



2025 State of the Riverway Report & Economic Outlook

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The Bank of Prairie du Sac and the Sauk Prairie Area Chamber of Commerce
January 2025

Some national macro economic trends

Sauk County with a focus on the housing market

What does the near-term economy look like
(economic forecasts)



THE WALL STREET JOURNAL.

World Economy to Accelerate in 2025, But Recovery Threatened by Higher Tariffs, OECD Says

Forecasts assume no changes in trade policies, unlikely given that U.S. President-elect Donald Trump said he will impose higher tariffs on imports

Dec. 4, 2024 4:14 am ET

Goldman Sachs

The US economy is poised to beat expectations in 2025

November 20, 2024



Economic Outlook: Global growth to remain resilient in 2025 and 2026 despite significant risks

4 December 2024



2025 Economy Should Remain Strong as Wild Card of Trump Raises Risks

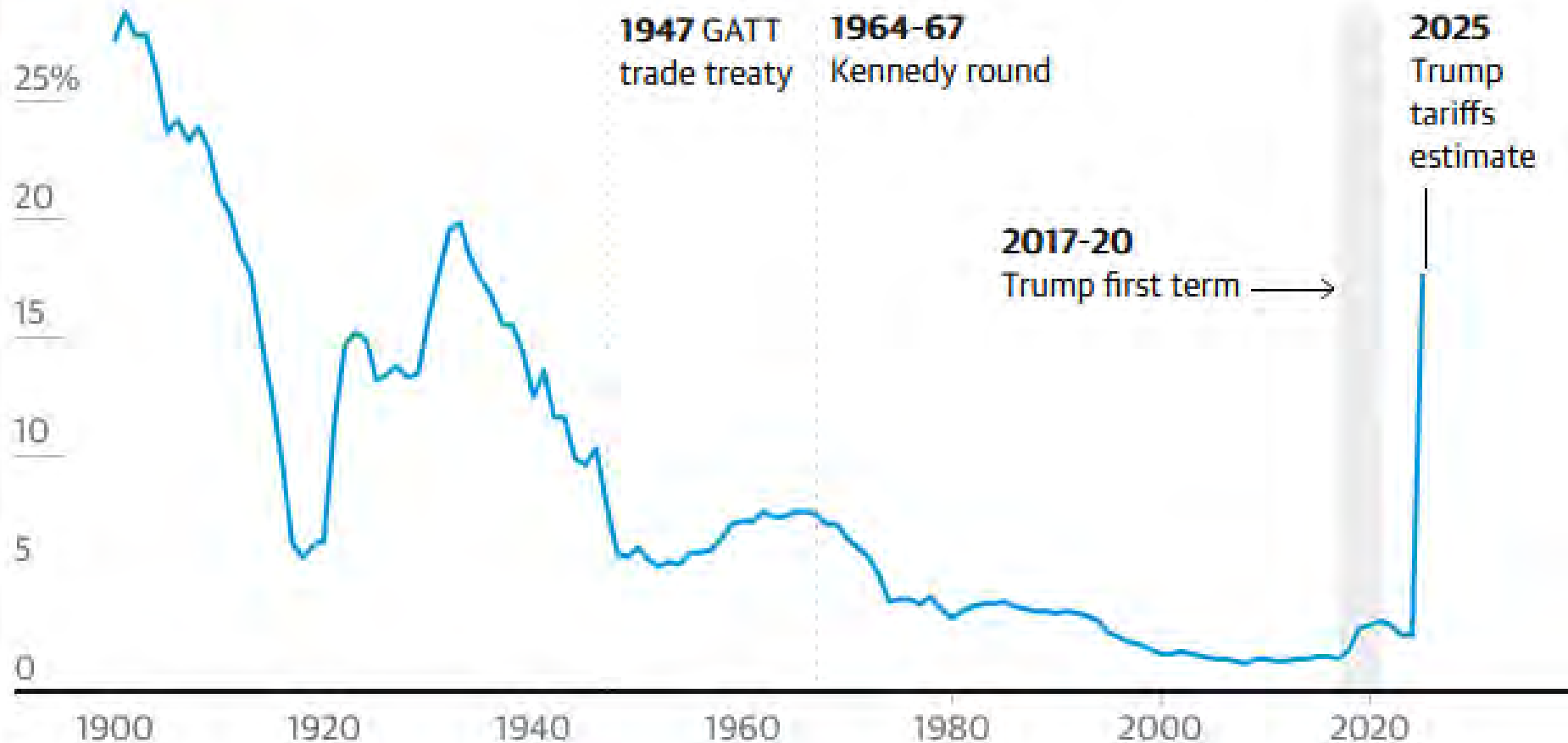
Dec. 30, 2024

“Trump Risks”

- Tariffs
- Mass deportation
- Policy uncertainty (“chaos”)

Trump's plans could raise tariffs to their highest levels since the 1930s

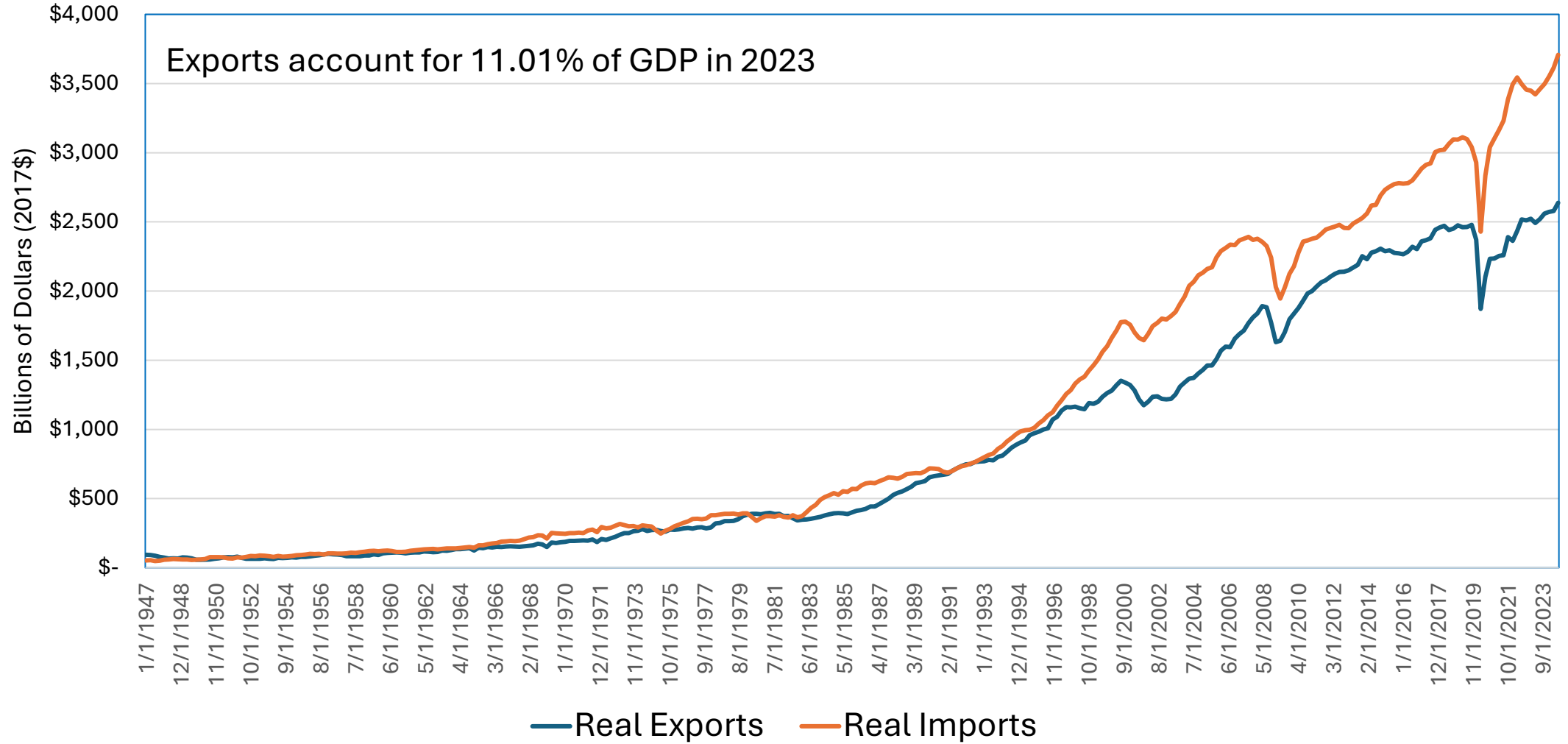
Average rate on all US imports, %



Guardian graphic. Source: [Tax Foundation](#), November 2024



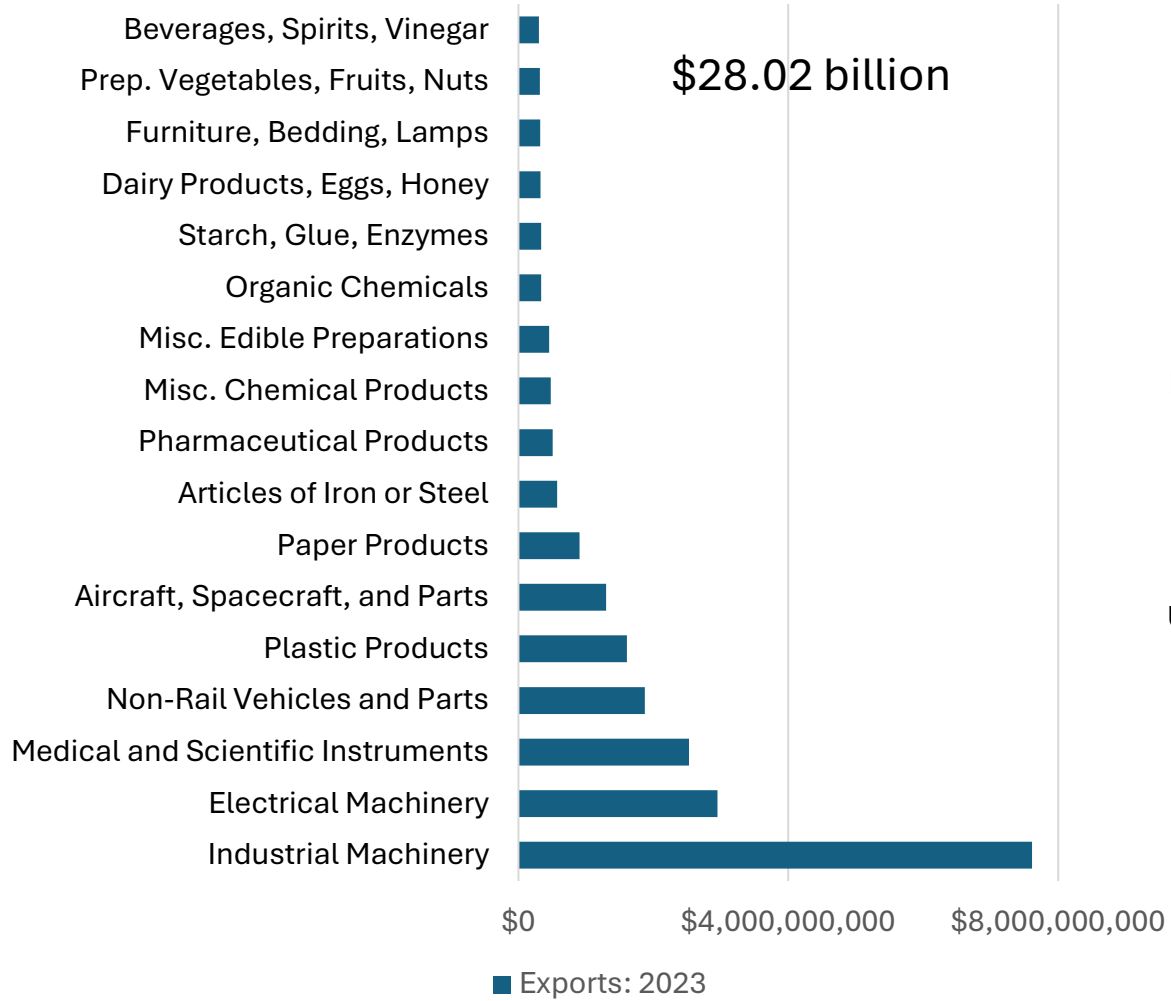
U.S. Imports and Exports



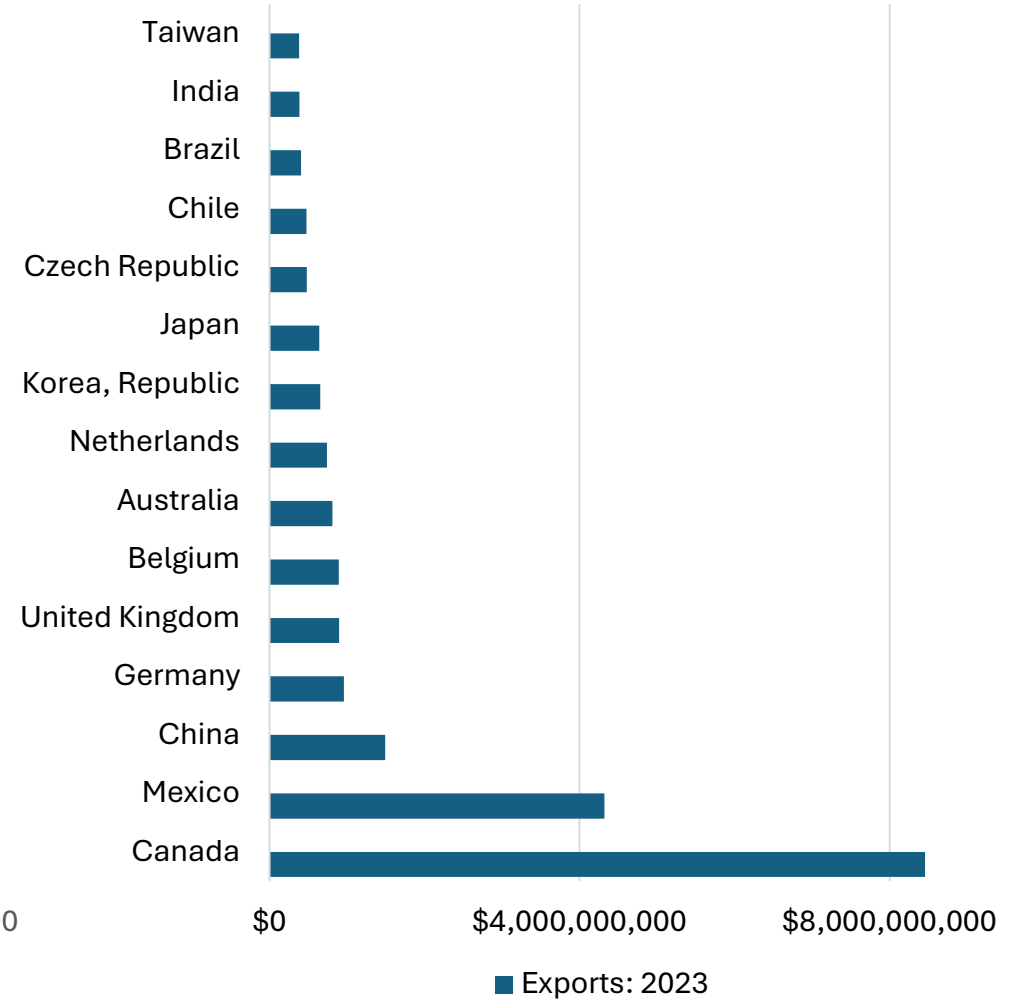
Source: U.S. Bureau of Economic Analysis



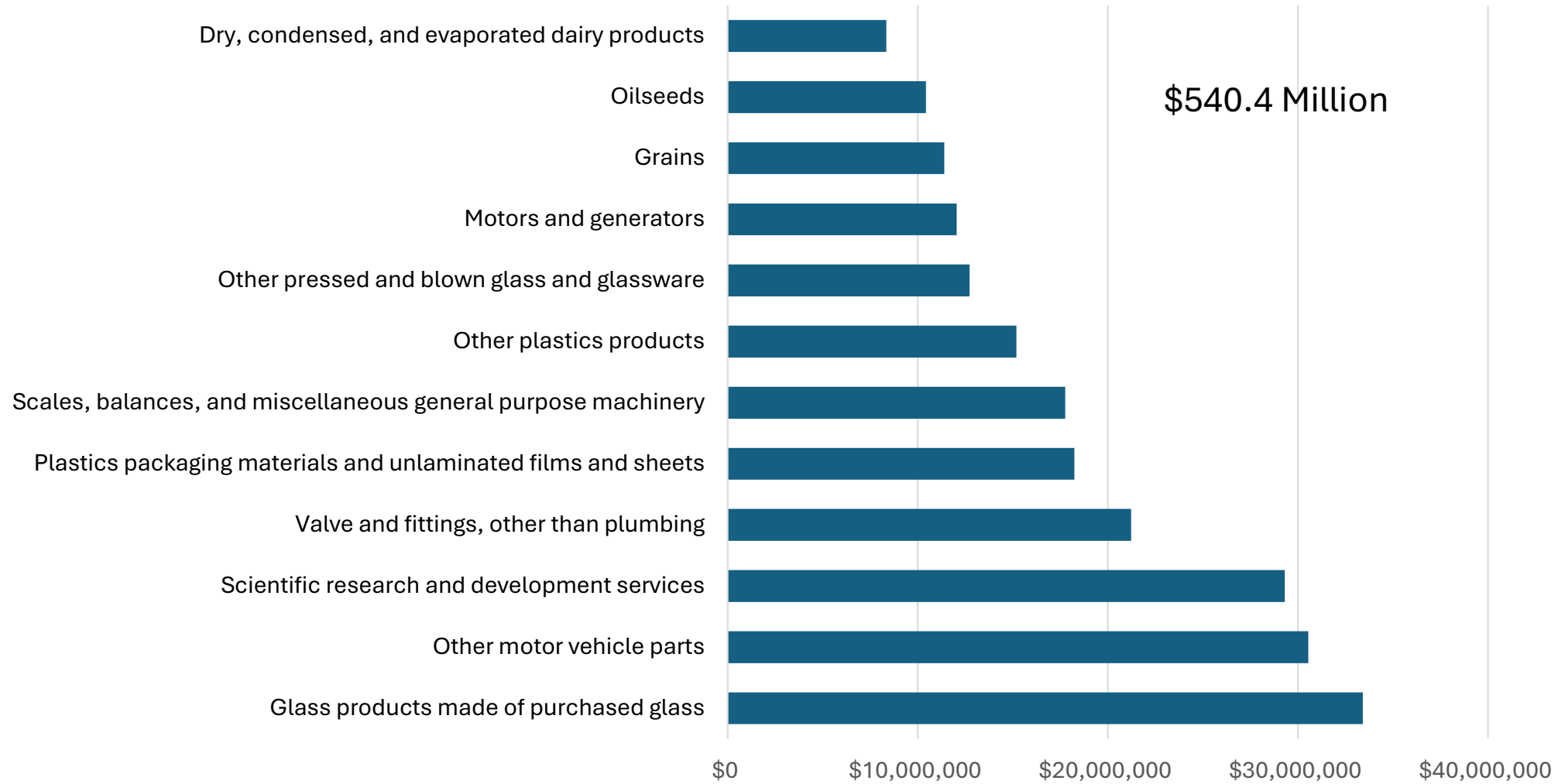
Wisconsin Exports Industries: 2023



Wisconsin Export Destinations 2023



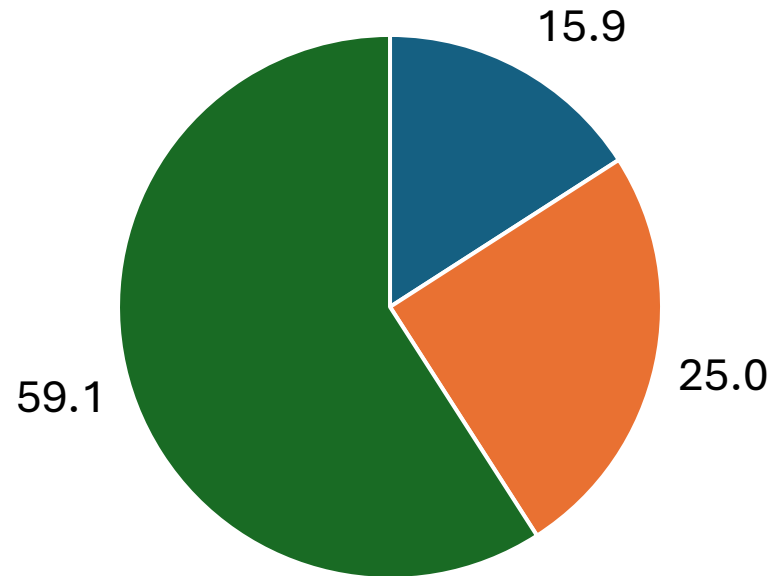
Estimated Sauk County Exports Industries: 2023



Source: IMPLAN



Former president Donald Trump has proposed imposing broad-based tariffs on imported goods. How would such a policy affect domestic manufacturing employment within three to five years, relative to a scenario with no such policy?



