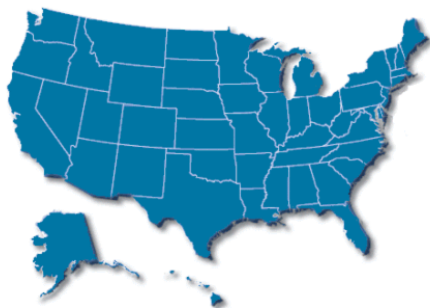


ECONOMIC HIGHLIGHTS



The **Index of Consumer Sentiment** decreased 13.4% in August 2021, from 81.2 in July 2021 to 70.3, the lowest reading since December 2011. The Index has recorded larger monthly losses in only six other monthly surveys since 1978. The declining sentiment was due to the surging coronavirus variant (Delta), higher inflation, slower wage growth, and smaller declines in unemployment. Survey results reflected an emotional response from dashed hopes that the pandemic would end soon.

Housing starts totaled 1.6 million units, at a seasonally adjusted annual rate, in August 2021, up 14.3% from August 2020. Compared to August 2020, housing starts for single-family homes increased 6.4% in August 2021 and starts with five or more units increased 44.4%. By region, from August 2020 to August 2021, housing starts increased 90.8% in the Northeast and 25.2% in the South but fell 18.7% in the Midwest and 4.4% in the West.



In August 2021, **revenue from Michigan's major taxes** totaled \$2.7 billion, up 12.0% (\$287.5 million) from August 2020. Tax collections for the month were approximately \$310.5 million above the forecasted level. Collections from most taxes, including sales and use taxes, individual income taxes, and business taxes, were greater than expected, while wagering taxes were less than expected. Through August 2021, General Fund collections were \$1.3 billion above, and School Aid fund collections \$768.3 million above, the level expected based on the May 2021 consensus revenue estimates. Fiscal year-to-date revenue collections were up 19.5% (\$3,998.6 million) from the same period in 2020.

The **Michigan unemployment rate** declined from 4.8% in July 2021 to 4.7% in August 2021, down from 8.5% in August 2020, and lower than the national rate of 5.2% in August 2021. The number of individuals in the labor force increased 11,000, while the number employed increased by 14,000. Compared to August 2020, employment was up 73,000 jobs, and the labor force was down 116,000 individuals, which combined to reduce unemployment by 189,000 individuals.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Aug 2021	July 2021	Aug 2020	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	161,537	161,347	160,818	190	0.1%	719	0.4%
Employment	153,154	152,645	147,276	509	0.3	5,878	4.0
Unemployment	8,383	8,702	13,542	(319)	(3.7)	(5,159)	(38.1)
Unemployment Rate	5.2%	5.4%	8.4%	--	--	--	--
Michigan	Aug 2021	July 2021	Aug 2020	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,726	4,715	4,842	11	0.2%	(116)	(2.4%)
Employment	4,502	4,488	4,429	14	0.3	73	1.7
Unemployment	224	227	413	(4)	(1.5)	(189)	(45.7)
Unemployment Rate	4.7%	4.8%	8.5%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Aug 2021	July 2021	Aug 2020	Change from July		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,173	4,167	4,044	6	0.1%	129	3.2%
Goods Producing Industries	755	755	745	(0)	(0.0)	10	1.3
Mining and Logging	7	7	7	0	0.0	1	7.7
Construction	176	177	170	(1)	(0.7)	6	3.4
Manufacturing	572	571	568	1	0.2	4	0.6
Transportation Equipment	173	169	176	4	2.2	(4)	(2.0)
Service Producing Industries	3,418	3,412	3,298	6	0.2	120	3.6
Trade, Transportation & Utilities	779	778	752	1	0.1	27	3.5
Wholesale Trade	164	164	160	0	0.1	4	2.4
Retail Trade	445	446	432	(1)	(0.2)	13	3.1
Transportation & Utilities	170	168	160	1	0.7	10	5.9
Information	50	50	49	0	0.6	1	2.0
Financial Activities	224	225	223	(1)	(0.4)	1	0.6
Professional & Business Services	628	627	594	1	0.1	34	5.7
Education & Health Services	646	646	635	(0)	(0.0)	11	1.7
Leisure & Hospitality Services	356	352	318	4	1.0	37	11.7
Other Services	148	147	142	1	0.5	6	3.9
Government	588	587	585	1	0.2	3	0.4

