Monthly Economic Update

OCTOBER 2025, 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

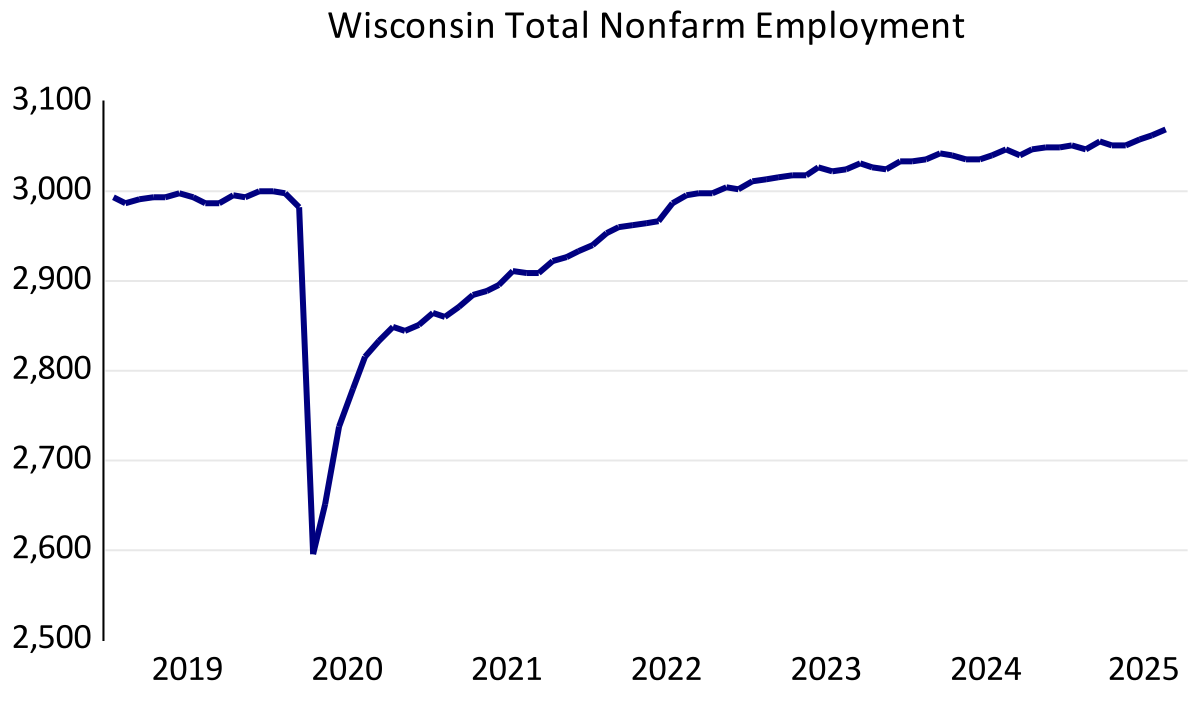
- Sectors

Wisconsin Personal Income (2025Q2)

Wisconsin Exports

Wisconsin Employment Up by 8,600 in August

Unemployment rate at 3.1%



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

Wisconsin employment increased by 8,600 in August with 4,000 of those jobs in the private sector.

Over the past year, the state has added 22,800 jobs, an increase of 0.7%. Meanwhile, U.S. employment has risen 0.9% in the same time period.

The three-month average change in employment, a more stable measure, shows an average increase of 6,400 new jobs in Wisconsin.

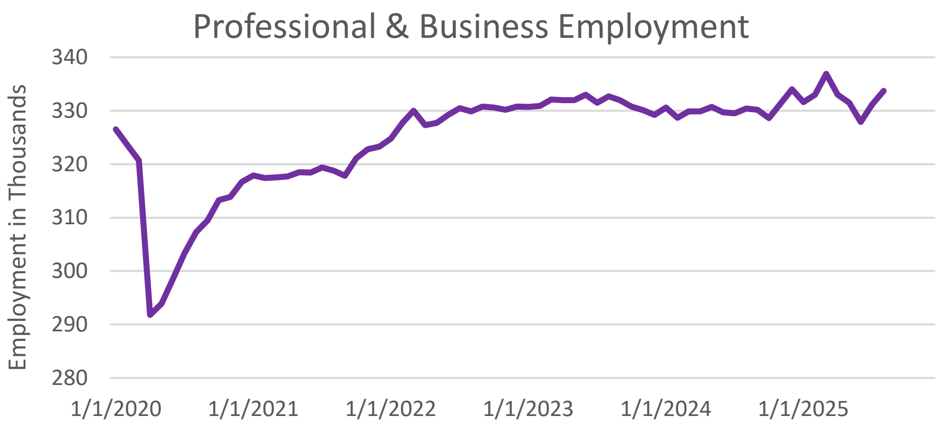
The leisure and hospitality sector has added an average of 3,100 new jobs over the past three months and is 3.6% higher than its employment level last year.

