

Monthly Economic Update

NOVEMBER 2023, FEATURING OCTOBER NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

Employment

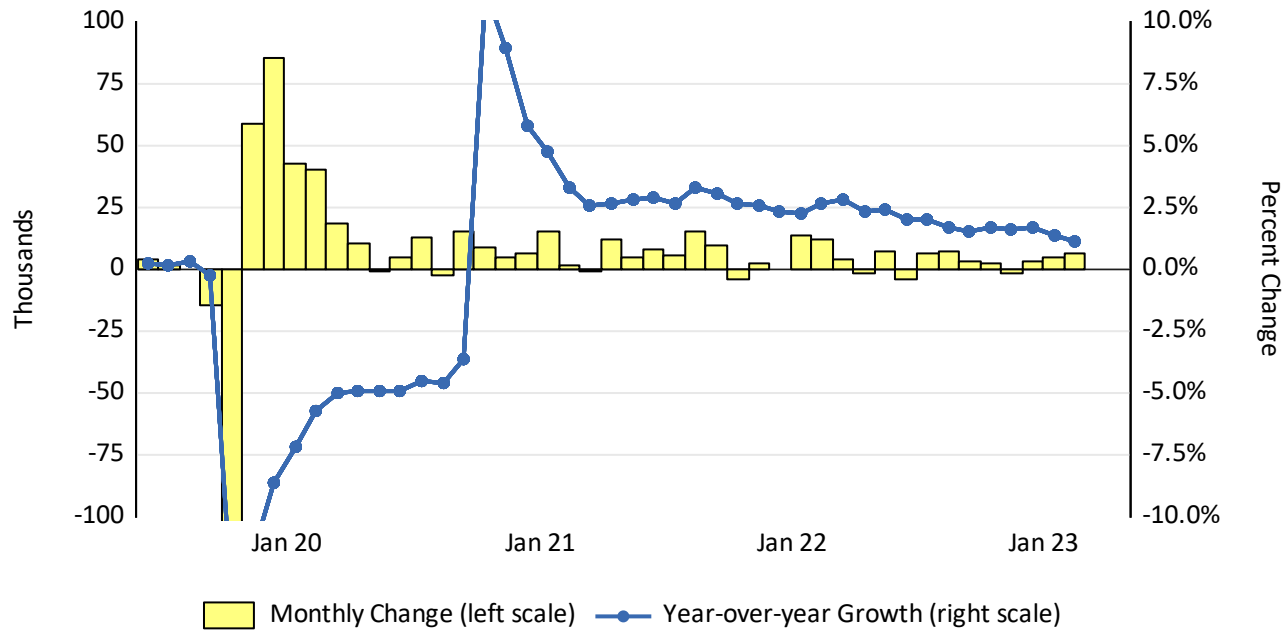
- Sectors

First Quarter Tax Revenues, FY24

Farm Prices

Wisconsin Employment Increased by 8,300 in September

Wisconsin Employment



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

Wisconsin employment increased by 8,300 in September. The August gain was revised down by 2,900.

Wisconsin added private 5,800 jobs in September, after increasing a revised 2,700 in August.

September total employment was 34,500 jobs, or 1.2%, above September 2022. Private jobs are 27,900 (1.1%) higher than last year.

September job gains were seen in professional and business services (+2,200) and private education and health (+1,200), among others.

