



Center for
Research
On the
Wisconsin
Economy
University of Wisconsin- Madison

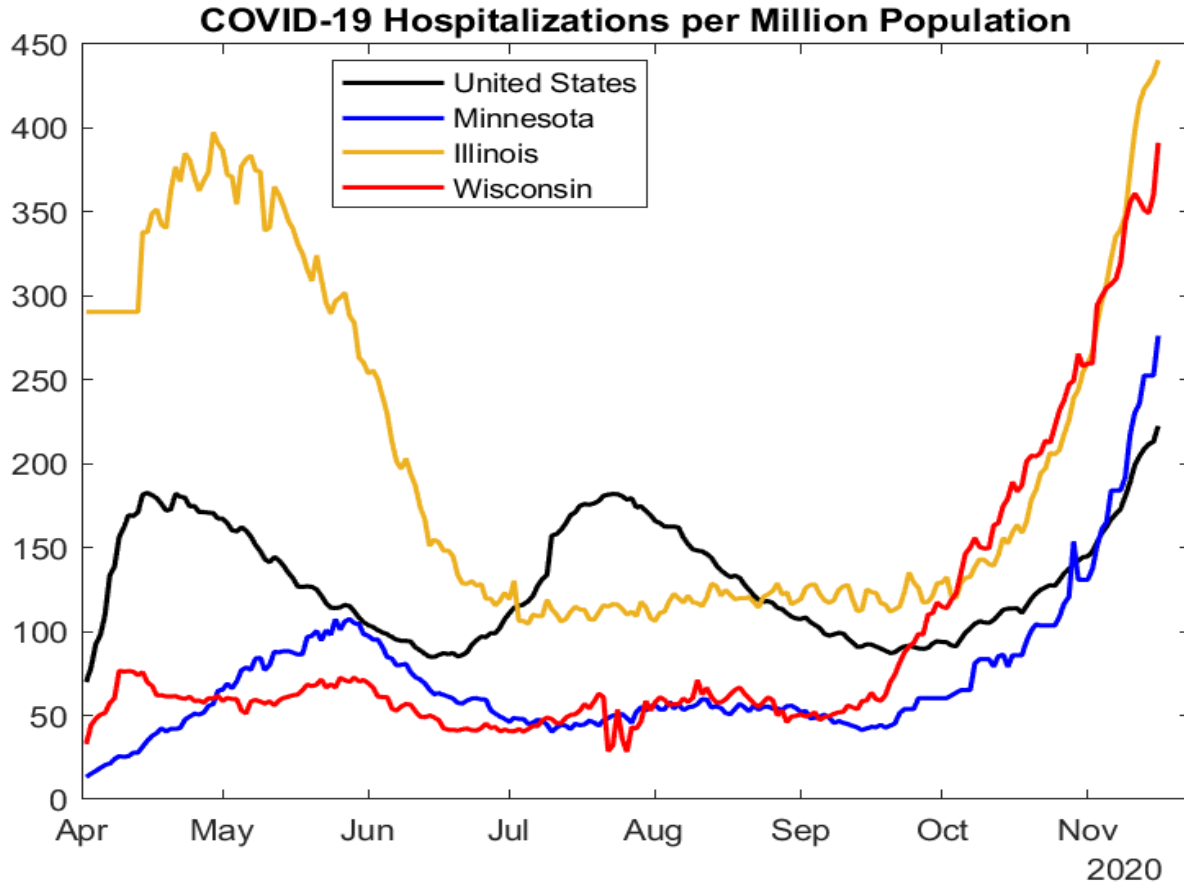
Economic Update: Wisconsin & US

Noah Williams

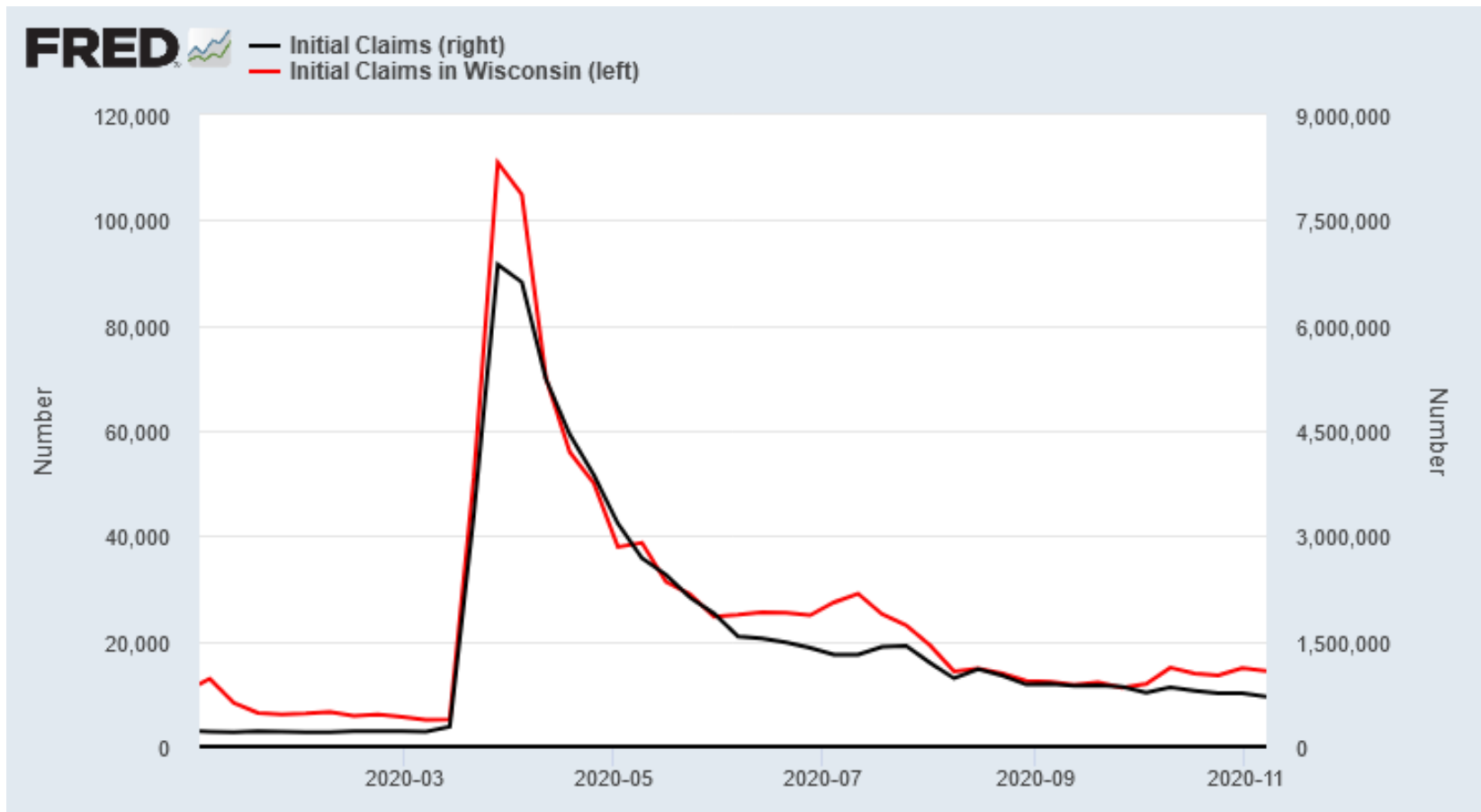
November 18, 2020

