

Monthly Economic Update

OCTOBER 2023, FEATURING SEPTEMBER NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

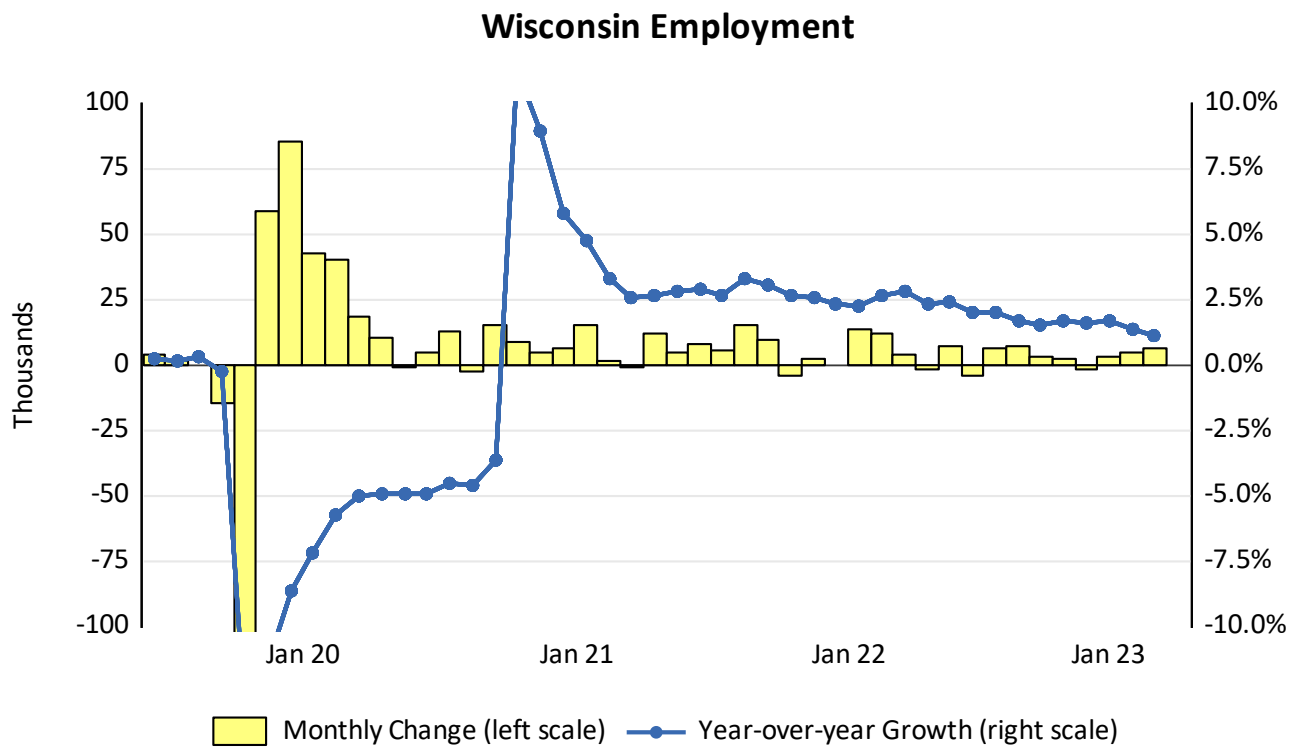
Employment

- Sectors

FY23 Total Year Revenues (Preliminary)

Personal Income, 2023Q2

August Employment Up by 5,700 in Wisconsin



Wisconsin total employment increased by 5,700 in August, to 3,012,400.

This is 32,800, or 1.1%, above the employment level of last August.

Jobs gains were seen in construction (+2,000), health care and social assistance (+2,600), and leisure and hospitality (+1,800).

Manufacturing employment declined by 800.

Overall, private employment increased by 6,600 while government employment declined 900.

