

Monthly Economic Update

NOVEMBER 2021, FEATURING OCTOBER NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

Based in part on information and commentary supplied by Federal
and State government statistical agencies.

Wisconsin Updates

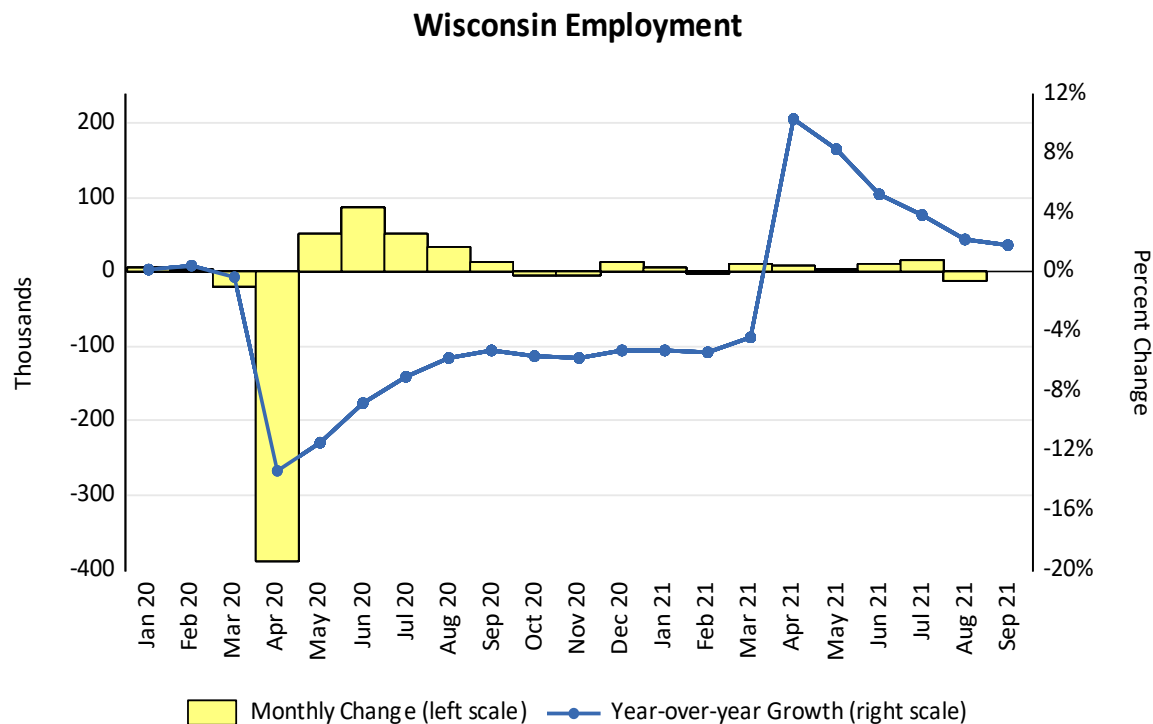
Employment

- Industry Detail

First Quarter FY22 Revenues

Farm prices

Wisconsin Employment Flat in September



Wisconsin total employment was flat in September, after a revised loss of 10,800 in July. Total employment is 121,400 jobs short of its pre-pandemic level.

Wisconsin total employment in September stood 4% below its February 2020 level. As a comparison, US September employment was 3.3% below its February 2020 level.

Wisconsin private employment fell by 100 in September, which was exactly offset but a gain of 100 jobs in government employment.

Manufacturing added 4,100 jobs in August, more than offsetting a loss of 1,400 in August.

Service-providing sectors, which represent 80% of total employment, posted a loss of 4,300 jobs in September. Most job losses were in Educational Services with all other services sectors posting small gain and losses.

