Detroit Regional Chamber

State of the Region

ECONOMIC INDICATOR
UPDATE

RELEASE DATE:
OCTOBER 2025

The Economic Indicator Update complements the Detroit Regional Chamber's annual State of the Region report by providing timely updates on key economic metrics throughout the year.

Together, these reports offer insights on business growth, employment, innovation, and consumer trends, helping leaders make strategic decisions in a changing economic environment.

For more economic indicators and Chamber perspectives visit, **detroitchamber.com/research.**

DetroitRegionalChamber

State of the Region

ECONOMIC INDICATOR UPDATE - OCTOBER 2025

Metric	Pre-Pandemic	Year-Over-Year Comparison	Latest	Trend
GDP, MI	**1.4%** (2019:Q3-2019:Q4)	**4.9%** (2024:Q1-2024:Q2)	**3.6%** (2025:Q1-2025:Q2)	Real GDP surged in Q2, matching the national rate.
GDP, US	**1.9%** (2019:Q3-2019:Q4)	**3.6%** (2024:Q1-2024:Q2)	**3.8%** (2025:Q1-2025:Q2)	After Q1 declines in Real GDP driven by the surge in imports in advance of tariffs, Real GDP in Q2 rose to levels seen a year ago.
Employment, Detroit MSA	**2.05M** (Aug. 2019)	**2.06M** (Aug. 2024)	**2.06M** (Aug. 2025)	Employment held steady in the Detroit Region over the previous month, last year and 2019 levels.
Unemployment, Detroit MSA	**4.2%** (Aug. 2019)	**4.8%** (Aug. 2024)	**4.6%** (Aug. 2025)	After peaking this year at 5.3% in March, the Region's unemployment rate has declined 0.7pp.
Unemployment, US	**3.6%** (Aug. 2019)	**4.2%** (Aug. 2024)	**4.3%** (Aug. 2025)	U.S. unemployment rate matches levels from a year ago, yet higher than levels seen in 2019.
Job Postings, Detroit MSA	**152,190** (Sept. 2019)	**96,260** (Sept. 2024)	**94,316** (Sept. 2025)	Postings down 2% in the Region, while the nation has 5% growth, compared to a year ago.
Consumer Price Index, Detroit MSA	**1.4%** over-the-year (Aug. 2019)	**3.5%** over-the-year (Aug. 2024)	**0.7%** over-the-year (Aug. 2025)	Regional inflation dropped significantly below national levels, with energy prices in the Region driving the decrease.
Consumer Sentiment, US	**93.2** (Sept. 2019)	**70.1** (Sept. 2024)	**55.1** (Sept. 2025)	Consumer sentiment measured 21% lower than last year, with all demographic groups expressing lower sentiment.
Manufacturing PMI®	**48.2** (Sept. 2019)	**47.5** (Sept. 2024)	**49.0** (Sept. 2025)	Economic activity in the manufacturing industry has contracted for seven consecutive months.
Automotive Sales, US, SAAR	**17.M** (Aug. 2019)	**15.5M** (Aug. 2024)	**16.4M** (Aug. 2025)	U.S. vehicle sales leveled off after spring surge as consumers pulled ahead purchases in advance of potential tariffs.

GDP Surged in Q2

After the nation's economic growth contracted for the first time in three years in Q1, both Michigan and U.S. economic growth exceeded 3 percent over the previous quarter in Q2.

The Q2 growth was largely driven by a sharp drop in imports after imports surged in Q1 in advance of tariff implementation.

