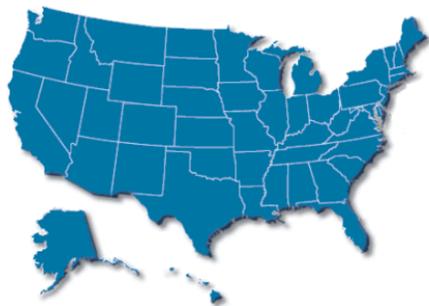


Michigan Economic Indicators

MAY 2016



ECONOMIC HIGHLIGHTS



The **index of consumer sentiment** increased to 94.7 in May 2016, the fifth-highest reading since the end of the U.S. recession in June 2009. The May 2016 reading was 6.4% above the April 2016 level, the largest monthly increase since December 2013. Consumers reported improved personal finances based on income gains, low inflation, and higher home values. The May 2016 increase followed four consecutive monthly declines in the index, which fell in eight of the last 12 months.

Corporate profits after tax, excluding capital consumption adjustments, increased by 1.8% in the first quarter of 2016. The increase followed two consecutive quarters of decline from the record high in the second quarter of 2015. Corporate profits declined by 3.3% and 8.1% in the third and fourth quarters of 2015, respectively. Growth in the first quarter of 2016 was dominated by nondurable goods manufacturing, especially petroleum and coal products and chemicals, while profits declined for the financial sector and durable goods manufacturing.



Michigan's **unemployment rate** declined in May 2016 to 4.7%, matching the U.S. unemployment rate for the month and below the U.S. and Michigan unemployment rate of 5.5% in May 2015. Compared to May 2015, Michigan's labor force and employment both grew more rapidly than the U.S. average, with employment up 3.7% (compared to 1.5% for the U.S) and the labor force 2.8% larger (compared to the U.S. increase of 0.7%).

Regional unemployment rates in Michigan's major labor markets improved in May 2016 compared to May 2015. Detroit-Warren-Dearborn recorded the largest unemployment rate decline, of 1.8 percentage points, from 6.7% in May 2015 to 4.9% in May 2016. Other large declines were reported for the northwestern Lower Peninsula (6.2% to 4.6%), the Upper Peninsula (7.1% to 5.6%); Muskegon, Saginaw, and Bay City (each of which declined from 6.2% to 4.7%); Flint (6.4% to 5.0%), and the northeastern Lower Peninsula (7.4% to 6.0%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	May 2016	Apr. 2016	May 2015	Change from Apr.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	158,466	158,924	157,367	(458)	(0.3%)	1,099	0.7%
Employment	151,030	151,004	148,748	26	0.0	2,282	1.5
Unemployment	7,436	7,920	8,619	(484)	(6.1)	(1,183)	(13.7)
Unemployment Rate	4.7%	5.0%	5.5%	--	--	--	--
Michigan	May 2016	Apr. 2016	May 2015	Change from Apr.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,869	4,875	4,736	(6)	(0.1%)	133	2.8%
Employment	4,642	4,642	4,477	0	0.0	165	3.7
Unemployment	227	233	259	(6)	(2.6)	(32)	(12.4)
Unemployment Rate	4.7%	4.8%	5.5%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2016	Apr. 2016	May 2015	Change from Apr.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,318	4,331	4,239	(13)	(0.3%)	80	1.9%
Goods Producing Industries	754	763	741	(8)	(1.1)	14	1.8
Mining and Logging	7	7	8	(0)	(1.4)	(1)	(11.4)
Construction	151	153	148	(2)	(1.2)	3	2.0
Manufacturing	596	603	585	(7)	(1.1)	12	2.0
Transportation Equipment	175	182	173	(7)	(3.7)	2	0.9
Service Producing Industries	3,564	3,569	3,498	(5)	(0.1)	66	1.9
Trade, Transportation & Utilities	776	778	772	(3)	(0.3)	4	0.5
Wholesale Trade	170	172	170	(1)	(0.8)	0	0.2
Retail Trade	472	471	468	0	0.1	4	0.9
Transportation & Utilities	134	135	134	(2)	(1.2)	(0)	(0.3)
Information	58	57	57	1	0.9	1	1.6
Financial Activities	215	214	207	1	0.3	8	4.0
Professional & Business Services	662	660	639	2	0.3	23	3.6
Education & Health Services	665	662	650	3	0.4	15	2.3
Leisure & Hospitality Services	419	426	413	(7)	(1.5)	6	1.5
Other Services	170	170	168	(0)	(0.1)	2	1.4
Government	600	601	594	(1)	(0.1)	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		
	May 2016	Year Ago	Percent Change	May 2016	Year Ago	Percent Change
Construction	40.0	39.9	0.3%	\$1,011.20	\$977.15	3.5%
Manufacturing	42.5	44.8	(5.1)	846.60	928.26	(8.8)
Durable Goods	42.8	46.0	(7.0)	887.24	995.90	(10.9)
Transportation Equipment Mfg.	42.9	50.6	(15.2)	950.24	1,269.55	(25.2)
Motor Vehicle Parts Mfg.	43.3	48.3	(10.4)	898.04	1,119.11	(19.8)
Nondurable Goods	41.4	40.8	1.5	717.46	708.29	1.3
Wholesale Trade	39.6	39.2	1.0	920.70	894.15	3.0
Retail Trade	29.6	30.0	(1.3)	422.39	415.50	1.7
Information	36.2	34.5	4.9	964.37	870.09	10.8
Financial Activities	36.1	36.5	(1.1)	833.55	839.14	(0.7)
Professional & Business Services	35.7	35.6	0.3	815.39	799.22	2.0
Health Care & Social Assistance	31.8	31.7	0.3	625.19	615.30	1.6
Leisure & Hospitality	22.9	22.9	0.0	253.73	247.78	2.4
Accommodation & Food Services	22.6	22.7	2.0	243.63	238.80	2.0

