

Monthly Economic Update

APRIL 2022, FEATURING MARCH NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

Employment

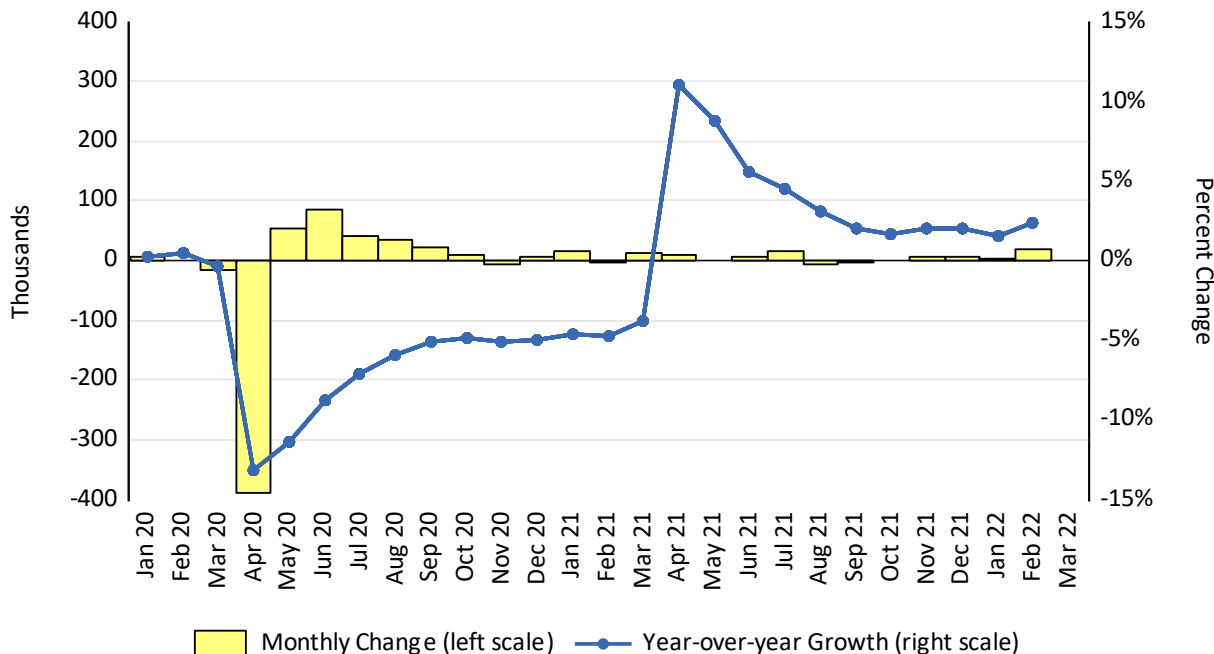
- Revisions
- By Sector

MSA Employment

Personal Income

Wisconsin Adds 18,600 Jobs in February

Wisconsin Employment



Source: US Bureau of Labor Statistics, Current Employment Statistics

Total nonfarm employment in Wisconsin increased by 18,600 in February. January employment was revised up by 3,400 jobs.

Job gains in February were seen in professional and business services (+4,200), leisure & hospitality (+5,700) and manufacturing (+4,300). Government employment declined by 2,100.

Despite the strong February gains, employment remains 2.4%, or 73,300 jobs, below its pre-pandemic level. Nationwide, employment was still down by 2.1 million, or 1.4% below its pre-pandemic level.

