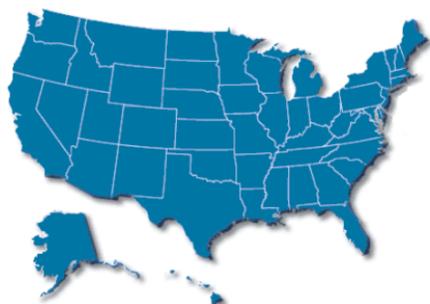


ECONOMIC HIGHLIGHTS



The **Index of Consumer Sentiment** in January 2020 increased 0.5% to 99.8, the highest reading since May 2019 and 9.4% above the January 2019 reading. The January reading was very near the cyclical peak of 101.4 from March 2018. The improving sentiment was due to record low unemployment, record gains in income and wealth, and near record lows in inflation and interest rates. Sentiment was high despite renewed military engagements in the Middle East, an impeachment trial in the Senate, and a fast-spreading coronavirus.

Seasonally adjusted **retail sales** in January 2020 were up 4.7% from the level in January 2019, reflecting a 10.4% increase in sales from gasoline stations, an 8.4% increase from nonstore retailers (i.e. online sales), and gains from most other sectors. All sectors, except for electronics and appliance stores (down 3.2%), health/personal care stores (down 1.9%), sporting goods/hobby/musical instrument/book stores (down 1.8%), and building material/garden equipment/supplies dealers (down 1.3%) exhibited gains.



Michigan inflation-adjusted **gross domestic product** (GDP) increased 0.7% in 2019, ranking Michigan's 48th among the 50 states, and lower than other Great Lakes states. Ohio grew 1.7% (32nd), followed by Illinois at 1.6% (34th), Wisconsin at 1.4% (38th), and Indiana at 0.8% (46th). Growth in the retail trade, real estate/rental/leasing, professional/scientific/technical services, and utilities sectors contributed nearly all of Michigan's growth in 2019. Seven sectors (construction, nondurable goods manufacturing, wholesale trade, transportation and warehousing, administrative and support and waste management and remediation services, educational services, and other services) exhibited negative growth in 2019.

Average weekly earnings increased in all but three sectors from January 2019 to January 2020. Financial activities saw the largest gain, with earnings up 9.4% from a year ago. Other sectors with strong gains included construction (up 9.2%) and retail trade (up 5.5%). Health care and social assistance saw the biggest decline in earnings, down 6.8%. Wholesale trade (down 3.0%) and motor vehicle parts manufacturing (down 0.9%) also saw declines.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Jan 2020	Dec 2019	Jan 2019	Change from Dec		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	164,606	164,556	163,142	50	0.0%	1,464	0.9%
Employment	158,714	158,803	156,627	(89)	(0.1)	2,087	1.3
Unemployment	5,892	5,753	6,515	139	2.4	(623)	(9.6)
Unemployment Rate	3.6%	3.5%	4.0%	--	--	--	--
Michigan	Jan 2020	Dec 2019	Jan 2019	Change from Dec		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,947	4,941	4,940	6	0.1%	7	0.1%
Employment	4,760	4,750	4,733	9	0.2	27	0.6
Unemployment	187	191	207	(4)	(2.0)	(20)	(9.7)
Unemployment Rate	3.8%	3.9%	4.2%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Jan 2020	Dec 2019	Jan 2019	Change from Dec		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,451	4,449	4,430	1	0.0%	21	0.5%
Goods Producing Industries	817	813	808	3	0.4	8	1.0
Mining and Logging	7	7	7	0	1.4	0	1.4
Construction	181	177	172	4	2.1	9	5.1
Manufacturing	629	629	629	(0)	(0.1)	(0)	(0.1)
Transportation Equipment	189	187	188	2	0.8	1	0.4
Service Producing Industries	3,634	3,636	3,621	(2)	(0.1)	13	0.3
Trade, Transportation & Utilities	803	804	797	(1)	(0.1)	6	0.7
Wholesale Trade	172	172	172	0	0.1	(1)	(0.3)
Retail Trade	466	465	469	1	0.3	(3)	(0.5)
Transportation & Utilities	165	167	156	(2)	(1.3)	9	5.7
Information	55	55	56	0	0.5	(1)	(1.4)
Financial Activities	229	228	222	1	0.6	7	3.0
Professional & Business Services	655	653	657	3	0.4	(2)	(0.2)
Education & Health Services	681	683	679	(2)	(0.2)	2	0.3
Leisure & Hospitality Services	434	434	436	0	0.0	(1)	(0.3)
Other Services	163	164	166	(2)	(1.0)	(4)	(2.1)
Government	614	616	609	(3)	(0.4)	5	0.8

