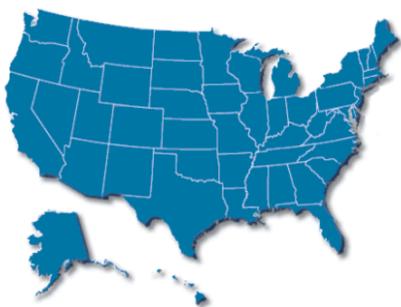


## ECONOMIC HIGHLIGHTS



**Gross domestic product (GDP)**, adjusted for inflation, increased at a 2.6% annual rate in the fourth quarter of 2022—down from the 3.2% increase in the third quarter of 2022 but above the declines that occurred in the first and second quarter. The increase in real GDP reflected a 1.0% increase in consumption spending combined with an increase in net exports (exports fell but imports declined more rapidly) and higher business inventories, which added 1.5 percentage points to the growth rate. The increases more than offset a 3.8% decrease in nonresidential fixed investment and a 25.1% decline in residential investment.

The **average expenditure per car** decreased 3.7% between January 2023 and February 2023, from \$32,532 to \$31,344, and was down 5.9% from February 2022. The monthly decline represented the first decrease since November 2022 and the largest monthly decline since July 2022. Compared to February 2022, average expenditure per car was 3.6% lower for domestic vehicles and 10.3% lower for foreign cars.



Michigan **weekly new unemployment claims** dropped 29.8% in February 2023 from the January level and were down 49.1% from February 2022. The February 2023 claims level was up 4.5% from the average lows experienced between May 2022 and October 2022, but was 12.3% below the 2017-2019 average. In comparison, initial claims at the national level increased 9.5% and were at their highest level since February 2022.

Seasonally adjusted Michigan **motor vehicle production** increased 12.1% from January 2023 to February 2023 and was 10.0% above the level in February 2022. Compared to February 2022, automobile production was up 38.0% while truck production was up 8.2%. Despite the increased output, Michigan's share of US vehicle production remained fairly constant—falling from 20.4% in February 2022 to 20.3% in February 2023.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Feb 2023	Jan 2023	Feb 2022	Change from Jan		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	166,251	165,832	163,862	419	0.3%	2,389	1.5%
Employment	160,315	160,138	157,590	177	0.1	2,725	1.7
Unemployment	5,936	5,694	6,272	242	4.3	(336)	(5.4)
Unemployment Rate	3.6%	3.4%	3.8%	--	--	--	--
Michigan	Feb 2023	Jan 2023	Feb 2022	Change from Jan		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,842	4,836	4,825	6	0.1%	17	0.4%
Employment	4,635	4,627	4,623	8	0.2	12	0.3
Unemployment	207	209	202	(2)	(0.9)	5	2.6
Unemployment Rate	4.3%	4.3%	4.2%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Feb 2023	Jan 2023	Feb 2022	Change from Jan		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,416	4,402	4,325	15	0.3%	92	2.1%
<b>Goods Producing Industries</b>	807	803	783	4	0.5	24	3.0
Mining and Logging	7	7	7	0	0.0	0	5.8
Construction	189	189	182	1	0.4	8	4.1
Manufacturing	610	607	594	3	0.5	16	2.6
Transportation Equipment	188	186	178	1	0.7	10	5.4
<b>Service Producing Industries</b>	3,610	3,599	3,542	11	0.3	68	1.9
Trade, Transportation & Utilities	811	807	805	4	0.5	6	0.8
Wholesale Trade	178	177	170	1	0.8	8	4.8
Retail Trade	455	454	454	1	0.1	0	0.0
Transportation & Utilities	178	176	180	2	1.1	(2)	(1.1)
Information	58	58	55	(0)	(0.5)	2	4.3
Financial Activities	228	228	233	0	0.0	(5)	(2.2)
Professional & Business Services	661	661	656	(0)	(0.0)	5	0.7
Education & Health Services	673	674	657	(1)	(0.2)	16	2.5
Leisure & Hospitality Services	415	411	394	4	0.9	21	5.3
Other Services	162	160	162	1	0.7	0	0.0
Government	602	599	580	3	0.6	23	3.9

