

WISCONSIN



DWD

Department of Workforce Development

RIsE Breakfast

May 12, 2016

Ashland, WI

Overview and Challenges to the Regional Economy



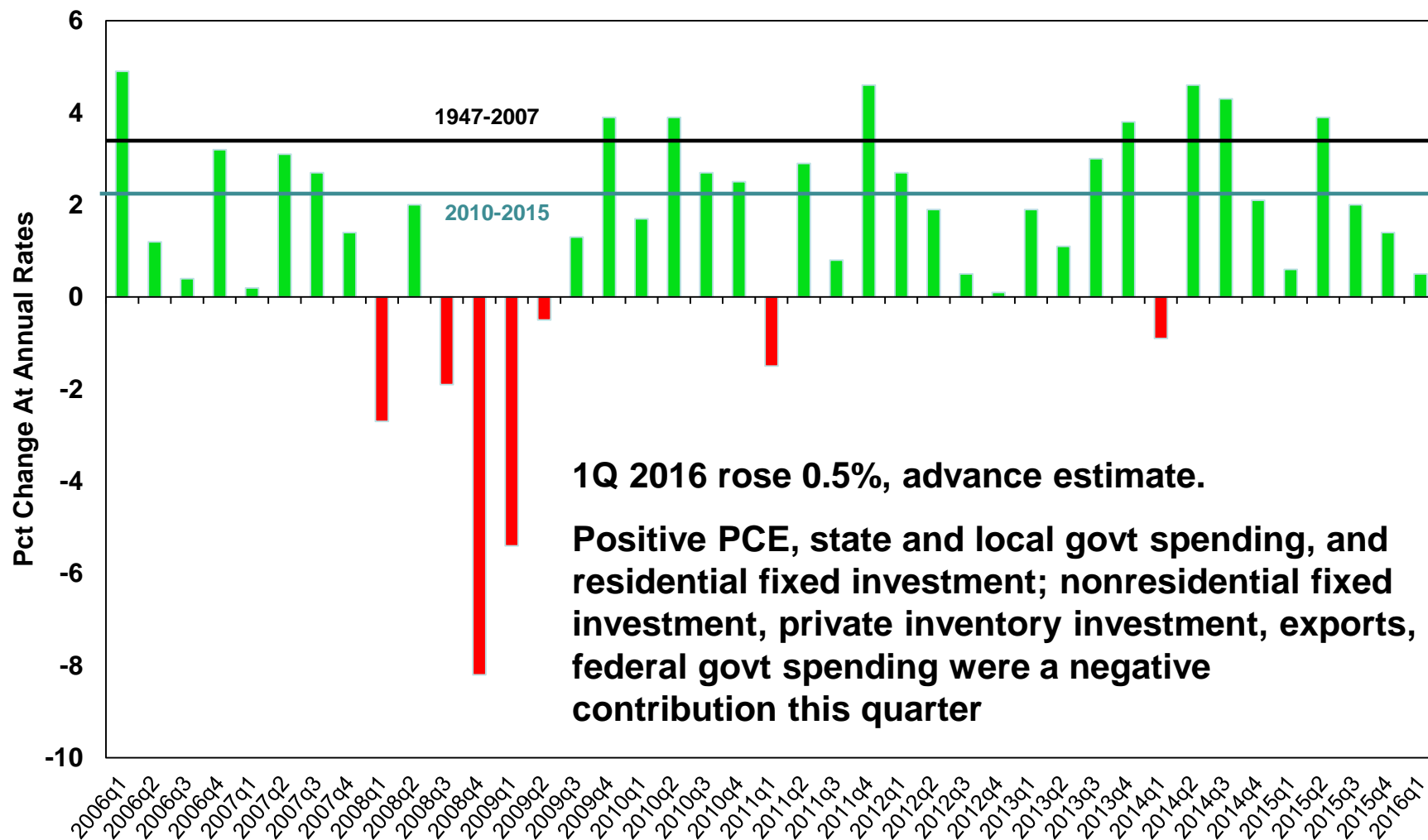
Thomas Michels
Regional Economist

&

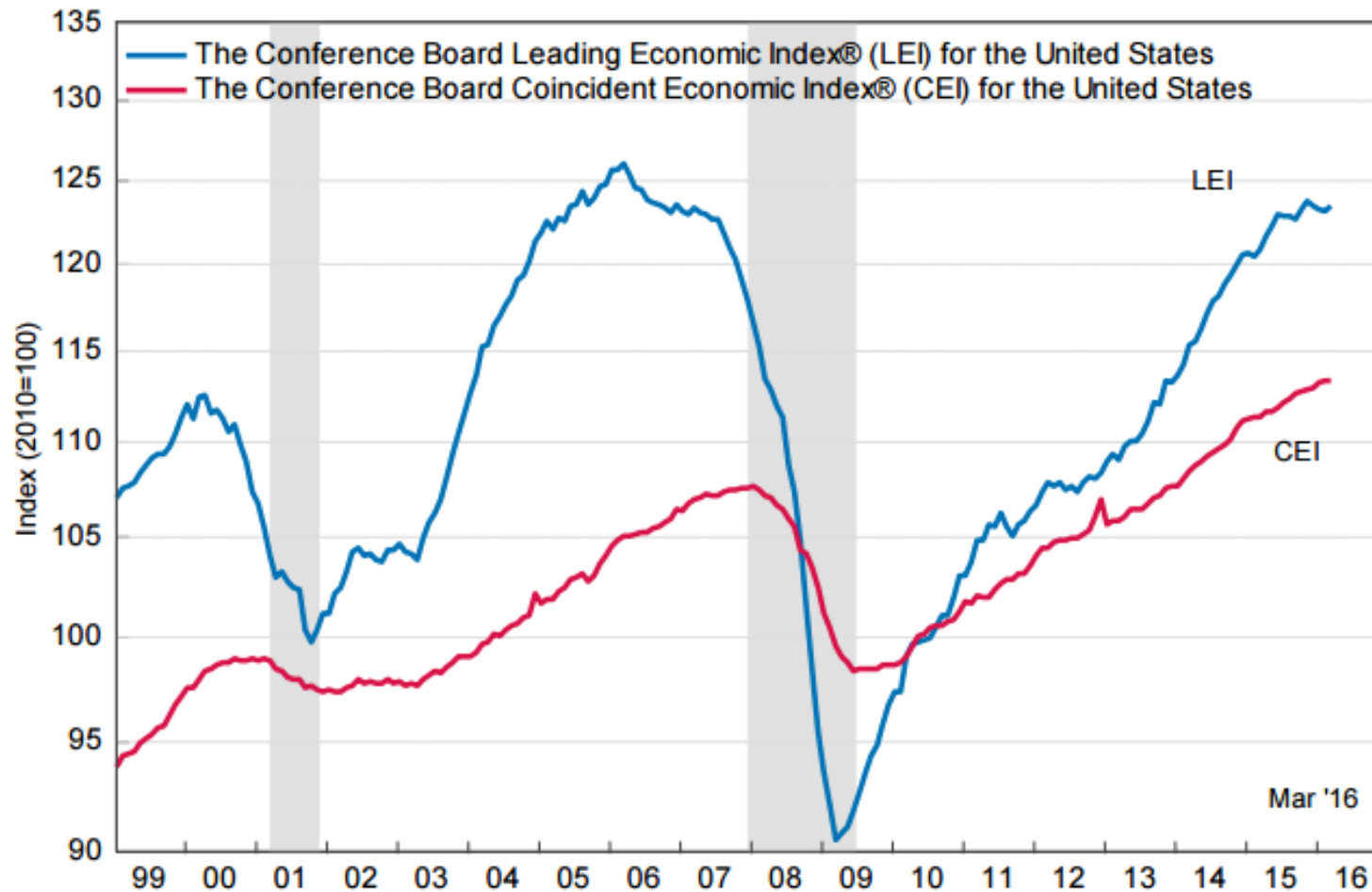
Dennis Winters
Chief Economist

Department of Workforce Development

Real GDP Growth (National)



Conference Board – Leading Economic Index (Mar)



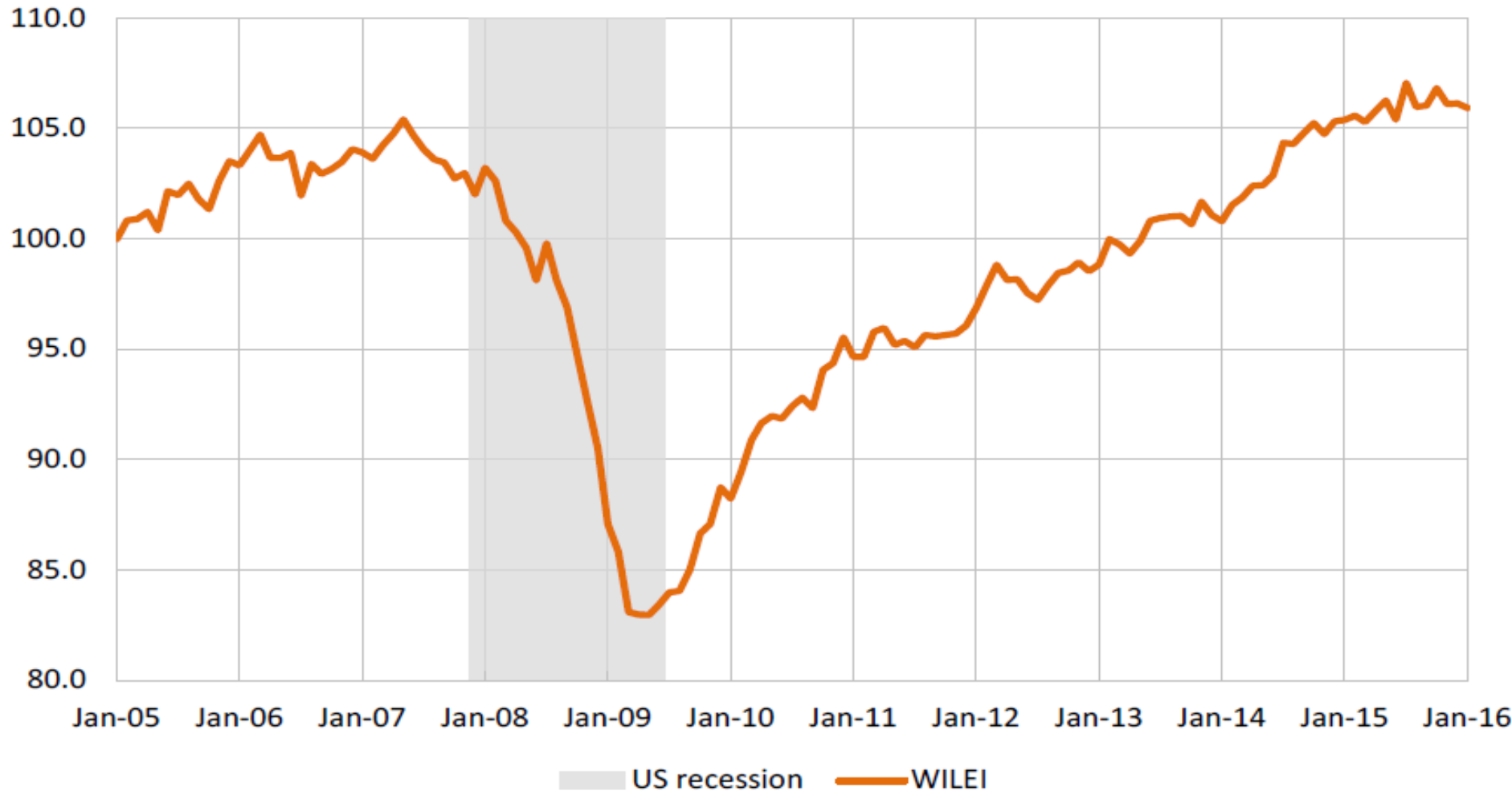
Latest LEI Trough March 2009, Latest CEI Trough June 2009

Shaded areas represent recessions as determined by the NBER Business Cycle Dating Committee.

