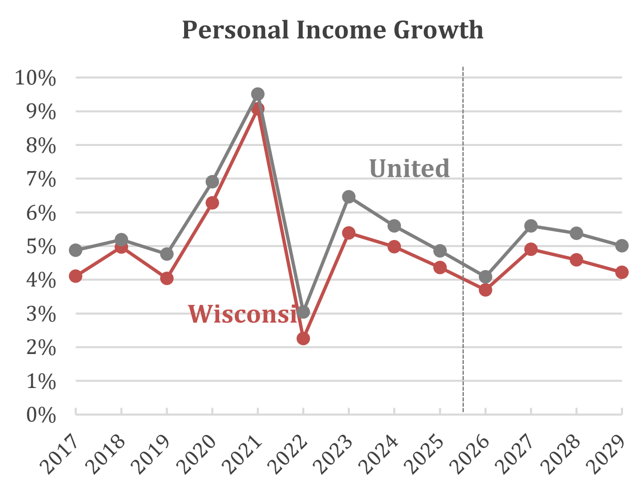
WISCONSIN ECONOMIC FORECAST– MAY 2026

- S&P Global estimates US GDP growth of 2.0% in 2026 and 1.8% in 2027, with the outlook revised lower from previous months due primarily to tighter oil supplies and higher expected oil prices. The forecast anticipates slower near-term growth, with real GDP growth easing through the second half of 2026 before improving somewhat in 2027.
- The forecast assumes a gradually softening labor market, with nonfarm payroll gains remaining very limited and the unemployment rate rising from 4.3% in early 2026 to a peak of about 4.8% in mid 2027. Although employment growth is expected to remain subdued, the labor market is projected to weaken gradually rather than deteriorate sharply.
- Inflation is expected to rise in the near term, with core PCE inflation rising from 2.9% in 2025 to a peak of 3.6% in 2026 before easing back toward 2.9% in 2027. Higher oil prices are expected to keep price pressures elevated, delaying Fed rate cuts until after June 2027.
- Wisconsin's labor market is expected to remain weak. After declining 0.2% in 2025, employment is forecast to post similar declines over the next two years. However, labor market conditions in the state are expected to remain tighter than nationally, with Wisconsin's unemployment rate peaking at 3.9%, nearly one percentage point below the national peak of 4.8%.
- Job losses in Wisconsin during 2026 are expected to be concentrated in Trade, Transportation, and Utilities and Manufacturing. These losses are partially offset by gains in Construction and Education and Health Services. Overall, about half of Wisconsin's private sectors are expected to post job losses, while the other half are expected to record gains.
- Wisconsin personal income grew 4.4% in 2025, with wages increasing 4.1%. In 2026, personal income is forecast to grow 3.7%, while wages are expected to rise 4.1%.

The May 2026 forecast points to slower growth, higher energy-driven inflation, and a delayed path for Federal Reserve easing. S&P Global expects U.S. real GDP to grow 2.0% in 2026 and 1.8% in 2027, with growth restrained by tight oil supplies and softer consumer purchasing power. Oil prices are expected to rise sharply in 2026 before easing in 2027, leaving the outlook highly sensitive to the duration and intensity of the Iran conflict.

Consumer spending is expected to soften but remain positive. Real consumer spending is forecast to grow 1.9% in 2026 and 1.7% in 2027, as higher prices weigh on real income and consumer sentiment. Real disposable income growth is expected to average just 0.5% in 2026 before improving in 2027, while relatively stable household balance sheets should help prevent a sharper pullback in spending.

The labor market remains soft. Payroll growth has slowed considerably, and S&P Global describes current conditions as "low-hire, low-fire." Payroll gains are expected to remain limited through 2026, with the unemployment rate rising gradually from 4.3% in early 2026 to 4.8% in mid 2027.

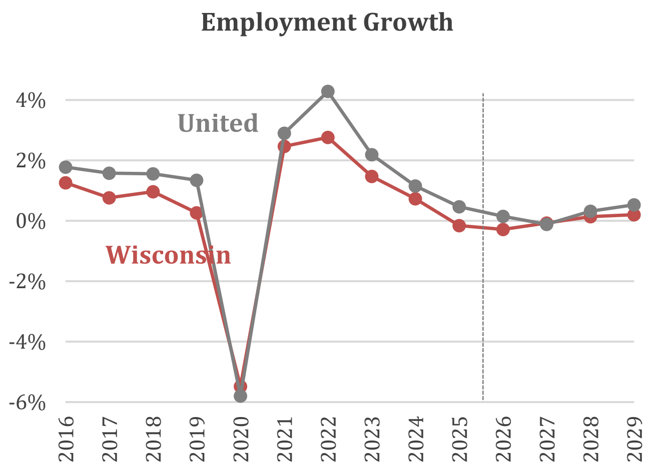


Sources: Bureau of Economic Analysis and Wisconsin DOR (forecast).

