



ECONOMIC INDICATOR *UPDATE*

*RELEASE DATE:
October 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.



Metric	Pre-Pandemic	Year-Over-Year Comparison	Latest	Trend
GDP, MI	3.4% (Q2 2019)	6.5% (Q2 2025)	2.4% (Q2 2026)	Michigan inflation adjusted GDP advanced in Q2, led by growth in durable good manufacturing. The state ranked 18 th in Real GDP growth at an annualized rate.
GDP, US	3.4% (Q2 2019)	4.0% (Q2 2025)	2.2% (Q2 2026)	Solid growth in Q2 U.S. GDP driven in large part by strong consumer spending and AI-related investments.
Private Sector Jobs, Detroit Region	2.18M (August 2019)	2.17M (August 2025)	2.16M (August 2026)	Private sector jobs in the Region are down 5.2K in August year over year.
Unemployment, Detroit MSA	4.2% (Aug. 2019)	4.7% (Aug. 2025)	5.4% (Aug. 2026)	Detroit Region's unemployment rising since the start of 2026. The rate is diverging from the nation's rate and is now 1.3 p.p. above the U.S. level.
Unemployment, US	3.6% (Aug. 2019)	4.3% (Aug. 2025)	4.1% (Aug. 2026)	U.S. unemployment rate has remained in a narrow range of 4.1 percent to 4.3 percent since March.
Labor Force Participation Rate, MI	61.8% (Aug. 2019)	60.9% (Aug. 2025)	58.8% (Aug. 2026)	Labor force participation rate in Michigan has declined every month since January 2025, driven by retiring workers.
Initial Unemployment Claims, MI	7.3K (Aug. 2019)	8.5K (Aug. 2025)	7.2K (Aug. 2026)	Initial unemployment claims have declined from a slight rise in mid-2025, declining 15% year over year.
Job Postings, Detroit MSA	125.9K (Sept. 2019)	88.7K (Sept. 2025)	96.7K (Sept. 2026)	Positive momentum as regional job postings reach levels last seen in 2023.



Metric	Pre-Pandemic	Year-Over-Year Comparison	Latest	Trend
Consumer Price Index, Detroit MSA	1.4% (Aug. 2019)	0.7% (Aug. 2025)	3.7% (Aug. 2026)	The energy category of the CPI is up double digits for both the Region and the nation, driving elevated inflation.
Consumer Sentiment, US	95.5 (Oct. 2019)	53.6 (Oct. 2025)	46.3 (Oct. 2026)	The five lowest monthly index readings since the start of the consumer sentiment survey in 1952 all occurred in 2026.
US CEO Confidence	n/a (Oct. 2019)	6.0 (Oct. 2025)	5.8 (Oct. 2026)	U.S. CEO confidence remains steady, with outlook for their own companies higher than the broader economy.
Manufacturing PMI®	48.2 (Sept. 2019)	49.1 (Sept. 2025)	54.5 (Sept. 2026)	Nine straight months of the U.S. manufacturing sector expanding, while raw material prices increased for the 24 th straight month.
Automotive Sales, US, SAAR	17.2M (Sept. 2019)	16.6M (Sept. 2025)	16.0M (Sept. 2026)	Seventh consecutive month with a new-vehicle sales SAAR over 16M – the longest streak since 2020.
Business Applications, MI	25.1K (Q2 2019)	37.7K (Q2 2025)	41.4K (Q2 2026)	Over 86K business applications in the first half of 2026 in Michigan, a growth of 14% over the same period in 2025.

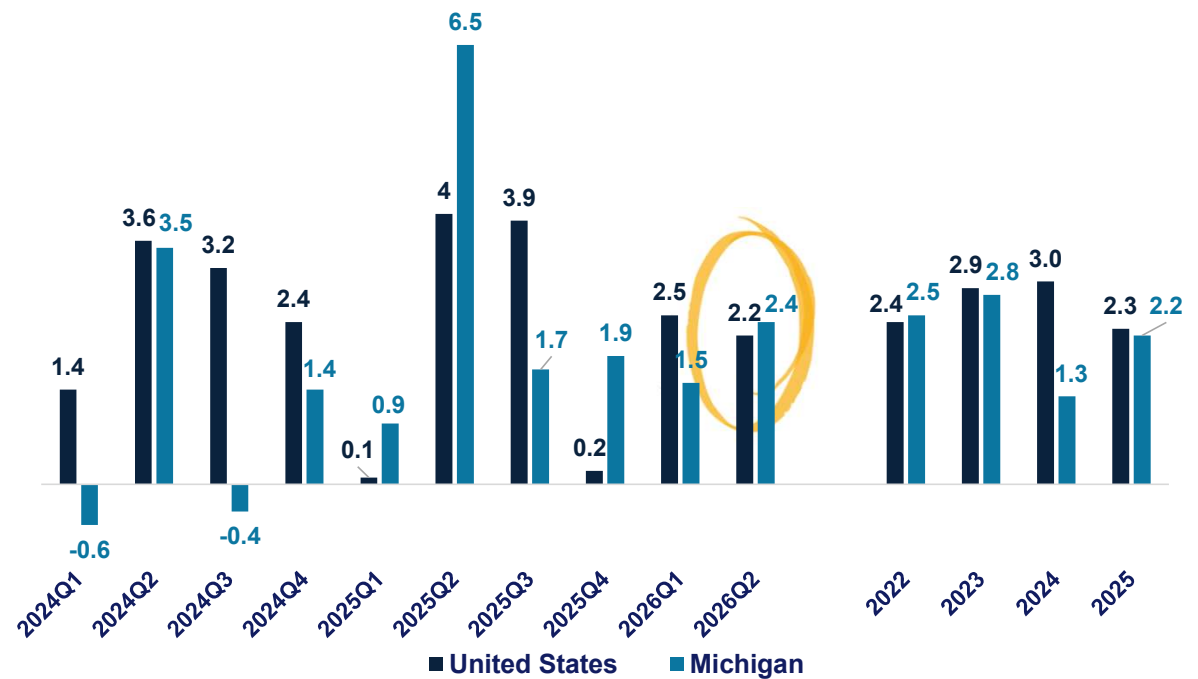
Michigan's Q2 GDP Strong, Ranked 18th in the Nation

The U.S. inflation-adjusted GDP for Q2 grew faster than previously expected, driven by consumer spending and investment in AI related infrastructure. Real estate and information industries were the largest contributors to the nation's GDP growth.

