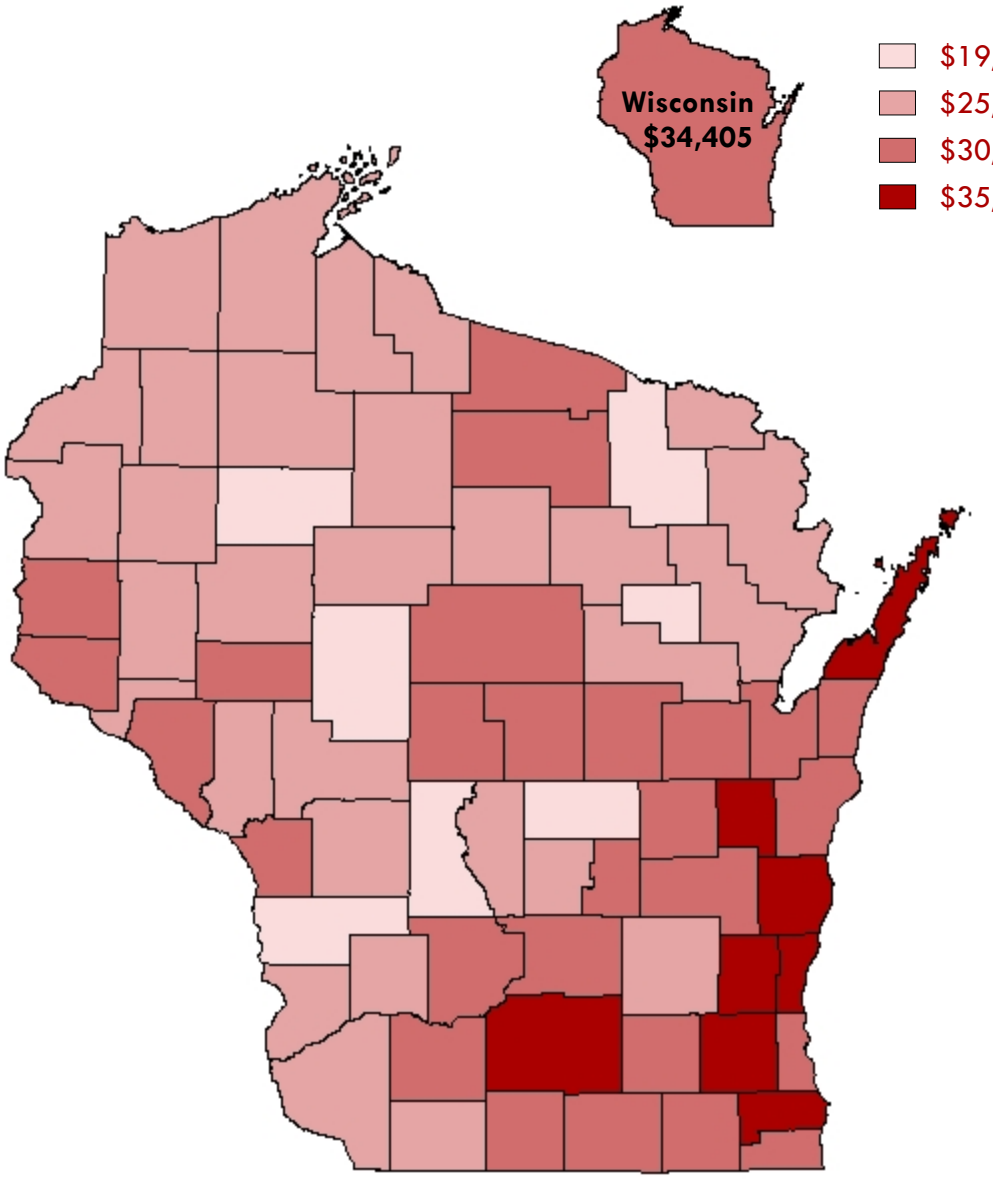
State of Wisconsin Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors
Wisconsin Department of Workforce Development
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Population

Wisconsin's population increased 283,285 since 2000, to 5.65 million for the latest data available. This 5.3 percent gain is substantial but significantly less than the population growth rate for the nation. Wisconsin's population is growing faster than the Midwest region and faster than all bordering states except Minnesota. Much of the national growth in population is due to immigration. The upper Midwest is farther away from the major immigration centers along the coasts and it takes somewhat longer for immigrants to reach the region. The upper Midwest also has relatively few immigrants in its population to secure a large destination draw for the chain-migration that serves as a pipeline to immigrant families and cultures. Wisconsin's population is expected to grow and become more diverse as more minority persons move into the state and due to the fact that most minorities have higher birth rates than do whites.

Wisconsin cities show a diversity in population growth rates. The cities of Milwaukee, Racine, and West Allis actually lost population from 2000 to 2007. Other cities grew relatively faster than the state average: Madison, Kenosha, and Eau Claire, for example.

