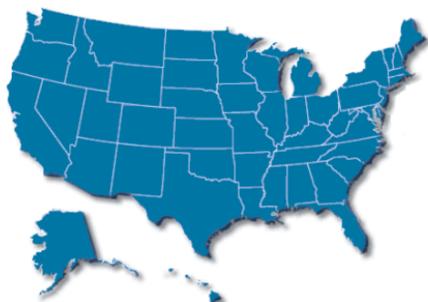


## ECONOMIC HIGHLIGHTS



**Gross domestic product (GDP)**, adjusted for inflation, increased at a 33.1% annual rate in the third quarter of 2020 after falling 31.4% in the second quarter. The increase was better than the 32% estimate from a Dow Jones economists survey and higher than the previous post-World War II record of 16.7%, set in the first quarter of 1950. Economic activity increased because of continued efforts to reopen businesses and resume activities that were postponed or restricted because of the COVID-19 public health emergency. Despite the record quarterly increase, real GDP still was 3.5% below the level it was in the fourth quarter of 2019.

**Housing starts** totaled 1.5 million units, at a seasonally adjusted annual rate, in September 2020, up 6.3% from August 2020, and 14.5% above the level in September 2019. Compared to September 2019, housing starts for single-family homes increased 22.3% in September 2020 and starts with five or more units fell 3.4%. By region, from September 2019 to September 2020, housing starts increased 34.2% in the Midwest, 16.6% in the West, 10.4% in the Northeast, and 9.8% in the South.



Michigan's seasonally adjusted **unemployment rate** fell from 8.7% in August 2020 to 8.6% in September 2020, but was well above the 3.9% rate in September 2019. Compared to August 2020, both the labor force and the number of individuals employed fell. The unemployment rate fell because the size of the labor force fell by more than the number employed. The number of individuals employed fell by 63,000 in September, or 1.4%, while the number of people in the labor force fell by 73,000, or 1.5%. Total employment in Michigan was 4,426,000 in September 2020, down 321,000 (6.8%) from September 2019.

Seasonally adjusted **building permits** for private-housing units in Michigan decreased 7.3% in September 2020 from the September 2019 level, and on a year-to-date basis were down 22.0% from 2019. In contrast, permits nationally were up 21.5% in September 2020, while year-to-date starts were up 1.7%. In Michigan, building permits for single-family units in September 2020 were up 3.3% from September 2019, but were down 7.2% on a year-to-date basis.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Sep 2020	Aug 2020	Sep 2019	Change from Aug		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	160,143	160,838	164,051	(695)	(0.4%)	(3,908)	(2.4%)
Employment	147,563	147,288	158,298	275	0.2	(10,735)	(6.8)
Unemployment	12,580	13,550	5,753	(970)	(7.2)	6,827	118.7
Unemployment Rate	7.9%	8.4%	3.5%	--	--	--	--
Michigan	Sep 2020	Aug 2020	Sep 2019	Change from Aug		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,841	4,914	4,940	(73)	(1.5%)	(99)	(2.0%)
Employment	4,426	4,489	4,747	(63)	(1.4)	(321)	(6.8)
Unemployment	415	425	193	(10)	(2.4)	221	114.5
Unemployment Rate	8.6%	8.7%	3.9%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Sept. 2020	August 2020	Sept. 2019	Change from August		Change from Yr Ago	
				Number	Percent	Number	Percent
<b>Total Non-Agricultural Jobs</b>	4,018	3,995	4,438	23	0.6%	(421)	(9.5%)
<b>Goods Producing Industries</b>	748	740	810	8	1.1	(62)	(7.6)
Mining and Logging	6	6	7	0	1.6	(1)	(12.3)
Construction	175	172	175	4	2.0	1	0.5
Manufacturing	566	562	628	5	0.8	(62)	(9.8)
Transportation Equipment	167	165	192	2	1.3	(25)	(12.9)
<b>Service Producing Industries</b>	3,270	3,255	3,628	15	0.4	(359)	(9.9)
Trade, Transportation & Utilities	761	756	796	4	0.6	(36)	(4.5)
Wholesale Trade	162	162	172	0	0.2	(9)	(5.5)
Retail Trade	440	438	463	2	0.4	(23)	(5.0)
Transportation & Utilities	159	156	162	2	1.5	(3)	(1.9)
Information	51	50	55	1	1.8	(4)	(7.8)
Financial Activities	222	221	225	1	0.4	(4)	(1.7)
Professional & Business Services	596	593	652	3	0.6	(56)	(8.6)
Education & Health Services	628	625	683	2	0.3	(56)	(8.1)
Leisure & Hospitality Services	291	279	434	11	4.0	(144)	(33.1)
Other Services	148	146	166	2	1.4	(18)	(10.8)
Government	575	585	616	(10)	(1.8)	(42)	(6.8)

