

36TH



Welcome

OAKLAND COUNTY ECONOMIC OUTLOOK

M UNIVERSITY OF MICHIGAN

OAKLAND
COUNTY MICHIGAN
ECONOMIC DEVELOPMENT
DAVID COULTER
OAKLAND COUNTY EXECUTIVE

Oakland County Executive

David Coulter



The Economic Outlook for Oakland County, 2021–2023



June 9, 2021

Jacob Burton

Tina Dhariwal

Gabriel Ehrlich

Donald Grimes

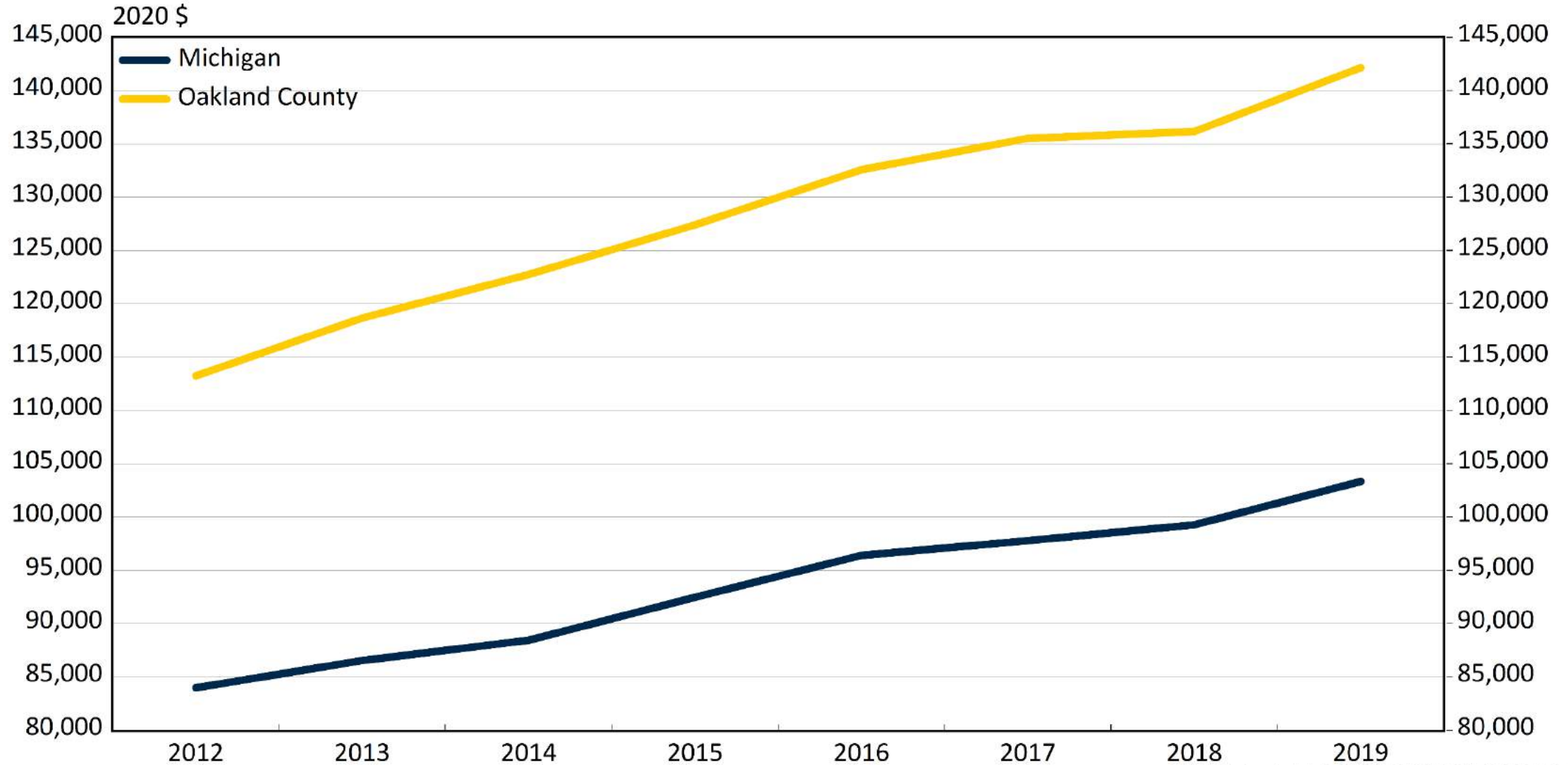
Owen Kay

Michael McWilliams

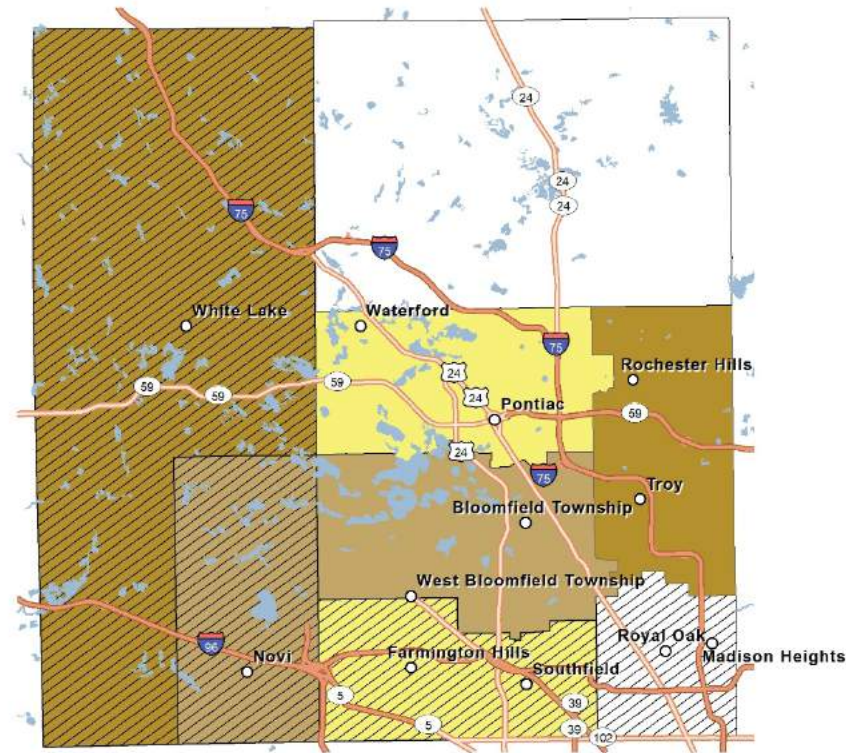
Research Seminar in Quantitative Economics

Oakland's Economy before COVID-19

Average Adjusted Three-Person Equivalent Household Income, Michigan and Oakland County

