

Year 2021 State of Wisconsin/Regional Economic Analysis

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Employment and Training Administration**



Department of Workforce Development

prepared by Office of Economic Advisors

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Part I. Statewide Analysis

The Pandemic

The Covid-19 pandemic has been the primary influence on the economy and workforce activity in Wisconsin since March of 2020. The two-month recession attributable to Covid-19 ended the longest economic expansion of all time. Reactions to Covid-19 affected every industry and geography in the state. The results were seen in stark terms over the course of a few months and throughout the following year. Job numbers plummeted. The workforce sagged but remained fairly intact, although unemployment insurance claims skyrocketed. The unemployment rate shot up from near record lows in March 2020, to almost 15 percent in April 2020 in the state - it has since recovered to under four percent.

The outlook for the state's economy is positive, although the ramifications of the new Delta strain of the virus are yet to be determined. Wisconsin's GDP is on the verge of overtaking pre-Covid levels although jobs numbers are substantially lower.

We continue to hear concerns from private businesses about their inability to attract talent and workers in general, citing government subsidies as one of the reasons. The reality is due more to the underlying demographic situation set forth by baby boomers exiting the workforce. This phenomenon will continue to deter the ability of employers to find workers and talent. This is not just a Wisconsin problem but one that affects the upper Midwest, the US as a whole, much of Western Europe, and in fact the developed world. Even China faces a talent shortage. Many of the solutions being offered to attract workers to a particular firm are micro solutions in practice, while the underlying demographic trends and quantity challenge are a macro problem.

Employment

Wisconsin's labor force held relatively steady through the pandemic, decreasing from 3.075 million in February 2020, to 3.054 million in December 2020. It has since recovered to 3.109 million as of August 2021.

The jobs situation, in contrast, was severely impacted by the pandemic and has not fully recovered. Total non-farm jobs peaked in February 2020, at 2.997 million on a seasonally adjusted basis. By April 2020, 407,800 jobs had been lost. August 2021 jobs registered 2.876 million, still 121,000 below February 2020 levels and 3,100 below December of 2007.

The unemployment rate path was equally volatile. Wisconsin's March 2020 seasonally adjusted unemployment rate was near historic lows at 3.2 percent. By that April, it had risen to 14.8 percent. It has since decreased into August 2021, to 3.9 percent, where it has been for five months.

Short-run Outlook?

As this is being written in September of 2021, job growth has slowed and has even recorded negative months. The industry that suffered the most impact from Covid-19 was the leisure and hospitality industry, losing over 50 percent of its jobs at one point. All other industries were affected in some manner, (for example, manufacturing lost less than five percent of jobs) but recovered more quickly - particularly for manufacturing, construction, and warehousing and distribution. Even so, workers are scarce.

Businesses' pursuit of workers has brought about wage and benefit increases along with signing bonuses and other incentives to try to attract workers to their firms. There are, however, other workforce barriers such as transportation, dependent care, housing affordability, and the uncertainty of workplace safety surrounding Covid-19 that also need to be overcome.

Supply logistics interruptions have been a factor through the pandemic. Disruptions in global supply chains have forced input shortages in many industries, raising prices and curtailing production. Most notable has been the lack of semiconductors, affecting almost every industry, particularly the automobile manufacturers. Sorting out and readjusting the global supply chain will take time. Further disruptions cannot be ruled out depending on additional Covid waves.

The supply bottlenecks have put unwelcome pressure on inflation, sending the price of raw materials, food, and energy higher, increasing the PPI (Producer Price Index) and the CPI (Consumer Price Index). U.S. PPI final demand index rose 8.3 percent for the 12 months ended in August, the largest advance since 12-month data were first calculated in November 2010. Likewise, over the last 12 months, the all-items CPI increased 5.3 percent before seasonal adjustment.

Expectations are for inflation pressures to ease as supply chains are reconstructed and altered. The timing of that is uncertain.

Long-run Challenge?

The primary long-term challenge facing Wisconsin's economic future remains workforce quantity. The demographic situation facing the state, other upper-Midwest states, and most of the western economies will advance unaltered in the coming decades.

