

City of Detroit-University Economic Analysis Partnership



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Finance and Policy



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Current State of Detroit's Economy



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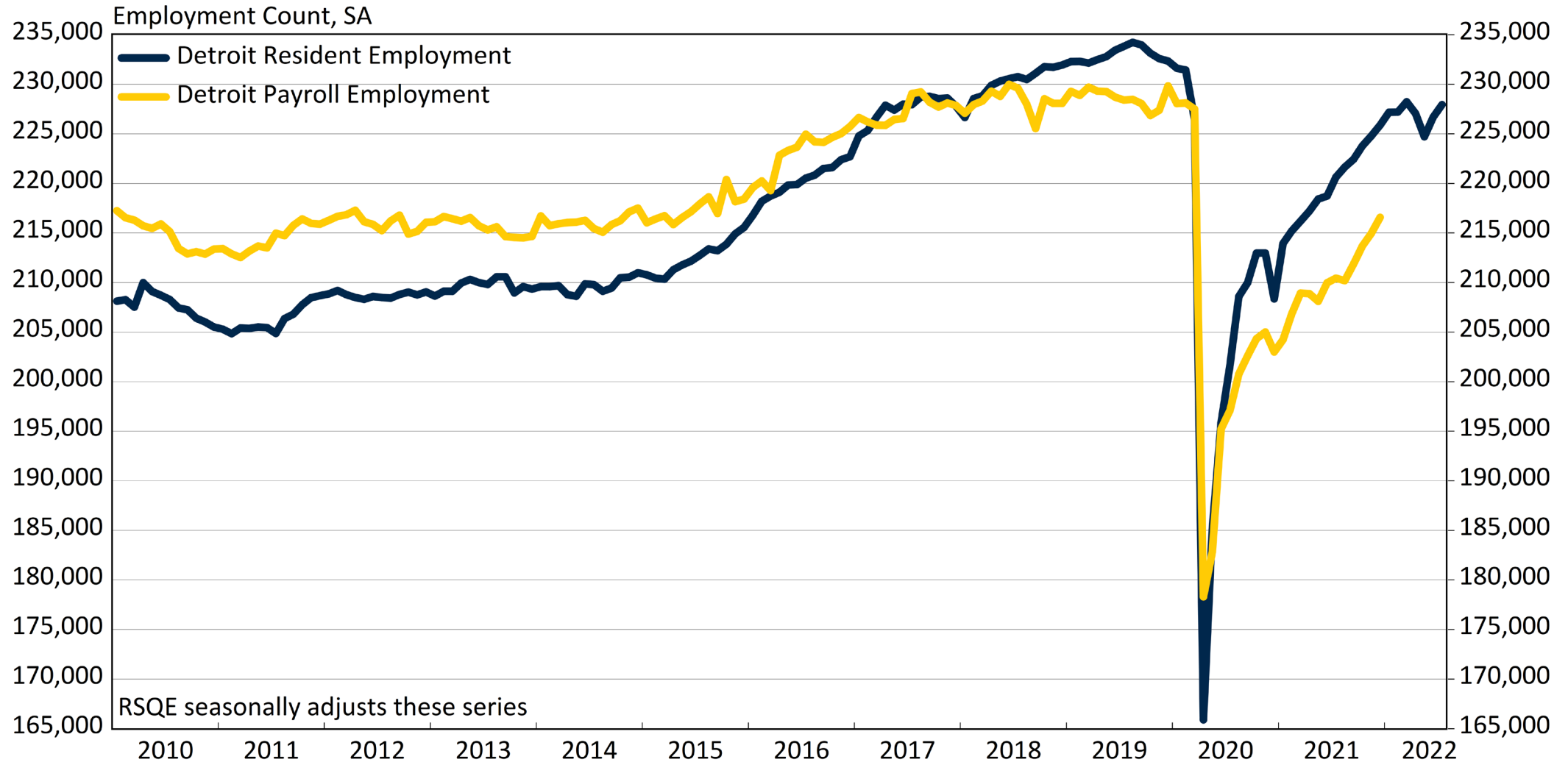
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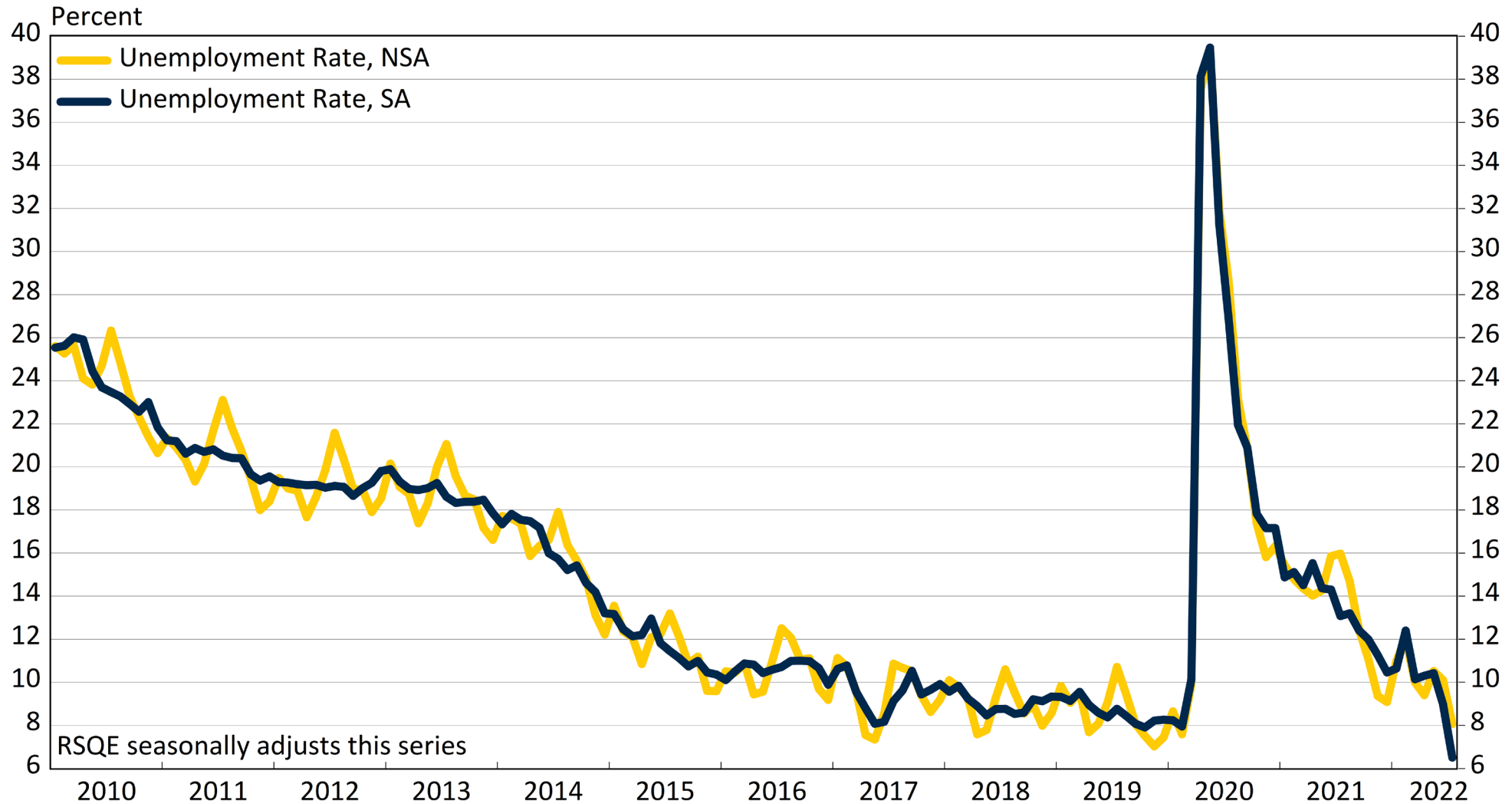


