

Monthly Economic Update

APRIL 2023, FEATURING MARCH NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

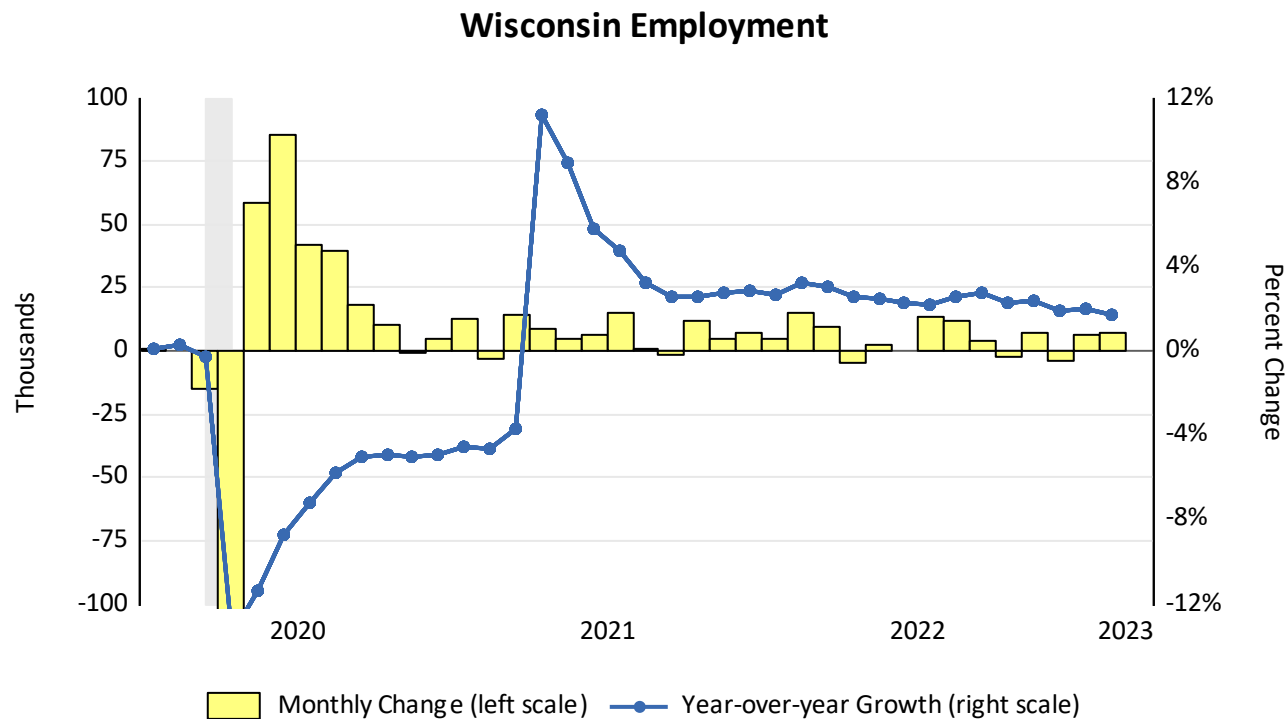
Wisconsin Updates

Employment

- Sectors
- MSAs

Personal Income

Wisconsin Employment Reached Pre-Pandemic Level in February



With the addition of 7,500 jobs in February, Wisconsin employment has passed pre-pandemic levels and reached a record-high number of jobs at 2,997,400.

Compared to February of last year, employment increased by 50,300, or 1.7%.

Jobs added in February include those in trade (+2,400), private education & health (+1,100), leisure & hospitality (+1,400) and government (+3,500).

