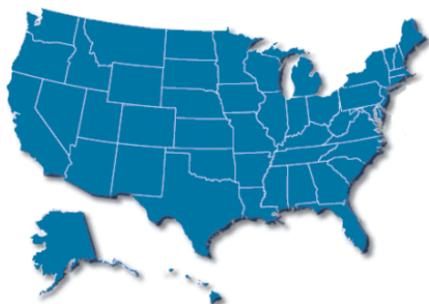


Michigan Economic Indicators

AUGUST 2017



ECONOMIC HIGHLIGHTS



The **Index of Consumer Sentiment** in August 2017 increased by 3.6% from the July 2017 reading and was 7.8% above the level of August 2016. The indexed averaged 96.4 over the first eight months of 2017, the highest average level since 2000. Of consumers surveyed, 51% reported improved personal finances, including income, home values, and stock portfolios.

Private nonresidential fixed investment, adjusted for inflation, increased at a 6.7% annual rate in the second quarter of 2017 and represented faster growth than the 2.3% annual increase recorded in 2015 or the 0.6% decrease in 2016. The first two quarters of 2017 had the highest annual growth rates since the second and third quarters of 2014.



Michigan **motor vehicle production** declined 10.9% from August 2016 to August 2017. Auto production decreased 29.4% and truck production was down 1.8% during that period. Michigan represented 18.3% of U.S. motor vehicle production in August 2017, lower than the 19.1% share of production attained in August 2016.

Average weekly hours and earnings increased in most sectors from August 2016 to August 2017. Wages in leisure/hospitality increased 13.9%, the highest wage growth of all sectors, compared to a 4.7% increase in hours. Average weekly earnings also grew more rapidly than average weekly hours in all sectors except construction, transportation equipment manufacturing, financial activities, and professional/business services. Although transportation equipment manufacturing earnings increased 3.1%, less than the 4.5% increase in hours, earnings increased 5.4% compared to a 2.4% increase in hours for workers in motor vehicle parts manufacturing.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Aug 2017	Jul 2017	Aug 2016	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,571	160,494	159,508	77	0.0%	1,063	0.7%
Employment	153,439	153,513	151,655	(74)	(0.0)	1,784	1.2
Unemployment	7,132	6,981	7,853	151	2.2	(721)	(9.2)
Unemployment Rate	4.4%	4.3%	4.9%	--	--	--	--
Michigan	July 2017	June 2017	July 2016	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,833	4,840	4,833	(7)	(0.1%)	(0)	(0.0%)
Employment	4,643	4,660	4,596	(16)	(0.4)	47	1.0
Unemployment	190	180	238	10	5.5	(48)	(20.1)
Unemployment Rate	3.9%	3.7%	4.9%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Aug 2017*	July 2017	Aug 2016	Change from July		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,393	4,391	4,332	2	0.0%	61	1.4%
Goods Producing Industries	776	772	761	4	0.5	16	2.1
Mining and Logging	7	8	7	(0)	(1.3)	0	4.2
Construction	162	161	155	1	0.7	7	4.4
Manufacturing	607	604	599	3	0.5	9	1.4
Transportation Equipment	182	177	181	5	2.7	1	0.5
Service Producing Industries	3,617	3,619	3,572	(2)	(0.1)	45	1.3
Trade, Transportation & Utilities	784	784	786	1	0.1	(1)	(0.2)
Wholesale Trade	174	174	172	(0)	(0.2)	2	1.0
Retail Trade	470	470	475	0	0.0	(5)	(1.0)
Transportation & Utilities	140	139	138	1	0.6	2	1.2
Information	58	58	58	0	0.2	0	0.7
Financial Activities	218	219	213	(1)	(0.2)	5	2.3
Professional & Business Services	663	664	651	(1)	(0.1)	12	1.9
Education & Health Services	669	672	667	(2)	(0.4)	2	0.3
Leisure & Hospitality Services	432	433	426	(2)	(0.3)	6	1.3
Other Services	175	175	169	0	0.2	6	3.2
Government	617	616	602	2	0.3	15	2.6

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 2017	Year Ago	Percent Change	Aug 2017	Year Ago	Percent Change
Construction	43.3	41.2	5.1%	\$1,052.65	\$1,044.01	0.8%
Manufacturing	43.4	42.9	1.2	894.04	876.88	2.0
Durable Goods	44.6	43.9	1.6	953.55	936.83	1.8
Transportation Equipment Mfg.	48.5	46.4	4.5	1,127.63	1,094.11	3.1
Motor Vehicle Parts Mfg.	46.8	45.7	2.4	1,010.88	958.79	5.4
Nondurable Goods	39.8	40.1	(0.7)	714.81	702.55	1.7
Wholesale Trade	39.4	39.8	(1.0)	968.85	899.48	7.7
Retail Trade	30.9	29.8	3.7	444.03	425.84	4.3
Information	35.4	35.4	0.0	943.41	886.42	6.4
Financial Activities	35.4	35.5	(0.3)	802.16	812.95	(1.3)
Professional & Business Services	34.7	35.5	(2.3)	799.14	811.18	(1.5)
Health Care & Social Assistance	32.4	31.9	1.6	651.89	634.17	2.8
Leisure & Hospitality	24.5	23.4	4.7	298.66	262.31	13.9
Accommodation & Food Services	24.1	23.1	4.3	280.52	252.02	11.3