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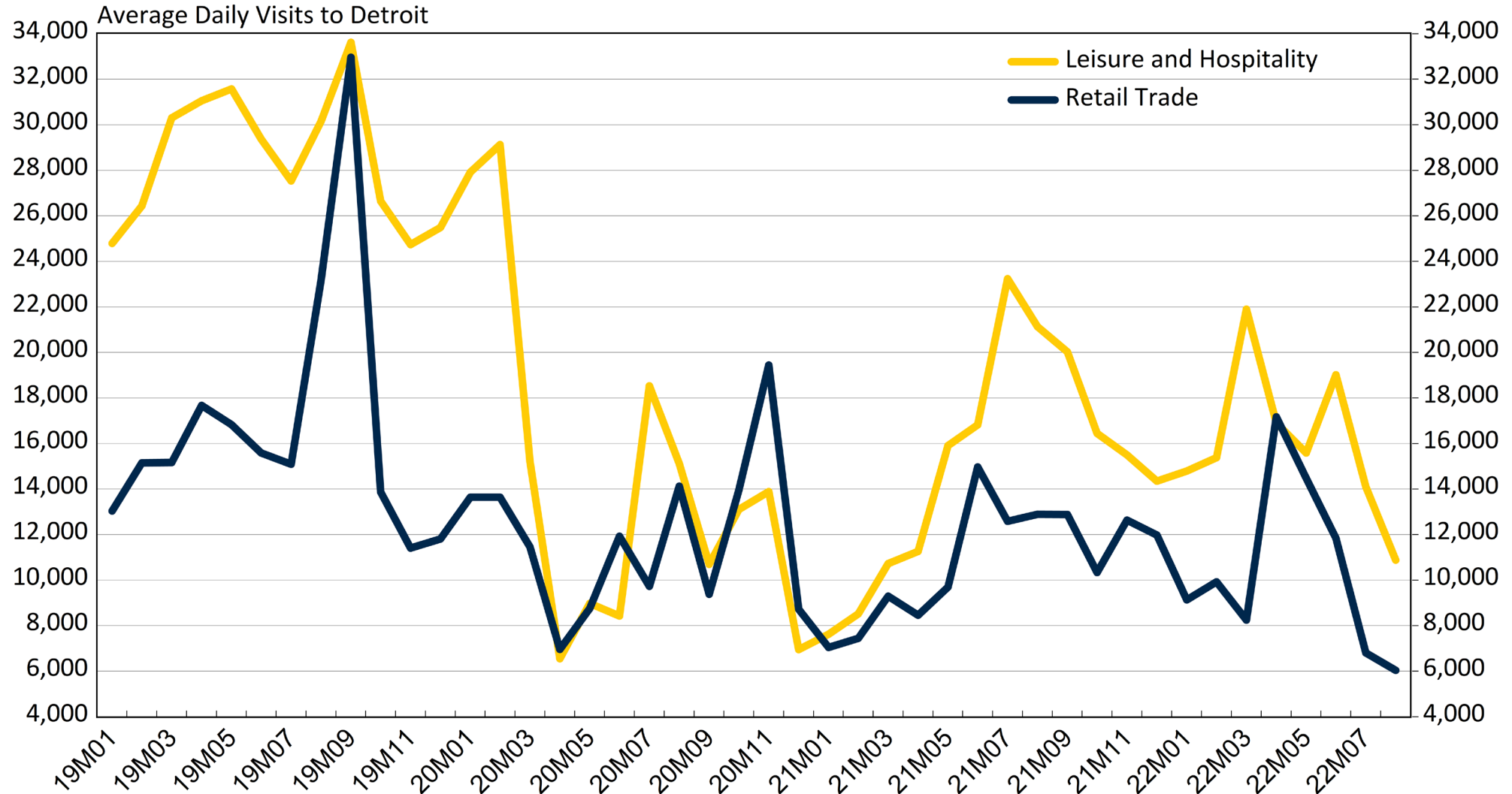
Seasonally Adjusted Monthly Employment Count, City of Detroit



