

WISCONSIN ECONOMIC FORECAST – MAY 2025

- Unusually high uncertainty continues to shape economic forecasts, with tariffs remaining a key risk. This Wisconsin forecast is based on the national outlook from S&P Global Market Intelligence, released in May 2025.
- S&P Global now projects U.S. GDP to grow 1.3% in 2025, followed by 1.7% in 2026 and 1.6% in 2027.
- GDP growth is expected to remain below potential in the near term due to ongoing trade frictions and a restrictive Federal Reserve policy stance, with the national unemployment rate forecast to peak at 5.0% in 2027.
- Core PCE inflation is projected to firm to 3.9% over the four quarters of 2025 before easing to 2.1% in 2026, contingent on long-term inflation expectations staying

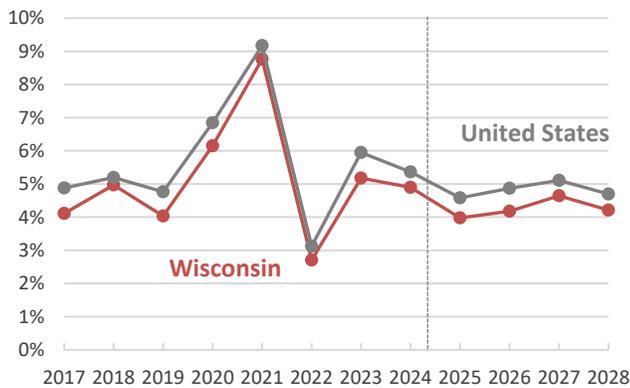
anchored at 2.0%. The federal funds rate, currently at 4.25%–4.50%, is considered restrictive and is expected to hold steady until December 2025.

- Wisconsin's labor market remained relatively strong in 2024, with employment growing by 0.6% and the unemployment rate averaging 3.0%—a full percentage point below the U.S. average of 4.0%. The state's unemployment rate is projected to peak at 4.1% in 2027, outperforming the national trend.
- Personal income in Wisconsin increased 4.9% in 2024, surpassing the 4.6% rise in the Great Lakes region but trailing the 5.3% national average. Nominal wages rose 5.2%, ahead of the region's 4.8% but below the U.S. growth rate of 5.7%. For 2025, Wisconsin personal income growth is expected to moderate to 4.0%.

The U.S. economy closed 2024 with robust GDP growth of 2.8%, but Q1 2025 saw a 0.3% annualized contraction. This decline was primarily due to a sharp 4.8 percentage point drag from net exports, which concealed solid underlying domestic demand.

The forecast assumes the debt ceiling will be raised in 2025, alongside 255,000 federal layoffs. It also anticipates the extension of the 2017 tax cuts and a reduction in the domestic corporate tax rate to 15%. The Fed is expected to maintain current interest rates through year-end, followed by three consecutive 25-basis-point cuts by March 2026, then a more gradual pace of easing.

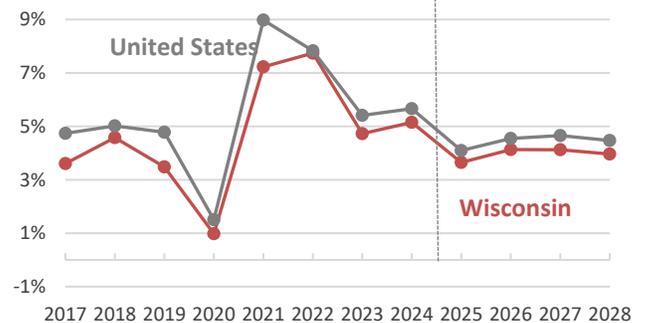
Personal Income Growth



Sources: Bureau of Economic Analysis and Wisconsin DOR (forecast).

S&P Global maintains its “no recession” outlook for 2025, expecting below-trend but positive U.S. growth. This view is supported by improved financial conditions: equity markets have exceeded expectations, the S&P 500 volatility index has declined sharply, and credit spreads have narrowed—all signs of reduced market risk.