Michigan's GDP growth of 2.4% ranked the state 18th in the nation in Q2 and surpassed the country's 2.2% rate. Durable goods manufacturing in the state were the largest contributor to the GDP growth.

Real GDP

Percent change from preceding period



Source: Bureau of Economic Analysis

Private Sector Jobs Down Compared to Recent Years, and 2019 Levels

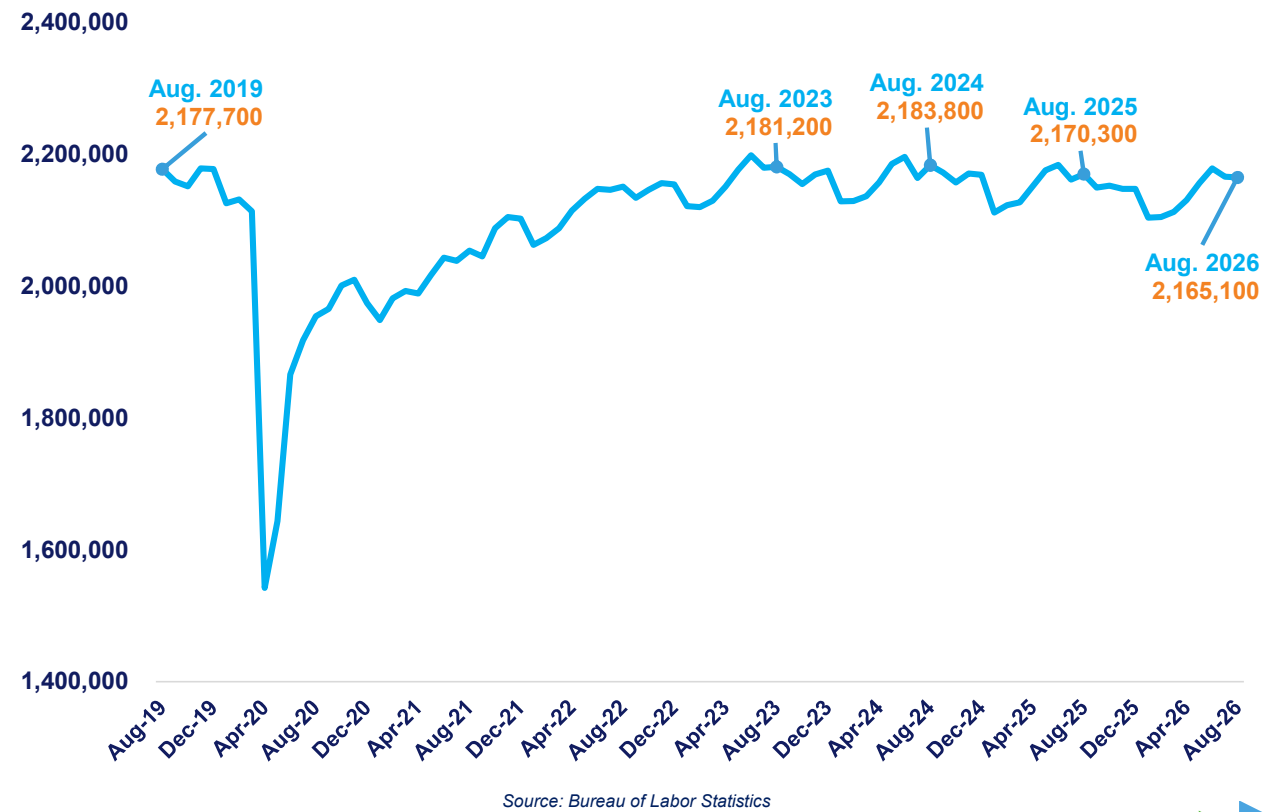
Private sector jobs in the Detroit Region in August 2026 were down compared to the past three years for the same month. There are nearly 19,000 fewer jobs in the Region compared to 2023.

Michigan's nonfarm payroll jobs have been essentially flat over the past year, however positive job growth was reported for five consecutive months before declining in the most recent month of August.

The state of Michigan is projecting education and health services, financial activities and professional and business services to capture the largest gain in employment in the coming decade. While manufacturing is projected to shed the most jobs through 2034.



Private Sector Jobs Detroit Region



Detroit Region's Unemployment Rate Continues to Diverge from the Nation

The past four years have recorded annual unemployment below 5% for the Detroit Region. Since the start of 2026, the rate has continued to rise reaching 5.4% in August.