Monthly Unemployment Rate, City of Detroit



Visits to Detroit Establishments by Industry, NSA



The Economic Outlook for Detroit



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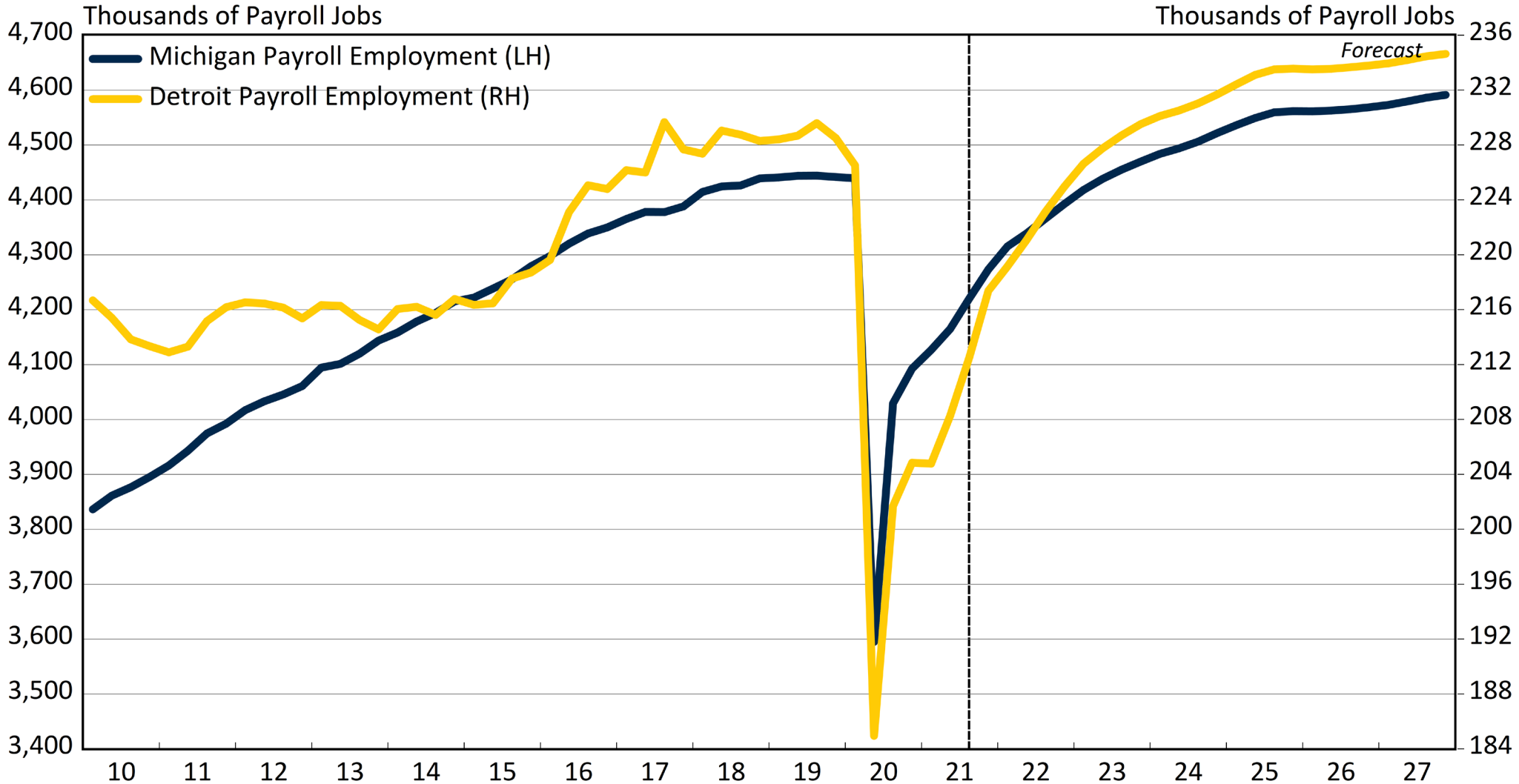
