

Personal income growth in Wisconsin projected to lag national rate

Posted on Monday, Jun 13, 2022

The state Department of Revenue predicts personal income growth in Wisconsin will lag the national rate this year and the next.

That's according to the latest economic forecast report from DOR, which shows personal income in Wisconsin is expected to rise 2.3 percent this year and 4.8 percent in 2023. That's compared to 2.7 percent this year and 5 percent next year at the national level.

But when adjusted for rising prices, real personal income in Wisconsin is forecasted to fall 3.3 percent this year before rising 2.2 percent in 2023, the report shows.

Meanwhile, the agency says the tight labor market and inflation will "keep wage growth strong" this year. Wage and salary income this year is expected to see growth of 8.2 percent in the state and 9.4 percent nationwide.

"However, inflation is biting into those wage gains, leaving workers with real wage income growth in the range of 2% to 3%," report authors wrote.

Drawing on federal data from the Bureau of Labor Statistics, the report shows total employment grew 2.1 percent in Wisconsin and 2.8 percent nationwide during 2021. And over the first four months of this year, employment in the state increased 2 percent year-over-year, falling behind the national rate of 4.6 percent.

State employment is projected to increase 2.3 percent this year and 1.1 percent next year, “reaching its pre-pandemic levels of employment by the third quarter of 2023.”

DOR’s report shows Wisconsin’s service sector “continues its strong recovery” after employment in leisure and hospitality fell 20.8 percent in 2020. It then rose 10.2 percent last year, and is expected to increase another 11.3 percent this year, per the report.

And while employment in the trade, transportation and utility sector has “recovered its pre-recession employment level” in the third quarter of 2021 both in Wisconsin and nationally, the education and health services sector has yet to do so.

By comparison, manufacturing and construction in the state has “fared better during the decline and the recovery,” report authors note, with continued growth projected for this year.

See the report: <https://www.revenue.wi.gov/dorreports/2022-05-wi-forecast.pdf>

-By Alex Moe