



NEWS RELEASE

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April Economic Trends

June 5, 2020 – The extent of the COVID-19 downturn become more evident as the first jobs numbers since the shutdown began were released. Overall only four of 22 available business activity indicators for the metro area pointed upward in April vs. year-ago levels, according to a monthly report by the Metropolitan Milwaukee Association of Commerce. This is down from the nine positive indicators recorded in March.

“Downturns generated by the COVID-19 shutdowns were unprecedented in the depth and suddenness of the declines,” said Bret Mayborne, the MMAC’s economic research director. “The extent of the job loss and unemployment is higher than anything recorded in the available record.”

Highlights of the report include:

- Total nonfarm employment fell by 110,600 jobs vs. year-ago levels, down 12.7%, and dropped 100,300 from March, steep and immediate loses that are the highest posted in the available historic record (1968 to present.)
- Nine of 10 major industry sectors posted year-over-year job declines, ranging from the 53.9% decrease in leisure & hospitality to a 1.4% decline in financial activities. One sector, construction, mining & natural resources, posted a 1.5% increase in jobs (vs. year-ago levels).
- Manufacturing related indicators largely pointed downward. Manufacturing employment fell 8.1% vs. one year ago, while a manufacturing production worker’s average weekly hours and average weekly earnings also fell. Average hourly earnings was one of April’s four upward pointing indicators year-over-year.

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In addition to these key points, unemployment indicators hit historic highs. The number of unemployed went from 26,000 one year ago to April's 118,300 -- an increase of 355%. This pushed the metro area's unemployment rate from 3.2% (April 2019) to the current 14.5%. In comparison, the current metro area unemployment rate ranks similar to both Wisconsin's 14.6% rate and the nation's 14.4% rate.

This marks the highest local unemployment percentage in the available record (1990 to present.) The unemployment rate last reached double digits in February and March of 2010 (10.1% and 10% respectively.) New unemployment compensation claim totals for the metro area were unavailable for April and prior months.

Indicators: April 2020 vs. April 2019

In the past, these monthly economic trends reports have exclusively looked at indicator trends through year-over-year change of seasonally unadjusted data vs. month-over-month changes. This is largely necessary because using month to month data would include a seasonal trend which may not capture the true trend. In this report there is some reference to month-to-month change to place the extreme nature of the downturn in context (see note on page 3.)

Year-over-year, using seasonally unadjusted data, the metro area lost 110,600 jobs over the course of 12 months (April 2019 to April 2020,) a 12.7% decline. On a month-over-month basis over the March to April period, job loss totaled 100,300. Both the absolute and percentage declines posted are the largest posted in the available record (1968 to present.)

To put the current employment loss in context, the decline posted in this one-month period is larger than that posted over the entirety of the Great Recession downturn – down 55,000 jobs over the course of two-plus years.

Among major industry sectors, those hardest hit by job loss were those most directly affected by COVID-19 closures. Year-over-year, the following sectors all recorded above-average job declines:

- Leisure & hospitality (restaurants, hotels, performing arts), down 53.9%.
- Other services, down 23%.
- Professional & business services (which includes temporary help services), down 13.6%.

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Job declines were also posted in the trade, transportation & utilities sector (down 10%), manufacturing (down 8.1%), education & health services (down 5%), information (down 4.5%), and financial activities (down 1.4%). One sector, construction, mining and natural resources, rose 1.5% to 32,900.

Housing and real estate indicators in the Milwaukee area were mixed in April. Existing home sales in the metro area fell 8.8% in April (vs. April 2019) to 1,329. April's decline follows March's 11% increase and ends a streak of nine consecutive months of year-over-year increase. Mortgages registered in Milwaukee County continued to rise driven by historically low interest rates. Mortgages numbered 3,074 in April, up 56.4%.

