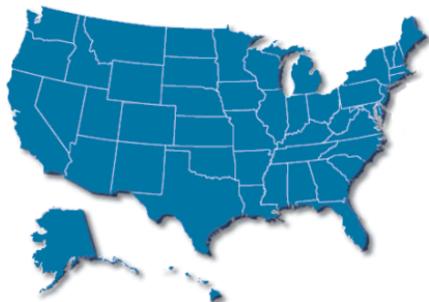


## ECONOMIC HIGHLIGHTS



**Oil prices** increased by 76.4% from February 2016, the month with the lowest average oil price recorded since May 2003, to February 2017. The February 2017 price averaged \$53 per barrel, compared to an average price of \$30 per barrel one year earlier. Oil prices increased in 10 of the previous 12 months, which included a 1.8% increase from January 2017 to February 2017.

**Compensation costs** for civilian workers as measured by the employment cost index increased 2.2% for the 12 months ending December 2016, compared to 2.0% growth for the 12 months ending December 2015. Wages and salaries grew 2.3% and benefit costs increased by 2.1% during the 12-month period ending December 2016.



**Personal income** in 2016 increased by 3.6% in Michigan, which matched the national average and was the second-fastest increase among the Great Lakes states. Michigan growth ranked 19th in the nation. Indiana led the Great Lakes states with a growth rate of 3.9%, which ranked 14th in the U.S., while Illinois and Wisconsin grew at 3.1% and were ranked 29th and 30th, respectively, closely followed by Ohio (3.0%; ranked 31st).

**Regional unemployment rates** increased in all of Michigan's major labor markets in February 2017 compared to February 2016. The northeastern portion of the Lower Peninsula recorded the highest unemployment rate and the largest unemployment rate increase, of 1.4 percentage points, from 9.7% in February 2016 to 11.1% in February 2017. Other large increases were reported for the Upper Peninsula (7.5% to 8.5%), Bay City (5.8% to 6.7%), Monroe (4.6% to 5.5%), Saginaw (5.6% to 6.4%), and Detroit-Warren-Dearborn (5.2% to 5.9%). The lowest unemployment rate for February 2017 was 3.5% in Ann Arbor, which also had the smallest increase, up 0.4 percentage point from 3.1% in February 2016.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Feb 2017	Jan 2017	Feb 2016	Change from January		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,056	159,716	158,888	340	0.2%	1,168	0.7%
Employment	152,528	152,081	151,043	447	0.3	1,485	1.0
Unemployment	7,528	7,635	7,845	(107)	(1.4)	(317)	(4.0)
Unemployment Rate	4.7%	4.8%	4.9%	--	--	--	--
Michigan	Feb 2017	Jan 2017	Feb 2016	Change from January		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,908	4,885	4,804	23	0.5%	104	2.2%
Employment	4,649	4,632	4,565	16	0.4	84	1.8
Unemployment	259	252	238	7	2.6	21	8.6
Unemployment Rate	5.3%	5.2%	5.0%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb 2017*	Jan 2017	Feb 2016	Change from Jan		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,377	4,379	4,294	(2)	(0.0%)	83	1.9%
<b>Goods Producing Industries</b>	771	773	758	(2)	(0.3)	14	1.8
Mining and Logging	7	7	7	0	1.4	(0)	(2.7)
Construction	165	162	153	2	1.5	12	7.6
Manufacturing	600	604	597	(5)	(0.8)	2	0.4
Transportation Equipment	182	184	183	(2)	(1.2)	(1)	(0.3)
<b>Service Producing Industries</b>	3,606	3,605	3,537	1	0.0	69	1.9
Trade, Transportation & Utilities	778	782	779	(3)	(0.4)	(1)	(0.1)
Wholesale Trade	171	171	171	0	0.1	0	0.1
Retail Trade	470	472	472	(2)	(0.4)	(2)	(0.4)
Transportation & Utilities	137	139	136	(2)	(1.2)	1	0.8
Information	58	58	57	(0)	(0.7)	1	1.8
Financial Activities	217	218	211	(1)	(0.5)	6	2.7
Professional & Business Services	660	659	642	1	0.1	18	2.8
Education & Health Services	671	669	661	2	0.3	10	1.5
Leisure & Hospitality Services	441	437	423	3	0.8	18	4.2
Other Services	172	173	168	(1)	(0.5)	3	2.0
Government	609	610	596	(0)	(0.0)	14	2.3