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

Unemployment Rate August 2026

4.1%

United States

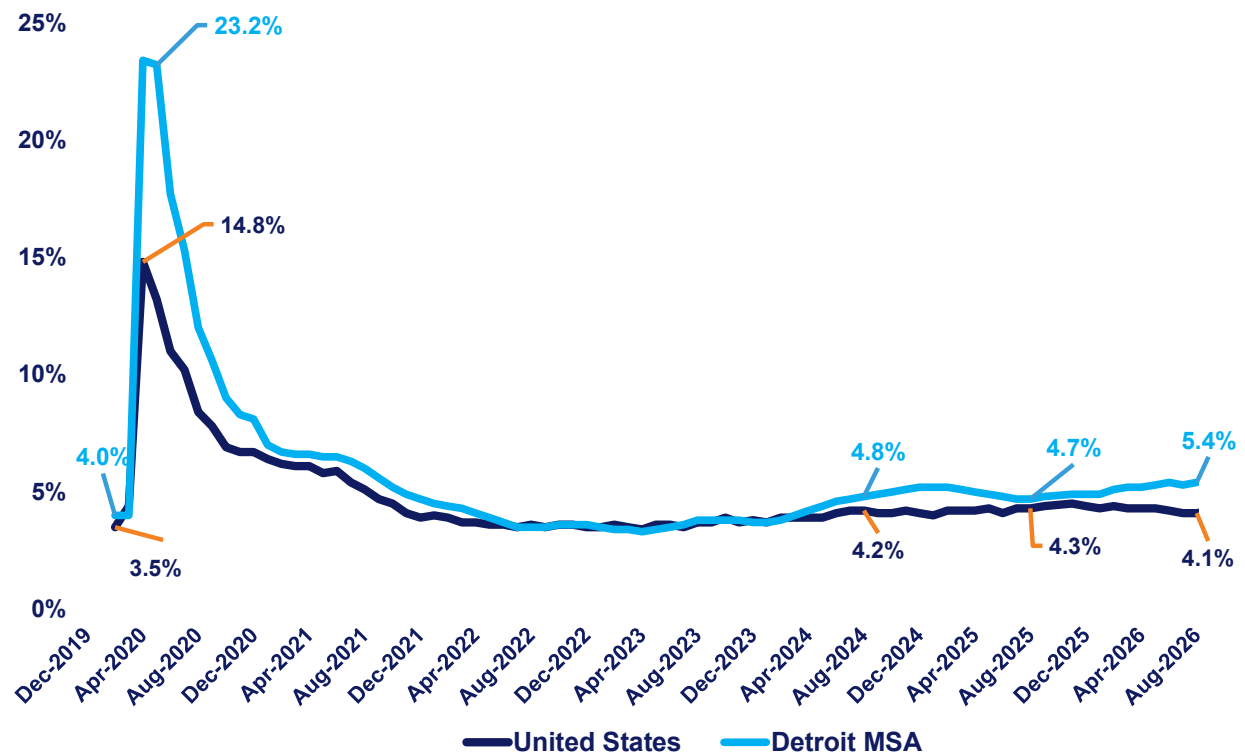
5.4%

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.

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Labor Force Participation Rate Plummets

Both Michigan and the United States are experiencing declines in labor force participation rate (LFPR). Michigan's rate peaked in 2000 at nearly 69%.

The state's labor force has declined nearly every month since January 2025. Driven by an aging population, retiring workers have moved Michigan's LFPR below 60%.

Labor Force Participation Rate State Ranking

August 2026

4th

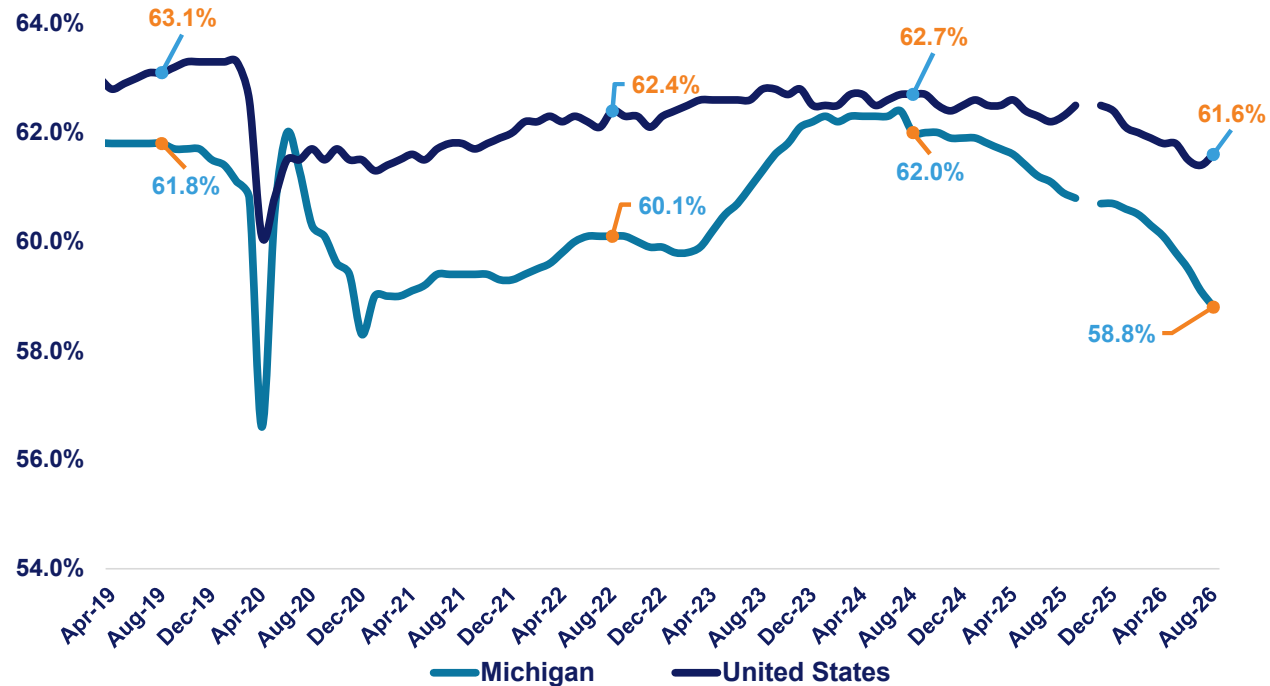
Minnesota

39th

Michigan



Labor Force Participation Rate



Source: Current Population Survey (CPS), Michigan Center for Data and Analytics, DTMB



Initial Claims for Unemployment Trending 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.

