

Monthly Economic Update

AUGUST 2021, FEATURING JULY NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

Employment

- State and MSA

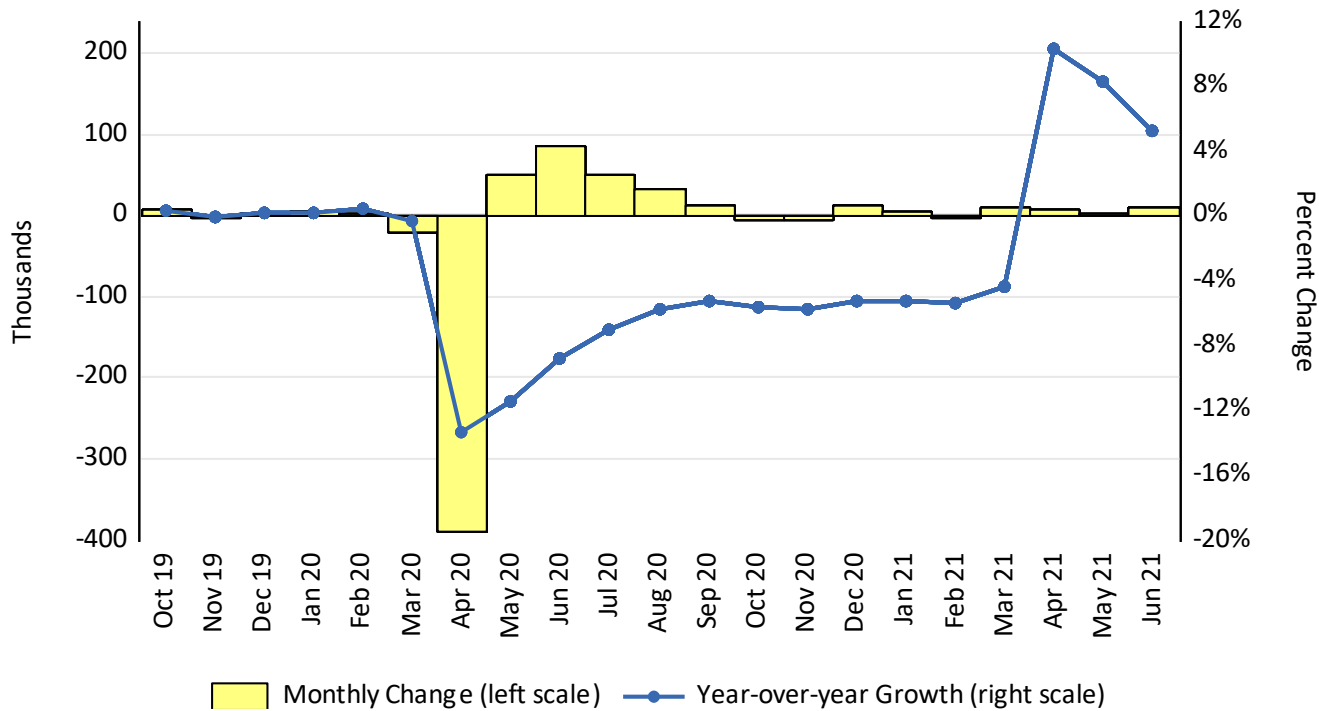
Personal Income

Exports

Farm Prices

Wisconsin Added 10,700 Jobs in June

Wisconsin Employment



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

Nonfarm payroll employment rose 10,700 in June, after gaining 4,100 in May.

In June, nonfarm payroll employment was up by 281,500 since April 2020 but is down by 126,300, or 4.2%, from its pre-pandemic level in February 2020.

Wisconsin private jobs rose by 8,400 from May, with education services accounting for 37% of that gain.

