

Monthly Economic Update

SEPTEMBER 2023, FEATURING AUGUST NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

Employment

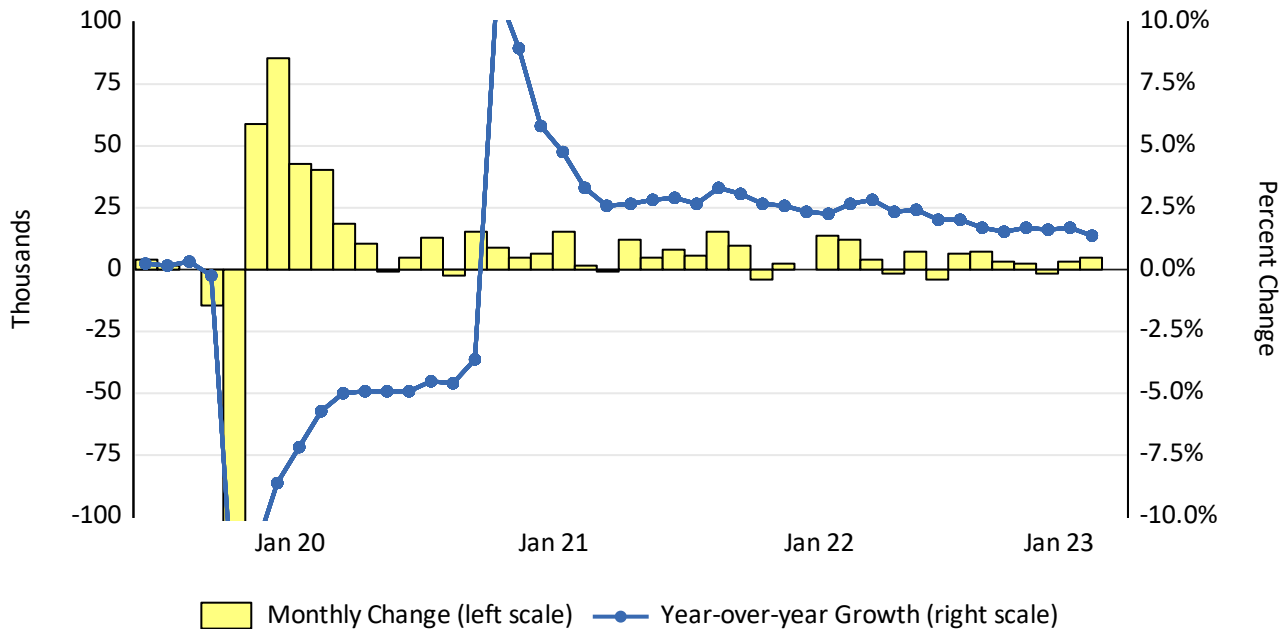
- Sectors

Exports

Housing Permits

Wisconsin Added 4,700 Jobs in July

Wisconsin Employment



Wisconsin total employment increased by 4,700 in July to 3,007,200. June employment, originally showing an increase of 6,900 jobs, was revised lower and currently shows a monthly increase of 2,500.

July employment in Wisconsin was 1.3%, or 39,500 jobs, higher than last year at this time.

July job gains were seen in the service-providing sector, particularly an increase of 7,500 jobs in private services, while the goods producing sector lost 1,100 jobs.

The largest job gains were seen in health care and social assistance (+7,500 jobs) and leisure and hospitality (+1,800 jobs).