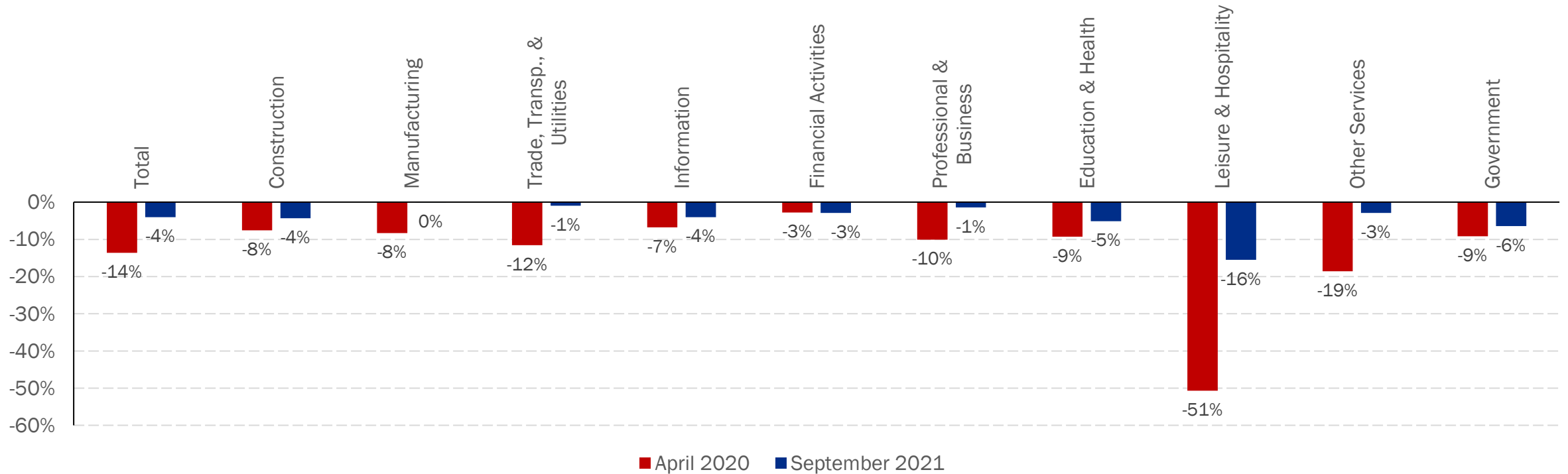
The Educational Services sector dropped by 4,900 jobs in September, while Leisure and Hospitality added 1,400.

The unemployment rate stayed at 3.9% for the sixth consecutive month.

Source: US Bureau of Labor Statistics, Current Employment Statistics Program.

