

Monthly Economic Update

JANUARY 2023, FEATURING DECEMBER NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

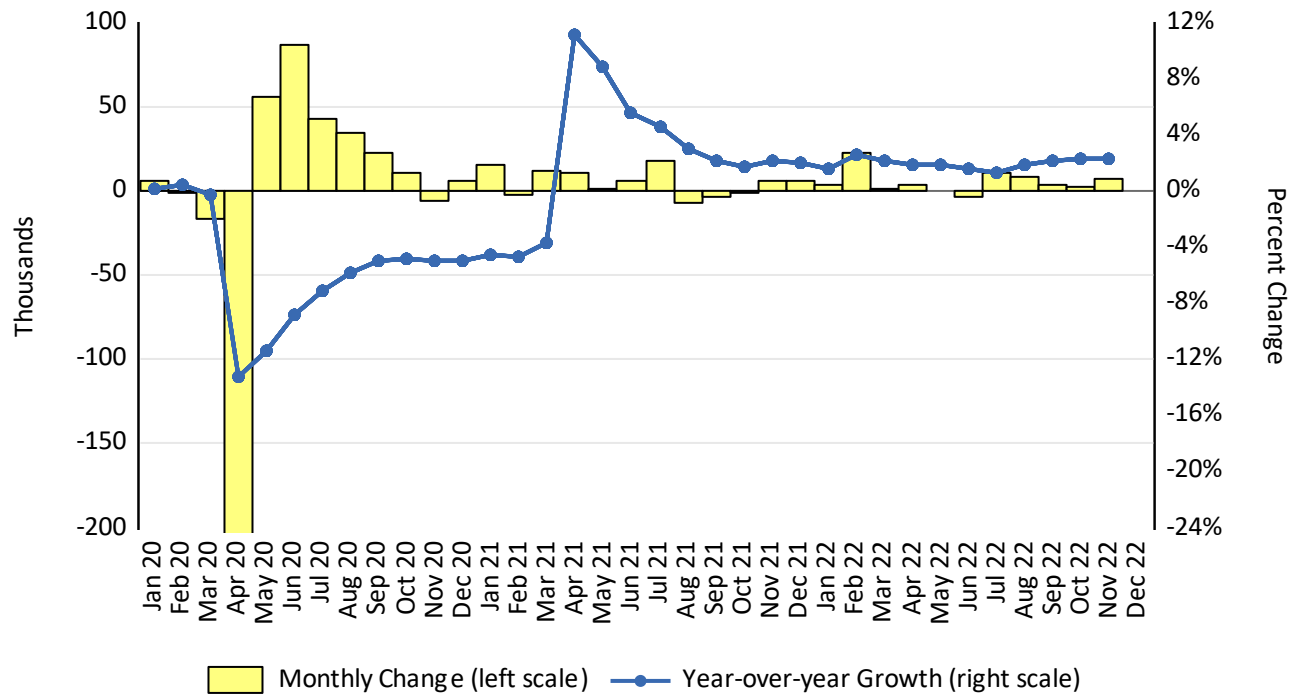
Employment

- Labor Force Participation Rate
- By Sector
- MSA Detail

Wisconsin Personal Income (2022Q3)

Wisconsin Added 6,500 Jobs in November

Wisconsin Employment



Wisconsin added 6,500 jobs in November, 5,800 private jobs and 700 government jobs.

Good producing industries added 1,200 jobs.

Private service-providing jobs increased by 4,600. This included an increase in leisure & hospitality (4,200) and education & health (1,300). Employment declined in trade, transportation, & utilities (-1,000) with small changes in other sectors.

All of the 700 new government jobs were in local government, which includes local education.

