

Monthly Economic Update

NOVEMBER 2022, 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

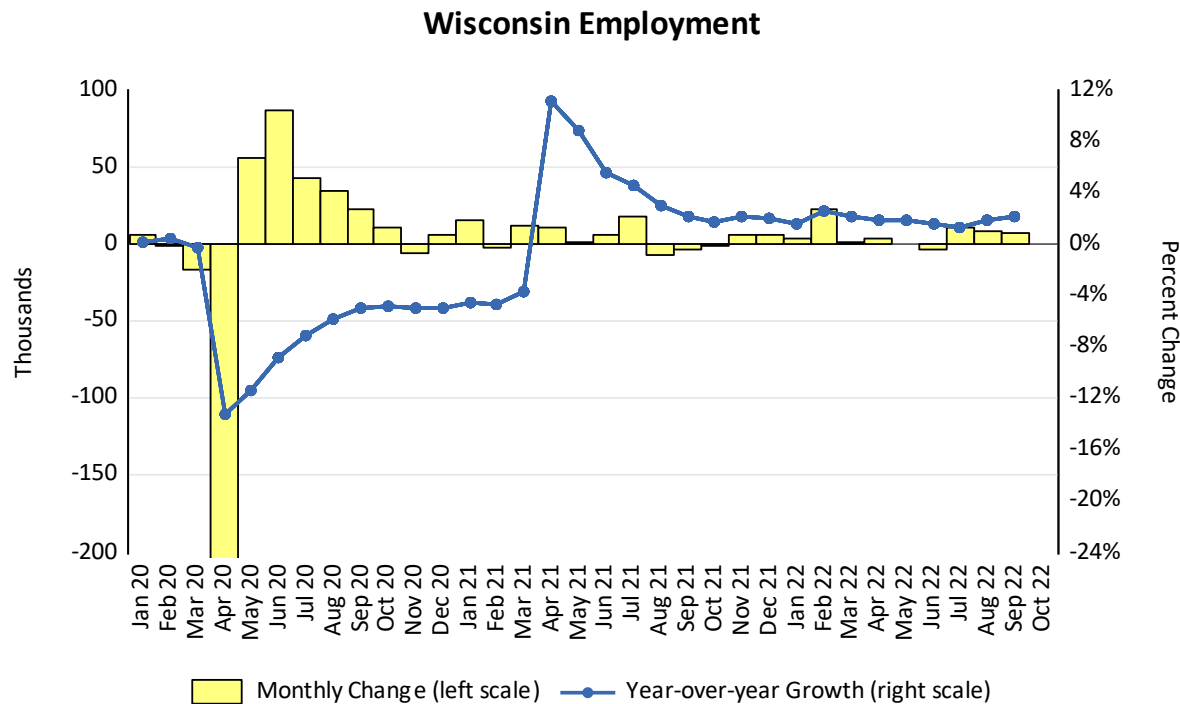
Employment

- By Sector

FY23 Q1 Tax Revenues

Farm Prices

Wisconsin Employment Up by 7,000 in September



Wisconsin added 7,000 jobs in September. Over the past three months, employment has increased by 24,500 after declining in June.

Job gains were seen in September in manufacturing (1,900); trade, transportation, & utilities (2,500); financial services (2,100); education & health (1,900); and leisure & hospitality (6,600).

Employment in local government added 9,200 jobs in August but showed a decline of 7,800 jobs in September. Taken together local government added 1,400 jobs since July.

Employment in Sept was 1.4% (43,400 jobs) below its pre-pandemic level.