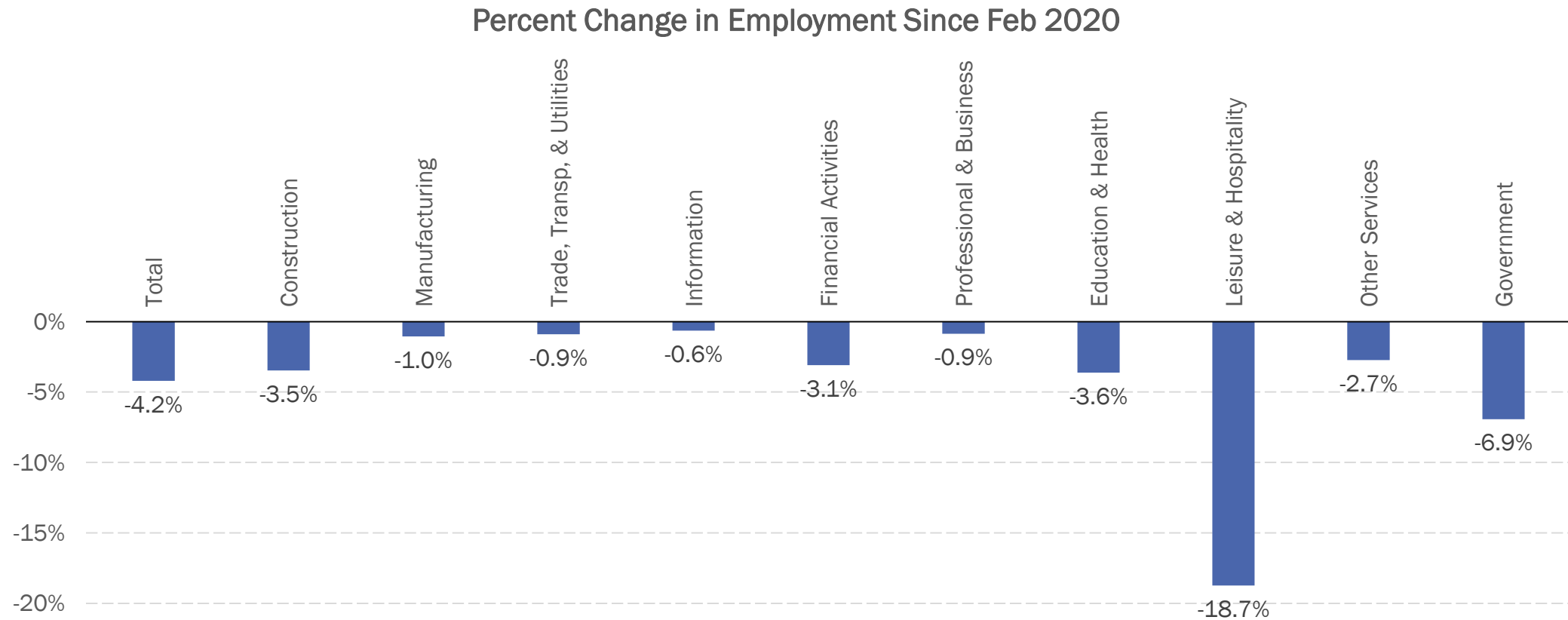
Leisure and hospitality was the big winner of the month at the national level, but it lost 800 jobs in Wisconsin. The gain of 2,100 jobs in accommodations and food was not enough to offset the loss of 2,900 jobs in arts, entertainment and recreation.

Construction lost 1,200 jobs, after shedding 2,100 jobs in May.

Total manufacturing added 700 jobs. Durable goods added 1,500 jobs while non-durable good lost 800 jobs.

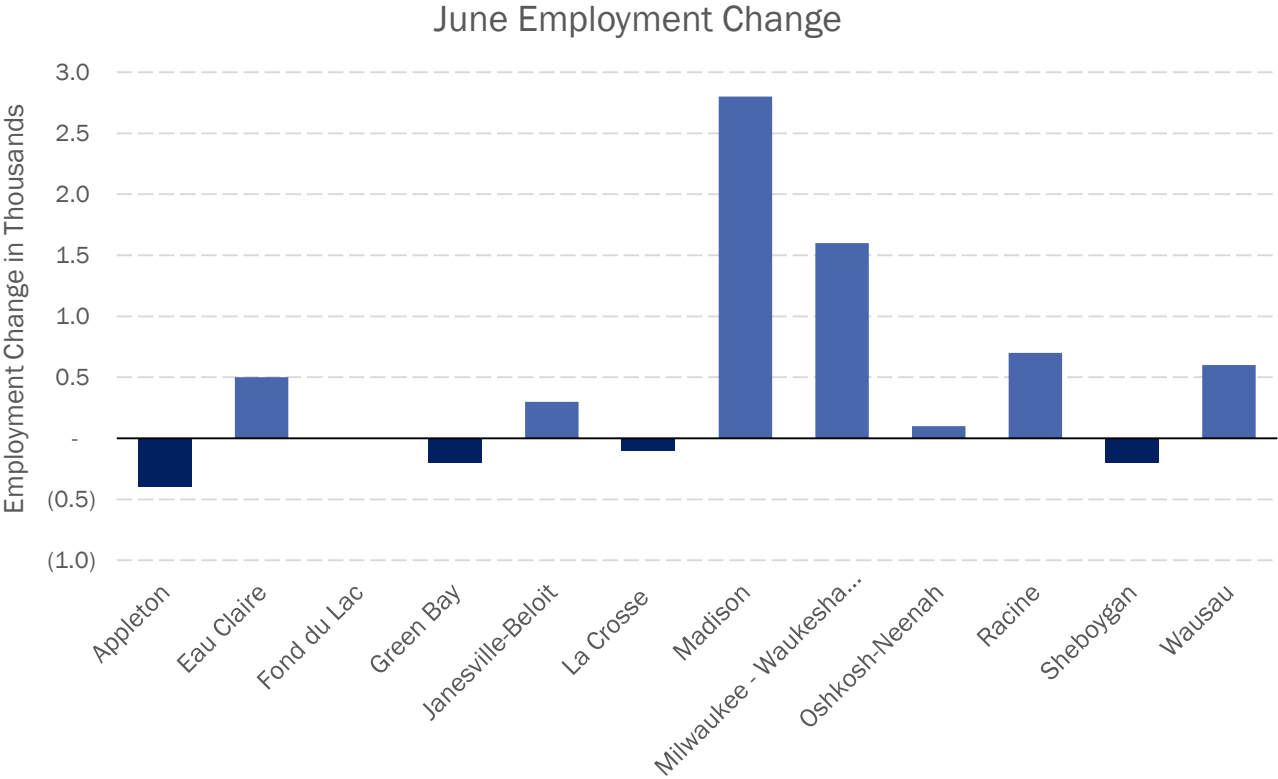
The unemployment rate stayed at 3.9%. The labor-force participation rate increased from 66.1 to 66.3%.

