

## Economic Overview And Outlook: Michigan

### JOBS

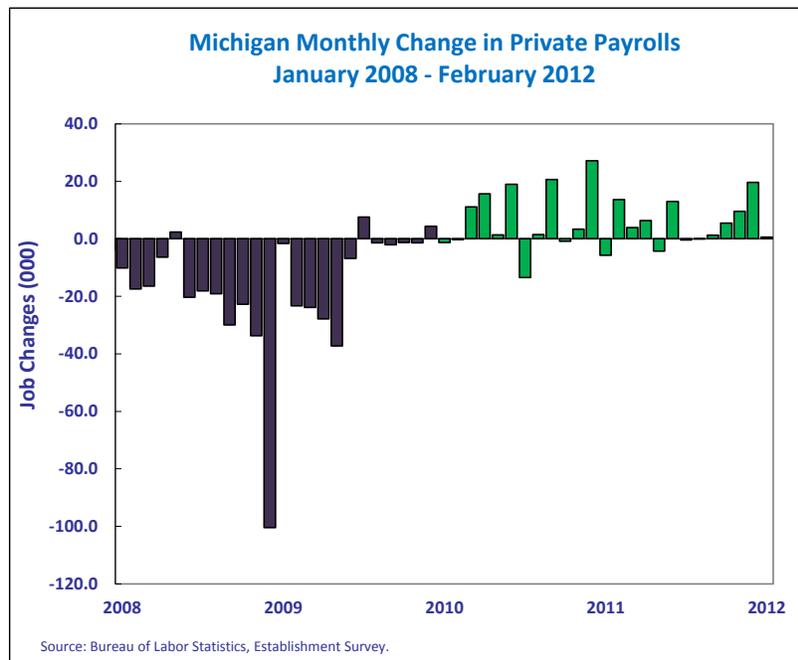
- Including February, the private sector has gained jobs nationwide for 24 consecutive months.
- In Michigan, private sector employment fell by 11.1 percent from January 2008 to February 2010. Since February 2010, private sector employment has grown by 5.5 percent.
- In Michigan, employees in the manufacturing, construction, and professional and business services sectors faced the largest job losses (as a percent of employment within an industry) over the recession. Since the beginning of 2010, the following sectors in Michigan have experienced the greatest employment increases: professional and business services; manufacturing; and mining.\*
- As the economy continues its emergence from the Great Recession, service-providing industries are projected to add the most jobs between 2010 and 2020. The largest gains over this period are expected to occur in the healthcare and social assistance, professional and business services, and retail trade sectors. Job gains in the goods-producing sector of the economy will be led by the construction and mining industries while the number of manufacturing jobs is expected to fall.

### EMPLOYMENT

- The unemployment rate in Michigan was 8.8 percent in February 2012, up 1.6 percentage points from December 2007, but down from its most recent peak of 14.2 percent in August 2009.
- 409,000 Michigan residents were counted among the unemployed in Michigan during February 2012.
- In Michigan, initial claims for unemployment insurance benefits totaled 54,257 during February, down 13.1 percent from the previous month. Since peaking at 171,209 in May 2009, initial claims for unemployment insurance benefits in Michigan have declined by 68.3 percent.

### EARNINGS

- Between the start of the recession in the 4th quarter of 2007 and the 3rd quarter of 2009, inflation-adjusted total personal income in the United States declined 4.6 percent. Most recently, in the 4th quarter of 2011, total personal income is 0.9 percent above its 4th quarter of 2007 level.



- Real per capita personal income (in 2005 \$) in Michigan was \$32,269.70 in the 4th quarter of 2011, up from \$30,470.70 in the 4th quarter of 2009.

### HOUSING

- After peaking in the first quarter of 2007, national home prices declined by 16.6 percent over 17 quarters. Between the second quarter of 2011 and the fourth quarter of 2011, the most recent quarter, national home prices rose by 1.4 percent.
- In Michigan, home prices fell by 26.6 percent over 23 quarters from their peak in the third quarter of 2005. Since the second quarter of 2011, home prices in Michigan have risen by 3.6 percent.
- As of the 4th quarter of 2011, 3.2 percent of all mortgages, including 7.5 percent of subprime mortgages, were in foreclosure in Michigan.
- Housing starts in Michigan totaled 8,660 units (seasonally adjusted annual rate) in February 2012, a decrease of 4.6 percent from January.
- Within the Midwest census region, which includes Michigan, sales of new single-family homes totaled 40,000 units in February 2012, a decrease of 2.4 percent from January. Sales of existing single-family homes increased 1.1 percent to 960,000 units (at seasonally adjusted annual rates) from January to February 2012.