<https://crowe.wisc.edu>

The Virus Spread Remains Severe

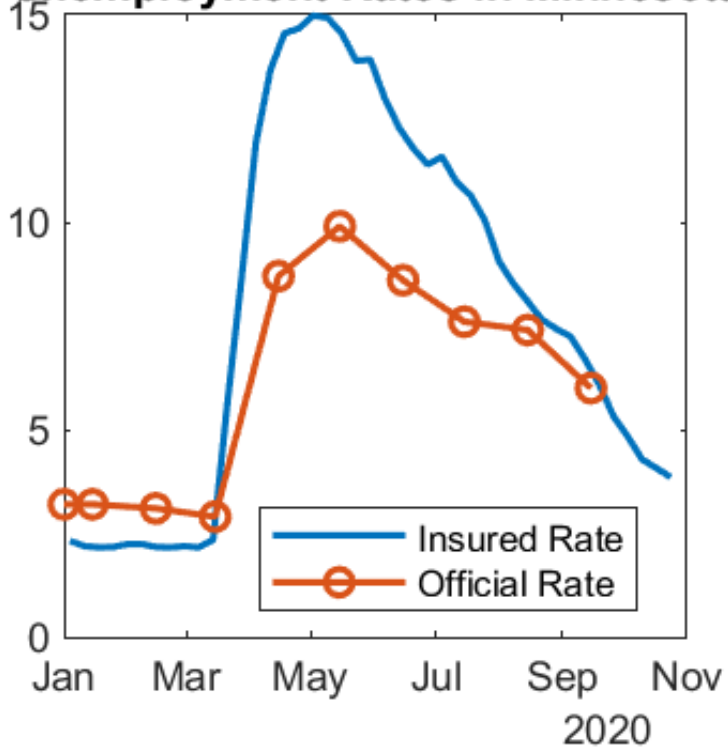


Initial Unemployment Claims

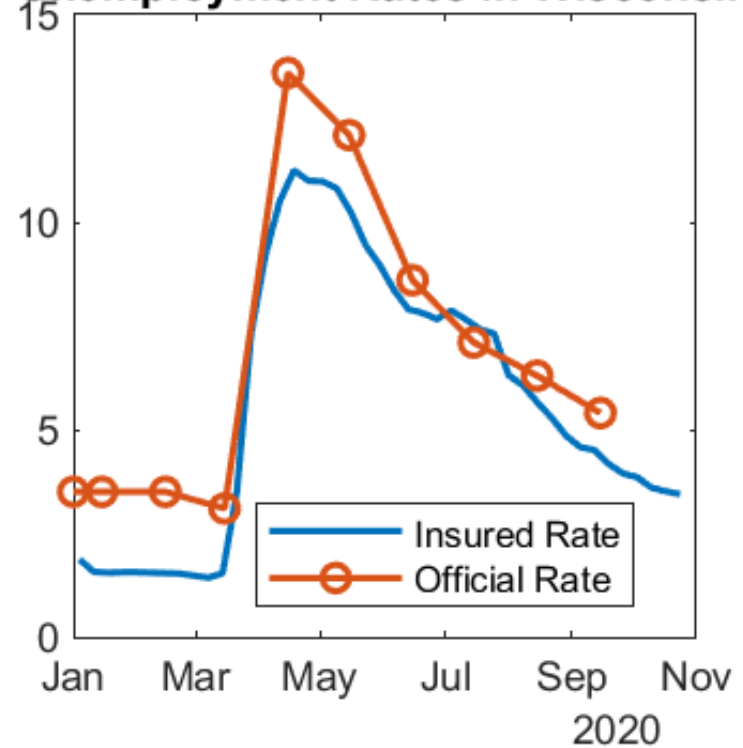


MN and WI: Unemployment Rates

Unemployment Rates in Minnesota

