

# MICHIGAN ECONOMIC INDICATORS

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

## ECONOMIC HIGHLIGHTS



- The **civilian labor force** declined by 720,000 individuals in October 2013, the third decline in four months, and a reduction of 1.0 million individuals from the postrecession peak of 155.8 million in June 2013. Total employment decreased by 735,000 jobs from September, due in part to the U.S. government shutdown.
- **Consumer sentiment** declined by 5.5% in October and was 11.4% below the level of a year ago. In the long-standing survey, the highest number of consumers ever recorded identified the Federal government as negatively related to recent economic developments. Half of households expect their finances to stay the same in the next year; only 25% expect their financial prospects to improve. Consumers expect slow job growth and an increase in the unemployment rate.



- **Michigan wage and salary employment** fell by 24,000 jobs between September and October 2013, but despite the decline employment was still 38,000 jobs above the October 2012 level. Compared with one year ago, employment rose most rapidly in the transportation equipment manufacturing sector, with employment up 10,000 jobs or 6.6%. Employment in the service sector increased 0.5% from the October 2012 level, with gains in the trade/transportation/utilities and leisure/hospitality services sectors largely offset by declines in the professional/business services and government sectors.
- Michigan's **regional unemployment rates** generally increased in October 2013 over October 2012, with only the six-county Detroit-Warren-Livonia metropolitan statistical area (MSA) exhibiting a decline. An additional 36,000 jobs helped lower the Detroit MSA unemployment rate from 10.4% one year ago to 9.0% in October 2013. Over the last 12 months, 81.8% of job creation in the State was in the Detroit MSA.

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

U.S.	Oct. 2013	Sept. 2013	Oct. 2012	Change from Sept.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,839	155,559	155,576	(720)	(0.5%)	(737)	(0.5%)
Employment	143,568	144,303	143,328	(735)	(0.5)	240	0.2
Unemployment	11,272	11,255	12,248	17	0.2	(976)	(8.0)
Unemployment Rate	7.3%	7.2%	7.9%	---	---	---	---
Michigan	Oct. 2013	Sept. 2013	Oct. 2012	Change from Sept.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,724	4,736	4,646	(12)	(0.3%)	78	1.7%
Employment	4,301	4,312	4,224	(11)	(0.3)	77	1.8
Unemployment	423	425	422	(1)	(0.3)	1	0.3
Unemployment Rate	9.0%	9.0%	9.1%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct. 2013*	Sept. 2013	Oct. 2012	Change from Sept.		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,067	4,091	4,029	(24)	(0.6%)	38	0.9%
<b>Goods Producing Industries</b>	696	693	674	3	0.5	22	3.2
Mining and Logging	8	8	8	0	2.5	0	3.8
Construction	129	128	125	2	1.3	4	3.2
Manufacturing	559	557	541	2	0.3	18	3.3
Transportation Equipment	168	168	158	1	0.4	10	6.6
<b>Service Producing Industries</b>	3,371	3,398	3,355	(27)	(0.8)	16	0.5
Trade, Transportation & Utilities	745	742	728	2	0.3	17	2.3
Wholesale Trade	162	163	158	(1)	(0.4)	4	2.5
Retail Trade	459	457	449	2	0.4	11	2.3
Transportation & Utilities	123	122	121	1	0.7	2	2.0
Information	53	51	53	1	2.7	0	0.0
Financial Activities	196	197	197	(1)	(0.3)	(0)	(0.2)
Professional & Business Services	566	593	576	(27)	(4.6)	(11)	(1.9)
Education & Health Services	640	642	635	(1)	(0.2)	6	0.9
Leisure & Hospitality Services	398	395	390	3	0.8	8	2.1
Other Services	167	168	169	(0)	(0.1)	(1)	(0.7)
Government	606	611	609	(5)	(0.7)	(3)	(0.4)

**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		
	Oct. 2013	Year Ago	Percent Change	Oct. 2013	Year Ago	Percent Change
Construction	40.9	41.3	(1.0%)	\$977.92	\$982.94	(0.5%)
Manufacturing	43.7	44.1	(0.9)	873.56	910.67	(4.1)
Durable Goods	44.3	45.1	(1.8)	929.41	986.79	(5.8)
Transportation Equipment Mfg.	45.5	47.0	(3.2)	1,132.95	1,267.59	(10.6)
Motor Vehicle Parts Mfg.	46.5	46.7	(0.4)	1,110.89	1,140.41	(2.6)
Nondurable Goods	41.8	41.0	2.0	700.15	678.14	3.2
Wholesale Trade	38.6	37.4	3.2	872.36	822.05	6.1
Retail Trade	29.5	29.9	(1.3)	390.58	385.71	1.3
Information	33.7	35.2	(4.3)	858.34	868.38	(1.2)
Financial Activities	34.7	36.0	(3.6)	671.45	680.76	(1.4)
Professional & Business Services	34.6	34.6	0.0	785.42	772.27	1.7
Health Care & Social Assistance	32.0	32.0	0.0	617.60	606.08	1.9
Leisure & Hospitality	22.9	22.1	3.6	230.15	217.69	5.7
Accommodation & Food Services	23.0	22.2	3.6	220.11	210.23	4.7