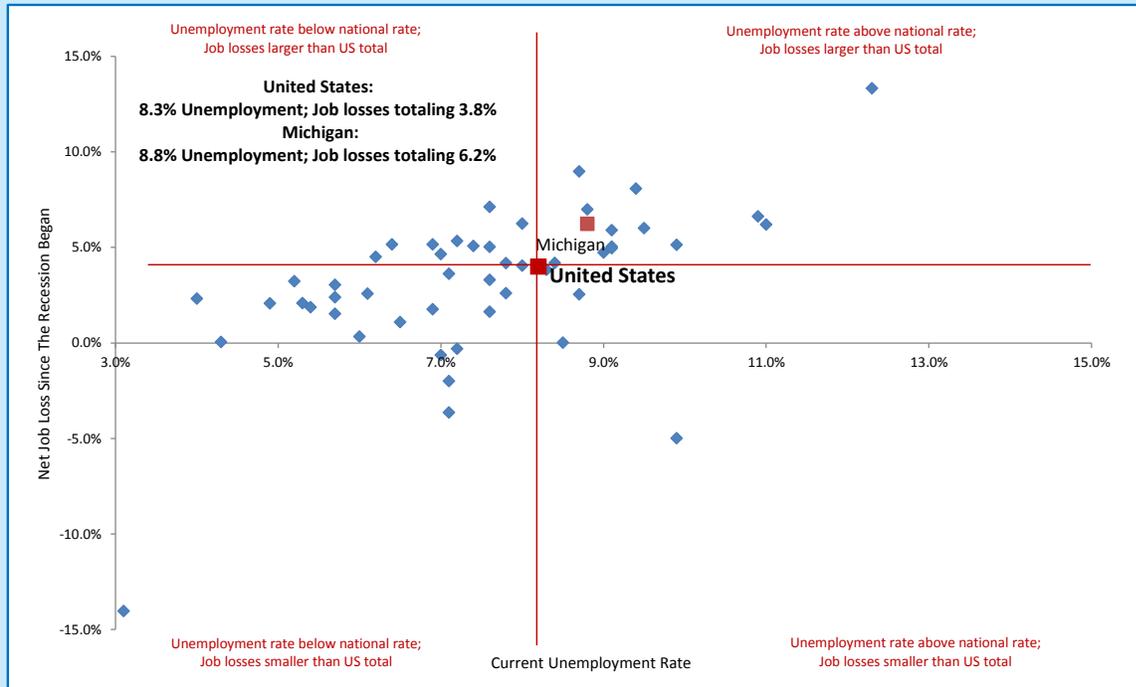
\* For Michigan-specific labor sector statistics, please refer to the Michigan office: <http://www.milmi.org/>

## How Does Michigan Compare To Other States?

Workers across the country were hard hit during the Great Recession. Although labor markets in many states have started recovering, employment in most states still remains below pre-recession levels. The chart below allows you to compare Michigan to other states using two metrics.

The current unemployment rate (measured along the horizontal axis) serves as a gauge of current labor market conditions faced by residents, while the proportion of jobs lost within Michigan since the start of the recession (shown along the vertical axis) measures the toll the recession took on the job supply in Michigan.

States falling in the upper right quadrant have lost a disproportionate share of jobs, relative to the total United States, and have unemployment rates higher than the national unemployment rate. States falling in the lower left quadrant have unemployment rates job losses (or even gains) lower than the national average.



### STATE QUICK FACTS

		Michigan	United States
<b>Unemployment Rates</b> .....	February 2009	12.0%	8.3%
	February 2010	13.6%	9.8%
	February 2011	10.7%	9.0%
	February 2012	8.8%	8.3%
<b>Percent of Population Who Are Veterans</b> .....	2011	8.6%	9.4%
<b>All Veterans' Unemployment Rate</b> .....	2011	11.3%	8.3%
<b>Post-9/11 Veterans' Unemployment Rate</b> .....	2011	14.4%	12.1%
<b>Median Household Income</b> .....	2007	\$ 51,916	\$ 52,823
	(2010 \$)	2010	\$ 46,441
<b>Poverty Rate</b> .....	2007	10.8%	12.5%
	2010	15.5%	15.1%
<b>No Health Insurance</b> .....	2007	11.6%	15.3%
	2010	13.0%	16.3%