

Michigan Economic Indicators

OCTOBER 2018



ECONOMIC HIGHLIGHTS



Light vehicle sales rose to a 17.5 million unit annual rate in October 2018, a 0.4% increase from the level in September 2018 but 2.2% below the October 2017 level. Domestic automobile sales were up 7.2% in October 2018 compared to September 2018, while import automobile sales and all light truck sales were down from the previous month. Overall sales were down compared to the prior-year level, and the composition of sales changed significantly. Compared to October 2017, sales of automobiles in October 2018 were 11.8% lower, while sales of light trucks were up 2.9%.

Housing starts totaled 1.2 million units, at a seasonally-adjusted annual rate, in October 2018, down 1.6% from September 2018, and 3.8% below the level in October 2017. Compared to October 2017, housing starts for single family homes decreased 2.7% in October 2018, and starts with five or more units fell 7.0%. By region, from October 2017 to October 2018, housing starts decreased 37.9% in the Northeast, 3.5% in the Midwest, and 3.2% in the South, but increased 11.2% in the West.



In October 2018, **revenue from Michigan's major taxes** totaled \$3.09 billion, up 3.0% (\$90.2 million) from October 2017. The increase was driven largely by an increase in use tax collections of 37.3% (\$43.9 million), net individual income tax collections of 3.9% (\$31.2 million), and total business tax revenue of 19.1% (\$13.9 million) compared to October 2017. These and other small increases were partially offset by reduced sales tax collections (\$22.5 million, or 3.3%) and lower State education tax collections (\$18.8 million, or 1.2%).

Regional unemployment rates stayed the same or increased in October 2018 compared to September 2018 for the State as a whole as well as every metropolitan statistical area, although they generally were lower than in October 2017. The Detroit-Warren-Dearborn area saw the biggest monthly increase, where the unemployment rate increased from 3.7% in September 2018 to 4.4% in October 2018. The Grand Rapids-Wyoming area registered the lowest unemployment rate at 2.6%, followed by Ann Arbor (2.9%), and the Lansing-East Lansing area (3.0%). The highest unemployment rate in October 2018 was in Northeast Lower Michigan (4.6%), followed by the Detroit-Warren-Dearborn area (4.4%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Oct 2018	Sep 2018	Oct 2017	Change from Sep		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	162,694	162,055	160,436	639	0.4%	2,258	1.4%
Employment	156,582	156,069	153,847	513	0.3	2,735	1.8
Unemployment	6,112	5,986	6,589	126	2.1	(477)	(7.2)
Unemployment Rate	3.8%	3.7%	4.1%	--	--	--	--
Michigan	Oct 2018	Sep 2018	Oct 2017	Change from Sep		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,892	4,892	4,902	0	0.0%	(10)	(0.2%)
Employment	4,701	4,698	4,670	2	0.0	30	0.7
Unemployment	191	193	232	(2)	(1.1)	(41)	(17.5)
Unemployment Rate	3.9%	4.0%	4.7%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct 2018	Sep 2018	Oct 2017	Change from Sep		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,442	4,438	4,380	4	0.1%	62	1.4%
Goods Producing Industries	808	806	787	1	0.2	21	2.6
Mining and Logging	7	7	7	(0)	(1.4)	(0)	(1.4)
Construction	175	175	164	(0)	(0.1)	11	6.5
Manufacturing	625	624	615	2	0.3	10	1.7
Transportation Equipment	192	192	187	0	0.0	5	2.8
Service Producing Industries	3,635	3,632	3,593	3	0.1	42	1.2
Trade, Transportation & Utilities	791	790	789	1	0.1	2	0.3
Wholesale Trade	174	174	173	(0)	(0.2)	1	0.8
Retail Trade	470	470	474	(0)	(0.0)	(4)	(0.9)
Transportation & Utilities	147	146	143	1	0.9	5	3.4
Information	55	55	56	(0)	(0.4)	(1)	(1.1)
Financial Activities	222	221	219	1	0.2	2	1.1
Professional & Business Services	660	659	647	0	0.0	13	2.0
Education & Health Services	678	679	669	(2)	(0.2)	9	1.3
Leisure & Hospitality Services	444	443	435	1	0.2	9	2.1
Other Services	173	173	169	0	0.1	4	2.4
Government	613	611	610	2	0.3	3	0.5

