
Metro Milwaukee Economic Trends

July, 2010

Prepared by:
Economic Research Division
Metropolitan Milwaukee Association of Commerce

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July Economic Trends

Nine of 23 business activity indicators for metro Milwaukee’s economy posted year-over-year gains in July, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC). July’s improvements match the number of positives posted in June.

“The metro area moved closer to a renewed employment growth phase in July with the smallest year-over-year job decline registered in over one and one-half years,” said Bret Mayborne, economic research director for the MMAC. “The manufacturing sector in particular has made large strides over recent months in getting back to the break-even point.”

Highlights of the report include:

- Employment in the metro area fell 0.8% in July (vs. year-ago levels), the smallest year-over-year decline posted in 21 months (since October, 2008). July’s 0.8% decrease was markedly smaller than the 2.1% fall posted for June (vs. June, 2009).
- Three of ten major industry sectors registered July job gains (vs. one year ago), while seven recorded declines. Jobs in the government sector rose at a 6% pace, the month’s largest year-over-year percentage increase. Among sectors with July job declines, a 5.5% loss in the construction, mining & natural resources sector marked the largest decrease posted.
- Both local housing and real estate indicators posted steep declines in July. Existing home sales in the metro area fell 43.4% vs. year-ago levels and mortgages recorded in Milwaukee County dropped 46%.

Back-to-back double-digit declines were posted in unemployment totals for the metro area. The number of unemployed averaged 68,100 in July, a 10.6% fall from one year ago. July’s drop follows the 11.9% decline posted in June (vs. June, 2009). New unemployment compensation claims continue to trend downward. July’s 6.6% fall marks this indicator’s ninth consecutive year-over-year decrease.

The unemployment rate for the metro area in July (not seasonally adjusted) fell eight-tenths of a percentage point from one year ago to 8.6%. July’s rate ranks higher than the 7.8% rate posted for Wisconsin but below the nation’s 9.7% rate.

Indicators: July, 2010 vs. July, 2009

The job situation in the metro area moved closer to the break-even point in July. The rate of employment decline dropped sharply in July – from 2.1% in June to July’s 0.8% fall – a 1.3 percentage point decrease. July’s decline marks the smallest year-over-year decline posted since October, 2008. Job levels averaged 796,000 for July, a net loss of 6,100 jobs from one year ago.

Three of ten major industry sectors registered year-over-year employment gains in July. Government sector jobs led the way in percentage terms with a 6% increase over year-ago levels. The leisure and hospitality (up 3.6%) and educational & health services (up 1.5%) sectors also posted employment gains.

Job declines were posted in seven of ten major industry sectors. The largest percentage decline for July was registered in the construction, mining & natural resource sector – down 5.5%, to

29,300. Employment declines were also posted in the financial activities (down 4.5%), trade, transportation & utilities (down 3.8%), professional & business services (down 3.4%), information (down 3%), other services (down 2.4%), and manufacturing (down 1.1%) sectors. Among those sectors with year-over-year employment declines, three of seven registered smaller percentage declines than in June.

The 1.1% fall in manufacturing jobs mark the 28th consecutive month of year-over-year decline, but manufacturing's rate of decline improved by 2.1 percentage points over June, the largest improvement registered among major industry sectors.

July hours and earnings indicators for manufacturing production workers were mixed. The length of the average workweek for such workers rose 15.2% over year-ago levels and average weekly earnings increased 9.5% to \$738. Conversely, average hourly earnings for production workers fell 5% to \$18.04, this indicator's 13th year-over-year decline in the past 14 months.

The end of a federal homebuyer tax credit program in April has led to a downward trend in local area housing and real estate indicators. In July, existing home sales fell for the second consecutive month after rising in 12 of the previous 14 months. Metro area home sales fell 43.4% in July to 768. Mortgages recorded in Milwaukee County numbered 2,262, down 46% from one year ago.