- Employment will increase
- Employment will remain level
- Employment will decrease



Experts say immigrants are important in the state and Jackson Hole economy

January 2, 2025 at 4:41 PM MST

States Newsroom

Trump migrant deportations could threaten states' agricultural economies

Roughly 40% of farmworkers are not legally authorized to work in the United States.

- DECEMBER 10, 2024 5:00 AM



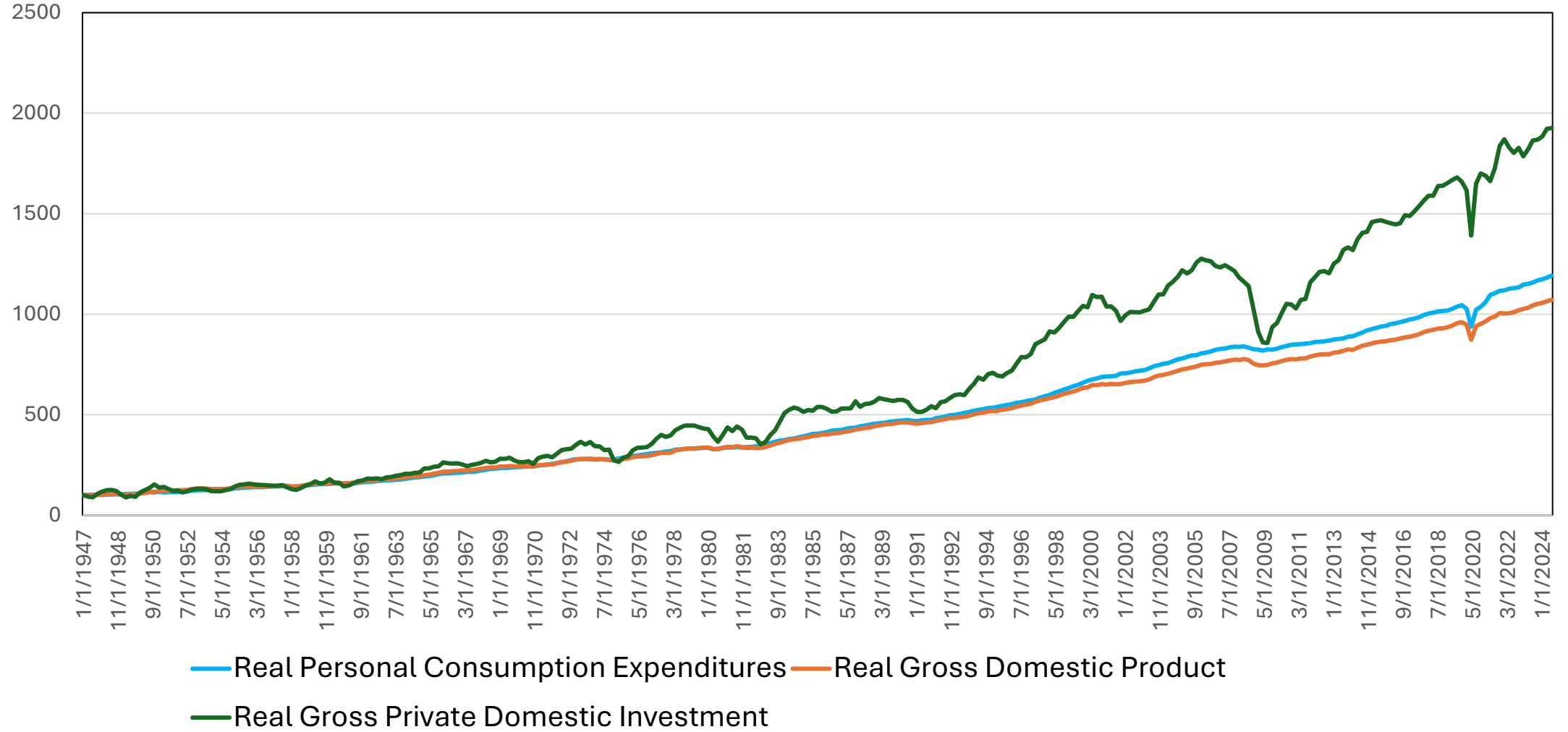
Observers warn Trump's promised mass deportations would be costly for Wisconsin's ag industry

December 9, 2024

“If you removed 5,000 undocumented immigrant workers, that would have an economic impact of 14,396 jobs and \$4.49 billion in industry sales ... undocumented immigrants account for 29.5% of the impact of dairy farms,” Deller wrote in an email. “That is a reflection of how important these immigrants have become to Wisconsin dairy.”



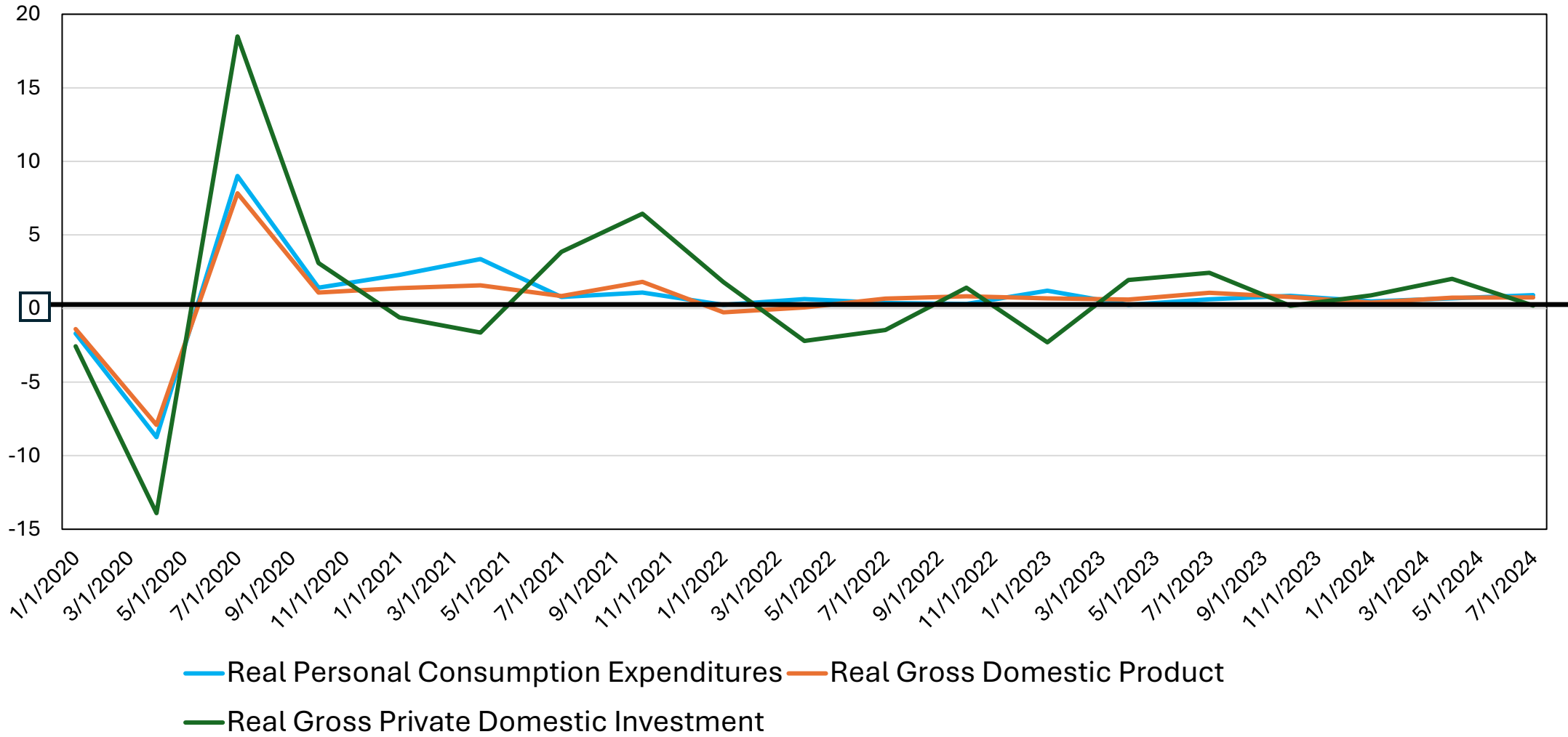
U.S. Economic Growth: Growth Index



Source: U.S. Bureau of Economic Analysis



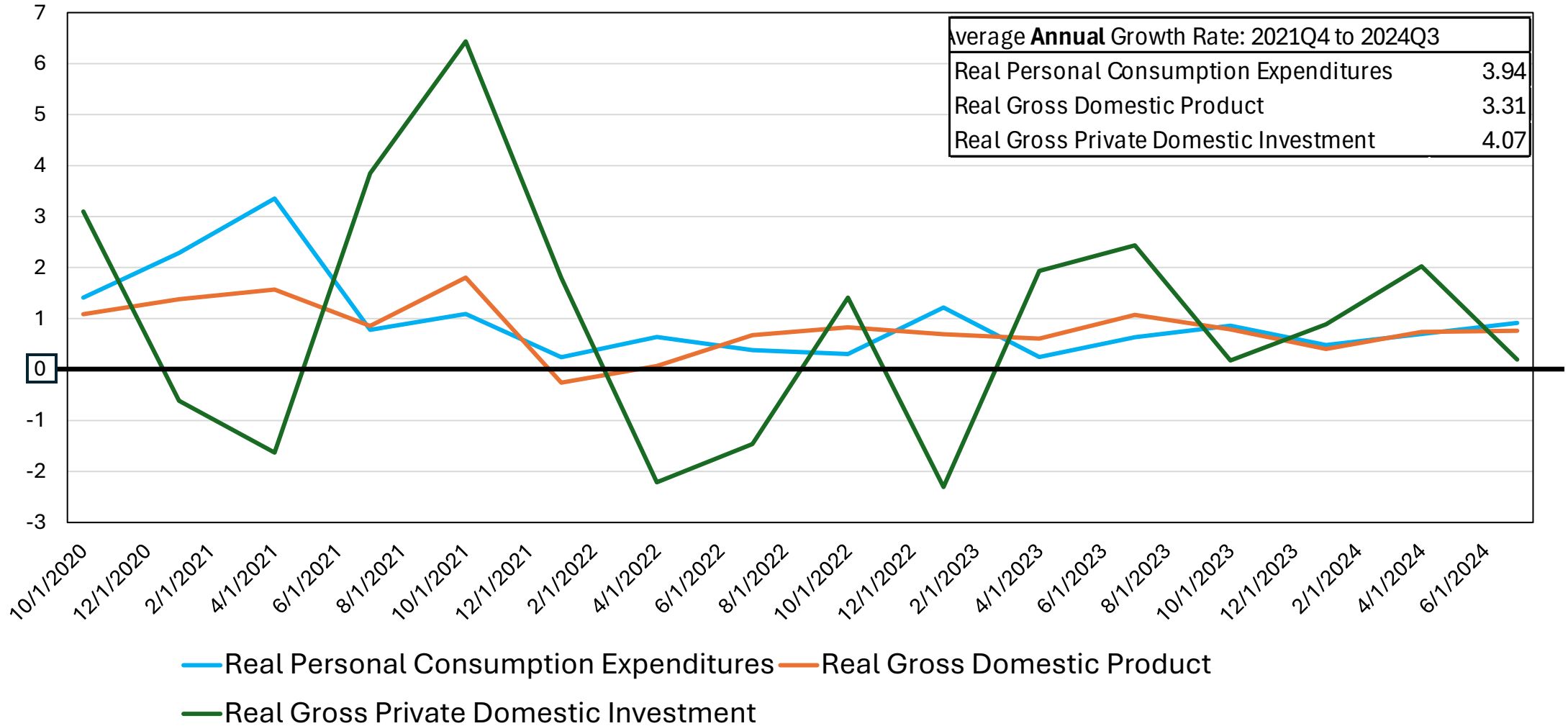
U.S. Economic Growth Post “COVID Recession”: Percent Change



