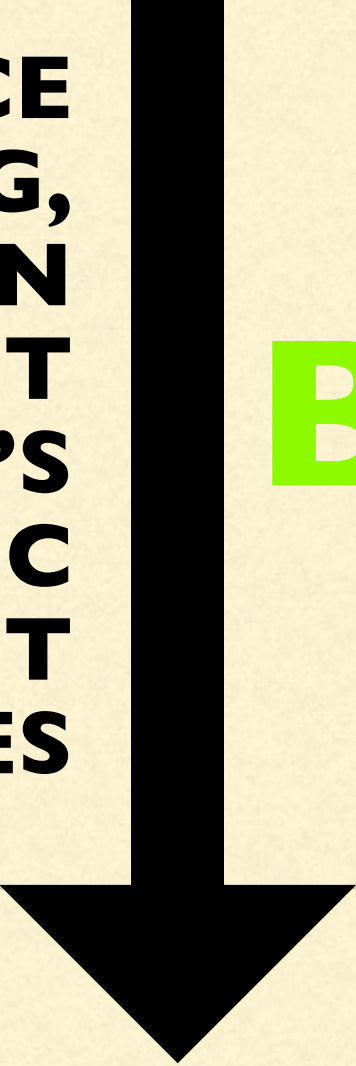


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**WORKFORCE  
TRAINING,  
RETENTION  
AND RECRUITMENT  
MUST BE WISCONSIN'S  
TOP ECONOMIC  
DEVELOPMENT  
PRIORITIES**

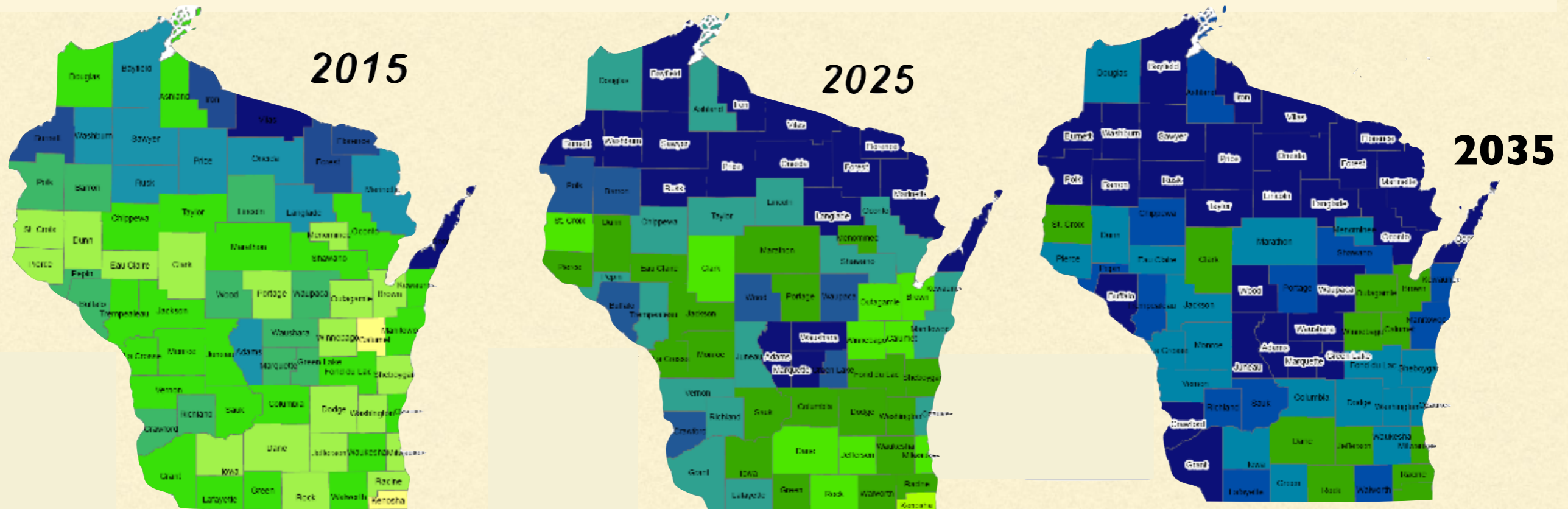
**BECAUSE**



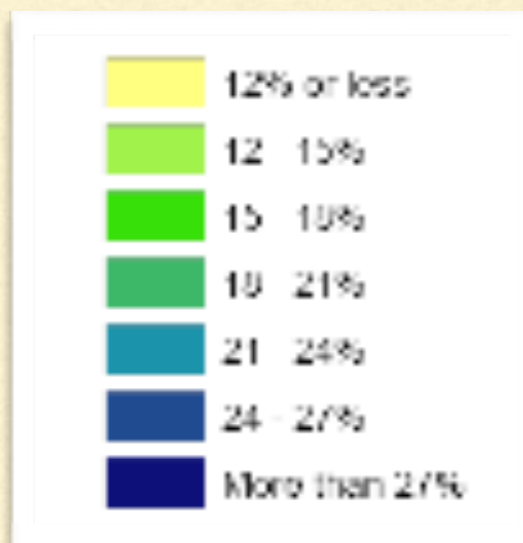
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**WISCONSIN'S ELDERLY POPULATION IS GROWING.  
WISCONSIN'S WORKFORCE POPULATION IS SHRINKING.  
WISCONSIN'S TAX BASE IS ERODING.**

# WISCONSIN'S ELDERLY POPULATION IS GROWING.

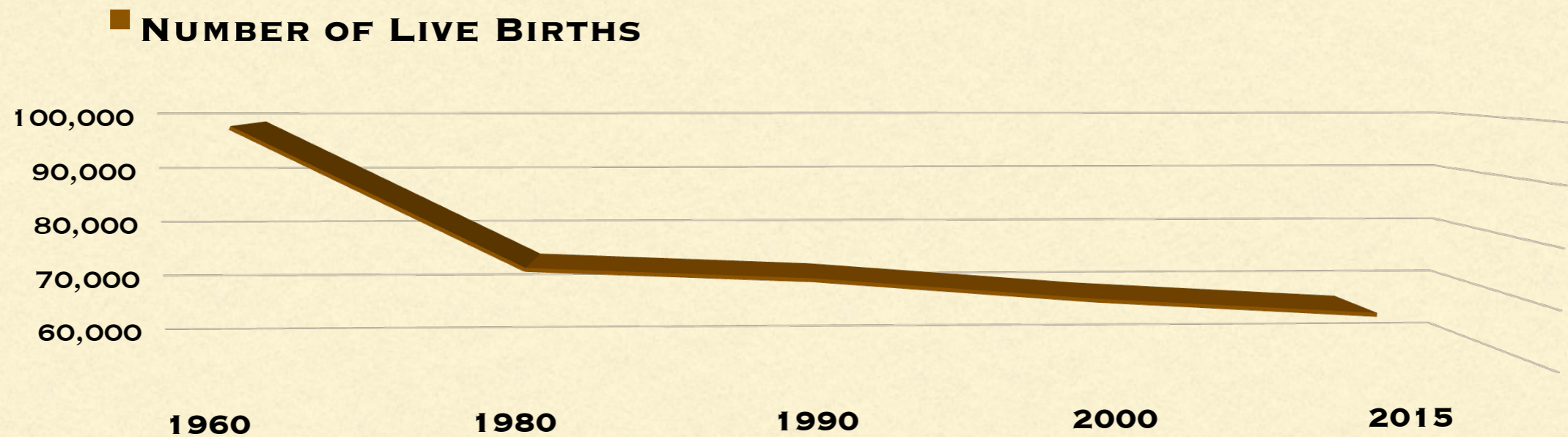
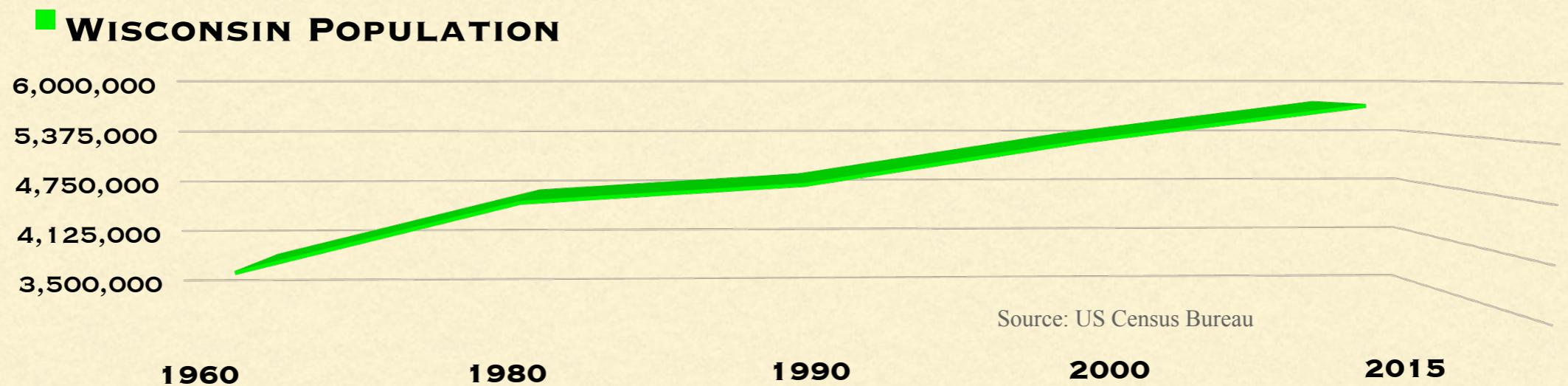