Michigan's claims have declined 15% on an annual basis and are aligned with the "low fire" employment environment.

Initial Unemployment Claims

August 2026, Year Over Year

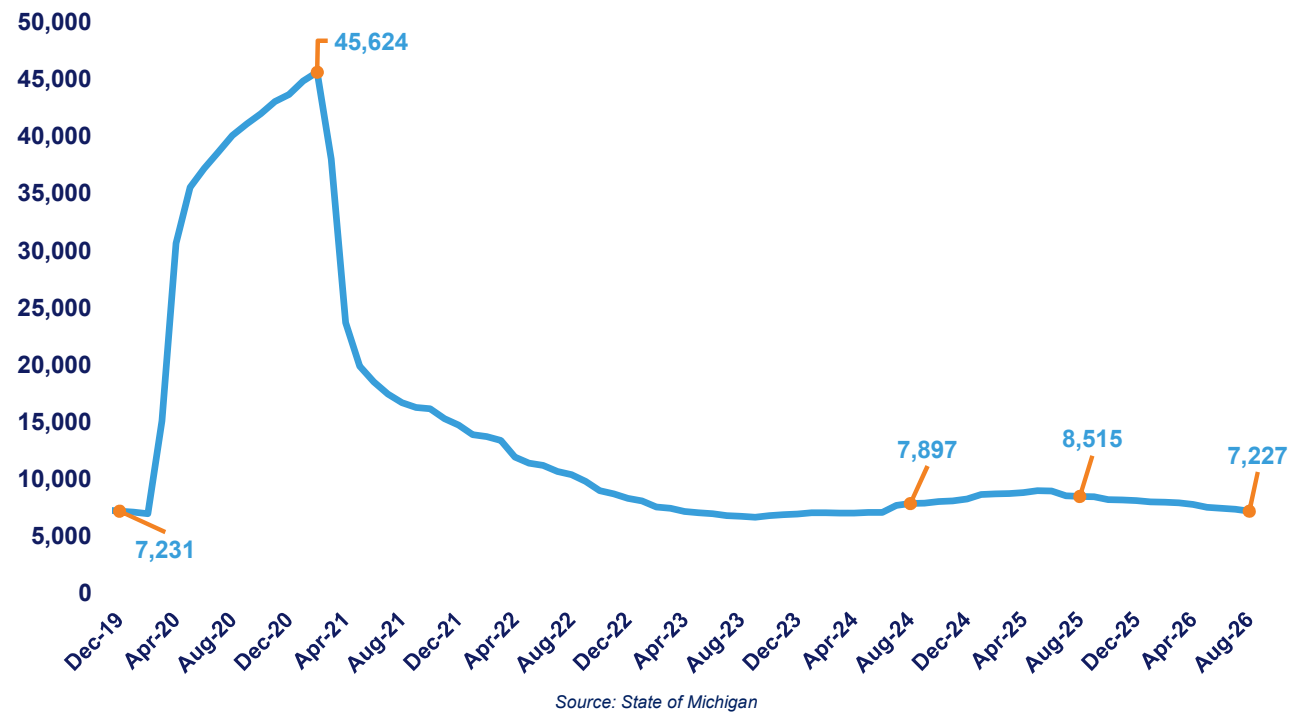
-15%

Michigan



Initial Unemployment Claims

52 Week Moving Average
Michigan



Job Postings Reach Levels Last Seen in 2023

Job posting activity has been elevated since July, with the Region experiencing nearly 100K postings in September.

There were over 168K unique full-time postings over the last three months, with health care and manufacturing as top industries posting opportunities. Companies with most unique postings include Stellantis, Henry Ford Health, General Motors, Soliant Health, Kroger, and Corewell Health.

