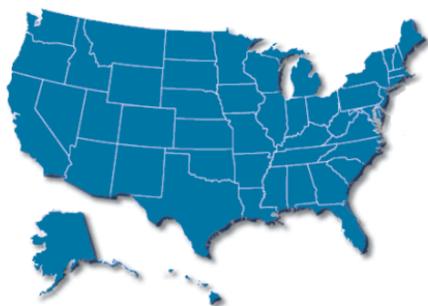


Michigan Economic Indicators

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ECONOMIC HIGHLIGHTS



The **US unemployment rate** decreased to 3.5% in February 2020, down from 3.6% in January 2020 and 3.8% in February 2019. The unemployment rate has fluctuated between 3.5% and 3.8% since February 2019, with 3.5% representing the lowest unemployment rate since a 3.4% rate in May 1969. Although there were job gains, the decline from January primarily reflected people exiting the labor force: the labor force decreased by 60,000 and employment increased by 45,000 jobs, thus reducing unemployment by 105,000. Compared to February 2019, the labor force rose by 1.5 million persons while employment was up 1.9 million, reducing unemployment by 394,000.

Major **stock market indices** fell in February 2020, reflecting concerns about the novel coronavirus disease, COVID-19. The Dow Jones Industrial Average (DJIA), NASDAQ, and S&P 500 all reached all-time high valuations in mid-February before falling more than 10% from their peaks by the end of the month. The S&P 500 reached its all-time high of 3,386.15 on February 19 before falling almost 13% by February 28. Similarly, the NASDAQ reached its all-time high of 9,817.18 on February 19 before falling almost 13% by February 27, and the DJIA reached its all-time high of 29,551.42 on February 12 before falling more than 14% by February 28. For the S&P 500, it was the shortest time ever taken to go from a peak to a correction, having taken just six trading days.



Michigan **motor vehicle production** decreased 8.3% from January 2020 to February 2020, although it increased 14.1% compared to February 2019. Automobile production in February 2020 was down 17.0% from February 2019, but was more than offset by light truck production, which increased 19.6% over the same period. Michigan's production as a percentage of all US production increased to 19.4% in February 2020, up from 19.0% in January 2020 and 17.4% in February 2019.

Regional unemployment rates decreased or stayed the same in February 2020 compared to February 2019 for every metropolitan statistical area, reflecting an overall tighter labor market in the State. Northeast Lower Michigan saw the largest decrease, falling 1.7% points from 9.3% in February 2019 to 7.6% in February 2020, followed by the Upper Peninsula and Northwest Lower Michigan regions, which both fell 1.4% points. Areas with the lowest unemployment rates in February 2020 were Ann Arbor at 2.2%, Grand Rapids-Wyoming at 2.5%, and Lansing-East Lansing at 2.7%. The unadjusted statewide average unemployment rate fell from 4.5% in February 2019 to 3.6% in February 2020.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Feb 2020	Jan 2020	Feb 2019	Change from Jan		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	164,546	164,606	163,047	(60)	(0.0%)	1,499	0.9%
Employment	158,759	158,714	156,866	45	0.0	1,893	1.2
Unemployment	5,787	5,892	6,181	(105)	(1.8)	(394)	(6.4)
Unemployment Rate	3.5%	3.6%	3.8%	--	--	--	--
Michigan	Feb 2020	Jan 2020	Feb 2019	Change from Jan		Change from Year Ago	
Labor Force	4,950	4,947	4,939	3	0.1%	11	0.2%
Employment	4,770	4,760	4,729	10	0.2	41	0.9
Unemployment	180	187	210	(7)	(3.7)	(30)	(14.1)
Unemployment Rate	3.6%	3.8%	4.2%	--	--	--	--

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

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb 2020	Jan 2019	Feb 2019	Change from Jan		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,462	4,451	4,432	11	0.2%	30	0.7%
Goods Producing Industries	813	817	813	(3)	(0.4)	1	0.1
Mining and Logging	7	7	7	0	0.0	0	0.0
Construction	182	181	171	2	0.9	11	6.4
Manufacturing	624	629	634	(5)	(0.8)	(10)	(1.6)
Transportation Equipment	187	189	194	(2)	(0.8)	(7)	(3.4)
Service Producing Industries	3,648	3,634	3,619	14	0.4	29	0.8
Trade, Transportation & Utilities	805	803	795	2	0.2	10	1.3
Wholesale Trade	171	172	172	(0)	(0.2)	(1)	(0.4)
Retail Trade	466	466	467	0	0.1	(0)	(0.1)
Transportation & Utilities	167	165	156	2	1.1	11	7.1
Information	55	55	56	1	0.9	(0)	(0.5)
Financial Activities	229	229	222	0	0.0	6	2.9
Professional & Business Services	658	655	658	3	0.4	1	0.1
Education & Health Services	684	681	679	3	0.4	5	0.7
Leisure & Hospitality Services	435	434	435	1	0.2	1	0.2
Other Services	165	163	166	2	1.4	(1)	(0.4)
Government	617	614	610	4	0.6	8	1.3