The number of retiring Baby Boomers nearly match the influx of new workers, resulting in a slow-growing workforce and placing constraints on the ability of employers across industries to secure talent. Many businesses report that the lack of available workers has hindered expansion, and in some cases, even curtailed their ability to meet current product orders.

While Wisconsin's population will continue to grow over the next twenty years, the workforce faces serious constraints. The labor force trend began to flatten in 2008 as the first Baby Boomers (those born in 1946) reached age 62 and began to leave the workforce.

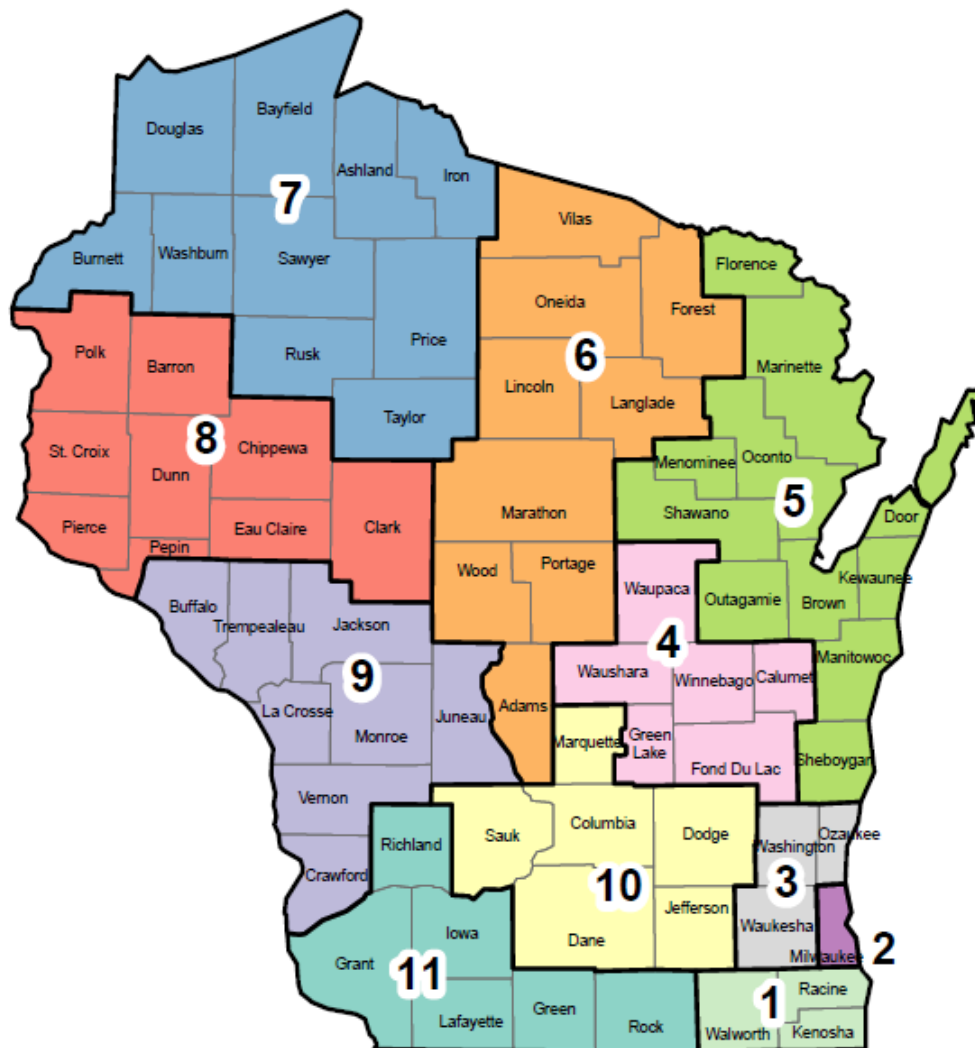
Baby Boomers continue to exit the workforce in great numbers. With home prices surging and investment portfolio values at historic highs, older workers may decide, as many did before the housing bubble burst in 2007, to leave the workforce permanently.

There are four solutions to the macroeconomic labor quantity challenge: 1) offshoring production, 2) immigration, 3) mitigating barriers to employment of the chronically unemployed, and 4) technological advancement. Critical to the technology solution, both automation and artificial intelligence, is the concomitant match of labor skills with technologies' sophistication. This is true for designing, building, installing, operating, and maintaining the advanced equipment.

