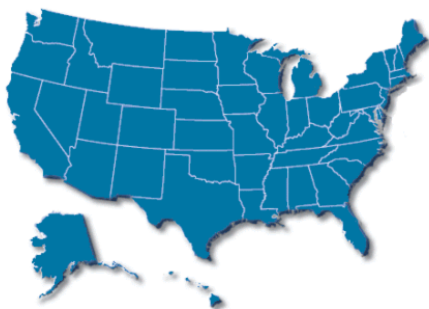


# Michigan Economic Indicators

SEPTEMBER 2019



## ECONOMIC HIGHLIGHTS



The **U.S. unemployment rate** decreased to 3.5% in September 2019, down from 3.7% in August 2019 and 3.7% in September 2018. It was the lowest unemployment rate since May 1969, when the rate was 3.4%. The decline was due to large numbers of people finding employment. The total labor force increased 117,000 in September, while employment increased 391,000, reducing unemployment by 274,000. Compared to September 2018, the labor force was up approximately 1.98 million while employment was up 2.2 million, reducing unemployment by 216,000.

**Gross domestic product (GDP)**, adjusted for inflation, increased at a 1.9% annual rate in the third quarter of 2019, compared to 2.0% growth in the second quarter of 2019. Economists polled by Reuters had expected an increase of 1.6%. The third quarter deceleration in real GDP growth (when compared to the previous quarter) reflected decelerations in personal consumption expenditures, Federal, state, and local government spending, and a larger decrease in nonresidential fixed investment, partially offset by a smaller decrease in private inventory investment, and increases in exports and residential fixed investment.



Michigan **motor vehicle production** decreased 16.6% from August 2019 to September 2019, and decreased 1.5% compared to September 2018. Automobile production in September 2019 was down 45.3% from September 2018, but was partially offset by light truck production, which increased 8.1% over the same period. The monthly decrease in production was explained partially by a United Auto Workers strike against General Motors, which began on September 15, and lasted until October 25.

**Gross domestic product**, adjusted for inflation, increased for all but three metropolitan areas in the State between 2016 and 2017 (the most recent data available). The metro areas that experienced the most growth were Midland (9.5%), Grand Rapids-Wyoming (3.3%), and Detroit-Warren-Dearborn (2.7%). The three metropolitan areas that had negative growth over the same period were Bay City (-1.6%), Niles-Benton Harbor (-0.4%), and Monroe (-0.2%). The GDP for the State of Michigan as a whole grew 1.5% from 2016 to 2017.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Sep 2019	Aug 2019	Sep 2018	Change from Aug		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	164,039	163,922	162,055	117	0.1%	1,984	1.2%
Employment	158,269	157,878	156,069	391	0.2	2,200	1.4
Unemployment	5,770	6,044	5,986	(274)	(4.5)	(216)	(3.6)
Unemployment Rate	3.5%	3.7%	3.7%	--	--	--	--
Michigan	Sep 2019*	Aug 2019	Sep 2018	Change from Aug		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,961	4,963	4,896	(3)	(0.1%)	65	1.3%
Employment	4,753	4,753	4,704	0	0.0	49	1.0
Unemployment	208	211	192	(3)	(1.4)	16	8.4
Unemployment Rate	4.2%	4.2%	3.9%	--	--	--	--

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

\*Preliminary



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Sep 2019*	Aug 2019	Sep 2018	Change from Aug		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,444	4,450	4,419	(6)	(0.1%)	25	0.6%
<b>Goods Producing Industries</b>	808	811	809	(3)	(0.3)	(1)	(0.1)
Mining and Logging	7	7	7	0	1.4	0	0.0
Construction	173	172	169	1	0.6	4	2.2
Manufacturing	628	632	633	(4)	(0.6)	(5)	(0.7)
Transportation Equipment	196	197	195	(1)	(0.6)	2	0.8
<b>Service Producing Industries</b>	3,636	3,639	3,610	(3)	(0.1)	26	0.7
Trade, Transportation & Utilities	792	789	793	3	0.4	(1)	(0.1)
Wholesale Trade	174	173	172	1	0.3	1	0.8
Retail Trade	465	463	469	2	0.3	(5)	(1.0)
Transportation & Utilities	154	152	151	1	0.7	3	1.7
Information	57	57	56	(0)	(0.3)	1	2.3
Financial Activities	224	224	219	(0)	(0.0)	5	2.2
Professional & Business Services	665	668	659	(3)	(0.4)	6	0.9
Education & Health Services	671	671	677	(0)	(0.0)	(6)	(0.9)
Leisure & Hospitality Services	443	442	432	2	0.3	11	2.6
Other Services	170	171	166	(1)	(0.6)	4	2.3
Government	614	617	608	(3)	(0.5)	5	0.9

