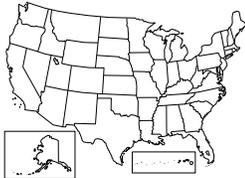


MICHIGAN ECONOMIC INDICATORS

A newsletter on key economic indicators prepared by the Senate Fiscal Agency.

ECONOMIC HIGHLIGHTS



- The advance estimate for **inflation-adjusted Gross Domestic Product (GDP)** indicated the economy grew at a 2.2% annual rate in the first quarter of 2012, down from a 3.0% rate during the fourth quarter of 2011. Personal consumption spending grew at a 2.9% annual rate, the most rapid pace since the fourth quarter of 2010, pushed by sales of motor vehicles and parts, which accounted for nearly one-third of the economy's net growth. Reduced Federal, state, and local government spending combined to lower the growth rate for the quarter by 0.6 percentage point, the sixth consecutive quarter the government sector has declined, while business fixed investment declined for the first time since the fourth quarter of 2009.
- The **U.S. unemployment rate** decreased from 8.3% in February to 8.2% in March, and was down from 8.9% one year ago. However, the decrease in the unemployment rate between February and March reflected workers leaving the labor force, which fell by 164,000 people, rather than increased employment, which actually declined by 31,000 jobs



- Seasonally adjusted **Michigan motor vehicle production** decreased 5.6% in March from the February level, but was 7.4% above the level in March 2011. Compared with one year ago, automobile production was up 25.0%, while truck production decreased 2.7%.
- **Private-sector average weekly earnings** exhibited year-over-year declines in most sectors in March, as average weekly hours also declined. Average weekly earnings in the transportation equipment manufacturing sector were down 12.5% from the year-ago level, partly as a result of a 7.8% decline in the number of hours worked. The wholesale trade sector exhibited the strongest year-over-year growth (5.9%), the strongest growth in that sector since June 2011, despite only a 1.3% gain in hours worked.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)

U.S.	Mar. 2012	Feb. 2012	Mar. 2011	Change from Feb.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	154,707	154,871	153,392	(164)	(0.1%)	1,315	0.9%
Employment	142,034	142,065	139,764	(31)	(0.0)	2,270	1.6
Unemployment	12,673	12,806	13,628	(133)	(1.0)	(955)	(7.0)
Unemployment Rate	8.2%	8.3%	8.9%	---	---	---	---
Michigan	Mar. 2012	Feb. 2012	Mar. 2011	Change from Feb.		Change from Year Ago	
Labor Force	4,656	4,647	4,673	10	0.2	(17)	(0.4)
Employment	4,259	4,238	4,181	21	0.5	79	1.9
Unemployment	397	409	493	(12)	(2.9)	(96)	(19.4)
Unemployment Rate	8.5%	8.8%	10.5%	---	---	---	---

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



MARCH 2012

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MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar. 2012*	Feb. 2012	Mar. 2011	Change from Feb.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,984	3,982	3,926	3	0.1%	59	1.5%
Goods Producing Industries	661	653	630	7	1.1	31	4.8
Mining and Logging	7	7	7	0	0.0	0	0.0
Construction	126	123	125	2	1.7	1	0.5
Manufacturing	528	522	498	5	1.0	30	6.0
Transportation Equipment	149	146	138	3	1.9	10	7.5
Service Producing Industries	3,324	3,328	3,296	(5)	(0.1)	28	0.9
Trade, Transportation & Utilities	719	722	718	(3)	(0.5)	1	0.1
Wholesale Trade	159	160	154	(1)	(0.4)	5	3.2
Retail Trade	440	442	448	(2)	(0.5)	(8)	(1.7)
Transportation & Utilities	120	121	116	(1)	(0.5)	4	3.4
Information	53	53	54	0	0.8	(0)	(0.6)
Financial Activities	194	196	193	(1)	(0.6)	1	0.5
Professional & Business Services	566	571	548	(5)	(0.8)	18	3.3
Education & Health Services	629	629	616	(0)	(0.0)	13	2.1
Leisure & Hospitality Services	381	377	379	4	1.1	2	0.6
Other Services	169	168	167	1	0.3	2	1.3
Government	612	613	621	(1)	(0.1)	(9)	(1.4)

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

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Mar. 2012	Year Ago	Percent Change	Mar. 2012	Year Ago	Percent Change
Construction	37.9	38.3	(1.0%)	\$890.65	\$896.11	(0.6%)
Manufacturing	42.6	44.8	(4.9)	875.00	972.16	(10.0)
Durable Goods	43.6	46.1	(5.4)	957.89	1,077.36	(11.1)
Transportation Equipment Mfg.	43.7	47.4	(7.8)	1,195.63	1,366.54	(12.5)
Motor Vehicle Parts Mfg.	44.9	47.1	(4.7)	1,129.68	1,190.22	(5.1)
Nondurable Goods	39.8	40.9	(2.7)	632.82	658.08	(3.8)
Wholesale Trade	38.3	37.8	1.3	801.62	757.13	5.9
Retail Trade	29.9	29.5	1.4	388.40	383.80	1.2
Information	34.8	32.7	6.4	835.90	804.09	4.0
Financial Activities	36.8	35.3	4.2	705.46	708.82	(0.5)
Professional & Business Services	35.0	34.1	2.6	750.40	714.05	5.1
Health Care & Social Assistance	31.7	31.4	1.0	588.99	587.81	0.2
Leisure & Hospitality	22.0	22.4	(1.8)	218.68	220.42	(0.8)
Accommodation & Food Services	22.1	22.4	(1.3)	212.16	214.82	(1.2)

