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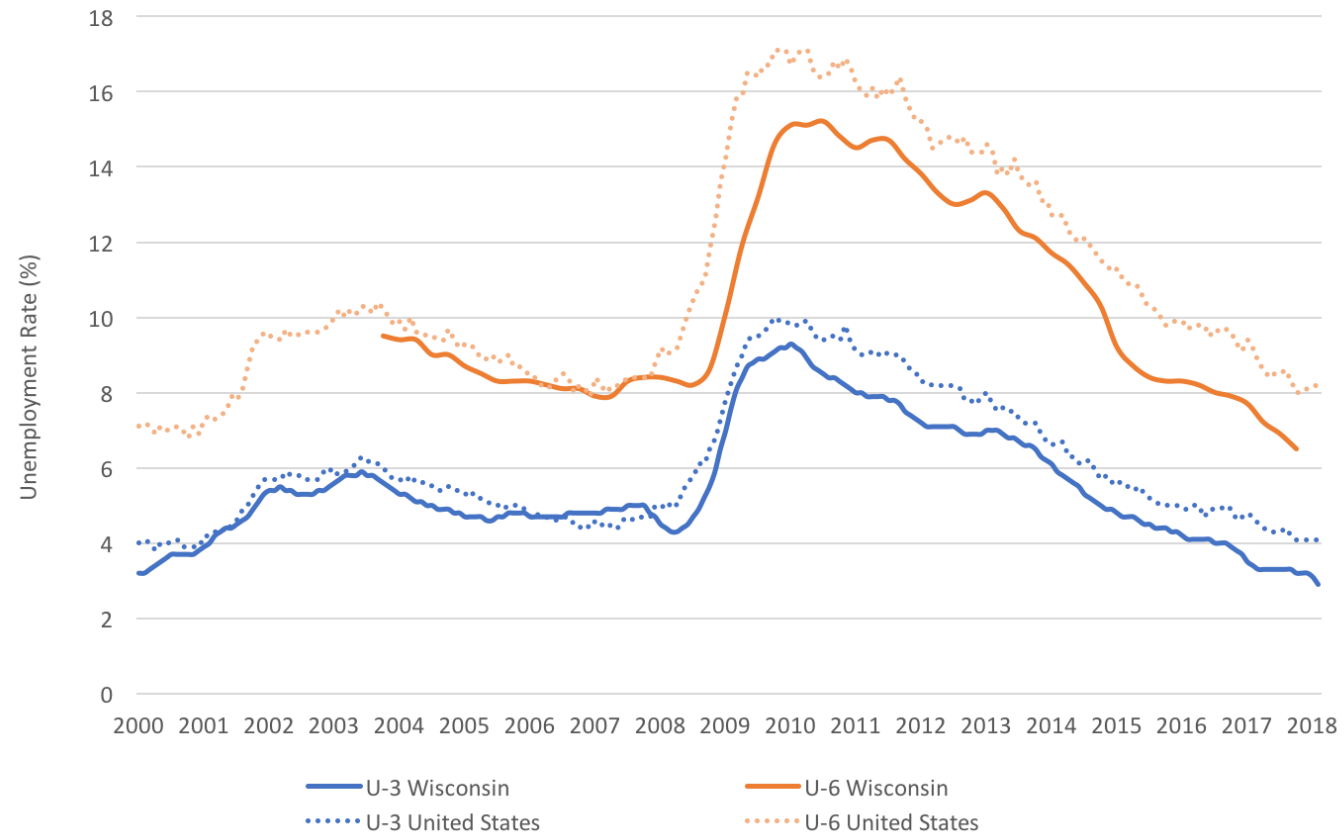
# Labor Market Trends in Wisconsin

Is there a labor shortage?

- Use economic indicators to assess the evidence of a labor shortage.
- “Shortage”
  - A quantity issue.
- “Mismatch” or “Gap”
  - A quality issue.
  - A spatial issue.

