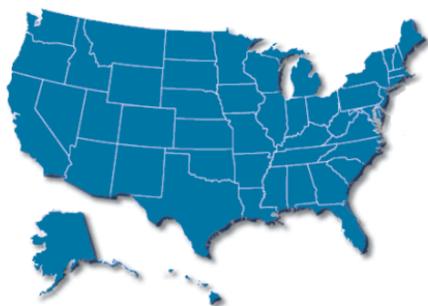


Michigan Economic Indicators

MAY 2020



ECONOMIC HIGHLIGHTS



The **Index of Consumer Sentiment** increased 0.7% in May 2020, from 71.8 in April 2020, the lowest reading since December 2011, to 72.3. The May reading was 27.7% below the May 2019 reading. The low sentiment reflected uncertainty about the future course of the COVID-19 public health emergency. A growing number of consumers expected the economy to improve from the current state, but a majority thought conditions would remain unfavorable in the year ahead.

The **US Consumer Price Index (CPI)** for May 2020 decreased at an annual rate of 0.6% from the April 2020 level and was only 0.2% above the level in May 2019. The May CPI change was the third consecutive monthly decline in the index, and the smallest year-over-year increase since October 2015. Declines in the indices for motor vehicle insurance, energy, and apparel more than offset increases in food and shelter. The "core" price index, which excludes food and energy, fell 0.1% in May 2020, the first time the "core" index ever declined for three consecutive months.



Wage and salary employment in Michigan increased by 171,000 jobs from April 2020 to May 2020, but was still down 857,000 jobs, or 19.4%, from May 2019. Every sector showed year-over-year declines, with the most significant declines in leisure and hospitality services (down 55.5%) and transportation equipment manufacturing (down 44.1%). Sectors with the smallest year-over-year declines were financial activities (down 2.6%) and government (down 7.9%).

In May 2020, **revenue from Michigan's major taxes** totaled \$1.6 billion, down 15.9% (\$304.0 million) from May 2019. Tax collections for the month were approximately \$112.2 million above the forecasted level, largely because of above-forecast individual income tax withholding and sales tax. The relative strength in withholding reflected payments from taxpayers who elected to have withholding taken from their unemployment insurance benefits, combined with the impact of supplementary Federal provisions, which both increased benefit amounts and expanded eligibility for payments.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	May 2020	Apr 2020	May 2019	Change from Apr		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	158,227	156,481	162,782	1,746	1.1%	(4,555)	(2.8%)
Employment	137,242	133,403	156,844	3,839	2.9	(19,602)	(12.5)
Unemployment	20,985	23,078	5,938	(2,093)	(9.1)	15,047	253.4
Unemployment Rate	13.3%	14.7%	3.6%	--	--	--	--
Michigan	May 2020	Apr 2020	May 2019	Change from Apr		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,763	4,592	4,930	171	3.7%	(168)	(3.4%)
Employment	3,750	3,489	4,721	261	7.5	(971)	(20.6)
Unemployment	1,013	1,103	209	(90)	(8.1)	803	383.7
Unemployment Rate	21.3%	24.0%	4.2%	--	--	--	--

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

Michigan Economic Indicators

MAY 2020



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2020	Apr 2020	May 2019	Change from Apr		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	3,572	3,401	4,429	171	5.0%	(857)	(19.4%)
Goods Producing Industries	630	548	807	82	15.0	(176)	(21.9)
Mining and Logging	6	7	7	(1)	(17.4)	(2)	(21.9)
Construction	149	98	172	50	51.3	(24)	(13.7)
Manufacturing	476	443	627	33	7.5	(151)	(24.1)
Transportation Equipment	106	96	190	11	11.4	(84)	(44.1)
Service Producing Industries	2,942	2,853	3,623	89	3.1	(681)	(18.8)
Trade, Transportation & Utilities	689	642	794	47	7.4	(105)	(13.2)
Wholesale Trade	154	152	172	2	1.4	(17)	(10.1)
Retail Trade	392	349	465	44	12.5	(73)	(15.6)
Transportation & Utilities	143	141	158	2	1.1	(15)	(9.6)
Information	51	52	55	(1)	(2.1)	(5)	(8.5)
Financial Activities	218	215	223	2	1.0	(6)	(2.6)
Professional & Business Services	531	510	653	21	4.1	(123)	(18.8)
Education & Health Services	579	567	681	12	2.0	(102)	(15.0)
Leisure & Hospitality Services	193	180	435	14	7.6	(241)	(55.5)
Other Services	116	107	167	9	8.3	(51)	(30.5)
Government	565	580	613	(15)	(2.5)	(48)	(7.9)