**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		
	Sep 2020	Year Ago	Percent Change	Sep 2020	Year Ago	Percent Change
Construction	37.5	41.0	(8.5%)	\$1,133.25	\$1,181.21	(4.1%)
Manufacturing	40.3	43.2	(6.7)	917.63	968.11	(5.2)
Durable Goods	40.0	43.9	(8.9)	933.20	1,017.60	(8.3)
Transportation Equipment Mfg.	42.8	48.1	(11.0)	1,234.78	1,297.26	(4.8)
Motor Vehicle Parts Mfg.	40.5	45.7	(11.4)	1,015.74	1,098.63	(7.5)
Nondurable Goods	41.1	41.0	0.2	872.55	808.93	7.9
Wholesale Trade	36.7	37.4	(1.9)	931.08	984.74	(5.4)
Retail Trade	28.1	29.6	(5.1)	468.43	456.73	2.6
Information	38.6	34.5	11.9	1,026.37	949.44	8.1
Financial Activities	35.8	36.3	(1.4)	946.55	952.51	(0.6)
Professional & Business Services	34.8	35.2	(1.1)	913.85	905.70	0.9
Health Care & Social Assistance	29.7	31.5	(5.7)	677.75	726.71	(6.7)
Leisure & Hospitality	23.1	23.8	(2.9)	308.15	311.30	(1.0)
Accommodation & Food Services	23.6	24.0	(1.7)	311.76	305.52	2.0