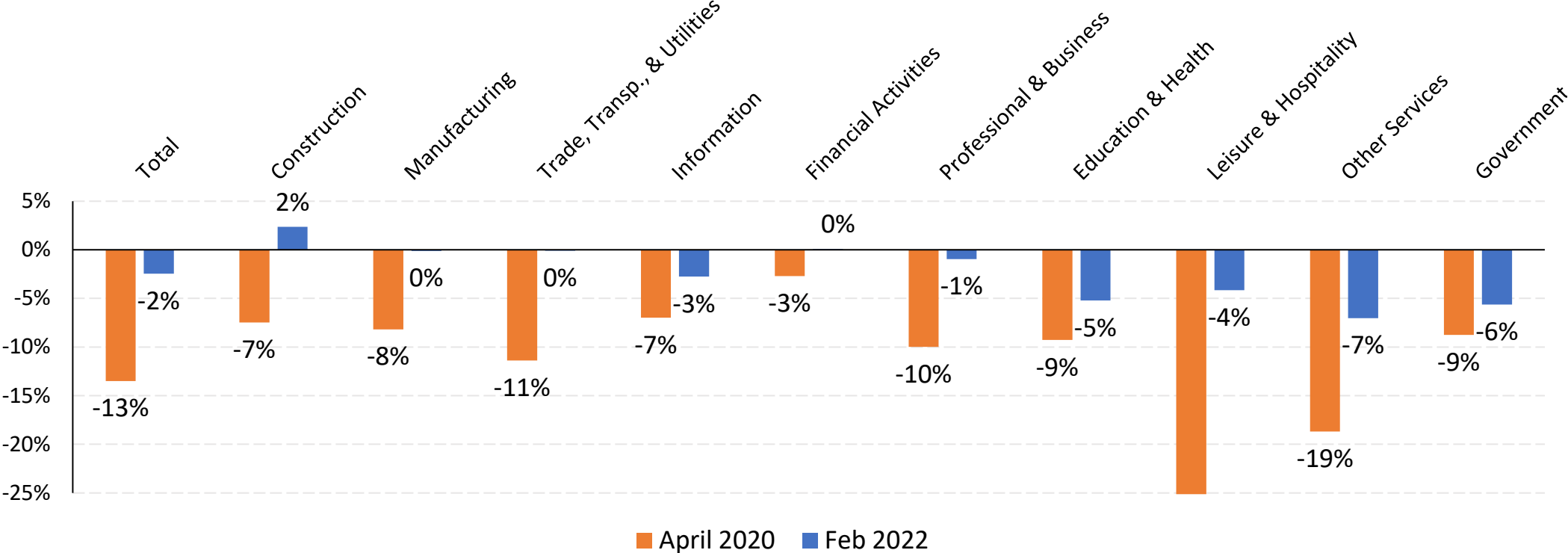
By sector, employment in the education & health services sector is 24,500 jobs below its pre-pandemic level. Government is 23,300 jobs below. Leisure and hospitality, which saw the largest losses initially during the pandemic, is now 12,000 jobs, or 4.2%, below its pre-pandemic level.

The unemployment rate declined from 3.0% in January to 2.9% in February.

Employment estimates were revised up in both 2020 and 2021 in Wisconsin, showing employment fell 5.5% in 2020 and increased 2.1% in 2021. Initial estimates were for a 5.7% decline and 1.8% increase.

More Wisconsin Employment Sectors Near or Above Recovery Level

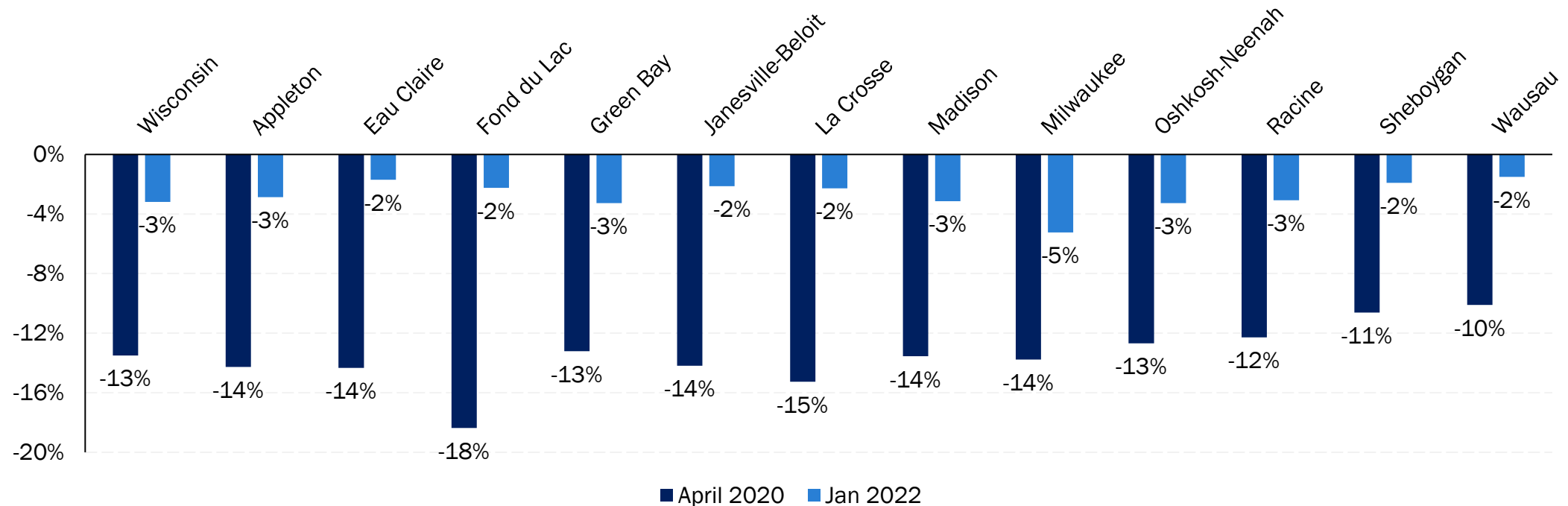
Percent Change in Wisconsin Employment Since February 2020



