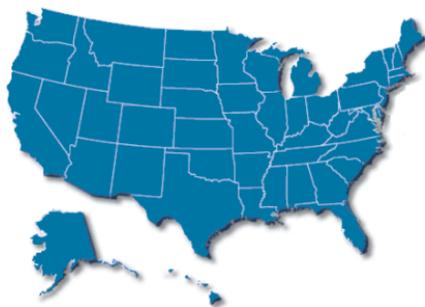


## ECONOMIC HIGHLIGHTS



**Retail sales** increased 2.2% from September 2015 to September 2016. Sectors with the largest increases were non-store retailers (10.6%), followed by building material and garden equipment/supplies dealers (5.6%), and health and personal care stores (5.4%). The largest declines were at gas stations (-3.4%), reflecting the decline in gasoline prices, electronics/appliance stores (-3.4%), and department stores (-6.4%).

**Corporate profits** declined 0.6%, based on an annual rate, during the second quarter of 2016, and were down 4.3% from the second quarter of 2015. Profits declined in five of the six quarters from the first quarter of 2015 through the second quarter of 2016, although the second quarter of 2016 saw the smallest decline over that period. Compared to the first quarter of 2016, profits in the manufacturing sector were down 2.6%, despite a 9.0% increase in the motor vehicle manufacturing sector. Profits fell most rapidly in the utility (-39.0%) and wholesale trade (-24.6%) sectors.



**Gross sales tax collections** in September 2016 were 3.4% lower than in September 2015, the first year-over-year decline since March 2016 and the largest decline since the 6.1% year-over-year decline in January 2016. Fiscal year-to-date collections (November 2015-September 2016) were up only 0.2%. Fiscal year-to-date sales tax revenue collected by the Secretary of State (primarily from sales of new motor vehicles) was up 3.0% in September 2016, but was offset by a 0.2% decline in sales tax collections on other types of products.

In Michigan, year-to-date **building permits** through September 2016 were up 21.5% from September 2015, compared to a 1.3% increase nationally. Michigan's increase ranked second among other Great Lakes states, behind Ohio's 22.1% increase. Building permits were up 7.2% in Indiana, 13.1% in Wisconsin, and 15.5% in Illinois.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Sep 2016	Aug 2016	Sept 2015	Change from August		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	159,907	159,463	156,867	444	0.3%	3,040	1.9%
Employment	151,968	151,614	148,942	354	0.2	3,026	2.0
Unemployment	7,939	7,849	7,925	90	1.1	14	0.2
Unemployment Rate	5.0%	4.9%	5.1%	--	--	--	--
Michigan	Sep 2016	Aug 2016	Sep 2015	Change from August		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,819	4,805	4,748	15	0.3%	72	1.5%
Employment	4,599	4,588	4,506	11	0.2	94	2.1
Unemployment	220	216	242	3	1.5	(22)	(9.2)
Unemployment Rate	4.6%	4.5%	5.1%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Sep 2016*	Aug 2016	Sep 2015	Change from August		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,332	4,326	4,247	5	0.1%	85	2.0%
<b>Goods Producing Industries</b>	755	756	745	(1)	(0.1)	10	1.4
Mining and Logging	7	7	7	0	1.4	(0)	(2.7)
Construction	150	151	147	(1)	(0.8)	3	1.8
Manufacturing	598	598	590	0	0.1	8	1.3
Transportation Equipment	178	178	179	0	0.1	(1)	(0.3)
<b>Service Producing Industries</b>	3,577	3,571	3,502	6	0.2	75	2.1
Trade, Transportation & Utilities	773	773	773	(1)	(0.1)	(1)	(0.1)
Wholesale Trade	169	169	170	(1)	(0.3)	(2)	(1.0)
Retail Trade	470	471	468	(1)	(0.3)	2	0.4
Transportation & Utilities	134	133	135	1	0.8	(1)	(0.7)
Information	58	59	57	(1)	(1.7)	2	2.8
Financial Activities	216	217	208	(2)	(0.7)	8	3.8
Professional & Business Services	664	664	639	0	0.0	25	4.0
Education & Health Services	670	668	651	2	0.3	19	2.9
Leisure & Hospitality Services	424	419	416	6	1.3	9	2.1
Other Services	173	171	168	1	0.8	5	3.0
Government	599	598	591	1	0.1	8	1.3

**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		
	Sep 2016	Year Ago	Percent Change	Sep 2016	Year Ago	Percent Change
Construction	41.3	38.1	8.4%	\$1,063.06	\$928.88	14.4%
Manufacturing	43.2	43.5	(0.7)	875.66	920.46	(4.9)
Durable Goods	43.9	44.5	(1.3)	922.34	996.36	(7.4)
Transportation Equipment Mfg.	44.9	47.9	(6.3)	987.35	1,237.26	(20.2)
Motor Vehicle Parts Mfg.	45.4	48.0	(5.4)	936.15	1,117.92	(16.3)
Nondurable Goods	40.9	40.4	1.2	730.47	683.57	6.9
Wholesale Trade	40.0	38.7	3.4	910.40	902.48	0.9
Retail Trade	29.5	30.6	(3.6)	428.34	432.38	(0.9)
Information	35.2	36.0	(2.2)	851.49	894.60	(4.8)
Financial Activities	35.7	35.4	0.8	830.03	815.26	1.8
Professional & Business Services	35.4	34.8	1.7	816.68	792.05	3.1
Health Care & Social Assistance	32.1	31.4	2.2	638.79	639.93	(0.2)
Leisure & Hospitality	22.4	23.3	(3.9)	248.42	251.87	(1.4)
Accommodation & Food Services	22.2	23.1	2.0	238.43	243.47	(2.1)

