



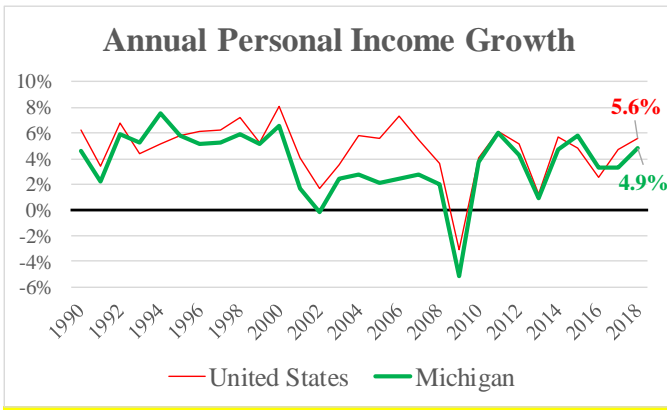
MICHIGAN ECONOMIC UPDATE

Office of Revenue and Tax Analysis
Michigan Department of Treasury

<http://www.michigan.gov/treasury>

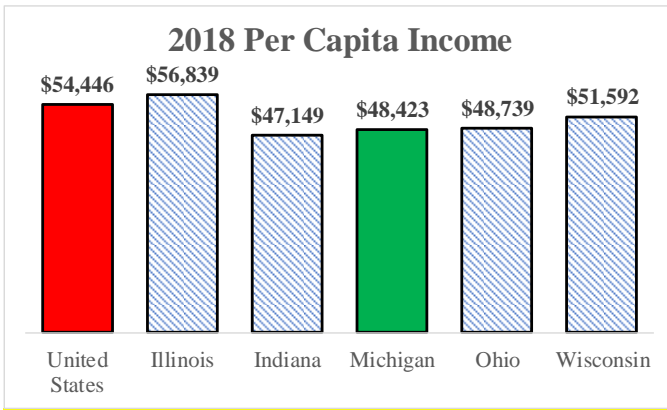
Summarizing Economic Data for Aug 2019 (published 09/27/2019)

State Personal Income Comparisons ^(c)



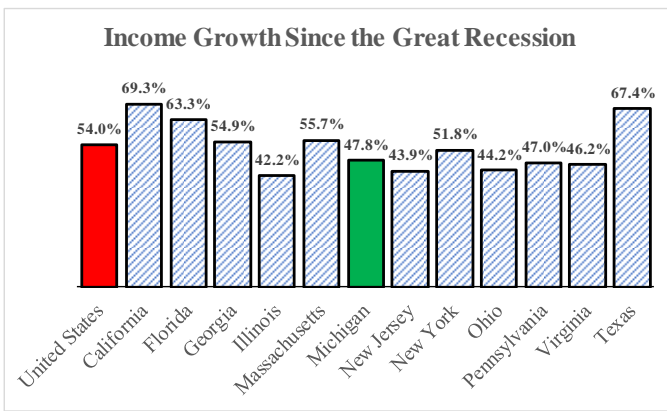
Annual Personal Income

- In 2018, Michigan personal income rose for the ninth straight year.
- At 4.9 percent, Michigan's 2018 personal income growth ranked 38th among U.S. states. Nationally, personal income grew 5.6 percent.
- In 2018, Michigan's overall personal income totaled \$484.0 billion – accounting for 2.7 percent of total U.S. personal income and ranking 12th largest among U.S. states.



Annual Per Capita Income

- Michigan per capita income rose 4.7 percent in 2018 – ranking 29th among U.S. states.
- In 2018, Michigan per capita income equaled \$48,423 – ranking 32nd among U.S. states and fourth among the five Great Lakes states.
- As a percent of U.S. per capita income, Michigan's 2018 per capita income equaled 88.9 percent – below the median percentage among the 50 states for the 14th consecutive year.

