

Monthly Economic Update

JUNE 2024, FEATURING MAY NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

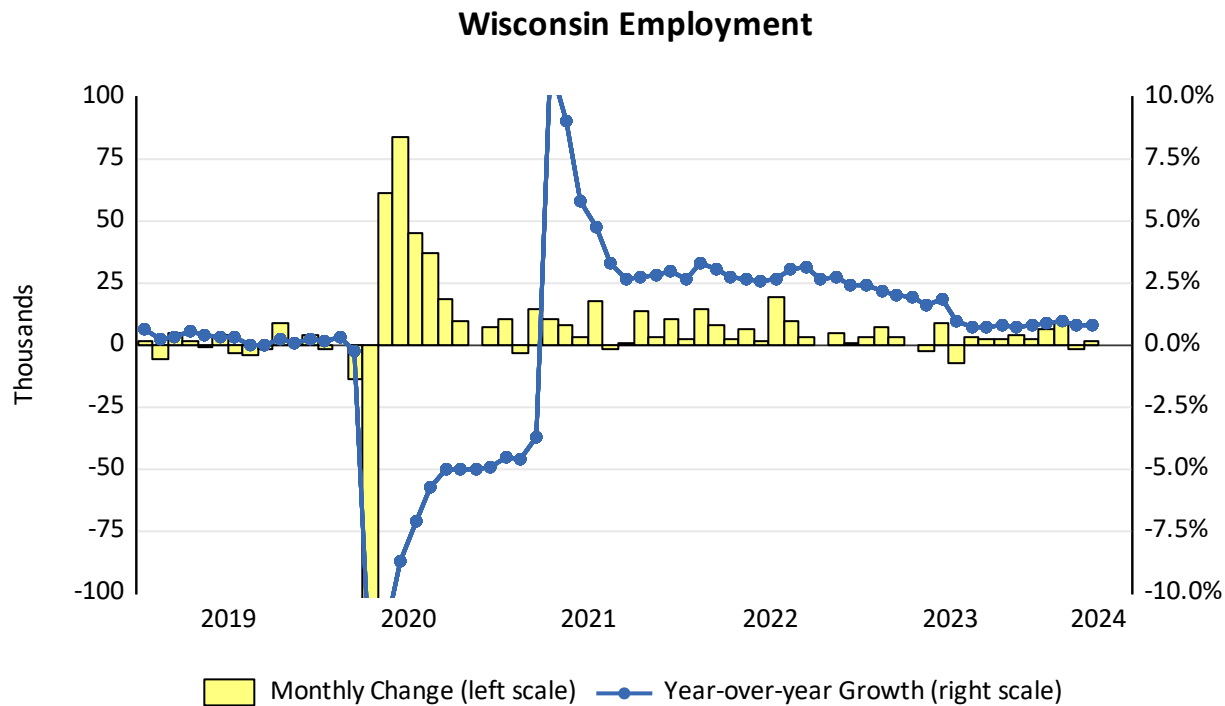
Employment

- Sectors

Housing Permits

Exports

Wisconsin Added 900 Jobs in April



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Total nonfarm employment in Wisconsin increased by 900 in April, after a decline of 1,700 in March. There was no revision to the March total employment number.

Over the prior year, Wisconsin employment increased by 24,100, a 0.8% increase. By comparison, national employment has increased 1.8% over the past year.

Private employment increased by 1,000 jobs in April while government employment shed 100 jobs, with a drop of 200 at the state level and an increase of 100 in local government.

Monthly employment increased in manufacturing (+2,000 jobs); trade, transportation, and utilities (+1,700 jobs); private education & health (+1,500 jobs); and professional and business services (+1,400 jobs), among others.