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

Job Postings September

14%

United States

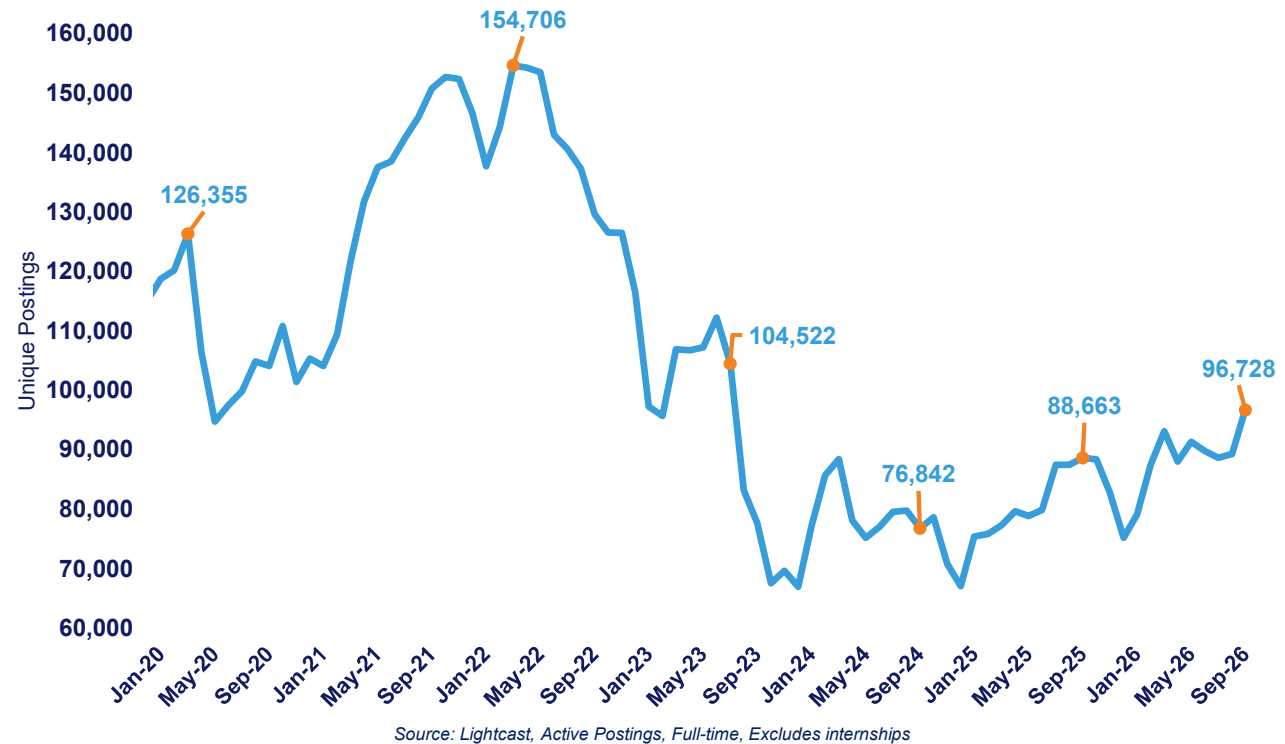
9%

Detroit MSA

Year Over Year



Job Postings Detroit MSA



2026 Records Lowest Consumer Sentiment Ever

Consumer sentiment levels have dropped below 50 index points in five months this year. These are the lowest levels recorded over the nearly 75 years of the survey.

Across the political spectrum survey respondents indicated frustration over the cost-of-living, believing the economy has weakened since the start of the year.

Lowest Index Readings since Start of Survey in 1952

May 2026	44.8
October 2026	46.3
September 2026	48.1
June 2026	49.5
April 2026	49.8

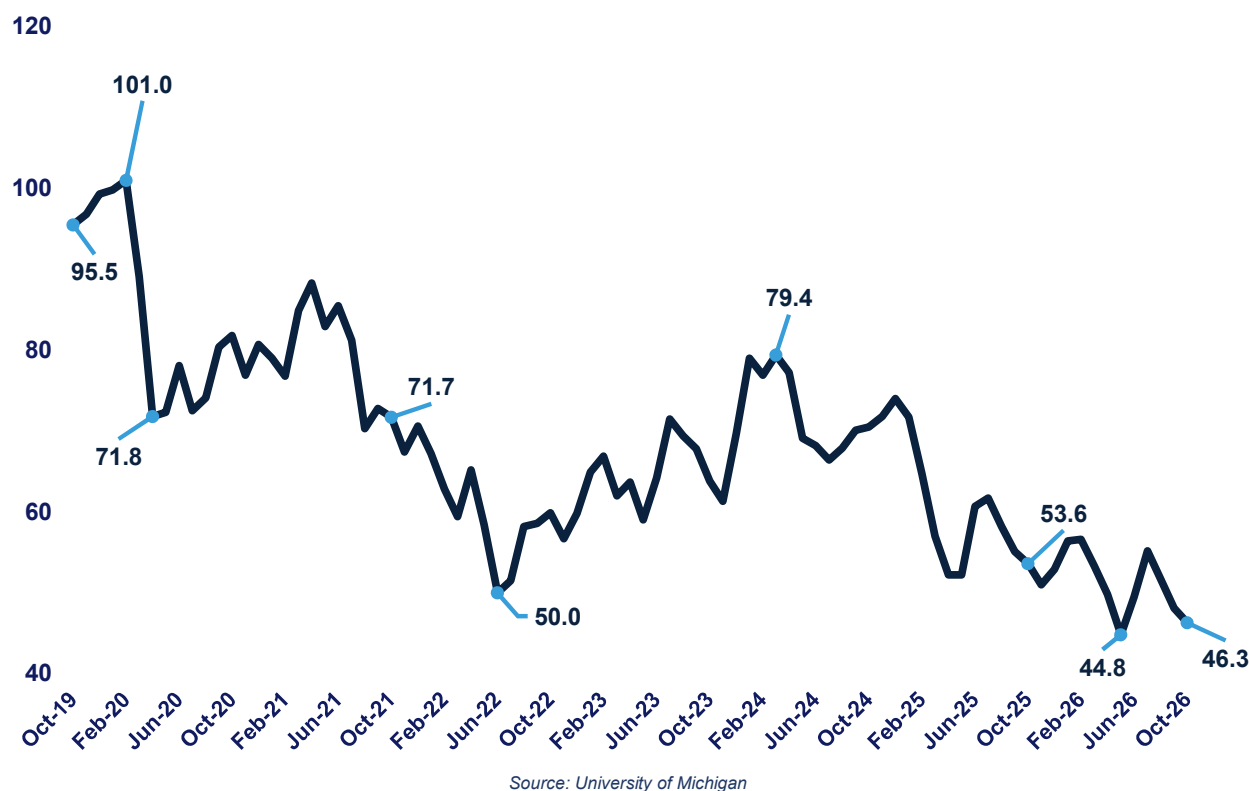
Consumer Sentiment Year Over Year

-14%

October 2026



Index of Consumer Sentiment



Energy Prices Keep Inflation Up in the Region

Inflation in the Detroit Region dropped to 3.7% from the recent peak of 4.1% in April. The Region's inflation nearly matched the nation's rate, with the energy category up double digits for both areas.