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS (Not seasonally adjusted)						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Aug 2021	Year Ago	Percent Change	Aug 2021	Year Ago	Percent Change
Construction	40.2	41.6	(3.4%)	\$1,296.05	\$1,283.78	1.0%
Manufacturing	41.2	40.6	1.5	943.89	905.38	4.3
Durable Goods	41.3	40.7	1.5	958.57	926.74	3.4
Transportation Equipment Mfg.	44.7	44.6	0.2	1,299.43	1,244.34	4.4
Motor Vehicle Parts Mfg.	43.1	41.7	3.4	1,152.93	997.88	15.5
Nondurable Goods	41.1	40.3	2.0	905.84	842.27	7.5
Wholesale Trade	38.6	37.2	3.8	1,004.76	941.90	6.7
Retail Trade	29.5	28.5	3.5	513.60	507.02	1.3
Information	39.6	39.8	(0.5)	1,126.22	1,027.24	9.6
Financial Activities	37.3	36.1	3.3	965.32	971.09	(0.6)
Professional & Business Services	35.7	35.8	(0.3)	1,001.39	945.48	5.9
Health Care & Social Assistance	31.6	29.8	6.0	744.50	671.99	10.8
Leisure & Hospitality	24.4	24.3	0.4	358.68	318.33	12.7
Accommodation & Food Services	24.9	24.8	0.4	360.55	322.40	11.8

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)				
	Aug 2021	July 2021	June 2021	Aug 2020
Metropolitan Statistical Areas				
Ann Arbor	3.8%	4.7%	4.7%	5.8%
Battle Creek	5.8	6.6	6.9	7.8
Bay City	5.1	5.8	6.1	6.7
Detroit-Warren-Dearborn	3.7	4.5	4.8	10.6
Flint	8.2	7.4	7.5	8.7
Grand Rapids-Wyoming	3.9	4.5	4.8	5.9
Jackson	5.1	5.8	5.9	7.1
Kalamazoo-Portage	4.6	5.3	5.5	6.3
Lansing-East Lansing	5.4	5.3	5.5	6.1
Midland	3.9	4.6	4.9	5.6
Monroe	5.2	6.9	6.2	6.4
Muskegon	6.7	7.7	7.9	9.2
Niles-Benton Harbor	4.8	5.6	5.8	7.1
Saginaw	6.6	6.8	7.0	7.9
Multi-County Areas				
Northeast Lower Michigan	5.4	6.2	6.7	7.0
Northwest Lower Michigan	4.2	5.0	5.5	6.0
Upper Peninsula	4.4	5.1	5.4	5.8
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.4	5.0	5.3	8.3
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Sales and Production in Thousands of Units, Seasonally Adjusted at Annual Rates)							
	Aug 2021	July 2021	June 2021	May 2021	Year Ago Aug	Percent Change From:	
						Aug/July	Aug 2021/ Aug 2020
Motor Vehicle Sales¹⁾							
Autos	3,078	3,497	3,653	3,930	3,470	(12.0%)	(11.3%)
Domestics	2,169	2,504	2,583	2,779	2,642	(13.4)	(17.9)
Imports	909	993	1,070	1,151	828	(8.5)	9.8
Import Share	29.5%	28.4%	29.3%	29.3%	23.9%	----	----
Light Trucks	10,010	11,169	11,820	12,961	11,777	(10.4)	(15.0)
Domestics	7,725	8,549	9,019	9,769	9,293	(9.6)	(16.9)
Imports	2,285	2,620	2,801	3,192	2,484	(12.8)	(8.0)
Import Share	22.8%	23.5%	23.7%	24.6%	21.1%	----	----
Subtotal: Light Vehicle Sales	13,088	14,666	15,473	16,891	15,247	(10.8)	(14.2)
Heavy Trucks	417	440	477	501	430	(5.2)	(3.0)
Total Vehicle Sales	13,505	15,106	15,950	17,392	15,677	(10.6)	(13.9)
U.S. Motor Vehicle Production¹⁾							
Autos	1,475	1,706	1,444	1,537	2,352	(13.6)	(37.3)
Michigan Motor Vehicle Production²⁾							
Autos	145	177	65	54	195	(18.1)	(26.0)
Trucks	1,467	1,621	1,579	1,525	1,478	(9.5)	(0.7)
Total	1,612	1,797	1,644	1,579	1,673	(10.3)	(3.7)
Michigan Production as % of U.S.	18.8%	19.0%	19.6%	19.6%	16.9%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 32,476	\$ 31,887	\$ 30,962	\$ 29,773	\$ 28,180	1.8	15.2
Domestic	\$ 29,959	\$ 30,094	\$ 29,487	\$ 28,293	\$ 26,247	(0.4)	14.1
Foreign	\$ 38,268	\$ 36,373	\$ 34,468	\$ 33,347	\$ 34,349	5.2	11.4
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.							