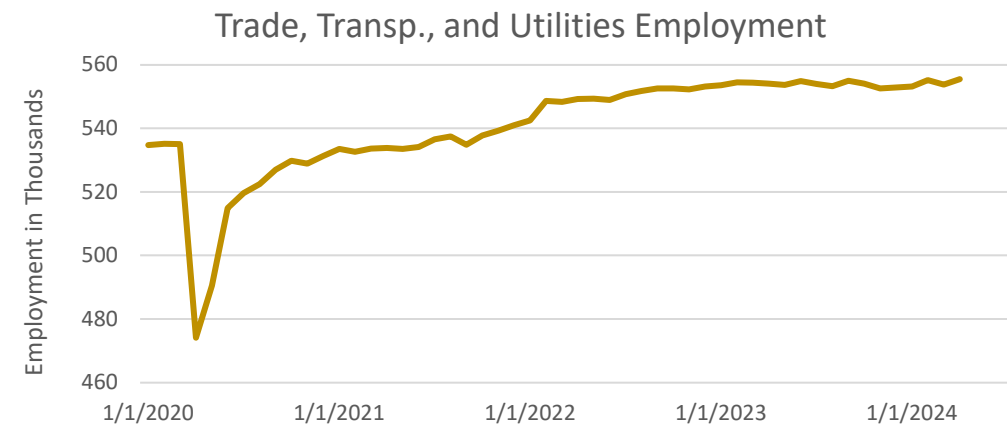
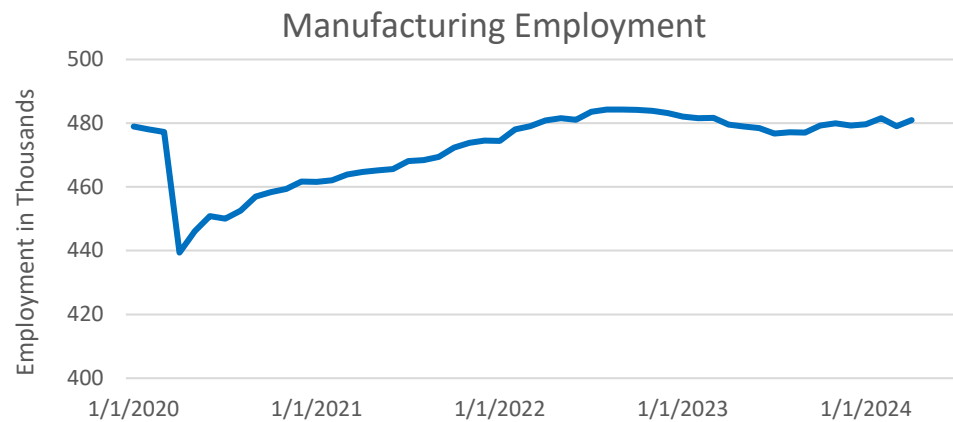
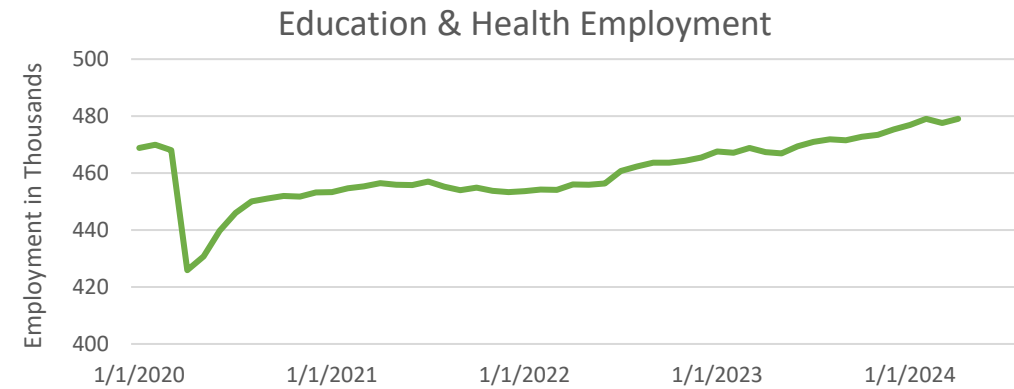
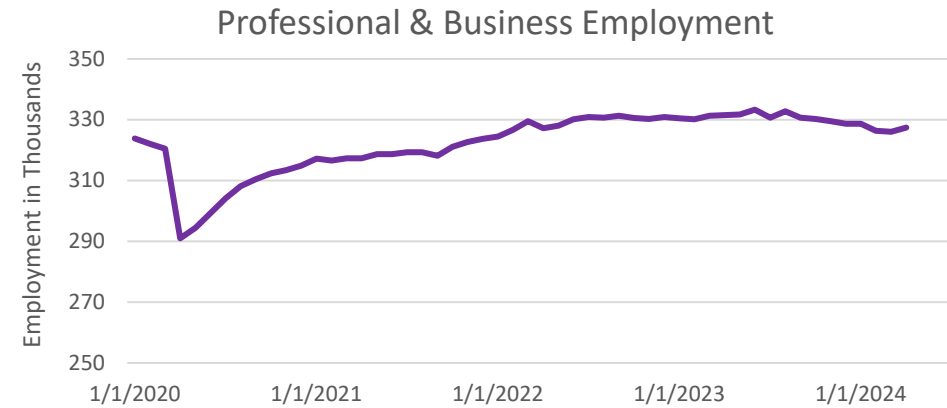
The largest private job losses were seen in construction (-900 jobs) and leisure & hospitality (-3,900 jobs).

