

WISCONSIN ECONOMIC FORECAST – NOVEMBER 2024

- The November S&P Global national forecast was prepared prior to the US presidential election and included policy assumptions that do not reflect President-elect Trump’s full suite of plans.
- The November forecast expected slightly lower growth in 2025, but stronger growth after 2026. The forecast for real GDP growth for 2024 remains at 2.7%, followed by 2.0% in 2025 and 2.1% in 2026.
- Employment growth expectations for the US are 1.6% for 2024 and 0.8% for 2025. The unemployment rate is projected to rise gradually, reaching a peak of 4.6% by mid-2027. This increase is expected as the economy continues to grow below trend, allowing core measures of inflation to continue easing and the Fed to continue to cut rates until early 2026.

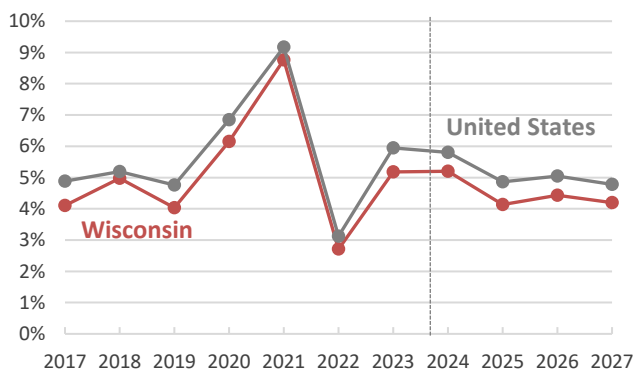
- Wisconsin employment is expected to grow by 0.9% in 2024. Wisconsin's unemployment rate was 2.9% in the second and third quarter of 2024, slightly more than a full percentage point below the US rate of 4.0% and 4.2%, respectively. The forecast expects Wisconsin's unemployment rate to peak at 3.6% by the end of 2027, compared to 4.6% nationwide.
- Wisconsin's personal income increase in 2023 was revised upward to 5.2%, slightly below the national growth of 5.9%. Real personal income grew 1.8% in Wisconsin and 2.1% nationwide. Nominal wages grew 4.7%, while property income grew 10.2%. The forecast anticipates nominal personal income to grow 5.2% in 2024. Real personal income is expected to increase 2.6% in 2024 as inflation slows.

The forecast shows the US economy moving to a period of below-trend growth, which continues to bring inflation down while gradually increasing the unemployment rate to peak at 4.6% by 2027. Core PCE (personal consumption expenditures) price inflation was 4.1% in 2023 and is expected to slow to 2.8% in 2024 and 2.2% in 2025.

slightly below the national rate of 5.3% and the Great Lakes region's 5.2%. Net earnings were the main driver of growth.

Wisconsin's nominal personal income is forecasted to grow by 5.2% in 2024, driven primarily by a 6.0% increase in wages and salaries, a 5.9% rise in supplements to wages and salaries, and a 5.1% gain in personal transfer payments. Growth is projected to moderate to 4.1% in 2025 and 4.4% in 2026, aligning with the broader 2% inflation target. In comparison, the United States saw 5.4% growth of wages and salaries in 2023, with the S&P Global forecast projecting 6.7% growth this year and 5.0% in 2025.

Personal Income Growth

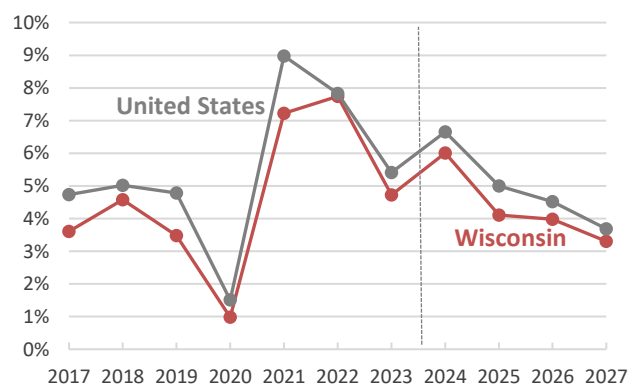


Sources: Bureau of Economic Analysis and Wisconsin DOR (forecast).

