

Monthly Economic Update

OCTOBER 2022, FEATURING SEPTEMBER NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

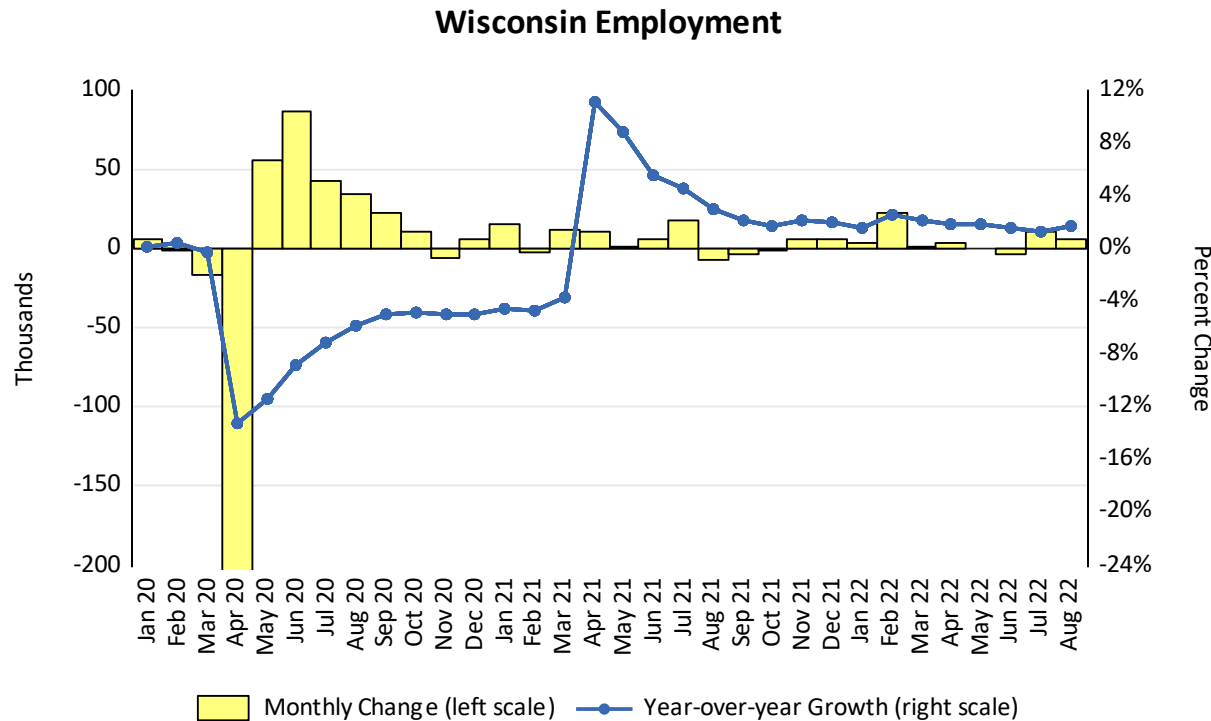
Employment

- By Sector
- In the MSAs

Wisconsin Personal Income, 2022Q2

Total GPR, FY2022

Wisconsin Adds 5,500 Jobs in August



Wisconsin total nonfarm employment increased by 5,500 in August and is 1.7% above the employment level at this time last year.

Total employment in Wisconsin remains 52,500, or 1.8%, below the pre-pandemic level.

Private employment declined by 2,800 while government employment, mostly *local* government, increased by 8,300. This increase is likely fueled by a rise in local government education employment. Employment changes in August can be distorted by when school hiring occurs.

Goods producing employment increased by 600, lead by an increase of 1,200 in durable goods manufacturing.

