

# Michigan Economic Indicators

AUGUST 2018



## ECONOMIC HIGHLIGHTS



Seasonally-adjusted **retail sales** in August 2018 were up 6.2% from the level in August 2017, largely reflecting a 20.3% increase in sales at gasoline stations (due to higher motor fuel prices) and a 10.4% increase in sales from nonstore retailers (i.e. online sales). All sectors, with the exception of sporting goods/hobby/musical instrument/book stores (down 3.9%) and department stores (down 0.7%), exhibited gains of at least 3.3%.

Seasonally-adjusted **domestic automobile production** in August 2018 was at an annual rate of 2.5 million units, down 2.7% from the rate in July 2018 and down 14.9% from August 2017. August 2018's rate of auto production was the lowest since January 2011, as domestic production changed to reflect the popularity of light trucks in motor vehicle sales. In August 2018, light trucks represented 70.4% of light vehicle sales, compared to 53.8% in January 2011.



Michigan **personal income** increased by 4.2% from the first quarter of 2018 to the second quarter of 2018, matching the average increase nationwide and ranking 24<sup>th</sup> across the 50 states. Of the other states in the region, Illinois grew 4.9% (ranked 9<sup>th</sup>), followed by Ohio at 4.2% (18<sup>th</sup>), Wisconsin at 3.9% (31<sup>st</sup>), and Indiana at 3.8% (34<sup>th</sup>). Compared to the second quarter of 2017, Michigan personal income was up 4.0%, compared to the national average of 4.6%, ranking Michigan 31<sup>st</sup> among the 50 states.

Michigan's seasonally-adjusted **unemployment rate** declined from 4.3% in July 2018 to 4.1% in August 2018, the lowest rate since November 2000. However, the lower unemployment rate reflected individuals leaving the labor force, as employment fell by 1,000 jobs and 12,000 individuals left the labor force. Compared to November 2000, when the unemployment rate was 4.0%, the labor force in August 2018 had 265,200 fewer people and there were 258,000 fewer people employed.

| U.S. & MICHIGAN LABOR MARKET NEWS<br>(Seasonally adjusted, thousands) |          |           |          |                  |         |                      |         |
|---|----------|-----------|----------|------------------|---------|----------------------|---------|
| U.S.  | Aug 2018 | July 2018 | Aug 2017 | Change from July |         | Change from Year Ago |         |
|   |          |           |          | Number           | Percent | Number               | Percent |
| Labor Force   | 161,776  | 162,245   | 160,598  | (469)            | (0.3%)  | 1,178                | 0.7%    |
| Employment  | 155,542  | 155,965   | 153,471  | (423)            | (0.3)   | 2,071                | 1.3     |
| Unemployment  | 6,234    | 6,280     | 7,127    | (46)             | (0.7)   | (893)                | (12.5)  |
| Unemployment Rate   | 3.9%     | 3.9%      | 4.4%     | --               | --      | --                   | --      |
| Michigan  | Aug 2018 | July 2018 | Aug 2017 | Change from July |         | Change from Year Ago |         |
|   |          |           |          | Number           | Percent | Number               | Percent |
| Labor Force   | 4,898    | 4,910     | 4,890    | (12)             | (0.2%)  | 8                    | 0.2%    |
| Employment  | 4,697    | 4,698     | 4,666    | (1)              | (0.0)   | 31                   | 0.7     |
| Unemployment  | 201      | 212       | 224      | (11)             | (5.0)   | (23)                 | (10.2)  |
| Unemployment Rate   | 4.1%     | 4.3%      | 4.6%     | --               | --      | --                   | --      |

