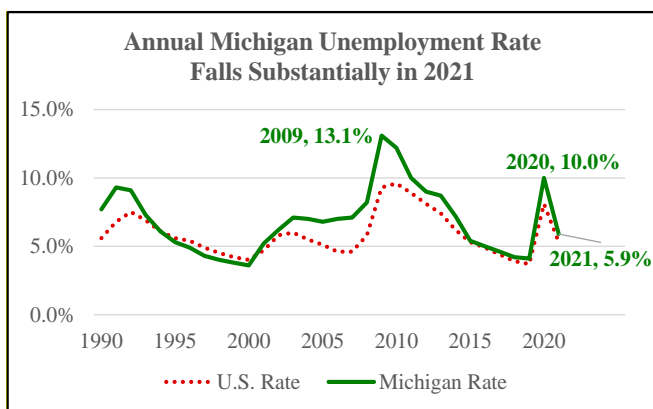


MICHIGAN ECONOMIC UPDATE

Office of Revenue and Tax Analysis
Michigan Department of Treasury
<http://www.michigan.gov/treasury>
Summarizing Economic Data for January 2022
(Published 03/23/2022)

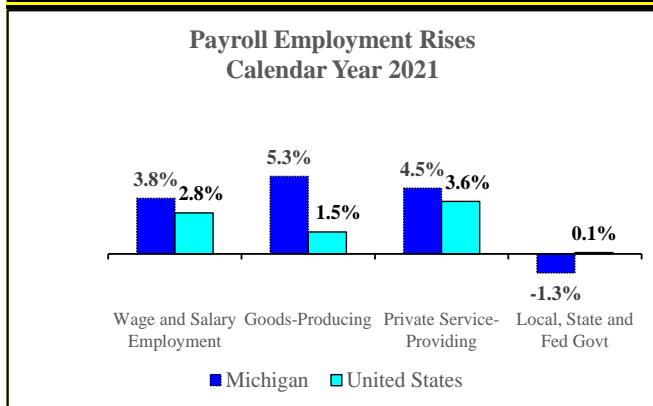
Calendar Year 2021 Employment Data Release

In March 2022, the Bureau of Labor Statistics released calendar year 2021 unemployment and wage and salary employment state data. Below are highlights from that data release:



Unemployment Rate

- In 2021, Michigan’s unemployment rate fell from 10.0 percent to 5.9 percent. Nationally, the unemployment rate decreased from 8.1 percent to 5.3 percent.
- The State’s 2021 rate was 1.8 percentage points above its 4.1 percent rate in 2019. The U.S. 2021 rate was 1.6 percentage points above 2019 rate.



Wage and Salary Employment

- In 2021, overall Michigan wage and salary employment rose 3.8 percent after having declined 9.1 percent in 2020.
- In 2021 in the goods-producing sector, Michigan employment increased 5.3 percent while State private service providing sector employment rose 4.5 percent. Government (federal, state and local combined) employment declined 1.3 percent.