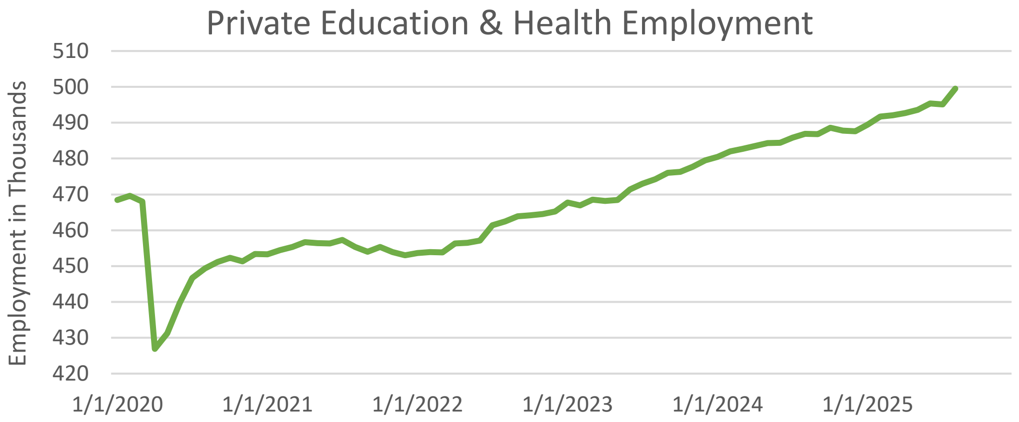
The private education and health sector has added 2,000 jobs on average since May. This sector is 2.6% higher than last year at this time.

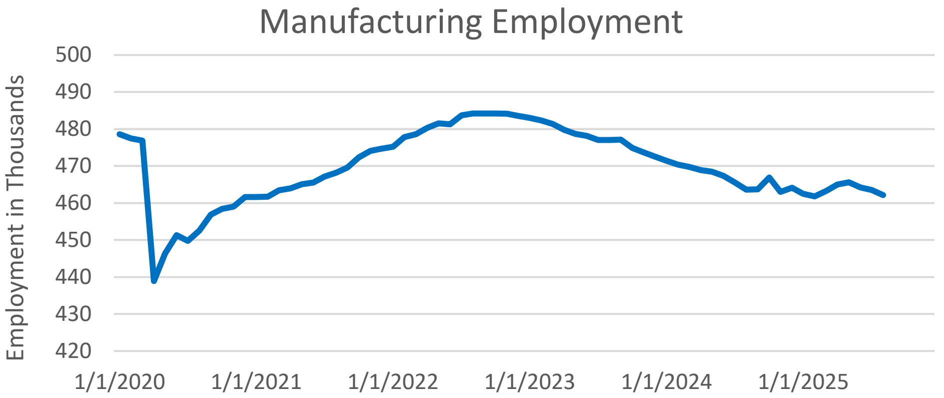
Government employment is up by an average of 2,400 jobs over the past three months. Meanwhile the manufacturing sector has declined by a three-month average of 1,200 jobs, and the trade, transportation, and utilities sector declined by an average of 1,300 jobs.

