

Michigan Economic Indicators

MARCH 2018



ECONOMIC HIGHLIGHTS



Gross domestic product (GDP) adjusted for inflation increased at a 2.2% annual rate in the first quarter of 2018, compared with 2.9% growth in the fourth quarter of 2017. Personal consumption spending grew at a 1.0% annual rate, the slowest growth in consumption since the second quarter of 2013. Business fixed investment increased at a 7.2% rate and accounted for roughly half of the net growth in real GDP. Improved foreign economic growth resulted in exports rising at a faster rate than imports, so net exports increased GDP. Federal government spending increased at a 1.7% annual rate, helping the government sector to add 0.2 percentage point to growth.

The **Index of Consumer Sentiment** in March 2018 increased 1.7% from the February reading and was 4.6% above the level of March 2017. The index averaged 101.4 in March 2018, the highest level since January 2004, and only the second time since January 2004 that it was above 100. (The index was 100.7 in October 2017.) The strong sentiment reflected expected stability in employment and income among those in the bottom third of incomes.



Michigan inflation-adjusted **gross domestic product** increased 2.3% in 2017, ranking Michigan 15th among the 50 states, and higher than other Great Lakes states. Indiana grew 2.1% (18th), while Ohio grew 1.9% (21st), followed by Wisconsin at 1.7% (27th), and Illinois at 1.2% (33rd). Growth in the durable goods manufacturing sector accounted for approximately one-third of Michigan's growth in 2017, the most of any sector. Four sectors (agriculture, mining, information, and government) exhibited negative growth in 2017.

Average weekly earnings increased in all industry sectors from March 2017 to March 2018, led by the wholesale trade sector's 14.9% increase. The professional/business services sector exhibited the slowest growth, with average weekly earnings rising 1.3%. While most sectors' gains reflected earnings growing more rapidly than average weekly hours, the motor vehicle parts manufacturing sector reported a 10.0% increase in average weekly hours, but a 9.3% increase in average weekly earnings.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Mar 2018	Feb 2018	Mar 2017	Change from February		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	161,763	161,921	160,235	(158)	(0.1%)	1,528	1.0%
Employment	155,178	155,215	153,064	(37)	(0.0)	2,114	1.4
Unemployment	6,585	6,706	7,171	(121)	(1.8)	(586)	(8.2)
Unemployment Rate	4.1%	4.1%	4.5%	--	--	--	--
Michigan	Mar 2018	Feb 2018	Mar 2017	Change from February		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,898	4,897	4,868	1	0.0%	30	0.6%
Employment	4,668	4,665	4,645	4	0.1	24	0.5
Unemployment	230	233	223	(3)	(1.2)	7	3.0
Unemployment Rate	4.7%	4.8%	4.6%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar 2018	Feb 2018	Mar 2017	Change from Feb		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,424	4,414	4,363	9	0.2%	61	1.4%
Goods Producing Industries	798	796	783	2	0.2	15	1.9
Mining and Logging	8	7	7	0	1.4	1	7.1
Construction	172	171	160	1	0.6	12	7.2
Manufacturing	618	617	615	1	0.1	3	0.5
Transportation Equipment	188	187	188	1	0.4	(1)	(0.3)
Service Producing Industries	3,626	3,619	3,581	7	0.2	46	1.3
Trade, Transportation & Utilities	795	791	789	3	0.4	6	0.7
Wholesale Trade	174	174	173	(0)	(0.1)	1	0.8
Retail Trade	475	472	475	3	0.6	(1)	(0.1)
Transportation & Utilities	146	146	141	1	0.3	5	3.6
Information	55	55	57	(0)	(0.4)	(2)	(3.3)
Financial Activities	219	219	218	0	0.1	2	0.9
Professional & Business Services	661	657	649	4	0.6	13	2.0
Education & Health Services	674	676	670	(1)	(0.2)	5	0.7
Leisure & Hospitality Services	442	442	432	(1)	(0.1)	10	2.3
Other Services	171	171	167	0	0.1	4	2.1
Government	609	607	600	2	0.3	9	1.4

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 2018	Year Ago	Percent Change	Mar 2018	Year Ago	Percent Change
Construction	38.7	38.6	0.3	\$1,015.10	\$925.63	9.7%
Manufacturing	43.8	43.3	1.2	918.92	899.34	2.2
Durable Goods	44.7	44.1	1.4	975.80	955.21	2.2
Transportation Equipment Mfg.	49.1	46.9	4.7	1,192.64	1,120.44	6.4
Motor Vehicle Parts Mfg.	48.6	44.2	10.0	1,062.88	972.40	9.3
Nondurable Goods	41.1	40.8	0.7	747.20	728.69	2.5
Wholesale Trade	39.3	39.5	(0.5)	1,046.17	910.48	14.9
Retail Trade	30.0	29.7	1.0	436.50	425.60	2.6
Information	34.9	34.5	1.2	946.49	868.71	9.0
Financial Activities	35.5	35.9	(1.1)	832.83	809.55	2.9
Professional & Business Services	34.6	34.8	(0.6)	815.18	804.58	1.3
Health Care & Social Assistance	32.4	32.1	0.9	685.26	643.28	6.5
Leisure & Hospitality	22.9	22.1	3.6	283.50	261.66	8.3
Accommodation & Food Services	22.9	22.1	3.6	276.86	249.29	11.1