Source: The Conference Board

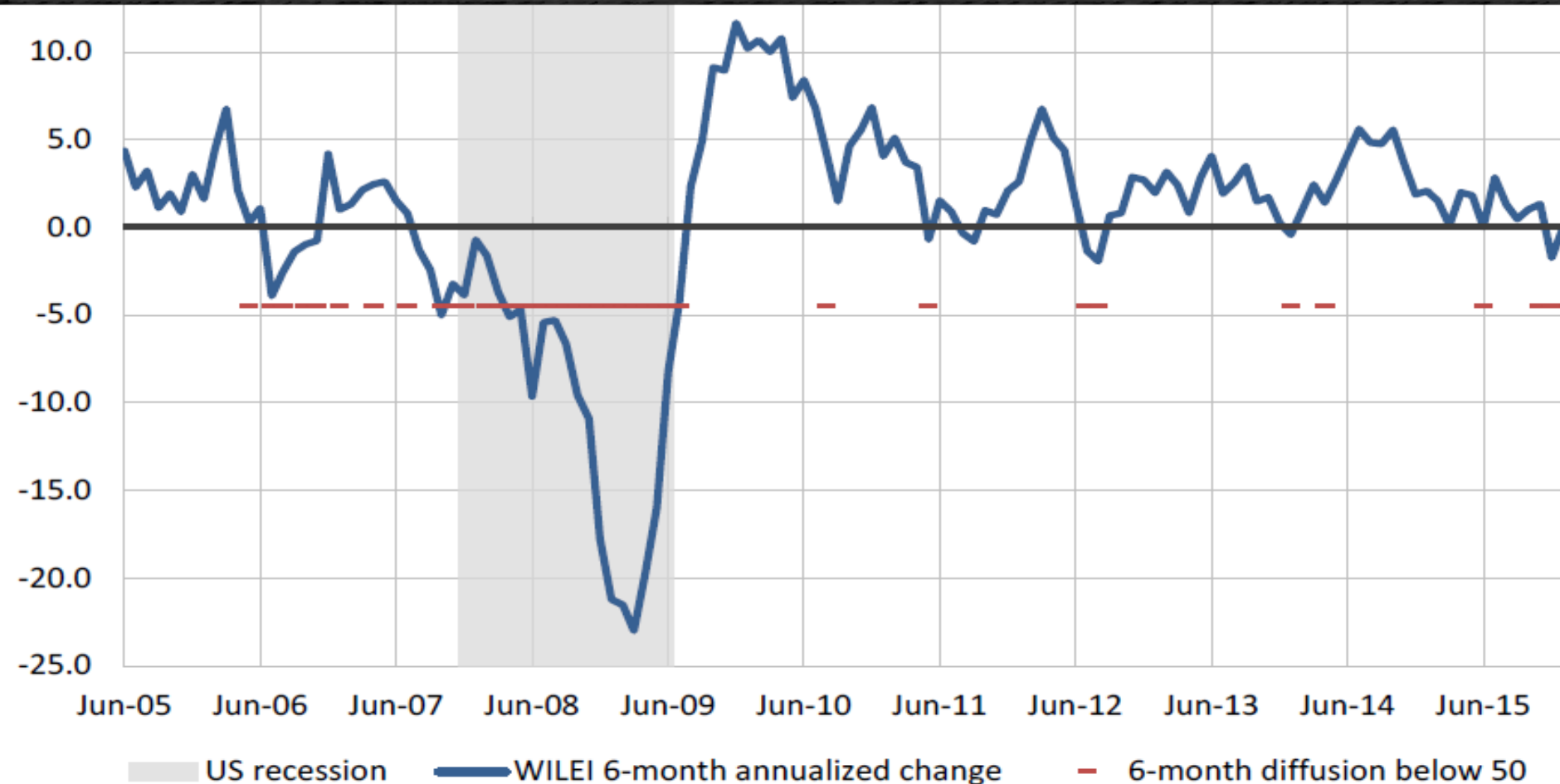
LEI up in Mar (0.2%) and Feb (0.1%), following several months declines, due mostly to large declines in stock prices and rising initial UI claims. Housing permits, consumer expectations, new orders still weak, but growth expected to continue into 2016.

Wisconsin Index of Leading Economic Indicators (WILEI)



Trend has leveled off some in Jan 2016, but like the US index, still points to moderate growth.

WILEI 6-month annualized change



The red line is called a diffusion index, which is an economist way of saying that below that point less than 50% of the indicators making up this index were positive. Crossing it is a good indicator of a recession.