## Percent Age 65+



- Pressure on need for/access to services - e.g., health care, transportation, senior services
- Pressure on local economy - e.g., fixed incomes, decline in full-time worker consumer spending
- Pressure on property tax base capacity - e.g., fixed incomes, erosion in rural housing market

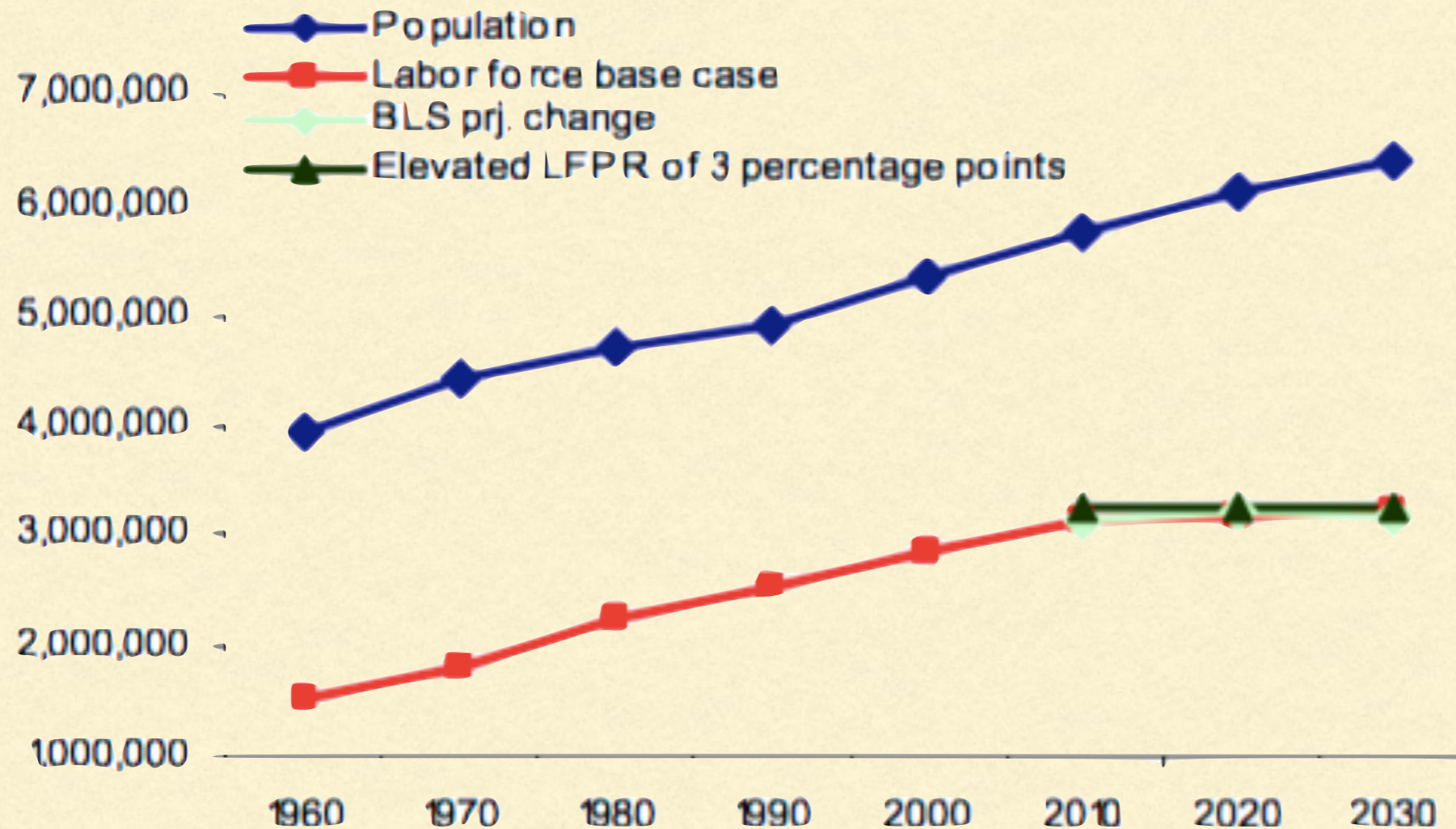
# WISCONSIN'S WORKFORCE POPULATION IS SHRINKING.



Source: Wisconsin Department of Health Services

# WISCONSIN'S WORKFORCE POPULATION IS SHRINKING.

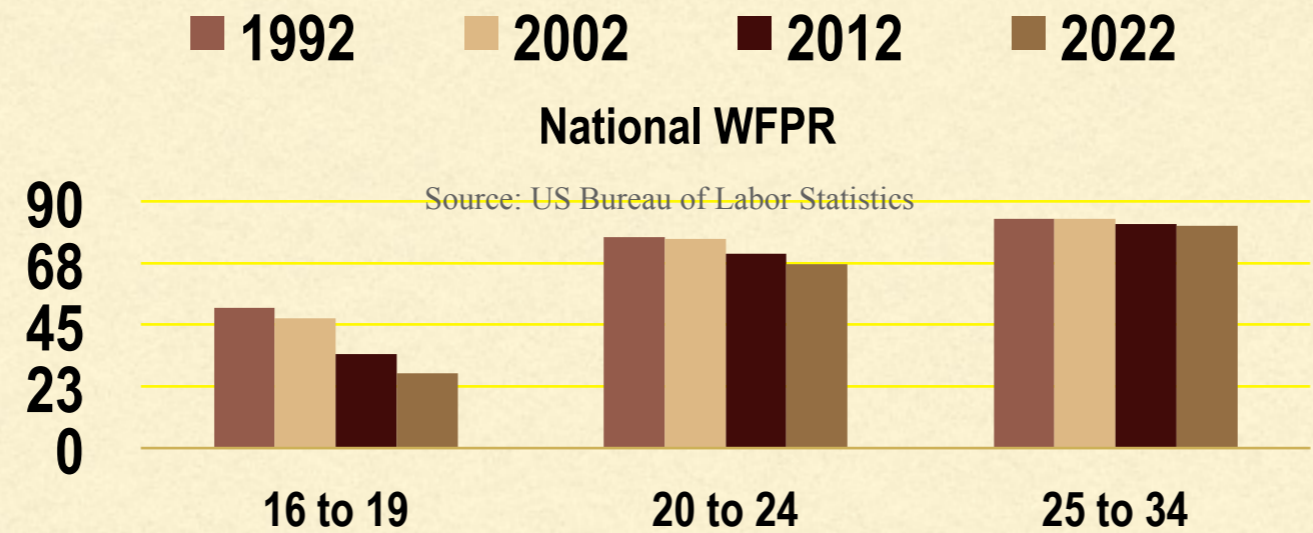
Exhibit 12: Wisconsin Labor Force: Historic and Projected



**“Even with robust increases in LFPR, growth in Wisconsin’s workforce is limited at best. The pending situation is unprecedented and largely unalterable. The economic impacts are huge.”**

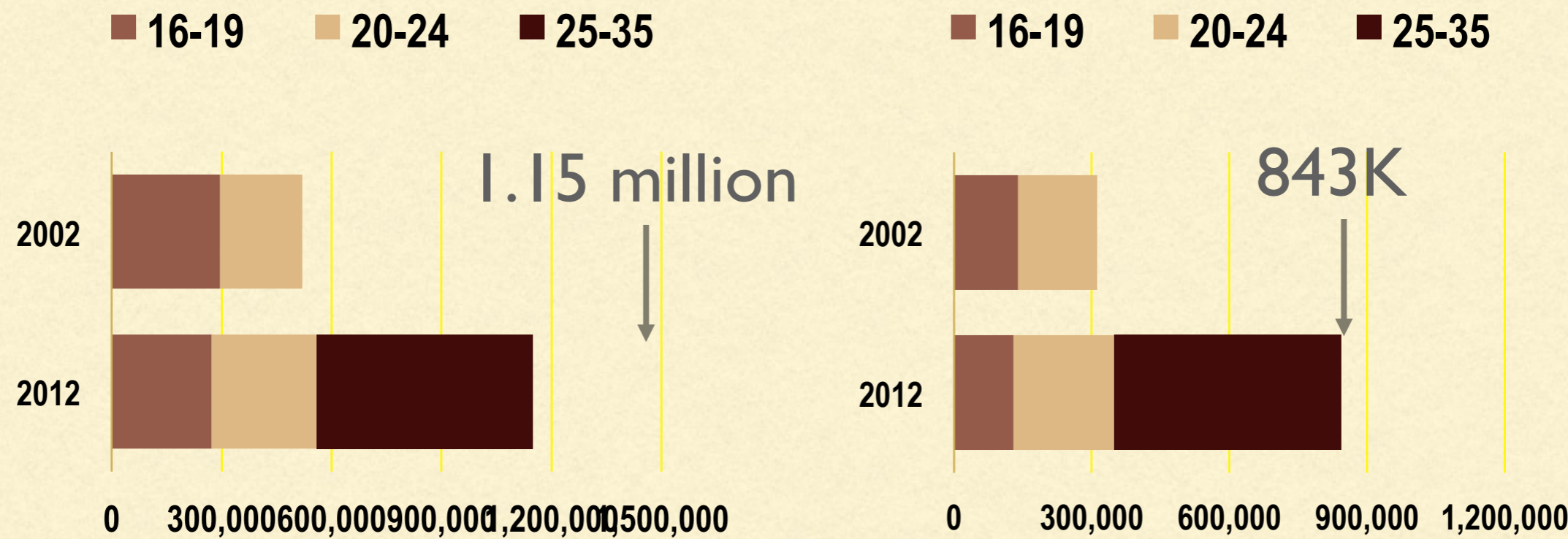
Source: The Impact of Population Aging on Wisconsin’s Workforce, Office of Economic Advisors, Wisconsin Department of Workforce Development, 2009 [http://worknet.wisconsin.gov/worknet\\_info/articles/impact\\_of\\_aging\\_population\\_paper12-2009.pdf](http://worknet.wisconsin.gov/worknet_info/articles/impact_of_aging_population_paper12-2009.pdf)

