

Wisconsin Manufacturers and Commerce: SURVEY: Employers plan significant wage hikes in response to workforce shortage

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MADISON – A new survey of Wisconsin businesses found that 88 percent of them are struggling to hire, and the workforce shortage is leading to even higher wage increases than last year. According to the Wisconsin Employer Survey, more than eight in 10 companies plan to raise wages by three percent or more in 2022.

More notably, 34 percent of businesses surveyed said they plan to raise wages by more than four percent in 2022. That is a jump from the roughly one-quarter of businesses who said they would raise wages by more than four percent in the Summer 2021 edition of this survey – and far greater than the nine percent who responded the same one year ago.

Wisconsin Manufacturers & Commerce (WMC) — the combined state chamber and manufacturers' association — conducted the survey over the last three weeks of January on a variety of topics. On Monday, WMC released data focused specifically on the economy.

“Wages are rising much faster than they have in recent memory,” said WMC President & CEO Kurt R. Bauer. “Wisconsin does not have enough people to fill the jobs we have available, and that creates an aggressive competition for talent. We are seeing wages rise at a faster rate, sign-on bonuses, work flexibility and many other strategies from companies to attract and retain talent.”

While the Wisconsin Employer Survey revealed significant wage hikes are expected

in 2022 – a sign of a strong economy – it also showed business confidence has dipped over the last six months.

Fifty-three percent of businesses rate the state economy as strong, which is five points lower than the Summer 2021 survey. Looking to the national economy, 39 percent of employers rated it as strong – a drop from 53 percent six months ago.

When asked how the Wisconsin economy will perform over the next six months, 65 percent expect good or moderate growth and one-third say it will remain flat. In the Summer 2021 survey, only 13 percent said the economy would remain flat and more than eight in 10 businesses expected good or moderate growth.

In another sign of waning confidence, most Wisconsin businesses (68%) still think they will increase their employee count in the next six months, but that is a drop from 79 percent this past summer.

“Wisconsin’s business community is cautiously optimistic about the economy moving forward,” added Bauer. “While employers are still confident in their own businesses, historic inflation, supply chain challenges and a persistent workforce shortage are clearly impacting their outlook in 2022.”

The Wisconsin Employer Survey is conducted twice a year by WMC. The assessment provides a snapshot of where Wisconsin’s employers stand on a number of important issues and outlines their economic outlook for both Wisconsin and the United States. For the Winter 2022 edition, WMC surveyed 265 employers that make up a representative sample of its membership. Businesses of all sizes, industries and geographic locations in Wisconsin participated.

The survey will be released in three separate reports on topics including: the economy; supply chain and inflation; and state and federal public policies.

Click here to download the entire [Wisconsin Employer Survey – Winter 2022](#) report on the economy.