



NEWS RELEASE

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August Economic Trends

October 5, 2018 – Thirteen of 23 available metro area economic indicators pointed upward in August, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC). August’s aggregate total is down from the 16 positive indicators posted in July.

“While the total number of positive indicators has declined slightly in recent months, a majority of this aggregate have pointed upward for 79 consecutive months,” said Bret Mayborne, economic research director for the MMAC. “August’s trend was particularly strong in the manufacturing sector where year-over-year job growth was the strongest registered in this sector in seven years (since August, 2011).”

Highlights of the report include:

- Nonfarm employment in the metro area grew at a 0.8% pace in August (vs. August, 2017), to 880,400, a net gain of 7,300 jobs in this 12 month period. August’s rate of job growth is down from the 1.2% year-over-year rise posted in July.
- By industry, six of ten major sectors posted August employment gains. The manufacturing sector registered the strongest increase, up 4% vs. year-ago levels while the financial activities sector (down 4%) recorded the largest decline.
- Indicators for manufacturing production workers posted solid gains. Average weekly hours, average hourly earnings and average weekly earnings for such workers all registered August gains vs. year-ago levels.

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As the metro area's unemployment rate pushed toward its natural rate, improvements to the unemployment rate have slowed. Metro Milwaukee's seasonally unadjusted unemployment rate dipped to 3.6% in August, 0.3 percentage points below year-ago levels, compared to the average 0.6 percentage point improvement over 2018's first eight months. August's metro rate compares to the state's 3.1% and the nation's 3.9% rates.

Other unemployment indicators continued to trend positive. The number of unemployed fell 8.5% from one year ago to 30,200, while new unemployment compensation claims decreased 9.9% vs. year-ago levels (to 2,559).

Indicators: August, 2018 vs. August, 2017

Metro area job growth slowed slightly in August. Employment in August grew at a 0.8% rate (to 880,400). Year-over-year employment growth in the metro area reached 1.2% in July and has averaged 1% over the year's first eight months.

August job gains were spread across six major industry sectors. The manufacturing sector posted its strongest rate of job increase in seven years (since August, 2011), up 4% to 123,300. Job growth was also recorded in the education & health services (up 2.8%), construction, mining & natural resources (up 2.7%), other services (up 2.3%), professional & business services (up 0.5%), and leisure & hospitality (up 0.5%) sectors.

Four of ten major industry sectors registered job declines in August vs. year-ago levels. The financial activities sector fell 4% in August, to 49,900 – the steepest fall among this group. The information (down 3.7%), trade, transportation & utilities (down 1.4%) and government (down 0.5%) sectors also posted August declines.

August's strong manufacturing job gain was matched by increases in production and earnings indicators. Average weekly hours for manufacturing production workers rose 3.1% (to 42.8 hours) from one year ago, following an even stronger 6.1% gain in July. Average weekly earnings for production workers rose 5.7% in August (to \$986), and average hourly earnings increased 2.5%, to \$23.03.

Sluggish results were posted in local housing and real estate indicators tracked by the MMAC. Existing home sales in the metro area were unchanged from one year ago at 1,746, following the

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5.6% increase posted in July (vs year-ago levels). Mortgages recorded in Milwaukee County fell for the fourth consecutive month – down 0.9%, to 2,455.

New-car registrations fell 18.2% in August (to 1,537), continuing the year-over-year declines that have been registered in seven of 2018's first eight months. Air passenger totals at Mitchell International Airport were unavailable at the time of this report.

Other Indicators (latest available)

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 2.7% in August (vs. August, 2017) to 252.146 (1982-84 =100). The Milwaukee area CPI-U reached 232.718 for the second half of 2017, a 1.8% increase from 2016's second half.

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Statistical table attached.

Metropolitan Milwaukee Business Indicators

August, 2018

	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)	Aug-18	880.4	880.0	873.1	0.8%	0.0%	1.0%
Construction, mining & natural res. (000)	Aug-18	34.4	34.8	33.5	2.7%	-1.1%	2.9%
Manufacturing (000)	Aug-18	123.3	122.7	118.6	4.0%	0.5%	2.7%
Trade, transportation, & utilities (000)	Aug-18	144.7	144.6	146.8	-1.4%	0.1%	-0.7%
Information (000)	Aug-18	13.0	13.0	13.5	-3.7%	0.0%	-5.3%
Financial activities (000)	Aug-18	49.9	50.2	52.0	-4.0%	-0.6%	-3.1%
Professional & business services (000)	Aug-18	129.1	128.5	128.5	0.5%	0.5%	1.4%
Education & health services (000)	Aug-18	170.1	168.8	165.4	2.8%	0.8%	2.1%
Leisure & hospitality (000)	Aug-18	84.4	88.0	84.0	0.5%	-4.1%	0.8%
Other services, exc. public (000)	Aug-18	48.2	48.4	47.1	2.3%	-0.4%	2.4%
Government (000)	Aug-18	83.3	81.0	83.7	-0.5%	2.8%	0.8%
LABOR FORCE DATA							
Civilian labor force (000)	Aug-18	841.1	846.0	844.8	-0.4%	-0.6%	0.5%
Employed (000)	Aug-18	810.9	815.2	811.8	-0.1%	-0.5%	1.0%
Unemployed (000)	Aug-18	30.2	30.8	33.0	-8.5%	-1.9%	-13.6%
Unemployment rate							
Metro Milwaukee	Aug-18	3.6%	3.6%	3.9%	-0.3(4)	0.0(4)	-0.6(4)
Wisconsin	Aug-18	3.1%	3.2%	3.3%	-0.2(4)	-0.1(4)	-0.5(4)
United States	Aug-18	3.9%	4.1%	4.5%	-0.6(4)	-0.2(4)	-0.5(4)
New unemployment compensation claims	Aug-18	2,559	3,064	2,840	-9.9%	-16.5%	-9.2%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Aug-18	42.8	43.4	41.5	3.1%	-1.4%	3.4%
Avg. weekly earnings (2)	Aug-18	\$985.68	\$1,003.84	\$932.51	5.7%	-1.8%	8.6%
Avg. hourly earnings (2)	Aug-18	\$23.03	\$23.13	\$22.47	2.5%	-0.4%	5.1%
HOUSING & REAL ESTATE							
Existing homes sold	Aug-18	1,746	1,808	1,746	0.0%	-3.4%	1.1%
Mortgages (number) (3)	Aug-18	2,455	2,202	2,477	-0.9%	11.5%	-4.6%
TRANSPORTATION							
Airport passengers	Aug-18	N.A.	665,311	629,650	N.A.	N.A.	N.A.
New-car registrations	Aug-18	1,537	1,660	1,878	-18.2%	-7.4%	-18.2%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	2ndH-17	232.718	232.123	228.624	1.8%	0.3%	2.0%
United States (CPI-U)	Aug-18	252.146	252.006	245.519	2.7%	0.1%	2.6%

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).

Figures are for metro Milwaukee (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, and U.S. Dept. of Labor.