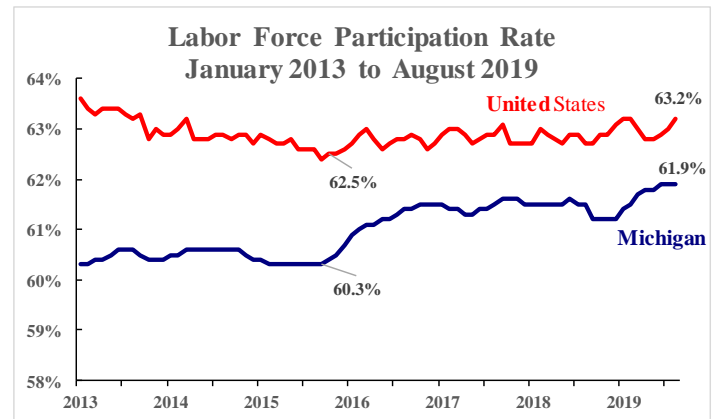
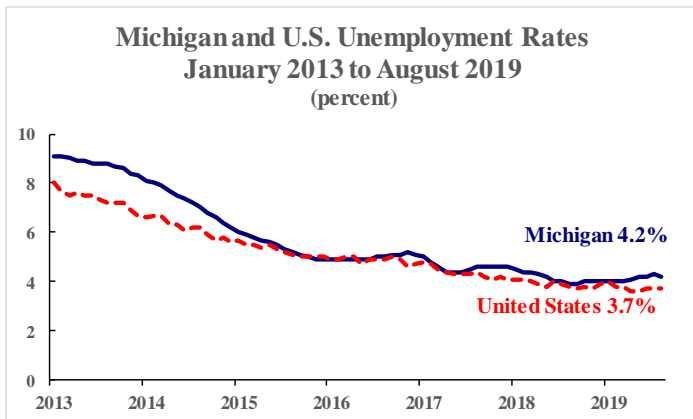


Quarterly Personal Income

- Between 2019Q1 and 2019Q2, Michigan personal income grew at 5.1 percent annual rate – ranking 22nd among U.S. states.
- Compared to a year ago, Michigan quarterly personal income rose 4.1 percent – ranking 36th among the 50 states. Between 2010Q1 and 2019Q2, Michigan personal income has risen from a year ago in all but one quarter.
- Between 2009Q2 (the end of the Great Recession) and 2019Q2, Michigan personal income has risen 47.8 percent – ranking 26th among all states and seventh among the largest 12 states (see graph on the left).

Household Unemployment and Employment

- In August 2019, the Michigan unemployment rate fell 0.1 of a percentage point to 4.2 percent. In August 2019, the national unemployment remained unchanged at 3.7 percent.
- Compared to a year ago, Michigan’s unemployment rate rose 0.3 of a percentage point. Over the past year, Michigan household employment rose by 50,000 persons. However, since last August, the State’s labor force participation rate (the share of the working-age population who are either working or looking for work) rose 0.4 of a percentage point. With the higher participation rate, Michigan’s labor force rose by 69,000 persons. Thus, the number of Michigan’s unemployed increased by 19,000 and the State’s unemployment rate rose by 0.3 of a percentage point.
- The August 2019 U.S. unemployment rate decreased 0.1 of a percentage point from a year ago. Monthly unemployment rates fluctuate in part due to statistical sampling errors and data revisions.
- In August, the total number of people employed in Michigan rose 4,000 persons to 4,753,000 persons. The State labor force was up 2,000 persons. The statewide total number of unemployed workers fell 1,000 persons.
- United States employment totaled 157.9 million persons in August 2019. The labor force totaled 163.9 million and there were 6.0 million unemployed in August.



Source: Michigan Dept. of Technology, Management & Budget and Bureau of Labor Statistics, U.S. Dept. of Labor

Employment by Place of Residence (in thousands)^(a)

	<u>Annual 2018</u>	<u>Jun 2019</u>	<u>Jul 2019</u>	<u>Aug 2019</u>	<u>Chg Fr Mo Ago Level</u>	<u>Chg Fr Mo Ago %</u>	<u>Chg Fr Yr Ago Level</u>	<u>Chg Fr Yr Ago %</u>	<u>Three Month Average</u>
Michigan									
Labor Force	4,902	4,958	4,961	4,963	2	0.0%	69	1.4%	4,961
Employed	4,699	4,748	4,749	4,753	4	0.1%	50	1.1%	4,750
Unemployed	203	210	212	211	-1	-0.5%	19	10.3%	211
Unemployment Rate	4.1%	4.2%	4.3%	4.2%	n.a.	-0.1% pts	n.a.	0.3% pts	4.2%
United States									
Labor Force	162,075	162,981	163,351	163,922	571	0.3%	2,120	1.3%	163,418
Employed	155,761	157,005	157,288	157,878	590	0.4%	2,274	1.5%	157,390
Unemployed	6,314	5,975	6,063	6,044	-19	-0.3%	-153	-2.5%	6,027
Unemployment Rate	3.9%	3.7%	3.7%	3.7%	n.a.	0.0% pts	n.a.	-0.1% pts	3.7%

- From August 2018 to August 2019, Michigan payroll employment increased by 16,000 jobs (0.4 percent). State payroll employment rose by 6,100 jobs in August from July. Nationally, August 2019 payroll employment rose 2,074,000 (1.4 percent) from a year ago. National employment rose 130,000 jobs in August.