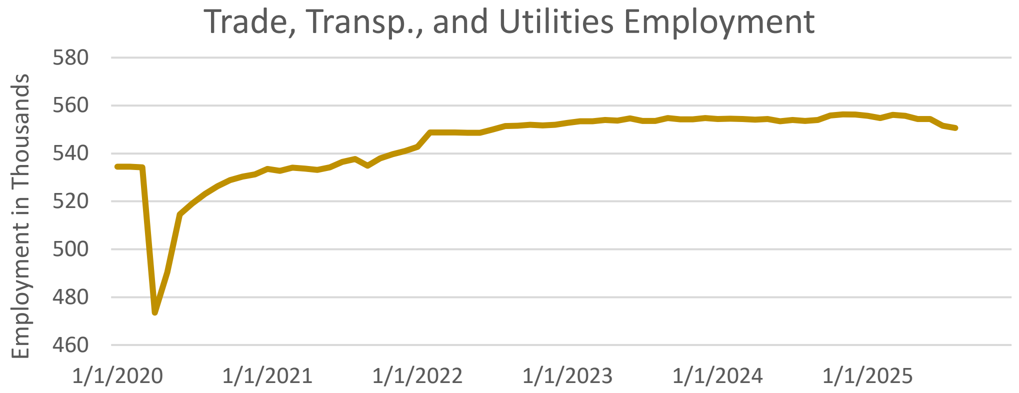
The unemployment rate in Wisconsin was 3.1% again this month, versus a rate of 4.3% at the national level. The labor force participation rate (LFPR) for the state declined from 65.0% in July to 64.8% in August. The U.S. LFPR rose, however, from 62.2% in July to 62.3% in August.

Wisconsin Employment by Sector



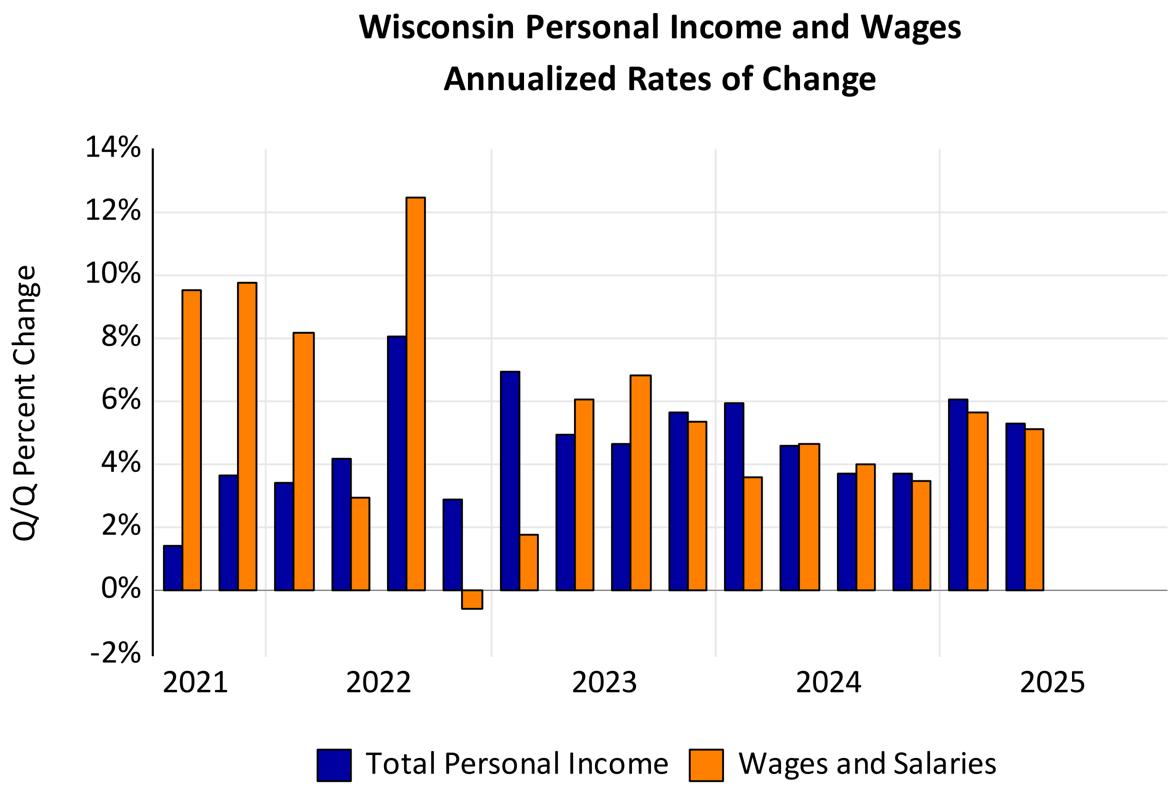






Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Wisconsin Personal Income Increased 5.3% in Second Quarter



