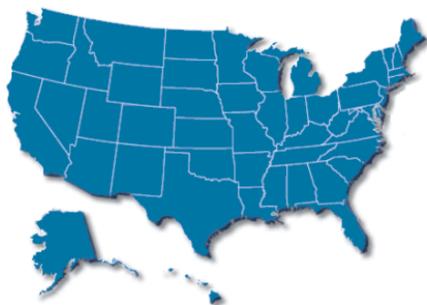


## ECONOMIC HIGHLIGHTS



**Gross domestic product (GDP)**, adjusted for inflation, increased at a 6.4% annual rate in the first quarter of 2021 after rising 4.3% in the fourth quarter of 2020. The increase in real GDP reflected increases in personal consumption expenditures, nonresidential fixed investment, Federal and state and local government spending, and residential fixed investment that were partially offset by decreases in private inventory investment and exports. Also, imports increased, which put negative pressure on GDP.

The March 2021 **Purchasing Managers Index (PMI)** was 64.7 (the highest recorded since December 1983), according to the Manufacturing Business Survey by the Institute of Supply Management, indicating expansion in the manufacturing sector. The PMI is a composite index based on five sub-indices: new orders, production, employment, supplier deliveries, and inventories. A measurement above 50.0 indicates expansion in manufacturing. The index has been above 50.0 for 10 straight months, since June 2020, after rising from a low of 27.5 in April 2020.



In March 2021, **revenue from Michigan's major taxes** totaled \$1.5 billion, up 8.4% (\$118.3 million) from March 2020. Tax collections for the month were approximately \$65.7 million above the forecasted level. Michigan uses accrual-based accounting, so most of the revenue collected in March reflected economic activity that took place in February. February 2020 was the last full month before pandemic-related executive orders took effect in Michigan. Year-to-date through February 2021, collections were up 14.4% (\$1,339.0 million) from the same period in 2020.

The **Michigan unemployment rate** declined from 5.2% in February 2021 to 5.1% in March 2021. The number of individuals in the labor force increased 8,000, while the number employed increased by 13,000. Compared to March 2020, employment was down 270,000 jobs, while unemployment was up by 56,000 individuals. The remaining decline in employment reflected 214,000 individuals' leaving the labor force.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Mar 2021	Feb 2021	Mar 2020	Change from Feb		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,558	160,211	162,721	347	0.2%	(2,163)	(1.3%)
Employment	150,848	150,239	155,536	609	0.4	(4,688)	(3.0)
Unemployment	9,710	9,972	7,185	(262)	(2.6)	2,525	35.1
Unemployment Rate	6.0%	6.2%	4.4%	--	--	--	--
Michigan	Mar 2021	Feb 2021	Mar 2020	Change from Feb		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,703	4,695	4,918	8	0.2%	(214)	(4.4%)
Employment	4,464	4,452	4,735	13	0.3	(270)	(5.7)
Unemployment	239	243	183	(4)	(1.8)	56	30.6
Unemployment Rate	5.1%	5.2%	3.7%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Mar 2021	Feb 2021	Mar 2020	Change from Feb		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,134	4,117	4,415	16	0.4%	(281)	(6.4%)
<b>Goods Producing Industries</b>	755	753	802	3	0.3	(47)	(5.8)
Mining and Logging	7	7	7	0	1.4	0	4.3
Construction	174	172	178	3	1.6	(4)	(2.0)
Manufacturing	574	574	617	(0)	(0.1)	(44)	(7.0)
Transportation Equipment	178	177	186	2	0.9	(8)	(4.2)
<b>Service Producing Industries</b>	3,379	3,365	3,613	14	0.4	(234)	(6.5)
Trade, Transportation & Utilities	779	778	795	1	0.2	(16)	(2.0)
Wholesale Trade	164	163	171	1	0.6	(7)	(4.3)
Retail Trade	449	449	461	0	0.1	(12)	(2.5)
Transportation & Utilities	166	166	163	(0)	(0.1)	3	1.9
Information	49	49	55	0	0.4	(6)	(10.5)
Financial Activities	225	225	229	1	0.3	(3)	(1.4)
Professional & Business Services	620	616	650	4	0.6	(30)	(4.7)
Education & Health Services	645	644	686	1	0.2	(41)	(6.0)
Leisure & Hospitality Services	347	340	418	6	1.9	(72)	(17.1)
Other Services	144	144	165	(0)	(0.2)	(21)	(12.6)
Government	570	569	616	1	0.1	(46)	(7.5)