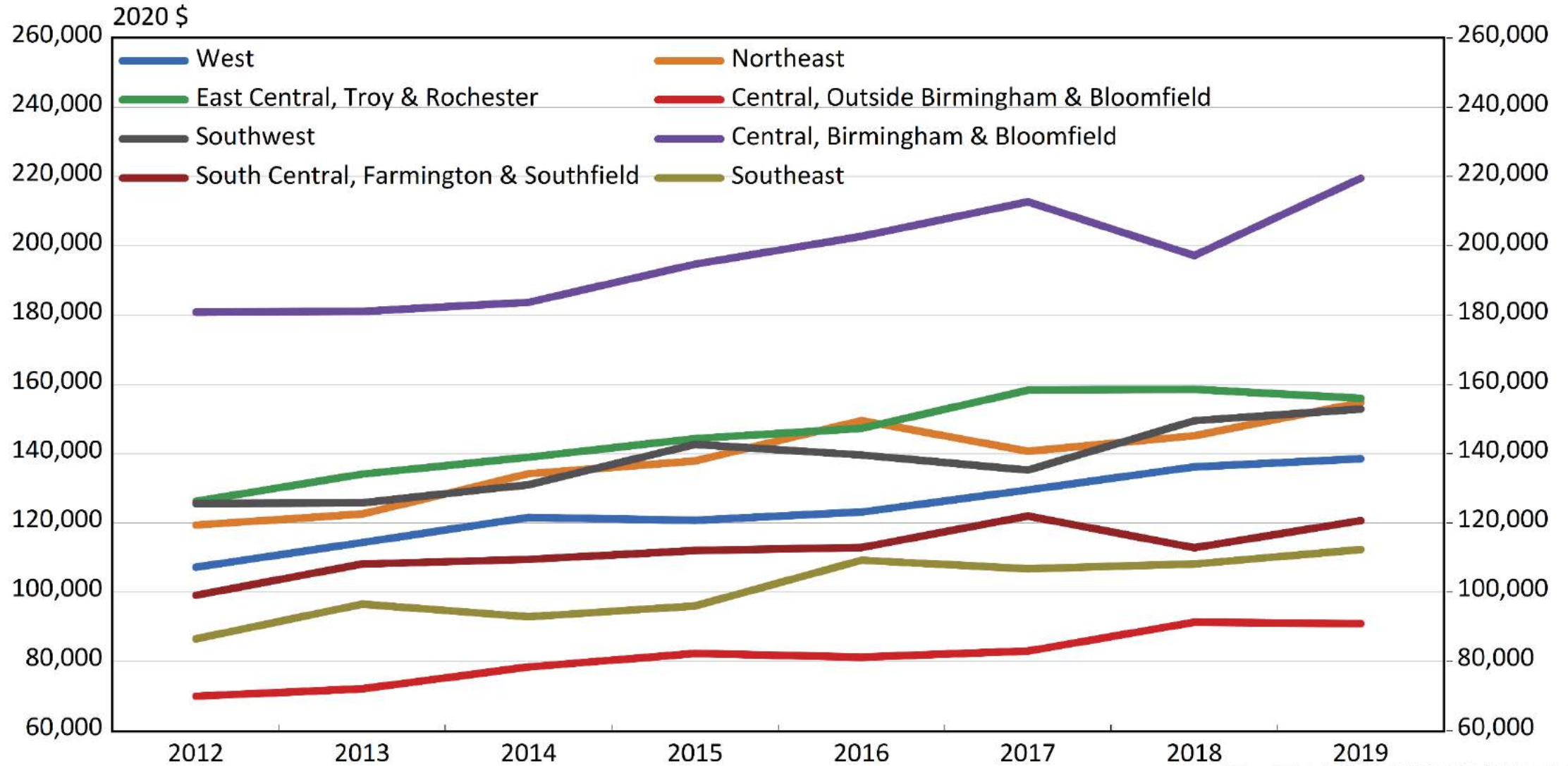


Oakland County PUMA Regions



- | | |
|--|--|
| Northeast | Southeast |
| Central, Outside Birmingham & Bloomfield | South Central, Farmington & Southfield |
| Central, Birmingham & Bloomfield | Southwest |
| East Central, Troy & Rochester | West |

Average Three-Person Equivalent Household Income, Oakland County PUMAs



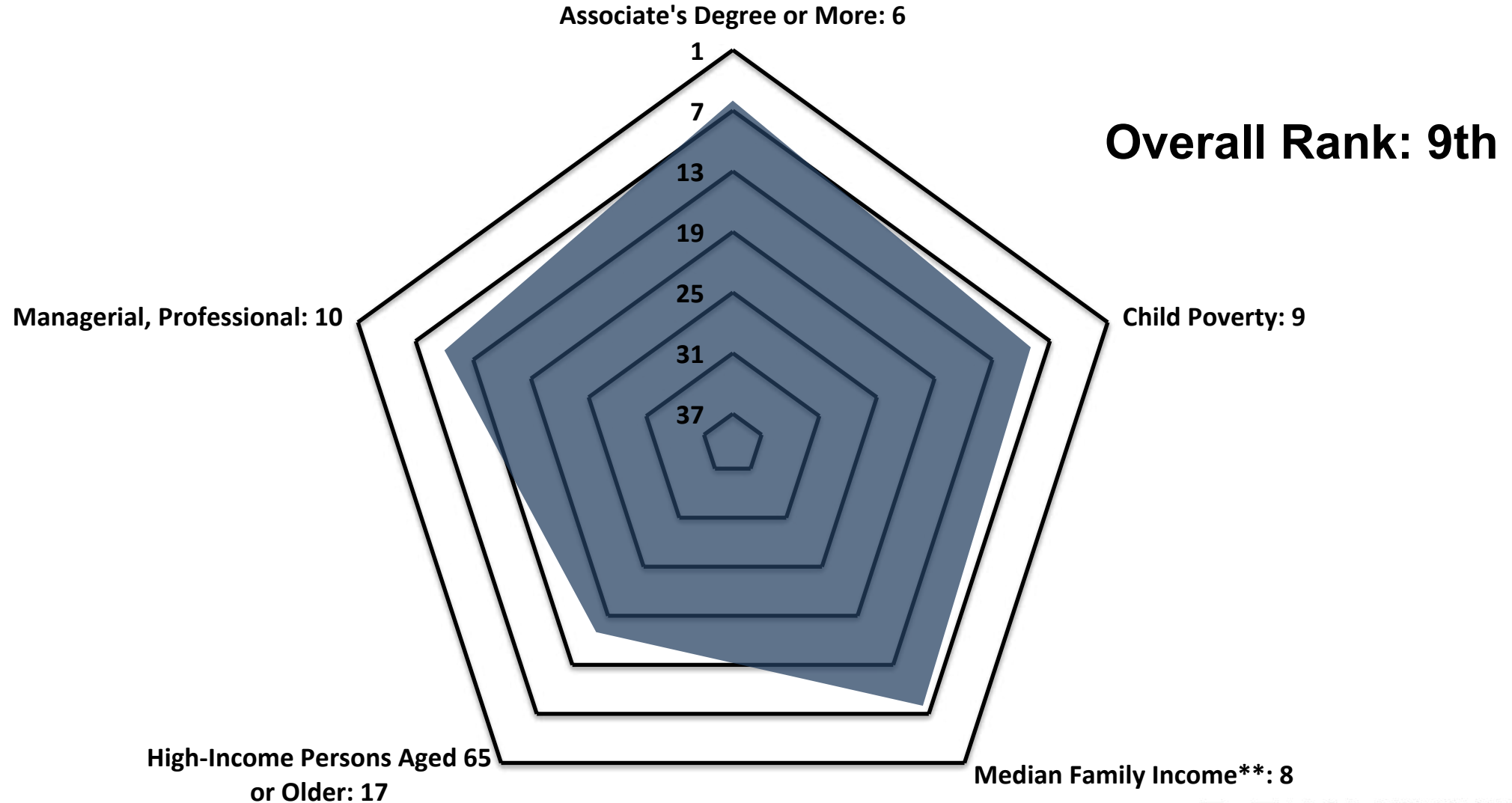
RSQE: June 2021

Population in Lower-, Middle-, and Upper Income Households by Race and Ethnicity, Oakland County, 2019

	<u>Lower-Income Population</u>	<u>Middle-Income Population</u>	<u>Upper-Income Population</u>
<u>Michigan</u>			
All Race/Ethnicity	28%	53%	19%
Hispanic	41%	46%	13%
Non-Hispanic Asian	21%	49%	30%
Non-Hispanic Black	47%	42%	11%
Non-Hispanic White	23%	57%	20%
<u>Oakland County</u>			
All Race/Ethnicity	18%	51%	32%
Hispanic	27%	50%	23%
Non-Hispanic Asian	13%	43%	43%
Non-Hispanic Black	33%	56%	11%
Non-Hispanic White	14%	51%	35%

