

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- **Inflation-adjusted Gross Domestic Product (GDP)** increased at a 3.6% annual rate in the third quarter of 2013, based on the preliminary estimate, up from a 2.5% annual rate in the second quarter. Most sectors of the economy grew in the third quarter, although Federal government consumption declined by 1.4%. The reduction in government spending was due to Federal declines of 0.3% in national defense spending and 3.1% in nondefense spending. An increase in private business inventories accounted for about 47.0% of the estimated growth during the third quarter.

- The **unemployment rate** declined from 7.3% in August to 7.2% in September, down from 7.8% one year ago. The monthly improvement reflects an increase in employment of 133,000 and a labor force expansion of 73,000 compared to July 2013. During the last 12 months, employment increased by over 1.3 million and the labor force grew by 503,000.



- Michigan **motor vehicle production** in September was 27.4% above production in the same month a year ago. Michigan truck production was 43.6% above the September 2012 level, the largest monthly year-over-year increase since December 2010, while auto production increased 8.1%. The Michigan share of total U.S. motor vehicle production grew from 21.8% a year ago to 22.6% in September 2013.

- In September, **average weekly earnings** for employees in durable goods manufacturing declined 3.8% compared with September 2012, despite a 0.4% increase in average weekly hours. Average weekly hours in the transportation equipment manufacturing sector decreased by 0.6% while average weekly earnings fell 8.8%. Average weekly earnings in the construction sector also declined, by 1.7%, while earnings growth in other sectors of the economy was generally positive.

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

U.S.	Sept. 2013	Aug. 2013	Sept. 2012	Change from Aug.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,559	155,486	155,056	73	0.0%	503	0.3%
Employment	144,303	144,170	142,974	133	0.1	1,329	0.9
Unemployment	11,255	11,316	12,082	(61)	(0.5)	(827)	(6.8)
Unemployment Rate	7.2%	7.3%	7.8%	---	---	---	---
Michigan	Sept. 2013	Aug. 2013	Sept. 2012	Change from Aug.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,736	4,727	4,649	9	0.2%	87	1.9%
Employment	4,312	4,302	4,222	9	0.2	89	2.1
Unemployment	425	425	427	(0)	(0.0)	(2)	(0.6)
Unemployment Rate	9.0%	9.0%	9.2%	---	---	---	---

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



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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Sept. 2013*	Aug. 2013	Sept. 2012	Change from Aug.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,091	4,099	4,030	(8)	(0%)	61	1.5%
Goods Producing Industries	693	694	675	(1)	(0)	18	2.7
Mining and Logging	8	8	8	0	0	0	0.0
Construction	128	128	127	(1)	(0)	1	0.6
Manufacturing	557	558	540	(0)	(0)	18	3.2
Transportation Equipment	168	168	157	(1)	(0)	10	6.5
Service Producing Industries	3,398	3,405	3,356	(7)	(0)	42	1.3
Trade, Transportation & Utilities	742	744	727	(1)	(0)	15	2.1
Wholesale Trade	163	161	159	2	1	4	2.3
Retail Trade	457	460	447	(3)	(1)	10	2.3
Transportation & Utilities	122	123	121	(0)	(0)	2	1.3
Information	51	52	53	(1)	(1)	(2)	(3.8)
Financial Activities	197	196	198	1	0	(1)	(0.3)
Professional & Business Services	593	594	580	(1)	(0)	13	2.3
Education & Health Services	642	641	633	0	0	9	1.3
Leisure & Hospitality Services	395	401	387	(7)	(2)	7	1.9
Other Services	168	171	169	(3)	(2)	(1)	(0.8)
Government	611	607	609	4	1	2	0.3

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		
	Sept. 2013	Year Ago	Percent Change	Sept. 2013	Year Ago	Percent Change
Construction	40.8	41.5	(1.7%)	\$968.59	\$985.21	(1.7%)
Manufacturing	44.1	44.0	0.2	884.21	910.36	(2.9)
Durable Goods	45.0	44.8	0.4	948.60	986.50	(3.8)
Transportation Equipment Mfg.	46.8	47.1	(0.6)	1,165.32	1,277.35	(8.8)
Motor Vehicle Parts Mfg.	47.0	47.0	0.0	1,117.66	1,169.83	(4.5)
Nondurable Goods	41.5	41.6	(0.2)	690.56	680.16	1.5
Wholesale Trade	38.4	38.1	0.8	862.08	844.68	2.1
Retail Trade	30.0	30.1	(0.3)	398.40	385.58	3.3
Information	36.0	35.9	0.3	906.12	884.94	2.4
Financial Activities	35.1	36.0	(2.5)	679.19	686.16	(1.0)
Professional & Business Services	35.2	35.4	(0.6)	808.19	793.31	1.9
Health Care & Social Assistance	32.4	32.4	0.0	633.42	614.63	3.1
Leisure & Hospitality	23.0	22.7	1.3	228.62	222.23	2.9
Accommodation & Food Services	23.0	22.7	1.3	218.50	213.83	2.2

