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The Michigan Economic Outlook for 2027–2028

74th Annual Economic Outlook Conference

November 20, 2026

PREPARED BY

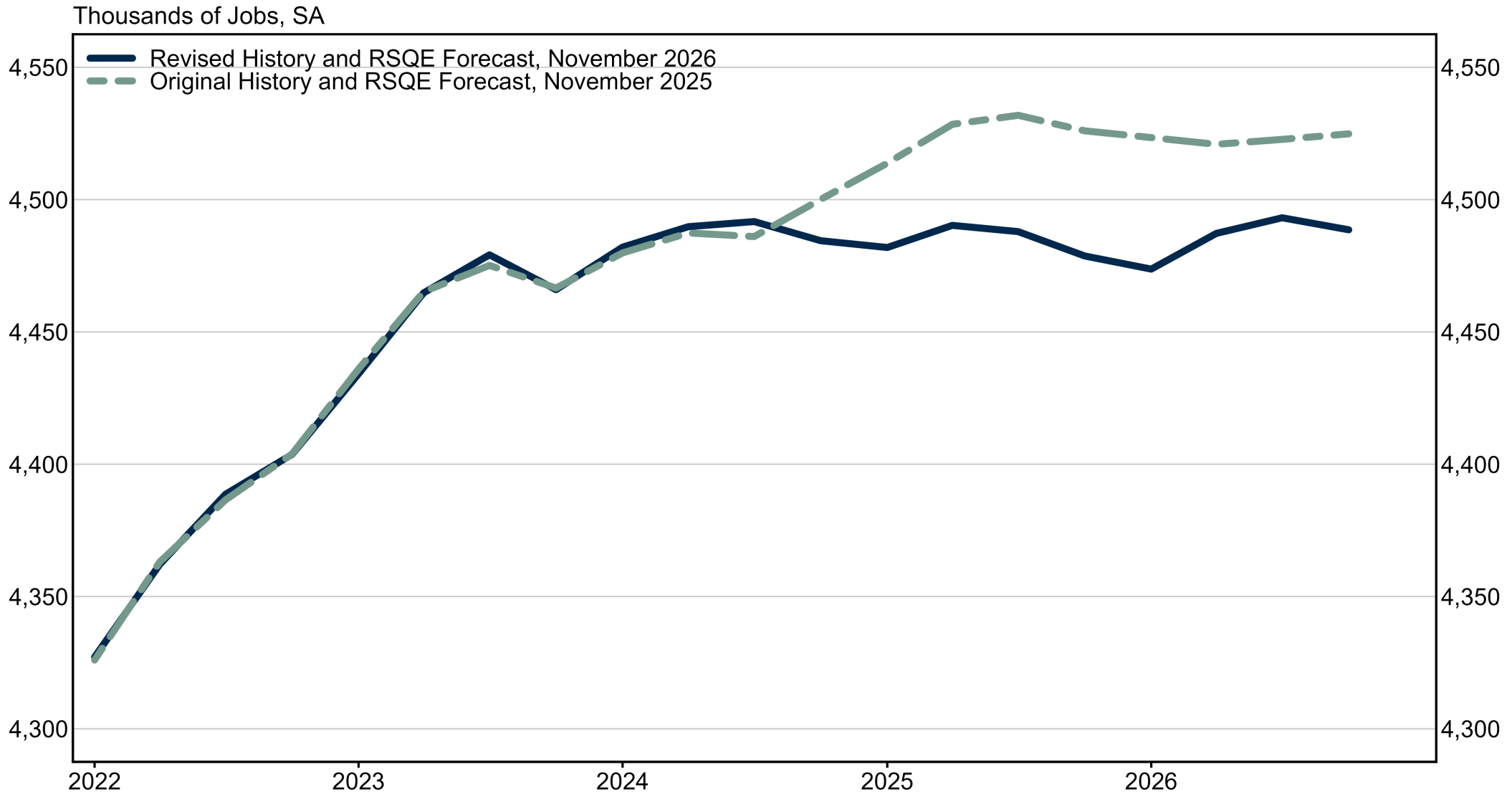
- Jacob T. Burton
- Gabriel M. Ehrlich
- Donald R. Grimes
- Michael R. McWilliams



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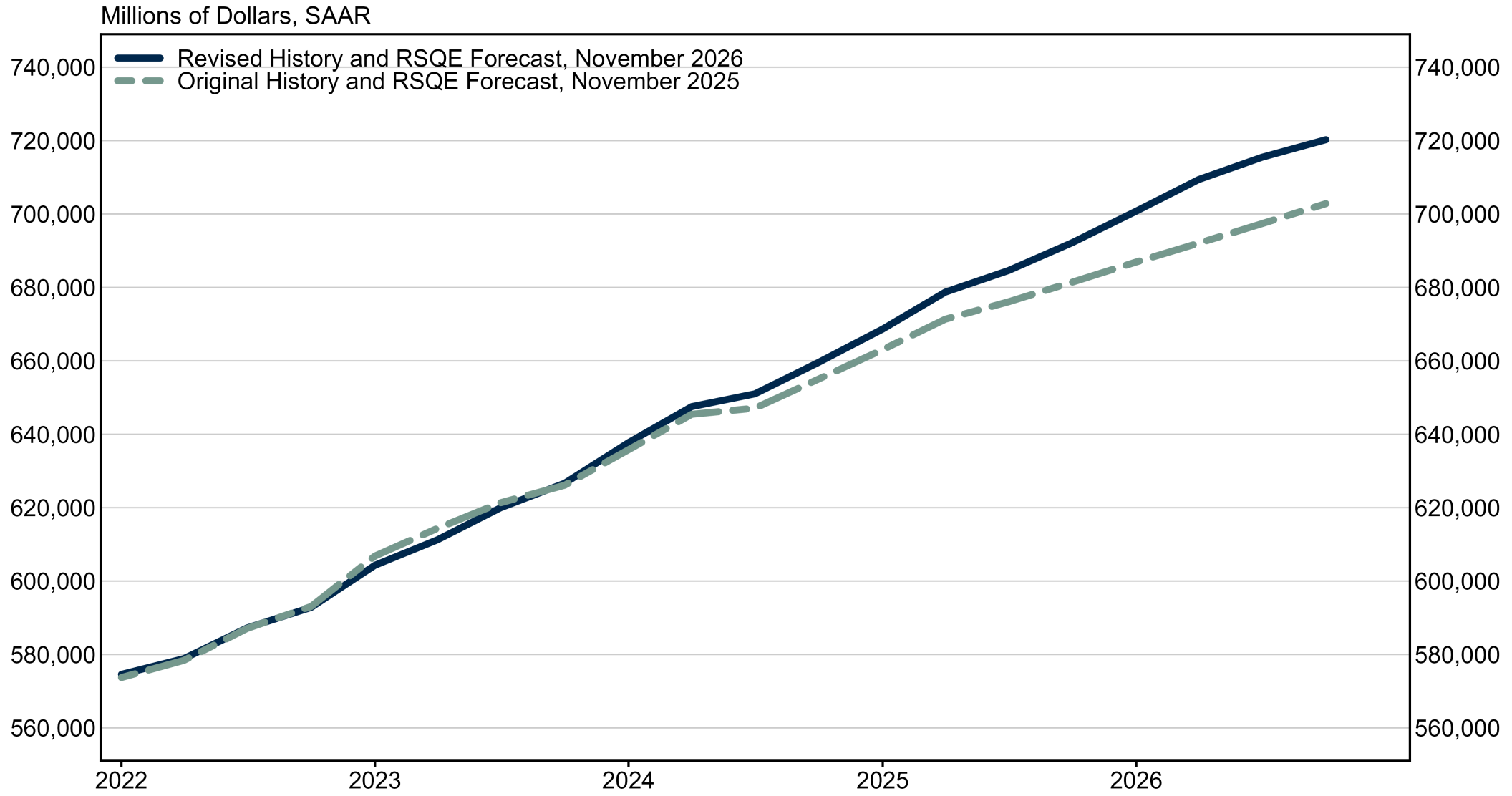
Forecast Review for 2026

Forecast Review for Michigan Payroll Employment



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Forecast Review for Michigan Personal Income