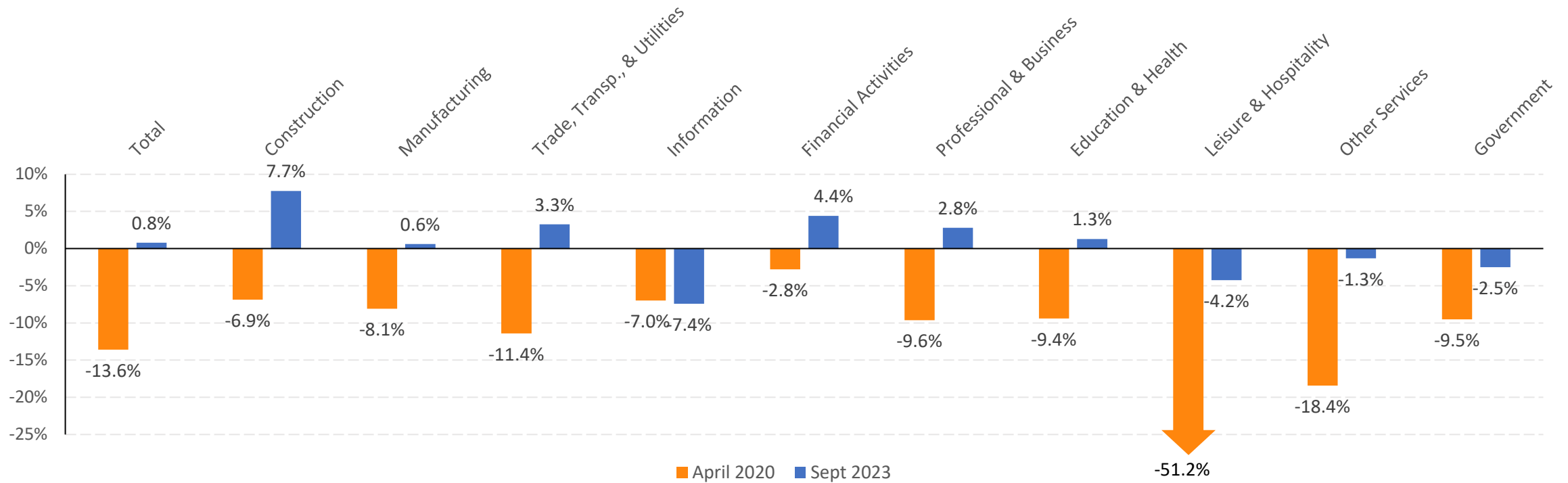
Manufacturing employment posted a small increase of 500, while construction added 600 jobs in September.

Government employment increased by 2,500 jobs, of which 2,100 were in local government.

The unemployment rate increased from 2.9% in August to 3.1% in September on an increase in both the labor force and the number of unemployed. Meanwhile the labor force participation rate increased from 65.7% to 65.8%.

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

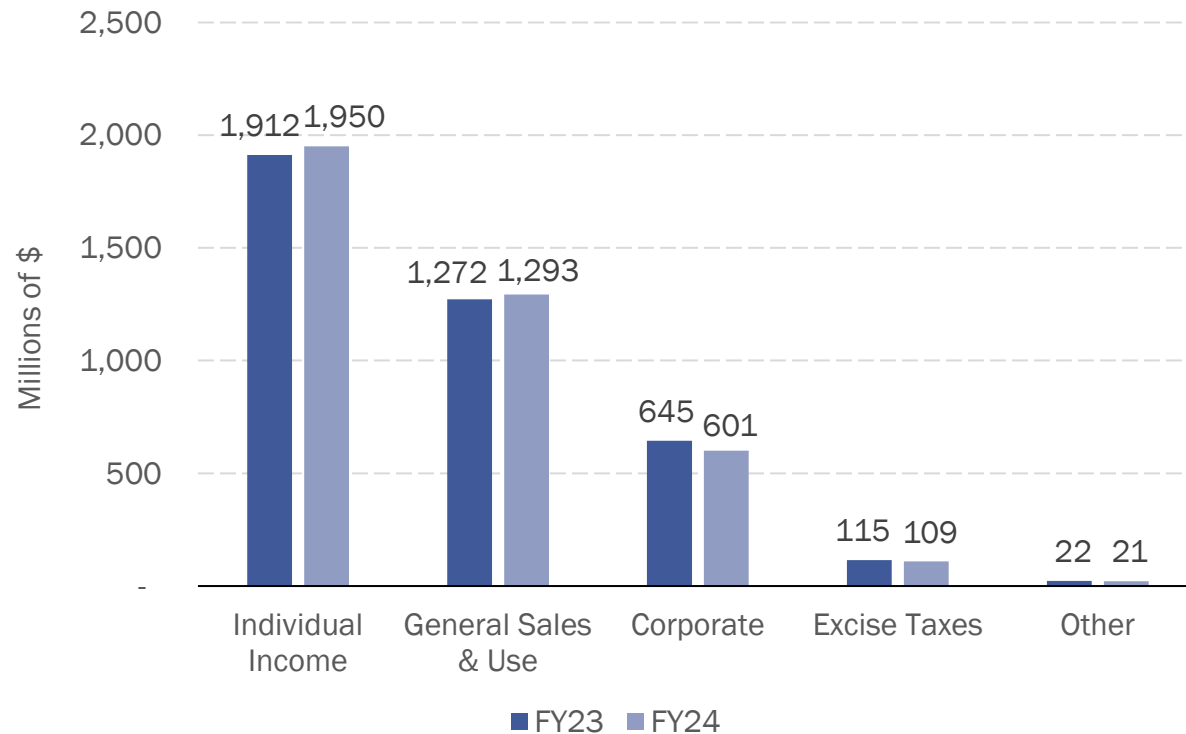
Percent Change in Wisconsin Employment Since February 2020



