

Michigan Economic Indicators

NOVEMBER 2019



ECONOMIC HIGHLIGHTS



The November 2019 **Purchasing Managers Index (PMI)** was 48.1, according to the Manufacturing Business Survey by the Institute of Supply Management, indicating contraction in the manufacturing sector. The PMI is a composite index based on five sub-indices: new orders, production, employment, supplier deliveries, and inventories. A measurement below 50.0 indicates contraction in manufacturing. The index has been below 50.0 for four straight months, since August 2019.

The **interest rate on 30-year fixed rate mortgages** averaged 3.70% in November 2019, up slightly from 3.61% in September, which was the lowest average since November 2016. Other interest rates also have fallen recently, with short-term interest rates, such as the rate on three-month Treasury bills, falling to 1.57% from the recent high of 2.45% in March 2019. Longer-term rates, such as the rate on 10-year Treasury bonds, have fallen to 1.81% from a high of 3.15% in October 2018.



Regional unemployment rates decreased or stayed the same in November 2019 compared to November 2018 for all but three metropolitan statistical areas, reflecting an overall tighter labor market in the State. The three metropolitan areas that saw an increase in the unemployment rate were Bay City, which increased from 3.5% to 3.7%; Saginaw, which increased from 3.7% to 3.9%; and the Upper Peninsula, which increased from 4.1% to 4.2%. Monroe saw the largest decrease, falling 0.8% from 3.7% in November 2018 to 2.9% in November 2019. Lansing-East Lansing also saw a large decrease, falling 0.5% from the previous year, from 3.0% to 2.5%. The unadjusted Statewide average fell to 3.2% in November 2019.

In November 2019, **revenue from Michigan's major taxes** totaled \$2.16 billion, up 7.8% (\$157.3 million) from November 2018. The increase was due largely to increased state education property tax collections, which were up 45.1% (\$95.3 million), and net individual income tax collections, which were up 6.4% (\$47.3 million) from the previous year. These increases were partially offset by lower lottery revenue, which was down 33.1% (\$36.0 million) from November 2018.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Nov 2019	Oct 2019	Nov 2018	Change from Oct		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	164,347	164,401	162,662	(54)	(0.0%)	1,685	1.0%
Employment	158,536	158,544	156,628	(8)	(0.0)	1,908	1.2
Unemployment	5,811	5,857	6,034	(46)	(0.8)	(223)	(3.7)
Unemployment Rate	3.5%	3.6%	3.7%	--	--	--	--
Michigan	Nov 2019	Oct 2019	Nov 2018	Change from Oct		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,956	4,957	4,902	(2)	(0.0%)	53	1.1%
Employment	4,759	4,755	4,707	4	0.1	52	1.1
Unemployment	197	202	196	(5)	(2.7)	1	0.6
Unemployment Rate	4.0%	4.1%	4.0%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Nov 2019	Oct 2019	Nov 2018	Change from Oct		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	807	787	810	19	2.5	(4)	(0.4)
Goods Producing Industries	7	7	7	0	0.0	0	1.4
Mining and Logging	173	173	171	(1)	(0.3)	2	1.3
Construction	627	607	633	20	3.3	(6)	(0.9)
Manufacturing	189	171	199	19	10.9	(9)	(4.7)
Transportation Equipment	807	787	810	19	2.5	(4)	(0.4)
Service Producing Industries	3,641	3,635	3,619	6	0.2	22	0.6
Trade, Transportation & Utilities	794	795	796	(2)	(0.2)	(2)	(0.3)
Wholesale Trade	173	174	172	(1)	(0.7)	2	0.9
Retail Trade	466	467	471	(2)	(0.3)	(5)	(1.1)
Transportation & Utilities	155	154	154	1	0.7	1	0.9
Information	58	58	56	(0)	(0.2)	2	2.9
Financial Activities	225	225	220	0	0.1	5	2.3
Professional & Business Services	663	658	661	6	0.9	2	0.3
Education & Health Services	672	671	676	2	0.2	(4)	(0.5)
Leisure & Hospitality Services	445	447	437	(2)	(0.5)	9	2.0
Other Services	170	168	166	2	1.0	3	2.0
Government	613	613	606	1	0.1	7	1.2

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		
	Nov 2019	Year Ago	Percent Change	Nov 2019	Year Ago	Percent Change
Construction	38.6	39.4	(2.0%)	1,078.10	1,070.50	0.7%
Manufacturing	42.2	43.3	(2.5)	951.61	941.78	1.0
Durable Goods	42.8	44.3	(3.4)	993.39	992.32	0.1
Transportation Equipment Mfg.	47.0	48.6	(3.3)	1,241.74	1,247.56	(0.5)
Motor Vehicle Parts Mfg.	47.2	48.2	(2.1)	1,097.87	1,111.49	(1.2)
Nondurable Goods	40.1	40.2	(0.2)	812.03	780.68	4.0
Wholesale Trade	37.4	38.6	(3.1)	996.34	1,030.23	(3.3)
Retail Trade	29.9	30.2	(1.0)	467.34	447.26	4.5
Information	33.2	32.5	2.2	897.40	908.38	(1.2)
Financial Activities	35.7	35.4	0.8	948.55	858.10	10.5
Professional & Business Services	33.8	35.1	(3.7)	895.02	870.83	2.8
Health Care & Social Assistance	31.7	33.1	(4.2)	707.86	747.07	(5.2)
Leisure & Hospitality	22.8	22.2	2.7	298.91	280.39	6.6
Accommodation & Food Services	22.9	22.3	2.7	289.91	275.85	5.1