The age distribution in Wisconsin in many ways mimics that of the nation. That is to say, both Wisconsin and the U.S. will see increasing shares of older people relative to younger people. You can see the Baby Boomers (those born from 1946 through 1964) hump in the 45 to 64 year-old cohorts in the graph below. The lesser hump in the younger aged cohorts of 15 to 29 year-old cohort is the Echo (the kids of the baby boomers).

Wisconsin will see a definite population aging process occur. The average age of Wisconsin residents is projected to be 38.1 years in 2010. The state average age in 2030 is projected to be 41.0 years of age.

	April 2000 Census	Jul.1, 2007 Estimate	Numeric Change	Percent Change
United States	281,421,906	301,621,157	20,199,251	7.2%
Midwest Region	35,567,255	36,757,037	1,189,782	3.3%
Wisconsin	5,363,715	5,647,000	283,285	5.3%
Illinois	12,419,293	12,852,548	433,255	3.5%
Iowa	2,926,324	2,988,046	61,722	2.1%
Michigan	9,938,444	10,071,822	133,378	1.3%
Minnesota	4,919,479	5,197,621	278,142	5.7%
WI largest cities	April 2000	Jan.1, 2007		
Milwaukee, City	596,974	589,230	-7,744	-1.3%
Madison, City	208,054	224,810	16,756	8.1%
Green Bay, City	102,767	104,020	1,253	1.2%
Kenosha, City	90,352	95,530	5,178	5.7%
Racine, City	81,855	80,060	-1,795	-2.2%
Waukesha, City	64,825	67,880	3,055	4.7%
Oshkosh, City	62,916	65,810	2,894	4.6%
Eau Claire, City	59,794	63,190	3,396	5.7%
Janesville, City	60,200	62,720	2,520	4.2%
West Allis, City	61,254	60,410	-844	-1.4%

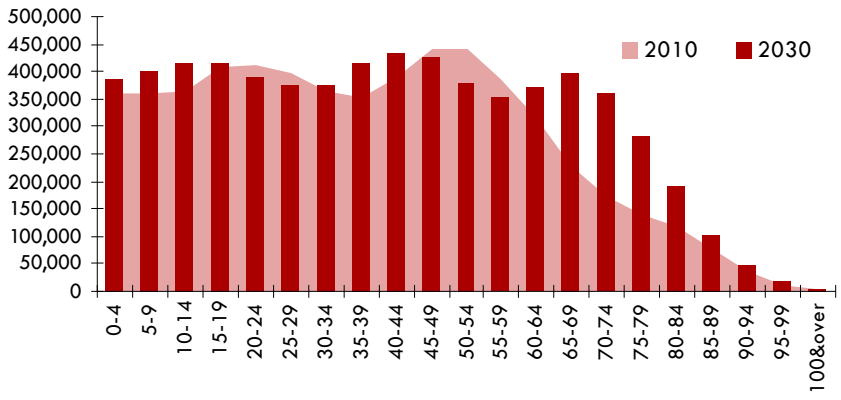
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008
U.S. Dept. of Commerce, Bureau of Census, Annual Estimates Program

Overall, the age of the Wisconsin population is older than that of the nation and the gap is expected to widen over the next 20 years. Since 1980, Wisconsin has had a larger share of its population in the 65 years and older cohort than the U.S. as a whole. This will continue to be the case through 2030. What will change to widen the age gap with the U.S. is that the share of Wisconsin's population that is less than 25 years old will go from being higher than the U.S. share in 1980 to being lower by 2010 and beyond. In 2010, the share of Wisconsin residents that are ages 25 or younger will be 32.5 percent versus the U.S. share of 34.0 percent; a shift from 42.4 and 41.3 percent, respectively in 1980. That gap will widen further to 30.5 percent versus 32.5 percent by 2030.

Those younger than 65 years old will increase in number, but will decrease in percentage terms. There will be almost 168,000 more residents younger than 65 by 2030, but their share of the population will fall from 87 percent to 79 percent.

The sheer size of the Baby Boomers moving up the longevity ladder will raise the average age in the state and will affect the workforce and the type of goods and services demanded.

Population by Age Cohorts in Wisconsin



In 2010, the average Wisconsin resident will be 38.1 years old.
In 2020, the average Wisconsin resident will be 39.6 years old.
In 2030, the average Wisconsin resident will be 41 years old.

Source: WI Dept. of Administration, Demographic Services, & WI DWD, OEA

Note: All data appearing in this profile are subject to revision.

Population & Labor Force

Population Projections for Wisconsin						
Age Group:	0-15	16-34	35-54	55+	Labor-Force-Aged Population	Total Population
Years	**Population**					
2010	1,165,020	1,497,520	1,622,920	1,486,910	4,607,350	5,772,370
2020	1,243,220	1,499,560	1,548,200	1,911,830	4,959,590	6,202,810
2030	1,285,254	1,474,066	1,655,810	2,126,050	5,255,926	6,541,180
	Distribution of Labor-Force-Aged Population					
2010		32.5%	35.2%	32.3%	100.0%	
2020		30.2%	31.2%	38.5%	100.0%	
2030		28.0%	31.5%	40.5%	100.0%	

Source: WI Dept. of Administration, Demographic Services

We are in a new era in the relationship between the population and the labor force. The previous era was defined by the large size of the Baby Boomer generation (those born from 1946 and 1964) plus the increased propensity of women entering the workforce. This combination immensely swelled the workforce beginning in the late 1960s. Forty years later, that workforce swelling is on the cusp of deflating. The first Baby Boomers entered the workforce around 1964 and the rest followed *en masse*. The first Boomers are now eligible for reduced Social Security benefits (the '46ers turned 62 years of age this year) and will be eligible for full benefits in 2011. (We use this milestone as a proxy to judge retirement inclinations.) Soon thereafter, the Boomers will begin to exit the labor force *en masse*.