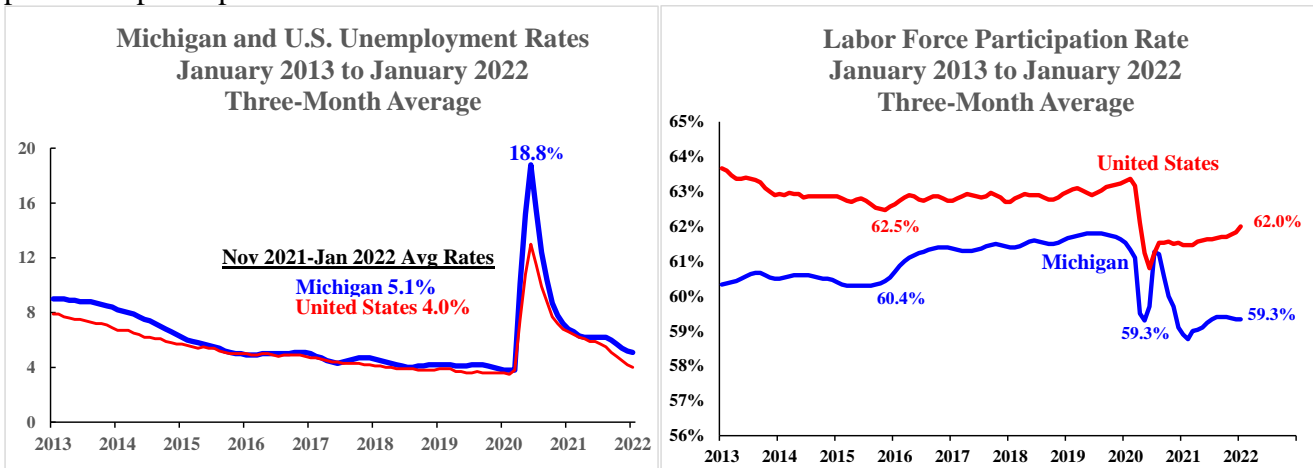
Interstate Comparisons

- Michigan’s 2021 wage and salary employment percent increase ranked 10th largest among U.S. states. In 2021, Michigan recorded the largest percent employment increase among the Great Lakes states.
- In 2021, Michigan recorded the 10th highest annual unemployment rate among the 50 states. Among the five Great Lakes states, Michigan’s unemployment rate was the second highest.
- At 40.8 hours, Michigan recorded the 30th longest average workweek for manufacturing production workers in the nation.

January 2022 Summary

Unemployment Rate Estimates

- The monthly Michigan unemployment rate estimate fell to 4.9 percent in January. The three-month average of the Michigan unemployment rate is 5.1 percent for January. Compared to last January, the three-month average is down 1.8 percentage points. Compared to the pre-pandemic February 2020 rate, the current average is up 1.3 percentage points.
- The average number of people employed in Michigan between November 2021-January 2022 was 190,400 lower than the number employed in February 2020. Compared to the three-month average of people employed between November 2020-January 2021, the current three-month average is up 125,900 people. The November 2021-January 2022 average of people unemployed is 54,900 people higher than the number of unemployed in February 2020.
- The U.S. unemployment rate rose 0.1 of a percentage point to 4.0 percent in January. January's national jobless rate is 2.4 percentage points lower than the January 2021 rate (6.4 percent), but 0.5 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.

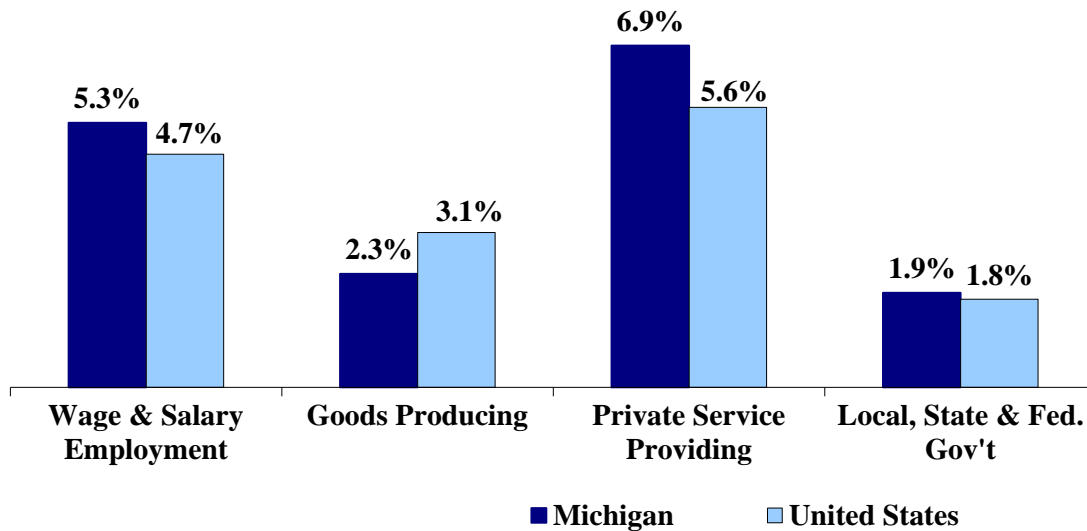


Employment by Place of Residence (in Thousands)^(a)

	<u>Annual</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</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>2021</u>	<u>2021</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>	
Michigan									
Labor Force	4,776	4,789	4,788	4,795	7	0.1%	39	0.8%	4,791
Employed	4,496	4,541	4,543	4,562	19	0.4%	112	2.5%	4,549
Unemployed	280	248	245	234	-11	-4.5%	-73	-23.7%	242
Unemployment Rate	5.9%	5.2%	5.1%	4.9%	n.a.	-0.2% pts	n.a.	-1.5% pts	5.1%
United States									
Labor Force	161,204	162,126	162,294	163,687	1,393	0.9%	3,503	2.2%	162,702
Employed	152,581	155,324	155,975	157,174	1,199	0.8%	7,170	4.8%	156,158
Unemployed	8,623	6,802	6,319	6,513	194	3.1%	-3,667	-36.0%	6,545
Unemployment Rate	5.3%	4.2%	3.9%	4.0%	n.a.	0.1% pts	n.a.	-2.4% pts	4.0%

