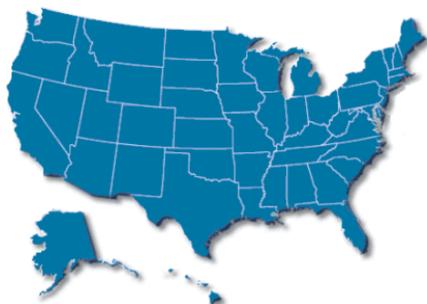


Michigan Economic Indicators

JULY 2019



ECONOMIC HIGHLIGHTS



The **interest rate on 30-year fixed rate mortgages** averaged 3.77% in July 2019, the lowest average since November 2016. Other interest rates have fallen recently, with short-term interest rates, such as the rate on three-month Treasury bills, falling to 2.15% from the recent high of 2.45% in March 2019. Longer-term rates, such as the rate on 10-year Treasury bonds, have fallen to 2.06% from a high of 3.15% in October 2018.

Trade between the United States and China fell in June 2019, the most recent month with data available. Both imports from China and export to China have fallen year-to-date. From January 2019 through June 2019, exports to China from the United States fell 18.9%, or \$12.1 billion, from the same period in 2018. Imports from China from January through June fell 12.4%, or \$30.9 billion, from the year ago period. As of June 2019, the United States imposed 25% tariffs on roughly \$250 billion worth of Chinese imports, and China imposed tariffs of 20-25% on roughly \$110 billion worth of U.S. exports.



Regional unemployment rates increased in July 2019 compared to July 2018 for all but two metropolitan statistical areas, reflecting the fact that while overall employment increased, the number of individuals in the labor force increased by a greater number. The two metropolitan areas that did not see an increase in the unemployment rate were Saginaw, which remained the same at 5.7%, and Flint, which decreased from 6.2% to 6.1%. Monroe saw the largest increase, rising 0.8% from 4.9% in July 2018 to 5.7% in July 2019. The Upper Peninsula also saw a large increase, rising 0.6% from 5.3% in July 2018 to 5.9% in July 2019.

Average weekly earnings increased in all but one sector in July 2019. Wholesale trade average weekly earnings were down 4.9% from July 2018 to July 2019. Financial activities saw the largest gain, with earnings up 6.5% from a year ago. Other sectors with strong gains included construction (5.2%), professional and business services (4.7%), and motor vehicle parts manufacturing (4.5%).

| U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands) | | | | | | | |
|---|------------|-----------|-----------|------------------|---------|----------------------|---------|
| U.S. | July 2019 | June 2019 | July 2018 | Change from June | | Change from Year Ago | |
| | | | | Number | Percent | Number | Percent |
| Labor Force | 163,351 | 162,981 | 162,209 | 370 | 0.2% | 1,142 | 0.7% |
| Employment | 157,288 | 157,005 | 155,964 | 283 | 0.2 | 1,324 | 0.8 |
| Unemployment | 6,063 | 5,976 | 6,245 | 87 | 1.5 | (182) | (2.9) |
| Unemployment Rate | 3.7% | 3.7% | 3.9% | -- | -- | -- | -- |
| Michigan | July 2019* | June 2019 | July 2018 | Change from June | | Change from Year Ago | |
| Labor Force | 4,961 | 4,958 | 4,896 | 4 | 0.1% | 65 | 1.3% |
| Employment | 4,749 | 4,748 | 4,702 | 1 | 0.0 | 47 | 1.0 |
| Unemployment | 212 | 210 | 193 | 2 | 1.1 | 19 | 9.8 |
| Unemployment Rate | 4.3% | 4.2% | 4.0% | -- | -- | -- | -- |

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

*Preliminary

Michigan Economic Indicators

JULY 2019



| MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands) | | | | | | | |
|---|---------------|--------------|--------------|------------------|---------|--------------------|---------|
| | July 2019* | June 2019 | July 2018 | Change from June | | Change from Yr Ago | |
| | | | | Number | Percent | Number | Percent |
| Total Non-Agricultural Jobs | 4,440 | 4,446 | 4,423 | (6) | (0.1%) | 18 | 0.4% |
| Goods Producing Industries | 814 | 816 | 807 | (1) | (0.2) | 7 | 0.9 |
| Mining and Logging | 7 | 7 | 7 | (0) | (1.4) | (0) | (1.4) |
| Construction | 173 | 173 | 171 | 0 | 0.1 | 2 | 1.3 |
| Manufacturing | 634 | 636 | 629 | (1) | (0.2) | 5 | 0.8 |
| Transportation Equipment | 197 | 197 | 193 | (0) | (0.1) | 4 | 1.8 |
| Service Producing Industries | 3,626 | 3,630 | 3,615 | (5) | (0.1) | 10 | 0.3 |
| Trade, Transportation & Utilities | 790 | 790 | 793 | 0 | 0.0 | (3) | (0.4) |
| Wholesale Trade | 173 | 173 | 172 | 0 | 0.1 | 1 | 0.5 |
| Retail Trade | 464 | 464 | 472 | 0 | 0.0 | (8) | (1.8) |
| Transportation & Utilities | 153 | 153 | 149 | 0 | 0.0 | 5 | 3.0 |
| Information | 56 | 57 | 56 | (1) | (1.9) | 0 | 0.7 |
| Financial Activities | 222 | 222 | 219 | 0 | 0.1 | 3 | 1.6 |
| Professional & Business Services | 664 | 663 | 660 | 0 | 0.1 | 4 | 0.6 |
| Education & Health Services | 669 | 675 | 679 | (6) | (0.8) | (10) | (1.5) |
| Leisure & Hospitality Services | 444 | 444 | 435 | 0 | 0.0 | 9 | 2.0 |
| Other Services | 171 | 170 | 167 | 1 | 0.5 | 5 | 2.7 |
| Government | 609 | 609 | 607 | 1 | 0.1 | 2 | 0.4 |

