
Metro Milwaukee Business Outlook Survey Second-Quarter 2024

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Metro Milwaukee Business Outlook Survey, Second-Quarter, 2024

Weakness was expressed by Milwaukee-area businesses toward second-quarter economic growth, according to a Business Outlook Survey conducted by the Metropolitan Milwaukee Association of Commerce (MMAC). Forty-four percent of businesses surveyed see sales increases in 2024's second quarter, 43% see profit gains and 48% expect job gains vs. year-ago levels.

“Businesses surveyed expressed concern about continuing economic growth in future months and that concern was reflected with less than half of those surveyed seeing second-quarter growth among the three major metrics – sales, profits and employment,” said Bret Mayborne, MMAC’s Vice President - Economic Research. “On the positive side, manufacturers expressed a higher level of optimism on average, particularly on jobs, giving hope than manufacturing numbers may be turning the corner from weak first-quarter results.”

The trend in sales expectations is mostly downward. Currently 44% of all businesses surveyed predict real sales gains in 2024's second quarter (vs. year-ago levels), 29% see sales declines and 27% expect no change. The percentage predicting second-quarter growth is down from the 49% who forecast first-quarter gains, and marks three consecutive quarters with quarterly optimism under the 50% mark.

By industry, manufacturers have stronger sales expectations than non-manufacturers. Fifty-seven percent of manufacturers see second-quarter sales growth while 38% of non-manufacturers see such gains. The difference in expectations for firms by employment size is smaller. Among large employers (100 or more employees), 48% forecast second-quarter sales gains vs. 42% for small employers.

Profit expectations were likewise low - 43% of all Milwaukee area businesses see higher profits in 2024's second quarter (vs. year-ago levels) below the 52% who forecast first-quarter profit gains. Thirty percent of those surveyed see no change in profit levels for the second quarter while 27% predict profit declines.

Opening 2024, employment in the metro area has registered three consecutive months of year-over-year decline. Monthly job declines averaged -0.8 over the first quarter, with year-over-year job decreases posted across the majority of major industry sectors.

Unlike sales and profit, job expectations showed improvement from first-quarter levels. Forty-eight percent of businesses surveyed expect second-quarter employment gains (vs. year-ago levels), up from the 35% who predicted first-quarter job gains. Currently, one-third of those surveyed (33%) expect no change in employment levels while 19% predict job declines.

By industry, manufacturers are more likely to forecast second-quarter job gains versus year-ago levels than non-manufacturers (57% versus 43% respectively). On the other hand, differences by employment size are marginal. Forty-eight percent of large employers see second-quarter gains versus 47% among small employers.

Future wage and salary expectations fell for the second consecutive quarter. On average, the change in per-person employee wages and salaries is forecast to rise 2.7% over the next 12 months, below the 3.6% and 4.2% annualized increases predicted in the two prior surveys.

Calendar Year 2024 Expectations

For the calendar year, only 46% of businesses surveyed see real sales gains for 2024, 25% see declines while 29% see no change. Three months into the new year, the percentage predicting an annual sales increase marks a notable downgrade from first-quarter expectations when 61% of those surveyed predicted a 2024 sales gain.

2024 Business Concerns

Businesses were asked to rank business concerns in 2024's second quarter. Among the concerns listed, continuing economic growth and recovery ranked as the most concerning. This was followed by price inflation, labor shortages and supply chain issues.

The Business Outlook Survey, conducted by the MMAC, contains responses from 63 Milwaukee area firms, both large and small, employing more than 13,300 people.

