Detroit Regional Chamber

State of the Region

ECONOMIC INDICATOR *UPDATE*

RELEASE DATE: JULY 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.**

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.

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Metric	Pre-Pandemic	Year-Over-Year Comparison	Latest	Trend
GDP, MI	**-1.1%** (Q1 2019)	**-2.5%** (Q1 2025)	**0.4%** (Q1 2026)	Michigan recorded one of the lowest inflation-adjusted GDP growths in the nation in Q1 2026, ranking 44th among states.
GDP, US	**2.5%** (Q1 2019)	**-0.6%** (Q1 2025)	**2.1%** (Q1 2026)	Strong growth in Q1 U.S. GDP driven in large part by AI-related investments.
Private Sector Jobs, Detroit Region	**2.16M** (May 2019)	**2.18M** (May 2025)	**2.16M** (May 2026)	Private sector jobs are down 35K from the same month last year.
Unemployment, Detroit MSA	**4.4%** (May 2019)	**4.9%** (May 2025)	**5.3%** (May 2026)	Detroit Region's unemployment rising since the start of 2026. The rate is diverging from the nation's rate and is now 1.0 p.p. above the U.S. level.
Unemployment, US	**3.6%** (May 2019)	**4.3%** (May 2025)	**4.3%** (May 2026)	U.S. unemployment rate has remained at, or near, 4.5% since mid-2025.
Initial Unemployment Claims, MI	**7.4K** (May 2019)	**9.0K** (May 2025)	**7.6K** (May 2026)	Initial unemployment claims have declined from a slight rise in mid-2025, declining 16% year over year and nearly matching levels recorded in the same month in 2019.
Job Postings, Detroit MSA	**115.1K** (June 2019)	**79.9K** (June 2025)	**89.9K** (June 2026)	Job postings in June reached nearly 10,000 more than same month last year, increasing 13% year over year.

Metric	Pre-Pandemic	Year-Over-Year Comparison	Latest	Trend
Consumer Price Index, Detroit MSA	**1.0%** (Apr. 2019)	**1.4%** (Apr. 2025)	**4.1%** (Apr. 2026)	Energy prices impacted inflation in the first quarter of 2026.
Consumer Sentiment, US	**98.2** (June 2019)	**60.7** (June 2025)	**49.5** (June 2026)	May and June of 2026 recorded the two lowest levels since the start of the survey in 1952. Latest levels are half of levels recorded in 2019 for the same month.
US CEO Confidence	**n/a** (June 2019)	**5.8** (June 2025)	**6.1** (June 2026)	U.S. CEO confidence remained steady through the first half of the year.
Manufacturing PMI®	**51.6** (June 2019)	**49.0** (June 2025)	**53.3** (June 2026)	Six straight months of the U.S. manufacturing sector expanding, with to production and new orders increasing.
Automotive Sales, US, SAAR	**17.3M** (June 2019)	**15.8M** (June 2025)	**16.5M** (June 2026)	Resilient new vehicle sales in first half of 2026, despite economic and policy uncertainty.
Business Applications, MI	**27.6K** (Q1 2019)	**37.8K** (Q1 2025)	**44.1K** (Q1 2026)	Strong, sustained growth. 60% increase in new business applications over 2019 levels, along with 16% increase in Q1 2026 year over year.

Michigan's Q1 GDP Growth Lags Nation and States

The U.S. inflation-adjusted GDP for Q1 grew faster than previously expected, however consumer spending stalled rising only 0.5% amid rising gas prices. Investment in AI-related equipment made the information technology sector the largest contributor to the nation's GDP growth.

Michigan's GDP growth of 0.4% ranked the state 44th in the nation in Q1 and trailed the country's 2.1% rate. States with strong technology industries saw the largest growth – Washington (4.5%), California (3.7%), North and South Carolina (both at 3.2%).

> WE'RE DEBATING THESE ISSUES WHILE OTHER STATES ARE ALREADY BUILDING THE NEXT GENERATION OF DATA CENTERS AND TECHNOLOGY CORRIDORS.

JOHN RAKOLTA
Chairman,
Walbridge,
at the 2026 Mackinac Policy Conference

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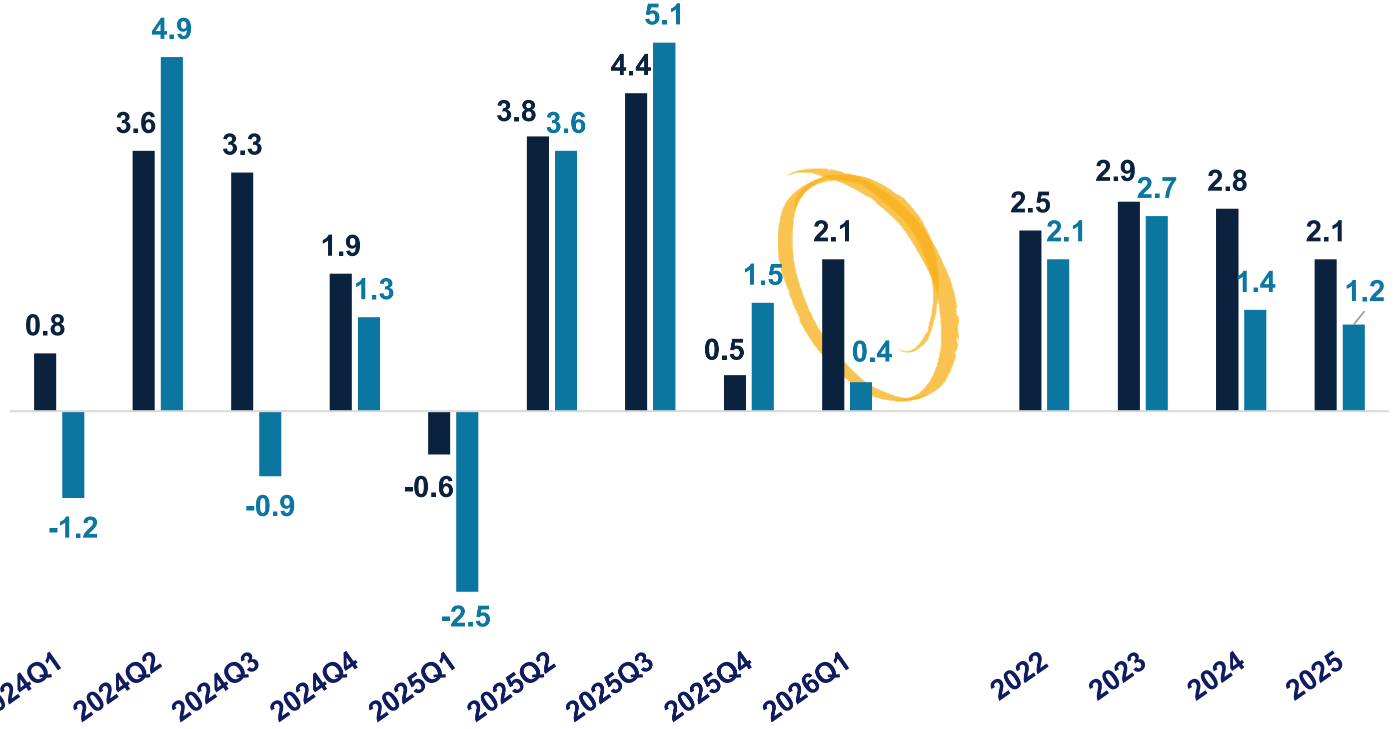
Real GDP