Wisconsin Employment Detail: Four Sectors Near Pre-pandemic Peak



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

Employment Up in Eight of Wisconsin's MSAs



Wisconsin added 10,700 jobs in June. Eight of Wisconsin's 12 MSAs also added new jobs.

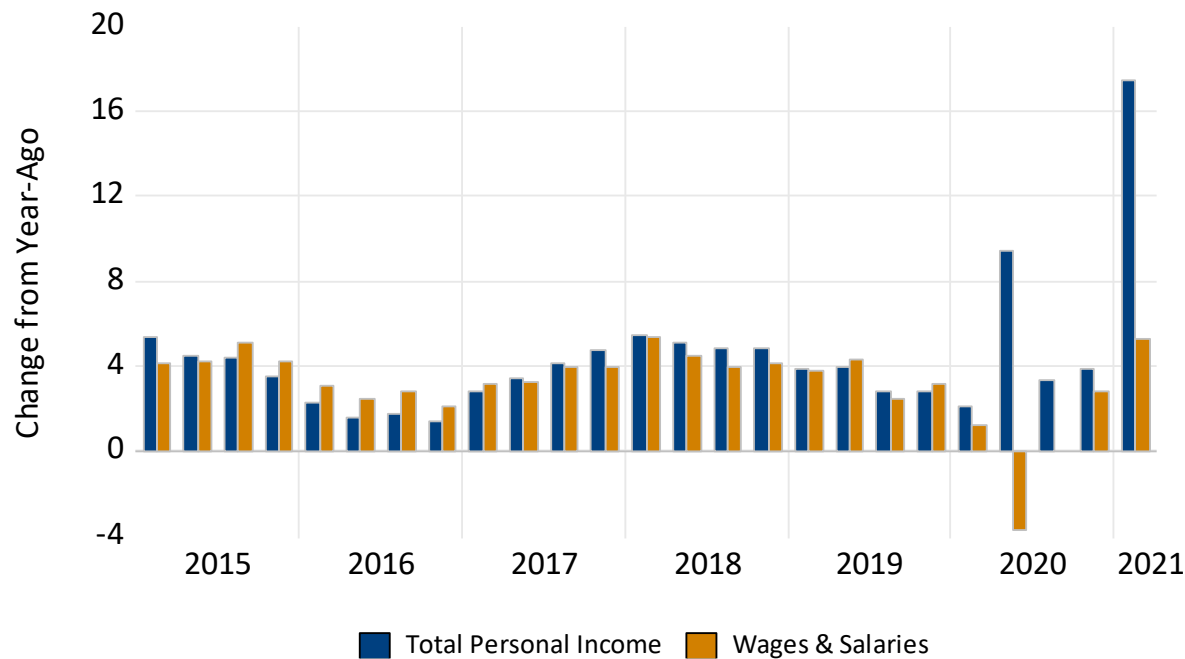
The Madison area added the most jobs at 2,800. The Milwaukee region, the most populous in the state, added 1,600 new jobs in June.

Employment in each of the MSAs remained below their pre-pandemic employment level. Employment ranged from 2.5% below February 2020 levels in Sheboygan to 6.0% below in the Milwaukee MSA.

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

Wisconsin Personal Income Spiked in First Quarter

Wisconsin Personal Income and Wages



Similar to personal income at the national level, state personal income spiked in the first quarter of 2021 due to federal stimulus payments that were issued in early January and mid-March.

Personal income was 17.5% higher than the first quarter of the prior year.

Wages and Salaries increased 5.3% over the prior year.

The biggest increase was in Personal Current Transfer Receipts, which increased 84% over last year. This category includes social security payments, unemployment benefits, federal stimulus payments, etc.

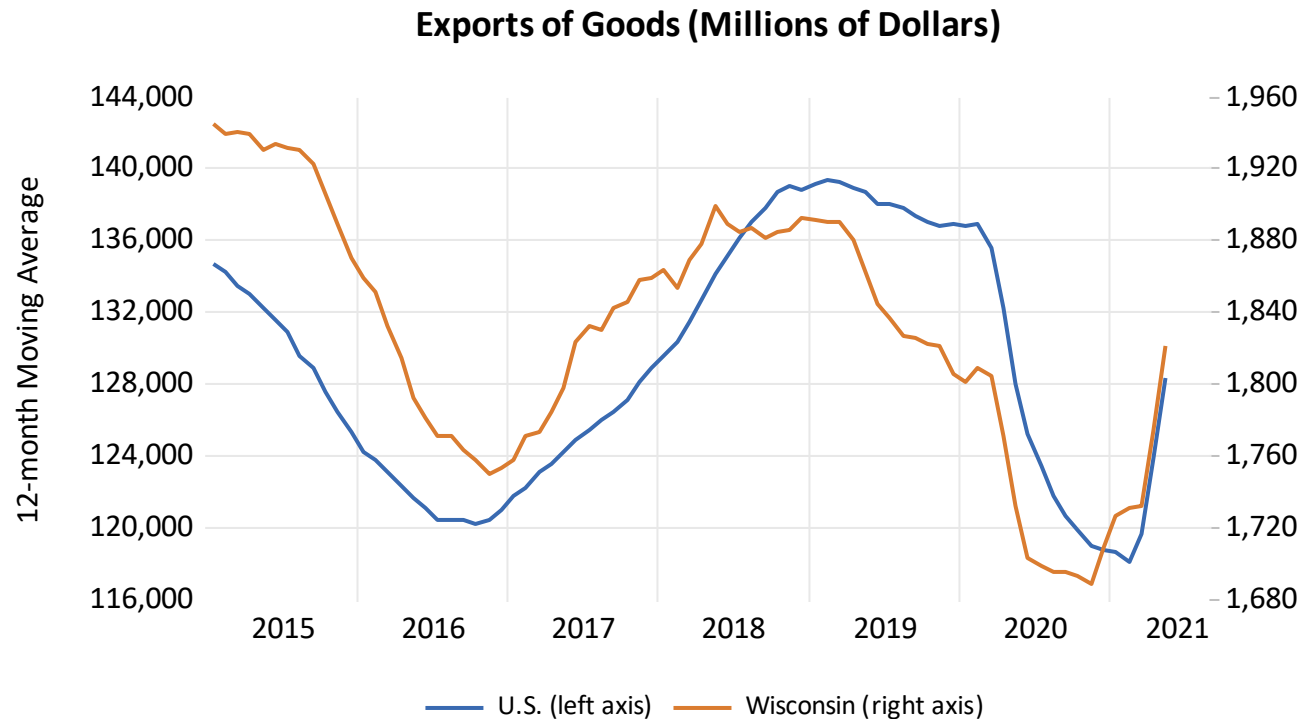
Within this category, unemployment benefits were 615% higher than the prior year, while the category including federal stimulus payments increased 400%.