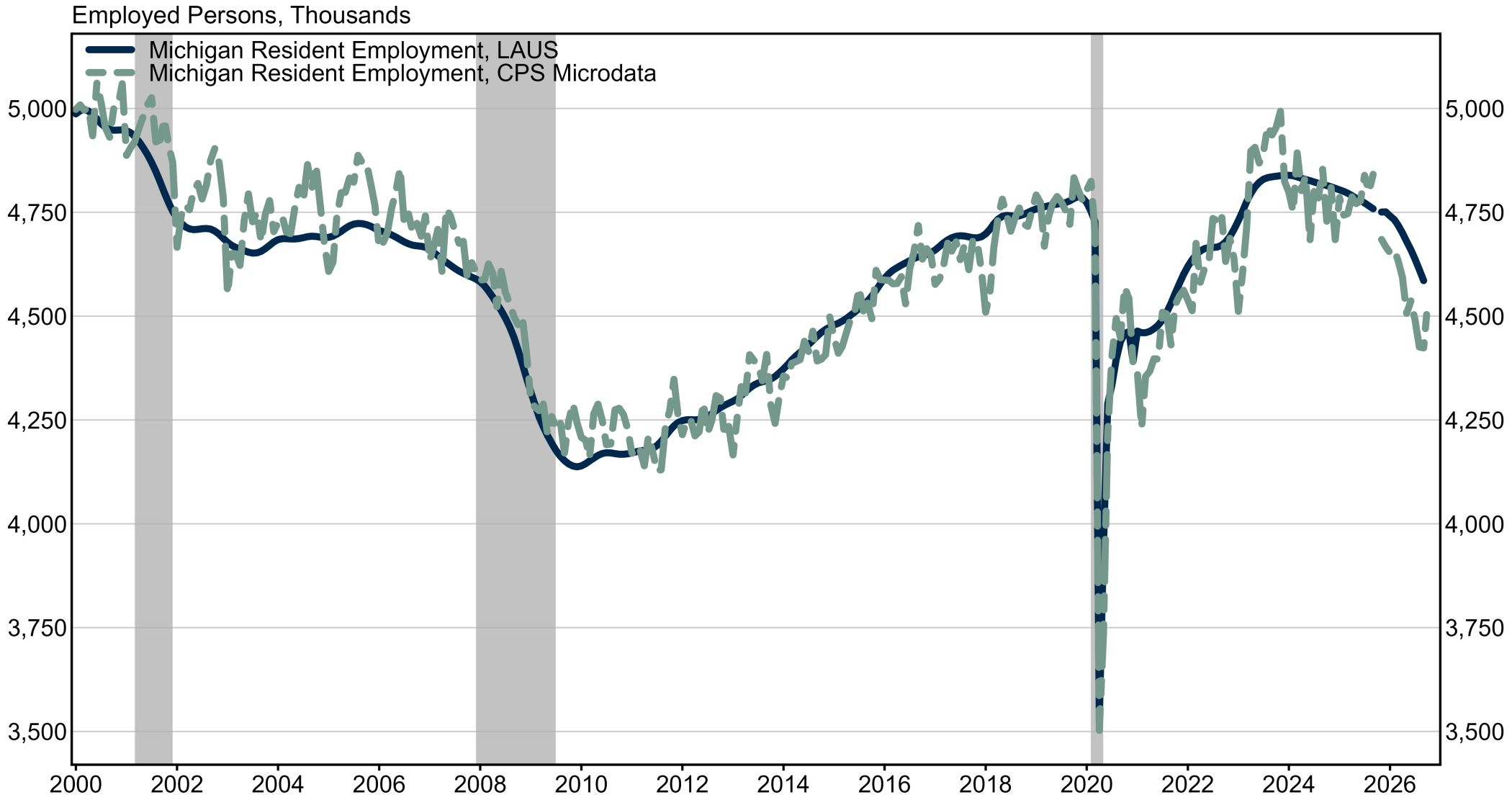
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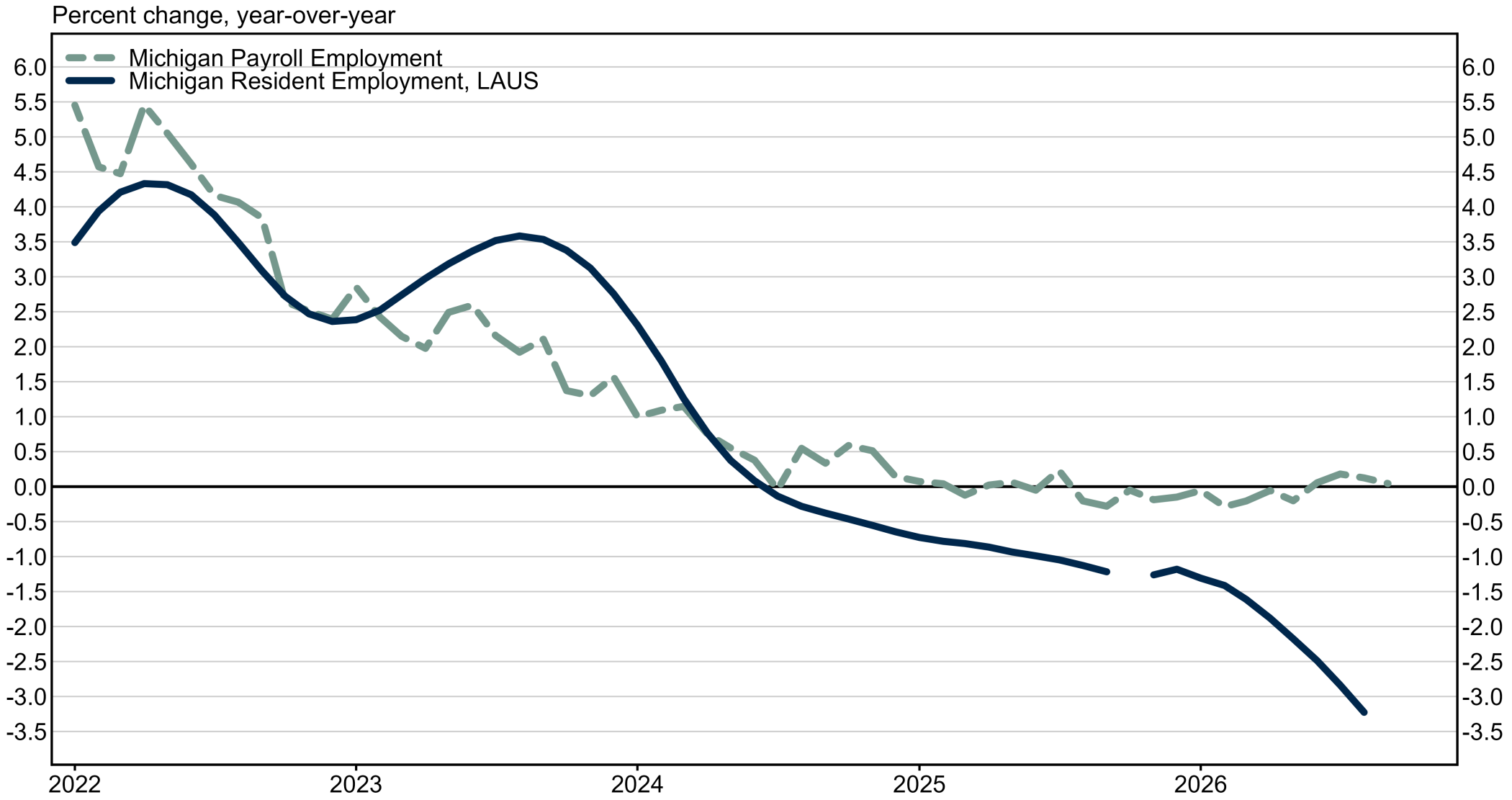
Current State of the Michigan Economy

We Take Michigan's Resident Employment With a Grain of Salt



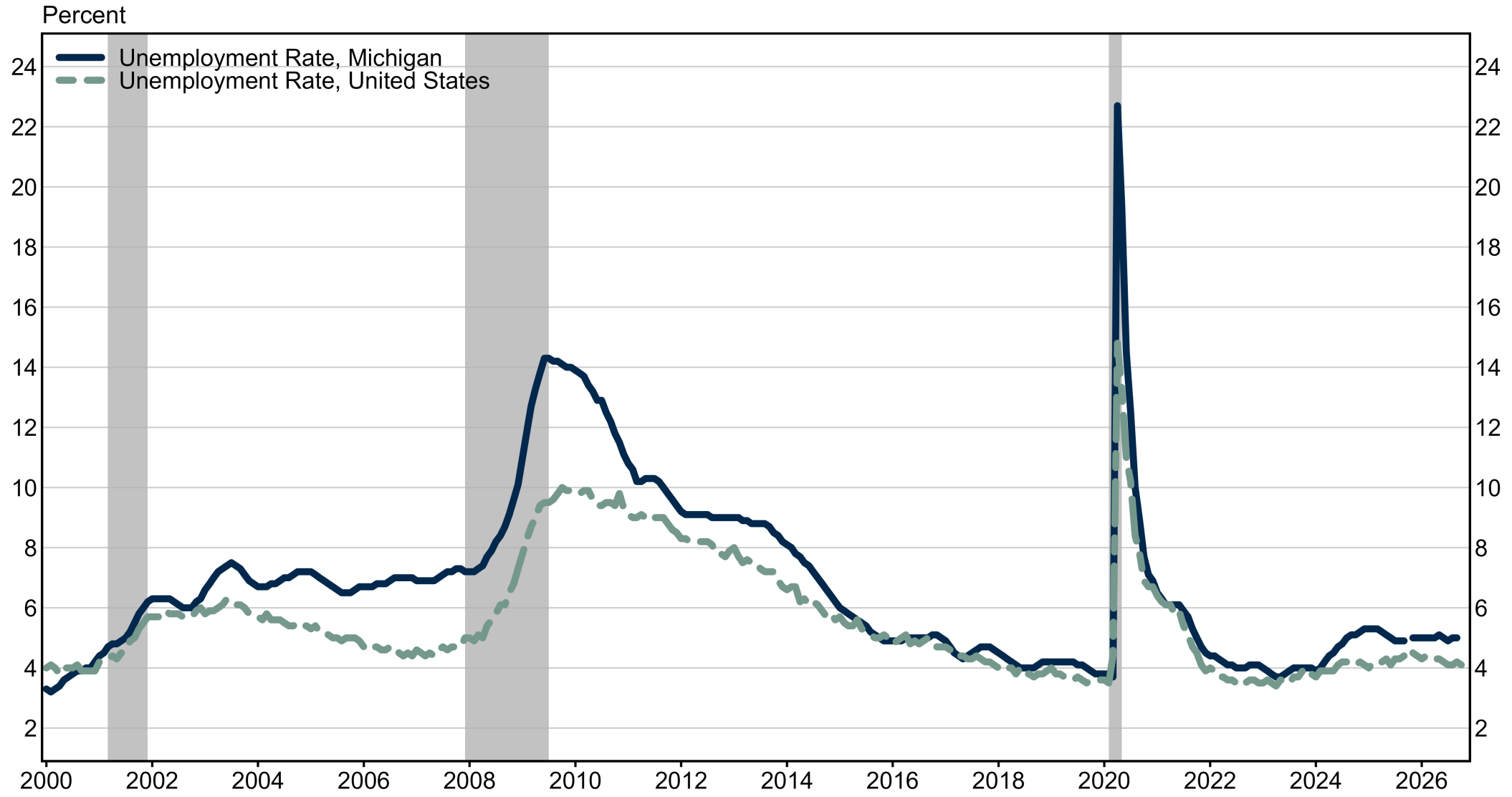
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Michigan Payroll Employment Holds Steady



