

# Metropolitan Milwaukee Association of Commerce: October economic trends

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October Economic Trends

December 5, 2018 - Metro area economic indicators moved lower in October as 11 of 22

available monthly indicators tracked by the Metropolitan Milwaukee Association of Commerce (MMAC) improved from year-ago levels. October's improvements rank below

the 13 positives registered in September.

"At present, the number of positive indicators in aggregate is at its lowest point since early

2012," said Bret Mayborne, the MMAC's economic research director. "Much of this overall weakness can be attributed to a weaker year-over-year employment trend across a

number of major industry sectors in the metro area."

Highlights of the report include:

- The overall job trend continued to show lackluster growth. Nonfarm employment in the metro area rose at a 0.8% rate, marking the third consecutive month and the fifth time in six months that metro area year-over-year growth failed to reach 1% or higher.
- Five of ten major industry sectors registered year-over-year job increases in October. The

construction, mining & natural resource sector posted the largest gain – up 4.6% vs. year-ago levels. Conversely, five of ten major industry sectors posted employment declines with the 1.8% drop in the trade, transportation & utilities sector ranking as the biggest percentage fall.

- Both area housing and real estate indicators posted declines in October. Metro area existing home sales fell at a 8.5% pace (vs. year-ago levels) while mortgages recorded in Milwaukee County dropped 10.8%.

Unemployment indicators for the metro area showed modest improvement in October. The

number of unemployed fell 4.7% from one year ago, to 24,400. October's decline led to a 0.1 percentage point fall in the seasonally unadjusted unemployment rate. Metro Milwaukee's rate averaged 3% in October, higher than the 2.6% rate posted statewide but below the 3.5% figure recorded nationally.

New unemployment compensation claims in the metro area numbered 2,702 in October, down 10.7% from one year ago. October's decline follows the 2.1% year-over-year decrease posted in September.

Indicators: October, 2018 vs. October, 2017

Nonfarm employment in the metro area averaged 879,800 in October, a 0.8% increase from one year ago. October's increase matches the 0.8% gain registered in September (year-over-year) and stands lower than the 1.7% growth recorded nationally over the same time period.

October's overall job growth was supported by a narrowed base of gains by major industry

sector. Only five of ten major industry sectors in the metro area posted October job gains. The construction, mining & natural resources sector posted the largest gain in percentage terms, with a 4.6% increase over year-ago levels. The leisure & hospitality (up 3.9%), education & health services (up 2.8%), manufacturing (up 2.6%), and other services (up 1.7%) sectors also posted employment gains.

Five of ten major industry sectors posted year-over-year job declines in October, all under 2%. The steepest decline was registered in the trade, transportation & utilities sector, down 1.8%, followed by the financial activities (down 1.6%), professional & business services (down 1.5%), information (down 1.5%), and government (down 0.1%) sectors.

Results were generally positive among hours and earnings indicators for manufacturing workers. The length of the average workweek for production workers was unchanged from year-ago levels at 42.8 hours. Average weekly earnings for such workers rose by 2% from one year ago (to \$990) while average hourly earnings rose 2%, to \$23.12.

Declines were posted in both Milwaukee area housing and real estate indicators tracked by the MMAC. October existing home sales for the metro area fell 8.5%, to 1,380, this indicator's fourth decline in six months. Mortgages recorded in Milwaukee County fell at a 10.8% rate (to 2,057), following a 13.6% decline in September.

New-car registrations in the metro area fell for the fourth consecutive month.

Registrations

numbered 1,485 in October, a 26.4% decrease from one year ago. Air passenger figures at

Mitchell International Airport were unavailable at the time of this report.

Other Indicators (latest available) Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 2.5% in October (vs. October, 2017) to 252.885 (1981-84=100). The Milwaukee area CPI-U reached 232.718 for the second half of 2017, a 1.8% increase from 2016's second half.

Statistical table attached.

#### Metropolitan Milwaukee Business Indicators

October, 2018

% chg. % chg. % chg.

Current Previous Year from prev. year to

Month month month ago yr. ago month date (1)

ESTABLISHMENT DATA

Total nonfarm payroll employment (000) Oct-18 879.8 875.8 872.4 0.8% 0.5% 0.9%

Construction, mining & natural res. (000) Oct-18 33.9 33.7 32.4 4.6% 0.6% 3.1%

Manufacturing (000) Oct-18 121.8 122.3 118.7 2.6% -0.4% 2.8%

Trade, transportation, & utilities (000) Oct-18 143.4 142.9 146.1 -1.8% 0.3% -0.9%

Information (000) Oct-18 13.1 12.9 13.3 -1.5% 1.6% -4.7%

Financial activities (000) Oct-18 49.7 48.9 50.5 -1.6% 1.6% -3.1%

Professional & business services (000) Oct-18 127.2 128.5 129.1 -1.5% -1.0% 1.0%

Education & health services (000) Oct-18 175.6 173.4 170.9 2.8% 1.3% 2.2%

Leisure & hospitality (000) Oct-18 79.2 79.3 76.2 3.9% -0.1% 0.9%

Other services, exc. public (000) Oct-18 47.6 47.9 46.8 1.7% -0.6% 2.3%

Government (000) Oct-18 88.3 86.0 88.4 -0.1% 2.7% 0.5%

#### LABOR FORCE DATA

Civilian labor force (000) Oct-18 825.4 827.8 831.1 -0.7% -0.3% 0.2%

Employed (000) Oct-18 800.9 802.9 805.5 -0.6% -0.2% 0.7%

Unemployed (000) Oct-18 24.4 24.9 25.6 -4.7% -2.0% -12.6%

#### Unemployment rate

Metro Milwaukee Oct-18 3.0% 3.0% 3.1% -0.1(4) 0.0(4) -0.5(4)

Wisconsin Oct-18 2.6% 2.6% 2.7% -0.1(4) 0.0(4) -0.4(4)

United States Oct-18 3.5% 3.6% 3.9% -0.4(4) -0.1(4) -0.5(4)

New unemployment compensation claims Oct-18 2,702 2,392 3,025 -10.7% 13.0%  
 -8.9%

#### HOURS & EARNINGS (mfg. production workers)

Avg. weekly hours (manuf.) Oct-18 42.8 43.7 42.8 0.0% -2.1% 3.2%

Avg. weekly earnings (2) Oct-18 \$989.54 \$1,002.48 \$969.85 2.0% -1.3% 7.6%

Avg. hourly earnings (2) Oct-18 \$23.12 \$22.94 \$22.66 2.0% 0.8% 4.3%

#### HOUSING & REAL ESTATE

Existing homes sold Oct-18 1,380 1,393 1,509 -8.5% -0.9% -0.5%

Mortgages (number) (3) Oct-18 2,057 1,817 2,306 -10.8% 13.2% -6.1%

#### TRANSPORTATION

Airport passengers Oct-18 N.A. 534,931 564,504 N.A. N.A. N.A.

New-car registrations Oct-18 1,485 1,533 2,018 -26.4% -3.1% -18.0%

#### OTHER INDICATORS (latest available)

Consumer price index (1982-84=100)

Milwaukee (CPI-U) 2ndH-17 232.718 232.123 228.624 1.8% 0.3% 2.0%

United States (CPI-U) Oct-18 252.885 252.439 246.663 2.5% 0.2% 2.5%

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. Bureau of Labor Statistics.