

Monthly Economic Update

**DECEMBER 2021, FEATURING NOVEMBER NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE**

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

Wisconsin Updates

Employment

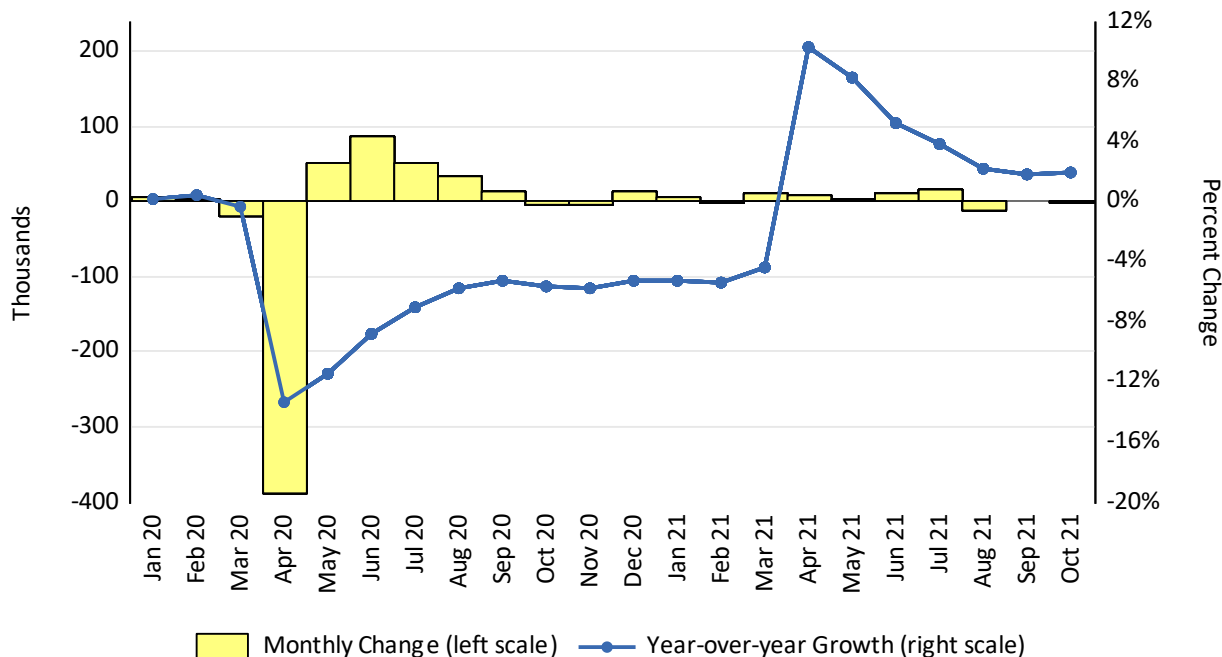
- Industry Detail

Housing Permits

Exports

WI Employment Declined in October

Wisconsin Employment



Total nonfarm employment in Wisconsin declined by 1,000 in October, after adding a revised 1,400 jobs in September. Meanwhile, national employment rose by 531,000 in October.

October employment was 4.0% below February 2020 levels, a decline of 121,000, versus a drop of 2.8% nationally. By sector, Wisconsin employment is down by 28,500 in education and health, down 35,500 in leisure & hospitality, and down 28,700 in government.

Private employment added 2,000 jobs while government employment declined by 3,000.