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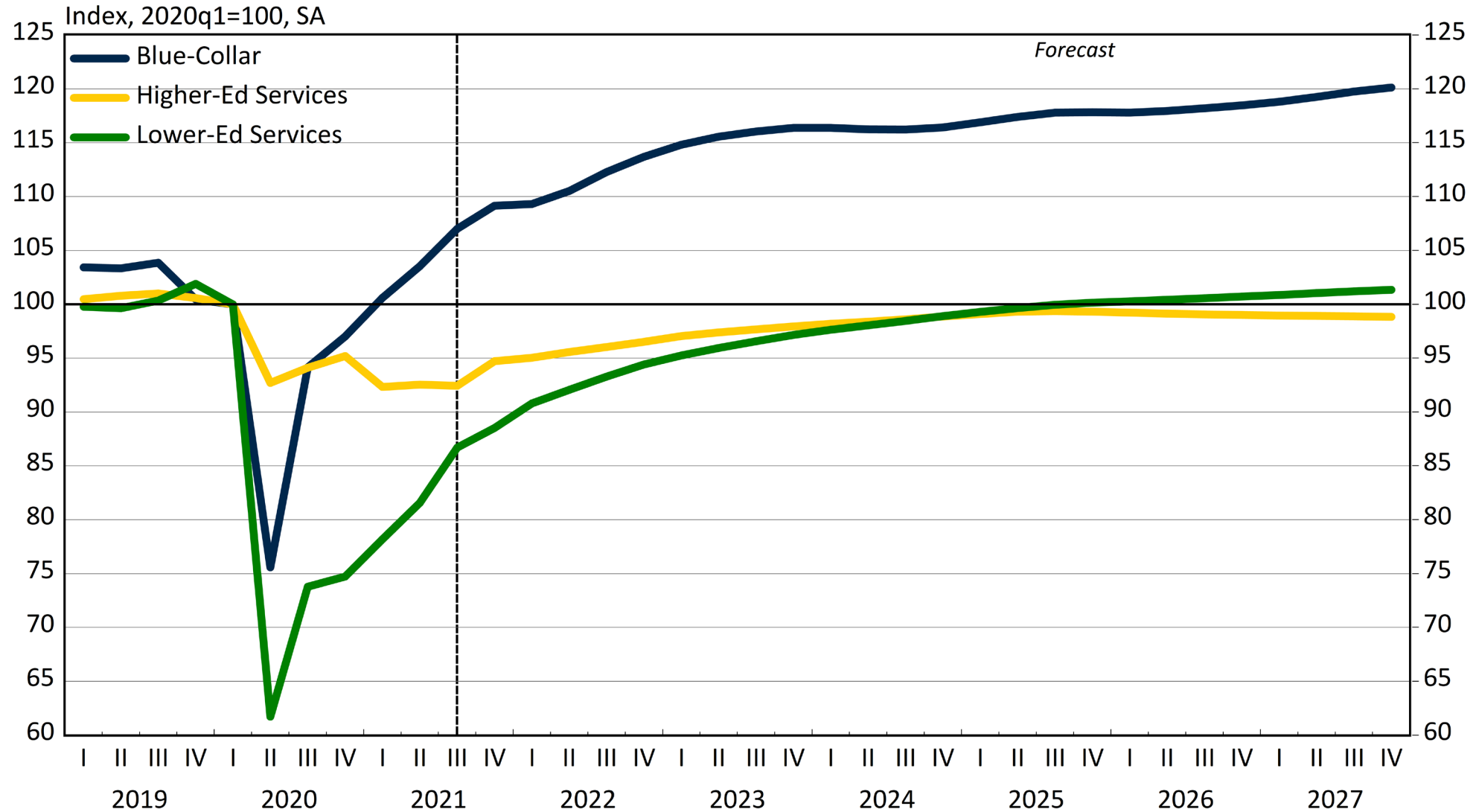
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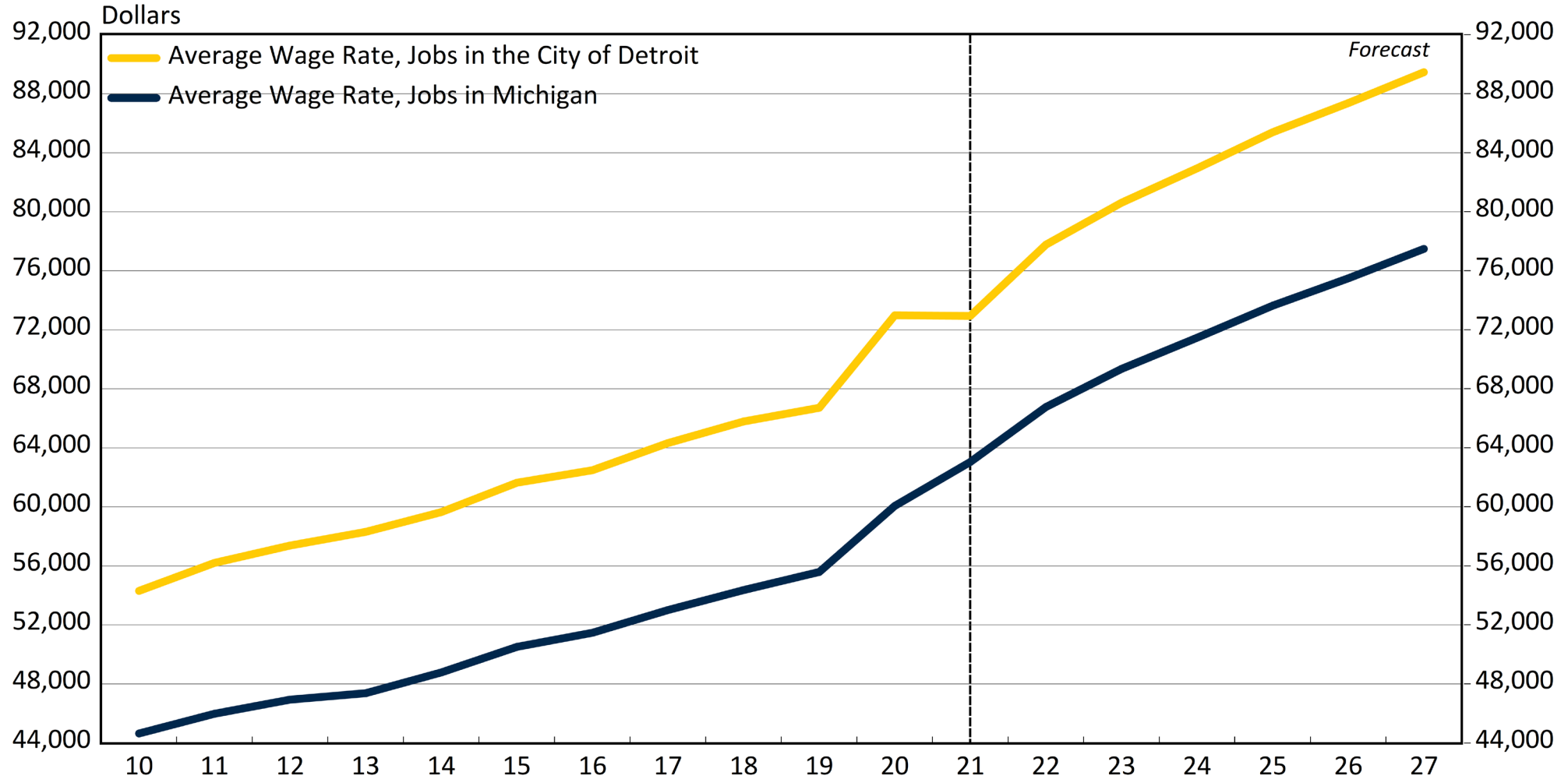
Seasonally Adjusted Quarterly Average Payroll Employment, City of Detroit and Michigan



