

Michigan Economic Indicators

NOVEMBER 2018



ECONOMIC HIGHLIGHTS



The **U.S. unemployment rate** decreased to 3.7% in November 2018, down from 3.8% in October 2018 and 4.2% in November 2017. The November 2018 unemployment rate is tied with September 2018 for the lowest level since December 1969. The decline from October 2018 happened despite large numbers of people entering the labor force, as the labor force increased by 127,000 people and employment grew by 221,000 jobs. Compared to November 2017, the decline in the unemployment rate reflected employment growing by 2.9 million jobs while only 2.2 million additional individuals entered the labor force, causing the number of unemployed individuals to decline by almost 700,000.

Oil prices decreased by 19.5% from October 2018 to November 2018, with an average price per barrel of \$56.96, the lowest price since November 2017. The November 2018 decrease came after a year of high prices by recent standards, peaking in July 2018 at \$70.98 per barrel. From January 2018 through October 2018, the monthly average price per barrel never fell below \$62.23, which was higher than any monthly average since November 2014.



Michigan's seasonally-adjusted **unemployment rate** held steady at 3.9% in November 2018, the same rate as October 2018, and the lowest rate since October 2000. The unemployment rate held steady despite individuals entering (or reentering) the labor force; however, the labor force is still 9,000 below the November 2017 level. Compared to October 2000, the last time the unemployment rate was 3.9%, the labor force in November 2018 had 264,000 fewer people and 253,000 fewer people were employed.

Average weekly earnings increased in almost all industry sectors from November 2017 to November 2018, led by health care and social assistance, with a 10.2% increase. The wholesale trade, retail trade, and information sectors were the only sectors without growth, with average weekly earnings falling 5.3%, 0.2%, and 4.5%, respectively. Most sectors' gains reflected increased earnings despite fewer average weekly hours; however, the transportation equipment manufacturing, motor vehicle parts manufacturing, professional and business services, and health care and social assistance sectors all reported an increase in average weekly hours.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Nov 2018	Oct 2018	Nov 2017	Change from Oct		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	162,821	162,694	160,626	127	0.1%	2,195	1.4%
Employment	156,803	156,582	153,945	221	0.1	2,858	1.9
Unemployment	6,018	6,112	6,681	(94)	(1.5)	(663)	(9.9)
Unemployment Rate	3.7%	3.8%	4.2%	--	--	--	--
Michigan	Nov 2018	Oct 2018	Nov 2017	Change from Oct		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,893	4,892	4,902	1	0.0%	(9)	(0.2%)
Employment	4,701	4,701	4,670	1	0.0	31	0.7
Unemployment	192	191	232	0	0.2	(40)	(17.3)
Unemployment Rate	3.9%	3.9%	4.7%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Nov 2018	Oct 2018	Nov 2017	Change from Oct		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,442	4,442	4,389	0	0.0%	53	1.2%
Goods Producing Industries	808	808	789	0	0.0	19	2.4
Mining and Logging	7	7	7	(0)	(1.4)	(0)	(2.8)
Construction	177	175	165	2	0.9	12	7.0
Manufacturing	624	625	616	(1)	(0.2)	8	1.3
Transportation Equipment	191	192	187	(1)	(0.3)	5	2.5
Service Producing Industries	3,634	3,635	3,601	(0)	(0.0)	34	0.9
Trade, Transportation & Utilities	791	791	789	0	0.1	3	0.3
Wholesale Trade	173	174	174	(1)	(0.3)	(0)	(0.1)
Retail Trade	470	470	472	0	0.0	(2)	(0.5)
Transportation & Utilities	148	147	143	1	0.6	5	3.7
Information	56	55	56	0	0.7	(0)	(0.7)
Financial Activities	223	222	219	2	0.7	4	2.0
Professional & Business Services	659	660	648	(1)	(0.2)	10	1.6
Education & Health Services	678	678	671	(0)	(0.0)	6	1.0
Leisure & Hospitality Services	444	444	439	(1)	(0.1)	5	1.1
Other Services	172	173	169	(1)	(0.6)	2	1.4
Government	613	613	609	0	0.0	3	0.6

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		
	Nov 2018	Year Ago	Percent Change	Nov 2018	Year Ago	Percent Change
Construction	39.5	39.7	(0.5%)	\$1,076.38	\$979.80	9.9%
Manufacturing	42.9	43.2	(0.7)	930.07	905.47	2.7
Durable Goods	43.8	44.0	(0.5)	979.37	962.28	1.8
Transportation Equipment Mfg.	48.0	46.9	2.3	1,232.16	1,126.07	9.4
Motor Vehicle Parts Mfg.	48.6	46.9	3.6	1,117.80	1,018.20	9.8
Nondurable Goods	40.2	40.9	(1.7)	777.47	733.75	6.0
Wholesale Trade	38.4	39.7	(3.3)	1,019.52	1,077.06	(5.3)
Retail Trade	30.2	31.1	(2.9)	449.38	450.33	(0.2)
Information	32.6	34.6	(5.8)	902.37	944.93	(4.5)
Financial Activities	35.4	35.8	(1.1)	858.45	830.20	3.4
Professional & Business Services	35.2	34.7	1.4	875.42	808.16	8.3
Health Care & Social Assistance	32.7	32.5	0.6	740.33	672.10	10.2
Leisure & Hospitality	22.2	22.9	(3.1)	277.28	276.86	0.2
Accommodation & Food Services	22.3	22.8	(2.2)	271.84	268.13	1.4

