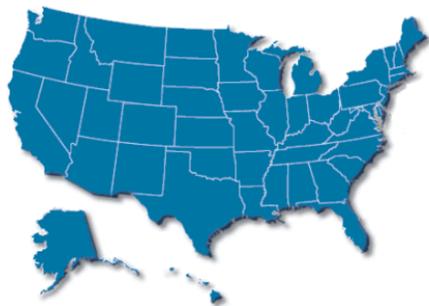


# Michigan Economic Indicators

JUNE 2016



## ECONOMIC HIGHLIGHTS



**Inflation-adjusted gross domestic product (GDP)** in the second quarter of 2016 increased at a 1.2% seasonally adjusted annual rate. Personal consumption spending contributed 2.8 percentage points to GDP growth, while net exports contributed 0.2 point to the growth rate. Gross private domestic investment declined for a third consecutive quarter, reducing GDP growth 1.7 percentage points. Similarly, government spending subtracted approximately 0.2 percentage point from the growth rate, primarily due to contractions in state and local government spending.

**Retail and food service sales** increased 2.7% from June 2015 to June 2016. Sectors with the largest increases were retailers other than stores (14.2%), followed by health and personal care stores (8.4%), building material and garden equipment/supplies dealers (7.6%), and sporting goods, hobby, book, and music stores (6.8%). The largest declines were at gas stations (-9.6%), reflecting the decline in gasoline prices, followed by electronics/appliance stores (-4.7%) and department stores (-3.7%). Sales by motor vehicle and parts dealers increased by 1.0%.



Michigan **auto production** in June 2016 increased to a seasonally adjusted annual rate of nearly 1.2 million units, a 35.1% increase from May 2016 and 46.5% higher than in June 2015. Michigan truck production was approximately 1.8 million units in June 2016, a decline of 29.8% from May 2016, but 12.8% higher than in June 2015. Michigan motor vehicle production was 22.2% of U.S. motor vehicle production in June 2016.

Michigan's **unemployment rate** was 4.6% in June 2016, down from 4.7% in May 2016 and lower than the 5.3% rate in June 2015. The decline in the unemployment rate from May to June reflected the impact of a contracting labor force: employment declined by 26,000 jobs, while the size of the labor force fell by 31,000 people. In contrast, compared to June 2015, the unemployment rate declined because employment increased by 133,000 jobs while the labor force grew by 102,000 people.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	June 2016	May 2016	June 2015	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	158,880	158,466	156,984	414	0.3%	1,896	1.2%
Employment	151,097	151,030	148,722	67	0.0	2,375	1.6
Unemployment	7,783	7,436	8,262	347	4.7	(479)	(5.8)
Unemployment Rate	4.9%	4.7%	5.3%	--	--	--	--
Michigan	June 2016	May 2016	June 2015	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,837	4,868	4,736	(31)	(0.6%)	102	2.2%
Employment	4,616	4,641	4,483	(26)	(0.6)	133	3.0
Unemployment	222	227	252	(5)	(2.2)	(31)	(12.1)
Unemployment Rate	4.6%	4.7%	5.3%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	June 2016	May 2016	June 2015	Change from May		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,330	4,311	4,239	20	0.5%	92	2.2%
<b>Goods Producing Industries</b>	754	755	742	(1)	(0.1)	12	1.6
Mining and Logging	7	7	8	0	1.4	(1)	(10.1)
Construction	150	151	148	(1)	(0.5)	2	1.6
Manufacturing	596	597	586	(1)	(0.1)	11	1.8
Transportation Equipment	174	175	173	(1)	(0.3)	1	0.4
<b>Service Producing Industries</b>	3,577	3,556	3,497	21	0.6	79	2.3
Trade, Transportation & Utilities	776	774	772	2	0.2	4	0.5
Wholesale Trade	170	170	170	(0)	(0.2)	0	0.0
Retail Trade	472	470	468	2	0.4	5	1.0
Transportation & Utilities	134	134	135	0	0.1	(1)	(0.4)
Information	58	58	57	1	1.4	2	2.8
Financial Activities	217	215	207	2	1.0	10	4.8
Professional & Business Services	666	662	639	4	0.6	28	4.3
Education & Health Services	668	664	650	4	0.6	18	2.7
Leisure & Hospitality Services	424	420	413	4	1.0	12	2.8
Other Services	172	170	168	2	1.3	5	2.7
Government	595	593	593	2	0.3	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		
	June 2016	Year Ago	Percent Change	June 2016	Year Ago	Percent Change
Construction	41.7	39.9	4.5%	\$1,050.84	\$979.15	7.3%
Manufacturing	43.2	45.2	(4.4)	873.94	939.26	(7.0)
Durable Goods	43.7	46.4	(5.8)	924.69	1,012.91	(8.7)
Transportation Equipment Mfg.	44.8	50.8	(11.8)	1,018.75	1,279.65	(20.4)
Motor Vehicle Parts Mfg.	44.9	50.0	(10.2)	954.13	1,165.00	(18.1)
Nondurable Goods	41.7	41.2	1.2	720.58	701.64	2.7
Wholesale Trade	39.0	38.9	0.3	872.43	895.48	(2.6)
Retail Trade	30.0	30.0	0.0	423.60	414.90	2.1
Information	35.9	35.3	1.7	906.83	910.03	(0.4)
Financial Activities	35.8	36.4	(1.6)	809.80	827.74	(2.2)
Professional & Business Services	35.5	35.8	(0.8)	813.66	798.70	1.9
Health Care & Social Assistance	31.6	31.5	0.3	625.36	610.47	2.4
Leisure & Hospitality	23.3	23.2	0.4	255.14	246.38	3.6
Accommodation & Food Services	22.9	23.0	2.0	243.20	238.51	2.0