Talent must match jobs in size and scope. If you have the talent and not the job, the talent goes elsewhere. If you have the job and not the talent, the job goes elsewhere.

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

Wisconsin's Workforce Development Areas



 WDA 1 - Southeast	 WDA 5 - Bay Area	 WDA 9 - Western
 WDA 2 - Milwaukee	 WDA 6 - North Central	 WDA 10 - South Central
 WDA 3 - WOW	 WDA 7 - Northwest	 WDA 11 - Southwest
 WDA 4 - Fox Valley	 WDA 8 - West Central	

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

An estimated 225,210 Southeastern WDA residents out of 241,976 labor force participants were employed in 2020. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at 16,766 and the associated unemployment rate in 2020 was 6.9 percent. The 2020 unemployment rate was 3.2 percentage points higher than the unemployment rate in 2019, and higher than the 2020 statewide rate of 6.3 percent. Racine County's unemployment rate of 7.3 percent was the highest in the region, while Walworth County's rate of 6.1 percent was the lowest. Kenosha County's 2019 unemployment rate was 7.1 percent. Between 2019 and 2020, the unemployment rate increased by 2.8 percentage points in Walworth County, 3.3 percentage points in Racine County, and 3.7 percentage points in Kenosha County. For the region, the number of unemployed residents increased by 7,252 or 81.1 percent and the number of employed residents decreased by 10,826 or 4.6 percent. The number of residents in the labor force decreased by 3,301 or 1.4 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 2019 LFPR in the WDA was 64.8 percent, down 1.0 percentage point from 2019. The statewide LFPR decreased 1.0 percent between 2019 and 2020.

Jobs and Wages

The Southeastern WDA made up 6.5 percent of the state's job base in 2020. Covered employment in the region averaged 176,319 jobs per month, a decrease of 8,518 or 4.6 percent from 2019. All three counties lost jobs between 2019 and 2020. 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 decreased in most of the region's industry super sectors between 2019 and 2020. The Leisure and Hospitalities supersector saw the biggest decline with a decrease of 3,931 jobs, a 17 percent change from 2019. The sector was particularly hard hit by shutdowns related to the Covid-19 pandemic. The Education and Health Services and Manufacturing sectors were second and third with net job gains of 1,877 and 1,745, respectively. Employment in two sectors grew modestly during the period. Trade, Transportation and Utilities had the largest numeric gain with an increase of 1,053 jobs.

Covered payroll in the Southeastern WDA totaled \$8.6 billion in 2020 and increased by \$199 million, a nominal increase of 2.4 percent from 2019. This increase was higher than the statewide increase of 0.9 percent. Information experienced the largest percent gain. Covered payroll in the industry grew by 14.4 percent between 2019 and 2020, an increase of \$8.9 million.

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

An estimated 325,057 residents out of 344,161 labor force participants in the WDA were employed in 2020. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at 19,104, and the associated unemployment rate in 2020 was 5.6 percent. The unemployment rate increased by 2.7 percentage points from 2019 but was lower than the 2020 statewide rate of 6.3 percent. Ozaukee County had the lowest unemployment rates at 5.4 percent. The rate was 5.6 percent for both Waukesha and Washington County. The unemployment rate in all three counties increased between 2019 and 2020. For the region, the number of unemployed residents increased by 9,145, an increase of 91.8 percent. The number of employed residents declined by 15,208, or 4.5 percent and the labor force declined by 6,135 or 1.8 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 2020 LFPR for the region was 66.7 percent, down 1.7 percent from 2019. The statewide LFPR decreased 1.0 percent between 2019 and 2020.

Jobs and Wages

In the calendar year 2020, the WOW WDA made up about 12.0 percent of the state job base. Covered employment in the region averaged 326,744 jobs per month in 2020, a decline of 5.2 percent from 2019. The percent decrease in jobs was slightly faster than statewide job loss, which contracted by 5.5 percent. Covered employment in most of the region's industry super sectors between 2019 and 2020. The Leisure and Hospitalities supersector experienced the largest job loss with a decline of 5,256 jobs, a -16.1 percent change from 2019. Information had the largest percentage loss, declining by 20.6 percent. Employment in four super sectors saw minimal job games during the period.