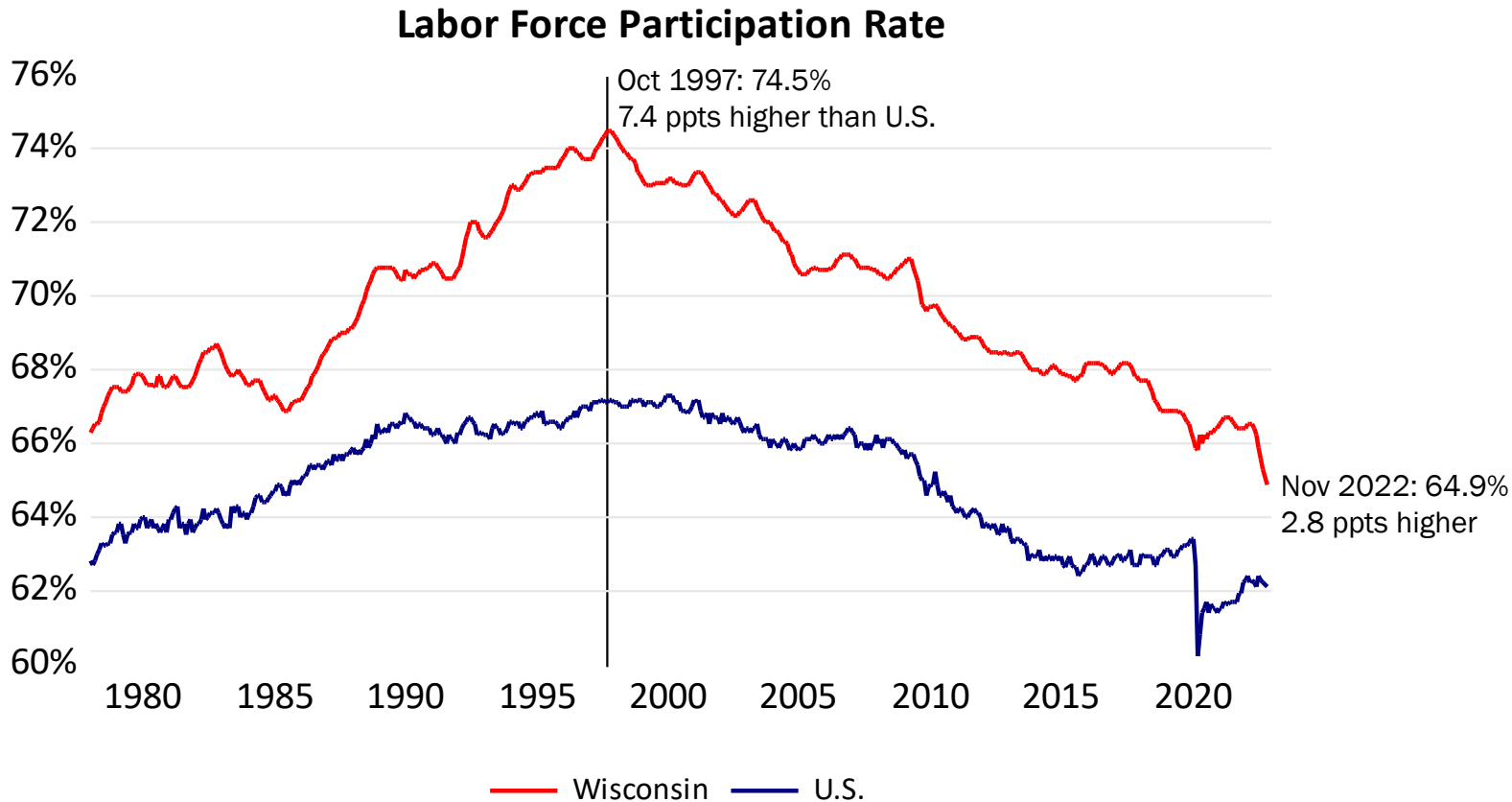
Employment in November was 1.2% (37,400 jobs) below its pre-pandemic level.

Over the past year, Wisconsin employment increased by 63,900, a 2.2% increase.

The unemployment rate stayed at 3.3% on a decline in both the number of employed and in the labor force. The labor force participation rate (LFPR) fell 0.4 percentage point to 64.9% (see chart on next page for more info on the LFPR).

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Wisconsin Historically has Higher Labor Force Participation Rate



The share of the population working or looking for work, or the labor force participation rate (LFPR), rose during the 1980s and 90s as more and more women entered the labor force. Others entered the labor force in the late 1990s as jobs were relatively easy to find.

