Metro Milwaukee Economic Trends
September 2016

Prepared by:
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Metropolitan Milwaukee Association of Commerce

November 2, 2016

MMAC
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September Economic Trends

A historically low unemployment rate highlights September business activity indicators in the metro Milwaukee area, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC). In aggregate 17 of 22 available September indicators pointed upward vs. year-ago levels.

"While over three-quarters of local economic indicators are moving in the right direction, there are some points of concern," said Bret Mayborne, economic research director for the MMAC. "The local area unemployment rate is the lowest recorded since 2000 but at the same time overall job gains remain lackluster, with most major industry sectors posting either year-over-year job gains of less than one percent or actual job declines."

Highlights of the report include:

- Nonfarm employment numbered 862,400 in September, a 0.5% increase over year-ago levels. September's gain marks the seventy-second month of year-over-year job gain in the metro area but also ranks below the 0.8% average increase posted over 2016's first nine months.
- The trade, transportation & utilities sector, up 3.5% vs. year-ago levels, posted the strongest job increase among the six of ten major industry sectors with September job gains. Of the four sectors with job decreases, the financial activities sector registered the largest decline, down 4.8% year-over-year.
- Metro Milwaukee's unemployment rate reached its lowest level in nearly 16 years. The 4% seasonally unadjusted rate for September is the lowest recorded since December, 2000 when it averaged 3.3%.

The number of unemployed in the metro area totaled 33,400 in September, down 9.5% from year-ago levels. As a result, metro Milwaukee's seasonally unadjusted unemployment rate fell 0.5 percentage points from one year ago, to 4%. Milwaukee's unemployment rate ranks higher than Wisconsin's 3.5% but lower than the 4.8% rate registered nationally.

New unemployment compensation claims posted its tenth consecutive month of year-over-year decline. September new claims dropped 13.7% (vs. September, 2015), to 2,975.

Indicators: September, 2016 vs. September, 2015

Job increases in the metro area have continued but have grown weaker in recent months. September's year-over-year gain of 0.5% (to 862,400) ranks lower than both the 1.5% and 0.9% gains posted in July and August respectively. September's increase translates into a net gain of 4,300 jobs in the September, 2015 to September, 2016 period.

Six of ten major industry sectors registered September job growth (over year ago levels). Gains of less than one percent were recorded in four of these six industries; manufacturing (up 0.7%), other services (up 0.7%), leisure & hospitality (up 0.4%) and education & health services (up 0.1%). Stronger employment increases were recorded in the trade, transportation & utilities (up 3.5%) and construction, mining & natural resources (up 3.3%) sectors.

In contrast, four of ten major industry sectors saw September declines. The financial activities sector posted the largest percentage fall, down 4.8% – this sector's 13th consecutive year-over-

year decline. The government (down 0.8%), information (down 0.7%) and professional & business services (down 0.1%) sectors also posted September job decreases.

Production and earnings indicators for manufacturing production workers posted solid September gains. The length of the average workweek for such workers averaged 40.9 hours, up 0.5% and the first year-over-year gain in this indicator in six months. Earnings indicators were likewise positive, outpacing the rate of inflation. Average weekly earnings rose 4.9% (to $836) and average hourly earnings increased 4.3% (to $20.44). Both increases ranked higher than the 1.5% increase in consumer price inflation nationally over that same time period.

September increases were posted in local housing and real estate indicators tracked by the MMAC. Existing home sales in the metro rose 6.1% in September (to 1,511), this indicator's fifth increase in six months. Mortgages recorded in Milwaukee County totaled 2,717 in September, up 29.9% from one year ago. September's gain follows the 18.5% increase in August and marks the first set of back-to-back, year-over-year gains in this indicator since December, 2015.

