

## COMMISSION COMPLETES PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO THE YEAR 2035

The projection of future population, household, and employment levels is essential for the Southeastern Wisconsin Regional Planning Commission to properly carry out its responsibility of preparing a comprehensive plan for the physical development of the Region. To facilitate the development of projections, the Commission periodically undertakes detailed studies of the demographic and economic base of the Region. In July 2004, the Commission completed two studies that resulted in projections of population, households, and employment levels for the Region to the year 2035. These detailed studies, which were prepared under the guidance of the Commission's Advisory Committee on Regional Population and Economic Forecasts, are documented in the fourth editions of SEWRPC Technical Report No. 10, *The Economy of Southeastern Wisconsin*, and SEWRPC Technical Report No. 11, *The Population of Southeastern Wisconsin*.

This issue of the *Newsletter* presents an overview of SEWRPC Technical Report No. 10 (4th Edition), *The Economy of Southeastern Wisconsin*. It presents background information regarding labor force and employment trends in the Region; describes the methodology and assumptions underlying the year 2035 employment projections; and presents the resulting projections.

A summary of the companion population projections for the Region through the year 2035, as documented in SEWRPC Technical Report No. 11 (4th Edition), *The Population of Southeastern Wisconsin*, will be presented in the next issue of the *Commission Newsletter*.

SOUTHEASTERN  
WISCONSIN  
REGIONAL  
PLANNING  
COMMISSION



## PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued

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### CIVILIAN LABOR FORCE TRENDS

The civilian labor force is that portion of the total population age 16 and over that is either employed at one or more nonmilitary jobs or temporarily unemployed. Labor force data are often referred to as “place of residence” data, since the labor force is enumerated in the U.S. Census on the basis of residence rather than place of work. Changes in the size, composition, and distribution of the Region’s civilian labor force reflect changes in the economy, changes in the working age population, and changes in the preferences of area residents regarding whether to seek work, continue working, or retire. Since the labor force is essentially a proportion of total population, changes in the labor force generally mirror changes in population.

The civilian labor force of the Region was 1,008,400 persons in 2000, compared to 934,200 persons in 1990. The increase of 74,200 persons, or 8 percent, compares to increases of 58,000 during the 1980s, 140,100 during the 1970s, and just under 100,000 in both the 1960s and 1950s. In relative terms, the Region’s labor force grew at a somewhat slower rate than both the State and the national labor force during the 1990s. As a result, the Region’s share of the State labor force decreased from 37 to 35 percent, and the Region’s share of the national labor force also declined slightly (see Table 1).

The gender makeup of the civilian labor force changed slightly during the 1990s, following substantial changes during the previous four decades. The female component increased from 29 percent in 1950, to 47 percent in 1990, and to 48 percent in 2000. The male component decreased from 71 percent in 1950, to 53 percent in 1990, and to 52 percent in 2000. The civilian labor force participation rate (the civilian labor force as a percent of total population age 16 and older) also increased significantly, from 56.6 percent in 1950 to the 1990 rate of 67.6 percent, largely due to increased participation by females since 1950. The civilian labor force participation rate was 68.2 percent for the Region in 2000 (see Figure 1).

During the 1990s, each county in the Region except Milwaukee County experienced a significant increase in the labor force. Waukesha County experienced the largest increase of 31,600 persons. Kenosha, Ozaukee, Racine, Walworth, and Washington Counties experienced increases ranging from 5,100 to 14,400 persons, and Milwaukee County’s labor force decreased by 10,100 persons (see Table 2 and Figure 2).

