

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The **Index of Consumer Sentiment** was 10.0% below the year-ago level in October, despite rising from 59.4 in September to 60.9 in October. The index indicated that consumers exhibited more favorable opinions about the economy than in September, although there was no change in how consumers viewed their financial prospects. Reflecting continued consumer pessimism about the future of the economy on their individual situation, only 20.0% of consumers expected any improvement in their finances in the coming year.
- The **U.S. Consumer Price Index (CPI)** for October decreased at an annual rate of 1.0% from the September level but was 3.6% above the level one year ago. The monthly decline reflected declining energy prices, particularly gasoline, that more than offset small increases in food and other items. While the gasoline index declined 3.1% in October, the index is still 23.5% above the level one year ago. "Core" prices, excluding food and energy, were up only 2.1% over the last 12 months.



- **Michigan's unemployment rate** decreased from 11.1% in September to 10.6% in October, down from 11.6% one year ago. However, the decreases reflect workers leaving the labor force more than employment gains. Compared with one year ago, there were 28,000 fewer jobs, and the size of the labor force (those working or looking for work) had declined by 86,000 people.
- **Personal income** in Michigan increased 0.17% between the second and third quarters of 2011, compared with a 0.05% decline between the first and second quarters. Michigan's personal income growth ranked 14th among the 50 states and the District of Columbia, and was the fastest growth among the five Great Lakes states. Nationally, personal income rose 0.14%.

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

U.S.	Oct. 2011	Sept. 2011	Oct. 2010	Change from Sept.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,198	154,017	153,960	181	0.1%	238	0.2%
Employment	140,302	140,025	139,084	277	0.2	1,218	0.9
Unemployment	13,896	13,992	14,876	(96)	(0.7)	(980)	(6.6)
Unemployment Rate	9.0%	9.1%	9.7%	---	---	---	---
Michigan	Oct. 2011	Sept. 2011	Oct. 2010	Change from Sept.		Change from Year Ago	
Labor Force	4,676	4,692	4,762	(15)	(0.3%)	(86)	(1.8%)
Employment	4,180	4,171	4,208	8	0.2	(28)	(0.7)
Unemployment	496	520	554	(24)	(4.6)	(58)	(10.4)
Unemployment Rate	10.6%	11.1%	11.6%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct. 2011*	Sept. 2011	Oct. 2010	Change from Sept.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,929	3,924	3,877	5	0.1%	52	1.3%
Goods Producing Industries	635	634	608	1	0.2	27	4.5
Mining and Logging	8	8	7	0	1.3	1	8.5
Construction	127	130	122	(3)	(2.2)	6	4.6
Manufacturing	500	496	479	4	0.8	21	4.4
Transportation Equipment	140	132	130	8	5.7	10	7.4
Service Producing Industries	3,294	3,290	3,269	4	0.1	25	0.8
Trade, Transportation & Utilities	713	714	712	(1)	(0.2)	1	0.1
Wholesale Trade	154	154	152	(1)	(0.3)	2	1.4
Retail Trade	443	445	447	(2)	(0.4)	(4)	(0.9)
Transportation & Utilities	116	115	113	1	0.7	3	2.2
Information	54	54	55	1	1.1	(1)	(1.6)
Financial Activities	189	189	187	(0)	(0.1)	2	0.9
Professional & Business Services	546	542	525	5	0.9	22	4.1
Education & Health Services	638	640	624	(1)	(0.2)	15	2.3
Leisure & Hospitality Services	367	365	371	1	0.4	(5)	(1.2)
Other Services	170	168	167	2	1.0	3	1.6
Government	617	619	627	(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		
	Oct. 2011	Year Ago	Percent Change	Oct. 2011	Year Ago	Percent Change
Construction	41.3	40.6	1.7%	972.20	912.28	6.6%
Manufacturing	43.5	44.2	(1.6)	899.58	958.70	(6.2)
Durable Goods	44.0	45.4	(3.1)	982.08	1,064.18	(7.7)
Transportation Equipment Mfg.	44.2	45.1	(2.0)	1,241.14	1,283.55	(3.3)
Motor Vehicle Parts Mfg.	45.5	45.1	0.9	1,180.27	1,145.99	3.0
Nondurable Goods	41.9	40.8	2.7	658.67	654.02	0.7
Wholesale Trade	39.6	38.1	3.9	782.10	764.67	2.3
Retail Trade	30.2	29.3	3.1	388.37	381.78	1.7
Information	35.2	32.1	9.7	871.20	781.96	11.4
Financial Activities	36.9	36.4	1.4	720.29	745.11	(3.3)
Professional & Business Services	34.3	34.2	0.3	731.28	704.86	3.7
Health Care & Social Assistance	31.5	31.5	0.0	597.24	590.63	1.1
Leisure & Hospitality	23.1	22.6	2.2	227.07	223.06	1.8
Accommodation & Food Services	22.9	22.6	1.3	216.86	217.19	(0.2)

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)				
	Oct. 2011	Sept. 2011	Aug. 2011	Oct. 2010
Metropolitan Statistical Areas				
Ann Arbor	5.7%	6.6%	7.2%	7.1%
Battle Creek	7.5	8.6	9.4	9.6
Bay City	7.9	8.8	9.6	9.9
Detroit-Warren-Livonia	10.8	11.7	12.9	12.2
Flint	9.4	10.6	11.4	11.9
Grand Rapids-Wyoming	7.1	7.9	8.6	9.1
Holland-Grand Haven	7.0	7.8	8.4	9.3
Jackson	8.4	9.5	10.3	10.9
Kalamazoo-Portage	7.3	8.3	8.9	9.2
Lansing-East Lansing	6.7	7.7	8.4	8.4
Monroe	8.1	9.2	10.2	10.3
Muskegon-Norton Shores	9.0	10.0	10.6	11.6
Niles-Benton Harbor	8.4	9.5	10.2	10.5
Saginaw-Saginaw Twp North	8.1	9.1	9.8	10.3
Multi-County Areas				
Northeast Lower Michigan	10.1	10.7	11.4	12.1
Northwest Lower Michigan	9.1	9.9	10.2	11.2
Upper Peninsula	7.9	8.8	9.5	9.6
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	9.2	10.1	11.0	10.9

