

ECONOMIC HIGHLIGHTS



The motor vehicle **inventory-to-sales ratio** increased in September month-over-month and year-over-year to the highest level since April 2021. The September ratio was 1.07, compared to the 2015-2019 average of 2.56. A ratio above 1.00 indicates that, at the current rate of sales, a dealer has enough inventory to satisfy demand. The ratio can change due to changes in demand or changes in the available supply of vehicles.

United States **consumer sentiment** decreased 2.0% in September, from 69.5 in August 2023 to 68.1, though consumer sentiment was 16.2% above the level in September 2022. Although sentiment is above the record low of 50.0 in June 2022, sentiment remained relatively low because of uncertainty about the economy. Compared to August, the September index reflected a small decline in consumer expectations over their personal finances that was more than offset by an improvement in expected business conditions.



In Michigan, the **unemployment rate** decreased to 3.9% in September 2023, down from 4.3% in September 2022. The year-over-year decline occurred even though the labor force increased 3.2% percent, reflecting a 3.7% increase in employment and the number of unemployed individuals falling by 18,000.

In September 2023, **average weekly earnings and hours worked** for employees in Michigan's transportation equipment manufacturing sector were down significantly compared to September 2022. Average weekly hours worked were down 15.1%, from 45.6 to 38.7, while average weekly earnings were down 15.7%, from \$1,339.73 to \$1,131.19. The declines likely reflect the impact of the UAW strikes slowing not only the Detroit Three auto manufacturers but also their suppliers.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Sep 2023	Aug 2023	Sep 2022	Change from Aug		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	167,929	167,839	164,619	90	0.1%	3,310	2.0%
Employment	161,570	161,484	158,850	86	0.1	2,720	1.7
Unemployment	6,359	6,355	5,769	4	0.1	590	10.2
Unemployment Rate	3.8%	3.8%	3.5%	--	--	--	--
Michigan	Sep 2023	Aug 2023	Sep 2022	Change from Aug		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,990	4,967	4,836	23	0.5%	153	3.2%
Employment	4,797	4,784	4,626	14	0.3	171	3.7
Unemployment	192	183	210	9	5.0	(18)	(8.5)
Unemployment Rate	3.9%	3.7%	4.3%	--	--	--	--

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



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Sep 2023	Aug 2023	Sep 2022	Change from Aug		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,429	4,443	4,381	(14)	(0.3%)	48	1.1%
Goods Producing Industries	805	807	798	(2)	(0.3)	7	0.9
Mining and Logging	8	8	7	0	0.0	0	5.6
Construction	191	192	185	(1)	(0.5)	6	3.4
Manufacturing	606	607	605	(1)	(0.2)	1	0.1
Transportation Equipment	187	186	186	0	0.1	1	0.5
Service Producing Industries	3,624	3,636	3,584	(12)	(0.3)	40	1.1
Trade, Transportation & Utilities	813	813	809	1	0.1	5	0.6
Wholesale Trade	180	181	174	(1)	(0.4)	7	3.9
Retail Trade	457	456	456	0	0.1	0	0.1
Transportation & Utilities	177	175	179	1	0.7	(3)	(1.4)
Information	57	57	57	0	0.7	(0)	(0.2)
Financial Activities	229	229	232	0	0.0	(4)	(1.5)
Professional & Business Services	659	662	659	(3)	(0.4)	(1)	(0.1)
Education & Health Services	679	683	664	(4)	(0.6)	15	2.2
Leisure & Hospitality Services	412	417	406	(6)	(1.4)	6	1.5
Other Services	161	162	165	(1)	(0.6)	(5)	(2.8)
Government	616	615	592	1	0.1	24	4.0