Wisconsin's unemployment rate fell to 2.9% in April, from 3.0% in March. The national unemployment rate was 3.9% in April.

The state's labor force participation rate (LFPR) was steady at 65.6%, versus 62.7% at the national level.

Wisconsin Employment Sectors:

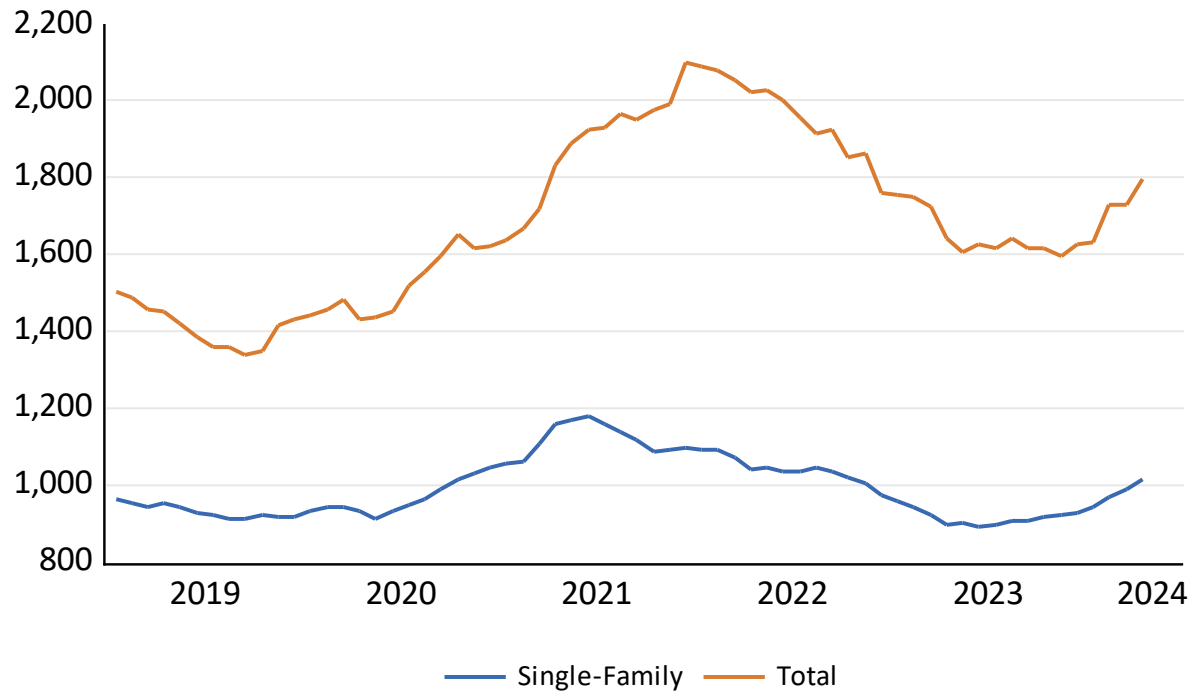
Employment in Four Largest Sectors Increased in April



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Housing Permits Increased in Wisconsin

Wisconsin Housing Permits, 12-month Moving Average



Source: U.S. Census Bureau, New Private Housing Units Authorized by Building Permits for Wisconsin, retrieved from FRED, Federal Reserve Bank of St. Louis

Housing permits in Wisconsin are up during the first four months of 2024, after declining in 2023.

Total housing permits increased 42.3% during the first four months of 2024, to 6,846. This compares to 4,810 housing permits issued during the same period in 2023.

