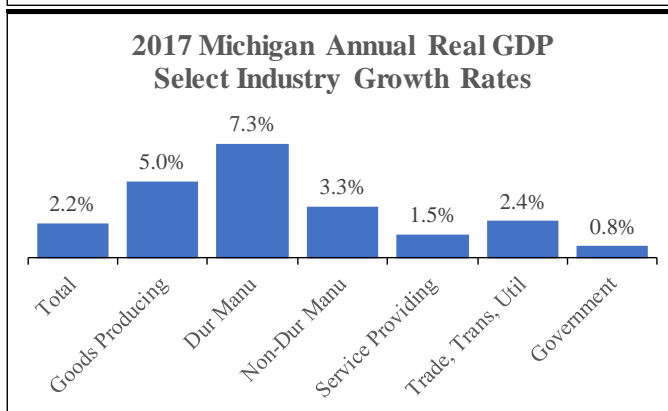
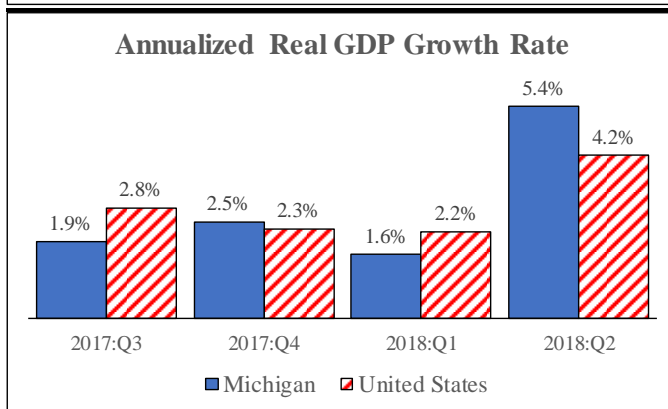
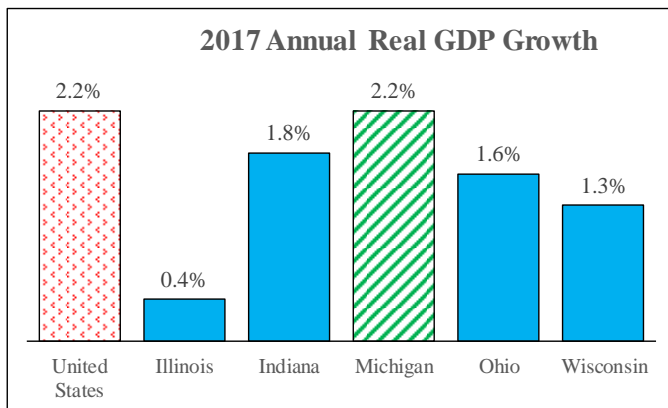




November 2018 Summary

On November 14, 2018, the Bureau of Economic Analysis released its first estimates of 2018Q2 gross domestic product by state. In addition, the Bureau released revised annual state GDP data for 1997-2017 and revised quarterly data for 2005Q1-2018Q1. Below are Michigan highlights.



Annual Michigan Overall Real GDP

- In 2017, annual Michigan real (inflation adjusted) GDP increased 2.2 percent – ranking 15th fastest among all states and first in the Great Lakes region.
- After falling 8.8 percent in 2009 (the largest decline among all states), annual Michigan real GDP increased each year between 2009 and 2017.
- Michigan real GDP growth exceeded the national growth rate in 2010, 2011 and 2016 and was less than U.S. growth each year between 2012 and 2015. In 2017 Michigan’s real GDP growth rate matched the national rate.

Quarterly Michigan Overall GDP

- In 2018Q2, Michigan overall real GDP grew at a 5.4 percent annual rate – ranking second fastest behind Texas (6.0 percent).
- Between the end of the Great Recession (2009Q2) and 2018Q2, Michigan real GDP increased at a 2.5 percent annual rate -- the 8th highest growth rate among all states.
- Over the course of the Great Recession (2007Q4-2009Q2), Michigan real GDP fell at an 8.9 percent annual rate – the largest state percent decline.