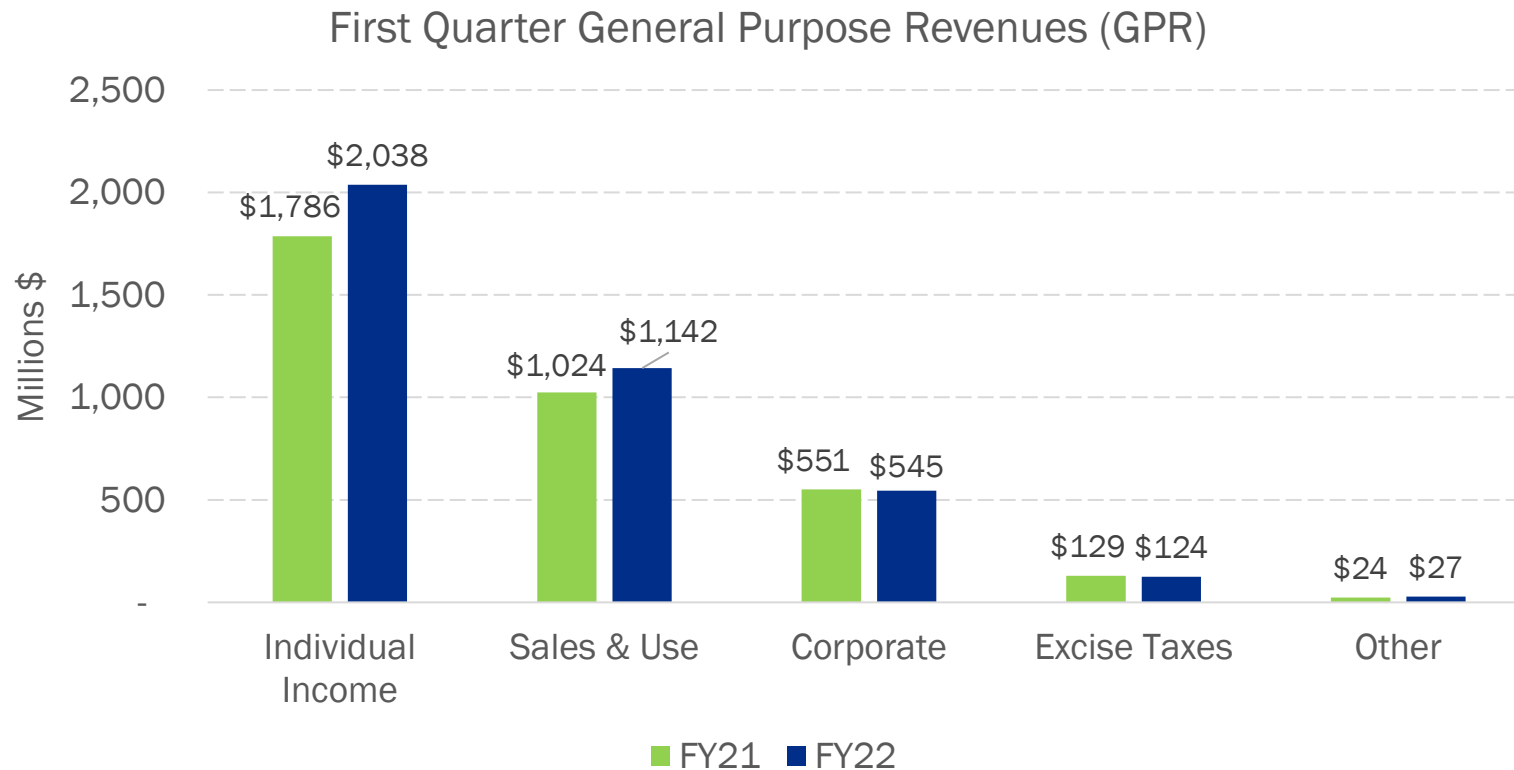
September Wisconsin Employment Detail: Manufacturing Sector Has Recovered; Other Sectors Need More Time

Percent Change in Employment Since February 2020



Source: US Bureau of Labor Statistics, Current Employment Statistics Program.