Some of the Boomers will delay retirement by a few years for a variety of reasons, such as money needs, health care benefits, social contacts, or desire to contribute. However, the movement is inevitable and unprecedented. One deviation from a total reversal of the previous era's trend is that women will remain in the workforce in high numbers. The flip side is that women can no longer be called upon to further augment worker numbers; they are tapped out as a workforce segment to be mobilized.

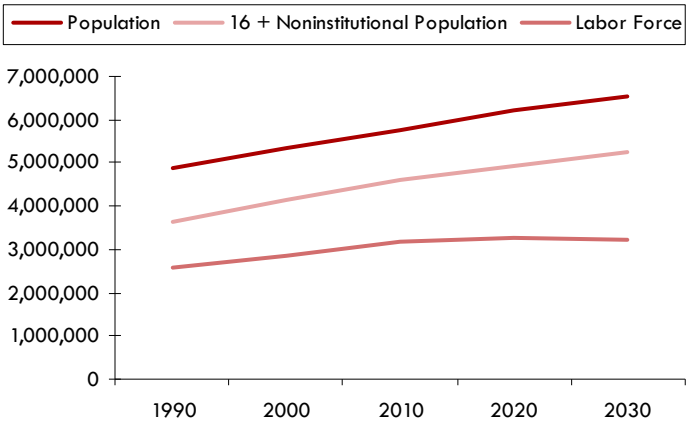
Wisconsin and the upper Midwest will see their workforce growth depend primarily on net in-migration. More than half of Wisconsin's population growth since 2000 was due to net in-migration. This is a conundrum given that most U.S. migration is occurring from north to south.

As seen in the tables and graphs on this page, Wisconsin's population will increase and age over the next twenty years. However, the state's labor force growth rate will flatten out dramatically. Wisconsin's population will grow about 13 percent from 2010 to 2030. Its labor force growth rate, on the other hand, will slow to about 2 percent for the period. Worse, Wisconsin's labor force will actually *decline* from 2020 to 2030.

The effects of this new population/workforce era will be widely distributed. Never before has the U.S. or Wisconsin faced a long-term flat or declining rate of workforce growth. The economic ramifications of this new era are enormous. Without increases in total factor productivity, and thus earnings and purchasing power, demand for goods and services will stagnate.

Wisconsin's slow workforce growth in the 1990s was a function of job supply (quantity) — not enough workers. This new era's slow workforce growth will be a function of worker talent (quantity and quality) — not enough sufficiently skilled workers.

Wisconsin Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Wisconsin				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	**Labor Force**			
2010	1,187,122	1,393,021	584,129	3,164,272
2020	1,175,657	1,336,712	752,242	3,264,611
2030	1,157,632	1,426,794	649,080	3,233,506
	Distribution of Labor Force			
2010	37.5%	44.0%	18.5%	100.0%
2020	36.0%	40.9%	23.0%	100.0%
2030	35.8%	44.1%	20.1%	100.0%

Source: WI DWD, OEA

Labor Force

Looking at the labor force in more detail requires the introduction of the Labor Force Participation Rate (LFPR) concept. LFPR is the share of the eligible population (essentially the non-institutionalized population aged 16 years and older) that are working or looking for work. As we mentioned earlier, the LFPR for women soared beginning in the 1960s. The chart at top right indicates, that on the whole, the LFPR for women is lower than for men. For most young and old age cohorts, women's LFPRs are similar to men's. Female participation rates are lower than males' during the child-bearing ages 20 to 45. Thereafter, men's LFPRs decrease pretty much parallel to women's, but remains higher due to shorter life spans for men (lower denominator). The combined effect leaves overall women's LFPRs lower than men's.

Wisconsin's LFPR is significantly above the national average. The LFPR for Wisconsin is 70.2 as compared to the U.S. LFPR of 66.0. The state's higher LFPR is mostly a function of high female LFPR. For example, the LFPR for Wisconsin men was 74.3 in 2000 as compared to 74.8 for the U.S. — about the same. However, the LFPR for Wisconsin women was 64.2 versus 59.9 nationally. Only a few states, such as Minnesota, have higher LFPRs than Wisconsin and that is also usually due to higher female LFPRs.

Wisconsin women's LFPR is higher than the men's for the 16-19 age cohort. The women's LFPR then falls below the male's and resembles a more common pattern. This coincides with the primary childbearing years. Wisconsin's aggregate LFPR dips some in the age cohorts between 30 and 45 years of age, rises again for the 45 to 55 age cohort before it drops rapidly for older cohorts.