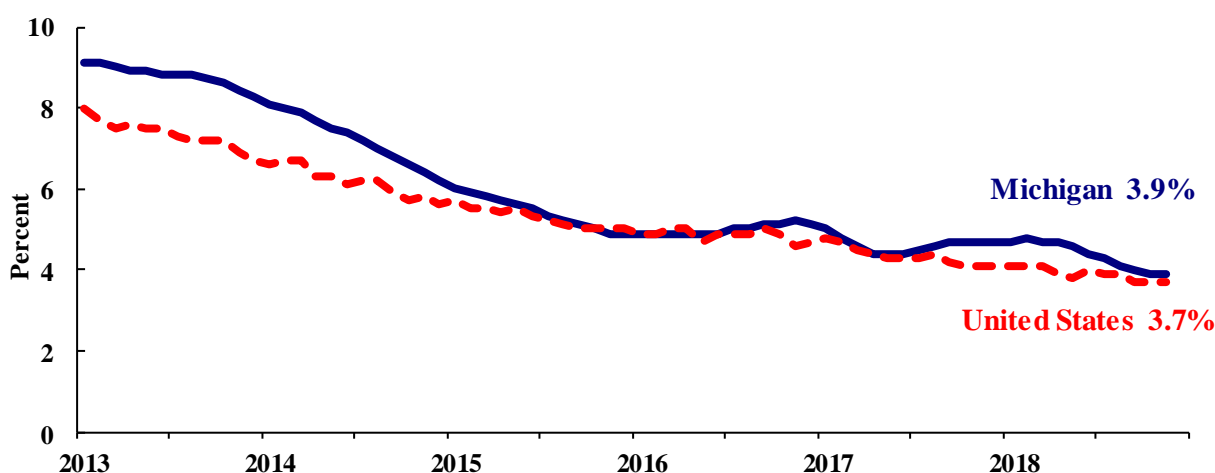
Michigan Real GDP by Industry

- In 2018Q2, Michigan real GDP grew at a 12.7 annual growth rate in the durable manufacturing sector, the major sector that accounted for the largest share of the State’s overall real GDP growth.
- The durable manufacturing sector also accounted for the largest share of Michigan’s overall real GDP annual growth in 2017. In 2017, real GDP in the durable goods sector rose 7.3 percent.
- In addition, the durable goods sector (growing at an 8.0 percent annual rate) accounted for the largest share of Michigan’s overall real GDP growth between the end of the Great Recession and 2018Q2.

Household Unemployment and Employment

- In November 2018, the Michigan unemployment rate was unchanged from last month at 3.9 percent – the lowest monthly Michigan unemployment rate since August 2000. In November 2018, the national unemployment rate was down 0.1 of a percentage point to 3.7 percent – the lowest monthly U.S. unemployment rate since December 1969.
- In November 2018, Michigan’s unemployment rate was down 0.8 of a percentage point from a year ago. The November U.S. unemployment rate decreased 0.5 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
November 2013 to November 2018**



