

MICHIGAN ECONOMIC INDICATORS

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

ECONOMIC HIGHLIGHTS



- Seasonally adjusted U.S. **employment** in September 2014 exceeded the level of November 2007 for the first time since the 2008-2009 recession. During the last 56 months, the economy has regained the 8.6 million jobs lost during the 25 months from November 2007 to December 2009.
- The **index of consumer sentiment** increased to 84.6 in September 2014, the second-highest reading since July 2007 and 9.2% above September 2013. Consumers reported expected income gains of 1.1%, the highest level since 2008. Consumers surveyed expect economic improvement in 2015 but not much job growth.



- Michigan seasonally adjusted **wage and salary employment** increased slightly by 5,000 jobs or 0.1% from August 2014 to September 2014. Employment in September 2014 was 33,000 or 0.8% higher than in September 2013. As of September 2014, nonfarm employment in Michigan has gained 312,700 positions since July 2009, but remains 548,400 positions or 11.7% below the Michigan peak employment level of April 2000.
- Michigan **auto production** increased by 47.4% from August 2014 to September 2014 to 810,000 units at a seasonally adjusted annual rate, but was 21.0% lower than production in September 2013. Michigan truck production declined by 5.7% from August 2014 to September 2014, and was 16.8% below the level of September 2013. Michigan's share of U.S. motor vehicle production was 17.4% in September 2014, lower than the 22.6% share in September 2013.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Sept. 2014	Aug. 2014	Sept. 2013	Change from August		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	155,862	155,959	155,473	(97)	(0.1%)	389	0.3%
Employment	146,600	146,368	144,270	232	0.2	2,330	1.6
Unemployment	9,262	9,591	11,203	(329)	(3.4)	(1,941)	(17.3)
Unemployment Rate	5.9%	6.1%	7.2%	---	---	---	---
Michigan	Sept. 2014	Aug. 2014	Sept. 2013	Change from August		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,733	4,730	4,706	3	0.1%	27	0.6%
Employment	4,391	4,382	4,291	8	0.2	99	2.3
Unemployment	342	348	415	(6)	(1.7)	(73)	(17.5)
Unemployment Rate	7.2%	7.4%	8.8%	---	---	---	---

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. 2014*	Aug. 2014	Sept. 2013	Change from August		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,146	4,141	4,113	5	0.1%	33	0.8%
Goods Producing Industries	717	713	699	5	0.6	19	2.7
Mining and Logging	9	9	8	0	0.0	1	11.4
Construction	139	136	133	3	2.3	6	4.7
Manufacturing	569	568	558	2	0.3	12	2.1
Transportation Equipment	173	170	169	3	1.6	4	2.6
Service Producing Industries	3,429	3,429	3,415	0	0.0	14	0.4
Trade, Transportation & Utilities	758	757	745	1	0.1	13	1.7
Wholesale Trade	164	164	164	(1)	(0.4)	(0)	(0.1)
Retail Trade	457	456	457	2	0.3	1	0.2
Transportation & Utilities	137	137	125	(0)	(0.2)	12	9.7
Information	58	57	56	0	0.7	2	4.0
Financial Activities	198	198	203	(1)	(0.3)	(5)	(2.5)
Professional & Business Services	605	601	607	4	0.7	(2)	(0.3)
Education & Health Services	636	638	638	(2)	(0.3)	(2)	(0.3)
Leisure & Hospitality Services	403	408	396	(4)	(1.1)	7	1.8
Other Services	170	168	172	2	1.4	(1)	(0.7)
Government	601	602	599	(1)	(0.1)	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. 2014	Year Ago	Percent Change	Sept. 2014	Year Ago	Percent Change
Construction	40.6	40.8	(0.5%)	\$1,019.06	\$965.74	5.5%
Manufacturing	44.2	44.2	0.0	904.77	887.54	1.9
Durable Goods	45.2	45.0	0.4	976.32	948.60	2.9
Transportation Equipment Mfg.	49.7	46.8	6.2	1,251.45	1,165.32	1.0
Motor Vehicle Parts Mfg.	49.0	47.0	4.3	1,172.08	1,117.66	4.9
Nondurable Goods	40.9	41.5	(1.4)	675.26	690.56	(2.2)
Wholesale Trade	38.0	38.4	(1.0)	862.98	862.08	0.1
Retail Trade	30.1	30.0	0.3	415.98	398.40	4.4
Information	34.6	36.0	(3.9)	904.44	906.12	(0.2)
Financial Activities	35.3	35.1	0.6	756.48	679.19	11.4
Professional & Business Services	36.5	35.2	3.7	854.10	808.19	5.7
Health Care & Social Assistance	31.5	32.4	(2.8)	611.73	633.42	(3.4)
Leisure & Hospitality	23.3	23.0	1.3	245.58	228.62	7.4
Accommodation & Food Services	23.0	23.0	0.0	234.37	218.50	7.3