**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)				
	Jun. 2016	May 2016	Apr. 2016	Jun. 2015
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.5%	3.2%	2.7%	4.2%
Battle Creek	4.4	4.2	4.1	5.3
Bay City	5.0	4.7	4.9	5.8
Detroit-Warren-Dearborn	5.8	4.9	4.5	6.6
Flint	5.1	5.0	4.9	6.2
Grand Rapids-Wyoming	3.4	3.2	2.9	4.1
Jackson	4.7	4.5	4.4	5.5
Kalamazoo-Portage	4.2	3.9	3.7	5.0
Lansing-East Lansing	4.0	4.6	3.3	4.9
Midland	4.3	4.0	4.0	5.0
Monroe	3.9	3.7	3.6	4.7
Muskegon	5.0	4.7	4.6	6.0
Niles-Benton Harbor	4.6	4.3	4.1	5.3
Saginaw	4.8	4.7	4.6	5.8
<b>Multi-County Areas</b>				
Northeast Lower Michigan	5.9	6.0	7.4	6.8
Northwest Lower Michigan	4.5	4.6	5.5	5.5
Upper Peninsula	5.7	5.6	6.5	6.6
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	4.9	4.5	4.3	5.8
<b>Source:</b> Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	June 2016	May 2016	Apr. 2016	Mar. 2016	Year Ago June	Percent Change From:	
						June/May	June 2016/ June 2015
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,594	6,824	6,882	6,814	7,484	(3.4%)	(11.9%)
Domestics	4,888	5,050	5,075	5,114	5,535	(3.2)	(11.7)
Imports	1,706	1,774	1,807	1,700	1,949	(3.8)	(12.5)
Import Share	25.9%	26.0%	26.3%	24.9%	26.0%	----	----
Light Trucks	10,095	10,405	10,563	9,912	9,869	(3.0)	2.3
Domestics	7,954	8,134	8,502	8,031	8,094	(2.2)	(1.7)
Imports	2,141	2,271	2,061	1,881	1,775	(5.7)	20.6
Import Share	21.2%	21.8%	19.5%	19.0%	18.0%	----	----
Subtotal: Light Vehicle Sales	16,689	17,229	17,445	16,726	17,353	(3.1)	(3.8)
Heavy Trucks	392	405	423	453	467	(3.2)	(16.1)
Total Vehicle Sales	17,081	17,634	17,868	17,179	17,820	(3.1)	(4.1)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	4,217	3,710	3,923	3,925	4,120	13.6	2.4
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	1,151	852	791	677	785	35.1	46.5
Trucks	1,776	2,528	1,635	1,535	1,574	(29.8)	12.8
Total	2,926	3,379	2,426	2,212	2,360	(13.4)	24.0
Michigan Production as % of U.S.	22.2%	21.1%	19.6%	18.7%	18.9%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,482	1,488	1,549	1,563	1,639	(0.4)	(9.6)
Days Supply	64	57	68	63	60	12.3	6.7
Total Truck	2,362	2,302	2,336	2,280	1,950	2.6	21.1
Days Supply	68	61	71	67	61	11.5	11.5
<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)	June	93.5	94.7	96.1	(1.3%)	(2.7%)
Oil Prices <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	June	\$48.76	\$46.71	\$59.82	4.4	(18.5)
Housing Starts, U.S. <sup>3)</sup> (thousands of units, SAAR)	June	1,189	1,135	1,213	4.8	(2.0)
Retail Sales, U.S. <sup>3)</sup> (billions, seasonally adjusted)	June	\$402.6	\$399.8	\$393.1	0.7	2.4
Industrial Production Index <sup>4)</sup> (2007=100, seasonally adjusted)	June	104.1	103.5	104.9	0.6	(0.7)
Capacity Utilization <sup>4)</sup> (% of total capacity, seasonally adjusted)	June	75.4	74.9	76.4	0.6	(1.3)
Consumer Price Index <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	June	239.9	239.4	237.4	2.6	1.1
Detroit (not seasonally adjusted)	June	224.1	221.4	219.0	7.4	2.3
Interest Rates						
3-month Treasury Bill <sup>4)</sup>	June	0.27%	0.28%	0.02%	--	--
Corporate Aaa Bonds <sup>4)</sup>	June	3.50%	3.65%	4.19%	--	--
Real Gross Domestic Product <sup>6)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2016 2nd Quarter	\$16,575.1	\$16,525.0	\$16,374.2	1.2	1.2
Michigan Tax Collections <sup>7)</sup> (12 major taxes, millions)	June	\$1,861.8	\$1,661.8	\$1,935.1	NM	(3.8)

