The State of the Economy: Past Patterns, Current Status, and Future Directions

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January 2026

The U.S. Economy Keeps Powering Ahead, Defying Dire Predictions

The unrelenting American consumer spends through a sour mood and a cooling labor market

December 23, 2025 THE WALL STREET JOURNAL.

America on a roll? Trump hails 4.3% GDP surge in 'great' US economy, promising bigger gains ahead.

January 5, 2026 yahoo!finance

Help wanted? Not really. U.S. economy is barely adding workers.

Almost as many jobs are destroyed as are created

MarketWatch

January 7, 2026

US ECONOMY

Sluggish hiring closes '25

January 10, 2026 WISCONSIN STATE JOURNAL

Strong growth, sour "vibes"? Why US businesses enter 2026 with confidence down

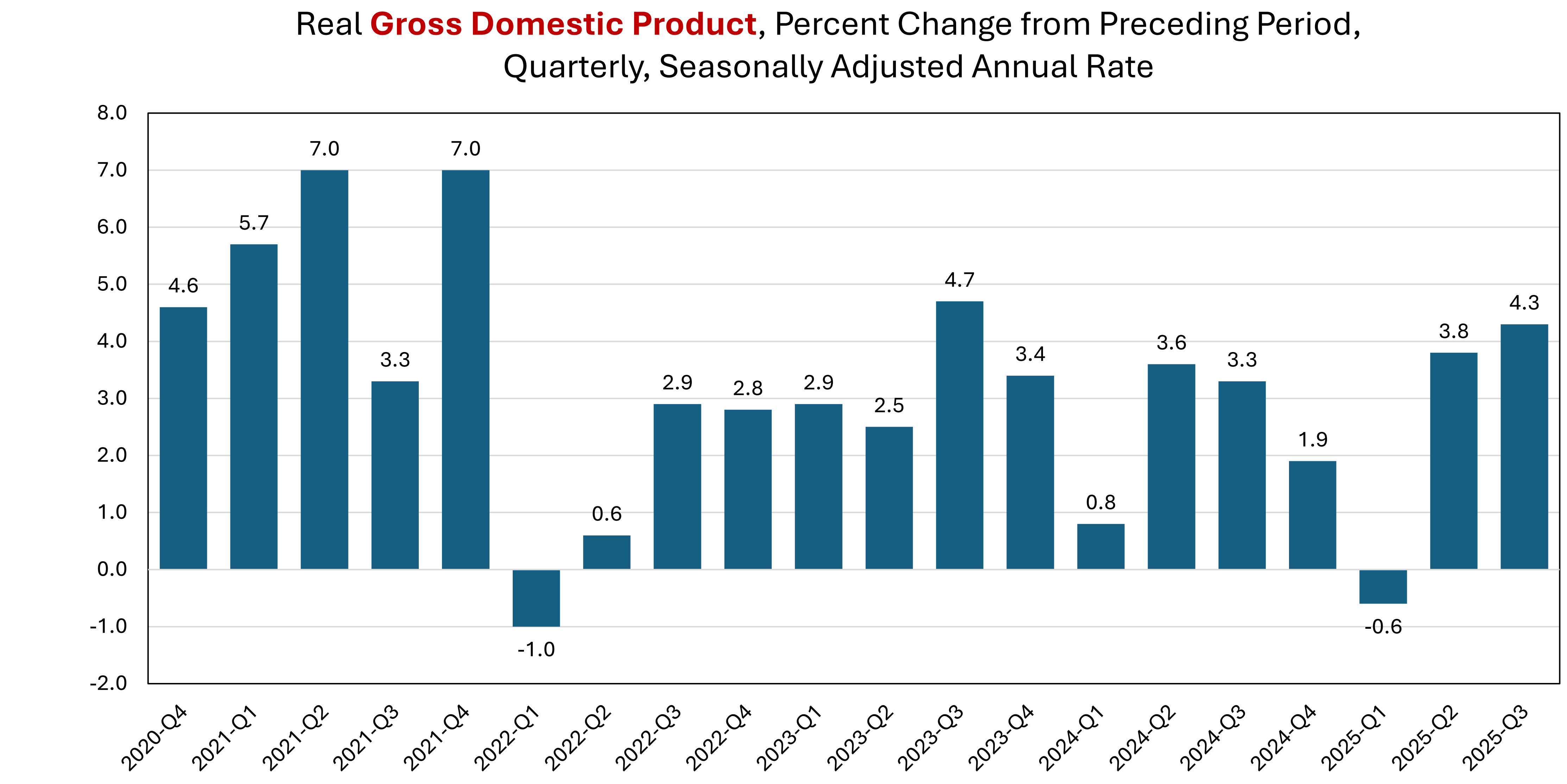
Policy uncertainty and costs continue to weigh

January 8, 2026 Insurance BUSINESS

Slowest Labor Market in Years Leaves Job Seekers Stuck

January 9, 2026

THE WALL STREET JOURNAL.


Real Gross Domestic Product, Percent Change from Preceding Period,
Quarterly, Seasonally Adjusted Annual Rate
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
-1.0
-2.0
4.6
5.7
7.0
3.3
7.0
-1.0
0.6
2.9
2.8
2.9
2.5
4.7
3.4
0.8
3.6
3.3
1.9
-0.6
3.8
4.3
2020-Q4
2021-Q1
2021-Q2
2021-Q3
2021-Q4
2022-Q1
2022-Q2
2022-Q3
2022-Q4
2023-Q1
2023-Q2
2023-Q3
2023-Q4
2024-Q1
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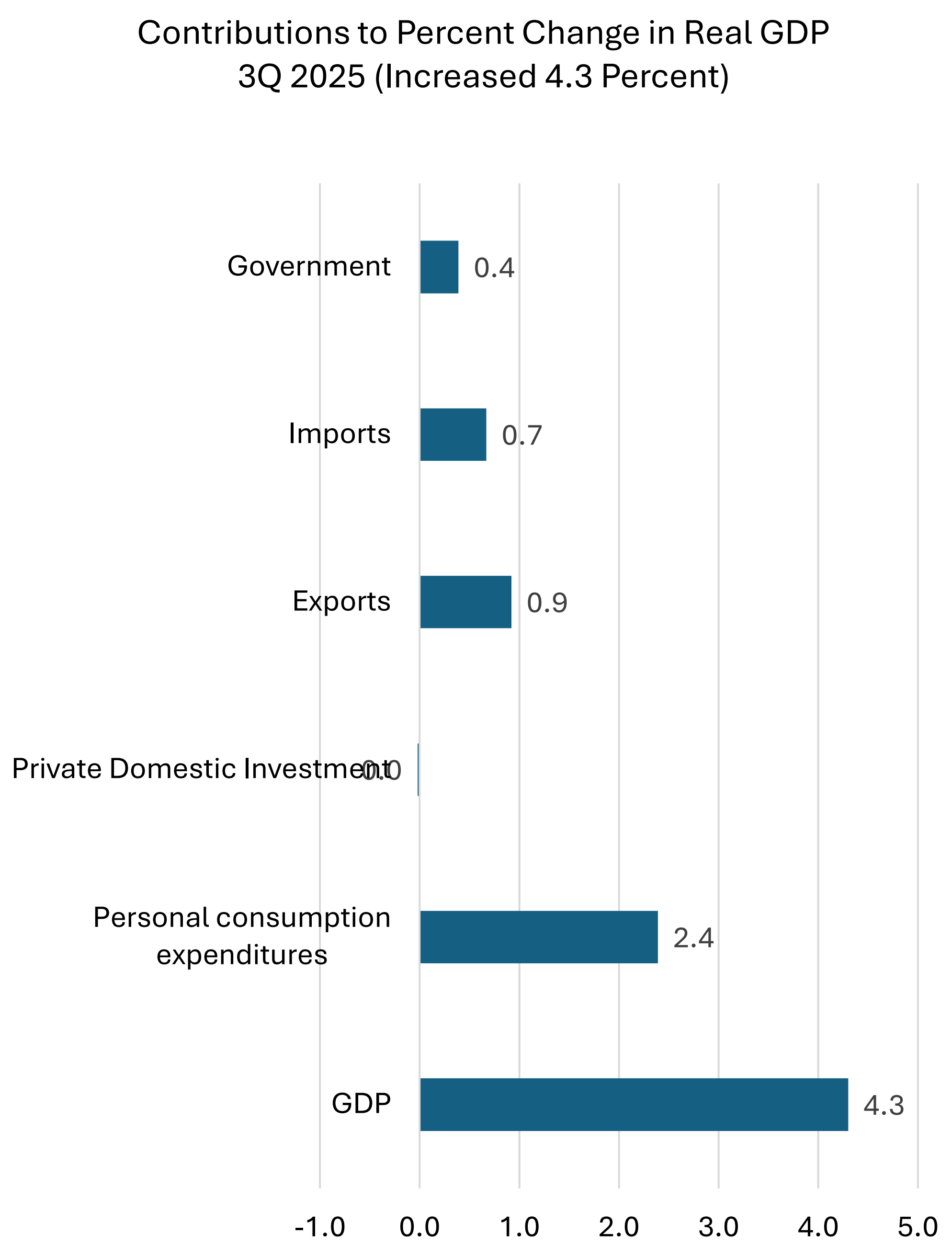
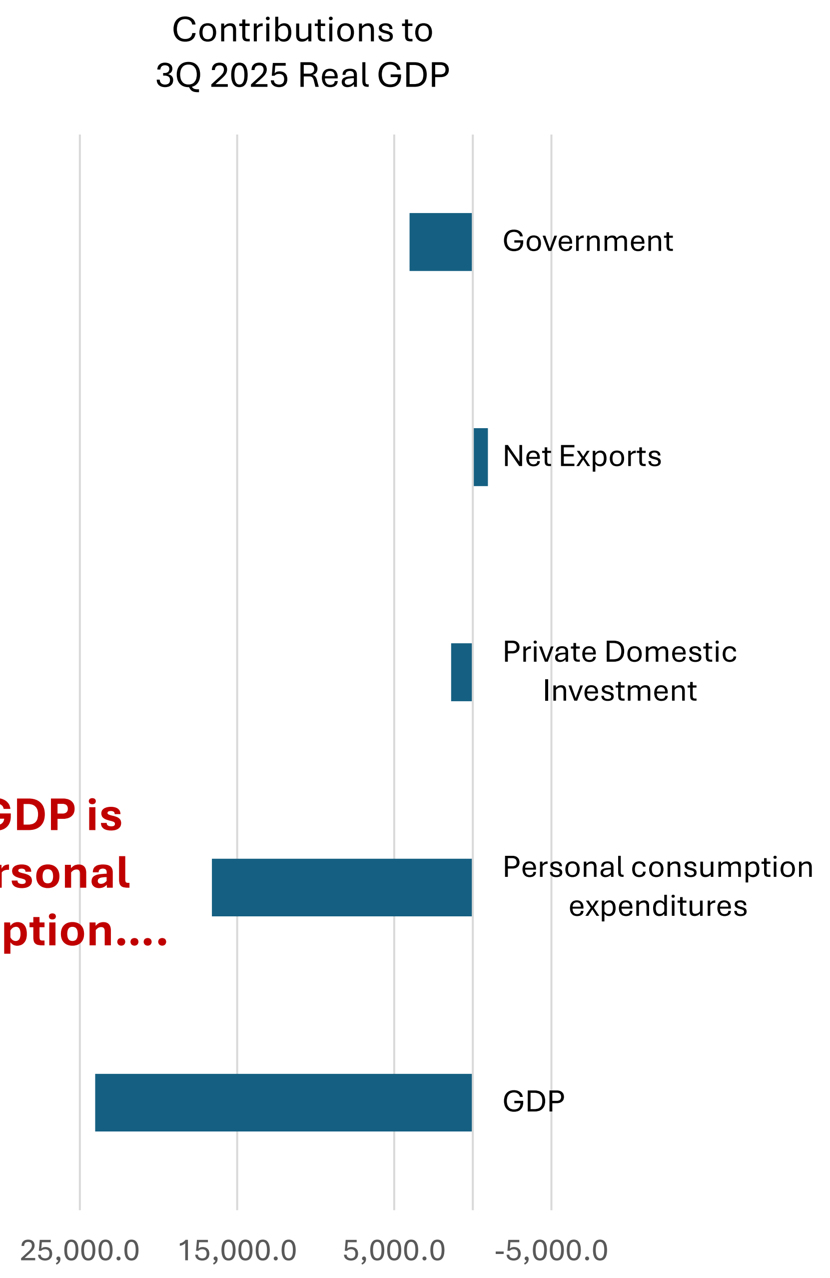
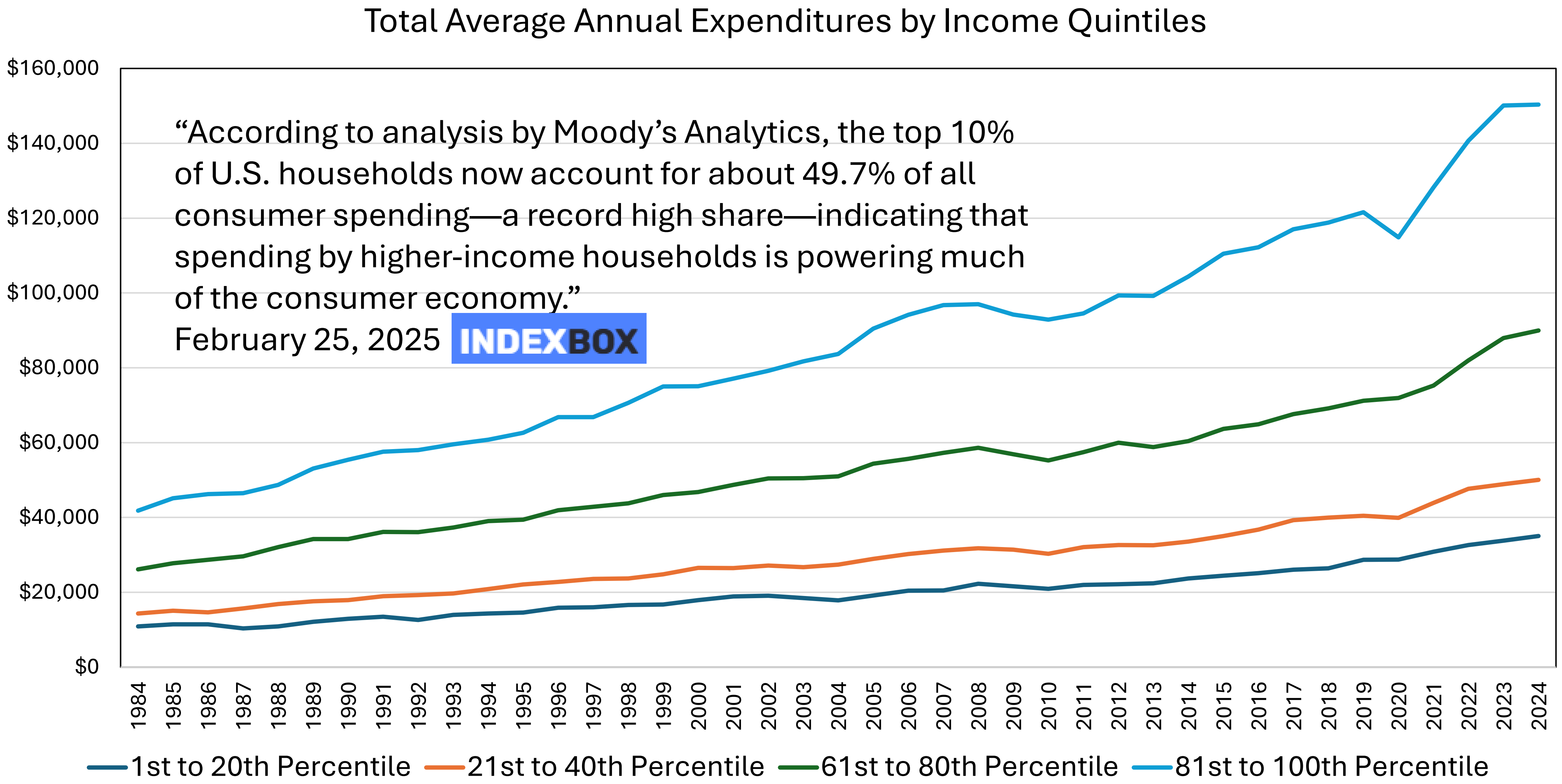
2024-Q3
2024-Q4
2025-Q1
2025-Q2
2025-Q3