US income growth slowed to an annualized rate of 3.6% in the third quarter. After revisions, US personal income saw remarkable 9.3% growth in the first quarter—the fastest pace in three years—and 5.3% in the second quarter.

Wisconsin's personal income grew by a revised 5.2% in 2023, matching the Great Lakes region but slightly trailing the national growth rate of 5.9%. Wisconsin's personal income grew at an annual rate of 4.9% in the second quarter of 2024,

Wages and Salaries Growth



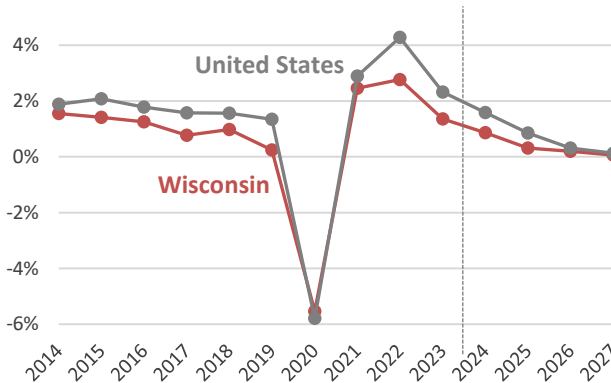
Sources: Bureau of Economic Analysis and Wisconsin DOR (forecast).

Property income grew at double-digit rates over the past three years, driven by dividends in 2021 and rising interest

and rental income since. Growth is expected to slow in 2024 as rates decline and rent inflation moderates. Wisconsin's inflation-adjusted personal income is estimated to have increased by 1.8% in 2023, rebounding from a 3.3% drop in 2022. As inflation moderates, growth is forecasted at 2.6% for 2024, followed by a 2.2% rise in 2025.

Following significant fluctuations during the COVID-19 pandemic, personal transfer payment receipts are expected to stabilize, growing steadily at 4% to 5% annually from 2024 to 2027. Wisconsin per capita personal income grew 4.8% in 2023, compared to 5.4% nationwide and 5.1% in the Great Lakes region.

Employment Growth



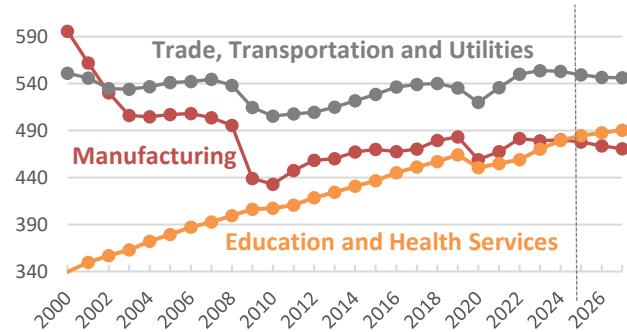
Sources: Bureau of Labor Statistics (CES) and Wisconsin DOR (forecast).

The latest state Current Employment Statistics (CES) data show Wisconsin's employment growing by 0.9% in the first ten months of 2024, compared to 1.7% growth nationwide. Labor markets continue to expand, but growth is slowing, with clear signs of loosening emerging. Wisconsin's total employment is projected to grow by 0.9% in 2024, following increases of 1.4% in 2023 and 2.8% in 2022. A similar pattern is observed nationwide, with US employment growth slowing from 4.3% in 2022 to 2.3% in 2023 and 1.6% in 2024. This trend is expected to continue through 2025, supporting efforts to reduce inflation to 2%. The 2025-2027 outlook anticipates minimal employment growth for both Wisconsin and the US.