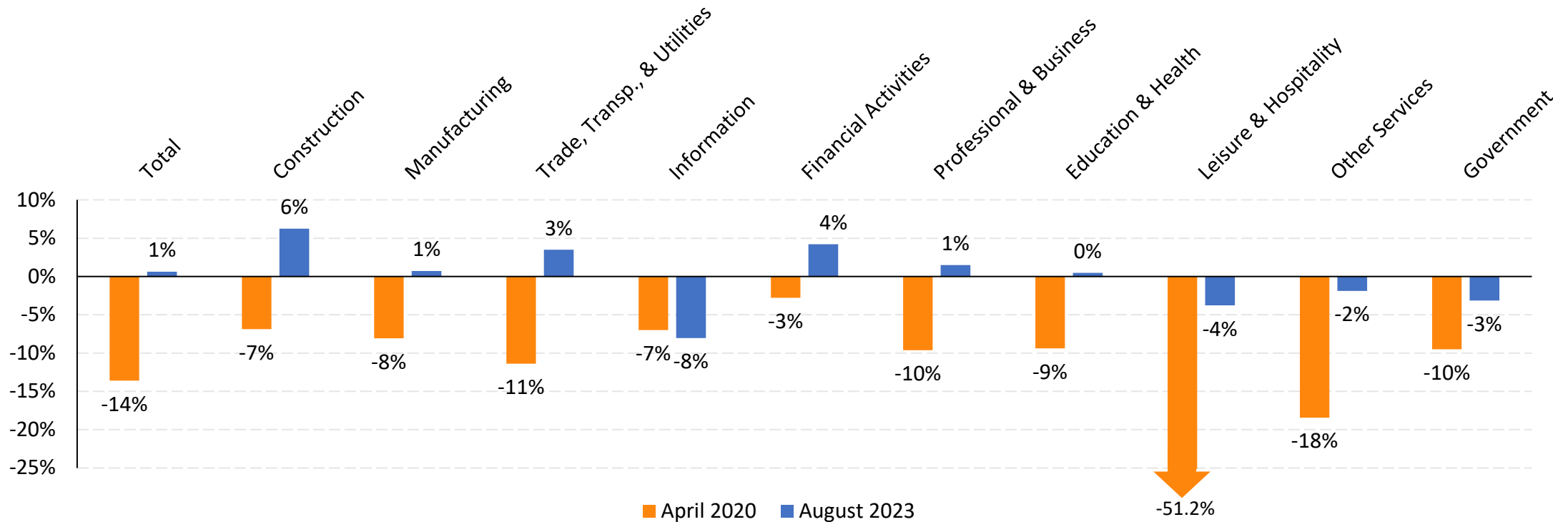
The unemployment rate increased from 2.6% in July to 2.9% in August on an increase in the labor force. It remains nearly a percentage point below the U.S. rate of 3.8%.

The labor force participation rate increased to 65.7%.

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

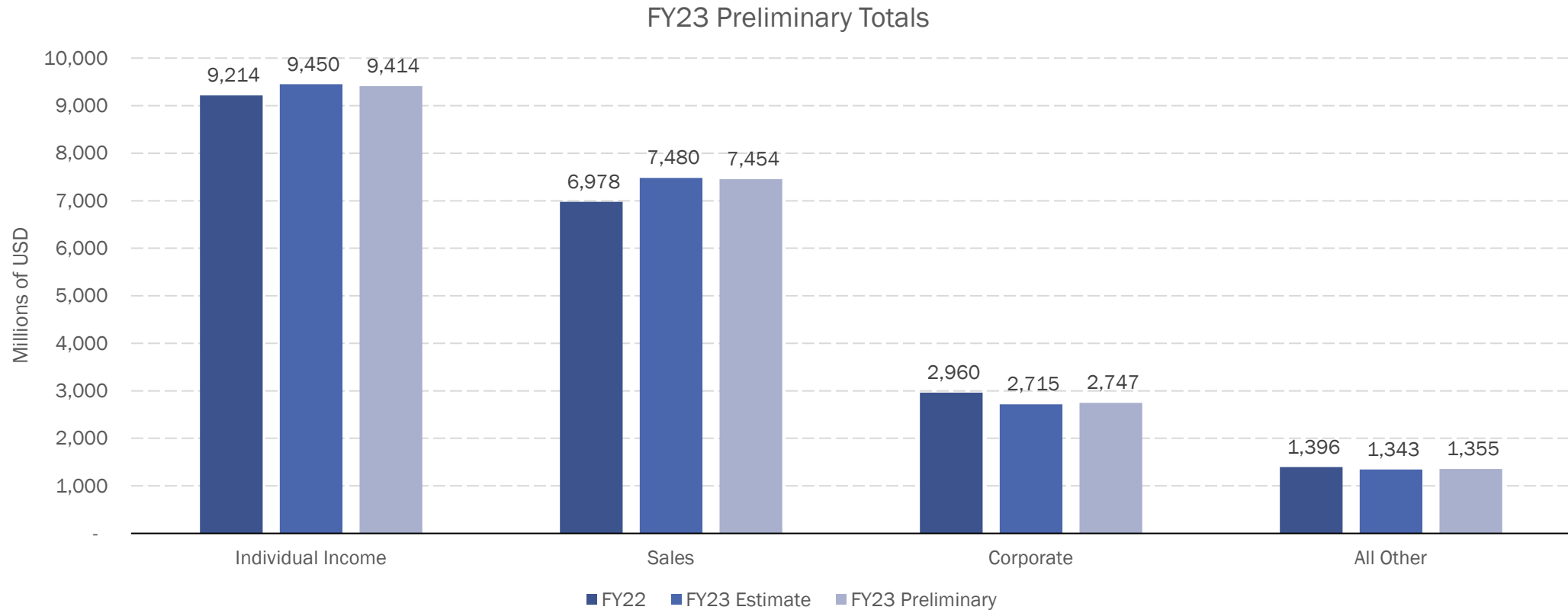
Through August 2023, Four Employment Sectors Remain Below Pre-pandemic Peak

