

## ECONOMIC HIGHLIGHTS



**Retail sales** (excluding sales in food services and drinking establishments) in March 2017 increased by 0.1% from February 2017 and were up 4.9% from March 2016. Compared to March 2016, sales at gas stations increased by 15.3% due to higher fuel prices, while nonstore retailer sales were up 12.7%, furniture and home furnishings stores increased 5.2%, miscellaneous retailers increased by 5.0%, motor vehicle and parts dealers increased by 4.6%, building materials and garden stores were up 4.2%, and food and beverage stores were up 3.8%. In contrast, sales at sporting goods, hobby, book, and music stores declined by 3.5% and sales at electronics and appliance stores were down 1.6%.

**E-commerce sales** increased by 4.1% from the fourth quarter of 2016 to the first quarter of 2017. The percentage of sales made through e-commerce increased from 6.4% in 2014, to 7.2% in 2015, and 8.0% in 2016. In the first quarter of 2017, sales through e-commerce were 8.5% of all retail sales.



The **inflation-adjusted gross domestic product (GDP)** for Michigan increased 1.8% in 2016, above the national growth rate of 1.5%. Michigan's GDP growth in 2016 was 15<sup>th</sup> among all states and the highest of the Great Lakes states. Ohio registered growth at 1.7% (17<sup>th</sup>), Indiana at 1.5% (20<sup>th</sup>), Wisconsin at 1.1% (31<sup>st</sup>), and Illinois at 0.9% (33<sup>rd</sup>).

The seasonally adjusted **unemployment rate** was 5.0% in March 2017, lower than the 5.3% rate recorded in February 2017 and slightly above the 4.9% rate of March 2016. From March 2016 to March 2017, Michigan employment increased by 95,000 to 4.7 million positions. As a result of improved employment prospects, the labor force increased by 107,000 from March 2016 to March 2017, which exceeded the number of positions filled and resulted in an increase of 12,000 in the number of unemployed people.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Mar 2017	Feb 2017	Mar 2016	Change from February		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,201	160,056	159,278	145	0.1%	923	0.6%
Employment	153,000	152,528	151,301	472	0.3	1,699	1.1
Unemployment	7,201	7,528	7,977	(327)	(4.3)	(776)	(9.7)
Unemployment Rate	4.5%	4.7%	5.0%	--	--	--	--
Michigan	Mar 2017	Feb 2017	Mar 2016	Change from February		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,914	4,908	4,807	6	0.1%	107	2.2%
Employment	4,666	4,649	4,571	17	0.4	95	2.1
Unemployment	248	259	236	(11)	(4.3)	12	5.1
Unemployment Rate	5.0%	5.3%	4.9%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar 2017*	Feb 2017	Mar 2016	Change from Feb		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,379	4,376	4,299	3	0.1%	80	1.9%
<b>Goods Producing Industries</b>	772	771	759	1	0.2	13	1.7
Mining and Logging	7	7	7	0	1.4	(0)	(1.4)
Construction	164	164	154	(0)	(0.2)	10	6.6
Manufacturing	601	599	598	2	0.3	3	0.5
Transportation Equipment	181	182	182	(1)	(0.3)	(1)	(0.3)
<b>Service Producing Industries</b>	3,607	3,605	3,540	1	0.0	67	1.9
Trade, Transportation & Utilities	784	778	780	6	0.8	4	0.6
Wholesale Trade	172	171	171	1	0.5	1	0.5
Retail Trade	474	470	473	4	0.9	2	0.3
Transportation & Utilities	138	137	136	1	0.7	2	1.4
Information	59	58	57	1	1.4	2	3.0
Financial Activities	217	217	211	0	0.2	6	2.9
Professional & Business Services	661	660	642	1	0.1	18	2.8
Education & Health Services	671	671	660	0	0.0	11	1.7
Leisure & Hospitality Services	436	441	423	(5)	(1.2)	12	2.9
Other Services	171	172	168	(1)	(0.7)	3	1.5
Government	608	609	598	(1)	(0.1)	11	1.8

**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		
	Mar 2017	Year Ago	Percent Change	Mar 2017	Year Ago	Percent Change
Construction	38.6	39.5	(2.3%)	\$926.01	\$991.85	(6.6%)
Manufacturing	43.3	42.8	1.2	899.34	876.54	2.6
Durable Goods	44.1	43.6	1.1	955.21	935.66	2.1
Transportation Equipment Mfg.	46.9	44.8	4.7	1,120.44	1,107.46	1.2
Motor Vehicle Parts Mfg.	44.2	44.8	(1.3)	972.40	949.76	2.4
Nondurable Goods	40.8	40.2	1.5	728.69	692.65	5.2
Wholesale Trade	39.5	38.6	2.3	910.48	894.36	1.8
Retail Trade	29.7	29.2	1.7	425.60	410.84	3.6
Information	34.5	35.4	(2.5)	868.71	873.32	(0.5)
Financial Activities	35.9	35.9	0.0	809.55	826.78	(2.1)
Professional & Business Services	34.8	35.5	(2.0)	804.58	826.09	(2.6)
Health Care & Social Assistance	32.1	31.1	3.2	643.28	619.20	3.9
Leisure & Hospitality	22.1	22.0	0.5	261.00	243.32	7.3
Accommodation & Food Services	22.1	22.1	0.0	249.29	235.14	6.0

