

ECONOMIC HIGHLIGHTS



The **US Consumer Price Index (CPI)** for October 2021 increased at an annual rate of 10.9% from the September 2021 level and was 6.2% above the level in October 2020. The monthly increase affected most major spending areas but was dominated by increases in the indexes for gasoline (up 49.6%) and motor vehicles (new cars and trucks up 9.9%, used cars and trucks up 26.4%) and reflected the most rapid increase in prices since December 1990, when the overall index increased at a 6.3% annual rate.

Corporate profits increased at a 14.5% annual rate during the third quarter of 2021 to an all-time high of 12.6% of gross domestic product (GDP). The increase followed an increase in profits of 22.0% in the first quarter of 2021 and 49.1% in the second quarter. Among domestic nonfinancial firms, profits rose most rapidly for firms in the utilities, motor vehicle manufacturing, and petroleum products manufacturing sectors. However, because of the relative profitability across sectors, most of the increase in the third quarter reflected higher profits in the wholesale trade, food/beverage manufacturing, and computer manufacturing sectors. Corporate profits fell at a 40.5% annual rate in the retail trade sector, which represented the largest offset to the overall gains in corporate profits.



Average weekly earnings rose in all but two sectors (construction and information) from October 2020 to October 2021. Among sectors exhibiting increases, the smallest year-over-year increase was in the nondurable goods manufacturing sector (6.4%). The largest increases were in motor vehicle manufacturing (22.2%) and leisure/hospitality (15.4%). The increase in average wages in motor vehicle manufacturing sector corresponded with a substantial increase in the average number of hours (13.6%). Other sectors with higher earnings experienced changes ranging from a 2.5% decrease to a 5.1% increase in average weekly hours.

Initial unemployment insurance claims in Michigan increased for a second consecutive month in October 2021, rising 6.6% from the September level. Initial claims in October 2021 were up 63.4% from the recent low in June 2021, but down 8.4% from the October 2020 level. Compared to the monthly average over the 2010-2019 period, initial claims in October 2021 were up 29.7%.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Oct 2021	Sep 2021	Oct 2020	Change from Sep		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	161,610	161,471	160,834	139	0.1%	776	0.5%
Employment	154,234	153,806	149,719	428	0.3	4,515	3.0
Unemployment	7,376	7,665	11,115	(289)	(3.8)	(3,739)	(33.6)
Unemployment Rate	4.6%	4.7%	6.9%	--	--	--	--
Michigan	Oct 2021	Sep 2021	Oct 2020	Change from Sep		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,792	4,793	4,803	(1)	(0.0%)	(11)	(0.2%)
Employment	4,535	4,521	4,442	14	0.3	94	2.1
Unemployment	256	271	361	(15)	(5.5)	(105)	(29.0)
Unemployment Rate	5.4%	5.7%	7.5%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Oct 2021	Sep 2021	Oct 2020	Change from Sep		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,257	4,223	4,116	34	0.8%	141	3.4%
Goods Producing Industries	780	767	755	13	1.7	25	3.3
Mining and Logging	7	7	7	0	2.9	0	4.5
Construction	178	177	172	1	0.5	6	3.4
Manufacturing	595	583	576	12	2.0	18	3.2
Transportation Equipment	188	177	178	11	6.5	10	5.5
Service Producing Industries	3,477	3,456	3,361	21	0.6	116	3.5
Trade, Transportation & Utilities	782	778	765	4	0.6	17	2.2
Wholesale Trade	165	164	164	0	0.2	1	0.7
Retail Trade	449	448	444	1	0.3	5	1.2
Transportation & Utilities	168	166	158	3	1.6	11	6.8
Information	53	53	51	1	1.0	2	4.7
Financial Activities	234	233	228	0	0.1	6	2.5
Professional & Business Services	642	634	610	9	1.4	32	5.3
Education & Health Services	646	647	645	(1)	(0.2)	0	0.1
Leisure & Hospitality Services	387	379	345	9	2.2	42	12.2
Other Services	157	156	148	1	0.8	10	6.4
Government	576	577	570	(1)	(0.2)	7	1.2

Source: Bureau of Labor Statistics, U.S. Department of Labor

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS (Not seasonally adjusted)						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Oct 2021	Year Ago	Percent Change	Oct 2021	Year Ago	Percent Change
Construction	40.1	41.3	(2.9%)	\$1,273.58	\$1,276.58	(0.2%)
Manufacturing	41.3	40.2	2.7	984.18	910.53	8.1
Durable Goods	41.0	39.9	2.8	996.71	920.09	8.3
Transportation Equipment Mfg.	44.9	42.9	4.7	1,336.67	1,175.03	13.8
Motor Vehicle Parts Mfg.	44.3	39.0	13.6	1,184.14	969.15	22.2
Nondurable Goods	42.0	41.3	1.7	943.32	886.30	6.4
Wholesale Trade	39.7	38.1	4.2	1,058.40	986.79	7.3
Retail Trade	28.9	28.3	2.1	505.17	459.03	10.1
Information	36.1	38.0	(5.0)	1,000.33	1,038.54	(3.7)
Financial Activities	37.2	35.4	5.1	981.71	911.55	7.7
Professional & Business Services	34.8	35.7	(2.5)	1,002.59	931.41	7.6
Health Care & Social Assistance	31.4	30.2	4.0	759.57	682.52	11.3
Leisure & Hospitality	23.4	22.8	2.6	354.28	307.12	15.4
Accommodation & Food Services	24.1	23.5	2.6	360.05	312.08	15.4

