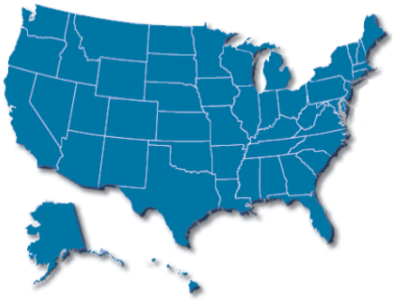
A Senate Fiscal Agency newsletter on key economic indicators

Michigan Economic Indicators

MAY 2026

ECONOMIC HIGHLIGHTS



The **Consumer Sentiment Index** fell to 44.8 in May from 49.8 in April and was down 14.2% from the level in May 2025. Consumer sentiment in May 2026 was the lowest value recorded since the survey began in November 1952 and was 10.4% below the historical trough recorded in June 2022. Inflation and cost-of-living concerns dominated consumer anxieties.

In May 2026, seasonally adjusted **light vehicle sales** were 3.2% above the sales level in May 2025. All vehicle segments other than imported automobiles exhibited year-over-year gains; sales of domestic automobiles were up 3.4%, sales of domestic light trucks were 2.4% higher, and sales of imported light trucks were up 9.2% from May 2025. In contrast, sales of imported automobiles were 6.0% lower than a year ago.



Compared to May 2025, **regional unemployment rates** for May 2026 were lower in every metropolitan area except for the Detroit and Midland areas. The unemployment rate increased the most in the Detroit area (0.7 percentage points), while the rate in the Midland area increased 0.1 points. Decreases in the unemployment rate ranged from 0.4 percentage points (Bay City) to 0.1 percentage points (Grand Rapids/Wyoming, Jackson, Lansing/East Lansing, and Monroe areas).

Michigan's inflation-adjusted gross domestic product (GDP) increased 1.2% in 2025 compared to 2024. Michigan's growth rate was below the national average of 2.1%, which placed Michigan 40th among the 50 states. Other Great Lakes states' year-over-year inflation-adjusted GDP growth varied widely: Illinois grew 1.6% (41st), Indiana 2.5% (7th), Ohio 1.5% (34th), and Wisconsin 1.5% (35th). Michigan's weaker inflation-adjusted GDP growth partially reflected comparatively weaker growth in the nondurable goods manufacturing and professional/business services sectors.

U.S. & MICHIGAN LABOR MARKET NEWS
(Seasonally adjusted, thousands)

				Change from Apr		Change from Year Ago	
U.S.	**May 2026**	**Apr 2026**	**May 2025**	**Number**	**Percent**	**Number**	**Percent**
Labor Force	170,078	169,995	170,492	83	0.0%	(414)	(0.2%)
Employment	162,771	162,622	163,327	149	0.1	(556)	(0.3)
Unemployment	7,307	7,373	7,165	(66)	(0.9)	142	2.0
Unemployment Rate	4.3%	4.3%	4.2%	--	--	--	--
				Change from Apr		**Change from Year Ago**	
Michigan	**May 2026**	**Apr 2026**	**May 2025**	**Number**	**Percent**	**Number**	**Percent**
Labor Force	4,931	4,950	5,042	(19)	(0.4%)	(111)	(2.2%)
Employment	4,680	4,700	4,784	(20)	(0.4)	(104)	(2.2)
Unemployment	251	250	258	1	0.4	(7)	(2.7)
Unemployment Rate	5.1%	5.1%	5.1%	--	--	--	--

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

This report is prepared by **Bobby Canell**, Economist, and **David Zin**, Chief Economist, and is available on the Senate Fiscal Agency website - **www.senate.michigan.gov/sfa**

MICHIGAN WAGE AND SALARY EMPLOYMENT
(Seasonally adjusted, thousands)

	May 2026	Apr 2026	May 2025	Change from Apr Number	Change from Apr Percent	Change from Yr Ago Number	Change from Yr Ago Percent
Total Non-Agricultural Jobs	4,487	4,484	4,496	3	0.1%	(9)	(0.2%)
Goods Producing Industries	788	786	799	2	0.2	(11)	(1.4)
Mining and Logging	7	7	7	0	0.0	0	4.3
Construction	198	199	202	(1)	(0.4)	(4)	(1.8)
Manufacturing	583	580	590	3	0.4	(8)	(1.3)
Transportation Equipment*	174	172	177	2	1.0	(4)	(2.0)
Service Producing Industries	3,699	3,698	3,696	1	0.0	3	0.1
Trade, Transportation & Utilities	797	799	806	(1)	(0.2)	(9)	(1.2)
Wholesale Trade	169	171	175	(2)	(0.9)	(6)	(3.5)
Retail Trade	453	452	454	1	0.3	(1)	(0.1)
Transportation & Utilities	175	176	177	(1)	(0.7)	(3)	(1.5)
Information	53	53	55	(0)	(0.4)	(2)	(4.2)
Financial Activities	242	242	240	0	0.0	2	0.9
Professional & Business Services	626	627	627	(1)	(0.2)	(2)	(0.2)
Education & Health Services	739	737	732	2	0.2	7	0.9
Leisure & Hospitality Services	428	429	434	(1)	(0.2)	(6)	(1.3)
Other Services	177	176	176	1	0.3	1	0.5
Government	638	635	626	2	0.4	12	1.9

