

Monthly Economic Update

FEBRUARY 2025, FEATURING JANUARY NEWS RELEASES
WISCONSIN DEPARTMENT OF REVENUE

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

Wisconsin Updates

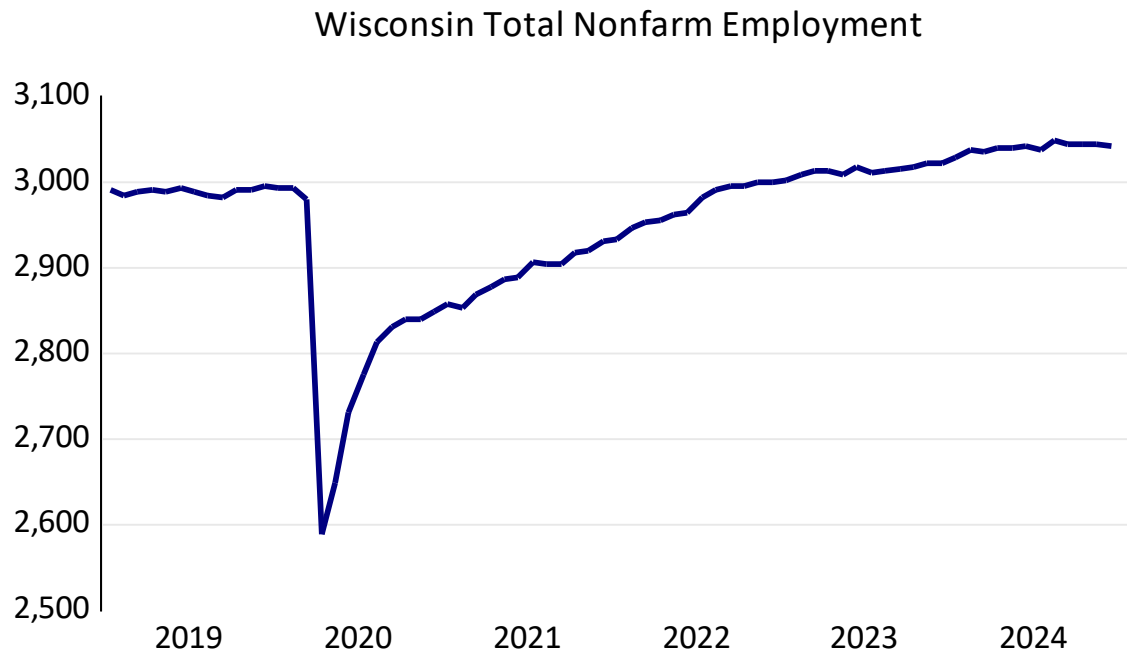
Employment

Wisconsin GPR Q2 Revenues

Farm Prices

- Corn
- Milk

WI Employment Declined by 1,200 in December



Wisconsin's employment fell by 1,200 in December. Private employment increased by 3,300 while government employment fell by 4,500.

For the year, employment increased by 20,300. Some of the monthly noise is removed when we look over the past twelve months; from this view, private employment increased by 16,200 over the year and government added 4,100.

Monthly changes in Wisconsin include employment gains in professional & business services (+1,100), manufacturing (+1,000), information (+1,000) and leisure & hospitality (+1,000).