# WISCONSIN'S WORKFORCE POPULATION IS SHRINKING.



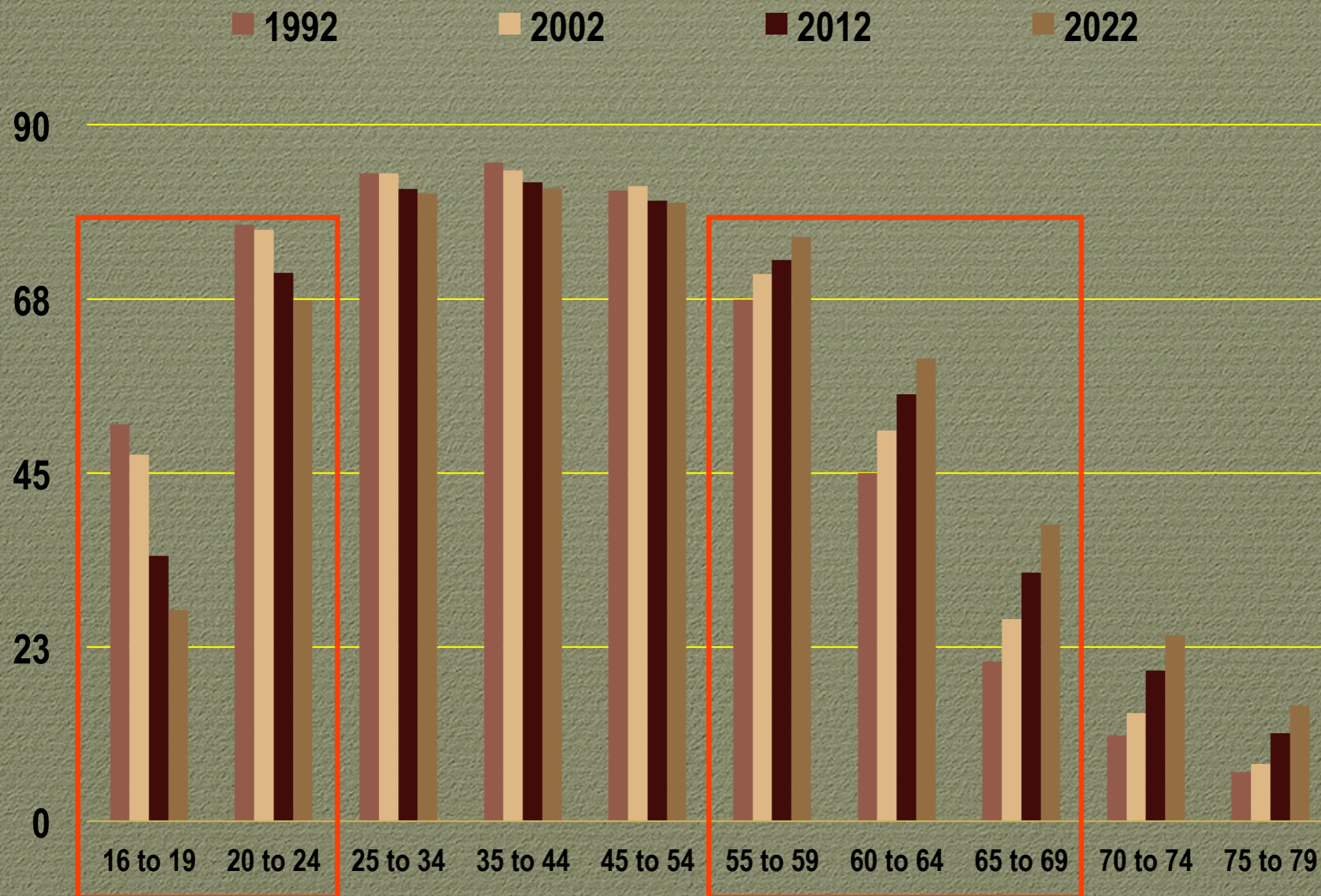
Millennials Born in Wisconsin of Workforce Age in 2002 and 2012

National WFPR for Millennials Born in Wisconsin of Workforce Age 2002 and 2012



Source: Wisconsin Department of Health Services

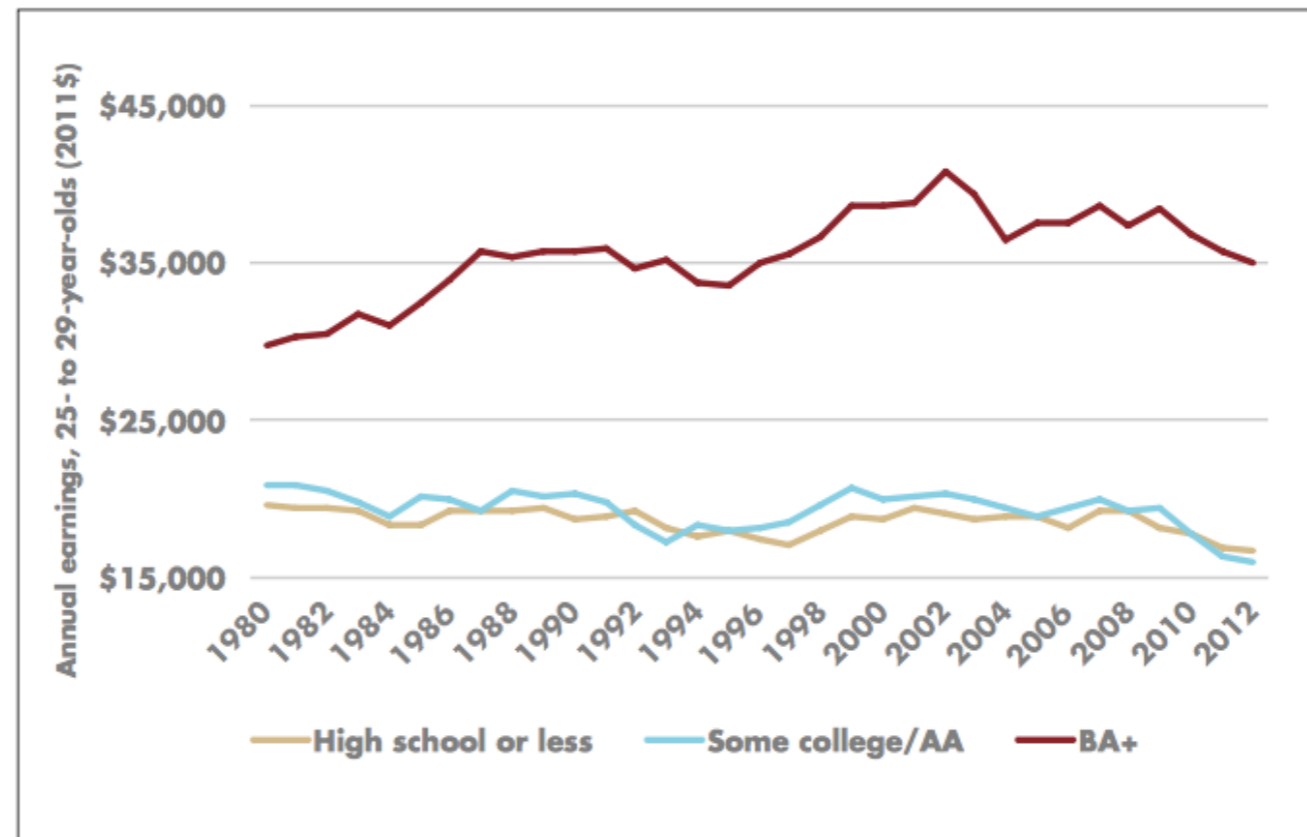
# National Work Force Participation Rates by Age



