## Consensus Revenue Agreement Executive Summary May 17, 2017

**Economic and Revenue Forecasts Fiscal Years 2017, 2018 and 2019** 



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Table 1 Consensus Economic Forecast

May 2017

	Percent				Percent	a	Percent		Percent
	Calendar 2015	Calendar 2016	Change from Prior	Calendar 2017	Change from Prior	Calendar 2018	Change from Prior	Calendar 2019	Change from Prior
	Actual	Actual	Year	Forecast	Year	Forecast	Year	Forecast	Year
<b>United States</b>									
Real Gross Domestic Product (Billions of Chained 2009 Dollars)	\$16,397	\$16,662	1.6%	\$17,045	2.3%	\$17,437	2.3%	\$17,803	2.1%
Implicit Price Deflator GDP (2009 = 100)	110.0	111.4	1.3%	113.7	2.0%	116.1	2.1%	118.7	2.2%
Consumer Price Index (1982-84 = 100)	237.017	240.007	1.3%	245.905	2.5%	250.555	1.9%	256.101	2.2%
Consumer Price Index - Fiscal Year (1982-84 = 100)	236.742	238.939	0.9%	244.504	2.3%	249.282	2.0%	254.726	2.2%
Personal Consumption Deflator (2009 = 100)	109.5	110.7	1.1%	112.8	1.9%	114.9	1.9%	117.2	2.0%
3-month Treasury Bills Interest Rate (percent)	0.05	0.3		1.0		1.7		2.3	
Unemployment Rate - Civilian (percent)	5.3	4.9		4.6		4.4		4.4	
Wage and Salary Employment (millions)	141.843	144.306	1.7%	146.470	1.5%	148.230	1.2%	149.560	0.9%
Housing Starts (millions of starts)	1.112	1.174	5.6%	1.267	7.9%	1.318	4.0%	1.350	2.4%
Light Vehicle Sales (millions of units)	17.4	17.5	0.4%	17.0	-2.7%	16.9	-0.6%	16.8	-0.6%
Passenger Car Sales (millions of units)	7.5	6.9	-8.2%	6.2	-10.1%	6.0	-3.2%	6.0	0.0%
Light Truck Sales (millions of units)	9.9	10.6	6.9%	10.8	2.2%	10.9	0.9%	10.8	-0.9%
Big 3 Share of Light Vehicles (percent)	43.6	42.7		43.0		42.9		42.9	
Michigan									
Wage and Salary Employment (thousands)	4,244	4,326	1.9%	4,386	1.4%	4,426	0.9%	4,470	1.0%
Unemployment Rate (percent)	5.4	4.9		5.1		5.1		5.0	
Personal Income (millions of dollars)	\$424,807	\$440,292	3.6%	\$455,702	3.5%	\$476,665	4.6%	\$499,068	4.7%
Real Personal Income (millions of 1982-84 dollars)	\$194,071	\$199,104	2.6%	\$201,640	1.3%	\$207,242	2.8%	\$212,474	2.5%
Wages and Salaries (millions of dollars)	\$214,703	\$225,281	4.9%	\$232,715	3.3%	\$242,256	4.1%	\$252,431	4.2%
Detroit Consumer Price Index (1982-84 = 100)	218.706	222.167	1.6%	227.034	2.2%	231.039	1.8%	236.278	2.3%
Detroit CPI - Fiscal Year (1982-84 = 100)	218.893	221.137	1.0%	225.998	2.2%	230.004	1.8%	234.884	2.1%

## Table 2 May 2017 Consensus Forecast (millions)

			Net	Revenue Est	imates					
	FY 2017				FY 2018		FY 2019			
	January 2017 Consensus	May 2017 Consensus	Change From January	January 2017 Consensus	May 2017 Consensus	Change From January	January 2017 Consensus	May 2017 Consensus	Change From January	
Net GF-GP Revenue Percent Growth Dollar Growth	\$10,290.1 2.7%	\$10,111.3 0.9% \$92.5	(\$178.8)	\$10,522.7 2.3%	\$10,408.6 2.9% \$297.3	(\$114.1)	\$10,589.3 0.6%	\$10,489.5 0.8% \$80.9	(\$99.8)	
Net SAF Revenue Percent Growth Dollar Growth	\$12,457.0 2.8%	\$12,609.9 4.1% \$491.2	\$152.9	\$12,783.1 2.6%	\$12,970.5 2.9% \$360.6	\$187.4	\$13,131.5 2.7%	\$13,330.5 2.8% \$360.0	\$199.0	
Combined GF-GP/SAF Percent Growth Dollar Growth	\$22,747.1 2.8%	\$22,721.2 2.6% \$583.7	(\$25.9)	\$23,305.8 2.5%	\$23,379.1 2.9% \$657.9	\$73.3	\$23,720.8 1.8%	\$23,820.0 1.9% \$440.9	\$99.2	
		Long Term Revenue Trend  FY 2020 FY 2021								
Personal Income Ratio Revenue Limit Revenue Subject to Limit	\$403,726 9.49% \$38,313.6 \$29,791.1	FY 2017 \$424,807 9.49% \$40,314.2 \$31,177.3	\$440,292 9.49% \$41,783.7 \$32,265.6	\$455,702 9.49% \$43,246.1 \$33,160.8	Net GF-GP Revenue Growth  Net SAF Revenue		\$10,638.9 1.4% \$13,703.6	\$10,752.7 1.1% \$14,088.3		
Amount Under (Over) Limit \$8,522.5 \$9,136.9 \$9,518.1  Note: CY 2014 Personal Income is used for the FY 2016 revenue limit calculation, CY 2015 for CY 2016 for FY 2018, and CY 2017 for FY 2019.				<b>\$10,085.3</b> or FY 2017,	Growth  Combined GF  Growth	F-GP/SAF	2.8% \$24,342.5 2.2%	2.8% \$24,841.0 2.0%		
Budget Stabi	lization Fun	d Calculatio	n			s	chool Aid Ind	ex		
Y 2017 Calculations PAY-IN \$150.3 Y 2018 Calculations NO PAY-IN OR PAY-OUT Y 2019 Calculations PAY-IN \$52.0					djustment Facto embership Facto School Aid Inde	r	FY 2018 1.0306 1.0028 1.0335	FY 2019 1.0258 1.0030 1.0289		

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