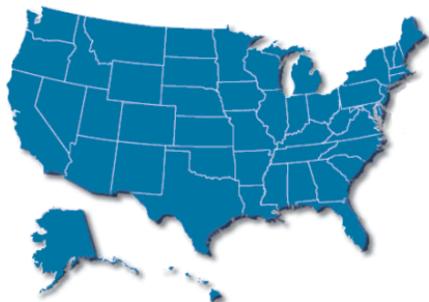


ECONOMIC HIGHLIGHTS



Labor productivity, as measured by output per hour in the nonfarm business sector, increased 3.0% in the third quarter of 2017, at a seasonally adjusted annual rate. This was the largest productivity increase since the third quarter of 2014; however, manufacturing productivity declined by 4.4% in the third quarter of 2017, in the largest quarterly decline since the fourth quarter of 2008.

Retail e-commerce sales increased by 15.5% from the third quarter of 2016 to the third quarter of 2017. E-commerce sales were estimated at \$115.3 billion in the third quarter of 2017, which represents 9.1% of total retail sales. The amount and share of retail sales made on the internet has increased each quarter since the fourth quarter of 2008.



The **average weekly hours** of Michigan workers increased in the leisure and hospitality sector by 4.5% from October 2016 to October 2017, the largest increase of any employment sector. Average weekly hours also increased for durable goods manufacturing (2.0%), health care and social assistance (1.9%), retail trade (1.0%), and information (0.3%). Sectors with declines in average weekly hours included construction (-1.9%), professional and business services (-1.4%), wholesale trade (-1.2%), financial activities (-0.6%), and nondurable goods manufacturing (-0.5%).

Average weekly earnings increased in most industries from October 2016 to October 2017, led by leisure and hospitality with a 13.2% increase, followed by information (10.1%), wholesale trade (8.6%), and retail trade (4.8%). Motor vehicle parts manufacturing earnings increased by 7.5% from October 2016 to October 2017, outpacing the overall increase in manufacturing wages of 1.5%. Several sectors experienced a decline in average weekly wages; these sectors included construction (-5.9%), professional and business services (-1.4%), and financial activities (-1.2%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Oct 2017	Sep 2017	Oct 2016	Change from September		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,381	161,146	159,643	(765)	(0.5%)	738	0.5%
Employment	153,861	154,345	151,902	(484)	(0.3)	1,959	1.3
Unemployment	6,520	6,801	7,741	(281)	(4.1)	(1,221)	(15.8)
Unemployment Rate	4.1%	4.2%	4.8%	--	--	--	--
Michigan	Oct 2017	Sep 2017	Oct 2016	Change from September		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,859	4,851	4,852	8	0.2%	7	0.2%
Employment	4,641	4,643	4,608	(1)	(0.0)	33	0.7
Unemployment	218	209	244	9	4.4	(26)	(10.6)
Unemployment Rate	4.5%	4.3%	5.0%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct 2017	Sep 2017	Oct 2016	Change from Sept		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,410	4,407	4,365	3	0.1%	45	1.0%
Goods Producing Industries	773	772	768	1	0.2	5	0.7
Mining and Logging	7	7	7	(0)	(1.4)	0	5.8
Construction	162	163	159	(1)	(0.5)	3	2.1
Manufacturing	604	602	602	2	0.4	2	0.2
Transportation Equipment	179	176	182	2	1.4	(3)	(1.6)
Service Producing Industries	3,637	3,635	3,597	2	0.0	40	1.1
Trade, Transportation & Utilities	783	784	785	(1)	(0.1)	(2)	(0.3)
Wholesale Trade	173	174	172	(2)	(0.9)	0	0.2
Retail Trade	469	469	473	1	0.1	(4)	(0.9)
Transportation & Utilities	141	141	139	0	0.2	2	1.3
Information	58	58	58	(0)	(0.2)	1	0.9
Financial Activities	219	219	214	1	0.3	5	2.3
Professional & Business Services	670	671	660	(2)	(0.3)	10	1.5
Education & Health Services	672	675	667	(3)	(0.4)	5	0.7
Leisure & Hospitality Services	438	435	434	3	0.7	4	1.0
Other Services	176	176	172	(0)	(0.1)	4	2.3
Government	622	619	608	4	0.6	14	2.3