WILEI Components



US *Industrial Production: Manufacturing index*

US *Help Wanted Online composite index*

US *University of Michigan Consumer Sentiment index*

WI *Employment in ASWMRS*

WI *Average weekly hours in manufacturing for production workers*

WI *Withholdings*

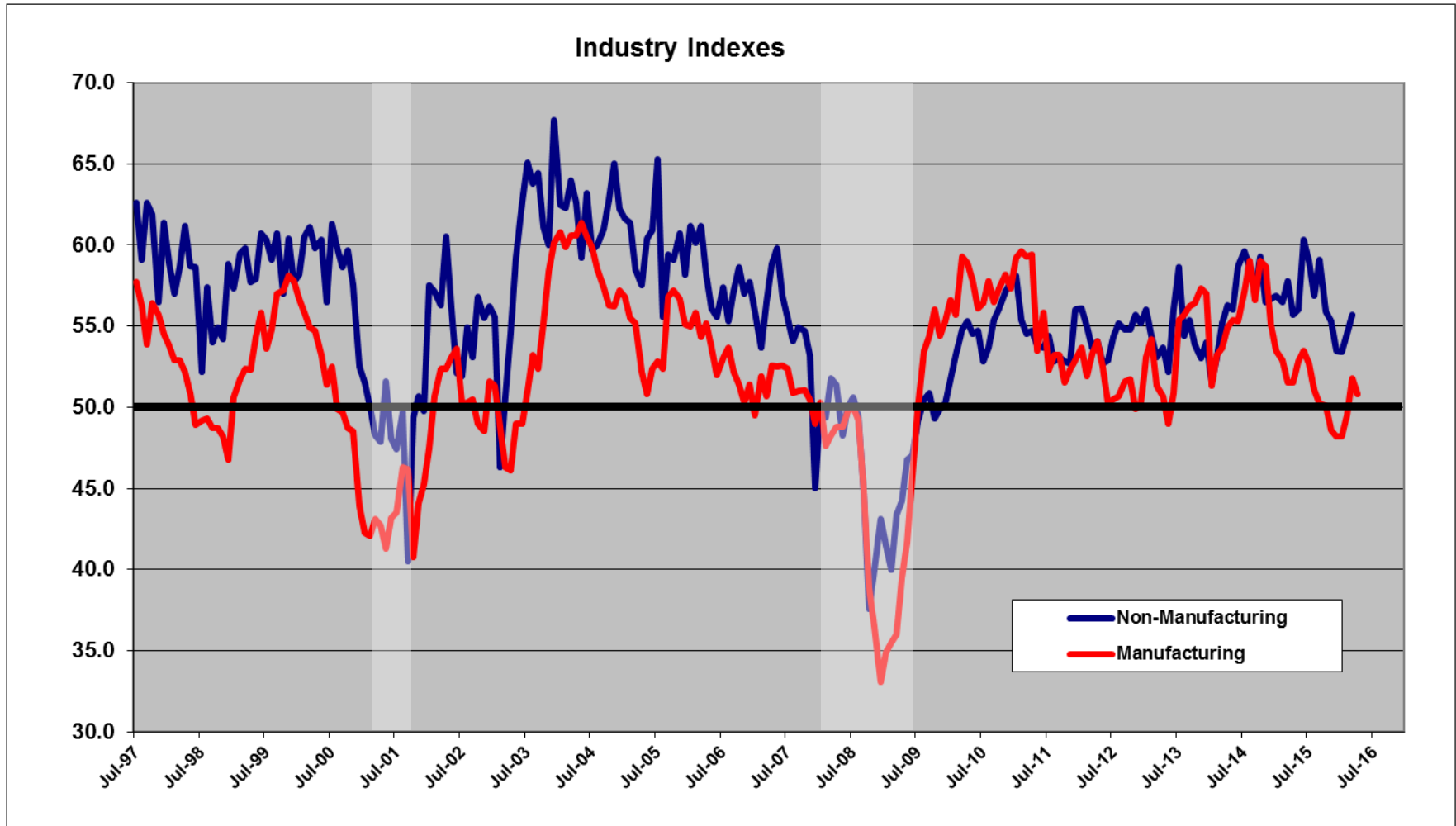
WI *New business incorporations*

WI *Air freight (Milwaukee + Madison + Appleton).*

WI *Residential building permits*

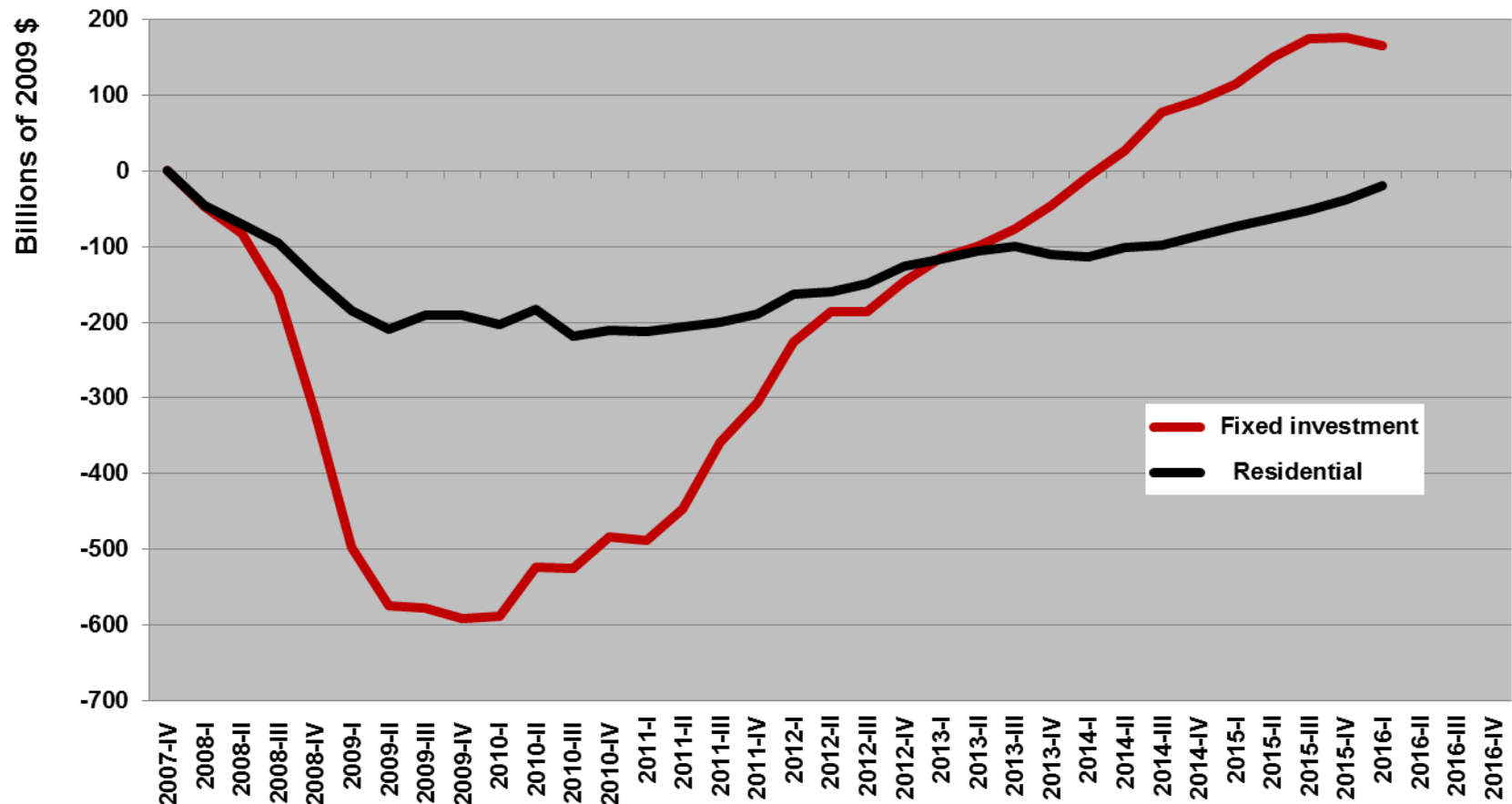
WI *Initial unemployment claims*

Industry Index

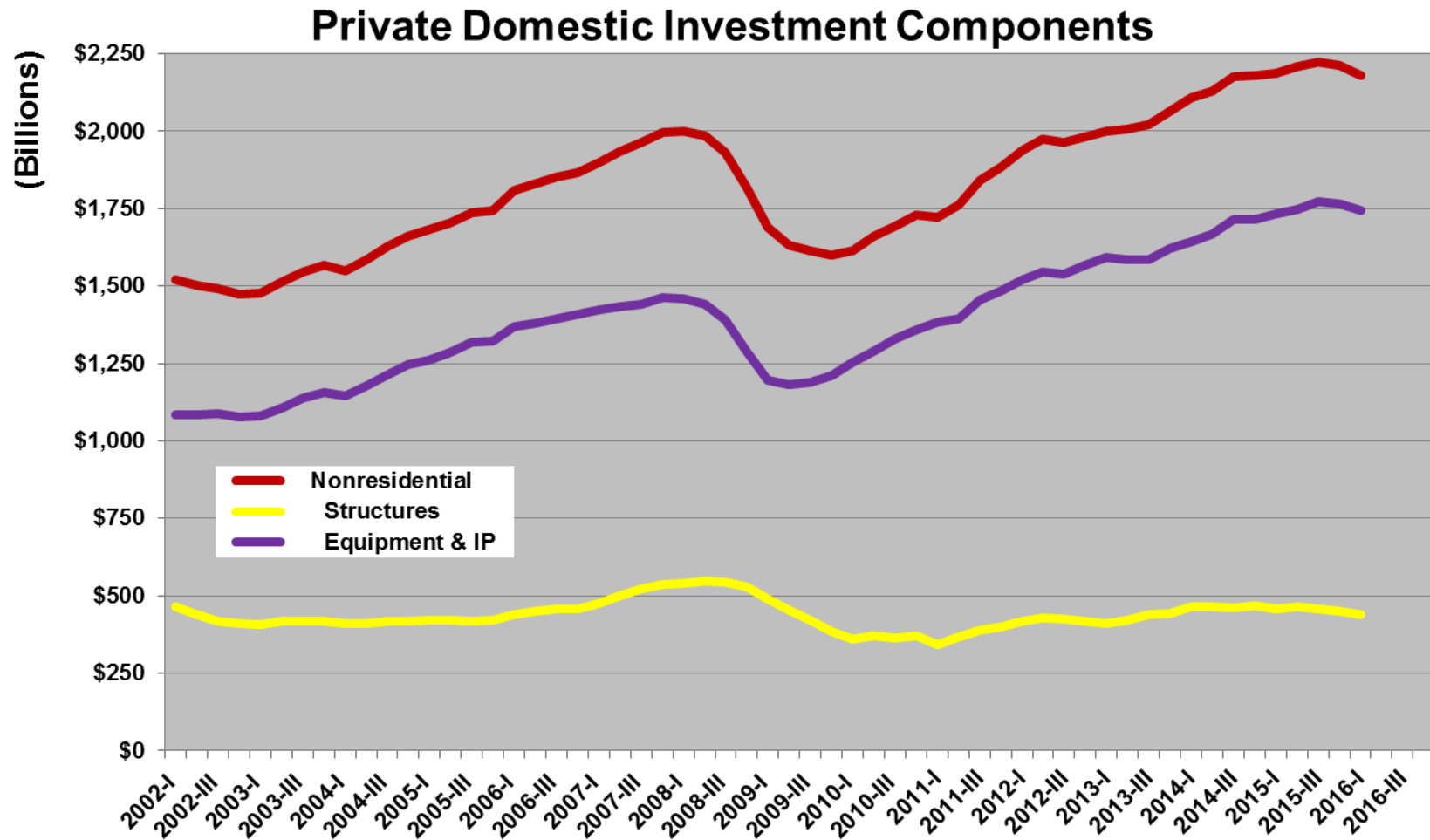


Real Investment Growth

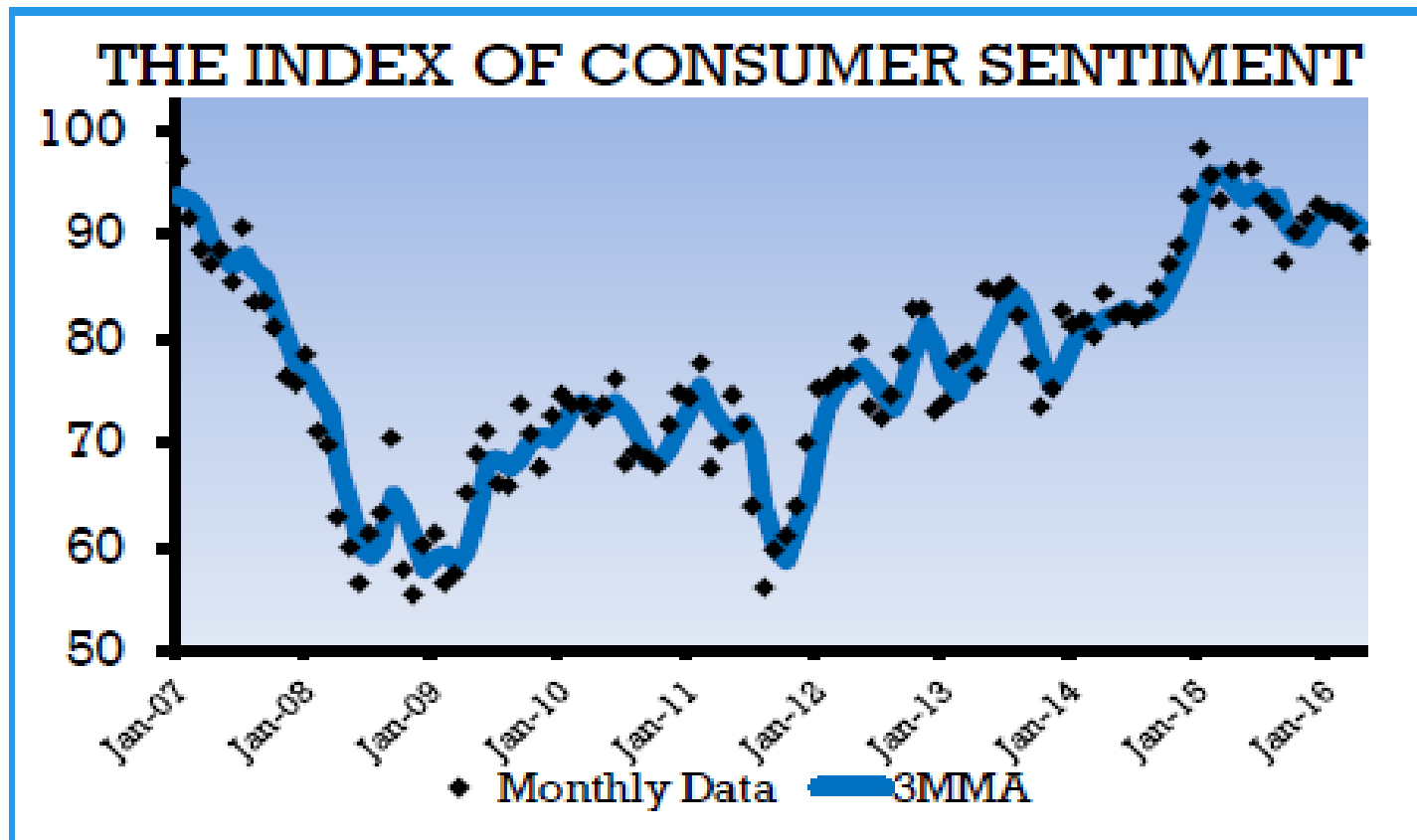
Change in Investment from Q:4, 2007



Investment Components



Consumer Sentiment and Consumer Confidence



- Consumer Sentiment (UMich) down -2.2% in April.
- Short term optimism, but consumers expect slow growth in 2016 and rising gas prices. Consumers also saw income increases and personal finance stability.

Development.. Economic = Community = Workforce!



