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# Metro Milwaukee Economic Trends

## July, 2009

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## July Economic Trends

**Metro area economic indicators continue to struggle, as only four of 19 available Milwaukee area business activity indicators pointed upward in July, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC). July's four positive indicators match the number of improvements posted in June.**

**“At this point any move toward economic recovery certainly lacks in breadth, with only four indicators registering improvement,” said Bret Mayborne, economic research director for the MMAC. “Yet declines in a number of indicators have started to slow, giving cause to suggest that future economic improvement may be on the horizon.”**

Highlights of the report include:

- Employment in the metro area averaged 810,000 in July, a 5.2% decline from one year ago. July's decrease ranks smaller than the 5.6% fall recorded in June, and after revision marks the first time in 12 months that the year-over-year rate of employment decline has slowed (vs. the previous month's trend).
- Two of ten major industry sectors registered July job gains (vs. one year ago), while eight registered declines. The government sector's 3.9% increase (vs. July, 2008), ranked as the largest percentage gain. Conversely, jobs in the manufacturing sector fell 11.3% from one year ago, the month's largest decline.
- July existing home sales in the metro area increased 12.4% over year-ago levels, its fourth consecutive year-over-year rise, and mortgages registered in Milwaukee County rose 17.7% (vs. July, 2008), this indicator's second consecutive gain.

There may be early signs of improvement in the metro area's unemployment situation. The number of unemployed rose at an 87.6% rate over year-ago levels, the fourth consecutive month in which this growth rate has slowed. The number of new unemployment compensation claims totaled 12,270 in July, up 12% from one year ago. July's increase was the smallest year-over-year rise registered in over one year (since May, 2008).

July's seasonally unadjusted rate of 9.5% was 4.6 percentage points higher than posted one year ago. The metro area's unemployment rate ranks higher than Wisconsin's 8.7% jobless rate but lower than nation's 9.7% rate.

### Indicators: July, 2009 vs. July, 2008

Metro area employment averaged 810,000 in July, down 5.2% from year-ago levels. July's job decline ranks smaller than the revised 5.6% decrease posted in June. Due to revision, June's rate of decline was unchanged from May's rate (down 5.2%). Thus, subject to revision, July now marks the first time in 12 months (since August, 2008) in which the rate of job decline has slowed. Nationally, employment fell at a 4.2% rate over the same period.

Year-over-year job declines were posted in eight of ten major industry sectors. The month's largest percentage decrease fell in the manufacturing sector where jobs dropped 11.3% in July, to 116,600. Employment declines were also posted in the construction, mining & natural resources (down 11.2%), professional & business services (down 10.6%), trade, transportation & utilities

(down 6.3%), financial activities (down 6.3%), leisure & hospitality (down 5.5%), other service (down 2.3%), and information (down 1.7%) sectors. The rate of decline registered in July fell (improved) or held steady in six of these eight industry sectors vs. June's trend.

Two of ten major industry sectors registered employment gains. Jobs in the government sector rose 3.9% in July (to 89,600) vs. year-ago levels, the largest increase posted among major industry sectors. Educational & health services employment also rose, up 1.1%, to 143,000.

For the second consecutive month, both local housing and real estate indicators improved from year-ago levels. Metro area existing home sales rose for the fourth consecutive month, up 12.4% in July (to 1,357). Mortgages recorded in Milwaukee County rose 17.7% in July, following June's 16.5% increase, the first back-to-back gains posted in this indicator since November, 2005.

New-car registrations for the metro area numbered 2,740 in July, a 19.9% decline. July's fall marks the 10th consecutive month of year-over-year decline but the smallest recorded in this 10 month period. Air passenger usage of Mitchell International Airport fell 3.7% in July to 791,621 passengers, following the double-digit declines posted in each of the previous six months.

#### Other Indicators (latest available)

The value of signed construction contracts, as reported by F.W. Dodge for June, was \$99.9 million, down 52.9% from June, 2008. Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), fell 2.1% in July (vs. July, 2008) to 215.351 (1982-84 = 100). The Milwaukee area CPI-U reached 200.999 for the first half of 2009, a 0.5% decrease from 2008's first half.

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## Metropolitan Milwaukee Business Indicators July, 2009

