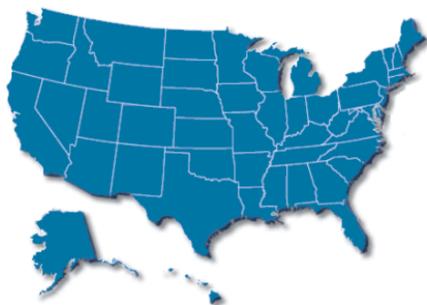


ECONOMIC HIGHLIGHTS



E-Commerce retail sales reached the highest level ever in the second quarter of 2021, totaling \$222.5 billion. E-Commerce retail sales have climbed steadily in total dollars and as a percent of total retail sales since the Census Bureau began tracking the data in 1999. Before the COVID-19 pandemic, e-commerce sales reached an all-time high of \$154.6 billion in the first quarter of 2020, before jumping to \$203.8 billion in the second quarter of that year. As a percent of total sales, e-commerce retail sales went from 11.4% in the first quarter of 2020 to 15.7% in the second quarter. The percentage has declined somewhat but remained at 13.3% in the second quarter of 2021.

The **Housing Affordability Index**, published by the National Association of Realtors, measures whether a typical family earns enough income to qualify for a mortgage loan on a typical home based on the most recent price and income data. A higher ratio means that the median family income is higher proportionally than the minimum qualifying income for the median single-family home at current mortgage rates. The ratio in May 2021 fell to 152.3, down from 187.8 as recently as January 2021. The median home price increased 15.8% over that period while the median household income fell 3.3%.



Wage and salary employment in Michigan increased by 2,000 jobs from April 2021 to May 2021, and was up 597,000 jobs, or 16.9%, from May 2020. Every sector showed year-over-year increases, with the most significant increases in transportation equipment manufacturing (up 81.5%) and leisure and hospitality services (up 59.8%). These were the sectors that showed the greatest declines during the peak of the COVID-19 public health emergency. Sectors with the smallest year-over-year gains were government (up 3.2%), information (up 3.3%), and financial activities (up 4.6%).

The **All-Transactions House Price Index for Michigan** reached an all-time high in the first quarter of 2021, reaching 383.18, compared to the national index of 484.32. The index measures the change in the value of single-family homes, where "100" is the value in the first quarter of 1980. The index for Michigan tracked closely to the national index from 1975 to 2005, at which point home values in Michigan began to fall before the national average began to fall. Since the trough in home values in 2012, Michigan home values remain below the national average, but home values have now risen at roughly the same rate as the rest of the nation.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	May 2021	Apr 2021	May 2020	Change from Apr		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,935	160,988	158,200	(53)	(0.0%)	2,735	1.7%
Employment	151,620	151,176	137,224	444	0.3	14,396	10.5
Unemployment	9,315	9,812	20,976	(497)	(5.1)	(11,661)	(55.6)
Unemployment Rate	5.8%	6.1%	13.3%	--	--	--	--
Michigan	May 2021	Apr 2021	May 2020	Change from Apr		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,711	4,701	4,695	10	0.2%	16	0.3%
Employment	4,476	4,470	3,718	6	0.1	758	20.4
Unemployment	235	232	977	3	1.5	(742)	(75.9)
Unemployment Rate	5.0%	4.9%	20.8%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2021	Apr 2021	May 2020	Change from Apr		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,117	4,116	3,521	2	0.0%	597	16.9%
Goods Producing Industries	753	748	594	5	0.7	159	26.7
Mining and Logging	7	7	6	0	0.0	1	19.0
Construction	177	175	147	2	0.9	30	20.7
Manufacturing	569	566	442	4	0.6	127	28.8
Transportation Equipment	174	166	96	8	4.7	78	81.5
Service Producing Industries	3,365	3,368	2,927	(3)	(0.1)	438	15.0
Trade, Transportation & Utilities	770	774	668	(4)	(0.5)	102	15.2
Wholesale Trade	164	163	150	0	0.2	14	9.3
Retail Trade	441	447	375	(5)	(1.2)	67	17.7
Transportation & Utilities	165	164	144	1	0.8	21	14.9
Information	50	50	48	(1)	(1.4)	2	3.3
Financial Activities	226	227	216	(1)	(0.4)	10	4.6
Professional & Business Services	617	620	523	(3)	(0.4)	95	18.1
Education & Health Services	641	641	583	1	0.1	58	10.0
Leisure & Hospitality Services	339	342	212	(3)	(0.7)	127	59.8
Other Services	146	144	119	2	1.2	27	22.3
Government	576	571	558	5	0.9	18	3.2

