



## **NEWS RELEASE**

*For further information contact*

*Economic Research Director Bret Mayborne, 414.287.4122*

### **August Economic Trends**

**September 29, 2017 – A weak job trend kept the number of positive economic indicators in the Milwaukee area down in August, according to a monthly report by the Metropolitan Milwaukee Association of Commerce (MMAC). In aggregate, 11 of 22 available indicators tracked by the MMAC pointed upward in August, down from the 15 improvements posted in July.**

**“A lackluster overall job trend in the metro area, cutting across a broad group of major industry sectors, set positive indicator totals down in August,” said Bret Mayborne, the MMAC’s economic research director. “On the positive side, manufacturing and unemployment indicators continued to show improvement from year-ago levels.”**

Highlights of the report include:

- Nonfarm employment in the metro area fell 0.4% in August vs. year-ago levels, to 866,600. August’s year-over-year job decline was the first recorded in the metro area in four months and contrasts with the 1.5% job gain posted nationally, over the same time period.
- Among major industry sectors, seven of ten registered year-over-year job decreases in August. Both the construction, mining & natural resources and financial activities sectors posted the steepest job declines, down 4.3%, while the largest percentage increase was registered in the education & health services sector, up 1.8%.
- Manufacturing indicators pointed upwards in August. Manufacturing jobs rose at a 0.9% pace (vs. one year ago), while earnings and hours indicators for manufacturing production workers registered solid year-over-year gains.

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[www.mmac.org](http://www.mmac.org)

756 North Milwaukee Street, Milwaukee, Wisconsin 53202

Phone 414-287-4100 Fax 414-271-7753

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Unemployment indicators posted double-digit declines. The number of unemployed in the metro area fell 14.7% in August (vs. year-ago levels) to 33,200, following July's 18.1% decrease (vs. July, 2016). New unemployment compensation claims fell 14.1% in August, to 2,840.

The seasonally unadjusted unemployment rate for August was 3.9%, down 0.8 percentage points from levels posted one year ago. Metro Milwaukee's rate ranks higher than that posted for Wisconsin (3.4%) but lower than the 4.5% figure posted nationally.

### **Indicators: August, 2017 vs. August, 2016**

Month-to-month, the metro area job trend, established over the course of 2017, indicate either small year-over-year employment gains or modest job declines. For August, job totals averaged 866,600, down 0.4% from one year ago. August's decline follows the 0.4% gain posted in July and marks a 0.1% cumulative decline over the course of 2017's first eight months.

Job gains by major industry sector were limited in August. Only three of 10 major industry sectors posted year-over-year job gains. The education & health services sector's 1.8% increase ranked as the largest year-over-year gain among growing sectors. Gains were also posted in the manufacturing (up 0.9%), and professional & business services (up 0.6%) sectors.

On-the-other-hand, broad-based declines by sector were registered, with seven of 10 major sectors posting year-over-year employment declines. The largest percentage decreases were recorded in the construction, mining & natural resources and financial activities sectors, which both fell 4.3% vs. year-ago levels. Other declining sectors include the information (down 2.8%), government (down 2.5%), other services (down 2.4%), trade, transportation & utilities (down 0.3%), and leisure & hospitality (down 0.2%) sectors.

Manufacturing related indicators registered a positive trend. Manufacturing jobs rose year-over-year for the seventh consecutive month, up 0.9% in August, to 121,200. For manufacturing production workers, the length of the average workweek increased 3.2% to 42.1 hours, following a 1.5% increase in July. Average weekly earnings for such workers rose 14.5% (to \$943), while average hourly earnings increased 11% (to \$22.39).

Both local housing & real estate indicators tracked by the MMAC posted August declines. Existing homes sales in the metro area fell 0.3%, to 1,746 and mortgages recorded in Milwaukee

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County declined 4.6%, to 2,477. August marks the first time since August, 2014 that both indicators declined in back-to-back months.

New-car registrations numbered 1,878 in August, a 6.7% fall from year-ago levels. August's decline follows the 14.2% decrease recorded in July. Air passenger totals for Mitchell International Airport were unavailable at the time of this release.

