



NEWS RELEASE

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May Economic Trends

July 2, 2020 – Local economic indicators posted significant year-over-year declines for the second consecutive month, according to a monthly report by the Metropolitan Milwaukee Association of Commerce. Overall, only three of 22 available business activity indicators for the metro area pointed upward in May vs. one year ago, up modestly from the two positive indicators recorded in April.

“There was a bit of a rebound effect in May from the sharp downturns registered in April resulting from the COVID-19 shutdowns,” said Bret Mayborne, the MMAC’s economic research director. “While few gains were recorded in business activity indicators on a year-over-year basis, a majority of indicators did show some improvement from their April totals.”

Highlights of the report include:

- Total nonfarm employment averaged 777,700 in May, down 11.3% from one year ago. May’s job total was down 99,300 from year-ago levels, an improvement from the 114,300 decrease posted in April (vs. April 2019). Employment levels rose by 20,500 in the April to May, month-over-month period.
- Job declines vs. year-ago levels were recorded in 9 of 10 major industry sectors with three of these nine sectors recording double-digit falls. The construction, mining & natural resources sector posted a notable gain, up 5% from year-ago levels.
- Indicators of large consumer purchase activity posted double-digit declines. Existing home sales in the metro area fell 25.5% from year ago levels while new-car registrations for metro Milwaukee fell 44.4% from one year earlier.

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Metro area unemployment indicators remain near historic highs. The number of unemployed rose 287.7% over year-ago levels, to 104,400. In raw numbers, May's total is up 77,500 from one year ago but is down 5,100 from April levels.

The metro area's unemployment rate reached 12.6% in May, up 9.3 percentage points from one year ago but down one full percentage point from April. The metro rate ranked higher than Wisconsin's 11.7% rate but lower than the nation's 13% rate. New unemployment compensation claim totals for the metro area were unavailable for May and prior months.

Indicators: May 2020 vs. May 2019

May's numbers suggest that job losses attributable to COVID-19 are considerable but there are early signs of recovery. Year-over-year job losses remain large. Nonfarm employment is down 99,300 jobs from one year ago, a 11.3% decline. This decline marks an improvement from the 13.1% loss posted in April (vs. April 2019). Further, on a month-over-month basis jobs in the metro area rose 20,500 in May (vs. April), up 2.7%. Some of this gain might be due to seasonal factors. Metro Milwaukee's year-over-year job loss and the gains recorded over the previous month both rank modestly better than the national trend – the U.S. was down 11.7% & up 2.4% respectively (see note on page 3.)

Three major industry sectors posted double-digit job losses. The leisure & hospitality sector remains hardest-hit with a 45.3% loss from year-ago levels. The other services, down 20.3%, and professional & business services, down 10.4%, also registered double-digit falls.

Other sectors with job declines include the trade, transportation & utilities sector (down 8.5%), government (down 8.5%), manufacturing (down 7.1%), education & health services (down 6.6%), information (down 4.5%) and financial activities (down 0.8%) sectors. Among these nine sectors with job declines, all but three posted some improvement in their year-over-year trend (smaller losses.) Only one sector, construction, mining and natural resources, rose vs. year-ago levels, up 5% to 35,500.

Earnings and hours indicators for manufacturing production workers were negative. The weekly workweek averaged 36.9 hours in May, down 10.4% from one year-ago and the shortest workweek for such workers in over 10 years (since September 2009.) Average weekly earnings dropped 10.5% to \$838 and average hourly earnings fell 0.1% to \$22.71.

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Low interest rates kept mortgage numbers in the area moving upward. Mortgages recorded in Milwaukee County rose 18% in May to a total of 2,948. Conversely, existing home sales in metro Milwaukee fell 25.5% from one year ago (to 1,312,) the steepest year-over-year decline posted in this indicator since April 2011.

Among transportation indicators, new-car registrations fell 44.4% from one year ago, vs. the 49.9% decline posted in April. Passenger levels at Mitchell International Airport totaled 63,172 in May, down 89.3% vs. year-ago levels.

Other Indicators (latest available)

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 0.1% in May (vs. May 2019) to 256.394 (1981-84=100).

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Statistical table attached.

Note

Caution should be taken in looking at the month over month trend in seasonally unadjusted figures. Some of the trend identified might be due to seasonal factors. 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 unadjusted form. Total nonfarm employment is available as a seasonally adjusted series. This series shows a gain of 16,500 jobs in the metro area in the April to May period, up 2.2%.

Metropolitan Milwaukee Business Indicators

May 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)	May-20	777.7	757.2	877.0	-11.3%	2.7%	-4.9%
Construction, mining & natural res. (000)	May-20	35.5	31.9	33.8	5.0%	11.3%	3.2%
Manufacturing (000)	May-20	111.6	110.5	120.1	-7.1%	1.0%	-3.8%
Trade, transportation, & utilities (000)	May-20	132.7	128.3	145.0	-8.5%	3.4%	-4.2%
Information (000)	May-20	12.8	12.8	13.4	-4.5%	0.0%	-3.4%
Financial activities (000)	May-20	49.8	49.5	50.2	-0.8%	0.6%	-0.2%
Professional & business services (000)	May-20	111.5	109.6	124.5	-10.4%	1.7%	-5.4%
Education & health services (000)	May-20	161.9	161.6	173.3	-6.6%	0.2%	-1.1%
Leisure & hospitality (000)	May-20	45.8	36.4	83.7	-45.3%	25.8%	-21.9%
Other services, exc. public (000)	May-20	37.6	36.2	47.2	-20.3%	3.9%	-9.1%
Government (000)	May-20	78.5	80.4	85.8	-8.5%	-2.4%	-2.0%
LABOR FORCE DATA							
Civilian labor force (000)	May-20	829.4	805.8	812.4	2.1%	2.9%	0.2%
Employed (000)	May-20	725.0	696.3	785.4	-7.7%	4.1%	-3.9%
Unemployed (000)	May-20	104.4	109.5	26.9	287.7%	-4.7%	114.4%
Unemployment rate							
Metro Milwaukee	May-20	12.6%	13.6%	3.3%	9.3(4)	-1.0(4)	4.0(4)
Wisconsin	May-20	11.7%	13.6%	3.1%	8.6(4)	-1.9(4)	3.9(4)
United States	May-20	13.0%	14.4%	3.4%	9.6(4)	-1.4(4)	4.1(4)
New unemployment compensation claims	May-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	May-20	36.9	37.8	41.2	-10.4%	-2.4%	-7.4%
Avg. weekly earnings (2)	May-20	\$838.00	\$891.32	\$936.48	-10.5%	-6.0%	-7.3%
Avg. hourly earnings (2)	May-20	\$22.71	\$23.58	\$22.73	-0.1%	-3.7%	0.2%
HOUSING & REAL ESTATE							
Existing homes sold	May-20	1,312	1,329	1,761	-25.5%	-1.3%	-5.8%
Mortgages (number) (3)	May-20	2,948	3,074	2,499	18.0%	-4.1%	43.0%
TRANSPORTATION							
Airport passengers	May-20	63,172	23,664	588,442	-89.3%	167.0%	-50.7%
New-car registrations	May-20	1,041	813	1,872	-44.4%	28.0%	-31.3%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
United States (CPI-U)	May-20	256.394	256.389	256.092	0.1%	0.0%	1.4%

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