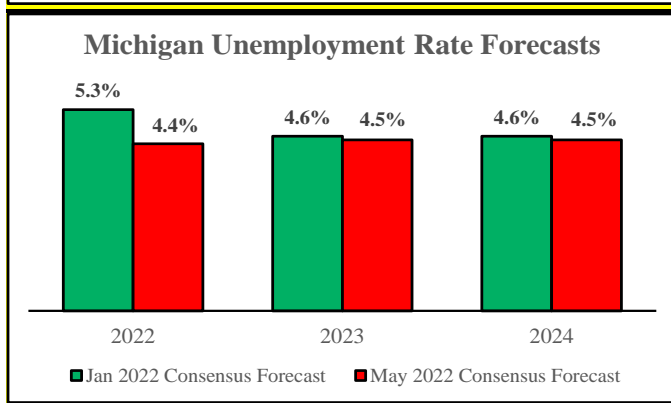
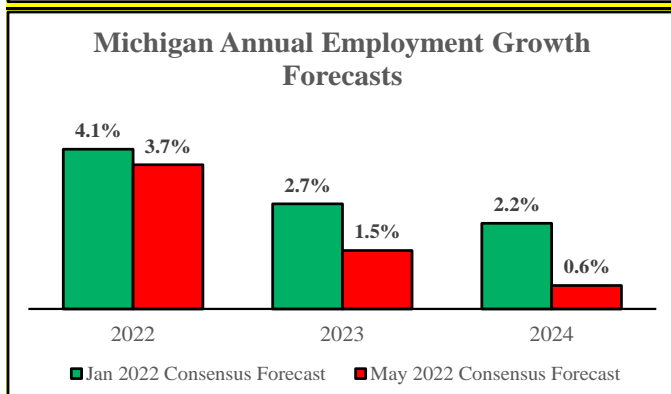
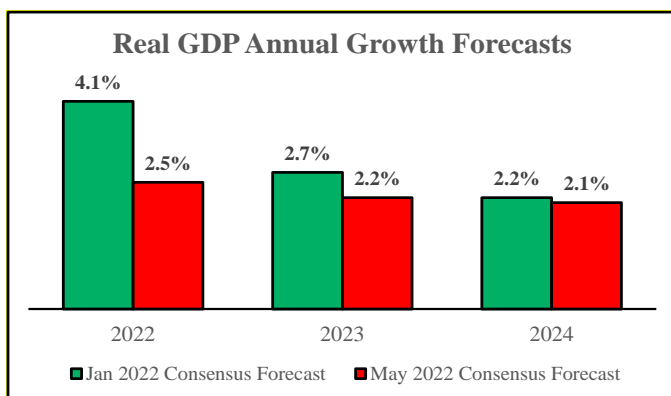


## May 2022 Consensus Conference Economic Forecast

On May 20, 2022, the Administration, House Fiscal Agency and Senate Fiscal Agency met and agreed to a revised consensus economic forecast for calendar year (CY) 2022, 2023 and 2024. Below are highlights of that consensus agreement <sup>(n)</sup> The May 2022 Consensus projects significantly slower economic activity than had been forecasted in January 2022:



### U.S. Economy

- As shown on the left, after rising 5.7 percent in 2021, real GDP growth is forecast to rise 2.5 percent. Real GDP then grows a projected 2.2 percent in 2023 and 2.1 percent in 2024.
- After declining to 5.3 percent in 2021, the U.S. unemployment rate is forecast to fall to 3.6 percent in 2022, and then rise to 3.8 percent in 2023 and 3.9 percent in 2024.
- After rising to 14.9 million units in 2021, light vehicle sales are forecast to total 15.2 million in 2022, 16.4 million in 2023 and 17.0 million in 2024.

### Michigan Employment

- After plummeting 9.1 percent in 2020, Michigan employment rose 3.8 percent in 2021.
- As shown on the left, Michigan employment is forecast to increase 3.7 percent in 2022, 1.5 percent in 2023 and 0.6 percent in 2024. Projected 2024 Michigan employment would be nearly equal to the actual 2019 Michigan employment level.