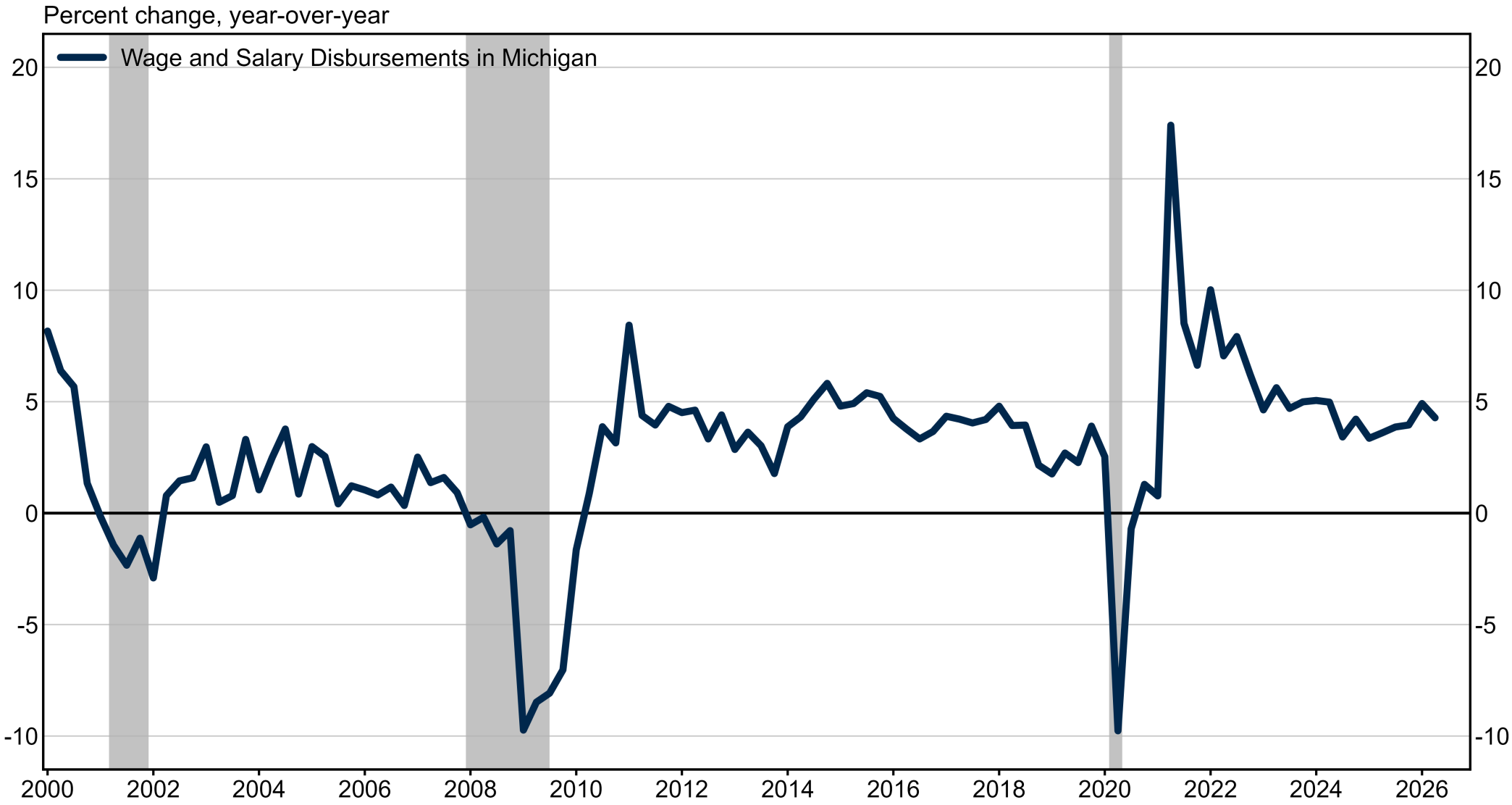
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Michigan's Unemployment Rate Also Holding Steady



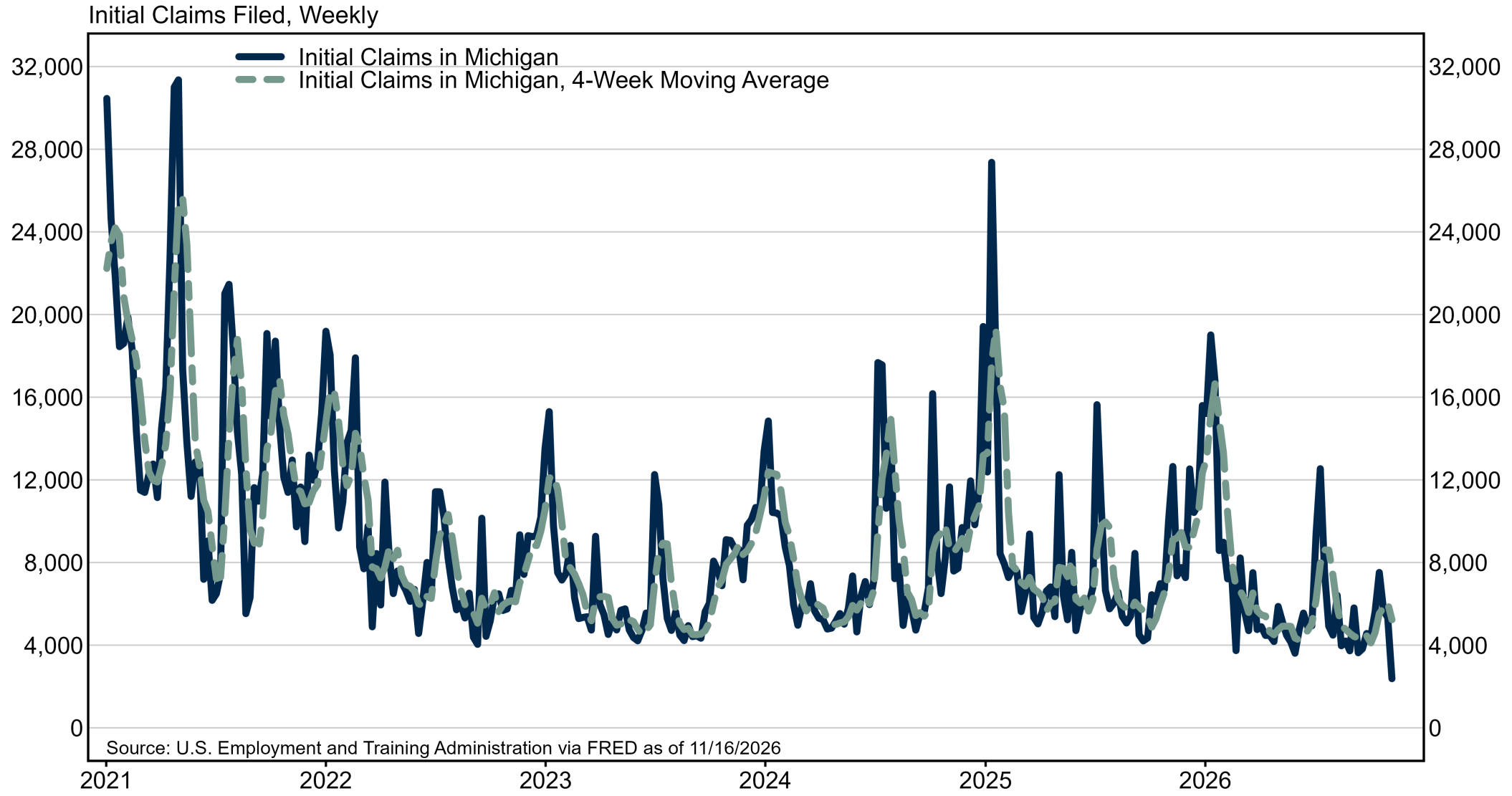
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Michigan Wage and Salary Disbursements Continue to Grow



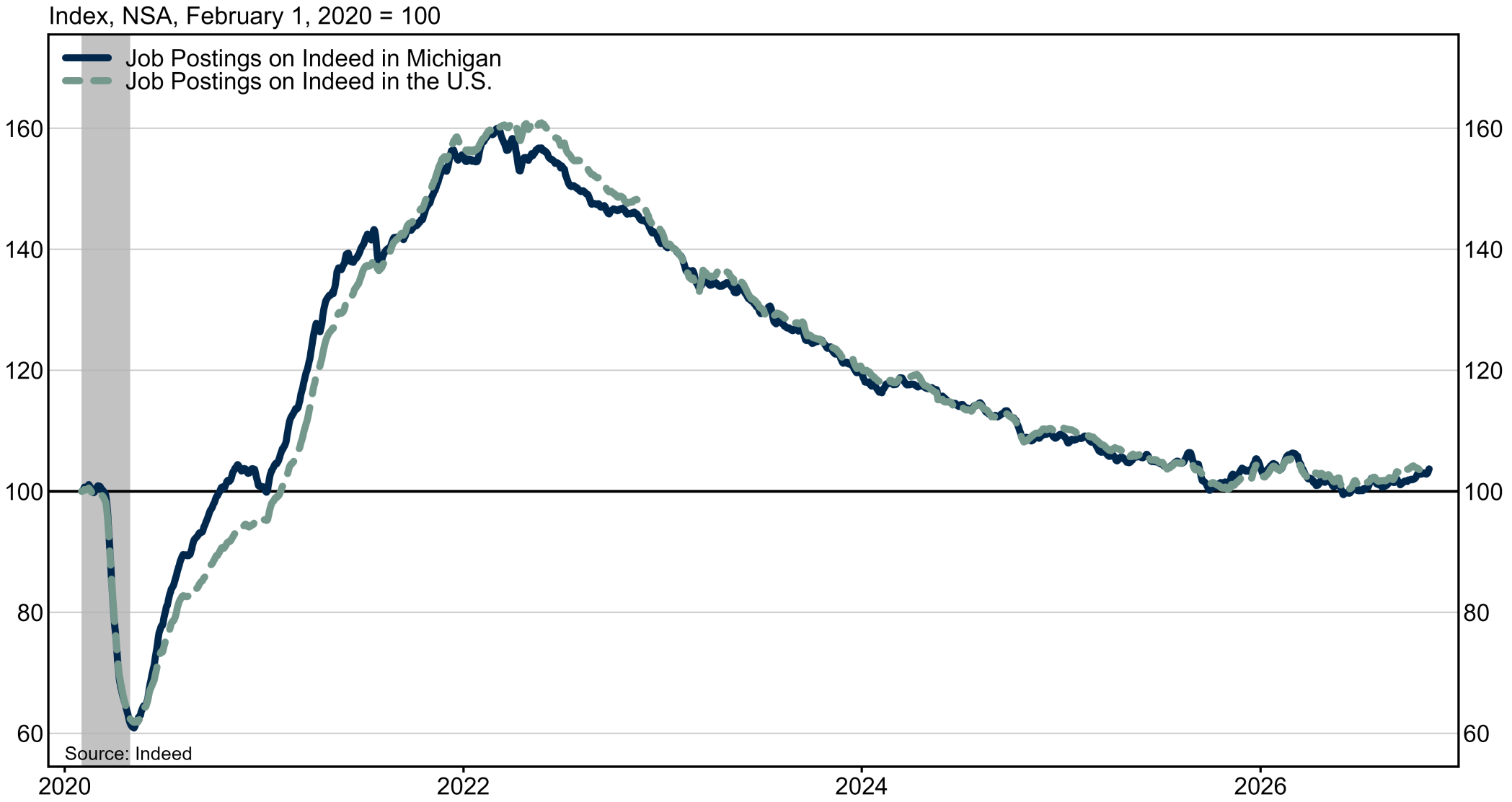
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Michigan's Unemployment Claims Lower Than One-Year Ago



