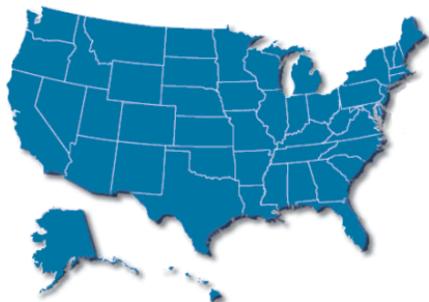


# Michigan Economic Indicators

JULY 2017



## ECONOMIC HIGHLIGHTS



In July 2017, seasonally adjusted **retail sales** increased 0.3% from the June 2017 level, and were 3.6% above the July 2016 level. Nonstore retailers experienced the most rapid growth, with sales rising 10.5% from July 2016 to July 2017, followed by building materials and garden equipment (8.0%), furniture and home furnishings (4.3%), and motor vehicle and parts dealers (3.8%). Electronics and appliance store sales declined 2.3% and sporting goods, hobby, book, and music stores declined 5.5%.

**Corporate profits** increased at a 2.8% annual rate during the second quarter of 2017, and were up 6.3% from the second quarter of 2016. Profits increased in three of the four quarters between the third quarter of 2016 and the second quarter of 2017. Between the second quarters of 2016 and 2017, corporate profits increased by 3.6% in the financial sector and 7.2% in nonfinancial industries. Within the manufacturing sector, durable goods profits increased 10.6% from the second quarter of 2016 to the second quarter of 2017, despite a 37.3% decline in motor vehicle sector profits, and profits in the nondurable goods sector declined by 3.1%.



Michigan **employment** declined by 18,000 jobs from June 2017 to July 2017, but remained 72,000 higher than in July 2016. The labor force declined by 25,000 individuals in July 2017 compared to June 2016, and was 17,000 higher than in July 2016. The relative performance of employment and labor force measures resulted in a decline in the **unemployment rate** from 4.9% in July 2016 to 3.7% in July 2017.

**Regional unemployment rates** generally were lower in July 2017 compared to July 2016. The biggest year-over-year improvement occurred in the Detroit-Warren-Dearborn area, where the unemployment rate fell from 6.3% in July 2016 to 4.4% in July 2017, the lowest July reading since 2000. The Grand Rapids-Wyoming area registered the lowest unemployment rate at 4.2%, followed by Detroit-Warren-Dearborn (4.4%), and Ann Arbor (4.5%). The highest unemployment rate in July 2017 was in the northeastern Lower Peninsula (6.8%), followed by Flint (6.5%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	July 2017	June 2017	July 2016	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,494	160,145	159,295	349	0.2%	1,199	0.8%
Employment	153,513	153,168	151,546	345	0.2	1,967	1.3
Unemployment	6,981	6,977	7,749	4	0.1	(768)	(9.9)
Unemployment Rate	4.3%	4.4%	4.9%	--	--	--	--
Michigan	July 2017	June 2017	July 2016	Change from June		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,841	4,865	4,823	(25)	(0.5%)	17	0.4%
Employment	4,660	4,678	4,589	(18)	(0.4)	72	1.6
Unemployment	180	187	235	(7)	(3.6)	(54)	(23.2)
Unemployment Rate	3.7%	3.8%	4.9%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	July 2017*	June 2017	July 2016	Change from June		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,394	4,386	4,332	8	0.2%	62	1.4%
<b>Goods Producing Industries</b>	772	772	763	0	0.1	10	1.3
Mining and Logging	8	8	7	(0)	(1.3)	0	5.6
Construction	161	160	155	0	0.1	6	3.7
Manufacturing	604	604	601	0	0.1	4	0.6
Transportation Equipment	177	179	180	(2)	(1.3)	(3)	(1.8)
<b>Service Producing Industries</b>	3,622	3,614	3,569	7	0.2	53	1.5
Trade, Transportation & Utilities	784	782	783	3	0.3	1	0.1
Wholesale Trade	175	174	172	1	0.3	2	1.4
Retail Trade	471	469	474	2	0.4	(3)	(0.7)
Transportation & Utilities	139	139	137	0	0.2	2	1.1
Information	58	58	58	0	0.0	0	0.5
Financial Activities	218	219	213	(1)	(0.5)	5	2.5
Professional & Business Services	666	667	652	(2)	(0.2)	14	2.2
Education & Health Services	672	669	667	3	0.4	4	0.6
Leisure & Hospitality Services	433	433	426	0	0.0	8	1.8
Other Services	174	174	169	0	0.2	5	3.0
Government	616	612	601	4	0.7	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		
	July 2017	Year Ago	Percent Change	July 2017	Year Ago	Percent Change
Construction	41.5	41.8	(0.7%)	\$981.89	\$1,067.57	(8.0%)
Manufacturing	42.2	42.4	(0.5)	865.00	866.66	(0.2)
Durable Goods	43.1	43.0	0.2	914.15	918.48	(0.5)
Transportation Equipment Mfg.	45.5	44.6	2.0	1,058.33	1,055.68	0.3
Motor Vehicle Parts Mfg.	44.6	44.9	(0.7)	950.43	949.19	0.1
Nondurable Goods	39.4	40.7	(3.2)	718.26	715.51	0.4
Wholesale Trade	39.9	39.7	0.5	995.11	894.84	11.2
Retail Trade	30.8	30.1	2.3	444.14	424.41	4.6
Information	35.7	36.5	(2.2)	950.33	915.79	3.8
Financial Activities	35.8	35.8	0.0	815.88	818.39	(0.3)
Professional & Business Services	34.8	35.2	(1.1)	807.01	820.16	(1.6)
Health Care & Social Assistance	32.2	32.1	0.3	656.88	645.53	1.8
Leisure & Hospitality	24.7	22.9	7.9	296.40	254.19	16.6
Accommodation & Food Services	24.3	22.6	7.5	277.51	244.53	13.5