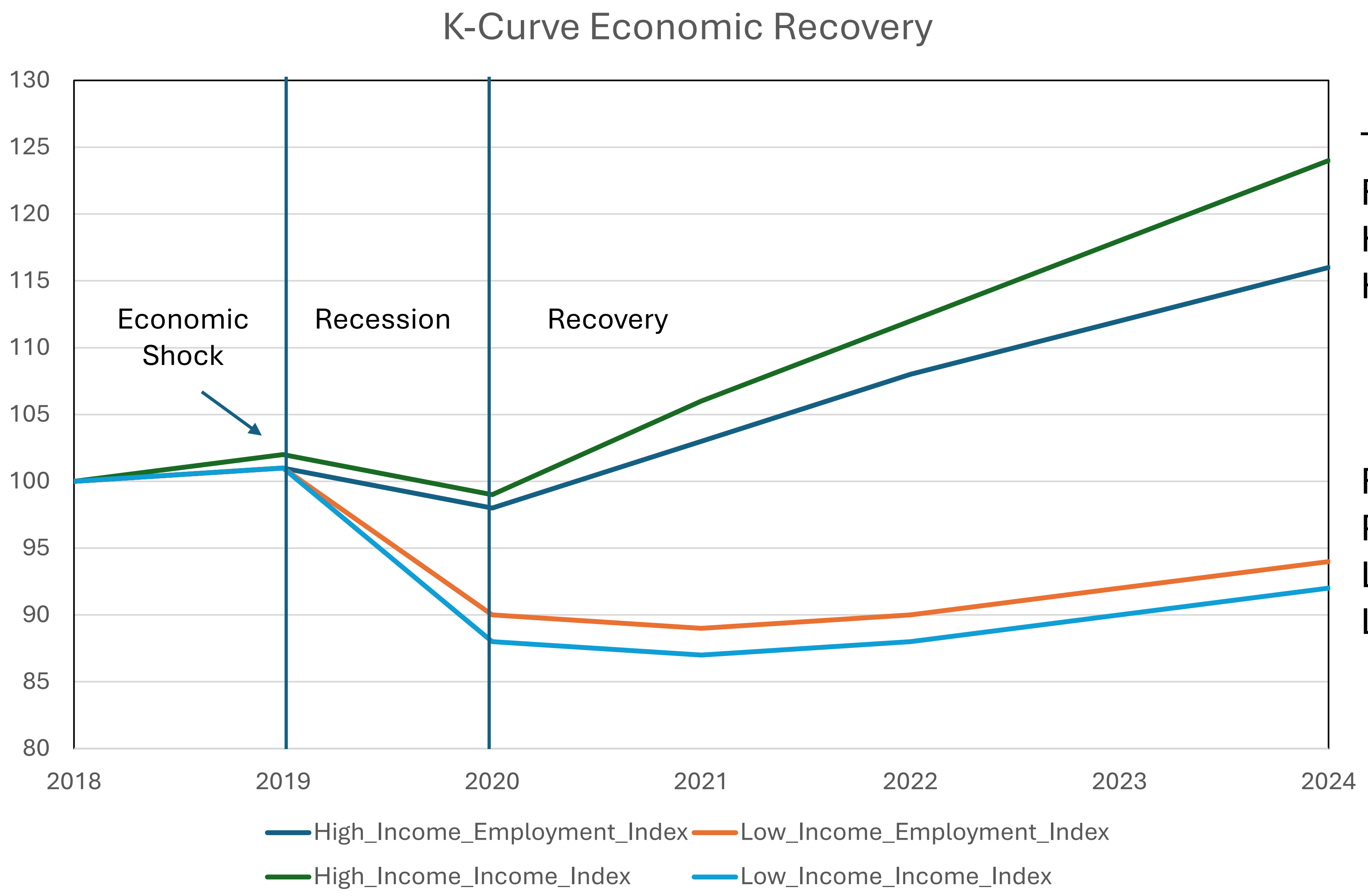




69% of GDP is from personal consumption....

“According to analysis by Moody’s Analytics, the top 10% of U.S. households now account for about 49.7% of all consumer spending—a record high share—indicating that spending by higher-income households is powering much of the consumer economy.”
February 25, 2025 INDEXBOX



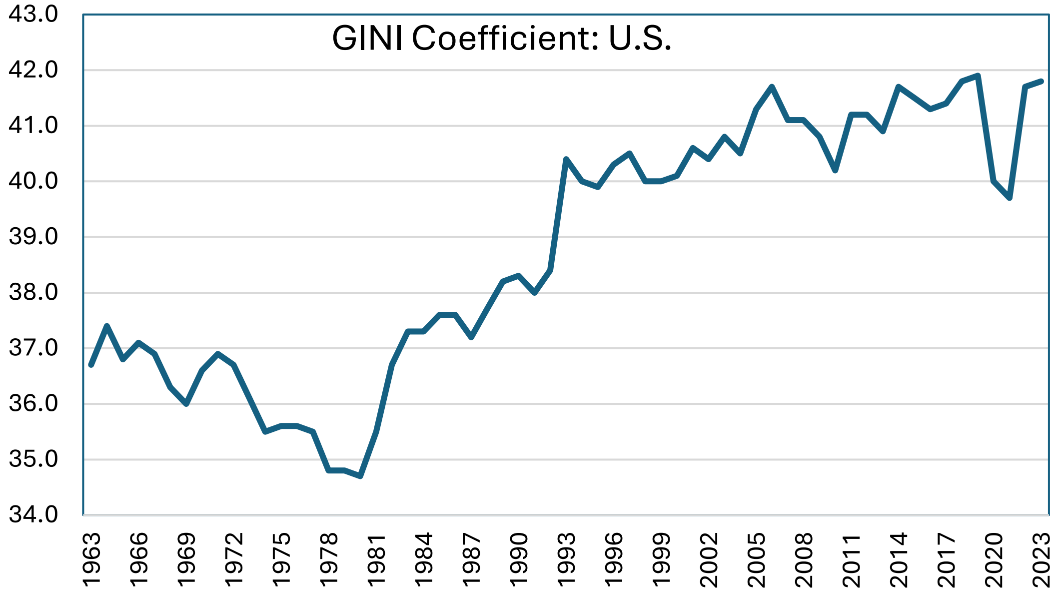


Technology
Financial Services
High Skilled
Higher Education Levels

Farming
Personal Services
Low Skilled
Lower Education Levels

Two Concerns or Questions.....

Is the widening income gap distorting traditional measures of economic performance?



Living Paycheck to Paycheck? You're Not Alone—67% of People Are in 2025

September 24, 2025 Investopedia

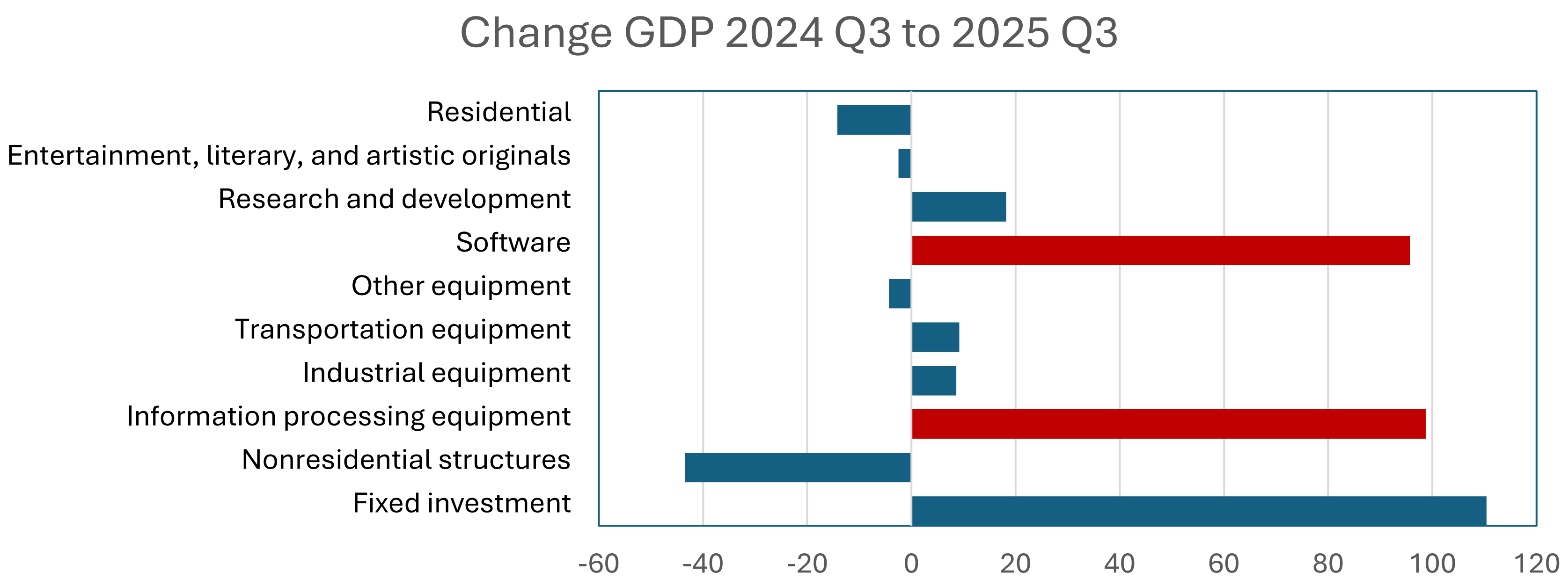
Two Concerns or Questions.....

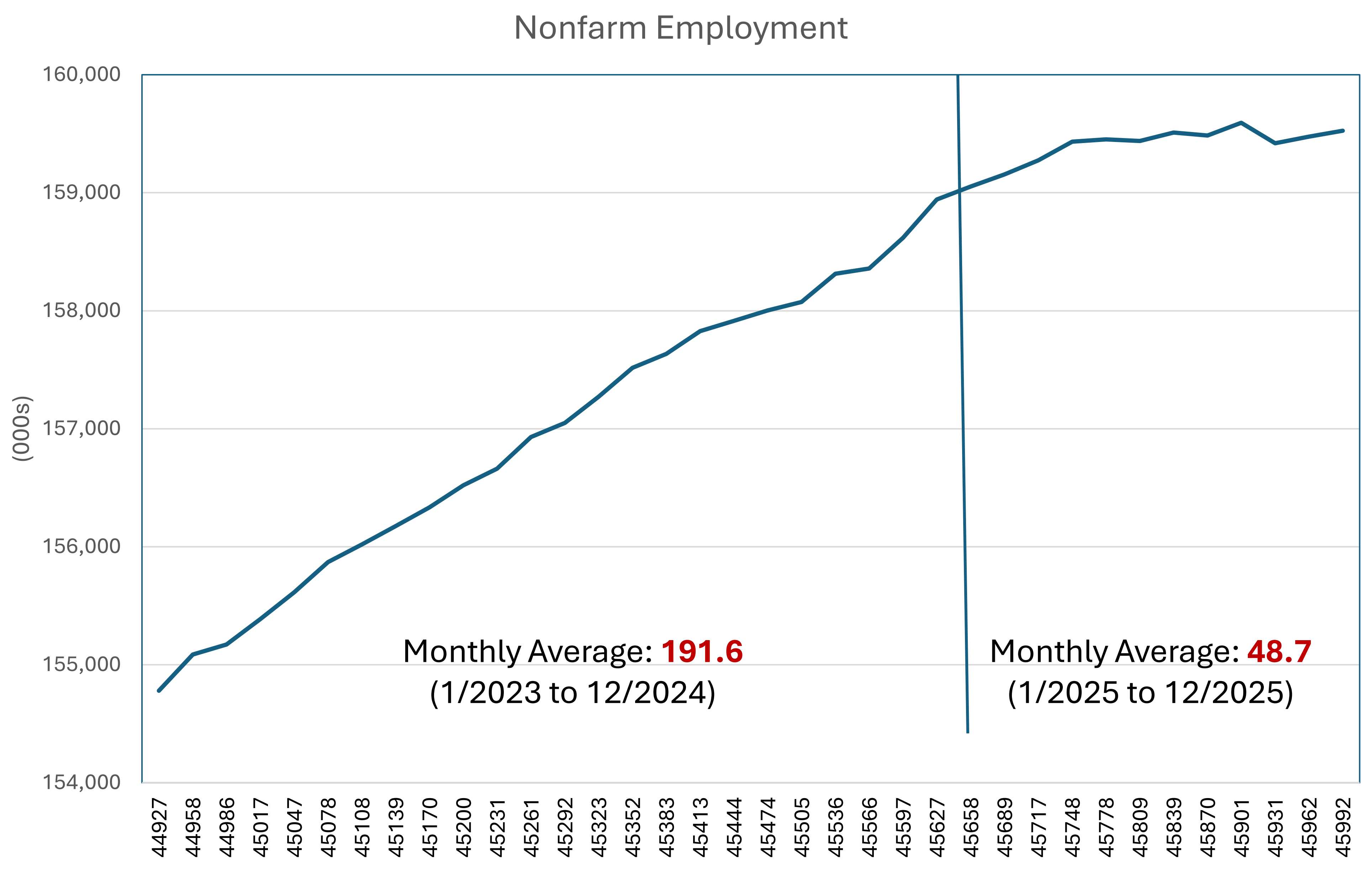
Are current investments in artificial intelligence (AI) technologies artificially inflating traditional economic indicators?