Wages and Salaries Growth



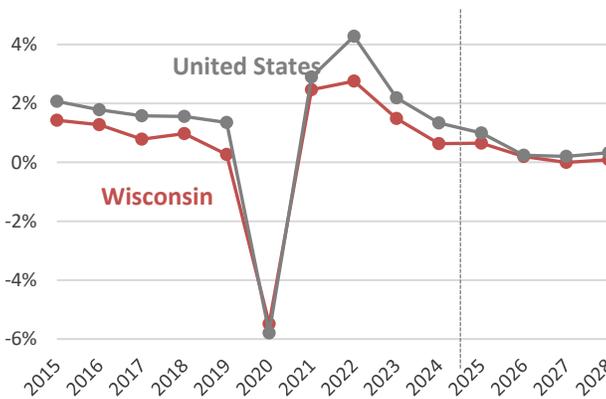
Sources: Bureau of Economic Analysis and Wisconsin DOR (forecast).

U.S. personal income rose 5.4% in 2024, led by a 5.7% increase in wages and salaries. For 2025, total income is forecast to grow 4.6%, with wages and salaries rising 4.1%. Real disposable income growth is expected to slow to 1.6%, down from 2.7% in 2024.

In Wisconsin, personal income rose 4.9% in 2024—above the Great Lakes average of 4.6% and slightly below the national 5.3%. Net earnings and personal transfer receipts were key drivers of this growth.

Wisconsin’s nominal personal income is forecast to increase by 4.0% in 2025, with a 3.7% rise in wages and salaries, a 4.7% increase in wage supplements, and continued strength in transfer payments and proprietors’ income. Personal income growth is projected to exceed 4.0% annually over the forecast horizon, with average wage and salary growth at 4.1%.

Employment Growth

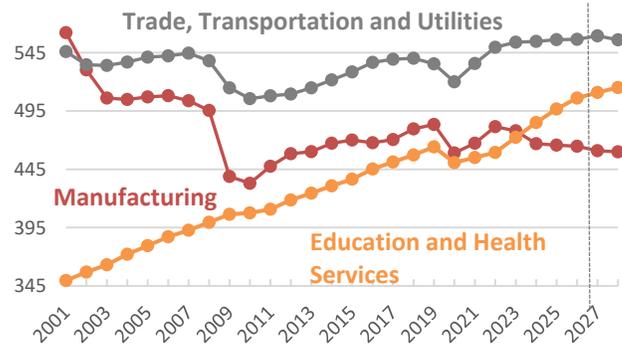


Sources: Bureau of Labor Statistics (CES) and Wisconsin DOR (forecast).

Wisconsin’s Current Employment Statistics (CES) data, benchmarked annually using Quarterly Census of Employment and Wages (QCEW) records, show that 2024 growth was revised downward from 0.9% to 0.6% for total employment, and from 0.7% to 0.4% for private employment. CES data indicate that Wisconsin’s employment grew by 0.5% in Q1 2025 from a year earlier, below the 1.2% U.S. pace. The state’s labor market continues to grow at a modest but steady rate. Total employment is forecast to increase by 0.7% in 2025, 0.2% in 2026, and show minimal growth thereafter—mirroring national employment projections.

Wisconsin’s three largest employment sectors are trade, transportation, and utilities; education and health services; and manufacturing. Until 2002, manufacturing was the state’s largest sector. That year, it was surpassed by trade, transportation, and utilities, both holding a 19% employment share. Since then, manufacturing’s share has declined to 15% in 2024, while education and health services grew from 13% to 16%, surpassing manufacturing.

