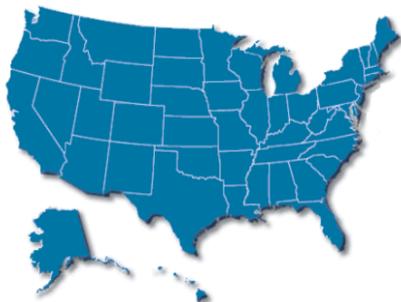


## ECONOMIC HIGHLIGHTS



The **average interest rate on 30-year fixed-rate mortgages** increased to 7.07% in August 2023, up from 6.84% in July and 5.22% in August 2022. The August 2023 rate marked the first month since March 2002 mortgage rates exceeded 7.0% and the highest rate since December 2001. Despite the runup in mortgage rates, the S&P/Case-Shiller US National Home Price Index reported **home prices** reached an all-time high in August 2023.

The **average expenditure per car** decreased 0.1% between July 2023 and August 2023, to \$30,760, and was down 3.7% from August 2022. The monthly decline represented the fourth consecutive monthly decline in average expenditures and the lowest average since June 2021. Compared to August 2022, average expenditure per car was 6.4% lower for domestic vehicles but 4.7% higher for foreign cars.



In Michigan, seasonally unadjusted **building permits** for private housing units were down 6.1% in August 2023 from the August 2022 level and, on a year-to-date basis, were down 13.1% from 2022. However, in August 2023, permits in Michigan were at their highest level since August 2022 (which was the highest level since October 2018) and 27.4% above the average level of starts over the 2014-2019 period.

**Regional unemployment rates** decreased year-over-year in August 2023 in all Michigan metropolitan statistical areas (MSAs) other than the Ann Arbor MSA, where the unemployment rate remained unchanged, and the Detroit-Warren-Dearborn MSA, where the unemployment rate rose by 0.4 percentage points. The largest year-over-year decrease was in the Lansing-East Lansing MSA, where the unemployment rate declined by 0.8 percentage points. Although the monthly regional unemployment rates are not adjusted for seasonality, all MSAs other than the Detroit-Warren-Dearborn MSA, where the unemployment rate increased 0.2 percentage points, exhibited month-to-month declines in their unemployment rates.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Aug 2023	July 2023	Aug 2022	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	167,839	167,103	164,714	736	0.4%	3,125	1.9%
Employment	161,484	161,262	158,694	222	0.1	2,790	1.8
Unemployment	6,355	5,841	6,020	514	8.8	335	5.6
Unemployment Rate	3.8%	3.5%	3.7%	--	--	--	--
Michigan	Aug 2023	July 2023	Aug 2022	Change from July		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,967	4,941	4,840	26	0.5%	126	2.6%
Employment	4,784	4,764	4,634	20	0.4	149	3.2
Unemployment	183	177	206	6	3.6	(23)	(11.0)
Unemployment Rate	3.7%	3.6%	4.3%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Aug 2023	July 2023	Aug 2022	Change from July		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,443	4,434	4,385	9	0.2%	58	1.3%
<b>Goods Producing Industries</b>	807	808	799	(0)	(0.0)	8	1.0
Mining and Logging	8	8	7	0	1.3	0	4.1
Construction	192	192	184	1	0.3	8	4.5
Manufacturing	607	608	608	(1)	(0.2)	(0)	(0.0)
Transportation Equipment	186	187	188	(1)	(0.5)	(2)	(0.8)
<b>Service Producing Industries</b>	3,636	3,627	3,586	9	0.3	50	1.4
Trade, Transportation & Utilities	813	812	807	1	0.1	6	0.7
Wholesale Trade	181	181	173	(0)	(0.2)	8	4.7
Retail Trade	456	455	456	1	0.2	0	0.1
Transportation & Utilities	175	175	178	0	0.1	(3)	(1.7)
Information	57	56	57	0	0.4	(0)	(0.4)
Financial Activities	229	230	232	(1)	(0.4)	(3)	(1.4)
Professional & Business Services	662	661	658	1	0.2	3	0.5
Education & Health Services	683	681	663	2	0.3	19	2.9
Leisure & Hospitality Services	417	416	406	1	0.2	11	2.7
Other Services	162	159	165	2	1.4	(4)	(2.2)
Government	615	613	597	3	0.4	18	3.0

