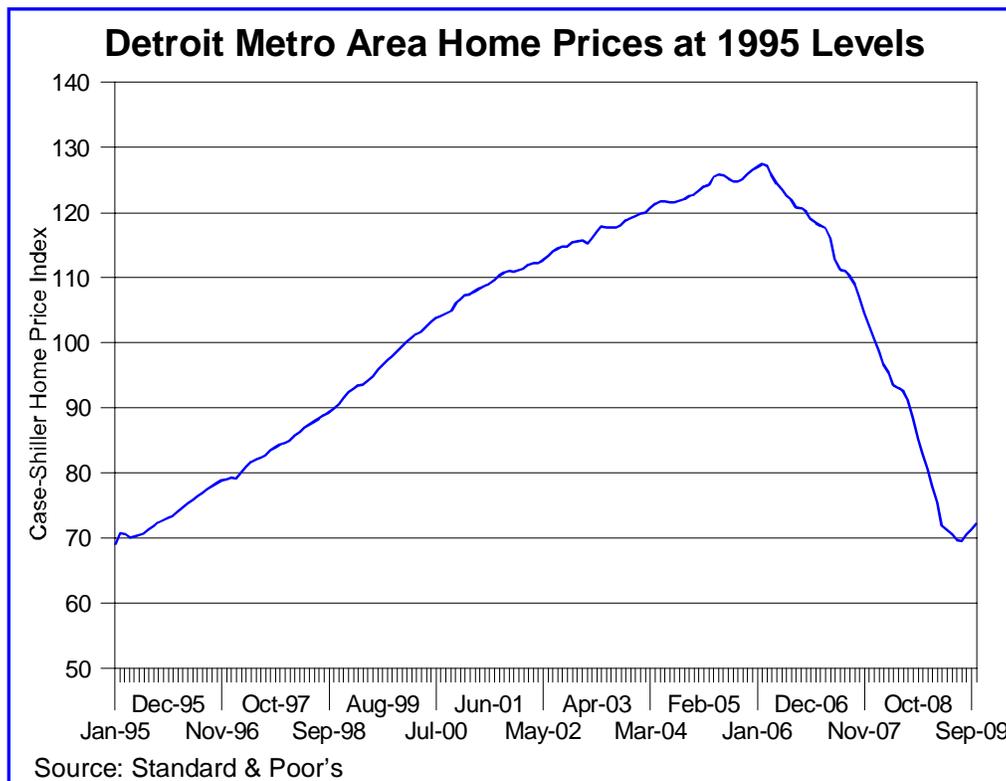


Source: Michigan Department of Energy, Labor, and Economic Growth

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Nov. 2009	Oct. 2009	Sept. 2009	Aug. 2009	Year Ago Nov.	Percent Change From:	
						Nov./Oct.	Nov. 2009/ Nov. 2008
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	5,595	5,448	4,968	7,985	5,157	2.7%	8.5%
Domestics	3,815	3,654	3,268	5,266	3,389	4.4	12.6
Imports	1,780	1,794	1,700	2,719	1,768	(0.8)	0.7
Import Share	31.8%	32.9%	34.2%	34.1%	34.3%	---	---
Light Trucks	5,299	4,981	4,216	6,087	5,215	6.4	1.6
Domestics	4,479	4,220	3,462	4,896	4,290	6.1	4.4
Imports	820	761	754	1,191	925	7.8	(11.4)
Import Share	15.5%	15.3%	17.9%	19.6%	17.7%	---	---
Subtotal: Light Vehicle Sales	10,894	10,429	9,184	14,072	10,372	4.5	5.0
Heavy Trucks	203	206	201	187	276	(1.5)	(26.4)
Total Vehicle Sales	11,097	10,635	9,385	14,259	10,648	4.3	4.2
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	2,738	2,880	2,840	2,539	3,336	(4.9)	(17.9)
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	479	828	905	631	740	(42.1)	(35.3)
Trucks	776	757	958	620	703	2.5	10.4
Total	1,255	1,584	1,863	1,251	1,443	(20.8)	(13.1)
Michigan Production as % of U.S.	17.7%	22.2%	24.3%	20.3%	21.9%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,095	996	826	765	1,685	9.9	(35.0)
Days Supply	65	63	50	26	113	3.2	(42.5)
Total Truck	921	881	769	667	1,593	4.6	(42.2)
Days Supply	59	63	58	34	106	(6.3)	(44.3)

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)	Nov.	67.4	70.6	55.3	(4.5)%	21.9%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Nov.	\$78.08	\$75.82	\$57.44	3.0	35.9
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Nov.	580	524	655	10.7	(11.5)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Nov.	\$315.8	\$309.8	\$307.2	1.9	2.8
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Nov.	99.7	99.1	104.8	0.6	(4.9)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Nov.	71.5	71.0	74.4	0.7	(4.0)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Nov.	217.3	216.4	213.3	4.9	1.9
Detroit (not seasonally adjusted)	Oct.	205.1	204.7	205.2	1.2	(0.1)
Interest Rates						
3-month Treasury Bill ⁴⁾	Nov.	0.05%	0.08%	0.30%	---	---
Corporate Aaa Bonds ⁴⁾	Nov.	5.19%	5.15%	6.15%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2009 3rd Qtr.	\$12,973.0	\$12,901.5	\$13,324.6	2.2	(2.6)
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Nov. 2008	\$1,631.6	\$2,604.7	\$1,618.3	NM	0.8

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.