Compared to the prior quarter, personal income in Wisconsin increased 66% at an annual rate.

Across the US, all states and D.C. saw increases in personal income, ranging from quarterly growth of 31% in D.C. to 89% in Mississippi.

Source: US Bureau of Economic Analysis

Wisconsin's Exports Rebounding in 2021



After plummeting last year during the pandemic, Wisconsin's exports of goods have begun to recover.

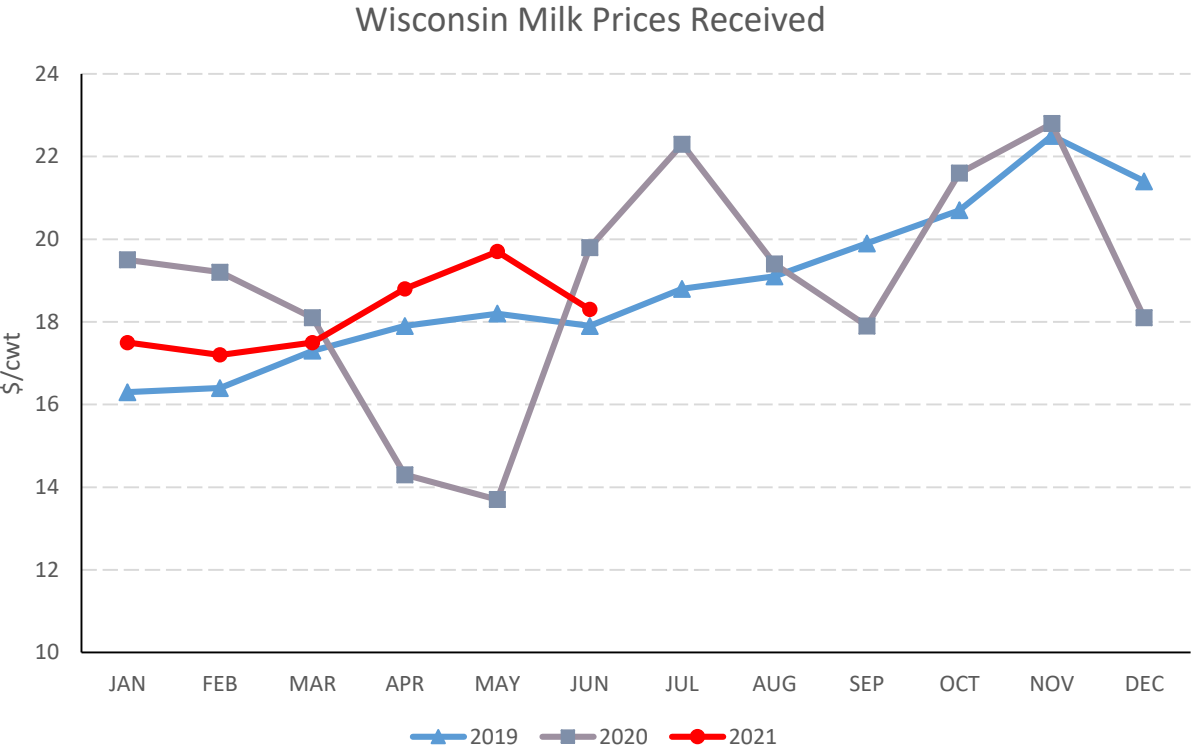
Through the first five months in 2021, Wisconsin's exports have increased 16.4%, while exports from the US have increased 19.9%.

Compared to the first five months of 2019, US exports are up 1.1%, while Wisconsin's are up 5.2%.

Last year in May, exports from the US declined 36.2% compared to the prior year, and in Wisconsin were down 24.9%.

