

ECONOMIC HIGHLIGHTS



Major **stock market indices** rose in February 2021, reflecting optimism as the economy began emerging from the COVID-19 pandemic. The Dow Jones Industrial Average (DJIA), NASDAQ, and S&P 500 all reached all-time high valuations in February. All three indices had recovered their losses from the pandemic by the end of 2020. The NASDAQ had fully recovered by the end of June 2020, the S&P 500 by the end of August, and the DJIA had recovered by the end of November.

The **median sales price of existing homes** increased by double digits in every region of the country from February 2020 to February 2021, according to data from the National Association of Realtors. The national median existing home price for all housing types rose to \$313,000 in February 2021, up 15.8% from February 2020, and the 108th consecutive month of year-over-year gains. The West had the largest increase (20.6%), followed by the Northeast (20.5%), the Midwest (14.2%), and the South (13.6%).



Michigan inflation-adjusted **gross domestic product (GDP)** increased 7.6% at an annual rate in the first quarter of 2021, ranking Michigan's seventh among the 50 states, and higher than the national average and other Great Lakes states. Indiana grew at 6.8% (19th), followed by Illinois at 6.4% (26th), Ohio at 6.4% (28th), and Wisconsin at 6.0% (36th). Growth in the durable goods manufacturing, professional/scientific/technical services, retail trade, real estate/rental/leasing, and administrative/support/waste management/remediation services sectors contributed most of Michigan's growth in the first quarter. Only five sectors (agriculture/forestry/fishing/hunting, utilities, nondurable goods manufacturing, health care/social assistance, and other services) exhibited negative growth in the quarter.

Michigan **motor vehicle production** decreased 6.8% from January 2021 to February 2021 and decreased 9.5% compared to February 2020. Automobile production in February 2021 was down 20.8% from February 2020. That decrease was accompanied by a decrease in light truck production, which decreased 8.1% over the same period. Michigan's production as a percentage of all US production increased to 20.6% in February 2021, up from 19.8% in January 2021 and 19.1% in February 2020.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Feb 2021	Jan 2021	Feb 2020	Change from Jan		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,211	160,161	164,448	50	0.0%	(4,237)	(2.6%)
Employment	150,239	150,031	158,732	208	0.1	(8,493)	(5.4)
Unemployment	9,972	10,130	5,716	(158)	(1.6)	4,256	74.5
Unemployment Rate	6.2%	6.3%	3.5%	--	--	--	--
Michigan	Feb 2021	Jan 2021	Feb 2020	Change from Jan		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,695	4,737	4,928	(41)	(0.9%)	(233)	(4.7%)
Employment	4,452	4,466	4,743	(14)	(0.3)	(292)	(6.1)
Unemployment	243	271	185	(28)	(10.2)	59	31.8
Unemployment Rate	5.2%	5.7%	3.7%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb 2021	Jan 2021	Feb 2020	Change from Jan		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,117	4,057	4,453	60	1.5%	(335)	(7.5%)
Goods Producing Industries	753	756	803	(3)	(0.4)	(51)	(6.3)
Mining and Logging	7	7	7	0	0.0	0	2.9
Construction	172	175	177	(3)	(1.9)	(6)	(3.3)
Manufacturing	574	574	619	0	0.0	(45)	(7.3)
Transportation Equipment	177	177	187	(0)	(0.2)	(10)	(5.6)
Service Producing Industries	3,365	3,302	3,650	63	1.9	(285)	(7.8)
Trade, Transportation & Utilities	778	775	798	3	0.4	(21)	(2.6)
Wholesale Trade	163	162	172	1	0.6	(9)	(5.1)
Retail Trade	449	446	464	3	0.6	(16)	(3.4)
Transportation & Utilities	166	166	162	(1)	(0.4)	4	2.2
Information	49	49	55	0	0.8	(6)	(11.2)
Financial Activities	225	224	230	1	0.2	(5)	(2.2)
Professional & Business Services	616	613	654	3	0.6	(38)	(5.8)
Education & Health Services	644	643	692	1	0.1	(49)	(7.0)
Leisure & Hospitality Services	340	286	436	54	19.0	(95)	(21.9)
Other Services	144	143	167	2	1.1	(23)	(13.7)
Government	569	570	617	(1)	(0.1)	(48)	(7.7)

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 2021	Year Ago	Percent Change	Feb 2021	Year Ago	Percent Change
Construction	38.4	38.6	(0.5%)	\$1,161.22	\$1,107.82	4.8%
Manufacturing	40.3	43.2	(6.7)	921.66	961.63	(4.2)
Durable Goods	40.3	44.0	(8.4)	935.77	1,008.04	(7.2)
Transportation Equipment Mfg.	43.0	46.9	(8.3)	1,194.11	1,235.82	(3.4)
Motor Vehicle Parts Mfg.	39.9	44.5	(10.3)	1,032.21	1,060.88	(2.7)
Nondurable Goods	40.2	40.6	(1.0)	876.76	812.41	7.9
Wholesale Trade	39.2	37.4	4.8	993.72	979.51	1.5
Retail Trade	28.9	28.5	1.4	464.71	457.71	1.5
Information	38.6	36.9	4.6	1,141.79	998.15	14.4
Financial Activities	36.6	35.6	2.8	932.57	955.86	(2.4)
Professional & Business Services	35.0	34.9	0.3	938.70	912.98	2.8
Health Care & Social Assistance	30.4	30.7	(1.0)	693.12	687.68	0.8
Leisure & Hospitality	22.6	23.1	(2.2)	307.36	309.08	(0.6)
Accommodation & Food Services	23.1	23.3	(0.9)	307.00	305.00	0.7