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 2020	Year Ago	Percent Change	May 2020	Year Ago	Percent Change
Construction	40.8	40.2	1.5%	\$1,206.46	\$1,113.54	8.3%
Manufacturing	38.4	42.1	(8.8)	868.22	927.88	(6.4)
Durable Goods	38.4	42.6	(9.9)	880.13	971.28	(9.4)
Transportation Equipment Mfg.	41.5	45.5	(8.8)	1,179.02	1,172.99	0.5
Motor Vehicle Parts Mfg.	40.1	43.7	(8.2)	1,035.78	1,012.53	2.3
Nondurable Goods	38.3	40.4	(5.2)	838.39	786.18	6.6
Wholesale Trade	37.9	37.5	1.1	967.59	1,005.00	(3.7)
Retail Trade	28.1	29.4	(4.4)	494.28	446.88	10.6
Information	36.2	33.9	6.8	933.96	919.03	1.6
Financial Activities	35.7	35.1	1.7	977.11	907.34	7.7
Professional & Business Services	35.3	34.9	1.1	955.22	886.81	7.7
Health Care & Social Assistance	29.2	31.6	(7.6)	657.88	707.84	(7.1)
Leisure & Hospitality	23.3	23.0	1.3	306.16	295.55	3.6
Accommodation & Food Services	23.8	23.3	2.1	309.88	293.58	5.6

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 2020	Apr 2020	Mar 2020	May 2019
Metropolitan Statistical Areas				
Ann Arbor	13.7%	14.8%	2.3%	2.8%
Battle Creek	22.0	24.8	3.6	3.9
Bay City	20.0	25.0	4.5	4.3
Detroit-Warren-Dearborn	23.7	24.2	4.6	3.8
Flint	24.5	30.0	4.1	5.6
Grand Rapids-Wyoming	17.1	21.5	2.6	2.8
Jackson	20.0	24.6	3.4	3.4
Kalamazoo-Portage	15.6	18.1	3.1	3.4
Lansing-East Lansing	16.4	19.2	2.9	3.1
Midland	15.8	20.2	3.7	3.4
Monroe	21.2	26.1	3.2	4.0
Muskegon	24.8	29.1	3.9	4.0
Niles-Benton Harbor	18.6	20.4	3.6	3.8
Saginaw	20.7	25.2	4.3	4.6
Multi-County Areas				
Northeast Lower Michigan	22.3	29.2	7.2	5.0
Northwest Lower Michigan	20.3	27.4	4.7	3.8
Upper Peninsula	16.3	20.2	5.4	4.9
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	20.7	23.6	4.0	3.7

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)							
	May 2020	Apr 2020	Mar 2020	Feb 2020	Year Ago May	Percent Change From:	
						May/Apr	May 2020/ May 2019
Motor Vehicle Sales¹⁾							
Autos	2,728	1,980	2,881	4,248	4,813	37.8%	(43.3%)
Domestics	1,945	1,509	2,266	3,223	3,575	28.9	(45.6)
Imports	783	471	615	1,025	1,238	66.2	(36.8)
Import Share	28.7%	23.8%	21.3%	24.1%	25.7%	----	----
Light Trucks	9,614	6,724	8,515	12,502	12,572	43.0	(23.5)
Domestics	7,213	5,241	6,812	9,827	9,978	37.6	(27.7)
Imports	2,401	1,483	1,703	2,675	2,594	61.9	(7.4)
Import Share	25.0%	22.1%	20.0%	21.4%	20.6%	----	----
Subtotal: Light Vehicle Sales	12,342	8,704	11,396	16,750	17,385	41.8	(29.0)
Heavy Trucks	282	347	382	453	547	(18.7)	(48.4)
Total Vehicle Sales	12,624	9,051	11,778	17,203	17,932	39.5	(29.6)
U.S. Motor Vehicle Production¹⁾							
Autos	547	22	1,793	2,676	2,524	2,433.3	(78.3)
Michigan Motor Vehicle Production²⁾							
Autos	39	0	125	237	255	----	(84.8)
Trucks	570	0	1,194	1,904	1,749	----	(67.4)
Total	609	0	1,319	2,141	2,004	----	(69.6)
Michigan Production as % of U.S.	17.8%	0.1%	18.2%	19.4%	18.2%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 27,823	\$ 27,838	\$ 28,328	\$ 27,374	\$ 27,146	(0.1)	2.5
Domestic	\$ 26,938	\$ 26,712	\$ 27,373	\$ 26,314	\$ 26,112	0.8	3.2
Foreign	\$ 30,134	\$ 31,474	\$ 31,848	\$ 30,712	\$ 30,158	(4.3)	(0.1)

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

MAY 2020



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	72.3	71.8	100.0	0.7%	(27.7%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$28.56	\$16.55	\$60.83	72.6	(53.0)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	1,011	934	1,268	8.2	(20.3)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$448.2	\$382.7	\$453.2	17.1	(1.1)
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	May	92.5	91.2	109.2	1.4	(15.4)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	65.1	64.2	77.8	1.4	(16.3)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	255.8	255.9	255.2	(0.6)	0.2
Detroit (not seasonally adjusted)	Apr	232.1	238.6	234.0	(15.3)	(0.8)
Interest Rates						
3-month Treasury Bill ⁴⁾	May	0.13%	0.14%	2.40%	--	--
30-year Conventional Mortgage ⁶⁾	May	3.23%	3.31%	4.07%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2020 1st Quarter	\$18,977.4	\$19,222.0	\$18,927.3	(5.0)	0.3
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	May	\$1,608.6	\$1,543.8	\$1,912.6	NM	(15.9)

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.