Percent change from preceding period



Source: Bureau of Economic Analysis

Private Sector Jobs Lag Year Over Year

Private sector job levels in the Detroit Region in May 2026 were 35,000 fewer than a year prior, and match that of 2019 levels for the same month with stagnant growth. Since the start of the year job levels have increased, as is seasonally typical.

> "WE'VE GOT TO MAKE IT EASY FOR JOBS OR INVESTMENT TO COME HERE."

JEFF DONOFRIO
President and Chief Executive Officer,
Business Leaders For Michigan,
at the 2026 Mackinac Policy Conference

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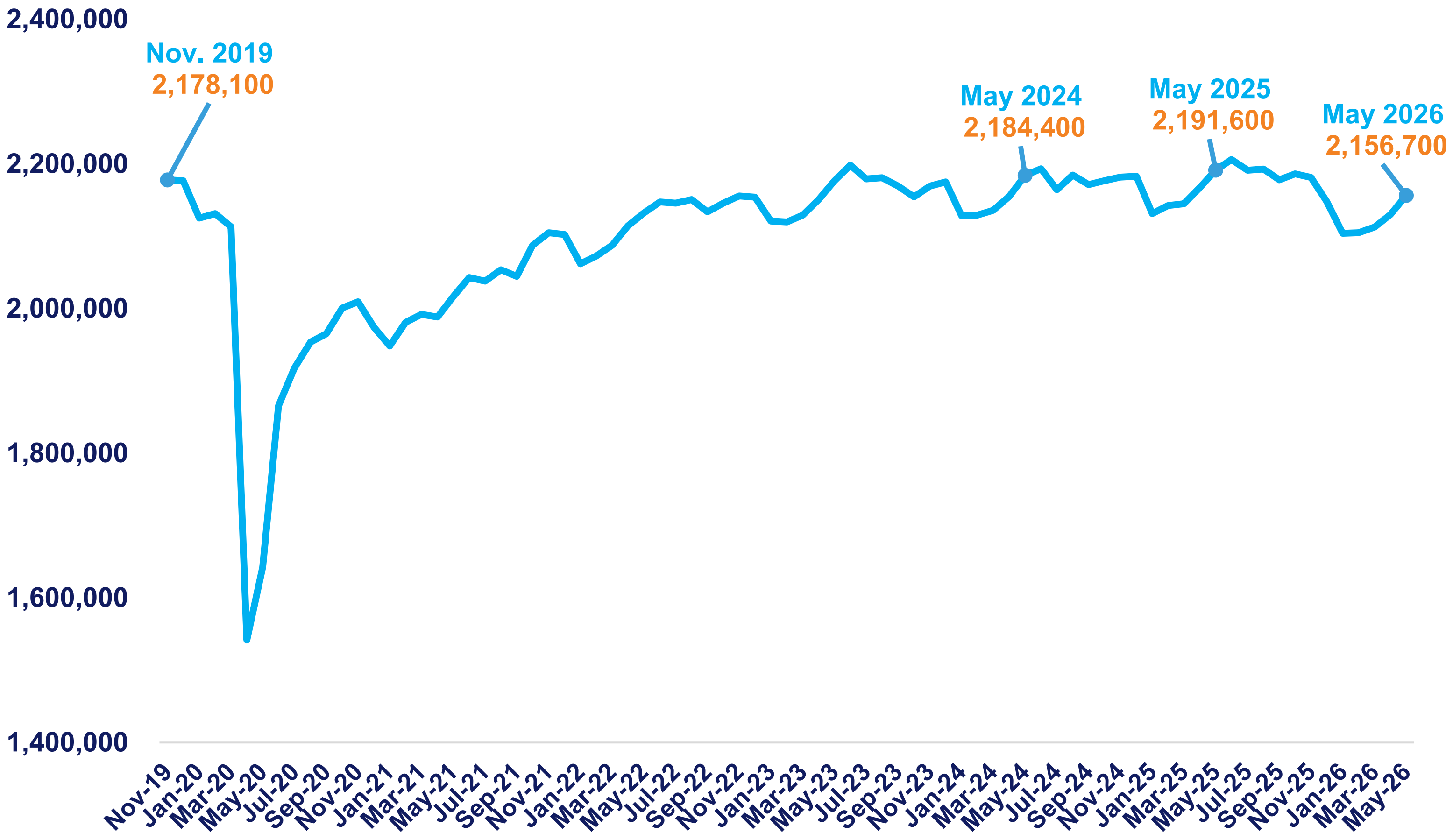
Private Sector Jobs

Detroit Region



Source: Bureau of Labor Statistics

Detroit Region's Unemployment Rate Higher Than the Nation, Exceeds Peers

The past four years have recorded annual unemployment below 5% for the Detroit Region. Since the start of 2026, the rate has diverged from the national rate reaching 5.3% in May.

Among the largest twenty metropolitan statistical areas (MSA) in the country, the Detroit MSA has the highest unemployment rate as of May 2026. The Region is the only MSA with an unemployment rate over 5 percent.

