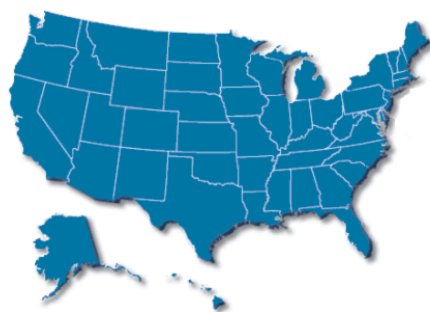


Michigan Economic Indicators

OCTOBER 2016



ECONOMIC HIGHLIGHTS



Inflation adjusted gross domestic product (GDP) increased at a 3.2% annual rate in the third quarter of 2016, compared to an increase of 1.4% in the second quarter of 2016. This was the largest quarterly increase since the third quarter of 2014. All major sectors of the economy contributed to the growth, led by personal consumption expenditures, which increased by 2.8%. Private investment increased by 2.1%, government spending increased by 0.2%, and the 10.1% increase in exports outpaced the 2.1% growth of imports, increasing GDP.

Motor vehicle sales were 18.3 million units at an annual rate in October 2016, a 1.1% decline from the level of October 2015. From October 2015 to October 2016, sales of domestic autos declined 11.8% and sales of imported autos decreased 10.3%. Over the same period, sales of domestic light trucks increased 7.4% and imported truck sales increased 5.6%.



Michigan **per capita personal income** increased 4.6% in 2015 to an average of \$42,812. Iron County had the highest growth rate with an increase in per capita personal income of 7.6% to \$38,557 from 2014 to 2015, followed by Tuscola 6.8% (\$34,771), and Montmorency 6.2% (\$33,848). Among the State's most populous counties, per capita personal income grew in Wayne County 5.0% to \$38,512, Oakland 4.4% (\$63,454; the highest statewide), Macomb 5.3% (\$41,847), Kent 4.3% (\$48,496), and Genesee 5.0% (\$36,612).

Average weekly hours for Michigan payroll employees in durable goods manufacturing declined by 3.7% and **average weekly earnings** for those employees declined 6.9% from October 2015 to October 2016 as workers had fewer overtime hours. The transportation equipment manufacturing sector had the largest declines of any sector during that period, with average weekly hours down 7.8% and average weekly wages down 17.8%. Average weekly earnings increased from October 2015 to October 2016 for employees in nondurable goods manufacturing (6.4%), wholesale trade (5.1%), financial activities, (3.5%), retail trade (2.5%), professional and business services (2.3%), construction (1.2%), and leisure and hospitality (0.2%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Oct 2016	Sep 2016	Oct 2015	Change from September		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,712	159,907	157,096	(195)	(0.1%)	2,616	1.7%
Employment	151,925	151,968	149,197	(43)	(0.0)	2,728	1.8
Unemployment	7,787	7,939	7,899	(152)	(1.9)	(112)	(1.4)
Unemployment Rate	4.9%	5.0%	5.0%	--	--	--	--
Michigan	Oct 2016	Sep 2016	Oct 2015	Change from September		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,843	4,821	4,756	22	0.5%	88	1.8%
Employment	4,615	4,601	4,514	14	0.3	102	2.3
Unemployment	228	220	242	8	3.7	(14)	(5.8)
Unemployment Rate	4.7%	4.6%	5.1%	--	--	--	--

