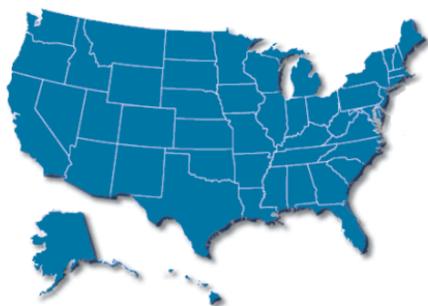


Michigan Economic Indicators

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ECONOMIC HIGHLIGHTS



Gross domestic product (GDP), adjusted for inflation, decreased at a 31.7% annual rate in the second quarter of 2020 after falling 5.0% in the first quarter of 2020. Economic activity contracted because of concerns about the novel coronavirus disease, COVID-19. Activity decreased both from mandated shutdowns (ordered to contain the spread of the virus) and from decreased business and consumer activity. The decrease in real GDP reflected decreases in personal consumption, exports, nonresidential fixed investment, and state and local government spending. These were partially offset by increased Federal government spending and decreased imports.

Light vehicle sales rose to a 13.1 million unit annual rate in June 2020, a 7.1% increase from the level in May 2020, but 24.0% below the June 2019 level. Light vehicle sales fell to the lowest level since 2009 in April 2020, when light vehicle sales fell to an annual rate of 8.7 million. That total was lower than the worst month of the Great Recession (February 2009) when light vehicle sales were 9.0 million, at an annual rate.



According to data collected by Opportunity Insights, seasonally adjusted consumer **credit and debit card spending** was higher in June 2020 than the average spending in January 2020. The daily data showed that spending in Michigan was higher than the January average for all but two days in the month, ranging from -0.5% to 4% deviation. Almost every other state and the United States as a whole showed decreased spending during this period. Total US consumer spending ranged from -12.7% to -5.1% during the month.

Average weekly earnings fell in eight sectors, but rose in six sectors from June 2019 to June 2020, reflecting the disparate impact of the COVID-19 public health emergency on different sectors. Construction saw the largest gain, with earnings up 14.7% from a year ago. Retail trade also saw strong gains, with earnings up 9.7%. Motor vehicle parts manufacturing saw the biggest decline in earnings, down 11.5%. Durable goods (down 10.2%), health care and social assistance (down 8.0%), and manufacturing (down 7.6%) also saw large declines.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	June 2020	May 2020	June 2019	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,932	158,227	163,133	1,705	1.1%	(3,201)	(2.0%)
Employment	142,182	137,242	157,148	4,940	3.6	(14,966)	(9.5)
Unemployment	17,750	20,985	5,985	(3,235)	(15.4)	11,765	196.6
Unemployment Rate	11.1%	13.3%	3.7%	--	--	--	--
Michigan	June 2020	May 2020	June 2019	Change from May		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,943	4,763	4,931	181	3.8%	12	0.2%
Employment	4,205	3,750	4,725	455	12.1	(520)	(11.0)
Unemployment	738	1,013	207	(274)	(27.1)	532	257.5
Unemployment Rate	14.9%	21.3%	4.2%	--	--	--	--

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

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	June 2020	May 2020	June 2019	Change from May		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,838	3,572	4,430	266	7.5%	(592)	(13.4%)
Goods Producing Industries	725	630	808	95	15.0	(83)	(10.3)
Mining and Logging	6	6	7	0	7.0	(1)	(16.4)
Construction	169	149	172	20	13.5	(4)	(2.2)
Manufacturing	550	476	629	74	15.6	(78)	(12.5)
Transportation Equipment	160	106	190	54	50.5	(30)	(15.7)
Service Producing Industries	3,113	2,942	3,622	172	5.8	(509)	(14.0)
Trade, Transportation & Utilities	732	689	794	43	6.2	(62)	(7.8)
Wholesale Trade	160	154	171	6	3.8	(11)	(6.5)
Retail Trade	420	392	464	28	7.1	(44)	(9.4)
Transportation & Utilities	152	143	159	9	6.5	(7)	(4.5)
Information	50	51	55	(0)	(0.6)	(5)	(9.1)
Financial Activities	219	218	224	1	0.6	(5)	(2.1)
Professional & Business Services	561	531	653	30	5.6	(92)	(14.1)
Education & Health Services	610	579	681	31	5.3	(72)	(10.5)
Leisure & Hospitality Services	242	193	435	48	25.0	(193)	(44.4)
Other Services	132	116	167	16	13.9	(35)	(20.7)
Government	568	565	613	3	0.5	(45)	(7.4)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS (Not seasonally adjusted)						
Industry	Average Weekly Hours			Average Weekly Earnings		
	June 2020	Year Ago	Percent Change	June 2020	Year Ago	Percent Change
Construction	42.4	40.0	6.0%	\$1,256.74	\$1,095.65	14.7%
Manufacturing	39.4	42.0	(6.2)	871.13	943.04	(7.6)
Durable Goods	39.9	42.7	(6.6)	888.97	990.21	(10.2)
Transportation Equipment Mfg.	41.6	45.6	(8.8)	1,146.08	1,207.94	(5.1)
Motor Vehicle Parts Mfg.	39.1	43.2	(9.5)	908.68	1,026.43	(11.5)
Nondurable Goods	37.9	40.1	(5.5)	819.02	790.77	3.6
Wholesale Trade	37.2	37.9	(1.8)	965.71	1,010.04	(4.4)
Retail Trade	28.5	29.6	(3.7)	483.65	441.04	9.7
Information	37.4	35.5	5.4	949.96	967.38	(1.8)
Financial Activities	35.8	35.5	0.8	973.40	928.68	4.8
Professional & Business Services	36.0	35.3	2.0	942.48	908.98	3.7
Health Care & Social Assistance	28.5	31.6	(9.8)	651.80	708.79	(8.0)
Leisure & Hospitality	23.2	23.9	(2.9)	306.01	309.74	(1.2)
Accommodation & Food Services	23.7	24.0	(1.3)	310.71	302.88	2.6