Workforce



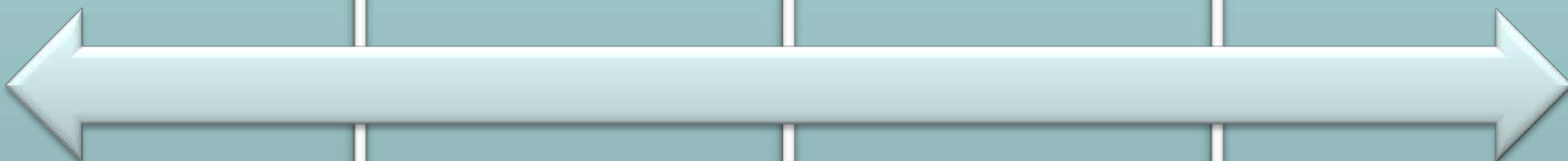
Infrastructure



Finance



Government



2012-2022 Industry Projections

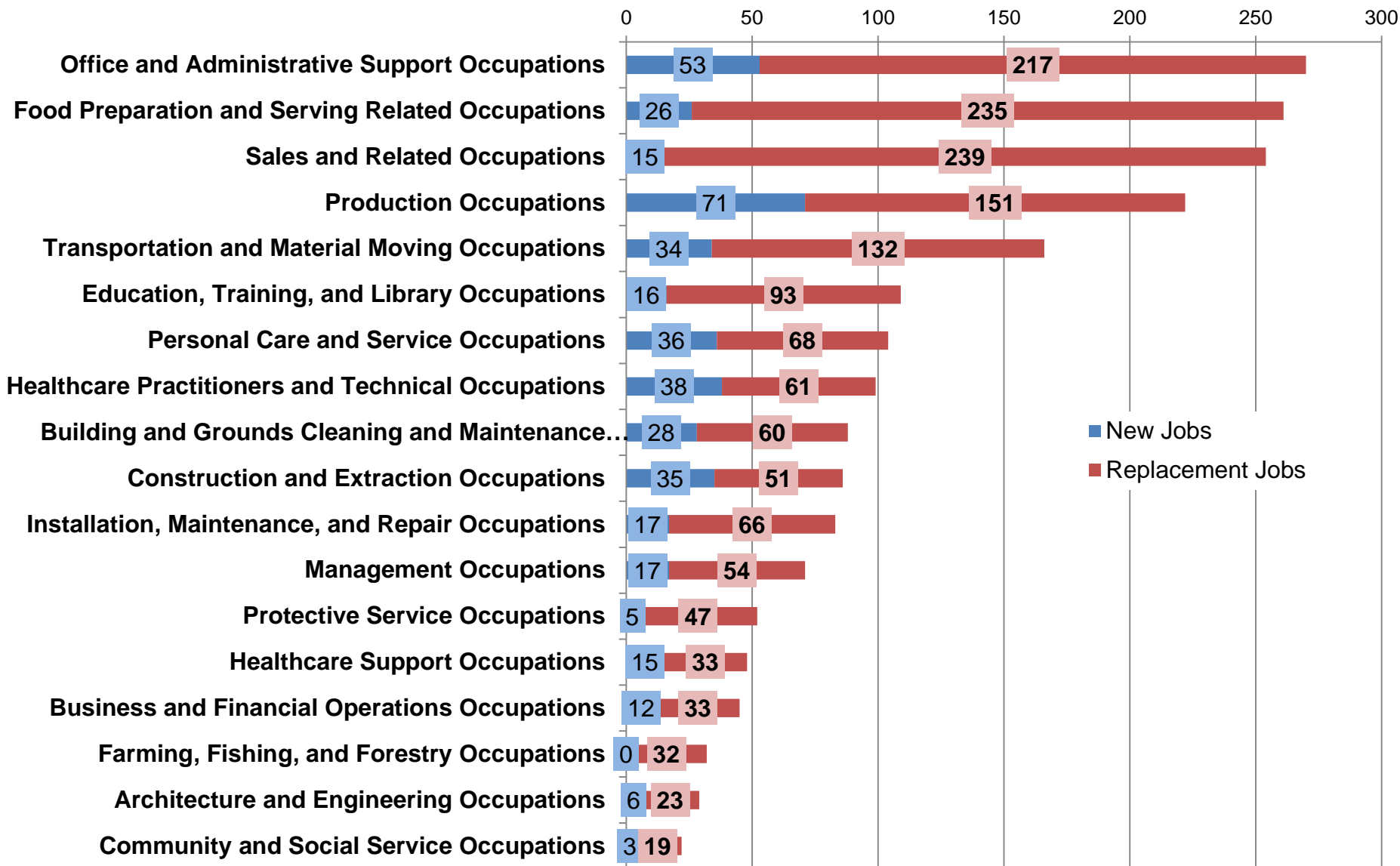
DWD - OEA



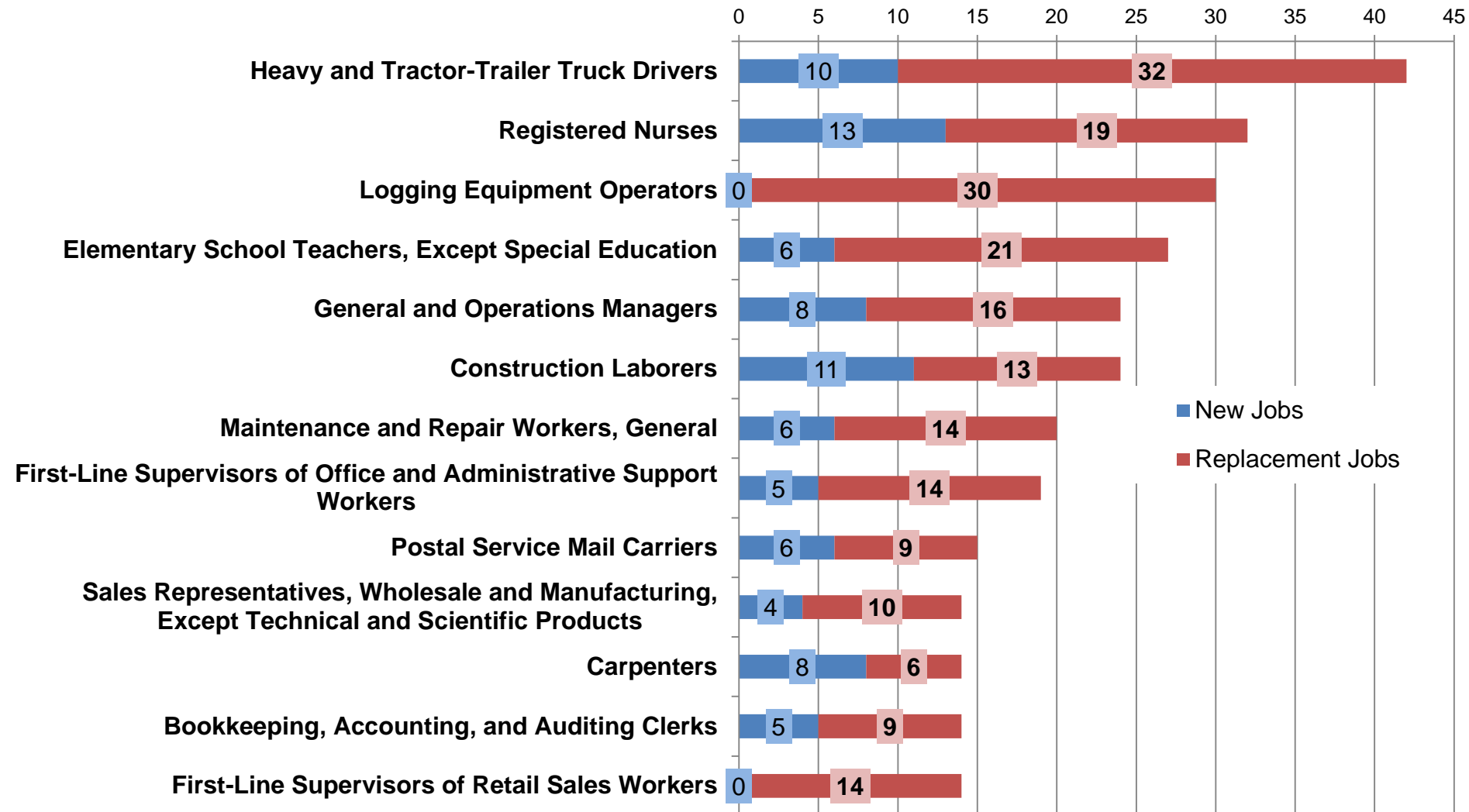
Industry	2012 Employment*	2022 Projected Employment	Change (2012-2022)	
			Employment	Percent
Natural Resources and Mining	1,877	1,675	-202	-10.76
Construction	2,215	2,593	378	17.07
Manufacturing	10,899	11,466	567	5.20
Trade, Transportation, and Utilities	13,363	13,657	294	2.20
Information	570	529	-41	-7.19
Financial Activities	1,983	2,101	118	5.95
Professional and Business Services	4,078	4,868	790	19.37
Education and Health Services	13,250	14,177	927	7.00
Leisure and Hospitality	8,163	8,604	441	5.40
Other Services (except Government)	1,969	2,042	73	3.71
Government, excluding Post Office, Education and Hospitals	7,786	7,911	125	1.61

2012-2022 Occupation Projections

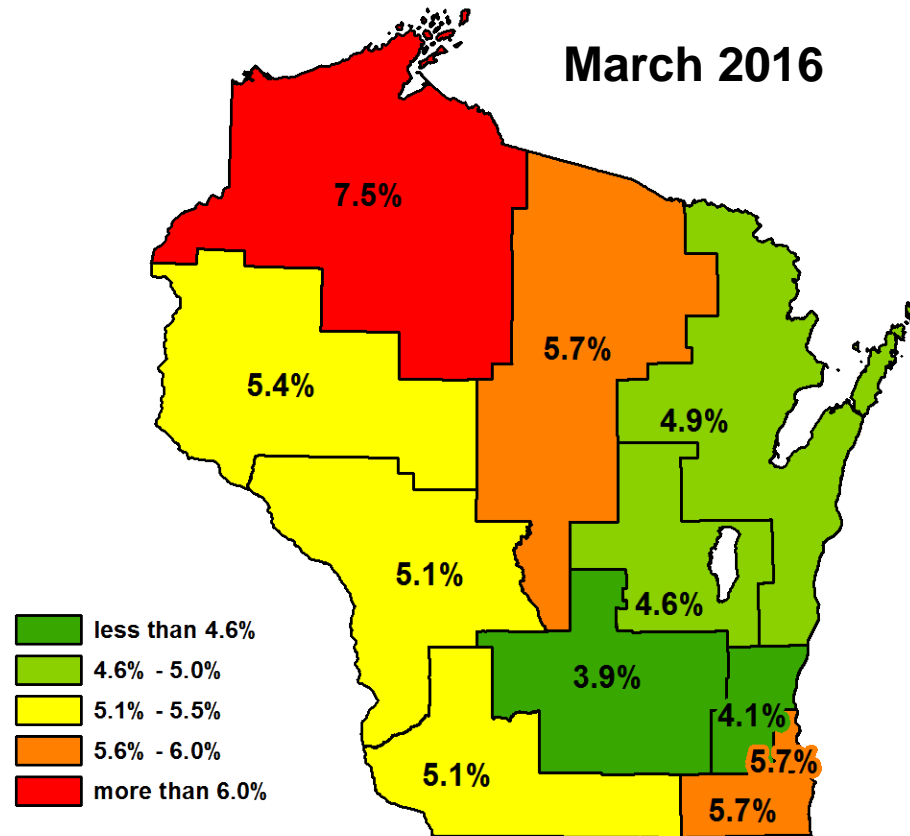
DWD - OEA



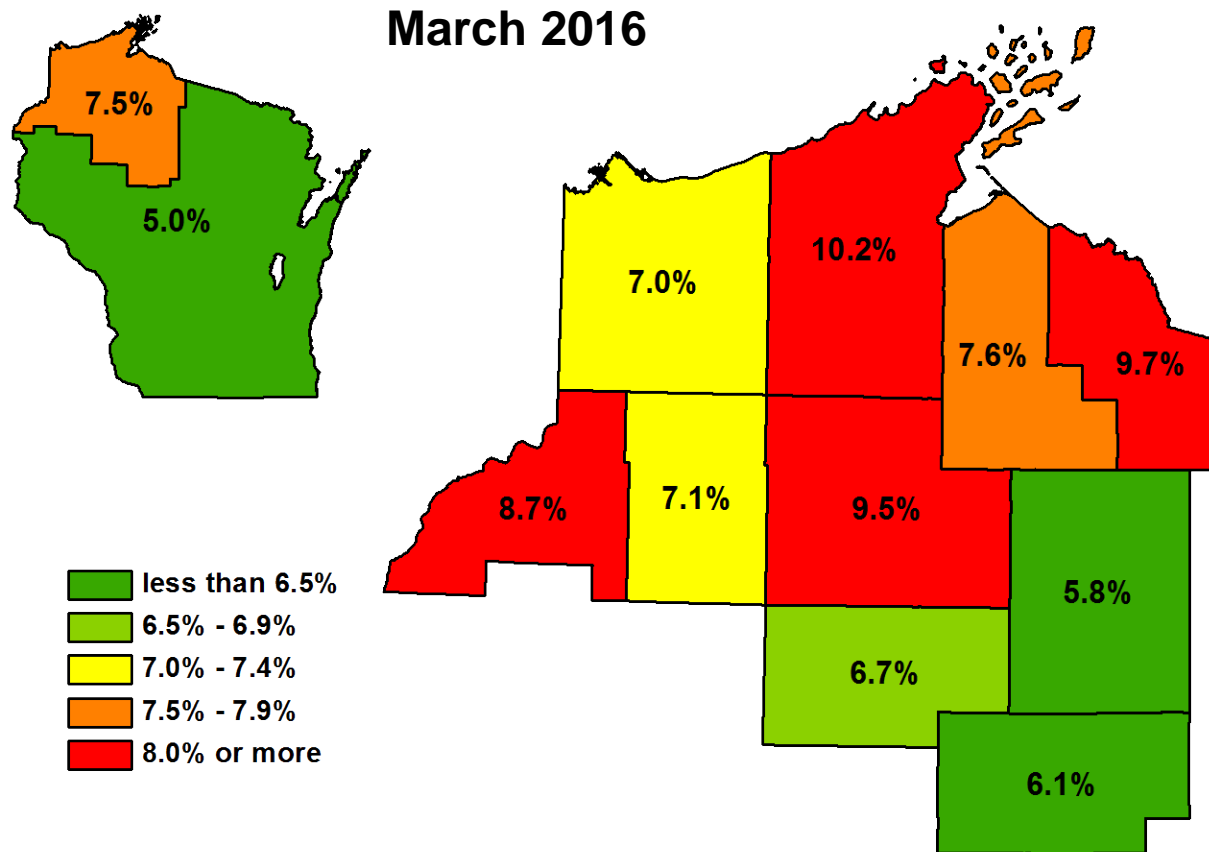
Occupations paying above median (\$29,374)



Local Area Unemployment Statistics



Local Area Unemployment Statistics



Local Area Unemployment Statistics

March Unemployment Rate				
Area	2015	2016	M-t-M % Change	Y-t-Y % Change
United States	5.6	5.1	-0.1	-0.5
Wisconsin	5.3	5.0	-0.5	-0.3
Northwest WDA	7.3	7.5	-0.5	0.2
Ashland County	7.8	7.6	-0.2	-0.2
Bayfield County	10.7	10.2	-0.6	-0.5
Burnett County	8.8	8.7	-1.3	-0.1
Douglas County	5.7	7.0	-0.1	1.3
Iron County	10.7	9.7	-0.9	-1.0
Price County	5.5	5.8	-0.2	0.3
Rusk County	6.7	6.7	-0.4	0.0
Sawyer County	10.6	9.5	-0.7	-1.1
Taylor County	5.8	6.1	-0.6	0.3
Washburn County	6.8	7.1	-1.0	0.3

Local Area Unemployment Statistics



	Mar-15			Feb-16			Mar-16		
Area	Labor Force	Employment	Unemployed	Labor Force	Employment	Unemployed	Labor Force	Employment	Unemployed
United States	156,318,000	147,635,000	8,682,000	158,279,000	150,060,000	8,219,000	158,854,000	150,738,000	8,116,000
Wisconsin	3,071,974	2,908,509	163,465	3,127,565	2,955,376	172,189	3,115,192	2,958,477	156,715
Northwest WDA	88,145	81,732	6,413	89,085	81,925	7,160	88,512	81,861	6,651
Ashland County	7,731	7,130	601	7,804	7,197	607	7,792	7,199	593
Bayfield County	7,330	6,544	786	7,382	6,587	795	7,338	6,593	745
Burnett County	7,163	6,535	628	7,222	6,499	723	7,158	6,534	624
Douglas County	23,287	21,970	1,317	23,504	21,827	1,677	23,388	21,761	1,627
Iron County	2,665	2,379	286	2,725	2,437	288	2,669	2,411	258
Price County	6,762	6,393	369	6,819	6,411	408	6,813	6,419	394
Rusk County	7,064	6,594	470	7,294	6,775	519	7,149	6,673	476
Sawyer County	7,565	6,763	802	7,561	6,789	772	7,533	6,821	712
Taylor County	10,767	10,143	624	10,859	10,126	733	10,799	10,138	661
Washburn County	7,811	7,281	530	7,915	7,277	638	7,873	7,312	561

