



Wisconsin Economic Situation and Outlook

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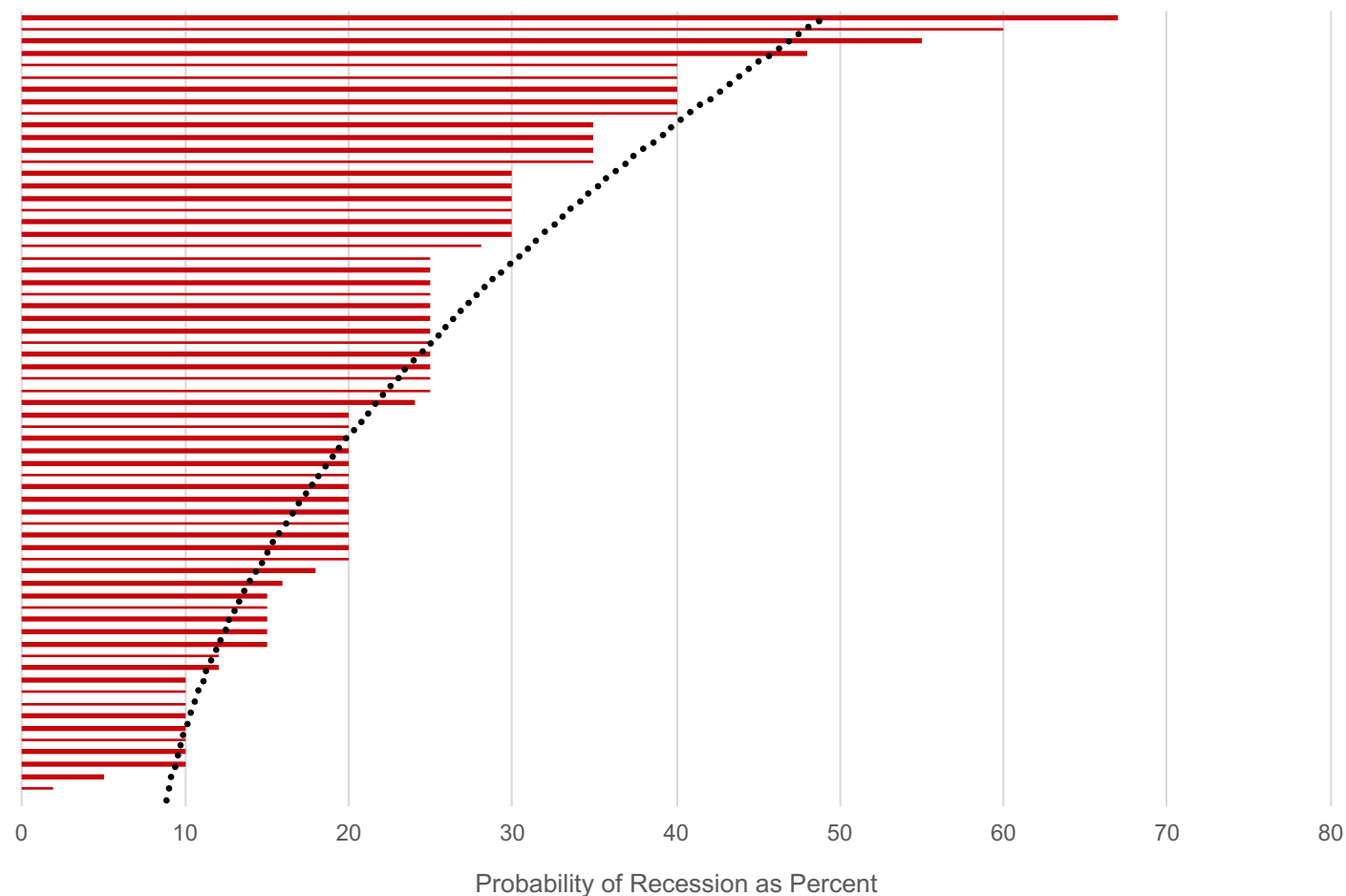


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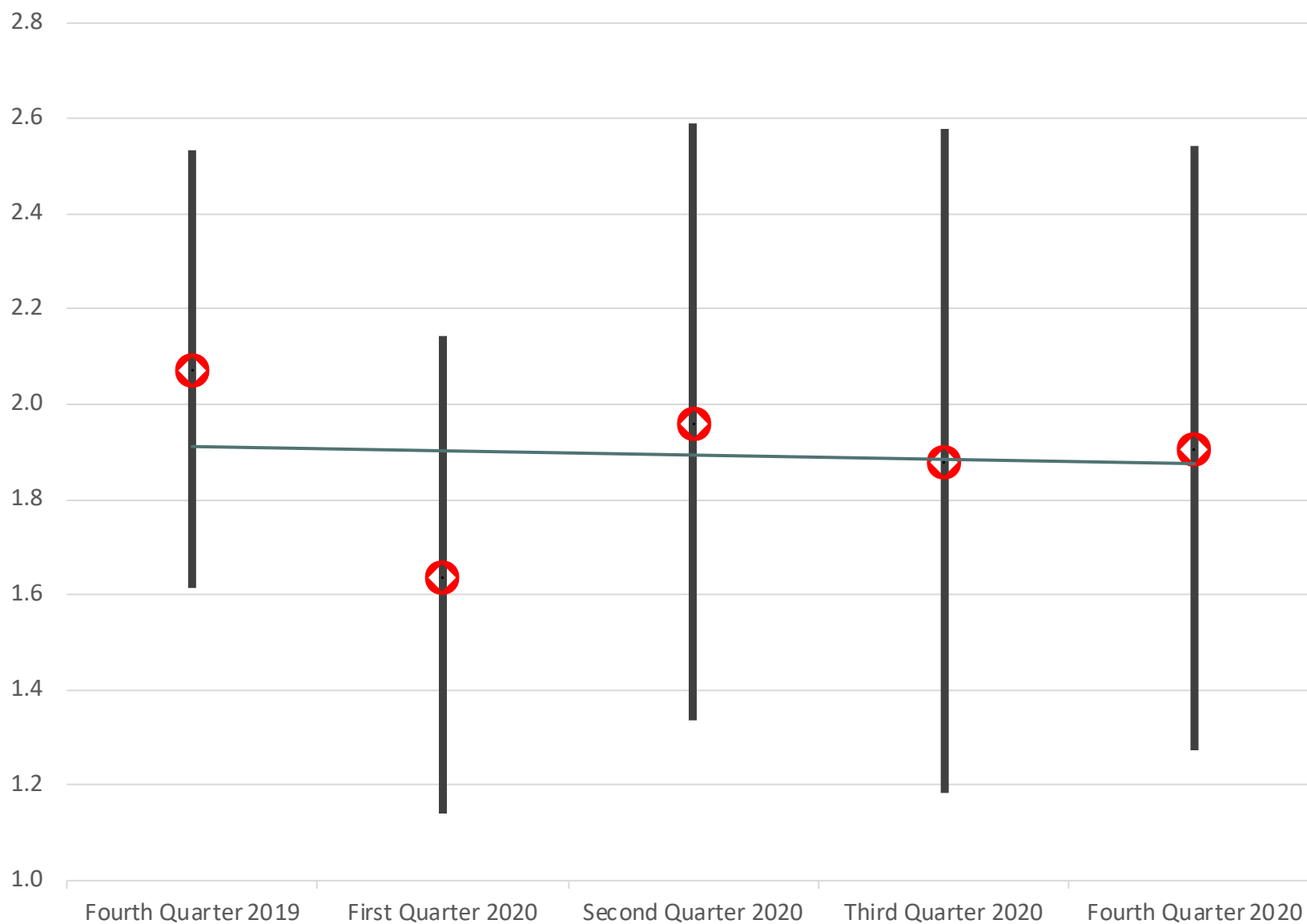
Probability of a Recession in Next 12 Months