**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 2023	Year Ago	Percent Change	Aug 2023	Year Ago	Percent Change
Construction	40.9	39.8	2.8%	\$1,418.82	\$1,275.19	11.3%
Manufacturing	40.7	42.3	(3.8)	1,057.39	1,062.58	(0.5)
Durable Goods	41.4	42.8	(3.3)	1,112.00	1,114.08	(0.2)
Transportation Equipment Mfg.	39.3	44.3	(11.3)	1,153.06	1,308.18	(11.9)
Motor Vehicle Parts Mfg.	41.6	43.4	(4.1)	1,147.74	1,212.60	(5.3)
Nondurable Goods	38.6	40.9	(5.6)	893.98	916.16	(2.4)
Wholesale Trade	38.4	39.0	(1.5)	1,212.67	1,208.22	0.4
Retail Trade	29.2	29.3	(0.3)	548.08	527.11	4.0
Information	36.7	36.8	(0.3)	1,423.96	1,194.53	19.2
Financial Activities	36.5	36.8	(0.8)	1,052.30	1,023.04	2.9
Professional & Business Services	35.8	35.2	1.7	1,051.45	1,063.74	(1.2)
Health Care & Social Assistance	32.1	31.4	2.2	825.29	794.42	3.9
Leisure & Hospitality	23.0	23.2	(0.9)	400.43	385.35	3.9
Accommodation & Food Services	23.3	23.6	(1.3)	407.52	392.70	3.8

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



<b>MICHIGAN UNEMPLOYMENT RATES</b>				
<b>BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS</b>				
<b>(Not Adjusted for Seasonal Variations)</b>				
	<b>Aug 2023</b>	<b>July 2023</b>	<b>June 2023</b>	<b>Aug 2022</b>
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.9%	4.0%	3.9%	3.9%
Battle Creek	4.8	5.1	4.9	5.2
Bay City	5.0	5.2	5.1	5.2
Detroit-Warren-Dearborn	4.1	3.9	3.7	3.7
Flint	5.3	5.5	5.4	5.8
Grand Rapids-Wyoming	3.6	3.8	3.7	3.7
Jackson	4.4	4.6	4.4	4.7
Kalamazoo-Portage	4.3	4.5	4.4	4.5
Lansing-East Lansing	4.1	4.4	4.2	4.9
Midland	4.1	4.2	4.3	4.5
Monroe	4.4	4.6	4.5	4.9
Muskegon	4.8	5.2	5.0	5.4
Niles-Benton Harbor	4.5	4.7	4.6	4.7
Saginaw	5.3	5.6	5.5	5.8
<b>Multi-County Areas</b>				
Northeast Lower Michigan	5.4	5.8	5.7	5.9
Northwest Lower Michigan	4.0	4.2	4.3	4.3
Upper Peninsula	4.8	5.2	5.3	5.1
<b>Michigan Statewide Average</b>				
(unadjusted - comparable to figures shown above)	4.2	4.3	4.1	4.3
<b>Source:</b> Michigan Department of Technology, Management, and Budget				

<b>MOTOR VEHICLE SALES AND PRODUCTION STATISTICS</b>							
<b>(Sales and Production in Thousands of Units, Seasonally Adjusted at Annual Rates)</b>							
	<b>Aug 2023</b>	<b>July 2023</b>	<b>June 2023</b>	<b>May 2023</b>	<b>Year Ago Aug</b>	<b>Percent Change From:</b>	
						<b>Aug/July</b>	<b>Aug 2023/ Aug 2022</b>
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	3,120	3,205	3,128	3,164	2,850	(2.7%)	9.5%
Domestics	2,289	2,368	2,328	2,333	2,006	(3.3)	14.1
Imports	831	837	800	831	844	(0.7)	(1.5)
Import Share	26.6%	26.1%	25.6%	26.3%	29.6%	----	----
Light Trucks	12,224	12,732	12,926	12,351	10,646	(4.0)	14.8
Domestics	9,696	10,064	10,317	9,994	8,623	(3.7)	12.4
Imports	2,528	2,668	2,609	2,357	2,023	(5.2)	25.0
Import Share	20.7%	21.0%	20.2%	19.1%	19.0%	----	----
Subtotal: Light Vehicle Sales	15,344	15,937	16,054	15,515	13,496	(3.7)	13.7
Heavy Trucks	544	504	548	565	513	7.9	6.0
Total Vehicle Sales	15,888	16,441	16,602	16,080	14,009	(3.4)	13.4
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	1,898	1,788	1,794	1,853	1,848	6.2	2.7
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	200	232	178	173	184	(13.8)	8.3
Trucks	1,784	2,005	2,050	2,048	2,046	(11.0)	(12.8)
Total	1,984	2,237	2,227	2,221	2,231	(11.3)	(11.1)
Michigan Production as % of U.S.	18.5%	20.4%	19.9%	19.1%	20.8%	----	----
<b>Average Expenditure per Car<sup>1)</sup></b>							
Overall	\$ 30,760	\$ 30,794	\$ 31,790	\$ 31,965	\$ 31,937	(0.1)	(3.7)
Domestic	\$ 27,578	\$ 27,432	\$ 28,552	\$ 28,444	\$ 29,455	0.5	(6.4)
Foreign	\$ 39,628	\$ 40,397	\$ 41,216	\$ 41,849	\$ 37,834	(1.9)	4.7
<b>Inventory-to-Sales Ratio</b>	0.952	0.757	0.801	0.721	0.601	25.8	58.4
<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.							