FY22 General Purpose Revenues Up \$362 Million in First Quarter



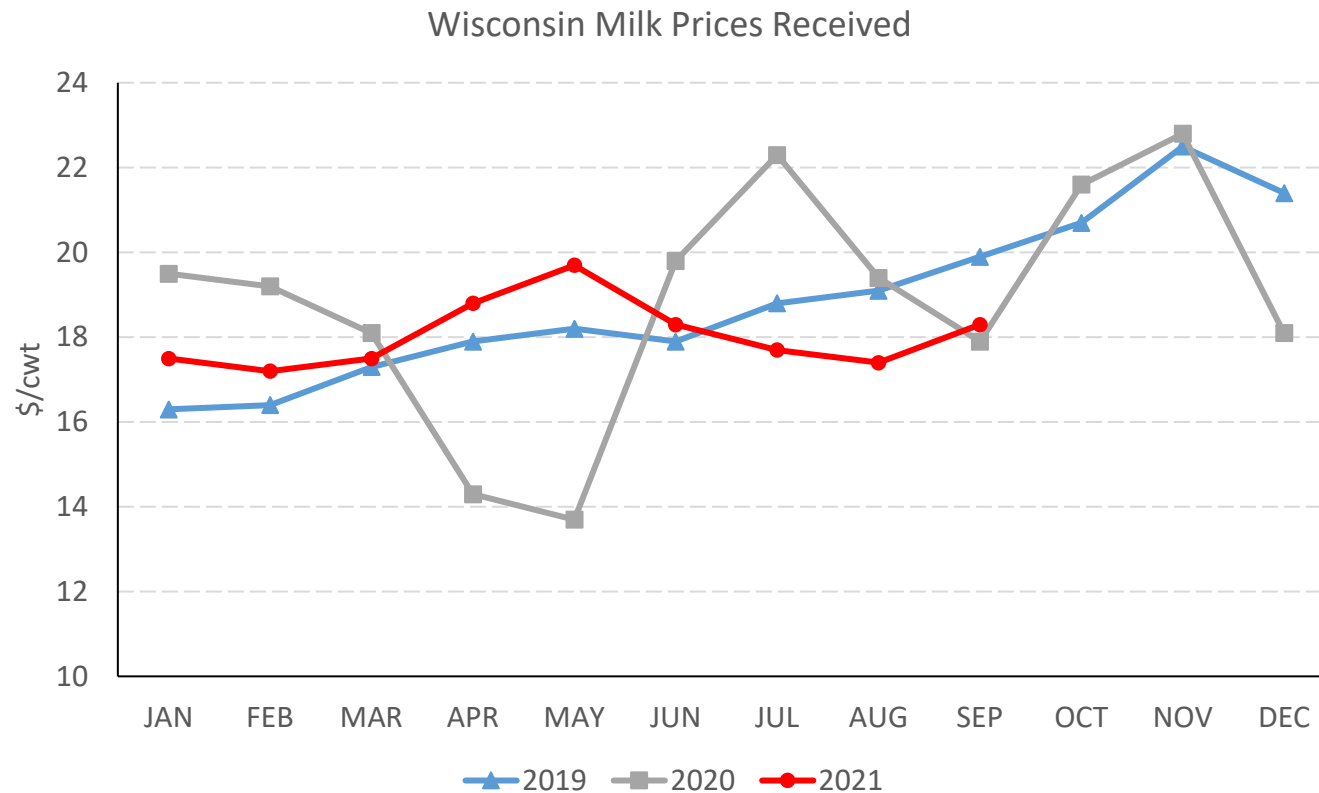
First Quarter Revenues were 10.3% higher than the same period of the previous year.

Individual income tax receipts are currently 14.1% higher than the same period last year. Growth will continue for the next several months. However, due to rate cuts effective with tax year 2021, and updated withholding tables, individual income tax receipts will decline sharply in the new year.

Sales tax receipts are up 11.5% over the first quarter of FY2021.

Source: Wisconsin Department of Revenue. For more details, see [Department of Revenue Collections, First Quarter FY2022 \(wi.gov\)](https://www.wisconsin.gov/revenue/collections).

