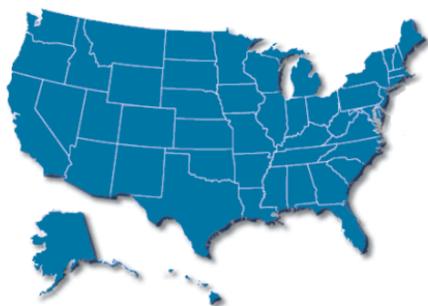


# Michigan Economic Indicators

MARCH 2020



## ECONOMIC HIGHLIGHTS



**Gross domestic product (GDP)**, adjusted for inflation, decreased at a 5.0% annual rate in the first quarter of 2020 after rising 2.1% in the fourth quarter of 2019. 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 negative contributions from personal consumption, private inventory investment, exports, and nonresidential fixed investment. These were partially offset by increased residential fixed investment, and Federal, state, and local government spending.

Major **stock market indices** fell in March 2020, reflecting increased concerns about COVID-19. The Dow Jones Industrial Average (DJIA), NASDAQ, and S&P 500 all reached all-time high valuations in mid-February before falling more than 30% by late-March. The S&P 500 reached its all-time high on February 19 before falling almost 34% by March 23. Similarly, the NASDAQ reached its all-time high on February 19 before falling more than 30% by March 23, and the DJIA reached its all-time high on February 12 before falling more than 37% by March 23. Generally, declines of greater than 10% from a recent peak are considered a market correction, and declines of greater than 20% are considered "bear market" conditions. By the end of March, all three major indices were down more than 21% from their February peaks.



Michigan **weekly new unemployment claims** reached record levels in March 2020. After receiving fewer than 6,000 initial unemployment claims in each of the first two weeks of the month, the State received 128,006 initial claims for the week ending March 21, 304,335 the week ending March 28, and 388,554 the week ending April 4. As a point of reference, for the week ending March 14, the entire United States received 282,000 initial claims for unemployment insurance.

Michigan **personal income** decreased 0.3% from the fourth quarter of 2019 to the first quarter of 2020, below the 2.3% increase nationwide, ranking Michigan 50th across the 50 states. The only other state with negative personal income growth over that period was Hawaii, with a 0.1% decrease. Other states in the region showed increases in personal income: Wisconsin grew 2.5% (ranked 21st), followed by Illinois at 2.4% (22nd), Ohio at 1.8% (42nd), and Indiana at 1.2% (46th). New Mexico had the greatest increase in the country with personal income growing at 4.9%.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Mar 2020	Feb 2020	Mar 2019	Change from Feb		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	162,913	164,546	162,935	(1,633)	(1.0%)	(22)	(0.0%)
Employment	155,772	158,759	156,741	(2,987)	(1.9)	(969)	(0.6)
Unemployment	7,141	5,787	6,194	1,354	23.4	947	15.3
Unemployment Rate	4.4%	3.5%	3.8%	--	--	--	--
Michigan	Mar 2020	Feb 2020	Mar 2019	Change from Feb		Change from Year Ago	
Labor Force	4,903	4,950	4,935	(48)	(1.0%)	(33)	(0.7%)
Employment	4,694	4,770	4,724	(76)	(1.6)	(30)	(0.6)
Unemployment	209	180	211	29	15.8	(2)	(1.1)
Unemployment Rate	4.3%	3.6%	4.3%	--	--	--	--

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

# Michigan Economic Indicators

MARCH 2020



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar 2020	Feb 2019	Mar 2019	Change from Feb		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,423	4,462	4,434	(39)	(0.9%)	(11)	(0.2%)
<b>Goods Producing Industries</b>	805	813	812	(9)	(1.1)	(8)	(1.0)
Mining and Logging	7	7	7	0	0.0	0	0.0
Construction	179	182	172	(4)	(2.0)	7	4.1
Manufacturing	619	624	634	(5)	(0.8)	(15)	(2.4)
Transportation Equipment	185	187	193	(2)	(1.0)	(7)	(3.8)
<b>Service Producing Industries</b>	3,618	3,648	3,621	(30)	(0.8)	(3)	(0.1)
Trade, Transportation & Utilities	805	805	794	(0)	(0.0)	10	1.3
Wholesale Trade	172	171	172	1	0.4	0	0.1
Retail Trade	466	466	466	0	0.0	0	0.0
Transportation & Utilities	166	167	156	(1)	(0.4)	10	6.4
Information	54	55	56	(1)	(1.8)	(1)	(2.0)
Financial Activities	230	229	223	1	0.3	7	3.0
Professional & Business Services	655	658	656	(3)	(0.4)	(0)	(0.0)
Education & Health Services	676	684	680	(7)	(1.1)	(3)	(0.5)
Leisure & Hospitality Services	417	435	437	(19)	(4.3)	(20)	(4.6)
Other Services	164	165	166	(1)	(0.4)	(2)	(0.9)
Government	617	617	611	(0)	(0.0)	6	1.0

