



# MICHIGAN ECONOMIC UPDATE

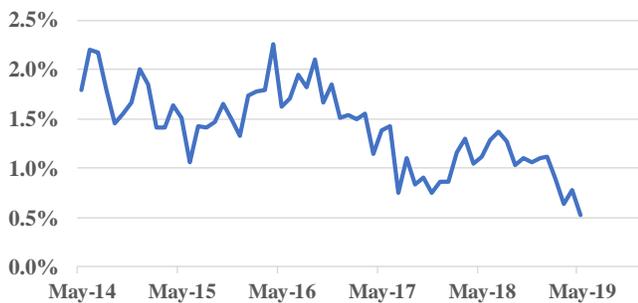
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

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

Summarizing Economic Data for May 2019 (published 7/8/2019)

## May 2019 Summary

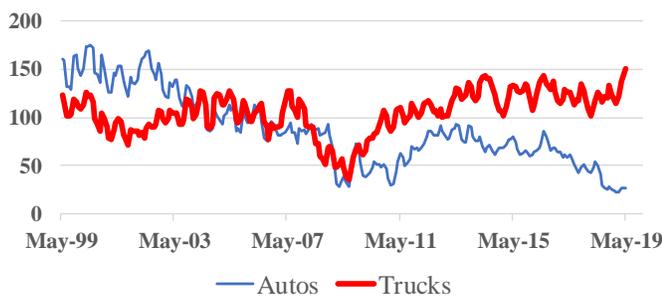
**Michigan Employment Growth Slowing**  
(Percent Change, Year Ago)



### Michigan Labor Market

- In May 2019, Michigan's unemployment rate rose 0.1 of a percentage point from April 2019 to 4.2 percent. Compared to a year ago, Michigan's May 2019 unemployment rate was unchanged.
- May 2019 State labor force and household employment were each up 1.0 percent.
- In May 2019, Michigan's wage and salary employment fell by 6,400 jobs from a month ago.
- May 2019 Michigan wage and salary employment was up by 23,400 jobs (0.5 percent) from a year ago.

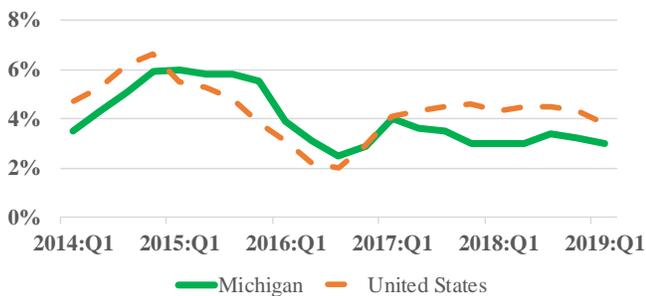
**Michigan Auto and Truck Production**  
(thousands of units)



### Vehicle Production

- May 2019 Michigan vehicle production was up 13.2 percent from a year ago, compared with an 8.6 percent rise nationally.
- In May 2019, Michigan auto production was down by 13,475 units (-35.4 percent) from last May while State truck production rose by 34,555 units (28.3 percent).
- In May 2019, Michigan's share of national vehicle production (18.2 percent) was up by 0.7 of a percentage point compared to last May.

