

DAY 1

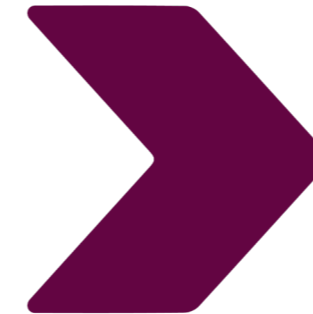
WISCONSIN ECONOMIC SUMMIT

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State of the Economy



John Koskinen

Chief Economist

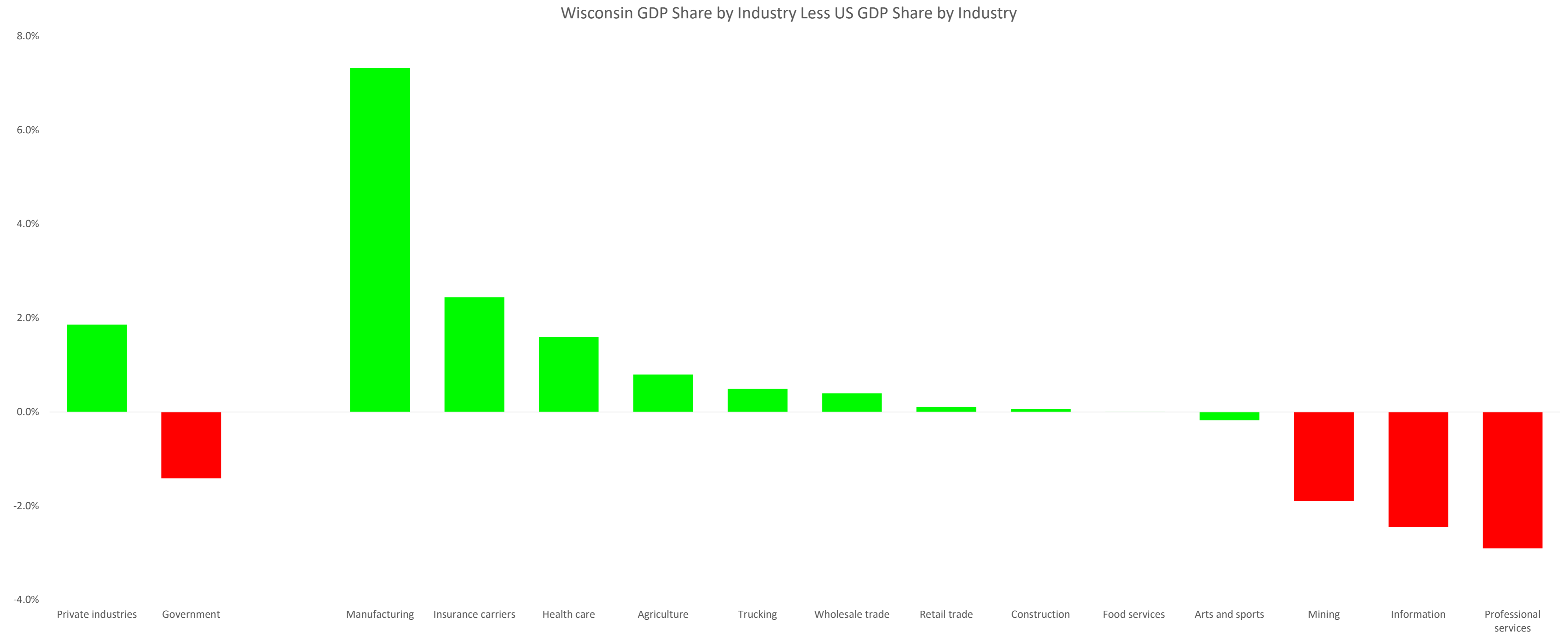
Wisconsin Department of Workforce Development

A Quick Look At Wisconsin's Competitive Economy

WEDC Economic Development Conference

October 23, 2023

Wisconsin More Intensive than the US in Manufacturing, Insurance, Health Care, Agriculture, Trucking and Trade



A SWOT Review of the Wisconsin Economy

Strengths

1. Work Preference
2. Family Income
3. Poverty
4. Wisconsin Women

Weaknesses

1. Natural Increase in Population
2. Access to Venture Capital
3. Weather Vulnerability
4. Child Care Availability

Opportunities

1. Youth Labor Force & Net Migration
2. Education
3. Business Tax Climate Improvement
4. Manufacturing Re-Investment

Threats

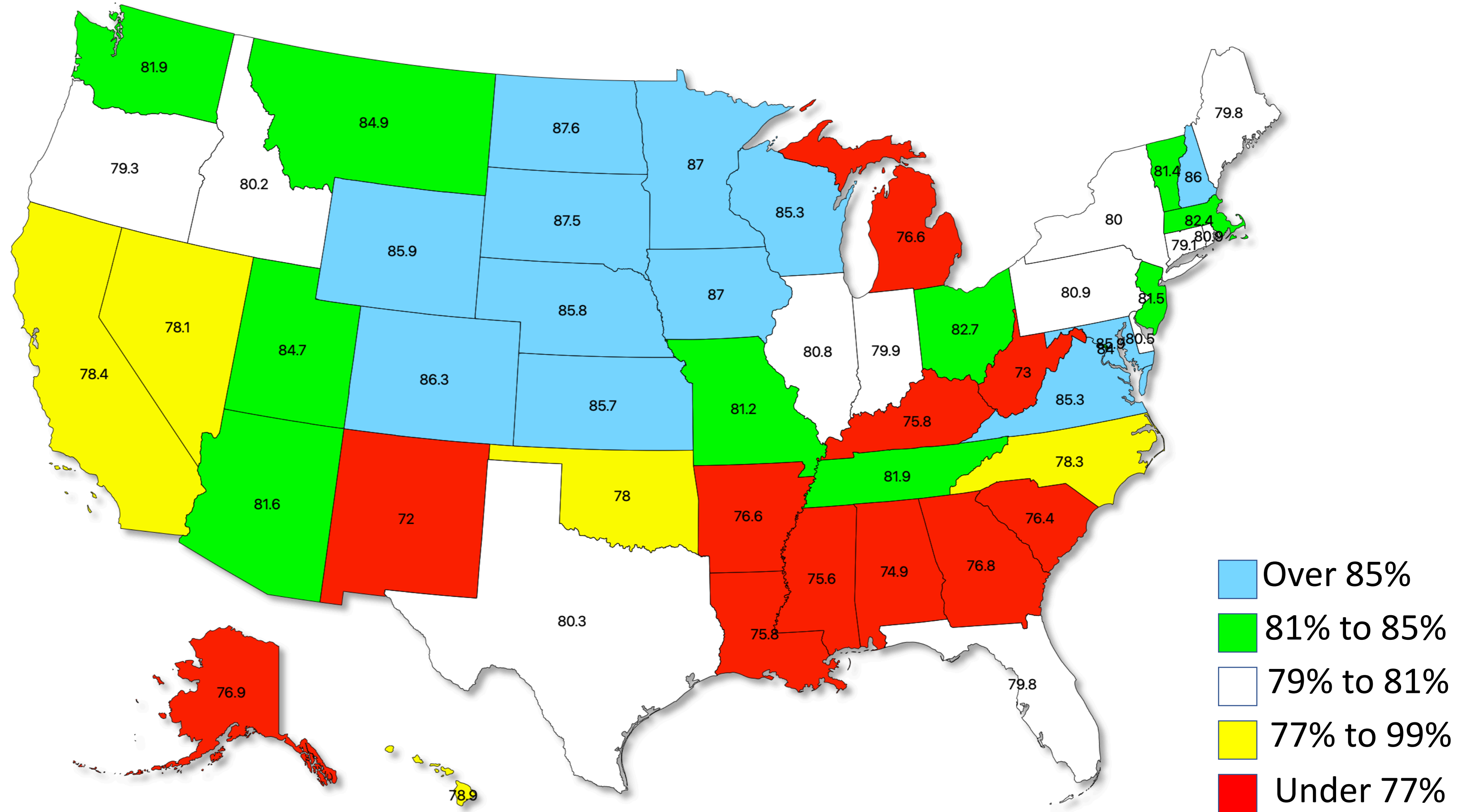
1. Aging Workforce
2. COVID Learning Loss
3. Tax Initiatives of Other States
4. Electricity Costs

Strength #1: Work Preference

*Prime Working Age Population
2023 Q1
Employment
Population Ratio*

*Wisconsin
Among Top
States*

U.S. Average 80.4%



Source: Pew Center for the Study of the States

Strength #2: Family Income

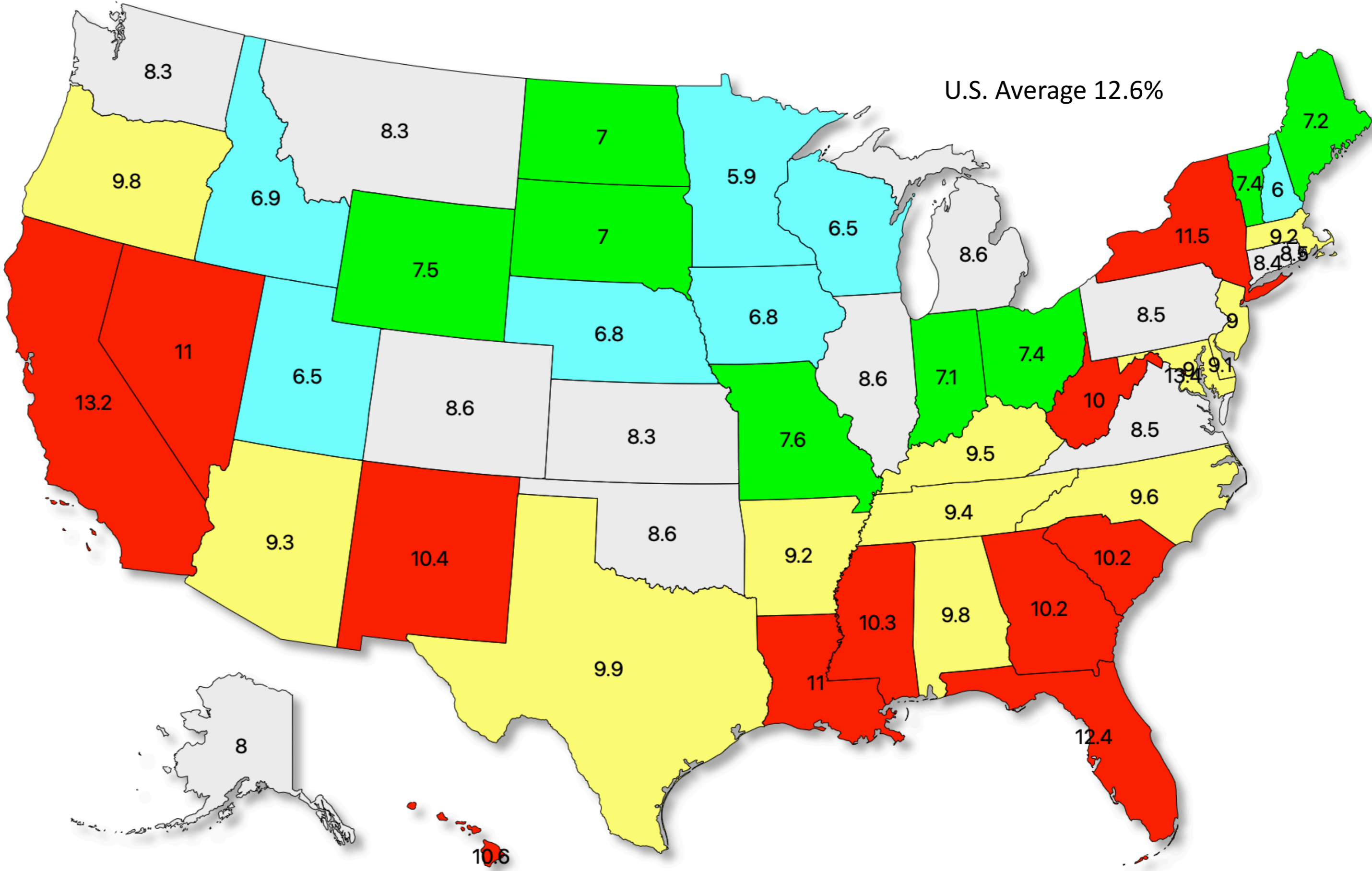
Adjusted for Cost of Living,
Wisconsin Incomes Above U.S. Average

	Median Household Income			Median Family Income		
	Nominal, Unadjusted			Nominal, Unadjusted		
	U.S. Average	Wisconsin	Difference	U.S. Average	Wisconsin	Difference
Amount	69,717	67,125	-2,592	83,806	85,810	2,004
	Adjusted for Cost of Living			Adjusted for Cost of Living		
	U.S. Average	Wisconsin	Difference	U.S. Average	Wisconsin	Difference
RPP Index	100.0	93.3		100.0	93.3	
Amount	69,717	71,638	1,921	83,806	91,926	8,120

Strength #3: Poverty

Wisconsin Has
the 3rd Lowest
Poverty Rate
in the U.S.

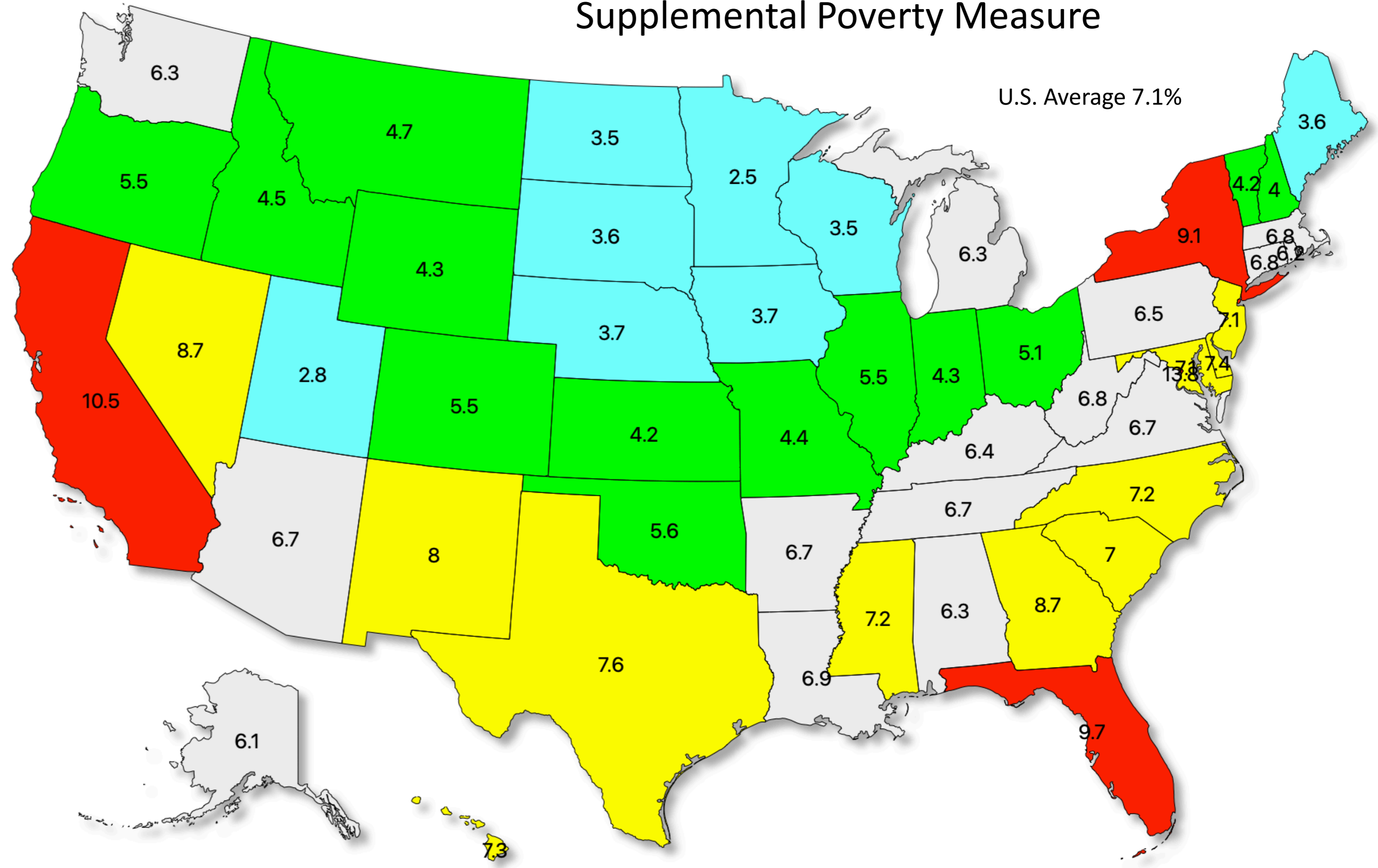
Percent of Population in Poverty, 2021
Supplemental Poverty Measure



Source: U.S. Census Bureau, American Community Survey

Wisconsin Has the 3rd Lowest Poverty Rate Among Children in the U.S.

