Monthly Economic Update

OCTOBER 2026, FEATURING SEPTEMBER EMPLOYMENT DATA

WISCONSIN DEPARTMENT OF REVENUE

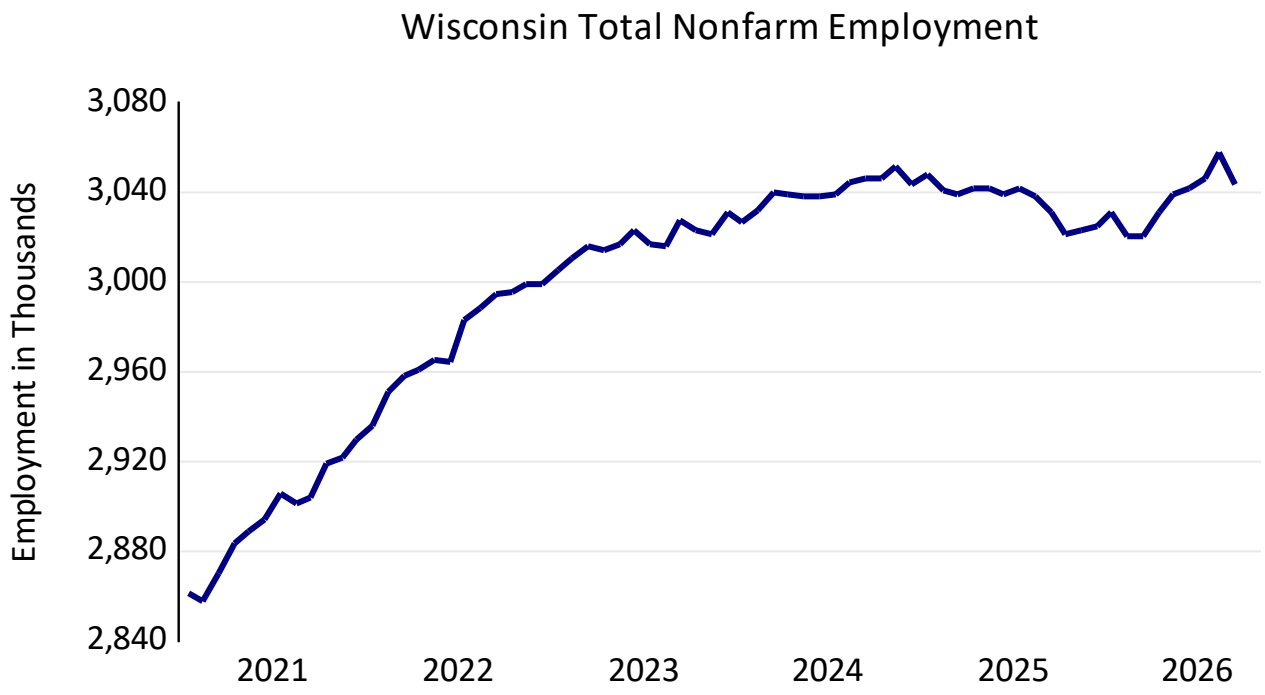
Based in part on information and commentary supplied by Federal and State government statistical agencies.

Wisconsin Updates

- Employment
  - Sectors
- Personal Income
- First Quarter Tax Revenues

WI Employment Reverses in September

Decline of 13,700 erases August gain



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

Wisconsin employment declined by 13,700 in September, completely erasing August's revised gain of 11,500. Private employment lost 4,600 jobs while government lost 9,100.

The average three-month change in total employment, a more stable measure, is 500.

Over the past year, Wisconsin employment increased by 13,000 jobs, an increase of 0.4%. For comparison, U.S. employment has increased 0.3% over the same period.

Professional and business services have increased by an average of 1,000 jobs over the past three months, while construction has added 700. Financial services has added 600 jobs on average.

