

Michigan Economic Indicators

FEBRUARY 2018



ECONOMIC HIGHLIGHTS



The four-week moving average for **initial jobless claims**, which represent the claims filed by an unemployed individual after a separation from an employer, fell to 220,500 at the end of February 2018, the lowest level since December 1969 and a record low when expressed as a share of the labor force. Compared to the end of February 2017, the average number of initial jobless claims was down 7.9% and was roughly one-third the level experienced in the first half of 2009, during the 2008-2009 recession.

Stock market volatility rose significantly in February 2018, as the Chicago Board Options Exchange Volatility Index (or VIX, often referred to as the "fear gauge" in the media) increased from a near-record low of 11.06 in January 2018 to 22.46 in February. The VIX measures the implied volatility in the S&P 500 over the next 30 days. While the index averaged 11.09 during 2017, it measured 22.52 in February 2016, and averaged 32.69 in 2008.



Compared to February 2017, **average weekly hours** in February 2018 remained stable in most sectors. However, average hours in the motor vehicle parts manufacturing sector were 8.7% above the level in February 2017, while hours in the leisure/hospitality sector were up 4.6%. At the other end of the spectrum, average hours fell 2.6% in the information sector.

Michigan **personal income** increased by 2.6% in calendar year 2017, below the national average of 3.1% and ranking Michigan 33rd among the 50 states. On a per-person basis, income ranked 30th, and was 10% below the U.S. average. All major income components (earnings, dividends/interest/rent, and transfer receipts) in Michigan grew more slowly than the national average. By sector, above-average earnings growth in manufacturing was more than offset by below-average earnings growth in the farm, professional/scientific/technical services, and health care/social assistance sectors.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Feb 2018	Jan 2018	Feb 2017	Change from January		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	161,921	161,115	159,997	806	0.5%	1,924	1.2%
Employment	155,215	154,430	152,511	785	0.5	2,704	1.8
Unemployment	6,706	6,684	7,486	22	0.3	(780)	(10.4)
Unemployment Rate	4.1%	4.1%	4.7%	--	--	--	--
Michigan	Feb 2018	Jan 2018	Feb 2017	Change from January		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,897	4,897	4,871	0	0.0%	27	0.6%
Employment	4,665	4,665	4,637	(1)	(0.0)	28	0.6
Unemployment	233	232	233	1	0.4	(1)	(0.3)
Unemployment Rate	4.8%	4.7%	4.8%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb 2018	Jan 2018	Feb 2017	Change from Jan		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,414	4,398	4,359	16	0.4%	55	1.3%
Goods Producing Industries	796	792	782	4	0.5	14	1.8
Mining and Logging	7	7	7	0	1.4	0	5.7
Construction	171	169	160	2	1.1	11	7.1
Manufacturing	617	615	615	2	0.3	3	0.4
Transportation Equipment	187	184	189	3	1.6	(2)	(1.1)
Service Producing Industries	3,619	3,606	3,577	12	0.3	41	1.2
Trade, Transportation & Utilities	791	790	788	1	0.2	3	0.4
Wholesale Trade	174	174	172	1	0.3	2	1.2
Retail Trade	472	472	476	(0)	(0.0)	(4)	(0.8)
Transportation & Utilities	146	145	140	1	0.6	5	3.8
Information	55	56	57	(0)	(0.5)	(1)	(2.5)
Financial Activities	219	219	217	0	0.0	2	0.8
Professional & Business Services	657	652	646	6	0.8	11	1.7
Education & Health Services	676	674	670	2	0.3	6	0.9
Leisure & Hospitality Services	442	438	431	4	0.8	11	2.5
Other Services	171	172	167	(1)	(0.5)	4	2.1
Government	607	606	601	1	0.2	7	1.1

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 2018	Year Ago	Percent Change	Feb 2018	Year Ago	Percent Change
Construction	39.1	38.7	1.0%	\$1,002.13	\$993.82	0.8%
Manufacturing	43.4	42.9	1.2	912.70	888.89	2.7
Durable Goods	44.4	43.8	1.4	970.14	941.26	3.1
Transportation Equipment Mfg.	48.2	45.4	6.2	1,171.74	1,053.28	11.2
Motor Vehicle Parts Mfg.	47.7	43.9	8.7	1,047.49	950.44	10.2
Nondurable Goods	40.2	40.0	0.5	734.45	726.40	1.1
Wholesale Trade	39.2	39.1	0.3	1,056.44	918.85	15.0
Retail Trade	29.8	29.6	0.7	431.21	425.35	1.4
Information	34.1	35.0	(2.6)	911.15	946.75	(3.8)
Financial Activities	35.4	35.8	(1.1)	829.42	815.88	1.7
Professional & Business Services	34.5	35.1	(1.7)	813.86	819.59	(0.7)
Health Care & Social Assistance	32.3	31.9	1.3	680.24	636.41	6.9
Leisure & Hospitality	22.8	21.8	4.6	278.39	254.41	9.4
Accommodation & Food Services	22.8	21.9	4.1	271.55	246.59	10.1

