

WISCONSIN ECONOMIC FORECAST— AUGUST 2026

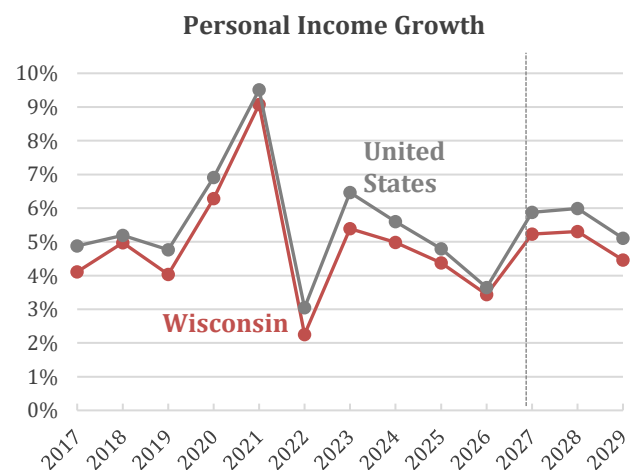
- S&P Global forecasts U.S. GDP growth of 2.1% in 2026 and 2.3% in 2027, with the 2026 outlook revised slightly upward. The stronger forecast reflects better-than-expected second-quarter growth, stronger final sales, continued consumer spending, and expected inventory rebuilding.
- The forecast assumes a more stable labor market, with the unemployment rate near its peak. S&P Global expects unemployment to rise only slightly, from 4.3% in the second quarter of 2026 to 4.4% by the fourth quarter. However, recent payroll data remain soft, with July employment declining and earlier estimates for May and June revised lower.
- Inflation is expected to remain elevated but moderate from prior expectations. Core PCE inflation is forecast to rise from 2.9% in 2025 to 3.2% in 2026 before easing to 2.4% in 2027. With inflation still above target, S&P Global expects the Fed to remain on hold until June 2027 before making two rate cuts to 3.00% -3.25% by December 2027.
- Wisconsin's labor market is expected to stabilize after the 2025 decline. Total employment is forecast to be essentially flat in 2026 before posting modest gains in 2027 and beyond. Labor market conditions are still expected to remain tighter than nationally, with Wisconsin's unemployment rate peaking at about 3.4%, compared with a national peak of 4.4%.
- Wisconsin job growth in 2026 is expected to be uneven across industries. Losses remain concentrated in Trade, Transportation, and Utilities and Manufacturing, along with smaller declines in Information, Financial Activities, and Other Services. These losses are offset by gains in Construction and Education and Health Services, with Leisure and Hospitality also contributing to growth.
- Wisconsin personal income grew 4.4% in 2025, supported by a 4.2% increase in wages. In 2026, personal income growth is forecast to slow to 3.4%, while wages are expected to rise to 3.7%.

The August 2026 forecast presents a somewhat firmer outlook for growth, supported by stronger underlying demand, improved aggregate consumer conditions, and inventory rebuilding. S&P Global expects U.S. real GDP to grow 2.1% in 2026 and 2.3% in 2027. Second-quarter GDP growth was modest at 1.5%, but final sales were stronger than expected and inventories were drawn down, suggesting that businesses may need to increase production in coming quarters.

Consumer spending is expected to remain positive but subdued. Real consumer spending is forecast to grow 2.1% in 2026 and 2.3% in 2027, supported by stronger recent spending, higher equity values, and some relief from energy prices. However, real disposable income is expected to recover only gradually, and S&P Global notes that consumers are likely to use part of the relief from lower energy prices to rebuild savings and pay down debt rather than sharply increase spending.

The labor market appears to have stabilized, though conditions remain soft. S&P Global estimates that the unemployment rate, at 4.3% in the second quarter, is close to

its peak and is expected to rise only slightly to 4.4% by the fourth quarter of 2026. Recent payroll data remain weak, including a July decline in employment and downward revisions to May and June payroll gains, but S&P Global does not view the labor market as being in turmoil.