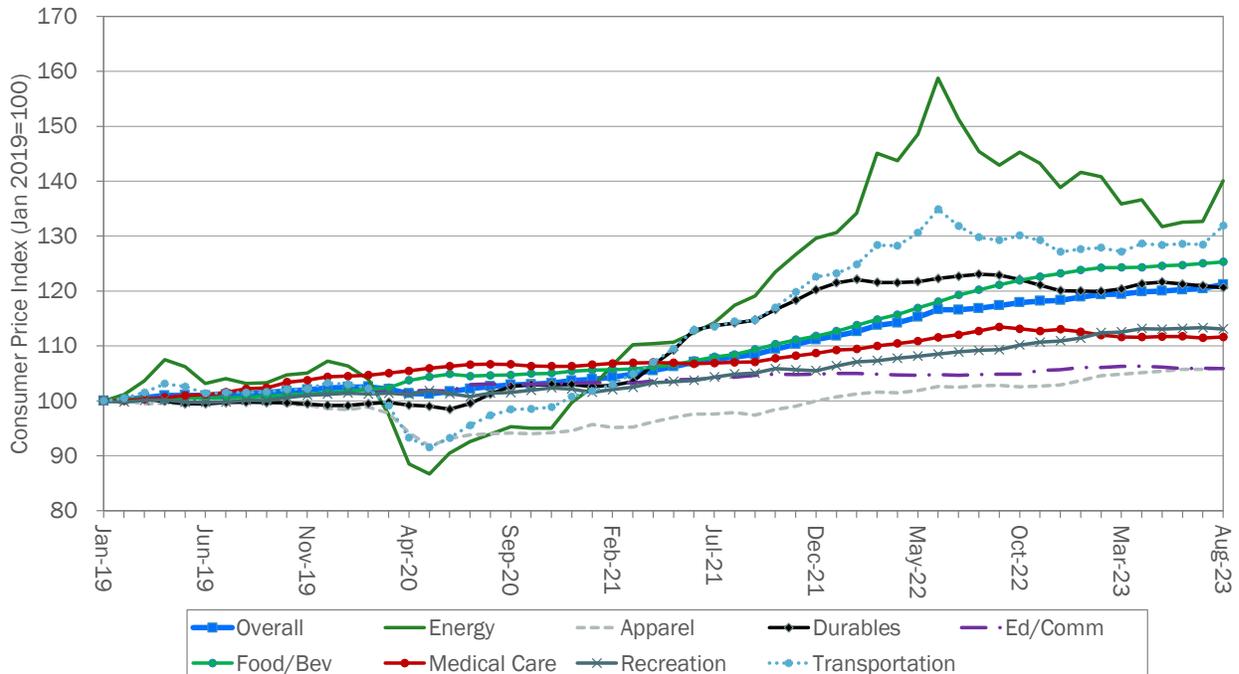
OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period <sup>9)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Aug	69.5	71.6	58.2	(2.9%)	19.4%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Aug	\$81.39	\$76.07	\$93.67	7.0	(13.1)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Aug	1,269	1,451	1,505	(12.5)	(15.7)
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Aug	\$608.9	\$603.8	\$596.6	0.8	2.1
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Aug	103.3	103.3	103.2	0.0	0.1
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Aug	79.5	79.6	80.7	(0.1)	(1.5)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Aug	306.3	304.3	295.3	7.8	3.7
Detroit (not seasonally adjusted)	Aug	287.5	285.6	271.6	3.9	5.9
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Aug	5.56%	5.49%	2.72%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Aug	7.07%	6.84%	5.22%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2017 \$, SAAR, Chain-Weighted)	2023 2nd Quarter	\$22,225.4	\$22,112.3	\$21,708.2	2.1	2.4
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Aug	\$2,674.7	\$2,854.3	\$2,796.2	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. 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.

## Inflation Components Since 2019

Education/Communication, Medical Care and Apparel Rising Less Than Prices Overall



Source: U.S. Department of Labor.