

Wisconsin Economic Outlook

Spring 2011

AT A GLANCE

The Wisconsin economy continues to grow:

- Wisconsin has added 38,600 jobs since total employment hit bottom in January 2010. By the first quarter of 2014, employment will return to its peak level of 2.9 million jobs reached in early 2008.
- Personal income has increased four consecutive quarters through the fourth quarter of 2010. Wisconsin personal income grew 3.4% in 2010, compared to 3.1% nationally. Wisconsin personal income should grow 4.6% in 2011 and 3.4% in 2012.
- Manufacturing employment growth will remain strong over the next three years: 3.0% in 2011, 3.5% in 2012, and 3.3% in 2013.

EMPLOYMENT

Wisconsin employment declined 4.4% in 2009 and 0.6% in 2010. Wisconsin started to modestly add jobs in January 2010, but the gains were not enough to lift total annual employment above 2009 levels.

Wisconsin employment will grow between 1% and 2% per year between 2011 and 2014.

Wisconsin employment posted positive year-over-year growth rates since the second half of 2010. Wisconsin has added 38,600 jobs since total employment hit bottom in January 2010. This is 22.5% of the 171,400 jobs lost between January of 2008 and January of 2010.

Employment should grow 1.3% in 2011. The recovery will gain momentum in 2012, posting 1.7% jobs growth in 2012 and 2013.

Employment will return to its peak level of 2.9 million jobs reached in early 2008 by the first quarter of 2014.

Last March, the U.S. Bureau of Labor Statistics released revised state seasonally adjusted employment data. As it was anticipated in the previous Outlook, Wisconsin employment was significantly revised upward for the second half of 2009 and most of 2010, reducing the total jobs lost during the recession.

Wisconsin lost fewer jobs than the U.S. Wisconsin lost 171,400 jobs during the recession, while 8.8 million jobs were lost nationwide.

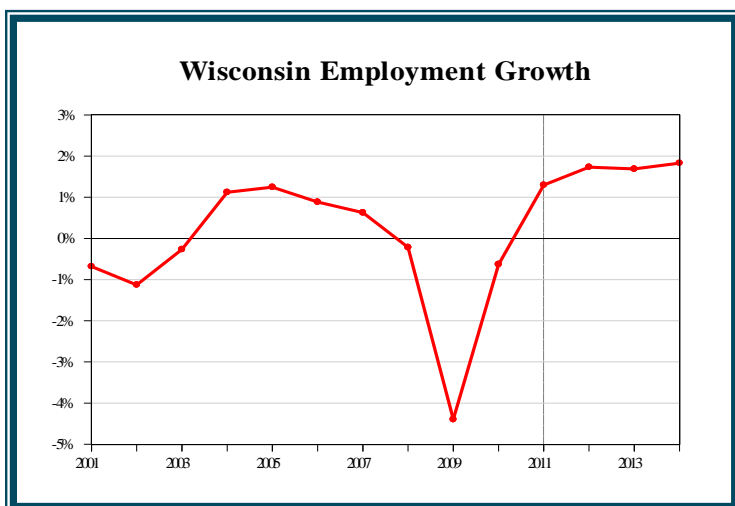
Wisconsin job losses represents 5.9% of total employment at the peak in early 2008, while the U.S. as a whole lost 6.3% of the total.

EMPLOYMENT SECTORS

Most of the jobs lost in the recession came from the two largest sectors: Manufacturing (75,800) and Trade, Transportation and Utilities (38,300). Manufacturing is also the sector that has added the most jobs (22,100) in the recovery, but it has recovered just 30% of the jobs lost so far.

Manufacturing employment growth will remain strong during the next three years: 3.0% in 2011, 3.5% in 2012, and 3.3% in 2013. Growth will moderate to 1.6% in 2014. In spite of this sustained growth, employment in this sector will still be 4.4% below its 2006 peak by the end of 2014 (see chart on page 2).

Trade, Transportation and Utilities employment fell in early 2010 to the same level as in 1995. The forecast calls for an employment increase of 1.4% in 2011 after three years of job losses in this sector. It will grow stronger in the following years, posting growth rates of 2.6% in 2012 and 1.7% in 2013. The Trade, Transportation and Utilities sector will remain short of its pre-recession employment level through 2014. However, it will retain its place as Wisconsin's largest employment sector.



