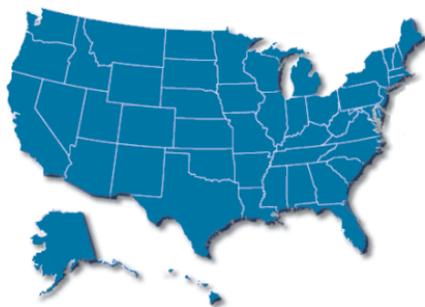


# Michigan Economic Indicators

AUGUST 2016



## ECONOMIC HIGHLIGHTS



The **Index of Consumer Sentiment** in August 2016 fell 0.2% from the July level, and was down 2.3% from the level in August 2015. Compared to one year ago, both the condition of personal finances and the outlook for economic conditions were lower. However, long-term inflation expectations were at the lowest level recorded in the more than 38 years the survey has measured inflation expectations.

**Labor productivity**, as measured by output per hour, declined at a 0.6% annual rate during the second quarter of 2016. Labor productivity has declined for three consecutive quarters, the longest string of consecutive quarterly declines since 1979. Compared to the second quarter of 2015, labor productivity was down 0.4%, despite a 1.2% increase in labor productivity in the durable goods manufacturing sector and a 0.3% increase in the nondurable goods manufacturing sector.



Michigan **average weekly hours** and **average weekly earnings** fell in most sectors in August 2016, compared to August 2015 levels. In the manufacturing sector, average hours were down 4.0% and weekly earnings down 7.1%, led by a 10% decline in hours and a 20.9% decline in earnings in the transportation equipment manufacturing sector. Only the construction and accommodation/food services sectors reported both higher average weekly hours and higher average weekly earnings.

**Michigan personal income** grew at a seasonally adjusted 1.1% in the second quarter of 2016, ranking Michigan 13<sup>th</sup> among the 50 states. Compared to the second quarter of 2015, Michigan personal income was up 3.8%, ranking Michigan 11<sup>th</sup> among the 50 states and above any other state in the Great Lakes region.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Aug 2016	July 2016	Aug 2015	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,463	159,287	157,061	176	0.1%	2,402	1.5%
Employment	151,614	151,517	149,043	97	0.1	2,571	1.7
Unemployment	7,849	7,770	8,018	79	1.0	(169)	(2.1)
Unemployment Rate	4.9%	4.9%	5.1%	--	--	--	--
Michigan	Aug 2016	July 2016	Aug 2015	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,804	4,809	4,741	(5)	(0.1%)	63	1.3%
Employment	4,588	4,595	4,498	(8)	(0.2)	90	2.0
Unemployment	216	214	244	2	1.1	(27)	(11.2)
Unemployment Rate	4.5%	4.5%	5.1%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Aug 2016*	July 2016	Aug 2015	Change from July		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,325	4,341	4,249	(16)	(0.4%)	76	1.8%
<b>Goods Producing Industries</b>	755	761	742	(5)	(0.7)	13	1.8
Mining and Logging	7	7	7	0	0.0	(0)	(4.1)
Construction	151	149	147	3	1.8	4	2.9
Manufacturing	597	605	588	(8)	(1.3)	9	1.5
Transportation Equipment	178	178	177	(0)	(0.1)	2	0.9
<b>Service Producing Industries</b>	3,569	3,580	3,507	(11)	(0.3)	63	1.8
Trade, Transportation & Utilities	772	773	772	(1)	(0.1)	0	0.0
Wholesale Trade	169	169	170	(0)	(0.1)	(1)	(0.7)
Retail Trade	470	472	468	(2)	(0.4)	3	0.6
Transportation & Utilities	133	132	135	1	0.8	(1)	(1.0)
Information	60	59	56	0	0.7	3	5.9
Financial Activities	217	217	207	0	0.0	10	4.8
Professional & Business Services	664	667	640	(4)	(0.5)	24	3.7
Education & Health Services	669	668	653	2	0.2	16	2.5
Leisure & Hospitality Services	419	425	414	(6)	(1.5)	5	1.1
Other Services	171	170	168	2	0.9	4	2.1
Government	597	601	596	(4)	(0.7)	2	0.3

