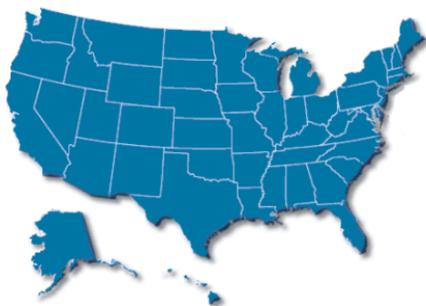


Michigan Economic Indicators

JUNE 2019



ECONOMIC HIGHLIGHTS



The rate on **10-year Treasury bonds** fell to 2.07% in June 2019, the lowest rate since October 2016. While short-term interest rates, such as the rate on three-month Treasury bills, had been generally increasing since October 2015 after six years at near zero, that rate fell to 2.22%, the lowest rate since September 2018. The monthly average for 10-year Treasury bonds was below the three-month rate (referred to as a yield curve inversion) for the first time since May 2007. While not necessarily a predictor of recession, a yield curve inversion has preceded every recession of the past 60 years.

Gross domestic product (GDP), adjusted for inflation, increased at a 2.1% annual rate in the second quarter of 2019, compared to 3.1% growth in the first quarter of 2019. Economists polled by Reuters had expected an increase of 1.8%. The second quarter deceleration in real GDP growth (when compared to the previous quarter) reflected downturns in inventory investment, exports, and nonresidential fixed investment, that were partially offset by accelerations in personal consumption expenditures and Federal government spending.



Michigan **employment** increased by 45,000 from June 2018 to June 2019, and reached the highest level since October 2005, with more than 4,747,000 people employed. The labor force increased by 57,000 in June 2019 compared to June 2018. The relative performance of employment and labor force measures resulted in an increase in the unemployment rate from 4.0% in June 2018 to 4.2% in June 2019.

Michigan **motor vehicle production** decreased 9.3% from May 2019 to June 2019, but increased 5.5% compared to June 2018. Automobile production in June 2019 was down 34.1% from June 2018, but was more than offset by light truck production, which increased 15.8% over the same period. The increase in light truck production positively affected the State's share of total U.S. vehicle production. In June 2019, Michigan's share of total U.S. vehicle production was 18.3%, up from 17.0% in June 2018.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	June 2019	May 2019	June 2018	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	162,981	162,646	162,129	335	0.2%	852	0.5%
Employment	157,005	156,758	155,592	247	0.2	1,413	0.9
Unemployment	5,976	5,888	6,537	88	1.5	(561)	(8.6)
Unemployment Rate	3.7%	3.6%	4.0%	--	--	--	--
Michigan	June 2019*	May 2019	June 2018	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,957	4,953	4,900	4	0.1%	58	1.2%
Employment	4,748	4,746	4,702	1	0.0	46	1.0
Unemployment	210	207	198	3	1.4	12	6.1
Unemployment Rate	4.2%	4.2%	4.0%	--	--	--	--

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

*Preliminary



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	June 2019*	May 2019	June 2018	Change from May		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,447	4,441	4,428	5	0.1%	19	0.4%
Goods Producing Industries	815	813	806	3	0.3	9	1.1
Mining and Logging	7	7	7	0	0.0	(0)	(1.4)
Construction	173	172	171	1	0.4	2	1.2
Manufacturing	636	634	628	2	0.3	7	1.1
Transportation Equipment	197	194	191	3	1.3	6	3.3
Service Producing Industries	3,631	3,629	3,622	3	0.1	10	0.3
Trade, Transportation & Utilities	790	792	792	(2)	(0.3)	(2)	(0.3)
Wholesale Trade	173	173	172	(0)	(0.1)	1	0.5
Retail Trade	464	465	472	(1)	(0.2)	(8)	(1.7)
Transportation & Utilities	153	154	148	(1)	(0.6)	5	3.4
Information	58	58	56	(0)	(0.3)	2	3.4
Financial Activities	222	222	219	(0)	(0.1)	3	1.3
Professional & Business Services	665	663	665	2	0.4	0	0.0
Education & Health Services	675	674	681	1	0.2	(6)	(0.8)
Leisure & Hospitality Services	444	443	435	1	0.2	9	2.0
Other Services	171	170	168	1	0.3	3	1.7
Government	607	607	607	0	0.0	1	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 2019*	Year Ago	Percent Change	June 2019*	Year Ago	Percent Change
Construction	39.9	42.7	(6.6%)	\$1,107.62	\$1,139.24	(2.8%)
Manufacturing	42.0	43.5	(3.4)	939.54	923.51	1.7
Durable Goods	42.6	44.4	(4.1)	987.04	979.46	0.8
Transportation Equipment Mfg.	45.6	48.2	(5.4)	1,206.12	1,192.95	1.1
Motor Vehicle Parts Mfg.	46.5	48.0	(3.1)	1,105.31	1,053.12	5.0
Nondurable Goods	39.9	40.7	(2.0)	782.44	749.29	4.4
Wholesale Trade	38.6	39.9	(3.3)	1,015.95	1,046.58	(2.9)
Retail Trade	30.3	30.8	(1.6)	451.47	447.52	0.9
Information	35.6	34.2	4.1	968.32	918.27	5.5
Financial Activities	35.6	35.6	0.0	916.70	846.57	8.3
Professional & Business Services	35.2	35.1	0.3	921.18	837.14	10.0
Health Care & Social Assistance	32.5	32.4	0.3	727.68	699.84	4.0
Leisure & Hospitality	23.9	24.2	(1.2)	306.40	300.08	2.1
Accommodation & Food Services	24.0	24.1	(0.4)	301.68	291.37	3.5