**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)				
	Sep 2016	Aug 2016	July 2016	Sep 2015
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.1%	3.5%	4.1%	3.1%
Battle Creek	3.9	4.4	5.0	4.0
Bay City	4.1	4.7	5.5	4.3
Detroit-Warren-Dearborn	5.4	6.0	6.1	5.6
Flint	4.5	5.0	6.0	4.7
Grand Rapids-Wyoming	2.9	3.3	3.9	3.0
Jackson	4.1	4.6	5.3	4.2
Kalamazoo-Portage	3.5	3.9	4.6	3.7
Lansing-East Lansing	3.3	3.8	4.4	3.5
Midland	3.6	4.1	4.7	3.7
Monroe	3.7	4.1	4.7	3.5
Muskegon	4.3	4.8	5.8	4.6
Niles-Benton Harbor	4.0	4.4	5.0	4.1
Saginaw	4.1	4.6	5.5	4.4
<b>Multi-County Areas</b>				
Northeast Lower Michigan	5.0	5.6	6.5	5.0
Northwest Lower Michigan	3.8	4.1	4.7	4.1
Upper Peninsula	4.7	5.2	6.2	4.8
<b>Michigan Statewide Average</b>				
-- Unadjusted (comparable to figures shown above)	4.4	4.9	5.4	4.6
<b>Source:</b> Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Sep 2016	Aug 2016	July 2016	June 2016	Year Ago Sep	Percent Change From:	
						Sep/Aug	Sep 2016/ Sep 2015
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,983	6,528	6,885	6,604	7,627	7.0%	(8.4%)
Domestics	5,289	4,874	5,142	4,898	5,722	8.5	(7.6)
Imports	1,694	1,654	1,743	1,706	1,905	2.4	(11.1)
Import Share	24.3%	25.3%	25.3%	25.8%	25.0%	----	----
Light Trucks	10,669	10,382	10,915	10,160	10,355	2.8	3.0
Domestics	8,585	8,221	8,709	8,020	8,543	4.4	0.5
Imports	2,084	2,161	2,206	2,140	1,812	(3.6)	15.0
Import Share	19.5%	20.8%	20.2%	21.1%	17.5%	----	----
Subtotal: Light Vehicle Sales	17,652	16,910	17,800	16,764	17,982	4.4	(1.8)
Heavy Trucks	415	370	370	395	441	12.2	(5.9)
Total Vehicle Sales	18,067	17,280	18,170	17,159	18,423	4.6	(1.9)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	3,934	3,998	3,886	4,255	4,103	(1.6)	(4.1)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	853	839	766	1,151	884	1.6	(3.5)
Trucks	1,547	1,600	1,637	1,776	1,519	(3.3)	1.8
Total	2,400	2,439	2,402	2,926	2,404	(1.6)	(0.2)
Michigan Production as % of U.S.	19.1%	18.4%	20.7%	22.2%	19.9%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,413	1,369	1,411	1,482	1,524	3.2	(7.3)
Days Supply	63	61	62	64	63	3.3	0.0
Total Truck	2,277	2,205	2,162	2,362	1,928	3.2	18.1
Days Supply	65	62	60	68	57	4.8	14.0
<b>Sources:</b> 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 <sup>8)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Sep	91.2	89.8	87.2	1.6%	4.6%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Sep	\$45.18	\$44.72	\$45.48	1.0	(0.7)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Sep	1,047	1,150	1,189	(9.0)	(11.9)
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Sep	\$404.2	\$401.8	\$395.5	0.6	2.2
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Sep	104.2	104.2	105.3	0.1	(1.0)
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Sep	75.4	75.3	76.4	0.0	(1.4)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Sep	241.0	240.3	237.5	3.6	1.5
Detroit (not seasonally adjusted)	Aug	223.9	224.1	220.2	(0.5)	1.7
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Sep	0.29%	0.30%	0.02%	--	--
Corporate Aaa Bonds <sup>4)</sup>	Sep	3.41%	3.32%	4.07%	--	--
<b>Real Gross Domestic Product</b> <sup>6)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2016 3rd Quarter	\$16,702.1	\$16,583.1	\$16,454.9	2.9	1.5
<b>Michigan Tax Collections</b> <sup>7)</sup> (12 major taxes, millions)	Sep	\$2,444.1	\$1,883.0	\$2,448.2	NM	(0.2)

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) Reuters/University of Michigan Surveys of Consumers. 2) Dow Jones & Company/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) U.S. Department of Commerce, Bureau of Economic Analysis. 7) Michigan Department of Treasury and the Senate Fiscal Agency. 8) Percent changes from previous period for CPI and GDP at annual rate.

