
Metro Milwaukee Economic Trends

November, 2013

Prepared by:
Economic Research Division
Metropolitan Milwaukee Association of Commerce

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November Economic Trends

Modest gains were posted in Milwaukee area business activity indicators in November as 13 of 22 available indicators registered improvement vs. year-ago levels, according to a report issued by the Metropolitan Milwaukee Association of Commerce (MMAC). November's 13 improvements is up from the revised 12 upward pointing indicators registered in October.

“A majority of local indicators continue to trend in a positive direction but there has been a noticeable slowdown in the trend in recent months,” said Bret Mayborne, the MMAC’s economic research director. “Job growth rates have flattened considerably with the overall employment gain in November ranking as the smallest posted in the job recovery period.”

Highlights of the report include:

- November nonfarm job levels in the metro area posted its thinnest year-over-year growth rate in the job recovery period (since October, 2010). November’s 0.1% increase (to 832,900) ranks below the 0.6% average growth rate posted over 2013 first 11 months.
- Five of ten major industry sectors registered year-over-year job increases in November, with the construction, mining & natural resources sector posting the largest percentage gain, up 10%. Among the four of ten major industry sectors posting employment declines, the 2.3% drop in the professional and business services sector ranked as the largest decrease. One sector, leisure & hospitality, was unchanged from one year ago.
- Local housing and real estate indicators registered weakness in November. Both metro area existing home sales (down 9.1%) and mortgages recorded in Milwaukee County (down 33.9%) posted year-over-year declines in November.

All unemployment numbers in the metro area moved in a positive direction. Unemployment compensation claims fell at a 20.1% pace (vs. year-ago levels) in November, following a 21.8% decline in October.

The number of unemployed decreased 3.1% in November vs. year-ago levels to 52,300. This led to a 0.3 percentage point decline in the area’s unemployment rate (vs. November, 2012). November’s seasonally unadjusted 6.5% rate for the metro area ranks higher than the 5.8% rate recorded for the State of Wisconsin but below the nation’s 6.6% rate.

Indicators: November, 2013 vs. November, 2012

November marks the 38th consecutive month of year-over-year nonfarm job growth (since October, 2010). Yet the 0.1% increase is the smallest posted in this period and represents an addition of only 900 jobs over the past 12 months (to 832,900).

Among major industry sectors, five of ten registered November job gains. The construction, mining & natural resources sector posted the largest percentage increase, up 10% and this sector’s 12th consecutive month of year-over-year gain. Jobs in the education & health services (up 1.4%), trade, transportation & utilities (up 1%), other services (up 0.7%), and information (up 0.7%) sectors also posted November gains.

Job declines were posted in four of ten major industry sectors. November’s steepest decline was registered in the professional & business services sector, down 2.3%. Other job declines fell in

the manufacturing (down 2.2%), government (down 0.2%), and financial activities (down 0.2%), sectors. Employment levels in the leisure & hospitality sector were unchanged from year-ago levels.

Manufacturing's job decline marks its tenth consecutive year-over-year decrease. Other manufacturing related indicators were mixed. The length of the average workweek for manufacturing production workers fell at a 3% pace, to 41.4 hours while average weekly earnings for such workers declined 1% (to \$780). On the other hand, average hourly earnings rose 2.1%, to \$18.83.

For the first time since June, 2011 both area housing and real estate indicators tracked by the MMAC posted year-over-year declines. Existing home sales in the metro area fell 9.1% in November (to 905) only this indicator's second decline in 29 months. Mortgages recorded in Milwaukee County numbered 1,754 for the month, a 33.9% decrease from one year ago. November's mortgage fall comes on the heels of the 32% decrease registered in October (vs. October, 2012).

New-car registrations posted a modest 2.8% increase in November (to 2,246). November's increase follows a 6.7% gain in October but ranks below the 12.6% year-to-date increase registered through 2013's first 11 months. November air passenger totals for Mitchell International Airport were unavailable at the time of this report.

Other Indicators (latest available)

The value of signed construction contracts, as reported by F.W. Dodge for October, was \$95.3 million, up 20.8% from October, 2012. Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.2% in November (vs. November, 2012) to 233.069 (1981-84=100). The Milwaukee area CPI-U reached 225.417 for the first half of 2013, a 2.4% increase from 2012's first half.

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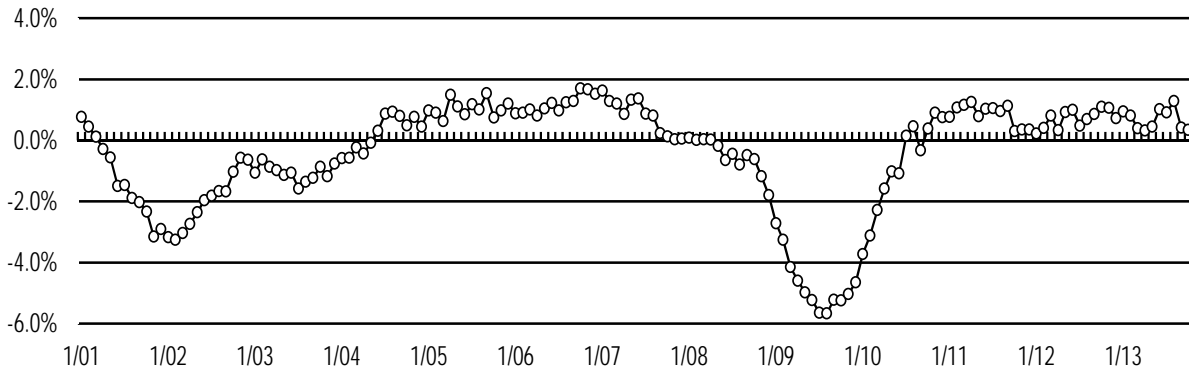
Metropolitan Milwaukee Business Indicators
November, 2013