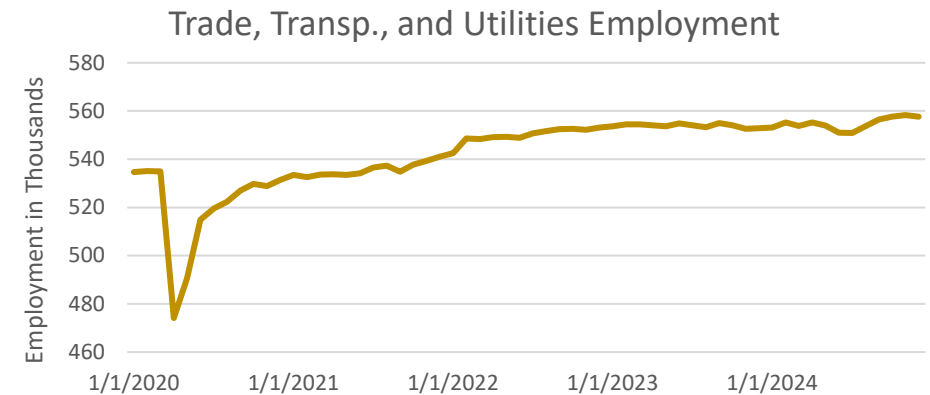
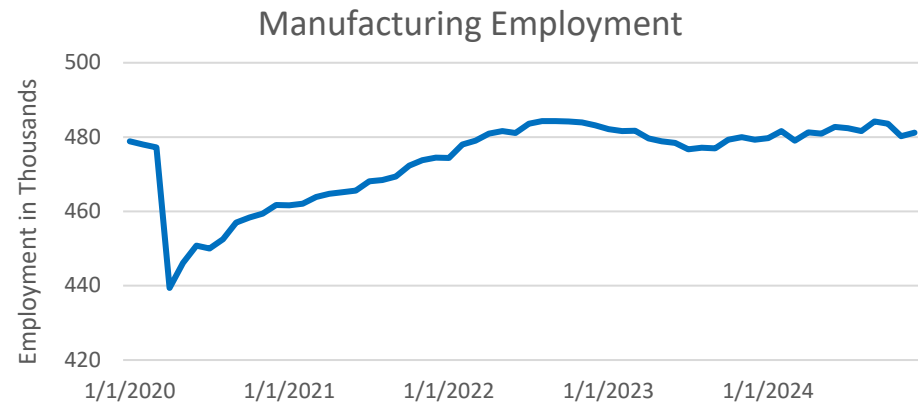
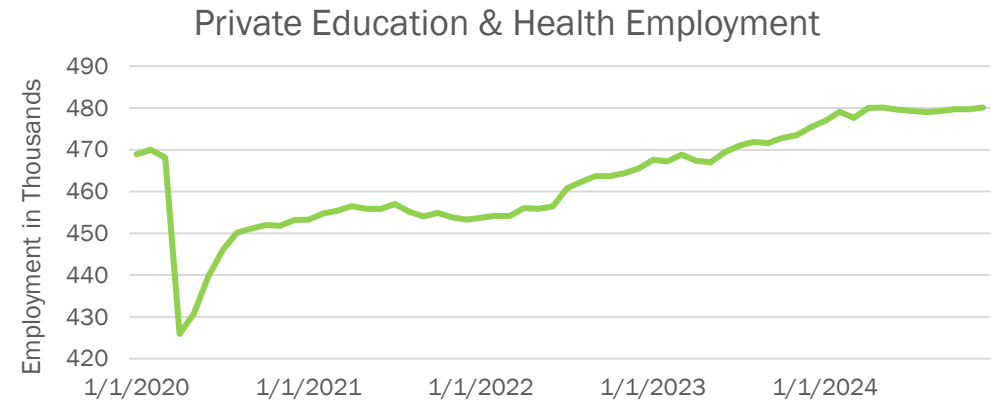
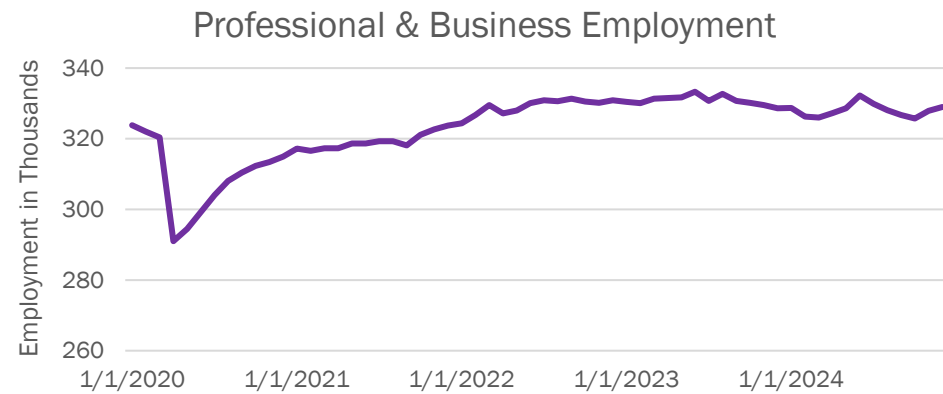
Jobs were lost in retail trade (-800) and financial activities (-600).

The 12-month change in Wisconsin employment is equivalent to a 0.7% increase in employment. U.S. employment increased at twice that rate, at 1.4%.

The Wisconsin unemployment rate inched up to 3.0%, from 2.9% the prior month but down from 3.4% in December 2023. Nationally the unemployment rate was 4.1%.