Covered payroll in the WOW WDA totaled \$19.0 billion in 2020 and declined by \$41.3 million, a nominal increase of 0.2 percent from 2019. Statewide payroll increased by 0.9 percent. Total wages growth and decline was mixed across industries. Financial Services experienced the largest gain. Covered payroll in the industry grew by \$171.8 million, an increase of 10.2 percent. Manufacturing had the largest loss. Covered payroll declined by \$171.3 million, or 3.8%, between 2019 and 2020.

Milwaukee WDA

The Milwaukee Workforce Development Area consists of Milwaukee County, which is 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 can look outside the region for desirable career prospects.

Labor Force

An estimated 425,483 Milwaukee residents out of 463,420 labor force participants were employed in 2020. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at 37,937 and the associated unemployment rate in 2020 was 8.2 percent. The 2020 unemployment rate was 4.3 percentage points higher than the unemployment rate in 2019 and higher than the 2019 statewide rate of 6.3 percent. The number of unemployed residents in Milwaukee increased by 19,726 or 108.3 percent and the number of employed residents decreased by 20,004 or 4.5 percent. The number of residents in the labor force decreased by 278.

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 2020 LFPR was 62.9 percent, the same as 2019. The statewide LFPR decreased 1.0 percent between 2019 and 2020.

Jobs and Wages

The Milwaukee WDA accounted for 16.9 percent of the state's job base in 2020. Covered employment in Milwaukee averaged 451,243 jobs per month, a decline of 7.3 percent from 2019. The percent decline in jobs was larger than the statewide decline. Covered employment declined in all of the region's industry super sectors between 2019 and 2020. The Leisure and Hospitality supersector was the biggest job loser with a decline of 15,387 jobs, a 29.2 percent decline from 2019. Professional and Business Services had the second largest percent decline with a loss of 6,096 jobs, or 7.9 percent. Construction, Financial Activities, and Public Administration had minimal job losses of under one percent.

Covered payroll in the Milwaukee WDA totaled \$26.7 billion and declined by \$546.6 million, a nominal increase of 2.1 percent from 2018. Covered wages increased by 3.6 percent for the state as a whole. Total wages increased in all super sectors, with Education and Health Services experiencing the largest gain. Covered payroll in the supersector grew by \$154.7 million between 2019 and 2020, a decline of 0.6 percent.

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.

Labor Force

In calendar year 2020, Fox Valley's labor force totaled 220,218 participants consisting of 207,945 employed and 12,273 unemployed. From 2019 to 2020, the labor force lost 1,836

participants; a 0.83 percent decrease. While the number of employed declined by 3.42 percent over the year, the number of unemployed increased by 82.20 percent.

The Fox Valley's unemployment rate was 5.6 percent in 2020; a 2.6 percentage point increase from 2019. This rate was lower than the statewide rate of 6.3 percent. Generally, the Fox Valley region experiences a lower unemployment rate than that seen statewide.

The Fox Valley's Labor Force Participation Rate (LFPR) in 2020 was 65.1 percent. The regional LFPR decreased by 0.6 percentage points relative to 2019.

Jobs and Wages

In calendar year 2020, the total job base in the Fox Valley region numbered 177,991 jobs; 8,732 fewer jobs than in 2019, down about 4.68 percent.

The Manufacturing supersector saw a decrease of 2,582 jobs over the year, down 5.56 percent. Much like other WDAs statewide, the largest job losses occurred in Leisure and Hospitality, which experienced a reduction of 2,724 jobs in 2020. This supersector in particular was adversely affected by the changes in economic activity resulting from the Covid-19 pandemic. Conversely, Construction increased by 188 jobs (1.85 percent), to bring it to a total of 10,324 jobs. Two other industries also experienced employment gains in 2020: Natural Resources & Mining (163 jobs, 5.01% increase) and Public Administration (34 jobs, 0.40% increase).