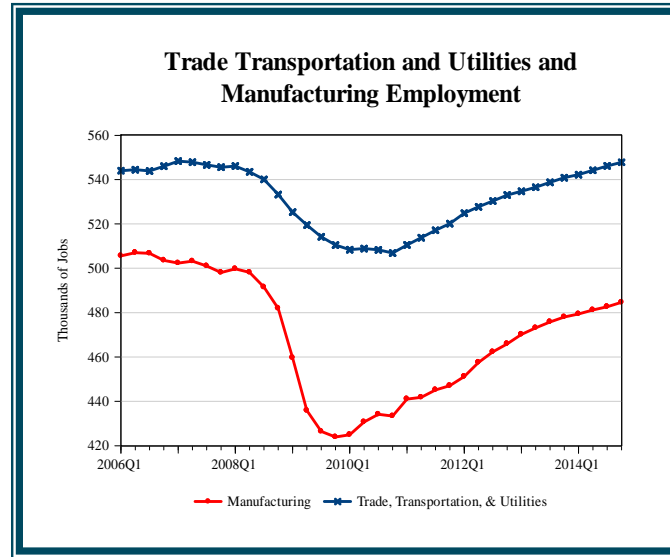
The **Education and Health Services** sector was the only private sector not to fall during the recession, helped by the dominant Health Care and Social Assistance subsector. Jobs in the private education industry declined slightly in 2007 and 2008, but these losses were offset by job gains in the Health subsector. After adding 3,600 jobs in 2010, the sector will add another 6,100 jobs in 2011 (1.5%). The forecast then calls for 1.8% growth in 2012 and 1.3% in 2013.

Professional and Business Services

employment hit bottom early in July 2009 and has been posting job gains ever since. It has recovered more than 60% of the jobs lost during the recession. This sector includes temporary help jobs, which represent a large share of the newly created jobs. The Administrative and Support and Waste Management and Remediation Services sector, which includes temporary jobs, has already recovered 93% of the jobs lost during the recession.

The strong recovery of the Professional and Business Services sector will continue during 2011, led by temporary employment service growth. The sector should reach its pre-recession employment level next year. The forecast calls for employment growth of 3.9% in 2011 and 3.1% in 2012.

The **Leisure and Hospitality** sector lost 13,100 jobs (or 5.0%) of its employment during the recession due to the decline in consumers' discretionary spending. The sector hit bottom in January 2010 but has advanced very slowly since then, recovering just 1,500 jobs. Employment in the Leisure and Hospitality sector will increase 1.2% in 2011, 1.3% in 2012 and 0.8% in 2013.



Employment in the **Financial Activities** sector fell 1.8% in 2009 and 2.3% in 2010. It will continue to shed jobs, falling 0.5% in 2011, with very timid growth between 2011 and 2014. Financial employment at the end of 2014 will still be more than 4% below its peak level in mid-2008.

The **Other Services** sector posted small job losses of -0.7% in 2009 and -0.4% in 2010. This sector accounts for 5.0% of Wisconsin jobs. Other Services employment hit bottom in mid 2010 and has already fully recovered from the recession. Strong growth should continue in 2011, up 3.2%, followed by almost no growth in 2012 and moderate growth rates of 0.6% in the following two years.

Wisconsin employment in the **Construction** sector peaked at the beginning of 2006 at 129,700 jobs. It has been declining since then and has not reached bottom yet. Construction employment in April reached a new low at 86,700 jobs. This means that one out of three construction workers lost their job in the past five years.

The outlook for Wisconsin Construction employment calls for two more years of job losses. Construction employment should decline 5.8% in 2011 and 1.0% in

2012. The forecast calls for a recovery of the sector by 2013, with strong growth of 2.9% and 5.3% in 2013 and 2014, respectively. However, by the end of 2014, the number of construction jobs will be at 75% of its 2006 peak.

The Information and Natural Resources and Mining

sectors are the smallest sectors in terms of employment in Wisconsin and nationwide. Employment in the Information sector recently hit bottom in January 2011, but has added 1,200 jobs since. The forecast

expects 1.6% growth in 2011 and 2.3% growth in 2012. In the next two years, job growth in this sector will be close to 1.0%. The Natural Resources and Mining employment declined in the last five years and should decline for two more years. It will start posting job growth in 2013.

The **Government** sector posted small job losses in 2009 and 2010. The outlook calls for a 0.8% decline in 2011 with losses at all government levels. The weak fiscal position of state and local governments will produce another government employment decline in 2012 (0.3%). The forecast expects growth close to 1.0% in the last two years of the forecast period.

UNEMPLOYMENT

The Wisconsin seasonally adjusted **unemployment rate** rose from 4.3% in the first quarter of 2008 to 8.8% in mid 2009 but retreated to 7.4% in the first quarter of 2011. It fell another tenth of a percentage point in April to 7.3%.

The unemployment rate in Wisconsin stayed below the national rate throughout the recession and will continue doing so.

The unemployment rate should decline to 7.2% in 2011 and 6.7% in 2012. By 2014, the Wisconsin unemployment rate will be 5.5%, still higher than its pre-recession level, but well below the 7.1% national unemployment rate.

The U.S. Bureau of Labor Statistics (BLS) releases alternative measures of labor underutilization for states. The most inclusive of these measures is the called **U-6 rate**, which measures:

- Total unemployed
- All marginally attached workers (persons looking for work sometime in the past twelve months but not the last four weeks)
- Workers working part-time for economic reasons as a percent of the civilian labor force

This measure adjusts for the distortion of a decline of the unemployment rate due to people leaving the labor force and people working part-time because they cannot find a full time job. BLS publishes this alternative measure for the states on annual averages.

