

# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- The **U.S. unemployment rate** decreased from 7.9% in October to 7.7% in November, and was down from 8.7% one year ago. However, the decrease in the rate between October and November reflected the departure of workers (who had been employed or seeking work) from the labor force, which fell by 350,000 people, more than it reflected increased employment, which actually fell by 122,000 jobs. Compared to one year ago, however, both the labor force and employment were higher, with employment rising by 2.6 million jobs and the labor force growing by 1.4 million people.

- Oil prices** decreased for a second consecutive month in November, falling 3.2% from the October level and down 10.9% from one year ago. The average price of West Texas Intermediate Crude Oil, at \$86.66 per barrel, marked the lowest average monthly price since June 2012, and the second lowest price since October 2011.



- Similar to the statistics at the nationwide level, **Michigan's unemployment rate** decreased from 9.1% in October to 8.9% in November, and was down from 9.6% one year ago. As with the national figures, the October-to-November decline in the unemployment rate reflected workers' leaving the labor force rather than employment gains, and employment fell by 9,000 jobs. Compared to one year ago, employment increased by 46,000 jobs, and the size of the labor force grew by 14,000 people.
- Between 2010 and 2011, **local area personal income rates** grew most rapidly in the Ann Arbor area, rising 6.8%. Out of the 14 metropolitan statistical areas in Michigan, personal income grew at the slowest rate in the Battle Creek area, rising only 2.7%. The Detroit area ranked fourth, at 6.1%, only slightly behind the Grand Rapids area, where personal income increased 6.6%, ranking second.

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

U.S.	Nov. 2012	Oct. 2012	Nov. 2011	Change from Oct.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,291	155,641	153,937	(350)	(0.2%)	1,354	0.9%
Employment	143,262	143,384	140,614	(122)	(0.1)	2,648	1.9
Unemployment	12,029	12,257	13,323	(228)	(1.9)	(1,294)	(9.7)
Unemployment Rate	7.7%	7.9%	8.7%	---	---	---	---
Michigan	Nov. 2012	Oct. 2012	Nov. 2011	Change from Oct.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,650	4,674	4,636	(25)	(0.5%)	14	0.3
Employment	4,238	4,247	4,192	(9)	(0.2)	46	1.1
Unemployment	412	427	444	(16)	(3.7)	(33)	(7.3)
Unemployment Rate	8.9%	9.1%	9.6%	---	---	---	---

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



NOVEMBER 2012

Prepared by: Cameron S. Mock, Fiscal Analyst  
David Zin, Chief Economist

MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Nov. 2012*	Oct. 2012	Nov. 2011	Change from Oct.		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	3,983	3,973	3,951	10	0.3%	32	0.8%
<b>Goods Producing Industries</b>	652	650	639	2	0.3	12	1.9
Mining and Logging	7	7	8	0	0.0	(0)	(4.0)
Construction	118	118	124	0	0.0	(6)	(4.4)
Manufacturing	526	524	508	2	0.4	18	3.5
Transportation Equipment	147	146	139	0	0.2	8	5.4
<b>Service Producing Industries</b>	3,332	3,324	3,311	8	0.2	20	0.6
Trade, Transportation & Utilities	715	715	722	0	0.0	(7)	(1.0)
Wholesale Trade	159	157	157	2	1.1	1	0.8
Retail Trade	443	438	448	5	1.2	(4)	(0.9)
Transportation & Utilities	122	120	119	1	0.9	3	2.1
Information	53	52	54	0	0.8	(2)	(2.8)
Financial Activities	199	199	194	(0)	(0.1)	5	2.4
Professional & Business Services	572	570	557	1	0.2	14	2.5
Education & Health Services	629	633	625	(4)	(0.6)	4	0.6
Leisure & Hospitality Services	378	379	374	(1)	(0.3)	4	0.9
Other Services	170	168	170	2	1.0	0	0.1
Government	609	607	613	2	0.3	(4)	(0.7)

**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. 2012	Year Ago	Percent Change	Nov. 2012	Year Ago	Percent Change
Construction	39.4	40.5	(2.7%)	\$957.8	\$959.0	(0.1%)
Manufacturing	44.2	44.0	0.5	917.6	908.2	1.0
Durable Goods	45.0	44.8	0.4	990.5	995.5	(0.5)
Transportation Equipment Mfg.	47.4	44.8	5.8	1,282.2	1,248.1	2.7
Motor Vehicle Parts Mfg.	47.9	46.0	4.1	1,194.2	1,167.5	2.3
Nondurable Goods	41.7	41.6	0.2	695.6	657.7	5.8
Wholesale Trade	37.6	38.6	(2.6)	834.7	771.6	8.2
Retail Trade	30.1	30.0	0.3	379.6	382.2	(0.7)
Information	35.2	34.8	1.1	836.4	854.7	(2.1)
Financial Activities	35.7	37.0	(3.5)	673.3	717.4	(6.2)
Professional & Business Services	34.6	34.4	0.6	774.7	726.2	6.7
Health Care & Social Assistance	32.2	31.5	2.2	608.3	590.3	3.0
Leisure & Hospitality	22.1	22.6	(2.2)	216.4	221.9	(2.5)
Accommodation & Food Services	22.1	22.5	(1.8)	207.1	212.6	(2.6)