Wisconsin Employment Largest Sectors
(in thousands of jobs)

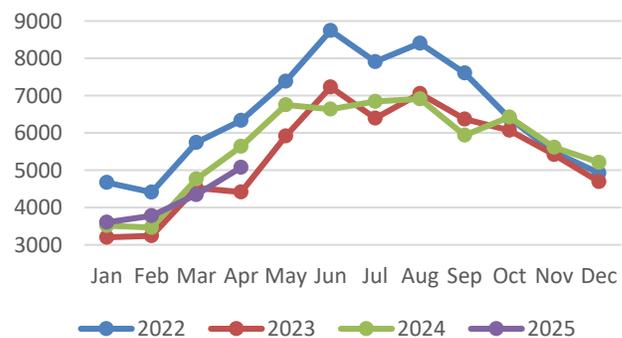


Sources: Bureau of Labor Statistics (CES) and Wisconsin DOR (forecast).

The 2025 forecast sees job growth concentrated in education and health services, leisure and hospitality, and other services. Conversely, employment is expected to contract in manufacturing, construction, and the federal government. Wisconsin’s unemployment rate stood at 3.3% in April, still nearly a percentage point below the U.S. average of 4.2%.

According to the Wisconsin Realtors Association, existing home sales fell 3.3% in the first four months of 2025, following a 4.9% increase in 2024 and two years of double-digit declines. Home prices continue to climb: the median price rose 7.7% through April 2025, following an average annual increase of 9.3% over the past five years.

Wisconsin Existing Home Sales



Sources: Wisconsin Realtors Association.

The May S&P Global forecast anticipates just one interest rate cut in December 2025. With mortgage rates expected to remain elevated, home affordability is likely to stay near historic lows. From 2019 to 2024, Wisconsin’s median existing home price rose 56%, compared to a 28.5% increase in wages and salaries—paralleling national figures of 51% and 32.9%, respectively.

Employment (Annual)**Table 1. Wisconsin CES Employment Forecast: Industry Detail**
(Thousands of jobs)

	History				Forecast			
	2021	2022	2023	2024	2025	2026	2027	2028
Total Nonfarm	2,897.0	2,976.8	3,021.0	3,040.2	3,059.9	3,065.9	3,065.8	3,068.5
% Change	2.5	2.8	1.5	0.6	0.7	0.2	0.0	0.1
Private Nonfarm	2,502.1	2,575.5	2,612.8	2,623.9	2,637.9	2,641.5	2,639.6	2,640.9
% Change	2.7	2.9	1.4	0.4	0.5	0.1	-0.1	0.0
Natural Resources & Mining	3.5	3.7	3.9	4.1	4.1	4.3	4.5	4.5
% Change	-0.9	5.2	5.7	4.3	2.0	4.2	4.3	1.0
Construction	127.0	132.0	137.3	140.9	140.0	139.5	139.5	140.2
% Change	2.3	4.0	4.0	2.6	-0.6	-0.4	0.0	0.5
Manufacturing	467.3	481.5	478.0	466.9	465.7	464.8	460.9	460.0
% Change	1.8	3.1	-0.7	-2.3	-0.3	-0.2	-0.8	-0.2
Trade, Transportation & Utilities	535.7	549.6	553.9	554.6	556.1	556.3	559.4	555.9
% Change	3.0	2.6	0.8	0.1	0.3	0.0	0.6	-0.6
Information	45.1	46.4	47.5	47.5	48.1	48.7	48.2	47.7
% Change	0.3	2.9	2.2	0.1	1.2	1.3	-1.1	-1.0
Financial Activities	155.7	159.3	159.9	159.3	160.1	162.0	162.6	162.6
% Change	1.8	2.3	0.4	-0.4	0.5	1.1	0.4	0.0
Professional & Business Services	319.2	329.1	331.4	330.3	330.0	317.1	310.4	313.2
% Change	3.0	3.1	0.7	-0.3	-0.1	-3.9	-2.1	0.9
Education & Health Services	455.1	459.4	472.3	485.1	496.7	506.1	510.8	515.1
% Change	1.0	0.9	2.8	2.7	2.4	1.9	0.9	0.9
Leisure & Hospitality	250.1	269.6	283.8	288.3	291.7	298.3	300.0	298.7
% Change	9.8	7.8	5.3	1.6	1.2	2.3	0.6	-0.4
Other Services	143.3	144.8	144.8	147.0	149.0	150.1	151.0	152.4
% Change	0.4	1.1	0.0	1.5	1.3	0.8	0.6	0.9
Government	394.9	401.3	408.2	416.3	418.5	418.7	418.4	418.1
% Change	0.8	1.6	1.7	2.0	0.5	0.0	-0.1	-0.1
Federal Government	29.9	29.5	30.4	31.4	31.1	31.1	31.1	31.1
% Change	-2.8	-1.4	3.0	3.2	-1.0	0.0	0.1	0.1
State & Local Government	365.0	371.8	377.8	384.9	387.5	387.6	387.3	387.0
% Change	1.1	1.9	1.6	1.9	0.7	0.0	-0.1	-0.1