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

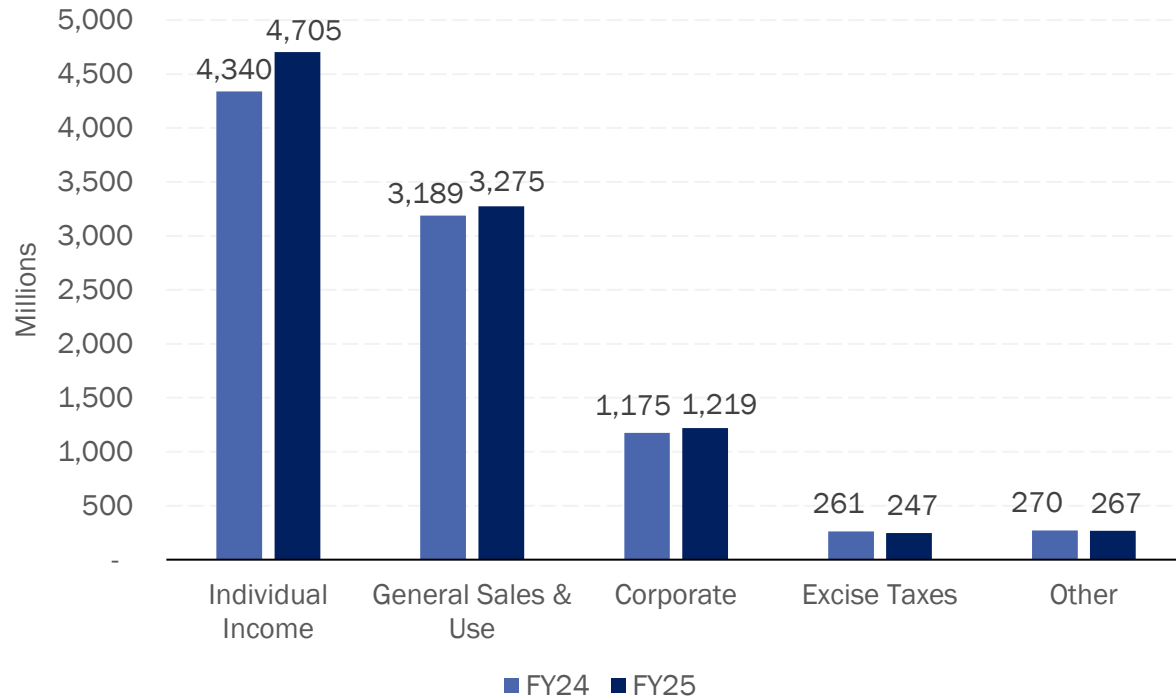
Wisconsin Employment Sectors



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

Wisconsin Tax Revenues Increased 5.2% in First Half of Fiscal Year 25

General Purpose Revenues (GPR)
Through December



Source: Wisconsin Department of Revenue

Wisconsin tax revenues increased 5.2% during the first half of fiscal year 2025 (FY25), from \$9.2 billion in FY24 to \$9.7 billion.

