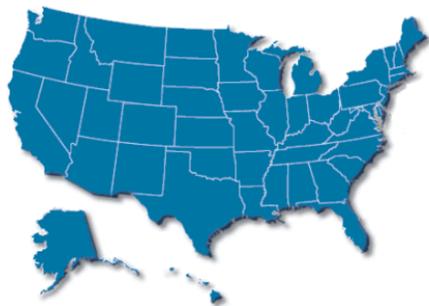


# Michigan Economic Indicators

JULY 2016



## ECONOMIC HIGHLIGHTS



**Labor productivity** in the nonfarm business sector declined at a 0.5% annual rate from the first quarter of 2016 to the second quarter of 2016, the third consecutive quarter of declines. Output increased 1.2% while hours worked increased 1.8%, resulting in the overall decline in productivity. On a year-over-year basis, overall productivity declined by 0.4% from the second quarter of 2015 to the second quarter of 2016, although productivity increased 1.3% in the durable goods manufacturing sector and 0.3% in the nondurable goods manufacturing sector.

**Retail e-commerce sales** totaled \$97.3 billion in the second quarter of 2016, representing 8.1% of all retail sales during the quarter. E-commerce sales in the second quarter of 2016 grew 4.5% over the first quarter of 2016 and 15.8% over the second quarter of 2015, exhibiting more rapid growth than reported for total retail sales. Total retail sales increased 1.5% from the first quarter to the second quarter of 2016, and 2.3% from the second quarter of 2015 to the second quarter of 2016.



Michigan **nonfarm employment** in July 2016 was up 2.5%, or 106,000 jobs, from July 2015. Approximately 17.5% of all jobs in July 2016 were in goods-producing industries, primarily manufacturing, while 82.5% were in service sectors. The economic sectors with the highest share of employment in July 2016 were professional and business services at 15.5% followed by education and health services (15.4%), manufacturing (13.9%), government (13.8%), and retail trade (10.8%).

The year-to-date **average residential sales price** of homes sold in Michigan from January 2016 through July 2016 was \$149,844, up 3.7% from the same period in 2015. In total, 78,781 homes were sold during this period, an increase of 3,580 or 4.8% from the 2015 year-to-date sales.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	July 2016	June 2016	July 2015	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,287	158,880	157,115	407	0.3%	2,172	1.4%
Employment	151,517	151,097	148,866	420	0.3	2,651	1.8
Unemployment	7,770	7,783	8,249	(13)	(0.2)	(479)	(5.8)
Unemployment Rate	4.9%	4.9%	5.3%	--	--	--	--
Michigan	July 2016	June 2016	July 2015	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,810	4,838	4,737	(28)	(0.6%)	73	1.5%
Employment	4,596	4,616	4,490	(20)	(0.4)	106	2.4
Unemployment	214	222	247	(8)	(3.5)	(33)	(13.4)
Unemployment Rate	4.5%	4.6%	5.2%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	July 2016	June 2016	July 2015	Change from June		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,346	4,330	4,241	16	0.4%	106	2.5%
<b>Goods Producing Industries</b>	760	756	740	5	0.6	20	2.7
Mining and Logging	7	7	7	0	0.0	(0)	(4.1)
Construction	149	151	147	(1)	(0.9)	2	1.6
Manufacturing	604	598	586	6	1.0	18	3.1
Transportation Equipment	178	175	176	3	1.9	2	1.0
<b>Service Producing Industries</b>	3,586	3,575	3,500	11	0.3	85	2.4
Trade, Transportation & Utilities	772	776	771	(4)	(0.5)	1	0.1
Wholesale Trade	169	170	170	(1)	(0.5)	(1)	(0.5)
Retail Trade	471	472	467	(1)	(0.1)	4	0.9
Transportation & Utilities	132	134	134	(2)	(1.7)	(3)	(2.1)
Information	59	58	57	1	1.7	2	3.8
Financial Activities	217	216	207	1	0.2	10	4.8
Professional & Business Services	672	667	639	5	0.7	33	5.2
Education & Health Services	670	667	652	3	0.5	18	2.8
Leisure & Hospitality Services	425	424	414	1	0.2	10	2.5
Other Services	170	172	168	(2)	(1.4)	2	1.3
Government	602	594	593	7	1.2	9	1.5

**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		
	July 2016	Year Ago	Percent Change	July 2016	Year Ago	Percent Change
Construction	41.8	39.7	5.3%	\$1,069.24	\$983.37	8.7%
Manufacturing	42.1	43.1	(2.3)	846.63	892.60	(5.2)
Durable Goods	42.5	44.7	(4.9)	888.68	973.12	(8.7)
Transportation Equipment Mfg.	42.4	48.5	(12.6)	932.38	1,211.05	(23.0)
Motor Vehicle Parts Mfg.	45.0	47.1	(4.5)	951.75	1,095.55	(13.1)
Nondurable Goods	40.7	38.3	6.3	715.91	649.57	10.2
Wholesale Trade	39.7	38.6	2.8	890.47	901.31	(1.2)
Retail Trade	30.1	30.3	(0.7)	422.91	422.38	0.1
Information	36.5	35.4	3.1	915.79	906.59	1.0
Financial Activities	35.6	36.1	(1.4)	818.44	818.39	0.0
Professional & Business Services	35.3	35.5	(0.6)	826.02	799.82	3.3
Health Care & Social Assistance	32.1	31.5	1.9	645.85	628.11	2.8
Leisure & Hospitality	23.0	24.0	(4.2)	255.53	255.60	(0.0)
Accommodation & Food Services	22.7	23.7	2.0	245.84	246.72	(0.4)