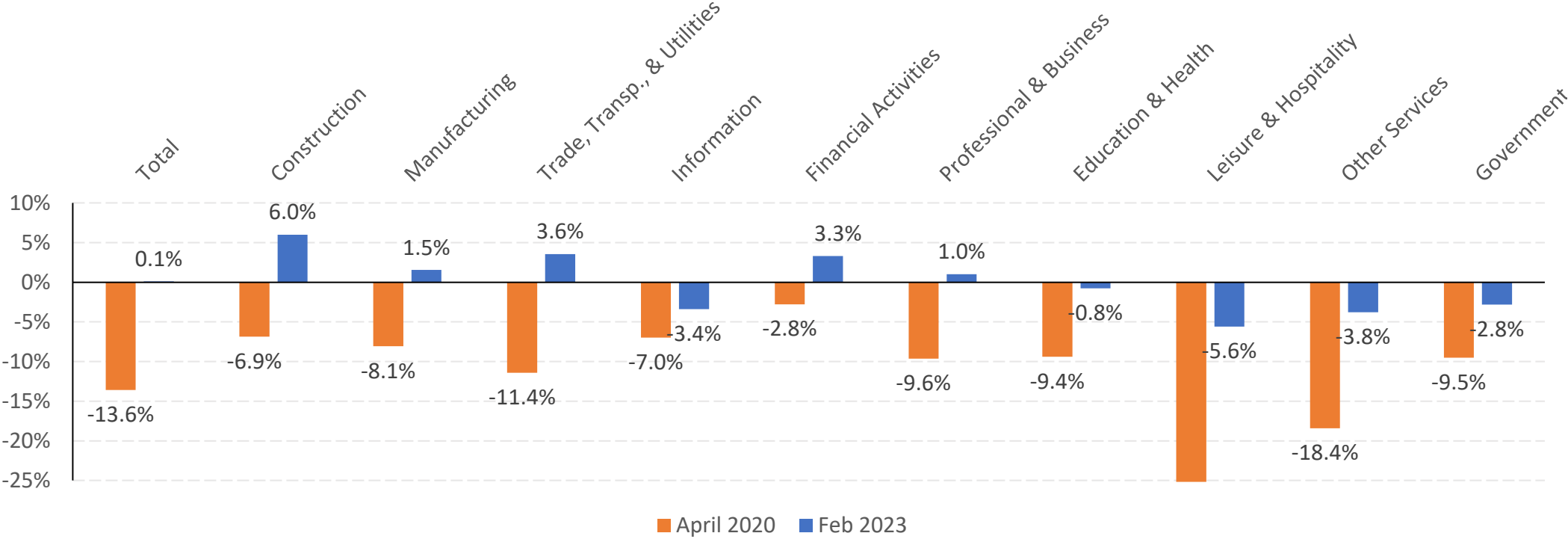
The unemployment rate declined 0.2 percentage point to a record-low 2.7%, compared to 3.6% at the national level.

Wisconsin's labor force participation rate remained at 64.5%, versus 62.5% for the nation.

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

Five Sectors Have Also Recovered to Pre-Pandemic Levels

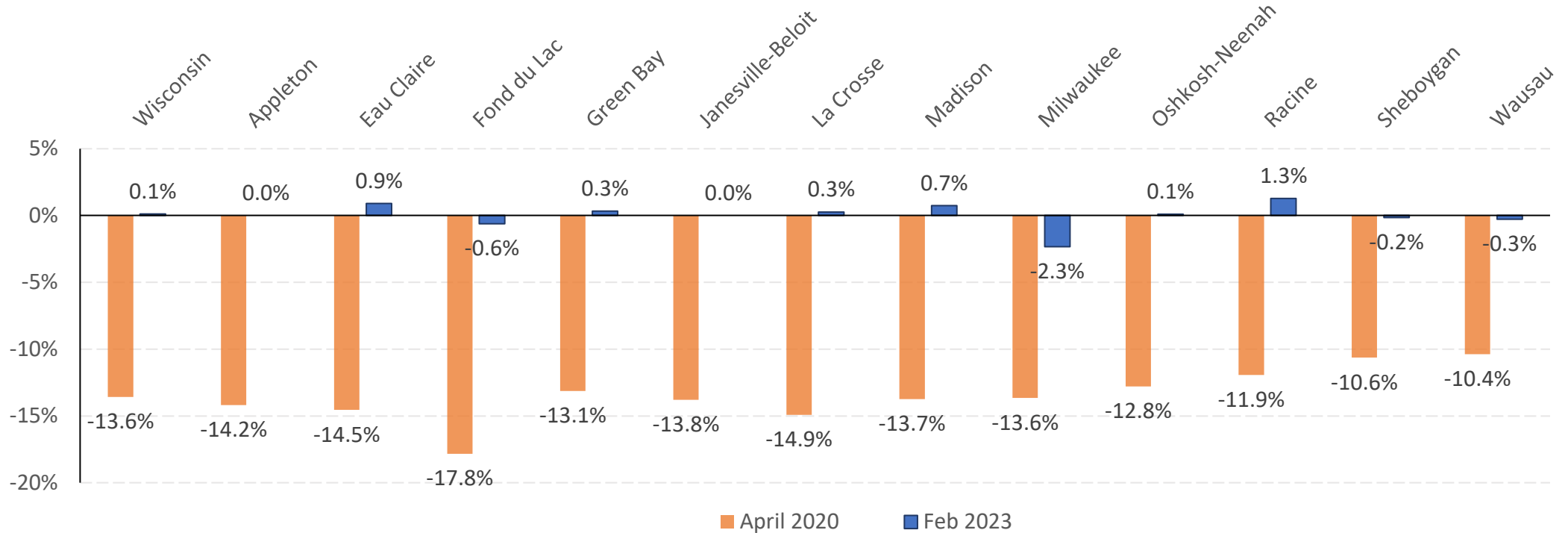
Percent Change in Wisconsin Employment Since February 2020