Among the largest increases in regional prices in August 2026 compared to the previous year:

Energy	+20.4
Food away from home	+12.4
Nondurables	+8.5

Consumer Price Index

August

Over Last 12 Months

3.4%

United States

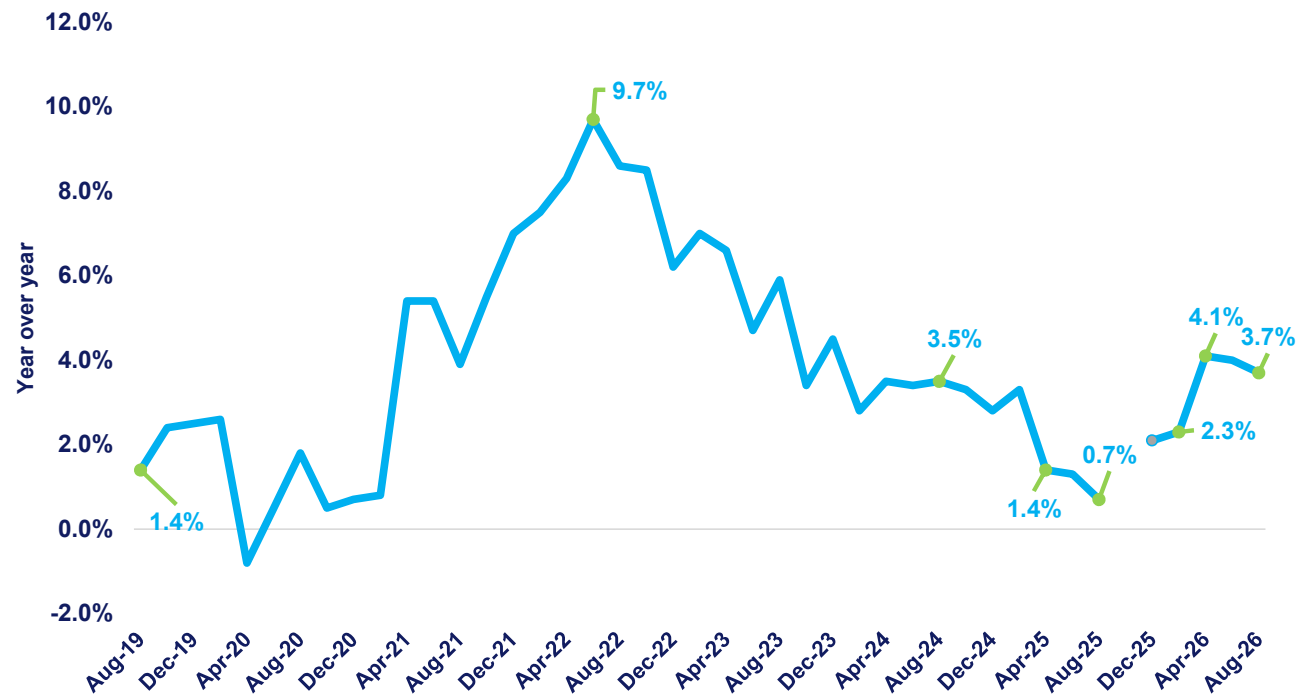
3.7%

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 2026. CEOs expressed that they do not expect the economy to improve substantially in the next year, with inflation, costs, politics, policy and uneven customer demand as top concerns.

Business leaders remain considerably more optimistic about their own companies than the broader economy however, and the majority of CEOs still expect growth despite economic uncertainty.

