

Michigan Economic Indicators

OCTOBER 2019



ECONOMIC HIGHLIGHTS

Light vehicle sales fell to a 16.5 million unit annual rate in October 2019, a 3.7% decrease from the level in September 2019 and 5.5% below the October 2018 level, tying February 2019 and April 2019 as the lowest level since February 2015. Automobile sales were down 20.8% in October 2019 compared to October 2018, while light truck sales were up 1.5%.

Oil prices decreased by 23.7% from October 2018 to October 2019, with an average price per barrel of \$53.96, the fifth consecutive month in which oil prices have averaged less than \$60 per barrel. In comparison, oil prices averaged above \$60 per barrel in every one of the first 10 months of 2018.

Reflecting the impact of the auto workers strike, **average weekly hours** in the manufacturing sector fell between October 2018 and October 2019. However, despite the decline in average weekly hours, **average weekly earnings** in the manufacturing sector were higher. Among non-manufacturing sectors, both average hours and earnings were mixed; hours in wholesale trade sector were down 5.4%, while hours in the accommodations/food services sector were up 2.6%. Similarly, average weekly earnings in October 2019 were down 7.0% from October 2018 in the wholesale trade sector, but up 10.7% in the financial activities sector.

Despite the strike, Michigan's seasonally adjusted **unemployment rate** fell from 4.2% in September 2019 to 4.1% in October 2019, but was above the 4.0% rate in October 2018. Compared to September 2019, employment in October 2019 was higher and unemployment fell more than the size of the labor force. Because the unemployment rate is based on the number of people either working or actively seeking work, and striking workers do not fall into either category, the strike affected the size of the labor force but had a minimal impact on the unemployment rate.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)

U.S.	Oct 2019	Sep 2019	Oct 2018	Change from Sep		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	164,401	164,051	162,605	350	0.2%	1,796	1.1%
Employment	158,544	158,298	156,482	246	0.2	2,062	1.3
Unemployment	5,857	5,753	6,123	104	1.8	(266)	(4.3)
Unemployment Rate	3.6%	3.5%	3.8%	--	--	--	--
Michigan	Oct 2019	Sep 2019	Oct 2018	Change from Sep		Change from Year Ago	
Labor Force	4,957	4,961	4,900	(4)	(0.1%)	58	1.2%
Employment	4,755	4,753	4,706	2	0.0	49	1.0
Unemployment	202	208	194	(5)	(2.6)	9	4.5
Unemployment Rate	4.1%	4.2%	4.0%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct 2019	Sep 2019	Oct 2018	Change from Sep		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,422	4,446	4,427	(24)	(0.5%)	(4)	(0.1%)
Goods Producing Industries	787	809	811	(21)	(2.6)	(23)	(2.9)
Mining and Logging	7	7	7	0	0.0	0	0.0
Construction	173	173	170	0	0.2	3	1.8
Manufacturing	607	629	633	(22)	(3.4)	(26)	(4.2)
Transportation Equipment	171	196	197	(25)	(13.0)	(27)	(13.4)
Service Producing Industries	3,635	3,638	3,616	(3)	(0.1)	19	0.5
Trade, Transportation & Utilities	795	794	795	2	0.2	1	0.1
Wholesale Trade	174	174	172	1	0.4	2	1.3
Retail Trade	467	466	470	1	0.3	(3)	(0.6)
Transportation & Utilities	154	154	153	(1)	(0.3)	1	0.7
Information	58	57	56	0	0.5	2	3.6
Financial Activities	225	224	219	1	0.4	6	2.9
Professional & Business Services	658	664	662	(6)	(0.9)	(4)	(0.6)
Education & Health Services	671	670	677	1	0.1	(6)	(0.9)
Leisure & Hospitality Services	447	444	436	3	0.7	11	2.6
Other Services	168	170	167	(2)	(1.2)	1	0.8
Government	613	614	605	(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		
	Oct 2019	Year Ago	Percent Change	Oct 2019	Year Ago	Percent Change
Construction	42.7	42.2	1.2%	1,223.36	1,165.99	4.9%
Manufacturing	42.5	43.1	(1.4)	947.33	927.08	2.2
Durable Goods	43.2	43.7	(1.1)	993.17	970.58	2.3
Transportation Equipment Mfg.	46.1	47.5	(2.9)	1,214.74	1,203.65	0.9
Motor Vehicle Parts Mfg.	45.8	47.1	(2.8)	1,073.55	1,057.40	1.5
Nondurable Goods	40.2	41.1	(2.2)	804.00	786.65	2.2
Wholesale Trade	37.0	39.1	(5.4)	955.71	1,027.16	(7.0)
Retail Trade	29.5	29.9	(1.3)	454.30	444.02	2.3
Information	32.7	33.4	(2.1)	882.25	939.54	(6.1)
Financial Activities	35.6	35.5	0.3	950.88	859.10	10.7
Professional & Business Services	34.8	35.4	(1.7)	908.28	865.53	4.9
Health Care & Social Assistance	31.8	32.7	(2.8)	713.27	733.46	(2.8)
Leisure & Hospitality	23.3	22.8	2.2	302.90	292.30	3.6
Accommodation & Food Services	23.6	23.0	2.6	299.48	287.96	4.0

