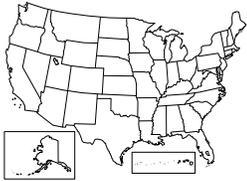


MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The **U.S. unemployment rate** decreased from 9.0% in October to 8.6% in November, and was down from 9.8% one year ago. However, the sharp decrease between October and November reflected workers leaving the labor force, which fell by 315,000 people, more than it reflected increased employment, which rose by 278,000. Job gains played a larger factor in the year-over-year change, with employment up by 1.7 million, although the size of the labor force (those working or looking for work) also declined by 67,000 people.
- **Housing starts** increased 9.3% in November from the October level, and were 24.3% above the November 2010 level. With the exception of April 2010, when the effect of the Federal home buyer credit peaked (at a level only 0.3% above the November level), November starts were at the highest level since October 2008. All regions other than the Midwest, where starts were down 13.9% from one year ago, reported year-over-year gains.



- **Michigan wage and salary employment** was up by 59,000 jobs in November from the year-ago level. All sectors other than leisure/hospitality and government exhibited year-over-year increases, led by gains of 24,000 jobs in professional/business services and 21,000 jobs in manufacturing. Leisure/hospitality employment was down 5,000 jobs in November from the prior year, while government employment was down 11,000 jobs and was below the year-ago level for the 30th consecutive month.
- Seasonally adjusted **Michigan motor vehicle production** increased 12.4% in November from the October level, and was 40.1% above the level in November 2010. Compared with one year ago, automobile production was up 80.8% while truck production increased 21.4%.

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

U.S.	Nov. 2011	Oct. 2011	Nov. 2010	Change from Oct.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	153,883	154,198	153,950	(315)	(0.2%)	(67)	(0.0%)
Employment	140,580	140,302	138,909	278	0.2	1,671	1.2
Unemployment	13,303	13,896	15,041	(593)	(4.3)	(1,738)	(11.6)
Unemployment Rate	8.6%	9.0%	9.8%	---	---	---	---
Michigan	Nov. 2011	Oct. 2011	Nov. 2010	Change from Oct.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,657	4,676	4,753	(19)	(0.4%)	(96)	(2.0%)
Employment	4,201	4,180	4,213	21	0.5	(12)	(0.3)
Unemployment	457	496	541	(40)	(8.0)	(84)	(15.5)
Unemployment Rate	9.8%	10.6%	11.4%	---	---	---	---

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



NOVEMBER 2011

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Nov. 2011*	Oct. 2011	Nov. 2010	Change from Oct.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,930	3,929	3,871	1	0.0%	59	1.5%
Goods Producing Industries	635	635	609	(1)	(0.1)	26	4.2
Mining and Logging	8	8	7	0	0.0	1	8.5
Construction	127	127	123	(0)	(0.2)	4	3.3
Manufacturing	500	500	479	(0)	(0.1)	21	4.4
Transportation Equipment	138	140	128	(1)	(1.0)	10	7.8
Service Producing Industries	3,295	3,294	3,262	2	0.0	34	1.0
Trade, Transportation & Utilities	718	713	709	5	0.7	9	1.2
Wholesale Trade	153	154	151	(1)	(0.5)	2	1.1
Retail Trade	447	443	444	4	0.9	3	0.7
Transportation & Utilities	118	116	114	2	1.6	4	3.4
Information	55	54	55	0	0.6	0	0.2
Financial Activities	187	189	187	(1)	(0.7)	1	0.4
Professional & Business Services	547	546	523	1	0.2	24	4.6
Education & Health Services	637	638	624	(1)	(0.2)	13	2.1
Leisure & Hospitality Services	365	367	370	(1)	(0.3)	(5)	(1.3)
Other Services	171	170	169	1	0.6	2	1.4
Government	615	617	626	(2)	(0.3)	(11)	(1.7)

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. 2011	Year Ago	Percent Change	Nov. 2011	Year Ago	Percent Change
Construction	40.6	40.5	0.2%	\$980.08	\$912.06	7.5%
Manufacturing	44.0	44.3	(0.7)	909.48	961.31	(5.4)
Durable Goods	44.8	45.5	(1.5)	994.56	1,065.16	(6.6)
Transportation Equipment Mfg.	45.1	45.8	(1.5)	1,251.53	1,310.34	(4.5)
Motor Vehicle Parts Mfg.	46.6	45.3	2.9	1,175.25	1,154.24	1.8
Nondurable Goods	41.6	40.9	1.7	659.78	659.31	0.1
Wholesale Trade	38.8	37.8	2.6	777.16	762.43	1.9
Retail Trade	29.9	29.4	1.7	384.81	374.56	2.7
Information	34.9	32.3	8.0	855.05	792.32	7.9
Financial Activities	37.0	36.1	2.5	705.22	736.44	(4.2)
Professional & Business Services	34.4	34.2	0.6	728.94	716.49	1.7
Health Care & Social Assistance	31.5	31.6	(0.3)	589.05	591.24	(0.4)
Leisure & Hospitality	22.5	22.3	0.9	221.63	218.76	1.3
Accommodation & Food Services	22.4	22.3	0.4	212.35	213.86	(0.7)