Source: US Bureau of Labor Statistics, Current Employment Statistics

Most of WI's MSAs are Within 3% of Prior Employment Levels

Percent Change in Employment Since February 2020

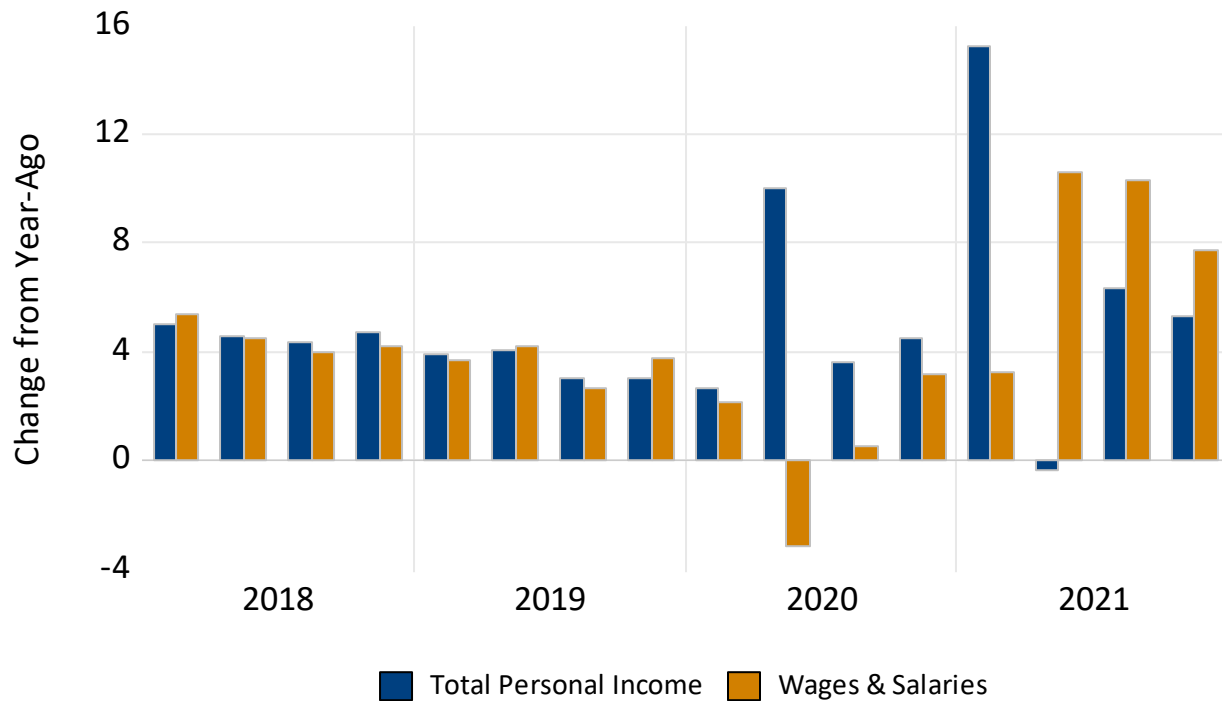


Source: US Bureau of Labor Statistics, Current Employment Statistics

For more information on Wisconsin's MSAs, see the [March 2022 MSA Outlook](#).

WI Personal Income Increased 5.3% in 2021 Q4

Wisconsin Personal Income and Wages



Wisconsin personal income increased 5.3% year-over-year (y/y) in the fourth quarter of 2021.

Wages increased 7.7% y/y, down from 10.3% in the third quarter. Wage growth is due to the recovering employment picture and rising inflation.

Compared to the prior quarter, Wisconsin personal income grew 4.0% at a seasonally adjusted annual rate, ranking the state 19th in the nation.