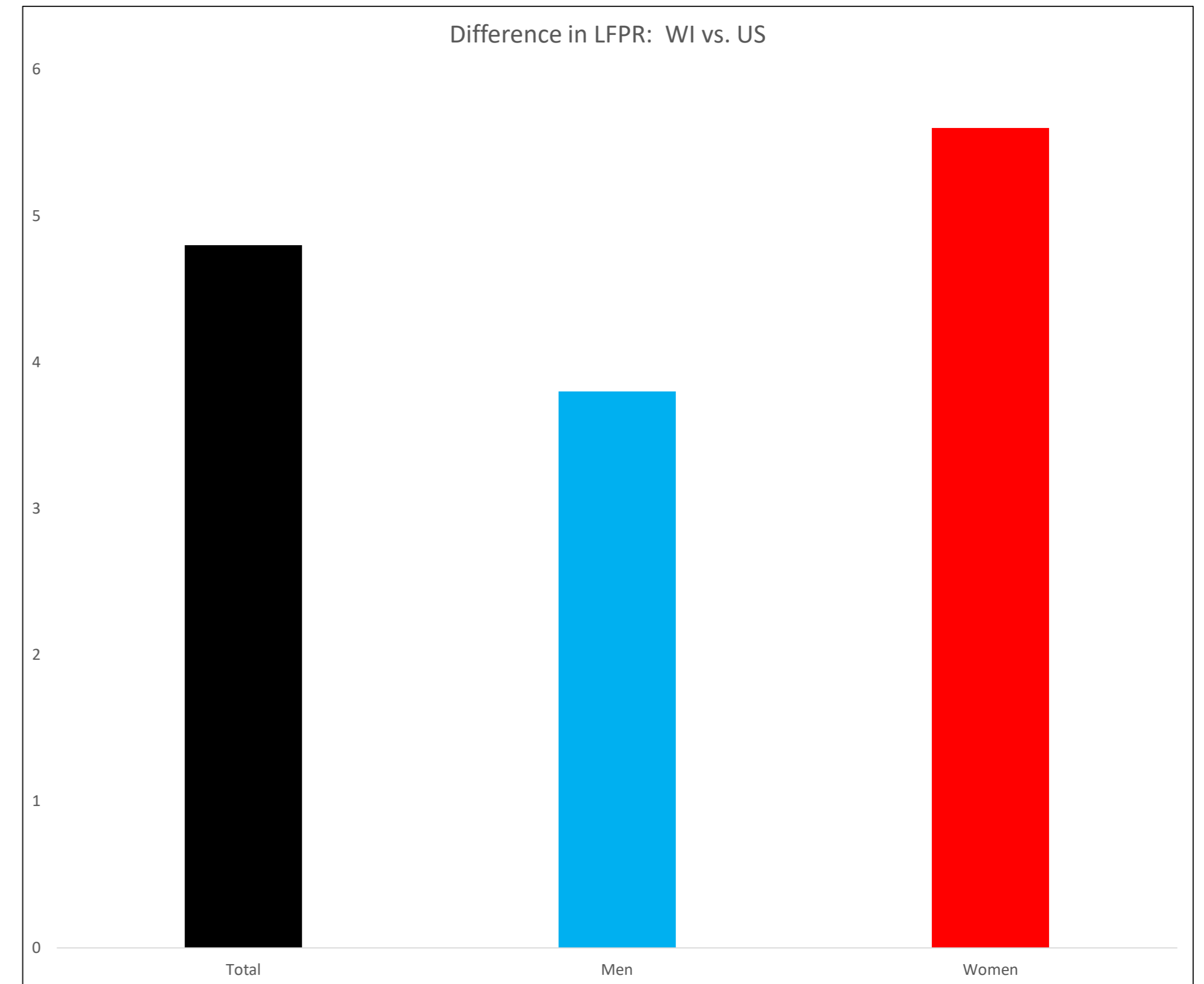
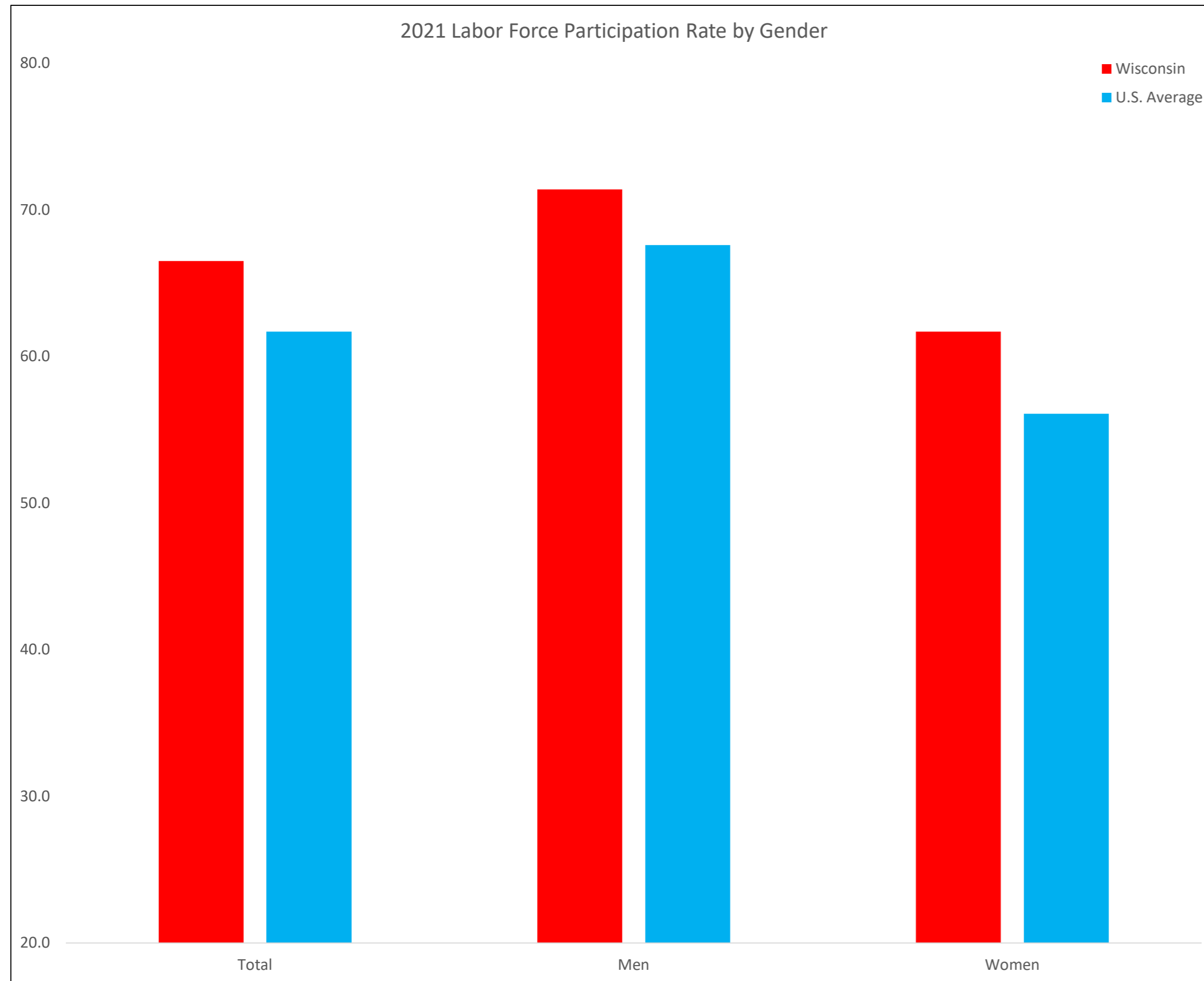
Percent of Children in Poverty, 2021
Supplemental Poverty Measure



Source: U.S. Census Bureau, American Community Survey

Strength #4: Wisconsin Women

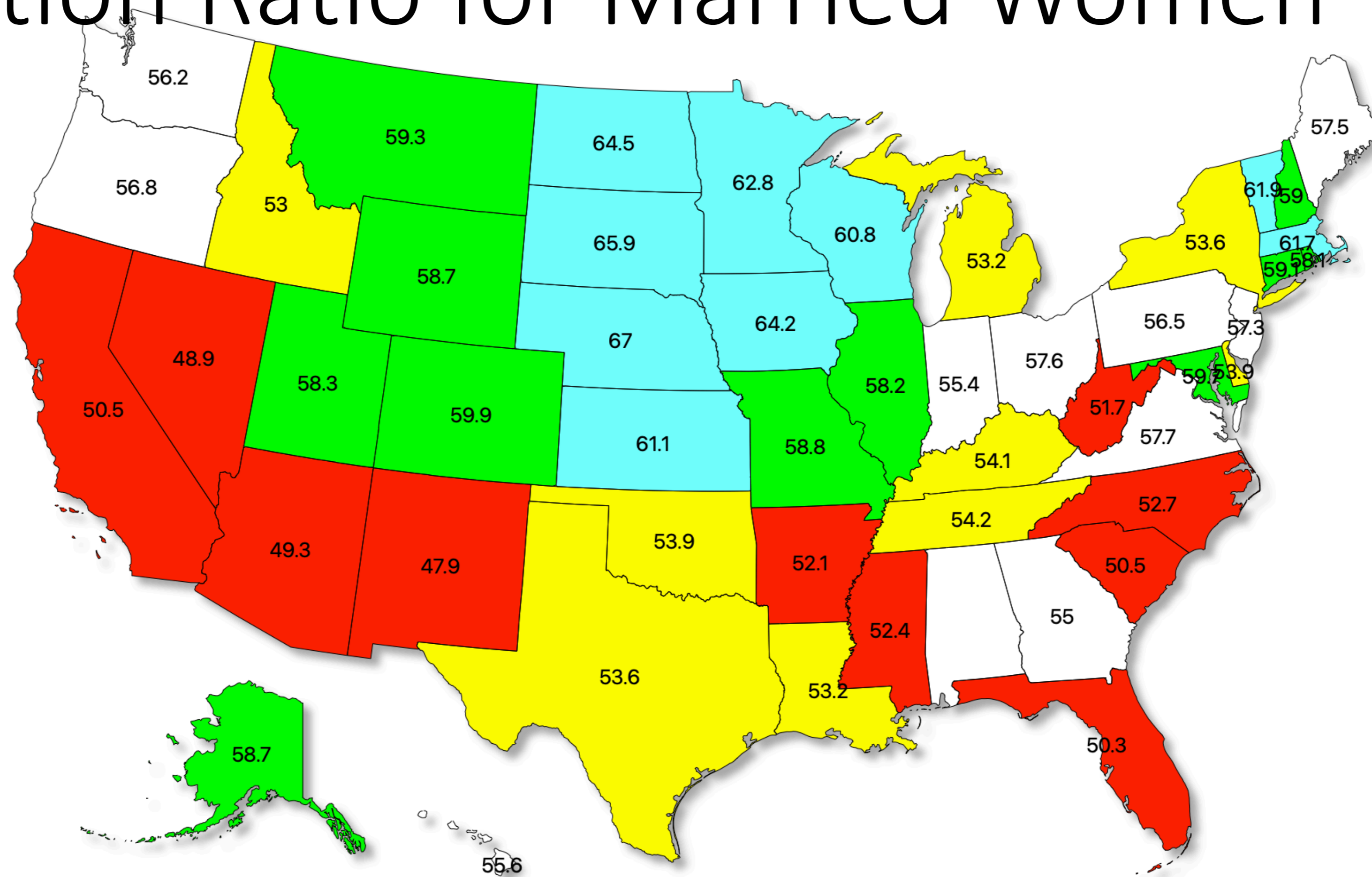
Wisconsin Women Major Factor in Labor Force Participation Edge



Source: U.S. Bureau of Labor Statistics

Strength #4: Wisconsin Women

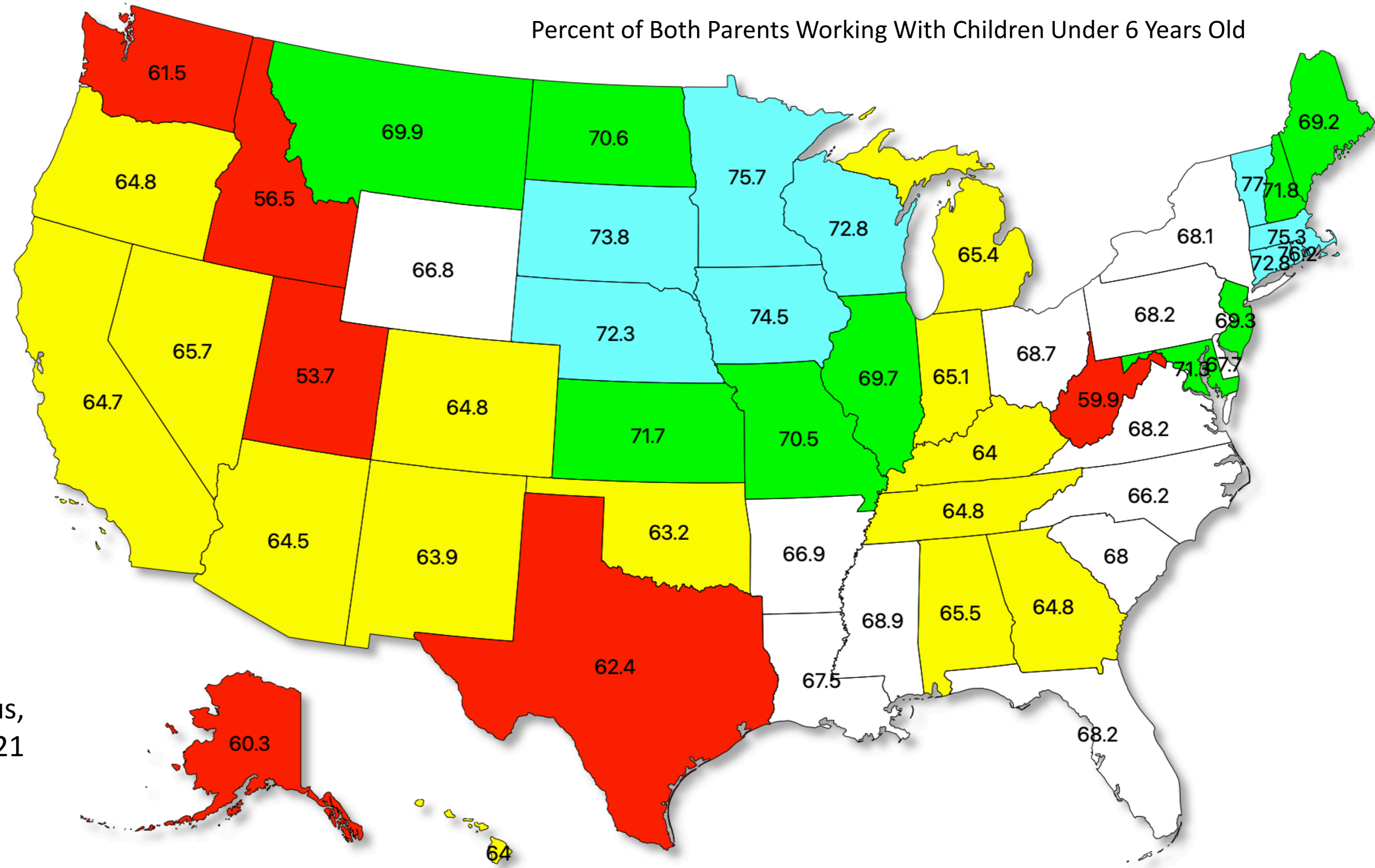
Wisconsin Ranks 9th in Employment Population Ratio for Married Women



