

WISCONSIN

EMPLOYER SURVEY

SUMMER 2023

ECONOMY & WORKFORCE

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EXECUTIVE SUMMARY:

Hiring, Wage Growth Slows in Latest Wisconsin Employer Survey

A new survey of Wisconsin businesses previewed a potential job market cooldown, as fewer employers plan to hire more workers. According to the *Wisconsin Employer Survey*, 49 percent of businesses expect their number of employees to increase in the next six months — a drop from 68 percent just a year ago and 79 percent in the Summer 2021 survey.

Wisconsin Manufacturers & Commerce (WMC) — the combined state chamber and manufacturers' association — conducted the survey in late June on a variety of topics. WMC released the following data focused specifically on the economy and workforce.

"While certain sectors remain strong, we are starting to see signs that the economy is slowing," said WMC President & CEO Kurt R. Bauer. "The effects of rising interest rates and higher prices are starting to take their toll on both businesses and workers."

The latest Wisconsin Employer Survey also found 75 percent of respondents are struggling to hire, dropping from 85 percent in the last survey. While three-quarters of businesses facing a workforce shortage is still quite high, a 10-point drop in just six months is notable.

As fewer businesses are looking to hire, wage growth is also slowing. One year ago, nearly half of Wisconsin employers said they would raise wages by more than four percent. That number has since dropped to just 21 percent. Additionally, the number of employers who expect to raise wages by less than three percent has grown from eight percent 12 months ago to 20 percent today. Fifty-four percent of respondents expect to raise wages between three and four percent this year.

"If employers are uncertain about the economic outlook in Wisconsin and nationally, they are less likely to hire and rapidly raise wages," added Bauer. "And if these conditions remain — or worsen — a recession in the near future will become more and more likely."

A majority (54%) of those surveyed rate the Wisconsin economy as moderate, while 39 percent said it is strong or very strong. Nationally, the numbers are less optimistic. Only 16 percent rank the U.S. economy as strong and 25 percent said it is weak. Both the state-level and national numbers are relatively unchanged from the last survey.

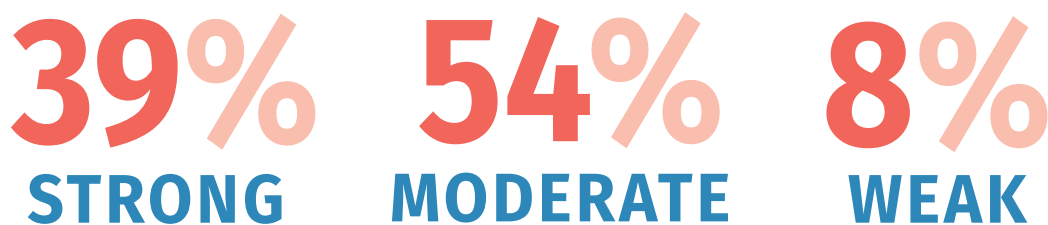
The *Wisconsin Employer Survey* also found that inflation is slowing somewhat — though still much higher than the target of two percent. Forty-nine percent of businesses said their costs have gone up between six and 10 percent in the last year. While 65 percent of respondents said their costs had increased by more than 10 percent in the Summer 2022 survey, that number dropped to 43 percent in the most recent edition.

When specifically asked about the likelihood of a recession, the business community was split. Just over half (54%) expect a recession before the end of the year, while 46 percent do not expect one.

About the Wisconsin Employer Survey

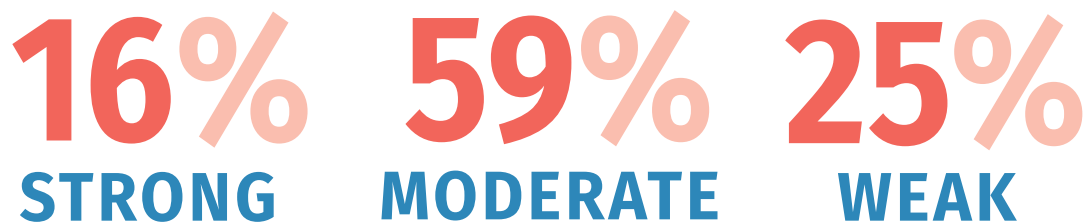
The *Wisconsin Employer Survey* is conducted twice a year by WMC. The assessment provides a snapshot of where Wisconsin's employers stand on a number of important issues and outlines their economic outlook for both Wisconsin and the United States. For the Summer 2023 edition, WMC surveyed 170 employers that make up a representative sample of its membership. Businesses of all sizes, industries and geographic locations in Wisconsin participated.

