

# Monthly Economic Update

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**JULY 2023, FEATURING JUNE NEWS RELEASES**  
**WISCONSIN DEPARTMENT OF REVENUE**

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

# Wisconsin Updates

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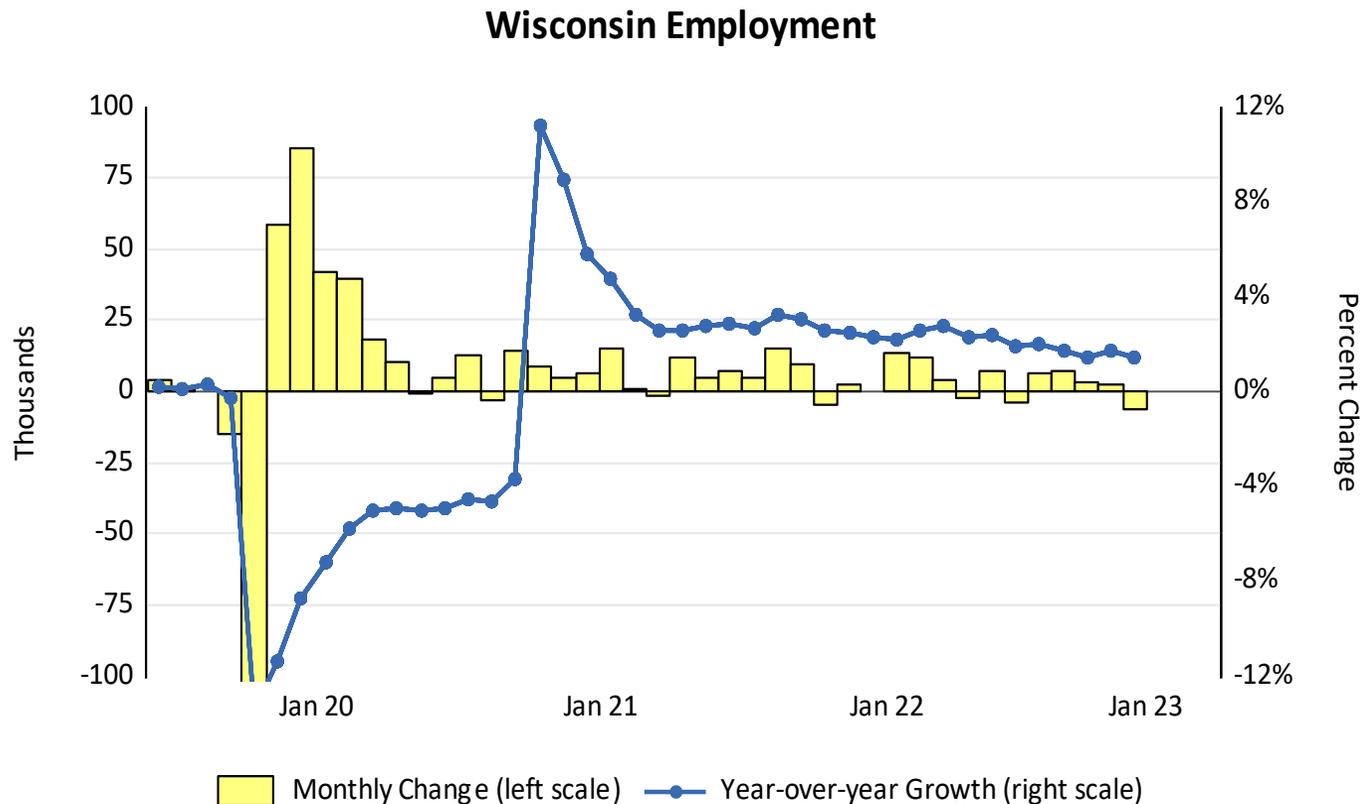
## Employment

- Sectors
- MSAs

## Wisconsin Personal Income (2023Q1)

## Home Affordability

# Wisconsin Employment Fell by 6,400 in May



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

Total nonfarm employment in Wisconsin declined in May, down 6,400 from April, which was revised lower. This decline wiped out three months worth of employment gains.