Source: U.S. Bureau of Economic Analysis

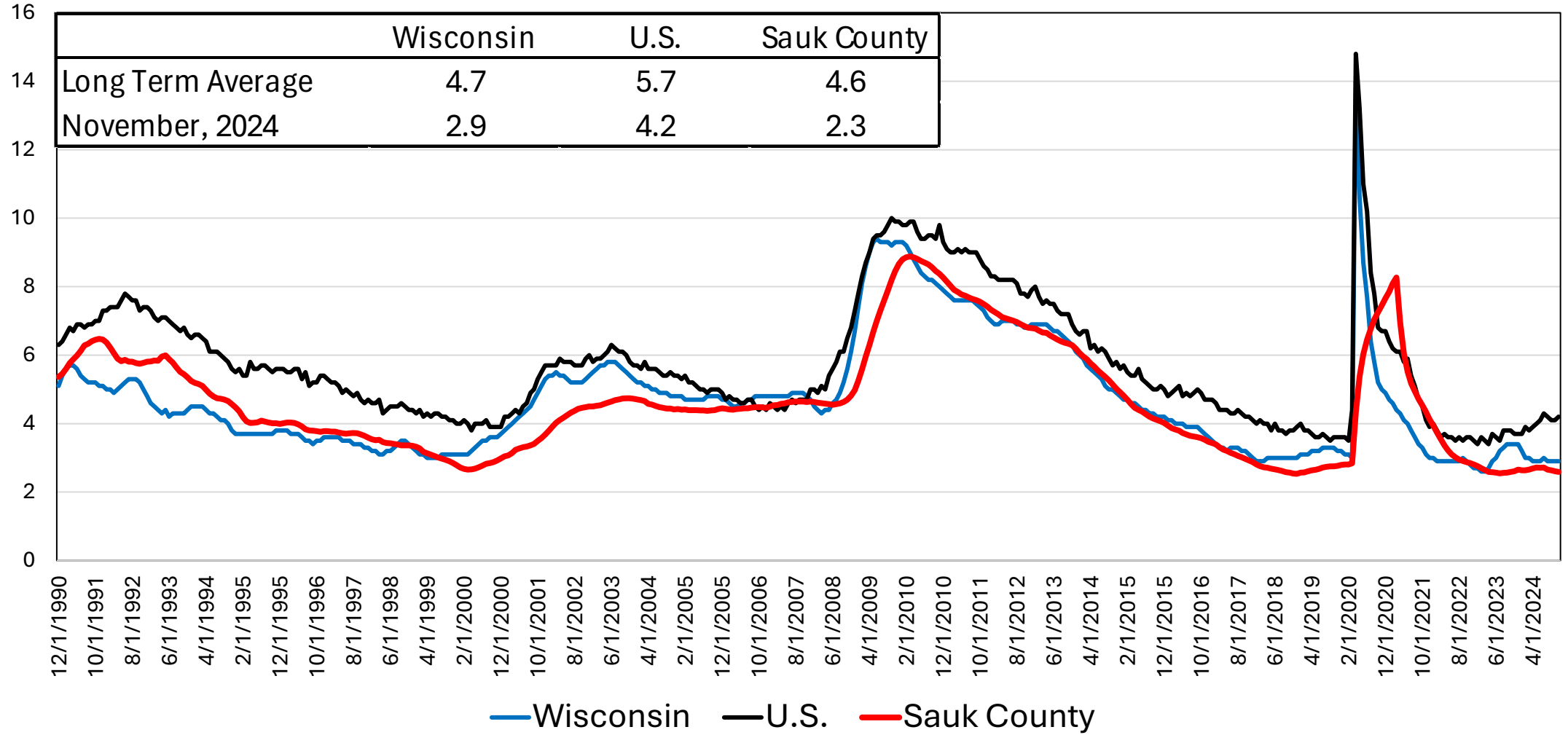


U.S. Economic Growth Post “COVID Recession”: Percent Change



Source: U.S. Bureau of Economic Analysis

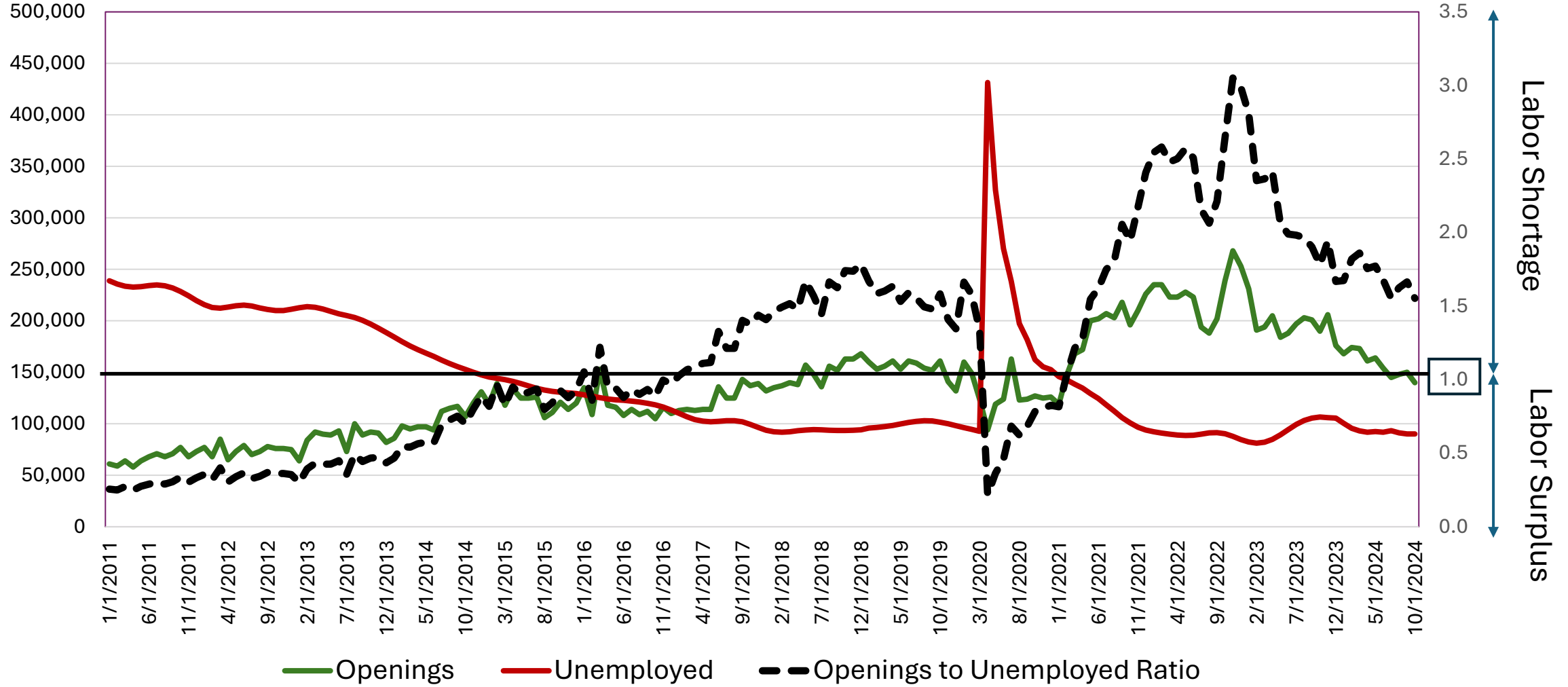
Unemployment Rate



Source: U.S. Bureau of Labor Statistics



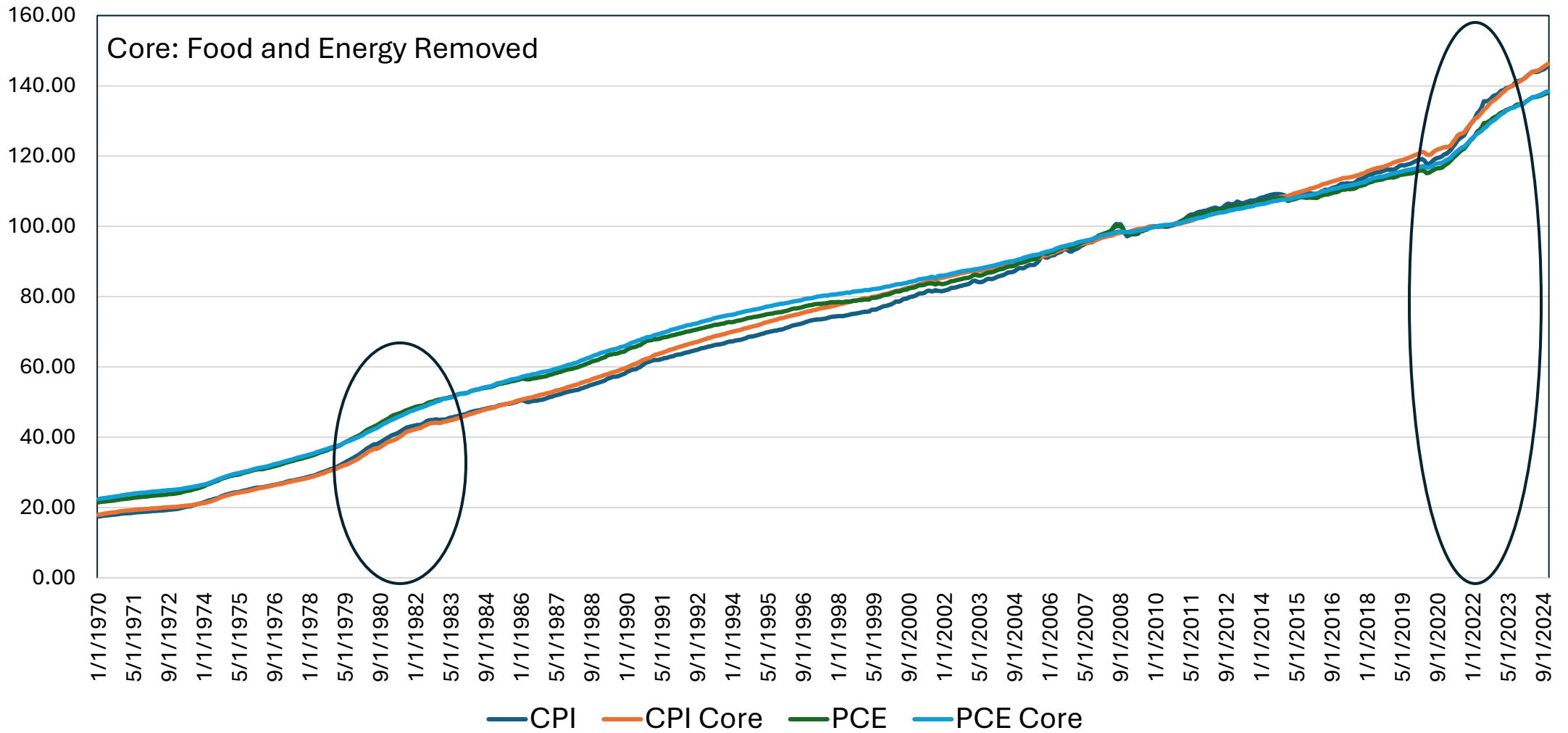
Wisconsin Labor Market Trends



Source: Wisconsin Department of Workforce Development



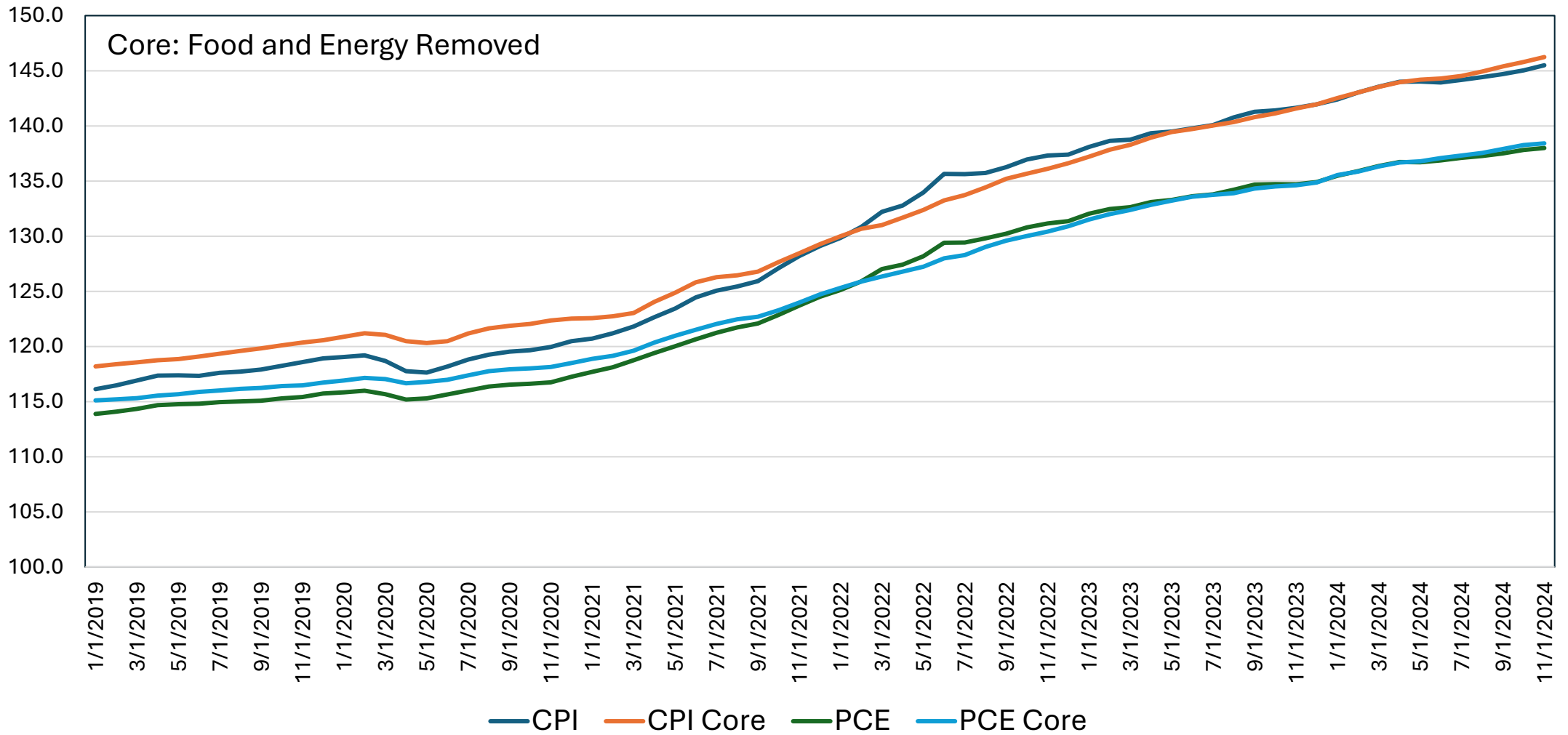
Rates of Inflation (Base 2010)



Source: U.S. Bureau of Labor Statistics



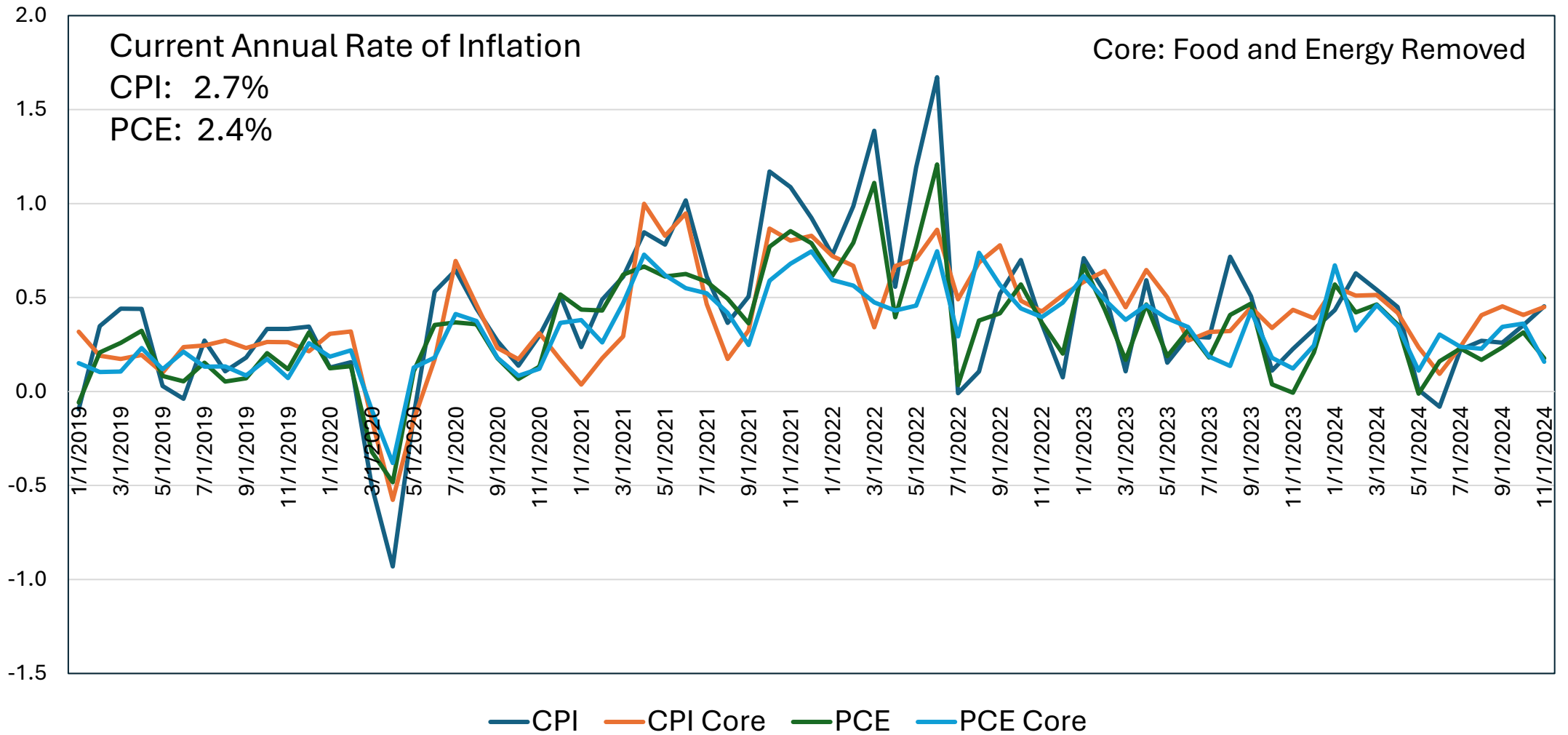
Rates of Inflation (Base 2010)



Source: U.S. Bureau of Labor Statistics



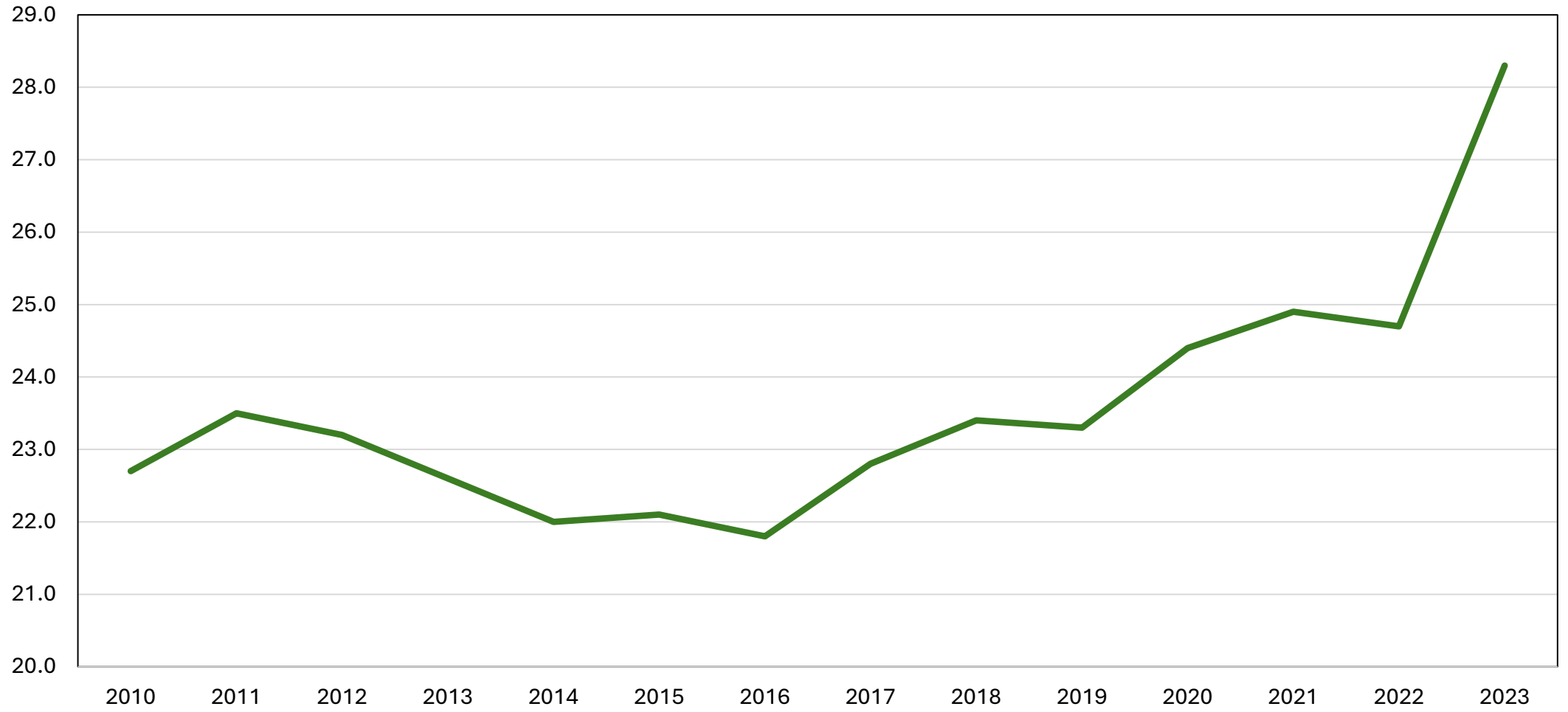
Rates of Inflation (Base 2010)



Source: U.S. Bureau of Labor Statistics



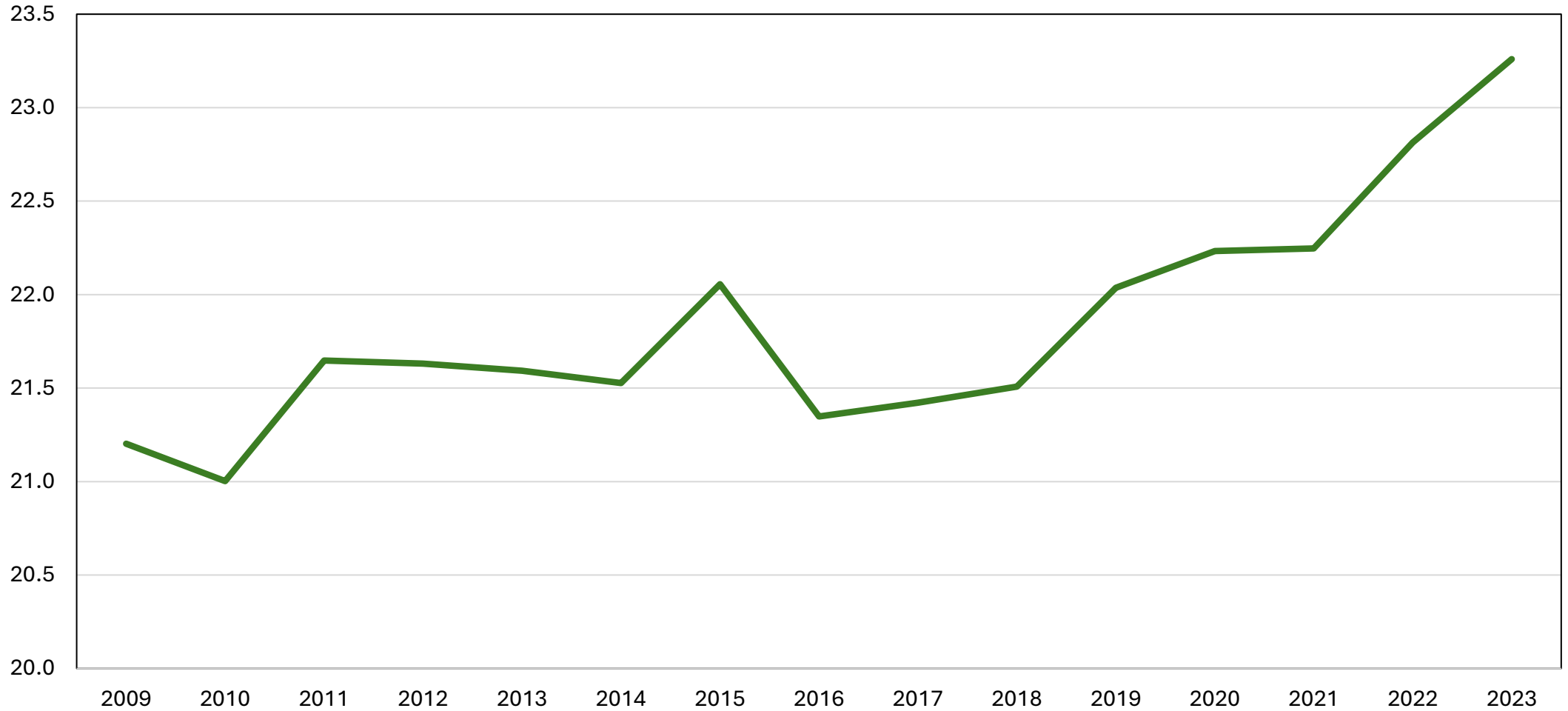
Sauk County, Wisconsin: Share of Workers Who Commute out of the County for Work



