

## ECONOMIC HIGHLIGHTS



The **interest rate on 30-year fixed-rate mortgages** averaged 2.94% in August 2020, down from 3.02% in September and 3.62% in August 2019. The August 2020 rate was the first time the average had ever gone below 3.0% since the beginning of the series in 1971. Before August, the lowest average rate on 30-year fixed mortgages was November and December 2012, when the average was 3.35%.

Seasonally adjusted **retail sales** in August 2020 were up 5.4% from the level in August 2019, reflecting a 22.4% increase from nonstore retailers (i.e. online sales) and a 15.4% increase in building material/garden equipment/supplies dealers. The gains in these and most other sectors more than offset decreases in clothing/clothing accessories stores (down 20.4%), department stores (down 16.9%), and gasoline stations (down 15.4%).



Michigan **personal income** increased 54.1% at an annual rate from the first quarter to the second quarter of 2020, above the 34.2% increase nationwide, ranking Michigan first in the Great Lakes region and eighth across the 50 states. Personal income grew so rapidly because Federal aid granted in response to the coronavirus pandemic exceeded declines in other sources of personal income. Other states in the region also showed increases in personal income: Illinois at 48.8% (ranked 11th), followed by Ohio at 37.8% (20th), Wisconsin at 30.4% (33rd), and Indiana at 28.7% (35th).

**Regional unemployment rates** decreased in August 2020 compared to July 2020 for every metropolitan statistical area except Detroit-Dearborn-Warren (which increased 0.1%), reflecting generally improving economic conditions in the State. The unemployment rate in every region still was significantly higher than August 2019, with increases of 2.2 percentage points (Upper Peninsula) to 7.2 percentage points (Muskegon). The region with the highest unemployment rate in August 2020 was Muskegon at 11.4%, and the regions with the lowest rates were Ann Arbor and the Upper Peninsula at 6.9% each.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Aug 2020	July 2020	Aug 2019	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,838	159,870	163,894	968	0.6%	(3,056)	(1.9%)
Employment	147,288	143,532	157,895	3,756	2.6	(10,607)	(6.7)
Unemployment	13,550	16,338	5,999	(2,788)	(17.1)	7,551	125.9
Unemployment Rate	8.4%	10.2%	3.7%	--	--	--	--
Michigan	Aug 2020	July 2020	Aug 2019	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,914	4,817	4,937	97	2.0%	(23)	(0.5%)
Employment	4,489	4,395	4,739	94	2.1	(251)	(5.3)
Unemployment	425	421	198	4	0.9	227	115.0
Unemployment Rate	8.7%	8.7%	4.0%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	August 2020	July 2020	August 2019	Change from July		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	3,995	3,940	4,442	55	1.4%	(448)	(10.1%)
<b>Goods Producing Industries</b>	740	735	809	4	0.6	(70)	(8.6)
Mining and Logging	6	6	7	0	0.0	(1)	(14.9)
Construction	172	171	174	1	0.7	(2)	(1.1)
Manufacturing	562	559	628	3	0.6	(67)	(10.6)
Transportation Equipment	165	168	192	(3)	(2.0)	(27)	(13.9)
<b>Service Producing Industries</b>	3,255	3,204	3,633	51	1.6	(378)	(10.4)
Trade, Transportation & Utilities	756	746	796	10	1.3	(40)	(5.0)
Wholesale Trade	162	161	172	1	0.4	(10)	(5.8)
Retail Trade	438	432	463	6	1.5	(25)	(5.4)
Transportation & Utilities	156	154	162	3	1.8	(5)	(3.2)
Information	50	50	55	1	1.0	(5)	(9.1)
Financial Activities	221	219	225	2	0.7	(4)	(1.8)
Professional & Business Services	593	584	654	8	1.4	(61)	(9.3)
Education & Health Services	625	618	683	8	1.3	(58)	(8.4)
Leisure & Hospitality Services	279	270	434	9	3.4	(155)	(35.7)
Other Services	146	145	167	1	0.6	(20)	(12.3)
Government	585	572	620	13	2.3	(35)	(5.6)

**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 2020	Year Ago	Percent Change	Aug 2020	Year Ago	Percent Change
Construction	41.5	42.1	(1.4%)	\$1,279.03	\$1,189.33	7.5%
Manufacturing	40.6	42.8	(5.1)	904.57	951.87	(5.0)
Durable Goods	40.7	43.6	(6.7)	926.74	1,003.67	(7.7)
Transportation Equipment Mfg.	44.6	47.5	(6.1)	1,244.34	1,268.25	(1.9)
Motor Vehicle Parts Mfg.	41.7	44.3	(5.9)	997.88	1,059.66	(5.8)
Nondurable Goods	40.3	40.1	0.5	842.27	782.75	7.6
Wholesale Trade	37.2	37.5	(0.8)	941.90	965.63	(2.5)
Retail Trade	28.5	29.9	(4.7)	507.02	450.59	12.5
Information	39.8	35.6	11.8	1,027.24	941.26	9.1
Financial Activities	36.1	35.6	1.4	971.09	927.74	4.7
Professional & Business Services	35.8	34.9	2.6	945.48	893.44	5.8
Health Care & Social Assistance	29.8	31.5	(5.4)	671.99	717.89	(6.4)
Leisure & Hospitality	24.3	24.5	(0.8)	318.33	315.07	1.0
Accommodation & Food Services	24.8	24.7	0.4	322.40	310.23	3.9