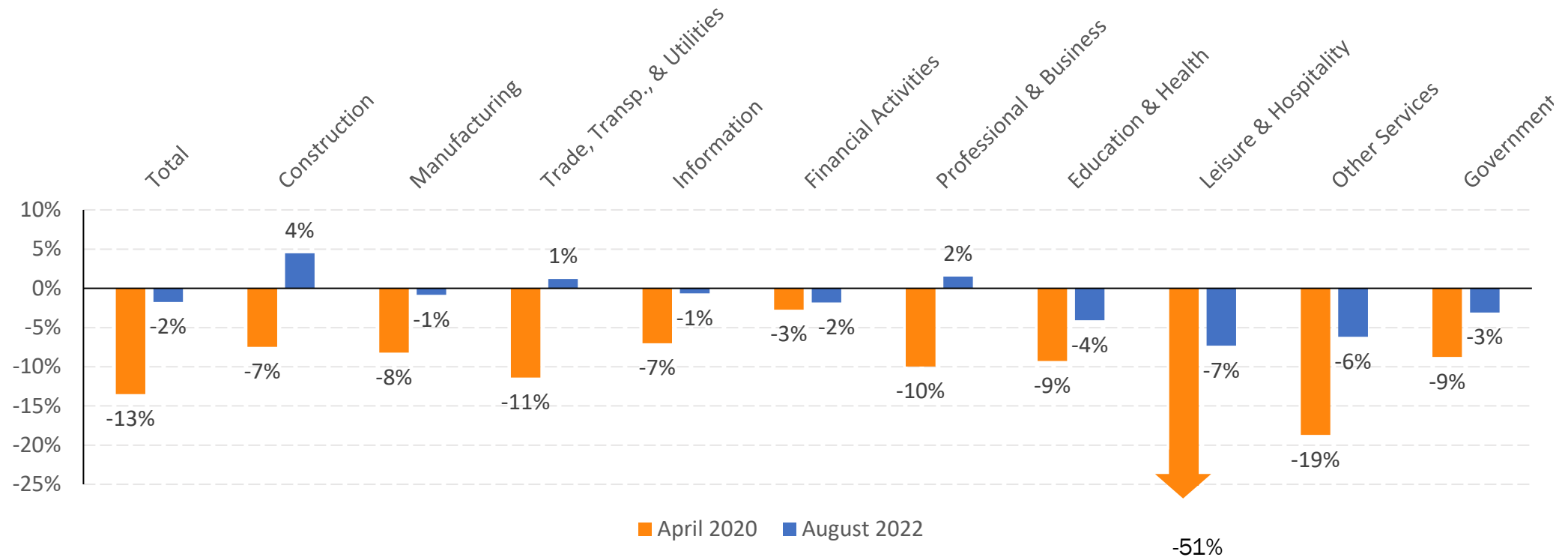
Private service-providing employment declined by 3,400 in August, including declines in leisure and hospitality (-3,000), information (-1,200), professional and business services (-800), and private education and health (-800).

The unemployment rate increased to 3.1% in August on a rise in the number of unemployed. The labor force participation rate declined to 65.9%.

Source: US Bureau of Labor Statistics, Current Employment Statistics

Three Sectors in Wisconsin are Above Their Pre-pandemic Employment Level

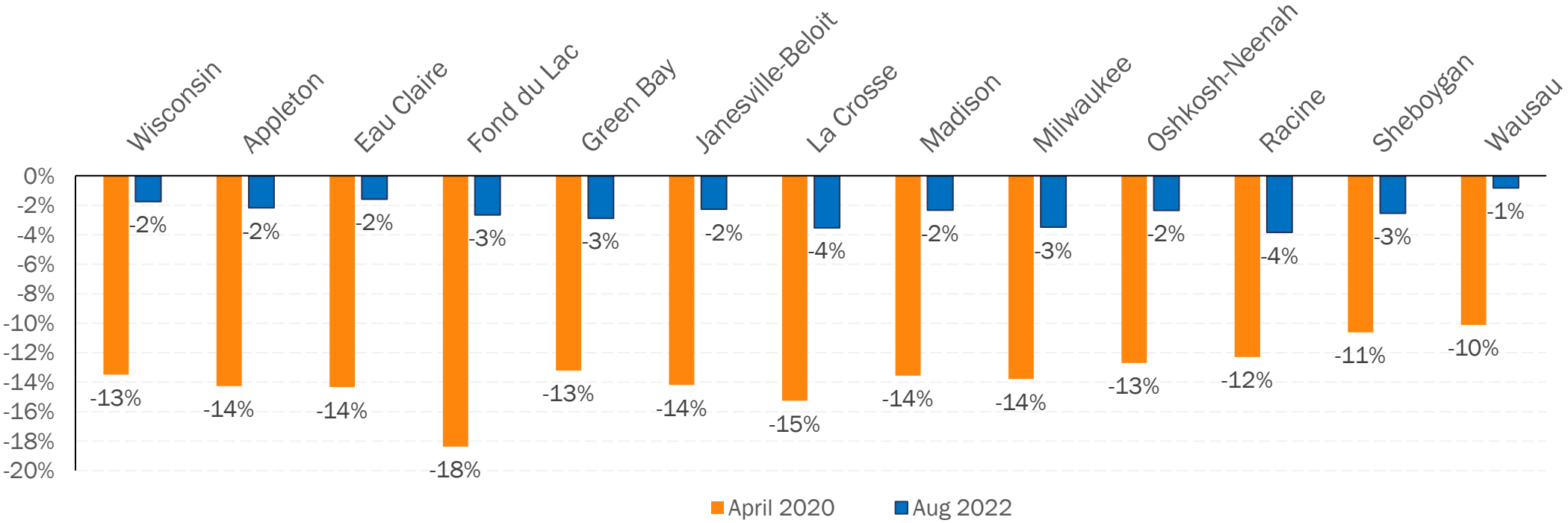
Percent Change in Wisconsin Employment Since February 2020



