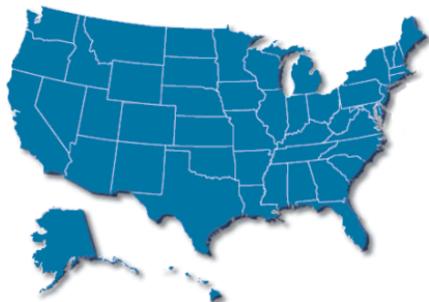


Michigan Economic Indicators

DECEMBER 2016



ECONOMIC HIGHLIGHTS



U.S. motor vehicle sales set a record in 2016 with the sale of 17.5 million cars and light trucks during the year, an increase over the previous record of 17.4 million units sold in 2015. In December 2016, light vehicle sales were the highest of any month during the year, reaching 18.3 million units at a seasonally adjusted annual rate. Sales of light trucks increased by 11.6% and car sales decreased 3.7% from December 2015 to December 2016.

In December 2016, the **inflation-adjusted trade-weighted value of the dollar** against major currencies increased to the highest level since June 2002 after four consecutive monthly increases. A strong dollar helps limit domestic inflation, but hurts the prices of U.S. exports and makes imports less expensive. During 2016, exports decreased by 2.3% and imports decreased by 1.8%, resulting in a 0.4% increase in the trade deficit compared to 2015.



Wage and salary employment in Michigan totaled 4,364,000 positions in December 2016, an increase of 75,000 or 1.7% from December 2015. The highest employment growth from December 2015 to December 2016 was an increase of 4.3% in professional and business services, followed by financial activities (3.8%), leisure and hospitality services (3.8%), information (3.0%), and construction (2.6%). Two sectors of the economy registered declines in employment: Mining and logging employment decreased by 6.8% and wholesale trade was down 2.4%.

Michigan **motor vehicle production** increased 3.9% from December 2015 to December 2016 to nearly 2.4 million units at a seasonally adjusted annual rate. During that period, auto production decreased 6.5% and light truck production increased 10.2%. Michigan's share of total U.S. motor vehicle production declined from 19.1% in December 2015 to 18.4% in December 2016.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Dec 2016	Nov 2016	Dec 2015	Change from November		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,640	159,456	157,957	184	0.1%	1,683	1.1%
Employment	152,111	152,048	150,030	63	0.0	2,081	1.4
Unemployment	7,529	7,408	7,927	121	1.6	(398)	(5.0)
Unemployment Rate	4.7%	4.6%	5.0%	--	--	--	--
Michigan	Dec 2016	Nov 2016	Dec 2015	Change from November		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,887	4,873	4,771	14	0.3%	117	2.4%
Employment	4,642	4,633	4,527	9	0.2	115	2.5
Unemployment	245	240	243	5	2.1	2	0.7
Unemployment Rate	5.0%	4.9%	5.1%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Dec 2016*	Nov 2016	Dec 2015	Change from Nov		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,364	4,366	4,289	(2)	(0.1%)	75	1.7%
Goods Producing Industries	759	763	753	(4)	(0.5)	6	0.8
Mining and Logging	7	7	7	(0)	(2.8)	(1)	(6.8)
Construction	156	159	152	(3)	(1.8)	4	2.6
Manufacturing	596	597	594	(1)	(0.2)	3	0.4
Transportation Equipment	178	179	174	(1)	(0.5)	4	2.2
Service Producing Industries	3,604	3,603	3,535	2	0.0	69	2.0
Trade, Transportation & Utilities	771	772	774	(2)	(0.2)	(3)	(0.4)
Wholesale Trade	169	169	173	(0)	(0.1)	(4)	(2.4)
Retail Trade	466	469	466	(3)	(0.7)	0	0.0
Transportation & Utilities	136	135	135	2	1.2	1	0.7
Information	58	58	57	0	0.3	2	3.0
Financial Activities	219	218	211	1	0.4	8	3.8
Professional & Business Services	673	674	646	(1)	(0.1)	28	4.3
Education & Health Services	669	668	659	1	0.2	10	1.6
Leisure & Hospitality Services	437	435	421	2	0.4	16	3.8
Other Services	174	171	170	3	1.5	4	2.2
Government	603	606	599	(2)	(0.4)	5	0.8

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		
	Dec 2016	Year Ago	Percent Change	Dec 2016	Year Ago	Percent Change
Construction	38.9	41.0	(5.1%)	1,001.68	1,027.05	(2.5%)
Manufacturing	43.0	44.5	(3.4)	886.66	925.16	(4.2)
Durable Goods	43.5	45.5	(4.4)	930.47	997.82	(6.7)
Transportation Equipment Mfg.	44.4	48.0	(7.5)	991.90	1,233.60	(19.6)
Motor Vehicle Parts Mfg.	47.0	48.2	(2.5)	988.41	1,091.25	(9.4)
Nondurable Goods	41.4	41.5	(0.2)	750.58	700.94	7.1
Wholesale Trade	39.5	39.2	0.8	898.63	898.07	0.1
Retail Trade	30.9	30.1	2.7	421.48	414.18	1.8
Information	34.1	35.9	(5.0)	838.18	889.96	(5.8)
Financial Activities	36.3	36.2	0.3	846.15	830.07	1.9
Professional & Business Services	34.6	35.6	(2.8)	801.34	823.78	(2.7)
Health Care & Social Assistance	31.7	31.4	1.0	633.68	635.54	(0.3)
Leisure & Hospitality	21.4	22.6	(5.3)	246.53	248.60	(0.8)
Accommodation & Food Services	21.1	22.6	(6.6)	231.05	238.66	(3.2)