Total area wages decreased from \$9.08 billion in 2019 to \$9.03 billion in 2020. Area wages declined by \$49 million (0.54 percent) from 2019 to 2020. This year-over-year change contrasts with the 0.94 percent increase in total wages experienced statewide. The Natural Resources and Mining supersector was the largest gainer in total wages, 9.28 percent, while Leisure and Hospitality decreased by 12.37 percent, the largest proportional decrease of all industries.

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 2020, Bay Area's labor force totaled 435,111 participants consisting of 408,933 employed and 26,178 unemployed. From 2019 to 2020, the labor force decreased by 2,150 participants, or 0.49 percent. While the number of employed decreased by 3.45 percent over the year, the number of unemployed rose by 90.76 percent.

The Bay Area's unemployment rate was 6.0 percent in 2020; a 2.9 percentage point increase from 2019. This rate was lower than the statewide rate of 6.3 percent. In recent years, the Bay Area region experienced a lower unemployment rate than that seen statewide.

The Bay Area's Labor Force Participation Rate (LFPR) in 2020 was 65.7 percent. The regional LFPR decreased by 0.8 percentage points relative to 2019.

Jobs and Wages

In calendar year 2020, the total job base in the Bay Area region numbered 402,536 jobs; 23,617 more jobs than in 2019, down about 5.54 percent.

The Manufacturing supersector saw a decrease of 5,366 jobs over the year; down 5.67 percent. Much like other WDAs statewide, the largest job losses occurred in Leisure and Hospitality, which experienced a reduction of 8,514 jobs in 2020. This supersector in particular was adversely affected by the changes in economic activity resulting from the Covid-19 pandemic. Conversely, Construction increased by 13 jobs (0.06 percent). This was the only industry in the WDA that did not experience net job losses in 2020.

Total area wages increased from \$20.5 billion in 2019 to \$20.6 billion in 2020. Area wages grew by \$127 million (0.62 percent) from 2019 to 2020; this rate was lower than the statewide rate of 0.94 percent. The Financial Activities supersector was the largest gainer in total wages, up by 7.91 percent, while Manufacturing and Leisure/Hospitality saw decreases in total wages paid of 1.09 percent and 13.13 percent respectively.

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 87,057 in 2020, a decrease of 0.7 percent from 2019. This decrease was smaller than the labor force decrease in Wisconsin (0.9 percent) and the labor force decrease in the United States (1.7 percent). In 2020, 80,132 residents were employed compared to 83,797 in 2019, a decrease of 4.4 percent. The number of unemployed residents in the region stood at 6,925 with an associated unemployment rate of 8.0 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 was 4.5 percent in 2019 and increased to 8.0 percent in 2020, an increase of 3.5 percentage points. The United States' unemployment rate increased 4.4 percentage points. The percentage increase in the number of unemployed individuals in Northwest WI was 77.4 percent compared to a national increase of the number of unemployed individuals of 115.7 percent. While Northwest WI saw a decrease in the number of those employed of 4.4 percent, the nation saw a decrease of 6.2 percent.

Jobs and Wages

Covered employment located within the Northwest WDA region totaled 61,776 jobs, a little less than 2.3 percent of Wisconsin's job base in 2020. The region lost 3,537 jobs since 2019, a 5.4 percent decrease, the same as the statewide decrease of 5.4 percent. The only industries supersectors in Northwest WDA region that saw job growth was Construction growing 3.0 percent

and Public Administration growing 0.2 percent. Industry supersectors that had large losses in employment were Leisure & Hospitality with a 16.9 percent decline, Other Services with a 12.4 percent decline, Information with an 11.7 percent decline, and Education & Health Services with a 6.2 percent decline.

Total covered payroll in the Northwest WDA region was \$2.54 billion in 2020, up 1.4 percent from 2019. Northwest WI's annual average wage was \$41,138, up 7.2 percent from 2019. This was higher than the statewide wage growth of 6.7 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 259,163 in 2020, down 1.12% from 2019, despite continued population growth. This was slightly higher than the drop in the statewide labor force and highlights the effects of the aging baby boomer generation. About 243,099 residents were employed, including the self-employed and those working in a family business. This was down about 3.97 % from 2019, matching the statewide drop. The number of unemployed residents in the region stood at about 16,064, up a staggering 79.79% from 2019, showing the impact of the Covid-19 pandemic. The unemployment rate, which also rose, stood at 6.20% in 2020. This geographically large region now comprises almost 12% of Wisconsin's labor force, up from between 8 and 9 percent for years prior.