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 2017	Year Ago	Percent Change	Oct 2017	Year Ago	Percent Change
Construction	41.0	41.8	(1.9%)	1,008.60	1,072.17	(5.9%)
Manufacturing	43.9	43.3	1.4	905.66	892.41	1.5
Durable Goods	45.0	44.1	2.0	961.65	945.95	1.7
Transportation Equipment Mfg.	48.0	46.3	3.7	1,115.04	1,087.59	2.5
Motor Vehicle Parts Mfg.	45.9	45.3	1.3	1,021.28	949.94	7.5
Nondurable Goods	40.5	40.7	(0.5)	731.84	726.90	0.7
Wholesale Trade	39.7	40.2	(1.2)	1,032.60	950.73	8.6
Retail Trade	30.8	30.5	1.0	446.91	426.39	4.8
Information	35.5	35.4	0.3	980.16	890.31	10.1
Financial Activities	36.1	36.3	(0.6)	831.02	841.43	(1.2)
Professional & Business Services	35.2	35.7	(1.4)	816.99	828.60	(1.4)
Health Care & Social Assistance	32.5	31.9	1.9	673.08	635.45	5.9
Leisure & Hospitality	23.3	22.3	4.5	281.93	249.09	13.2
Accommodation & Food Services	23.2	22.1	5.0	272.37	238.46	14.2

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 2017	Sep 2017	Aug 2017	Oct 2016
Metropolitan Statistical Areas				
Ann Arbor	3.4%	3.9%	3.9%	3.7%
Battle Creek	4.6	4.8	5.1	4.3
Bay City	4.7	4.9	5.6	4.6
Detroit-Warren-Dearborn	4.2	4.4	4.4	5.7
Flint	5.3	5.6	5.8	5.0
Grand Rapids-Wyoming	3.4	3.5	3.8	3.3
Jackson	4.3	4.6	4.9	4.4
Kalamazoo-Portage	4.1	4.3	4.6	4.0
Lansing-East Lansing	3.9	4.3	4.7	3.7
Midland	4.2	4.4	4.7	4.2
Monroe	5.0	5.5	5.3	4.8
Muskegon	5.2	5.3	5.8	4.9
Niles-Benton Harbor	4.4	4.6	5.0	4.4
Saginaw	4.8	5.1	5.5	4.6
Multi-County Areas				
Northeast Lower Michigan	5.8	5.8	6.3	5.7
Northwest Lower Michigan	4.4	4.5	4.7	4.3
Upper Peninsula	4.9	5.1	5.7	5.2
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.2	4.5	4.6	4.8
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Oct 2017	Sep 2017	Aug 2017	July 2017	Year Ago Oct	Percent Change From:	
						Oct/Sep	Oct 2017/ Oct 2016
Motor Vehicle Sales¹⁾							
Autos	6,292	6,547	5,738	5,944	6,768	(3.9%)	(7.0%)
Domestics	4,797	5,026	4,375	4,551	5,107	(4.6)	(6.1)
Imports	1,495	1,521	1,363	1,393	1,661	(1.7)	(10.0)
Import Share	23.8%	23.2%	23.8%	23.4%	24.5%	----	----
Light Trucks	11,719	11,939	10,282	10,744	11,036	(1.8)	6.2
Domestics	9,175	9,311	8,048	8,376	8,839	(1.5)	3.8
Imports	2,544	2,628	2,234	2,368	2,197	(3.2)	15.8
Import Share	21.7%	22.0%	21.7%	22.0%	19.9%	----	----
Subtotal: Light Vehicle Sales	18,011	18,486	16,020	16,688	17,804	(2.6)	1.2
Heavy Trucks	435	440	430	405	364	(1.1)	19.5
Total Vehicle Sales	18,446	18,926	16,450	17,093	18,168	(2.5)	1.5
U.S. Motor Vehicle Production¹⁾							
Autos	2,705	2,665	2,951	2,520	3,757	1.5	(28.0)
Michigan Motor Vehicle Production²⁾							
Autos	595	517	585	466	755	15.0	(21.2)
Trucks	1,687	1,460	1,650	1,384	1,596	15.6	5.7
Total	2,282	1,977	2,235	1,849	2,351	15.5	(2.9)
Michigan Production as % of U.S.	18.3%	18.3%	18.5%	19.4%	19.1%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,339	1,364	1,424	1,445	1,481	(1.8)	(9.6)
Days Supply	72	66	73	71	76	9.1	(5.3)
Total Truck	2,535	2,445	2,464	2,455	2,366	3.7	7.1
Days Supply	71	64	69	67	71	10.9	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)	Oct	100.7	95.1	87.2	5.9%	15.5%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Oct	\$51.58	\$49.82	\$49.78	3.5	3.6
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Oct	1,290	1,135	1,328	13.7	(2.9)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Oct	\$429.5	\$428.7	\$410.0	0.2	4.7
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Oct	106.1	105.2	103.2	0.9	2.9
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Oct	77.0	76.4	75.7	0.9	1.7
Consumer Price Index ⁵⁾ (1982-84=100)	Oct					
U.S. (seasonally adjusted)	Oct	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⁾	Oct	1.09%	1.05%	0.33%	--	--
30-year Conventional Mortgage ⁶⁾	Oct	3.90%	3.81%	3.47%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2017 3rd Quarter	\$17,169.7	\$17,031.1	\$16,778.1	3.3	2.3
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Oct	\$2,996.7	\$2,607.1	\$2,895.9	NM	3.5

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.