Table 2. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2021	2022	2023	2024	2025	2026	2027	2028
Labor Force	3,110.2	3,103.1	3,145.1	3,175.5	3,187.7	3,202.9	3,208.1	3,208.1
% Change	0.3	-0.2	1.4	1.0	0.4	0.5	0.2	0.0
Employment	2,992.2	3,015.7	3,057.0	3,081.3	3,078.3	3,076.7	3,076.1	3,079.8
% Change	3.1	0.8	1.4	0.8	-0.1	-0.1	0.0	0.1
Unemployment Rate (%)	3.8	2.8	2.8	3.0	3.4	3.9	4.1	4.0

Source: Bureau of Labor Statistics

Employment (Quarterly)

Table 3. Wisconsin CES Employment Forecast: Industry Detail
(Thousands of jobs, seasonally adjusted data, annual rate of change)

	History				Forecast			
	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1
Total Nonfarm	3,036.3	3,041.2	3,047.3	3,050.1	3,061.9	3,064.1	3,063.6	3,064.8
% Change	0.1	0.6	0.8	0.4	1.6	0.3	-0.1	0.2
Private Nonfarm	2,623.1	2,621.5	2,629.8	2,632.2	2,638.9	2,640.4	2,640.1	2,640.8
% Change	0.3	-0.2	1.3	0.4	1.0	0.2	-0.1	0.1
Natural Resources & Mining	4.1	4.0	4.1	4.1	4.1	4.2	4.2	4.2
% Change	3.3	-3.2	6.8	0.0	1.5	3.5	3.1	4.8
Construction	139.8	141.0	142.3	141.9	139.0	139.4	139.6	139.6
% Change	-1.7	3.6	3.7	-1.0	-7.9	1.1	0.4	0.1
Manufacturing	468.2	464.3	464.7	462.4	468.2	466.2	465.9	463.9
% Change	-1.9	-3.3	0.3	-2.0	5.1	-1.7	-0.2	-1.7
Trade, Transportation & Utilities	554.0	553.8	556.1	555.6	556.8	556.6	555.4	555.3
% Change	-0.3	-0.1	1.7	-0.4	0.9	-0.1	-0.8	-0.1
Information	47.3	47.0	48.1	48.5	47.8	48.0	48.0	48.5
% Change	-1.9	-2.8	10.0	2.8	-5.3	1.6	0.0	4.4
Financial Activities	159.6	159.4	158.5	158.3	160.5	160.8	161.1	161.9
% Change	-0.2	-0.6	-2.2	-0.6	5.7	0.8	0.7	2.0
Professional & Business Services	330.1	330.0	331.3	333.8	331.6	329.9	324.6	321.6
% Change	0.4	-0.1	1.5	3.1	-2.6	-2.0	-6.3	-3.6
Education & Health Services	484.1	486.5	488.0	491.3	495.2	498.7	501.6	504.1
% Change	2.0	2.0	1.2	2.7	3.2	2.9	2.3	2.0
Leisure & Hospitality	289.5	288.4	288.2	287.2	291.5	292.5	295.5	296.8
% Change	3.8	-1.6	-0.3	-1.4	6.1	1.3	4.3	1.7
Other Services	146.4	147.2	148.4	149.2	148.7	148.9	149.0	150.2
% Change	0.9	2.0	3.5	2.2	-1.5	0.6	0.2	3.2
Government	413.2	419.7	417.5	417.9	418.7	418.9	418.7	418.7
% Change	-1.5	6.4	-2.0	0.4	0.8	0.3	-0.2	0.0
Federal Government	31.4	31.4	31.3	31.1	31.1	31.1	31.1	31.1
% Change	0.9	-0.4	-1.3	-2.9	-0.1	0.0	0.1	0.1
State & Local Government	381.8	388.3	386.2	386.8	387.6	387.9	387.7	387.7
% Change	-1.7	6.9	-2.1	0.6	0.8	0.3	-0.2	0.0