Source: US Census Bureau, US Exports of Goods by State, Based on Origin of Movement

Milk Prices Below 2020 Levels in June



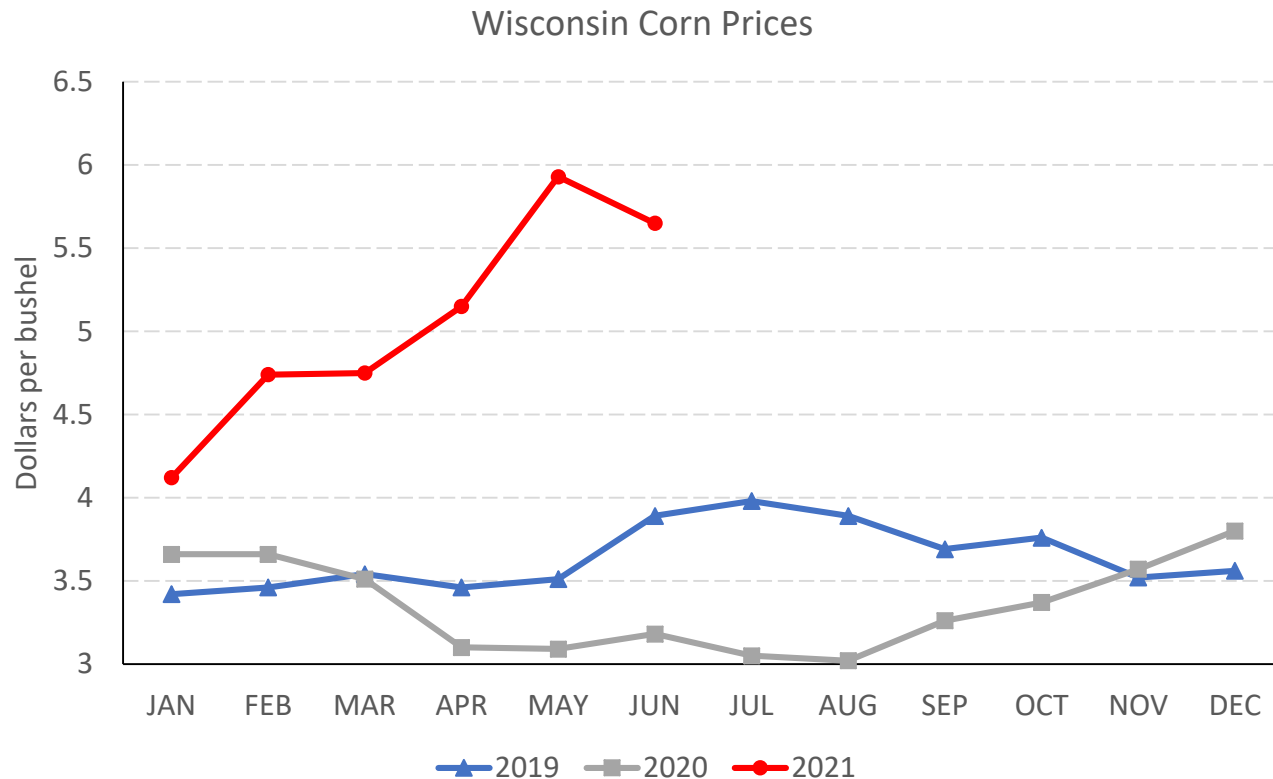
Milk prices dipped to \$18.30 per hundredweight (cwt) in June 2021.

This is \$1.50 below the \$19.80/cwt in June 2020 but above 2019 levels.

Wisconsin farm proprietors' income grew 32% in 2020, compared to growth of 30% nationwide.

Source: US Department of Agriculture, National Agricultural Statistics Service

Corn Prices Up Dramatically in 2021



Wisconsin corn prices have risen sharply in the last three months.

In May, corn prices topped out at \$5.93 per bushel before dipping to \$5.65 per bushel in June.

Prices are well above the \$3.18 per bushel in June 2020 and the \$3.98 per bushel in June 2019.

