METRO MILWAUKEE ECONOMIC INSIGHTS

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MILWAUKEE 7 Regional Partnership

METRO MILWAUKEE ECONOMIC INSIGHTS

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Executive Summary

Steady Footing, but the Tailwinds Are Fading

The Milwaukee metro enters mid-2026 on steady ground, with a few mixed signals worth watching. Several fundamentals are still holding up. The unemployment rate runs below the nation's, home values are outperforming the national market, and the job market has stabilized. At the same time, some indicators are less favorable than they were earlier in the year. Inflation turned back up in early 2026, nudging costs higher again. Home-price growth has cooled. On the labor side, payroll employment remains just below year-ago levels, even as unemployment stays low. The net read is a metro that continues to hold steady, though with less momentum than earlier in the cycle.

WHERE THE REGION IS STRONG

- Unemployment rate below the nation. In April 2026, the metro unemployment rate was 3.7% and Wisconsin's was 3.4%, both below the national rate of 4.0%.
- Metro home prices still outpace the state and the nation on a year-to-date average. Averaged across January to May 2026, the metro's median listing price was up about 0.9% from the same period in 2025 (year-over-year average), compared with 0.2% for Wisconsin and −1.6% nationally.
- Construction and finance are still hiring. Comparing April 2026 with a year earlier, the metro added about 800 financial-activities jobs (+1.7%) and 600 construction jobs (+1.6%).
- Total nonfarm employment is stabilizing. After the year-over-year decline widened to about 1.5% in November 2025, it eased to roughly -0.9% by April 2026.

WHERE THE REGION IS BEING TESTED

- Inflation has turned higher again. National PCE inflation ended 2025 at 2.9% and reached 3.5% in March and 3.8% in April 2026, reversing the two-year decline from its 2022 peak. Producer prices rose too, signaling renewed cost pressure for businesses.

- Payrolls still below last year, and softer than the state. Metro nonfarm employment was about 0.9% below year-earlier levels in April 2026 versus 0.7% for Wisconsin, while national employment held roughly flat.
- More sectors lost jobs than gained. Six of the eleven major sectors sat below year-ago levels in April 2026, with the government sector down the most (about 2,600 jobs, −3.0%), followed by retail trade (about 2,100 jobs, −2.8%).

WHAT THIS RELEASE COVERS

The Insights read current conditions in the Milwaukee metro against Wisconsin and the United States across four areas (production, inflation, employment, and housing) with a Milwaukee 7 (M7) view in employment where county data allow. Each section looks at where the indicator has been and where it stands now.

The Spotlight examines the economic and demographic characteristics of the foreign-born population in Wisconsin and the Milwaukee metro area. Occasionally, comparisons are made to the nation and our border states. We find that immigrants play an important role in the economic success of the state and Milwaukee metropolitan area. The foreign-born are essential to help maintain population growth and increase the size of available labor within the state and metro region.

FUTURE RELEASE

Short-term forecasts return in the October 2026 release, with updated projections for the metro's key employment, wage, and housing indicators.

Current Economic Climate

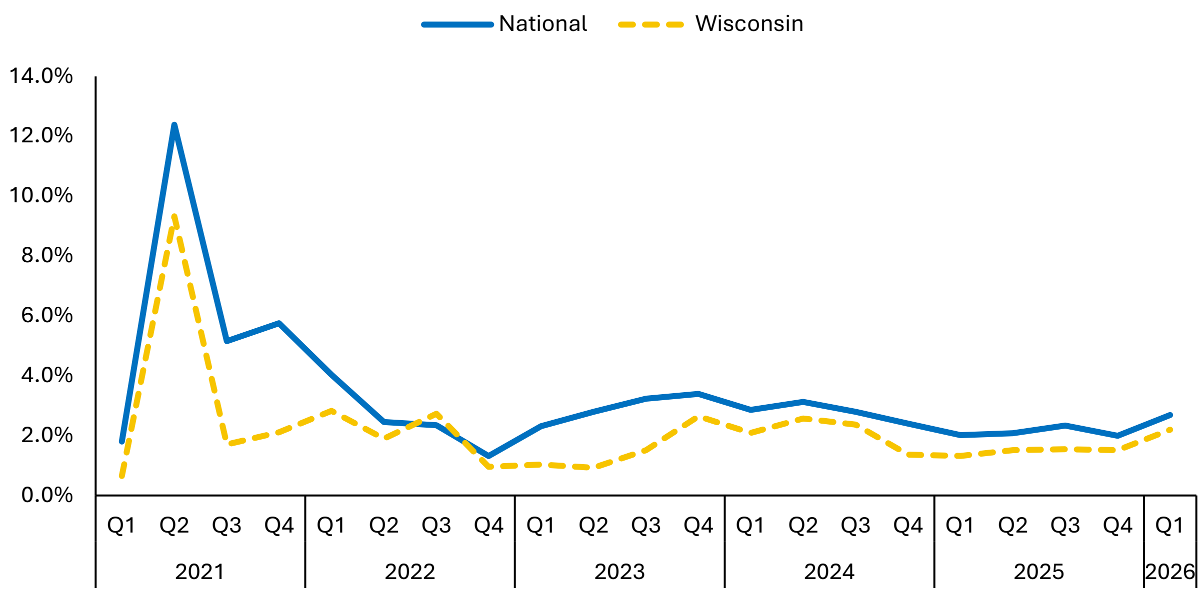
PRODUCTION

Wisconsin Growth Picked Up in Early 2026, but Still Trailed the Nation

What it is *Gross Domestic Product (GDP) is the broadest measure of economic output, the total value of everything a state produces. Real GDP strips out inflation so output can be compared fairly over time.*

On a year-over-year basis, national real GDP rose 2.7% to $24,180.4 billion at an annual rate in the first quarter of 2026. In Wisconsin, real GDP reached $363.1 billion at an annual rate, up from $362.3 billion in the fourth quarter of 2025 and 2.2% above its year-earlier level, trailing the national pace.

Figure 1. Year over Year Percentage Change in Chained Value GDP



Source: Bureau of Economic Analysis

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Business activity continues to expand, though Wisconsin trails the national growth rate. State real GDP reached $363.1 billion at an annual rate in the first quarter of 2026, up 2.2 percent from a year earlier, compared with 2.7 percent nationally. For business leaders, the economy is still growing, but the environment is more selective: productivity, operational efficiency, and targeted investment will matter more than broad momentum.

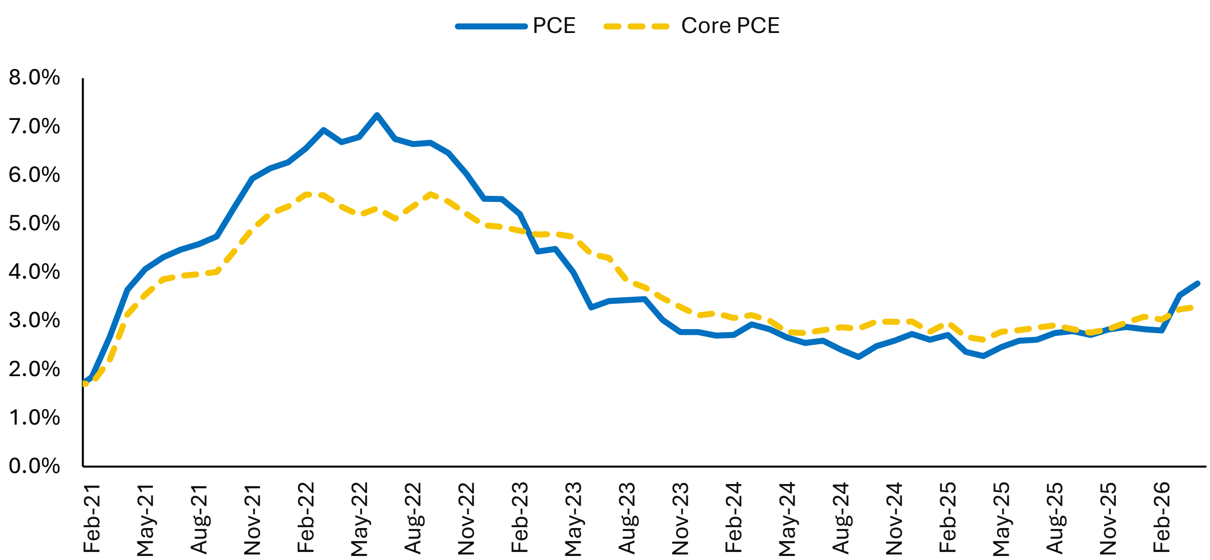
INFLATION

Consumer Inflation Ticked Back Up After Two Years of Cooling

What it is *The PCE price index tracks prices across a broad basket of what households buy. Core PCE leaves out food and energy, whose prices swing sharply month to month.*

National PCE inflation had been moving steadily lower through much of 2023 and 2024, but that progress has since reversed. Year-over-year PCE inflation rose to 2.9% by the end of 2025, then climbed to 3.5% in March 2026 and 3.8% in April. Core PCE followed a similar pattern, falling to 2.6% in April 2025 before moving back to about 3.0% at the end of 2025 and rising further to 3.3% in April 2026.