**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		
	Aug 2016	Year Ago	Percent Change	Aug 2016	Year Ago	Percent Change
Construction	41.2	40.7	1.2%	\$1,044.42	\$1,020.76	2.3%
Manufacturing	42.7	44.5	(4.0)	860.83	926.94	(7.1)
Durable Goods	43.5	45.6	(4.6)	912.20	1,001.38	(8.9)
Transportation Equipment Mfg.	45.0	50.0	(10.0)	998.55	1,262.00	(20.9)
Motor Vehicle Parts Mfg.	46.0	48.8	(5.7)	968.30	1,141.92	(15.2)
Nondurable Goods	40.3	41.1	(1.9)	705.65	695.00	1.5
Wholesale Trade	39.6	38.8	2.1	891.40	927.32	(3.9)
Retail Trade	29.9	30.5	(2.0)	431.46	424.87	1.6
Information	35.4	36.5	(3.0)	871.55	931.48	(6.4)
Financial Activities	35.6	36.0	(1.1)	815.60	819.00	(0.4)
Professional & Business Services	35.6	35.8	(0.6)	811.68	815.17	(0.4)
Health Care & Social Assistance	31.9	31.7	0.6	629.71	641.29	(1.8)
Leisure & Hospitality	23.4	24.3	(3.7)	262.55	260.98	0.6
Accommodation & Food Services	23.1	24.0	2.0	252.25	251.28	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)				
	Aug 2016	July 2016	June 2016	Aug 2015
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.5%	4.1%	3.5%	3.4%
Battle Creek	4.4	5.0	4.4	4.5
Bay City	4.7	5.5	5.0	4.8
Detroit-Warren-Dearborn	6.0	6.1	5.8	6.4
Flint	5.0	6.0	5.1	5.3
Grand Rapids-Wyoming	3.3	3.9	3.4	3.4
Jackson	4.6	5.3	4.7	4.6
Kalamazoo-Portage	3.9	4.6	4.1	4.1
Lansing-East Lansing	3.8	4.4	4.0	4.0
Midland	4.1	4.7	4.3	4.1
Monroe	4.1	4.7	3.9	4.0
Muskegon	4.8	5.8	4.9	5.2
Niles-Benton Harbor	4.4	5.0	4.6	4.6
Saginaw	4.6	5.5	4.8	4.9
<b>Multi-County Areas</b>				
Northeast Lower Michigan	5.6	6.5	5.9	5.6
Northwest Lower Michigan	4.1	4.7	4.5	4.4
Upper Peninsula	5.1	6.2	5.7	5.6
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	4.9	5.4	4.9	5.2
<b>Source:</b> Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Aug 2016	July 2016	June 2016	May 2016	Year Ago Aug	Percent Change From:	
						Aug/July	Aug 2016/ Aug 2015
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,533	6,874	6,613	6,799	7,539	(5.0%)	(13.3%)
Domestics	4,879	5,131	4,907	5,025	5,613	(4.9)	(13.1)
Imports	1,654	1,743	1,706	1,774	1,926	(5.1)	(14.1)
Import Share	25.3%	25.4%	25.8%	26.1%	25.5%	----	----
Light Trucks	10,382	10,919	10,169	10,296	10,035	(4.9)	3.5
Domestics	8,228	8,719	8,033	8,018	8,115	(5.6)	1.4
Imports	2,154	2,200	2,136	2,278	1,920	(2.1)	12.2
Import Share	20.7%	20.1%	21.0%	22.1%	19.1%	----	----
Subtotal: Light Vehicle Sales	16,915	17,793	16,782	17,095	17,574	(4.9)	(3.7)
Heavy Trucks	369	371	398	406	467	(0.5)	(21.0)
Total Vehicle Sales	17,284	18,164	17,180	17,501	18,041	(4.8)	(4.2)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	4,122	3,878	4,255	3,710	4,154	6.3	(0.8)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	839	766	1,151	852	772	9.6	8.8
Trucks	1,600	1,637	1,776	2,528	1,407	(2.3)	13.7
Total	2,439	2,402	2,926	3,379	2,179	1.5	12.0
Michigan Production as % of U.S.	18.4%	20.7%	22.2%	21.1%	18.4%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,369	1,411	1,482	1,488	1,500	(3.0)	(8.8)
Days Supply	61	62	64	57	57	(1.6)	7.0
Total Truck	2,205	2,162	2,362	2,302	1,848	2.0	19.3
Days Supply	62	60	68	61	54	3.3	14.8
<b>Sources:</b> 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>8)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Aug	89.8	90.0	91.9	(0.2%)	(2.3%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Aug	\$44.72	\$44.65	\$42.87	0.2	4.3
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Aug	1,142	1,212	1,132	(5.8)	0.9
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Aug	\$401.1	\$402.9	\$395.6	(0.5)	1.4
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Aug	104.4	104.9	105.6	(0.4)	(1.1)
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Aug	75.5	75.9	76.7	(0.5)	(1.5)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Aug	240.3	239.8	237.7	2.4	1.1
Detroit (not seasonally adjusted)	Aug	223.9	224.1	220.2	(0.5)	1.7
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Aug	0.30%	0.30%	0.07%	--	--
Corporate Aaa Bonds <sup>4)</sup>	Aug	3.32%	3.28%	4.04%	--	--
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2016 2nd Quarter	\$16,583.1	\$16,525.0	\$16,374.2	1.4	1.3
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Aug	\$1,883.0	\$1,958.1	\$1,778.4	NM	5.9

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) 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. 8) Percent changes from previous period for CPI and GDP at annual rate.

