



StateRegion
OF THE

ECONOMIC INDICATOR *UPDATE*

*RELEASE DATE:
JANUARY 2026*

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.



January 2026 Data Note: Due to the Federal Government shutdown in October and November 2025, many data sets have been delayed or not released. Where possible, data has been included. Months with no reported data will be shown as gaps.



Metric	Pre-Pandemic	Year-Over-Year Comparison	Latest	Trend
GDP, MI	4.8% (2019:Q2-2019:Q3)	-0.9% (2024:Q2-2024:Q3)	N/A (2025:Q2-2025:Q3)	As of release of this report, state GDP data has not been released for 2025 Q3.
GDP, US	4.8% (2019:Q3-2019:Q4)	3.3% (2024:Q2-2024:Q3)	4.3% (2025:Q2-2025:Q3)	Real GDP in Q3 grew at rates last seen in Q3 of 2023, driven largely by consumer spending.
Private Sector Jobs, Detroit Region	2.17M (Nov. 2019)	2.18M (Nov. 2024)	2.18M (Nov. 2025)	Private sector jobs are down from a June peak of 2.2M. Levels in Nov. are 0.2% above the same month in 2019.
Unemployment, Detroit MSA	4.0% (Nov. 2019)	5.0% (Nov. 2024)	4.7% (Nov. 2025)	Detroit Region's unemployment declined from a recent high of 5.3% in March 2025. Rate nearly matched the U.S. 4.5% rate.
Unemployment, US	3.6% (Nov. 2019)	4.2% (Nov. 2024)	4.5% (Nov. 2025)	U.S. unemployment rate nearly one percentage point above levels seen in 2019.
Job Postings, Detroit MSA	138,061 (Dec. 2019)	84,242 (Dec. 2024)	81,775 (Dec. 2025)	Cooling labor market with postings down 3% in the Region, while the nation has 1% growth compared to a year ago.

Metric	Pre-Pandemic	Year-Over-Year Comparison	Latest	Trend
Consumer Price Index, Detroit MSA	2.5% over-the-year (Dec. 2019)	2.8% over-the-year (Dec. 2024)	2.1% over-the-year (Dec. 2025)	Regional inflation nears 2 percent in part due to declines in gasoline prices over the year. Specific categories remain much higher, including meat/poultry and housing.
Consumer Sentiment, US	93.2 (Jan. 2020)	70.1 (Jan. 2025)	55.1 (Jan. 2026)	Historic low. Over the 75 years of the survey, six of the ten lowest ratings were recorded in the past year.
U.S. CEO Confidence	n/a (Dec. 2019)	7.0 (Dec. 2024)	6.4 (Dec. 2025)	Trending up since a September 2025 low of 5.5 as CEOs indicate they have increased confidence in adapting to various situations after a turbulent 2025.
Manufacturing PMI®	47.8 (Dec. 2019)	49.2 (Dec. 2024)	47.5 (Dec. 2025)	December recorded the lowest level of 2025 and the tenth month of contraction.
Automotive Sales, US, SAAR	17.1M (Nov. 2019)	16.5M (Nov. 2024)	15.6M (Nov. 2025)	U.S. vehicle sales cooled in Q4, however annual sales are expected to exceed 2024 levels by nearly 2 percent.
Business Applications, MI	21,455 (2019 Q3)	30,556 (2024 Q3)	36,352 (2025 Q3)	19% increase in Q3 year-over-year, surpassing the national level of 14%. Elevated business creation over the past 5 years indicates a more permanent shift in the economy.



U.S. GDP Higher Than Expected in Q3

GDP grew at its fastest pace in two years in the third Q3 of 2025. The initial estimate showed growth was driven by consumer spending, exports and government spending, and partly offset by decreases in investment.

The increase in consumer spending was led by health care in services spending and recreational goods and vehicles in goods spending.

As of release of this report, state GDP data has not been released for 2025 Q3.