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 2021	Jan 2021	Dec 2020	Feb 2020
Metropolitan Statistical Areas				
Ann Arbor	4.2%	4.8%	5.0%	2.2%
Battle Creek	6.5	7.7	7.7	3.7
Bay City	6.6	7.8	7.4	4.6
Detroit-Warren-Dearborn	4.3	5.3	10.3	4.0
Flint	7.3	8.5	8.3	4.2
Grand Rapids-Wyoming	4.7	5.5	5.7	2.5
Jackson	6.1	7.0	7.0	3.4
Kalamazoo-Portage	5.4	6.3	6.3	3.1
Lansing-East Lansing	4.9	5.7	5.9	2.8
Midland	5.2	6.0	5.9	3.7
Monroe	5.9	6.6	6.2	3.2
Muskegon	7.6	8.9	8.9	3.8
Niles-Benton Harbor	6.0	7.2	7.2	3.8
Saginaw	7.0	8.1	7.9	4.5
Multi-County Areas				
Northeast Lower Michigan	8.6	10.2	9.3	7.7
Northwest Lower Michigan	6.8	8.2	8.0	4.9
Upper Peninsula	6.5	7.6	7.3	5.5
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	5.1	6.1	8.3	3.8
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 2021	Jan 2021	Dec 2020	Nov 2020	Year Ago Feb	Percent Change From:	
						Feb/Jan	Feb 2021/ Feb 2020
Motor Vehicle Sales¹⁾							
Autos	3,477	3,769	3,633	3,778	4,268	(7.7%)	(18.5%)
Domestics	2,443	2,701	2,716	2,917	3,193	(9.6)	(23.5)
Imports	1,034	1,068	917	861	1,075	(3.2)	(3.8)
Import Share	29.7%	28.3%	25.2%	22.8%	25.2%	----	----
Light Trucks	12,426	12,996	12,596	11,937	12,508	(4.4)	(0.7)
Domestics	9,655	10,111	9,876	9,224	9,845	(4.5)	(1.9)
Imports	2,771	2,885	2,720	2,713	2,663	(4.0)	4.1
Import Share	22.3%	22.2%	21.6%	22.7%	21.3%	----	----
Subtotal: Light Vehicle Sales	15,903	16,765	16,229	15,715	16,776	(5.1)	(5.2)
Heavy Trucks	451	529	458	477	448	(14.7)	0.7
Total Vehicle Sales	16,354	17,294	16,687	16,192	17,224	(5.4)	(5.1)
U.S. Motor Vehicle Production¹⁾							
Autos	1,666	2,131	2,152	2,278	2,614	(21.8)	(36.3)
Michigan Motor Vehicle Production²⁾							
Autos	188	195	136	148	237	(3.7)	(20.8)
Trucks	1,750	1,885	1,731	1,516	1,904	(7.2)	(8.1)
Total	1,938	2,080	1,867	1,664	2,141	(6.8)	(9.5)
Michigan Production as % of U.S.	20.6%	19.8%	17.3%	16.6%	19.1%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 28,429	\$ 28,105	\$ 27,669	\$ 27,410	\$ 26,554	1.2	7.1
Domestic	\$ 26,701	\$ 26,175	\$ 26,063	\$ 25,823	\$ 25,085	2.0	6.4
Foreign	\$ 32,516	\$ 32,986	\$ 32,426	\$ 32,792	\$ 31,074	(1.4)	4.6
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)	Feb	76.8	79.0	101.0	(2.8%)	(24.0%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Feb	\$59.04	\$52.00	\$50.54	13.5	16.8
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Feb	1,447	1,625	1,589	(11.0)	(8.9)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Feb	\$504.5	\$520.2	\$459.6	(3.0)	9.8
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Feb	96.4	99.3	101.3	(2.9)	(4.8)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Feb	72.7	74.9	76.3	(2.9)	(4.7)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Feb	263.2	262.2	258.8	4.3	1.7
Detroit (not seasonally adjusted)	Feb	240.6	239.1	238.6	3.8	0.8
Interest Rates						
3-month Treasury Bill ⁴⁾	Feb	0.04%	0.09%	1.54%	--	--
30-year Conventional Mortgage ⁶⁾	Feb	2.81%	2.74%	3.47%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2020 4th Quarter	\$18,794.4	\$18,596.5	\$19,254.0	4.3	(2.4)
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Feb	\$1,697.3	\$2,803.2	\$1,157.6	NM	46.6

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.

