

# LOWER-WAGE JOBS HIT HARDEST BY PANDEMIC

*During the height of the pandemic and its immediate aftermath, employment in higher-paying occupations in Wisconsin stayed largely stable, while thousands of lower-paying jobs were lost. Combined job losses in the state's three largest metro areas exceeded the total statewide decline, with even the Madison area losing jobs despite leading the state in employment growth prior to the pandemic. Meanwhile, wages rose faster in lower-paying occupations, as employers sought to retain and attract employees amid a reshuffling of the workforce.*

Our December 2019 research brief, [Wisconsin's Shifting Job Market](#), showed that between 2008 and 2018, total employment in the state recovered from the Great Recession and grew well above its pre-recession peak, with higher-paying occupations that typically require more education driving most of the growth. We also found striking differences in the job markets of the state's three largest metropolitan areas (Milwaukee, Madison, and Green Bay), with the Madison area adding jobs at the fastest pace during that period.

Three months after that report was published, the onset of the COVID-19 pandemic brought on widespread economic changes that are still being felt today. To understand how the most tumultuous pandemic years altered Wisconsin's job market, in this new report we analyze federal [Occupational Employment and Wage Statistics](#) from 2019 to 2022. These data are collected by the U.S. Bureau of Labor Statistics through a survey of employers conducted each year in May and

November and are based on information collected over three-year periods. Data used for the May 2022 estimates were collected between November 2019 and May 2022, while the May 2019 estimates are based on data collected between November 2016 and May 2019.

In addition to analyzing statewide employment and wage trends across 22 major occupational groups, we again examine changes that have occurred in Wisconsin's three largest metro areas, which together account for nearly half of the state's total jobs.

## JOBS LOST IN MANY LOWER-PAYING OCCUPATIONS

Overall, the May 2022 estimates show 52,220 fewer nonfarm jobs in Wisconsin than the May 2019 estimates (a 1.8% decline). As was the case prior to the pandemic, however, higher-paying occupations generally fared better than lower-paying ones.

During the difficult times of the pandemic, faring better often meant preserving rather than adding jobs. In Figure 1 on the next page, occupational groups are shaded darker blue if their median annual wages were below \$45,650 in 2022 (the median across all jobs in Wisconsin that year) and lighter blue if their median wages were above that amount. Employment grew by a combined 3,480 jobs statewide in the 13 higher-paying occupational groups during the years we analyzed while declining by a combined 55,700 jobs in the nine groups that pay lower wages.

One major exception to this trend is [transportation and material moving](#) occupations, which paid relatively low

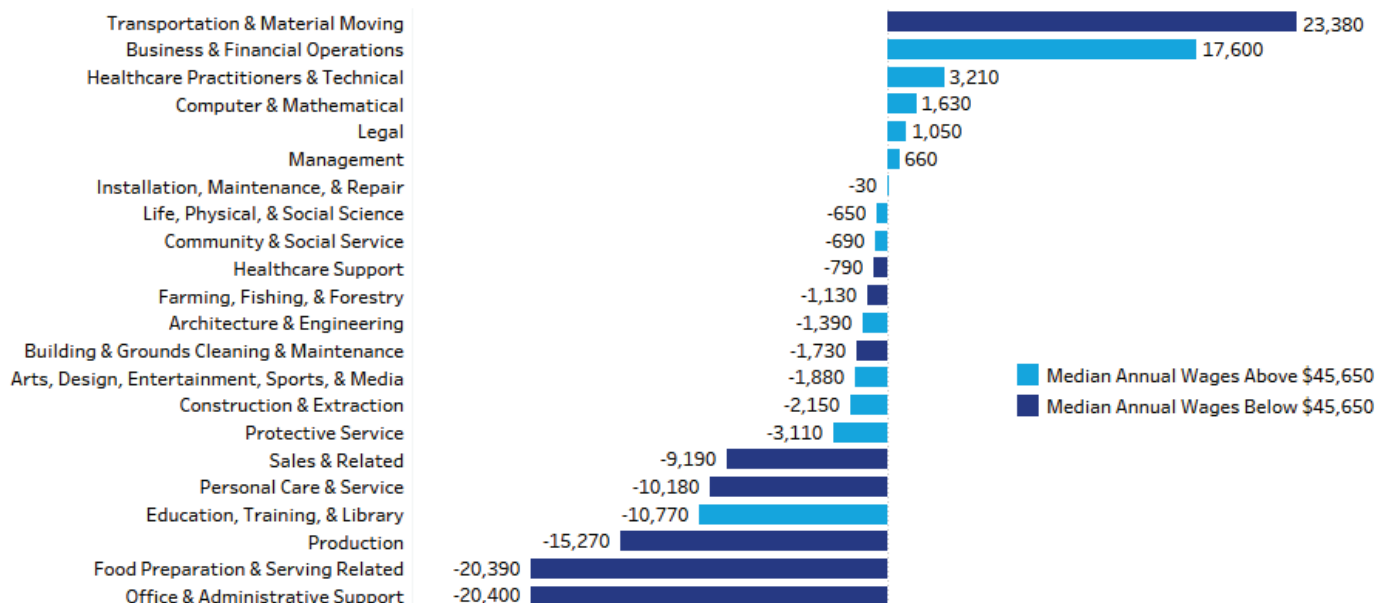
### A Note on the Data Used in this Report