THE MILLENNIAL WORKFORCE

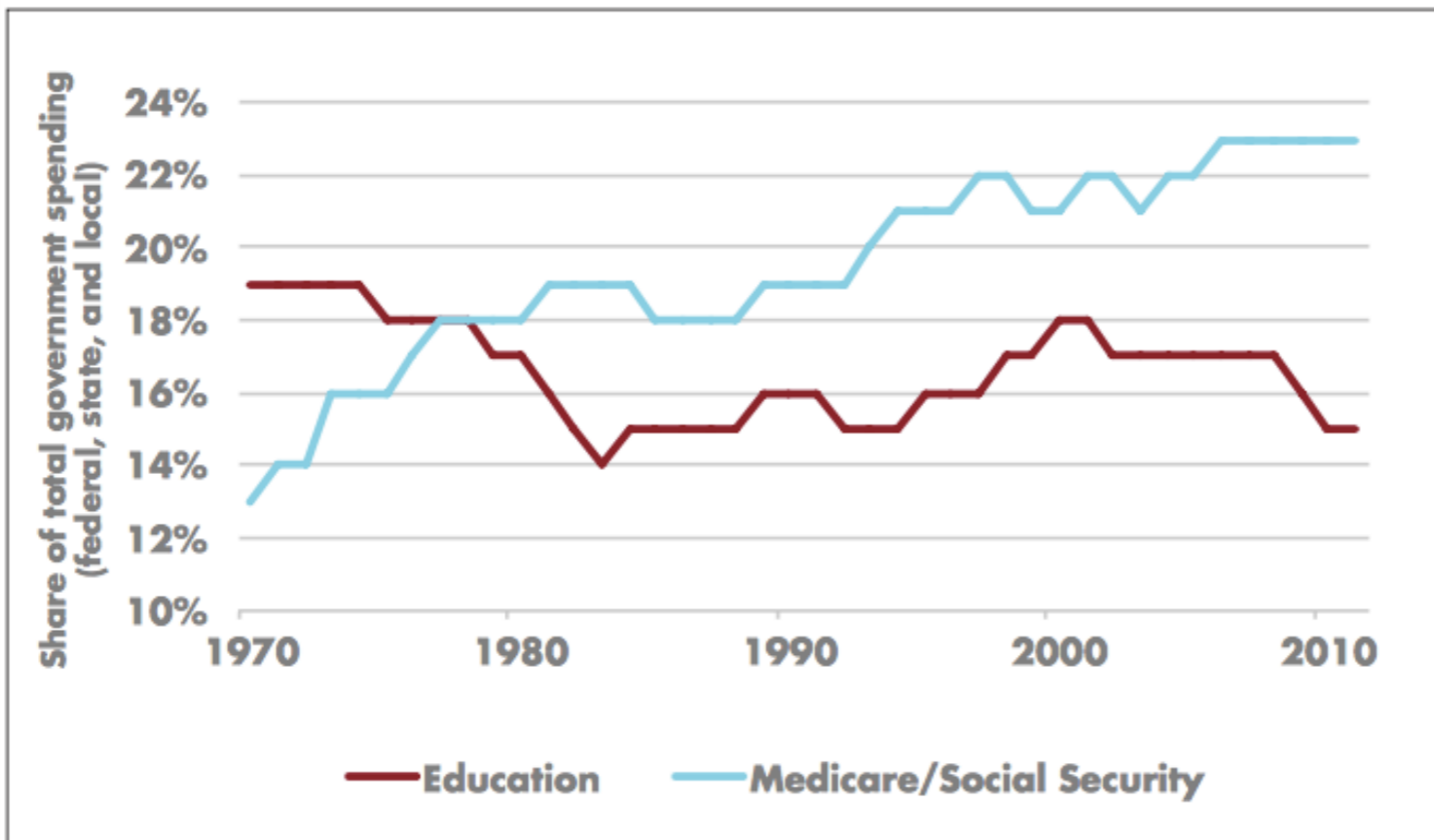
...AND WHAT IT MEANS FOR WISCONSIN

**Figure 1.10.** Young college graduates' earnings grew substantially between 1980 and 2000, but stagnated for those with less education.



SOURCE: GEORGETOWN UNIVERSITY CENTER ON EDUCATION AND THE WORKFORCE ANALYSIS OF CURRENT POPULATION SURVEY, MARCH, 1980-2012, CPS UTILITIES, UNICON RESEARCH CORP.

THE MILLENNIAL WORKFORCE  
...AND WHAT IT MEANS FOR WISCONSIN



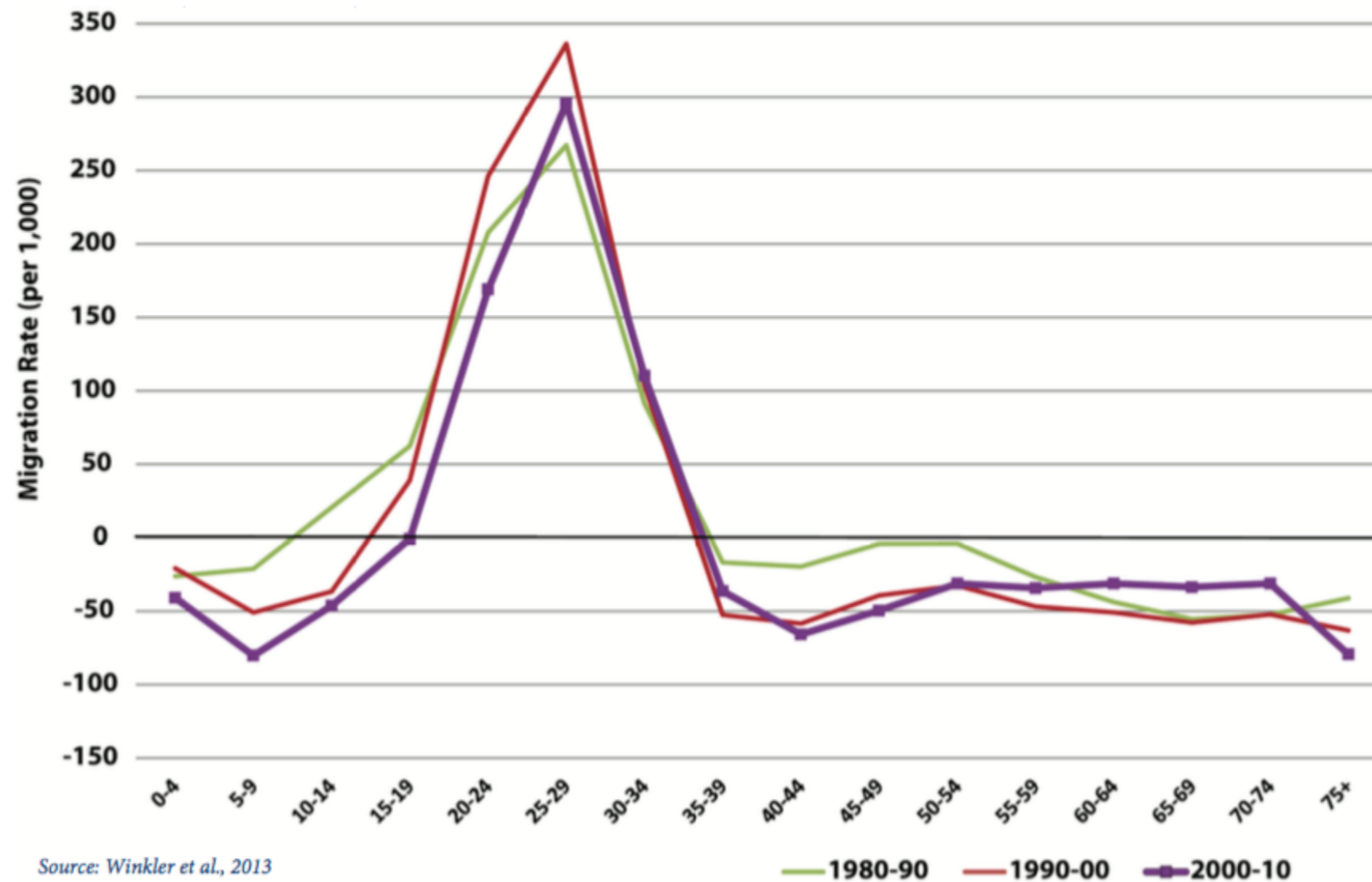
**Figure 4.3.** Since the 1960s, the share of public spending on Social Security and Medicare has grown, putting increasing pressure on funding for education and training programs.

