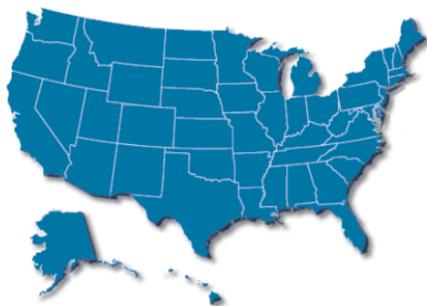


Michigan Economic Indicators

AUGUST 2019



ECONOMIC HIGHLIGHTS



The **Index of Consumer Sentiment** in August 2019 decreased 8.7% from the July reading, the largest monthly decline since December 2012, and was 6.7% below the level of August 2018. The decline in sentiment primarily reflected concerns about the trade situation and increasing tariffs, a factor spontaneously mentioned by one-third of consumers. The survey indicated these concerns have increased consumer uncertainty and diminished spending, while also increasing consumers' forecasts of greater future inflation and unemployment, and reduced income growth.

Housing starts totaled 1.4 million units, at a seasonally adjusted annual rate, in August 2019, up 12.3% from July 2019, and 6.6% above the level in August 2018. Compared to August 2018, housing starts for single family homes increased 3.4% in August 2019, and starts with five or more units rose 13.7%. By region, from August 2018 to August 2019, housing starts increased 25.3% in the Northeast, 12.3% in the Midwest, and 8.1% in the South, but fell 4.8% in the West.



Michigan **personal income** increased by 5.1% from the first quarter of 2019 to the second quarter of 2019, slightly below the 5.4% increase nationwide and ranking 22nd across the 50 states. Other states in the region grew more slowly than Michigan: Ohio grew 4.5% (ranked 35th), followed by Wisconsin at 4.4% (37th), Illinois at 4.2% (38th), and Indiana at 3.9% (42nd). However, compared to the second quarter of 2018, Michigan personal income was up 4.1%, below the national 4.9% increase, and ranked 38th. Michigan's 4.1% growth only exceeded Illinois (3.7%, ranked 47th), while Ohio's 4.5% growth (ranked 31st) led the region.

Seasonally adjusted **building permits** for private housing units decreased 24.4% in August 2019 from the August 2018 level, but on a year-to-date basis were up 6.3% from 2018. In contrast, permits nationally were up 9.3% in August 2019, while year-to-date starts essentially were unchanged. In Michigan, building permits for single-family units in August 2019 were down 17.4% from August 2018, and down 14.7% on a year-to-date basis.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)								
U.S.	Aug 2019	July 2019	Aug 2018	Change from July		Change from Year Ago		
				Number	Percent	Number	Percent	
Labor Force	163,922	163,351	161,802	571	0.3%	2,120	1.3%	
Employment	157,878	157,288	155,604	590	0.4	2,274	1.5	
Unemployment	6,044	6,063	6,198	(19)	(0.3)	(154)	(2.5)	
Unemployment Rate	3.7%	3.7%	3.8%	--	--	--	--	
Michigan	Aug 2019*	July 2019	Aug 2018	Change from July		Change from Year Ago		
				Number	Percent	Number	Percent	
Labor Force	4,963	4,961	4,894	2	0.0%	69	1.4%	
Employment	4,753	4,749	4,703	4	0.1	50	1.1	
Unemployment	211	212	191	(2)	(0.8)	19	10.1	
Unemployment Rate	4.2%	4.3%	3.9%	--	--	--	--	

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

*Preliminary



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Aug 2019*	July 2019	Aug 2018	Change from July		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,447	4,441	4,431	6	0.1%	16	0.4%
Goods Producing Industries	812	814	809	(2)	(0.3)	2	0.3
Mining and Logging	7	7	7	0	0.0	0	0.0
Construction	171	172	171	(1)	(0.5)	0	0.2
Manufacturing	633	635	631	(2)	(0.3)	2	0.3
Transportation Equipment	198	198	193	(1)	(0.5)	4	2.2
Service Producing Industries	3,636	3,627	3,622	9	0.2	14	0.4
Trade, Transportation & Utilities	787	789	794	(2)	(0.3)	(6)	(0.8)
Wholesale Trade	173	173	172	0	0.0	1	0.4
Retail Trade	462	464	472	(1)	(0.3)	(9)	(1.9)
Transportation & Utilities	152	153	150	(1)	(0.5)	2	1.4
Information	57	57	56	(0)	(0.2)	1	2.1
Financial Activities	223	222	219	1	0.5	4	2.0
Professional & Business Services	669	664	662	5	0.7	7	1.1
Education & Health Services	670	669	679	1	0.1	(9)	(1.3)
Leisure & Hospitality Services	442	443	435	(1)	(0.2)	6	1.4
Other Services	171	171	167	(0)	(0.2)	4	2.3
Government	617	612	611	5	0.9	6	1.0