Real GDP

2025 Q1-2025 Q2

3.8% United States

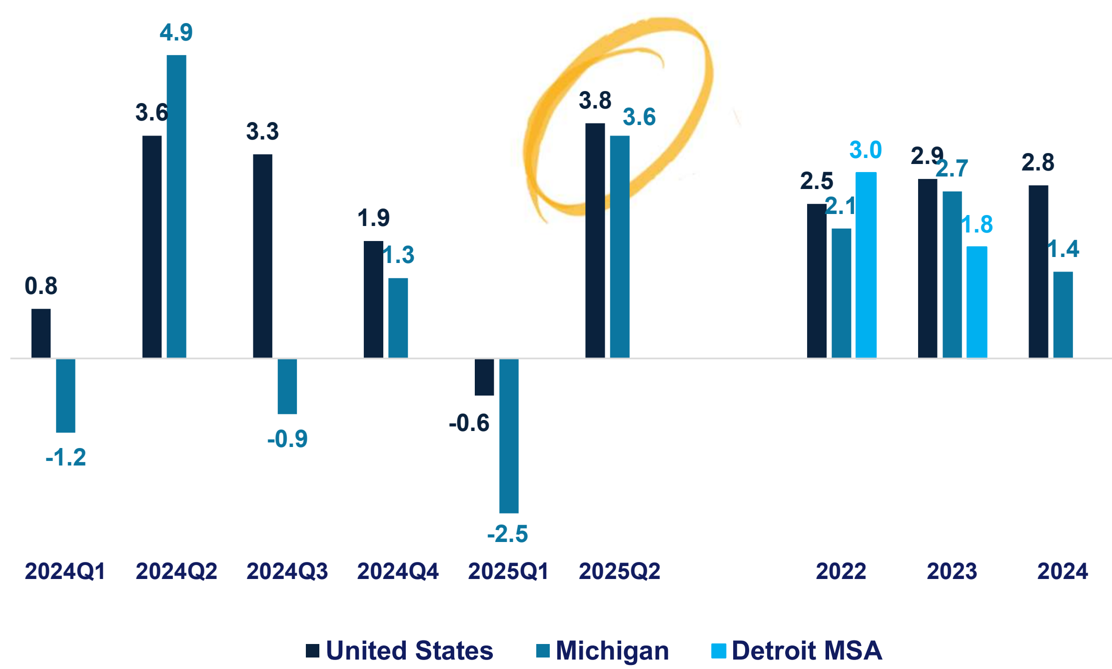
3.6% Michigan

DetroitRegionalChamber

State OF THE Region

Real GDP

Percent change from preceding period



Source: Bureau of Economic Analysis

Employment Levels Tracking as a Year Ago, Lag National Growth

Employment levels in the Detroit Region in August 2025 nearly matched that of a year prior. Job growth in the Region lagged the nation, as the U.S. reached nearly 1% growth year-over-year.

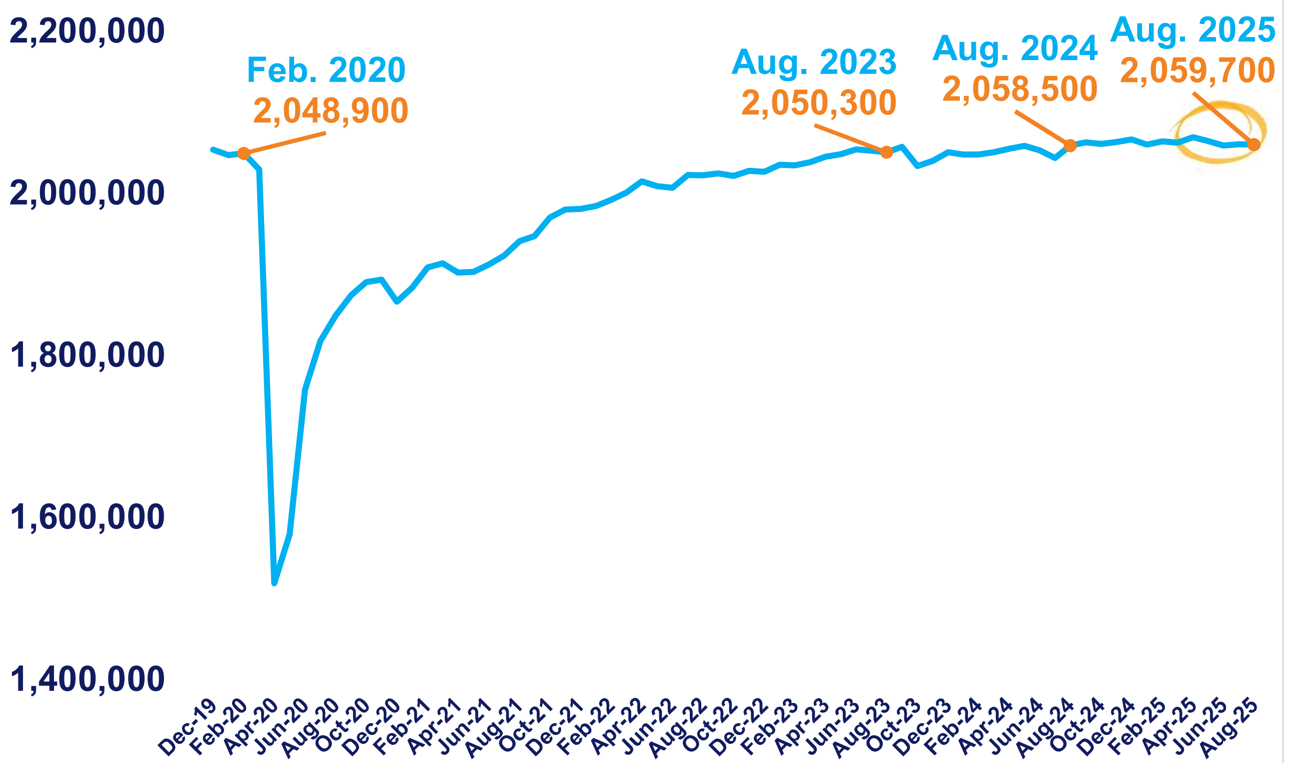
With the government shutdown taking effect, the official September employment report has been delayed. Alternative private sector data, such as the ADP National Employment Report, indicate a loss of 32,000 private nonfarm jobs nationally in September.