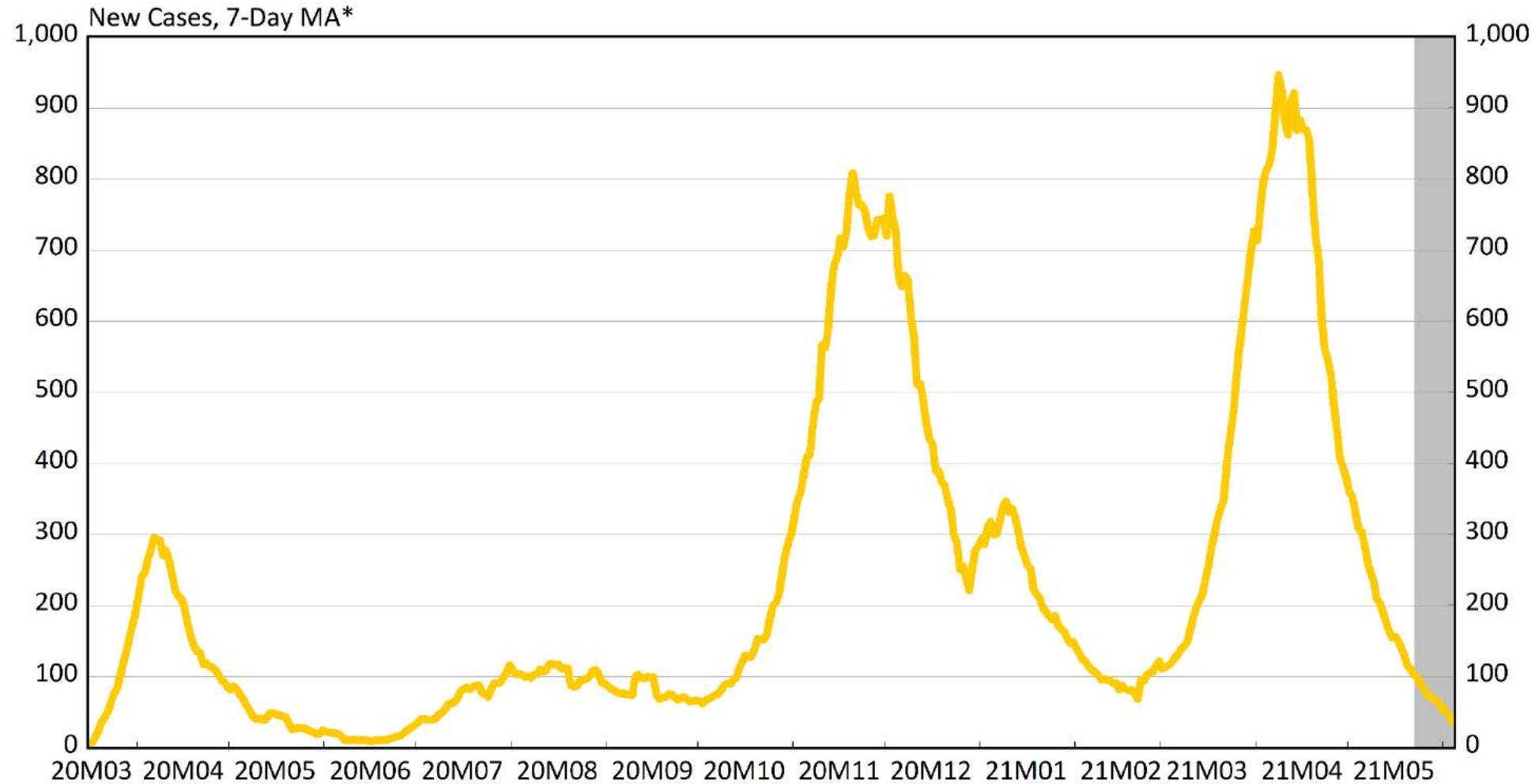
Note: some totals do not sum to 100 percent because of rounding.