SOURCE: GEORGETOWN UNIVERSITY CENTER ON EDUCATION AND THE WORKFORCE ANALYSIS OF DATA FROM THE BUREAU OF ECONOMIC ANALYSIS, NATIONAL INCOME AND PRODUCT ACCOUNTS TABLES, 1969-2011

THE MILLENNIAL WORKFORCE  
...AND WHAT IT MEANS FOR WISCONSIN

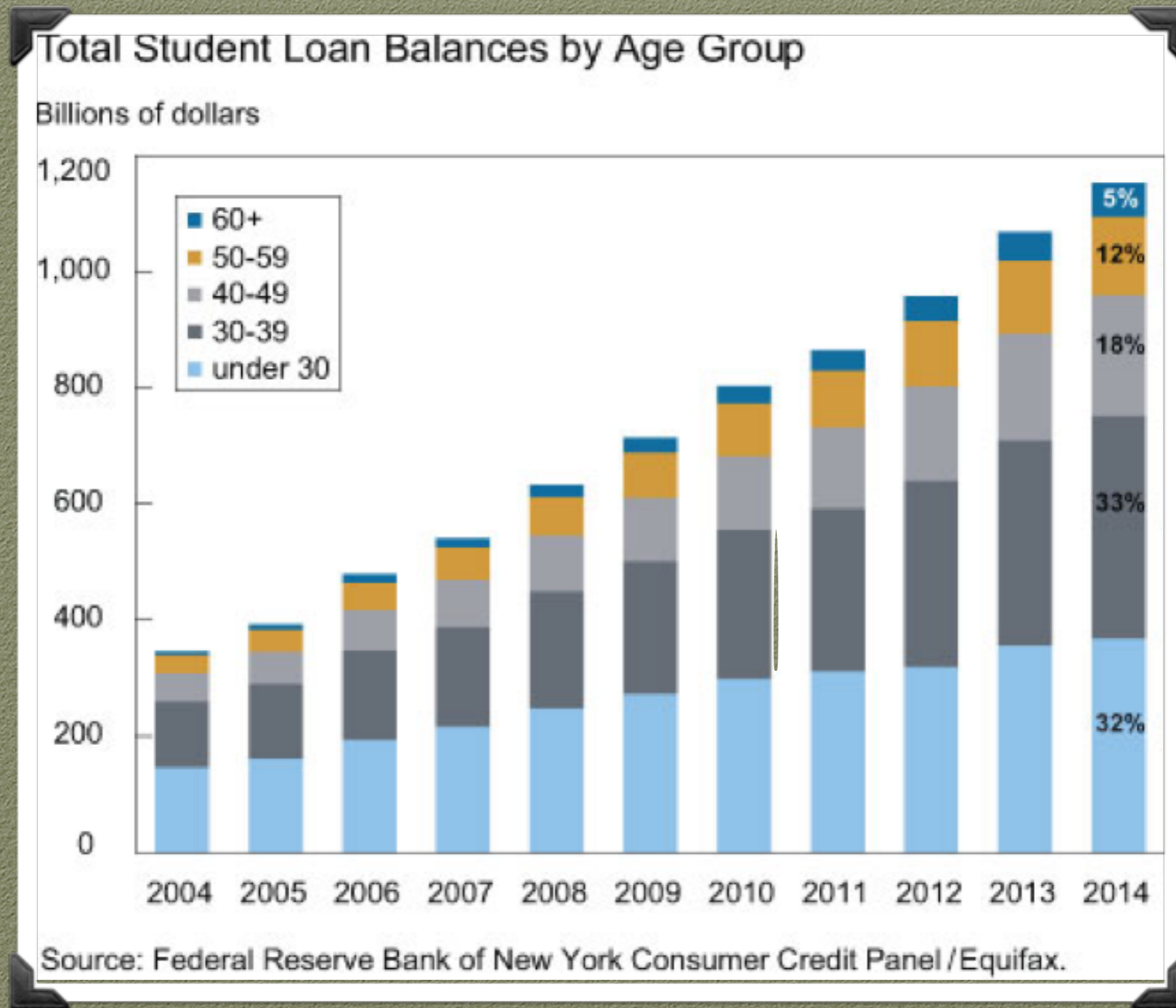
# WISCONSIN'S WORKFORCE POPULATION IS SHRINKING, URBANIZING AND GRAPPLING WITH INCOME ISSUES

FIGURE 2. MIGRATION SIGNATURES FOR LARGE URBAN CORE COUNTIES, 1980 TO 2010



- Pressure on need for/access to services - e.g., more people, education, health care, quality of life
- Pressure on income tax base capacity - e.g., fewer workers, student debt, rising cost of living (gas, housing, insurance, food)