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



VERY STRONG	3%	MODERATE	54%	VERY WEAK	1%
STRONG	36%			WEAK	7%

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



VERY STRONG	1%	MODERATE	59%	VERY WEAK	3%
STRONG	15%			WEAK	22%

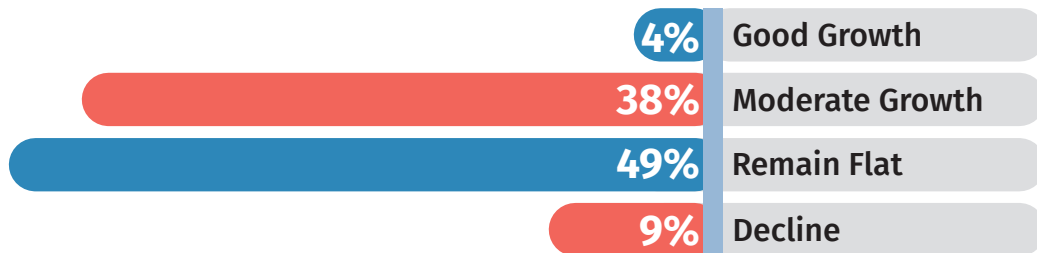
* Totals may not add up to 100% due to rounding.

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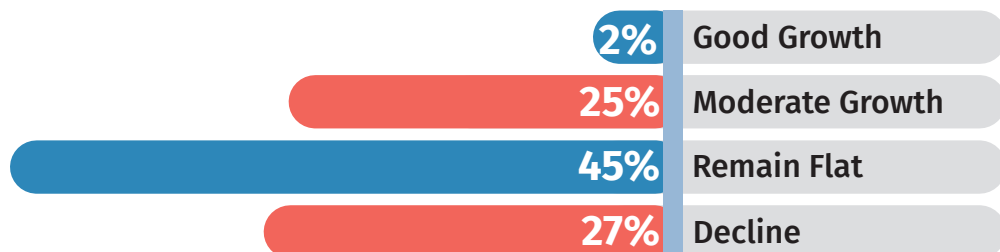
How will the **Wisconsin economy**
perform over the next 6 months?

How Will Wisconsin Economy Perform?



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

How Will U.S. Economy Perform?



How much has **inflation increased** your
costs to do business in the last year?

10% OR LESS

57%

OVER 10%

43%

NO CHANGE	1%
1 TO 5% INCREASE	7%
6 TO 10% INCREASE	49%

11 TO 20% INCREASE	28%
21 TO 30% INCREASE	11%
OVER 30% INCREASE	4%

Do you expect the **Wisconsin economy** to
enter a **recession** within the next year?

YES

54%

NO

46%

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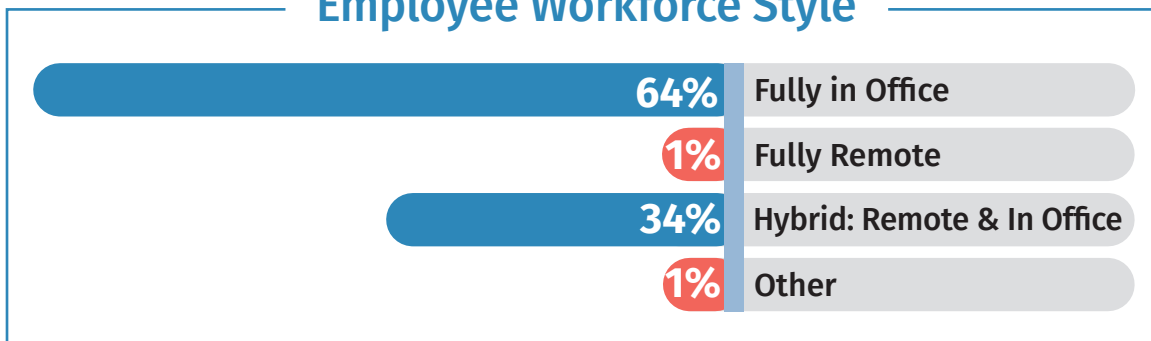
Are you having trouble hiring employees?