* Not seasonally adjusted

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 May 2026	Average Weekly Hours Year Ago	Average Weekly Hours Percent Change	Average Weekly Earnings May 2025	Average Weekly Earnings Year Ago	Average Weekly Earnings Percent Change
Construction	41.4	42.8	(3.3%)	1,615.01	1,615.70	(0.0%)
Manufacturing	42.5	40.6	4.7	1,290.73	1,162.38	11.0
Durable Goods	43.2	41.7	3.6	1,414.37	1,289.78	9.7
Transportation Equipment Mfg.	45.5	41.6	9.4	1,432.80	1,301.25	10.1
Motor Vehicle Parts Mfg.	45.4	42.2	7.6	1,421.02	1,224.64	16.0
Nondurable Goods	40.4	37.9	6.6	941.72	834.94	12.8
Wholesale Trade	37.7	39.6	(4.8)	1,213.94	1,240.27	(2.1)
Retail Trade	28.3	28.5	(0.7)	564.59	562.02	0.5
Information	31.4	34.4	(8.7)	1,298.70	1,373.94	(5.5)
Financial Activities	35.8	36.2	(1.1)	1,174.96	1,125.82	4.4
Professional & Business Services	35.0	35.2	(0.6)	1,190.00	1,145.76	3.9
Health Care & Social Assistance	31.9	32.0	(0.3)	879.16	864.64	1.7
Leisure & Hospitality	22.0	22.3	(1.3)	449.02	423.25	6.1
Accommodation & Food Services	22.4	22.9	(2.2)	458.53	434.64	5.5

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 2026	Apr 2026	Mar 2026	May 2025
Metropolitan Statistical Areas				
Ann Arbor	4.3%	3.5%	3.7%	4.5%
Battle Creek	5.4	4.7	5.2	5.6
Bay City	5.7	5.5	6.2	6.1
Detroit-Warren-Dearborn	5.5	4.4	5.3	4.8
Flint	6.1	5.6	6.1	6.3
Grand Rapids-Wyoming	4.4	3.7	4.0	4.5
Jackson	5.2	4.4	5.0	5.3
Kalamazoo-Portage	4.7	3.9	4.1	4.9
Lansing-East Lansing	4.7	3.9	4.3	4.8
Midland	5.0	4.5	5.1	4.9
Monroe	5.2	4.5	5.0	5.3
Muskegon	5.4	4.8	5.1	5.7
Niles-Benton Harbor	5.1	4.4	4.9	5.3
Saginaw	6.1	5.7	6.2	6.4
Traverse City	4.3	4.0	4.6	4.5
Multi-County Areas				
Northeast Lower Michigan	6.4	7.5	8.7	6.9
Northwest Lower Michigan	4.7	4.9	5.5	5.1
Upper Peninsula	5.9	6.3	6.8	6.2
Michigan Statewide Average				
(unadjusted - comparable to figures shown above)	5.2	4.5	5.1	5.1

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)

						Percent Change From:	
	May 2026	Apr 2026	Mar 2026	Feb 2026	Year Ago Apr	May/Apr	May 2026/ May 2025
Motor Vehicle Sales[1]							
Autos	2,655	2,693	2,635	2,554	2,653	(1.4%)	0.1%
Domestics	1,780	1,794	1,743	1,701	1,722	(0.8)	3.4
Imports	875	899	892	853	931	(2.7)	(6.0)
Import Share	33.0%	33.4%	33.9%	33.4%	35.1%	----	----
Light Trucks	13,427	13,319	13,534	12,951	12,936	0.8	3.8
Domestics	10,580	10,482	10,834	10,374	10,329	0.9	2.4
Imports	2,847	2,837	2,700	2,577	2,607	0.4	9.2
Import Share	21.2%	21.3%	19.9%	19.9%	20.2%	----	----
Subtotal: Light Vehicle Sales	16,082	16,012	16,169	15,505	15,589	0.4	3.2
Heavy Trucks	426	383	367	376	454	11.2	(6.2)
Total Vehicle Sales	16,508	16,395	16,536	15,881	16,043	0.7	2.9
U.S. Motor Vehicle Production[1]							
Autos	1,220	1,274	1,263	1,132	1,329	(4.2)	(8.2)
Michigan Motor Vehicle Production[2]							
Autos	75	92	93	92	112	(18.5)	(33.4)
Trucks	1,824	1,860	1,809	1,882	1,829	(1.9)	(0.2)
Total	1,899	1,952	1,902	1,974	1,941	(2.7)	(2.1)
Michigan Production as % of U.S.	18.9%	17.5%	18.3%	18.6%	18.5%	----	----
Average Expenditure per Car[1]							
Overall	$33,312	$33,652	$33,715	$33,648	$33,235	(1.0)	0.2
Domestic	$29,693	$30,194	$30,052	$29,340	$29,682	(1.7)	0.0
Foreign	$40,676	$40,558	$40,876	$42,232	$39,670	0.3	2.5
Inventory-to-Sales Ratio	1.450	1.429	1.364	1.284	1.406	1.5	3.1

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.