"Investments and valuations in AI and big tech stocks account for a disproportionately large share of recent equity market performance. This risks creating the appearance of a strong market despite weaknesses in other sectors and labor markets."
— Goldman Sachs Global Investment Research. 2024

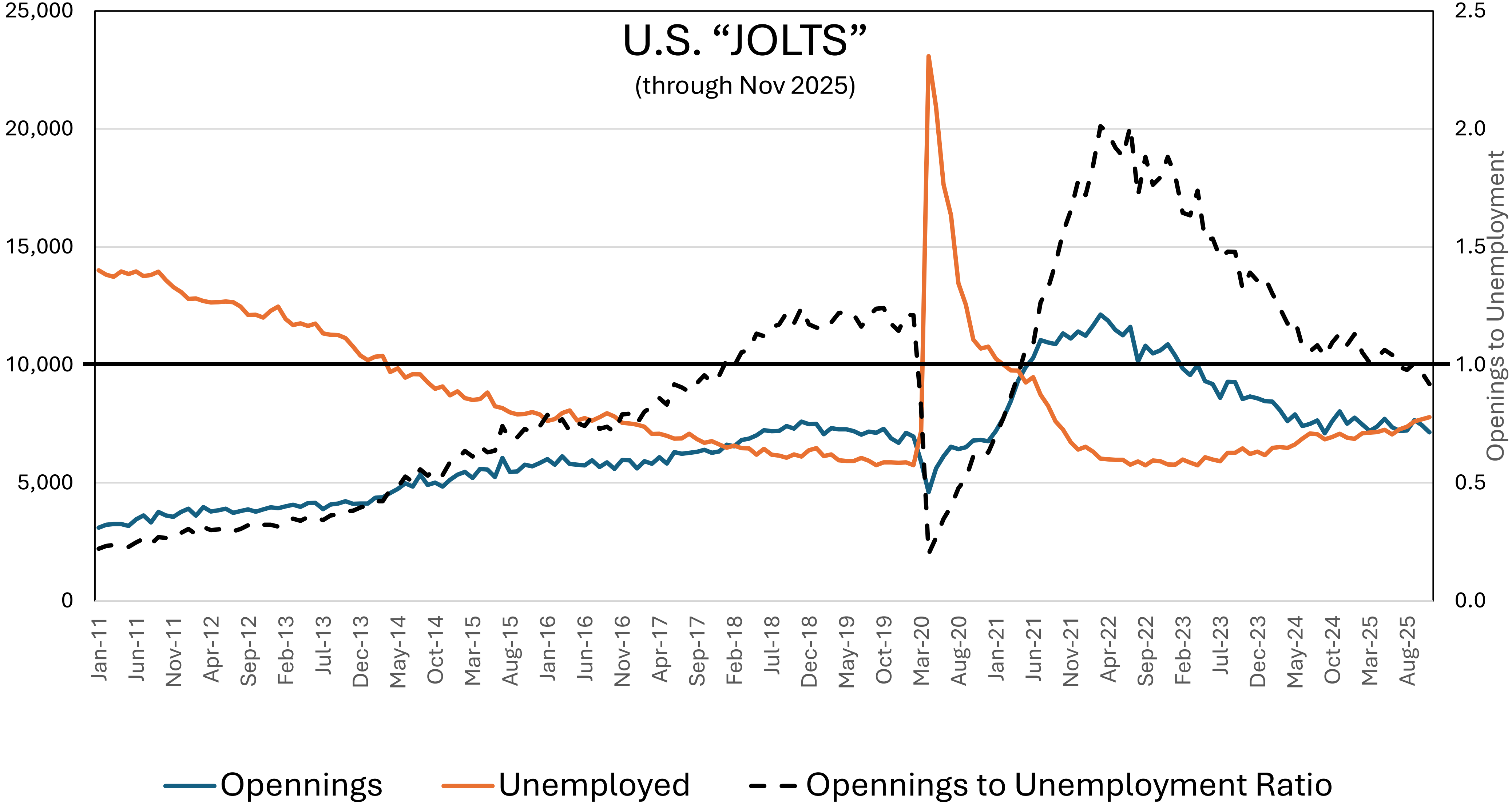
Two Concerns or Questions.....

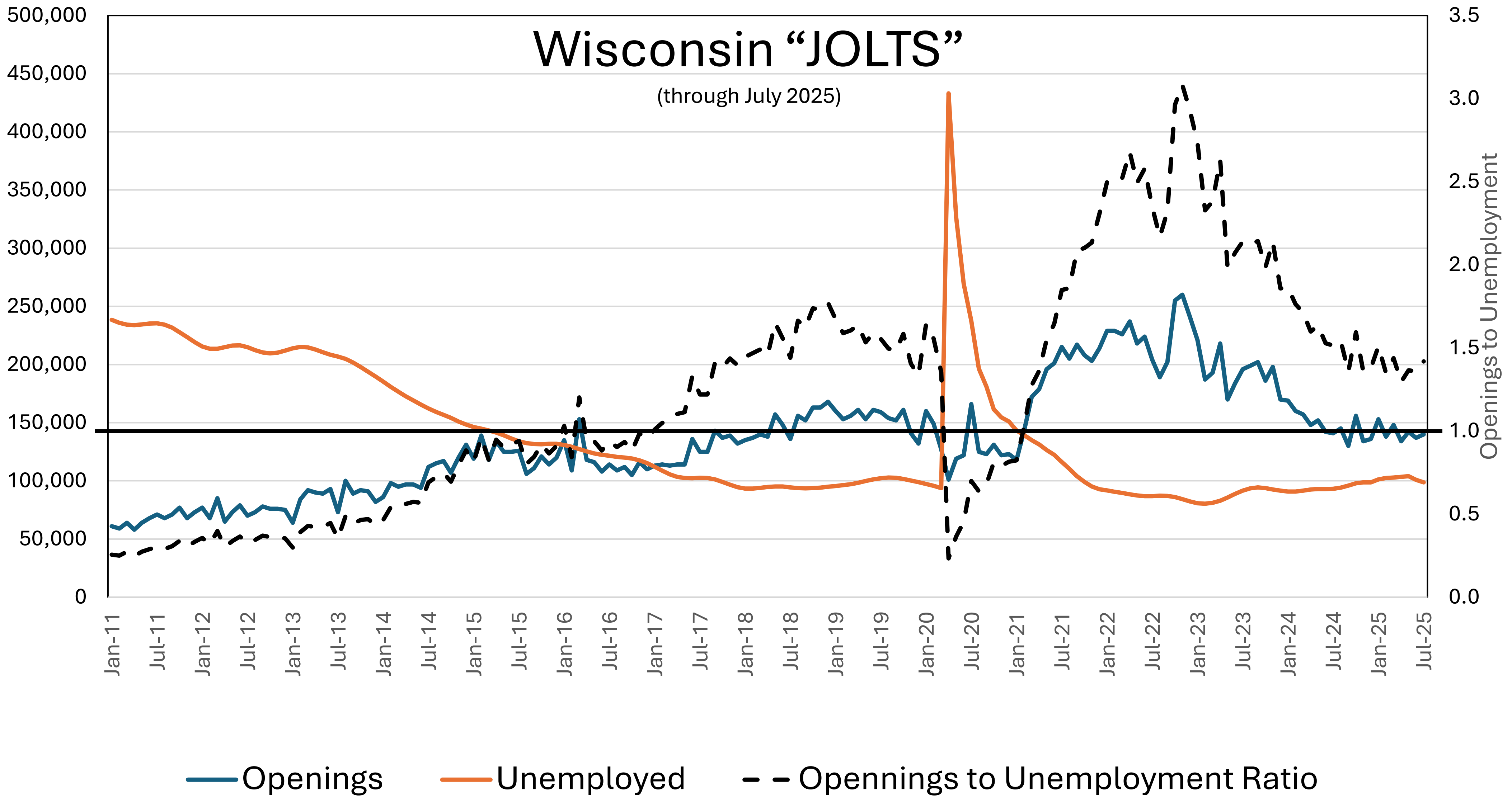
Are current investments in artificial intelligence (AI) technologies artificially inflating traditional economic indicators?

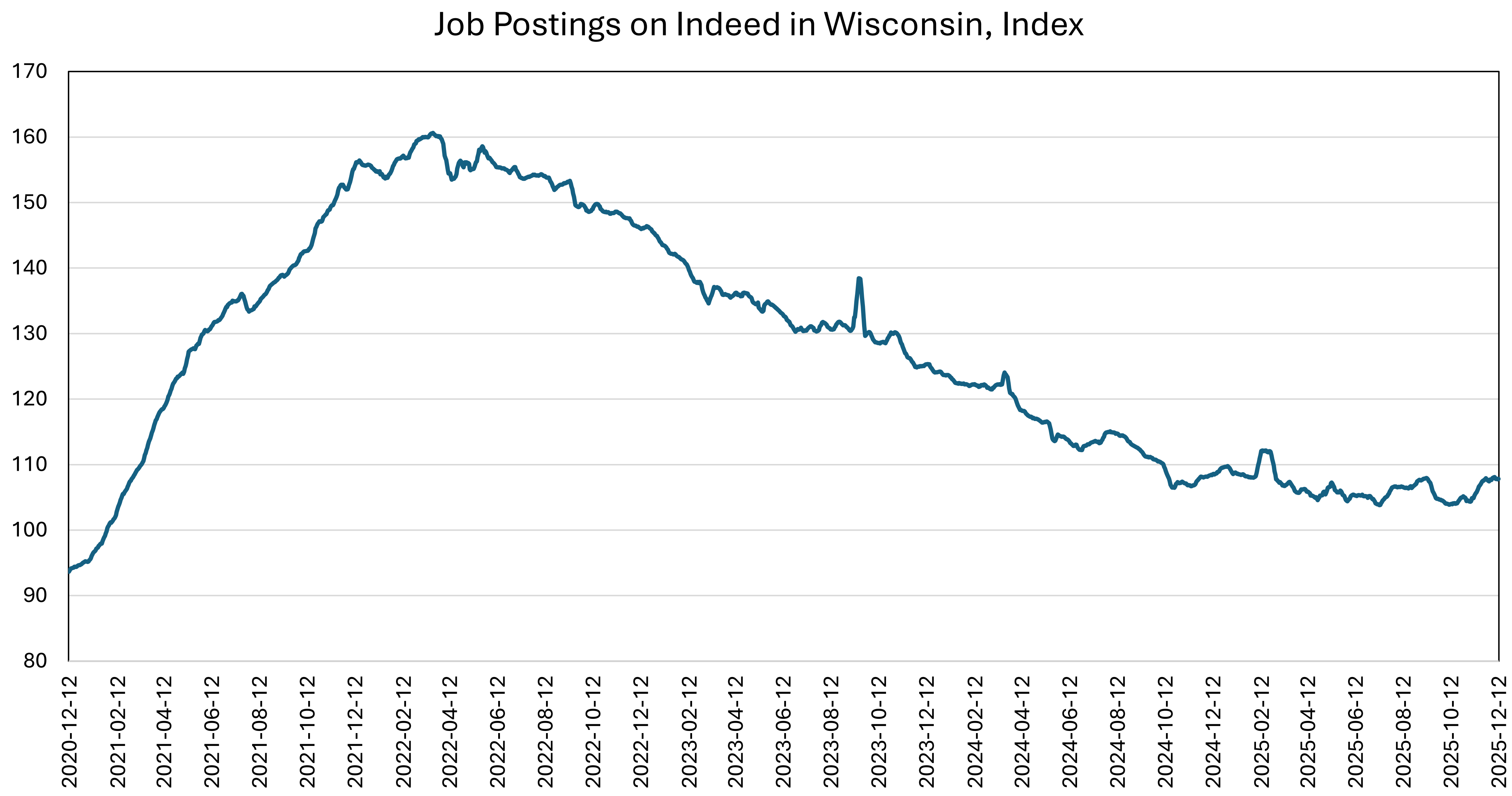



Nonfarm Employment
(000s)
160,000
159,000
158,000
157,000
156,000
155,000
154,000
44927
44958
44986
45017
45047
45078
45108
45139
45170
45200
45231
45261
45292
45323
45352
45383
45413
45444
45474
45505
45536
45566
45597
45627
45658
45689
45717
45748
45778
45809
45839
45870
45901
45931
45962
45992
Monthly Average: 191.6
(1/2023 to 12/2024)
Monthly Average: 48.7
(1/2025 to 12/2025)


U.S. Monthly Employment Change
500
400
300
200
100
0
-100
-200
-300
2023-01-01
2023-02-01
2023-03-01
2023-04-01
2023-05-01
2023-06-01
2023-07-01
2023-08-01
2023-09-01
2023-10-01
2023-11-01
2023-12-01
2024-01-01
2024-02-01
2024-03-01
2024-04-01
2024-05-01
2024-06-01
2024-07-01
2024-08-01
2024-09-01
2024-10-01
2024-11-01
2024-12-01
2025-01-01
2025-02-01
2025-03-01
2025-04-01
2025-05-01
2025-06-01
2025-07-01
2025-08-01
2025-09-01
2025-10-01
2025-11-01
2025-12-01
US ECONOMY
Sluggish hiring closes '25
January 10, 2026
WISCONSIN STATE JOURNAL


U.S. "JOLTS"
(through Nov 2025)
25,000
20,000
15,000
10,000
5,000
0
2.5
2.0
1.5
1.0
0.5
0.0
Openings to Unemployment
Jan-11
Jun-11
Nov-11
Apr-12
Sep-12
Feb-13
Jul-13
Dec-13
May-14
Oct-14
Mar-15
Aug-15
Jan-16
Jun-16
Nov-16
Apr-17
Sep-17
Feb-18
Jul-18
Dec-18
May-19
Oct-19
Mar-20
Aug-20
Jan-21
Jun-21
Nov-21
Apr-22
Sep-22
Feb-23
Jul-23
Dec-23
May-24
Oct-24
Mar-25
Aug-25
Opennings
Unemployed
Opennings to Unemployment Ratio


Wisconsin "JOLTS"
(through July 2025)
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Openings to Unemployment
Jan-11
Jul-11
Jan-12
Jul-12
Jan-13
Jul-13
Jan-14
Jul-14
Jan-15
Jul-15
Jan-16
Jul-16
Jan-17
Jul-17
Jan-18
Jul-18
Jan-19
Jul-19
Jan-20
Jul-20
Jan-21
Jul-21
Jan-22
Jul-22
Jan-23
Jul-23
Jan-24
Jul-24
Jan-25
Jul-25
Openings
Unemployed
Opennings to Unemployment Ratio


Job Postings on Indeed in Wisconsin, Index
170
160
150
140
130
120
110
100
90
80
2020-12-12
2021-02-12
2021-04-12
2021-06-12
2021-08-12
2021-10-12
2021-12-12
2022-02-12
2022-04-12
2022-06-12
2022-08-12
2022-10-12
2022-12-12
2023-02-12
2023-04-12
2023-06-12
2023-08-12
2023-10-12
2023-12-12
2024-02-12
2024-04-12
2024-06-12
2024-08-12
2024-10-12
2024-12-12
2025-02-12
2025-04-12
2025-06-12
2025-08-12
2025-10-12
2025-12-12

Sauk County

2025 WORKFORCE PROFILE

STATE OF WISCONSIN DWD
Department of Workforce Development

WisConomy

2025 Workforce Profile Snapshot
Sauk County

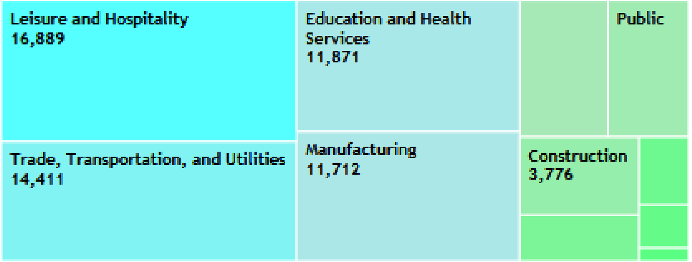
Most populous municipality:

Baraboo	12,556 residents

Largest Industry by employment share:

Leisure & Hospitality

This industry represents a significantly larger share of employment than it does statewide, where the industry only accounts for 10.0% of all employment. This is due to Sauk County, along with adjacent Adams, Columbia, and Juneau counties, containing the Wisconsin Dells, a major tourist attraction.