CEO Corporate Forecasts for 2027

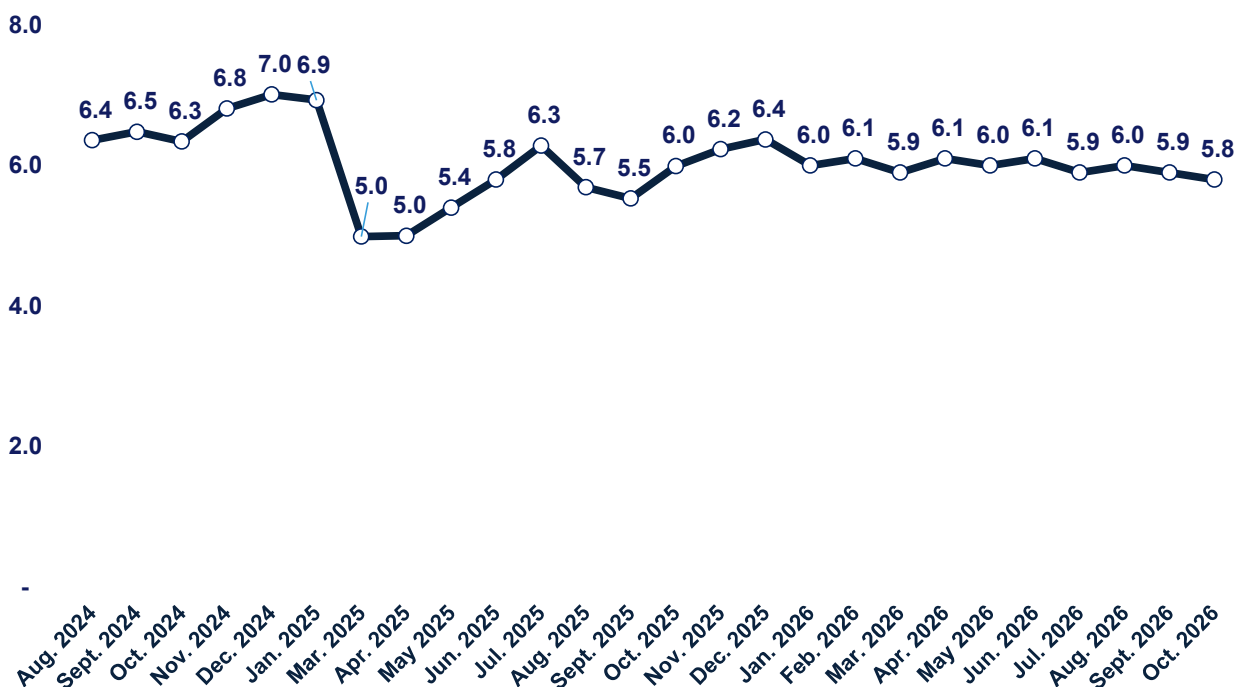
85%

expect to generate higher revenues

55%

expect to increase headcount

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

Nine Months of Manufacturing Sector Expansion

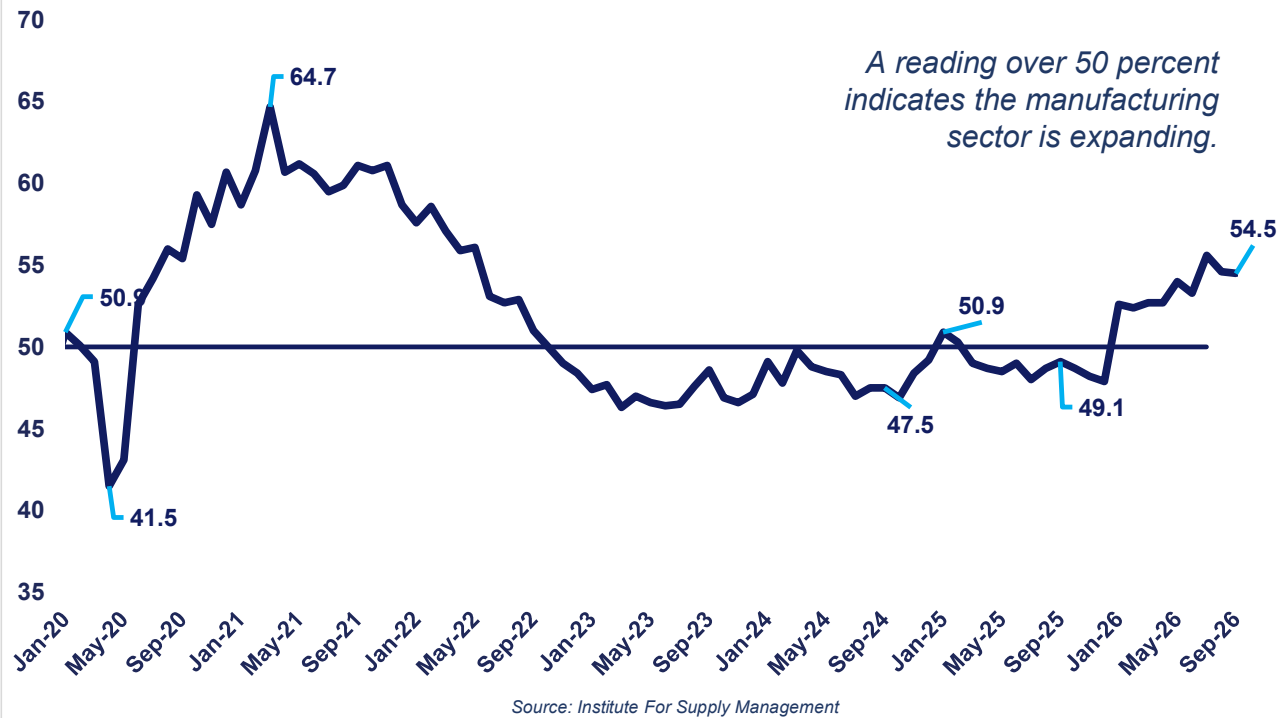
ISM® Manufacturing PMI® Report recorded the strongest levels since May 2022. The survey of purchasing managers indicated that new orders, production and employment are all growing.

Respondents indicated they are front-loading orders to avoid higher prices and shortages due to geopolitical issues. AI and data center buildout is also driving activity.

Pricing volatility is of concern as raw material prices increased for the 24th straight month. Yet business confidence remains positive as seen in the rising index value.