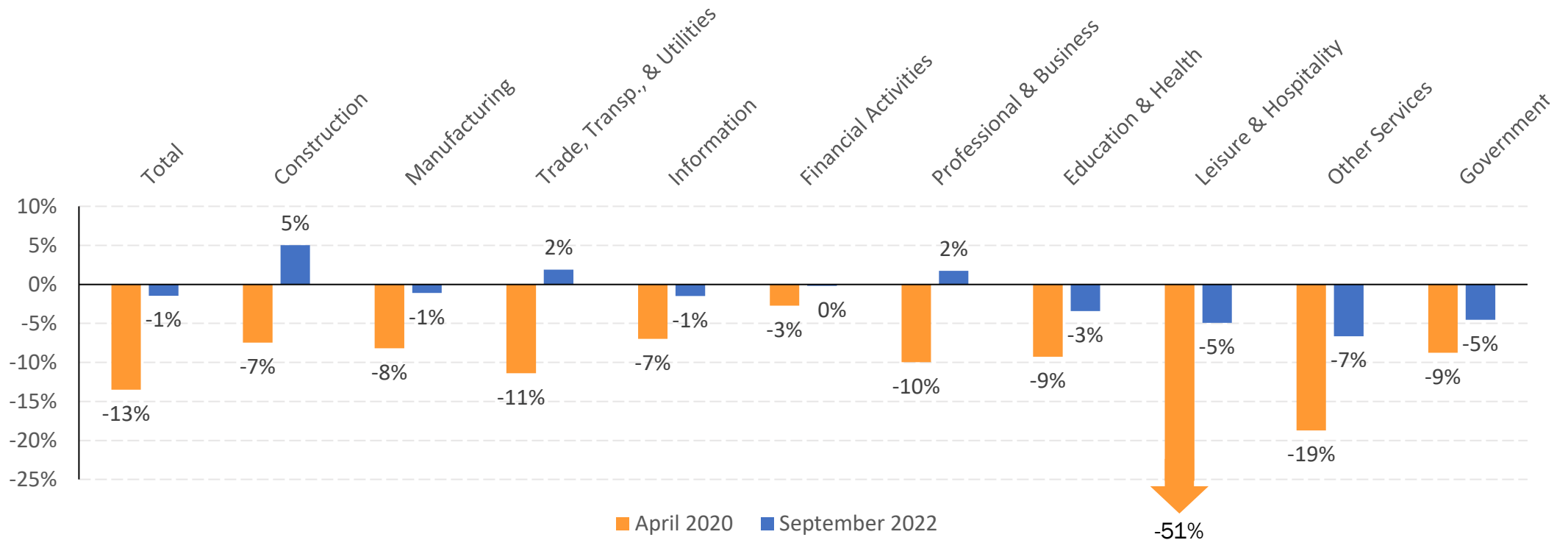
Over the past year, Wisconsin employment increased by 63,000, a 2.2% increase.

The unemployment rate increased to 3.2% on a rise in the number of unemployed and a decline in the number of employed. The labor force participation rate fell 0.3 percentage point to 65.6%.