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

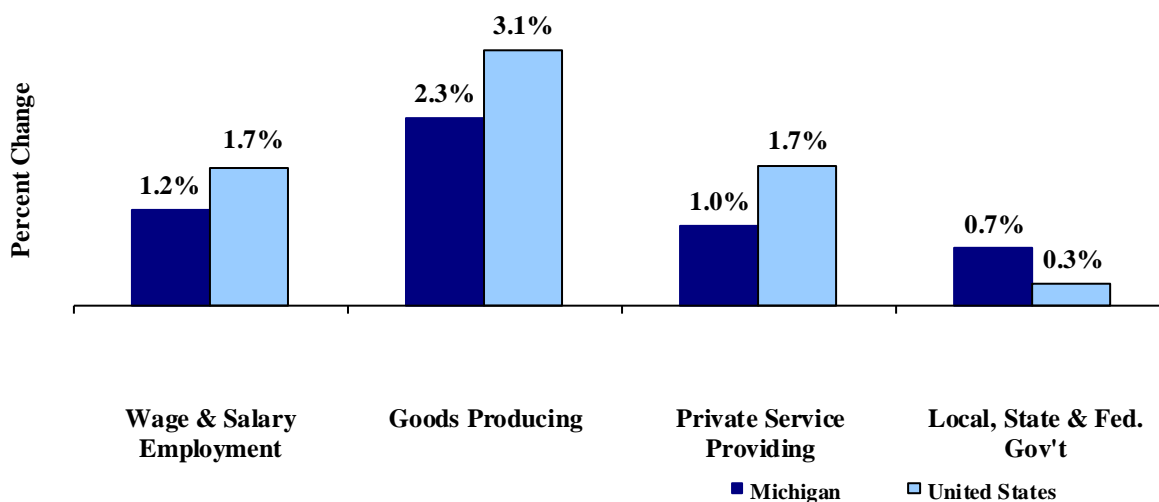
- In November, the total number of people employed in Michigan was essentially unchanged at 4,701,000 persons. The labor force was up 1,000 persons. The statewide total number of unemployed workers rose 1,000 persons.
- United States employment totaled 156.8 million persons in November 2018. The labor force totaled 162.8 million and there were 6.0 million unemployed in November.

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

	2017 Average	Sep 2018	Oct 2018	Nov 2018	Chg Fr Mo Ago Level	Chg Fr Mo Ago %	Chg Fr Yr Ago Level	Chg Fr Yr Ago %	Three Month Average
Michigan									
Labor Force	4,884	4,892	4,892	4,893	1	0.0%	-9	-0.2%	4,892
Employed	4,657	4,698	4,701	4,701	0	0.0%	31	0.7%	4,700
Unemployed	227	193	191	192	1	0.5%	-40	-17.2%	192
Unemployment Rate	4.6%	4.0%	3.9%	3.9%	n.a.	0.0% pts	n.a.	-0.8% pts	3.9%
United States									
Labor Force	160,320	162,055	162,694	162,821	127	0.1%	2,195	1.4%	162,523
Employed	153,337	156,069	156,582	156,803	221	0.1%	2,858	1.9%	156,485
Unemployed	6,982	5,986	6,112	6,018	-94	-1.5%	-664	-9.9%	6,039
Unemployment Rate	4.4%	3.7%	3.8%	3.7%	n.a.	-0.1% pts	n.a.	-0.5% pts	3.7%

- From November 2017 to November 2018, Michigan payroll employment increased by 51,900 jobs (1.2 percent). State payroll employment fell by 900 jobs in November from October. Nationally, November 2018 payroll employment rose 2,500,000 (1.7 percent) from a year ago. National employment rose 176,000 jobs in November.