**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>				
	Oct. 2013	Sept. 2013	Aug. 2013	Oct. 2012
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	6.0%	5.6%	6.2%	4.9%
Battle Creek	7.2	6.9	7.4	6.3
Bay City	8.4	8.1	8.6	7.0
Detroit-Warren-Livonia	9.0	9.4	9.8	10.4
Flint	9.7	9.2	9.7	8.4
Grand Rapids-Wyoming	6.3	6.0	6.4	5.7
Holland-Grand Haven	6.4	6.0	6.5	5.7
Jackson	8.6	8.1	8.7	7.4
Kalamazoo-Portage	7.3	6.9	7.3	6.4
Lansing-East Lansing	7.1	6.7	7.5	6.2
Monroe	7.7	7.3	7.9	6.7
Muskegon-Norton Shores	8.7	8.2	8.6	7.6
Niles-Benton Harbor	8.6	8.2	8.7	7.6
Saginaw-Saginaw Twp North	8.8	8.4	8.8	7.4
<b>Multi-County Areas</b>				
Northeast Lower Michigan	10.8	9.7	10.0	8.7
Northwest Lower Michigan	9.0	8.3	8.4	7.7
Upper Peninsula	8.6	8.0	8.6	7.0
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	8.3	8.3	8.7	8.3

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

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)</b>							
	Oct. 2013	Sept. 2013	Aug. 2013	July 2013	Year Ago Oct.	Percent Change From:	
						Oct./Sept.	Oct. 2013/ Oct. 2012
<b>Motor Vehicle Sales<sup>1)</sup> (thousands of units, SAAR)</b>							
Autos	7,422	7,525	7,840	7,728	7,227	(1.4%)	2.7%
Domestics	5,299	5,240	5,516	5,511	5,112	1.1	3.7
Imports	2,123	2,285	2,324	2,217	2,115	(7.1)	0.4
Import Share	28.6%	30.4%	29.6%	28.7%	29.3%	---	---
Light Trucks	7,724	7,681	8,187	8,010	7,103	0.6	8.7
Domestics	6,418	6,409	6,925	6,695	6,123	0.1	4.8
Imports	1,306	1,272	1,262	1,315	980	2.7	33.3
Import Share	16.9%	16.6%	15.4%	16.4%	13.8%	---	---
Subtotal: Light Vehicle Sales	15,146	15,206	16,027	15,738	14,330	(0.4)	5.7
Heavy Trucks	362	362	346	354	346	0.0	4.6
Total Vehicle Sales	15,508	15,568	16,373	16,092	14,676	(0.4)	5.7
<b>U.S. Motor Vehicle Production<sup>1)</sup> (millions of units, SAAR)</b>							
Autos	4,208	4,426	4,220	3,758	3,980	(4.9)	5.7
<b>Michigan Motor Vehicle Production<sup>2)</sup> (thousands of units, SAAR)</b>							
Autos	970	952	830	752	947	1.9	2.3
Trucks	1,496	1,508	1,467	1,535	1,190	(0.8)	25.7
Total	2,465	2,460	2,297	2,286	2,137	0.2	15.4
Michigan Production as % of U.S.	21.8%	22.6%	22.4%	22.3%	21.2%	---	---
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,677	1,515	1,389	1,407	1,397	10.7	20.0
Days Supply	78	61	52	54	66	27.9	18.2
Total Truck	1,743	1,593	1,516	1,533	1,600	9.4	8.9
Days Supply	75	64	57	58	77	17.2	(2.6)

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
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Oct.	73.2	77.5	82.6	(5.5%)	(11.4%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Oct.	\$100.54	\$106.29	\$89.49	(5.4)	12.3
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Oct.	889	873	864	1.8	2.9
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Oct.	\$382.7	\$380.7	\$367.8	0.5	4.0
<b>Industrial Production Index</b> <sup>4)</sup> (1997=100, seasonally adjusted)	Oct.	100.2	100.1	96.8	0.1	3.4
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Oct.	78.2	78.3	77.0	(0.1)	1.6
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Oct.	233.8	233.9	231.6	(0.7)	0.9
Detroit (not seasonally adjusted)	Oct.	219.7	220.0	218.1	(0.9)	0.7
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Oct.	0.05%	0.02%	0.10%	--	--
Corporate Aaa Bonds <sup>4)</sup>	Oct.	4.53%	4.64%	3.47%	--	--
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2005 \$, SAAR, Chain-Weighted)	2013 3rd Qtr.	\$15,839.3	\$15,679.7	\$15,534.0	4.1	2.0
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Oct. 2013	\$2,588.9	2,323.0	\$2,594.4	NM	(0.2)

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.