Source: US Bureau of Labor Statistics, Current Employment Statistics

Employment in Wisconsin's MSAs Remains Below Pre-pandemic Levels

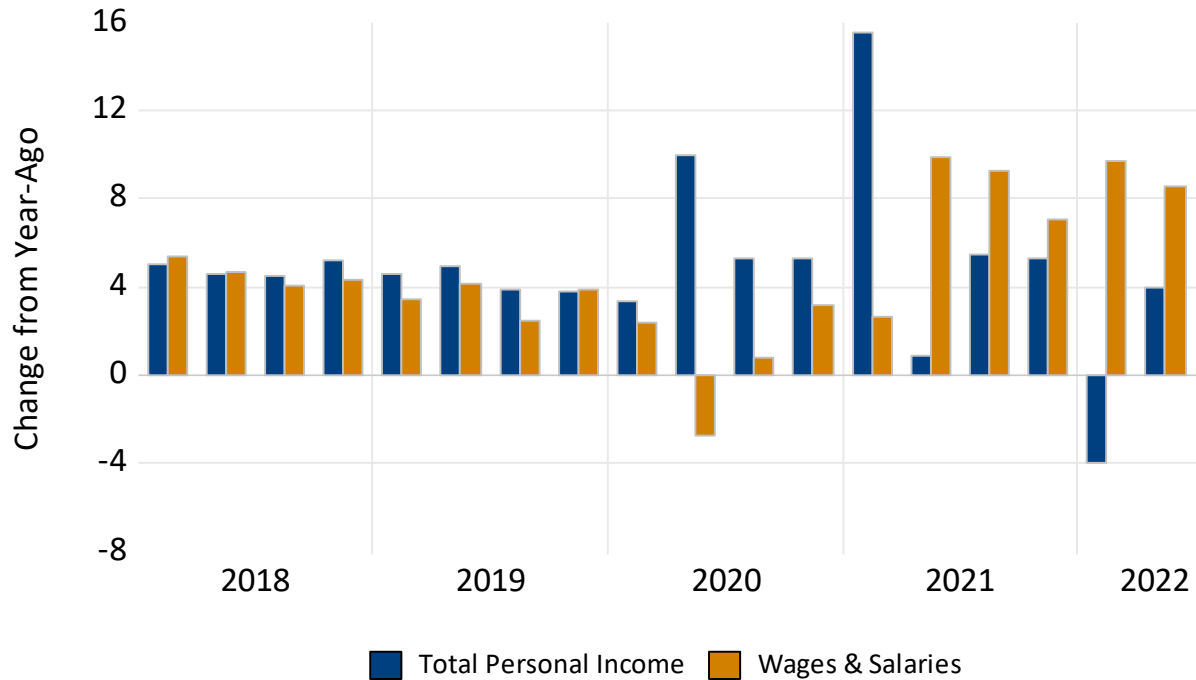
Percent Change in Employment Since February 2020



Source: US Bureau of Labor Statistics, Current Employment Statistics

Wisconsin Personal Income Increased 5.7% in 2022Q2

Wisconsin Personal Income and Wages



Nominal personal income increased at a seasonally adjusted annual rate (SAAR) of 5.7% in Wisconsin in the second quarter of 2022, relative to the first quarter.