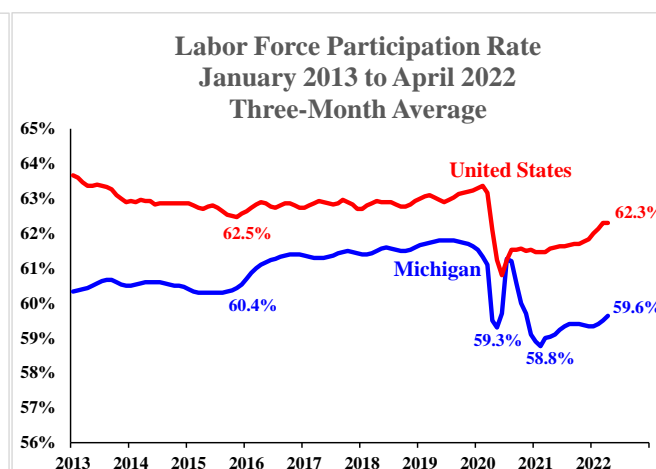
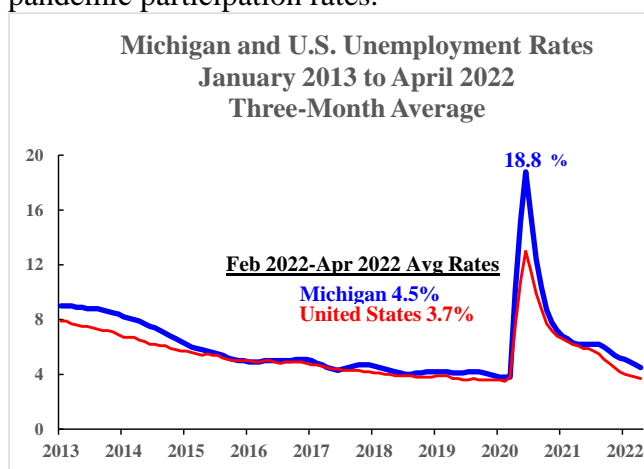
### Michigan Unemployment Rate

- After soaring to 10.0 percent in 2020, Michigan's average annual unemployment rate fell to 5.9 percent in 2021.
- As shown on the left, Michigan's unemployment rate is projected to decline to 4.4 percent in 2022 before rising, in 2023, to 4.5 percent, where it is projected to remain in 2024.

# April 2022 Summary

## Unemployment Rate Estimates

- The monthly Michigan unemployment rate estimate fell to 4.3 percent in April. The three-month average of the Michigan unemployment rate is 4.5 percent for April. Compared to last April, the three-month average is down 1.7 percentage points. Compared to the pre-pandemic February 2020 rate, the current average is up 0.7 of a percentage point.
- The average number of people employed in Michigan between January 2022-March 2022 was 137,200 lower than the number employed in February 2020. Compared to the three-month average of people employed between February 2021-April 2021, the current three-month average is up 143,300 people. The February 2022-April 2022 average of people unemployed is 29,600 people higher than the number of unemployed in February 2020.
- The U.S. unemployment rate was unchanged at 3.6 percent in April. April's national jobless rate is 2.4 percentage points lower than the March 2021 rate (6.0 percent), and just 0.1 of a percentage point higher than its February 2020 rate (3.5 percent).
- Both the Michigan and U.S. labor force participation rates remain significantly lower than their pre-pandemic participation rates.



