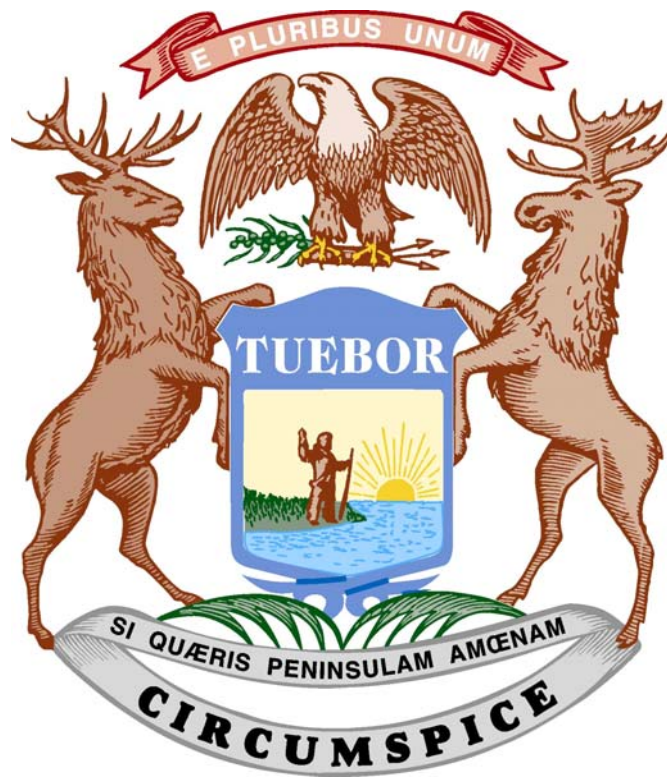
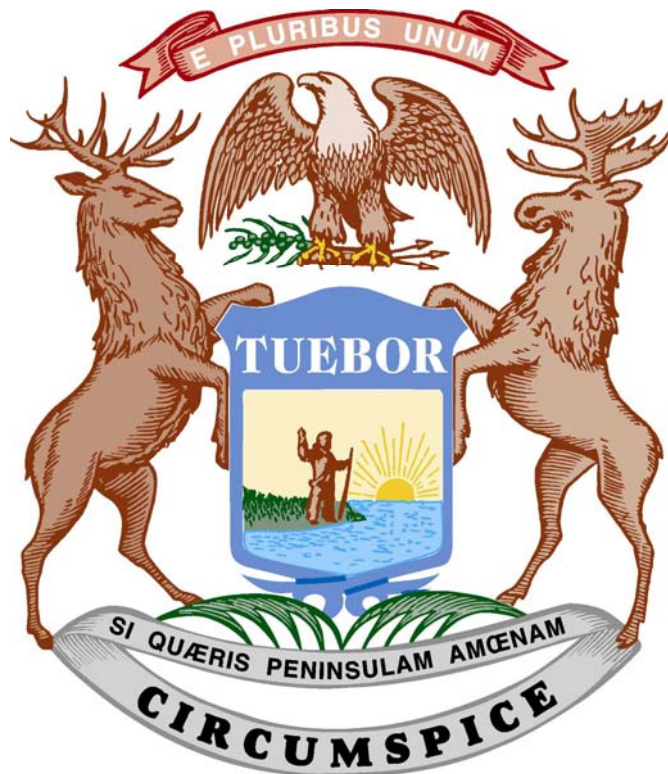


2009 ECONOMIC REPORT OF THE STATE TREASURER



2009 ECONOMIC REPORT OF THE STATE TREASURER



Robert J. Kleine, State Treasurer

Transmitted to the Michigan Legislature
June 2010



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE
STATE TREASURER

June 2010

To the Members of the Michigan Legislature and the People of the State of Michigan:

It is my pleasure to submit to you the *2009 Economic Report of the State Treasurer*. The *Report* highlights the economic challenges being faced by our state and some of the important steps being undertaken to address these challenges.

The *Report* provides an overview of Michigan's economy and recent economic events and the challenges created by these events. The report then discusses the numerous reform efforts underway. In addition, the report contains detailed statistical tables describing a number of important features of Michigan's economy.

We hope this report provides useful information to individuals, policymakers, and businesses that will help them in decision making as they strive to make our state a better place to live and work.

Sincerely,

A handwritten signature in cursive script that reads "Robert J. Kleine".

Robert J. Kleine
State Treasurer

Acknowledgements

This *Report* was prepared by the staff of the Office of Revenue and Tax Analysis of the Michigan Department of Treasury. Important contributions were made by Evah Cole, Scott Darragh, Denise Heidt, Andrew Lockwood, Mindy Parshall and Thomas Patchak-Schuster.

The Michigan Department of Treasury is solely responsible for the accuracy of the information presented in this *Report*.

2009 Economic Report of the State Treasurer

Table of Contents

Introduction.....	2
Background on Michigan’s Economy	3
Auto Sector	9
GM and Chrysler Bankruptcy.....	10
Housing.....	12
Impact of Housing on Local Governments.....	14
Financial Crisis	16
Federal Stimulus Package.....	20
Dealing with Future Obligations.....	21
Modernizing Michigan’s Tax Structure.....	23
New Investment for a New Economy	26
Global Economic Recovery	27
Conclusion	29
Appendix.....	31
Statistical Tables	32

Appendix A

Statistical Tables

Table

A-1	U.S. and Michigan Labor Force and Unemployment	32
A-2	Michigan Manufacturing and Durable Goods Employment...	33
A-3	Michigan Manufacturing and Nondurable Goods Employment.....	34
A-4	Michigan Nonmanufacturing and Private Service- Producing Employment	35
A-5	Michigan Payroll Employment by Major Category.....	36
A-6	Public Sector Employment in Michigan	37
A-7	State of Michigan Classified Employees by Department Per Fiscal Year.....	38
A-8	Michigan MSA and County Employment and Unemployment Rates.....	39
A-9	Michigan Labor Force Statistics by Age, Race and Sex – 1999 and 2009.....	42
A-10	U.S. and Michigan Employment, Employment Shares, and Location Quotient for 2008	43
A-11	New Incorporations in Michigan	44
A-12	U.S. and Michigan Manufacturing Industries Average Weekly and Hourly Earnings.....	45
A-13	Michigan Personal Income, by Major Source.....	46
A-14	Michigan Personal Income, by Industry	47
A-15	U.S. and Michigan Personal and Per-Person Income	48
A-16	U.S. and Michigan Real Personal and Per-Person Income	49
A-17	County and Metro Area Per-Person Income	50
A-18	Michigan Gross State Product by Sector – Millions of Dollars	53
A-19	U.S. and Detroit Consumers Price Indices and Inflation Rates – Calendar Year.....	54
A-20	U.S. and Detroit Consumers Price Indices and Inflation Rates – Michigan Fiscal Year	55
A-21	U.S. and Detroit Consumer Price Indices Detail	56
A-22	U.S. Interest Rates	57
A-23	U.S. and Michigan Resident Population	58
A-24	Michigan Population by County	59
A-25	U.S. Population, Ranked by State.....	62
A-26	U.S. Motor Vehicle Stocks, Age, and Michigan Vehicle Registrations	63
A-27	U.S. Motor Vehicle Sales	64
A-28	U.S. and Michigan Motor Vehicle Production	65
A-29	New Private Housing Units Authorized in Michigan MSAs	66
A-30	Median Price of Existing Homes – Michigan Metropolitan Areas, 1989-2009	67

A-31	10-Year State of Michigan Revenue History	68
A-32	State Revenue Limit Calculation – Article IX Section 26	69
A-33	Counter Cyclical Budget and Economic Stabilization Fund	70
A-34	Michigan Real Property State Equalized Value (SEV) by Class.....	71
A-35	Michigan Real Property Taxable Value (TV) by Class	72
A-36	Michigan Personal Property State Equalized Value (SEV) by Class	73
A-37	Michigan Real and Personal Property Values, Taxes and Tax Rates.....	74
A-38	Michigan State Equalized Value (Taxable Value), by Local Unit of Government	75
A-39	Michigan General Property Taxes, by Local Unit of Government	76
A-40	Michigan School Property Taxes.....	78
A-41	Homestead Property Tax Credit.....	79
A-42	Historical Distributions of State Revenue Sharing by Type of Local Unit of Government	81
A-43	State and Local Total Tax Burden Comparisons, FY 2007	82
A-44	State and Local Property Tax Burden Comparisons, FY 2007	83
A-45	State and Local Sales Tax Burden Comparisons, FY 2007	84
A-46	State and Local Income Tax Burden Comparisons, FY 2007	85
A-47	Business Taxes as a Share of Total State and Local Taxes and Private Sector Gross State Product, Council on State Taxation Estimates, FY 2008	86
A-48	Total Business Establishments by State.....	87
A-49	Michigan Major Sector Payroll.....	88
A-50	Total Private Employment, Payroll, and Number of Establishments by County	89

**2009 Economic Report
of the State Treasurer**

Introduction

Michigan's economic struggles continued in 2009. Employment declined for the ninth straight year and two of the state's signature companies, General Motors and Chrysler, entered bankruptcy. Yet even in the midst of this tumultuous year the state continued to make progress in diversifying its economic base with new development initiatives in advanced battery production, renewable energy, and life sciences.

The continuing decline of the domestic automakers, coupled with a severe recession precipitated by the financial crisis, plunged Michigan's economy into the deepest downturn since the Great Depression. When Michigan's automakers dominated the world market, they generated income that led to the prosperity of both workers and shareholders. Intense global competition has led to the steady erosion of the market share of the three Michigan-based manufacturers, Ford, GM, and Chrysler (the "Big 3"). The reduced market share coupled with significant manufacturing productivity increases has reduced the Big 3's need for workers and has led to significant downsizing in the state's automotive employment. From December 2000 to December 2009, Michigan lost 18 percent of its non-farm workforce, totaling 819,100 jobs. Manufacturing was the sector hit the hardest, with 431,700 fewer jobs in 2009 than nine years earlier.

By the second half of 2009 GM and Chrysler had emerged from bankruptcy. GM seemed to have stabilized, and turned profitable in the 1st quarter of 2010. Ford's prospects improved throughout 2009 as the company returned to profitability. In the 1st quarter of 2010 Ford reported strong profits in North America. As the automotive sector stabilizes, employment in Michigan will stop falling and the state's economy will begin to grow once again. However, the Big 3 are almost certain to be much smaller companies, and the industry will not be the engine of economic growth in the future that it was in the past. Michigan will need to turn to other sources for the high paying jobs of the future. Michigan will be in competition for these jobs with the other forty-nine states as well as with Europe, China, India, Mexico, and other rapidly developing countries. To be successful in the future, Michigan needs to put the right pieces in place now to ensure future competitiveness. Michigan needs a business climate that will attract businesses to the state, and Michigan needs to equip its citizens with the skills that businesses will be seeking.

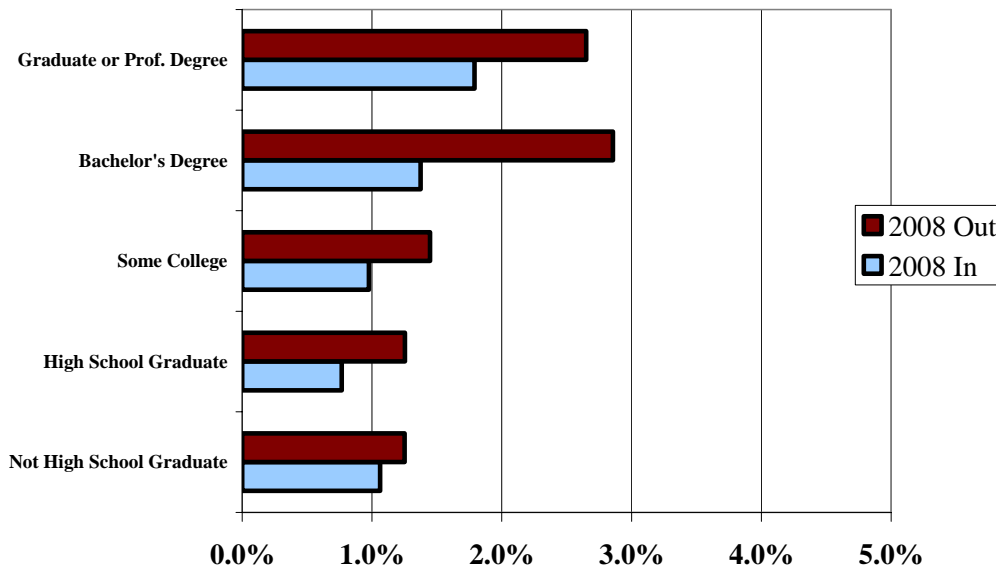
Michigan has some important assets to use to foster economic prosperity. Michigan's workforce remains skilled in manufacturing activities, giving the state a competitive advantage in advanced automotive and alternative energy manufacturing. The outstanding system of higher education in the state, combined with the recent enactment of one of the nation's most rigorous high school curriculums, demonstrates the state's commitment to training a highly skilled workforce to meet the requirements of firms in the global economy.

This report will summarize the current economic climate in Michigan and some of the economic challenges facing the state and the nation. It will discuss the actions that the state is taking to meet those challenges and prepare the state and its citizens for the future. It is hoped that this report will provide useful background information to state policymakers and the citizens of this state as they contemplate future actions the state can take to help ensure that Michigan continues to be a great place to live and work.

Background on Michigan's Economy

The U.S. Census Bureau estimates there were 9,969,700 people in Michigan in 2009, ranking the state the 8th largest behind California, Texas, New York, Florida, Illinois, Pennsylvania, and Ohio. Michigan's population has increased by only 31,300 (0.3 percent) since the 2000 Census, the slowest growth rate of any U.S. state. Michigan's population actually declined in 2009 (-46,400) because net migration (-71,900) reduced the state's population by more than the natural increase (births minus deaths totaled 38,700). Since 2000, the U.S. population has increased by 9.1 percent to approximately 307 million people. The overall growth in the U.S. population, coupled with Michigan's near constant population, has reduced Michigan's share of the overall population from 3.5 percent in 2000 to 3.2 percent in 2009.

Migration Flows by Educational Attainment: 2008 (Age 25+)



Source: U.S. Census Bureau

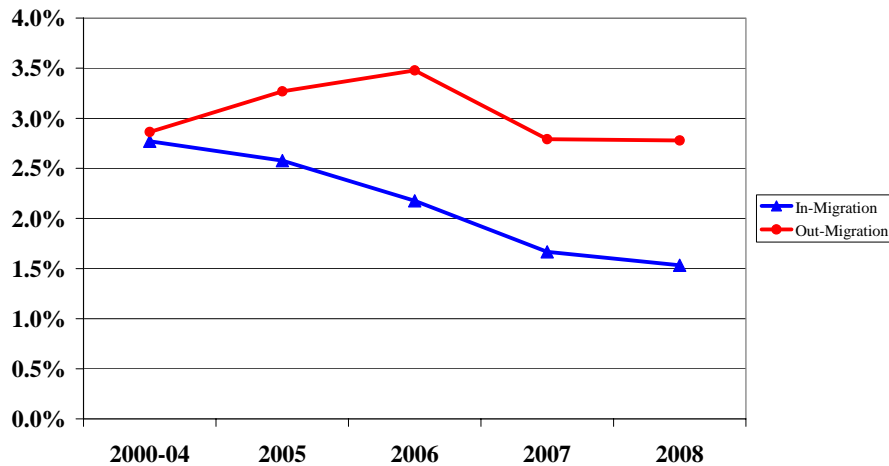
Michigan has been losing a larger share of its population in recent years to migration. The U.S. Census Bureau estimates that Michigan lost almost 375,000 people between 2001 and 2009 to net migration, the combined impact of migration into Michigan less migration out of Michigan. As the chart above shows, both in-migration and out-migration were higher in percentage terms in 2008 among citizens with higher levels of educational attainment, with the gap between those coming to Michigan and those leaving Michigan the greatest among those with at least a bachelor's degree¹. The percentage at the bottom of the chart indicates migration as a percentage of the total population of each group. If in-migration among those with some college equals one

¹ The charts on migration were provided by State Demographer Ken Darga, and are based on data from the U.S. Census Bureau.

percent in the chart, that means that the number of new residents age 25 or older with some college equals 1 percent of the Michigan population who are age 25 or older and have completed some college.

Net out-migration has been increasing in the second half of the decade among those with a bachelor's degree or more, as shown in the chart below. For the first five years of the decade, the inward flow of those with a bachelor's degree or more nearly matched the outward flow. There was an uptick in the rate of out-migration in 2005 and 2006, but then out-migration returned in 2007 and 2008 to the level observed in 2000-2004. The most significant change among those with more education is that the rate of in-migration has slowed between 2005 and 2008. The slowdown in in-migration is likely due to the contraction in employment in the auto industry and sluggish job growth overall.

Migration Flows for People with Bachelor's Degree or Higher: 2000-2008



Source: U.S. Census Bureau

Texas, California, and Florida added the most residents between 2000 and 2009 adding 3.9 million, 3.1 million, and 2.6 million residents, respectively. Only five states and the District of Columbia added fewer residents between 2000 and 2009 than Michigan's increase of 31,300 people. By contrast the two states ranking just below Michigan in overall population added significantly more residents than Michigan. Georgia was only 140,500 people behind Michigan for 8th place in 2009 after adding more than 1,642,000 people from 2000 to 2009. North Carolina added 1,334,000 residents and now stands 589,000 residents behind Michigan.

In percentage terms, the fastest growing states are generally, but not always, low population states. Nevada grew the fastest in percentage terms between 2000 and 2009, adding 644,800 residents, representing a 32.3 percent increase. Other fast growing states included Arizona (28.6 percent), Utah (24.7 percent), Georgia (20.1 percent), and Idaho (19.5 percent). Michigan grew by a smaller percentage than any other state between 2000 and 2009, reflecting at least in part the downsizing of the Big 3's operations.

Michigan’s population is concentrated in the southeastern portion of the state. The state’s three most heavily populated counties are Wayne, Oakland, and Macomb, which together contain almost 40 percent of the state’s population. Kent County, the home of Grand Rapids, contains an additional 6 percent of the state’s population. Michigan’s overall population decline during the past decade does not represent the experience of all of Michigan’s counties. Strong growth occurred in several regions around the state: Livingston and Washtenaw Counties in Southeast Michigan; Allegan, Kent, and Ottawa Counties in West Michigan; and Benzie and Grand Traverse Counties in the Northwestern Lower Peninsula. Sharp declines in population occurred in much of the Upper Peninsula (six of the ten largest declines) and along the eastern Lower Peninsula (all counties with a shoreline on Lake Huron lost population except St. Clair County). Wayne County had the 11th largest decline in population at 6.6 percent, and was the only county in Southeast Michigan to lose population.

Population Growth in Michigan Counties 2000 - 2009

<u>County</u>	<u>Percentage Increase</u>	<u>County</u>	<u>Percentage Decrease</u>
Livingston	16.7%	Presque Isle	-6.8%
Grand Traverse	11.2%	Arenac	-6.8%
Ottawa	9.9%	Luce	-7.2%
Clinton	7.9%	Oscoda	-7.5%
Benzie	7.7%	Gogebic	-8.3%
Washtenaw	7.7%	Schoolcraft	-8.7%
Allegan	7.4%	Huron	-10.7%
Emmet	7.0%	Mackinac	-11.3%
Isabella	6.0%	Iron	-11.5%
Kent	5.9%	Ontonagon	-16.0%

Source: U.S. Census Bureau.

Michigan’s most populous counties also represent the highest concentration of Michigan private sector workers. Wayne, Oakland, and Macomb Counties account for 43.3 percent of the state’s private sector employment and 50.3 percent of the state’s private sector payroll. Kent County has 8.8 percent of the state’s private sector employment and 8.0 percent of the state’s private sector payroll.

Michigan’s civilian labor force consisted of 4,909,000 people in 2009, representing 63.1 percent of the population 16 and over. Of these workers, 86.7 percent were employed and 13.3 percent were unemployed. In contrast, Michigan’s unemployment rate had been only 3.8 percent in 1999. While unemployment has risen across all age groups in recent years, the unemployment rate is lower for older workers, with 10.4 percent of those ages 45 and over unemployed, compared to 19.9 percent for those ages 16 to 24 years.

Michigan Labor Force Statistics

Category	Unemployment Rate (%)			Labor Force Participation Rate (%)		
	1999	2009	Change	1999	2009	Change
<u>Age</u>						
16 - 24 years	9.1	19.9	10.8 pts	71.9	57.9	-14.0 pts
25 - 44 years	2.9	14.0	11.1	85.0	82.3	^p -2.8
45 - 64 years	2.0	10.8	8.8	72.9	71.9	^s -1.0
Over 65 years	2.3	5.9	3.6	12.0	13.5	1.5
All Groups	3.8	13.3	9.6	68.5	63.1	-5.5

Source: Bureau of Labor Statistics, U.S. Department of Labor.

The unemployment rate is calculated with workers currently in the labor force. Workers that are not employed and that are not currently seeking work are not part of the labor force. Michigan saw a significant decline in the labor force participation rate between 1999 and 2009, with the participation rate falling from 68.5 percent to 63.1 percent. This decline is significantly higher than the decline at the national level where participation fell from 67.1 percent in 1999 to 65.4 percent in 2009. The extensive early retirement incentives offered by the auto companies over this time period are responsible for a significant portion of Michigan's decline. Workers who retire from a job and who do not seek new employment opportunities are no longer included in the labor force and not counted as being unemployed.

However, not all of the drop in the participation rate can be attributed to early retirements. The labor force participation rate for individuals ages 16 to 24 years dropped by 12.4 percentage points, from 71.9 percent to 57.9 percent. As noted above, this age group also has the highest unemployment rate. The employment difficulties faced by these workers highlight the need for programs such as the No Worker Left Behind Program and a strong post-secondary education system. In addition, the decline in the labor force participation rate in Michigan has been mirrored by a rise in the number of discouraged workers. These are workers who have ceased looking for work due to the belief the search would not be successful. The impact of discouraged workers as a percentage of the labor force was among the largest in the U.S., with only Mississippi experiencing a larger impact from discouraged workers.

Michigan payroll employment totaled 3,876,100 in 2009.² Major employment sectors include private service producing (67.9 percent of Michigan employment), government (16.7 percent), manufacturing (11.9 percent), and construction (3.3 percent). Major sub-sectors in the private service producing category include health and education services (15.8 percent), wholesale and retail trade (15.6 percent of total state employment), professional and business services (13.1 percent), and leisure and hospitality (9.8 percent).

² Michigan labor force, unemployment, and labor force participation statistics use statistics produced by the U.S. Bureau of Labor Statistics from a survey of households. The industry and employment statistics are from a survey of payroll employment also produced by the Bureau of Labor Statistics. The household survey includes domestic and self-employed workers and therefore provides a higher employment total than the survey of employers.

Michigan employment has been declining in recent years. Employment peaked in 2000 at 4,676,200, and fell 17.1 percent between 2000 and 2009. The downturn in Michigan employment is due to the sharp declines in the manufacturing sector employment, which has fallen 48.5 percent since 2000. The manufacturing declines are due primarily to restructuring in the domestic auto industry.

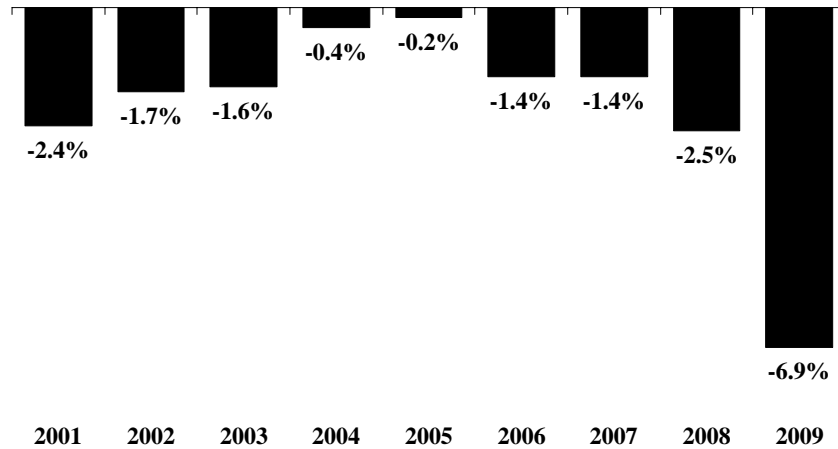
The manufacturing share of employment has been declining in Michigan and nationwide for decades. The increased use of capital in production has led to significant productivity improvements that have allowed goods to be produced with less labor. In the middle part of the 20th century, manufacturing accounted for approximately half of Michigan employment. By 2009, the manufacturing share of employment had fallen to 11.9 percent, meaning that manufacturing employment has gone from representing one in two Michigan jobs to less than one in eight jobs.³

Employment growth at the national level was relatively weak between 2001 and 2003, with national employment growth at 0.0 percent in 2001, -1.1 percent in 2002, and -0.3 percent in 2003. U.S. employment growth turned positive in 2004, with employment growth of 1.1 percent, and then showed continued improvement in 2005 and 2006 with employment growth of 1.7 percent and 1.8 percent, respectively. The economy began to slow in 2007 with employment growing 1.1 percent. As the economy entered the recession in December 2007, employment began to fall. Employment across the U.S. declined 0.6 percent in 2008 and 4.3 percent in 2009.

Michigan employment declined continually over this time period, with sharp declines occurring in 2001 through 2003. As the economic recovery took hold at the national level and U.S. employment growth improved in 2004 and 2005, Michigan saw progressively smaller employment declines, with employment falling a marginal 0.2 percent in 2005. Job losses returned in 2006 and 2007, with employment declining by 1.4 percent in each year.

³ Changes in the definitions of industry classifications from SIC to NAICS make employment data from before 1990 not directly comparable with current statistics, but the reduction in the manufacturing share of employment is pronounced under both classifications.

Change in Michigan Payroll Employment



Source: U.S. Bureau of Labor Statistics

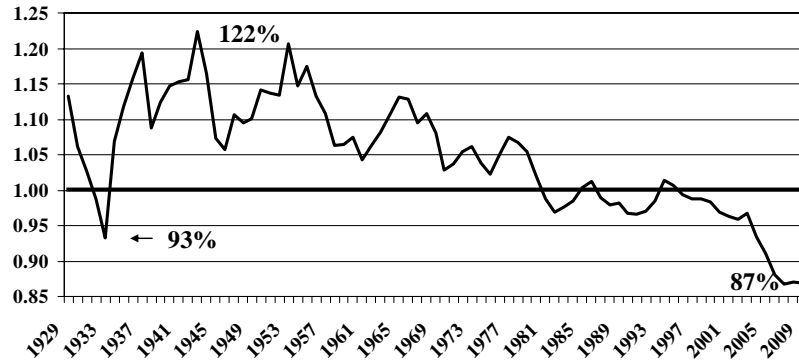
The national recession that began in December 2007 accelerated the pace of job loss in Michigan throughout 2009 as the recession added to the overall economic weakness that Michigan was already experiencing. Payroll employment declined by 2.5 percent in 2008, and declined by an additional 6.9 percent in 2009. Employment declines were widespread throughout the economy with only education and health services experiencing employment gains in 2008 or 2009. During 2009, the steepest declines occurred in construction (-16.8 percent) and manufacturing (-19.4 percent). Transportation equipment manufacturing experienced a loss of more than 45,000 jobs in 2009 (-26.3 percent), with only slightly more than 1/3 as many individuals (36.5 percent) employed in the industry as were employed in 2000.

In 2009, Michigan per capita personal income totaled \$34,025, down 2.7 percent from 2008. However, U.S. per capita personal income also declined 2.6 percent to \$39,138 in 2009, leaving Michigan per capita income as a percentage of U.S. per capita income virtually unchanged at 87 percent. Michigan's per capita income has been below 93 percent of U.S. personal income, the level hit in 1933, since 2005. Michigan per capita income consistently exceeded the national average from 1937 through 1981 due to the dominance of Michigan's auto industry. Between 1981 and 1999, Michigan per capita personal income hovered close to the national average and was approximately equal to the national average in 1999.

The restructuring of Michigan's auto industry and the resulting employment declines have caused Michigan's income growth to lag behind the nation. When the auto restructuring is complete, the gap between Michigan and national per capita income will narrow as previously idled workers find new employment. However, for Michigan to fully catch up or exceed the national average of per capita income, Michigan will need to invest in its workers to make sure they have the skills necessary to attract high paying jobs to the state.

Michigan Personal Income Falling Relative to U.S.

Michigan per Capita Income as a Percent of U.S. Per Capita Income



Source: Department of Treasury calculations from Bureau of Economic Analysis data.

Auto Sector

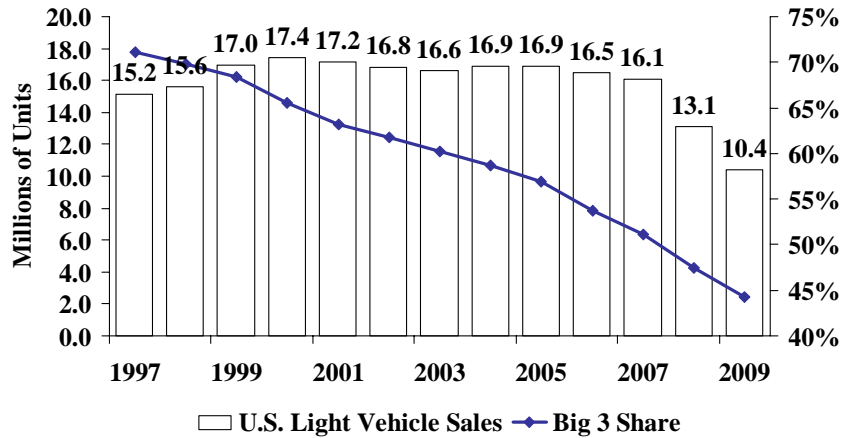
The turbulence continued in the automotive industry in 2009. The weakening economy, declining home and stock prices, job losses and reduced credit availability caused sales to fall precipitously. Coming off 2008 when light vehicle sales hit the lowest level since 1993 (13.1 million units), sales fell by 21 percent to 10.4 million units in 2009. As recently as 2007, light vehicle sales totaled over 16 million units.

Market share for the domestic auto companies has been in decline and falling sharply the past few years. Detroit 3 market share equaled nearly 68 percent in 1998, but had fallen to below 45 percent in 2009. More recently, high gasoline prices have caused a shift from SUVs and pickups to CUVs (cross over utility vehicles) and cars. Detroit automakers have dominated the SUV and pickup market, which are generally higher priced vehicles, and the shift to smaller vehicles was especially damaging to revenue.

Declining sales and market share for Detroit 3 companies has meant that vehicle production in Michigan has also suffered greatly. In 2009, Michigan motor vehicle production totaled 1.146 million units, down 37.9 percent from the 2008 total of 1.844 million units. Factory shutdowns from low sales rates and bankruptcy proceedings have greatly depressed production levels.

Michigan transportation equipment employment has fallen sharply due to declining sales and motor vehicle production. In 2000, transportation equipment employment totaled 346,100 jobs but by 2009 had declined to 126,300 jobs. The May 2010 Consensus Revenue Estimating Conference projects employment to fall to 114,700 workers in 2011. Not only has employment declined at the Detroit 3 automakers but auto suppliers have also been impacted severely.

Big 3 Auto Companies Losing Market Share



Source: Automotive News.

GM and Chrysler Bankruptcy

GM's and Chrysler's financial situations became precarious in the fall of 2008. Both companies requested financial assistance from the U.S government to keep operating. Although Congress objected, the Bush Administration provided funding under the Troubled Asset Relief Program in December 2008. GM was provided \$13.4 billion in loans while Chrysler was provided \$4.0 billion in loans so that each company would not have to immediately declare bankruptcy. Each firm was required to design a plan to show they were viable companies by March 31, 2009.

In January 2009, Chrysler and Italian automaker Fiat discussed a proposed alliance where Fiat would have a 35 percent stake in Chrysler in exchange for access to technology and overseas markets. After reviewing Chrysler's plan for viability, the Obama administration rejected the plan and gave Chrysler 30 days to complete an alliance with Fiat or have U.S. government assistance terminated.

After reaching an alliance with Fiat and restructuring UAW contracts, Chrysler filed for Chapter 11 bankruptcy in April 2009 when plans to restructure debt with bondholders failed. Most bondholders had agreed to restructure debt, but approximately 20 lenders with \$1 billion in debt failed to agree to terms. As a result of the Chrysler bankruptcy, three Michigan plants were scheduled to close: The Sterling Heights Assembly plant which builds cars; the Connor Assembly plant which builds a limited production vehicle; and the Detroit Axle plant which provides front and rear wheel axles. Nationally, 789 out of 3,181 total dealerships were scheduled to close, with 40 of those dealerships in Michigan. Chrysler emerged from bankruptcy in early June 2009 with an alliance with Fiat in place.

After GM received emergency financing, the company revised its viability plan in early 2009. The viability plan was rejected in March 2009 and GM was given 60 days to revise its survival plan. In April 2009, GM idled 13 assembly plants for nine weeks to cut inventory.

At the end of April, GM provided a final plan to organize outside bankruptcy by cutting debt, eliminating half of 6,200 dealers nationwide, and closing more plants. In May, the UAW agreed to revise its contract to accept stock and new debt in lieu of money owed to its health care trust.

At the end of May, bondholders rejected an offer of a 10 percent stake in GM for eliminating \$27 billion in debt. The Obama Administration pledged an additional \$30 billion in financing for GM. An offer to bondholders, which was approved, provided a 10 percent equity stake with an option to buy an additional 15 percent share.

On June 1st, GM filed for bankruptcy. GM's bankruptcy filing will lead to plant and dealership closings in Michigan. Nationally, 14 plants are slated to close including two Michigan assembly plants, two Michigan stamping plants and three Michigan engine plants. The two assembly plants that are closing are the Orion Assembly plant which produces cars and the Pontiac East plant which produces light trucks. The Grand Rapids and Pontiac stamping plants are scheduled to close along with the Livonia, Flint and Willow Run engine plants.

While scheduled to close, the Orion Assembly plant and the Pontiac stamping plant are on stand-by capacity. A future small car will be built in the United States at a plant on stand-by capacity. If a Michigan plant is chosen, the employment cuts will not be as deep in Michigan.

Auto suppliers have felt the production cuts deeply as many are also in financial trouble. The federal government offered some financial assistance with the Treasury Supplier Support Program where \$5 billion in funding was offered to GM and Chrysler suppliers. Because an auto supplier may provide parts to several manufacturers, a disruption in the supplier ranks could cause problems throughout the manufacturing base. Many Michigan-based suppliers have experienced financial difficulty. In May 2009, former Ford spin-off Visteon and Metaldyne declared bankruptcy. Delphi, spun-off from GM in 1999, entered bankruptcy in 2005 and emerged from bankruptcy in October 2009.