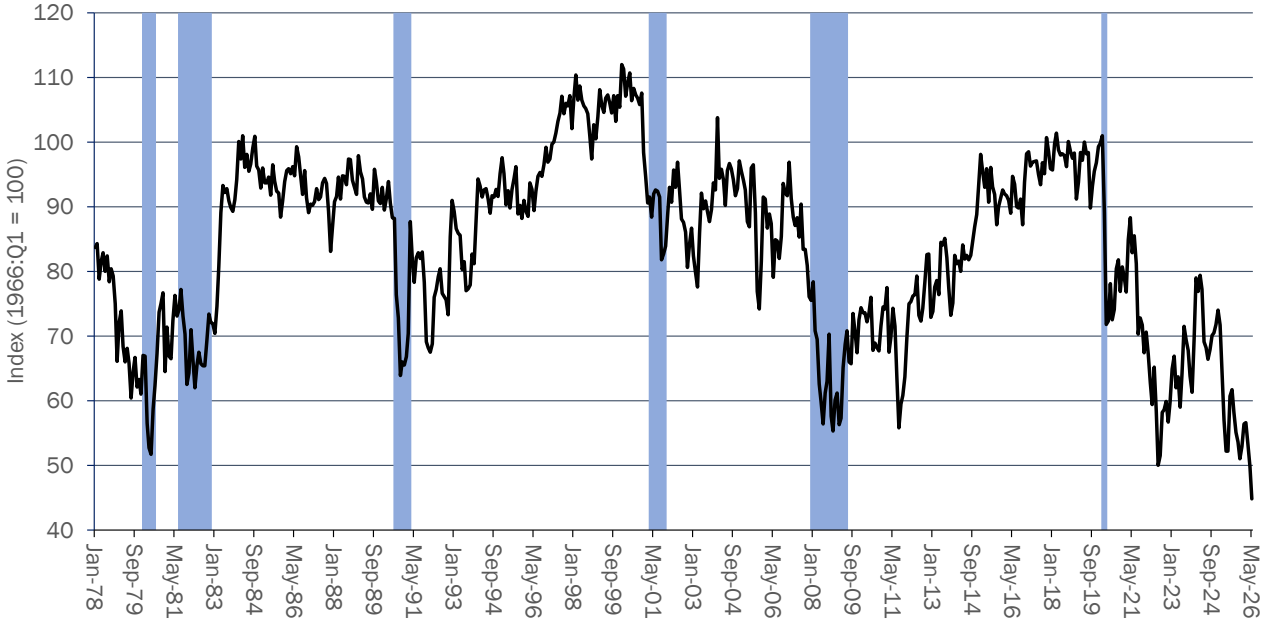
OTHER KEY ECONOMIC INDICATORS						
		Actual Data			Percent Chng From	
Variable	Latest Period	Latest Period	Previous Period	Year Ago	Previous Period[9]	Year Ago
Index of Consumer Sentiment, monthly[1] (1996 Q1=100)	May	44.8	49.8	52.2	(10.0%)	(14.2%)
Oil Prices[2] ($ per barrel, West Texas Intermediate Crude)	May	$102.13	$100.32	$62.17	1.8	64.3
Housing Starts, U.S.[3] (thousands of units, SAAR)	May	1,177	1,392	1,289	(15.4)	(8.7)
Retail Sales, U.S.[3] (billions, seasonally adjusted)	May	$662.8	$655.9	$616.2	1.0	7.5
Industrial Production Index[4] (2007=100, seasonally adjusted)	May	102.6	102.5	101.0	0.1	1.7
Capacity Utilization[4] (% of total capacity, seasonally adjusted)	May	76.2	76.1	75.9	0.0	0.4
Consumer Price Index[5] (1982-84=100)						
U.S. (seasonally adjusted)	May	334.0	332.4	320.3	5.8	4.3
Detroit (not seasonally adjusted)	Apr	308.6	300.6	296.4	17.0	4.1
Interest Rates						
3-month Treasury Bill[4]	May	3.69%	3.70%	4.36%	--	--
30-year Conventional Mortgage[6]	May	6.44%	6.33%	6.43%	--	--
Real Gross Domestic Product[7] (billions of 2017 $, SAAR, Chain-Weighted)	2026 1st Quarter	$24,152.7	$24,055.7	$23,548.2	1.6	2.6
Michigan Tax Collections[8] (12 major taxes, millions)	May	$2,731.5	$3,184.1	$2,631.5	NM	3.8

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.

Consumer Sentiment at Record Low

Inflation and Cost of Living Concerns Reducing Sentiment



Source: Surveys of Consumers, University of Michigan. Note: Shaded area represent US recessions.