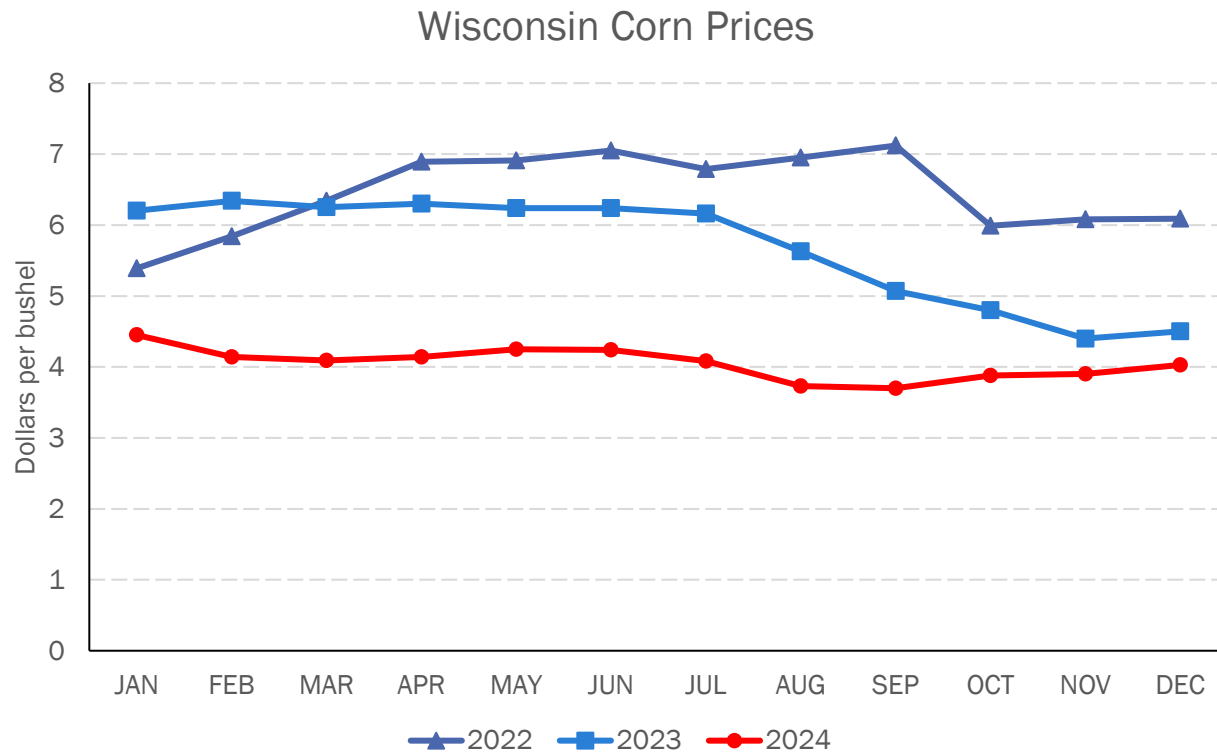
Growth was led by an 8.4% increase in individual income taxes, which account for nearly half of state tax revenues. Withholding revenues, the largest component of individual income taxes, have seen strong growth through the first half of the fiscal year, up 7.2%.

Sales tax revenue growth has slowed from past years as inflation has cooled. In the first six months of FY25, sales tax receipts are up 2.7%.

Corporate tax receipts have increased 3.8% so far in FY25. Meanwhile excise tax receipts have declined 5.6% on an 8.9% decline in cigarette tax receipts.

More details can be found at <https://www.revenue.wi.gov/Pages/News/2025/Dec-FY25-Collections.pdf>.

Corn Prices End 2024 Below Prior Years' Price Levels



Wisconsin corn prices received by farmers ticked up in the last three months of 2024, but remained below levels seen the prior two years.

In December, Wisconsin farmers received \$4.03/bushel for corn, up \$0.13 from \$3.90/bushel the month before but \$0.47 below the \$4.50 received last year, a decline of 10.4%.

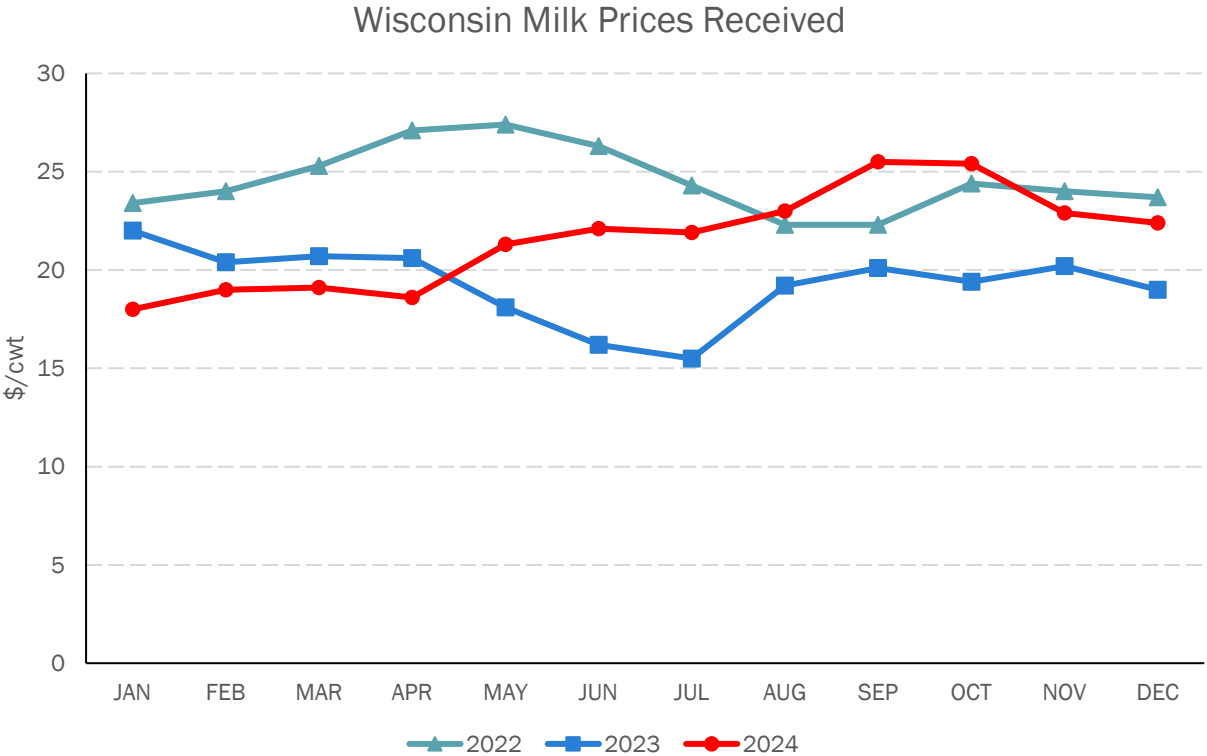
Prices in 2024 were fairly flat throughout the year, but well below price levels seen in 2022.

