

Year 2015 State of Wisconsin/Regional Economic Analysis



Department of Workforce Development

prepared by Office of Economic Advisors

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Submitted to Wisconsin's Council on Workforce Investment

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Part I. Statewide Analysis

Labor Force

Wisconsin's annual average labor force was measured at 3.1 million participants in 2015. Approximately 2.96 million participants were employed and 142,000 were unemployed. The state's annual average unemployment rate was 4.6%, down from 5.4% in 2014. For comparison, the nation's annual average unemployment rate was 5.3% in 2015. All these figures were improvements from the previous year.

Jobs and Wages

Wisconsin's unemployment insurance covered job base ended 2015 with 2.824 million jobs, an increase of 33,415 jobs over 2014, a 1.2% increase. Private sector job growth was stronger with a 35,565 increase, 1.5%. Large gains were registered in Mining, Construction, and Leisure & Hospitality sectors. Wisconsin manufacturing jobs increased by 2,902 over the year.

Aggregate covered wages paid to workers increased by 6.7% from fourth quarter of 2014 to fourth quarter of 2015. The largest gains were seen in Construction, Retail, and Information industries.

The number of unemployment insurance claims in 2015 continues to decrease from 2009 peaks. Initial unemployment insurance claims averaged 8,175 per week in 2015, compared to 9,428 in 2014 and 21,680 in 2009. Continued unemployment insurance claims filed were also down in 2015, averaging 50,961 per week. This is the lowest value since 1999, and down substantially from the 2009 high of 159,672 per week.

Quantity Challenge Impacting Business and the Economy

Wisconsin is on the cusp of an unprecedented period of workforce change. The situation is inevitable and the outcome poses enormous challenges for the state's economy. Wisconsin faces a quantity gap. Wisconsin's population is aging. The rate of aging and the size of the cohorts will have significant ramifications for Wisconsin's workforce and general economy.

Many anecdotes are being told about the inability of businesses to find enough skilled workers. In fact, often heard from business owners is that they could have more production and sales if only they could find enough people to hire. This situation is only expected to get worse over the coming years.

Wisconsin's labor force is foretold by population, demographics, and labor participation of the state's residents. The greatest impact on Wisconsin's labor force from 2010 through 2030 will be caused by the baby boomers – defined as those born between the years 1946 and 1964 – exiting the workforce. The oldest baby boomer turned 62 years old in 2008 and became eligible for social security retirements benefits.

Wisconsin's labor force participation rate (LFPR) peaked, at 75.3 percent in 1997, second highest in the nation at the time. Both state and national LFPR declined over the subsequent 15 years. Wisconsin's rate fell to 68.0 percent by the end of 2015. (A lower participation rate does not necessarily mean that there were fewer participants in the labor force. To the contrary,

Wisconsin's labor force was climbing towards new highs at the end of 2015, even as the LFPR languished.)