Compared to the prior year, Wisconsin employment is 1.4% higher than May of 2022, an increase of 41,200 jobs. At the national level, employment increased 2.7% from May 2022.

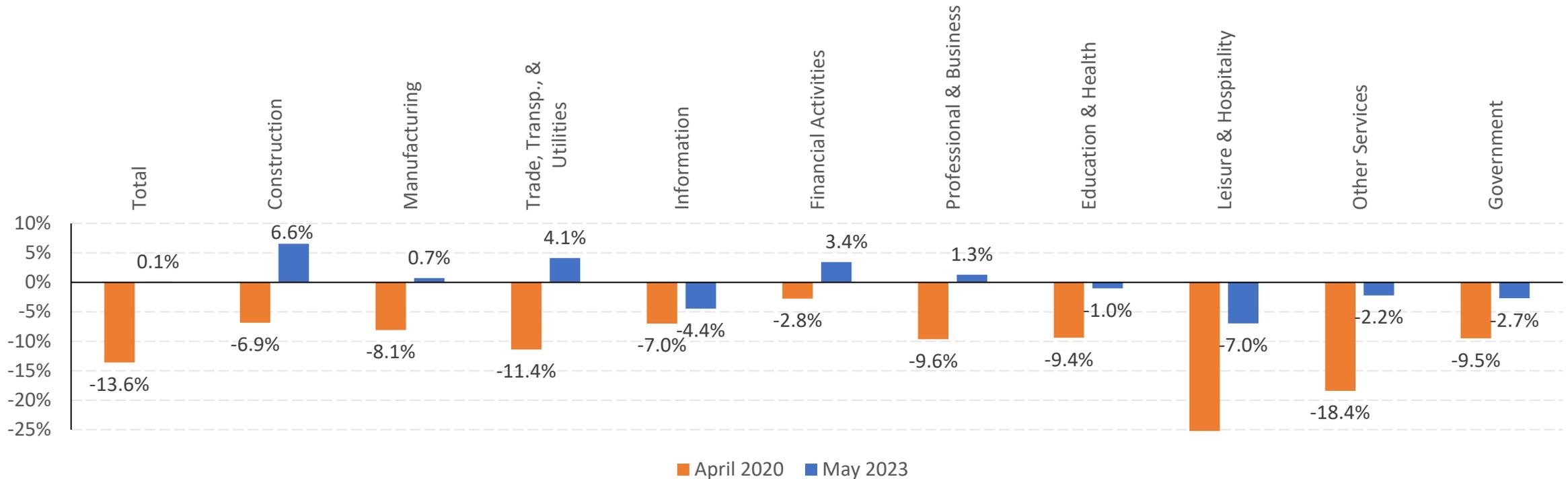
For month, employment declined in both the goods-producing sector (-3,000, including a decline of 3,300 in manufacturing) and the service-providing sector (-3,400).

The largest decline in employment for services was a drop of 3,900 in leisure & hospitality. Trade, meanwhile, saw an employment increase of 3,500.

The Wisconsin unemployment rate remained at a record-low 2.4% in May while the U.S. unemployment rate increased to 3.7% in May from 3.4% the prior month. The labor force participation rate increased to 65.1% from 64.8% in Wisconsin, versus a steady 62.6% at the national level.