Payroll Employment Growth August 2018 to August 2019



Source: Bureau of Labor Statistics, Michigan Department of Technology, Management & Budget

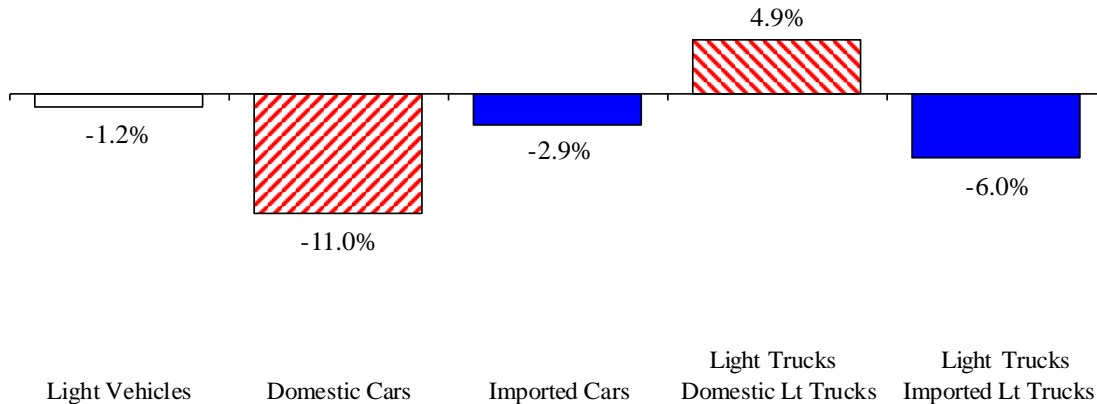
- In the goods-producing sector, Michigan payroll employment increased 0.3 percent in August from a year ago; employment in the private service-providing sector rose 0.3 percent. From a year ago, August national payroll employment rose 1.5 percent in the goods-producing sector and increased 1.6 percent in the private service-providing sector.
- At 42.8 hours, manufacturing weekly hours in Michigan were down 0.3 hours from last year.

Wage and Salary (Payroll) Employment (in thousands)^(b)

	MI				US			
	2018 Annual	August 2018	August 2019	Percent Change	2018 Annual	August 2018	August 2019	Percent Change
Wage & Salary Employment	4,418.6	4,431.4	4,447.4	0.4%	149,074	149,467	151,541	1.4%
Goods Producing	806.2	809.4	811.5	0.3%	20,710	20,794	21,114	1.5%
Manufacturing	629.8	631.2	632.9	0.3%	12,689	12,715	12,853	1.1%
Private Service Providing	3,006.0	3,011.1	3,018.8	0.3%	105,916	106,179	107,836	1.6%
Trade, Trans. & Utilities	791.4	793.7	787.4	-0.8%	27,659	27,693	27,806	0.4%
Services	1,939.8	1,942.5	1,950.9	0.4%	66,859	67,077	68,508	2.1%
Local, State & Fed. Gov't	606.5	610.9	617.1	1.0%	22,449	22,494	22,591	0.4%
Manufacturing Weekly Hours	43.4	43.1	42.8	-0.3 hrs	42.2	42.2	41.6	-0.6 hrs

- August 2019 U.S. light vehicle sales rose 0.7 percent from July 2019 and were also up 0.7 percent from August 2018. August 2019 marked the 66th straight month that the light vehicle annualized sales rate exceeded 16.0 million units. In August 2019, the sales rate equaled 17.0 million units.
- U.S. sales of domestic light vehicles were up 0.3 percent between August 2018 and August 2019. Foreign sales rose 2.0 percent over the same period. As a result, the foreign share of U.S. light vehicle sales increased 0.3 of a percentage point to 22.6 percent in August 2019.
- Auto sales decreased 9.7 percent compared to last August, while light truck sales were up 5.1 percent from August 2018. As a result, August 2019 marked the 7th straight month in which the light truck share of total sales exceeded 70.0 percent. Year-over-year (y-o-y), heavy truck sales grew for the 27th straight month in August 2019 but slowed to 5.7 percent – the slowest y-o-y growth in 26 months.