Source: US Bureau of Labor Statistics, Current Employment Statistics

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

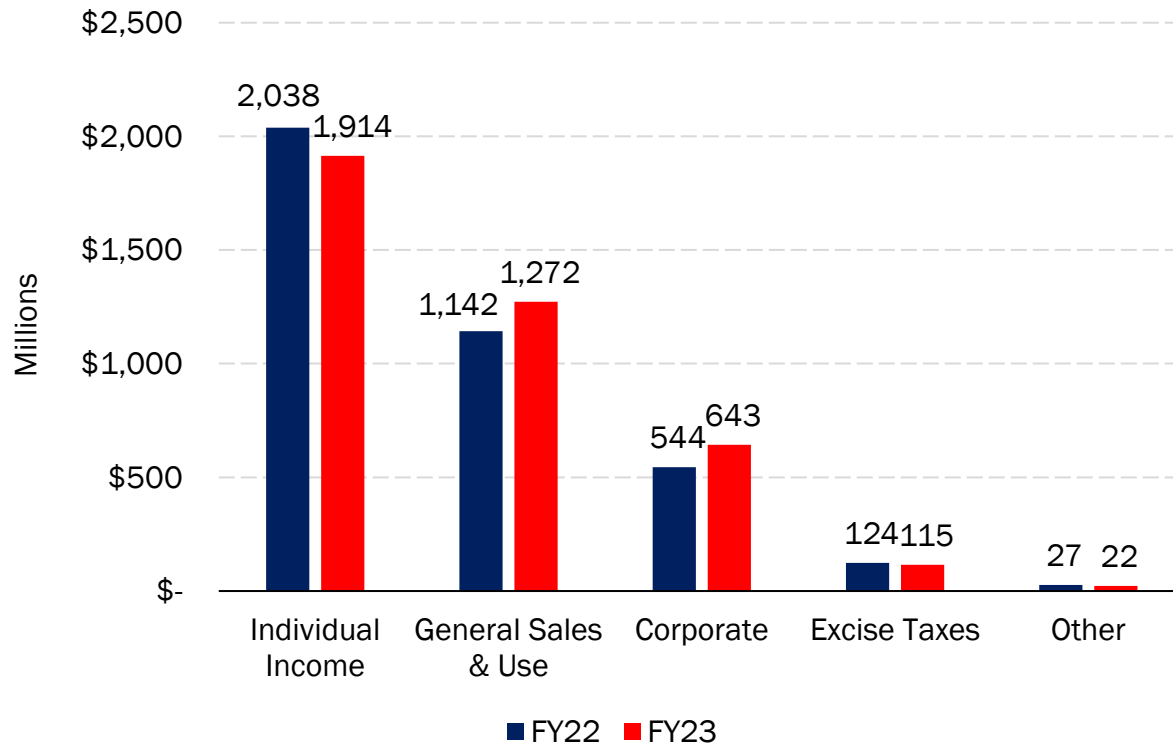
Percent Change in Wisconsin Employment Since February 2020



Source: US Bureau of Labor Statistics, Current Employment Statistics

Sales and Corporate Income Tax Receipts Lift FY23 Revenues

First Quarter General Purpose Revenues (GPR)



Total General Purpose Revenues (GPR), measured in nominal terms, collected by the Department of Revenue increased 2.3% in the first quarter of fiscal year 2023 (FY23), compared to the first quarter of FY22.

Sales tax receipts increased 11.3% year-over-year (y/y) while corporate income tax receipts rose 18.1%.