25th most populous county

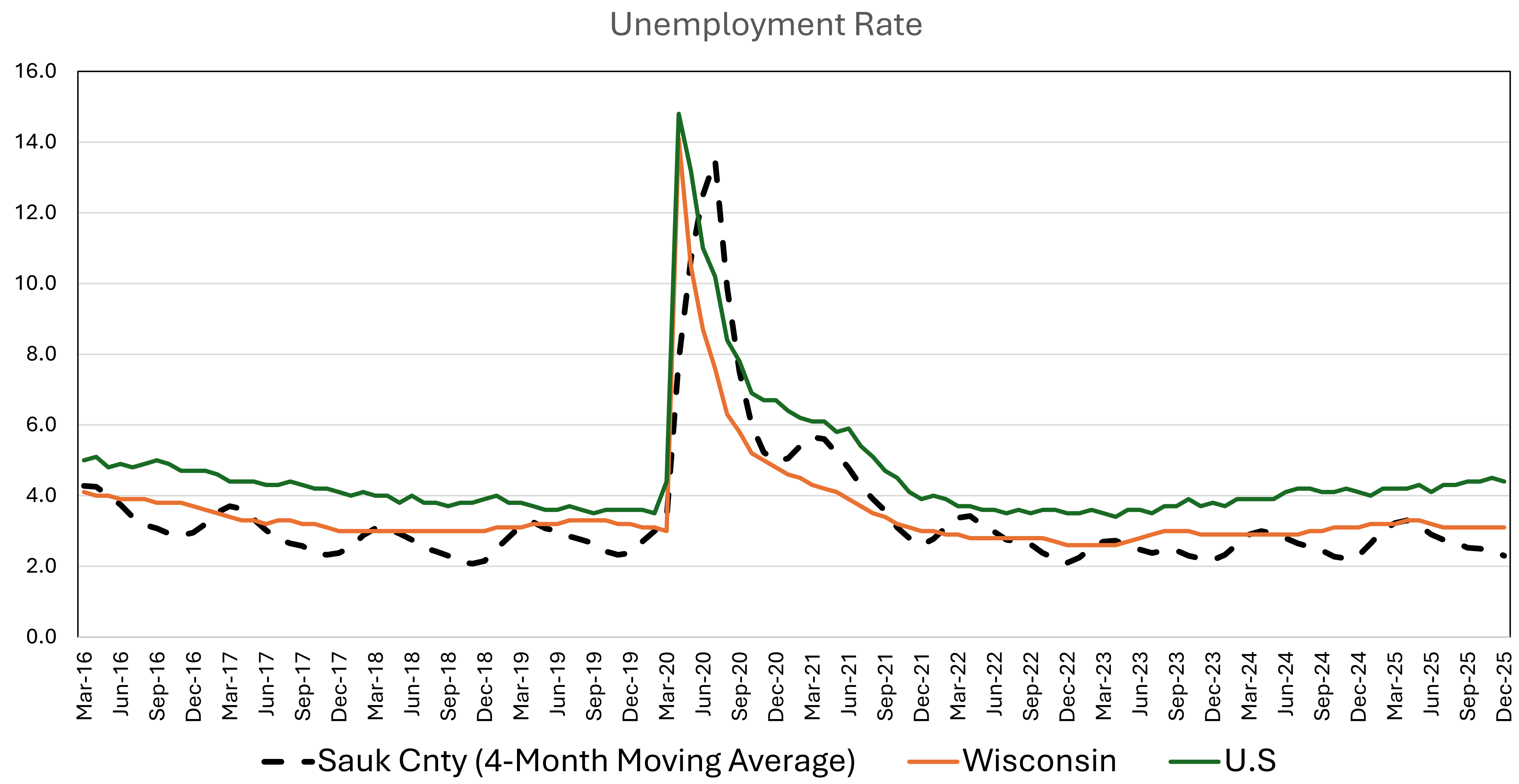
1.1% population growth

Ranks **15th** in county growth

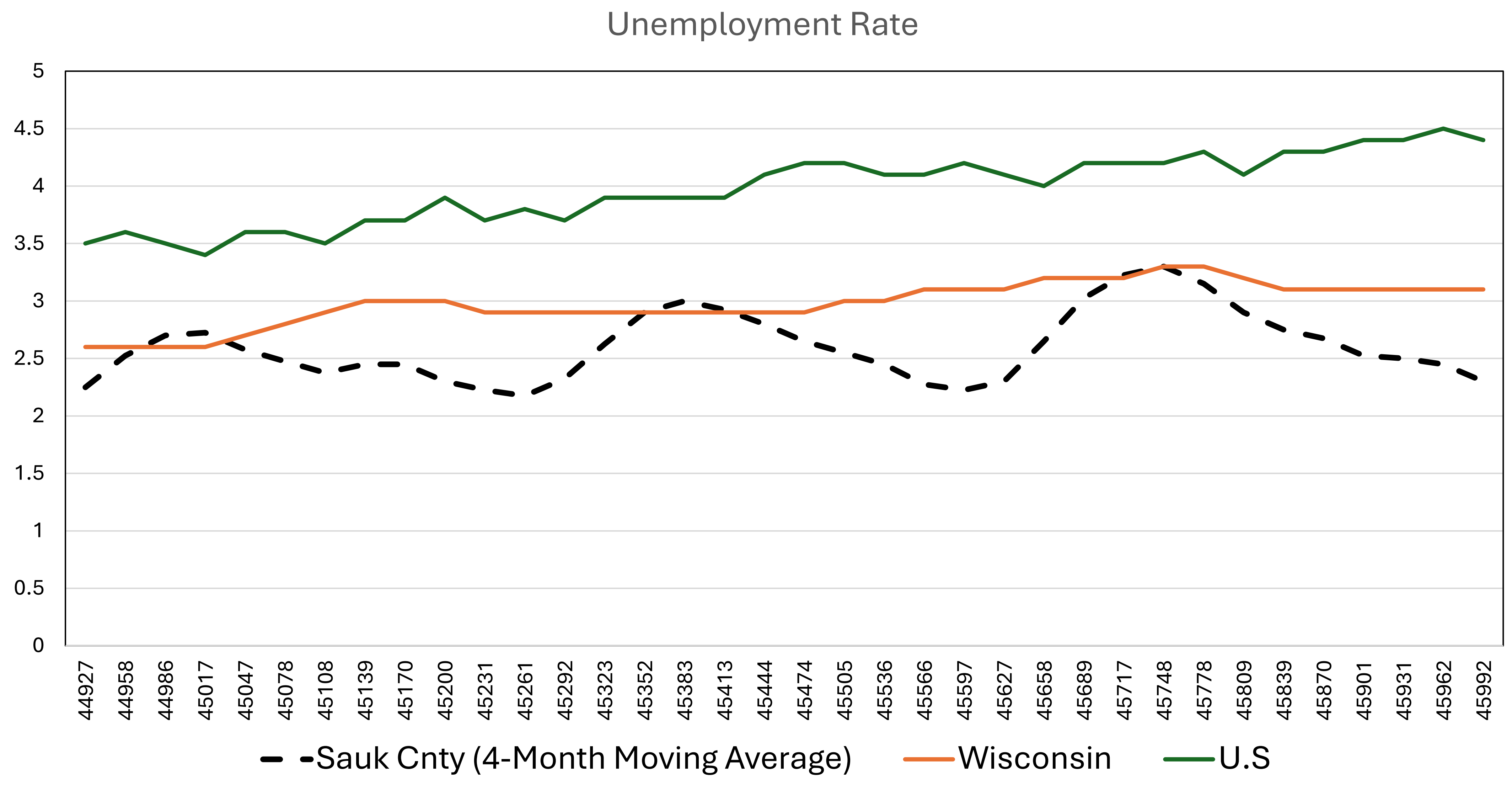
WORKFORCE CHALLENGES

66.2%	Labor Force Participation Rate: 0.9% percentage points higher than the state rate of 65.3%.
2.7%	Unemployment Rate (UR). Sauk County's UR is down -0.2% from 2022.
34.5%	Percentage of population 55 and older. Sauk County ranks 47th for population older than 55.

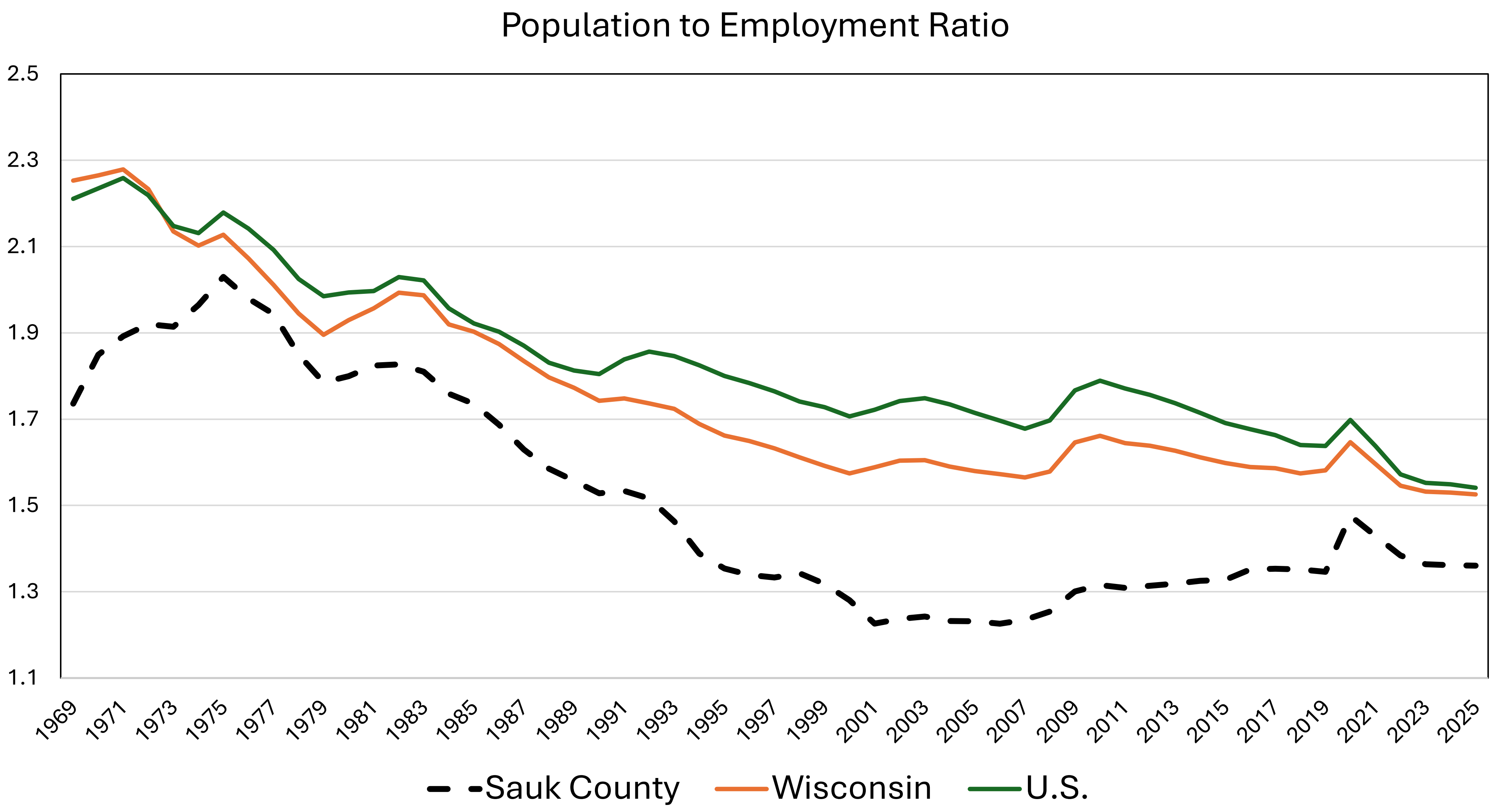
WisConomy.com/CountyProfiles

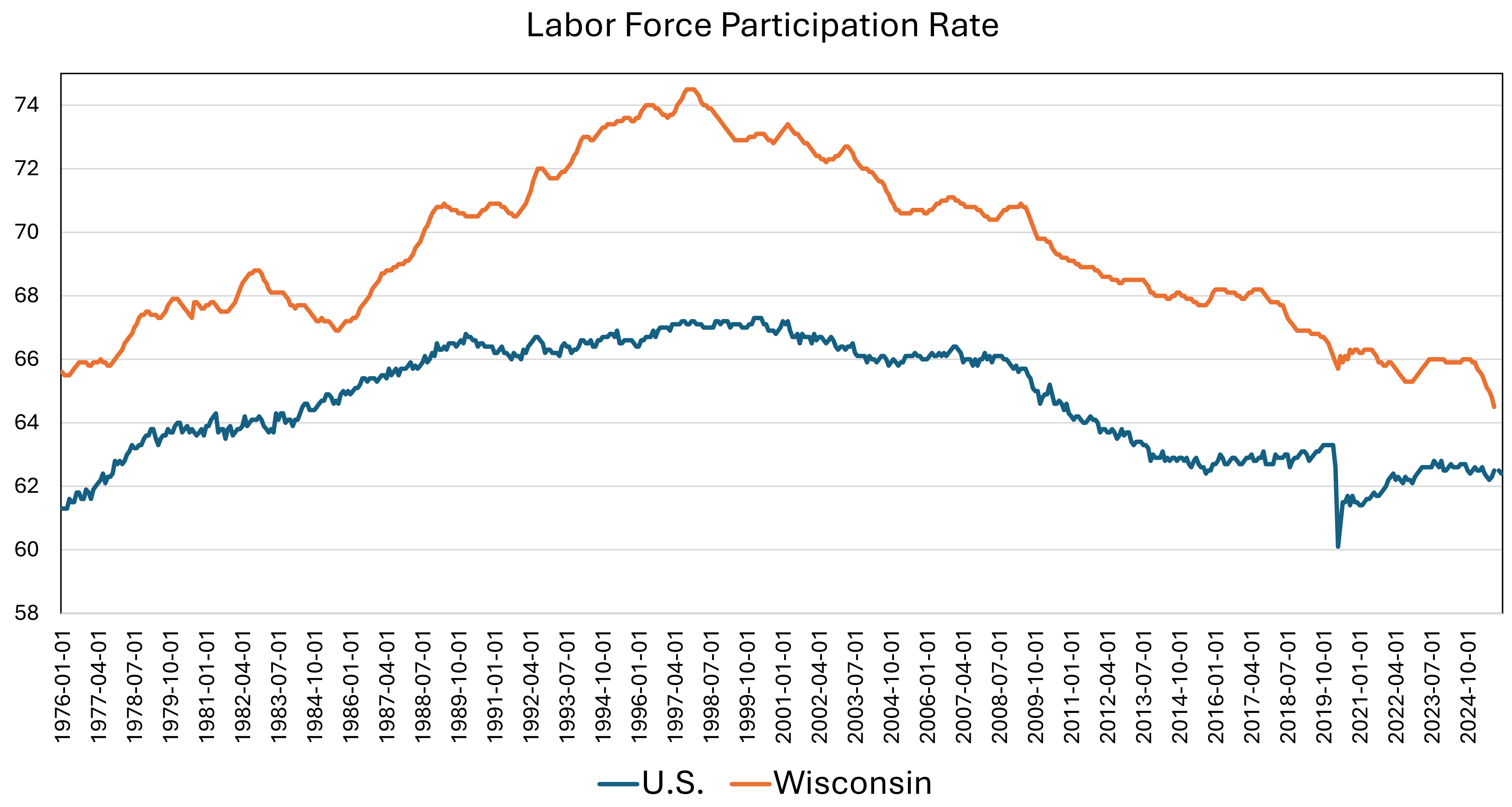


Unemployment Rate
16.0
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
Mar-16
Jun-16
Sep-16
Dec-16
Mar-17
Jun-17
Sep-17
Dec-17
Mar-18
Jun-18
Sep-18
Dec-18
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Sep-21
Dec-21
Mar-22
Jun-22
Sep-22
Dec-22
Mar-23
Jun-23
Sep-23
Dec-23
Mar-24
Jun-24
Sep-24
Dec-24
Mar-25
Jun-25
Sep-25
Dec-25
Sauk Cnty (4-Month Moving Average)
Wisconsin
U.S



Unemployment Rate
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
44927
44958
44986
45017
45047
45078
45108
45139
45170
45200
45231
45261
45292
45323
45352
45383
45413
45444
45474
45505
45536
45566
45597
45627
45658
45689
45717
45748
45778
45809
45839
45870
45901
45931
45962
45992
Sauk Cnty (4-Month Moving Average)
Wisconsin
U.S


Population to Employment Ratio
2.5
2.3
2.1
1.9
1.7
1.5
1.3
1.1
1969
1971
1973
1975
1977
1979
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2021
2023
2025
Sauk County
Wisconsin
U.S.