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 2023	Year Ago	Percent Change	Sep 2023	Year Ago	Percent Change
Construction	39.9	40.4	(1.2%)	\$1,404.48	\$1,300.48	8.0%
Manufacturing	40.1	42.3	(5.2)	1,043.80	1,077.80	(3.2)
Durable Goods	40.8	42.9	(4.9)	1,096.30	1,130.42	(3.0)
Transportation Equipment Mfg.	38.7	45.6	(15.1)	1,129.65	1,339.73	(15.7)
Motor Vehicle Parts Mfg.	41.0	42.5	(3.5)	1,131.19	1,193.83	(5.2)
Nondurable Goods	38.1	40.7	(6.4)	890.78	930.00	(4.2)
Wholesale Trade	38.6	39.1	(1.3)	1,240.99	1,222.66	1.5
Retail Trade	29.0	29.2	(0.7)	552.16	528.96	4.4
Information	37.1	37.2	(0.3)	1,451.72	1,216.81	19.3
Financial Activities	36.2	36.2	0.0	1,036.41	1,006.00	3.0
Professional & Business Services	35.5	35.3	0.6	1,049.03	1,067.12	(1.7)
Health Care & Social Assistance	32.3	31.8	1.6	841.09	812.17	3.6
Leisure & Hospitality	22.7	22.3	1.8	398.16	375.76	6.0
Accommodation & Food Services	23.1	22.6	2.2	404.94	380.13	6.5

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 2023	Aug 2023	July 2023	Sep 2022
Metropolitan Statistical Areas				
Ann Arbor	3.5%	3.9%	4.0%	3.6%
Battle Creek	4.4	4.8	5.1	4.6
Bay City	4.4	4.9	5.2	4.5
Detroit-Warren-Dearborn	3.8	4.1	3.9	3.5
Flint	4.9	5.3	5.5	5.2
Grand Rapids-Wyoming	3.3	3.6	3.8	3.4
Jackson	3.9	4.4	4.6	4.0
Kalamazoo-Portage	3.9	4.3	4.5	4.0
Lansing-East Lansing	3.7	4.1	4.4	3.9
Midland	3.8	4.1	4.2	4.0
Monroe	4.2	4.4	4.6	4.4
Muskegon	4.5	4.8	5.2	4.9
Niles-Benton Harbor	4.2	4.5	4.7	4.2
Saginaw	4.9	5.3	5.6	5.1
Multi-County Areas				
Northeast Lower Michigan	4.9	5.4	5.8	5.2
Northwest Lower Michigan	3.9	4.0	4.2	4.0
Upper Peninsula	4.2	4.8	5.2	4.4
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	3.9	4.2	4.3	3.8
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)							
	Sep 2023	Aug 2023	July 2023	June 2023	Year Ago Sep	Percent Change From:	
						Sep/Aug	Sep 2023/ Sep 2022
Motor Vehicle Sales¹⁾							
Autos	3,220	3,099	3,214	3,134	2,873	3.9%	12.1%
Domestics	2,335	2,277	2,386	2,328	2,039	2.5	14.5
Imports	885	822	828	806	834	7.7	6.1
Import Share	27.5%	26.5%	25.8%	25.7%	29.0%	----	----
Light Trucks	12,463	12,171	12,729	12,925	10,828	2.4	15.1
Domestics	9,719	9,650	10,075	10,316	8,747	0.7	11.1
Imports	2,744	2,521	2,654	2,609	2,081	8.8	31.9
Import Share	22.0%	20.7%	20.9%	20.2%	19.2%	----	----
Subtotal: Light Vehicle Sales	15,683	15,270	15,943	16,059	13,701	2.7	14.5
Heavy Trucks	501	544	504	548	490	(7.9)	2.2
Total Vehicle Sales	16,184	15,814	16,447	16,607	14,191	2.3	14.0
U.S. Motor Vehicle Production¹⁾							
Autos	1,834	1,921	1,787	1,723	1,828	(4.6)	0.3
Michigan Motor Vehicle Production²⁾							
Autos	200	232	178	173	184	(13.8)	8.3
Trucks	1,784	2,005	2,050	2,048	2,046	(11.0)	(12.8)
Total	1,984	2,237	2,227	2,221	2,231	(11.3)	(11.1)
Michigan Production as % of U.S.	18.5%	20.4%	19.9%	19.1%	20.8%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 31,784	\$ 30,706	\$ 30,792	\$ 31,790	\$ 32,606	3.5	(2.5)
Domestic	\$ 27,715	\$ 27,506	\$ 27,496	\$ 28,552	\$ 29,546	0.8	(6.2)
Foreign	\$ 42,524	\$ 39,571	\$ 40,287	\$ 41,216	\$ 40,085	7.5	6.1
Inventory-to-Sales Ratio	1.071	0.959	0.753	0.801	0.666	11.7	60.8
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.							