This is slightly below the national SAAR of 5.8% but above the Great Lakes increase of 4.9%. Wisconsin ranked 22nd overall in the nation.

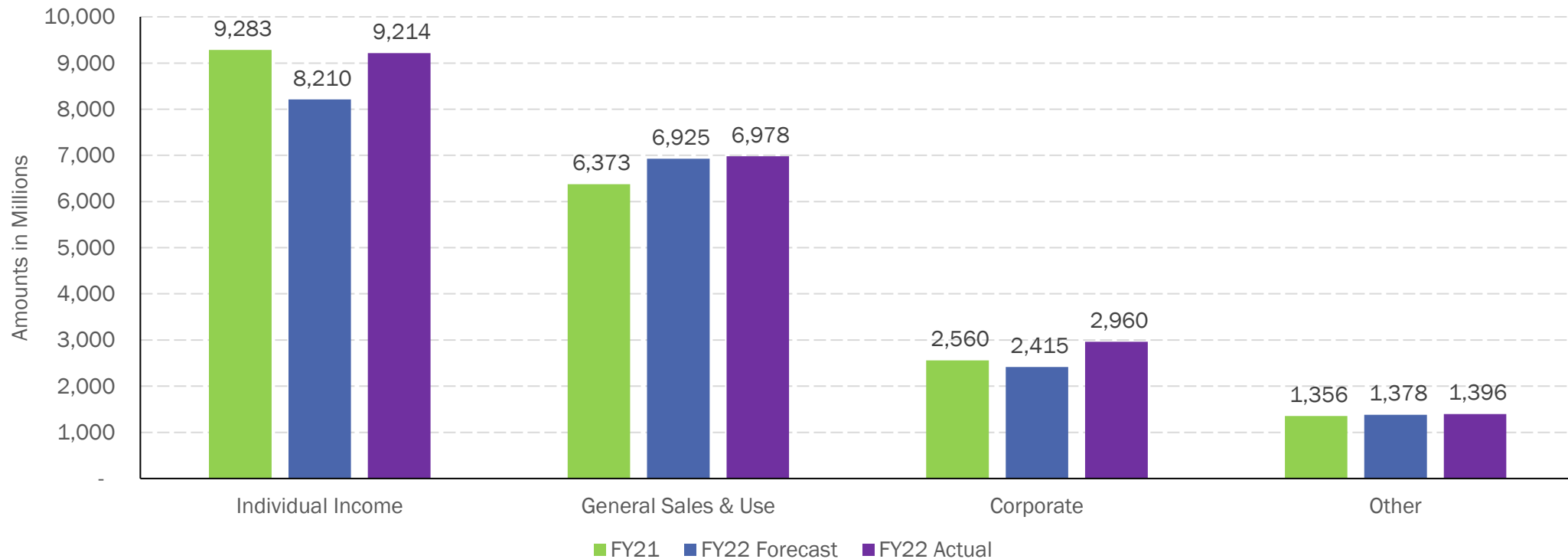
Second quarter growth in Wisconsin was driven by a 7% SAAR in dividends, earnings, and rent. Net earnings increased 5.3%.

Compared to the prior year, nominal personal income increased 4.0%, up from a decline in the first quarter. Nominal wage growth slowed from 9.7% year-over-year (y/y) in the first quarter to 8.6% y/y in the second quarter, the same as the increase in inflation (8.6% y/y).

Source: US Bureau of Economic Analysis

WI's Preliminary Fiscal Year 2022 Revenues \$1.6 Billion Above Forecast

Year-End FY22 General Purpose Revenues (preliminary)



Source: Wisconsin Department of Revenue. For more details, see [Department of Revenue Collections, Fiscal Year 2022 \(wi.gov\)](https://www.wisconsin.gov/revenue/collections/fiscal-year-2022)

