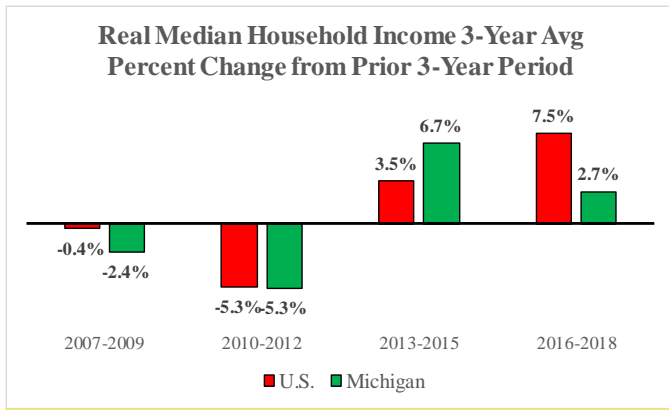


MICHIGAN ECONOMIC UPDATE

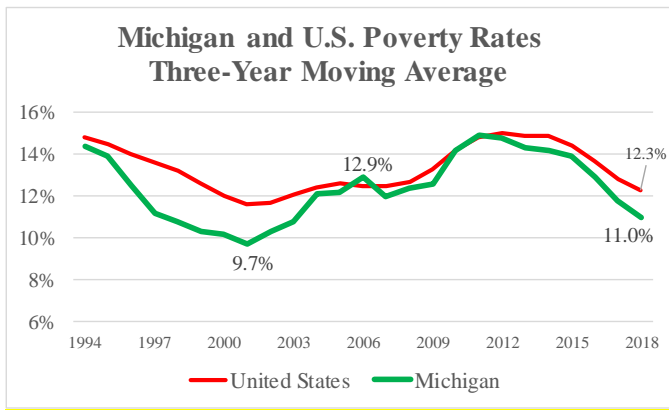
**Office of Revenue and Tax Analysis
Michigan Department of Treasury**
<http://www.michigan.gov/treasury>
Summarizing Economic Data for Sept 2019 (published 10/30/2019)

Median Household Incomes, Poverty Rates and Health Insurance ⁽ⁿ⁾



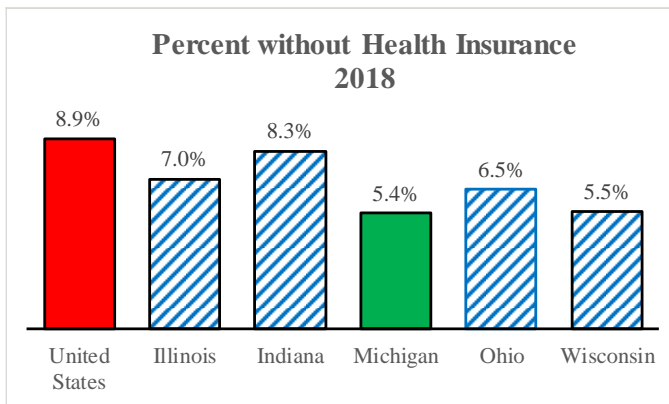
Median Household Incomes

- In 2016-18, Michigan’s estimated median household income three-year average (\$59,474) equaled 95.0 percent of the U.S. three-year average (\$62,589).
- Michigan’s 2016-18 median household income average ranked 33rd among U.S. states and last among the five Great Lakes states.
- Compared with 2013-15, Michigan’s 2016-18 real median household income average was up 2.7 percent compared with a 7.5 percent national increase.



Poverty Rates

- Michigan’s 2016-18 average estimated poverty rate equaled 11.0 percent – ranking 23rd lowest among U.S. states and third lowest among Great Lakes states.
- Michigan’s 2016-18 average estimated poverty rate was 1.3 percentage points below the estimated national rate.
- In all but one three-year period between 2005-07 and 2016-18, Michigan’s three-year moving average of its poverty rate equaled or was below the U.S. poverty rate.