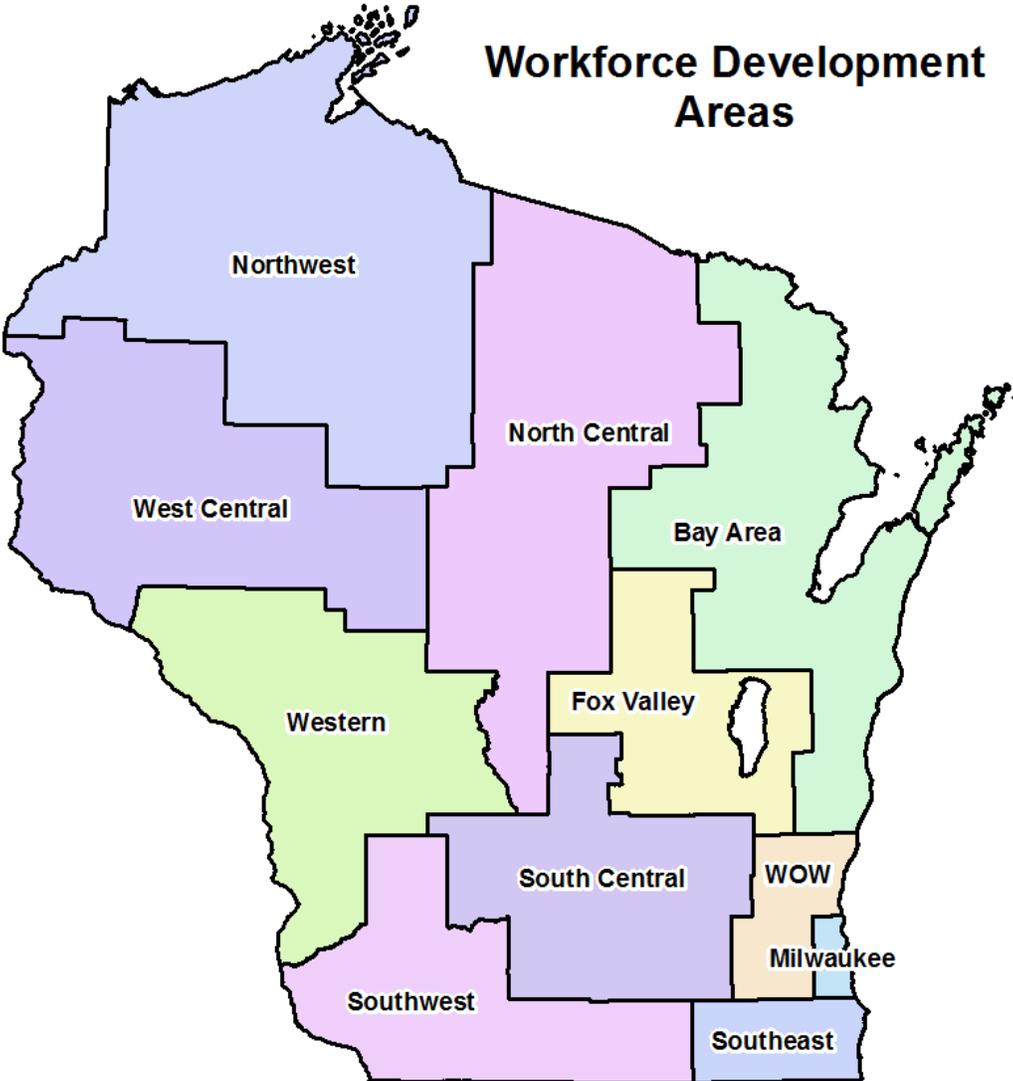
What differentiates a quantity gap from a skills gap is that most occupations see shortages. Unlike the past with an ample source of labor, the future will see labor force constraints. Traditionally, targeted training and/or other incentives were instituted to satisfy spot gaps in one or a few occupations, such as IT, or in the cycles across engineering disciplines. Worker skills could be shifted from a sector with ample workers to one with too few.

With a general quantity gap, however, shifting worker skills from one sector to another only increases the shortage in the former sector. Using wage incentives to attract workers is a proven tool but is a less viable solution for export industries that face global competition.

Wisconsin's quantity challenge will only become more acute in the years to come. Technological innovation and concomitant workforce training will be key to keep moving Wisconsin's economy forward.

Wisconsin's workforce challenges will consist of both quantity and quality issues. The quantity challenges, which, given the short timeframe of the onset of these changes, should be addressed sooner than later. The quality challenges can be addressed with more skills training at all levels.

Part II - Regional Economic Brief of Wisconsin's Workforce Development Areas (WDA)



Southeastern WDA

The Southeastern Workforce Development Area consists of three counties in the southeastern most part of the state. The region includes Kenosha County, Racine County, and Walworth County. The City of Kenosha and the City of Racine provide ample opportunities for job development within the region, while Milwaukee and Chicago provide employment opportunities outside of the region.

Labor Force

Roughly 230,702 Southeastern WDA residents out of 243,562 labor force participants were employed in 2015. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at 12,860 and the associated unemployment rate in 2015 was 5.3 percent. The 2015 unemployment rate was 0.9 percent lower than the unemployment rate in 2014, but higher than the 2015 statewide rate of 4.6 percent. Racine County's unemployment rate of 5.7 percent was the highest in the region, while Walworth County's rate of 4.8 percent was the lowest. Kenosha County's 2015 unemployment rate was 5.2 percent. The unemployment rate decreased by 0.9 percent in Kenosha and Racine Counties and 0.8 percent in Walworth County between 2014 and 2015. For the region, the number of unemployed residents decreased by 2,203 or 15 percent and the number of employed residents increased by 1,484 or 0.6 percent. The number of residents in the labor force decreased by 719 or 0.3 percent.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The 2014 LFPR was 67.7 percent, down 0.4 percent from 2013. The state wide LFPR decreased from 68.6 percent in 2013 to 68.5 percent in 2014.

Jobs and Wages

The Southeastern WDA made up 6.2% percent of the state's job base in 2015. Covered employment in the region averaged 172,834 jobs per month, an increase of 4,834 or 2.9 percent from 2014. Eighty-five percent of the area's new jobs were located in Kenosha County. It may seem strange that there are significantly fewer jobs in the region than there are employed residents in the region's labor force. However, it makes sense when looking at the geographic context of the region. The Southeastern WDA's proximity to both the Milwaukee and Chicago metro areas makes commuting out of the region a viable option for many of the residents.