Source: U.S. Bureau of Labor Statistics, LAUS

Local Area Unemployment Statistics

Area	M-t-M % Change			Y-t-Y % Change		
	Labor Force	Employment	Unemployed	Labor Force	Employment	Unemployed
United States	0.4%	0.5%	-1.3%	1.6%	2.1%	-6.5%
Wisconsin	-0.4%	0.1%	-9.0%	1.4%	1.7%	-4.1%
Northwest WDA	-0.6%	-0.1%	-7.1%	0.4%	0.2%	3.7%
Ashland County	-0.2%	0.0%	-2.3%	0.8%	1.0%	-1.3%
Bayfield County	-0.6%	0.1%	-6.3%	0.1%	0.7%	-5.2%
Burnett County	-0.9%	0.5%	-13.7%	-0.1%	0.0%	-0.6%
Douglas County	-0.5%	-0.3%	-3.0%	0.4%	-1.0%	23.5%
Iron County	-2.1%	-1.1%	-10.4%	0.2%	1.3%	-9.8%
Price County	-0.1%	0.1%	-3.4%	0.8%	0.4%	6.8%
Rusk County	-2.0%	-1.5%	-8.3%	1.2%	1.2%	1.3%
Sawyer County	-0.4%	0.5%	-7.8%	-0.4%	0.9%	-11.2%
Taylor County	-0.6%	0.1%	-9.8%	0.3%	0.0%	5.9%
Washburn County	-0.5%	0.5%	-12.1%	0.8%	0.4%	5.8%

NW WI Industry Sector Employment

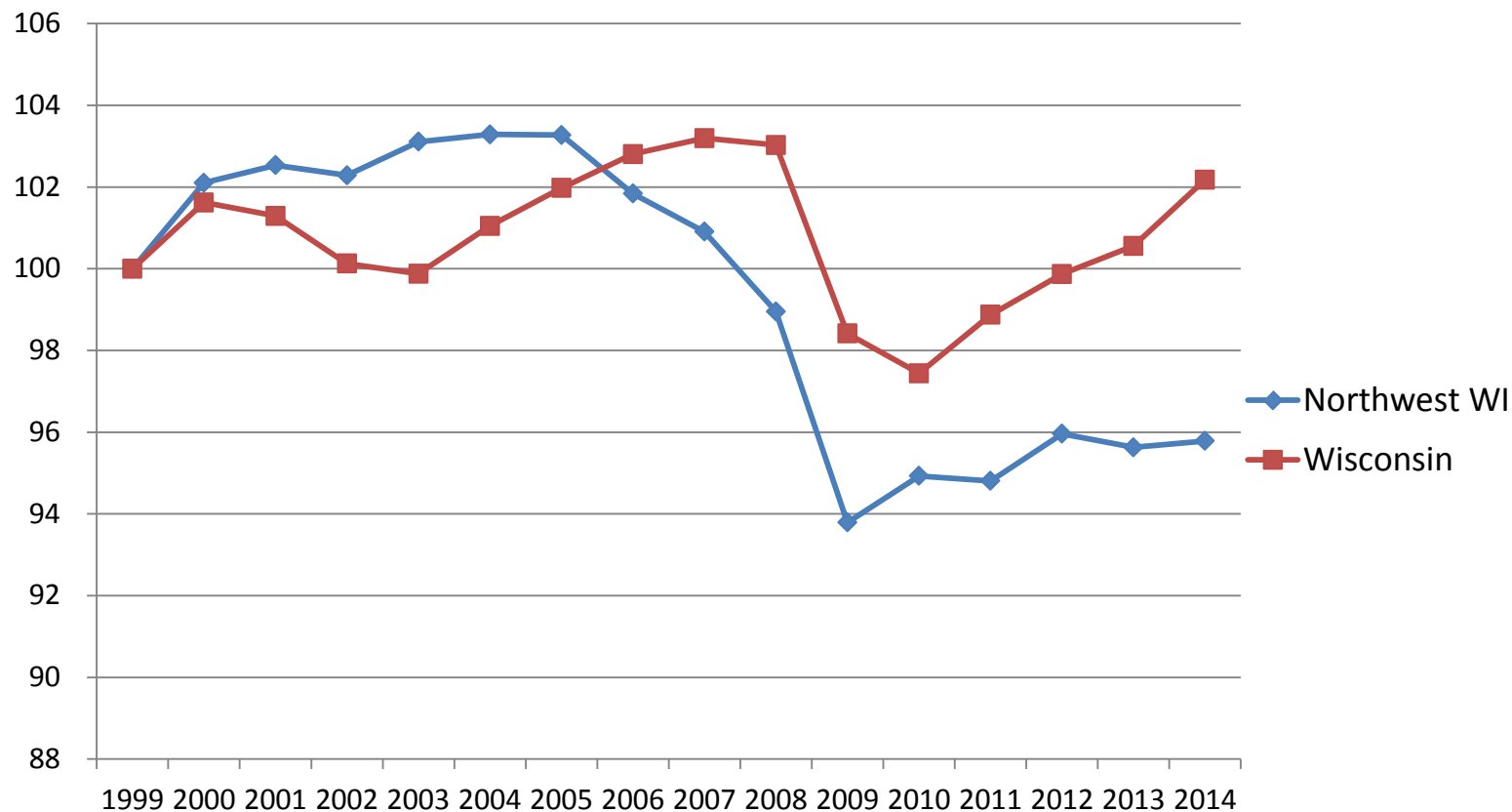


Industry Sector	1999	2009	2013	2014	15 year chg	5 year chg	1 year chg
Agriculture, Forestry, Fishing and Hunting	903	731	878	913	1%	25%	4%
Mining, Quarrying, and Oil and Gas Extraction	75	62	90	94	24%	51%	4%
Utilities	452	381	368	356	-21%	-7%	-3%
Construction	2,856	2,500	2,419	2,542	-11%	2%	5%
Manufacturing	13,695	10,581	11,028	11,303	-17%	7%	2%
Wholesale Trade	2,173	2,096	2,234	2,229	3%	6%	0%
Retail Trade	8,342	7,220	6,854	7,001	-16%	-3%	2%
Transportation and Warehousing	2,627	2,886	2,855	2,885	10%	0%	1%
Information	995	1,085	911	896	-10%	-17%	-2%
Finance and Insurance	1,522	1,537	1,506	1,489	-2%	-3%	-1%
Real Estate and Rental and Leasing	737	564	546	555	-25%	-2%	2%
Professional, Scientific, and Technical Services	922	1,126	1,218	1,219	32%	8%	0%
Management of Companies and Enterprises	1,444	854	1,004	939	-35%	10%	-6%
Administrative and Support and Waste Management and Remediation Services	1,350	1,310	1,694	1,430	6%	9%	-16%
Educational Services	5,514	5,560	5,579	5,571	1%	0%	0%
Health Care and Social Assistance	7,307	7,997	8,001	7,942	9%	-1%	-1%
Arts, Entertainment, and Recreation	1,137	1,334	1,665	1,593	40%	19%	-4%
Accommodation and Food Services	6,605	6,583	6,383	6,323	-4%	-4%	-1%
Other Services (except Public Administration)	1,948	1,677	1,696	1,667	-14%	-1%	-2%
Public Administration	5,430	5,850	6,222	6,305	16%	8%	1%
Total Employment	66,034	61,932	63,146	63,251	-4%	2%	0%