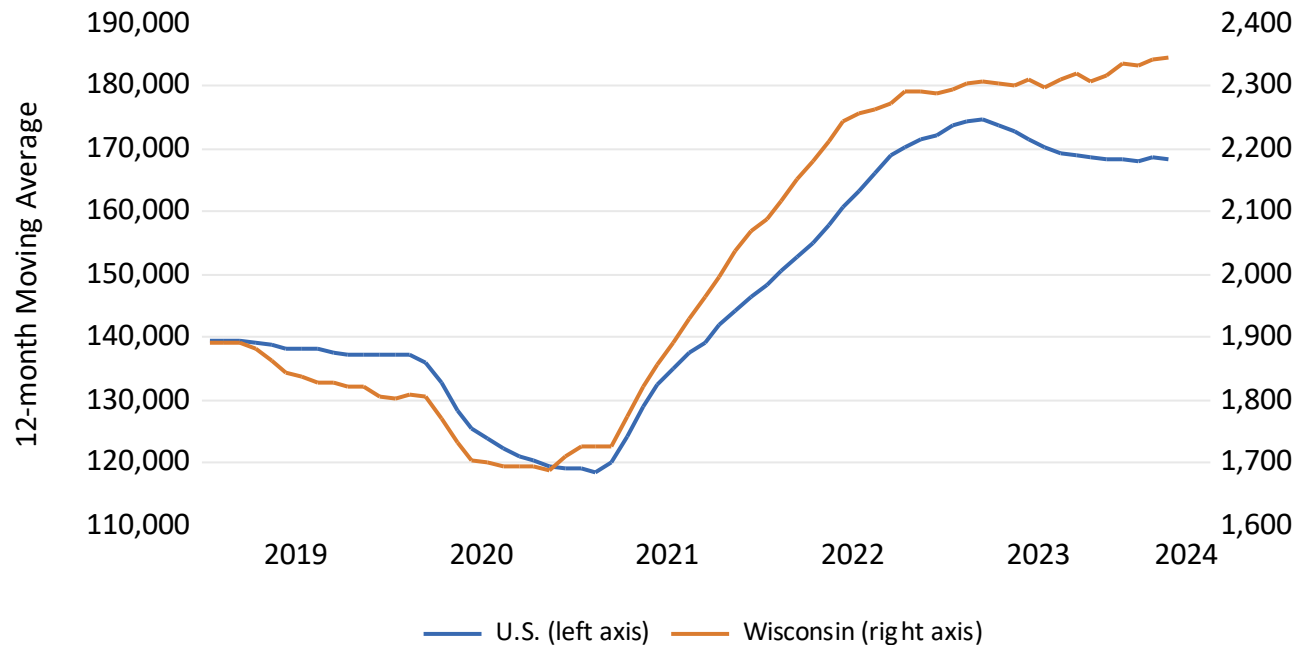
Single-family housing permits in Wisconsin increased 38.8% during the Jan-April period, compared to the same period in 2023. So far 3,804 permits were issued this year compared to 2,740 last year.

Home sales have also increased this year, according to the Wisconsin Realtors® Association. Their data shows 5,532 homes sold in April 2024, a 25.7% increase compared to last year.

The median sales price in Wisconsin in April 2024 was \$300,000, an increase of 6.4% from the median price last year.

Wisconsin's Exports Up 1.5% in First Quarter of 2024

Exports of Goods (Millions of Dollars)



Source: U.S. Census Bureau, Exports of Goods for Wisconsin, retrieved from FRED, Federal Reserve Bank of St. Louis

Wisconsin's exports have increased during the first three months of 2024, up 1.5% over the same period of 2023.

U.S. exports, however, have drifted lower, down 0.3% during the first quarter.

Wisconsin's exports to Canada, its largest trading partner, increased 0.3% in the first quarter, compared to last year. Exports to Mexico, the second largest market for Wisconsin exports, increased 2.2% while exports to Germany, the state's third-largest export destination, increased 57.4%. These were driven by a sharp increase in exports of transportation equipment.

By product, exports of machinery, Wisconsin's highest-valued export, increased 2.5%, followed by a 18.6% increase in exports of computer & electronic products. Exports of transportation equipment, Wisconsin's third-largest export category, increased 2.0% in the first three months of 2024.