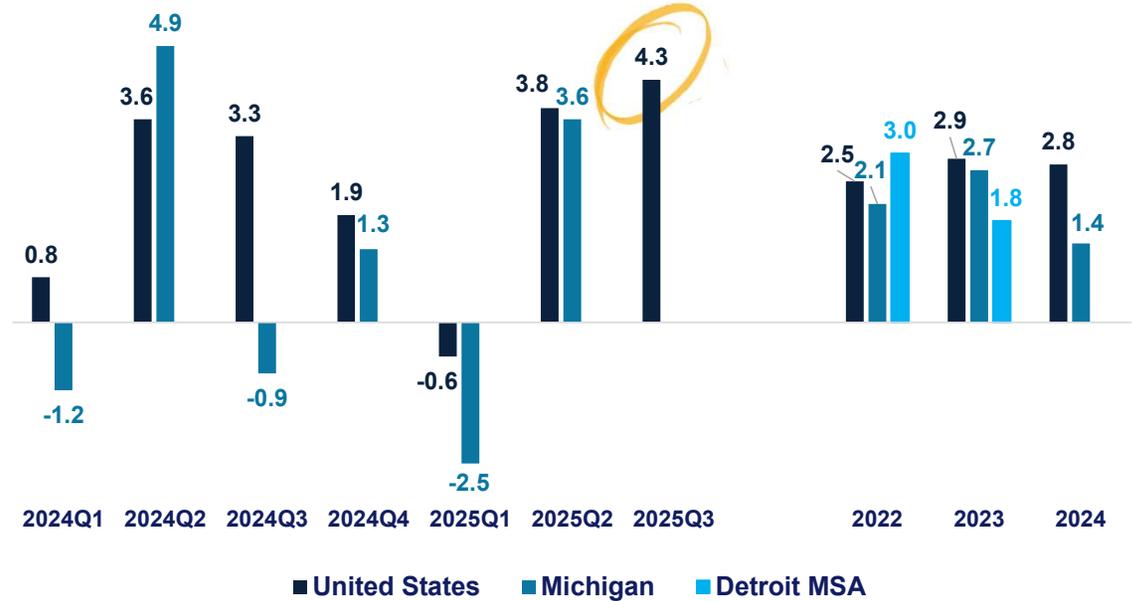
Contributions to Real GDP Q3

United States

Personal Consumption (Consumer Spending)	+2.39
Private Investment	-0.02
Exports	+1.59
Government Consumption	+0.39

Real GDP

Percent change from preceding period



Source: Bureau of Economic Analysis



Private Sector Job Growth in the Region Stagnant

Private sector job levels in the Detroit Region in November 2025 matched that of a year prior. The U.S. recorded under 1% growth year-over-year.

Data covering the last quarter of 2025 were affected by the government shutdown in October and November, with revisions expected in coming months.