For the second month in a row, Mitchell International Airport reached record high usage levels. Passengers totaled 928,497 in July, up 17.3% from one year ago and surpassing June's 922,984 previous record high. Metro area new car registrations totaled 2,265 in July, a 17.3% decline from one year ago.

Other Indicators (latest available)

The value of signed construction contracts, as reported by F.W. Dodge for June, was \$83.5 million, down 21.7% from June, 2009. Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.2% in July (vs. July, 2009) to 218.011 (1981-84=100). The Milwaukee area CPI-U reached 208.728 for the first half of 2010, a 3.8% increase from 2009's first half.

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Metropolitan Milwaukee Business Indicators July, 2010

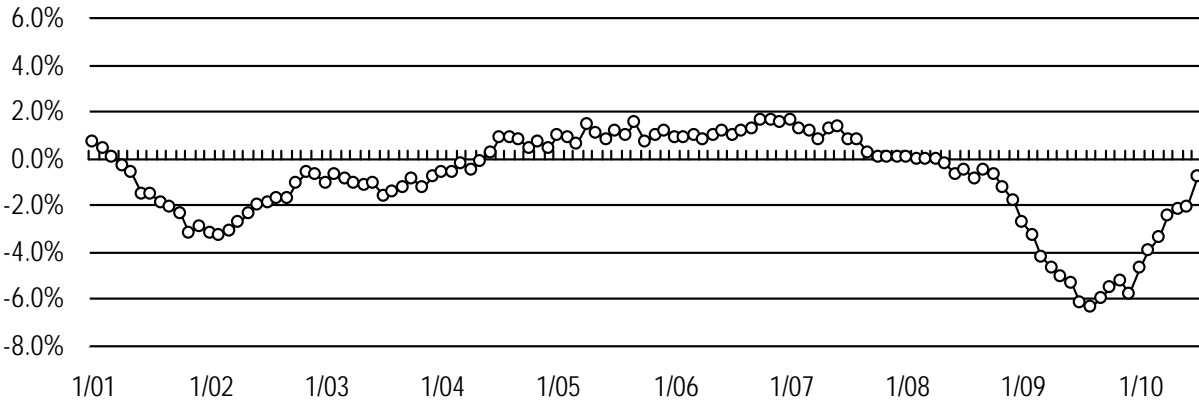
	Month	Current month	Previous month	Year ago	% chg. from yr. ago	% chg. prev. month	% chg. year to date (1)
ESTABLISHMENT DATA							
Total nonfarm payroll employment (000)	Jul-10	796.0	801.8	802.1	-0.8%	-0.7%	-2.8%
Construction, mining & natural res. (000)	Jul-10	29.3	28.8	31.0	-5.5%	1.7%	-12.0%
Manufacturing (000)	Jul-10	110.7	110.6	111.9	-1.1%	0.1%	-6.6%
Trade, transportation, & utilities (000)	Jul-10	135.7	135.9	141.0	-3.8%	-0.1%	-5.1%
Information (000)	Jul-10	16.0	16.1	16.5	-3.0%	-0.6%	-3.8%
Financial activities (000)	Jul-10	55.0	54.8	57.6	-4.5%	0.4%	-4.8%
Professional & business services (000)	Jul-10	100.0	99.9	103.5	-3.4%	0.1%	-5.1%
Educational & health services (000)	Jul-10	145.0	146.0	142.9	1.5%	-0.7%	1.5%
Leisure & hospitality (000)	Jul-10	74.3	72.2	71.7	3.6%	2.9%	3.0%
Other services, exc. public (000)	Jul-10	41.1	41.6	42.1	-2.4%	-1.2%	-2.3%
Government (000)	Jul-10	88.9	95.9	83.9	6.0%	-7.3%	1.5%
LABOR FORCE DATA							
Civilian labor force (000)	Jul-10	793.2	788.6	809.6	-2.0%	0.6%	-2.2%
Employed (000)	Jul-10	725.0	719.8	733.4	-1.1%	0.7%	-2.6%
Unemployed (000)	Jul-10	68.1	68.8	76.2	-10.6%	-1.0%	1.5%
Unemployment rate							
Metro Milwaukee	Jul-10	8.6%	8.7%	9.4%	-0.8(4)	-0.1(4)	0.3(4)
Wisconsin	Jul-10	7.8%	8.1%	8.8%	-1.0(4)	-0.3(4)	0.0(4)
United States	Jul-10	9.7%	9.6%	9.7%	0.0(4)	0.1(4)	0.8(4)
New unemployment compensation claims	Jul-10	11,457	8,068	12,270	-6.6%	42.0%	-26.2%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Jul-10	40.9	41.3	35.5	15.2%	-1.0%	10.2%
Avg. weekly earnings (2)	Jul-10	\$737.84	\$735.55	\$673.79	9.5%	0.3%	2.4%
Avg. hourly earnings (2)	Jul-10	\$18.04	\$17.81	\$18.98	-5.0%	1.3%	-7.0%
HOUSING & REAL ESTATE							
Existing homes sold	Jul-10	768	1,280	1,357	-43.4%	-40.0%	1.3%
Mortgages (number) (3)	Jul-10	2,262	2,959	4,186	-46.0%	-23.6%	-35.5%
TRANSPORTATION							
Airport passengers	Jul-10	928,497	922,984	791,621	17.3%	0.6%	31.7%
New-car registrations	Jul-10	2,265	2,848	2,740	-17.3%	-20.5%	0.9%
OTHER INDICATORS (latest available)							
Construction contracts (\$000) (2)	Jun-10	83,501	101,491	106,635	-21.7%	-17.7%	-8.2%
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	1stH-10	208.728	204.999	200.999	3.8%	1.8%	3.8%
United States (CPI-U)	Jul-10	218.011	217.965	215.351	1.2%	0.0%	1.9%