# Private Education and Health Services Close to Recovering Jobs Lost

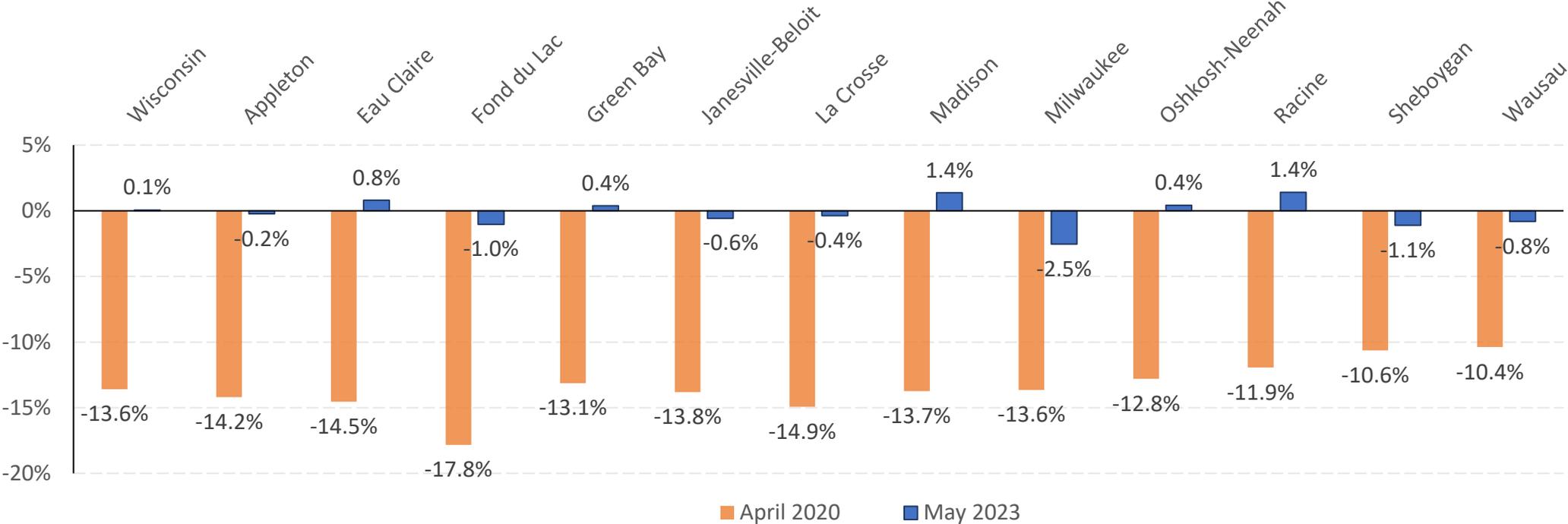
Percent Change in Wisconsin Employment Since February 2020