Source: US Census ACS 5-Yr Averages



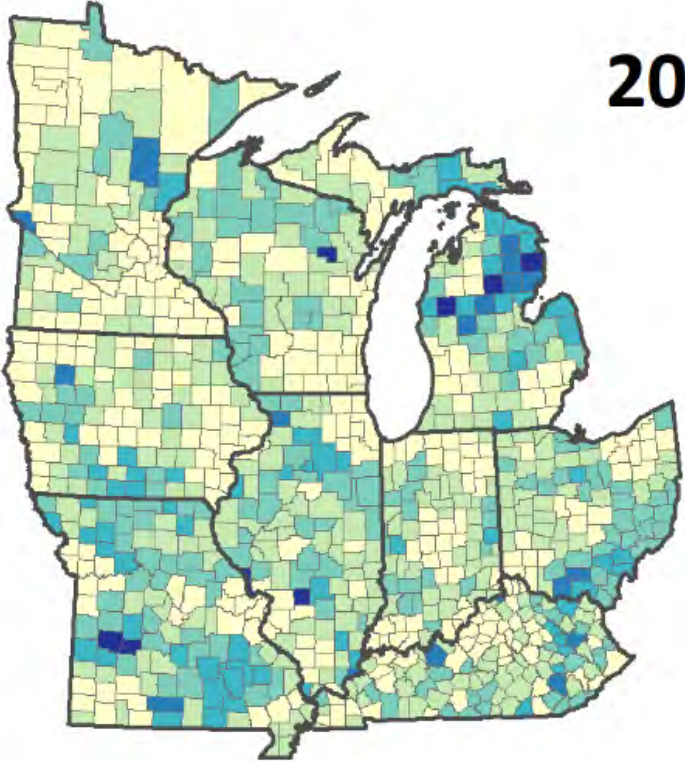
Sauk County, Wisconsin: Mean Commuting Time



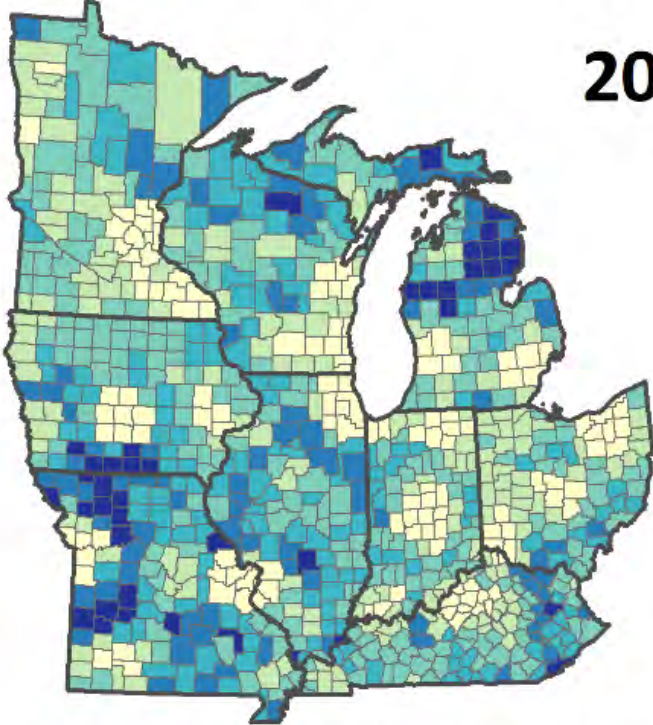
Source: US Census ACS 5-Yr Averages



Stretch Commuters: Commuting more than 50 Miles One-Way



2006



2019

Stretch Commuters by County (Percent of Total Employment)

15.0% or Less	20.1% to 25.0%	30.1% to 35.0%
15.1% to 20.0%	25.1% to 30.0%	35.1% or More

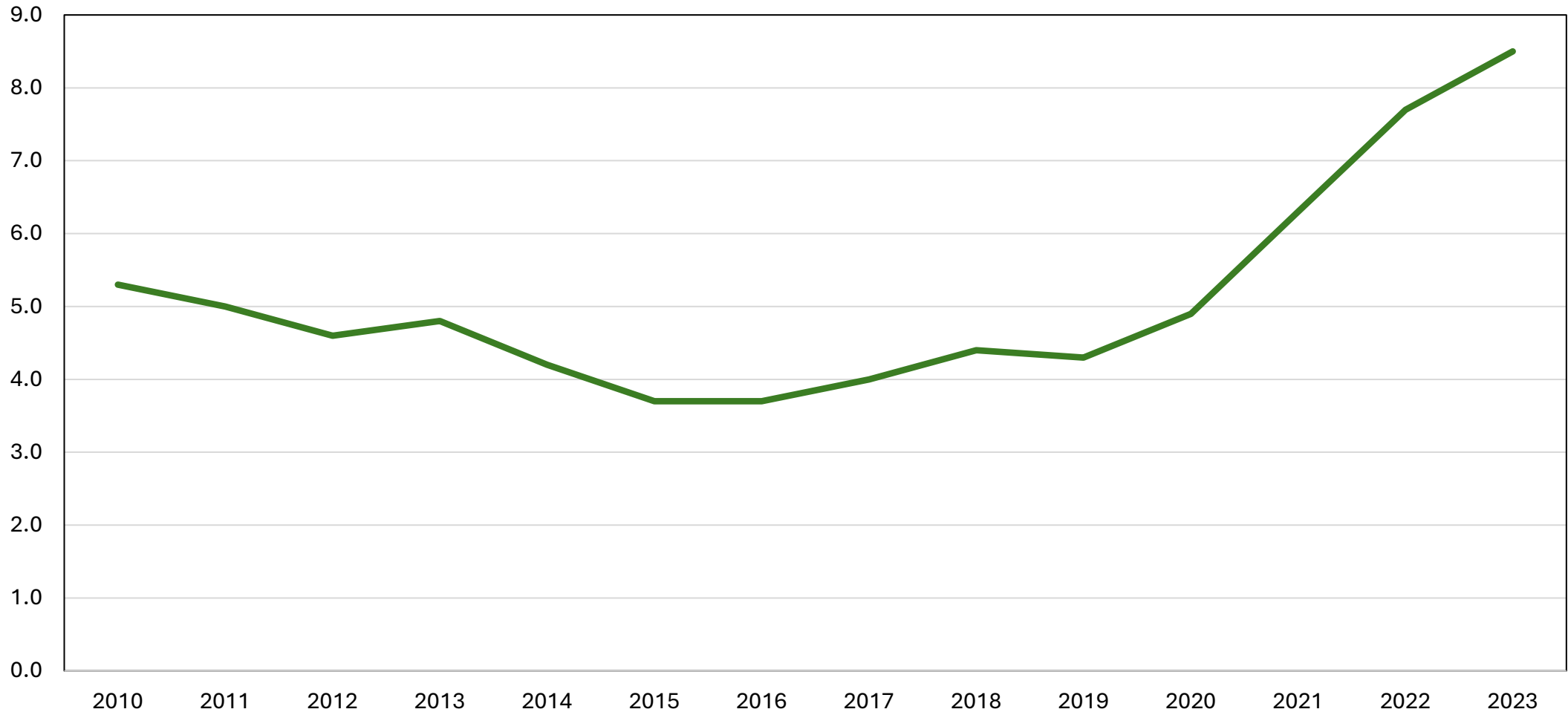
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15.1% to 20.0%	25.1% to 30.0%	35.1% or More

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



Sauk County, Wisconsin: Share of Workers Who Work from Home

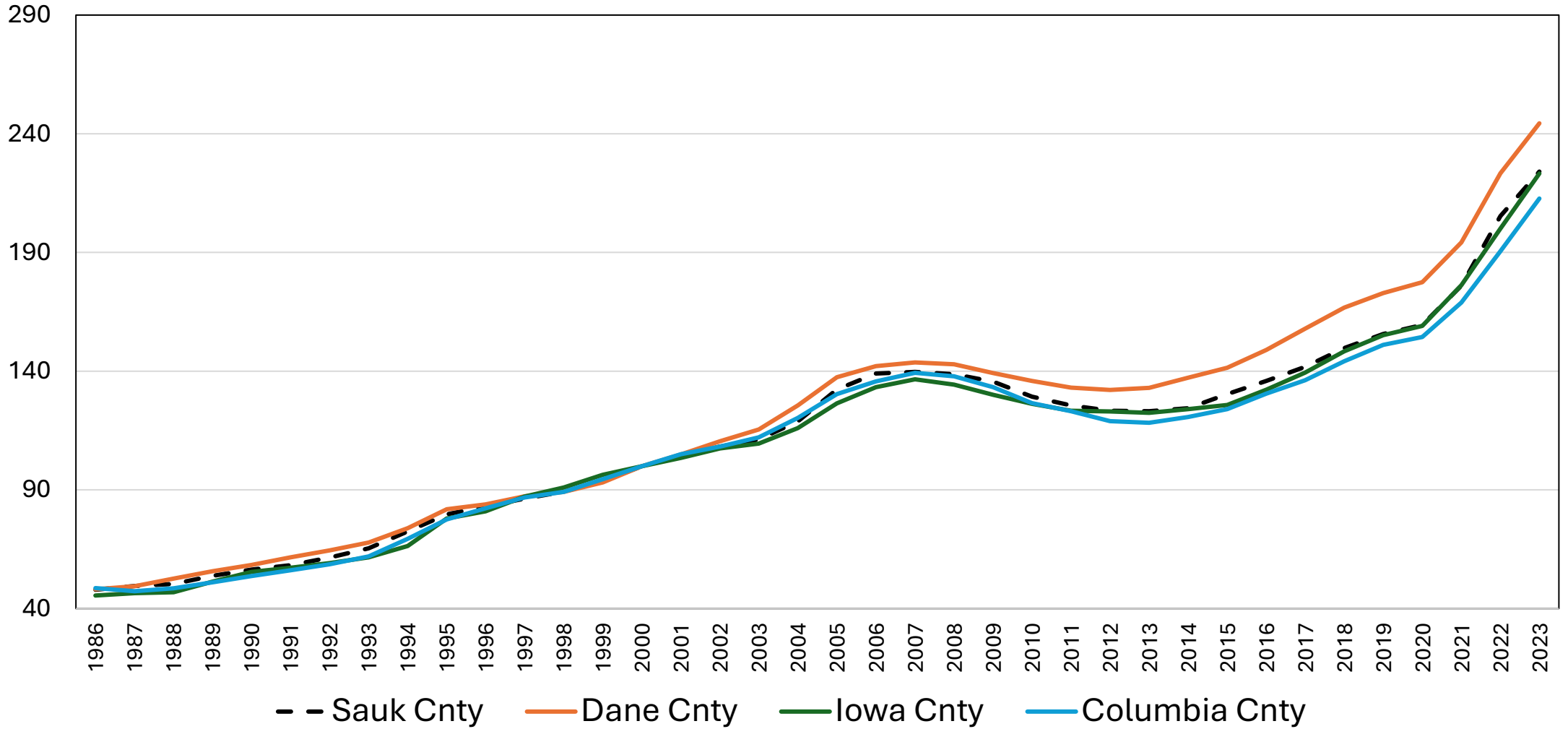


Source: US Census ACS 5-Yr Averages

Remote work! Moving toward “hybrid” (3-4 days remote, 1-2 days in the office). Could “supercharge” stretch commuting.