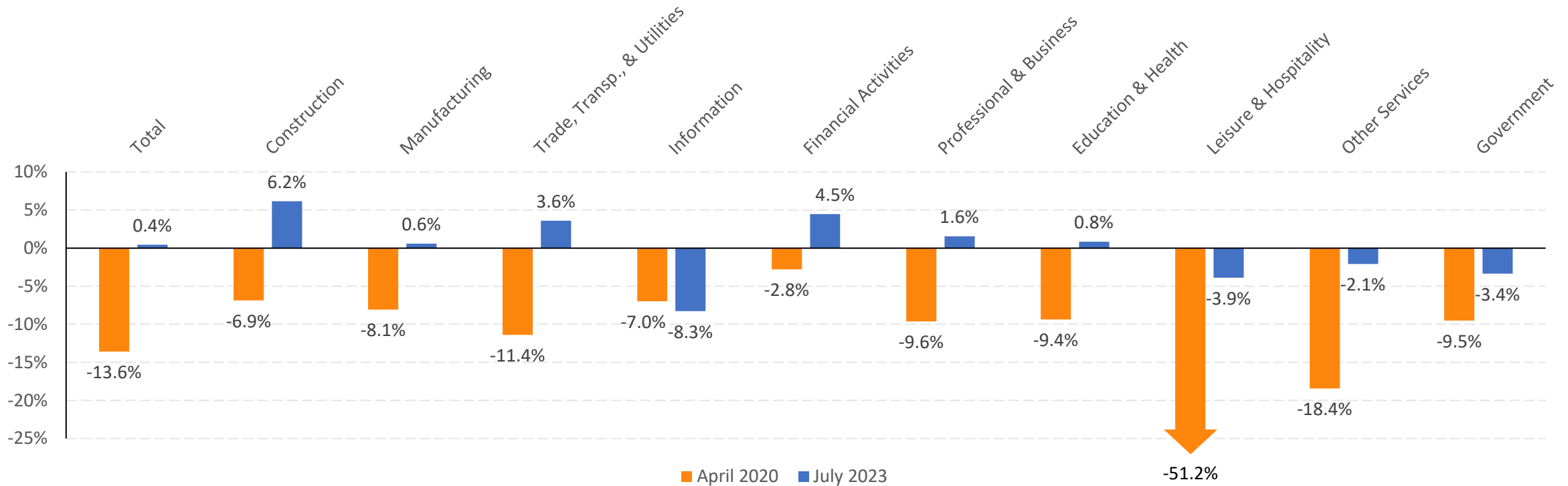
Government employment declined by 1,700, concentrated in local government.

The unemployment rate increased from 2.5% in June to 2.6% in July in Wisconsin. Nationally, the unemployment rate was 3.5%. Wisconsin's labor force participation rate also increased, from 65.3% in June to 65.5% in July.

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

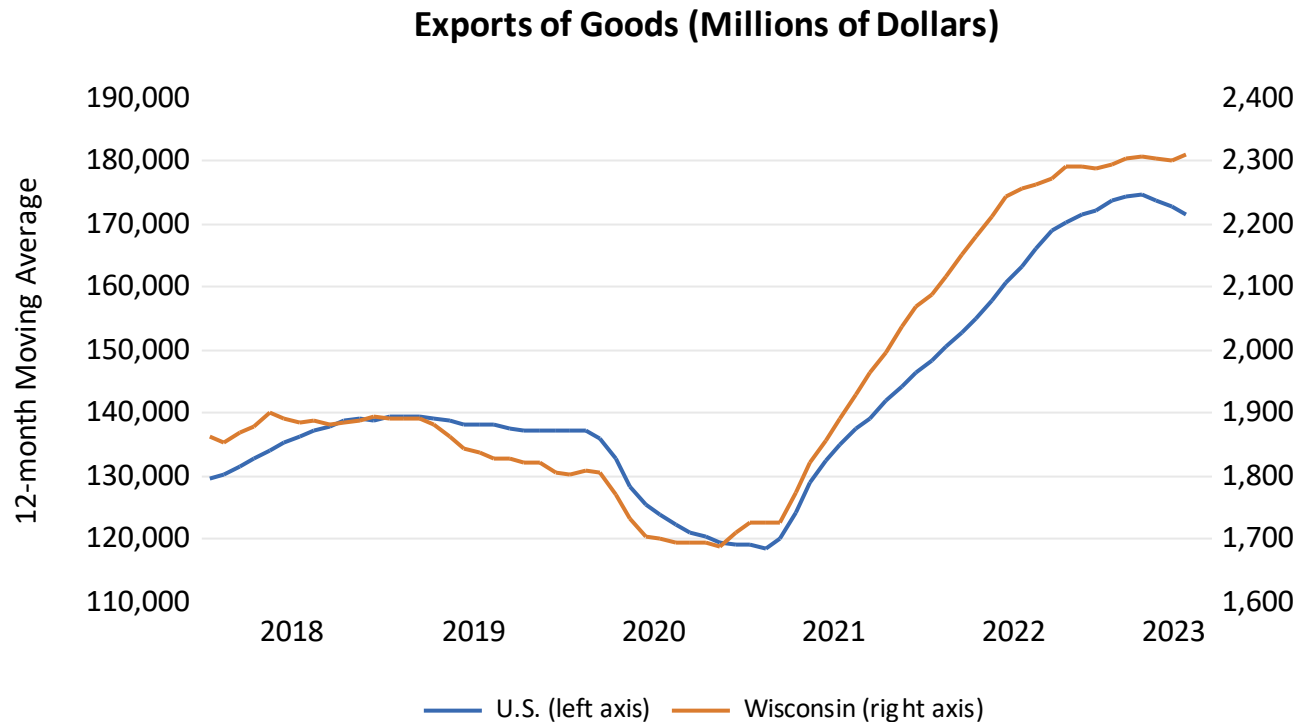
With July Employment Growth, the Private Education & Health Sector Recovers All Jobs Lost During the Pandemic