Source: U.S. Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2021

Strength #4: Wisconsin Women

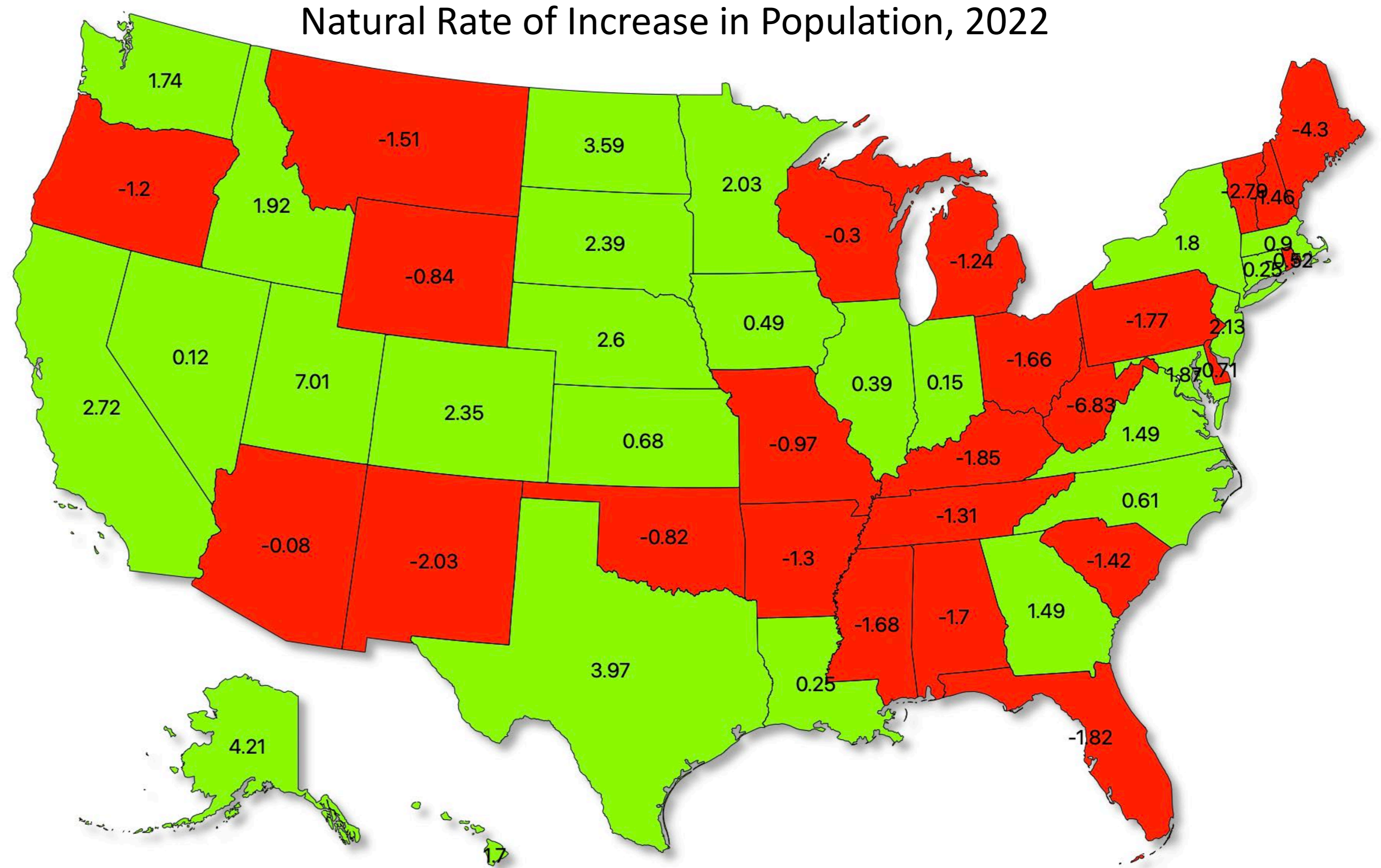
Wisconsin Ranks 7th In U.S. For Both Parents Working



Source: U.S. Bureau of the Census, American Community Survey, 2021

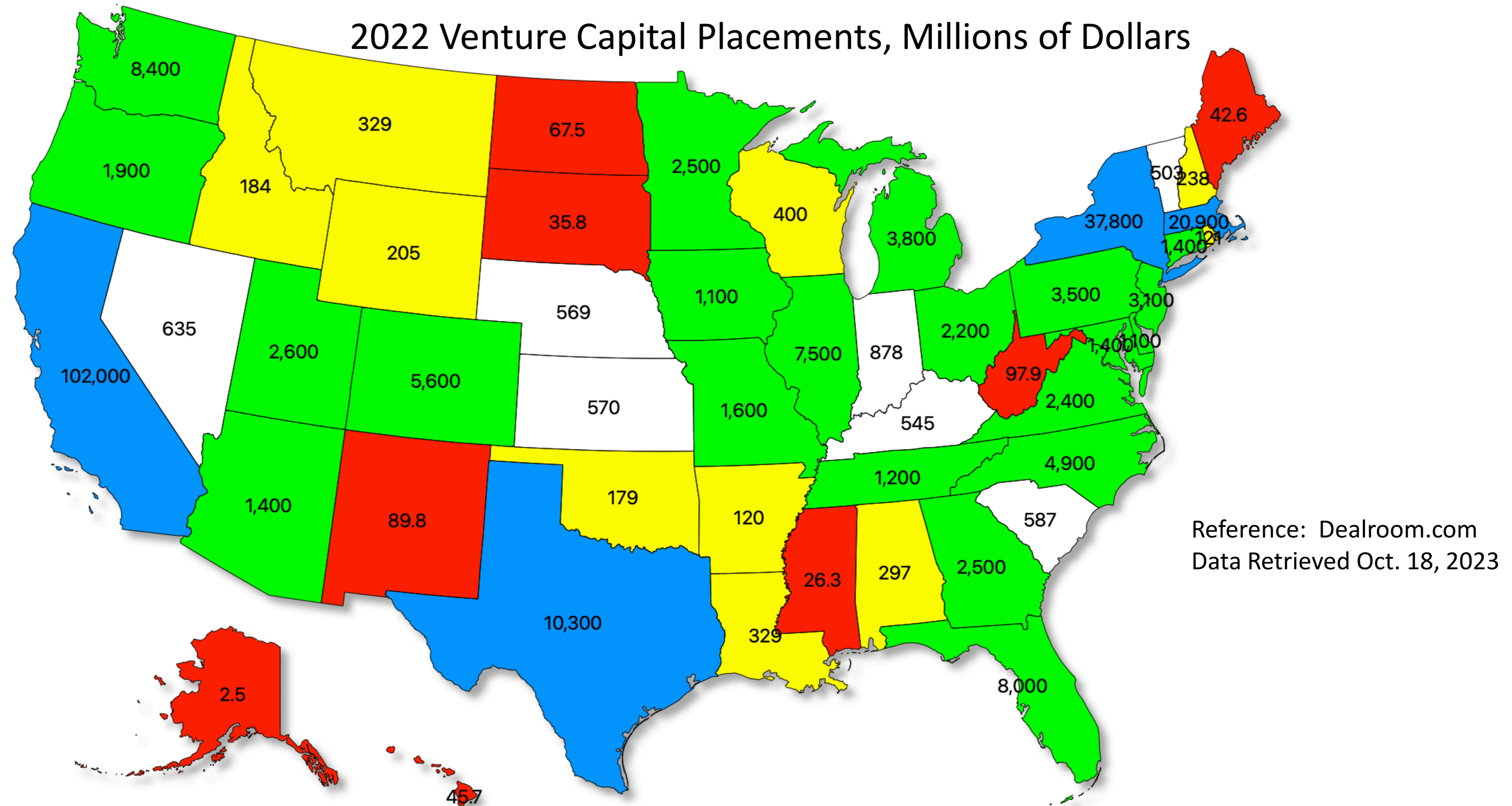
Weakness #1:

Wisconsin
Among States
with a Shrinking
Natural Rate of
Population
Growth



Weakness #2: Venture Capital Placements

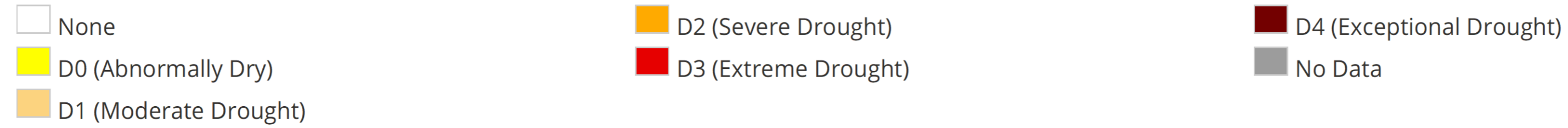
Wisconsin Trails Neighboring States in Venture Capital