**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Table 1**

**CIVILIAN LABOR FORCE IN THE REGION,  
WISCONSIN, AND THE UNITED STATES: 1950-2000**

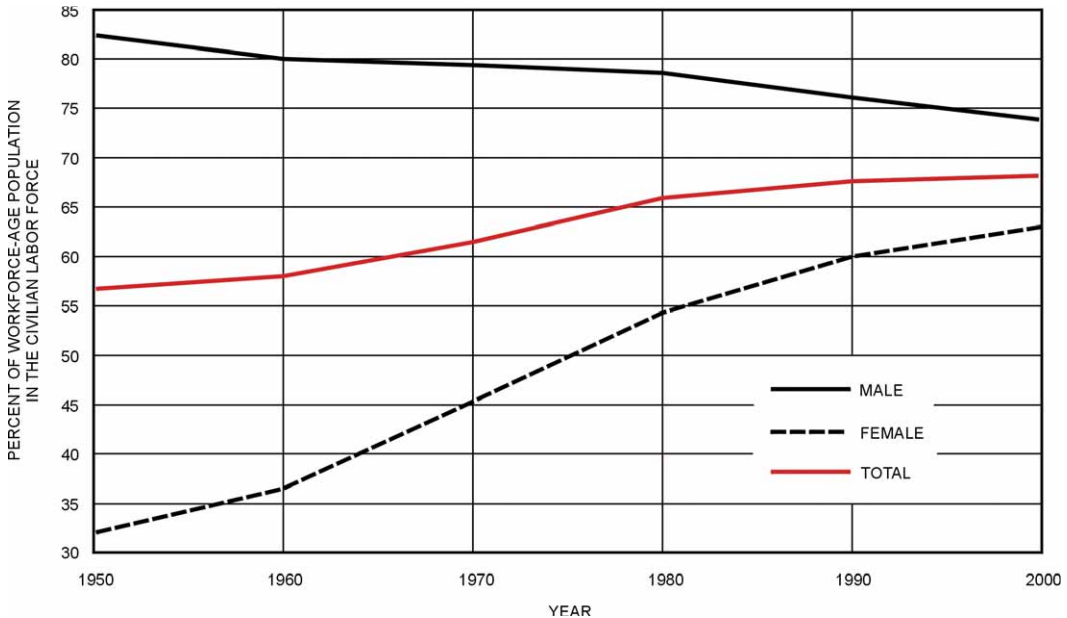
Year	Region			Wisconsin			United States			Regional Labor Force as a Percent of:	
	Persons in the Labor Force	Change		Persons in the Labor Force	Change		Persons in the Labor Force	Change		State	Nation
		Number	Percent		Number	Percent		Number	Percent		
1950	538,716	--	--	1,396,383	--	--	59,303,720	--	--	38.6	0.91
1960	636,901	98,185	18.2	1,527,722	131,339	9.4	68,144,079	8,840,359	14.9	41.7	0.93
1970	736,078	99,177	15.6	1,774,008	246,286	16.1	80,051,046	11,906,967	17.5	41.5	0.92
1980	876,152	140,074	19.0	2,263,413	489,405	27.6	104,449,817	24,398,771	30.5	38.7	0.84
1990	934,153	58,001	6.6	2,517,238	253,825	11.2	123,473,450	19,023,633	18.2	37.1	0.76
2000	1,008,394	74,241	7.9	2,869,236	351,998	14.0	137,668,798	14,195,348	11.5	35.1	0.73

NOTE: The 1950 and 1960 Censuses defined the labor force as those persons age 14 and older who were employed or temporarily unemployed. The 1970, 1980, 1990, and 2000 Censuses defined the labor force as those persons age 16 and older who were employed or temporarily unemployed. The significance of this shift in definitions involving the two age groups is considered minimal in the Region. For example, the number of employed persons in the Region age 14 and 15 in 1970 was approximately 7,600 persons, or about 1 percent of the regional labor force.

Source: U. S. Bureau of the Census and SEWRPC.

**Figure 1**

**CIVILIAN LABOR FORCE PARTICIPATION RATES IN THE REGION: 1950-2000**



Source: U.S. Bureau of the Census and SEWRPC.

## PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued

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### EMPLOYMENT TRENDS

Employment data are intended to represent the number of jobs available in a given area, and are often referred to as “place of work” data. The source of information on employment levels utilized by the Commission is from the U.S. Bureau of Economic Analysis (BEA). The BEA data include both wage and salary employment and self employed persons, including part-time jobs. Total employment, as reported by the BEA, generally exceeds the civilian labor force, as reported by the U.S. Census, because numerous individuals in the labor force work at more than one job.