GM and Chrysler both emerged from bankruptcy proceedings in 2009 relatively quickly and continue to operate. GM emerged from bankruptcy in only 40 days. The challenging climate in light vehicle sales continues to strain the state's economy. Motor vehicle production improved from nearly non-existent in the beginning of 2009 to higher levels during the second half of 2009. Michigan vehicle production totaled fewer than 50,000 units in January 2009 as auto manufacturers worked off excess inventories and tried to conserve cash reserves as vehicle sales plummeted. By the end of 2009, Michigan production was much closer to the level from 2008, and production in early 2010 increased compared to 2009 production.

The domestic auto industry continues in very turbulent times. Michigan's auto sector has been shrinking for several years and will be even smaller going forward. How the Michigan auto sector fares in the future will depend how GM and Chrysler emerge from bankruptcy and if sales begin to recover to levels that allow for sustained profitability.

Housing

Housing activity played an important role in the economic expansion from 2002 to 2007, with significant gains occurring in home ownership and home prices. However, the housing market began to contract in 2007 and declined throughout 2009, with significant declines in home prices and the collapse of home building contributing in a big way to the economic recession that began in late 2007⁴. New residential investment, which had made a positive contribution to growth in GDP during 2004 and 2005, began to contract in 2006. The contraction continued through 2009, marking four years with declining investment in housing.

Housing Slows National Growth Significantly

Contributions to Percent Change in Real GDP

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Consumption	2.42	2.34	2.01	1.84	-0.17	-0.42
Residential Investment	0.52	0.36	-0.45	-1.05	-1.00	-0.66
All Other Investment	1.03	0.56	0.91	0.40	-0.18	-2.79
Net Exports	-0.66	-0.27	-0.05	0.63	1.20	1.07
Government	<u>0.26</u>	<u>0.06</u>	<u>0.26</u>	<u>0.32</u>	<u>0.59</u>	<u>0.37</u>
GDP Growth	3.57	3.05	2.68	2.14	0.44	-2.43

Source: U.S. Bureau of Economic Analysis and Michigan Department of Treasury

New residential investment in 2009 was less than ½ the total in 2005, a decline of more than \$300 billion nationally. The decline is even bigger when comparing residential investment in the fourth quarter of 2005 to the fourth quarter of 2009, when the decline is 55 percent. The declines in the housing market hit the economy in three ways. First, the decline in residential construction activity directly reduces economic activity. Second, as home prices fall, consumers feel less wealthy and they scale back on consumption, creating a significant drag on the economy. Third, as banks have to absorb significant losses related to home mortgages, they become more conservative in their lending practices, reducing credit availability for consumer spending and overall investment. The chart above highlights the sharp decline in housing investment beginning in 2006, followed by declining consumption and other investment spending through the end of 2009.

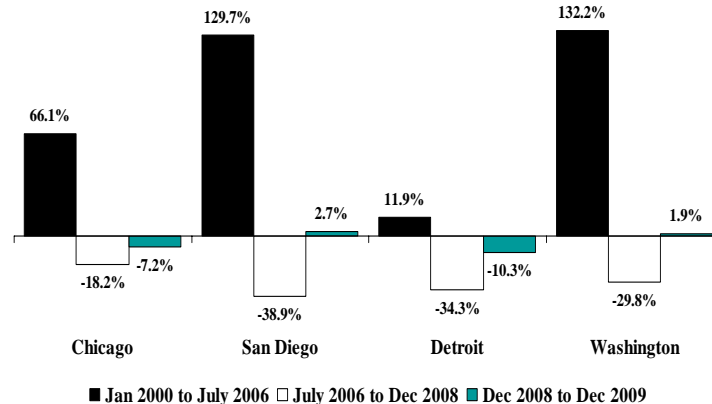
New housing starts were down 28.5 percent across the nation in 2009, with total housing starts down 1,271,000 units (-74.1 percent) since the peak in 2005. The decline was just as severe in the Midwest, with fewer than 100,000 new homes begun in the region during 2009. More than 300,000 units had been begun in both 2004 and 2005. In perhaps the first sign of stabilization in home building, housing starts were practically unchanged in the fourth quarter of 2009 compared to the fourth quarter of 2008. Further evidence of stability in the housing market at the end of

⁴ For a more detailed discussion of the housing market see the *2008 Economic Report of the State Treasurer*.

2009 was that new building permits were up in November and December, both in Michigan and across the U.S.

Michigan shared in the national decline in the housing market, which can be seen in numerous statistics. New private housing units authorized in Michigan in 2009 totaled just 6,984, down 87 percent from the 2004 total of 54,721. The drop in some local units was even more profound. In the Detroit metropolitan area, new housing authorizations in 2009 were 94 percent lower than in 2004, falling from 22,990 to just 1,346, while in Ann Arbor there was a drop of more than 92 percent, from 2,708 to just 209. The large drop in housing starts has also led to a large drop in employment in construction. Michigan had 191,500 employees in construction as recently as 2004. By 2009, the total had fallen to 127,300, a decline of more than 1/3.

2009 Home Prices Hold Steady in Some Locations But Down From 2006



Source: Case Shiller Index and Department of Treasury Calculations

The sharp drops in home prices seen throughout 2007 and 2008 began to slow during 2009. The Case-Shiller 20-City Composite Home Price Index hit its lowest value in April 2009 and then rose 4.8 percent through December. However, the index reached a new peak in September 2009 and declined in the final three months of the year reflecting continued weakness in housing across the country. Continuing defaults and foreclosures fueled by high unemployment have kept home demand weak and put more homeowners at risk. Six of the 20 cities in the index had year-over-year increases for 2009 (San Francisco, Denver, Boston, and Dallas besides San Diego and Washington, DC above). The index for Detroit in December 2009 was 10.3 percent lower than it had been in December 2008. Since the Detroit index peaked in December 2005, the Case Shiller index for Detroit has fallen 43.5 percent.

Data from the National Association of Realtors indicate that the median home price in the Lansing area fell 17.4 percent between 2008 and 2009, and fell 13.5 percent in the Grand Rapids area. Prices in the Detroit metro area fell by 7.5 percent between 2006 and 2007. Data are not available for 2008 or 2009 for the Detroit metro area.

The drop in home prices from 2006 through 2009 led to a sharp increase in foreclosures and a subsequent crisis in the financial markets. At the peak of the housing boom, many lenders began offering mortgages to buyers who put little or no money down. Many homebuyers who purchased their homes close to the market's peak are now "underwater," owing more on their mortgages than their homes are worth. In addition, many homeowners who withdrew equity from their homes via home equity loans now also owe more than their homes are worth. Estimates compiled by First American CoreLogic indicate that, as of the fourth quarter of 2009, 532,800 Michigan borrowers (approximately 40 percent of total mortgages) were underwater on their mortgages.

Revenue from Michigan's real estate transfer tax, a tax paid when a house is sold, declined by 20.2 percent in 2007, 28.5 percent in 2008, and 26.2 percent in 2009. As a result, revenue in 2009 was approximately 42 percent of the total for 2006. Declining collections from the transfer tax reflect both declining sales volumes and lower average sales prices.

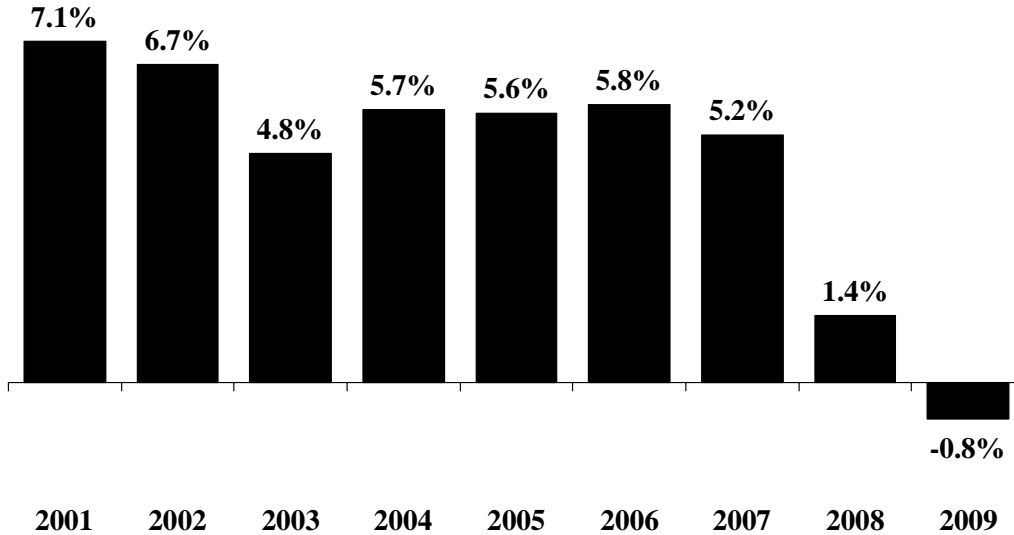
Impact of Housing Market on Local Governments

The collapse of the housing market in the U.S. and Michigan had many far reaching effects. Once the driving force of the expansion during the 2000's, the decline in home values meant consumers lost a great deal of wealth. Home equity allowed consumers to temporarily finance consumption without a corresponding increase in their incomes. Foreclosures increased as consumers financed homes with loans that they could not afford. More recently, local government fiscal difficulties have been coming to the forefront as declining home values have led to a decrease in property taxes.

Property taxes are the most important source of revenue for local government units in Michigan. Counties, cities, townships, and villages depend on the property tax to fund operations and provide services. For the first time since its inception with Proposal A, taxable value recorded an overall statewide decline in 2009. Total State Equalized Value (SEV) declined in 2008 and 2009. Declines are expected to worsen in 2010 for both taxable value and SEV growth may continue to be negative in the near future.

As mentioned above, Michigan building permits for housing have fallen sharply since 2000, dropping from 52,489 permits in 2000 to 6,884 in 2009. Measured in percentage terms, the reduction in housing units authorized by building permits declined 87 percent from 2000 to 2009. During the early 1980s, when another steep recession hit, the lowest housing building permits totaled was 14,176 in 1982. Likewise, the value of construction declined sharply since 2000. The value of construction in 2000 for housing building permits was \$6,255.9 million. By 2004, the value of construction peaked for housing permits at \$7,624.6 million and fell to \$1,172.9 million in 2009.

Michigan Total Taxable Value Yearly Change



Source: State Tax Commission

The decline in the housing market can be seen in the recent fall of residential SEV and residential taxable value. Mirroring the housing market in Michigan, residential SEV showed strong growth from 2000 through 2006. From 2000 to 2003, residential SEV grew at least 8.6 percent per year. Growth moderated from 2004 to 2006, with residential SEV growing between 6.2 percent and 7.2 percent per year. Residential SEV growth slowed to 3.9 percent in 2007 and then declined -2.0 percent in 2008, falling from \$317.6 billion to \$311.3 billion. An even sharper decline occurred in 2009 with residential SEV falling -7.6 percent to \$287.6 billion.

The decline in home values is expected to be even larger in 2010. In Oakland County, the largest with respect to property values, preliminary data show residential SEV declined 16.2 percent while residential taxable value declined 13.3 percent.

Southeast Michigan has suffered more than most areas in Michigan from the weak housing market. Loss of jobs, especially from the automotive industry, has been a major factor in the region's declining home prices. Unlike some Western and Southern states, there was not a massive overbuild which resulted in an oversupply of housing.

Statewide taxable value declined -0.8 percent in 2009. The decline in Southeast Michigan was deeper with an overall decline of -3.2 percent. The seven counties shown in the table below comprised 50.2 percent of total taxable value in 2009. The decline in residential taxable value was more than the overall decline. In Michigan, total residential taxable value fell -2.0 in 2009 with the decline in Southeast Michigan totaling -5.2 percent.

SE Michigan Residential Taxable Value Declines Faster

<u>County Name</u>	<u>2008 Residential TV</u>	<u>2009 Residential TV</u>	<u>Percent Change 2008-2009</u>
Michigan	\$252,177,036,720	\$247,030,748,353	-2.0%
Livingston	\$7,033,608,328	\$6,698,652,657	-4.8%
Macomb	\$23,063,333,807	\$21,942,624,658	-4.9%
Monroe	\$3,832,745,088	\$3,682,940,336	-3.9%
Oakland	\$46,192,931,562	\$43,627,806,247	-5.6%
Saint Clair	\$4,252,456,073	\$4,162,386,773	-2.1%
Washtenaw	\$10,562,171,217	\$10,193,336,303	-3.5%
Wayne	<u>\$35,071,782,855</u>	<u>\$32,889,053,263</u>	<u>-6.2%</u>
SE Michigan Total	\$130,009,028,930	\$123,196,800,237	-5.2%

Source: State Tax Commission

The decline in property values and property taxes has put many Michigan local governments into dire financial straits. Nationwide, many municipalities are in the same critical situation. For example, Vallejo, California, became the largest city in California to file for Chapter 9 bankruptcy – the municipal form of bankruptcy – in May 2008.

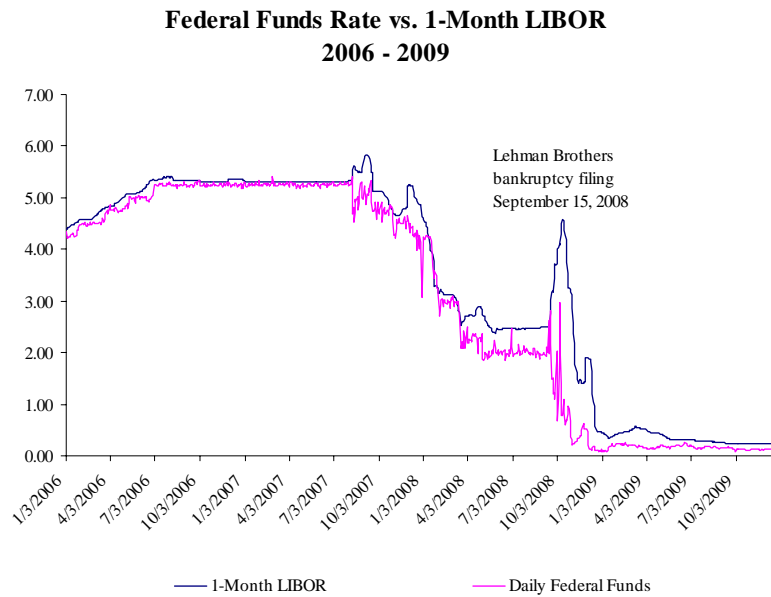
Public Act 72 of 1990, the Local Government Fiscal Responsibility Act, authorizes the appointment of financial review teams and allows for the appointment of an emergency financial manager when a declaration of a local financial emergency is made. Since this law was enacted, there have been seven declarations of a financial emergency by the Governor. Currently, three cities (Benton Harbor, Ecorse, & Pontiac) have a financial manager in place and two other units (Highland Park & Three Oaks) no longer have a financial manager but the declaration of a financial emergency still exists. In December, River Rouge approved a Consent Agreement developed by a Financial Review Team appointed to review the city's finances.

Financial Crisis

The financial crisis that began in the summer of 2007 continued to affect the national and Michigan economies during 2009. The roots of the financial crisis were sown in the securitization of loans coupled with a boom and bust cycle in the housing market. House prices increased significantly from 2002 through mid-2006, with the S&P Case-Shiller index rising 71.5 percent from December 2001 through July 2006. House prices then rapidly fell, with the index falling 32.6 percent through April 2009. The monthly rate of decline actually exceeded the rate of increase between 2002 and 2006 (-1.19 percent vs. 0.99 percent). The risk that home prices would decline, fueled in part by loan defaults and foreclosures, and the impact a decline in

prices would have on the credit markets may not have been adequately taken into account during the boom of home lending that occurred in the first half of the decade.

The financial crisis began to take hold as it became clear that the problem of rising loan defaults among mortgages was affecting firms not directly lending in the mortgage market. As large investment banks encountered problems, a broader fear developed that many firms were in danger of bankruptcy. Fear that more firms would collapse resulted in tightening lending standards. The cost of borrowing funds short term rose quickly with the London Interbank Offered Rate (LIBOR), the rate charged by banks on short-term loans to other banks, jumping up to near 4 percent in late 2008 while the federal funds rate dropped close to 0 percent. The unwillingness of banks to loan money to each other reflected the lack of confidence in the stability of the financial sector in general. The largest spread between the LIBOR and the federal funds rate occurred in September and October of 2008, when the LIBOR increased to near 5 percent while the federal funds rate dropped to near 1 percent.



Concern over the state of financial markets in the U.S. and around the world and the broader implications for the rest of the economy prompted significant policy responses. The Federal Reserve reduced the federal funds rate from 5.25 percent in mid-September 2007 to a target range between 0 and 0.25 percent in December 2008. The unprecedented response by the Federal Reserve highlighted the serious nature of the financial distress. Even though the financial crisis seemed to abate in 2009 the Federal Reserve maintained its target for the federal funds rate at between 0 and 0.25 percent throughout the year.

To help protect the economy from a more severe recession, Congress and the President enacted the Economic Stimulus Act of 2008, a tax reduction designed to stave off an economic slowdown. Significant additional liquidity was provided by the Federal Reserve through a

number of loan programs that allowed financial institutions to borrow by pledging assets, including assets backed by troubled mortgages, as collateral. Additional programs were created to allow the U.S. Treasury Department to purchase some bad loans, and to acquire others through a swap of the debt-backed securities for partial ownership in the company. To avert what appeared to be a realistic chance of financial collapse, Congress and President Bush enacted the Emergency Economic Stabilization Act of 2008, legislation that authorized the Troubled Asset Relief Program (TARP). TARP was initially designed to allow the U.S. Treasury to buy up to \$350 billion in troubled assets from financial firms, mainly mortgage-backed securities that had declined in value. Treasury would pay more than the current market price for these securities, allowing the firms to remove the toxic assets from their balance sheets and result in an increase in financial capital. This additional capital would restore some confidence among investors that the firms were stable. Once the initial funds were disbursed, an additional \$350 billion could be requested from Congress if necessary. As the program began to be implemented, Secretary of the Treasury Henry Paulson opted to use the first batch of funds to purchase shares of stock in large banks, increasing capital without buying the toxic assets. The first batch of TARP funds was not used to reduce mortgage foreclosures, and many of the banks receiving federal funds appeared to use the funds to shore up their own financial standing rather than to increase lending. In December 2008, a piece of the initial \$350 billion in TARP funds was used to make loans to General Motors and Chrysler, a move aimed at preventing the automakers from entering bankruptcy.

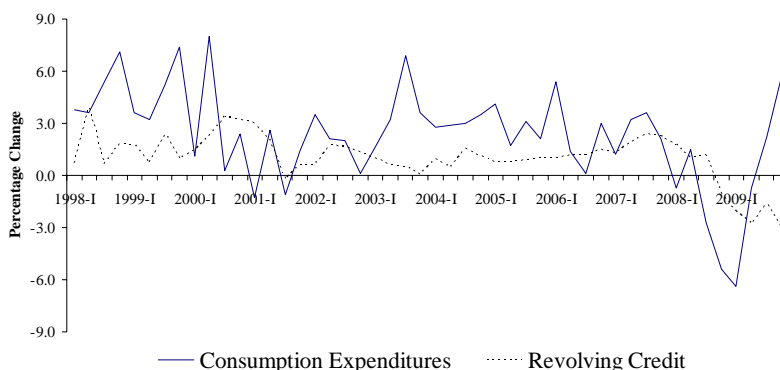
In early January 2009, President Bush asked Congress to release the remaining \$350 billion in funds at the request of President-elect Obama. The new administration implemented a multi-pronged strategy to stabilize the financial system through continued asset purchases, a “bad bank” repository for bad assets held by banks, a public-private initiative to purchase distressed loans held by banks, and the “Making Home Affordable Program” to help homeowners making legitimate efforts to pay their mortgages to remain in their homes. More information on the programs is available at www.financialstability.gov.

The efforts of the U.S. Treasury and the Federal Reserve appear to have been successful at stabilizing the financial markets. The spread between LIBOR and the federal funds declined to approximately 0.3 percent by the end of 2008 after hitting 3.8 percent during mid-October. The spread averaged less than 0.20 percent during 2009, reflecting more access to short-term credit. Many financial institutions stabilized throughout the year, returned to profitability, and were able to repay the assistance they had received under TARP and other programs, including Citigroup and Bank of America.

One lingering effect of the crisis was declining credit availability for some consumers and businesses. Consumer credit expanded every month from January 1998 through July 2008, as rising incomes and relatively easy credit offers allowed consumers to expand both revolving credit (credit cards) and non-revolving credit (e.g., automobile or education loans). The availability of consumer credit, combined with home equity loans, helped consumption spending to exhibit strong growth from 2002 through 2007. In 2008, personal consumption expenditures fell in three of the four quarters as the economic recession took hold. Consumer credit, both revolving credit (as shown in the chart below) and non-revolving credit, began to fall in the fourth quarter of 2008 and fell sharply throughout 2009. The decline in consumer credit reflects

a broader reduction in credit availability as financial institutions became more conservative in their lending practices in response to the financial crisis. Bank lending officers started reporting to the Federal Reserve that lending standards for all loan types were tightening in 2007, and more were becoming more selective in lending until the fourth quarter of 2009. The Federal Reserve also reports that mortgage debt outstanding declined throughout 2009, as loans to finance home purchases became more difficult to obtain.

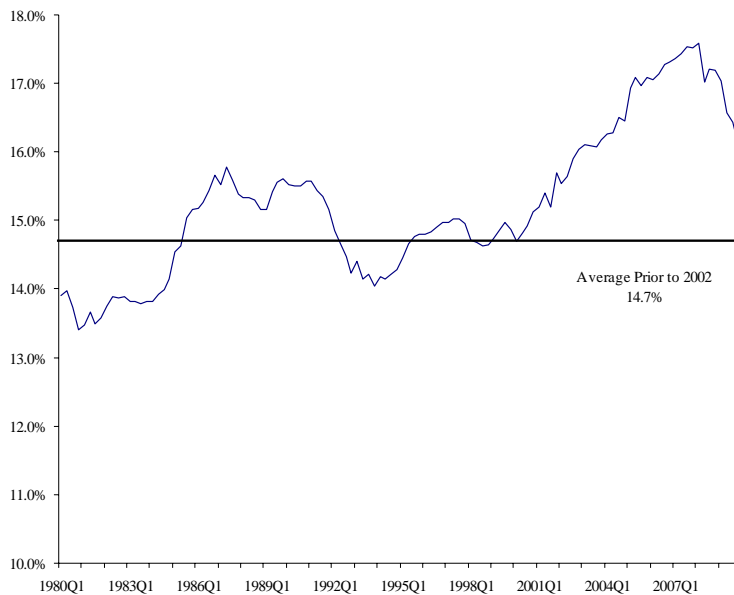
**Consumption Expenditures and Consumer Credit
1998-2009**



Reduced lending may also reflect some financial cutbacks by consumers, reflected in the reduction in the financial obligations ratio compiled by the Federal Reserve. This ratio compares required consumer payments (mortgage, consumer debt, auto leases, rent, homeowners' insurance, and property taxes) with disposable personal income. The ratio fell from a record of near 19 percent in the first quarter of 2008 to 17.5 percent in the fourth quarter of 2009. The ratio remained significantly above the average value from 1980 to 2001 of 14.7 percent and this high level of financial commitments as a percentage of income may restrain consumer spending over the next few years.

However, the stronger evidence is that reduced willingness by financial institutions to lend was primarily responsible for the decline in borrowing. Depository institutions are required to hold reserves against their deposits so that they can meet the demand for cash by their customers. However, once they have satisfied the reserve requirement most excess reserves are loaned to customers so the institution can increase profits. Beginning in the fall of 2008, excess reserves held by depository institutions (usually close to zero) began to rise rapidly. Through much of 2009, excess reserves were 20 times higher than they had been in 2007 with institutions holding more than \$1.0 trillion in excess reserves in December 2009. It was unclear whether the excess reserves were due to poor credit worthiness or a general reticence to lend, or both, but the most dramatic effect remaining from the financial crisis is the large amount of reserves that depository institutions are holding. These reserves clearly make the depository institutions safer in terms of default, but the lack of lending is restraining the economic recovery.

Financial Obligations Ratio Homeowners



Federal Stimulus Package

In response to the shrinking economy, the American Recovery and Reinvestment Act of 2009 was enacted and signed into law on February 17, 2009. The rapid passage of the Act, 28 days after President Obama assumed office, reflected the growing concern over the magnitude of the economic decline. The stimulus bill provided for significant temporary increases in federal spending as well as temporary tax reductions, with an overall stimulus of \$787 billion. Major spending provisions included temporary increases in the federal matching rate for Medicaid; fiscal stabilization funds designed to reduce budget cuts in state and local governments, especially in education; extension of unemployment benefits; and additional funding for transportation infrastructure.

The primary tax provision is the Making Work Pay credit, equal to 6.2 percent of earned income up to a maximum of \$400 for working individuals and \$800 for working families. Other tax provisions for individuals include a temporary increase in the federal earned income tax credit for families with 3 or more children; an increased credit for first-time home buyers; a sales tax deduction for vehicle purchases; a temporary exclusion from the income tax for the first \$2,400 of unemployment benefits; and a temporary reduction in the alternative minimum tax. Most of the business tax reductions, such as extending bonus depreciation, increasing investment expensing for small businesses, and applying certain business losses to previous tax years, delay the payment of taxes but do not permanently reduce the tax due.

2009 Federal Stimulus

- Spending Provisions
 - Higher Medicaid match
 - State stabilization funds
 - Specific funds for
 - Education
 - Transportation
 - Safety net
 - Energy efficiency
- Tax Provisions
 - Making work pay credit
 - Earned income tax credit
 - 1st time homebuyer credit
 - Sales tax deduction on vehicle purchases
 - \$2,400 exclusion for unemployment benefits
 - Bonus depreciation

The stimulus, while not sufficient to return the economy to its full potential, was broadly considered successful at helping the economy begin to grow again and slow employment losses⁵. The high budgetary cost of the stimulus bill focused attention on the large U.S. budget deficit, even as many economists were suggesting a second round of stimulus. While much of the current deficit is due to declining tax revenues and higher spending connected to the recession, future budget projections remain troublesome as the Baby Boom generation grows closer to retirement and Medicare eligibility⁶.

Dealing with Future Obligations

One of the factors that is likely to constrain economic growth in the near future is the relatively high debt burden faced by consumers. As discussed above, the financial obligations ratio calculated by the Federal Reserve has fallen since reaching a record high during 2008, but it remains much higher than its historical average. Many economists believe that the high level of existing financial commitments, coupled with the extra caution consumers may feel following the near financial collapse of 2008, will restrain future growth in consumer spending to lower levels than were seen in previous economic recoveries.

A longer term issue affecting future economic activity is the impact of future obligations on government at all levels. One of the consequences of the recession and financial crisis is that the U.S. Government has run large fiscal deficits in recent years. The federal deficit rose from \$161 billion in fiscal year 2007 to \$1.4 trillion in fiscal year 2009, with the large deficits expected to continue into the near future. U.S. debt held by the public is expected to rise from 36.2 percent of GDP in 2007 to 68.6 percent in 2011, according to Office of Management and Budget⁷. While economic recovery will reduce the deficit in the near term, the long-term underfunding of Medicare and Social Security will pose serious challenges for fiscal policy at the federal level.

⁵ See “New Consensus Sees Stimulus Package as Worthy Step,” *New York Times*, November 23, 2009.

⁶ See “The Budget and Economic Outlook: Fiscal Year 2010 to 2020,” Congressional Budget Office, U.S. Congress, January 2010.

⁷ *Economic Report of the President, 2010*.

The federal commitment for Medicare, Medicaid, and Social Security currently totals approximately 8 percent of GDP. Based on current law, this percentage is expected to rise throughout the century to almost 22 percent of GDP by 2080⁸. This is higher than the long-term average of federal revenues as a percentage of GDP, which has been approximately 18 percent for the past several decades.

But it is not only the federal government that faces future funding obstacles. State and local governments across the nation, including Michigan, face future challenges related to financing retirement and health care benefits. These challenges are over and above the strong growth in Medicaid spending that is affecting state budgets across the country. According to projections from the National Association of State Budget Officers state Medicaid spending grew by an average of 7.4 percent per year from 2000 to 2008⁹. Growth in Medicaid spending on personal health care in Michigan averaged 6.6 percent from 1991 to 2004, resulting in a cumulative increase of 129 percent over the 13 years¹⁰. This strong growth results in Medicaid capturing a larger portion of the state budget even in good times when the economy is growing at 3 to 4 percent per year. When the economy is struggling, growth in the cost of Medicaid places severe pressure on policymakers who are required to balance the state's budget.

Future spending pressures will rise as state and local governments look to deal with commitments for pensions and retiree health care. While governments have been funding pensions for many years some plans are significantly underfunded, meaning that current assets accumulated within the plan are less than what would be required to pay the benefits promised under the plan. A recent report by the Pew Center on the States indicates that, through 2008, 10 states had set aside less than 69 percent of the amount necessary to pay the pension benefits promised under the state's pension plans¹¹. Illinois had only accumulated 54.3 percent of the accumulated liability. Only 3 states had plans that were fully funded, with sufficient assets accumulated to pay the benefits promised. One countervailing factor was that the Pew Center data is based on financial data for 2008, which was a particularly bad year for the stock market and likely depressed pension asset values. As the table below indicates, Michigan's state retirement plans have 83.6 percent of the assets needed to fund the retirement commitments already made. Among Michigan's four largest counties and two largest cities only Wayne County and Grand Rapids had underfunded pension plans, and the funding gap for Grand Rapids was very small (1.4 percent of accrued pension benefits).

The greater unfunded liability for state and local governments, including all levels of government in Michigan, is for retiree health insurance and other post-employment benefits such as life, dental, or vision insurance. Most levels of government promise some form of health insurance to their employees after they retire: employees ranging from firefighters, police officers, school teachers and administrators, to welfare case workers, recreation workers, and health inspectors. While the promises for retiree health care are not as certain as the pensions, which are often

⁸ See "Fiscal Days of Reckoning," presentation by Eugene Steuerle at 102nd Annual Conference on Taxation, National Tax Association, November 12, 2009.

⁹ "2008 State Expenditure Report," National Association of State Budget Officers.

¹⁰ National and state health expenditures, Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

¹¹ "The Trillion Dollar Gap: Underfunded state retirement systems and the roads to reform," The Pew Center on the States, February 2010.

constitutionally protected, it would be very difficult for state and local governments to renege on those promises to retirees. The Pew Center reports that only nine states have accumulated as much as 10 percent of the amount necessary to pay out the benefits for which they are committed. Most states have not made any significant contribution to fund these future commitments. Michigan is one of 29 states with any amount set aside, but the state only had 1.9 percent of the long-term cost funded in 2007. The table below highlights that this is a problem across levels of government, with only Oakland County having set aside more than 20 percent of the future cost. As more of these costs become due, governments will find that their fiscal position becomes increasingly constrained by the cost of these benefits for former employees. In addition, new priorities will be hard to fund without corresponding increases in taxes.

Future Obligations (\$ millions)

	Year	Pensions		Other Post-Employment Benefits	
		Unfunded	% Funded	Unfunded	% Funded
		Amount		Amount	
State of Michigan	2007/2008	\$11,514.6	83.6%	\$39,878.5	1.9%
Kent County	2008	\$0.0	104.8%	\$34.2	10.9%
Macomb County	2006/2007	\$0.0	109.7%	\$536.7	16.6%
Oakland County	2008	\$0.0	117.2%	\$477.3	46.3%
Wayne County	2007/2008	\$353.8	73.6%	\$838.1	0.0%
Detroit	2007	\$0.0	104.9%	\$4,825.6	0.6%
Grand Rapids	2008	\$9.3	98.6%	\$201.0	0.0%
Total		\$11,877.7		\$46,791.3	

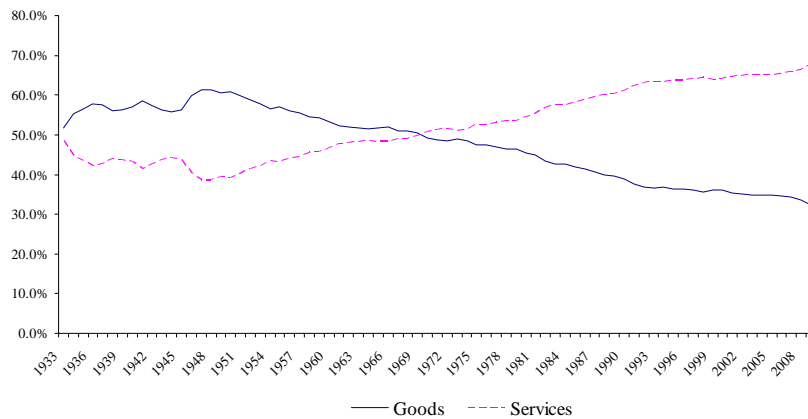
Sources: "The Trillion Dollar Gap" by The Pew Center on the States; Comprehensive Annual Financial Reports for cities and counties; calculations by Office of Revenue and Tax Analysis.
Multiple years reflect earlier valuations of other post-employment benefits and later pension valuations.

Modernizing Michigan's Tax Structure

Michigan's tax structure has failed to keep up with changes in the Michigan economy. In fiscal year 1999, Michigan revenues subject to the constitutional limit totaled 9.50 percent of the state's personal income. In 2008, revenues totaled 8.13 percent of the state's personal income and total revenues were \$4,651.7 million below the revenue limit. The estimate for 2010 from the May Consensus Revenue Estimating Conference is for revenues to represent less than 7.0 percent of the state's personal income, and be \$8,845.1 million below the revenue limit. As personal income has grown, revenues have not increased at a similar rate. At the same time, at least some spending pressures (corrections and Medicaid) have grown faster than personal income resulting in the state's structural deficit. If the decline in revenues as a percentage of personal income had left revenues totaling 9.0 percent of personal income, estimates are that Michigan revenues would be more than \$7.1 billion higher in 2010 than current revenue forecasts.

There are several factors that account for the tax structure not keeping up with growth in the Michigan economy. First, the Michigan sales tax is designed to tax the sale of tangible personal property, or, simply speaking, goods¹². Few services are subject to tax, with only telecommunications and the rental of hotel rooms and goods (like moving trucks and video tapes) raising significant revenues. This really flows from the time when the sales tax was created in 1933 when consumption in the U.S. economy was primarily based on the purchase of goods. As the chart below demonstrates, spending on goods made up approximately 60 percent of personal consumption spending as recently as the late 1940s. However, the service share of consumption began to rise in the 1950s, and services passed goods as the primary component of consumption around 1970. In 2009, services represented two-thirds of all consumption spending. As consumption has become concentrated in services, the sales tax is less able to produce revenues commensurate with the growth in personal income.