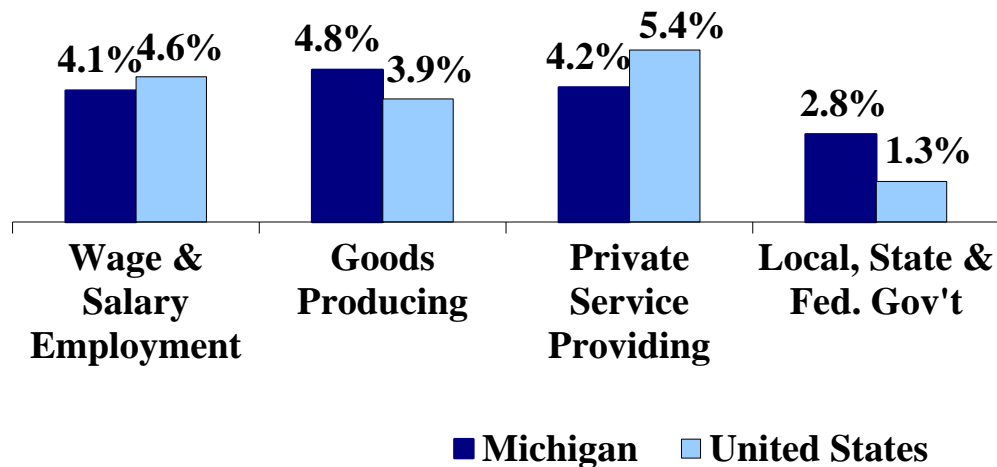
### Employment by Place of Residence (in Thousands)<sup>(a)</sup>

	<u>Annual</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>Chg Fr</u>	<u>Chg Fr</u>	<u>Chg Fr</u>	<u>Chg Fr</u>	<u>Three</u> <u>Month</u> <u>Average</u>
	<u>2021</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>Mo Ago</u>	<u>Mo Ago</u>	<u>Yr Ago</u>	<u>Yr Ago</u>	
					<u>Level</u>	<u>%</u>	<u>Level</u>	<u>%</u>	
<b>Michigan</b>									
Labor Force	4,776	4,804	4,819	4,833	14	0.3%	70	1.5%	4,819
Employed	4,496	4,576	4,605	4,624	19	0.4%	159	3.6%	4,602
Unemployed	280	228	214	209	-5	-2.3%	-88	-29.7%	217
Unemployment Rate	5.9%	4.7%	4.4%	4.3%	n.a.	-0.1% pts	n.a.	-1.9% pts	4.5%
<b>United States</b>									
Labor Force	161,204	163,991	164,409	164,046	-363	-0.2%	3,068	1.9%	164,149
Employed	152,581	157,722	158,458	158,105	-353	-0.2%	6,846	4.5%	158,095
Unemployed	8,623	6,270	5,952	5,941	-11	-0.2%	-3,778	-38.9%	6,054
Unemployment Rate	5.3%	3.8%	3.6%	3.6%	n.a.	0.0% pts	n.a.	-2.4% pts	3.7%

## Employment by Place of Work (Payroll)

- Compared to April 2021, Michigan payroll employment was up by 171,800 jobs (4.1 percent). State payroll employment fell by 1,600 jobs in April 2022 from March 2022. Nationally, April 2022 payroll employment was up by 6.6 million jobs (4.6 percent) from a year ago. National employment rose 428,000 jobs in April.

### Payroll Employment Growth



- In the goods-producing sector, Michigan payroll employment increased 4.8 percent in April from a year ago; employment in the private service-providing sector rose 4.2 percent. From a year ago, April national payroll employment rose 3.9 percent in the goods-producing sector and increased 5.4 percent in the private service-providing sector.
- At 41.1 hours, manufacturing weekly hours in Michigan were up 1.4 hours from last year.

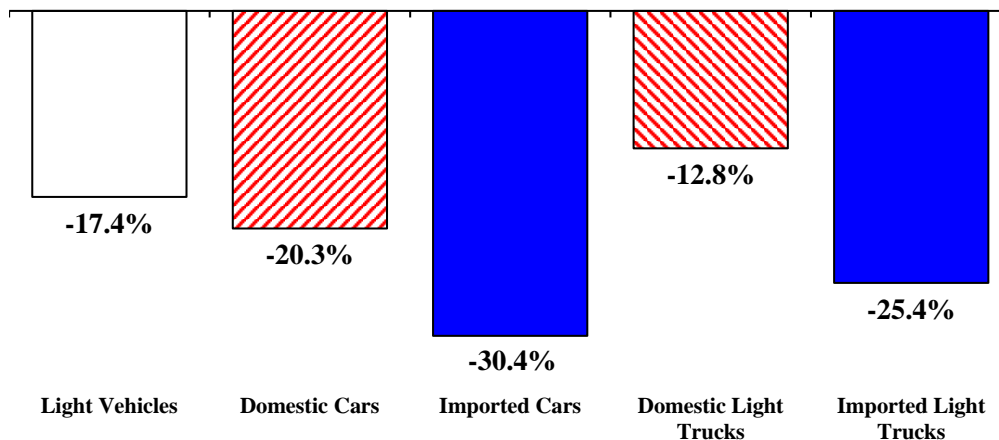
#### Wage and Salary (Payroll) Employment (in thousands)<sup>(b)</sup>