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)				
	May 2016	Apr. 2016	Mar. 2016	May 2015
Metropolitan Statistical Areas				
Ann Arbor	3.2%	2.7%	3.0%	4.2%
Battle Creek	4.2	4.1	4.6	5.5
Bay City	4.7	4.9	5.6	6.2
Detroit-Warren-Dearborn	4.9	4.5	5.6	6.7
Flint	5.0	4.9	5.5	6.4
Grand Rapids-Wyoming	3.2	2.9	3.4	4.2
Jackson	4.5	4.4	4.8	5.6
Kalamazoo-Portage	3.9	3.7	4.2	5.2
Lansing-East Lansing	4.6	3.3	3.8	4.9
Midland	4.0	4.0	4.8	5.2
Monroe	3.7	3.6	4.0	4.9
Muskegon	4.7	4.6	5.3	6.2
Niles-Benton Harbor	4.3	4.1	4.8	5.6
Saginaw	4.7	4.6	5.3	6.2
Multi-County Areas				
Northeast Lower Michigan	6.0	7.4	9.4	7.4
Northwest Lower Michigan	4.6	5.5	6.7	6.2
Upper Peninsula	5.6	6.5	7.2	7.1
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	4.5	4.3	5.1	5.9

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	May 2016	Apr. 2016	Mar. 2016	Feb. 2016	Year Ago May	Percent Change From:	
						May/Apr.	May 2016/ May 2015
Motor Vehicle Sales¹⁾							
Autos	6,914	6,845	6,723	7,174	7,823	1.0%	(11.6%)
Domestics	5,127	5,021	5,069	5,433	5,824	2.1	(12.0)
Imports	1,787	1,824	1,654	1,741	1,999	(2.0)	(10.6)
Import Share	25.8%	26.6%	24.6%	24.3%	25.6%	----	----
Light Trucks	10,459	10,488	9,757	10,263	9,809	(0.3)	6.6
Domestics	8,204	8,475	7,929	8,318	8,097	(3.2)	1.3
Imports	2,255	2,013	1,828	1,945	1,712	12.0	31.7
Import Share	21.6%	19.2%	18.7%	19.0%	17.5%	----	----
Subtotal: Light Vehicle Sales	17,373	17,333	16,480	17,437	17,632	0.2	(1.5)
Heavy Trucks	435	405	449	449	459	7.4	(5.2)
Total Vehicle Sales	17,808	17,738	16,929	17,886	18,091	0.4	(1.6)
U.S. Motor Vehicle Production¹⁾							
Autos	3,893	4,162	3,994	4,046	4,488	(6.5)	(13.3)
Michigan Motor Vehicle Production²⁾							
Autos	852	791	677	795	824	7.7	3.3
Trucks	2,528	1,635	1,535	1,559	1,424	54.6	77.5
Total	3,379	2,426	2,212	2,354	2,249	39.3	50.3
Michigan Production as % of U.S.	21.1%	19.6%	18.7%	19.2%	20.1%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,488	1,549	1,563	1,577	1,653	(3.9)	(10.0)
Days Supply	57	68	63	68	56	(16.2)	1.8
Total Truck	2,302	2,336	2,280	2,228	1,871	(1.4)	23.0
Days Supply	61	71	67	68	56	(14.1)	8.9

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*	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	May	94.7	89.0	90.7	6.4%	4.4%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$46.83	\$40.75	\$59.27	14.9	(21.0)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	1,164	1,167	1,063	(0.3)	9.5
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$400.8	\$399.2	\$392.8	0.4	2.0
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	May	103.6	104.0	105.0	(0.4)	(1.4)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	74.9	75.3	76.6	(0.4)	(2.2)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	239.4	238.9	236.9	2.6	1.1
Detroit (not seasonally adjusted)	Apr	221.4	218.4	219.0	8.7	1.1
Interest Rates						
3-month Treasury Bill ⁴⁾	May	0.28%	0.23%	0.02%	--	--
Corporate Aaa Bonds ⁴⁾	May	3.65%	3.62%	3.98%	--	--
Real Gross Domestic Product ⁶⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2016 1st Quarter	\$16,514.6	\$16,470.6	\$16,177.3	1.1	2.1
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	May	\$1,661.8	\$1,831.7	\$1,517.6	NM	9.5

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.
 Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.
 *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.