**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)				
	Mar 2017	Feb 2017	Jan 2017	Mar 2016
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	2.8%	3.5%	3.4%	3.3%
Battle Creek	4.5	5.3	5.1	5.0
Bay City	5.5	6.7	6.3	6.1
Detroit-Warren-Dearborn	5.1	5.9	6.2	5.5
Flint	5.4	6.4	6.2	5.9
Grand Rapids-Wyoming	3.1	3.7	3.7	3.7
Jackson	4.4	5.4	5.4	5.1
Kalamazoo-Portage	4.0	4.8	4.8	4.6
Lansing-East Lansing	3.7	4.3	4.3	4.1
Midland	4.6	5.6	5.4	5.2
Monroe	4.6	5.6	4.7	4.7
Muskegon	4.9	5.9	5.8	5.7
Niles-Benton Harbor	4.6	5.9	5.7	5.2
Saginaw	5.3	6.3	6.0	5.8
<b>Multi-County Areas</b>				
Northeast Lower Michigan	9.4	11.1	10.2	10.0
Northwest Lower Michigan	6.4	7.5	7.0	7.2
Upper Peninsula	7.4	8.5	8.0	7.9
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	4.8	5.7	5.7	5.3
<b>Source:</b> Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Mar 2017	Feb 2017	Jan 2017	Dec 2016	Year Ago Mar	Percent Change From:	
						Mar/Feb	Mar 2017/ Mar 2016
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,083	6,262	6,334	6,984	6,785	(2.9%)	(10.3%)
Domestics	4,669	4,754	4,756	5,288	5,110	(1.8)	(8.6)
Imports	1,414	1,508	1,578	1,696	1,675	(6.2)	(15.6)
Import Share	23.2%	24.1%	24.9%	24.3%	24.7%	----	----
Light Trucks	10,431	11,180	11,162	11,335	9,794	(6.7)	6.5
Domestics	8,286	8,868	8,846	8,934	7,938	(6.6)	4.4
Imports	2,145	2,312	2,316	2,401	1,856	(7.2)	15.6
Import Share	20.6%	20.7%	20.7%	21.2%	19.0%	----	----
Subtotal: Light Vehicle Sales	16,514	17,442	17,496	18,319	16,579	(5.3)	(0.4)
Heavy Trucks	395	398	367	383	452	(0.8)	(12.6)
Total Vehicle Sales	16,909	17,840	17,863	18,702	17,031	(5.2)	(0.7)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	3,100	3,442	3,452	3,647	3,929	(9.9)	(21.1)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	670	653	1,033	969	677	2.6	(1.0)
Trucks	1,650	1,433	1,472	1,376	1,610	15.1	2.5
Total	2,321	2,086	2,506	2,345	2,287	11.2	1.5
Michigan Production as % of U.S.	18.3%	19.4%	19.4%	18.8%	18.7%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,604	1,596	1,579	1,594	1,563	0.5	2.6
Days Supply	73	79	92	78	63	(7.6)	15.9
Total Truck	2,588	2,508	2,447	2,426	2,280	3.2	13.5
Days Supply	73	71	80	70	67	2.8	9.0
<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 <sup>9)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Mar	96.9	96.3	91.0	0.6%	6.5%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Mar	\$49.33	\$53.47	\$37.55	(7.7)	31.4
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Mar	1,203	1,288	1,128	(6.6)	6.6
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Mar	\$416.7	\$416.2	\$397.1	0.1	4.9
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Mar	104.1	103.7	102.5	0.4	1.5
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Mar	76.1	75.8	75.4	0.3	0.9
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Mar	243.8	244.5	238.1	(3.4)	2.4
Detroit (not seasonally adjusted)	Feb	225.0	223.0	218.4	5.4	3.0
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Mar	0.74%	0.52%	0.29%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Mar	4.20%	4.17%	3.69%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2017 1st Quarter	\$16,842.4	\$16,813.3	\$16,525.0	0.7	1.9
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Mar	\$1,206.4	\$966.2	\$1,348.3	NM	(10.5)

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. 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.