September Milk Prices Above 2020 Levels

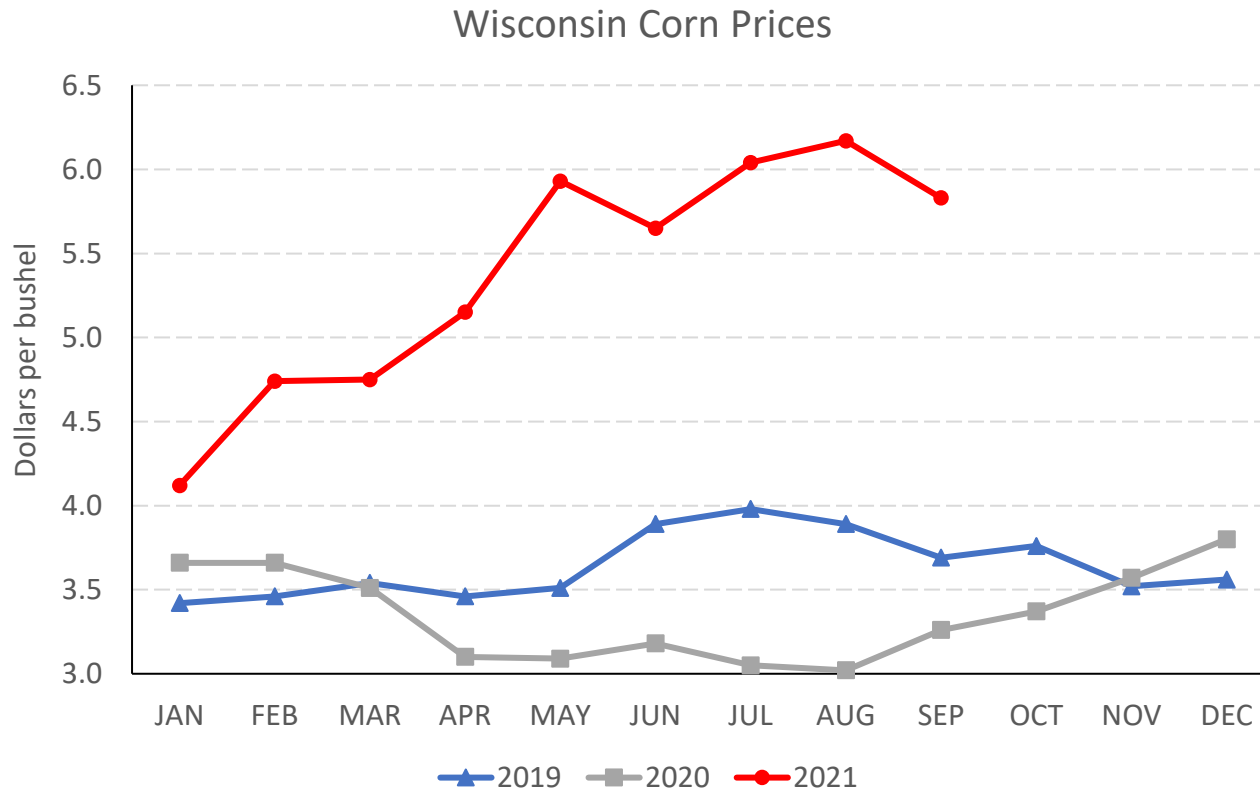


Milk prices received by Wisconsin farmers rose from \$17.40 in August to \$18.30 per hundredweight (cwt) in September 2021.

This is \$0.40 above the \$17.90/cwt in September 2020 but below 2019 levels.

Source: US Department of Agriculture, National Agricultural Statistics Service

September Corn Prices Remain Elevated



Wisconsin corn prices have remained elevated through the summer.

In August, corn prices reached \$6.17 per bushel before dipping to \$5.83 per bushel in September.

Corn prices are the highest they've been in eight years.

Prices are well above the \$3.26 per bushel in September 2020 and the \$3.69 per bushel in September 2019.

