Monthly Economic Update

MAY 2023, FEATURING APRIL NEWS RELEASES

WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

Employment

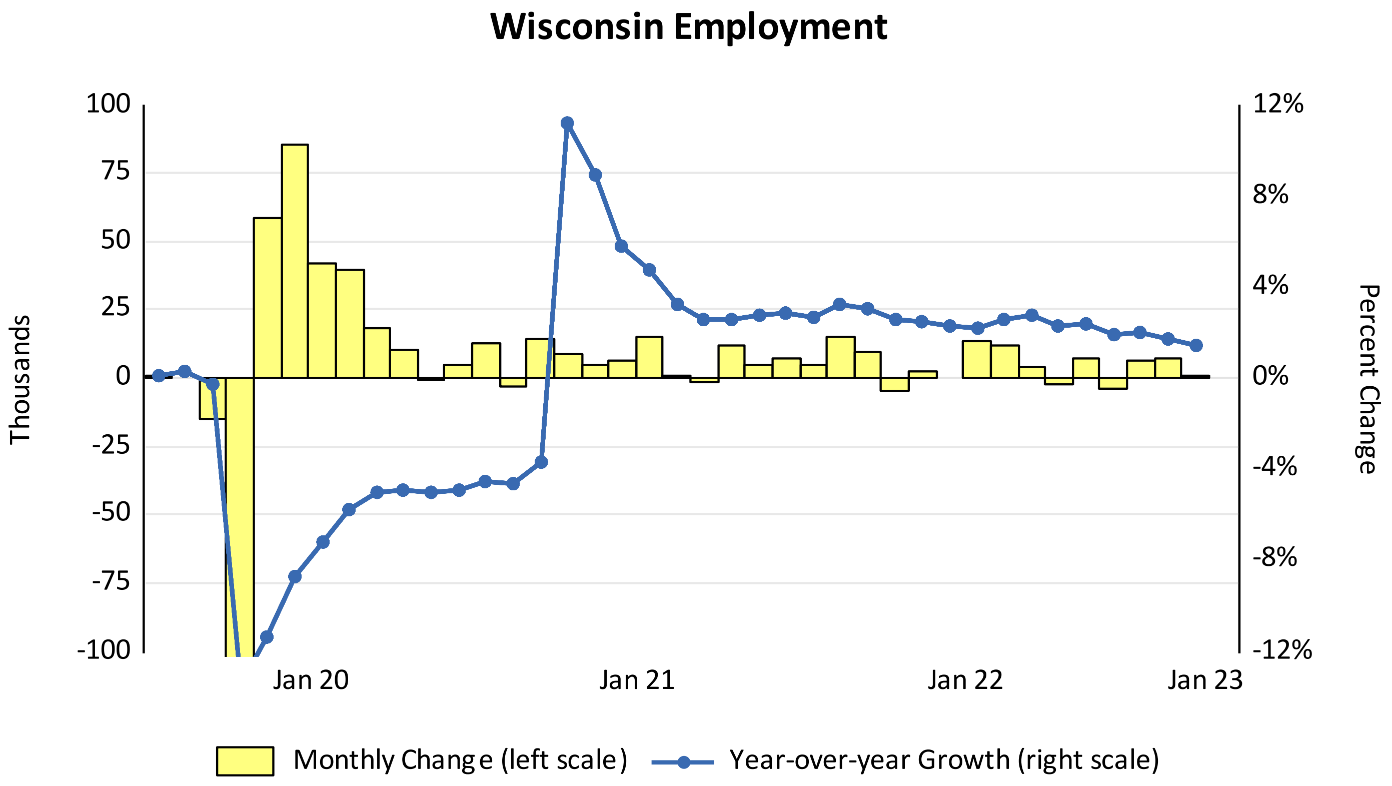
- Sectors

FY23 Third Quarter Tax Revenues

Wisconsin Farm Prices

- Corn
- Dairy

Wisconsin Employment Increased By 900 Jobs in March



Wisconsin added 900 jobs in March.

Private employment added just 200 jobs and government jobs went up by 700.

Construction was the most impacted sector, losing 1,700 jobs in March following a loss of 400 jobs last month.