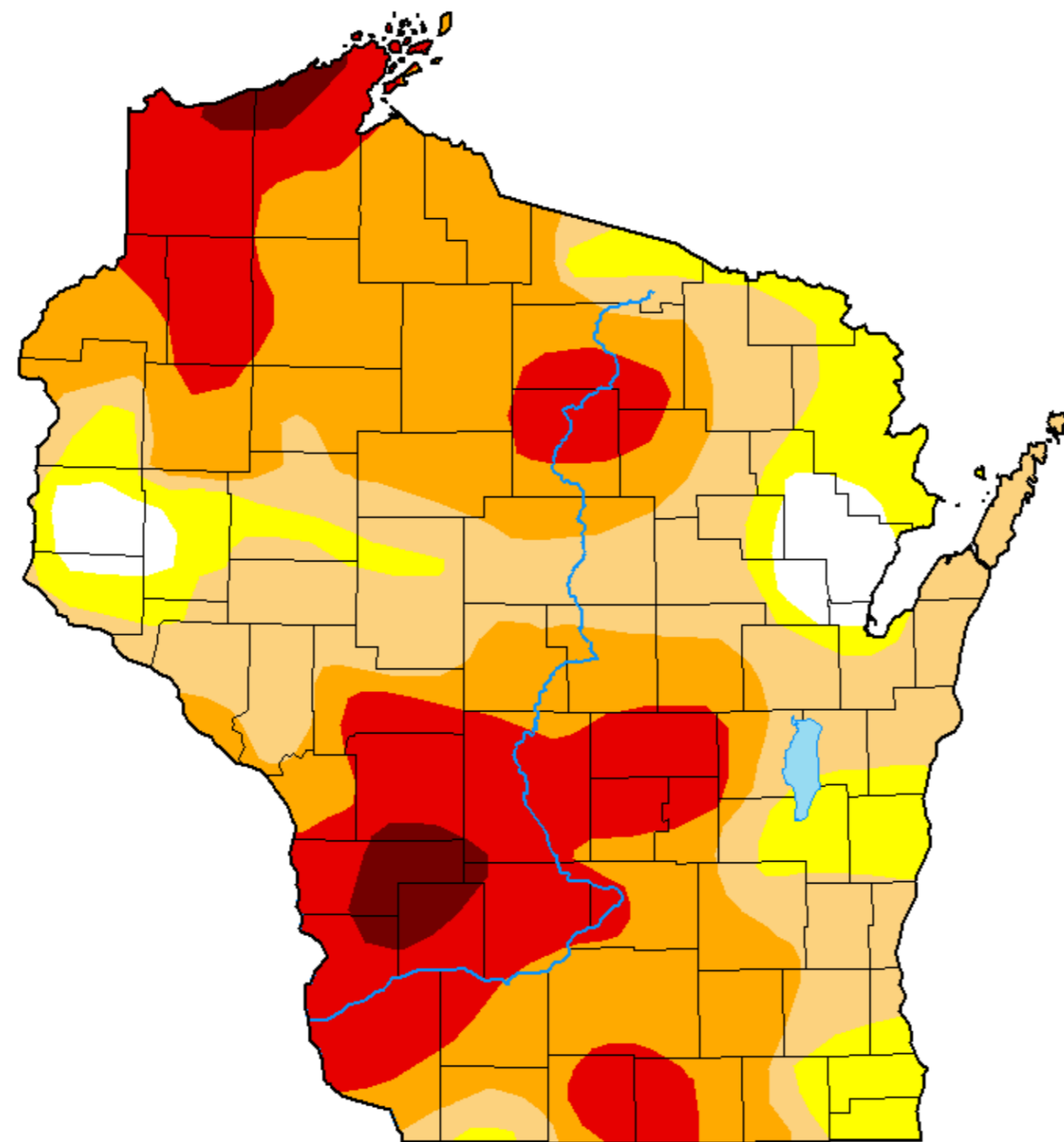
Weakness #3: Weather Vulnerability

Wisconsin's Agricultural Sector Always be Weather Dependent

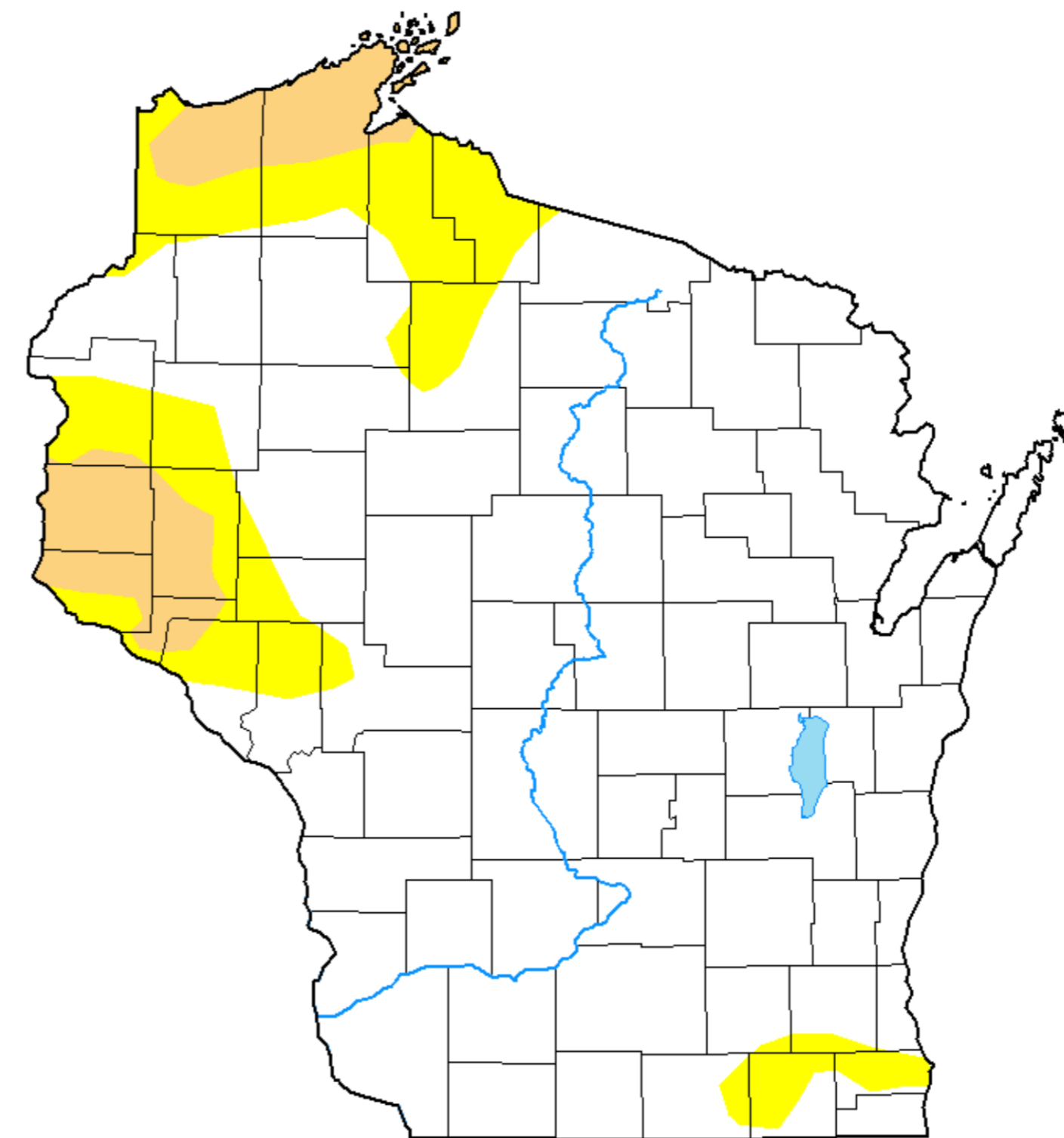
Drought Classification



September 2023

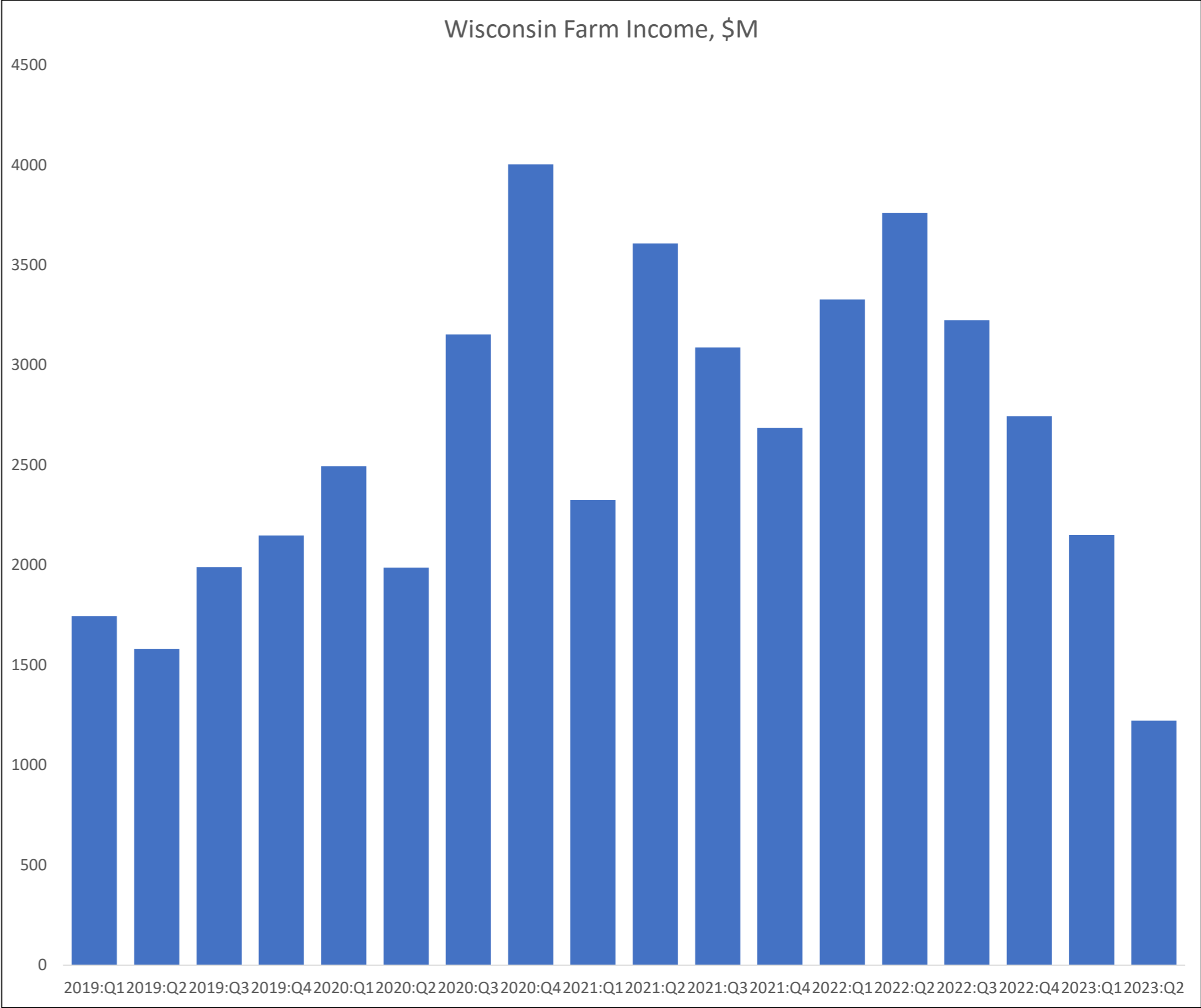
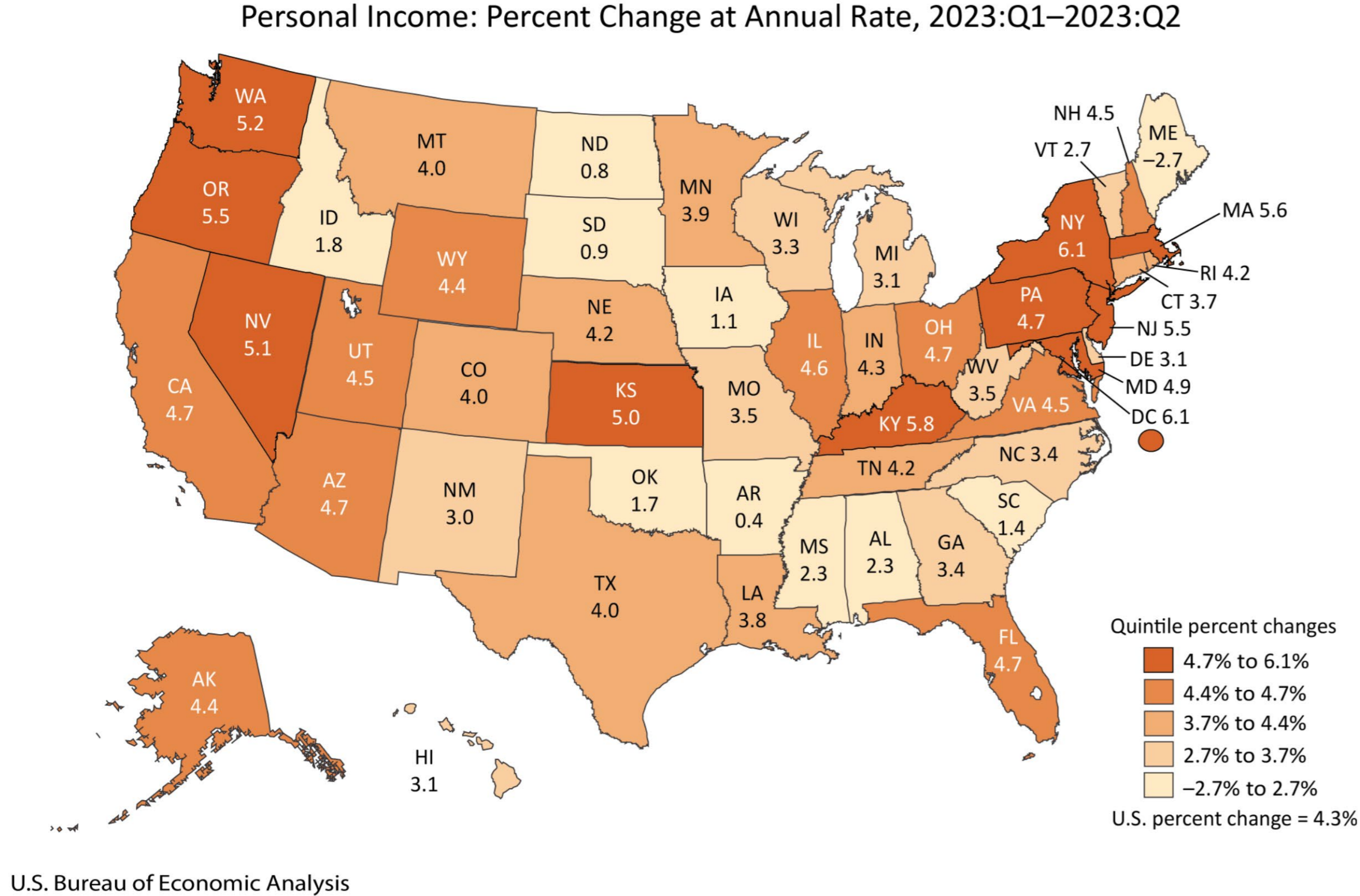


