

Monthly Economic Update

MARCH 2022, FEATURING FEBRUARY NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

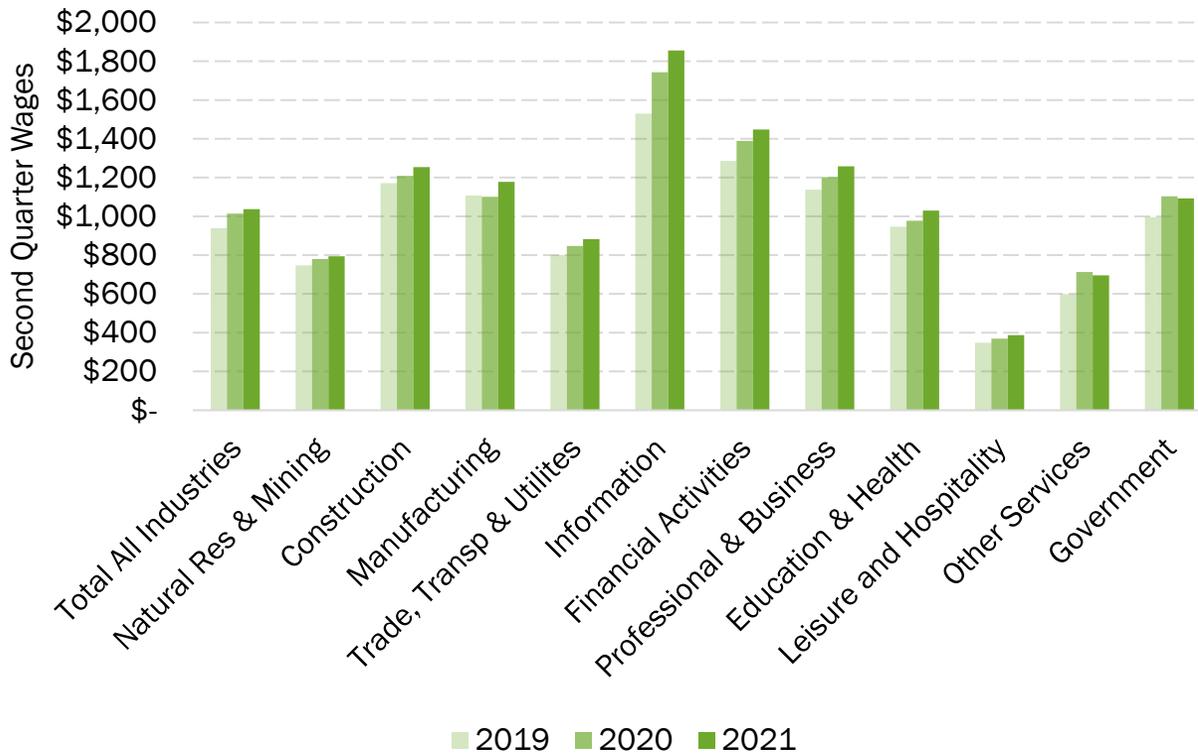
Employment – Wages by Sector

Housing Permits

Exports

Wisconsin Wages: Changes in the Past Two Years

Average Weekly Wage by Industry



Wages in each of Wisconsin's employment sectors were higher in the second quarter of 2021 than the second quarter of 2019.

Due to the pandemic, there were shifts in the occupation mix of some industries, often to varying degrees, which affected the average wage.

Total wages in Wisconsin averaged \$1,037 per week in the second quarter of 2021, up 10.4% from the average of \$939 during the same period two years prior.