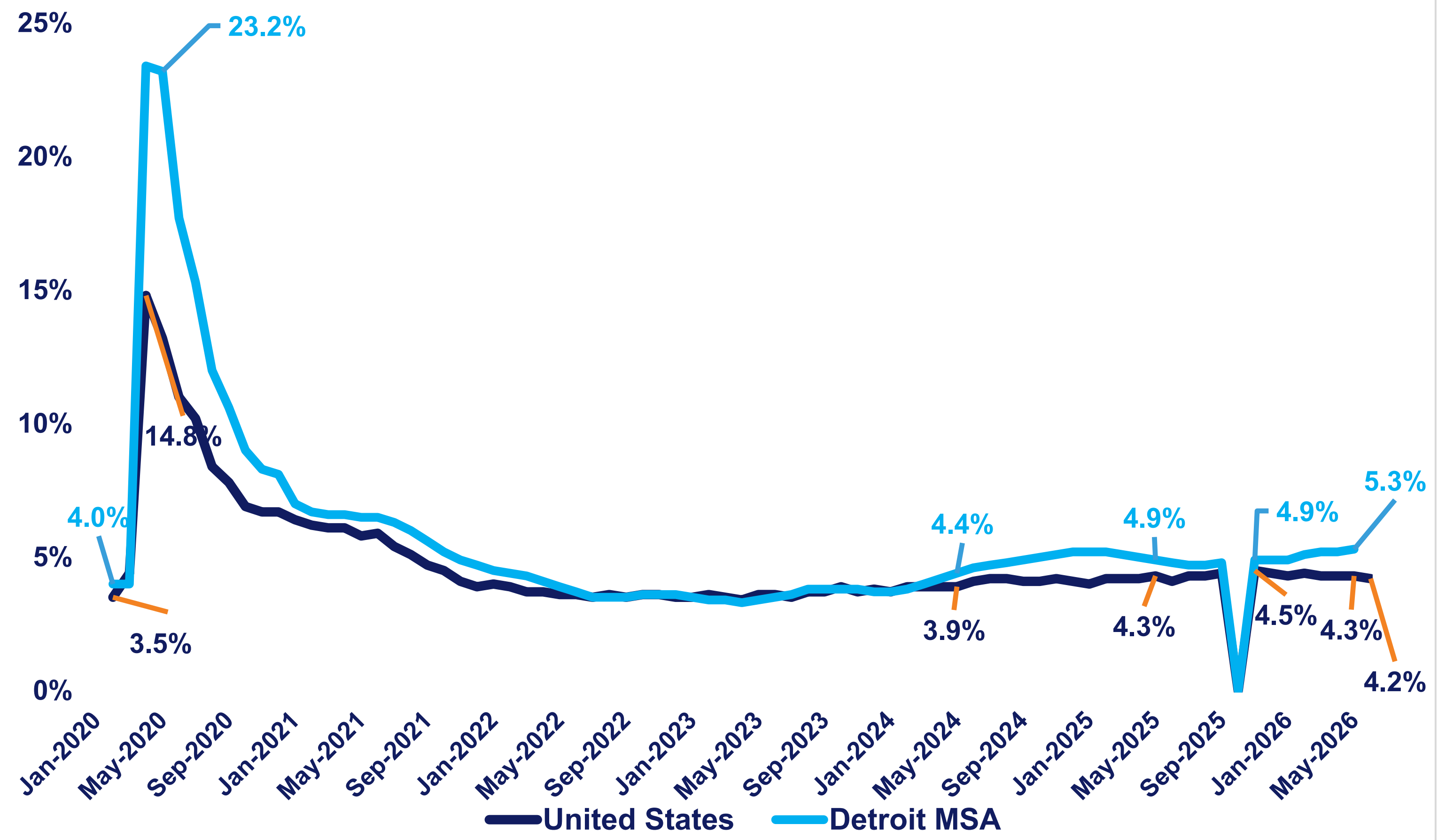
Unemployment Rate

May 2026

4.3%	5.3%
United States	Detroit MSA

Monthly Unemployment Rate

Detroit MSA and United States



Source: Bureau of Labor Statistics, Seasonally Adjusted
Data for October 2025 were not collected due to the federal government shutdown.

After Recent Peak in Mid-2025, Initial Claims for Unemployment Have Trended Downward

Initial unemployment claims serve as a leading indicator of labor market conditions, as claims are released weekly. Movement in claims data is used to gauge economic momentum by analysts and policymakers.

The labor market in Michigan remains steady as initial claims for unemployment in May are nearly 1,500 lower than a year ago. This illustrates the ‘low-hire, low-fire’ environment the labor market has been experiencing over the past few years.

Initial Unemployment Claims

May 2026, Year Over Year

-9%	-16%
United States	Michigan

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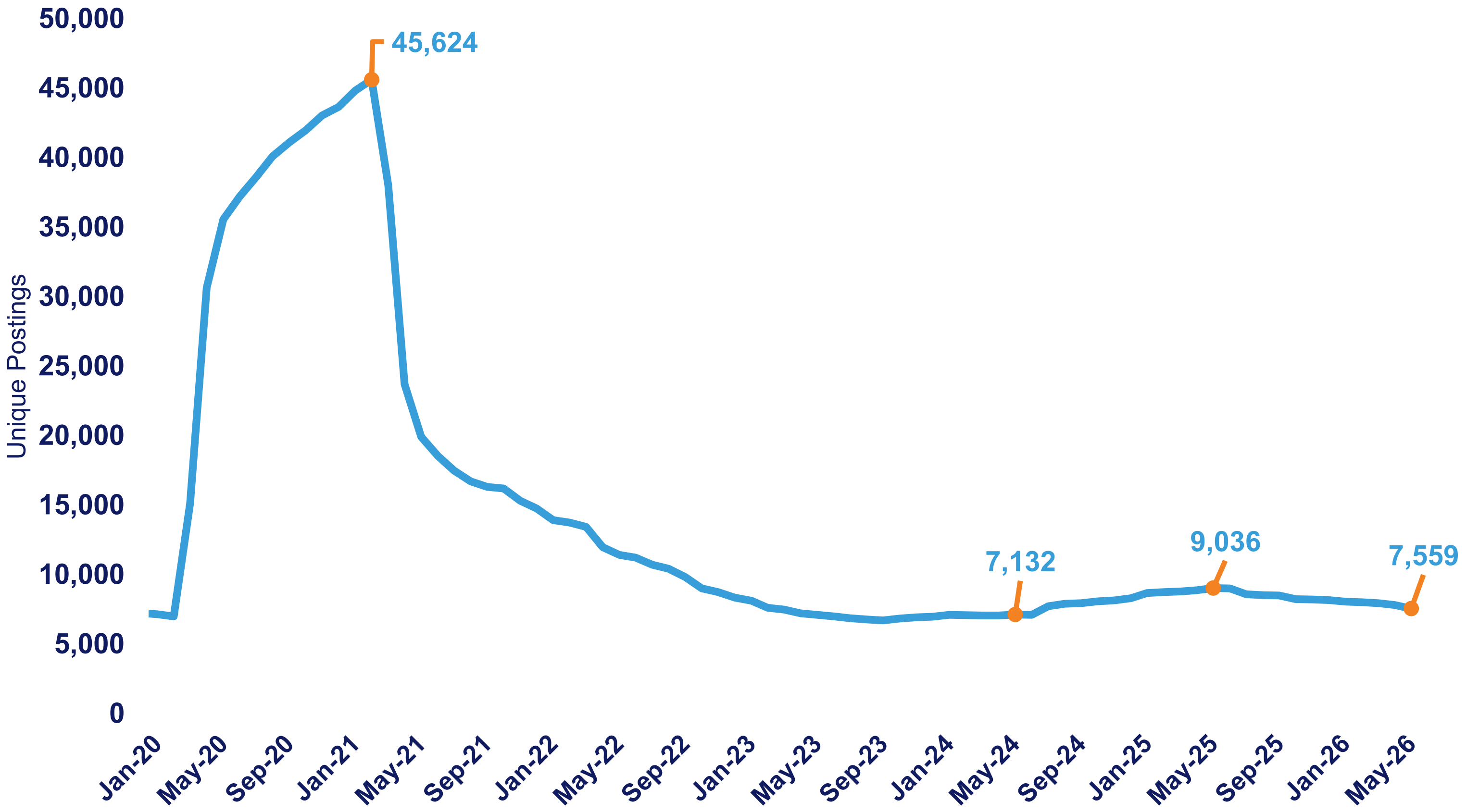
Initial Unemployment Claims