#### **Other Indicators (latest available)**

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.9% in August (vs. August, 2016) to 245.519 (1981-84=100). The Milwaukee area CPI-U reached 232.123 for the first half of 2017, a 2.2% increase from 2016's first half.

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Statistical table attached.

## Metropolitan Milwaukee Business Indicators August, 2017

	Month	Current month	Previous month	Year ago	% chg. from yr. ago	% chg. prev. month	% chg. year to date (1)
<b>ESTABLISHMENT DATA</b>							
Total nonfarm payroll employment (000)	Aug-17	866.6	868.8	869.7	-0.4%	-0.3%	-0.1%
Construction, mining & natural res. (000)	Aug-17	30.8	30.9	32.2	-4.3%	-0.3%	-4.7%
Manufacturing (000)	Aug-17	121.2	121.9	120.1	0.9%	-0.6%	0.8%
Trade, transportation, & utilities (000)	Aug-17	145.6	145.1	146.1	-0.3%	0.3%	-0.1%
Information (000)	Aug-17	13.8	13.8	14.2	-2.8%	0.0%	-3.8%
Financial activities (000)	Aug-17	49.4	49.4	51.6	-4.3%	0.0%	-2.8%
Professional & business services (000)	Aug-17	129.8	130.2	129.0	0.6%	-0.3%	-0.2%
Education & health services (000)	Aug-17	166.7	166.6	163.8	1.8%	0.1%	1.6%
Leisure & hospitality (000)	Aug-17	82.3	84.6	82.5	-0.2%	-2.7%	-0.9%
Other services, exc. public (000)	Aug-17	45.2	45.1	46.3	-2.4%	0.2%	-1.4%
Government (000)	Aug-17	81.8	81.2	83.9	-2.5%	0.7%	0.4%
<b>LABOR FORCE DATA</b>							
Civilian labor force (000)	Aug-17	842.5	846.0	835.5	0.8%	-0.4%	0.0%
Employed (000)	Aug-17	809.2	813.5	796.6	1.6%	-0.5%	0.9%
Unemployed (000)	Aug-17	33.2	32.6	38.9	-14.7%	1.8%	-18.2%
Unemployment rate							
Metro Milwaukee	Aug-17	3.9%	3.8%	4.7%	-0.8(4)	0.1(4)	-0.9(4)
Wisconsin	Aug-17	3.4%	3.4%	4.0%	-0.6(4)	0.1(4)	-0.8(4)
United States	Aug-17	4.5%	4.6%	5.0%	-0.5(4)	-0.1(4)	-0.5(4)
New unemployment compensation claims	Aug-17	2,840	3,053	3,308	-14.1%	-7.0%	-10.0%
<b>HOURS &amp; EARNINGS (mfg. production workers)</b>							
Avg. weekly hours (manuf.)	Aug-17	42.1	40.9	40.8	3.2%	2.9%	0.0%
Avg. weekly earnings (2)	Aug-17	\$942.62	\$930.07	\$822.94	14.5%	1.3%	12.3%
Avg. hourly earnings (2)	Aug-17	\$22.39	\$22.74	\$20.17	11.0%	-1.5%	12.3%
<b>HOUSING &amp; REAL ESTATE</b>							
Existing homes sold	Aug-17	1,746	1,712	1,751	-0.3%	2.0%	0.7%
Mortgages (number) (3)	Aug-17	2,477	2,300	2,596	-4.6%	7.7%	3.7%
<b>TRANSPORTATION</b>							
Airport passengers	Aug-17	N.A.	628,371	586,916	N.A.	N.A.	N.A.
New-car registrations	Aug-17	1,878	2,007	2,012	-6.7%	-6.4%	-11.4%
<b>OTHER INDICATORS (latest available)</b>							
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	1stH-17	232.123	228.624	227.147	2.2%	1.5%	2.2%
United States (CPI-U)	Aug-17	245.519	244.786	240.849	1.9%	0.3%	2.1%

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