Percent Change in Wisconsin Employment Since February 2020



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

Wisconsin Exports Up 2.1% Through First Half of 2023



Wisconsin's exports are up 2.1% through the first six months of 2023, compared to the same period last year.

Exports from the U.S., however, are down 0.8%.

Exports to Canada from Wisconsin and the U.S. are nearly flat compared to last year. Exports to Mexico, the second-largest export destination for both, are up 27.4% from Wisconsin but are flat from the U.S.

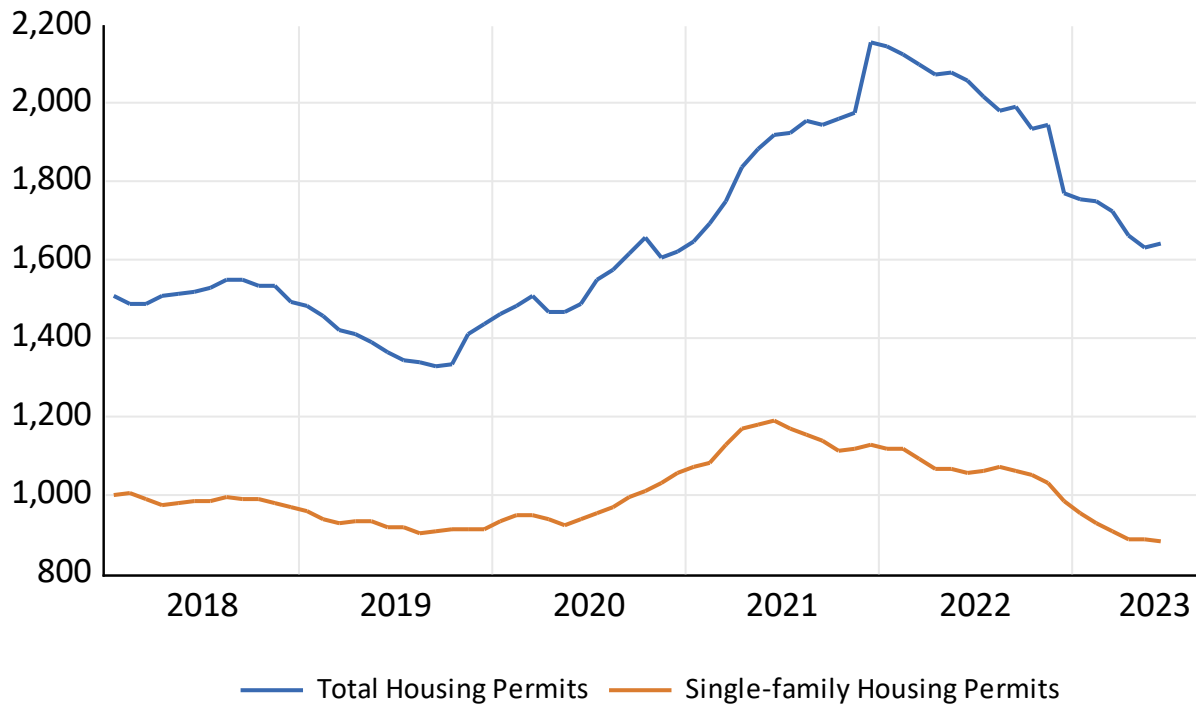
Wisconsin's exports to Mexico have increased in several categories, including machinery (+48.9%), electrical equipment (+35.0%), computer and electronic products (+48.4%), and agricultural products (+129.9%).

Overall, Wisconsin's exports of machinery have increased 5.0%, computer and electronic products have increased 23.2%, and transportation equipment increased 19.2% in the first half of the year. Chemical exports, the fourth largest export category, declined 31.5%.