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 67.7% in 2020. The overall annual trend has been downward in common with most regions as demographics skew older, however it has been a much slower decline in this WDA, owing to the young population. The Covid-19 pandemic also impacted LFPRs negatively across the state and nation. West Central's rate was above Wisconsin's rate of 65.5%. 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 70.2 percent, though West Central comes in second amongst the WDAs, despite a smaller population base. 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 are likely to decline as the population continues to age. We have started to note this trend, as many older workers have exited the labor force by choice or attrition, as a consequence of the last recession.

Jobs and Wages

Covered employment in West Central totaled 187,754 jobs, about 6.9% of Wisconsin's job base in 2020 – similar to 2019, though the long-term trend has seen the region gaining proportionally over time. The region lost 8,643 jobs since 2019, about -4.4%, vs. -5.36% growth at the statewide level.

Most of the industry supersectors lost jobs from 2019 to 2020 in West Central Wisconsin, which is not surprising given the impact of the pandemic on the local economy. The Leisure and Hospitality industry sector took the brunt of the impact, as it did across the nation, down 3,475 (-16.5%) jobs from 2019 to 2020.

Manufacturing is an important industry in the region with 35,506 jobs. The region has a heavy concentration in various types of manufacturing, from fabricated metal products, plastics, computer equipment to food manufacturing which adds value to the many agricultural products produced in the region. Manufacturing gained 1,125 jobs (-3.1%) from 2019 supersector.

West Central also has a high concentration in the Education and Health 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, with almost 46,000 jobs, and total payroll. This supersector added 1,925 jobs (-4.0%) from 2019. Total covered payroll in West Central was about \$8.6 billion in 2020, up about 2.6 percent in nominal terms, slower than statewide growth.

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.

Labor Force

In calendar year 2020, North Central's labor force totaled 208,262 participants consisting of 195,584 employed and 12,678 unemployed. From 2019 to 2020, the labor force decreased by 2,474 participants; a 1.17 percent decrease. The number of employed decreased by 3.86 percent over the year and the number of unemployed increased by 73.46 percent over the year. The region experienced a greater proportional loss in its labor force than Wisconsin, where the State's labor force decreased by 0.93 percent.

The North Central region's unemployment rate was 6.1 percent in 2020, up from 3.5 percent in 2019, an increase of 2.6 percentage points. Additionally, the region's unemployment rate was higher than the statewide rate in 2019, where Wisconsin displayed an unemployment rate of 3.3 percent, but in 2020 the region's unemployment rate was lower than the statewide rate, where Wisconsin displayed an unemployment rate of 6.3 percent. Generally, the North Central region experiences a higher unemployment rate than that seen statewide.

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). North Central Wisconsin's labor force participation rate (LFPR) in 2020 was

60.7 percent, sitting well below the state's LFPR of 65.5 percent. The region's LFPR decreased by 0.9 percentage points as compared to its 2019 level of 61.6 percent. The statewide LFPR decreased from 66.5 percent in 2019 to 65.5 percent in 2020. It's likely that both the state and the national LFPR will continue to decline as the "baby boomer" population continues to age.

Jobs and Wages

In calendar year 2020, the total job base in the North Central region numbered 183,309 jobs; 10,630 less jobs than in 2019, down 5.48 percent.

Only two sectors experienced a gain in jobs. The Financial Activities sector displayed both the largest numerical gain and the largest proportional gain in jobs with an increase of 176 jobs over the year; an increase of 1.32 percent. The Construction sector displayed an increase of 48 jobs over the year; an increase of 0.64 percent.