Employment Growth
August 2025
12-month % change

0.9% United States

0.1% Detroit MSA

Employment
Detroit MSA, Non-Farm



Source: Bureau of Labor Statistics, Seasonally Adjusted

Detroit's Unemployment Rate Trending Down Since March

The Detroit Region's unemployment rate diverged from the nation's rate beginning in 2025. After reaching 5.3% in March, the Region's unemployment has dropped to 4.6% in August, approaching the U.S. rate.

Michigan's Worker Adjustment and Retraining Notifications (WARN) indicate the number of layoffs year to date are 30% lower than 2024 levels, and 10% lower than 2023.

Weekly initial claims for unemployment for the state also remain 11% lower in August compared to the same month last year.

Unemployment Rate

August 2025

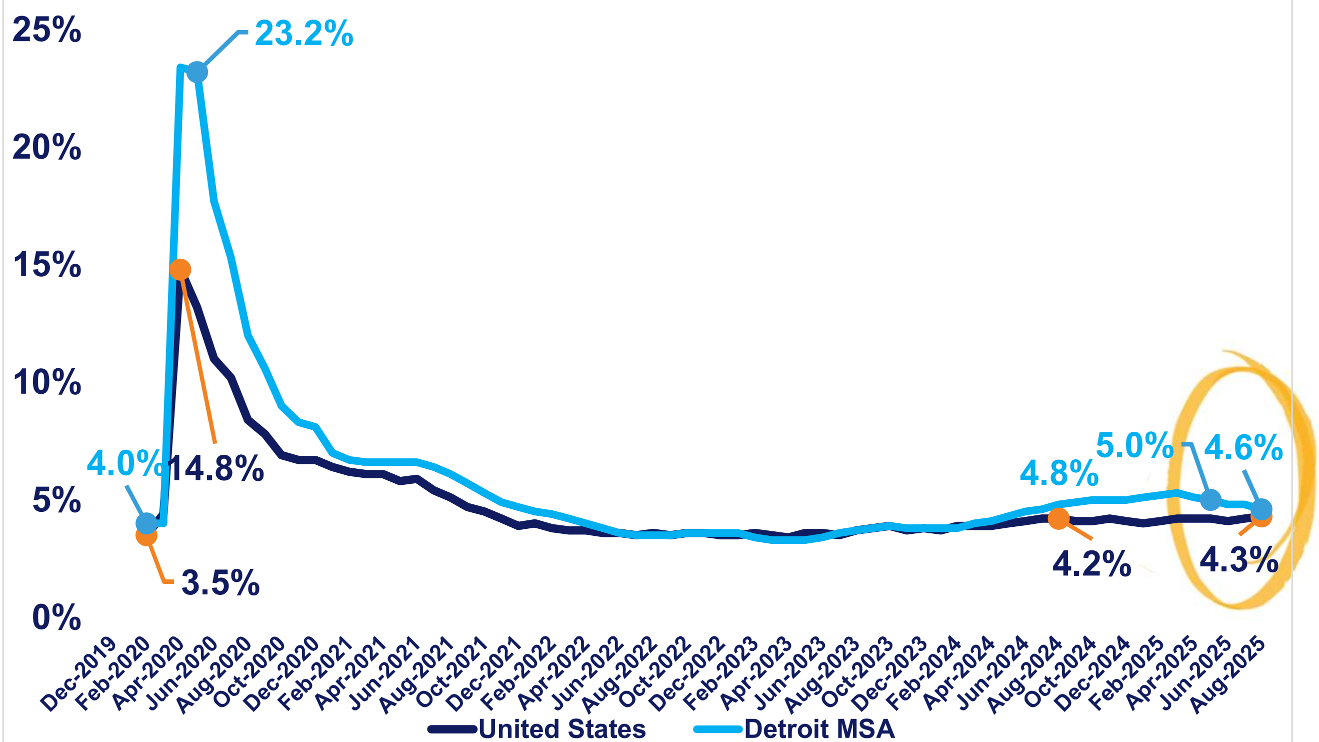
4.3%	4.6%
United States	Detroit MSA

DetroitRegionalChamber

State of the Region

Monthly Unemployment Rate

Detroit MSA and United States



Source: Bureau of Labor Statistics, Seasonally Adjusted

Job Postings Decline in the Region Year over Year as the Nation Sees Growth

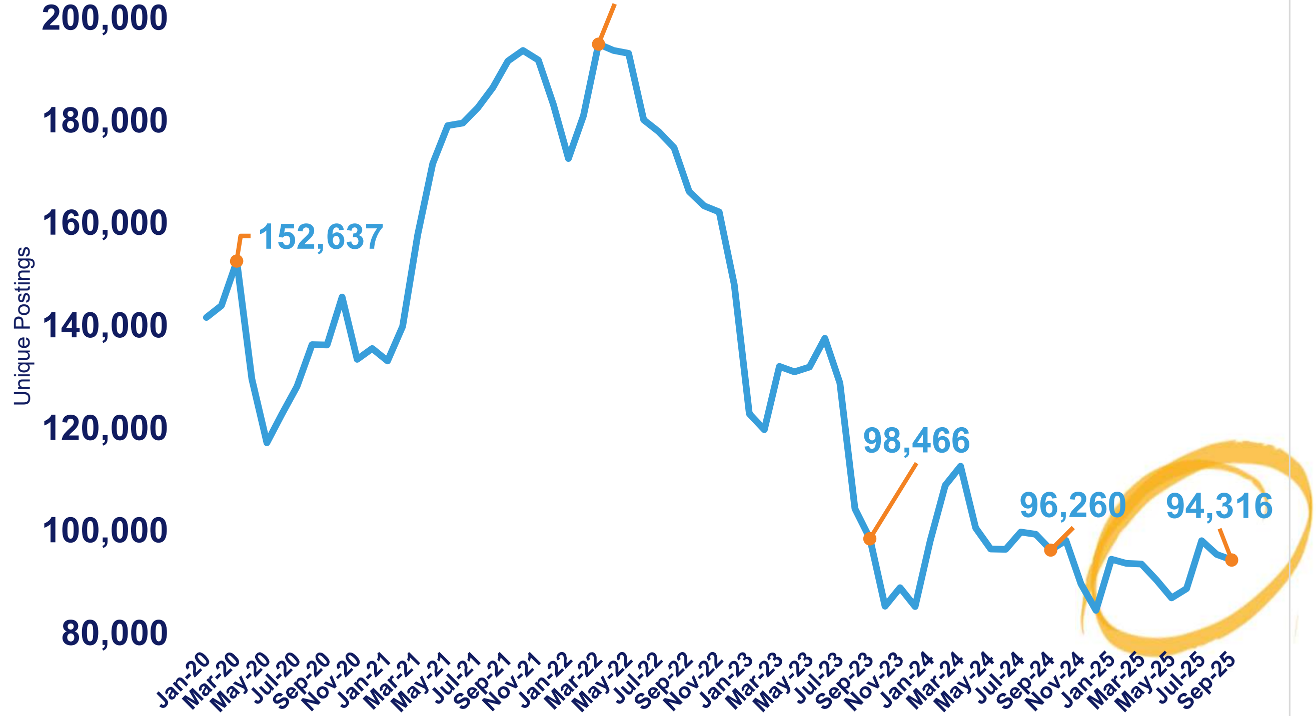
The Detroit Region has seen steeper declines in job postings than the nation, down 2% from the same month last year, while the nation has seen growth of 5%.

There are fewer job postings than unemployed persons in the Region. The ratio of job postings per unemployed person has declined, falling from 2-to-1 in 2022 to 1-to-1 in 2024 to 0.9-to-1 in 2025.

Job Postings *September* *Year-over-year*	
5%	-2%
United States	Detroit MSA

DetroitRegionalChamber | State of the Region

Job Postings
Detroit MSA



Source: Lightcast, Unique Postings

Regional Inflation Rate Drops Further in August

Regional inflation dropped significantly in August to 0.7 percent from a year ago. This is the lowest level seen since 2020, and over two percent point lower than the U.S. rate. Energy prices in the Region were down 3.0 percent over the year driving the decrease, including gasoline prices down 8.3 percent compared to a year ago.

As of this report's publication, U.S. levels for inflation for August were up 2.9 percent from a year ago, the fastest pace since January. The Federal Reserve at the September FOMC meeting opted to cut the federal funds rate a quarter-percentage point, lowering the target range to 4.00-4.25%.

The government shut down has delayed release of economic reports such at the September employment survey, driving decision makers to utilize alternative data sources. Investors are anticipating another quarter-point cut at the Oct. 28-29th FOMC meeting.