Source: QWI, U.S. Census Bureau

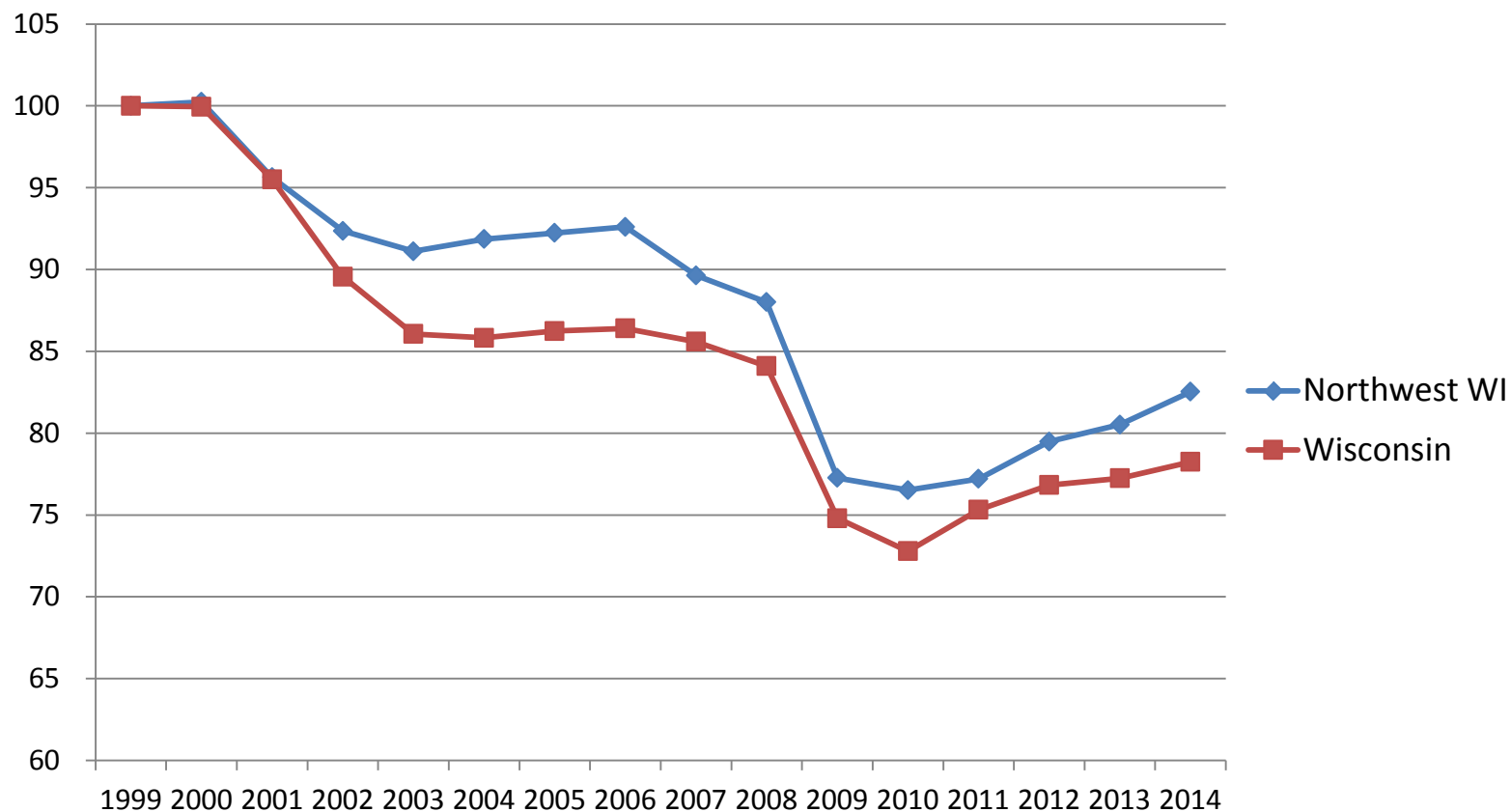
NW WI Industry Sector Employment

All NAICS Sectors



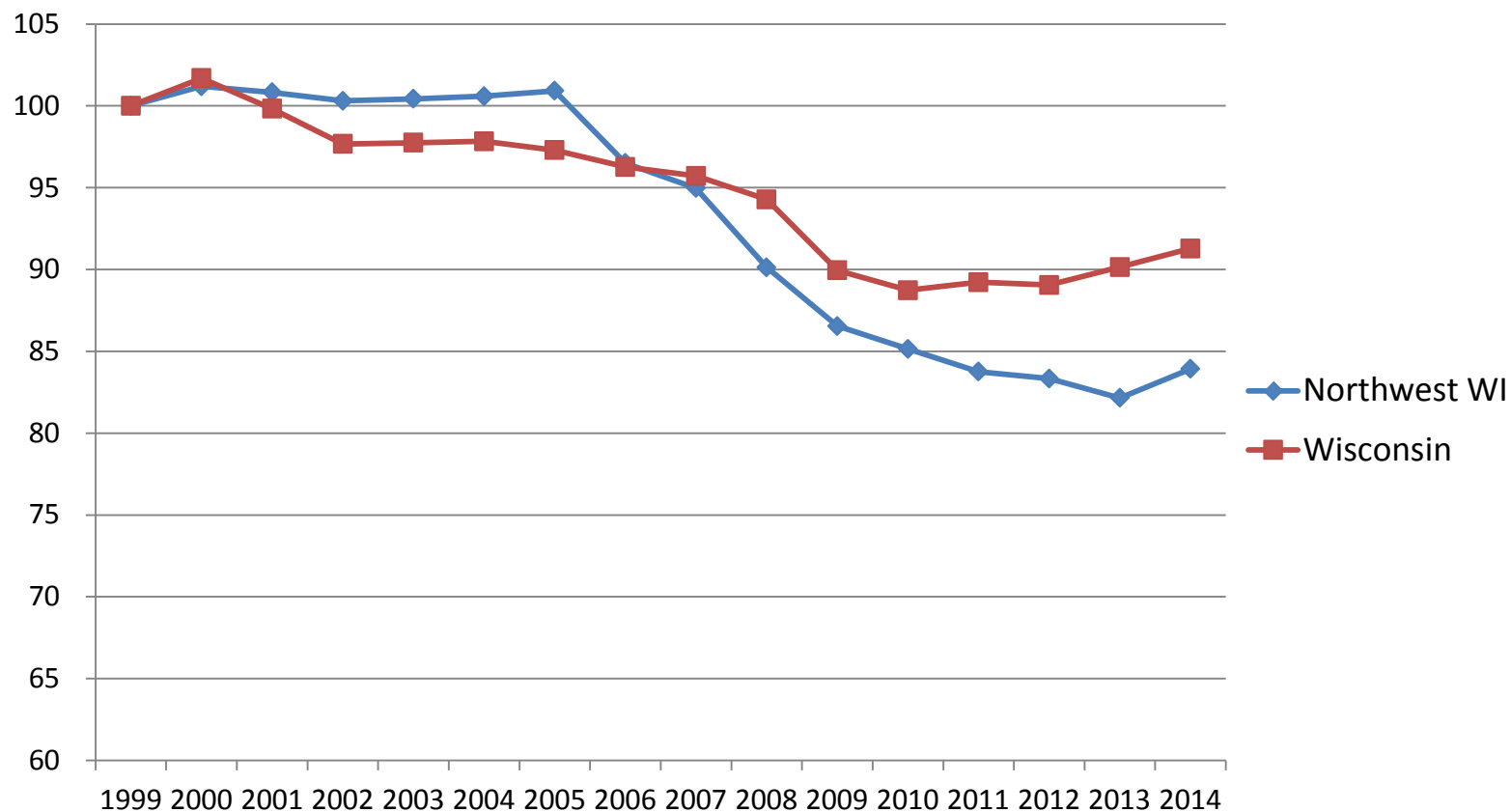
NW WI Industry Sector Employment

Manufacturing



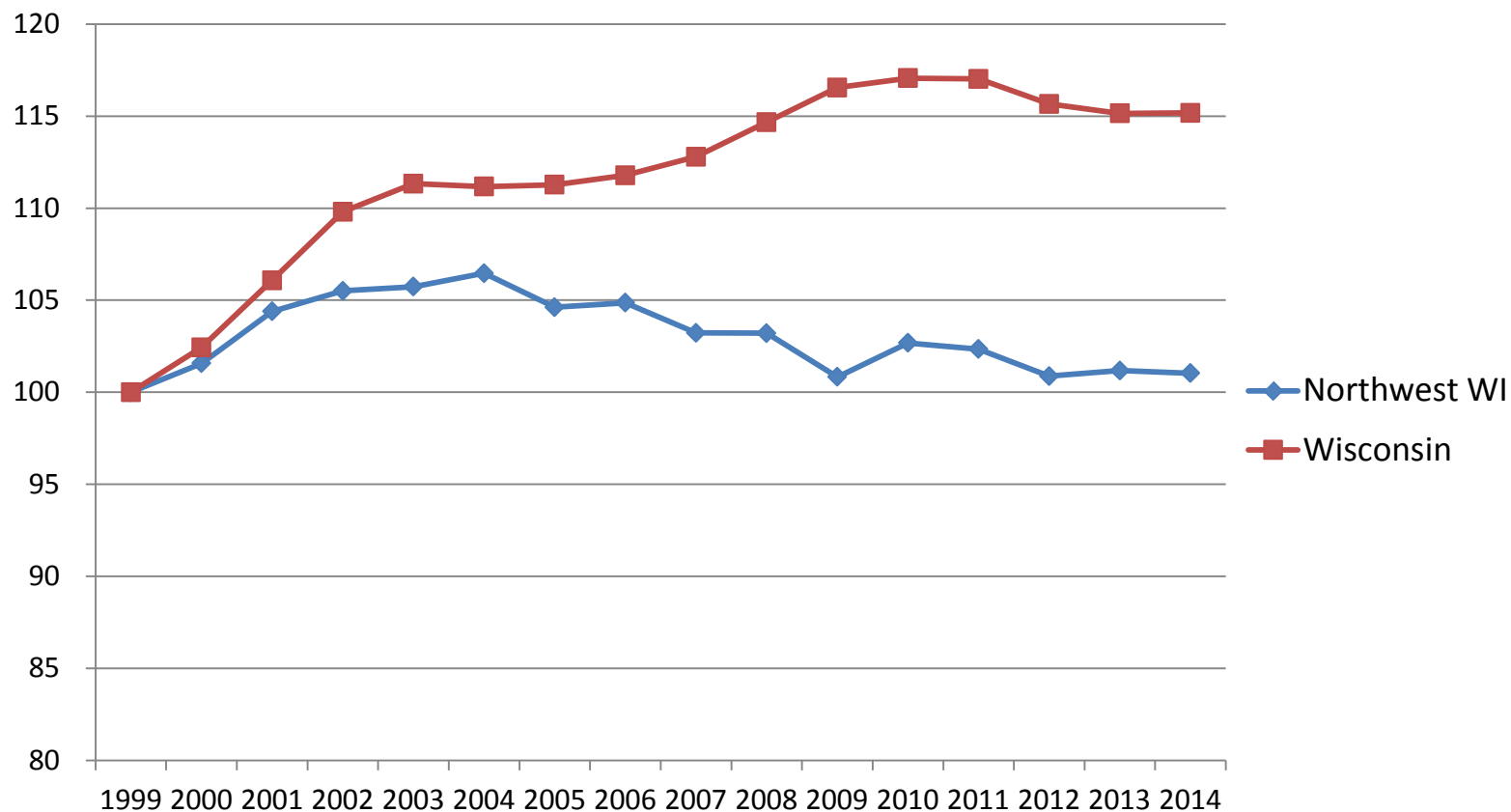
NW WI Industry Sector Employment

Retail Trade



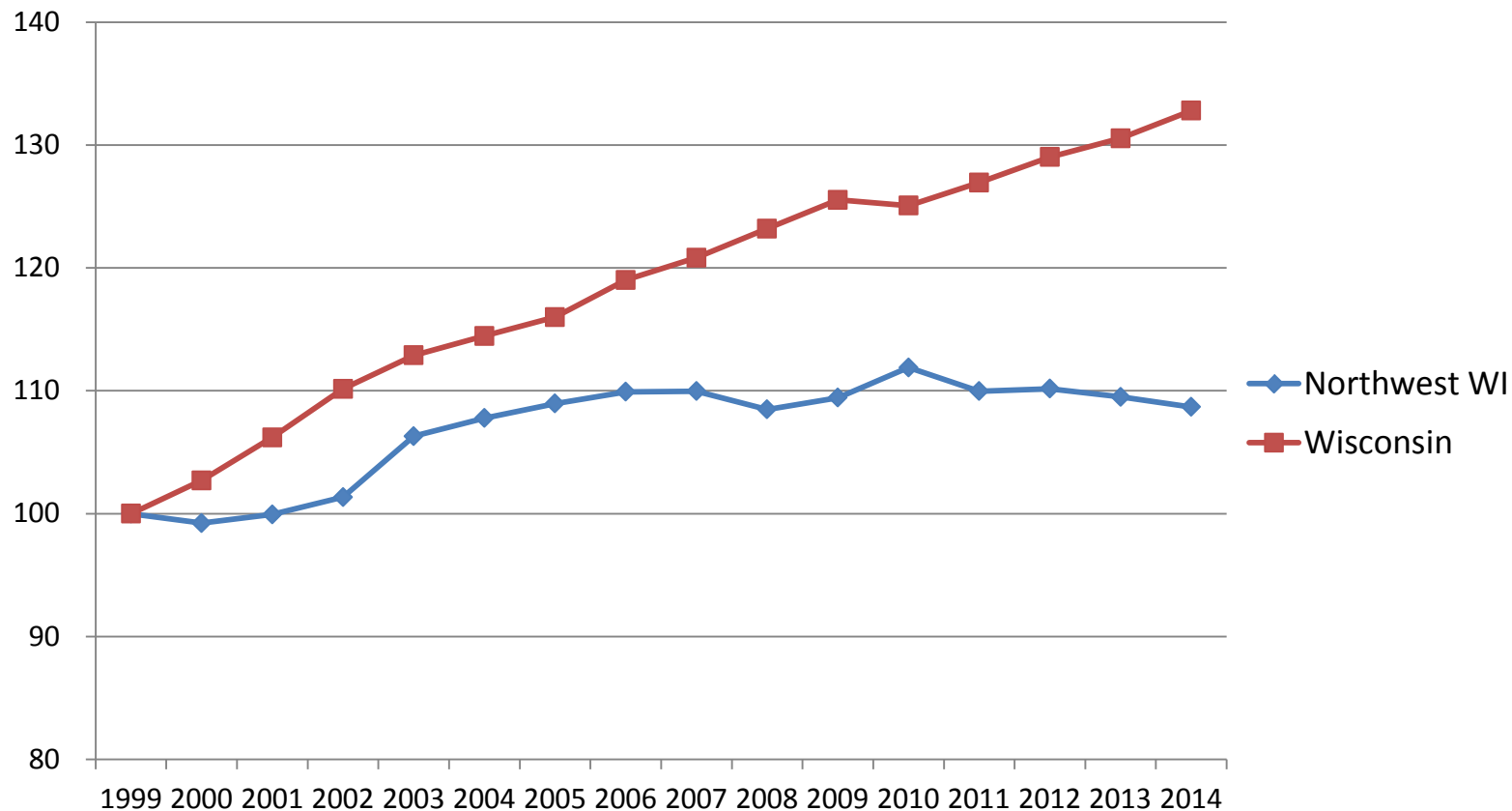
NW WI Industry Sector Employment

Educational Services



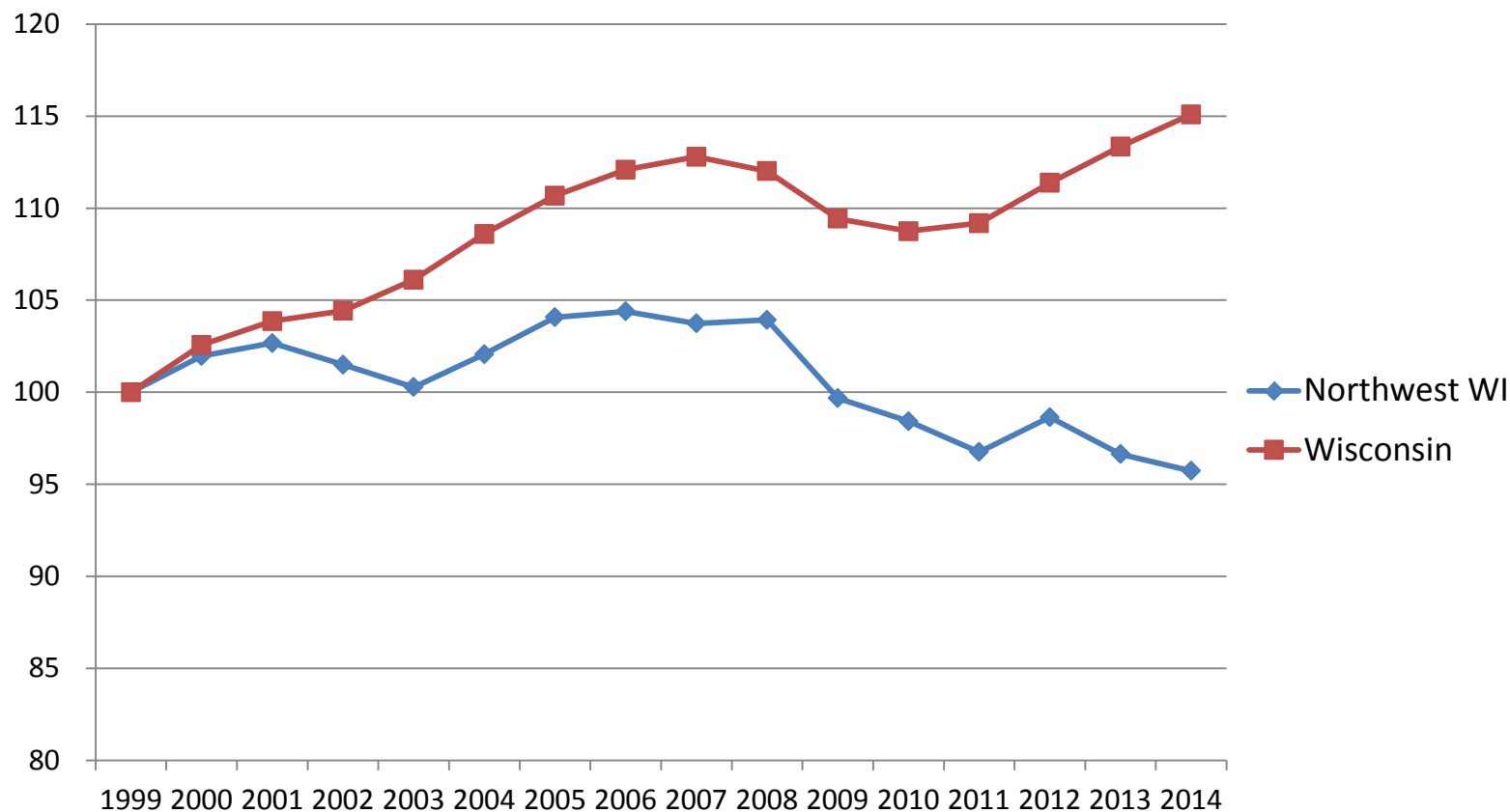
NW WI Industry Sector Employment

Health Care and Social Assistance



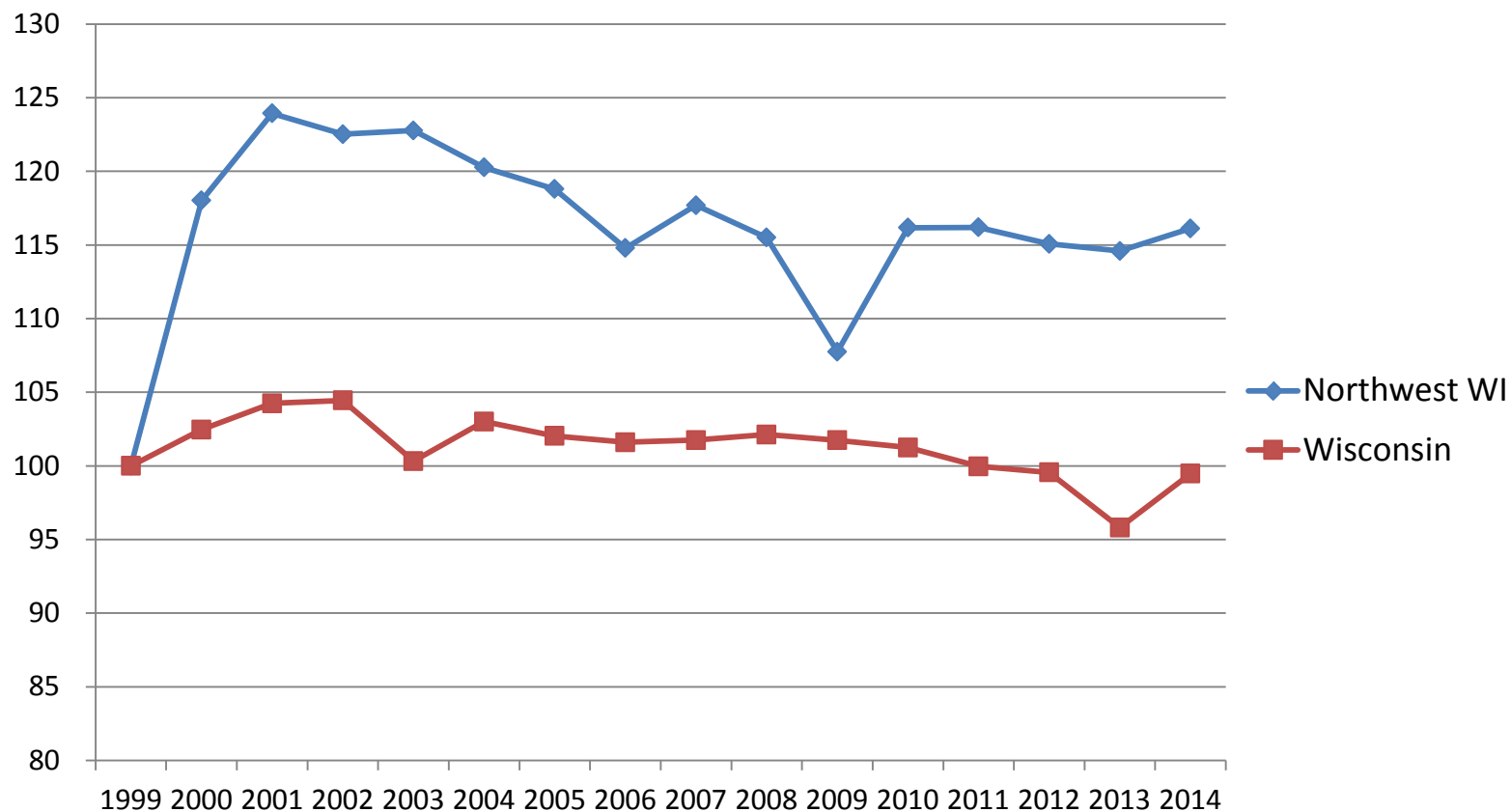
NW WI Industry Sector Employment

Accommodation and Food Services

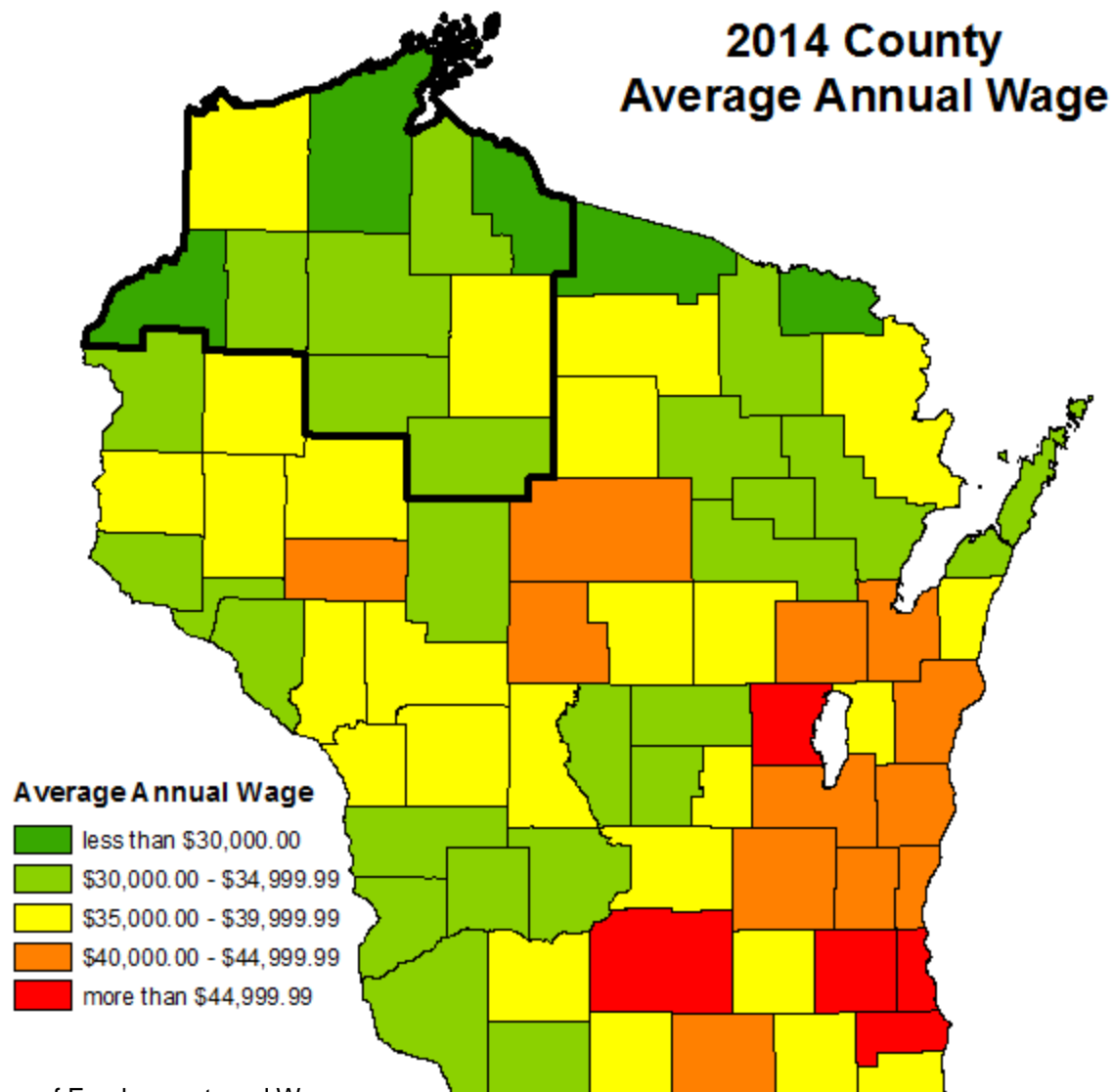


NW WI Industry Sector Employment

Public Administration



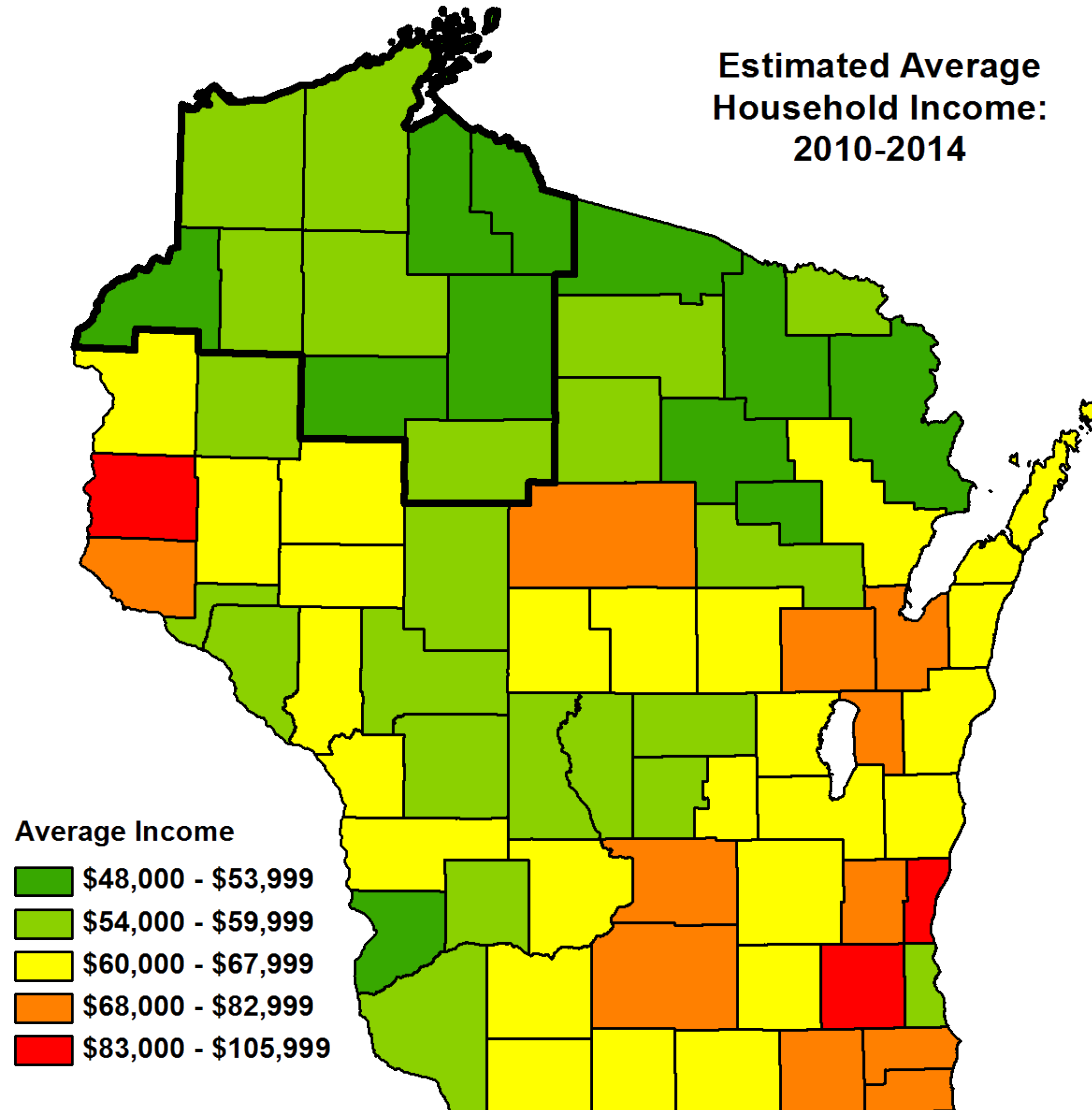
Average Annual Wages



Source: Quarterly Census of Employment and Wages

Household Income

Estimated Average
Household Income:
2010-2014



Population

	Total Population						
County Name	2015	2020	2025	2030	2035	2040	25 Year % Change
Ashland	16,100	16,040	16,200	16,140	15,965	15,315	-4.9%
Bayfield	15,360	15,105	15,100	14,860	14,330	13,725	-10.6%
Burnett	15,425	16,155	17,125	17,800	17,915	17,425	13.0%