Private Sector Job Growth

November 2025
Year-over-Year

0.7%

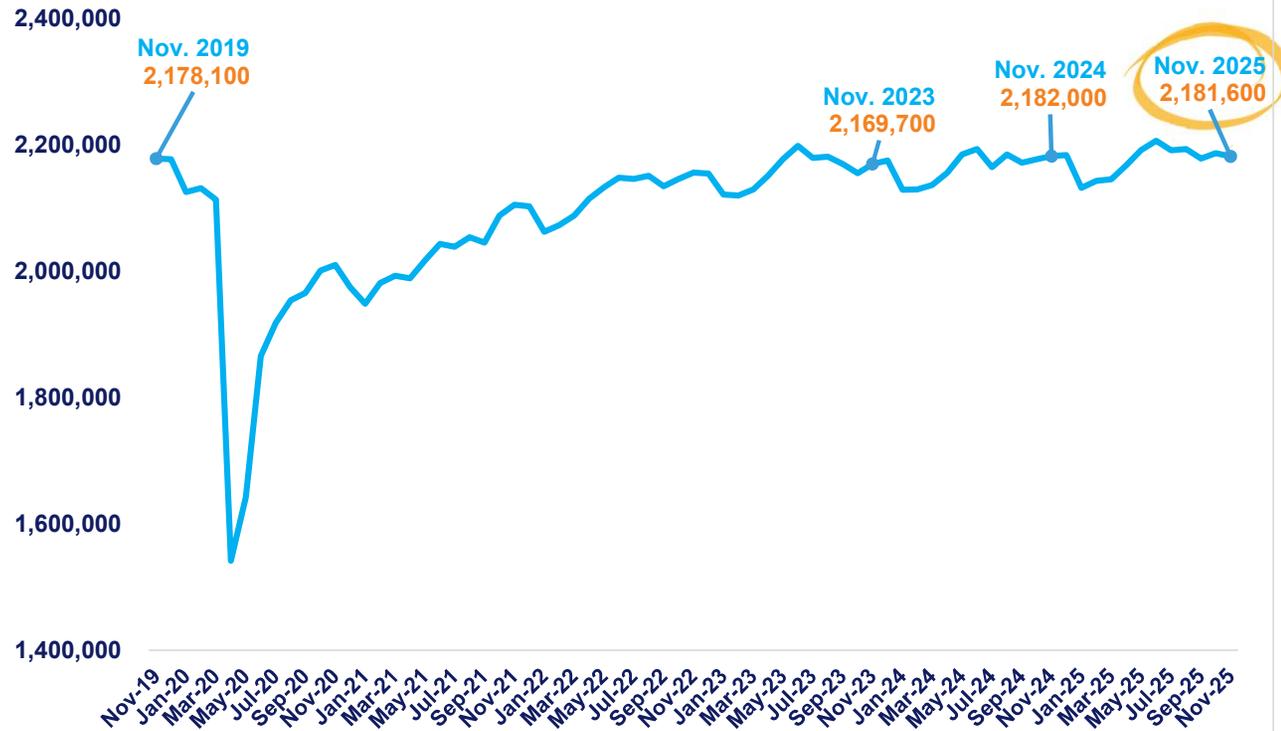
United States

0%

Detroit Region



Private Sector Jobs Detroit Region



Source: Bureau of Labor Statistics



Detroit Region's Unemployment Rate Nearly Matches U.S. Rate

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 declined to 4.7% in November, approaching the U.S. rate.

Weekly initial claims for unemployment for the state were 6% lower in December compared to the same month in 2024.

Unemployment Rate

November 2025

4.5%

United States

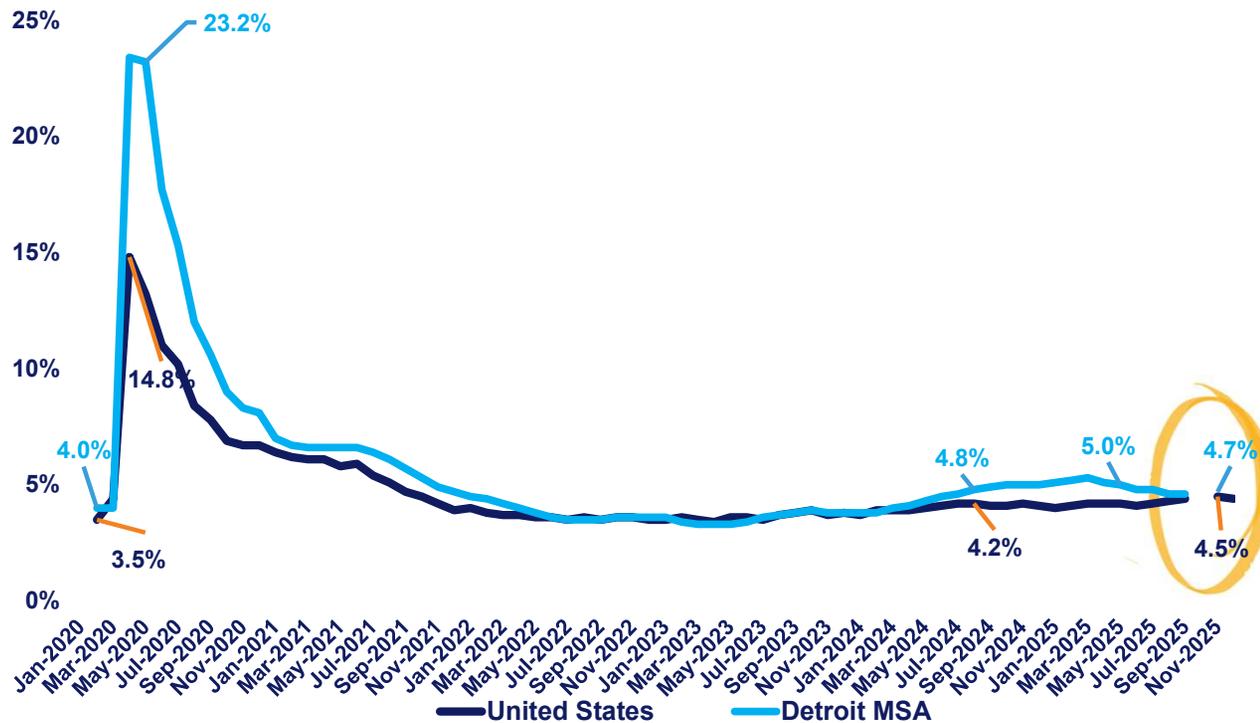
4.7%

Detroit MSA



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 Slight Growth

Cooling labor market can be seen in the drop in job postings in the Region, with levels down year over year and significantly down over 2019 levels.