**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)				
	July 2016	June 2016	May 2016	July 2015
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	4.1%	3.5%	3.2%	4.7%
Battle Creek	5.0	4.4	4.2	6.0
Bay City	5.5	5.0	4.7	6.3
Detroit-Warren-Dearborn	6.1	5.8	4.9	7.4
Flint	6.0	5.1	5.0	7.1
Grand Rapids-Wyoming	3.9	3.4	3.2	4.5
Jackson	5.3	4.7	4.5	6.3
Kalamazoo-Portage	4.6	4.1	3.9	5.5
Lansing-East Lansing	4.4	4.0	4.6	5.4
Midland	4.7	4.3	4.0	5.4
Monroe	4.7	3.9	3.7	5.4
Muskegon	5.8	4.9	4.7	6.6
Niles-Benton Harbor	5.0	4.6	4.3	5.7
Saginaw	5.4	4.8	4.7	6.5
<b>Multi-County Areas</b>				
Northeast Lower Michigan	6.5	5.9	6.0	7.2
Northwest Lower Michigan	4.7	4.5	4.6	5.7
Upper Peninsula	6.2	5.7	5.6	7.2
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	5.4	4.9	4.5	6.4
<b>Source:</b> Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	July 2016	June 2016	May 2016	April 2016	Year Ago July	Percent Change From:	
						July/June	July 2016/ July 2015
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,864	6,589	6,814	6,886	7,562	4.2%	(9.2%)
Domestics	5,121	4,883	5,040	5,079	5,706	4.9	(10.3)
Imports	1,743	1,706	1,774	1,807	1,856	2.2	(6.1)
Import Share	25.4%	25.9%	26.0%	26.2%	24.5%	----	----
Light Trucks	10,910	10,105	10,409	10,579	9,875	8.0	10.5
Domestics	8,710	7,964	8,138	8,518	8,094	9.4	7.6
Imports	2,200	2,141	2,271	2,061	1,781	2.8	23.5
Import Share	20.2%	21.2%	21.8%	19.5%	18.0%	----	----
Subtotal: Light Vehicle Sales	17,774	16,694	17,223	17,465	17,437	6.5	1.9
Heavy Trucks	373	392	405	423	463	(4.8)	(19.4)
Total Vehicle Sales	18,147	17,086	17,628	17,888	17,900	6.2	1.4
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	3,960	4,217	3,710	3,923	4,448	(6.1)	(11.0)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	766	1,151	852	791	682	(33.5)	12.3
Trucks	1,637	1,776	2,528	1,635	1,855	(7.8)	(11.8)
Total	2,402	2,926	3,379	2,426	2,537	(17.9)	(5.3)
Michigan Production as % of U.S.	20.7%	22.2%	21.1%	19.6%	18.3%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,411	1,482	1,488	1,549	1,538	(4.8)	(8.3)
Days Supply	62	64	57	68	60	(3.1)	3.3
Total Truck	2,162	2,362	2,302	2,336	1,877	(8.5)	15.2
Days Supply	60	68	61	71	58	(11.8)	3.4
<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. 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*	Year Ago
Index of Consumer Sentiment, monthly <sup>1)</sup> (1996 Q1=100)	July	90.0	93.5	93.1	(3.7%)	(3.3%)
Oil Prices <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	July	\$44.65	\$48.76	\$50.90	(8.4)	(12.3)
Housing Starts, U.S. <sup>3)</sup> (thousands of units, SAAR)	July	1,211	1,186	1,147	2.1	5.6
Retail Sales, U.S. <sup>3)</sup> (billions, seasonally adjusted)	July	\$403.1	\$403.2	\$395.6	(0.0)	1.9
Industrial Production Index <sup>4)</sup> (2007=100, seasonally adjusted)	July	104.9	104.1	105.5	0.7	(0.5)
Capacity Utilization <sup>4)</sup> (% of total capacity, seasonally adjusted)	July	75.9	75.4	76.7	0.7	(1.0)
Consumer Price Index <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	July	239.8	239.9	237.7	(0.5)	0.9
Detroit (not seasonally adjusted)	June	224.1	221.4	219.0	7.4	2.3
Interest Rates						
3-month Treasury Bill <sup>4)</sup>	July	0.30%	0.27%	0.03%	--	--
Corporate Aaa Bonds <sup>4)</sup>	July	3.28%	3.50%	4.15%	--	--
Real Gross Domestic Product <sup>6)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2016 2nd Quarter	\$16,570.2	\$16,525.0	\$16,374.2	1.1	1.2
Michigan Tax Collections <sup>7)</sup> (12 major taxes, millions)	July	\$1,958.1	\$1,861.8	\$1,940.3	NM	0.9

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) Reuters/University of Michigan Surveys of Consumers. 2) Dow Jones & Company/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) U.S. Department of Commerce, Bureau of Economic Analysis. 7) Michigan Department of Treasury and the Senate Fiscal Agency. 8) Percent changes from previous period for CPI and GDP at annual rate.