Oakland County Compared with its Peers: 2019



Current State of Oakland's Economy

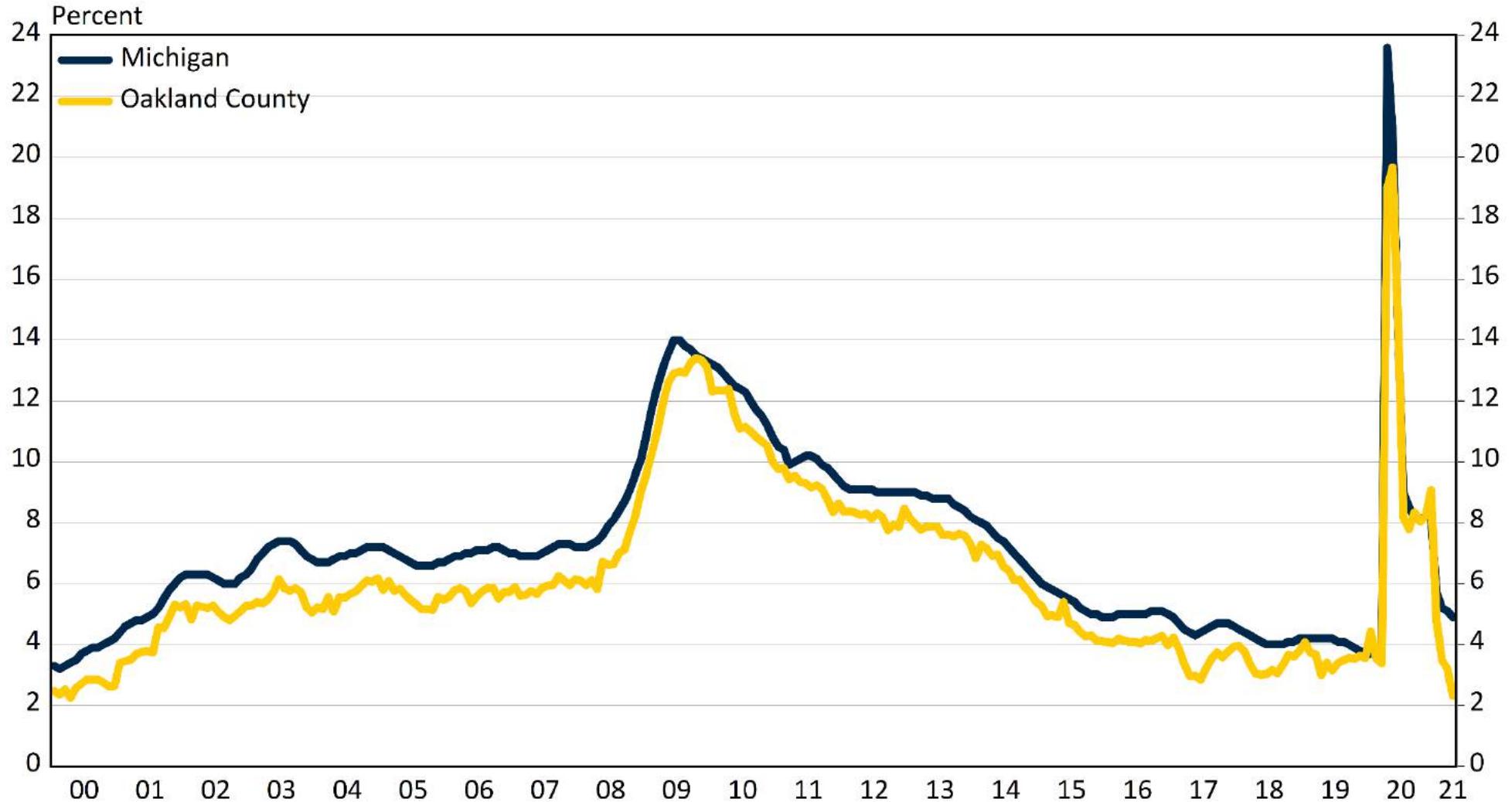
New Cases of COVID-19 in Oakland County



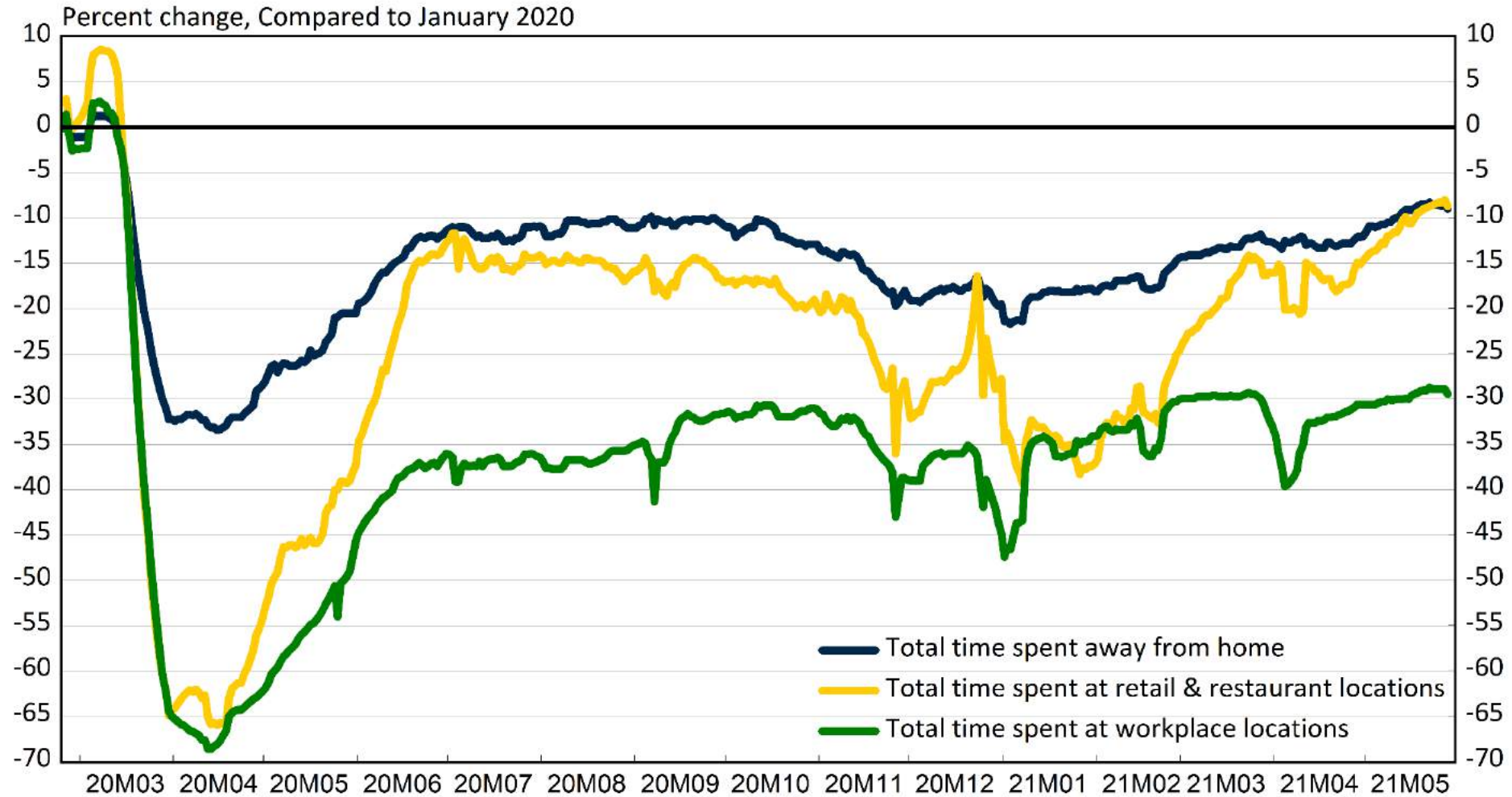
Source: Oakland County Dashboard as of 06/04/2021

*Data in shaded area is more likely to be revised

Seasonally Adjusted Unemployment Rate, Michigan and Oakland County



Total Time Spent at Various Locations in Oakland County



Source: Google's COVID-19 Community Mobility Reports via Opportunity Insights

Forecast Review

Review of Last Year's Forecast

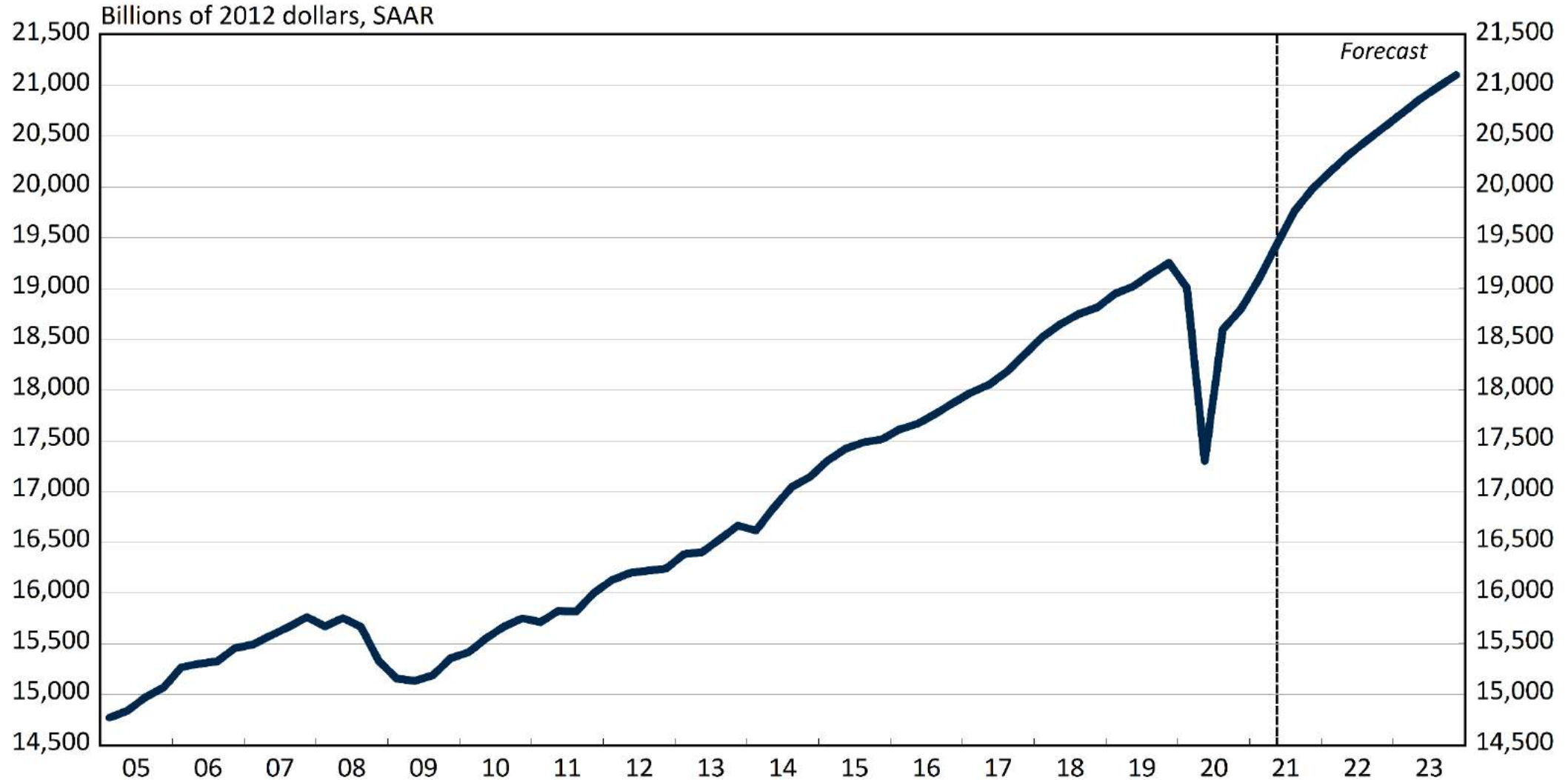


A stylized illustration of a wizard with a long white beard, wearing a pointed hat with a star and a robe with stars, looking through a telescope. The background includes a crescent moon and a star.