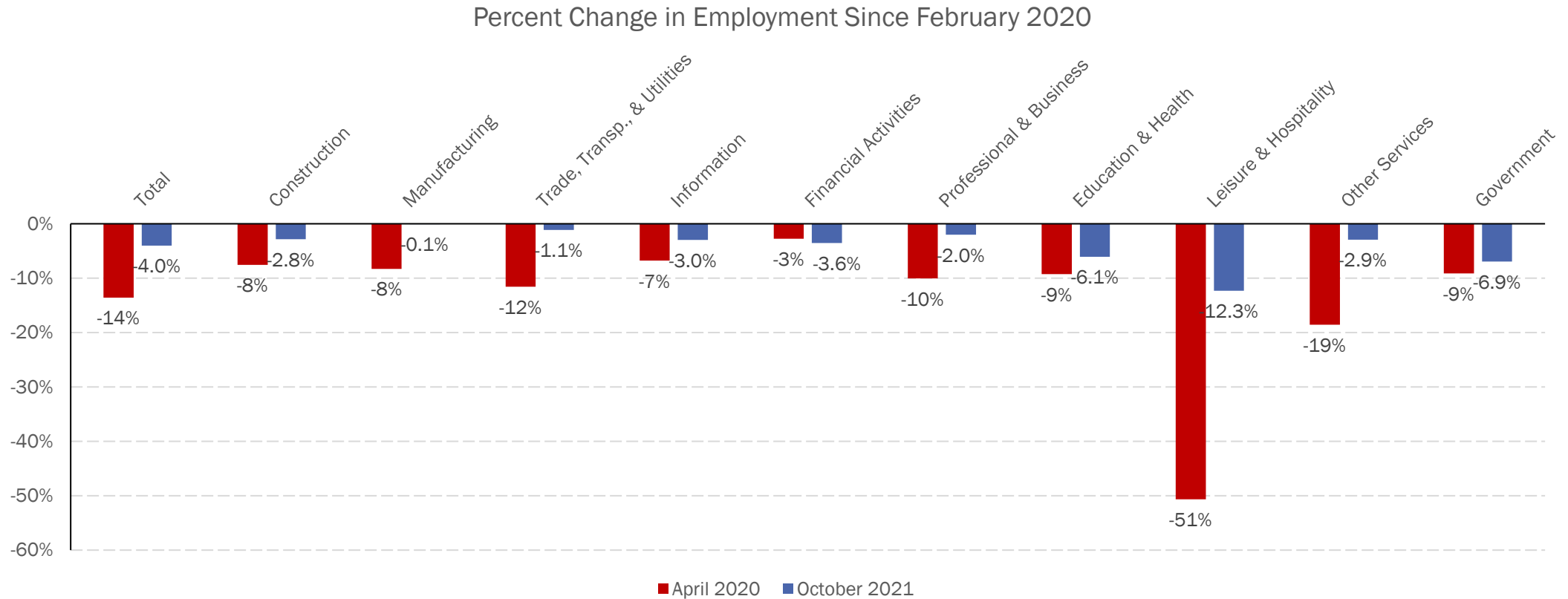
Within the private sector, the leisure and hospitality sector added 7,800 jobs, while manufacturing added 900.

Education and health services employment declined by 4,400 – mostly in healthcare & social assistance. Professional and business services declined by 1,100 and trade, transportation, and warehousing lost 900 jobs.

The unemployment rate was 3.2% in October, following a revised 3.4% in September.

Source: US Bureau of Labor Statistics, Current Employment Statistics Program.