Douglas	44,665	45,660	46,555	47,185	47,305	47,105	5.5%
Iron	5,620	5,680	5,850	5,970	5,825	5,420	-3.6%
Price	13,700	13,490	13,360	13,075	12,590	11,645	-15.0%
Rusk	14,755	14,440	14,335	14,105	13,855	13,310	-9.8%
Sawyer	16,690	17,070	17,645	18,010	17,895	17,430	4.4%
Taylor	21,110	21,575	21,900	22,070	22,095	21,975	4.1%
Washburn	16,010	16,795	17,775	18,460	18,500	18,010	12.5%
NW WI	179,435	182,010	185,845	187,675	186,275	181,360	1.1%
WI	5,783,015	6,005,080	6,203,850	6,375,910	6,476,270	6,491,635	12.3%

Aging Population

Area	2015, % Aged 20-64	2040, % Aged 20-64	2015, % Aged 65+	2040, % Aged 65+
Ashland	57.0%	47.7%	18.3%	30.6%
Bayfield	56.3%	41.5%	25.1%	43.4%
Burnett	54.6%	47.3%	25.1%	33.0%
Douglas	59.9%	51.7%	16.4%	24.6%
Iron	55.6%	43.6%	27.7%	38.6%
Price	56.4%	41.6%	24.2%	40.2%
Rusk	54.7%	42.0%	22.5%	37.6%
Saywer	55.5%	47.5%	23.4%	33.6%
Taylor	56.2%	46.4%	17.5%	29.4%
Washburn	55.5%	47.1%	23.9%	33.6%
NW WI	56.8%	47.1%	21.0%	32.1%
WI	59.1%	52.4%	15.5%	23.7%

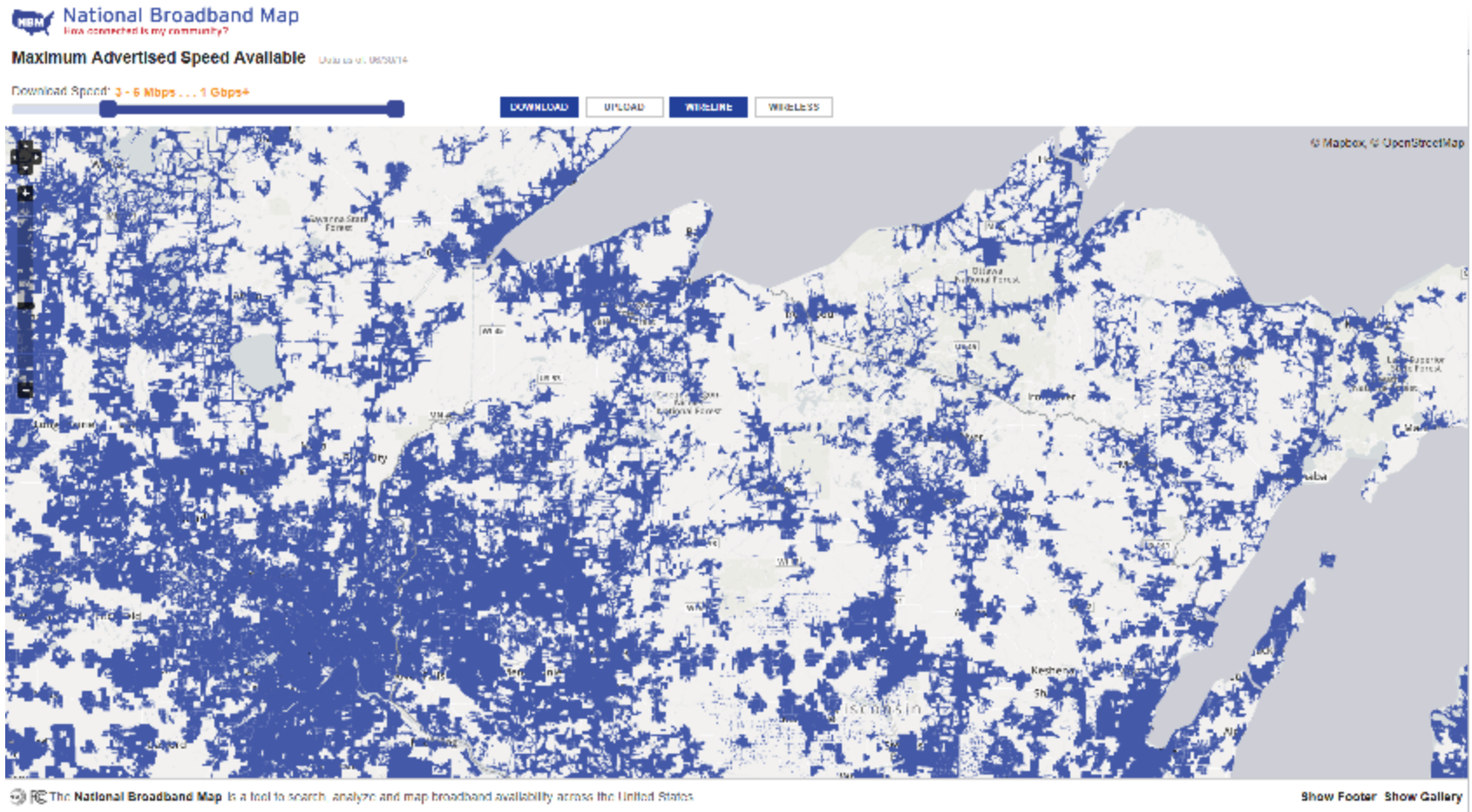
Aging Population

Area	2015, # Aged 20-64	2040, # Aged 20-64	2015, # Aged 65+	2040, # Aged 65+
Ashland	9,180	7,305	2,940	4,690
Bayfield	8,655	5,700	3,855	5,960
