



## **NEWS RELEASE**

*For further information, contact*

*Economic Research Director Bret Mayborne: 414.287.4122*

# **November Economic Trends report for metro Milwaukee: Recovery trend remains sluggish**

*Jan. 6, 2021*

MILWAUKEE – Metro Milwaukee’s economy remained sluggish toward the end of 2020, as six of 22 available economic indicators in November pointed upward versus year-ago levels, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC.) The number of positives for November equaled the six positives posted in both September and October.

“The pace of our region’s recovery has been sluggish toward the end of 2020. For the second consecutive month, we saw some back-tracking in our recovery from the staggering job losses we sustained during the initial stages of the pandemic,” said Bret Mayborne, the MMAC’s economic research director. “Outside of the trend in employment, there have been some positive signs among local construction and real estate indicators, as well as improvement in production worker earnings.”

Highlights of the report include:

- Nonfarm jobs in the metro area fell 7.2% in November (vs. one year ago), the highest year-over-year decline posted in four months (since July 2020.)
- November’s seasonally unadjusted unemployment rate of 5.4% ranks 2.1 percentage points higher than the 3.3% rate recorded one year ago.
- Nine of 10 major industry sectors posted year-over-year job declines. Three of these nine recorded job declines larger than November’s overall job decline (7.2%) - leisure & hospitality (-21.3%), other services (-8.8%) and education & health services (-8.2%.)
- While the construction, mining & natural resource sector continued to post job gains, these gains narrowed in November.
- Manufacturing indicators for production indicators were mixed. Earnings indicators – average weekly earnings and average hourly earnings – registered year-over-year gains while the length of the average workweek for such workers declined.

-more-

## MMAC Monthly Economic Trends – Page 2

While the metro area unemployment rate remains high, there was improvement in the rate of increase vs. year-ago levels. November's 5.4% seasonally unadjusted unemployment rate rose 2.1 percentage points from one year ago, lower than September's 3.4 percentage point rise. November's metro area rate ranks lower than the nation's 6.4% rate but higher than Wisconsin's 4.5%.

The number of unemployed continued to increase but the rate of increase fell significantly. November's year-over-year 65.1% increase (to 44,500) is down from the 114.3% increase recorded in October. New unemployment compensation claim totals for the metro area were unavailable for November and prior months in 2020.

### **Indicators: November 2020 vs. November 2019**

Employment declines in the metro area increased for the second consecutive month. Job levels in November averaged 818,000, down 7.2% from one year ago. November's decline follows October's 6.5% fall and September's 6.2% decline.

Nine of 10 major industry sectors posted year-over-year declines in November. The leisure & hospitality sector continues to post the largest job declines, down 21.3% to 62,400. The other services (down 8.8%), education & health services (down 8.2%), manufacturing (down 7.2%), government (down 6.5%), professional & business services (down 6.1%), information (down 3.8%), trade, transportation & utilities (down 3.1%) and financial activities (down 2.2%) sectors also registered declines.

One major industry sector continues to show year-over-year job growth, albeit at a slower pace. Construction, mining & natural resources jobs rose 0.3% in November to 34,400, vs. October's 4% increase.

Among manufacturing-related indicators, the number of manufacturing jobs fell 7.2% year-over-year to 110,100, this sector's smallest year-over-year decline since March 2020. A production worker's average workweek also fell, down 2.9% to 40.4 hours. In contrast worker earnings indicators pushed upward. Average hourly earnings for manufacturing production workers rose 7.3% (to \$23.37), this indicator's sixth consecutive year-over-year increase. Average weekly earnings increased 4.2% (to \$944). Consumer price inflation rose 1.2% nationally over the same time period.

Area housing and real estate indicators remain an area of strength in the local economy. Existing home sales in the metro area increased 23.3% over one year ago to 1,597, closely following October's 25.6% increase. Mortgages recorded in Milwaukee County rose 49.3% in November (to 3,424) – this indicator's largest year-over-year gain since June 2020.

Air passengers using Mitchell International Airport totaled 176,075 in November, down 66.6% from the 526,418 passengers recorded in November 2019. New car registrations in metro

-more-

### **MMAC Monthly Economic Trends – Page 3**

Milwaukee numbered 946 in November, down 3.9% from one year ago. This rate of decline is below the 15.7% decrease recorded in October.