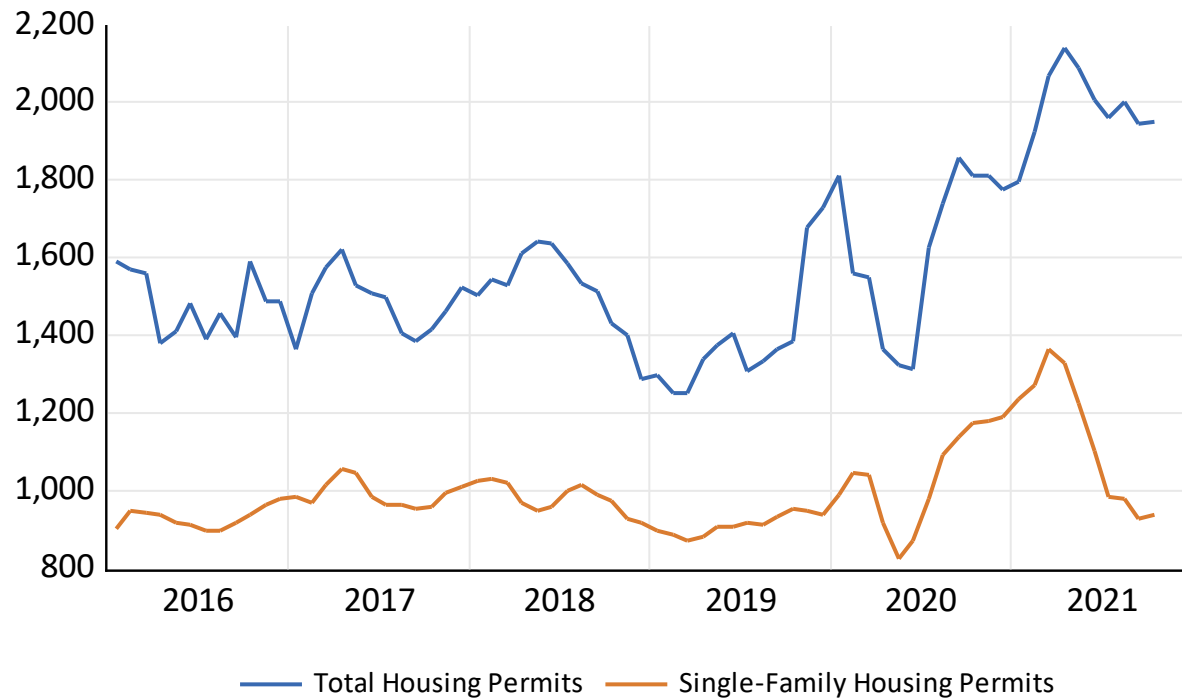
Employment Detail: Recovery Continues Across Wisconsin's Industries



Source: US Bureau of Labor Statistics, Current Employment Statistics Program.

Wisconsin Housing Permits Up in First Ten Months of 2021

Wisconsin Housing Permits, 3-month Moving Average



Source: US Census Bureau

Wisconsin housing permits have increased 25.3% year-over-year (y/y) through the first ten months of 2021.

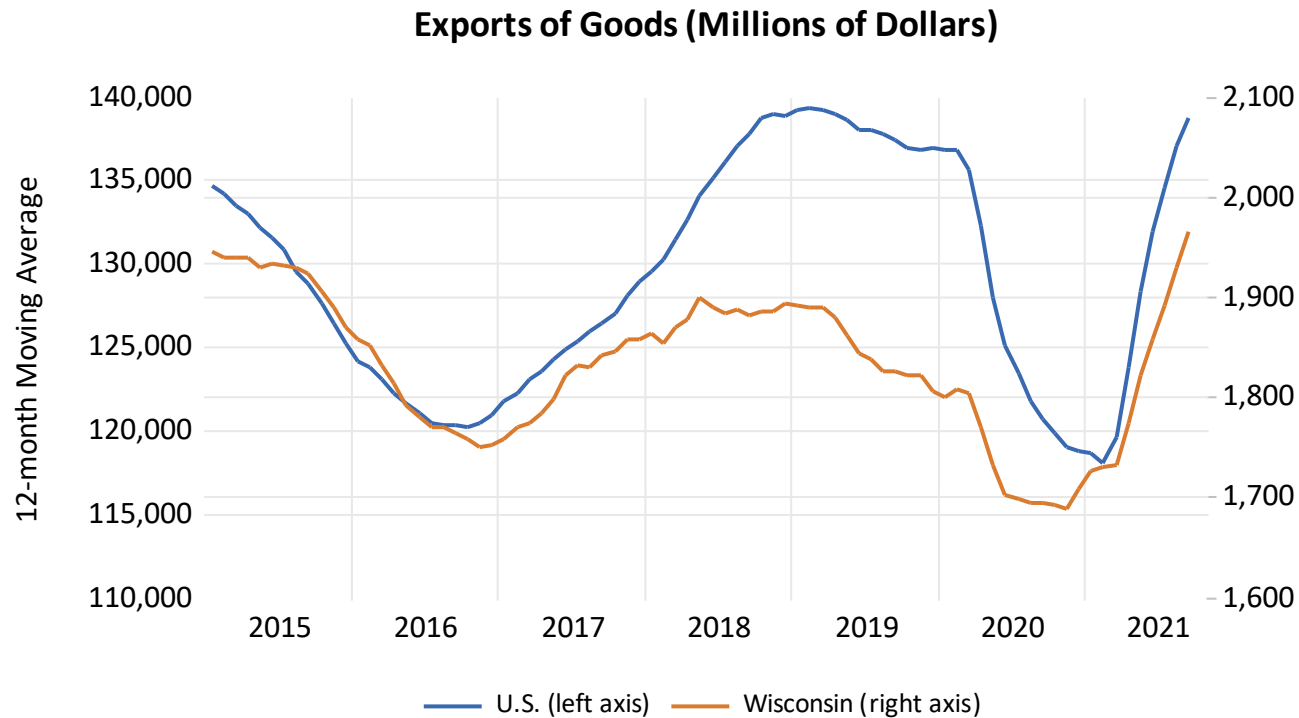
Most of this increase is from multi-unit structures, which have seen a 58.4% y/y increase.