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

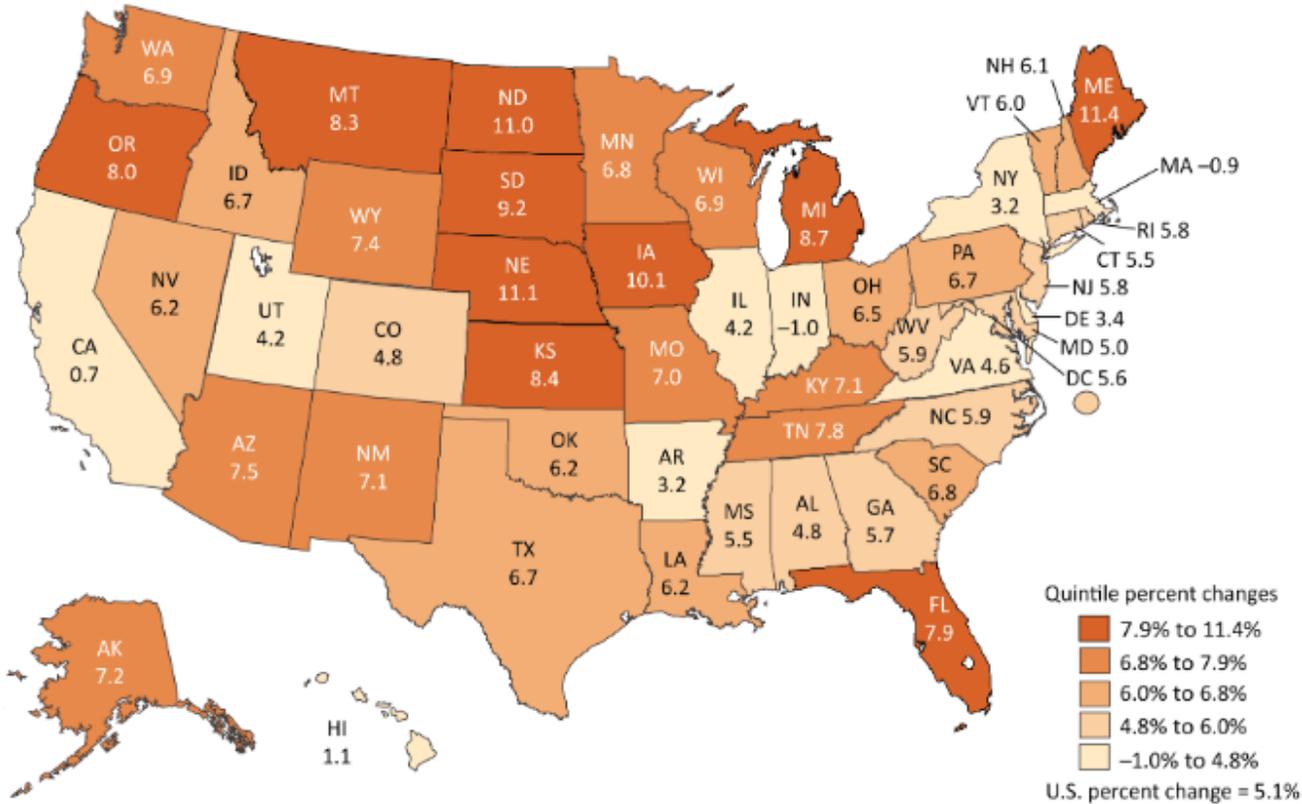
# Madison, Racine Metro Areas Lead the Employment Recovery

Percent Change in Employment Since February 2020



# Wisconsin Personal Income Increased 6.9%

Personal Income: Percent Change at Annual Rate, 2022:Q4–2023:Q1



Nominal personal income in Wisconsin increased at an annualized rate of 6.9% in the first quarter of 2023, compared to the fourth quarter of 2022.

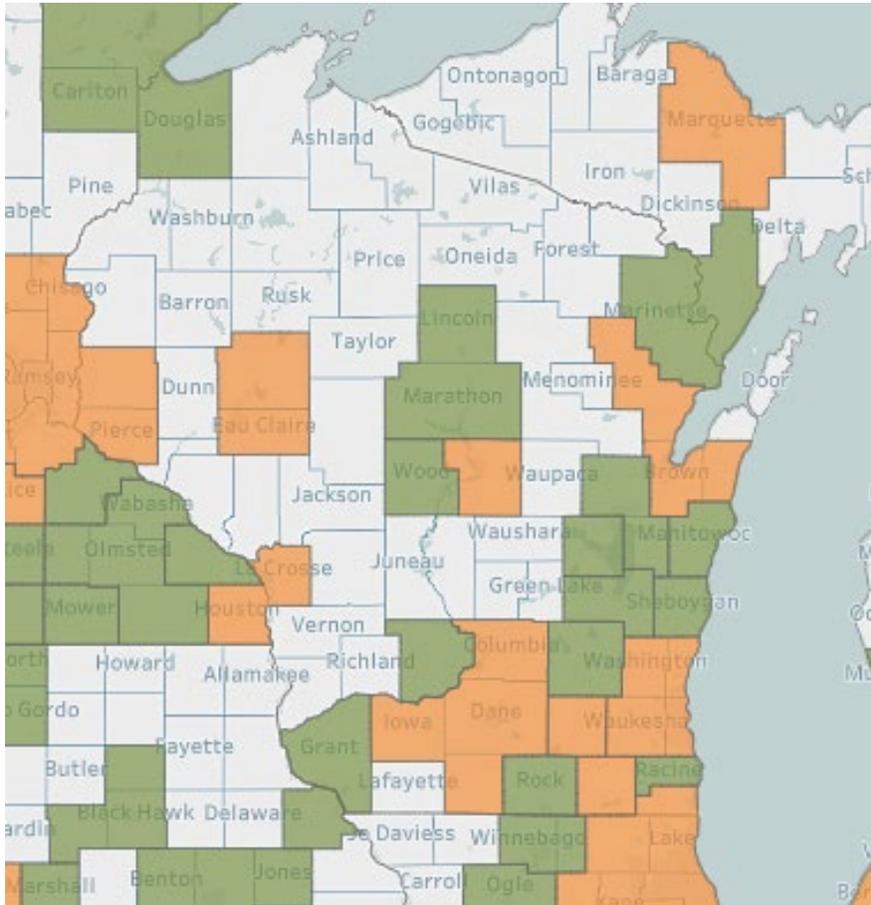
Wisconsin's increase ranked 19<sup>th</sup> in the nation and was faster than the overall growth in the U.S. at 5.1%. The Great Lakes Region, which includes Illinois, Indiana, Michigan, Ohio, and Wisconsin, saw a 5.2% annual increase in personal income.