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

First Quarter Tax Revenues Nearly Flat

First Quarter General Purpose Revenues (GPR)



Wisconsin's first quarter General Purpose Revenues (GPR) increased 0.2% in the first quarter of fiscal year 2024 (FY24).

Individual Income tax revenues, the largest source of revenues, increased 2.0% to \$1,950 million. This includes a 5.0% increase in withholding.

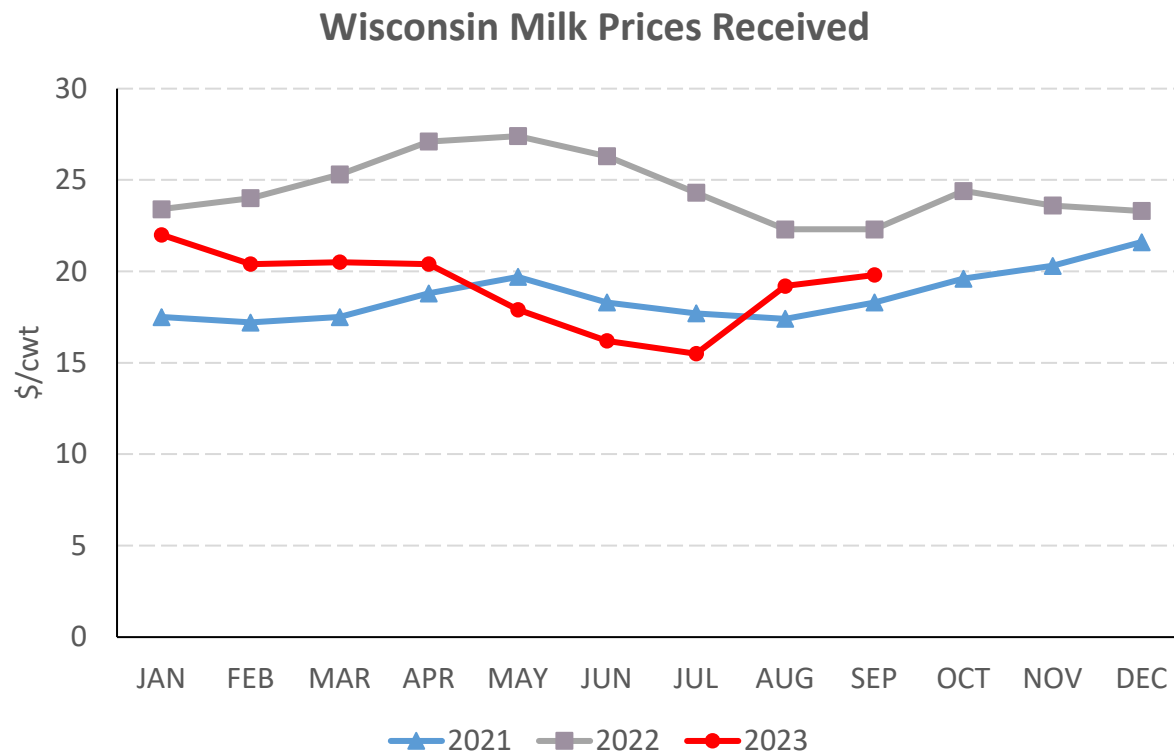
Sales tax revenues, the second largest source, increased 1.7% to \$1,293 million.

Corporate tax revenues declined 6.8% to \$600.1 million, and excise tax revenues fell 5.2% to \$109.1 million. Both tax types were expected to decline in FY24.

Tax revenues are close to the forecasted amount for the first quarter and are on pace to reach the forecasted year-end amount of \$21.25 billion for FY24.