Source: US Department of Agriculture, National Agricultural Statistics Service

US Updates

Employment

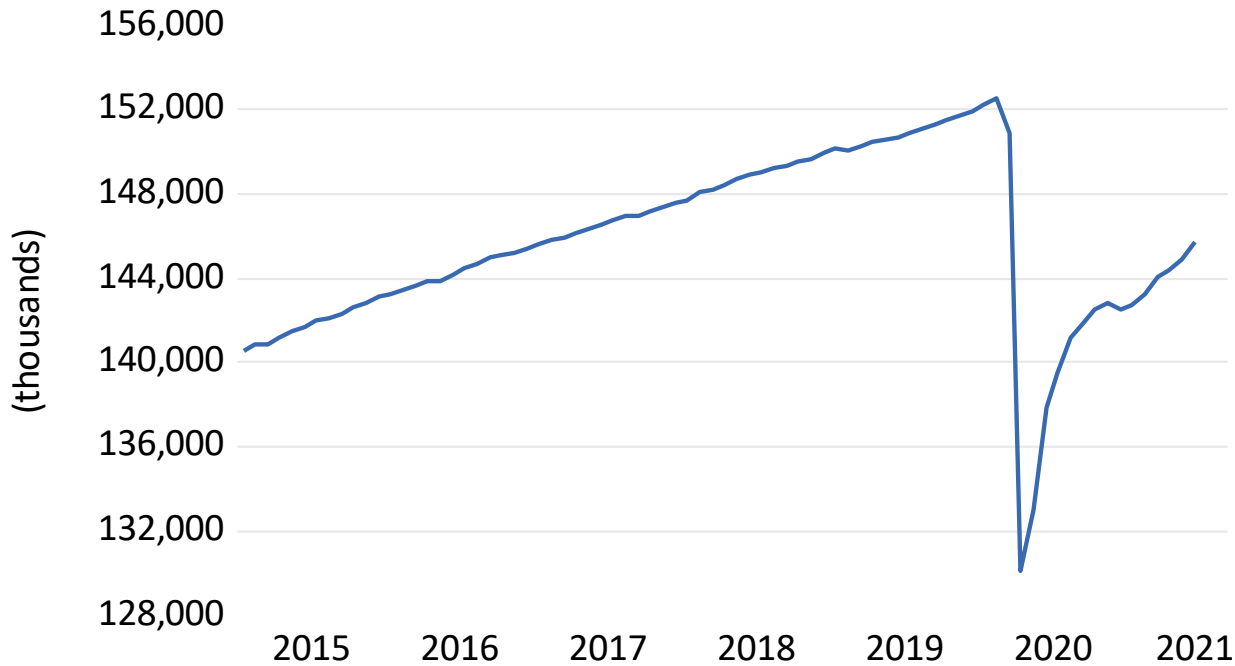
State Coincident Indexes

Inflation (CPI)

Personal Income

US Added 850,000 Jobs in June

U.S. Total Nonfarm Employment



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

Nonfarm payroll employment rose 850,000 in June, above the consensus estimate. The unemployment rate rose from 5.8% to 5.9%.

June nonfarm payroll employment is up by 15.6 million since April 2020 but is down by 6.8 million, or 4.4%, from its pre-pandemic level in February 2020.

The increase in employment was driven by large increases in leisure and hospitality (343,000) and in education services (public and private; 268,000).

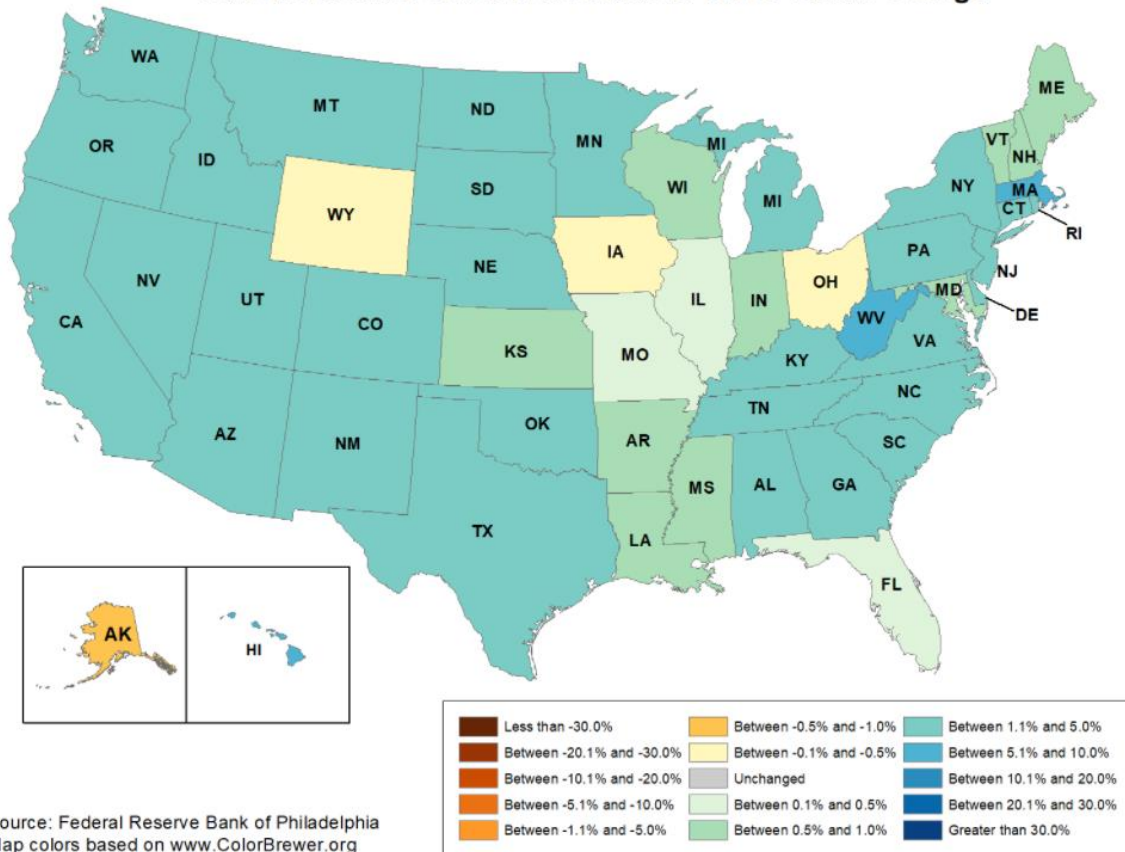
The private workweek for June was 34.7 hours, slightly above the pre-pandemic trend (34.4 hours)

Average hourly earnings rose by 10 cents to \$30.40 in June, following increases in May and April (+13 cents and +20 cents, respectively).

The labor-force participation rate was unchanged at 61.6%.

Coincident Index Increased in 46 States

June 2021 State Coincident Indexes: Three-Month Change



Source: Federal Reserve Bank of Philadelphia
Map colors based on www.ColorBrewer.org

The Federal Reserve Bank of Philadelphia combines four state-level indicators into a single statistic for each state that summarizes current economic conditions.

The four state-level variables used are total employment, average hours worked in manufacturing by production workers, the unemployment rate, and real wage and salary disbursements.