New-car registrations fell 17.6% in September to 2,296. September's decline follows the 26.2% decrease posted in August (vs. August, 2015). 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 1.5% in September (vs. September, 2015) to 241.428 (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
September, 2016

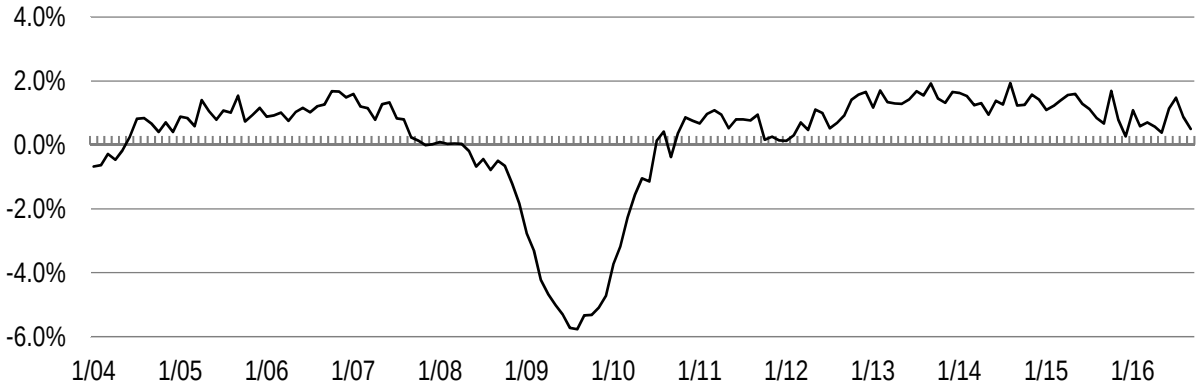
	Month	Current month	Previous month	Year ago	% chg. from yr. ago	% chg. prev. month	% chg. year to date (1)
ESTABLISHMENT DATA							
Total nonfarm payroll employment (000)	Sep-16	862.4	868.3	858.1	0.5%	-0.7%	0.8%
Construction, mining & natural res. (000)	Sep-16	31.7	32.6	30.7	3.3%	-2.8%	3.6%
Manufacturing (000)	Sep-16	121.5	122.0	120.7	0.7%	-0.4%	0.1%
Trade, transportation, & utilities (000)	Sep-16	149.7	150.5	144.6	3.5%	-0.5%	3.1%
Information (000)	Sep-16	13.9	14.0	14.0	-0.7%	-0.7%	-2.0%
Financial activities (000)	Sep-16	49.3	50.1	51.8	-4.8%	-1.6%	-4.5%
Professional & business services (000)	Sep-16	125.4	128.0	125.5	-0.1%	-2.0%	0.4%
Education & health services (000)	Sep-16	162.7	159.3	162.5	0.1%	2.1%	1.6%
Leisure & hospitality (000)	Sep-16	77.2	82.5	76.9	0.4%	-6.4%	0.0%
Other services, exc. public (000)	Sep-16	45.8	46.8	45.5	0.7%	-2.1%	2.1%
Government (000)	Sep-16	85.2	82.5	85.9	-0.8%	3.3%	-0.3%
LABOR FORCE DATA							
Civilian labor force (000)	Sep-16	828.8	840.8	821.5	0.9%	-1.4%	1.1%
Employed (000)	Sep-16	795.4	801.6	784.6	1.4%	-0.8%	1.5%
Unemployed (000)	Sep-16	33.4	39.1	36.9	-9.5%	-14.6%	-6.5%
Unemployment rate							
Metro Milwaukee	Sep-16	4.0%	4.7%	4.5%	-0.5(4)	-0.7(4)	-0.4(4)
Wisconsin	Sep-16	3.5%	4.0%	4.0%	-0.5(4)	-0.5(4)	-0.3(4)
United States	Sep-16	4.8%	5.0%	4.9%	-0.1(4)	-0.2(4)	-0.5(4)
New unemployment compensation claims	Sep-16	2,975	3,308	3,447	-13.7%	-10.1%	-17.6%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Sep-16	40.9	40.8	40.7	0.5%	0.2%	-0.3%
Avg. weekly earnings (2)	Sep-16	$836.00	$822.94	$797.31	4.9%	1.6%	0.8%
Avg. hourly earnings (2)	Sep-16	$20.44	$20.17	$19.59	4.3%	1.3%	1.2%
HOUSING & REAL ESTATE							
Existing homes sold	Sep-16	1,511	1,751	1,424	6.1%	-13.7%	6.3%
Mortgages (number) (3)	Sep-16	2,717	2,596	2,091	29.9%	4.7%	-2.5%
TRANSPORTATION							
Airport passengers	Sep-16	N.A.	591,165	500,817	N.A.	.N.A.	N.A.
New-car registrations	Sep-16	2,296	2,012	2,787	-17.6%	14.1%	-22.6%
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)	Sep-16	241.428	240.853	237.945	1.5%	0.2%	1.1%

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.