**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)				
	Sep 2020	August 2020	July 2020	Sep 2019
<b>Metropolitan Statistical Areas</b>				
Ann Arbor	6.0%	6.9%	8.0%	2.7%
Battle Creek	8.6	9.7	10.9	3.6
Bay City	7.5	8.5	9.6	3.6
Detroit-Warren-Dearborn	9.8	10.1	10.1	4.0
Flint	9.4	10.6	11.8	3.9
Grand Rapids-Wyoming	6.2	7.2	8.4	2.6
Jackson	7.6	8.8	10.1	3.1
Kalamazoo-Portage	6.7	7.7	8.7	3.1
Lansing-East Lansing	6.7	7.5	8.5	2.9
Midland	6.3	7.0	8.0	3.1
Monroe	6.9	8.0	9.3	3.1
Muskegon	10.2	11.3	12.8	3.7
Niles-Benton Harbor	7.6	8.7	9.9	3.3
Saginaw	8.6	9.7	10.6	3.7
<b>Multi-County Areas</b>				
Northeast Lower Michigan	7.8	8.8	10.3	4.1
Northwest Lower Michigan	6.4	7.3	8.7	3.1
Upper Peninsula	6.0	6.9	8.2	3.7
<b>Michigan Statewide Average</b> (unadjusted - comparable to figures shown above)				
	8.2	8.9	9.5	3.5
<b>Source:</b> 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)							
	Sep 2020	Aug 2020	July 2020	June 2020	Year Ago Sep	Percent Change From:	
						Sep/Aug	Sep 2020/ Sep 2019
<b>Motor Vehicle Sales<sup>1)</sup></b>							
Autos	3,741	3,476	3,468	2,889	4,584	7.6%	(18.4%)
Domestics	2,870	2,689	2,647	2,069	3,466	6.7	(17.2)
Imports	871	787	821	820	1,118	10.7	(22.1)
Import Share	23.3%	22.6%	23.7%	28.4%	24.4%	----	----
Light Trucks	12,555	11,632	11,157	10,128	12,496	7.9	0.5
Domestics	9,916	9,187	8,586	7,449	9,828	7.9	0.9
Imports	2,639	2,445	2,571	2,679	2,668	7.9	(1.1)
Import Share	21.0%	21.0%	23.0%	26.5%	21.4%	----	----
Subtotal: Light Vehicle Sales	16,296	15,108	14,625	13,017	17,080	7.9	(4.6)
Heavy Trucks	432	429	372	338	563	0.7	(23.3)
Total Vehicle Sales	16,728	15,537	14,997	13,355	17,643	7.7	(5.2)
<b>U.S. Motor Vehicle Production<sup>1)</sup></b>							
Autos	2,374	2,339	2,701	1,657	2,419	1.5	(1.9)
<b>Michigan Motor Vehicle Production<sup>2)</sup></b>							
Autos	263	195	351	158	184	34.6	42.9
Trucks	1,489	1,478	2,267	1,610	1,560	0.7	(4.6)
Total	1,752	1,673	2,617	1,767	1,744	4.7	0.4
Michigan Production as % of U.S.	15.9%	17.4%	20.6%	20.0%	16.9%	----	----
<b>Average Expenditure per Car<sup>1)</sup></b>							
Overall	\$ 27,529	\$ 27,785	\$ 27,980	\$ 27,483	\$ 26,739	(0.9)	3.0
Domestic	\$ 25,987	\$ 26,038	\$ 26,560	\$ 26,817	\$ 25,105	(0.2)	3.5
Foreign	\$ 32,592	\$ 33,867	\$ 32,564	\$ 31,680	\$ 31,805	(3.8)	2.5
<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.							



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	80.4	74.1	93.2	8.5%	(13.7%)
<b>Oil Prices</b> <sup>2)</sup> (\$ per barrel, West Texas Intermediate Crude)	Sep	\$39.63	\$42.34	\$56.95	(6.4)	(30.4)
<b>Housing Starts, U.S.</b> <sup>3)</sup> (thousands of units, SAAR)	Sep	1,459	1,373	1,274	6.3	14.5
<b>Retail Sales, U.S.</b> <sup>3)</sup> (billions, seasonally adjusted)	Sep	\$496.2	\$489.0	\$456.0	1.5	8.8
<b>Industrial Production Index</b> <sup>4)</sup> (2007=100, seasonally adjusted)	Sep	102.1	102.5	109.5	(0.4)	(6.7)
<b>Capacity Utilization</b> <sup>4)</sup> (% of total capacity, seasonally adjusted)	Sep	72.0	72.2	77.4	(0.3)	(7.1)
<b>Consumer Price Index</b> <sup>5)</sup> (1982-84=100)						
U.S. (seasonally adjusted)	Sep	260.2	259.7	256.6	2.5	1.4
Detroit (not seasonally adjusted)	Aug	240.6	236.1	236.4	11.9	1.8
<b>Interest Rates</b>						
3-month Treasury Bill <sup>4)</sup>	Sep	0.11%	0.10%	1.93%	--	--
30-year Conventional Mortgage <sup>6)</sup>	Sep	2.89%	2.94%	3.61%	--	--
<b>Real Gross Domestic Product</b> <sup>7)</sup> (billions of 2009 \$, SAAR, Chain-Weighted)	2020 3rd Quarter	\$18,583.5	\$17,302.5	\$19,141.7	33.1	(2.9)
<b>Michigan Tax Collections</b> <sup>8)</sup> (12 major taxes, millions)	Sep	\$2,953.3	\$2,389.7	\$2,782.8	NM	6.1

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.