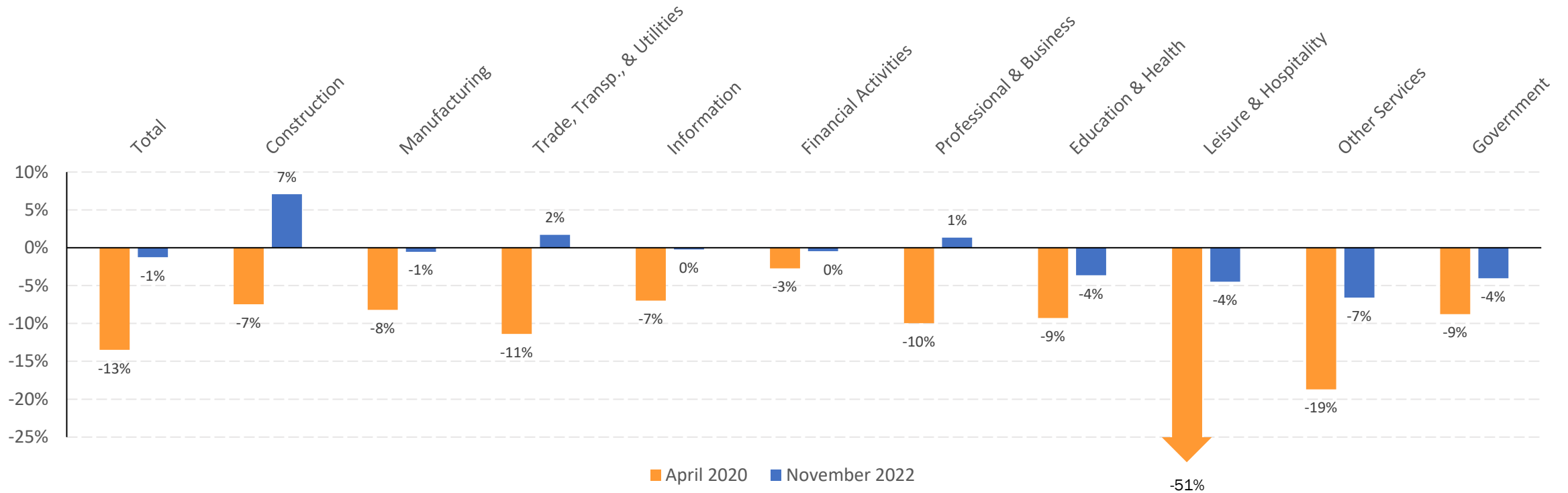
Since then the population has aged and a higher share of the population is retired or not working for other reasons.

Wisconsin tends to have a higher LFPR than the nation, but the gap is narrowing.