# Unemployment is low.

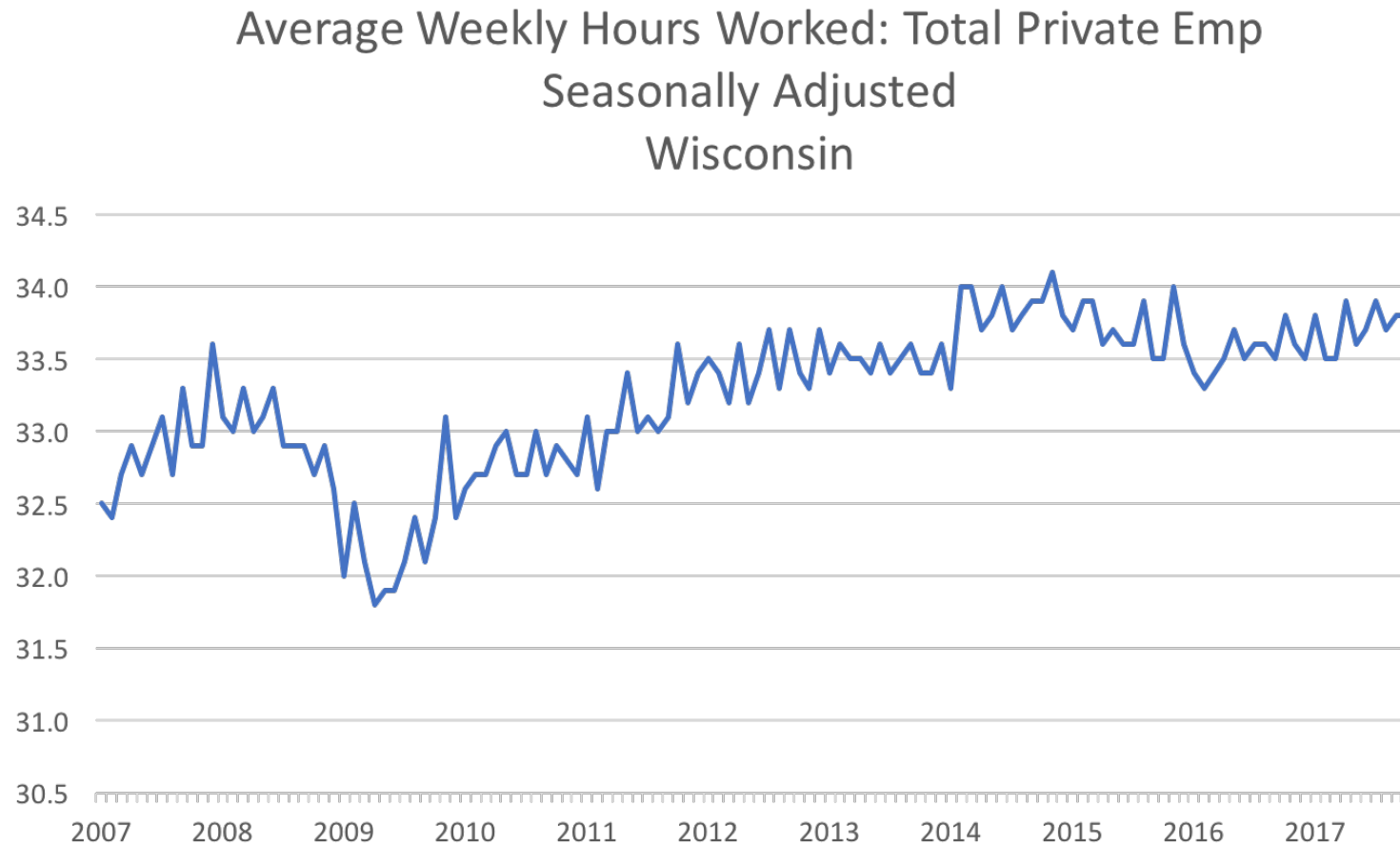
Unemployment Rates:  
Conventional (U-3) and Alternative (U-6) Measures  
Wisconsin