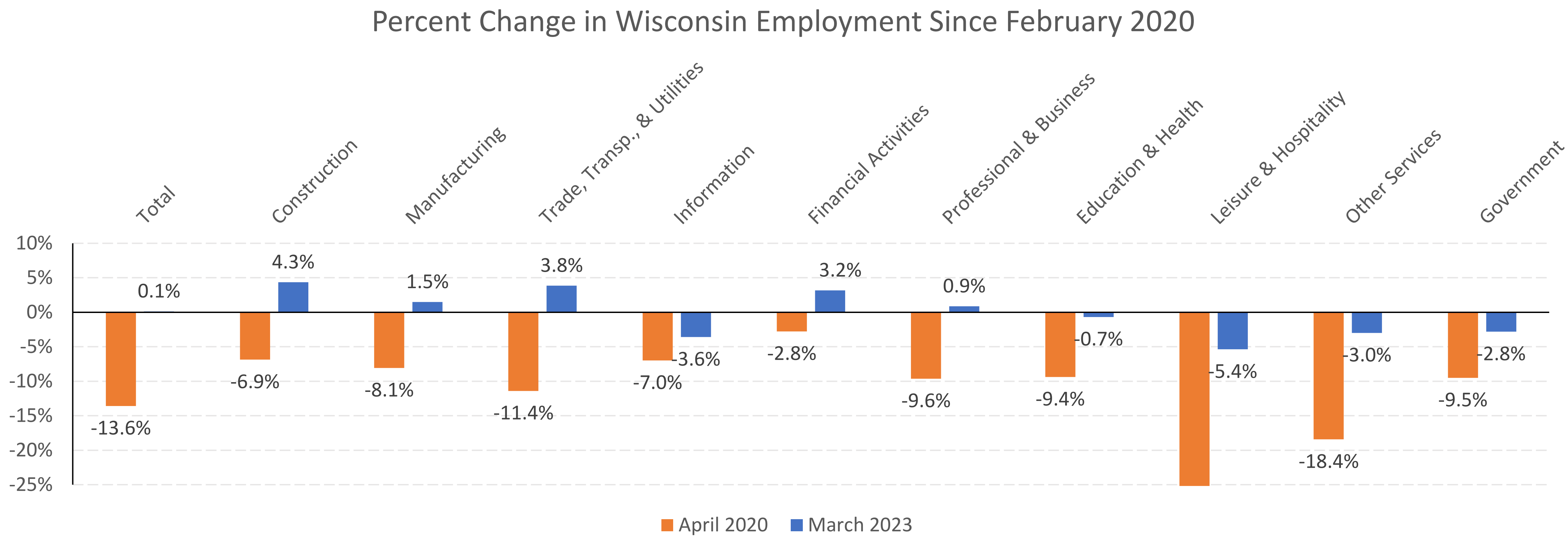
Modest jobs gains were distributed in service - providing sectors.

Wisconsin employment is 0.1% above its pre-pandemic level.

Wisconsin's unemployment rate dropped to a record-low 2.5% in March, compared to 3.5% nationally. The labor force participation rate increased 0.1 percentage point to 64.6%.