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

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

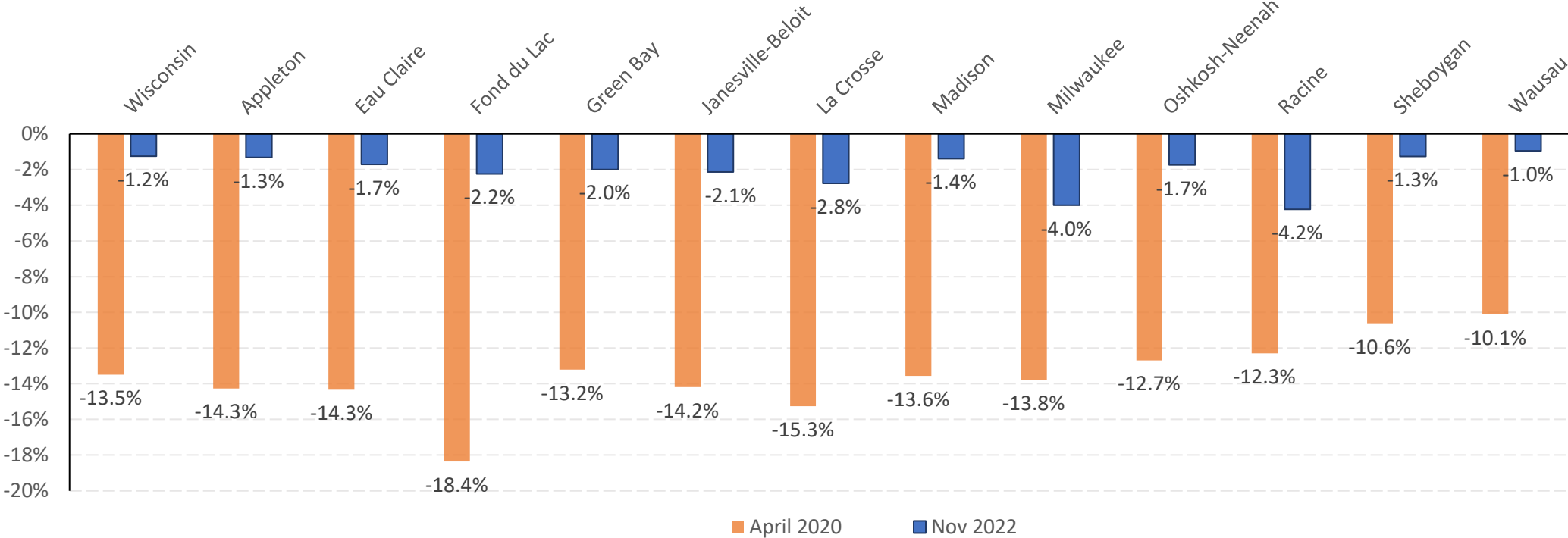
Percent Change in Wisconsin Employment Since February 2020



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

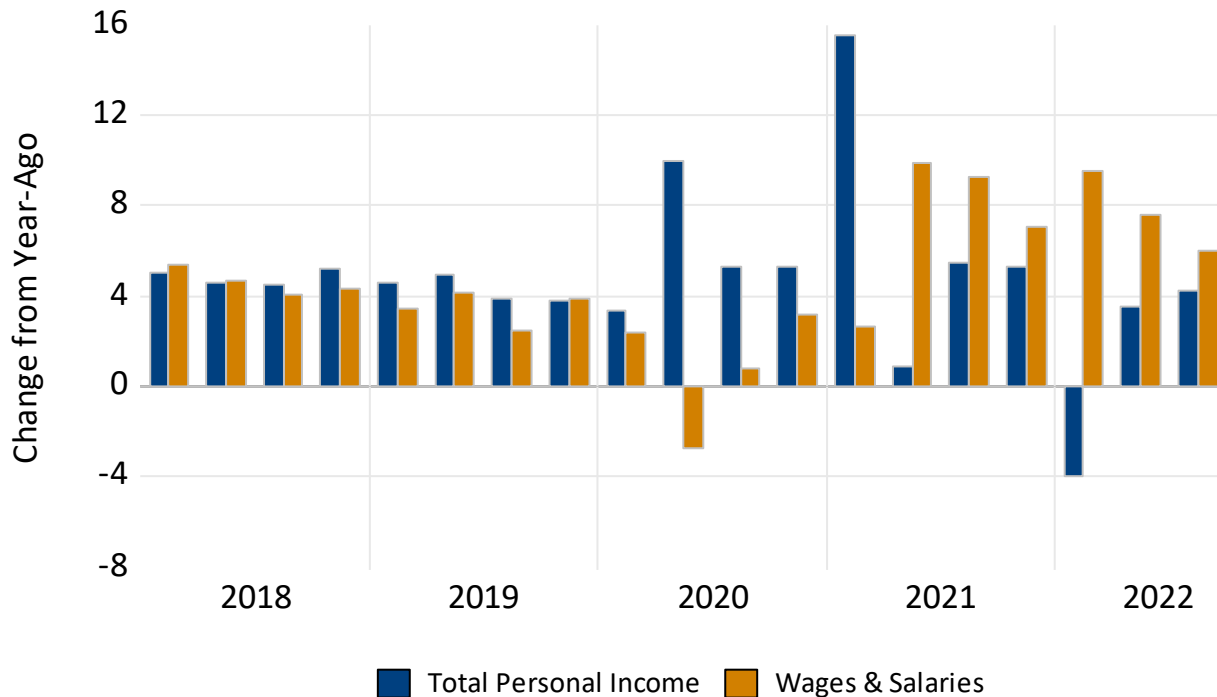
Employment Below Pre-pandemic Level in all 12 MSAs

Percent Change in Employment Since February 2020



Wisconsin Personal Income Increased 4.3% in Third Quarter

Wisconsin Personal Income and Wages



Personal income increased 4.3% in the third quarter, compared to the same quarter last year. Farm income, which was 1.2% of total personal income, increased 55.7%.