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Job Postings on Indeed Ticked up From One-Year Ago



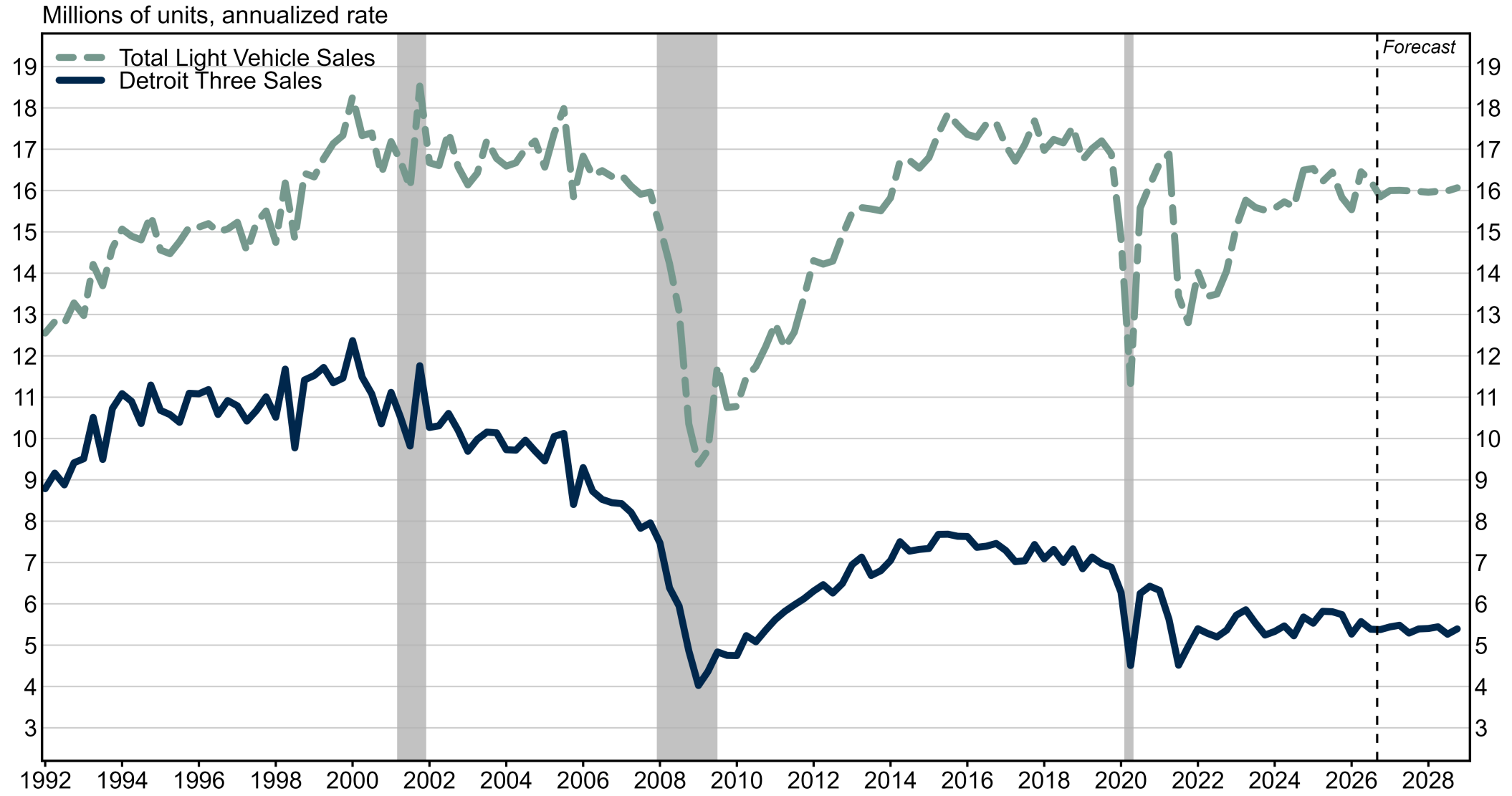
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Michigan Economic Outlook

Light Vehicle Sales Coasting in Neutral



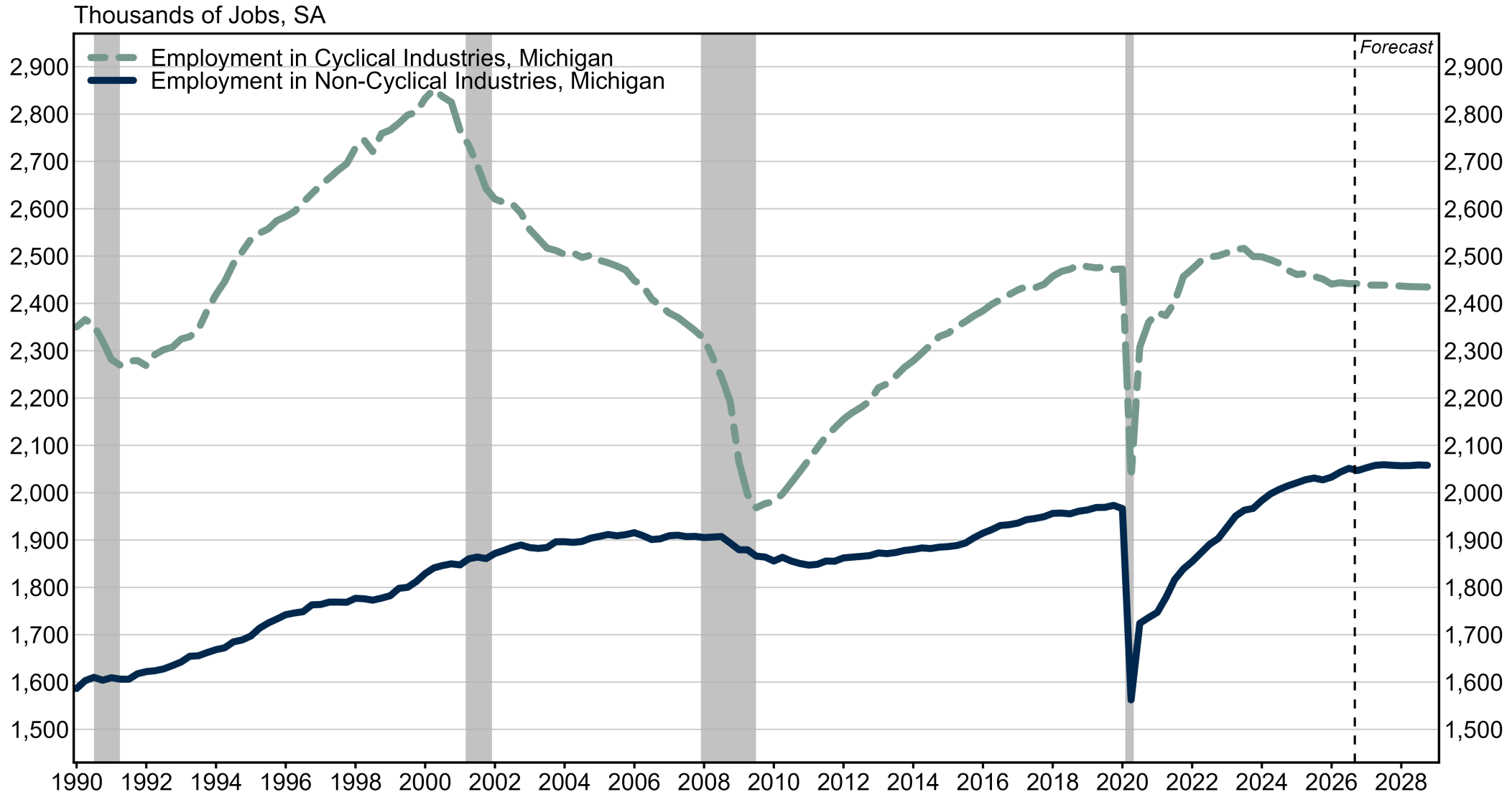
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Michigan Payroll Employment Reaches Cruising Altitude