Payroll Employment Growth November 2017 to November 2018



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

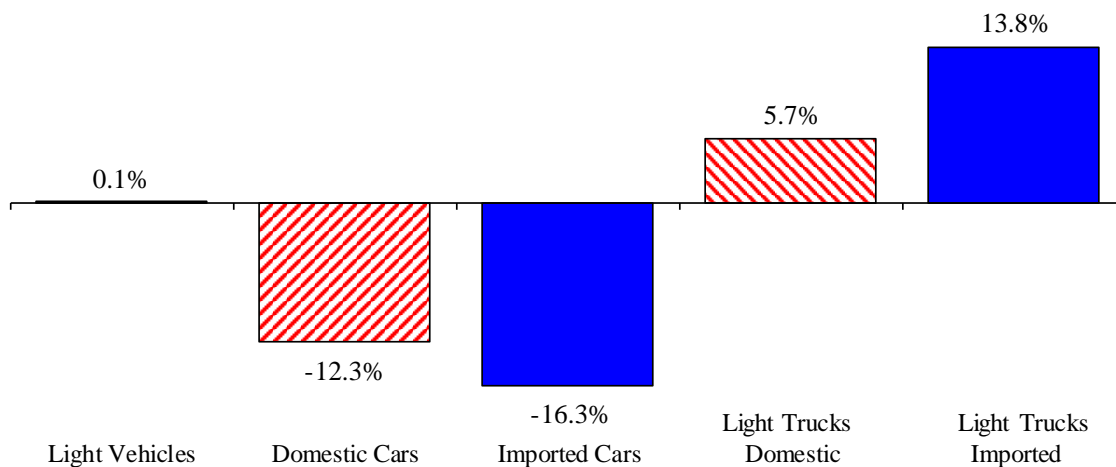
- In the goods-producing sector, Michigan payroll employment increased 2.3 percent in November from a year ago; employment in the private service-providing sector rose 1.0 percent. From a year ago, November national payroll employment rose 3.1 percent in the goods-producing sector and increased 1.7 percent in the private service-providing sector.
- At 43.2 hours, manufacturing weekly hours in Michigan were down 0.1 of an hour from last year.

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

	MI				US			
	2017 Average	MI Nov 2017	MI Nov 2018	Percent Change	2017 Average	US Nov 2017	US Nov 2018	Percent Change
Wage & Salary Employment	4,371.3	4,389.3	4,441.2	1.2%	144,352	147,450	149,951	1.7%
Goods Producing	784.6	788.8	806.9	2.3%	19,750	20,246	20,878	3.1%
Manufacturing	614.7	616.4	623.8	1.2%	12,354	12,519	12,810	2.3%
Private Service Providing	2,982.7	2,991.1	3,020.6	1.0%	102,379	104,874	106,679	1.7%
Trade, Trans. & Utilities	788.1	788.5	790.8	0.3%	27,257	27,602	27,929	1.2%
Services	1,920.1	1,927.9	1,951.2	1.2%	64,042	65,989	67,374	2.1%
Local, State & Fed. Gov't	604.0	609.4	613.7	0.7%	22,224	22,330	22,394	0.3%
Manufacturing Weekly Hours	43.1	43.3	43.2	-0.1 hrs	41.9	41.9	42.0	0.1 hrs

- November 2018 U.S. light vehicle sales fell 0.5 percent from October 2018 and were down 0.7 percent from November 2017. November 2018 marked the 57th straight month that the light vehicle annualized sales rate exceeded 16.0 million units. In November 2018, the sales rate equaled 17.4 million units.
- U.S. sales of domestic light vehicles were unchanged between November 2017 and November 2018. Foreign sales were down 3.1 percent over the same period. As a result, the foreign share of U.S. light vehicle sales fell 0.6 of a percentage point to 22.5 percent in November 2018.
- Auto sales decreased 13.9 percent compared to last November, while light truck sales were up 6.3 percent from November 2017. As a result, November 2018 marked the 32nd straight month in which the light truck share of total sales exceeded 60.0 percent. Year-over-year, heavy truck sales rose 22.0 percent in November 2018 -- the 18th consecutive month in which heavy truck sales were up.

Year-to-Date November 2018 Light Vehicle Sales Little Changed from Year Ago



Motor Vehicle Sales Statistics

(Millions, Seasonally Adjusted Rates, unless otherwise specified)

