

MICHIGAN AUTOMOTIVE DASHBOARD

2nd Quarter 2026



Prepared By:



CENTER FOR
AUTOMOTIVE
RESEARCH



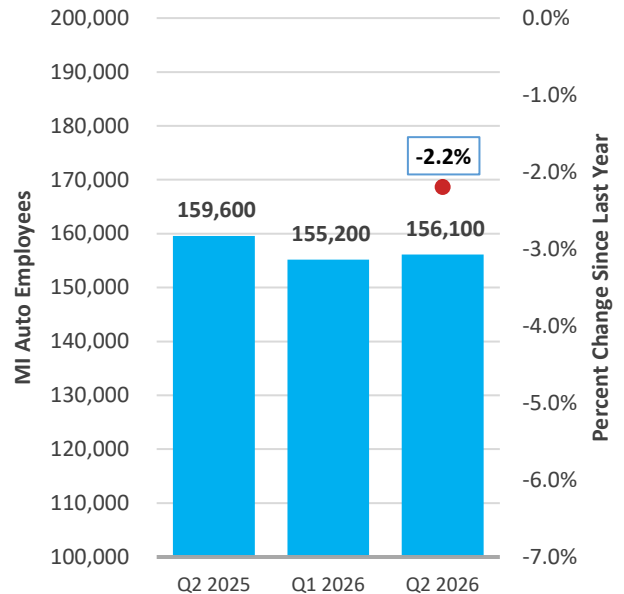
Employment

Michigan's automotive employment declined from last year, sitting at 156,100 in June 2026, down 3,500 since the end of the second quarter of 2025 (Figure 1). Michigan's light vehicle production is forecasted to increase, supporting some optimism for Michigan automakers' employment going forward. However, the automotive parts employment could continue to decline given trade uncertainty surrounding steel, aluminum, copper, and semiconductors.

Motor vehicle manufacturing employment in Michigan stood at 46,000 in June 2026, up 500 jobs compared to a year ago. Auto parts manufacturing employment stood at 109,600 – down 4,000 jobs.

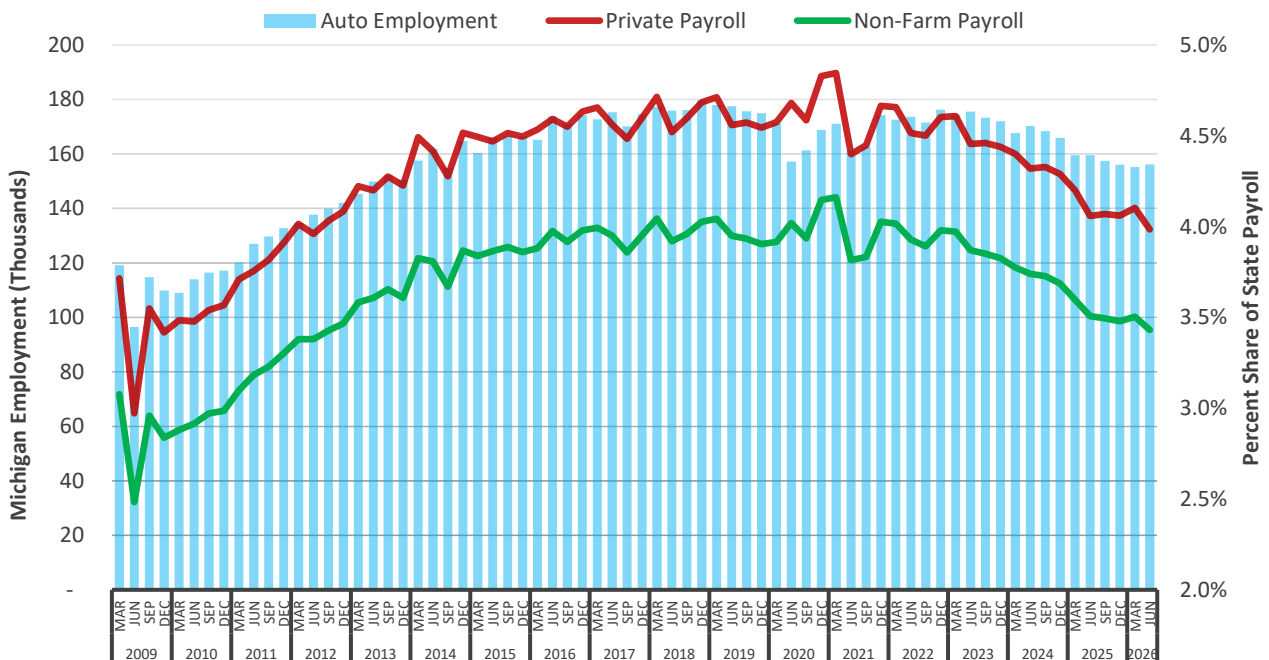
As of June 2026, Michigan's motor vehicle and parts manufacturing employment comprised 4.0 percent of the total statewide private employment and 3.4 percent of the total non-farm employment – down marginally from 4.1 percent and 3.5 percent, respectively, year-on-year (Figure 2). As of June 2026, Michigan's automotive employment accounted for 26.6 percent of all manufacturing jobs in the state, down 0.3 percentage points year-on-year.

