

Michigan Economic Indicators

JUNE 2018



ECONOMIC HIGHLIGHTS



Gross domestic product (GDP), adjusted for inflation, increased at a 4.1% annual rate in the second quarter of 2018, compared to 2.2% growth in the first quarter of 2018. This represents the fastest quarterly GDP growth since the third quarter of 2014. The second quarter increase in real GDP reflected increases in consumer spending, net exports, business investment, and government spending, partially offset by decreased inventory and housing investment.

Oil prices decreased by 3.0% from May 2018 to June 2018, but were still 50.2% above the level in June 2017. The June 2018 decrease reversed a three-month increase in oil prices. The May 2018 average price per barrel, at \$69.98, had been the highest price since November 2014.



Average weekly earnings increased in almost all industry sectors from June 2017 to June 2018, led by the construction sector's 15.5% increase. The information sector was the only sector without growth, with average weekly earnings falling 0.3%. While most sectors' gains reflected increased average weekly hours as well as increased earnings, the nondurable goods, retail trade, and information sectors all reported a decrease in average weekly hours.

The **Detroit Consumer Price Index (CPI)** increased at a 7.8% annual rate between April 2018 and June 2018, and was 3.6% above the level in June 2017. The U.S. CPI (not seasonally adjusted) increased at a 3.5% annual rate between April 2018 and June 2018, and was 2.8% above the level of June 2017. The dramatic increase for the Detroit CPI was primarily due to increased energy prices, particularly gasoline prices, which were up 10.9% over the two month period (an 86.0% annual rate). The Detroit CPI is released every two months, in February, April, June, August, October, and December.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	June 2018	May 2018	June 2017	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	162,140	161,539	160,214	601	0.4%	1,926	1.2%
Employment	155,576	155,474	153,250	102	0.1	2,326	1.5
Unemployment	6,564	6,065	6,964	499	8.2	(400)	(5.7)
Unemployment Rate	4.0%	3.8%	4.3%	--	--	--	--
Michigan	June 2018	May 2018	June 2017	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,911	4,908	4,873	3	0.1%	38	0.8%
Employment	4,692	4,684	4,660	8	0.2	32	0.7
Unemployment	219	223	213	(5)	(2.1)	6	2.8
Unemployment Rate	4.5%	4.6%	4.4%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	June 2018	May 2018	June 2017	Change from May		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,430	4,422	4,376	8	0.2%	54	1.2%
Goods Producing Industries	805	801	785	4	0.5	19	2.5
Mining and Logging	7	7	7	0	0.0	0	1.4
Construction	176	174	163	2	1.1	13	8.2
Manufacturing	621	620	616	2	0.3	6	0.9
Transportation Equipment	188	188	187	(0)	(0.1)	1	0.8
Service Producing Industries	3,625	3,621	3,590	4	0.1	35	1.0
Trade, Transportation & Utilities	793	793	789	(0)	(0.0)	4	0.5
Wholesale Trade	176	176	173	(0)	(0.1)	2	1.2
Retail Trade	473	473	474	0	0.0	(1)	(0.2)
Transportation & Utilities	145	145	142	(0)	(0.1)	3	2.2
Information	55	55	56	0	0.4	(2)	(2.7)
Financial Activities	221	220	219	1	0.3	2	1.0
Professional & Business Services	659	655	650	4	0.7	8	1.3
Education & Health Services	679	677	672	2	0.3	7	1.0
Leisure & Hospitality Services	441	441	432	(1)	(0.1)	8	1.9
Other Services	174	173	168	1	0.8	6	3.6
Government	604	607	603	(4)	(0.6)	0	0.1

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 2018	Year Ago	Percent Change	June 2018	Year Ago	Percent Change
Construction	42.8	42.1	1.7%	1,144.47	991.03	15.5%
Manufacturing	43.5	43.4	0.2	922.64	892.30	3.4
Durable Goods	44.4	44.1	0.7	979.46	944.62	3.7
Transportation Equipment Mfg.	48.2	46.8	3.0	1,192.95	1,102.61	8.2
Motor Vehicle Parts Mfg.	48.0	45.5	5.5	1,053.12	985.08	6.9
Nondurable Goods	40.7	41.2	(1.2)	749.29	732.95	2.2
Wholesale Trade	39.9	39.3	1.5	1,046.58	953.03	9.8
Retail Trade	30.8	31.0	(0.6)	447.52	444.23	0.7
Information	34.2	35.6	(3.9)	918.27	920.62	(0.3)
Financial Activities	35.6	35.2	1.1	846.57	794.82	6.5
Professional & Business Services	35.1	35.0	0.3	837.14	795.55	5.2
Health Care & Social Assistance	32.4	32.0	1.2	699.84	642.24	9.0
Leisure & Hospitality	24.2	24.0	0.8	300.08	283.68	5.8
Accommodation & Food Services	24.1	23.5	2.6	291.37	264.61	10.1