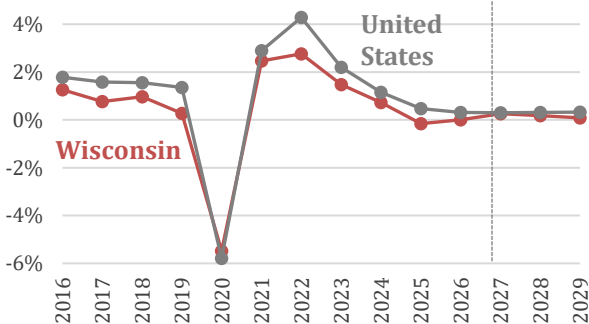
Sources: Bureau of Economic Analysis and Wisconsin DOR (forecast).

Inflation is expected to remain elevated but below earlier projections. Core PCE inflation is forecast to rise from 2.9% in 2025 to 3.2% in 2026 before easing to 2.4% in 2027. With

inflation still above target, S&P Global expects the Federal Reserve to keep rates unchanged until June 2027 before cutting twice in 2027. Business investment remains a source of strength, supported by AI-related spending, while housing remains constrained by elevated mortgage rates, weak affordability, and the mortgage-rate lock-in effect.

Wisconsin personal income continued to grow in early 2026, based on preliminary estimates subject to revision. In the first quarter, personal income rose at a 3.8% annual rate, slightly above the 3.6% national increase and the 3.5% gain in the Great Lakes region. Wages and salaries increased 4.3%, while transfer receipts rose 4.6%. For 2025 as a whole, Wisconsin personal income grew 4.4%, matching the Great Lakes region but remaining below the 4.9% national increase. Income growth was supported by healthy wage gains and a strong 8.1% increase in transfer receipts, compared with an 8.7% increase nationally.

Employment Growth



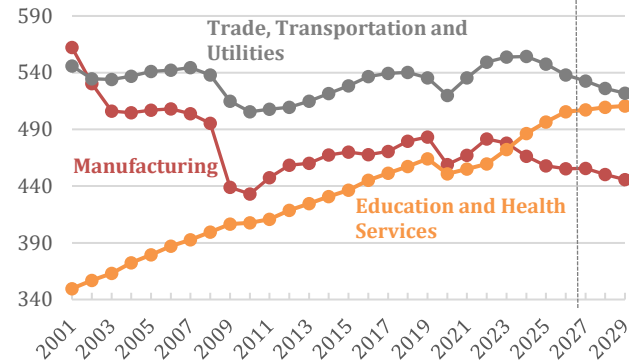
Sources: Bureau of Labor Statistics (CES) and Wisconsin DOR (forecast).

Total employment is expected to stabilize after the 2025 decline, with private employment posting modest growth beginning in 2026. Government employment, which had supported total job growth in 2023 and 2024, was flat in 2025, is expected to decline in 2026 before returning to modest gains in later years. Wisconsin's unemployment rate is forecast to remain low by national standards, averaging about 3.3% in 2026 and 3.4% in 2027.

Wisconsin's largest employment sector—Trade, Transportation, and Utilities—is expected to remain the primary source of weakness in the near term. After declining in 2025, the sector is forecast to lose jobs again in 2026 and continue edging lower through the end of the forecast period. Education and Health Services remains the state's strongest large sector, with employment expected to rise 1.8% in 2026 and continue posting modest gains thereafter.

Manufacturing, Wisconsin's third-largest sector, is expected to decline again in 2026, stabilize briefly in 2027, and then resume losing jobs later in the forecast period.

Wisconsin Employment Largest Sectors (in thousands of jobs)

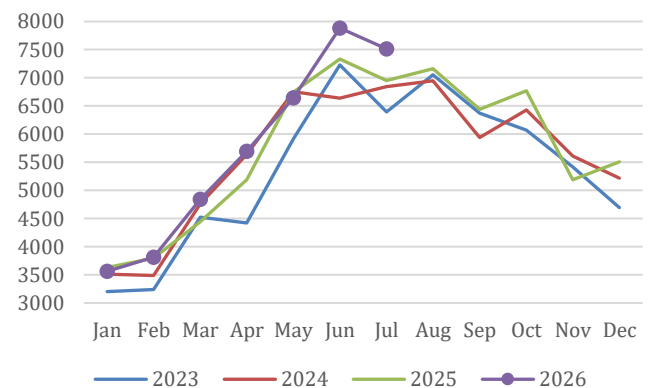


Sources: Bureau of Labor Statistics (CES) and Wisconsin DOR (forecast).