Source: U.S. Department of Commerce, International Trade Administration

Housing Permits Down 15.7% in Wisconsin in First Half of 2023

**Wisconsin Housing Permits
12-Month Moving Average**



Source: U.S. Census Bureau, Building Permits Survey

Wisconsin housing permits declined 15.7% year-over-year (y/y) during the first half of the year. Permits for single-family homes declined 16.0%.

Declines in the single-family permit category are slowing. After declining 24.5% y/y in the fourth quarter of 2022 and 25.4% y/y in the first quarter, permits declined 9.8% y/y in the second quarter this year.

High mortgage rates, reaching 7.09% in the August 17th report from Freddie Mac, continue to drag on the housing market. The Wisconsin Realtors Association reported that the number of existing homes sold in the first half of this year fell 24.8% y/y.

Prices continue to rise, however, with the median price increasing 7.7% y/y in the first half of the year to \$280,000. The median price in the month of June topped \$300,000 for the first time, at \$304,000.

U.S. Updates

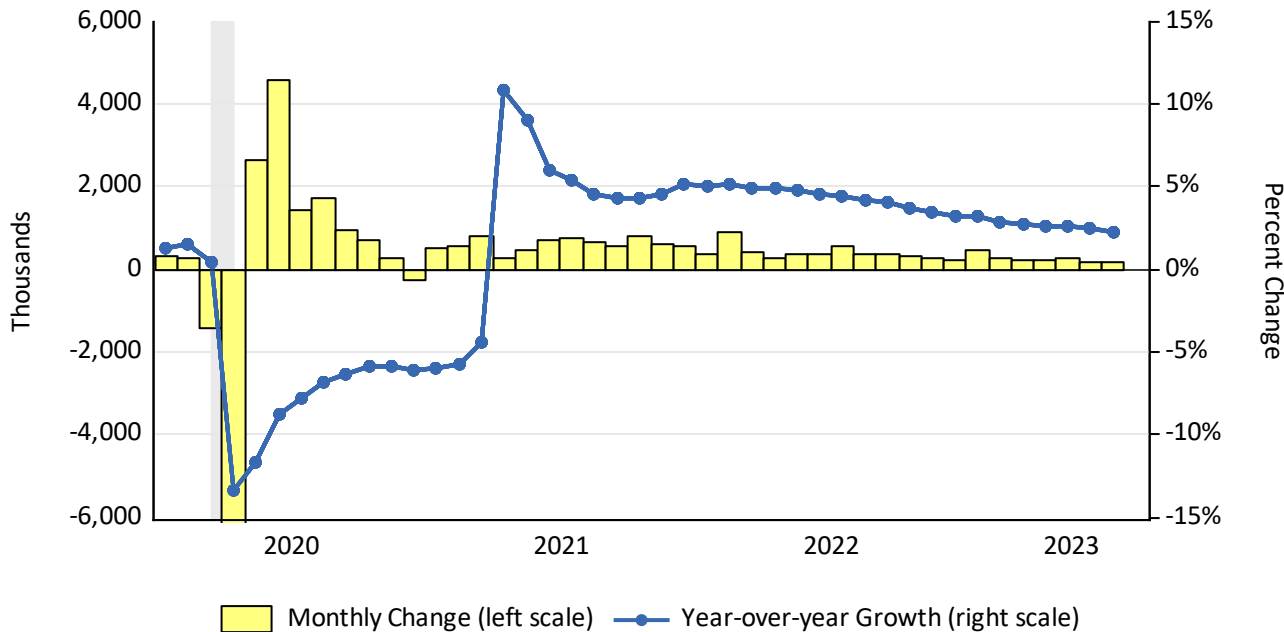
Employment

Inflation (CPI)

Coincident Index Map

U.S. Employment Up by 187,000 in July

National Employment



Total nonfarm payroll employment rose by 187,000 in July, less than the average monthly gain of 312,000 over the prior 12 months, the U.S. Bureau of Labor Statistics reported. The change in total nonfarm payroll employment was revised down a combined 49,000 lower than previously reported.

In July, health care added 63,000 jobs, compared with the average monthly gain of 51,000 in the prior 12 months. Over the month, job growth occurred in ambulatory health care services (+35,000), hospitals (+16,000), and nursing and residential care facilities (+12,000). Social assistance added 24,000 jobs in July.

Employment in financial activities increased by 19,000 in July, and employment in wholesale trade increased by 18,000, after showing little net change in recent months. Employment in the other services industry continued to trend up in July (+20,000).