Wages and salaries increased 6.0% year-over-year (y/y) while income from dividends, interest, and rent increased 4.3% y/y.

Compared to the prior quarter, third-quarter personal income increased 4.7% in Wisconsin, below the national increase of 5.3% but the highest in the Great Lakes region, which saw a total increase of 3.6%.

Wisconsin's third-quarter growth ranked 29th in the nation.

Source: U.S. Bureau of Economic Analysis

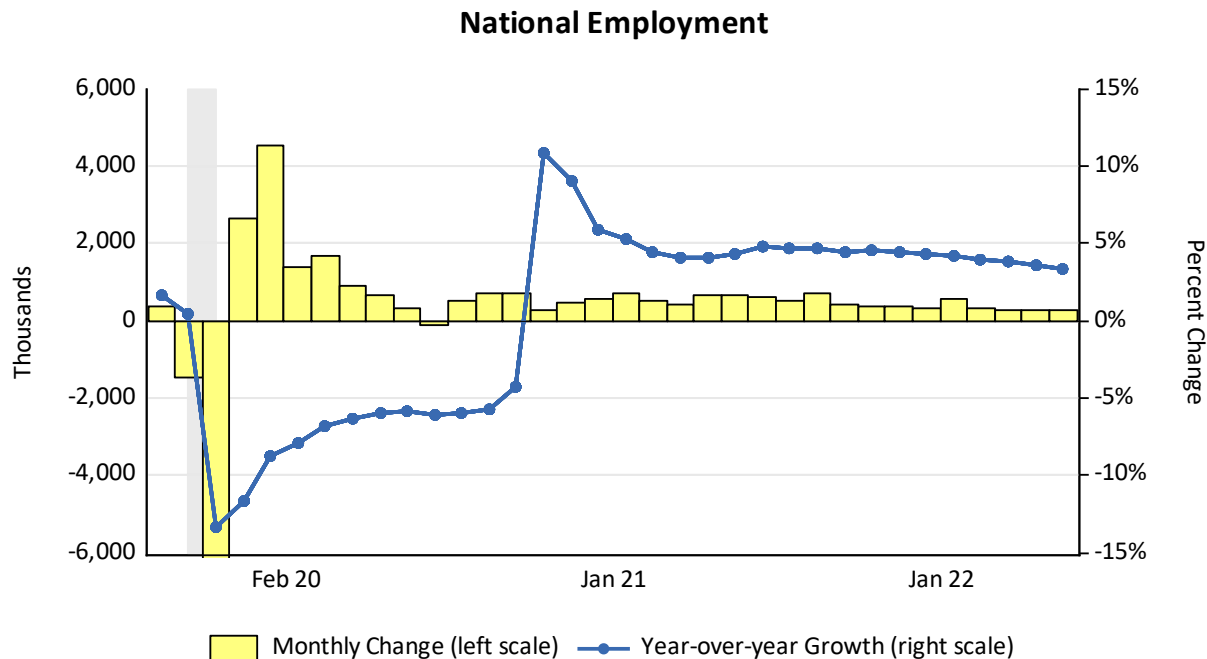
U.S. Updates

Employment

Inflation (CPI)

Consumer Sentiment

U.S. Employment Rose by 263,000 in November



Source: U.S. Bureau of Labor Statistics, Monthly Employment Report

Total nonfarm payroll employment increased by 263,000 in November, and the unemployment rate was unchanged at 3.7%.

