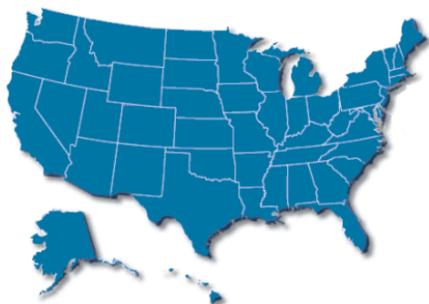


## ECONOMIC HIGHLIGHTS



**Inflation-adjusted gross domestic product (GDP)** increased at a 2.1% annual rate in the fourth quarter of 2016, compared to a 3.5% increase in the third quarter of 2016. Personal consumption expenditures added 2.4 percentage points to the growth rate, accounting for more than 100% of net growth during the quarter. While investment added 1.47 points, more than two-thirds of the increase reflected higher inventories and was more than offset by both lower exports and higher imports, which combined to lower growth by more than 1.8 percentage points.

**Labor productivity**, as measured by output per hour in the nonfarm business sector, increased 0.2% in 2016 from the 2015 level, the eighth smallest gain according to data back to 1948 and the sixth consecutive year below 1.0% growth. In comparison, labor productivity increased by an average of 2.8% per year between 1995 and 2007, and by an average of 2.5% per year between 1947 and 2010. The inflation-adjusted growth in an economy is primarily limited by the growth in population plus the growth in productivity.



**Average weekly hours** for Michigan payroll employees in transportation equipment manufacturing declined by 2.4% and **average weekly earnings** for those employees declined 10.0% from January 2016 to January 2017 despite a 7.9% increase in Michigan motor vehicle production. While average weekly earnings fell 8.8% in the information sector, at the other extreme average weekly earnings rose by more than 6% from January 2016 to January 2017 in two sectors: nondurable goods manufacturing (9.9%) and leisure and hospitality (6.1%).

**Home sales** in Michigan increased 4.1% in 2016 from the 2015 level, and the average sale price increased 4.8%. Home sales reported by the Detroit Board of Realtors increased 14.6% in 2016, and the average sale price increased 12.5%, the strongest gain of any area in the State with more than 500 home sales. Despite the growth in the average home sale price in Detroit, the average sale price of \$50,308 was still 61.5% of the next-lowest average price reported by any area in the State, and only 32.6% of the \$154,133 statewide average.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Jan 2017	Dec 2016	Jan 2016	Change from December		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,716	159,640	158,362	76	0.0%	1,354	0.9%
Employment	152,081	152,111	150,533	(30)	(0.0)	1,548	1.0
Unemployment	7,635	7,529	7,829	106	1.4	(194)	(2.5)
Unemployment Rate	4.8%	4.7%	4.9%	--	--	--	--
Michigan	Jan 2017	Dec 2016	Jan 2016	Change from December		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,885	4,862	4,797	22	0.5%	87	1.8%
Employment	4,632	4,616	4,557	16	0.4	75	1.6
Unemployment	252	246	240	6	2.4	12	5.0
Unemployment Rate	5.2%	5.1%	5.0%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Jan 2017*	Dec 2016	Jan 2016	Change from Dec		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,379	4,369	4,290	10	0.2%	89	2.1%
<b>Goods Producing Industries</b>	773	766	758	7	0.9	15	2.0
Mining and Logging	7	7	8	0	2.9	(0)	(5.3)
Construction	162	158	152	5	2.9	10	6.5
Manufacturing	604	602	598	2	0.4	6	1.0
Transportation Equipment	184	180	180	4	2.2	4	2.2
<b>Service Producing Industries</b>	3,605	3,603	3,532	3	0.1	73	2.1
Trade, Transportation & Utilities	782	782	778	(1)	(0.1)	4	0.5
Wholesale Trade	171	171	171	0	0.2	0	0.0
Retail Trade	472	472	471	0	0.0	1	0.1
Transportation & Utilities	139	140	136	(1)	(0.9)	3	2.2
Information	58	58	57	1	1.6	2	2.8
Financial Activities	218	217	210	1	0.5	7	3.4
Professional & Business Services	659	662	642	(3)	(0.4)	17	2.7
Education & Health Services	669	668	660	1	0.2	9	1.3
Leisure & Hospitality Services	437	434	421	3	0.7	16	3.8
Other Services	173	172	168	0	0.2	4	2.5
Government	610	610	595	(0)	(0.1)	15	2.5