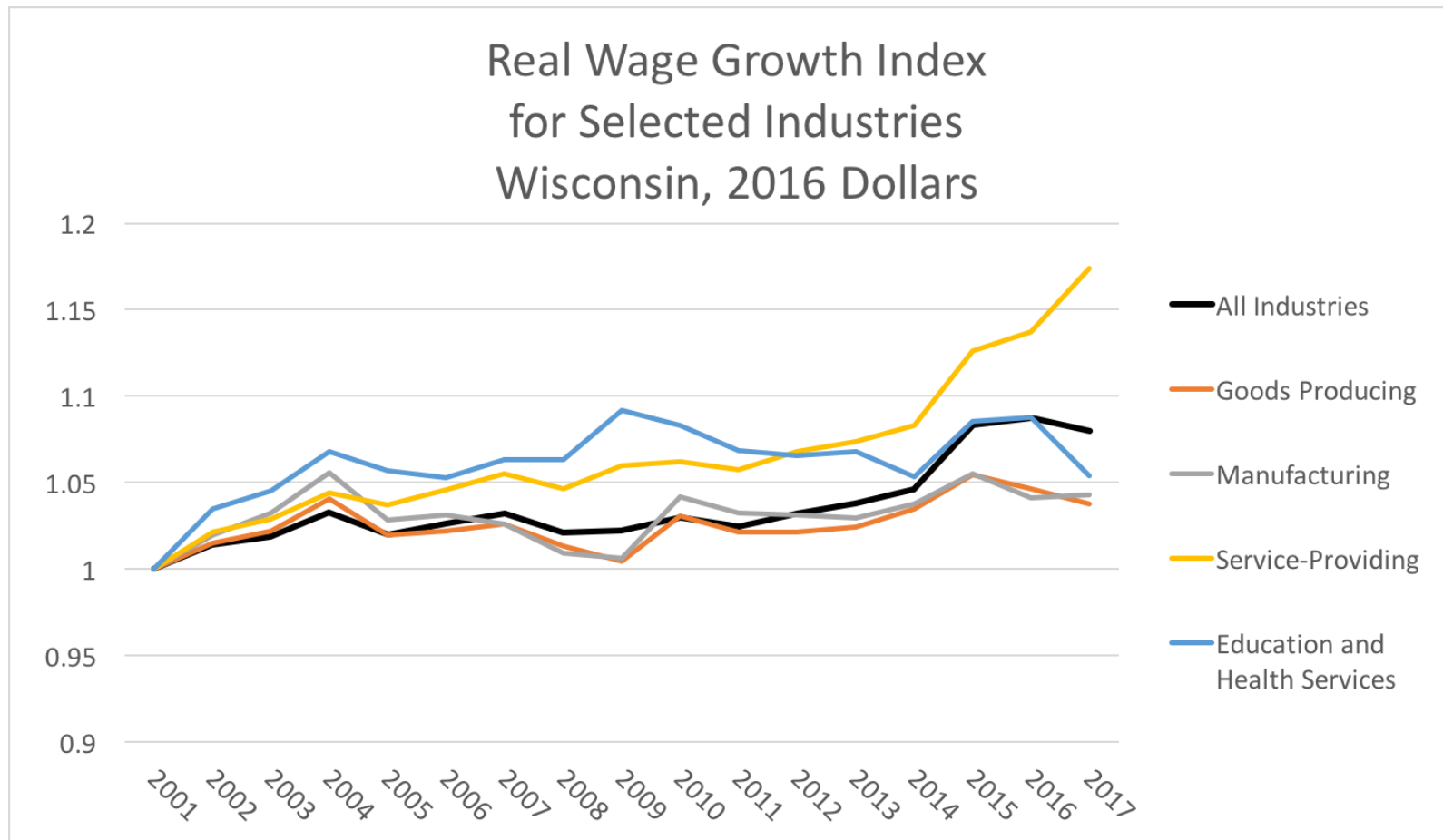
One unemployed worker per job opening.



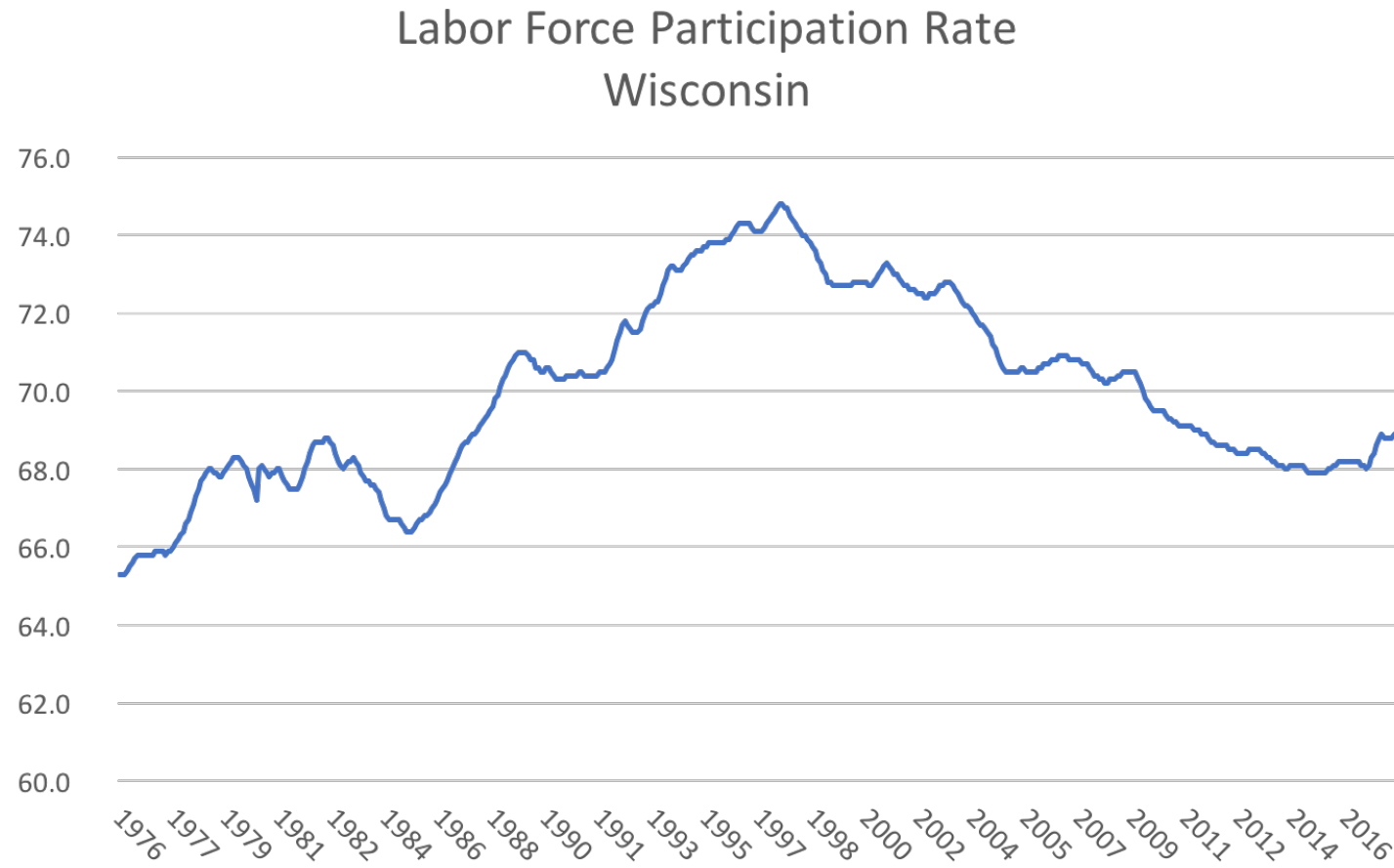
Avg. hours worked is slightly high but stable.