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 2018	Jan 2018	Dec 2017	Feb 2017
Metropolitan Statistical Areas				
Ann Arbor	3.6%	3.6%	3.1%	3.6%
Battle Creek	5.6	5.4	4.9	5.4
Bay City	6.9	6.8	5.5	6.9
Detroit-Warren-Dearborn	4.6	4.9	4.1	5.2
Flint	6.5	6.6	5.7	6.6
Grand Rapids-Wyoming	4.0	4.0	3.5	3.8
Jackson	5.3	5.4	4.4	5.5
Kalamazoo-Portage	5.1	5.0	4.5	5.0
Lansing-East Lansing	4.5	5.1	3.9	4.4
Midland	5.8	5.7	4.6	5.7
Monroe	5.3	5.3	4.1	5.3
Muskegon	6.1	5.9	5.3	6.0
Niles-Benton Harbor	6.0	5.8	5.1	5.9
Saginaw	6.5	6.6	5.3	6.5
Multi-County Areas				
Northeast Lower Michigan	11.3	10.6	9.2	11.4
Northwest Lower Michigan	7.6	7.1	6.0	7.7
Upper Peninsula	8.3	7.7	7.0	8.5
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	5.2	5.3	4.4	5.4
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Feb 2018	Jan 2018	Dec 2017	Nov 2017	Year Ago Feb	Percent Change From:	
						Feb/Jan	Feb 2018/ Feb 2017
Motor Vehicle Sales¹⁾							
Autos	5,483	5,521	5,824	6,062	6,267	(0.7%)	(12.5%)
Domestics	4,173	4,183	4,350	4,575	4,692	(0.2)	(11.1)
Imports	1,310	1,338	1,474	1,487	1,575	(2.1)	(16.8)
Import Share	23.9%	24.2%	25.3%	24.5%	25.1%	----	----
Light Trucks	11,484	11,562	11,931	11,355	11,064	(0.7)	3.8
Domestics	8,710	8,906	9,293	8,816	8,726	(2.2)	(0.2)
Imports	2,774	2,656	2,638	2,539	2,338	4.4	18.6
Import Share	24.2%	23.0%	22.1%	22.4%	21.1%	----	----
Subtotal: Light Vehicle Sales	16,967	17,083	17,755	17,417	17,331	(0.7)	(2.1)
Heavy Trucks	475	438	475	451	386	8.4	23.1
Total Vehicle Sales	17,442	17,521	18,230	17,868	17,717	(0.5)	(1.6)
U.S. Motor Vehicle Production¹⁾							
Autos	2,993	2,570	2,718	2,729	3,409	16.4	(12.2)
Michigan Motor Vehicle Production²⁾							
Autos	578	492	517	656	666	17.5	(13.3)
Trucks	1,153	1,331	1,553	1,584	1,449	(13.4)	(20.5)
Total	1,730	1,823	2,070	2,240	2,115	(5.1)	(18.2)
Michigan Production as % of U.S.	15.8%	15.6%	18.2%	18.7%	18.3%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,295	1,285	1,287	1,351	1,596	0.8	(18.9)
Days Supply	73	87	67	72	79	(16.1)	(7.6)
Total Truck	2,726	2,599	2,503	2,621	2,508	4.9	8.7
Days Supply	74	82	59	70	71	(9.8)	4.2
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)	Feb	99.7	95.7	96.3	4.2%	3.5%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Feb	\$62.23	\$63.70	\$53.47	(2.3)	16.4
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Feb	1,290	1,334	1,289	(3.3)	0.1
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Feb	\$434.9	\$434.6	\$415.1	0.1	4.8
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Feb	105.7	105.3	102.2	0.4	3.5
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Feb	77.1	76.9	75.1	0.3	2.6
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Feb	249.6	249.2	244.1	1.8	2.3
Detroit (not seasonally adjusted)	Feb	229.7	229.0	225.0	2.0	2.1
Interest Rates						
3-month Treasury Bill ⁴⁾	Feb	1.59%	1.43%	0.53%	--	--
30-year Conventional Mortgage ⁶⁾	Feb	4.33%	4.03%	4.17%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2017 4th Quarter	\$17,286.5	\$17,163.9	\$16,851.4	2.9	2.6
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Feb	\$1,043.0	\$2,666.6	\$966.2	NM	7.9

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.