Single-family housing permits have increased 7.2% y/y during the January-October period.

Wisconsin housing permits increased 12.9% in 2020 after declining 3.5% in 2019 and 0.4% in 2018.

Single-family permits increased 16.2% last year, after declining 5.9% in 2019 and 2.3% in 2018.

Exports Increased in First Three Quarters of 2021



Wisconsin's exports of goods have increased 20.6% over the first nine months of 2021.

Over the same period, US goods exports are up 23.2%.

Wisconsin's exports to Canada, its largest trading partner, also increased 20.6%, while exports to Mexico increased 25.1%. Exports to China from Wisconsin increased 13.5%.

Exports of machinery from Wisconsin increased 22.2% during the first nine months, while chemicals, Wisconsin's second largest export product, increased 85.3%.

At the same time, Wisconsin exports of computer and electronic products declined 5.3%.

Growth for both Wisconsin and the US peaked in the second quarter, with increases of 34.8% and 50.7%, respectively.

Third-quarter exports increased 24.5% in Wisconsin and 23.4% in the US.

Source: US Office of Trade and Economic Analysis, Industry and Analysis, International Trade Administration, U.S. Department of Commerce.

US Updates

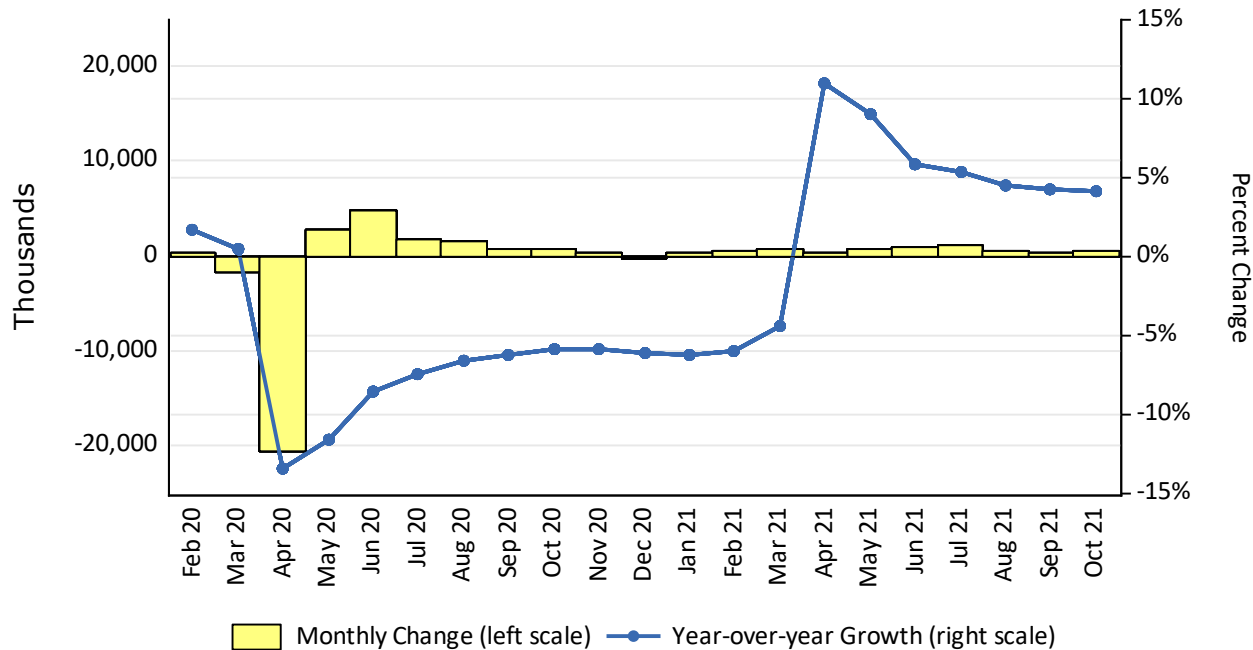
Employment

Inflation (CPI)