Data from the Wisconsin Realtors Association show that existing home sales increased 4.9% year-to-date through July 2026, following a 2.0% gain in 2025 and a 5.0% increase in 2024. The improvement suggests that sales have continued to recover after the sharp declines recorded in 2022 and 2023, although activity remains below the stronger levels reached during 2020 and 2021.

Home prices continued to rise, but at a more moderate pace than earlier in the cycle. The median home price increased 6.1% year-to-date through July 2026, following a 6.2% gain over the same period in 2025. Even with some moderation, affordability remains constrained by elevated mortgage rates and higher home prices. Wisconsin's median home price was about 66% higher in 2025 than in 2019, while wages grew only 33% over the same period, further limiting affordability for many households.

Wisconsin Existing Home Sales



Source: Wisconsin Realtors Association.

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	3,035.7	3,043.4	3,048.7	3,051.2
% Change	2.8	1.5	0.7	-0.2	0.0	0.3	0.2	0.1
Private Nonfarm	2,575.5	2,612.4	2,625.5	2,620.8	2,624.2	2,628.7	2,633.1	2,635.0
% Change	2.9	1.4	0.5	-0.2	0.1	0.2	0.2	0.1
Natural Resources & Mining	3.7	3.9	4.1	4.0	4.2	4.4	4.5	4.7
% Change	5.2	6.1	3.6	-0.4	3.1	4.7	4.1	3.5
Construction	132.0	137.3	141.3	146.3	152.3	153.1	155.3	156.9
% Change	4.0	4.0	2.9	3.5	4.1	0.5	1.4	1.1
Manufacturing	481.6	478.0	466.4	457.9	455.2	455.5	450.4	445.9
% Change	3.1	-0.7	-2.4	-1.8	-0.6	0.1	-1.1	-1.0
Trade, Transportation & Utilities	549.1	553.7	554.3	547.6	538.0	532.7	526.3	522.0
% Change	2.5	0.8	0.1	-1.2	-1.8	-1.0	-1.2	-0.8
Information	46.5	47.5	47.2	46.4	45.6	45.3	45.5	45.5
% Change	3.0	2.2	-0.6	-1.7	-1.7	-0.7	0.5	0.0
Financial Activities	159.3	159.9	159.8	159.1	157.2	156.8	157.0	156.4
% Change	2.3	0.4	-0.1	-0.4	-1.2	-0.3	0.1	-0.3
Professional & Business Services	329.2	331.4	330.4	328.1	328.2	335.2	349.6	355.0
% Change	3.1	0.7	-0.3	-0.7	0.0	2.1	4.3	1.6
Education & Health Services	459.5	472.3	486.3	496.6	505.6	507.3	509.4	510.6
% Change	0.9	2.8	3.0	2.1	1.8	0.3	0.4	0.2
Leisure & Hospitality	269.9	284.0	289.8	289.2	293.1	293.9	289.7	292.3
% Change	7.9	5.2	2.0	-0.2	1.4	0.3	-1.4	0.9
Other Services	144.9	144.5	145.9	145.6	144.9	144.6	145.5	145.6
% Change	1.1	-0.2	1.0	-0.2	-0.5	-0.2	0.6	0.1
Government	398.8	405.7	414.7	414.6	411.5	414.7	415.6	416.3
% Change	1.6	1.7	2.2	0.0	-0.7	0.8	0.2	0.2
Federal Government	29.5	30.4	31.4	30.2	28.8	28.7	28.7	28.6
% Change	-1.5	3.0	3.2	-3.7	-4.7	-0.3	-0.1	-0.1
State & Local Government	369.3	375.3	383.3	384.4	382.8	386.0	386.9	387.6
% Change	1.9	1.6	2.1	0.3	-0.4	0.8	0.2	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	3,130.9	3,137.9	3,138.3	3,138.1
% Change	-0.5	1.1	0.6	-0.8	0.4	0.2	0.0	0.0
Employment	3,002.4	3,037.0	3,048.7	3,018.7	3,026.3	3,031.8	3,033.3	3,033.2
% Change	0.6	1.2	0.4	-1.0	0.3	0.2	0.1	0.0
Unemployment Rate (%)	2.8	2.8	3.0	3.2	3.3	3.4	3.3	3.3