Figure 1: Michigan Auto Employment



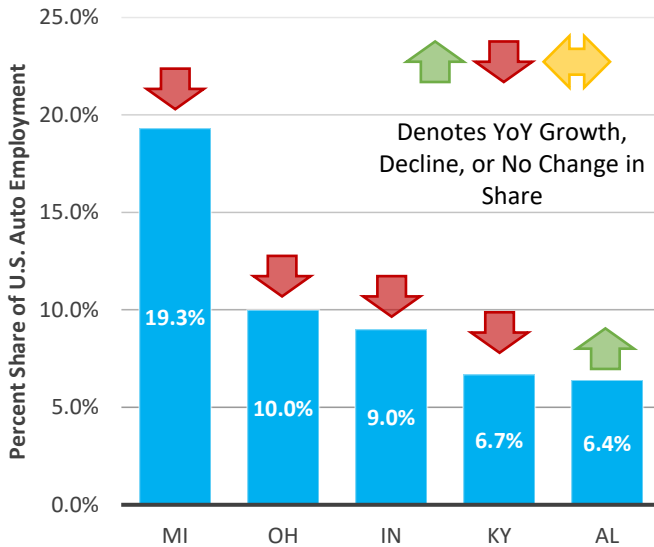
Source: Bureau of Labor Statistics

Figure 2: Michigan Motor Vehicles and Parts Employment, Total and as a Share of State Payroll



Source: Current Employment Statistics, Bureau of Labor Statistics (NAICS 3361,3363)

Figure 3: Michigan's Share Compared to Other States, Q2 2026



Source: Bureau of Labor Statistics.

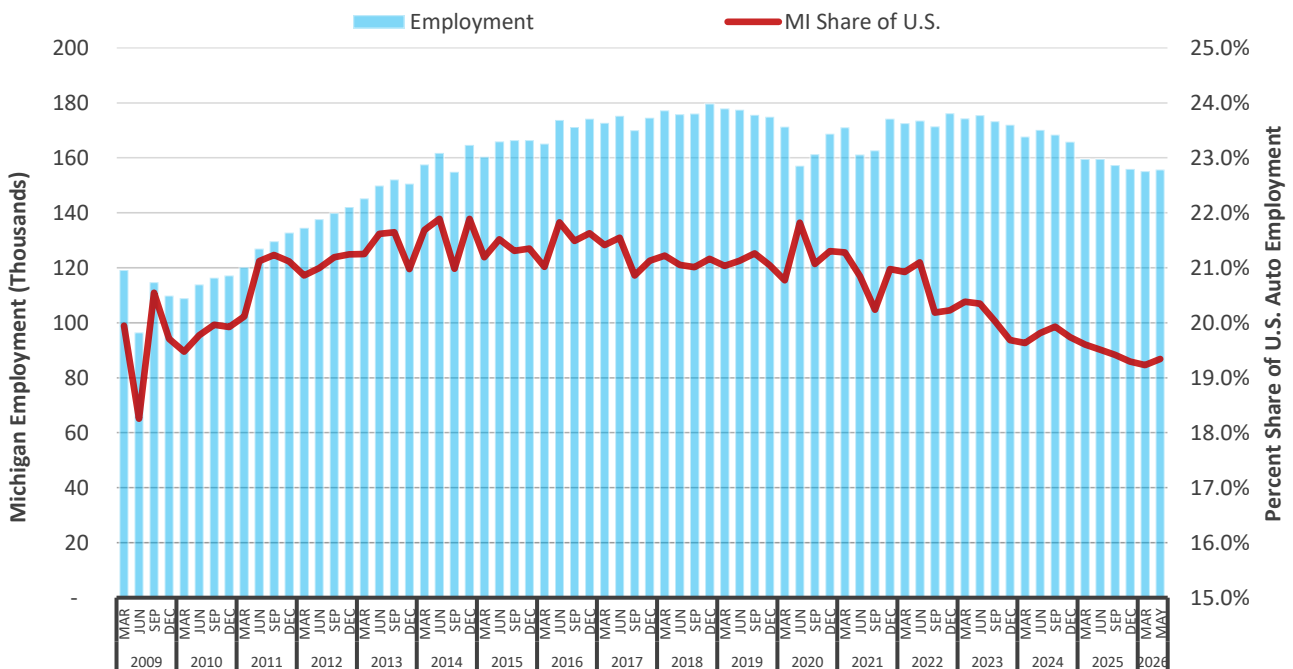
Note: Most recent CES data used for US Total;