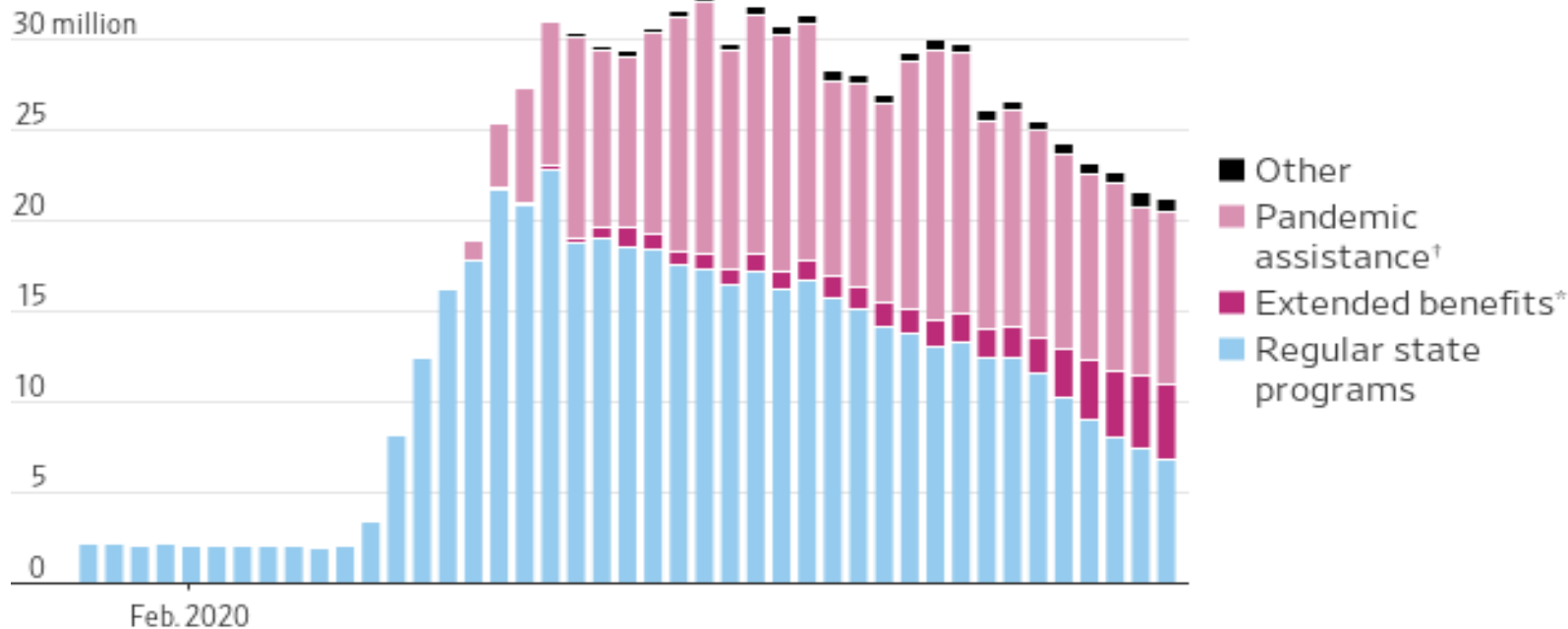


Unemployment Rates in Wisconsin



Continued High Numbers in Supplemental Programs

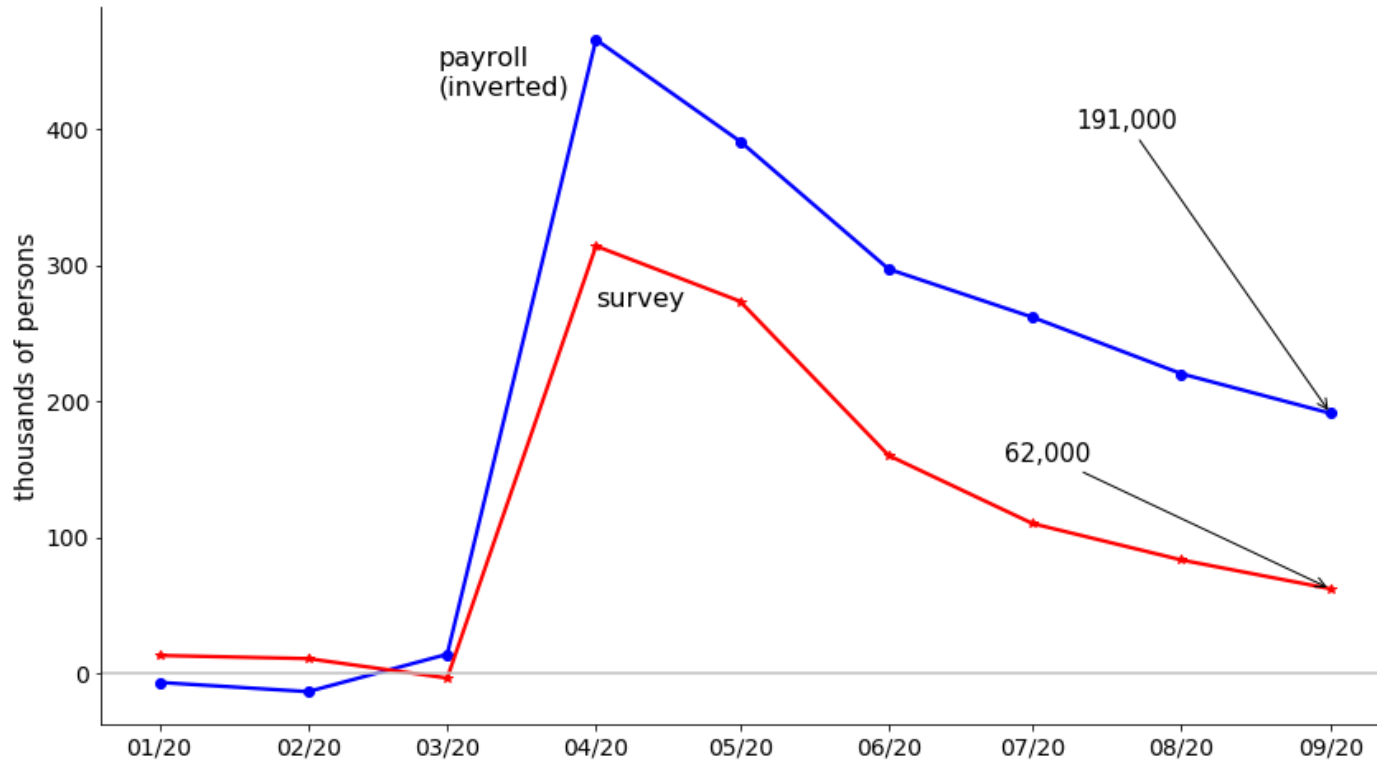
Number of people claiming continuing unemployment benefits, by program