September 2022



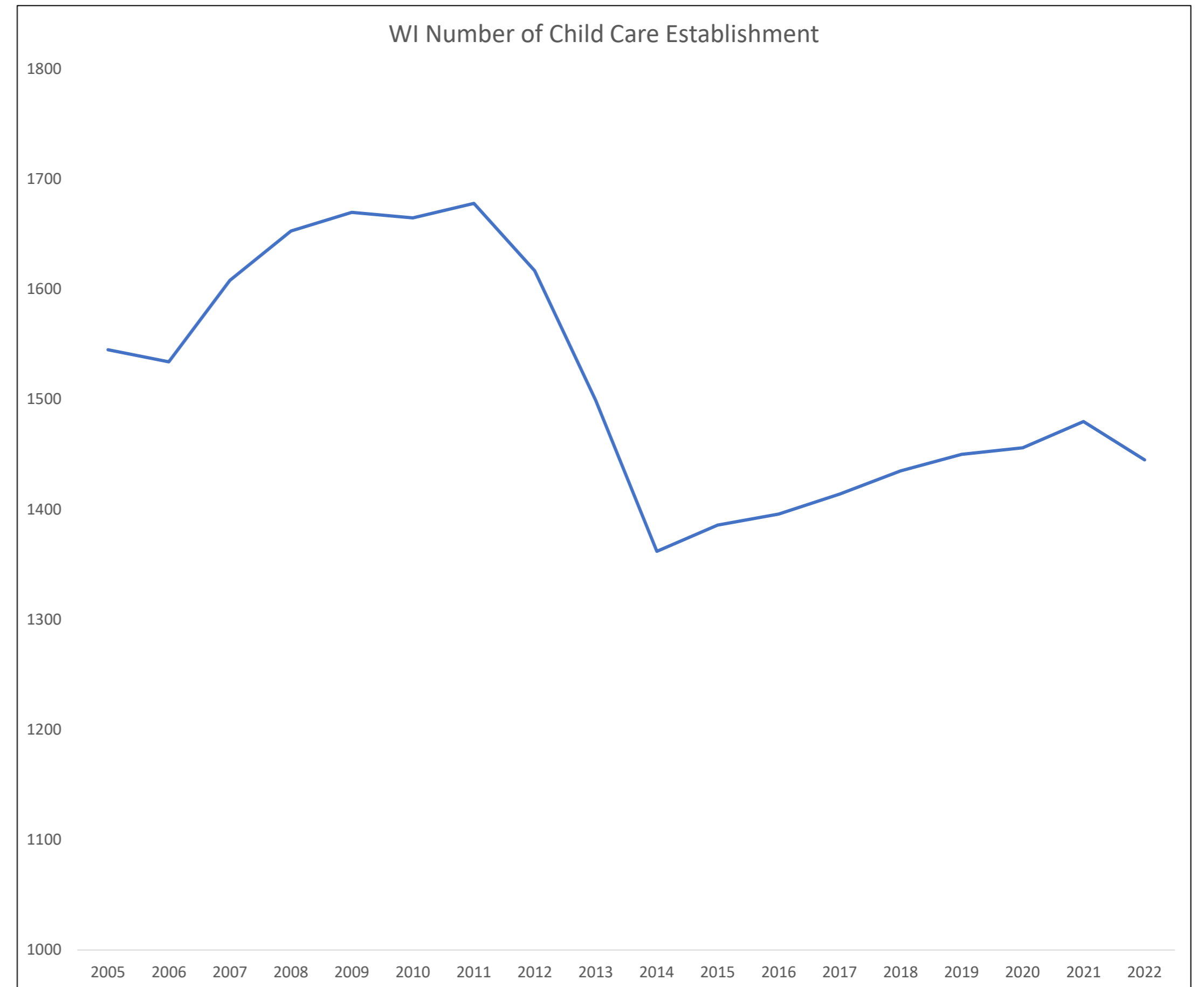
Weakness #3: Weather Vulnerability

Farm Income is a Swing Sector for Wisconsin



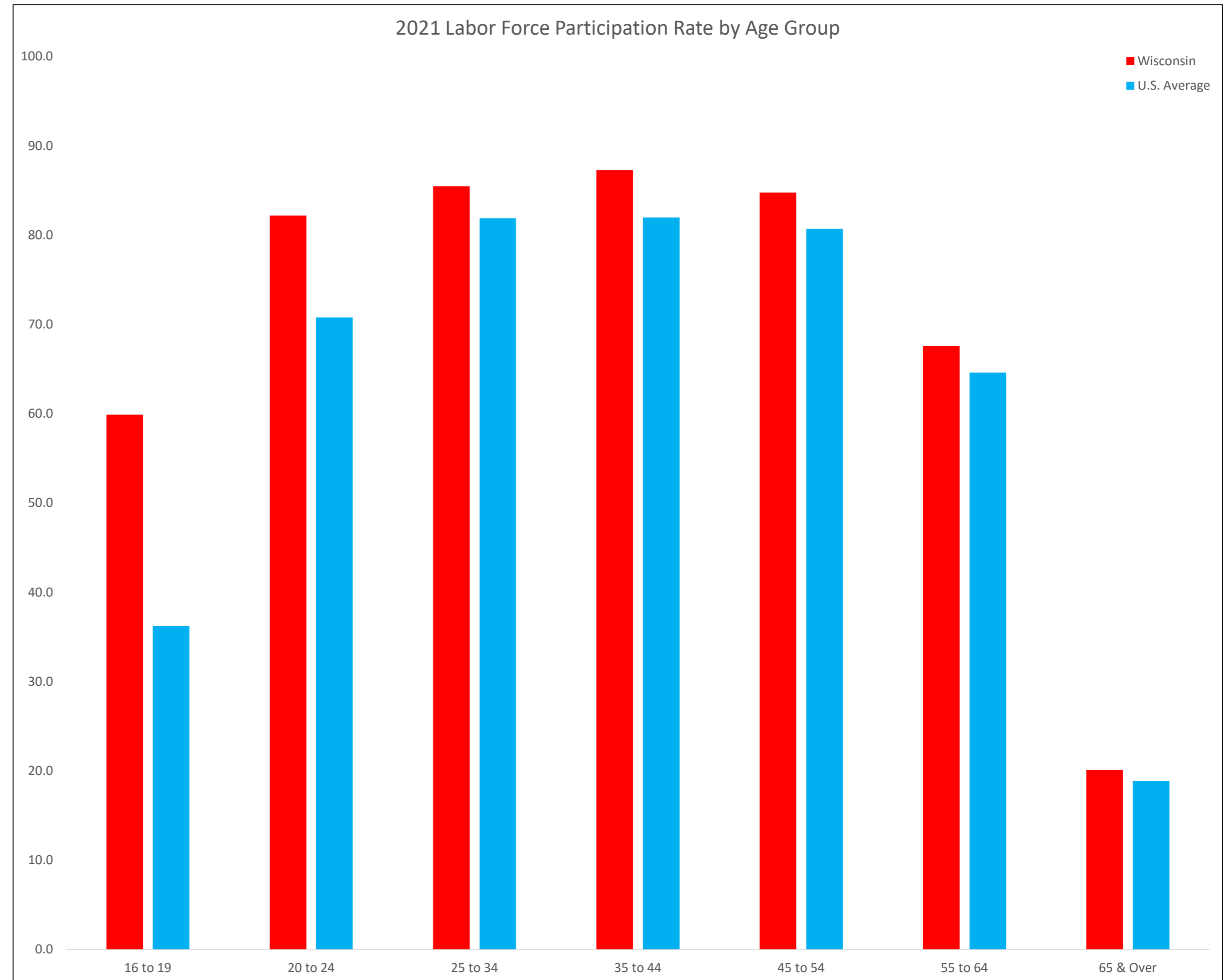
Weakness #4: Child Care Availability

Child Care Services Not Recovered From Pandemic Losses



Opportunity #1: Youth Labor Force & Net Migration

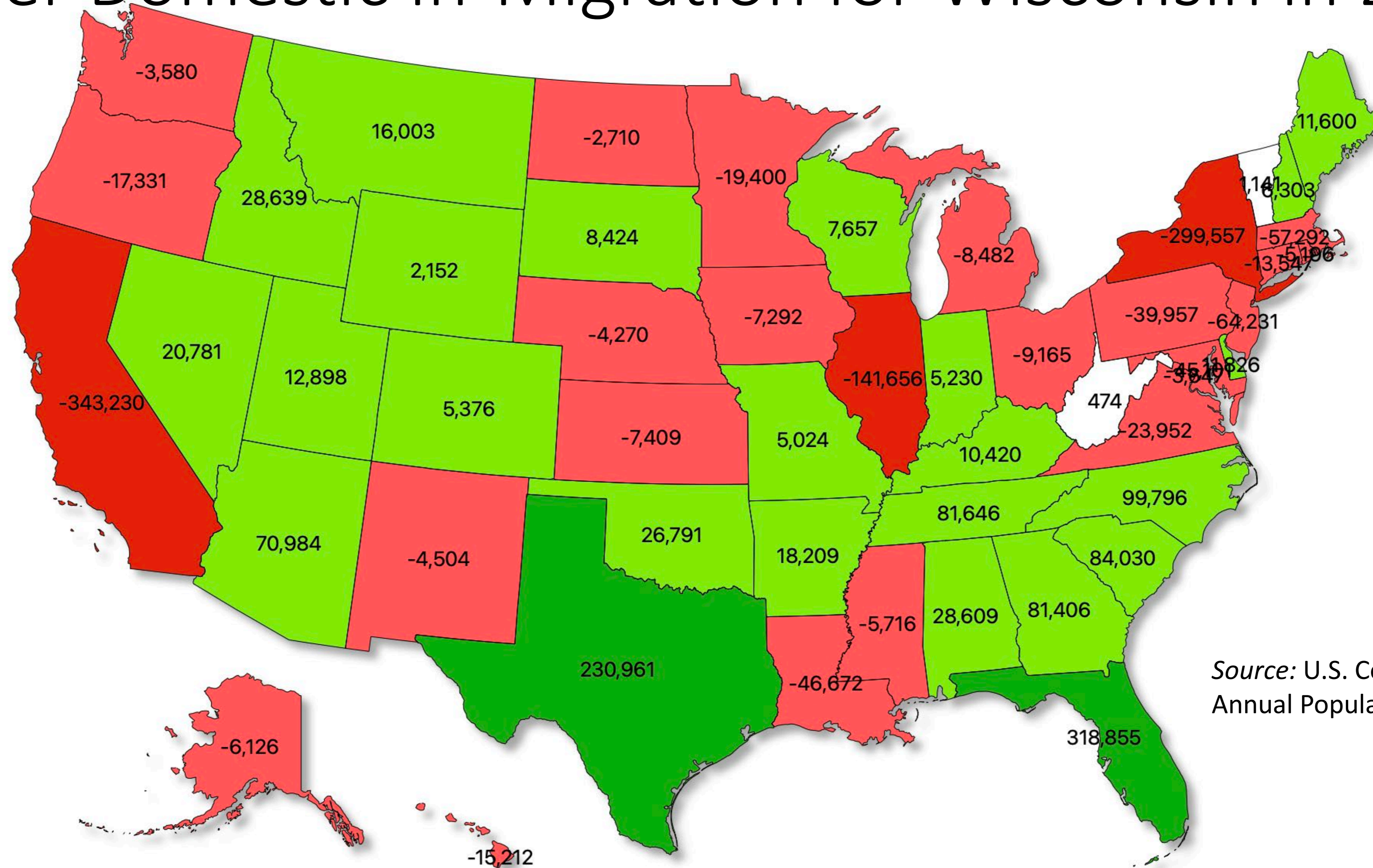
Young Wisconsin Workers Much More Engaged than their U.S. Counterparts



Source: U.S. Bureau of Labor Statistics

Opportunity #1: Youth Labor Force & Net Migration

Stronger Domestic In-Migration for Wisconsin in 2022

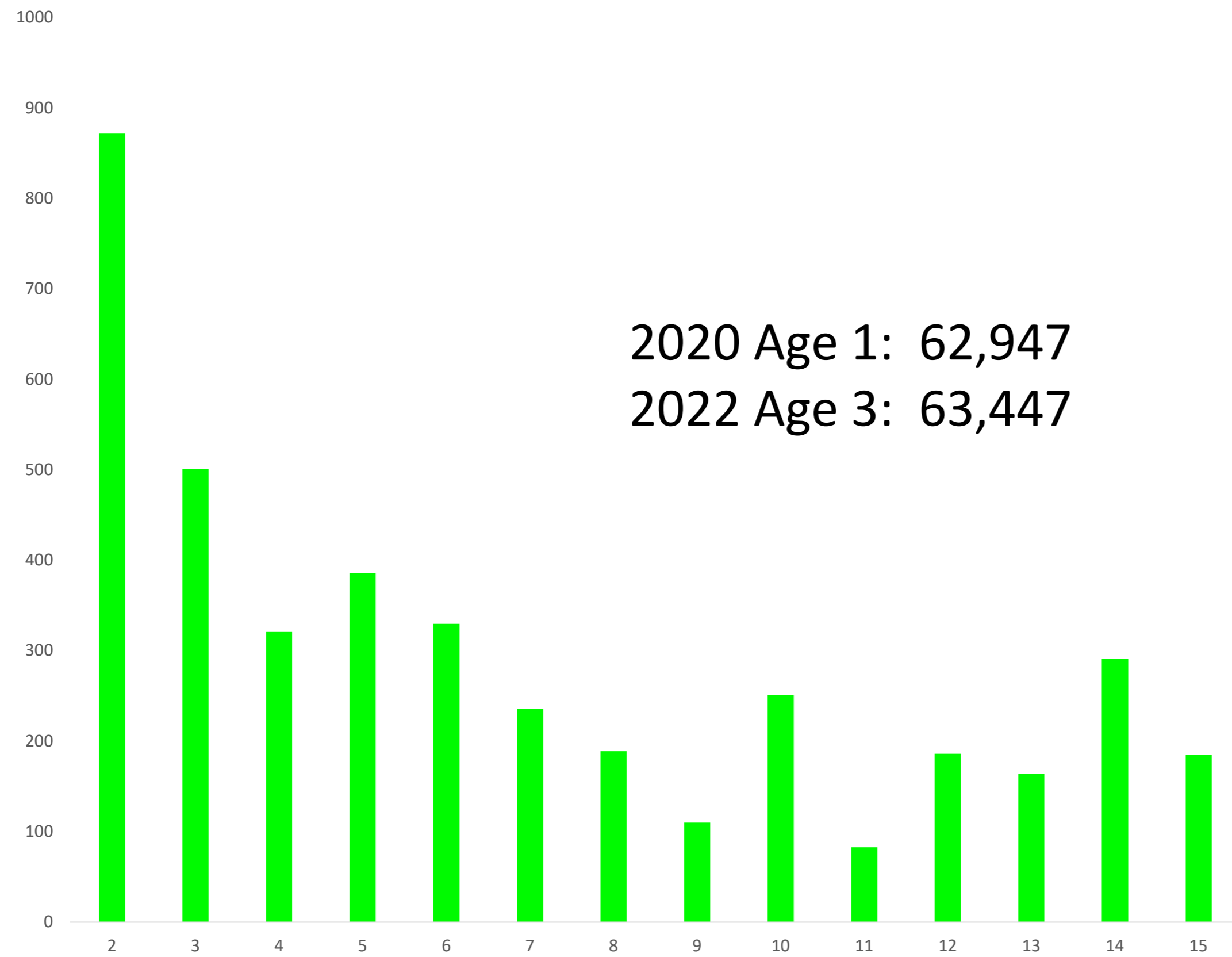


Source: U.S. Census Bureau, Annual Population Estimates

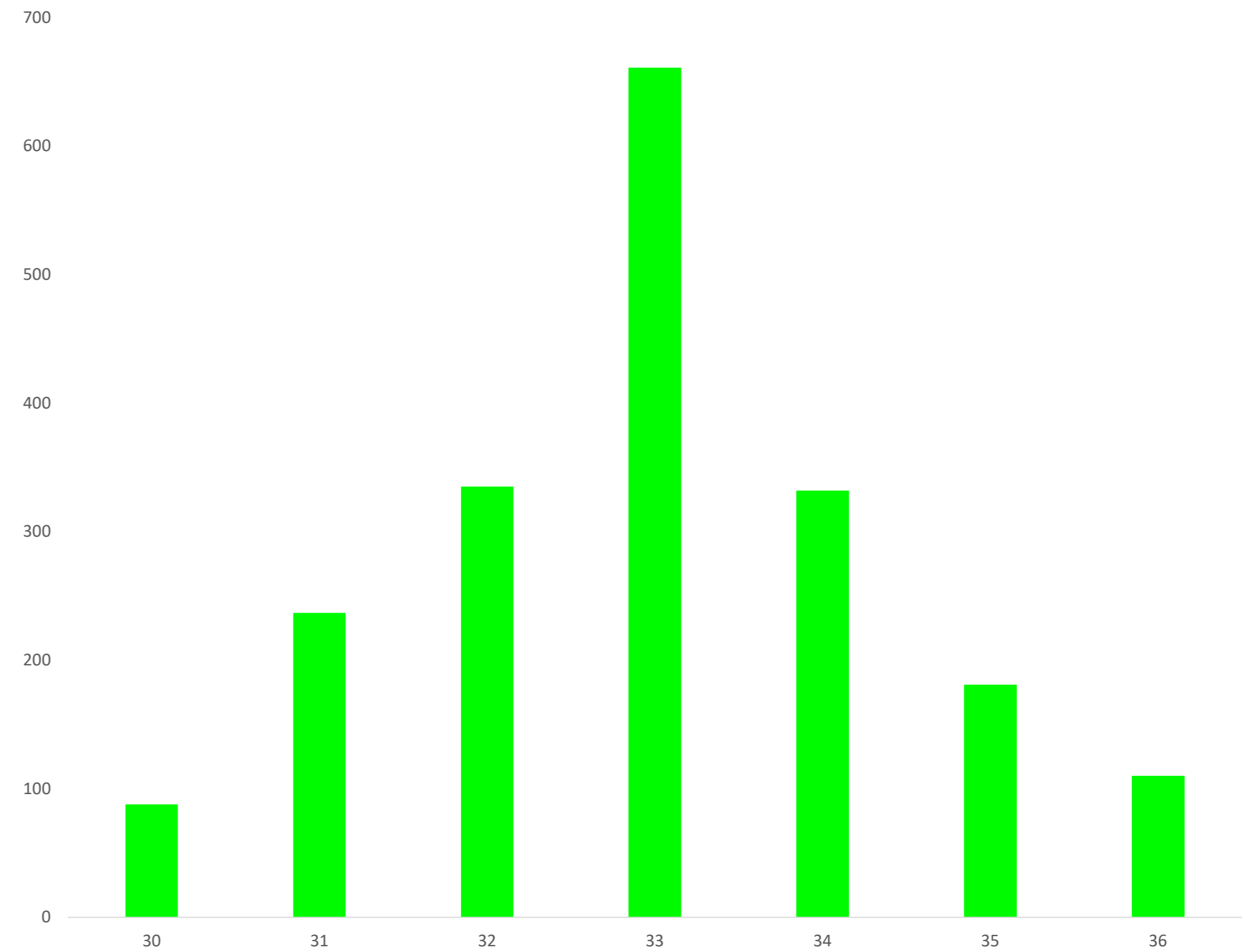
Opportunity #1: Youth Labor Force & Net Migration