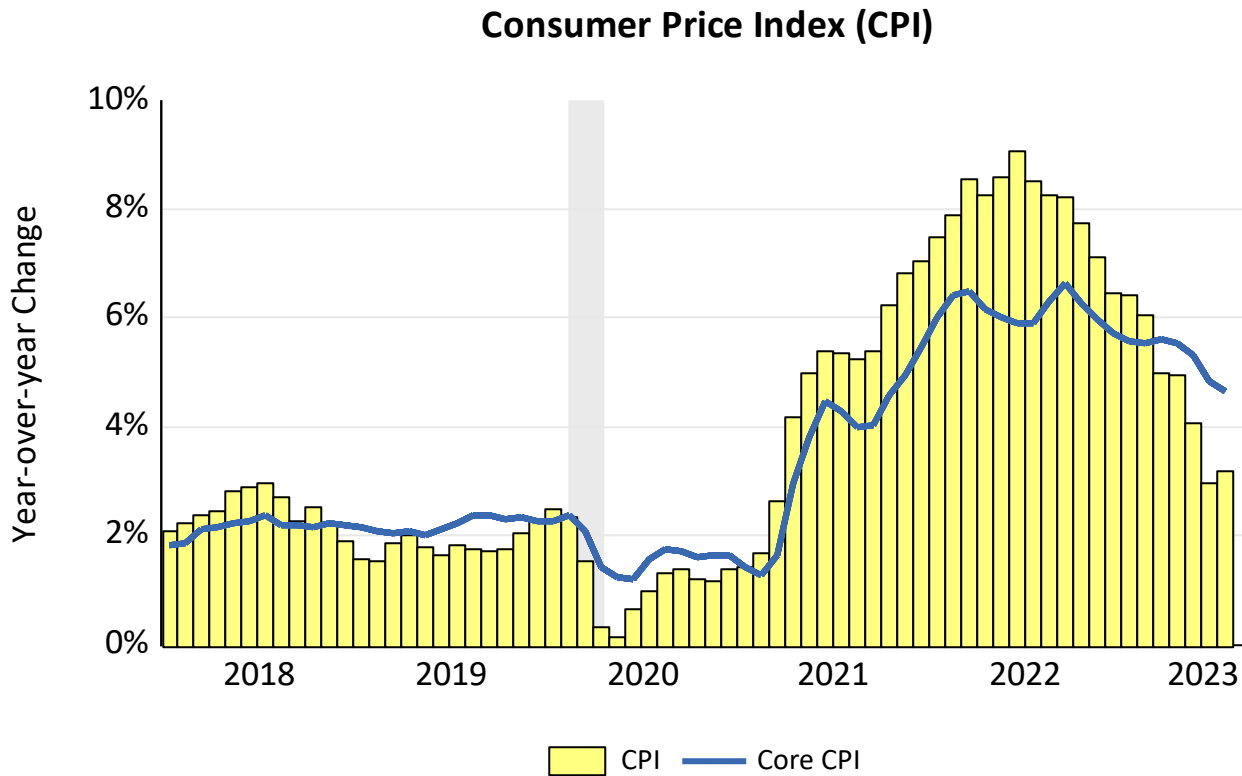
Construction employment continued to trend up in July (+19,000). Over the month, job growth occurred in residential specialty trade contractors (+13,000) and in nonresidential building construction (+11,000).

In July, employment in leisure and hospitality was little changed (+17,000). The industry has shown little employment change in recent months. Employment in leisure and hospitality remains below its February 2020 level by 352,000, or 2.1%.

The unemployment rate was little changed at 3.5% in July. The unemployment rate has ranged from 3.4% to 3.7% since March 2022. The labor force participation rate was 62.6% for the fifth consecutive month.

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

Consumer Prices Increased 3.2% in July Over the Prior Year



The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.2% in July on a seasonally adjusted basis, the same increase as in June, the U.S. Bureau of Labor Statistics reported.

Over the last 12 months, the all items index increased 3.2% before seasonal adjustment. The index for shelter was by far the largest contributor to the monthly all items increase, accounting for over 90% of the increase, with the index for motor vehicle insurance also contributing.

The food index increased 0.2% in July after increasing 0.1% the previous month. The index for food at home increased 0.3% over the month while the index for food away from home rose 0.2% in July. The energy index rose 0.1% in July as the major energy component indexes were mixed.