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)				
	Dec 2016	Nov 2016	Oct 2016	Dec 2015
Metropolitan Statistical Areas				
Ann Arbor	2.6%	3.0%	3.5%	2.5%
Battle Creek	4.2	4.1	4.2	3.9
Bay City	4.9	4.4	4.4	4.4
Detroit-Warren-Dearborn	4.8	5.1	5.4	5.4
Flint	5.0	4.7	4.9	4.6
Grand Rapids-Wyoming	3.0	3.1	3.2	2.8
Jackson	4.3	4.3	4.4	4.0
Kalamazoo-Portage	3.9	3.8	3.8	3.5
Lansing-East Lansing	3.3	3.4	3.6	3.2
Midland	4.1	4.1	4.0	3.8
Monroe	3.4	3.7	4.6	3.3
Muskegon	4.6	4.6	4.7	4.3
Niles-Benton Harbor	4.6	4.4	4.3	4.0
Saginaw	4.5	4.4	4.4	4.2
Multi-County Areas				
Northeast Lower Michigan	8.3	6.8	5.6	7.1
Northwest Lower Michigan	5.5	4.7	4.2	5.0
Upper Peninsula	6.5	5.7	5.1	5.8
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	4.4	4.5	4.6	4.5

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Dec 2016	Nov 2016	Oct 2016	Sep 2016	Year Ago Dec	Percent Change From:	
						Dec/Nov	Dec 2016/ Dec 2015
Motor Vehicle Sales¹⁾							
Autos	6,984	6,867	6,813	7,001	7,250	1.7%	(3.7%)
Domestics	5,288	5,212	5,137	5,329	5,474	1.5	(3.4)
Imports	1,696	1,655	1,676	1,672	1,776	2.5	(4.5)
Import Share	24.3%	24.1%	24.6%	23.9%	24.5%	----	----
Light Trucks	11,335	10,852	11,131	10,676	10,161	4.5	11.6
Domestics	8,934	8,639	8,992	8,595	8,109	3.4	10.2
Imports	2,401	2,213	2,139	2,081	2,052	8.5	17.0
Import Share	21.2%	20.4%	19.2%	19.5%	20.2%	----	----
Subtotal: Light Vehicle Sales	18,319	17,719	17,944	17,677	17,411	3.4	5.2
Heavy Trucks	377	383	352	382	419	(1.6)	(10.0)
Total Vehicle Sales	18,696	18,102	18,296	18,059	17,830	3.3	4.9
U.S. Motor Vehicle Production¹⁾							
Autos	3,649	3,877	3,762	3,912	3,899	(5.9)	(6.4)
Michigan Motor Vehicle Production²⁾							
Autos	807	970	751	853	863	(16.9)	(6.5)
Trucks	1,566	1,371	1,486	1,547	1,422	14.3	10.2
Total	2,373	2,341	2,237	2,400	2,285	1.4	3.9
Michigan Production as % of U.S.	18.4%	18.8%	18.3%	19.1%	19.1%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,570	1,594	1,481	1,413	1,563	(1.5)	0.5
Days Supply	70	78	76	63	69	(10.3)	1.4
Total Truck	2,339	2,426	2,366	2,277	2,021	(3.6)	15.7
Days Supply	58	70	71	65	56	(17.1)	3.6

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)	Dec	98.2	93.8	92.6	4.7%	6.0%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Dec	\$51.97	\$45.66	\$37.19	13.8	39.7
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Dec	1,226	1,102	1,160	11.3	5.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Dec	\$413.6	\$410.3	\$396.5	0.8	4.3
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Dec	104.6	103.7	104.0	0.8	0.5
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Dec	75.5	74.9	75.4	0.8	0.1
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Dec	242.8	242.2	237.8	3.1	2.1
Detroit (not seasonally adjusted)	Dec	223.0	224.3	217.8	(3.4)	2.4
Interest Rates						
3-month Treasury Bill ⁴⁾	Dec	0.51%	45.25%	0.23%	--	--
30-year Conventional Mortgage ⁶⁾	Dec	4.20%	3.77%	3.96%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2016 4th Quarter	\$16,804.8	\$16,727.0	\$16,490.7	1.9	1.9
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Dec	\$2,073.2	\$1,900.4	\$1,829.3	NM	13.3

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.