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



| MICHIGAN WAGE AND SALARY EMPLOYMENT<br>(Seasonally adjusted, thousands) |             |              |             |                  |         |                    |         |
|---|-------------|--------------|-------------|------------------|---------|--------------------|---------|
|   | Aug<br>2018 | July<br>2018 | Aug<br>2017 | Change from July |         | Change from Yr Ago |         |
|   |             |              |             | Number           | Percent | Number             | Percent |
| <b>Total Non-Agricultural Jobs</b>                                      | 4,435       | 4,429        | 4,378       | 5                | 0.1%    | 56                 | 1.3%    |
| <b>Goods Producing Industries</b>                                       | 809         | 808          | 787         | 2                | 0.2     | 22                 | 2.9     |
| Mining and Logging  | 7           | 7            | 7           | 0                | 1.4     | 0                  | 2.8     |
| Construction  | 179         | 178          | 164         | 1                | 0.7     | 15                 | 8.9     |
| Manufacturing   | 623         | 623          | 615         | 0                | 0.0     | 8                  | 1.3     |
| Transportation Equipment  | 191         | 189          | 187         | 2                | 0.8     | 3                  | 1.8     |
| <b>Service Producing Industries</b>                                     | 3,625       | 3,621        | 3,591       | 4                | 0.1     | 34                 | 0.9     |
| Trade, Transportation & Utilities                                       | 793         | 791          | 790         | 2                | 0.2     | 3                  | 0.4     |
| Wholesale Trade   | 176         | 175          | 173         | 1                | 0.6     | 3                  | 1.4     |
| Retail Trade  | 471         | 471          | 474         | 1                | 0.1     | (2)                | (0.5)   |
| Transportation & Utilities  | 146         | 146          | 143         | (0)              | (0.1)   | 3                  | 1.9     |
| Information   | 55          | 55           | 56          | 0                | 0.2     | (1)                | (1.6)   |
| Financial Activities  | 220         | 220          | 218         | 0                | 0.1     | 2                  | 1.0     |
| Professional & Business Services  | 658         | 658          | 649         | (0)              | (0.0)   | 9                  | 1.4     |
| Education & Health Services   | 679         | 676          | 674         | 3                | 0.5     | 5                  | 0.7     |
| Leisure & Hospitality Services  | 443         | 442          | 434         | 1                | 0.2     | 10                 | 2.2     |
| Other Services  | 175         | 176          | 168         | (1)              | (0.6)   | 7                  | 4.2     |
| Government  | 603         | 604          | 604         | (1)              | (0.1)   | (1)                | (0.2)   |

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

| MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS<br>(Not seasonally adjusted) |                      |          |                |                         |          |                |
|---|----------------------|----------|----------------|-------------------------|----------|----------------|
| Industry  | Average Weekly Hours |          |                | Average Weekly Earnings |          |                |
|   | Aug 2018             | Year Ago | Percent Change | Aug 2018                | Year Ago | Percent Change |
| Construction  | 41.5                 | 43.2     | (3.9%)         | 1,122.16                | 1,054.08 | 6.5%           |
| Manufacturing   | 43.1                 | 43.4     | (0.7)          | 914.15                  | 894.04   | 2.2            |
| Durable Goods   | 43.7                 | 44.5     | (1.7)          | 961.40                  | 953.55   | 0.8            |
| Transportation Equipment Mfg.   | 48.9                 | 48.5     | 0.8            | 1,222.01                | 1,127.63 | 8.4            |
| Motor Vehicle Parts Mfg.  | 47.5                 | 46.8     | 1.5            | 1,026.00                | 1,010.88 | 1.5            |
| Nondurable Goods  | 41.3                 | 39.8     | 3.8            | 770.25                  | 714.81   | 7.8            |
| Wholesale Trade   | 39.6                 | 39.4     | 0.5            | 1,006.24                | 968.85   | 3.9            |
| Retail Trade  | 31.0                 | 30.9     | 0.3            | 447.64                  | 444.03   | 0.8            |
| Information   | 34.4                 | 35.4     | (2.8)          | 934.30                  | 943.41   | (1.0)          |
| Financial Activities  | 36.0                 | 35.4     | 1.7            | 859.32                  | 802.16   | 7.1            |
| Professional & Business Services  | 35.0                 | 34.7     | 0.9            | 842.10                  | 799.14   | 5.4            |
| Health Care & Social Assistance   | 32.5                 | 32.4     | 0.3            | 706.23                  | 651.89   | 8.3            |
| Leisure & Hospitality   | 24.3                 | 24.5     | (0.8)          | 300.11                  | 298.90   | 0.4            |
| Accommodation & Food Services   | 24.3                 | 24.1     | 0.8            | 293.54                  | 280.52   | 4.6            |