August 2019 Year-to-Date Light Vehicle Sales Down from Last Year



Motor Vehicle Sales Statistics

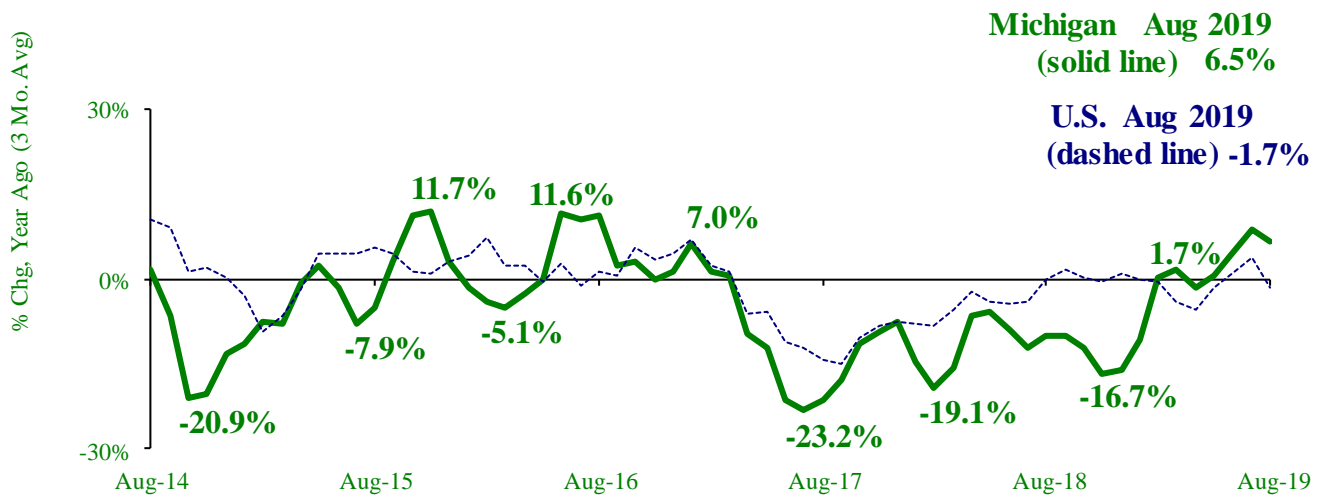
(Millions, Seasonally Adjusted Rates, unless otherwise specified)

	2018 Total	Jun 2019	Jul 2019	Aug 2019	3 Month Average	Aug Chg fr Yr Ago Level	Aug Chg fr Yr Ago %
Motor Vehicle Sales^(c)							
Autos	5.3	4.9	4.6	4.6	4.7	(0.5)	-9.7%
Domestics	4.1	3.6	3.4	3.4	3.4	(0.5)	-13.3%
Imports	1.2	1.3	1.2	1.2	1.3	0.0	2.5%
Import Share	22.9%	27.2%	27.0%	25.9%	26.7%	3.1% pts	
Light Trucks	11.9	12.3	12.2	12.4	12.3	0.6	5.1%
Domestics	9.2	9.8	9.7	9.7	9.8	0.6	6.0%
Imports	2.8	2.5	2.5	2.6	2.5	0.0	1.8%
Import Share	23.1%	20.0%	20.5%	21.4%	20.6%	-0.7% pts	
Total Light Vehicles	17.2	17.2	16.8	17.0	17.0	0.1	0.7%
Heavy Trucks	0.5	0.5	0.6	0.5	0.5	0.0	5.7%
Total Vehicles	17.7	17.7	17.4	17.5	17.5	0.1	0.8%

	2018 Average	May-19	Jun-19	Jul-19	3 Month Average	Chg fr Year Ago Level	Chg fr Year Ago %
Retail Inventories, Motor Vehicle and Parts Dealers (billions of dollars)^(d)							
Inventories	\$229.7	\$243.7	\$243.0	\$246.7	\$244.5	\$17.6	7.7%
Inventory/Sales Ratio	2.29	2.35	2.33	2.36	2.35	0.09	

- At 183,223 units, August 2019 Michigan motor vehicle production was up 7.4 percent from August 2018. National production was down 5.3 percent from last August. The three-month average of vehicle production (June 2019-August 2019) was up 6.5 percent in Michigan and down 1.7 percent nationally, compared to a year ago.
- In August 2019, Michigan car production was down 31.9 percent from a year ago while State truck production increased 16.0 percent. Nationally, August car production decreased 11.2 percent while U.S. truck production was down 3.4 percent.
- Michigan's share of national vehicle production rose 2.3 percentage points in August 2019 from its year-ago level to 18.9 percent. Michigan's share of car production decreased 2.7 percentage points while the State's share of truck production was up 3.6 percentage points.