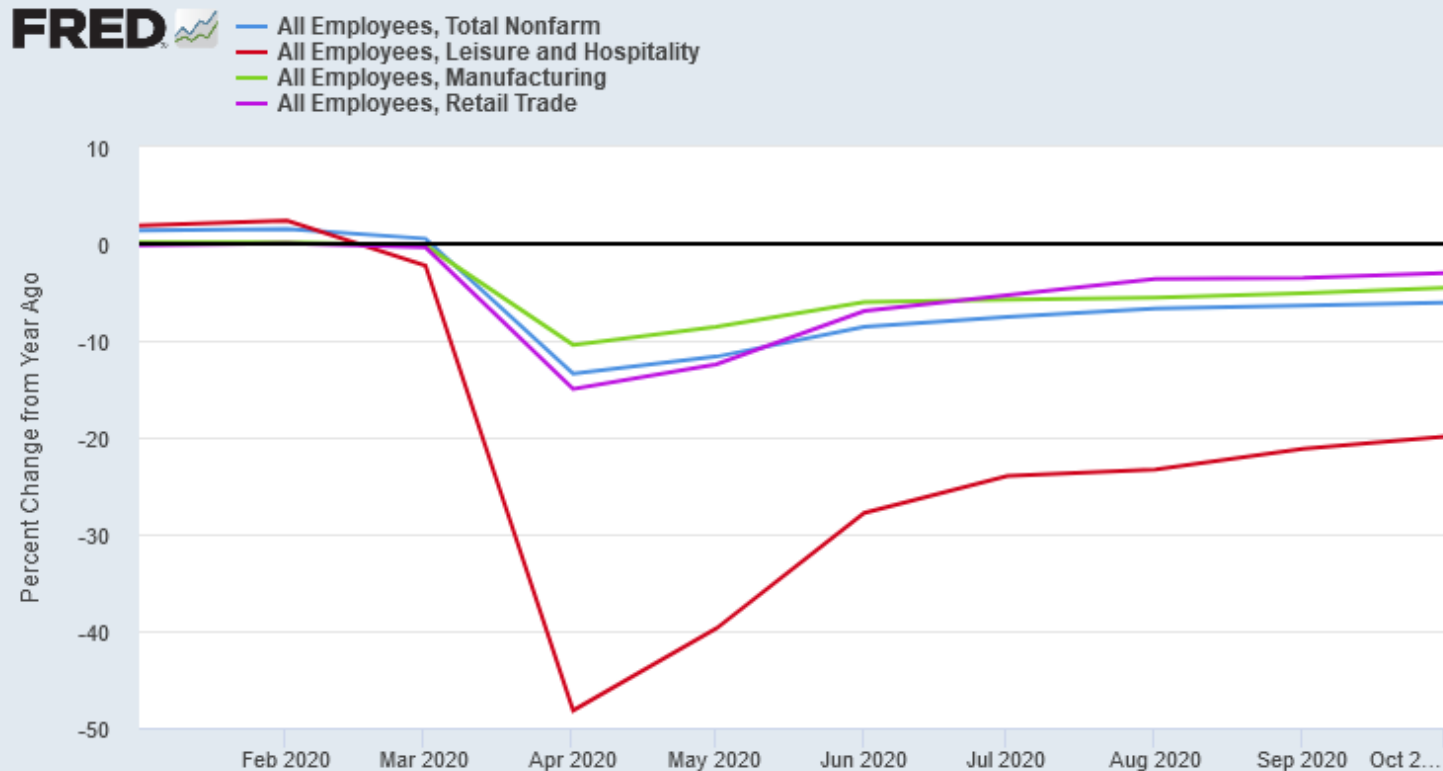
Note: *Reflects Pandemic Emergency Unemployment Compensation for those who exhausted other programs.
†Reflects Pandemic Unemployment Assistance for self-employed and others not typically eligible.

