

ECONOMIC HIGHLIGHTS



Gross domestic product (GDP), adjusted for inflation, increased at a 4.3% annual rate in the fourth quarter of 2020 after rising 33.4% in the third quarter. The increase in real GDP reflected increases in exports, nonresidential fixed investment, personal consumption expenditures, residential fixed investment, and private inventory investment, that were partly offset by decreases in government spending and an increase in imports.

The **interest rate on 30-year fixed-rate mortgages** averaged 2.7% in December 2020, down from 2.8% in November and 3.7% in December 2019. The December 2020 rate was the lowest the average had ever been since the beginning of the series in 1971. The annual average rate for 2020 was 3.1%, also the lowest annual average since the beginning of the series.



Regional unemployment rates increased in December 2020 compared to November 2020 for every metropolitan statistical area, with increases of 0.2 percentage points (Ann Arbor) to 1.7 percentage points (Northeast Lower Michigan). The unemployment rate in every region except the Upper Peninsula (which fell 0.3 percentage points) was higher than December 2019. The highest year-over-year increase was Detroit-Dearborn-Warren, which saw its unemployment rate increase 6.3 percentage points since December 2019. The region with the highest unemployment rate in December 2020 was Detroit-Dearborn-Warren at 10.1%, and the region with the lowest rate was Ann Arbor at 3.6%.

The **Detroit Consumer Price Index** in December 2020 was 0.7% above the level in December 2019. The index for all items except food and energy increased 1.3% year over year; however, food prices increased only 0.2% and energy prices declined 6.0%, largely from the decrease in the price of gasoline.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Dec 2020	Nov 2020	Dec 2019	Change from Nov		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,567	160,536	164,579	31	0.0%	(4,012)	(2.4%)
Employment	149,830	149,809	158,735	21	0.0	(8,905)	(5.6)
Unemployment	10,737	10,727	5,844	10	0.1	4,893	83.7
Unemployment Rate	6.7%	6.7%	3.6%	--	--	--	--
Michigan	Dec 2020	Nov 2020	Dec 2019	Change from Nov		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,855	4,856	4,944	(0)	(0.0%)	(88)	(1.8%)
Employment	4,455	4,459	4,760	(4)	(0.1)	(305)	(6.4)
Unemployment	400	397	184	4	0.9	217	117.8
Unemployment Rate	8.2%	8.2%	3.7%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Dec 2020	Nov 2020	Dec 2019	Change from Nov		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,028	4,096	4,456	(68)	(1.7%)	(429)	(9.6%)
Goods Producing Industries	754	753	806	1	0.1	(52)	(6.5)
Mining and Logging	7	7	7	0	3.0	(0)	(2.8)
Construction	175	175	177	0	0.2	(2)	(0.9)
Manufacturing	572	572	623	0	0.1	(50)	(8.1)
Transportation Equipment	179	177	189	2	1.3	(10)	(5.5)
Service Producing Industries	3,274	3,342	3,650	(69)	(2.1)	(376)	(10.3)
Trade, Transportation & Utilities	770	766	798	4	0.6	(28)	(3.6)
Wholesale Trade	161	162	172	(0)	(0.2)	(11)	(6.2)
Retail Trade	443	439	462	4	0.9	(20)	(4.3)
Transportation & Utilities	166	165	164	1	0.4	2	1.2
Information	49	49	56	(0)	(0.8)	(7)	(12.3)
Financial Activities	225	225	229	0	0.0	(4)	(1.8)
Professional & Business Services	609	609	656	0	0.1	(47)	(7.1)
Education & Health Services	638	641	691	(3)	(0.4)	(53)	(7.6)
Leisure & Hospitality Services	277	339	436	(63)	(18.5)	(159)	(36.5)
Other Services	144	146	167	(2)	(1.2)	(23)	(13.9)
Government	562	568	618	(6)	(1.0)	(56)	(9.0)

