



NEWS RELEASE

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September Economic Trends report for metro Milwaukee: A slow but steady recovery

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MILWAUKEE – Metro Milwaukee’s economy made modest improvements in September with six of 22 available indicators pointing upward vs. year-ago levels, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC.) The number of positives for September rank higher than August’s five positives and the two positives posted in the early stages of the COVID-19 pandemic in April.

“The past few months have been marked by slow and steady progress toward recovery in metro Milwaukee’s post-pandemic economy,” said Bret Mayborne, the MMAC’s economic research director. “Of particular note, the unemployment rate is currently only 2.7 percentage points over the rate registered one year ago and is down 7.6 percentage points from the pandemic high of 13.6% in April.”

Highlights of the report include:

- Nonfarm employment averaged 815,200 in September, down 6.5% from one year ago.
- September’s seasonally unadjusted unemployment rate of 6% ranks 2.7 percentage points higher than the 3.3% rate recorded one year ago.
- Two major industry sectors – financial activities plus trade, transportation & utilities -- are approaching full recovery as compared to year-ago levels.
- In contrast, the leisure & hospitality and other services sectors remain well behind year-ago levels.
- Manufacturing job levels and the average length of a production worker’s workweek fell vs. year-ago levels while average worker earnings rose.
- Area housing and real estate indicators registered double-digit year-over-year gains. Mortgages recorded increased 42.2% while existing home sales rose 24.9%.

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The metro area's unemployment rate has posted significant improvement in recent months. The seasonally unadjusted unemployment rate averaged 6% in September, up 2.7 percentage points from one year ago. Currently, the current local unemployment rate ranks higher than the state's 4.7% rate but below the nation's 7.7% figure.

The number of unemployed remains high relative to year-ago levels, totaling 50,300 in September, up 88.5% from one year ago but down 11,400 from August levels. New unemployment compensation claim totals for the metro area were unavailable for September and prior months in 2020.

Indicators: September 2020 vs. September 2019

Nonfarm employment averaged 815,200 in September, down 6.5% from one year ago. Job declines have come down precipitously since the pandemic's start – from a year-over-year loss of 13.1% in April to the current 6.5% decrease. Over the past three months, the year-over-year percentage decline has slowed by an average of 0.6 percentage points. The 114,300 job loss posted in April (vs. year-ago levels) has fallen to September's 56,500 decline (vs. year-ago levels.)

Job declines in the leisure & hospitality and other services sectors remain large and have slowed only marginally in recent months. Year-over-year, employment in the leisure & hospitality sector fell 21% in September vs. August's 22.5% decline. Similarly, the other services sector fell 12.2% year-over-year compared to August's 12.8% decline.

One major industry sector continues to show year-over-year growth. Construction, mining & natural resources jobs rose 1.7% in September to 35,600 following a 3.4% rise in August. Two other major industry sectors posted September job declines but are edging towards full recovery. The financial activities (down 1%) and trade, transportation & utilities (down 1.6%) are both showing gains month-to-month and at the present pace are only months from being back to year-ago levels.

Full recovery in other sectors is further away. The smaller information sector is only 400 jobs from year-ago levels but both the year-over-year (down 3%) and month-over-month trends are pushing in the wrong direction. The professional & business services sector (down 6.1%), education & health services (down 5.3%), and government (down 4.6%) sectors show year-over-year declines that will take longer to overcome.

Earnings levels have improved among manufacturing production workers, but overall metro area manufacturing activity remains negative. The number of manufacturing employees fell 8.8% from year-ago levels, below the 9.8% decrease posted in August but above the 7.9% decline registered immediately after the pandemic hit (April and May.) Additionally, a manufacturing production worker's average workweek fell to 38.8 hours, down 6.7%. Conversely earnings indicators for such workers showed growth. Average hourly earnings rose 9.3% vs one year ago while average weekly earnings increased 1.9%.

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Both area housing and real estate indicators posted double-digit increases in September. Existing home sales in the metro area increased 24.9% over one year ago to 1,849. Low interest rates continue to spur growth in mortgages. Mortgages recorded in Milwaukee County numbered 3,632 in September, a 42.2% increase and the thirteenth consecutive double-digit, year-over-year increase.