# WISCONSIN'S WORKFORCE POPULATION IS SHRINKING, URBANIZING AND GRAPPLING WITH INCOME ISSUES

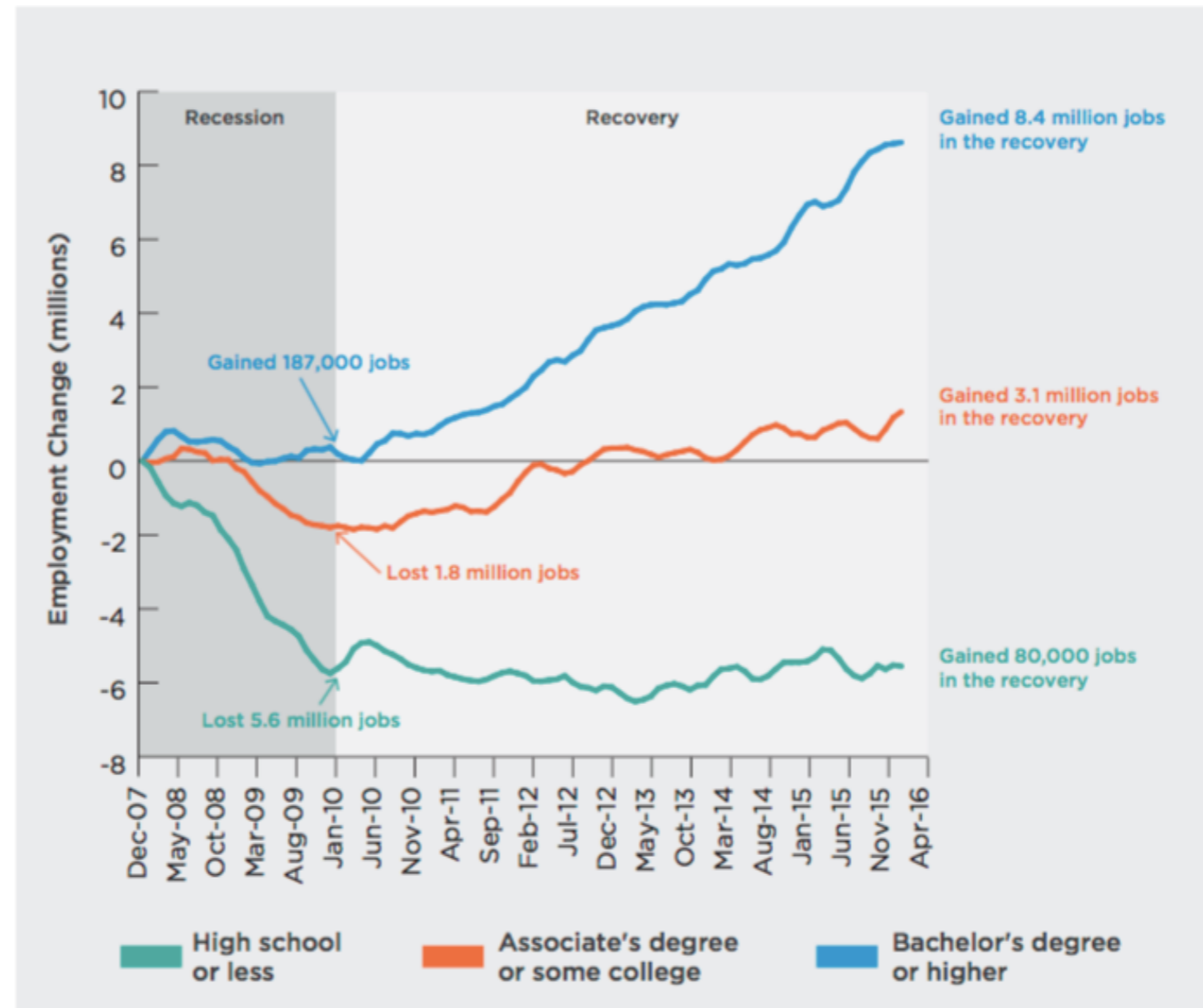


THE MILLENNIAL WORKFORCE

...AND WHAT IT MEANS FOR WISCONSIN

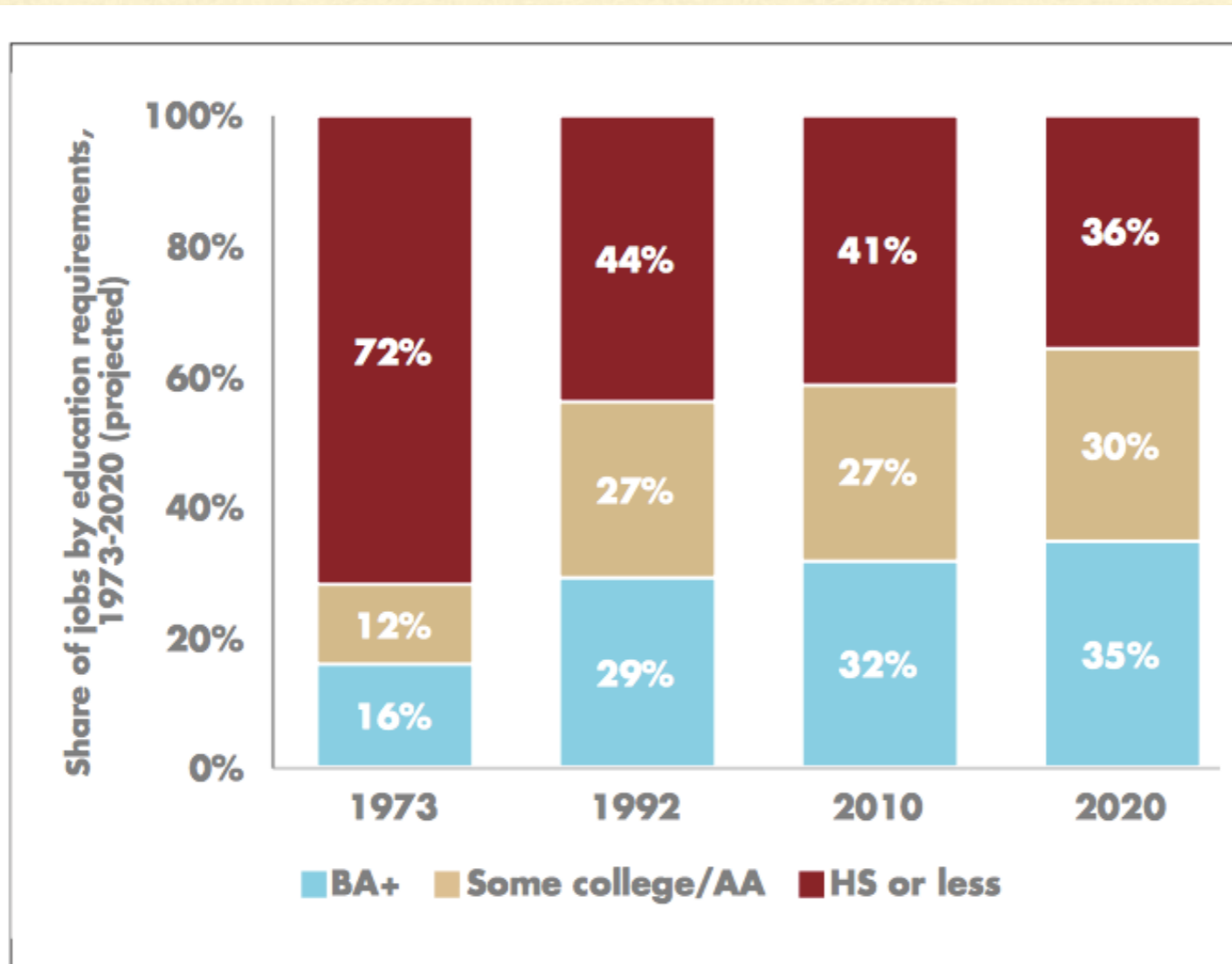
# WISCONSIN'S WORKFORCE POPULATION IS SHRINKING, URBANIZING AND GRAPPLING WITH INCOME ISSUES

Figure I. Workers with a Bachelor's degree have added 8.4 million jobs in the recovery, but workers with a high school diploma or less added only 80,000 jobs after losing 5.6 million jobs in the recession.



Source: Georgetown University Center on Education and the Workforce analysis of *Current Population Survey* (CPS) data, 2007-2016.

Note: Employment includes all workers age 18 and older. The monthly employment numbers are seasonally adjusted using the U.S. Census Bureau X-12 procedure and smoothed using a four-month moving average.



**Figure 1.6.** By 2020, 65 percent of jobs will require at least some education or training beyond high school.

SOURCE: GEORGETOWN UNIVERSITY CENTER ON THE WORKFORCE ANALYSIS IN RECOVERY: PROJECTIONS OF JOB OPENINGS AND EDUCATION REQUIREMENTS THROUGH 2020, 2013

# MANUFACTURING INDUSTRY'S ROLLER COASTER RECOVERY

## RECESSION

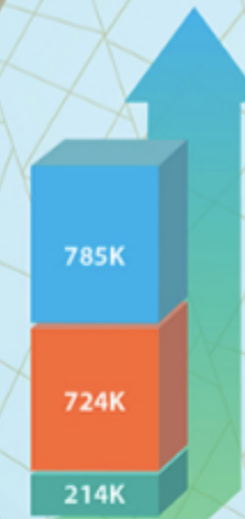
DEC. 2007 - JAN. 2010



Manufacturing was one of the hardest hit industries during the recession, losing 2.7 million jobs.



- BACHELOR'S DEGREE OR HIGHER
- SOME COLLEGE/ ASSOCIATE'S DEGREE
- HIGH SCHOOL OR LESS

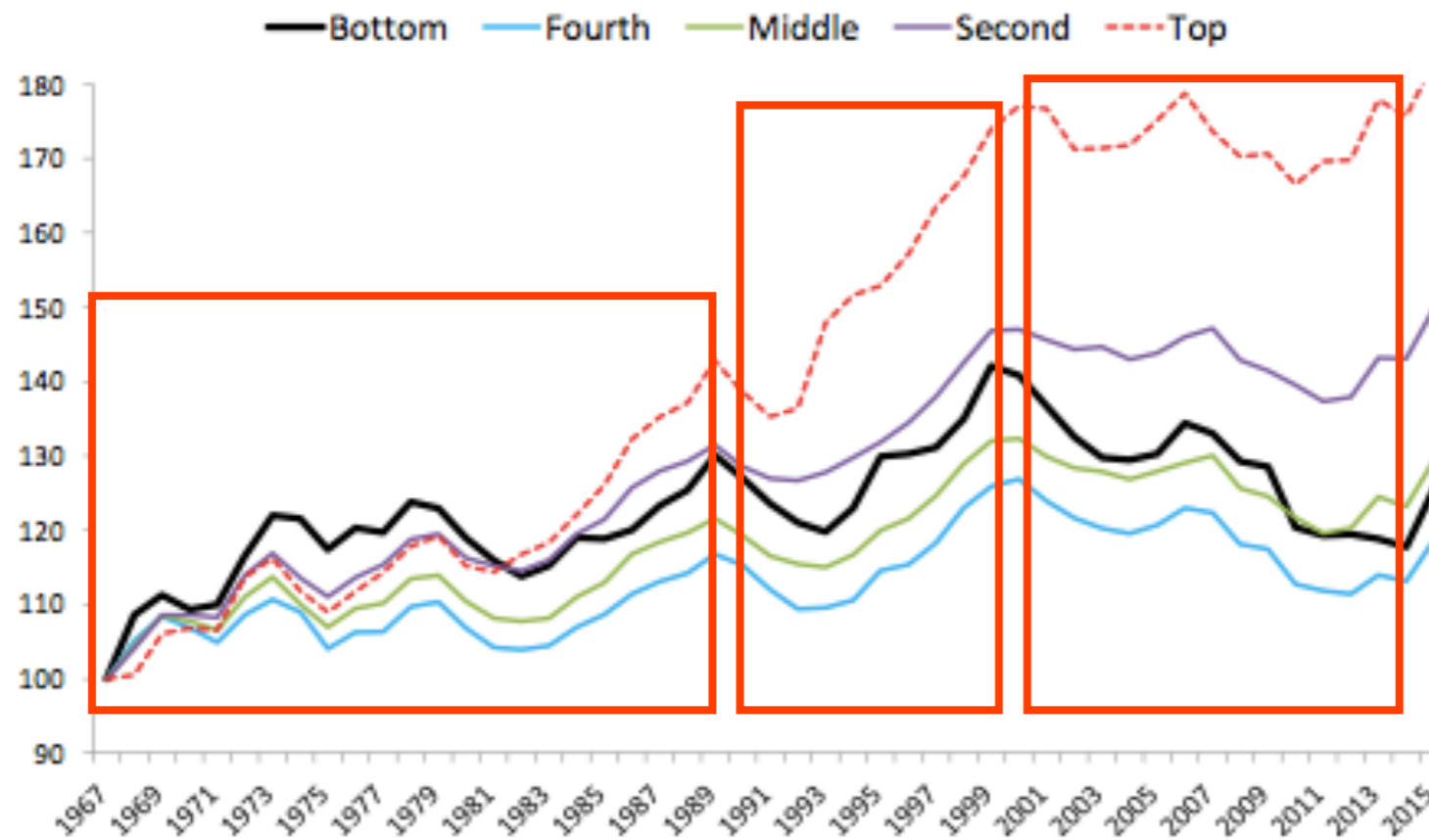


In the recovery, it recouped 1.7 million jobs, mostly for those with at least some college education.