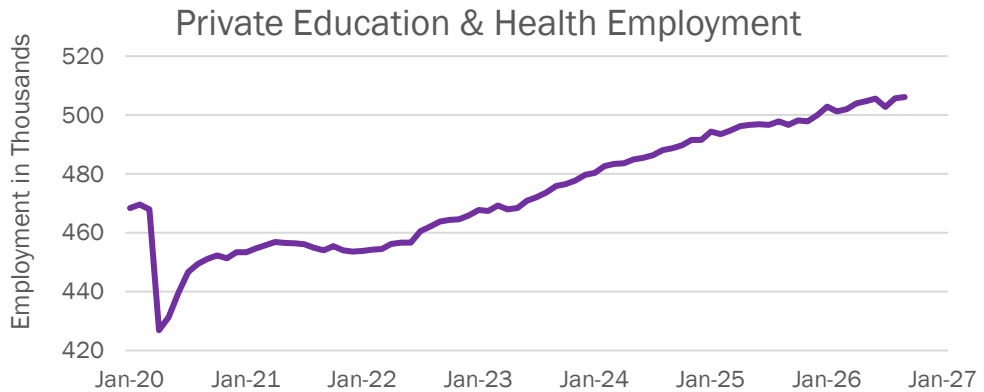
Government employment, despite the large monthly swings, has barely changed with an average monthly decline of 100 jobs over the past three months. Trade, transportation, and utilities, Wisconsin's largest employment sector, has lost 1,600 jobs on average.

The unemployment rate in Wisconsin held steady at 3.2% in September, while the national unemployment rate ticked higher to 4.2%.

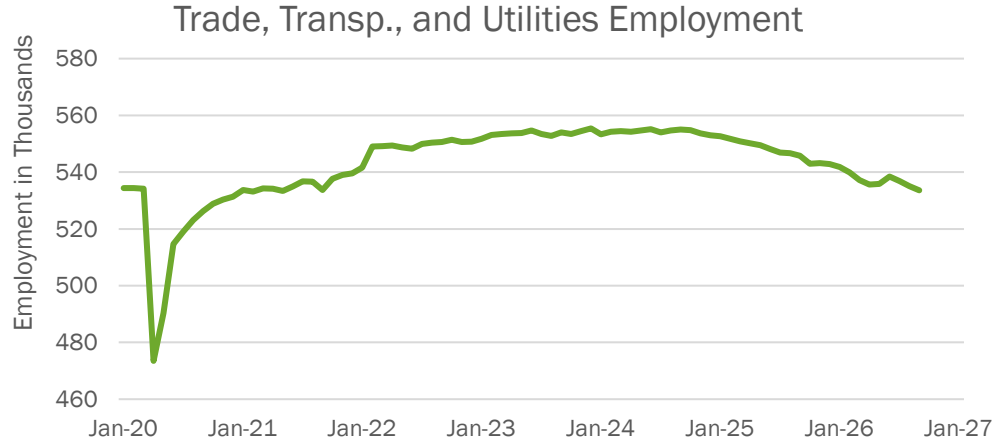
Wisconsin's labor force participation rate increased to 64.9%, up from 64.7% in August, while the nation's rate was at 61.8% in September.