Table 4. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1
Labor Force	3,171.6	3,179.9	3,185.5	3,179.6	3,185.3	3,191.5	3,194.5	3,198.9
% Change	0.9	1.0	0.7	-0.7	0.7	0.8	0.4	0.6
Employment	3,078.8	3,085.6	3,087.1	3,077.4	3,079.7	3,079.9	3,076.2	3,076.5
% Change	0.6	0.9	0.2	-1.3	0.3	0.0	-0.5	0.0
Unemployment Rate (%)	2.9	3.0	3.1	3.2	3.3	3.5	3.7	3.8

Source: Bureau of Labor Statistics, Wisconsin Department of Revenue (Forecast)

Employment (Quarterly)

Table 3b. Wisconsin CES Employment Forecast: Industry Detail

(Thousands of jobs, year-over-year change)

	History				Forecast			
	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1
Total Nonfarm	3,036.3	3,041.2	3,047.3	3,050.1	3,061.9	3,064.1	3,063.6	3,064.8
% Change	0.6	0.5	0.6	0.5	0.8	0.8	0.5	0.5
Private Nonfarm	2,623.1	2,621.5	2,629.8	2,632.2	2,638.9	2,640.4	2,640.1	2,640.8
% Change	0.4	0.2	0.5	0.4	0.6	0.7	0.4	0.3
Natural Resources & Mining	4.1	4.0	4.1	4.1	4.1	4.2	4.2	4.2
% Change	5.2	2.5	3.4	1.7	1.2	2.9	2.0	3.2
Construction	139.8	141.0	142.3	141.9	139.0	139.4	139.6	139.6
% Change	2.1	2.5	2.7	1.1	-0.5	-1.1	-1.9	-1.6
Manufacturing	468.2	464.3	464.7	462.4	468.2	466.2	465.9	463.9
% Change	-2.2	-2.7	-1.9	-1.7	0.0	0.4	0.3	0.3
Trade, Transportation & Utilities	554.0	553.8	556.1	555.6	556.8	556.6	555.4	555.3
% Change	0.0	0.0	0.3	0.2	0.5	0.5	-0.1	-0.1
Information	47.3	47.0	48.1	48.5	47.8	48.0	48.0	48.5
% Change	-0.4	-1.3	1.3	1.9	1.0	2.1	-0.3	0.1
Financial Activities	159.6	159.4	158.5	158.3	160.5	160.8	161.1	161.9
% Change	-0.2	-0.5	-1.0	-0.9	0.5	0.9	1.6	2.3
Professional & Business Services	330.1	330.0	331.3	333.8	331.6	329.9	324.6	321.6
% Change	-0.7	-0.6	0.4	1.2	0.4	0.0	-2.0	-3.7
Education & Health Services	484.1	486.5	488.0	491.3	495.2	498.7	501.6	504.1
% Change	3.1	2.6	2.1	2.0	2.3	2.5	2.8	2.6
Leisure & Hospitality	289.5	288.4	288.2	287.2	291.5	292.5	295.5	296.8
% Change	2.0	1.1	0.8	0.1	0.7	1.4	2.5	3.3
Other Services	146.4	147.2	148.4	149.2	148.7	148.9	149.0	150.2
% Change	1.2	1.7	2.1	2.1	1.5	1.2	0.4	0.6
Government	413.2	419.7	417.5	417.9	418.7	418.9	418.7	418.7
% Change	1.3	2.8	1.7	0.7	1.3	-0.2	0.3	0.2
Federal Government	31.4	31.4	31.3	31.1	31.1	31.1	31.1	31.1
% Change	4.0	2.7	1.1	-1.0	-1.2	-1.1	-0.8	0.0
State & Local Government	381.8	388.3	386.2	386.8	387.6	387.9	387.7	387.7
% Change	1.1	2.8	1.8	0.9	1.5	-0.1	0.4	0.2