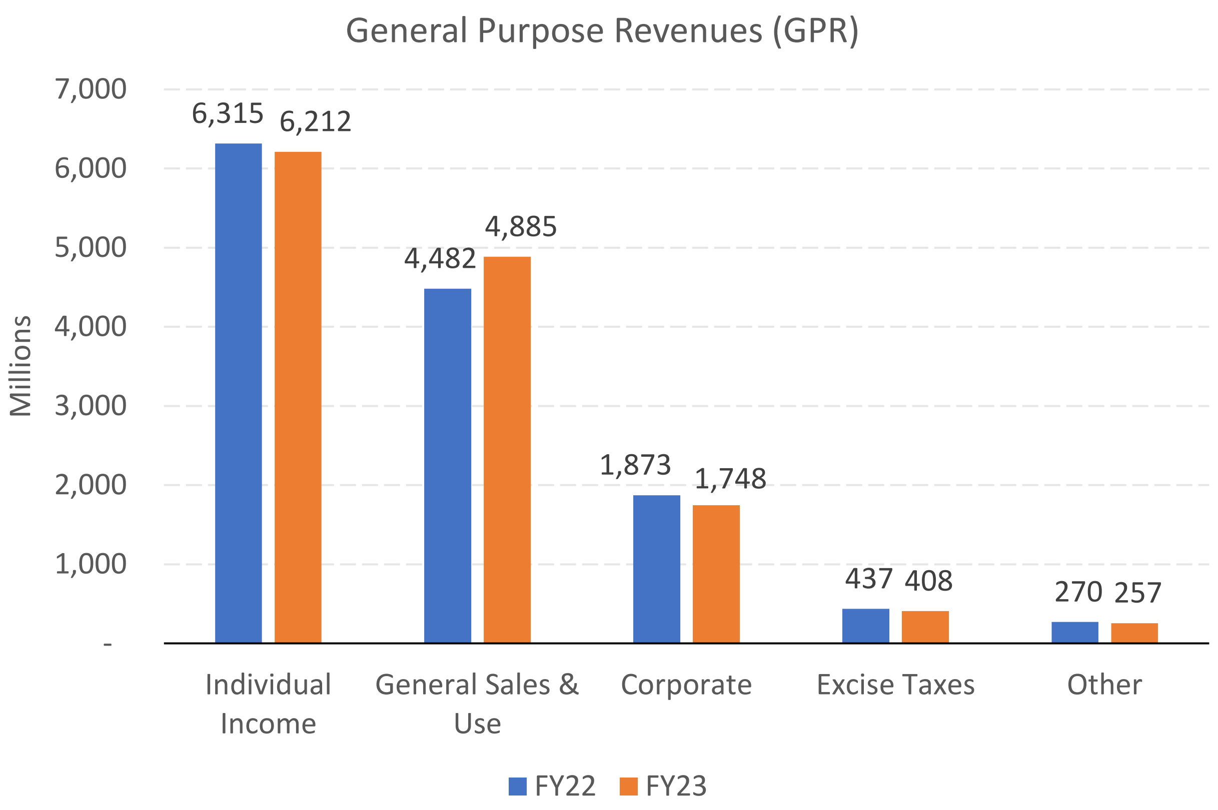
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Five Sectors Are Above Pre-pandemic Levels



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

General Purpose Revenues Increased 1.0% Through March



Total General Purpose Revenues (GPR) collected by the Department of Revenue totaled $13.51 billion through the first three quarters of FY23, an increase of 1.0% compared to the first three quarters of FY22.

Individual income tax revenues, the largest source of revenue, are 1.6% below the same time last year due to declines in withholding following last year's withholding table update. The update to the withholding tables resulted in lower withholding, but also smaller refunds.

Sales tax revenues have increased to $4.88 billion, 9.0% above the same period last year.

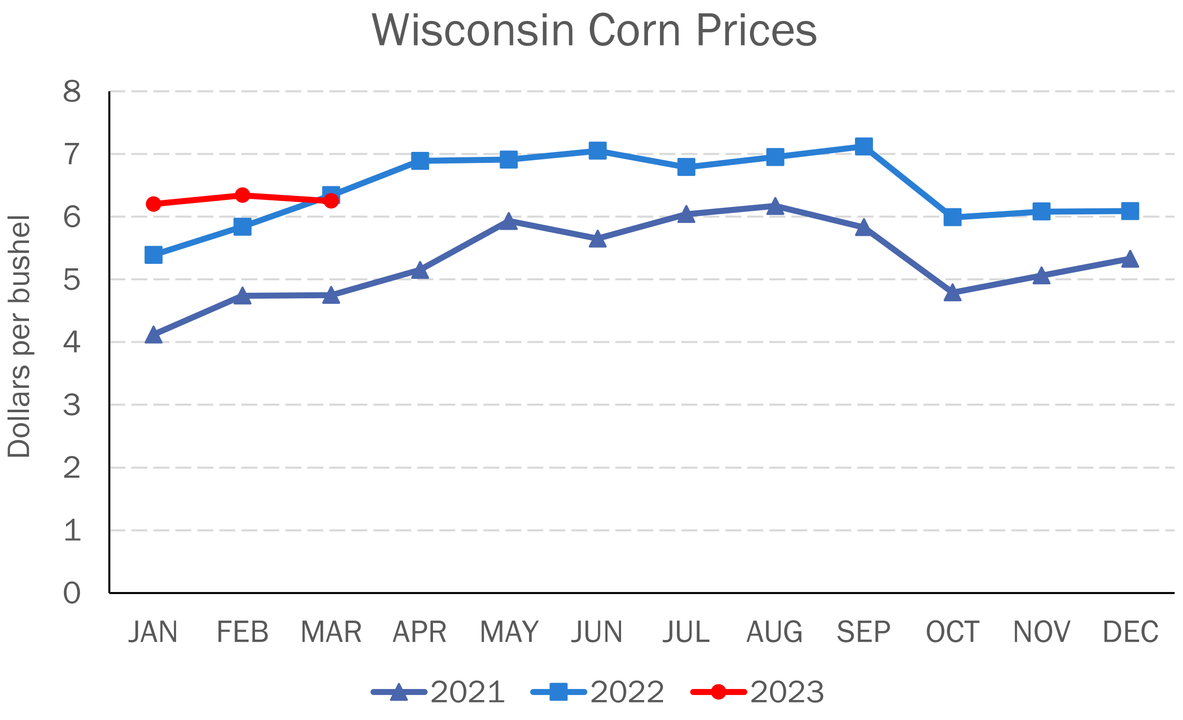
Corporate income tax revenues have declined 6.7% year-over-year (y/y), to $1.75 billion.

