

JOB RECOVERY IN WISCONSIN ROBUST BUT UNEQUAL

Wisconsin’s job market has made a strong recovery from the pandemic overall, with higher total employment in 2023 than ever before and an unemployment rate that is below the national average. The recovery has been inconsistent, however, with employment in a majority of Wisconsin counties still lower in 2023 than in 2019 and some sectors including manufacturing lagging pre-pandemic employment levels despite national growth.

As Wisconsin’s economy rebounded from the pandemic, the number of workers employed in the state exceeded pre-pandemic levels for the first time in 2023, reaching a record high. Total employment averaged just over 2.9 million that year, which was 1.2% higher than in 2019 (see Figure 1).

The recovery has been uneven geographically, however, with fewer than half of the state’s counties reaching pre-pandemic employment levels in 2023 including many where jobs were growing in the years leading up to the pandemic. The improvement also has been inconsistent across the economy, with most sectors having fully rebounded by 2023 but several remaining down by thousands of jobs. Those include manufacturing, which plays an outsized role in the state’s economy and which added jobs nationally while declining in Wisconsin. Wisconsin’s overall pace of job

growth between 2019 and 2023 also lagged the national rate of 3.4%.

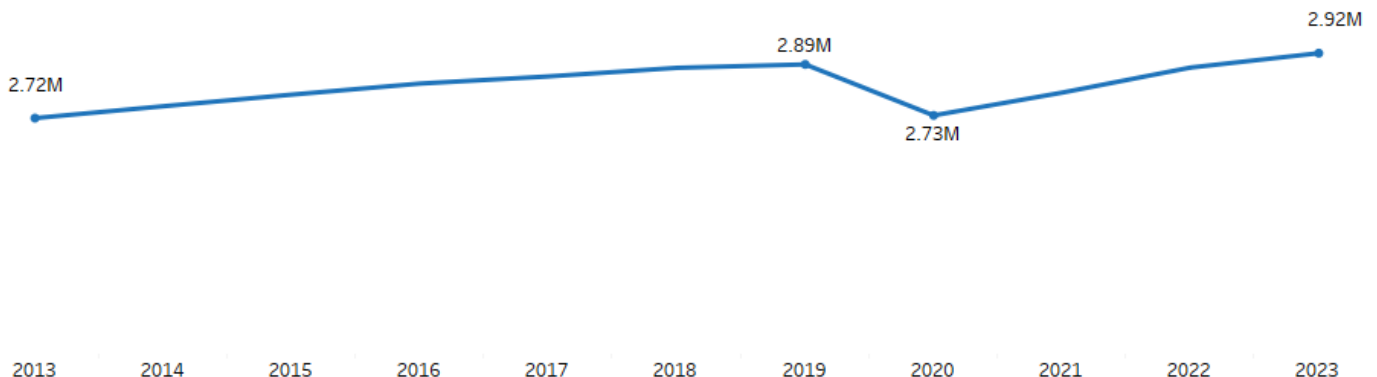
These are among the key takeaways from our analysis of newly released data from the U.S. Bureau of Labor Statistics’ Quarterly Census of Employment and Wages – the most accurate employment data available. To understand the prior trajectory of Wisconsin’s job market and changes that have occurred since the onset of the pandemic, we analyzed data from 2015 to 2023, using 2019 as our pre-pandemic baseline.

MANY COUNTIES STILL RECOVERING

A majority of Wisconsin’s 72 counties – 42, or 58% – still averaged lower total employment in 2023 than in 2019. In many cases, employment was growing in the years preceding the pandemic, meaning the more

Figure 1: Total Employment in Wisconsin Exceeds Pre-Pandemic Levels

Average annual employment in Wisconsin in millions



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages



recent losses reversed previous momentum. Indeed, 31 of those 42 counties added jobs between 2015 and 2019 before their more recent declines, including five of the state's 10 most populous counties (Milwaukee, Brown, Outagamie, Winnebago, and Marathon).

The maps in Figure 2 illustrate the shift that took place across the state between the years immediately preceding the pandemic and those since. Employment grew in roughly four in five Wisconsin counties (81%) between 2015 and 2019 but did so in only two in five counties (42%) between 2019 and 2023.