Transportation indicators dropped to a crawl. New-car registrations fell 49.9% from one year ago, this indicator's steepest decline posted since May 2009. After the 52.9% fall recorded in March, air passenger totals at Mitchell International passenger activity nearly ground to a halt. Passenger levels fell 96% vs. year-ago levels, from 585,577 one year ago to April's 23,664 passengers.

Other Indicators (latest available)

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 0.3% in April (vs. April, 2019) to 256.389 (1981-84=100).

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Statistical table attached.

Note

A truer month-to-month trend is captured in seasonally adjusted data. Unfortunately for most metro areas, the breadth of employment and unemployment data from the U.S. Bureau of Labor Statistics is almost exclusively released in not seasonally adjusted form. Total nonfarm employment is available as a seasonally adjusted series. This series shows a loss of 107,600 jobs in the metro area in the March to April period. Because the differences in the seasonally adjusted and seasonally unadjusted series are relatively minor over this period, April's report has focused on the seasonally unadjusted series for consistency sake.

Metropolitan Milwaukee Business Indicators

April 2020

	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)	Apr-20	760.9	861.2	871.5	-12.7%	-11.6%	-3.1%
Construction, mining & natural res. (000)	Apr-20	32.9	32.3	32.4	1.5%	1.9%	3.5%
Manufacturing (000)	Apr-20	110.3	118.1	120.0	-8.1%	-6.6%	-3.1%
Trade, transportation, & utilities (000)	Apr-20	130.2	144.4	144.6	-10.0%	-9.8%	-2.8%
Information (000)	Apr-20	12.8	13.1	13.4	-4.5%	-2.3%	-3.1%
Financial activities (000)	Apr-20	49.4	49.9	50.1	-1.4%	-1.0%	-0.1%
Professional & business services (000)	Apr-20	107.7	120.1	124.7	-13.6%	-10.3%	-4.5%
Education & health services (000)	Apr-20	163.8	174.9	172.4	-5.0%	-6.3%	0.6%
Leisure & hospitality (000)	Apr-20	37.0	75.1	80.3	-53.9%	-50.7%	-15.5%
Other services, exc. public (000)	Apr-20	36.2	46.4	47.0	-23.0%	-22.0%	-6.3%
Government (000)	Apr-20	80.6	86.9	86.6	-6.9%	-7.2%	-0.3%
LABOR FORCE DATA							
Civilian labor force (000)	Apr-20	816.9	810.4	810.5	0.8%	0.8%	0.1%
Employed (000)	Apr-20	698.6	784.2	784.5	-11.0%	-10.9%	-2.8%
Unemployed (000)	Apr-20	118.3	26.3	26.0	355.0%	349.8%	81.5%
Unemployment rate							
Metro Milwaukee	Apr-20	14.5%	3.2%	3.2%	11.3(4)	11.3(4)	2.9(4)
Wisconsin	Apr-20	14.6%	3.4%	3.2%	11.4(4)	11.2(4)	2.9(4)
United States	Apr-20	14.4%	4.5%	3.3%	11.1(4)	9.9(4)	2.8(4)
New unemployment compensation claims	Apr-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Apr-20	37.8	40.1	42.3	-10.6%	-5.7%	-6.7%
Avg. weekly earnings (2)	Apr-20	\$874.69	\$918.69	\$964.44	-9.3%	-4.8%	-6.9%
Avg. hourly earnings (2)	Apr-20	\$23.14	\$22.91	\$22.80	1.5%	1.0%	-0.2%
HOUSING & REAL ESTATE							
Existing homes sold	Apr-20	1,329	1,277	1,457	-8.8%	4.1%	2.3%
Mortgages (number) (3)	Apr-20	3,074	2,585	1,966	56.4%	18.9%	52.5%
TRANSPORTATION							
Airport passengers	Apr-20	23,664	312,425	585,577	-96.0%	-92.4%	-40.6%
New-car registrations	Apr-20	813	1,270	1,622	-49.9%	-36.0%	-26.7%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
United States (CPI-U)	Apr-20	256.389	258.115	255.548	0.3%	-0.7%	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