Consumer Sentiment

US Employment Rose 531,000 in October

National Employment



Source: US Bureau of Labor Statistics, Current Employment Statistics Program.

Nonfarm payroll employment rose 531,000 in October and the unemployment rate declined 0.2 percentage point to 4.6%.

Combined with upward revisions to payroll gains for prior months, these developments reveal a labor market on a solid footing heading into the fourth quarter.

Notable employment gains included leisure and hospitality (164,000), professional and business services (100,000), manufacturing (60,000), and transportation and warehousing (54,000).

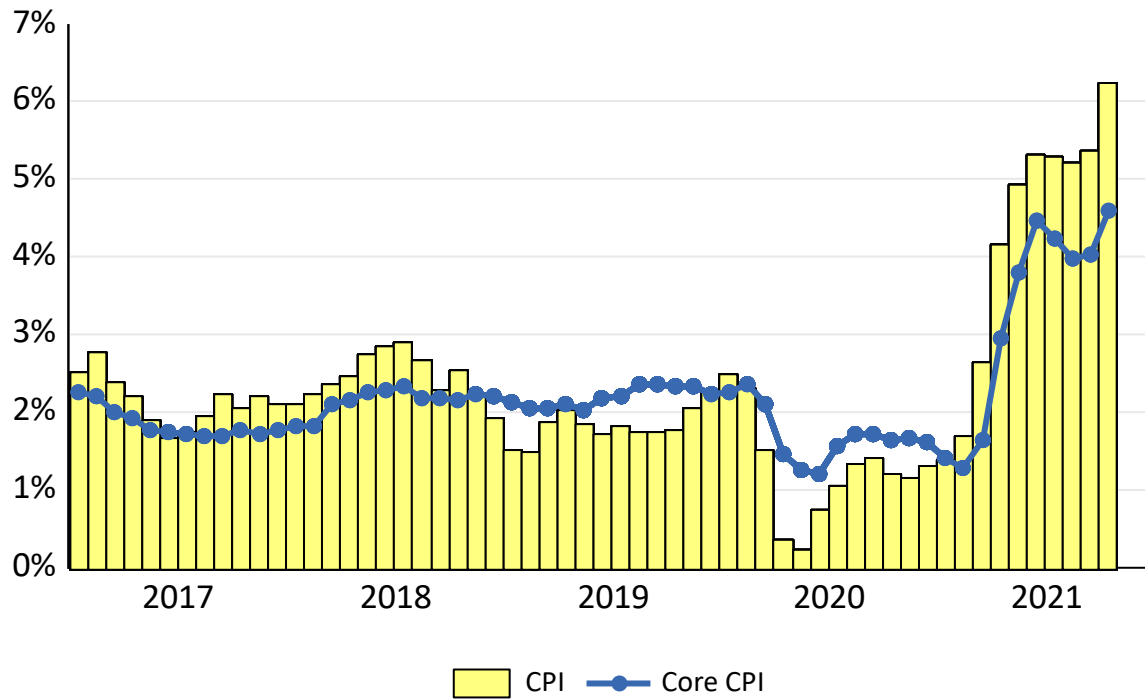
Payroll employment remains 4.2 million below the February 2020 level.

As of August, there were considerably more job openings than job seekers, and the labor-force participation rate has barely moved since spring. At some point, continued robust job growth will likely require a rising labor-force participation rate.

Average hourly earnings rose 0.4%, while the average workweek slipped 0.1 hour to 34.7 hours.