Transfer receipts increased an annualized 19.4% in Wisconsin in the first quarter, in part because of an 8.7% increase in the cost-of-living adjustment for social security benefits.

Dividends, interest, and rent increased 4.6% in Wisconsin in the first quarter, and net earnings, the largest source of income, increased 4.0%.

Real GDP, which is adjusted for inflation, increased 1.2% in the first quarter in Wisconsin, versus a 2.0% increase nationally and a 1.0% increase in the Great Lakes Region.

# The Median-priced Home Unaffordable in Many of Wisconsin's Metro Counties



The Atlanta Fed's Affordability Index looks at the monthly cost (mortgage payment, taxes, insurance) of purchasing a home and compares it to the median household income in metro areas around the nation.

The median home is considered 'affordable' if the monthly cost is below 30% of the median income. Those areas are shown in green on the map to the left.

If the monthly cost is great than 30% of the area's median income, homes are considered 'unaffordable'. Those counties are shown in orange.

Home prices spiked during the pandemic, driving up purchasing costs. Then in 2022 mortgage rates also began to increase, further driving up monthly payments.

In April 2023, the median priced home in the Madison MSA was \$360,083 and the monthly cost was \$2,694. This is up from three years ago, when the median home price was \$271,633 and the monthly cost was \$1,663. This equates to a 62.0% increase in the monthly payment over the past three years.

The Stevens Point area has also seen sharp increases in monthly payments, from \$1,068 in April 2020 to \$1,942 in April 2023, an 81.8% increase. Median incomes increased 13.3% during that stretch, to \$71,265/year.

A look at the national affordability index is on slide 10.

Source: [Home Ownership Affordability Monitor- Federal Reserve Bank of Atlanta \(atlantafed.org\)](https://atlantafed.org/).