**Personal Income Growth Moderating**  
(Percent Change, Year Ago)



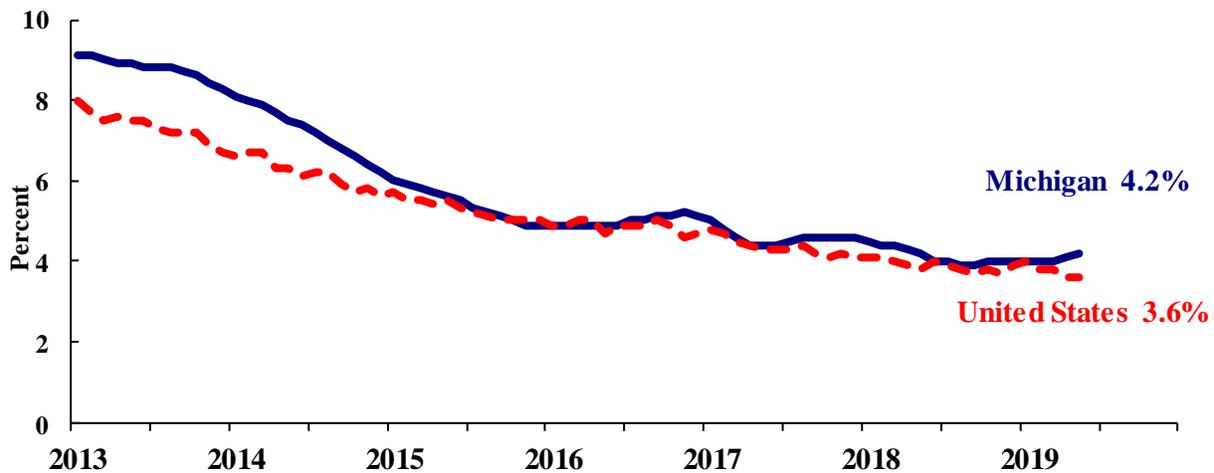
### Personal Income

- In the first quarter of 2019 (2019Q1), Michigan personal income was up 3.0 percent from 2018Q1, compared with a 3.8 percent increase nationally.
- In 2019Q1, Michigan's annualized per capita personal income equaled \$48,428 – ranking 32<sup>nd</sup> among U.S. states. Michigan per capita income in 2019Q1 equaled 88.5 percent of national per capita income (\$54,730).
- Michigan wage and salary income rose 1.4 percent between 2018Q1 and 2019Q1, compared with a 3.4 percent increase nationally.

# Household Unemployment and Employment

- In May 2019, the Michigan unemployment rate rose 0.1 of a percentage point to 4.2 percent. In May 2019, the national unemployment rate remained unchanged at 3.6 percent.
- In May 2019, Michigan’s unemployment rate was unchanged from a year ago at 4.2 percent. The May 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.

## Michigan and U.S. Monthly Unemployment Rates May 2013 to May 2019



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

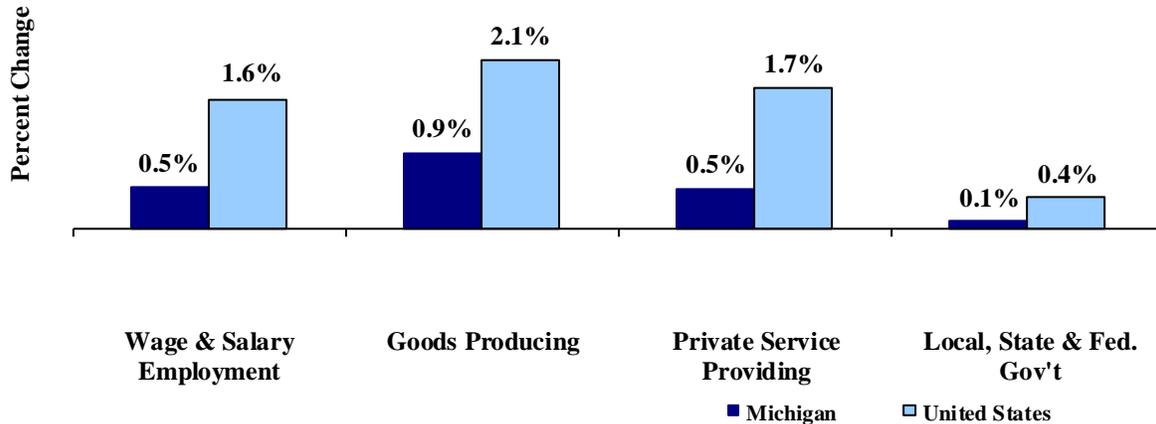
- In May, the total number of people employed was unchanged at 4,746,000 persons. The labor force was up 6,000 persons. The statewide total number of unemployed workers rose 5,000 persons.
- United States employment totaled 156.8 million persons in May 2019. The labor force totaled 162.6 million and there were 5.9 million unemployed in May.