52 Week Moving Average

Michigan



Source: State of Michigan

Job Posting Growth in Region Exceeds the Nation

Job posting elevated activity since March, with the Region seeing double-digit growth of 13% in job postings in June year over year.

There were over nearly 90K unique postings in June, with health care and manufacturing as top companies posting opportunities. Companies with most unique postings include Stellantis, Henry Ford Health, General Motors, Soliant Health and Corewell Health.

The top posted occupations include truck driver, registered nurses, software developers, industrial engineers and retail workers.

Job Postings

June

8%	13%
United States	Detroit MSA

Year Over Year

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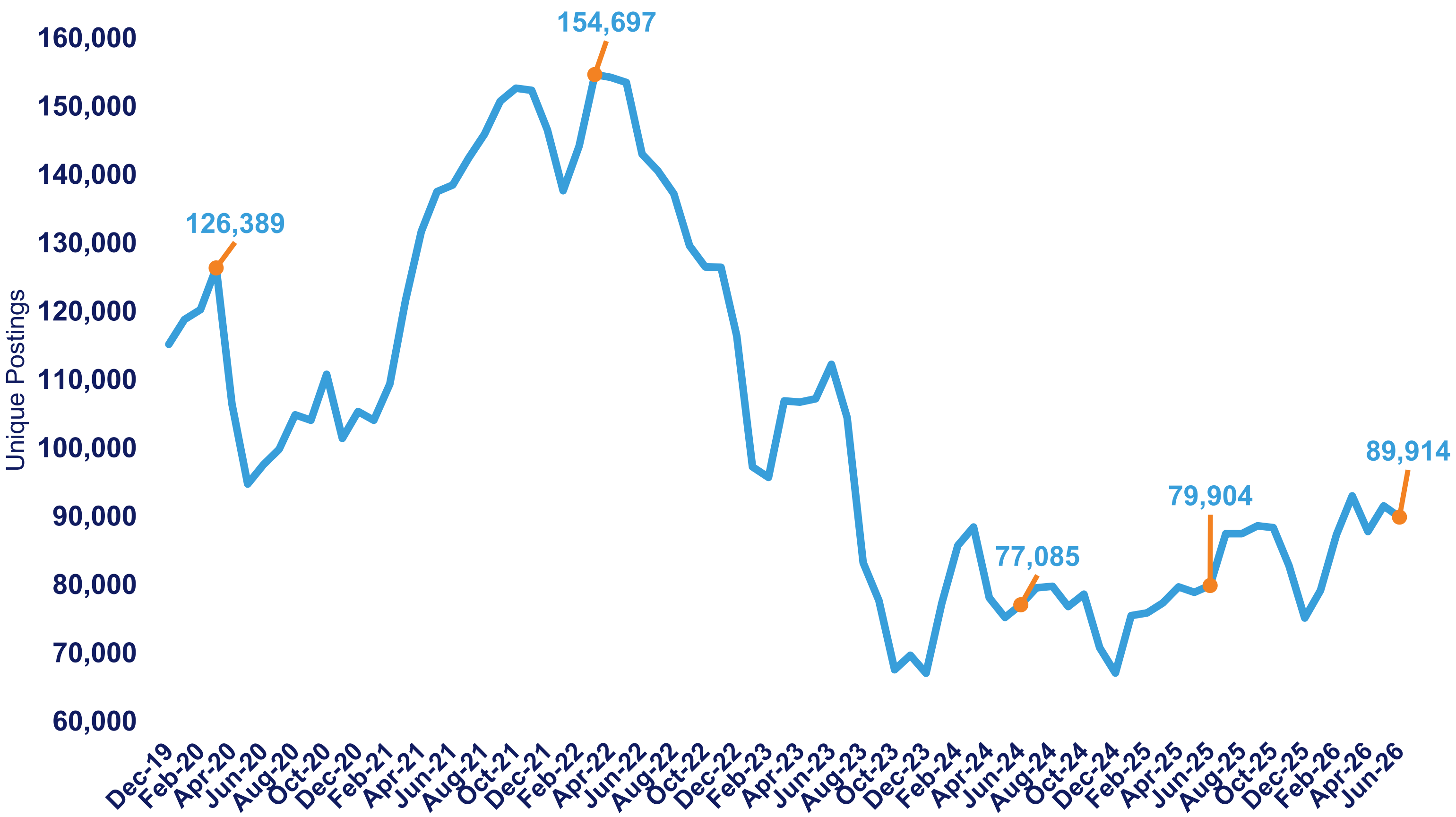
Job Postings

Detroit MSA



Source: Lightcast, Active Postings, Full-time, Excludes internships

Consumer Sentiment Remains at Historic Lows

April, May and June consumer sentiment levels are the three lowest levels recorded over the nearly 75 years of the survey. These three months are the only time the level has dropped below fifty on the index.

Cost of living remains at the forefront of consumers' minds, with over half of respondents mentioning high prices weighing down their finances.

The slight increase seen in the June reading aligns with the easing of worries over the long-term consequences of the Iran conflict.