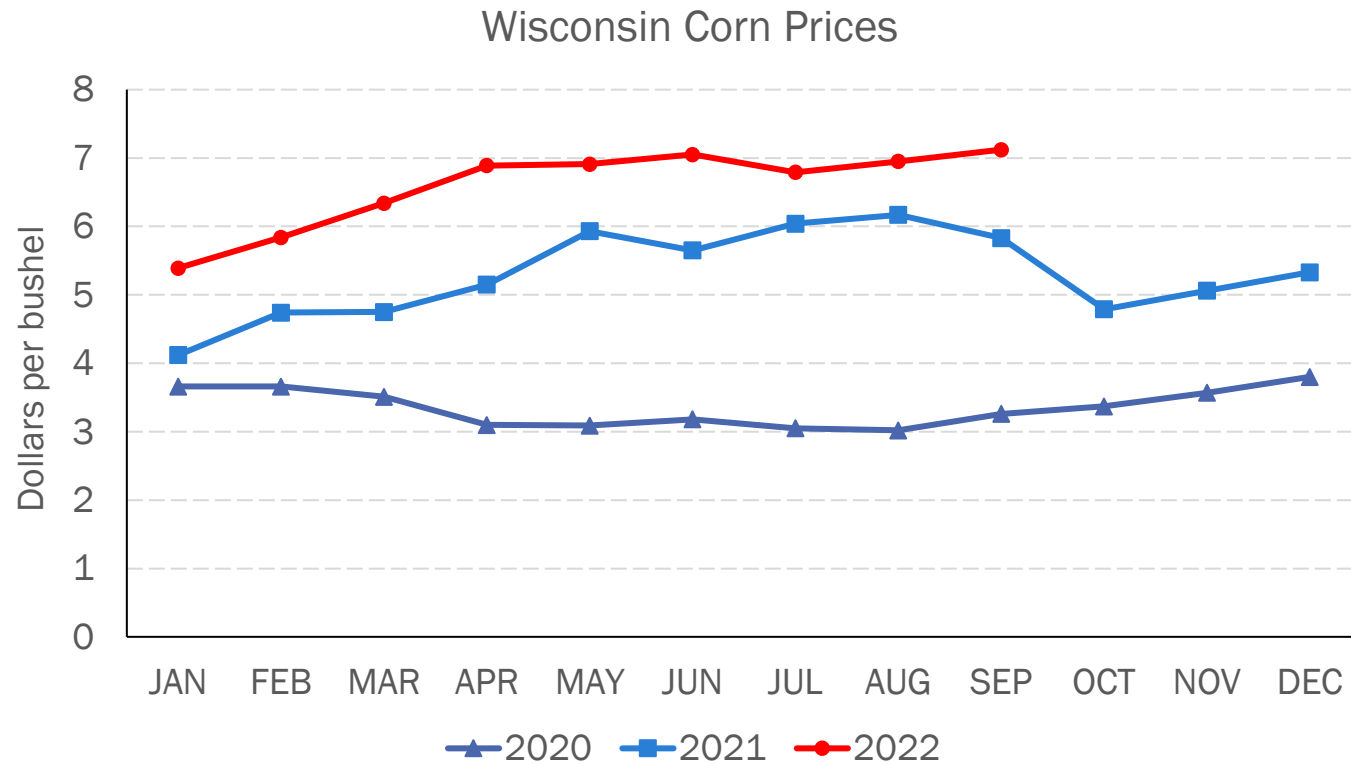
Individual income tax receipts, Wisconsin's largest source of tax revenues, declined 6.1% in the first quarter. This is due to an 8.0% decline in withholding tax revenues, the result of an update to Wisconsin's withholding tables in January of 2022.

Excise tax revenues declined 7.2% on a 9.6% drop in cigarette tax revenues.

Other revenues, mostly the real estate transfer fee, were down 19.1%.

