

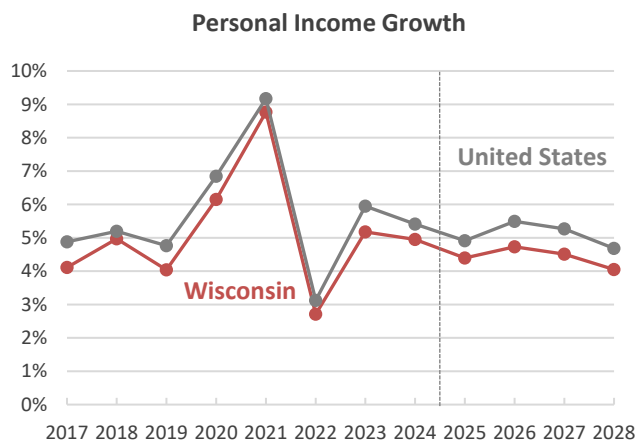
## WISCONSIN ECONOMIC FORECAST – AUGUST 2025

- The August national forecast incorporates the provisions in the One Big Beautiful Bill Act (OBBBA). There are similarities and some important differences between previous assumptions included in the national forecast.
- S&P Global Market Intelligence projects GDP growth of 1.7% in 2025, 2.4% in 2026, and 1.7% in 2027.
- Stronger near-term GDP growth keeps unemployment lower than previously expected, peaking at 4.5% by mid-2026
- Core Personal Consumption Expenditure (PCE) inflation is projected to peak at 3.8% in late 2025 before easing to 2.3% by end-2026.

- Wisconsin's labor market is forecast to grow modestly in 2025, with total nonfarm employment expanding by 0.7% and the annual average unemployment rate rising to 3.4%. The state's unemployment rate is projected to peak at 3.7% by the end of 2027, while the U.S. rate will reach 4.5%.
- Wisconsin Employment growth in 2025 is expected to be led by education and health services, while manufacturing and construction are projected to see modest declines.
- Wisconsin Personal income growth is projected to slow to 4.4% in 2025, reflecting weaker gains in wages, property income, and proprietor income, partly offset by faster growth in transfer receipts.

The U.S. economy rebounded to a 3.0% growth rate in Q2 2025, sharply reversing a 0.5% Q1 contraction. This swing was driven by a business rush to import goods ahead of tariffs in Q1 and a subsequent inventory drawdown in Q2, which masked a more stable underlying trend in domestic demand.

drag from reductions in key social safety net programs (Medicaid, healthcare premium credits, SNAP, and student loan forgiveness) and the effects of higher tariffs. States are expected to absorb more Medicaid costs. The combined impact of these measures over time reduces disposable income and transfer-supported consumption, while higher tariffs add to price pressures, pushing core PCE inflation to a projected peak of 3.8% in late 2025.



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

The August forecast reflects the One Big Beautiful Bill Act (OBBBA), which makes 2017 personal tax cuts permanent and introduces limited relief for tip income and overtime pay. The bill introduces full expensing for business investment, which has only a modest effect on capital spending. The OBBA marginally raises the average effective corporate tax rate, reducing after-tax profits.

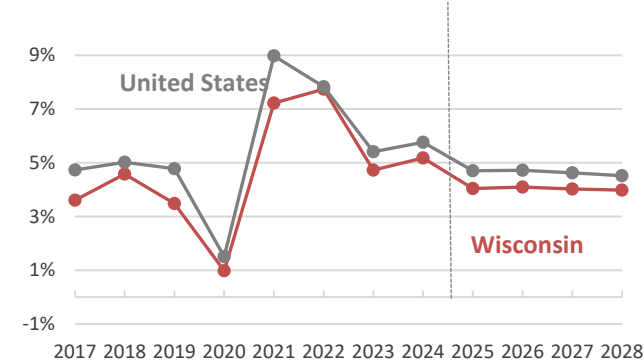
Near-term economic growth gets a lift from a surge in federal defense outlays. Yet, this boost is counteracted by a fiscal

U.S. personal income is forecast to grow 4.8% in 2025, driven by a 4.1% rise in wages and salaries. However, real disposable income growth is projected to slow to a modest 1.6%, down from 2.7% in 2024. This slowdown will contribute to subdued consumer spending growth of 1.9%, a deceleration from the 2.8% pace recorded in 2024. Meanwhile, business fixed investment is expected to decelerate from 3.6% in 2024 to 2.5% growth in 2025.

Wisconsin's nominal personal income growth is forecast to moderate to 4.4% in 2025, down from 4.9% in 2024. This deceleration is primarily driven reflecting weaker gains in wages, property income, and proprietor income, partly offset by faster growth in transfer receipts.