The Wisconsin U-6 rate for the period between the second quarter of 2010 and the first quarter of 2011 was 14.5%, compared to 16.5% nationwide.

HOUSING

The housing sector is still struggling after the expiration of the federal homebuyers' tax credit mid-2010. The IHS Global Insight April 2011 forecast expects U.S. housing starts to hit bottom by mid 2011, but expects home prices to decline for the fourth consecutive year.

After the federal homebuyers' tax credit expired, Wisconsin existing home sales and housing building permits declined.

According to the Wisconsin Realtors Association, **existing home sales** fell 7.0% in 2010, after a small 0.4% increase in 2009. Existing home sales declined 16% year-over-year during the first four months of 2011. The median home price declined 11.7% in 2009 and increased 1.7% in 2010. In the first four months of 2011, the median home price fell 8.9% from the previous year to \$123,541.

The Federal Housing Finance Agency releases a different measure of **home prices**. According to their Purchase-Only House Price Index, home prices in Wisconsin have been falling since mid-2007. The Wisconsin Purchase-Only House Price Index fell 2.3% year-over-year in the fourth quarter of 2010, less than the 3.9% decline nationwide.

Wisconsin building permits have been declining since their peak at 42,700 in the last quarter of 2003. They grew slightly from mid-2009 to mid-2010 due to the federal homebuyers' tax credit, but fell again in the first quarter of 2011.

Housing activity will pick up again in 2011. Wisconsin building permits should hit bottom by mid 2011 and gain momentum toward 2012. Wisconsin building permits will increase 5.2% in 2011 and 68.2% in 2012, but the level of permits in 2012 (21,400) will still be 56% of its 2003 peak levels.

Several significant risks to the recovery of the housing sector are easing. Foreclosures and mortgage delinquencies are recently moderating.

Foreclosure and delinquency rates are improving. Wisconsin **foreclosures** in the first quarter of 2011 declined 5% from the last quarter of 2010, but rose 1.0% from a year ago. Wisconsin ranks 13th in the nation, with one out of 220 households in foreclosure in the first quarter of 2011. This compares to one out of

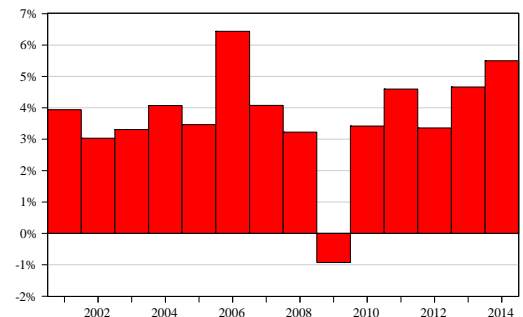
every 191 households in foreclosure nationwide, and one out of every 35 households in foreclosure in Nevada, which leads the ranking.

Real estate transfer fee collections reflect the pulse of Wisconsin real estate. The fee is imposed on all real estate conveyances at a rate of \$0.30 per \$100 of value. Collections peaked in 2005 at \$80.2 million and have been declining since. Collections fell 24.8% in 2008, 22.7% in 2009, and 3.5% in 2010 to \$38.7 million. Collections fell 2.5% in the first quarter of 2011 from a year ago.

INCOME OUTLOOK

Wisconsin personal income resumed growth in 2010 after falling for the first time in 50 years during 2009. Wisconsin personal income grew 3.4% in 2010, compared to 3.1% nationally.

Wisconsin Personal Income Growth



Wisconsin personal income should grow 4.6% in 2011 and 3.4% in 2012, somewhat below the forecasted growth of national personal income and a bit slower than previous recoveries.

When considering the impact of inflation, real personal income declined 0.1% in 2008 and 1.1% in 2009. Inflation, as measure by the personal consumption expenditures price index, advanced 1.7% in 2010. The slow recovery will keep inflation low the following years, advancing 2.1% in 2011 and 1.8% in 2012 and 2013.

Wisconsin real personal income will then grow 2.4% in 2011 and 1.6% in 2012, compared to 3.0% and 1.9% increases nationwide, respectively.

PERSONAL INCOME COMPONENTS

Wisconsin and U.S. nominal wages and salaries declined in 2009 as a result of drastic employment losses and the lowest wage growth in the past 50 years.

Wages and salaries account for more than half of total personal income. Wisconsin wages and salaries fell 4.3% in 2009 in the U.S. and Wisconsin.

Wisconsin wages and salaries fell 5.3% from its peak in the third quarter of 2008 to its trough in the first quarter of 2010. During the recession, the wage and salary share of total personal income fell from 56% in 2004 to less than 52% in 2010.

Wisconsin **wages and salaries** resumed year-over-year growth in the second quarter of 2010 and should continue growing as the recovery firms. Wages and salaries should post an annual increase of 1.8% in 2010. With employment back on a growth path, wages and salaries will accelerate to 4.1% growth in 2011 and 5.1% growth in 2012.