Source: Wisconsin Department of Revenue, [Department of Revenue Collections, First Quarter FY2023 \(wi.gov\)](https://www.wisconsin.gov/revenue/collections/first-quarter-fy2023).

Corn Prices Remain Above 2021 Levels



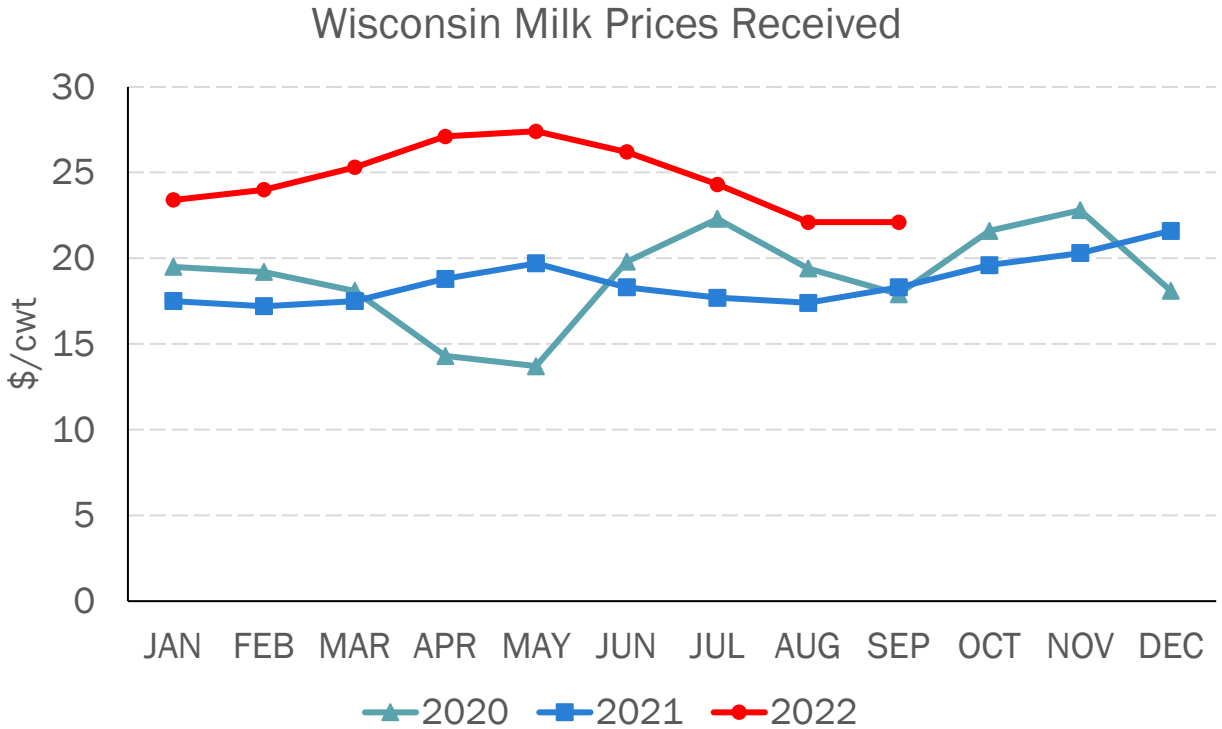
Wisconsin farmers received \$7.12 per bushel of corn in September, up 17 cents (2.4%) from \$6.95 in August and \$1.30 (22.3%) above the price received in September of 2021.