Total employment in the Region was 1,222,800 jobs in 2000, compared to 1,062,600 jobs in 1990. The increase of 160,200 jobs during the 1990s compares to 114,400 during the 1980s, 163,300 during the 1970s, 111,900 during the 1960s, and 99,500 during the 1950s. In relative terms, employment in the Region grew at a somewhat slower rate than both the State and the Nation during the 1990s. As a result, the Region’s share of total State employment decreased from about 38 percent to about 36 percent, and the Region’s share of national employment also decreased slightly (see Table 3).

Historically, employment levels tend to fluctuate in the short-term, rising and falling in accordance with business cycles, both nationally and within the Region. The long period of nearly uninterrupted job growth between 1983 and 2000 is unusual in this respect (see Figure 3). Nationally and within the Region, total employment increased each year during that time, with the exception of a slight decrease in 1991. The extended period of employment growth in the Region beginning in 1983 ended after 2000. Total employment in the Region decreased from 2000 to 2003. Estimated total employment in the Region was at 1,179,000 jobs in 2003, about 4 percent below the 2000 level.

Each county in the Region experienced an increase in employment between 1990 and 2000. Waukesha County accounted for just over half of the total increase in the Region’s employment during the 1990s, with an increase of 81,100 jobs. Among the other six counties, growth in employment ranged from 4,800 jobs in Racine County to 16,500 jobs in Kenosha County (see Table 4 and Figure 4). Milwaukee County’s share of the Region’s total employment decreased by about 6 percentage points during the 1990s. Except for Racine County, the employment share for each of the other counties increased at least slightly. The most notable change in employment distribution among the counties

**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

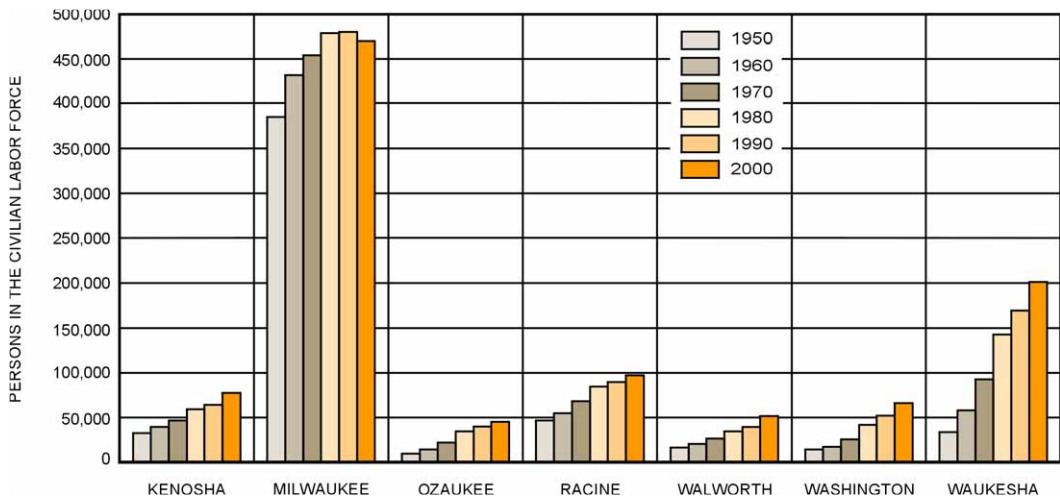
**Table 2  
CIVILIAN LABOR FORCE IN THE REGION BY COUNTY: 1950-2000**

County	Civilian Labor Force											
	1950		1960		1970		1980		1990		2000	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Kenosha.....	32,535	6.0	39,726	6.2	47,171	6.4	59,625	6.8	64,192	6.9	77,709	7.7
Milwaukee.....	385,261	71.5	431,746	67.8	454,085	61.7	478,184	54.6	479,374	51.3	469,257	46.5
Ozaukee.....	9,645	1.8	14,438	2.3	22,105	3.0	34,468	3.9	40,114	4.3	45,219	4.5
Racine.....	46,771	8.7	54,947	8.6	68,255	9.3	84,330	9.6	89,356	9.6	96,861	9.6
Walworth.....	16,448	3.1	20,444	3.2	26,345	3.6	34,727	4.0	39,642	4.2	51,861	5.2
Washington.....	14,255	2.6	17,384	2.7	25,727	3.5	42,044	4.8	52,106	5.6	66,496	6.6
Waukesha.....	33,801	6.3	58,216	9.2	92,390	12.5	142,774	16.3	169,369	18.1	200,991	19.9
Region	538,716	100.0	636,901	100.0	736,078	100.0	876,152	100.0	934,153	100.0	1,008,394	100.0