	MI				US			
	2021 <u>Annual</u>	MI Apr <u>2021</u>	MI Apr <u>2022</u>	Percent <u>Change</u>	2021 <u>Annual</u>	US Apr <u>2021</u>	US Apr <u>2022</u>	Percent <u>Change</u>
Wage & Salary Employment	4,193.5	4,153.8	4,325.6	4.1%	141,308	144,694	151,314	4.6%
Goods Producing	766.8	753.0	789.1	4.8%	19,397	20,187	20,970	3.9%
Manufacturing	583.7	568.7	602.1	5.9%	12,294	12,240	12,729	4.0%
Private Service Providing	2,853.2	2,831.5	2,951.5	4.2%	99,604	102,597	108,155	5.4%
Trade, Trans. & Utilities	777.3	774.6	800.3	3.3%	27,319	27,527	28,725	4.4%
Services	1,791.6	1,772.5	1,860.3	5.0%	61,491	63,535	67,538	6.3%
Local, State & Fed. Gov't	573.5	569.3	585.0	2.8%	22,307	21,910	22,189	1.3%
Manufacturing Weekly Hours	40.8	39.7	41.1	1.4 hrs	42.7	41.6	41.4	-0.2 hrs

# Motor Vehicle Sales Down From Last Year

- The U.S. light vehicle sales rate, while still constrained by supply chain shortages, rose to 14.3 million units in April. Compared to last April, sales were down 22.0 percent.
- U.S. sales of domestic light vehicles fell 17.0 percent from last April while foreign sales declined 36.8 percent. In April 2022, at 20.1 percent, the foreign share of U.S. light vehicle sales was down 4.7 percentage points from a year earlier.
- Auto sales decreased 27.0 percent compared to last April, while light truck sales declined 20.5 percent from April 2021. Year-over-year (y-o-y), heavy truck sales were down 8.4 percent from last April.
- In March 2022 (the most recent month for which inventory data are available), retail vehicle inventories were down 3.1 percent from last March –the smallest percentage year-over-year decline over the past 24 months of consecutive y-o-y declines.

## Year-to-Date 2022 Vehicle Sales Down From Year Ago



## Motor Vehicle Sales Statistics

(Millions, Seasonally Adjusted Rates, unless otherwise specified)

	2021 <u>Total</u>	Feb 2022 <u>2022</u>	Mar 2022 <u>2022</u>	Apr 2022 <u>2022</u>	3 Month Average <u>Average</u>	Apr Chg fr Yr Ago Level	Apr Chg fr Yr Ago %
Autos	3.4	2.9	2.7	3.0	2.9	(1.1)	-27.0%
Domestics	2.4	2.1	2.0	2.2	2.1	(0.7)	-23.2%
Imports	1.0	0.8	0.7	0.8	0.7	(0.4)	-36.2%
Import Share	29.1%	27.2%	24.7%	25.6%	25.9%	-3.7% pts	
Light Trucks	11.6	11.1	10.7	11.3	11.0	(2.9)	-20.5%
Domestics	9.0	8.7	8.5	9.2	8.8	(1.7)	-15.4%
Imports	2.6	2.3	2.2	2.1	2.2	(1.2)	-37.1%
Import Share	22.3%	21.2%	21.0%	18.7%	20.3%	-4.9% pts	
Total Light Vehicles	14.9	14.0	13.4	14.3	13.9	(4.0)	-22.0%
Heavy Trucks	0.5	0.5	0.5	0.4	0.5	(0.0)	-8.4%
Total Vehicles	15.4	14.4	13.9	14.7	14.3	(4.1)	-21.6%