Covered employment increased in most of the region's industrial sectors between 2014 and 2015. The trade, transportation, and utilities sector was the biggest job gainer with an increase of 3,256 jobs, a 10 percent change from 2014. Over two-thirds of the sector's new jobs were in the warehousing and storage subsector, which grew by 2,167 jobs or 150% percent! The leisure and hospitality sector and professional and business services sector were second and third with net job gains of 427 and 393, respectively. Employment in three sectors contracted during the period. Financial activities lost 101 jobs, public administration lost 94, and manufacturing lost 13.

Covered payroll in the Southeastern WDA totaled \$7.3 billion in 2015 and increased by \$386 million, a nominal increase of 5.6 percent from 2014. This increase outpaced the statewide increase of 4.8 percent. Total wages increased in all industries, with transportation, trade and utilities experiencing the largest gain. Covered payroll in the industry grew by \$150 million between 2014 and 2015, an increase of 12.5 percent.

WOW WDA

The WOW Workforce Development Area consists of three counties in the southeastern part of the state. The region includes Waukesha County, Ozaukee County, and Washington County. The WOW WDA is undoubtedly linked to the Milwaukee WDA. Much of the past growth and development in the region is a direct result of urban sprawl from the City of Milwaukee. The region relies on Milwaukee as a cultural and employment center, and Milwaukee relies on WOW residents to work and engage in recreation in the city.

Labor Force

Roughly 332,075 residents out of 345,250 labor force participants were employed in 2015. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at 13,175, and the associated unemployment rate in 2015 was 3.8 percent. The unemployment rate declined by 0.6 percent from 2014 and was lower than the 2015 statewide rate of 4.6 percent. Ozaukee County's unemployment rate of 3.7 percent was the lowest in the region, while the unemployment rates of Washington and Waukesha Counties, both at 3.8 percent, were only slightly higher. The unemployment rate in all three counties decreased between 2014 and 2015. For the region, the number of unemployed residents decreased by 2,120, a decline of 14 percent. The number of employed residents increased by 2,607 or 1% and the labor force grew by 487 or 0.1%.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The 2014 LFPR for the region was 70.4 percent, down 0.1 percent from 2013. The state wide LFPR also decreased 0.1 percent to 68.5 percent in 2014. Wisconsin has one of the highest LFPRs in the nation, so WOW WDA's rate is very high. However, rates will continue to decline as the baby-boom population is beginning to reach retirement age.

Jobs and Wages

In the calendar year 2015, the WOW WDA made up about 11.8 percent of the state job base. Covered employment in the region averaged 330,554 jobs per month in 2015, an increase of 2.0 percent from 2014. The percent increase in jobs was higher than statewide growth of 1.3 percent. Covered employment increased in all but one of the region's industrial sectors between 2014 and 2015. The education and health services industry was the biggest job gainer with an increase of 1,449 jobs, a 2.6 percent change from 2014. Almost all of the sector's new jobs were in the health care and social assistance subsector, which grew by 1,344 jobs or 3.5% percent. The professional and business services sector and financial activities sector were second and third with net job gains of 1,265 and 970, respectively. Employment in the public administration sector contracted by 64 during the period.

Covered payroll in the WOW WDA totaled \$16.4 billion in 2015 and increased by \$902 million, a nominal increase of 5.8 percent from 2014. This increase outpaced the statewide increase of 4.8 percent. Total wages increased in all industries, with professional and business services, manufacturing, and financial activities experiencing the largest gains. Between 2014 and 2015, professional and business services payrolls grew by \$227 million or 9%, financial activities by \$126 million or 9%, and manufacturing by \$121 million or 3%.

Personal Income

The WOW WDA's total personal income (TPI) was \$36.8 billion in 2014. The regional increase of 3.5 percent from 2013 was lower than the overall statewide increase of 3.7 percent. Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income in the region as it does elsewhere, with the remaining portion divided between the other two components. In the WOW WDA, 68.5 percent of TPI was from net

earnings, which was higher than the statewide share of 65.0 percent. About 20.2 percent came from dividends, interest, and rent, which was also higher than the statewide share of 17.7 percent and transfer receipts made up the remaining 10.8 percent of TPI, a substantially lower share than the statewide rate of 17.3 percent. Transfer receipt income comes from benefits such as Social Security, unemployment insurance, Medicaid, Medicare, and public assistance.

Regional per capita income of \$59,712 was substantially higher than state per capita income of \$44,186. Regional income increased by 3.2 percent since 2013 compared to an increase of 3.4 percent for the state. Higher than average regional per capita income along with less reliance on transfer receipts can be partially attributed to lower than average regional unemployment rates.