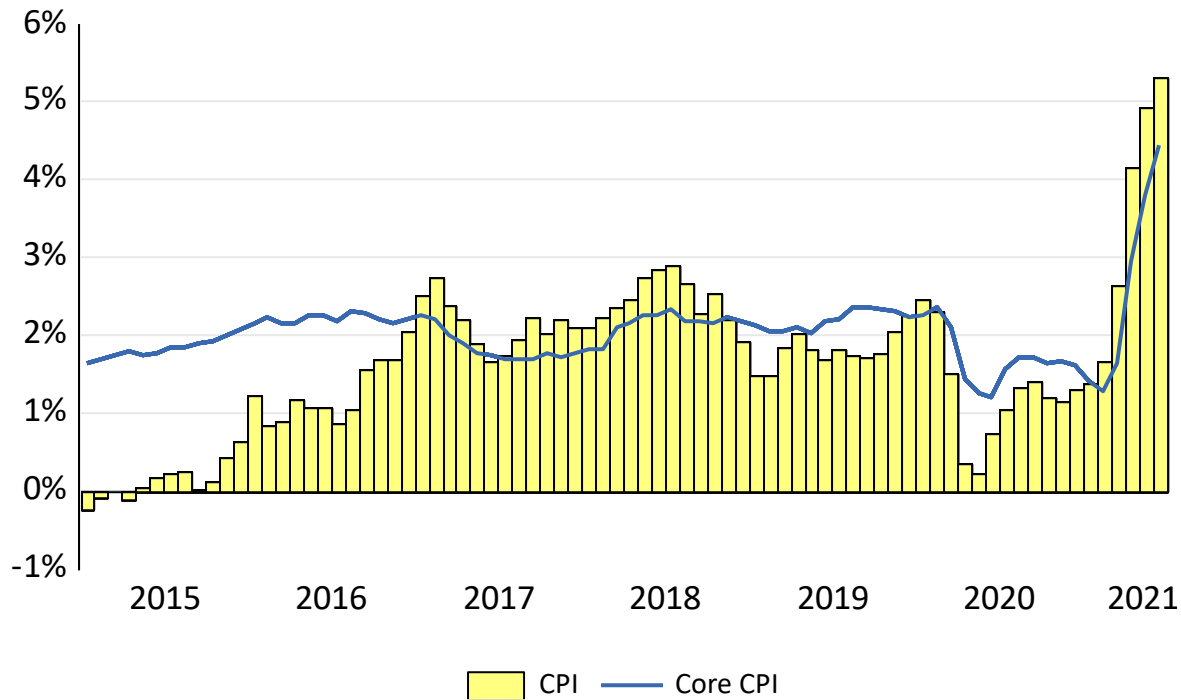
For June 2021, the coincident indexes increased in 46 states and decreased in four states. Additionally, in the past month, the indexes increased in 41 states, decreased in six states, and remained stable in three.

In Wisconsin, the index increased 0.8% over the past three months and increased 0.3% in June.

The Philadelphia Fed's US index increased 1.3% over the past three months and 0.4% in June.

US Consumer Prices Jump for Fourth Consecutive Month

Consumer Price Index (CPI)



Headline CPI figures were boosted by sharp increases in prices for motor vehicles, especially used vehicles.

A basic measure of inflation in the US, the consumer price index (CPI), rose 0.9% in June.

Core CPI (excluding food and energy) also increased by 0.9%. The CPI for food increased 0.8% and for energy rose 1.5%.

Twelve-month changes in overall CPI rose to 5.4% in June, while core prices rose 4.5%.

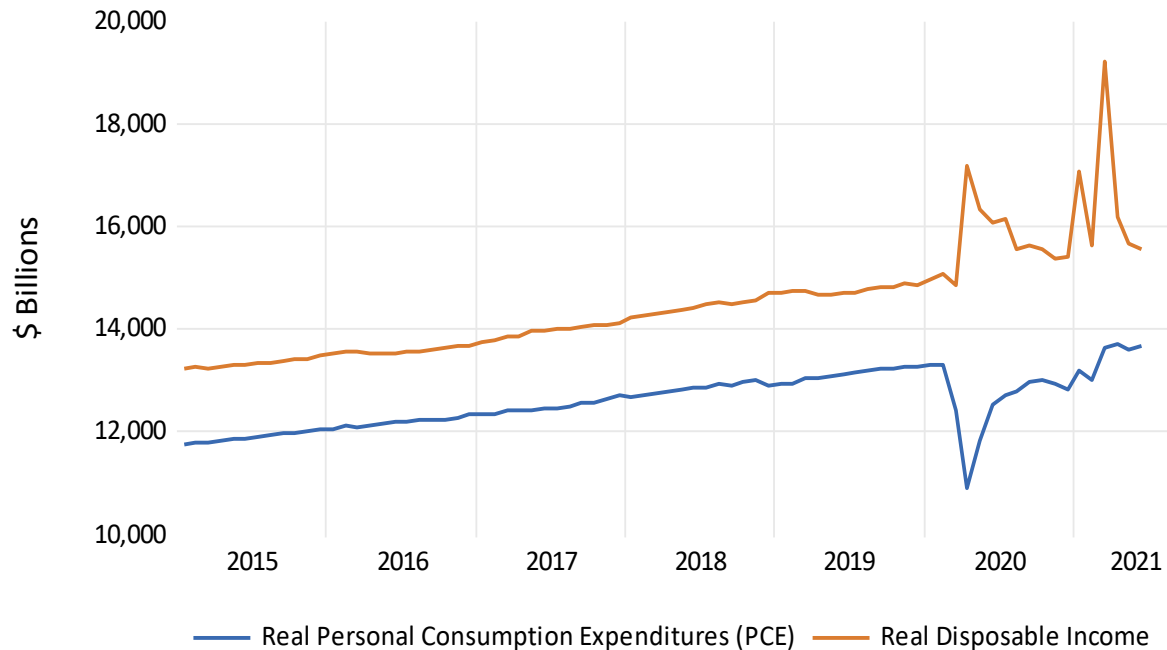
The index for used cars and trucks increased 45.2%, the largest 12-month change ever reported for the index.

