



NEWS RELEASE

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2018 Review & Latest Monthly Economic Trends

February 1, 2019 – The metro area economy showed some sluggishness in December as less than half of the indicators tracked by the Metropolitan Milwaukee Association of Commerce (MMAC) pointed upward. Eleven of 23 indicators improved from year-ago levels, matching the total registered in November.

“December’s aggregate total marks the first time in almost seven years that less than half of local indicators pointed upward in back-to-back months,” said Bret Mayborne, the MMAC’s economic research director. “While 2018 ended on a somewhat weak note, annual averages for the year in total show growth in 16 of 23 indicators, near-record non-farm employment levels and historically low unemployment rates.”

Highlights of the report include:

- Non-farm employment in the metro area rose 0.8% in December, to 877,200. Employment averaged 874,100 over 2018’s 12 months, only 600 jobs short of the metro area’s all-time high annual figure of 874,700 posted in 2000.
- Among industries with 2018 job growth, the construction, mining & natural resources and manufacturing sectors posted the strongest employment gains, both for 2018 as a whole and for December (year-over-year).
- Like employment, unemployment indicators continued to improve. The annual average unemployment rate for the metro area (3.1%) ranks as the lowest reached in the available record (since 1990). The number of unemployed and new unemployment claims also fell, both for the month of December and for the year 2018 in total.

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Indicators: 2018 Review

Overall, annual averages/totals of the monthly indicators tracked by the MMAC show 16 of 23 indicators up over 2017 levels. The year's total matches the 16 positives registered over the course of 2017. Please note that over half of the 2018 indicators tracked are subject to revision in coming months.

Job levels continued upward overall while unemployment rates moved to historic lows. Non-farm employment in metro Milwaukee averaged 874,100 in 2018, 0.9% gain over 2017, marking its eighth consecutive year of job growth. Job totals for 2018 rank just below the all-time high annual total posted in 2000 (874,700).

Seven of ten major industry sectors will likely post annual gains in 2018, led by a 3.5% gain in the construction, mining & natural resources sector and 2.8% growth in manufacturing jobs. Among sectors with declines, the information (down 3.7%) and financial activities (down 2.9%) sectors registered the largest percentage decreases.

Continuing improvement was recorded in area unemployment indicators. The annual average unemployment rate fell to 3.1% in 2018, down 0.4 percentage points from 2017 levels. This marks the eighth consecutive year in which the local rate has fallen from the year previous and marks the lowest annual rate posted in the available record (1990 to present).

Solid increases were posted in manufacturing related indicators. Manufacturing's 2.8% job gain ranks as its strongest since 2011 and follows consecutive years of decline. These gains were matched by solid increases in hours and earnings indicators for manufacturing production workers. The length of the average workweek for such workers rose 2.2% while average weekly earnings and average hourly earnings rose 6% and 3.7% respectively.

Weakness was posted in local housing and real estate indicators for 2018. In total, existing home sales in the metro area fell 1.4% from 2017 levels vs. the 1.6% increase posted in 2017. Mortgages recorded in Milwaukee County recorded back-to-back years of decline. Mortgages fell 7.9% in 2018 following the 4.4% decrease registered in 2017.

New-car registrations fell vs. year-ago levels in all but two months in 2018, driving a double-digit decline for the year in total - down 16.8% vs. 2017. Air passenger totals at Mitchell International rose 2.8% in 2018, reaching 7 million passengers for the first this since 2012.

Indicators: December, 2018 vs. December, 2017

Non-farm employment numbered 877,200 in December, a 0.8% increase from one year ago. December's percentage gain is up from the revised 0.5% increase posted in November (vs. November 2017).

Five of ten major industry sectors registered job gains in December. The construction, mining & natural resources sector recorded the largest percentage increase, up 5.5%. The education & health services (up 3.7%), other services (up 3.5%), manufacturing (up 3%), and leisure & hospitality (up 1.7%) sectors also posted job gains.

Among major sectors with employment declines, the professional & business services sector posted the largest decrease (down 3.7%). The financial activities (down 1.8%) and trade transportation & utilities (down 1.2%) sectors also registered December job declines. Two sectors – information and government – were unchanged from year-ago levels.

For unemployment indicators, new unemployment compensation claims in the metro area fell 12.6% in December vs. year-ago level, this indicator's sixth double-digit monthly decline in 2018. The number of unemployed fell 4% from one year ago leading to a small 0.1 percentage point decline in the metro area's unemployment rate. Milwaukee's seasonally unadjusted unemployment rate averaged 2.7% in December, lower than the 3.7% rate posted nationally but slightly higher than Wisconsin's 2.6% rate.