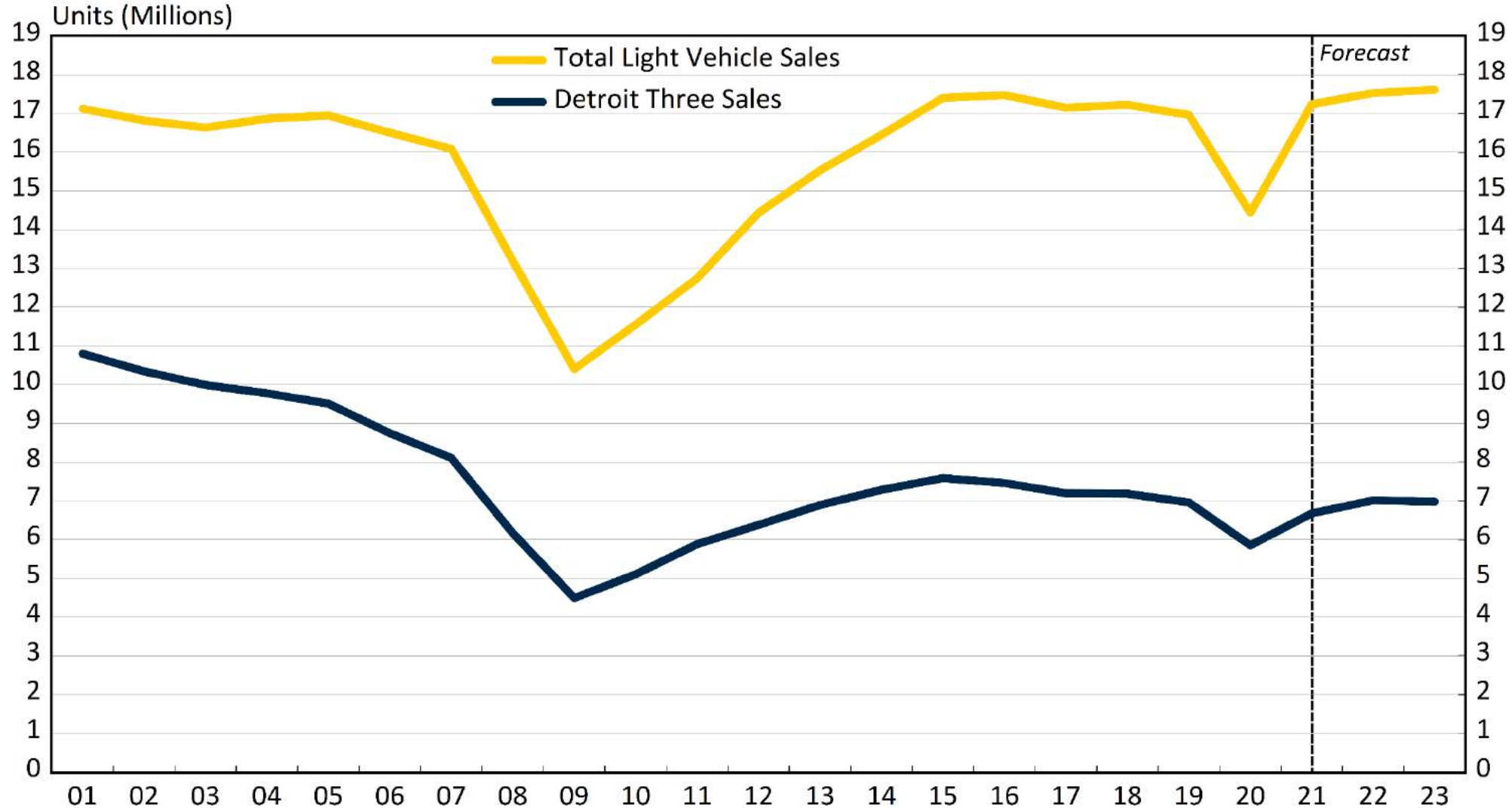
	Forecast 2020	Actual 2020
Payroll employment growth	-9.1%	-9.8%
Unemployment rate	9.1%	9.5%
Consumer inflation rate	-0.2%	1.0%