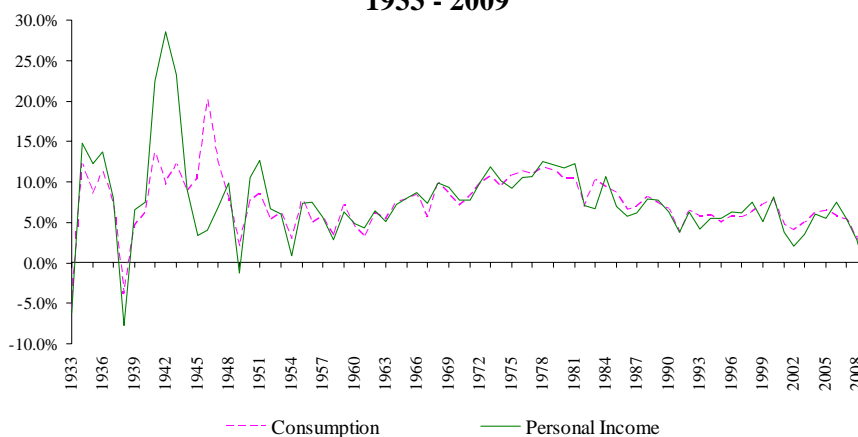
**Personal Consumption of Goods and Services
1933 - 2009**



Consumption and income provide alternative tax bases for broad-based taxation. Most states use variants on both as fundamental pieces of the tax structure, with a subset of consumption spending providing the base for the sales tax and a subset of income providing the base for the income tax. As the chart below shows, consumption and income grow in similar proportions so similar long-term revenue growth should occur under a tax levied on either base. However, since Michigan’s sales tax is based on goods disproportionately and the consumption of goods as a percentage of all consumption has been falling sharply, the sales tax fails to grow along with income.

¹² The discussion here references the sales tax, but applies to both the sales tax and the use tax.

**Personal Income and Consumption
Annual Growth
1933 - 2009**



The Michigan income tax has also struggled to keep up with income growth over the past several decades. The Michigan income tax is levied at a single flat rate, 4.35 percent for tax years 2008 through 2010. The single rate is different from the graduated rates used in most states and at the federal level, where the tax rate on additional income rises with higher income. The Michigan income tax base begins with federal adjusted gross income. Taxpayers then make certain adjustments to income and subtract an exemption allowance based on the number of household members to determine taxable income. Among the adjustments are subtractions for Social Security and pension benefits which are included in federal AGI. Michigan exempts all Social Security benefits and most pension benefits from the income tax. Over time, these exemptions have reduced the base of income subject to tax as retirement benefits have become a larger part of income. In 1990, retirement and other transfer payments comprised 11.2 percent of total personal income in Michigan, or approximately \$1 in every \$9 of personal income. By 2008 retirement and other transfer payments comprised 16.3 percent of personal income, or approximately \$1 in every \$6 of personal income. As the share of exempt income increases, the tax is less able to generate revenues commensurate with the overall growth in income.

One potential way to compensate for the exclusion of retirement income from the tax base and keep revenues from the income tax growing at a similar pace with income would be to adopt a graduated-rate tax, like those used in most other states. Income growth over the past 30 years has been concentrated among upper income earners, even when adjustments are made for higher employee benefit payments. As a result, the share of total income earned by those at the top of the income distribution has been growing¹³. A tax with graduated rates would impose a higher income tax on those in the top of the income distribution and would grow faster than the current flat rate tax, assuming the trend of income concentration continues. As an example of the potential rate structures, the income tax could be levied at 3.9 percent on the taxable incomes of married couples up to \$10,000, 4.35 percent on taxable income between \$10,000 and \$192,000, and 6.9 percent on incomes above \$192,000. The income brackets would be ½ as large for

¹³ See “Striking it Richer: The Evolution of Top Incomes in the United States” by Emmanuel Saez, August 5, 2009; or *Income, Poverty, and Health Insurance Coverage in the United States: 2008* by U.S. Census Bureau, Table A-3, September 2009.

single filers. When this rate structure is compared to the existing tax at 4.35 percent, approximately 95 percent of all taxpayers pay less tax. Tax revenues under this system would grow more consistent with the overall economy assuming the concentration of income continues.

An attempt to expand the base of the use tax to services in 2007 was repealed before it could take effect. The heavy reliance of the expansion on business services contributed to its repeal. However, the expanded tax base on services was replaced with a surcharge on the Michigan Business Tax (MBT). The surcharge increased a taxpayer's MBT liability before credits by 21.99 percent, or \$6.0 million, whichever is less. The surcharge was not a part of the original design of the MBT and was created solely to fill the budget hole left by the repeal of the expanded use tax on services. The surcharge added complexity and raised the tax burden on taxpayers doing business in Michigan at a time when the national economy began to struggle. The inability of the revenue system to grow along with the overall economy and the burden imposed by the MBT surcharge make reform of Michigan's tax structure essential.

As a part of the budget presentation for fiscal year 2011, Governor Granholm proposed significant changes to Michigan's tax structure, including a broad expansion of the sales tax base to consumer services, a reduction in the overall sales tax rate from 6.0 percent to 5.5 percent, and the elimination of the MBT surcharge over two years. The expanded sales tax would not apply to health care, education, or new construction services. In addition to the phase out of the MBT surcharge, Governor Granholm proposed reducing the MBT tax rate on gross receipts from 0.80 percent to 0.60 percent by cutting the rate 0.10 percent on January 1, 2012, and again on January 1, 2013. The proposal would raise approximately \$554 million in fiscal year 2011 to address the budget deficit, but would be approximately revenue neutral in the long run as the MBT cuts take effect. The elimination of the surcharge, combined with the reduction in the tax rate on gross receipts, would improve Michigan's business climate and help Michigan businesses to better compete, invest, and create jobs.

New Investment for a New Economy

While the Michigan economy struggled overall in 2009, new seedlings were planted to help foster a strong future economy with Michigan at the forefront of research, development, and manufacturing of alternative energy systems. In April 2009 Governor Granholm signed legislation to increase the tax incentives for companies that develop and manufacture advanced batteries to locate in Michigan. The new incentives expanded on tax credits enacted in January 2009. The first tax credits from the original incentives were approved in February 2009 for Ford and General Motors.

In August 2009, Michigan universities and companies were awarded grants under the American Recovery and Reinvestment Act, \$10.5 million to higher education institutions for training programs targeting advanced electric-drive vehicles and \$1.35 billion to support over a dozen Michigan projects in advanced-battery and electric-vehicle manufacturing and development within the private sector. The private-sector projects are estimated to create over 6,800 jobs by 2011 and up to 40,000 jobs by 2020. The federal grant awards were confirmation that the strategy of targeting the development of advanced-battery development that Michigan has

employed since 2006 is working. A list of the projects and universities receiving awards is below:

Advanced Electric Drive Vehicle Education Program

Wayne State University - \$5 million
Michigan Technological University - \$2.98 million
University of Michigan - \$2.5 million

Cell, Battery and Material Manufacturing Facilities

Johnson Controls (Holland) - \$299.2 million
A123 Systems (Romulus and Brownstown Township) - \$249.1 million
KD Advanced Battery Group (Midland) - \$161 million
Compact Power (Holland, Pontiac, and St. Clair) - \$151.4 million
General Motors (Brownstown Township)

Electric Drive Component manufacturing Facilities

General Motors (Wixom) – \$105 million
Ford Motor Company (Sterling Heights) - \$62.7 million
Magna E-Car Systems of America (Holly) - \$40 million

Advanced Vehicle Electrification

Chrysler (Warren) - \$70 million
South Coast Air Quality Management District (Galesburg) - \$45.4 million

Advanced Vehicle Electrification and Transportation Sector Electrification

General Motors - \$30.5 million
Ford Motor Company - \$30 million

Later in the year, attention turned to clean-energy manufacturing with the enactment of a refundable credit against the Michigan Business Tax for the construction and operation of a facility that develops and manufactures photovoltaic technology, systems, or energy. The new credit was immediately put to use in October to attract new investments in Saginaw Township (Suniva, Inc.) and the former Ford assembly plant in Wixom (Clairvoyant Energy Solar Panel Manufacturing, Inc.).

Global Economic Recovery

The financial crisis of 2007 and 2008 may have begun in the U.S., but its impact was felt worldwide and the crisis led to a global recession that depressed trade and growth around the world. The recession was severe with world output falling in 2009 by 0.8 percent and output falling even more in advanced economies (-3.2 percent)¹⁴. However, the impact of the recession on global trade was even more dramatic. World trade in goods and services fell by an estimated 12.3 percent in 2009, with countries at all stages of development experiencing similar declines.

¹⁴ “World Economic Outlook Update,” International Monetary Fund, January 26, 2010.

In 2009, the balance of trade for the U.S. (exports minus imports) improved by more than \$300 billion, as the trade deficit fell from nearly \$700 billion in 2008 to \$381 billion in 2009. However, the trade deficit improved because the 15 percent decline in exports to other countries was smaller than the 23.3 percent decline in imports from other countries¹⁵. Even though the U.S. has run a trade deficit for more than 30 years, it is hard to say that a reduction in that deficit caused by a dramatic reduction in trade overall is a success. The decline in trade reflects the economic pain suffered throughout the global economy as decreasing demand for goods and services reduces the demand for workers, leading to higher unemployment, which reduces the ability of those workers to maintain their standards of living.

While the recession reduced output in advanced economies across the world during 2009, the impact was more diverse in the emerging and developing economies. Output declined in the former Soviet group of countries and Central and Eastern Europe, while output growth only slowed in the developing nations in Asia, the Middle East, and Africa as a whole¹⁶. Many of the developing world economies were stabilizing by late in the year and forecasts for 2010 expect growth in the emerging and developing economies to be much closer to 2008, when the overall growth rate was 6.1 percent, than 2009. The developing countries in Asia (including China, India, Indonesia, Malaysia, Philippines, Thailand, and Vietnam) are expected to grow by 8.4 percent in 2010. Since many of these nations have strong export sectors, recovery has been driven by stabilization of the global economy in addition to greater availability of new investment capital compared to the advanced economies. In addition, the policy response to the global financial shock was stronger in terms of direct government stimulus, relative to the size of their economies, in some of the developing economies.

The advanced economies were still weak generally at the end of 2009, with Europe and Japan still struggling to emerge from the recession while the U.S. and Canada were starting to see accelerating growth, even though growth was less than has been historically common in recoveries. The advanced economies were struggling with high unemployment and depressed private sector demand. A number of these economies were still feeling the impact of a housing bubble as the housing market in the U.S. continued to struggle with foreclosures and a large stock of unsold homes.

An important part of the economic recovery around the world is the loosening of capital and a return to more normal lending levels. Capital began to flow more freely in the developing world, while in advanced economies many economic agents (households, banks and other businesses) were still repairing balance sheets damaged by the financial crisis and were not borrowing or lending. As a result, some of the return to growth seen in the U.S. was due to the extraordinary level of government involvement in the economy, either through direct spending or through monetary stimulus. Similar situations exist around the world, and these economies will not return to complete health until normal economic growth is achieved without the need for government stimulus. Indeed, a number of advanced economies need to take steps to reduce structural budget deficits that have developed in response to the crisis and which stand to get significantly worse as these economies begin to wrestle with aging populations.

¹⁵ “Annual 2009 Trade Highlights,” U.S. Census Bureau.

¹⁶ “World Economic Outlook Update,” IMF.

Conclusion

Michigan continued to face trying economic times in 2009 as the financial crisis precipitated a global recession and the U.S. auto industry teetered on the brink of failure, further damaging the state's economy. As the national economy recovers but with auto sales still below the sales trend from a few years ago, it is unlikely that Michigan will begin to grow until 2011. A summary of the most recent economic and revenue forecast is below.

Michigan needs to continue to move toward a 21st Century economy, where an educated work force will lead the state to prosperity once again. Continued investment in education is essential in order to have a state where every child can obtain a quality education and pursue a prosperous career. A modernized tax structure that provides for public needs while keeping the Michigan economy competitive and attractive for new investment will ensure that Michigan again returns to prosperity.

Economic and Revenue Forecast

	Calendar 2009 <u>Actual</u>	Percent Change from <u>2008</u>	Calendar 2010 <u>Forecast</u>	Percent Change from <u>2009</u>	Calendar 2011 <u>Forecast</u>	Percent Change from <u>2010</u>
United States						
Real Gross Domestic Product (billions of 2005 dollars)	\$12,987	-2.4%	\$13,390	3.1%	\$13,778	2.9%
Unemployment Rate	9.3%		9.6%		9.3%	
Light Vehicle Sales (millions of vehicles)	10.4	-21.2%	11.7	12.5%	13.3	13.7%
Michigan						
Wage and Salary Employment (thousands)	3,876	-6.9%	3,830	-1.2%	3,830	0.0%
Unemployment Rate	13.6%		14.1%		13.7%	
Personal Income (millions)	\$339,219	-3.0%	\$343,289	1.2%	\$352,215	2.6%
Michigan Revenue (millions)						
Net GF-GP Revenue	\$7,365.6	-21.3%	\$6,654.9	-9.6%	\$7,096.7	6.6%
Net School Aid Revenue	\$10,922.2	-5.1%	\$10,749.9	-1.6%	\$10,832.9	0.8%
Combined Net Revenue	\$18,287.8	-12.4%	\$17,404.8	-4.8%	\$17,929.6	3.0%

Source: Consensus Revenue Estimating Conference, May 2010.

Appendix

Table A-1
U.S. AND MICHIGAN LABOR FORCE AND UNEMPLOYMENT
 (Numbers other than unemployment rates are in thousands)

Year	United States				Michigan			
	Civilian Labor Force	Number Employed	Number Unemployed	Unemployment Rate (%)	Civilian Labor Force	Number Employed	Number Unemployed	Unemployment Rate (%)
1979	104,962	98,824	6,137	5.8	4,335	3,993	342	7.9
1980	106,940	99,303	7,637	7.1	4,325	3,801	524	12.1
1981	108,670	100,397	8,273	7.6	4,296	3,758	538	12.5
1982	110,204	99,526	10,678	9.7	4,258	3,595	662	15.6
1983	111,550	100,834	10,717	9.6	4,258	3,636	622	14.6
1984	113,544	105,005	8,539	7.5	4,315	3,825	490	11.4
1985	115,461	107,150	8,312	7.2	4,363	3,924	439	10.1
1986	117,834	109,597	8,237	7.0	4,411	4,020	390	8.9
1987	119,865	112,440	7,425	6.2	4,505	4,130	375	8.3
1988	121,669	114,968	6,701	5.5	4,560	4,213	346	7.6
1989	123,869	117,342	6,528	5.3	4,625	4,292	332	7.2
1990	125,840	118,793	7,047	5.6	4,620	4,262	358	7.7
1991	126,346	117,718	8,628	6.8	4,589	4,162	427	9.3
1992	128,105	118,492	9,613	7.5	4,662	4,235	427	9.2
1993	129,200	120,259	8,940	6.9	4,712	4,365	347	7.4
1994	131,056	123,060	7,996	6.1	4,804	4,509	296	6.2
1995	132,304	124,900	7,404	5.6	4,835	4,577	258	5.3
1996	133,943	126,708	7,236	5.4	4,888	4,647	241	4.9
1997	136,297	129,558	6,739	4.9	4,963	4,749	214	4.3
1998	137,673	131,463	6,210	4.5	5,008	4,810	198	4.0
1999	139,368	133,488	5,880	4.2	5,089	4,897	192	3.8
2000	142,583	136,891	5,692	4.0	5,144	4,953	190	3.7
2001	143,734	136,933	6,801	4.7	5,144	4,876	268	5.2
2002	144,863	136,485	8,378	5.8	5,040	4,725	315	6.2
2003	146,510	137,736	8,774	6.0	5,033	4,676	358	7.1
2004	147,401	139,252	8,149	5.5	5,043	4,687	356	7.1
2005	149,320	141,730	7,591	5.1	5,063	4,717	346	6.8
2006	151,428	144,427	7,001	4.6	5,071	4,723	348	6.9
2007	153,124	146,047	7,078	4.6	5,038	4,683	356	7.1
2008	154,287	145,362	8,924	5.8	4,976	4,563	413	8.3
2009	154,142	139,877	14,265	9.3	4,889	4,224	665	13.6

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Table A-2
MICHIGAN MANUFACTURING AND DURABLE GOODS EMPLOYMENT
(Numbers in Thousands)

Year	Durable Goods Manufacturing								
	Total Manufacturing	Total Durable Goods	Primary Metal	Fabricated Metal Products	Transportation Equipment	Nonmetallic Mineral Products	Machinery	Furniture & Related Products	Other Durable Goods*
1990	839.0	666.2	37.9	86.1	315.6	16.0	95.7	39.6	75.3
1991	793.9	624.3	34.9	80.3	295.2	15.2	88.6	36.2	73.9
1992	797.2	625.5	33.5	79.2	303.4	15.2	87.1	35.0	72.1
1993	806.5	631.2	33.1	81.5	299.5	16.0	89.6	36.2	75.3
1994	849.1	668.5	34.3	87.4	316.0	16.8	96.1	38.8	79.1
1995	873.6	689.0	35.3	91.8	322.8	16.7	103.7	38.7	80.0
1996	866.6	681.9	33.6	91.9	317.7	17.2	103.9	37.3	80.3
1997	874.0	690.8	33.7	93.6	322.6	18.0	104.3	37.9	80.7
1998	890.4	706.3	34.3	95.5	332.3	19.2	104.7	38.4	81.9
1999	898.6	715.7	35.4	97.1	341.5	19.7	103.5	38.8	79.7
2000	897.1	718.1	34.5	97.5	346.1	20.1	102.3	38.7	78.9
2001	821.8	656.5	31.4	89.0	317.0	18.5	89.6	36.9	74.1
2002	762.2	605.6	28.3	84.5	296.9	17.6	79.7	31.0	67.6
2003	718.4	567.8	27.5	82.9	274.0	16.5	76.5	26.6	63.8
2004	699.4	551.4	27.6	83.4	259.3	15.8	75.7	25.9	63.7
2005	678.7	530.8	26.9	84.3	241.2	15.5	75.3	25.4	62.2
2006	649.5	504.7	26.0	83.1	221.4	14.9	73.7	25.4	60.2
2007	618.8	476.7	24.8	80.4	202.5	14.0	70.1	25.1	59.8
2008	573.6	435.5	23.2	77.0	171.4	13.1	67.8	23.9	59.1
2009	462.4	340.8	16.6	59.2	126.3	11.2	55.3	19.9	52.3

Source: Bureau of Labor and Statistics, U.S. Dept. of Labor

*Note: Other Durable Goods contains total employment for durable goods industries not specifically presented in the table. It includes employment in wood products, computer and electronic products, and miscellaneous durable goods.

Table A-3
MICHIGAN MANUFACTURING AND NONDURABLE GOODS EMPLOYMENT
(Numbers in Thousands)

Year	Total Manufacturing	Total Nondurable Goods Manufacturing	Nondurable Goods Manufacturing				
			Food	Printing & Related Support Activities	Chemical	Plastics & Rubber Products	Other Nondurable Goods*
1990	839.0	172.8	41.9	25.7	35.1	36.6	33.5
1991	793.9	169.6	42.5	25.1	35.0	35.0	32.0
1992	797.2	171.6	42.3	25.0	34.8	36.9	32.6
1993	806.5	175.4	42.6	24.7	36.1	39.1	32.9
1994	849.1	180.6	41.8	25.1	36.4	43.3	34.0
1995	873.6	184.6	42.0	25.1	36.5	46.3	34.7
1996	866.6	184.7	41.7	24.8	36.4	47.9	33.9
1997	874.0	183.2	38.7	24.2	36.9	49.0	34.4
1998	890.4	184.1	37.4	23.8	37.6	51.4	33.9
1999	898.6	182.9	34.7	23.1	38.3	53.4	33.4
2000	897.1	179.0	33.9	23.2	36.7	53.4	31.8
2001	821.8	165.3	34.0	21.9	34.6	45.8	29.0
2002	762.2	156.6	32.6	20.2	33.8	43.7	26.3
2003	718.4	150.6	31.1	19.2	32.4	43.3	24.6
2004	699.4	148.0	31.5	18.3	30.6	43.0	24.6
2005	678.7	147.9	31.4	17.9	30.0	42.7	25.9
2006	649.5	144.9	31.8	17.6	28.9	41.4	25.2
2007	618.8	142.1	32.4	17.5	28.1	39.5	24.6
2008	573.6	138.1	33.1	16.7	27.7	36.8	23.8
2009	462.4	121.6	33.4	14.7	25.6	26.6	21.3

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

*Note: Other Nondurable Goods is the difference of Total Nondurable Goods Manufacturing and the industry data published by the Bureau of Labor Statistics.
It includes food, textile, apparel, beverage and tobacco, leather and allied products, petroleum and coal products, and paper.

Table A-4

MICHIGAN NONMANUFACTURING AND PRIVATE SERVICE-PRODUCING EMPLOYMENT
(Numbers in thousands)

Year	Private Service-Producing	Education & Health Services	Professional & Business Services	Financial Activities	Information	Transportation & Utilities	Retail Trade	Wholesale Trade	Leisure & Hospitality	Other Services
1990	2,322.2	411.7	398.0	192.8	69.9	117.3	502.8	155.0	330.8	143.9
1991	2,316.8	422.8	405.4	189.7	68.4	115.7	489.6	152.6	328.9	143.7
1992	2,346.5	434.6	425.2	188.2	67.1	116.3	486.0	151.6	330.9	146.6
1993	2,411.1	446.3	449.6	190.4	66.8	119.6	493.6	153.9	339.9	151.1
1994	2,500.6	455.2	486.3	193.4	65.8	127.0	508.9	157.7	348.2	158.1
1995	2,590.6	470.2	519.0	195.6	66.5	128.0	523.8	160.8	364.0	162.9
1996	2,663.9	485.6	542.6	200.3	68.6	127.6	534.4	164.8	371.4	168.6
1997	2,727.2	489.3	571.6	203.6	69.8	129.6	540.1	173.4	378.4	171.5
1998	2,769.8	484.8	601.2	206.7	71.7	131.2	542.5	179.8	379.0	173.0
1999	2,811.9	491.7	618.1	205.7	70.6	134.1	550.6	183.6	383.5	174.0
2000	2,878.7	502.1	641.2	208.1	72.7	135.4	559.8	186.0	398.2	175.3
2001	2,841.3	517.8	610.0	209.0	72.1	132.0	548.8	180.4	394.3	176.9
2002	2,829.7	535.1	599.3	213.4	70.4	128.2	530.7	175.4	397.9	179.3
2003	2,813.1	546.9	588.2	216.7	67.1	125.8	518.7	172.6	398.1	179.1
2004	2,820.0	560.9	586.3	215.7	65.7	125.7	513.6	170.5	402.0	179.6
2005	2,839.1	575.8	593.1	216.1	64.9	128.3	506.0	170.7	404.5	179.6
2006	2,825.3	583.3	586.1	213.8	63.9	128.4	496.0	170.6	405.6	177.5
2007	2,819.0	596.7	580.8	209.5	62.9	128.3	489.7	169.0	405.6	176.6
2008	2,777.2	607.4	563.5	202.0	60.2	124.5	478.1	167.8	398.3	175.6
2009	2,633.0	613.2	508.7	190.9	55.7	112.5	451.3	153.2	379.5	168.1

Source: Bureau of Labor Statistics

Table A-5

**MICHIGAN PAYROLL EMPLOYMENT BY MAJOR CATEGORY
(Numbers in thousands)**

<u>Year</u>	<u>Total Employment</u>	<u>Construction</u>	<u>Mining & Logging</u>	<u>Manufacturing</u>	<u>Government</u>	<u>Private Service Producing</u>
1990	3,946.4	143.1	11.5	839.0	630.6	2,322.2
1991	3,884.2	130.0	11.1	793.9	632.5	2,316.8
1992	3,918.6	128.5	10.8	797.2	635.8	2,346.5
1993	3,998.7	132.5	10.8	806.5	637.7	2,411.2
1994	4,141.3	142.0	10.8	849.1	638.8	2,500.6
1995	4,268.5	152.9	10.7	873.6	640.7	2,590.7
1996	4,352.4	168.5	9.7	866.6	643.6	2,664.0
1997	4,438.6	180.3	9.9	874.0	647.2	2,727.3
1998	4,513.4	187.4	10.0	890.4	655.8	2,769.9
1999	4,584.6	197.0	9.6	898.6	667.4	2,811.9
2000	4,676.2	209.6	9.5	897.1	681.4	2,878.8
2001	4,563.5	206.1	9.3	821.8	685.0	2,841.3
2002	4,486.7	199.6	8.6	762.2	686.6	2,829.7
2003	4,415.6	190.6	8.1	718.4	685.4	2,813.1
2004	4,398.7	191.5	8.2	699.4	679.7	2,820.0
2005	4,389.4	189.1	8.4	678.7	674.1	2,839.1
2006	4,326.1	178.0	8.0	649.5	665.3	2,825.2
2007	4,267.4	166.3	7.7	618.8	655.7	2,819.1
2008	4,161.7	153.0	7.9	573.6	650.0	2,777.3
2009	3,876.1	127.3	6.9	462.4	646.6	2,633.1

*Private Service Producing includes: Information, Financial Activities, Professional and Business Services, Education and Health Services, Leisure and Hospitality, Trade Transportation and Utilities, and Other Services.

Source: Bureau of Labor Statistics

Table A-6**PUBLIC SECTOR EMPLOYMENT IN MICHIGAN**

(Numbers in Thousands)

<u>Year</u>	<u>Total Government Employment</u>	<u>Federal Government</u>	<u>State Government (1)</u>	<u>Local Government</u>
1990	630.6	61.2	166.2	403.2
1991	632.5	58.3	165.7	408.5
1992	635.8	58.2	163.4	414.2
1993	637.7	56.9	163.8	417.1
1994	638.8	57.0	163.9	417.9
1995	640.7	57.2	165.4	418.1
1996	643.6	56.5	167.6	419.5
1997	647.2	56.2	165.3	425.7
1998	655.8	56.6	167.4	431.9
1999	667.4	57.3	169.0	441.1
2000	681.4	60.4	169.9	451.1
2001	685.0	56.2	173.9	454.8
2002	686.6	55.8	174.1	456.8
2003	685.4	56.1	169.8	459.5
2004	679.7	55.5	169.6	454.6
2005	674.1	54.7	168.4	451.0
2006	665.3	54.1	170.6	440.6
2007	655.7	53.7	169.5	432.5
2008	650.0	53.4	173.1	423.5
2009	646.6	53.9	178.3	414.4

(1) In addition to classified civil service employees, state government employment includes employees of state-supported colleges and universities, the legislature and the courts.

Source: Bureau of Labor Statistics

Table A-7
STATE OF MICHIGAN CLASSIFIED EMPLOYEES
BY DEPARTMENT PER FISCAL YEAR

<u>Department</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>	<u>02-03</u>	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>
Agriculture	631	632	657	697	702	635	687	641	575	535	521	529
Attorney General	547	549	559	558	538	474	489	524	528	517	496	494
Auditor General	163	169	174	179	176	157	150	143	142	138	138	135
Biologic Products Institute	77	--	--	--	--	--	--	--	--	--	--	--
Career Development	--	--	--	1,088	1,079	911	901	34	--	--	--	--
Civil Rights	159	163	160	166	164	135	133	131	127	119	117	112
Civil Service Commission	205	207	206	206	200	176	189	210	210	206	538	526
Community Health	5,758	5,810	5,914	5,838	5,370	4,465	4,577	4,424	4,241	4,225	3,964	4,075
Consumer and Industry Services	4,049	3,909	3,843	3,823	3,735	3,186	3,170	209	--	--	--	--
Corrections	16,714	17,063	17,652	18,296	17,821	17,222	16,781	16,543	16,446	16,357	15,944	15,762
Education	436	442	403	396	393	298	324	352	367	369	380	405
Environmental Quality	1,479	1,545	1,605	1,617	1,567	1,370	1,444	1,419	1,430	1,423	1,354	1,330
Executive Office	65	63	65	67	58	51	49	45	44	44	46	45
History Arts and Libraries	--	--	--	--	295	287	273	203	200	196	191	182
Human Services	12,443	12,836	13,254	13,139	12,554	10,303	10,104	9,953	9,778	9,759	9,582	10,168
Information Technology	--	--	--	--	--	1,730	1,721	1,675	1,690	1,712	1,670	1,709
Labor & Economic Growth	--	--	--	--	--	--	55	3,751	4,128	3,967	3,781	4,056
Lottery	179	--	--	--	--	--	--	--	--	--	--	--
Management and Budget	1,495	1,719	1,936	1,931	1,851	1,306	1,277	967	967	971	938	967
MI Jobs Commission	1,101	1,149	1,055	--	--	--	--	--	--	--	--	--
Military and Veterans Affairs	900	949	987	970	962	919	943	928	924	934	921	926
Natural Resources	2,445	2,510	2,506	2,509	2,446	2,265	2,328	1,669	1,657	1,628	1,564	1,607
State	2,174	2,231	2,257	2,267	2,095	1,836	1,852	1,705	1,672	1,622	1,535	1,447
State Police	3,014	3,159	3,190	3,240	3,164	2,800	2,661	2,704	2,690	2,657	2,586	2,622
Strategic Fund	--	--	--	--	--	--	--	--	--	174	177	193
Transportation	2,960	3,196	3,244	3,253	3,185	2,826	2,956	2,849	2,880	2,895	2,854	2,892
Transportation Bridge Authority	150	--	--	--	--	--	--	--	--	--	--	--
Treasury	<u>1,531</u>	<u>1,765</u>	<u>1,826</u>	<u>1,817</u>	<u>1,793</u>	<u>1,514</u>	<u>1,512</u>	<u>1,535</u>	<u>1,564</u>	<u>1,565</u>	<u>1,502</u>	<u>1,519</u>
Total	58,675	60,066	61,493	62,057	60,147	54,866	54,573	52,614	52,259	52,013	50,799	51,699

Source: Michigan Department of Civil Service, Twenty-Ninth Annual Workforce Report

Note: Starting in FY 2004-05, this report reflects classified employees who are full-time, part-time, permanent intermittent, limited term, seasonal and non career in primary positions only, except for the following non-career appointments: Student Assistant-E, Construction Aide (Trans)-E, and State Worker. These positions represented 98% of all non-career appointments at the end of FY 2008-09. The count of employees who job share are divided in half.

