



## **NEWS RELEASE**

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# **December Economic Trends report for metro Milwaukee: Jobs recovery struggling as year ends**

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MILWAUKEE – Business activity indicators for metro Milwaukee’s economy ended 2020 on a relatively flat trajectory, as six of 22 available economic indicators in December pointed upward versus year-ago levels, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC.) The number of positives for December equaled the six positives posted in each of the previous four months.

“The aggregate number of positive indicators has held steady at the end of 2020, but the trend among many employment-based indicators has weakened as the calendar year has closed out,” said Bret Mayborne, the MMAC’s economic research director. “While the overall trend languished in 2020’s final quarter there are expectations that local economic growth will start slow and build momentum as 2021 moves forward.”

Positive indicators included gains in hours and earnings indicators for manufacturing production workers and continued increases in real estate.

Highlights of the report include:

- Nonfarm jobs in the metro area fell 7.3% in December (vs. one year ago), marking the third consecutive month in which year-over-year declines grew larger.
- December’s seasonally unadjusted unemployment rate of 6% ranks 2.8 percentage points higher than the 3.2% rate recorded one year ago.
- All 10 major industry sectors in the metro area posted December year-over-year job declines. The declines ranged from a 23.6% fall in the leisure & hospitality sector to a 3% decline in the trade, transportation & utilities sector.

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- Jobs in the construction, mining & natural resource sector fell 4.4% (vs. December 2019), this sector's first year-over-year decline in eight months (since April 2020.)
- Manufacturing employment fell in December while earnings and production indicators registered growth. Both earnings indicators for local manufacturing production workers posted year-over-year gains while the length of the average workweek for such workers rose for the first time in 21 months (vs. year-ago levels.)

Metro area unemployment indicators weakened in December. The month's 6% seasonally unadjusted unemployment rate rose 2.8 percentage points from one year ago, higher than November's 2.4 percentage point rise. December's metro area rate ranks lower than the nation's 6.5% rate but higher than Wisconsin's 5.3%.

The number of unemployed totaled 48,500 in December, a year-over-year increase of 22,800 (up 88.5%). New unemployment compensation claim totals for the metro area were unavailable for December and prior months in 2020.

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

The jobs recovery from the pandemic's economic effects have flattened in recent months. After five consecutive months of continuously smaller job declines, 2020 finished with three consecutive months of larger decreases. December's 7.3% fall ranks marginally higher than the 7.2% decline registered in November but nearly one full percentage point higher than September's 6.2% fall. Overall nonfarm jobs numbered 814,700 in December, down 64,400 jobs from one year ago.

For the first time since the start of the pandemic recession (April 2020) all ten major industry sectors posted year-over-year declines in December. In each of the last nine months, year-over-year job declines in the leisure & hospitality sector ranked over 20%. Currently job levels in this sector are 18,600 jobs below their December 2019 totals. The other services (down 8.8%), government (down 8.6%), education & health services (down 7.5%), manufacturing (down 5.7%), professional & business services (down 5%), information (down 3.8%), financial activities (down 3.2%) and trade, transportation & utilities (down 3%) sectors also registered declines.

After posting year-over-year job gains throughout the pandemic recovery, jobs in the construction, mining & natural resources fell for the first time in eight months. December's 4.4% decline follows the 1.2% gain registered in November.

December's employment decline in manufacturing was balanced in part by gains in hours and earnings indicators for manufacturing production workers. A production worker's average workweek rose 2.4% to 42.3 hours, this indicator's first year-over-year increase since March 2019. Worker earnings indicators also posted continuing gains. Average weekly earnings for manufacturing production workers rose 7.8% in December (to \$997) following November's 6.1% increase. Average hourly earnings for December increased 5.2% (to \$23.56), up vs. year-

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ago levels for the seventh consecutive month. Consumer price inflation rose 1.4% nationally over the same time period.