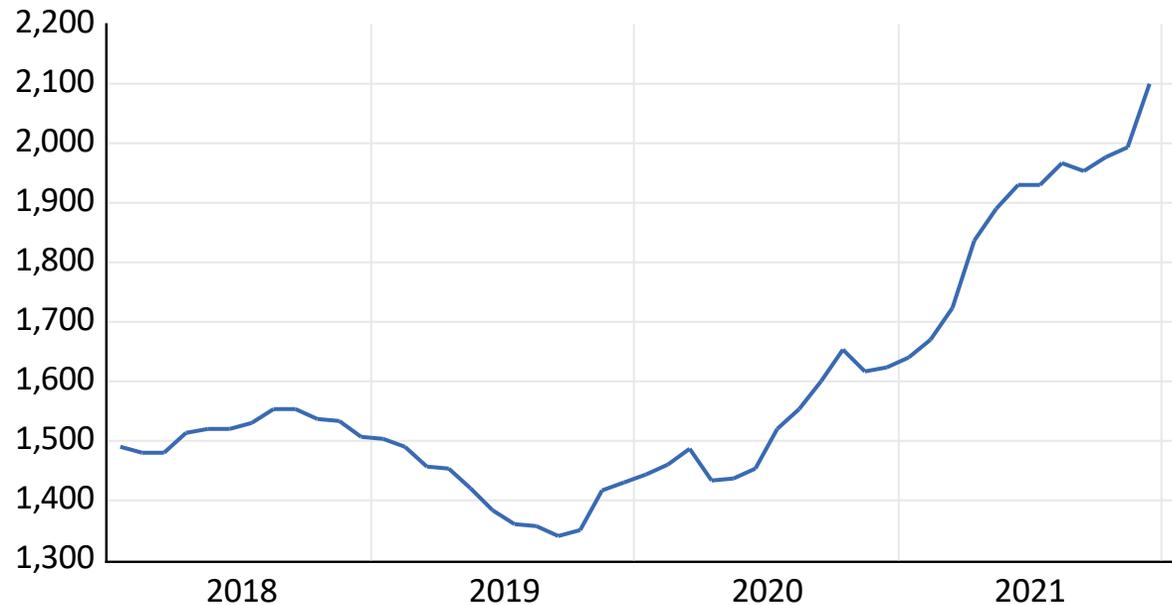
The highest weekly wages were in the information sector, with an average of \$1,855 per week. This sector also saw the fastest increase over the two-year period.

The lowest weekly wages were in the leisure and hospitality sector, averaging \$387 per week. This sector is more likely to have part-time workers than most.

Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Wisconsin Housing Permits Increased 29.3% in 2021

Wisconsin Housing Permits, 12-month Moving Average



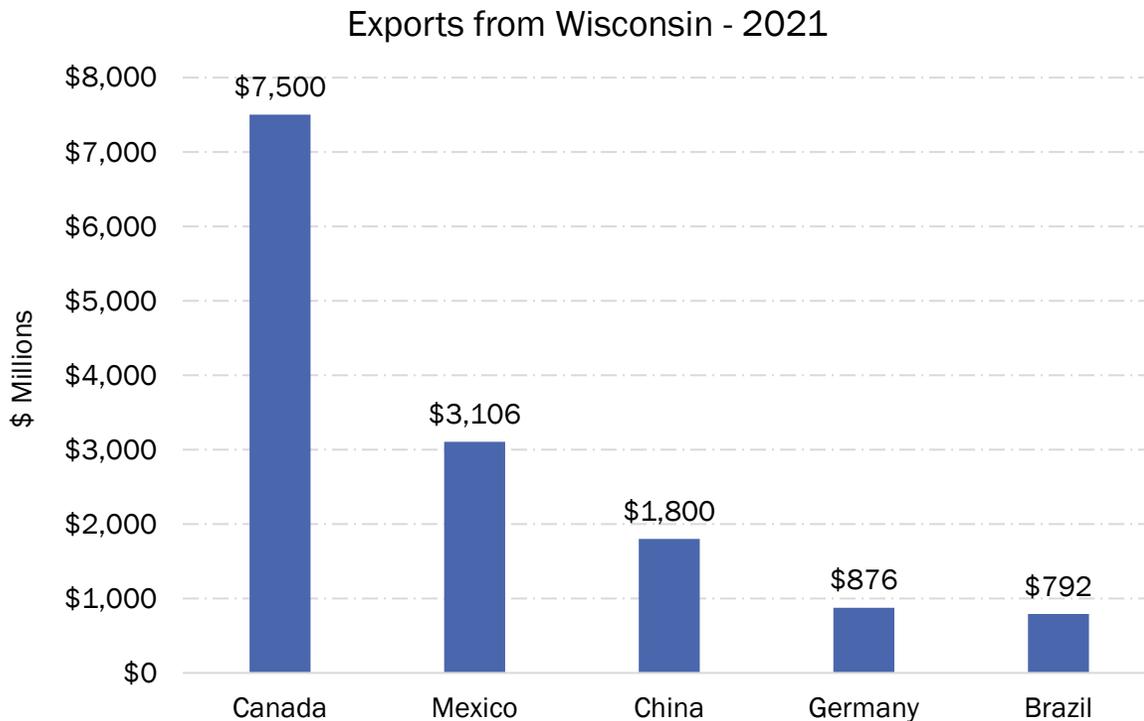
Wisconsin housing permits increased 29.3% in 2021, with a sharp increase in December. Permits increased 35.5% in the fourth quarter of 2021 compared to the same period of the prior year.