Milwaukee WDA

The Milwaukee Workforce Development Area consists of Milwaukee County, which is located in the southeastern part of the state. The Milwaukee WDA holds the distinction of being Wisconsin's only single county WDA. However, it is undoubtedly linked to its surrounding regions, and it would be naïve to ignore the regional interdependence. The relatively small geographic size of Milwaukee provides the opportunity for employers to draw from a potential workforce that includes surrounding areas, and Milwaukee WDA residents are able to look outside the region for desirable career prospects.

Labor Force

Roughly 449,781 Milwaukee residents out of 477,696 labor force participants were employed in 2015. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at 27,915 and the associated unemployment rate in 2015 was 5.8 percent. The 2015 unemployment rate was 1.1 percent lower than the unemployment rate in 2014, but higher than the 2015 statewide rate of 4.6 percent. The number of unemployed residents in Milwaukee decreased by 5,127 or 15.5 percent and the number of employed residents increased by 3,448 or 0.8 percent. The number of residents in the labor force declined by 1,679 or 0.4 percent.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The 2014 LFPR was 65.6 percent, up 0.2 percent from 2013. The statewide LFPR decreased from 68.6 percent in 2013 to 68.5 percent in 2014. The difference between Milwaukee's LFPR and the statewide rate appears dramatic. However, Wisconsin has one of the highest LFPRs in the nation so Milwaukee's rate is not alarmingly low.

Jobs and Wages

The Milwaukee WDA accounted for 17.3 percent of the state's job base in 2015. Covered employment in Milwaukee averaged 481,626 jobs per month, an increase of 1.1 percent from 2014. The percent increase in jobs was slightly lower than statewide growth of 1.3 percent. Covered employment increased in most of the region's industrial sectors between 2014 and 2015. The education and health services sector was the biggest job gainer with an increase of 3,676 jobs, a 2.8 percent change from 2014. Almost all of the sector's new jobs were in the health care and social assistance subsector, which grew by 3,377 jobs or 3.7 percent. The leisure and hospitality sector also saw significant growth with a net job gain of 1,664 or 3.5 percent. Employment in three sectors contracted during the period. Financial activities lost 654 jobs, other services lost 472, and public administration lost 394.

Covered payroll in the Milwaukee WDA totaled \$24.4 billion and increased by \$830 million, a nominal increase of 3.5 percent from 2014. Covered wages increased by 4.8 percent for the state as a whole. Total wages increased in all but two sectors, with educational and health experiencing the largest gain. Covered payroll in the sector grew by \$265 million between 2014 and 2015, an increase of 4.3 percent.

Payroll decreased by \$22 million or 1.9 percent in public administration and \$115,000 or 2.8 percent in natural resources and mining.

Fox Valley WDA

The Fox Valley Workforce Development Area (WDA) is composed of six counties in northeastern Wisconsin (Calumet, Fond du Lac, Green Lake, Waupaca, Waushara, and Winnebago). It is among the state's fastest growing regions in terms of population and economic growth. This vibrancy has created a number of interesting dynamics as the region continues to experience a gradual structural transition.

Labor Force

In calendar year 2015, the Fox Valley's labor force accounted for 7.3% of Wisconsin's total labor force, a share which is unchanged from 2014. Between 2013 and 2014, the labor force in the Fox Valley WDA decreased by less than one-tenth of one percent, or by approximately 24 individuals. While the region's labor force remained virtually unchanged, the region's employment situation changed significantly in response to shifting demographic influences. Between 2014 and 2015, the region's annual average unemployment decreased by 1.2 percent to 4.2 percent. To put this in perspective, the region's unemployment rate was higher than that of the South Central WDA (3.6%) and WOW WDA (3.8%), but lower than that of the Milwaukee (5.8%) and Southeastern WDA (5.3%). This placement roughly in the median of the regional unemployment distribution is highly intuitive and comes as a result of the sheer size and economic diversity of the region.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). In calendar year 2014, the LFPR was 68.9 percent, down three-tenths of one percentage point from 2013. Although the rate was significantly decreased over the year, it still was above Wisconsin's rate of 68.5 percent. The metropolitan regions with large concentrations of working-aged populations tend to have higher participation rates. The South Central WDA has the state's highest LFPR at 73.5 percent, followed by the WOW and West Central WDA at 70.4 and 70 percent. Wisconsin has one of the highest LFPRs nationally, so Fox Valley WDA's rate is quite high. Both the region's and the state's LFPR will likely decline as the population continues to age. We have started to note this trend, as many older workers exited the labor force by choice or attrition as a consequence of the recent recession.

Jobs and Wages

In calendar year 2015, the Fox Valley WDA job base (182,381 jobs) accounted for 6.5 percent of the total jobs in Wisconsin, which was significantly less than the Milwaukee or South Central WDA's share, although the relative disparity between these three regions continues to decrease due to a combination of somewhat disparate economies and local conditions. Job gains over the course of the year represented the earliest stages of economic recovery. In 2014, the Fox Valley WDA gained 1,063 positions, or 0.6 percent of 2014 employment. Each of the state's WDA's either experienced modest losses or gains across all industry sectors, while growth has been concentrated in a number of key industries.