What can also be seen in the top right chart is that LFPRs for men and women are expected to decrease over time.

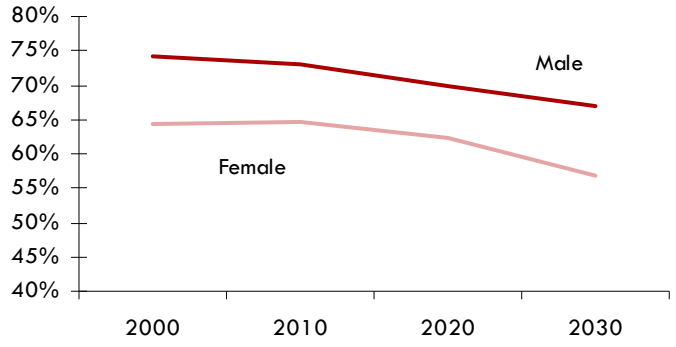
Recent evidence indicates that LFPRs for older working men and women (aged 55 and older) have been rising as per our previous discussion. This should raise the LFPR curve and contribute to a boost in the workforce as Baby Boomers stay in the workforce longer. However, even though older workers' participation rates are increasing somewhat, it won't appreciably alter the sharp LFPR declines for older cohorts. You can see in the lower right graph that LFPRs for those 55 years of age and older drop precipitously.

In addition, the LFPR for young people, the 16-24 year old cohort, is projected to decrease in the future, due to an increase in immediate post-secondary education.

This leaves overall participation rates and workforce growth on a flat and then declining trend in the next twenty years as aging Baby Boomers exiting the workforce overwhelm the number of new entrants.

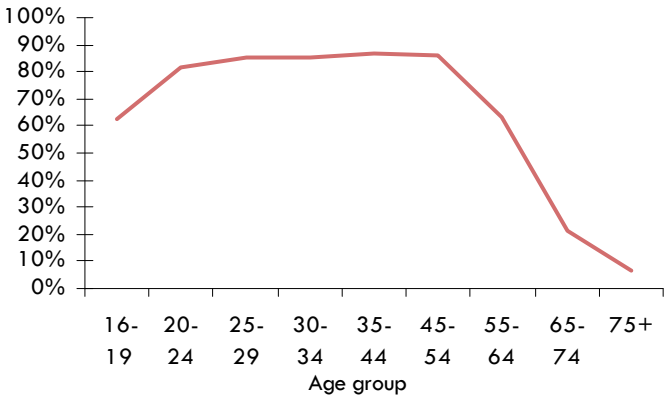
Wisconsin, like many other upper Midwest states, must pay heed to retaining and attracting skilled workers to the area to support the capital intensive economy of the state and the region.

Labor Force Participation Rates by Sex: 2000-2030



Source: WI DWD, OEA

Labor Force Participation Rates by Age in 2000



Source: Census 2000, SF-3

Wisconsin Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	3,033,674	3,019,501	3,030,971	3,068,930	3,089,321
Employed	2,862,587	2,867,125	2,884,838	2,923,762	2,937,903
Unemployed	171,087	152,376	146,133	145,168	151,418
Unemployment Rate	5.6%	5.0%	4.8%	4.7%	4.9%

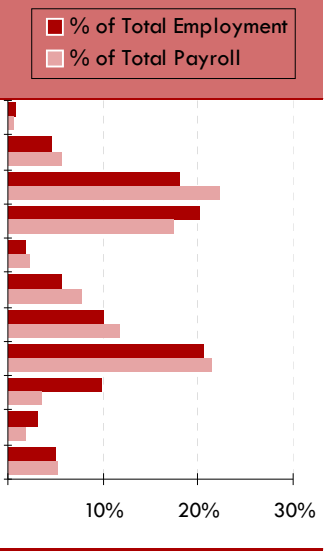
Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

Jobs & Wages

Jobs and wages are the lifeblood of any economy. The more good-paying jobs in a region, the better the prospects for its economy. Wisconsin has a diversity of industry employment. The big three: manufacturing; trade, transportation & utilities (including retail); and education & health services, together, constitute 59 percent of Wisconsin's jobs. The next industry tier by employment size includes professional & business services and leisure & hospitality.

2007 Employment and Wage Distribution by Industry in Wisconsin

	Employment		Total Payroll
	Annual Average	5-year Change	
Natural Resources	22,676	2,526	$ 662,934,895
Construction	128,316	2,034	$ 6,093,535,873
Manufacturing	501,406	-26,816	$ 23,619,163,364
Trade, Transportation, Utilities	561,549	7,397	$ 18,397,598,806
Information	51,802	-668	$ 2,511,517,789
Financial Activities	160,058	8,407	$ 8,122,832,115
Professional & Business Services	280,283	37,948	$ 12,424,511,087
Education & Health	569,013	37,325	$ 22,536,277,423
Leisure & Hospitality	272,040	21,357	$ 3,696,781,781
Other services	86,210	3,337	$ 1,902,939,087
Public Administration	140,173	-3,588	$ 5,589,893,579
Not assigned	4,103	-1,729	$ 186,986,928
All industries	2,777,629	87,530	$105,744,972,727



Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2008

As shown in the above chart, manufacturing and education & health sectors' total payroll contributes a greater share to total state payroll than it does to total state employment. This means these jobs pay relatively well. Trade's payroll/employment ratio is held down by the predominance of retail trade jobs in the sector. Retail jobs make up almost 60 percent of the trade sector and pay relatively low wages and experience high worker turnover rates.