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. 2011	Oct. 2011	Sept. 2011	Nov. 2010
Metropolitan Statistical Areas				
Ann Arbor	5.2%	5.7%	6.6%	6.9%
Battle Creek	6.9	7.6	8.6	9.5
Bay City	7.4	7.9	8.8	10.0
Detroit-Warren-Livonia	9.5	10.8	11.7	11.6
Flint	8.7	9.4	10.6	12.0
Grand Rapids-Wyoming	6.5	7.1	7.9	9.0
Holland-Grand Haven	6.5	7.0	7.8	9.3
Jackson	7.8	8.4	9.5	10.8
Kalamazoo-Portage	6.9	7.4	8.3	9.3
Lansing-East Lansing	6.4	6.7	7.7	8.3
Monroe	7.5	8.1	9.2	10.3
Muskegon-Norton Shores	8.4	9.0	10.0	11.5
Niles-Benton Harbor	8.2	8.3	9.5	10.6
Saginaw-Saginaw Twp North	7.7	8.1	9.1	10.3
Multi-County Areas				
Northeast Lower Michigan	10.6	10.1	10.7	13.7
Northwest Lower Michigan	9.4	9.1	9.9	12.4
Upper Peninsula	8.2	7.9	8.8	10.6
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.4	9.2	10.1	10.8

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Nov. 2011	Oct. 2011	Sept. 2011	Aug. 2011	Year Ago August	Percent Change From:	
						Nov./Oct.	Nov. 2011/ Nov. 2010
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	6,620	6,376	6,011	5,677	5,902	3.8%	12.2%
Domestics	4,555	4,447	4,206	4,057	3,927	2.4	16.0
Imports	2,065	1,929	1,805	1,620	1,975	7.1	4.6
Import Share	31.2%	30.3%	30.0%	28.5%	33.5%	---	---
Light Trucks	6,976	6,841	7,040	6,416	6,336	2.0	10.1
Domestics	5,984	5,842	5,975	5,465	5,330	2.4	12.3
Imports	992	999	1,065	951	1,006	(0.7)	(1.4)
Import Share	14.2%	14.6%	15.1%	14.8%	15.9%	---	---
Subtotal: Light Vehicle Sales	13,596	13,217	13,051	12,093	12,238	2.9	11.1
Heavy Trucks	322	345	345	336	224	(6.7)	43.8
Total Vehicle Sales	13,918	13,562	13,396	12,429	12,462	2.6	11.7
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	3,166	3,299	3,020	3,125	2,743	(4.0)	15.4
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	807	628	583	751	446	28.5	80.8
Trucks	1,180	1,140	1,199	1,494	972	3.5	21.4
Total	1,986	1,768	1,782	2,244	1,418	12.4	40.1
Michigan Production as % of U.S.	22.0%	22.3%	22.6%	24.4%	21.2%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,105	964	874	808	1,221	14.7	(9.4)
Days Supply	59	51	44	40	70	15.7	(15.7)
Total Truck	1,326	1,278	1,222	1,222	1,208	3.8	9.7
Days Supply	63	62	55	57	64	1.6	(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

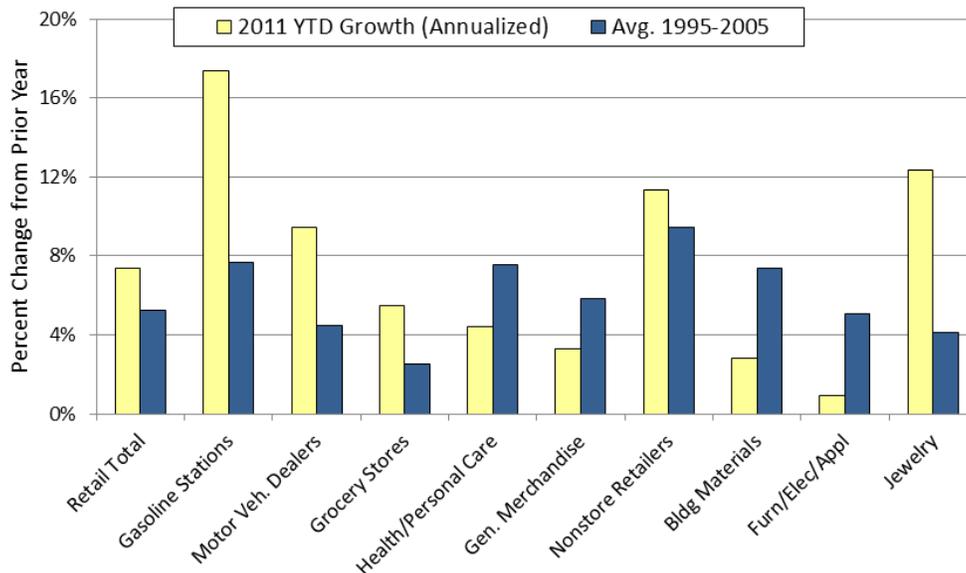
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period*	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Nov.	64.1	60.9	71.6	5.3%	(10.5%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Nov.	\$97.21	\$86.41	\$84.14	12.5	15.5
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Nov.	685	627	551	9.3	24.3
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Nov.	\$357.5	\$356.5	\$334.7	0.3	6.8
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Nov.	94.8	95.0	91.4	(0.2)	3.7
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Nov.	77.8	78.0	75.8	(0.3)	2.6
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Nov.	226.7	226.8	219.0	(0.2)	3.5
Detroit (not seasonally adjusted)	Oct.	212.9	213.9	205.8	(2.8)	3.5
Interest Rates						
3-month Treasury Bill ⁴⁾	Nov.	0.01%	0.02%	0.14%	---	---
Corporate Aaa Bonds ⁴⁾	Nov.	3.87%	3.98%	4.87%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2011 3rd Qtr.	\$13,331.6	\$13,271.8	\$13,139.6	1.8	1.5
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Nov. 2011	\$1,611.3	\$2,705.5	\$1,537.6	NM	4.8

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.

Components of Retail Sales Growth

Above-average Sales Driven by Gasoline, Vehicles and Luxury Items



Source: Bureau of the Census, U.S. Department of Commerce