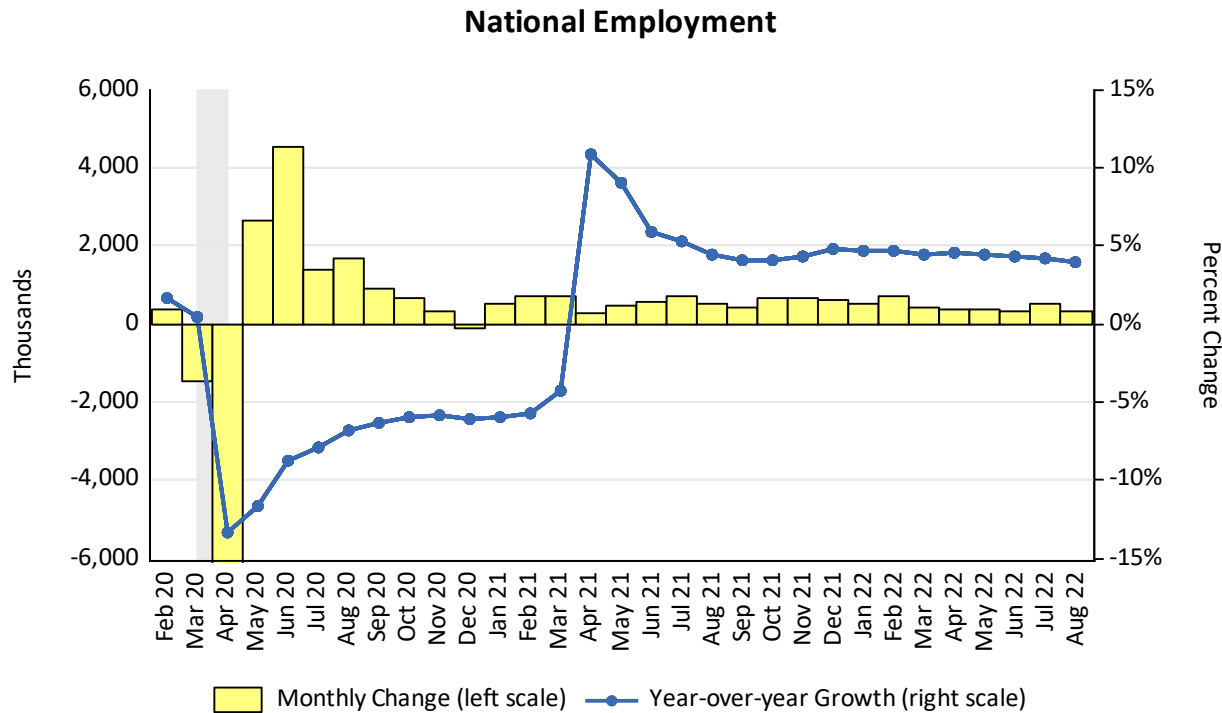
U.S. Updates

Employment

Inflation (CPI)

Mortgage Rates

U.S. Added 315,000 Jobs in August



Source: US Bureau of Labor Statistics, Monthly Employment Report

U.S. total nonfarm payroll employment increased by 315,000 in August, and the unemployment rate rose to 3.7%. Notable job gains occurred in professional and business services, health care, and retail trade.

The labor force participation rate increased by 0.3 percentage point (ppt) over the month to 62.4% but is 1.0ppt below its February 2020 level.

August's job gains brings total nonfarm employment 240,000 higher than its pre-pandemic level in February 2020.