The earnings strength of the manufacturing sector is countered by the fact that it is losing jobs, a trend that is occurring in most other states and nationally, and usually to a greater degree. A positive sign for Wisconsin is that the manufacturing job losses are being more than offset by gains in professional & business services jobs. The professional & business services industry added almost 38,000 jobs over the last five years. The industry pays better than the state average wage and relatively close to the U.S. industry average wage.

Education and health care services industry jobs are also increasing rapidly and will continue to do so. The wide spectrum of health care duties spreads out the wage range depending upon skillsets. For example, doctors and nurses get above average earnings, while some other limited-skill health support jobs earn substantially less. Leisure and hospitality jobs increased significantly in the past five years, but these jobs are generally low-wage, part-time or seasonal jobs and pay substantially less than the U.S. industry average. Only construction wages in Wisconsin exceed the national average for the industry.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Wisconsin Share of United States	Wisconsin 5-year % Change	United States 5-year % Change
	Wisconsin	United States			
All industries	$38,070	$44,450	85.6%	17.4%	20.9%
Natural Resources	$29,235	$45,720	63.9%	14.7%	38.8%
Construction	$47,489	$46,660	101.8%	19.8%	19.8%
Manufacturing	$47,106	$53,541	88.0%	16.1%	21.3%
Trade, Transportation & Utilities	$32,762	$38,577	84.9%	15.3%	17.2%
Information	$48,483	$67,280	72.1%	24.7%	22.7%
Financial Activities	$50,749	$73,701	68.9%	25.8%	33.9%
Professional & Business Services	$44,328	$55,121	80.4%	22.0%	25.5%
Education & Health	$39,606	$40,714	97.3%	17.3%	18.8%
Leisure & Hospitality	$13,589	$18,800	72.3%	14.8%	17.4%
Other Services	$22,073	$28,054	78.7%	13.2%	17.5%
Public Administration	$39,879	$50,854	78.4%	18.1%	20.8%

Source: WI DWD, Workforce Training, QCEW, June 2008 and U.S. Bureau of Labor Statistics, QCEW

Jobs & Wages

Prominent Industries in Wisconsin

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Wisconsin	Wisconsin	United States	Wisconsin	United States	Wisconsin	United States
Educational services	206,452	2.0%	7.0%	$39,753	$40,021	15.0%	17.5%
Food services & drinking places	193,808	9.1%	13.0%	$10,859	$14,574	14.5%	16.5%
Administrative & support services	132,628	15.8%	10.6%	$23,144	$30,135	15.4%	22.5%
Hospitals	121,703	12.6%	8.2%	$43,750	$48,378	24.1%	25.9%
Ambulatory health care services	104,971	8.7%	17.7%	$57,969	$50,487	18.5%	15.2%
Professional & technical services	98,782	10.0%	14.2%	$56,267	$71,995	20.9%	22.9%
Executive, legislative, & gen government	93,091	-4.7%	-0.5%	$36,340	$42,693	16.4%	18.0%
Specialty trade contractors	79,802	-0.1%	14.7%	$43,664	$43,202	17.8%	17.8%
Nursing & residential care facilities	77,289	3.6%	6.9%	$23,295	$26,345	12.0%	17.3%
Fabricated metal product manufacturing	76,323	8.6%	0.4%	$43,765	$46,044	15.4%	19.1%

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, June 2008 and U.S. Bureau of Labor Statistics, QCEW

A review of the prominent industries in Wisconsin reveals a mix of goods and services. Three of the top 10 entries are in health care, one is in manufacturing, one in retail, construction, education, administrative services, professional services, and government.

The largest employers in the state are split, not surprisingly, between retail, Wal-Mart, Menard's, Walgreen's and Kohl's; and education/government, U.W. — Madison, Milwaukee Public Schools, the Department of Corrections, and the City of Milwaukee. Retail usually makes up a large segment of most regional, state, and local economies, often dominated by a large number of small eating and drinking establishments. The four largest retailers in Wisconsin constitute four specific, non-food markets: discount retail, home and hardware, drugstore, and clothing and accessories. Three of the four education/ government entities are related to workforce development outcomes: K-12, higher education, and corrections. (In this data set, public schools are included in educational services along with private schools.) The university system, technical college system, private schools, and the 426 schools districts sum to a sizable employment base. As you can see, educational services is not growing very rapidly as many K-12 systems are constrained by budget challenges. Average pay in the sector is not much above the state average and is below the national average.

Ambulatory health care services earnings in Wisconsin are above national average earnings and have grown faster over the past five years.

Wisconsin's government sector is decreasing faster than the national average as is special trades contractors. Wisconsin contractors, however, earn slightly more than national contractors.