Supplements to wages and salaries, employer contributions for employee pension and insurance funds and employer contributions for government social insurance, grew 3.5% in 2010. This should have moderate, but sustained, growth beyond 2010. It will grow at 2.2% in 2011 and 2.6% in 2012, but be above 4.5% for 2013 and 2014.

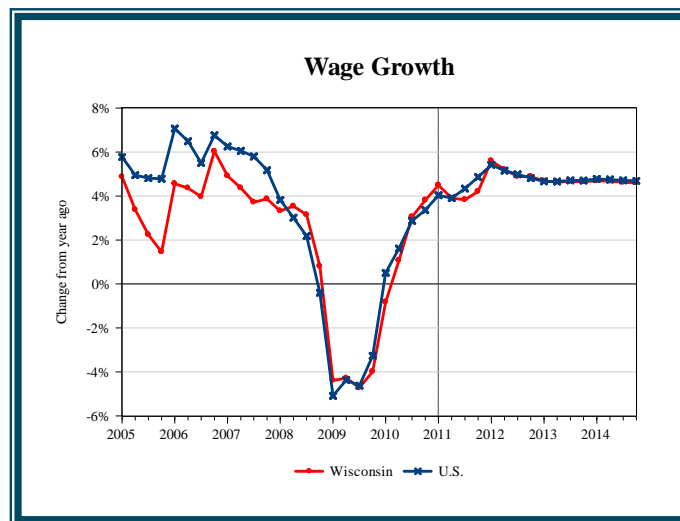
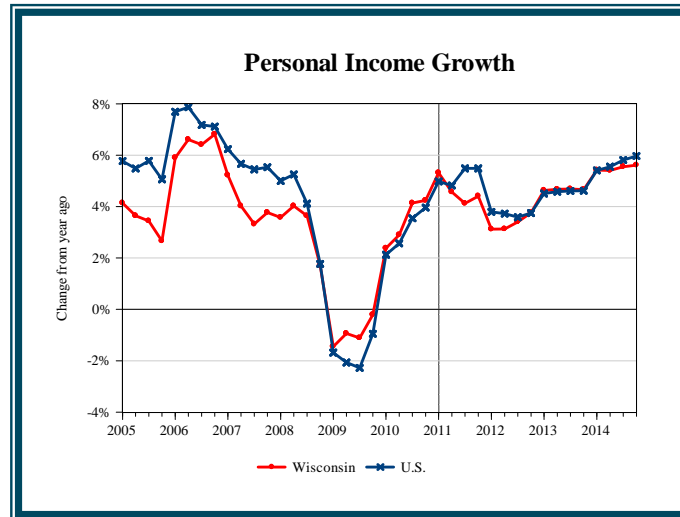
Proprietors' income resumed growth in 2010 after three consecutive years of decline. Proprietors' income posted 10.8% growth in 2010, compared to 4.3% growth nationwide. This should

Interest income fell 6.7% in 2009 and 2.6% in 2010. This decline is largely due to the Federal Reserve's policy of easing interest rates in response to the economic crisis.

Expect another small decline in interest income of 0.2% in 2011. Personal interest income will resume growth in 2012 growing 3.3% and accelerating above 8.0% for the next two years.

Personal current transfer receipts jumped 21.7% in 2009 as expected, considering the magnitude of the current recession and the significant increase in unemployment. This component of personal income consists largely of payments to individuals and to nonprofit institutions by federal, state, and local governments. Social security payments and Medicare account for more than 60% of Wisconsin personal current transfers.

Following the national trend, Wisconsin personal current transfer receipts increased another 8.8% in 2010 during the initial phase of the recovery. Transfer receipts should grow at moderate rates, below 4.0%, for the next three years.



grow 7.5% in 2011 and between 4-5% for the next three years.

Rental income climbed 60.6% in 2008 and 24.9% in 2009 after three years of declines. This will grow 15.0% in 2011, 10.9% in 2012, and continue to grow at moderate rates throughout 2014.

Dividend income fell 13.1% in 2009 and 3.9% in 2010. This should grow around 4.0% in 2011 and 2012 before resuming slightly more robust growth from there on.

RELATED INCOME MEASURES

Wisconsin **disposable personal income** (total after-tax income received by persons available for spending or saving) increased 1.7% in 2009 and 5.0% in 2010. This was due to the decline in personal tax under the federal fiscal recovery package: personal tax payments declined 20.7% in 2009 and 11.2% in 2010. Wisconsin disposable personal income should grow 4.7% in 2011 and 3.3% in 2012.

State Gross Domestic Product
(GDP) data is released on an annual

basis. The latest data show that Wisconsin real GDP fell 0.8% in 2009, compared to a 2.6% decline

nationally. Real Wisconsin GDP should grow 3.0% in 2010 and 2.3% in 2011.

The Wisconsin Economic Outlook is a quarterly publication of the
Wisconsin Department of Revenue
Division of Research & Policy

This forecast is based on the April national outlook from IHS Global Insight.