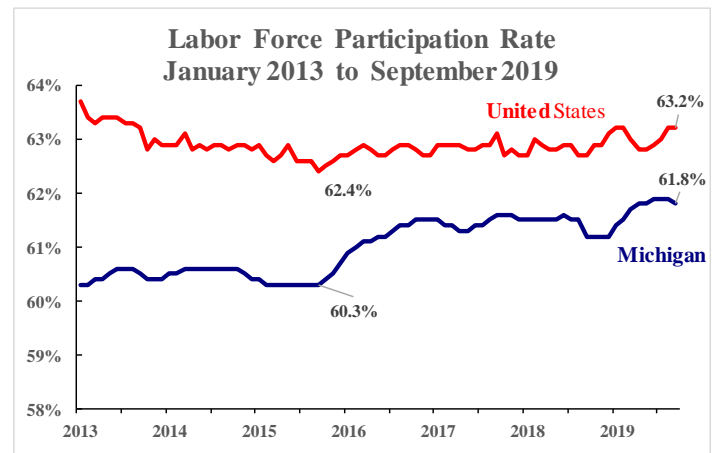
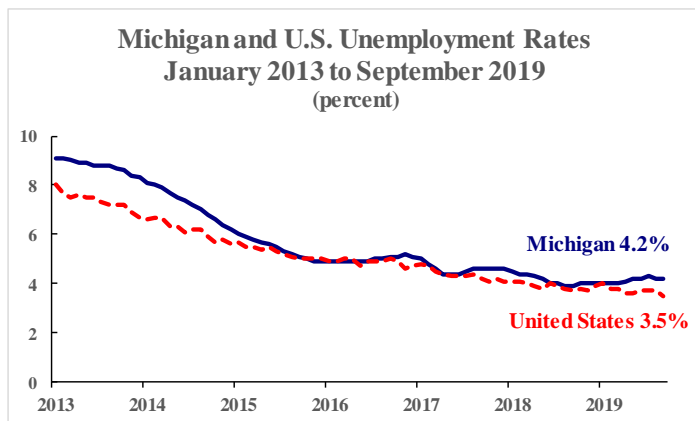


Health Insurance Coverage

- In 2018, an estimated 5.4 percent of Michigan’s population was without health insurance – ranking 9th lowest among all U.S. states and having the lowest rate among all Great Lakes states.
- Michigan’s 2018 uninsured rate was 3.5 percentage points lower than the national uninsured rate (8.9 percent).
- Between 2017 and 2018, both Michigan’s and the national uninsured rate rose 0.2 of a percentage point.

Household Unemployment and Employment

- In September 2019, the Michigan unemployment rate remained unchanged at 4.2 percent. In September 2019, the national unemployment fell 0.2 of a percentage point to 3.5 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 49,000 persons. However, since last September, the State’s labor force participation rate (the share of the working-age population who are either working or looking for work) rose 0.6 of a percentage point. With the higher participation rate, Michigan’s labor force rose by 65,000 persons. Thus, the number of Michigan’s unemployed increased by 16,000 and the State’s unemployment rate rose by 0.3 of a percentage point.
- The September 2019 U.S. unemployment rate decreased 0.2 of a percentage point from a year ago. Monthly unemployment rates fluctuate in part due to statistical sampling errors and data revisions.
- In September, the total number of people employed in Michigan was unchanged at 4,753,000 persons. The State labor force was down 2,000 persons. The statewide total number of unemployed workers fell 3,000 persons.
- United States employment totaled 158.3 million persons in September 2019. The labor force totaled 164.0 million and there were 5.8 million unemployed in September.



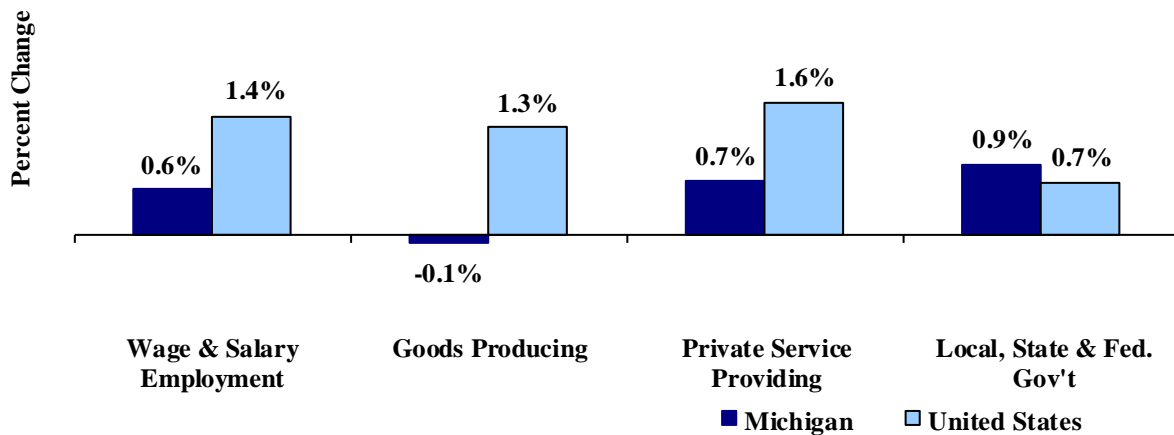
Source: Michigan Department of Technology, Management & Budget and Bureau of Labor Statistics, U.S. Department of Labor