The \$7.12 received by Wisconsin farmers was 3 cents above the \$7.09 received by farmers across the nation.

Compared to the level of 2020, corn prices have more than doubled.

Source: U.S. Department of Agriculture, National Agricultural Statistics Service

Milk Prices Down from Spring Peak



The average price of milk received by Wisconsin farmers was \$22.10 per cwt (hundred weight) in September, unchanged since August and \$3.70 (20.1%) more than September of 2021.

Nationally, farmers received \$24.40 in September, 10 cents higher than in August and \$6.10 (33.3%) more than September of 2021.

Wisconsin milk prices in September were 19.3% lower than the recent high of \$27.40 per cwt in May of this year.

Source: U.S. Department of Agriculture, National Agricultural Statistics Service

U.S. Updates

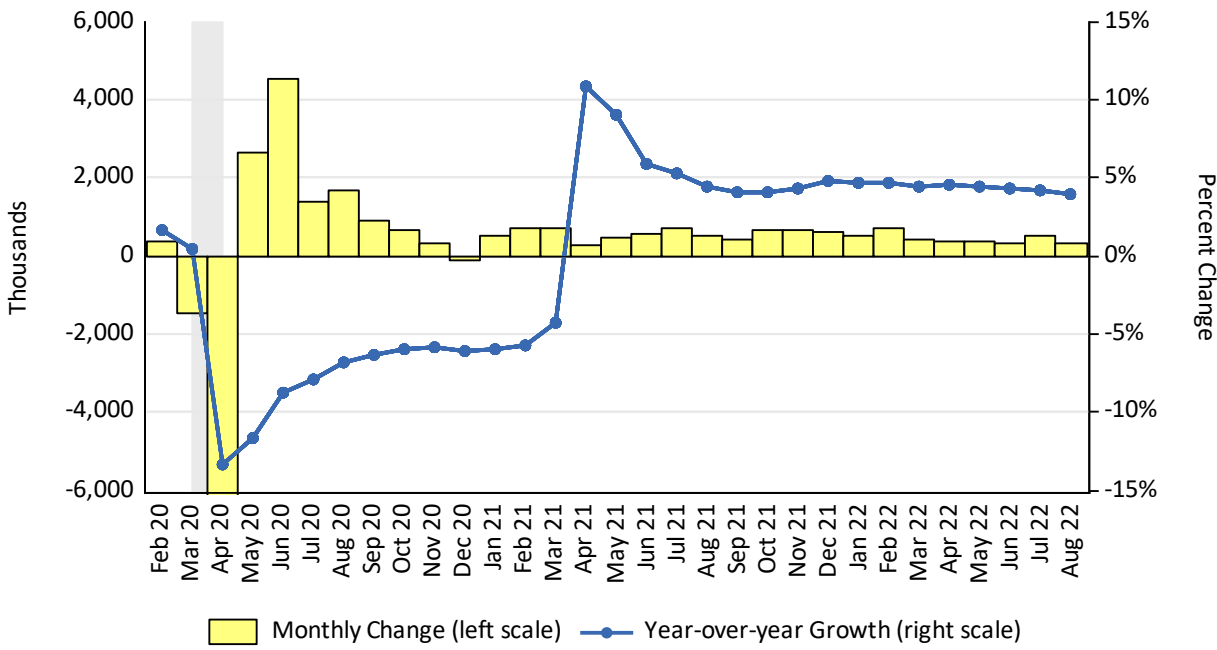
Employment

Inflation (CPI)

Home Sales

U.S. Added 263,000 Jobs in September

National Employment



Total nonfarm payroll employment in the U.S. increased by 263,000 in September. Total employment is now 0.3% higher than the pre-pandemic level.

The unemployment rate edged down to 3.5% in September. The labor force participation rate was little changed at 62.3% while the employment-population ratio was unchanged at 60.1%.

Leisure and hospitality added 83,000 jobs in September. Employment in this sector is below its pre-pandemic February 2020 level by 1.1 million, or 6.7%.

In September, employment in health care rose by 60,000 and has returned to its February 2020 level.

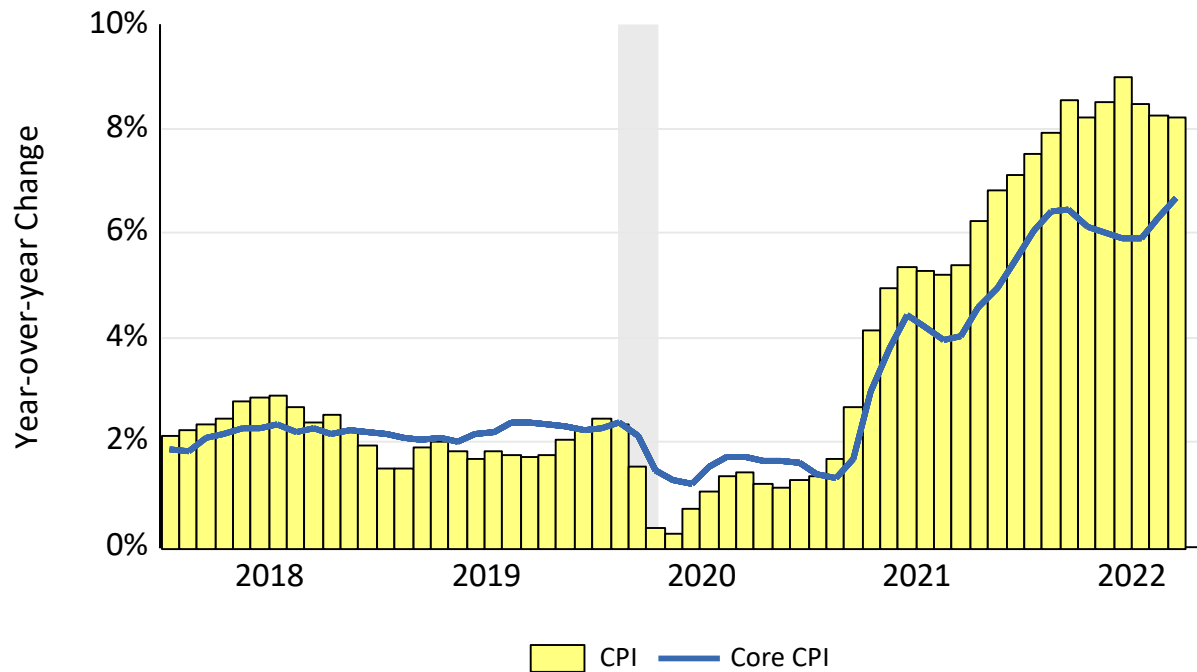
Other sectors adding jobs include professional and business services (+46,000), manufacturing (+22,000) and construction (+19,000).