Those that added jobs at the fastest rates between 2019 and 2023 included a mix of urban and rural counties as well as several on the outskirts of the Twin Cities and Chicago metro areas. They were led by Lafayette (15.5%), Calumet (13.9%), Kenosha (8.5%), Pepin (7.7%), and Chippewa (7.1%) counties. With a consistently growing population, Dane County added the most jobs during that time (8,819), while Kenosha County was second (5,698) despite not experiencing population growth.

Several rural counties lost jobs at the fastest rates during this period, with Jackson (-11.0%), Trempealeau (-9.3%), Crawford (-9.1%), Lincoln (-6.0%) and Florence (-5.8%) declining the quickest. In raw numbers, Milwaukee County shed the most jobs (-19,140), followed by Brown and Wood counties, which lost more than 2,000 each.

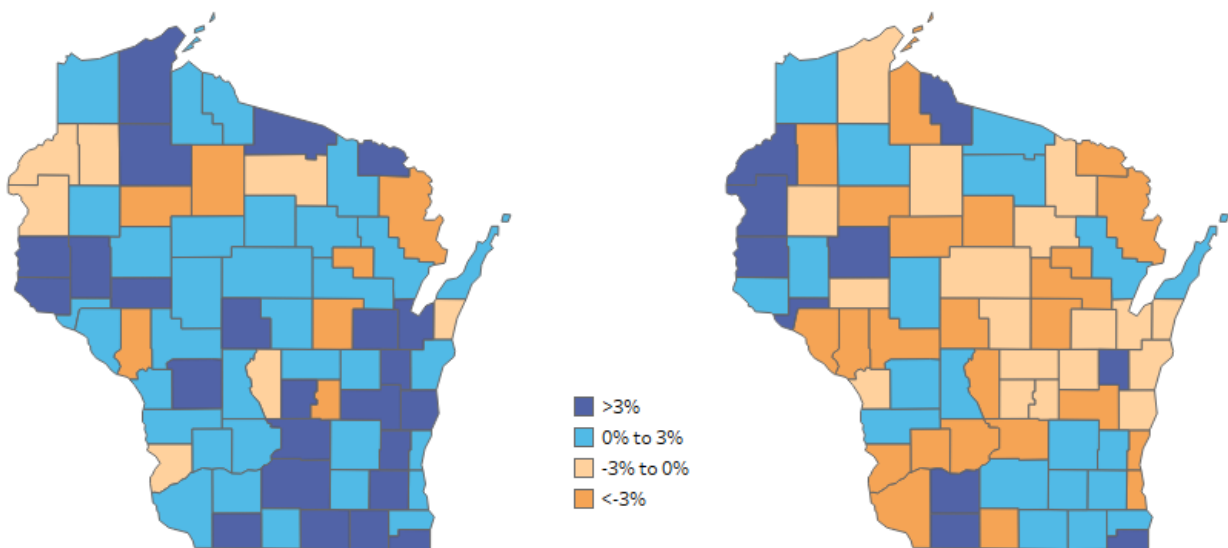
In some counties such as Milwaukee, a declining working-age population during the pandemic years may be contributing to a lack of job recovery, but that is not a consistent statewide trend. Between 2019 and 2023, the size of Milwaukee County's working-age population (those ages 15 to 64) declined by 3.9%. Yet Kenosha County, which saw its working-age population decline by 2.4% during that period, is among the Wisconsin counties that added jobs the fastest. Given Kenosha County's [unemployment](#) and labor force participation rates were similar before and after the pandemic, it is likely that more workers are now commuting into the county. According to data from the Wisconsin Department of Workforce Development, Kenosha County has a higher share of workers commuting in both directions than many other counties in Wisconsin.

Still, as we have discussed in [previous research](#), Wisconsin's aging population, low birth rate, and weak net migration figures have resulted in a shrinking working-age population, which could affect the state's ability to attract and retain employers. In fact, Census data show that between 2010 and 2023, the state's population in their prime working years (ages 25 to 54) declined by over 133,000 or 5.8%, while nationally, that population grew 2.8%. State [projections](#) suggest that Wisconsin's working-age population will remain flat well into the future.

Figure 2: Previous Job Growth Halted or Slowed for Many Wisconsin Counties

Change in annual average total employment by county, 2015-2019

Change in annual average total employment by county, 2019-2023



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages



This is a difficult challenge to address given potential workers already are more likely to be employed or seeking work in Wisconsin than nationally. As of July 2024, the state's [unemployment rate](#) of 3.0% was near a historic low and below the national rate of 4.3%. And while the state's [labor force participation rate](#) is considerably lower now than in the 1990s – and was slightly lower as of July 2024 (65.5%) than in the same month in 2019 (66.8%) – it remains above the [national rate](#) by several percentage points. (Labor force participation is defined as the number of people in the workforce as a share of the overall population after excluding those who are younger than 16, active members of the military, or living in prisons, residential care facilities, or other institutions.)