Table A-8

MICHIGAN MSA AND COUNTY EMPLOYMENT AND UNEMPLOYMENT RATES

Area	1990		2000		2009	
	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)
Michigan	4,262,409	7.7	4,953,421	3.7	4,223,702	13.6
<u>MSA</u>						
Ann Arbor	151,177	4.8	180,898	2.3	168,054	8.6
Battle Creek	60,241	7.3	67,459	4.1	60,813	11.7
Bay City	49,532	8.0	54,525	4.0	48,020	12.0
Detroit/Warren/Livonia	1,944,008	8.1	2,200,338	3.7	1,786,153	15.1
Flint	181,283	9.5	205,505	4.4	168,914	14.9
Grand Rapids-Wyoming	318,654	6.2	389,541	3.2	350,821	11.2
Holland-Grand Haven	99,352	5.3	132,456	2.6	115,000	12.3
Jackson	66,391	7.1	76,396	3.4	66,162	13.5
Kalamazoo/Portage	144,810	6.0	166,938	3.2	154,644	10.6
Lansing/East Lansing	219,693	6.1	240,498	2.9	220,007	10.8
Monroe	62,583	7.6	74,756	3.2	64,001	14.4
Muskegon/Norton Shores	67,264	8.4	82,089	4.1	74,972	14.9
Niles/Benton Harbor	75,691	7.0	79,424	3.8	67,730	12.7
Saginaw/Saginaw Township	90,004	7.7	96,132	4.1	82,376	12.5
<u>County</u>						
Alcona	3,419	13.1	4,164	6.8	3,392	18.7
Alger	3,462	9.2	4,139	5.4	3,705	13.6
Allegan	43,176	6.1	56,168	2.8	47,470	12.8
Alpena	12,864	10.2	14,676	5.5	12,826	13.9
Antrim	7,991	10.1	11,070	4.6	9,809	15.1
Arenac	5,621	9.0	7,210	5.8	6,578	16.7
Baraga	2,998	10.5	3,852	6.5	3,410	24.0
Barry	23,636	6.2	29,433	3.3	26,216	10.3
Bay	49,532	8.0	54,525	4.0	48,020	12.0
Benzie	5,361	11.7	8,011	4.5	7,590	13.6
Berrien	75,691	7.0	79,424	3.8	67,730	12.7
Branch	18,311	7.3	22,527	3.8	18,443	14.2
Calhoun	60,241	7.3	67,459	4.1	60,813	11.7
Cass	22,942	7.3	26,234	3.2	22,658	11.3
Charlevoix	10,349	8.4	13,198	4.5	11,766	14.7

Table A-8 (Continued)

Area	1990		2000		2009	
	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)
Cheboygan	9,258	12.0	11,894	8.1	10,110	14.0
Chippewa	12,990	11.3	16,347	6.3	14,971	12.7
Clare	8,285	10.7	12,323	5.4	10,856	16.5
Clinton	29,431	6.4	34,638	2.6	33,578	9.4
Crawford	5,015	6.7	6,394	4.6	5,551	13.4
Delta	15,396	9.3	18,762	5.3	17,057	12.4
Dickinson	11,555	7.5	13,421	4.1	12,649	11.5
Eaton	48,390	5.9	56,180	2.8	52,149	10.3
Emmet	12,823	9.4	17,065	5.5	16,758	14.3
Genesee	181,283	9.5	205,505	4.4	168,914	14.9
Gladwin	7,321	9.7	10,383	5.3	8,596	16.7
Gogebic	6,682	8.2	7,240	6.3	6,468	13.1
Grand Traverse	33,601	6.8	43,997	3.4	42,608	11.8
Gratiot	16,861	8.9	18,647	4.5	16,869	13.9
Hillsdale	19,290	8.6	23,279	3.7	17,170	17.4
Houghton	13,520	7.4	16,283	4.9	15,738	10.7
Huron	14,300	10.3	16,799	4.6	13,583	14.8
Ingham	141,872	6.2	149,680	2.9	134,280	11.3
Ionia	24,386	9.9	28,916	3.6	25,766	13.8
Iosco	10,227	8.5	10,859	6.5	8,500	18.0
Iron	4,827	8.9	5,331	5.8	5,061	12.2
Isabella	24,369	6.1	33,638	3.3	35,302	8.6
Jackson	66,391	7.1	76,396	3.4	66,162	13.5
Kalamazoo	113,945	5.2	128,897	3.0	119,688	10.0
Kalkaska	5,541	9.8	8,150	4.6	7,340	14.2
Kent	255,007	5.6	309,205	3.1	279,564	10.9
Keweenaw	516	14.9	985	6.2	929	14.6
Lake	2,406	12.0	4,205	5.7	3,358	16.8
Lapeer	33,645	10.4	43,939	4.3	35,980	17.2
Leelanau	8,229	6.3	10,975	3.0	9,867	9.3
Lenawee	40,571	7.5	49,769	3.7	40,669	15.6
Livingston	58,172	5.8	87,314	2.6	80,046	11.9
Luce	2,200	9.2	2,587	6.0	2,355	13.3

Table A-8 (Continued)

Area	1990		2000		2009	
	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)
Mackinac	5,343	14.3	6,363	7.5	5,240	14.3
Macomb	362,128	7.9	418,171	3.6	349,519	15.7
Manistee	8,398	10.7	11,200	5.3	10,090	12.9
Marquette	29,552	8.0	32,681	4.3	32,483	10.3
Mason	11,185	8.3	14,018	4.8	12,685	13.4
Mecosta	15,146	8.0	18,111	4.3	17,117	13.1
Menominee	11,213	6.8	12,719	4.1	11,541	11.9
Midland	35,709	5.5	41,163	3.2	38,752	9.7
Missaukee	4,820	10.5	6,686	4.4	5,311	15.6
Monroe	62,583	7.6	74,756	3.2	64,001	14.4
Montcalm	20,364	14.4	28,188	4.1	22,055	16.6
Montmorency	2,753	15.1	3,757	8.1	3,157	20.8
Muskegon	67,264	8.4	82,089	4.1	74,972	14.9
Newaygo	15,626	9.6	21,988	4.6	19,276	13.8
Oakland	567,932	6.1	656,461	2.9	524,869	12.9
Oceana	10,065	10.9	12,443	5.9	11,741	16.3
Ogemaw	6,509	9.9	9,082	5.4	8,329	13.5
Ontonagon	3,667	5.5	3,417	6.4	2,709	15.9
Osceola	7,805	11.3	10,666	4.5	8,025	15.3
Oscoda	2,688	8.2	3,657	6.1	2,894	21.6
Otsego	8,787	6.2	11,838	4.1	10,283	14.6
Ottawa	99,352	5.3	132,456	2.6	115,000	12.3
Presque Isle	5,352	11.7	5,962	8.3	4,899	18.8
Roscommon	6,505	9.1	9,811	5.5	8,540	15.1
Saginaw	90,004	7.7	96,132	4.1	82,376	12.5
St. Clair	65,557	9.6	83,383	4.2	68,040	17.5
St. Joseph	27,161	8.6	31,474	3.4	24,611	14.6
Sanilac	16,978	10.8	20,924	4.6	17,154	17.6
Schoolcraft	3,199	16.2	3,607	8.1	3,331	14.6
Shiawassee	31,761	9.7	35,948	3.9	29,913	14.9
Tuscola	23,592	9.7	27,415	4.6	23,373	16.0
Van Buren	30,865	8.7	38,041	4.0	34,956	12.7
Washtenaw	151,177	4.8	180,898	2.3	168,054	8.6
Wayne	856,576	9.4	911,069	4.3	727,699	16.2
Wexford	10,901	12.3	14,756	5.3	11,795	17.6

Source: Bureau of Labor Statistics

Table A-9

**MICHIGAN LABOR FORCE STATISTICS
BY AGE, RACE AND SEX - 1999 AND 2009**

Category	Unemployment Rate (%)			Labor Force Participation Rate (%)			Level of Employment (000s)		
	1999	2009	Change	1999	2009	Change	1999	2009	Change
<u>Age</u>									
16 - 24 years	9.1	19.9	10.8 pts	71.9	57.9	-14.0 pts	867	597	-270
25 - 44 years	2.9	14.0	11.1	85.0	82.3	-2.8	2,445	1,757	-688
45 - 64 years	2.0	10.8	8.8	72.9	71.9	-1.0	1,500	1,732	232
Over 65 years	2.3	5.9	3.6	12.0	13.5	1.5	129	165	36
<u>Race</u>									
White	3.4	12.2	8.9	68.9	64.1	-4.8	4,235	3,581	-654
Black	6.7	21.0	14.3	65.7	54.7	-11.0	583	446	-137
Other	3.8	14.3	10.5	71.4	69.0	-2.4	124	227	103
<u>Sex</u>									
Male	3.7	15.8	12.2	76.3	69.1	-7.2	2,690	2,190	-500
Female	3.9	10.6	6.6	61.2	57.4	-3.7	2,252	2,064	-188
All Groups	3.8	13.3	9.6	68.5	63.1	-5.5	4,942	4,254	-688

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Table A-10
U.S. AND MICHIGAN EMPLOYMENT, EMPLOYMENT SHARES,
AND LOCATION QUOTIENT FOR 2008

<u>Industry</u>	<u>U.S.</u> <u>Employment</u>	<u>%</u>	<u>Michigan</u> <u>Employment</u>	<u>%</u>	<u>Location</u> <u>Quotient</u>
Agriculture, forestry, fishing and hunting	1,169,029	1.03%	25,555	0.74%	0.71
Mining	713,398	0.63%	6,388	0.18%	0.29
Utilities	557,983	0.49%	20,165	0.58%	1.18
Construction	7,124,886	6.29%	149,402	4.31%	0.69
Manufacturing	13,382,697	11.82%	575,779	16.62%	1.41
Transportation equipment	1,607,792	1.42%	172,855	4.99%	3.51
Motor vehicle manufacturing	195,625	0.17%	48,823	1.41%	8.15
Motor vehicle parts manufacturing	541,085	0.48%	110,766	3.20%	6.69
Wholesale trade	5,954,915	5.26%	164,914	4.76%	0.90
Retail trade	15,307,933	13.52%	474,742	13.70%	1.01
Transportation and warehousing	4,271,969	3.77%	99,960	2.89%	0.76
Information	2,989,161	2.64%	61,128	1.76%	0.67
Finance and insurance	5,857,197	5.17%	145,105	4.19%	0.81
Real estate and rental and leasing	2,111,179	1.87%	51,696	1.49%	0.80
Professional and technical services	7,816,999	6.91%	239,767	6.92%	1.00
Management of companies and enterprises	1,895,417	1.67%	54,221	1.57%	0.93
Administrative and waste services	7,992,864	7.06%	262,201	7.57%	1.07
Educational services	2,366,800	2.09%	61,933	1.79%	0.85
Health care and social assistance	15,587,303	13.77%	525,034	15.15%	1.10
Arts, entertainment, & recreation	1,978,461	1.75%	60,952	1.76%	1.01
Accommodation & food services	11,417,016	10.09%	334,199	9.65%	0.96
Other services, except public administration	4,484,907	3.96%	127,402	3.68%	0.93
Unclassified	208,532	0.18%	23,914	0.69%	3.75
Total All Industries	113,188,646	100.00%	3,464,457	100.00%	1.00

Source: Quarterly Census of Employment and Wages, U.S. Department of Labor

Table A-11
NEW INCORPORATIONS IN MICHIGAN

Year	Profit	Nonprofit	Foreign (Out-of-State)	Total	Limited Liability Companies
1970	8,378	1,782	1,054	11,214	
1971	8,270	1,993	1,082	11,345	
1972	9,202	2,134	1,175	12,511	
1973	9,709	1,878	1,093	12,680	
1974	9,342	2,106	1,009	12,457	
1975	9,996	2,138	926	13,060	
1976	11,545	2,080	972	14,597	
1977	13,273	2,082	956	16,311	
1978	14,538	2,148	1,039	17,725	
1979	18,654	2,217	1,062	21,933	
1980	16,931	2,503	1,077	20,511	
1981	17,139	2,288	1,277	20,704	
1982	17,201	2,294	1,300	20,795	
1983	18,463	2,613	1,540	22,616	
1984	19,474	2,574	1,625	23,673	
1985	21,864	2,490	1,719	26,073	
1986	22,914	2,559	1,864	27,337	
1987	23,869	2,467	1,998	28,334	
1988	22,633	2,695	1,937	27,265	
1989	22,248	2,881	1,828	26,957	
1990	21,985	2,871	1,714	26,570	
1991	21,840	2,863	1,626	26,329	
1992	23,380	3,111	1,778	28,269	
1993	24,488	3,102	1,881	29,471	
1994	25,046	3,249	2,182	30,477	
1995	25,752	3,241	2,351	31,344	
1996	26,263	3,357	2,407	32,027	7,856
1997	25,560	3,400	2,653	31,613	11,053
1998	22,768	3,532	2,680	28,980	16,294
1999	22,359	3,439	2,703	28,501	19,695
2000	22,899	3,869	2,727	29,495	24,040
2001	21,323	3,730	2,408	27,461	25,367
2002	20,964	4,018	2,237	27,219	29,990
2003	20,780	4,023	2,216	27,019	36,495
2004	20,572	4,445	2,353	27,370	43,729
2005	20,178	4,742	2,298	27,218	48,504
2006	18,362	4,565	2,317	25,244	46,805
2007	17,003	4,302	2,324	23,629	46,395
2008	15,030	4,446	2,080	21,556	46,867
2009	13,205	4,266	1,868	19,339	46,619

Source: Michigan Department of Energy, Labor and Economic Growth,
Bureau of Commercial Services.

Table A-12
U.S. AND MICHIGAN MANUFACTURING INDUSTRIES
AVERAGE WEEKLY AND HOURLY EARNINGS

Year	Michigan			United States		
	Average Weekly Earnings	Average Hourly Earnings	Real Weekly Earnings (2009 \$)	Average Weekly Earnings	Average Hourly Earnings	Real Weekly Earnings (2009 \$)
2001	\$814.96	\$19.45	\$950.92	\$595.19	\$14.76	\$721.01
2002	875.78	20.51	996.19	618.75	15.29	737.88
2003	892.52	21.20	995.20	635.99	15.74	741.54
2004	912.02	21.51	1,001.04	658.49	16.14	747.86
2005	896.55	21.50	956.21	673.30	16.56	739.62
2006	921.65	21.84	953.98	691.02	16.81	735.36
2007	937.55	22.06	953.32	711.56	17.26	736.25
2008	933.04	22.11	927.33	724.46	17.75	721.88
2009	890.84	21.57	890.84	725.87	18.23	725.87

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Note: Real Weekly Earnings calculated using U.S. CPI-U and Detroit CPI for Michigan.

Table A-13**MICHIGAN PERSONAL INCOME, BY MAJOR SOURCE**

(Amounts in millions of dollars)

Source	1970	1980	1990	1995	2000	2005	2009
Total Wage and Salary Disbursements	\$25,165	\$57,681	\$102,151	\$132,149	\$174,173	\$182,521	\$170,376
Supplements to wages and salaries	3,508	13,189	22,286	32,252	34,624	43,392	40,974
Proprietors' Income	2,703	4,801	9,355	12,636	19,851	28,139	25,482
Farm	245	342	392	238	-14	512	367
Nonfarm	2,458	4,459	8,963	12,397	19,865	27,627	25,115
Total Earnings by Place of Work	31,376	75,672	133,792	177,036	228,648	254,052	236,833
Less: Contributions for Social Insurance	2,193	7,181	16,100	21,663	27,085	29,404	28,484
Plus: Adjustment for Residence	112	354	459	751	1,048	1,354	1,547
Equals: Net Earnings by Place of Residence	29,295	68,845	118,150	156,125	202,611	226,002	209,895
Plus: Dividends, Interest and Rent	4,837	12,595	32,408	38,729	51,054	47,456	53,935
Plus: Transfer Payments	3,216	13,808	23,738	31,839	38,941	52,206	75,389
TOTAL PERSONAL INCOME	\$37,347	\$95,248	\$174,296	\$226,693	\$292,606	\$325,664	\$339,219
TOTAL REAL PERSONAL INCOME (in 2009 dollars)	\$192,405	\$227,228	\$275,805	\$310,438	\$350,672	\$347,334	\$339,219

Note: Some numbers may not add due to rounding.

Source: Bureau of Economic Analysis, U.S. Department of Commerce
Bureau of Labor Statistics.

Table A-14
MICHIGAN PERSONAL INCOME, BY INDUSTRY

(Amounts in millions of dollars)

Source	2002	2003	2004	2005	2006	2007	2008	2009
Farm Earnings	\$589	\$704	\$1,141	\$1,060	\$1,165	\$1,137	\$1,683	\$1,038
Nonfarm Earnings	236,506	245,978	248,478	252,992	254,780	256,141	255,141	235,794
Private Earnings	204,159	212,245	213,164	215,963	217,460	218,186	216,117	195,469
Forestry, Fishing and Other	272	283	308	309	313	311	326	320
Mining	592	689	742	809	926	796	896	793
Construction	14,989	14,735	15,360	15,597	15,306	14,595	12,938	10,475
Manufacturing	52,027	57,960	51,931	50,066	49,131	48,922	46,205	36,956
Nondurable Goods	9,504	9,980	10,126	10,018	10,159	10,100	10,194	9,208
Durable Goods	42,523	47,980	41,805	40,048	38,972	38,822	36,012	27,747
Transportation and Utilities	8,746	9,038	9,452	9,589	9,848	10,180	10,034	9,347
Wholesale Trade	11,398	11,671	12,048	12,416	12,723	13,126	13,553	12,254
Retail Trade	15,746	16,071	16,236	16,179	16,079	16,091	16,052	15,191
Finance, Insurance and Real Estate	17,752	17,046	17,894	18,679	18,376	17,315	16,961	16,027
Health Care Services	21,868	23,076	24,440	25,756	27,158	28,225	29,857	30,562
Prof., Tech. & Information Services	26,937	26,721	27,546	28,369	29,054	29,862	30,348	27,182
Other Services	33,832	34,957	37,208	38,193	38,548	38,763	38,946	36,364
Government and Gov. Enterprise	32,346	33,733	35,314	37,029	37,320	37,955	39,024	40,325
Federal Civilian	4,018	4,172	4,492	4,598	4,756	4,957	4,974	5,299
Military	575	786	838	921	904	939	1,000	1,128
State and Local	27,754	28,775	29,985	31,510	31,659	32,059	33,050	33,898
Total Earnings by Place of Work	237,095	246,682	249,619	254,052	255,945	257,279	256,824	236,833
Less: Contributions for Social Insurance	27,194	27,688	28,493	29,404	30,177	30,458	30,627	28,484
Plus: Adjustment for Residence	1,113	1,180	1,284	1,354	1,457	1,522	1,562	1,547
Equals: Net Earnings by Place of Residence	211,014	220,174	222,410	226,002	227,226	228,342	227,759	209,895
Plus: Dividends, Interest and Rent	47,085	46,894	47,793	47,456	51,644	55,240	55,956	53,935
Plus: Transfer Payments	44,911	47,125	49,154	52,206	55,900	60,003	65,897	75,389
TOTAL PERSONAL INCOME	\$303,009	\$314,192	\$319,358	\$325,664	\$334,769	\$343,585	\$349,612	\$339,219

Note: Some numbers may not add due to rounding.

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Table A-15

U. S. AND MICHIGAN PERSONAL AND PER-PERSON INCOME

Year	United States				Michigan				Michigan Per Person Income Percent of U.S.
	Personal Income	Percent Change Annual Rate	Per Person Income	Change Annual Rate	Personal Income	Percent Change Annual Rate	Per Person Income	Percent Change Annual Rate	
1970	\$832,238,000		\$4,084		\$37,347,243		\$4,198		102.8
1975	1,329,714,000	9.8	6,172	8.6	57,439,813	9.0	6,307	8.5	102.2
1980	2,292,903,000	11.5	10,091	10.3	95,247,978	10.6	10,291	10.3	102.0
1985	3,482,520,000	8.7	14,637	7.7	133,283,377	7.0	14,685	7.4	100.3
1990	4,831,282,000	6.8	19,354	5.7	174,296,152	5.5	18,719	5.0	96.7
1991	5,013,484,000	3.8	19,818	2.4	179,823,938	3.2	19,129	2.2	96.5
1992	5,335,268,000	6.4	20,799	5.0	191,273,822	6.4	20,179	5.5	97.0
1993	5,558,374,000	4.2	21,385	2.8	200,783,687	5.0	21,046	4.3	98.4
1994	5,866,796,000	5.5	22,297	4.3	216,841,850	8.0	22,593	7.4	101.3
1995	6,194,245,000	5.6	23,262	4.3	226,692,924	4.5	23,428	3.7	100.7
1996	6,584,404,000	6.3	24,442	5.1	236,927,006	4.5	24,279	3.6	99.3
1997	6,994,388,000	6.2	25,654	5.0	248,649,679	4.9	25,349	4.4	98.8
1998	7,519,327,000	7.5	27,258	6.3	264,935,819	6.5	26,903	6.1	98.7
1999	7,906,131,000	5.1	28,333	3.9	275,718,349	4.1	27,858	3.5	98.3
2000	8,554,866,000	8.2	30,318	7.0	292,605,797	6.1	29,392	5.5	96.9
2001	8,878,830,000	3.8	31,145	2.7	299,902,889	2.5	29,972	2.0	96.2
2002	9,054,781,000	2.0	31,462	1.0	303,009,065	1.0	30,184	0.7	95.9
2003	9,369,072,000	3.5	32,271	2.6	314,192,006	3.7	31,212	3.4	96.7
2004	9,928,790,000	6.0	33,881	5.0	319,357,608	1.6	31,653	1.4	93.4
2005	10,476,669,000	5.5	35,424	4.6	325,664,091	2.0	32,274	2.0	91.1
2006	11,256,516,000	7.4	37,698	6.4	334,769,481	2.8	33,203	2.9	88.1
2007	11,879,836,000	5.5	39,392	4.5	343,585,086	2.6	34,185	3.0	86.8
2008	12,225,589,000	2.9	40,166	2.0	349,612,178	1.8	34,953	2.2	87.0
2009	12,015,534,968	-1.7	39,138	-2.6	339,218,714	-3.0	34,025	-2.7	86.9

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Table A-16
U. S. AND MICHIGAN REAL PERSONAL AND PER-PERSON INCOME
(in 2009 dollars)

Year	United States				Michigan			
	Real Personal Income	Percent Change Annual Rate	Real Per Person Income	Percent Change Annual Rate	Real Personal Income	Percent Change Annual Rate	Real Per Person Income	Percent Change Annual Rate
1970	\$4,601,697,005		\$22,582		\$192,405,432		\$21,627	
1975	\$5,302,469,376	2.9	24,612	1.7	216,860,337	2.4	23,812	1.9
1980	\$5,969,812,268	2.4	26,273	1.3	227,228,400	0.9	24,551	0.6
1985	\$6,943,581,722	3.1	29,184	2.1	253,957,248	2.2	27,981	2.6
1990	\$7,930,288,802	2.7	31,769	1.7	275,805,364	1.7	29,621	1.1
1991	\$7,897,047,114	-0.4	31,217	-1.7	274,932,022	-0.3	29,246	-1.3
1992	\$8,158,320,677	3.3	31,804	1.9	286,412,492	4.2	30,216	3.3
1993	\$8,252,435,175	1.2	31,750	-0.2	292,683,934	2.2	30,679	1.5
1994	\$8,492,879,983	2.9	32,278	1.7	306,433,674	4.7	31,928	4.1
1995	\$8,719,781,756	2.7	32,746	1.5	310,438,111	1.3	32,083	0.5
1996	\$9,003,175,787	3.3	33,421	2.1	316,155,397	1.8	32,398	1.0
1997	\$9,349,252,451	3.8	34,291	2.6	323,731,382	2.4	33,003	1.9
1998	\$9,896,772,126	5.9	35,876	4.6	337,380,347	4.2	34,259	3.8
1999	\$10,181,018,165	2.9	36,485	1.7	342,328,134	1.5	34,588	1.0
2000	\$10,658,160,784	4.7	37,772	3.5	350,672,022	2.4	35,225	1.8
2001	\$10,755,717,401	0.9	37,729	-0.1	349,937,146	-0.2	34,972	-0.7
2002	\$10,798,140,919	0.4	37,520	-0.6	344,668,154	-1.5	34,334	-1.8
2003	\$10,923,981,520	1.2	37,627	0.3	350,338,720	1.6	34,803	1.4
2004	\$11,276,298,678	3.2	38,479	2.3	350,528,564	0.1	34,742	-0.2
2005	\$11,508,618,214	2.1	38,913	1.1	347,334,066	-0.9	34,422	-0.9
2006	\$11,978,864,946	4.1	40,117	3.1	346,511,955	-0.2	34,368	-0.2
2007	\$12,292,079,636	2.6	40,759	1.6	349,365,612	0.8	34,760	1.1
2008	\$12,182,093,084	-0.9	40,023	-1.8	347,474,358	-0.5	34,739	-0.1
2009	\$12,015,534,968	-1.4	39,138	-2.2	339,218,714	-2.4	34,025	-2.1

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Bureau of Labor Statistics, U.S. Department of Labor. U.S. income deflated by U.S. CPI. Michigan income deflated by Detroit CPI.

Table A-17
COUNTY AND METRO AREA
PER-PERSON INCOME

Area	1970	1980	1990	1995	2000	2005	2008	Rank by 2008 Level	Percent Annual Growth 2000 - 08	Rank by Annual Growth 2000 - 08	Area as Percent of State for 2008
United States	\$4,084	\$10,091	\$19,354	\$23,262	\$30,318	\$35,424	\$40,166		3.6		
Michigan	4,198	10,291	18,719	23,428	29,392	32,274	34,953	Among	2.2	Among	
Michigan (Metropolitan Portion)	4,353	10,724	19,566	24,479	30,855	33,611	36,201	MSAs	2.0	MSAs	104
Ann Arbor MSA	4,666	12,027	22,854	28,406	34,880	37,057	39,107	1	1.4	14	112
Battle Creek MSA	4,041	9,407	16,686	20,867	24,671	28,322	31,652	9	3.2	1	91
Bay City MSA	3,579	9,496	16,663	20,927	25,838	27,990	30,971	10	2.3	6	89
Detroit-Warren-Livonia MSA	4,626	11,388	21,075	26,076	33,720	36,508	39,028	2	1.8	11	112
Flint MSA	3,992	10,539	17,331	23,773	26,175	27,282	29,488	13	1.5	13	84
Grand Rapids-Wyoming MSA	3,885	9,630	17,931	22,360	28,170	31,412	33,582	6	2.2	8	96
Holland-Grand Haven MSA	3,806	9,416	18,759	23,432	27,913	30,611	33,009	8	2.1	10	94
Jackson MSA	4,079	9,523	15,946	20,106	24,892	26,947	29,610	12	2.2	9	85
Kalamazoo-Portage MSA	3,970	9,578	17,927	22,263	26,477	30,298	33,685	4	3.1	3	96
Lansing-East Lansing MSA	3,921	9,754	17,516	22,199	26,809	30,150	33,844	3	3.0	4	97
Monroe MSA	3,731	9,508	17,187	22,985	29,133	31,147	33,397	7	1.7	12	96
Muskegon-Norton Shores MSA	3,686	8,842	14,873	18,197	23,259	25,730	28,062	14	2.4	5	80
Niles-Benton Harbor MSA	4,070	8,923	16,200	20,865	26,260	29,500	33,669	5	3.2	2	96
Saginaw-Saginaw Township MSA	3,802	9,928	16,353	20,488	25,178	27,314	30,143	11	2.3	7	86
Detroit-Warren-Flint CSA	4,554	11,298	20,755	25,937	33,050	35,646	38,107	Among Counties	1.8	Among Counties	109
Alcona	2,907	7,138	13,532	17,244	20,826	22,848	25,293	70	2.5	60	72
Alger	2,622	6,204	12,141	15,188	18,892	21,852	23,728	81	2.9	47	68
Allegan	3,498	8,617	15,887	20,462	26,711	29,179	31,837	25	2.2	66	91
Alpena	3,267	8,251	14,974	18,678	23,718	27,669	31,340	27	3.5	23	90
Antrim	3,160	8,289	14,692	19,658	24,831	28,106	30,727	31	2.7	52	88
Arenac	3,251	7,790	13,695	16,453	20,761	23,682	27,273	53	3.5	28	78
Baraga	3,167	7,197	12,155	15,658	18,793	21,687	25,767	67	4.0	11	74
Barry	3,322	9,106	15,672	21,863	28,028	30,251	32,743	22	2.0	75	94
Bay	3,579	9,496	16,663	20,927	25,838	27,990	30,971	28	2.3	63	89
Benzie	3,382	7,718	14,319	19,018	24,164	26,529	29,763	37	2.6	54	85
Berrien	4,070	8,923	16,200	20,865	26,260	29,500	33,669	16	3.2	39	96
Branch	3,186	8,616	14,260	16,616	20,920	23,742	25,901	65	2.7	51	74
Calhoun	4,041	9,407	16,686	20,867	24,671	28,322	31,652	26	3.2	38	91

Table A-17 (Continued)

Area	1970	1980	1990	1995	2000	2005	2008	Rank by 2008 Level	Percent Annual Growth 2000 - 08	Rank by Annual Growth 2000 - 08	Area as Percent of State for 2008
Cass	\$3,659	\$8,510	\$14,517	\$19,381	\$25,018	\$29,583	\$32,983	19	3.5	26	94
Charlevoix	3,141	8,243	15,833	20,876	26,106	32,535	36,120	9	4.1	8	103
Cheboygan	2,990	7,600	13,603	17,761	21,876	25,219	28,018	50	3.1	40	80
Chippewa	3,018	6,975	11,662	15,122	18,777	22,062	24,586	77	3.4	31	70
Clare	2,865	6,851	12,335	15,435	19,327	23,182	26,392	62	4.0	13	76
Clinton	3,578	8,969	16,231	22,460	28,656	31,492	35,913	11	2.9	49	103
Crawford	3,254	6,506	11,820	15,362	19,872	21,954	24,743	74	2.8	50	71
Delta	3,232	7,938	14,444	18,679	23,320	26,696	29,760	38	3.1	43	85
Dickinson	3,544	9,525	17,259	20,194	25,292	29,578	34,209	14	3.8	15	98
Eaton	3,718	9,630	17,627	22,749	26,845	29,084	32,906	21	2.6	56	94
Emmet	3,694	9,044	18,776	22,501	28,108	34,494	37,935	6	3.8	17	109
Genesee	3,992	10,539	17,331	23,773	26,175	27,282	29,488	43	1.5	79	84
Gladwin	3,105	7,101	12,654	16,111	19,983	22,198	24,643	75	2.7	53	71
Gogebic	3,225	7,186	12,914	16,650	20,277	24,071	27,717	51	4.0	12	79
Grand Traverse	3,882	9,156	17,887	22,312	29,408	32,854	36,129	8	2.6	55	103
Gratiot	3,500	8,422	14,203	17,885	20,017	24,534	27,047	55	3.8	16	77
Hillsdale	3,476	8,127	14,304	18,192	22,628	25,141	26,923	57	2.2	67	77
Houghton	2,807	6,901	12,747	15,852	19,569	22,750	26,107	63	3.7	21	75
Huron	3,250	8,753	15,596	20,307	24,984	30,300	36,024	10	4.7	4	103
Ingham	4,039	9,954	17,745	21,950	26,367	30,229	33,685	15	3.1	42	96
Ionia	3,103	7,876	13,126	16,266	21,032	23,314	25,371	68	2.4	62	73
Iosco	3,459	7,686	15,042	17,610	20,201	23,129	26,005	64	3.2	36	74
Iron	2,856	8,104	13,476	16,447	20,671	25,990	30,277	33	4.9	2	87
Isabella	2,916	7,636	13,926	16,374	20,691	25,088	27,639	52	3.7	20	79
Jackson	4,079	9,523	15,946	20,106	24,892	26,947	29,610	39	2.2	68	85
Kalamazoo	4,093	10,062	19,093	23,579	27,810	31,886	35,190	12	3.0	46	101
Kalkaska	3,340	6,724	12,350	16,271	18,392	21,339	24,632	76	3.7	18	70
Kent	4,066	10,053	19,050	23,542	29,531	33,018	35,099	13	2.2	69	100
Keweenaw	2,573	6,719	14,034	16,820	21,102	26,751	30,048	36	4.5	6	86
Lake	2,909	6,069	11,196	15,390	18,941	21,223	24,926	72	3.5	27	71
Lapeer	3,486	9,149	16,811	21,845	27,927	29,011	30,829	30	1.2	82	88
Leelanau	3,691	8,979	17,619	22,718	28,348	36,853	40,656	3	4.6	5	116
Lenawee	3,881	9,480	16,782	20,767	25,796	28,811	30,594	32	2.2	70	88
Livingston	4,123	10,478	20,427	27,431	35,407	36,547	39,039	5	1.2	83	112
Luce	2,715	8,333	15,153	19,735	17,309	19,173	22,158	83	3.1	41	63

Table A-17 (Continued)

Area	1970	1980	1990	1995	2000	2005	2008	Rank by 2008 Level	Percent Annual Growth 2000 - 08	Rank by Annual Growth 2000 - 08	Area as Percent of State for 2008
Mackinac	\$2,872	\$7,292	\$14,826	\$20,283	\$25,146	\$28,843	\$32,957	20	3.4	29	94
Macomb	4,389	11,065	21,055	24,984	32,545	34,712	36,462	7	1.4	81	104
Manistee	3,225	7,976	14,182	17,071	22,165	24,855	28,079	47	3.0	44	80
Marquette	3,271	8,301	14,861	18,339	22,689	26,525	30,838	29	3.9	14	88
Mason	3,325	7,842	14,484	18,449	22,972	25,902	29,515	42	3.2	37	84
Mecosta	2,520	6,307	11,577	16,225	18,673	21,576	24,747	73	3.6	22	71
Menominee	2,926	7,711	14,633	18,495	22,110	24,965	28,736	46	3.3	34	82
Midland	4,368	10,692	21,615	26,372	31,368	36,161	41,990	2	3.7	19	120
Missaukee	2,729	6,553	12,336	15,398	19,374	22,621	24,541	78	3.0	45	70
Monroe	3,731	9,508	17,187	22,985	29,133	31,147	33,397	17	1.7	78	96
Montcalm	3,412	8,411	12,697	15,863	19,005	21,819	22,755	82	2.3	64	65
Montmorency	2,654	6,962	11,638	15,092	18,536	21,513	24,481	79	3.5	25	70
Muskegon	3,686	8,842	14,873	18,197	23,259	25,730	28,062	48	2.4	61	80
Newaygo	3,292	7,537	13,349	16,917	21,173	23,919	26,577	61	2.9	48	76
Oakland	5,498	14,056	27,380	35,415	46,679	51,076	53,650	1	1.8	77	153
Oceana	3,290	7,738	13,544	16,735	19,263	23,477	26,585	60	4.1	9	76
Ogemaw	2,809	6,471	11,515	14,615	18,411	22,359	25,314	69	4.1	10	72
Ononagon	3,109	7,584	13,841	18,253	20,861	25,698	29,592	40	4.5	7	85
Oscoda	2,968	6,560	12,087	15,983	19,257	23,268	25,218	71	3.4	30	72
Oscoda	2,508	6,507	10,386	13,372	15,963	20,692	24,064	80	5.3	1	69
Otsego	3,329	8,156	15,505	18,790	24,766	27,016	29,152	44	2.1	74	83
Ottawa	3,806	9,416	18,759	23,432	27,913	30,611	33,009	18	2.1	71	94
Presque Isle	2,741	7,734	13,266	16,134	20,363	23,268	26,657	59	3.4	32	76
Roscommon	3,270	7,546	13,883	17,036	20,261	23,521	26,768	58	3.5	24	77
Saginaw	3,802	9,928	16,353	20,488	25,178	27,314	30,143	34	2.3	65	86
St. Clair	3,879	9,415	17,288	21,648	27,629	30,268	31,956	24	1.8	76	91
St. Joseph	3,853	8,641	15,040	19,637	23,024	25,319	28,058	49	2.5	58	80
Sanilac	3,622	8,560	14,663	19,027	23,192	26,815	30,143	34	3.3	33	86
Schoolcraft	2,929	7,436	13,471	17,212	20,370	24,041	29,571	41	4.8	3	85
Shiawassee	3,669	9,249	15,302	19,635	23,027	24,796	27,163	54	2.1	72	78
Tuscola	3,330	8,785	14,450	18,702	21,205	22,919	25,818	66	2.5	59	74
Van Buren	3,530	8,040	14,212	18,149	22,306	25,354	28,934	45	3.3	35	83
Washtenaw	4,666	12,027	22,854	28,406	34,880	37,057	39,107	4	1.4	80	112
Wayne	4,452	10,551	18,281	21,761	27,246	29,440	32,094	23	2.1	73	92
Wexford	3,000	7,106	13,675	17,546	22,102	24,809	27,010	56	2.5	57	77

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce

Note: County and Metro Area data are from April 23, 2009 release, U.S. and Michigan data are from April 22, 2010 release.