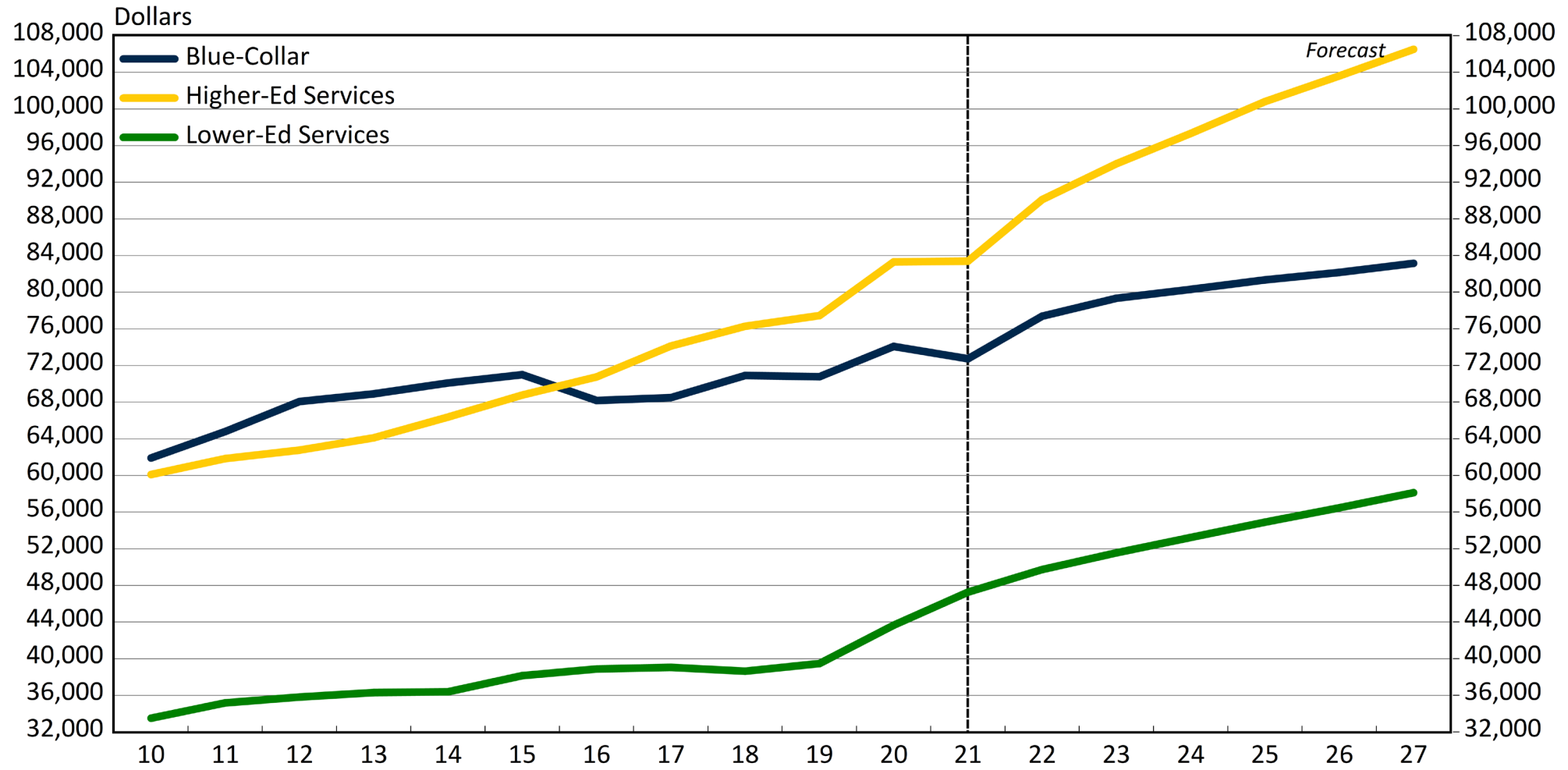
City of Detroit Employment by Industry Group