Excise tax revenues have declined 6.5% y/y through March, including a 9.2% y/y decline in cigarette tax revenues.

Other revenues, including the real estate transfer fee and utility taxes, are 4.7% below this time last year.

Source: Wisconsin Department of Revenue, [Department of Revenue Collections, March FY2023 (wi.gov)].

Wisconsin Corn Prices Nearly Flat from Last Year



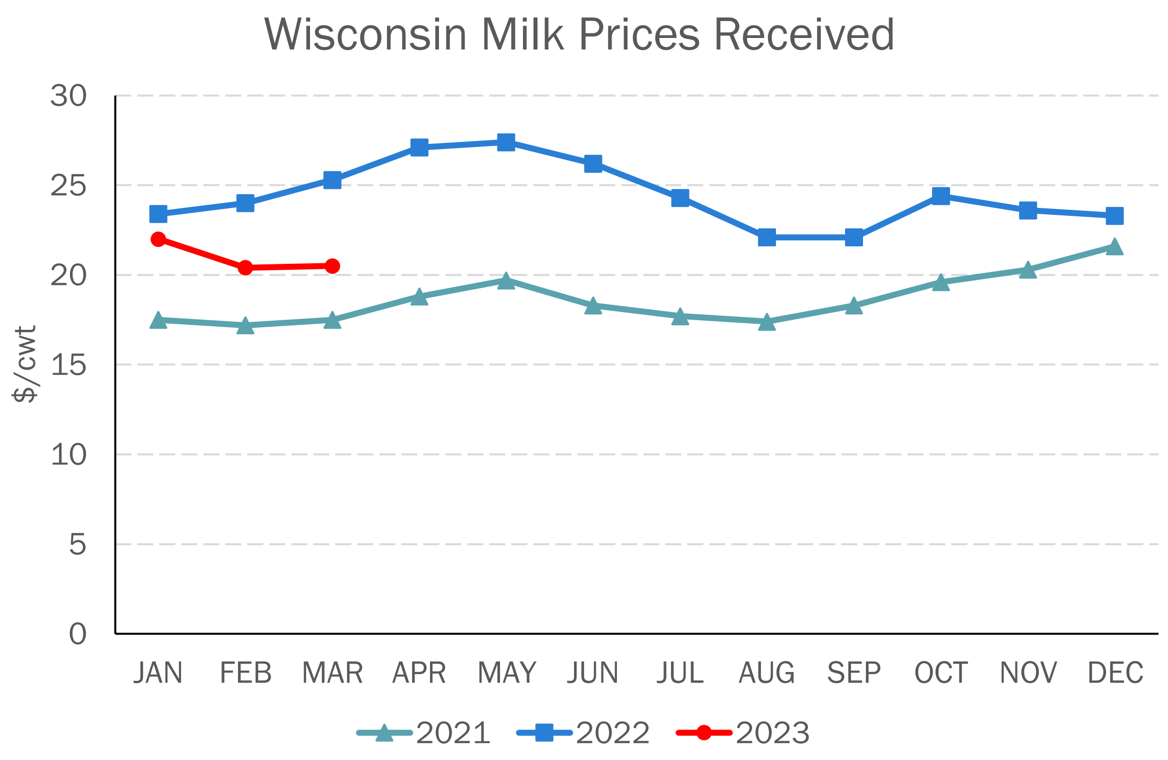
Source: US Department of Agriculture, National Agricultural Statistics Service

Wisconsin corn prices averaged $6.25/bushel in March, nine cents below the average price of $6.34/bushel last month and also the $6.34/bushel in March 2022. Prices were five cents higher than the January price.