Source: US Department of Agriculture, National Agricultural Statistics Service

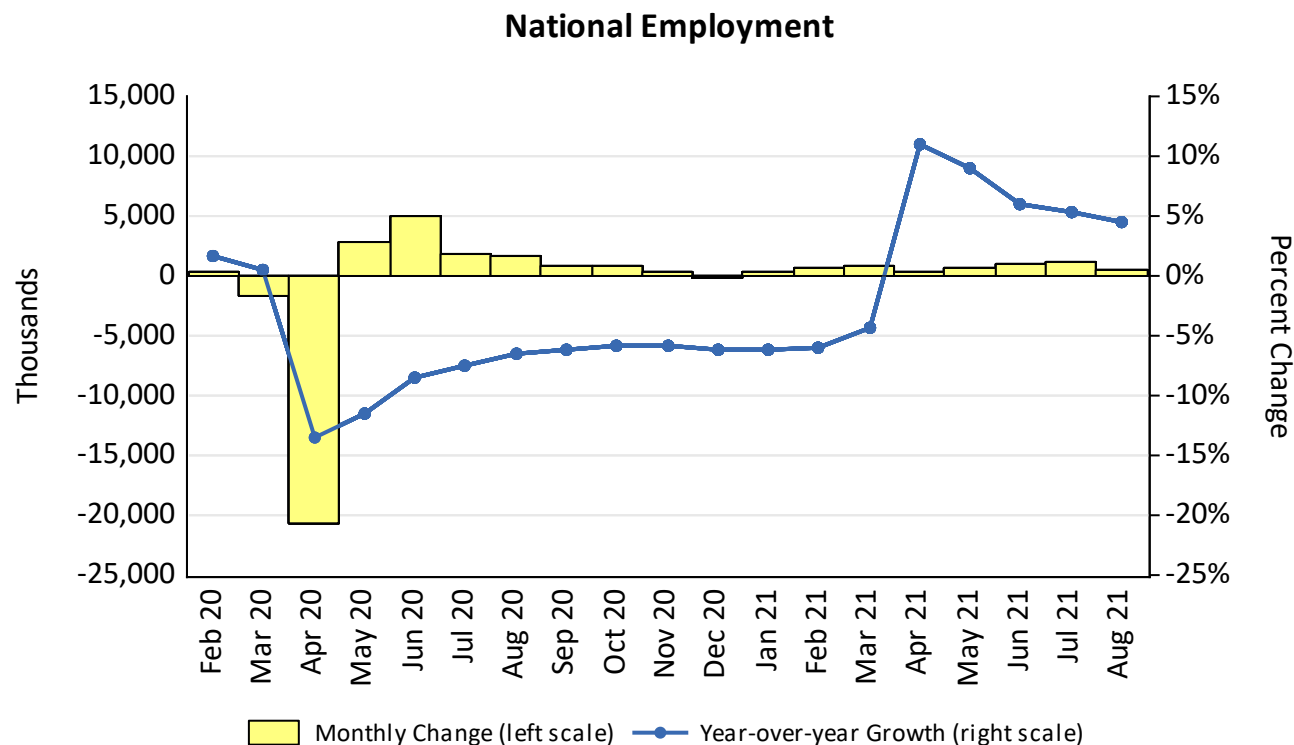
US Updates

Employment

Inflation (CPI)

Consumer Sentiment

Disappointing National Employment Report Reflects Slowing Recovery



Nonfarm payroll employment rose 194,000 in September, short of expectations. Prior months' gains, though, were revised higher. The unemployment rate declined 0.4 point to 4.8%, reflecting a large increase in civilian employment and a decline in the civilian labor force.

The deceleration in payroll employment was more than accounted for by a sharp decline in employment in education services (public and private), a sector with strong seasonal patterns and therefore subject to seasonal distortions.