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)				
	June 2019	May 2019	Apr 2019	June 2018
Metropolitan Statistical Areas				
Ann Arbor	3.5%	2.9%	2.5%	3.6%
Battle Creek	4.5	3.8	3.7	4.5
Bay City	5.0	4.3	4.3	5.0
Detroit-Warren-Dearborn	4.5	4.3	3.9	4.5
Flint	5.4	5.6	4.3	5.1
Grand Rapids-Wyoming	3.3	2.7	2.5	3.3
Jackson	4.1	3.4	3.3	4.3
Kalamazoo-Portage	3.9	3.3	3.1	4.0
Lansing-East Lansing	3.9	3.1	2.9	3.9
Midland	4.0	3.4	3.4	4.2
Monroe	4.1	4.0	3.5	4.4
Muskegon	4.6	3.9	3.7	5.0
Niles-Benton Harbor	4.6	3.8	3.6	4.6
Saginaw	5.1	4.6	4.3	5.0
Multi-County Areas				
Northeast Lower Michigan	5.7	5.0	6.7	5.9
Northwest Lower Michigan	4.3	3.8	4.7	4.4
Upper Peninsula	5.5	4.9	5.7	5.4
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.4	3.9	3.7	4.3

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	June 2019	May 2019	Apr 2019	Mar 2019	Year Ago June	Percent Change From:	
						June/May	June 2019/ June 2018
Motor Vehicle Sales¹⁾							
Autos	4,848	4,814	4,787	4,938	5,245	0.7%	(7.6%)
Domestics	3,518	3,583	3,616	3,796	4,022	(1.8)	(12.5)
Imports	1,330	1,231	1,171	1,142	1,223	8.0	8.7
Import Share	27.4%	25.6%	24.5%	23.1%	23.3%	----	----
Light Trucks	12,286	12,572	11,697	12,321	11,970	(2.3)	2.6
Domestics	9,833	9,978	9,257	9,653	9,157	(1.5)	7.4
Imports	2,453	2,594	2,440	2,668	2,813	(5.4)	(12.8)
Import Share	20.0%	20.6%	20.9%	21.7%	23.5%	----	----
Subtotal: Light Vehicle Sales	17,134	17,386	16,484	17,259	17,215	(1.4)	(0.5)
Heavy Trucks	527	547	565	514	486	(3.7)	8.4
Total Vehicle Sales	17,661	17,933	17,049	17,773	17,701	(1.5)	(0.2)
U.S. Motor Vehicle Production¹⁾							
Autos	2,552	2,596	2,383	2,366	2,647	(1.7)	(3.6)
Michigan Motor Vehicle Production²⁾							
Autos	236	255	270	327	358	(7.4)	(34.1)
Trucks	1,599	1,768	1,716	1,603	1,381	(9.5)	15.8
Total	1,835	2,022	1,986	1,929	1,739	(9.3)	5.5
Michigan Production as % of U.S.	18.3%	18.2%	18.3%	18.9%	17.0%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,008	1,023	1,082	1,118	1,181	(1.4)	(14.6)
Days Supply	60	59	69	62	66	1.7	(9.1)
Total Truck	2,997	2,970	3,039	3,070	2,803	0.9	6.9
Days Supply	72	68	81	74	71	5.9	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	100.0	98.2	(1.8%)	0.0%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	June	\$54.66	\$60.83	\$67.87	(10.1)	(19.5)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	June	1,253	1,265	1,180	(0.9)	6.2
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	June	\$455.4	\$453.7	\$440.6	0.4	3.3
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	June	109.6	109.6	108.2	(0.0)	1.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	June	77.9	78.1	78.6	(0.2)	(0.8)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	June	255.3	255.2	251.1	0.7	1.7
Detroit (not seasonally adjusted)	June	234.9	234.0	234.7	2.3	0.1
Interest Rates						
3-month Treasury Bill ⁴⁾	June	2.22%	2.40%	1.94%	--	--
30-year Conventional Mortgage ⁶⁾	June	3.80%	4.07%	4.57%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2019 2nd Quarter	\$19,023.8	\$18,927.3	\$18,598.1	2.1	2.3
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	June	\$2,305.8	\$1,912.6	\$2,200.1	NM	4.8

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) 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.