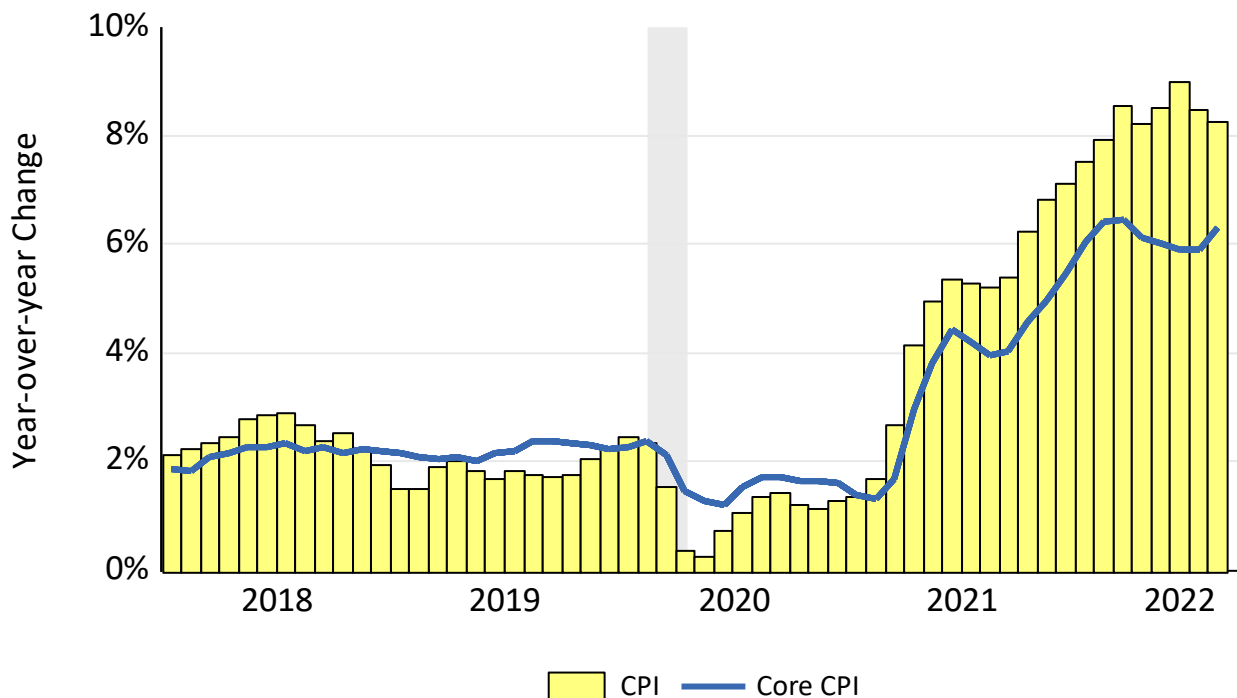
In August, health care employment rose by 48,000, with job gains in offices of physicians (+15,000), hospitals (+15,000), and nursing and residential care facilities (+12,000). Health care is below its February 2020 level by 37,000, or 0.2%.

Employment in leisure and hospitality changed little in August (+31,000), following average monthly gains of 90,000 in the first 7 months of the year. Employment in leisure and hospitality is below its February 2020 level by 1.2 million, or 7.2%.

In August, average hourly earnings for all employees on private nonfarm payrolls rose by 10 cents, or 0.3%, to \$32.36. Over the past 12 months, average hourly earnings have increased by 5.2%.

Consumer Prices Up 8.3% Over Past Year

Consumer Price Index (CPI)



The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1% in August after being unchanged in July. Over the last 12 months, prices have increased 8.3%.

Increases in the shelter, food, and medical care indexes were the largest of many contributors to the increase. These increases were mostly offset by a 10.6% decline in the gasoline index.

The food index continued to rise, increasing 0.8% over the month as the food at home index rose 0.7%. The food index increased 11.4% over the last year, the largest 12-month increase since the period ending May 1979.

The energy index fell 5.0% over the month as the gasoline index declined, but the electricity and natural gas indexes increased.

The index for all items less food and energy rose 0.6% in August, a larger increase than in July. This index rose 6.3% over the last 12 months.

The indexes for shelter, medical care, household furnishings and operations, new vehicles, motor vehicle insurance, and education were among those that increased over the month.

There were some indexes that declined in August, including those for airline fares, communication, and used cars and trucks.

Source: US Bureau of Labor Statistics, Consumer Price Index

Rising Mortgage Rates and Higher Home Prices Make Buying a Home Less Affordable

Mortgage Rate, Thirty Year



Source: Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States

To combat inflation, the Federal Open Market Committee (FOMC) has been raising the federal funds rate. So far this year, they've raised the rate from near zero in the first quarter of 2022 to just over 3.0%.

This makes borrowing costlier. To the average consumer, this is most immediately felt in the mortgage rate.