Source: Wisconsin Department of Revenue

Wisconsin Milk Prices Increased for Second Straight Month



Wisconsin farmers received \$19.8 per hundredweight (cwt) of milk in September.

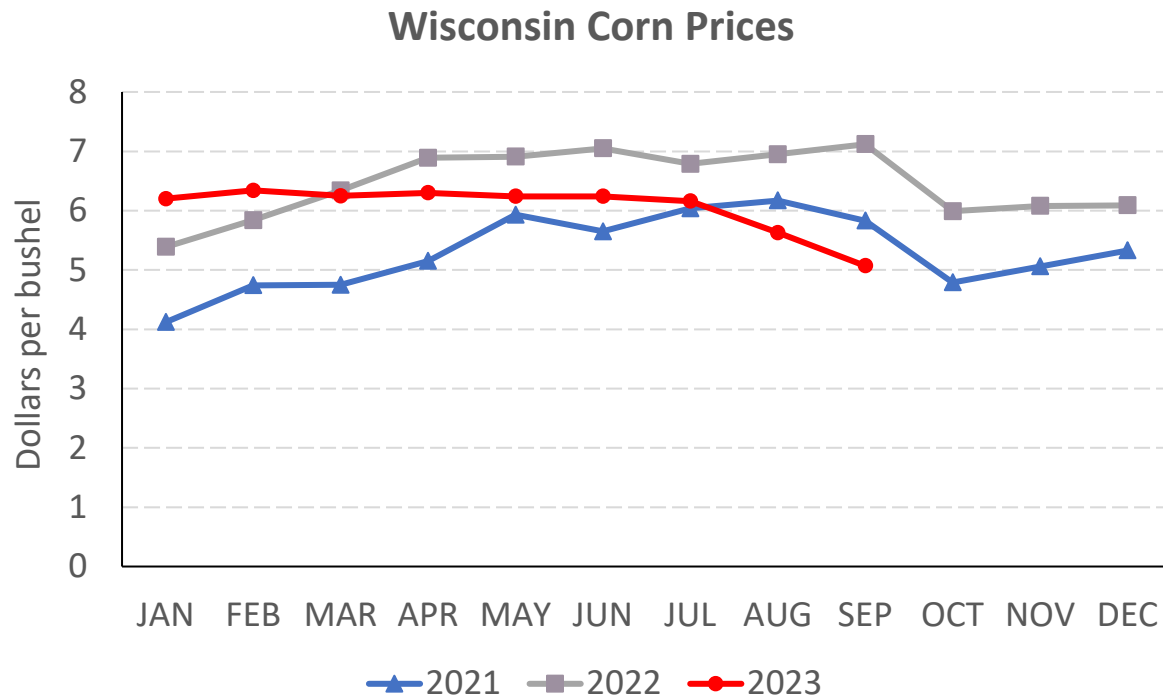
This is \$0.60 above last month, a 2.5% increase, but it is 11.2%, or \$2.50, below the \$22.30 per cwt received in September of 2022.

Nationally, farmers received \$21.00 per cwt. This is \$1.20 above Wisconsin's price but \$1.30 below the \$24.10 per cwt received nationally last year.

Egg prices continue to move lower. Nationally egg prices are down to \$0.95 per dozen in September, from \$1.10/dozen in August and \$2.62/dozen last year.

Source: United State Department of Agriculture, National Agricultural Statistics Service

Wisconsin Corn Prices Declined in September



Wisconsin corn prices declined for a second straight month in September, moving in the opposite direction of milk prices.

Wisconsin farmers received \$5.07 per bushel of corn in September, down \$2.05, or 28.8%, from last year at this time. They were \$0.56 per bushel below the August price of \$5.63 per bushel, a nearly 10% decline.

Nationally, corn prices also declines, from \$5.73 per bushel in August to \$5.21 per bushel in September. Prices were \$7.09 per bushel in the U.S. last September.

Soybean prices also moved lower, from \$14.30 per bushel in August to \$13.70 per bushel in September in Wisconsin.