**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 2023	Year Ago	Percent Change	Feb 2023	Year Ago	Percent Change
Construction	37.4	38.3	(2.3%)	\$1,224.10	\$1,220.62	0.3%
Manufacturing	40.5	41.8	(3.1)	1,051.38	991.50	6.0
Durable Goods	41.1	41.7	(1.4)	1,103.95	1,024.15	7.8
Transportation Equipment Mfg.	42.8	41.4	3.4	1,281.00	1,248.21	2.6
Motor Vehicle Parts Mfg.	40.0	41.9	(4.5)	1,099.20	1,153.93	(4.7)
Nondurable Goods	38.5	42.0	(8.3)	885.89	895.86	(1.1)
Wholesale Trade	38.3	38.3	0.0	1,170.83	1,056.31	10.8
Retail Trade	28.5	28.1	1.4	531.81	498.78	6.6
Information	37.1	34.8	6.6	1,302.21	1,031.12	26.3
Financial Activities	36.9	37.6	(1.9)	1,080.06	1,020.84	5.8
Professional & Business Services	35.1	34.7	1.2	1,031.94	1,057.66	(2.4)
Health Care & Social Assistance	32.0	31.4	1.9	825.60	792.54	4.2
Leisure & Hospitality	21.7	22.5	(3.6)	369.55	351.00	5.3
Accommodation & Food Services	21.8	22.7	(4.0)	369.51	349.58	5.7

**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 2023	Jan 2023	Dec 2022	Feb 2022
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.5%	3.5%	3.0%	3.8%
Battle Creek	5.1	5.1	4.3	5.2
Bay City	6.5	6.3	4.9	6.0
Detroit-Warren-Dearborn	3.8	4.2	3.2	4.8
Flint	6.1	6.1	4.9	6.2
Grand Rapids-Wyoming	3.7	3.7	3.1	3.6
Jackson	4.9	4.9	4.0	5.1
Kalamazoo-Portage	4.6	4.6	3.9	4.4
Lansing-East Lansing	4.3	5.0	3.5	4.3
Midland	5.1	4.9	4.0	4.8
Monroe	5.1	5.1	4.1	6.2
Muskegon	5.3	5.3	4.5	5.5
Niles-Benton Harbor	5.2	5.3	4.4	5.1
Saginaw	6.6	6.3	5.2	6.2
<b>Multi-County Areas</b>				
Northeast Lower Michigan	9.9	9.5	7.5	9.0
Northwest Lower Michigan	6.5	6.2	5.0	6.0
Upper Peninsula	7.4	7.2	5.8	6.7
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	4.6	4.8	3.8	4.9
<b>Source:</b> 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 2023	Jan 2023	Dec 2022	Nov 2022	Year Ago Feb	Percent Change From:	
						Feb/Jan	Feb 2023/ Feb 2022
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	3,000	3,215	2,812	3,188	2,825	(6.7%)	6.2%
Domestics	2,175	2,269	1,969	2,272	2,023	(4.1)	7.5
Imports	825	946	843	916	802	(12.8)	2.9
Import Share	27.5%	29.4%	30.0%	28.7%	28.4%	----	----
Light Trucks	12,000	12,821	10,563	11,154	10,889	(6.4)	10.2
Domestics	9,759	10,332	8,496	9,054	8,606	(5.5)	13.4
Imports	2,241	2,489	2,067	2,100	2,283	(10.0)	(1.8)
Import Share	18.7%	19.4%	19.6%	18.8%	21.0%	----	----
Subtotal: Light Vehicle Sales	15,000	16,036	13,375	14,342	13,714	(6.5)	9.4
Heavy Trucks	516	503	501	510	451	2.6	14.4
Total Vehicle Sales	15,516	16,539	13,876	14,852	14,165	(6.2)	9.5
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	1,796	1,771	1,765	1,811	1,555	1.4	15.5
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	153	153	168	187	111	(0.0)	38.0
Trucks	1,908	1,686	1,837	1,960	1,763	13.2	8.2
Total	2,061	1,838	2,004	2,147	1,874	12.1	10.0
Michigan Production as % of U.S.	20.3%	20.6%	21.5%	20.7%	20.4%	----	----
<b>Average Expenditure per Car<sup>1)</sup></b>							
Overall	\$ 31,344	\$ 32,532	\$ 31,831	\$ 31,603	\$ 33,317	(3.7)	(5.9)
Domestic	\$ 29,387	\$ 29,890	\$ 29,859	\$ 29,225	\$ 30,482	(1.7)	(3.6)
Foreign	\$ 36,619	\$ 38,829	\$ 36,436	\$ 37,501	\$ 40,804	(5.7)	(10.3)
<b>Inventory-to-Sales Ratio</b>	0.609	0.577	0.689	0.552	0.384	5.5	58.6
<b>Sources:</b> 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.							



