

Michigan Economic Indicators

FEBRUARY 2019



ECONOMIC HIGHLIGHTS



Seasonally adjusted **retail sales** in February 2019 were down 0.2% from January 2019 but were 2.2% above the level in February 2018, the second slowest year-over-year growth since August 2016 (the slowest month was December 2018). Year-over-year declines at stores in several sectors, such as furniture (-2.3%), electronics/appliance (-3.1%), sporting goods/hobby/book (-8.8%), department stores (-4.0%), and gasoline (-3.2%), partially offset the growth from motor vehicles (+2.4%), nonstore retailers (+10.0%), health/personal care (+5.9%), grocery (2.1%), and food services/drinking places (+3.6%).

Light vehicle sales fell to a 16.5 million unit annual rate in February 2019, a 0.9% decrease from the level in January 2019 and 2.3% below the February 2018 level, the lowest level since August 2017. Automobile sales were down 10.4% in February 2019 compared to February 2018, while light truck sales were up 1.5%.



Average weekly hours fell in almost all industry sectors from February 2018 to February 2019, with the construction, manufacturing, retail trade, and information sectors all exhibiting declines of more than 2.0%. As a result, most sectors exhibited weak growth in **average weekly earnings**. Notable exceptions included the construction sector, in which wages increased 3.6% despite the 3.6% decrease in hours, an 8.0% increase in finance sector wages and a 9.1% increase in professional/business services wages despite flat hours in both sectors, and an 8.7% increase in wages in the health care/social assistance sector, where hours increased 0.3%.

The **Detroit Consumer Price Index (CPI)** in February 2019 was 1.2% above the level in February 2018, tying December 2018 as the lowest year-over-year growth since June 2017. Several major components of the CPI, including energy, apparel, medical care, nondurable goods, and recreation, exhibited year-over-year declines, partially offsetting increases in durable goods, education and communication, food, services, and shelter.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Feb 2019	Jan 2019	Feb 2018	Change from Jan		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	163,184	163,229	161,900	(45)	(0.0%)	1,284	0.8%
Employment	156,949	156,694	155,213	255	0.2	1,736	1.1
Unemployment	6,235	6,535	6,687	(300)	(4.6)	(452)	(6.8)
Unemployment Rate	3.8%	4.0%	4.1%	--	--	--	--
Michigan	Feb 2019	Jan 2019	Feb 2018	Change from Jan		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,926	4,916	4,902	11	0.2%	24	0.5%
Employment	4,731	4,718	4,684	13	0.3	47	1.0
Unemployment	195	198	218	(2)	(1.2)	(22)	(10.3)
Unemployment Rate	4.0%	4.0%	4.4%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb 2019	Jan 2019	Feb 2018	Change from Jan		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,448	4,444	4,406	4	0.1%	41	0.9%
Goods Producing Industries	818	817	799	1	0.1	19	2.4
Mining and Logging	7	7	7	0	0.0	(0)	(1.4)
Construction	173	177	167	(5)	(2.7)	6	3.5
Manufacturing	638	633	625	6	0.9	13	2.1
Transportation Equipment	197	188	192	8	4.4	5	2.4
Service Producing Industries	3,630	3,627	3,607	3	0.1	22	0.6
Trade, Transportation & Utilities	798	798	790	(0)	(0.0)	8	1.1
Wholesale Trade	172	172	172	(0)	(0.2)	(1)	(0.3)
Retail Trade	471	471	472	0	0.0	(1)	(0.1)
Transportation & Utilities	155	155	146	0	0.1	10	6.5
Information	56	56	56	0	0.4	0	0.5
Financial Activities	222	221	218	1	0.5	4	1.8
Professional & Business Services	662	662	658	0	0.1	4	0.6
Education & Health Services	677	678	680	(1)	(0.1)	(3)	(0.4)
Leisure & Hospitality Services	439	439	434	0	0.0	6	1.3
Other Services	168	168	166	0	0.2	2	1.4
Government	607	606	606	1	0.2	1	0.1

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		
	Feb 2019	Year Ago	Percent Change	Feb 2019	Year Ago	Percent Change
Construction	37.6	39.1	(3.8%)	\$1,038.14	\$1,001.74	3.6%
Manufacturing	42.5	43.4	(2.1)	932.03	913.14	2.1
Durable Goods	43.4	44.4	(2.3)	980.84	970.14	1.1
Transportation Equipment Mfg.	47.3	48.2	(1.9)	1,196.69	1,171.74	2.1
Motor Vehicle Parts Mfg.	47.1	47.7	(1.3)	1,073.88	1,047.49	2.5
Nondurable Goods	39.4	40.2	(2.0)	768.69	734.45	4.7
Wholesale Trade	39.3	39.2	0.3	1,057.56	1,056.44	0.1
Retail Trade	29.2	29.8	(2.0)	428.66	431.21	(0.6)
Information	33.1	34.1	(2.9)	911.91	911.15	0.1
Financial Activities	35.4	35.4	0.0	895.97	829.42	8.0
Professional & Business Services	34.5	34.5	0.0	888.03	813.86	9.1
Health Care & Social Assistance	32.4	32.3	0.3	739.37	680.24	8.7
Leisure & Hospitality	22.4	22.8	(1.8)	283.36	278.84	1.6
Accommodation & Food Services	22.5	22.8	(1.3)	279.68	271.55	3.0

