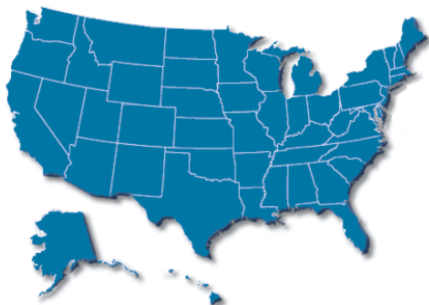


# Michigan Economic Indicators

JANUARY 2019



## ECONOMIC HIGHLIGHTS



**Gross domestic product (GDP)**, adjusted for inflation, increased at a 2.2% annual rate in the fourth quarter of 2018, compared to 3.4% growth in the third quarter of 2018. The slower growth in the fourth quarter reflected decelerations in private inventory investment, personal consumption expenditures, and Federal government spending, and a downturn in state and local government spending. An increase in exports and an acceleration in nonresidential fixed investment partially offset these movements, as did slower growth in imports.

The **Index of Consumer Sentiment** in January 2019 decreased 7.2% from the December reading and was 4.7% below the January 2018 level. The index averaged 91.2 in January 2019, the lowest level since October 2016. The weak sentiment primarily reflected concerns about the extended Federal government shutdown, which did not end until January 25.



Michigan **motor vehicle production** increased 7.9% between January 2018 and January 2019, reversing an eight-month trend of year-over-year decreases. Automobile production in January 2019 was down 44.0% from January 2018, but was more than offset by light truck production, which increased 26.6% over the same period. An idled Ford assembly plant was retooled and brought back online near the end of 2018 to produce the Ford Ranger, which contributed to the increase. The significant increase in light truck production positively affected the State's share of total U.S. vehicle production. In January 2019, Michigan's share of total U.S. vehicle production was 16.6%, up from 15.6% in January 2018.

**Regional unemployment rates** increased in January 2019 compared to December 2018 for the State as well as every metropolitan statistical area, as seasonal job reductions and temporary layoffs in the auto sector pushed up unemployment rates, although all were lower than in January 2018. The Bay City and Saginaw areas saw the biggest monthly increases, from 4.6% in December 2018 in each area to 5.8% in Bay City and 5.7% in Saginaw in January 2019. The Ann Arbor area registered the lowest unemployment rate at 2.9%, followed by Grand Rapids-Wyoming at 3.2%. The highest unemployment rate in January 2019 was in Northeast Lower Michigan (9.2%), followed by the Upper Peninsula (6.8%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Jan 2019	Dec 2018	Jan 2018	Change from Dec		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	163,229	163,240	161,123	(11)	(0.0%)	2,106	1.3%
Employment	156,694	156,945	154,482	(251)	(0.2)	2,212	1.4
Unemployment	6,535	6,295	6,641	240	3.8	(106)	(1.6)
Unemployment Rate	4.0%	3.9%	4.1%	--	--	--	--
Michigan	Jan 2019	Dec 2018	Jan 2018	Change from Dec		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,916	4,903	4,899	12	0.3%	16	0.3%
Employment	4,718	4,707	4,679	11	0.2	39	0.8
Unemployment	198	196	221	1	0.7	(23)	(10.4)
Unemployment Rate	4.0%	4.0%	4.5%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Jan 2019	Dec 2018	Jan 2018	Change from Dec		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,444	4,432	4,395	12	0.3%	49	1.1%
<b>Goods Producing Industries</b>	817	816	794	1	0.1	23	2.9
Mining and Logging	7	7	7	0	0.0	0	1.4
Construction	177	175	165	3	1.5	12	7.5
Manufacturing	633	634	622	(2)	(0.2)	11	1.7
Transportation Equipment	188	199	190	(11)	(5.5)	(2)	(1.0)
<b>Service Producing Industries</b>	3,627	3,616	3,601	11	0.3	26	0.7
Trade, Transportation & Utilities	798	794	789	4	0.5	9	1.2
Wholesale Trade	172	172	172	0	0.1	0	0.2
Retail Trade	471	468	472	3	0.6	(1)	(0.2)
Transportation & Utilities	155	154	145	1	0.6	10	7.0
Information	56	56	56	0	0.7	0	0.0
Financial Activities	221	220	218	1	0.3	3	1.4
Professional & Business Services	662	662	656	(0)	(0.1)	6	0.9
Education & Health Services	678	677	679	0	0.0	(1)	(0.2)
Leisure & Hospitality Services	439	435	435	5	1.1	5	1.1
Other Services	168	167	166	1	0.7	2	1.4
Government	606	606	604	0	0.0	2	0.3