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 2020	Year Ago	Percent Change	Jan 2020	Year Ago	Percent Change
Construction	39.5	38.1	3.7%	\$1,126.54	\$1,032.08	9.2 %
Manufacturing	42.5	42.7	(0.5)	945.63	934.28	1.2
Durable Goods	43.5	43.8	(0.7)	993.11	989.88	0.3
Transportation Equipment Mfg.	46.4	46.9	(1.1)	1,207.79	1,200.17	0.6
Motor Vehicle Parts Mfg.	44.1	45.2	(2.4)	1,020.47	1,030.11	(0.9)
Nondurable Goods	39.3	39.1	0.5	795.43	756.59	5.1
Wholesale Trade	36.7	39.0	(5.9)	991.27	1,022.19	(3.0)
Retail Trade	27.9	28.9	(3.5)	448.35	424.83	5.5
Information	35.5	32.9	7.9	949.63	913.63	3.9
Financial Activities	35.9	35.7	0.6	963.92	880.72	9.4
Professional & Business Services	34.2	34.5	(0.9)	890.23	870.44	2.3
Health Care & Social Assistance	30.3	31.8	(4.7)	686.60	736.81	(6.8)
Leisure & Hospitality	22.2	22.1	0.5	291.49	277.80	4.9
Accommodation & Food Services	22.5	22.3	0.9	288.45	275.63	4.7

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)				
	Jan 2020	Dec 2019	Nov 2019	Jan 2019
Metropolitan Statistical Areas				
Ann Arbor	2.5%	2.1%	2.2%	3.1%
Battle Creek	4.1	3.4	3.2	4.8
Bay City	5.5	4.2	3.7	6.2
Detroit-Warren-Dearborn	4.4	3.8	3.4	5.1
Flint	5.0	4.0	3.8	6.0
Grand Rapids-Wyoming	2.9	2.4	2.3	3.4
Jackson	3.9	3.2	3.0	4.6
Kalamazoo-Portage	3.6	3.0	2.8	4.2
Lansing-East Lansing	3.2	2.7	2.5	4.3
Midland	4.3	3.3	3.0	4.6
Monroe	4.3	3.0	2.9	4.9
Muskegon	4.4	3.8	3.6	5.1
Niles-Benton Harbor	4.5	3.6	3.1	5.2
Saginaw	5.1	4.1	3.9	6.1
Multi-County Areas				
Northeast Lower Michigan	9.0	6.8	5.2	9.9
Northwest Lower Michigan	5.5	4.3	3.4	6.5
Upper Peninsula	6.5	5.6	4.2	7.4
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.3	3.6	3.2	5.0
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Jan 2020	Dec 2019	Nov 2019	Oct 2019	Year Ago Jan	Percent Change From:	
						Jan/Dec	Jan 2020/ Jan 2019
Motor Vehicle Sales¹⁾							
Autos	4,312	4,522	4,377	4,336	5,254	(4.6%)	(17.9%)
Domestics	3,222	3,488	3,294	3,193	4,085	(7.6)	(21.1)
Imports	1,090	1,034	1,083	1,143	1,169	5.4	(6.8)
Import Share	25.3%	22.9%	24.7%	26.4%	22.2%	----	----
Light Trucks	12,610	12,164	12,609	12,184	11,456	3.7	10.1
Domestics	9,952	9,526	9,919	9,485	8,832	4.5	12.7
Imports	2,658	2,638	2,690	2,699	2,624	0.8	1.3
Import Share	21.1%	21.7%	21.3%	22.2%	22.9%	----	----
Subtotal: Light Vehicle Sales	16,922	16,686	16,986	16,520	16,710	1.4	1.3
Heavy Trucks	438	473	462	526	527	(7.4)	(16.9)
Total Vehicle Sales	17,360	17,159	17,448	17,046	17,237	1.2	0.7
U.S. Motor Vehicle Production¹⁾							
Autos	2,684	2,520	2,608	2,202	2,845	6.5	(5.7)
Michigan Motor Vehicle Production²⁾							
Autos	274	272	214	138	229	0.7	19.7
Trucks	2,061	1,841	1,757	1,558	1,748	11.9	17.9
Total	2,335	2,113	1,971	1,697	1,976	10.5	18.1
Michigan Production as % of U.S.	19.0%	19.0%	18.0%	16.5%	16.6%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	NA	812	881	904	1,109	----	----
Days Supply	NA	53	64	72	76	----	----
Total Truck	NA	2,743	2,862	2,799	2,907	----	----
Days Supply	NA	59	71	76	93	----	----
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 ⁹⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Jan	99.8	99.3	91.2	0.5%	9.4%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Jan	\$57.52	\$59.88	\$51.38	(3.9)	12.0
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Jan	1,624	1,601	1,291	1.4	25.8
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Jan	\$464.8	\$462.0	\$443.9	0.6	4.7
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Jan	109.0	109.6	110.1	(0.5)	(1.0)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Jan	76.6	77.1	79.0	(0.6)	(3.0)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Jan	258.8	258.4	252.6	1.8	2.5
Detroit (not seasonally adjusted)	Dec	237.5	238.8	231.7	(3.3)	2.5
Interest Rates						
3-month Treasury Bill ⁴⁾	Jan	1.55%	1.57%	2.42%	--	--
30-year Conventional Mortgage ⁶⁾	Jan	3.62%	3.72%	4.46%	--	--
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)	Jan	\$2,260.3	\$2,338.1	\$2,424.6	NM	(6.8)

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.