Corn prices peaked last September at $7.12/bushel. March prices were $0.78 (11%) below that peak.

National corn prices were above the Wisconsin prices, at $6.67/barrel in March.

Wisconsin Milk Prices Fell Below Last Year's Levels



Source: US Department of Agriculture, National Agricultural Statistics Service

Wisconsin milk prices are running below last year's levels so far in 2023, but remain above 2021 levels.

In March, milk prices received by Wisconsin farmers averaged $20.50/cwt. This is up ten cents from $20.40/cwt in February but down $4.80/cwt from the average price of $25.30/cwt in March of 2022.

Wisconsin milk prices were below the national average. The average received by U.S. farmers in March 2023 was $21.10/cwt, 60 cents higher than in Wisconsin but $4.50 below last year's level.

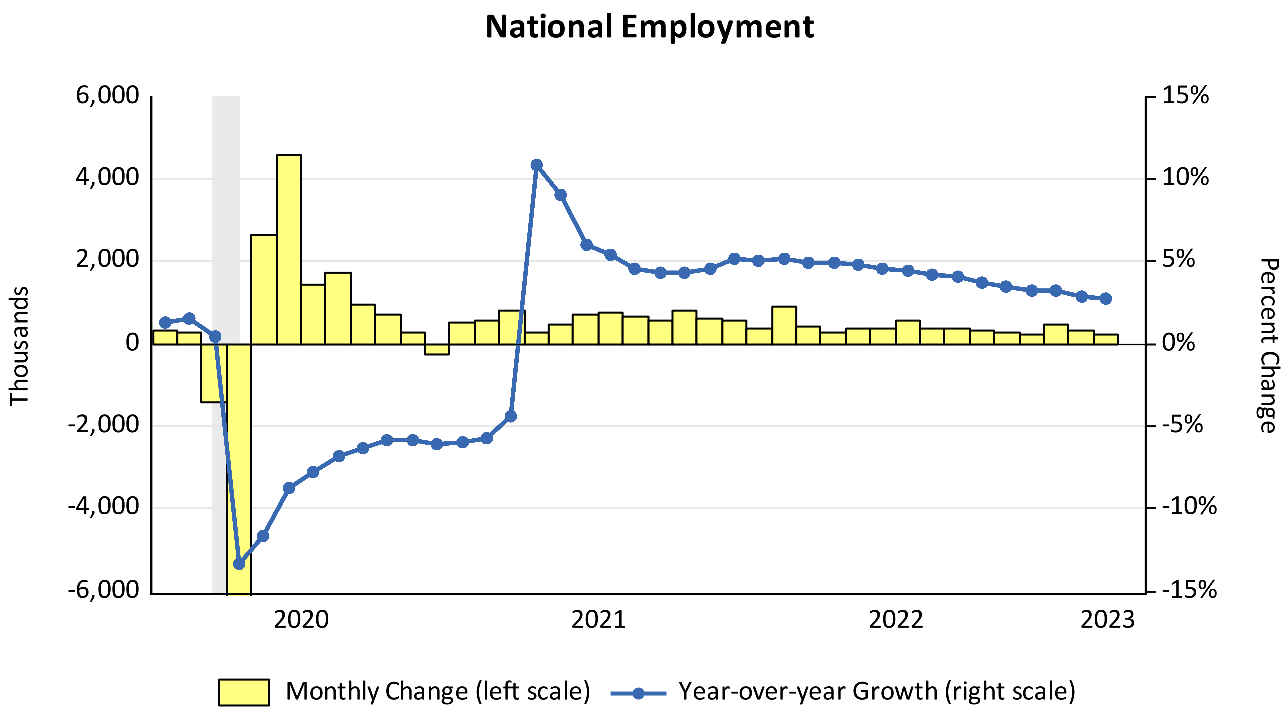
U.S. Updates

Employment

Inflation (CPI)

Consumer Sentiment

U.S. Employers Added 236,000 Jobs in March



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

Total nonfarm payroll employment rose by 236,000 in March, and the unemployment rate changed little at 3.5%, the U.S. Bureau of Labor Statistics reported.

The monthly increase of 236,000 was below the average monthly gain of 334,000 over the prior 6 months.