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



| MICHIGAN UNEMPLOYMENT RATES<br>BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS<br>(Not Adjusted for Seasonal Variations) |          |           |           |          |
|--|----------|-----------|-----------|----------|
|  | Aug 2018 | July 2018 | June 2018 | Aug 2017 |
| <b>Metropolitan Statistical Areas</b>  |          |           |           |          |
| Ann Arbor  | 3.0      | 4.0       | 3.6       | 4.3      |
| Battle Creek   | 3.8      | 4.8       | 4.5       | 5.5      |
| Bay City   | 4.0      | 5.4       | 5.1       | 6.0      |
| Detroit-Warren-Dearborn  | 4.2      | 5.0       | 4.4       | 5.1      |
| Flint  | 4.3      | 6.2       | 5.1       | 6.1      |
| Grand Rapids-Wyoming   | 2.7      | 3.6       | 3.3       | 4.1      |
| Jackson  | 3.6      | 4.7       | 4.4       | 5.2      |
| Kalamazoo-Portage  | 3.3      | 4.4       | 4.1       | 5.0      |
| Lansing-East Lansing   | 3.1      | 4.5       | 3.9       | 4.9      |
| Midland  | 3.4      | 4.4       | 4.2       | 5.0      |
| Monroe   | 4.5      | 4.9       | 4.4       | 5.7      |
| Muskegon   | 4.1      | 5.4       | 5.1       | 6.1      |
| Niles-Benton Harbor  | 3.8      | 4.8       | 4.7       | 5.3      |
| Saginaw  | 4.2      | 5.8       | 5.0       | 5.9      |
| <b>Multi-County Areas</b>  |          |           |           |          |
| Northeast Lower Michigan   | 4.7      | 6.0       | 5.9       | 6.7      |
| Northwest Lower Michigan   | 3.4      | 4.3       | 4.4       | 5.0      |
| Upper Peninsula  | 4.1      | 5.3       | 5.5       | 6.0      |
| <b>Michigan Statewide Average</b><br>(unadjusted - comparable to figures shown above)  |          |           |           |          |
|  | 3.8      | 4.8       | 4.3       | 5.1      |
| <b>Source:</b> Michigan Department of Technology, Management, and Budget   |          |           |           |          |