Figure 2. National Year over Year Percentage Change in PCE



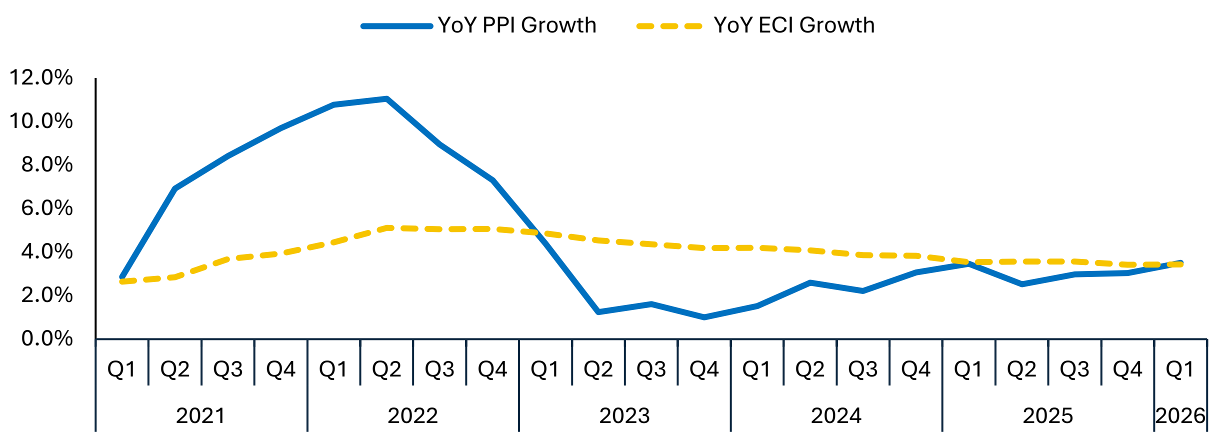
Source: Chained PCE, Federal Reserve Bank of St. Louis

Producer-Price Inflation Picks Up as Labor-Cost Growth Holds Steady

> **What it is** *The Producer Price Index (PPI) tracks the prices producers receive for what they sell, an early read on cost pressure working through the supply chain. The Employment Cost Index (ECI) tracks how fast employers' wage-and-benefit costs are rising.*

Producer-price inflation rose to 3.5% year over year in the first quarter of 2026, up from 3.0% in the fourth quarter of 2025. Labor-cost growth was steadier. The Employment Cost Index increased 3.4% year over year in the first quarter of 2026, unchanged from 3.4% in the fourth quarter of 2025.

Figure 3. National Year-over-Year Change in PPI and ECI



Source: Bureau of Economic Analysis

Notes: The PPI is released by the BLS monthly. To place these two producer cost indices on the same graph, we converted the monthly PPI measures to quarterly figures by taking the 3-month average.

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Inflation is back on the radar after two years of improvement. National PCE inflation rose from 2.9 percent at the end of 2025 to 3.8 percent in April 2026. Federal Reserve staff attributed the recent rise in inflation to several factors, including past tariff increases, higher energy and input costs associated with the Middle East conflict, and increased demand related to the AI buildout. Producer-price inflation climbed to 3.5 percent year over year in the first quarter, while labor-cost growth held steady at 3.4 percent. Business leaders should expect continued pressure on margins, compensation expectations, supplier costs, and operating decisions, especially where labor availability is already constrained.

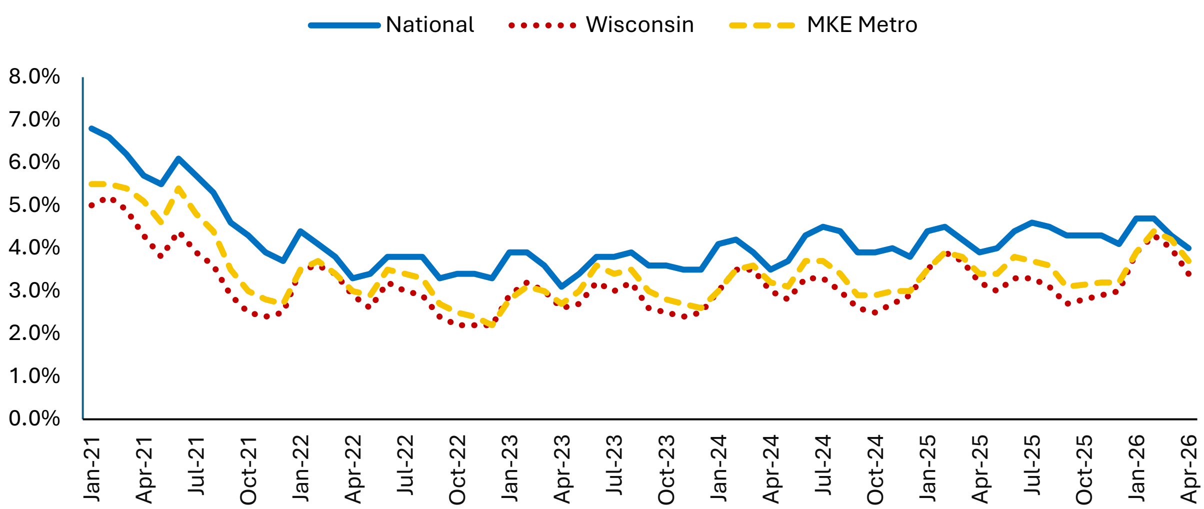
EMPLOYMENT

Local Unemployment Is Below the Nation, but by a Smaller Margin

What it is *The unemployment rate is the share of people who want a job and are looking but don't have one. These figures are not seasonally adjusted; the BLS does not publish a seasonally adjusted rate for the Milwaukee metro.*

Wisconsin and the Milwaukee metro continue to report lower unemployment rate than the United States overall, but by a smaller margin than at the start of the year. In April 2026, the unemployment rate was 3.7% in the metro and 3.4% in Wisconsin, compared with 4.0% nationally. In January, both the metro and Wisconsin were about 0.8 percentage point below the national rate. By April, those gaps had narrowed to 0.3 percentage point for the metro and 0.6 percentage point for Wisconsin. The local labor market remains tight by national standards, just less so than at the start of the year.

Figure 4. National, Wisconsin, and Metro Milwaukee Unemployment Rates



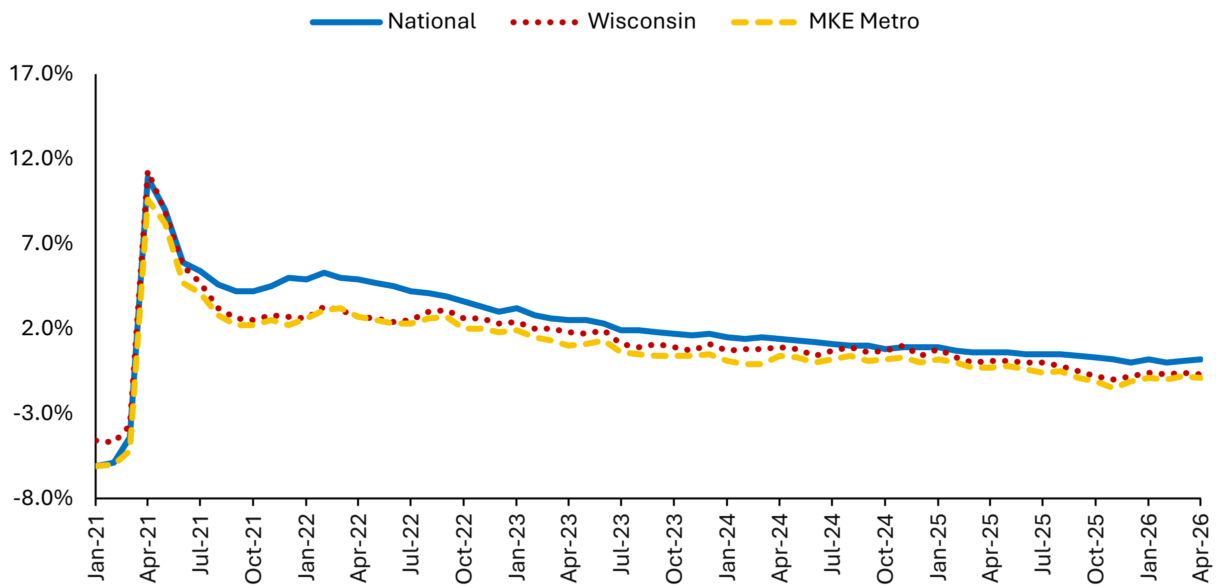
Source: Bureau of Labor Statistics

Notes: The data presented in Figure 4 are non-seasonally adjusted. This is because a seasonally adjusted unemployment rate for the Milwaukee-Waukesha MSA is not available from the BLS.

Hiring Momentum Is Softer Than Last Year

The unemployment rate and payroll employment send different but compatible signals. The metro's resident labor force was about 799,400 in April 2026, little changed from 800,500 a year earlier, so the low unemployment rate does not appear to reflect a large exit from the workforce. At the same time, payroll employment remains below year-earlier levels. Metro employers had about 850,600 jobs on the books in April 2026, roughly 7,800 fewer than a year earlier (−0.9%), and across Wisconsin down roughly 19,900 (−0.7%). Some of the declines may reflect slower replacement of departing workers or differences between where workers live and where jobs are counted.

Figure 5. Year over Year Percentage Change in Non-Farm Employment, Non-Seasonally Adjusted



Source: Bureau of Labor Statistics

The Public Sector and Trade See the Biggest Declines; Hiring Holds in Finance and Construction

Sector-level employment shows uneven patterns in the Milwaukee metro. In April 2026, six of the eleven major sectors were below their year-earlier levels. The largest declines were in government, down about 2,600 jobs (−3.0%), and retail trade, down about 2,100 jobs (−2.8%). Retail was part of a broader trade-and-logistics slowdown, with wholesale trade down about 1,100 jobs (−2.9%) and transportation and warehousing down about 1,400 jobs (−4.3%). Manufacturing was roughly stable, edging down about 700 jobs (−0.6%). At the state level, the pattern was similar, with trade-related sectors and government accounting for much of the decline.

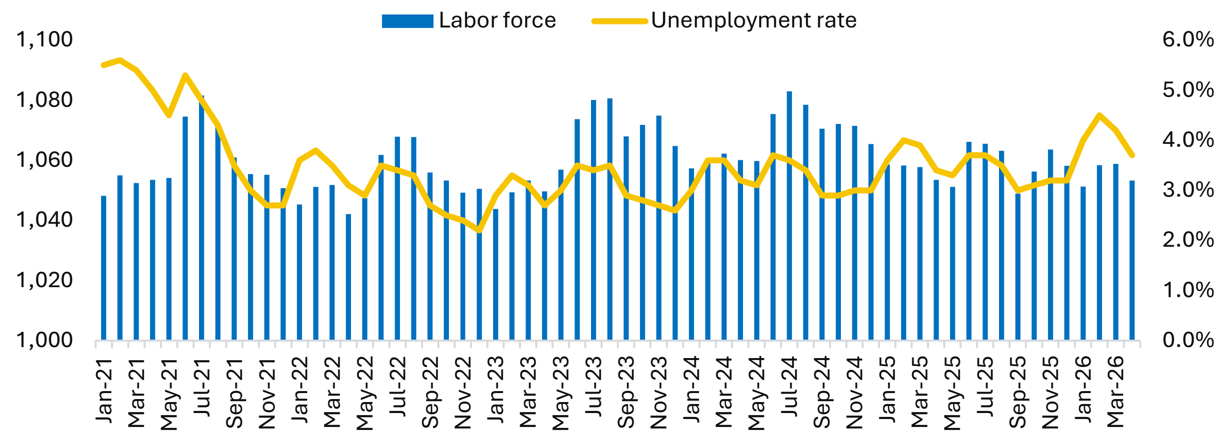
Job gains were more limited. Compared with April 2025, financial activities in the Milwaukee metro added about 800 jobs (+1.7%) by April 2026. Construction added about 600 jobs (+1.6%), while education and health services was essentially flat, adding about 100 jobs. Statewide, the larger gains over the same period came from education and health services, which added about 5,600 jobs (+1.1%), and construction, which added about 5,400 jobs (+3.8%).