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

MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct 2016*	Sep 2016	Oct 2015	Change from Sept		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,361	4,342	4,266	19	0.4%	94	2.2%
Goods Producing Industries	764	756	744	8	1.1	20	2.7
Mining and Logging	7	7	7	(0)	(2.8)	(0)	(5.4)
Construction	157	151	147	6	4.0	10	6.5
Manufacturing	601	598	590	2	0.4	11	1.9
Transportation Equipment	177	178	173	(1)	(0.7)	4	2.1
Service Producing Industries	3,596	3,586	3,522	11	0.3	74	2.1
Trade, Transportation & Utilities	772	774	771	(2)	(0.2)	2	0.2
Wholesale Trade	168	169	171	(1)	(0.4)	(3)	(1.7)
Retail Trade	469	471	465	(2)	(0.4)	4	0.8
Transportation & Utilities	135	134	134	0	0.3	1	0.5
Information	59	58	57	1	1.0	2	3.0
Financial Activities	216	215	209	1	0.3	7	3.2
Professional & Business Services	669	665	646	4	0.6	23	3.6
Education & Health Services	670	670	655	0	0.0	15	2.4
Leisure & Hospitality Services	434	426	418	8	1.9	17	4.0
Other Services	173	173	170	(0)	(0.1)	3	1.7
Government	603	604	597	(1)	(0.1)	6	1.0
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		
	Oct 2016	Year Ago	Percent Change	Oct 2016	Year Ago	Percent Change
Construction	41.5	41.9	(1.0%)	1,066.55	1,053.79	1.2%
Manufacturing	43.1	44.4	(2.9)	876.65	915.97	(4.3)
Durable Goods	43.8	45.5	(3.7)	924.18	992.81	(6.9)
Transportation Equipment Mfg.	45.0	48.8	(7.8)	1,000.35	1,217.07	(17.8)
Motor Vehicle Parts Mfg.	45.4	48.4	(6.2)	952.49	1,109.81	(14.2)
Nondurable Goods	40.8	41.1	(0.7)	727.06	683.08	6.4
Wholesale Trade	40.0	39.1	2.3	944.00	898.52	5.1
Retail Trade	30.2	29.6	2.0	425.82	415.58	2.5
Information	35.3	35.5	(0.6)	883.91	877.92	0.7
Financial Activities	36.5	35.4	3.1	845.34	816.68	3.5
Professional & Business Services	35.6	35.5	0.3	823.07	804.43	2.3
Health Care & Social Assistance	31.8	31.2	1.9	631.87	648.65	(2.6)
Leisure & Hospitality	22.2	22.9	(3.1)	247.75	247.32	0.2
Accommodation & Food Services	22.0	22.8	2.0	237.38	238.03	(0.3)
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)				
	Oct 2016	Sep 2016	Aug 2016	Oct 2015
Metropolitan Statistical Areas				
Ann Arbor	3.5%	3.1%	3.5%	3.0%
Battle Creek	4.2	3.9	4.4	3.9
Bay City	4.4	4.1	4.7	4.0
Detroit-Warren-Dearborn	5.4	5.4	6.0	6.1
Flint	4.9	4.5	5.0	4.5
Grand Rapids-Wyoming	3.2	2.9	3.3	2.8
Jackson	4.4	4.1	4.6	4.0
Kalamazoo-Portage	3.8	3.5	3.9	3.5
Lansing-East Lansing	3.6	3.3	3.8	3.2
Midland	4.0	3.6	4.1	3.6
Monroe	4.5	3.7	4.1	3.6
Muskegon	4.7	4.3	4.8	4.4
Niles-Benton Harbor	4.3	4.0	4.4	3.8
Saginaw	4.5	4.1	4.6	4.1
Multi-County Areas				
Northeast Lower Michigan	5.6	5.0	5.6	5.1
Northwest Lower Michigan	4.3	3.8	4.1	4.0
Upper Peninsula	5.0	4.7	5.2	4.5
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	4.6	4.4	4.9	4.7
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Oct 2016	Sep 2016	Aug 2016	July 2016	Year Ago Oct	Percent Change From:	
						Oct/Sep	Oct 2016/ Oct 2015
Motor Vehicle Sales¹⁾							
Autos	6,788	6,983	6,540	6,885	7,667	(2.8%)	(11.5%)
Domestics	5,081	5,276	4,889	5,143	5,763	(3.7)	(11.8)
Imports	1,707	1,707	1,651	1,742	1,904	0.0	(10.3)
Import Share	25.1%	24.4%	25.2%	25.3%	24.8%	----	----
Light Trucks	11,118	10,677	10,374	10,915	10,383	4.1	7.1
Domestics	8,972	8,599	8,213	8,709	8,351	4.3	7.4
Imports	2,146	2,078	2,161	2,206	2,032	3.3	5.6
Import Share	19.3%	19.5%	20.8%	20.2%	19.6%	----	----
Subtotal: Light Vehicle Sales	17,906	17,660	16,914	17,800	18,050	1.4	(0.8)
Heavy Trucks	374	382	370	370	441	(2.1)	(15.2)
Total Vehicle Sales	18,280	18,042	17,284	18,170	18,491	1.3	(1.1)
U.S. Motor Vehicle Production¹⁾							
Autos	3,782	3,912	3,998	3,886	4,055	(3.3)	(6.7)
Michigan Motor Vehicle Production²⁾							
Autos	751	853	839	766	691	(12.0)	8.7
Trucks	1,486	1,547	1,600	1,637	1,574	(3.9)	(5.6)
Total	2,237	2,400	2,439	2,402	2,264	(6.8)	(1.2)
Michigan Production as % of U.S.	18.3%	19.1%	18.4%	20.7%	18.7%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,481	1,413	1,369	1,411	1,542	4.8	(4.0)
Days Supply	76	63	61	62	71	20.6	7.0
Total Truck	2,366	2,277	2,205	2,162	2,033	3.9	16.4
Days Supply	71	65	62	60	67	9.2	6.0
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 ⁸⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Oct	87.2	91.2	90.0	(4.4%)	(3.1%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Oct	\$49.78	\$45.18	\$46.22	10.2	7.7
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Oct	1,323	1,054	1,073	25.5	23.3
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Oct	\$410.9	\$406.7	\$394.0	1.0	4.3
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Oct	104.3	104.2	105.2	0.0	(0.9)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Oct	75.3	75.4	76.3	(0.0)	(1.2)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Oct	241.9	241.0	237.9	4.4	1.6
Detroit (not seasonally adjusted)	Oct	224.3	223.9	220.5	1.0	1.7
Interest Rates						
3-month Treasury Bill ⁴⁾	Oct	0.33%	0.29%	0.02%	--	--
30-year Conventional Mortgage ⁴⁾	Oct	3.47%	3.46%	3.80%	--	--
Real Gross Domestic Product ⁶⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2016 3rd Quarter	\$16,712.5	\$16,583.1	\$16,490.7	3.2	1.3
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Oct	\$2,883.6	\$2,444.1	\$2,781.9	NM	3.7

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) Reuters/University of Michigan Surveys of Consumers. 2) Dow Jones & Company/Federal Reserve Bank of St. Louis. 3) U.S. Department of Commerce, Bureau of the Census. 4) Freddie Mac, Primary Mortgage Market Survey 5) U.S. Department of Labor, Bureau of Labor Statistics. 6) U.S. Department of Commerce, Bureau of Economic Analysis. 7) Michigan Department of Treasury and the Senate Fiscal Agency. 8) Percent changes from previous period for CPI and GDP at annual rate.