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			
	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2
Total Nonfarm	3,036.4	3,022.4	3,023.5	3,036.9	3,040.6	3,041.8	3,041.4	3,042.5
% Change	-0.6	-1.8	0.1	1.8	0.5	0.2	-0.1	0.2
Private Nonfarm	2,621.2	2,612.9	2,614.2	2,627.6	2,627.7	2,627.2	2,626.8	2,628.0
% Change	-0.5	-1.3	0.2	2.1	0.0	-0.1	-0.1	0.2
Natural Resources & Mining	4.0	4.1	4.2	4.1	4.1	4.2	4.2	4.3
% Change	0.0	10.4	6.7	-3.2	1.4	4.4	5.5	8.0
Construction	146.7	148.8	152.8	153.1	151.7	151.8	152.4	152.8
% Change	3.3	5.7	11.2	0.9	-3.7	0.3	1.7	1.1
Manufacturing	457.3	455.0	452.3	455.5	455.9	457.1	456.2	455.4
% Change	-1.8	-2.0	-2.4	2.9	0.4	1.0	-0.8	-0.7
Trade, Transportation & Utilities	546.5	543.0	539.6	536.1	538.5	537.7	535.7	534.0
% Change	-2.0	-2.5	-2.4	-2.6	1.8	-0.6	-1.4	-1.2
Information	46.2	46.0	45.4	46.0	45.6	45.4	45.3	45.2
% Change	-3.1	-1.4	-5.4	5.1	-3.0	-1.8	-0.6	-0.8
Financial Activities	158.8	159.2	157.9	157.5	156.8	156.7	157.0	157.0
% Change	-0.3	1.1	-3.2	-1.2	-1.6	-0.4	0.8	0.0
Professional & Business Services	330.2	324.1	324.4	329.0	330.2	329.1	329.8	332.9
% Change	1.3	-7.2	0.4	5.8	1.4	-1.4	0.9	3.8
Education & Health Services	497.1	498.7	502.0	504.9	507.2	508.2	508.5	507.8
% Change	0.4	1.3	2.7	2.4	1.8	0.8	0.2	-0.5
Leisure & Hospitality	289.6	288.3	290.3	296.1	293.2	292.8	293.1	293.9
% Change	-0.3	-1.8	2.9	8.1	-3.8	-0.6	0.5	1.1
Other Services	144.9	145.7	145.3	145.4	144.5	144.5	144.6	144.6
% Change	-1.8	2.3	-1.1	0.2	-2.4	-0.1	0.3	0.0
Government	415.1	409.5	409.3	409.3	412.9	414.6	414.6	414.6
% Change	-0.8	-5.3	-0.2	0.0	3.5	1.7	0.0	0.0
Federal Government	30.2	29.0	28.9	28.8	28.7	28.7	28.7	28.7
% Change	-3.5	-15.0	-2.3	-0.9	-0.8	-0.4	-0.1	-0.1
State & Local Government	384.9	380.5	380.5	380.5	384.1	385.9	385.8	385.9
% Change	-0.6	-4.5	0.0	0.1	3.8	1.8	0.0	0.0

Table 4. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2
Labor Force	3,105.4	3,113.9	3,125.7	3,132.1	3,131.1	3,134.7	3,137.1	3,137.6
% Change	-1.3	1.1	1.5	0.8	-0.1	0.5	0.3	0.1
Employment	3,010.1	3,014.9	3,018.9	3,024.8	3,030.1	3,031.5	3,031.3	3,031.4
% Change	-1.1	0.6	0.5	0.8	0.7	0.2	0.0	0.0
Unemployment Rate (%)	3.1	3.2	3.4	3.4	3.2	3.3	3.4	3.4