In the first 10 months of 2024, total private employment grew by 0.8%, led by construction (3.3%), education and health services (2.0%), other services (1.7%), and leisure and hospitality (1.5%). These sectors are expected to remain key drivers of growth. Four other sectors, including the largest—trade, transportation, and utilities—saw little to no growth. Manufacturing grew by 0.5% but is projected to decline

slightly over the forecast period. Wisconsin's unemployment rate stood at 2.9% in October, down from a recent peak of 3.4% in December 2023, and well below the national rate of 4.1%.

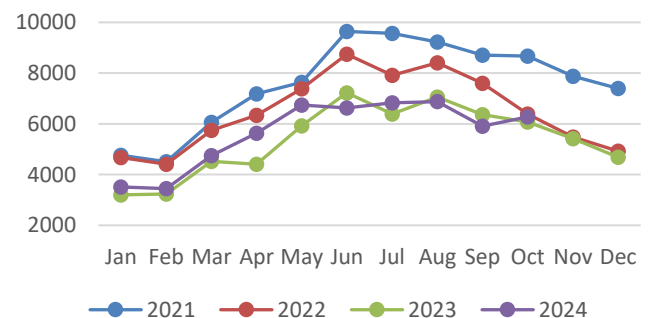
Wisconsin Employment Largest Sectors
(in thousands of jobs)



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

The November S&P Global forecast assumes that following the third rate cut in December 2024, the Fed will reduce rates at every other meeting during the first half of 2025. This pattern transitions to 25 bps cuts at each meeting thereafter, ultimately reaching a target range of 2.50%–2.75% by early 2026, while also reducing its balance sheet by approximately one-third. The expected rate cuts are much needed to improve home affordability which hit historic lows as high interest rates and rapid home price growth outpace income gains. According to the National Association of Realtors (NAR), the national monthly mortgage payment rose from \$1,024 in January 2021 to a record \$2,304 in June 2024, before easing to \$2,132 in October.

Wisconsin Existing Home Sales



Sources: Wisconsin Realtors Association.

In the first ten months of 2024, Wisconsin existing home sales rose by 4.1%, following two years of double-digit declines in 2022 and 2023, according to the Wisconsin Realtors Association (WRA). During the same period, the median price of existing homes increased by 8.1%, with growth slowing since its 2020 peak.

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

	History				Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Total Nonfarm	2,822.7	2,892.2	2,972.3	3,012.7	3,038.8	3,048.2	3,054.1	3,055.9
% Change	-5.5	2.5	2.8	1.4	0.9	0.3	0.2	0.1
Private Nonfarm	2,435.4	2,502.1	2,576.0	2,609.7	2,626.6	2,631.9	2,637.1	2,638.2
% Change	-5.5	2.7	3.0	1.3	0.6	0.2	0.2	0.0
Natural Resources & Mining	3.5	3.5	3.7	3.9	4.0	4.1	4.3	4.4
% Change	-15.7	0.0	5.0	6.1	2.9	0.9	4.4	3.3
Construction	123.9	127.0	132.1	136.7	141.2	143.3	145.8	147.9
% Change	-0.5	2.5	4.0	3.5	3.3	1.5	1.8	1.4
Manufacturing	459.2	467.5	481.5	479.3	480.3	477.8	473.7	470.8
% Change	-5.0	1.8	3.0	-0.5	0.2	-0.5	-0.9	-0.6
Trade, Transportation & Utilities	520.1	535.6	550.0	553.9	553.2	549.4	546.6	546.3
% Change	-2.9	3.0	2.7	0.7	-0.1	-0.7	-0.5	-0.1
Information	45.0	45.1	46.4	47.5	47.0	46.8	47.3	46.6
% Change	-4.5	0.2	3.0	2.2	-1.0	-0.3	1.1	-1.6
Financial Activities	153.0	155.7	159.3	159.6	159.9	160.9	163.2	163.3
% Change	-0.9	1.8	2.3	0.2	0.2	0.6	1.4	0.1
Professional & Business Services	309.9	319.2	329.2	330.9	327.6	326.3	327.4	324.0
% Change	-5.1	3.0	3.1	0.5	-1.0	-0.4	0.3	-1.0
Education & Health Services	450.6	455.0	459.2	470.3	479.7	484.6	487.9	490.6
% Change	-2.9	1.0	0.9	2.4	2.0	1.0	0.7	0.5
Leisure & Hospitality	227.5	250.2	269.7	282.4	286.5	291.2	292.5	294.0
% Change	-20.4	10.0	7.8	4.7	1.4	1.7	0.4	0.5
Other Services	142.8	143.4	145.0	145.3	147.2	147.5	148.5	150.4
% Change	-6.5	0.4	1.1	0.2	1.4	0.2	0.7	1.3
Government	387.3	390.1	396.2	403.0	412.3	416.3	417.0	417.7
% Change	-5.5	0.7	1.6	1.7	2.3	1.0	0.2	0.2
Federal Government	30.8	30.0	29.5	30.4	31.5	31.5	31.5	31.5
% Change	5.0	-2.7	-1.4	2.9	3.6	0.1	0.0	0.0
State & Local Government	356.5	360.1	366.7	372.6	380.8	384.8	385.5	386.2
% Change	-6.4	1.0	1.8	1.6	2.2	1.0	0.2	0.2