Source: U.S. Department of Commerce, Bureau of Economic Analysis

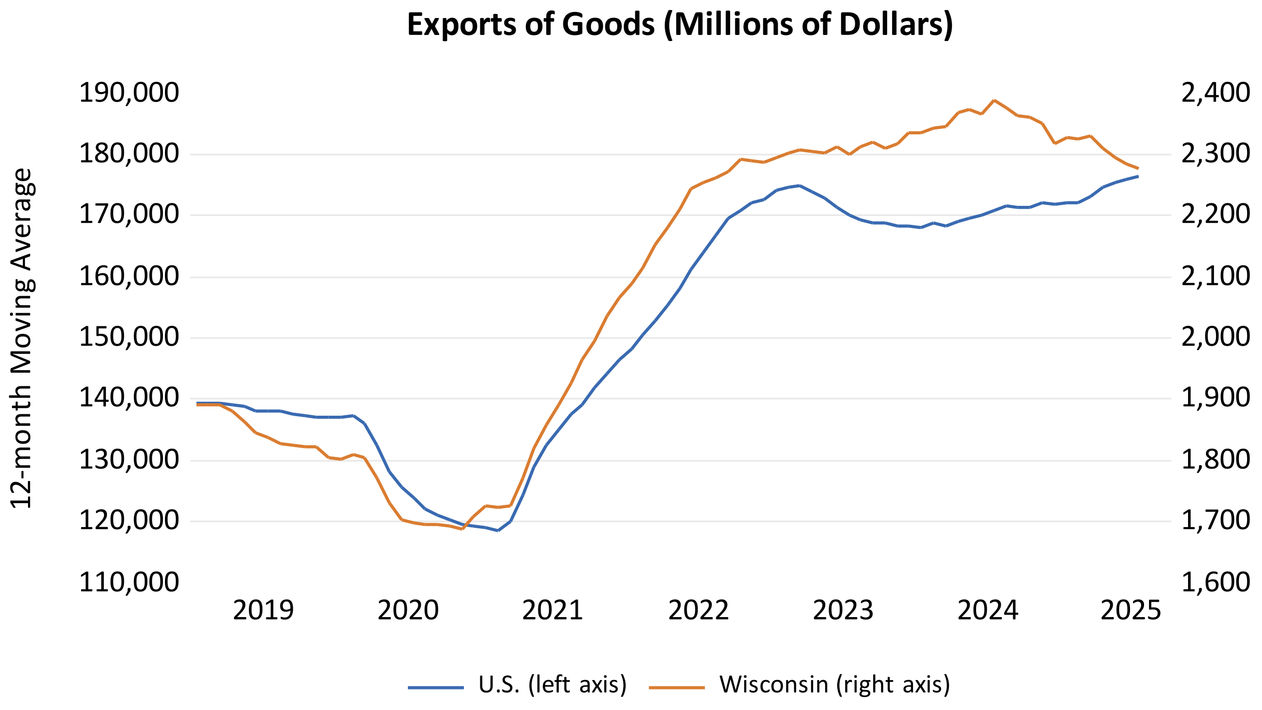
Wisconsin's personal income increased at a seasonally adjusted annual rate of 5.3% in the second quarter, after growing 6.0% in the first quarter and 5.0% in 2024. Wages and salaries, the largest component of personal income, increased 5.1%.

Wisconsin's increase ranked 26th out of the 50 states. It compares to a U.S. increase of 5.5% and the Great Lakes region's increase of 5.6% in the second quarter.

Net earnings (wages & salaries, supplements to wages & salaries, and proprietor's income) contributed 2.6 percentage points to Wisconsin's growth, while property income contributed 0.2 percentage points. Current transfer receipts contributed 2.5 percentage points to second quarter personal income growth in Wisconsin. These were pushed higher in part due to retroactive payments to Social Security recipients.

Wisconsin's real GDP in the second quarter increased 3.6%, seasonally adjusted at an annual rate, ranking the state 20th out of all 50 states. All but two states saw an increase in real GDP, with the U.S. up 3.8% and the Great Lakes region increasing 4.0%.

Wisconsin Exports Down So Far in 2025



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

Exports of goods from Wisconsin have fallen 2.9% in the first seven months of 2025, compared to the same period in 2024.

U.S. exports of goods, in contrast, have increased 4.6%.

By destination, Wisconsin exports of goods to Canada, our number one trading partner, have fallen 10.5% while exports to Mexico are down 5.1%. Exports to the Netherlands are up 60.5%, pushing that country ahead of China, which saw a 35.1% drop in exports of goods from Wisconsin.

Exports of machinery from Wisconsin are down 13.1%, or $458m. More than half of this decline, or $233m, is from a decline in exports of machinery to Canada alone.