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

	Annual 2018	Jul 2019	Aug 2019	Sep 2019	Chg Fr Mo Ago Level	Chg Fr Mo Ago %	Chg Fr Yr Ago Level	Chg Fr Yr Ago %	Three Month Average
Michigan									
Labor Force	4,902	4,961	4,963	4,961	-2	0.0%	65	1.3%	4,962
Employed	4,699	4,749	4,753	4,753	0	0.0%	49	1.0%	4,752
Unemployed	203	212	211	208	-3	-1.4%	16	8.5%	210
Unemployment Rate	4.1%	4.3%	4.2%	4.2%	n.a.	0.0% pts	n.a.	0.3% pts	4.2%
United States									
Labor Force	162,075	163,351	163,922	164,039	117	0.1%	1,984	1.2%	163,771
Employed	155,761	157,288	157,878	158,269	391	0.2%	2,200	1.4%	157,812
Unemployed	6,314	6,063	6,044	5,769	-275	-4.5%	-217	-3.6%	5,959
Unemployment Rate	3.9%	3.7%	3.7%	3.5%	n.a.	-0.2% pts	n.a.	-0.2% pts	3.6%

- From September 2018 to September 2019, Michigan payroll employment increased by 24,800 jobs (0.6 percent). State payroll employment fell by 5,700 jobs in September from August. Nationally, September 2019 payroll employment rose 2,147,000 (1.4 percent) from a year ago. National employment rose 136,000 jobs in September.

Payroll Employment Growth September 2018 to September 2019



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

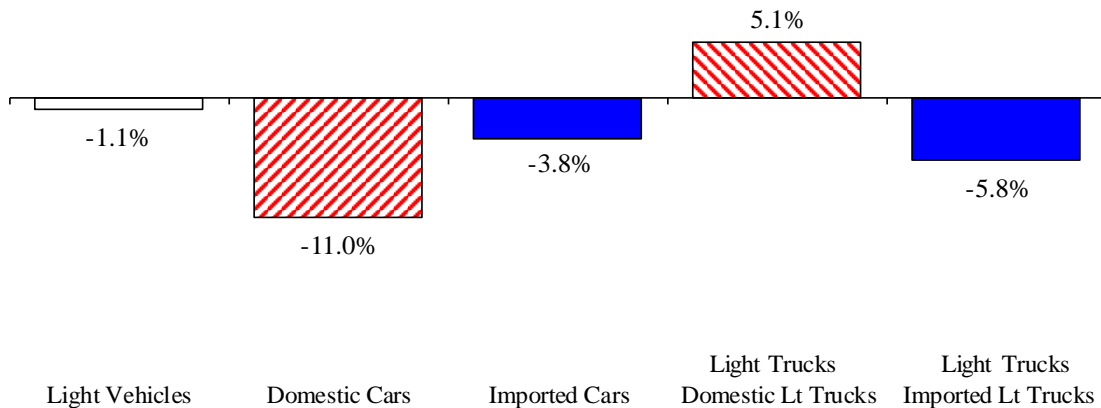
- In the goods-producing sector, Michigan payroll employment decreased 0.1 percent in September from a year ago; employment in the private service-providing sector rose 0.7 percent. From a year ago, September national payroll employment rose 1.3 percent in the goods-producing sector and increased 1.6 percent in the private service-providing sector.
- At 42.9 hours, manufacturing weekly hours in Michigan were down 0.5 hours from last year.

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

	MI				US			
	2018 Annual	MI Sept 2018	MI Sept 2019	Percent Change	2018 Annual	US Sept 2018	US Sept 2019	Percent Change
Wage & Salary Employment	4,418.6	4,419.0	4,443.8	0.6%	149,074	149,575	151,722	1.4%
Goods Producing	806.2	808.8	808.1	-0.1%	20,710	20,832	21,106	1.3%
Manufacturing	629.8	632.5	628.0	-0.7%	12,689	12,733	12,850	0.9%
Private Service Providing	3,006.0	3,001.8	3,022.0	0.7%	105,916	106,249	107,975	1.6%
Trade, Trans. & Utilities	791.4	792.5	791.8	-0.1%	27,659	27,692	27,811	0.4%
Services	1,939.8	1,934.5	1,949.2	0.8%	66,859	67,138	68,631	2.2%
Local, State & Fed. Gov't	606.5	608.4	613.7	0.9%	22,449	22,494	22,641	0.7%
Manufacturing Weekly Hours	43.4	43.4	42.9	-0.5 hrs	42.2	42.1	41.5	-0.6 hrs