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			
	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2
Total Nonfarm	3,036.4	3,022.4	3,023.5	3,036.9	3,040.6	3,041.8	3,041.4	3,042.5
% Change	-0.2	-0.8	-0.6	-0.1	0.1	0.6	0.6	0.2
Private Nonfarm	2,621.2	2,612.9	2,614.2	2,627.6	2,627.7	2,627.2	2,626.8	2,628.0
% Change	-0.2	-0.6	-0.4	0.1	0.2	0.5	0.5	0.0
Natural Resources & Mining	4.0	4.1	4.2	4.1	4.1	4.2	4.2	4.3
% Change	0.0	0.8	3.3	3.3	3.7	2.3	2.0	4.8
Construction	146.7	148.8	152.8	153.1	151.7	151.8	152.4	152.8
% Change	3.6	4.0	6.0	5.2	3.4	2.0	-0.2	-0.2
Manufacturing	457.3	455.0	452.3	455.5	455.9	457.1	456.2	455.4
% Change	-1.6	-1.5	-1.7	-0.8	-0.3	0.5	0.9	0.0
Trade, Transportation & Utilities	546.5	543.0	539.6	536.1	538.5	537.7	535.7	534.0
% Change	-1.5	-2.0	-2.2	-2.4	-1.5	-1.0	-0.7	-0.4
Information	46.2	46.0	45.4	46.0	45.6	45.4	45.3	45.2
% Change	-1.8	-1.5	-2.7	-1.3	-1.3	-1.4	-0.1	-1.6
Financial Activities	158.8	159.2	157.9	157.5	156.8	156.7	157.0	157.0
% Change	-0.6	-0.4	-1.0	-0.9	-1.2	-1.6	-0.6	-0.3
Professional & Business Services	330.2	324.1	324.4	329.0	330.2	329.1	329.8	332.9
% Change	-0.1	-1.8	-1.4	0.0	0.0	1.5	1.7	1.2
Education & Health Services	497.1	498.7	502.0	504.9	507.2	508.2	508.5	507.8
% Change	1.9	1.6	1.6	1.7	2.0	1.9	1.3	0.6
Leisure & Hospitality	289.6	288.3	290.3	296.1	293.2	292.8	293.1	293.9
% Change	-0.3	-0.9	0.5	2.2	1.2	1.6	1.0	-0.7
Other Services	144.9	145.7	145.3	145.4	144.5	144.5	144.6	144.6
% Change	-1.0	-0.6	-0.6	-0.1	-0.3	-0.9	-0.5	-0.5
Government	415.1	409.5	409.3	409.3	412.9	414.6	414.6	414.6
% Change	-0.3	-2.1	-2.0	-1.6	-0.5	1.2	1.3	1.3
Federal Government	30.2	29.0	28.9	28.8	28.7	28.7	28.7	28.7
% Change	-3.6	-7.3	-7.1	-5.6	-4.9	-1.1	-0.6	-0.3
State & Local Government	384.9	380.5	380.5	380.5	384.1	385.9	385.8	385.9
% Change	0.0	-1.7	-1.6	-1.3	-0.2	1.4	1.4	1.4

Table 4b. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2
Labor Force	3,105.4	3,113.9	3,125.7	3,132.1	3,131.1	3,134.7	3,137.1	3,137.6
% Change	-1.3	-1.0	-0.2	0.5	0.8	0.7	0.4	0.2
Employment	3,010.1	3,014.9	3,018.9	3,024.8	3,030.1	3,031.5	3,031.3	3,031.4
% Change	-1.4	-1.0	-0.4	0.2	0.7	0.6	0.4	0.2
Unemployment Rate (%)	3.1	3.2	3.4	3.4	3.2	3.3	3.4	3.4

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	421.6	436.0	458.8	483.2	504.7
% Change	2.3	5.4	5.0	4.4	3.4	5.2	5.3	4.5
Wages and Salaries	181.6	189.5	198.4	206.8	214.4	223.8	235.6	246.7
% Change	7.8	4.3	4.7	4.2	3.7	4.4	5.3	4.7
Supplements to Wages and Salaries	42.6	44.8	47.8	49.9	51.7	53.6	56.1	58.7
% Change	3.1	5.2	6.6	4.5	3.6	3.5	4.8	4.5
Proprietor's Income	24.5	25.2	26.3	27.1	27.5	29.7	31.6	33.1
% Change	-5.5	2.7	4.3	3.0	1.4	8.0	6.6	4.8
Property Income	70.5	79.3	83.0	84.5	86.7	92.5	98.6	102.5
% Change	6.5	12.6	4.6	1.8	2.5	6.7	6.6	4.0
Personal Interest Income	23.7	27.4	28.7	29.2	30.0	31.2	32.7	34.2
% Change	6.4	15.7	4.7	1.9	2.7	4.1	4.7	4.7
Personal Dividend Income	33.9	36.9	38.1	38.6	39.4	42.6	45.7	47.1
% Change	5.4	9.1	3.1	1.2	2.1	8.3	7.2	3.1
Rental Income	12.9	15.0	16.2	16.7	17.3	18.6	20.2	21.1
% Change	9.4	16.1	8.1	3.3	3.4	7.6	8.3	4.8
Personal Current Transfer Receipts	70.8	72.3	76.8	83.0	86.6	90.4	93.7	97.6
% Change	-8.9	2.2	6.1	8.1	4.4	4.4	3.6	4.2
Residence Adjustment	4.2	4.4	4.5	4.6	4.7	4.9	4.9	5.0
% Change	-0.2	3.2	2.5	4.0	1.9	2.6	1.7	2.0
Contributions to Govt. Social Ins.	29.2	30.8	32.8	34.4	35.6	36.0	37.4	38.9
% Change	8.4	5.5	6.5	4.7	3.7	1.1	3.9	4.1