# U.S. Updates

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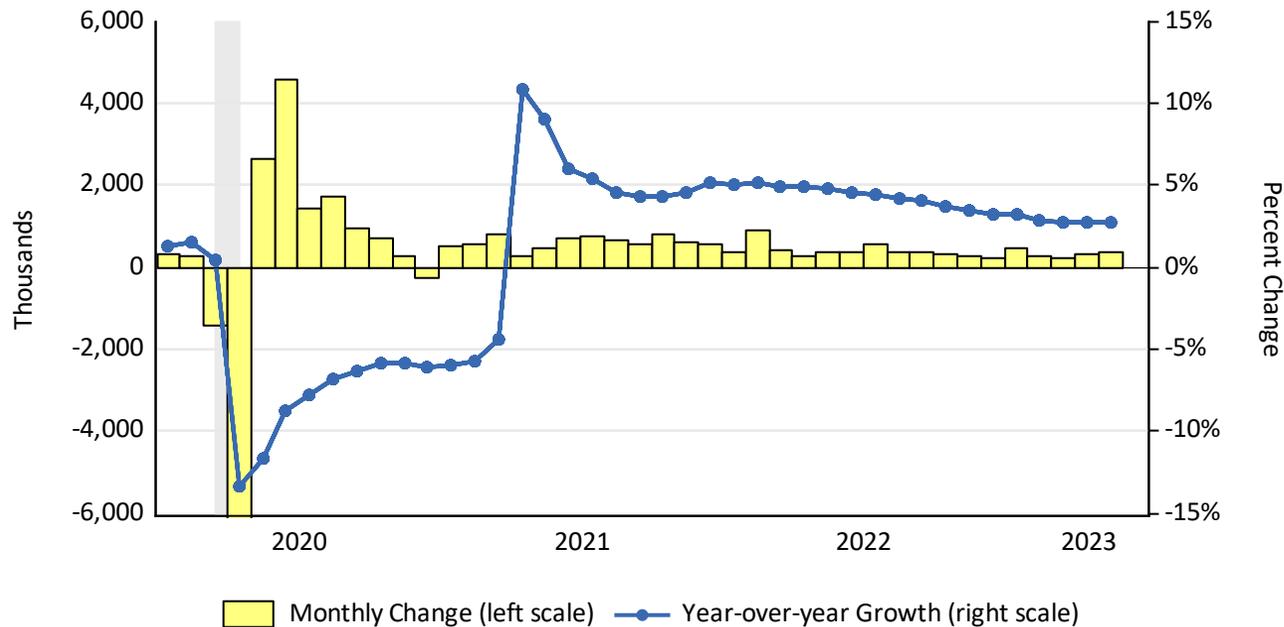
Employment

Inflation (CPI)

Home Affordability Index

# U.S. Employment Increased by 339,000 in May; Prior Months Revised Higher

**National Employment**



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

Total nonfarm payroll employment increased by 339,000 in May, in line with the average monthly gain of 341,000 over the prior 12 months. Job gains in March and April were revised up a combined 93,000.

In May, professional and business services added 64,000 jobs, following an increase of a similar size in April. Employment growth continued in professional, scientific, and technical services, which added 43,000 jobs.

Government employment increased by 56,000 in May. Employment in government is below its pre-pandemic February 2020 level by 209,000, or 0.9%.

Health care added 52,000 jobs in May. Job growth occurred in ambulatory health care services (+24,000), hospitals (+20,000), and nursing and residential care facilities (+9,000).

