

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- The **U.S. unemployment rate** decreased from 8.1% in August to 7.8% in September, the lowest unemployment rate since December 2008. The decrease in the unemployment rate between August and September reflected 873,000 more jobs. Compared with one year ago, employment increased by 2.9 million jobs.
- The **U.S. Consumer Price Index (CPI)** for September increased at an annual rate of 7.1% from the August level and was 2.0% above the level one year ago. The monthly increase primarily reflected rising energy prices, particularly for gasoline. The gasoline index rose 4.1% in September and was 6.8% above the level one year ago. "Core" prices, excluding volatile food and energy prices, were up only 2.0% over the last 12 months.



- **Michigan wage and salary employment** fell by 13,000 jobs in September from the August level, but was 39,000 jobs above the year-ago level. Employment declined most in the retail trade and government sectors, both compared with August and with September 2011. Government employment in Michigan has exhibited year-over-year declines for 40 consecutive months, and in 111 of the last 117 months. Employment grew the most in the manufacturing and professional/business services sectors, with increases of 17,000 and 22,000, respectively, from September 2011 levels.
- Most Michigan sectors exhibited year-over-year declines in **private-sector average weekly earnings** in September, with the construction, nondurable goods, wholesale trade, information, professional/business services, and health care/social assistance sectors generally exhibiting weak to moderate growth. Compared with September 2011, average weekly earnings fell the most in the motor vehicle parts manufacturing (-4.7%) and information (-4.9%) sectors and rose the most in the professional/business services (+12.5%) and wholesale trade (+11.9%) sectors.

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

U.S.	Sept. 2012	Aug. 2012	Sept. 2011	Change from Aug.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,063	154,645	154,004	418	0.3%	1,059	0.7%
Employment	142,974	142,101	140,107	873	0.6	2,867	2.0
Unemployment	12,089	12,544	13,897	(455)	(3.6)	(1,808)	(13.0)
Unemployment Rate	7.8%	8.1%	9.0%	---	---	---	---
Michigan	Sept. 2012	Aug. 2012	Sept. 2011	Change from Aug.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,666	4,659	4,648	7	0.1%	18	0.4%
Employment	4,233	4,222	4,175	11	0.3	59	1.4
Unemployment	432	437	473	(4)	(1.0)	(41)	(8.7)
Unemployment Rate	9.3%	9.4%	10.2%	---	---	---	---

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



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SEPTEMBER 2012

MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Sept. 2012*	Aug. 2012	Sept. 2011	Change from Aug.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,983	3,996	3,944	(13)	(0.3%)	39	1.0%
Goods Producing Industries	653	651	639	2	0.3	14	2.2
Mining and Logging	8	7	8	0	2.7	0	1.3
Construction	122	120	125	3	2.3	(3)	(2.4)
Manufacturing	523	524	506	(1)	(0.2)	17	3.4
Transportation Equipment	148	152	142	(4)	(2.4)	6	4.4
Service Producing Industries	3,329	3,344	3,305	(15)	(0.4)	25	0.7
Trade, Transportation & Utilities	718	722	722	(4)	(0.5)	(4)	(0.5)
Wholesale Trade	159	159	158	0	0.1	1	0.8
Retail Trade	439	443	447	(4)	(0.9)	(8)	(1.7)
Transportation & Utilities	120	120	118	0	0.0	3	2.2
Information	53	55	54	(2)	(4.2)	(1)	(1.5)
Financial Activities	200	200	195	0	0.1	6	2.8
Professional & Business Services	573	571	551	2	0.4	22	3.9
Education & Health Services	630	631	626	(1)	(0.2)	4	0.6
Leisure & Hospitality Services	377	384	373	(7)	(1.8)	4	1.1
Other Services	168	167	167	1	0.8	1	0.6
Government	610	615	617	(5)	(0.8)	(7)	(1.1)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Sept. 2012	Year Ago	Percent Change	Sept. 2012	Year Ago	Percent Change
Construction	41.6	42.0	(1.0%)	\$993.0	\$988.68	0.4%
Manufacturing	44.0	44.5	(1.1)	910.4	924.27	(1.5)
Durable Goods	44.8	45.4	(1.3)	986.9	1,016.05	(2.9)
Transportation Equipment Mfg.	47.1	45.4	3.7	1,277.4	1,289.36	(0.9)
Motor Vehicle Parts Mfg.	47.0	46.7	0.6	1,169.8	1,227.28	(4.7)
Nondurable Goods	41.5	42.0	(1.2)	680.2	669.48	1.6
Wholesale Trade	38.2	38.7	(1.3)	843.8	753.88	11.9
Retail Trade	30.1	30.6	(1.6)	385.9	387.70	(0.5)
Information	36.2	34.8	4.0	883.6	852.95	3.6
Financial Activities	36.1	36.5	(1.1)	671.5	706.28	(4.9)
Professional & Business Services	35.4	33.6	5.4	793.7	705.60	12.5
Health Care & Social Assistance	32.2	31.4	2.5	616.0	592.52	4.0
Leisure & Hospitality	22.8	23.0	(0.9)	223.4	224.94	(0.7)
Accommodation & Food Services	22.8	22.8	0.0	214.3	215.23	(0.4)