Analyzing changes over time using Occupational Employment and Wage Statistics (OEWS) can introduce error due to adjustments in occupational definitions, modifications to the U.S. Bureau of Labor Statistics' methodology for creating the estimates, and other factors. To minimize potential error, we refrain from analyzing changes for detailed occupations and for smaller geographies.

In general, when we refer to data for a given year in this report we are referring to the OEWS estimates for that year, which are based on data collected during the previous three-year period. We refrain from comparing estimates that include overlapping years.

**Figure 1: Job losses were more concentrated in lower-paying occupations during pandemic**

Change in employment in Wisconsin by major occupational group, 2019-2022



Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics

median wages of less than \$39,000 in 2022 but added more jobs during the pandemic in Wisconsin than any other group, as discussed further below.

### THREE PATHS FOR WISCONSIN JOBS

For broader context, we examined both changes from 2019 (the year preceding the pandemic) to 2022 and prior trends for the period extending from 2012 (when the state and nation began to emerge from the Great Recession) to 2019. This revealed three distinct trajectories for many groups of occupations: those that had been growing prior to the pandemic and continued to do so; those that had been declining prior to the pandemic and continued to do so; and those that had been growing previously but contracted during the pandemic. **To explore all of these data for Wisconsin and the state’s three largest metro areas, see our [interactive charts here](#).**

**Occupations showing continued growth** – Employment continued to rise during the pandemic in several occupational groups that were already growing. Those include transportation and material moving (e.g. delivery drivers, truck drivers), which added the most jobs statewide (23,380) during the pandemic among the 22 groups after adding the second most (44,270) between 2012 and 2019. This finding is bolstered by [previous Forum research](#) that found transportation and warehousing added the most jobs of any sector in Wisconsin between December 2019 and December

2021. The federal data used for that study come from a census (rather than survey) of employers and are the most accurate data available, but they only provide employment figures by industry and not by occupation.

One major driver of employment growth in transportation and material moving occupations was the opening and expansion of Amazon distribution facilities in Dane, Kenosha, Milwaukee, Outagamie, and Rock counties. None of those facilities existed prior to 2010, and the pandemic added to their growth by accelerating a shift from in-person to online shopping.

Jobs in [business and financial operations](#) (e.g. accountants and auditors, human resources specialists) also continued to grow rapidly, adding the second-highest number of jobs during the pandemic (17,600) and the fourth-highest during the previous period (30,170). This group also grew jobs at the fastest rate (11.6%) during the pandemic.

**Occupations showing continued decline** – Several other occupational groups that had been losing jobs in the years leading up to the pandemic continued to decline. The most notable among them was [office and administrative support](#) (e.g. receptionists, information and office clerks), a group that shed more than 20,000 jobs in Wisconsin between 2019 and 2022 after losing roughly 19,000 between 2012 and 2019. The latter estimate was affected by a change in how stockers and order fillers were classified in the OEWS data from office



and administrative support in 2012 to transportation and material moving in 2019 – a change that also explains a large portion of the 2012 to 2019 job growth in transportation and material moving occupations.

While the issue has received far less attention than the long-term decline in manufacturing jobs, employment in office and administrative support occupations [has dropped at a comparable rate](#) nationally. This trend has affected women in particular and may be influenced by a variety of factors, including new technologies that have reduced the need for administrative staff, companies looking for ways to cut costs, and the rise of open-office plans that require fewer receptionists. The shift to remote and hybrid work arrangements during the pandemic may have accelerated that latter trend.

[Personal care and service](#) occupations such as hairstylists and child care workers also saw large employment declines of roughly 8,000 between 2012 and 2019 (after accounting for a change in how personal care aides were classified in the OEWS data) and over 10,000 more during the pandemic. (For more analysis of the challenges facing the state’s child care sector in particular, see our [May 2023 report](#).) The decline in child care workers and employment in some other lower-paying occupations such as food preparation and serving is likely influenced by increased competition with other higher-paying fields and lingering impacts of reduced operations at child care centers and restaurants during the pandemic.