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

\*Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS (Not seasonally adjusted)						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Sep 2019*	Year Ago	Percent Change	Sep 2019*	Year Ago	Percent Change
Construction	40.8	41.1	(0.7%)	\$1,164.84	\$1,119.98	4.0%
Manufacturing	43.3	43.8	(1.1)	969.05	946.96	2.3
Durable Goods	44.0	44.4	(0.9)	1,019.48	995.89	2.4
Transportation Equipment Mfg.	48.1	49.3	(2.4)	1,300.14	1,250.74	3.9
Motor Vehicle Parts Mfg.	47.4	49.1	(3.5)	1,140.44	1,088.06	4.8
Nondurable Goods	41.0	41.9	(2.1)	804.42	793.59	1.4
Wholesale Trade	37.8	39.6	(4.5)	988.09	1,037.52	(4.8)
Retail Trade	30.1	30.4	(1.0)	464.44	449.31	3.4
Information	34.6	33.8	2.4	940.08	946.40	(0.7)
Financial Activities	36.2	36.2	0.0	954.23	874.23	9.2
Professional & Business Services	35.1	35.5	(1.1)	923.48	878.63	5.1
Health Care & Social Assistance	32.1	32.7	(1.8)	733.16	729.21	0.5
Leisure & Hospitality	23.8	23.5	1.3	307.97	292.34	5.3
Accommodation & Food Services	24.0	23.6	1.7	302.40	286.74	5.5

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

\*Preliminary



MICHIGAN UNEMPLOYMENT RATES BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS (Not Adjusted for Seasonal Variations)				
	Sep 2019	Aug 2019	July 2019	Sep 2018
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.0%	3.3%	4.2%	2.8%
Battle Creek	3.9	4.5	5.2	3.5
Bay City	4.0	4.6	5.5	3.6
Detroit-Warren-Dearborn	4.1	4.5	5.3	4.0
Flint	4.3	4.9	6.1	4.0
Grand Rapids-Wyoming	2.8	3.1	3.9	2.6
Jackson	3.4	4.0	4.9	3.3
Kalamazoo-Portage	3.4	3.8	4.6	3.1
Lansing-East Lansing	3.1	3.6	4.6	2.9
Midland	3.4	3.8	4.5	3.1
Monroe	3.3	3.9	5.7	3.5
Muskegon	3.9	4.3	5.4	3.8
Niles-Benton Harbor	3.5	4.2	5.0	3.5
Saginaw	4.1	4.7	5.7	3.9
<b>Multi-County Areas</b>				
Northeast Lower Michigan	4.4	5.2	6.4	4.3
Northwest Lower Michigan	3.4	3.7	4.4	3.2
Upper Peninsula	4.0	4.9	5.9	3.6
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	3.7	4.2	5.1	3.5

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

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Sep 2019	Aug 2019	July 2019	June 2019	Year Ago Sep	Percent Change From:	
						Sep/Aug	Sep 2019/ Sep 2018
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	4,600	4,556	4,653	4,888	5,246	1.0%	(12.3%)
Domestics	3,508	3,364	3,406	3,560	4,015	4.3	(12.6)
Imports	1,092	1,192	1,247	1,328	1,231	(8.4)	(11.3)
Import Share	23.7%	26.2%	26.8%	27.2%	23.5%	----	----
Light Trucks	12,537	12,417	12,221	12,288	12,070	1.0	3.9
Domestics	9,896	9,774	9,718	9,835	9,300	1.2	6.4
Imports	2,641	2,643	2,503	2,453	2,770	(0.1)	(4.7)
Import Share	21.1%	21.3%	20.5%	20.0%	22.9%	----	----
Subtotal: Light Vehicle Sales	17,137	16,973	16,874	17,176	17,316	1.0	(1.0)
Heavy Trucks	575	538	567	527	526	6.9	9.3
Total Vehicle Sales	17,712	17,511	17,441	17,703	17,842	1.1	(0.7)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	2,480	2,598	2,717	2,492	2,762	(4.5)	(10.2)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	167	243	191	236	305	(31.2)	(45.3)
Trucks	1,501	1,756	1,732	1,599	1,388	(14.5)	8.1
Total	1,668	1,999	1,923	1,835	1,693	(16.6)	(1.5)
Michigan Production as % of U.S.	16.8%	18.9%	17.6%	18.3%	15.9%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	903	903	939	1,008	1,023	0.0	(11.7)
Days Supply	61	58	64	60	59	5.2	3.4
Total Truck	2,825	2,781	2,860	2,997	2,727	1.6	3.6
Days Supply	70	64	73	72	68	9.4	2.9

**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, not seasonally adjusted).



OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period <sup>9)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Sep	93.2	89.8	100.1	3.8%	(6.9%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Sep	\$56.95	\$54.81	\$70.23	3.9	(18.9)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Sep	1,256	1,386	1,236	(9.4)	1.6
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Sep	\$459.6	\$461.9	\$442.8	(0.5)	3.8
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Sep	109.6	109.9	109.7	(0.3)	(0.1)
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Sep	77.5	77.9	79.3	(0.5)	(2.2)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Sep	256.4	256.3	252.0	0.3	1.7
Detroit (not seasonally adjusted)	Aug	236.4	234.9	233.2	3.9	1.4
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Sep	1.93%	1.99%	2.17%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Sep	3.61%	3.62%	4.63%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2019 3rd Quarter	\$19,112.5	\$19,021.9	\$18,732.7	1.9	2.0
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Sep	\$2,782.8	\$2,267.4	\$2,671.8	NM	4.2

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.  
Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

**Sources:** 1) University of Michigan Surveys of Consumers. 2) U.S. Energy Information Administration/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. The U.S. CPI is released monthly, while the Detroit CPI is released every two months, beginning in Feb. of each year. 6) Freddie Mac, Primary Mortgage Market Survey. 7) U.S. Department of Commerce, Bureau of Economic Analysis. 8) Michigan Department of Treasury and the Senate Fiscal Agency. 9) Percent changes from previous period for CPI and GDP at annual rate.