Most recent QCEW used for IN

In May 2026, Michigan's motor vehicle and parts employment constituted 19.3 percent of U.S. automotive jobs, reflecting a decline of 0.2 percentage points from Q2 2025 (Figure 3). Kentucky likewise fell 0.2 percentage points; Ohio and Indiana each fell 0.1 percentage points as a share of U.S. automotive employment year-on-year, while Alabama saw a 0.1 percentage point gain.

Despite remaining the largest state for automotive employment in the U.S., Michigan has seen its lead gradually shrink in recent years (Figure 4). Before the pandemic, the state accounted for as much as 21.8 percent of the nation's automotive employment. However, in October 2023, this share has fallen to 19.1 percent and has stayed below 20.0 percent for 32 consecutive months. Employment levels at Michigan's automakers have been more stable – though trending down from nearly 51 thousand employees in Q3 2023 to 46 thousand in Q2 2026 – still above pre-COVID levels. Automotive supplier employment has seen a more pronounced decline, tumbling from roughly 125 thousand at the start of 2023 to just under 110 thousand in June – notably never recovering to pre-COVID pandemic levels.

Figure 4: Michigan Motor Vehicles and Parts Employment: Total and Share of U.S.



Source: Current Employment Statistics, Bureau of Labor Statistics (NAICS 3361,3363)



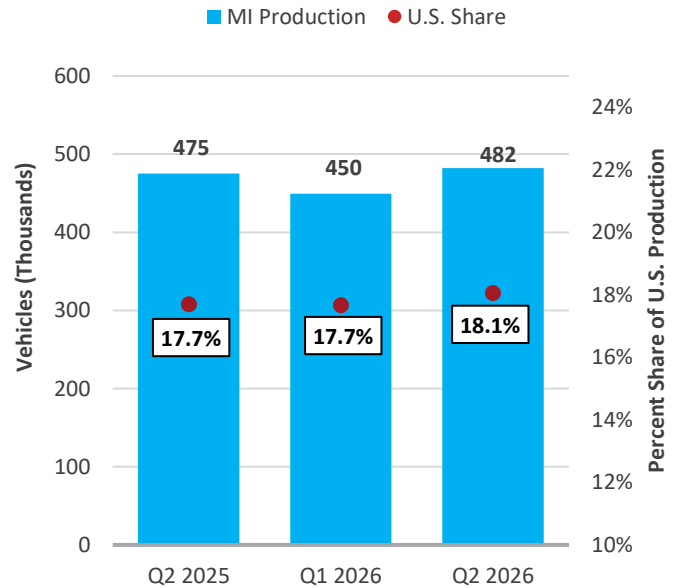
Production

In Q2 2026, Michigan's motor vehicle production reached 482 thousand units, up 7.2 percent quarter-over-quarter and up 1.4 percent year-on-year (Figure 5). The state's share of U.S. vehicle production climbed since quarter and was up 0.4 percentage points year-on-year. In June, Michigan's motor vehicle production hit 171.7 thousand units, accounting for 19.0% of U.S. production (Figure 6).