Major Source of In-Migration, Families with Children

Wisconsin 2-Year Population Gain
By Age Cohort

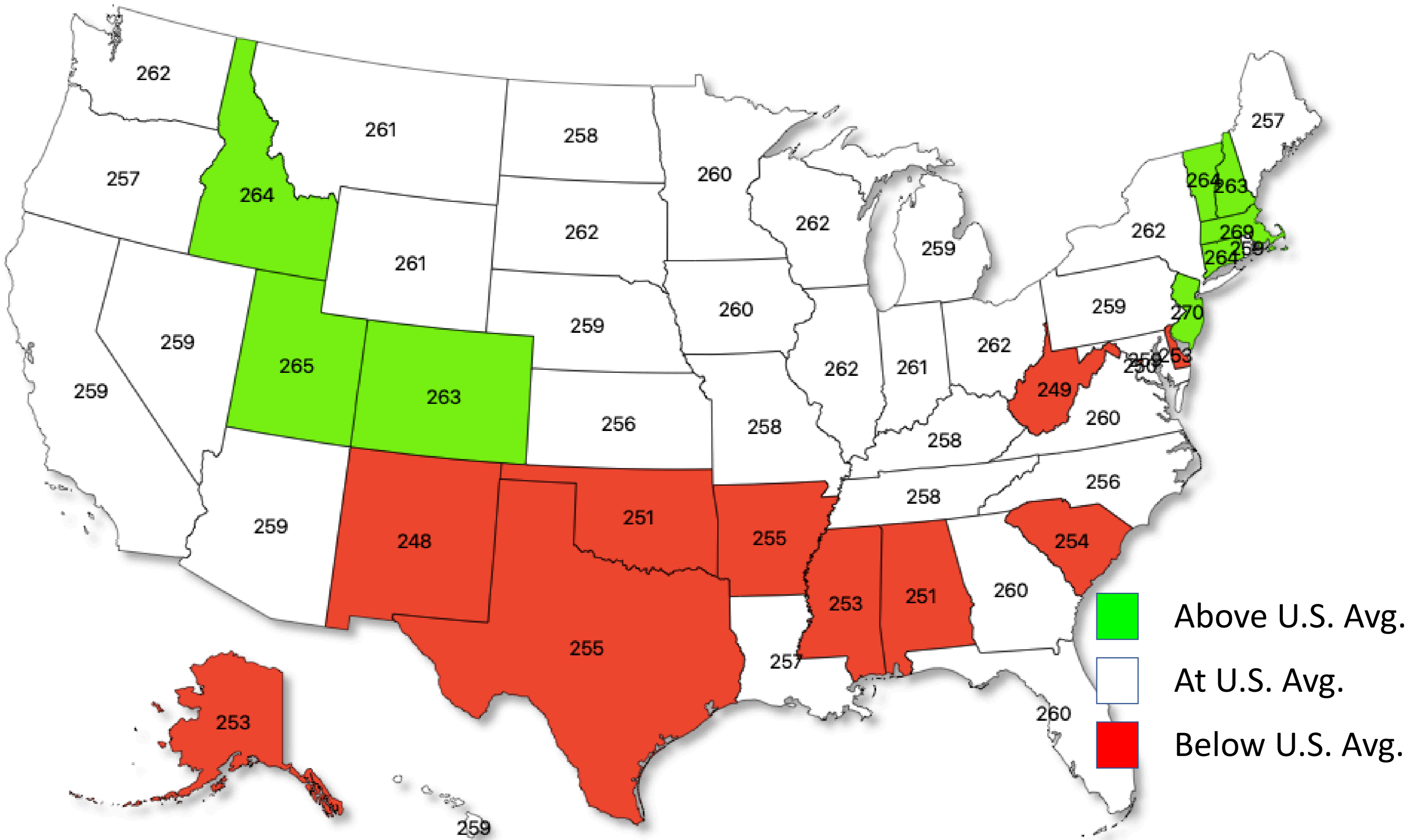


Wisconsin 2-Year Population Gain
By Age Cohort



Opportunity #2: Education

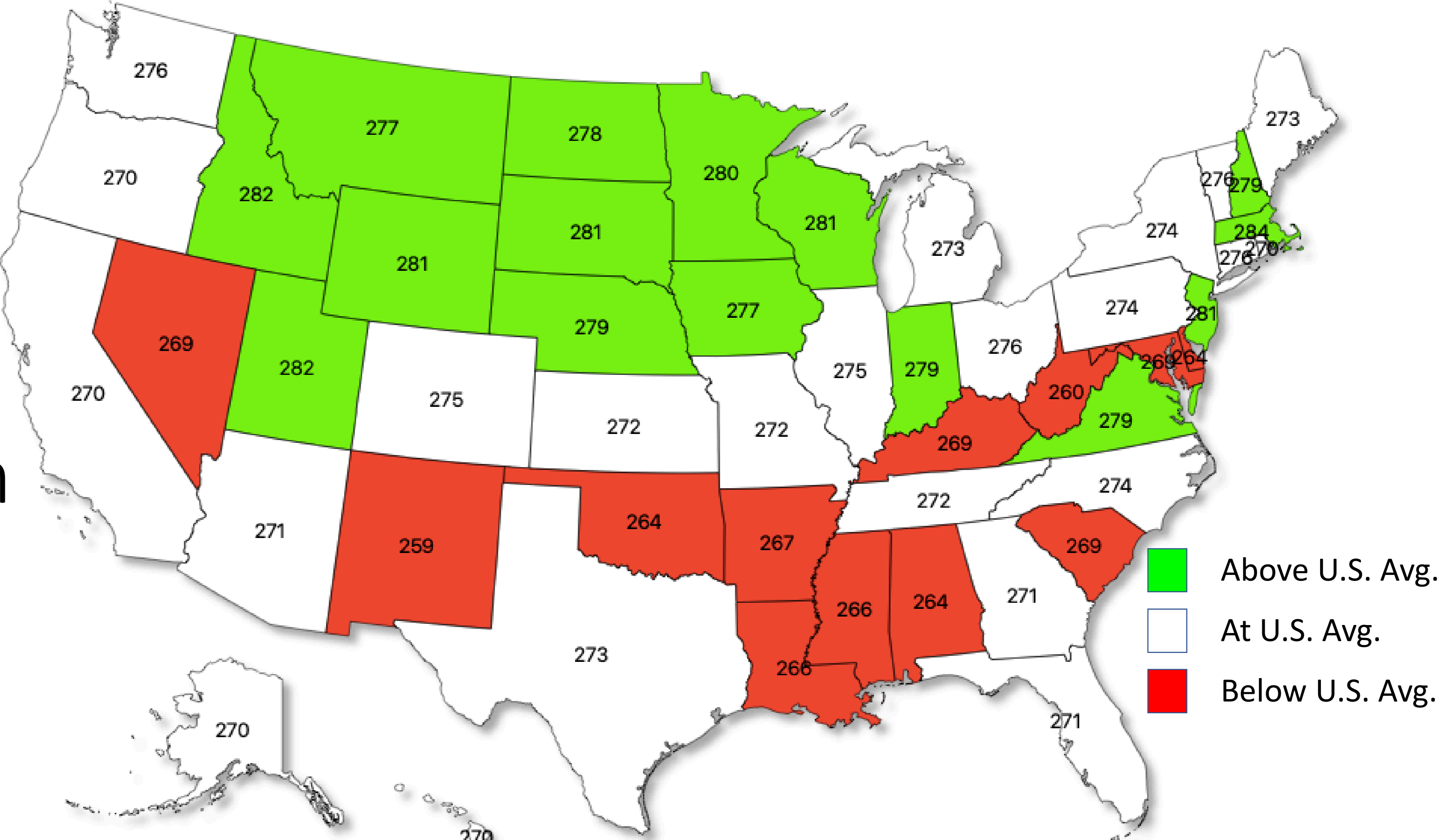
Wisconsin 8th
Grade Reading
Scores
10th Highest in
the Nation



<https://www.nationsreportcard.gov/profiles/stateprofile?chort=2&sub=RED&sj=AL&sfj=NP&st=MN&year=2022R3>

Opportunity #2: Education

Wisconsin 8th
Grade
Mathematics
Scores
4th Highest in
the Nation

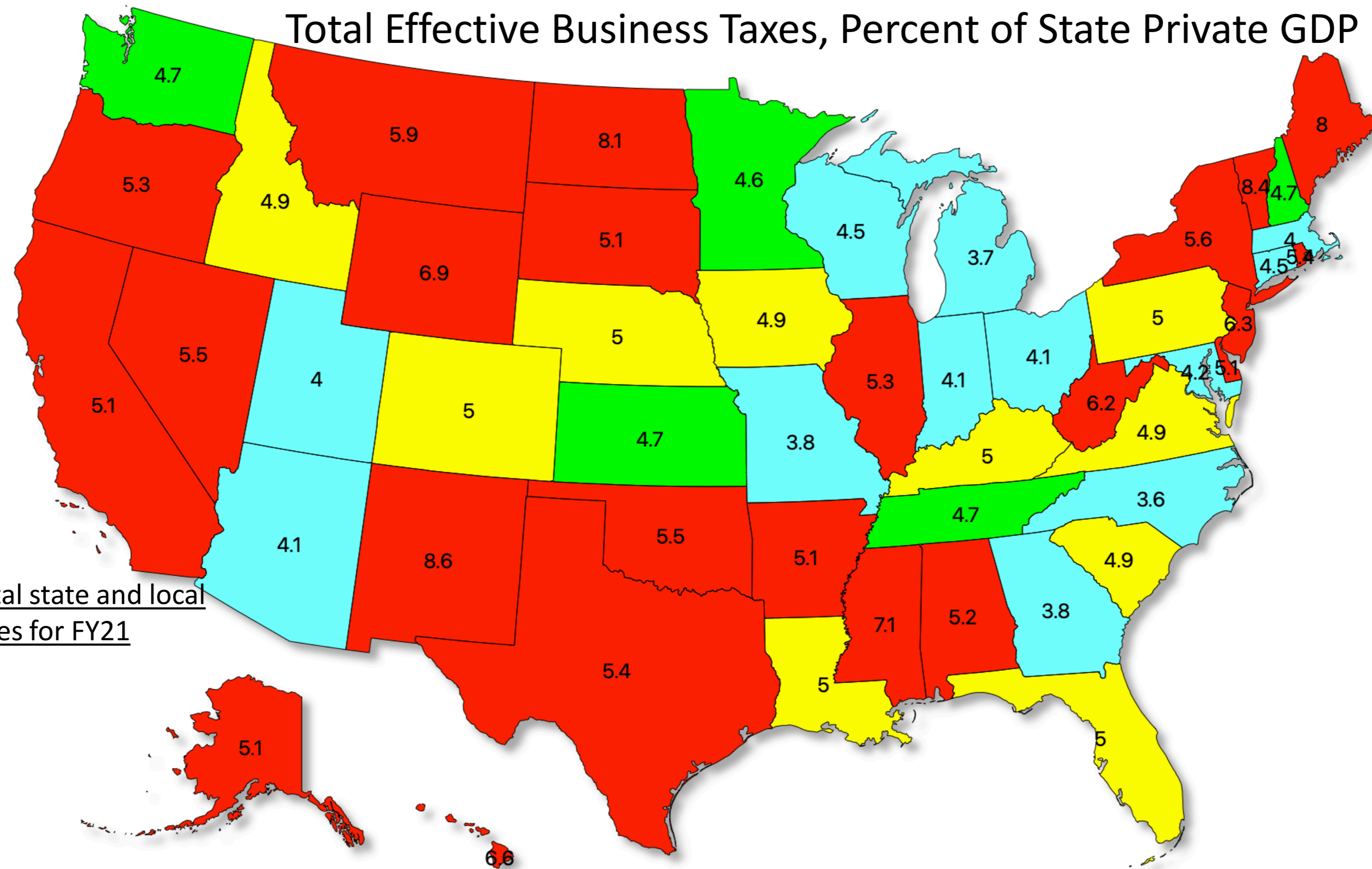


<https://www.nationsreportcard.gov/profiles/stateprofile?chort=2&sub=RED&sj=AL&sfj=NP&st=MN&year=2022R3>

Opportunity #3: Business Tax Climate Improvement

Wisconsin's Competitive Business Tax Climate

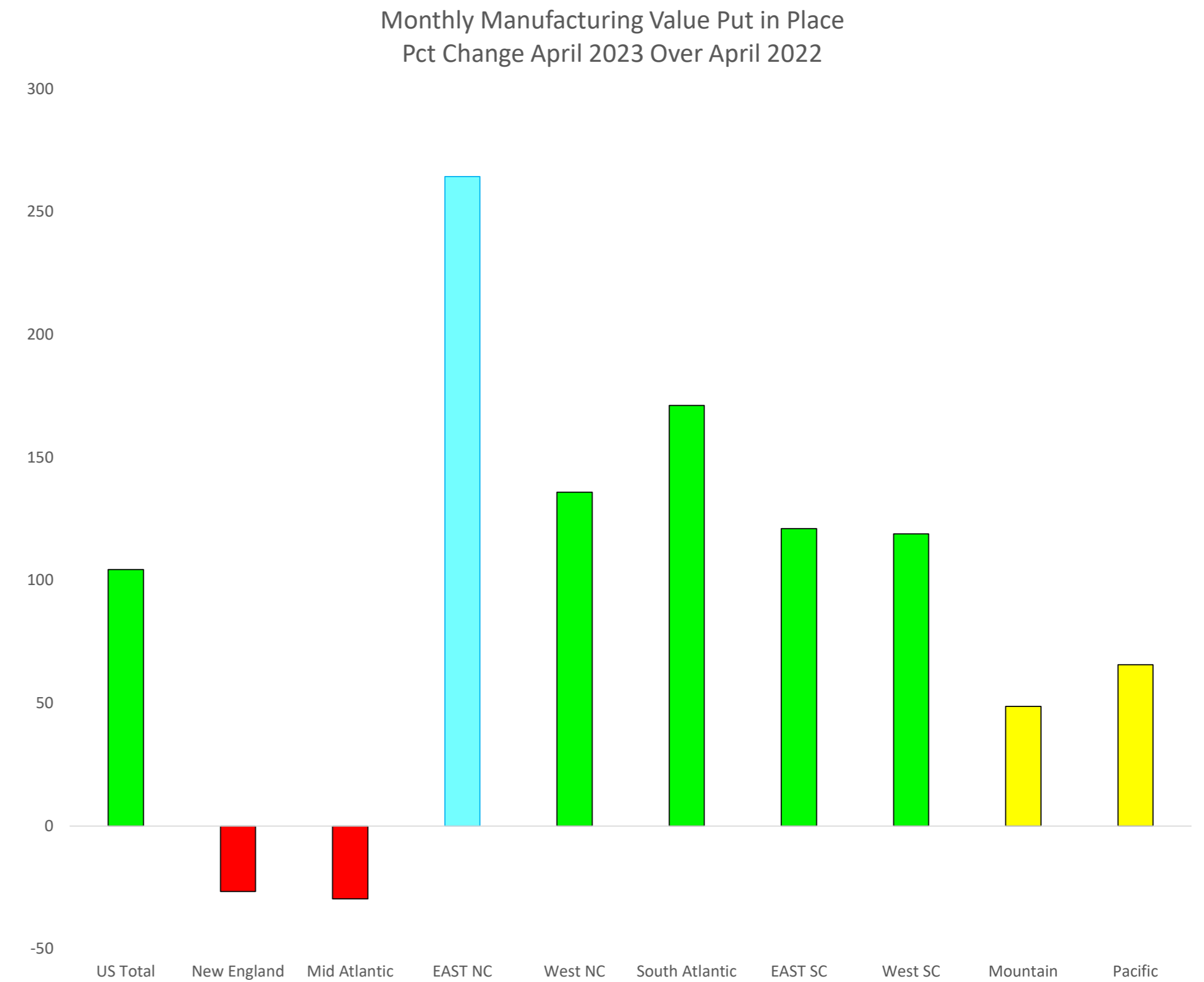
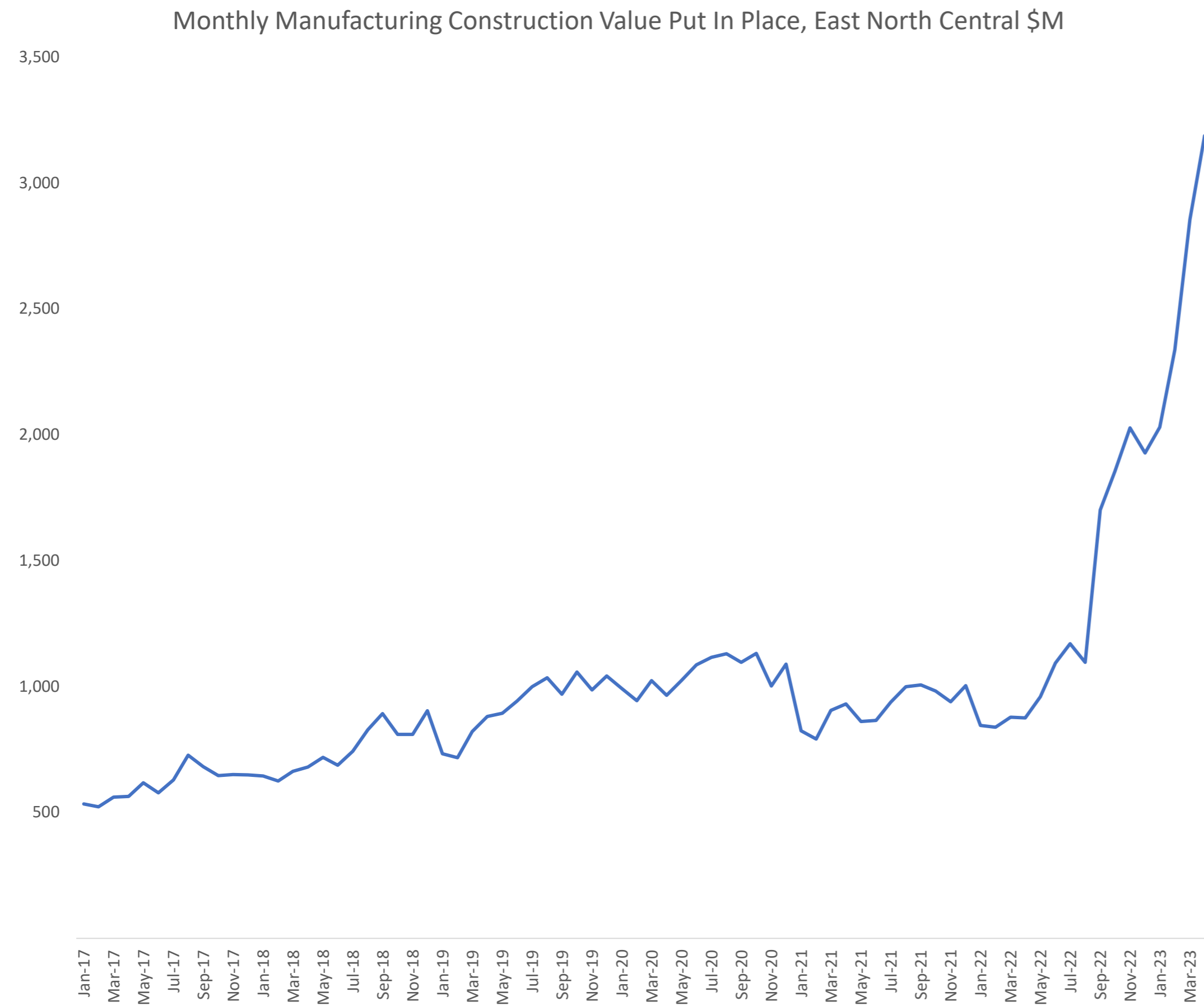
Wisconsin Ranks 39th for Business Taxes



