We would like to thank the following sponsors of our 70th Annual Economic Outlook Conference.
The Michigan Economic Outlook
For 2023–2024

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NOVEMBER 18, 2022

Research Seminar in Quantitative Economics
Forecast Review for 2022
Forecast Review for Michigan Personal Income

Millions of dollars, SAAR

Original History and RSQE Forecast, November 2021
Revised History and RSQE Forecast, November 2022

RSQE: November 2022
Current State of the Michigan Economy
Michigan is Still Climbing Out of a Deep Jobs Hole

Index, 100 = February 2020

Michigan Payroll Employment
National Payroll Employment

RSQE: November 2022
Labor Demand Continues to Soften but Remains High

Percent change, relative to February 1, 2020

Legend:
- Red: Total Job Posting in the Detroit Metro-Area
- Green: Total Job Posting in the Grand-Rapids Metro-Area
- Black: Total Job Posting in Michigan
- Yellow: Total Job Posting in the U.S.

Source: Indeed
Filling Jobs is Starting to Get Easier in Michigan

Hires per Job Opening, 3-Month Moving Average

- National Hires per Job Opening
- Michigan Hires per Job Opening

RSQE: November 2022
Local Inflation May Have Finally Peaked

*Data for odd-numbered months are interpolated by RSQE
Michigan Economic Outlook
Quarterly Light Vehicle Sales: Slow Recovery Ahead

Millions of units, annualized rate

- Total Light Vehicle Sales
- Detroit Three Sales

Forecast

RSQE: November 2022
Quarterly Michigan Payroll Employment: Full Recovery by End of 2024

RSQE: November 2022
Employment Outlook by Industry Group:
Blue-Collar Industries Lead the Way

Index, 2020Q1=100

Blue-Collar
Higher-Ed Services
Lower-Ed Services

Forecast

RSQE: November 2022
Michigan’s Unemployment Rate Ticks Up
Labor Force Participation Recovers Modestly

RSQE: November 2022
Michigan Personal Income…Inflation Takes a Bite

[Graph showing personal income per capita and real disposable income per capita over time, with the forecast line extending into the future.]
Local Inflation:
Price Increases Will Cool Down…Eventually

RSQE: November 2022
Michigan’s Long-Run Outlook
Michigan Population Peaks in mid-2040’s
County-Level Total Population Change, 2020–2050

Population Change, 2020–2050
- Red: Declining more than 4%
- Orange: Declining 0–4%
- Green: Growing up to 4%
- Dark Green: Growing more than 4%
We are forecasting a complete recovery in payroll employment by the end of 2024.

The unemployment rate rises to 4.7% by early 2024 before declining.

Personal income per capita in 2024 is 25% higher than in 2019.
  • But inflation eats away almost all of those gains.

State tax revenue declines $2 billion in fiscal 2023 following the boom of the past two years.

Major risks are tilted to the downside, including:
  • Inflation remaining elevated
  • Demand for autos falling
  • Job losses in construction

RSQE: November 2022