
Metro Milwaukee Economic Trends July 2020

Prepared by:
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Metropolitan Milwaukee Association of Commerce

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July Economic Trends

A large majority of metro area business activity indicators continue to show decline as only four of 22 available July economic indicators improved over year-ago levels, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC.) The number of positives registered in July matches June’s four upward-pointing indicators.

“While the aggregate number of improved indicators has not changed much in recent months, there have been some positive signs,” said Bret Mayborne, economic research director for the MMAC. “Year-over-year job declines in the metro area have slowed over time and metro Milwaukee’s rate of job decline and its unemployment rate both rank lower than respective national rates.”

Highlights of the report include:

- Nonfarm employment averaged 810,200 in July, down 7.7% from one year ago. July’s rate of decline was smaller than the 8.6% fall recorded in June.
- Among 10 major industry sectors, nine recorded July year-over-year job decreases, the largest being the 24.9% fall in the leisure & hospitality sector. Construction, mining & natural resources posted a 5.9% increase in jobs vs. July 2019, the month’s only year-over-year increase across major sectors.
- Both Milwaukee area housing and real estate indicators rose vs. year-ago levels. Metro area existing home sales increased 2.3% in July and mortgages recorded in Milwaukee County rose 37.6%.

The metro area’s unemployment rate moved under 10% for the first time in four months. July’s 8.4% seasonally unadjusted rate ranks below the 10.2% rate recorded in June and the peak rate in April of 13.6%. Currently, the local unemployment rate ranks higher than the state’s 7% rate but below the nation’s 10.5% figure.

Nonetheless, the current unemployment rate remains notably higher than one year ago when the metro area’s rate stood at 4%. Over this 12-month period the number of unemployed more than doubled from 33,500 in July 2019 to the 69,000 recorded in July of 2020. New unemployment compensation claim totals for the metro area were unavailable for July and prior months in 2020.

Indicators: July 2020 vs. July 2019

The overall rate of decline in nonfarm employment has improved in each of the last three months from the 13.1% fall recorded in April to July’s 7.7% decrease. All told, the metro area has recovered about 40% of the jobs lost in the initial shutdowns. On an aggregate basis jobs were down 67,300 in July (vs. July 2019) vs. the 114,300 job losses posted in April. At the present pace of improvement -- certainly not a given -- the local economy would reach per-pandemic job levels sometime late in 2021’s first half.

One of the biggest employment concerns remains the extent of job loss in the leisure & hospitality sector on a year-over-year basis. Jobs in this sector fell 24.9% in July, only marginally smaller than the 25.8% decline posted in June. The extent of the job declines in other major sectors include the other services (down 12.8%), manufacturing (down 9.9%), government (down 8.3%), professional & business services (down 7.7%), information (down 5.8%), trade,

transportation & utilities (down 4.1%), education & health services (down 2.9%) and financial activities (down 2.9%) sectors.

Only the construction, mining & natural resources sector registered a July year-over-year job gain. Construction jobs rose 5.9% in July to 37,500 following the 6.6% gain posted in June (vs. June 2019.)

Among manufacturing related indicators, the average length of a manufacturing production worker's workweek for July fell 4.8% from one year ago to 37.5 hours, this indicator's sixteenth consecutive month of year-over-year decline. Earnings indicators were mixed. Average weekly earnings for manufacturing production workers fell 3% (to \$861) while average hourly earnings rose 2%, to \$22.97.

Among local housing and real estate indicators tracked by the MMAC, existing home sales rebounded from recent months of decline. Home sales marked its first year-over-year gain in four months, up 2.3% in July following June's 14.1% decline. Mortgages recorded in Milwaukee County rose 37.6% in July to 3,522, its thirteenth consecutive year-over-year increase.

Local air travel and new-car registrations remain negative. Air passengers using Mitchell International Airport fell 71.9% in July vs. year-ago levels to 175,765 passengers. Likewise, July new-car registrations fell 25.4% from one-year ago to 1,008.

Other Indicators (latest available)

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1% in July (vs. July 2019) to 259.101 (1982-84 =100.)

Note

Seasonally unadjusted data was used in this analysis thus some of month-over-month job increases mentioned are due to seasonal effects. A truer month-to-month trend is captured in seasonally adjusted data. Unfortunately for most metro areas the breath of employment and unemployment data from the U.S. Bureau of Labor Statistics is almost exclusively released in not seasonally adjusted form. Total nonfarm employment is available as a seasonally adjusted series for the metro area. This series showed a loss of 111,200 jobs in April (vs. March.) Since that time, the local economy has added back 48,000 jobs cumulatively in the month-over-month record for the proceeding three-month period (May and July.)

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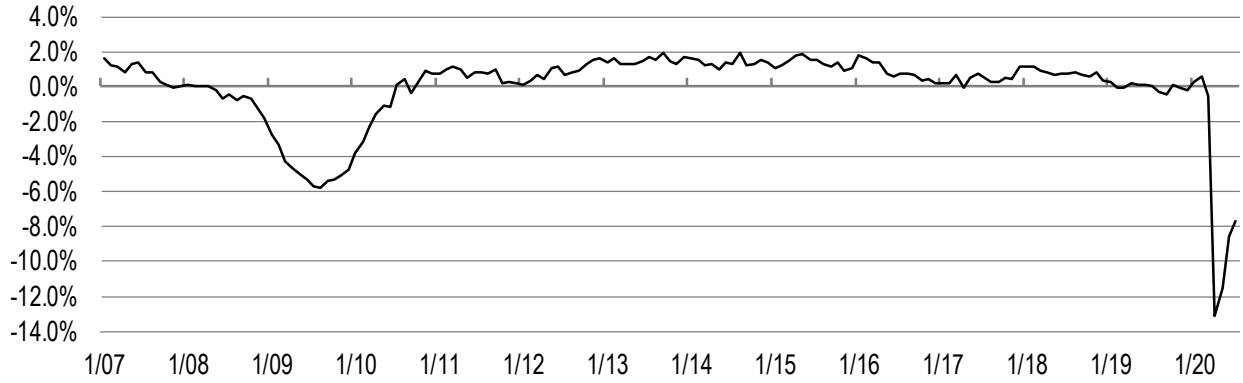
Metropolitan Milwaukee Business Indicators July, 2020