| MOTOR VEHICLE SALES AND PRODUCTION STATISTICS<br>(Thousands of Units, Seasonally Adjusted Annual Rates)   |          |           |           |          |                 |                      |                       |
|---|----------|-----------|-----------|----------|-----------------|----------------------|-----------------------|
|   | Aug 2018 | July 2018 | June 2018 | May 2018 | Year Ago<br>Aug | Percent Change From: |                       |
|   |          |           |           |          |                 | Aug/July             | Aug 2018/<br>Aug 2017 |
| <b>Motor Vehicle Sales<sup>1)</sup></b>   |          |           |           |          |                 |                      |                       |
| Autos   | 4,912    | 5,126     | 5,241     | 5,390    | 5,871           | (4.2%)               | (16.3%)               |
| Domestics   | 3,761    | 3,983     | 3,998     | 4,062    | 4,442           | (5.6)                | (15.3)                |
| Imports   | 1,151    | 1,143     | 1,243     | 1,328    | 1,429           | 0.7                  | (19.5)                |
| Import Share  | 23.4%    | 22.3%     | 23.7%     | 24.6%    | 24.3%           | ----                 | ----                  |
| Light Trucks  | 11,708   | 11,591    | 11,984    | 11,805   | 10,581          | 1.0                  | 10.7                  |
| Domestics   | 9,207    | 9,006     | 9,151     | 8,997    | 8,299           | 2.2                  | 10.9                  |
| Imports   | 2,501    | 2,585     | 2,833     | 2,808    | 2,282           | (3.2)                | 9.6                   |
| Import Share  | 21.4%    | 22.3%     | 23.6%     | 23.8%    | 21.6%           | ----                 | ----                  |
| Subtotal: Light Vehicle Sales   | 16,620   | 16,717    | 17,225    | 17,195   | 16,452          | (0.6)                | 1.0                   |
| Heavy Trucks  | 510      | 494       | 485       | 461      | 429             | 3.2                  | 18.9                  |
| Total Vehicle Sales   | 17,130   | 17,211    | 17,710    | 17,656   | 16,881          | (0.5)                | 1.5                   |
| <b>U.S. Motor Vehicle Production<sup>1)</sup></b>   |          |           |           |          |                 |                      |                       |
| Autos   | 2,495    | 2,563     | 2,650     | 2,719    | 2,930           | (2.7)                | (14.9)                |
| <b>Michigan Motor Vehicle Production<sup>2)</sup></b>   |          |           |           |          |                 |                      |                       |
| Autos   | 359      | 306       | 344       | 390      | 588             | 17.3                 | (39.0)                |
| Trucks  | 1,629    | 1,368     | 1,355     | 1,324    | 1,612           | 19.1                 | 1.0                   |
| Total   | 1,988    | 1,674     | 1,699     | 1,714    | 2,201           | 18.8                 | (9.7)                 |
| Michigan Production as % of U.S.  | 16.6%    | 17.2%     | 17.0%     | 17.5%    | 18.5%           | ----                 | ----                  |
| <b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>  |          |           |           |          |                 |                      |                       |
| Total Car   | 1,081    | 1,101     | 1,181     | 1,216    | 1,424           | (1.9)                | (24.1)                |
| Days Supply   | 67       | 64        | 66        | 63       | 73              | 4.7                  | (8.2)                 |
| Total Truck   | 2,728    | 2,650     | 2,803     | 2,746    | 2,464           | 2.9                  | 10.7                  |
| Days Supply   | 70       | 67        | 71        | 66       | 69              | 4.5                  | 1.4                   |
| <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>9)</sup> | Year Ago |
| <b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)                        | Aug              | 96.2          | 97.9            | 96.8       | (1.7%)                        | (0.6%)   |
| <b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)                  | Aug              | \$68.06       | \$70.98         | \$48.04    | (4.1)                         | 41.7     |
| <b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)                            | Aug              | 1,282         | 1,174           | 1,172      | 9.2                           | 9.4      |
| <b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)                         | Aug              | \$447.1       | \$446.8         | \$421.1    | 0.1                           | 6.2      |
| <b>Industrial Production Index</b> <sup>4)</sup><br>(2007=100, seasonally adjusted)             | Aug              | 108.2         | 107.8           | 103.2      | 0.4                           | 4.9      |
| <b>Capacity Utilization</b> <sup>4)</sup><br>(% of total capacity, seasonally adjusted)         | Aug              | 78.1          | 77.9            | 75.7       | 0.2                           | 3.1      |
| <b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)   |                  |               |                 |            |                               |          |
| U.S. (seasonally adjusted)  | Aug              | 251.8         | 251.3           | 245.3      | 2.7                           | 2.7      |
| Detroit (not seasonally adjusted)   | Aug              | 233.2         | 234.7           | 226.8      | (3.7)                         | 2.8      |
| <b>Interest Rates</b>   |                  |               |                 |            |                               |          |
| 3-month Treasury Bill <sup>4)</sup>   | Aug              | 2.07%         | 1.99%           | 1.03%      | --                            | --       |
| 30-year Conventional Mortgage <sup>6)</sup>   | Aug              | 4.55%         | 4.53%           | 3.88%      | --                            | --       |
| <b>Real Gross Domestic Product</b> <sup>7)</sup><br>(billions of 2009 \$, SAAR, Chain-Weighted) | 2018 2nd Quarter | \$18,511.6    | \$18,324.0      | \$17,995.2 | 4.2                           | 2.9      |
| <b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)                        | Aug              | \$2,269.2     | \$2,156.0       | \$1,965.1  | NM                            | 15.5     |

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.