Automaker and supplier announced investment was muted in the first half of 2026. According to data captured in CAR's *Book of Deals*, automakers and suppliers have announced \$12.6 billion across North America in the first six months of 2026 – a third of what was announced in the same period of 2025.

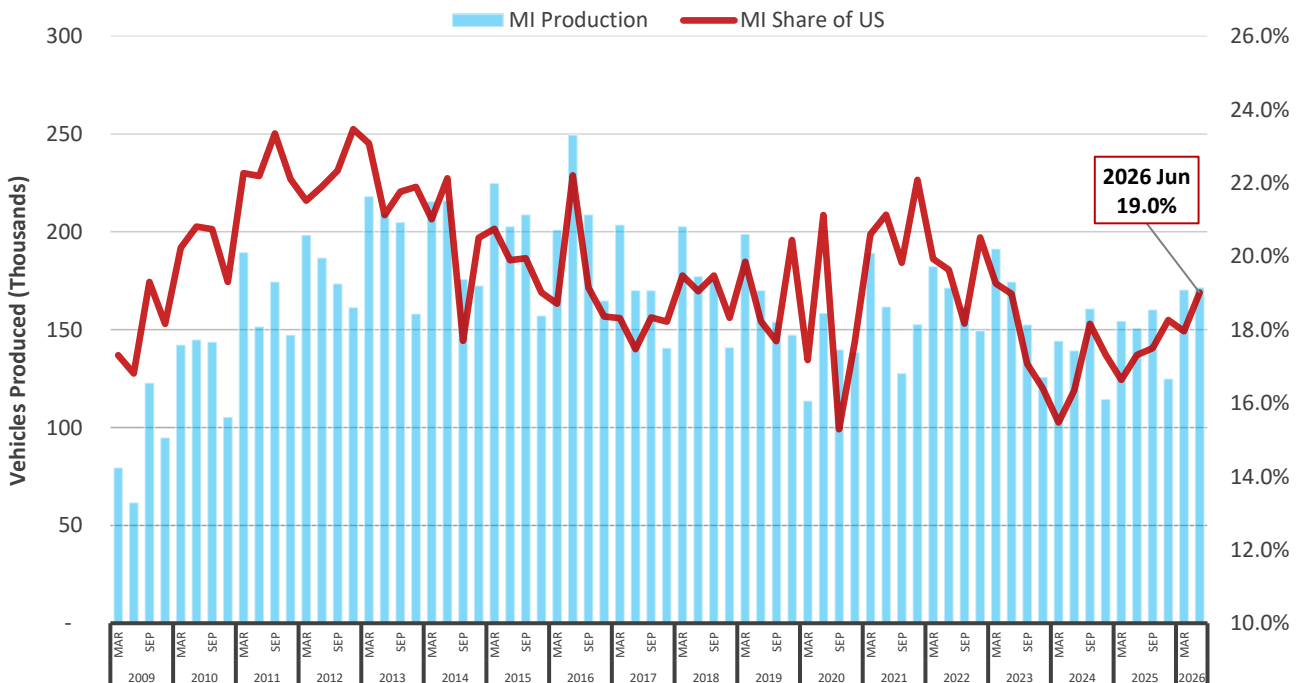
Since 2025, at least 11 EV battery plants have announced shifts of varying degrees to support energy storage systems as EV demand cools. In Michigan, automaker investments in the first half of 2026 largely support components and powertrain systems for traditional internal combustion engine (ICE) pickups and SUVs. Outside of Michigan, this trend is seen as well as automakers invest in expanded ICE vehicle assembly and the powertrain production to support.

Figure 5: Vehicle Production in Michigan (Quarterly)



Source: Wards Auto

Figure 6: Vehicle Production in Michigan Since 2009



Source: Wards Auto. Monthly data may not add up to quarterly summary due to data adjustment

North American motor vehicle assembly plants produced 7.89 million vehicles in the first half of 2026, a decrease of 49.9 thousand units (-0.6%) compared to the same period in 2025. North America production faces headwinds in 2026 as Automakers see potential supply chain disruptions and increased costs from the conflict in Iran and respond to uncertainty in trade policy and the ongoing USMCA review.