The December rise was due to an increase in multi-family permits, which increased from 219 in December 2020 to 1,411 in December of 2021. The number of structures with five or more units tripled from 11 to 33.

Single-family permits increased 5.2% in 2021 and 11.3% in December alone – not as strong as the multi-family units but still showing an acceleration at the end of the year.

Source: US Census Bureau

Wisconsin Exports Reached \$24.8 Billion in 2021



Source: US Census Bureau

Exports from Wisconsin totaled \$24.8 billion in 2021, an increase of 21.1% over 2020 amounts.

Canada was once again Wisconsin's main trading partner, receiving \$7.5 billion of goods, 30.2% of the total.

Mexico was the second largest recipient, with 12.5% of the total.

Machinery was the largest category of exports, totaling \$5.0 billion in 2021. This is an increase of 19.1% over 2020 levels and 20.3% of the total.

The next largest category of exports was chemicals, doubling from 2020 levels to \$4.3 billion in 2021, 17.3% of the total. A large share of this increase was in pharmaceuticals and medicines.

More information on Wisconsin's exports can be found at [WI Exports | Tableau Public](#)

US Updates

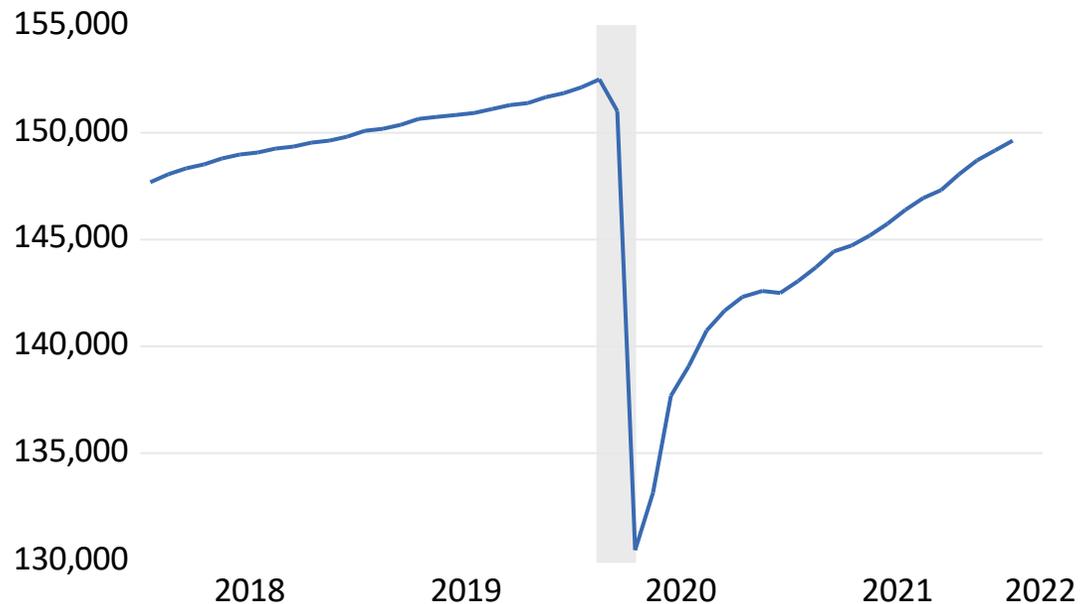
Employment

Inflation (CPI)