M7’s Labor Market Remains Steady, with Jobs Anchored by Five Major Sectors

What it is *The Milwaukee 7 (M7) region comprises seven counties: Milwaukee, Waukesha, Ozaukee, Washington, Racine, Kenosha, and Walworth.*

For a seven-county read on the M7 region, we look at county-level labor-force and employment data. M7’s unemployment rate was 3.7% in April 2026, up modestly from 3.4% a year earlier. Conditions still vary from county to county. Milwaukee County (4.2%) and Racine County (4.0%) had higher unemployment than Ozaukee, Walworth, and Waukesha, which were around 2.9% to 3.0%.

Figure 6. M7 Labor Force and Unemployment Rate



Source: Bureau of Labor Statistics
Notes: Left axis = labor force (000s); right axis = unemployment rate (%).

The quarterly job-location QCEW data also point to mild softening, though with a longer reporting lag.[1] In the fourth quarter of 2025, M7 employment averaged about 1.017 million jobs, down roughly 2,000 jobs from a year earlier (−0.2%).

A longer labor-force view shows that from 2021 to 2024, the M7 population age 16 and over averaged about 1.64 million, while the labor force averaged about 1.06 million, leaving roughly 580,000 residents outside the labor force. That puts the region's average labor force participation rate at about 64.7%, meaning roughly two

[1] Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), summed across the seven M7 counties.

of every three residents age 16 and over were working or looking for work.[2] The region's labor force participation rate is above the national average of about 62.3% over the same 2021–2024 period.

The region's job base is anchored by five major sectors. In 2025, education and health services was the region's largest sector, averaging about 238,000 jobs, or roughly one in four M7 jobs. Trade, transportation, and utilities followed at about 194,000 jobs, with manufacturing at about 145,000, professional and business services at about 132,000, and leisure and hospitality at about 108,000. Together, these five sectors accounted for about four of every five M7 jobs.[3]

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Low unemployment continues to mask a more complicated hiring environment. Metro Milwaukee's unemployment rate was 3.7 percent in April 2026, comparing favorably to the national rate of 4.0 percent, but payroll employment remained about 7,800 jobs below year-earlier levels, a decline of 0.9 percent. The labor force was little changed over that period, so the issue is not a broad exit from work. For business leaders, the labor market remains tight, but also more selective and uneven by sector.

M7 Competitiveness Insights

Workforce capacity is a real constraint on the region's growth. The M7 unemployment rate was 3.7 percent in April 2026, with labor force participation above the national average from 2021 to 2024. Much of the available workforce is already engaged. Future competitiveness will depend less on finding untapped local labor and more on growing the pool through talent retention, in-migration, immigration, and stronger alignment between industry demand and workforce pipelines.

[2] Labor force from BLS Local Area Unemployment Statistics (LAUS), annual average of monthly county data summed across the seven counties; population age 16 and over from the Census Bureau Population Estimates Program (Vintage 2024). The population estimate covers total residents, including armed forces and institutionalized persons, while the LAUS labor force covers the civilian noninstitutional population, so the rate is approximate and likely slightly understated.

[3] Source: BLS Quarterly Census of Employment and Wages (QCEW), 2025 annual average employment, summed across the seven M7 counties. These figures are not directly comparable to the metro sector data elsewhere in this report, which come from the BLS Current Employment Statistics (CES) survey for the four-county Milwaukee metro. The two programs differ in geography, timing, and sector definitions. For example, CES groups all public employees under government, while QCEW counts public school and hospital workers within education and health services. County-level QCEW figures also omit some employment due to data suppression.

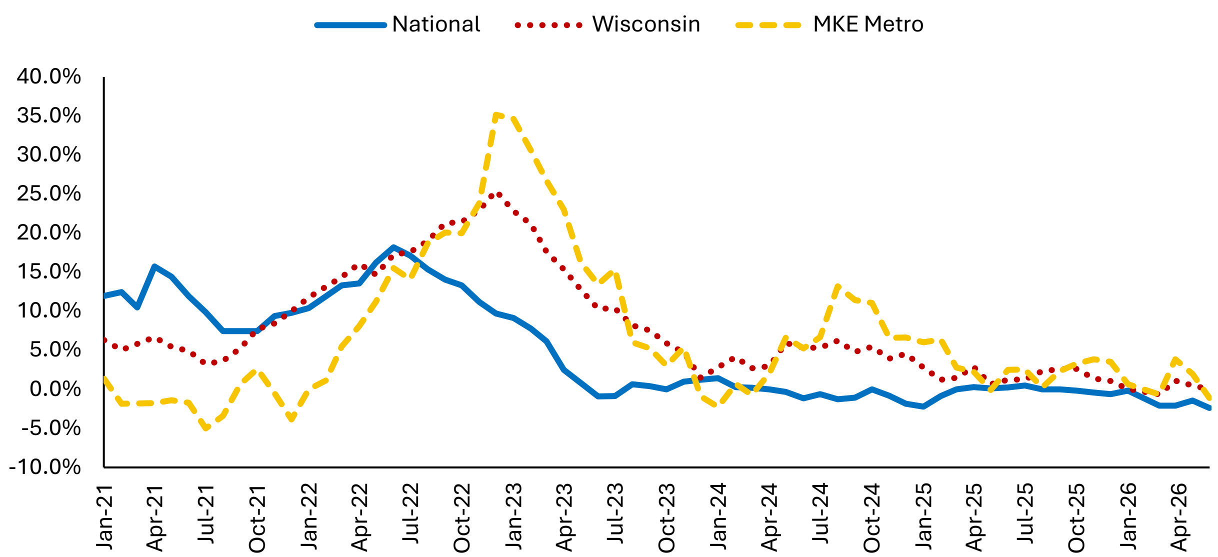
HOUSING

Metro Home-Price Growth Has Cooled, but Still Outpaces the State and Nation

The metro's strong run of price gains has cooled, but local prices are still holding up better than the national market where listing prices are falling.

Recent monthly readings have been uneven. Metro year-over-year growth moved from nearly 4% in March to about −1% in May. Even with that swing, across January–May 2026 the metro still averaged 0.9% year-over-year, versus about 0.2% in Wisconsin and −1.6% nationally.

Figure 7. Year over Year Percentage Change in Median Listing Price



Source: realtor.com

Slower Price Growth Reduces One Source of Affordability Pressure

April's Insights noted that fast-rising home prices could strain affordability for lower-paid workers and prospective new hires. With metro price growth now slowing down, that pressure has eased somewhat. Housing affordability remains a concern, but home prices are no longer adding the same year-over-year strain that they were earlier in the cycle.

M7 Competitiveness Insights

Housing remains both an asset and a constraint. Stronger local home-price performance reinforces the region's stability and appeal, but limited affordability and supply can restrict its ability to accommodate future workforce growth. Regions that pair job growth with accessible housing will be better positioned to attract workers and support business expansion.

Economic Spotlight: The Foreign-Born Population in Wisconsin

Introduction

While the United States is often described as a nation of immigrants, the debate concerning the economic consequences of immigration is ubiquitous across time. Economists have studied whether increases in the foreign-born population reduce the wages of their native-born counterparts, increase female labor force participation, and benefit the overall economy. These studies are important due to their policy ramifications. During the past 200 years, Congress and the President have passed laws and signed memoranda that altered how, and which, immigrants can enter the country. The Chinese Exclusion Act of 1882 suspended immigrant laborers from China. The Emergency Quota Act of 1921 placed quotas on immigrants based on nation of origin. The 1965 Immigration and Nationality Act eliminated the national quota system. The Act replaced the quota system by allowing immigration based on relationships with US employers, citizens, and lawful permanent residents.[4] Deferred Action for Childhood Arrivals is an executive memorandum issued in 2012 that allowed individuals who were brought to the US illegally while a minor to receive some protection from deportation and the ability to receive a work permit.[5] Most recently, the Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14 (i.e., the Big Beautiful Bill) provided roughly $170 billion in additional funds for immigration and border enforcement. Therefore, understanding the economic consequences of immigration is important as considerable resources have been dedicated to managing the immigration process.

Given the importance of understanding the economics of immigration, this Spotlight uses data to provide insight into the characteristics of Wisconsin's foreign-born population. In what follows, we use data from the 5-Year American Community Survey (ACS) to describe the demographic and economic characteristics of the foreign-born in Wisconsin and the Milwaukee metro area. In some cases, we make comparisons to the US average, and we also make comparisons to Wisconsin's border states. Whenever a specific year is not listed in the graphs below, the data are from the 5-year ACS in 2024.

We hope you find the information below interesting and useful.

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[4] All of these examples come from: Migration Policy Institute. 2013. Major Immigration Laws: 1970 – Present. https://www.migrationpolicy.org/sites/default/files/publications/CIR-1790Timeline.pdf
[5] Cohn, D'Vera. 2015. How US immigration laws and rules have changed through history. Pew Research Center. https://www.pewresearch.org/short-reads/2015/09/30/how-u-s-immigration-laws-and-rules-have-changed-through-history/

How Many Foreign-Born and from Which Countries

The percentage of Wisconsin's foreign-born is relatively small and has been increasing over time (figure 1). The foreign-born constituted 4.6% of Wisconsin's population in 2010, and this number increased to roughly 5.2% by 2024, which represents a 13% increase. These numbers are small relative to the nation and Wisconsin's border states. As of 2024, the foreign-born constituted 14.75% of Illinois' population, 6.3% of Indiana's, 5.9% of Iowa's, 7.23% of Michigan's, and 8.67% of Minnesota's population. Nationally, the foreign-born make up 14%. The growth in the percentage of foreign-born residents is higher in our border states. From 2010, the percentage of the foreign born increased 21% in Michigan, 23% in Minnesota, 41% in Indiana, and 43% in Iowa. The only border state with a lower growth rate in the percent foreign-born is Illinois, 8%.

