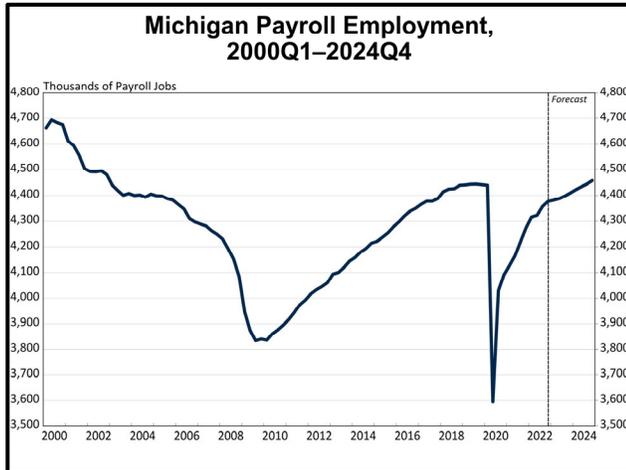


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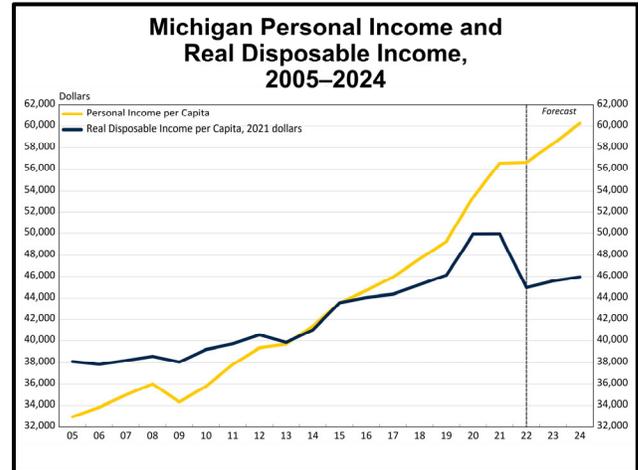
Some highlights from RSQE's most recent Michigan forecast, released on February 22, 2023:



Michigan added 146,600 jobs in 2022 as it continued to recover from the pandemic recession. We project that job gains will continue at a slower pace over the next two years as Michigan avoids the brunt of the mild national recession we are expecting. Job growth totals 51,400 this year and 45,000 in 2024. Our forecast calls for Michigan to recover to its pre-pandemic employment level in mid-2024.

Our forecast that the state will continue to grow amid a national slowdown depends on our outlook for Michigan's blue-collar industries. We believe that employment in manufacturing will be supported by large backlogs of demand in the auto industry, while job losses in construction will be cushioned by nonresidential projects and labor hoarding amid a tight job market.

Michigan's unemployment rate rises from 4.3 percent in the fourth quarter of 2022 to 4.7 percent in mid-2024, as growth in the labor force outpaces job growth. The unemployment rate then ticks back down to 4.5 percent by the end of next year.



Personal income per capita in Michigan jumped by nearly 15 percent between 2019 and 2021 amid large-scale fiscal stimulus. We believe that when the data for 2022 is complete, it will show that personal income per capita held essentially flat with 2021. We project growth to pick up to an average of 3.2 percent per year in 2023 and 2024. That would bring Michigan's personal income per capita to \$60,300 in 2024, or 22 percent higher than in 2019.

Unfortunately, we judge that statewide real disposable income per capita plunged 10 percent last year amid the surge in inflation. The good news is that our forecast calls for a return to growth in living standards over the next two years, as inflation slows and nominal income growth picks up.

Real disposable income per capita rises by 1.3 percent in 2023 and 0.9 percent in 2024. Nonetheless, state residents will see zero growth in living standards over a period of five years, from 2019 to 2024.