Table A-18

MICHIGAN GROSS STATE PRODUCT BY SECTOR - MILLIONS OF DOLLARS

<u>Component</u>	<u>2000</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Agriculture	\$1,587	\$1,606	\$1,796	\$2,256	\$2,312	\$2,342	\$3,100	\$2,863
Mining	690	651	737	834	1,018	1,525	1,315	1,475
Utilities	6,438	6,829	7,464	7,911	7,932	9,055	9,457	9,771
Construction	15,568	15,462	14,977	15,640	16,548	15,867	14,342	13,020
Manufacturing	76,330	75,839	77,160	68,721	66,157	63,970	64,541	61,757
Durable goods	62,663	60,925	61,790	53,634	52,333	48,847	49,386	45,866
Motor vehicle	35,771	36,969	37,939	28,704	26,188	22,938	23,726	N/A
Furniture	3,263	2,571	2,825	3,330	3,630	3,355	3,420	N/A
Other durable goods	23,629	21,385	21,026	21,600	22,515	22,554	22,240	N/A
Nondurable goods	13,667	14,914	15,369	15,087	13,824	15,123	15,154	15,891
Wholesale + retail trade	42,737	44,121	45,510	46,445	47,804	48,372	48,843	49,026
Transportation	8,347	8,376	8,693	9,314	9,517	9,609	10,265	10,067
Information	8,652	9,192	9,418	10,103	10,529	10,221	10,394	10,541
Finance, insurance, real estate	56,066	61,987	63,264	65,550	66,453	68,071	66,479	67,060
Prof., tech, mgmt of enterpr.	37,143	34,270	34,187	36,576	37,889	37,750	39,366	40,856
Admin. & waste services	10,571	10,931	11,832	12,179	13,453	13,397	13,296	13,216
Education services	1,548	1,783	2,005	2,212	2,355	2,469	2,666	2,777
Health services	20,814	23,730	25,228	26,510	28,206	29,534	30,964	32,892
Arts, entertainment, & recr.	2,593	3,102	3,138	3,259	3,345	3,507	3,685	3,975
Accomodation & food serv.	7,124	7,503	7,795	8,179	8,523	8,857	9,227	9,430
Other serv.	7,364	8,001	8,265	8,472	8,693	8,805	9,131	9,281
Government	33,664	36,452	37,563	38,913	41,275	41,795	42,862	44,538
Federal gov.	4,223	4,596	5,095	5,341	5,509	5,670	5,869	N/A
State & local gov.	29,441	31,857	32,468	33,573	35,766	36,125	36,993	N/A
Total Gross State Product	\$337,235	\$349,837	\$359,031	\$363,073	\$372,008	\$375,148	\$379,933	\$382,545
Agriculture	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.8%	0.7%
Mining	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%	0.3%	0.4%
Utilities	1.9%	2.0%	2.1%	2.2%	2.1%	2.4%	2.5%	2.6%
Construction	4.6%	4.4%	4.2%	4.3%	4.4%	4.2%	3.8%	3.4%
Manufacturing	22.6%	21.7%	21.5%	18.9%	17.8%	17.1%	17.0%	16.1%
Wholesale + retail trade	12.7%	12.6%	12.7%	12.8%	12.9%	12.9%	12.9%	12.8%
Transportation	2.5%	2.4%	2.4%	2.6%	2.6%	2.6%	2.7%	2.6%
Information	2.6%	2.6%	2.6%	2.8%	2.8%	2.7%	2.7%	2.8%
Finance, insurance, real estate	16.6%	17.7%	17.6%	18.1%	17.9%	18.1%	17.5%	17.5%
Prof., tech, mgmt of enterpr.	11.0%	9.8%	9.5%	10.1%	10.2%	10.1%	10.4%	10.7%
Admin. & waste services	3.1%	3.1%	3.3%	3.4%	3.6%	3.6%	3.5%	3.5%
Education services	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
Health services	6.2%	6.8%	7.0%	7.3%	7.6%	7.9%	8.1%	8.6%
Arts, entertainment, & recr.	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%
Accomodation & food serv.	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%
Other Serv.	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.4%	2.4%
Government	10.0%	10.4%	10.5%	10.7%	11.1%	11.1%	11.3%	11.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Table A-19
U. S. AND DETROIT CONSUMERS PRICE INDICES
AND INFLATION RATES - CALENDAR YEAR
(1982-1984=100)

Calendar Year	United States		Detroit	
	Index	Percent Change	Index	Percent Change
1970	38.8	5.7	39.5	6.2
1971	40.5	4.4	40.9	3.5
1972	41.8	3.2	42.5	3.9
1973	44.4	6.2	45.2	6.4
1974	49.3	11.0	50.1	10.8
1975	53.8	9.1	53.9	7.6
1976	56.9	5.8	56.8	5.4
1977	60.6	6.5	60.7	6.9
1978	65.2	7.6	65.3	7.6
1979	72.6	11.3	73.6	12.7
1980	82.4	13.5	85.3	15.9
1981	90.9	10.3	93.2	9.3
1982	96.5	6.2	97.0	4.1
1983	99.6	3.2	99.8	2.9
1984	103.9	4.3	103.2	3.4
1985	107.6	3.6	106.8	3.5
1986	109.6	1.9	108.3	1.4
1987	113.6	3.6	111.7	3.1
1988	118.3	4.1	116.1	3.9
1989	124.0	4.8	122.3	5.3
1990	130.7	5.4	128.6	5.2
1991	136.2	4.2	133.1	3.5
1992	140.3	3.0	135.9	2.1
1993	144.5	3.0	139.6	2.7
1994	148.2	2.6	144.0	3.2
1995	152.4	2.8	148.6	3.2
1996	156.9	3.0	152.5	2.6
1997	160.5	2.3	156.3	2.5
1998	163.0	1.6	159.8	2.2
1999	166.6	2.2	163.9	2.6
2000	172.2	3.4	169.8	3.6
2001	177.1	2.8	174.4	2.7
2002	179.9	1.6	178.9	2.6
2003	184.0	2.3	182.5	2.0
2004	188.9	2.7	185.4	1.6
2005	195.3	3.4	190.8	2.9
2006	201.6	3.2	196.6	3.0
2007	207.342	2.8	200.129	1.8
2008	215.303	3.8	204.748	2.3
2009	214.537	-0.4	203.496	-0.6

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Table A-20

**U. S. AND DETROIT CONSUMERS PRICE INDICES
AND INFLATION RATES - MICHIGAN FISCAL YEAR
(1982-1984=100)**

Fiscal Year	United States		Detroit	
	Index	Percent Change	Index	Percent Change
1970	37.8	5.9	38.4	6.5
1971	39.7	5.2	40.3	4.8
1972	41.2	3.6	41.7	3.6
1973	42.8	4.0	43.5	4.3
1974	46.6	8.9	47.5	9.2
1975	51.8	11.1	52.2	9.9
1976	55.8	7.8	55.7	6.8
1977	59.7	6.9	59.7	7.1
1978	63.9	7.0	63.8	6.9
1979	70.4	10.2	71.2	11.6
1980	80.0	13.6	82.3	15.6
1981	88.9	11.1	92.1	11.9
1982	95.4	7.3	95.8	4.0
1983	98.8	3.6	99.4	3.8
1984	102.9	4.1	102.4	3.0
1985	106.6	3.6	105.8	3.3
1986	109.3	2.5	108.1	2.2
1987	112.4	2.8	110.7	2.4
1988	117.0	4.1	114.8	3.7
1989	122.6	4.8	120.8	5.2
1990	128.7	5.0	126.8	5.0
1991	135.2	5.1	132.4	4.4
1992	139.3	3.0	135.2	2.1
1993	143.5	3.0	138.6	2.5
1994	147.3	2.6	142.9	3.1
1995	151.4	2.8	147.5	3.2
1996	155.6	2.8	151.6	2.8
1997	159.8	2.7	155.4	2.5
1998	162.4	1.6	158.9	2.3
1999	165.5	1.9	162.8	2.5
2000	170.8	3.2	168.3	3.4
2001	176.3	3.2	173.8	3.3
2002	178.9	1.5	177.5	2.1
2003	183.1	2.3	182.0	2.5
2004	187.4	2.3	184.4	1.3
2005	193.5	3.3	189.0	2.5
2006	200.6	3.7	195.9	3.7
2007	205.3	2.3	199.0	1.6
2008	214.463	4.5	204.594	2.8
2009	213.768	-0.3	202.785	-0.9

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Note: Rates based on State of Michigan Fiscal Year. Fiscal years 1956 - 1975 are July through June;

fiscal year 1976 is July through September; and fiscal years after 1976 are October through September.

Table A-21

U.S. AND DETROIT CONSUMER PRICE INDICES DETAIL

(Annual Average)

Expenditure category	1970		1980		1990		2000		2005		2009	
	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit
All Items	38.8	39.5	82.4	85.3	130.7	128.6	172.2	169.8	195.3	190.8	214.537	203.496
Food and beverages	40.1	NA	86.7	88.9	132.1	126.5	168.4	163.9	191.2	180.6	218.249	198.862
Food	39.2	41.7	86.8	88.9	132.4	126.3	167.8	163.3	190.7	180.1	217.955	198.820
Food at home	39.9	41.5	88.4	88.4	132.3	126.8	167.9	163.4	189.8	178.9	215.124	194.074
Food away from home	37.5	40.8	83.4	89.8	133.4	126.5	169.0	164.4	193.4	182.2	223.272	206.062
Housing	36.4	NA	81.1	85.5	128.5	126.4	169.6	161.7	195.7	181.6	217.057	190.874
Shelter	35.5	38.1	81.0	88.6	140.0	140.1	193.4	187.2	224.4	206.8	249.354	212.069
Rent of primary residence	46.5	50.5	80.9	87.8	138.4	136.5	183.9	172.8	217.3	194.6	248.812	206.363
Owners' equivalent rent	NA	NA	NA	NA	144.8	144.2	198.7	192.1	230.2	208.8	256.610	212.861
Fuel and utilities	29.1	26.3	75.4	72.2	111.6	112.4	137.9	129.8	179.0	193.5	210.696	229.276
Household furnishings/operations	46.8	NA	86.3	87.3	113.3	104.3	128.2	120.4	126.1	113.5	128.701	122.995
Apparel	59.2	67.9	90.9	94.3	124.1	127.9	129.6	127.9	119.5	116.6	120.078	109.560
Transportation	37.5	36.9	83.1	82.8	120.5	124.0	153.3	162.5	173.9	189.2	179.252	205.786
Private	37.5	36.6	84.2	83.3	118.8	123.9	149.1	160.0	170.2	188.3	174.762	203.683
Gasoline (all types)	27.9	NA	97.5	96.6	101.0	102.0	128.6	135.1	194.7	194.3	201.555	205.697
Public	35.2		69.0		142.6		209.6		217.3		236.348	
Medical care	34.0	33.5	74.9	80.1	162.8	159.8	260.8	257.4	323.2	314.4	375.613	352.939
Recreation	NA	NA	NA	NA	NA	NA	103.3	106.7	109.4	119.3	114.272	116.353
Education and communication	NA	NA	NA	NA	NA	NA	102.5	107.9	113.7	119.5	127.393	133.523
Other goods and services	40.9	NA	75.2	75.1	159.0	147.5	271.1	275.8	313.4	332.8	368.586	371.979

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Table A-22
U. S. INTEREST RATES
(percent per year - average)

Year	U.S. Government Security Yields		High Grade Municipal Bonds (Standard & Poor's)	Corporate Aaa	30-year Conventional Fixed Rate Mortgages
	3-month Treasury Bills ⁽¹⁾	Constant Maturity 10- Year Issues		Bonds (Moody's, Seasoned Issues)	
1960	2.9	4.1	3.7	4.4	NA
1965	4.0	4.3	3.3	4.5	NA
1970	6.4	7.4	6.5	8.0	NA
1975	5.8	8.0	6.9	8.8	9.0
1980	11.4	11.4	8.5	11.9	13.8
1981	14.0	13.9	11.2	14.2	16.6
1982	10.6	13.0	11.6	13.8	16.1
1983	8.6	11.1	9.5	12.0	13.2
1984	9.5	12.5	10.2	12.7	13.9
1985	7.5	10.6	9.2	11.4	12.4
1986	6.0	7.7	7.4	9.0	10.2
1987	5.8	8.4	7.7	9.4	10.2
1988	6.7	8.9	7.8	9.7	10.3
1989	8.1	8.5	7.2	9.3	10.3
1990	7.5	8.6	7.3	9.3	10.1
1991	5.4	7.9	6.9	8.8	9.3
1992	3.4	7.0	6.4	8.1	8.4
1993	3.0	5.9	5.6	7.2	7.3
1994	4.3	7.1	6.2	8.0	8.4
1995	5.5	6.6	6.0	7.6	8.0
1996	5.0	6.4	5.8	7.4	7.8
1997	5.1	6.4	5.6	7.3	7.6
1998	4.8	5.3	5.1	6.5	6.9
1999	4.6	5.7	5.4	7.1	7.4
2000	5.8	6.0	5.8	7.6	8.1
2001	3.4	5.0	5.2	7.1	7.0
2002	1.6	4.6	5.1	6.5	6.5
2003	1.0	4.0	4.7	5.7	5.8
2004	1.4	4.3	4.6	5.6	5.8
2005	3.2	4.3	4.3	5.2	5.9
2006	4.7	4.8	4.4	5.6	6.4
2007	4.4	4.6	4.4	5.6	6.3
2008	1.4	3.7	4.8	5.6	6.0
2009	0.2	3.3	4.6	5.3	5.0

(1) Secondary market, bank discount basis

Source: Federal Reserve Board and U.S. Government Printing Office

Table A-23
U.S. AND MICHIGAN RESIDENT POPULATION

Year	Michigan Population	Population Change		Natural Increase	Net Migration	U.S. Population	Michigan Percent of U.S.
		Number	Percent				
1970	8,881,800					203,302,000	4.4
1975	9,117,700	200	0.0	60,300	-60,300	215,973,200	4.2
1980	9,262,100	-4,200	0.0	53,100	-57,100	226,545,800	4.1
1981	9,209,300	-52,800	-0.6	84,200	-137,000	229,465,700	4.0
1982	9,115,200	-94,100	-1.0	64,300	-158,400	231,664,500	3.9
1983	9,047,800	-67,400	-0.7	60,100	-127,600	233,792,000	3.9
1984	9,049,500	1,700	0.0	56,100	-54,400	235,824,900	3.8
1985	9,076,300	26,800	0.3	59,700	-32,900	237,923,800	3.8
1986	9,127,800	51,500	0.6	58,800	-7,300	240,132,900	3.8
1987	9,187,500	59,700	0.7	59,300	400	242,288,900	3.8
1988	9,218,000	30,500	0.3	59,000	-28,500	244,499,000	3.8
1989	9,253,300	35,300	0.4	63,500	-28,200	246,819,200	3.7
1990	9,295,300	42,000	0.5	53,100	-11,100	248,709,900	3.7
1991	9,395,000	99,700	1.1	93,000	-17,400	252,153,100	3.7
1992	9,470,300	75,300	0.8	67,100	-17,300	255,029,700	3.7
1993	9,529,200	58,900	0.6	61,100	-27,600	257,782,600	3.7
1994	9,584,500	55,300	0.6	54,300	-24,500	260,327,000	3.7
1995	9,659,900	75,400	0.8	53,500	100	262,803,300	3.7
1996	9,739,200	79,300	0.8	49,600	5,600	265,228,600	3.7
1997	9,785,500	46,300	0.5	50,100	-3,300	267,783,600	3.7
1998	9,820,200	34,700	0.4	47,700	-12,000	270,248,000	3.6
1999	9,863,800	43,600	0.4	48,000	-3,400	272,690,800	3.6
2000	9,938,400	74,600	0.8	N/A	N/A	281,421,900	3.5
2001	10,006,100	67,700	0.7	61,600	2,400	285,081,600	3.5
2002	10,038,800	32,700	0.3	44,100	-13,000	287,803,900	3.5
2003	10,066,400	27,600	0.3	43,300	-14,600	290,326,400	3.5
2004	10,089,300	22,900	0.2	44,800	-23,000	293,045,700	3.4
2005	10,090,600	1,300	0.0	41,000	-40,000	295,753,200	3.4
2006	10,082,400	-8,200	-0.1	42,100	-52,500	298,593,200	3.4
2007	10,050,800	-31,600	-0.3	39,400	-71,300	301,579,900	3.3
2008	10,002,500	-48,300	-0.5	38,700	-88,300	304,374,800	3.3
2009	9,969,700	-32,800	-0.3	38,700	-71,900	307,006,600	3.2

Note: Subnational population estimates result in an uncategorized residual so that the sum of natural increase and net migration does not equal the annual change in population. The residual and the movement of federal employees and their dependents are not shown in the table.

Sources: U.S. Census Bureau and Michigan Information Center

Table A-24
MICHIGAN POPULATION BY COUNTY

County/Region	Population	Population	Change 2000-09		Natural Increase 2000-09				Net Migration 2000-09	
	April 1, 2000	July 1, 2009	Number	Percent	Births	Deaths	Number	Percent	Number	Percent
United States	281,424,602	307,006,550	25,581,948	9.1	38,358,804	22,483,225	15,875,579	5.6	8,944,170	3.2
Michigan	9,938,492	9,969,727	31,235	0.3	1,196,297	802,544	393,753	4.0	-372,082	-3.7
Alcona	11,722	11,091	-631	-5.4	654	1,565	-911	-7.8	327	2.8
Alger	9,862	9,286	-576	-5.8	734	1,039	-305	-3.1	-217	-2.2
Allegan	105,665	113,449	7,784	7.4	13,906	7,910	5,996	5.7	2,407	2.3
Alpena	31,311	29,289	-2,022	-6.5	2,806	3,231	-425	-1.4	-1,406	-4.5
Antrim	23,110	23,834	724	3.1	2,232	2,223	9	0.0	813	3.5
Arenac	17,271	16,092	-1,179	-6.8	1,561	1,802	-241	-1.4	-865	-5.0
Baraga	8,746	8,604	-142	-1.6	857	954	-97	-1.1	4	0.0
Barry	56,756	58,434	1,678	3.0	6,541	4,472	2,069	3.6	-53	-0.1
Bay	110,159	107,434	-2,725	-2.5	11,791	10,262	1,529	1.4	-3,583	-3.3
Benzie	15,998	17,227	1,229	7.7	1,830	1,625	205	1.3	1,072	6.7
Berrien	162,455	160,472	-1,983	-1.2	19,493	14,899	4,594	2.8	-5,624	-3.5
Branch	45,787	44,737	-1,050	-2.3	5,616	3,872	1,744	3.8	-2,605	-5.7
Calhoun	137,985	135,616	-2,369	-1.7	17,334	13,195	4,139	3.0	-5,694	-4.1
Cass	51,102	49,925	-1,177	-2.3	4,861	4,395	466	0.9	-1,412	-2.8
Charlevoix	26,090	25,796	-294	-1.1	2,691	2,251	440	1.7	-575	-2.2
Cheboygan	26,448	26,106	-342	-1.3	2,496	2,642	-146	-0.6	-58	-0.2
Chippewa	38,543	38,731	188	0.5	3,632	2,838	794	2.1	-365	-0.9
Clare	31,252	30,104	-1,148	-3.7	3,194	3,501	-307	-1.0	-697	-2.2
Clinton	64,753	69,893	5,140	7.9	7,576	4,423	3,153	4.9	2,379	3.7
Crawford	14,270	14,203	-67	-0.5	1,242	1,446	-204	-1.4	197	1.4
Delta	38,520	36,918	-1,602	-4.2	3,818	3,796	22	0.1	-1,394	-3.6
Dickinson	27,477	26,691	-786	-2.9	2,557	2,971	-414	-1.5	-214	-0.8
Eaton	103,656	106,077	2,421	2.3	11,257	7,631	3,626	3.5	-588	-0.6
Emmet	31,437	33,649	2,212	7.0	3,428	2,672	756	2.4	1,639	5.2
Genesee	436,148	424,043	-12,105	-2.8	56,689	36,619	20,070	4.6	-29,759	-6.8
Gladwin	26,023	25,724	-299	-1.1	2,483	2,858	-375	-1.4	173	0.7
Gogebic	17,370	15,936	-1,434	-8.3	1,242	2,272	-1,030	-5.9	-307	-1.8

Table A-24 (continued)

County/Region	Population	Population	Change 2000-09		Natural Increase 2000-09				Net Migration 2000-09	
	April 1, 2000	July 1, 2009	Number	Percent	Births	Deaths	Number	Percent	Number	Percent
Grand Traverse	77,655	86,333	8,678	11.2	9,144	6,283	2,861	3.7	6,243	8.0
Gratiot	42,283	41,948	-335	-0.8	4,517	4,005	512	1.2	-580	-1.4
Hillsdale	46,527	45,650	-877	-1.9	5,410	4,018	1,392	3.0	-1,997	-4.3
Houghton	36,016	35,333	-683	-1.9	3,738	3,509	229	0.6	-709	-2.0
Huron	36,079	32,236	-3,843	-10.7	3,127	4,134	-1,007	-2.8	-2,666	-7.4
Ingham	279,412	277,633	-1,779	-0.6	33,711	17,622	16,089	5.8	-16,623	-5.9
Ionia	61,521	62,574	1,053	1.7	7,770	4,201	3,569	5.8	-2,161	-3.5
Iosco	27,339	25,817	-1,522	-5.6	2,182	3,603	-1,421	-5.2	72	0.3
Iron	13,138	11,633	-1,505	-11.5	859	1,879	-1,020	-7.8	-412	-3.1
Isabella	63,351	67,176	3,825	6.0	6,781	3,957	2,824	4.5	1,326	2.1
Jackson	158,422	159,828	1,406	0.9	19,051	14,022	5,029	3.2	-2,727	-1.7
Kalamazoo	238,603	248,407	9,804	4.1	29,262	17,705	11,557	4.8	-121	-0.1
Kalkaska	16,576	16,891	315	1.9	2,059	1,427	632	3.8	-240	-1.4
Kent	574,336	608,315	33,979	5.9	86,851	38,158	48,693	8.5	-11,368	-2.0
Keweenaw	2,301	2,305	4	0.2	222	215	7	0.3	7	0.3
Lake	11,333	10,926	-407	-3.6	1,044	1,398	-354	-3.1	-35	-0.3
Lapeer	87,906	89,974	2,068	2.4	9,506	5,945	3,561	4.1	-998	-1.1
Leelanau	21,119	21,899	780	3.7	1,760	1,708	52	0.2	862	4.1
Lenawee	98,947	99,837	890	0.9	11,368	8,151	3,217	3.3	-1,741	-1.8
Livingston	156,951	183,118	26,167	16.7	18,463	9,600	8,863	5.6	18,080	11.5
Luce	7,024	6,518	-506	-7.2	559	714	-155	-2.2	-328	-4.7
Mackinac	11,943	10,591	-1,352	-11.3	962	1,254	-292	-2.4	-1,005	-8.4
Macomb	788,149	831,427	43,278	5.5	93,285	68,058	25,227	3.2	18,373	2.3
Manistee	24,527	24,439	-88	-0.4	2,302	2,693	-391	-1.6	440	1.8
Marquette	64,629	65,703	1,074	1.7	5,902	5,769	133	0.2	1,379	2.1
Mason	28,274	28,637	363	1.3	2,971	2,932	39	0.1	503	1.8
Mecosta	40,556	41,775	1,219	3.0	4,264	3,157	1,107	2.7	360	0.9
Menominee	25,326	23,969	-1,357	-5.4	2,280	2,493	-213	-0.8	-990	-3.9
Midland	82,874	82,548	-326	-0.4	8,936	5,991	2,945	3.6	-2,785	-3.4
Missaukee	14,478	14,838	360	2.5	1,615	1,295	320	2.2	116	0.8
Monroe	145,945	152,721	6,776	4.6	16,183	11,347	4,836	3.3	2,839	1.9
Montcalm	61,266	62,733	1,467	2.4	7,764	5,115	2,649	4.3	-821	-1.3

Table A-24 (continued)

County/Region	Population	Population	Change 2000-09		Natural Increase 2000-09				Net Migration 2000-09	
	April 1, 2000	July 1, 2009	Number	Percent	Births	Deaths	Number	Percent	Number	Percent
Montmorency	10,315	10,094	-221	-2.1	789	1,396	-607	-5.9	444	4.3
Muskegon	170,200	173,951	3,751	2.2	21,984	14,743	7,241	4.3	-2,413	-1.4
Newaygo	47,876	48,686	810	1.7	5,907	4,000	1,907	4.0	-807	-1.7
Oakland	1,194,156	1,205,508	11,352	1.0	138,094	83,918	54,176	4.5	-36,761	-3.1
Oceana	26,873	27,577	704	2.6	3,551	2,181	1,370	5.1	-523	-1.9
Ogemaw	21,645	21,234	-411	-1.9	1,973	2,782	-809	-3.7	515	2.4
Ontonagon	7,818	6,569	-1,249	-16.0	448	1,014	-566	-7.2	-671	-8.6
Osceola	23,197	22,703	-494	-2.1	2,759	2,051	708	3.1	-1,094	-4.7
Oscoda	9,418	8,707	-711	-7.5	811	1,058	-247	-2.6	-429	-4.6
Otsego	23,301	23,412	111	0.5	2,624	2,008	616	2.6	-416	-1.8
Ottawa	238,314	261,957	23,643	9.9	33,235	14,084	19,151	8.0	6,089	2.6
Presque Isle	14,411	13,436	-975	-6.8	1,136	1,663	-527	-3.7	-356	-2.5
Roscommon	25,469	24,682	-787	-3.1	1,884	3,438	-1,554	-6.1	853	3.3
Saginaw	210,040	200,050	-9,990	-4.8	24,330	19,082	5,248	2.5	-14,154	-6.7
St. Clair	164,235	167,562	3,327	2.0	18,884	13,748	5,136	3.1	-953	-0.6
St. Joseph	62,422	61,723	-699	-1.1	8,758	5,371	3,387	5.4	-3,748	-6.0
Sanilac	44,547	42,064	-2,483	-5.6	4,914	4,236	678	1.5	-2,963	-6.7
Schoolcraft	8,903	8,127	-776	-8.7	722	1,058	-336	-3.8	-400	-4.5
Shiawassee	71,687	70,006	-1,681	-2.3	8,073	5,741	2,332	3.3	-3,606	-5.0
Tuscola	58,266	55,395	-2,871	-4.9	6,166	4,931	1,235	2.1	-3,798	-6.5
Van Buren	76,263	78,227	1,964	2.6	9,726	6,384	3,342	4.4	-896	-1.2
Washtenaw	322,770	347,563	24,793	7.7	38,579	17,347	21,232	6.6	5,434	1.7
Wayne	2,061,161	1,925,848	-135,313	-6.6	260,776	177,768	83,008	4.0	-267,576	-13.0
Wexford	30,483	31,553	1,070	3.5	3,805	2,820	985	3.2	259	0.8

Source: U.S. Census Bureau

- Notes: 1. The change in population includes the movement of federal employees and their dependents into and out of the United States. The difference between the change in population and the sum of natural increase and net migration for the U.S. is this movement of federal employees.
2. The estimated components of population change for subnational units produce a residual that is not displayed and the sum of natural increase and net migration differ from the estimated change by this residual and the movement of federal employees.

**Table A-25
U.S. POPULATION, RANKED BY STATE**

	<u>2000 Census</u>	<u>2000 Rank</u>	<u>2009 Estimates</u>	<u>2009 Rank</u>	<u>Percent Increase 2000-2009</u>	<u>Rank</u>
United States	281,424,602		307,006,550		9.1	
Alabama	4,447,355	23	4,708,708	23	5.9	30
Alaska	626,931	48	698,473	47	11.4	14
Arizona	5,130,607	20	6,595,778	14	28.6	2
Arkansas	2,673,386	33	2,889,450	32	8.1	20
California	33,871,650	1	36,961,664	1	9.1	19
Colorado	4,302,015	24	5,024,748	22	16.8	7
Connecticut	3,405,604	29	3,518,288	29	3.3	41
Delaware	783,595	45	885,122	45	13.0	12
District of Columbia	572,053	50	599,657	50	4.8	35
Florida	15,982,813	4	18,537,969	4	16.0	9
Georgia	8,186,812	10	9,829,211	9	20.1	4
Hawaii	1,211,538	42	1,295,178	42	6.9	27
Idaho	1,293,955	39	1,545,801	39	19.5	5
Illinois	12,419,660	5	12,910,409	5	4.0	36
Indiana	6,080,522	14	6,423,113	16	5.6	31
Iowa	2,926,381	30	3,007,856	30	2.8	43
Kansas	2,688,816	32	2,818,747	33	4.8	34
Kentucky	4,042,284	25	4,314,113	26	6.7	29
Louisiana	4,468,968	22	4,492,076	25	0.5	49
Maine	1,274,922	40	1,318,301	41	3.4	40
Maryland	5,296,516	19	5,699,478	19	7.6	23
Massachusetts	6,349,113	13	6,593,587	15	3.9	37
Michigan	9,938,492	8	9,969,727	8	0.3	51
Minnesota	4,919,492	21	5,266,214	21	7.0	25
Mississippi	2,844,666	31	2,951,996	31	3.8	38
Missouri	5,596,678	17	5,987,580	18	7.0	26
Montana	902,190	44	974,989	44	8.1	21
Nebraska	1,711,266	38	1,796,619	38	5.0	33
Nevada	1,998,257	35	2,643,085	35	32.3	1
New Hampshire	1,235,785	41	1,324,575	40	7.2	24
New Jersey	8,414,360	9	8,707,739	11	3.5	39
New Mexico	1,819,041	36	2,009,671	36	10.5	17
New York	18,976,816	3	19,541,453	3	3.0	42
North Carolina	8,046,500	11	9,380,884	10	16.6	8
North Dakota	642,195	47	646,844	48	0.7	47
Ohio	11,353,160	7	11,542,645	7	1.7	46
Oklahoma	3,450,640	27	3,687,050	28	6.9	28
Oregon	3,421,437	28	3,825,657	27	11.8	13
Pennsylvania	12,281,052	6	12,604,767	6	2.6	44
Rhode Island	1,048,319	43	1,053,209	43	0.5	50
South Carolina	4,011,809	26	4,561,242	24	13.7	10
South Dakota	754,837	46	812,383	46	7.6	22
Tennessee	5,689,270	16	6,296,254	17	10.7	16
Texas	20,851,811	2	24,782,302	2	18.8	6
Utah	2,233,204	34	2,784,572	34	24.7	3
Vermont	608,826	49	621,760	49	2.1	45
Virginia	7,079,025	12	7,882,590	12	11.4	15
Washington	5,894,143	15	6,664,195	13	13.1	11
West Virginia	1,808,345	37	1,819,777	37	0.6	48
Wisconsin	5,363,708	18	5,654,774	20	5.4	32
Wyoming	493,782	51	544,270	51	10.2	18

Source: Population Estimates Program, Population Division, U.S. Census Bureau

Table A-26
U.S. MOTOR VEHICLE STOCKS, AGE, AND MICHIGAN VEHICLE REGISTRATIONS

Year	All New Registrations		Total US New Registrations	U.S. Stock of Auto (thousands still in use)	Median Age of U.S. Autos (in years)	U.S. Stock of Trucks (thousands still in use)	Median Age of U.S. Trucks (in years)
	Michigan	Percent of U.S.					
1970	550,593	5.4	10,178,381	89,309	4.9	18,748	5.9
1971	726,688	6.2	11,722,295	92,753	5.1	19,772	6.1
1972	758,168	5.8	13,001,746	96,949	5.1	21,262	6.0
1973	794,687	5.5	14,380,069	101,579	5.1	23,153	5.8
1974	625,996	5.5	11,358,012	104,898	5.2	24,598	5.6
1975	608,432	5.7	10,659,257	106,713	5.4	25,776	5.8
1976	763,526	6.0	12,809,494	110,351	5.5	27,720	5.8
1977	837,996	5.8	14,335,562	113,696	5.6	29,562	5.7
1978	872,939	5.9	14,909,444	116,575	5.7	31,703	5.8
1979	756,696	5.5	13,828,904	120,248	5.9	33,350	5.9
1980	533,877	4.8	11,237,714	121,724	6.0	33,637	6.3
1981	518,187	4.9	10,629,408	123,462	6.0	34,451	6.5
1982	465,802	4.6	10,184,813	123,698	6.2	35,253	6.8
1983	612,140	5.1	11,900,742	126,728	6.5	36,548	7.2
1984	729,119	5.1	14,162,441	127,867	6.7	38,047	7.4
1985	759,906	4.9	15,563,800	132,108	6.9	38,989	7.6
1986	784,266	4.9	15,940,863	135,431	7.0	40,166	7.7
1987	668,805	4.4	15,129,548	137,324	6.9	41,119	7.8
1988	706,085	4.5	15,691,031	141,252	6.8	42,259	7.1
1989	692,690	4.6	14,952,812	143,081	6.5	43,554	6.7
1990	650,560	4.7	13,901,719	143,550	6.5	44,479	6.5
1991	587,128	4.7	12,578,621	142,569	6.7	44,936	6.8
1992	619,054	4.8	12,866,695	144,213	7.0	45,504	7.2
1993	644,440	4.6	13,940,626	146,314	7.3	47,095	7.5
1994	731,748	4.8	15,257,126	133,930	7.5	63,445	7.5
1995	726,822	4.8	15,219,319	136,066	7.7	64,778	7.6
1996	755,782	4.9	15,486,087	129,728	7.9	75,940	7.7
1997	784,489	5.1	15,416,677	129,749	8.1	77,307	7.8
1998	812,050	5.1	15,774,253	131,839	8.3	79,062	7.6
1999	878,003	5.2	17,001,640	132,432	8.3	83,148	7.2
2000	816,701	4.7	17,556,615	133,621	8.3	87,108	6.7
2001	852,971	4.9	17,350,148	137,633	8.3	92,110	6.1
2002	816,914	4.9	16,839,626	134,605	8.4	92,939	6.6
2003	779,217	4.7	16,611,630	137,140	8.6	96,202	6.5
2004	712,788	4.2	16,866,824	137,908	8.9	101,430	6.4
2005	664,900	4.0	16,690,280	138,083	9.0	105,948	6.6
2006	693,741	4.2	16,564,575	136,894	9.2	109,857	6.8
2007	646,485	4.0	16,007,379	137,523	9.2	112,851	7.3
2008	570,907	4.3	13,209,577	NA	9.4	NA	7.5

Note: Beginning in 1994, passenger vans and SUVs are included in the truck count (previously counted as cars).

Sources: Automotive News Market Data Book, Ward's Automotive Yearbook & MVMA Motor Vehicle Facts and Figures. Registration data from National Association of Auto Dealers 2001-2008. Auto and Truck Stock from Federal Highway Administration

Table A-27
U.S. MOTOR VEHICLE SALES

Year	Retail Auto Sales	Domestic Auto Sales	Sales of Auto Imports	Import Share of Total Auto Sales (percent)	Retail Truck Sales	Domestic Truck Sales	Import Share of Total Truck Sales (percent)
1974	8,851,956	7,448,921	1,403,035	15.8	2,687,924	2,511,771	6.6
1975	8,627,120	7,050,120	1,577,000	18.3	2,478,219	2,248,904	9.3
1976	10,099,573	8,606,573	1,493,000	14.8	3,181,254	2,943,872	7.5
1977	11,175,554	9,104,454	2,071,100	18.5	3,675,439	3,352,255	8.8
1978	11,308,498	9,307,998	2,000,500	17.7	4,109,079	3,773,166	8.2
1979	10,643,554	8,315,622	2,327,932	21.9	3,479,794	3,009,867	13.5
1980	8,975,209	6,578,275	2,396,934	26.7	2,487,239	2,000,669	19.6
1981	8,532,672	6,206,296	2,326,376	27.3	2,260,318	1,809,188	20.0
1982	7,978,177	5,756,660	2,221,517	27.8	2,559,881	2,145,947	16.2
1983	9,181,036	6,795,302	2,385,734	26.0	3,129,476	2,658,269	15.1
1984	10,332,669	7,951,517	2,441,713	23.6	3,883,555	3,475,416	10.5
1985	10,982,889	8,204,721	2,841,063	25.9	4,414,508	3,902,417	11.6
1986	11,408,910	8,214,662	3,248,579	28.5	4,617,506	3,921,408	15.1
1987	10,186,413	7,081,262	3,144,054	30.9	4,709,359	3,800,426	19.3
1988	10,544,154	7,501,095	3,068,738	29.1	4,878,312	4,168,256	14.6
1989	9,770,039	7,014,850	2,755,189	28.2	4,779,192	4,055,321	15.1
1990	9,295,741	6,842,733	2,453,008	26.4	4,591,077	3,836,052	16.4
1991	8,175,582	6,072,255	2,103,327	25.7	4,159,421	3,446,744	17.1
1992	8,210,627	6,216,488	1,994,139	24.3	4,674,589	4,001,927	14.4
1993	8,519,573	6,674,458	1,845,115	21.7	5,398,491	4,656,228	13.7
1994	8,991,347	7,181,975	1,809,372	20.1	6,097,787	5,702,913	6.5
1995	8,635,557	7,023,843	1,611,714	18.7	6,130,411	5,739,890	6.4
1996	8,529,124	7,139,884	1,389,240	16.3	6,611,099	6,169,877	6.7
1997	8,289,116	6,907,992	1,381,124	16.7	6,863,749	6,308,207	8.1
1998	8,183,412	6,756,804	1,426,608	17.4	7,408,381	6,739,619	9.0
1999	8,750,956	6,987,208	1,763,748	20.2	8,203,968	7,491,217	8.7
2000	9,005,099	6,940,286	2,064,813	22.9	8,397,387	7,621,004	9.2
2001	8,655,415	6,494,104	2,161,311	25.0	8,522,374	7,630,385	10.5
2002	8,316,763	6,012,235	2,304,528	27.7	8,531,311	7,550,006	11.5
2003	7,816,711	5,633,634	2,183,077	27.9	8,859,022	7,721,404	12.8
2004	7,738,956	5,502,663	2,236,293	28.9	9,175,183	8,023,945	12.5
2005	7,964,037	5,682,212	2,281,825	28.7	9,033,145	7,913,485	12.4
2006	8,131,438	5,706,510	2,424,928	29.8	8,430,044	7,152,286	15.2
2007	7,884,668	5,447,904	2,436,764	30.9	8,269,342	6,955,680	15.9
2008	7,043,023	4,676,443	2,366,580	33.6	6,203,581	5,194,030	16.3

Note: Domestic sales include transplant (foreign company) vehicles produced in North America and sold in US.