On average,
economists
polled by the
WSJ say there
is a 24% chance
of a recession
this year.



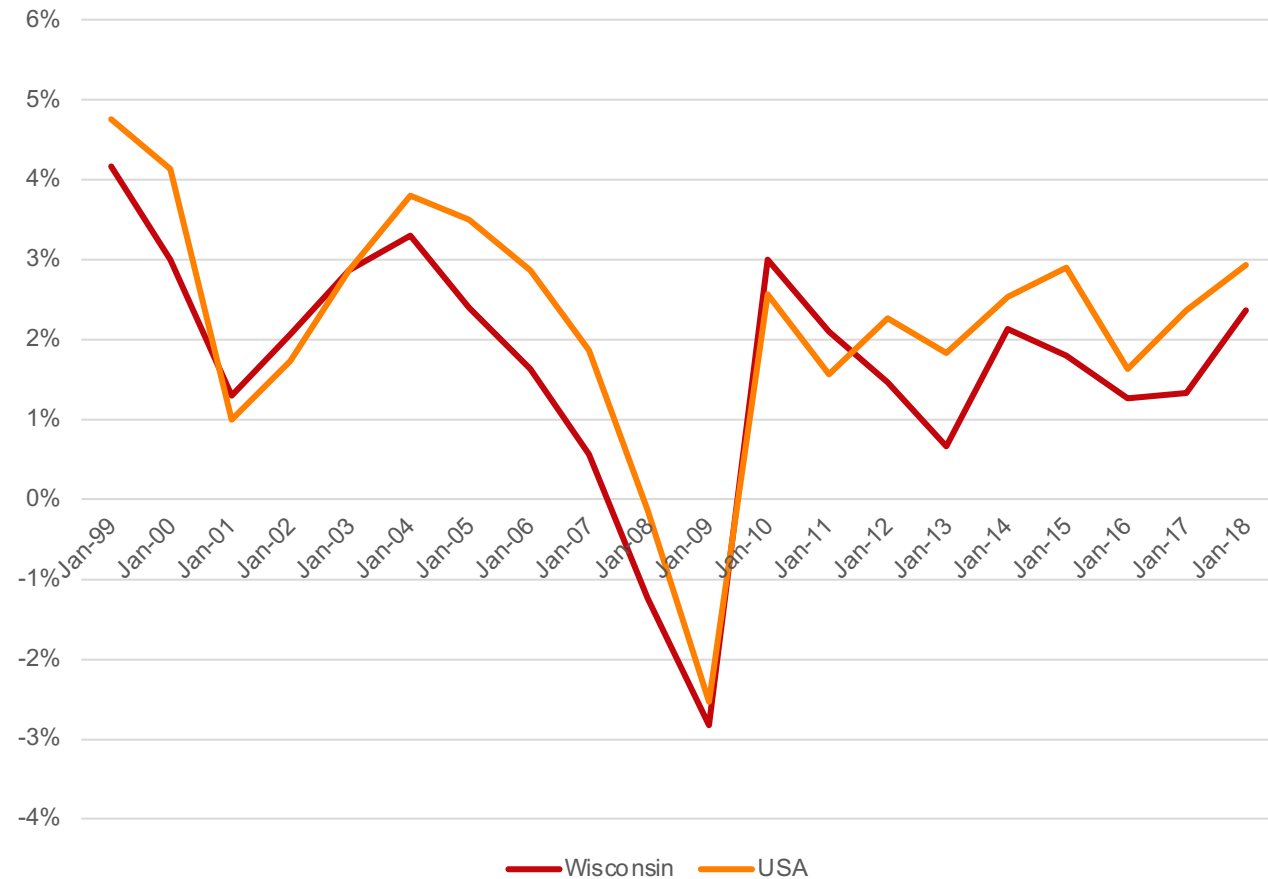
GDP is
predicted to
grow at nearly
1.9% through
2020.

Forecasted GDP Growth United States



Wisconsin GDP growth has typically been below the national average.