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 2020	May 2020	April 2020	June 2019
Metropolitan Statistical Areas				
Ann Arbor	10.5%	13.9%	14.8%	3.4%
Battle Creek	15.2	22.3	24.8	4.5
Bay City	13.7	19.9	25.0	4.9
Detroit-Warren-Dearborn	17.8	23.8	24.2	4.4
Flint	16.2	24.7	30.0	5.4
Grand Rapids-Wyoming	11.9	17.1	21.5	3.2
Jackson	14.4	20.2	24.6	4.1
Kalamazoo-Portage	11.8	15.5	18.1	3.8
Lansing-East Lansing	11.2	16.7	19.2	3.7
Midland	10.9	15.8	20.2	3.9
Monroe	13.2	21.4	26.1	4.0
Muskegon	17.6	24.8	29.1	4.5
Niles-Benton Harbor	13.7	18.5	20.4	4.5
Saginaw	14.5	20.8	25.2	4.9
Multi-County Areas				
Northeast Lower Michigan	14.8	22.3	29.2	5.5
Northwest Lower Michigan	13.1	20.3	27.4	4.2
Upper Peninsula	12.0	16.4	20.2	5.3
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	14.9	20.8	23.6	4.3

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Sales and Production in Thousands of Units, Seasonally Adjusted at Annual Rates)							
	June 2020	May 2020	Apr 2020	Mar 2020	Year Ago June	Percent Change From:	
						June/May	June 2020/ June 2019
Motor Vehicle Sales¹⁾							
Autos	2,967	2,709	1,974	2,903	4,873	9.5%	(39.1%)
Domestics	2,161	1,928	1,496	2,277	3,569	12.1	(39.5)
Imports	806	781	478	626	1,304	3.2	(38.2)
Import Share	27.2%	28.8%	24.2%	21.6%	26.8%	----	----
Light Trucks	10,102	9,488	6,769	8,512	12,334	6.5	(18.1)
Domestics	7,418	7,112	5,294	6,823	9,828	4.3	(24.5)
Imports	2,684	2,376	1,475	1,689	2,506	13.0	7.1
Import Share	26.6%	25.0%	21.8%	19.8%	20.3%	----	----
Subtotal: Light Vehicle Sales	13,069	12,197	8,743	11,415	17,207	7.1	(24.0)
Heavy Trucks	342	304	346	394	533	12.5	(35.8)
Total Vehicle Sales	13,411	12,501	9,089	11,809	17,740	7.3	(24.4)
U.S. Motor Vehicle Production¹⁾							
Autos	1,700	568	22	1,802	2,518	199.6	(32.5)
Michigan Motor Vehicle Production²⁾							
Autos	158	39	0	125	236	307.6	(33.3)
Trucks	1,610	570	0	1,194	1,599	182.4	0.7
Total	1,767	609	0	1,319	1,835	190.3	(3.7)
Michigan Production as % of U.S.	N/A	17.8%	0.1%	18.2%	18.3%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 27,588	\$ 27,844	\$ 26,805	\$ 27,094	\$ 26,440	(0.9)	4.3
Domestic	\$ 26,142	\$ 25,716	\$ 25,033	\$ 25,814	\$ 24,888	1.7	5.0
Foreign	\$ 31,464	\$ 33,098	\$ 32,350	\$ 31,745	\$ 30,691	(4.9)	2.5

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.

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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	78.1	72.3	98.2	8.0%	(20.5%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	June	\$38.31	\$28.56	\$54.66	34.1	(29.9)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	June	1,220	1,038	1,235	17.5	(1.2)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	June	\$479.5	\$448.8	\$454.0	6.8	5.6
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	June	97.2	92.0	109.3	5.7	(11.0)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	June	68.5	64.8	77.7	5.7	(11.9)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	June	257.2	255.8	255.4	7.0	0.7
Detroit (not seasonally adjusted)	June	236.1	232.1	234.9	10.8	0.5
Interest Rates						
3-month Treasury Bill ⁴⁾	June	0.16%	0.13%	2.22%	--	--
30-year Conventional Mortgage ⁶⁾	June	3.16%	3.23%	3.80%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2020 2nd Quarter	\$17,205.8	\$19,010.8	\$19,020.6	(32.9)	(9.5)
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	June	\$2,125.7	\$1,608.6	\$2,305.8	NM	(7.8)

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.