	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-20	810.2	809.1	877.5	-7.7%	0.1%	-5.8%
Construction, mining & natural res. (000)	Jul-20	37.5	37.3	35.4	5.9%	0.5%	4.2%
Manufacturing (000)	Jul-20	109.7	109.5	121.8	-9.9%	0.2%	-5.7%
Trade, transportation, & utilities (000)	Jul-20	139.3	138.8	145.2	-4.1%	0.4%	-4.3%
Information (000)	Jul-20	12.9	12.9	13.7	-5.8%	0.0%	-4.1%
Financial activities (000)	Jul-20	49.7	49.7	51.2	-2.9%	0.0%	-0.9%
Professional & business services (000)	Jul-20	115.6	114.6	125.3	-7.7%	0.9%	-6.4%
Education & health services (000)	Jul-20	164.8	164.4	169.7	-2.9%	0.2%	-1.8%
Leisure & hospitality (000)	Jul-20	65.5	64.4	87.2	-24.9%	1.7%	-23.1%
Other services, exc. public (000)	Jul-20	41.4	40.6	47.5	-12.8%	2.0%	-10.4%
Government (000)	Jul-20	73.8	76.9	80.5	-8.3%	-4.0%	-3.9%
LABOR FORCE DATA							
Civilian labor force (000)	Jul-20	817.7	828.0	829.1	-1.4%	-1.2%	0.0%
Employed (000)	Jul-20	748.7	743.6	795.7	-5.9%	0.7%	-4.6%
Unemployed (000)	Jul-20	69.0	84.4	33.5	106.2%	-18.2%	119.7%
Unemployment rate							
Metro Milwaukee	Jul-20	8.4%	10.2%	4.0%	4.4(4)	-1.8(4)	4.4(4)
Wisconsin	Jul-20	7.0%	8.9%	3.6%	3.4(4)	-1.9(4)	4.0(4)
United States	Jul-20	10.5%	11.2%	4.0%	6.5(4)	-0.7(4)	4.9(4)
New unemployment compensation claims	Jul-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Jul-20	37.5	37.2	39.4	-4.8%	0.8%	-7.6%
Avg. weekly earnings (2)	Jul-20	\$861.38	\$869.36	\$887.68	-3.0%	-0.9%	-6.7%
Avg. hourly earnings (2)	Jul-20	\$22.97	\$23.37	\$22.53	2.0%	-1.7%	1.0%
HOUSING & REAL ESTATE							
Existing homes sold	Jul-20	1,936	1,584	1,892	2.3%	22.2%	-5.8%
Mortgages (number) (3)	Jul-20	3,522	3,567	2,559	37.6%	-1.3%	44.6%
TRANSPORTATION							
Airport passengers	Jul-20	175,765	133,718	625,730	-71.9%	31.4%	-58.0%
New-car registrations	Jul-20	1,008	1,085	1,351	-25.4%	-7.1%	-30.9%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
United States (CPI-U)	Jul-20	259.101	257.797	256.571	1.0%	0.5%	1.2%

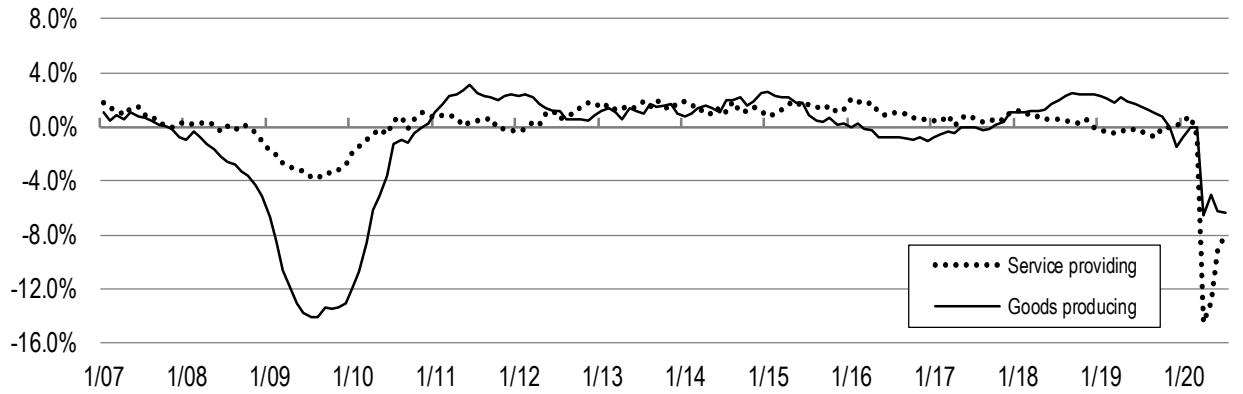
Notes: (1) The average or cumulative figure year-to-date vs. the same total one year ago. (2) Not adjusted for inflation. (3) Milwaukee County only. (4) Percentage point change.
 Figures are not seasonally adjusted except where indicated (SA).
 Figures are for metro Milwaukee (Milwaukee, Ozaukee, Washington & 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.

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 2019 to July 2020