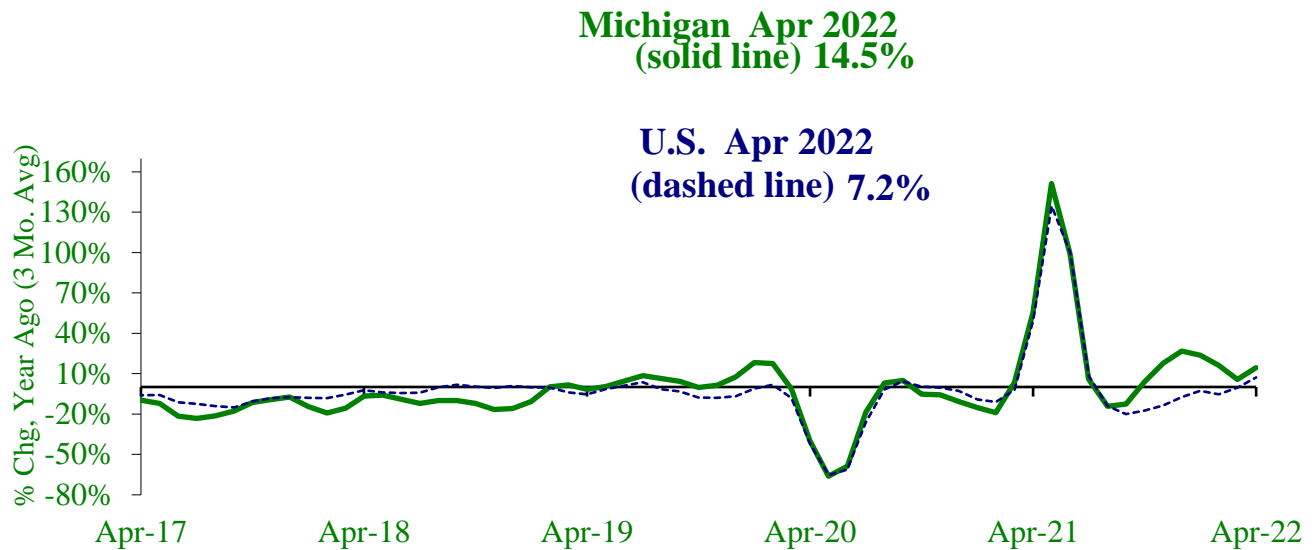
## Retail Inventories, Motor Vehicle and Parts Dealers (billions of dollars) <sup>(d)</sup>

	2021 <u>Average</u>	Jan-22 <u>Jan-22</u>	Feb-22 <u>Feb-22</u>	Mar-22 <u>Mar-22</u>	3 Month Average <u>Average</u>	Chg fr Year Ago Level	Chg fr Year Ago %
Inventories	\$162.2	\$165.7	\$168.1	\$170.8	\$168.2	-\$5.5	-3.1%
Inventory/Sales Ratio	1.32	1.28	1.28	1.32	1.29	-0.02	

# Michigan Vehicle Production Up from Year Ago

- Michigan vehicle production rose 36.0 percent from April 2021 while national vehicle production increased 19.6 percent from last April. In April 2022, Michigan vehicle production totaled 178,631 units.
- In April 2022, auto production rose 87.1 percent year-over-year (y-o-y) in Michigan and up 8.3 percent nationally; truck production increased 33.5 percent in Michigan and up 22.4 percent nationally.
- Comparing the three-month average of vehicle production in February 2022-April 2022 to production in February 2021-April 2021, Michigan’s average production was up 14.5 percent while average production was up 7.2 percent nationally.