The Detroit Region has seen steeper declines in job postings than the nation, down 3% from the same month last year, while the nation has seen growth of 1%. Postings are down 41% over the same month in 2019.

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

December

Year-over-year

1%

United States

-3%

Detroit MSA



Job Postings

Detroit MSA



Source: Lightcast, Unique Postings

Consumer Sentiment at Historic Lows

Consumer sentiment increased for the second straight month. Yet levels remain among the lowest ever recorded. Over the nearly 75 years of the survey, six of the ten lowest readings occurred over the past year.

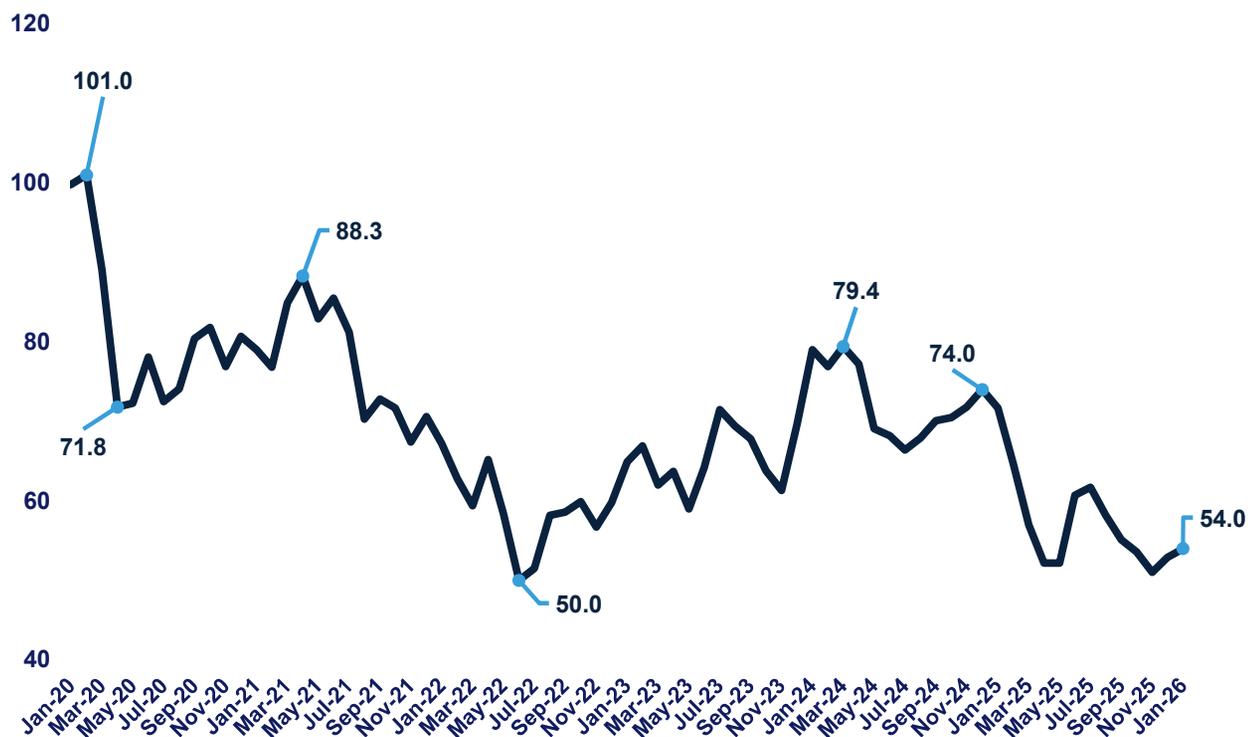
Consumers are concerned with higher prices and softening labor markets. Concerns over tariffs are gradually receding, however respondents remain guarded about the overall strength of business conditions and labor market.

Consumer Sentiment
Year-over-Year

-25%
Jan. 2026



Index of Consumer Sentiment



Source: University of Michigan



Cumulative Impact of Inflation Continues, with Some Products Still Showing Significant Price Increases

As inflation has come down from its peak in 2022, the rate in the Detroit Region has declined even further than the national rate due in part to declines in gasoline prices over the year.

The cumulative effect of inflation has remained an issue for consumers, as prices on food, housing and medical care all remain elevated.