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 2020	Year Ago	Percent Change	Feb 2020	Year Ago	Percent Change
Construction	38.6	37.7	2.4%	\$1,106.28	\$1,027.33	7.7%
Manufacturing	43.2	42.4	1.9	961.63	928.56	3.6
Durable Goods	44.0	43.4	1.4	1,008.04	981.27	2.7
Transportation Equipment Mfg.	46.9	47.3	(0.8)	1,235.82	1,196.69	3.3
Motor Vehicle Parts Mfg.	44.5	44.3	0.5	1,060.88	1,010.04	5.0
Nondurable Goods	40.6	39.3	3.3	812.41	762.81	6.5
Wholesale Trade	37.4	39.0	(4.1)	979.51	1,044.03	(6.2)
Retail Trade	28.5	29.1	(2.1)	457.71	427.48	7.1
Information	36.9	33.0	11.8	998.15	908.16	9.9
Financial Activities	35.6	35.3	0.8	955.86	900.15	6.2
Professional & Business Services	34.9	34.8	0.3	912.98	891.58	2.4
Health Care & Social Assistance	30.7	31.8	(3.5)	687.68	727.27	(5.4)
Leisure & Hospitality	23.1	22.3	3.6	308.85	281.65	9.7
Accommodation & Food Services	23.3	22.6	3.1	305.00	278.43	9.5

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 2020	Jan 2020	Dec 2019	Feb 2020
Metropolitan Statistical Areas				
Ann Arbor	2.2%	2.5%	2.1%	3.0%
Battle Creek	3.6	4.1	3.4	4.5
Bay City	4.6	5.5	4.2	5.7
Detroit-Warren-Dearborn	3.7	4.4	3.8	4.4
Flint	4.1	5.0	4.0	5.4
Grand Rapids-Wyoming	2.5	2.9	2.4	3.2
Jackson	3.4	3.9	3.2	4.3
Kalamazoo-Portage	3.1	3.6	3.0	3.9
Lansing-East Lansing	2.7	3.2	2.7	3.6
Midland	3.7	4.3	3.3	4.3
Monroe	3.4	4.3	3.0	4.6
Muskegon	3.8	4.4	3.8	4.8
Niles-Benton Harbor	3.8	4.5	3.6	4.8
Saginaw	4.4	5.1	4.1	5.6
Multi-County Areas				
Northeast Lower Michigan	7.6	9.0	6.8	9.3
Northwest Lower Michigan	4.8	5.5	4.3	6.2
Upper Peninsula	5.5	6.5	5.6	6.9
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.6	4.3	3.6	4.5

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)							
	Feb 2020	Jan 2020	Dec 2019	Nov 2019	Year Ago Feb	Percent Change From:	
						Feb/Jan	Feb 2020/ Feb 2019
Motor Vehicle Sales¹⁾							
Autos	4,248	4,372	4,488	4,377	4,766	(2.8%)	(10.9%)
Domestics	3,223	3,329	3,454	3,294	3,644	(3.2)	(11.6)
Imports	1,025	1,043	1,034	1,083	1,122	(1.7)	(8.6)
Import Share	24.1%	23.9%	23.0%	24.7%	23.5%	----	----
Light Trucks	12,502	12,554	12,160	12,609	11,753	(0.4)	6.4
Domestics	9,827	9,902	9,522	9,919	9,033	(0.8)	8.8
Imports	2,675	2,652	2,638	2,690	2,720	0.9	(1.7)
Import Share	21.4%	21.1%	21.7%	21.3%	23.1%	----	----
Subtotal: Light Vehicle Sales	16,750	16,926	16,648	16,986	16,519	(1.0)	1.4
Heavy Trucks	453	438	473	462	507	3.4	(10.7)
Total Vehicle Sales	17,203	17,364	17,121	17,448	17,026	(0.9)	1.0
U.S. Motor Vehicle Production¹⁾							
Autos	2,659	2,612	2,488	2,584	2,596	1.8	2.5
Michigan Motor Vehicle Production²⁾							
Autos	237	274	272	212	286	(13.4)	(17.0)
Trucks	1,904	2,061	1,834	1,760	1,591	(7.6)	19.6
Total	2,141	2,335	2,106	1,972	1,877	(8.3)	14.1
Michigan Production as % of U.S.	19.4%	19.0%	19.0%	18.0%	17.4%	----	----
Average Expenditure per Car¹⁾							
Overall	\$27,366	\$27,644	\$27,078	\$27,084	\$26,736	(1.0)	2.4
Domestic	26,302	26,636	26,293	25,910	24,542	(1.3)	7.2
Foreign	30,712	30,860	29,729	30,655	33,927	(0.5)	(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.

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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	101.0	99.8	93.8	1.2%	7.7%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Feb	\$50.54	\$57.52	\$54.95	(12.1)	(8.0)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Feb	1,567	1,617	1,137	(3.1)	37.8
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Feb	\$461.9	\$464.1	\$442.5	(0.5)	4.4
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Feb	109.3	109.1	109.6	0.1	(0.3)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Feb	76.7	76.7	78.5	(0.0)	(2.2)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Feb	259.1	258.8	253.2	1.1	2.3
Detroit (not seasonally adjusted)	Feb	238.6	237.5	232.5	2.9	2.6
Interest Rates						
3-month Treasury Bill ⁴⁾	Feb	1.54%	1.55%	2.44%	--	--
30-year Conventional Mortgage ⁶⁾	Feb	3.47%	3.62%	4.37%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2019 4th Quarter	\$19,220.5	\$19,121.1	\$18,783.5	2.1	2.3
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Feb	\$1,157.6	\$2,260.3	\$1,073.8	NM	7.8

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.