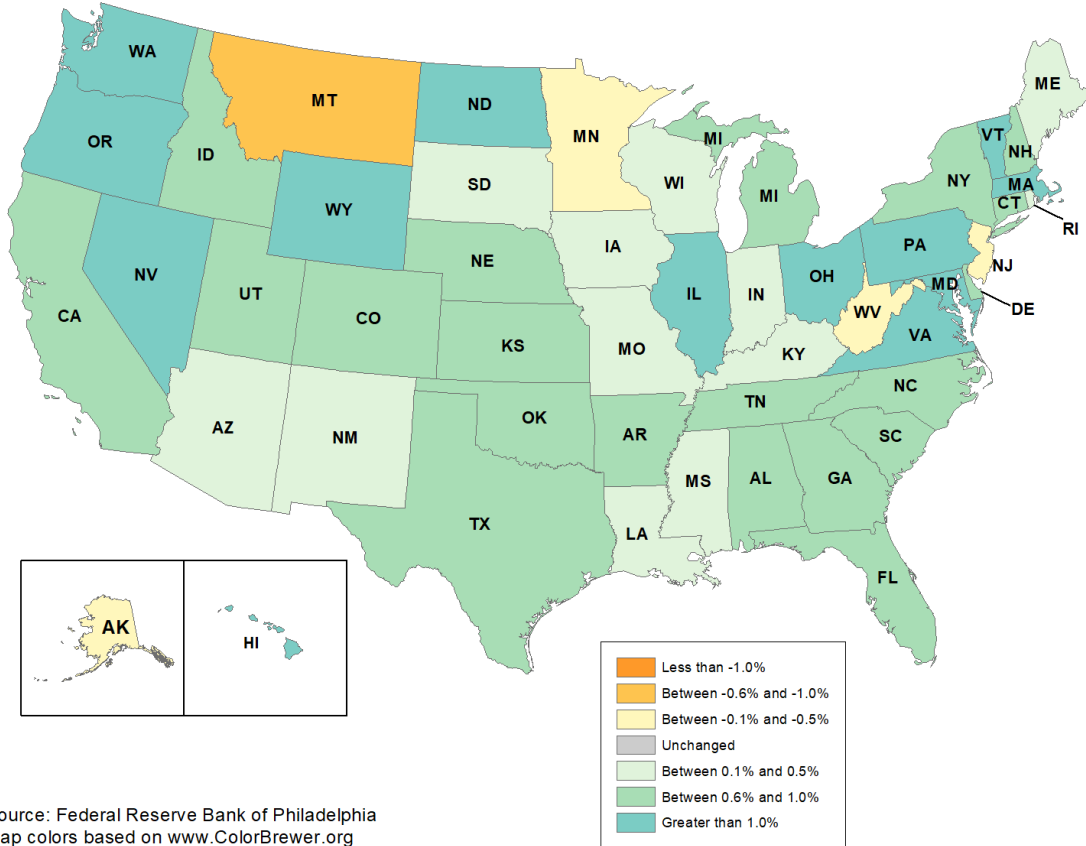
The core index, which excludes price changes for food and energy, rose 0.2% in July, as it did in June. Indexes which increased in June include shelter, motor vehicle insurance, education, and recreation. The indexes for airline fares, used cars and trucks, medical care, and communication were among those that decreased over the month.

The all items index increased 3.2% for the 12 months ending July, slightly more than the 3.0% increase for the 12 months ending in June. The core index rose 4.7% over the last 12 months. The energy index decreased 12.5% for the 12 months ending July, and the food index increased 4.9% over the last year.

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

July State Coincident Indexes Up in 45 States

July 2023 State Coincident Indexes: Three-Month Change



Source: Federal Reserve Bank of Philadelphia
Map colors based on www.ColorBrewer.org

Over the past three months, the Federal Reserve Bank of Philadelphia's indexes increased in 45 states and decreased in five, for a three-month diffusion index of 80.

Additionally, in the past month, the indexes increased in 37 states, decreased in six states, and remained stable in seven, for a one-month diffusion index of 62.

The coincident index for Wisconsin increased 0.2% over the past three months and was flat in July.

The Philadelphia Fed's U.S. index increased 0.6% over the past three months and 0.3% in July.

The Philadelphia's Fed's indexes are based on four state-level indicators: nonfarm payroll employment, average hours worked in manufacturing by production workers, the unemployment rate, and wage and salary disbursements deflated by the consumer price index.

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