The largest increases in regional prices in December 2025 compared to the previous year:

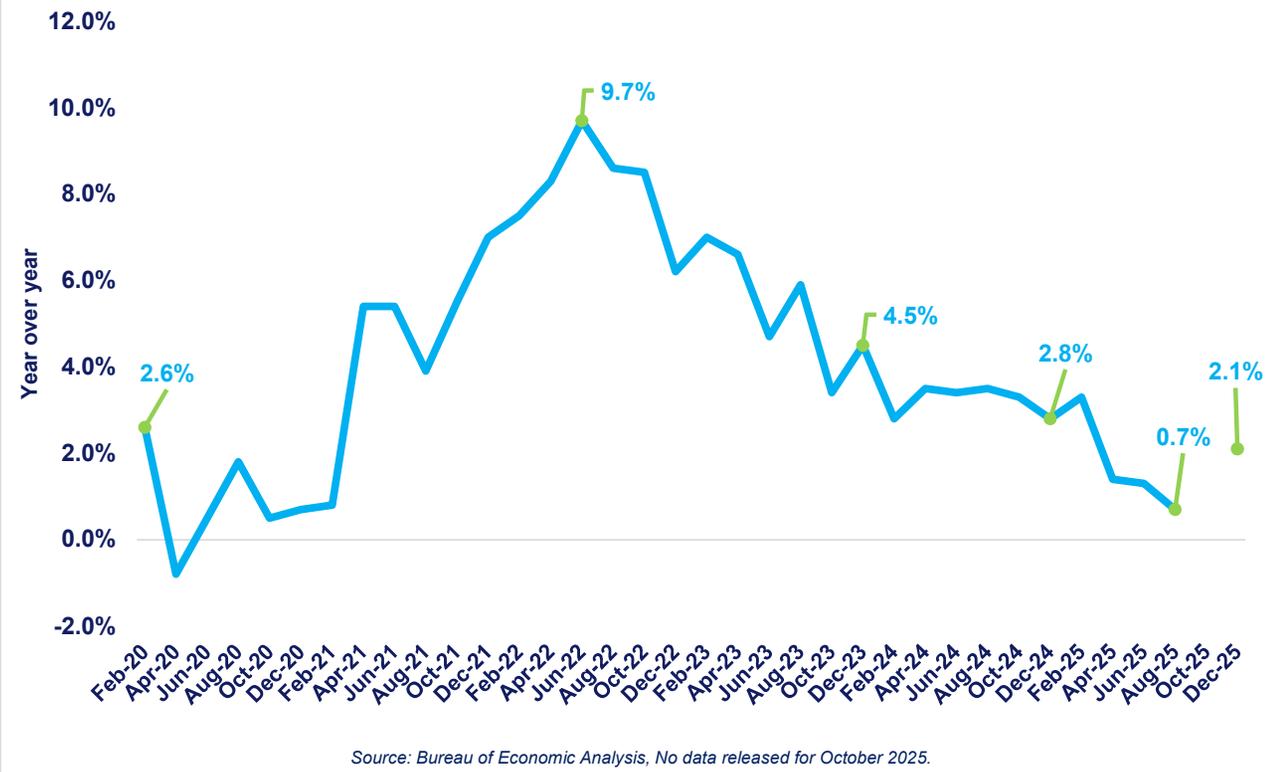
Meat, poultry, fish and eggs	+7.6
Fruits and vegetables	+4.8
Housing	+3.1
Household furnishings	+4.3

Consumer Price Index
December
Over Last 12 Months

2.7%	2.1%
United States	Detroit MSA



Consumer Price Index Detroit MSA



U.S. CEO Optimism on the Rise

After peaking in November 2024, CEO confidence dropped in Spring 2025 with the tariff roll out and gradually rose until the government shut down in the fall. Confidence rose 15 percent in December over the third quarter.

Of CEO's indicating things will improve in 2026, they cited more clarity on tariffs, moderating inflation and lower interest rates. Among those that remain cautious, weakening consumer confidence, policy instability and lingering affects of tariffs are of top concern.