Wisconsin Employment by Sector





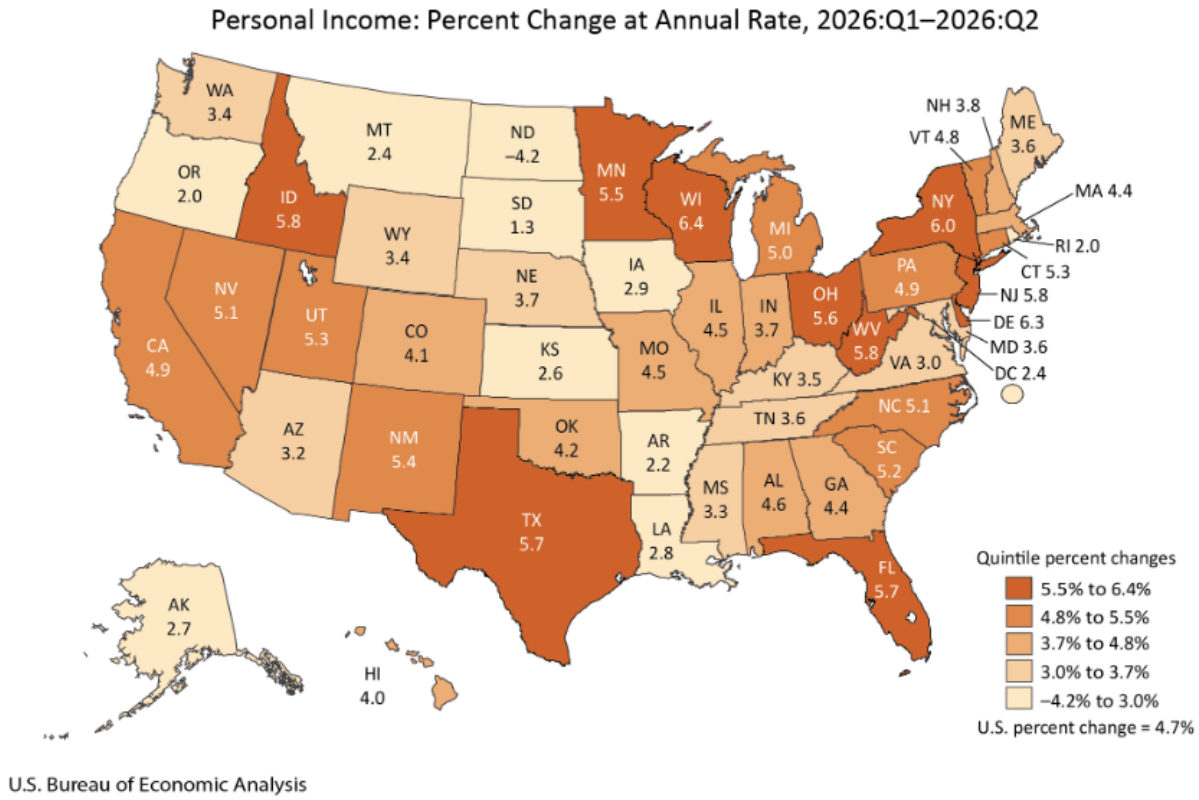




Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

WI Personal Income Grew 6.4% in 2nd Quarter

Fastest growth among the 50 states and D.C.



U.S. Bureau of Economic Analysis

In the second quarter of 2026, current-dollar personal income increased $314.3 billion in the U.S., or 4.7% at an annual rate. Personal income increased in 49 states and the District of Columbia, with the% change at an annual rate ranging from 6.4% in Wisconsin to –4.2% in North Dakota.

Earnings (compensation plus proprietors' income) increased in 48 states and the District of Columbia. The% change in earnings ranged from 7.3% in Minnesota to –9.3% in North Dakota.

Personal current transfer receipts increased in 48 states and declined in the District of Columbia. The% change in transfer receipts ranged from 13.0% in Wisconsin to –3.9% in Oregon.