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)				
	June 2018	May 2018	April 2018	June 2017
Metropolitan Statistical Areas				
Ann Arbor	3.5%	3.1%	2.8%	3.9%
Battle Creek	4.5	4.1	4.4	5.1
Bay City	5.1	4.7	5.2	5.6
Detroit-Warren-Dearborn	4.4	3.7	3.6	4.1
Flint	5.1	4.7	5.0	5.6
Grand Rapids-Wyoming	3.3	2.9	3.0	3.6
Jackson	4.4	3.9	4.0	4.8
Kalamazoo-Portage	4.1	3.6	3.8	4.5
Lansing-East Lansing	3.9	3.3	3.5	4.9
Midland	4.2	3.9	4.4	4.6
Monroe	4.4	4.0	3.7	4.9
Muskegon	5.1	4.5	4.8	5.2
Niles-Benton Harbor	4.7	4.2	4.4	4.8
Saginaw	5.0	4.6	5.0	5.4
Multi-County Areas				
Northeast Lower Michigan	5.9	5.9	8.0	6.3
Northwest Lower Michigan	4.4	4.5	5.7	4.8
Upper Peninsula	5.5	5.5	6.7	6.0
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.3	3.8	4.0	4.5
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	June 2018	May 2018	April 2018	March 2018	Year Ago June	Percent Change From:	
						June/May	June 2018/ June 2017
Motor Vehicle Sales¹⁾							
Autos	5,237	5,390	5,317	5,367	5,873	(2.8%)	(10.8%)
Domestics	3,996	4,066	4,075	4,113	4,494	(1.7)	(11.1)
Imports	1,241	1,324	1,242	1,254	1,379	(6.3)	(10.0)
Import Share	23.7%	24.6%	23.4%	23.4%	23.5%	----	----
Light Trucks	11,974	11,805	11,882	11,866	10,923	1.4	9.6
Domestics	9,141	8,997	9,114	9,128	8,532	1.6	7.1
Imports	2,833	2,808	2,768	2,738	2,391	0.9	18.5
Import Share	23.7%	23.8%	23.3%	23.1%	21.9%	----	----
Subtotal: Light Vehicle Sales	17,211	17,195	17,199	17,233	16,796	0.1	2.5
Heavy Trucks	485	461	447	476	412	5.2	17.7
Total Vehicle Sales	17,696	17,656	17,646	17,709	17,208	0.2	2.8
U.S. Motor Vehicle Production¹⁾							
Autos	2,699	2,719	3,000	3,113	2,992	(0.8)	(9.8)
Michigan Motor Vehicle Production²⁾							
Autos	344	390	647	649	587	(11.7)	(41.4)
Trucks	1,355	1,324	1,405	1,440	1,412	2.3	(4.1)
Total	1,699	1,714	2,052	2,088	2,000	(0.8)	(15.0)
Michigan Production as % of U.S.	17.0%	17.5%	18.4%	18.3%	18.6%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,181	1,216	1,267	1,279	1,550	(2.9)	(23.8)
Days Supply	66	63	71	66	77	4.8	(14.3)
Total Truck	2,803	2,746	2,835	2,787	2,648	2.1	5.8
Days Supply	71	66	73	70	72	7.6	(1.4)
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)	June	98.2	98.0	95.0	0.2%	3.4%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	June	\$67.87	\$69.98	\$45.18	(3.0)	50.2
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	June	1,158	1,329	1,225	(12.9)	(5.5)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	June	\$444.2	\$444.1	\$419.9	0.0	5.8
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	June	107.9	106.8	103.8	1.0	4.0
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	June	78.1	77.5	76.2	0.8	2.5
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	June	250.9	250.5	244.0	1.6	2.8
Detroit (not seasonally adjusted)	June	234.7	231.8	226.5	7.8	3.6
Interest Rates						
3-month Treasury Bill ⁴⁾	June	1.94%	1.90%	1.00%	--	--
30-year Conventional Mortgage ⁶⁾	June	4.57%	4.59%	3.90%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2018 2nd Quarter	\$18,507.2	\$18,324.0	\$17,995.2	4.1	2.8
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	June	\$2,200.1	\$1,811.1	\$2,169.2	NM	1.4

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.