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

	<u>Annual</u> <u>2018</u>	<u>Mar</u> <u>2019</u>	<u>Apr</u> <u>2019</u>	<u>May</u> <u>2019</u>	<u>Chg Fr</u> <u>Mo Ago</u> <u>Level</u>	<u>Chg Fr</u> <u>Mo Ago</u> <u>%</u>	<u>Chg Fr</u> <u>Yr Ago</u> <u>Level</u>	<u>Chg Fr</u> <u>Yr Ago</u> <u>%</u>	<u>Three</u> <u>Month</u> <u>Average</u>
<b>Michigan</b>									
Labor Force	4,902	4,937	4,947	4,953	6	0.1%	49	1.0%	4,946
Employed	4,699	4,739	4,746	4,746	0	0.0%	46	1.0%	4,744
Unemployed	203	198	202	207	5	2.5%	3	1.6%	202
Unemployment Rate	4.1%	4.0%	4.1%	4.2%	n.a.	0.1% pts	n.a.	0.0% pts	4.1%
<b>United States</b>									
Labor Force	162,075	162,960	162,470	162,646	176	0.1%	979	0.6%	162,692
Employed	155,761	156,748	156,645	156,758	113	0.1%	1,219	0.8%	156,717
Unemployed	6,314	6,211	5,824	5,888	64	1.1%	-240	-3.9%	5,974
Unemployment Rate	3.9%	3.8%	3.6%	3.6%	n.a.	0.0% pts	n.a.	-0.2% pts	3.7%

- From May 2018 to May 2019, Michigan payroll employment increased by 23,400 jobs (0.5 percent). State payroll employment fell by 6,400 jobs in May from April. Nationally, May 2019 payroll employment rose 2,350,000 (1.6 percent) from a year ago. National employment rose 75,000 jobs in May.

## Payroll Employment Growth May 2018 to May 2019



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

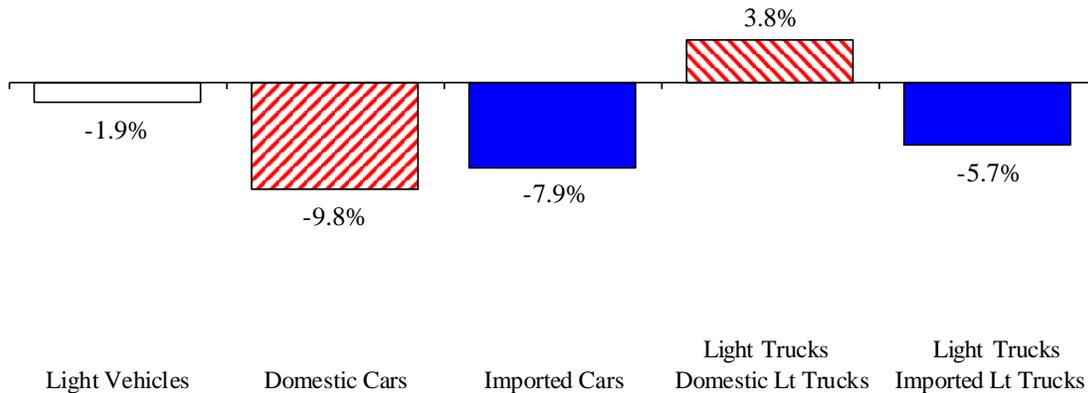
- In the goods-producing sector, Michigan payroll employment increased 0.9 percent in May from a year ago; employment in the private service-providing sector rose 0.5 percent. From a year ago, May national payroll employment rose 2.1 percent in the goods-producing sector and increased 1.7 percent in the private service-providing sector.
- At 42.0 hours, manufacturing weekly hours in Michigan were down 1.3 hours from last year.