#### **Other Indicators (latest available)**

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.2% in November (vs. November 2019) to 260.229 (1982-84 =100.)

###

#### **Note**

Seasonally unadjusted data was used in this analysis thus some of month-over-month job changes mentioned are due to seasonal effects. 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 for the metro area. This series showed a loss of 111,200 jobs in April (vs. March.) Since that time, the local economy added back 58,700 jobs cumulatively in the month-over-month record over the May to September period, lost 800 jobs in October (from September) and lost 4,900 jobs in November for a total net recovery of 53,000 jobs since April.

Statistical table attached.

## Metropolitan Milwaukee Business Indicators November 2020

	Month	Current month	Previous month	Year ago	% chg. from yr. ago	% chg. prev. month	% chg. year to date (1)
<b>ESTABLISHMENT DATA</b>							
Total nonfarm payroll employment (000)	Nov-20	818.0	821.8	881.5	-7.2%	-0.5%	-6.1%
Construction, mining & natural res. (000)	Nov-20	34.4	36.8	34.3	0.3%	-6.5%	3.4%
Manufacturing (000)	Nov-20	110.1	108.8	118.7	-7.2%	1.2%	-6.8%
Trade, transportation, & utilities (000)	Nov-20	144.3	143.7	148.9	-3.1%	0.4%	-3.4%
Information (000)	Nov-20	12.8	12.8	13.3	-3.8%	0.0%	-4.0%
Financial activities (000)	Nov-20	49.2	49.8	50.3	-2.2%	-1.2%	-1.3%
Professional & business services (000)	Nov-20	117.6	118.9	125.2	-6.1%	-1.1%	-6.2%
Education & health services (000)	Nov-20	163.2	163.9	177.7	-8.2%	-0.4%	-3.3%
Leisure & hospitality (000)	Nov-20	62.4	63.5	79.3	-21.3%	-1.7%	-22.5%
Other services, exc. public (000)	Nov-20	42.3	42.5	46.4	-8.8%	-0.5%	-10.5%
Government (000)	Nov-20	81.7	81.1	87.4	-6.5%	0.7%	-4.6%
<b>LABOR FORCE DATA</b>							
Civilian labor force (000)	Nov-20	825.0	837.0	818.3	0.8%	-1.4%	0.5%
Employed (000)	Nov-20	780.5	781.6	791.3	-1.4%	-0.1%	-3.5%
Unemployed (000)	Nov-20	44.5	55.5	27.0	65.1%	-19.8%	109.8%
Unemployment rate							
Metro Milwaukee	Nov-20	5.4%	6.6%	3.3%	2.1(4)	-1.2(4)	3.9(4)
Wisconsin	Nov-20	4.5%	5.2%	3.0%	1.5(4)	-0.7(4)	3.3(4)
United States	Nov-20	6.4%	6.6%	3.3%	3.1(4)	-0.2(4)	4.5(4)
New unemployment compensation claims	Nov-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>HOURS &amp; EARNINGS (mfg. production workers)</b>							
Avg. weekly hours (manuf.)	Nov-20	40.4	41.1	41.6	-2.9%	-1.7%	-6.1%
Avg. weekly earnings (2)	Nov-20	\$944.15	\$950.64	\$906.05	4.2%	-0.7%	-3.5%
Avg. hourly earnings (2)	Nov-20	\$23.37	\$23.13	\$21.78	7.3%	1.0%	2.8%
<b>HOUSING &amp; REAL ESTATE</b>							
Existing homes sold	Nov-20	1,597	1,897	1,295	23.3%	-15.8%	3.5%
Mortgages (number) (3)	Nov-20	3,424	3,847	2,294	49.3%	-11.0%	40.5%
<b>TRANSPORTATION</b>							
Airport passengers	Nov-20	176,075	192,765	526,418	-66.6%	-8.7%	-61.5%
New-car registrations	Nov-20	946	1,050	984	-3.9%	-9.9%	-23.8%
<b>OTHER INDICATORS (latest available)</b>							
Consumer price index (1982-84=100)							
United States (CPI-U)	Nov-20	260.229	260.388	257.208	1.2%	-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