Questions: doreconomists@revenue.wi.gov

Wisconsin Department of Revenue
2135 Rimrock Road • Madison, WI 53713
www.revenue.wi.gov

BACKGROUND: U.S. ECONOMY

IHS Global Insight, Inc (April 2011)

GDP	2007	2008	2009	2010	2011	2012	2013	2014
Real GDP (\$ Billions, 2005 Dollars)	13,228.9	13,228.9	12,880.6	13,248.2	13,620.7	14,021.8	14,413.3	14,890.9
% Change	1.9	0.0	-2.6	2.9	2.8	2.9	2.8	3.3
GDP (\$ Billions, Current Dollars)	14,061.8	14,369.1	14,119.1	14,660.4	15,303.6	16,013.8	16,737.5	17,632.0
% Change	4.9	2.2	-1.7	3.8	4.4	4.6	4.5	5.3
Employment and Prices								
Payroll Employment (Thousands)	137.6	136.8	130.8	129.8	131.4	133.8	136.2	138.9
% Change	1.1	-0.6	-4.4	-0.7	1.2	1.8	1.8	2.0
Unemployment Rate (%)	4.6	5.8	9.3	9.6	8.8	8.2	7.8	7.1
Consumer Price Index (% Change)	2.9	3.8	-0.3	1.6	2.8	1.9	2.0	2.2
Employment Cost Index (% Change)	3.1	2.9	1.5	1.8	2.1	2.3	2.4	2.8
Industrial Production (% Change)	2.7	-3.7	-11.2	5.3	5.5	3.6	2.6	3.6
Retail Gasoline Prices (incl. Taxes, \$/gallon)	2.85	3.32	2.40	2.84	3.55	3.64	3.76	3.81
Financial Markets								
Three Month Treasury Bills (%)	4.4	1.4	0.2	0.1	0.2	1.5	3.4	3.6
30-year Mortgage Rate (%)	6.3	6.0	5.0	4.7	5.0	5.3	6.1	6.2
Income and Profits								
Personal Income (\$ Billions)	11,912.3	12,391.2	12,174.9	12,546.7	13,198.7	13,689.0	14,315.9	15,130.5
% Change	5.7	4.0	-1.7	3.1	5.2	3.7	4.6	5.7
Wages & Salaries (\$ Billions)	6,421.7	6,559.1	6,274.1	6,405.0	6,679.5	7,019.4	7,348.2	7,695.9
% Change	5.8	2.1	-4.3	2.1	4.3	5.1	4.7	4.7
Corporate Profits, Before Tax (\$ Billions)	1,510.7	1,262.8	1,258.0	1,624.8	1,682.5	1,719.5	1,768.5	1,878.0
% Change	-6.1	-16.4	-0.4	29.2	3.6	2.2	2.8	6.2

- The U.S. economy continues to move forward with unemployment declining and manufacturing and export growth strong.
- However, the 2011 forecast has been lowered due to high oil prices, weak first quarter GDP growth, and lingering effects from the March earthquake in Japan (especially in the auto manufacturing sector).
- The high cost of oil and rising food prices are pushing headline inflation up. While there are not yet signs of wage inflation, consumers are feeling squeezed.
- The housing market is still struggling, bringing down construction spending and consumer confidence.
- Key assumptions of IHS Global Insight's April 2011 forecast:
 - Oil prices will average \$101/barrel in 2011 and \$104/barrel in 2012.
 - The Federal Reserve will complete its second quantitative easing program of purchasing Treasury securities (QEII), but does not expand the program. It will begin to raise rates in March 2012.
 - The dollar continues to slide against the currencies of its major trading partners, especially against emerging-market currencies.
 - Global growth slows in 2011, with GDP of the U.S. major trading partners slowing from 2.6% growth in 2010 to 2.2% in 2011.
 - Income taxes will rise starting in 2013, even as federal spending cuts are made starting in 2012.

YEAR-TO-DATE REVENUE COLLECTIONS

Through the first ten months of fiscal year 2011 (FY11), Wisconsin General Purpose Revenue (GPR) tax collections increased 6.7% to \$9,794.6 million. Revenues increased 8.5% when adjusted for late postings in withholding.

Collections during the month of April came in much higher than expected. As a result, the [Legislative Fiscal Bureau revised its FY11 estimates](#) up by \$233 million on May 11, 2011. It is now expecting revenues to reach \$12,924.7 million in FY11, growth of 6.5% over the previous fiscal year.

Individual Income tax revenues during the July-April period increased 9.9% in FY11 (or 13.4%) after making the adjustment for the late posting in withholding. Collections of withholding, the largest component of individual income tax returns, have an underlying growth rate of 5.5% after making the adjustment for the late posting and other accounting adjustments. Quarterly estimated payments are up 7.6% for the year, while payments with returns are up 32.2%. Refunds have declined 6.3% through April of FY11.

Sales tax revenues are up 4.1% through April of FY11 to \$3,021.0 million.

Corporate tax collections have increased 6.7% to \$657.5 million in the July-April period in FY11. Estimated payments are up 3.3% year-to-date, while payments with returns and audit and delinquent payments are down 9.0%. Refunds have also declined so far this fiscal year, down 22.7%.