**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 2021	Year Ago	Percent Change	Mar 2021	Year Ago	Percent Change
Construction	39.9	38.9	2.6%	\$1,215.35	\$1,136.66	6.9%
Manufacturing	40.7	43.1	(5.6)	951.57	962.42	(1.1)
Durable Goods	40.5	44.0	(8.0)	963.09	1,006.28	(4.3)
Transportation Equipment Mfg.	43.2	47.4	(8.9)	1,199.23	1,238.09	(3.1)
Motor Vehicle Parts Mfg.	42.3	45.4	(6.8)	1,090.07	1,085.97	0.4
Nondurable Goods	41.5	40.2	3.2	921.30	822.49	12.0
Wholesale Trade	39.4	37.1	6.2	1,021.25	980.92	4.1
Retail Trade	29.2	28.7	1.7	475.08	463.79	2.4
Information	38.7	38.0	1.8	1,089.41	1,049.94	3.8
Financial Activities	36.5	35.9	1.7	931.85	973.25	(4.3)
Professional & Business Services	35.2	34.9	0.9	956.03	919.27	4.0
Health Care & Social Assistance	30.5	30.5	0.0	695.71	690.22	0.8
Leisure & Hospitality	22.4	21.0	6.7	306.21	278.67	9.9
Accommodation & Food Services	23.0	21.2	8.5	306.59	274.12	11.8

**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 2021	Feb 2021	Jan 2021	Mar 2020
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	4.3%	4.2%	4.8%	2.7%
Battle Creek	6.4	6.5	7.7	4.2
Bay City	6.4	6.6	7.8	5.2
Detroit-Warren-Dearborn	4.5	4.3	5.3	4.9
Flint	7.1	7.3	8.5	4.9
Grand Rapids-Wyoming	4.7	4.7	5.5	3.0
Jackson	5.9	6.1	7.0	3.9
Kalamazoo-Portage	5.4	5.4	6.3	3.6
Lansing-East Lansing	5.0	4.9	5.7	3.3
Midland	5.2	5.2	6.0	4.4
Monroe	5.6	5.9	6.6	3.8
Muskegon	7.5	7.6	8.9	4.6
Niles-Benton Harbor	5.8	6.0	7.2	4.0
Saginaw	6.8	7.0	8.1	5.0
<b>Multi-County Areas</b>				
Northeast Lower Michigan	8.4	8.6	10.2	8.4
Northwest Lower Michigan	6.5	6.8	8.2	5.5
Upper Peninsula	6.5	6.5	7.6	6.2
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	5.2	5.1	6.1	4.5
<b>Source:</b> 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 2021	Feb 2021	Jan 2021	Dec 2020	Year Ago Mar	Percent Change From:	
						Mar/Feb	Mar 2021/ Mar 2020
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	3,902	3,436	3,804	3,633	2,903	13.6%	34.4%
Domestics	2,795	2,402	2,736	2,716	2,266	16.4	23.3
Imports	1,107	1,034	1,068	917	637	7.1	73.8
Import Share	28.4%	30.1%	28.1%	25.2%	21.9%	----	----
Light Trucks	14,006	12,403	12,998	12,596	8,458	12.9	65.6
Domestics	10,772	9,632	10,113	9,876	6,819	11.8	58.0
Imports	3,234	2,771	2,885	2,720	1,639	16.7	97.3
Import Share	23.1%	22.3%	22.2%	21.6%	19.4%	----	----
Subtotal: Light Vehicle Sales	17,908	15,839	16,802	16,229	11,361	13.1	57.6
Heavy Trucks	517	451	529	458	390	14.6	32.6
Total Vehicle Sales	18,425	16,290	17,331	16,687	11,751	13.1	56.8
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	1,440	1,684	2,170	2,152	133	(14.5)	983.5
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	151	188	195	136	125	(19.4)	21.5
Trucks	1,734	1,750	1,885	1,731	1,194	(0.9)	45.3
Total	1,886	1,938	2,080	1,867	1,319	(2.7)	43.0
Michigan Production as % of U.S.	19.7%	20.6%	19.8%	17.3%	18.4%	----	----
<b>Average Expenditure per Car<sup>1)</sup></b>							
Overall	\$ 27,560	\$ 28,425	\$ 28,102	\$ 27,669	\$ 27,094	(3.0)	1.7
Domestic	\$ 26,357	\$ 26,695	\$ 26,171	\$ 26,063	\$ 25,814	(1.3)	2.1
Foreign	\$ 30,622	\$ 32,515	\$ 32,985	\$ 32,426	\$ 31,745	(5.8)	(3.5)
<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.							



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	84.9	76.8	89.1	10.5%	(4.7%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Mar	\$62.33	\$59.04	\$29.21	5.6	113.4
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Mar	1,725	1,447	1,277	19.2	35.1
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Mar	\$559.9	\$504.5	\$434.3	11.0	28.9
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Mar	98.9	96.4	97.4	2.7	1.5
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Mar	74.6	72.7	73.4	2.6	1.6
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Mar	264.8	263.2	258.0	7.7	2.6
Detroit (not seasonally adjusted)	Feb	240.6	239.1	238.6	3.8	0.8
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Mar	0.03%	0.04%	0.30%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Mar	3.08%	2.81%	3.45%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2021 1st Quarter	\$19,086.4	\$18,794.4	\$19,010.8	6.4	0.4
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Mar	\$1,527.8	\$1,697.3	\$1,409.5	NM	8.4

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.