Table 2. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Labor Force	3,100.2	3,107.8	3,094.5	3,133.5	3,144.2	3,156.8	3,160.8	3,163.3
% Change	-0.6	0.2	-0.4	1.3	0.3	0.4	0.1	0.1
Employment	2,900.2	2,987.5	3,004.9	3,038.5	3,050.8	3,055.4	3,056.9	3,057.4
% Change	-3.9	3.0	0.6	1.1	0.4	0.1	0.0	0.0
Unemployment Rate (%)	6.5	3.9	2.9	3.1	3.0	3.2	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			
	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3
Total Nonfarm	3,019.4	3,032.7	3,039.7	3,043.1	3,039.8	3,043.9	3,047.4	3,049.9
% Change	1.0	1.8	0.9	0.4	-0.4	0.5	0.5	0.3
Private Nonfarm	2,614.4	2,623.6	2,631.5	2,627.5	2,623.7	2,627.8	2,631.2	2,633.6
% Change	0.8	1.4	1.2	-0.6	-0.6	0.6	0.5	0.4
Natural Resources & Mining	4.0	4.1	4.0	4.0	4.0	4.0	4.1	4.1
% Change	6.9	6.8	-6.3	-3.3	2.5	1.1	1.5	3.6
Construction	137.2	141.2	140.5	141.2	141.9	142.7	142.9	143.4
% Change	1.7	12.0	-1.8	2.0	1.9	2.2	0.5	1.6
Manufacturing	479.5	480.1	481.6	482.5	476.8	476.9	479.4	479.1
% Change	2.2	0.5	1.3	0.7	-4.6	0.1	2.1	-0.2
Trade, Transportation & Utilities	553.2	554.1	553.4	553.1	552.0	551.9	548.8	548.1
% Change	-0.6	0.6	-0.5	-0.2	-0.8	-0.1	-2.2	-0.5
Information	47.7	47.8	47.1	46.4	46.5	46.8	46.6	46.7
% Change	2.6	0.8	-5.7	-6.1	0.8	2.6	-1.4	0.6
Financial Activities	159.7	159.5	159.5	160.2	160.3	160.2	160.5	161.2
% Change	0.8	-0.4	0.0	1.9	0.2	-0.2	0.7	1.7
Professional & Business Services	329.4	327.0	329.4	328.4	325.7	324.4	326.1	326.9
% Change	-2.3	-2.9	2.9	-1.2	-3.2	-1.7	2.1	1.0
Education & Health Services	473.9	477.9	479.9	479.5	481.5	483.9	484.4	484.9
% Change	2.1	3.4	1.7	-0.3	1.7	2.0	0.4	0.5
Leisure & Hospitality	283.3	285.9	288.4	284.3	287.3	289.4	291.2	291.8
% Change	0.4	3.7	3.4	-5.5	4.2	2.9	2.6	0.8
Other Services	146.4	146.0	147.6	147.8	147.6	147.6	147.4	147.4
% Change	3.8	-1.0	4.6	0.4	-0.5	0.1	-0.6	0.0
Government	405.0	409.2	408.2	415.6	416.1	416.1	416.2	416.3
% Change	2.5	4.2	-0.9	7.5	0.5	0.0	0.0	0.1
Federal Government	30.9	31.5	31.5	31.4	31.5	31.5	31.5	31.5
% Change	4.9	7.1	0.9	-1.7	1.2	0.0	0.0	0.0
State & Local Government	374.1	377.7	376.7	384.2	384.6	384.6	384.7	384.8
% Change	2.4	3.9	-1.1	8.3	0.4	0.0	0.0	0.1