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

	MI				US			
	2018 <u>Annual</u>	May <u>2018</u>	May <u>2019</u>	Percent <u>Change</u>	2018 <u>Annual</u>	May <u>2018</u>	May <u>2019</u>	Percent <u>Change</u>
Wage & Salary Employment	4,418.6	4,415.0	4,438.4	0.5%	149,074	148,745	151,095	1.6%
Goods Producing	806.2	804.6	812.2	0.9%	20,710	20,650	21,078	2.1%
Manufacturing	629.8	628.4	632.6	0.7%	12,689	12,655	12,839	1.5%
Private Service Providing	3,006.0	3,004.7	3,019.9	0.5%	105,916	105,668	107,503	1.7%
Trade, Trans. & Utilities	791.4	790.7	790.9	0.0%	27,659	27,630	27,811	0.7%
Services	1,939.8	1,939.8	1,948.9	0.5%	66,859	66,651	68,243	2.4%
Local, State & Fed. Gov't	606.5	605.7	606.3	0.1%	22,449	22,427	22,514	0.4%
Manufacturing Weekly Hours	43.4	43.3	42.0	-1.3 hrs	42.2	42.0	41.6	-0.4 hrs

- May 2019 U.S. light vehicle sales rose 5.9 percent from April 2019 and were up 0.7 percent from May 2018. May 2019 marked the 63<sup>rd</sup> straight month that the light vehicle annualized sales rate exceeded 16.0 million units. In May 2019, the sales rate equaled 17.3 million units.
- U.S. sales of domestic light vehicles were up 2.8 percent between May 2018 and May 2019. Foreign sales fell 6.2 percent over the same period. As a result, the foreign share of U.S. light vehicle sales fell 1.6 percentage points to 22.4 percent in May 2019.
- Auto sales decreased 11.4 percent compared to last May, while light truck sales were up 6.1 percent from May 2018. As a result, May 2019 marked the 20<sup>th</sup> straight month in which the light truck share of total sales exceeded 65.0 percent. Year-over-year (y-o-y), heavy truck sales rose 18.8 percent in May 2019 -- the 19<sup>th</sup> double-digit heavy truck y-o-y percent increase in the past 22 months.

## May 2019 Year-to-Date Light Vehicle Sales Down from Last Year



## Motor Vehicle Sales Statistics

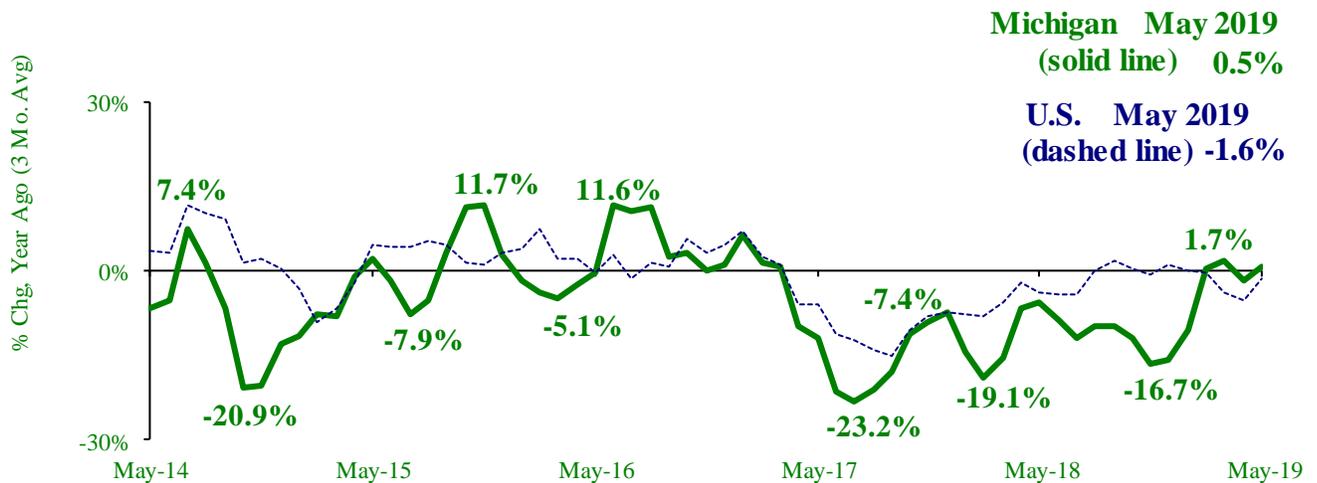
(Millions, Seasonally Adjusted Rates, unless otherwise specified)