Manufacturing PMI® Purchasing Manager's Index



U.S. Auto Market Robust in 2026

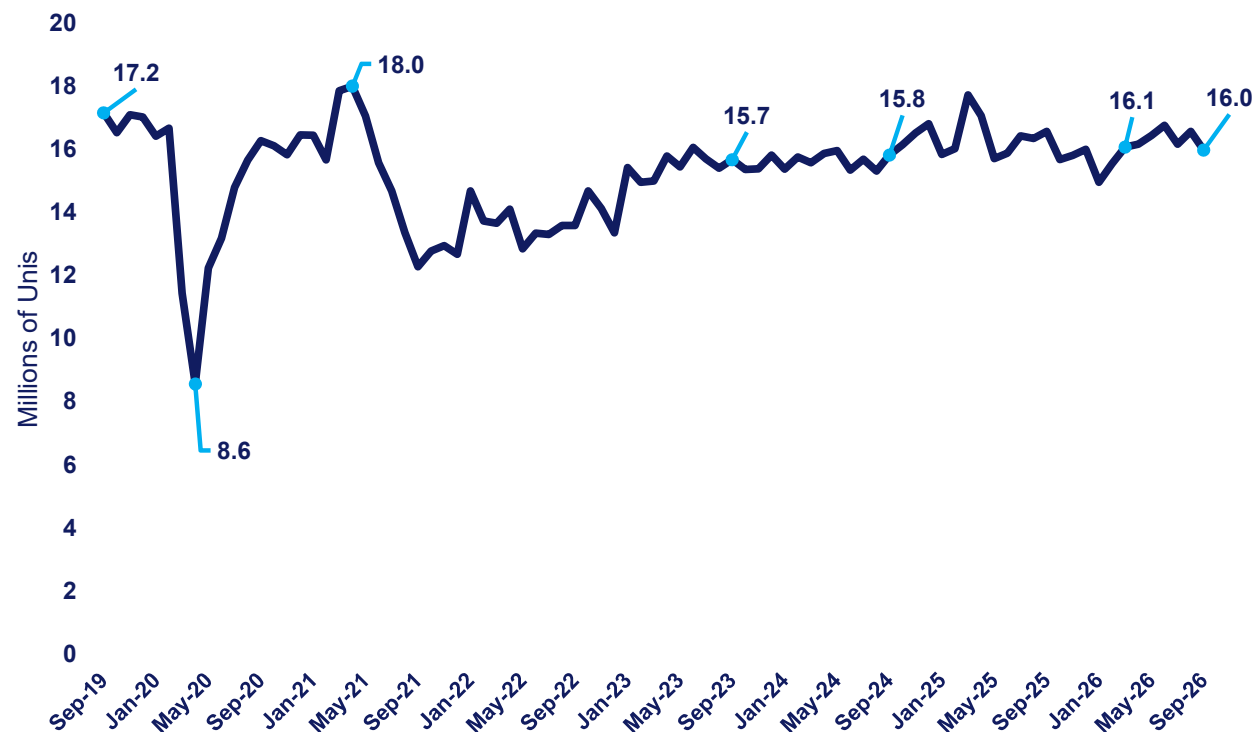
Vehicle sales for 2026 prove strong with the seasonally adjusted annualized rate of sales exceeding 16 million for seven straight months – the longest streak since 2020.

Hybrid electric vehicles are the fastest growing powertrain at 22% year over year and now represent over 15% of new light-vehicles sold.

Higher income households, which are less affected by persistent inflation, are driving vehicle demand. The average U.S. new light vehicle price rose to over \$50,000 for the first time since December 2025.

Borrowing costs are expected to increase in the coming months with increasing interest rates. The average monthly payment for a new vehicle finance contract, according to JD Power, is expected to be \$821 – the highest payment on record for any September.

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 14% growth in the first half of 2026 over the same period in 2025, exceeding the nation's growth of 12%.

Business Application Growth

1st Half Growth Year Over Year

12%

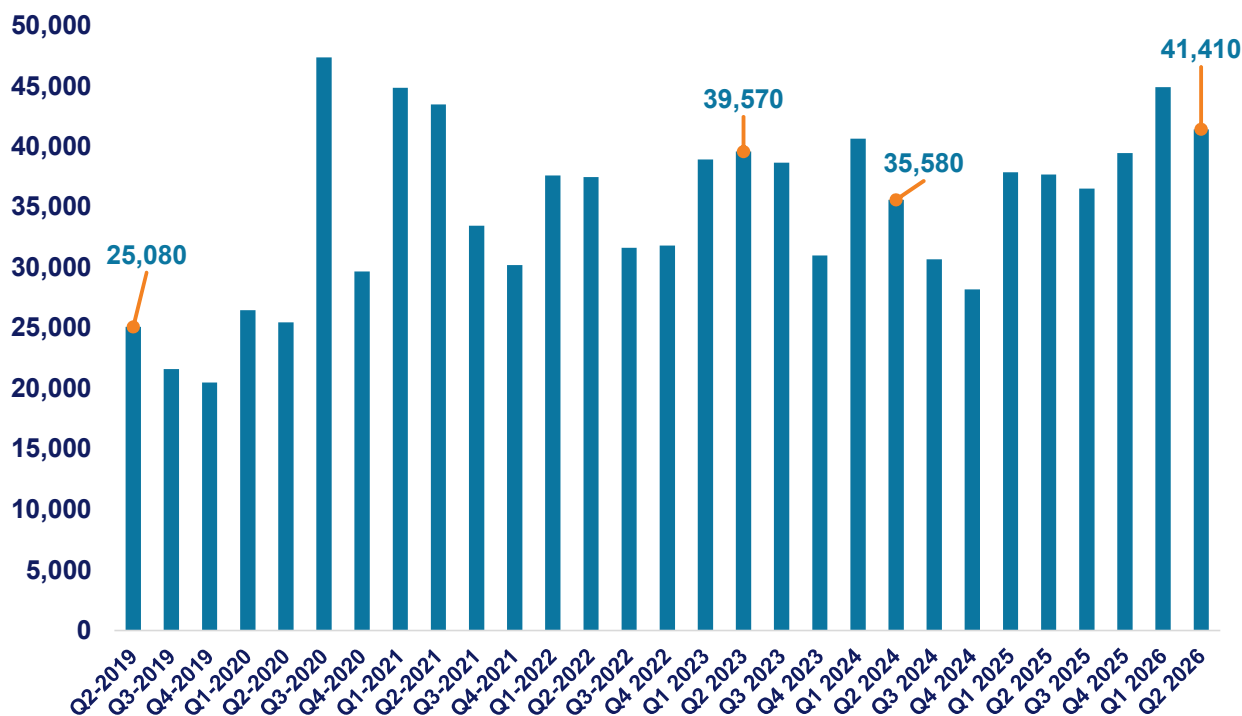
United States

14%

Michigan



Business Applications Michigan



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

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