**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		
	Jan 2017	Year Ago	Percent Change	Jan 2017	Year Ago	Percent Change
Construction	38.5	39.4	(2.3%)	987.14	980.27	0.7%
Manufacturing	42.7	42.9	(0.5)	885.60	888.46	(0.3)
Durable Goods	43.2	43.9	(1.6)	932.26	956.58	(2.5)
Transportation Equipment Mfg.	44.3	45.4	(2.4)	1,036.18	1,151.34	(10.0)
Motor Vehicle Parts Mfg.	44.6	45.7	(2.4)	962.47	1,002.66	(4.0)
Nondurable Goods	41.1	39.7	3.5	741.86	674.90	9.9
Wholesale Trade	39.7	38.6	2.8	925.41	908.64	1.8
Retail Trade	29.4	28.7	2.4	421.60	405.24	4.0
Information	35.1	35.6	(1.4)	839.94	920.62	(8.8)
Financial Activities	36.2	36.3	(0.3)	830.79	823.28	0.9
Professional & Business Services	35.2	35.1	0.3	827.55	809.06	2.3
Health Care & Social Assistance	32.0	31.3	2.2	642.88	626.94	2.5
Leisure & Hospitality	21.6	21.4	0.9	249.05	234.76	6.1
Accommodation & Food Services	21.5	21.2	1.4	238.87	224.93	6.2

**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)				
	Jan 2017	Dec 2016	Nov 2016	Jan 2016
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.4%	2.7%	2.9%	3.1%
Battle Creek	5.1	4.2	3.8	4.7
Bay City	6.3	4.9	4.2	5.7
Detroit-Warren-Dearborn	6.2	4.8	4.7	5.4
Flint	6.2	5.0	4.4	5.9
Grand Rapids-Wyoming	3.7	3.0	2.9	3.4
Jackson	5.3	4.2	3.9	4.9
Kalamazoo-Portage	4.8	3.9	3.6	4.3
Lansing-East Lansing	4.3	3.3	3.2	4.3
Midland	5.4	4.2	3.9	4.9
Monroe	4.6	3.5	3.5	4.4
Muskegon	5.8	4.7	4.4	5.2
Niles-Benton Harbor	5.7	4.6	4.1	5.1
Saginaw	6.0	4.6	4.2	5.5
<b>Multi-County Areas</b>				
Northeast Lower Michigan	10.1	8.2	6.3	9.0
Northwest Lower Michigan	7.0	5.5	4.4	6.4
Upper Peninsula	7.9	6.6	5.4	7.1
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	5.7	4.5	4.2	5.1

**Source:** Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Jan 2017	Dec 2016	Nov 2016	Oct 2016	Year Ago Jan	Percent Change From:	
						Jan/Dec	Jan 2017/ Jan 2016
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,334	6,984	6,867	6,813	7,231	(9.3%)	(12.4%)
Domestics	4,756	5,288	5,212	5,137	5,488	(10.1)	(13.3)
Imports	1,578	1,696	1,655	1,676	1,743	(7.0)	(9.5)
Import Share	24.9%	24.3%	24.1%	24.6%	24.1%	----	----
Light Trucks	11,162	11,335	10,852	11,131	10,532	(1.5)	6.0
Domestics	8,846	8,934	8,639	8,992	8,583	(1.0)	3.1
Imports	2,316	2,401	2,213	2,139	1,949	(3.5)	18.8
Import Share	20.7%	21.2%	20.4%	19.2%	18.5%	----	----
Subtotal: Light Vehicle Sales	17,496	18,319	17,719	17,944	17,763	(4.5)	(1.5)
Heavy Trucks	367	383	383	352	463	(4.2)	(20.7)
Total Vehicle Sales	17,863	18,702	18,102	18,296	18,226	(4.5)	(2.0)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	3,254	3,636	3,832	3,757	3,960	(10.5)	(17.8)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	1,033	813	969	755	1,023	27.0	1.0
Trucks	1,472	1,509	1,376	1,596	1,201	(2.4)	22.6
Total	2,506	2,322	2,345	2,351	2,224	7.9	12.7
Michigan Production as % of U.S.	19.4%	18.4%	18.8%	18.3%	18.2%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,579	1,570	1,594	1,481	1,575	0.5	0.2
Days Supply	92	70	78	76	80	31.4	15.0
Total Truck	2,447	2,339	2,426	2,366	2,116	4.6	15.7
Days Supply	80	58	70	71	75	37.9	6.7

**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 <sup>9)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Jan	98.5	98.2	92.0	0.3%	7.1%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Jan	\$52.50	\$51.97	\$31.68	1.0	65.7
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Jan	1,251	1,275	1,128	(1.9)	10.9
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Jan	\$417.4	\$415.3	\$393.9	0.5	6.0
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Jan	103.6	103.8	103.5	(0.1)	0.1
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Jan	75.9	76.0	76.1	(0.2)	(0.3)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Jan	244.2	242.8	238.1	6.8	2.5
Detroit (not seasonally adjusted)	Dec	223.0	224.3	217.8	(3.4)	2.4
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Jan	0.52%	0.51%	0.26%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Jan	4.15%	4.20%	3.87%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2016 4th Quarter	\$16,813.3	\$16,727.0	\$16,490.7	2.1	2.0
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Jan	\$2,417.9	\$2,073.2	\$2,323.9	NM	4.0

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.

