

WISCONSIN
EMPLOYER SURVEY

WINTER 2022

ECONOMY

WISCONSIN EMPLOYER SURVEY

WINTER 2022

EXECUTIVE SUMMARY:

Employers Plan Significant Wage Hikes in Response to Workforce Shortage

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.

“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.”

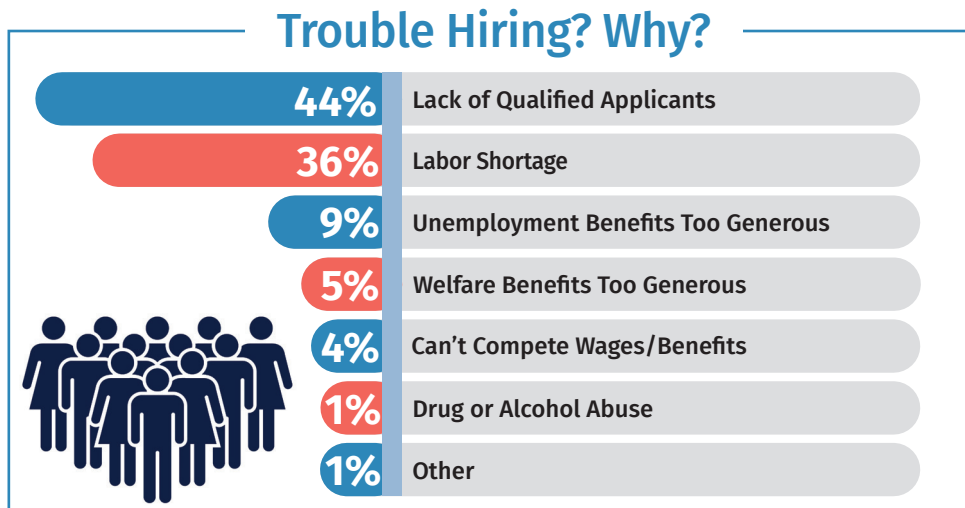
About the Wisconsin Employer Survey

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.

Are you having trouble hiring employees?



If you are having trouble hiring employees, why?



* Totals may not add up to 100% due to rounding.

WISCONSIN EMPLOYER SURVEY

WINTER 2022

How would you rate the current **Wisconsin economy?**

53%
STRONG

44%
MODERATE

3%
WEAK

VERY STRONG 6%
STRONG 47%

MODERATE 44%

VERY WEAK 0%
WEAK 3%

How would you rate the current **U.S. economy?**

39%
STRONG

47%
MODERATE

13%
WEAK

VERY STRONG 5%
STRONG 34%

MODERATE 47%

VERY WEAK 1%
WEAK 12%

What is the **top business concern** facing your company?

LABOR AVAILABILITY	55%	COVID-19	4%
SUPPLY CHAIN	19%	HIGH TAXES	3%
HEALTH CARE COSTS	6%	AFFORDABLE ENERGY	3%
NATIONAL ECONOMY	5%	COMPETITION	2%
EXCESSIVE REGULATION	4%	OTHER	1%

Was your **business profitable** during the last 6 months?

