

Michigan Economic Indicators

MAY 2018



ECONOMIC HIGHLIGHTS



Oil prices increased by 5.6% from April 2018 to May 2018, and were 44.3% above the level in May 2017. The May 2018 increase represented the third consecutive month in which oil prices have risen. The May 2018 average price per barrel, at \$69.98, was the highest price since November 2014.

Housing starts totaled 1.3 million units, at a seasonally adjusted annual rate, in May 2018, up 4.8% from April 2018, and 19.2% above the level in May 2017. Compared to May 2017, starts for single-family homes increased 19.3% in May 2018, and starts with five or more units rose 20.2%. By region, from May 2017 to May 2018, starts increased 21.2% in the Northeast, 5.1% in the West, 48.2% in the Midwest, and 18.2% in the South.



Michigan **motor vehicle production** decreased 14.7% between May 2017 and May 2018. Truck production in May 2018 was down 0.7% from May 2017, but automobile production decreased 42.3% over the same period. This decrease is primarily because a Ford assembly plant that produced 20,000 cars per month has retooled to begin producing the Ford Ranger in June. In May 2018, Michigan's share of total U.S. vehicle production was 17.5%, down from 18.6% in May 2017.

Michigan's seasonally adjusted **unemployment rate** fell to 4.6% in May 2018, down from 4.7% in April. Compared to May 2017, Michigan's labor force grew by 40,000 people, while employment only grew by 28,000 jobs and the number of unemployed people rose by 12,000. Compared to May 2017, the labor force in May 2018 was up 0.8%, while employment was 0.6% higher and the number unemployed was up 5.4%.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	May 2018	Apr 2018	May 2017	Change from April		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	161,539	161,527	159,729	12	0.0%	1,810	1.1%
Employment	155,474	155,181	152,892	293	0.2	2,582	1.7
Unemployment	6,065	6,346	6,837	(281)	(4.4)	(772)	(11.3)
Unemployment Rate	3.8%	3.9%	4.3%	--	--	--	--
Michigan	May 2018	Apr 2018	May 2017	Change from April		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,908	4,903	4,868	5	0.1%	40	0.8%
Employment	4,684	4,674	4,656	10	0.2	28	0.6
Unemployment	223	228	212	(5)	(2.1)	11	5.4
Unemployment Rate	4.6%	4.7%	4.4%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2018	Apr 2018	May 2017	Change from Apr		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,422	4,414	4,368	9	0.2%	55	1.3%
Goods Producing Industries	801	797	785	4	0.5	16	2.1
Mining and Logging	7	7	7	0	0.0	0	0.0
Construction	174	172	162	3	1.5	12	7.6
Manufacturing	620	618	615	2	0.3	4	0.7
Transportation Equipment	188	188	190	0	0.1	(2)	(1.0)
Service Producing Industries	3,621	3,617	3,583	4	0.1	38	1.1
Trade, Transportation & Utilities	793	795	788	(1)	(0.2)	6	0.7
Wholesale Trade	176	175	173	0	0.2	3	1.6
Retail Trade	473	474	473	(1)	(0.3)	(1)	(0.1)
Transportation & Utilities	145	146	142	(0)	(0.3)	4	2.5
Information	55	55	57	(0)	(0.4)	(2)	(3.5)
Financial Activities	220	220	218	0	0.1	2	1.1
Professional & Business Services	655	658	649	(3)	(0.4)	6	1.0
Education & Health Services	677	675	672	2	0.2	5	0.8
Leisure & Hospitality Services	441	437	431	4	0.9	10	2.3
Other Services	173	170	168	3	1.6	5	2.9
Government	607	608	602	(0)	(0.0)	6	0.9

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 2018	Year Ago	Percent Change	May 2018	Year Ago	Percent Change
Construction	41.0	42.0	(2.4%)	\$1,076.66	\$987.00	9.1%
Manufacturing	43.4	43.3	0.2	918.34	897.80	2.3
Durable Goods	44.3	44.3	0.0	975.93	953.78	2.3
Transportation Equipment Mfg.	47.9	47.1	1.7	1,162.53	1,104.02	5.3
Motor Vehicle Parts Mfg.	47.8	45.4	5.3	1,035.35	982.46	5.4
Nondurable Goods	40.5	40.2	0.7	739.94	723.60	2.3
Wholesale Trade	40.0	40.2	(0.5)	1,061.20	950.73	11.6
Retail Trade	30.6	30.7	(0.3)	451.35	440.24	2.5
Information	34.0	33.8	0.6	928.54	935.25	(0.7)
Financial Activities	35.1	36.0	(2.5)	830.47	819.36	1.4
Professional & Business Services	35.0	34.5	1.4	828.45	791.43	4.7
Health Care & Social Assistance	32.7	32.0	2.2	698.80	639.36	9.3
Leisure & Hospitality	23.7	23.4	1.3	296.72	276.82	7.2
Accommodation & Food Services	23.7	22.9	3.5	288.19	258.77	11.4