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Oct. 2011	Sept. 2011	Aug. 2011	July 2011	Year Ago August	Percent Change From:	
						Oct./Sept.	Oct. 2011/ Oct. 2010
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	6,376	6,011	5,677	5,687	5,834	6.1%	9.3%
Domestics	4,447	4,206	4,057	4,037	3,820	5.7	16.4
Imports	1,929	1,805	1,620	1,650	2,014	6.9	(4.2)
Import Share	30.3%	30.0%	28.5%	29.0%	34.5%	---	---
Light Trucks	6,841	7,040	6,416	6,517	6,304	(2.8)	8.5
Domestics	5,842	5,975	5,465	5,592	5,345	(2.2)	9.3
Imports	999	1,065	951	925	959	(6.2)	4.2
Import Share	14.6%	15.1%	14.8%	14.2%	15.2%	---	---
Subtotal: Light Vehicle Sales	13,217	13,051	12,093	12,204	12,138	1.3	8.9
Heavy Trucks	345	345	336	305	219	0.0	57.5
Total Vehicle Sales	13,562	13,396	12,429	12,509	12,357	1.2	9.8
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	3,299	3,020	3,125	2,755	2,668	9.2	23.7
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	628	583	751	545	421	7.7	49.0
Trucks	1,140	1,199	1,494	1,269	1,146	(4.9)	(0.5)
Total	1,768	1,782	2,244	1,814	1,567	(0.8)	12.8
Michigan Production as % of U.S.	22.3%	22.6%	24.4%	20.3%	22.6%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	964	874	808	796	1,156	10.3	(16.6)
Days Supply	51	44	40	40	67	15.9	(23.9)
Total Truck	1,278	1,222	1,222	1,202	1,174	4.5	8.8
Days Supply	62	55	57	58	65	12.7	(4.6)

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)	Oct.	60.9	59.4	67.7	2.5%	(10.0%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Oct.	\$86.41	\$85.61	\$81.90	0.9	5.5
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Oct.	627	646	539	(2.9)	16.3
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Oct.	\$356.5	\$354.3	\$331.5	0.6	7.5
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Oct.	95.0	94.4	91.1	0.7	4.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Oct.	78.0	77.6	75.7	0.6	3.1
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Oct.	226.8	227.0	219.0	(1.0)	3.6
Detroit (not seasonally adjusted)	Oct.	212.9	213.9	205.8	(2.8)	3.5
Interest Rates						
3-month Treasury Bill ⁴⁾	Oct.	0.02%	0.01%	0.13%	---	---
Corporate Aaa Bonds ⁴⁾	Oct.	3.98%	4.09%	4.68%	---	---
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)	Oct. 2011	\$2,679.6	\$2,131.3	\$2,550.3	NM	5.1

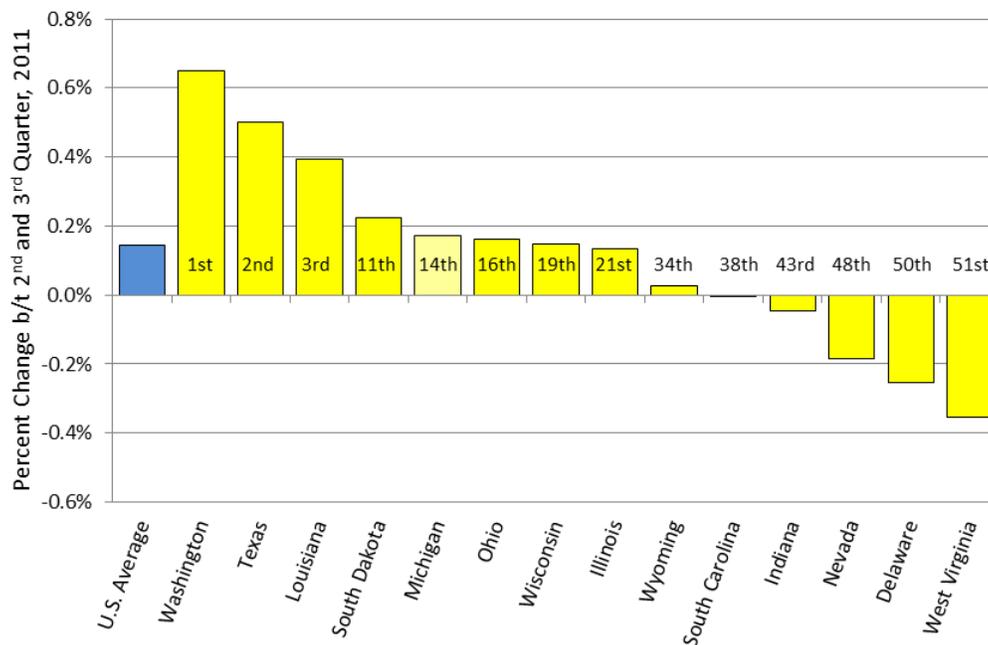
SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.

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.

Personal Income Growth, By State



Source: Bureau of Economic Analysis, U.S. Department of Commerce