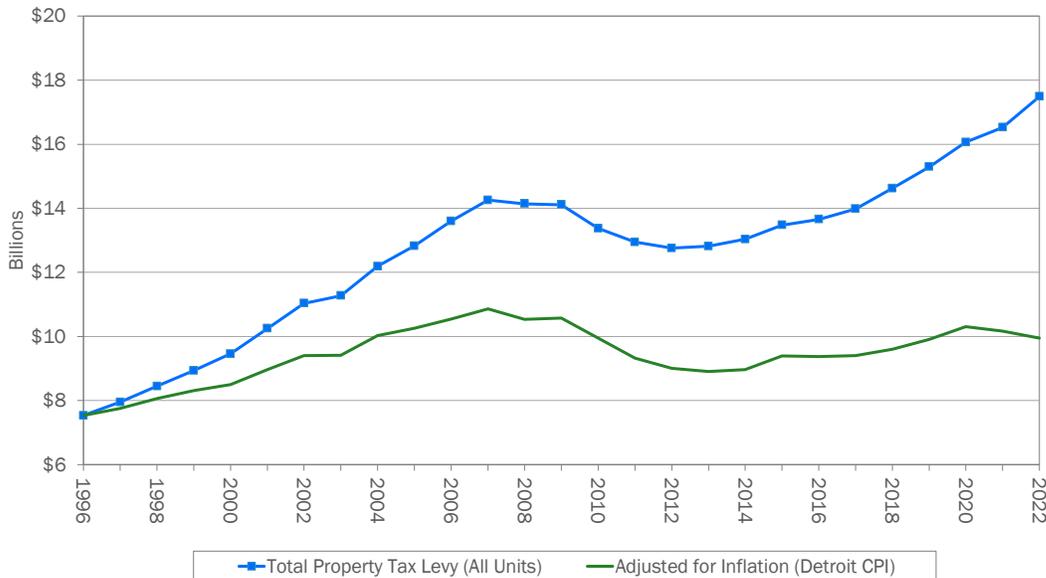
OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period <sup>9)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Feb	67.0	64.9	62.8	3.2%	6.7%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Feb	\$76.83	\$78.12	\$91.64	(1.7)	(16.2)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Feb	1,432	1,334	1,777	7.3	(19.4)
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Feb	\$605.6	\$605.6	\$579.6	0.0	4.5
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Feb	102.6	102.4	101.7	0.2	0.9
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Feb	79.6	79.5	79.9	0.1	(0.4)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Feb	301.6	300.5	284.6	4.5	6.0
Detroit (not seasonally adjusted)	Feb	276.7	271.6	258.7	11.8	7.0
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Feb	4.79%	4.69%	0.31%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Feb	6.26%	6.27%	3.76%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2022 4th Quarter	\$20,182.5	\$20,054.7	\$20,006.2	2.6	0.9
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Feb	\$1,617.7	\$2,936.2	\$1,790.2	NM	(9.6)

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.

## Michigan Property Taxes

Taxes Adjusted for Inflation Have Remained Relatively Flat for 20 Years



Source: State Tax Commission, Michigan Department of Treasury