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 2021	Sep 2021	Aug 2021	Oct 2020
Metropolitan Statistical Areas				
Ann Arbor	3.2%	3.8%	4.4%	4.6%
Battle Creek	5.0	5.6	6.7	6.5
Bay City	4.4	4.9	5.8	5.6
Detroit-Warren-Dearborn	5.0	5.7	6.7	8.1
Flint	5.9	6.9	9.4	7.2
Grand Rapids-Wyoming	3.3	3.9	4.5	4.7
Jackson	4.3	4.9	5.8	5.7
Kalamazoo-Portage	3.8	4.4	5.2	5.2
Lansing-East Lansing	3.9	5.4	6.3	5.0
Midland	3.6	4.1	4.6	4.7
Monroe	4.3	5.6	6.0	5.7
Muskegon	5.7	6.4	7.4	7.8
Niles-Benton Harbor	4.3	4.9	5.6	5.9
Saginaw	5.5	6.3	7.6	6.5
Multi-County Areas				
Northeast Lower Michigan	4.9	5.4	6.3	5.9
Northwest Lower Michigan	3.9	4.3	4.9	5.0
Upper Peninsula	3.9	4.3	5.1	4.9
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.5	5.2	6.1	6.5
<i>Note: Because of the combination of methodological revisions and the annual benchmarking of unemployment data by the Bureau of Labor Statistics, and the timing of when this report was compiled, data in this table are not strictly comparable to the data presented in other issues of the Michigan Economic Indicators for 2021.</i>				
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 2021	Sep 2021	Aug 2021	July 2021	Year Ago Oct	Percent Change From:	
						Oct/Sept	Oct 2021/ Oct 2020
Motor Vehicle Sales¹⁾							
Autos	2,609	2,745	3,076	3,494	3,806	(5.0%)	(31.5%)
Domestics	1,931	1,861	2,116	2,442	2,901	3.8	(33.4)
Imports	678	884	960	1,052	905	(23.3)	(25.1)
Import Share	26.0%	32.2%	31.2%	30.1%	23.8%	----	----
Light Trucks	10,439	9,543	10,010	11,169	12,596	9.4	(17.1)
Domestics	8,310	7,310	7,733	8,565	9,902	13.7	(16.1)
Imports	2,129	2,233	2,277	2,604	2,694	(4.7)	(21.0)
Import Share	20.4%	23.4%	22.7%	23.3%	21.4%	----	----
Subtotal: Light Vehicle Sales	13,048	12,288	13,086	14,663	16,402	6.2	(20.4)
Heavy Trucks	438	405	417	440	450	8.1	(2.7)
Total Vehicle Sales	13,486	12,693	13,503	15,103	16,852	6.2	(20.0)
U.S. Motor Vehicle Production¹⁾							
Autos	1,512	1,009	1,494	1,643	2,232	49.8	(32.3)
Michigan Motor Vehicle Production²⁾							
Autos	129	86	134	160	223	49.7	(42.0)
Trucks	1,840	1,676	1,496	1,614	1,485	9.8	23.9
Total	1,969	1,762	1,630	1,773	1,708	11.7	15.3
Michigan Production as % of U.S.	22.5%	21.0%	18.8%	19.0%	16.6%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 34,274	\$ 34,307	\$ 32,762	\$ 31,947	\$ 28,221	(0.1)	21.4
Domestic	\$ 33,328	\$ 32,117	\$ 30,408	\$ 30,181	\$ 26,406	3.8	26.2
Foreign	\$ 36,967	\$ 39,355	\$ 38,379	\$ 36,399	\$ 34,040	(6.1)	8.6
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	71.7	72.8	81.8	(1.5%)	(12.3%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Oct	\$81.48	\$71.65	\$39.40	13.7	106.8
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Oct	1,563	1,559	1,530	0.3	2.2
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Oct	\$562.3	\$552.6	\$490.8	1.8	14.6
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Oct	101.3	99.9	96.6	1.4	4.8
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Oct	76.1	75.1	72.9	1.3	4.4
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Oct	276.6	274.2	260.4	10.9	6.2
Detroit (not seasonally adjusted)	Oct	253.1	250.0	239.9	7.5	5.5
Interest Rates						
3-month Treasury Bill ⁴⁾	Oct	0.05%	0.04%	0.10%	--	--
30-year Conventional Mortgage ⁶⁾	Oct	3.07%	2.90%	2.83%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2009 \$, SAAR, Chain-Weighted)	2021 3rd Quarter	\$19,478.9	\$19,368.3	\$18,560.8	2.3	4.9
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Oct	\$3,599.6	\$3,348.1	\$3,440.5	NM	4.6

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.

Corporate Profits as a Share of Gross Domestic Product

Reach Record High in Third Quarter of 2021



Source: Bureau of Economic Analysis, U.S. Department of Commerce