Inflation is expected to rise in the near term, with core PCE peaking at 3.6% in 2026 before easing in 2027. Higher oil prices and sticky price pressures are expected to keep the Fed from cutting rates until June 2027. Business investment remains a bright spot, supported by AI-related spending on computers, data centers, software, and R&D, while housing remains constrained by mortgage-rate lock-in and weak affordability.

Wisconsin personal income grew 4.4% in 2025, matching growth in the Great Lakes region but somewhat below the 4.9% national increase. Growth was supported by strong personal transfer receipts, which rose 8.1% in Wisconsin and 8.7% nationally, along with steady wage growth of 4.1% in Wisconsin and 4.7% for the U.S. Property income was a drag on overall personal income growth, increasing just 1.8% in Wisconsin, with dividend income up 1.3% and interest income up 1.9%. This slowdown mirrored the national trend, where property income rose 2.1%, dividend income increased 1.3%, and interest income grew 2.2%.

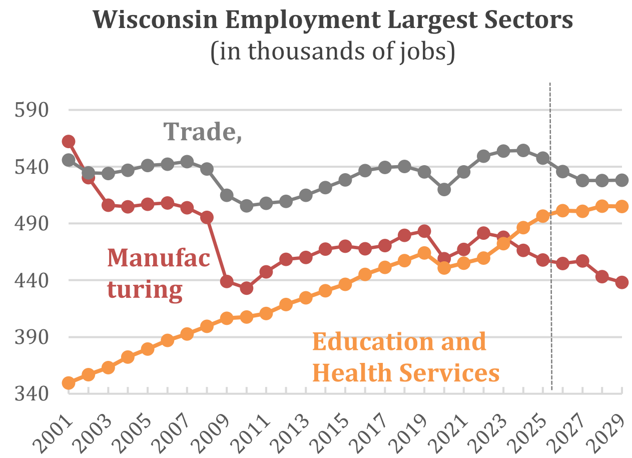
Wisconsin employment is expected to post a small decline in 2026 and remain nearly flat through 2029. However, wages are forecast to grow at an average annual rate of 4.6% over the period. The U.S. forecast shows a similar pattern of little employment growth, while wages are expected to rise at an average annual rate of 5.1%.



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

As expected, benchmark revisions lowered both Wisconsin total and private employment, changing 2025 from modest growth to a small decline. Annual benchmarking of CES data to the Quarterly Census of Employment and Wages (QCEW) now shows both total and private employment falling 0.2%, compared with earlier estimates of 0.4% and 0.5% growth, respectively. The U.S. benchmark revision was also negative, lowering 2025 total employment growth from 0.9% to 0.5% and private employment growth from 1.0% to 0.4%. Nationally, the revision cut average monthly job gains to 15,000, down from an already weak 45,000. In Wisconsin, employment declined by an average of 1,600 jobs per month in 2025, with losses in seven months partially offset by gains in five.

Two of Wisconsin's three largest sectors—Trade, Transportation, and Utilities and Manufacturing—saw the largest downward revisions, with employment lowered by 4,500 and 5,100 jobs, respectively. After these revisions, the sectors posted annual 2025 losses of 6,600 jobs in Trade, Transportation, and Utilities and 8,500 jobs in Manufacturing. Education and Health Services, Wisconsin's second-largest sector since 2023, was revised up by 1,400 jobs and recorded a 2025 gain of 10,300 jobs.



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

Construction was the strongest sector in 2025, especially after benchmark revisions, adding 5,000 jobs for a 3.5% increase. The forecast expects another year of solid growth in construction before the sector returns to more moderate gains.

Wisconsin's unemployment rate rose to 3.5% in April, up from a low of 3.0% in July 2025, but remained below the national rate of 4.3%. The forecast expects unemployment to peak in mid-2027 at 3.9% in Wisconsin and 4.8% nationwide.