YES
75%

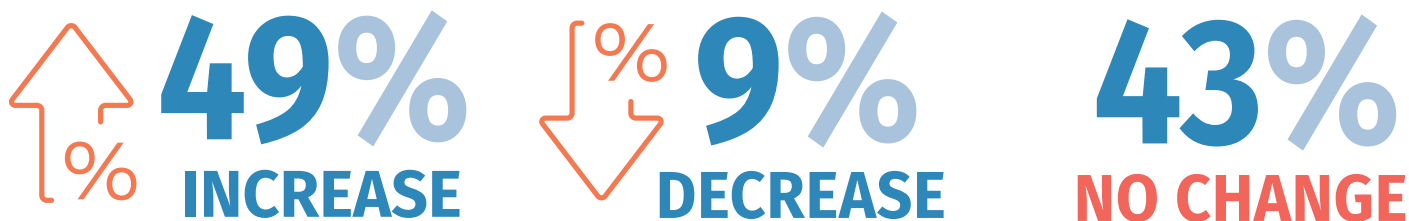
NO
25%

What type of **workforce style**
do your office/professional employees have today?

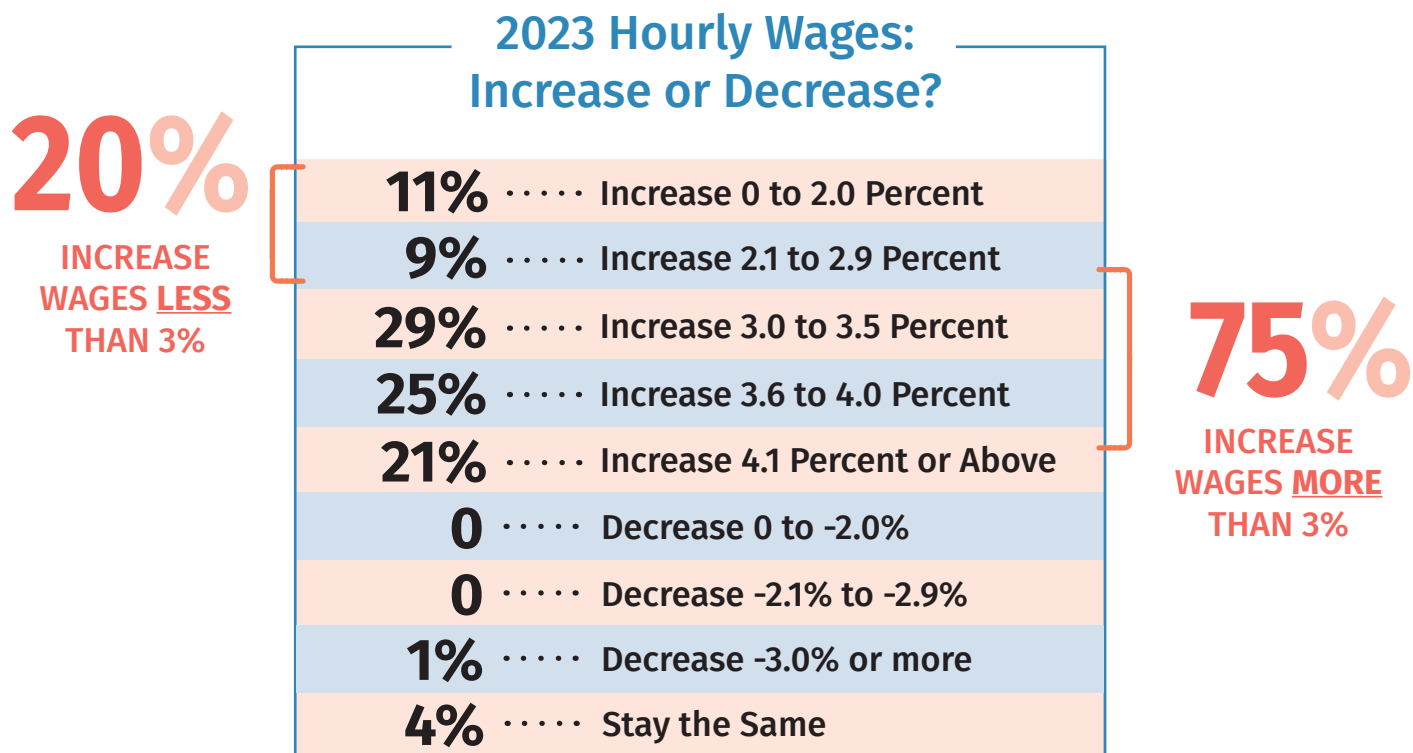
Employee Workforce Style



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 2023?



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