**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)				
	August 2020	July 2020	June 2020	August 2019
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	6.9%	8.0%	10.7%	3.2%
Battle Creek	9.8	10.9	15.3	4.3
Bay City	8.5	9.6	13.7	4.4
Detroit-Warren-Dearborn	10.2	10.1	18.0	4.8
Flint	10.6	11.8	16.2	4.7
Grand Rapids-Wyoming	7.2	8.4	12.0	3.0
Jackson	8.8	10.1	14.4	3.8
Kalamazoo-Portage	7.7	8.7	11.9	3.7
Lansing-East Lansing	7.6	8.5	11.4	3.5
Midland	7.0	8.0	11.1	3.6
Monroe	8.1	9.3	13.4	3.8
Muskegon	11.4	12.8	17.7	4.2
Niles-Benton Harbor	8.7	9.9	13.8	4.1
Saginaw	9.7	10.6	14.6	4.5
<b>Multi-County Areas</b>				
Northeast Lower Michigan	8.8	10.3	14.8	5.0
Northwest Lower Michigan	7.3	8.7	13.1	3.6
Upper Peninsula	6.9	8.2	12.0	4.7
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	8.9	9.5	15.0	4.2
<b>Source:</b> 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 2020	July 2020	June 2020	May 2020	Year Ago Aug	Percent Change From:	
						Aug/July	Aug 2020/ Aug 2019
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	3,531	3,481	2,887	2,672	4,581	1.4%	(22.9%)
Domestics	2,743	2,658	2,065	1,883	3,402	3.2	(19.4)
Imports	788	823	822	789	1,179	(4.3)	(33.2)
Import Share	22.3%	23.6%	28.5%	29.5%	25.7%	----	----
Light Trucks	11,595	11,097	10,128	9,437	12,485	4.5	(7.1)
Domestics	9,156	8,534	7,454	7,092	9,848	7.3	(7.0)
Imports	2,439	2,563	2,674	2,345	2,637	(4.8)	(7.5)
Import Share	21.0%	23.1%	26.4%	24.8%	21.1%	----	----
Subtotal: Light Vehicle Sales	15,126	14,578	13,015	12,109	17,066	3.8	(11.4)
Heavy Trucks	429	372	338	299	534	15.3	(19.7)
Total Vehicle Sales	15,555	14,950	13,353	12,408	17,600	4.0	(11.6)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	2,339	2,702	1,657	558	2,560	(13.5)	(8.6)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	195	351	158	39	239	(44.3)	(18.3)
Trucks	1,478	2,267	1,610	570	1,697	(34.8)	(12.9)
Total	1,673	2,617	1,767	609	1,936	(36.1)	(13.6)
Michigan Production as % of U.S.	17.4%	20.6%	20.0%	17.8%	18.9%	----	----
<b>Average Expenditure per Car<sup>1)</sup></b>							
Overall	\$ 27,772	\$ 27,985	\$ 27,483	\$ 27,703	\$ 26,350	(0.8)	5.4
Domestic	\$ 25,998	\$ 26,546	\$ 25,817	\$ 25,383	\$ 24,957	(2.1)	4.2
Foreign	\$ 33,923	\$ 32,617	\$ 31,680	\$ 33,228	\$ 30,368	4.0	11.7
<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.							



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	74.1	72.5	89.8	2.2%	(17.5%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Aug	\$42.34	\$40.71	\$54.81	4.0	(22.8)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Aug	1,388	1,487	1,377	(6.7)	0.8
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Aug	\$484.5	\$483.7	\$459.9	0.2	5.4
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Aug	102.2	101.7	109.9	0.4	(7.0)
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Aug	72.0	71.6	77.8	0.5	(7.5)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Aug	259.7	258.7	256.3	4.5	1.3
Detroit (not seasonally adjusted)	Aug	240.6	236.1	236.4	11.9	1.8
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Aug	0.10%	0.13%	1.99%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Aug	2.94%	3.02%	3.62%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2020 2nd Quarter	\$17,302.5	\$19,010.8	\$19,020.6	(31.4)	(9.0)
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Aug	\$2,389.7	\$3,482.8	\$2,267.4	NM	5.4

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.