At the same time that area employment exhibited moderate gains, area wages increased more significantly, growing by 3.3 percent from 2014 to 2015, or slightly less the statewide rate. Industry growth has been led by the construction (7.2%) and financial activities (2.8%) industry sectors, while education and health services (-0.2%) has exhibited a modest loss. Wage growth is led by the other services sector (7.3%) outpacing financial activities (6.5%) and leisure and hospitality (4.8%).

Bay Area WDA

The Bay Area Workforce Development Area (WDA) is composed of 11 counties in northeastern Wisconsin (Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, and Sheboygan). It is not the most populous Workforce Development Area, nor does it contain the largest labor force or job base. Further, because the area is geographically large, changes in the labor force, jobs, wages, and income will vary, sometimes significantly, from one county to the next.

Labor Force

In calendar year 2015, the Bay Area's labor force accounted for 14.1% of Wisconsin's total labor force, a share which is unchanged from 2014. Between 2014 and 2015, the labor force in the Bay Area WDA increased by 0.2 percent, or by approximately 820 individuals. While the region's labor force remained virtually unchanged, the region's employment situation changed significantly in response to changing demographics. Between 2014 and 2015, the region's annual average unemployment decreased by 1.0 percent to 4.4 percent. To put this in perspective, the region's unemployment rate was higher than that of the Fox Valley (4.2%), and South Central WDA (3.6%), but lower than that of the Milwaukee (5.8%) and Southeastern WDA (5.3%). This placement roughly in the median of the regional unemployment distribution is highly intuitive and comes as a result of the sheer size and economic diversity of the region, as well as the region's high manufacturing concentration.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). In calendar year 2014, the LFPR was 68.7 percent, down two-tenths of one percentage point from 2013. Although the rate was significantly decreased over the year, it still was above Wisconsin's rate of 68.5 percent. The metropolitan regions with large concentrations of working-aged populations tend to have higher participation rates. The South Central WDA has the state's highest LFPR at 73.5 percent, followed by the WOW and West Central WDA at 70.4 and 70 percent. Wisconsin has one of the highest LFPRs nationally, so Bay Area WDA's rate is quite high. Both the region's and the state's LFPR will likely decline as the population continues to age. We have started to note this trend, as many older workers exited the labor force by choice or attrition as a consequence of the recent recession.

Jobs and Wages

In calendar year 2015, the Bay Area WDA job base (412,702 jobs) accounted for 14.7 percent of the total jobs in Wisconsin, which was significantly less than the Milwaukee or South Central WDA's share, although the relative disparity between these two regions continues to decrease due to a combination of somewhat disparate economies and local conditions. In 2015, the Bay Area WDA gained a total of 5,277 positions, or 1.3 percent of 2014 employment. This rate of job growth is equal to the state (1.3%). As a whole, the state's workforce development areas saw little aggregate change in employment, with growth concentrated in a number of key sectors.

At the same time that area employment exhibited moderate gains, area wages increased more significantly, growing by 3.5 percent from 2014 to 2015. This is slightly more than the state's growth rate, as well as that observed in the Fox Valley WDA (3.3%). This suggests that the regions' employers continue to compete for the most highly skilled talent. A cursory analysis of the area's industry sector patterns shows that a number of industry sectors, including the natural resources and mining (5.8%) and construction (4.5%) industry sectors grew more rapidly than the all industry average.

Northwest WDA

The Northwest WDA region consists of Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn counties.

Labor Force

The Northwest's total labor force numbered about 89,303 in 2015, a decrease of 0.4 percent from 2014. This decrease can be explained by the region's stagnating population and the increasing number of residents whom are of retirement age. Even though the labor force decreased from 2014 to 2015, 83,991 residents were employed in 2015, an increase of 0.6 percent from 2014. The number of unemployed residents in the region stood at about 5,312 with an associated unemployment rate of 5.9 percent. Though this ten-county region is geographically large, it comprises only about three percent of Wisconsin's total workforce, ranking smallest among Wisconsin's 11 designated WDA regions.

Northwest's unemployment rate decline was the same as it was nationally, a 0.9 percentage point decrease for both. The percentage decrease in the number of unemployed individuals in the Northwest was lower than the nation, 13.4% compared to 13.7%. The percentage increase of the number of those employed was also lower in the Northwest when compared to the nation, 0.6% versus 1.7%.