## RECOVERY

JAN. 2010 - JAN. 2016

## Index of Average Real Household Income Within Each Quintile

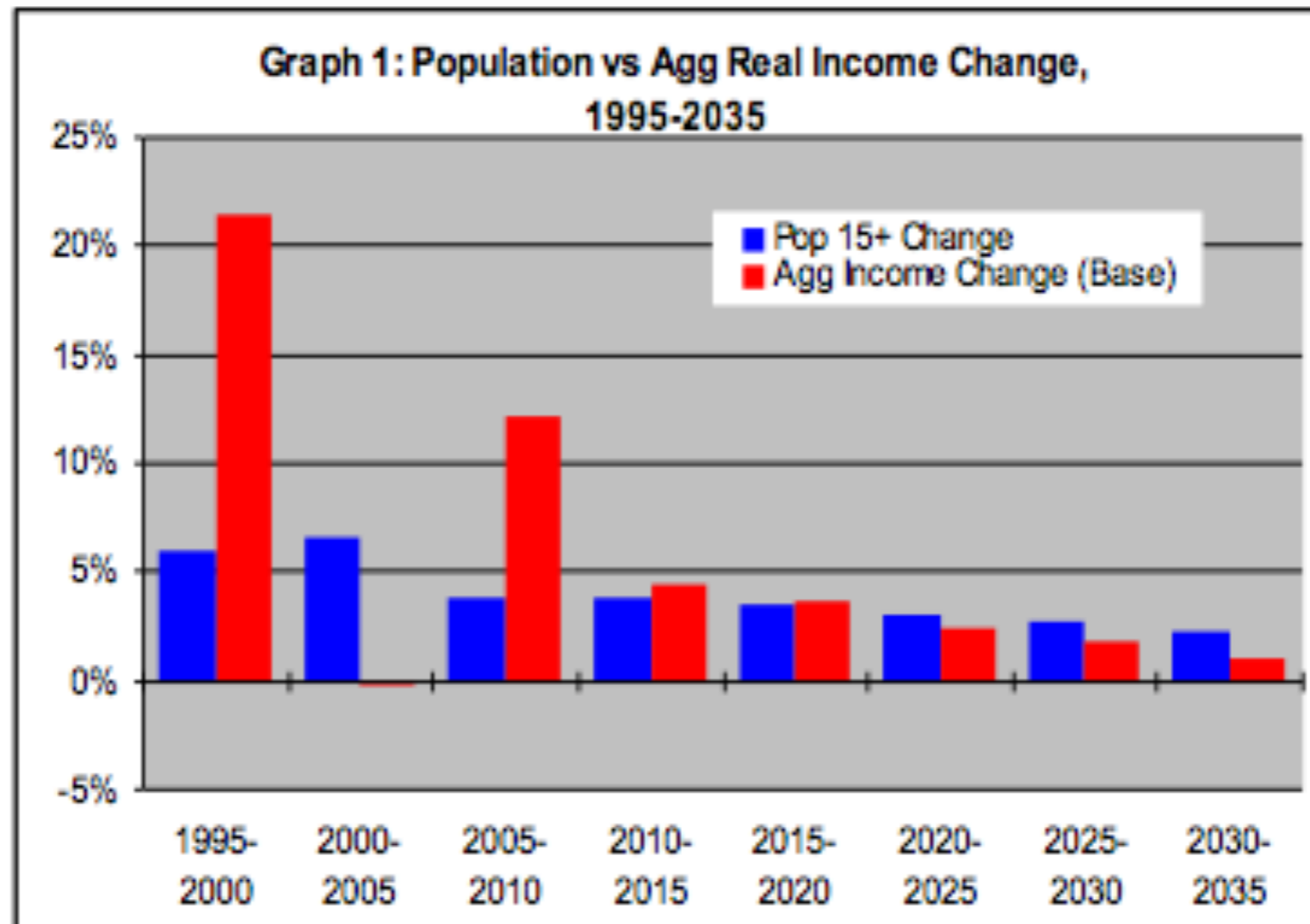


- Between 1967 and 1989, all segments of the population enjoyed relatively steady income growth. There was a dip caused by the 1981 recession, but over the twenty+ year span incomes rose between 15% and 40%+. It is also worth noting that the gap between the five income groups is relatively tight.
- During the 1990's incomes dip and then trend upwards with the highest income earners doing significantly better than all other groups.
- Between 2000 and 2014, incomes declined for all income groups.
- In 2015, real incomes increased across all groups. The big question is whether this is a blip, or a harbinger of stronger growth to come in the next several years.



### Workforce Effects on Wisconsin's Economy

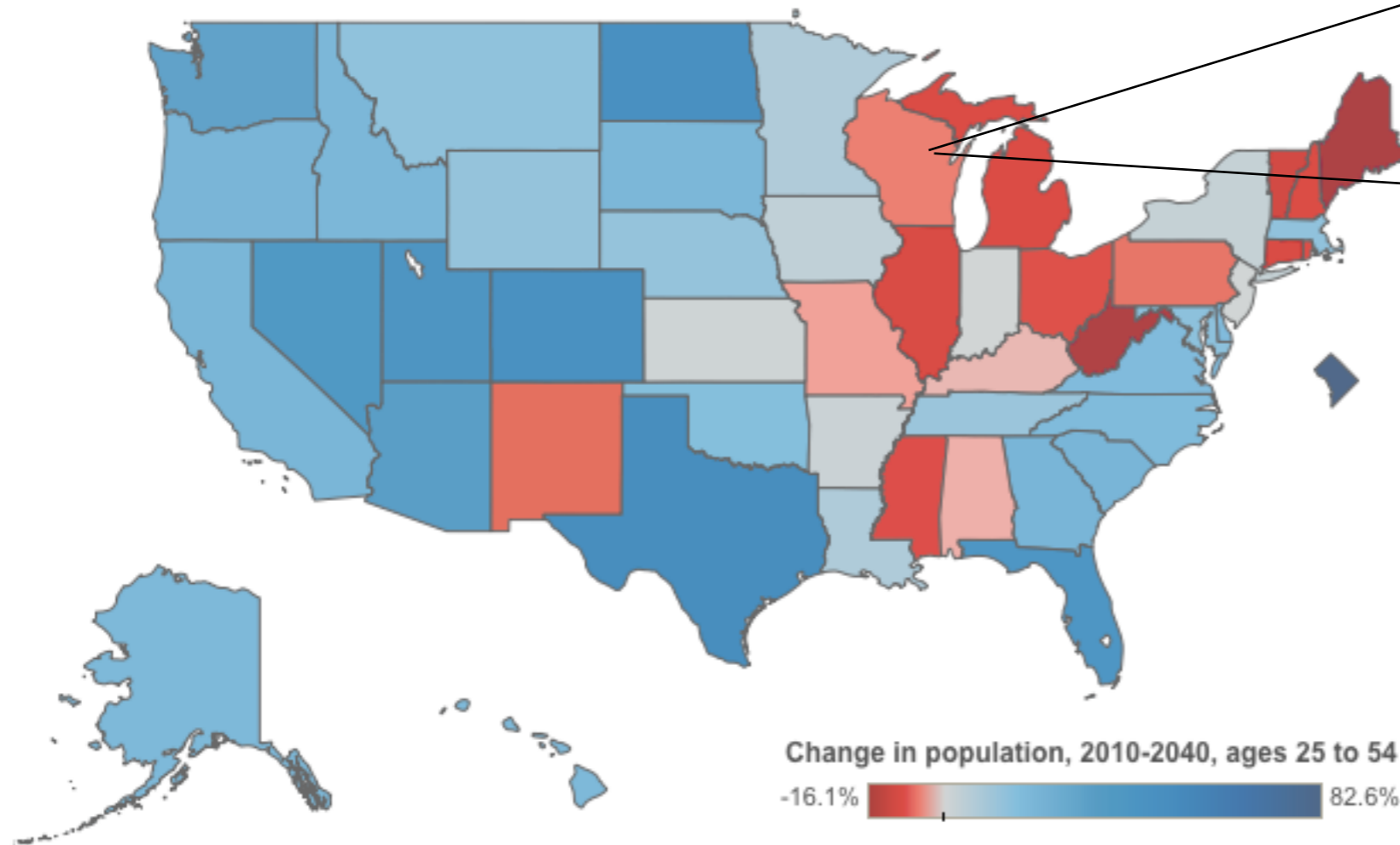
## UNDER BASE CASE ASSUMPTIONS PCI DECREASES STARTING IN 2015



Source: Bureau of Labor Statistics, Bureau of the Census, OEA

## Change in Working-Age Population

The population of people at prime working age, 25 to 54, will grow by about 15 percent across the country from 2010 to 2040. But many Northeast and Midwest states will see that population decline. Hover over a state for details.