Looking at 2021 as a whole, Wisconsin personal income increased 6.5%, 36th in the nation. Nationally, personal income grew 7.4%.

Per capita personal income in Wisconsin grew to \$58,564.

Source: US Bureau of Economic Analysis

U.S. Updates

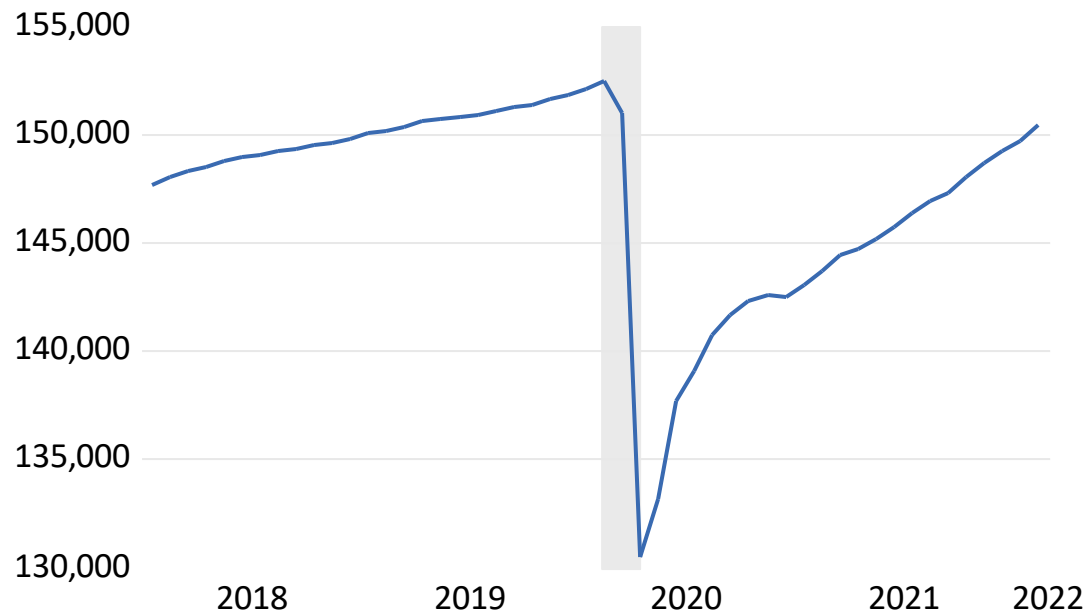
Employment

Inflation (CPI)

Consumer Sentiment

U.S. Added 678,000 Jobs in February

U.S. Total Nonfarm Employment



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

Nonfarm payroll employment rose 678,000 in February. Revisions to December and January combined show employment was 92,000 higher than previously reported. Meanwhile, the unemployment rate declined to 3.8% and the labor-force participation rate rose to 62.3%.

Private payrolls expanded by 654,000, while the private workweek rose 0.1 hour and average hourly earnings were flat.

Employment in February was still down by 2.1 million, or 1.4%, from its pre-pandemic level in February 2020.

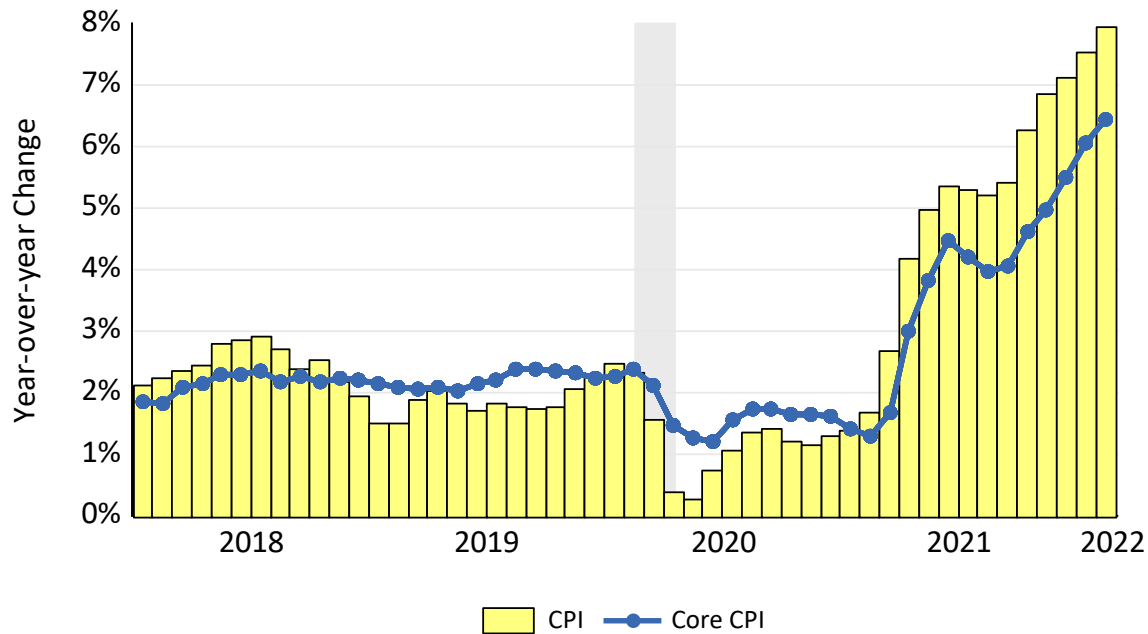
Job growth was widespread over the month, led by gains in leisure and hospitality, professional and business services, health care, and construction.

