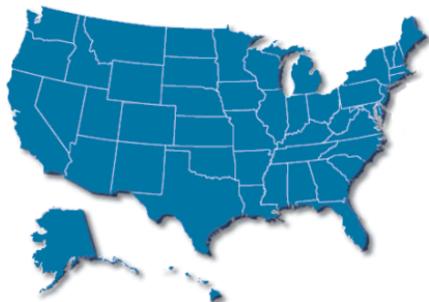


Michigan Economic Indicators

MAY 2017



ECONOMIC HIGHLIGHTS



Housing starts totaled 1.1 million units, at a seasonally adjusted annual rate, in May 2017, down 2.8% from April 2017, and 0.3% above the level of May 2016. The share of housing starts for single-family homes increased from 65% in May 2016 to 71% in May 2017. By region, from April 2017 to May 2017, single-family housing starts increased by 14.9% in the Northeast and 12.1% in the Midwest and decreased by 7.4% in the West and 6.9% in the South.

The **average mortgage interest rate** on a 30-year fixed rate mortgage was 4.01% in May 2017, lower than the 4.05% average rate in April 2017, and higher than the 3.6% average rate in May 2016. The rate on a 15-year fixed rate mortgage was 3.26% in May 2017, compared to a 3.3% rate in April 2017 and a 2.8% rate in May 2016. For both 15- and 30-year mortgages, the May 2017 average mortgage interest rates were the lowest rates since November 2016.



Buoyed by profit sharing payments to auto workers, Michigan **personal income** increased by 1.3% from the fourth quarter of 2016 to the first quarter of 2017, a rate that tied for second nationwide and led the Great Lakes states. Of the other states in the region, Wisconsin had a 1.2% growth rate (ranked 13th), followed by Ohio at 1.0% (27th), Indiana at 0.7% (42nd), and Illinois at 0.6% (45th).

The Michigan seasonally adjusted **unemployment rate** declined from 4.7% in April 2017 to 4.2% in May 2017. From May 2016 to May 2017, the unemployment rate declined from 4.8% to 4.2%, which reflected an increase in the labor force of 84,000 people, an increase in employment of 109,000, and a decrease of 25,000 in the number of unemployed people.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	May 2017	Apr 2017	May 2016	Change from April		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,784	160,213	158,510	(429)	(0.3%)	1,274	0.8%
Employment	152,923	153,156	151,058	(233)	(0.2)	1,865	1.2
Unemployment	6,861	7,057	7,452	(196)	(2.8)	(591)	(7.9)
Unemployment Rate	4.3%	4.4%	4.7%	--	--	--	--
Michigan	May 2017	Apr 2017	May 2016	Change from April		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,895	4,916	4,811	(21)	(0.4%)	84	1.7%
Employment	4,687	4,684	4,578	3	0.1	109	2.4
Unemployment	207	231	232	(24)	(10.4)	(25)	(10.7)
Unemployment Rate	4.2%	4.7%	4.8%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2017*	Apr 2017	May 2016	Change from Apr		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,383	4,391	4,308	(8)	(0.2%)	74	1.7%
Goods Producing Industries	780	780	761	(0)	(0.1)	19	2.5
Mining and Logging	8	8	7	0	0.0	0	2.7
Construction	164	164	155	(0)	(0.2)	9	5.7
Manufacturing	608	609	599	(0)	(0.0)	10	1.6
Transportation Equipment	182	182	179	1	0.3	3	1.7
Service Producing Industries	3,603	3,610	3,548	(7)	(0.2)	56	1.6
Trade, Transportation & Utilities	778	781	782	(3)	(0.4)	(4)	(0.5)
Wholesale Trade	172	172	172	0	0.1	(0)	(0.1)
Retail Trade	469	469	473	(0)	(0.0)	(4)	(0.9)
Transportation & Utilities	137	139	137	(3)	(1.9)	0	0.1
Information	58	58	57	0	0.3	1	1.7
Financial Activities	217	216	212	1	0.3	5	2.3
Professional & Business Services	664	663	645	1	0.2	18	2.9
Education & Health Services	669	670	665	(1)	(0.1)	4	0.6
Leisure & Hospitality Services	436	440	424	(4)	(0.9)	12	2.9
Other Services	175	173	169	2	1.0	6	3.4
Government	606	610	593	(4)	(0.6)	13	2.3