- September 2019 U.S. light vehicle sales rose 1.1 percent from August 2019 but were down 0.7 percent from September 2018. September 2019 marked the 67th straight month that the light vehicle annualized sales rate exceeded 16.0 million units. In September 2019, the sales rate equaled 17.2 million units.
- U.S. sales of domestic light vehicles were up 0.9 percent between September 2018 and September 2019. Foreign sales fell 6.4 percent over the same period. As a result, the foreign share of U.S. light vehicle sales decreased 1.3 percentage points to 21.8 percent in September 2019.
- Auto sales decreased 11.4 percent compared to last September, while light truck sales were up 3.9 percent from September 2018. As a result, September 2019 marked the 8th straight month in which the light truck share of total sales exceeded 70.0 percent. Year-over-year (y-o-y), heavy truck sales fell for the first time since May 2017 – falling 4.7 percent from last September.

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



Motor Vehicle Sales Statistics

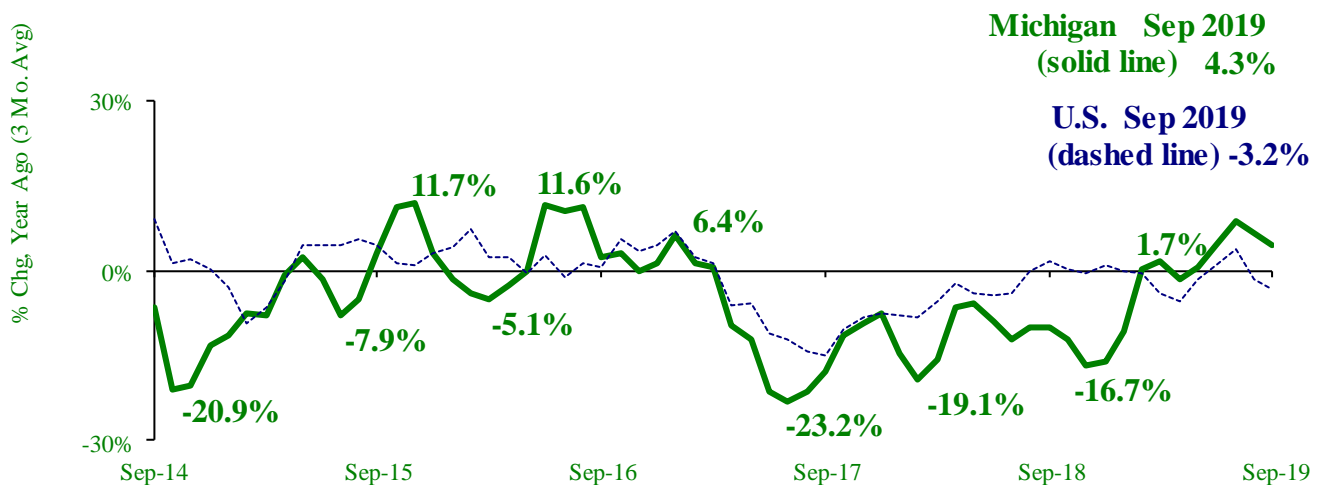
(Millions, Seasonally Adjusted Rates, unless otherwise specified)

	2018 Total	Jul 2019	Aug 2019	Sep 2019	3 Month Average	Sep Chg fr Yr Ago Level	Sep Chg fr Yr Ago %
Motor Vehicle Sales^(c)							
Autos	5.3	4.7	4.6	4.6	4.6	(0.6)	-11.4%
Domestics	4.1	3.4	3.4	3.6	3.5	(0.5)	-11.5%
Imports	1.2	1.2	1.2	1.1	1.2	(0.1)	-11.1%
Import Share	22.9%	26.8%	26.0%	23.5%	25.4%	0.1% pts	
Light Trucks	11.9	12.2	12.4	12.5	12.4	0.5	3.9%
Domestics	9.2	9.7	9.8	9.9	9.8	0.6	6.3%
Imports	2.8	2.5	2.6	2.7	2.6	(0.1)	-4.2%
Import Share	23.1%	20.5%	21.3%	21.2%	21.0%	-1.8% pts	
Total Light Vehicles	17.2	16.9	17.0	17.2	17.0	(0.1)	-0.7%
Heavy Trucks	0.5	0.6	0.5	0.5	0.5	(0.0)	-4.7%
Total Vehicles	17.7	17.4	17.5	17.7	17.6	(0.2)	-0.9%