Motor Vehicle Sales <sup>(c)</sup>	2018	Mar	Apr	May	3 Month	May	May
	Total	2019	2019	2019	Average	Chg fr Yr Ago Level	Chg fr Yr Ago %
Autos	5.3	5.0	4.7	4.8	4.8	(0.6)	-11.4%
Domestics	4.1	3.8	3.5	3.5	3.6	(0.6)	-13.8%
Imports	1.2	1.1	1.2	1.3	1.2	(0.0)	-3.7%
Import Share	22.9%	23.2%	25.3%	26.4%	24.9%	2.1% pts	
Light Trucks	11.9	12.4	11.6	12.5	12.2	0.7	6.1%
Domestics	9.2	9.7	9.2	9.9	9.6	0.9	10.4%
Imports	2.8	2.7	2.4	2.6	2.6	(0.2)	-7.4%
Import Share	23.1%	21.5%	20.7%	20.8%	21.0%	-3.1% pts	
Total Light Vehicles	17.2	17.3	16.3	17.3	17.0	0.1	0.7%
Heavy Trucks	0.5	0.5	0.5	0.5	0.5	0.1	18.8%
Total Vehicles	17.7	17.9	16.9	17.9	17.5	0.2	1.1%

Retail Inventories, Motor Vehicle and Parts Dealers (billions of dollars) <sup>(d)</sup>	2018	Feb-19	Mar-19	Apr-19	3 Month	Chg fr	Chg fr
	Average	Feb-19	Mar-19	Apr-19	Average	Year Ago Level	Year Ago %
Inventories	\$229.7	\$242.3	\$240.6	\$242.5	\$241.8	\$18.1	8.1%
Inventory/Sales Ratio	2.29	2.42	2.32	2.35	2.36	0.10	

- At 181,198 units, May 2019 Michigan motor vehicle production was up 13.2 percent from May 2018. National production was up 8.6 percent from last May. The three-month average of vehicle production (March 2019-May 2019) was up 0.5 percent in Michigan and down 1.6 percent nationally, compared to a year ago.
- In May 2019, Michigan car production was down 35.4 percent from a year ago while State truck production increased 28.3 percent. Nationally, May car production decreased 3.9 percent while U.S. truck production was up 13.5 percent.
- Michigan's share of national vehicle production rose 0.7 of a percentage point in May 2019 from its year-ago level to 18.2 percent. Michigan's share of car production decreased 4.9 percentage points while the State's share of truck production was up 2.4 percentage points.

## Michigan Three-Month Average Vehicle Production Up Slightly from Last Year



## Motor Vehicle Production Statistics

(Thousands, unless otherwise specified)

	2018 Monthly Average	Mar 2019	Apr 2019	May 2019	3 Month Average	May Level Chg fr Yr Ago	May % Chg fr Yr Ago
<b>U.S. Production <sup>(e)</sup></b>							
Autos	246.2	228.0	222.0	245.1	231.7	(10.0)	-3.9%
Trucks	675.6	732.6	685.8	749.1	722.5	89.0	13.5%
Total	921.8	960.6	907.9	994.2	954.2	79.0	8.6%
<b>Michigan Production <sup>(f)</sup></b>							
Autos	34.8	31.2	23.2	24.6	26.3	(13.5)	-35.4%
Trucks	117.9	150.8	143.1	156.6	150.2	34.6	28.3%
Total	152.7	182.0	166.4	181.2	176.5	21.1	13.2%
Michigan as % of U.S.	16.6%	18.9%	18.3%	18.2%	18.5%	0.7% pts	