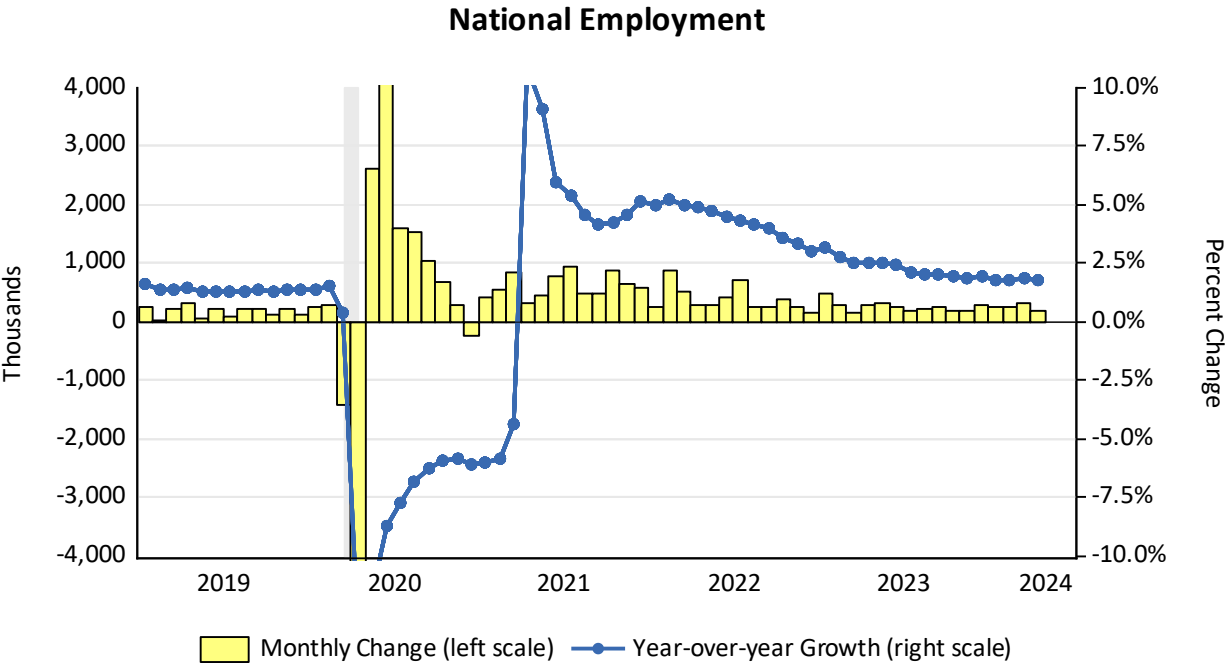
U.S. Updates

Employment

Inflation (CPI)

Mortgage Rates

U.S. Added 175,000 Jobs in April



Total nonfarm payroll employment increased by 175,000 in April, according to estimates from the U.S. Bureau of Labor Statistics. February and March employment were revised down a combined 22,000.

Health care added 56,000 jobs in April, in line with the average monthly gain of 63,000 over the prior 12 months. In April, employment continued to increase in ambulatory health care services (+33,000), hospitals (+14,000), and nursing and residential care facilities (+9,000).