**Occupations showing pre-pandemic growth that declined during the pandemic** – In a notable development, several occupational groups that added jobs in Wisconsin between 2012 and 2019 reversed course during the pandemic. For example, employment losses from 2019 to 2022 in occupations related to food preparation and serving, such as waiters and waitresses and cooks, more than erased all of the gains made in the years leading up to the pandemic, with employment growing by approximately 14,000 jobs between 2012 and 2019 and then falling by over 20,000 between 2019 and 2022. Notably, some of those losses likely reflect difficulties in securing workers rather than employers actually wanting to fill fewer positions.

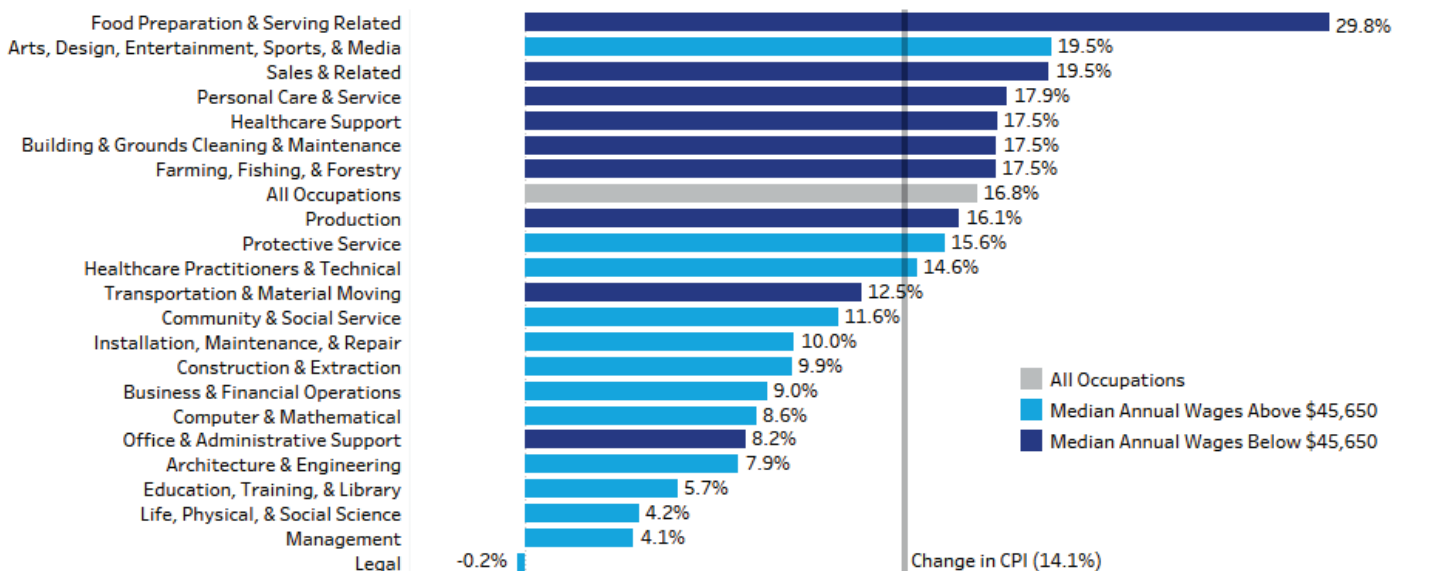
Production (largely in the manufacturing sector) and educational instruction and library occupations are two other groups that declined by over 10,000 jobs each during the pandemic after growing in the years prior, though employment in both remained modestly higher in 2022 than in 2012.

### WAGES ROSE FASTEST AMONG LOWER-PAYING OCCUPATIONS

Across all jobs, median annual wages grew 16.8% in Wisconsin between 2019 and 2022, outpacing inflation of 14.1% during that period (see Figure 2). The overall increase was influenced both by the greater stability of higher-wage jobs and by relatively strong wage growth in

**Figure 2: Wage growth generally stronger in lower-paying occupations during pandemic**

Percentage change in median annual wages in Wisconsin by major occupational group, 2019-2022



Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics



many lower-paying occupations. Changes in wages during the pandemic varied widely by occupational group, from a nearly 30% increase for workers in food preparation and serving to a slight decline for those in legal occupations.

Most of the occupational groups that saw wages rise the fastest during the pandemic were (and continue to be) those that pay less than the median across all jobs. This reflects the greater pressure employers experienced to raise wages in order to fill job openings in those fields. Groups are again shaded darker blue in Figure 2 if their median wages in 2022 were below \$45,650 and lighter blue if they were above that amount.

## LARGE METRO AREAS LOST MORE JOBS

All three of Wisconsin's largest metropolitan areas shed jobs during the pandemic, while the balance of the state actually gained jobs between 2019 and 2022. Some changes were common across all three metro areas, such as office and administrative support losing the most jobs of any occupational group. In other ways regional economies varied, as described below.

### Milwaukee Metro

Health care, transportation and material moving, and construction occupations were among those that drove job gains in the Milwaukee area between 2012 and 2019, when overall employment rose by 51,300 (6.4%). During the pandemic, all of those gains were wiped out, however, with total employment dropping by 55,580 (6.5%), which was worse than the 1.8% decline in jobs statewide.