Data from the Wisconsin Realtors Association show that existing home sales increased 2.1% in the first three months of 2026, roughly in line with the 2.0% gain recorded in 2025. The median home price rose 5.9% over the same period, moderating from the average annual increase of 8.2% over the previous four years. Still, sales remain constrained by elevated mortgage rates, weak affordability, and the mortgage-rate lock-in effect, which limits the supply of existing homes for sale.

Employment (Annual)

Table 1. Wisconsin CES Employment Forecast: Industry Detail

(Thousands of jobs)

	History				Forecast			
	2022	2023	2024	2025	2026	2027	2028	2029
Total Nonfarm	2,974.3	3,018.1	3,040.2	3,035.4	3,026.9	3,024.5	3,028.9	3,035.0
% Change	2.8	1.5	0.7	-0.2	-0.3	-0.1	0.1	0.2
Private Nonfarm	2,575.5	2,612.4	2,625.5	2,620.8	2,614.9	2,611.2	2,614.5	2,620.0
% Change	2.9	1.4	0.5	-0.2	-0.2	-0.1	0.1	0.2
Natural Resources & Mining	3.7	3.9	4.1	4.0	4.2	4.6	4.7	4.6
% Change	5.2	6.1	3.6	-0.4	4.8	8.3	3.0	-2.1
Construction	132.0	137.3	141.3	146.3	151.6	152.5	154.4	155.3
% Change	4.0	4.0	2.9	3.5	3.6	0.6	1.3	0.6
Manufacturing	481.6	478.0	466.4	457.9	454.7	457.0	443.4	438.4
% Change	3.1	-0.7	-2.4	-1.8	-0.7	0.5	-3.0	-1.1
Trade, Transportation & Utilities	549.1	553.7	554.3	547.6	535.6	527.8	527.3	524.7
% Change	2.5	0.8	0.1	-1.2	-2.2	-1.5	-0.1	-0.5
Information	46.5	47.5	47.2	46.4	45.6	45.6	45.3	45.3
% Change	3.0	2.2	-0.6	-1.7	-1.6	0.1	-0.7	-0.2
Financial Activities	159.3	159.9	159.8	159.1	158.2	156.8	157.3	156.7
% Change	2.3	0.4	-0.1	-0.4	-0.6	-0.9	0.3	-0.4
Professional & Business Services	329.2	331.4	330.4	328.1	328.0	329.1	341.4	350.1
% Change	3.1	0.7	-0.3	-0.7	0.0	0.3	3.7	2.5
Education & Health Services	459.5	472.3	486.3	496.6	501.4	500.7	505.4	506.7
% Change	0.9	2.8	3.0	2.1	1.0	-0.1	0.9	0.3
Leisure & Hospitality	269.9	284.0	289.8	289.2	290.6	292.1	289.1	292.0
% Change	7.9	5.2	2.0	-0.2	0.5	0.5	-1.0	1.0
Other Services	144.9	144.5	145.9	145.6	145.1	144.9	146.0	146.4
% Change	1.1	-0.2	1.0	-0.2	-0.3	-0.1	0.8	0.3
Government	398.8	405.7	414.7	414.6	411.9	413.4	414.4	415.0
% Change	1.6	1.7	2.2	0.0	-0.6	0.3	0.2	0.2
Federal Government	29.5	30.4	31.4	30.2	28.8	28.8	28.8	28.8
% Change	-1.5	3.0	3.2	-3.7	-4.6	0.0	0.0	0.0
State & Local Government	369.3	375.3	383.3	384.4	383.1	384.5	385.5	386.2
% Change	1.9	1.6	2.1	0.3	-0.3	0.4	0.3	0.2

Table 2. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2022	2023	2024	2025	2026	2027	2028	2029
Labor Force	3,089.7	3,125.0	3,143.3	3,117.0	3,128.4	3,128.3	3,122.0	3,115.8
% Change	-0.5	1.1	0.6	-0.8	0.4	0.0	-0.2	-0.2
Employment	3,002.4	3,037.0	3,048.7	3,018.7	3,016.9	3,007.2	3,005.1	3,005.3
% Change	0.6	1.2	0.4	-1.0	-0.1	-0.3	-0.1	0.0
Unemployment Rate (%)	2.8	2.8	3.0	3.2	3.6	3.9	3.7	3.5