All-Transactions House Price Index

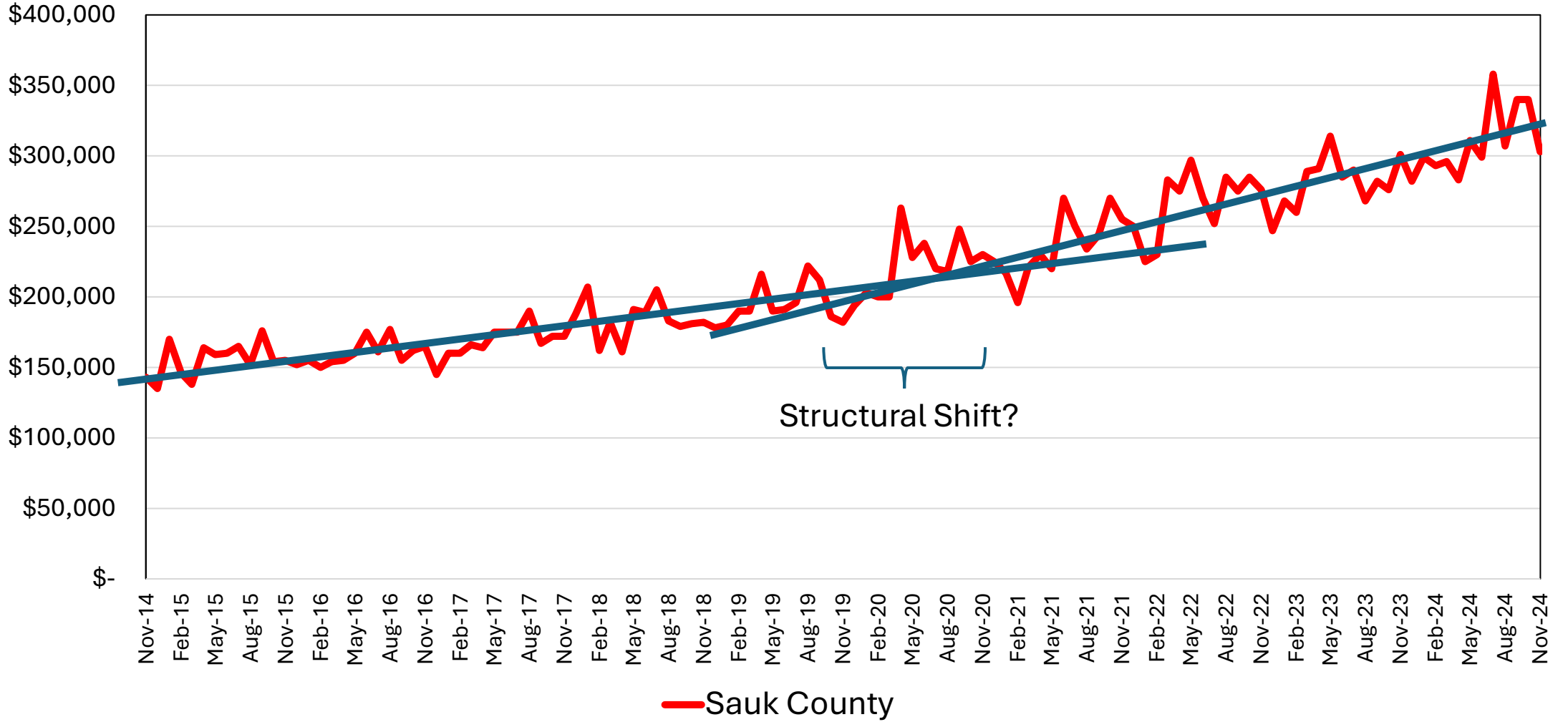


Source: U.S. Federal Housing Finance Agency





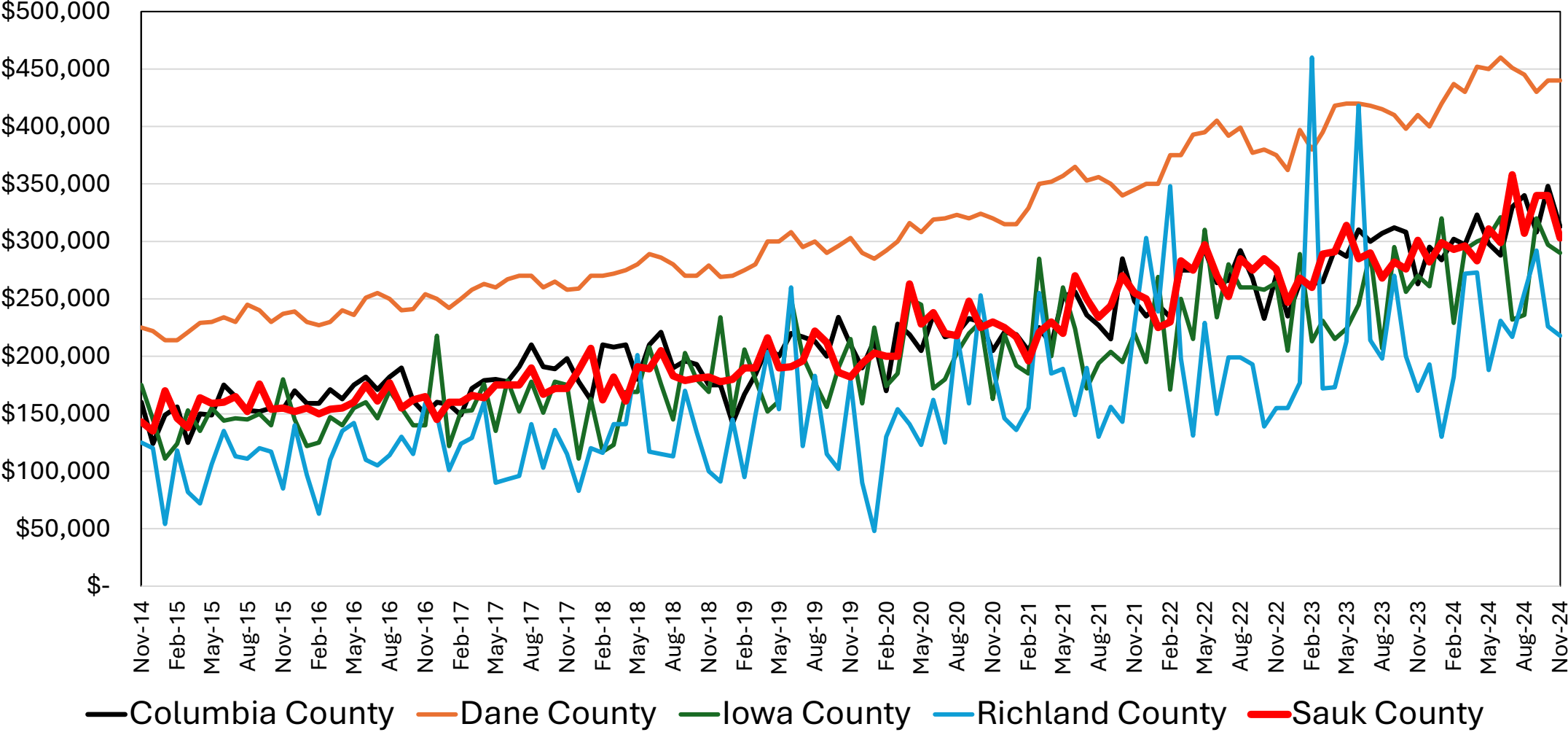
Median House Sales Price Sauk County



Source: Redfin, Inc



Median Sale House Sales Price

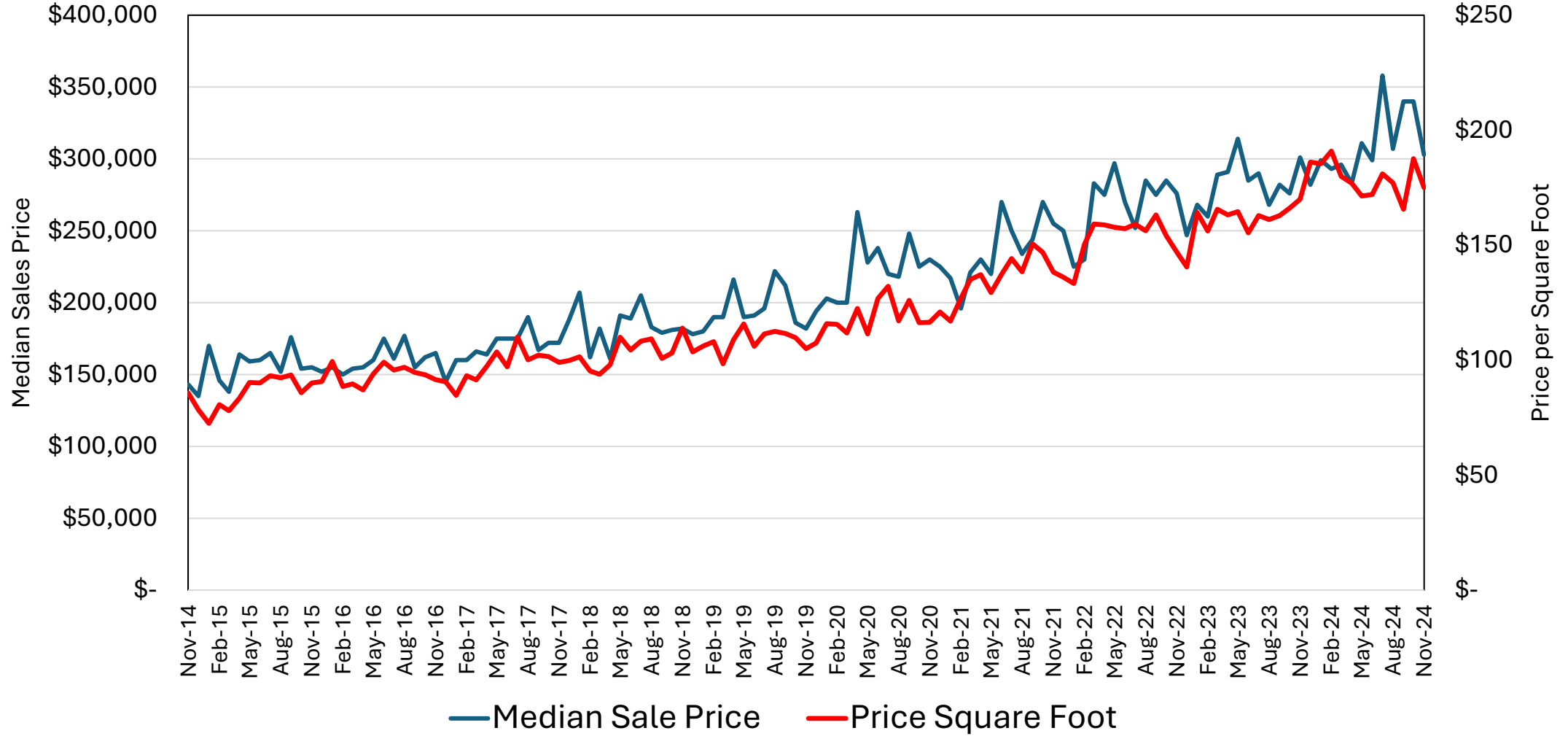


Source: Redfin, Inc



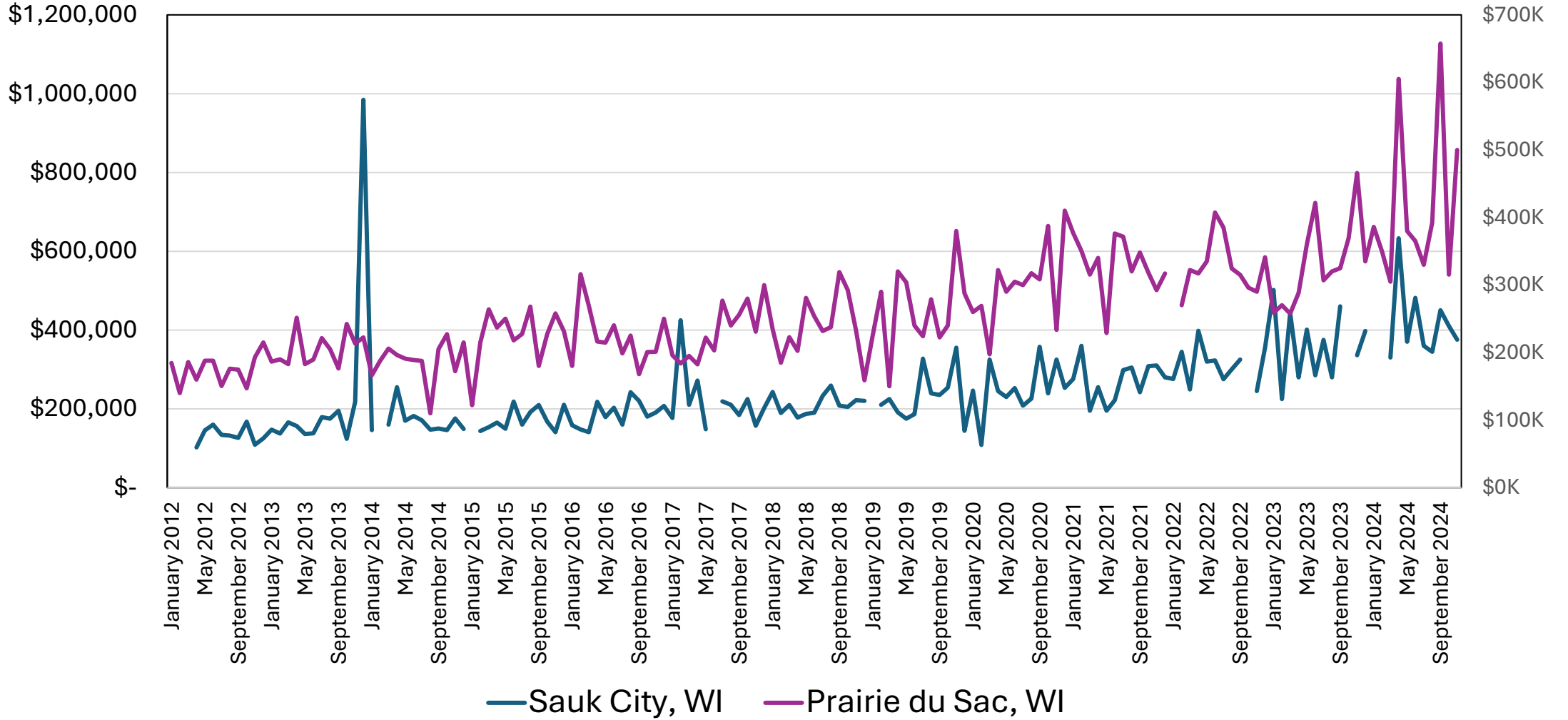


Median Sale Price Sauk County



Source: Redfin, Inc

Median Sale Price Sauk City and Prairie du Sac

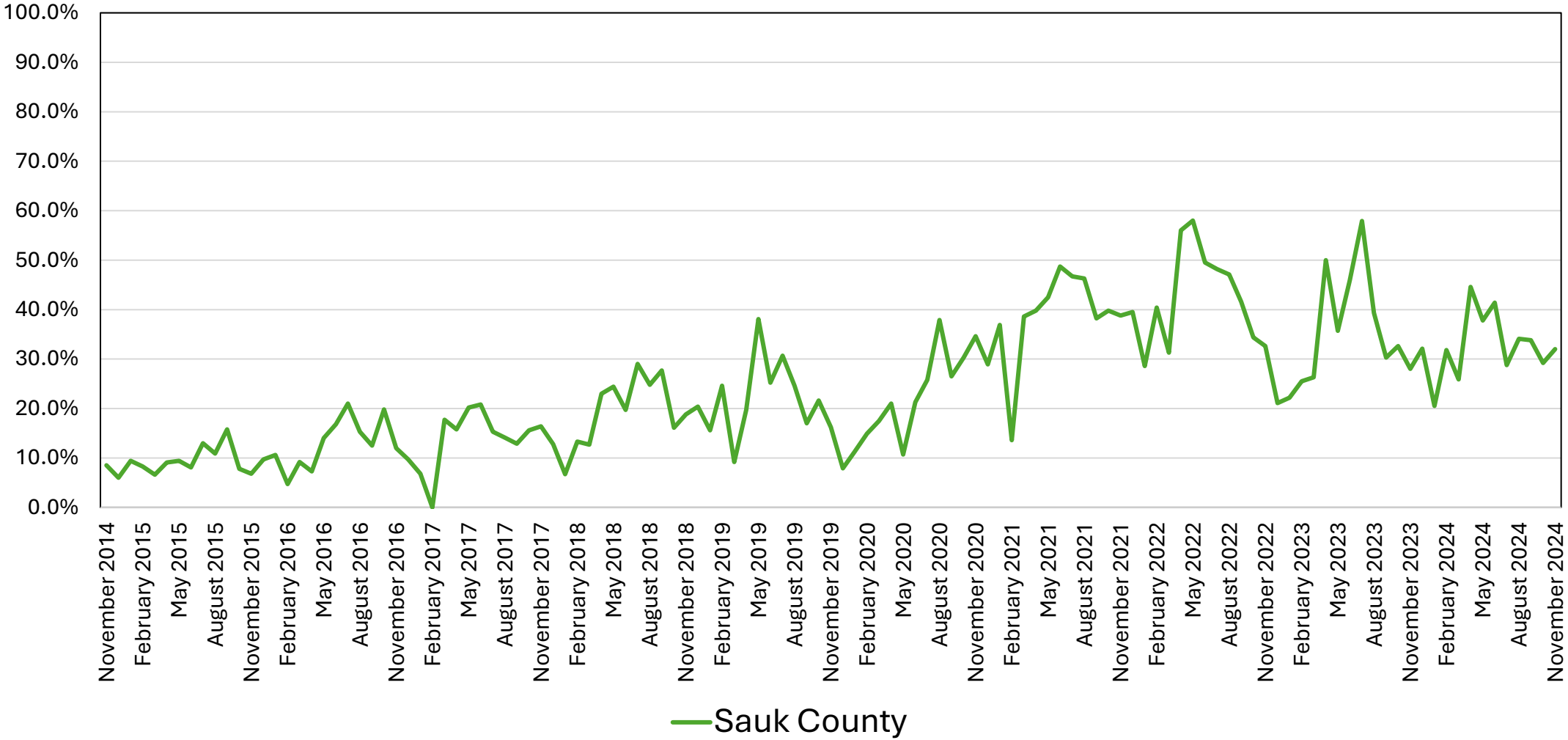


Source: Redfin, Inc





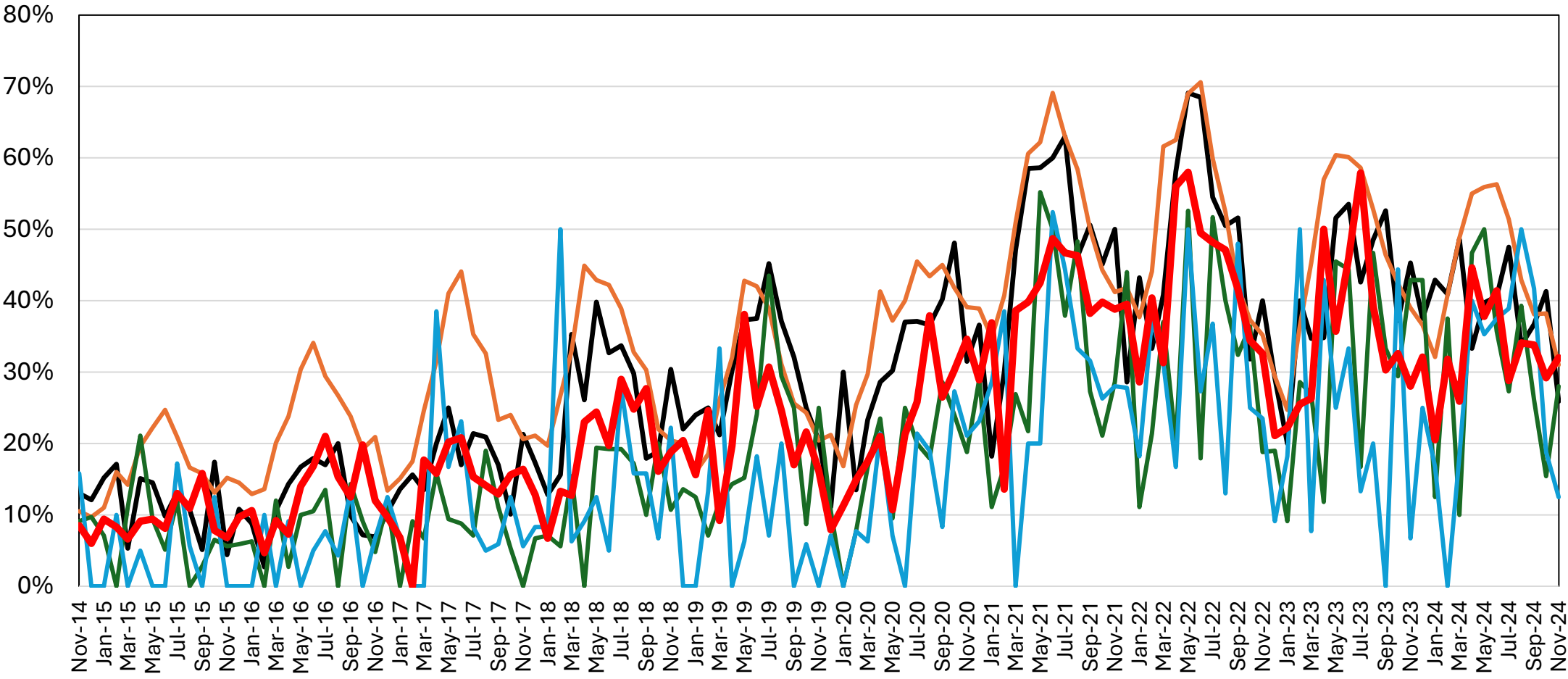
Percent of Homes Sold Above Asking Price



Source: Redfin, Inc



Percent Housing Sold Above Asking Price



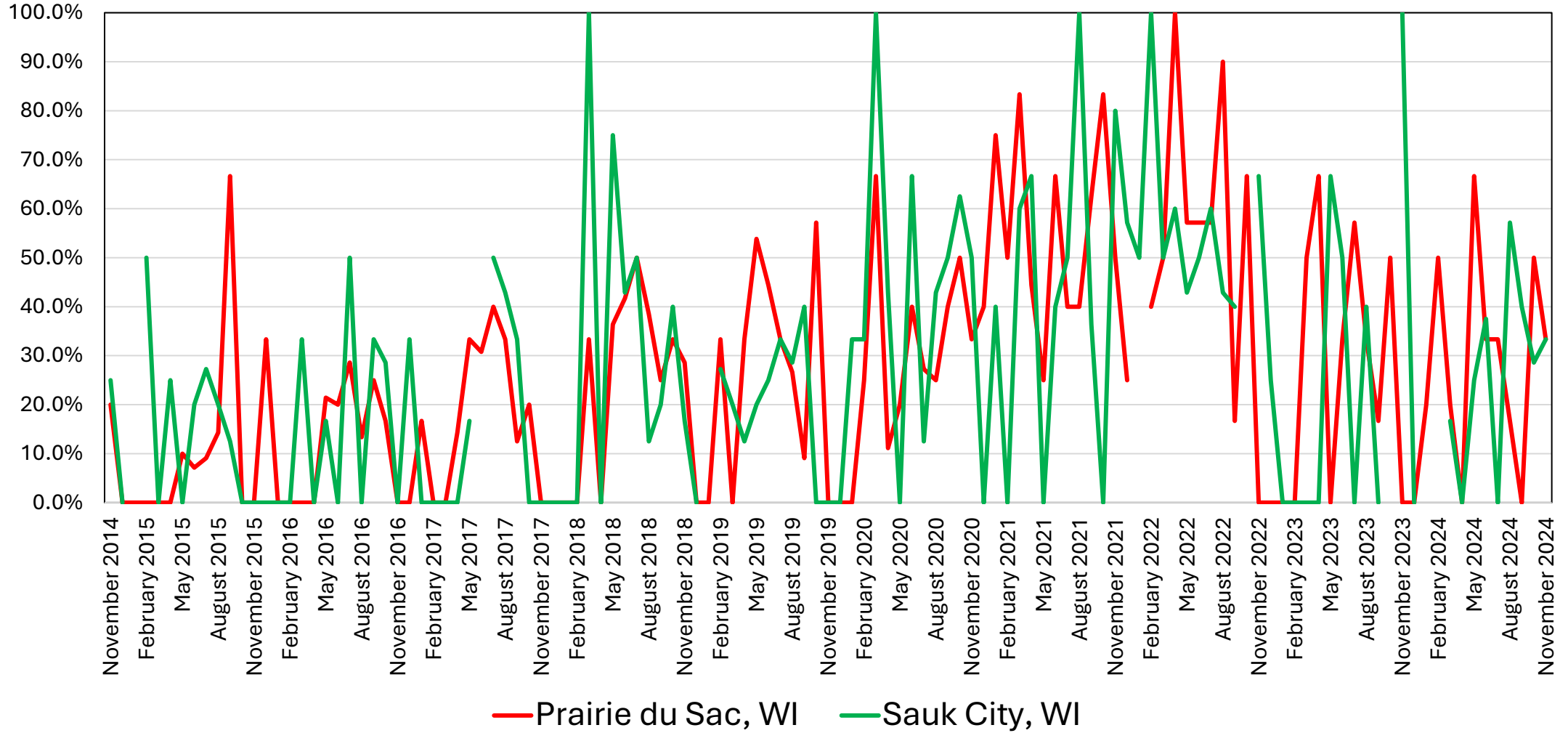
— Columbia County — Dane County — Iowa County — Richland County — Sauk County