Michigan Three-Month Average Vehicle Production Up from Last Year



Motor Vehicle Production Statistics

(Thousands, unless otherwise specified)

	2018 Monthly Average	Jun 2019	Jul 2019	Aug 2019	3 Month Average	Aug Level Chg fr Yr Ago	Aug % Chg fr Yr Ago
U.S. Production ^(e)							
Autos	246.2	208.8	164.3	227.0	200.0	(28.7)	-11.2%
Trucks	675.6	689.1	556.0	744.2	663.1	(25.8)	-3.4%
Total	921.8	897.9	720.3	971.2	863.1	(54.6)	-5.3%
Michigan Production ^(f)							
Autos	34.8	20.6	11.3	20.8	17.6	(9.7)	-31.9%
Trucks	117.9	143.7	115.2	162.4	140.4	22.4	16.0%
Total	152.7	164.3	126.5	183.2	158.0	12.6	7.4%
Michigan as % of U.S.	16.6%	18.3%	17.6%	18.9%	18.3%	2.3% pts	

	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	Change from Year Ago
KEY ECONOMIC INDICATORS					
Consumer Sentiment ^(h)	100.0	98.2	98.4	89.8	-6.4 points
ISM Manufacturing Index ⁽ⁱ⁾	52.1	51.7	51.2	49.1	-11.7 points
ISM Non Manufacturing Index ⁽ⁱ⁾	56.9	55.1	53.7	56.4	-2.4 points
	<u>2018.3</u>	<u>2018.4</u>	<u>2019.1</u>	<u>2019.2</u>	
Business Executives' Confidence ⁽ⁱ⁾	55.0	42.0	43.0	43.0	-20.0 points
INFLATION ^(k)					
1982-84 = 100 (CPI)	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	Change from Year Ago
Nov 2009 = 100 (PPI)					
U.S. Consumer Price Index	256.1	256.1	256.6	256.6	1.7%
Detroit CPI	NA	234.9	NA	236.4	1.4%
U.S. Producer Price Index	118.3	118.6	118.8	118.7	1.8%
INTEREST RATES					
90 Day T-Bill ^(l)	2.35%	2.17%	2.10%	1.95%	-0.08% points
10 Year Treasury Securities ^(l)	2.40%	2.07%	2.06%	1.63%	-1.26% points
INDUSTRIAL PRODUCTION ^(l)					
	109.2	109.4	109.2	109.9	0.4%
CAPACITY UTILIZATION ^(l)					
	77.8%	77.8%	77.5%	77.9%	-1.4% points
RETAIL SALES ^(d)					
	\$518.1	\$520.1	\$524.2	\$526.1	4.1%
HOUSING STARTS and SALES					
(Millions Annual Rate)	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	% Change From Year Ago
Housing Starts ^(d)	1.264	1.233	1.215	1.364	6.6%
Existing Home Sales ^(m)	5.360	5.290	5.420	5.490	2.6%
DURABLE GOODS ORDERS ^(p)					
	\$240.9	\$245.2	\$250.2	\$250.7	-3.0%
PERSONAL INCOME ^(c)					
(Billions, Seasonally Adj & Annualized)	<u>2018.3</u>	<u>2018.4</u>	<u>2019.1</u>	<u>2019.2</u>	% Change From Year Ago
Michigan	\$486.5	\$489.6	\$494.9	\$501.1	4.1%
U.S.	\$17,918.9	\$18,077.7	\$18,352.7	\$18,596.2	4.9%
GROSS DOMESTIC PRODUCT ^(c)					
(Billions of Chained 2012 Dollars, Seasonally Adj & Annualized)	<u>2018.3</u>	<u>2018.4</u>	<u>2019.1</u>	<u>2019.2</u>	Annualized % Chg From Last Qtr
	\$18,732.7	\$18,783.5	\$18,927.3	\$19,021.9	2.0%

- (a) Seasonally adjusted. Sources: Bureau of Labor Statistics, U.S. Department of Labor and Michigan Department of Technology, Management and Budget.
- (b) Bureau of Labor Statistics, U.S. Department of Labor (BLS 790).
- (c) Bureau of Economic Analysis, U.S. Department of Commerce.
- (d) Bureau of the Census, U.S. Department of Commerce
- (e) Automotive News.
- (f) Michigan Department of Treasury.
- (g) Michigan Department of Technology, Management and Budget.
- (h) University of Michigan Survey of Consumers.
- (i) Institute for Supply Management (ISM), formerly NAPM.
- (j) The Conference Board.
- (k) Bureau of Labor Statistics, U.S. Department of Labor.
- (l) Seasonally adjusted rates (except interest rates). Federal Reserve System Board of Governors. 2007 equals 100. Treasury bill rate (secondary market).
- (m) National Association of Realtors.