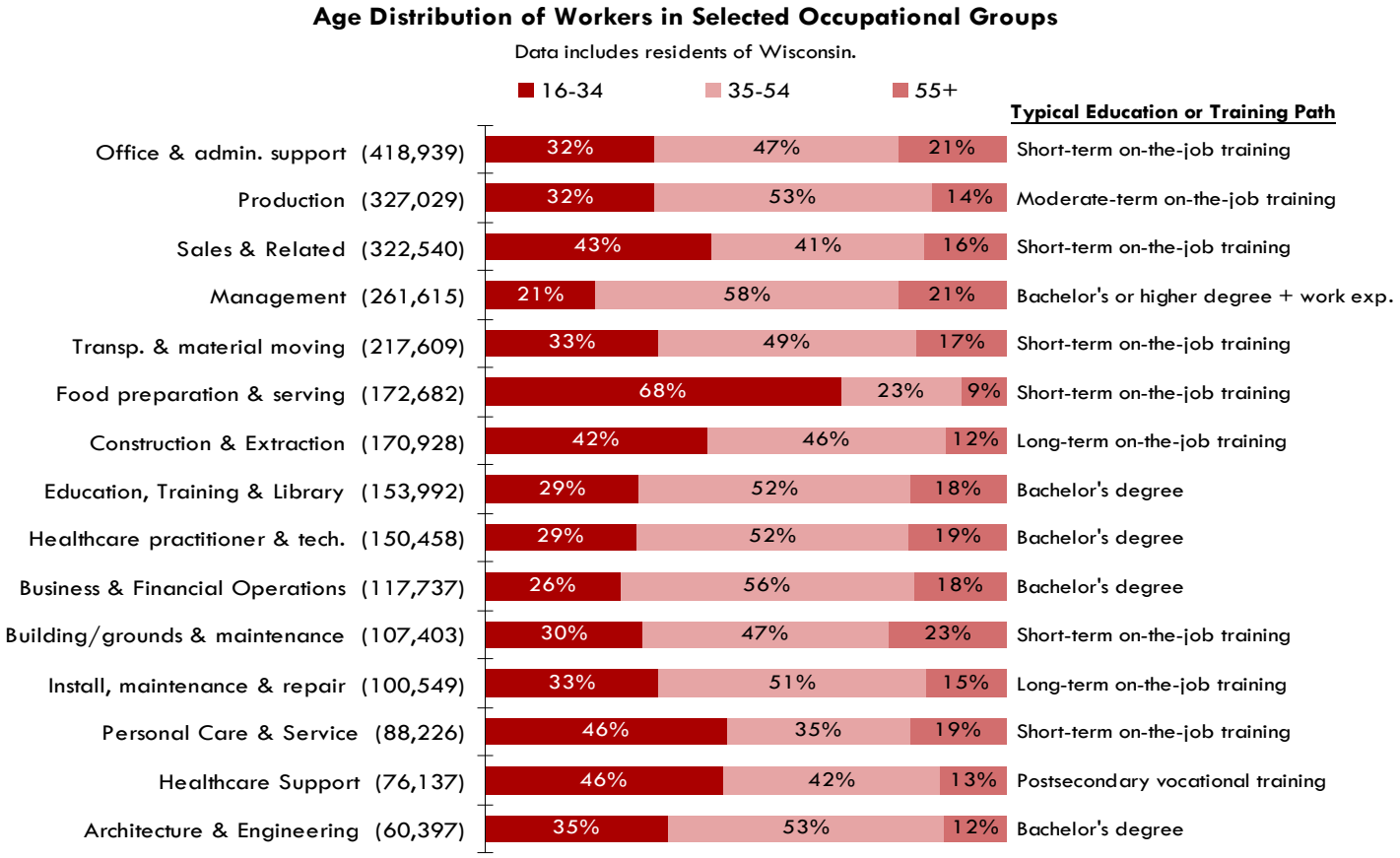
The fabricated metal product manufacturing industry in Wisconsin is one of the few manufacturing industries with increasing employment in Wisconsin. Much of the grow has been supported by exports of final machinery products. Growing global economies and the weak U.S. dollar have made exports more competitive.

Prominent Public and Private Sector Employers in Wisconsin

Establishment	Service or Product	Number of Employees (March 2007)
Wal-Mart	Discount department stores	1000+ employees
U.W. - Madison	Colleges & universities	1000+ employees
Milwaukee Public Schools	Elementary & secondary schools	1000+ employees
Department of Corrections	Correctional institutions	1000+ employees
Menard's	Home centers	1000+ employees
Walgreen's	Pharmacies & drug stores	1000+ employees
Kohl's	Discount department stores	1000+ employees
City of Milwaukee	Executive & legislative offices, combined	1000+ employees
Kohler Co	Enameled iron & metal sanitary ware mfg.	1000+ employees
Marshfield Clinic	HMO medical centers	1000+ employees

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, April 2008

Occupations & Typical Education or Training



Note: Occupation groups are in descending order based on the number of workers in each group.
Source: 2006 U.S. Census, ACS PUMS & WI DWD, OEA

The chart above shows the demographic breakout of workers in selected professions in three major age categories in Wisconsin: younger workers, prime working years, and older workers (those not long to or past retirement eligibility). The typical training path for each profession is also presented.