Meanwhile, exports of computer & electronic products from Wisconsin are up 19.9%, and exports of chemicals have risen 6.5%. Exports of transportation equipment have dropped 19.3%.

Besides machinery, processed foods exports from Wisconsin to Canada are down 7.0% and paper products are up 9.8%.

Exports of machinery to Mexico are down 8.9%. Electrical equipment, appliances & components flowing to Wisconsin's second-largest trading partner are up 1.6% while exports of computer & electronics products are down 9.6%. Transportation equipment headed to Mexico is down 9.7%.

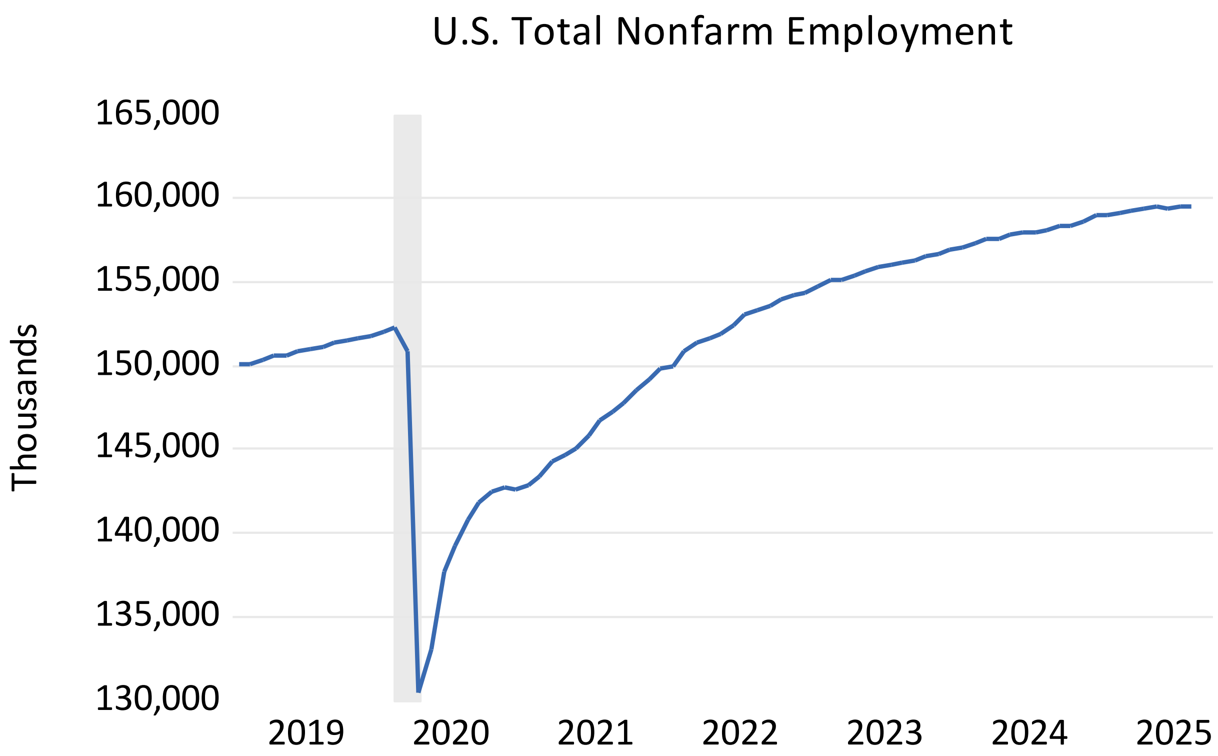
U.S. Updates

Employment

Inflation (CPI)

State Coincident Index

U.S. Added 22,000 Jobs in August



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

Total nonfarm payroll employment changed little in August (+22,000) and has shown little change since April. Employment in June and July were revised a combined 21,000 lower than previously estimated. The unemployment rate, at 4.3%, also changed little in August.

In August, health care added 31,000 jobs. Employment continued to trend up over the month in ambulatory health care services (+13,000), nursing and residential care facilities (+9,000), and hospitals (+9,000).

Employment in social assistance continued to trend up in August, reflecting continued job growth in individual and family services (+16,000).