Source: Automotive News Market Data Book

Table A-28
U.S. AND MICHIGAN MOTOR VEHICLE PRODUCTION

Year	U.S. Car Production	U.S. Truck Production	Total U.S. Production	Total World Production	U.S. Percent of World Production	Michigan Auto Production	Michigan Truck Production	Total Michigan Production	Michigan Percent of U.S. Production
1970	6,550,077	1,716,641	8,266,718	29,707,707	27.8	2,099,000	454,000	2,553,000	30.9
1975	6,740,584	2,250,507	8,991,091	33,322,385	27.0	2,249,000	757,000	3,006,000	33.4
1980	6,416,885	1,593,489	8,010,374	38,837,519	20.6	1,731,501	443,125	2,174,626	27.1
1981	6,280,045	1,701,122	7,981,167	37,380,354	21.4	2,040,238	459,673	2,499,911	31.3
1982	4,973,870	1,902,164	6,876,034	36,433,276	18.9	1,817,456	577,142	2,394,598	34.8
1983	7,112,352	2,400,429	9,512,781	40,022,104	23.8	2,077,412	696,546	2,773,958	29.2
1984	7,777,721	3,146,356	10,924,077	42,159,635	25.9	2,138,844	873,452	3,012,296	27.6
1985	8,186,040	3,485,435	11,671,475	44,690,081	26.1	2,406,822	897,914	3,304,736	28.3
1986	7,829,697	3,543,168	11,372,865	45,156,013	25.2	2,626,299	782,155	3,408,454	30.0
1987	7,094,992	3,880,342	10,975,334	46,384,697	23.7	2,559,963	842,132	3,402,095	31.0
1988	7,129,420	4,132,729	11,262,149	47,670,728	23.6	2,389,431	822,213	3,211,644	28.5
1989	6,829,976	4,294,969	11,124,945	48,080,447	23.1	2,124,044	925,383	3,049,427	27.4
1990	6,079,192	3,808,844	9,888,036	50,375,116	19.6	1,945,632	751,129	2,696,761	27.3
1991	5,439,379	3,444,390	8,883,769	47,441,562	18.3	1,566,716	593,320	2,160,036	24.3
1992	5,655,781	4,119,195	9,784,976	49,442,510	19.8	1,688,034	756,354	2,444,388	25.0
1993	5,988,534	4,901,548	10,890,082	48,793,692	22.3	1,797,880	1,012,858	2,810,738	25.8
1994	6,609,523	5,707,176	12,316,699	51,745,907	23.8	2,145,905	1,264,398	3,410,303	27.7
1995	6,326,700	5,577,515	11,904,215	53,337,499	22.3	1,848,797	1,235,701	3,084,498	25.9
1996	6,055,939	5,658,812	11,714,751	53,270,933	22.0	1,845,163	1,053,919	2,899,082	24.7
1997	5,922,205	6,217,356	12,139,561	56,521,200	21.5	1,875,490	1,120,936	2,996,426	24.7
1998	5,549,500	6,480,603	12,030,103	53,841,408	22.3	1,717,388	1,065,940	2,783,328	23.1
1999	5,640,030	7,445,141	13,085,171	56,285,888	23.2	1,777,843	1,329,955	3,107,798	23.8
2000	5,542,475	7,289,185	12,831,660	59,703,849	21.5	1,841,551	1,251,084	3,092,635	24.1
2001	4,879,119	6,638,503	11,517,622	57,704,876	20.0	1,663,908	1,023,137	2,687,045	23.3
2002	5,027,425	7,300,881	12,328,306	60,292,567	20.4	1,792,277	1,103,271	2,895,548	23.5
2003	4,518,000	7,627,137	12,145,137	61,562,436	19.7	1,526,668	1,257,013	2,783,681	22.9
2004	4,236,736	7,784,480	12,021,216	65,654,367	18.3	1,257,830	1,338,482	2,596,312	21.6
2005	4,325,702	7,692,341	12,018,043	67,891,639	17.7	1,187,016	1,326,535	2,513,551	20.9
2006	4,372,196	6,979,093	11,351,289	70,992,079	16.0	1,116,159	1,159,110	2,275,269	20.0
2007	3,924,266	6,899,157	10,823,423	74,647,260	14.5	1,009,174	1,322,045	2,331,219	21.5
2008	3,781,214	4,956,251	8,737,465			1,004,033	839,824	1,843,857	21.1

Source: Automotive News Market Data Book, Ward's Automotive Yearbook & Michigan Department of Treasury

Table A-29

NEW PRIVATE HOUSING UNITS AUTHORIZED IN MICHIGAN MSAs

Year	Battle Creek	Benton Harbor	Detroit PMSA	Ann Arbor		Grand Rapids			Kalamazoo	Lansing	Muskegon	Saginaw	MSA Total	Non-Metro Total	Michigan Total
				PMSA	Flint	Rapids	Jackson								
1980	692	N/A	9,692	921	1,244	2,627	273	1,648	2,206	803	701	20,807	8,169	28,976	
1981	219	447	5,460	271	631	1,909	181	1,414	1,671	362	325	12,890	5,877	18,767	
1982	176	221	4,603	214	353	1,546	355	432	772	323	323	9,318	4,858	14,176	
1983	290	312	8,162	345	734	2,659	178	912	1,212	292	319	15,415	6,008	21,423	
1984	180	198	11,651	738	901	3,999	225	653	1,452	315	721	21,033	6,716	27,749	
1985	80	235	20,109	1,478	1,291	4,318	166	727	1,697	375	658	31,134	6,458	37,592	
1986	227	387	24,452	1,634	1,510	5,805	334	1,696	2,536	368	839	39,788	7,442	47,230	
1987	383	446	22,450	2,418	928	6,184	484	1,702	2,236	485	1,086	38,802	7,791	46,593	
1988	398	565	20,671	2,475	1,078	5,708	463	1,614	2,057	584	869	36,482	8,425	44,907	
1989	535	478	20,447	1,892	1,362	5,718	680	1,546	2,215	675	1,153	36,701	8,986	45,687	
1990	229	554	16,162	1,809	1,281	4,876	584	728	1,634	691	1,034	29,582	9,289	38,871	
1991	239	472	14,108	1,125	837	3,104	454	691	1,839	555	1,214	24,638	9,878	34,516	
1992	395	496	15,530	1,104	1,135	4,136	585	810	1,580	541	1,183	27,495	9,531	37,026	
1993	N/A	539	14,719	3,330	1,223	5,351	584	1,897	1,853	N/A	1,469	30,965	8,790	39,755	
1994	N/A	604	17,572	4,091	1,719	6,606	621	1,973	1,926	N/A	1,461	36,573	9,902	46,475	
1995	N/A	547	18,024	4,078	1,912	7,102	634	2,128	1,935	N/A	1,200	37,560	9,666	47,226	
1996	N/A	698	19,709	4,881	2,120	7,940	716	2,089	2,184	N/A	1,339	41,676	10,679	52,355	
1997	N/A	547	18,164	4,765	1,954	7,151	695	2,221	1,985	N/A	1,357	38,839	10,398	49,237	
1998	N/A	669	21,056	5,637	1,946	7,720	718	2,183	1,707	N/A	1,518	43,154	11,320	54,474	
1999	N/A	658	19,370	5,361	2,806	7,228	1,007	2,072	2,040	N/A	1,360	41,902	12,355	54,257	
2000	N/A	507	18,348	4,645	2,324	6,614	919	2,417	2,316	N/A	1,545	39,635	12,854	52,489	
2001	N/A	544	16,218	4,824	3,453	7,187	945	2,035	2,469	N/A	1,242	38,917	11,222	50,139	
2002	N/A	614	17,779	5,069	2,403	7,304	928	2,172	2,406	N/A	1,229	39,904	10,064	49,968	
2003	394	608	21,060	2,527	2,240	6,735	831	2,462	3,156	969	1,137	42,119	11,794	53,913	
2004	370	731	22,990	2,708	2,398	6,886	704	1,867	2,206	766	1,023	42,649	12,072	54,721	
2005	406	816	17,326	1,676	1,854	5,826	897	1,610	2,121	657	882	34,071	11,257	45,328	
2006	210	625	9,592	775	980	4,278	587	1,439	1,231	480	483	20,680	8,511	29,191	
2007	240	467	4,325	565	476	1,866	330	1,000	768	346	240	10,623	7,144	17,767	
2008	45	281	2,590	347	219	1,064	230	627	383	208	144	6,138	4,773	10,911	
2009	7	27	1,346	209	122	810	65	296	246	50	91	3,269	3,715	6,984	

(1) Starting in 1993, the Muskegon housing starts are included in the Grand Rapids total.

(2) Starting in 1993 the totals for Battle Creek and Kalamazoo were reported together.

(3) New area definitions were adopted beginning in 2003.

Source: U.S. Department of Commerce

Table A-30
MEDIAN PRICE OF EXISTING HOMES - MICHIGAN METROPOLITAN AREAS
1989 - 2009

<u>Year</u>	<u>Detroit</u>	<u>Grand Rapids</u>	<u>Kalamazoo</u>	<u>Lansing - E. Lansing</u>	<u>U.S.</u>	<u>Midwest</u>	<u>CPI</u>
1989	73,700	64,200	57,200	59,800	89,500	71,800	124.0
1990	76,700	68,300	60,400	63,300	92,000	75,300	130.7
1991	80,600	70,700	64,900	66,700	97,100	79,500	136.2
1992	81,300	73,100	69,600	69,900	99,700	83,000	140.3
1993	86,000	76,500	71,100	73,200	103,100	86,000	144.5
1994	87,000	76,900	74,800	75,500	107,200	89,300	148.2
1995	98,200	80,600	82,200	79,800	110,500	94,800	152.4
1996	111,400	87,200	90,000	84,700	115,800	101,000	156.9
1997	119,600	93,600	97,200	89,600	121,800	107,000	160.5
1998	132,600	100,200	102,300	100,200	128,400	114,300	163.0
1999	140,000	106,700	110,900	105,200	133,300	119,600	166.6
2000	150,500	114,100	110,100	109,800	139,000	123,600	172.2
2001	160,000	121,000	115,500	118,900	147,800	130,200	177.1
2002	162,800	125,300	115,400	126,400	158,100	135,800	179.9
2003	164,400	129,900	123,400	133,600	180,200	143,700	184.0
2004	161,000	132,900	123,100	137,900	195,200	151,500	188.9
2005	163,800	137,800	121,100	142,200	219,000	168,300	195.3
2006	151,700	134,500	N/A	137,700	221,900	164,800	201.6
2007	140,300	129,400	N/A	126,800	217,900	161,400	207.3
2008	N/A	100,900	N/A	97,700	196,600	150,500	215.3
2009	N/A	87,400	N/A	80,700	172,100	142,900	214.5
<u>Cumulative Percentage Change</u>							
2008 - 2009	N/A	-13.4%	N/A	-17.4%	-12.5%	-5.0%	-0.4%
2000 - 2009	-6.8%	-23.4%	N/A	-26.5%	23.8%	15.6%	24.6%
1989 - 2009	90.4%	36.1%	N/A	34.9%	92.3%	99.0%	73.0%
<u>Average Annual Percentage Change</u>							
1999 - 2009	0.0%	-2.0%	N/A	-2.6%	2.6%	1.8%	2.6%
1989 - 1999	6.1%	5.2%	6.8%	5.8%	4.1%	5.2%	3.0%
1989 - 2009	3.6%	1.6%	N/A	1.5%	3.3%	3.5%	2.8%

* The 2006 - 2009 values for the Kalamazoo area are unavailable.

The 2008 - 2009 values for the Detroit area are unavailable. The 2007 value is used in comparisons of price changes.

Sources: National Association of Realtors and Bureau of Labor Statistics, U.S. Department of Labor

Table A-31
10-YEAR STATE OF MICHIGAN REVENUE HISTORY
(in Thousands)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Taxes										
Sales	\$6,277,498	\$6,352,306	\$6,439,894	\$6,422,642	\$6,473,522	\$6,599,138	\$6,638,110	\$6,552,240	\$6,773,276	\$6,089,106
Personal Income	7,144,211	6,749,373	6,095,989	5,811,843	5,873,365	6,108,924	6,226,304	6,442,678	7,226,049	5,856,753
Amt Reported as Expenditures	502,100	532,800	615,100	707,800	702,700	815,300	834,000	883,400	931,600	963,500
Single/Michigan Business	2,324,868	2,022,882	1,983,795	1,843,072	1,841,010	1,907,190	1,886,168	1,786,213	2,482,035	2,285,237
Use	1,355,389	1,333,607	1,306,365	1,229,838	1,316,504	1,402,399	1,413,758	1,380,375	1,377,077	1,283,685
State Education (Property)	1,381,420	1,489,552	1,583,660	2,127,513	1,824,493	1,914,629	2,003,527	2,080,977	2,079,703	2,040,647
Real Estate Transfer	257,093	252,894	253,075	275,513	317,480	313,548	297,680	237,483	169,835	125,294
Liquor, Beer, Wine, & Tobacco	736,859	732,673	808,225	1,035,322	1,142,217	1,330,759	1,324,189	1,288,335	1,235,753	1,205,609
Casino Gaming Wagering	NA	75,415	91,915	90,945	99,455	145,811	155,461	159,363	129,684	121,363
Telephone and Telegraph	149,206	152,523	137,343	124,168	101,315	99,149	83,533	87,282	80,793	62,972
Insurance Company	191,946	200,756	227,081	231,076	230,272	249,524	219,538	223,754	223,198	261,002
Motor Vehicle and Fuel	1,829,979	1,852,964	1,917,481	1,946,225	2,015,567	1,942,450	1,932,043	1,909,146	1,852,884	1,812,385
Quality Assur. Assessment	NA	NA	NA	NA	325,188	509,857	676,923	827,776	1,023,766	859,482
Other	714,899	657,279	610,485	580,001	536,839	598,285	507,690	511,861	489,479	381,318
Total Taxes	22,865,469	22,405,023	22,070,408	22,425,957	22,799,928	23,936,964	24,198,924	24,370,884	26,075,135	23,348,353
Federal Agencies	8,571,625	9,566,353	10,202,344	10,812,852	11,579,388	11,974,006	12,160,022	12,655,930	13,432,638	17,377,416
Local Agencies	173,882	227,996	248,867	230,728	239,815	262,875	124,101	139,429	126,550	118,190
Spec Medicaid Reimb	1,059,343	1,155,374	1,109,233	932,658	704,551	467,970	93,621	102,670	115,797	135,667
Services	110,294	115,346	121,849	121,198	148,140	264,957	269,593	284,370	291,380	288,877
Licenses and Permits	393,006	391,655	408,746	417,786	555,858	423,501	437,560	444,841	441,407	454,981
Miscellaneous	1,032,248	1,281,281	1,150,187	1,390,001	1,109,630	1,371,999	1,457,623	1,510,134	1,549,016	1,462,936
Total Revenue	\$34,205,867	\$35,143,027	\$35,311,635	\$36,331,180	\$37,137,308	\$38,702,270	\$38,741,444	\$39,508,258	\$42,031,923	\$43,186,420

Source: 2009 State of Michigan Comprehensive Annual Financial Report

Notes:

1. Beginning in fiscal year 2003-2004, the State began reporting quality assurance assessment revenue as a tax revenue rather than as miscellaneous revenue. Amounts for years prior to 2003-2004 are not available.
2. Beginning in fiscal year 2004-2005, the state began reporting charges for providing vehicle and driving services as revenue from services, rather than licenses and permits. Amounts for years prior to 2004-2005 are not available.
3. Beginning January 1, 2008, the Michigan Business Tax replaced the Single Business Tax.

Table A-32
STATE REVENUE LIMIT CALCULATION - ARTICLE IX SECTION 26
(in millions)

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Total Revenue and Other Fin. Sources										
General, Special Revenue, and Permanent Funds	\$34,727.5	\$36,941.5	\$38,465.9	\$39,092.0	\$39,275.0	\$39,994.4	\$41,018.5	\$42,052.8	\$42,966.6	\$44,056.5
Less Statutory Exclusions										
Interfund transfers	(\$1,842.0)	(\$1,802.3)	(\$1,910.7)	(\$2,488.9)	(\$1,977.7)	(\$1,810.2)	(\$1,474.4)	(\$1,645.2)	(\$1,730.7)	(\$1,230.7)
Interfund borrowing costs	\$0.0	\$0.0	\$0.0	(\$14.1)	(\$11.0)	(\$10.8)	(\$27.2)	(\$24.6)	(\$17.0)	(\$10.5)
Proceeds from bonds and notes	\$0.0	(\$82.1)	(\$854.2)	(\$424.5)	(\$352.3)	(\$405.9)	(\$182.4)	(\$1,004.8)	(\$1,026.8)	(\$90.0)
Financing from capital leases	(\$57.6)	(\$22.3)	(\$23.0)	(\$237.3)	(\$16.1)	(\$19.7)	(\$6.8)	(\$34.1)	(\$20.9)	(\$110.8)
Federal revenue	(\$7,902.7)	(\$8,571.6)	(\$9,383.9)	(\$10,009.0)	(\$10,622.4)	(\$11,392.4)	(\$11,819.2)	(\$11,986.4)	(\$12,455.0)	(\$13,140.8)
Debt service	(\$79.8)	(\$85.6)	(\$91.4)	(\$96.7)	(\$18.8)	(\$112.8)	(\$111.6)	(\$115.0)	(\$141.2)	(\$81.0)
Property tax credits	(\$469.6)	(\$484.7)	(\$516.2)	(\$600.0)	(\$706.5)	(\$701.5)	(\$813.8)	(\$832.6)	(\$882.1)	(\$930.4)
Other statutory exclusions										
Special Medicaid reimb.	(\$690.8)	(\$1,059.3)	(\$1,155.4)	(\$1,109.2)	(\$932.7)	(\$704.6)	(\$468.0)	(\$93.6)	(\$102.7)	(\$115.8)
Out of period tax refunds	(\$145.4)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Tobacco settlement reimb.	NA	(\$244.6)	(\$261.2)	(\$328.1)	(\$326.0)	(\$273.6)	(\$277.4)	(\$251.5)	(\$266.5)	(\$290.2)
Prior year expenditure reimb.	(\$215.2)	(\$106.8)	(\$277.5)	(\$138.3)	(\$125.5)	(\$94.6)	(\$133.3)	(\$124.4)	(\$111.9)	(\$200.5)
Other exclusions	(\$148.4)	(\$146.4)	(\$110.3)	(\$152.4)	(\$174.4)	(\$130.5)	(\$138.9)	(\$180.2)	(\$150.5)	(\$200.8)
Total Exclusions	<u>(\$11,551.5)</u>	<u>(\$12,605.9)</u>	<u>(\$14,584.0)</u>	<u>(\$15,598.6)</u>	<u>(\$15,263.2)</u>	<u>(\$15,656.6)</u>	<u>(\$15,453.0)</u>	<u>(\$16,292.4)</u>	<u>(\$16,905.3)</u>	<u>(\$16,401.5)</u>
Additions										
Nonrefundable tax credits	\$25.9	\$27.3	\$27.3	\$52.7	\$49.8	\$46.8	\$61.3	\$53.8	\$57.1	\$61.3
Equity Transfer From Other Funds	\$6.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Additions	<u>\$32.4</u>	<u>\$27.3</u>	<u>\$27.3</u>	<u>\$52.7</u>	<u>\$49.8</u>	<u>\$46.8</u>	<u>\$61.3</u>	<u>\$53.8</u>	<u>\$57.1</u>	<u>\$61.3</u>
Total Revenue Subject to Limitation	<u>\$23,208.5</u>	<u>\$24,362.9</u>	<u>\$23,909.2</u>	<u>\$23,546.0</u>	<u>\$24,061.6</u>	<u>\$24,384.7</u>	<u>\$25,626.8</u>	<u>\$25,814.1</u>	<u>\$26,118.4</u>	<u>\$27,716.3</u>
Personal Income	\$244,329.0	\$255,039.0	\$277,296.0	\$289,390.0	\$297,609.0	\$303,745.0	\$314,460.0	\$324,134.0	\$331,304.0	\$341,075.0
Section 26 Base Ratio	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>
Section 26 Revenue Limit	<u>\$23,186.8</u>	<u>\$24,203.2</u>	<u>\$26,315.4</u>	<u>\$27,463.1</u>	<u>\$28,243.1</u>	<u>\$28,825.4</u>	<u>\$29,842.3</u>	<u>\$30,760.3</u>	<u>\$31,440.7</u>	<u>\$32,368.0</u>
Amount Over (Under) Limit	\$21.7	\$159.7	(\$2,406.2)	(\$3,917.1)	(\$4,181.5)	(\$4,440.7)	(\$4,215.5)	(\$4,946.2)	(\$5,322.3)	(\$4,651.7)

Source: Michigan Department of Management and Budget, annual "Statement of Revenue Subject to Constitutional Limitation - Legal Basis"

Notes:

1. The State Revenue Limit calculation is performed in accordance with Article IX Section 26 of the State Constitution. Public Act 504 provides the statutory language to implement this provision. Detailed information on the calculation can be found in the annual "Statement of Revenue Subject to Constitutional Limitation - Legal Basis" published by the Department of Management and Budget.
2. State revenues are compared to personal income for the calendar year ending in the preceding fiscal year. For example, FY 2008 revenues are compared to CY 2006 personal income.

Table A-33
Counter Cyclical Budget and Economic Stabilization Fund
(in millions)

Fiscal Year	Unreserved Beginning Balance	Interest Income	Funds Unrestricted and Deposits	Withdrawals/Transfers				Restricted for Future Use	Unreserved Ending Balance
				To General Fund	To School Aid Fund	To Other	Total Withdrawals		
1996	\$987.9	\$59.2	\$96.4	\$0.0	\$0.0	\$0.0	\$0.0	(\$529.1)	\$614.5
1997	\$614.5	\$67.8	\$10.0	\$0.0	\$0.0	(\$69.0)	(\$69.0)	(\$43.5)	\$579.8
1998	\$579.8	\$60.1	\$572.6	\$0.0	(\$212.0)	\$0.0	(\$212.0)	\$0.0	\$1,000.5
1999	\$1,000.5	\$51.2	\$244.4	\$0.0	(\$73.7)	\$0.0	(\$73.7)	\$0.0	\$1,222.5
2000	\$1,222.5	\$74.0	\$100.0	\$0.0	(\$32.0)	(\$100.0)	(\$132.0)	\$0.0	\$1,264.4
2001	\$1,264.4	\$66.7	\$0.0	(\$270.0)	(\$32.0)	(\$35.0)	(\$337.0)	\$0.0	\$994.2
2002	\$994.2	\$20.8	\$0.0	(\$452.8)	(\$382.0)	(\$35.0)	(\$869.8)	\$0.0	\$145.2
2003	\$145.2	\$1.8	\$9.1	(\$124.1)	(\$32.0)	\$0.0	(\$156.1)	\$0.0	\$0.0
2004	\$0.0	\$0.0	\$81.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$81.3
2005	\$81.3	\$2.0	\$0.0	(\$81.3)	\$0.0	\$0.0	(\$81.3)	\$0.0	\$2.0
2006	\$2.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0
2007	\$2.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.1
2008	\$2.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.2
2009	\$2.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.2

Source: *State of Michigan Comprehensive Annual Financial Report* - various years.

Notes:

1. The Counter-Cyclical Budget and Economic Stabilization Fund was created in 1977 to assist in stabilizing revenue during periods of economic recession. Provisions for depositing and withdrawing revenue from the fund are outlined in Public Act 431 of 1984.
2. In FY 1998, \$572.6 million in fund balance was reclassified from reserved to unreserved.

Table A-34

MICHIGAN REAL PROPERTY STATE EQUALIZED VALUE (SEV) BY CLASS

Year	Agriculture	Commercial	Industrial	Residential	Timber C-O & Developmental	Total
1970	\$2,428,073,382	\$4,479,110,556	\$4,354,130,433	\$18,410,274,820	\$152,082,388	\$29,823,671,579
1975	3,680,674,772	7,251,964,454	5,824,753,617	27,679,961,125	289,724,453	44,727,078,421
1980	6,328,135,948	10,633,386,181	8,181,599,425	46,669,303,911	687,806,033	72,500,231,498
1981	6,851,013,534	11,556,372,899	9,124,359,043	53,018,207,770	942,396,029	81,492,349,275
1982	7,378,223,333	12,186,372,328	9,418,002,354	57,491,186,325	713,635,476	87,187,419,816
1983	7,429,329,879	12,465,415,642	9,452,673,269	56,977,602,048	715,817,303	87,040,838,141
1984	7,458,643,844	12,743,237,220	9,535,645,848	58,002,894,224	706,006,694	88,446,427,830
1985	7,403,969,514	13,515,504,501	9,867,244,730	59,069,664,700	669,109,288	90,525,492,733
1986	6,955,160,741	14,310,467,355	10,185,813,823	60,682,211,801	643,137,297	92,776,791,017
1987	6,215,406,320	15,738,555,140	10,529,154,262	63,653,297,519	617,088,343	96,753,501,584
1988	5,928,883,663	17,510,768,606	10,848,169,099	68,850,921,971	592,667,638	103,731,410,977
1989	5,904,588,144	19,315,639,740	11,417,842,888	75,467,133,491	603,609,682	112,708,813,945
1990	6,057,234,906	21,188,659,057	11,989,304,264	82,927,523,932	627,789,664	122,790,511,823
1991	6,213,137,932	22,554,363,038	12,301,807,180	90,600,239,418	640,059,826	132,309,607,394
1992	6,216,847,066	22,937,093,145	12,589,064,977	92,403,947,226	646,221,390	134,793,173,804
1993	6,582,382,596	23,876,568,014	12,854,175,802	103,938,971,556	639,358,539	147,891,456,507
1994	6,799,329,607	24,519,576,429	12,981,984,517	109,571,673,457	596,842,312	154,469,406,322
1995	7,025,495,741	25,507,399,601	13,460,660,268	117,188,134,392	640,848,243	163,822,538,245
1996	7,435,695,481	26,883,408,611	13,994,870,592	127,044,516,355	612,804,827	175,971,295,866
1997	8,086,317,160	28,796,350,519	14,619,079,321	138,923,304,960	624,455,887	191,049,507,847
1998	8,862,077,578	31,168,447,882	15,283,082,298	154,188,734,247	629,865,773	210,132,207,778
1999	9,746,360,963	34,175,427,581	16,480,050,259	170,817,572,582	692,089,570	231,911,500,955
2000	10,704,606,830	37,747,704,809	17,496,791,093	188,828,676,626	815,959,950	255,593,739,308
2001	11,884,000,757	42,041,985,038	18,529,852,114	209,546,590,808	844,312,395	282,846,741,112
2002	13,382,059,973	46,474,852,558	20,553,734,463	231,990,810,111	942,964,009	313,344,421,114
2003	14,490,357,406	50,419,526,422	22,918,860,554	251,936,860,990	1,015,134,265	340,780,739,637
2004	15,898,969,406	53,021,398,105	23,776,959,348	270,087,361,385	914,305,835	363,698,994,079
2005	17,079,396,204	56,219,954,715	24,824,342,675	287,801,333,413	980,091,883	386,905,118,890
2006	16,624,024,168	59,155,491,285	25,387,479,560	305,585,093,273	1,032,254,787	407,784,343,073
2007	17,653,875,255	61,995,642,365	25,813,944,008	317,605,998,910	1,014,130,857	424,083,591,395
2008	18,369,467,555	63,509,675,879	25,230,786,539	311,300,442,322	1,015,521,010	419,425,893,305
2009	18,569,309,970	62,751,046,213	24,892,041,476	287,554,868,349	955,659,422	394,722,925,430

Source: Michigan State Tax Commission

Table A-35

MICHIGAN REAL PROPERTY TAXABLE VALUE (TV) BY CLASS

<u>Year</u>	<u>Agriculture</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Timber C-O & Developmental</u>	<u>Total</u>
1995	\$6,772,340,174	\$25,090,256,525	\$13,369,455,314	\$114,130,278,690	\$600,961,686	\$159,963,292,389
1996	6,886,644,243	26,020,863,515	13,783,807,105	120,193,852,842	543,749,711	167,428,917,416
1997	7,049,764,809	27,350,534,023	14,319,968,643	127,861,808,955	523,790,218	177,105,866,648
1998	7,231,720,846	28,935,085,319	14,877,078,650	136,440,825,049	488,005,705	187,972,715,569
1999	7,334,070,027	30,616,828,483	15,680,530,909	144,918,791,677	496,009,363	199,046,230,459
2000	7,464,131,975	32,803,392,665	16,340,045,165	154,838,574,448	506,218,455	211,952,362,708
2001	7,685,747,400	35,302,959,948	17,011,716,807	167,456,216,312	495,207,172	227,951,847,639
2002	7,910,624,969	37,625,005,929	18,082,510,606	180,641,155,820	492,991,992	244,752,289,316
2003	8,025,165,638	39,673,211,156	19,689,070,248	191,724,452,369	486,080,066	259,597,979,477
2004	8,187,227,815	41,568,134,188	20,403,101,673	205,347,396,782	418,103,392	275,923,963,850
2005	8,383,477,970	43,823,673,918	20,944,247,274	219,514,861,235	412,540,863	293,078,801,260
2006	8,318,089,411	46,241,418,568	21,548,522,986	235,415,312,805	426,363,187	311,949,706,957
2007	8,709,496,551	49,075,109,720	22,193,254,919	248,796,215,888	432,878,812	329,206,955,890
2008	8,937,131,620	50,977,967,234	22,019,304,087	252,177,036,720	436,920,446	334,548,360,107
2009	9,328,491,658	52,277,597,684	22,264,683,650	247,030,748,353	428,834,986	331,330,356,331

Source: Michigan State Tax Commission

Table A-36

MICHIGAN PERSONAL PROPERTY STATE EQUALIZED VALUE (SEV) BY CLASS

<u>Year</u>	<u>Agriculture</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Utility</u>	<u>Total</u>
1970	\$74,778	\$1,960,836,449	\$5,005,599,046	\$26,296,146	\$1,757,356,482	\$8,750,162,901
1971	94,686	2,060,693,881	5,128,931,506	27,807,650	1,847,296,876	9,064,824,599
1972	80,064	2,134,366,046	5,227,795,300	28,592,264	1,979,750,787	9,370,584,461
1973	128,156	2,328,516,373	5,417,026,545	32,384,384	2,143,642,638	9,921,698,096
1974	207,163	2,591,166,371	5,812,222,781	36,173,370	2,379,939,037	10,819,708,722
1975	204,494	2,844,516,638	6,551,055,713	39,285,910	2,652,494,463	12,087,557,218
1976	199,605	1,524,568,091	3,568,938,839	42,203,838	2,402,751,114	7,538,661,487
1977	261,790	1,621,573,625	3,702,836,647	44,002,603	2,528,988,905	7,897,663,570
1978	255,864	1,781,876,984	4,029,145,367	52,710,272	2,690,893,405	8,554,881,892
1979	279,328	1,971,939,226	4,304,285,432	54,087,484	2,926,809,276	9,257,400,746
1980	258,028	2,213,845,812	4,667,437,859	63,271,040	3,201,005,728	10,145,818,467
1981	490,114	2,458,616,916	4,753,688,798	61,383,795	3,292,605,897	10,566,785,520
1982	294,784	2,662,733,997	4,829,682,933	61,639,336	3,468,291,966	11,022,643,016
1983	655,831	2,814,352,083	4,754,502,733	59,061,371	3,674,349,279	11,302,921,297
1984	497,858	3,043,079,274	4,791,167,816	58,468,096	3,831,915,969	11,725,129,013
1985	500,785	3,481,144,373	5,104,870,618	57,335,215	3,626,411,968	12,270,262,959
1986	500,674	4,049,912,308	5,617,195,016	58,390,922	3,739,638,867	13,465,637,787
1987	477,606	4,529,439,608	6,037,600,585	59,371,314	3,874,328,298	14,501,217,411
1988	451,565	4,822,390,939	6,292,075,894	64,063,434	4,179,176,198	15,358,158,030
1989	384,496	5,215,475,694	6,576,500,524	65,574,814	4,246,472,974	16,104,408,501
1990	406,188	5,740,454,890	7,034,212,471	68,371,182	4,536,758,536	17,380,203,267
1991	426,726	6,016,387,985	7,357,311,190	69,102,132	5,107,407,964	18,550,635,997
1992	392,853	6,202,156,217	7,801,791,590	70,546,736	5,416,256,931	19,491,144,328
1993	429,993	6,166,779,871	8,030,127,096	82,215,346	5,706,113,789	19,985,666,094
1994	450,795	6,483,770,764	8,523,103,654	83,532,191	5,980,041,780	21,070,899,184
1995	477,348	6,955,501,140	9,201,211,359	87,585,098	6,327,571,639	22,572,346,584
1996	474,703	7,635,309,034	10,024,281,929	96,608,358	6,614,274,529	24,370,948,553
1997	470,474	8,352,340,457	10,520,476,765	125,506,099	6,697,034,543	25,695,828,338
1998	494,174	9,065,147,068	11,212,822,145	138,096,206	6,867,203,311	27,283,762,904
1999	556,817	10,165,416,542	11,690,259,928	159,036,255	7,075,388,966	29,090,658,508
2000	502,346	10,064,669,728	11,362,739,372	177,162,084	7,228,024,777	28,833,098,307
2001	489,918	10,676,596,309	11,613,457,215	195,349,848	7,563,403,425	30,049,296,715
2002	485,349	11,071,625,733	11,450,226,423	202,209,747	7,646,285,046	30,370,832,298
2003	NA	10,731,702,713	11,084,309,268	4,600,538	6,923,945,171	28,744,557,690
2004	NA	10,514,806,656	10,870,737,710	3,433,197	7,534,944,015	28,923,921,578
2005	NA	10,551,792,134	10,969,810,432	3,704,641	7,366,465,309	28,891,772,516
2006	NA	10,638,600,486	11,029,949,532	1,236,965	6,967,124,890	28,636,911,872
2007	NA	10,827,802,425	10,984,991,926	132,759	7,212,191,169	29,025,118,279
2008	NA	10,315,104,334	11,111,789,831	60,831	7,286,692,400	28,713,647,396
2009	NA	9,970,956,038	11,739,145,604	75,875	7,468,188,341	29,178,365,858

Note: Beginning in 2003, buildings on leased land for residential and agricultural property are assessed as real property.
See MCL 211.34c.