Source: Redfin, Inc





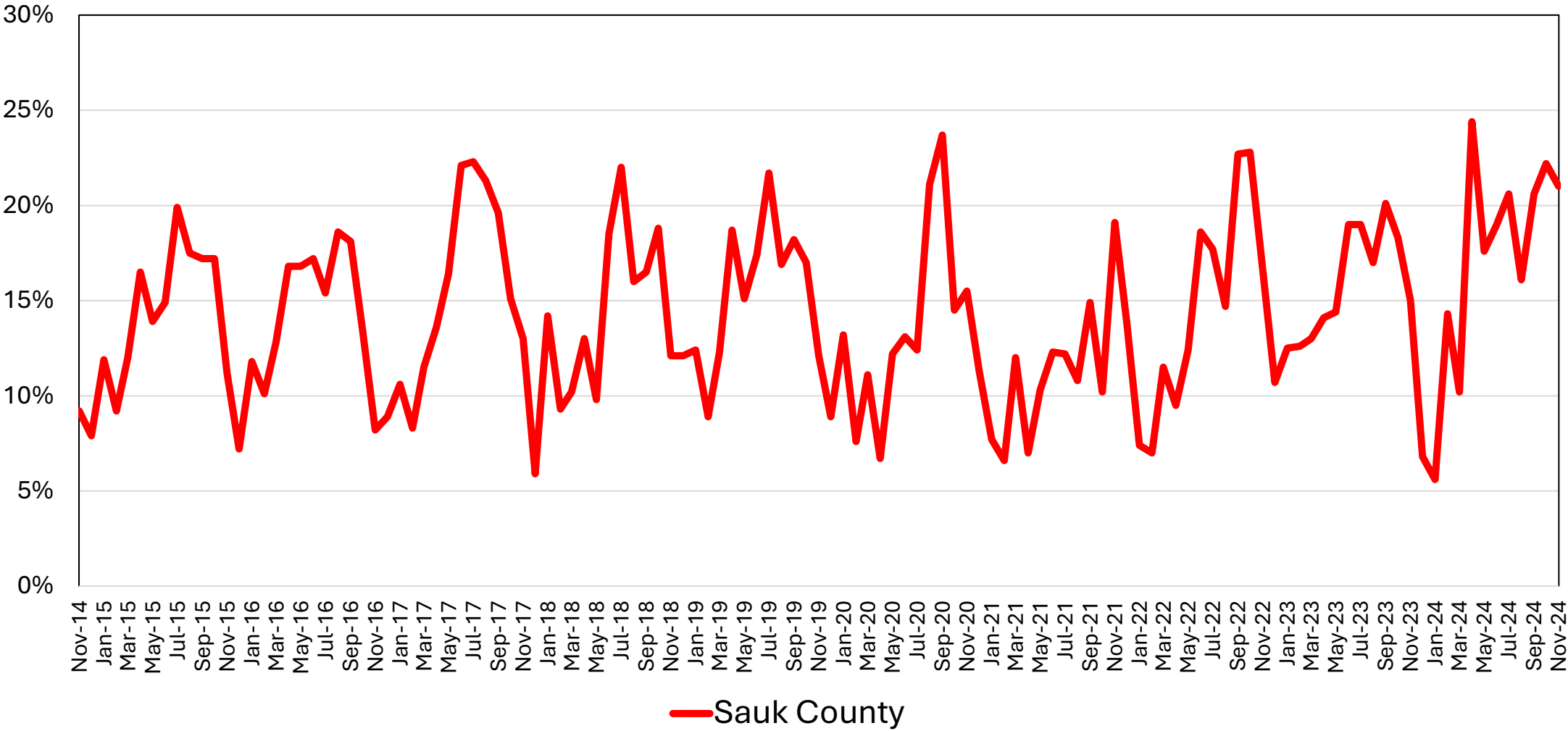
Percent of Homes Sold Above Asking Price



Source: Redfin, Inc



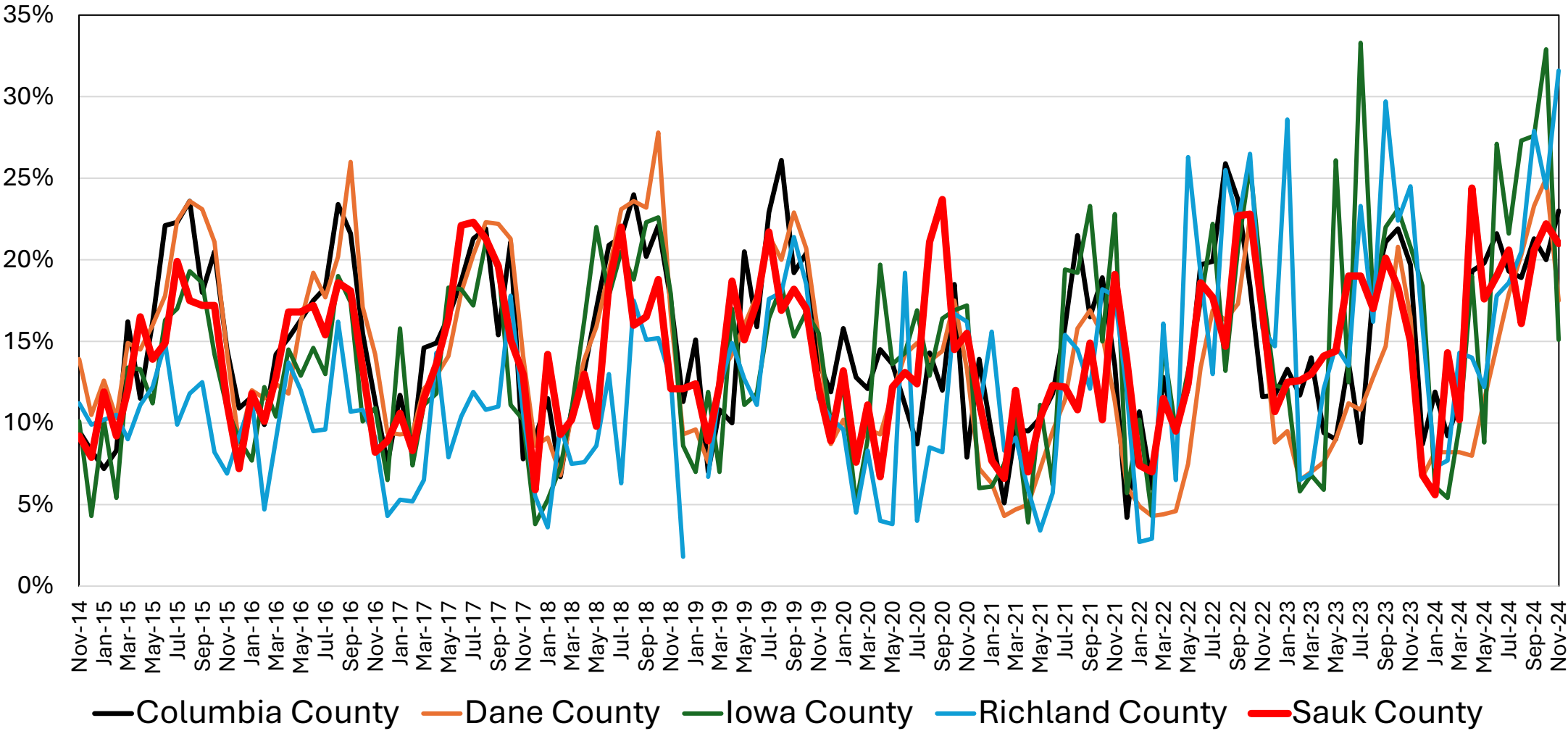
Percent Housing Dropped Asking Price



Source: Redfin, Inc



Percent Housing Dropped Asking Price

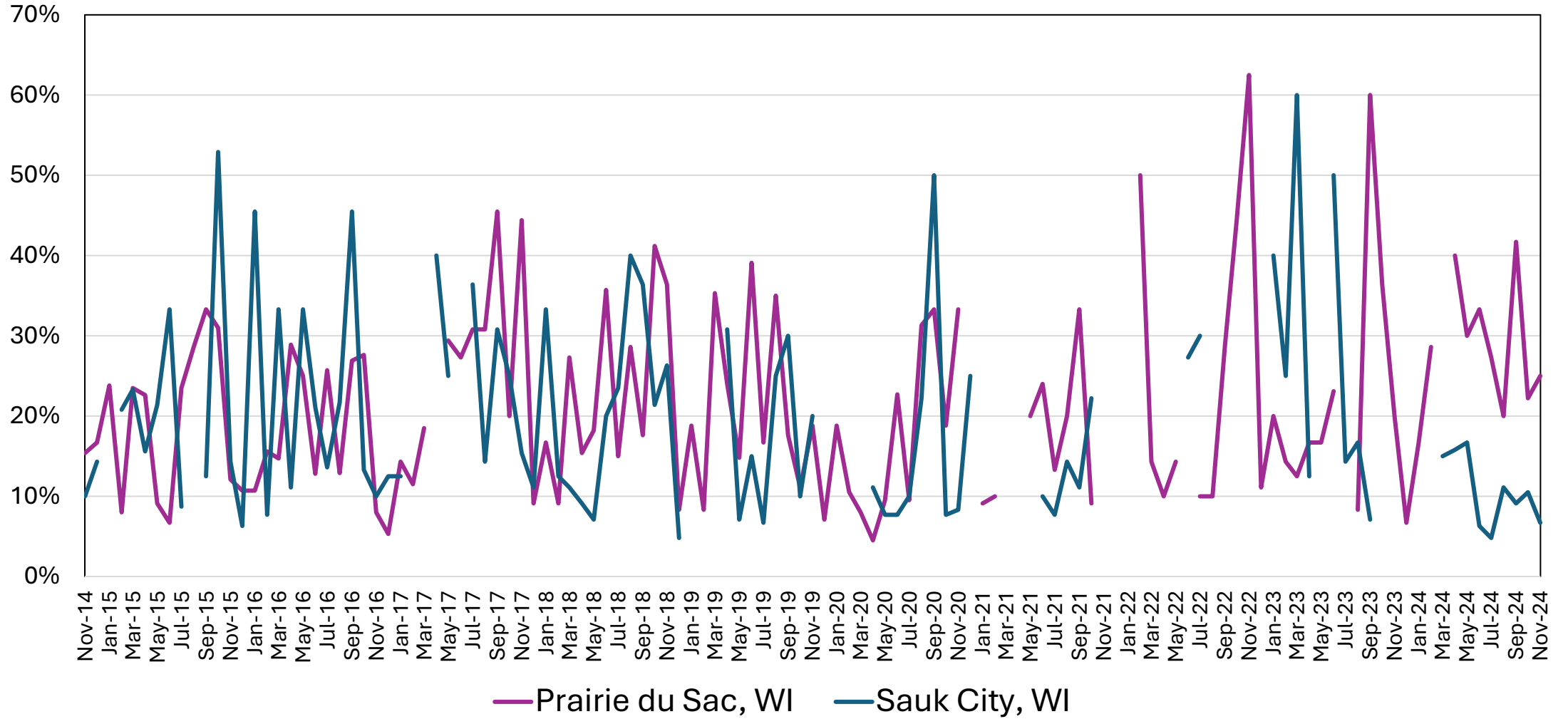


Source: Redfin, Inc





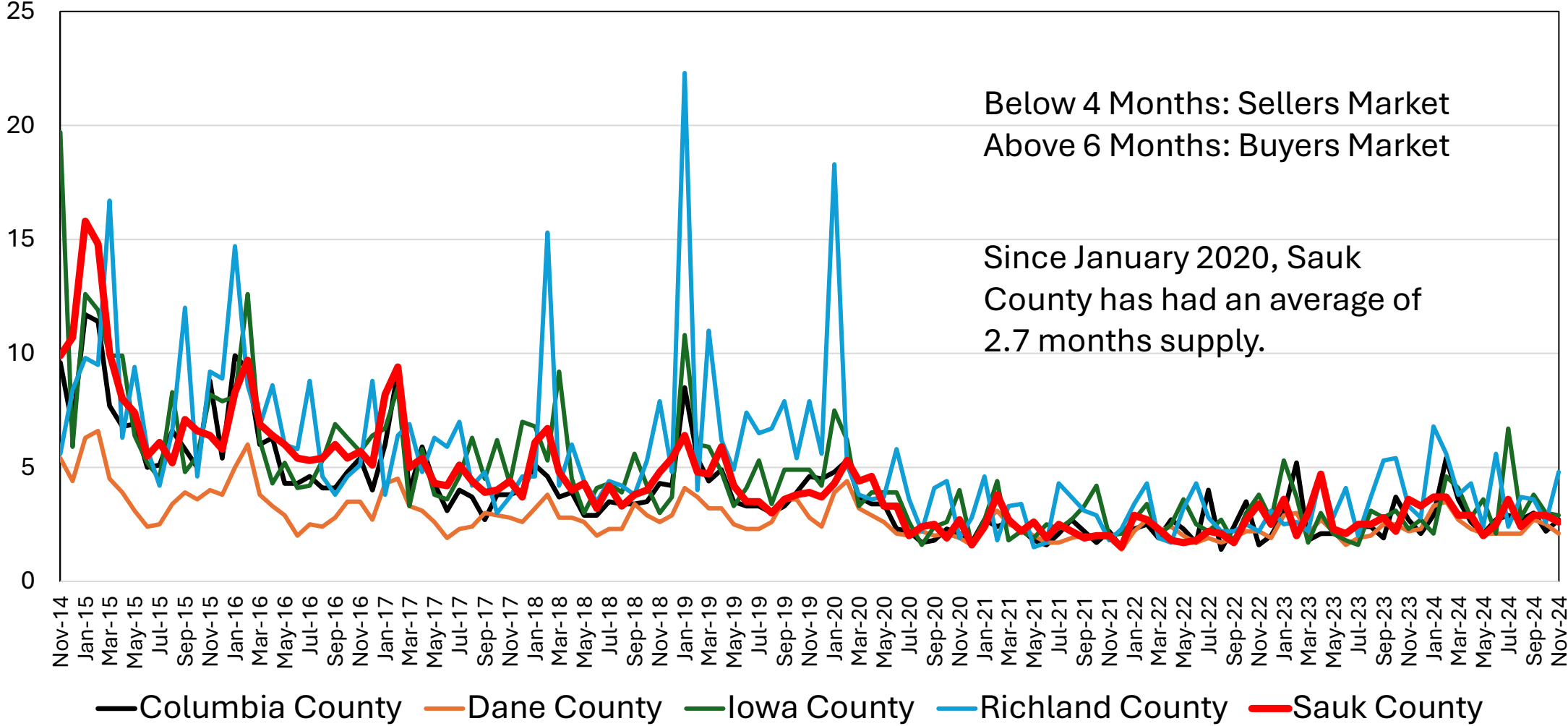
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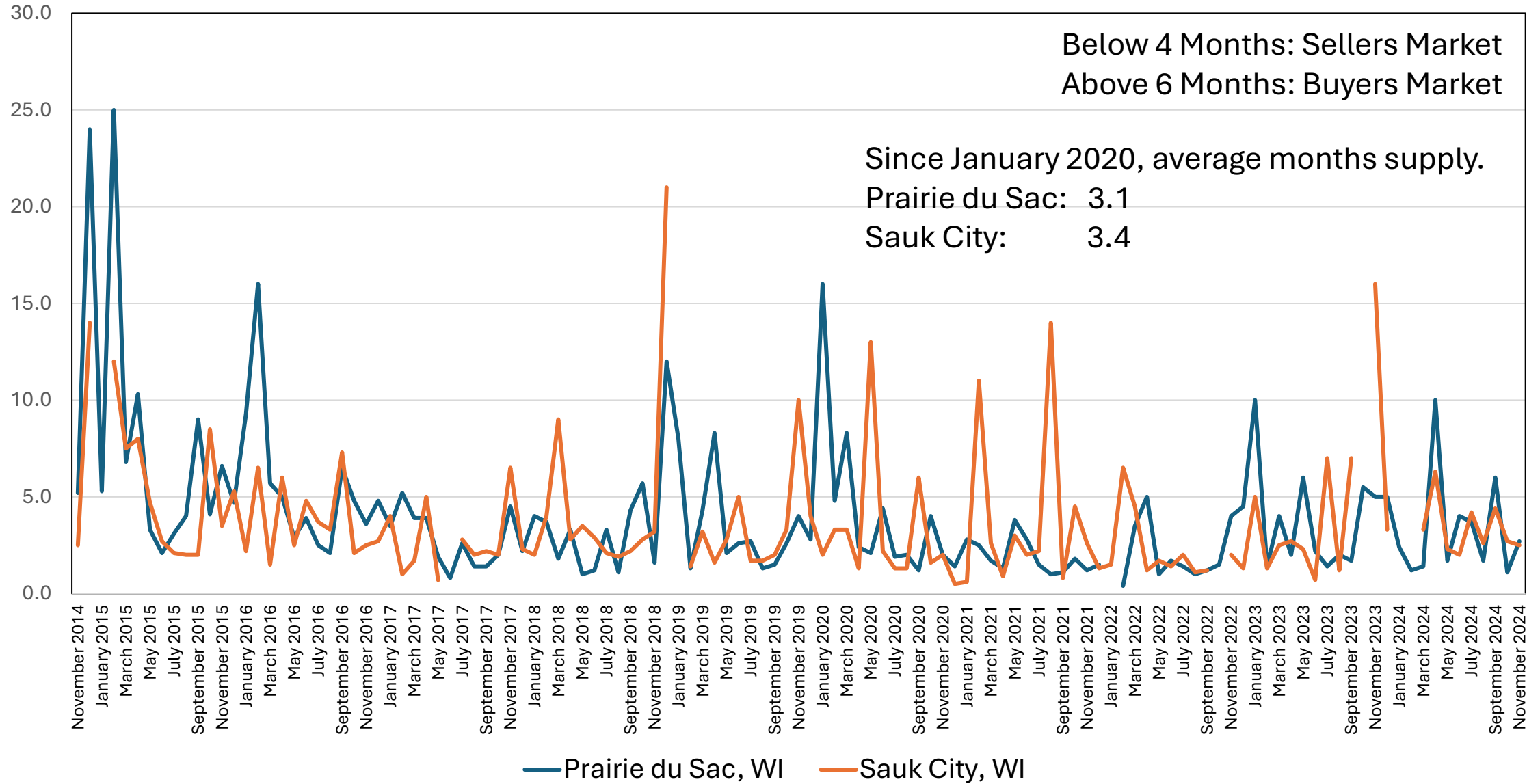
Months of Housing Supply