**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		
	Mar 2020	Year Ago	Percent Change	Mar 2020	Year Ago	Percent Change
Construction	38.8	38.3	1.3%	\$1,129.86	\$1,031.04	9.6%
Manufacturing	43.1	42.3	1.9	962.42	928.49	3.7
Durable Goods	44.0	43.2	1.9	1,006.28	979.78	2.7
Transportation Equipment Mfg.	47.4	47.0	0.9	1,238.09	1,201.79	3.0
Motor Vehicle Parts Mfg.	45.4	44.3	2.5	1,085.97	1,022.00	6.3
Nondurable Goods	40.2	39.6	1.5	822.49	769.03	7.0
Wholesale Trade	37.1	38.3	(3.1)	980.92	1,034.48	(5.2)
Retail Trade	28.7	29.2	(1.7)	463.79	435.66	6.5
Information	38.0	33.2	14.5	1,049.94	913.66	14.9
Financial Activities	35.9	35.6	0.8	973.25	902.10	7.9
Professional & Business Services	34.9	35.1	(0.6)	919.27	890.49	3.2
Health Care & Social Assistance	30.5	32.0	(4.7)	690.22	720.64	(4.2)
Leisure & Hospitality	21.0	22.8	(7.9)	278.46	288.42	(3.5)
Accommodation & Food Services	21.2	23.0	(7.8)	274.12	284.51	(3.7)

**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 2020	Feb 2020	Jan 2020	Mar 2019
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	2.4%	2.2%	2.5%	3.1%
Battle Creek	3.7	3.6	4.1	4.6
Bay City	4.7	4.6	5.5	5.5
Detroit-Warren-Dearborn	4.9	3.7	4.4	4.7
Flint	4.3	4.1	5.0	5.4
Grand Rapids-Wyoming	2.7	2.5	2.9	3.3
Jackson	3.5	3.4	3.9	4.3
Kalamazoo-Portage	3.2	3.1	3.6	4.1
Lansing-East Lansing	3.0	2.7	3.2	3.7
Midland	3.9	3.7	4.3	4.5
Monroe	3.4	3.4	4.3	4.3
Muskegon	4.1	3.8	4.4	4.8
Niles-Benton Harbor	3.8	3.8	4.5	4.7
Saginaw	4.5	4.4	5.1	5.4
<b>Multi-County Areas</b>				
Northeast Lower Michigan	7.5	7.6	9.0	9.2
Northwest Lower Michigan	4.9	4.8	5.5	6.1
Upper Peninsula	5.6	5.5	6.5	6.9
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	4.2	3.6	4.3	4.6

**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)							
	Mar 2020	Feb 2020	Jan 2020	Dec 2019	Year Ago Mar	Percent Change From:	
						Mar/Feb	Mar 2020/ Mar 2019
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	2,881	4,248	4,372	4,488	4,939	(32.2%)	(41.7%)
Domestics	2,266	3,223	3,329	3,454	3,789	(29.7)	(40.2)
Imports	615	1,025	1,043	1,034	1,150	(40.0)	(46.5)
Import Share	21.3%	24.1%	23.9%	23.0%	23.3%	----	----
Light Trucks	8,515	12,502	12,554	12,160	12,321	(31.9)	(30.9)
Domestics	6,812	9,827	9,902	9,522	9,653	(30.7)	(29.4)
Imports	1,703	2,675	2,652	2,638	2,668	(36.3)	(36.2)
Import Share	20.0%	21.4%	21.1%	21.7%	21.7%	----	----
Subtotal: Light Vehicle Sales	11,396	16,750	16,926	16,648	17,260	(32.0)	(34.0)
Heavy Trucks	382	453	438	473	514	(15.7)	(25.7)
Total Vehicle Sales	11,778	17,203	17,364	17,121	17,774	(31.5)	(33.7)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	1,793	2,659	2,612	2,488	2,449	(32.6)	(26.8)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	125	237	274	272	298	(47.4)	(58.1)
Trucks	1,194	1,904	2,061	1,834	1,611	(37.3)	(25.9)
Total	1,319	2,141	2,335	2,106	1,909	(38.4)	(30.9)
Michigan Production as % of U.S.	18.2%	19.4%	19.0%	19.0%	18.9%	----	----
<b>Average Expenditure per Car<sup>1)</sup></b>							
Overall	\$ 28,234	\$ 27,366	\$ 27,644	\$ 27,078	\$ 26,621	3.2	6.1
Domestic	\$ 27,238	\$ 26,302	\$ 26,636	\$ 26,293	\$ 25,008	3.6	8.9
Foreign	\$ 31,851	\$ 30,712	\$ 30,860	\$ 29,729	\$ 31,973	3.7	(0.4)

**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.

# Michigan Economic Indicators

MARCH 2020



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	89.1	101.0	98.4	(11.8%)	(9.5%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Mar	\$29.21	\$50.54	\$58.15	(42.2)	(49.8)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Mar	1,269	1,567	1,203	(19.0)	5.5
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Mar	\$438.2	\$461.9	\$449.9	(5.1)	(2.6)
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Mar	104.4	109.4	109.7	(4.6)	(4.9)
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Mar	73.2	76.8	78.4	(4.7)	(6.6)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Mar	258.0	259.1	254.1	(5.0)	1.5
Detroit (not seasonally adjusted)	Feb	238.6	237.5	232.5	2.9	2.6
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Mar	0.30%	1.54%	2.45%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Mar	3.45%	3.47%	4.27%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2020 1st Quarter	\$18,974.7	\$19,222.0	\$18,927.3	(5.0)	0.3
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Mar	\$1,409.5	\$1,157.6	\$1,339.7	NM	5.2

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.