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 2019	Oct 2019	Sep 2019	Nov 2018
Metropolitan Statistical Areas				
Ann Arbor	2.2%	2.5%	3.0%	2.5%
Battle Creek	3.2	3.5	3.9	3.3
Bay City	3.7	4.1	4.0	3.5
Detroit-Warren-Dearborn	3.4	3.8	4.1	3.7
Flint	3.8	4.8	4.2	3.8
Grand Rapids-Wyoming	2.3	2.5	2.8	2.4
Jackson	3.0	3.3	3.4	3.1
Kalamazoo-Portage	2.8	3.1	3.4	2.9
Lansing-East Lansing	2.5	3.6	3.1	3.0
Midland	3.0	3.1	3.4	3.0
Monroe	2.9	2.9	3.3	3.7
Muskegon	3.6	3.6	3.9	3.6
Niles-Benton Harbor	3.1	3.1	3.5	3.4
Saginaw	3.9	4.8	4.1	3.7
Multi-County Areas				
Northeast Lower Michigan	5.2	4.3	4.4	5.3
Northwest Lower Michigan	3.4	3.1	3.4	3.6
Upper Peninsula	4.2	3.6	4.0	4.1
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.2	3.5	3.7	3.4

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Nov 2019	Oct 2019	Sep 2019	Aug 2019	Year Ago Nov	Percent Change From:	
						Nov/Oct	Nov 2019/ Nov 2018
Motor Vehicle Sales¹⁾							
Autos	4,477	4,336	4,614	4,557	5,204	3.3%	(14.0%)
Domestics	3,393	3,193	3,522	3,364	4,036	6.3	(15.9)
Imports	1,084	1,143	1,092	1,193	1,168	(5.2)	(7.2)
Import Share	24.2%	26.4%	23.7%	26.2%	22.4%	----	----
Light Trucks	12,608	12,184	12,533	12,416	12,174	3.5	3.6
Domestics	9,919	9,485	9,892	9,774	9,399	4.6	5.5
Imports	2,689	2,699	2,641	2,642	2,775	(0.4)	(3.1)
Import Share	21.3%	22.2%	21.1%	21.3%	22.8%	----	----
Subtotal: Light Vehicle Sales	17,085	16,520	17,147	16,973	17,378	3.4	(1.7)
Heavy Trucks	462	527	575	538	501	(12.3)	(7.8)
Total Vehicle Sales	17,547	17,047	17,722	17,511	17,879	2.9	(1.9)
U.S. Motor Vehicle Production¹⁾							
Autos	2,560	2,237	2,410	2,556	2,846	14.4	(10.1)
Michigan Motor Vehicle Production²⁾							
Autos	214	138	167	243	274	54.7	(21.7)
Trucks	1,757	1,558	1,501	1,756	1,437	12.7	22.3
Total	1,971	1,697	1,668	1,999	1,710	16.1	15.2
Michigan Production as % of U.S.	18.0%	16.5%	16.8%	18.9%	14.7%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	881	904	903	903	1,102	(2.5)	(20.0)
Days Supply	64	72	61	58	68	(11.1)	(5.9)
Total Truck	2,862	2,799	2,825	2,781	2,955	2.2	(3.1)
Days Supply	71	76	70	64	75	(6.6)	(5.3)

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	96.8	95.5	97.5	1.4%	(0.7%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Nov	\$57.03	\$53.96	\$56.96	5.7	0.1
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Nov	1,375	1,340	1,202	2.6	14.4
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Nov	\$462.9	\$461.0	\$448.8	0.4	3.1
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Nov	109.8	108.9	110.5	0.8	(0.7)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Nov	77.4	76.9	79.6	0.7	(2.8)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Nov	257.9	257.3	252.8	3.1	2.0
Detroit (not seasonally adjusted)	Oct	238.8	236.4	233.1	6.3	2.4
Interest Rates						
3-month Treasury Bill ⁴⁾	Nov	1.57%	1.68%	2.37%	--	--
30-year Conventional Mortgage ⁶⁾	Nov	3.70%	3.69%	4.87%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2019 3rd Quarter	\$19,121.1	\$19,021.9	\$18,732.7	2.1	2.1
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Nov	\$2,164.7	\$3,126.4	\$2,007.4	NM	7.8

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.