Burnett	8,415	8,245	3,875	5,750
Douglas	26,770	24,370	7,325	11,565
Iron	3,125	2,365	1,555	2,090
Price	7,730	4,840	3,320	4,680
Rusk	8,065	5,595	3,320	5,010
Saywer	9,270	8,275	3,900	5,865
Taylor	11,860	10,195	3,700	6,470
Washburn	8,880	8,490	3,820	6,060
NW WI	101,950	85,380	37,610	58,140
WI	3,418,595	3,399,355	894,920	1,535,365

- “You aren’t going to get massive plants to bring in high paying jobs in a rural area. It just isn’t happening right now. But micro-manufacturing, which is what we have here, can happen anywhere as long as you have high-speed Internet, which I do, and people that want to stay in the rural area.”

– Merlyn Coy, 3/31/2016 Business North

Broadband Internet



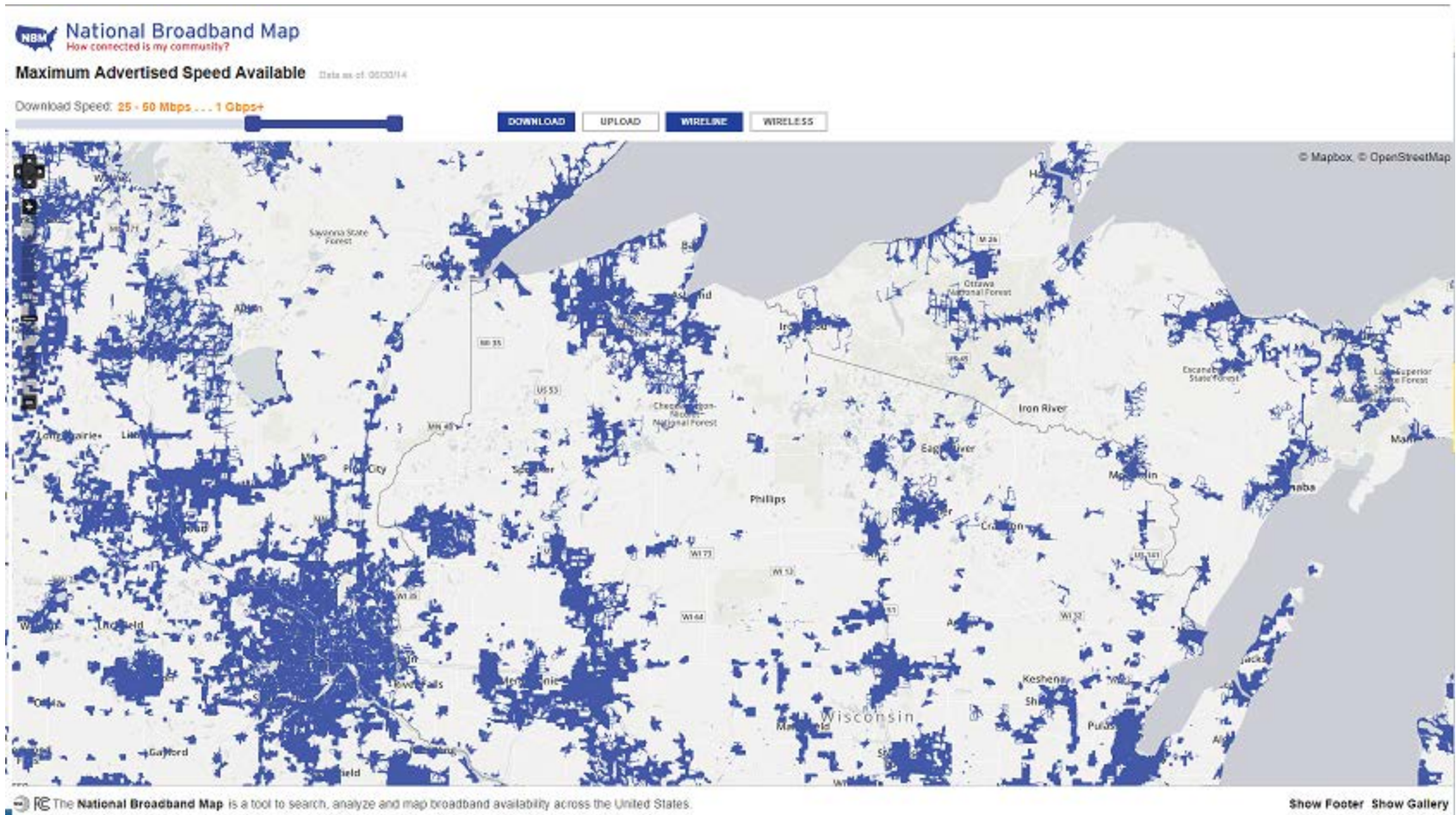
FCC changed the broadband definition:

- minimum download speed
 - 4 Mbps >> 25 Mbps
- minimum upload speed
 - 1 Mbps >> 3 Mbps

Triples number households without sufficient broadband access.

- www.theverge.com 1/29/2015

Broadband Internet



Questions?



Overview and Challenges to the Regional Economy

Thomas.Michels@dwd.wisconsin.gov

<http://dwd.wisconsin.gov>

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