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		
	Oct 2018	Year Ago	Percent Change	Oct 2018	Year Ago	Percent Change
Construction	42.2	40.8	3.4%	\$1,167.25	\$1,004.90	16.2%
Manufacturing	42.9	43.9	(2.3)	920.63	914.88	0.6
Durable Goods	43.6	45.1	(3.3)	966.61	975.51	(0.9)
Transportation Equipment Mfg.	47.1	48.5	(2.9)	1,193.51	1,155.76	3.3
Motor Vehicle Parts Mfg.	47.4	46.2	2.6	1,062.23	1,018.71	4.3
Nondurable Goods	40.9	40.3	1.5	782.01	731.04	7.0
Wholesale Trade	39.1	39.8	(1.8)	1,028.33	1,047.93	(1.9)
Retail Trade	29.9	30.5	(2.0)	446.41	440.42	1.4
Information	33.3	35.3	(5.7)	925.07	970.04	(4.6)
Financial Activities	35.5	36.2	(1.9)	860.52	833.32	3.3
Professional & Business Services	35.5	35.2	0.9	872.24	820.51	6.3
Health Care & Social Assistance	32.7	32.5	0.6	735.75	671.78	9.5
Leisure & Hospitality	23.0	23.4	(1.7)	290.49	282.67	2.8
Accommodation & Food Services	23.1	23.3	(0.9)	284.13	272.84	4.1

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)				
	Oct 2018	Sep 2018	Aug 2018	Oct 2017
Metropolitan Statistical Areas				
Ann Arbor	2.9%	2.8%	3.0%	3.4%
Battle Creek	3.6	3.6	3.8	4.5
Bay City	3.7	3.7	4.0	4.6
Detroit-Warren-Dearborn	4.4	3.7	4.2	4.3
Flint	4.1	4.0	4.3	5.0
Grand Rapids-Wyoming	2.6	2.6	2.7	3.3
Jackson	3.4	3.4	3.6	4.1
Kalamazoo-Portage	3.2	3.2	3.3	3.9
Lansing-East Lansing	3.0	2.9	3.1	3.8
Midland	3.3	3.2	3.4	4.1
Monroe	4.0	3.6	4.5	4.9
Muskegon	4.0	3.9	4.1	4.9
Niles-Benton Harbor	3.6	3.6	3.8	4.2
Saginaw	3.9	3.9	4.2	4.7
Multi-County Areas				
Northeast Lower Michigan	4.6	4.4	4.7	5.5
Northwest Lower Michigan	3.4	3.3	3.4	4.2
Upper Peninsula	3.8	3.7	4.1	4.7
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.8	3.5	3.8	4.2
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Oct 2018	Sep 2018	Aug 2018	July 2018	Year Ago Oct	Percent Change From:	
						Oct/Sep	Oct 2018/ Oct 2017
Motor Vehicle Sales¹⁾							
Autos	5,505	5,276	4,982	5,126	6,239	4.3%	(11.8%)
Domestics	4,297	4,009	3,831	3,983	4,748	7.2	(9.5)
Imports	1,208	1,267	1,151	1,143	1,491	(4.7)	(19.0)
Import Share	21.9%	24.0%	23.1%	22.3%	23.9%	----	----
Light Trucks	11,982	12,150	11,708	11,590	11,641	(1.4)	2.9
Domestics	9,276	9,361	9,187	8,977	9,142	(0.9)	1.5
Imports	2,706	2,789	2,521	2,613	2,499	(3.0)	8.3
Import Share	22.6%	23.0%	21.5%	22.5%	21.5%	----	----
Subtotal: Light Vehicle Sales	17,487	17,426	16,690	16,716	17,880	0.4	(2.2)
Heavy Trucks	529	539	510	494	436	(1.9)	21.3
Total Vehicle Sales	18,016	17,965	17,200	17,210	18,316	0.3	(1.6)
U.S. Motor Vehicle Production¹⁾							
Autos	2,694	2,780	2,480	2,402	2,738	(3.1)	(1.6)
Michigan Motor Vehicle Production²⁾							
Autos	344	292	359	306	595	17.8	(42.2)
Trucks	1,584	1,394	1,629	1,368	1,687	13.6	(6.1)
Total	1,928	1,686	1,988	1,674	2,282	14.4	(15.5)
Michigan Production as % of U.S.	15.8%	17.8%	16.6%	17.2%	18.5%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,063	1,023	1,081	1,101	1,339	4.0	(20.6)
Days Supply	66	59	67	64	72	11.9	(8.3)
Total Truck	2,908	2,727	2,728	2,650	2,535	6.6	14.7
Days Supply	80	68	70	67	71	17.6	12.7
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	98.6	100.1	100.7	(1.5%)	(2.1%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Oct	\$70.75	\$70.23	\$51.58	0.7	37.2
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Oct	1,217	1,237	1,265	(1.6)	(3.8)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Oct	\$451.5	\$446.3	\$432.2	1.2	4.5
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Oct	108.7	108.9	104.8	(0.2)	3.8
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Oct	78.1	78.4	76.8	(0.3)	1.8
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Oct	252.8	252.0	246.6	4.0	2.5
Detroit (not seasonally adjusted)	Oct	233.1	233.2	228.8	(0.2)	1.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Oct	2.29%	2.17%	1.09%	--	--
30-year Conventional Mortgage ⁶⁾	Oct	4.83%	4.63%	3.90%	--	--
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)	Oct	\$3,086.9	\$2,671.8	\$2,996.7	NM	3.0

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.