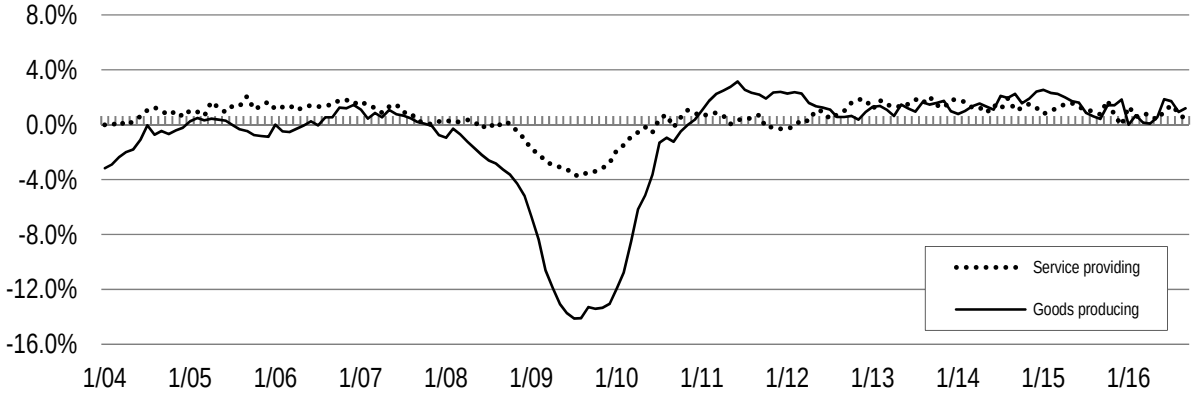
Nonfarm Employment - Metro Milwaukee

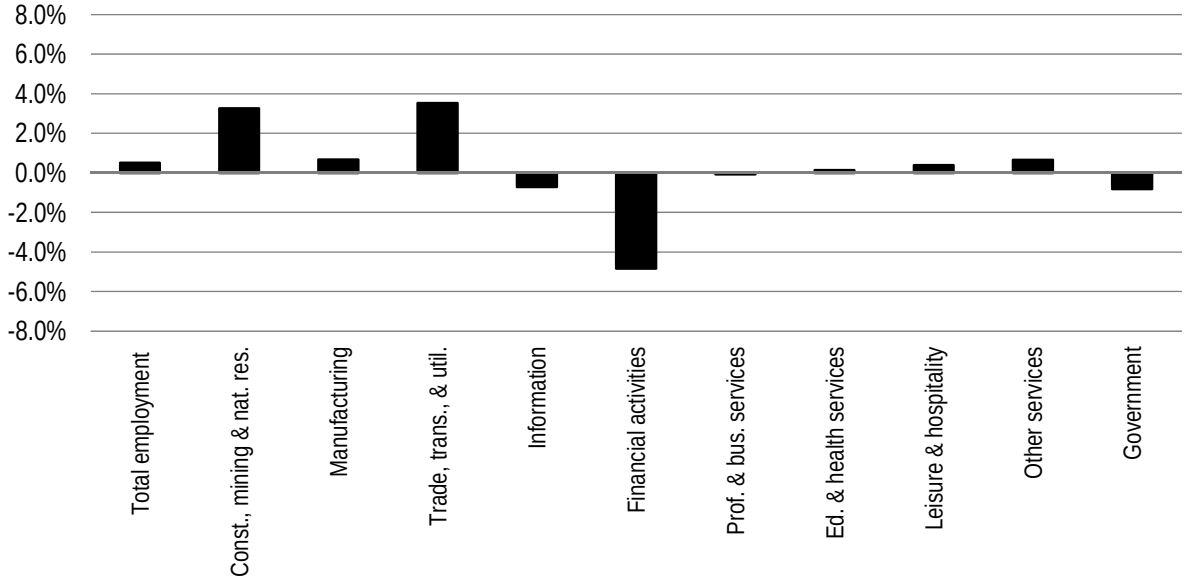
Percent change vs. year-ago levels



Year-over-Year Job Change - Metro Milwaukee

Service providing vs. Goods producing sectors



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

Percent change September, 2015 to September, 2016