Consumer Sentiment

U.S. Adds 467,000 Jobs in January

U.S. Total Nonfarm Employment



Source: US Bureau of Labor Statistics, Monthly Employment Report.

Nonfarm payroll employment rose 467,000 in January, stronger than expected. Meanwhile, the unemployment rate rose 0.1 percentage point to 4.0%.

The solid gain in payrolls was surprising, in light of a substantial rise in initial claims through mid-January and a widely reported private-sector estimate of a large decline in payrolls.

Omicron did show up in the January employment report, but not in employment; it showed up as a sharp decline in hours worked and an increase in average hourly earnings.

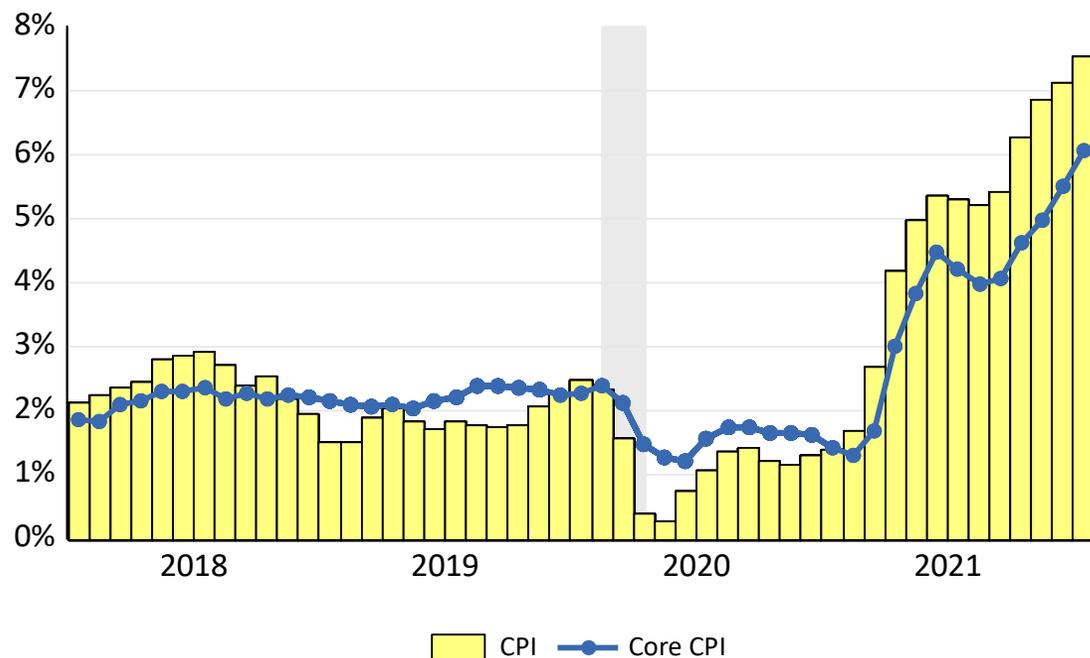
Revisions to the prior year were included in this employment report. In general, the revisions showed slower job growth during the summer, but faster growth than originally reported in the fall.

Overall, the 2021 over-the-year change is 217,000 higher than previously reported. 6.7 million jobs were added over the course of the year.

Nonfarm employment has increased by 19.1 million since April 2020 but is down by 2.9 million, or 1.9%, from its pre-pandemic level in February 2020.