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			
	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1
Total Nonfarm	3,040.6	3,036.4	3,022.4	3,024.1	3,028.0	3,027.9	3,027.4	3,025.9
% Change	-0.2	-0.6	-1.8	0.2	0.5	0.0	-0.1	-0.2
Private Nonfarm	2,624.7	2,621.2	2,612.9	2,614.7	2,615.8	2,615.0	2,614.2	2,612.7
% Change	0.0	-0.5	-1.3	0.3	0.2	-0.1	-0.1	-0.2
Natural Resources & Mining	4.0	4.0	4.1	4.2	4.2	4.2	4.3	4.4
% Change	-3.3	0.0	10.4	6.7	1.2	5.0	9.8	11.3
Construction	145.5	146.7	148.8	152.8	151.1	151.2	151.2	151.7
% Change	3.8	3.3	5.7	11.2	-4.4	0.3	0.1	1.3
Manufacturing	459.4	457.3	455.0	452.3	452.2	454.0	460.1	459.0
% Change	-0.5	-1.8	-2.0	-2.4	-0.1	1.6	5.5	-1.0
Trade, Transportation & Utilities	549.3	546.5	543.0	539.9	537.1	534.2	531.3	529.5
% Change	-1.8	-2.0	-2.5	-2.3	-2.0	-2.1	-2.2	-1.3
Information	46.6	46.2	46.0	45.4	45.7	45.7	45.7	45.7
% Change	-0.9	-3.1	-1.4	-5.7	2.8	0.4	-0.3	0.1
Financial Activities	158.9	158.8	159.2	157.9	158.9	158.3	157.7	157.4
% Change	-1.3	-0.3	1.1	-3.2	2.5	-1.6	-1.6	-0.8
Professional & Business Services	329.1	330.2	324.1	324.7	330.3	329.5	327.4	326.8
% Change	0.2	1.3	-7.2	0.7	7.0	-0.9	-2.5	-0.8
Education & Health Services	496.6	497.1	498.7	501.9	501.5	501.9	500.2	501.1
% Change	1.9	0.4	1.3	2.6	-0.3	0.4	-1.4	0.7
Leisure & Hospitality	289.8	289.6	288.3	290.1	290.0	290.9	291.4	292.2
% Change	1.2	-0.3	-1.8	2.6	-0.2	1.3	0.7	1.1
Other Services	145.5	144.9	145.7	145.6	144.9	145.0	144.9	144.9
% Change	-1.7	-1.8	2.3	-0.3	-1.9	0.1	-0.3	0.2
Government	415.9	415.1	409.5	409.4	412.2	412.9	413.3	413.2
% Change	-1.8	-0.8	-5.3	-0.1	2.7	0.7	0.4	-0.1
Federal Government	30.5	30.2	29.0	28.9	28.8	28.8	28.8	28.8
% Change	-7.1	-3.5	-15.0	-2.3	-0.6	-0.1	0.0	0.1
State & Local Government	385.4	384.9	380.5	380.6	383.4	384.1	384.4	384.3
% Change	-1.4	-0.6	-4.5	0.1	3.0	0.7	0.4	-0.1

