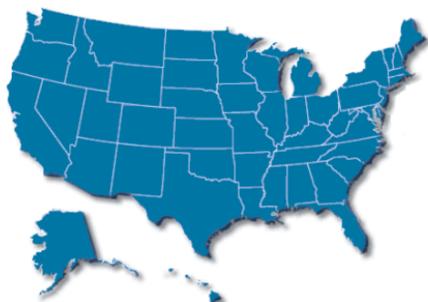


ECONOMIC HIGHLIGHTS



Seasonally adjusted **retail sales** in October 2020 were up 8.2% from the level in October 2019, reflecting a 29.1% increase in sales from nonstore retailers (i.e., online sales), a 19.5% increase from building material and garden equipment and supplies dealers, and gains from most other sectors. All sectors, except for food service and drinking places (down 14.2%), gasoline stations (down 14.0%), clothing and clothing accessory stores (down 12.6%), department stores (down 11.9%), and electronics and appliance stores (down 3.9%), exhibited gains.

Corporate profits increased at a 27.4% annual rate during the third quarter of 2020, the fastest pace of growth on record, as many firms reopened or expanded service. The increase followed a decrease in profits of 12.0% in the first quarter and 10.3% in the second quarter. Domestic nonfinancial firms accounted for 87.3% of the increase in profits during the third quarter of 2020, while foreign firms accounted for 10.3% of the increase. Among domestic nonfinancial firms, profits rose at an 82.4% rate in the durable goods manufacturing sector, but at only a 26.8% rate in the nondurable goods manufacturing sector. Profits for all service sectors increased, with the transportation/warehousing sector increasing at a 76.6% rate.



Wage and salary employment in Michigan increased by 17,000 jobs from September 2020 to October 2020, but was down 380,000 jobs, or 8.6%, from October 2019. Every sector showed year-over-year declines, with the most significant declines in leisure and hospitality services (down 32.2%) and mining and logging (down 16.2%). Sectors with the smallest year-over-year declines were transportation and utilities (down 0.5%), construction (down 1.1%), and financial activities (down 1.8%).

Michigan **personal income** decreased 22.7% at an annual rate from the second quarter to the third quarter of 2020, below the 10.0% decrease nationwide, ranking Michigan last in the Great Lakes region and 47th across the 50 states. Net earnings increased nationally in the third quarter, but that increase was more than offset by a decrease in transfer payments as Federal aid related to the COVID-19 pandemic disappeared. Other states in the region also showed decreases in personal income: Illinois at -4.5% (ranked 4th), followed by Indiana at -11.2% (17th), Wisconsin at -14.5% (23rd), and Ohio at -16.4% (33rd).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Oct 2020	Sep 2020	Oct 2019	Change from Sep		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,718	160,078	164,278	640	0.4%	(3,560)	(2.2%)
Employment	149,669	147,543	158,356	2,126	1.4	(8,687)	(5.5)
Unemployment	11,049	12,535	5,922	(1,486)	(11.9)	5,127	86.6
Unemployment Rate	6.9%	7.8%	3.6%	--	--	--	--
Michigan	Oct 2020	Sep 2020	Oct 2019	Change from Sep		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,893	4,841	4,942	52	1.1%	(48)	(1.0%)
Employment	4,595	4,426	4,751	169	3.8	(156)	(3.3)
Unemployment	299	415	191	(116)	(28.0)	108	56.7
Unemployment Rate	6.1%	8.6%	3.9%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct. 2020	Sept. 2020	Oct. 2019	Change from Sept.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,035	4,018	4,415	17	0.4%	(380)	(8.6%)
Goods Producing Industries	746	748	792	(2)	(0.3)	(46)	(5.9)
Mining and Logging	6	6	7	(0)	(3.1)	(1)	(16.2)
Construction	175	175	177	(1)	(0.3)	(2)	(1.1)
Manufacturing	565	566	608	(2)	(0.3)	(43)	(7.1)
Transportation Equipment	160	167	168	(7)	(4.3)	(8)	(4.6)
Service Producing Industries	3,289	3,270	3,623	19	0.6	(334)	(9.2)
Trade, Transportation & Utilities	766	761	797	5	0.7	(32)	(4.0)
Wholesale Trade	162	162	172	(0)	(0.1)	(10)	(5.8)
Retail Trade	442	440	463	3	0.6	(21)	(4.5)
Transportation & Utilities	161	159	162	3	1.6	(1)	(0.5)
Information	51	51	55	(0)	(0.2)	(4)	(7.6)
Financial Activities	222	222	226	1	0.4	(4)	(1.8)
Professional & Business Services	603	596	649	7	1.2	(46)	(7.0)
Education & Health Services	629	628	681	2	0.3	(52)	(7.6)
Leisure & Hospitality Services	296	291	436	5	1.8	(140)	(32.2)
Other Services	147	148	164	(1)	(0.5)	(17)	(10.2)
Government	575	575	614	0	0.1	(39)	(6.3)