Consumer Prices Increased 7.5% in Past Year

Consumer Price Index (CPI)



Source: US Bureau of Labor Statistics, Consumer Price Index

Both the overall Consumer Price Index (CPI) and the core CPI, which excludes the direct effects of moves in food and energy prices, rose 0.6% in January. The CPI for food rose 0.9% and for energy increased 0.6%.

The 12-month change in the overall CPI climbed 0.5 percentage point to 7.5%, the highest since February 1982. The 12-month change in the core CPI rose to 6.0%, the highest since August 1982.

Upward pressure on prices has broadened beyond those most impacted during the early stages of the pandemic. Among notable increases in January were those for apparel (1.1%), airline fares (2.3%), used vehicles (1.5%), and medical care services (0.6%).

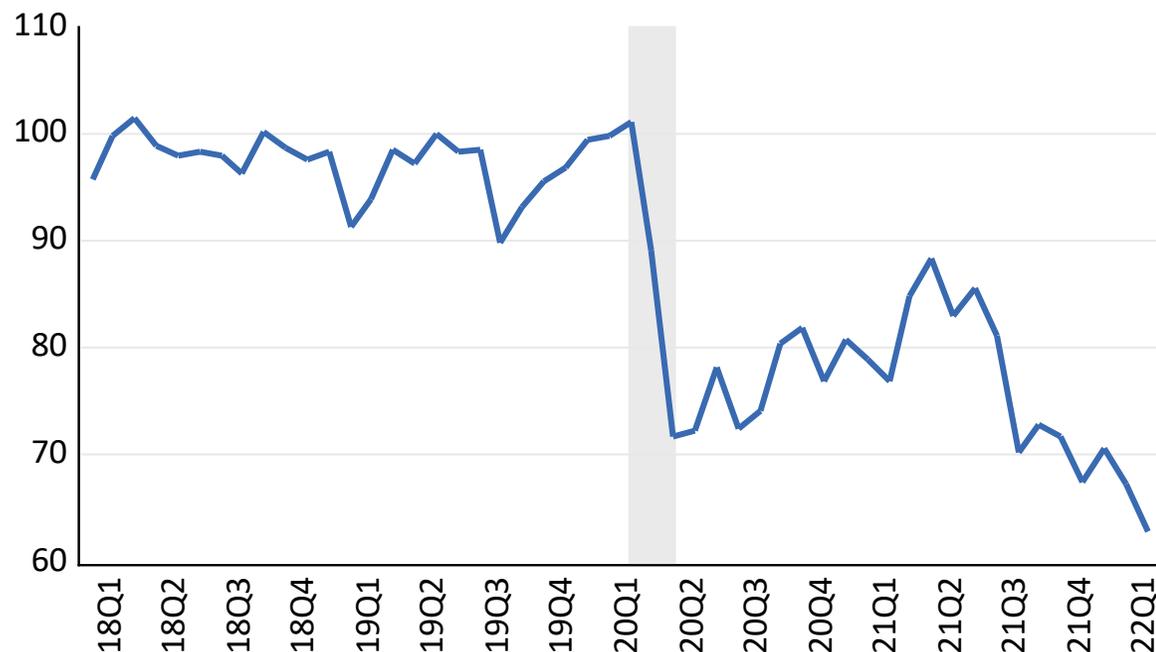
Sharp price increases within goods have contributed to the rise in annual core inflation since 2020. The CPI for commodities less food and energy rose sharply beginning last spring, with an annualized increase of 14.2% since March 2021. Its 12-month change was 11.7% in January.

Prices within nonenergy services have also risen but more gradually overall. Since March 2021, the CPI for services less energy services has risen at a 4.2% rate. Its 12-month change was 4.1% in January.

A quick rebound in rent inflation has contributed to the rise of services inflation. The 12-month change in owners' equivalent rent (OER) and rent of primary residence (RPR) in January was 4.1% and 3.8%, respectively, up from 2.0% and 1.8%, respectively, in April 2021.