Manufacturing production and earnings indicators posted mixed results in December. The length of the average workweek rose 1.2% over one year ago, to 43.9 hours. Earnings indicators were split. Average weekly earnings rose 0.7% (to \$1,012) while average hourly earnings fell 0.4% (to \$23.05) over year-ago levels.

Local housing and real estate indicators tracked by the MMAC posted double-digit declines in December. Existing home sales in the metro area fell 11.3% vs. one year ago, to 1,000. Mortgages recorded in Milwaukee County totaled 1,639, down 13.8% from year-ago levels.

New-car registrations numbered 1,370 in December, down 17.9% from one year ago, marking its fifth year-over-year decline in the past six months. Air passenger totals for Mitchell International Airport fell marginally – down 0.3% from one year ago, to 536,735.

Other Indicators (latest available)

Consumer prices nationally, as measured by the Consumer Price Index for Urban Consumers (CPI-U), rose 1.9% in December (vs. December 2017) to 251.233 (1981-84=100). The Milwaukee area CPI-U reached 232.718 for the second half of 2017, a 1.8% increase from 2016's second half.

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Statistical table attached.

Metropolitan Milwaukee Business Indicators

December, 2018

	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)	Dec-18	877.2	879.0	870.4	0.8%	-0.2%	0.9%
Construction, mining & natural res. (000)	Dec-18	30.7	33.1	29.1	5.5%	-7.3%	3.3%
Manufacturing (000)	Dec-18	122.0	121.8	118.5	3.0%	0.2%	2.8%
Trade, transportation, & utilities (000)	Dec-18	145.6	145.3	147.4	-1.2%	0.2%	-1.0%
Information (000)	Dec-18	13.2	13.1	13.2	0.0%	0.8%	-4.0%
Financial activities (000)	Dec-18	49.7	49.7	50.6	-1.8%	0.0%	-2.9%
Professional & business services (000)	Dec-18	124.5	124.9	129.3	-3.7%	-0.3%	0.2%
Education & health services (000)	Dec-18	177.4	176.3	171.1	3.7%	0.6%	2.4%
Leisure & hospitality (000)	Dec-18	77.9	77.1	76.6	1.7%	1.0%	0.9%
Other services, exc. public (000)	Dec-18	47.7	47.8	46.1	3.5%	-0.2%	2.5%
Government (000)	Dec-18	88.5	89.9	88.5	0.0%	-1.6%	0.5%
LABOR FORCE DATA							
Civilian labor force (000)	Dec-18	810.0	819.1	822.2	-1.5%	-1.1%	-0.1%
Employed (000)	Dec-18	788.4	795.2	799.6	-1.4%	-0.9%	0.3%
Unemployed (000)	Dec-18	21.7	23.9	22.6	-4.0%	-9.2%	-11.5%
Unemployment rate							
Metro Milwaukee	Dec-18	2.7%	2.9%	2.8%	-0.1(4)	-0.2(4)	-0.4(4)
Wisconsin	Dec-18	2.6%	2.6%	2.7%	-0.1(4)	0.0(4)	-0.4(4)
United States	Dec-18	3.7%	3.5%	3.9%	-0.2(4)	0.2(4)	-0.4(4)
New unemployment compensation claims	Dec-18	4,113	3,205	4,706	-12.6%	28.3%	-8.8%
HOURS & EARNINGS (mfg. production workers)							
Avg. weekly hours (manuf.)	Dec-18	43.9	41.6	43.4	1.2%	5.5%	2.2%
Avg. weekly earnings (2)	Dec-18	\$1,011.90	\$956.38	\$1,004.71	0.7%	5.8%	6.0%
Avg. hourly earnings (2)	Dec-18	\$23.05	\$22.99	\$23.15	-0.4%	0.3%	3.7%
HOUSING & REAL ESTATE							
Existing homes sold	Dec-18	1,000	1,254	1,128	-11.3%	-20.3%	-1.4%
Mortgages (number) (3)	Dec-18	1,639	1,677	1,901	-13.8%	-2.3%	-7.9%
TRANSPORTATION							
Airport passengers	Dec-18	536,735	560,827	538,330	-0.3%	-4.3%	2.8%
New-car registrations	Dec-18	1,370	1,479	1,669	-17.9%	-7.4%	-16.8%
OTHER INDICATORS (latest available)							
Consumer price index (1982-84=100)							
Milwaukee (CPI-U)	2ndH-17	232.718	232.123	228.624	1.8%	0.3%	2.0%
United States (CPI-U)	Dec-18	251.233	252.038	246.524	1.9%	-0.3%	2.4%

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