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 2019* | Year Ago | Percent Change | July 2019* | Year Ago | Percent Change |
| Construction | 42.0 | 42.0 | 0.0% | \$1,196.16 | \$1,136.52 | 5.2% |
| Manufacturing | 40.7 | 42.3 | (3.8) | 919.01 | 892.11 | 3.0 |
| Durable Goods | 41.3 | 42.8 | (3.5) | 964.77 | 935.18 | 3.2 |
| Transportation Equipment Mfg. | 43.5 | 46.0 | (5.4) | 1,143.18 | 1,129.30 | 1.2 |
| Motor Vehicle Parts Mfg. | 44.7 | 46.5 | (3.9) | 1,051.79 | 1,006.26 | 4.5 |
| Nondurable Goods | 38.6 | 40.9 | (5.6) | 766.60 | 764.42 | 0.3 |
| Wholesale Trade | 38.2 | 39.8 | (4.0) | 1,000.08 | 1,051.91 | (4.9) |
| Retail Trade | 30.7 | 31.1 | (1.3) | 454.05 | 450.02 | 0.9 |
| Information | 35.5 | 34.5 | 2.9 | 947.85 | 936.33 | 1.2 |
| Financial Activities | 35.2 | 35.7 | (1.4) | 913.09 | 857.51 | 6.5 |
| Professional & Business Services | 34.6 | 35.0 | (1.1) | 886.45 | 846.65 | 4.7 |
| Health Care & Social Assistance | 32.0 | 32.2 | (0.6) | 719.04 | 710.98 | 1.1 |
| Leisure & Hospitality | 24.2 | 24.7 | (2.0) | 307.82 | 305.79 | 0.7 |
| Accommodation & Food Services | 24.2 | 24.6 | (1.6) | 299.84 | 297.91 | 0.6 |

Source: Bureau of Labor Statistics, U.S. Department of Labor *Preliminary



| MICHIGAN UNEMPLOYMENT RATES BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS (Not Adjusted for Seasonal Variations) | | | | |
|--|-----------|-----------|----------|-----------|
| | July 2019 | June 2019 | May 2019 | July 2018 |
| Metropolitan Statistical Areas | | | | |
| Ann Arbor | 4.2% | 3.5% | 2.9% | 4.0% |
| Battle Creek | 5.2 | 4.6 | 3.8 | 4.8 |
| Bay City | 5.5 | 5.0 | 4.3 | 5.3 |
| Detroit-Warren-Dearborn | 5.3 | 4.5 | 4.3 | 5.0 |
| Flint | 6.1 | 5.5 | 5.6 | 6.2 |
| Grand Rapids-Wyoming | 3.9 | 3.3 | 2.7 | 3.6 |
| Jackson | 4.9 | 4.2 | 3.4 | 4.6 |
| Kalamazoo-Portage | 4.6 | 3.9 | 3.3 | 4.3 |
| Lansing-East Lansing | 4.6 | 3.9 | 3.1 | 4.4 |
| Midland | 4.5 | 4.0 | 3.4 | 4.4 |
| Monroe | 5.7 | 4.1 | 4.0 | 4.9 |
| Muskegon | 5.4 | 4.6 | 3.9 | 5.3 |
| Niles-Benton Harbor | 5.0 | 4.6 | 3.8 | 4.7 |
| Saginaw | 5.7 | 5.1 | 4.6 | 5.7 |
| Multi-County Areas | | | | |
| Northeast Lower Michigan | 6.4 | 5.7 | 5.0 | 6.0 |
| Northwest Lower Michigan | 4.4 | 4.3 | 3.8 | 4.3 |
| Upper Peninsula | 5.9 | 5.5 | 4.9 | 5.3 |
| Michigan Statewide Average (unadjusted - comparable to figures shown above) | | | | |
| | 5.1 | 4.4 | 3.9 | 4.8 |