Consumer Price Index

Aug. 2025

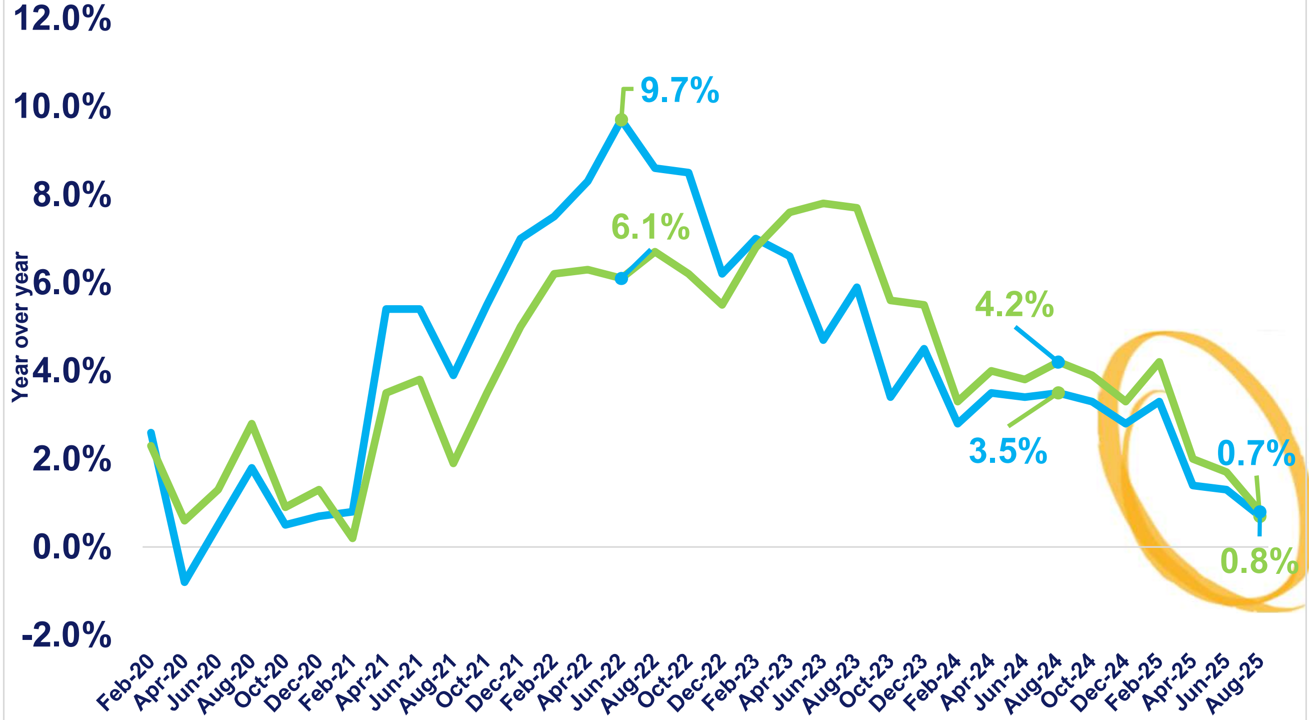
(12-month Percent Change)