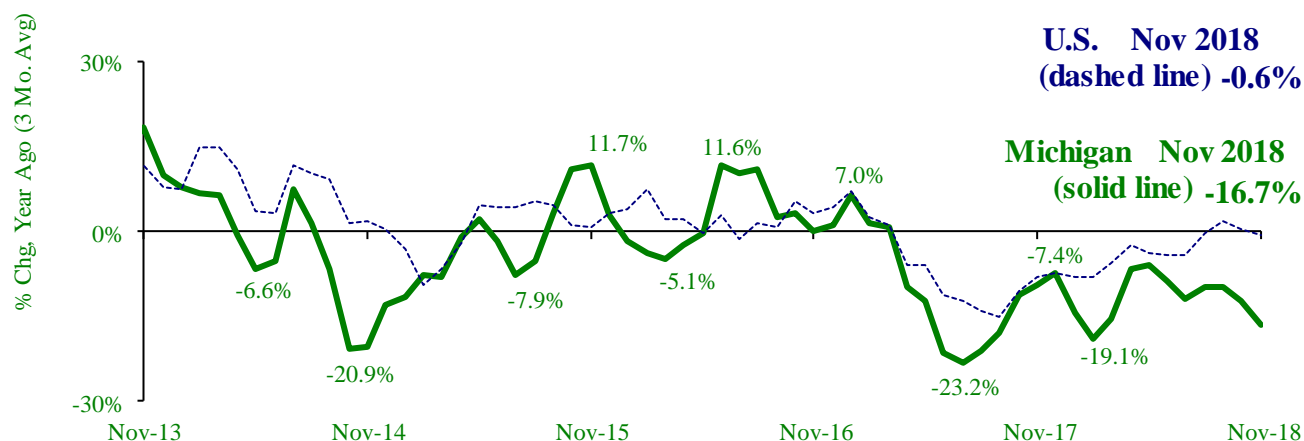
Motor Vehicle Sales ^(c)	2017	Sep	Oct	Nov	3 Month	Nov	Nov
	Total	2018	2018	2018	Average	Chg fr Yr Ago Level	Chg fr Yr Ago %
Autos	6.1	5.3	5.5	5.2	5.3	(0.8)	-13.9%
Domestics	4.6	4.0	4.3	4.0	4.1	(0.5)	-11.6%
Imports	1.5	1.3	1.2	1.2	1.2	(0.3)	-20.8%
Import Share	24.2%	24.0%	21.9%	22.8%	22.9%	-2.0% pts	
Light Trucks	11.1	12.2	12.0	12.2	12.1	0.7	6.3%
Domestics	8.7	9.4	9.3	9.5	9.4	0.5	6.0%
Imports	2.4	2.8	2.7	2.7	2.7	0.2	7.3%
Import Share	21.7%	23.0%	22.6%	22.4%	22.7%	0.2% pts	
Total Light Vehicles	17.1	17.4	17.5	17.4	17.4	(0.1)	-0.7%
Heavy Trucks	0.4	0.5	0.5	0.5	0.5	0.1	22.0%
Total Vehicles	17.6	18.0	18.0	17.9	18.0	(0.0)	-0.1%

Retail Inventories, Motor Vehicle and Parts Dealers (billions of dollars)^(d)

	2017	Aug-18	Sep-18	Oct-18	3 Month	Chg fr	Chg fr
	Average	Aug-18	Sep-18	Oct-18	Average	Year Ago Level	Year Ago %
Inventories	\$221.3	\$233.9	\$235.1	\$237.7	\$235.6	\$17.6	8.0%
Inventory/Sales Ratio	2.22	2.29	2.31	2.30	2.30	0.17	

- At 134,849 units, November 2018 Michigan motor vehicle production was down 23.3 percent from November 2017. National production decreased 2.4 percent from last November. The three-month average of vehicle production (September 2018-November 2018) was down 16.7 percent in Michigan and down 0.6 percent nationally, compared to a year ago.
- In November 2018, Michigan car production was down 58.8 percent from a year ago while State truck production fell 6.4 percent. A Ford Motor Company plant recently switched from car to light trucks and is currently ramping up production, which is one of the biggest reasons for the decline in Michigan's motor vehicle production. Nationally, November car production decreased 8.2 percent while U.S. truck production was down 0.1 percent.
- Michigan's share of national vehicle production fell 4.0 percentage points in November 2018 from its year-ago level to 14.7 percent. Michigan's share of car production decreased 11.5 percentage points while the State's share of truck production was down 1.1 percentage points.

