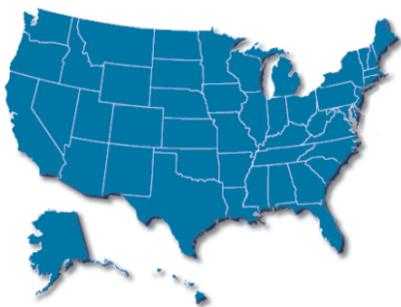


ECONOMIC HIGHLIGHTS



Seasonally adjusted **housing starts** decreased 5.0% from November 2022 to December 2022 and were down 23.8% compared to December 2021. The 1.3 million starts in December 2022 were down from 1.8 million starts in April 2022, which was the highest level since before the Great Recession, and the lowest level since June 2020. On a regional basis, compared to December 2021, starts were up 41.1% in the Northeast, but down 20.5% in the West, 21.1% in the South, and 62.1% in the Midwest.

The Federal Reserve Open Market Committee increased the **Federal Funds Rate** by 50 basis points in December, with the upper target set at 4.50%. The December increase represented the seventh increase in the rate since March 2022 (the upper target rate was 0.25% in February), and the rate's highest level since December 2007. While other short-term rates, like the rate on 90-day Treasury bills, also increased, long-term rates, such as the rate on 30-year conventional mortgages, declined between November and December.



In December 2022, **average weekly earnings** fell compared to December 2021 for most sectors, with only the health care/social assistance, retail trade, professional/business services, and durable goods manufacturing sectors exhibiting increases. The increase in hours for durable goods manufacturing came despite a 4.0% decline in hours in the transportation equipment manufacturing sector. Despite the declines in hours, **average weekly earnings** rose in most sectors. The only sectors to show declines in both hours and earnings were the construction, transportation equipment manufacturing, and professional/business services sectors.

Based on home sales reported by Michigan Realtors®, the **Michigan average home selling price** in 2022 was \$265,215, up 9.0% from 2021, although the number of home sales decreased 14.9%. Compared to 2019, the year before the COVID-19 pandemic, Michigan home sales in 2022 were up 7.3% while the average sales price was 38.0% higher. The number of Michigan homes sold in 2022 represented an all-time record and was 2.2% above the 2004 high set during the housing boom.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Dec 2022	Nov 2022	Dec 2021	Change from Nov		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	164,966	164,527	162,410	439	0.3%	2,556	1.6%
Employment	159,244	158,527	156,081	717	0.5	3,163	2.0
Unemployment	5,722	6,000	6,329	(278)	(4.6)	(607)	(9.6)
Unemployment Rate	3.5%	3.6%	3.9%	--	--	--	--
Michigan	Dec 2022	Nov 2022	Dec 2021	Change from Nov		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,833	4,833	4,802	0	0.0%	31	0.6%
Employment	4,624	4,622	4,582	2	0.0	42	0.9
Unemployment	209	210	220	(1)	(0.6)	(11)	(5.2)
Unemployment Rate	4.3%	4.4%	4.6%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Dec 2022	Nov 2022	Dec 2021	Change from Nov		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,390	4,389	4,303	0	0.0%	87	2.0%
Goods Producing Industries	800	798	786	2	0.2	14	1.7
Mining and Logging	7	7	7	0	0.0	1	8.8
Construction	188	186	181	2	0.9	7	3.6
Manufacturing	605	605	598	0	0.0	7	1.1
Transportation Equipment	185	185	186	0	0.0	(2)	(0.9)
Service Producing Industries	3,590	3,592	3,517	(1)	(0.0)	73	2.1
Trade, Transportation & Utilities	804	807	796	(3)	(0.3)	8	0.9
Wholesale Trade	176	174	168	2	0.9	8	4.6
Retail Trade	453	455	453	(2)	(0.4)	1	0.1
Transportation & Utilities	175	178	176	(3)	(1.5)	(1)	(0.5)
Information	58	57	55	1	2.1	4	6.8
Financial Activities	228	230	234	(2)	(0.9)	(6)	(2.7)
Professional & Business Services	659	657	653	2	0.3	6	0.9
Education & Health Services	672	668	654	3	0.5	18	2.7
Leisure & Hospitality Services	410	413	389	(3)	(0.8)	21	5.4
Other Services	161	161	159	(0)	(0.2)	2	0.9
Government	599	598	577	1	0.1	22	3.8