Consumer Prices Increased 0.9% in October

Consumer Price Index (CPI)



Source: US Bureau of Labor Statistics, Consumer Price Index

The Consumer Price Index (CPI) rose 0.9% in October following a 0.4% increase in September. The core CPI, which excludes food and energy, rose 0.6% in October after a 0.2% increase in September. The headline CPI was boosted by price increases for food (0.9%) and energy (4.8%).

The rise in consumer prices in October was broad based. Notable increases occurred for used vehicles (2.5%), new vehicles (1.4%), and shelter (0.5%). The price of new vehicles rose for the seventh consecutive month and is up 10.1% since February.

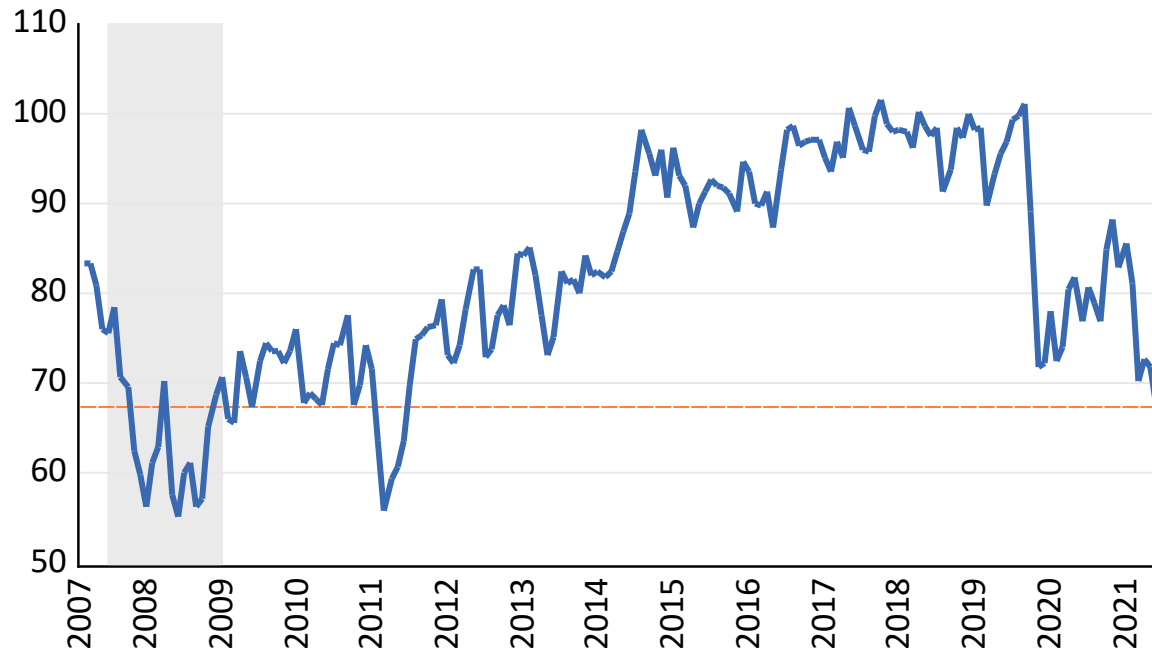
Used car prices increased in October following two months of declines.

Rent inflation is starting to pick up, as the recent surge in house prices is translating into higher rents. Owners' equivalent rent (OER) rose 0.4% for the second consecutive month. Rent of primary residence (RPR) rose 0.4% in October after increasing 0.5% in September, the largest increase in two decades.

The twelve-month change in the overall CPI increased to 6.2%, the highest reading since November 1990. The twelve-month change in core CPI increased to 4.6%, the highest reading since August 1991.

Consumer Sentiment Fell to a Decade Low as Inflation Worries Intensified

Consumer Sentiment - Michigan Survey



Source: University of Michigan, Surveys of Consumers

The University of Michigan Consumer Sentiment Index sank 4.3 points from its October level to 67.4 in the final November reading—its lowest level in a decade.

The present situation index fell 4.1 points to 73.6 and the expectations index declined 4.4 points to 63.5.