Excise tax collections are 3.1% lower than this time last year, a decrease of \$17.5 million. The source of this decline is cigarette tax revenues, which are down 4.3%, and to a lesser extent, beer tax revenues, down 1.5%. Meanwhile, tobacco tax revenues are up 4.2% and alcohol and wine tax revenues have increased 5.0%.

Public Utility tax revenues have grown 1.9% this fiscal year and insurance premium tax revenues are up 6.8%. However, real estate transfer fees, the largest component of the 'Other' revenues, are down 19.4%.

Comparison of July-April General Purpose Revenues (\$ Thousands)

Revenue Source	Collections to Date		
	FY10	FY11	% change
Individual Income	4,640,972	5,101,328	9.9%
Adjusted	4,640,972	5,260,893	13.4%
General Sales & Use	2,901,737	3,021,026	4.1%
Corporate Franchise	615,956	657,467	6.7%
Excise Taxes	562,137	544,681	-3.1%
Public Utility	176,154	179,585	1.9%
Insurance	98,088	104,722	6.8%
Other	32,656	26,248	-19.6%
Total GPR	9,027,699	9,635,056	6.7%
Adjusted	9,027,699	9,794,622	8.5%

APPENDIX 1

WISCONSIN EMPLOYMENT FORECAST: INDUSTRY DETAIL
(THOUSANDS OF WORKERS)

	History				Forecast			
	2007	2008	2009	2010	2011	2012	2013	2014
Total Nonfarm	2,884.8	2,878.6	2,752.1	2,734.8	2,770.2	2,818.2	2,865.7	2,918.2
% Change	0.6	-0.2	-4.4	-0.6	1.3	1.7	1.7	1.8
Private Nonfarm	2,468.6	2,456.6	2,331.5	2,314.5	2,353.3	2,402.4	2,446.1	2,493.9
% Change	0.7	-0.5	-5.1	-0.7	1.7	2.1	1.8	2.0
Natural Resources & Mining	3.7	3.4	3.0	2.9	2.9	2.8	2.8	2.9
% Change	-6.8	-7.1	-12.3	-1.7	-2.2	-2.6	0.9	3.0
Construction	126.0	118.4	101.7	94.2	88.7	87.9	90.4	95.2
% Change	-1.3	-6.0	-14.1	-7.4	-5.8	-1.0	2.9	5.3
Manufacturing	501.2	492.8	436.5	430.8	443.7	459.2	474.3	482.0
% Change	-0.9	-1.7	-11.4	-1.3	3.0	3.5	3.3	1.6
Trade, Transportation & Utilities	547.1	540.7	517.4	508.1	515.4	529.0	537.8	545.1
% Change	0.5	-1.2	-4.3	-1.8	1.4	2.6	1.7	1.4
Information	50.2	50.2	48.0	46.6	47.3	48.4	48.9	49.4
% Change	1.9	0.0	-4.4	-2.9	1.6	2.3	0.9	1.1
Financial Activities	163.1	164.1	161.2	157.5	156.8	157.0	157.2	157.7
% Change	0.8	0.6	-1.8	-2.3	-0.5	0.1	0.1	0.3
Professional & Business Services	279.0	281.6	258.5	267.4	277.9	286.6	295.0	313.2
% Change	3.0	0.9	-8.2	3.5	3.9	3.1	2.9	6.2
Education & Health Services	398.8	406.8	414.6	418.2	424.3	432.0	437.5	444.3
% Change	1.7	2.0	1.9	0.9	1.5	1.8	1.3	1.5
Leisure & Hospitality	262.0	259.5	252.6	251.3	254.4	257.6	259.6	260.6
% Change	1.0	-1.0	-2.6	-0.5	1.2	1.3	0.8	0.4
Other Services	137.6	139.1	138.0	137.4	141.8	141.9	142.7	143.6
% Change	1.2	1.0	-0.7	-0.4	3.2	0.1	0.6	0.6
Government	416.2	422.0	420.6	420.3	416.9	415.7	419.6	424.2
% Change	0.2	1.4	-0.3	-0.1	-0.8	-0.3	0.9	1.1
Federal Government	29.2	29.6	30.1	31.2	29.4	29.5	29.4	29.2
% Change	0.0	1.3	1.6	3.7	-5.7	0.3	-0.5	-0.5
State & Local Government	387.0	392.4	390.5	389.1	387.5	386.2	390.2	395.0
% Change	0.2	1.4	-0.5	-0.4	-0.4	-0.3	1.0	1.2
Household Survey Employment Measures								
Labor Force	3,094.3	3,081.9	3,081.6	3,040.0	3,062.8	3,085.2	3,104.2	3,123.7
% Change	0.7	-0.4	0.0	-1.4	0.7	0.7	0.6	0.6
Employment	2,947.4	2,932.7	2,820.5	2,793.6	2,841.1	2,878.1	2,912.1	2,951.2
% Change	0.6	-0.5	-3.8	-1.0	1.7	1.3	1.2	1.3
Unemployment Rate (%)	4.7	4.8	8.5	8.1	7.2	6.7	6.2	5.5