SOME SECTORS EXPAND, OTHERS CONTRACT

Private sector job recovery in Wisconsin also has been uneven across the economy, with strong growth in some sectors and decline in others (see Figure 3). The three sectors that added the most jobs between 2019 and 2023 also were among those that grew the fastest prior to the pandemic: construction; [professional, scientific, and technical services](#) (a category that includes legal, accounting, architectural, engineering, and advertising services); and transportation and warehousing. Each of those added over 11,000 jobs between 2019 and 2023 after adding at least 10,000 between 2015 and 2019.

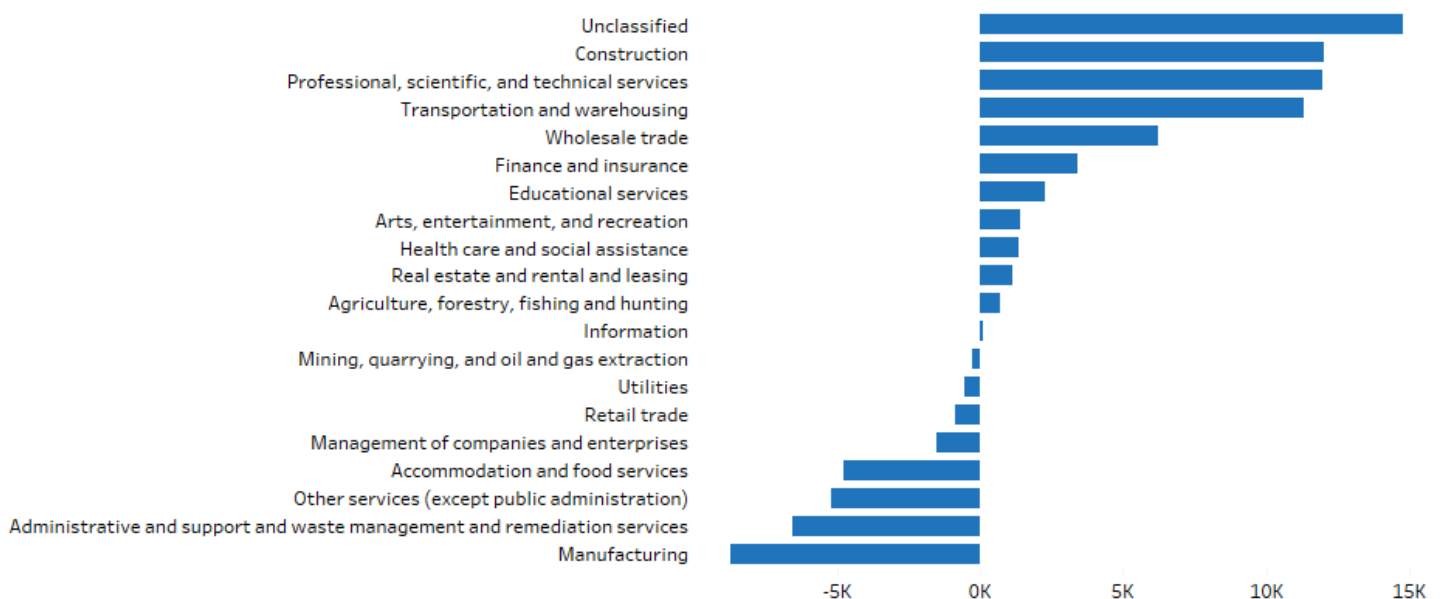
Strong employment growth in the [construction sector](#) during this period was distributed throughout the state and led by the addition of over 6,600 workers employed by specialty trade contractors. This is promising given the demand for construction workers to replace those who are retiring and to expand housing production amid a housing affordability crisis and [sluggish pace of housing construction](#). In growing Dane County, for example, where an expanded construction workforce [has been identified](#) as a critical need to meet demand for housing development, employment in the sector was 8.3% higher in 2023 than in 2019.

Growth in the [transportation and warehousing sector](#) was concentrated in a few large counties, including Kenosha (which added more than 3,200 jobs in this sector), Milwaukee (over 1,700), and Dane (nearly 1,000). The rise in these jobs may be attributable, in part, to Amazon's development of several fulfillment centers in Wisconsin and the acceleration of [online commerce](#) in general during the pandemic.