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, F.W. Dodge, and U.S. Dept. of Labor.

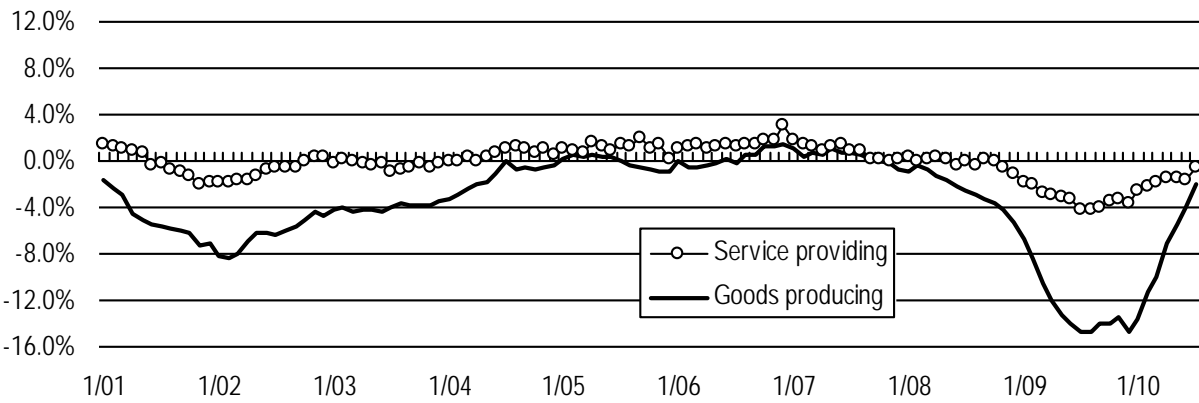
Nonfarm Employment - Metro Milwaukee

Percent change vs. year-ago levels



Year-over-Year Job Change - Metro Milwaukee

Service providing vs. Goods producing sectors



Year-Over-Year Job Change by Industry - Metro Milwaukee

Percent change July, 2009 to July, 2010