Jobs and Wages

Covered employment located within the Northwest WDA region totaled 64,981 jobs, a little more than 2.3 percent of Wisconsin's job base in 2015. The region gained 545 jobs since 2014, a 0.8 percent increase, worse than the statewide increase of 1.3 percent. Only a few industry sectors in the Northwest WDA region saw decent job growth. The number of Manufacturing jobs in the region grew by 1.8 percent. Job growth in Trade, Transportation, Utilities and Leisure & Hospitality were both 2.3. The industry sectors that had large losses in employment were Professional & Business Services with -5.6 percent job growth and Other Services at -2.3 percent job growth. Modest job growth and loss was evident in the other sectors in 2015.

Total covered payroll in the Northwest WDA region was \$2.26 billion in 2015, up 4.9 percent from 2014. This was higher than the statewide growth of 4.8 percent.

West Central WDA

The West Central Workforce Development Area (WDA) is composed of nine counties in northwestern Wisconsin (Barron, Clark, Chippewa, Dunn, Eau Claire, Pepin, Pierce, Polk and St. Croix). It is among the state's fastest growing regions in terms of population and economic growth. The region also benefits from its location along the I-94 corridor, just east of the Twin Cities in Minnesota. The effects of this proximity can be seen throughout the region, though it is most obvious in the border counties.

Labor Force

West Central Wisconsin's total labor force numbered about 259,234 in 2015, up only slightly (0.9%) from 2014, despite continued population growth. This is faster growth than the statewide trend, but highlights the effects of the aging baby boomer generation. Roughly 248,088 residents were employed, including the self-employed and those working in a family business. This was up 1.6 percent from 2014. The number of unemployed residents in the region stood at about 11,146, down 12.9 percent from 2014, likely due to a combination of job growth and the baby boomers retiring from the labor force. The unemployment rate, which also fell, stood at 4.3% in 2015, quite low historically. Though this region is geographically large, it comprises between 8 and 9 percent of Wisconsin's total workforce, ranking sixth largest geographically among Wisconsin's eleven designated workforce development areas (WDAs).

The labor force participation rate (LFPR), the share of the 16 and older non-institutional population that is in the labor force (either working or actively looking for work), is also a useful indicator of the economic health of a region. West Central's LFPR was 70.0 percent in 2014, down one-tenth of a percent point from 2013. Despite falling slightly over the year, a trend it has in common with most regions as

demographics skew older. West Central's rate was above Wisconsin's rate of 68.5 percent. The metropolitan regions with large concentrations of working-aged populations also tend to have higher participation rates. The South Central WDA has the state's highest LFPR at 73.5 percent, followed by the WOW (Washington-Ozaukee-Waukesha) WDA; West Central comes in third. The six post-secondary schools in this education-rich region also play a role, attracting young workers that tend to raise the LFPR. Wisconsin has one of the highest LFPRs nationally, so West Central WDA's rate is quite high. Both the region's and the state's LFPR will likely continue to decline as the population continues to age. We have started to note this trend, as many older workers exited the labor force by choice or attrition as a consequence of the recent recession.

Jobs and Wages

Covered employment in West Central totaled 190,316 jobs, about 6.8 percent of Wisconsin's job base in 2015 – a slightly higher share than in 2014, a continuing trend. The region gained 3,175 jobs since 2014, about a 1.7 percent gain, faster than statewide growth.

About half of the industry sectors gained jobs from 2014 to 2015 in West Central Wisconsin. Growth in the region was a mix of emerging and mature industries, with Manufacturing leading the region at the supersector level, adding 1,003 jobs (3%). Manufacturing is an important industry in the region with almost 34,000 jobs. The region has a heavy concentration in various types of manufacturing, from fabricated metal products, plastics, computer equipment to food manufacturing adding value to the many agricultural products produced in the region.

Education and Health lost 405 jobs in the region from 2014 to 2015. West Central has a high concentration in both sectors within this supersector, with multiple hospitals and clinics throughout the region, representing major healthcare providers such as Mayo and Marshfield clinics, as well as three University of Wisconsin campuses and covered by two technical colleges. Education and health is the largest supersector in the region both by employment and total wages paid, with over 47,000 jobs.

The fastest job growth was seen in the Construction supersector, although suppression makes exact numbers and growth difficult to ascertain.

Total covered payroll in West Central was about \$7.2 billion in 2015, up 4.4 percent in nominal terms, slightly slower than statewide growth. Construction had the highest wages per job, at almost \$49,000, followed by Manufacturing (\$47k), and Financial Activities (\$44k).

North Central WDA

The North Central Workforce Development Area (WDA) consists of nine counties located in the Northern center of Wisconsin; Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, and Wood counties. Notable for this region is the relatively higher median age seen in many of the counties. Six of the nine counties in the North Central region rank within the top twenty counties within Wisconsin ordered by median age.