Source: United State Department of Agriculture, National Agricultural Statistics Service

U.S. Updates

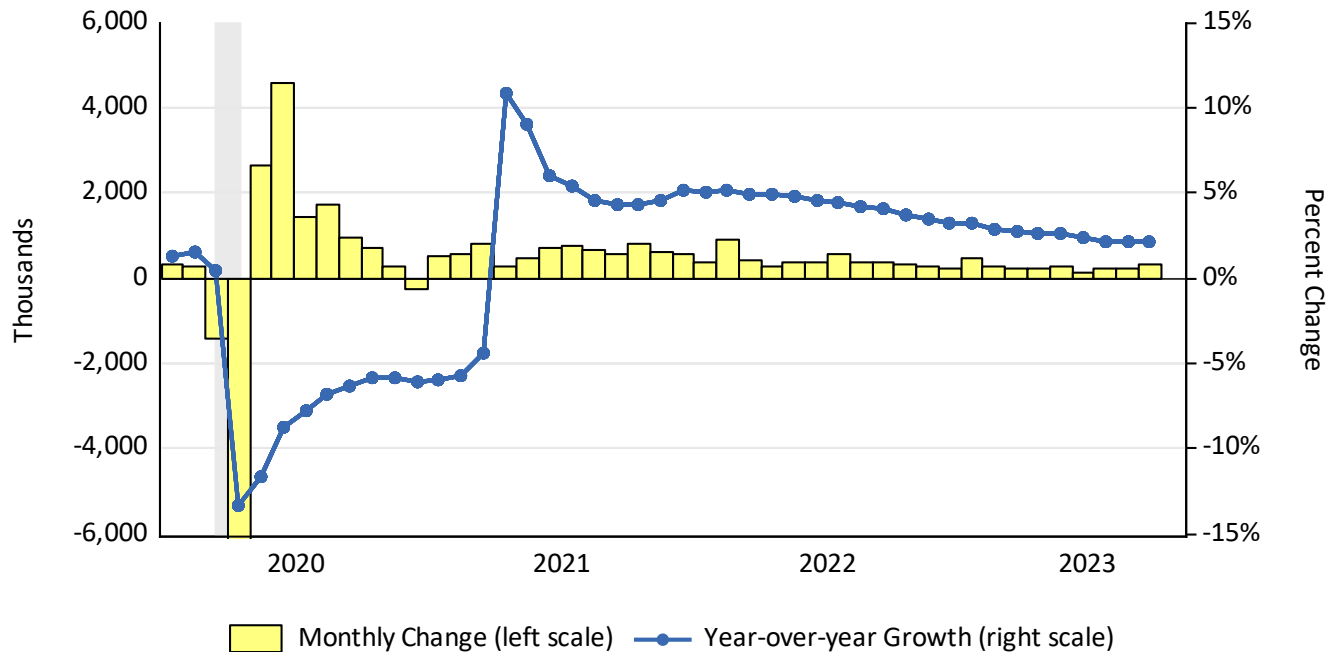
Employment

Inflation (CPI)

Mortgage Rates

U.S. Employment Increased by 336,000 in September, Beating Expectations

National Employment



Total nonfarm payroll employment rose by 336,000 in September, and the unemployment rate was unchanged at 3.8%. Employment in July and August were revised up a combined 119,000.

The unemployment rate held at 3.8% in September. Both the labor force participation rate and the employment-population ratio were unchanged over the month at 62.8% and 60.4%, respectively.

Leisure and hospitality added 96,000 jobs in September. Employment in food services and drinking places rose by 61,000 over the month and has returned to its pre-pandemic February 2020 level. Accommodation added jobs in September but remains below its February 2020 level by 10.3%.