County	Change in the Civilian Labor Force									
	1950-1960		1960-1970		1970-1980		1980-1990		1990-2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Kenosha.....	7,191	22.1	7,445	18.7	12,454	26.4	4,567	7.7	13,517	21.1
Milwaukee.....	46,485	12.1	22,339	5.2	24,099	5.3	1,190	0.2	-10,117	-2.1
Ozaukee.....	4,793	49.7	7,667	53.1	12,363	55.9	5,646	16.4	5,105	12.7
Racine.....	8,176	17.5	13,308	24.2	16,075	23.6	5,026	6.0	7,505	8.4
Walworth.....	3,996	24.3	5,901	28.9	8,382	31.8	4,915	14.2	12,219	30.8
Washington.....	3,129	22.0	8,343	48.0	16,317	63.4	10,062	23.9	14,390	27.6
Waukesha.....	24,415	72.2	34,174	58.7	50,384	54.5	26,595	18.6	31,622	18.7
Region	98,185	18.2	99,177	15.6	140,074	19.0	58,001	6.6	74,241	7.9

Source: U. S. Bureau of the Census and SEWRPC.

**Figure 2  
CIVILIAN LABOR FORCE IN THE REGION BY COUNTY: 1950-2000**



Source: U. S. Bureau of the Census and SEWRPC.