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 2019	Sep 2019	Aug 2019	Oct 2018
Metropolitan Statistical Areas				
Ann Arbor	2.5%	3.0%	3.3%	2.8%
Battle Creek	3.5	3.9	4.5	3.5
Bay City	4.1	4.0	4.6	3.6
Detroit-Warren-Dearborn	3.8	4.1	4.5	4.3
Flint	4.8	4.2	4.9	3.9
Grand Rapids-Wyoming	2.5	2.8	3.1	2.5
Jackson	3.3	3.4	4.0	3.2
Kalamazoo-Portage	3.1	3.4	3.8	3.0
Lansing-East Lansing	3.6	3.1	3.6	2.9
Midland	3.1	3.4	3.8	3.1
Monroe	2.9	3.3	3.9	3.9
Muskegon	3.6	3.9	4.3	3.8
Niles-Benton Harbor	3.1	3.5	4.2	3.4
Saginaw	4.7	4.1	4.7	3.8
Multi-County Areas				
Northeast Lower Michigan	4.3	4.4	5.2	4.4
Northwest Lower Michigan	3.1	3.4	3.7	3.3
Upper Peninsula	3.6	4.0	4.9	3.7
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.5	3.7	4.2	3.7

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Oct 2019	Sep 2019	Aug 2019	July 2019	Year Ago Oct	Percent Change From:	
						Oct/Sep	Oct 2019/ Oct 2018
Motor Vehicle Sales¹⁾							
Autos	4,336	4,614	4,557	4,654	5,474	(6.0%)	(20.8%)
Domestics	3,193	3,522	3,364	3,406	4,284	(9.3)	(25.5)
Imports	1,143	1,092	1,193	1,248	1,190	4.7	(3.9)
Import Share	26.4%	23.7%	26.2%	26.8%	21.7%	----	----
Light Trucks	12,184	12,533	12,416	12,221	12,004	(2.8)	1.5
Domestics	9,485	9,892	9,774	9,718	9,284	(4.1)	2.2
Imports	2,699	2,641	2,642	2,503	2,720	2.2	(0.8)
Import Share	22.2%	21.1%	21.3%	20.5%	22.7%	----	----
Subtotal: Light Vehicle Sales	16,520	17,147	16,973	16,875	17,478	(3.7)	(5.5)
Heavy Trucks	527	575	538	567	521	(8.3)	1.2
Total Vehicle Sales	17,047	17,722	17,511	17,442	17,999	(3.8)	(5.3)
U.S. Motor Vehicle Production¹⁾							
Autos	2,237	2,410	2,556	2,717	2,827	(7.2)	(20.9)
Michigan Motor Vehicle Production²⁾							
Autos	138	167	243	191	328	(17.0)	(57.8)
Trucks	1,558	1,501	1,756	1,732	1,523	3.8	2.3
Total	1,697	1,668	1,999	1,923	1,851	1.7	(8.4)
Michigan Production as % of U.S.	16.5%	16.8%	18.9%	17.6%	15.8%	----	----
U.S. Motor Vehicle Inventories³⁾							
Total Car	904	903	903	939	1,063	0.1	(15.0)
Days Supply	72	61	58	64	66	18.0	9.1
Total Truck	2,799	2,825	2,781	2,860	2,908	(0.9)	(3.7)
Days Supply	76	70	64	73	80	8.6	(5.0)

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	95.5	93.2	98.6	2.5%	(3.1%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Oct	\$53.96	\$56.95	\$70.75	(5.3)	(23.7)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Oct	1,340	1,266	1,211	5.8	10.7
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Oct	\$461.0	\$459.2	\$448.1	0.4	2.9
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Oct	108.9	109.4	109.9	(0.5)	(1.0)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Oct	76.9	77.4	79.3	(0.7)	(3.1)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Oct	257.3	256.4	252.8	4.4	1.8
Detroit (not seasonally adjusted)	Oct	238.8	236.4	233.1	6.3	2.4
Interest Rates						
3-month Treasury Bill ⁴⁾	Oct	1.68%	1.93%	2.29%	--	--
30-year Conventional Mortgage ⁶⁾	Oct	3.69%	3.61%	4.83%	--	--
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)	Oct	\$3,126.4	\$2,782.8	\$3,086.9	NM	1.3

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.