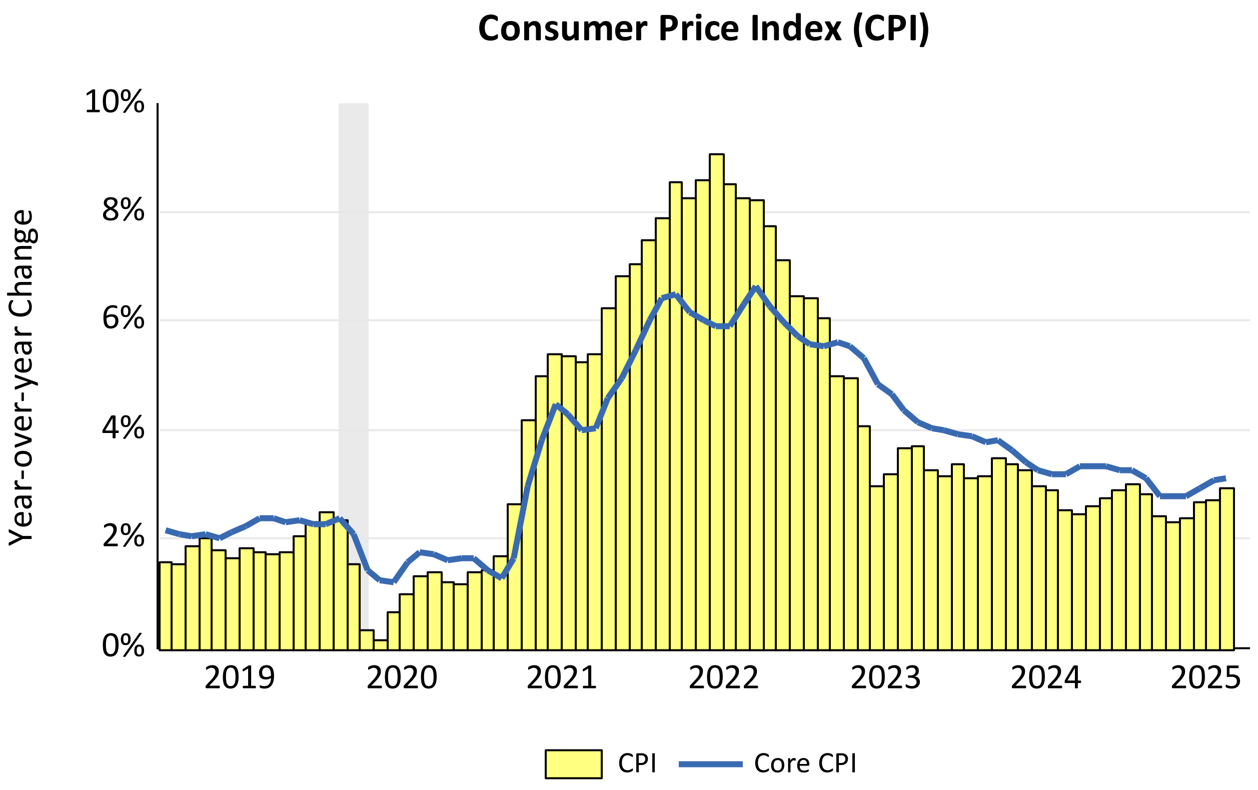
Federal government employment continued to decline in August (-15,000) and is down by 97,000 since reaching a peak in January. (Employees on paid leave or receiving ongoing severance pay are counted as employed in the establishment survey.)

Average hourly earnings for all employees on private nonfarm payrolls rose by 10 cents, or 0.3%, to $36.53 in August. Over the past 12 months, average hourly earnings have increased by 3.7%.

In August, the average workweek for all employees on private nonfarm payrolls was 34.2 hours for the third month in a row.

Expectations for the September employment report, which, barring a government shutdown, will be released on Friday, Oct 3, is for an increase of 50,000 jobs.

Annual Price Increases Rose to 2.9% in August



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

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4% on a seasonally adjusted basis in August, after rising 0.2% in July. Over the last 12 months, the all items index increased 2.9% before seasonal adjustment.