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)				
	Nov 2018	Oct 2018	Sep 2018	Nov 2017
Metropolitan Statistical Areas				
Ann Arbor	2.6%	2.9%	2.8%	3.3%
Battle Creek	3.5	3.6	3.6	4.5
Bay City	3.7	3.7	3.7	4.6
Detroit-Warren-Dearborn	3.8	4.4	3.7	3.9
Flint	4.1	4.1	4.0	5.1
Grand Rapids-Wyoming	2.5	2.6	2.6	3.3
Jackson	3.3	3.4	3.4	4.2
Kalamazoo-Portage	3.1	3.2	3.2	4.1
Lansing-East Lansing	3.1	3.0	2.9	3.7
Midland	3.2	3.3	3.2	4.2
Monroe	3.8	4.1	3.6	4.0
Muskegon	3.8	4.0	3.9	5.0
Niles-Benton Harbor	3.6	3.6	3.6	4.6
Saginaw	3.9	3.9	3.9	4.9
Multi-County Areas				
Northeast Lower Michigan	5.6	4.6	4.4	6.9
Northwest Lower Michigan	3.8	3.4	3.3	4.8
Upper Peninsula	4.4	3.8	3.7	5.5
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.6	3.8	3.5	4.1

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Nov 2018	Oct 2018	Sept 2018	Aug 2018	Year Ago Nov	Percent Change From:	
						Nov/Oct	Nov 2018/ Nov 2017
Motor Vehicle Sales¹⁾							
Autos	5,188	5,505	5,276	4,982	6,027	(5.8%)	(13.9%)
Domestics	3,999	4,297	4,009	3,831	4,533	(6.9)	(11.8)
Imports	1,189	1,208	1,267	1,151	1,494	(1.6)	(20.4)
Import Share	22.9%	21.9%	24.0%	23.1%	24.8%	----	----
Light Trucks	12,214	11,982	12,150	11,708	11,496	1.9	6.2
Domestics	9,434	9,276	9,361	9,187	8,941	1.7	5.5
Imports	2,780	2,706	2,789	2,521	2,555	2.7	8.8
Import Share	22.8%	22.6%	23.0%	21.5%	22.2%	----	----
Subtotal: Light Vehicle Sales	17,402	17,487	17,426	16,690	17,523	(0.5)	(0.7)
Heavy Trucks	496	529	539	510	444	(6.2)	11.7
Total Vehicle Sales	17,898	18,016	17,965	17,200	17,967	(0.7)	(0.4)
U.S. Motor Vehicle Production¹⁾							
Autos	2,707	2,694	2,780	2,480	2,729	0.5	(0.8)
Michigan Motor Vehicle Production²⁾							
Autos	270	344	292	359	763	(21.6)	(64.7)
Trucks	1,484	1,584	1,394	1,629	1,456	(6.3)	1.9
Total	1,753	1,928	1,686	1,988	2,219	(9.1)	(21.0)
Michigan Production as % of U.S.	14.7%	15.8%	17.8%	16.6%	18.7%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,102	1,063	1,023	1,081	1,351	3.6	(18.5)
Days Supply	68	66	59	67	72	3.0	(5.6)
Total Truck	2,955	2,908	2,727	2,728	2,621	1.6	12.7
Days Supply	75	80	68	70	70	(6.3)	7.1

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. 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	97.5	98.6	98.5	(1.1%)	(1.0%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Nov	\$56.96	\$70.75	\$56.64	(19.5)	0.6
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Nov	1,256	1,217	1,303	3.2	(3.6)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Nov	\$453.0	\$451.5	\$435.4	0.3	4.0
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Nov	109.4	108.7	105.3	0.6	3.9
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Nov	78.5	78.1	77.1	0.4	1.8
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Nov	252.8	252.8	247.3	(0.2)	2.2
Detroit (not seasonally adjusted)	Nov	233.1	233.2	228.8	(0.2)	1.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Nov	2.37%	2.29%	1.25%	--	--
30-year Conventional Mortgage ⁶⁾	Nov	4.87%	4.83%	3.92%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2018 3rd Quarter	\$18,665.0	\$18,511.6	\$18,120.8	3.4	3.0
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Nov	\$2,007.4	\$3,086.9	\$1,897.6	NM	5.8

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.