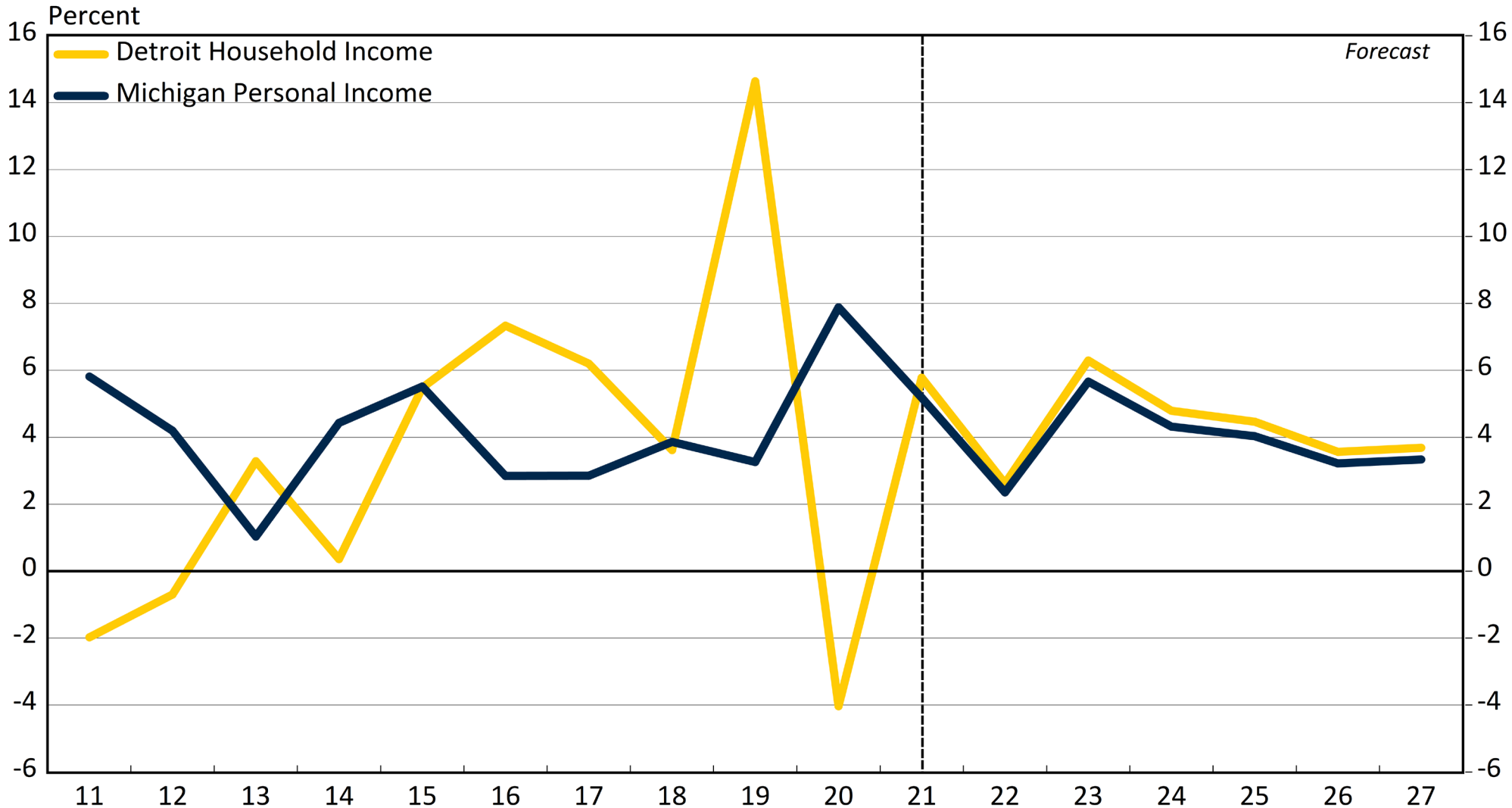
Annual Wage and Salary Income per Worker, City of Detroit and Michigan