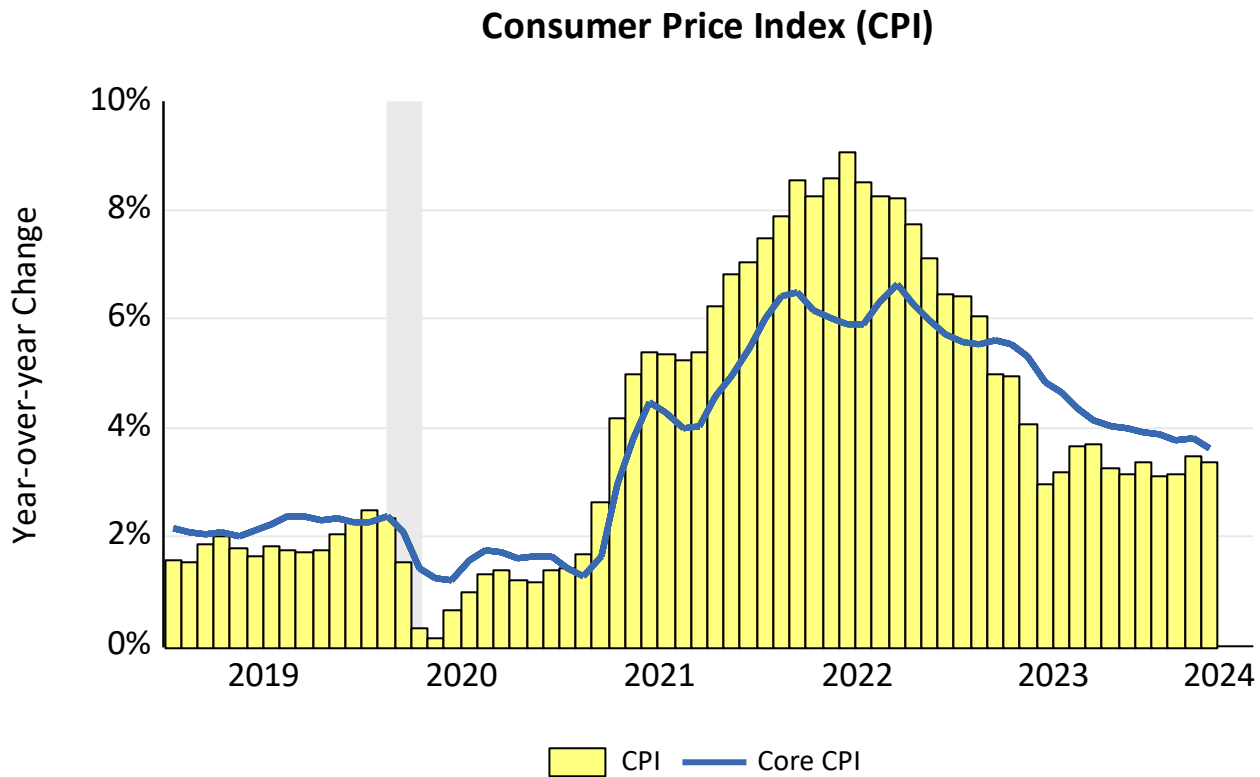
Employment in social assistance increased by 31,000 in April, led by a gain in individual and family services (+23,000). Transportation and warehousing added 22,000 jobs, with gains in couriers and messengers (+8,000) and warehousing and storage (+8,000).

In April, average hourly earnings for all employees on private nonfarm payrolls increased by 7 cents, or 0.2%, to \$34.75. Over the past 12 months, average hourly earnings have increased by 3.9%.

The U.S. unemployment rate increased to 3.9%, from 3.8% in March. The labor force participation rate held at 62.7% in April, and the employment-population ratio was little changed at 60.2%. These measures have shown little change over the year.

Source: U.S. Bureau of Labor Statistics, Monthly Employment Report

Core Consumer Price Increases Slowed in April



The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3% in April on a seasonally adjusted basis, after rising 0.4% in March, the U.S. Bureau of Labor Statistics reported.

The index for shelter rose in April, as did the index for gasoline. Combined, these two indexes contributed over 70% of the monthly increase in the index for all items. The energy index rose 1.1% over the month. The index for food at home index declined 0.2% over the month.

The core index, which excludes food and energy, rose 0.3% in April, after rising 0.4% in each of the 3 preceding months. Indexes which increased in April include shelter, motor vehicle insurance, medical care, apparel, and personal care. The indexes for used cars and trucks, household furnishings and operations, and new vehicles were among those that decreased over the month.

The all items index rose 3.4% for the 12 months ending April, a smaller increase than the 3.5% increase in March. The core index rose 3.6% over the last 12 months, down from 3.8% the prior two months. The energy index increased 2.6% for the 12 months ending April. The food index increased 2.2% over the last year.

Source: U.S. Bureau of Labor Statistics, Consumer Price Index

Mortgage Rates Back Near 7%

Mortgage Rate, Thirty Year



Source: Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States, retrieved from FRED, Federal Reserve Bank of St. Louis

According to data from Freddie Mac, average 30-year fixed rate mortgages were below 7% the week ending May 24th, at 6.94%. While still elevated when compared to rates seen between 2018 and 2021, rates are well below the recent high of 7.8% reached in October 2023.

Other sources, including Bankrate, show mortgage rates have come down since reaching 7.2% in early May, but not quite below 7.0%.

Elevated mortgage rates, on top of steadily rising home prices, are making home ownership increasingly unaffordable by driving monthly payments higher.

The Atlanta Fed's home ownership affordability index for the U.S. shows that 40.3% of income is needed to afford the median priced home as of March 2024 (30% is considered affordable).

In Wisconsin's two largest metro areas, 32.0% of income is needed to own the median priced home in metro Milwaukee, versus 39.0% of income in the Madison MSA.

Get in Touch

Check out our **data visualizations** at DorViz.wi.gov.

Anything you'd like to see that we haven't covered? **Let us know!**
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