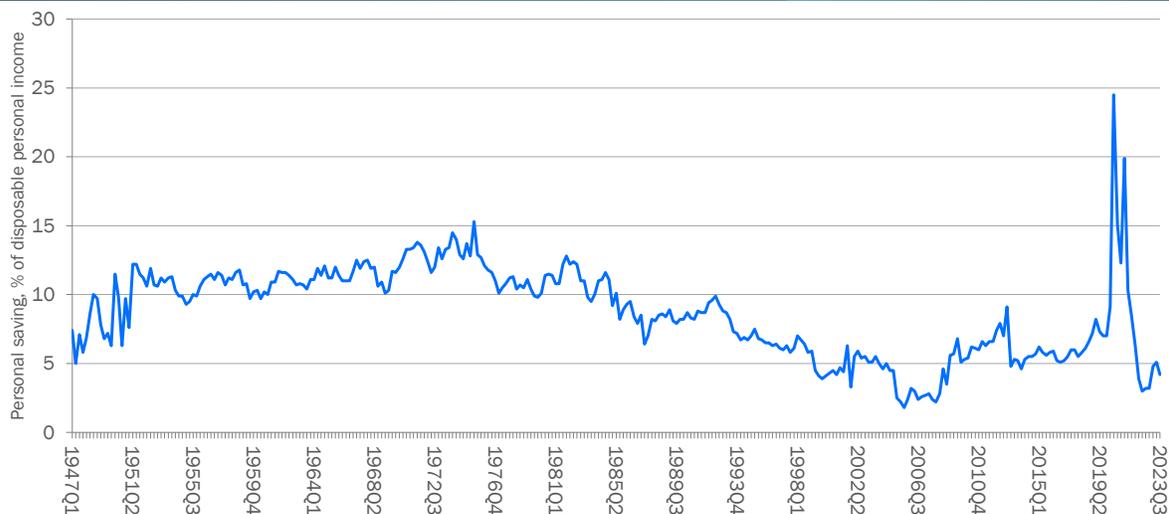


OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period ⁹⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Sep	68.1	69.5	58.6	(2.0%)	16.2%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Sep	\$89.43	\$81.39	\$84.26	9.9	6.1
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Sep	1,346	1,305	1,463	3.1	(8.0)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Sep	\$613.1	\$608.4	\$594.1	0.8	3.2
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	Sep	103.4	103.3	103.5	0.1	(0.2)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Sep	79.5	79.5	80.8	(0.0)	(1.7)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Sep	307.5	306.3	296.5	4.9	3.7
Detroit (not seasonally adjusted)	Aug	287.5	285.6	271.6	3.9	5.9
Interest Rates						
3-month Treasury Bill ⁴⁾	Sep	5.56%	5.49%	3.22%	--	--
30-year Conventional Mortgage ⁶⁾	Sep	7.20%	7.07%	6.11%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2017 \$, SAAR, Chain-Weighted)	2023 3rd Quarter	\$22,506.4	\$22,225.4	\$21,851.1	5.2	3.0
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	Sep	\$3,681.9	\$2,674.7	\$3,804.1	NM	(3.2)

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) 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.

Saving Rates Revisiting Post-World War II Lows After Spiking Early in the Pandemic, Now Below Pre-Pandemic Averages



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