APPENDIX 2

WISCONSIN EMPLOYMENT FORECAST: INDUSTRY DETAIL
(THOUSANDS OF WORKERS)

Quarterly Data (Seasonally Adjusted, % Change at an Annual Rate)

	History				Forecast			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1
Total Nonfarm	2,738.1	2,737.8	2,737.8	2,752.0	2,764.7	2,777.8	2,786.2	2,800.7
% Change	1.9	0.0	0.0	2.1	1.9	1.9	1.2	2.1
Private Nonfarm	2,314.5	2,318.3	2,319.0	2,333.0	2,347.0	2,361.9	2,371.2	2,385.6
% Change	1.5	0.7	0.1	2.4	2.4	2.6	1.6	2.5
Natural Resources & Mining	3.0	2.9	2.9	2.9	2.9	2.9	2.8	2.8
% Change	0.0	-8.7	0.0	0.0	-0.6	-5.2	-4.3	-2.4
Construction	95.1	92.8	92.1	88.6	89.6	88.7	88.1	87.7
% Change	-7.2	-9.3	-3.0	-14.1	4.4	-3.9	-2.8	-1.6
Manufacturing	430.7	434.2	433.4	441.0	441.8	445.1	447.0	451.1
% Change	5.5	3.3	-0.7	7.2	0.7	3.1	1.7	3.7
Trade, Transportation & Utilities	508.9	508.3	506.9	510.5	513.8	517.2	520.1	524.8
% Change	0.4	-0.5	-1.1	2.9	2.6	2.6	2.3	3.7
Information	46.5	46.7	46.7	46.7	47.0	47.5	48.1	48.3
% Change	-0.9	2.0	-0.3	0.6	2.5	4.2	4.7	1.8
Financial Activities	157.9	157.4	155.8	156.1	156.8	157.2	157.0	157.1
% Change	-2.6	-1.3	-4.0	0.7	1.8	1.2	-0.6	0.1
Professional & Business Services	267.0	269.9	269.7	272.0	275.4	280.7	283.7	285.4
% Change	5.9	4.4	-0.3	3.5	5.2	7.9	4.4	2.4
Education & Health Services	417.3	418.4	419.6	420.3	423.3	426.0	427.5	429.9
% Change	0.1	1.0	1.2	0.7	2.9	2.6	1.3	2.3
Leisure & Hospitality	251.3	250.8	253.2	252.3	254.9	255.1	255.4	256.6
% Change	2.3	-0.7	3.8	-1.4	4.2	0.3	0.5	1.9
Other Services	136.9	137.0	138.8	142.6	141.5	141.5	141.5	141.9
% Change	-0.2	0.1	5.6	11.4	-3.0	-0.1	-0.1	1.1
Government	423.6	419.4	418.9	419.0	417.7	415.9	415.0	415.1
% Change	4.2	-3.9	-0.5	0.1	-1.2	-1.7	-0.9	0.1
Federal Government	35.3	30.5	29.2	28.8	29.7	29.7	29.6	29.6
% Change	94.4	-43.8	-16.0	-6.2	13.9	-0.7	-0.6	-0.5
State & Local Government	388.3	388.9	389.6	390.2	388.0	386.2	385.4	385.5
% Change	-1.1	0.6	0.8	0.6	-2.3	-1.8	-0.9	0.1

Household Survey Employment Measures

Labor Force	3,048.9	3,030.7	3,041.5	3,051.3	3,060.3	3,068.5	3,071.1	3,077.6
% Change	1.3	-2.4	1.4	1.3	1.2	1.1	0.3	0.8
Employment	2,798.5	2,793.0	2,809.5	2,825.0	2,835.9	2,848.4	2,855.0	2,865.6
% Change	3.7	-0.8	2.4	2.2	1.6	1.8	0.9	1.5
Unemployment Rate (%)	8.2	7.9	7.6	7.4	7.3	7.2	7.0	6.9

APPENDIX 3

WISCONSIN INCOME SUMMARY - PERSONAL INCOME BY MAJOR SOURCE
(\$ Billions)