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 2019	Jan 2019	Dec 2018	Feb 2018
Metropolitan Statistical Areas				
Ann Arbor	2.7%	2.9%	2.8%	3.3%
Battle Creek	4.1	4.4	4.2	5.1
Bay City	5.2	5.7	4.6	6.3
Detroit-Warren-Dearborn	4.0	4.6	4.3	4.7
Flint	4.9	5.4	4.7	6.0
Grand Rapids-Wyoming	2.9	3.1	2.9	3.6
Jackson	3.9	4.2	3.8	4.8
Kalamazoo-Portage	3.6	3.9	3.7	4.6
Lansing-East Lansing	3.3	4.0	3.2	4.1
Midland	4.0	4.3	3.8	5.2
Monroe	4.2	4.4	4.0	4.9
Muskegon	4.2	4.6	4.4	5.5
Niles-Benton Harbor	4.4	4.8	4.4	5.5
Saginaw	5.1	5.6	4.6	6.0
Multi-County Areas				
Northeast Lower Michigan	8.5	9.0	7.6	10.3
Northwest Lower Michigan	5.6	5.9	5.1	7.0
Upper Peninsula	6.3	6.8	5.9	7.6
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.1	4.6	4.1	4.9

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Feb 2019	Jan 2019	Dec 2018	Nov 2018	Year Ago Feb	Percent Change From:	
						Feb/Jan	Feb 2019/ Feb 2018
Motor Vehicle Sales¹⁾							
Autos	4,868	5,315	5,171	5,226	5,436	(8.4%)	(10.4%)
Domestics	3,763	4,149	4,040	4,058	4,156	(9.3)	(9.5)
Imports	1,105	1,166	1,131	1,168	1,280	(5.2)	(13.7)
Import Share	22.7%	21.9%	21.9%	22.3%	23.5%	----	----
Light Trucks	11,661	11,361	12,321	12,215	11,485	2.6	1.5
Domestics	8,928	8,753	9,493	9,435	8,726	2.0	2.3
Imports	2,733	2,608	2,828	2,780	2,759	4.8	(0.9)
Import Share	23.4%	23.0%	23.0%	22.8%	24.0%	----	----
Subtotal: Light Vehicle Sales	16,529	16,676	17,492	17,441	16,921	(0.9)	(2.3)
Heavy Trucks	504	532	511	499	472	(5.3)	6.8
Total Vehicle Sales	17,033	17,208	18,003	17,940	17,393	(1.0)	(2.1)
U.S. Motor Vehicle Production¹⁾							
Autos	2,660	2,857	3,053	2,846	2,929	(6.9)	(9.2)
Michigan Motor Vehicle Production²⁾							
Autos	293	279	299	274	571	5.1	(48.7)
Trucks	1,549	1,748	1,452	1,437	1,156	(11.4)	34.0
Total	1,842	2,026	1,752	1,710	1,726	(9.1)	6.7
Michigan Production as % of U.S.	17.4%	16.6%	15.6%	14.7%	15.8%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,138	1,109	1,102	1,102	1,295	2.6	(12.2)
Days Supply	72	76	62	68	73	(5.3)	(1.4)
Total Truck	2,990	2,907	2,819	2,955	2,726	2.9	9.7
Days Supply	81	93	62	75	74	(12.9)	9.5

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	93.8	91.2	99.7	2.9%	(5.9%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Feb	\$54.95	\$51.38	\$62.23	6.9	(11.7)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Feb	1,162	1,273	1,290	(8.7)	(9.9)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Feb	\$445.7	\$446.7	\$436.6	(0.2)	2.1
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Feb	110.5	110.4	106.6	0.0	3.6
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Feb	79.1	79.2	77.8	(0.1)	1.7
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Feb	253.1	252.7	249.4	2.1	1.5
Detroit (not seasonally adjusted)	Feb	232.5	231.7	229.7	2.2	1.2
Interest Rates						
3-month Treasury Bill ⁴⁾	Feb	2.44%	2.42%	1.59%	--	--
30-year Conventional Mortgage ⁶⁾	Feb	4.37%	4.46%	4.33%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2018 4th Quarter	\$18,765.3	\$18,665.0	\$18,223.8	2.2	3.0
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Feb	\$1,073.8	\$2,424.6	\$1,051.9	NM	2.1

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.