Labor Force Participation Rate
74
72
70
68
66
64
62
60
58
1976-01-01
1977-04-01
1978-07-01
1979-10-01
1981-01-01
1982-04-01
1983-07-01
1984-10-01
1986-01-01
1987-04-01
1988-07-01
1989-10-01
1991-01-01
1992-04-01
1993-07-01
1994-10-01
1996-01-01
1997-04-01
1998-07-01
1999-10-01
2001-01-01
2002-04-01
2003-07-01
2004-10-01
2006-01-01
2007-04-01
2008-07-01
2009-10-01
2011-01-01
2012-04-01
2013-07-01
2014-10-01
2016-01-01
2017-04-01
2018-07-01
2019-10-01
2021-01-01
2022-04-01
2023-07-01
2024-10-01
U.S.
Wisconsin

Why the labor force participation rate declining?

Aging population

Baby Boomers retiring and drawing younger spouses out of the market.

Increased schooling

Younger adults remaining in school or returning for longer periods.

Care responsibilities (particularly for women)

Child-care, and increasingly elder-care, responsibilities.

Health, disability, and long-term illness

Rising prevalence of chronic health conditions and growth in disability insurance.

Rethinking work-life balance

COVID spurred changes in attitudes around work-life.

Sauk County Commuting Flows

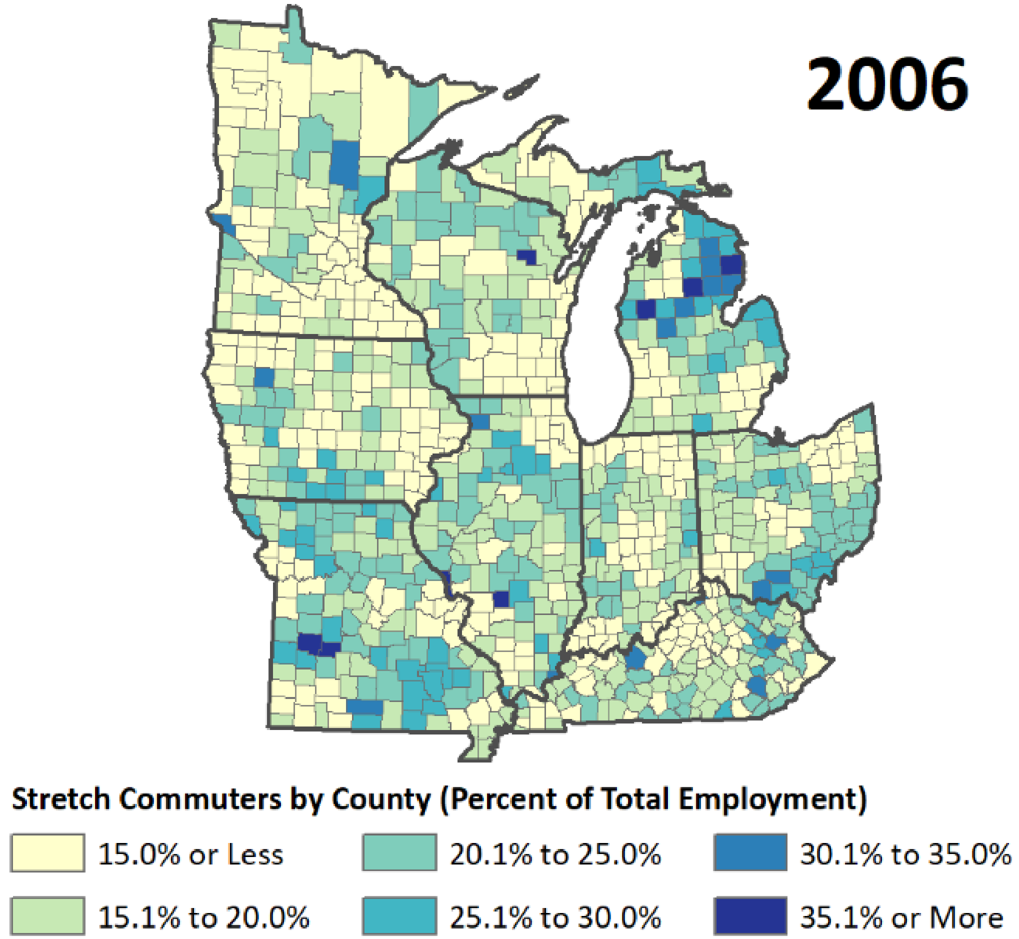
Commuting Out: 8,372

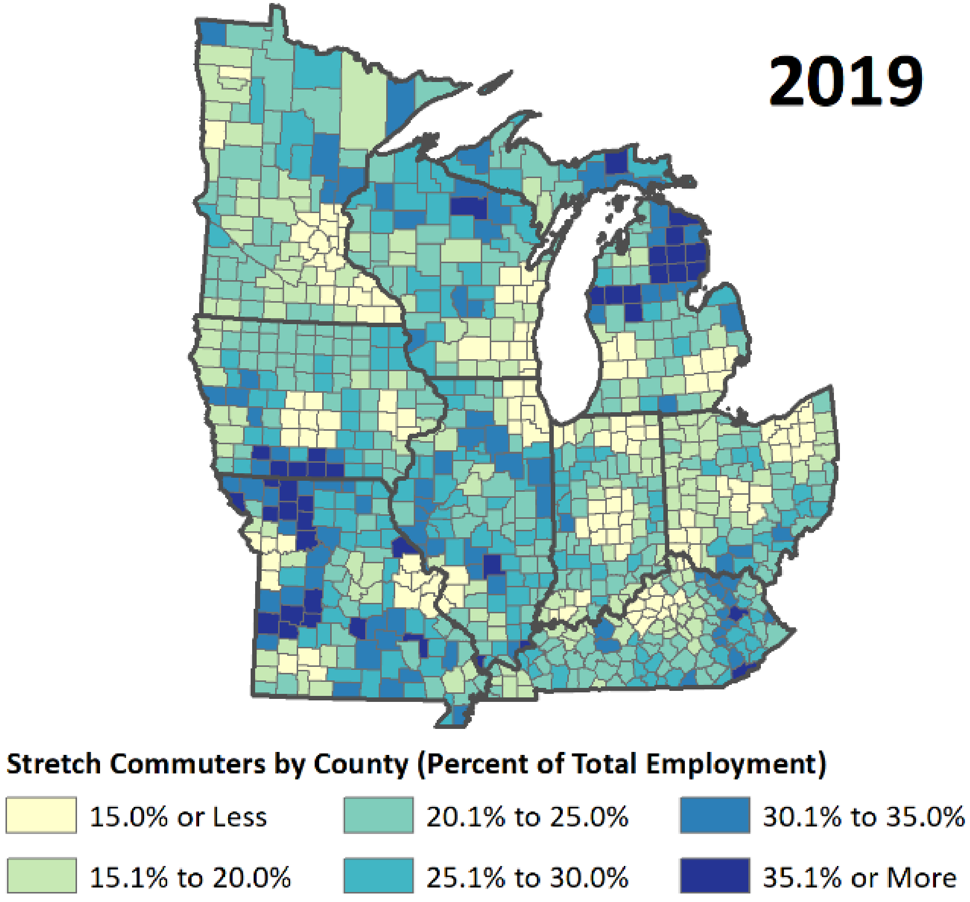
Commuting In: 10,173

Sauk County Workers Flowing To....		
Sauk County	25,358	75.2%
Dane County	4,759	14.1%
Columbia County	1,408	4.2%
Juneau County	695	2.1%
Richland County	312	0.9%
Iowa County	296	0.9%
Adams County	173	0.5%
Monroe County	134	0.4%
Vernon County	104	0.3%
Rock County	58	0.2%
Milwaukee County	42	0.1%
Grant County	40	0.1%
Other	351	1.0%

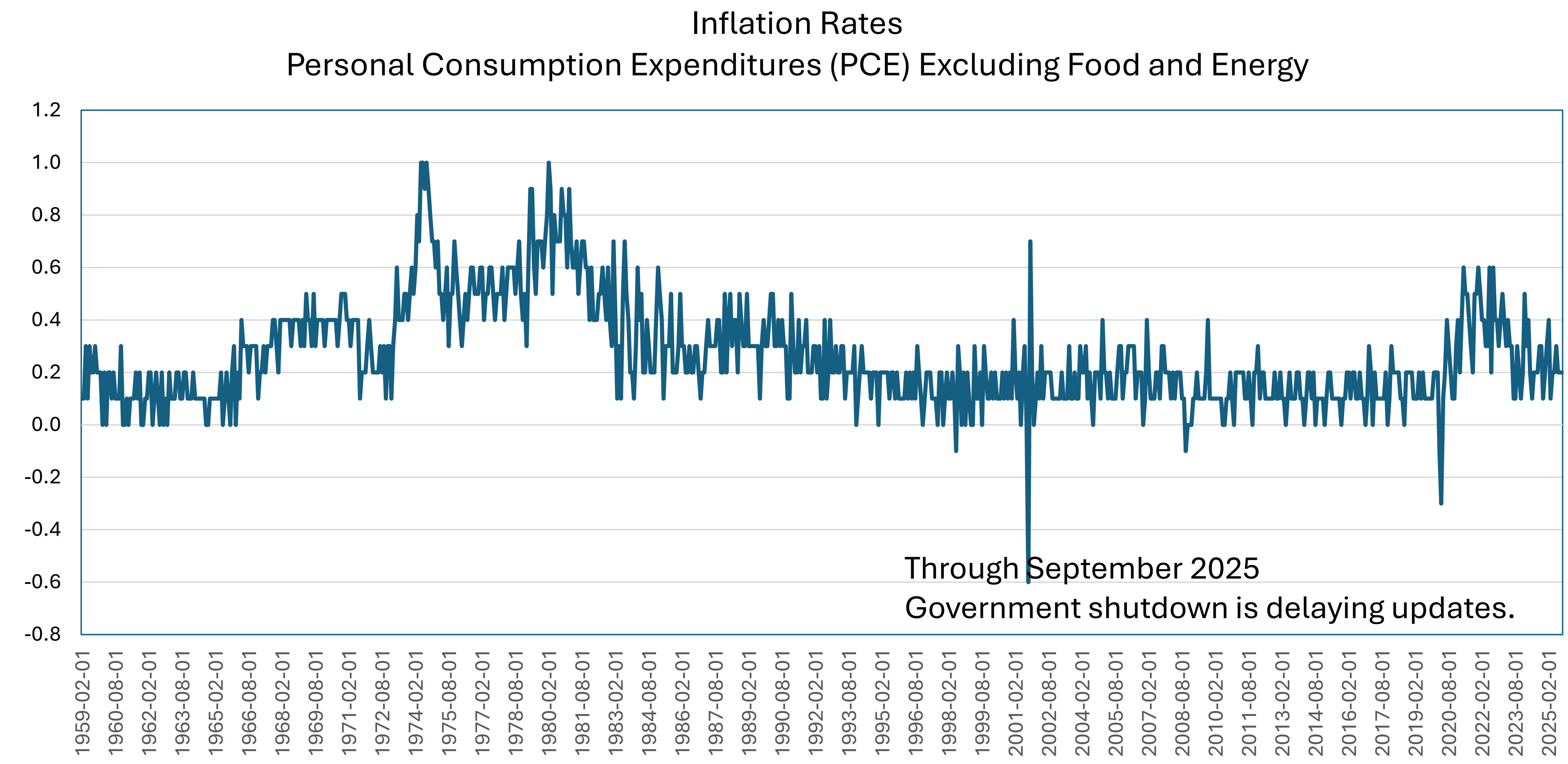
Workers Flowing Into Sauk County From...		
Sauk County	25,358	71.4%
Dane County	2,384	6.7%
Columbia County	2,271	6.4%
Juneau County	1,689	4.8%
Richland County	973	2.7%
Adams County	818	2.3%
Marquette County	407	1.1%
Iowa County	373	1.0%
Vernon County	307	0.9%
Grant County	190	0.5%
Milwaukee County	104	0.3%
Monroe County	84	0.2%
Other	573	1.6%