OTHER KEY ECONOMIC INDICATORS

Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period ⁹⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Aug	70.3	81.2	74.1	(13.4%)	(5.1%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Aug	\$67.73	\$72.49	\$42.34	(6.6)	60.0
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Aug	1,573	1,562	1,376	0.7	14.3
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Aug	\$548.7	\$543.2	\$483.4	1.0	13.5
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Aug	101.3	101.4	95.9	(0.1)	5.7
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Aug	76.2	76.3	72.3	(0.1)	5.5
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Aug	273.0	272.3	259.5	3.3	5.2
Detroit (not seasonally adjusted)	Aug	250.0	248.9	240.6	2.7	3.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Aug	0.05%	0.05%	0.10%	--	--
30-year Conventional Mortgage ⁶⁾	Aug	2.84%	2.87%	2.94%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2021 2nd Quarter	\$19,360.6	\$19,055.7	\$17,258.2	6.6	12.2
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Aug	\$2,677.2	\$2,637.7	\$2,389.7	NM	12.0

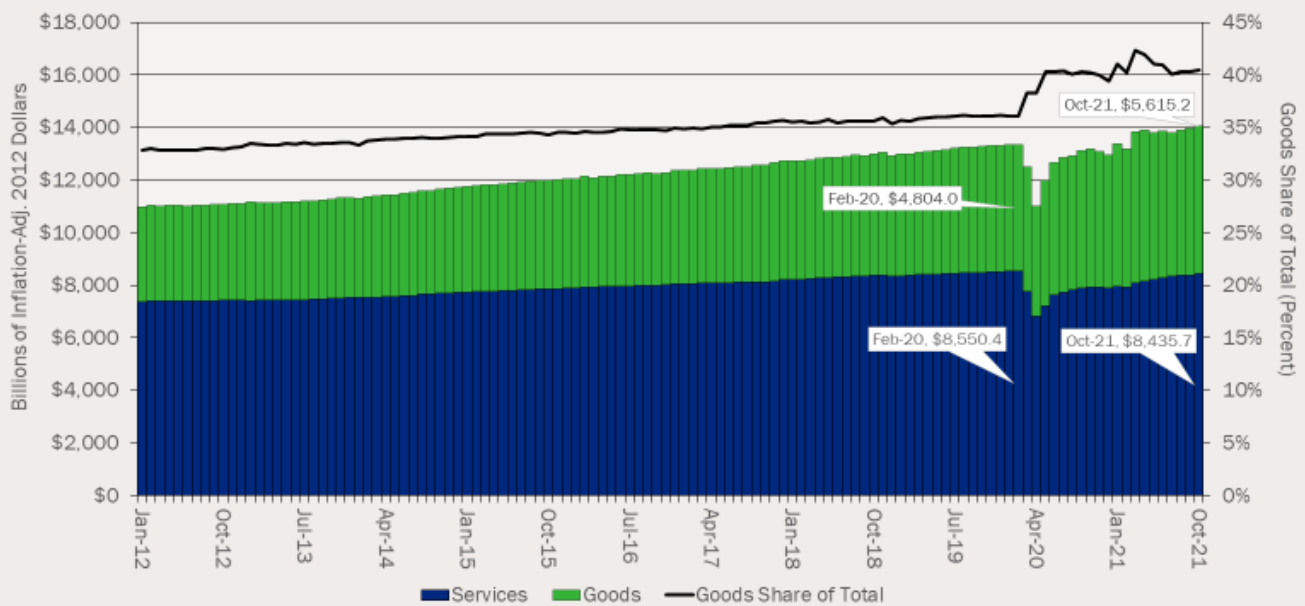
SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.

Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

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.

Personal Consumption Spending Shifts Toward Goods

Unlike Services, Goods Spending Above Pre-Pandemic Levels



Source: Bureau of Economic Analysis, U.S. Department of Commerce