Both the labor force participation rate, at 62.1%, and the employment-population ratio, at 59.9%, were little changed in November and have shown little net change since early this year. These measures are each 1.3 percentage points below their values in February 2020, prior to the coronavirus (COVID-19) pandemic.

The increase of 263,000 in November was roughly in line with average growth over the prior 3 months (+282,000). Monthly job growth has averaged 392,000 thus far in 2022, compared with 562,000 per month in 2021.

Leisure and hospitality added 88,000 jobs in November, including a gain of 62,000 in food services and drinking places. Employment in leisure and hospitality is below its pre-pandemic February 2020 level by 980,000, or 5.8%.

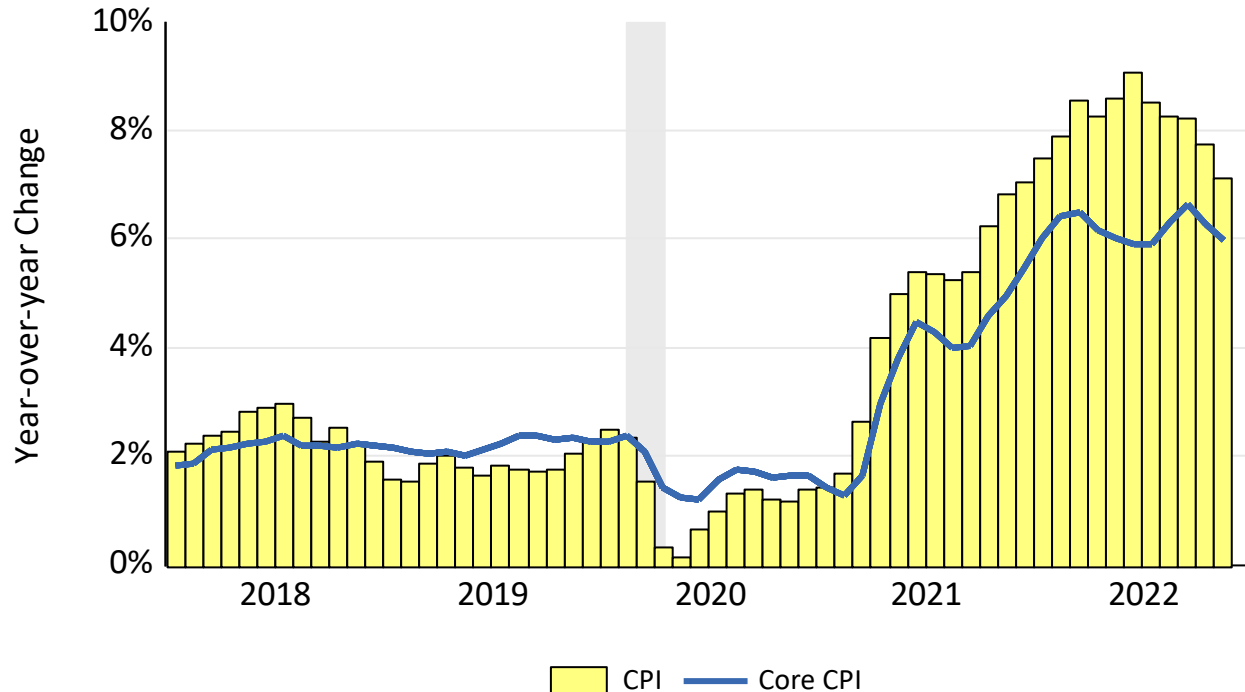
In November, employment in health care rose by 45,000, with gains in ambulatory health care services (+23,000), hospitals (+11,000), and nursing and residential care facilities (+10,000).

Government added 42,000 jobs in November, mostly in local government (+32,000). Since February 2020, government employment is down by 461,000, or 2.0%.

In November, average hourly earnings for all employees on private nonfarm payrolls rose by 18 cents, or 0.6%, to \$32.82. Over the past 12 months, average hourly earnings have increased by 5.1%.

Consumer Price Increases Slow But Remain Elevated

Consumer Price Index (CPI)



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

The Consumer Price Index rose 0.1% in November on a seasonally adjusted basis, after increasing 0.4% in October. Over the last 12 months, the CPI increased 7.1% .