2.9%	0.7%
U.S. City Average	Detroit MSA

DetroitRegionalChamber StateRegion OF THE

Consumer Price Index

Detroit MSA



Source: Bureau of Economic Analysis

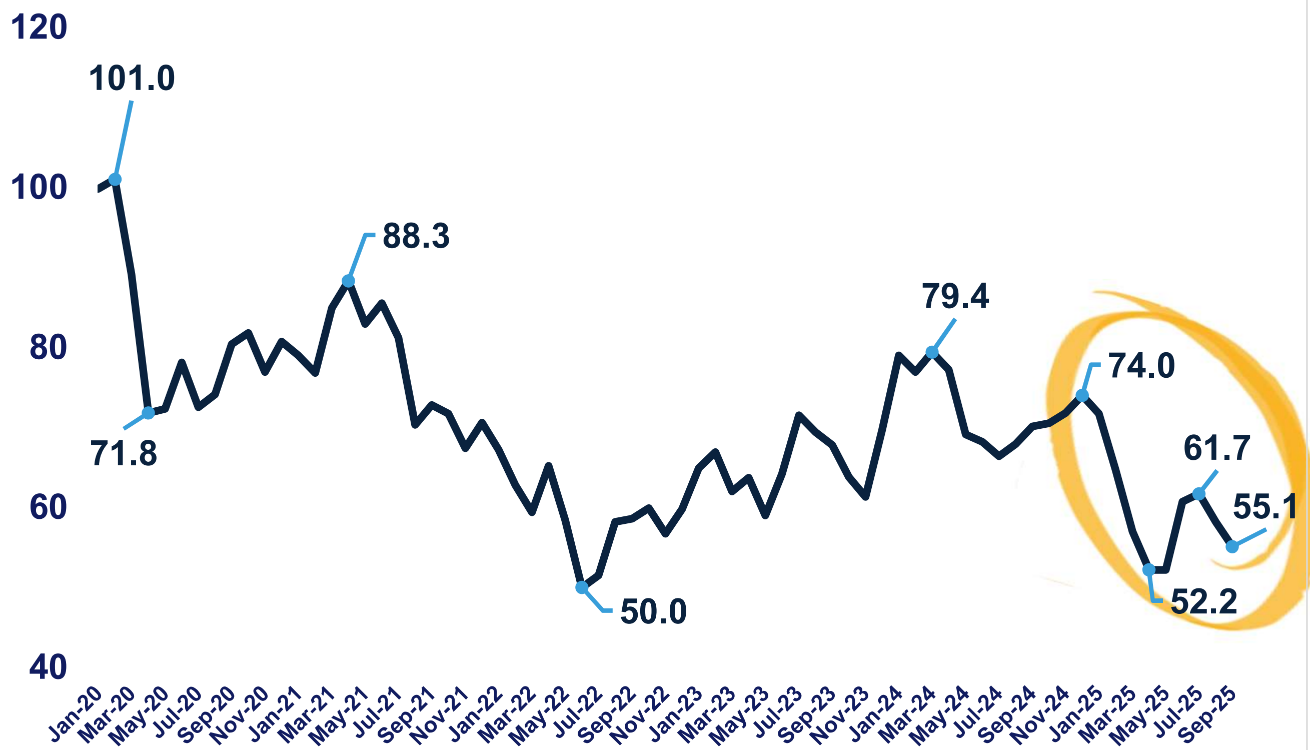
Consumer Sentiment Decreases Across Demographic Groups

Consumer sentiment decreased 5% in September, yet was above lows seen in April and May 2025. Sentiment remains well below the recent peak recorded in December 2024.

Nationally macroeconomic expectations fell for labor markets, business conditions along with outlooks for personal incomes and finances. Declines were seen across age, income and education groups. Consumers are indicating pressure from higher inflation as well as risk of weaker labor markets.

Consumer Sentiment *Year-Over-Year*	Consumers Indicating High Prices Eroding Personal Finances *Highest in 2025*
-21% Sept. 2025	44% Sept. 2025

Index of Consumer Sentiment



Source: University of Michigan

U.S. CEO Outlook Optimism Toning Down

Current and future business conditions are stuck in neutral after dropping from a July high. With one of the lowest levels of the year recorded in September, CEOs expressed concern about tariffs, trade, Federal Reserve actions and the overall economy.

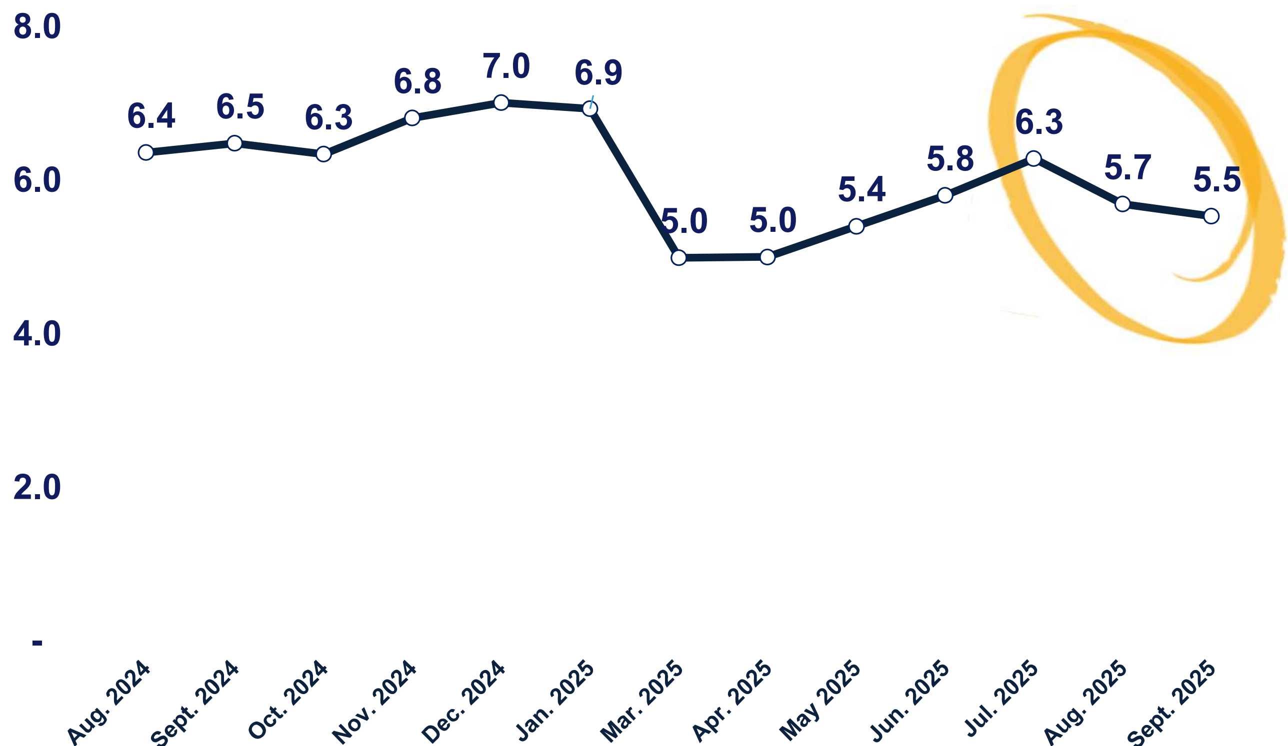
Leaders indicated challenges with planning given inconsistency in policies, along with 92% responding they want to see the Federal Reserve make deep rate cuts to stimulate the economy.