While the foreign-born make up a small percentage of Wisconsin's population, they are a major contributor to Wisconsin's population growth. Between 2010 and 2024, the native-born population in Wisconsin increased by 4.2% compared to a 19% growth in the foreign-born population.

Immigrants constitute a somewhat larger percentage of the population for the Milwaukee metropolitan area when compared to the state overall. However, the growth in the number of foreign born is significantly more important for population growth for the metro. The native-born population has grown only 0.75% between 2010 and 2024. This contrasts with a 17% increase in the number of foreign born. Population growth is important for expanding the customer base and labor pool for businesses and expanding the tax base for governments.

The profile of the region of origin of the immigrant population for Wisconsin is similar to that of the Milwaukee metro (figure 2). As of 2024, 76% of the foreign born in Wisconsin come from either Latin America or Asia. That same number for the Milwaukee metropolitan area is 75%. 14% of immigrants come from European countries.

Figure 1: Percent of Foreign-Born Population Over Time

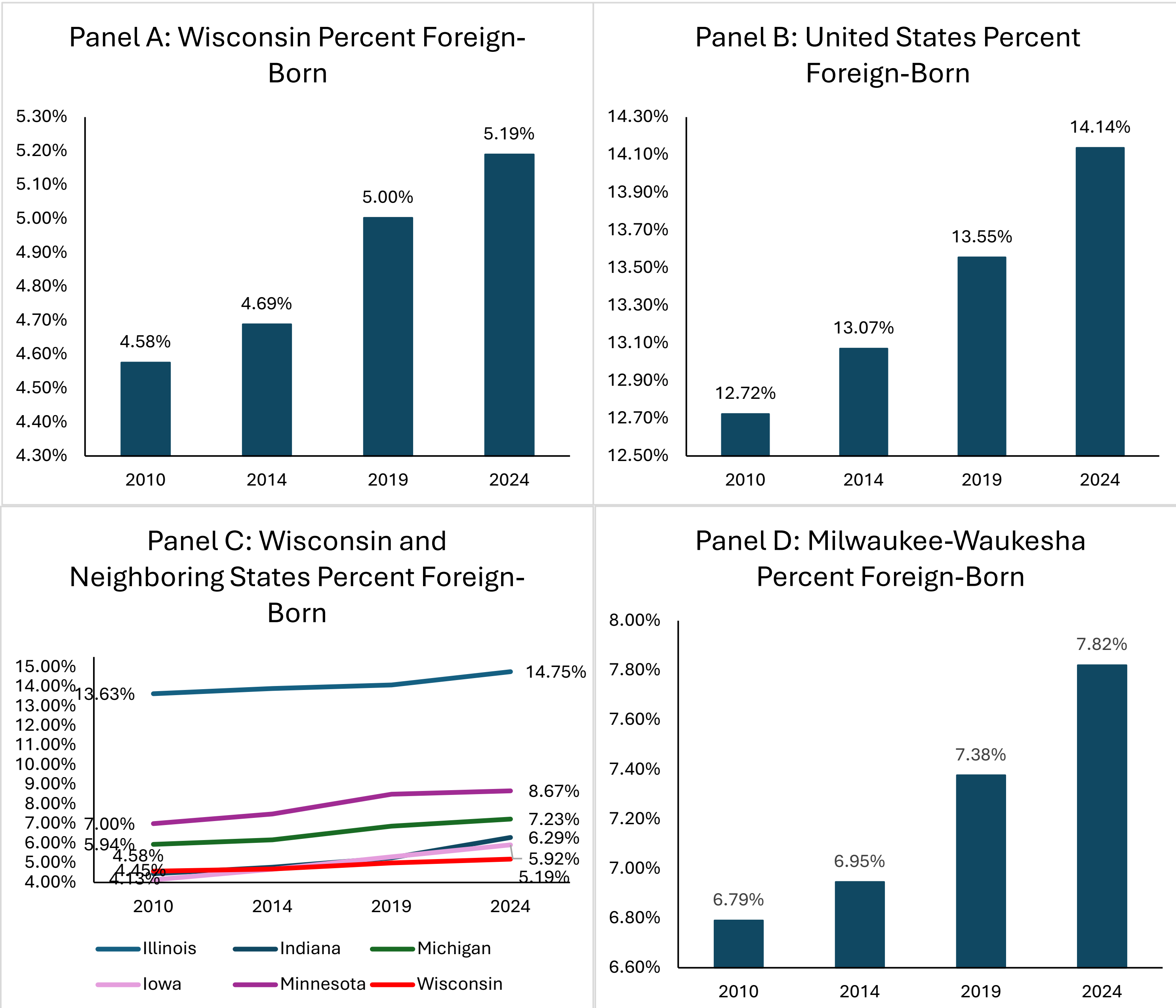
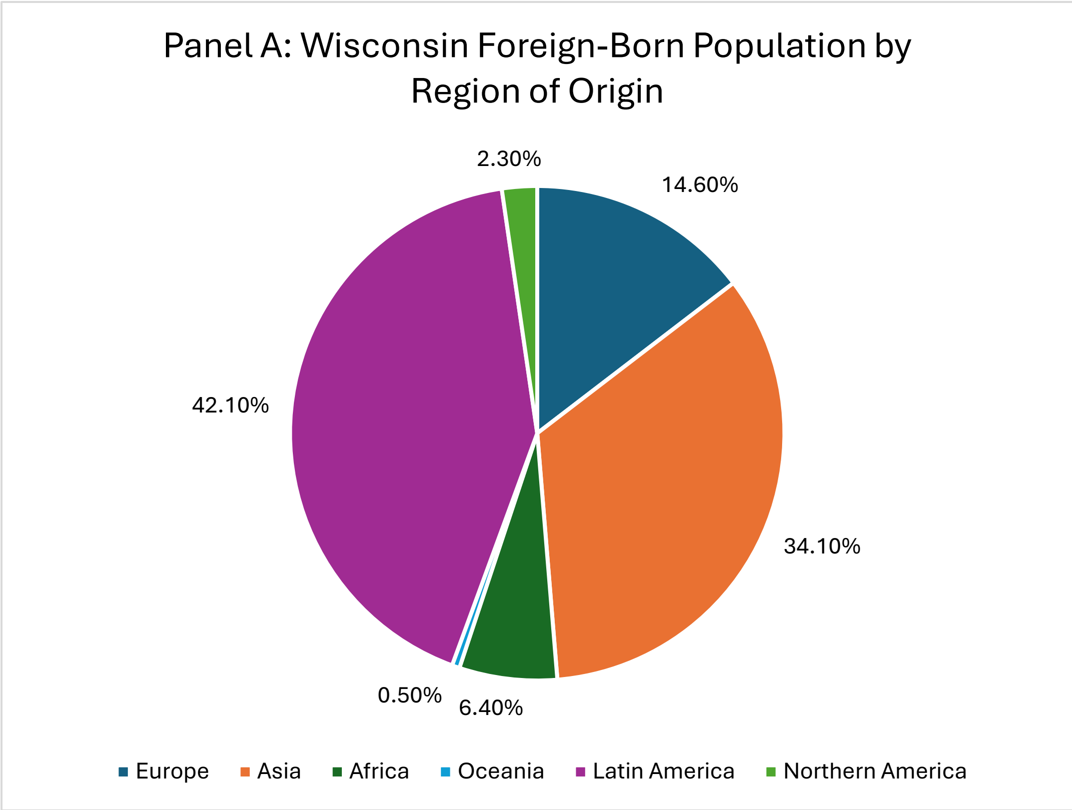
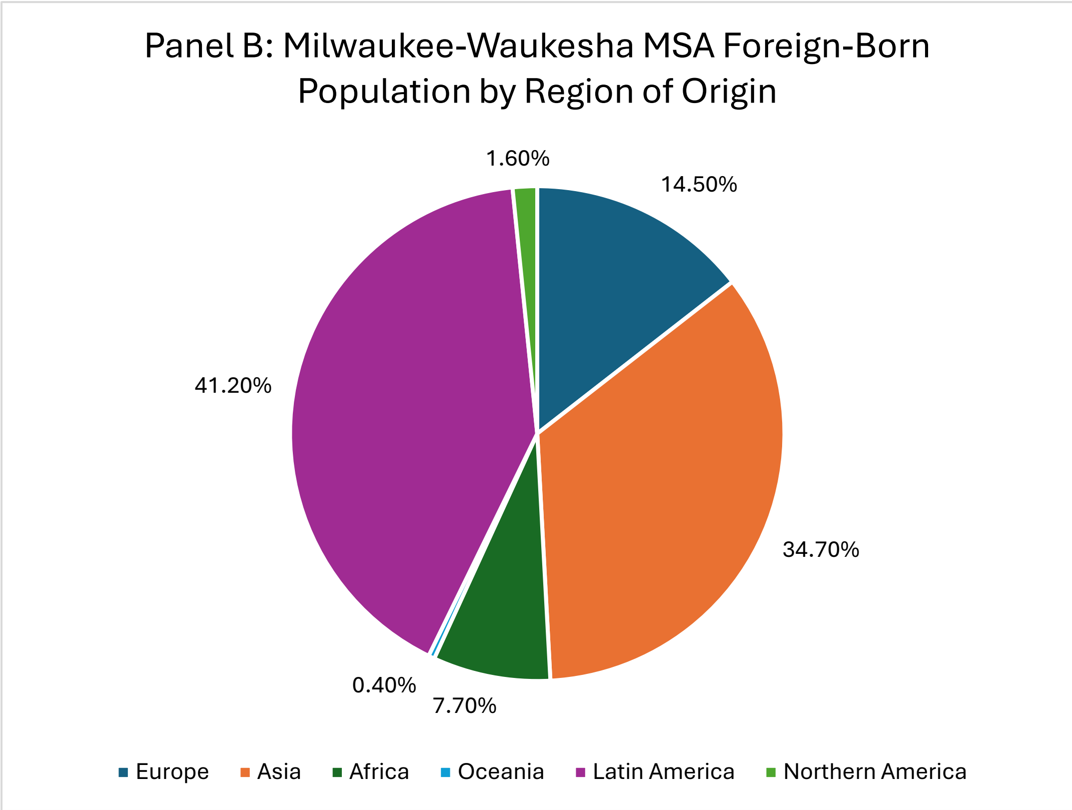


Figure 2: Region of Origin





Demographic Characteristics

As of 2024, the foreign-born tend to be older, on average, than their native-born counterparts (figure 3). In Wisconsin, the median age for those born in the US is 40, compared with nearly 43 for those born outside the country. That immigrants are older compared to the native-born is true regardless of which border state examined.