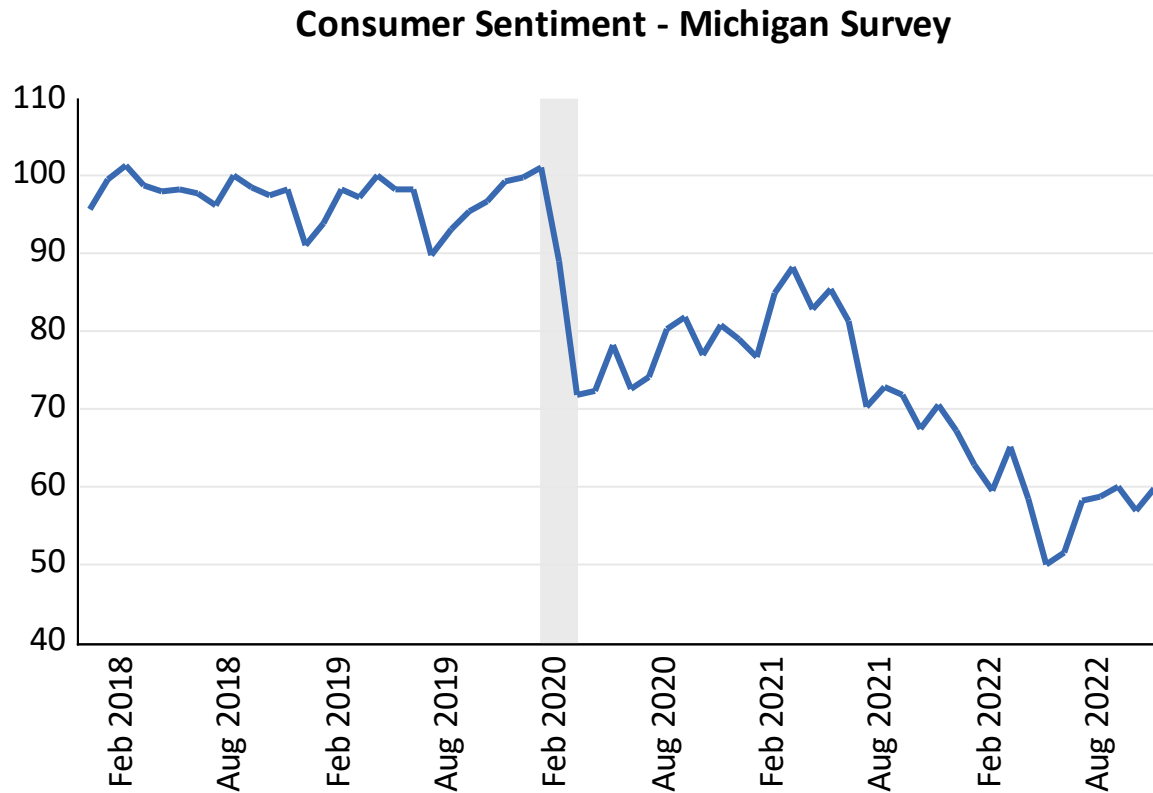
The index for shelter was by far the largest contributor to the monthly increase, more than offsetting decreases in energy indexes. The food index increased 0.5% over the month with the food at home index also rising 0.5%. The energy index decreased 1.6% over the month.

Core CPI, which excludes food and energy, rose 0.2% in November, after rising 0.3% in October. The indexes for shelter, communication, recreation, motor vehicle insurance, education, and apparel were among those that increased over the month. Indexes which declined in November include the used cars and trucks, medical care, and airline fares indexes.

The 7.1% for the 12 months ending November was the smallest 12-month increase since the period ending December 2021. Core CPI, rose 6.0% over the last 12 months.

Price increases are slowing, but they need to slow further to satisfy the Federal Reserve.

Consumer Sentiment Increased in December



Consumer Sentiment rose in December to 59.7, up 5.1% from 56.8 in Nov 2022 but down 15.4% from 70.6 in December of last year.