Capital Expenditures
Expect to Increase Investments Over Next 12 Months

56%	38%
January 2025	Sept. 2025

DetroitRegionalChamber
State of the Region

U.S. CEO Confidence
Forecast of Business Conditions 12 Months Out



Source: Chief Executive

Economic Activity in Manufacturing Sector Contracting Despite Production Growing

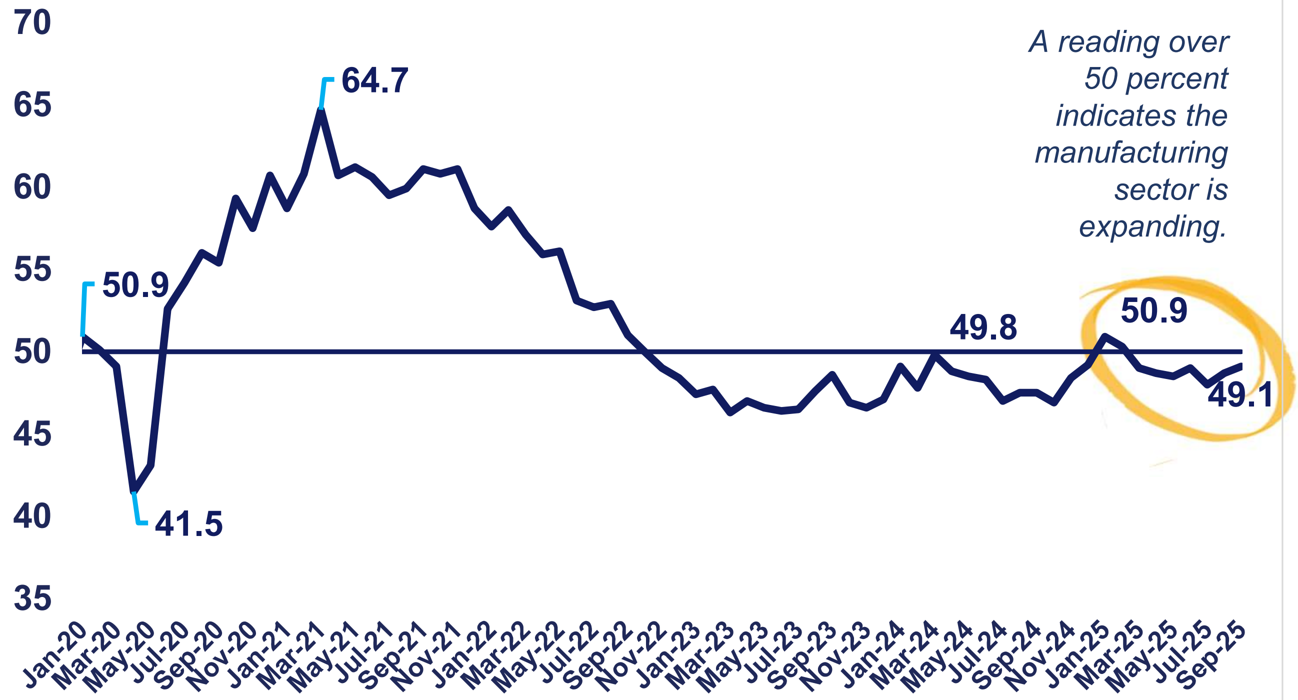
After two months of expansion in early 2025, economic activity in the manufacturing industry has contracted for seven consecutive months.