	Month	Current month	Previous month	Year ago	% chg. from yr. ago	% chg. prev. month	% chg. year to date (1)
<b>ESTABLISHMENT DATA</b>							
Total nonfarm payroll employment (000)	Jul-09	810.0	816.9	854.8	-5.2%	-0.8%	-4.6%
Construction, mining & natural res. (000)	Jul-09	32.5	31.4	36.6	-11.2%	3.5%	-13.9%
Manufacturing (000)	Jul-09	116.6	118.3	131.5	-11.3%	-1.4%	-9.1%
Trade, transportation, & utilities (000)	Jul-09	140.9	142.5	150.4	-6.3%	-1.1%	-5.7%
Information (000)	Jul-09	17.2	17.2	17.5	-1.7%	0.0%	-1.0%
Financial activities (000)	Jul-09	55.2	55.4	58.9	-6.3%	-0.4%	-4.1%
Professional & business services (000)	Jul-09	102.4	100.0	114.6	-10.6%	2.4%	-11.7%
Educational & health services (000)	Jul-09	143.0	143.5	141.4	1.1%	-0.3%	2.2%
Leisure & hospitality (000)	Jul-09	70.4	70.2	74.5	-5.5%	0.3%	-3.8%
Other service, exc. public (000)	Jul-09	42.2	42.4	43.2	-2.3%	-0.5%	-1.7%
Government (000)	Jul-09	89.6	96.0	86.2	3.9%	-6.7%	2.8%
<b>LABOR FORCE DATA</b>							
Civilian labor force (000)	Jul-09	798.0	797.1	815.8	-2.2%	0.1%	-1.4%
Employed (000)	Jul-09	722.5	718.6	775.6	-6.8%	0.5%	-5.7%
Unemployed (000)	Jul-09	75.4	78.5	40.2	87.6%	-3.9%	86.1%
Unemployment rate							
Metro Milwaukee	Jul-09	9.5%	9.8%	4.9%	4.6(4)	-0.3(4)	4.2(4)
Wisconsin	Jul-09	8.7%	9.2%	4.6%	4.1(4)	-0.5(4)	4.1(4)
United States	Jul-09	9.7%	9.7%	6.0%	3.7(4)	0.0(4)	3.7(4)
New unemployment compensation claims	Jul-09	12,270	12,612	10,952	12.0%	-2.7%	67.0%
<b>HOUSING &amp; REAL ESTATE</b>							
Existing homes sold	Jul-09	1,357	1,337	1,207	12.4%	1.5%	1.3%
Mortgages (number) (3)	Jul-09	4,186	4,131	3,557	17.7%	1.3%	-4.6%
<b>TRANSPORTATION</b>							
Airport passengers	Jul-09	791,621	710,767	821,610	-3.7%	11.4%	-12.3%
New-car registrations	Jul-09	2,740	2,970	3,420	-19.9%	-7.7%	-30.0%
<b>OTHER INDICATORS (latest available)</b>							
Construction contracts (\$000) (2)	Jun-09	99,889	70,185	212,068	-52.9%	42.3%	-51.4%
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	1stH-09	200.999	204.103	201.955	-0.5%	-1.5%	-0.5%
United States (CPI-U)	Jul-09	215.351	215.693	219.964	-2.1%	-0.2%	-0.8%

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).

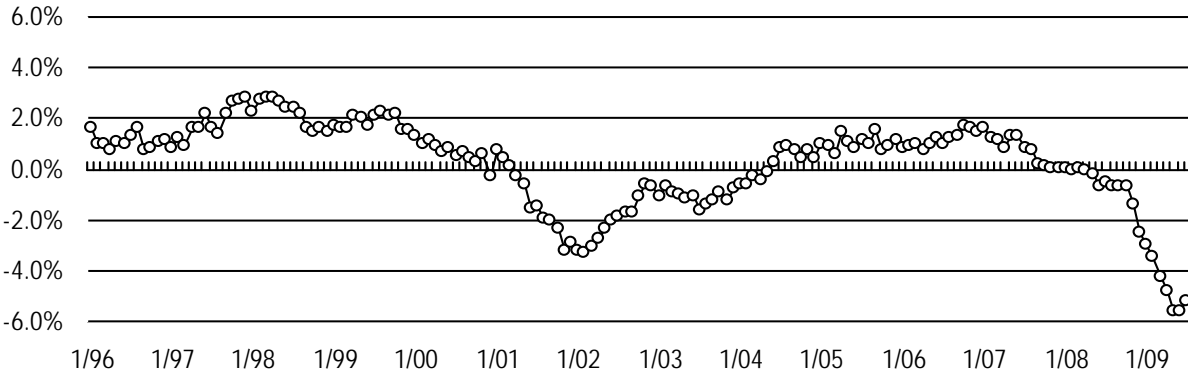
Metro area includes Milwaukee, Ozaukee, Washington & Waukesha counties except where indicated.

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.

For further information contact Bret J. Mayborne, economic research director, 414.287.4122.

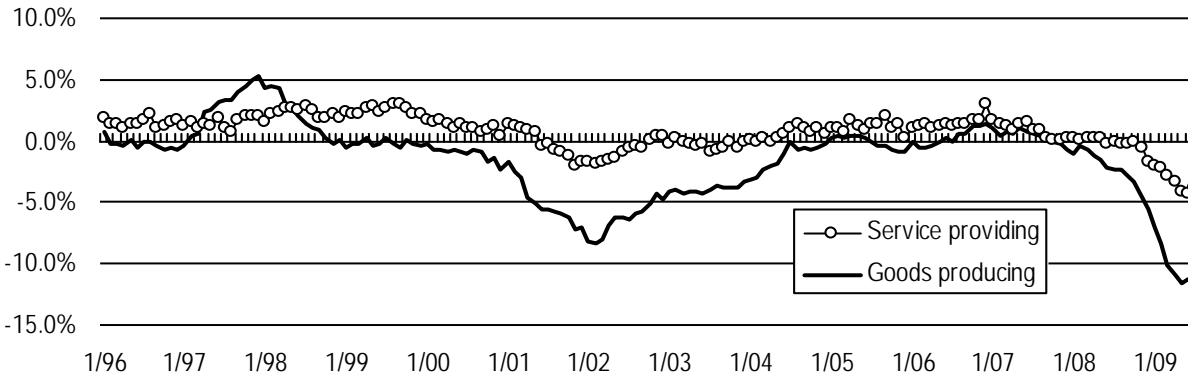
### Nonfarm Employment - Metro Milwaukee

Percent change vs. year-ago levels



### Year-over-Year Job Change - Metro Milwaukee

Service providing vs. Goods producing sectors



### Year-Over-Year Job Change by Industry - Metro Milwaukee

Percent change July, 2008 to July, 2009