Most of the professions listed are heavily weighted within the prime working years category. Others have obvious deviations. For example, food preparation is skewed to younger workers, and management toward the older workers. Construction is also a younger person's endeavor.

In light of the Baby Boomer demographic phenomenon, it is bit disconcerting that healthcare practitioners and technicians in the state has one of the smallest shares of younger workers. This is partly due to the fact that the more skilled positions in the profession require advanced education that can't be accomplished by people younger than 20 years of age. Nevertheless, attracting younger workers to the health care field in the state should be a priority. Health care support workers on the other hand, have one of the highest shares of younger workers. These jobs usually require less training and, thus, are more available to younger workers.

Buildings and grounds workers are somewhat skewed to the older workers. But their typical training requirements are short-term on-the-job training so additional workers could be brought on rapidly if retirements severely impact the number of available workers in the near future.

Many counties in the state have age distribution in specific occupations skewed to the older cohorts. The state as a whole is much more balanced. The challenge and the opportunity lies in moving workers from one part of the state to another to assist in meeting employment demands across the counties of the state. For example, the age distribution for health care practitioners in Marathon County is much older and in need of younger providers. It may serve as an opportunity for Marathon County to try to attract younger health care practitioners from across the state to relocate to Marathon County.

Occupations & Typical Education or Training

The right column of the chart on page 6, gives the typical education or training path for the occupations listed. Typical refers to the amount of education and training that is most often required for workers in the occupations. For example, short-term on-the-job training refers to on-site training that usually lasts days or weeks.

Generally speaking, the more education and/or training a worker has, the higher the worker's wages. For example, teachers and nurses make more money than retail sales clerks. Healthcare practitioners and technical occupations typically require a bachelor's degree, although this is not always the case. Most occupations requiring education beyond high school command a higher than average wage, which was $38,070 per year in Wisconsin in 2007.

Among the fastest growing industries in Wisconsin are administrative & support services and professional & technical services. Administrative & support services usually require short-term on-the-job training with corresponding annual earnings of $23,144, below the state average. Professional & technical service workers generally have higher education credentials and command higher earnings, $56,267.

Hospital jobs in Wisconsin are growing faster than the national average. Hospital staffing is cone-shaped by skills with a relatively few doctors at the top and many support personnel forming the base. Healthcare practitioners and technicians typically require a bachelor's degree and their earnings reflect that level of training and skill set. The typical training path for healthcare support jobs is usually some vocational training and their earnings are based on the relative value of those skills.

The food services and drinking places industry employs the second largest number of employees in the Wisconsin after education and generally constitutes a large share of workers in most other states. Food preparation and serving jobs are relatively low-skilled and low-paying. The age of the food preparation and serving related workers is highly skewed to the younger end of the age spectrum. Many of these occupations, such as waiters/ waitresses, host/hostesses, and retail salespersons, have high turnover rates and usually these open positions are filled by younger workers. Occupations within this group typically require less than a month of on-the-job training at the jobsite. The average annual earnings for these positions in Wisconsin is less than $11,000 per year, which is far less than the state overall average earnings.

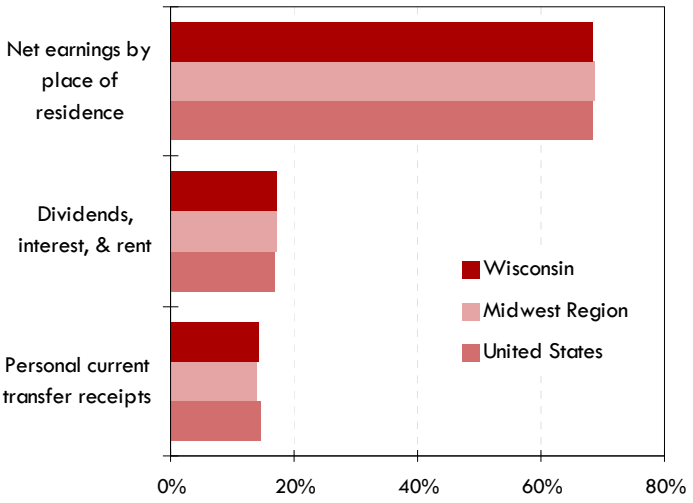
Income

There are three components of total personal income: net earnings; dividends, interest and rent; and transfer receipts. Net earnings come from employment, whether self-employed or working for someone else. Dividends, interest and rents come from investments, savings accounts, dividends, retirements payments from company pensions, or 401(k) plans. Transfer receipts mainly come from state and federal governments and are represented by social security, welfare, veterans benefits, and other payments received from public agencies.

Net earnings provides the largest percentage of personal income, usually over two-thirds. Wisconsin residents' share of income from earnings is representative of the Midwest region and the nation. Wisconsin is a bit higher than the nation in dividends and a bit higher in transfer payments than the region. The differences are not appreciable.