Prices two years ago were \$6.09/bushel, more than two dollars per bushel higher.

Nationally, farmers received \$4.23/bushel, \$0.20 more than in Wisconsin. Nationally corn prices are down \$0.57/bushel when compared to last year at this time.

Source: United States Department of Agriculture, National Agricultural Statistics Service, Wisconsin Ag News – Monthly Prices

Milk Prices Above 2023 Levels



Milk prices received by farmers in Wisconsin averaged \$22.40/cwt in December 2024, down from \$22.90 in November but \$3.40 (17.9%) higher than the \$19.00/cwt last year at this time.

However, prices have been below 2022 levels for the past two months.

Throughout 2024 prices generally increased, after starting the year at \$18.00/cwt.

Nationally, milk prices received by farmers averaged \$23.30/cwt, \$0.90 more than in Wisconsin but down from \$24.20/cwt in November.

Source: United States Department of Agriculture, National Agricultural Statistics Service, Wisconsin Ag News – Monthly Prices

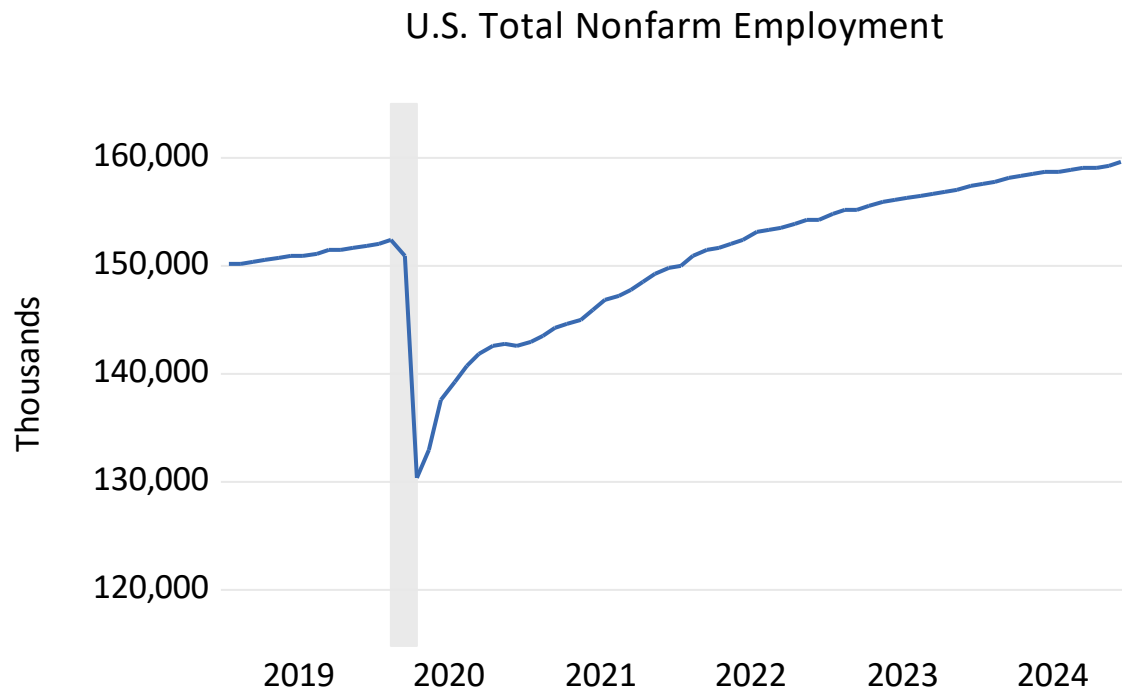
U.S. Updates

Employment

Inflation (CPI)