Table 4. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1
Labor Force	3,115.7	3,105.4	3,113.9	3,125.7	3,127.5	3,129.6	3,130.8	3,130.4
% Change	-2.2	-1.3	1.1	1.5	0.2	0.3	0.2	0.0
Employment	3,018.3	3,010.1	3,014.9	3,018.9	3,018.9	3,016.0	3,013.7	3,010.7
% Change	-1.7	-1.1	0.6	0.5	0.0	-0.4	-0.3	-0.4
Unemployment Rate (%)	3.1	3.1	3.2	3.4	3.5	3.6	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			
	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1
Total Nonfarm	3,040.6	3,036.4	3,022.4	3,024.1	3,028.0	3,027.9	3,027.4	3,040.6
% Change	0.1	-0.2	-0.8	-0.6	-0.4	-0.3	0.2	0.1
Private Nonfarm	2,624.7	2,621.2	2,612.9	2,614.7	2,615.8	2,615.0	2,614.2	2,624.7
% Change	0.0	-0.2	-0.6	-0.4	-0.3	-0.2	0.0	0.0
Natural Resources & Mining	4.0	4.0	4.1	4.2	4.2	4.2	4.3	4.0
% Change	-2.4	0.0	0.8	3.3	4.5	5.8	5.6	-2.4
Construction	145.5	146.7	148.8	152.8	151.1	151.2	151.2	145.5
% Change	3.8	3.6	4.0	6.0	3.8	3.0	1.7	3.8
Manufacturing	459.4	457.3	455.0	452.3	452.2	454.0	460.1	459.4
% Change	-1.9	-1.6	-1.5	-1.7	-1.6	-0.7	1.1	-1.9
Trade, Transportation & Utilities	549.3	546.5	543.0	539.9	537.1	534.2	531.3	549.3
% Change	-1.0	-1.5	-2.0	-2.2	-2.2	-2.2	-2.2	-1.0
Information	46.6	46.2	46.0	45.4	45.7	45.7	45.7	46.6
% Change	-1.7	-1.8	-1.5	-2.8	-1.9	-1.0	-0.7	-1.7
Financial Activities	158.9	158.8	159.2	157.9	158.9	158.3	157.7	158.9
% Change	-0.6	-0.6	-0.4	-1.0	0.0	-0.3	-1.0	-0.6
Professional & Business Services	329.1	330.2	324.1	324.7	330.3	329.5	327.4	329.1
% Change	-0.5	-0.1	-1.8	-1.3	0.3	-0.2	1.0	-0.5
Education & Health Services	496.6	497.1	498.7	501.9	501.5	501.9	500.2	496.6
% Change	2.5	1.9	1.6	1.6	1.0	1.0	0.3	2.5
Leisure & Hospitality	289.8	289.6	288.3	290.1	290.0	290.9	291.4	289.8
% Change	-0.1	-0.3	-0.9	0.4	0.1	0.5	1.1	-0.1
Other Services	145.5	144.9	145.7	145.6	144.9	145.0	144.9	145.5
% Change	-0.1	-1.0	-0.6	-0.4	-0.4	0.1	-0.6	-0.1
Government	415.9	415.1	409.5	409.4	412.2	412.9	413.3	415.9
% Change	0.9	-0.3	-2.1	-2.0	-0.9	-0.5	0.9	0.9
Federal Government	30.5	30.2	29.0	28.9	28.8	28.8	28.8	30.5
% Change	-2.9	-3.6	-7.3	-7.1	-5.5	-4.7	-0.7	-2.9
State & Local Government	385.4	384.9	380.5	380.6	383.4	384.1	384.4	385.4
% Change	1.2	0.0	-1.7	-1.6	-0.5	-0.2	1.0	1.2

Table 4b. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1
Labor Force	3,115.7	3,105.4	3,113.9	3,125.7	3,127.5	3,129.6	3,130.8	3,115.7
% Change	-0.9	-1.3	-1.0	-0.2	0.4	0.8	0.5	-0.9
Employment	3,018.3	3,010.1	3,014.9	3,018.9	3,018.9	3,016.0	3,013.7	3,018.3
% Change	-1.0	-1.4	-1.0	-0.4	0.0	0.2	0.0	-1.0
Unemployment Rate (%)	3.1	3.1	3.2	3.4	3.5	3.6	3.7	3.1

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			
	2022	2023	2024	2025	2026	2027	2028	2029
Total Personal Income	365.1	384.7	403.9	421.5	437.1	458.5	479.6	499.8
% Change	2.3	5.4	5.0	4.4	3.7	4.9	4.6	4.2
Wages and Salaries	181.6	189.5	198.4	206.6	215.1	225.5	236.5	246.9
% Change	7.8	4.3	4.7	4.1	4.1	4.9	4.9	4.4
Supplements to Wages and Salaries	42.6	44.8	47.8	49.8	51.7	53.7	56.1	58.5
% Change	3.1	5.2	6.6	4.3	3.6	4.0	4.5	4.3
Proprietor's Income	24.5	25.2	26.3	27.2	28.1	29.6	31.3	33.0
% Change	-5.5	2.7	4.3	3.5	3.3	5.2	5.9	5.2
Property Income	70.5	79.3	83.0	84.5	86.8	91.5	96.3	100.7
% Change	6.5	12.6	4.6	1.8	2.7	5.4	5.3	4.5
Personal Interest Income	23.7	27.4	28.7	29.2	30.0	31.1	32.5	34.1
% Change	6.4	15.7	4.7	1.9	2.6	3.8	4.6	4.8
Personal Dividend Income	33.9	36.9	38.1	38.6	39.7	42.4	44.7	46.6
% Change	5.4	9.1	3.1	1.3	2.9	6.9	5.3	4.2
Rental Income	12.9	15.0	16.2	16.7	17.1	18.0	19.1	20.1
% Change	9.4	16.1	8.1	3.1	2.5	4.9	6.3	4.9
Personal Current Transfer Receipts	70.8	72.3	76.8	83.0	86.0	89.1	91.4	94.1
% Change	-8.9	2.2	6.1	8.1	3.6	3.6	2.5	3.0
Residence Adjustment	4.2	4.4	4.5	4.7	4.9	5.1	5.3	5.5
% Change	-0.2	3.2	2.5	4.7	4.3	4.1	4.0	3.6
Contributions to Govt. Social Ins.	29.2	30.8	32.8	34.3	35.4	36.0	37.4	38.8
% Change	8.4	5.5	6.5	4.6	3.2	1.7	3.7	4.0

