

Michigan Economic Indicators

NOVEMBER 2017



ECONOMIC HIGHLIGHTS



Oil prices increased by 9.8% from October 2017 to November 2017, and were 24.0% above the level in November 2016. The November 2017 increase represented the fifth consecutive month in which oil prices rose, the longest period of sustained increases since the first half of 2014. The November 2017 average price per barrel, at \$56.64, was the highest price since June 2015.

Corporate profits increased at a 4.3% annual rate during the third quarter of 2017, and were 0.8% below the all-time high set in the fourth quarter of 2014. Financial corporations accounted for 52.9% of the increase in profits during the third quarter of 2017, while foreign firms accounted for 35.4% of the increase. Among domestic nonfinancial firms, profits rose at a 14.7% rate in the nondurable goods manufacturing sector, but at only a 2.1% rate in the durable goods manufacturing sector. Profits for most service sectors either were relatively flat or declined, although profits in the information sector increased at a 9.0% rate. Profits fell the most in the transportation/warehousing sector, declining at an 18.2% rate.



Michigan **personal income** increased by 0.7% between the second quarter of 2017 and the third quarter of 2017, tying the national average and ranking Michigan 15th among the 50 states. Earnings growth accounted for most of the increase. Earnings grew most rapidly in the transportation/warehousing sector (1.7%) while earnings fell in three sectors: farm (11.2%), arts/entertainment/recreation (1.5%), and real estate (0.1%) Of the other states in the region, Ohio ranked 7th (0.8%), Indiana ranked 21st (0.7%), Wisconsin ranked 33rd (0.6%), and Illinois ranked 35th (0.6%).

Michigan **motor vehicle production** declined 5.4% between November 2016 and November 2017. Auto production decreased 21.3% while truck production increased 5.9%. Through November 2017, year-to-date Michigan automobile production was down 24.5% from 2016 and Michigan truck production was down 10.3%.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Nov 2017	Oct 2017	Nov 2016	Change from October		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,533	160,371	159,544	162	0.1%	989	0.6%
Employment	153,917	153,846	152,126	71	0.0	1,791	1.2
Unemployment	6,616	6,525	7,418	91	1.4	(802)	(10.8)
Unemployment Rate	4.1%	4.1%	4.6%	--	--	--	--
Michigan	Nov 2017	Oct 2017	Nov 2016	Change from October		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,875	4,858	4,858	17	0.3%	17	0.3%
Employment	4,651	4,640	4,613	11	0.2	38	0.8
Unemployment	224	218	245	6	2.7	(22)	(8.8)
Unemployment Rate	4.6%	4.5%	5.1%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Nov 2017	Oct 2017	Nov 2016	Change from Oct		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,416	4,406	4,368	10	0.2%	48	1.1%
Goods Producing Industries	775	773	768	2	0.3	7	1.0
Mining and Logging	7	7	7	0	1.4	1	7.2
Construction	163	163	160	0	0.1	3	1.9
Manufacturing	605	603	601	2	0.3	4	0.6
Transportation Equipment	178	178	183	0	0.2	(4)	(2.4)
Service Producing Industries	3,641	3,633	3,600	8	0.2	41	1.1
Trade, Transportation & Utilities	784	784	783	(0)	(0.0)	0	0.1
Wholesale Trade	173	172	172	1	0.7	2	1.0
Retail Trade	468	470	473	(2)	(0.5)	(4)	(0.9)
Transportation & Utilities	142	141	139	1	0.6	3	2.1
Information	58	58	57	0	0.2	1	1.7
Financial Activities	218	219	216	(1)	(0.3)	3	1.3
Professional & Business Services	677	673	663	4	0.6	14	2.1
Education & Health Services	674	672	667	2	0.3	7	1.1
Leisure & Hospitality Services	442	438	434	4	0.9	8	1.8
Other Services	175	175	171	0	0.1	4	2.2
Government	613	615	609	(2)	(0.3)	4	0.7

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		
	Nov 2017	Year Ago	Percent Change	Nov 2017	Year Ago	Percent Change
Construction	40.0	40.9	(2.2%)	\$986.40	\$1,056.86	(6.7%)
Manufacturing	43.3	42.4	2.1	907.14	871.32	4.1
Durable Goods	44.1	42.9	2.8	964.47	913.77	5.5
Transportation Equipment Mfg.	47.0	43.3	8.5	1,129.41	998.93	13.1
Motor Vehicle Parts Mfg.	46.8	45.4	3.1	1,077.34	957.49	12.5
Nondurable Goods	40.9	41.0	(0.2)	731.29	744.15	(1.7)
Wholesale Trade	39.7	40.1	(1.0)	1,051.26	915.48	14.8
Retail Trade	31.1	30.2	3.0	450.95	425.94	5.9
Information	34.9	34.6	0.9	964.99	865.00	11.6
Financial Activities	35.9	35.8	0.3	835.39	837.72	(0.3)
Professional & Business Services	34.4	35.0	(1.7)	798.77	807.10	(1.0)
Health Care & Social Assistance	32.5	31.6	2.8	670.48	629.16	6.6
Leisure & Hospitality	22.8	22.0	3.6	275.88	252.78	9.1
Accommodation & Food Services	22.7	21.8	4.1	267.18	237.18	12.6