Labor Force

In calendar year 2015, North Central's labor force totaled 213,894 participants consisting of 203,034 employed and 10,860 unemployed. From 2014 to 2015, the labor force added only 153 participants; a 0.1% increase. While the number of employed rose by 1.2% over the year, the number of unemployed decreased by 17.3%.

The North Central region's unemployment rate was 5.1% in 2015; a 1.0 percentage point decrease from 2014, and quite low historically. However, this rate was still higher than the statewide rate of 4.6%. Generally, the North Central region experiences a higher unemployment rate than that seen statewide.

The North Central regions Labor Force Participation Rate (LFPR) in 2014 was 64.4%. The regional LFPR decreased by .4 percentage points relative to 2013. North Central's LFPR is among the lowest in Wisconsin; ranking 10th highest among the state's 11 WDAs.

Jobs and Wages

In calendar year 2015, the total job base in the North Central region numbered 190,258 jobs; 2,400 more jobs than in 2014, up about 1.3%.

The Financial Activities sector saw an increase of 1,336 jobs over the year; an 11.7% increase and the second largest proportional gain. In contrast, the Education & Health Services sector, the largest super sector of employment in the region at 40,461 saw a loss of 44 jobs. Manufacturing, the second largest super sector of employment in the region gained 499 jobs (1.6%), to bring it to a total of 32,285 jobs.

Total area wages also increased from 2014 to 2015. While area wages did grow by 4.3% from 2014 to 2015, this rate was below the statewide rate of 4.8%. The Financial Activities super sector was one of the largest gainers in total wages as well, up over 14%, while Manufacturing was third slowest in the region, with only 2.8% growth in total wages paid in the industry.

Western WDA

Labor Force

The Western WDA consists of Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau, and Vernon counties.

Western Wisconsin's annual average labor force came in at 160,276 in 2015. Approximately 153 thousand participants were employed and seven thousand were unemployed. The region's annual average unemployment rate was 4.3 percent, down 0.7 percentage points from 2014.

Western Wisconsin's labor force increased by 0.8 percent in 2015 while the number of employed persons increased by 1.5 percent along with a decrease (13.5 percent) in the number of persons unemployed; these labor force movements fueled the decline in the area's unemployment rate. Nationally, labor force growth was slightly positive (0.8 percent) from 2014 to 2015. The nation's number of employed increased by 1.6 percent, while its number of unemployed fell by 15.9 percent.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). Western Wisconsin's labor force participation rate (LFPR) in 2014 was 67.9 percent, remaining noticeably higher than the nation's 62.9 percent rate. The region's LFPR did decline in 2014 by eight-tenths of a percentage point as compared to its 2013 level of 68.7 percent. The state wide LFPR decreased from 68.6 percent in 2013 to 68.5 percent in 2014. Both the region's and the state's LFPR will likely decline as the population continues to age.

Jobs and Wages

Western Wisconsin's covered job base averaged 140,350 total jobs in 2015, a net increase of 1.3 percent annually (+1,819 jobs). The sector posting the largest job gain was trade, transportation, & utilities with 787 more jobs than in 2014. The second largest sector gain, leisure & hospitality, added 431

jobs in 2014. Five sectors; manufacturing, information, professional & business services, other services, and public administration suffered losses of employment in 2015. However, just one of those sectors, professional & business services, suffered a loss exceeding 100 jobs (363).

Aggregate covered wages paid to workers totaled \$5.5 billion in 2015, an increase of 4.1 percent (+\$217.4 million; not adjusted for inflation). Most major industry sectors in Western Wisconsin posted an aggregate wage increase. Construction experienced the fastest growth rate in 2015, increasing at a 10.1 percent rate. The region's largest wage-paying sector, education & health services, also reported the largest numerical gain in wages paid, increasing by \$65.5 million to a region total of \$1.6 billion in 2015, a 4.3 percent growth rate. No major ("super-sector") industries reported a decline in total wages paid in 2015.

Despite a modest decline in employment in 2015 (21 jobs), manufacturing comprised 17 percent of the region's job base in 2015, yet the sector made a higher 19 percent of aggregate wages paid in Western Wisconsin. It is the third largest sector in terms of total wages paid and one of only three sectors that has a billion dollar total payroll in the region.

South Central WDA

The South Central WDA region is composed of six counties (Columbia, Dane, Dodge, Jefferson, Marquette and Sauk). This includes a portion of the Madison MSA (Columbia, Dane, Iowa and Green counties).

Labor Force

The South Central WDA had 477,446 labor force participants in 2015, of them, 460,105 were employed and 17,341 were unemployed. The region's unemployment rate was 3.6%, below the 4.3% of 2014. The region's unemployment rate was below Wisconsin's statewide rate of 4.6%.