In the Midwest, total light-duty vehicle output in H1 2026 stood at 2.59 million units (Figure 7), marking a 6.4 percent increase from H1 2025. Ford announced they cancelled their summer shutdown at its four plants that build the F-150 and Super Duty trucks to make up for lost volumes due to the Novelis plant fire impacting aluminum supply, including Dearborn Truck, Kansas City Assembly, Ohio Assembly, and Kentucky Truck. The Midwest accounted for a third of North American light vehicle production in H1 2026

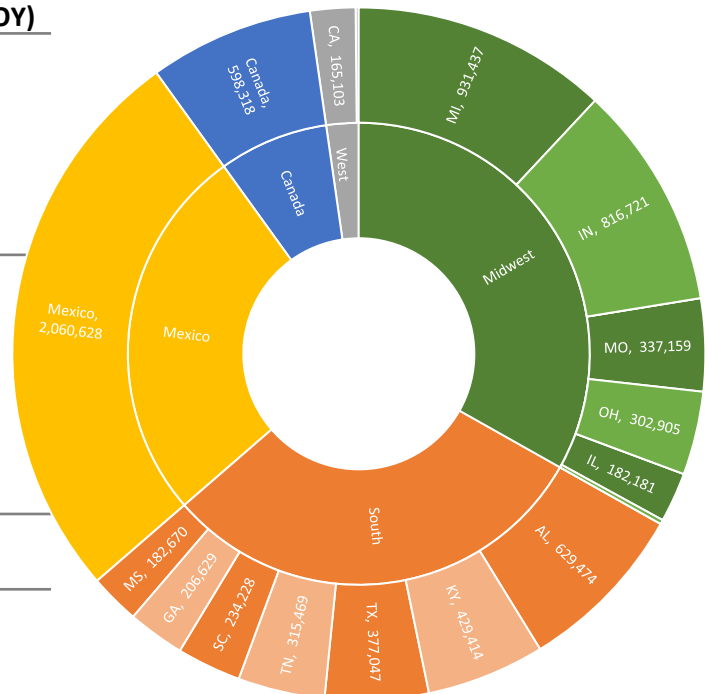
In the Southern automotive region, output declined by 2.7 percent in H1 2026. Volume was low as the Ford Louisville plant prepares to produce the new Ford mid-size EV pickup starting in 2027.

Tesla's California assembly plant was down 22 percent from H1 2025. BEVs made up 5.8 percent of the light vehicles sold in H1 2026, with Tesla accounting for 51.1 percent of the market.

The outlook for U.S. motor vehicle output in 2026 remains hazy. Trade uncertainty continues to weigh on the industry, through threatened tariffs and ongoing USMCA negotiations. A push for 50 percent U.S. content in vehicles is likely to raise prices and thus impact demand. The conflict in Iran continues to contribute to increased energy costs and impact the supply of plastics and aluminum. The June ISM Manufacturing PMI suggests economic activity in the manufacturing sector has expanded for the sixth consecutive month, though growing slightly slower than the month before. Globally, the JP Morgan Global Manufacturing PMI indicates slowing growth of output and of new orders and business optimism reached an eight-month low. The University of Michigan Consumer Sentiment Index edged upward from May as gas prices moderated but remains well below its post-election level of 74.0. The auto sector continues to face a difficult road ahead, challenged by an uncertain tariff landscape, ongoing negotiation of USMCA, and the risk of renewed supply chain disruptions and increased production costs.

Figure 7: Light Vehicle Production in the United States and North America (H1 2026)

Region	State	YTD ('000s)	% Change(YOY)
Midwest	MI	931	3.7%
	IN	817	21.4%
	MO	337	-8.0%
	OH	303	-12.5%
	IL	182	24.7%
	KS	16	705.9%
South	AL	629	4.1%
	KY	429	-23.5%
	TX	377	-2.4%
	TN	315	7.4%
	SC	234	7.5%
	GA	207	2.0%
	MS	183	4.2%
West	CA	165	-22.2%
	AZ	12	159.1%
NAFTA	Mexico	2,061	-1.0%
	Canada	598	-9.0%
	U.S.	5,232	0.6%





Sales

U.S. light vehicle sales in Q2 2026 were up 0.5 percent compared to Q2 2025 but are down 2.8 percent for the first half of the year due to sales pull-ahead in Q1 2025. According to J.D. Power, the average incentive spending per unit was expected to reach \$3,217 in June —a 12.7 percent increase from a year ago. However, this is skewed by pullback on incentive spending last June by automakers to offset tariff costs. The average transaction price of a new vehicle was \$46,387, up 0.8 percent from June 2025.