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

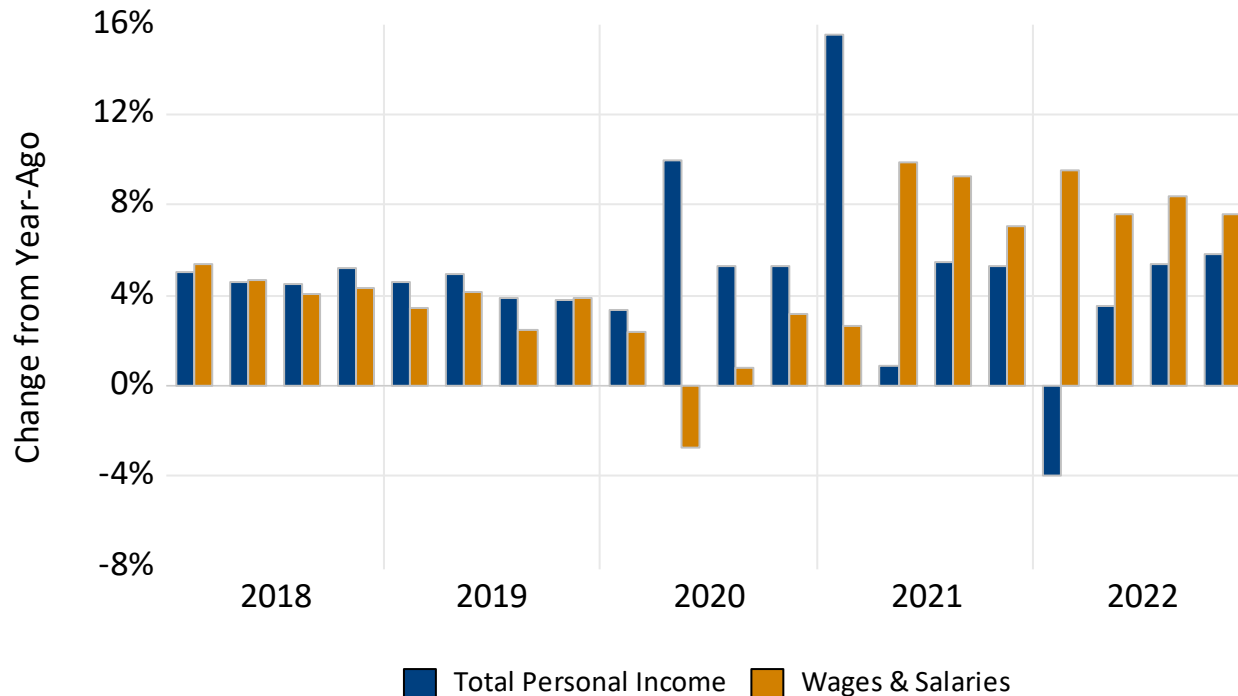
MSA Employment Has Returned To or Surpassed Pre-pandemic Levels in Eight MSAs

Percent Change in Employment Since February 2020



2022 Personal Income and Real GDP Growth

Wisconsin Personal Income and Wages



Wisconsin's total personal income increased 5.8% year-over-year (y/y) in the fourth quarter of 2022. Wages and salaries, which make up about half of total personal income, increased 7.6%.

For all of 2022, Wisconsin's income increased 2.6% y/y, while wages increased 8.2% y/y. Transfer receipts declined in 2022 as extended unemployment insurance benefits and other pandemic spending programs came to an end.

Personal income increased 2.4% y/y in the U.S. in 2022 and increased 1.7% y/y in the Great Lakes Region (which includes Wisconsin, Illinois, Indiana, Michigan, and Ohio). Wisconsin's personal income growth in 2022 ranked 28th in the nation and second in its region.

Real GDP in 2022 increased 1.7% y/y in Wisconsin, versus a 2.1% y/y increase at the national level. Wisconsin ranked 26th nationally in Real GDP growth in 2022.

