



NEWS RELEASE

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August Economic Trends

October 4, 2019 – Metro Milwaukee’s economic trend continues on a sluggish path as less than half of the monthly indicators tracked by the Metropolitan Milwaukee Association of Commerce (MMAC) pointed upward in August. Nine of 23 indicators pointed upward in August, marking the sixth time in the past nine months that positive trending indicators accounted for less than half of the total.

“August’s trend can largely be attributed to two main patterns,” said Bret Mayborne, the MMAC’s economic research director. “Job gains across major industry sectors were increasingly uneven and manufacturing and production indicators posted continuing year-over-year declines.”

Highlights of the report include:

- Nonfarm employment grew at its second slowest pace this year. Employment rose 0.5% in August (vs. year-ago levels), down from the 1% year-over-year increase posted in July and the 0.7% average gain in employment year-to-date.
- Only four of ten major industry sectors registered year-over-year job gains in August. The leisure & hospitality sector posted the largest increase – up 4.1% vs. year-ago levels. Conversely, six of ten major industry sectors posted employment declines. A 3% decrease in the government sector ranked as the largest percentage loss.
- Metro area manufacturing indicators posted declines vs. year-ago levels. Manufacturing employment fell for the first time in 20 months and production and earnings indicators for manufacturing production workers all posted year-over-year declines.

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MMAC Monthly Economic Trends – Page 2

The number of unemployed in the metro area posted a sharp increase in August, up 12.5% vs. one year ago, to 31,600. August's increase follows July's 6.3% rise (vs. July 2018). A more modest 4.2% year-over-year August increase was registered in the number of new unemployment compensation claims for the area.

Consequently, the metro area seasonally unadjusted unemployment rate rose 0.4 percent points from one year ago to 3.8%. August's local rate ranks higher than Wisconsin's 3.3% rate and matches the 3.8% rate recorded nationally.

Indicators: August 2019 vs. August 2018

Nonfarm employment levels in the metro area rose 0.5% in August to 884,000, a net gain of 4,400 jobs from one year ago. August's increase ranks below the 1% rise posted in July and marks the second slowest monthly year-over-year job increase posted over 2019 first eight months.

August's overall job increase was based on a narrow band of major industry sectors with only four of ten registering year-over-year employment gains. The leisure & hospitality sector (up 4.1%), posted the largest increase, followed by gains in the education & health services (up 3.9%), construction, mining & natural resources (up 1.1%) and other services (up 0.2%) sectors.

A majority of major industry sectors posted August employment declines. The largest percentage decline fell on the government sector, down 3% vs. year-ago levels, to 79,800. Decreases were also posted in the financial activities (down 1.7%), professional and business services (down 1.2%), manufacturing (down 0.8%), information (down 0.7%), and trade, transportation & utilities (down 0.1%) sectors.

Manufacturing's 0.8% job decline was this indicator's first decrease in 20 months. Hours and earnings indicators for metro area manufacturing production workers also fell. The length of the average workweek for such workers dropped 3%, to 41.6 hours, its fifth consecutive year-over-year decline. Likewise, average weekly earnings for production workers fell 6.8% (to \$925), while average hourly earnings decreased 3.8% (to \$22.23).

Housing & real estate indicators for the Milwaukee area were positive. Existing home sales in the metro area rose 6.6% in August, to 1,861. August's gain follows the 4.6% increase posted in

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MMAC Monthly Economic Trends – Page 3

July and marks the first back-to-back gains posted in this indicator since April 2018. Mortgages recorded in Milwaukee County numbered 2,689 in August, a 9.5% increase over year-ago levels.

New-car registrations numbered 1,247 in August, a 18.9% decrease over year-ago levels. August's decrease follows the 18.6% decline registered in July (vs. July 2018). Air passenger totals at Mitchell International Airport totaled 616,050 in August, down 2.2% from one year ago.

Other Indicators (latest available)

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.7% in August (vs. August 2018) to 256.558 (1981-84=100). As of 2018's first half, the U.S. Bureau of Labor Statistics no longer produces a consumer price index for the Milwaukee area.

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Statistical table attached.

Metropolitan Milwaukee Business Indicators August 2019

	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-19	884.0	884.9	879.6	0.5%	-0.1%	0.7%
Construction, mining & natural res. (000)	Aug-19	35.4	35.6	35.0	1.1%	-0.6%	0.0%
Manufacturing (000)	Aug-19	118.9	119.7	119.8	-0.8%	-0.7%	0.4%
Trade, transportation, & utilities (000)	Aug-19	148.0	148.5	148.2	-0.1%	-0.3%	0.1%
Information (000)	Aug-19	13.4	13.4	13.5	-0.7%	0.0%	-1.2%
Financial activities (000)	Aug-19	50.9	51.2	51.8	-1.7%	-0.6%	-0.5%
Professional & business services (000)	Aug-19	127.0	126.0	128.6	-1.2%	0.8%	-1.7%
Education & health services (000)	Aug-19	174.2	173.2	167.6	3.9%	0.6%	3.3%
Leisure & hospitality (000)	Aug-19	88.7	89.1	85.2	4.1%	-0.4%	2.5%
Other services, exc. public (000)	Aug-19	47.7	48.0	47.6	0.2%	-0.6%	1.7%
Government (000)	Aug-19	79.8	80.2	82.3	-3.0%	-0.5%	-0.6%
LABOR FORCE DATA							
Civilian labor force (000)	Aug-19	834.9	838.4	831.1	0.5%	-0.4%	-0.1%
Employed (000)	Aug-19	803.4	806.2	803.0	0.0%	-0.3%	-0.1%
Unemployed (000)	Aug-19	31.6	32.2	28.1	12.5%	-1.9%	-1.6%
Unemployment rate							
Metro Milwaukee	Aug-19	3.8%	3.8%	3.4%	0.4(4)	0.0(4)	-0.1(4)
Wisconsin	Aug-19	3.3%	3.4%	2.9%	0.4(4)	-0.1(4)	-0.1(4)
United States	Aug-19	3.8%	4.0%	3.9%	-0.1(4)	-0.2(4)	-0.2(4)
New unemployment compensation claims	Aug-19	2,667	2,859	2,559	4.2%	-6.7%	0.0%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Aug-19	41.6	39.4	42.9	-3.0%	5.6%	-1.4%
Avg. weekly earnings (2)	Aug-19	\$924.77	\$887.68	\$991.85	-6.8%	4.2%	-3.4%
Avg. hourly earnings (2)	Aug-19	\$22.23	\$22.53	\$23.12	-3.8%	-1.3%	-2.1%
HOUSING & REAL ESTATE							
Existing homes sold	Aug-19	1,861	1,892	1,746	6.6%	-1.6%	-1.4%
Mortgages (number) (3)	Aug-19	2,689	2,559	2,455	9.5%	5.1%	1.4%
TRANSPORTATION							
Airport passengers	Aug-19	616,050	625,730	629,678	-2.2%	-1.5%	-4.0%
New-car registrations	Aug-19	1,247	1,351	1,537	-18.9%	-7.7%	-9.1%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
United States (CPI-U)	Aug-19	256.558	256.571	252.146	1.7%	0.0%	1.7%

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, F.W. Dodge, and U.S. Dept. of Labor