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 2019*	Year Ago	Percent Change	Aug 2019*	Year Ago	Percent Change
Construction	42.4	41.5	2.2%	1,201.19	1,120.92	7.2%
Manufacturing	43.0	43.3	(0.7)	964.49	925.32	4.2
Durable Goods	43.8	44.0	(0.5)	1,019.66	976.36	4.4
Transportation Equipment Mfg.	47.7	49.3	(3.2)	1,271.68	1,238.91	2.6
Motor Vehicle Parts Mfg.	47.2	48.6	(2.9)	1,128.55	1,070.17	5.5
Nondurable Goods	40.2	41.3	(2.7)	779.88	770.66	1.2
Wholesale Trade	38.1	39.4	(3.3)	1,025.37	1,004.31	2.1
Retail Trade	30.4	30.8	(1.3)	458.74	446.60	2.7
Information	36.0	34.4	4.7	946.08	932.93	1.4
Financial Activities	35.6	35.9	(0.8)	926.67	857.65	8.0
Professional & Business Services	34.7	34.9	(0.6)	907.75	843.18	7.7
Health Care & Social Assistance	31.9	32.4	(1.5)	723.17	711.50	1.6
Leisure & Hospitality	24.4	24.3	0.4	311.34	300.35	3.7
Accommodation & Food Services	24.6	24.3	1.2	307.01	293.79	4.5

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)				
	Aug 2019	July 2019	June 2019	Aug 2018
Metropolitan Statistical Areas				
Ann Arbor	3.3%	4.2%	3.5%	3.2%
Battle Creek	4.5	5.2	4.6	4.0
Bay City	4.6	5.5	5.0	4.2
Detroit-Warren-Dearborn	4.5	5.3	4.5	4.5
Flint	4.9	6.1	5.5	4.6
Grand Rapids-Wyoming	3.1	3.9	3.3	2.9
Jackson	3.9	4.9	4.2	3.7
Kalamazoo-Portage	3.8	4.6	3.9	3.5
Lansing-East Lansing	3.6	4.6	3.9	3.3
Midland	3.8	4.5	4.0	3.6
Monroe	3.9	5.7	4.1	4.8
Muskegon	4.3	5.4	4.6	4.2
Niles-Benton Harbor	4.2	5.0	4.6	4.0
Saginaw	4.7	5.7	5.1	4.4
Multi-County Areas				
Northeast Lower Michigan	5.2	6.4	5.7	4.9
Northwest Lower Michigan	3.7	4.4	4.3	3.6
Upper Peninsula	4.9	5.9	5.5	4.4
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.2	5.1	4.4	4.1

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Aug 2019	July 2019	June 2019	May 2019	Year Ago Aug	Percent Change From:	
						Aug/July	Aug 2019/ Aug 2018
Motor Vehicle Sales¹⁾							
Autos	4,576	4,626	4,890	4,814	5,067	(1.1)%	(9.7)%
Domestics	3,391	3,378	3,560	3,583	3,910	0.4	(13.3)
Imports	1,185	1,248	1,330	1,231	1,157	(5.0)	2.4
Import Share	25.9%	27.0%	27.2%	25.6%	22.8%	----	----
Light Trucks	12,392	12,216	12,288	12,572	11,790	1.4	5.1
Domestics	9,745	9,713	9,835	9,978	9,190	0.3	6.0
Imports	2,647	2,503	2,453	2,594	2,600	5.8	1.8
Import Share	21.4%	20.5%	20.0%	20.6%	22.1%	----	----
Subtotal: Light Vehicle Sales	16,968	16,842	17,178	17,386	16,857	0.7	0.7
Heavy Trucks	534	567	527	547	505	(5.8)	5.7
Total Vehicle Sales	17,502	17,409	17,705	17,933	17,362	0.5	0.8
U.S. Motor Vehicle Production¹⁾							
Autos	2,558	2,731	2,492	2,496	2,556	(6.3)	0.1
Michigan Motor Vehicle Production²⁾							
Autos	243	191	236	255	356	27.3	(31.9)
Trucks	1,756	1,732	1,599	1,768	1,521	1.4	15.4
Total	1,999	1,923	1,835	2,022	1,878	3.9	6.5
Michigan Production as % of U.S.	18.9%	17.6%	18.3%	18.2%	16.6%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	903	939	1,008	1,023	1,081	(3.8)	(16.5)
Days Supply	58	64	60	59	67	(9.4)	(13.4)
Total Truck	2,781	2,860	2,997	2,970	2,728	(2.7)	2.0
Days Supply	64	73	72	68	70	(12.3)	(8.6)

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	89.8	98.4	96.2	(8.7%)	(6.7%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Aug	\$54.81	\$57.35	\$68.06	(4.4)	(19.5)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Aug	1,364	1,215	1,279	12.3	6.6
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Aug	\$462.0	\$459.3	\$441.8	0.6	4.6
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Aug	109.9	109.2	109.5	0.6	0.4
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Aug	77.9	77.5	79.3	0.5	(1.8)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Aug	256.3	256.2	251.9	0.7	1.8
Detroit (not seasonally adjusted)	Aug	236.4	234.9	233.2	3.9	1.4
Interest Rates						
3-month Treasury Bill ⁴⁾	Aug	1.99%	2.15%	2.07%	--	--
30-year Conventional Mortgage ⁶⁾	Aug	3.62%	3.77%	4.55%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2019 2nd Quarter	\$19,021.9	\$18,927.3	\$18,598.1	2.0	2.3
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Aug	\$2,267.4	\$2,199.3	\$2,269.2	NM	(0.1)

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.