# Wages have increased moderately.



Labor force participation is increasing.



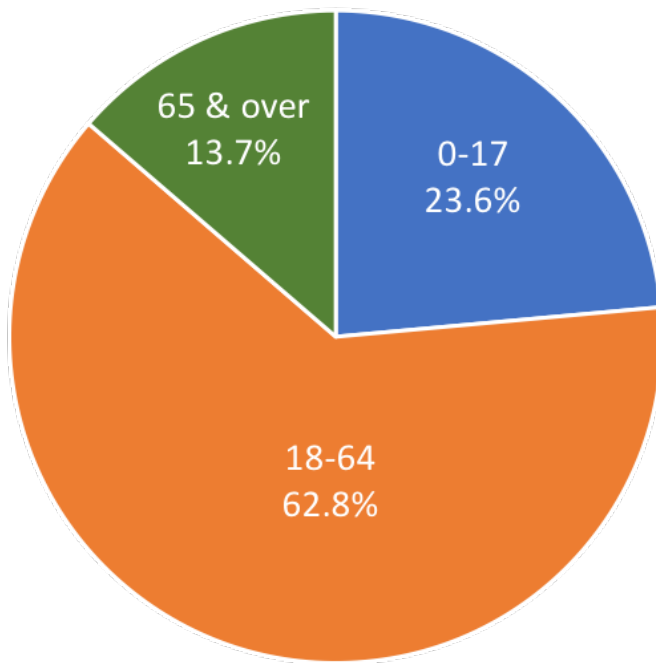
There are signs of a tight labor market.

- But the evidence of a severe labor shortage is weak.
- Potential for a more serious shortage in the future.
  - Growing Labor Demand.
  - Large wave of retirements.
  - Low in-migration.

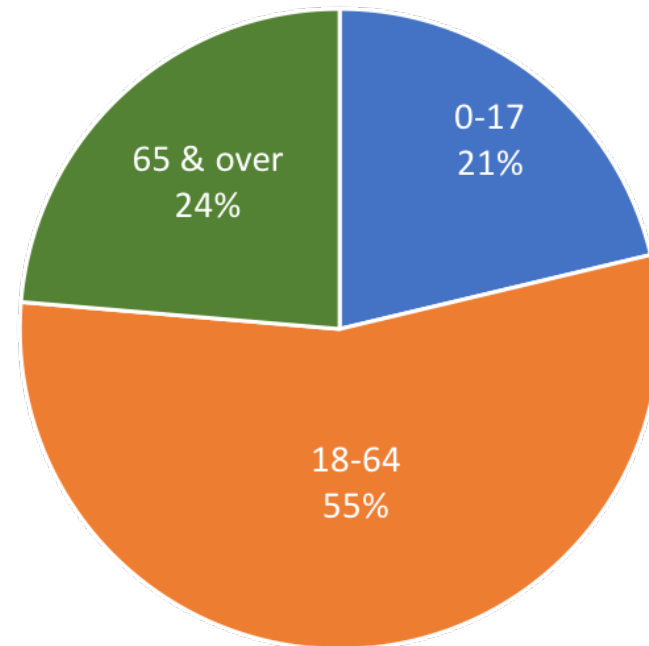


Many are nearing retirement.