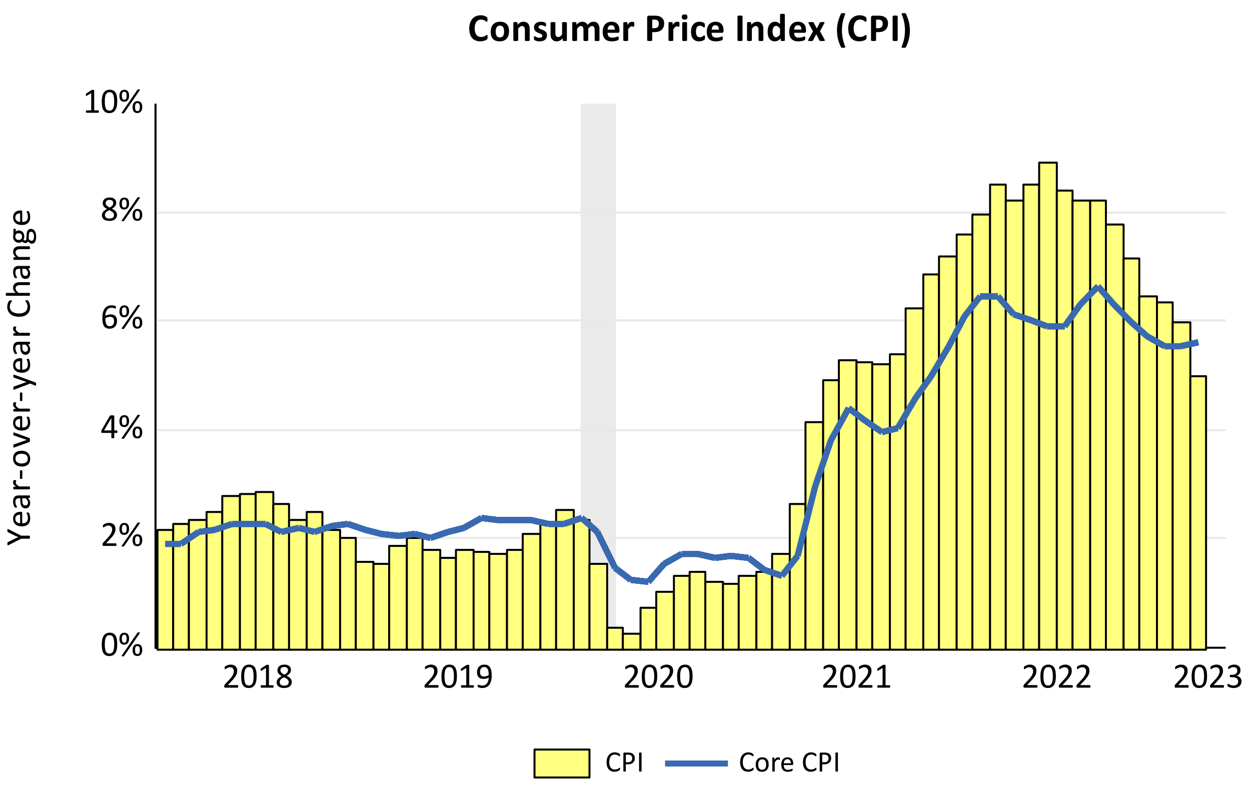
In March, employment continued to trend up in leisure and hospitality, government, professional and business services, and health care.

Average hourly earnings for all employees on private nonfarm payrolls rose by 9 cents, or 0.3%, to $33.18 in March. Over the past 12 months, average hourly earnings have increased by 4.2%.

The labor force participation rate, at 62.6%, continued to trend up in March but remains below its pre-pandemic February 2020 levels of 63.3%.

The change in total nonfarm payroll employment for January was revised down by 32,000, from +504,000 to +472,000, and the change for February was revised up by 15,000, from +311,000 to +326,000. With these revisions, employment in January and February combined is 17,000 lower than previously reported.

Annual Consumer Price Increases Slowed to 5.0% in March



The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1% in March on a seasonally adjusted basis, after increasing 0.4% in February. Over the last 12 months, the all items index increased 5.0% before seasonal adjustment.