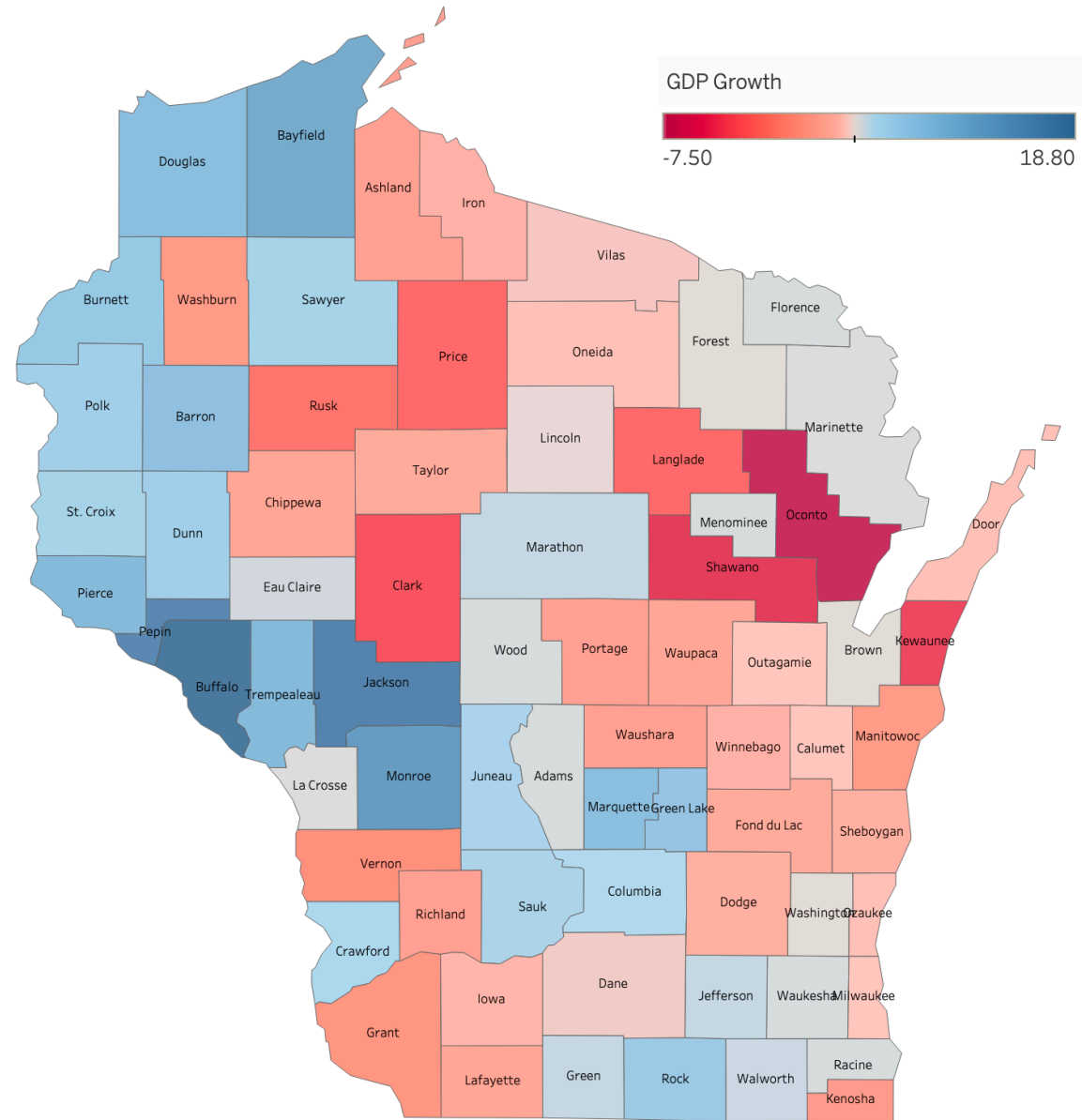
Historical GDP Growth



County-Level GDP Growth

Wisconsin 2017-2018

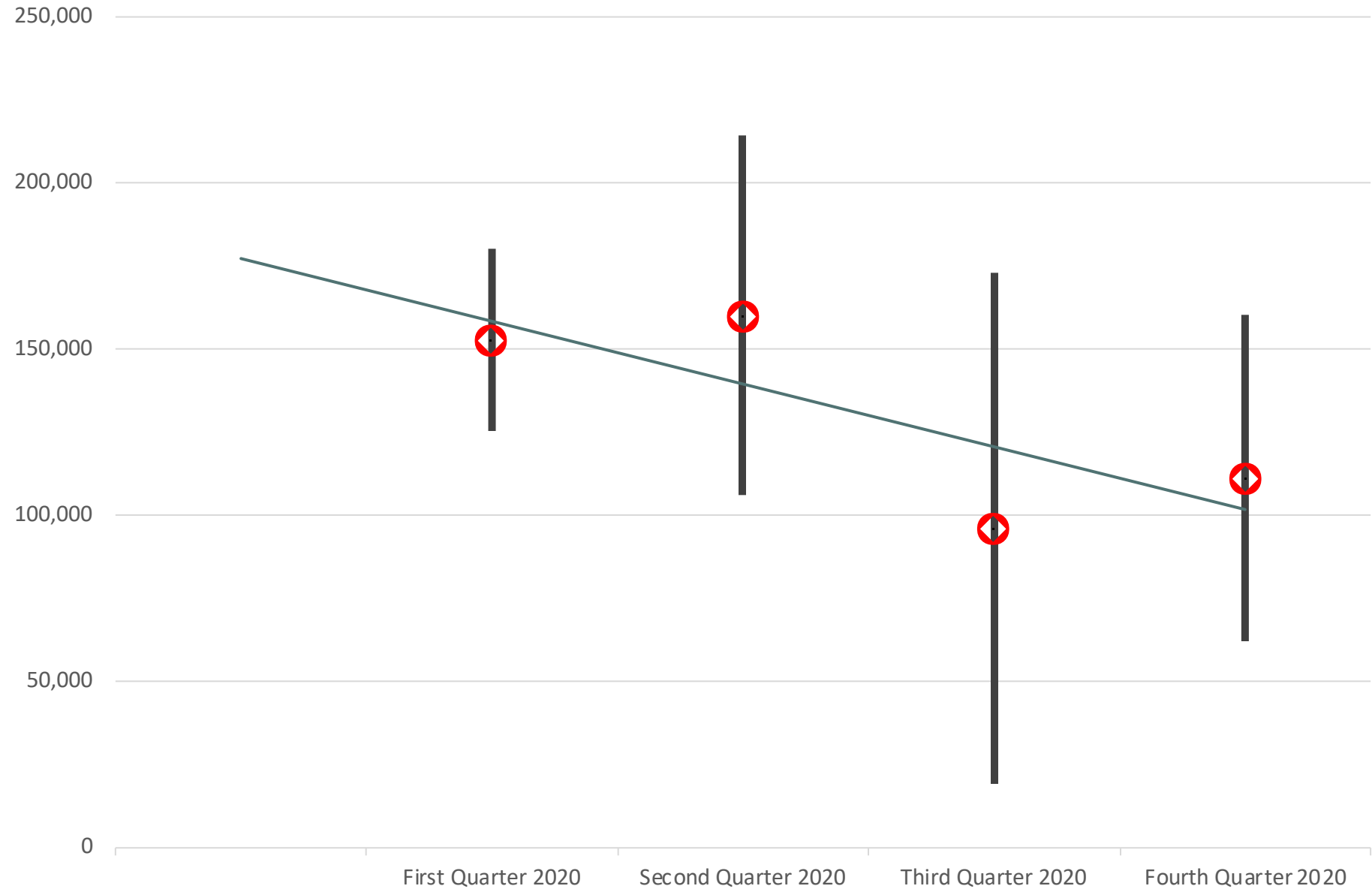
Most places in Wisconsin are doing well, but not all are doing *equally* well.