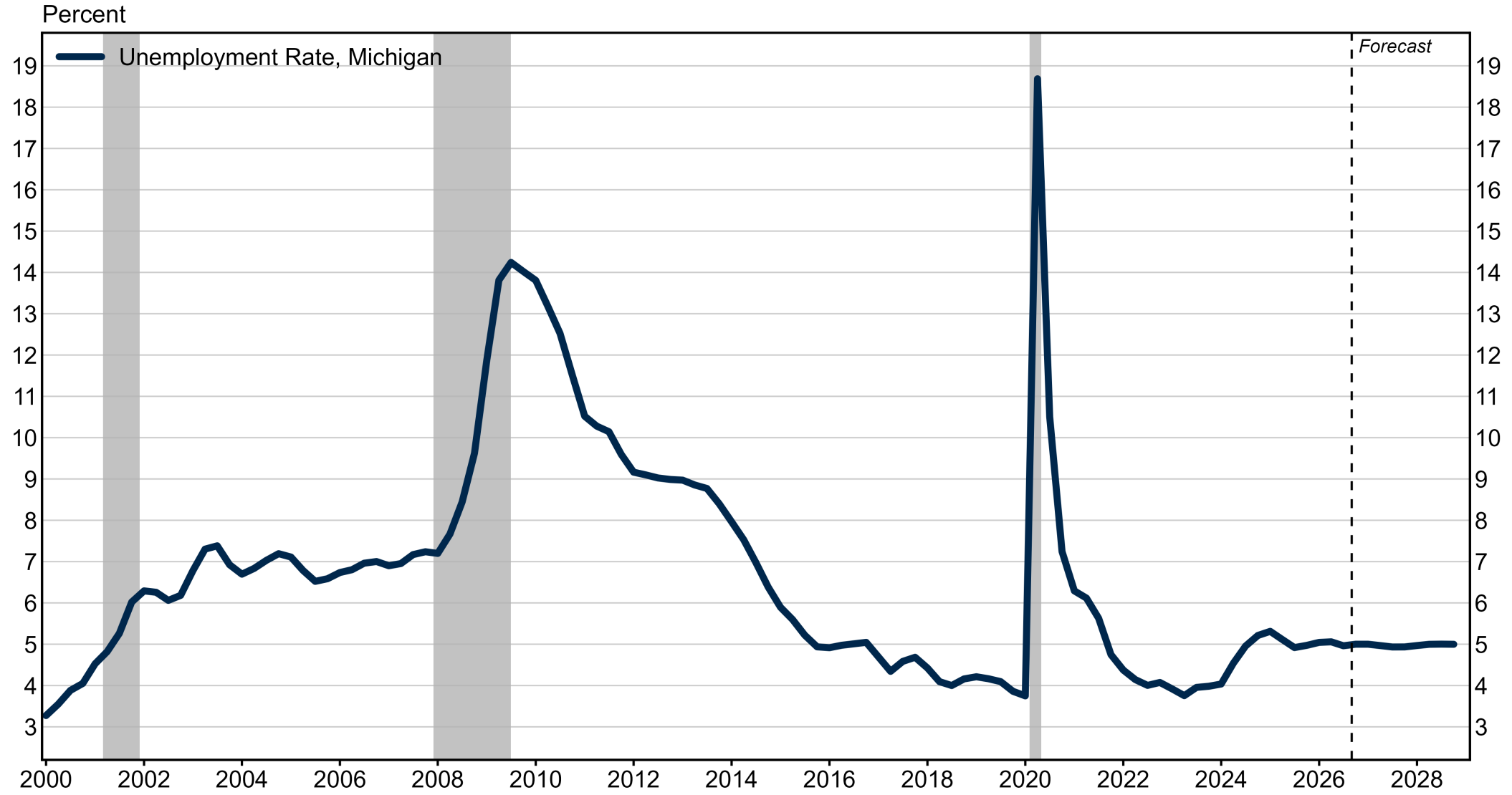
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Non-Cyclical Industries Drive Employment Gains



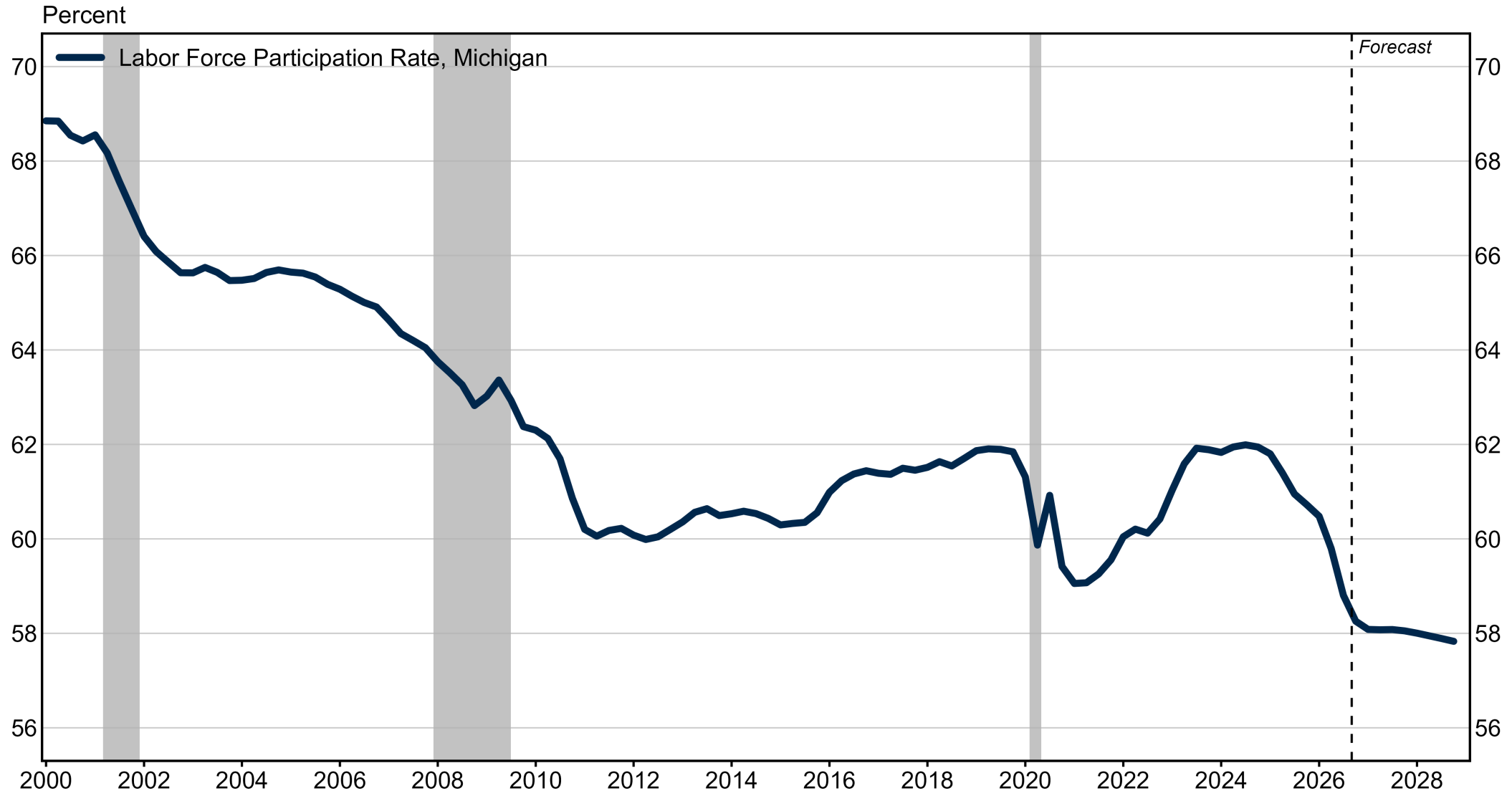
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Michigan's Unemployment Rate Hovers Near 5.0 Percent



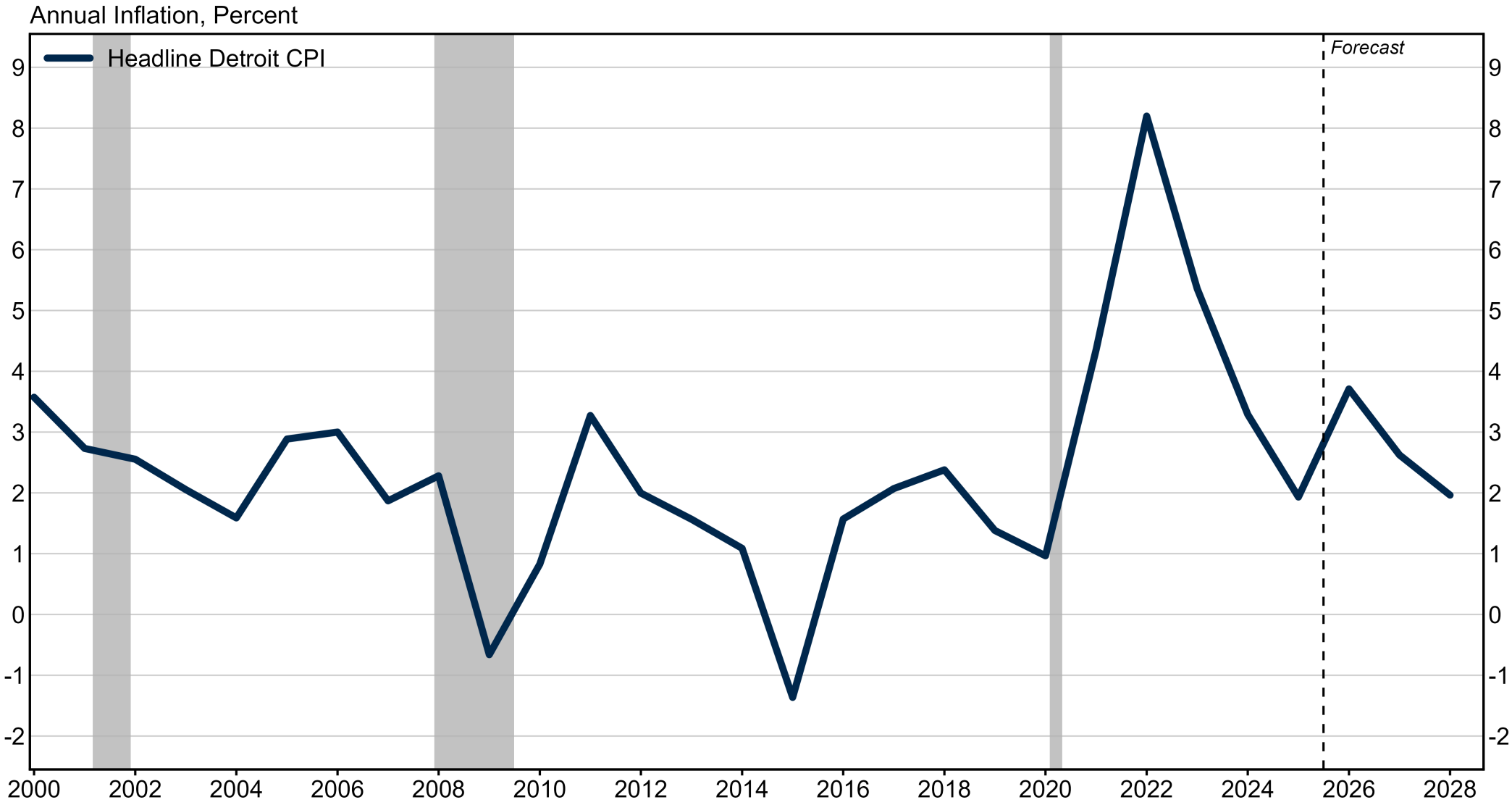
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Michigan's Labor Force Participation Rate Faces Demographic Headwinds