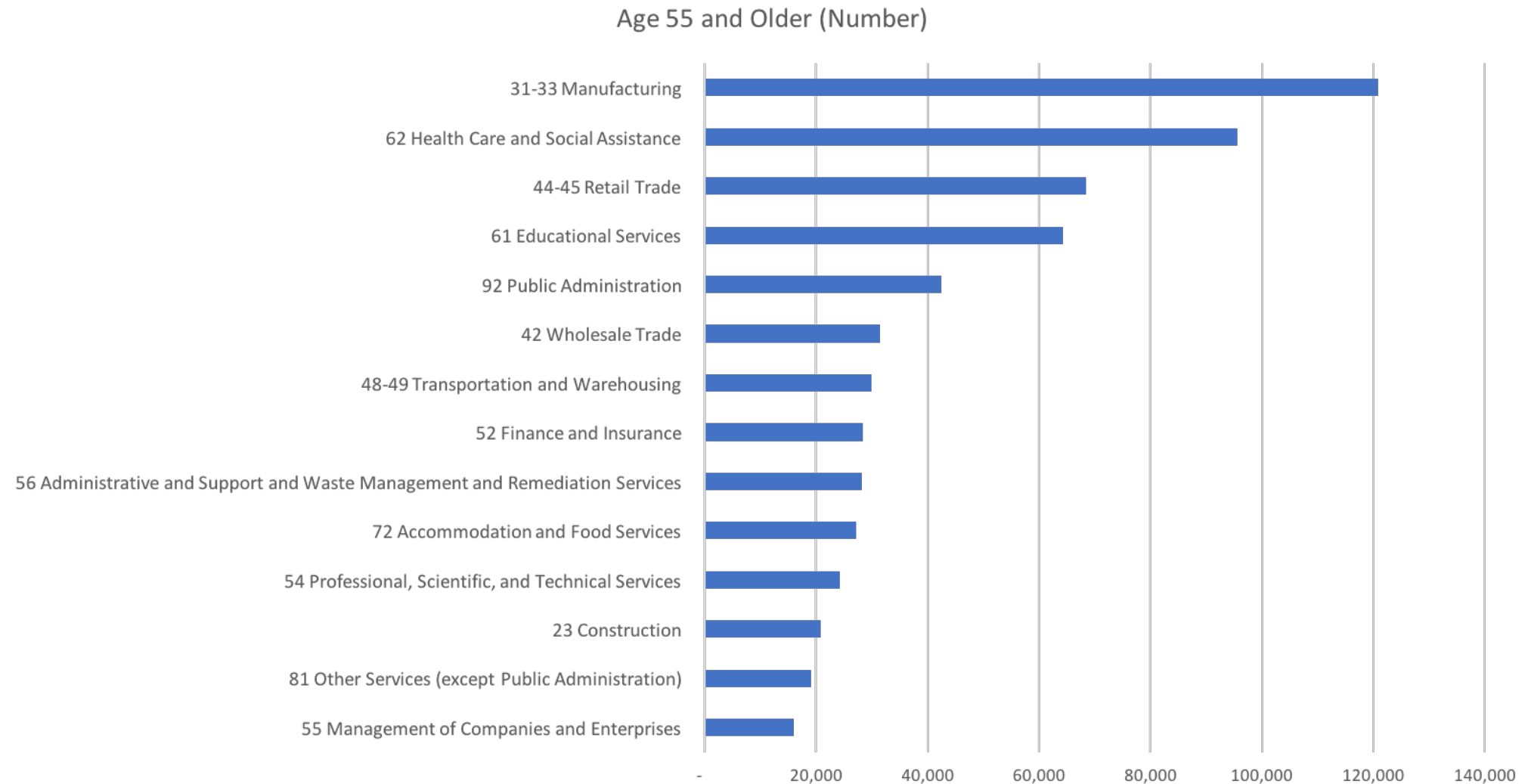
Population Share by Age Group  
Wisconsin, Census 2010