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 2020	Year Ago	Percent Change	Oct 2020	Year Ago	Percent Change
Construction	41.3	43.0	(4.0%)	\$1,274.11	\$1,231.52	3.5%
Manufacturing	40.3	42.5	(5.2)	911.59	951.58	(4.2)
Durable Goods	39.9	43.2	(7.6)	919.70	997.92	(7.8)
Transportation Equipment Mfg.	42.8	45.5	(5.9)	1,176.14	1,213.03	(3.0)
Motor Vehicle Parts Mfg.	39.1	43.6	(10.3)	973.98	1,054.25	(7.6)
Nondurable Goods	41.3	40.5	2.0	886.30	813.65	8.9
Wholesale Trade	38.1	36.6	4.1	988.31	947.21	4.3
Retail Trade	28.3	29.0	(2.4)	458.18	446.89	2.5
Information	38.0	32.7	16.2	1,037.40	882.25	17.6
Financial Activities	35.5	35.7	(0.6)	917.32	962.12	(4.7)
Professional & Business Services	35.7	34.9	2.3	930.34	895.19	3.9
Health Care & Social Assistance	30.5	31.4	(2.9)	689.00	712.47	(3.3)
Leisure & Hospitality	22.9	23.4	(2.1)	308.01	306.77	0.4
Accommodation & Food Services	23.5	23.7	(0.8)	312.32	303.36	3.0

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 2020	Sep 2020	Aug 2020	Oct 2019
Metropolitan Statistical Areas				
Ann Arbor	3.5%	6.1%	6.9%	2.4%
Battle Creek	5.3	8.6	9.7	3.3
Bay City	4.6	7.5	8.5	3.8
Detroit-Warren-Dearborn	6.3	9.9	10.1	4.0
Flint	5.6	9.4	10.6	4.5
Grand Rapids-Wyoming	3.7	6.3	7.2	2.3
Jackson	4.6	7.7	8.8	3.1
Kalamazoo-Portage	4.0	6.8	7.7	2.9
Lansing-East Lansing	3.9	6.7	7.5	3.4
Midland	3.7	6.3	7.0	2.9
Monroe	4.7	6.9	8.0	2.8
Muskegon	6.3	10.2	11.3	3.4
Niles-Benton Harbor	4.6	7.7	8.7	2.9
Saginaw	5.2	8.7	9.7	4.5
Multi-County Areas				
Northeast Lower Michigan	4.7	7.8	8.8	4.0
Northwest Lower Michigan	3.8	6.4	7.3	2.9
Upper Peninsula	3.7	6.1	6.9	3.4
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	5.1	8.2	8.9	3.5
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Sales and Production in Thousands of Units, Seasonally Adjusted at Annual Rates)							
	Oct 2020	Sep 2020	Aug 2020	July 2020	Year Ago Oct	Percent Change From:	
						Oct/Sep	Oct 2020/ Oct 2019
Motor Vehicle Sales¹⁾							
Autos	3,873	3,741	3,476	3,468	4,421	3.5%	(12.4%)
Domestics	2,968	2,870	2,689	2,647	3,284	3.4	(9.6)
Imports	905	871	787	821	1,137	3.9	(20.4)
Import Share	23.4%	23.3%	22.6%	23.7%	25.7%	----	----
Light Trucks	12,484	12,555	11,632	11,157	12,334	(0.6)	1.2
Domestics	9,869	9,916	9,187	8,586	9,630	(0.5)	2.5
Imports	2,615	2,639	2,445	2,571	2,704	(0.9)	(3.3)
Import Share	20.9%	21.0%	21.0%	23.0%	21.9%	----	----
Subtotal: Light Vehicle Sales	16,357	16,296	15,108	14,625	16,755	0.4	(2.4)
Heavy Trucks	466	432	429	372	518	7.9	(10.0)
Total Vehicle Sales	16,823	16,728	15,537	14,997	17,273	0.6	(2.6)
U.S. Motor Vehicle Production¹⁾							
Autos	2,255	2,382	2,346	2,710	2,195	(5.3)	2.7
Michigan Motor Vehicle Production²⁾							
Autos	204	263	195	351	138	(22.4)	48.0
Trucks	1,510	1,489	1,478	2,267	1,584	1.4	(4.7)
Total	1,714	1,752	1,673	2,617	1,722	(2.1)	(0.4)
Michigan Production as % of U.S.	16.0%	15.9%	17.4%	20.6%	16.7%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 27,564	\$ 27,513	\$ 27,617	\$ 27,911	\$ 26,659	0.2	3.4
Domestic	\$ 25,958	\$ 25,940	\$ 25,767	\$ 26,444	\$ 25,056	0.1	3.6
Foreign	\$ 32,823	\$ 32,693	\$ 33,943	\$ 32,641	\$ 31,292	0.4	4.9
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.							



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	81.8	80.4	95.5	1.7%	(14.3%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Oct	\$39.40	\$39.63	\$53.96	(0.6)	(27.0)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Oct	1,530	1,437	1,340	6.5	14.2
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Oct	\$496.7	\$497.1	\$458.8	(0.1)	8.2
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Oct	103.6	102.6	109.0	1.0	(5.0)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Oct	73.0	72.3	77.0	1.0	(5.1)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Oct	260.3	260.2	257.2	0.5	1.2
Detroit (not seasonally adjusted)	Oct	239.9	240.6	238.8	(1.7)	0.5
Interest Rates						
3-month Treasury Bill ⁴⁾	Oct	0.10%	0.11%	1.68%	--	--
30-year Conventional Mortgage ⁶⁾	Oct	2.83%	2.89%	3.69%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2020 3rd Quarter	\$18,583.5	\$17,302.5	\$19,141.7	33.1	(2.9)
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Oct	\$3,440.5	\$2,953.3	\$3,126.4	NM	10.0

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.