Stretch Commuters: Commuting more than 50 Miles One-Way





Source: Kures and Deller, *Economic Development Quarterly,* 2023



Inflation Rates
Personal Consumption Expenditures (PCE) Excluding Food and Energy
1.2
1.0
0.8
0.6
0.4
0.2
0.0
-0.2
-0.4
-0.6
-0.8
1959-02-01
1960-08-01
1962-02-01
1963-08-01
1965-02-01
1966-08-01
1968-02-01
1969-08-01
1971-02-01
1972-08-01
1974-02-01
1975-08-01
1977-02-01
1978-08-01
1980-02-01
1981-08-01
1983-02-01
1984-08-01
1986-02-01
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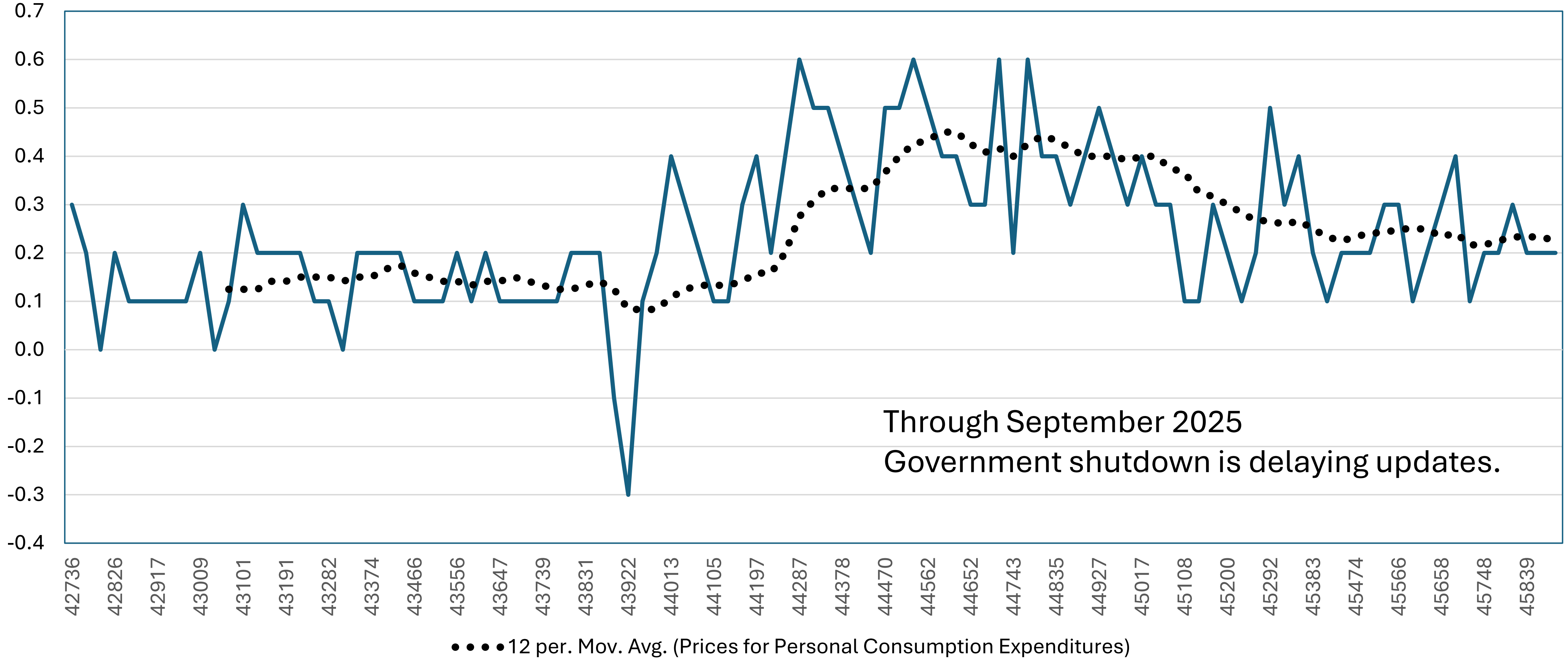
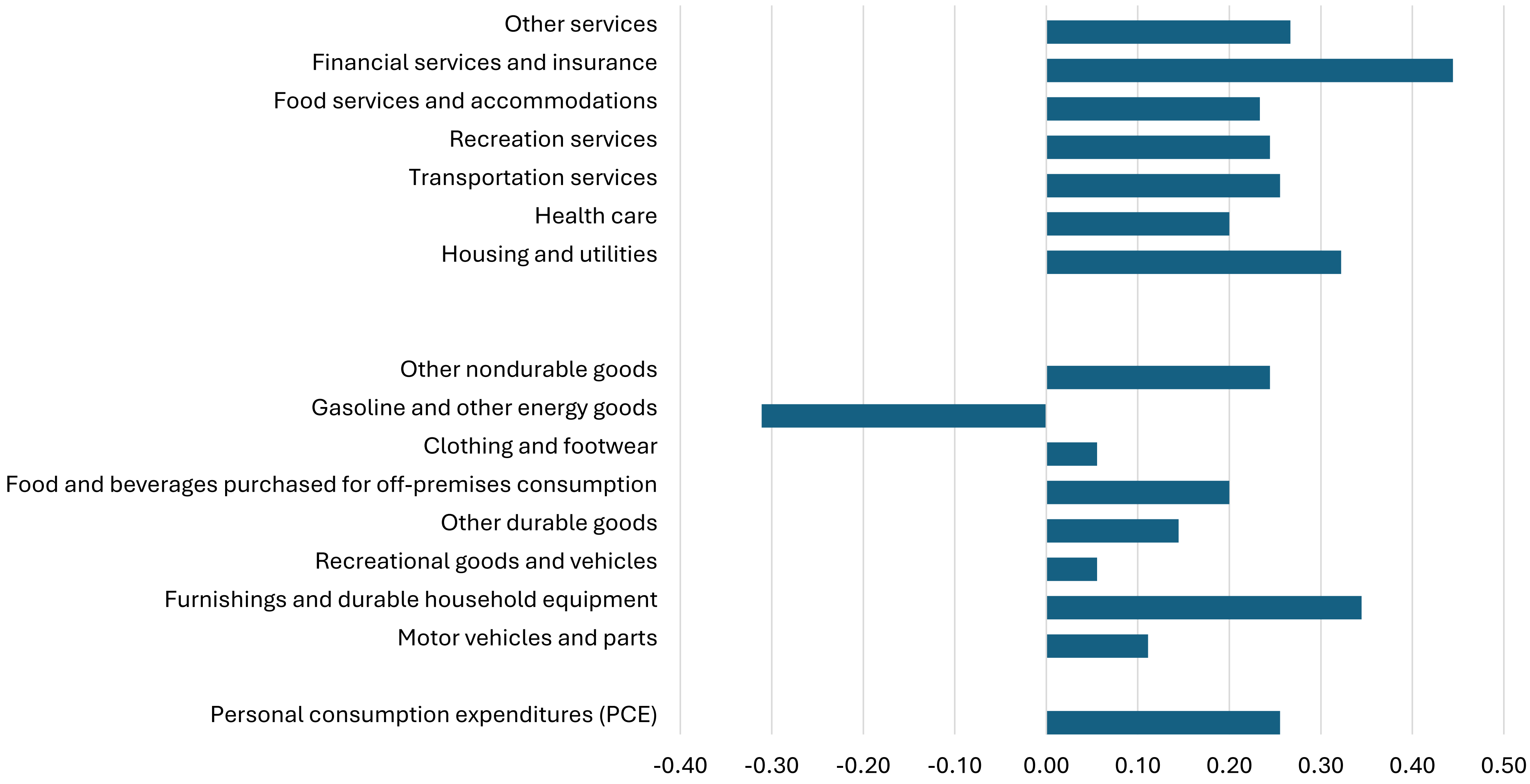
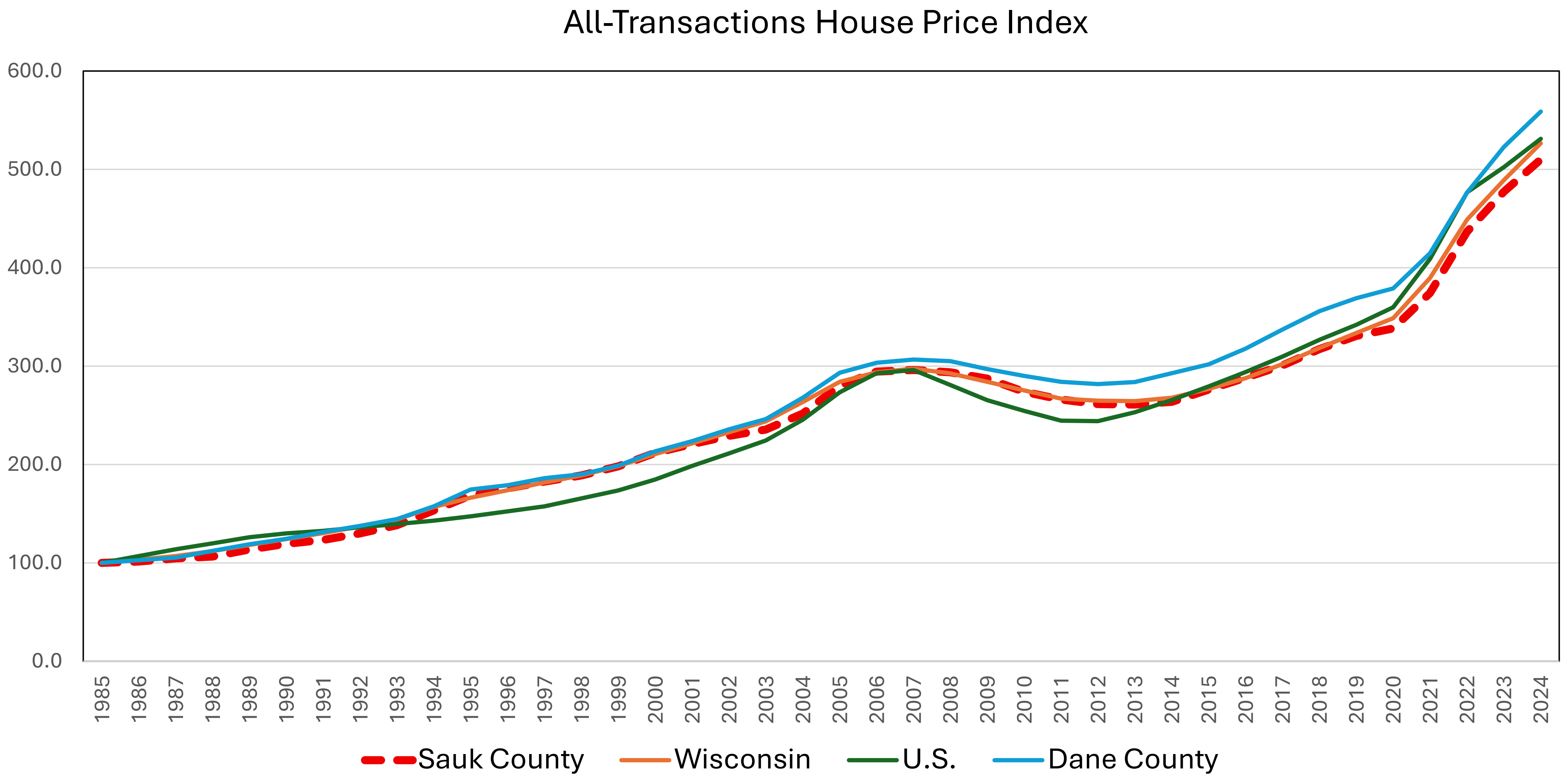
2002-08-01
2004-02-01
2005-08-01
2007-02-01
2008-08-01
2010-02-01
2011-08-01
2013-02-01
2014-08-01
2016-02-01
2017-08-01
2019-02-01
2020-08-01
2022-02-01
2023-08-01
2025-02-01
Through September 2025
Government shutdown is delaying updates.

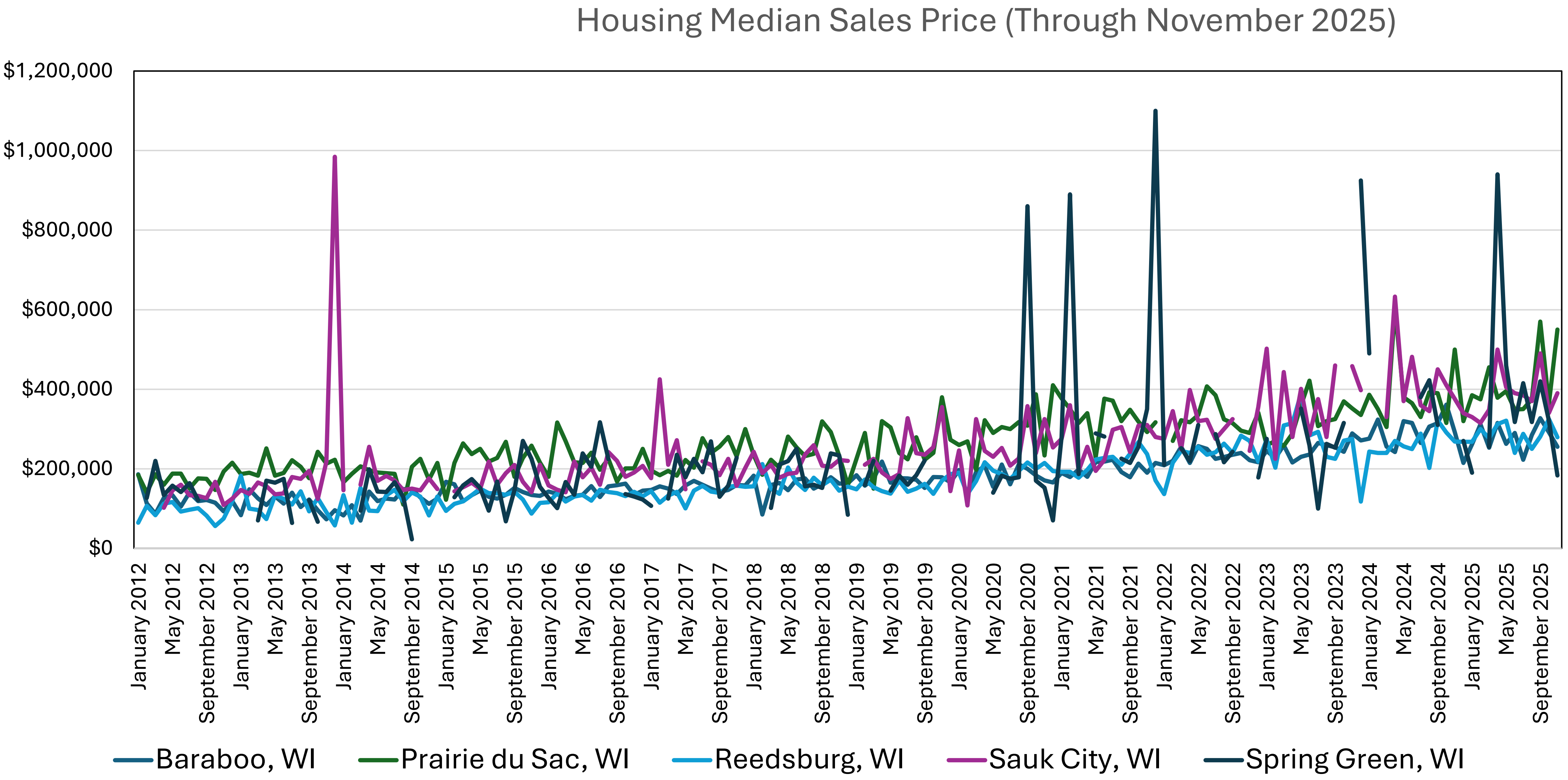
Inflation Rates
Personal Consumption Expenditures (PCE) Excluding Food and Energy



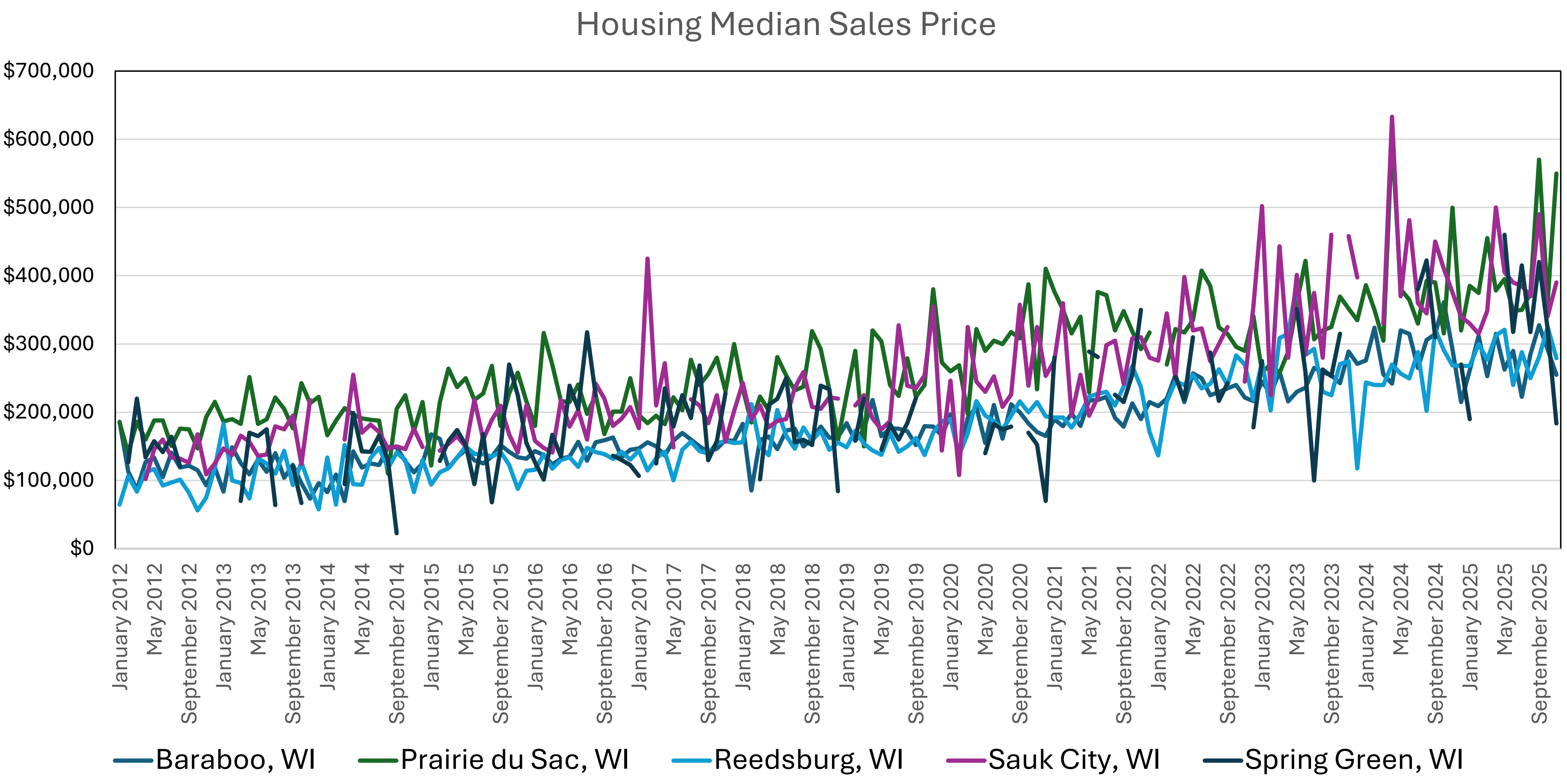
Average Monthly Change PCE Inflation Index: January to September, 2025