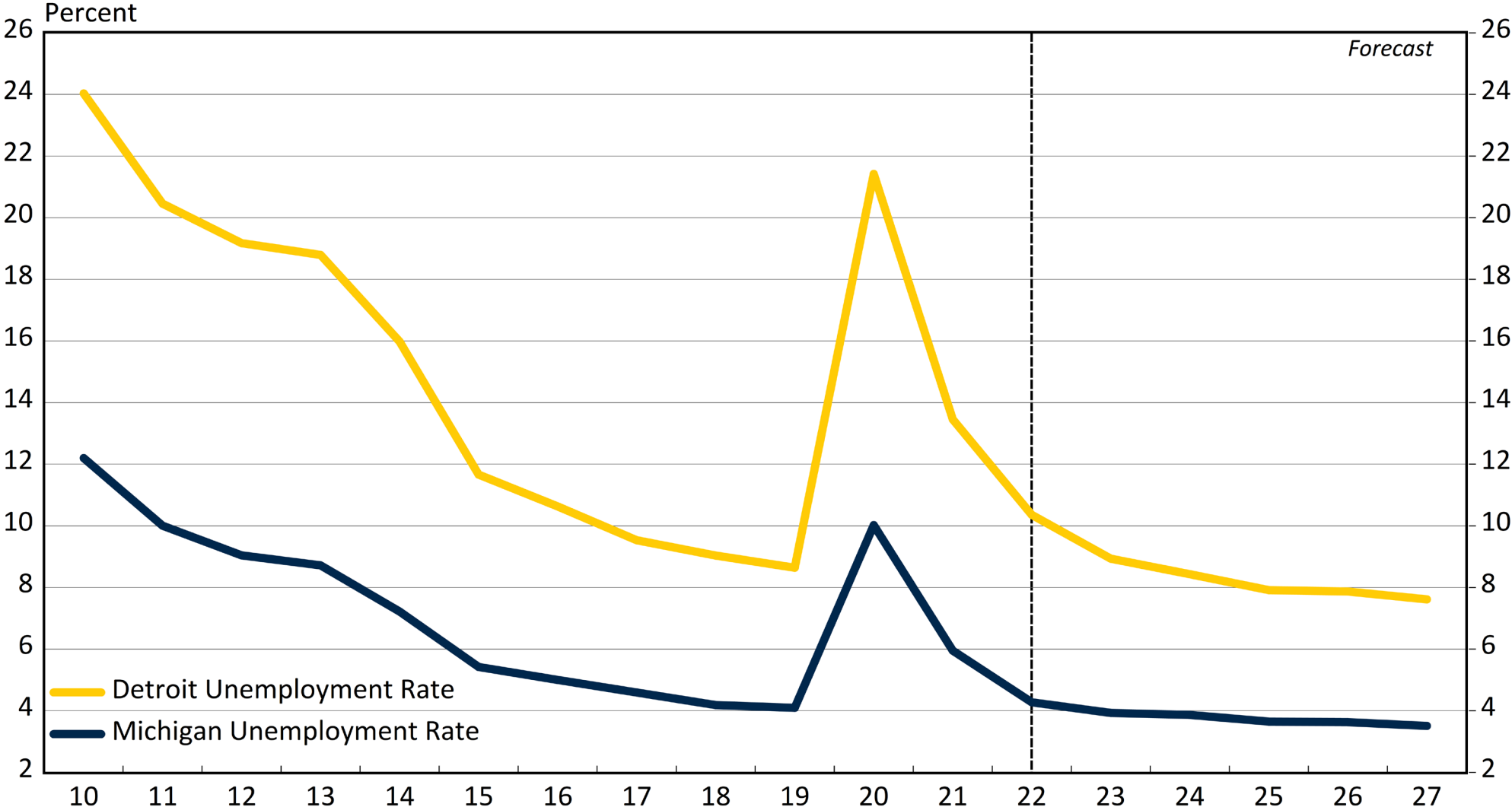
Annual Wage and Salary Income per Worker by Industry Groupings, City of Detroit