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)				
	Aug 2017	July 2017	June 2017	Aug 2016
Metropolitan Statistical Areas				
Ann Arbor	3.9%	4.5%	3.3%	3.9%
Battle Creek	5.1	5.6	4.4	4.8
Bay City	5.6	6.0	4.9	5.2
Detroit-Warren-Dearborn	4.4	4.4	3.7	6.1
Flint	5.8	6.5	5.0	5.4
Grand Rapids-Wyoming	3.8	4.2	3.2	3.6
Jackson	4.9	5.3	4.3	4.9
Kalamazoo-Portage	4.6	5.0	4.0	4.3
Lansing-East Lansing	4.7	5.2	4.3	4.2
Midland	4.7	5.0	4.0	4.6
Monroe	5.3	5.9	4.3	4.8
Muskegon	5.8	6.2	4.8	5.4
Niles-Benton Harbor	5.0	5.4	4.4	4.9
Saginaw	5.5	5.9	4.8	5.1
Multi-County Areas				
Northeast Lower Michigan	6.3	6.8	5.6	6.1
Northwest Lower Michigan	4.7	5.1	4.3	4.5
Upper Peninsula	5.7	6.2	5.4	5.7
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.6	4.9	3.7	5.2
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Aug 2017	July 2017	June 2017	May 2017	Year Ago Aug	Percent Change From:	
						Aug/July	Aug 2017/ Aug 2016
Motor Vehicle Sales¹⁾							
Autos	5,739	5,944	5,764	5,988	6,619	(3.4%)	(13.3%)
Domestics	4,377	4,551	4,441	4,621	4,968	(3.8)	(11.9)
Imports	1,362	1,393	1,323	1,367	1,651	(2.2)	(17.5)
Import Share	23.7%	23.4%	23.0%	22.8%	24.9%	----	----
Light Trucks	10,285	10,745	10,844	10,712	10,512	(4.3)	(2.2)
Domestics	8,051	8,377	8,503	8,302	8,312	(3.9)	(3.1)
Imports	2,234	2,368	2,341	2,410	2,200	(5.7)	1.5
Import Share	21.7%	22.0%	21.6%	22.5%	20.9%	----	----
Subtotal: Light Vehicle Sales	16,024	16,689	16,608	16,700	17,131	(4.0)	(6.5)
Heavy Trucks	430	405	416	391	376	6.2	14.4
Total Vehicle Sales	16,454	17,094	17,024	17,091	17,507	(3.7)	(6.0)
U.S. Motor Vehicle Production¹⁾							
Autos	3,034	2,550	2,940	3,398	3,912	19.0	(22.5)
Michigan Motor Vehicle Production²⁾							
Autos	585	466	595	643	828	25.6	(29.4)
Trucks	1,650	1,384	1,306	1,344	1,680	19.3	(1.8)
Total	2,235	1,849	1,901	1,987	2,508	20.9	(10.9)
Michigan Production as % of U.S.	18.3%	19.4%	18.6%	18.6%	19.1%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,424	1,445	1,550	1,580	1,369	(1.5)	4.0
Days Supply	73	71	77	70	61	2.8	19.7
Total Truck	2,464	2,455	2,648	2,603	2,205	0.4	11.7
Days Supply	69	67	72	68	62	3.0	11.3
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 ⁹⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Aug	96.8	93.4	89.8	3.6%	7.8%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Aug	\$48.04	\$46.63	\$44.72	3.0	7.4
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Aug	1,183	1,185	1,164	(0.2)	1.6
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Aug	\$419.9	\$420.3	\$404.9	(0.1)	3.7
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Aug	104.3	105.1	103.1	(0.7)	1.2
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Aug	75.8	76.5	75.8	(0.8)	0.0
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Aug	245.0	244.0	240.4	4.9	1.9
Detroit (not seasonally adjusted)	Aug	226.8	226.5	223.9	0.6	1.3
Interest Rates						
3-month Treasury Bill ⁴⁾	Aug	1.03%	1.08%	0.30%	--	--
30-year Conventional Mortgage ⁶⁾	Aug	3.88%	3.97%	3.44%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2017 2nd Quarter	\$17,031.1	\$16,903.2	\$16,663.5	3.1	2.2
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Aug	\$1,965.1	\$2,044.2	\$1,884.7	NM	4.3

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

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. 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.