Source: Labor Department

Wisconsin: Measures of Job Loss



Wide Variation in Job Loss By Sector

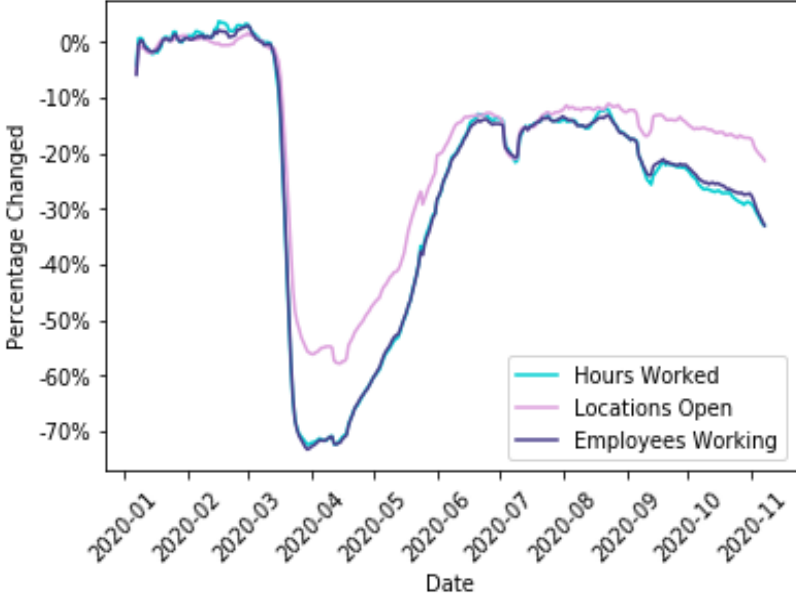


Source: U.S. Bureau of Labor Statistics

WI Small Business: Employment Fallen Recently



All Sectors

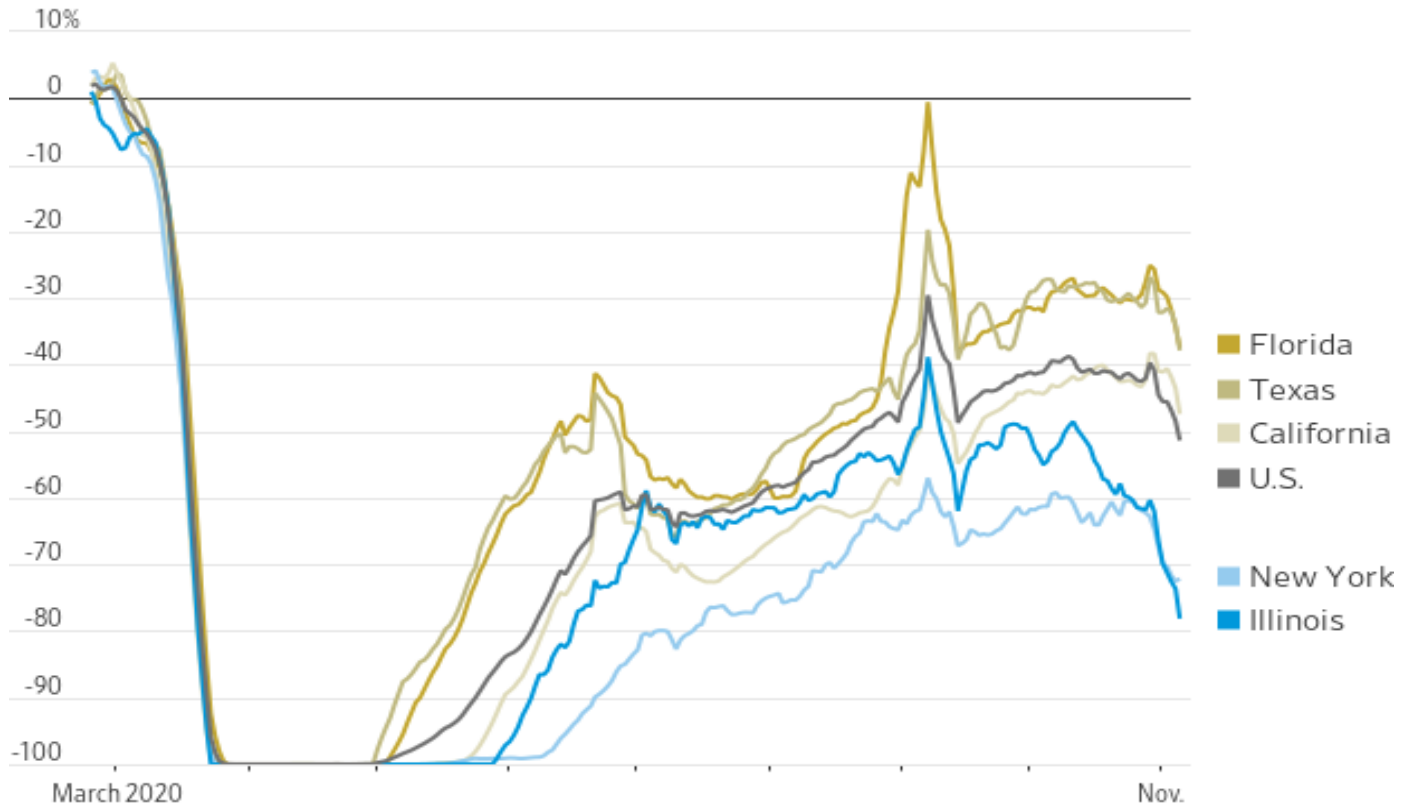


Food and Drink Sector

Source: Homebase

Dining at Restaurants has Fallen in Many Locations

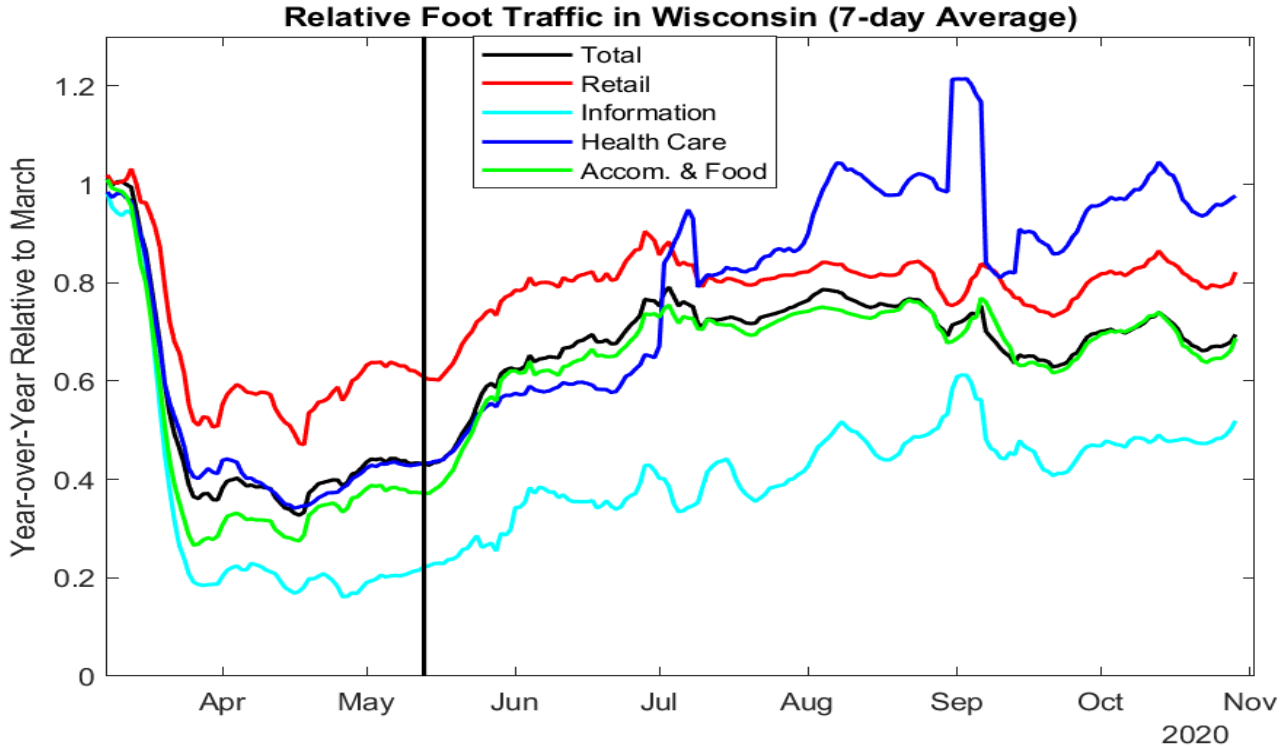
Seated diners from online, phone and walk-in reservations, change from previous year