Michigan Plant Change Over Pushing Michigan Vehicle Production Down



Motor Vehicle Production Statistics

(Thousands, unless otherwise specified)

	2017 Monthly Average	Sep 2018	Oct 2018	Nov 2018	3 Month Average	Nov Level Chg fr Yr Ago	Nov % Chg fr Yr Ago
U.S. Production ^(e)							
Autos	275.9	233.0	282.5	249.1	254.9	(22.2)	-8.2%
Trucks	664.8	672.8	776.1	666.7	705.2	(0.5)	-0.1%
Total	940.7	905.8	1,058.7	915.8	960.1	(22.7)	-2.4%
Michigan Production ^(f)							
Autos	52.7	24.3	28.1	23.4	25.3	(33.4)	-58.8%
Trucks	122.1	119.8	139.5	111.4	123.6	(7.6)	-6.4%
Total	174.9	144.1	167.6	134.8	148.9	(41.0)	-23.3%
Michigan as % of U.S.	18.6%	15.9%	15.8%	14.7%	15.5%	-4.0% pts	

U.S. Economic Conditions

	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Change from Year Ago</u>
KEY ECONOMIC INDICATORS					
Consumer Sentiment ^(h)	96.2	100.1	98.6	97.5	-1.0 point
ISM Manufacturing Index ⁽ⁱ⁾	61.3	59.8	57.7	59.3	1.1 points
ISM Non Manufacturing Index ⁽ⁱ⁾	58.5	61.6	60.3	60.7	3.4 points
	<u>2018.1</u>	<u>2018.2</u>	<u>2018.3</u>	<u>2018.4</u>	
Business Executives' Confidence ⁽ⁱ⁾	65.0	63.0	55.0	42.0	-21.0 points
INFLATION ^(k)					
1982-84 = 100 (CPI)	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Change from Year Ago</u>
Nov 2009 = 100 (PPI)					
U.S. Consumer Price Index	252.1	252.4	252.9	252.0	2.2%
Detroit CPI	233.2	NA	233.1	NA	1.9%
U.S. Producer Price Index	116.4	116.5	117.4	117.0	2.5%
INTEREST RATES					
90 Day T-Bill ^(l)	2.03%	2.13%	2.25%	2.33%	1.10% points
10 Year Treasury Securities ^(l)	2.89%	3.00%	3.15%	3.12%	0.77% points
INDUSTRIAL PRODUCTION ^(l)					
	108.8	108.9	108.7	109.4	3.9%
CAPACITY UTILIZATION ^(l)					
	78.5%	78.4%	78.1%	78.5%	1.4% points
RETAIL SALES ^(d)					
	\$507.9	\$506.7	\$512.4	\$513.5	4.2%
HOUSING STARTS and SALES					
(Millions Annual Rate)	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>% Change From Year Ago</u>
Housing Starts ^(d)	1.280	1.237	1.217	1.256	-3.6%
Existing Home Sales ^(m)	5.330	5.150	5.220	5.320	-7.0%
DURABLE GOODS ORDERS ^(p)					
	\$260.2	\$260.2	\$248.9	\$250.8	5.3%
PERSONAL INCOME ^(c)					
(Billions of Dollars)	<u>2017.4</u>	<u>2018.1</u>	<u>2018.2</u>	<u>2018.3</u>	<u>% Change From Year Ago</u>
Michigan	\$465.2	\$471.2	\$473.0	\$477.9	3.6%
U.S.	\$17,090.7	\$17,308.2	\$17,455.2	\$17,627.7	4.4%
GROSS DOMESTIC PRODUCT					
(Billions of Chained 2012 Dollars) ^(c)	<u>2017.4</u>	<u>2018.1</u>	<u>2018.2</u>	<u>2018.3</u>	<u>Annualized % Chg From Last Qtr</u>
	\$18,223.8	\$18,324.0	\$18,511.6	\$18,665.0	3.4%

- (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.