Wages and salaries in Wisconsin rose 5.2% in 2024 but are projected to slow to 4.0% growth in 2025, compared with a nationwide deceleration from 5.8% to 4.7%, highlighting easing labor market tightness.

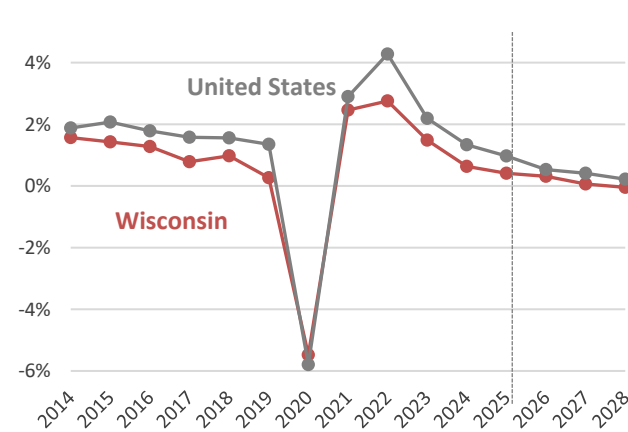
Wages and Salaries Growth



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

Job growth continues to lag behind the pace of recent years. According to the latest CES (Current Employment Statistics) data, Wisconsin employment grew 2.8% in 2022, 1.5% in 2023, and 0.6% in 2024. A similar slowdown is evident nationally, where employment growth fell from 4.3% in 2022 to 1.3% in 2024. In the first seven months of 2025, Wisconsin employment grew 0.5%, compared with 1.1% nationwide. Looking ahead to 2026–2028, the outlook points to flat employment in Wisconsin and growth of less than 0.5% for the U.S.

Employment Growth



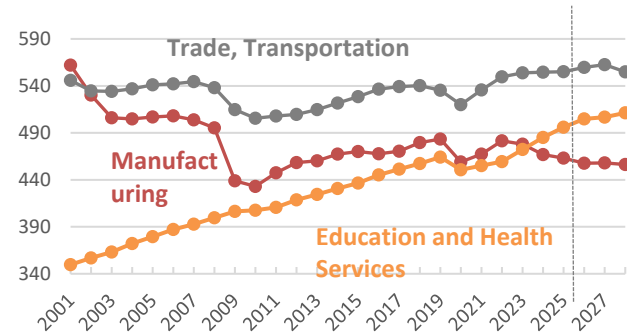
Sources: Bureau of Labor Statistics (CES) and Wisconsin DOR (forecast).

Wisconsin’s largest employment sector—trade, transportation, and utilities—was nearly flat in 2024 and is expected to remain so in 2025 and 2026. The second-largest sector, education and health services, has been the state’s main growth driver since late 2023 and is contributing more than half of total employment growth in 2025. Manufacturing, now the third largest sector in Wisconsin, is expected to continue losing jobs over the forecast period.

During 2023 and 2024, total employment grew faster than

private employment, which was outpaced by strong growth in government employment. This pattern has only been observed during recession periods over the last 25 years. The outlook suggests this pattern will reverse from 2025 onward, with government employment becoming a drag on total growth. Wisconsin’s unemployment rate stood at 3.1% in July, slightly more than a percentage point below the U.S. rate of 4.2%.

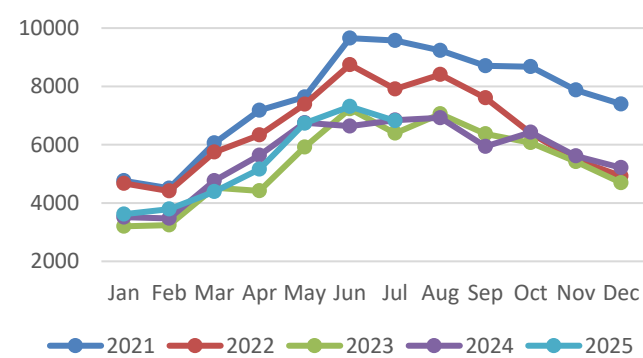
Wisconsin Employment Largest Sectors  
(in thousands of jobs)



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

Data from the Wisconsin Realtors Association show existing home sales rose 0.5% in the first seven months of 2025, following a 5.0% gain in 2024 and two consecutive years of double-digit declines. Although the median home price was up 6.2% year-to-date through July 2025, that pace is below the five-year average annual growth rate of 9.3%, signaling a deceleration in price appreciation.

Wisconsin Existing Home Sales



Sources: Wisconsin Realtors Association.