Consumer Sentiment Fell to 62.8 in February

Consumer Sentiment - Michigan Survey



The University of Michigan Consumer Sentiment Index fell 4.4 points to 62.8 in February, plunging to its lowest level since October 2011.

Households earning more than \$100,000 accounted for the entire decline.

The survey took place before Russia invaded Ukraine.

A combination of rising inflation, low confidence in government economic policies, and a dim view of the long-term economic outlook has created the perfect storm for consumer sentiment—sentiment is down 29% since April 2021.

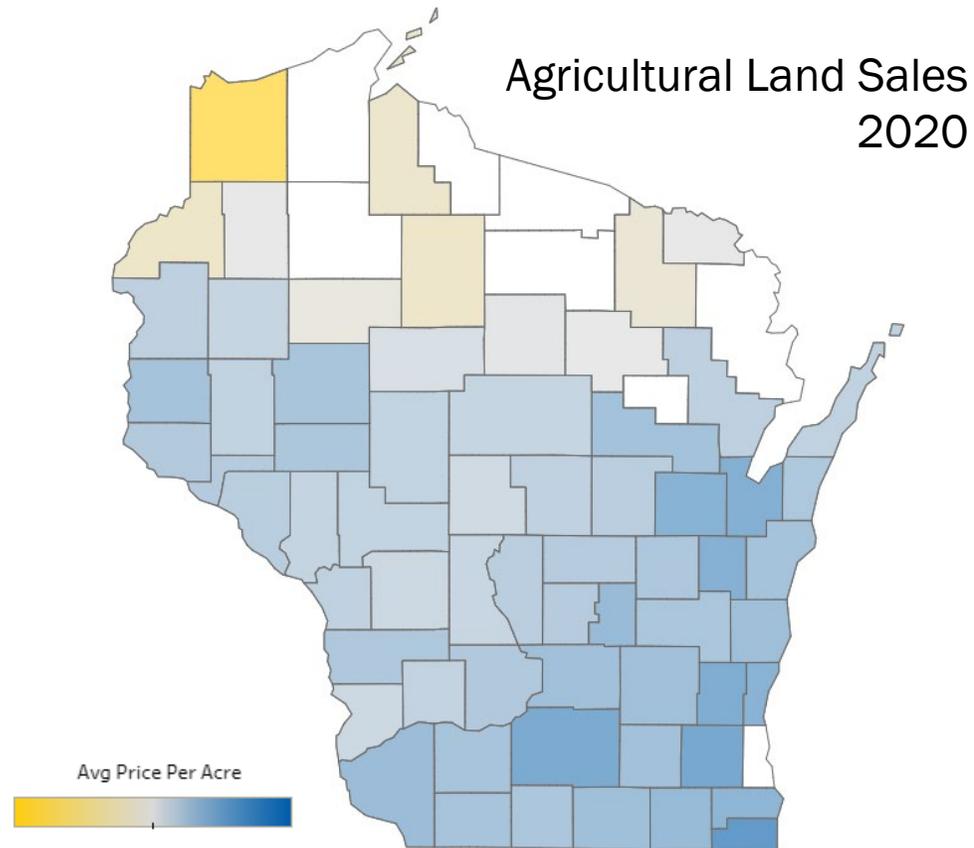
Escalating inflation is the biggest drag. At 7.5%, the 12-month increase in the consumer price index (CPI) in January was the highest in nearly four decades. The median expected one-year inflation rate in the University of Michigan survey edged higher 0.1 percentage point to 5.0%, its highest level since 2008.

The index of buying conditions for automobiles and homes fell by 2.0 points and 4.0 points, respectively, in February as high prices and limited inventories continue to be a drag on buying sentiment.

The war in Ukraine is driving oil prices up and creating uncertainty. Its effects will show up in the next update. Note that expected inflation is sensitive to gasoline prices.

Source: University of Michigan, Surveys of Consumers

Explore Our Interactive Data!



DOR's Division of Research and Policy has a data visualization on Agricultural Statistics.

To the left is one view of the data. More detail can be found at [Agricultural Statistics 0.1 | 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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