Forecasted Employment Growth

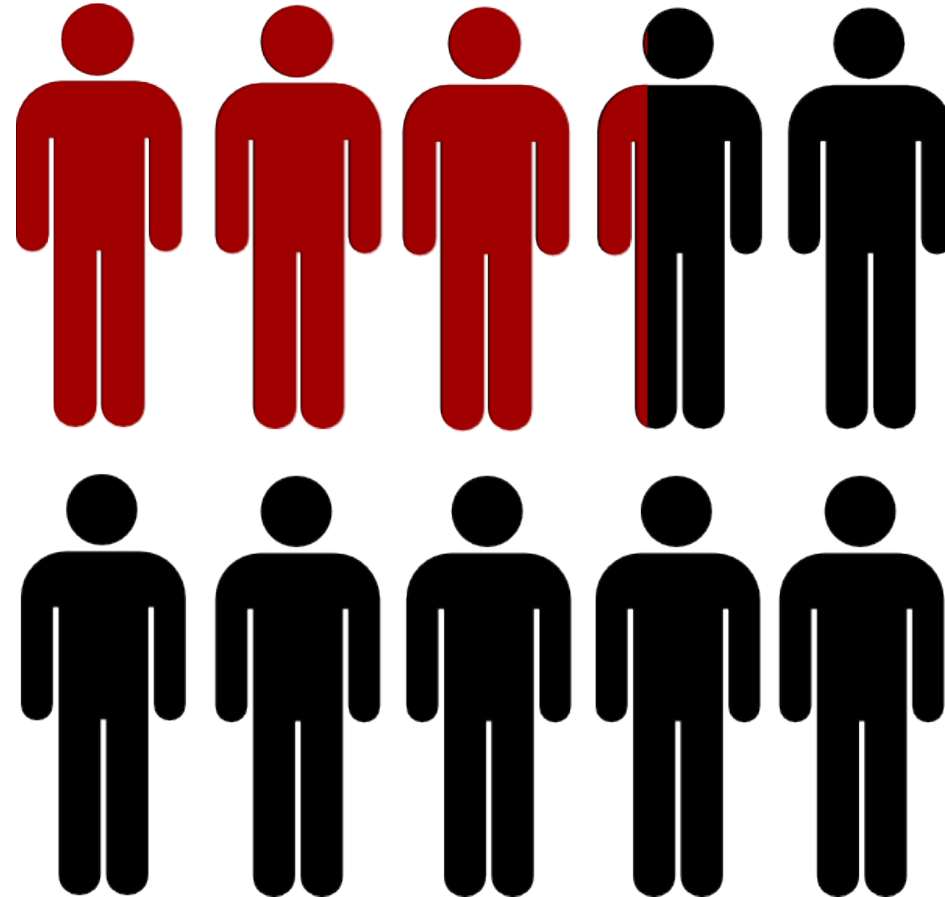
United States

Employment growth is forecasted to slow in 2020.



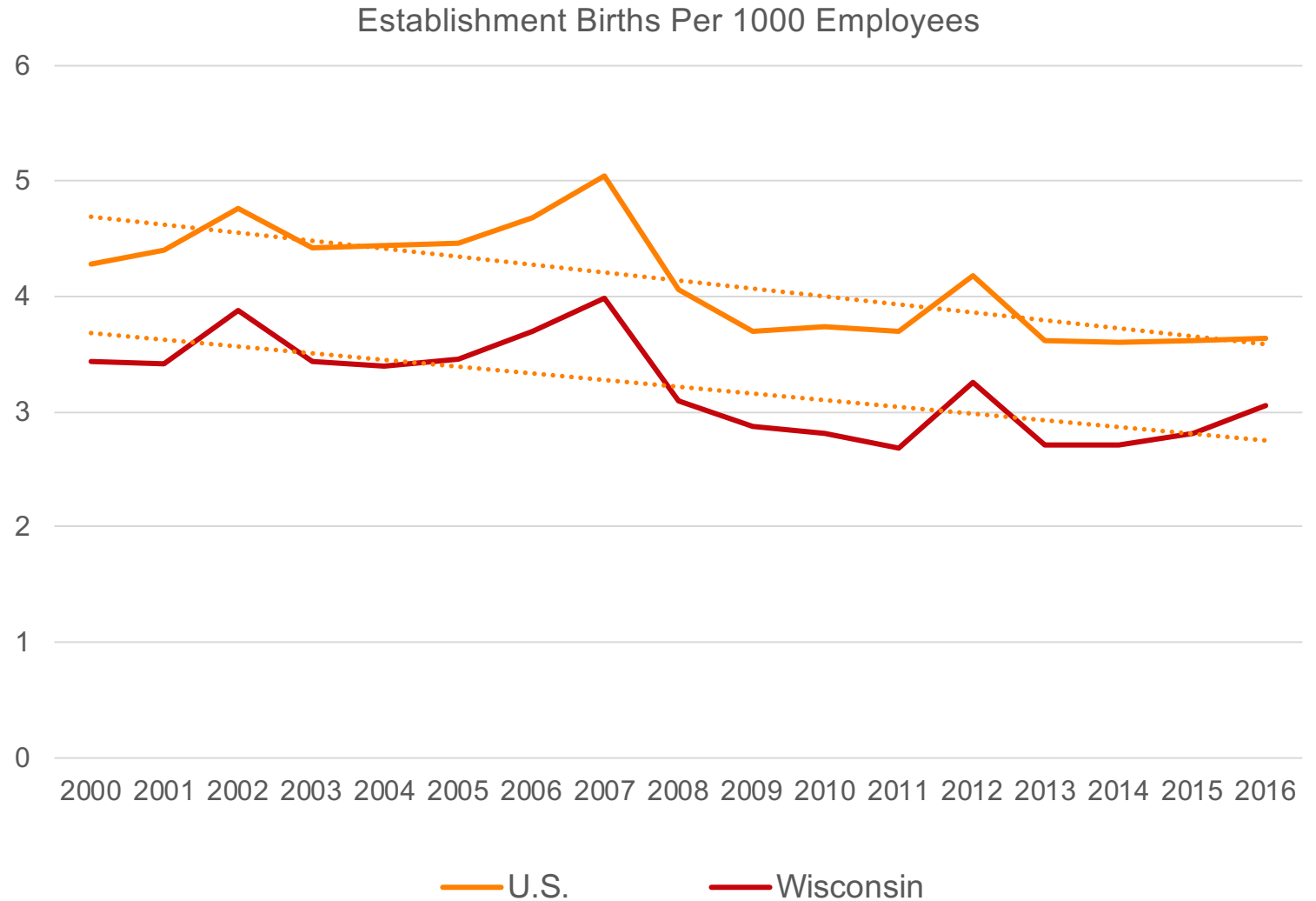
Employment Growth

3.2 out of every
10 new jobs in
Wisconsin are in
a new business.