Source: Michigan State Tax Commission

Table A-37

MICHIGAN REAL AND PERSONAL PROPERTY VALUES, TAXES AND TAX RATES

(Dollar amounts in thousands)

Year	Assessed Valuation	County Equalized Valuation	State Equalized Valuation	Tax Levy		Average Tax Rate	
				Amount	Percent Change	Millage	Percent Change
1970	\$32,954,101	\$38,553,759	\$38,551,597	\$1,874,291	12.9	48.62	2.7
1971	36,593,349	41,562,933	41,648,959	2,063,280	10.1	49.54	1.9
1972	39,814,568	44,347,772	44,487,728	2,183,224	5.8	49.07	(0.9)
1973	42,648,458	47,492,752	47,612,674	2,420,403	10.9	50.84	3.6
1974	47,269,245	51,747,552	51,871,329	2,649,594	9.5	51.08	0.5
1975	51,148,731	55,802,269	56,800,875	2,903,906	9.6	51.12	0.1
1976	49,905,386	54,232,820	55,478,935	2,960,724	2.0	53.37	4.4
1977	53,867,947	59,305,512	59,512,999	3,207,096	8.3	53.89	1.0
1978	58,353,692	64,724,020	64,863,929	3,484,874	8.7	53.73	(0.3)
1979	64,169,105	72,449,827	72,512,251	3,889,378	11.6	53.64	(0.2)
1980	71,724,553	82,087,269	82,581,103	4,411,378	13.4	53.42	(0.4)
1981	80,255,988	91,930,069	91,799,179	4,898,386	11.0	53.36	(0.1)
1982	95,623,614	96,742,630	98,139,884	5,172,518	5.6	52.71	(1.2)
1983	97,967,489	98,327,004	98,302,925	5,187,279	0.3	52.77	0.1
1984	99,987,771	100,169,325	100,151,842	5,374,275	3.6	53.66	1.7
1985	102,736,459	102,685,055	102,685,055	5,592,861	4.1	54.47	1.5
1986	106,340,390	106,251,911	106,154,935	5,851,019	4.6	55.12	1.2
1987	111,387,223	111,256,788	111,037,636	6,214,634	6.2	55.97	1.5
1988	119,027,768	119,087,279	119,013,924	6,761,056	8.8	56.81	1.5
1989	128,648,757	128,813,222	128,754,498	7,391,136	9.3	57.40	1.0
1990	139,920,677	140,165,655	139,901,357	7,998,491	8.2	57.17	(0.4)
1991	150,686,640	150,858,393	150,665,065	8,638,678	8.0	57.34	0.3
1992	154,265,530	154,284,318	153,928,613	8,941,685	3.5	58.09	1.3
1993	167,651,137	167,877,123	167,731,374	9,500,582	6.3	56.64	(2.5)
1994	175,280,413	175,550,496	175,195,104	6,690,701	(29.6)	38.19	(32.6)
1995	186,261,943	186,388,437	186,394,885	7,081,111	5.8	38.88	1.8
1996	200,246,250	200,341,063	200,341,063	7,536,108	6.4	39.32	1.1
1997	216,681,926	216,745,336	216,745,336	7,952,659	5.5	39.25	(0.2)
1998	237,410,262	237,410,262	237,415,971	8,449,614	6.2	39.27	0.1
1999	260,964,265	261,002,159	261,002,159	8,933,372	5.7	39.16	(0.3)
2000	284,331,483	284,426,838	284,426,838	9,462,264	5.9	39.32	0.4
2001	312,428,793	312,518,811	312,896,038	10,250,893	8.3	39.78	1.2
2002	343,577,370	343,714,996	343,715,252	11,033,307	7.6	40.17	1.0
2003	369,403,504	369,525,943	369,525,297	11,269,974	2.1	39.00	(2.9)
2004	392,561,906	392,621,446	392,622,129	12,190,160	8.2	40.00	2.6
2005	415,776,197	415,796,970	415,796,891	12,827,379	5.2	39.88	(0.3)
2006	436,293,871	436,421,637	436,421,255	13,598,087	6.0	39.96	0.2
2007	453,057,568	453,109,477	453,108,710	14,254,167	4.8	39.89	(0.2)
2008	448,111,650	448,139,542	448,139,541	14,143,524	(0.8)	38.94	(2.4)

Source: Michigan State Tax Commission

Table A-38

MICHIGAN STATE EQUALIZED VALUE (TAXABLE VALUE), BY LOCAL UNIT OF GOVERNMENT

(Dollar amounts in thousands)

Year	City		Township		Village		Total	Total
	SEV/TV	% of Total	SEV/TV	% of Total	SEV/TV	% of Total	SEV/TV	% of Total
1970	\$22,745,472	59.0	\$15,806,125	41.0	\$911,325	2.4	\$38,551,598	100.0
1975	33,771,052	59.5	23,029,823	40.5	1,403,173	2.5	56,800,875	100.0
1980	42,833,547	51.9	39,747,556	48.1	2,115,574	2.6	82,581,103	100.0
1981	47,164,585	51.4	44,634,595	48.6	2,359,223	2.6	91,799,179	100.0
1982	49,958,916	50.9	48,180,968	49.1	2,535,173	2.6	98,139,884	100.0
1983	49,772,178	50.6	48,530,747	49.4	2,537,973	2.6	98,302,925	100.0
1984	50,620,737	50.5	49,531,105	49.5	2,587,959	2.6	100,151,842	100.0
1985	52,458,583	51.1	50,226,472	48.9	2,609,131	2.5	102,685,055	100.0
1986	54,421,806	51.3	51,733,129	48.7	2,706,699	2.5	106,154,935	100.0
1987	57,569,279	51.8	53,468,357	48.2	2,835,748	2.6	111,037,636	100.0
1988	61,857,908	52.0	57,156,016	48.0	3,034,572	2.5	119,013,924	100.0
1989	66,836,823	51.9	61,917,675	48.1	3,244,865	2.5	128,754,498	100.0
1990	72,266,851	51.7	67,634,506	48.3	3,525,406	2.5	139,901,357	100.0
1991	76,914,931	51.1	73,750,133	48.9	3,807,036	2.5	150,665,065	100.0
1992	78,017,505	50.7	75,911,108	49.3	3,875,338	2.5	153,928,613	100.0
1993	83,356,067	49.7	84,375,307	50.3	4,246,082	2.5	167,731,374	100.0
1994	86,063,830	49.1	89,131,274	50.9	4,441,626	2.5	175,195,104	100.0
1995	88,477,159	48.6	93,647,994	51.4	4,600,487	2.5	182,125,153	100.0
1996	92,621,682	48.3	99,058,877	51.7	4,786,935	2.5	191,680,559	100.0
1997	97,013,121	47.9	105,602,411	52.1	5,028,854	2.5	202,615,532	100.0
1998	102,061,718	47.4	113,117,389	52.6	5,380,576	2.5	215,179,108	100.0
1999	107,322,531	47.1	120,773,866	52.9	5,718,876	2.5	228,096,397	100.0
2000	111,930,043	46.5	128,717,446	53.5	6,062,413	2.5	240,647,490	100.0
2001	118,509,830	46.0	139,202,268	54.0	6,508,079	2.5	257,712,099	100.0
2002	124,862,873	45.5	149,789,303	54.5	6,877,505	2.5	274,652,176	100.0
2003	130,277,754	45.1	158,679,412	54.9	7,293,590	2.5	288,957,166	100.0
2004	135,175,888	44.4	169,540,096	55.6	7,560,152	2.5	304,715,984	100.0
2005	141,079,675	43.9	180,573,408	56.1	7,905,826	2.5	321,653,083	100.0
2006	147,724,774	43.4	192,609,668	56.6	8,470,420	2.5	340,334,443	100.0
2007	153,448,387	42.9	203,849,426	57.1	8,929,048	2.5	357,297,814	100.0
2008	154,683,394	42.6	208,541,578	57.4	9,244,396	2.5	363,224,972	100.0

Source: Michigan State Tax Commission

Table A-39

MICHIGAN GENERAL PROPERTY TAXES, BY LOCAL UNIT OF GOVERNMENT

(Dollar amounts in thousands)

Year	School			City			County		
	Amount	% of Total	Millage	Amount	% of Total	Millage	Amount	% of Total	Millage
1970	\$1,167,313	62.3	30.28	\$417,563	22.3	18.36	\$240,247	12.8	6.23
1975	1,899,787	65.4	33.45	564,566	19.4	16.72	347,100	12.0	6.11
1980	3,009,469	68.2	36.44	736,985	16.7	17.21	504,460	11.4	6.11
1981	3,372,394	68.8	36.74	786,310	16.1	16.67	554,532	11.3	6.04
1982	3,588,710	69.4	36.57	811,269	15.7	16.24	581,142	11.2	5.92
1983	3,607,967	69.6	36.70	811,595	15.6	16.31	589,176	11.4	5.99
1984	3,761,002	70.0	37.55	829,252	15.4	16.38	602,935	11.2	6.02
1985	3,926,767	70.2	38.24	853,998	15.3	16.28	626,064	11.2	6.10
1986	4,102,395	70.1	38.65	899,262	15.4	16.52	651,462	11.1	6.14
1987	4,352,814	70.0	39.20	960,165	15.5	16.69	687,913	11.1	6.20
1988	4,761,210	70.4	40.01	1,013,834	15.0	16.40	756,858	11.2	6.36
1989	5,250,531	71.0	40.78	1,066,375	14.4	15.96	820,347	11.1	6.37
1990	5,704,489	71.3	40.78	1,125,805	14.1	15.59	893,985	11.2	6.39
1991	6,170,813	71.4	40.96	1,207,149	14.0	15.70	961,789	11.1	6.38
1992	6,411,139	71.7	41.65	1,231,699	13.8	15.79	988,422	11.1	6.42
1993	6,836,174	72.0	40.75	1,288,039	13.6	15.46	1,042,306	11.0	6.21
1994	3,865,697	57.8	22.07	1,355,455	20.3	15.75	1,098,218	16.4	6.27
1995	4,124,674	58.2	22.65	1,411,549	19.9	15.95	1,143,508	16.1	6.28
1996	4,398,167	58.4	22.95	1,487,390	19.7	16.06	1,219,794	16.2	6.36
1997	4,629,229	58.2	22.85	1,570,957	19.8	16.19	1,281,079	16.1	6.32
1998	4,918,068	58.2	22.86	1,655,572	19.6	16.22	1,356,051	16.0	6.30
1999	5,214,382	58.4	22.86	1,734,404	19.4	16.16	1,432,072	16.0	6.28
2000	5,522,820	58.4	22.95	1,829,966	19.3	16.35	1,509,459	16.0	6.27
2001	6,071,454	59.2	23.56	1,923,619	18.8	16.23	1,612,237	15.7	6.26
2002	6,569,395	59.5	23.92	2,016,791	18.3	16.15	1,726,576	15.6	6.29
2003	6,579,337	58.4	22.77	2,108,628	18.7	16.19	1,811,694	16.1	6.27
2004	7,261,965	59.6	23.83	2,178,717	17.9	16.12	1,918,051	15.7	6.29
2005	7,631,560	59.5	23.73	2,294,324	17.9	16.26	2,017,065	15.7	6.27
2006	8,052,036	59.2	23.66	2,426,969	17.8	16.43	2,166,548	15.9	6.37
2007	8,464,066	59.4	23.69	2,494,017	17.5	16.25	2,282,045	16.0	6.39
2008	8,256,715	58.4	22.73	2,519,647	17.8	16.29	2,331,415	16.5	6.42

Source: Michigan State Tax Commission

Table A-39 (Continued)

Year	Township			Village			Total		
	Amount	% of Total	Millage	Amount	% of Total	Millage	Amount	% of Total	Millage
1970	\$38,954	2.1	2.46	\$10,214	0.5	11.21	\$1,874,292	100.0	48.62
1975	74,694	2.6	3.24	17,760	0.6	12.66	2,903,906	100.0	51.12
1980	134,302	3.0	3.38	26,163	0.6	12.37	4,411,378	100.0	53.42
1981	156,528	3.2	3.51	28,622	0.6	12.13	4,898,386	100.0	53.36
1982	161,779	3.1	3.36	29,618	0.6	11.68	5,172,518	100.0	52.71
1983	148,086	2.9	3.05	30,454	0.6	12.00	5,187,279	100.0	52.77
1984	149,591	2.8	3.02	31,400	0.6	12.17	5,374,180	100.0	53.66
1985	154,261	2.8	3.07	31,772	0.6	12.18	5,592,861	100.0	54.47
1986	164,583	2.8	3.18	33,317	0.6	12.31	5,851,019	100.0	55.12
1987	178,263	2.9	3.33	35,480	0.6	12.51	6,214,634	100.0	55.97
1988	191,005	2.8	3.34	38,149	0.6	12.57	6,761,056	100.0	56.81
1989	212,903	2.9	3.44	40,979	0.6	12.63	7,391,136	100.0	57.40
1990	230,587	2.9	3.41	43,625	0.5	12.37	7,998,491	100.0	57.17
1991	251,714	2.9	3.41	47,212	0.5	12.40	8,638,678	100.0	57.34
1992	262,086	2.9	3.45	48,338	0.5	12.47	8,941,685	100.0	58.09
1993	283,374	3.0	3.36	50,689	0.5	11.94	9,500,582	100.0	56.63
1994	317,464	4.7	3.56	53,867	0.8	12.13	6,690,701	100.0	38.19
1995	344,611	4.9	3.68	56,770	0.8	12.34	7,081,111	100.0	38.88
1996	370,704	4.9	3.74	60,054	0.8	12.55	7,536,108	100.0	39.32
1997	408,150	5.1	3.86	63,244	0.8	12.58	7,952,659	100.0	39.25
1998	454,170	5.4	4.02	65,753	0.8	12.22	8,449,614	100.0	39.27
1999	481,799	5.4	3.99	70,715	0.8	12.37	8,933,372	100.0	39.16
2000	526,049	5.6	4.09	73,970	0.8	12.20	9,462,264	100.0	39.32
2001	564,489	5.5	4.06	79,095	0.8	12.15	10,250,893	100.0	39.78
2002	637,405	5.8	4.26	83,140	0.8	12.09	11,033,307	100.0	40.17
2003	683,401	6.1	4.31	86,914	0.8	11.92	11,269,974	100.0	39.00
2004	743,252	6.1	4.38	88,175	0.7	11.66	12,190,160	100.0	40.00
2005	793,380	6.2	4.39	91,051	0.7	11.52	12,827,379	100.0	39.88
2006	856,411	6.3	4.45	96,123	0.7	11.35	13,598,087	100.0	39.96
2007	913,412	6.4	4.48	100,626	0.7	11.27	14,254,167	100.0	39.89
2008	931,810	6.6	4.47	103,937	0.7	11.24	14,143,524	100.0	38.94

Source: Michigan State Tax Commission

Table A-40

MICHIGAN SCHOOL PROPERTY TAXES

(Dollar amounts in thousands)

Year	Operating Taxes			Debt, Building and Site Taxes			Total School Taxes		
	Amount	Percent of Total School Taxes	Millage Rate	Amount	Percent of Total School Taxes	Millage Rate	Amount	Total School Taxes as a Percent of Total Property Taxes	Total School Millage Rate
1970	\$989,878	84.8	25.7	\$177,436	15.2	4.6	\$1,167,313	62.3	30.3
1975	1,663,952	87.6	29.3	235,836	12.4	4.2	1,899,787	65.4	33.4
1980	2,710,253	90.1	32.8	299,216	9.9	3.6	3,009,469	68.2	36.4
1981	3,077,112	91.2	33.5	295,282	8.8	3.2	3,372,394	68.8	36.7
1982	3,293,604	91.8	33.6	295,106	8.2	3.0	3,588,710	69.4	36.6
1983	3,332,986	92.4	33.9	274,981	7.6	2.8	3,607,967	69.6	36.7
1984	3,483,596	92.6	34.8	277,406	7.4	2.8	3,761,002	70.0	37.6
1985	3,637,616	92.6	35.4	289,151	7.4	2.8	3,926,767	70.2	38.2
1986	3,806,997	92.8	35.9	295,399	7.2	2.8	4,102,395	70.1	38.6
1987	4,045,299	92.9	36.4	307,515	7.1	2.8	4,352,814	70.0	39.2
1988	4,439,589	93.2	37.3	321,621	6.8	2.7	4,761,210	70.4	40.0
1989	4,885,801	93.1	37.9	364,730	6.9	2.8	5,250,531	71.0	40.8
1990	5,340,031	93.6	38.2	364,459	6.4	2.6	5,704,489	71.3	40.8
1991	5,767,461	93.5	38.3	403,352	6.5	2.7	6,170,813	71.4	41.0
1992	5,976,316	93.2	38.8	434,823	6.8	2.8	6,411,139	71.70	41.7
1993	6,381,337	93.3	38.0	454,837	6.7	2.7	6,836,174	71.96	40.8
1994	3,411,942	88.3	19.5	453,755	11.7	2.6	3,865,697	57.78	22.1
1995	3,570,223	86.6	19.6	554,451	13.4	3.0	4,124,674	58.25	22.6
1996	3,759,071	85.5	19.6	639,096	14.5	3.3	4,398,167	58.36	22.9
1997	3,893,077	84.1	19.2	736,152	15.9	3.6	4,629,229	58.21	22.8
1998	4,113,183	83.6	19.1	804,886	16.4	3.7	4,918,068	58.20	22.9
1999	4,328,678	83.0	19.0	885,704	17.0	3.9	5,214,382	58.37	22.9
2000	4,536,968	82.1	18.9	985,852	17.9	4.1	5,522,820	58.37	22.9
2001	4,946,177	81.5	19.2	1,125,277	18.5	4.4	6,071,454	59.23	23.6
2002	5,308,668	80.8	19.3	1,260,727	19.2	4.6	6,569,395	59.54	23.9
2003	5,237,180	79.6	18.1	1,342,157	20.4	4.6	6,579,337	58.38	22.8
2004	5,820,709	80.2	19.1	1,441,256	19.8	4.7	7,261,965	59.57	23.8
2005	6,115,716	80.1	19.0	1,515,844	19.9	4.7	7,631,560	59.49	23.7
2006	6,446,590	80.1	18.9	1,605,447	19.9	4.7	8,052,036	59.21	23.7
2007	6,788,698	80.2	19.0	1,675,368	19.8	4.7	8,464,066	59.38	23.7
2008	6,544,120	79.3	18.0	1,712,595	20.7	4.7	8,256,715	58.38	22.7

Source: Michigan State Tax Commission. Includes taxes levied by local school districts, ISDs, and community colleges.

Table A-41
HOMESTEAD PROPERTY TAX CREDIT
 (Number and amount in thousands)

Year		General	Senior Citizen	Veteran	Blind	Disabled	Farmland	Total
1978	Number	781.9	387.0	53.2	2.7	32.8	-	1,257.6
	Amount	\$163,430.1	\$147,391.7	\$10,554.0	\$548.4	\$6,684.5	-	\$328,608.7
	Average	\$209	\$381	\$198	\$203	\$204	-	\$261
1979	Number	862.7	385.8	52.5	3.1	32.4	5.4	1,341.9
	Amount	\$200,376.9	\$161,663.8	\$10,519.5	\$654.5	\$7,304.0	\$15,577.2	\$396,095.9
	Average	\$232	\$419	\$200	\$211	\$225	\$2,885	\$295
1980	Number	890.1	396.3	49.3	2.4	31.6	8.3	1,378.0
	Amount	\$245,832.0	\$181,608.1	\$9,964.7	\$503.1	\$7,702.3	\$24,271.7	\$469,881.9
	Average	\$276	\$458	\$202	\$210	\$244	\$2,924	\$341
1981	Number	975.4	402.9	44.8	2.5	30.9	12.0	1,468.5
	Amount	\$315,030.1	\$205,905.2	\$8,806.7	\$521.8	\$8,329.6	\$37,950.3	\$576,543.7
	Average	\$323	\$511	\$197	\$209	\$270	\$3,163	\$393
1982	Number	1,034.5	410.6	39.2	3.1	31.0	14.8	1,533.2
	Amount	\$359,751.8	\$224,438.4	\$7,888.4	\$633.1	\$8,789.3	\$53,638.1	\$655,139.1
	Average	\$348	\$547	\$201	\$204	\$284	\$3,624	\$427
1983	Number	986.0	418.8	37.6	2.5	26.7	15.1	1,486.7
	Amount	\$337,111.2	\$228,140.4	\$7,637.1	\$530.1	\$7,491.4	\$62,981.3	\$643,891.5
	Average	\$342	\$545	\$203	\$212	\$281	\$4,171	\$433
1984	Number	912.0	423.3	34.7	2.5	29.5	17.0	1,419.0
	Amount	\$311,823.0	\$229,545.5	\$7,198.1	\$521.8	\$8,419.8	\$71,674.6	\$629,182.8
	Average	\$342	\$542	\$207	\$209	\$285	\$4,216	\$433
1985	Number	846.9	439.4	32.1	2.0	22.8	18.2	1,361.4
	Amount	\$280,927.6	\$240,933.7	\$6,690.9	\$426.8	\$6,515.2	\$77,568.3	\$613,062.5
	Average	\$332	\$548	\$208	\$213	\$286	\$4,262	\$450
1986	Number	845.6	458.8	31.0	1.7	19.3	19.6	1,376.0
	Amount	\$277,762.5	\$255,597.4	\$6,430.1	\$383.3	\$5,438.2	\$71,464.8	\$617,076.3
	Average	\$328	\$557	\$207	\$225	\$282	\$3,646	\$448
1987	Number	854.6	467.9	25.2	2.0	23.4	17.3	1,390.4
	Amount	\$287,296.5	\$274,740.8	\$5,286.2	\$424.0	\$6,731.0	\$58,215.7	\$632,694.2
	Average	\$336	\$587	\$210	\$212	\$288	\$3,365	\$455
1988	Number	891.5	480.0	22.9	2.2	25.5	17.1	1,439.2
	Amount	\$322,357.5	\$296,508.7	\$4,955.3	\$485.2	\$7,983.0	\$54,932.5	\$687,222.2
	Average	\$362	\$618	\$216	\$221	\$313	\$3,212	\$478
1989	Number	927.6	493.1	22.8	1.9	25.4	16.7	1,487.5
	Amount	\$363,208.1	\$325,536.7	\$4,986.1	\$431.7	\$8,346.4	\$54,294.9	\$756,803.9
	Average	\$392	\$660	\$219	\$227	\$329	\$3,251	\$509
1990	Number	982.8	500.2	17.3	2.3	33.1	15.4	1,551.1
	Amount	\$401,845.8	\$348,082.8	\$3,685.0	\$517.9	\$11,684.8	\$53,278.1	\$819,094.4
	Average	\$409	\$696	\$213	\$225	\$353	\$3,460	\$528
1991	Number	1,085.3	534.9	17.1	2.1	30.7	15.6	1,685.7
	Amount	\$476,258.7	\$385,417.8	\$3,852.7	\$493.1	\$11,117.9	\$62,443.1	\$939,583.3
	Average	\$439	\$721	\$225	\$235	\$362	\$4,003	\$557
1992	Number	1,081.2	551.4	16.1	1.6	32.6	15.3	1,698.2
	Amount	\$468,983.7	\$406,505.3	\$3,565.2	\$363.6	\$11,940.8	\$60,452.1	\$951,810.7
	Average	\$434	\$737	\$221	\$227	\$366	\$3,951	\$560
1993	Number	1,122.3	568.5	16.2	1.4	31.4	15.1	1,754.9
	Amount	\$517,887.7	\$442,577.1	\$3,527.6	\$305.0	\$12,052.5	\$64,689.3	\$1,041,039.2
	Average	\$461	\$778	\$218	\$218	\$384	\$4,284	\$593
1994	Number	662.3	416.0	16.7	1.6	23.9	13.7	1,134.2
	Amount	\$194,591.9	\$213,210.7	\$2,139.0	\$205.6	\$6,358.4	\$18,883.9	\$435,389.5
	Average	\$294	\$513	\$128	\$129	\$266	\$1,378	\$384

Table A-41 (continued)

Year		General	Senior Citizen	Veteran	Blind	Disabled	Farmland	Total
1995	Number	658.2	396.9	17.0	1.7	25.1	12.1	1,111.0
	Amount	\$191,569.7	\$210,408.8	\$2,163.9	\$210.1	\$6,981.5	\$17,594.4	\$428,928.4
	Average	\$291	\$530	\$127	\$124	\$278	\$1,454	\$386
1996	Number	689.6	392.2	15.6	1.5	26.0	11.4	1,136.3
	Amount	\$208,123.4	\$215,534.1	\$1,999.7	\$191.3	\$6,766.3	\$18,895.2	\$451,510.0
	Average	\$302	\$550	\$128	\$128	\$260	\$1,657	\$397
1997	Number	700.1	387.0	15.1	2.0	28.8	8.2	1,141.2
	Amount	\$217,637.4	\$216,687.5	\$1,894.9	\$243.4	\$8,505.7	\$17,733.9	\$462,702.7
	Average	\$311	\$560	\$126	\$121	\$296	\$2,150	\$405
1998	Number	701.7	374.9	13.7	1.6	29.1	7.7	1,128.7
	Amount	\$222,668.0	\$218,225.7	\$1,729.5	\$194.4	\$8,836.7	\$18,018.6	\$469,673.0
	Average	\$317	\$582	\$126	\$124	\$303	\$2,332	\$416
1999	Number	722.0	372.3	12.7	1.9	28.6	7.2	1,144.7
	Amount	\$236,806.5	\$222,054.4	\$1,629.7	\$237.9	\$8,897.2	\$17,333.9	\$486,959.7
	Average	\$328	\$597	\$128	\$126	\$311	\$2,419	\$425
2000	Number	743.1	364.2	12.2	1.8	39.3	7.4	1,168.0
	Amount	\$256,411.6	\$220,132.0	\$1,511.1	\$219.7	\$19,288.0	\$19,051.1	\$516,613.4
	Average	\$345	\$604	\$124	\$124	\$490	\$2,587	\$442
2001	Number	815.0	381.8	11.4	1.6	44.1	9.5	1,263.5
	Amount	\$307,264.6	\$245,680.5	\$1,407.1	\$202.9	\$23,115.3	\$30,264.3	\$607,934.6
	Average	\$377	\$643	\$123	\$124	\$524	\$3,171	\$481
2002	Number	898.8	409.9	10.3	1.5	49.5	9.2	1,379.3
	Amount	\$370,010.1	\$283,828.7	\$1,286.4	\$185.4	\$27,271.5	\$31,572.0	\$714,154.2
	Average	\$412	\$692	\$125	\$121	\$551	\$3,417	\$518
2003	Number	928.7	413.1	10.0	1.3	53.0	8.6	1,414.8
	Amount	\$397,200.9	\$290,546.3	\$1,221.9	\$159.5	\$30,141.4	\$28,227.2	\$747,497.1
	Average	\$428	\$703	\$122	\$119	\$569	\$3,273	\$528
2004	Number	983.4	418.2	9.3	1.4	57.6	8.1	1,478.1
	Amount	\$441,451.7	\$304,368.7	\$1,183.0	\$170.4	\$34,040.6	\$29,965.3	\$811,179.8
	Average	\$449	\$728	\$127	\$124	\$591	\$3,677	\$549
2005	Number	1,002.3	416.4	9.1	1.4	59.6	8.1	1,497.0
	Amount	\$466,036.9	\$306,092.4	\$1,132.0	\$171.6	\$35,952.5	\$30,395.1	\$839,780.6
	Average	\$465	\$735	\$125	\$125	\$603	\$3,731	\$561
2006	Number	1,022.8	415.3	9.0	1.3	68.0	8.1	1,524.5
	Amount	\$495,083.6	\$308,300.2	\$1,150.5	\$168.6	\$42,392.9	\$32,560.0	\$879,655.8
	Average	\$484	\$742	\$129	\$130	\$623	\$4,022	\$577
2007	Number	1,053.4	429.5	9.0	1.3	79.1	8.0	1,580.3
	Amount	\$522,632.5	\$321,563.9	\$1,207.7	\$178.8	\$50,087.6	\$33,763.8	\$929,434.3
	Average	\$496	\$749	\$134	\$133	\$633	\$4,231	\$588
2008	Number	1,058.5	453.2	9.0	1.3	80.8	7.9	1,610.7
	Amount	\$527,589.2	\$349,153.1	\$1,215.5	\$182.5	\$52,516.7	\$35,920.5	\$966,577.6
	Average	\$498	\$770	\$136	\$136	\$650	\$4,519	\$600

Notes: The disabled category includes paraplegic, quadriplegic and totally disabled individuals.

The farmland category has been in effect since 1974 but was included in the other categories until 1979.

Source: Michigan Department of Treasury

Table A-42
HISTORICAL DISTRIBUTIONS OF STATE REVENUE SHARING
By Type of Local Unit of Government
(in millions)

Fiscal Year	Counties	Townships	Cities	Villages	Total
1992	\$121.6	\$212.2	\$572.1	\$20.4	\$926.4
1993	153.5	212.5	644.9	21.6	1,032.4
1994	163.0	236.0	689.2	23.4	1,111.5
1995	174.7	239.7	731.2	24.0	1,169.5
1996	178.0	263.1	793.7	25.7	1,260.5
1997	190.9	277.5	814.9	26.4	1,309.7
1998	200.6	298.4	843.7	28.1	1,370.8
1999	200.6	307.0	852.1	28.7	1,388.4
2000	214.3	331.3	893.6	31.0	1,470.2
2001	228.7	381.3	911.7	33.7	1,555.5
2002	217.5	378.7	888.0	33.1	1,517.3
2003	202.6	370.2	846.7	31.9	1,451.4
2004	182.1	333.0	761.4	28.7	1,305.1
2005	0.0 (1)	331.1	754.0	27.8	1,112.9
2006	0.0 (1)	330.7	745.4	27.5	1,103.6
2007	0.0 (1)	321.5	722.9	26.7	1,071.1
2008	0.0 (1)	326.8	722.9	26.7	1,076.4
2009	3.0 (1)	309.1	702.4	25.6	1,040.0

(1) Starting in Fiscal Year 2005, county revenue sharing payments were suspended. Public Act 357 of 2004 provides a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and additionally required counties to establish a restricted fund known as the Revenue Sharing Reserve Fund (RSRF). Counties were to deposit into the fund 1/3 of the county's December 2004 property tax levy in the 2005 through 2007 fiscal years. Counties would then annually draw from the fund the revenue sharing amount they received in the state's 2004 fiscal year adjusted annually for inflation. When a county's RSRF has been depleted, the county will once again receive revenue sharing payments from the state.

Amounts include constitutional & statutory revenue sharing, inventory reimbursements, special census payments and special grants (FY 2004, 2005, 2006, 2007 & 2008).