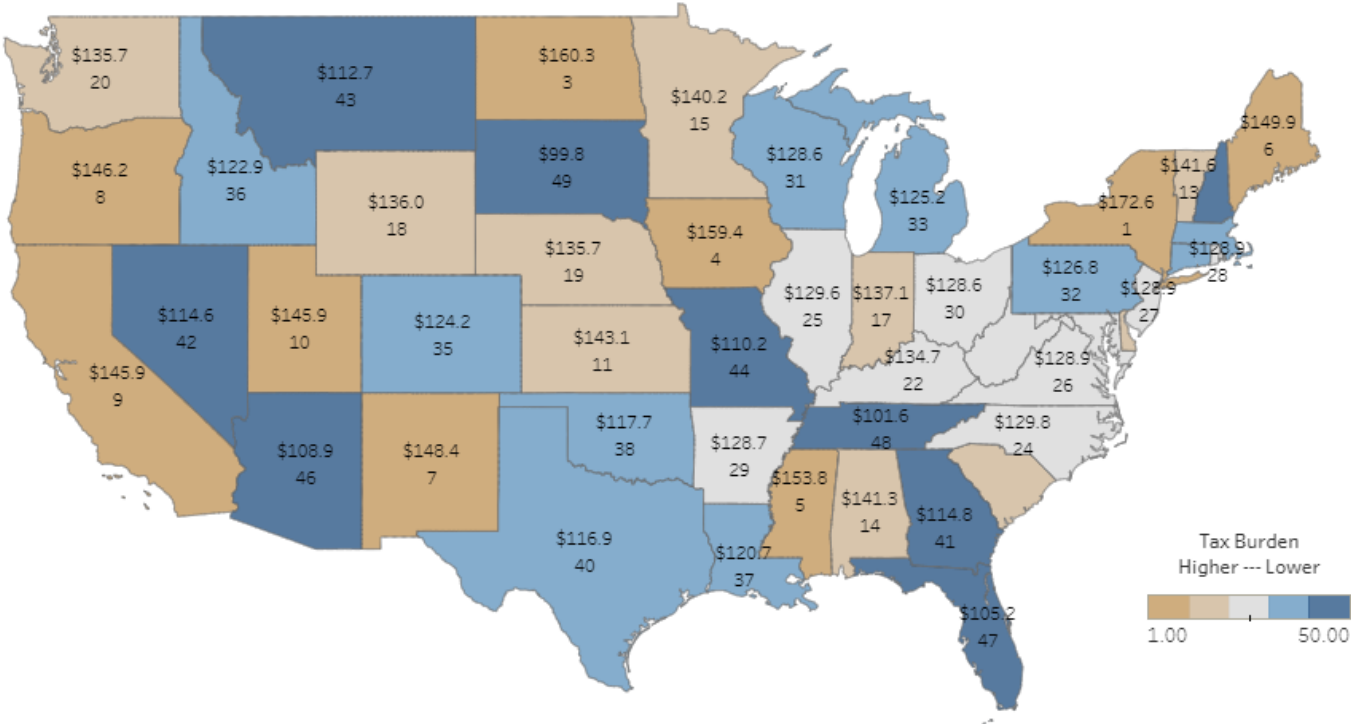
The current economic conditions index increased 1.0% to 59.4 in December but are 19.9% below year-ago levels. The index of consumer expectations increased to 59.9 from 55.6 in November.

Sentiment among households with incomes below \$100,000 per year improved 2.2 points in December while sentiment among households earning more than \$100,000 per year rose 5.4 points.

Source: University of Michigan, Survey of Consumers

Explore Our Interactive Data!

State and Local Revenues per \$1,000 of Personal Income: Taxes and Fees in



DOR's Division of Research and Policy has a data visualization on State and Local Government Tax Rankings.

This data visualization calculates the amount of taxes and fees as a percent of personal income for each state.

To the left is one view of the data. More detail can be found at [DOR State and Local Government Tax Rankings \(wi.gov\)](https://www.wisconsin.gov/dor/state-and-local-government-tax-rankings).

All of our data visualizations are available at [DOR Interactive Data Visualizations \(wi.gov\)](https://www.wisconsin.gov/dor/interactive-data-visualizations).

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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