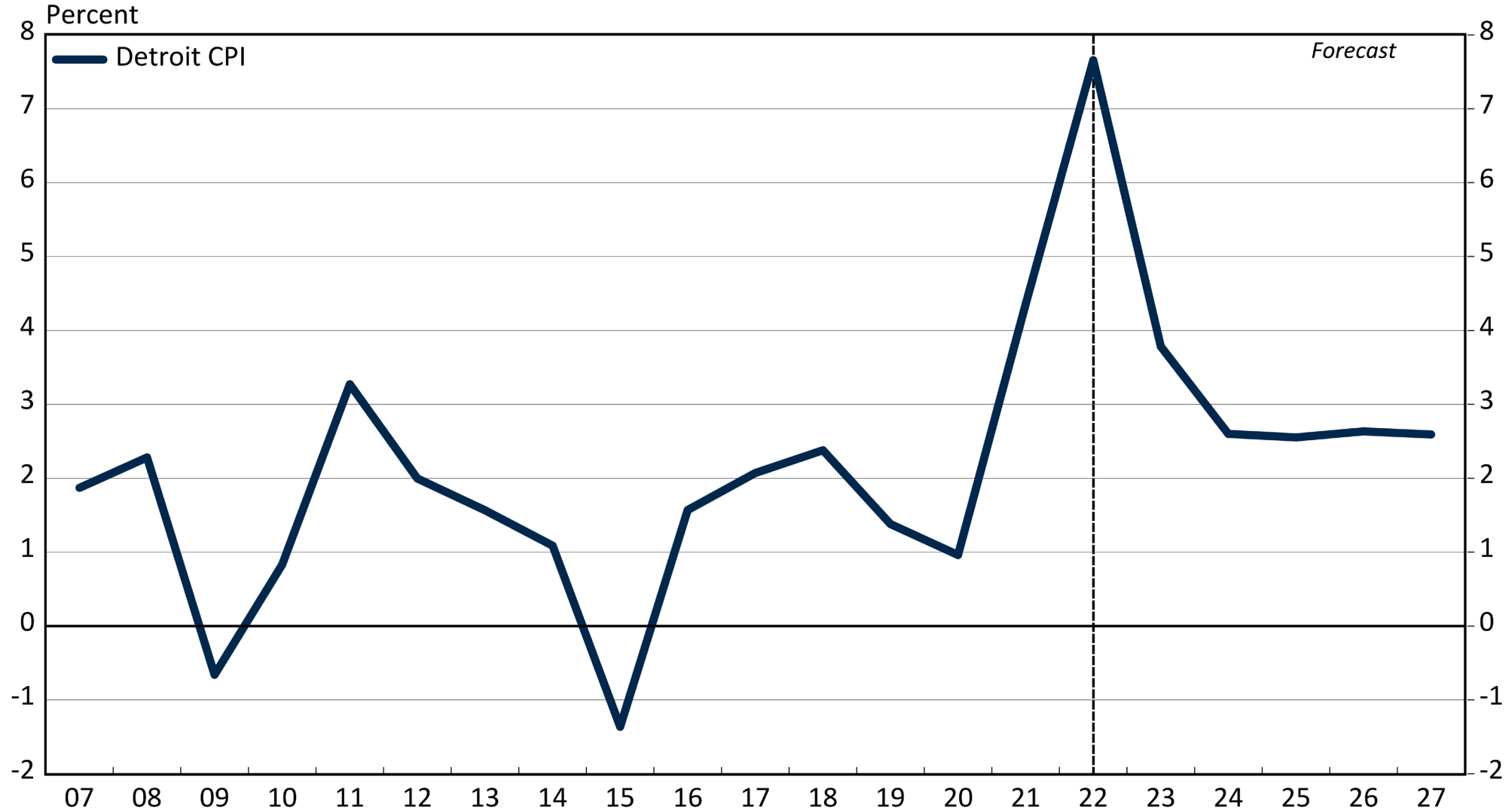
Annual Income Growth, City of Detroit and Michigan



Annual Unemployment Rates, City of Detroit and Michigan



Inflation Rate, Detroit CPI



Recession Risks

- This forecast was based on RSQE's May 2022 U.S. and MI forecasts
 - We did not forecast a recession at that time
 - Growth prospects have deteriorated and recession odds haven't risen since then
- Two different recession scenarios:
 - A “supply-side” recession: e.g., escalation of war in Ukraine and European energy crisis
 - A “demand-side” recession: the Fed overshoots in its tightening cycle to reduce inflation
- We would expect a supply-side recession to be worse for Detroit's economy than a demand-side recession
 - Higher gas prices and disrupted supply chains could reduce employment in the auto industry
 - Lingering shortages in the auto and housing markets should mean they hold up relatively better in a “demand-side” recession than in past cycles
 - We would expect a demand-side recession to be relatively mild and brief—more like early 1990s or 2000s than 2008



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