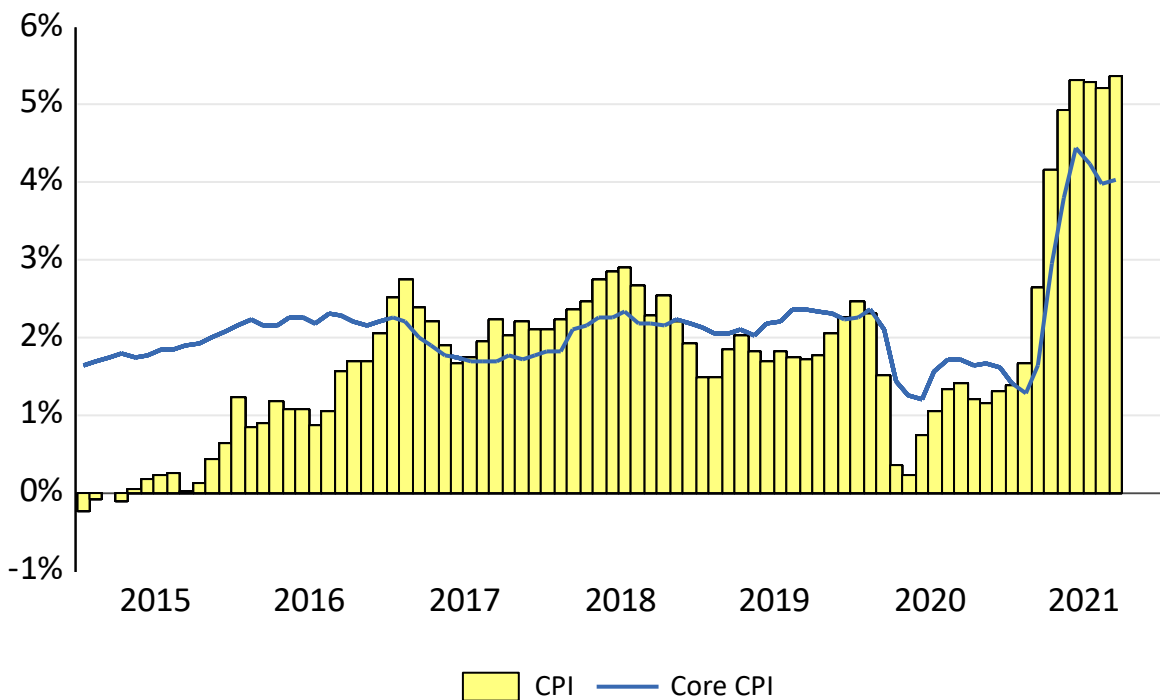
Outside of education, payrolls expanded 374,000 in September, up from a gain of 303,000 in August. These are reasonably solid gains but are down from considerably stronger gains earlier in the year.

Employment in accommodation and food services rose an average of 282,000 per month over the six months ending in July, employment in this sector has risen only a cumulative 20,000 since.

Source: US Bureau of Labor Statistics, Current Employment Statistics Program.

US Prices Increased 0.4% in September

Consumer Price Index (CPI)



Source: US Bureau of Labor Statistics, Consumer Price Index

The Consumer Price Index (CPI) rose 0.4% in September following a 0.3% increase in August. The headline CPI was boosted by price increases for food (0.9%) and energy (1.3%). The core CPI rose 0.2% in September after a 0.1% increase in August.

The 12-month change in the overall CPI edged up to 5.4% while the 12-month change in the core CPI remained at 4.0%.

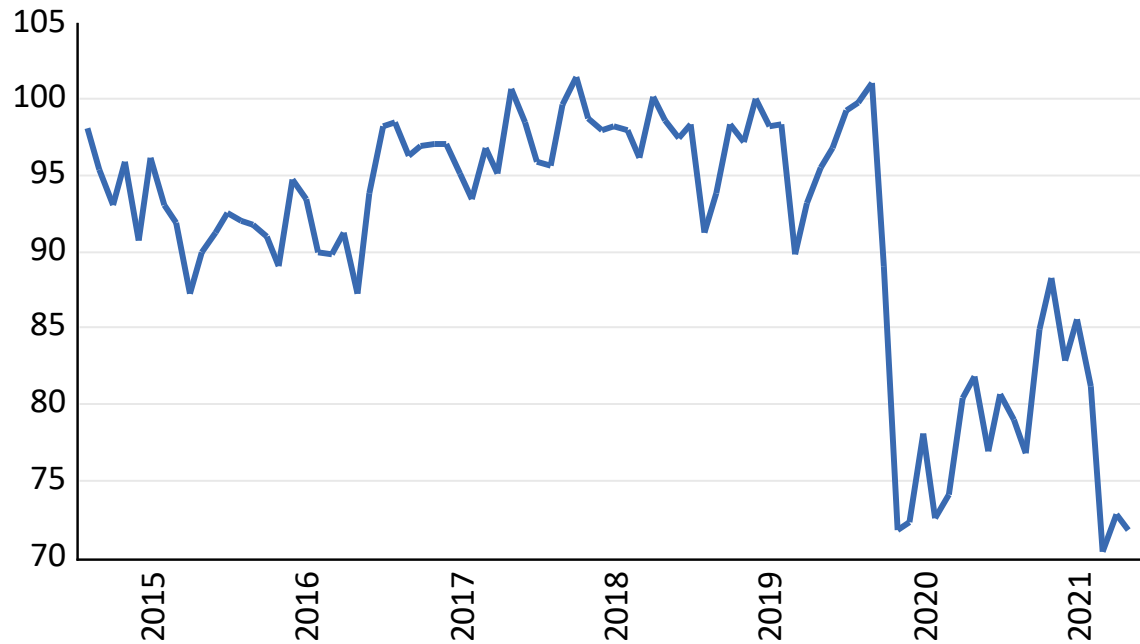
During September, large price swings occurred in several components, both negative and positive. Notable declines occurred for used vehicles (0.7%), apparel (1.1%), and several travel-related components. The price of used vehicles declined for the second consecutive month but was 42.3% above June 2020.