Also promising is that two other sectors that had been struggling when we [last examined these data](#) have made strong recoveries. Whereas [arts, entertainment, and recreation](#) was the sector in which employment was most depressed during the pandemic, average annual employment was 1,393 (3.2%) higher in 2023 than in 2019. Similarly, the [health care and social assistance](#) sector, which we previously described as “the sector

Figure 3: Employment Has Recovered in Most but Not All Sectors

Change in average annual private employment in Wisconsin by sector, 2019-2023



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages



with reason for concern” due to its lagging employment recovery, also has bounced back, with average annual employment 1,342 (0.3%) higher in 2023 than in 2019. Concerns remain in the health care sector, however, with the Wisconsin Hospital Association [reporting staffing shortages](#) in many occupations such as nursing at a time when the state’s population is aging and in need of expanded services.

The [manufacturing sector](#) stands out for having lost the most jobs in Wisconsin (8,759) between 2019 and 2023. During the same period, the number of manufacturers in the state declined by 436 (4.7%) and state manufacturing GDP growth trailed overall state GDP growth. This is particularly concerning given the sector’s importance to Wisconsin’s economy. Manufacturing accounted for 18.6% of total private sector employment in the state in 2023, which exceeded every other sector and was nearly double the national rate of 9.8%. Manufacturing jobs also pay higher than average wages, and since many manufacturers export their products, they bring investments into the state from beyond its borders. Job losses between 2019 and 2023 were concentrated in the Milwaukee metro area, which saw manufacturing employment decline by more than 6,200 to 113,866.

Employment in certain types of manufacturing declined the most during this period. Those include printing (-4,587), fabricated metal product manufacturing (-2,739), paper manufacturing (-2,683), primary metal manufacturing (-2,077), and computer and electronic product manufacturing (-2,050). Some of these, including printing and paper manufacturing, have experienced longer-term declines, but in some cases employment levels were relatively stable in the years leading up to the pandemic. The only subsector that gained a considerable number of jobs during this period (4,886) was food manufacturing, which has added jobs consistently in the state since 2009.

The state’s recent decline in manufacturing jobs contrasts with previous growth in the sector and modest growth that has occurred nationally. Manufacturers added more than 17,000 jobs in Wisconsin between 2015 and 2019, which was second only to the health care and social assistance sector during that time. And while manufacturing jobs declined 1.8% in Wisconsin between 2019 and 2023, they increased 0.7% nationally as some manufacturing activity began [returning to the United States](#) from overseas.

Beyond manufacturing, employment losses in the [administrative and support services](#) subsector, which includes office administrative services, business support services, security, and more, drove a decline of over 6,500 jobs in the broader sector that contains it during this period. Jobs in that subsector had been relatively stable for several years prior to the pandemic. One factor contributing to this change may be the shift to hybrid and remote work arrangements for many office workers, which reduced demand for support staff.

CONCLUSION

Considering the severity of the disruption the pandemic inflicted on society and the economy, Wisconsin’s jobs picture is relatively bright overall, with higher total employment in 2023 than ever before, an unemployment rate below the national average, and a strong recovery even in some of the hardest hit sectors such as arts, entertainment, and recreation. Wages also have risen, with average wages per employee increasing 21.1% in the state between 2019 and 2023, slightly outpacing inflation of 19.2%.

Yet a closer look reveals an uneven return of jobs across the state, with employment in more than half of Wisconsin counties still lower in 2023 than 2019 and some sectors including manufacturing registering sizable job declines despite national growth. In many Wisconsin counties and some economic sectors, recent job losses erased at least some of the gains realized in the years immediately preceding the pandemic.

Given the manufacturing sector’s substantial contributions to Wisconsin’s economy, including large numbers of relatively good paying jobs and the attraction of out-of-state investments and sales, the lack of employment recovery in that sector may be cause for concern. On the other hand, the state’s strong overall employment and wage growth figures perhaps suggest that our economy is diversifying, which could be a strength if it means greater resilience during future economic downturns.

In the short term, Wisconsin has plenty of economic news to celebrate, but its long-standing challenges stemming from an aging population and shrinking labor pool remain. As with the state’s spotty job recovery, these challenges likely will play out in an uneven manner, placing greater stress on certain communities and industries than others.