For the sixth consecutive month both area housing and real estate indicators registered year-over-year increases. Existing home sales in the metro area reached 1,534 in December, a 29.5% increase from one year ago and the largest percentage gain posted in this indicator since October 2012. Mortgages recorded in Milwaukee County numbered 4,031 (up 66.3%) the largest number of mortgages on record since July 2009.

Passenger totals at Mitchell International Airport fell 63.2% in December to 189,668. New car registrations in metro Milwaukee numbered 892 in December, down 22.2%, this indicator's 19th consecutive month of year-over-year decline.

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

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.4% in December (vs. December 2019) to 260.474 (1982-84 =100.)

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#### **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 and 5,000 jobs in October and November respectively and gained 900 jobs in December for a total net recovery of 53,800 jobs since April.

Statistical table attached.

## Metropolitan Milwaukee Business Indicators

### December 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)	Dec-20	814.7	817.9	879.1	-7.3%	-0.4%	-6.2%
Construction, mining & natural res. (000)	Dec-20	30.5	34.7	31.9	-4.4%	-12.1%	2.9%
Manufacturing (000)	Dec-20	111.8	110.1	118.5	-5.7%	1.5%	-6.7%
Trade, transportation, & utilities (000)	Dec-20	145.4	144.0	149.9	-3.0%	1.0%	-3.4%
Information (000)	Dec-20	12.8	12.8	13.3	-3.8%	0.0%	-4.0%
Financial activities (000)	Dec-20	48.8	49.4	50.4	-3.2%	-1.2%	-1.4%
Professional & business services (000)	Dec-20	118.1	117.4	124.3	-5.0%	0.6%	-6.1%
Education & health services (000)	Dec-20	164.9	163.1	178.2	-7.5%	1.1%	-3.6%
Leisure & hospitality (000)	Dec-20	60.2	62.4	78.8	-23.6%	-3.5%	-22.6%
Other services, exc. public (000)	Dec-20	42.5	42.3	46.6	-8.8%	0.5%	-10.4%
Government (000)	Dec-20	79.7	81.7	87.2	-8.6%	-2.4%	-4.9%
<b>LABOR FORCE DATA</b>							
Civilian labor force (000)	Dec-20	812.4	821.1	811.1	0.2%	-1.1%	0.5%
Employed (000)	Dec-20	763.9	774.6	785.3	-2.7%	-1.4%	-3.5%
Unemployed (000)	Dec-20	48.5	46.5	25.7	88.5%	4.3%	108.8%
Unemployment rate							
Metro Milwaukee	Dec-20	6.0%	5.7%	3.2%	2.8(4)	0.3(4)	3.8(4)
Wisconsin	Dec-20	5.3%	4.7%	3.2%	2.1(4)	0.6(4)	3.2(4)
United States	Dec-20	6.5%	6.4%	3.4%	3.1(4)	0.1(4)	4.4(4)
New unemployment compensation claims	Dec-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.)	Dec-20	42.3	40.8	41.3	2.4%	3.7%	-5.3%
Avg. weekly earnings (2)	Dec-20	\$996.59	\$961.25	\$924.71	7.8%	3.7%	-2.4%
Avg. hourly earnings (2)	Dec-20	\$23.56	\$23.56	\$22.39	5.2%	0.0%	3.1%
<b>HOUSING &amp; REAL ESTATE</b>							
Existing homes sold	Dec-20	1,534	1,597	1,185	29.5%	-3.9%	5.3%
Mortgages (number) (3)	Dec-20	4,031	3,424	2,470	63.2%	17.7%	42.6%
<b>TRANSPORTATION</b>							
Airport passengers	Dec-20	189,668	176,075	562,283	-66.3%	7.7%	-61.9%
New-car registrations	Dec-20	892	946	1,147	-22.2%	-5.7%	-23.7%
<b>OTHER INDICATORS (latest available)</b>							
Consumer price index (1982-84=100)							
United States (CPI-U)	Dec-20	260.474	260.229	256.974	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