Table 4. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3
Labor Force	3,150.5	3,143.9	3,140.1	3,145.3	3,147.6	3,151.8	3,157.7	3,158.6
% Change	0.7	-0.8	-0.5	0.7	0.3	0.5	0.7	0.1
Employment	3,044.4	3,047.6	3,048.1	3,053.8	3,053.9	3,053.9	3,055.6	3,055.9
% Change	0.3	0.4	0.1	0.8	0.0	0.0	0.2	0.0
Unemployment Rate (%)	3.4	3.1	2.9	2.9	3.0	3.1	3.2	3.2

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			
	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3
Total Nonfarm	3,019.4	3,032.7	3,039.7	3,043.1	3,039.8	3,043.9	3,047.4	3,049.9
% Change	0.7	0.8	0.9	1.0	0.7	0.4	0.3	0.2
Private Nonfarm	2,614.4	2,623.6	2,631.5	2,627.5	2,623.7	2,627.8	2,631.2	2,633.6
% Change	0.7	0.7	0.9	0.7	0.4	0.2	0.0	0.2
Natural Resources & Mining	4.0	4.1	4.0	4.0	4.0	4.0	4.1	4.1
% Change	8.0	7.9	3.4	0.8	-0.2	-1.6	0.4	2.2
Construction	137.2	141.2	140.5	141.2	141.9	142.7	142.9	143.4
% Change	2.1	3.6	3.0	3.3	3.4	1.1	1.7	1.5
Manufacturing	479.5	480.1	481.6	482.5	476.8	476.9	479.4	479.1
% Change	-0.9	-0.4	0.6	1.2	-0.6	-0.7	-0.5	-0.7
Trade, Transportation & Utilities	553.2	554.1	553.4	553.1	552.0	551.9	548.8	548.1
% Change	0.1	0.0	-0.2	-0.2	-0.2	-0.4	-0.8	-0.9
Information	47.7	47.8	47.1	46.4	46.5	46.8	46.6	46.7
% Change	1.4	1.3	-0.7	-2.2	-2.6	-2.2	-1.1	0.6
Financial Activities	159.7	159.5	159.5	160.2	160.3	160.2	160.5	161.2
% Change	-0.3	0.0	-0.1	0.6	0.4	0.5	0.6	0.6
Professional & Business Services	329.4	327.0	329.4	328.4	325.7	324.4	326.1	326.9
% Change	-0.3	-1.1	-0.8	-0.9	-1.1	-0.8	-1.0	-0.5
Education & Health Services	473.9	477.9	479.9	479.5	481.5	483.9	484.4	484.9
% Change	2.0	2.1	2.6	1.7	1.6	1.3	0.9	1.1
Leisure & Hospitality	283.3	285.9	288.4	284.3	287.3	289.4	291.2	291.8
% Change	2.7	2.0	1.9	0.5	1.4	1.2	1.0	2.6
Other Services	146.4	146.0	147.6	147.8	147.6	147.6	147.4	147.4
% Change	1.1	0.8	1.9	1.9	0.8	1.1	-0.2	-0.2
Government	405.0	409.2	408.2	415.6	416.1	416.1	416.2	416.3
% Change	1.4	2.0	1.1	3.3	2.8	1.7	2.0	0.2
Federal Government	30.9	31.5	31.5	31.4	31.5	31.5	31.5	31.5
% Change	4.5	5.5	4.3	2.7	1.8	0.1	-0.1	0.3
State & Local Government	374.1	377.7	376.7	384.2	384.6	384.6	384.7	384.8
% Change	1.1	1.8	0.9	3.3	2.8	1.8	2.1	0.2