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	357.3	357.9	368.3	381.0	391.1
% Change	-3.2	0.6	1.4	2.9	0.1	2.9	3.4	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	70,583	72,707	76,394	80,332	83,804
Change	1.9	4.9	4.5	4.1	3.0	5.1	5.2	4.3
Personal Tax & Nontax Payments (\$ Billions)	48.7	43.5	46.0	50.0	50.6	53.6	56.1	58.7
% Change	24.0	-10.7	5.7	8.6	1.3	5.9	4.8	4.5
Disposable Personal Income (\$ Billions)	316.3	341.2	357.9	371.6	385.5	405.2	427.0	446.0
% Change	-0.4	7.9	4.9	3.8	3.7	5.1	5.4	4.5
GDP (\$ Billions)	403.6	431.9	453.3	473.0	497.0	517.5	538.4	559.7
% Change	9.4	7.0	5.0	4.4	5.1	4.1	4.1	3.9
Real GDP (chained 2012 \$ Billions)	341.9	347.1	354.4	359.6	365.3	371.5	377.7	383.1
% Change	2.1	1.5	2.1	1.5	1.6	1.7	1.7	1.4

* 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			
	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1
Total Personal Income	419.9	424.0	426.9	430.9	433.4	437.4	442.4	448.9
% Change	4.4	4.0	2.8	3.8	2.3	3.8	4.7	5.9
Wages and Salaries	205.5	207.4	210.5	212.8	213.2	214.8	217.0	219.4
% Change	3.6	3.7	6.2	4.3	0.9	3.0	4.0	4.6
Supplements to Wages and Salaries	49.6	50.1	51.0	51.4	51.5	51.9	52.2	52.7
% Change	5.1	4.2	6.8	3.6	0.5	3.1	2.6	3.7
Proprietor's Income	27.2	27.2	26.4	26.6	27.7	27.5	28.0	28.6
% Change	-2.9	0.1	-11.3	2.8	17.6	-2.6	7.1	9.2
Property Income	84.4	84.5	84.9	85.7	86.3	86.7	88.0	89.7
% Change	0.9	0.6	1.6	4.0	2.6	2.2	5.9	8.2
Personal Current Transfer Receipts	82.6	84.5	84.4	85.4	85.7	87.3	88.0	89.3
% Change	11.7	9.2	-0.2	4.6	1.7	7.6	3.4	5.8
Residence Adjustment	4.6	4.7	4.6	4.7	4.7	4.7	4.8	4.8
% Change	5.0	4.1	-3.7	2.1	2.3	4.2	5.0	1.2
Contributions to Government Social Ins.	34.1	34.4	34.9	35.6	35.7	35.6	35.5	35.7
% Change	3.0	3.6	6.0	7.9	0.9	-1.1	-0.6	1.8

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

General Purposes Revenues

Table 8. General Purposes Revenues, Fiscal Year 2026, Preliminary Totals
(\$ Millions)

	FY2025	FY2026	Annual Change	Expected Revenues ¹	\$ Difference
Individual Income Tax	10,451	10,561	1.1%	10,330	231
General Sales Tax	7,832	8,163	4.2%	8,083	80
Corporate Franchise Tax	2,762	3,015	9.2%	2,931	84
Other Revenues	1,319	1,393	5.7%	1,337	56
Total GPR	22,363	23,132	3.4%	22,681	451

Source: Wisconsin Department of Revenue

1. Expected Revenues are based on the Legislative Fiscal Bureau's January 2026 Forecast.