- Compared to January 2021, Michigan payroll employment was up by 217,200 jobs (5.3 percent). State payroll employment rose by 11,200 jobs in January 2022 from December 2021. Nationally, January 2022 payroll employment was up by 6.7 million jobs (4.7 percent) from a year ago. National employment rose 481,000 jobs in January.

Payroll Employment Growth January 2021 to January 2022



- In the goods-producing sector, Michigan payroll employment increased 2.3 percent in January from a year ago; employment in the private service-providing sector rose 6.9 percent. From a year ago, January national payroll employment rose 3.1 percent in the goods-producing sector and increased 5.6 percent in the private service-providing sector.
- At 41.9 hours, manufacturing weekly hours in Michigan were up 0.5 of an hour from last year.

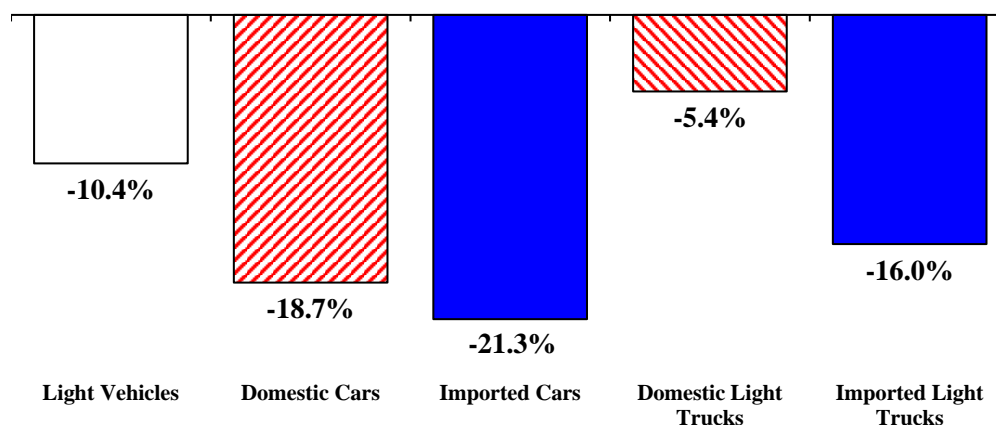
Wage and Salary (Payroll) Employment (in thousands)^(b)

	MI				US			
	2021 <u>Annual</u>	MI Jan <u>2021</u>	MI Jan <u>2022</u>	Percent <u>Change</u>	2021 <u>Annual</u>	US Jan <u>2021</u>	US Jan <u>2022</u>	Percent <u>Change</u>
Wage & Salary Employment	4,193.5	4,083.0	4,300.2	5.3%	146,124	143,017	149,721	4.7%
Goods Producing	766.8	766.0	783.5	2.3%	20,325	20,090	20,715	3.1%
Manufacturing	583.7	586.5	597.0	1.8%	12,346	12,184	12,571	3.2%
Private Service Providing	2,853.2	2,749.6	2,938.5	6.9%	103,794	101,139	106,832	5.6%
Trade, Trans. & Utilities	777.3	771.6	791.9	2.6%	27,707	27,279	28,296	3.7%
Services	1,791.6	1,697.8	1,860.3	9.6%	64,480	62,383	66,747	7.0%
Local, State & Fed. Gov't	573.5	567.4	578.2	1.9%	22,005	21,788	22,174	1.8%
Manufacturing Weekly Hours	40.8	41.4	41.9	0.5 hrs	41.4	41.6	41.2	-0.4 hrs

Motor Vehicle Sales Down From Last Year

- The U.S. light vehicle sales rate, while still constrained by supply chain shortages, rose to 15.0 million units in January. Compared to last January, sales were down 10.4 percent.
- U.S. sales of domestic light vehicles fell 8.2 percent from last January while foreign sales declined 17.5 percent. In January 2022, at 21.8 percent, the foreign share of U.S. light vehicle sales was down 1.9 percentage points from a year earlier.
- Auto sales decreased 19.5 percent compared to last January, while light truck sales declined 7.7 percent from January 2021. Year-over-year (y-o-y), heavy truck sales fell 13.1 percent from last January.
- In January 2022 (the most recent month for which inventory data are available), retail vehicle inventories were down 13.9 percent from last January – the 22nd straight year-over-year drop.