In addition to office and administrative support, the two occupational groups that lost the most jobs during the pandemic in the Milwaukee area were food preparation and serving and production. Employment in both of those groups had been growing previously, though production jobs in the area are down considerably from where they were in 2000.

### Madison Metro

The Madison area's overall employment decline of 2.1% (8,310 jobs) during the pandemic was just slightly worse than the statewide decrease of 1.8% during that time. This is especially notable given that the Madison area led the state in job growth previously, with total employment increasing by 61,320 between 2012 and

2019. Notably, Green County was added to the Madison metro area in 2013, which would have contributed roughly 15,000 of those jobs, but even without them there was a 13.9% increase, which far outpaced statewide growth of 7.4%.

Prior to the pandemic, the Madison area had strong job gains across many occupations, with high-paying computer and mathematical (largely technology-related) and business and financial occupations leading the way. During the pandemic, however, computer and mathematical occupations showed the second biggest employment decline in the area among the 22 groups with a loss of 3,090 jobs.

One key question in interpreting these data is how remote workers are being reported by employers to the state's unemployment insurance system from which the data are derived. That is particularly true in cases where the employee lives in a different community from their work site. The Forum reviewed the Bureau of Labor Statistics' survey methodology and communicated about this question with both federal and state officials, but the answer remains somewhat unclear. Federal officials also noted that some companies eliminated their physical locations entirely during the pandemic, in which case their employees likely would be counted in statewide totals but not in any local area.

### Green Bay Metro

Total employment rose by 7,750 (4.6%) in the Green Bay area between 2012 and 2019, with jobs in health care and production leading the way. During the pandemic, 6,430 jobs were lost (3.7%), erasing most of those previous gains. Losses were more evenly distributed across occupational groups in the Green Bay area than in the state's two largest metros, with declines of over 1,000 jobs each in office and administrative support, production, food preparation and serving, personal care and service, and sales.

## TAKING STOCK

Job losses during the pandemic were overwhelmingly concentrated in lower-wage occupations, continuing a longer-term trend. Fortunately, some of that damage may have been mitigated by workers moving into higher-paying fields, as pandemic restrictions led many to change career paths and an [accelerated pace of retirements](#) expanded job openings throughout the economy. Preliminary data more current than the OEWS





estimates also show slow but continuing recovery in some of the economy's hardest-hit sectors, including leisure and hospitality, which is restoring at least some of those jobs.

Despite Wisconsin's modest recent job losses, its larger employment challenge continues to be finding enough workers to fuel the economy and preparing those individuals for continuously rising expectations for educational and training levels. As we have discussed in previous research, Wisconsin's working-age population [has plateaued or even shrunk](#), and state estimates suggest that it will remain flat well into the future. At the same time, the state's [unemployment rate was 2.5%](#) as of June 2023, which was near a historic low in data going back to 1976.

Opportunities may exist to modestly raise or at least slow the drop in Wisconsin's labor force participation rate, which has declined over the last two decades along with the aging population. As of June 2023, it remained [below pre-pandemic levels](#), though it still exceeded the [national rate](#). Possible strategies include efforts to bring back some workers who retired early, continued scheduling flexibility among employers to allow more parents and teenagers to work, or private or public strategies to bring discouraged workers into the labor force or to attract more workers to Wisconsin from other states.

Encouragingly, the share of women ages 25 to 54 who are working or looking for work has rebounded nationally from a pandemic plunge and was [at an all-time high](#) as of May. Economists credit the return to in-person instruction at K-12 schools and the reopening of child care centers with helping to facilitate that recovery. The stability of the child care system is again raising concerns in Wisconsin, however, as pandemic-related support [is set to expire](#) in January 2024. Expanding or at least maintaining child care options may represent another option for ensuring a robust workforce.

The ongoing shift to higher-paying jobs in Wisconsin, meanwhile, reinforces the need to increase education levels at a time when higher education institutions in the state are experiencing reduced enrollment and educational outcomes for K-12 students have taken a hit. Pandemic learning recovery efforts to address the latter remain relevant, although federal funding to support those efforts is essentially slated to expire in

September 2024. To increase higher education attainment, institutions may benefit from reiterating the economic value of a college degree and strengthening the [K-12 to postsecondary pipeline](#) to not only enroll more students but also support them through degree completion.

Overall, when considering the huge upheaval to society and the state's economy that resulted from the pandemic, Wisconsin appears to have weathered the storm relatively well from an employment and jobs perspective. That said, the state faces several challenges as employers struggle to find workers. These difficulties require a multi-pronged set of solutions that touch every point of the workforce development and educational spectrums, from early childhood to higher education, and that rise above political and ideological differences.