As the baby boomers in Wisconsin, the Midwest and the U.S. age through their work cycle, we expect to see more income drawn from dividends and then transfer receipts as they tap into retirement accounts and Social Security and other public benefit programs. This pattern will be dependent on the accumulated investment wealth of the area's population. With Wisconsin and the Midwest region being older on average than the U.S., we would expect to see the increases in dividend and transfer income increase sooner and more than the national changes.

Components of 2006 Total Personal Income



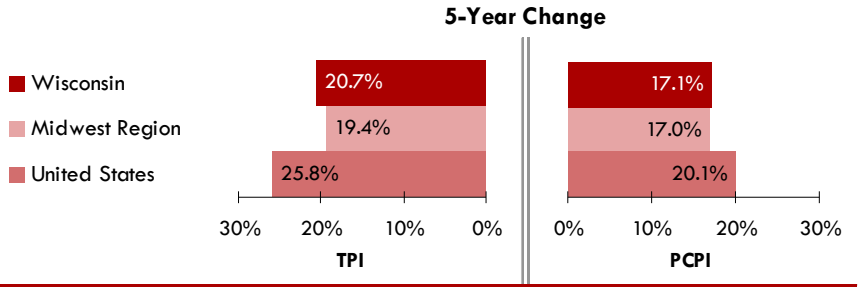
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

Income measures are important inputs into measuring economic vitality. Among other measures, total income and total per capita income are monitored for trends. Total personal income (TPI) is income received from all sources. This includes income for Wisconsin residents commuting to other states for work, but does not include those working in Wisconsin but living elsewhere. Per Capita Personal Income (PCPI) is calculated by dividing TPI by the total population in the area. While TPI is a straight forward number, PCPI can be affected by the type of residents in a state. For example, if there is a large segment of residents that don't work because they are too young, PCPI will be less because TPI is smaller and yet must be divided by the same population denominator. If there is a large number of retired residents in an area, PCPI will probably be lower since the monies they are collecting from pensions and/or social security may be less than the employment earnings they received. This would also affectively decrease the amount of TPI while keeping the same population denominator when calculating PCPI.

Personal Income in Wisconsin

	Total Personal Income (TPI) (in thousands)		Per Capita Personal Income (PCPI)	
	2001	2006	2001	2006
Wisconsin	$158,888,404	$191,725,759	$29,377	$34,405
Midwest Region	$1,107,717,990	$1,322,325,519	$30,902	$36,150
United States	$8,716,992,000	$10,968,393,000	$30,574	$36,714



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007

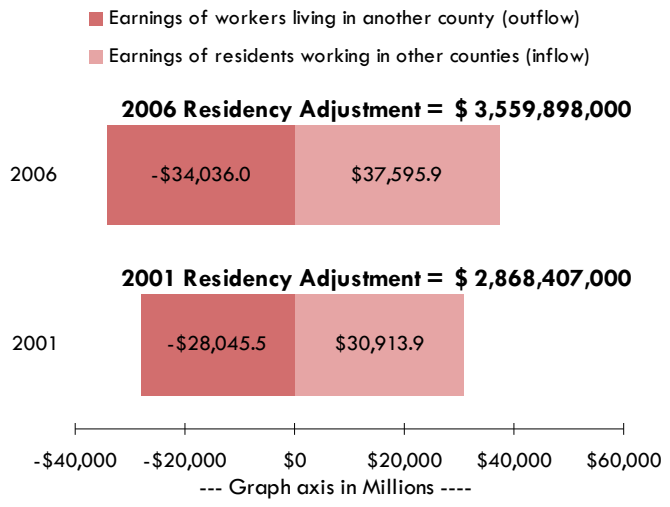
Total Wisconsin personal income increased 20.7 percent over the five-year period from 2001 through 2006. Per capita income increased 17.1 percent. These values are much in line with the regional average, but below the national rates.

At face value, an increase in per capita income is a positive sign; people are better off. Wisconsin's TPI is growing faster than its PCPI, indicating that the population is growing relatively rapidly versus income. Combined with population age data, it suggests more retired people are moving into the state. As stated earlier, increases in the older population will dampen the growth rate in PCPI.

There were 2.9 million employed people living in Wisconsin in 2007 (see page 3). But, there were 2.8 million jobs (see page 4). This means that over 100,000 Wisconsin residents leave the state for work. As you can see in the chart to the left, earnings inflows are greater than outflows. This indicates that Wisconsin workers commuting to other states are earning more than out-of-state workers make in jobs within the state, and bringing the income back into Wisconsin. The net result is a gain of $3.6 billion dollars coming into the state in 2006, and the gap has widened by almost $700 million since 2001.

Most of this cross-border commuting occurs in the southeast and northwest parts of the state, drawn into Chicago and Minneapolis-St. Paul. Wisconsin obviously has the talent and the quality of life assets that these commuting workers value. Wisconsin needs to create and attract more high-tech companies for the state to match the skills of incumbent residents. Creating and attracting high-value-added companies into the state will help anchor the talent, their incomes, and their families within Wisconsin's borders.

Wisconsin Commuting Impact



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007