U.S. Economic Outlook

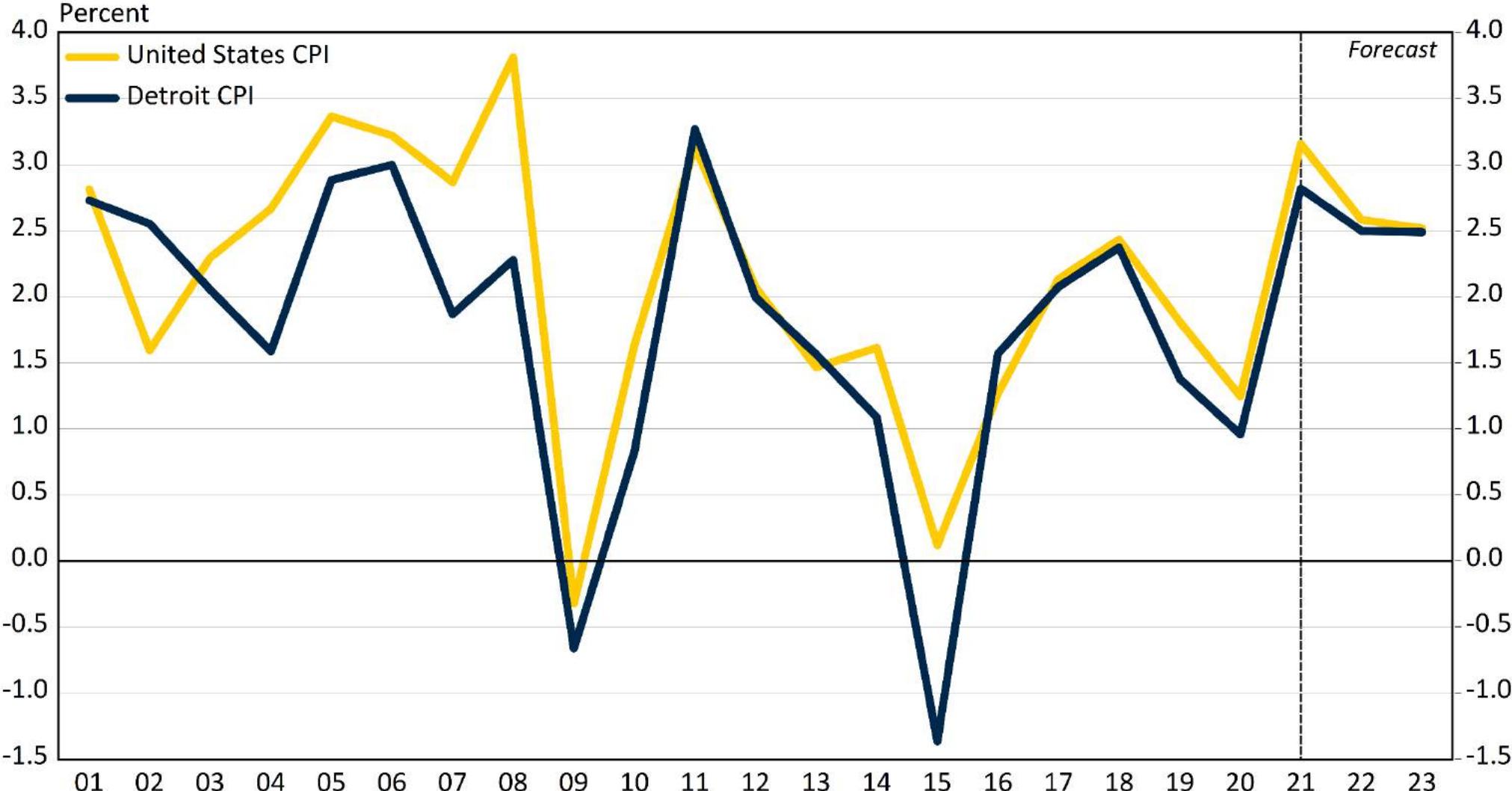
Real U.S. GDP



U.S. and Detroit Three Light Vehicle Sales

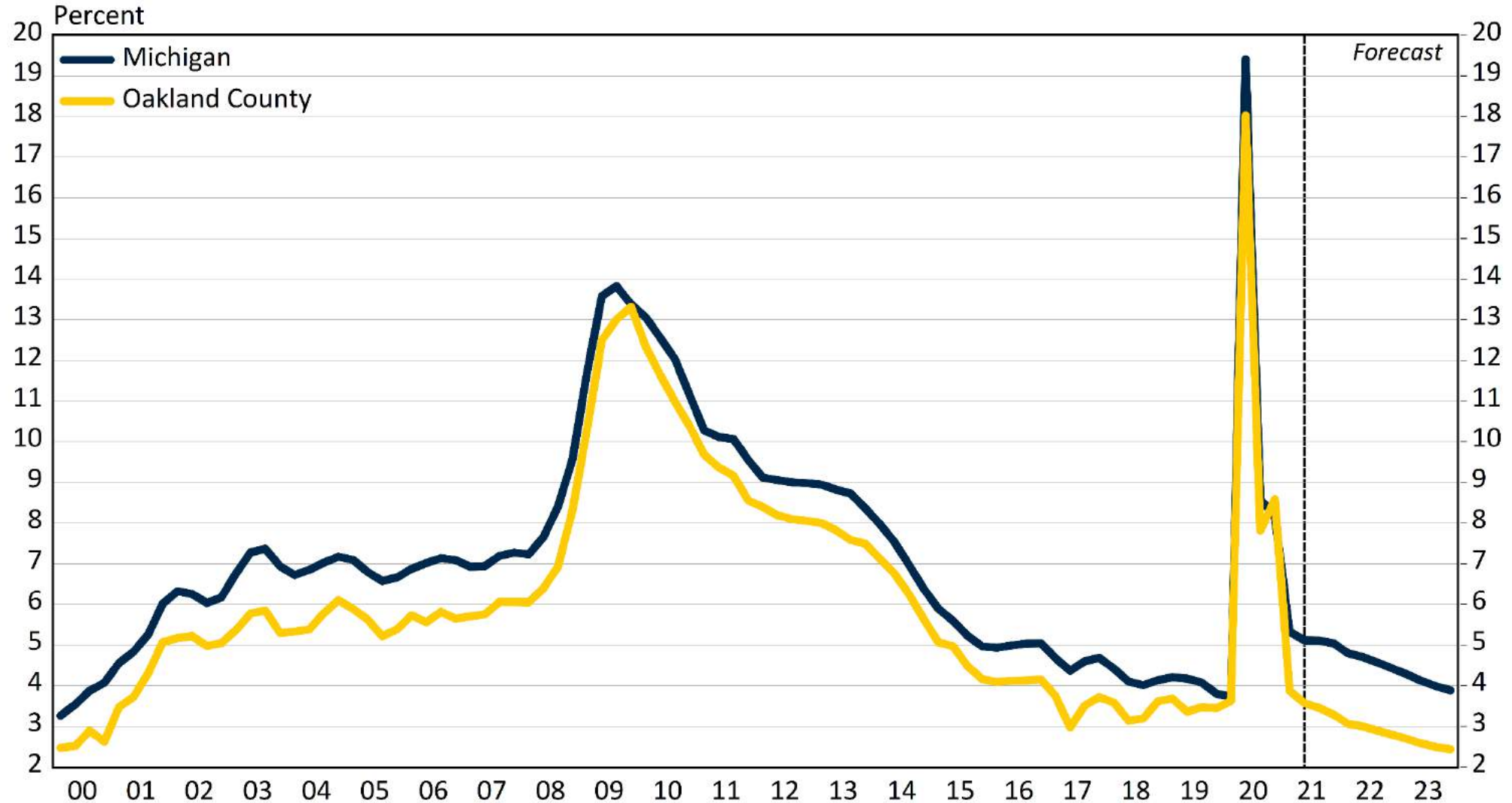


Inflation Rate, United States and Detroit CPIs

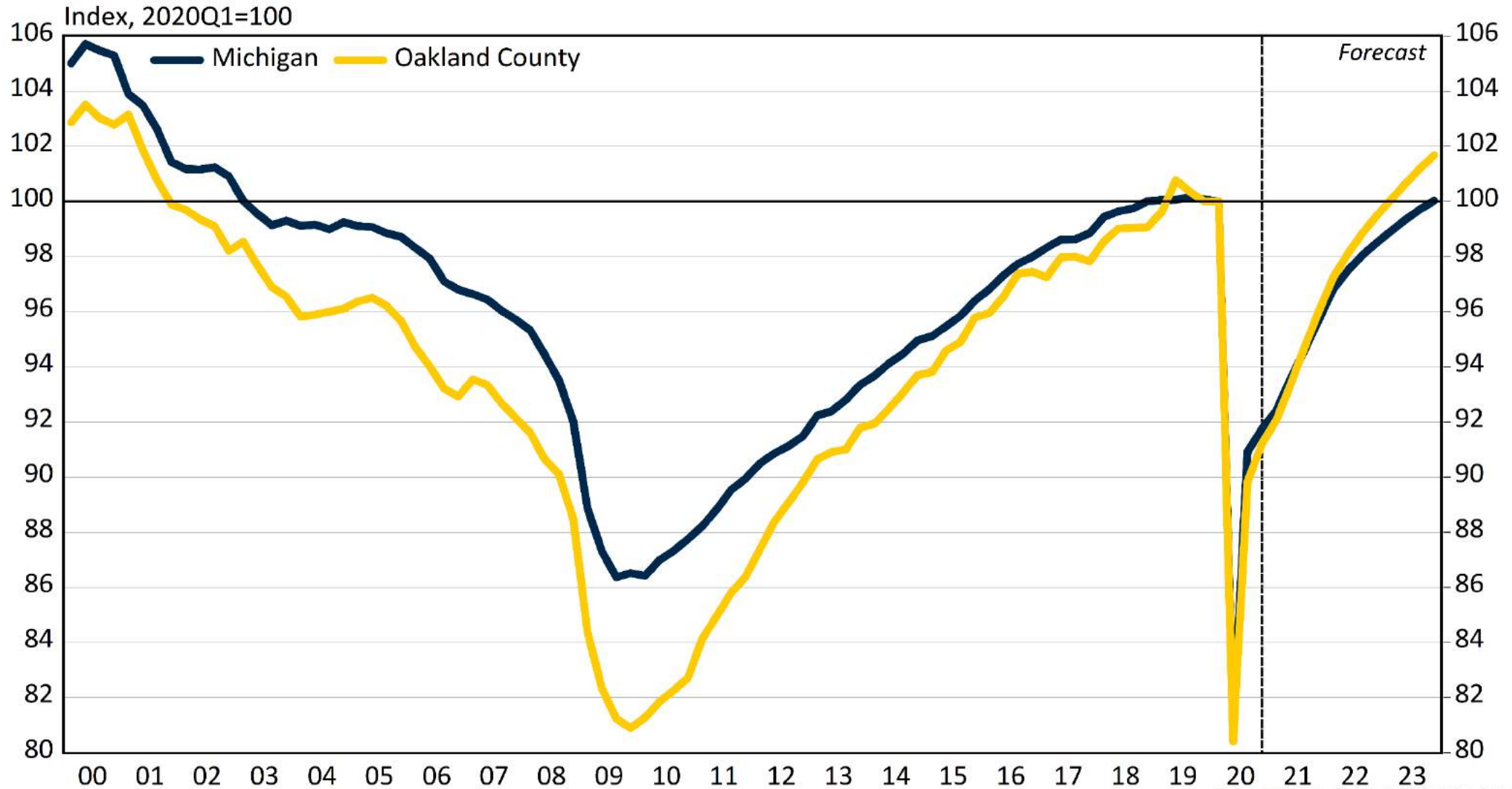


Oakland County Economic Outlook

Quarterly Unemployment Rates, Michigan and Oakland County



Employment Indices for Michigan and Oakland County



Industry Detail

The Recovery of Payroll Jobs in Oakland County

	<u>Employment Level</u>					Average Wage (\$)
	2019	2020	2021	2022	2023	2019
Total Jobs (Number of jobs)	746,298	673,218	700,742	733,299	751,650	63,708
(Annual percentage change)	(1.3)	(-9.8)	(4.1)	(4.6)	(2.5)	
Total Government	45,359	43,091	42,722	44,050	44,446	55,802
Total Private	700,939	630,127	658,020	689,249	707,204	64,220

Full-Recovery Industries

	<u>Employment Level</u>					Average Wage (\$)
	2019	2020	2021	2022	2023	2019
Utilities	1,527	1,523	1,508	1,537	1,559	127,103
Management of companies and enterprises	18,892	18,589	19,065	20,543	21,639	119,051
Finance and insurance	39,220	41,155	42,378	43,527	44,395	100,547