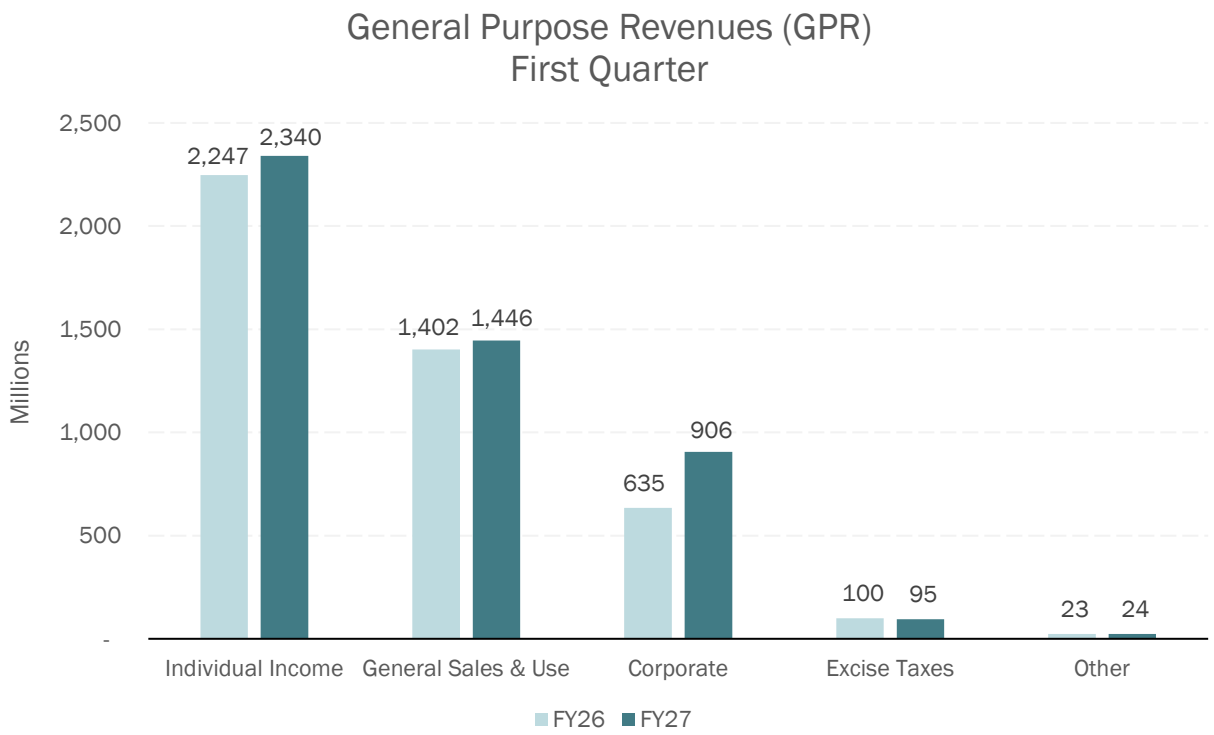
Property income (dividends, interest, and rent) increased in all 50 states and the District of Columbia. The% change ranged from 5.1% in Tennessee to 3.3% in Iowa.

Wisconsin's growth in transfer receipts was driven by an increase in Medicaid spending.

Wisconsin's wages and salaries increased 4.4% at an annual rate, up from 2.7% in the first quarter.

Compared to the prior year, Wisconsin's total personal income increased 4.8%, and wages and salaries increased 4.0%. Wages and salaries are the largest component of personal income and were 48.5% of total income in the second quarter of 2026.

First Quarter FY27 Revenues Jump on Strong Corporate Estimated Payments



Source: Wisconsin Department of Revenue

General purpose revenues (GPR) in the first quarter of fiscal year 2027 (FY27) increased by 9.2% to $4.8 billion, up from $4.4 billion in the first quarter of FY26.

Individual income tax payments, the largest component of GPR, increased 4.3% y/y (year-over-year) to $2.3 billion. Withholding receipts increased 6.1% y/y and individual estimated payments increased 0.4% y/y.

Sales tax receipts increased 3.1% y/y to $1.4 billion. Electricity and natural gas used for primary residences have been exempt from sales taxes starting Oct 1, 2025 in the summer months, negatively impacting sales tax revenues. (those types of sales were always exempt in the winter months but are newly exempt in the warmer months).

Corporate income tax receipts increased 42.7% y/y to $906 million in the first quarter of FY27. Corporate payments were driven higher by a 50.1% y/y increase in corporate estimated payments.

Excise tax payments fell 5.2% y/y, to $94.9 million in the first quarter of FY27, including a 5.3% y/y decline in cigarette tax payments.

Other tax types were up 3.5% y/y.