With mortgage rates and home prices elevated, housing affordability remains near historic lows. From 2019 to 2024, Wisconsin’s median home price rose 56% versus a 28.5% gain in wages. By July 2025, the share of median U.S. income needed for a median-priced home reached 47%, well above the 30% affordability benchmark.

**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	3,169.5	3,174.8	3,174.6	3,173.6
% Change	0.3	-0.2	1.4	1.0	-0.2	0.2	0.0	0.0
Employment	2,992.2	3,015.7	3,057.0	3,081.3	3,064.3	3,060.7	3,057.5	3,055.6
% Change	3.1	0.8	1.4	0.8	-0.6	-0.1	-0.1	-0.1
Unemployment Rate (%)	3.8	2.8	2.8	3.0	3.3	3.6	3.7	3.7

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			
	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2
Total Nonfarm	3,041.2	3,047.3	3,050.1	3,052.2	3,052.8	3,055.4	3,059.5	3,061.8
% Change	0.6	0.8	0.4	0.3	0.1	0.3	0.5	0.3
Private Nonfarm	2,621.5	2,629.8	2,632.2	2,637.8	2,638.2	2,641.6	2,645.4	2,647.3
% Change	-0.2	1.3	0.4	0.9	0.1	0.5	0.6	0.3
Natural Resources & Mining	4.0	4.1	4.1	4.1	4.0	4.0	4.0	4.1
% Change	-3.2	6.8	0.0	0.0	-8.9	1.5	2.5	3.2
Construction	141.0	142.3	141.9	142.7	142.6	142.3	142.7	142.5
% Change	3.6	3.7	-1.2	2.4	-0.1	-0.9	1.0	-0.6
Manufacturing	464.3	464.7	462.5	464.9	463.3	461.7	459.2	458.4
% Change	-3.3	0.3	-1.8	2.1	-1.4	-1.3	-2.2	-0.6
Trade, Transportation & Utilities	553.8	556.1	555.5	554.8	554.5	555.3	557.4	558.7
% Change	-0.1	1.7	-0.4	-0.5	-0.3	0.6	1.5	0.9
Information	47.0	48.1	48.4	47.9	47.0	47.3	47.9	48.1
% Change	-2.8	10.0	2.5	-4.6	-7.2	2.7	5.1	1.8
Financial Activities	159.4	158.5	158.3	159.1	159.8	160.4	160.9	161.0
% Change	-0.6	-2.2	-0.4	1.9	2.0	1.4	1.1	0.4
Professional & Business Services	330.0	331.3	333.8	330.8	329.4	329.7	327.6	325.8
% Change	-0.1	1.5	3.1	-3.6	-1.7	0.4	-2.5	-2.2
Education & Health Services	486.5	488.0	491.1	493.9	498.0	501.2	503.9	505.7
% Change	2.0	1.2	2.6	2.3	3.4	2.6	2.2	1.4
Leisure & Hospitality	288.4	288.2	287.2	290.2	290.2	290.1	291.6	293.1
% Change	-1.6	-0.3	-1.4	4.2	0.0	-0.2	2.2	2.0
Other Services	147.2	148.4	149.3	149.5	149.4	149.6	150.2	150.0
% Change	2.0	3.5	2.4	0.4	-0.1	0.5	1.6	-0.4
Government	419.7	417.5	417.9	414.4	414.6	413.8	414.2	414.5
% Change	6.4	-2.0	0.4	-3.3	0.2	-0.7	0.3	0.3
Federal Government	31.4	31.3	31.1	30.6	30.5	29.2	29.2	29.2
% Change	-0.4	-1.3	-2.9	-6.3	-1.3	-16.1	0.0	0.0
State & Local Government	388.3	386.2	386.8	383.8	384.1	384.7	385.0	385.3
% Change	6.9	-2.1	0.7	-3.1	0.3	0.6	0.4	0.3

**Table 4. Wisconsin Household Survey Employment Measures**

	History				Forecast			
	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2
Labor Force	3,179.9	3,185.5	3,179.6	3,163.0	3,164.9	3,170.5	3,173.8	3,175.1
% Change	1.0	0.7	-0.7	-2.1	0.2	0.7	0.4	0.2
Employment	3,085.6	3,087.1	3,077.4	3,060.3	3,058.9	3,060.6	3,061.4	3,061.4
% Change	0.9	0.2	-1.3	-2.2	-0.2	0.2	0.1	0.0
Unemployment Rate (%)	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.6