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. 2014	Aug. 2014	July 2014	Sept. 2013
Metropolitan Statistical Areas				
Ann Arbor	4.7%	4.6%	6.3%	5.8%
Battle Creek	5.6	5.5	7.4	7.2
Bay City	6.1	6.3	8.3	8.3
Detroit-Warren-Livonia	8.1	7.9	9.8	9.1
Flint	7.0	7.0	9.3	9.4
Grand Rapids-Wyoming	4.7	4.8	6.4	6.3
Holland-Grand Haven	4.5	4.6	6.4	6.2
Jackson	6.4	6.3	8.3	8.3
Kalamazoo-Portage	5.4	5.4	7.1	7.0
Lansing-East Lansing	5.2	5.5	7.6	6.8
Monroe	5.9	6.3	8.1	7.3
Muskegon-Norton Shores	6.1	6.1	8.2	8.5
Niles-Benton Harbor	6.0	6.1	7.9	8.4
Saginaw-Saginaw Twp North	6.4	6.5	8.7	8.5
Multi-County Areas				
Northeast Lower Michigan	7.2	7.2	9.5	9.8
Northwest Lower Michigan	6.1	5.9	7.8	8.5
Upper Peninsula	6.4	6.6	8.6	8.2
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	6.7	6.7	8.8	8.2

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Sept. 2014	Aug. 2014	July 2014	June 2014	Year Ago Sept.	Percent Change From:	
						Sept./Aug.	Sept. 2014/ Sept. 2013
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,511	8,221	7,781	8,073	7,573	(8.6%)	(0.8%)
Domestics	5,549	6,122	5,683	5,805	5,337	(9.4)	4.0
Imports	1,962	2,099	2,098	2,268	2,236	(6.5)	(12.3)
Import Share	26.1%	25.5%	27.0%	28.1%	29.5%	---	---
Light Trucks	8,818	9,218	8,621	8,776	7,771	(4.3)	13.5
Domestics	7,377	7,745	7,267	7,386	6,500	(4.8)	13.5
Imports	1,441	1,473	1,354	1,390	1,271	(2.2)	13.4
Import Share	16.3%	16.0%	15.7%	15.8%	16.4%	---	---
Subtotal: Light Vehicle Sales	16,329	17,439	16,402	16,849	15,344	(6.4)	6.4
Heavy Trucks	444	446	424	392	360	(0.4)	23.3
Total Vehicle Sales	16,773	17,885	16,826	17,241	15,704	(6.2)	6.8
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,415	4,242	4,714	4,402	4,433	4.1	(0.4)
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	810	550	972	959	1,025	47.4	(21.0)
Trucks	1,216	1,289	2,120	1,573	1,461	(5.7)	(16.8)
Total	2,026	1,839	3,092	2,531	2,486	10.2	(18.5)
Michigan Production as % of U.S.	17.4%	17.7%	23.1%	21.5%	22.6%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,509	1,498	1,562	1,662	1,515	0.7	(0.4)
Days Supply	62	53	59	57	61	17.0	1.6
Total Truck	1,822	1,768	1,835	1,887	1,593	3.1	14.4
Days Supply	66	58	64	63	64	13.8	3.1

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.	84.6	82.5	77.5	2.5%	9.2%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Sept.	\$93.21	\$96.54	\$106.29	(3.4)	(12.3)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Sept.	1,038	963	863	7.8	20.3
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Sept.	\$394.8	\$396.3	\$379.4	(0.4)	4.0
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Sept.	105.0	104.1	100.7	0.8	4.2
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Sept.	79.2	78.8	78.3	0.5	1.2
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Sept.	237.6	237.4	233.7	1.0	1.7
Detroit (not seasonally adjusted)	Aug.	222.3	224.5	220.0	(5.7)	1.0
Interest Rates						
3-month Treasury Bill ⁴⁾	Sept.	0.02%	0.03%	0.02%	---	---
Corporate Aaa Bonds ⁴⁾	Sept.	4.11%	4.08%	4.64%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2014 3rd Quarter	\$16,164.1	\$16,010.4	\$15,779.9	3.9	2.4
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Sept.	\$2,339.7	\$1,701.5	\$2,286.9	NM	2.3

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.