January 2022 Vehicle Sales Down From Year Ago



Motor Vehicle Sales Statistics

(Millions, Seasonally Adjusted Rates, unless otherwise specified)

Motor Vehicle Sales ^(c)	2021	Nov	Dec	Jan	3 Month	Jan	Jan
	<u>Total</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>	<u>Average</u>	<u>Chg fr</u> <u>Yr Ago</u> <u>Level</u>	<u>Chg fr</u> <u>Yr Ago</u> <u>%</u>
Autos	3.4	2.7	2.7	3.1	2.8	(0.7)	-19.5%
Domestics	2.4	2.1	2.0	2.2	2.1	(0.5)	-18.7%
Imports	1.0	0.6	0.7	0.8	0.7	(0.2)	-21.3%
Import Share	29.1%	23.4%	25.2%	27.6%	25.5%	-0.6% pts	
Light Trucks	11.6	10.3	9.9	12.0	10.7	(1.0)	-7.7%
Domestics	9.0	8.5	8.0	9.5	8.7	(0.5)	-5.4%
Imports	2.6	1.9	1.9	2.4	2.1	(0.5)	-16.0%
Import Share	22.3%	17.9%	19.1%	20.4%	19.2%	-2.0% pts	
Total Light Vehicles	14.9	13.0	12.5	15.0	13.5	(1.7)	-10.4%
Heavy Trucks	0.5	0.4	0.5	0.4	0.4	(0.1)	-13.1%
Total Vehicles	15.4	13.5	13.0	15.5	14.0	(1.8)	-10.5%

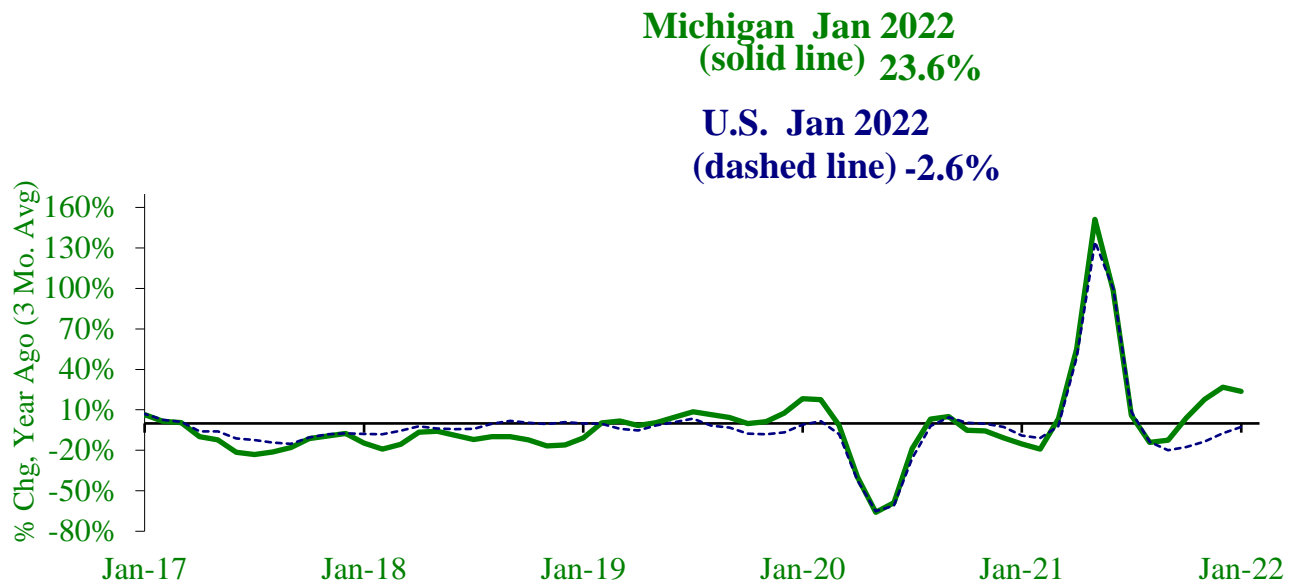
Retail Inventories, Motor Vehicle and Parts Dealers (billions of dollars)^(d)