MMAC's Second-Quarter 2024 Business Outlook Survey*

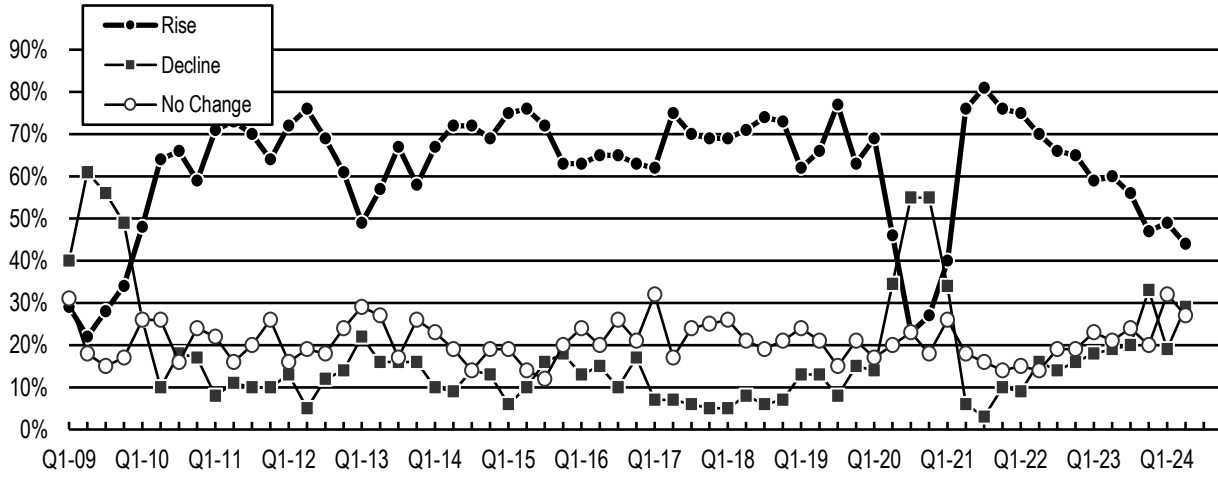
	Firms Expecting a:	Employers by Size		Employers by Industry		TOTAL
		Large	Small (1)	Manuf.	Non-Manuf.	
2024 Forecast						
Change in the dollar volume of Sales (net of inflationary effects) expected by 63 Milwaukee area firms for the entire year of 2024 vs. the entire year of 2023:						
	RISE :	48%	44%	61%	38%	46%
	DECLINE :	19%	31%	22%	28%	25%
	NO CHANGE :	33%	25%	17%	35%	29%
2024 Second Quarter (Compared to Previous Quarter)						
Change in dollar volume of Sales (net of inflationary effects) expected by 63 Milwaukee area firms for 2nd quarter 2024 vs. 1st quarter 2024:						
	RISE :	48%	39%	48%	40%	43%
	DECLINE :	19%	28%	22%	25%	24%
	NO CHANGE :	33%	33%	30%	35%	33%
2024 Second Quarter (Compared to Same Quarter One Year Ago)						
Change in dollar volume of Sales (net of inflationary effects) expected by 63 Milwaukee area firms for the 2nd quarter 2024 vs. 2nd quarter 2023:						
	RISE :	48%	42%	57%	38%	44%
	DECLINE:	26%	31%	22%	33%	29%
	NO CHANGE :	26%	28%	22%	30%	27%
Change in the dollar volume of Profits expected by 63 Milwaukee firms for the 2nd quarter 2024 vs. 2nd quarter of 2023:						
	RISE :	41%	44%	48%	40%	43%
	DECLINE :	26%	28%	26%	28%	27%
	NO CHANGE :	33%	28%	26%	33%	30%
Change in the level of Total Employment expected by 63 Milwaukee area firms for the 2nd quarter 2024 vs. 2nd quarter 2023:						
	RISE :	48%	47%	57%	43%	48%
	DECLINE :	22%	17%	22%	18%	19%
	NO CHANGE :	30%	36%	22%	40%	33%
Average change in the per person, employee Wages & Salaries expected in the next 12 months:						
	AVERAGE:	2.9%	2.6%	3.0%	2.6%	2.7%
Business Concerns going into 2024's Second Quarter						
Average ranking of concern level ranked 1 to 6. 1 being lowest ranked concern, 6 being highest ranked concern.	Price inflation	4.30	3.97	3.83	4.28	4.11
	Continuing economic growth & recovery	4.26	4.39	4.65	4.15	4.33
	Supply chain issues	3.26	2.91	3.61	2.74	3.06
	Labor shortages	3.59	3.19	3.39	3.35	3.67
	Crime	2.48	3.03	2.30	3.08	2.79
	Healthcare costs	3.11	2.97	3.22	2.93	

* Percentages may not sum to 100 due to rounding.

(1) Employment of less than 100 persons

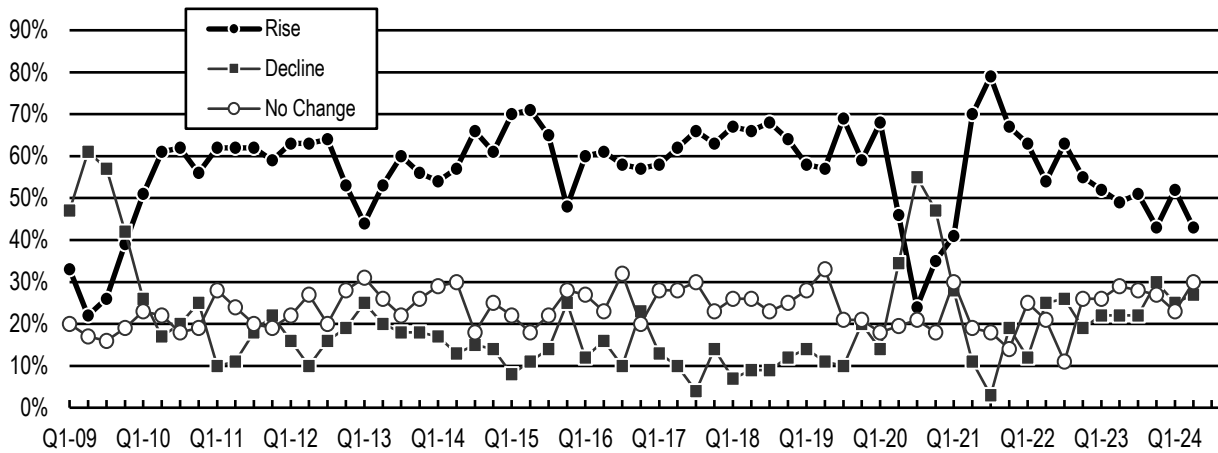
Quarterly Real Sales Expectations - Metro Milwaukee

(% of businesses expecting rise, decline or no chg. from same quarter one year ago)



Quarterly Profit Expectations - Metro Milwaukee

(% of businesses expecting rise, decline or no chg. from same quarter one year ago)



Quarterly Employment Expectations - Metro Milwaukee

(% of businesses expecting rise, decline or no chg. from same quarter one year ago)