	2018 Average	Jun-19	Jul-19	Aug-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	\$243.0	\$246.2	\$246.0	\$245.1	\$13.0	5.6%
Inventory/Sales Ratio	2.29	2.33	2.36	2.31	2.33	-0.02	

- In September, Michigan motor vehicle production fell 22.0 percent from August while national production dropped 12.2 percent. The UAW-GM strike, which began in mid-September, accounted for a portion of September's decline. At 142,929 units, September 2019 Michigan motor vehicle production was down 0.8 percent. National production was down 5.8 percent from last September. The three-month average of vehicle production (July 2019-September 2019) was up 4.3 percent in Michigan and down 3.2 percent nationally, compared to a year ago.
- In September 2019, Michigan car production was down 45.6 percent from a year ago while State truck production increased 8.3 percent. Nationally, September car production decreased 10.6 percent while U.S. truck production was down 4.2 percent.
- Michigan's share of national vehicle production rose 0.9 of a percentage point in September 2019 from its year-ago level to 16.8 percent. Michigan's share of car production decreased 4.0 percentage points while the State's share of truck production was up 2.3 percentage points.

Michigan Three-Month Average Vehicle Production Up from Last Year



Motor Vehicle Production Statistics

(Thousands, unless otherwise specified)

	2018 Monthly Average	Jul 2019	Aug 2019	Sep 2019	3 Month Average	Sep Level Chg fr Yr Ago	Sep % Chg fr Yr Ago
U.S. Production ^(e)							
Autos	246.2	164.3	227.0	208.3	199.9	(24.6)	-10.6%
Trucks	675.6	556.0	744.2	644.5	648.2	(28.3)	-4.2%
Total	921.8	720.3	971.2	852.9	848.1	(52.9)	-5.8%
Michigan Production ^(f)							
Autos	34.8	11.3	20.8	13.2	15.1	(11.1)	-45.6%
Trucks	117.9	115.2	162.4	129.7	135.8	9.9	8.3%
Total	152.7	126.5	183.2	142.9	150.9	(1.2)	-0.8%
Michigan as % of U.S.	16.6%	17.6%	18.9%	16.8%	17.8%	0.9% pts	

	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	Change from Year Ago
KEY ECONOMIC INDICATORS					
Consumer Sentiment ^(h)	98.2	98.4	89.8	93.2	-6.9 points
ISM Manufacturing Index ⁽ⁱ⁾	51.7	51.2	49.1	47.8	-11.7 points
ISM Non Manufacturing Index ⁽ⁱ⁾	55.1	53.7	56.4	52.6	-8.2 points
	<u>2018.4</u>	<u>2019.1</u>	<u>2019.2</u>	<u>2019.3</u>	
Business Executives' Confidence ⁽ⁱ⁾	42.0	43.0	43.0	34.0	-21.0 points
INFLATION ^(k)					
1982-84 = 100 (CPI)	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	Change from Year Ago
Nov 2009 = 100 (PPI)					
U.S. Consumer Price Index	256.1	256.6	256.6	256.8	1.7%
Detroit CPI	234.9	NA	236.4	NA	1.4%
U.S. Producer Price Index	118.6	118.8	118.7	118.2	1.4%
INTEREST RATES					
90 Day T-Bill ^(l)	2.17%	2.10%	1.95%	1.89%	-0.24% points
10 Year Treasury Securities ^(l)	2.07%	2.06%	1.63%	1.70%	-1.30% points
INDUSTRIAL PRODUCTION ^(l)					
	109.3	109.1	109.9	109.5	-0.1%
CAPACITY UTILIZATION ^(l)					
	77.7%	77.4%	77.9%	77.5%	-1.8% points
RETAIL SALES ^(d)					
	\$520.1	\$523.9	\$526.9	\$525.6	4.1%
HOUSING STARTS and SALES					
(Millions Annual Rate)	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	% Change From Year Ago
Housing Starts ^(d)	1.233	1.204	1.386	1.256	1.6%
Existing Home Sales ^(m)	5.290	5.420	5.500	5.380	3.9%
DURABLE GOODS ORDERS ^(p)					
	\$245.2	\$250.3	\$251.0	\$248.2	-5.4%
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>2018.4</u>	<u>2019.1</u>	<u>2019.2</u>	<u>2019.3</u>	Annualized % Chg From Last Qtr
	\$18,783.5	\$18,927.3	\$19,021.9	\$19,112.5	1.9%

- (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.
- (n) U.S. Census Bureau, Current Population Survey, 2016 to 2019 Annual Social and Economic Supplements.