	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<b>Change from Year Ago</b>
<b>KEY ECONOMIC INDICATORS</b>					
Consumer Sentiment <sup>(h)</sup>	93.8	98.4	97.2	100.0	2.0 points
ISM Manufacturing Index <sup>(i)</sup>	54.2	55.3	52.8	52.1	-6.6 points
ISM Non Manufacturing Index <sup>(i)</sup>	59.7	56.1	55.5	56.9	-2.0 points
	<b><u>2018.2</u></b>	<b><u>2018.3</u></b>	<b><u>2018.4</u></b>	<b><u>2019.1</u></b>	
Business Executives' Confidence <sup>(i)</sup>	63.0	55.0	42.0	43.0	-22.0 points
<b>INFLATION <sup>(k)</sup></b>					
<b>1982-84 = 100 (CPI)</b>	<b><u>Feb-19</u></b>	<b><u>Mar-19</u></b>	<b><u>Apr-19</u></b>	<b><u>May-19</u></b>	<b>Change from Year Ago</b>
<b>Nov 2009 = 100 (PPI)</b>					
U.S. Consumer Price Index	252.8	254.2	255.5	256.1	1.8%
Detroit CPI	232.5	NA	234.0	NA	1.0%
U.S. Producer Price Index	117.1	117.9	118.2	118.3	1.8%
<b>INTEREST RATES</b>					
90 Day T-Bill <sup>(l)</sup>	2.39%	2.40%	2.38%	2.35%	0.49% points
10 Year Treasury Securities <sup>(l)</sup>	2.68%	2.57%	2.53%	2.40%	-0.58% points
<b>INDUSTRIAL PRODUCTION <sup>(l)</sup></b>					
	109.5	109.6	109.2	109.6	2.0%
<b>CAPACITY UTILIZATION <sup>(l)</sup></b>					
	78.4%	78.4%	77.9%	78.1%	0.0% points
<b>RETAIL SALES <sup>(d)</sup></b>					
	\$505.8	\$514.7	\$516.2	\$519.0	3.2%
<b>HOUSING STARTS and SALES</b>					
(Millions Annual Rate)	<b><u>Feb-19</u></b>	<b><u>Mar-19</u></b>	<b><u>Apr-19</u></b>	<b><u>May-19</u></b>	<b>% Change From Year Ago</b>
Housing Starts <sup>(d)</sup>	1.149	1.199	1.281	1.269	-4.7%
Existing Home Sales <sup>(m)</sup>	5.480	5.210	5.210	5.340	-1.1%
<b>DURABLE GOODS ORDERS <sup>(p)</sup></b>					
	\$249.6	\$253.8	\$246.7	\$243.4	-2.8%
<b>PERSONAL INCOME <sup>(c)</sup></b>					
(Billions of Dollars)	<b><u>2018.2</u></b>	<b><u>2018.3</u></b>	<b><u>2018.4</u></b>	<b><u>2019.1</u></b>	<b>% Change From Year Ago</b>
Michigan	\$471.7	\$476.6	\$480.1	\$484.7	3.0%
U.S.	\$17,460.2	\$17,647.5	\$17,825.7	\$17,975.7	3.8%
<b>GROSS DOMESTIC PRODUCT</b>					
(Billions of Chained 2012 Dollars) <sup>(c)</sup>	<b><u>2018.2</u></b>	<b><u>2018.3</u></b>	<b><u>2018.4</u></b>	<b><u>2019.1</u></b>	<b>Annualized % Chg From Last Qtr</b>
	\$18,511.6	\$18,665.0	\$18,765.3	\$18,910.3	3.1%

- (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) Seasonally adjusted annual rates. Source: 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.