Wholesale trade	37,850	35,784	36,982	38,032	38,532	98,156
Professional, scientific, and technical services	104,560	98,658	102,449	107,061	109,644	94,245

Full-Recovery Industries

	<u>Employment Level</u>					Average Wage (\$)
	2019	2020	2021	2022	2023	2019
Construction	27,204	27,441	30,415	33,122	34,448	73,176
Other manufacturing	47,415	43,513	44,918	47,157	48,542	71,376
Transportation and warehousing	12,919	12,563	13,258	14,201	14,896	51,311
Private education	11,453	9,852	10,305	11,084	11,479	43,067
Natural resources and mining	880	915	941	961	982	37,299

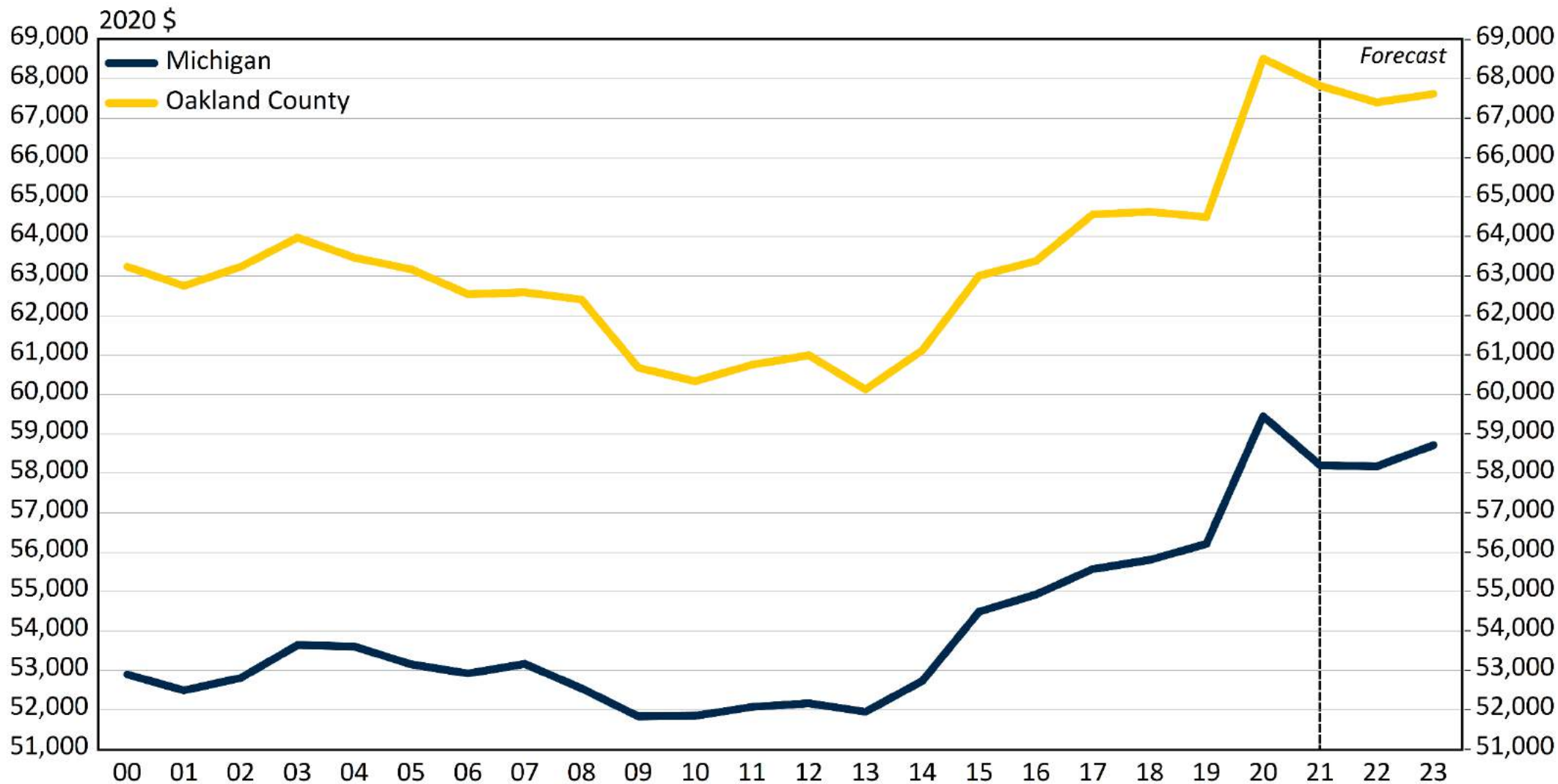
Incomplete-Recovery Industries

	2019	2020	<u>Employment Level</u>			Average Wage (\$)
			2021	2022	2023	2019
Accommodation and food services	61,117	46,048	51,908	58,009	60,771	20,493
Retail trade	78,889	69,612	72,791	72,968	72,874	36,278
Other services	23,271	19,080	20,046	21,045	21,729	37,464
Arts, entertainment and recreation	11,245	6,590	6,927	8,291	8,835	41,824
Administrative support and waste management	61,735	51,645	54,308	56,799	58,090	44,942