In September, average hourly earnings for all employees on private nonfarm payrolls rose by 10 cents, or 0.3%, to \$32.46. Over the past 12 months, average hourly earnings have increased by 5.0%.

Source: US Bureau of Labor Statistics, Monthly Employment Report

Consumer Prices Increased 8.2%

Consumer Price Index (CPI)



Source: US Bureau of Labor Statistics, Consumer Price Index

The Consumer Price Index for All Urban Consumers rose 0.4% in September on a seasonally adjusted basis after rising 0.1% in August. Over the last 12 months, the all-items index increased 8.2%.

Increases in the shelter, food, and medical care indexes were the largest of many contributors to the monthly seasonally adjusted all items increase. These increases were partly offset by a 4.9% 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 11.2% over the last year.

The energy index fell 2.1% over the month as the gasoline index declined, but the natural gas and electricity indexes increased.

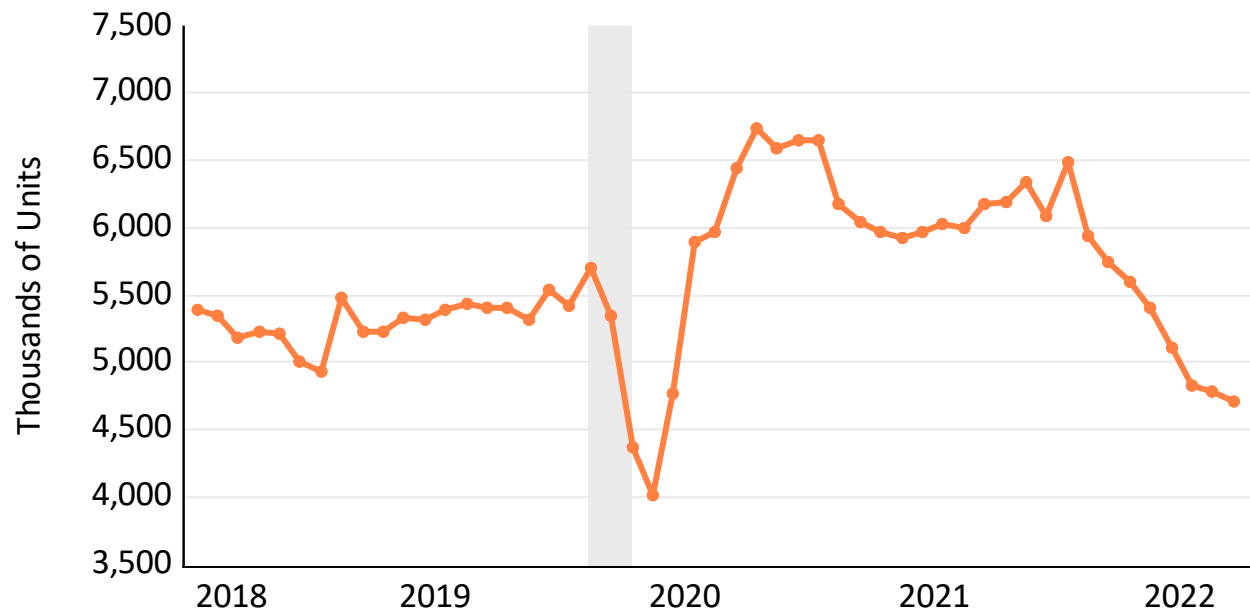
The index for all items less food and energy rose 0.6% in September and were up 6.6% over the last 12 months. This is the largest 12-month increase since August 1982.