The price of new vehicles rose 1.3% in September and is up 8.6% over the six months, as severe supply-chain bottlenecks have resulted in extraordinarily lean inventories and have encouraged dealers to raise prices.

Rent inflation rose sharply in September, a potential harbinger of large increases in coming months as the surge in house prices translates into higher rents.

Consumer Sentiment Dipped in October

Consumer Sentiment - Michigan Survey



Source: University of Michigan, Surveys of Consumers

The University of Michigan Consumer Sentiment Index decreased 1.1 points from its September level to 71.7 in the final October reading—still slightly below its nadir in April 2020 and nearly the lowest in a decade.

The final October reading was 0.3 point higher than the preliminary estimate, suggesting that consumer sentiment was virtually unchanged over the course of the month.

The decline in October was driven by worsening views on both the present situation and the future.

Elevated consumer prices are weighing on sentiment. This is likely due to higher retail gasoline prices, which averaged a seven-year high of \$3.48/gallon during the week-ended 25 October.

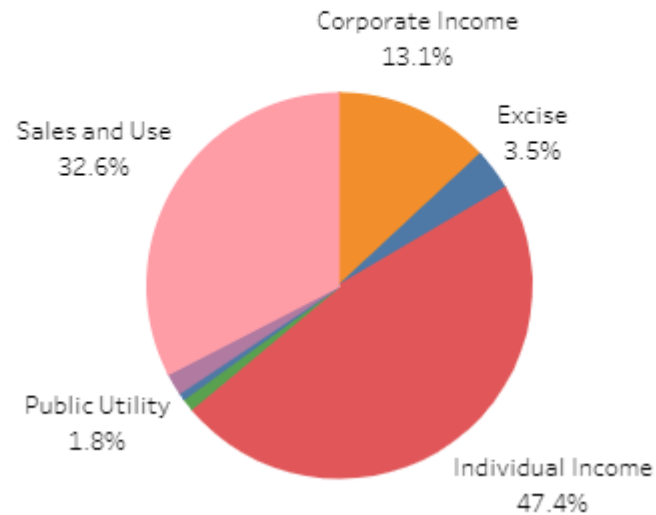
Consumers expect price pressures to ease over the longer term.

Views on buying conditions for big-ticket items remained poor. The index of buying conditions for large household durable goods and automobiles slumped further, while the index for homebuying conditions improved off of cycle lows but remains low.

Consumer attitudes were roughly unchanged in late October. This low level of sentiment is somewhat at odds with the ongoing recovery in spending.

Explore Our Interactive Data!

Total General Purpose Revenues (GPR) - Fiscal Year 2021



DOR's Division of Research and Policy displays historical tax revenues in a data visualization. Data goes back to 1963 and has just been updated with FY21 data.

To the left is one view of the data. More detail can be found at [WI Tax Collections | Tableau Public](#).

You can check out our other visualizations on a range of Wisconsin tax and economic data at [DOR Interactive Data Visualizations \(wi.gov\)](#).

Questions: doreconomists@wisconsin.gov

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