Note: Seven-day moving average

Source: OpenTable

Wisconsin: Economic Activity from Foot Traffic

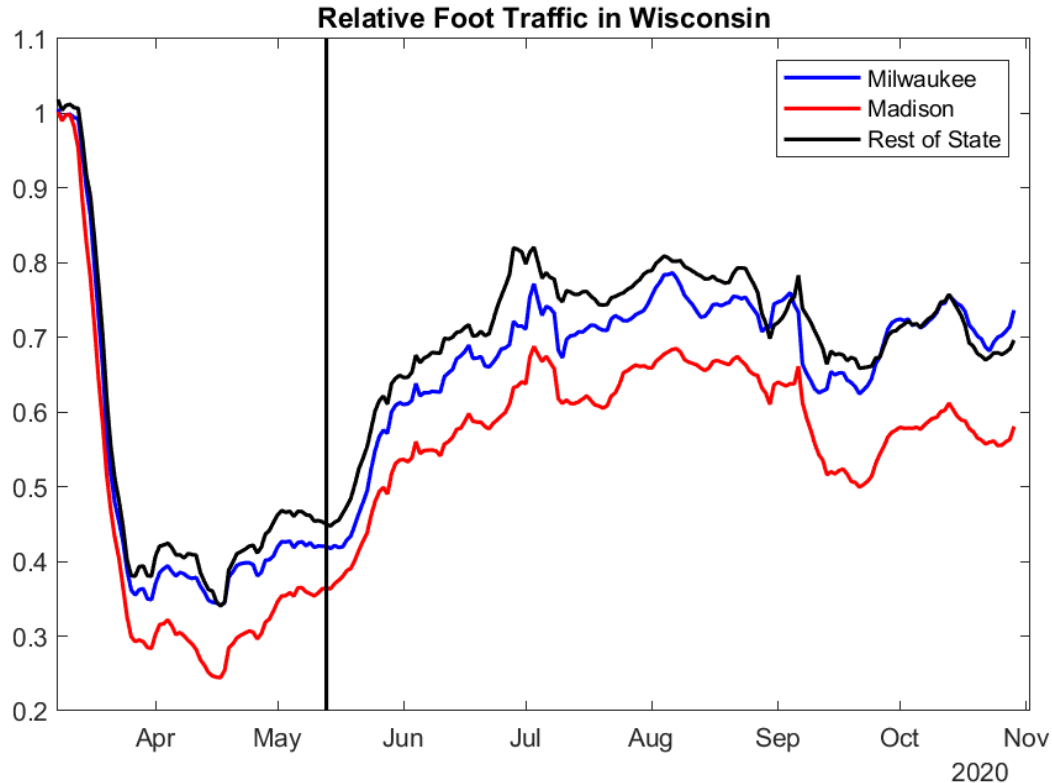


Source:
SafeGraph

Not much change since July.

Total activity down 31%, health care only 3%, “information” down 48%.

Wisconsin: Economic Activity from Foot Traffic

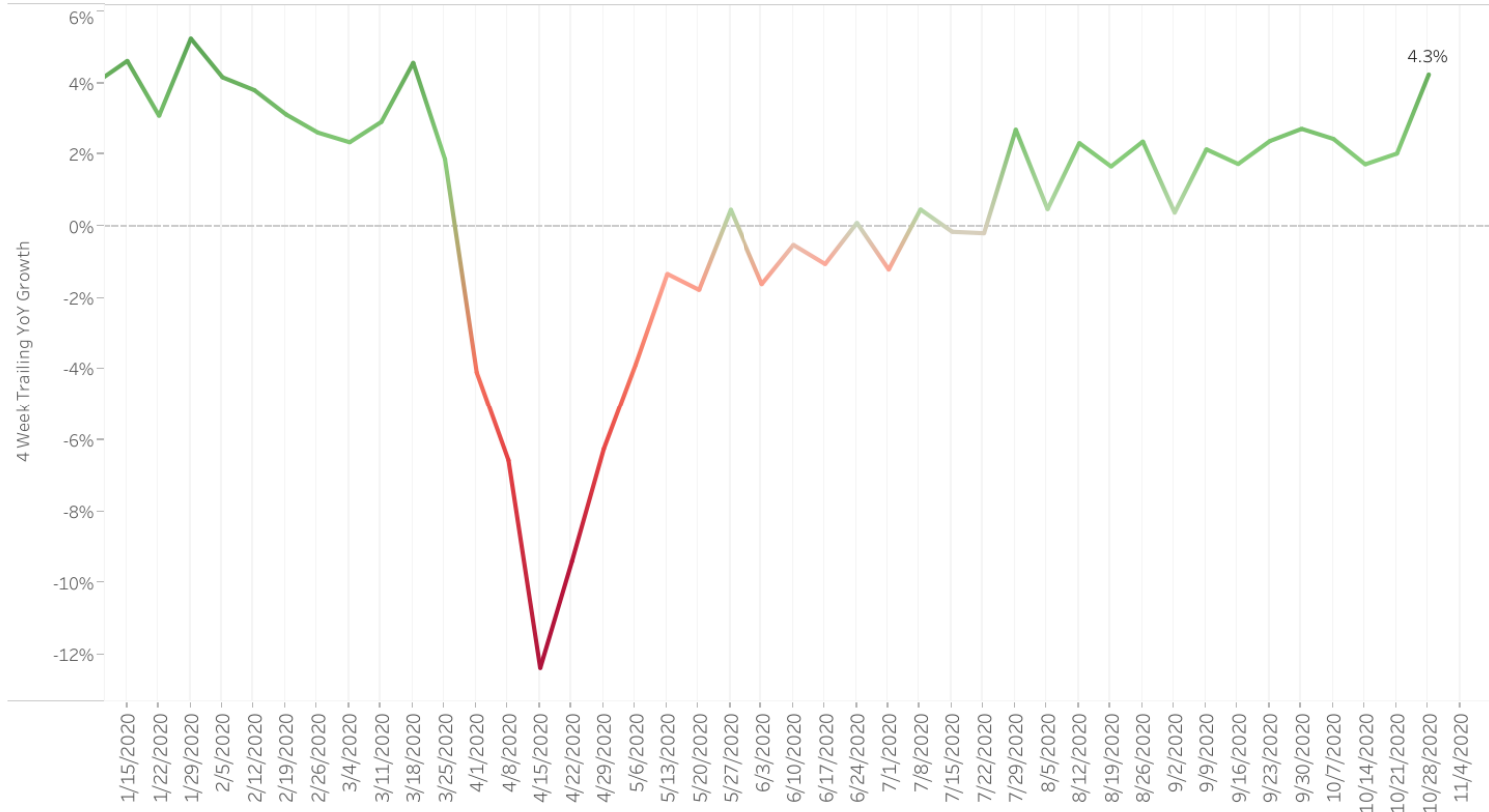


Source:
SafeGraph

Madison (-40%) has fared worse than Milwaukee (-26%) & rest of state (-30%)

Private Measures of Spending Recovered Quickly...