Employment Growth

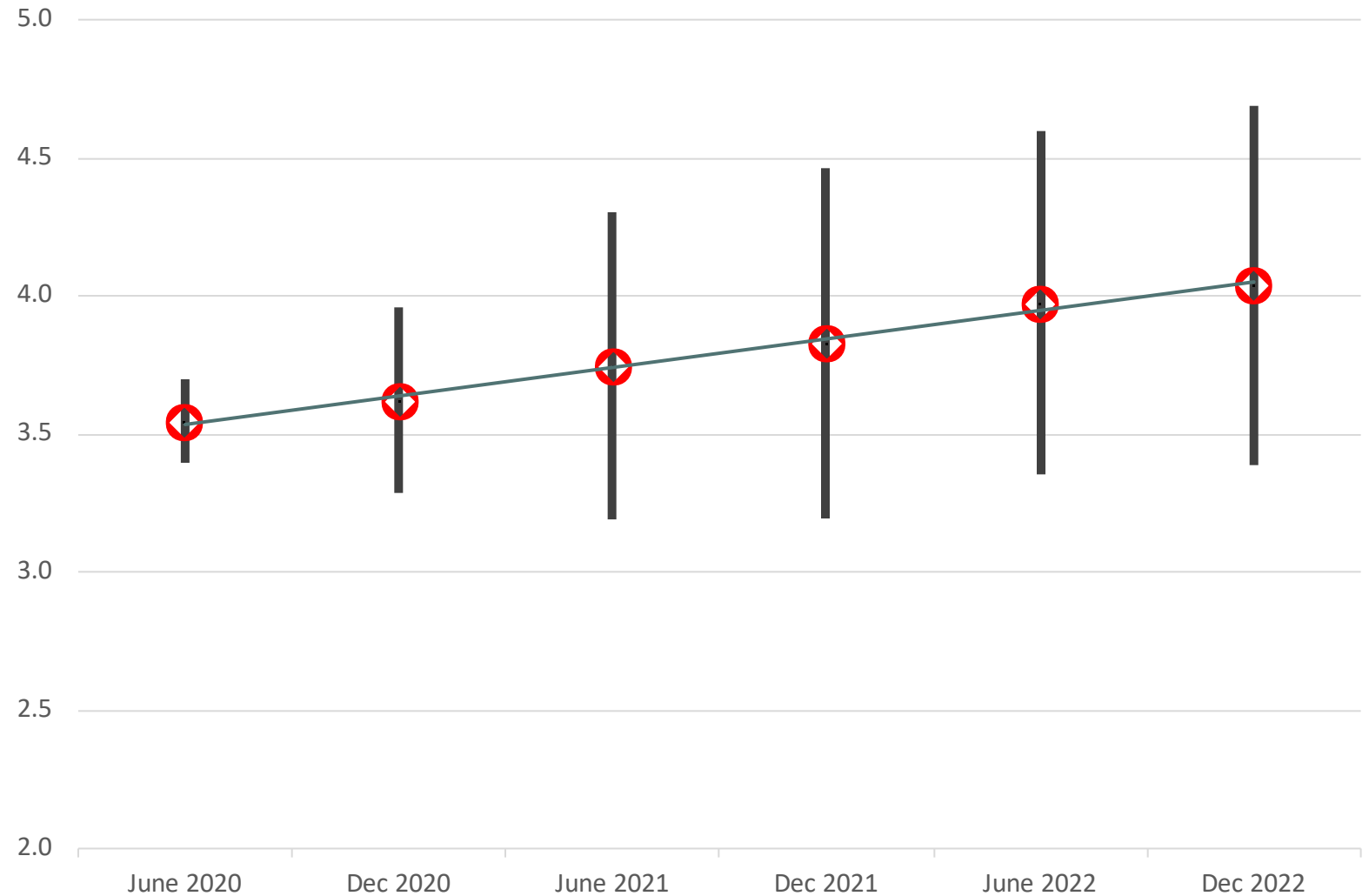
The rate of new business creation has been falling.



Forecasted Unemployment Rate

United States

The unemployment rate is expected to increase over the next three years.



There are not
enough unemployed
people to fill all of
the job openings.