Source: U.S. Bureau Economic Analysis

U.S. Updates

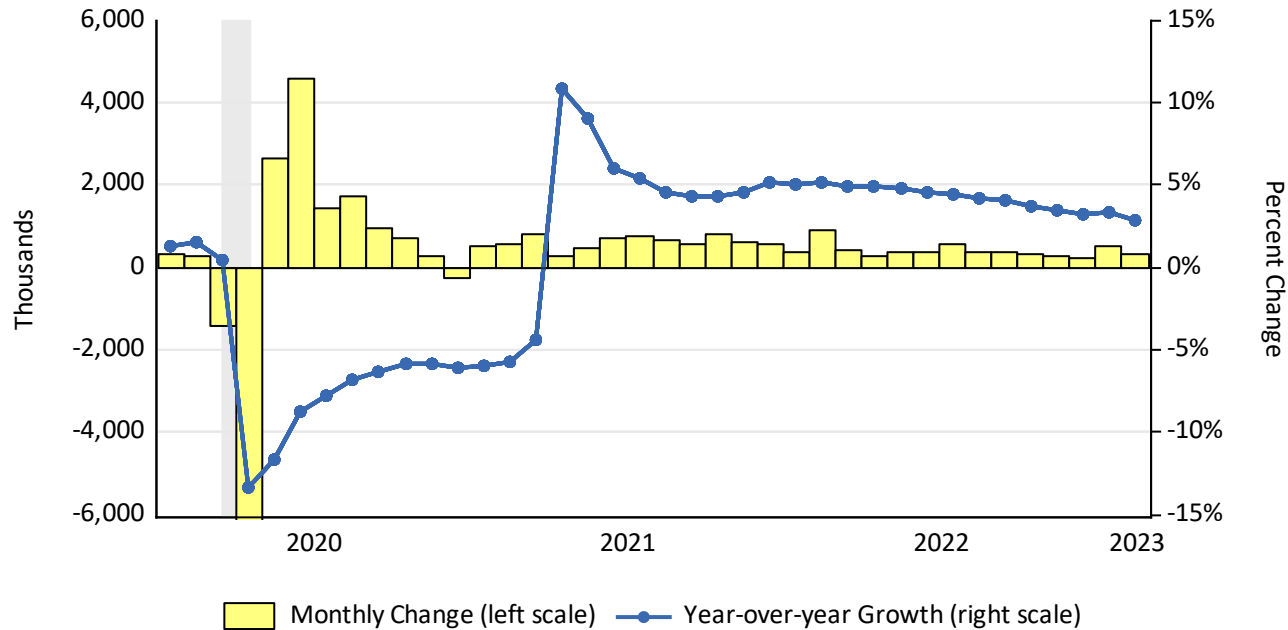
Employment

Inflation (CPI)

Consumer Sentiment

U.S. Employers Added 311,000 Jobs in February

National Employment



Source: U.S. Bureau of Labor Statistics, Monthly Employment Report

Total nonfarm payroll employment increased by 311,000 in February, compared with the average monthly gain of 343,000 over the prior 6 months. In February, notable job gains occurred in leisure and hospitality, retail trade, government, and health care. Employment declined in information and in transportation and warehousing.

Both the unemployment rate, at 3.6%, and the number of unemployed persons, at 5.9 million, edged up in February. These measures have shown little net movement since early 2022.

In February, the labor force participation rate was little changed at 62.5%, and the employment-population ratio held at 60.2%. These measures have also shown little movement since early 2022 and remain below their pre-pandemic February 2020 levels (63.3% and 61.1%, respectively).