Population Share by Age Group  
Wisconsin, Projected 2040

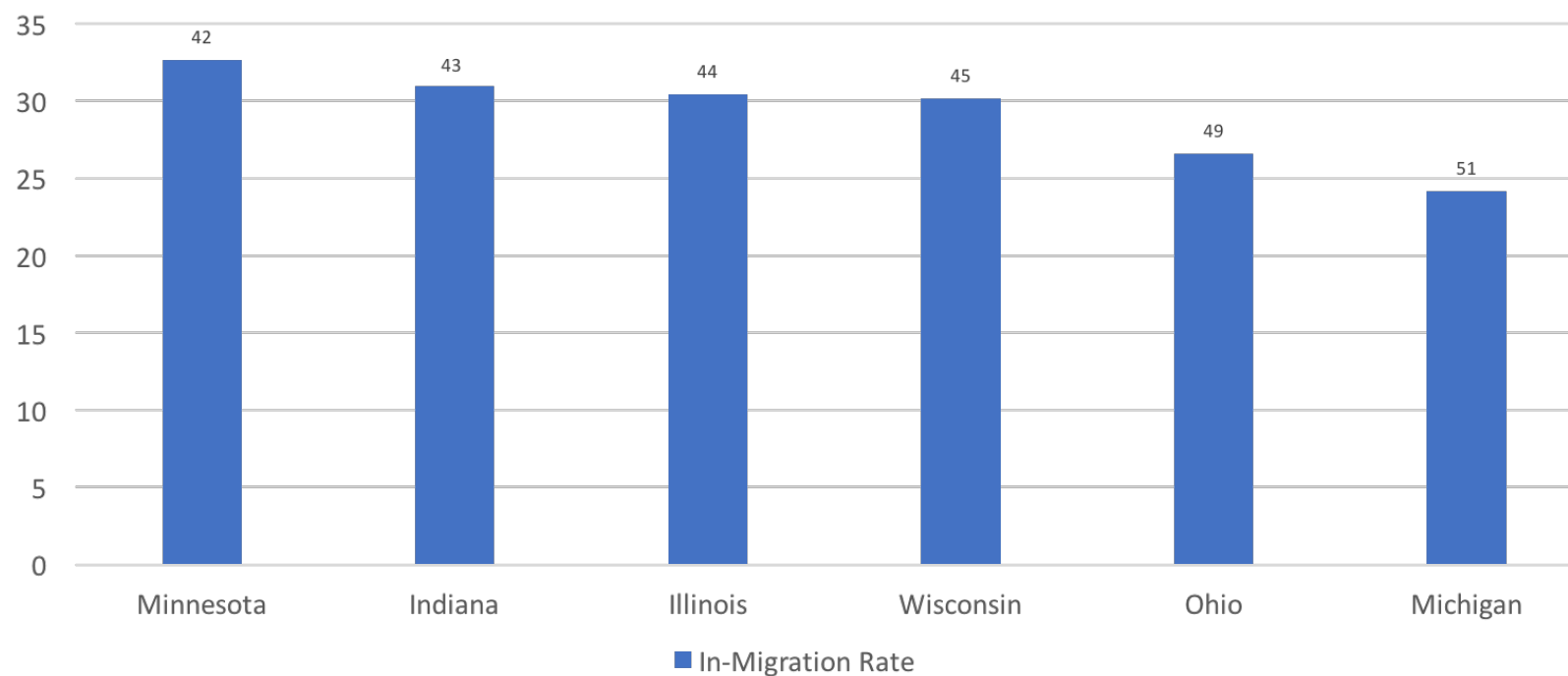


...especially in some sectors.