**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 2017	June 2017	May 2017	July 2016
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	4.5%	3.3%	2.9%	4.6%
Battle Creek	5.6	4.4	3.9	5.6
Bay City	6.0	4.9	4.6	6.2
Detroit-Warren-Dearborn	4.4	3.7	3.6	6.3
Flint	6.5	5.0	4.5	6.6
Grand Rapids-Wyoming	4.2	3.2	2.8	4.3
Jackson	5.3	4.3	3.8	5.7
Kalamazoo-Portage	5.0	4.0	3.6	5.1
Lansing-East Lansing	5.2	4.3	3.3	4.9
Midland	5.0	4.0	3.8	5.3
Monroe	5.9	4.3	3.9	5.2
Muskegon	6.2	4.8	4.4	6.5
Niles-Benton Harbor	5.3	4.4	3.9	5.5
Saginaw	5.9	4.8	4.4	6.1
<b>Multi-County Areas</b>				
Northeast Lower Michigan	6.8	5.6	5.4	7.1
Northwest Lower Michigan	5.1	4.3	4.2	5.1
Upper Peninsula	6.2	5.4	5.2	6.9
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	4.9	4.0	3.7	5.8

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

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	July 2017	June 2017	May 2017	Apr 2017	Year Ago July	Percent Change From:	
						July/June	July 2017/ July 2016
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	5,950	5,755	5,988	6,255	6,894	3.4%	(13.7%)
Domestics	4,557	4,432	4,621	4,832	5,169	2.8	(11.8)
Imports	1,393	1,323	1,367	1,423	1,725	5.3	(19.2)
Import Share	23.4%	23.0%	22.8%	22.7%	25.0%	----	----
Light Trucks	10,748	10,839	10,712	10,711	10,859	(0.8)	(1.0)
Domestics	8,413	8,530	8,334	8,412	8,657	(1.4)	(2.8)
Imports	2,335	2,309	2,378	2,299	2,202	1.1	6.0
Import Share	21.7%	21.3%	22.2%	21.5%	20.3%	----	----
Subtotal: Light Vehicle Sales	16,698	16,594	16,700	16,966	17,753	0.6	(5.9)
Heavy Trucks	405	416	391	408	379	(2.6)	6.9
Total Vehicle Sales	17,103	17,010	17,091	17,374	18,132	0.5	(5.7)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	2,634	2,940	3,398	3,486	3,854	(10.4)	(31.7)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	466	595	643	605	771	(21.8)	(39.6)
Trucks	1,384	1,306	1,344	1,335	1,684	5.9	(17.8)
Total	1,849	1,901	1,987	1,941	2,455	(2.7)	(24.7)
Michigan Production as % of U.S.	19.4%	18.6%	18.6%	18.6%	20.7%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,445	1,550	1,580	1,563	1,411	(6.8)	2.4
Days Supply	71	77	70	75	62	(7.8)	14.5
Total Truck	2,455	2,648	2,603	2,594	2,162	(7.3)	13.6
Days Supply	67	72	68	76	60	(6.9)	11.7

**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
Index of Consumer Sentiment, monthly <sup>1)</sup> (1996 Q1=100)	July	93.4	95.1	90.0	(1.8%)	3.8%
Oil Prices <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	July	\$46.63	\$45.18	\$44.65	3.2	4.4
Housing Starts, U.S. <sup>3)</sup> (thousands of units, SAAR)	July	1,155	1,213	1,223	(4.8)	(5.6)
Retail Sales, U.S. <sup>3)</sup> (billions, seasonally adjusted)	July	\$419.4	\$418.0	\$404.8	0.3	3.6
Industrial Production Index <sup>4)</sup> (2007=100, seasonally adjusted)	July	105.5	105.3	103.2	0.2	2.2
Capacity Utilization <sup>4)</sup> (% of total capacity, seasonally adjusted)	July	76.7	76.7	75.9	0.1	1.1
Consumer Price Index <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	July	244.0	243.8	239.9	1.3	1.7
Detroit (not seasonally adjusted)	June	226.5	226.5	224.1	0.0	1.1
Interest Rates						
3-month Treasury Bill <sup>4)</sup>	July	1.08%	1.00%	0.30%	--	--
30-year Conventional Mortgage <sup>6)</sup>	July	3.97%	3.90%	3.44%	--	--
Real Gross Domestic Product <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2017 2nd Quarter	\$17,031.1	\$16,903.2	\$16,663.5	3.1	2.2
Michigan Tax Collections <sup>8)</sup> (12 major taxes, millions)	July	\$2,044.2	\$2,169.2	\$1,970.6	NM	3.7

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.