Individual amounts may not add to totals due to rounding.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury

Table A-43
STATE AND LOCAL TAX BURDEN COMPARISONS, FY 2007

<u>State</u>	<u>FY 2007</u>		<u>FY 2007</u>		<u>FY 2007</u>		<u>Rank</u>
	<u>State & Local</u>	<u>Population</u>	<u>State & Local</u>	<u>Rank</u>	<u>Personal</u>	<u>Total Tax</u>	
	<u>(thousands)</u>		<u>Per Person</u>		<u>(thousands)</u>	<u>Revenue</u>	
						<u>as a % of</u>	
						<u>Income</u>	
Alabama	\$13,457,018	4,626,595	\$2,909	50	\$148,005,000	9.09%	48
Alaska	\$4,950,170	681,111	\$7,268	1	26,670,500	18.56%	1
Arizona	\$23,334,702	6,353,421	\$3,673	30	204,699,250	11.40%	20
Arkansas	\$9,175,950	2,830,557	\$3,242	43	82,436,750	11.13%	23
California	\$172,933,246	36,377,534	\$4,754	9	1,483,163,750	11.66%	14
Colorado	\$18,633,277	4,842,770	\$3,848	27	193,454,750	9.63%	45
Connecticut	\$21,091,140	3,489,868	\$6,044	4	185,927,500	11.34%	21
Delaware	\$3,658,798	861,953	\$4,245	16	33,753,500	10.84%	26
Florida	\$72,963,487	18,199,526	\$4,009	26	685,441,000	10.64%	35
Georgia	\$33,153,023	9,523,297	\$3,481	34	310,796,000	10.67%	33
Hawaii	\$6,564,657	1,277,356	\$5,139	6	48,759,750	13.46%	4
Idaho	\$4,765,773	1,496,145	\$3,185	45	46,082,000	10.34%	39
Illinois	\$55,022,162	12,825,809	\$4,290	13	507,900,000	10.83%	27
Indiana	\$21,111,365	6,335,862	\$3,332	40	206,040,250	10.25%	41
Iowa	\$10,933,498	2,983,360	\$3,665	31	100,468,000	10.88%	25
Kansas	\$11,354,463	2,777,382	\$4,088	21	98,522,500	11.52%	16
Kentucky	\$13,705,597	4,236,308	\$3,235	44	127,499,500	10.75%	31
Louisiana	\$17,582,281	4,373,310	\$4,020	24	146,031,250	12.04%	9
Maine	\$5,629,643	1,315,398	\$4,280	14	43,576,250	12.92%	6
Maryland	\$27,064,783	5,618,899	\$4,817	8	253,734,000	10.67%	34
Massachusetts	\$32,120,073	6,467,915	\$4,966	7	307,257,250	10.45%	37
Michigan	\$37,094,769	10,049,790	\$3,691	29	342,724,000	10.82%	28
Minnesota	\$23,664,988	5,182,360	\$4,566	11	206,497,750	11.46%	18
Mississippi	\$8,731,672	2,921,030	\$2,989	49	80,694,500	10.82%	29
Missouri	\$19,194,655	5,878,399	\$3,265	42	194,335,000	9.88%	43
Montana	\$3,270,295	956,624	\$3,419	36	30,625,750	10.68%	32
Nebraska	\$7,137,655	1,769,473	\$4,034	23	61,962,750	11.52%	17
Nevada	\$10,443,909	2,554,344	\$4,089	20	99,082,000	10.54%	36
New Hampshire	\$4,742,721	1,312,256	\$3,614	32	53,507,250	8.86%	50
New Jersey	\$51,432,092	8,653,126	\$5,944	5	416,878,250	12.34%	8
New Mexico	\$7,458,709	1,964,402	\$3,797	28	58,565,500	12.74%	7
New York	\$134,017,268	19,429,316	\$6,898	2	863,516,750	15.52%	2
North Carolina	\$32,422,471	9,041,594	\$3,586	33	295,840,000	10.96%	24
North Dakota	\$2,606,128	637,904	\$4,085	22	21,668,000	12.03%	10
Ohio	\$46,048,869	11,477,641	\$4,012	25	387,522,250	11.88%	11
Oklahoma	\$11,949,421	3,608,123	\$3,312	41	121,253,500	9.85%	44
Oregon	\$12,748,735	3,735,549	\$3,413	37	127,582,250	9.99%	42
Pennsylvania	\$52,258,364	12,419,930	\$4,208	17	469,062,250	11.14%	22
Rhode Island	\$4,786,803	1,053,136	\$4,545	12	41,107,500	11.64%	15
South Carolina	\$13,803,722	4,404,914	\$3,134	46	133,466,500	10.34%	38
South Dakota	\$2,393,883	795,689	\$3,009	47	26,890,500	8.90%	49
Tennessee	\$18,479,777	6,149,116	\$3,005	48	200,306,000	9.23%	47
Texas	\$82,038,254	23,843,432	\$3,441	35	863,717,667	9.50%	46
Utah	\$8,907,029	2,668,925	\$3,337	39	77,826,500	11.44%	19
Vermont	\$2,925,905	620,748	\$4,714	10	22,518,000	12.99%	5
Virginia	\$32,375,069	7,698,775	\$4,205	18	313,988,750	10.31%	40
Washington	\$27,533,038	6,449,511	\$4,269	15	255,266,250	10.79%	30
West Virginia	\$6,100,293	1,809,836	\$3,371	38	51,837,000	11.77%	13
Wisconsin	\$23,339,993	5,598,893	\$4,169	19	197,710,500	11.81%	12
Wyoming	<u>\$3,246,860</u>	<u>523,252</u>	<u>\$6,205</u>	3	<u>23,527,750</u>	<u>13.80%</u>	3
U.S. Totals	1,270,358,453	300,702,464	\$4,225		11,279,699,417	11.26%	

Sources: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Table A-44
STATE AND LOCAL PROPERTY TAX BURDEN COMPARISONS, FY 2007

State	FY 2007		FY 2007		FY 2007		FY 2007
	State & Local Property Taxes (thousands)	Population 2007	State & Local Property Taxes Per Person	Rank	Personal Income (thousands)	Property Tax Revenue as a % of Income	Rank
Alabama	\$2,095,509	4,626,595	\$453	50	\$148,005,000	1.42%	50
Alaska	\$1,036,824	681,111	\$1,522	11	26,670,500	3.89%	14
Arizona	\$6,221,208	6,353,421	\$979	33	204,699,250	3.04%	28
Arkansas	\$1,348,372	2,830,557	\$476	49	82,436,750	1.64%	48
California	\$41,720,253	36,377,534	\$1,147	26	1,483,163,750	2.81%	34
Colorado	\$5,660,332	4,842,770	\$1,169	22	193,454,750	2.93%	31
Connecticut	\$8,066,012	3,489,868	\$2,311	2	185,927,500	4.34%	8
Delaware	\$568,971	861,953	\$660	43	33,753,500	1.69%	47
Florida	\$26,833,764	18,199,526	\$1,474	13	685,441,000	3.91%	13
Georgia	\$9,519,656	9,523,297	\$1,000	32	310,796,000	3.06%	26
Hawaii	\$1,136,744	1,277,356	\$890	37	48,759,750	2.33%	41
Idaho	\$1,114,764	1,496,145	\$745	41	46,082,000	2.42%	40
Illinois	\$20,408,901	12,825,809	\$1,591	9	507,900,000	4.02%	11
Indiana	\$6,146,902	6,335,862	\$970	35	206,040,250	2.98%	29
Iowa	\$3,615,818	2,983,360	\$1,212	20	100,468,000	3.60%	17
Kansas	\$3,458,733	2,777,382	\$1,245	18	98,522,500	3.51%	19
Kentucky	\$2,580,082	4,236,308	\$609	45	127,499,500	2.02%	44
Louisiana	\$2,608,178	4,373,310	\$596	46	146,031,250	1.79%	45
Maine	\$2,057,230	1,315,398	\$1,564	10	43,576,250	4.72%	6
Maryland	\$6,547,182	5,618,899	\$1,165	23	253,734,000	2.58%	38
Massachusetts	\$11,041,925	6,467,915	\$1,707	8	307,257,250	3.59%	18
Michigan	\$14,537,374	10,049,790	\$1,447	14	342,724,000	4.24%	10
Minnesota	\$6,119,214	5,182,360	\$1,181	21	206,497,750	2.96%	30
Mississippi	\$2,206,404	2,921,030	\$755	40	80,694,500	2.73%	35
Missouri	\$5,257,770	5,878,399	\$894	36	194,335,000	2.71%	36
Montana	\$1,106,313	956,624	\$1,156	25	30,625,750	3.61%	16
Nebraska	\$2,384,160	1,769,473	\$1,347	16	61,962,750	3.85%	15
Nevada	\$2,874,957	2,554,344	\$1,126	28	99,082,000	2.90%	32
New Hampshire	\$2,911,703	1,312,256	\$2,219	4	53,507,250	5.44%	2
New Jersey	\$21,485,792	8,653,126	\$2,483	1	416,878,250	5.15%	3
New Mexico	\$1,009,291	1,964,402	\$514	48	58,565,500	1.72%	46
New York	\$38,077,033	19,429,316	\$1,960	6	863,516,750	4.41%	7
North Carolina	\$7,306,444	9,041,594	\$808	38	295,840,000	2.47%	39
North Dakota	\$699,232	637,904	\$1,096	29	21,668,000	3.23%	22
Ohio	\$13,358,233	11,477,641	\$1,164	24	387,522,250	3.45%	20
Oklahoma	\$1,930,971	3,608,123	\$535	47	121,253,500	1.59%	49
Oregon	\$3,957,923	3,735,549	\$1,060	30	127,582,250	3.10%	25
Pennsylvania	\$15,463,904	12,419,930	\$1,245	19	469,062,250	3.30%	21
Rhode Island	\$1,963,620	1,053,136	\$1,865	7	41,107,500	4.78%	5
South Carolina	\$4,294,654	4,404,914	\$975	34	133,466,500	3.22%	23
South Dakota	\$820,172	795,689	\$1,031	31	26,890,500	3.05%	27
Tennessee	\$4,479,238	6,149,116	\$728	42	200,306,000	2.24%	42
Texas	\$34,195,693	23,843,432	\$1,434	15	863,717,667	3.96%	12
Utah	\$2,038,390	2,668,925	\$764	39	77,826,500	2.62%	37
Vermont	\$1,230,932	620,748	\$1,983	5	22,518,000	5.47%	1
Virginia	\$10,018,135	7,698,775	\$1,301	17	313,988,750	3.19%	24
Washington	\$7,372,626	6,449,511	\$1,143	27	255,266,250	2.89%	33
West Virginia	\$1,136,217	1,809,836	\$628	44	51,837,000	2.19%	43
Wisconsin	\$8,407,167	5,598,893	\$1,502	12	197,710,500	4.25%	9
Wyoming	\$1,197,016	523,252	\$2,288	3	23,527,750	5.09%	4
U.S. Totals	381,627,938	300,702,464	\$1,269		11,279,699,417	3.38%	

Sources: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Table A-45
STATE AND LOCAL SALES TAX BURDEN COMPARISONS, FY 2007

State	FY 2007		FY 2007		FY 2007		FY 2007
	State & Local Sales Taxes (thousands)	2007 Population	State & Local Sales Taxes Per Person	Rank	Personal Income (thousands)	Total Sales Tax Revenue as a % of Income	Rank
Alabama	\$4,024,592	4,626,595	\$870	25	\$148,005,000	2.72%	21
Alaska	\$179,427	681,111	\$263	46	26,670,500	0.67%	46
Arizona	\$9,365,648	6,353,421	\$1,474	5	204,699,250	4.58%	6
Arkansas	\$3,786,254	2,830,557	\$1,338	9	82,436,750	4.59%	4
California	\$41,900,336	36,377,534	\$1,152	12	1,483,163,750	2.83%	17
Colorado	\$5,067,255	4,842,770	\$1,046	17	193,454,750	2.62%	24
Connecticut	\$3,030,353	3,489,868	\$868	26	185,927,500	1.63%	41
Delaware	\$0	861,953	\$0	47	33,753,500	0.00%	47
Florida	\$24,195,392	18,199,526	\$1,329	10	685,441,000	3.53%	12
Georgia	\$9,886,053	9,523,297	\$1,038	18	310,796,000	3.18%	14
Hawaii	\$2,557,644	1,277,356	\$2,002	2	48,759,750	5.25%	1
Idaho	\$1,280,377	1,496,145	\$856	28	46,082,000	2.78%	20
Illinois	\$9,143,042	12,825,809	\$713	39	507,900,000	1.80%	40
Indiana	\$5,423,501	6,335,862	\$856	27	206,040,250	2.63%	23
Iowa	\$2,320,660	2,983,360	\$778	36	100,468,000	2.31%	32
Kansas	\$3,016,119	2,777,382	\$1,086	14	98,522,500	3.06%	15
Kentucky	\$2,817,636	4,236,308	\$665	40	127,499,500	2.21%	34
Louisiana	\$7,037,988	4,373,310	\$1,609	4	146,031,250	4.82%	3
Maine	\$1,054,812	1,315,398	\$802	32	43,576,250	2.42%	29
Maryland	\$3,447,828	5,618,899	\$614	43	253,734,000	1.36%	44
Massachusetts	\$4,075,549	6,467,915	\$630	41	307,257,250	1.33%	45
Michigan	\$7,983,098	10,049,790	\$794	33	\$42,724,000	2.33%	31
Minnesota	\$4,545,576	5,182,360	\$877	24	206,497,750	2.20%	35
Mississippi	\$3,155,622	2,921,030	\$1,080	15	80,694,500	3.91%	8
Missouri	\$5,020,984	5,878,399	\$854	29	194,335,000	2.58%	25
Montana	\$0	956,624	\$0	47	30,625,750	0.00%	47
Nebraska	\$1,735,754	1,769,473	\$981	20	61,962,750	2.80%	19
Nevada	\$3,532,908	2,554,344	\$1,383	6	99,082,000	3.57%	11
New Hampshire	\$0	1,312,256	\$0	47	53,507,250	0.00%	47
New Jersey	\$8,609,639	8,653,126	\$995	19	416,878,250	2.07%	38
New Mexico	\$2,689,355	1,964,402	\$1,369	8	58,565,500	4.59%	5
New York	\$21,990,539	19,429,316	\$1,132	13	863,516,750	2.55%	26
North Carolina	\$7,116,554	9,041,594	\$787	35	295,840,000	2.41%	30
North Dakota	\$570,551	637,904	\$894	23	21,668,000	2.63%	22
Ohio	\$9,404,320	11,477,641	\$819	31	387,522,250	2.43%	28
Oklahoma	\$3,404,747	3,608,123	\$944	22	121,253,500	2.81%	18
Oregon	\$0	3,735,549	\$0	47	127,582,250	0.00%	47
Pennsylvania	\$8,873,053	12,419,930	\$714	38	469,062,250	1.89%	39
Rhode Island	\$875,619	1,053,136	\$831	30	41,107,500	2.13%	37
South Carolina	\$3,353,364	4,404,914	\$761	37	133,466,500	2.51%	27
South Dakota	\$969,211	795,689	\$1,218	11	26,890,500	3.60%	10
Tennessee	\$8,446,485	6,149,116	\$1,374	7	200,306,000	4.22%	7
Texas	\$25,315,636	23,843,432	\$1,062	16	863,717,667	2.93%	16
Utah	\$2,560,427	2,668,925	\$959	21	77,826,500	3.29%	13
Vermont	\$339,903	620,748	\$548	45	22,518,000	1.51%	42
Virginia	\$4,695,496	7,698,775	\$610	44	313,988,750	1.50%	43
Washington	\$13,086,540	6,449,511	\$2,029	1	255,266,250	5.13%	2
West Virginia	\$1,129,531	1,809,836	\$624	42	51,837,000	2.18%	36
Wisconsin	\$4,445,533	5,598,893	\$794	34	197,710,500	2.25%	33
Wyoming	<u>\$919,096</u>	<u>523,252</u>	<u>\$1,757</u>	3	<u>23,527,750</u>	<u>3.91%</u>	9
U.S. Totals	298,380,007	300,702,464	\$992		11,279,699,417	2.65%	

Sources: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Table A-46
STATE AND LOCAL INCOME TAX BURDEN COMPARISONS, FY 2007

State	FY 2007	2007	FY 2007	Rank	FY 2007	FY 2007	Rank
	State & Local		State & Local		Personal	Total	
	Income Taxes	Population	Income Taxes		Income	Revenue	
	(thousands)		Per Person		(thousands)	as a % of	
						Income	
Alabama	\$3,054,271	4,626,595	\$660	37	\$148,005,000	2.06%	35
Alaska	\$0	681,111	\$0	44	26,670,500	0.00%	44
Arizona	\$3,747,387	6,353,421	\$590	39	204,699,250	1.83%	39
Arkansas	\$2,168,441	2,830,557	\$766	31	82,436,750	2.63%	27
California	\$53,318,287	36,377,534	\$1,466	6	1,483,163,750	3.59%	5
Colorado	\$4,795,440	4,842,770	\$990	18	193,454,750	2.48%	31
Connecticut	\$6,335,078	3,489,868	\$1,815	3	185,927,500	3.41%	9
Delaware	\$1,073,253	861,953	\$1,245	10	33,753,500	3.18%	14
Florida	\$0	18,199,526	\$0	44	685,441,000	0.00%	44
Georgia	\$8,799,415	9,523,297	\$924	25	310,796,000	2.83%	19
Hawaii	\$1,560,306	1,277,356	\$1,222	11	48,759,750	3.20%	13
Idaho	\$1,406,462	1,496,145	\$940	22	46,082,000	3.05%	17
Illinois	\$9,408,437	12,825,809	\$734	35	507,900,000	1.85%	38
Indiana	\$5,219,047	6,335,862	\$824	29	206,040,250	2.53%	30
Iowa	\$2,741,473	2,983,360	\$919	26	100,468,000	2.73%	22
Kansas	\$2,746,602	2,777,382	\$989	19	98,522,500	2.79%	21
Kentucky	\$4,041,557	4,236,308	\$954	21	127,499,500	3.17%	15
Louisiana	\$3,214,163	4,373,310	\$735	34	146,031,250	2.20%	34
Maine	\$1,358,301	1,315,398	\$1,033	16	43,576,250	3.12%	16
Maryland	\$10,743,445	5,618,899	\$1,912	2	253,734,000	4.23%	3
Massachusetts	\$11,399,649	6,467,915	\$1,762	4	307,257,250	3.71%	4
Michigan	\$6,911,123	10,049,790	\$688	36	342,724,000	2.02%	36
Minnesota	\$7,230,854	5,182,360	\$1,395	7	206,497,750	3.50%	8
Mississippi	\$1,401,809	2,921,030	\$480	41	80,694,500	1.74%	40
Missouri	\$5,168,303	5,878,399	\$879	27	194,335,000	2.66%	25
Montana	\$832,916	956,624	\$871	28	30,625,750	2.72%	23
Nebraska	\$1,650,895	1,769,473	\$933	24	61,962,750	2.66%	24
Nevada	\$0	2,554,344	\$0	44	99,082,000	0.00%	44
New Hampshire	\$107,452	1,312,256	\$82	42	53,507,250	0.20%	42
New Jersey	\$11,727,192	8,653,126	\$1,355	8	416,878,250	2.81%	20
New Mexico	\$1,177,918	1,964,402	\$600	38	58,565,500	2.01%	37
New York	\$42,663,475	19,429,316	\$2,196	1	863,516,750	4.94%	1
North Carolina	\$10,588,951	9,041,594	\$1,171	13	295,840,000	3.58%	6
North Dakota	\$316,894	637,904	\$497	40	21,668,000	1.46%	41
Ohio	\$13,741,826	11,477,641	\$1,197	12	387,522,250	3.55%	7
Oklahoma	\$2,774,851	3,608,123	\$769	30	121,253,500	2.29%	33
Oregon	\$5,611,869	3,735,549	\$1,502	5	127,582,250	4.40%	2
Pennsylvania	\$13,304,202	12,419,930	\$1,071	15	469,062,250	2.84%	18
Rhode Island	\$1,085,600	1,053,136	\$1,031	17	41,107,500	2.64%	26
South Carolina	\$3,239,468	4,404,914	\$735	33	133,466,500	2.43%	32
South Dakota	\$0	795,689	\$0	44	26,890,500	0.00%	44
Tennessee	\$253,363	6,149,116	\$41	43	200,306,000	0.13%	43
Texas	\$0	23,843,432	\$0	44	863,717,667	0.00%	44
Utah	\$2,561,001	2,668,925	\$960	20	77,826,500	3.29%	10
Vermont	\$581,189	620,748	\$936	23	22,518,000	2.58%	29
Virginia	\$10,238,887	7,698,775	\$1,330	9	313,988,750	3.26%	11
Washington	\$0	6,449,511	\$0	44	255,266,250	0.00%	44
West Virginia	\$1,360,511	1,809,836	\$752	32	51,837,000	2.62%	28
Wisconsin	\$6,333,633	5,598,893	\$1,131	14	197,710,500	3.20%	12
Wyoming	\$0	523,252	\$0	44	23,527,750	0.00%	44
U.S. Totals	287,995,196	300,702,464	\$958		11,279,699,417	2.55%	

Sources: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

TABLE A-47
BUSINESS TAXES AS A SHARE OF TOTAL STATE AND LOCAL TAXES AND PRIVATE
SECTOR GROSS STATE PRODUCT, COUNCIL ON STATE TAXATION ESTIMATES, FY 2008
(BILLIONS OF DOLLARS)

State	State and Local Business Taxes	Total State and Local Taxes	Business Percent of Total Taxes	Rank	Eff. Tax Rate (% of Private Sector GSP)	Rank
Alabama	6.3	13.8	45.5%	25	4.5%	35
Alaska	8.2	9.2	89.3%	1	22.3%	1
Arizona	10.2	20.5	49.9%	15	4.7%	27
Arkansas	3.7	9.6	38.9%	41	4.5%	35
California	73.7	181.3	40.7%	36	4.6%	30
Colorado	8.7	19.6	44.2%	27	4.2%	40
Connecticut	7.3	22.5	32.3%	49	3.7%	48
Delaware	2.1	4.0	52.8%	9	3.8%	47
Florida	33.9	69.9	48.5%	17	5.2%	18
Georgia	13.9	33.6	41.4%	33	4.0%	44
Hawaii	2.5	6.7	38.1%	44	5.4%	14
Idaho	2.1	5.3	39.4%	38	4.7%	27
Illinois	26.9	58.5	46.0%	22	4.9%	25
Indiana	11.1	25.8	42.9%	29	5.0%	22
Iowa	5.2	11.4	45.5%	25	4.6%	30
Kansas	5.7	12.0	47.5%	19	5.7%	11
Kentucky	6.0	14.3	41.6%	32	4.5%	35
Louisiana	10.1	17.0	59.4%	6	5.2%	18
Maine	3.0	6.4	47.4%	20	7.3%	4
Maryland	9.2	29.9	30.7%	50	4.1%	42
Massachusetts	13.6	35.8	37.9%	45	4.2%	40
Michigan	16.8	39.5	42.5%	30	5.0%	22
Minnesota	9.8	24.9	39.3%	40	4.3%	39
Mississippi	4.4	9.2	48.1%	18	6.0%	7
Missouri	8.3	20.5	40.4%	37	4.1%	42
Montana	1.9	3.5	52.5%	10	6.4%	6
Nebraska	3.5	7.5	46.5%	21	5.1%	21
Nevada	5.2	10.5	49.9%	15	4.6%	30
New Hampshire	2.8	5.0	55.4%	8	5.4%	14
New Jersey	20.7	55.7	37.2%	46	5.0%	22
New Mexico	3.8	6.8	56.1%	7	6.0%	7
New York	57.4	140.5	40.9%	35	5.8%	10
North Carolina	12.4	34.2	36.2%	48	3.6%	50
North Dakota	2.1	3.2	65.3%	3	8.9%	3
Ohio	18.9	44.8	42.2%	31	4.6%	30
Oklahoma	6.3	12.5	50.1%	14	5.3%	16
Oregon	5.1	13.3	38.2%	43	3.7%	48
Pennsylvania	23.3	56.8	41.1%	34	4.9%	25
Rhode Island	2.3	5.1	45.8%	23	5.7%	11
South Carolina	6.0	13.9	43.3%	28	4.7%	27
South Dakota	1.5	2.5	61.7%	4	5.2%	18
Tennessee	9.7	19.2	50.6%	13	4.5%	35
Texas	54.5	89.1	61.2%	5	5.3%	16
Utah	3.6	9.4	38.5%	42	3.9%	45
Vermont	1.3	2.8	45.8%	23	6.0%	7
Virginia	12.2	33.4	36.7%	47	3.9%	45
Washington	14.8	28.9	51.3%	12	5.5%	13
West Virginia	3.4	6.5	52.2%	11	7.1%	5
Wisconsin	9.4	24.0	39.4%	38	4.6%	30
Wyoming	<u>2.5</u>	<u>3.4</u>	<u>74.3%</u>	2	<u>9.2%</u>	2
United States	\$590.0	\$1,309.4	44.1%		4.9%	

Note: US totals include District of Columbia

Source: Ernst & Young calculations

Table A-48
TOTAL BUSINESS ESTABLISHMENTS BY STATE
(Numbers in Thousands)

State	2000	2007	Percentage Change	2000 Rank	2007 Rank
Alabama	99,817	105,627	6%	25	25
Alaska	18,501	20,198	9%	50	51
Arizona	114,804	142,925	24%	22	20
Arkansas	63,185	67,648	7%	32	33
California	799,863	891,997	12%	1	1
Colorado	137,528	157,882	15%	19	15
Connecticut	92,436	93,615	1%	27	27
Delaware	23,771	25,521	7%	46	46
District of Columbia	19,655	20,994	7%	49	49
Florida	428,438	523,461	22%	4	2
Georgia	200,442	231,810	16%	11	10
Hawaii	29,853	33,388	12%	43	43
Idaho	37,429	47,411	27%	40	37
Illinois	308,067	325,206	6%	5	5
Indiana	146,321	152,858	4%	15	17
Iowa	80,890	83,158	3%	30	30
Kansas	74,939	77,157	3%	31	31
Kentucky	89,921	93,539	4%	28	28
Louisiana	101,016	104,622	4%	23	26
Maine	39,466	42,506	8%	39	39
Maryland	128,467	141,332	10%	21	21
Massachusetts	176,222	176,701	0%	12	14
Michigan	236,912	235,422	-1%	8	9
Minnesota	139,080	151,526	9%	18	18
Mississippi	59,788	61,874	3%	33	35
Missouri	144,755	154,483	7%	16	16
Montana	31,849	37,755	19%	42	42
Nebraska	49,623	52,517	6%	35	36
Nevada	48,178	62,839	30%	36	34
New Hampshire	37,414	39,453	5%	41	41
New Jersey	233,559	243,350	4%	9	8
New Mexico	42,782	46,869	10%	37	38
New York	492,073	519,489	6%	2	4
North Carolina	203,903	227,906	12%	10	11
North Dakota	20,139	21,518	7%	48	48
Ohio	270,509	270,299	0%	7	7
Oklahoma	85,094	91,235	7%	29	29
Oregon	100,645	113,389	13%	24	23
Pennsylvania	294,741	305,345	4%	6	6
Rhode Island	28,534	30,359	6%	44	44
South Carolina	97,146	107,893	11%	26	24
South Dakota	23,783	25,869	9%	45	45
Tennessee	130,876	137,855	5%	20	22
Texas	471,509	521,408	11%	3	3
Utah	55,379	71,880	30%	34	32
Vermont	21,564	22,341	4%	47	47
Virginia	175,582	200,503	14%	13	12
Washington	164,018	184,542	13%	14	13
West Virginia	41,047	40,492	-1%	38	40
Wisconsin	140,415	146,286	4%	17	19
Wyoming	18,120	20,765	15%	51	50
United States	7,070,048	7,705,018	9%		

Source: U.S. Census County Business Pattern Data and Michigan Department of Treasury calculations.

Table A-49
MICHIGAN MAJOR SECTOR PAYROLL

Source	2000			2007			Percentage Change			
	Total Payroll (1000\$)	Employees*	Payroll Per Employee	Total Payroll	Employees	Payroll Per Employee	Total Payroll	Employees	Payroll Per Employee	Inflation Adjusted Payroll Per Employee
Forestry, Fishing, Ag Support	\$92,989	3,672	\$25,324	\$98,350	3,098	\$31,746	6%	-16%	25%	4%
Mining	\$317,892	6,447	\$49,309	\$363,181	6,366	\$57,050	14%	-1%	16%	-4%
Utilities	\$1,681,323	25,216	\$66,677	\$1,910,032	22,605	\$84,496	14%	-10%	27%	5%
Construction	\$8,518,840	203,994	\$41,760	\$7,306,458	140,510	\$52,000	-14%	-31%	25%	3%
Manufacturing	\$37,795,762	819,227	\$46,136	\$29,968,171	579,645	\$51,701	-21%	-29%	12%	-7%
Wholesale Trade	\$8,887,250	190,692	\$46,605	\$9,404,444	167,498	\$56,147	6%	-12%	20%	0%
Retail Trade	\$10,667,144	544,525	\$19,590	\$10,287,967	474,905	\$21,663	-4%	-13%	11%	-8%
Trans., Warehousing	\$3,637,957	100,252	\$36,288	\$4,509,306	105,133	\$42,891	24%	5%	18%	-2%
Information	\$4,293,515	93,279	\$46,029	\$4,435,780	78,365	\$56,604	3%	-16%	23%	2%
Finance, Insurance	\$7,351,344	164,249	\$44,757	\$9,285,212	170,377	\$54,498	26%	4%	22%	1%
Real Estate, Rental/Leasing	\$1,585,249	58,738	\$26,988	\$1,774,656	57,266	\$30,990	12%	-3%	15%	-5%
Prof., Scien., Tech Services	\$9,887,250	208,560	\$47,407	\$17,159,488	268,711	\$63,859	74%	29%	35%	12%
Mangmnt of Companies	\$13,112,308	166,336	\$78,830	\$11,529,129	126,751	\$90,959	-12%	-24%	15%	-4%
Admin, Support, Waste Mgmt	\$7,931,587	315,030	\$25,177	\$9,880,962	310,896	\$31,782	25%	-1%	26%	5%
Educational Services	\$1,174,983	55,905	\$21,017	\$1,600,915	65,975	\$24,265	36%	18%	15%	-4%
Health Care, Social Assistance	\$15,365,005	488,779	\$31,435	\$21,516,331	548,845	\$39,203	40%	12%	25%	4%
Arts, Entertain., Recreation	\$1,302,998	54,875	\$23,745	\$1,626,316	54,132	\$30,044	25%	-1%	27%	5%
Accommodation, Food Services	\$3,494,549	325,162	\$10,747	\$4,199,376	335,116	\$12,531	20%	3%	17%	-3%
Other Services (ex Pub. Admin.)	\$3,893,658	184,510	\$21,103	\$4,076,645	170,420	\$23,921	5%	-8%	13%	-6%
Unclassified**	\$4,490,887	63,338	\$70,904	\$14,273	827	\$17,259	-100%	-99%	-76%	-80%
Total	\$145,482,490	4,072,786	\$35,721	\$150,946,992	3,687,441	\$40,935	4%	-9%	15%	-5%

*Using mid-March employee data.

**2000 Not Elsewhere classified includes "auxiliaries"; auxiliary data not reported for 2007.

Inflation adjustment done using U.S. CPI-U. Growth in the U.S. CPI-U between 2000 and 2006 was 20.4 percent.

Source: U.S. Census Bureau County Business Pattern Data and Department of Treasury Calculations.

Table A-50
TOTAL PRIVATE EMPLOYMENT, PAYROLL, AND NUMBER OF ESTABLISMENTS BY COUNTY

	2007			Percent of Statewide Total		
	Private Sector Employment	Annual Payroll (000)	Number of Establishments	Private Sector Employment	Annual Payroll (000)	Number of Establishments
Alcona	1,054	\$28,019	224	0.03%	0.02%	0.10%
Alger	2,132	\$60,966	262	0.06%	0.04%	0.11%
Allegan	34,628	\$1,233,028	2,432	0.94%	0.82%	1.03%
Alpena	10,937	\$325,498	883	0.30%	0.22%	0.38%
Antrim	4,618	\$129,580	634	0.13%	0.09%	0.27%
Arenac	3,151	\$84,427	354	0.09%	0.06%	0.15%
Baraga	1,889	\$53,217	214	0.05%	0.04%	0.09%
Barry	10,261	\$334,254	1,008	0.28%	0.22%	0.43%
Bay	31,581	\$1,123,524	2,445	0.86%	0.74%	1.04%
Benzie	2,989	\$79,984	480	0.08%	0.05%	0.20%
Berrien	58,084	\$1,990,453	3,947	1.58%	1.32%	1.68%
Branch	14,129	\$399,690	881	0.38%	0.26%	0.37%
Calhoun	53,434	\$2,056,278	2,880	1.45%	1.36%	1.22%
Cass	8,414	\$253,431	841	0.23%	0.17%	0.36%
Charlevoix	8,175	\$290,078	907	0.22%	0.19%	0.39%
Cheboygan	5,479	\$158,603	873	0.15%	0.11%	0.37%
Chippewa	8,633	\$234,327	877	0.23%	0.16%	0.37%
Clare	6,012	\$162,518	583	0.16%	0.11%	0.25%
Clinton	14,423	\$453,632	1,351	0.39%	0.30%	0.57%
Crawford	3,620	\$109,183	353	0.10%	0.07%	0.15%
Delta	13,373	\$382,413	1,180	0.36%	0.25%	0.50%
Dickinson	13,019	\$480,120	980	0.35%	0.32%	0.42%
Eaton	40,165	\$1,513,946	2,273	1.09%	1.00%	0.97%
Emmet	14,322	\$477,212	1,599	0.39%	0.32%	0.68%
Genesee	129,001	\$4,786,935	8,682	3.50%	3.17%	3.69%
Gladwin	3,945	\$110,823	466	0.11%	0.07%	0.20%
Gogebic	4,615	\$103,967	452	0.13%	0.07%	0.19%
Grand Traverse	43,466	\$1,470,710	3,617	1.18%	0.97%	1.54%
Gratiot	11,636	\$321,676	799	0.32%	0.21%	0.34%
Hillsdale	12,212	\$335,479	902	0.33%	0.22%	0.38%
Houghton	9,430	\$238,372	952	0.26%	0.16%	0.40%
Huron	10,531	\$318,744	1,028	0.29%	0.21%	0.44%
Ingham	111,683	\$4,101,403	6,674	3.03%	2.72%	2.83%
Ionia	10,836	\$300,350	983	0.29%	0.20%	0.42%

Table A-50 (continued)

	2007			Percent of Statewide Total		
	Private Sector Employment	Annual Payroll (000)	Number of Establishments	Private Sector Employment	Annual Payroll (000)	Number of Establishments
Iosco	6,631	\$191,854	699	0.18%	0.13%	0.30%
Iron	3,190	\$77,431	425	0.09%	0.05%	0.18%
Isabella	21,389	\$570,190	1,524	0.58%	0.38%	0.65%
Jackson	50,264	\$1,845,193	3,347	1.36%	1.22%	1.42%
Kalamazoo	111,166	\$4,884,023	5,823	3.01%	3.24%	2.47%
Kalkaska	3,498	\$121,025	354	0.09%	0.08%	0.15%
Kent	322,277	\$12,401,229	16,244	8.74%	8.22%	6.90%
Keweenaw	184	\$3,546	62	0.00%	0.00%	0.03%
Lake	1,198	\$25,984	171	0.03%	0.02%	0.07%
Lapeer	18,221	\$507,999	1,802	0.49%	0.34%	0.77%
Leelanau	4,341	\$141,738	771	0.12%	0.09%	0.33%
Lenawee	26,555	\$818,164	2,049	0.72%	0.54%	0.87%
Livingston	48,637	\$1,593,881	4,371	1.32%	1.06%	1.86%
Luce	1,462	\$38,212	178	0.04%	0.03%	0.08%
Mackinac	2,116	\$75,517	466	0.06%	0.05%	0.20%
Macomb	293,234	\$12,269,103	19,069	7.95%	8.13%	8.10%
Manistee	4,954	\$160,681	630	0.13%	0.11%	0.27%
Marquette	22,095	\$720,343	1,770	0.60%	0.48%	0.75%
Mason	8,818	\$273,905	827	0.24%	0.18%	0.35%
Mecosta	9,650	\$260,908	788	0.26%	0.17%	0.33%
Menominee	5,798	\$163,000	497	0.16%	0.11%	0.21%
Midland	33,962	\$1,747,080	1,814	0.92%	1.16%	0.77%
Missaukee	1,844	\$48,451	286	0.05%	0.03%	0.12%
Monroe	40,616	\$1,497,371	2,677	1.10%	0.99%	1.14%
Montcalm	12,093	\$344,220	1,141	0.33%	0.23%	0.48%
Montmorency	1,823	\$47,065	262	0.05%	0.03%	0.11%
Muskegon	53,154	\$1,781,411	3,541	1.44%	1.18%	1.50%
Newaygo	9,648	\$325,628	858	0.26%	0.22%	0.36%
Oakland	683,792	\$34,738,096	41,273	18.54%	23.01%	17.53%
Oceana	4,776	\$124,573	549	0.13%	0.08%	0.23%
Ogemaw	5,911	\$152,785	636	0.16%	0.10%	0.27%
Ontonagon	1,728	\$50,636	224	0.05%	0.03%	0.10%
Osceola	5,827	\$205,823	449	0.16%	0.14%	0.19%
Oscoda	1,567	\$39,777	207	0.04%	0.03%	0.09%
Otsego	9,242	\$271,014	871	0.25%	0.18%	0.37%
Ottawa	96,686	\$3,329,898	6,113	2.62%	2.21%	2.60%

Table A-50 (continued)

	2007			Percent of Statewide Total		
	Private Sector Employment	Annual Payroll (000)	Number of Establishments	Private Sector Employment	Annual Payroll (000)	Number of Establishments
Presque Isle	2,212	\$63,522	369	0.06%	0.04%	0.16%
Roscommon	4,915	\$118,916	656	0.13%	0.08%	0.28%
Saginaw	80,790	\$2,695,270	4,753	2.19%	1.79%	2.02%
St. Clair	45,639	\$1,518,690	3,484	1.24%	1.01%	1.48%
St. Joseph	19,377	\$676,404	1,263	0.53%	0.45%	0.54%
Sanilac	9,043	\$248,293	986	0.25%	0.16%	0.42%
Schoolcraft	1,935	\$63,192	257	0.05%	0.04%	0.11%
Shiawassee	13,697	\$367,983	1,317	0.37%	0.24%	0.56%
Tuscola	10,296	\$297,003	985	0.28%	0.20%	0.42%
Van Buren	16,650	\$511,744	1,458	0.45%	0.34%	0.62%
Washtenaw	145,096	\$6,514,907	8,247	3.93%	4.32%	3.50%
Wayne	642,528	\$29,571,507	34,768	17.42%	19.59%	14.77%
Wexford	13,839	\$407,282	903	0.38%	0.27%	0.38%
County Unknown	41,200	\$1,541,685	192	1.12%	1.02%	0.08%
Statewide	3,687,441	150,946,992	235,422	100.00%	100.00%	100.00%

Source: U.S. Census County Business Patterns