

MMAC: August Economic Trends report for metro Milwaukee

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MILWAUKEE – A majority of business activity indicators for metro Milwaukee moved forward in August as 17 of 22 available indicators improved over year-ago levels, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC.) August’s total is down from the 19 positive indicators registered in July.

“Both the aggregate count of improved indicators and the overall growth trend in metro area job levels suggest that the recovery’s momentum has slowed in recent months but progress continues,” said Bret Mayborne, the MMAC’s economic research director. “Among major industry sectors, four of 10 such sectors have now surpassed March 2020 pre-pandemic job levels. Caution should be taken on this measure because seasonal effects are not accounted for. Nonetheless, overall with seasonal adjustment, the metro area has recovered approximately 68% of nonfarm employment lost at the recession’s start.”

Highlights of the data include:

- Metro area jobs averaged 840,800 in August, up 2.6% from year-ago levels. August’s growth marks the fifth consecutive month of year-over-year gain but ranks below July’s 3.9% gain and is the slowest percentage job growth posted in this five-month period.
- Six of 10 major industry sectors posted year-over-year job increases in August. Among the gainers, the leisure & hospitality sector continues to post the strongest growth (up 15.7%) against weak year-ago numbers. Among those with declines,

the financial activity sector registered the weakest year-over-year trend (down 6.1%.)

- The metro area's seasonally unadjusted unemployment rate for August was 4.9%, down modestly from July's 5% rate and 2.3 percentage points below year-ago levels. Wisconsin's August rate ranked lower at 4% while the U.S. rate ranked higher at 5.3%.
- Manufacturing jobs in the metro area rose 7.2% in August vs. one year ago, a net increase of 8,000 jobs in this twelve-month period. August's increase was the fifth consecutive year-over-year gain for this sector.
- Earnings indicators for manufacturing production workers posted healthy August gains. Average weekly earnings for such workers increased 9.1% (to \$987) vs. one year ago while average hourly earnings rose 8% (to \$24.62.) Both increases surpassed consumer price inflation nationally over the same time period (up 5.3%). The workweek length for manufacturing production workers rose 1% in August vs. one year ago to 40.1 hours.
- Strong gains continued in passenger totals at Mitchell International Airport. Passenger levels reached 452,134 in August, a 133.6% rise over year-ago levels. Year-to-date passenger totals through 2021's first eight months have already surpassed the 12-month totals for 2020.
- The trend in metro area new-car registrations has struggled to gain traction through 2021's first eight months. Registrations have declined year-over-year in five of this year's first eight months. For August, registrations fell 26.4% vs. year-ago levels to 934.
- Both local housing and real estate indicators remain positive. Metro area existing homes sold increased 2.4% in August to 1,970. Mortgages recorded in Milwaukee County numbered 3,817 for the month, up 12.9% from one year ago.