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)				
	Nov 2017	Oct 2017	Sep 2017	Nov 2016
Metropolitan Statistical Areas				
Ann Arbor	3.1%	3.4%	3.9%	2.9%
Battle Creek	4.4	4.6	4.8	3.8
Bay City	4.5	4.7	4.9	4.2
Detroit-Warren-Dearborn	3.7	4.3	4.4	4.7
Flint	5.1	5.3	5.6	4.4
Grand Rapids-Wyoming	3.2	3.4	3.5	2.9
Jackson	4.1	4.3	4.6	3.9
Kalamazoo-Portage	3.9	4.1	4.3	3.6
Lansing-East Lansing	3.7	4.0	4.3	3.2
Midland	4.1	4.2	4.4	3.9
Monroe	3.9	5.1	5.5	3.5
Muskegon	4.9	5.2	5.3	4.4
Niles-Benton Harbor	4.5	4.4	4.6	4.1
Saginaw	4.7	4.8	5.1	4.2
Multi-County Areas				
Northeast Lower Michigan	6.8	5.7	5.8	6.3
Northwest Lower Michigan	4.8	4.4	4.5	4.4
Upper Peninsula	5.5	4.9	5.1	5.4
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.0	4.2	4.5	4.2
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Nov 2017	Oct 2017	Sep 2017	Aug 2017	Year Ago Nov	Percent Change From:	
						Nov/Oct	Nov 2017/ Nov 2016
Motor Vehicle Sales¹⁾							
Autos	6,053	6,290	6,547	5,737	6,764	(3.8%)	(10.5%)
Domestics	4,616	4,823	5,031	4,363	5,121	(4.3)	(9.9)
Imports	1,437	1,467	1,516	1,374	1,643	(2.0)	(12.5)
Import Share	23.7%	23.3%	23.2%	23.9%	24.3%	----	----
Light Trucks	11,349	11,718	11,939	10,282	10,799	(3.1)	5.1
Domestics	8,801	9,174	9,311	8,048	8,547	(4.1)	3.0
Imports	2,548	2,544	2,628	2,234	2,252	0.2	13.1
Import Share	22.5%	21.7%	22.0%	21.7%	20.9%	----	----
Subtotal: Light Vehicle Sales	17,402	18,008	18,486	16,019	17,563	(3.4)	(0.9)
Heavy Trucks	451	435	440	430	379	3.7	19.0
Total Vehicle Sales	17,853	18,443	18,926	16,449	17,942	(3.2)	(0.5)
U.S. Motor Vehicle Production¹⁾							
Autos	2,996	2,705	2,665	2,951	3,797	10.8	(21.1)
Michigan Motor Vehicle Production²⁾							
Autos	763	595	517	585	969	28.2	(21.3)
Trucks	1,456	1,687	1,460	1,650	1,376	(13.7)	5.9
Total	2,219	2,282	1,977	2,235	2,345	(2.8)	(5.4)
Michigan Production as % of U.S.	18.7%	18.3%	18.3%	18.5%	18.8%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,351	1,339	1,364	1,424	1,594	0.9	(15.2)
Days Supply	72	72	66	73	78	0.0	(7.7)
Total Truck	2,621	2,535	2,445	2,464	2,426	3.4	8.0
Days Supply	70	71	64	69	70	(1.4)	0.0
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)	Nov	98.5	100.7	93.8	(2.2%)	5.0%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Nov	\$56.64	\$51.58	\$45.66	9.8	24.0
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Nov	1,299	1,261	1,149	3.0	13.1
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Nov	\$436.5	\$432.6	\$409.6	0.9	6.6
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Nov	106.5	106.6	102.9	(0.1)	3.5
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Nov	77.2	77.4	75.5	(0.2)	2.3
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Nov	247.6	246.6	242.2	4.7	2.2
Detroit (not seasonally adjusted)	Oct	228.8	226.8	224.3	5.5	2.0
Interest Rates						
3-month Treasury Bill ⁴⁾	Nov	1.25%	1.09%	0.45%	--	--
30-year Conventional Mortgage ⁶⁾	Nov	3.92%	3.90%	3.77%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2017 4th Quarter	\$17,272.5	\$17,163.9	\$16,851.4	2.6	2.5
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Nov	\$1,897.6	\$2,996.7	\$1,900.4	NM	(0.1)

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.