Source: Redfin, Inc



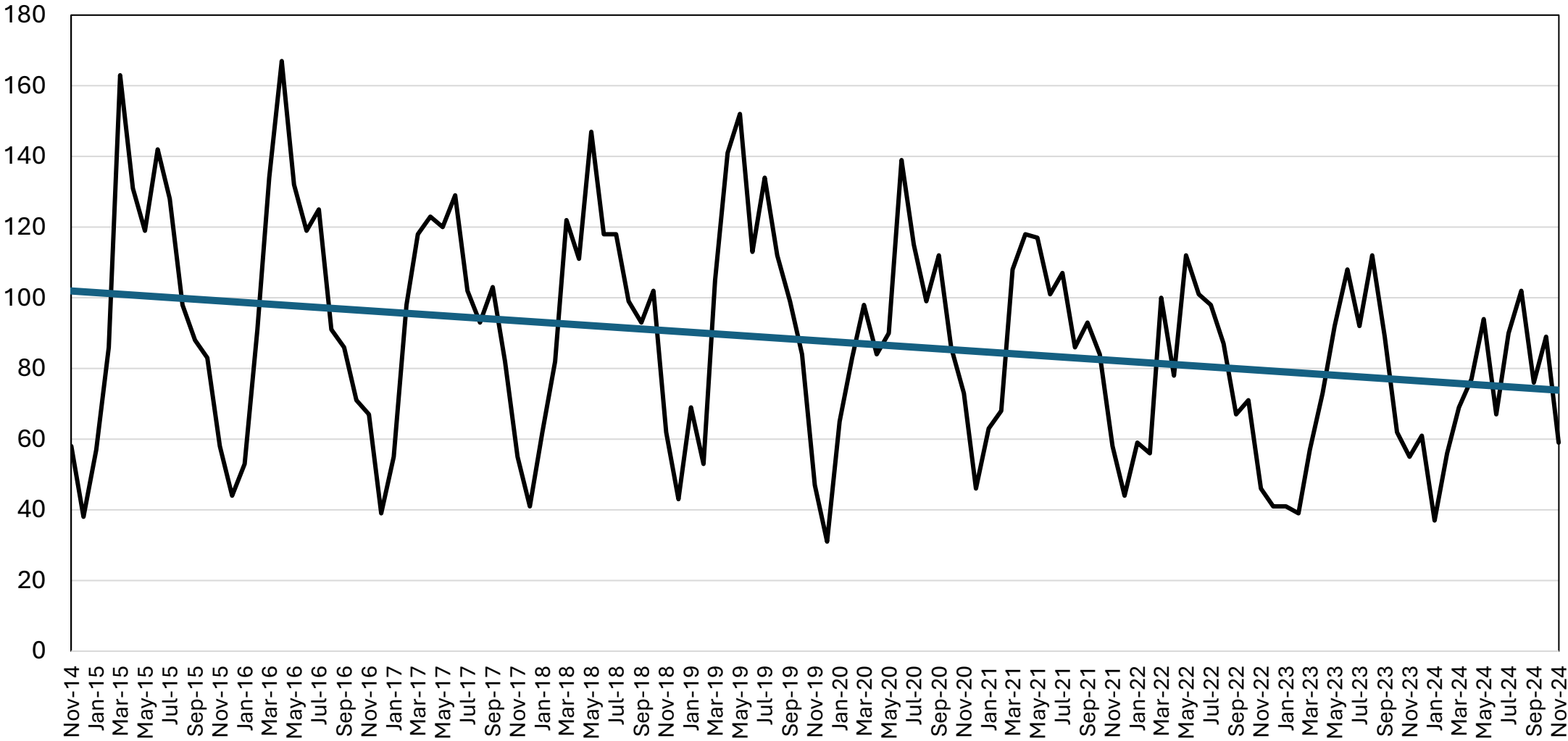
Months of Housing Supply



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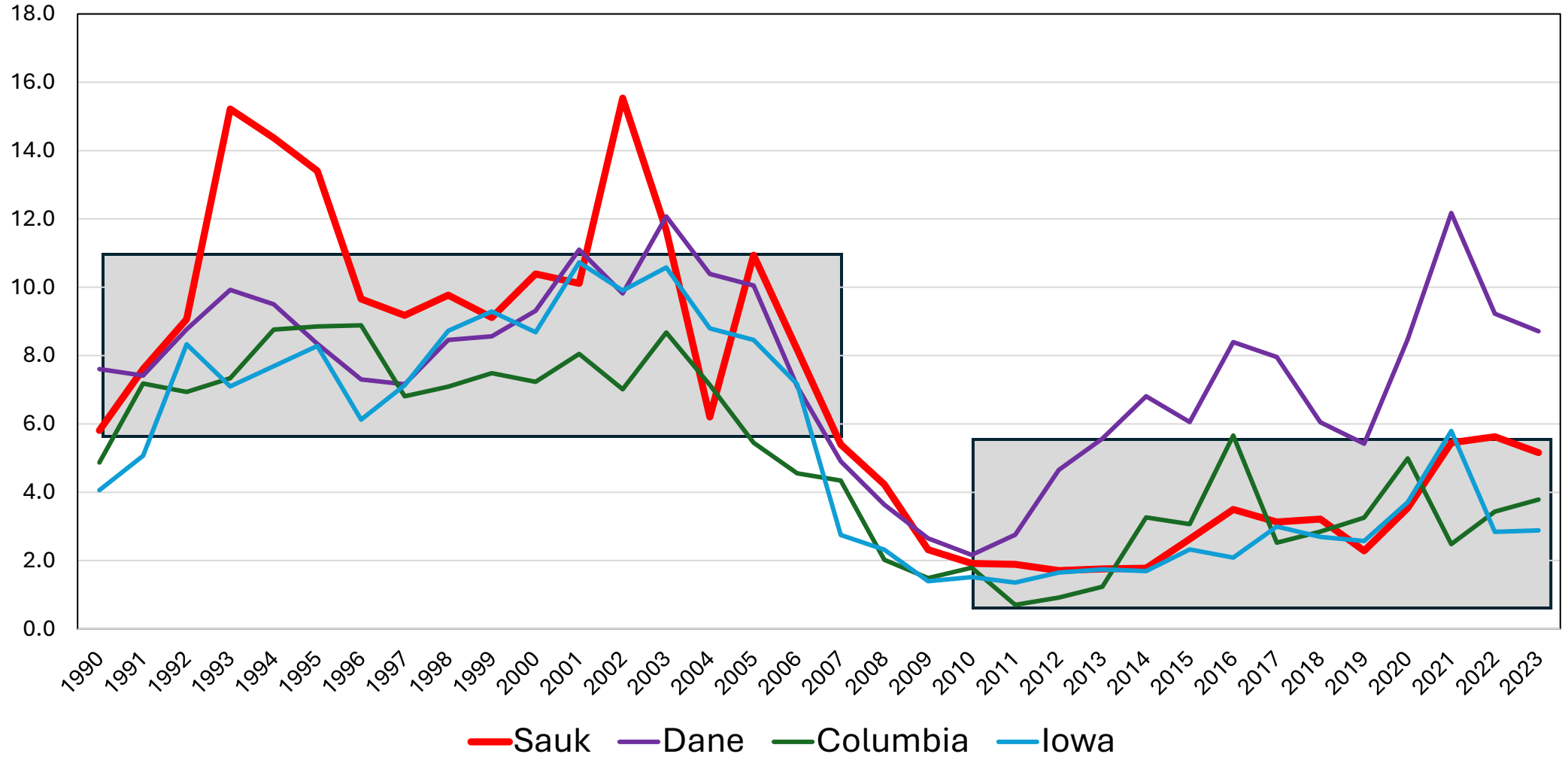
Average Monthly New House Listings Sauk County



Source: Redfin, Inc



New Private Housing Structures Authorized by Building Permits Per 1,000 Population



Source: U.S. Census Bureau

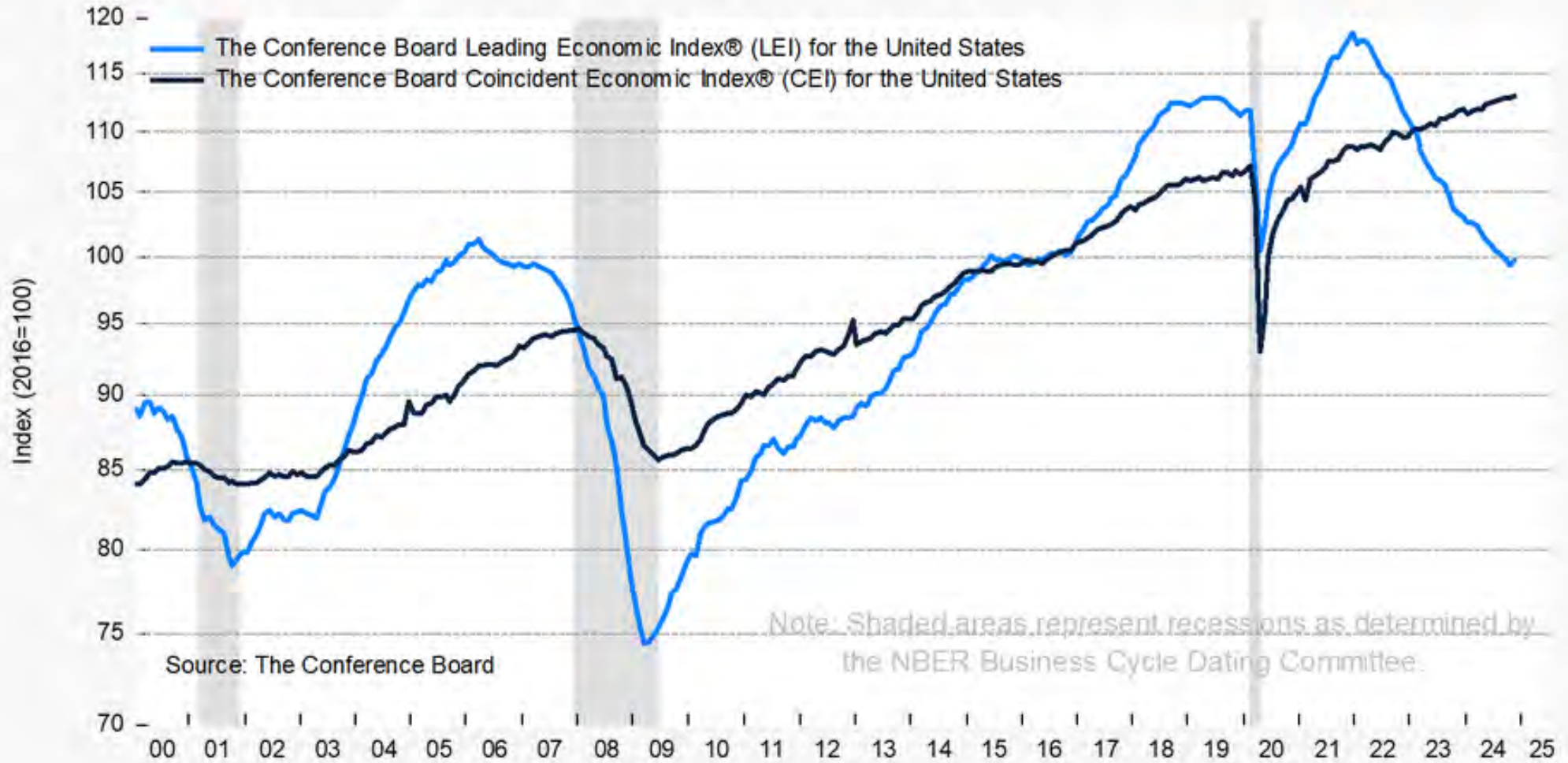


The LEI increased in November 2024 for the first time in over two years

Peak: 01:3
Trough: 01:11

07:12
09:6

20:2
20:4



Stronger building permits and higher stock prices boosted the LEI in November

The Conference Board Leading Economic Index® and Component Contributions (Percent)



Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution.

** Statistical Imputation

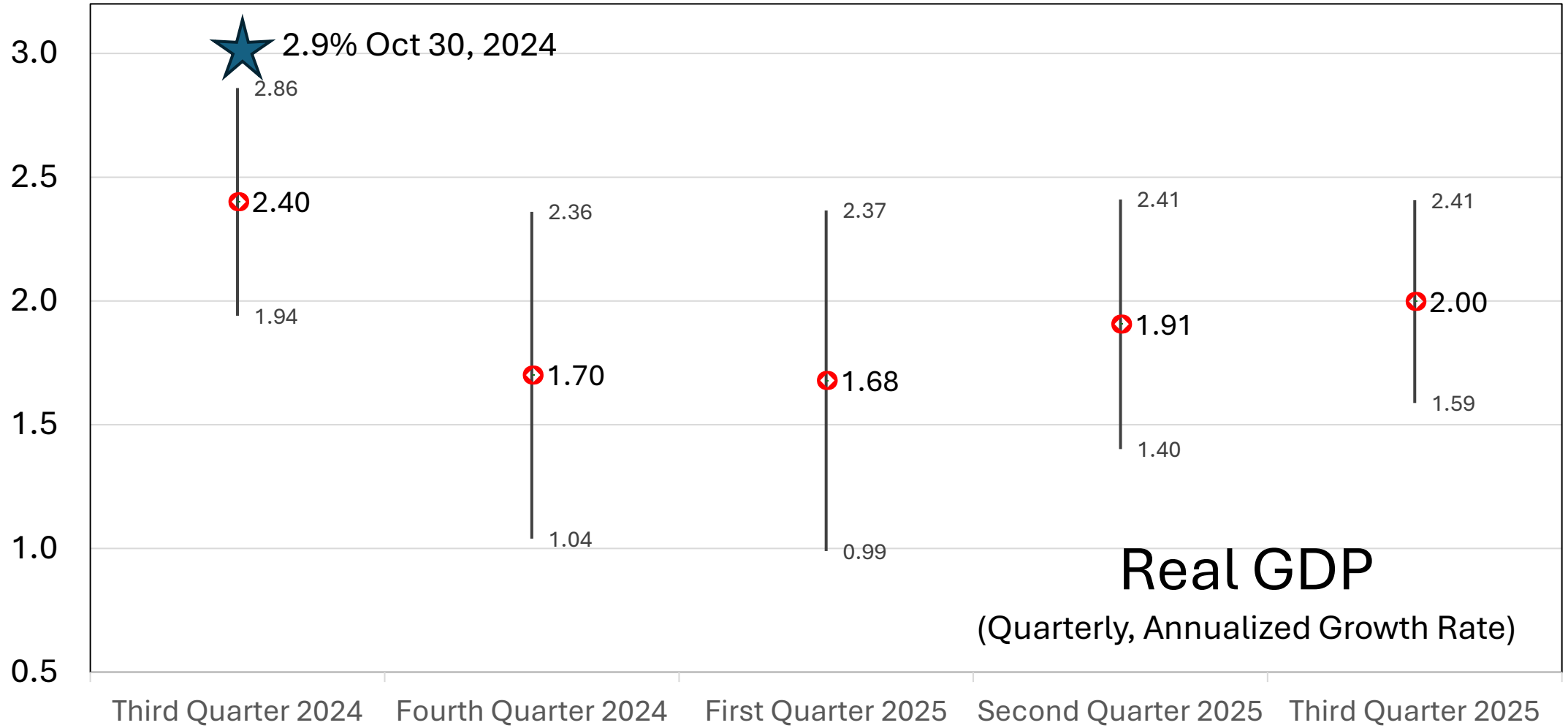
LEI change might not equal sum of its contributions due to application of trend adjustment factor



With November's gain, the LEI no longer signals an impending recession



Wall Street Journal Economic Forecast Survey (October 2024)

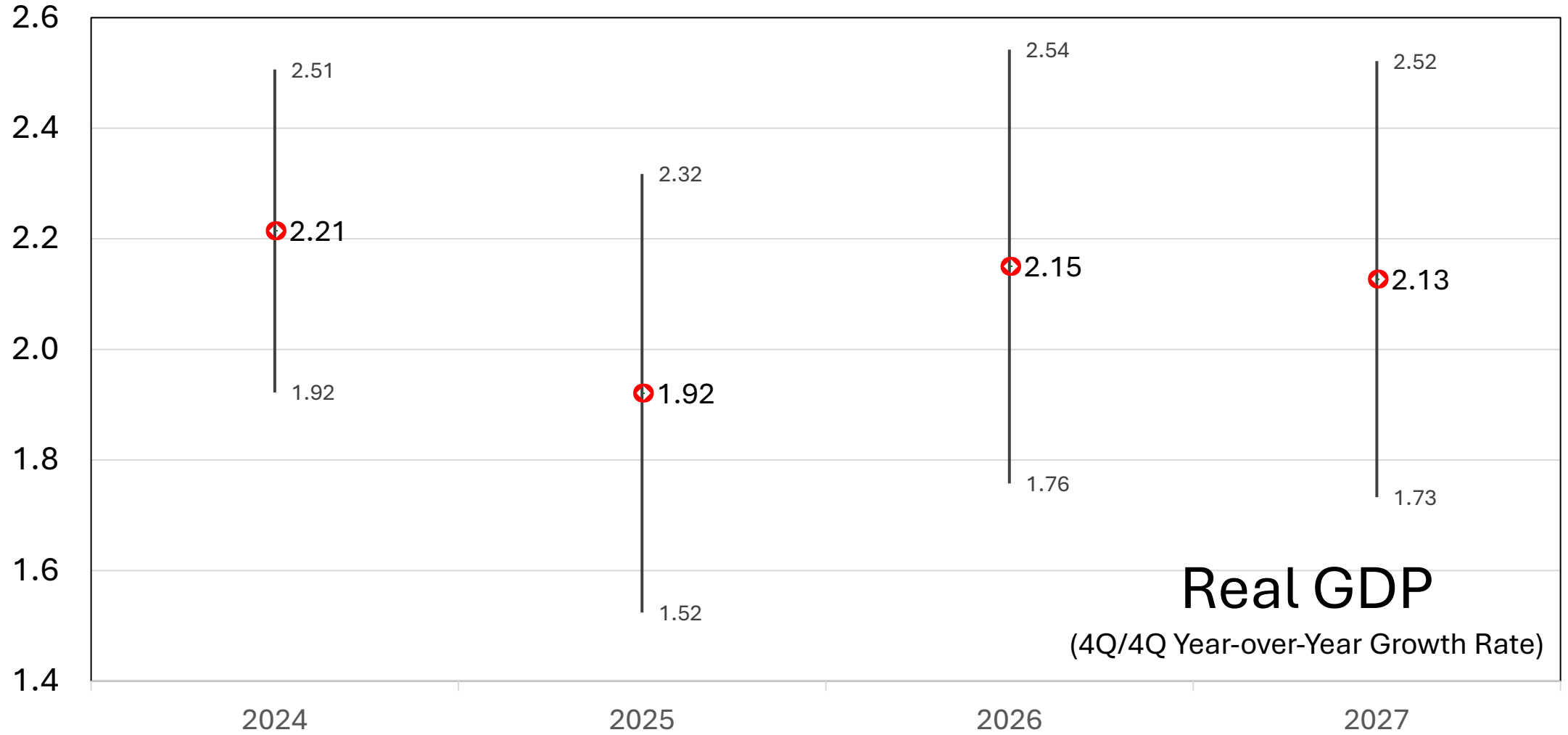


Real GDP

(Quarterly, Annualized Growth Rate)



Wall Street Journal Economic Forecast Survey (October 2024)