Percent Change in Wisconsin Employment Since February 2020



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

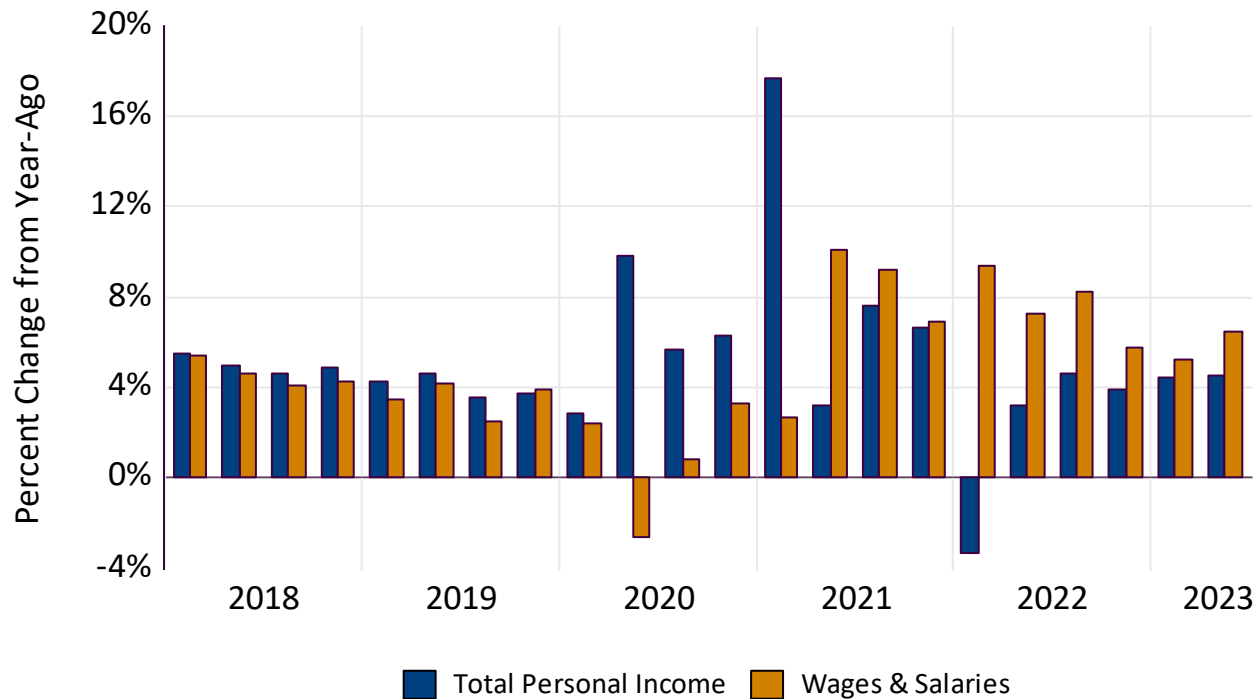
Preliminary Totals Show FY23 Revenues Increased 2.1% to Nearly \$21 Billion



Source: Wisconsin Department of Revenue. For more details, see [Department of Revenue Collections, Fiscal Year 2022 \(wi.gov\)](https://www.wisconsin.gov/revenue/collections).