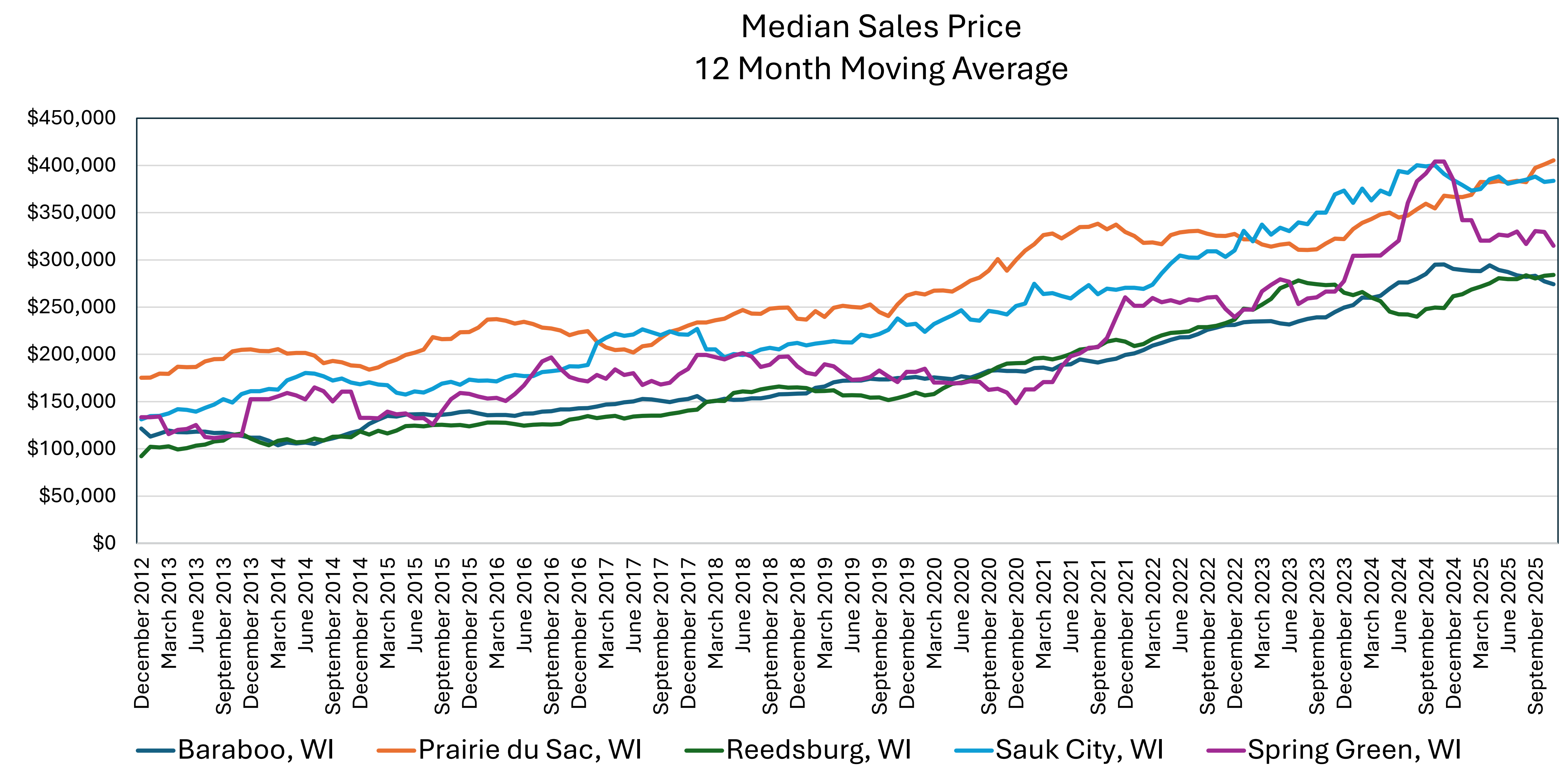

All-Transactions House Price Index
600.0
500.0
400.0
300.0
200.0
100.0
0.0
1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
Sauk County
Wisconsin
U.S.
Dane County