Table 4b. Wisconsin Household Survey Employment Measures

	History				Forecast			
	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3
Labor Force	3,150.5	3,143.9	3,140.1	3,145.3	3,147.6	3,151.8	3,157.7	3,158.6
% Change	1.9	1.1	0.3	0.0	-0.1	0.3	0.6	0.4
Employment	3,044.4	3,047.6	3,048.1	3,053.8	3,053.9	3,053.9	3,055.6	3,055.9
% Change	1.3	0.7	0.2	0.4	0.3	0.2	0.2	0.1
Unemployment Rate (%)	3.4	3.1	2.9	2.9	3.0	3.1	3.2	3.2

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			
	2020	2021	2022	2023	2024	2025	2026	2027
Total Personal Income	326.9	355.5	365.2	384.1	404.1	420.8	439.4	457.9
% Change	6.1	8.8	2.7	5.2	5.2	4.1	4.4	4.2
Wages and Salaries	157.1	168.5	181.5	190.1	201.5	209.8	218.1	225.3
% Change	1.0	7.2	7.7	4.7	6.0	4.1	4.0	3.3
Supplements to Wages and Salaries	40.0	41.1	42.3	45.2	47.9	50.1	51.9	53.5
% Change	-1.3	2.7	3.0	6.9	5.9	4.6	3.7	2.9
Proprietor's Income	23.2	25.9	24.6	25.1	25.8	27.1	28.8	30.5
% Change	17.8	11.7	-5.2	2.2	2.6	5.0	6.1	5.9
Property Income	59.2	65.2	70.3	77.5	80.3	82.6	87.1	91.9
% Change	1.6	10.0	7.9	10.2	3.6	2.9	5.4	5.6
Personal Interest Income	22.8	22.3	24.6	28.4	29.3	30.0	32.5	35.1
% Change	-4.5	-2.1	10.3	15.2	3.2	2.4	8.4	7.9
Personal Dividend Income	25.1	31.1	32.8	34.3	35.2	35.6	35.9	36.6
% Change	6.6	23.7	5.4	4.8	2.5	1.3	0.7	2.0
Rental Income	11.3	11.7	12.9	14.8	15.8	16.9	18.7	20.2
% Change	3.8	4.1	10.1	14.3	6.8	7.4	10.1	8.5
Personal Current Transfer Receipts	68.9	77.6	71.4	72.9	76.6	80.0	83.3	87.0
% Change	26.2	12.6	-8.0	2.1	5.1	4.5	4.0	4.5
Residence Adjustment	4.0	4.2	4.2	4.4	4.6	4.7	4.9	5.0
% Change	-5.9	7.1	0.1	3.7	3.8	3.4	3.3	2.6
Contributions to Govt. Social Ins.	25.6	26.9	29.2	31.1	32.5	33.5	34.6	35.3
% Change	2.1	5.2	8.4	6.6	4.6	3.0	3.3	2.1

Table 6. Wisconsin Related Income Measures

(Different units)