The survey of the nation's supply chain executives reported negligible improvement in September as drops in New Orders and Inventories exceeded increases in Production.

Demand continues to be an issue even as factories produced more goods. Respondents cited the impact of U.S. tariffs and the overall direction of the economy as concerns.

Manufacturing PMI®

Purchasing Manager's Index



Source: Institute For Supply Management

After Strong Spring, Vehicle Sales Steady

New light-vehicle sales recorded the highest monthly SAAR in nearly four years in March and April as customers purchased vehicles in advance of potential tariff impacts.

Electric vehicle sales were reported to have hit a record level of 10.5% market share in Q3 as EV tax credits were set to expire at the end of September.

Experts anticipate moderation in vehicle sales for the rest of the year as EV sales slow and vehicle affordability persists.

New Vehicle MSRP

2.6% higher year-over-year in August, down from December peak

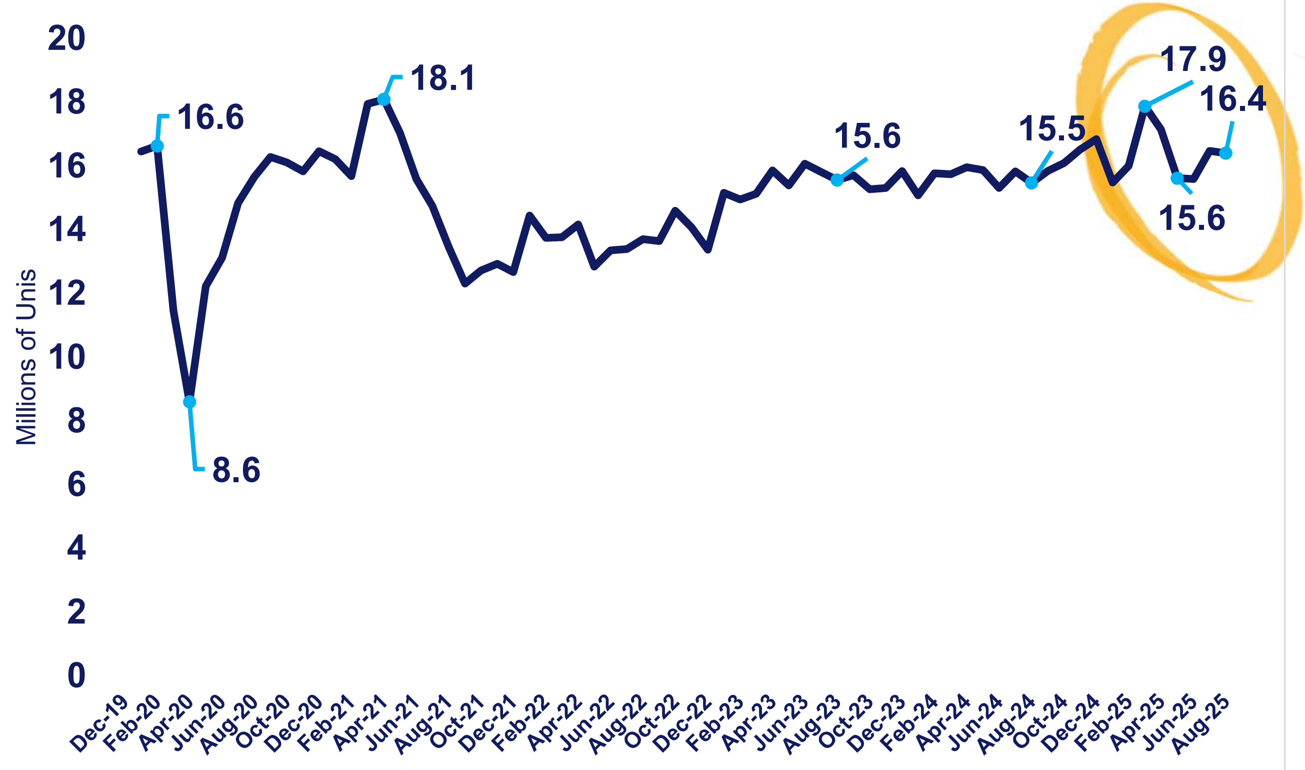
$47,851	**$49,077**
Aug. 2024	Aug. 2025

Source: Cox Automotive

DetroitRegionalChamber | State of the Region

Annual U.S. Light Vehicle Sales

Seasonally Adjusted Annual Rate (SAAR)



Source: Bureau of Economic Analysis