**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		
	Feb 2017	Year Ago	Percent Change	Feb 2017	Year Ago	Percent Change
Construction	38.6	39.0	(1.0%)	\$993.95	\$971.10	2.4%
Manufacturing	42.7	42.5	0.5	882.18	864.45	2.1
Durable Goods	43.6	43.3	0.7	933.91	924.46	1.0
Transportation Equipment Mfg.	45.3	44.3	2.3	1,036.46	1,101.74	(5.9)
Motor Vehicle Parts Mfg.	43.4	45.0	(3.6)	917.48	962.55	(4.7)
Nondurable Goods	39.8	40.1	(0.7)	723.56	682.50	6.0
Wholesale Trade	39.1	38.4	1.8	919.24	910.85	0.9
Retail Trade	29.6	29.0	2.1	425.94	405.71	5.0
Information	35.0	36.4	(3.8)	946.75	926.02	2.2
Financial Activities	35.8	36.2	(1.1)	815.88	818.48	(0.3)
Professional & Business Services	35.2	35.3	(0.3)	819.10	822.49	(0.4)
Health Care & Social Assistance	32.0	31.1	2.9	639.04	616.09	3.7
Leisure & Hospitality	21.8	22.0	(0.9)	253.97	241.34	5.2
Accommodation & Food Services	21.9	22.1	(0.9)	246.59	234.70	5.1

**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)				
	Feb 2017	Jan 2017	Dec 2016	Feb 2016
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.5%	3.4%	2.7%	3.1%
Battle Creek	5.3	5.1	4.2	4.8
Bay City	6.7	6.3	4.9	5.8
Detroit-Warren-Dearborn	5.9	6.2	4.8	5.2
Flint	6.4	6.2	5.0	5.8
Grand Rapids-Wyoming	3.7	3.7	3.0	3.5
Jackson	5.4	5.4	4.2	4.9
Kalamazoo-Portage	4.8	4.8	3.9	4.4
Lansing-East Lansing	4.3	4.3	3.3	3.9
Midland	5.6	5.4	4.2	5.0
Monroe	5.5	4.9	3.5	4.6
Muskegon	5.9	5.8	4.7	5.4
Niles-Benton Harbor	5.8	5.7	4.6	5.2
Saginaw	6.4	6.0	4.6	5.6
<b>Multi-County Areas</b>				
Northeast Lower Michigan	11.1	10.2	8.2	9.7
Northwest Lower Michigan	7.5	7.0	5.5	6.9
Upper Peninsula	8.5	8.0	6.6	7.5
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	5.7	5.7	4.5	5.1

**Source:** Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Feb 2017	Jan 2017	Dec 2016	Nov 2016	Year Ago Feb	Percent Change From:	
						Feb/Jan	Feb 2017/ Feb 2016
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,272	6,334	6,984	6,867	7,159	(1.0%)	(12.4%)
Domestics	4,764	4,756	5,288	5,212	5,427	0.2	(12.2)
Imports	1,508	1,578	1,696	1,655	1,732	(4.4)	(12.9)
Import Share	24.0%	24.9%	24.3%	24.1%	24.2%	----	----
Light Trucks	11,212	11,162	11,335	10,852	10,436	0.4	7.4
Domestics	8,900	8,846	8,934	8,639	8,458	0.6	5.2
Imports	2,312	2,316	2,401	2,213	1,978	(0.2)	16.9
Import Share	20.6%	20.7%	21.2%	20.4%	19.0%	----	----
Subtotal: Light Vehicle Sales	17,484	17,496	18,319	17,719	17,595	(0.1)	(0.6)
Heavy Trucks	398	367	383	383	448	8.4	(11.2)
Total Vehicle Sales	17,882	17,863	18,702	18,102	18,043	0.1	(0.9)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	3,392	3,254	3,636	3,832	4,008	4.2	(15.4)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	653	1,033	813	969	791	(36.8)	(17.4)
Trucks	1,433	1,472	1,509	1,376	1,559	(2.7)	(8.1)
Total	2,086	2,506	2,322	2,345	2,350	(16.7)	(11.2)
Michigan Production as % of U.S.	19.4%	19.4%	18.4%	18.8%	18.2%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,596	1,579	1,570	1,594	1,577	1.1	1.2
Days Supply	79	92	70	78	68	(14.1)	16.2
Total Truck	2,508	2,447	2,339	2,426	2,228	2.5	12.6
Days Supply	71	80	58	70	68	(11.3)	4.4

**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 <sup>9)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Feb	96.3	98.5	91.7	(2.2%)	5.0%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Feb	\$53.47	\$52.50	\$37.55	1.8	42.4
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Feb	1,288	1,251	1,213	3.0	6.2
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Feb	\$415.8	\$416.9	\$394.7	(0.3)	5.3
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Feb	103.7	103.6	103.3	0.1	0.4
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Feb	75.9	75.9	75.9	0.0	(0.1)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Feb	244.5	244.2	237.8	1.5	2.8
Detroit (not seasonally adjusted)	Feb	225.0	223.0	218.4	5.4	3.0
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Feb	0.53%	0.52%	0.31%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Feb	4.17%	4.15%	3.66%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2016 4th Quarter	\$16,813.3	\$16,727.0	\$16,490.7	2.1	2.0
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Feb	\$966.2	\$2,417.9	\$1,031.5	NM	(6.3)

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.