**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		
	Jan 2019	Year Ago	Percent Change	Jan 2019	Year Ago	Percent Change
Construction	38.1	38.5	(1.0%)	1,045.85	979.06	6.8%
Manufacturing	42.7	42.9	(0.5)	935.56	891.89	4.9
Durable Goods	43.8	43.8	0.0	989.88	943.45	4.9
Transportation Equipment Mfg.	46.9	46.6	0.6	1,200.17	1,110.94	8.0
Motor Vehicle Parts Mfg.	46.9	46.8	0.2	1,068.85	1,010.41	5.8
Nondurable Goods	39.2	40.1	(2.2)	762.44	734.23	3.8
Wholesale Trade	39.0	39.3	(0.8)	1,022.19	1,055.60	(3.2)
Retail Trade	29.0	29.6	(2.0)	426.30	430.38	(0.9)
Information	32.9	34.7	(5.2)	913.63	927.53	(1.5)
Financial Activities	35.7	35.5	0.6	880.72	810.82	8.6
Professional & Business Services	34.2	33.7	1.5	868.68	801.72	8.4
Health Care & Social Assistance	32.3	32.4	(0.3)	745.16	690.77	7.9
Leisure & Hospitality	22.1	22.4	(1.3)	280.45	272.38	3.0
Accommodation & Food Services	22.1	22.4	(1.3)	276.25	266.11	3.8

**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 2019	Dec 2018	Nov 2018	Jan 2018
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	2.9%	2.8%	2.6%	3.4%
Battle Creek	4.4	4.2	3.5	5.0
Bay City	5.8	4.6	3.7	6.3
Detroit-Warren-Dearborn	4.5	4.3	3.8	5.0
Flint	5.5	4.7	4.1	6.1
Grand Rapids-Wyoming	3.2	2.9	2.5	3.7
Jackson	4.3	3.8	3.3	5.0
Kalamazoo-Portage	4.0	3.7	3.1	4.6
Lansing-East Lansing	4.1	3.2	3.1	4.7
Midland	4.3	3.8	3.2	5.2
Monroe	4.5	4.0	3.9	5.0
Muskegon	4.7	4.4	3.8	5.5
Niles-Benton Harbor	4.8	4.4	3.6	5.4
Saginaw	5.7	4.6	3.9	6.1
<b>Multi-County Areas</b>				
Northeast Lower Michigan	9.2	7.6	5.6	9.9
Northwest Lower Michigan	6.0	5.1	3.8	6.7
Upper Peninsula	6.8	5.9	4.4	7.2
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	4.6	4.1	3.6	5.1

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

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Jan 2019	Dec 2018	Nov 2018	Oct 2018	Year Ago Jan	Percent Change From:	
						Jan/Dec	Jan 2019/ Jan 2018
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	5,315	5,171	5,226	5,584	5,515	2.8%	(3.6%)
Domestics	4,149	4,040	4,058	4,399	4,205	2.7	(1.3)
Imports	1,166	1,131	1,168	1,185	1,310	3.1	(11.0)
Import Share	21.9%	21.9%	22.3%	21.2%	23.8%	----	----
Light Trucks	11,361	12,321	12,215	11,989	11,601	(7.8)	(2.1)
Domestics	8,753	9,493	9,435	9,283	8,934	(7.8)	(2.0)
Imports	2,608	2,828	2,780	2,706	2,667	(7.8)	(2.2)
Import Share	23.0%	23.0%	22.8%	22.6%	23.0%	----	----
Subtotal: Light Vehicle Sales	16,676	17,492	17,441	17,573	17,116	(4.7)	(2.6)
Heavy Trucks	532	511	499	529	426	4.1	24.9
Total Vehicle Sales	17,208	18,003	17,940	18,102	17,542	(4.4)	(1.9)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	2,693	3,086	2,885	2,860	2,578	(12.8)	4.5
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	279	299	274	328	498	(6.9)	(44.0)
Trucks	1,748	1,452	1,437	1,523	1,380	20.3	26.6
Total	2,026	1,752	1,710	1,851	1,878	15.7	7.9
Michigan Production as % of U.S.	16.6%	15.6%	14.7%	15.8%	15.6%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,109	1,102	1,102	1,063	1,285	0.6	(13.7)
Days Supply	76	62	68	66	87	22.6	(12.6)
Total Truck	2,907	2,819	2,955	2,908	2,599	3.1	11.9
Days Supply	93	62	75	80	82	50.0	13.4

**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	91.2	98.3	95.7	(7.2%)	(4.7%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Jan	\$51.38	\$49.52	\$63.70	3.8	(19.3)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Jan	1,273	1,140	1,334	11.7	(4.6)
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Jan	\$443.6	\$443.0	\$435.5	0.2	1.9
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Jan	110.4	110.5	106.3	(0.1)	3.9
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Jan	79.2	79.4	77.6	(0.2)	2.1
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Jan	252.7	252.7	248.9	(0.2)	1.5
Detroit (not seasonally adjusted)	Dec	231.7	233.1	229.0	(3.6)	1.2
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Jan	2.42%	2.41%	1.43%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Jan	4.46%	4.64%	4.03%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2018 4th Quarter	\$18,765.3	\$18,665.0	\$18,223.8	2.2	3.0
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Jan	\$2,424.6	\$2,071.9	\$2,666.6	NM	(9.1)

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.