U.S. Updates

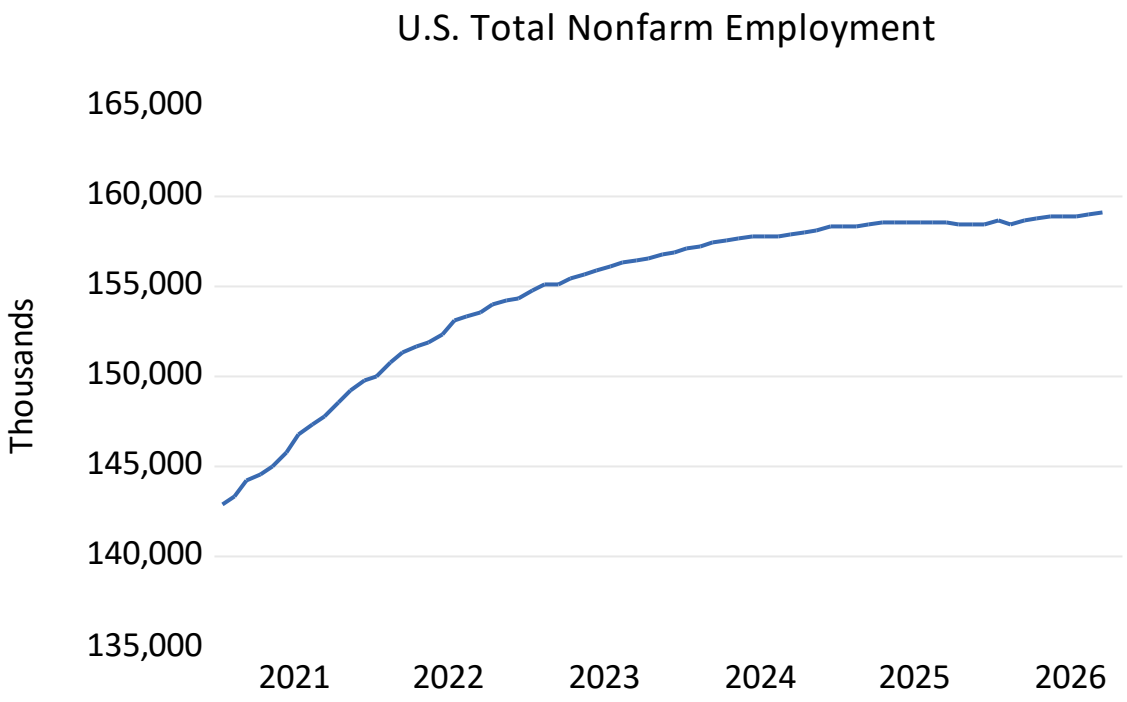
U.S. Employment

Consumer Price Index

Gas Prices

U.S. Employment Up by 29,000 in September

Unemployment rate at 4.2%



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

U.S. total nonfarm payroll employment increased by 29,000 in September, after a revised increase of 133,000 in August. The unemployment rate changed little at 4.2%.

Health care employment continued its upward trend in September (+17,000). In September, employment increased in ambulatory health care services (+13,000) and in hospitals (+12,000), while nursing and residential care facilities lost jobs (-9,000).

Employment in construction changed little in September (+11,000), with an increase in nonresidential specialty trade contractors (+12,000).

Manufacturing employment was little changed in September (+9,000) but is up by 72,000 since a recent low in December 2025. Over the month, employment increased in plastics and rubber products manufacturing (+5,000) and in machinery manufacturing (+5,000).