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)				
	Mar. 2012	Feb. 2012	Jan. 2012	Mar. 2011
Metropolitan Statistical Areas				
Ann Arbor	5.5%	5.4%	5.6%	7.0%
Battle Creek	7.5	7.7	8.0	9.6
Bay City	9.2	9.3	9.3	11.1
Detroit-Warren-Livonia	9.6	10.2	10.7	12.1
Flint	9.6	9.8	10.0	12.0
Grand Rapids-Wyoming	7.2	7.4	7.5	9.2
Holland-Grand Haven	7.1	7.2	7.4	9.4
Jackson	8.6	8.8	9.1	10.9
Kalamazoo-Portage	7.8	8.0	8.3	9.6
Lansing-East Lansing	7.2	7.2	7.4	8.9
Monroe	8.4	8.7	9.1	10.9
Muskegon-Norton Shores	9.1	9.4	9.6	11.2
Niles-Benton Harbor	9.3	9.9	10.1	11.3
Saginaw-Saginaw Twp North	9.0	9.3	9.4	10.7
Multi-County Areas				
Northeast Lower Michigan	13.4	13.9	13.9	15.3
Northwest Lower Michigan	11.4	11.8	11.9	13.4
Upper Peninsula	10.3	10.5	10.6	11.9
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	9.0	9.4	9.7	11.2

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units)							
	Mar. 2012	Feb. 2012	Jan. 2012	Dec. 2011	Year Ago March	Percent Change From:	
						Mar./Feb.	Mar. 2012/ Mar. 2011
Motor Vehicle Sales¹⁾ (thousands of units, SAAR)							
Autos	7,582	8,145	7,374	6,464	6,774	(6.9%)	11.9%
Domestics	5,399	5,765	5,252	4,396	4,610	(6.3)	17.1
Imports	2,183	2,380	2,122	2,068	2,164	(8.3)	0.9
Import Share	28.8%	29.2%	28.8%	32.0%	31.9%	---	---
Light Trucks	6,733	6,891	6,756	7,035	6,248	(2.3)	7.8
Domestics	5,689	5,850	5,715	6,012	5,213	(2.8)	9.1
Imports	1,044	1,041	1,041	1,023	1,035	0.3	0.9
Import Share	15.5%	15.1%	15.4%	14.5%	16.6%	---	---
Subtotal: Light Vehicle Sales	14,315	15,036	14,130	13,499	13,022	(4.8)	9.9
Heavy Trucks	344	353	331	337	270	(2.5)	27.4
Total Vehicle Sales	14,659	15,389	14,461	13,836	13,292	(4.7)	10.3
U.S. Motor Vehicle Production¹⁾ (millions of units, SAAR)							
Autos	4,034	3,955	3,979	3,701	3,002	2.0	34.4
Michigan Motor Vehicle Production²⁾ (thousands of units, SAAR)							
Autos	949	1,096	1,047	1,018	760	(13.4)	25.0
Trucks	1,284	1,269	1,382	1,296	1,319	1.2	(2.7)
Total	2,233	2,364	2,429	2,314	2,079	(5.6)	7.4
Michigan Production as % of U.S.	21.4%	20.7%	20.3%	23.0%	21.9%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,220	1,200	1,181	1,156	1,137	1.7	7.2
Days Supply	44	48	60	55	46	(8.3)	(4.3)
Total Truck	1,496	1,404	1,317	1,235	1,347	6.5	11.1
Days Supply	66	66	72	50	64	0.0	3.1

SAAR = Seasonally Adjusted at Annual Rates.

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).

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 ¹⁾ (1996 Q1=100)	March	76.2	75.3	67.5	1.2%	12.9%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	March	\$106.19	\$102.25	\$102.94	3.9	3.2
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	March	699	718	600	(2.6)	16.5
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	March	\$363.7	\$361.4	\$341.4	0.7	6.5
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	March	96.4	96.9	93.1	(0.6)	3.6
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	March	78.4	78.9	76.5	(0.6)	2.5
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	March	229.1	228.4	223.2	3.5	2.6
Detroit (not seasonally adjusted)	Feb.	214.8	213.5	206.8	3.8	3.9
Interest Rates						
3-month Treasury Bill ⁴⁾	March	0.08%	0.09%	0.10%	---	---
Corporate Aaa Bonds ⁴⁾	March	3.99%	3.85%	5.13%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2011 4th Qtr.	\$13,502.4	\$13,429.0	\$13,227.9	2.2	2.1
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	March 2012	\$990.9	\$725.5	\$963.8	NM	2.8

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

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

*Note: Percent changes from previous period for CPI and GDP at annual rate.

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.