Ratio of Unemployed Population to Job Openings Midwest Region

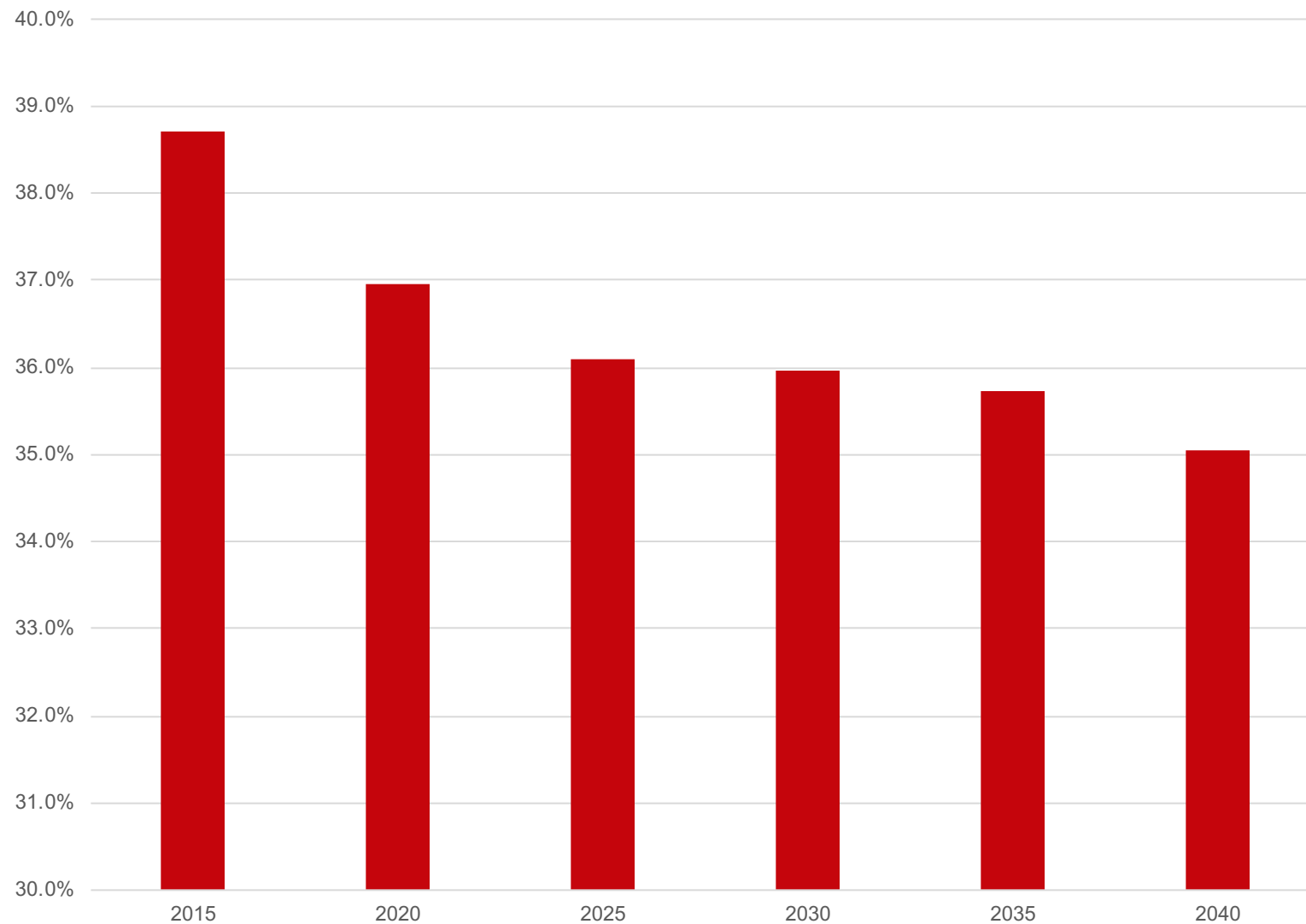


Wisconsin has
limited capacity to
replace retiring
workers.

Aging Demographics

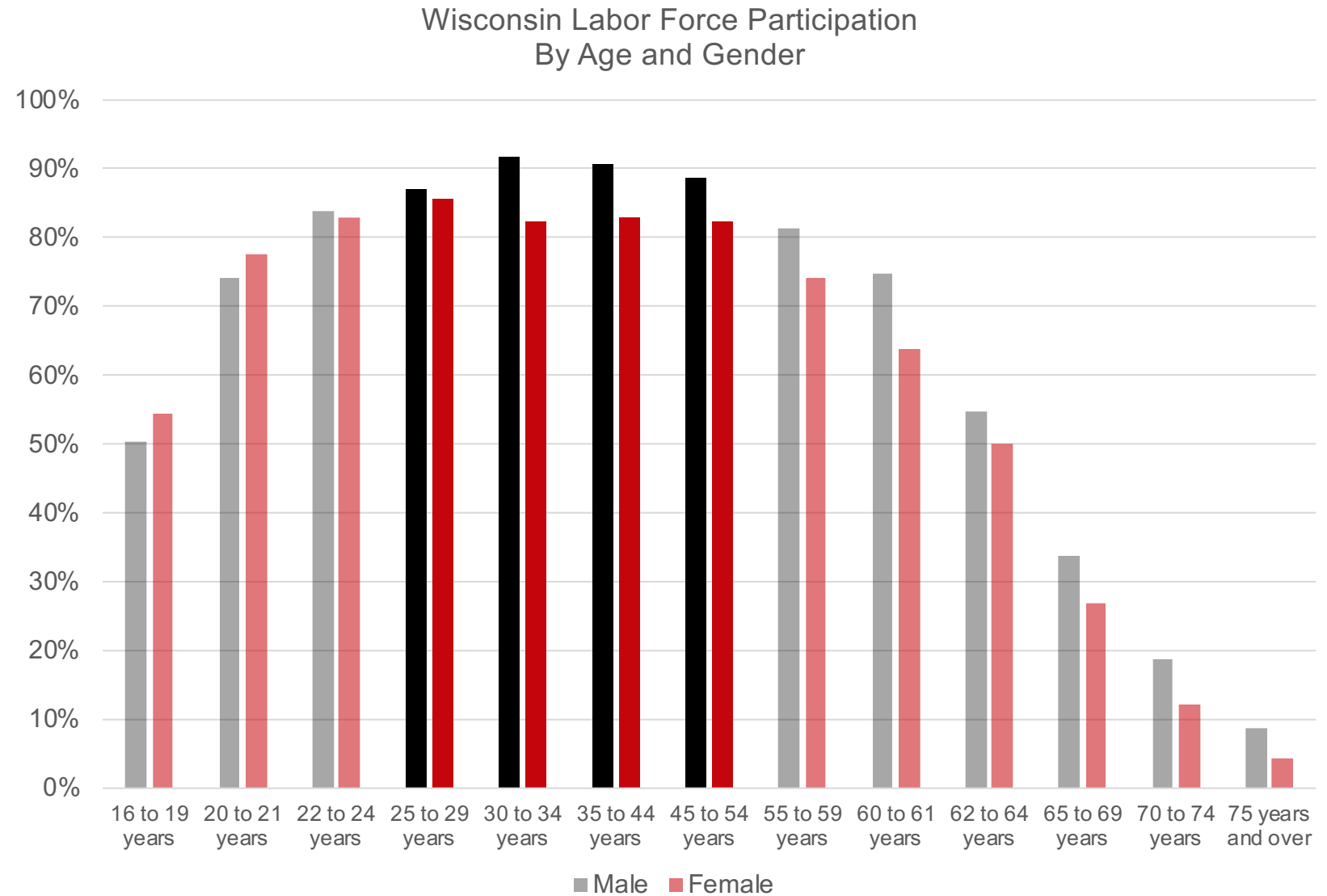
Wisconsin

Prime Age Share of Population



Wisconsin employers are looking for labor pools.

Potential Labor Pools



Key Points

- Economy is performing at a slow and steady pace.
 - Variation within the state.
- Job growth expected to slow and unemployment rate expected to rise.
 - Higher rates of entrepreneurship to spur continued job growth.
- Tight labor market in the state.
 - Workforce is aging.
 - Thinking about potential labor pools.