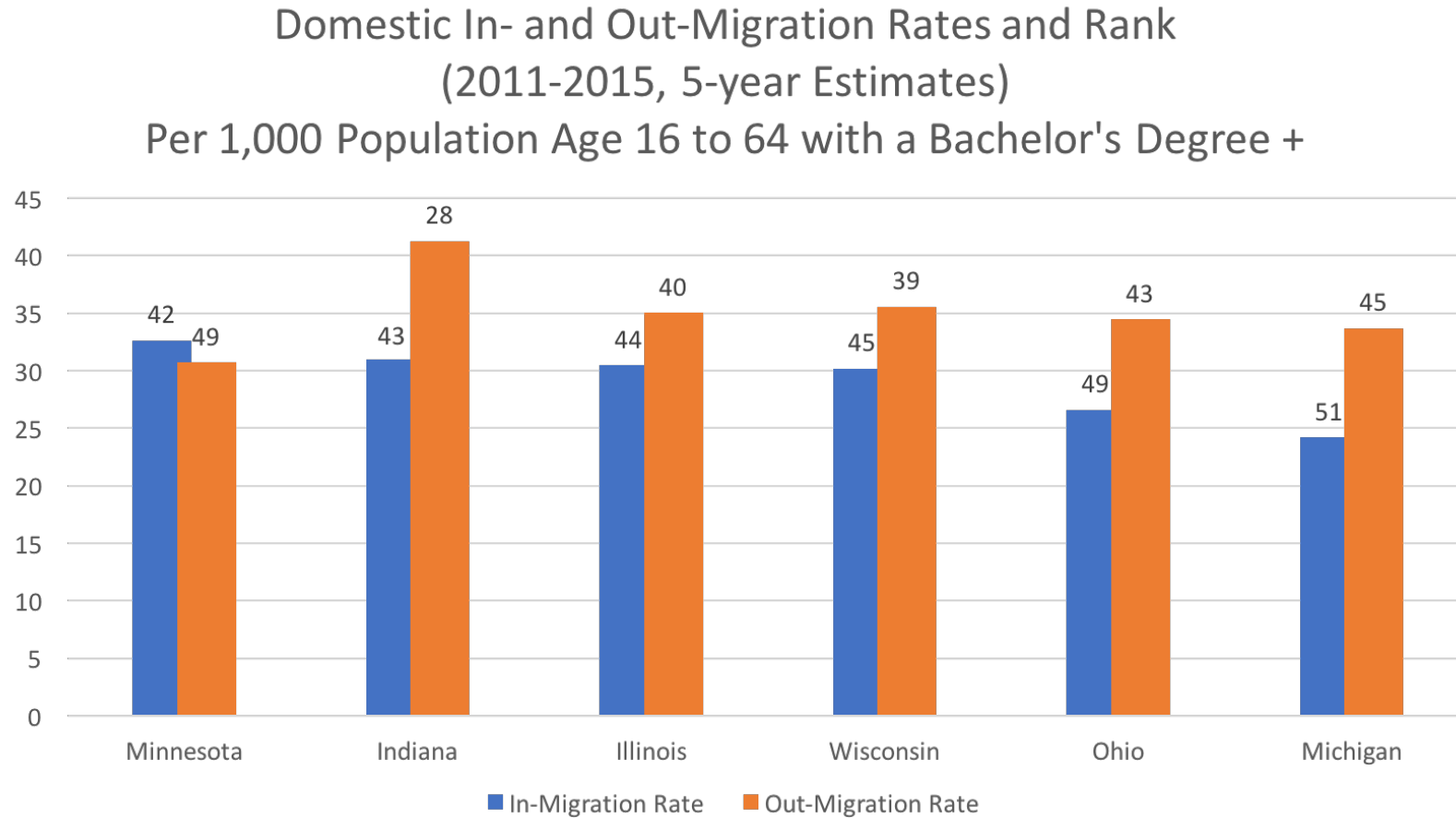


# In-migration is low.

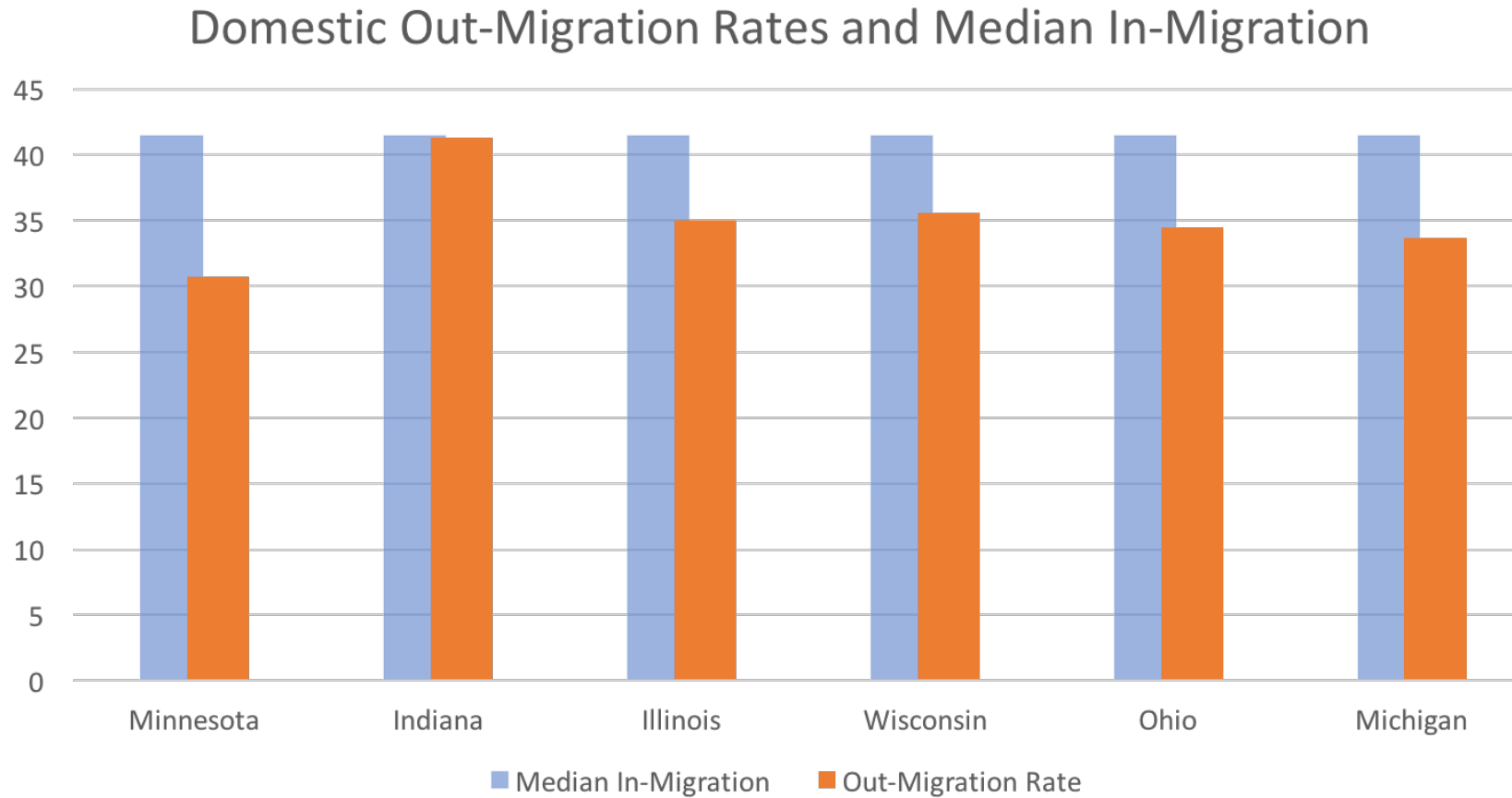
Domestic In-Migration Rates and Rank  
(2011-2015, 5-year Estimates)  
Per 1,000 Population Age 16 to 64 with a Bachelor's Degree+