**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Table 3**

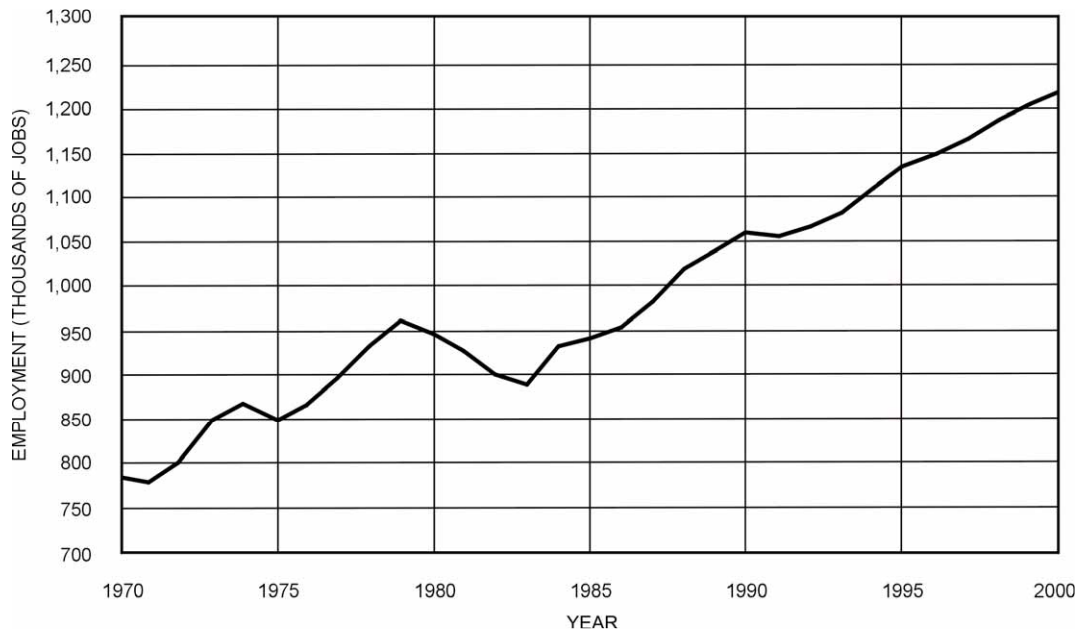
**EMPLOYMENT IN THE REGION, WISCONSIN, AND THE UNITED STATES: 1950-2000**

Year	Region			Wisconsin			United States			Regional Employment as a Percent of:	
	Jobs	Change		Jobs	Change		Jobs	Change		State	Nation
		Number	Percent		Number	Percent		Number	Percent		
1950	573,500	--	--	1,413,400	--	--	61,701,200	--	--	40.6	0.93
1960	673,000	99,500	17.3	1,659,400	246,000	17.4	72,057,000	10,355,800	16.8	40.6	0.93
1970	784,900	111,900	16.6	1,929,100	269,700	16.3	88,049,600	15,992,600	22.2	40.7	0.89
1980	948,200	163,300	20.8	2,429,800	500,700	26.0	111,730,200	23,680,600	26.9	39.0	0.85
1990	1,062,600	114,400	12.1	2,810,400	380,600	15.7	136,708,900	24,978,700	22.4	37.8	0.78
2000	1,222,800	160,200	15.1	3,421,800	611,400	21.8	165,209,800	28,500,900	20.8	35.7	0.74

Source: U. S. Bureau of Economic Analysis and SEWRPC.

**Figure 3**

**EMPLOYMENT IN THE REGION: 1970-2000**



Source: U.S. Bureau of Economic Analysis and SEWRPC.

## PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued

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in the Region over the past fifty years has been the increase in Waukesha County's share, from 3 percent to 22 percent, and the decrease in Milwaukee County's share, from 79 percent to 51 percent.

### **Employment by Industry**

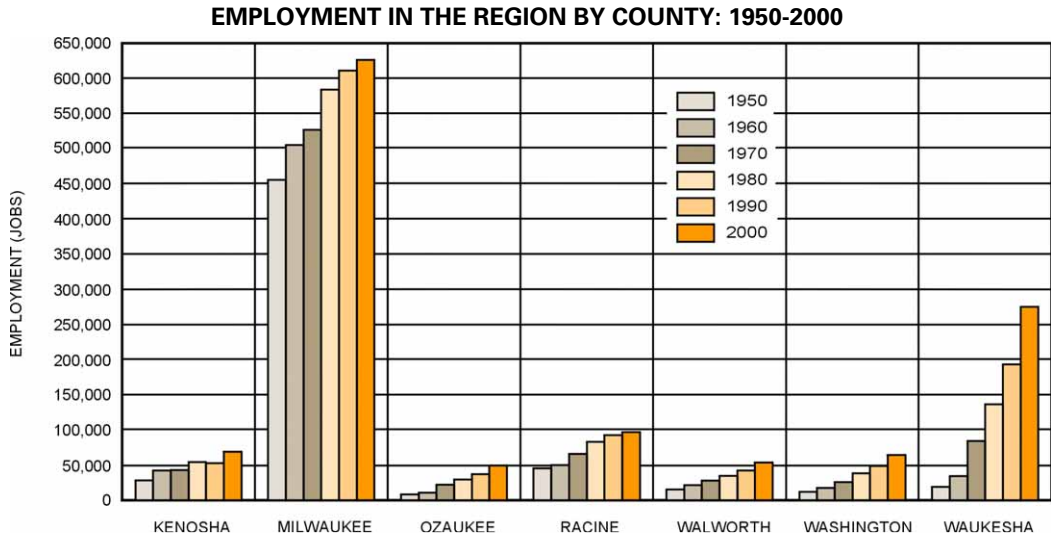
The 1990s saw a continuation of the shift in the regional economy from a manufacturing to a service orientation. Manufacturing employment in the Region was virtually unchanged during the 1990s, following a 15 percent decrease during the 1980s and a modest 4 percent increase during the 1970s. Conversely, service-related employment increased substantially during each of the past three decades—by 33 percent during the 1990s, 41 percent during the 1980s, and 53 percent during 1970s. Due to these differential growth rates, the proportion of manufacturing jobs relative to total jobs in the Region decreased from 32 percent in 1970 to 18 percent in 2000, while service-related employment increased from 18 percent in 1970 to 33 percent in 2000. In comparison to the manufacturing and services industry groups, other major industry groups—including wholesale trade, retail trade, government, and finance, insurance and real estate—have been relatively stable in terms of their share of total regional employment over the last three decades (see Table 5 and Figure 5). Wisconsin and the United States have likewise experienced a similar major shift from manufacturing to service-related employment.