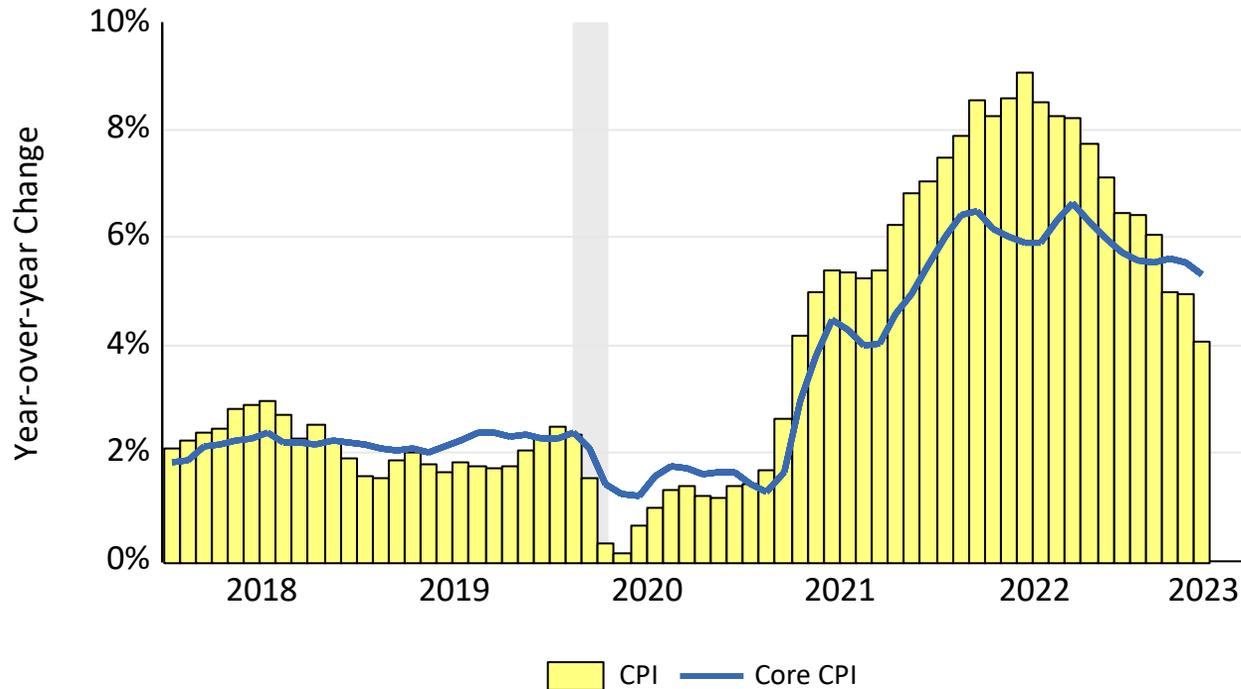
Employment in leisure and hospitality continued to trend up in May (+48,000), largely in food services and drinking places (+33,000). Leisure and hospitality had added an average of 77,000 jobs per month over the prior 12 months. Employment in this industry remains below its February 2020 level by 349,000, or 2.1%.

The unemployment rate increased by 0.3 percentage point to 3.7% in May, and the number of unemployed persons rose by 440,000 to 6.1 million. The unemployment rate has ranged from 3.4% to 3.7% since March 2022.

The labor force participation rate held at 62.6% in May, and the employment-population ratio, at 60.3%, saw little change.

# Consumer Price Increases Slowed to 4.0% in May

**Consumer Price Index (CPI)**



The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1% in May on a seasonally adjusted basis, after increasing 0.4% in April. Over the last 12 months, the all items index increased 4.0% before seasonal adjustment.

The index for shelter was the largest contributor to the monthly all items increase, followed by an increase in the index for used cars and trucks.

The food index increased 0.2% in May after being unchanged in the previous 2 months. The energy index, in contrast, declined 3.6% in May as the major energy component indexes fell.

The index for all items less food and energy rose 0.4% in May, as it did in April and March. Indexes which increased in May include shelter, used cars and trucks, motor vehicle insurance, apparel, and personal care. The index for household furnishings and operations and the index for airline fares were among those that decreased over the month.

The all items index increased 4.0% for the 12 months ending May; this was the smallest 12-month increase since the period ending March 2021. The all items less food and energy index rose 5.3% over the last 12 months. The energy index decreased 11.7% for the 12 months ending May, and the food index increased 6.7% over the last year.

