Metro Milwaukee Economic Trends
July 2016

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Metropolitan Milwaukee Association of Commerce

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MMAC

Metropolitan Milwaukee
Association of Commerce

July Economic Trends

Broad-based employment gains led to a majority of metro area business activity indicators pointing upward in July, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC). Fifteen of 22 available monthly indicators pointed upward in July vs. year-ago levels, down from June's 16 improvements.

"While the aggregate number of positive indicators is down slightly from recent months, the majority of indicators continue to point upward," said Bret Mayborne, economic research director for the MMAC. "July marks the 54th consecutive month (since January, 2012) that a majority of metro area indicators have pointed upward."

Highlights of the report include:

- Notable gains in the construction, mining & natural resources and leisure & hospitality sectors led to the overall addition of 13,700 jobs in the metro area over that past 12 months, a 1.6% increase. July's year-over-year increase was the strongest posted in nine months.
- Overall seven of ten major industry sectors recorded year-over-year job increases in July. The construction, mining and natural resource sector posted July's largest employment gain, up 7%, while the financial activities sector registered the largest decline (down 4.9%).
- New-car registrations in the metro area fell 22.9% in July (vs. July, 2015). July's decrease marks this indicator's tenth year-over-year decrease in the past eleven months.

Unemployment indicators continue to trend downward. The number of unemployed fell 8.7% from one year ago to 39,800, this indicator's 33rd consecutive month of year-over-year decrease. New unemployment compensation claims likewise fell, down 18.7% in July (vs. July, 2015), to 3,889.

The metro area's seasonally unadjusted unemployment rate reached 4.7% in July, a 0.6 percentage point fall from one year ago. July's metro rate ranks above the 4.1% rate recorded for the state but lower than the nation's 5.1% rate.

Indicators: July, 2016 vs. July, 2015

Nonfarm employment in the metro area averaged 869,200 in July, a 1.6% increase over year-ago levels. July's percentage increase nearly matches the nation's 1.7% increase, a significant improvement over the 1.3 percentage point growth gap in respective rates (U.S. vs. metro Milwaukee) posted as recently as May.

Among major industry sectors, construction, mining & natural resources jobs posted the strongest July percentage increase, up 7% vs. year-ago levels, surpassing the 4.5% increase registered in June. Other major sectors with July growth include the leisure & hospitality (up 6.8%), trade, transportation & utilities (up 4.2%), professional & business services (up 2.2%), manufacturing (up 0.7%), education & health services (up 0.7%), and other services (up 0.4%) sectors.

Three of ten major industry sectors registered declines. Employment in the financial activities sector dropped 4.9% in July, its 11th consecutive year-over-year decrease while the information sector fell 0.7%, its 18th consecutive decline. The government sector saw a job decline of 2.6% in July following June's 2.6% decrease.

Manufacturing's 0.7% job increase marks its third consecutive year-over-year gain and follows the 1.2% gain posted in June. Manufacturing production worker indicators where somewhat mixed. The length of the workweek averaged 40.3 hours in July, a 1.2% decline from year-ago levels. A production worker's average weekly earnings rose 2.3% (to $804) and average hourly earnings increased 3.6% (to $19.95).

For the first time since March, 2016 both housing and real estate indicators tracked by the MMAC posted year-over-year declines. Existing home sales in the metro area fell for only the second time in 18 months. Home sales fell 0.8% in July, to 1,812. Mortgages recorded in Milwaukee County totaled 2,614 in July, down 1.9% from one year ago.

New-car registrations numbered 2,338 in July down 22.9%. July's decline follows the 20.9% fall posted in June. Air passenger totals 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 0.8% in July (vs. July, 2015) to 240.647 (1982-84 =100). The Milwaukee area CPI-U reached 227.147 for the first half of 2016, a 0.4% increase from 2015's first half.