Motor vehicle inventory in June rose for the third month in a row. Days supply held at 49 day – unchanged from June 2025 but up slightly from 47 days in May 2026.

CUVs claim just shy of half of the U.S. market at 49 percent the first half 2026, followed by pickup trucks at 19 percent, and SUVs at 11 percent. Passenger cars' market share now capture only 16.7 percent of the total market (Figure 8).

U.S. real GDP increased by 2.1 percent in Q1 2026 (from previous period at an annualized rate), but advanced estimates suggest the economy slowed in Q2 due to a decline in government spending and deceleration in investment.

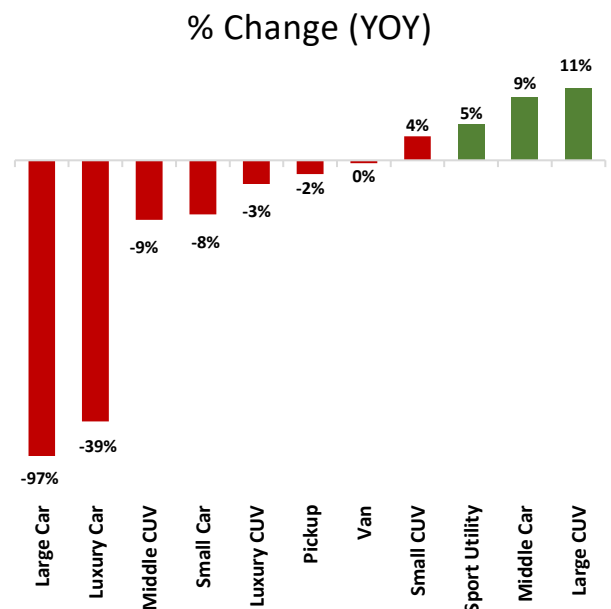
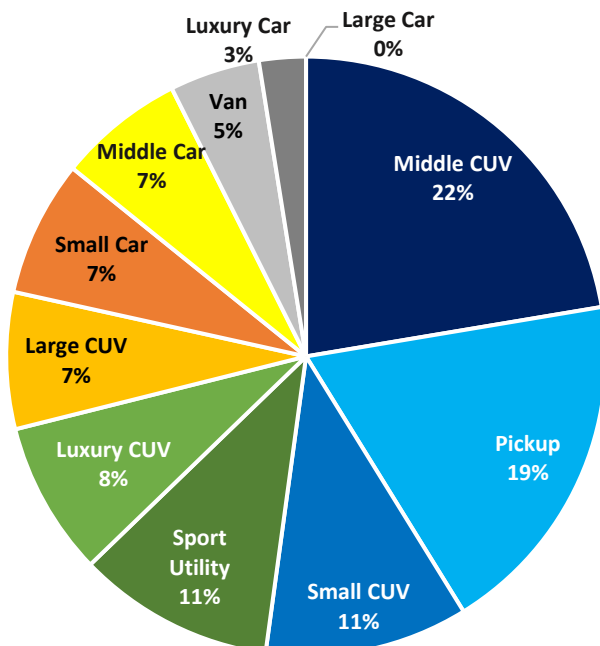
The CPI all-item inflation came in at 3.5 percent in June as energy prices rose due to war in the Middle East. Core CPI was at 2.6 percent, down from 2.9 percent in May.

The Federal Reserve held interest rates steady in June and July. The FOMC noted indicators suggest steady economic activity expansion despite elevated uncertainty.

The Conference Board's Consumers' Confidence Index inched upward in June as falling oil prices provided some inflation relief. Consumers reported more optimism on current business conditions, but labor market perceptions softened. Consumers expressed more interest in purchasing autos over the next six months.

The forecast for motor vehicle sales in 2026 is shaped by vehicle affordability challenges as consumers are squeezed by inflation and fuel costs. Tailwinds for the market include the potential for lower interest rates, an aging fleet, and hybrid demand. CAR currently forecasts 2026 U.S. sales of 15.9 million – down from 16.3 million in 2025.

Figure 8: U.S. Light Vehicle Sales by Segment (H1 2026)



Source: Wards Auto

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