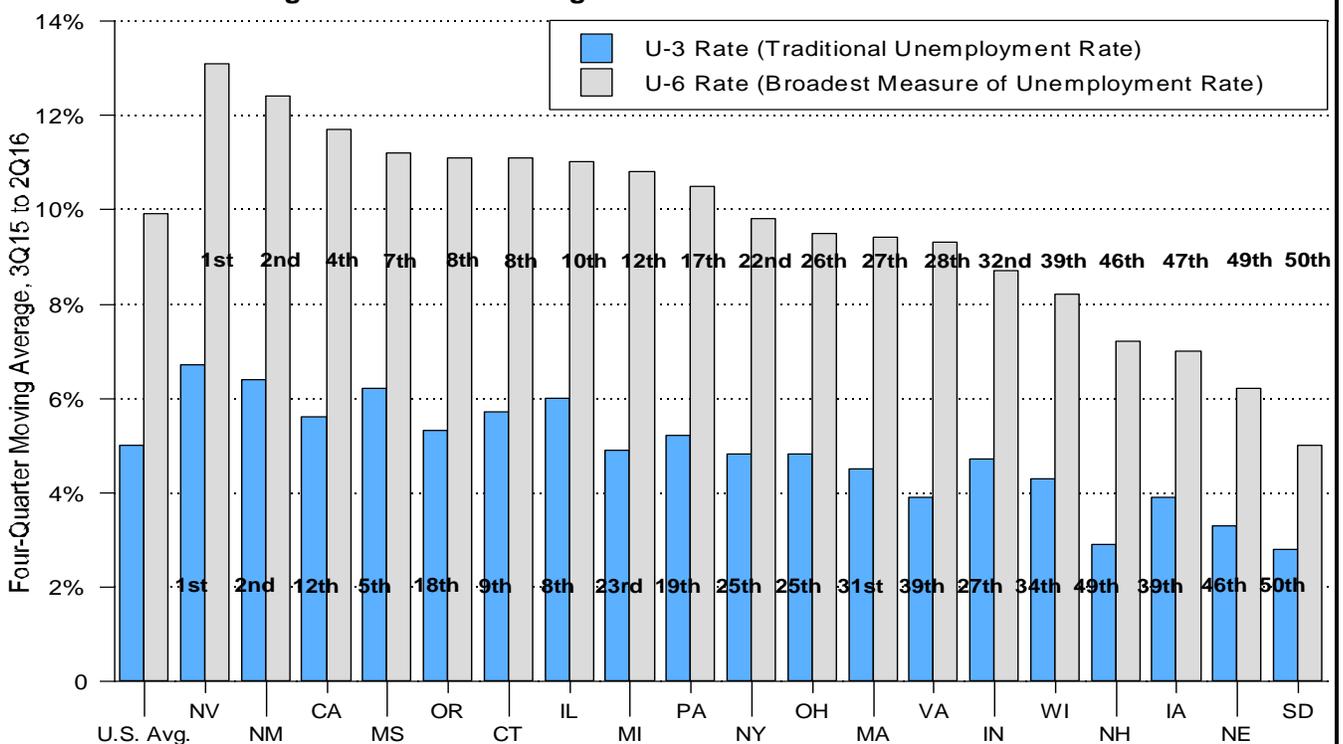
SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.

Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

Sources: 1) 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.

Alternative Unemployment Rates, by State

Rates/Rankings Differ if Discouraged/Part-Time for Econ. Reasons are Included



Source: Bureau of Labor Statistics, U.S. Dept. of Labor