	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)	Nov-13	832.9	832.4	832.0	0.1%	0.1%	0.6%
Construction, mining & natural res. (000)	Nov-13	27.5	28.4	25.0	10.0%	-3.2%	11.1%
Manufacturing (000)	Nov-13	117.4	117.4	120.0	-2.2%	0.0%	-0.9%
Trade, transportation, & utilities (000)	Nov-13	144.8	143.6	143.4	1.0%	0.8%	1.0%
Information (000)	Nov-13	14.9	14.9	14.8	0.7%	0.0%	-0.2%
Financial activities (000)	Nov-13	54.5	54.5	54.6	-0.2%	0.0%	0.2%
Professional & business services (000)	Nov-13	113.2	114.5	115.9	-2.3%	-1.1%	0.4%
Education & health services (000)	Nov-13	157.6	156.3	155.4	1.4%	0.8%	0.8%
Leisure & hospitality (000)	Nov-13	67.9	69.3	67.9	0.0%	-2.0%	-0.5%
Other services, exc. public (000)	Nov-13	42.9	42.2	42.6	0.7%	1.7%	0.3%
Government (000)	Nov-13	92.2	91.3	92.4	-0.2%	1.0%	1.2%
LABOR FORCE DATA							
Civilian labor force (000)	Nov-13	799.1	791.1	794.6	0.6%	1.0%	0.5%
Employed (000)	Nov-13	746.8	739.6	740.6	0.8%	1.0%	0.6%
Unemployed (000)	Nov-13	52.3	51.5	54.0	-3.1%	1.6%	-1.1%
Unemployment rate							
Metro Milwaukee	Nov-13	6.5%	6.5%	6.8%	-0.3(4)	0.0(4)	-0.1(4)
Wisconsin	Nov-13	5.8%	5.7%	6.2%	-0.4(4)	0.1(4)	-0.1(4)
United States	Nov-13	6.6%	7.0%	7.4%	-0.8(4)	-0.4(4)	-0.7(4)
New unemployment compensation claims	Nov-13	4,995	6,364	6,254	-20.1%	-21.5%	-11.1%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Nov-13	41.4	43.0	42.7	-3.0%	-3.7%	0.7%
Avg. weekly earnings (2)	Nov-13	\$779.56	\$796.36	\$787.39	-1.0%	-2.1%	4.1%
Avg. hourly earnings (2)	Nov-13	\$18.83	\$18.52	\$18.44	2.1%	1.7%	3.4%
HOUSING & REAL ESTATE							
Existing homes sold	Nov-13	905	1,186	996	-9.1%	-23.7%	8.4%
Mortgages (number) (3)	Nov-13	1,754	2,083	2,654	-33.9%	-15.8%	-4.1%
TRANSPORTATION							
Airport passengers	Nov-13	N.A.	567,981	531,139	N.A.	N.A.	N.A.
New-car registrations	Nov-13	2,246	2,726	2,184	2.8%	-17.6%	12.6%
OTHER INDICATORS (latest available)							
Construction contracts (\$000) (2)	Oct-13	95,258	79,037	78,878	20.8%	20.5%	-12.1%
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	1stH-13	225.417	222.114	220.171	2.4%	1.5%	2.4%
United States (CPI-U)	Nov-13	233.069	233.546	230.221	1.2%	-0.2%	1.5%

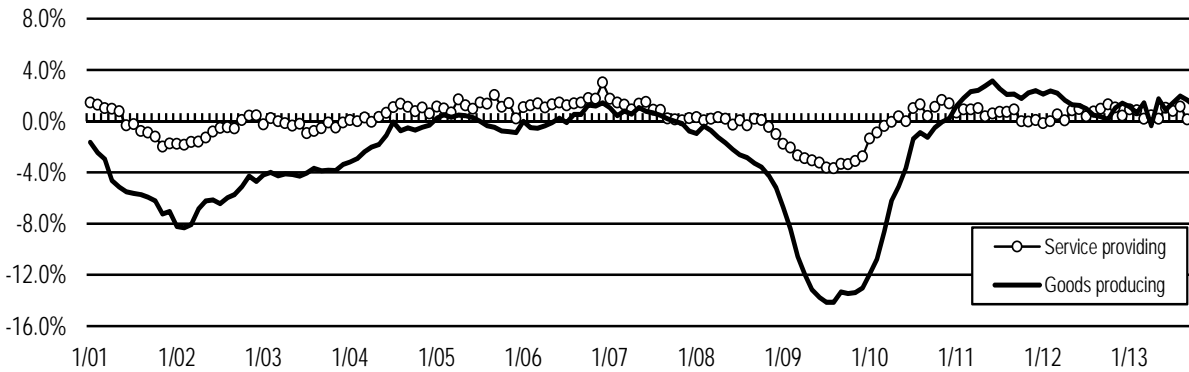
Notes: (1) The average or cumulative figure year-to-date vs. the same total one year ago. (2) Not adjusted for inflation. (3) Milwaukee County only. (4) Percentage point change.
 Figures are not seasonally adjusted except where indicated (SA).
 Figures are for metro Milwaukee (Milwaukee, Ozaukee, Washington & 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 November, 2012 to November, 2013

