

NEWS RELEASE

*For further information contact
Economic Research Director Bret Mayborne, 414-287-4122*

November Economic Trends

January 6, 2009 – Economic indicators for the metro Milwaukee area in aggregate improved only modestly from the historic low posted in October. Three of 20 metro area business activity indicators tracked by the Metropolitan Milwaukee Association of Commerce (MMAC) registered improvement in November over year-earlier levels, up from the two positives posted in October.

“Metro Milwaukee’s unemployment rate took a sharp turn upward in November, rising 0.8 percentage points from one year ago,” said Bret Mayborne, economic research director for the MMAC. “Prior to November the local unemployment rate was relatively stable, but in coming months the unemployment situation for the Milwaukee area is likely to deteriorate.”

Highlights of the report include:

- Nonfarm jobs in metro Milwaukee fell vs. year-ago levels for the 13th consecutive month. Employment averaged 851,300 in November, a 1.3% decline from one year ago. Area jobs numbered 11,200 less than recorded in November of 2007.
- Three of ten major industry sectors registered November job gains (vs. one year ago), while seven registered declines. The educational & health services sector, up 1.6% over year ago levels, posted the largest percentage increase over year-ago levels. Among sectors registering job declines, a 6.8% loss was posted in the construction, mining & natural resources sector – the largest decrease posted.
- New-car registrations in the metro fell 44.7% over the past 12 months (November, 2008 vs. November, 2007), the strongest percentage decline posted in this indicator in over seven years (since July, 2001).

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www.mmac.org

756 North Milwaukee Street, Milwaukee, Wisconsin 53202

Phone 414-287-4100 Fax 414-271-7753

MMAC Monthly Economic Trends – Page 2

Local area unemployment indicators took a turn for the worst in November. The number of unemployed rose 15.4% against year-ago levels, to 43,400 pushing the unemployment rate up 0.8 percentage point from one year ago. The metro area's seasonally unadjusted jobless rate reached 5.5% in November, up from the 4.7% rate registered one year ago. Comparatively, Wisconsin's November unemployment rate of 5.3% ranked lower than the metro rate while the nation's 6.5% rate ranked higher.

New unemployment compensation claims continued to post considerable gains over year-ago levels. Claims rose at a 33.3% pace in November (vs. November, 2007), following increases of 50.1% and 56.9% in September and October respectively.

Indicators: November, 2008 vs. November, 2007

Nonfarm employment in the metro Milwaukee area fell at a 1.3% pace in November to 851,300, the thirteenth consecutive month of year-over-year job decline. November's decline was the steepest posted in this 13 month period and translates into a net loss of 11,200 jobs. November's decline ranks higher than the 1.1% loss recorded in October (vs. October, 2007) for the metro area but lower than the 1.5% November employment decline posted nationally.

November employment gains were posted in three of ten major industry sectors. Employment in the educational & health services sector rose at a 1.6% pace to 143,600, this month's strongest gain vs. year-ago levels among major industry sectors. Government sector employment increased 1.3%, while financial activities jobs rose 0.3%, this sector's first increase in 13 months.

Job declines were registered in seven major industry sectors in November. The largest percentage decrease was posted in the construction, mining & natural resources sector, down 6.8%. Employment decreases were also posted in the leisure & hospitality (down 3.2%), manufacturing (down 2.7%), professional & business services (down 2.4%), trade, transportation & utilities (down 2.1%), information (down 1.1%), and other service (down 0.7%) sectors.

Declines in area housing and real estate indicators for November were similar to those posted in October. Existing home sales in the metro area fell at a 26.6% rate (to 661), following October's 29.6% fall. Mortgages recorded in Milwaukee County fell 44.2% from one year ago to 2,154, on the heels of October's 45% year-over-year decline.

MMAC Monthly Economic Trends – Page 3

Monthly passenger totals at Mitchell International Airport fell 15.5% in November (to 525,565), the largest year-over-year decline posted since November, 2001. Likewise, new-car registrations in the metro area posted its largest percentage decline since July, 2001, down 44.7% in November to 1,900.

Other Indicators (latest available)

The value of signed construction contracts, as reported by F.W. Dodge for October, was \$152.9 million, down 58.8% from October, 2007. Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.1% in November (vs. November, 2007) to 212.425 (1982-84 = 100). The Milwaukee area CPI-U reached 201.955 for the first half of 2008, a 4.8% increase from 2007's first half.