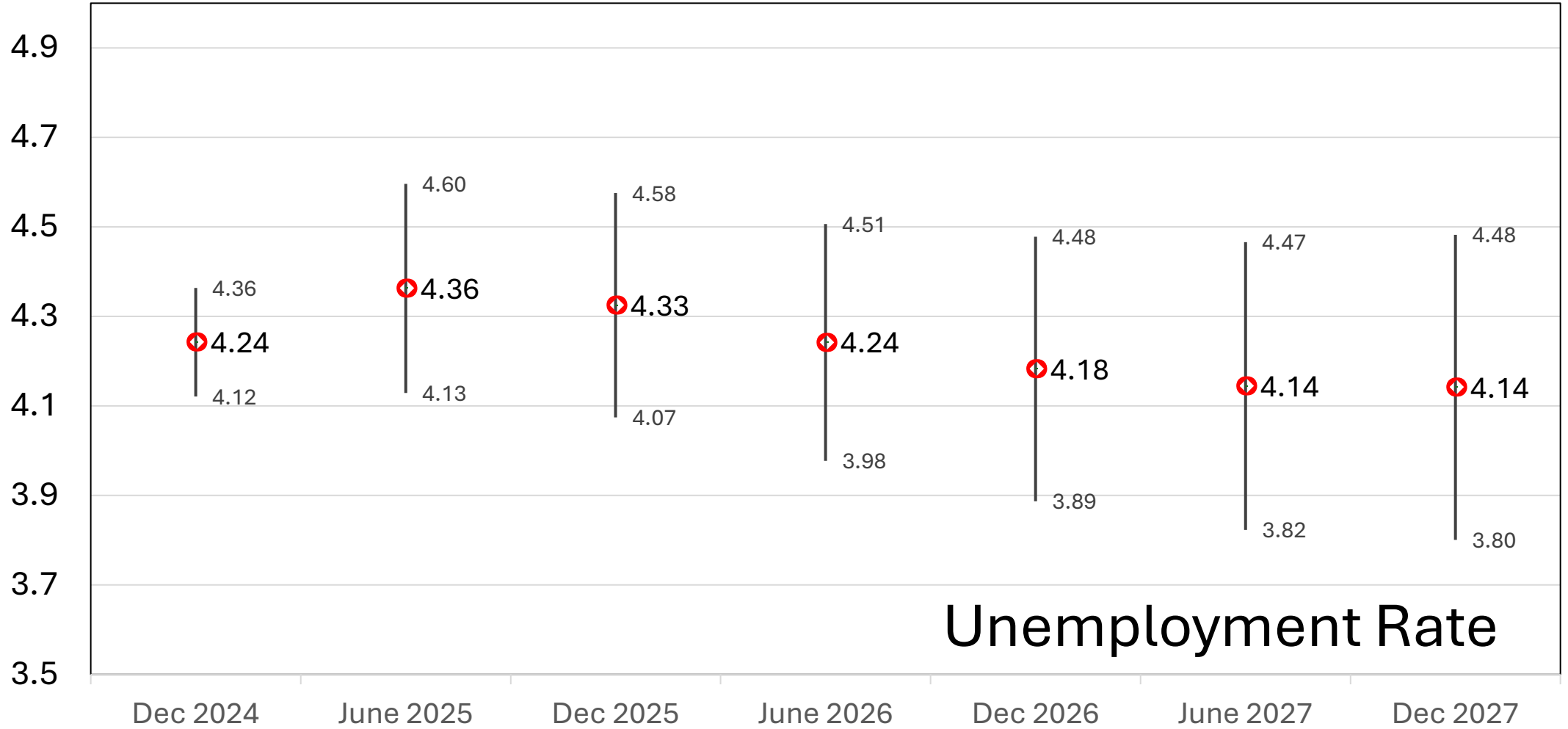


Real GDP

(4Q/4Q Year-over-Year Growth Rate)



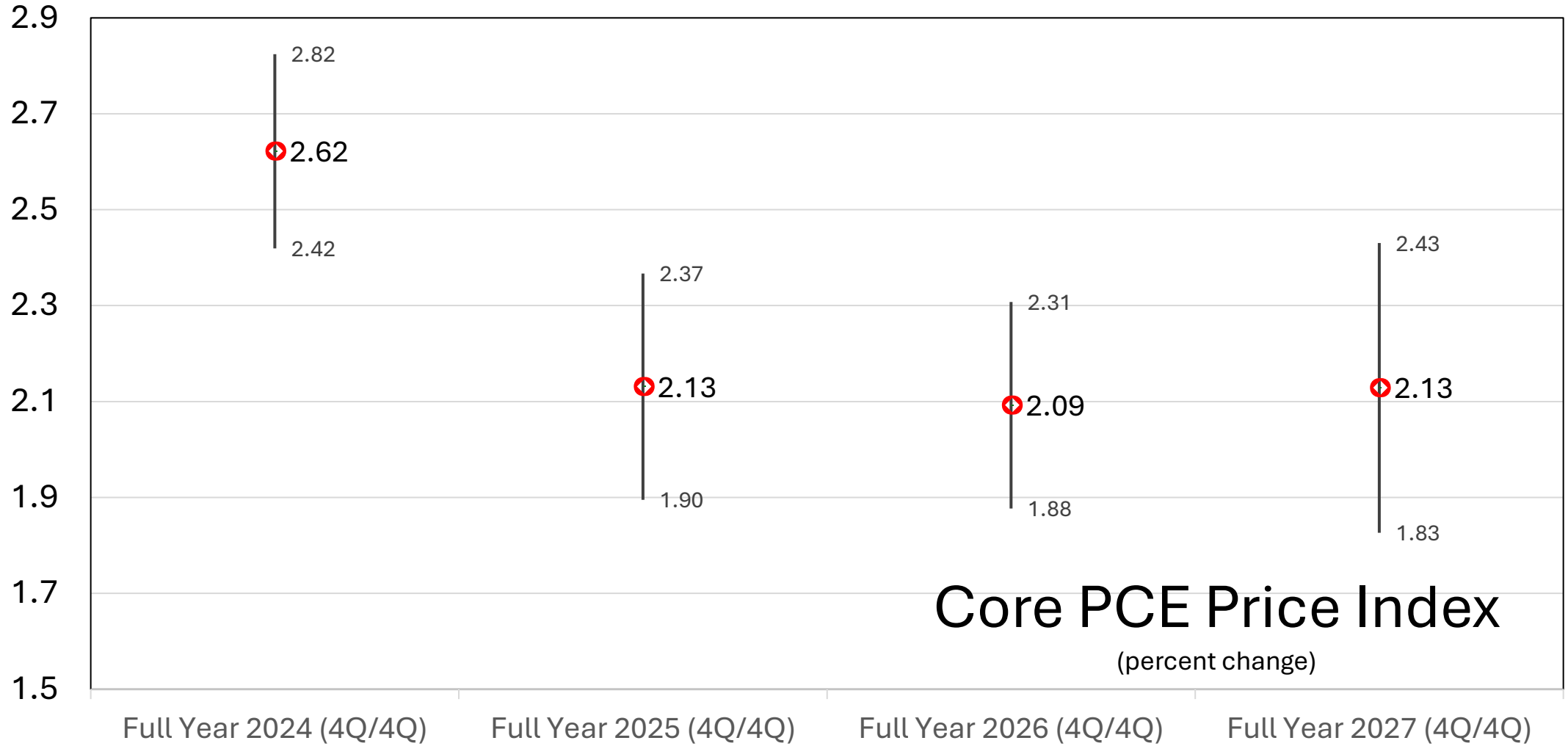
Wall Street Journal Economic Forecast Survey (October 2024)



Unemployment Rate



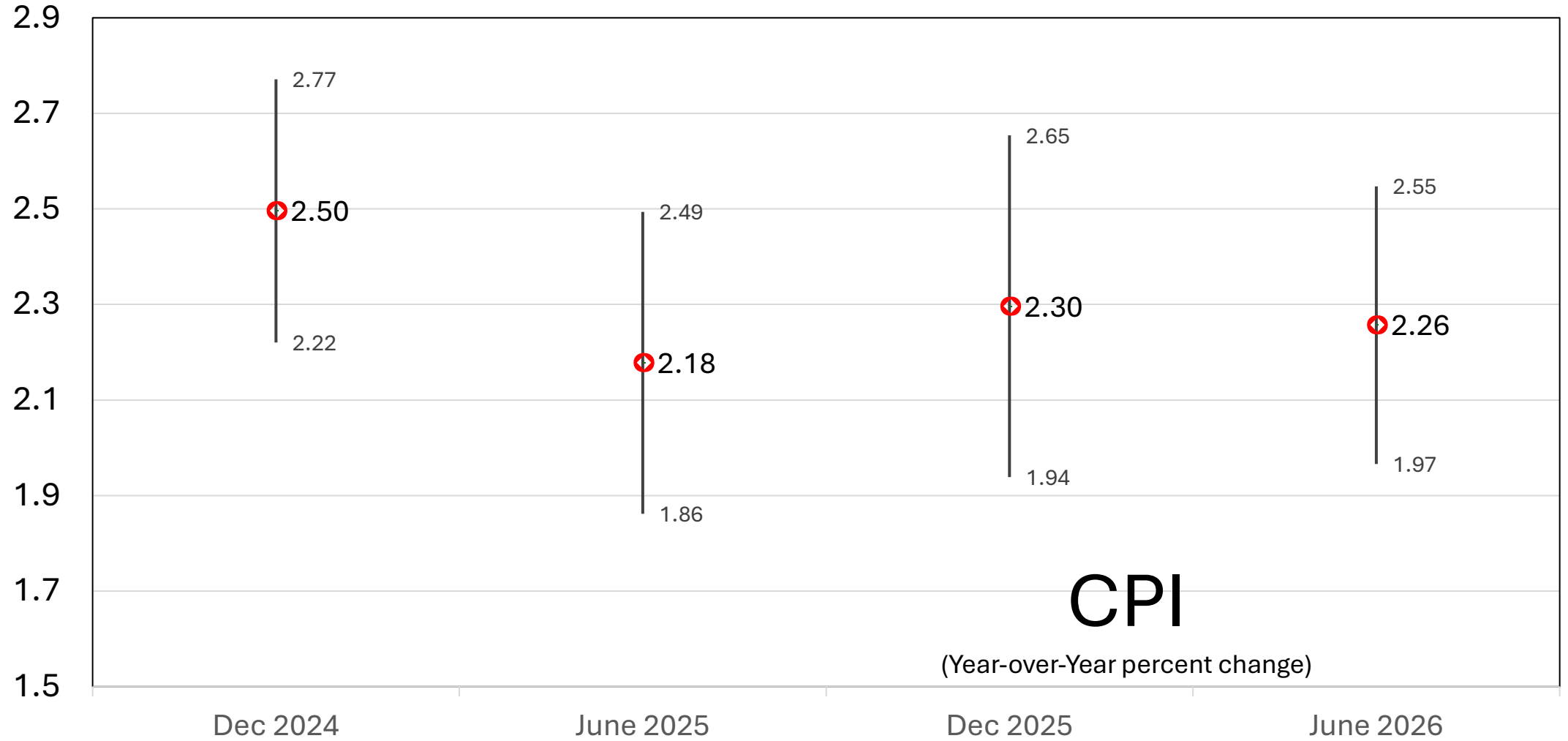
Wall Street Journal Economic Forecast Survey (October 2024)



Core PCE Price Index
(percent change)



Wall Street Journal Economic Forecast Survey (October 2024)

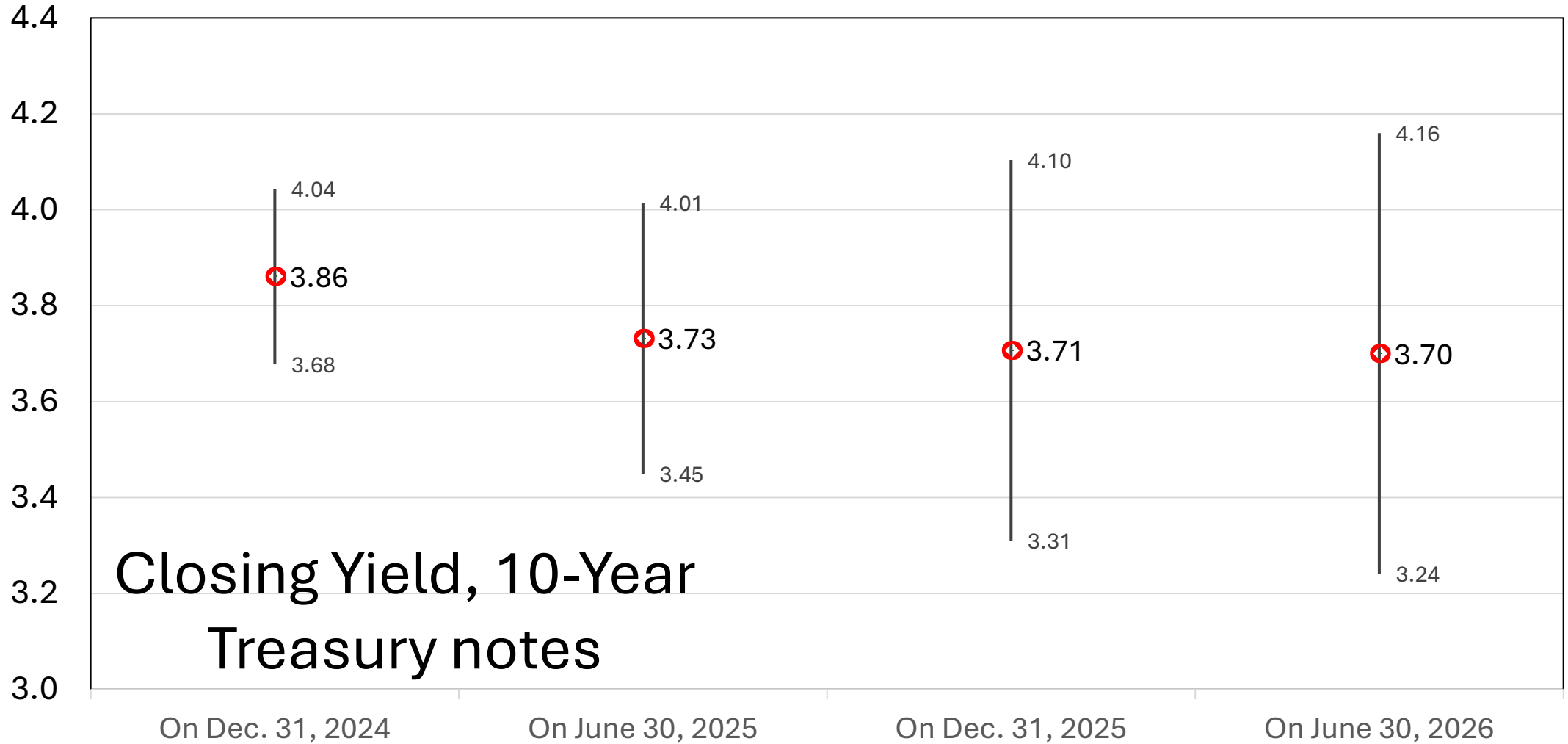


CPI

(Year-over-Year percent change)



Wall Street Journal Economic Forecast Survey (October 2024)

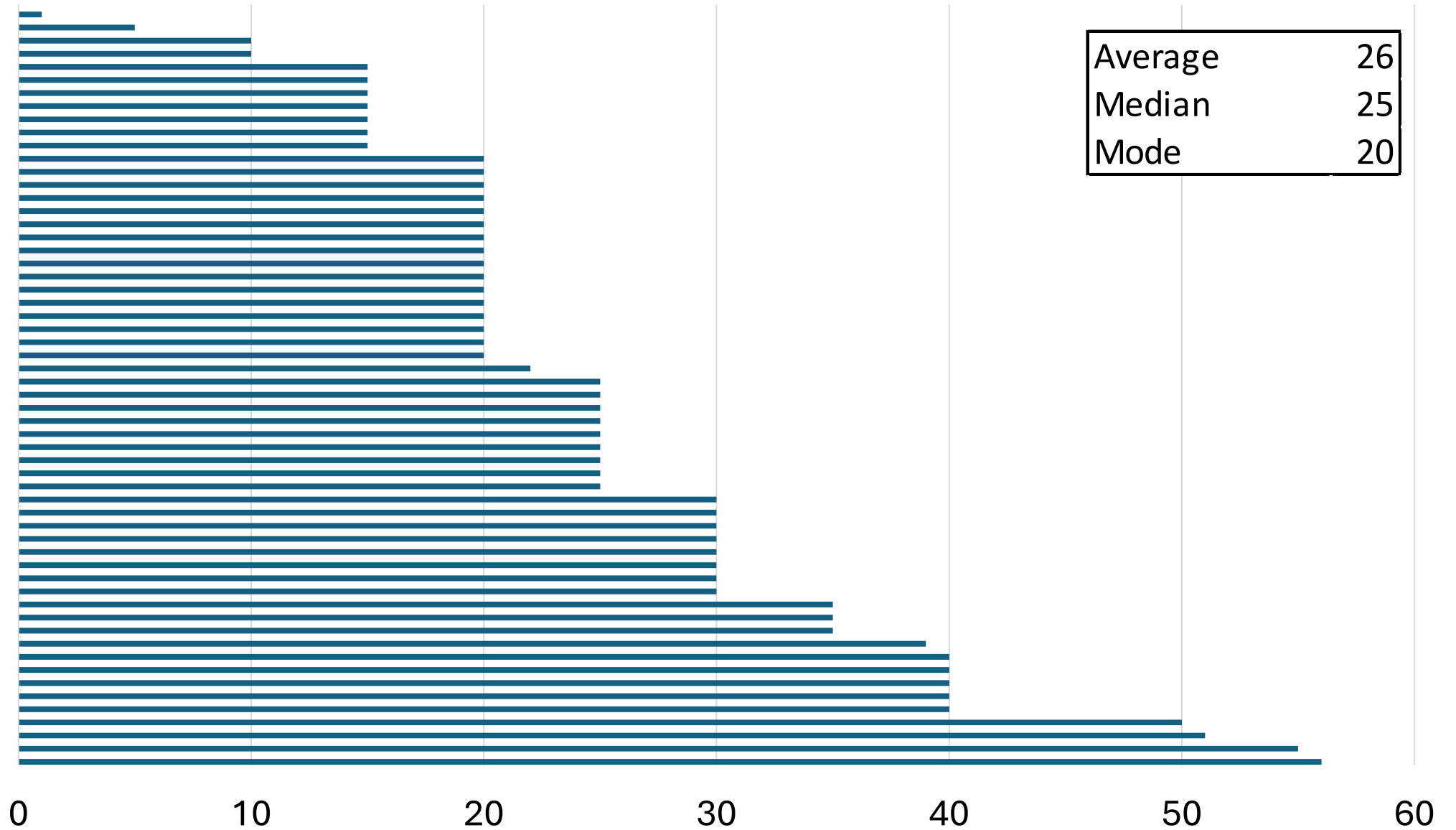


Closing Yield, 10-Year
Treasury notes



Wall Street Journal Economic Forecast Survey (October 2024)

Probability of a Recession Next 12 Months



- The immediate outlook for the economy looks good.
 - Reasonable unemployment and inflation rates.
 - Downward pressure on interest rates.
- Two of Trump's potential economic policies (tariffs and mass deportations) could threaten the positive economic outlook.
- Increased levels of stretch commuting, coupled with higher rates of hybrid work (i.e., remote work), coupled with proximity to Madison and relatively more reasonable housing costs places the Sauk-Prairie region in a unique position for sustained economic growth.
 - Will the supply of housing allow for that growth?



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