Profitability Forecast Expect Increasing Profits Over Next 12 Months

59%

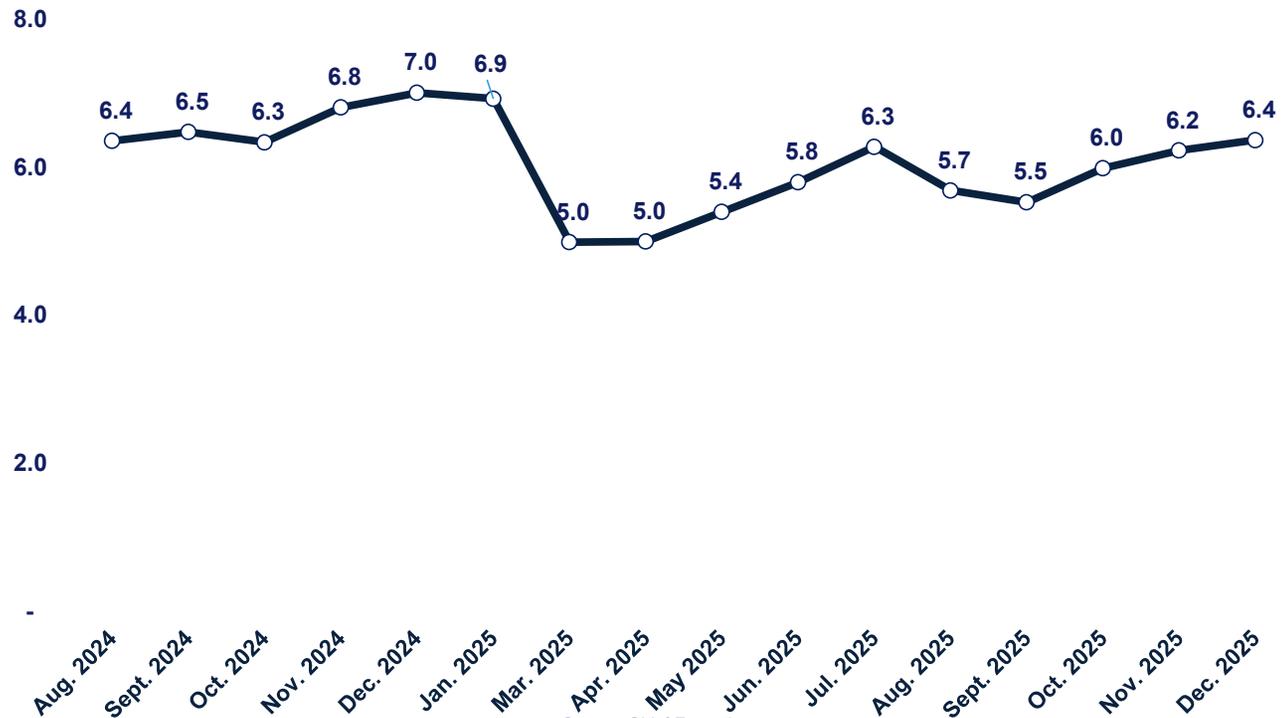
Nov. 2025

67%

Dec. 2025



U.S. CEO Confidence



Source: Chief Executive



Economic Activity in Manufacturing Sector Contracting Despite Production Growing

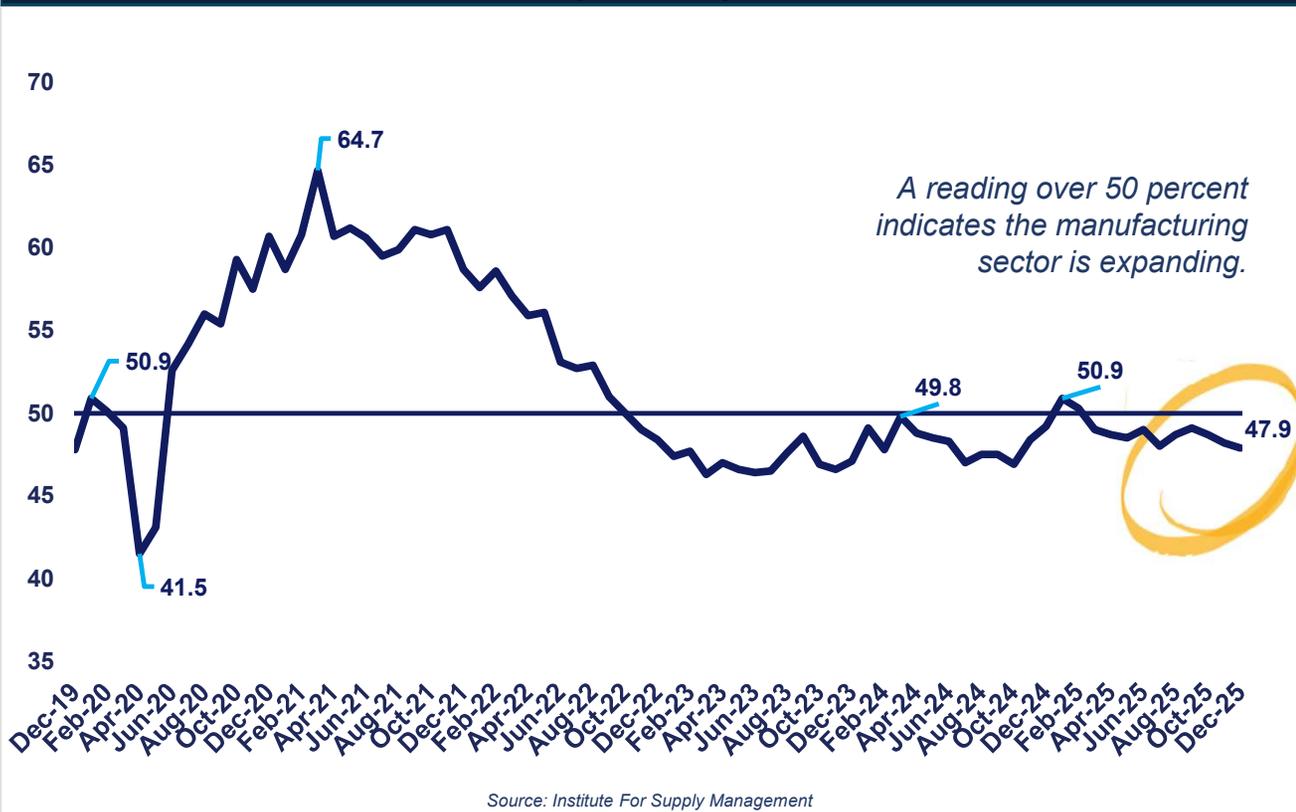
After two months of expansion in early 2025, economic activity in the manufacturing industry has contracted for ten consecutive months.