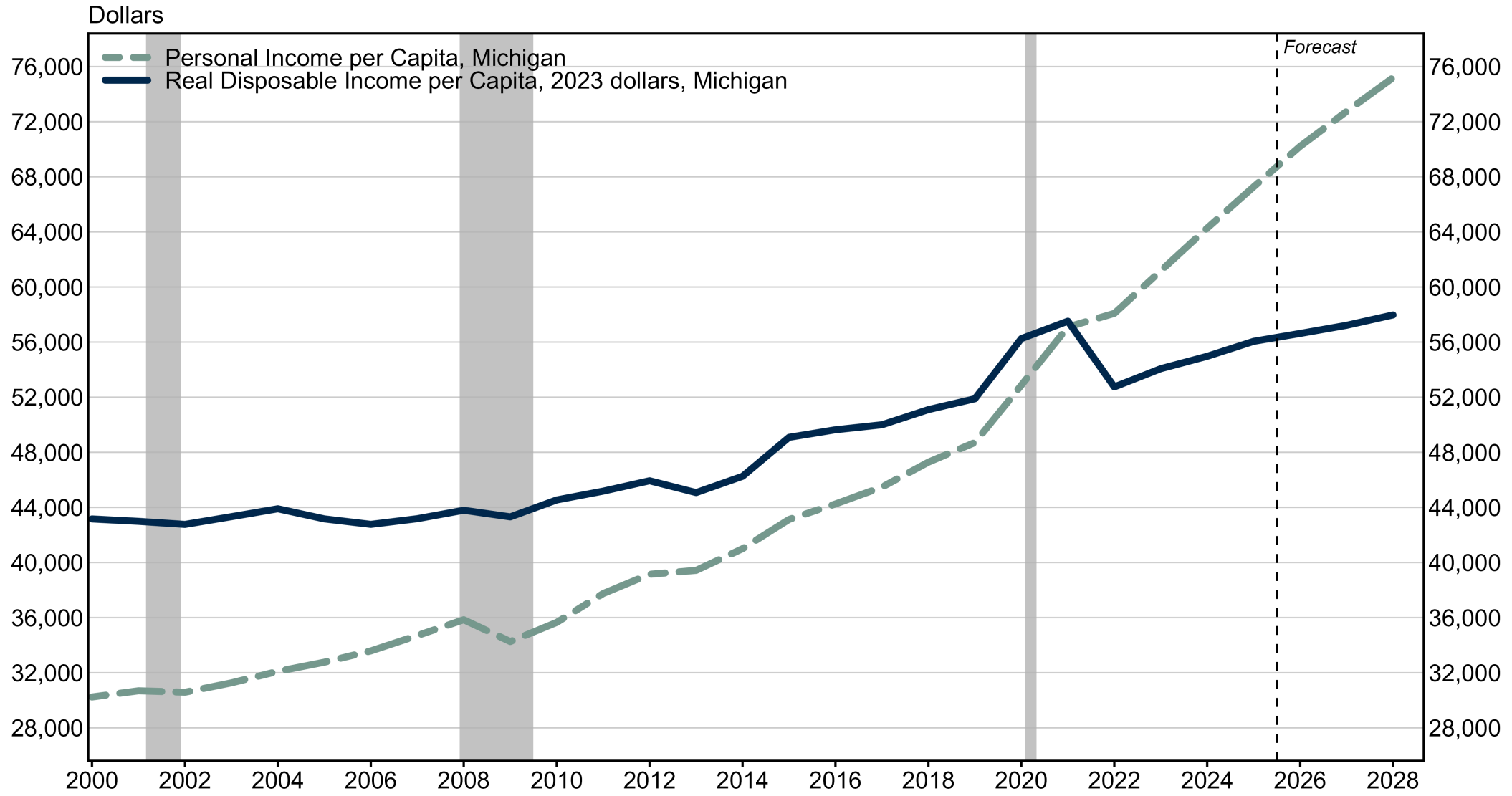
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Local Inflation Seesaws with Energy Prices



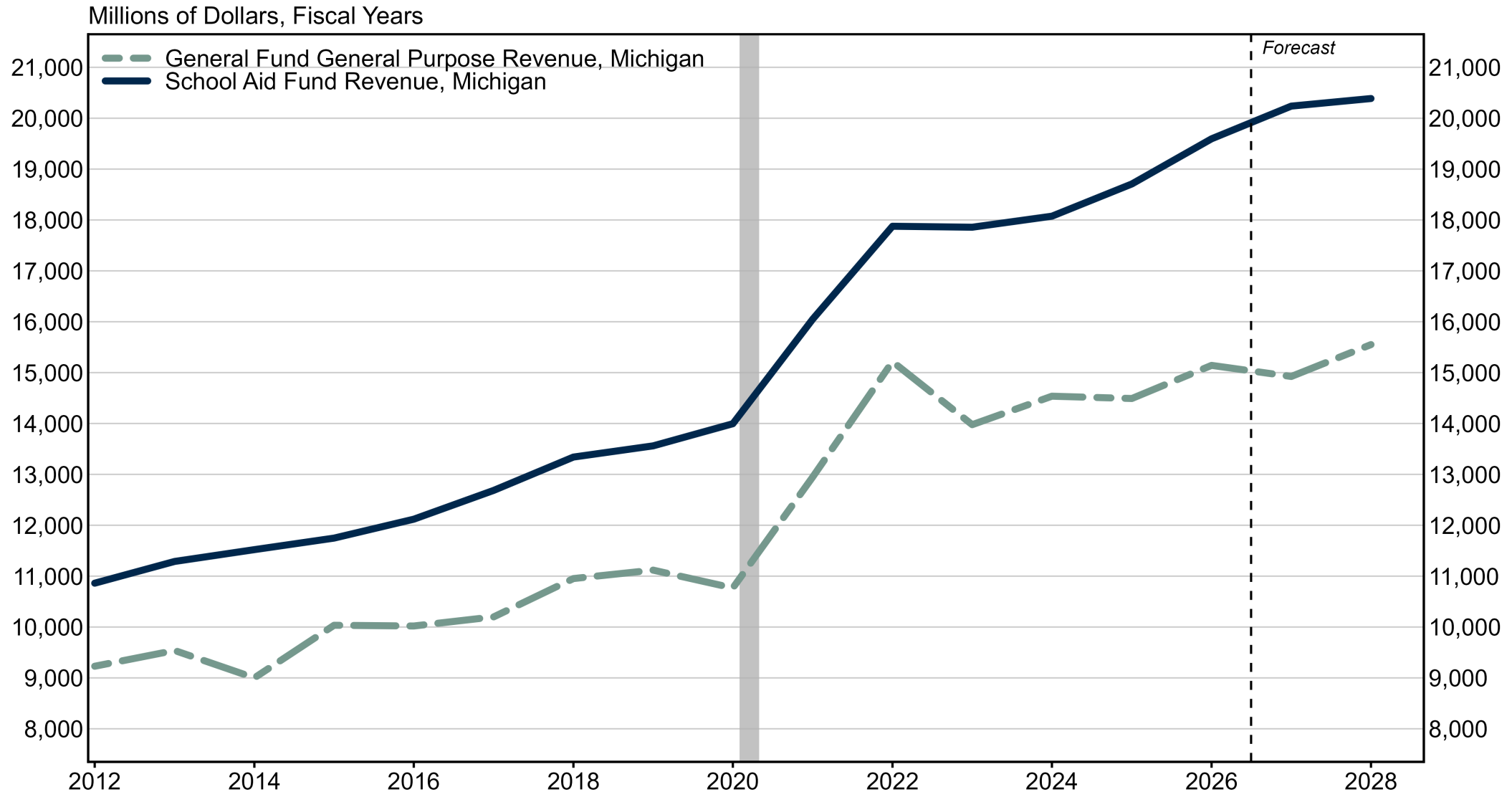
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Michigan Real Disposable Income Surpasses Stimulus-Fueled Peak



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Legislative Changes Weigh on the General Fund