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Note: Three monthly indicators regularly tracked by the MMAC – average weekly hours, average weekly earnings and average hourly earnings for manufacturing production workers – were unavailable in January, 2008 and will no longer be available in future reports due to budget cuts at the U.S. Bureau of Labor Statistics, the source for these indicators.

Statistical table attached.

Metropolitan Milwaukee Business Indicators

November, 2008

	Month	Current month	Previous month	Year ago	% chg. from yr. ago	% chg. prev. month	% chg. year to date (1)
ESTABLISHMENT DATA							
Total nonfarm payroll employment (000)	Nov-08	851.3	853.7	862.5	-1.3%	-0.3%	-0.7%
Construction, mining & natural res. (000)	Nov-08	34.5	35.5	37.0	-6.8%	-2.8%	-3.8%
Manufacturing (000)	Nov-08	128.5	128.8	132.1	-2.7%	-0.2%	-2.0%
Trade, transportation, & utilities (000)	Nov-08	151.6	150.2	154.8	-2.1%	0.9%	-2.0%
Information (000)	Nov-08	17.3	17.3	17.5	-1.1%	0.0%	-1.2%
Financial activities (000)	Nov-08	57.8	57.6	57.6	0.3%	0.3%	-0.7%
Professional & business services (000)	Nov-08	111.4	113.4	114.1	-2.4%	-1.8%	-1.0%
Educational & health services (000)	Nov-08	143.6	143.7	141.4	1.6%	-0.1%	1.6%
Leisure & hospitality (000)	Nov-08	69.6	71.0	71.9	-3.2%	-2.0%	-0.8%
Other service, exc. public (000)	Nov-08	41.5	41.8	41.8	-0.7%	-0.7%	0.2%
Government (000)	Nov-08	95.5	94.4	94.3	1.3%	1.2%	1.3%
LABOR FORCE DATA							
Civilian labor force (000)	Nov-08	790.6	792.2	800.0	-1.2%	-0.2%	-1.1%
Employed (000)	Nov-08	747.1	754.0	762.4	-2.0%	-0.9%	-1.0%
Unemployed (000)	Nov-08	43.4	38.2	37.6	15.4%	13.6%	-1.8%
Unemployment rate							
Metro Milwaukee	Nov-08	5.5%	4.8%	4.7%	0.8(4)	0.7(4)	0.0(4)
Wisconsin	Nov-08	5.3%	4.4%	4.3%	1.0(4)	0.9(4)	0.0(4)
United States	Nov-08	6.5%	6.1%	4.5%	2.0(4)	0.4(4)	1.1(4)
New unemployment compensation claims	Nov-08	8,825	8,711	6,620	33.3%	1.3%	20.9%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Nov-08	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Avg. weekly earnings (2)	Nov-08	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Avg. hourly earnings (2)	Nov-08	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
HOUSING & REAL ESTATE							
Existing homes sold	Nov-08	661	646	901	-26.6%	2.3%	-19.7%
Mortgages (number) (3)	Nov-08	2,154	2,773	3,858	-44.2%	-22.3%	-29.7%
TRANSPORTATION							
Airport passengers	Nov-08	525,565	582,722	622,000	-15.5%	-9.8%	3.9%
New-car registrations	Nov-08	1,900	2,634	3,436	-44.7%	-27.9%	-12.4%
OTHER INDICATORS (latest available)							
Construction contracts (\$000) (2)	Oct-08	152,930	147,468	371,312	-58.8%	3.7%	-3.4%
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	1stH-08	201.955	195.571	192.6	4.8%	3.3%	2.2%
United States (CPI-U)	Nov-08	212.425	216.573	210.177	1.1%	-1.9%	4.2%

Notes: (1) The average or cumulative figure year to date vs. the same total one year ago. (2) Not adjusted for inflation. (3) Milwaukee County only. (4) Percentage point change.

Figures are not seasonally adjusted except where indicated (SA).

Metro area includes Milwaukee, Ozaukee, Washington & Waukesha counties except where indicated.

Sources: Wisconsin Dept. of Workforce Development, Multiple Listing Service, Milwaukee County Register of Deeds Office, Mitchell International Airport, Wisconsin Dept. of Transportation, F. W. Dodge, and U.S. Dept. of Labor.