Production and Supplier Deliveries are the subindexes in expansion. New Orders, Inventories and Employment are all contracting.

The survey of the nation's supply chain executives continue to cite tariffs as an issue to navigate going into 2026.



Manufacturing PMI® Purchasing Manager's Index



Vehicle Sales Weaker in 4th Quarter, Yet Expect Highest Annual Sales Since 2019

New light-vehicle sales recorded the highest monthly SAAR in nearly four years in March and April of 2025 as customers purchased vehicles in advance of potential tariff impacts.

Declines in 4th quarter vehicle sales as vehicle affordability persisted and EV tax rebates expired. Yet with the strong pull ahead sales in the first part of the year, indications show 2025 sales grew nearly 2 percent from 2024 levels.

U.S. Vehicle Sales 2025

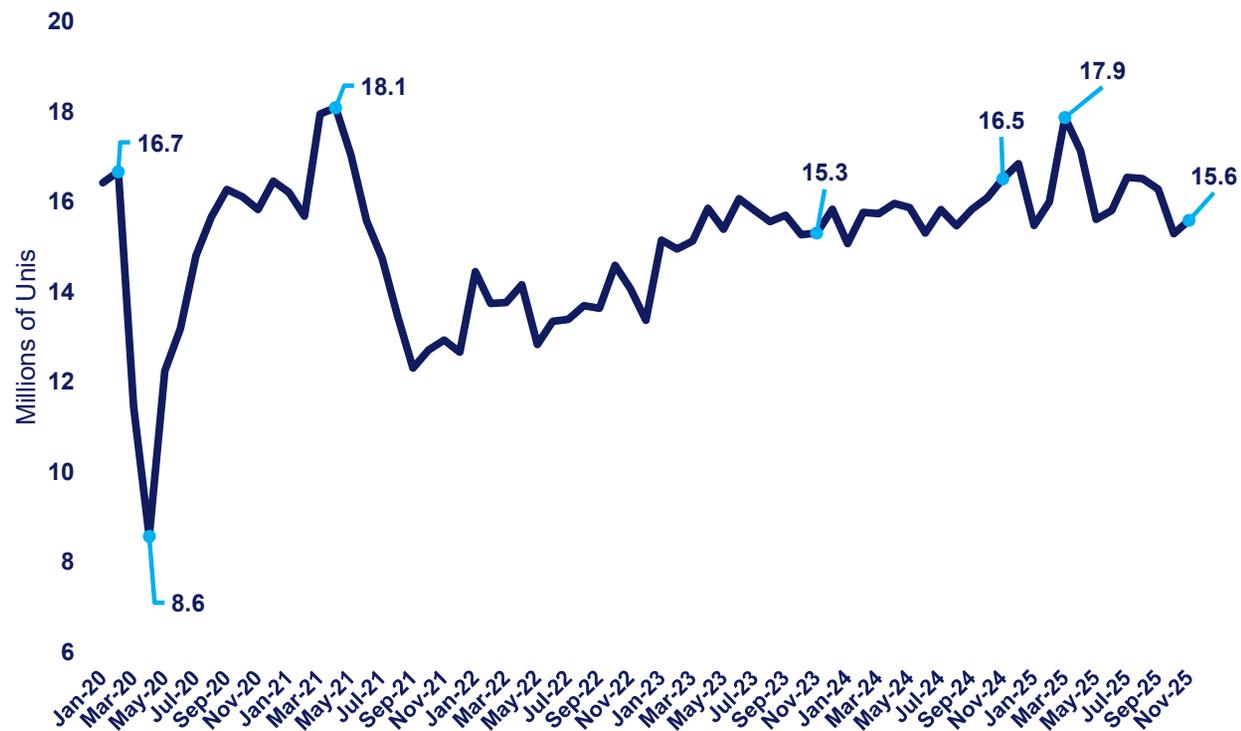
16.2M

**+1.9%
YOY**