Source: Michigan Department of Technology, Management, and Budget

| MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates) | | | | | | | |
|---|-----------|-----------|----------|----------|------------------|----------------------|-------------------------|
| | July 2019 | June 2019 | May 2019 | Apr 2019 | Year Ago July | Percent Change From: | |
| | | | | | | July/June | July 2019/ July 2018 |
| Motor Vehicle Sales¹⁾ | | | | | | | |
| Autos | 4,613 | 4,848 | 4,814 | 4,787 | 5,176 | (4.8%) | (10.9%) |
| Domestics | 3,359 | 3,518 | 3,583 | 3,616 | 4,025 | (4.5) | (16.5) |
| Imports | 1,254 | 1,330 | 1,231 | 1,171 | 1,151 | (5.7) | 8.9 |
| Import Share | 27.2% | 27.4% | 25.6% | 24.5% | 22.2% | ---- | ---- |
| Light Trucks | 12,210 | 12,286 | 12,572 | 11,697 | 11,714 | (0.6) | 4.2 |
| Domestics | 9,684 | 9,833 | 9,978 | 9,257 | 9,051 | (1.5) | 7.0 |
| Imports | 2,526 | 2,453 | 2,594 | 2,440 | 2,663 | 3.0 | (5.1) |
| Import Share | 20.7% | 20.0% | 20.6% | 20.9% | 22.7% | ---- | ---- |
| Subtotal: Light Vehicle Sales | 16,823 | 17,134 | 17,386 | 16,484 | 16,890 | (1.8) | (0.4) |
| Heavy Trucks | 516 | 527 | 547 | 565 | 494 | (2.1) | 4.5 |
| Total Vehicle Sales | 17,339 | 17,661 | 17,933 | 17,049 | 17,384 | (1.8) | (0.3) |
| U.S. Motor Vehicle Production¹⁾ | | | | | | | |
| Autos | 2,731 | 2,552 | 2,519 | 2,383 | 2,510 | 7.0 | 8.8 |
| Michigan Motor Vehicle Production²⁾ | | | | | | | |
| Autos | 191 | 236 | 255 | 270 | 323 | (19.2) | (41.0) |
| Trucks | 1,732 | 1,599 | 1,768 | 1,716 | 1,497 | 8.3 | 15.8 |
| Total | 1,923 | 1,835 | 2,022 | 1,986 | 1,820 | 4.8 | 5.7 |
| Michigan Production as % of U.S. | 17.6% | 18.3% | 18.2% | 18.3% | 17.2% | ---- | ---- |
| U.S. Motor Vehicle Inventories³⁾ | | | | | | | |
| Total Car | 939 | 1,008 | 1,023 | 1,082 | 1,101 | (6.9) | (14.8) |
| Days Supply | 64 | 60 | 59 | 69 | 64 | 6.7 | 0.0 |
| Total Truck | 2,860 | 2,997 | 2,970 | 3,039 | 2,650 | (4.6) | 7.9 |
| Days Supply | 73 | 72 | 68 | 81 | 67 | 1.4 | 9.0 |

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) | July | 98.4 | 98.2 | 97.9 | 0.2% | 0.5% |
| Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude) | July | \$57.35 | \$54.66 | \$70.98 | 4.9 | (19.2) |
| Housing Starts, U.S. ³⁾ (thousands of units, SAAR) | July | 1,191 | 1,241 | 1,184 | (4.0) | 0.6 |
| Retail Sales, U.S. ³⁾ (billions, seasonally adjusted) | July | \$458.3 | \$455.4 | \$443.3 | 0.6 | 3.4 |
| Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted) | July | 109.2 | 109.4 | 108.7 | (0.2) | 0.5 |
| Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted) | July | 77.5 | 77.8 | 78.8 | (0.4) | (1.6) |
| Consumer Price Index ⁵⁾ (1982-84=100) | | | | | | |
| U.S. (seasonally adjusted) | July | 256.2 | 255.3 | 251.6 | 4.1 | 1.8 |
| Detroit (not seasonally adjusted) | June | 234.9 | 234.0 | 234.7 | 2.3 | 0.1 |
| Interest Rates | | | | | | |
| 3-month Treasury Bill ⁴⁾ | July | 2.15% | 2.22% | 1.99% | -- | -- |
| 30-year Conventional Mortgage ⁶⁾ | July | 3.77% | 3.80% | 4.53% | -- | -- |
| Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted) | 2019 2nd Quarter | \$19,023.0 | \$18,927.3 | \$18,598.1 | 2.0 | 2.3 |
| Michigan Tax Collections ⁸⁾ (12 major taxes, millions) | July | \$2,199.3 | \$2,305.8 | \$2,156.0 | NM | 2.0 |

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. 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.