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Metropolitan Milwaukee Business Indicators
July, 2016

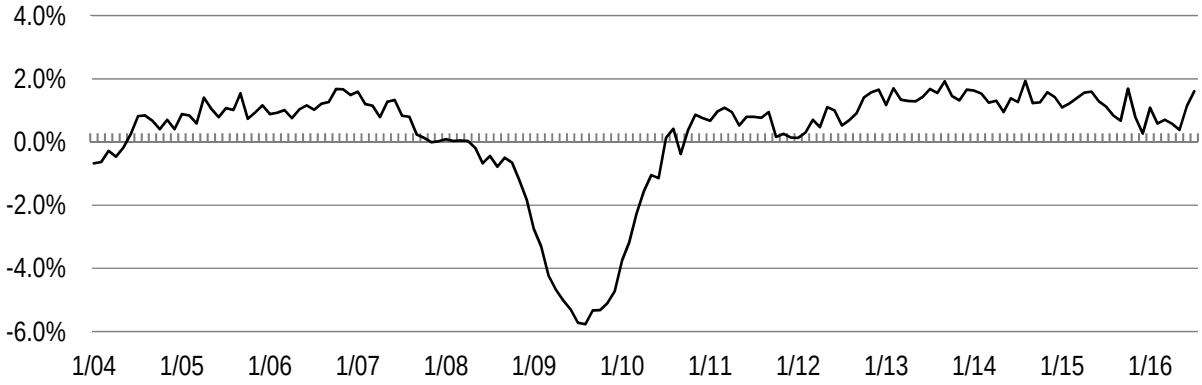
	Month	Current month	Previous month	Year ago	% chg. from yr. ago	% chg. prev. month	% chg. year to date (1)
ESTABLISHMENT DATA							
Total nonfarm payroll employment (000)	Jul-16	869.2	872.3	855.5	1.6%	-0.4%	0.9%
Construction, mining & natural res. (000)	Jul-16	33.5	32.2	31.3	7.0%	4.0%	3.7%
Manufacturing (000)	Jul-16	122.7	122.9	121.9	0.7%	-0.2%	0.1%
Trade, transportation, & utilities (000)	Jul-16	150.4	150.1	144.4	4.2%	0.2%	3.0%
Information (000)	Jul-16	14.0	13.9	14.1	-0.7%	0.7%	-2.3%
Financial activities (000)	Jul-16	50.5	50.2	53.1	-4.9%	0.6%	-4.4%
Professional & business services (000)	Jul-16	128.1	126.3	125.3	2.2%	1.4%	0.5%
Education & health services (000)	Jul-16	159.1	162.6	158.0	0.7%	-2.2%	2.1%
Leisure & hospitality (000)	Jul-16	85.0	82.6	79.6	6.8%	2.9%	-0.4%
Other services, exc. public (000)	Jul-16	46.3	46.9	46.1	0.4%	-1.3%	2.3%
Government (000)	Jul-16	79.6	84.6	81.7	-2.6%	-5.9%	-0.2%
LABOR FORCE DATA							
Civilian labor force (000)	Jul-16	843.6	837.2	828.7	1.8%	0.8%	1.1%
Employed (000)	Jul-16	803.8	795.9	785.1	2.4%	1.0%	1.5%
Unemployed (000)	Jul-16	39.8	41.2	43.6	-8.7%	-3.4%	-6.6%
Unemployment rate							
Metro Milwaukee	Jul-16	4.7%	4.9%	5.3%	-0.6(4)	-0.2(4)	-0.4(4)
Wisconsin	Jul-16	4.1%	4.4%	4.6%	-0.5(4)	-0.3(4)	-0.3(4)
United States	Jul-16	5.1%	5.1%	5.6%	-0.5(4)	0.0(4)	-0.6(4)
New unemployment compensation claims	Jul-16	3,889	4,907	4,782	-18.7%	-20.7%	-18.6%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Jul-16	40.3	40.7	40.8	-1.2%	-1.0%	-0.4%
Avg. weekly earnings (2)	Jul-16	$803.99	$812.78	$785.81	2.3%	-1.1%	-0.1%
Avg. hourly earnings (2)	Jul-16	$19.95	$19.97	$19.26	3.6%	-0.1%	0.3%
HOUSING & REAL ESTATE							
Existing homes sold	Jul-16	1,812	2,054	1,826	-0.8%	-11.8%	5.8%
Mortgages (number) (3)	Jul-16	2,614	2,494	2,665	-1.9%	4.8%	-9.9%
TRANSPORTATION							
Airport passengers	Jul-16	N.A.	611,001	610,271	N.A.	N.A.	N.A.
New-car registrations	Jul-16	2,338	2,333	3,033	-22.9%	0.2%	-22.8%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	1stH-16	227.147	226.984	226.220	0.4%	0.1%	0.4%
United States (CPI-U)	Jul-16	240.647	241.038	238.654	0.8%	-0.2%	1.0%

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.