	History				Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Real Personal Income (2012 \$ Billions) *	338.1	350.2	338.6	344.6	353.5	361.3	369.0	378.3
% Change	7.1	3.6	-3.3	1.8	2.6	2.2	2.1	2.5
Population (Millions)	5.897	5.880	5.891	5.911	5.931	5.949	5.967	5.983
% Change	0.3	-0.3	0.2	0.4	0.3	0.3	0.3	0.3
Per Capita Income (\$)	55,435	60,465	61,992	64,976	68,127	70,726	73,641	76,528
Change	5.9	9.1	2.5	4.8	4.8	3.8	4.1	3.9
Personal Tax & Nontax Payments (\$ Billions)	34.3	39.4	47.4	42.2	45.0	46.8	47.9	49.1
% Change	-2.8	14.9	20.5	-10.9	6.6	4.0	2.4	2.5
Disposable Personal Income (\$ Billions)	292.6	316.1	317.7	341.8	359.0	373.9	391.5	408.7
% Change	7.3	8.2	0.6	7.6	5.1	4.2	4.7	4.4
GDP (\$ Billions)	343.3	368.9	400.6	428.4	448.5	465.0	480.0	495.3
% Change	-1.0	7.5	8.6	6.9	4.7	3.7	3.2	3.2
Real GDP (chained 2012 \$ Billions)	322.5	334.5	339.7	344.6	349.9	354.4	360.1	364.4
% Change	-3.2	3.7	1.6	1.4	1.5	1.3	1.6	1.2

* 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			
	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2
Total Personal Income	386.1	391.3	398.5	403.3	405.4	409.0	413.8	418.5
% Change	4.8	5.6	7.5	4.9	2.1	3.6	4.8	4.5
Wages and Salaries	191.9	194.6	198.3	201.1	202.3	204.3	206.3	208.6
% Change	7.5	5.8	7.7	5.9	2.4	3.9	4.1	4.4
Supplements to Wages and Salaries	45.7	46.5	47.1	47.7	48.1	48.6	49.3	49.8
% Change	9.2	7.7	5.3	5.0	3.1	4.3	6.2	3.9
Proprietor's Income	25.1	25.4	25.1	25.9	26.0	26.2	26.5	26.9
% Change	5.9	5.5	-5.0	13.6	0.8	3.5	4.2	6.3
Property Income	77.8	79.4	80.2	80.4	80.1	80.3	80.9	82.1
% Change	3.4	8.5	4.1	1.3	-1.6	0.9	3.0	6.3
Personal Current Transfer Receipts	72.7	72.8	75.6	76.1	77.0	77.8	79.3	79.8
% Change	-2.3	0.8	16.0	2.9	4.7	4.3	8.2	2.3
Residence Adjustment	4.4	4.5	4.5	4.6	4.6	4.6	4.7	4.7
% Change	4.0	3.5	4.4	5.3	2.4	2.8	3.3	3.7
Contributions to Government Social Ins.	31.4	31.9	32.2	32.5	32.6	32.8	33.1	33.4
% Change	7.8	5.7	4.4	3.8	1.6	1.7	4.3	2.9

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

General Purposes Revenues

Table 8. General Purposes Revenues, Fiscal Year-to-Date 2025 through October
(\$ Millions)

	FY2024	FY2025	Annual Change	Expected Revenues	\$ Difference
Individual Income Tax	2,764.6	2,954.6	6.9%	3,023.5	-68.9
General Sales Tax	1,974.0	1,989.7	0.8%	1,968.2	21.5
Corporate Franchise Tax	664.3	656.9	-1.1%	647.4	9.5
Other Revenues	265.3	264.7	-0.2%	264.0	0.7
Total GPR	5,668.2	5,865.9	3.5%	5,903.1	-37.2

Source: Wisconsin Department of Revenue

Expected Revenues are based on the Fiscal Year 2025 forecast published by the Wisconsin Department of Administration on November 20, 2024.