Source: Marklines



U.S. Light Vehicle Sales Seasonally Adjusted Annual Rate (SAAR)



Source: Bureau of Economic Analysis



Business Application Levels Remain Strong

The surge in new business applications seen after the pandemic has not waned. The sustained elevated levels of business creation has been attributed to digital transformation and online business platforms, rise in remote work and gig economy and increased interest in flexibility and autonomy.

Michigan, along with the U.S., have seen double digit growth in Q3 compared to the same period last year. Compared to 2019 levels, the state and nation are experiencing 70% more applications.

Business Application Growth 2025 Q3 Year-over-Year

14%

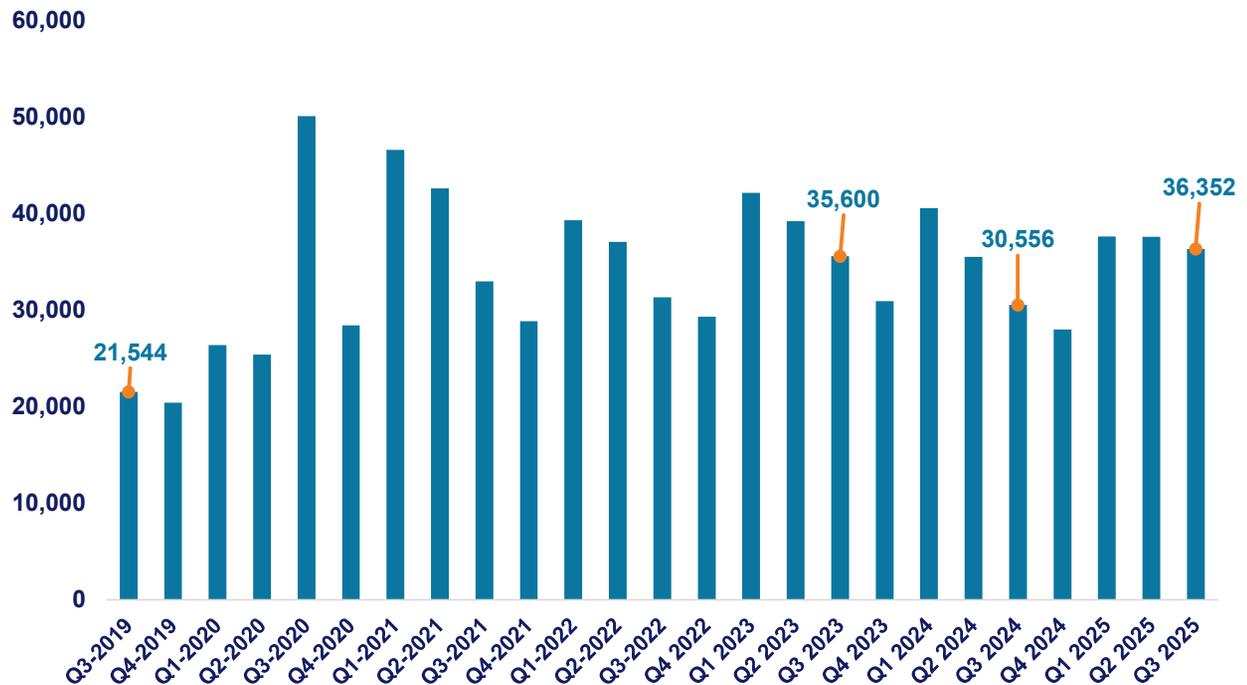
United States

19%

Michigan



Business Applications Michigan



Source: U.S. Census Bureau
Note: Not seasonally adjusted