## Three-Month Average of Michigan Vehicle Production Up from Year Ago in March



### Motor Vehicle Production Statistics

(Thousands, unless otherwise specified)

	2021 Monthly Average	Feb 2022	Mar 2022	Apr 2022	3 Month Average	Apr Level Chg fr Yr Ago	Apr % Chg fr Yr Ago
<b>U.S. Production <sup>(e)</sup></b>							
Autos	138.4	132.0	168.3	152.6	151.0	11.6	8.3%
Trucks	621.5	614.6	805.4	699.2	706.4	128.0	22.4%
Total	759.9	746.6	973.8	851.8	857.4	139.6	19.6%
<b>Michigan Production <sup>(f)</sup></b>							
Autos	11.1	11.2	15.4	11.2	12.6	5.2	87.1%
Trucks	143.4	142.3	192.3	167.4	167.3	42.0	33.5%
Total	154.4	153.5	207.7	178.6	179.9	47.3	36.0%
Michigan as % of U.S.	20.3%	20.6%	21.3%	21.0%	21.0%	2.6% pts	

# U.S. Economic Conditions

	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>Change from Year Ago</u>
<b>KEY ECONOMIC INDICATORS</b>					
Consumer Sentiment <sup>(h)</sup>	67.2	62.8	59.4	65.2	-23.1 points
ISM Manufacturing Index <sup>(i)</sup>	57.6	58.6	57.1	55.4	-5.2 points
ISM Non Manufacturing Index <sup>(i)</sup>	59.9	56.5	58.3	57.1	-5.6 points
<b>INFLATION <sup>(k)</sup></b>					
<b>1982-84 = 100 (CPI)</b>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>Change from Year Ago</u>
<b>Nov 2009 = 100 (PPI)</b>					
U.S. Consumer Price Index	281.1	283.7	287.5	289.1	8.3%
Detroit CPI	NA	258.7	NA	265.1	8.3%
U.S. Producer Price Index	133.1	134.6	137.2	138.0	11.0%
<b>INTEREST RATES</b>					
90 Day T-Bill <sup>(l)</sup>	0.15%	0.33%	0.44%	0.76%	0.74% points
10 Year Treasury Securities <sup>(l)</sup>	1.76%	1.93%	2.13%	2.75%	1.11% points
<b>INDUSTRIAL PRODUCTION <sup>(l)</sup></b>	102.6	103.6	104.5	105.6	6.4%
<b>CAPACITY UTILIZATION <sup>(l)</sup></b>	76.9%	77.6%	78.2%	79.0%	4.2% points
<b>RETAIL SALES <sup>(d)</sup></b>	\$651.6	\$662.3	\$671.6	\$677.7	8.2%
<b>HOUSING STARTS and SALES</b>					
(Millions Annual Rate)	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>% Change From Year Ago</u>
Housing Starts <sup>(d)</sup>	1.666	1.777	1.728	1.724	14.6%
Existing Home Sales <sup>(m)</sup>	6.490	5.930	5.750	5.610	-5.9%
<b>DURABLE GOODS ORDERS <sup>(d)</sup></b>	\$264.4	\$262.5	\$264.2	\$265.3	12.2%
<b>PERSONAL INCOME <sup>(c)</sup></b>					
(Billions, Seasonally Adj & Annualized)	<u>2021.1</u>	<u>2021.2</u>	<u>2021.3</u>	<u>2021.4</u>	<u>% Change From Year Ago</u>
Michigan	\$590.7	\$551.6	\$545.4	\$545.6	5.2%
U.S.	\$21,849.0	\$20,647.7	\$20,803.2	\$20,926.5	7.2%
<b>GROSS DOMESTIC PRODUCT <sup>(c)</sup></b>					
(Billions of Chained 2012 Dollars, Seasonally Adj & Annualized)	<u>2021.2</u>	<u>2021.3</u>	<u>2021.4</u>	<u>2022.1</u>	<u>Annualized % Chg From Last Qtr</u>
	\$19,368.3	\$19,478.9	\$19,806.3	\$19,731.1	-1.5%

## **SOURCES AND NOTES**

- (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). Page 2 Michigan three-month average unemployment rate graph values use interpolated monthly values for January 2021-August 2021.
- (c) Bureau of Economic Analysis, U.S. Department of Commerce.
- (d) Bureau of the Census, U.S. Department of Commerce. Seasonally adjusted.
- (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. 2012 equals 100. Treasury bill rate (secondary market).
- (m) National Association of Realtors.
- (n) Consensus Revenue Agreement Executive Summary, May 20, 2022.