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		
	May 2017	Year Ago	Percent Change	May 2017	Year Ago	Percent Change
Construction	42.1	40.6	3.7%	\$985.56	\$1,033.68	(4.7%)
Manufacturing	43.4	42.9	1.2	899.68	866.15	3.9
Durable Goods	44.5	43.3	2.8	959.42	915.36	4.8
Transportation Equipment Mfg.	47.6	44.9	6.0	1,117.17	1,062.78	5.1
Motor Vehicle Parts Mfg.	45.0	44.6	0.9	975.60	944.63	3.3
Nondurable Goods	40.2	41.6	(3.4)	723.60	714.69	1.2
Wholesale Trade	39.7	39.8	(0.3)	954.79	922.17	3.5
Retail Trade	30.7	29.7	3.4	440.24	422.33	4.2
Information	33.8	36.3	(6.9)	878.46	962.68	(8.7)
Financial Activities	36.0	36.1	(0.3)	819.72	834.99	(1.8)
Professional & Business Services	34.4	35.6	(3.4)	787.07	811.68	(3.0)
Health Care & Social Assistance	32.1	31.7	1.3	642.32	629.56	2.0
Leisure & Hospitality	22.9	23.0	(0.4)	274.11	255.07	7.5
Accommodation & Food Services	22.8	22.7	0.4	257.64	243.80	5.7

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)				
	May 2017	Apr 2017	Mar 2017	May 2016
Metropolitan Statistical Areas				
Ann Arbor	2.8%	2.2%	2.8%	3.4%
Battle Creek	3.9	3.6	4.4	4.4
Bay City	4.7	4.4	5.5	4.8
Detroit-Warren-Dearborn	3.6	4.0	5.0	4.7
Flint	4.6	4.3	5.4	5.2
Grand Rapids-Wyoming	2.8	2.4	3.1	3.3
Jackson	3.8	3.4	4.4	4.5
Kalamazoo-Portage	3.6	3.1	3.9	4.0
Lansing-East Lansing	3.3	2.9	3.7	4.7
Midland	3.8	3.6	4.6	4.2
Monroe	3.9	3.8	4.6	4.0
Muskegon	4.4	3.9	4.8	4.9
Niles-Benton Harbor	3.9	3.5	4.6	4.5
Saginaw	4.4	4.1	5.2	4.9
Multi-County Areas				
Northeast Lower Michigan	5.5	6.7	9.3	6.1
Northwest Lower Michigan	4.2	4.6	6.4	4.7
Upper Peninsula	5.2	5.8	7.3	5.9
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.7	3.7	4.8	4.5
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	May 2017	Apr 2017	Mar 2017	Feb 2017	Year Ago May	Percent Change From:	
						May/Apr	May 2017/ May 2016
Motor Vehicle Sales¹⁾							
Autos	5,957	6,201	6,092	6,262	6,796	(3.9%)	(12.3%)
Domestics	4,607	4,805	4,678	4,754	5,054	(4.1)	(8.8)
Imports	1,350	1,396	1,414	1,508	1,742	(3.3)	(22.5)
Import Share	22.7%	22.5%	23.2%	24.1%	25.6%	----	----
Light Trucks	10,624	10,614	10,431	11,180	10,319	0.1	3.0
Domestics	8,225	8,318	8,286	8,868	8,039	(1.1)	2.3
Imports	2,399	2,296	2,145	2,312	2,280	4.5	5.2
Import Share	22.6%	21.6%	20.6%	20.7%	22.1%	----	----
Subtotal: Light Vehicle Sales	16,581	16,815	16,523	17,442	17,115	(1.4)	(3.1)
Heavy Trucks	409	392	395	398	402	4.3	1.7
Total Vehicle Sales	16,990	17,207	16,918	17,840	17,517	(1.3)	(3.0)
U.S. Motor Vehicle Production¹⁾							
Autos	3,490	3,523	3,073	3,442	3,712	(1.0)	(6.0)
Michigan Motor Vehicle Production²⁾							
Autos	643	605	670	653	817	6.1	(21.3)
Trucks	1,344	1,335	1,650	1,433	2,503	0.7	(46.3)
Total	1,987	1,941	2,321	2,086	3,319	2.4	(40.1)
Michigan Production as % of U.S.	18.6%	18.6%	18.3%	19.4%	21.1%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,580	1,563	1,604	1,596	1,488	1.1	6.2
Days Supply	70	75	73	79	57	(6.7)	22.8
Total Truck	2,603	2,594	2,588	2,508	2,302	0.3	13.1
Days Supply	68	76	73	71	61	(10.5)	11.5
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)	May	97.1	97.0	94.7	0.1%	2.5%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$48.48	\$51.06	\$46.71	(5.1)	3.8
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	1,122	1,154	1,119	(2.8)	0.3
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$417.9	\$418.4	\$401.1	(0.1)	4.2
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	May	104.8	104.7	102.8	0.1	1.9
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	76.4	76.4	75.6	(0.0)	1.0
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	243.8	244.2	239.4	(1.8)	1.8
Detroit (not seasonally adjusted)	Apr	226.5	225.0	221.4	4.1	2.3
Interest Rates						
3-month Treasury Bill ⁴⁾	May	0.90%	0.81%	0.28%	--	--
30-year Conventional Mortgage ⁶⁾	May	4.01%	4.05%	3.60%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2017 1st Quarter	\$16,872.8	\$16,813.3	\$16,525.0	1.4	2.1
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	May	\$1,718.2	\$2,073.1	\$1,684.4	NM	2.0

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.