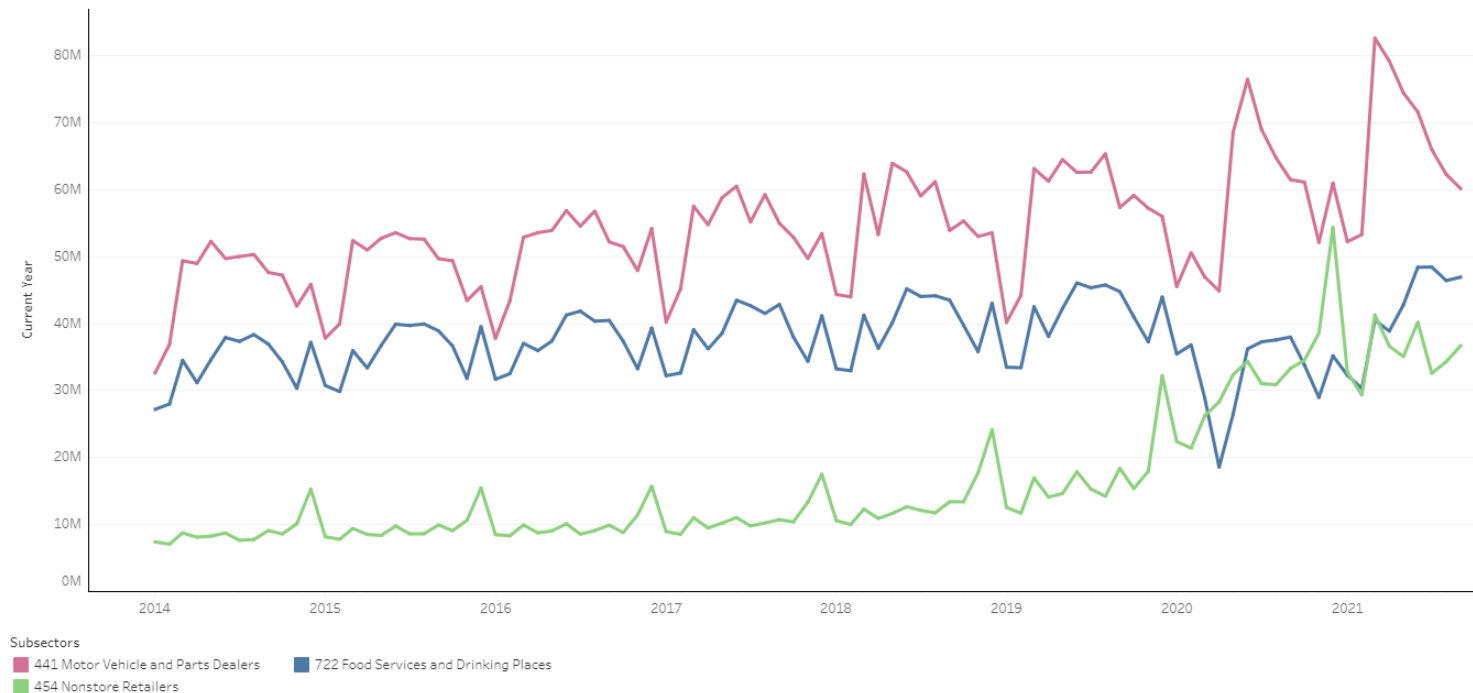
Households in the bottom half of the income distribution were exclusively responsible for the decline in sentiment.

Elevated inflation remains the foremost drag on sentiment. According to the report, one in four consumers cited inflationary erosions of their living standards in November, more than double the proportion from six months earlier. The 12-month change in the consumer price index (CPI) in October was the fastest since 1990 at 6.2%, with highly visible consumer prices, such as those for gasoline and food, rising at even sharper rates.

The indexes of buying conditions for large household durable goods, automobiles, and homes were all starkly lower due to rising prices.

Explore Our Interactive Data!

State Sales and Use Tax 2014-



DOR's Division of Research and Policy displays sales and use tax revenues by industry and county.

To the left is one view of the data. More detail can be found at [Monthly State and County Sales and Use Tax | Tableau Public](#).

You can check out our other visualizations on a range of Wisconsin tax and economic data at [DOR Interactive Data Visualizations \(wi.gov\)](#).

Questions: doreconomists@wisconsin.gov

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