The reason that immigrants' median age is larger is that the overwhelming majority of the foreign-born are of prime working age, 25-54 years old. In the state, 59% of the immigrant population falls within their prime working years. This contrasts with only 36% of native-born residents. Therefore, as a percentage of their respective populations, immigrants are over-represented in this very important age range relative to natives. The reason immigrants are over-represented in this age range is because most come to the US when they are relatively older.[6] Nationally, as of 2019, the average age of immigrants newly arrived to the US was 31 years old.[7] Age of arrival has increased significantly. In 2000, the average age was 26.

While immigrants are more likely to be of prime working age, as of 2024, they currently have less education relative to their native-born counterparts (figure 4). For both the state and the Milwaukee metro region, the percentage of immigrants with less than a high school diploma or GED is roughly 24%. This compares to 5% of native-born. The foreign-born are less likely to have a diploma or GED, have received some college education/associate's degree, or have completed a bachelor's degree. While, on average, immigrants are less likely to attend college, they are more likely to have advanced levels of education. For both the state and the Milwaukee metro, 17% of immigrants hold graduate and professional degrees.

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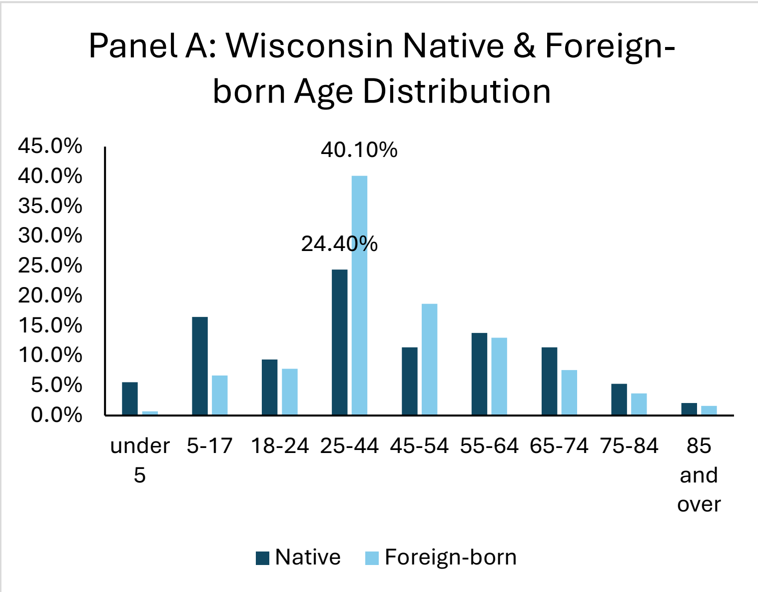
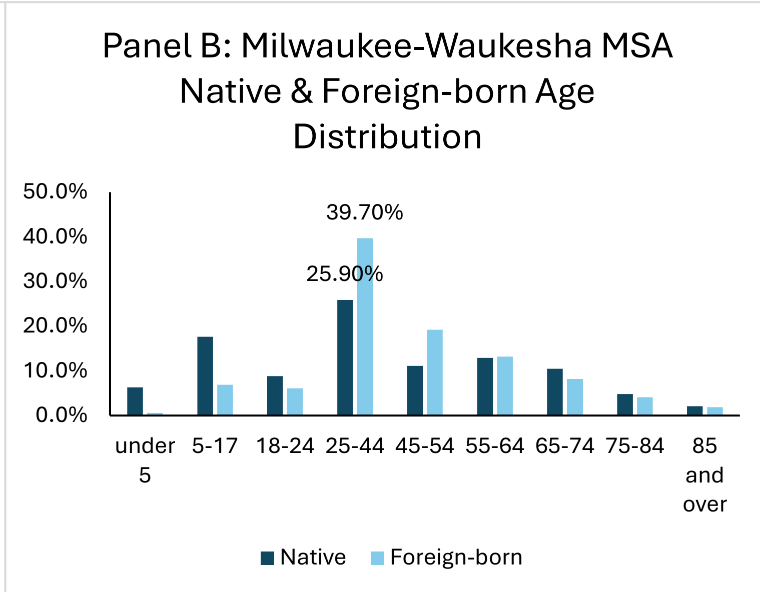
[6] Batavola, Jeanne. 2026. Frequently Requested Statistics on Immigrants and Immigration in the United States. Migration Policy Institute. https://www.migrationpolicy.org/article/frequently-requested-statistics-immigrants-and-immigration-united-states.

[7] Camarota, Steven A, and Zeigler, Karen. 2021. Immigrants Coming to America at Older Ages: A Look at Age at Arrival Among New Immigrants, 2000 to 2019. Center for Immigration Studies. https://cis.org/Report/Immigrants-Coming-America-Older-Ages.

Figure 3: Age Distribution of Native and Foreign-Born





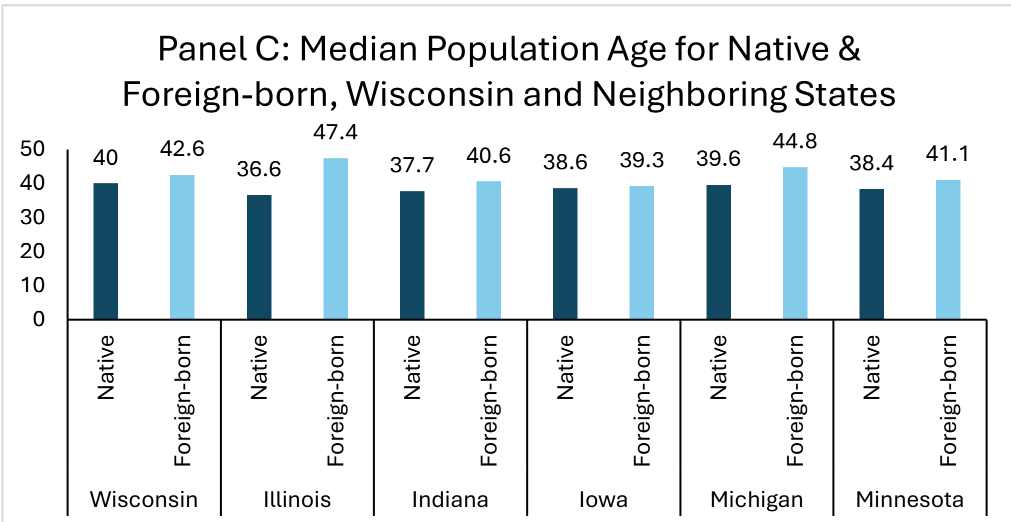
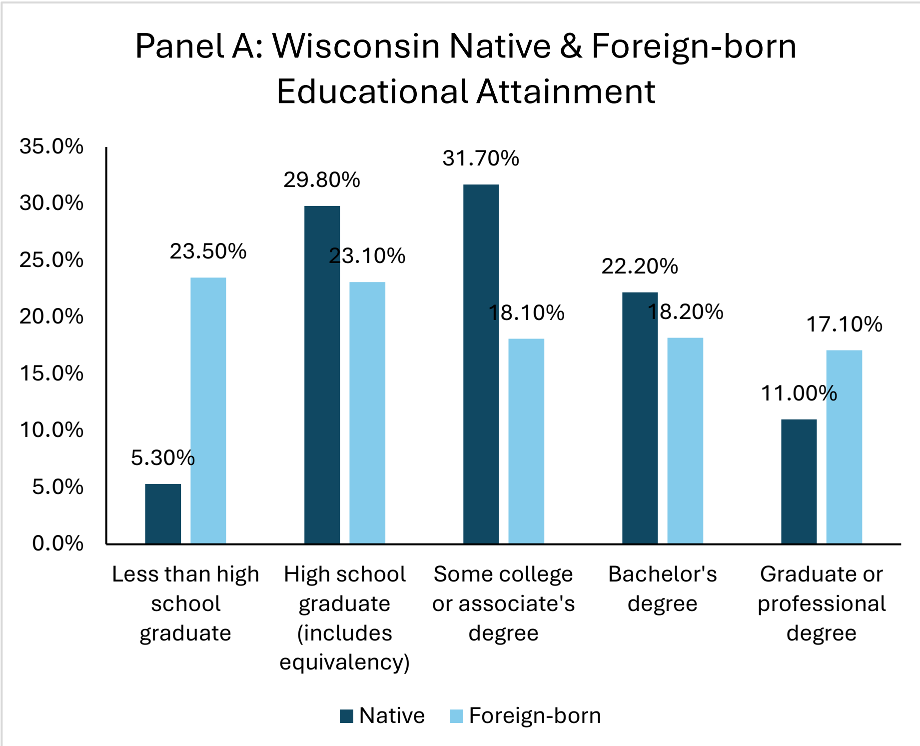
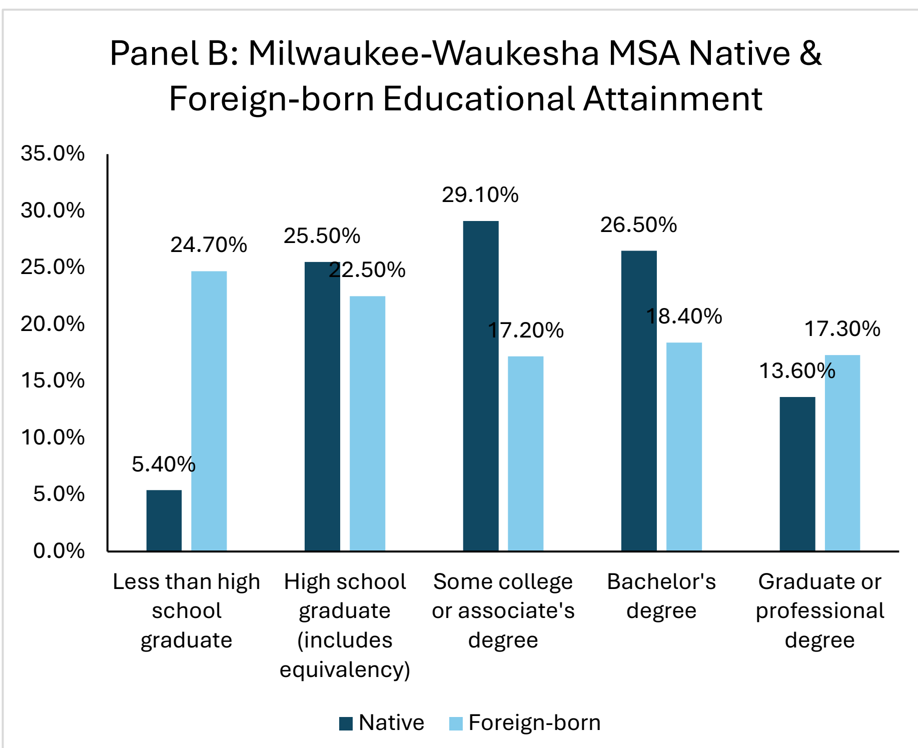