Source: Council on State Taxation, Total state and local business taxes: State-by-state estimates for FY21
December 2022

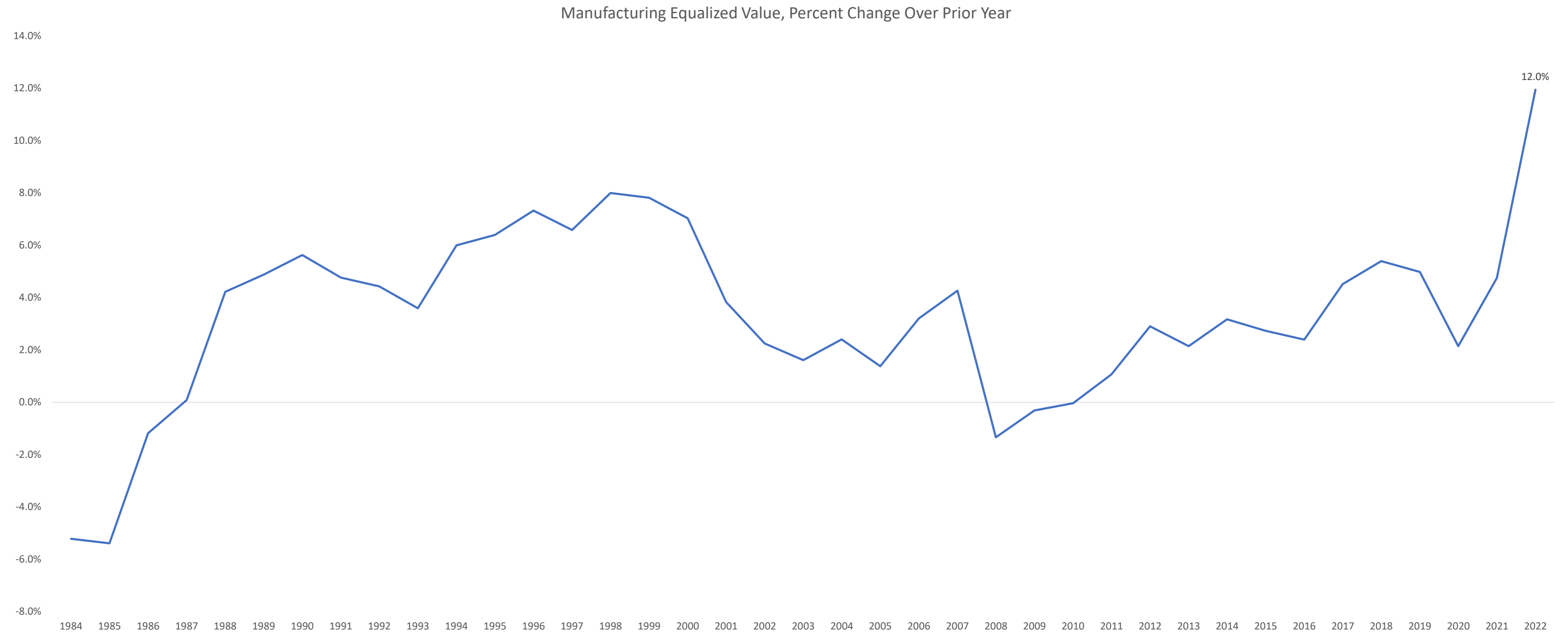
Opportunity #4: Manufacturing Re-Investment

Significant Increase In Manufacturing Value Put In Place in the Great Lakes States



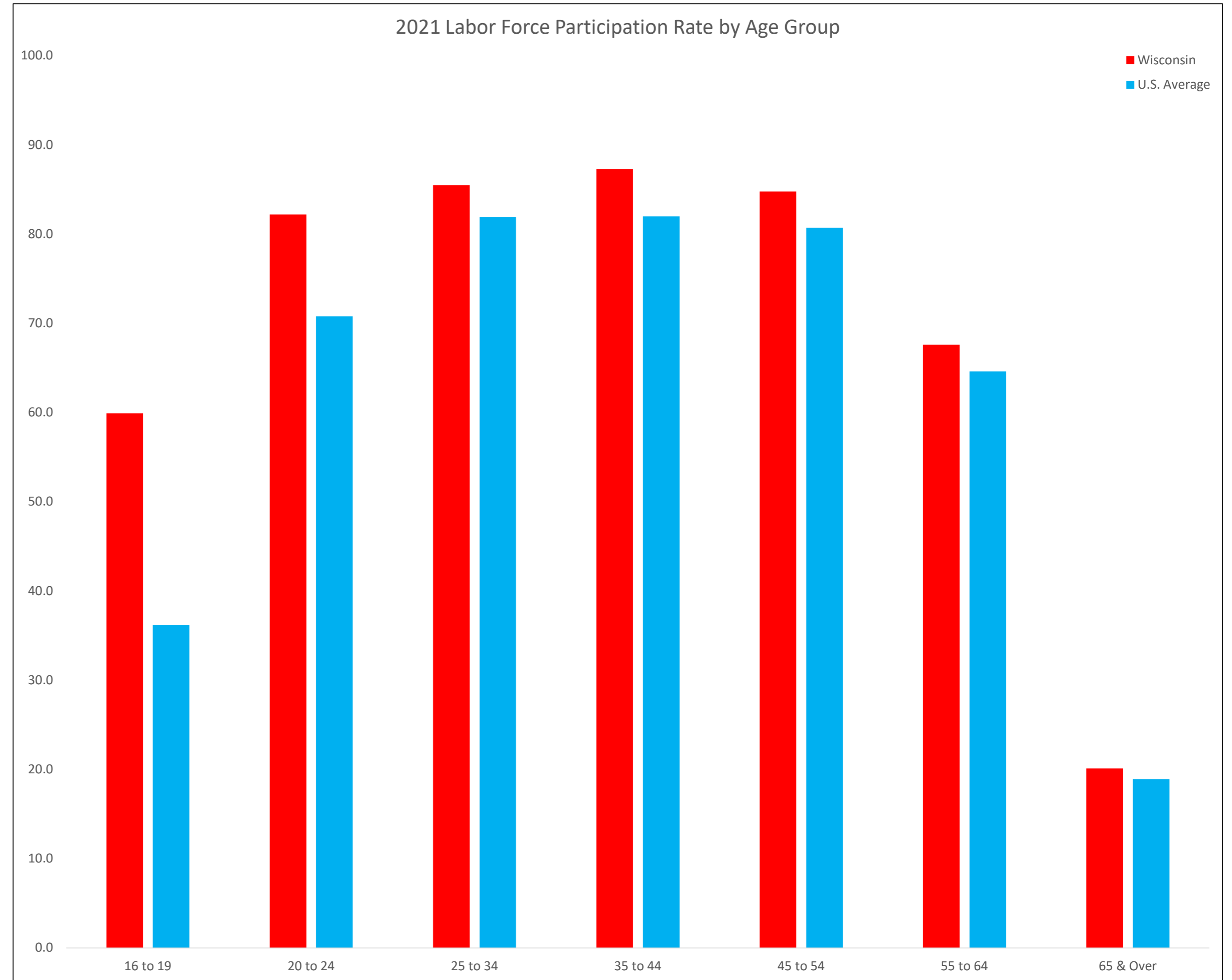
Opportunity #4: Manufacturing Re-Investment

Strongest Increase in Manufacturing Property Values in 40 Years



Threats #1: Aging Workforce

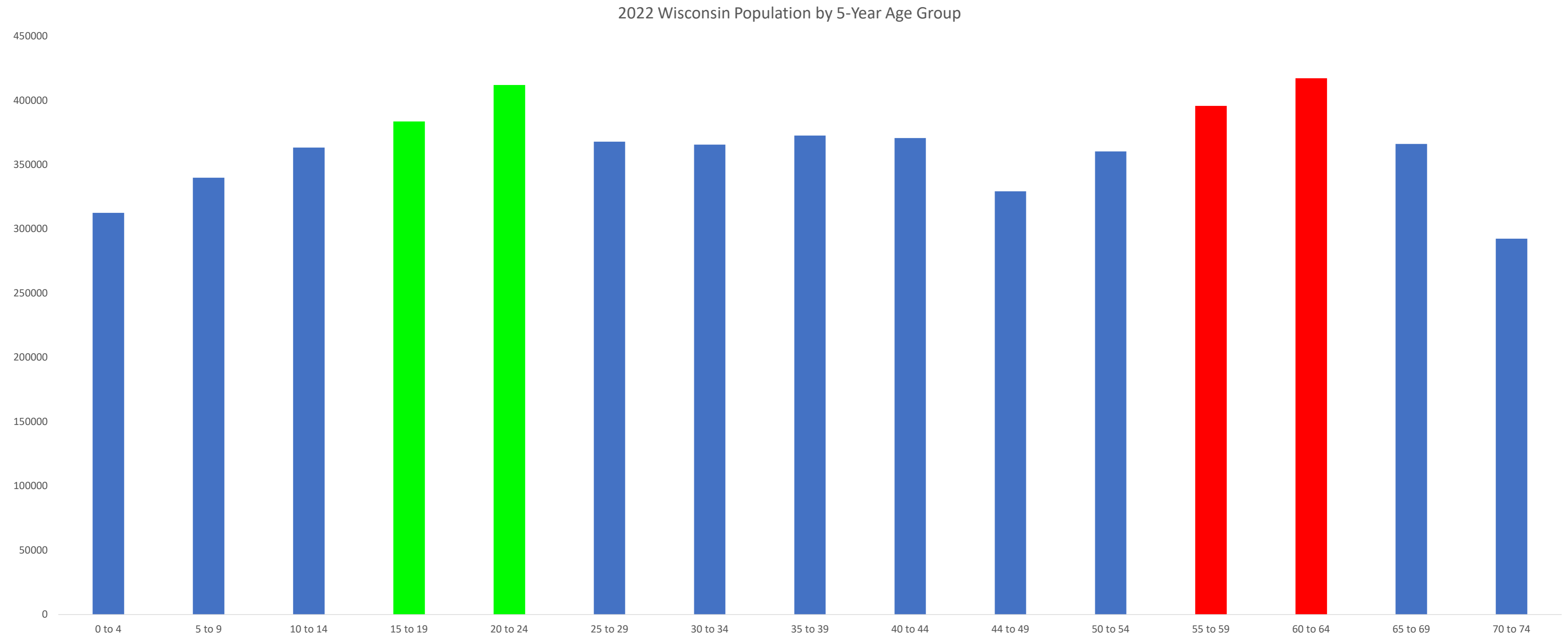
Wisconsin
Lowest
Workforce
Participation
Rate is
Population
Over 65



Source: U.S. Bureau of Labor Statistics

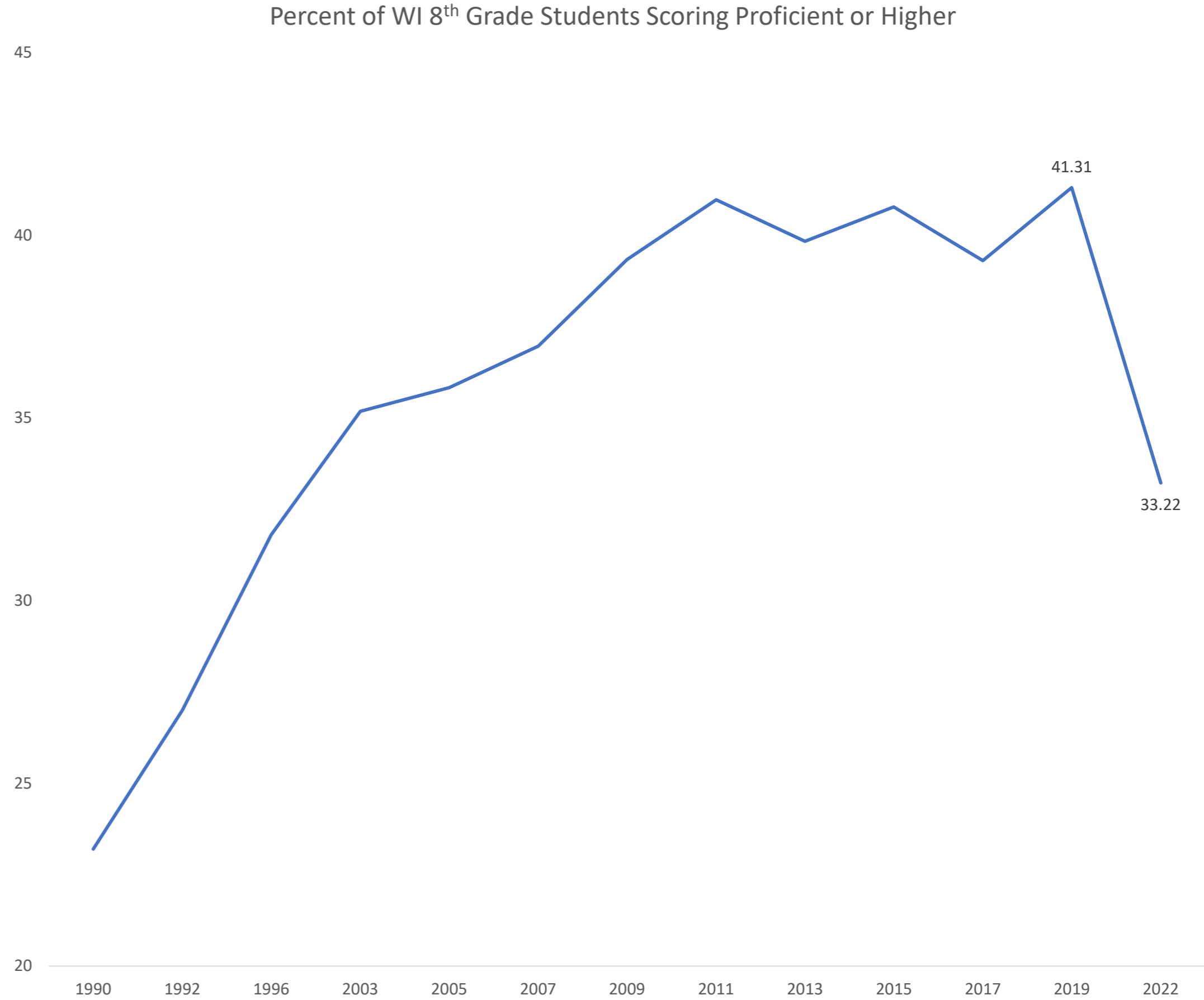
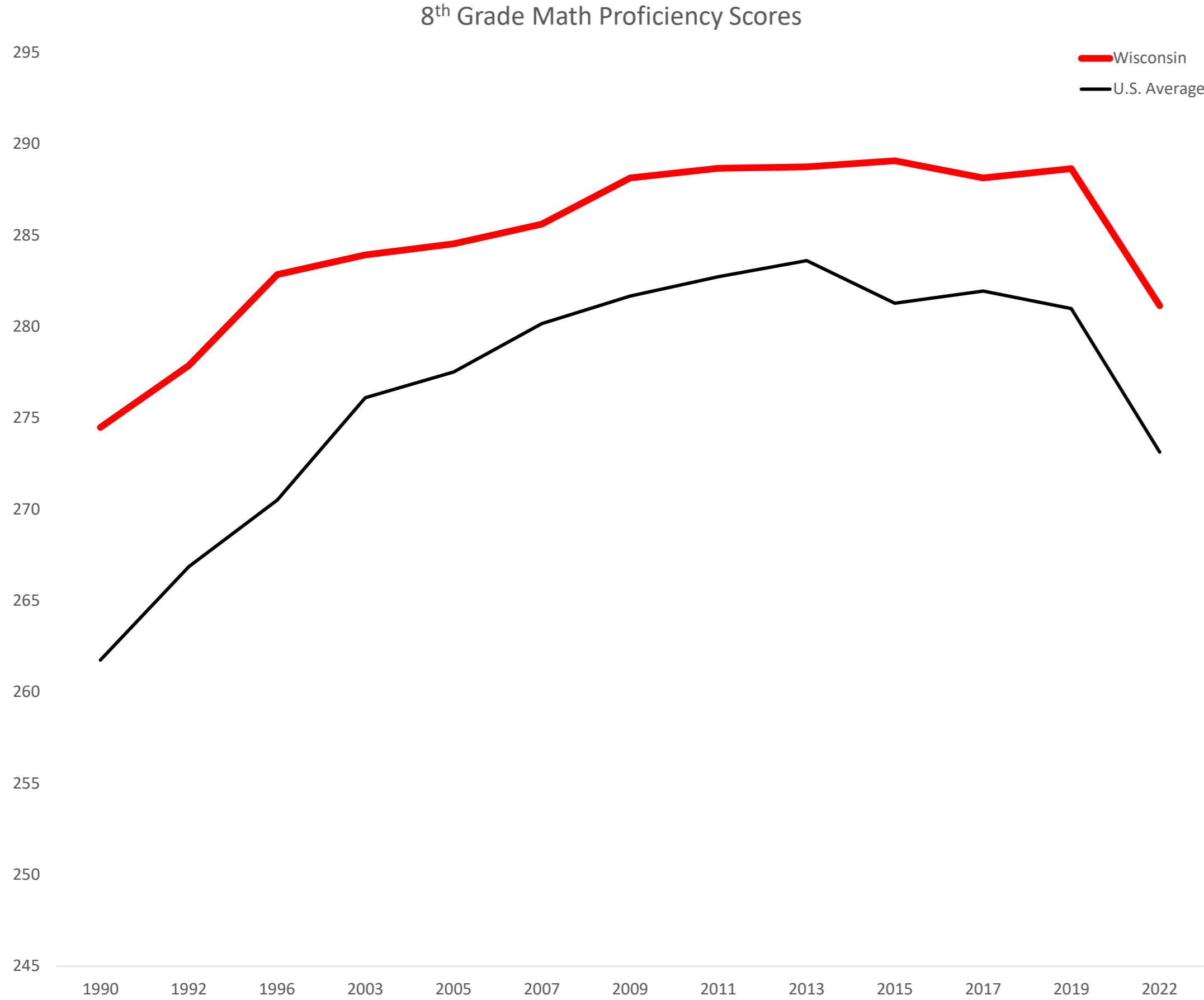
Threats #1: Aging Workforce