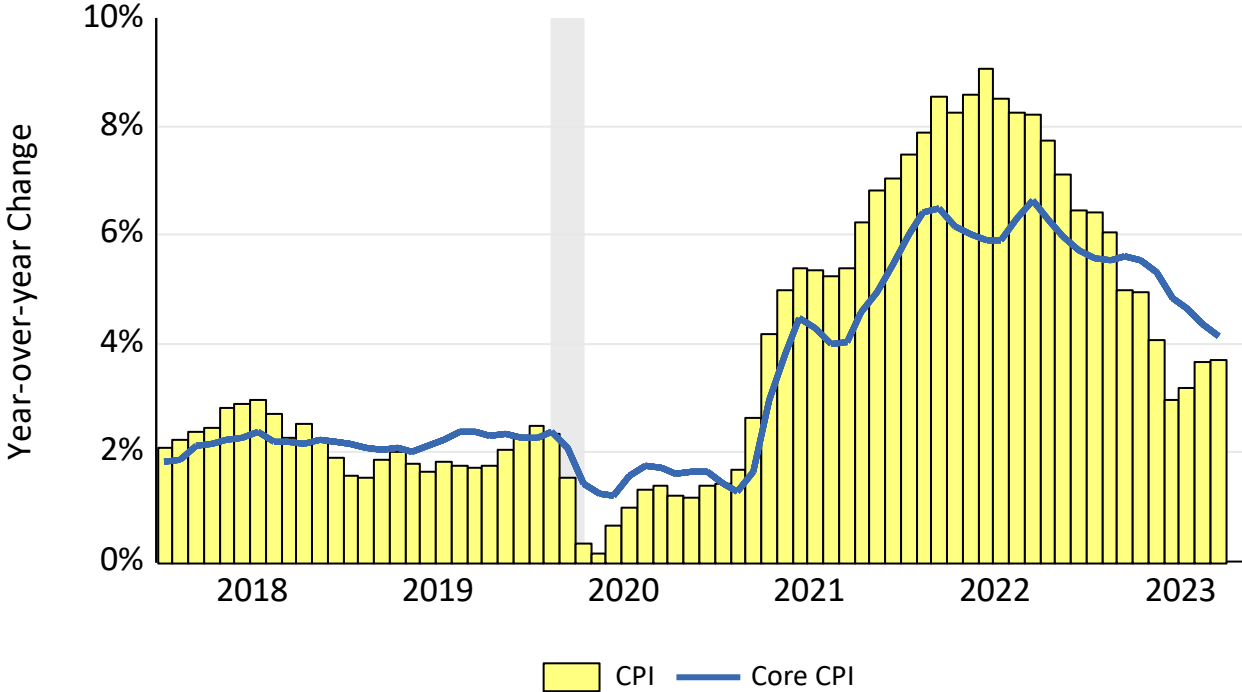
In September, government employment increased by 73,000 and health care added 41,000 jobs.

In September, average hourly earnings for all employees on private nonfarm payrolls rose by 7 cents, or 0.2%, to \$33.88. Over the past 12 months, average hourly earnings increased 4.2%. The average workweek was unchanged at 34.4 hours in September.

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

Consumer Prices Increased 3.7% Over Prior Year

Consumer Price Index (CPI)



The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4% in September on a seasonally adjusted basis, after increasing 0.6% in August. Over the last 12 months, the all items index increased 3.7% before seasonal adjustment.

The index for shelter was the largest contributor to the monthly all items increase, accounting for over half of the increase. An increase in the gasoline index was also a major contributor to the all items monthly rise. The food index increased 0.2% in September, as it did in the previous two months.

The index for all items less food and energy rose 0.3% in September, the same as in August. Indexes which increased in September include rent, owners' equivalent rent, lodging away from home, motor vehicle insurance, recreation, personal care, and new vehicles. The indexes for used cars and trucks and for apparel were among those that decreased over the month.

The all items index increased 3.7% for the 12 months ending September, the same increase as the 12 months ending in August. The all items less food and energy index rose 4.1% over the last 12 months. The energy index decreased 0.5% for the 12 months ending September, and the food index increased 3.7% over the last year.

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

Mortgage Rates Nearing 8%

Mortgage Rate, Thirty Year



Source: Freddie Mac

The 30-year fixed rate mortgage is nearing 8%, with an average of 7.79% at the end of October

Rates have risen 0.48 percentage points since the end of September and are up 1.3 percentage points since the beginning of the year.

Rates were below 3% at the end of 2020. Current homeowners are reluctant to give up their low mortgage rates, leading to a scarcity of existing homes on the market.

Higher rates lead to substantially higher monthly costs for homeowners. Higher home prices are worsening the situation.

Three years ago, the mortgage payment on the median-priced home of \$285,667 with the current rate of 2.9% was \$1,075/month.

In August, the mortgage payment on the median-priced home of \$377,500 with a rate of 7.1% was \$2,277/month – a 111.8% increase in just three years.

Weekly rates are from Freddie Mac. Monthly mortgage payments from the Atlanta Fed Home Ownership Affordability Monitor (HOAM).

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