This report is bad news for the Fed, which will need to continue raising rates to combat inflation.

In one piece of good news, the cost-of-living adjustment (COLA) for Social Security recipients will be 8.7% starting next year, helping retirees keep up with rising costs.

Housing Market Activity Slows

U.S. Existing Home Sales



Existing home sales, which make up about 90% of activity in the housing market, have declined in 2022.

Through the first nine months of 2022, existing home sales are down 11.5% year-over-year (y/y), according to data from the National Association of Realtors.

In September alone, single-family home sales were down 23.0% y/y nationally, with double-digit declines in all four regions.

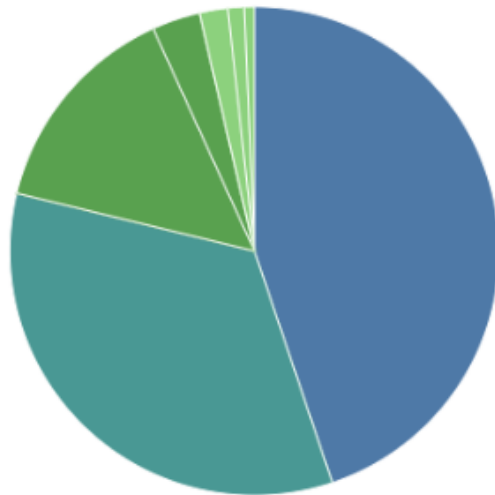
Prices remain elevated, however, with the median price for a single-family home at \$391,000 in September, up from just \$274,600 in 2019.

New home sales, a much smaller piece of the market, are also down this year, dropping 14.2% compared to first nine months of 2021. (New home sales data comes from the U.S. Census Bureau).

Source: National Association of Realtors (NAR), Existing Home Sales

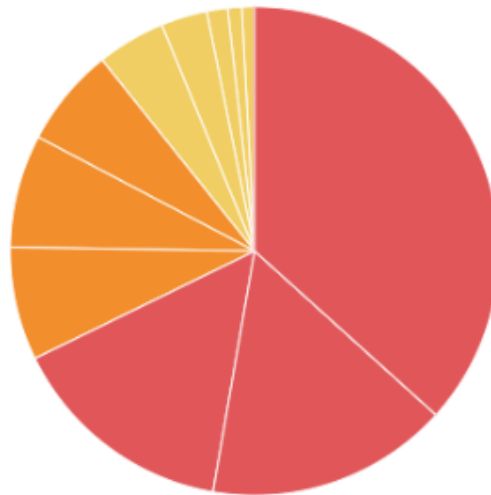
Explore Our Interactive Data!

General Fund Revenue - FY2022



Tax/Program	Amount	% of Total
Individual Income Tax	\$9,214M	44.8%
General Sales & Use Tax	\$6,978M	34.0%
Corporate Income Tax	\$2,960M	14.4%
Excise Taxes	\$655M	3.2%
Public Utility Taxes	\$384M	1.9%
Insurance Companies Pre..	\$222M	1.1%
Miscellaneous Taxes	\$136M	0.7%
Grand Total	\$20,548M	100.0%

General Fund Expenditures - FY2022



Tax/Program	Amount	% of Total
School Aids	(\$6,736M)	36.7%
Medical Assistance	(\$2,942M)	16.0%
All Others	(\$2,760M)	15.0%
State Property Tax Relief	(\$1,375M)	7.5%
Correctional Services	(\$1,371M)	7.5%
UW System	(\$1,205M)	6.6%
Shared Revenue	(\$830M)	4.5%
WI Technical College Syst..	(\$562M)	3.1%
Community Aids	(\$253M)	1.4%

DOR's Division of Research and Policy's data visualization on Expenditures and Revenues has been updated to include information for Fiscal Year (FY) 2022.

This data visualization, named the 'Act 66 State Fiscal Dashboard,' combines data on revenues with program expenditures.

To the left is one view of the data. More detail can be found at the [Act 66 State Fiscal Dashboard | 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!**
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