

## **Attachment 2**

*Note: Changes to the following sections of Chapter VII of the Regional Housing Plan were made in response to comments made at the EJTF meeting on May 12, 2011. Additional text is underlined.*

### **Labor Force Characteristics**

The Region's labor force includes residents who are 16 years of age and older and are employed, unemployed, or in the armed forces. Residents younger than 16 years of age and residents who are not actively seeking employment, such as retirees, those attending to family responsibilities, and full-time students are not counted among those in the labor force. Labor force data are often referred to as "place-of-residence" data because it is enumerated on the basis of the residence of individuals in the labor force.

### ***Employment Status***

Table VII-25 sets forth information regarding labor force and employment status of residents in the Region in 2005-2009 by county and sub-area. About 68 percent of the Region's population age 16 years and older, or 1,071,881 persons, are in the labor force. The Region's unemployment rate, which is based only on those persons age 16 and older in the labor force that are not in the armed forces, is 7.0 percent. The unemployment rate varies significantly across sub-areas of the Region. Sub-areas 13 and 14 in Milwaukee County have the highest unemployment rates at 10.7 and 13.9 percent, respectively. These sub-areas also have relatively low participation in the labor force at about 67 and 63 percent, respectively. Sub-area 7 in Washington County and sub-area 36 in Walworth County have the lowest unemployment rates in the Region at 2.4 percent and 3.2 percent, respectively. These sub-areas also have relatively high participation in the labor force at about 76 percent and 75 percent, respectively.<sup>1</sup>

In addition to the 2005-2009 ACS data, 2010 unemployment data is available from the Wisconsin Department of Workforce Development (DWD). Unemployment rates for 2010, based on the average unemployment rate for the 12 months in the year, include:

- Kenosha County: 10.5 percent
- Milwaukee County: 9.4 percent

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<sup>1</sup>*Unemployment rates in this paragraph are based on 2005-2009 ACS data.*

- Ozaukee County: 6.7 percent
- Racine County: 9.7 percent
- Walworth County: 8.5 percent
- Washington County: 7.8 percent
- Waukesha County: 7.2 percent
- Southeastern Wisconsin Region: 8.8 percent
- State of Wisconsin: 8.2 percent
- Nation: 9.6 percent.

The 2010 regionwide and county unemployment rates are higher than those derived from the 2005-2009 ACS data because some of the ACS data were compiled prior to the economic recession that began in 2008. The 2010 data also show that the unemployment rate in the Region is higher than that of the State but lower than that of the Nation.

The unemployment rate includes persons who are without work, but who are available for work and have actively searched for work in the preceding four weeks. Alternative measures of unemployment have been developed by the U.S. Bureau of Labor Statistics (BLS) to take into account persons who do not meet the definition of unemployment but are interested in working.<sup>2</sup> One alternative measure includes “discouraged workers,” defined as those who want a job but are not searching for work because they believe no jobs are available. Another measure includes discouraged workers and also “marginally attached workers,” which include persons who are not currently working but have looked for work in the past 12 months (but not in the preceding four weeks). “Marginally attached workers” are not working due to reasons other than discouragement over job prospects, including impediments such as lack of transportation and child care. BLS also measures persons who are employed but work fewer hours than they would like, commonly referred to as underemployment. In May 2011, the BLS reported the following percentages of these alternative measures of unemployment for the United States:<sup>3</sup>

- Official unemployment rate: 9.0 percent

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<sup>2</sup> *These alternative measures are described in the report, The Unemployment Rate and Beyond: Alternative Measures of Labor Underutilization, U.S. Bureau of Labor Statistics, Summary 08-06, June 2008.*

<sup>3</sup>*U.S. Bureau of Labor Statistics, Economic News Release, Table A-15, Alternative Measures of Labor Underutilization, May 6, 2011. Data are not available for the Region or the Milwaukee area.*

- Unemployed persons plus discouraged workers: 9.5 percent
- Unemployed persons, discouraged workers, and other “marginally attached” workers: 10.4 percent
- Unemployed persons, discouraged and other “marginally attached” workers, and underemployed workers: 15.9 percent.

### ***Employment Status by Race and Ethnicity***

Figure VII-5 sets forth unemployment rates for White/Non Hispanics, African Americans, and Hispanics in the Region in 2005-2009 and Tables VII-26, VII-27, and VII-28 set forth additional information regarding labor force and employment for White/Non Hispanics, African Americans, and Hispanics in the Region by County and sub-area in 2005-2009.<sup>4</sup> Figure VII-5 shows that the unemployment rate for White/Non Hispanic residents of the Region was much lower than that of Hispanic and African American residents. The unemployment rate of White/Non Hispanic residents was 5.1 percent. The unemployment rate for Hispanic residents was 10.3 percent and the unemployment rate for African American residents was 17.3 percent. Research has indicated that unemployment rates for minority residents would be much higher if discouraged workers were included as part of the labor force.<sup>5</sup> Tables VII-26, VII-27, and VII-28 show that labor force population participation in the labor force was lower among African American residents than White/Non Hispanic residents and Hispanic residents. About 62 percent of African American residents 16 years of age and older participated in the labor force. About 69 percent of White/Non Hispanic residents 16 years of age and older participated in the labor force and about 70 percent of Hispanic residents 16 years of age and older participated in the labor force.

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<sup>4</sup>Data margin of error was too high to accurately calculate the unemployment rate for sub-areas and counties by race.

<sup>5</sup> Mismeasuring Joblessness: A Rejoinder to ETI/Murphy, August 2010, by Marc Levine. UW-Milwaukee Center for Economic Development.