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)				
	Sept. 2012	Aug. 2012	July 2012	Sept. 2011
Metropolitan Statistical Areas				
Ann Arbor	5.0%	5.8%	6.8%	6.4%
Battle Creek	6.5	7.5	8.6	8.4
Bay City	7.3	8.3	9.3	8.9
Detroit-Warren-Livonia	10.0	10.9	11.9	11.2
Flint	8.4	9.5	10.8	10.4
Grand Rapids-Wyoming	6.0	6.9	7.9	7.8
Holland-Grand Haven	5.8	6.7	7.9	7.6
Jackson	7.4	8.3	9.5	9.4
Kalamazoo-Portage	6.5	7.4	8.4	8.4
Lansing-East Lansing	6.2	7.2	8.4	7.7
Monroe	7.1	8.1	9.5	9.0
Muskegon-Norton Shores	8.0	9.1	10.1	9.7
Niles-Benton Harbor	7.8	8.9	10.2	9.4
Saginaw-Saginaw Twp North	7.6	8.6	9.7	9.1
Multi-County Areas				
Northeast Lower Michigan	8.7	9.7	10.9	10.5
Northwest Lower Michigan	7.8	8.5	9.3	9.6
Upper Peninsula	7.6	8.6	9.5	8.8
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.2	9.2	10.3	9.8

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Sept. 2012	Aug. 2012	July 2012	June 2012	Year Ago Sept.	Percent Change From:	
						Sept./Aug.	Sept. 2012/ Sept. 2011
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,609	7,328	7,079	7,192	6,144	3.8%	23.8%
Domestics	5,323	5,375	5,055	5,180	4,252	(1.0)	25.2
Imports	2,286	1,953	2,024	2,012	1,892	17.1	20.8
Import Share	30.0%	26.7%	28.6%	28.0%	30.8%	---	---
Light Trucks	7,271	7,136	6,962	7,142	6,949	1.9	4.6
Domestics	6,172	6,169	5,913	6,063	5,893	0.0	4.7
Imports	1,099	967	1,049	1,079	1,056	13.7	4.1
Import Share	15.1%	13.6%	15.1%	15.1%	15.2%	---	---
Subtotal: Light Vehicle Sales	14,880	14,464	14,041	14,334	13,093	2.9	13.6
Heavy Trucks	349	361	366	343	335	(3.3)	4.2
Total Vehicle Sales	15,229	14,825	14,407	14,677	13,428	2.7	13.4
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,116	4,162	4,673	4,380	3,082	(1.1)	33.6
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	803	841	1,186	899	597	(4.4)	34.4
Trucks	958	1,404	1,441	1,323	1,186	(31.8)	(19.2)
Total	1,762	2,245	2,627	2,222	1,784	(21.5)	(1.2)
Michigan Production as % of U.S.	21.8%	22.5%	23.0%	21.2%	22.6%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,245	1,224	1,155	1,227	874	1.7	42.4
Days Supply	51	50	47	49	44	2.0	15.9
Total Truck	1,510	1,499	1,443	1,539	1,222	0.7	23.5
Days Supply	65	64	61	67	55	1.6	18.2

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)	Sept.	78.3	74.3	59.5	5.4%	31.6%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Sept.	\$94.72	\$94.16	\$85.61	0.6	10.6
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Sept.	872	758	647	15.0	34.8
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Sept.	\$368.8	\$364.3	\$350.1	1.2	5.3
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Sept.	97.0	96.6	94.4	0.4	2.8
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Sept.	78.3	78.0	77.2	0.3	1.3
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Sept.	231.4	230.1	226.9	7.1	2.0
Detroit (not seasonally adjusted)	Aug.	217.1	214.5	213.9	7.6	1.5
Interest Rates						
3-month Treasury Bill ⁴⁾	Sept.	0.11%	0.10%	0.01%	---	---
Corporate Aaa Bonds ⁴⁾	Sept.	3.49%	3.48%	4.09%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2012 3rd Qtr.	\$13,616.2	\$13,548.5	\$13,306.9	2.0	2.3
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Sept. 2012	\$2,053.6	\$1,593.7	\$2,131.3	NM	(3.6)

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.