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 2022	Year Ago	Percent Change	Dec 2022	Year Ago	Percent Change
Construction	38.4	39.3	(2.3%)	\$1,240.70	\$1,246.99	(0.5%)
Manufacturing	42.0	42.1	(0.2)	1,096.62	1,013.77	8.2
Durable Goods	42.6	42.5	0.2	1,159.15	1,049.33	10.5
Transportation Equipment Mfg.	45.9	47.8	(4.0)	1,380.21	1,435.43	(3.8)
Motor Vehicle Parts Mfg.	41.8	44.4	(5.9)	1,201.33	1,236.54	(2.8)
Nondurable Goods	40.3	41.1	(1.9)	913.20	914.89	(0.2)
Wholesale Trade	38.4	39.8	(3.5)	1,169.28	1,055.89	10.7
Retail Trade	29.7	29.4	1.0	541.13	513.32	5.4
Information	36.3	36.5	(0.5)	1,249.45	999.01	25.1
Financial Activities	36.8	37.3	(1.3)	1,026.72	996.28	3.1
Professional & Business Services	34.5	34.4	0.3	1,022.58	1,038.19	(1.5)
Health Care & Social Assistance	32.0	31.4	1.9	826.24	787.20	5.0
Leisure & Hospitality	22.1	23.0	(3.9)	375.26	357.88	4.9
Accommodation & Food Services	22.2	23.4	(5.1)	375.85	358.49	4.8

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 2022	Nov 2022	Oct 2022	Dec 2021
Metropolitan Statistical Areas				
Ann Arbor	3.0%	3.1%	3.3%	2.9%
Battle Creek	4.5	4.3	4.5	4.8
Bay City	5.1	4.4	4.5	4.8
Detroit-Warren-Dearborn	3.3	2.9	3.3	4.2
Flint	5.4	5.2	5.4	5.6
Grand Rapids-Wyoming	3.1	3.0	3.1	3.2
Jackson	4.2	3.8	4.0	4.2
Kalamazoo-Portage	3.9	3.7	3.8	3.7
Lansing-East Lansing	3.6	3.4	3.6	3.6
Midland	4.1	3.8	3.9	3.7
Monroe	4.2	4.0	4.4	3.9
Muskegon	5.0	4.9	5.2	5.4
Niles-Benton Harbor	4.6	4.1	4.1	4.3
Saginaw	5.5	5.0	5.2	5.3
Multi-County Areas				
Northeast Lower Michigan	7.7	6.2	5.4	6.6
Northwest Lower Michigan	5.1	4.2	4.0	4.8
Upper Peninsula	5.9	4.9	4.3	5.0
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.8	3.5	3.7	4.2
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 2022	Nov 2022	Oct 2022	Sept 2022	Year Ago Dec	Percent Change From:	
						Dec/Nov	Dec 2022/ Dec 2021
Motor Vehicle Sales¹⁾							
Autos	2,812	3,188	3,264	2,921	2,782	(11.8%)	1.1%
Domestics	1,969	2,272	2,383	2,061	2,077	(13.3)	(5.2)
Imports	843	916	881	860	705	(8.0)	19.6
Import Share	30.0%	28.7%	27.0%	29.4%	25.3%	----	----
Light Trucks	10,563	11,154	12,017	10,717	9,933	(5.3)	6.3
Domestics	8,496	9,054	9,706	8,671	8,004	(6.2)	6.1
Imports	2,067	2,100	2,311	2,046	1,929	(1.6)	7.2
Import Share	19.6%	18.8%	19.2%	19.1%	19.4%	----	----
Subtotal: Light Vehicle Sales	13,375	14,342	15,281	13,638	12,715	(6.7)	5.2
Heavy Trucks	501	510	492	475	456	(1.8)	9.9
Total Vehicle Sales	13,876	14,852	15,773	14,113	13,171	(6.6)	5.4
U.S. Motor Vehicle Production¹⁾							
Autos	1,698	1,777	1,930	1,900	1,610	(4.5)	5.4
Michigan Motor Vehicle Production²⁾							
Autos	178	171	224	231	162	4.0	9.8
Trucks	1,854	2,009	1,918	2,201	1,878	(7.7)	(1.3)
Total	2,032	2,181	2,142	2,432	2,041	(6.8)	(0.4)
Michigan Production as % of U.S.	21.5%	20.7%	20.3%	20.7%	21.8%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 31,968	\$ 31,750	\$ 31,888	\$ 32,134	\$ 32,607	0.7	(2.0)
Domestic	\$ 29,748	\$ 28,954	\$ 29,558	\$ 28,517	\$ 29,363	2.7	1.3
Foreign	\$ 37,154	\$ 38,687	\$ 38,195	\$ 42,484	\$ 42,167	(4.0)	(11.9)
Inventory-to-Sales Ratio	0.685	0.548	0.520	0.641	0.470	25.0	45.7
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.							