Wisconsin Personal Income Increased 3.3% in Second Quarter of 2023

Wisconsin Personal Income and Wages



Source: U.S. Bureau of Economic Analysis

Wisconsin personal income increased at the seasonally adjusted annual rate (SAAR) of 3.3% in the second quarter of 2023, down from 6.0% in the first quarter.

Compared to the same period last year, personal income increased 4.5% while wages and salaries, the largest component of personal income, increased 6.4%. Wages and salaries were just over half (50.5%) of total personal income.

Dividends, interest, and rent increased 3.3% year-over-year (y/y) in the second quarter, and current transfer receipts were up 5.4%. Proprietors' income fell 5.8%.

Per capita personal income increased to \$63,581, up 4.2% from \$61,003 a year ago.

Wisconsin's annual rate of 3.3% was 35th in the nation and fourth-fastest in the Great Lakes region, behind Ohio (4.7%), Illinois (4.6%), and Indiana (4.3%).

Nationally, personal income increased at a SAAR of 4.3%.

U.S. Updates

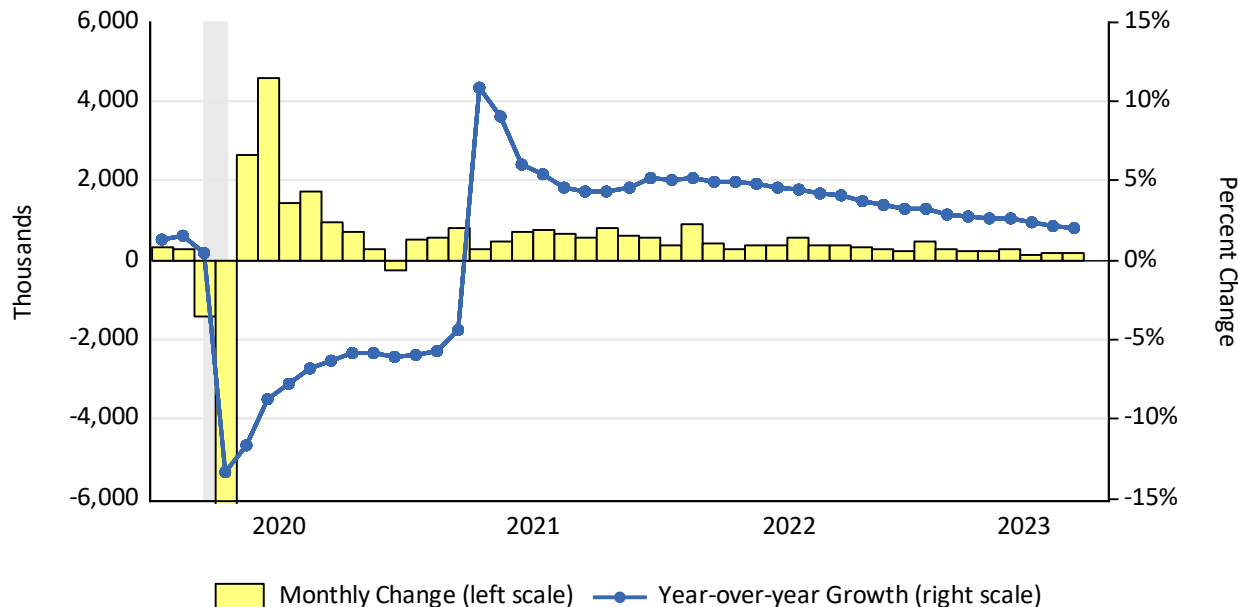
Employment

Inflation (CPI)

Consumer Sentiment

U.S. Employment Increased by 187,000 in August

National Employment



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

Total nonfarm payroll employment increased by 187,000 in August, less than the average monthly gain of 271,000 over the prior 12 months. Employment in June and July together was 110,000 lower than previously reported.