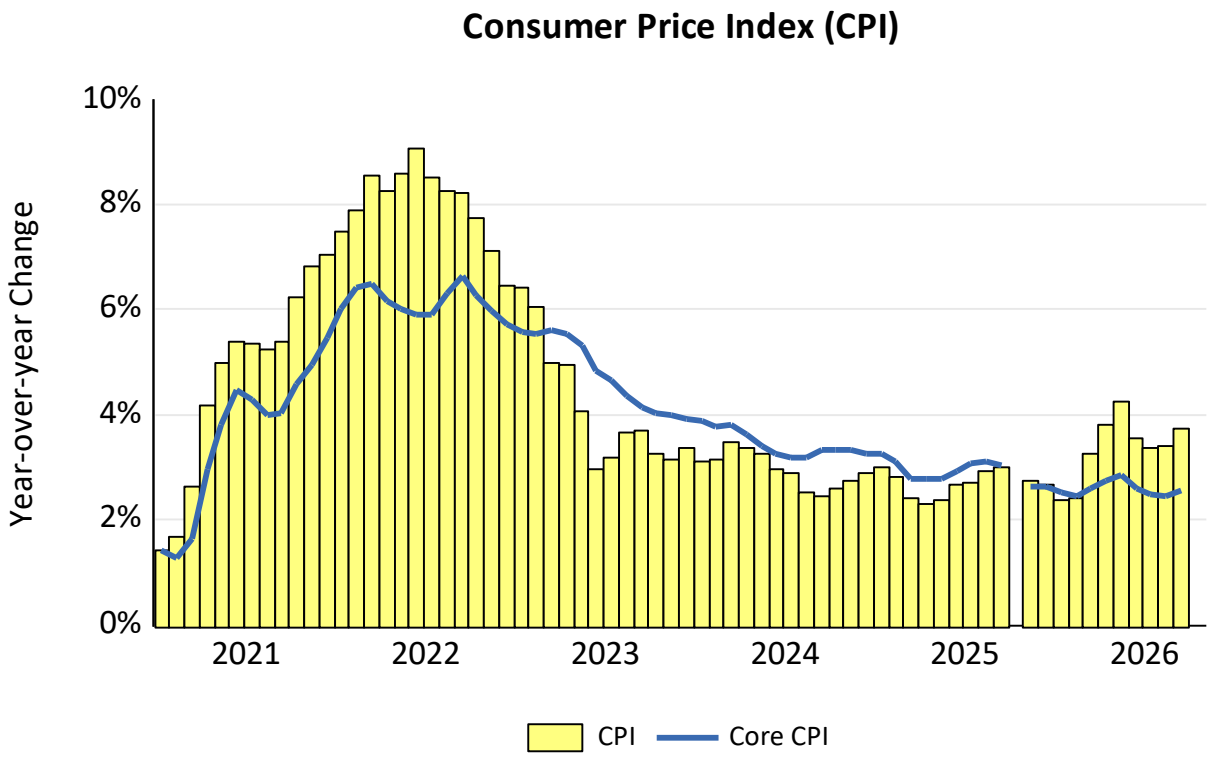
In September, financial activities employment was little changed (-7,000). Employment in financial activities is down by 129,000 since a recent peak in May 2025, with most of the job loss in insurance carriers and related activities (-90,000).

In September, average hourly earnings for all employees on private nonfarm payrolls edged up by 5 cents, or 0.1%, to $37.81. Over the past 12 months, average hourly earnings have increased by 3.0%, less than the increase in the overall price level. The average workweek for all employees on private nonfarm payrolls remained at 34.4 hours.

Employment in July and August were revised down a combined 60,000 lower than previously reported.

Consumer Prices Jumped 0.6% in September

Prices up 3.7% over past year



Source: U.S. Bureau of Labor Statistics

The Consumer Price Index (CPI) for All Urban Consumers (CPI-U) increased 0.6% on a seasonally adjusted basis in September after rising 0.4% in August, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the CPI increased 3.7% before seasonal adjustment.