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)				
	Mar 2018	Feb 2018	Jan 2018	Mar 2017
Metropolitan Statistical Areas				
Ann Arbor	3.1%	3.6%	3.6%	3.1%
Battle Creek	4.9	5.6	5.4	4.8
Bay City	6.1	6.9	6.8	6.0
Detroit-Warren-Dearborn	4.3	4.6	4.9	4.5
Flint	5.8	6.5	6.6	5.9
Grand Rapids-Wyoming	3.5	4.0	4.0	3.4
Jackson	4.6	5.3	5.4	4.6
Kalamazoo-Portage	4.4	5.1	5.0	4.3
Lansing-East Lansing	3.9	4.5	5.1	4.0
Midland	5.2	5.8	5.7	5.0
Monroe	4.2	5.3	5.3	4.5
Muskegon	5.4	6.1	5.9	5.2
Niles-Benton Harbor	5.2	6.0	5.8	4.9
Saginaw	5.8	6.5	6.6	5.7
Multi-County Areas				
Northeast Lower Michigan	10.1	11.3	10.6	10.1
Northwest Lower Michigan	6.7	7.6	7.1	6.9
Upper Peninsula	7.5	8.3	7.7	7.7
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.6	5.2	5.3	4.7
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Mar 2018	Feb 2018	Jan 2018	Dec 2017	Year Ago Mar	Percent Change From:	
						Mar/Feb	Mar 2018/ Mar 2017
Motor Vehicle Sales¹⁾							
Autos	5,405	5,483	5,521	5,824	6,146	(1.4%)	(12.1%)
Domestics	4,147	4,173	4,183	4,350	4,636	(0.6)	(10.5)
Imports	1,258	1,310	1,338	1,474	1,510	(4.0)	(16.7)
Import Share	23.3%	23.9%	24.2%	25.3%	24.6%	----	----
Light Trucks	11,961	11,484	11,562	11,931	10,575	4.2	13.1
Domestics	9,230	8,710	8,906	9,293	8,375	6.0	10.2
Imports	2,731	2,774	2,656	2,638	2,200	(1.6)	24.1
Import Share	22.8%	24.2%	23.0%	22.1%	20.8%	----	----
Subtotal: Light Vehicle Sales	17,366	16,967	17,083	17,755	16,721	2.4	3.9
Heavy Trucks	440	475	438	475	382	(7.4)	15.2
Total Vehicle Sales	17,806	17,442	17,521	18,230	17,103	2.1	4.1
U.S. Motor Vehicle Production¹⁾							
Autos	3,120	2,993	2,570	2,718	3,116	4.3	0.1
Michigan Motor Vehicle Production²⁾							
Autos	649	578	492	517	713	12.3	(9.1)
Trucks	1,440	1,153	1,331	1,553	1,504	24.9	(4.3)
Total	2,088	1,730	1,823	2,070	2,218	20.7	(5.8)
Michigan Production as % of U.S.	18.3%	15.8%	15.6%	18.2%	18.6%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,279	1,295	1,285	1,287	1,604	(1.3)	(20.2)
Days Supply	66	73	87	67	73	(9.6)	(9.6)
Total Truck	2,787	2,726	2,599	2,503	2,588	2.2	7.7
Days Supply	70	74	82	59	73	(5.4)	(4.1)
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)	Mar	101.4	99.7	96.9	1.7%	4.6%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Mar	\$62.73	\$62.23	\$49.33	0.8	27.2
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Mar	1,336	1,290	1,179	3.6	13.3
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Mar	\$437.6	\$434.9	\$416.0	0.6	5.2
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Mar	106.5	105.7	102.7	0.7	3.7
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Mar	77.6	77.1	75.5	0.6	2.7
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Mar	249.5	249.6	243.7	(0.8)	2.4
Detroit (not seasonally adjusted)	Feb	229.7	229.0	225.0	2.0	2.1
Interest Rates						
3-month Treasury Bill ⁴⁾	Mar	1.73%	1.59%	0.75%	--	--
30-year Conventional Mortgage ⁶⁾	Mar	4.44%	4.33%	4.20%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2018 1st Quarter	\$17,385.8	\$17,286.5	\$16,903.2	2.3	2.9
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Mar	\$1,417.2	\$1,051.9	\$1,206.4	NM	17.5

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.