# Out-migration is low and that's good.



# Brain “Gain” vs Brain “Drain.”



## Policies for a Quantity Issue

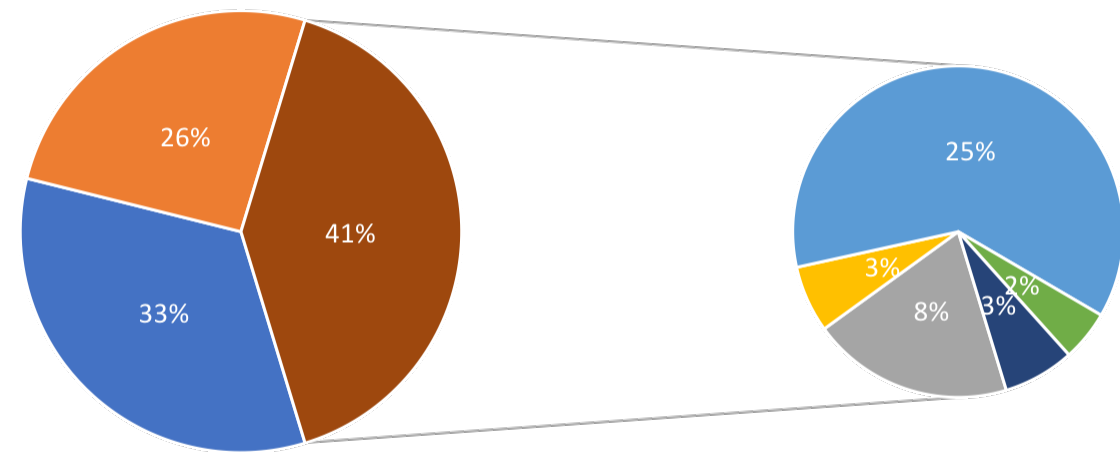
- Increasing the pool of workers.
  - Mothers of young children.
  - Previously incarcerated.
- In-migration.
  - Attracting new workers in the state.
  - Place-making.
- Immigration
- Automation

## Alternative Explanations

- Quantity, quality, and location matter.
- Skill mismatch.
- Spatial mismatch.
- May require different policies.

# Skill Mismatch

Projected Job Growth By Education Level  
2014-2024



- No Formal Educational Credential
- High School Diploma or Equivalent
- Post-secondary Non-degree Award
- Associate's Degree
- Bachelor's Degree
- Master's Degree
- Doctoral or Professional Degree





# Spatial Mismatch

- There are job openings.
  - Employers are not able to fill openings.
- There are people looking for work.
  - Workers are not able to find jobs.
- Job openings are far from available workers.
  - Transportation.
  - Commuting costs.
  - Housing.

## Policies for a Quality Issue

- Shift industrial composition.
  - Indiana
  - Strategy to attract companies
- Entrepreneurship



# Questions or comments?

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