Figure 4: Educational Attainment





Economic Characteristics

With immigrants having a higher percentage of working-age individuals, it is unsurprising that immigrants have higher labor force participation rates relative to the native-born population (figure 5). In 2024, for both Wisconsin and the Milwaukee metro area, the labor force participation rate of the foreign-born is roughly 70%; it is only 65% for natives. This pattern of higher immigrant labor force participation holds true for each of Wisconsin's border states. These numbers compare well with the nation. In 2024, the US labor force participation rate was 62% for native-born workers and 67% for immigrants. Therefore, in Wisconsin, a higher percentage of immigrants and natives participate in the labor force relative to the nation as a whole.

In Wisconsin and the Milwaukee metropolitan area, the immigrant and native unemployment rates are relatively low, around 3% as of 2024 (figure 6). As with labor force participation, Wisconsin compares well relative to the nation. In 2024, the US national unemployment rate was 5.3% for native-born and 4.9% for immigrants. Moreover, Wisconsin compares well with each border state. Wisconsin's native and immigrant unemployment rates are lower than their corresponding rates in each border state.

The foreign-born work in a variety of industries (figure 7). However, in Wisconsin, nearly half work in manufacturing (24%) and education, health care, and social assistance services (22%). The industry distribution is similar for the Milwaukee metro area. Only a small percentage of immigrants work in construction, roughly 5% - 6% for both the state and metro area. Relative to native-born workers, immigrants are more likely to work in service, production, transportation, and material moving occupations (figure 8). Despite age, educational, and occupational differences between natives and immigrants, they tend to have similar incomes. The median household income for natives in Wisconsin and the Milwaukee metro region in 2024 was approximately $78,000 compared to roughly $73,000 for the foreign-born (figure 9).

