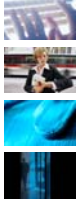



## THE STATE OF WISCONSIN'S ECONOMY AND THE 2008 HIRING OUTLOOK

**WISCONSIN WORKS (W-2) CONTRACTS  
AND  
IMPLEMENTATION (C&I) COMMITTEE**



**Dennis K. Winters**  
Chief, Office of Economic Advisors  
Wisconsin Department of Workforce Development

January 18, 2008




---

---

---

---

---

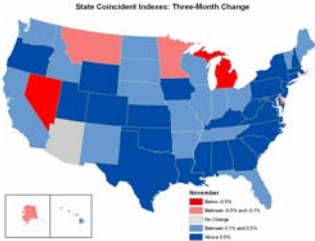
---

---

---

### Wisconsin's Economy Still Expanding

Philadelphia Fed's Index of Current Conditions



State Coincident Indexes: Three-Month Change

- For the past three months, the indexes have increased in 42 states, decreased in six, and were unchanged in two.
- The Philadelphia Fed's WI index increased 0.1% in November and 0.3% in the past three months.
- In comparison, the Philadelphia Fed's U.S. index increased 0.2% in November and 0.5% in the past three months.

2

---

---

---

---

---

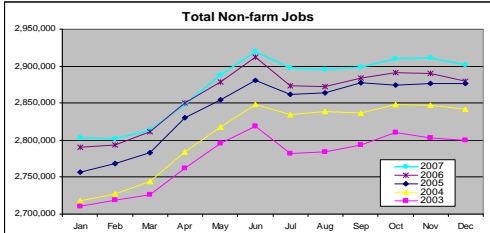
---

---

---

- Total Wisconsin December 2007 non-farm jobs increased 21,700 y/y, to 2,901 M. Major y/y gains were found in professional & business services (+14,900), health care & social asst. (+8,400), and in accommodation & food services (+5,400).
- M/m data showed a 10,300 job decrease (expected this time of year), mostly in construction (-8,200), admin. support & waste mgmt services (-2,200), and accommodation & food services (-1,800). Significant employment gains for the month were registered in retail trade (+1,700) and health care & social assistance (+1,000).
- November y/y unemployment rates were higher in 175 of the 369 metropolitan areas, lower in 165 areas, and unchanged in 29 areas.

#### Total Non-farm Jobs




---

---

---

---

---

---

---

---



**OEA/DWD Economic Outlook**  
January 18, 2008

- Fed is trying to strike a balance between economic growth and inflation. Market is pushing for a 50 basis point cut in January.
- Anticipate slow economic growth next two to four quarters.
- Expect higher unemployment rates in months ahead for the nation and the state, due to slower economic growth and seasonal patterns for Wisconsin.
- Different regions of the nation have varying economic challenges: financial in NE; housing in SE and SW; auto production jobs and housing in eastern Midwest.
- Different regions of the state have varying economic challenges: timber in NW; paper in NE; auto suppliers in the SE.
- Wisconsin sectors that are doing well: tourism in the north; export manufacturers; agriculture and ag suppliers.
- Wisconsin will fare better than national average and some nearby states, such as Ohio, Michigan, Indiana.

7

---

---

---

---

---

---

---

---

**OEA/DWD Economic Outlook**  
January 18, 2008

**Risks to the Forecast**

- Oil prices climb substantially higher. \$4 gasoline a distinct possibility this summer.
- Credit debacle severely deepens and broadens, hamstringing investment.
- Higher gasoline prices, falling home prices, and credit squeeze arrests consumer spending.

8

---

---

---

---

---

---

---

---

**CONTACT INFORMATION**

- Dennis Winters
- Phone: 608-267-3262
- Email: [dennis.winters@dwd.state.wi.us](mailto:dennis.winters@dwd.state.wi.us)
- Website: [www.dwd.wisconsin.gov](http://www.dwd.wisconsin.gov)
- OEA website: [www.dwd.wisconsin.gov/oea](http://www.dwd.wisconsin.gov/oea)

3

---

---

---

---

---

---

---

---