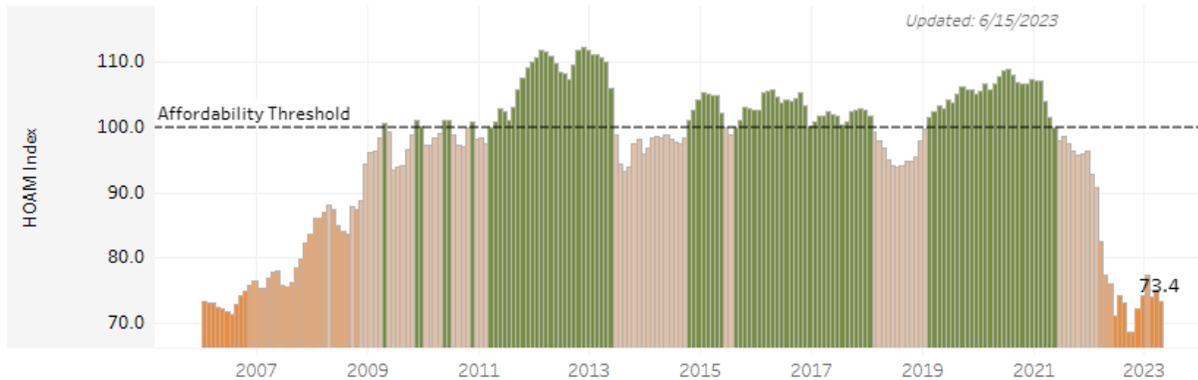
Source: U.S. Bureau of Labor Statistics, Consumer Price Index

# Median-priced Home Unaffordable for Much of the County

Federal Reserve Bank of Atlanta National Home Ownership Affordability Monitor (HOAM) Index

Data through April 2023

Updated: 6/15/2023

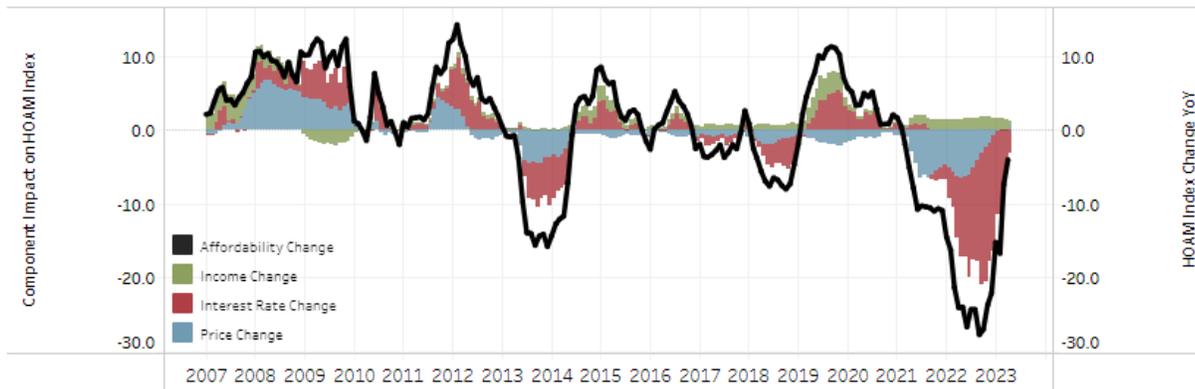


The Atlanta Fed's affordability index is plotted over time in the chart on the left. On the scale, a reading above 100 means that the median home is affordable for a family earning the median income. Below the line means it is unaffordable.

Since mid-2021, the median home has been unaffordable. For 2021 and 2022, the price increase was the main force making the median home unaffordable (meaning the monthly mortgage payment, taxes, and insurance add up to more than 30% of a homeowners' income).

Drivers of Affordability

Note: Tracks actual and not percent change. Does not sum to change in index as other components (such as taxes, insurance, or PMI) are not included.



Starting in 2022 the interest rate change, which plays out in higher monthly mortgage payments, has driven the affordability index even lower.

More info, including a national map and data definitions, can be found at [Home Ownership Affordability Monitor- Federal Reserve Bank of Atlanta \(atlantafed.org\)](https://atlantafed.org/home-ownership-affordability-monitor).

# Get in Touch

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Check out our **data visualizations** at [DorViz.wi.gov](https://DorViz.wi.gov).

Anything you'd like to see that we haven't covered? **Let us know!**  
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