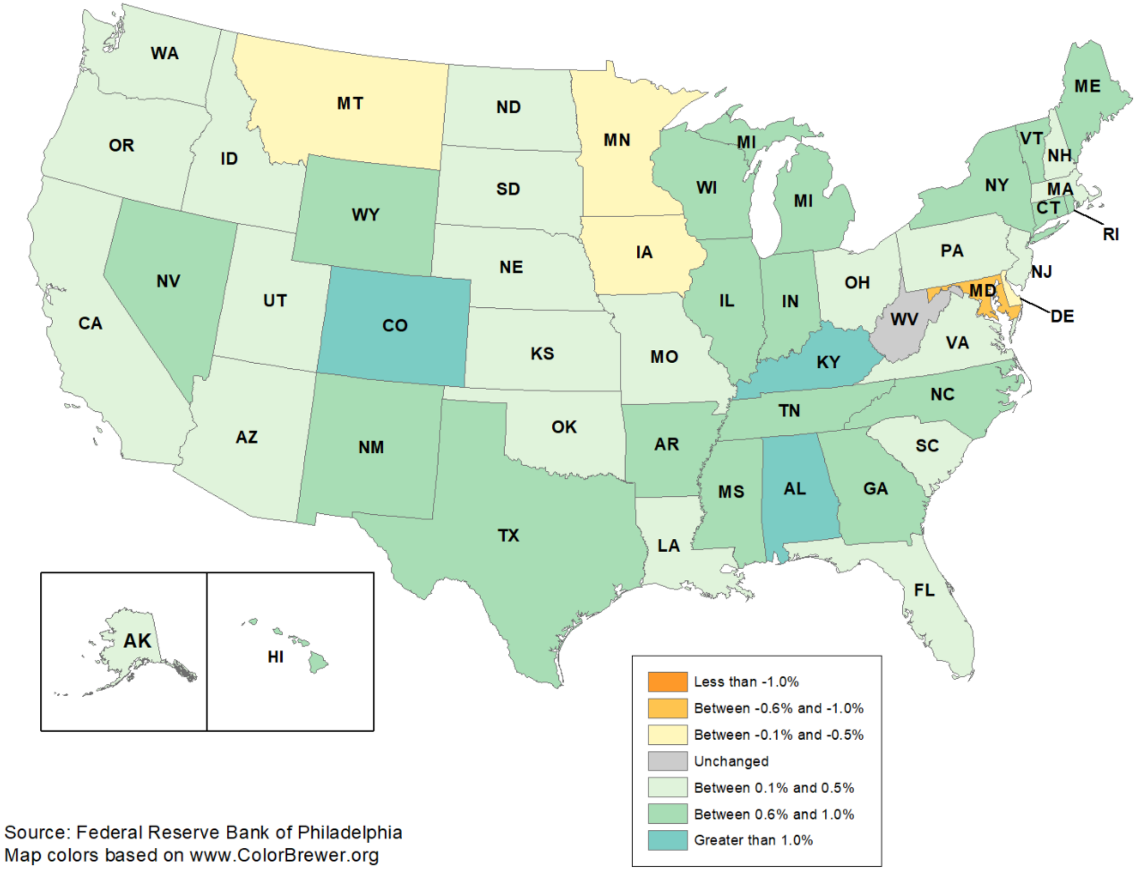
The index for shelter rose 0.4% in August and was the largest factor in the all items monthly increase. The food index increased 0.5% over the month as the food at home index rose 0.6% and the food away from home index increased 0.3%. The index for energy rose 0.7% in August as the index for gasoline increased 1.9% over the month.

The core index, which excludes food and energy prices, rose 0.3% in August, as it did in July. Indexes that increased over the month include airline fares, used cars and trucks, apparel, and new vehicles. The indexes for medical care, recreation, and communication were among the few major indexes that decreased in August.

The all items index rose 2.9% for the 12 months ending August, after rising 2.7% over the 12 months ending July. The core index rose 3.1% over the last 12 months. The energy index increased 0.2% for the 12 months ending August, while the food index increased 3.2%.

Coincident Index Shows Increased Activity in 44 States

August 2025 State Coincident Indexes: Three-Month Change



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

The Federal Reserve Bank of Philadelphia's coincident indexes for the 50 states for August 2025 increased in 44 states, decreased in five states, and remained stable in one, for a three-month diffusion index of 78. 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 Wisconsin index increased 0.9% over the past three months and was up 0.3% in August.

The Philadelphia Fed's U.S. index increased 0.4% over the past three months and 0.1% in August.

Four state-level variables are used to construct the indexes: nonfarm payroll employment, average hours worked in manufacturing by production workers, the unemployment rate, and real wage and salary disbursements.

The trend for each state's index is set to the trend of its gross domestic product (GDP), so long-term growth in the state's index matches long-term growth in its GDP.

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