Consumer Sentiment
Year Over Year

-18%
June 2026

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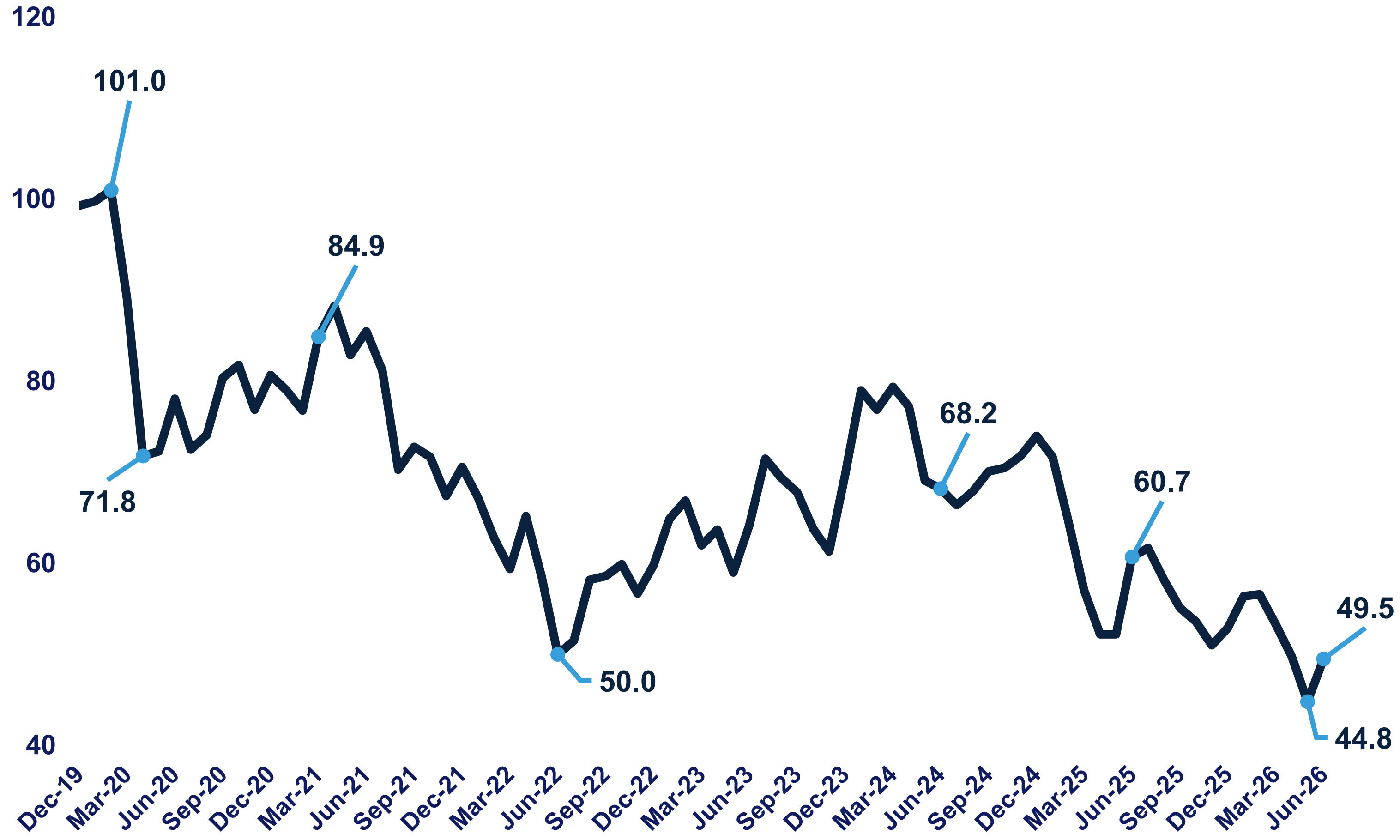
Index of Consumer Sentiment
United States



Source: University of Michigan

Gas Prices Driving up Inflation in the Region

Inflation in the Detroit Region rose sharply in large part due to rising energy prices. The Region's inflation exceeds the national rate of 3.8% over the last year.

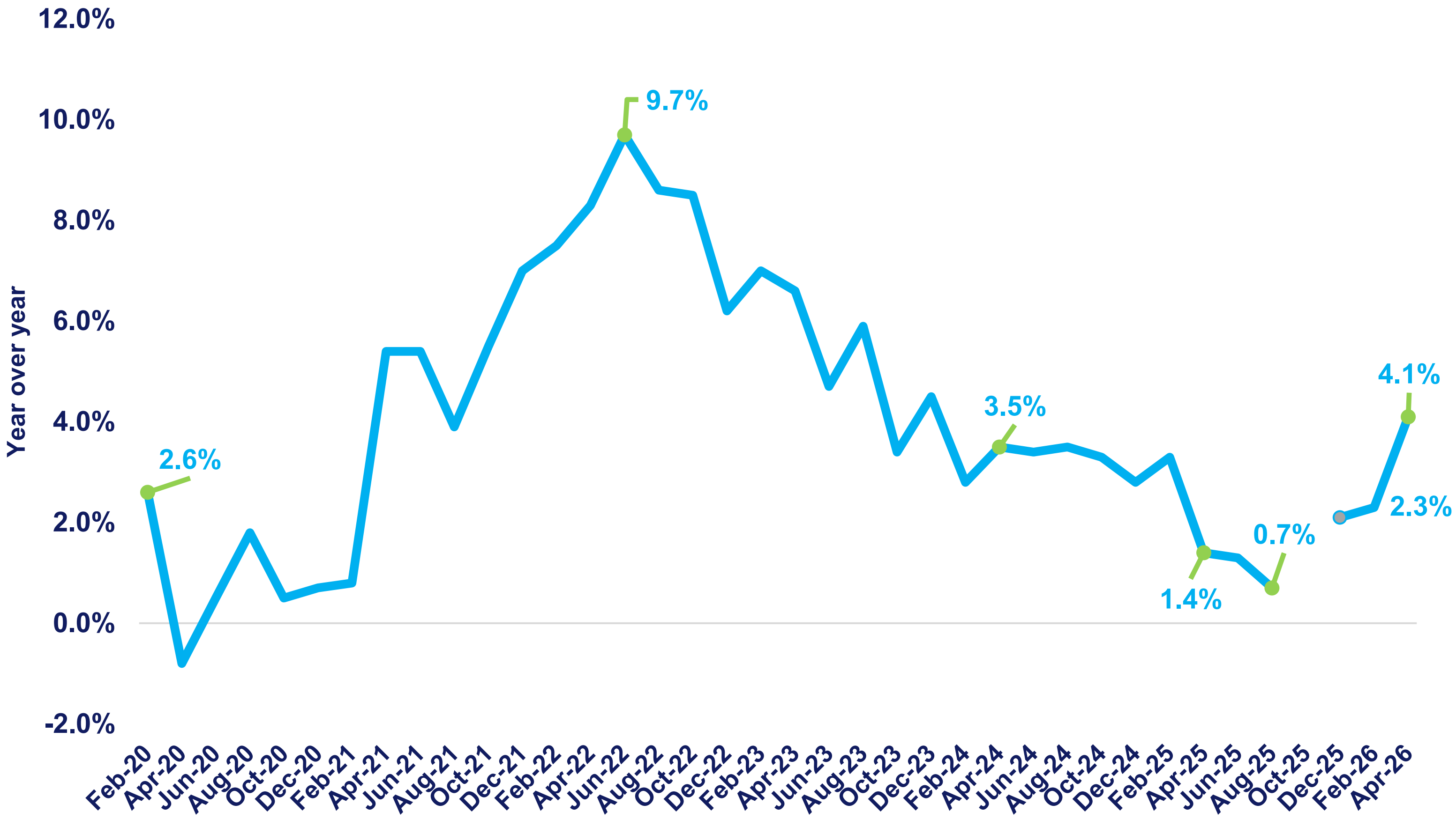
The largest increases in regional prices in April 2026 compared to the previous year:

Gasoline	+25.8
Meat, poultry, fish and eggs	+7.3
Housing	+6.7

Consumer Price Index
April
Over Last 12 Months

3.8%	4.1%
United States	Detroit MSA

Consumer Price Index
Detroit MSA



Source: Bureau of Economic Analysis, No data released for October 2025.

US CEO Confidence Steady Since Start of 2026

Overall the CEO Confidence Index has remained steady near 6.0 through the first half of the year. The survey highlights the complexity of the business environment today, as CEOs report stable demand and solid backlogs, while also citing margin pressure and uncertainty around customer decision-making.

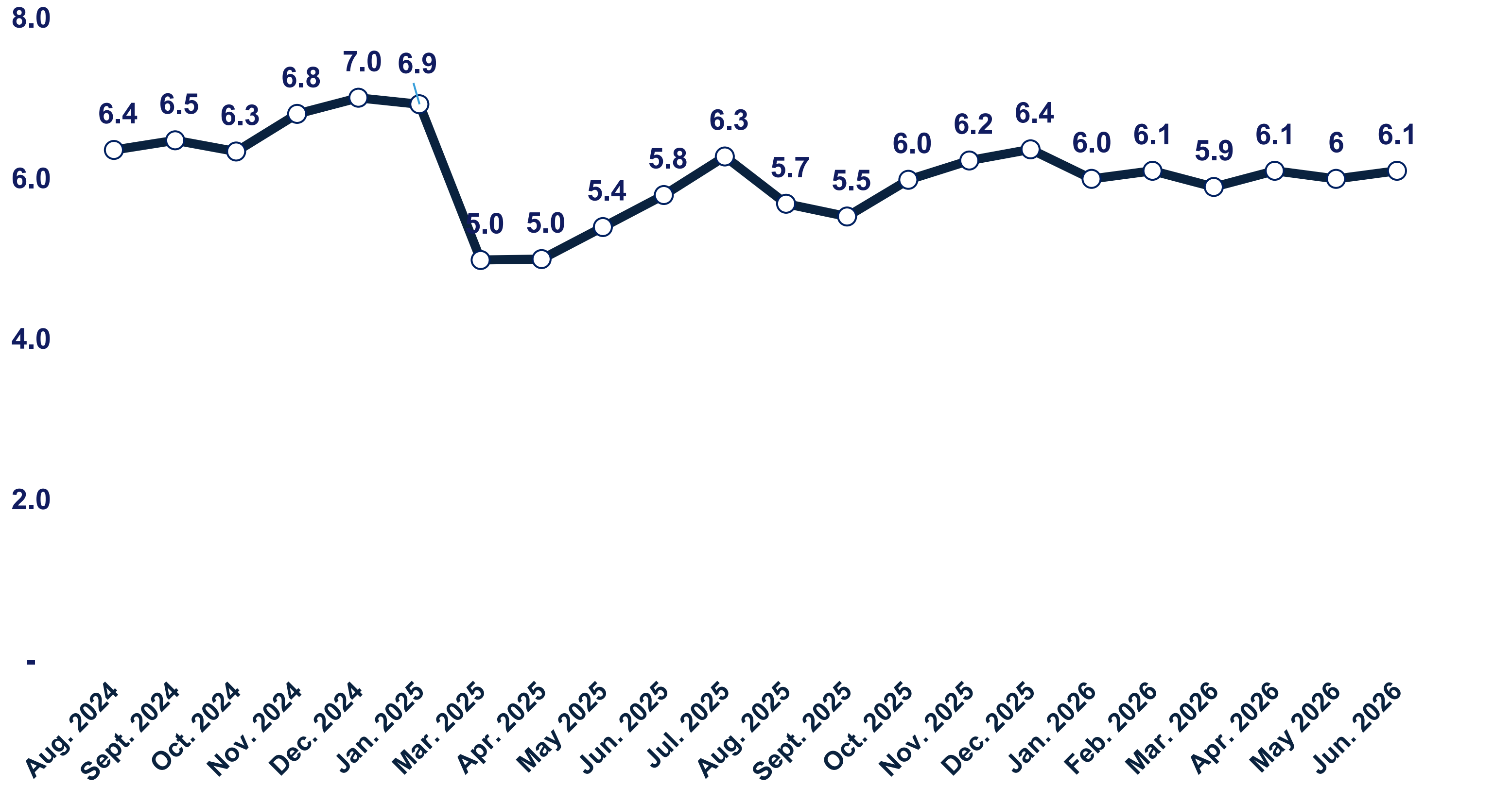
Geopolitics, AI adoption, continued inflationary pressures & new technology risks are top concerns among leaders.

CEO Corporate Forecasts
12 months out

73% expect increasing operating expenses

44% expect to increase capital expenditures

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



Source: Chief Executive
1-2 Poor, 3-4 Weak, 5-6 Good, 7-8 Very Good, 9-10 Excellent

Six Months of Manufacturing Sector Expansion

Increased production and new order levels have kept the manufacturing sector in expansion territory through the first half of 2026.

Signs of worry remain - including geopolitical conflicts, renegotiation of the USMCA, and rising prices. Fifty percent of panelists mentioned pricing volatility as an issue for their company.

> AS A U.S.-BASED COMPANY, ONE OF THE THINGS THAT IT HAS BROUGHT TO US IS OPPORTUNITY. WE HAVE OUR CUSTOMERS LOOKING FOR MORE U.S. CONTENT.