Since October of last year the participation rate has risen 0.6 percentage point to 62.3%. With the spread of COVID-19 slowing sharply, health-related concerns about returning to work should ease and participation should continue to firm.

Labor markets remain tight by many measures— an elevated quits rate, low layoffs, and an elevated ratio of job openings to unemployed persons.

Consumer Prices Increased 7.9% Over Past Year

Consumer Price Index (CPI)



The consumer price index (CPI) rose 0.8% in February. The core CPI, which excludes the direct effects of moves in food and energy prices, rose 0.5%. The headline CPI was boosted by price increases for food (1.0%) and energy (3.5%). The latter included a 6.6% increase in the CPI for gasoline.

The 12-month change in the CPI climbed 0.4 percentage point to 7.9%, the highest since January 1982. The 12-month change in the core CPI rose to 6.4%, the highest since August 1982.

A quick rebound in rent inflation has contributed to the rise of services inflation. Twelve-month changes in owners' equivalent rent (OER) and rent of primary residence (RPR) in February were 4.3% and 4.2%, respectively, up sharply from 2.0% and 1.8%, respectively, in April 2021. Rent inflation will rise further in coming months.

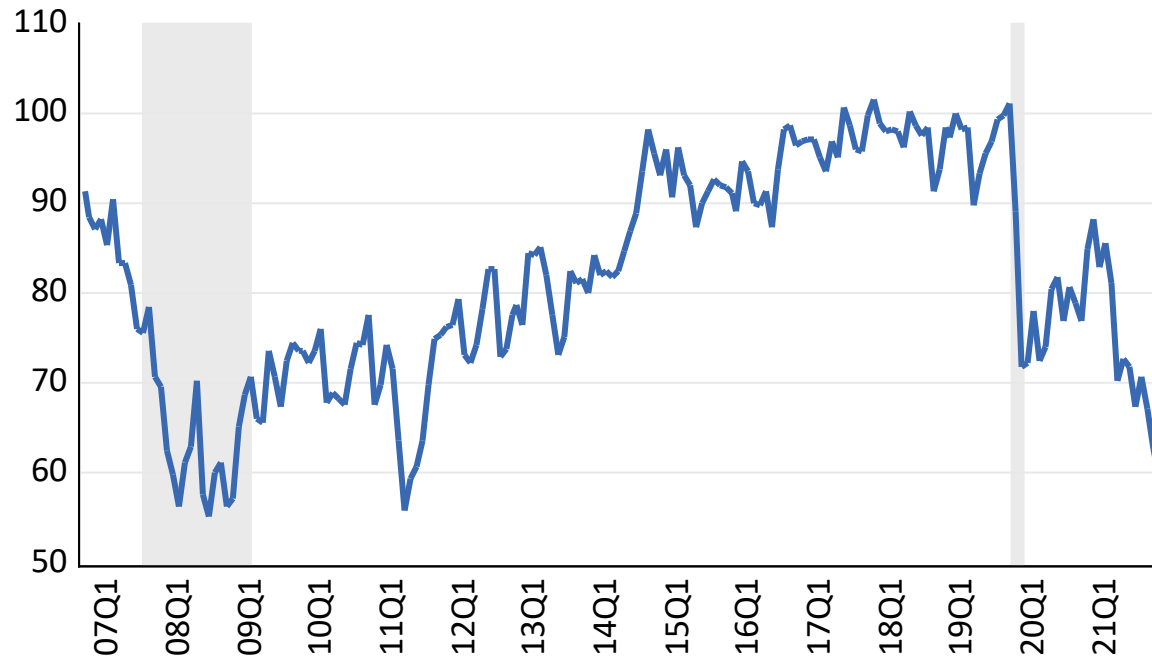
The rise in energy prices in February did not fully reflect sharp increases in energy commodity prices following Russia's invasion of Ukraine. Retail gasoline prices have risen sharply since the start of the invasion and point to an increase in the CPI for gasoline in March.

