

# Wage and salary growth expected to slow this year, the next

Posted on Monday, Jun 12, 2023

Wage and salary growth in Wisconsin is expected to slow this year and the next, according to the latest Department of Revenue economic forecast.

After wages and salaries in the state grew 8.2 percent last year, they're expected to rise 6.6 percent this year and 3.6 percent in 2024. At the national level, those figures are 9.1 percent, 6.5 percent and 4 percent, respectively.

"Slower economic and employment growth along with lower inflation are behind the predicted slowdown of wages and salaries as a response to the Fed's policy of higher rates," report authors wrote.

Meanwhile, total nonfarm employment in Wisconsin is expected to rise 1.5 percent this year before falling 0.2 percent in 2024. This year's job gains will likely be driven largely by education and health services, leisure and hospitality, state and local government, and manufacturing.

State unemployment hit a record low point of 2.4 percent in April, when employment in five sectors reached pre-pandemic levels, the report shows. But DOR notes the other five main sectors remain below those levels: leisure and hospitality, down 5.5 percent; government, down 2.8 percent; education and health services, down 1 percent; other services, down 2.2 percent; and information, down 4 percent.

The report also includes projections for nominal personal income growth, expected to hit 4.8 percent this year and 3.7 percent in 2024. Adjusted for inflation, those figures would be 0.8 percent for 2023 and 1.1 percent for 2024.

See the full report: <https://www.revenue.wi.gov/dorreports/2023-05-wi-forecast.pdf>