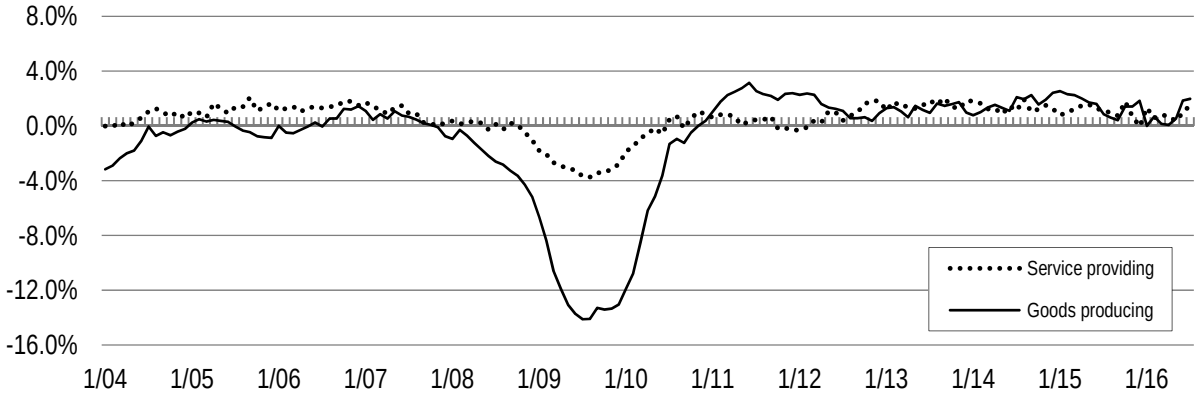
Nonfarm Employment - Metro Milwaukee

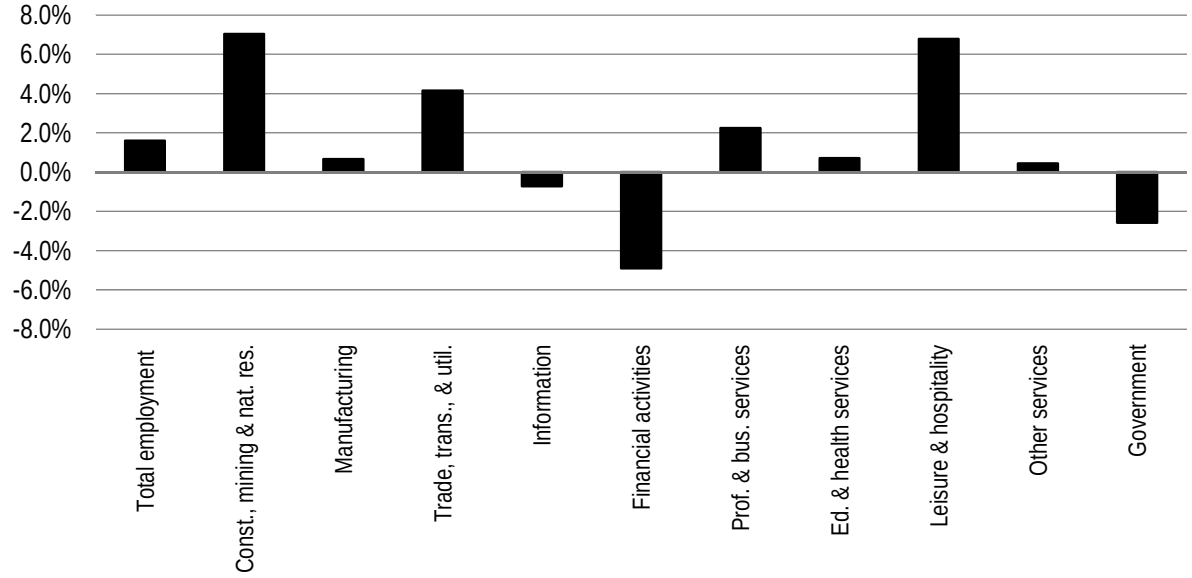
Percent change vs. year-ago levels



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, 2015 to July, 2016