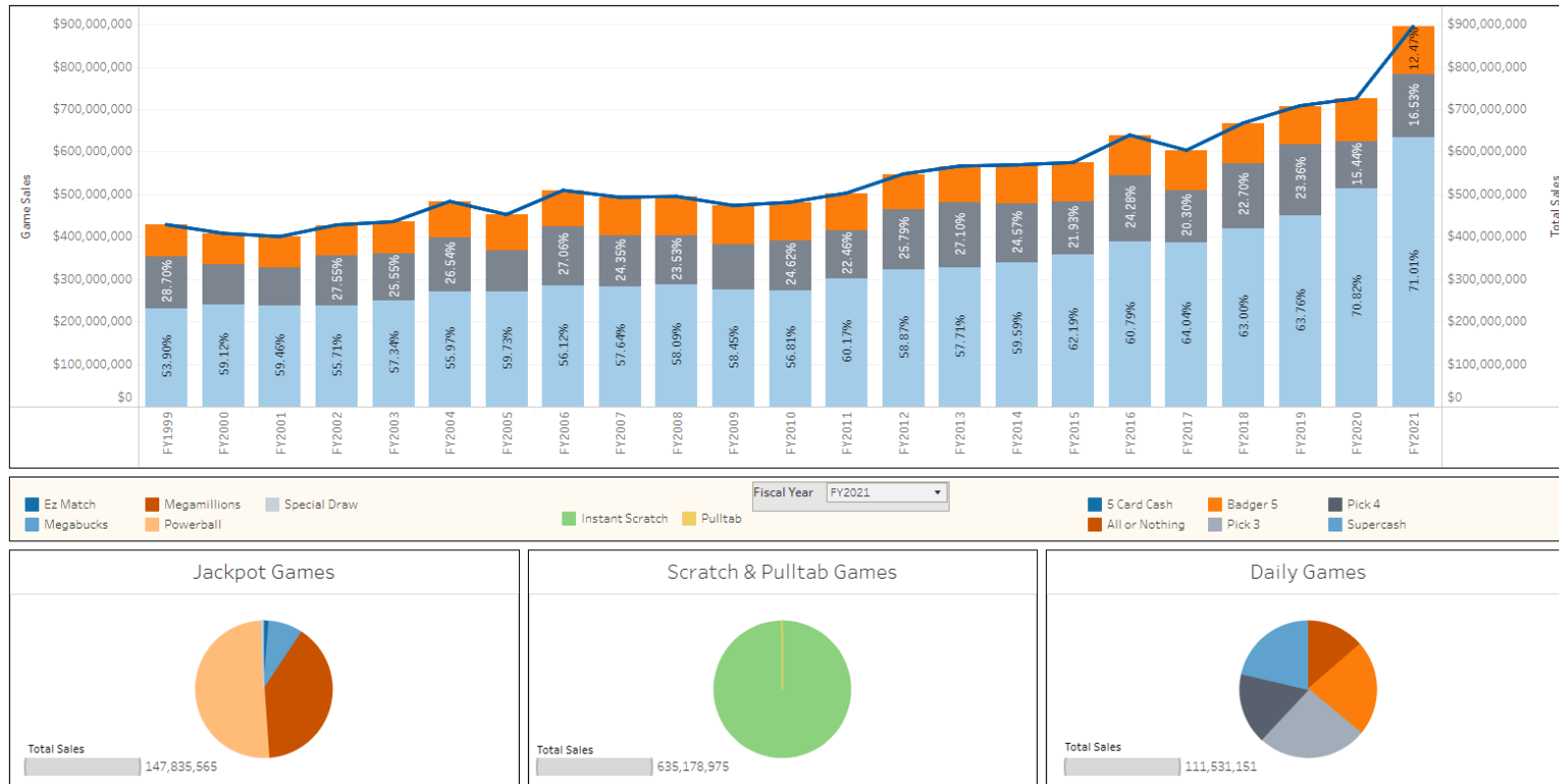
The rate on a conventional, 30-year mortgage averaged 6.7% at the end of September. This is up from 3.0% last year and from a low of 2.7% in early January of 2021.

The higher rate makes monthly mortgage payments more expensive at the same time that housing prices have risen sharply.

With home prices up and mortgage rates rising, the monthly mortgage payment on the median priced home in the U.S. was \$1,901 in August 2022, up from \$1,350 in August of 2021. This is an increase of \$551 per month, or 40.7%, in just one year. (Source: Mortgage Bankers Association).

Explore Our Interactive Data!

Annual Lottery Sales



DOR's Division of Research and Policy has a data visualization on the Lottery Credit. It includes data on lottery sales as well as average and total lottery credit by county and municipality.

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

Get in Touch

Check out our **data visualizations** at DorViz.wi.gov.

Anything you'd like to see that we haven't covered? **Let us know!**
doreconomists@wisconsin.gov

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