This report on consumer prices reinforces the case for the Federal Reserve to raise interest rates several times over the course of 2022, beginning with a first rate hike at next week's meeting.

Source: US Bureau of Labor Statistics, Consumer Price Index

Consumer Sentiment Falls Further in March

Consumer Sentiment - Michigan Survey



Source: University of Michigan, Surveys of Consumers

The University of Michigan Consumer Sentiment Index fell 3.4 points to 59.4 in March, crashing to its lowest level since August 2011. Sentiment is down 32.7% since April 2021.

The decline in March was driven primarily by worsening views on the future. While the present situation index fell 1.0 point to 67.2, the expectations index posted a much larger decline of 5.1 points to 54.3.

Inflation, which will be further exacerbated by the war in Ukraine, appears to be the foremost source of drag on sentiment. Russia's invasion of Ukraine has fired up commodities prices, with retail gasoline prices surging to \$4.3 per gallon as of Monday. The median expected one-year inflation rate in the University of Michigan survey rose 0.5 percentage point to 5.4%, its highest level since 1981.

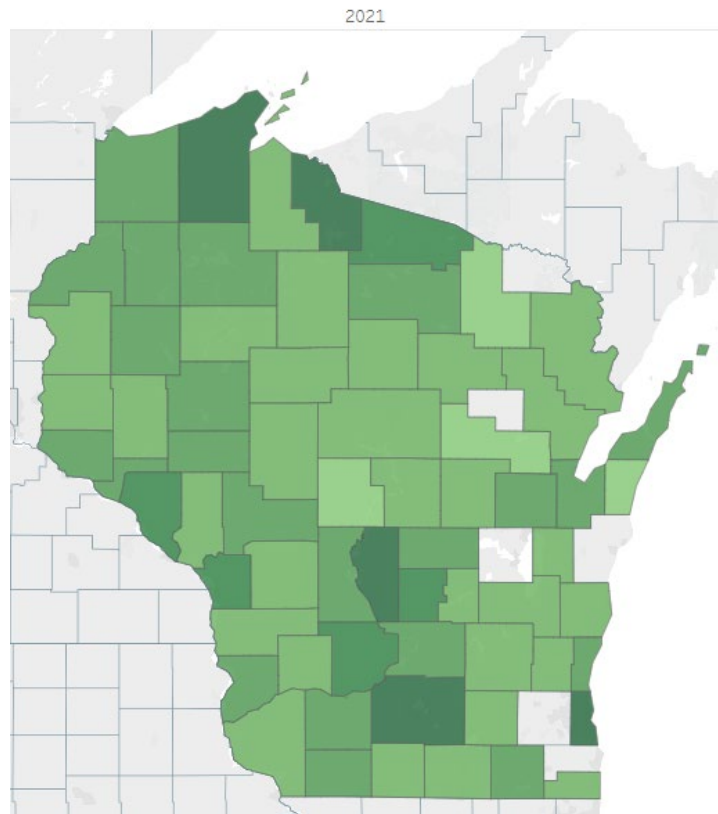
Sentiment among households earning more than \$100,000 has fallen 15.1 points in the last two months, while sentiment among households earning less than \$100,000 is down 2.4 points over the same period.

According to the survey, half of all households anticipated a decline in real incomes in the year ahead due to the combination of rising prices and lower income expectations.

According to the report, amid all the pessimism, consumers remain optimistic about the strong job market.

Explore Our Interactive Data!

Taxable Sales: July 2020 vs 2021
722 - Food Services and Drinking Places



DOR's Division of Research and Policy has a data visualization showing taxable sales by county and industry (3 digit NAICS codes). The visualization has just been updated with 2021 data.

To the left is one view of the data. More detail can be found at [County Taxable Sales Comparison | 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

Sign Up for the Monthly Economic News Update : [Subscribe to DOR E-News \(wi.gov\)](#)