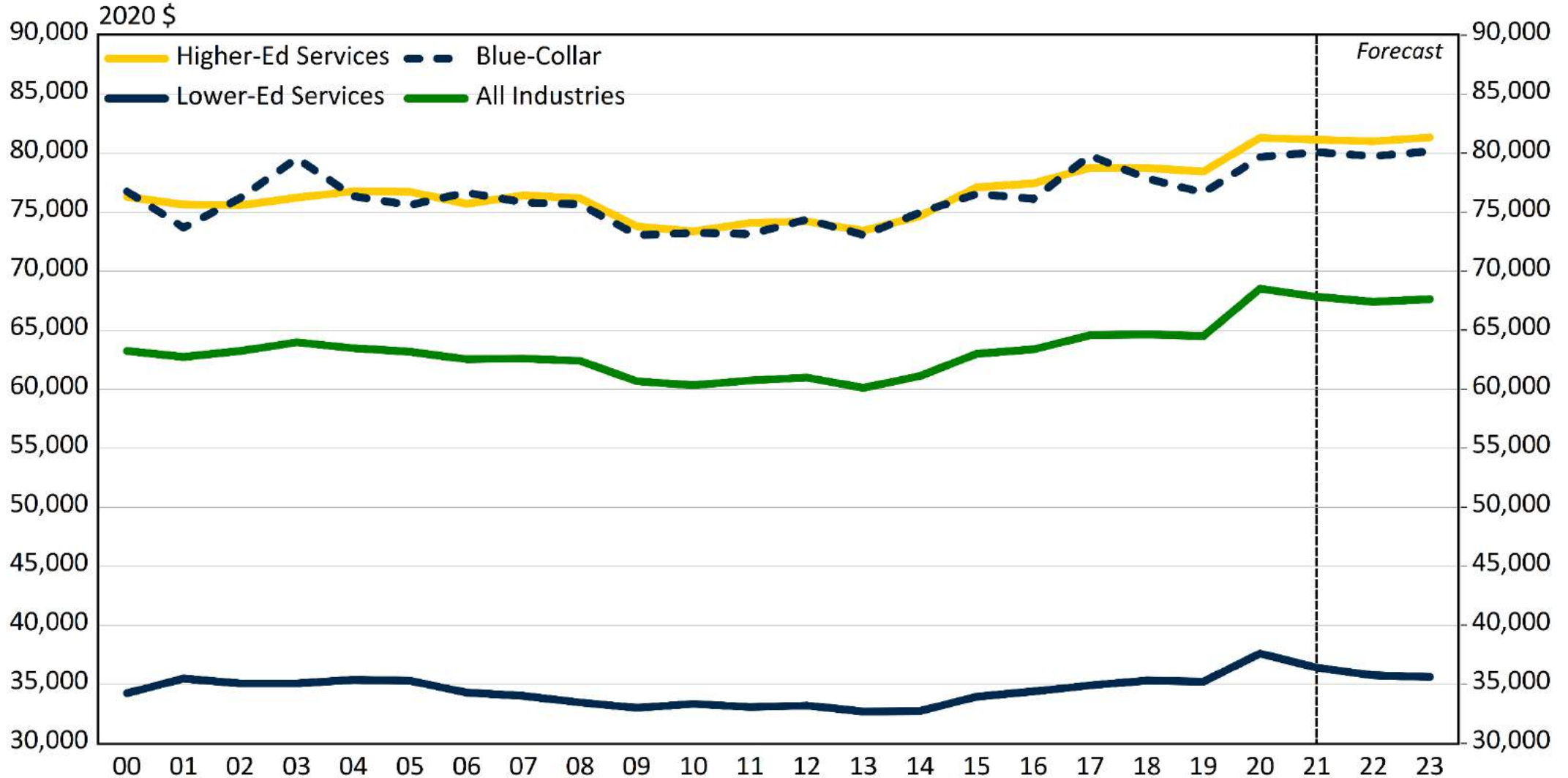
Incomplete-Recovery Industries

	<u>Employment Level</u>					Average Wage (\$)
	2019	2020	2021	2022	2023	2019
Private health and social services	107,133	97,706	99,960	103,569	106,550	52,591
Real estate and rental and leasing	16,969	15,344	15,350	15,930	16,357	56,692
Information	15,097	13,295	13,072	13,456	13,694	86,299
Transportation equipment (Motor Vehicles & Parts) manufacturing	21,709	18,866	19,425	19,942	20,173	104,532

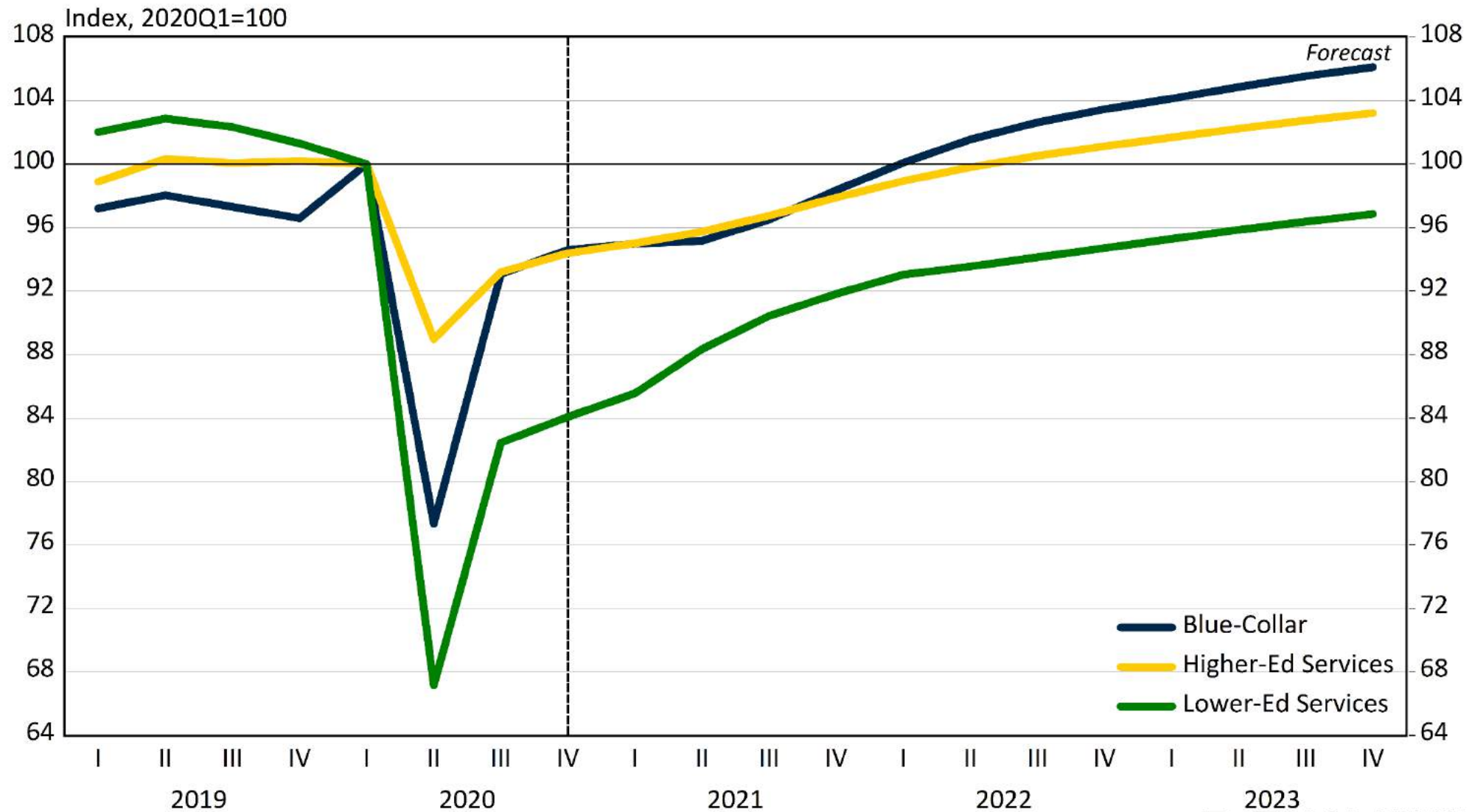
Average Real Wage in Michigan and Oakland County



Average Real Wage in Oakland County by Industry Group



Oakland County Employment by Industry Group



Concluding Thoughts

- Oakland County's economy is critical to the state
 - 20 percent of state's GDP
 - 17 percent of state's payroll employment
- Summary of our outlook
 - Return to pre-pandemic payroll employment level in 2023q1
 - Reach the lowest unemployment rate since 1999 in 2023q4
 - Average real wage is 5 percent higher in 2023 than in 2019

Risks and Concerns

- New wave or variants of COVID-19
- Inflation exceeds expectations
- Supply chain disruptions persist
- Labor force participation rate does not recover
 - Filling jobs could get even tougher
- Income inequality grows over the next few years
 - Incomplete jobs recovery in lower-wage service industries



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Q&A



Thank
You!

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