In August, health care added 71,000 jobs, following a gain of similar magnitude in the prior month. Over the month, job growth continued in ambulatory health care services (+40,000), nursing and residential care facilities (+17,000), and hospitals (+15,000).

Employment in leisure and hospitality continued to trend up in August (+40,000). Employment in the industry remains below its pre-pandemic February 2020 level by 290,000, or 1.7%.

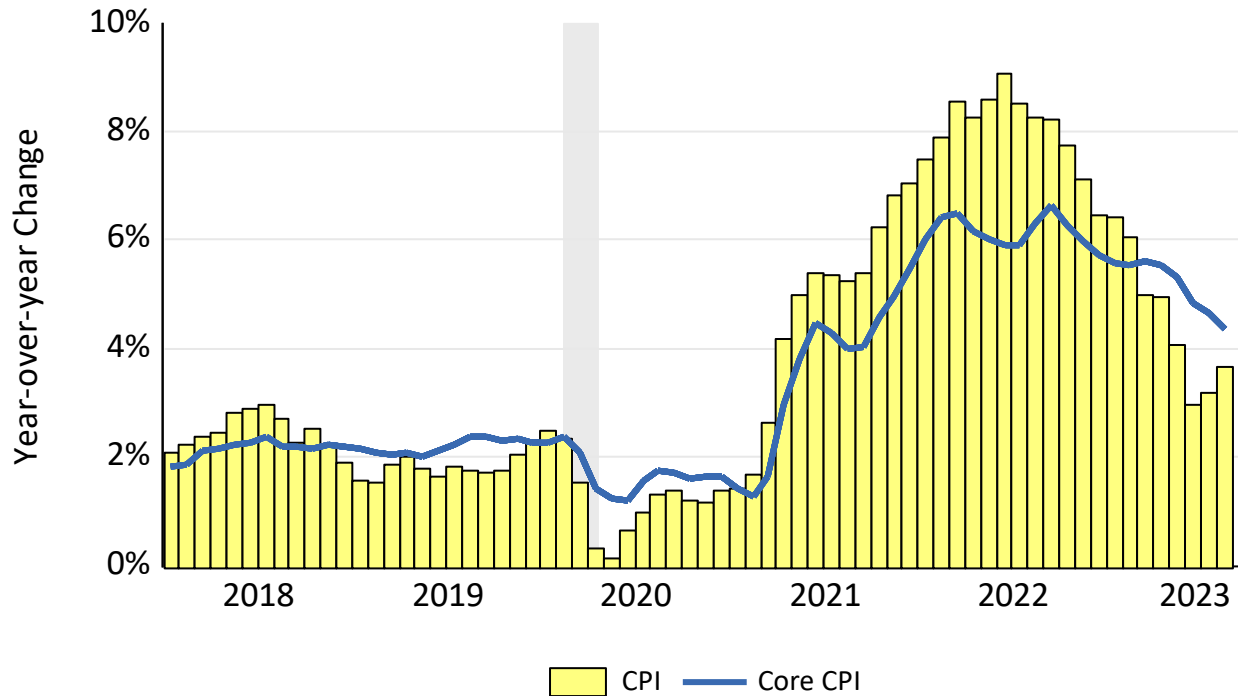
Construction employment continued to trend up in August (+22,000), in line with the average monthly gain over the prior 12 months (+17,000).

Transportation and warehousing lost 34,000 jobs in August. Employment in truck transportation fell sharply (-37,000), largely reflecting a business closure. Employment in transportation and warehousing had shown little net change over the prior 12 months.

In August, the unemployment rate rose to 3.8%. The labor force participation rate rose by 0.2 percentage point to 62.8%.

Consumer Prices Increased 3.7% Over Prior Year

Consumer Price Index (CPI)



The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.6% in August on a seasonally adjusted basis, after increasing 0.2% in July. Over the last 12 months, the all items index increased 3.7% before seasonal adjustment.

The index for gasoline was the largest contributor to the monthly all items increase, accounting for over half of the increase. Also contributing was the shelter index, which rose for the 40th consecutive month.