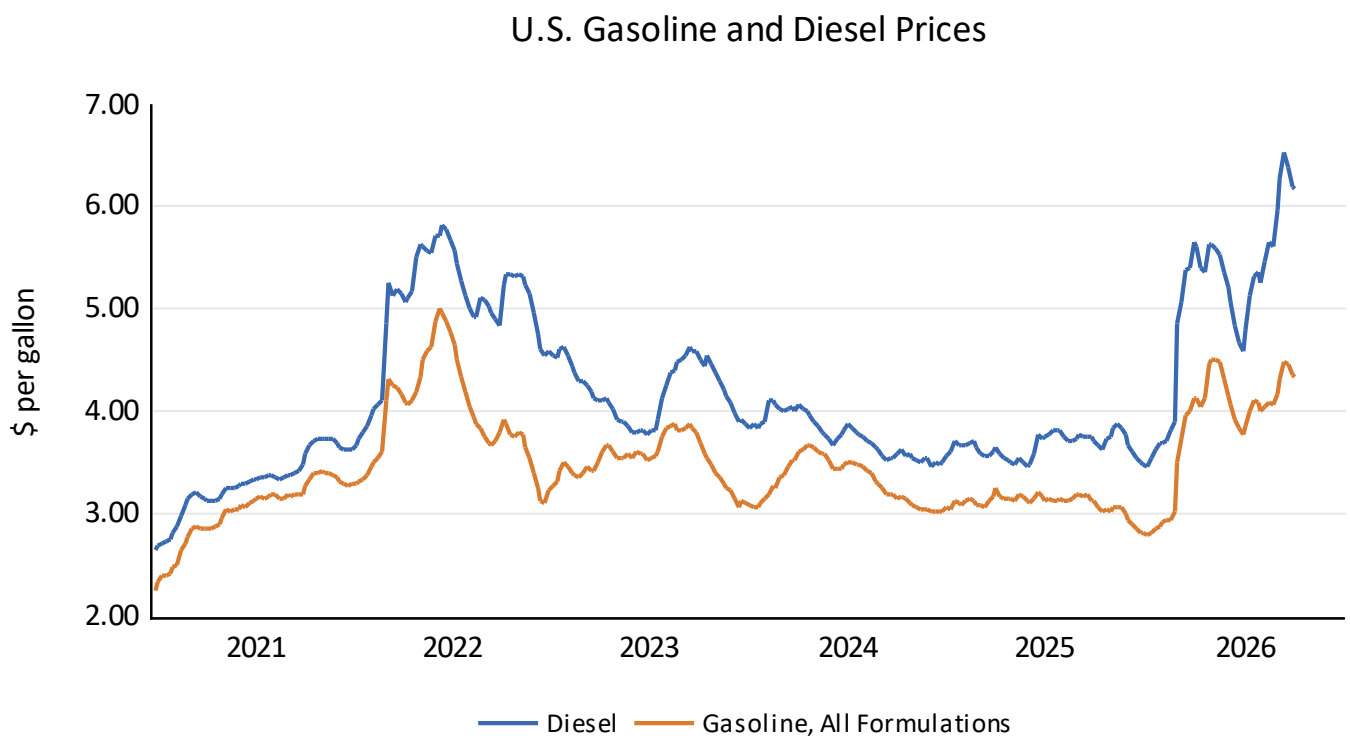
The index for gasoline rose 9.1% in September, accounting for over half of the monthly all items increase. The energy index increased 5.2% over the month following a 2.1% increase in August. The shelter index rose 0.4% in September after rising 0.3% in August. The index for food was unchanged in September, as the index for food away from home increased 0.2% and the index for food at home fell 0.1%.

The core index, which excludes food and energy, rose 0.3% in September, as it did in August. Indexes that increased over the month include recreation, used cars and trucks, education, airline fares, medical care, and apparel. Conversely, the index for communication was among the small number of major indexes that decreased in September.

The CPI rose 3.7% for the 12 months ending September, a larger increase than the 3.4% reported for August. The core index rose 2.6% over the year, following a 2.4% increase over the 12 months ending August. The energy index increased 20.4% for the 12 months ending September, while the food index increased 2.5% over the last year.

Gasoline Prices Still Elevated

Diesel prices hit new records



Source: U.S. Energy Information Administration

National diesel prices have inched lower over the past few weeks but are still elevated at $6.18/gallon. This is up from $3.67/gallon last year, an increase of 68.4%.

Regular gasoline prices are averaging $4.33/gallon, up from $3.06/gallon last year, an increase of 41.5%.

Prices in Wisconsin are below the national average, at $6.19/gallon for diesel and $4.11/gallon for regular gasoline, according the AAA's fuel price report.

The spread between the two types of fuel are due to damaged refineries in Russia and the Middle East, leading to a decline in the supply of diesel. In addition, China and other Asian markets are exporting less diesel, further restricting the supply.

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