Energy prices increased 24.5% over the same period.

Source: US Bureau of Labor Statistics, Consumer Price Index

US Personal Income Increased 0.1% in June

Real Disposable Personal Income and Consumption Expenditures



Source: US Bureau of Economic Analysis

Personal income edged up by 0.1% in June and real disposable personal income (DPI) decreased by 0.5%.

While wage and salary income increased by 0.8%, the increase was largely offset by fewer stimulus payments and decreases in the Pandemic Unemployment Compensation program, which partially reflects nearly half of states ending the benefits in June.

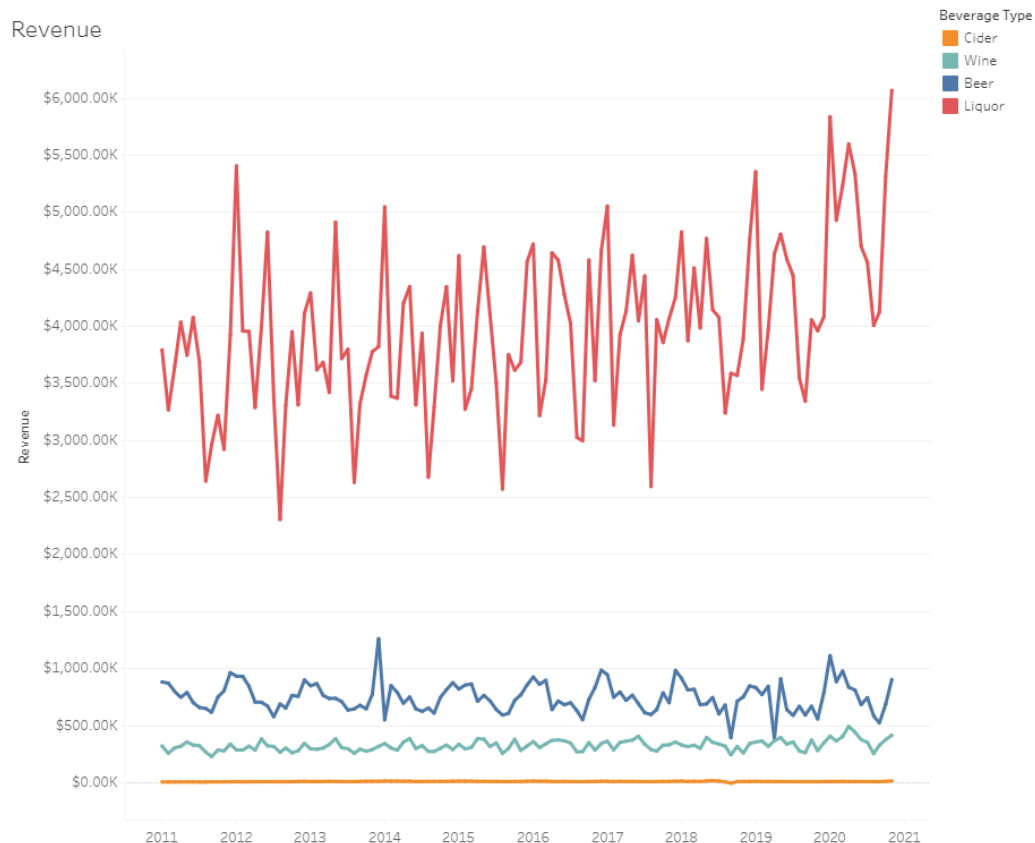
Real personal consumption expenditures (PCE) increased 0.5% in June. Real PCE for durable goods declined 2.5%. Spending on motor vehicles and parts dropped 7.7%.

Real PCE for services increased 0.8% in June and sit 3.0% below the pre-pandemic level.

The core PCE price index increased 0.4% in June, slowing from a rate of 0.5% in May and 0.6% in April.

Explore Our Interactive Data!

Tax Revenues from Sales of Alcoholic Beverages



DOR's Division of Research and Policy tracks tax revenues from the sales of alcoholic beverages.

This data is displayed in one of our data vizzes. It shows that the sale of liquor did not decline during the pandemic. In fact, liquor sales picked up starting last summer as people stayed home due to travel restrictions and other covid-related measures.

To the left is one view of the data. More detail, including the volumes of each type of alcoholic beverage, can be found at [DOR Alcohol Beverages \(wi.gov\)](https://www.wisconsin.gov/dor/alcohol-beverages)

You can check out our other visualizations on a range of Wisconsin tax and economic data at [DOR Interactive Data Visualizations \(wi.gov\)](https://www.wisconsin.gov/dor/interactive-data-visualizations).

Questions: doreconomists@wisconsin.gov

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