JILL DRALLE,
Vice President and U.S. Division President, Nexteer Automotive
Discussing tariffs at the 2026 Mackinac Policy Conference

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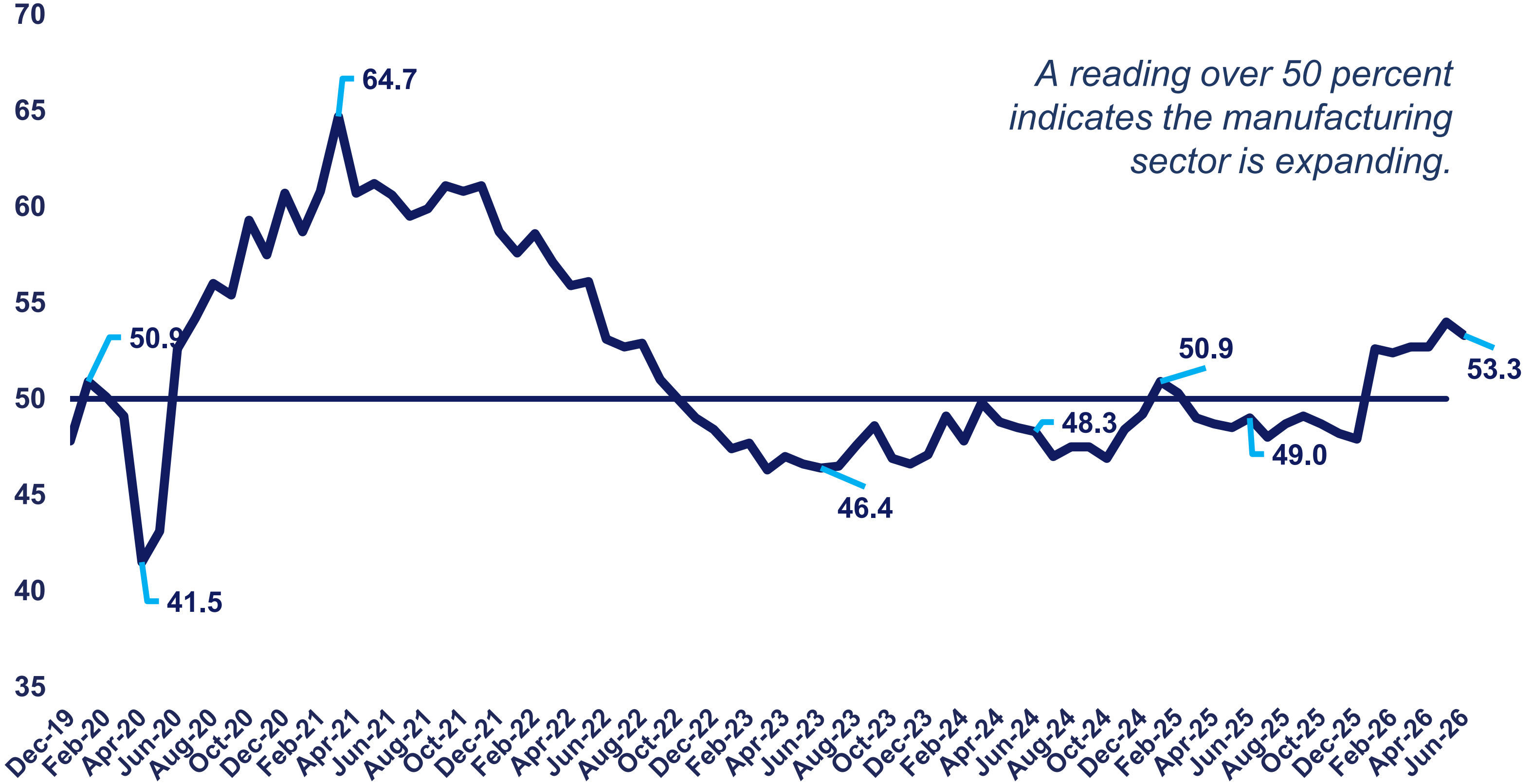
Manufacturing PMI®

Purchasing Manager's Index



Source: Institute For Supply Management

Vehicle Sales Resilient in First Half of 2026

Vehicle sales for the first half of 2026 ended with a stable 16.5M SAAR after a weak start to the year. Higher gas prices and geopolitical tension has had a limited impact on demand.

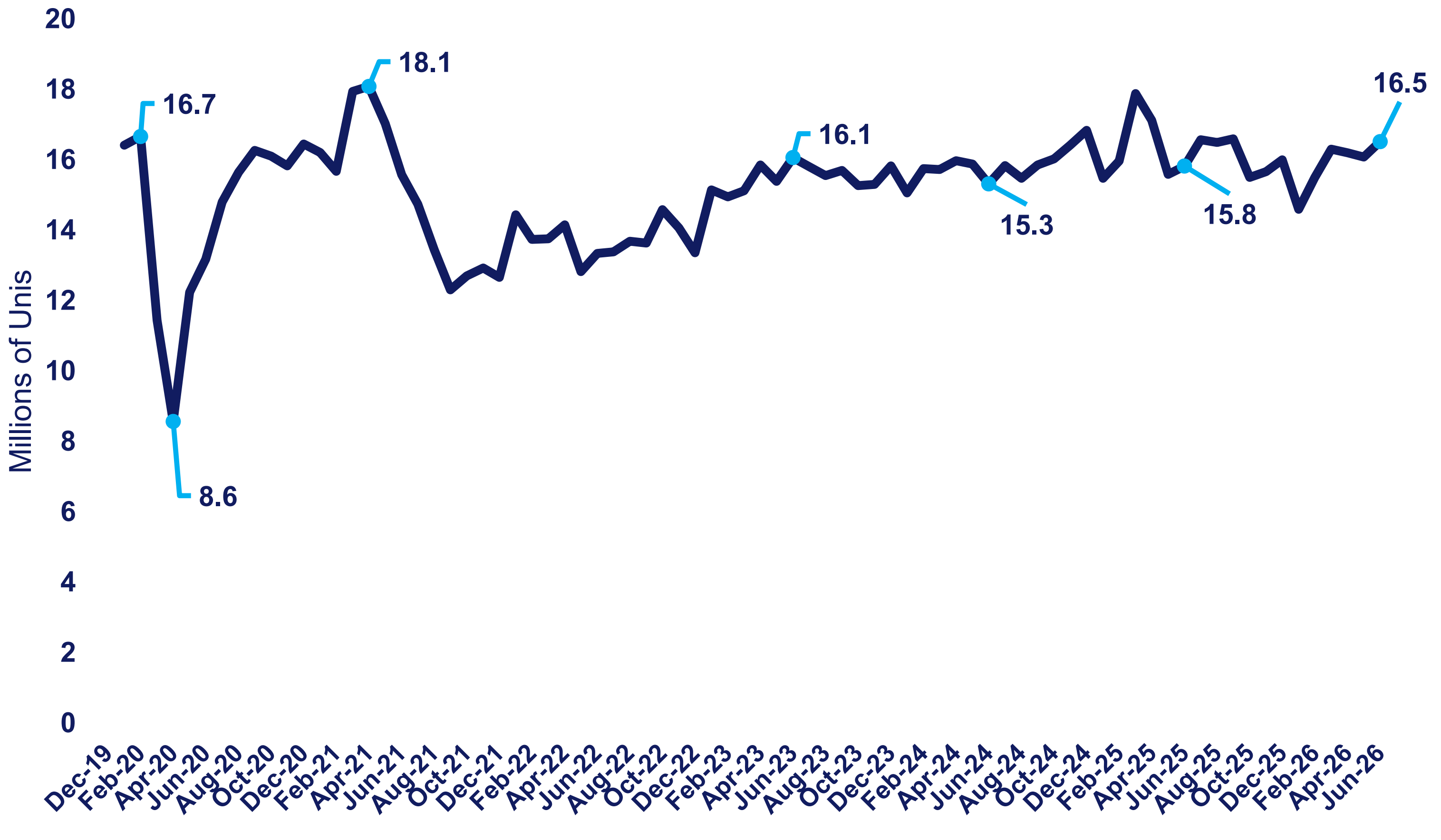
The 2026 sales pace is expected to be nearly a 3% decline from 2025; however, the decline is a function of last years stronger-than-expected performance rather than declining demand.