New car registrations fell 13.5% from one year ago to 1,133, marking the sixteenth consecutive month of decline. Air passengers using Mitchell International Airport numbered 173,105 in September, down 68.4% from one year ago, matching the 68.6% decline posted in August.

Other Indicators (latest available)

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.4% in September (vs. September 2019) to 260.280 (1982-84 =100.)

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Note

Seasonally unadjusted data was used in this analysis thus some of month-over-month job increases mentioned are due to seasonal effects. A truer month-to-month trend is captured in seasonally adjusted data. Unfortunately for most metro areas the breath 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 for the metro area. This series showed a loss of 111,200 jobs in April (vs. March.) Since that time, the local economy has added back 55,900 jobs cumulatively in the month-over-month record for the proceeding four-month period (May through September.)

Statistical table attached.

Metropolitan Milwaukee Business Indicators September 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)	Sep-20	815.2	817.5	871.7	-6.5%	-0.3%	-6.0%
Construction, mining & natural res. (000)	Sep-20	35.6	36.8	35.0	1.7%	-3.3%	3.8%
Manufacturing (000)	Sep-20	109.5	109.6	120.0	-8.8%	-0.1%	-6.5%
Trade, transportation, & utilities (000)	Sep-20	141.9	141.5	144.2	-1.6%	0.3%	-3.7%
Information (000)	Sep-20	12.8	12.9	13.2	-3.0%	-0.8%	-4.0%
Financial activities (000)	Sep-20	49.8	49.6	50.3	-1.0%	0.4%	-1.2%
Professional & business services (000)	Sep-20	117.1	117.0	124.7	-6.1%	0.1%	-6.4%
Education & health services (000)	Sep-20	163.3	165.4	172.5	-5.3%	-1.3%	-2.4%
Leisure & hospitality (000)	Sep-20	63.9	66.7	80.9	-21.0%	-4.2%	-22.8%
Other services, exc. public (000)	Sep-20	41.0	41.4	46.7	-12.2%	-1.0%	-10.9%
Government (000)	Sep-20	80.3	76.6	84.2	-4.6%	4.8%	-4.2%
LABOR FORCE DATA							
Civilian labor force (000)	Sep-20	834.9	828.1	816.4	2.3%	0.8%	0.3%
Employed (000)	Sep-20	784.6	766.4	789.7	-0.7%	2.4%	-4.0%
Unemployed (000)	Sep-20	50.3	61.7	26.7	88.5%	-18.5%	114.2%
Unemployment rate							
Metro Milwaukee	Sep-20	6.0%	7.5%	3.3%	2.7(4)	-1.5(4)	4.1(4)
Wisconsin	Sep-20	4.7%	6.1%	2.9%	1.8(4)	-1.4(4)	3.6(4)
United States	Sep-20	7.7%	8.5%	3.3%	4.4(4)	-0.8(4)	4.8(4)
New unemployment compensation claims	Sep-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Sep-20	38.8	39.7	41.6	-6.7%	-2.3%	-7.1%
Avg. weekly earnings (2)	Sep-20	\$928.48	\$904.76	\$911.04	1.9%	2.6%	-5.2%
Avg. hourly earnings (2)	Sep-20	\$23.93	\$22.79	\$21.90	9.3%	5.0%	2.1%
HOUSING & REAL ESTATE							
Existing homes sold	Sep-20	1,849	1,924	1,480	24.9%	-3.9%	-1.0%
Mortgages (number) (3)	Sep-20	3,632	3,381	2,555	42.2%	7.4%	41.6%
TRANSPORTATION							
Airport passengers	Sep-20	173,105	193,711	547,266	-68.4%	-10.6%	-60.4%
New-car registrations	Sep-20	1,133	1,238	1,310	-13.5%	-8.5%	-26.2%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
United States (CPI-U)	Sep-20	260.280	259.918	256.759	1.4%	0.1%	1.2%

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