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		
	Dec 2020	Year Ago	Percent Change	Dec 2020	Year Ago	Percent Change
Construction	40.3	39.7	1.5%	\$1,231.97	\$1,121.13	9.9%
Manufacturing	41.2	43.8	(5.9)	955.02	985.94	(3.1)
Durable Goods	41.0	44.6	(8.1)	970.47	1,034.27	(6.2)
Transportation Equipment Mfg.	45.9	47.6	(3.6)	1,310.90	1,302.81	0.6
Motor Vehicle Parts Mfg.	42.1	44.6	(5.6)	1,100.07	1,071.74	2.6
Nondurable Goods	41.4	41.3	0.2	899.62	833.43	7.9
Wholesale Trade	38.3	36.7	4.4	970.14	990.53	(2.1)
Retail Trade	28.9	29.5	(2.0)	458.93	469.64	(2.3)
Information	39.1	36.8	6.3	1,071.73	992.13	8.0
Financial Activities	36.4	36.6	(0.5)	933.66	979.05	(4.6)
Professional & Business Services	35.4	35.1	0.9	946.24	925.94	2.2
Health Care & Social Assistance	30.9	30.1	2.7	712.25	684.78	4.0
Leisure & Hospitality	21.6	23.0	(6.1)	292.90	309.58	(5.4)
Accommodation & Food Services	21.9	23.2	(5.6)	290.18	301.83	(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)				
	Dec 2020	Nov 2020	Oct 2020	Dec 2019
Metropolitan Statistical Areas				
Ann Arbor	3.6%	3.4%	4.0%	2.1%
Battle Creek	5.8	5.3	5.9	3.4
Bay City	5.7	4.8	5.2	4.2
Detroit-Warren-Dearborn	10.1	8.8	7.0	3.8
Flint	6.2	5.6	6.4	4.0
Grand Rapids-Wyoming	4.2	3.7	4.2	2.4
Jackson	5.2	4.6	5.2	3.2
Kalamazoo-Portage	4.7	4.1	4.5	3.0
Lansing-East Lansing	4.4	3.9	4.5	2.7
Midland	4.5	3.8	4.2	3.3
Monroe	4.7	4.2	5.3	3.0
Muskegon	6.7	6.4	7.1	3.8
Niles-Benton Harbor	5.4	4.7	5.2	3.6
Saginaw	6.0	5.4	5.9	4.1
Multi-County Areas				
Northeast Lower Michigan	7.2	5.5	5.3	6.8
Northwest Lower Michigan	5.8	4.2	4.2	4.3
Upper Peninsula	5.3	4.3	4.2	5.6
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	7.3	6.3	5.7	3.6

Source: 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)							
	Dec 2020	Nov 2020	Oct 2020	Sep 2020	Year Ago Dec	Percent Change From:	
						Dec/Nov	Dec 2020/ Dec 2019
Motor Vehicle Sales¹⁾							
Autos	3,633	3,778	3,859	3,744	4,477	(3.8%)	(18.9%)
Domestics	2,716	2,917	2,963	2,856	3,416	(6.9)	(20.5)
Imports	917	861	896	888	1,061	6.5	(13.6)
Import Share	25.2%	22.8%	23.2%	23.7%	23.7%	----	----
Light Trucks	12,596	11,937	12,513	12,557	12,346	5.5	2.0
Domestics	9,876	9,224	9,866	9,904	9,697	7.1	1.8
Imports	2,720	2,713	2,647	2,653	2,649	0.3	2.7
Import Share	21.6%	22.7%	21.2%	21.1%	21.5%	----	----
Subtotal: Light Vehicle Sales	16,229	15,715	16,372	16,301	16,823	3.3	(3.5)
Heavy Trucks	458	477	466	432	475	(4.0)	(3.6)
Total Vehicle Sales	16,687	16,192	16,838	16,733	17,298	3.1	(3.5)
U.S. Motor Vehicle Production¹⁾							
Autos	2,116	2,282	2,252	2,382	2,488	(7.3)	(15.0)
Michigan Motor Vehicle Production²⁾							
Autos	136	148	204	263	272	(8.0)	(50.0)
Trucks	1,731	1,516	1,510	1,489	1,834	14.2	(5.6)
Total	1,867	1,664	1,714	1,752	2,106	12.2	(11.3)
Michigan Production as % of U.S.	17.3%	16.6%	16.0%	15.9%	19.1%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 27,669	\$ 27,410	\$ 27,741	\$ 27,513	\$ 26,588	0.9	4.1
Domestic	\$ 26,063	\$ 25,823	\$ 26,271	\$ 25,940	\$ 25,131	0.9	3.7
Foreign	\$ 32,426	\$ 32,792	\$ 32,601	\$ 32,693	\$ 31,300	(1.1)	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.



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	80.7	76.9	99.3	4.9%	(18.7%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Dec	\$47.02	\$40.94	\$59.88	14.9	(21.5)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Dec	1,670	1,553	1,587	7.5	5.2
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Dec	\$484.8	\$488.7	\$458.1	(0.8)	5.8
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Dec	105.9	104.8	109.7	1.0	(3.4)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Dec	74.7	73.9	77.2	1.0	(3.2)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Dec	261.6	260.9	258.2	3.0	1.3
Detroit (not seasonally adjusted)	Dec	239.1	239.9	237.5	(2.1)	0.7
Interest Rates						
3-month Treasury Bill ⁴⁾	Dec	0.09%	0.09%	1.57%	--	--
30-year Conventional Mortgage ⁶⁾	Dec	2.68%	2.77%	3.72%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2020 4th Quarter	\$18,794.4	\$18,596.5	\$19,254.0	4.3	(2.4)
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Dec	\$2,297.6	\$2,343.3	\$2,338.1	NM	(1.7)

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.