Table 4b. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1
Labor Force	3,171.6	3,179.9	3,185.5	3,179.6	3,185.3	3,191.5	3,194.5	3,198.9
% Change	0.9	0.8	0.7	0.5	0.4	0.4	0.3	0.6
Employment	3,078.8	3,085.6	3,087.1	3,077.4	3,079.7	3,079.9	3,076.2	3,076.5
% Change	0.7	0.7	0.6	0.1	0.0	-0.2	-0.4	0.0
Unemployment Rate (%)	2.9	3.0	3.1	3.2	3.3	3.5	3.7	3.8

Source: Bureau of Labor Statistics, Wisconsin Department of Revenue (Forecast)

Wisconsin Personal Income (Annual)

Table 5. Wisconsin Personal Income by Major Source

(\$ Billions)

	History				Forecast			
	2021	2022	2023	2024	2025	2026	2027	2028
Total Personal Income	355.5	365.2	384.1	402.9	418.9	436.4	456.7	475.9
% Change	8.8	2.7	5.2	4.9	4.0	4.2	4.6	4.2
Wages and Salaries	168.5	181.5	190.1	199.9	207.2	215.7	224.6	233.5
% Change	7.2	7.7	4.7	5.2	3.7	4.1	4.1	4.0
Supplements to Wages and Salaries	41.1	42.3	45.2	47.8	50.1	52.2	54.1	56.2
% Change	2.7	3.0	6.9	5.8	4.7	4.1	3.7	4.0
Proprietor's Income	25.9	24.6	25.1	26.0	27.2	28.0	29.2	30.1
% Change	11.7	-5.2	2.2	3.6	4.4	2.9	4.3	3.2
Property Income	65.2	70.3	77.5	80.4	82.4	85.3	90.2	94.1
% Change	10.0	7.9	10.2	3.8	2.5	3.5	5.7	4.4
Personal Interest Income	22.3	24.6	28.4	29.4	30.2	32.4	36.1	39.8
% Change	-2.1	10.3	15.2	3.7	2.6	7.4	11.4	10.1
Personal Dividend Income	31.1	32.8	34.3	35.2	35.4	35.2	36.2	36.2
% Change	23.7	5.4	4.8	2.6	0.7	-0.6	2.9	-0.1
Rental Income	11.7	12.9	14.8	15.8	16.8	17.7	17.8	18.2
% Change	4.1	10.1	14.3	6.9	6.3	5.4	0.9	1.9
Personal Current Transfer Receipts	77.6	71.4	72.9	76.5	80.6	84.7	88.9	93.2
% Change	12.6	-8.0	2.1	4.9	5.4	5.1	4.9	4.9
Residence Adjustment	4.2	4.2	4.4	4.6	4.8	4.9	5.1	5.3
% Change	7.1	0.1	3.7	4.4	4.0	3.5	3.4	3.2
Contributions to Govt. Social Ins.	26.9	29.2	31.1	32.4	33.4	34.4	35.3	36.6
% Change	5.2	8.4	6.6	4.1	3.1	3.1	2.7	3.5

Table 6. Wisconsin Related Income Measures

(Different units)