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 2018	Apr 2018	Mar 2018	May 2017
Metropolitan Statistical Areas				
Ann Arbor	3.0	2.8	3.1	3.3
Battle Creek	4.1	4.4	4.9	4.5
Bay City	4.7	5.2	6.1	5.2
Detroit-Warren-Dearborn	3.7	3.6	4.3	3.4
Flint	4.7	5.0	5.8	5.0
Grand Rapids-Wyoming	2.9	3.0	3.5	3.1
Jackson	3.8	4.0	4.6	4.2
Kalamazoo-Portage	3.6	3.8	4.4	4.0
Lansing-East Lansing	3.4	3.5	3.9	3.7
Midland	3.9	4.4	5.2	4.3
Monroe	4.0	3.7	4.2	4.3
Muskegon	4.6	4.8	5.4	4.8
Niles-Benton Harbor	4.2	4.4	5.2	4.4
Saginaw	4.6	5.0	5.8	5.0
Multi-County Areas				
Northeast Lower Michigan	5.9	8.0	10.1	6.1
Northwest Lower Michigan	4.5	5.7	6.7	4.7
Upper Peninsula	5.6	6.7	7.5	5.8
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.8	4.0	4.6	3.8

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	May 2018	Apr 2018	Mar 2018	Feb 2018	Year Ago May	Percent Change From:	
						May/Apr	May 2018/ May 2017
Motor Vehicle Sales¹⁾							
Autos	5,241	5,278	5,424	5,483	5,989	(0.7%)	(12.5%)
Domestics	3,968	4,023	4,166	4,173	4,588	(1.4)	(13.5)
Imports	1,273	1,255	1,258	1,310	1,401	1.4	(9.1)
Import Share	24.3%	23.8%	23.2%	23.9%	23.4%	----	----
Light Trucks	11,607	11,880	11,972	11,484	10,712	(2.3)	8.4
Domestics	8,829	9,111	9,241	8,710	8,303	(3.1)	6.3
Imports	2,778	2,769	2,731	2,774	2,409	0.3	15.3
Import Share	23.9%	23.3%	22.8%	24.2%	22.5%	----	----
Subtotal: Light Vehicle Sales	16,848	17,158	17,396	16,967	16,701	(1.8)	0.9
Heavy Trucks	453	480	440	475	391	(5.6)	15.9
Total Vehicle Sales	17,301	17,638	17,836	17,442	17,092	(1.9)	1.2
U.S. Motor Vehicle Production¹⁾							
Autos	2,768	3,012	3,120	3,004	3,318	(8.1)	(16.6)
Michigan Motor Vehicle Production²⁾							
Autos	390	647	649	578	675	(39.8)	(42.3)
Trucks	1,324	1,405	1,440	1,153	1,334	(5.8)	(0.7)
Total	1,714	2,052	2,088	1,730	2,009	(16.5)	(14.7)
Michigan Production as % of U.S.	17.5%	18.4%	18.3%	15.8%	18.6%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,216	1,267	1,279	1,295	1,580	(4.0)	(23.1)
Days Supply	63	71	66	73	70	(11.3)	(10.0)
Total Truck	2,746	2,835	2,787	2,726	2,603	(3.1)	5.5
Days Supply	66	73	70	74	68	(9.6)	(2.9)

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 ⁹⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	May	98.0	98.8	97.1	(0.8%)	0.9%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$69.98	\$66.25	\$48.48	5.6	44.3
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	1,337	1,276	1,122	4.8	19.2
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$444.6	\$439.6	\$417.6	1.1	6.5
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	May	107.1	107.6	103.7	(0.5)	3.2
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	77.7	78.2	76.2	(0.7)	1.9
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	250.5	250.0	243.9	2.5	2.7
Detroit (not seasonally adjusted)	Apr	231.8	229.7	226.5	5.5	2.3
Interest Rates						
3-month Treasury Bill ⁴⁾	May	1.90%	1.79%	0.90%	--	--
30-year Conventional Mortgage ⁶⁾	May	4.59%	4.47%	4.01%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2018 1st Quarter	\$17,379.7	\$17,286.5	\$16,903.2	2.2	2.8
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	May	\$1,811.1	\$2,370.6	\$1,840.9	NM	(1.6)

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.