Aggregate Consumer Activity

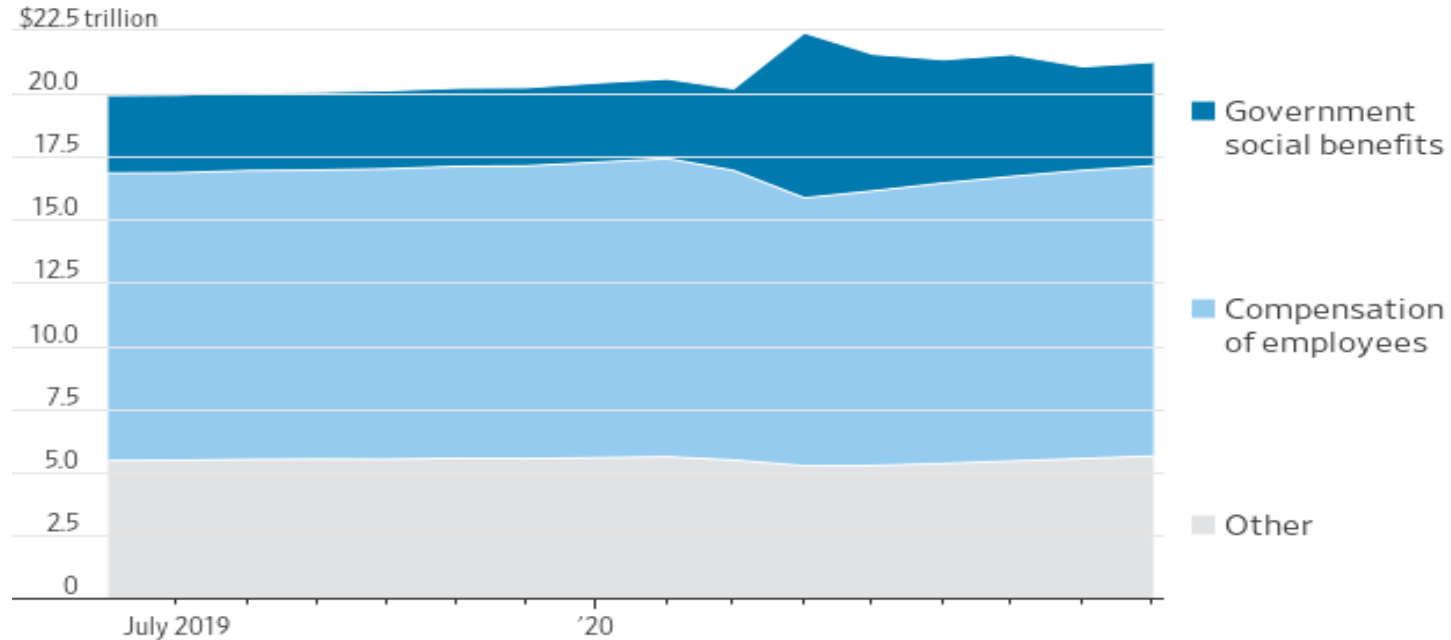


Spending was Supported by Government Benefits...

Helping Hand

Unemployment insurance and other government social benefits lifted household incomes when the pandemic hit and millions of Americans lost their jobs.

