

Most bank CEOs expect state economy to weaken in next six months

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Nearly three quarters of Wisconsin bank CEOs included in a recent survey expect the state's economy to weaken in the next six months.

The Wisconsin Bankers Association's biannual Economic Conditions Survey found 72 percent of responding bank executives have a negative outlook on the state's economy for the first half of 2023, while 28 percent expect no change. None of the respondents expect the state economy to improve over the next six months.

And while 75 percent of these CEOs say Wisconsin's economy is currently good or excellent, 87 percent expect a recession is likely or very likely to occur in the next six months.

"With the likelihood of a recession in the coming year looming, banks are standing ready to help their customers and communities through," WBA President and CEO Rose Oswald Poels said in a statement.

Meanwhile, 51 percent of respondents expect inflation to fall in the next six months, while 24 percent expect it to rise and 25 percent expect it to stay the same.

Bank CEOs pointed to high employment levels, strong consumer spending, the housing market and business growth in manufacturing, agriculture and service/tourism sectors as "economic bright spots" for the state.

But they also highlighted a number of concerns including inflation, the likelihood of recession, rising interest rates leading to slowed loan growth and borrowers struggling to repay loans, the workforce shortage, cybersecurity challenges and a lack of child care options.

The survey was conducted Nov. 15-30 with 71 respondents.

See the full survey results: <https://www.wisbank.com/22survey/>

-By Alex Moe