New vehicle prices are down from the December peak but still reaching $49,220 average price. Hybrid electric vehicles are the fastest growing powertrain, while new EV sales are now 22% year over year.

US Light Vehicle Sales Forecast 2026		
15.8M	15.9M	16.0M
Cox Automotive	S&P Global Mobility	NADA

Annual U.S. Light Vehicle Sales

Seasonally Adjusted Annual Rate (SAAR)



Source: Bureau of Economic Analysis

New Business Application Levels Remain Strong

Sustained elevated levels of business creation have been attributed to digital transformation and online business platforms, rise in remote work and gig economy, and increased interest in flexibility and autonomy.

The state and nation are experiencing a 60% growth in business starts compared to the same quarter in 2019.

Michigan has seen 16% growth in Q1 2026 over the same quarter in 2025, exceeding the nation's growth of 10%.

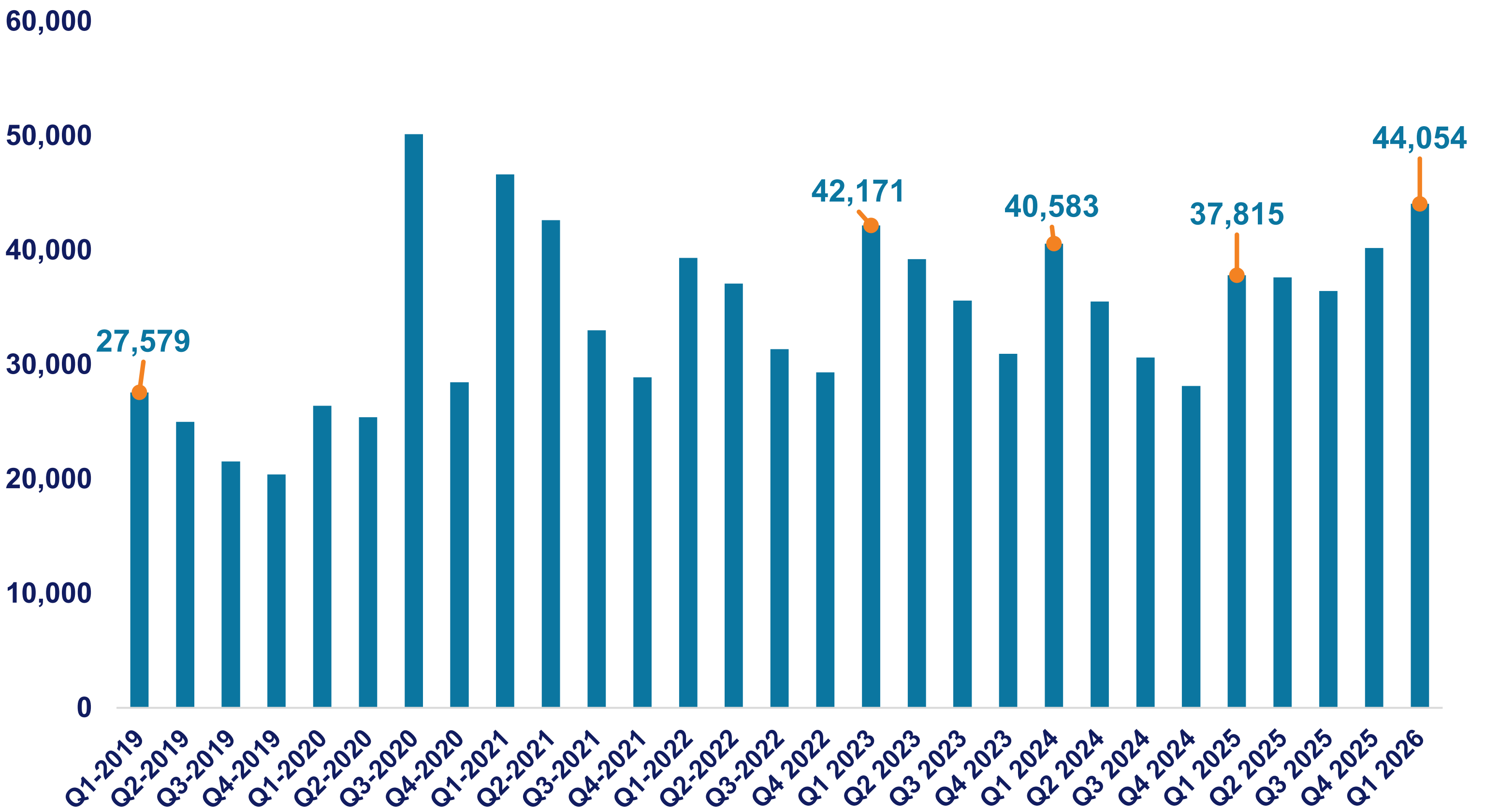
Business Application Growth

2026 Q1 Year Over Year

10%	16%
United States	Michigan

Business Applications

Michigan



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