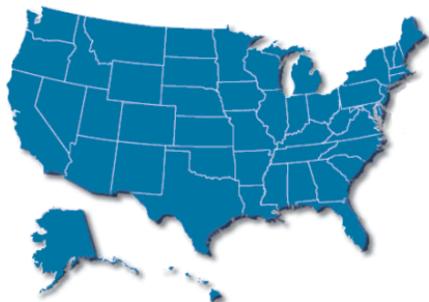


## ECONOMIC HIGHLIGHTS



**Gross domestic product (GDP)** adjusted for inflation increased at a 3.3% annual rate in the third quarter of 2017, compared to 3.1% growth in the second quarter of 2017. Personal consumption spending grew at a 2.3% annual rate led by an 8.1% increase in durable goods spending, while spending on nondurable goods grew 2.0% and on services grew 1.5%. Business fixed investment was up 4.7%, although residential investment declined 5.1%. Exports increased 2.2% and imports declined 1.1%, increasing GDP. Government consumption increased by 0.4%, which reflected a 2.4% increase in national defense spending, a decline of 0.3% in Federal nondefense spending, and a decline of 0.1% in state and local spending.

The **unemployment rate** decreased to 4.2% in September 2017, below the 4.9% rate in September 2016 and the lowest rate recorded since February 2002. The **civilian labor force** was at the record level of 161.1 million people available for work and the **labor force participation rate** was 63.1%, the highest level since March 2014, although labor force participation remained below the peak level of 67.3% reached during the first four months of 2000.



Michigan inflation adjusted **gross state product (GSP)** increased at a 5.5% seasonally adjusted annual rate in the second quarter of 2017, largely due to growth in durable goods manufacturing. Michigan GSP growth ranked fourth among all states, while neighboring states grew at less than half of Michigan's rate, with Wisconsin at a 2.5% growth rate, Illinois 2.2%, Ohio 2.0%, and Indiana 1.7%.

The Michigan average **home selling price** from January 2017 to September 2017 was \$154,124, up 13.5% from the same period in 2016, based on home sales reported by Michigan Realtors®. The number of Michigan **home sales** year to date through September 2017 was nearly unchanged compared to the same period in 2016.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Sep 2017	Aug 2017	Sep 2016	Change from August		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	161,146	160,571	159,830	575	0.4%	1,316	0.8%
Employment	154,345	153,439	151,926	906	0.6	2,419	1.6
Unemployment	6,801	7,132	7,904	(331)	(4.6)	(1,103)	(14.0)
Unemployment Rate	4.2%	4.4%	4.9%	--	--	--	--
Michigan	Sep 2017	Aug 2017	Sep 2016	Change from August		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,850	4,833	4,843	17	0.4%	7	0.1%
Employment	4,642	4,643	4,602	(1)	(0.0)	39	0.9
Unemployment	209	190	241	19	9.8	(32)	(13.4)
Unemployment Rate	4.3%	3.9%	5.0%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Sep 2017*	Aug 2017	Sep 2016	Change from August		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,403	4,393	4,341	10	0.2%	62	1.4%
<b>Goods Producing Industries</b>	773	776	763	(4)	(0.5)	10	1.3
Mining and Logging	7	7	7	0	0.0	0	4.2
Construction	163	162	155	1	0.8	8	4.9
Manufacturing	602	607	601	(5)	(0.8)	2	0.3
Transportation Equipment	177	182	180	(5)	(2.6)	(3)	(1.8)
<b>Service Producing Industries</b>	3,630	3,617	3,578	14	0.4	52	1.5
Trade, Transportation & Utilities	783	784	787	(2)	(0.2)	(5)	(0.6)
Wholesale Trade	174	174	173	0	0.1	1	0.7
Retail Trade	468	470	476	(2)	(0.5)	(8)	(1.6)
Transportation & Utilities	140	140	139	1	0.4	2	1.2
Information	58	58	58	0	0.7	1	1.4
Financial Activities	218	218	213	0	0.1	5	2.4
Professional & Business Services	671	663	653	8	1.2	18	2.8
Education & Health Services	674	669	668	4	0.7	6	0.9
Leisure & Hospitality Services	435	432	426	4	0.8	9	2.1
Other Services	175	175	170	0	0.1	6	3.3
Government	616	617	603	(2)	(0.3)	12	2.0