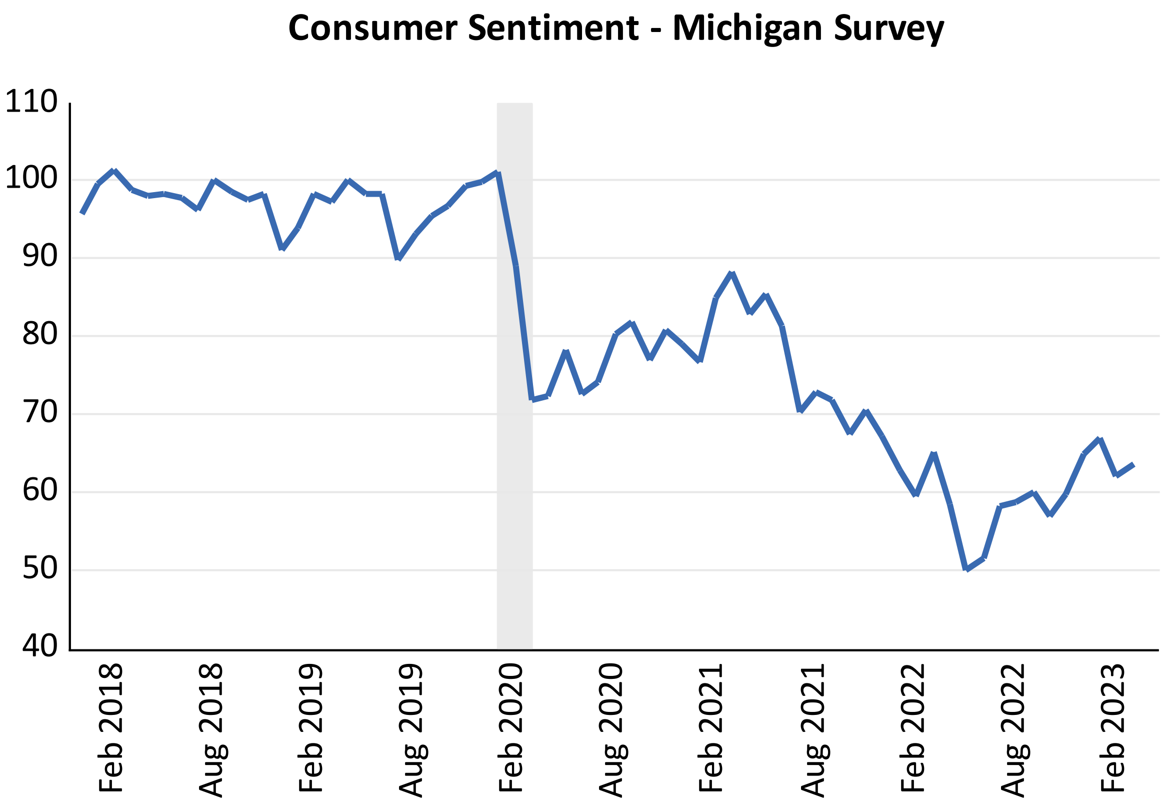
The index for shelter was by far the largest contributor to the monthly all items increase. This more than offset a decline in the energy index, which decreased 3.5% over the month as all major energy component indexes declined. The food index was unchanged in March with the food at home index falling 0.3%.

The index for all items less food and energy (core CPI) rose 0.4% in March, after rising 0.5% in February. Indexes which increased in March include shelter, motor vehicle insurance, airline fares, household furnishings and operations, and new vehicles. The index for medical care and the index for used cars and trucks were among those that decreased over the month.

The all items index increased 5.0% for the 12 months ending March; this was the smallest 12-month increase since the period ending May 2021 and down from 9.1% in June 2022. The core CPI rose 5.6% over the last 12 months, an acceleration from 5.5% in February. The energy index decreased 6.4% for the 12 months ending March, and the food index increased 8.5% over the last year.

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

Consumer Sentiment Moved Higher in April



Source: University of Michigan, Surveys of Consumers

The University of Michigan Consumer Sentiment Index increased 1.5 points to 63.5 in the final April reading. The April reading was 13.5 points above the low of 50.0 in June of 2022 but 1.7 points below last April's level.

The index of current economic conditions also increased, to 68.2 in April from 66.3 in March. However, this component was below last year's reading of 69.4.

The index of consumer expectations similarly was up in April (to 60.5 from 59.2 in March) but remained below last year's level.

The percent mentioning high interest rates or tight credit as reasons for poor buying conditions was down from highs late last year for homes, but still elevated for buying cars or durables.

Despite the increasingly negative news on business conditions heard by consumers, their short and long-run economic outlook improved modestly from last month.

These improvements were balanced by worsening assessments of personal finances due to higher expenses, reflecting the ongoing pain stemming from continued high prices.

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