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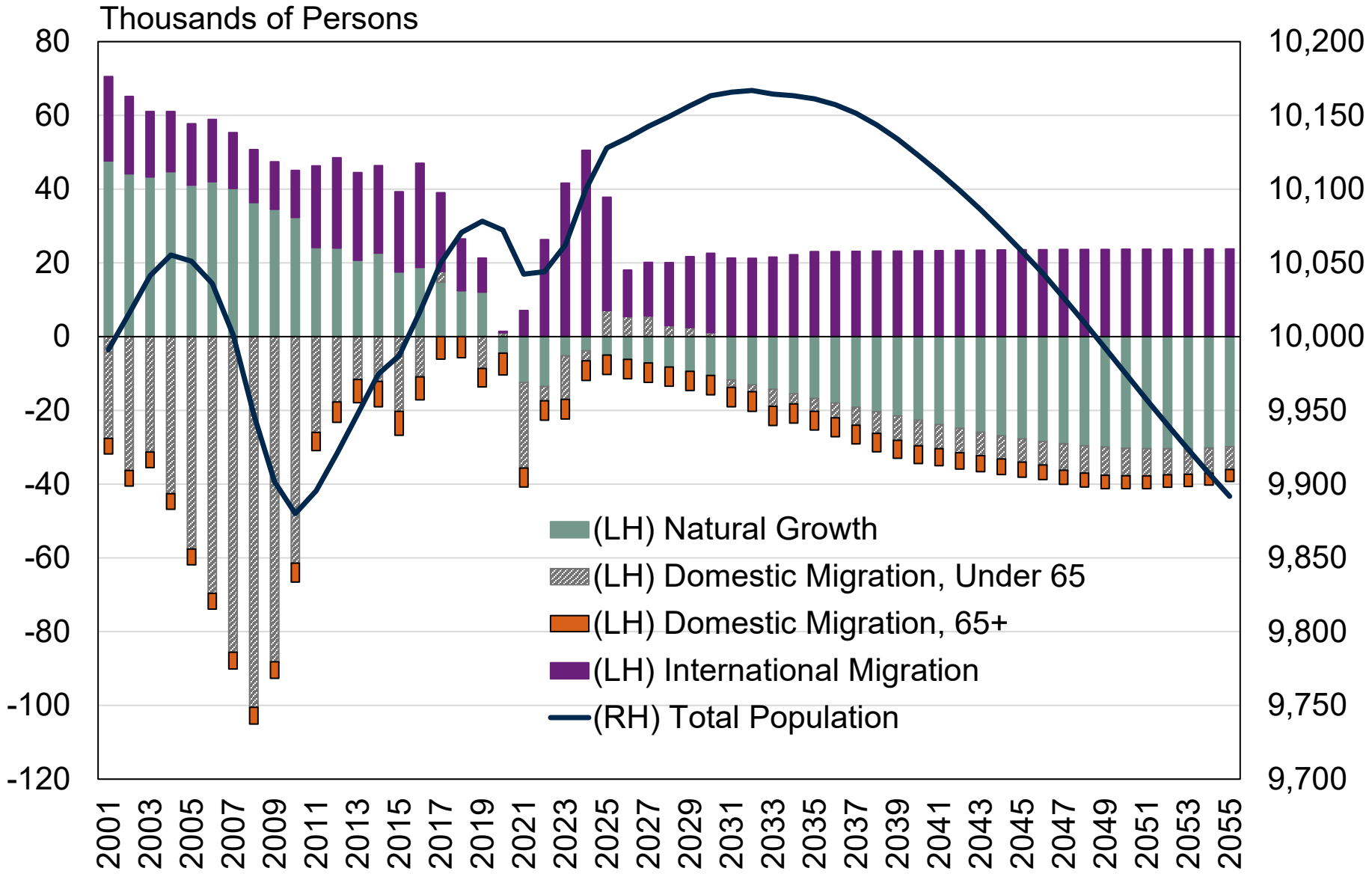


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Michigan's Long-Run Economic and Demographic Outlook

Michigan Total Population and Components of Growth

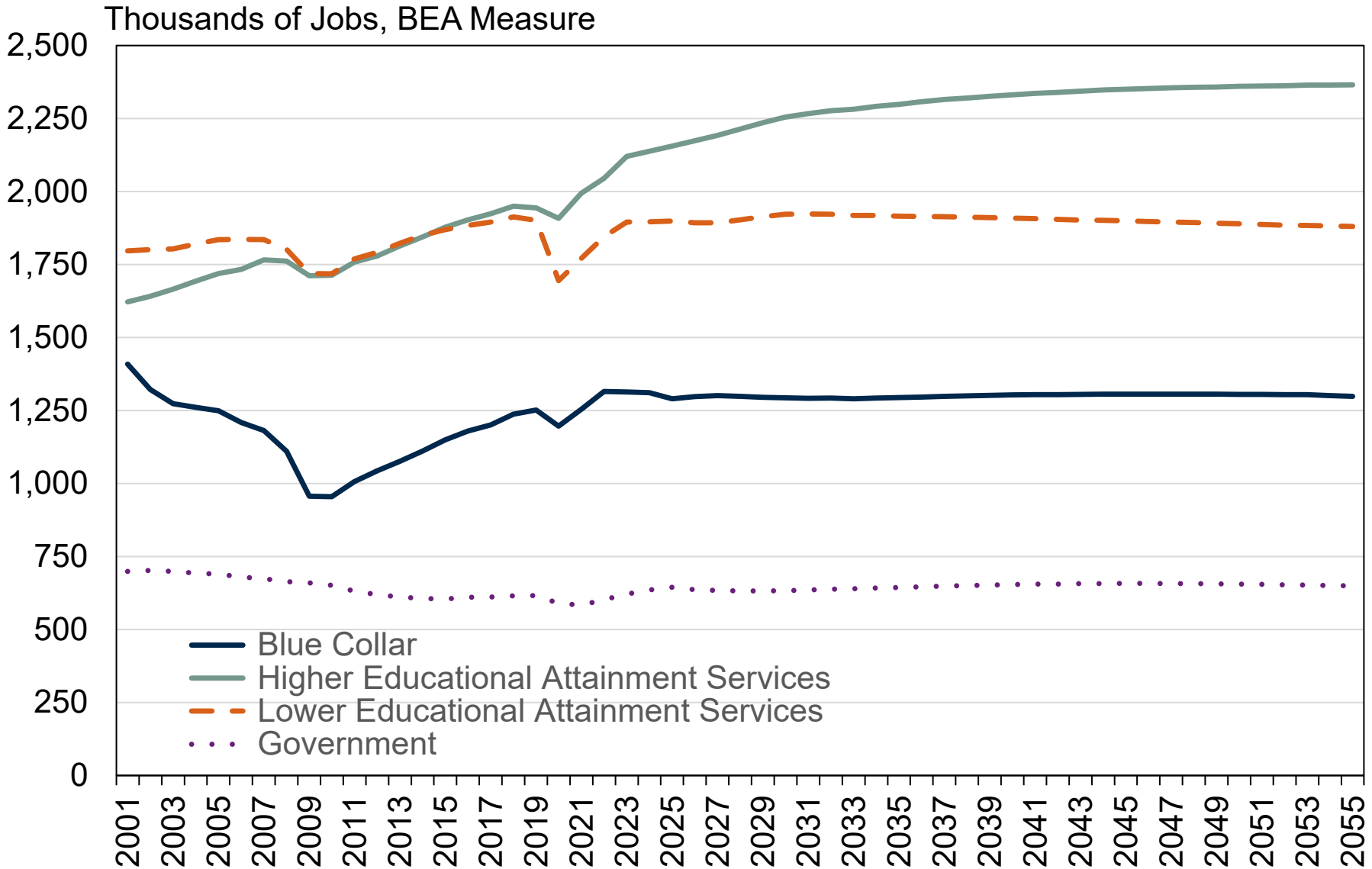
- Michigan's population grows modestly through 2032 before beginning a gradual decline
- Deaths are expected to exceed births throughout the forecast
- Domestic migration becomes a net drag again after the next few years
- International migration is the only sustained source of population growth over the long run



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Michigan Employment by Broad Industry Group

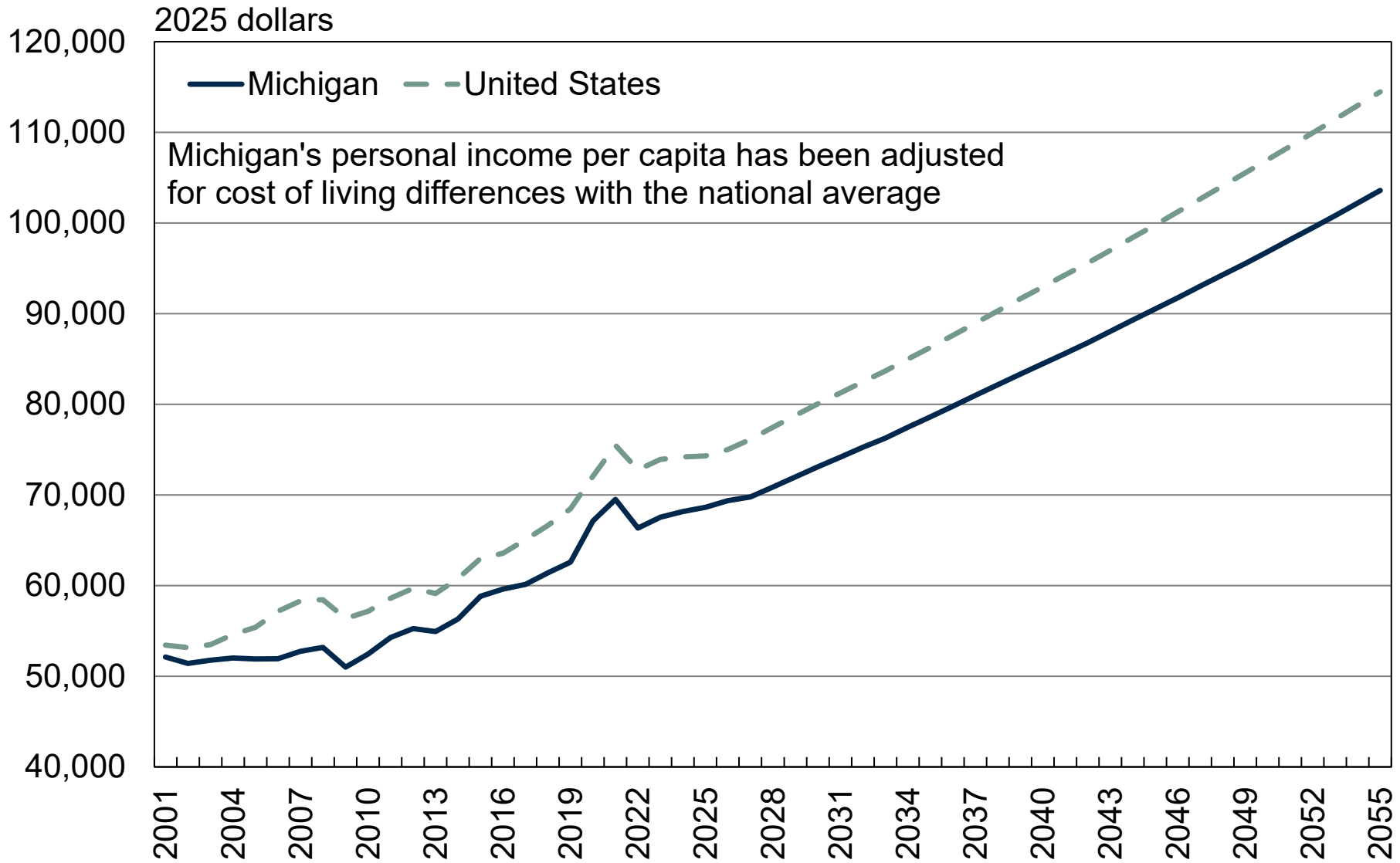
- Virtually all net job growth is concentrated in higher-educational-attainment services
- Those industries add about 210,000 jobs through 2055
- Blue-collar employment and government are roughly flat over the forecast
- Lower-educational-attainment services experience a modest net decline