	2020	Nov-21	Dec-21	Jan-22	3 Month	Chg fr	Chg fr
	<u>Average</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Average</u>	<u>Year Ago</u> <u>Level</u>	<u>Year Ago</u> <u>%</u>
Inventories	\$200.9	\$151.6	\$162.1	\$166.0	\$159.9	-\$26.7	-13.9%
Inventory/Sales Ratio	2.01	1.19	1.29	1.24	1.24	-0.38	

Michigan Vehicle Production Up from Year Ago

- Michigan vehicle production rose 4.2 percent from January 2021 while national vehicle production fell 3.9 percent from last January. In January 2022, Michigan vehicle production totaled 167,524 units.
- In calendar year 2021, vehicle production totaled 1.85 million units in Michigan – up 16.8 percent from 2020 and accounting for 20.3 percent of total 2021 national vehicle production of 9.12 million units.
- Comparing the three-month average of vehicle production in November 2021-January 2022 to production in November 2020-January 2021, Michigan’s average production was up 23.6 percent while average production was down 2.6 percent nationally.

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



Motor Vehicle Production Statistics

(Thousands, unless otherwise specified)

	2021 Monthly Average	Nov 2021	Dec 2021	Jan 2022	3 Month Average	Jan Level Chg fr Yr Ago	Jan % Chg fr Yr Ago
U.S. Production ^(e)							
Autos	138.4	143.5	134.2	143.0	140.2	(26.3)	-15.5%
Trucks	621.5	664.6	586.1	625.0	625.3	(5.3)	-0.8%
Total	759.9	808.1	720.3	768.1	765.5	(31.6)	-3.9%
Michigan Production ^(f)							
Autos	11.1	16.4	12.9	10.4	13.3	(5.3)	-33.6%
Trucks	143.4	166.1	144.3	157.1	155.8	12.1	8.3%
Total	154.4	182.5	157.2	167.5	169.1	6.8	4.2%
Michigan as % of U.S.	20.3%	22.6%	21.8%	21.8%	22.1%	1.7% pts	

U.S. Economic Conditions

	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Change from Year Ago</u>
KEY ECONOMIC INDICATORS					
Consumer Sentiment ^(h)	71.7	67.4	70.6	67.2	-11.8 points
ISM Manufacturing Index ⁽ⁱ⁾	60.8	60.6	58.8	57.6	-1.1 points
ISM Non Manufacturing Index ⁽ⁱ⁾	66.7	68.4	62.3	59.9	1.2 points
INFLATION ^(k)					
1982-84 = 100 (CPI)	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Change from Year Ago</u>
Nov 2009 = 100 (PPI)					
U.S. Consumer Price Index	276.6	277.9	278.8	281.1	7.5%
Detroit CPI	253.1	NA	255.7	NA	6.9%
U.S. Producer Price Index	130.1	131.1	131.2	133.0	10.0%
INTEREST RATES					
90 Day T-Bill ^(l)	0.05%	0.05%	0.06%	0.15%	0.07% points
10 Year Treasury Securities ^(l)	1.58%	1.56%	1.47%	1.76%	0.68% points
INDUSTRIAL PRODUCTION ^(l)	101.2	102.0	101.6	103.0	3.6%
CAPACITY UTILIZATION ^(l)	76.1%	76.6%	76.3%	77.3%	2.3% points
RETAIL SALES ^(d)	\$638.1	\$642.6	\$625.5	\$656.1	14.0%
HOUSING STARTS and SALES					
(Millions Annual Rate)	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>% Change From Year Ago</u>
Housing Starts ^(d)	1.552	1.703	1.754	1.657	2.0%
Existing Home Sales ^(m)	6.190	6.330	6.090	6.490	-2.6%
DURABLE GOODS ORDERS ^(d)	\$261.7	\$270.0	\$273.2	\$277.5	14.1%
PERSONAL INCOME ^(c)					
(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%
GROSS DOMESTIC PRODUCT ^(c)					
(Billions of Chained 2012 Dollars, Seasonally Adj & Annualized)	<u>2021.1</u>	<u>2021.2</u>	<u>2021.3</u>	<u>2021.4</u>	<u>Annualized % Chg From Last Qtr</u>
	\$19,055.7	\$19,368.3	\$19,478.9	\$19,810.6	7.0%

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.