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			
	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2
Total Nonfarm	3,041.2	3,047.3	3,050.1	3,052.2	3,052.8	3,055.4	3,059.5	3,061.8
% Change	0.5	0.6	0.5	0.5	0.4	0.3	0.3	0.3
Private Nonfarm	2,621.5	2,629.8	2,632.2	2,637.8	2,638.2	2,641.6	2,645.4	2,647.3
% Change	0.2	0.5	0.4	0.6	0.6	0.4	0.5	0.4
Natural Resources & Mining	4.0	4.1	4.1	4.1	4.0	4.0	4.0	4.1
% Change	2.5	3.4	1.7	0.8	-0.7	-1.9	-1.3	-0.6
Construction	141.0	142.3	141.9	142.7	142.6	142.3	142.7	142.5
% Change	2.5	2.7	1.1	2.1	1.2	0.0	0.6	-0.2
Manufacturing	464.3	464.7	462.5	464.9	463.3	461.7	459.2	458.4
% Change	-2.7	-1.9	-1.7	-0.7	-0.2	-0.6	-0.7	-1.4
Trade, Transportation & Utilities	553.8	556.1	555.5	554.8	554.5	555.3	557.4	558.7
% Change	0.0	0.3	0.2	0.2	0.1	-0.2	0.3	0.7
Information	47.0	48.1	48.4	47.9	47.0	47.3	47.9	48.1
% Change	-1.3	1.3	1.8	1.1	-0.1	-1.8	-1.1	0.5
Financial Activities	159.4	158.5	158.3	159.1	159.8	160.4	160.9	161.0
% Change	-0.5	-1.0	-0.8	-0.3	0.3	1.2	1.6	1.2
Professional & Business Services	330.0	331.3	333.8	330.8	329.4	329.7	327.6	325.8
% Change	-0.6	0.4	1.2	0.2	-0.2	-0.5	-1.9	-1.5
Education & Health Services	486.5	488.0	491.1	493.9	498.0	501.2	503.9	505.7
% Change	2.6	2.1	1.9	2.0	2.4	2.7	2.6	2.4
Leisure & Hospitality	288.4	288.2	287.2	290.2	290.2	290.1	291.6	293.1
% Change	1.1	0.8	0.1	0.2	0.6	0.6	1.6	1.0
Other Services	147.2	148.4	149.3	149.5	149.4	149.6	150.2	150.0
% Change	1.7	2.1	2.2	2.1	1.5	0.8	0.6	0.4
Government	419.7	417.5	417.9	414.4	414.6	413.8	414.2	414.5
% Change	2.8	1.7	0.7	0.3	-1.2	-0.9	-0.9	0.0
Federal Government	31.4	31.3	31.1	30.6	30.5	29.2	29.2	29.2
% Change	2.7	1.1	-1.0	-2.8	-3.0	-6.8	-6.1	-4.6
State & Local Government	388.3	386.2	386.8	383.8	384.1	384.7	385.0	385.3
% Change	2.8	1.8	0.9	0.5	-1.1	-0.4	-0.5	0.4

**Table 4b. Wisconsin Household Survey Employment Measures**

	History				Forecast			
	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2
Labor Force	3,179.9	3,185.5	3,179.6	3,163.0	3,164.9	3,170.5	3,173.8	3,175.1
% Change	0.8	0.7	0.5	-0.3	-0.5	-0.5	-0.2	0.4
Employment	3,085.6	3,087.1	3,077.4	3,060.3	3,058.9	3,060.6	3,061.4	3,061.4
% Change	0.7	0.6	0.1	-0.6	-0.9	-0.9	-0.5	0.0
Unemployment Rate (%)	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.6