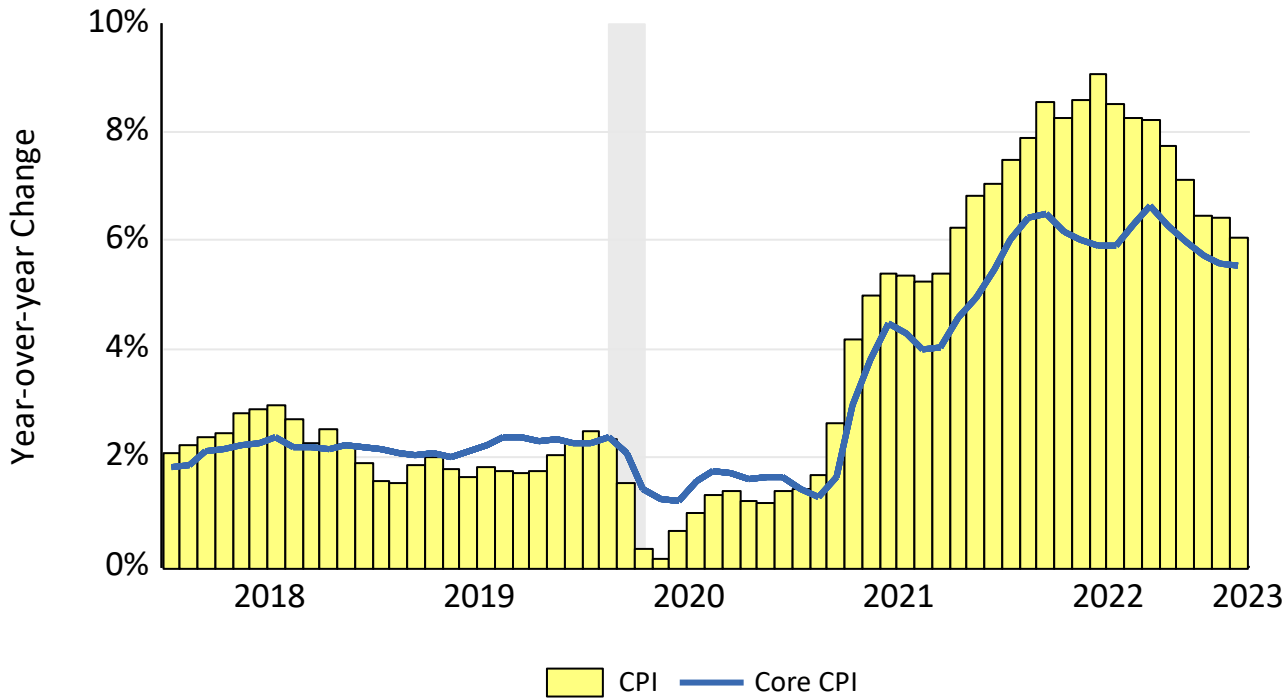
Leisure and hospitality added 105,000 jobs in February. Food services and drinking places added 70,000 jobs in February, and employment continued to trend up in accommodation (+14,000). Employment in leisure and hospitality is below its pre-pandemic February 2020 level by 410,000, or 2.4%.

Employment in retail trade rose by 50,000 in February, reflecting a gain in general merchandise retailers (+39,000). Retail trade employment has shown little change over the year.

Government employment increased by 46,000 in February. Employment in local government continued to trend up in February (+37,000). Overall, employment in government is below its pre-pandemic February 2020 level by 376,000, or 1.6%.

Annual Consumer Price Increases Slowed to 6.0% in February

Consumer Price Index (CPI)



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

The Consumer Price Index rose 0.4% in February on a seasonally adjusted basis, after increasing 0.5% in January. Over the last 12 months, the all-items index increased 6.0% before seasonal adjustment.

The index for shelter accounted for over 70% of the monthly increase, with the indexes for food, recreation, and household furnishings and operations also contributing. The food index increased 0.4% over the month with the food at home index rising 0.3%. The energy index decreased 0.6% over the month as the natural gas and fuel oil indexes both declined.

The index for all items less food and energy rose 0.5% in February, after rising 0.4% in January. Categories which increased in February include shelter, recreation, household furnishings and operations, and airline fares. The index for used cars and trucks and the index for medical care were among those that decreased over the month.

The all-items index increased 6.0% for the 12 months ending February; this was the smallest 12-month increase since the period ending September 2021. The all items less food and energy index rose 5.5% over the last 12 months, its smallest 12-month increase since December 2021. The energy index increased 5.2% for the 12 months ending February, and the food index increased 9.5% over the last year.

Consumer Sentiment Fell in March

Consumer Sentiment - Michigan Survey



Source: University of Michigan, Surveys of Consumers

After rising for four months, consumer sentiment from the University of Michigan survey fell four percentage points, from 67.0 in February to 63.0 in March. It remains above its year-ago reading of 59.4 in March 2022.

The survey noted that the turmoil surrounding the collapse of Silicon Valley Bank was not a significant contributor to the decline. Rather, consumers are increasingly convinced an economic downturn is approaching and are lowering their expectations as a result.

The Index of Current Conditions fell from 70.7 to 66.3, while the Index of Consumer Expectations fell further, from 64.7 to 59.2%.

Declines in consumer sentiment were spread across all demographic groups but were sharpest among lower-income, less educated, and younger consumers.

Declines were also sharper in those with higher amounts of stock holdings.

Year-ahead inflation expectations fell to 4.1%, their lowest levels since April 2021.

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doreconomists@wisconsin.gov

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