**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 2017	Year Ago	Percent Change	Sep 2017	Year Ago	Percent Change
Construction	43.4	41.2	5.3%	\$1,069.81	\$1,056.78	1.2%
Manufacturing	43.5	43.4	0.2	903.06	891.87	1.3
Durable Goods	44.6	44.2	0.9	963.81	945.00	2.0
Transportation Equipment Mfg.	48.0	46.4	3.4	1,122.72	1,083.44	3.6
Motor Vehicle Parts Mfg.	46.2	45.7	1.1	993.30	943.71	5.3
Nondurable Goods	40.1	40.9	(2.0)	715.38	730.07	(2.0)
Wholesale Trade	39.1	40.0	(2.2)	985.32	917.60	7.4
Retail Trade	30.7	30.7	0.0	447.91	423.97	5.6
Information	35.0	35.0	0.0	920.85	862.75	6.7
Financial Activities	35.2	35.8	(1.7)	819.46	834.14	(1.8)
Professional & Business Services	34.7	35.4	(2.0)	809.20	816.32	(0.9)
Health Care & Social Assistance	32.6	32.0	1.9	659.82	635.20	3.9
Leisure & Hospitality	23.7	22.3	6.3	288.90	247.98	16.5
Accommodation & Food Services	23.5	22.1	6.3	274.95	237.80	15.6

**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 2017	Aug 2017	July 2017	Sep 2016
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	3.9%	3.9%	4.5%	3.6%
Battle Creek	4.8	5.1	5.6	4.4
Bay City	5.0	5.6	6.0	4.6
Detroit-Warren-Dearborn	4.4	4.4	4.4	5.6
Flint	5.6	5.8	6.5	5.0
Grand Rapids-Wyoming	3.6	3.8	4.2	3.3
Jackson	4.6	4.9	5.3	4.4
Kalamazoo-Portage	4.3	4.6	5.0	4.0
Lansing-East Lansing	4.3	4.7	5.2	3.7
Midland	4.4	4.7	5.0	4.1
Monroe	5.5	5.3	5.9	4.2
Muskegon	5.3	5.8	6.2	4.9
Niles-Benton Harbor	4.6	5.0	5.4	4.5
Saginaw	5.1	5.5	5.9	4.6
<b>Multi-County Areas</b>				
Northeast Lower Michigan	5.8	6.3	6.8	5.5
Northwest Lower Michigan	4.5	4.7	5.1	4.3
Upper Peninsula	5.1	5.7	6.2	5.3
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	4.5	4.6	4.9	4.8
<b>Source:</b> Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Sep 2017	Aug 2017	July 2017	June 2017	Year Ago Sep	Percent Change From:	
						Sep/Aug	Sep 2017/ Sep 2016
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	6,535	5,738	5,944	5,764	6,938	13.9%	(5.8%)
Domestics	5,014	4,375	4,551	4,441	5,269	14.6	(4.8)
Imports	1,521	1,363	1,393	1,323	1,669	11.6	(8.9)
Import Share	23.3%	23.8%	23.4%	23.0%	24.1%	----	----
Light Trucks	11,935	10,282	10,744	10,844	10,712	16.1	11.4
Domestics	9,307	8,048	8,376	8,503	8,562	15.6	8.7
Imports	2,628	2,234	2,368	2,341	2,150	17.6	22.2
Import Share	22.0%	21.7%	22.0%	21.6%	20.1%	----	----
Subtotal: Light Vehicle Sales	18,470	16,020	16,688	16,608	17,650	15.3	4.6
Heavy Trucks	440	430	405	416	385	2.3	14.3
Total Vehicle Sales	18,910	16,450	17,093	17,024	18,035	15.0	4.9
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	2,545	2,951	2,520	2,940	3,869	(13.7)	(34.2)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	517	585	466	595	824	(11.6)	(37.3)
Trucks	1,460	1,650	1,384	1,306	1,609	(11.5)	(9.3)
Total	1,977	2,235	1,849	1,901	2,434	(11.6)	(18.8)
Michigan Production as % of U.S.	18.3%	18.5%	19.4%	18.6%	19.1%	----	----
<b>U.S. Motor Vehicle Inventories<sup>3)</sup></b>							
Total Car	1,364	1,424	1,445	1,550	1,413	(4.2)	(3.4)
Days Supply	66	73	71	77	63	(9.6)	4.8
Total Truck	2,445	2,464	2,455	2,648	2,277	(0.8)	7.4
Days Supply	64	69	67	72	65	(7.2)	(1.5)
<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>9)</sup>	Year Ago
<b>Index of Consumer Sentiment</b> , monthly <sup>1)</sup> (1996 Q1=100)	Sep	95.1	96.8	91.2	(1.8%)	4.3%
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Sep	\$49.82	\$48.04	\$45.18	3.7	10.3
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Sep	1,127	1,183	1,062	(4.7)	6.1
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Sep	\$428.7	\$419.9	\$407.4	2.1	5.2
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Sep	104.6	104.3	103.0	0.3	1.6
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Sep	76.0	75.8	75.6	0.2	0.5
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Sep	246.4	245.0	241.0	6.8	2.2
Detroit (not seasonally adjusted)	Aug	226.8	226.5	223.9	0.6	1.3
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Sep	1.05%	1.03%	0.29%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Sep	3.81%	3.88%	3.46%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2017 3rd Quarter	\$17,169.7	\$17,031.1	\$16,778.1	3.3	2.3
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Sep	\$2,607.1	\$1,965.1	\$2,424.1	NM	7.5

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. 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.