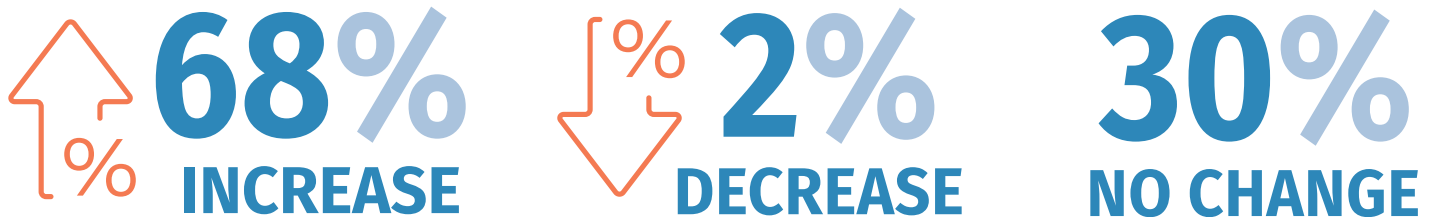
YES
88%

NO
12%

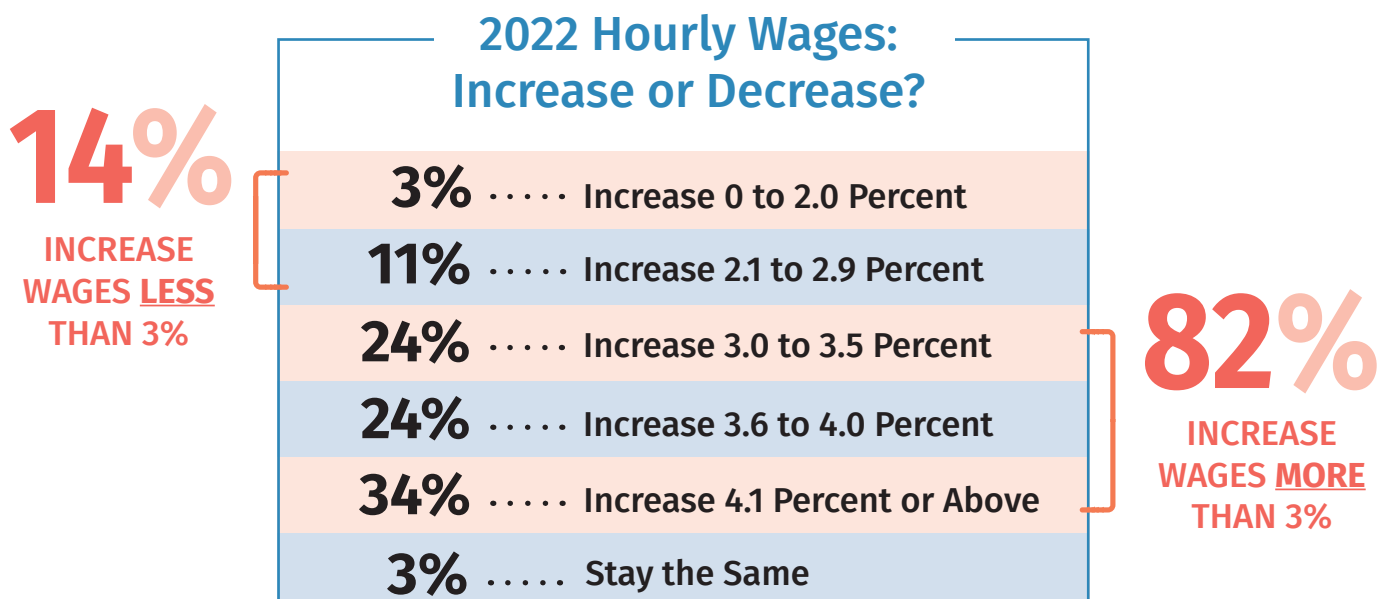
WISCONSIN EMPLOYER SURVEY

WINTER 2022

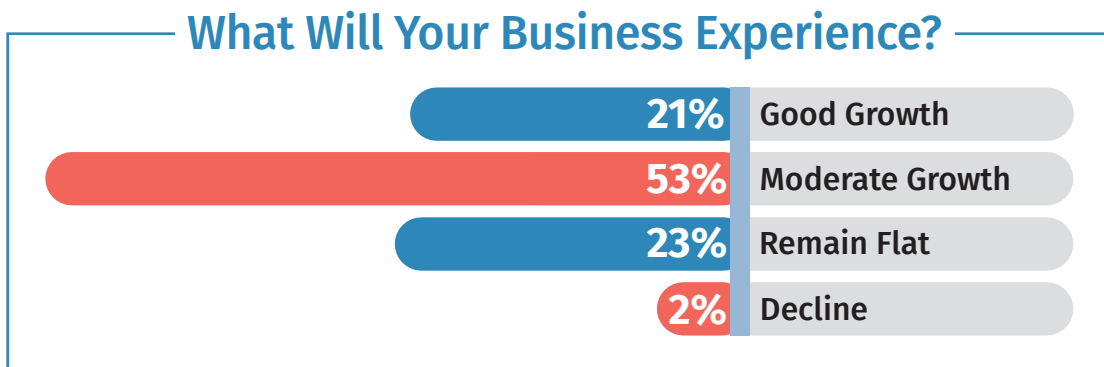
In the next 6 months, do you anticipate your number of employees to:



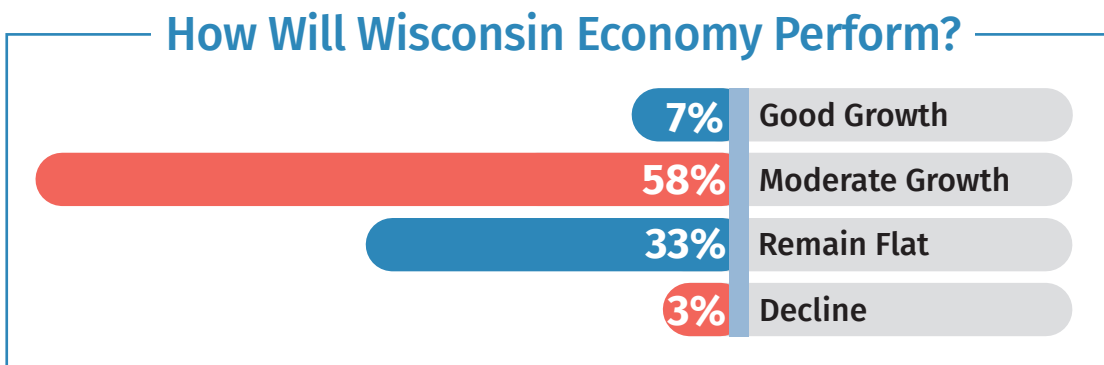
How much do you expect hourly wages to **increase** or **decrease** in your company in 2022?



In the next 6 months, will your **business experience**?

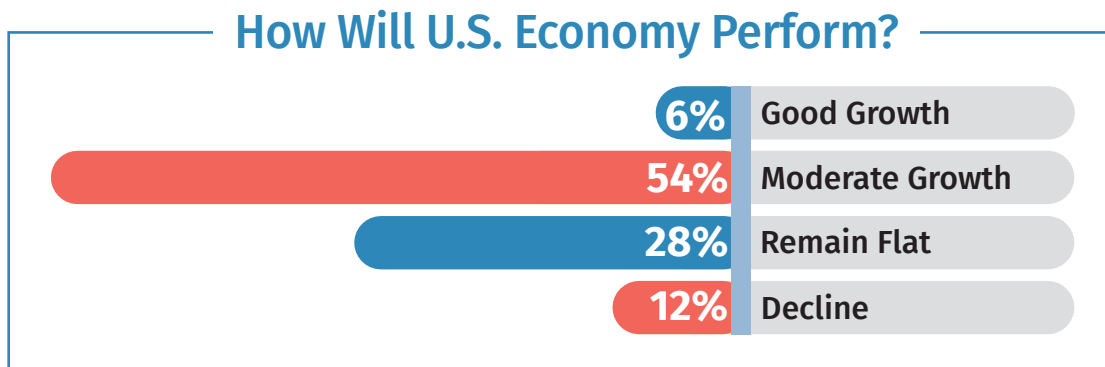


How will the **Wisconsin economy**
perform over the next 6 months?



WINTER 2022

How will the **U.S. economy**
perform over the next 6 months?



WISCONSIN
EMPLOYER SURVEY
ECONOMY