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Real Personal Income per Capita: U.S. and Michigan

- Real personal income per capita continues to rise substantially in both Michigan and the nation
- Michigan income per capita grows about 51% between 2025 and 2055
- Growth averages roughly 1.4 percent per year in Michigan
- Michigan remains below the national level, even after adjusting for its lower cost of living

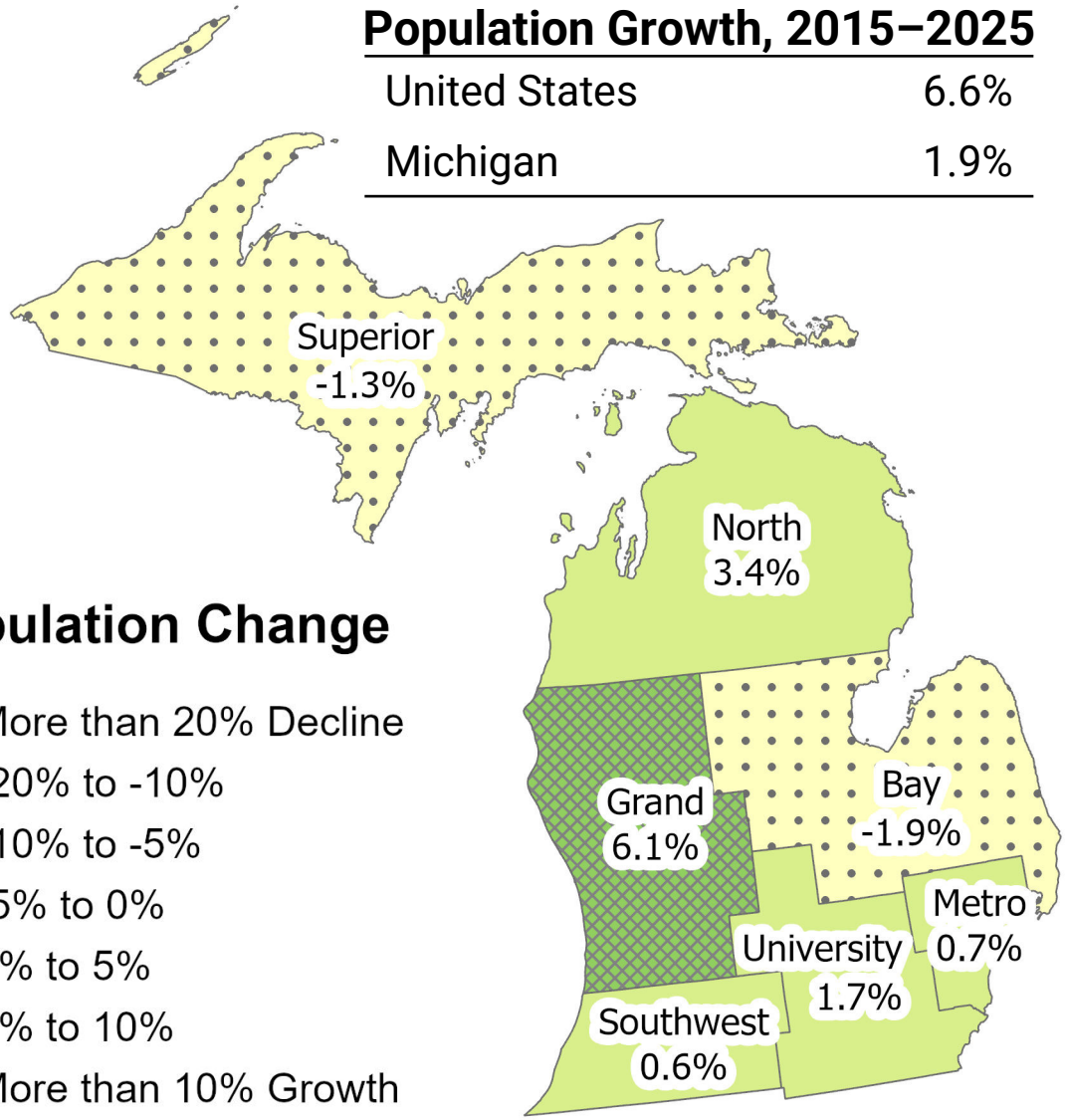


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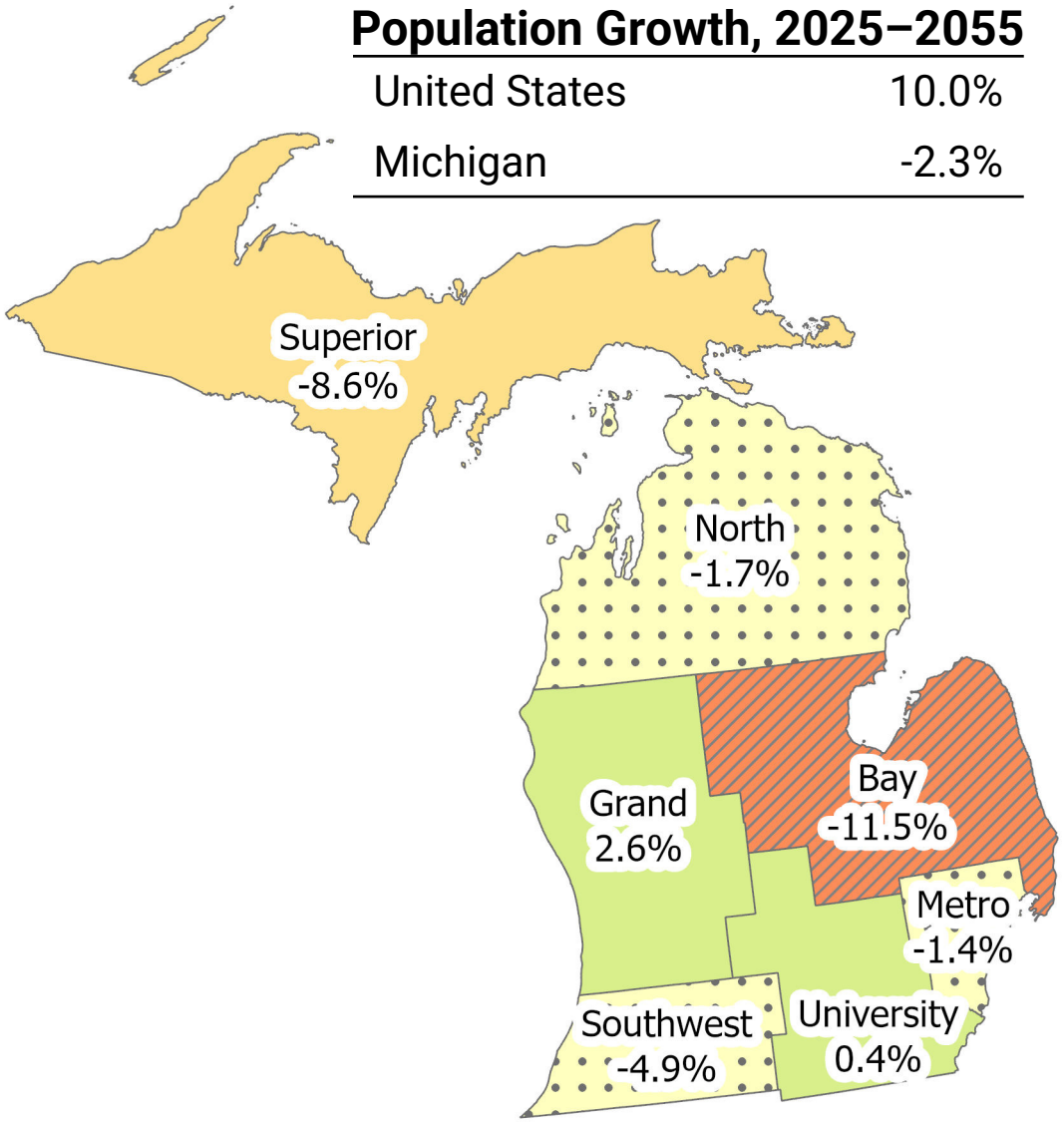
Change in Total Population, 2025–2055

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Population Growth, 2015–2025	
United States	6.6%
Michigan	1.9%



Population Growth, 2025–2055	
United States	10.0%
Michigan	-2.3%



Population Change

- More than 20% Decline
- -20% to -10%
- -10% to -5%
- -5% to 0%
- 0% to 5%
- 5% to 10%
- More than 10% Growth

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Concluding Thoughts

- Michigan payroll employment gains 1,000 jobs in 2026 and 9,600 in 2027 before the state loses 2,200 jobs in 2028 as healthcare funding cuts bite
- The state's unemployment rate hovers around 5.0 percent through 2028
- Real disposable income per capita ends our forecast slightly higher than the stimulus-fueled peak of 2021
- State tax revenue increases by $424 million (1.2 percent) in fiscal 2027 and $776 million in fiscal 2028 (2.2 percent)
- Major risks include trade and tariff policy, federal healthcare policy, the Iran war, and Michigan's aging demographic profile

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