Figure 5: Labor Force Participation Rates by Nativity Status

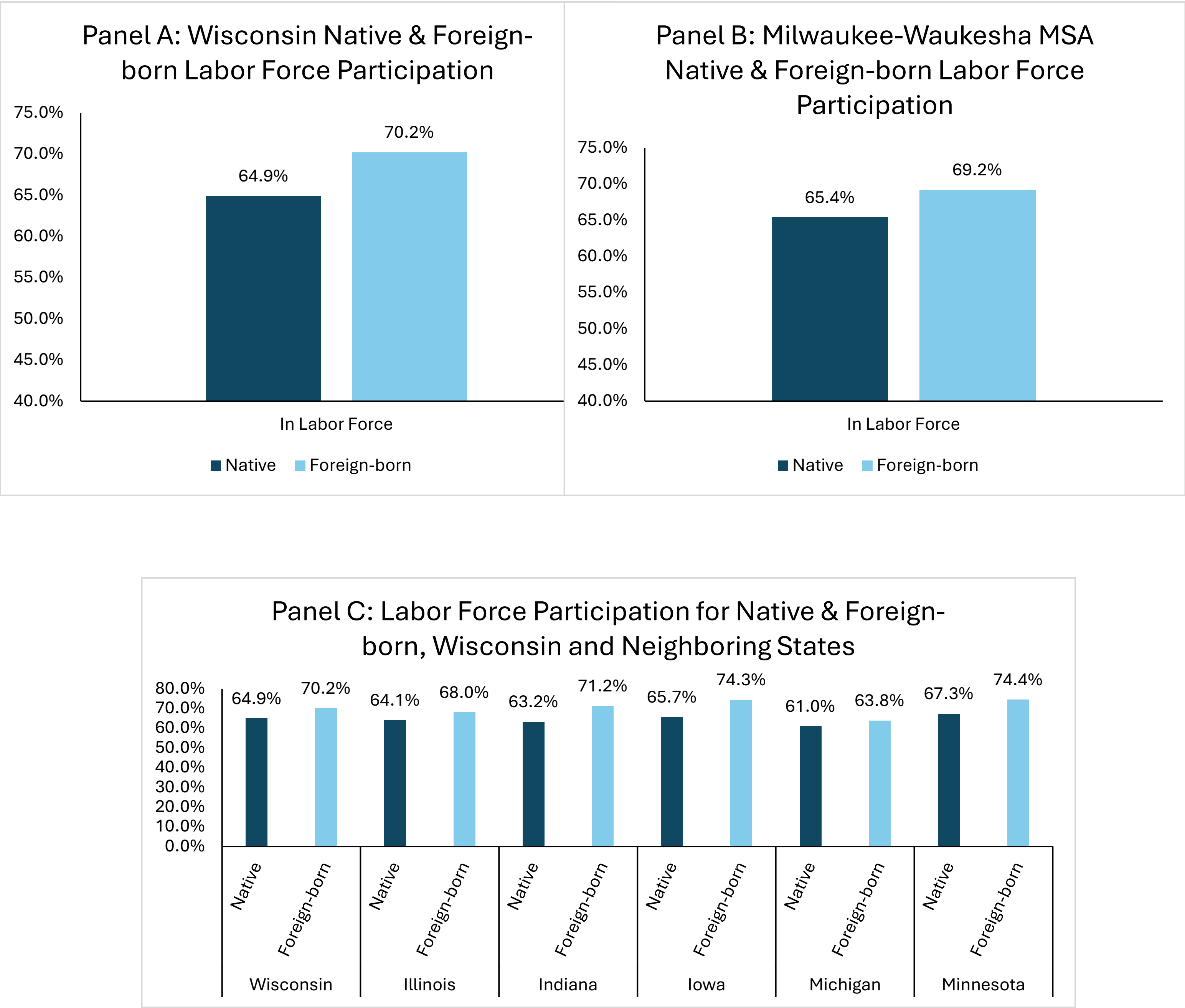


Figure 6: Unemployment Rates by Nativity Status

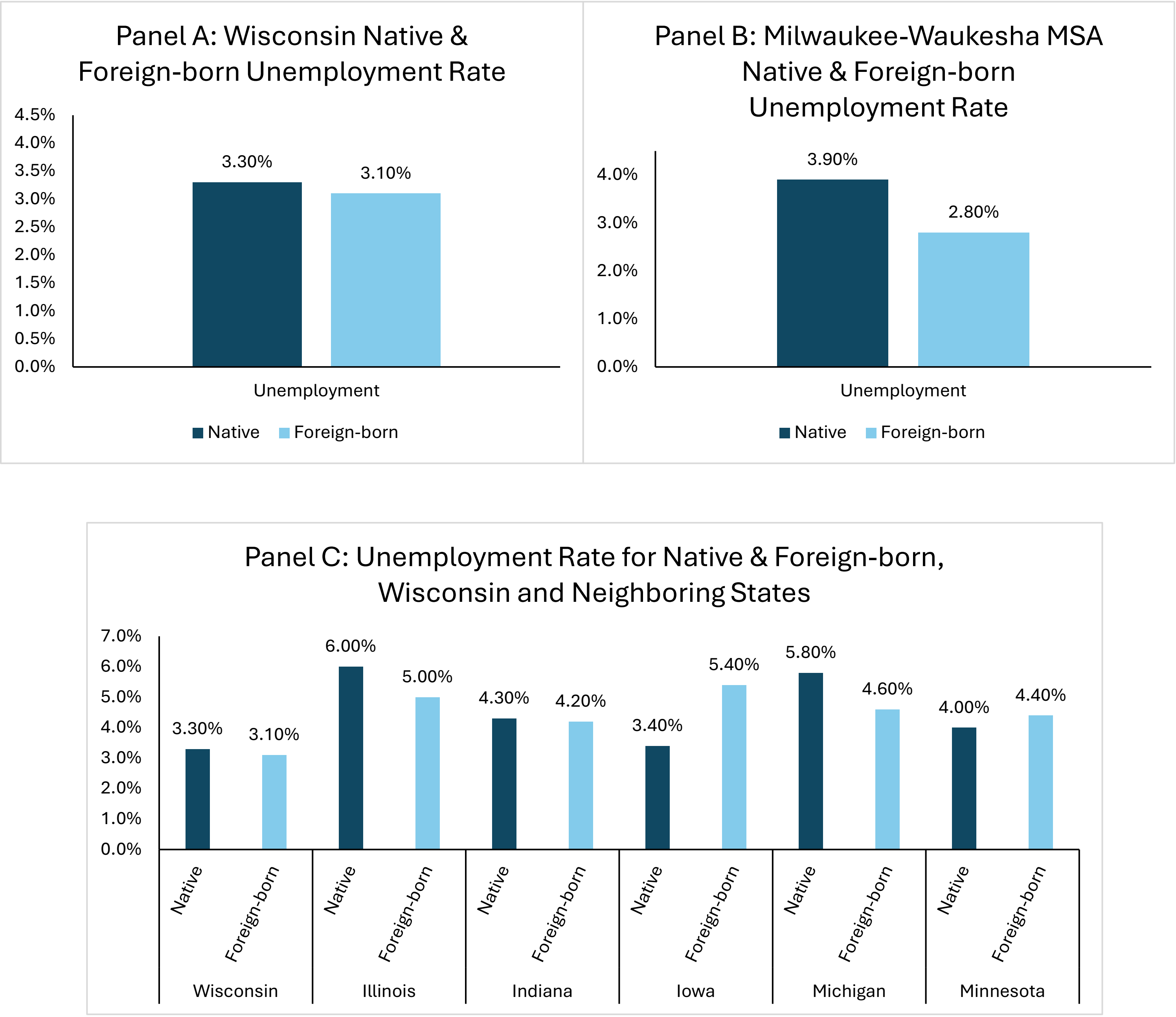
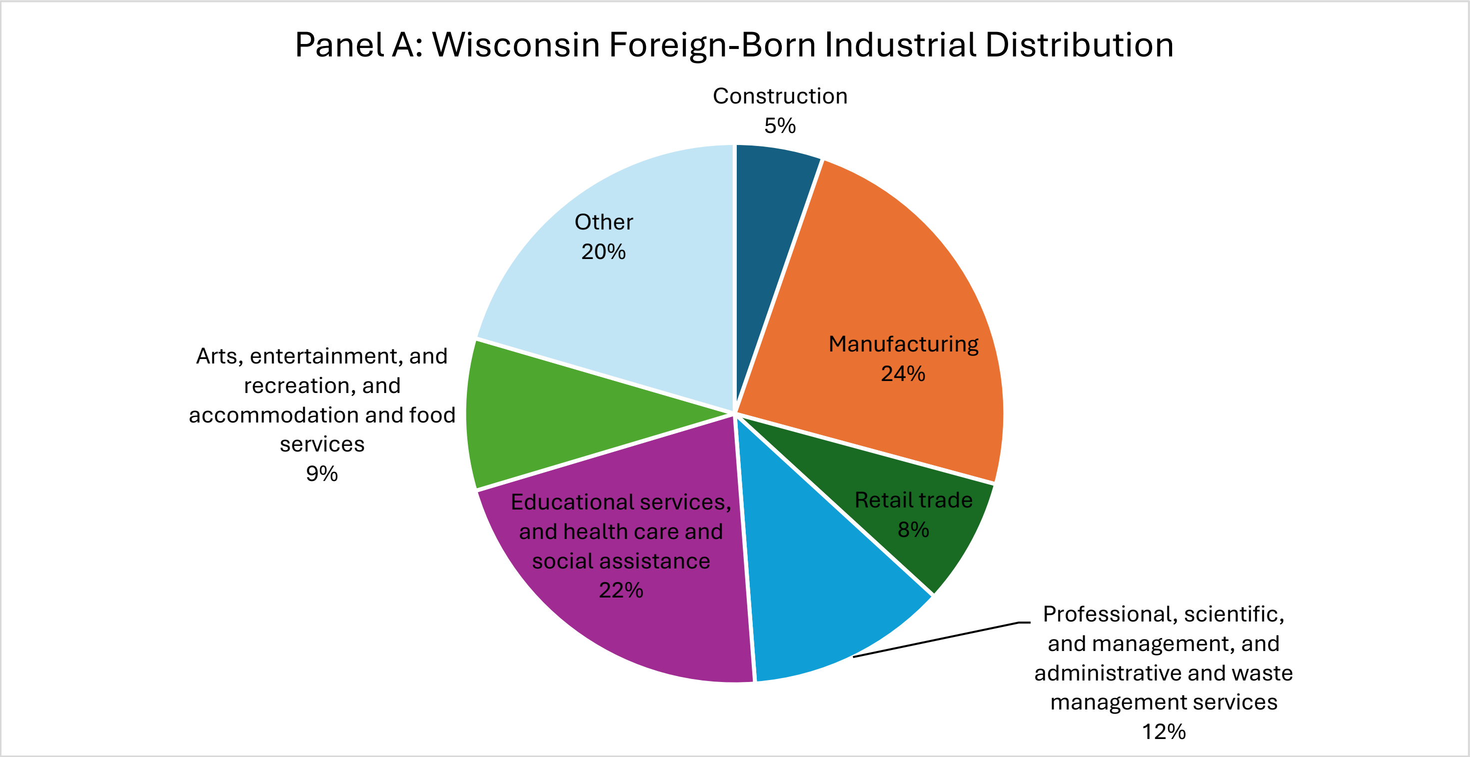


Figure 7: Industry of Employment



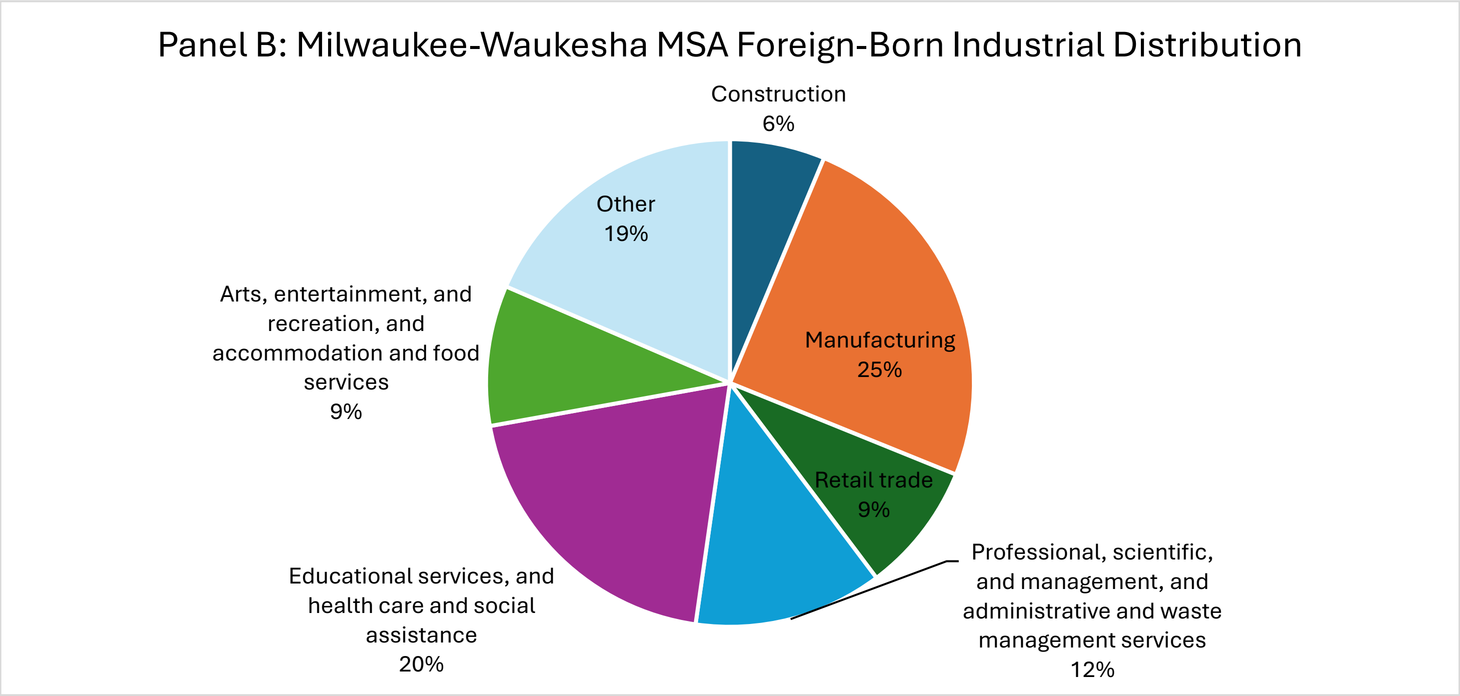
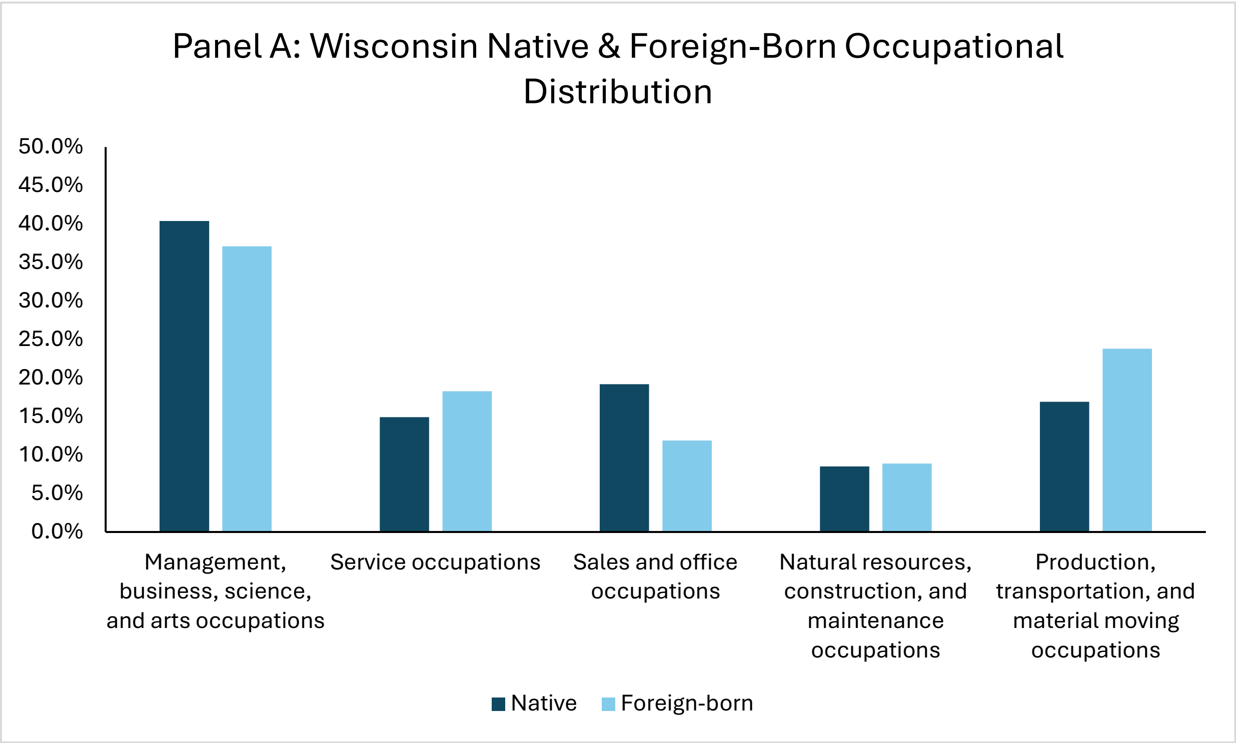