	2007	History 2008	2009	Forecast 2010	2011	2012	2013	2014
Total Personal Income	206.648	213.317	211.337	218.564	228.614	236.290	247.306	260.914
% Change	4.1	3.2	-0.9	3.4	4.6	3.4	4.7	5.5
Wages and Salaries	113.484	116.541	111.473	113.448	118.107	124.179	129.957	135.999
% Change	4.2	2.7	-4.3	1.8	4.1	5.1	4.7	4.6
Supplements to Wages and Salaries	25.805	26.984	27.325	28.292	28.917	29.674	31.099	32.763
% Change	-1.4	4.6	1.3	3.5	2.2	2.6	4.8	5.4
Proprietor's Income	15.112	13.929	11.883	13.167	14.150	14.807	15.408	16.224
% Change	-3.5	-7.8	-14.7	10.8	7.5	4.6	4.1	5.3
Property Income	36.623	38.652	36.423	36.493	37.767	39.587	42.499	45.294
% Change	7.6	5.5	-5.8	0.2	3.5	4.8	7.4	6.6
Rental Income*	2.367	3.803	4.748	5.782	6.648	7.370	7.928	8.258
% Change	-7.8	60.6	24.9	21.8	15.0	10.9	7.6	4.2
Personal Dividend Income*	13.344	13.193	11.466	11.022	11.461	11.911	12.576	13.199
% Change	7.7	-1.1	-13.1	-3.9	4.0	3.9	5.6	5
Personal Interest Income*	20.912	21.657	20.210	19.690	19.658	20.306	21.995	23.837
% Change	9.5	3.6	-6.7	-2.6	-0.2	3.3	8.3	8.4
Personal Current Transfer Receipts	29.962	31.974	38.913	42.320	43.625	45.089	46.779	49.795
% Change	7.9	6.7	21.7	8.8	3.1	3.4	3.7	6.4
Residence Adjustment	3.673	3.770	3.416	3.499	3.609	3.750	3.924	4.109
% Change	8.3	2.6	-9.4	2.4	3.2	3.9	4.6	4.7
Contributions to Government Social Ins.	18.010	18.532	18.096	18.654	17.561	20.796	22.361	23.270
% Change	3.7	2.9	-2.4	3.1	-5.9	18.4	7.5	4.1
Related Income Measures								
Real Personal Income (2005 \$)**	195.756	195.602	193.431	196.693	201.421	204.597	210.302	217.401
% Change	1.3	-0.1	-1.1	1.7	2.4	1.6	2.8	3.4
Real Per Capita Income (2005 \$)**				34,586	35,238	35,613	36,422	37,467
% Change					1.9	1.1	2.3	2.9
Per Capita Income				38,432	39,995	41,130	42,831	44,966
% Change					4.1	2.8	4.1	5.0
Personal Tax & Nontax Payments	24.812	25.245	20.022	17.777	18.361	19.123	19.996	20.647
% Change	6.1	1.7	-20.7	-11.2	3.3	4.1	4.6	3.3
Disposable Personal Income	181.836	188.072	191.316	200.787	210.253	217.167	227.31	240.268
% Change	3.8	3.4	1.7	5.0	4.7	3.3	4.7	5.7
GDP*	238.636	246.282	244.369	255.226	266.748	277.454	290.168	305.794
% Change	4.1	3.2	-0.8	4.4	4.5	4.0	4.6	5.4
Real GDP (2005 \$)*	224.492	226.783	222.928	230.624	237.428	242.947	249.885	258.268
% Change	1.2	1.0	-1.7	3.5	3.0	2.3	2.9	3.4

* Forecast, BEA's estimates for 2010 will be release in June for the GDP data and September for the property income components data.

** Population note: The Census Bureau has not yet released intercensal population estimates that incorporate the results of the 2010 Decennial Census. The estimate of population for 2010 is the April 1, 2010 count.

APPENDIX 4

WISCONSIN INCOME SUMMARY - PERSONAL INCOME BY MAJOR SOURCE

(\$ Billions)

Quarterly Data (Seasonally Adjusted, % Change at an Annual Rate)

	History				Forecast			
	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4
Total Personal Income	213.771	217.950	220.561	221.974	225.126	227.917	229.657	231.757
% Change	1.6	8.1	4.9	2.6	5.8	5.1	3.1	3.7
Wages and Salaries	110.576	112.960	114.670	115.584	115.548	117.370	119.062	120.449
% Change	-2.7	8.9	6.2	3.2	-0.1	6.5	5.9	4.7
Supplements to Wages and Salaries	27.656	28.141	28.582	28.790	28.978	29.259	28.593	28.837
% Change	1.7	7.2	6.4	2.9	2.6	3.9	-8.8	3.4
Proprietor's Income	12.527	13.162	13.532	13.447	13.801	14.090	14.322	14.385
% Change	14.2	21.9	11.7	-2.5	10.9	8.7	6.7	1.8
Property Income	36.407	36.561	36.312	36.692	37.325	37.633	37.838	38.271
% Change	5.2	1.7	-2.7	4.3	7.1	3.3	2.2	4.7
Personal Current Transfer Receipts	41.353	42.230	42.791	42.905	43.133	43.455	43.892	44.018
% Change	6.9	8.8	5.4	1.1	2.1	3	4.1	1.2
Residence Adjustment	3.458	3.485	3.520	3.531	3.562	3.596	3.627	3.652
% Change	4.0	3.2	4.1	1.3	3.6	3.9	3.5	2.7
Contributions to Government Social Ins.	18.206	18.588	18.846	18.977	17.222	17.486	17.678	17.856
% Change	2.2	8.7	5.7	2.8	-32.2	6.3	4.5	4.1
Related Income Measures								
Real Personal Income (2005 \$)	192.758	196.55	198.521	198.941	199.926	201.111	201.737	202.912
% Change	-0.5	8.1	4.1	0.8	2.0	2.4	1.3	2.4