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)				
	Sept. 2013	Aug. 2013	July 2013	Sept. 2012
Metropolitan Statistical Areas				
Ann Arbor	5.6%	6.2%	7.3%	5.2%
Battle Creek	6.9	7.4	8.5	6.5
Bay City	8.1	8.6	9.8	7.4
Detroit-Warren-Livonia	9.4	9.8	10.4	10.2
Flint	9.2	9.7	11.2	8.7
Grand Rapids-Wyoming	6.0	6.4	7.5	6.0
Holland-Grand Haven	6.0	6.5	7.7	5.9
Jackson	8.1	8.7	9.9	7.7
Kalamazoo-Portage	6.9	7.3	8.4	6.7
Lansing-East Lansing	6.7	7.5	8.9	6.4
Monroe	7.3	7.9	9.6	7.1
Muskegon-Norton Shores	8.2	8.6	9.8	7.9
Niles-Benton Harbor	8.2	8.7	9.8	7.9
Saginaw-Saginaw Twp North	8.4	8.8	10.2	7.6
Multi-County Areas				
Northeast Lower Michigan	9.7	10.0	11.3	7.8
Northwest Lower Michigan	8.3	8.4	9.3	8.8
Upper Peninsula	8.0	8.6	9.7	7.4
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	8.3	8.7	9.7	8.4

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Sept. 2013	Aug. 2013	July 2013	June 2013	Year Ago Sept.	Percent Change From:	
						Sept./Aug.	Sept. 2013/ Sept. 2012
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,524	7,843	7,727	7,667	7,325	(4.1%)	2.7%
Domestics	5,239	5,516	5,510	5,510	5,163	(5.0)	1.5
Imports	2,285	2,327	2,217	2,157	2,162	(1.8)	5.7
Import Share	30.4%	29.7%	28.7%	28.1%	29.5%	---	---
Light Trucks	7,681	8,187	8,010	8,164	7,389	(6.2)	4.0
Domestics	6,409	6,925	6,695	6,851	6,304	(7.5)	1.7
Imports	1,272	1,262	1,315	1,313	1,085	0.8	17.2
Import Share	16.6%	15.4%	16.4%	16.1%	14.7%	---	---
Subtotal: Light Vehicle Sales	15,205	16,030	15,737	15,831	14,714	(5.1)	3.3
Heavy Trucks	362	346	354	373	346	4.6	4.6
Total Vehicle Sales	15,567	16,376	16,091	16,204	15,060	(4.9)	3.4
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,483	4,220	3,758	4,524	4,032	6.2	11.2
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	952	830	752	1,002	881	14.7	8.1
Trucks	1,508	1,467	1,535	1,453	1,050	2.8	43.6
Total	2,460	2,297	2,286	2,455	1,931	7.1	27.4
Michigan Production as % of U.S.	22.6%	22.4%	22.3%	22.8%	21.8%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,515	1,389	1,407	1,595	1,224	9.1	23.8
Days Supply	61	52	54	58	51	17.3	19.6
Total Truck	1,593	1,516	1,533	1,671	1,510	5.1	5.5
Days Supply	64	57	58	63	65	12.3	(1.5)

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.	77.5	82.1	78.3	(5.6%)	(1.0%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Sept.	\$106.29	\$106.57	\$95.15	(0.3)	11.7
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Aug.	883	891	749	(0.9)	17.9
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Sept.	\$380.5	\$380.6	\$367.9	(0.0)	3.4
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Sept.	100.1	99.5	97.0	0.7	3.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Sept.	78.3	77.9	77.2	0.5	1.5
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Sept.	233.9	233.5	231.2	2.2	1.2
Detroit (not seasonally adjusted)	Aug.	220.0	221.6	217.1	(4.3)	1.3
Interest Rates						
3-month Treasury Bill ⁴⁾	Sept.	0.02%	0.04%	0.01%	--	--
Corporate Aaa Bonds ⁴⁾	Sept.	4.64%	4.54%	3.49%	--	--
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2013 3rd Qtr.	\$15,819.0	\$15,679.7	\$15,534.0	3.6	1.6
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Sept. 2013	\$2,323.0	\$1,636.2	\$2,112.6	NM	10.0

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.