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	403.1	420.8	440.7	460.6	479.2
% Change	8.8	2.7	5.2	4.9	4.4	4.7	4.5	4.0
Wages and Salaries	168.5	181.5	190.1	199.9	208.0	216.5	225.3	234.2
% Change	7.2	7.7	4.7	5.2	4.0	4.1	4.0	4.0
Supplements to Wages and Salaries	41.1	42.3	45.2	47.8	50.1	52.4	54.2	56.3
% Change	2.7	3.0	6.9	5.8	4.9	4.5	3.6	3.8
Proprietor's Income	25.9	24.6	25.1	26.1	26.8	29.0	30.7	32.0
% Change	11.7	-5.2	2.2	3.9	2.5	8.2	5.8	4.5
Property Income	65.2	70.3	77.5	80.4	82.2	86.1	90.8	94.7
% Change	10.0	7.9	10.2	3.8	2.2	4.7	5.5	4.3
Personal Interest Income	22.3	24.6	28.4	29.5	30.2	32.1	35.5	39.1
% Change	-2.1	10.3	15.2	4.0	2.4	6.3	10.7	9.9
Personal Dividend Income	31.1	32.8	34.3	35.3	35.9	37.2	38.4	38.5
% Change	23.7	5.4	4.8	2.9	1.6	3.8	3.1	0.3
Rental Income	11.7	12.9	14.8	15.6	16.1	16.7	16.9	17.2
% Change	4.1	10.1	14.3	5.6	3.2	3.9	0.9	1.7
Personal Current Transfer Receipts	77.6	71.4	72.9	76.6	82.4	86.3	89.9	93.3
% Change	12.6	-8.0	2.1	5.1	7.6	4.7	4.2	3.7
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	4.2	3.9	3.6	3.3	3.2
Contributions to Govt. Social Ins.	26.9	29.2	31.1	32.4	33.5	34.5	35.4	36.6
% Change	5.2	8.4	6.6	4.1	3.5	3.0	2.6	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) *	350.4	340.7	342.6	352.0	358.4	362.5	372.6	380.6
% Change	3.7	-2.8	0.6	2.8	1.8	1.1	2.8	2.1
Population (Millions)	5.882	5.904	5.930	5.961	5.979	5.997	6.006	6.015
% Change	-0.3	0.4	0.4	0.5	0.3	0.3	0.1	0.1
Per Capita Income (\$)	60,449	61,851	64,763	67,586	70,384	73,486	76,691	79,685
Change	9.1	2.3	4.7	4.4	4.1	4.4	4.4	3.9
Personal Tax & Nontax Payments (\$ Billions)	39.4	47.4	42.2	43.8	46.8	46.4	48.9	50.1
% Change	14.9	20.3	-10.9	4.5	6.8	-0.9	5.4	2.4
Disposable Personal Income (\$ Billions)	316.1	317.7	341.8	359.2	374.0	394.3	411.7	429.1
% Change	8.0	0.5	7.6	5.1	4.1	5.4	4.4	4.2
GDP (\$ Billions)	368.9	400.6	428.4	451.3	469.5	488.1	505.4	523.0
% Change	7.5	8.6	6.9	5.3	4.0	4.0	3.5	3.5
Real GDP (chained 2012 \$ Billions)	334.5	339.7	344.6	354.1	358.5	365.5	370.4	374.6
% Change	3.7	1.6	1.4	2.8	1.2	2.0	1.3	1.1

\* 2024 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			
	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4	2026:1
Total Personal Income	400.6	404.3	408.5	415.5	418.9	422.6	426.2	434.1
% Change	1.7	3.7	4.3	7.0	3.3	3.6	3.5	7.6
Wages and Salaries	198.4	200.2	202.6	205.6	206.9	208.9	210.6	213.5
% Change	-0.5	3.7	5.0	6.1	2.5	3.9	3.4	5.6
Supplements to Wages and Salaries	47.4	48.1	48.5	49.3	49.8	50.4	51.0	51.7
% Change	1.4	6.6	3.6	6.6	3.6	5.0	5.1	5.7
Proprietor's Income	25.8	26.7	26.9	27.0	26.6	26.7	26.9	28.4
% Change	12.8	14.3	3.0	1.3	-5.6	1.0	2.7	25.2
Property Income	80.4	80.3	80.8	81.9	81.8	82.2	82.8	84.5
% Change	1.3	-0.9	2.7	5.5	-0.5	2.3	3.0	8.0
Personal Current Transfer Receipts	76.2	76.8	77.8	80.2	82.5	83.2	83.8	85.3
% Change	3.3	3.4	4.9	13.5	11.8	3.3	2.9	7.6
Residence Adjustment	4.5	4.6	4.7	4.7	4.7	4.8	4.8	4.9
% Change	1.8	6.4	3.2	4.3	3.7	3.2	3.3	4.8
Contributions to Government Social Ins.	32.1	32.4	32.7	33.3	33.4	33.6	33.7	34.2
% Change	-1.8	3.4	4.2	7.2	1.8	1.7	1.8	5.8

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

**Table 8. General Purposes Revenues, Fiscal Year 2025 Totals (Preliminary)**  
(\$ Millions)

	FY2024	FY2025	Annual Change	Expected Revenues <sup>1</sup>	\$ Difference
Individual Income Tax	9,717.6	10,451.1	7.5%	10,420.0	31.0
General Sales Tax	7,587.5	7,831.6	3.2%	7,825.0	7.0
Corporate Franchise Tax	2,702.1	2,761.7	2.2%	2,710.0	52.0
Other Revenues	1,322.4	1,318.2	-0.3%	1,319.3	-1.0
<b>Total GPR</b>	<b>21,329.6</b>	<b>22,362.6</b>	<b>4.8%</b>	<b>22,274.3</b>	<b>88.0</b>

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.