Large Age Cohort Will Soon Retire



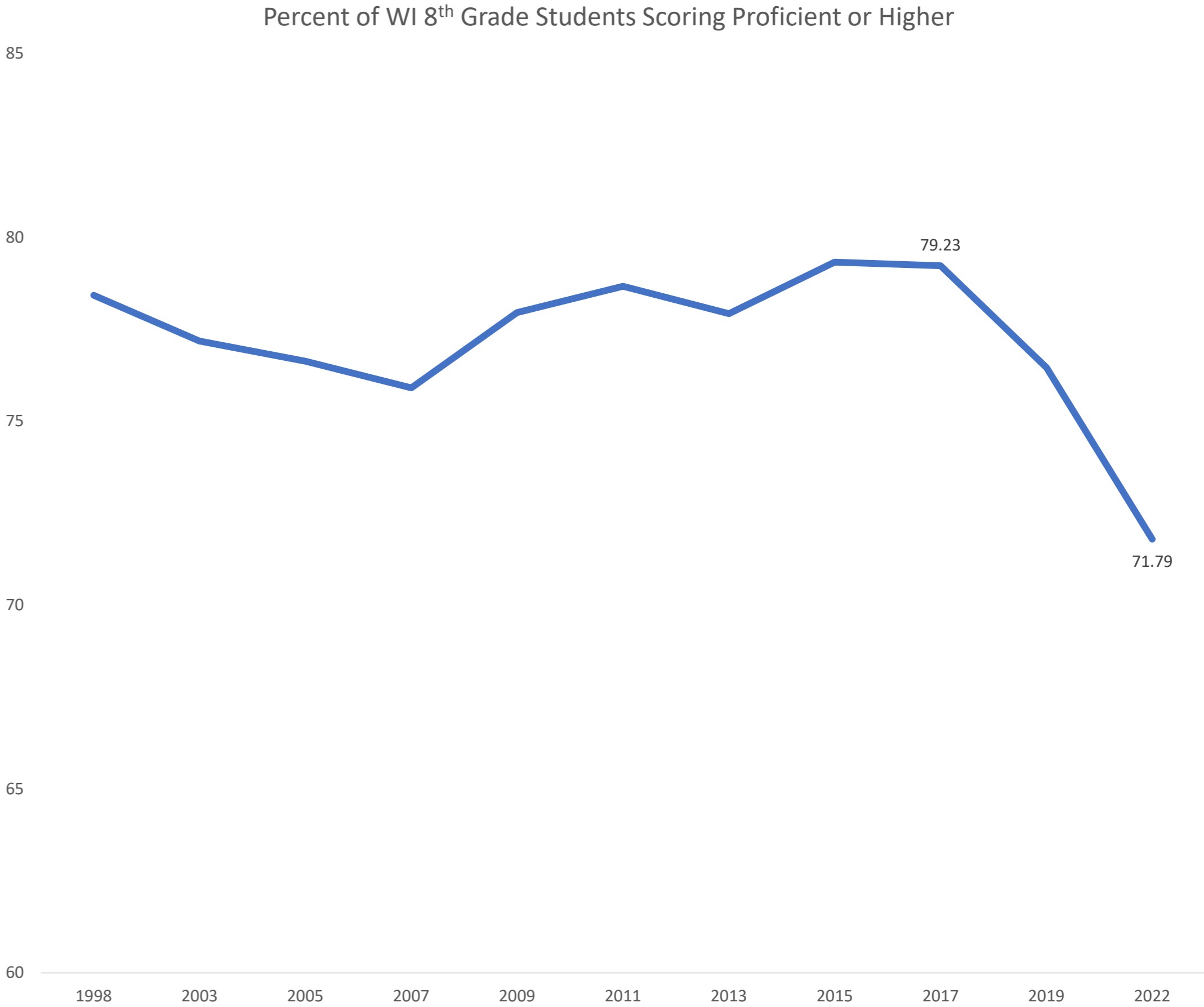
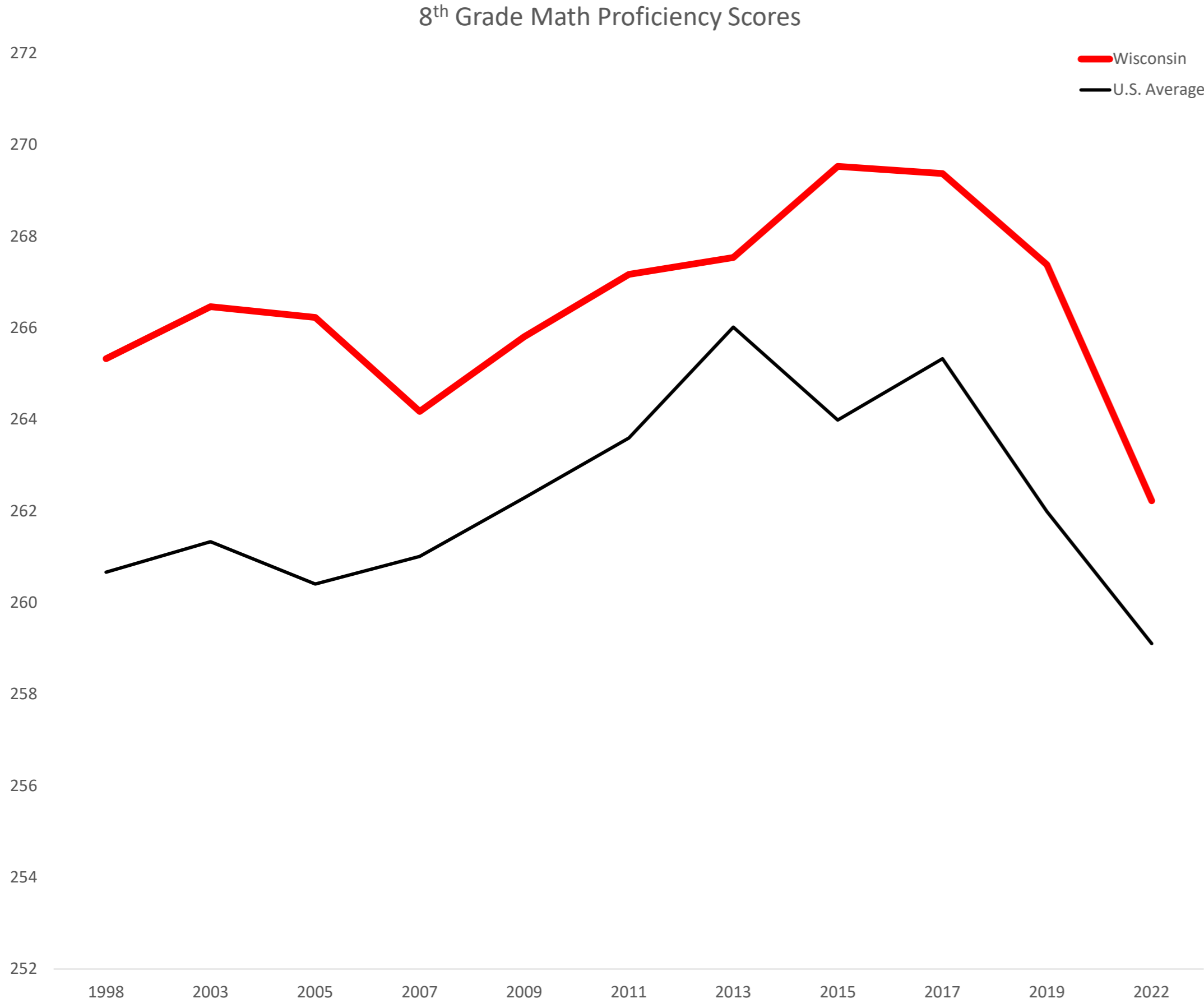
Threat #2: COVID Learning Loss

Upstream Talent: Mathematics



Threat #2: COVID Learning Loss

Upstream Talent: Reading



Threat #3: Tax Initiatives of Other States

State Tax Environment Highly Competitive

An unprecedented wave of rate reductions and other tax cuts as states respond to burgeoning revenues, greater tax competition in an era of enhanced mobility—Tax Foundation

Wisconsin

- Repeal of Personal Property Tax
- Reduction in Lowest Marginal Income Tax Rate
- Income Exclusion on Commercial Loans Under \$5 Million

Individual Income Tax Reductions

Arizona	Idaho	Indiana
Iowa	Kentucky	Mississippi
Missouri	Nebraska	New Hampshire
New York	North Carolina	

Corporate Income Tax Reductions

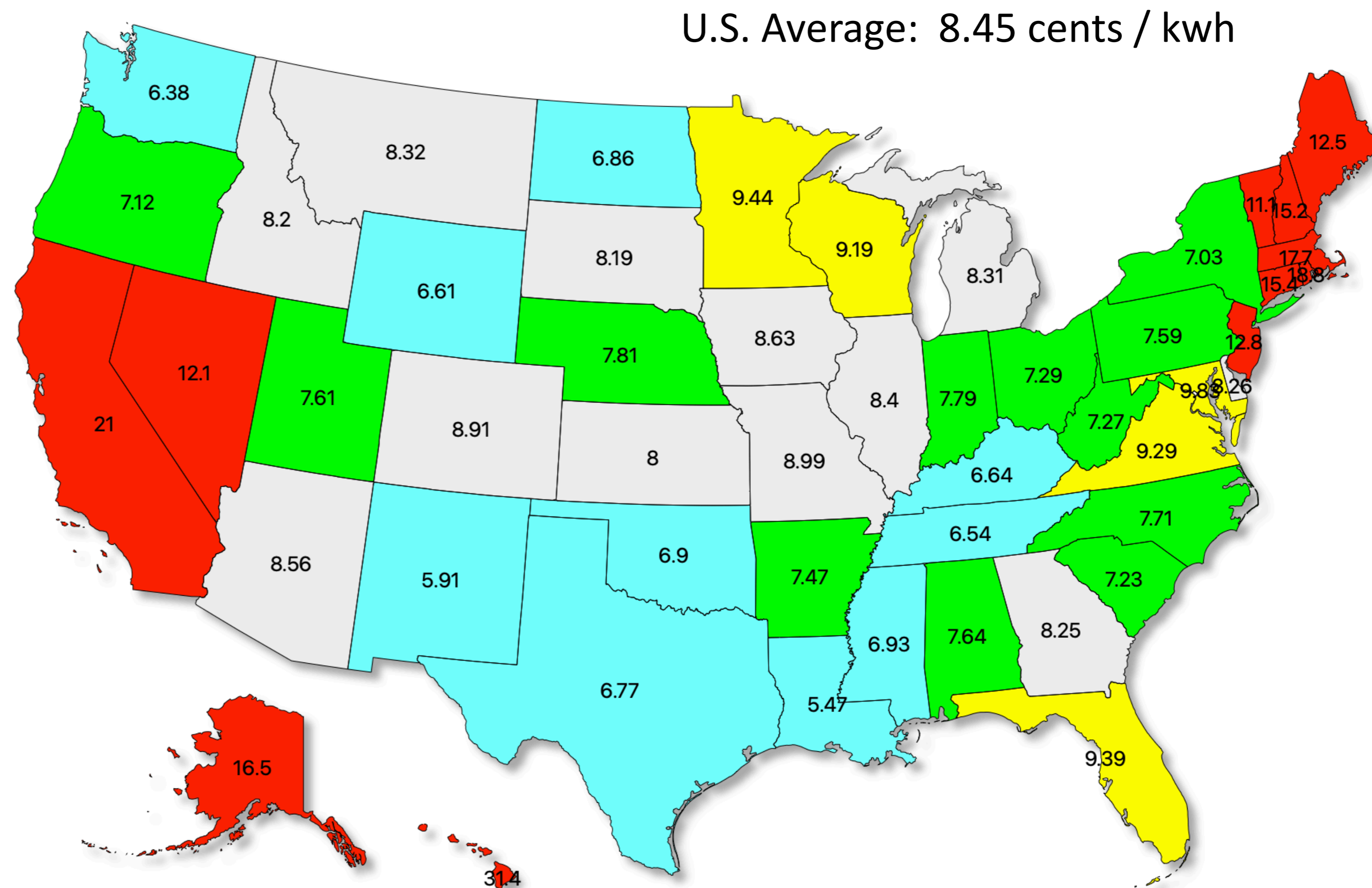
Arizona	Idaho	Indiana
Iowa	Kentucky	Mississippi
Missouri	Nebraska	New Hampshire
New York	North Carolina	

Threats: #4—Electricity Costs

WI Industrial Electricity Costs 2nd Highest in the Midwest

July 2023 Average Price
(cents per kWh) of Electricity
For Industrial End User

Source: U.S. Energy Information
Administration, Form EIA-861M
(formerly EIA-826), Monthly Electric
Power Industry Report.



Wisconsin: A Pretty Good State

Hard Working

Middle Class

Solid Standard of Living

DAY 1

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