Figure 8: Occupation of Employment



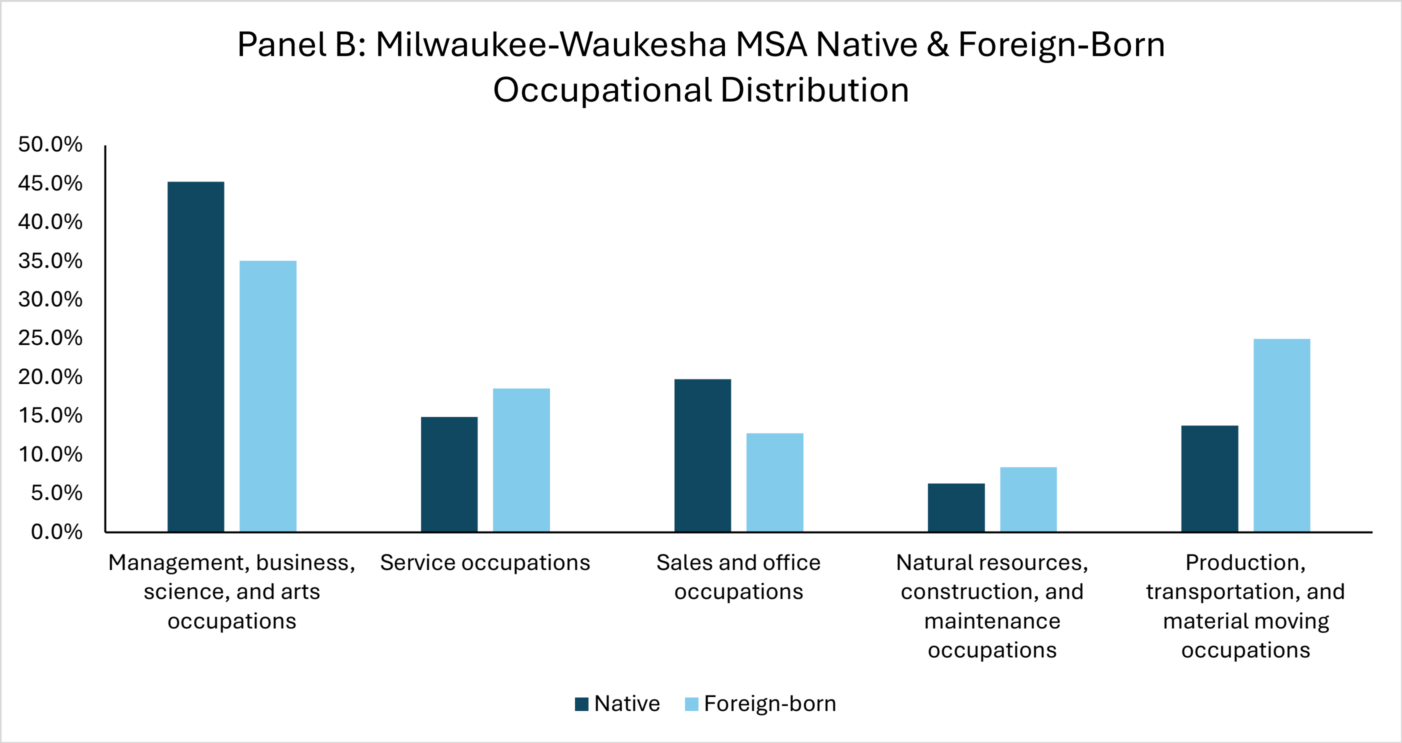
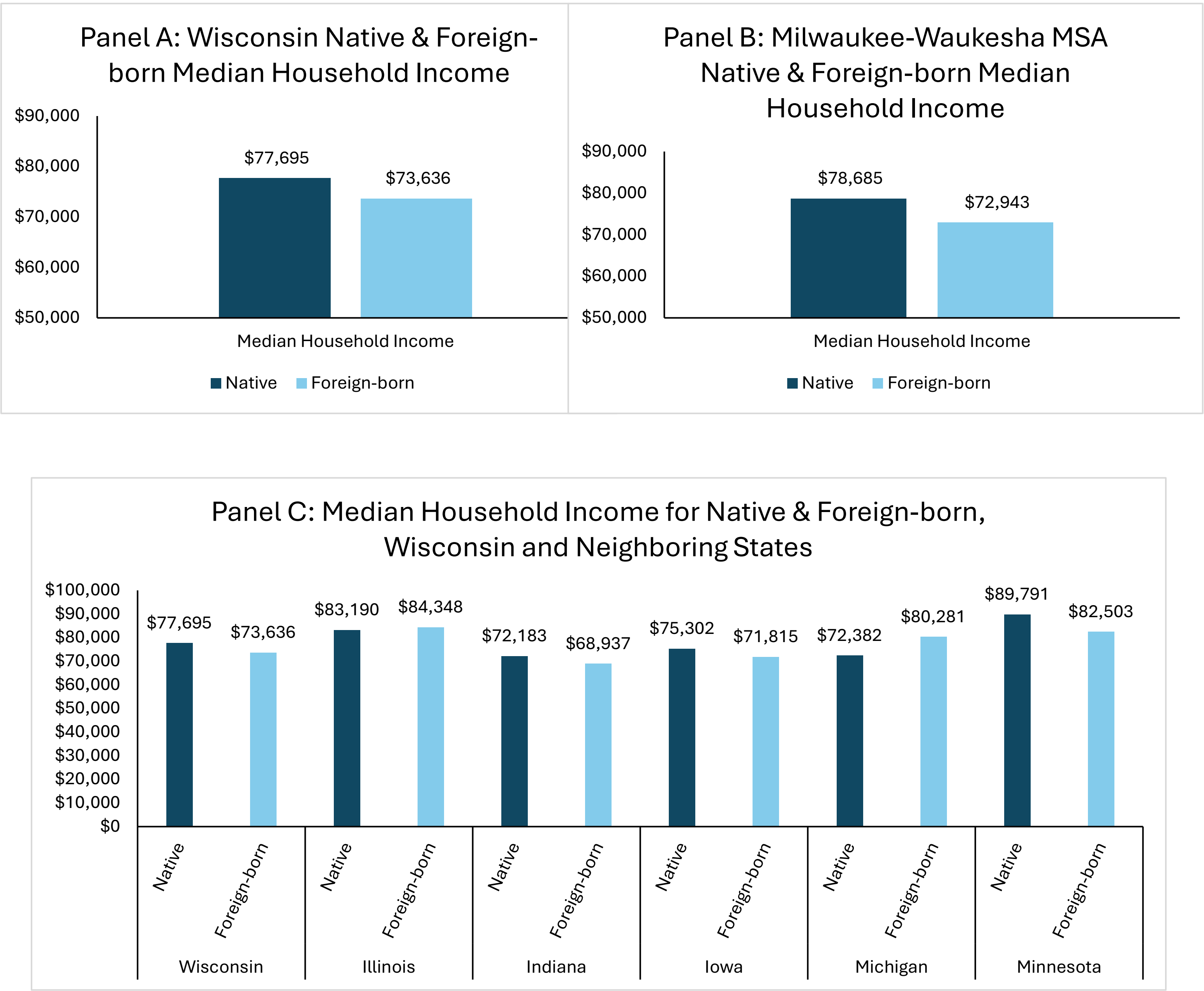


Figure 9: Median Household Income



Summary

Immigrants play an important role in the economic success of the state and Milwaukee metropolitan area. Growth in the foreign-born population has helped to increase overall population growth, particularly for the Milwaukee metro, which is important for maintaining a labor pool and customer base for firms and a tax base for government. The foreign-born are more likely to be of prime working age and participate in the labor force at a greater rate relative to the native-born, and they work in industries that are vital to Wisconsin’s success.

MMAC Business and Competitiveness Insights

What This Means for Employers, Policymakers, and Regional Stakeholders

The Spotlight documents who Wisconsin's foreign-born residents are. The significance for decision makers lies in what those numbers imply about where growth will come from. Labor force participation among existing residents already exceeds the national average, which means there is little remaining slack to absorb. If the state and region are to expand their workforce, much of that expansion will need to come from people who are not here yet. That reframes immigration from a demographic observation into a strategic question.

The answer is already taking shape in the labor market. Foreign-born workers are concentrated in industries central to the region’s economy: nearly half work in manufacturing or in education, healthcare, and social assistance. Recruiting this talent, recognizing international credentials, and building workplaces that retain foreign-born employees are no longer niche practices. They are practical responses to a labor supply that is growing while other sources flatten.

The same population strengthens the demand side of the ledger. With median household income of roughly $73,000, within striking distance of the $78,000 native-born median, immigrant households bring real purchasing power to the region's consumer and tax base. In the Milwaukee metro, where native-born population growth has been essentially flat since 2010, that spending and revenue base would otherwise be shrinking.

Continued…

Sustaining this momentum is not automatic. Wisconsin's foreign-born share trails not only the national average but every one of its border states, and most neighbors are growing that share faster. States and regions increasingly compete on their ability to attract workers, not just jobs, and closing the gap will take deliberate effort across sectors: employers who actively recruit and develop international talent, communities that make integration work, and public choices on housing capacity and talent attraction that treat migration as part of economic development rather than separate from it.

The bottom line: immigration is no longer simply a population story. It is a workforce, competitiveness, and growth story. The question ahead is not whether immigration matters to Wisconsin's economy, but how effectively employers, communities, and the state convert this source of talent into lasting competitive strength.