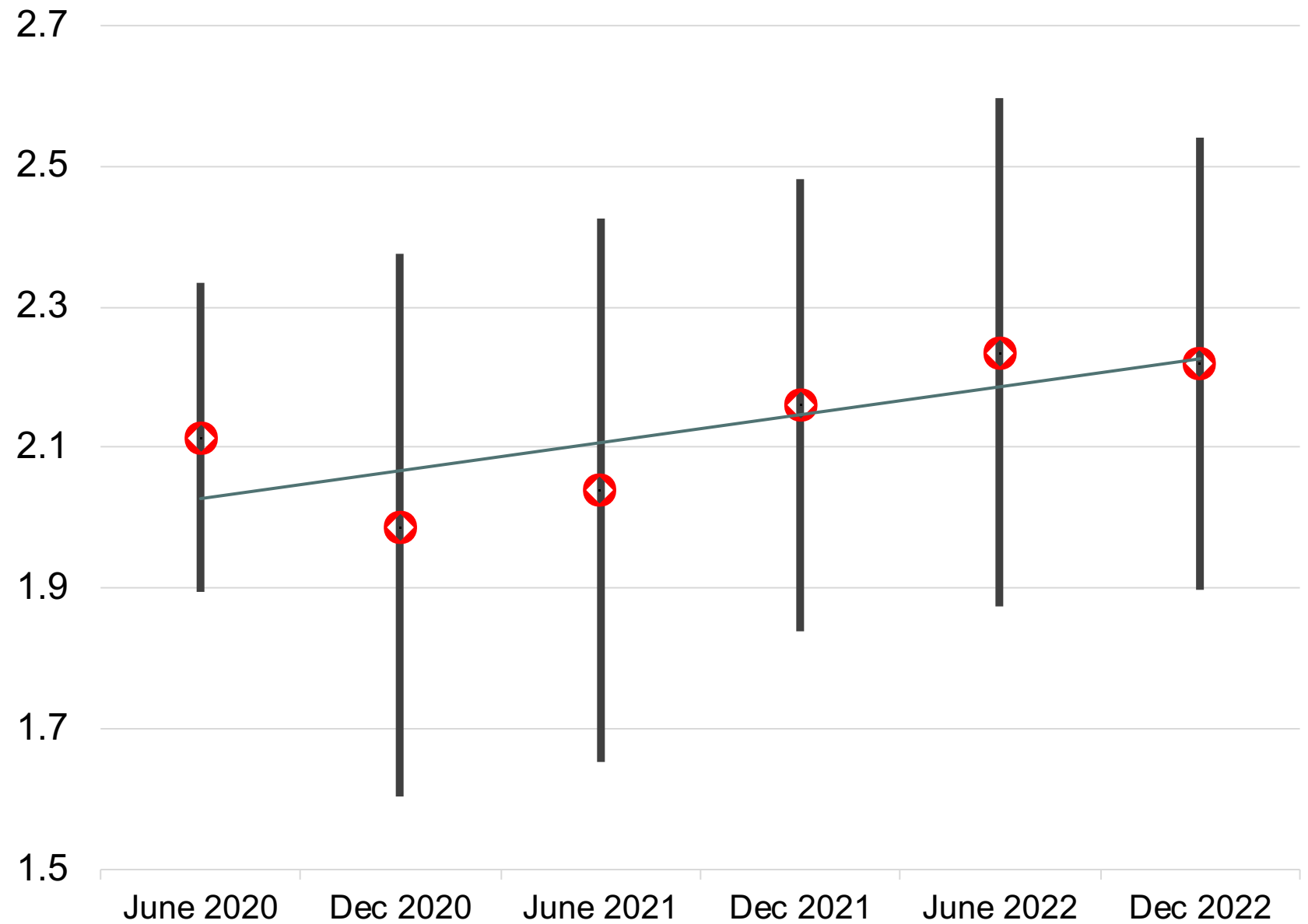


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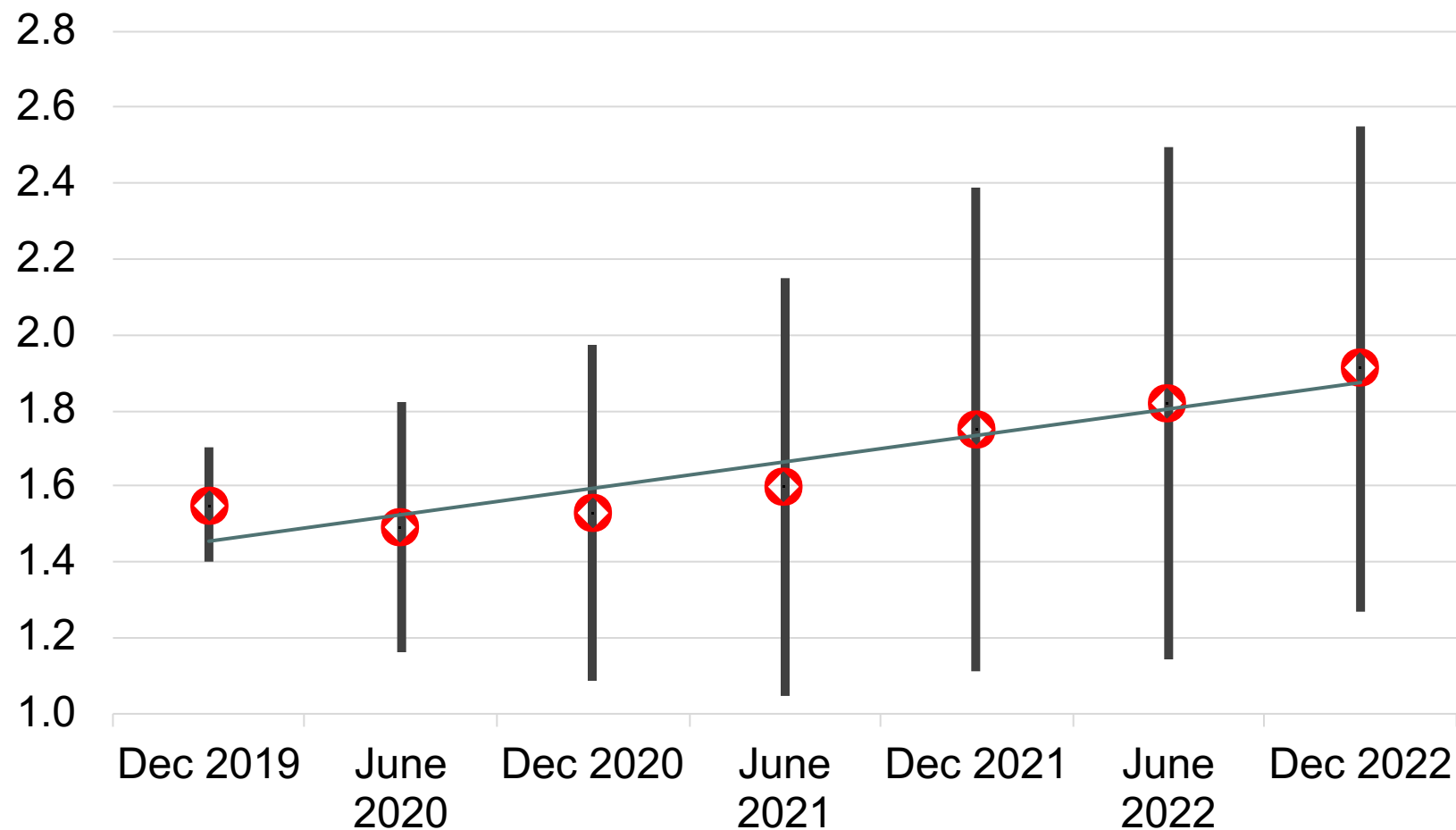
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Forecasted Inflation Rate



Forecasted Federal Funds Rate

Forecasted Economic Growth:
Federal Funds Rate



The Yield Curve

EDITORS' PICK | 2,742 views | Dec 31, 2019, 09:20am

2019's Yield Curve Inversion Means A Recession Could Hit In 2020

A Recession Warning Reverses, but the Damage May Be Done

Investors are feeling better about the economy, but the yield curve has already predicted a recession.