Leisure & Hospitality, the sector experiencing the greatest numerical loss of jobs, lost 2,715 jobs over the year, a decrease of 13.49%. Natural Resources & Mining, the sector experiencing the greatest proportional loss of jobs, lost 577 jobs over the year, a decrease of 15.00 percent. Trade, Transportation, Utilities, the largest super sector of employment in the region at 40,041, saw a loss of 1,120 jobs over the year, a decrease of 2.72 percent. Education & Health Services, the second largest super sector of employment in the region at 39,095, saw a loss of 2,277 jobs over the year, a decrease of 5.50 percent. Manufacturing, the third largest super sector of employment in the region at 33,767, saw a loss of 1,509 jobs over the year, a decrease of 4.28 percent.

Total area wages increased from 8.67 billion in 2019 to 8.77 billion in 2020. Area wages grew by 94 million (1.09%) over the year, outpacing the statewide wage growth rate of 0.94 percent. The Financial Activities super sector was both the largest numerical and proportional gainer in total wages with an increase of 76.73 million over the year, an 8.91 percent increase. Public Administration, the sector experiencing the greatest numerical loss in total wages, saw a loss of 27.69 million over the year, a 6.18 percent decrease. Natural Resources & Mining, the sector experiencing the greatest proportional loss in total wages, saw a loss of 19.87 million over the year, a 13.51 percent decrease.

Western WDA

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

Labor Force

The calendar year 2020, Western's labor force totaled 155,794 participants consisting of 146,232 employed and 9,562 unemployed. From 2019 to 2020, the labor force decreased by 2,100 participants; a 1.33 percent decrease. The number of employed decreased by 4.35 percent over the year and the number of unemployed increased by 91.01 percent over the year. The region experienced a greater proportional loss in its labor force than Wisconsin, where the State's labor force decreased by 0.93 percent.

The Western region's unemployment rate was 6.1 percent in 2020, up from 3.2 percent in 2019, an increase of 2.9 percentage points. Additionally, the region's unemployment rate was lower than the statewide rate both in 2019, where Wisconsin displayed an unemployment rate of 3.3 percent, and in 2020, where Wisconsin displayed an unemployment rate of 6.3 percent. Generally, the Western region experiences a lower unemployment rate than that seen statewide.

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 2020 was 64.5 percent, sitting slightly below the state's LFPR of 65.5 percent. The region's LFPR decreased by 1.3 percentage points as compared to its 2019 level of 65.8 percent. The statewide LFPR decreased from 66.5 percent in 2019 to 65.5 percent in 2020. It's likely that both the state and the national LFPR will continue to decline as the "baby boomer" population continues to age.

Jobs and Wages

In calendar year 2020, the total job base in the Western region numbered 134,092 jobs; 8,214 fewer jobs than in 2019, down about 5.77 percent. Each sector experienced job loss over the year.

The Information sector displayed the largest proportional loss of jobs with a decrease of 298 jobs than in 2019, a 20.09 percent decrease. The Leisure & Hospitality sector displayed the largest numerical loss of jobs with a decrease of 2,183 jobs than in 2019, a 15.82 percent decrease. The Education & Health Services sector, the largest super sector in the region of employment, lost 1,530 jobs, a decrease of 4.09 percent. The Trade, Transportation, Utilities sector, the second largest sector of employment in the region, lost 464 jobs, a decrease of 1.57 percent. The Manufacturing sector, the third largest super sector of employment in the region, lost 1,808 jobs, a decrease of 7.74 percent.

Total area wages increased from 6.20 billion in 2019 to 6.23 billion in 2020. While area wages grew by 31.51 million (0.51%) over the year, the region was outpaced by the statewide wage growth rate of 0.94 percent. The Trade, Transportation, Utilities super sector was both the largest numerical and proportional gainer in total wages with an increase of 63.53 million over the year, an increase of 5.42 percent. The Manufacturing sector suffered the greatest numerical loss in total wages over the year, with a decrease of 38.33 million, a decrease of 3.35 percent. The Natural Resources & Mining sector suffered the greatest proportional loss in total wages over the year, with a decrease of 17.13 million, a decrease of 12.46 percent.

South Central WDA

The South Central WDA 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 485,145 labor force participants in 2020. Of them, 459,989 were employed, and 25,156 were unemployed. The region's unemployment rate was 5.2 percent, considerably above the 2.6 percent of 2019. The region's unemployment rate was below Wisconsin's statewide rate of 6.3 percent.