The labor force participation rate (LFPR) in this region in 2014 was quite high at 73.4% of the total 16 years and older population either working or seeking work, ranking highest among the state's eleven WDA regions. Its LFPR was significantly higher than the statewide and national participation rates, 68.5% and 62.9%, respectively. This is a highly engaged region in terms of its workforce as it has large share of population in its prime working years. There are substantial variations in LFPR within the region with younger, more diverse areas having higher concentrations of labor force participants and rural, older areas having higher concentrations of retirees.

South Central Wisconsin's labor force increased 0.9% comparing 2015 to 2014. In terms of labor force components, the number of employed expanded 1.5% and the number of unemployed declined 13.9%. The region would look much more cyclical and much more seasonal were it not for the heavy influence of Dane County with its cluster of colleges and its hub of state government and professional services.

Jobs and Wages

In 2015, South Central Wisconsin employers reported 450,548 jobs, growing 2.0% relative to 2014. The region's dominant employment sectors are the education and health services sector and the trade, transportation, and utilities sector. Together, they account for 40.0% of the region's reported employment and 41.0% of the region's total wages. Between 2014 and 2015, manufacturing employment grew 1.6%, whereas the region's total manufacturing payroll wages grew 5.9%. Over the same period, the South Central region posted the biggest numerical job gains in leisure and hospitality (1993 jobs) and professional and business services (1573 jobs), which were followed by smaller additions in trade, transportation and utilities (1163 jobs), construction (903 jobs), manufacturing (841 jobs), education and health services (683 jobs), financial activities (269 jobs), natural resources and mining (180 jobs).

South Central Wisconsin's total reported payroll in 2015 was \$19.9 billion, 5.6% higher than in 2014, without adjusting for inflation. At \$5.2 billion, the aggregate wages of education and health workers accounted for 26.2% of the region's total wages, a greater share than any other sector's wages. The manufacturing sector contributed more to total wages (15.3%) than to total employment (12.3%), while trade, transportation, and utilities contributed less to total wages (14.8%) than to total employment (17.4%). The largest increases in terms of annual payroll were posted by Professional and Business Services (\$220 million) and Education and Health Services (\$215 million).

Southwest WDA

The Southwest WDA region is composed of six counties (Grant, Green, Iowa, Lafayette, Richland and Rock).

Labor Force

The Southwest Wisconsin WDA had 16,892 labor force participants in 2015; of them, 158,123 were employed and 7,769 were unemployed. The region's unemployment rate was 4.7 percent, below the 5.5 percent recorded in 2014. The region's unemployment rate 0.1 percentage points higher than Wisconsin's statewide rate in 2015 (at 4.6 percent).

Southwest Wisconsin's labor force increased by 1.6 percent in 2015 while the number of employed persons increased by 2.4 percent. There was a much larger decrease (12.8 percent) decrease in the number of residents unemployed. Nationally, labor force growth was slightly positive (0.8 percent) from 2014 to 2015. The nation's number of employed increased by 1.6 percent, while its number of unemployed fell by 15.9 percent.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). Southwest Wisconsin's labor force participation rate (LFPR) in 2014 was 67.8 percent, remaining noticeably higher than the nation's 62.9 percent rate. The region's LFPR remained flat (at 67.8 percent compared to its 2013 level). The state wide LFPR decreased from 68.6 percent in 2013 to 68.5 percent in 2014. Both the region's and the state's LFPR will likely decline as the population continues to age.

Jobs and Wages

Southwest Wisconsin's covered job base averaged 117,613 total jobs in 2015, a net increase of 2.4 percent over 2014 (+2,769 jobs). The sector posting the largest numerical job gain was manufacturing with 769 more jobs than in 2014. The second largest sector gain was found in professional & business services, adding 628 jobs in 2015. The only sector suffering a loss of employment in 2015 was public administration, posting a decline of 49 jobs.

Aggregate covered wages paid to workers totaled \$4.6 billion in 2015. All major industry sectors in Southwest Wisconsin posted an aggregate wage increase in 2015. Professional and business services experienced the fastest growth rate in 2015, growing at a 17.4 percent rate. The second fastest wage growth rate within Southwest Wisconsin was found in the construction where total wages paid increased by \$36 million in 2015, a 17.2 percent growth rate. The region's largest wage-paying sector, education & health services, reported an increase of \$53 million in 2015, for a 4.6 growth rate.

In the region, total wages paid were over the one billion dollar mark in two sectors; trade, transportation, & utilities and education & health services; in third place regionally, manufacturing paid total wages of 900 million in the region in 2015. Manufacturing comprised 15.8 percent of the region's job base in 2015, yet the sector made up a disproportionately high 19.5 percent of aggregate wages paid.