The Yield Curve Is No Longer Inverted: Has The U.S. Economy Dodged The Recession Bullet?

Trefis Team Contributor
Great Speculations Contributor Group ©
Markets

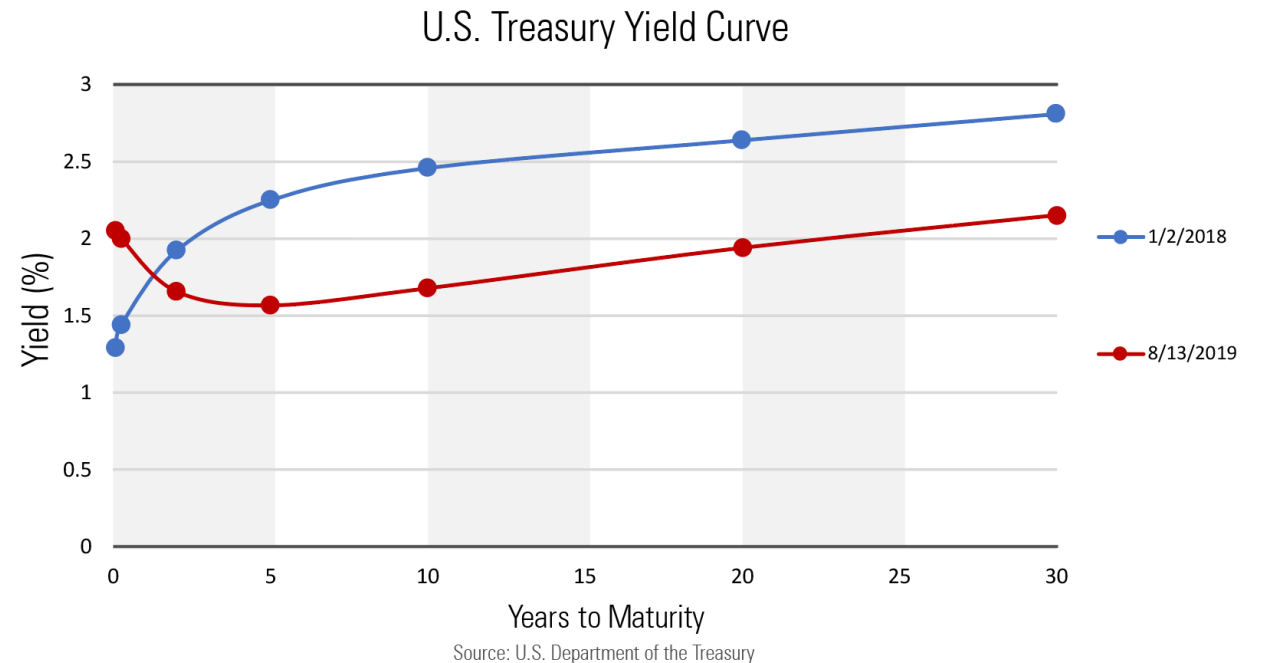
BUSINESS NEWS JANUARY 17, 2020 / 6:14 AM / 4 DAYS AGO

The yield curve's still weird. Fed's Bullard is okay with that

The Yield Curve

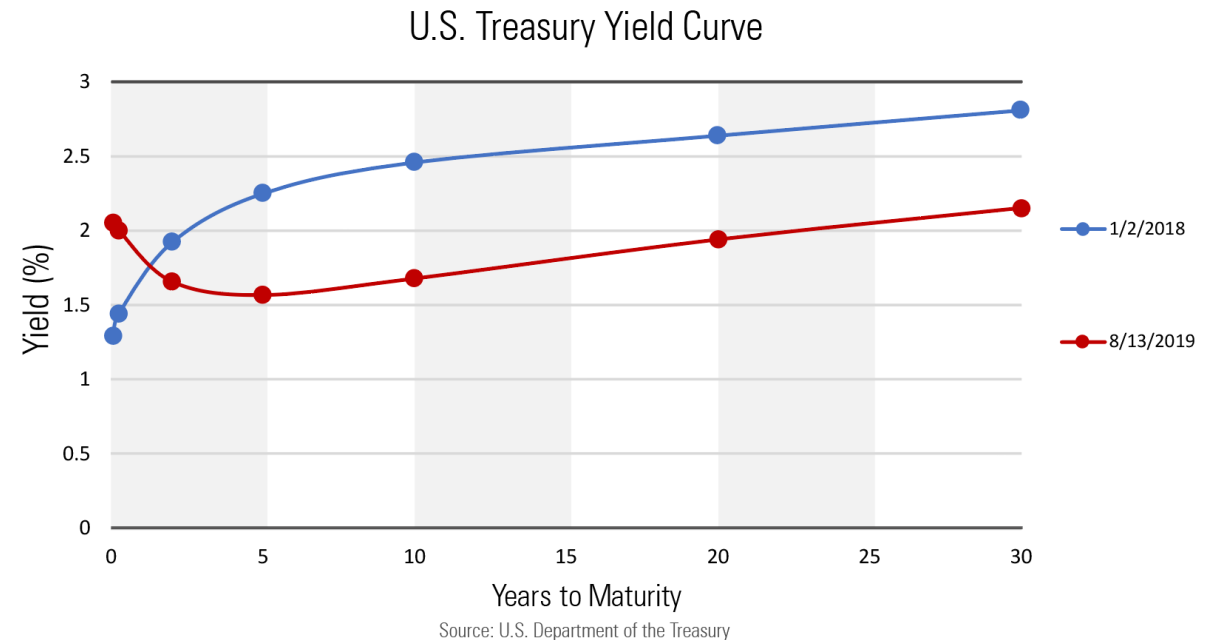
A “yield curve” shows the price of borrowing money.

A typical yield curve is upward sloping (shown in blue).



The Yield Curve

An inverted yield curve (shown in red), suggests people are more worried about the short-run and view the long-run as the relatively safe investment.



The Yield Curve

- Historically (the last 3 recessions), an inverted yield curve was a leading indicator of a recession.
- A recession followed 8-18 months from initial inversion.
 - Some analysis predicts it takes upwards of 22 months.
- Most recently the yield curve inverted in spring of 2019 and lasted 4.5 months.
 - Following historical trends and analysis, a recession would come between January 2020 and June 2021.
- Is this time different?
 - Interest rates are much lower now.
 - Foreign investment.