U.S. personal income, monthly

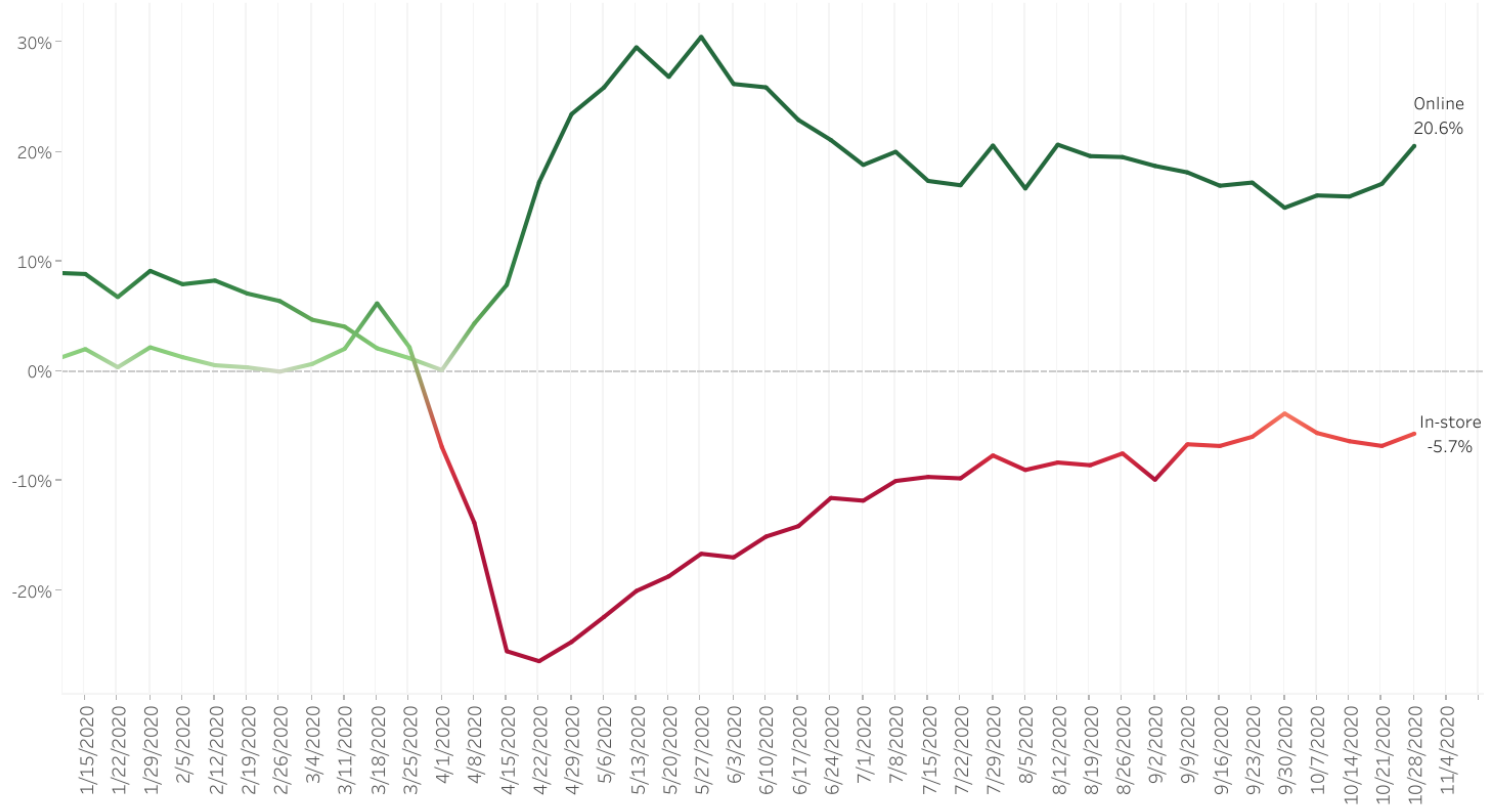


Note: Seasonally adjusted annual rate; does not deduct contributions for government social insurance

Source: Commerce Department

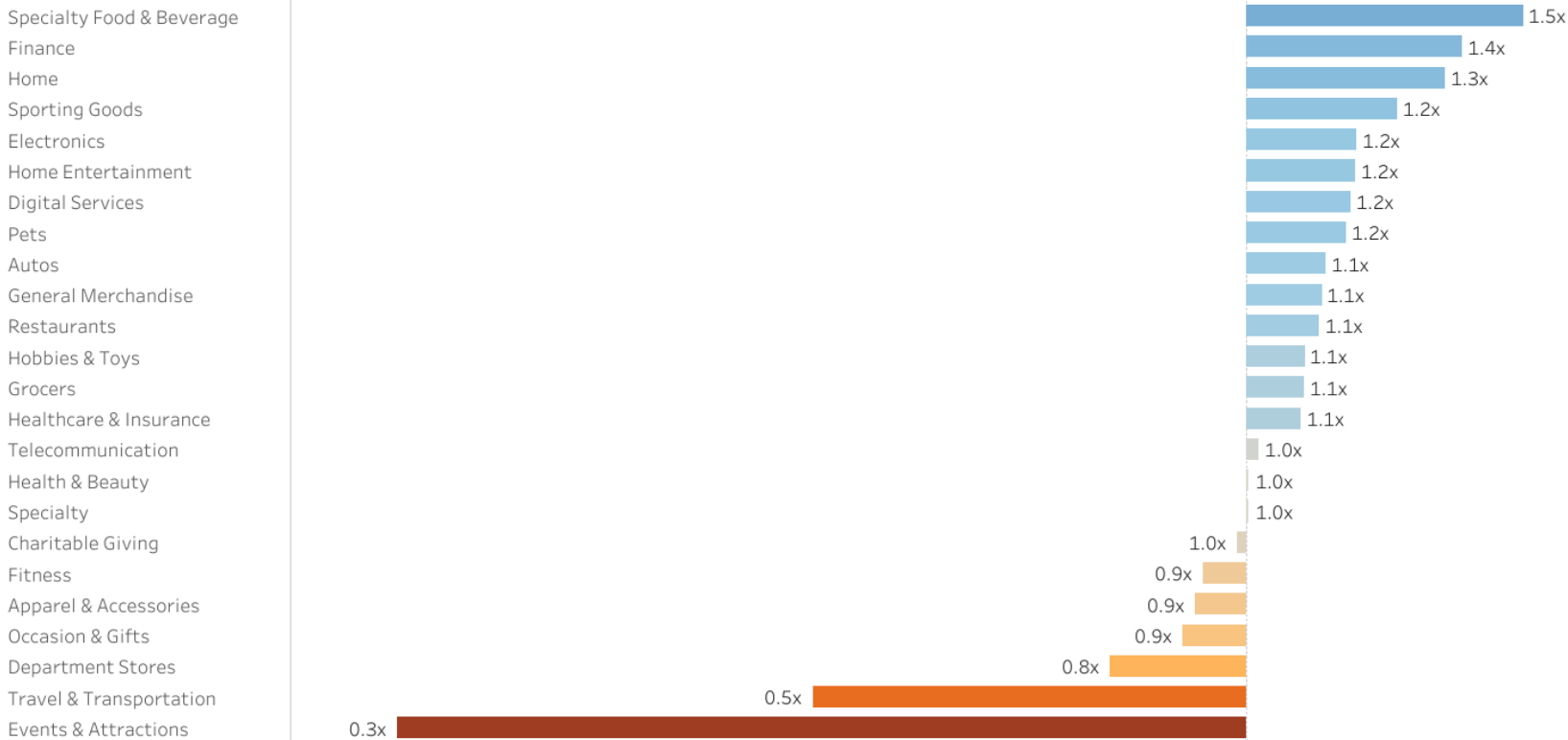
With a Big Change in How Purchases are Made...

Aggregate Consumer Activity by Channel



And Big Changes in Consumption Patterns

4 Week Trailing YoY Growth by Category for Week Ending 10/28/2020



Looking into 2021

- Good news on vaccines recently, but will take months for roll-out and distribution. Expect more of the same for 6-9 months at least.
- During lockdowns, surprises were on downside. During recovery surprises have been on the upside. But rate of improvement has slowed.
- Government support programs coming to an end, but previous dire “fiscal cliff” predictions have not borne out.
- Looks like divided government (GA?) – less policy activity but also less risk. Some additional stimulus likely, but maybe not until January.
- Market participants more optimistic than forecasters, academics