	History				Forecast			
	2021	2022	2023	2024	2025	2026	2027	2028
Real Personal Income (2012 \$ Billions) *	338.0	350.4	340.7	342.6	351.8	354.9	361.6	372.9
% Change	7.1	3.7	-2.8	0.6	2.7	0.9	1.9	3.1
Population (Millions)	5.882	5.904	5.930	5.961	5.949	5.967	5.983	5.998
% Change	-0.3	0.4	0.4	0.5	0.3	0.3	0.3	0.3
Per Capita Income (\$)	60,449	61,851	64,763	67,586	70,411	73,135	76,327	79,343
Change	9.1	2.3	4.7	4.4	3.7	3.9	4.4	4.0
Personal Tax & Nontax Payments (\$ Billions)	39.4	47.4	42.2	43.6	44.2	44.5	46.0	47.1
% Change	14.9	20.3	-10.9	3.2	1.4	0.7	3.4	2.4
Disposable Personal Income (\$ Billions)	316.1	317.7	341.8	359.3	374.7	391.9	410.7	428.8
% Change	8.0	0.5	7.6	5.1	4.3	4.6	4.8	4.4
GDP (\$ Billions)	368.9	400.6	428.4	451.3	469.4	486.4	503.4	516.5
% Change	7.5	8.6	6.9	5.3	4.0	3.6	3.5	2.6
Real GDP (chained 2012 \$ Billions)	334.5	339.7	344.6	354.1	357.5	363.0	368.5	374.1
% Change	3.7	1.6	1.4	2.8	1.0	1.5	1.5	1.5

* 2023 values are forecasted

Source: Bureau of Economic Analysis, Wisconsin Department of Revenue Forecast)

Wisconsin Personal Income (Quarterly)

Table 7. Wisconsin Personal Income by Major Source
(\$ Billions, seasonally adjusted, annual rate of change)

	History				Forecast			
	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Total Personal Income	398.8	400.6	404.2	407.9	413.5	418.2	420.2	423.7
% Change	5.7	5.0	4.7	4.2	3.7	4.4	3.9	3.9
Wages and Salaries	198.5	198.3	200.2	202.5	204.3	206.4	208.0	210.0
% Change	7.1	5.3	4.3	4.1	2.9	4.1	3.9	3.7
Supplements to Wages and Salaries	47.2	47.3	48.1	48.6	49.2	49.9	50.4	50.8
% Change	7.4	6.0	5.4	4.5	4.4	5.3	4.8	4.5
Proprietor's Income	25.1	25.9	26.6	26.5	26.8	27.8	27.0	27.2
% Change	-0.7	4.7	6.2	4.2	6.5	7.3	1.4	2.7
Property Income	80.2	80.4	80.3	80.8	81.9	82.7	82.5	82.6
% Change	6.2	4.3	3.2	1.8	2.2	2.8	2.7	2.3
Personal Current Transfer Receipts	75.6	76.2	76.8	77.5	79.7	80.1	80.9	81.8
% Change	3.4	4.2	5.7	6.5	5.5	5.2	5.4	5.5
Residence Adjustment	4.5	4.5	4.6	4.7	4.7	4.8	4.8	4.8
% Change	3.6	3.9	4.6	5.4	4.4	4.8	3.9	3.1
Contributions to Government Social Ins.	32.2	32.1	32.4	32.7	33.1	33.3	33.4	33.6
% Change	6.5	4.1	3.1	2.7	2.7	3.7	3.3	2.8

Source: Bureau of Economic Analysis, Wisconsin Department of Revenue (Forecast)

Table 8. General Purposes Revenues, Fiscal Year-to-Date 2025 through April

	FY2024	FY2025	Annual Change	Expected Revenues ¹	\$ Difference
Individual Income Tax ²	7,539.0	7,924.0	5.1%	8,219.3	-295.0
General Sales Tax	5,593.4	5,742.4	2.7%	5,735.8	7.0
Corporate Franchise Tax	2,154.1	2,151.7	-0.1%	2,155.1	-3.0
Other Revenues	705.4	935.6	32.6%	924.1	11.0
Total GPR²	15,991.8	16,753.8	4.8%	17,034.3	-281.0

Source: Wisconsin Department of Revenue

1. Expected Revenues are based on the Fiscal Year 2025 forecast published by the Legislative Fiscal Bureau in May 2025.

2. April individual Income Tax Revenues and Total GPR are understated by over \$200 million in FY25 due to a delay in the processing of check payments.

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