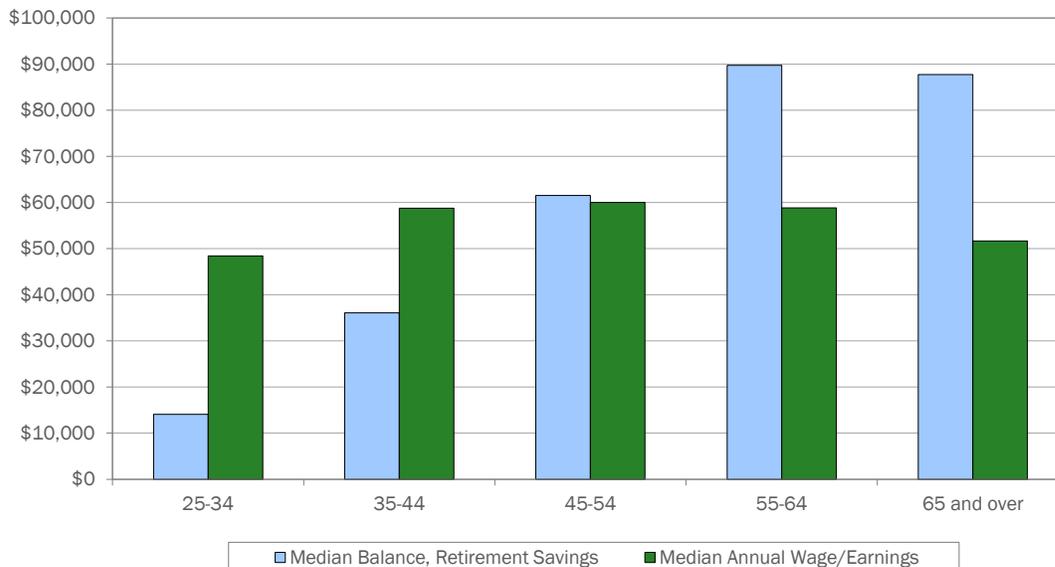
OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period ⁹⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Dec	59.7	56.8	70.6	5.1%	(15.4%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Dec	\$76.44	\$84.37	\$71.71	(9.4)	6.6
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Dec	1,348	1,419	1,768	(5.0)	(23.8)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Dec	\$589.0	\$595.3	\$560.8	(1.1)	5.0
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Dec	102.4	103.8	101.8	(1.4)	0.6
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Dec	77.9	79.1	78.7	(1.5)	(1.0)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Dec	299.0	298.6	280.9	1.6	6.4
Detroit (not seasonally adjusted)	Dec	271.6	274.5	255.8	(6.1)	6.2
Interest Rates						
3-month Treasury Bill ⁴⁾	Dec	4.36%	4.32%	0.06%	--	--
30-year Conventional Mortgage ⁶⁾	Dec	6.36%	6.81%	3.10%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2022 3rd Quarter	\$20,054.7	\$19,895.3	\$19,672.6	3.2	1.9
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Dec	\$2,913.1	\$2,635.3	\$3,135.8	NM	(7.1)

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.

Median Retirement Savings and Wage Income in 2021

Older Workers Have Less than Two Years of Income Saved for Retirement



Source: "How America Saves, 2022", Vanguard; Bureau of Labor Statistics