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

<b>MICHIGAN UNEMPLOYMENT RATES BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS (Not Adjusted for Seasonal Variations)</b>				
	Nov. 2012	Oct. 2012	Sept. 2012	Nov. 2011
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	4.3%	4.6%	4.9%	5.2%
Battle Creek	5.9	6.1	6.5	7.1
Bay City	6.8	6.9	7.2	7.8
Detroit-Warren-Livonia	9.7	10.5	10.0	9.6
Flint	7.8	8.1	8.4	8.9
Grand Rapids-Wyoming	5.4	5.6	6.0	6.7
Holland-Grand Haven	5.3	5.5	5.8	6.6
Jackson	6.8	7.0	7.4	8.1
Kalamazoo-Portage	6.0	6.2	6.5	7.3
Lansing-East Lansing	5.6	5.9	6.2	6.7
Monroe	6.4	6.6	7.1	7.8
Muskegon-Norton Shores	7.5	7.6	8.0	8.5
Niles-Benton Harbor	7.2	7.3	7.8	8.5
Saginaw-Saginaw Twp North	7.0	7.3	7.6	8.0
<b>Multi-County Areas</b>				
Northeast Lower Michigan	9.6	8.6	8.7	10.9
Northwest Lower Michigan	8.2	7.5	7.8	9.7
Upper Peninsula	7.5	6.8	7.2	8.6
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	7.9	8.3	8.2	8.6

**Source:** Michigan Department of Technology, Management, and Budget

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)</b>							
	Nov. 2012	Oct. 2012	Sept. 2012	Aug. 2012	Year Ago Nov.	Percent Change From:	
						Nov./Oct.	Nov. 2012/ Nov. 2011
<b>Motor Vehicle Sales<sup>1)</sup> (thousands of units, SAAR)</b>							
Autos	7,986	7,384	7,609	7,328	6,567	8.2%	21.6%
Domestics	5,652	5,229	5,323	5,375	4,497	8.1	25.7
Imports	2,334	2,155	2,286	1,953	2,070	8.3	12.8
Import Share	29.2%	29.2%	30.0%	26.7%	31.5%	---	---
Light Trucks	7,495	6,847	7,271	7,136	6,943	9.5	8.0
Domestics	6,376	5,888	6,172	6,169	5,944	8.3	7.3
Imports	1,119	959	1,099	967	999	16.7	12.0
Import Share	14.9%	14.0%	15.1%	13.6%	14.4%	---	---
Subtotal: Light Vehicle Sales	15,481	14,231	14,880	14,464	13,510	8.8	14.6
Heavy Trucks	320	312	349	361	330	2.6	(3.0)
Total Vehicle Sales	15,801	14,543	15,229	14,825	13,840	8.7	14.2
<b>U.S. Motor Vehicle Production<sup>1)</sup> (millions of units, SAAR)</b>							
Autos	4,376	4,060	4,162	4,238	3,431	7.8	27.6
<b>Michigan Motor Vehicle Production<sup>2)</sup> (thousands of units, SAAR)</b>							
Autos	1,033	857	803	841	872	20.5	18.4
Trucks	1,208	1,180	958	1,404	1,240	2.4	(2.6)
Total	2,241	2,038	1,762	2,245	2,113	10.0	6.1
Michigan Production as % of U.S.	20.5%	21.2%	21.8%	22.5%	22.2%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,448	1,397	1,225	1,224	1,105	3.6	31.0
Days Supply	65	66	51	50	59	(1.5)	10.2
Total Truck	1,650	1,600	1,510	1,499	1,326	3.1	24.5
Days Supply	72	77	65	64	63	(6.5)	14.3

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
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Nov.	82.7	82.6	63.7	0.1	29.8
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Nov.	\$86.66	\$89.57	\$97.21	(3.2)	(10.9)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Nov.	861	888	708	(3.0)	21.6
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Nov.	\$367.6	\$366.9	\$355.4	0.2	3.4
<b>Industrial Production Index</b> <sup>4)</sup> (1997=100, seasonally adjusted)	Nov.	97.5	96.5	95.1	1.1	2.5
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Nov.	78.4	77.7	77.7	0.9	1.0
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Nov.	231.0	231.8	227.0	(3.7)	1.8
Detroit (not seasonally adjusted)	Oct.	218.1	217.1	212.9	2.8	2.4
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Nov.	0.09%	0.10%	0.01%	--	--
Corporate Aaa Bonds <sup>4)</sup>	Nov.	3.50%	3.47%	3.87%	--	--
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2012 3rd Qtr.	\$13,652.5	\$13,548.5	\$13,306.9	3.1	2.6
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Nov. 2012	\$1,790.5	\$2,594.4	\$1,671.2	NM	7.1

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.