The index for all items less food and energy (the core index) rose 0.3% in August, following a 0.2% increase in July. August increases include rent, motor vehicle insurance, medical care, and personal care. The indexes for lodging, used cars and trucks, and recreation all decreased over the month.

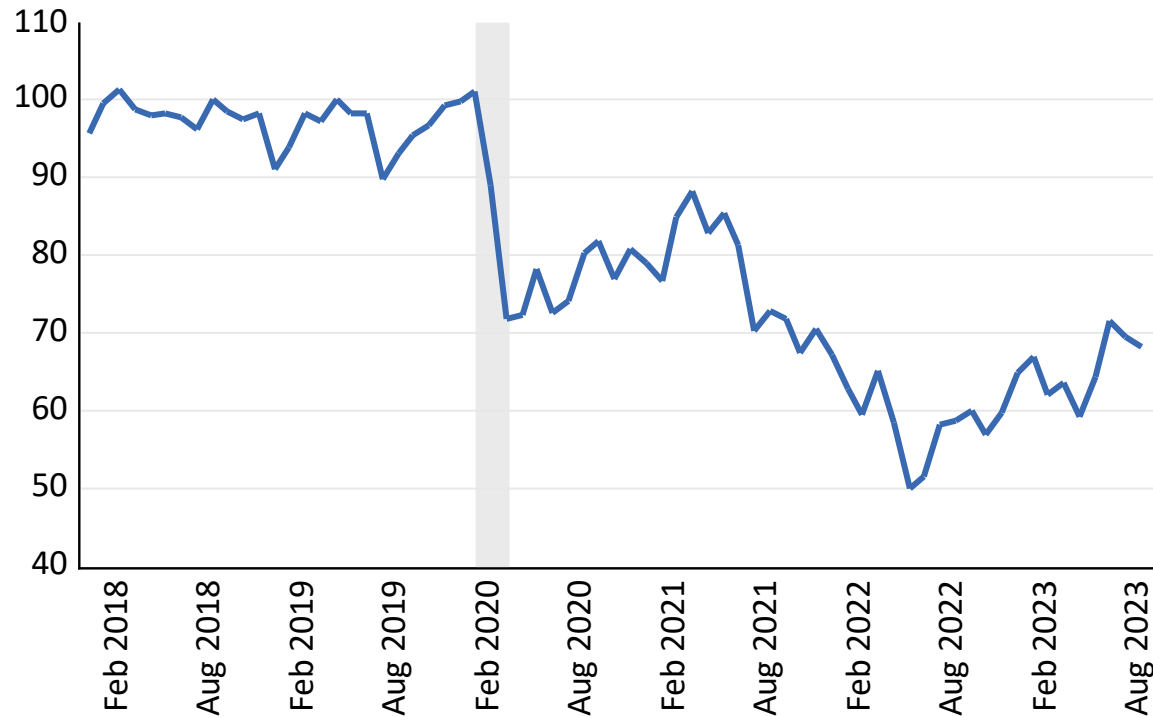
The all items index increased 3.7% for the 12 months ending August, a larger increase than the 3.2% increase for the 12 months ending in July. The core index rose 4.3% over the last 12 months. The energy index decreased 3.6% for the 12 months ending August, and the food index increased 4.3% over the last year.

The shelter index increased 0.3% in August, down from 0.4% in July. It is 7.3% higher than a year prior, down from increases over 8% seen earlier this year.

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

Consumer Sentiment Index Fell For Second Straight Month in September

Consumer Sentiment - Michigan Survey



Source: University of Michigan, Surveys of Consumers

The Consumer Sentiment Index fell to 68.1 in September, down from 59.5 in August and 71.6 in July.

However, the index is 16.2% higher than a year ago and 36.2% higher than the low point reached in June of 2022.

The index of current economic conditions slipped to 71.4 from 75.7 in August, while the index of consumer expectations increased to 66.0 from 65.5 last month.

Consumer sentiment is inversely related to gas prices, which averaged \$3.96/gallon in September.

Consumers are also concerned about a number of issues that could affect the economy, including a possible shutdown of the federal government (averted for now), workers strikes in the auto industry, and the resumption of student loan payments.

Year-ahead inflation expectations moderated from 3.5% in August to 3.2% in September.

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