Stateline data visualization, May 2016 | Source: University of Virginia Demographics Research Group

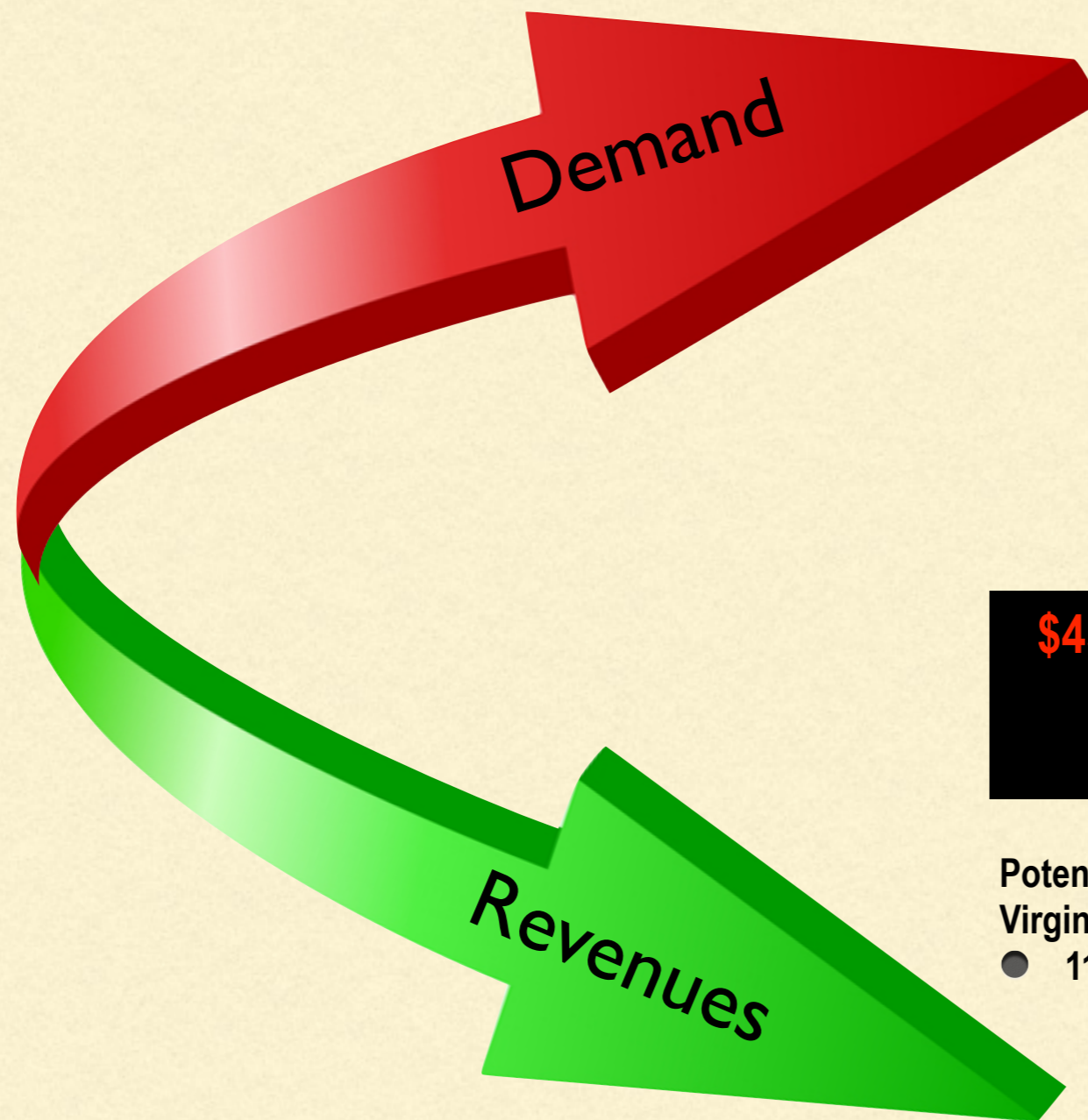
**-5.1 % Decline in 25-54 Workforce**  
Workforce 2010 = 2,321,113  
Workforce 2040 = 2,202,014

**6% Increase in Total Population**  
Population 2010 = 5,686,986  
Population 2040 = 6,042,354

**Maine, Vermont and West Virginia will see their working-age populations drop more than 10 percent. Connecticut, Illinois, Michigan, New Hampshire, Ohio, Pennsylvania, Rhode Island and Wisconsin will see theirs fall more than 5 percent.**

**“You have young people moving out,” said Mark Mather, a demographer at the Population Reference Bureau, an international research center. “You are losing your skilled workforce. And so businesses don’t want to work there. And there is less demand for services. So everything feeds into itself, for a negative downward spiral.”**

# WISCONSIN'S TAX BASE IS ERODING



- Pressure on need for/access to elder services - e.g., health care, transportation, senior services
- Pressure on need for/access to urban/suburban services - e.g., more people, education, health care, quality of life

**\$452 MILLION REDUCTION IN STATE AND LOCAL GOVERNMENTAL REVENUES ANNUALLY.**

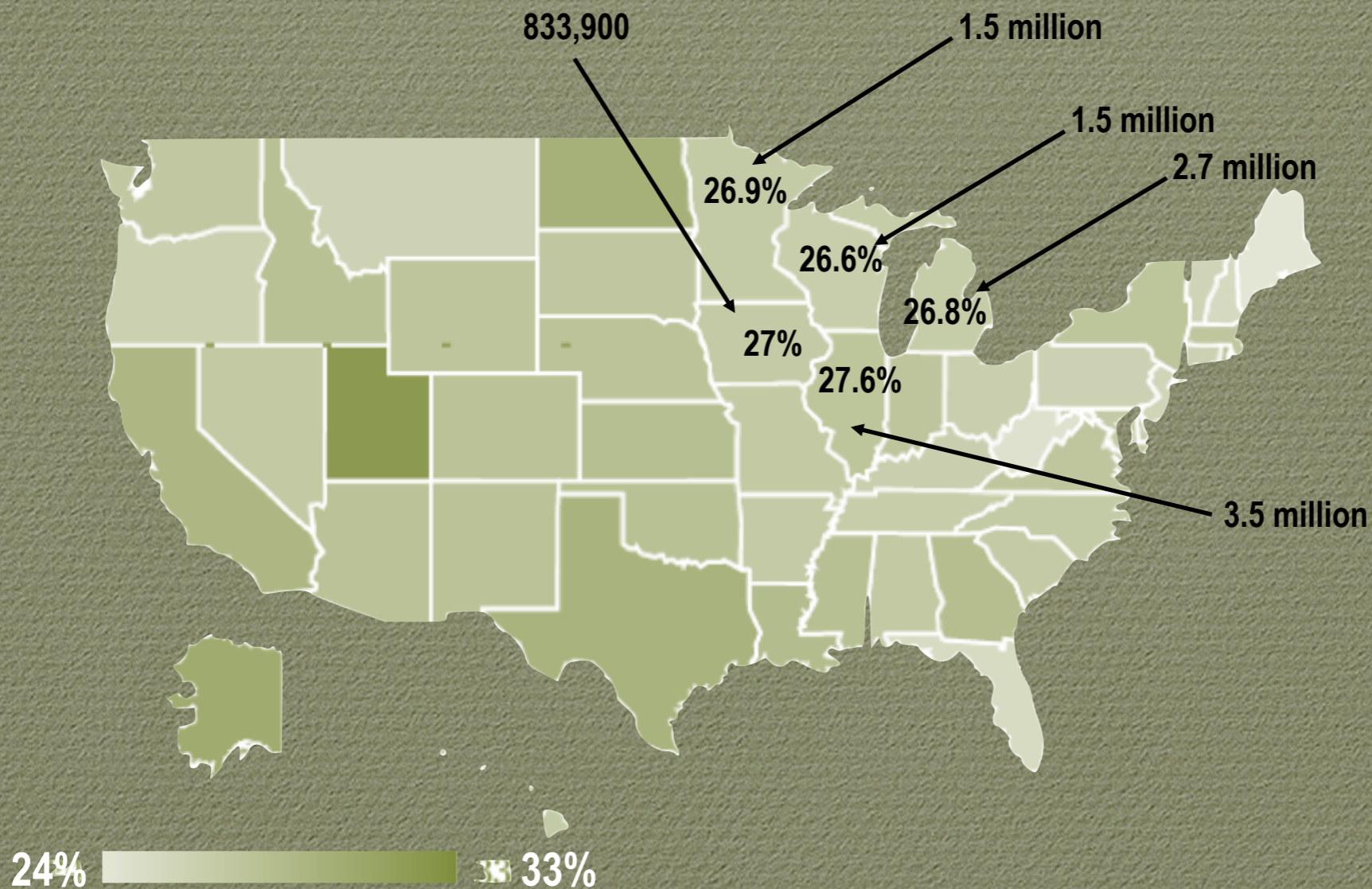
Potential Annual Income Tax impact of University of Virginia/Pew Trust projections

$$\begin{aligned} &\bullet 118,000 \times \$45,617 = \$5,382,806,000 \\ &\qquad\qquad\qquad \times 5\% \\ &\qquad\qquad\qquad = \$269,140,300 \end{aligned}$$

Potential Annual Property Tax Impact of University of Virginia/Pew Trust projections

$$\begin{aligned} &\bullet 118,000 \times 62\% = 73,160 \\ &\qquad\qquad\qquad \times \$2,500 \\ &\qquad\qquad\qquad = \$182,900,300 \end{aligned}$$

# Millennial percentage of state population, 2012



<http://www.governing.com/topics/urban/gov-generational-population-data-maps-by-state.html>