Consumer Sentiment Index

U.S. Added 256,000 Jobs in December



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

Total nonfarm payroll employment in the U.S. increased by 256,000 in December, and the unemployment rate changed little at 4.1%. Employment in the prior two months were revised down a combined 8,000. Payroll employment rose by 2.2 million in 2024, for an average monthly gain of 186,000.

Health care added 46,000 jobs in December, with gains in home health care services (+15,000), nursing and residential care facilities (+14,000), and hospitals (+12,000).

Retail trade added 43,000 jobs in December, following a loss of 29,000 jobs in November. In December, employment increased in clothing, clothing accessories, shoe, and jewelry retailers (+23,000); general merchandise retailers (+13,000); and health and personal care retailers (+7,000). Building material and garden equipment and supplies dealers lost jobs (-11,000).

Government employment continued to trend up in December (+33,000) with a gain of 10,000 in state government.

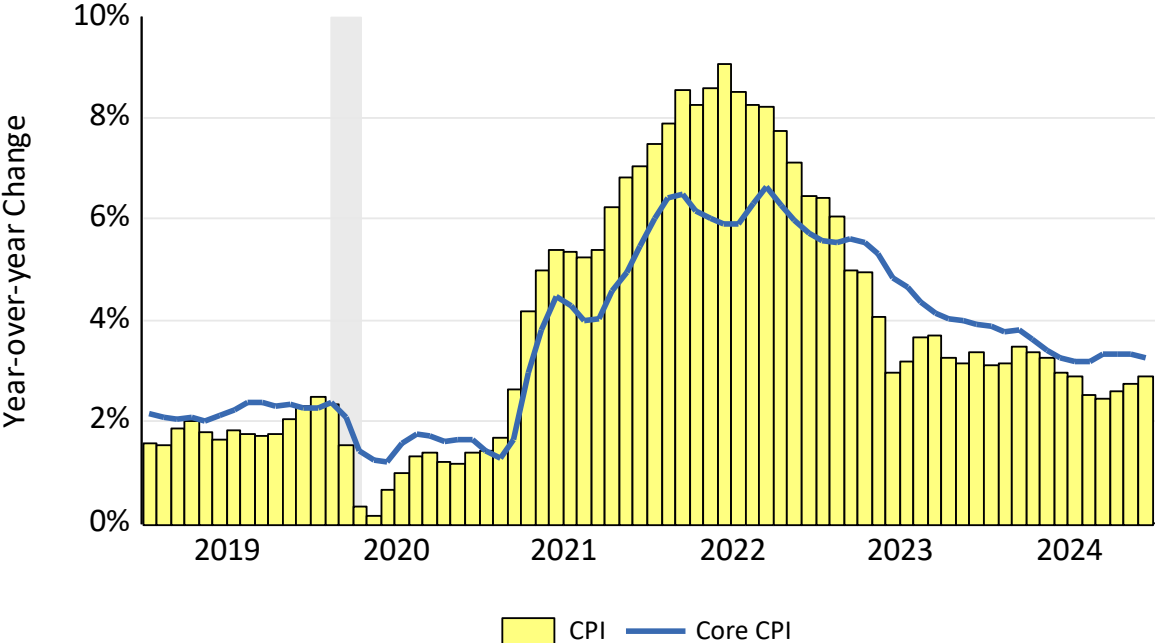
In December, average hourly earnings for all private employees rose by 10 cents, or 0.3%, to \$35.69. Over the past 12 months, average hourly earnings have increased by 3.9%.

The labor force participation rate, at 62.5%, was unchanged over the month and has remained in a narrow range of 62.5% to 62.7% since December 2023.

The January employment report, coming out Friday, Feb 7, is expected to show an increase of around 160,000. This release will include revisions to prior years.