Table 6. Wisconsin Related Income Measures

(Different units)

	History				Forecast			
	2022	2023	2024	2025	2026	2027	2028	2029
Real Personal Income (2012 $ Billions) *	340.7	342.7	347.4	353.9	354.4	363.8	375.3	385.2
% Change	-3.2	0.6	1.4	1.9	0.1	2.7	3.2	2.6
Population (Millions)	5.903	5.930	5.957	5.973	5.997	6.006	6.015	6.023
% Change	0.4	0.5	0.5	0.3	0.4	0.1	0.1	0.1
Per Capita Income ($)	61,837	64,873	67,799	70,570	72,879	76,341	79,736	82,991
Change	1.9	4.9	4.5	4.1	3.3	4.8	4.4	4.1
Personal Tax & Nontax Payments ($ Billions)	48.7	43.5	46.0	49.6	50.8	54.0	56.6	58.6
% Change	24.0	-10.7	5.7	7.9	2.3	6.4	4.7	3.6
Disposable Personal Income ($ Billions)	316.3	341.2	357.9	371.9	386.3	404.5	423.0	441.2
% Change	-0.4	7.9	4.9	3.9	3.9	4.7	4.6	4.3
GDP ($ Billions)	403.6	431.9	453.3	473.0	496.5	517.4	537.6	558.2
% Change	9.4	7.0	5.0	4.4	5.0	4.2	3.9	3.8
Real GDP (chained 2012 $ Billions)	341.9	347.1	354.4	359.6	364.8	369.2	375.9	382.2
% Change	2.1	1.5	2.1	1.5	1.5	1.2	1.8	1.7

* 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			
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4
Total Personal Income	415.4	420.0	424.2	426.4	430.9	434.9	438.4	444.1
% Change	5.8	4.5	4.0	2.1	4.3	3.7	3.3	5.3
Wages and Salaries	203.7	205.4	207.4	209.8	211.7	213.9	215.9	218.7
% Change	5.0	3.4	3.9	4.7	3.7	4.3	3.8	5.2
Supplements to Wages and Salaries	49.0	49.6	50.1	50.6	51.0	51.4	51.8	52.3
% Change	5.6	5.0	4.3	4.2	3.2	3.0	3.2	3.9
Proprietor's Income	27.4	27.4	27.4	26.7	27.9	28.3	27.8	28.3
% Change	1.7	0.0	0.2	-10.1	20.5	5.3	-6.3	6.7
Property Income	84.2	84.4	84.5	84.9	85.7	86.1	87.0	88.2
% Change	4.1	0.9	0.6	1.6	4.1	2.0	4.2	5.7
Personal Current Transfer Receipts	80.4	82.6	84.5	84.5	85.1	85.6	86.3	87.1
% Change	12.0	11.8	9.1	0.1	3.1	2.1	3.3	3.8
Residence Adjustment	4.6	4.6	4.7	4.8	4.8	4.9	4.9	4.9
% Change	2.6	5.1	3.6	7.9	3.2	3.5	3.0	4.4
Contributions to Government Social Ins.	33.9	34.1	34.4	34.8	35.4	35.4	35.4	35.5
% Change	7.4	2.9	3.7	4.1	7.4	-0.5	0.5	1.0

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

General Purposes Revenues

Table 8. General Purposes Revenues, Fiscal Year 2026 Through April (Preliminary)
($ Millions)

	FY2025	FY2026	Annual Change	Expected Revenues[1]	$ Difference
Individual Income Tax	7,915.7	8,264.6	4.4%	8,091.2	173.0
General Sales Tax	5,742.4	6,002.9	4.5%	5,945.1	58.0
Corporate Franchise Tax	2,160.1	2,401.5	11.2%	2,322.9	79.0
Other Revenues	935.6	970.6	3.7%	933.3	37.0
Total GPR	**16,753.8**	**17,639.5**	**5.3%**	**17,292.5**	**347.0**

Source: Wisconsin Department of Revenue
1. Expected Revenues are based on the Legislative Fiscal Bureau's January 2026 Forecast.