Source: Redfin

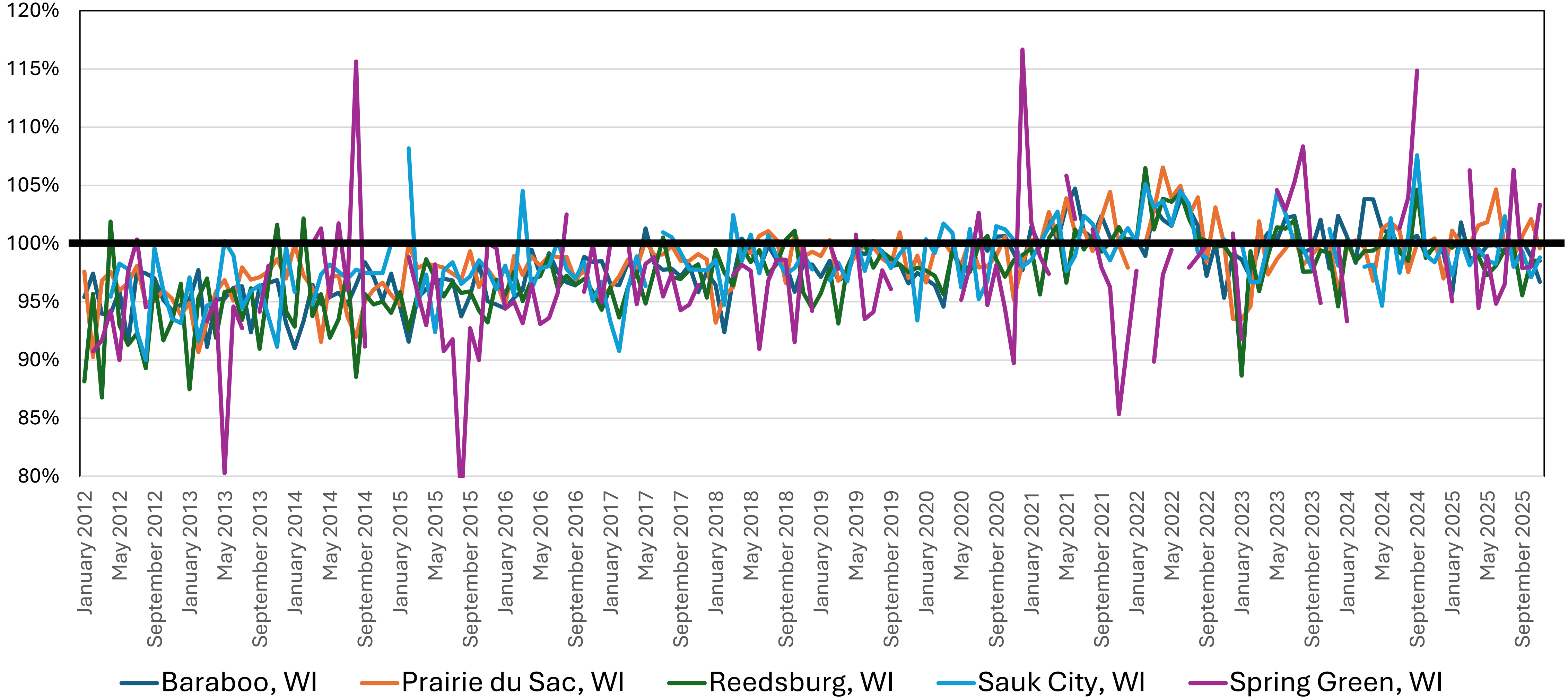


Source: Redfin



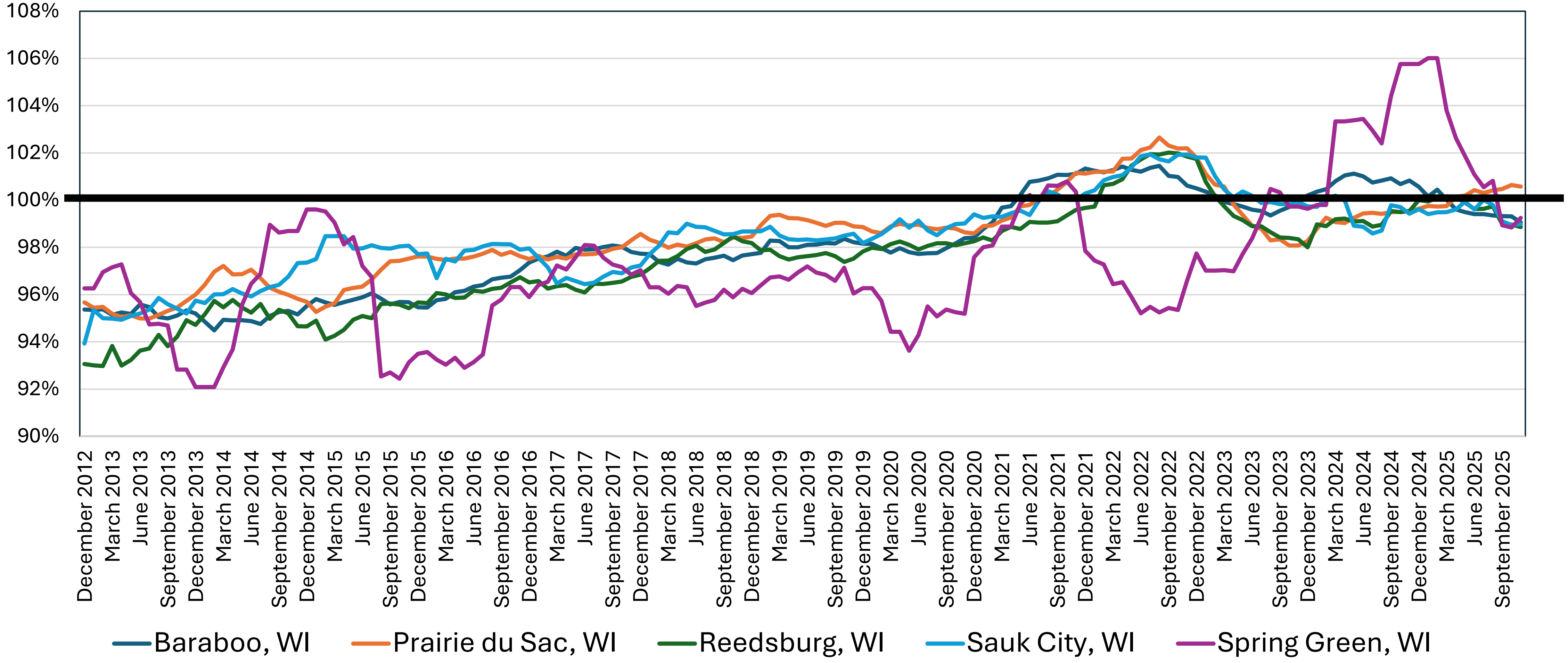
Source: Redfin

Average Sale To List

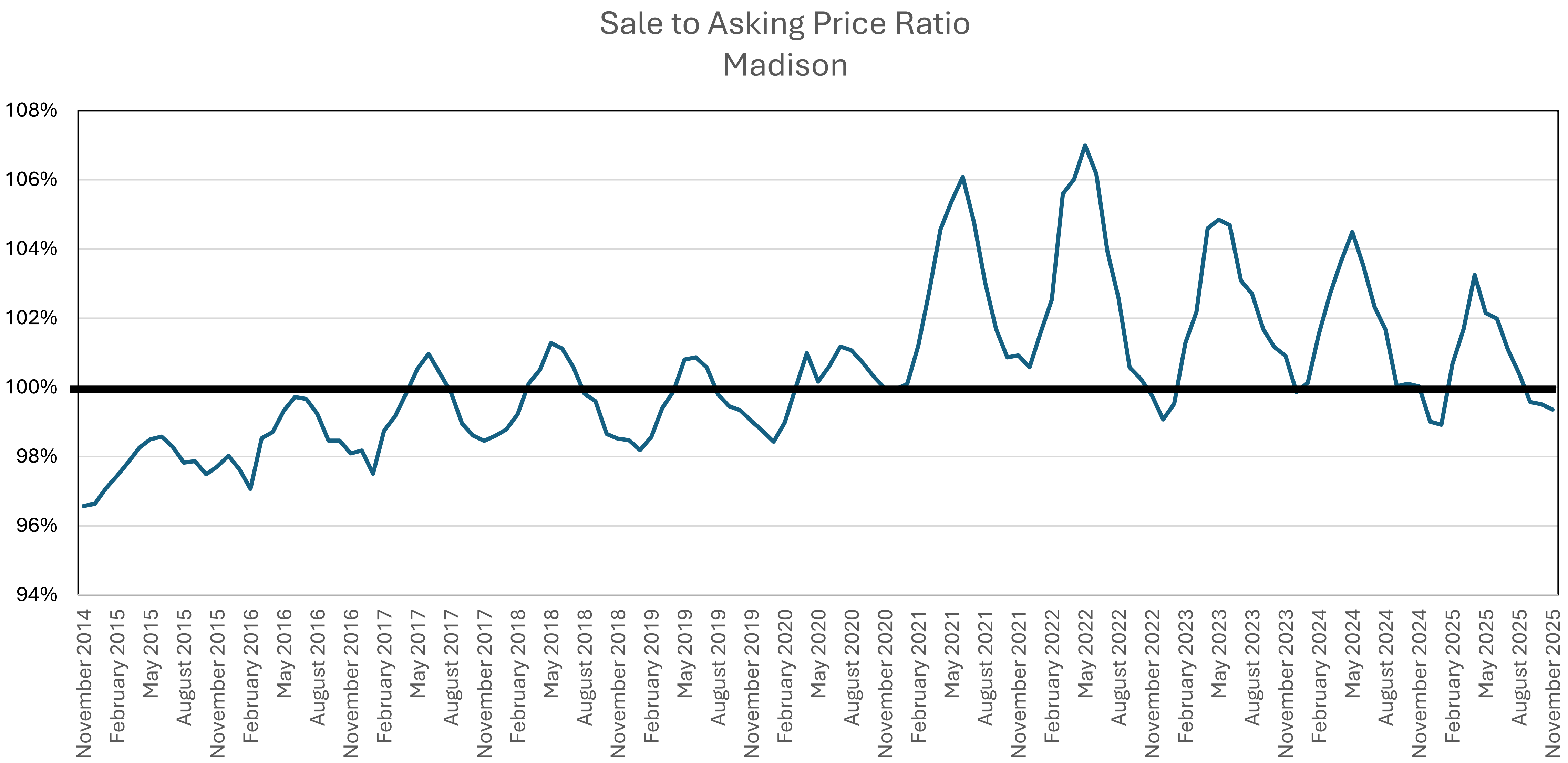


Source: Redfin

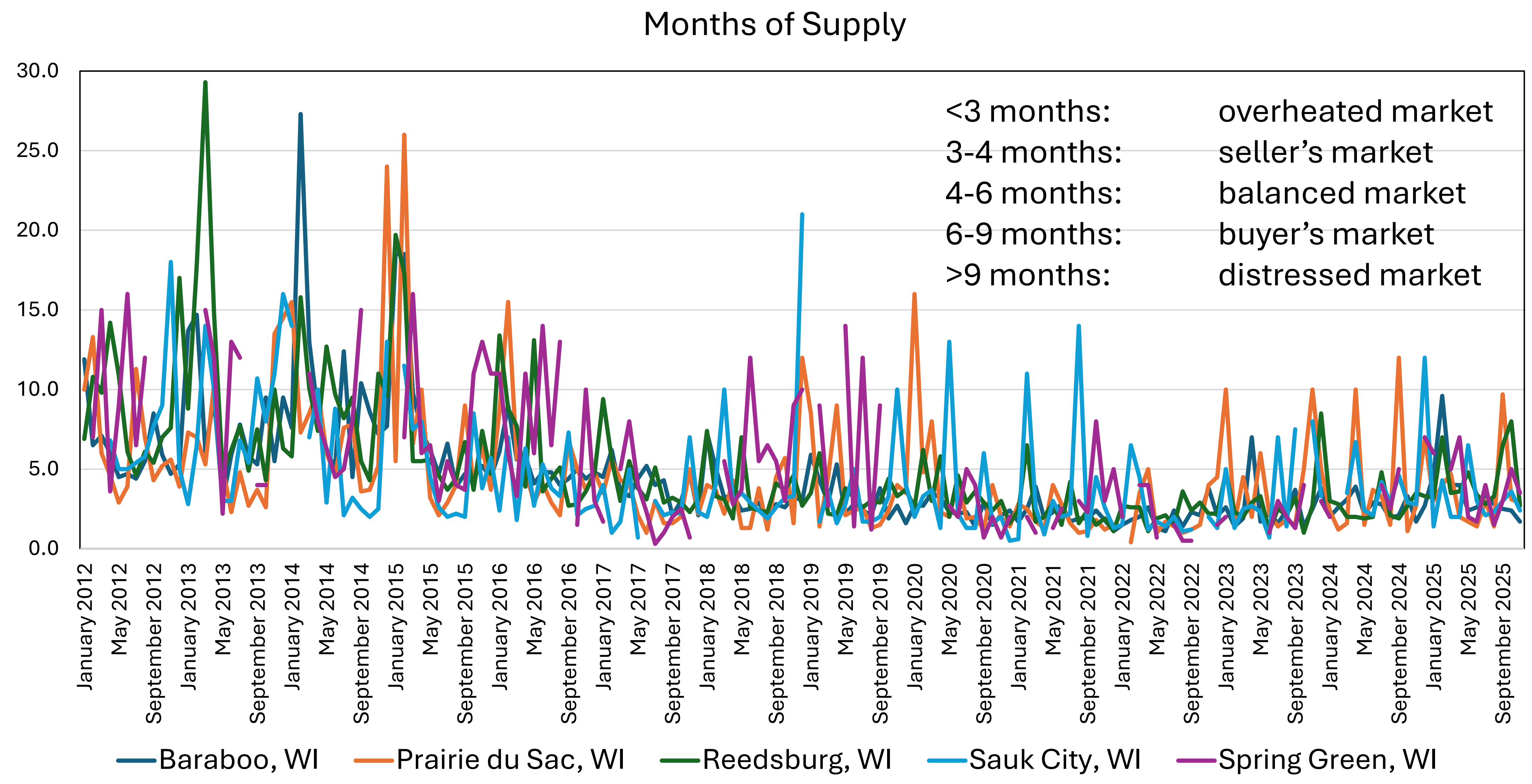
Average Sale To List
12 Month Moving Average



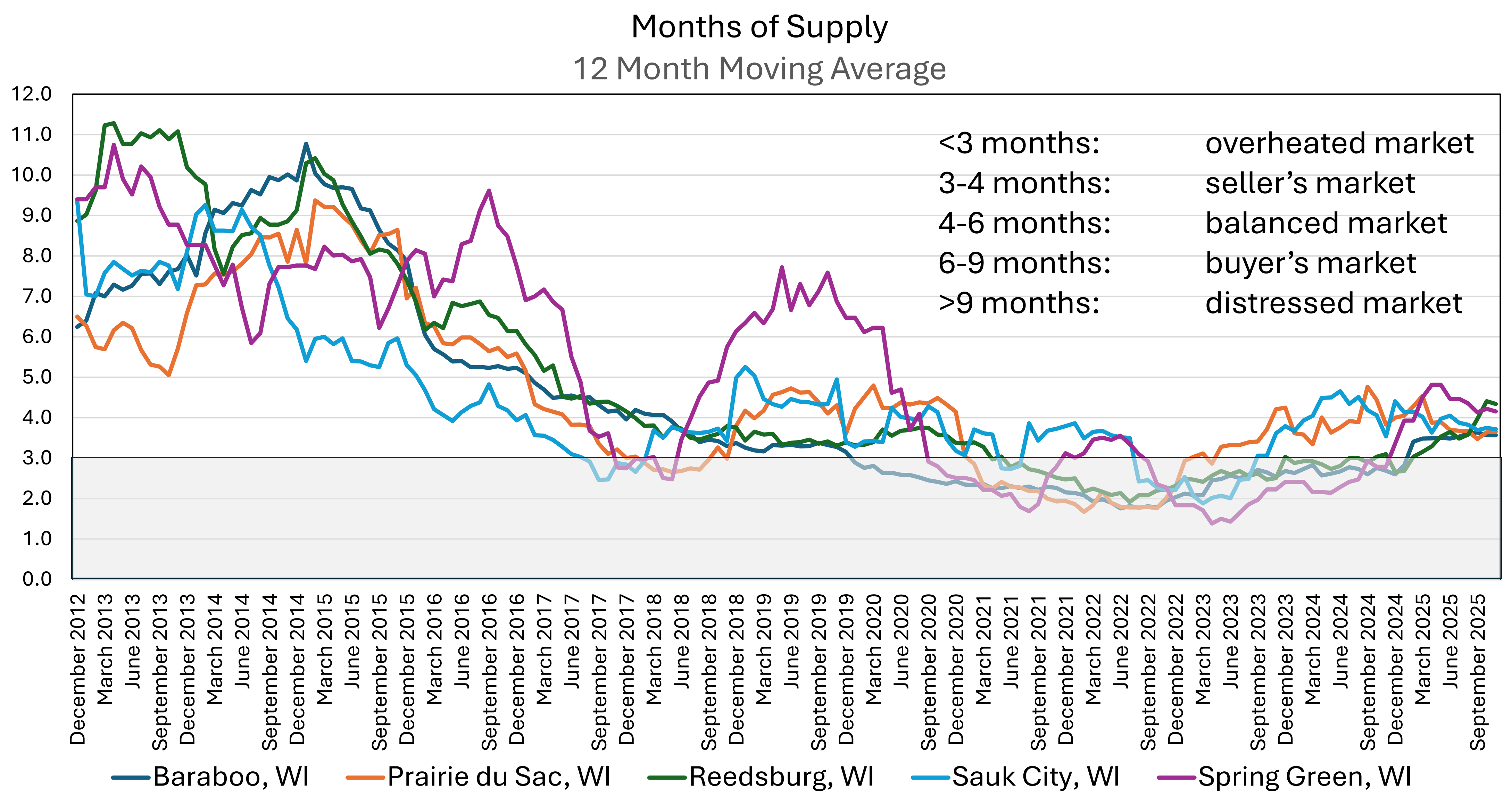
Source: Redfin



Source: Redfin



Source: Redfin


Months of Supply
12 Month Moving Average
<3 months: overheated market
3-4 months: seller's market
4-6 months: balanced market
6-9 months: buyer's market
>9 months: distressed market
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
December 2012
March 2013
June 2013
September 2013
December 2013
March 2014
June 2014
September 2014
December 2014
March 2015
June 2015
September 2015
December 2015
March 2016
June 2016
September 2016
December 2016
March 2017
June 2017
September 2017
December 2017
March 2018
June 2018
September 2018
December 2018
March 2019
June 2019
September 2019
December 2019
March 2020
June 2020
September 2020
December 2020
March 2021
June 2021
September 2021
December 2021
March 2022
June 2022
September 2022
December 2022
March 2023
June 2023
September 2023
December 2023
March 2024
June 2024
September 2024
December 2024
March 2025
June 2025
September 2025
Baraboo, WI
Prairie du Sac, WI
Reedsburg, WI
Sauk City, WI
Spring Green, WI

Leading Economic Indicators

The Lipstick Index

When the economy weakens, consumers cut back on big luxuries but still splurge on *small indulgences* like lipstick.

The Men's Underwear Index

Sales of men's underwear remain steady in good times but fall during downturns because men delay replacing them; no one sees them, after all.

The Ramen Noodle Index

Rising sales of instant noodles or cheap comfort foods signal that consumers are tightening their belts.

The Champagne Index (or Fine Dining Index)

Sales of high-end alcohol, fine dining reservations, or luxury restaurant spending drop when people feel financially anxious.

Leading Economic Indicators

The Divorce (or Marriage) Rate Index

Economic stress discourages divorce and marriage; both drop when times are tough due to financial uncertainty.

The Used Car and Tire Index

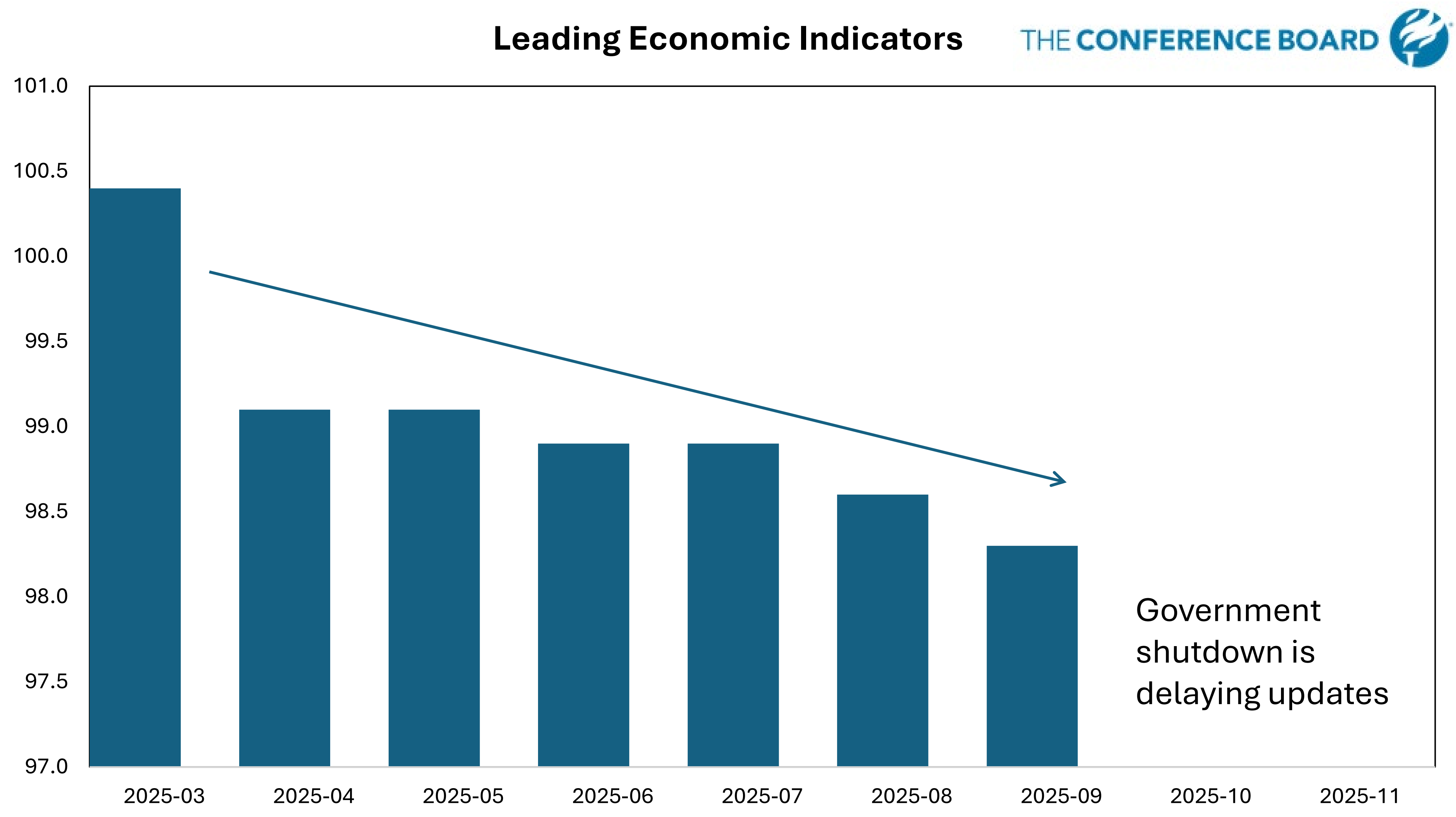
When people repair or hold onto old cars rather than buying new ones, it signals financial strain.

The RV (Recreational Vehicle) Index

RV sales tend to fall sharply ahead of recessions; a big-ticket discretionary item that depends on consumer confidence.

The Coffee Index

When consumers shift from café lattes to brewing coffee at home, it hints at frugality creeping in.



Leading Economic Indicators
THE CONFERENCE BOARD
101.0
100.5
100.0
99.5
99.0
98.5
98.0
97.5
97.0
2025-03
2025-04
2025-05
2025-06
2025-07
2025-08
2025-09
2025-10
2025-11
Government shutdown is delaying updates

	Last Month Change	Average Six Month Change
Average Weekly Hours, Manufacturing	-0.24%	0.08%
Average Weekly Initial Claims for Unemployment Insurance	-0.27%	-0.41%
Manufacturers' New Orders for Consumer Goods and Materials	-0.48%	0.09%
Manufacturers' New Orders for Nondefense Capital Goods (excluding aircraft)	0.53%	0.74%
Building Permits for New Private Housing Units	-0.23%	-0.07%
Stock Prices (S&P 500 Index)	0.96%	1.54%
Leading Credit Index™ (LCI)	n.a.	n.a.
Interest Rate Spread (10-Year Treasury Yield minus Federal Funds Rate)	0.10	0.49
Average Consumer Expectations for Business and Economic Conditions	-4.7%	-0.1%
ISM® Index of New Orders (Manufacturing)	n.a.	n.a.

- The economy is slowing, limited evidence that we are going into a recession.

- Job market has entered a “stall” --- neither growing or declining.

- Housing market is still strong but showing signs of slowing.

- Wisconsin still has a structural labor shortage.

- Benefits of current economic growth are uneven.

Thank You!

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