Annual Price Changes Rose to 2.9% in December

Consumer Price Index (CPI)



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

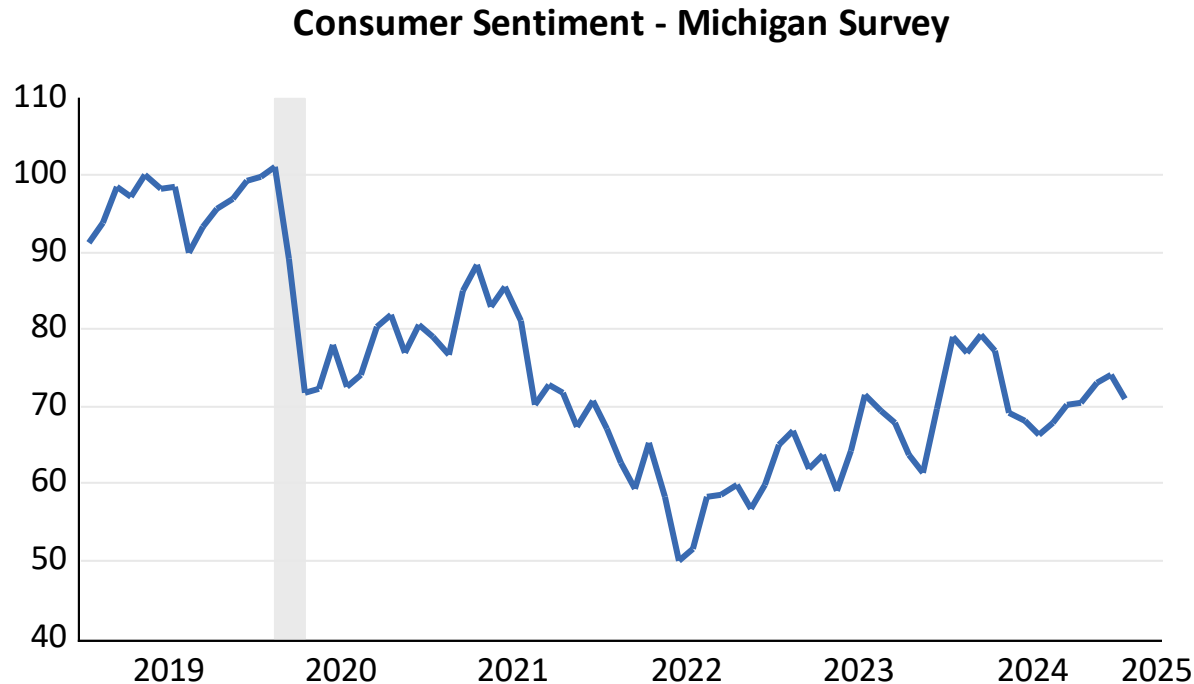
The Consumer Price Index for All Urban Consumers (CPIU) increased 0.4% on a seasonally adjusted basis in December, after rising 0.3% in November. Over the last 12 months, the all-items index increased 2.9% before seasonal adjustment.

The index for energy rose 2.6% in December, accounting for over 40% of the monthly all items increase. The gasoline index increased 4.4% over the month. The index for food also increased in December, rising 0.3% as both the index for food at home and the index for food away from home increased 0.3% each.

The core index, which excludes food and energy, rose 0.2% in December, after increasing 0.3% in each of the previous 4 months. Indexes that increased in December include shelter, airline fares, used cars and trucks, new vehicles, car insurance, and medical care. The indexes for personal care, communication, and alcoholic beverages were among the few major indexes that decreased over the month.

The all-items index rose 2.9% for the 12 months ending December, after rising 2.7% over the 12 months ending November. The core index rose 3.2% over the last 12 months. The energy index decreased 0.5% for the 12 months ending December, while the food index increased 2.5%.

Consumer Sentiment Dips on Uncertainty Towards Prices



The Michigan Consumer Sentiment Index dipped in January, falling from 74.0 in December 2024 to 71.0 in January 2025, a decline of 3.9%. The January reading was 10.0% below its reading of January 2024.

The index of Current Economic Conditions fell 1.5% from 74.0 to 75.0, while the Index of Consumer Expectations fell 5.5% from 73.3 to 69.3.

Consumers are uncertain about prices in the future, and year-ahead inflation expectations rose from 2.8% to 3.3%.

Concerns about unemployment also increased, with 47% of consumers reporting an expectation of higher unemployment rates in the year ahead.

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