The labor force participation rate (LFPR) in the region in 2020 was 70.2 percent, which remains the highest out of all eleven WDAs. This number 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). South Central's LFPR was significantly higher than the statewide and national participation rates. Despite the ongoing pandemic, this is a highly engaged region in terms of its workforce, and it has a large share of population in its prime working years. There are 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.

The size of South Central Wisconsin's labor force decreased slightly (1.1 percent) from 2019 to 2020. In terms of labor force components, the number of employed decreased 3.8 percent, and the number of unemployed nearly doubled. Among South Central counties, Sauk County experienced the highest percent increase in the number of unemployed. There has been much improvement from the depths of the recession, though recovery continues.

Jobs and Wages

In 2020, South Central Wisconsin UI-covered employers reported 452,763 jobs, declining 4.6 percent relative to 2019. The region's dominant employment supersectors are Education and Health Services and Trade, Transportation, and Utilities. Together, they account for 41.4 percent of the region's reported employment and 37.4 percent of the region's total wages. From 2019 to 2020, the lone supersector with job growth was Information (180 jobs). Given the nature of the pandemic and policies enacted to curb its spread, it is not surprising Leisure and Hospitality lost the most jobs (11,490), equating to a 22.5 percent decline. No other supersector experienced a double digit percent decrease. Other supersectors with a net loss of more than 1,000 jobs are Trade, Transportation, and Utilities; Public Administration; Manufacturing; and Professional and Business Services.

South Central Wisconsin's total reported payroll in 2020 was \$26.5 billion, 2.1 percent higher than in 2019, without adjusting for inflation. At \$6.6 billion, the aggregate wages of Education and Health workers accounted for 24.8 percent of the region's total wages, a greater share than any other supersector's wages and nearly identical to its employment share. Professional and Business Services retained the highest percentage point differential for wage contribution greater than job share, with the supersector representing 16.1 percent of total wages and 12.6 percent of total jobs. On the other hand, Leisure and Hospitality continued to report the largest percentage point differential for job contribution greater than wage share (8.7 percent vs. 3.0 percent). The largest year-over-year increases in annual payroll were posted by Professional and Business Services (\$181 million) and Financial Activities (\$149 million). Leisure and Hospitality is the only supersector to have experienced a decline in total wages year-over-year (\$150 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 165,097 labor force participants in 2020 with 154,947 of those participants employed. The unemployment rate was 6.1 percent, slightly below the Wisconsin

statewide rate of 6.3 percent. Southwest Wisconsin's labor force decreased slightly year-over-year in 2019 by 0.9 percent, and the number of employed persons decreased by 3.8 percent. There was a significant increase (84.5 percent) in the number of residents unemployed amidst the pandemic. Statewide, the labor force also declined 0.9 percent. The number of employed decreased by 4.0 percent, while the number of unemployed increased by 90.3 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). Southwest Wisconsin's labor force participation rate (LFPR) in 2020 was 67.2 percent, down from 67.8 percent in 2019. The LFPR in all of Wisconsin's 11 workforce development areas (WDAs) declined year-over-year. Southwest's LFPR in 2020 ranks third among the WDAs.

Jobs and Wages

Southwest Wisconsin's covered job base was 115,189 in 2020, a decrease of 5.5 percent from 2019 (6,764 jobs). The two largest supersectors in terms of employment are Trade, Transportation, and Utilities and Education and Health Services; these two accounted for 47.5 percent of Southwest total employment in 2020. The only other supersector with 10,000 jobs or more is Manufacturing, contributing 17.8 percent (20,481 jobs) to the 2020 total. Based on unsuppressed data across the counties in the WDA, Construction is the only supersector to have added jobs year-over-year (31).

Aggregate covered wages paid to workers totaled \$5.5 billion in 2020. Financial Activities had the largest year-over-year increase (6.5 percent – not adjusted for inflation). Typical observations across supersectors are more challenging with 2020 data with three supersectors having at least one county in the Southwest WDA with suppressed data. This reality may be due to increased business closures, causing previously releasable cells to have too few employers to avoid suppression. Using 2019 and 2020 figures from five of the WDA's six counties, Leisure and Hospitality jobs decreased 16.2 percent, the most of any supersector.