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 2021	Year Ago	Percent Change	May 2021	Year Ago	Percent Change
Construction	40.8	41.0	(0.5%)	\$1,242.77	\$1,212.78	2.5%
Manufacturing	39.8	38.4	3.6	922.96	868.22	6.3
Durable Goods	39.0	38.4	1.6	922.35	880.13	4.8
Transportation Equipment Mfg.	40.5	41.5	(2.4)	1,141.29	1,179.02	(3.2)
Motor Vehicle Parts Mfg.	40.6	40.1	1.2	1,047.89	1,035.78	1.2
Nondurable Goods	42.2	38.3	10.2	926.71	838.39	10.5
Wholesale Trade	38.9	37.9	2.6	1,003.23	967.59	3.7
Retail Trade	29.6	28.1	5.3	516.52	494.28	4.5
Information	41.3	36.2	14.1	1,140.29	933.96	22.1
Financial Activities	37.0	35.7	3.6	973.47	977.11	(0.4)
Professional & Business Services	36.2	35.3	2.5	984.64	955.22	3.1
Health Care & Social Assistance	31.4	29.2	7.5	720.32	657.88	9.5
Leisure & Hospitality	22.7	23.1	(1.7)	314.85	304.23	3.5
Accommodation & Food Services	23.3	23.8	(2.1)	316.88	309.88	2.3

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 2021	Apr 2021	Mar 2021	May 2020
Metropolitan Statistical Areas				
Ann Arbor	4.7%	4.0%	4.3%	13.7%
Battle Creek	6.8	6.0	6.4	21.8
Bay City	6.1	5.8	6.4	19.3
Detroit-Warren-Dearborn	4.6	3.7	4.5	24.8
Flint	7.5	6.9	7.1	25.2
Grand Rapids-Wyoming	4.7	4.2	4.7	16.7
Jackson	5.9	5.4	5.9	19.8
Kalamazoo-Portage	5.5	4.8	5.4	15.2
Lansing-East Lansing	5.6	5.5	5.0	16.1
Midland	4.9	4.5	5.2	15.4
Monroe	6.7	6.1	5.6	21.0
Muskegon	7.9	6.9	7.5	24.7
Niles-Benton Harbor	5.7	5.2	5.9	18.6
Saginaw	7.0	6.5	6.8	21.2
Multi-County Areas				
Northeast Lower Michigan	7.0	7.5	8.4	21.5
Northwest Lower Michigan	5.6	5.6	6.5	20.8
Upper Peninsula	5.8	5.8	6.5	16.7
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	5.2	4.6	5.2	21.1
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 2021	Apr 2021	Mar 2021	Feb 2021	Year Ago May	Percent Change From:	
						May/Apr	May 2021/ May 2020
Motor Vehicle Sales¹⁾							
Autos	3,930	4,107	3,844	3,446	2,661	(4.3%)	47.7%
Domestics	2,779	2,964	2,772	2,440	1,863	(6.2)	49.2
Imports	1,151	1,143	1,072	1,006	798	0.7	44.2
Import Share	29.3%	27.8%	27.9%	29.2%	30.0%	----	----
Light Trucks	12,961	14,193	13,795	12,485	9,469	(8.7)	36.9
Domestics	9,793	10,839	10,625	9,688	7,134	(9.7)	37.3
Imports	3,168	3,354	3,170	2,797	2,335	(5.5)	35.7
Import Share	24.4%	23.6%	23.0%	22.4%	24.7%	----	----
Subtotal: Light Vehicle Sales	16,891	18,300	17,639	15,931	12,130	(7.7)	39.2
Heavy Trucks	501	482	515	460	308	3.9	62.7
Total Vehicle Sales	17,392	18,782	18,154	16,391	12,438	(7.4)	39.8
U.S. Motor Vehicle Production¹⁾							
Autos	1,660	1,578	1,454	1,684	583	5.2	184.6
Michigan Motor Vehicle Production²⁾							
Autos	54	69	151	188	39	(21.9)	40.1
Trucks	1,525	1,515	1,734	1,750	570	0.6	167.5
Total	1,579	1,584	1,886	1,938	609	(0.3)	159.4
Michigan Production as % of U.S.	19.6%	18.5%	19.7%	20.6%	21.0%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 29,805	\$ 28,939	\$ 28,362	\$ 28,671	\$ 28,116	3.0	6.0
Domestic	\$ 28,440	\$ 27,403	\$ 26,815	\$ 26,553	\$ 25,694	3.8	10.7
Foreign	\$ 33,190	\$ 32,928	\$ 32,362	\$ 33,813	\$ 33,770	0.8	(1.7)
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.							



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	82.9	88.3	72.3	(6.1%)	14.7%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$65.17	\$61.72	\$28.56	5.6	128.2
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	1,594	1,514	1,046	5.3	52.4
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$550.8	\$562.3	\$444.6	(2.0)	23.9
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	May	100.0	99.2	85.8	0.8	16.5
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	75.3	74.7	64.7	0.8	16.5
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	268.6	266.8	255.9	8.0	4.9
Detroit (not seasonally adjusted)	Apr	244.7	240.6	232.1	10.8	5.4
Interest Rates						
3-month Treasury Bill ⁴⁾	May	0.02%	0.02%	0.13%	--	--
30-year Conventional Mortgage ⁶⁾	May	2.96%	3.06%	3.23%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2021 1st Quarter	\$19,086.4	\$18,794.4	\$19,010.8	6.4	0.4
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	May	\$2,879.2	\$2,822.7	\$1,608.6	NM	79.0

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. 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.