Further insight into the structure of the regional economy can be obtained through an analysis of the Region's "dominant" and "subdominant" industries. Dominant industries, as defined by the Regional Planning Commission, are those industries that account for 4.0 percent or more of the total regional employment, while subdominant industries are those that account for 2.0 percent to 3.9 percent. Eight industries were accorded dominant status in 2000, which in combination accounted for 63.4 percent of total regional employment. Five industries were accorded subdominant status in 2000, which in combination accounted for 13.0 percent of total regional employment (see Table 6).

The status of certain dominant and subdominant industries has changed over the past three decades, as indicated in Table 6. For example, the manufacture of industrial machinery and equipment was a dominant industry in 1970, 1980, and 1990, but declined to subdominant status in 2000; while social services achieved subdominant status for the first time in 2000. Certain industries—particularly the manufacturing industries of transportation equipment, food and beverage, and primary metals—have declined in

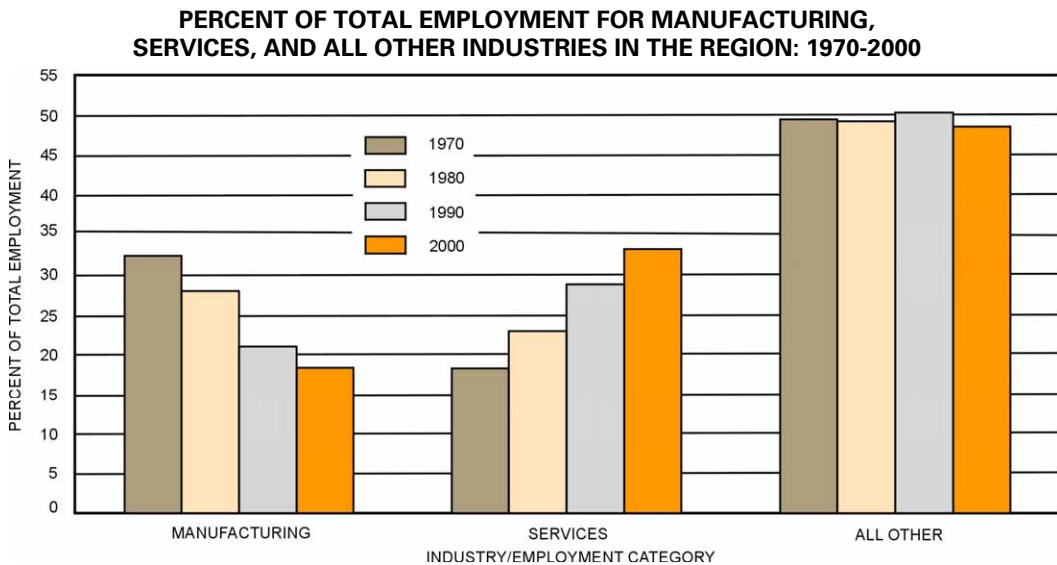
**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Figure 4**



Source: U.S. Bureau of Economic Analysis and SEWRPC.

**Figure 5**



Source: U.S. Bureau of Economic Analysis and SEWRPC.



**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Table 4**

**EMPLOYMENT IN THE REGION BY COUNTY: 1950-2000**

County	Total Employment											
	1950		1960		1970		1980		1990		2000	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Kenosha.....	29,100	5.1	42,200	6.3	42,100	5.4	54,100	5.7	52,200	4.9	68,700	5.6
Milwaukee.....	453,500	79.1	503,300	74.8	525,200	66.9	583,200	61.5	609,800	57.4	624,600	51.1
Ozaukee.....	6,600	1.1	10,200	1.5	21,300	2.7	28,200	3.0	35,300	3.3	50,800	4.2
Racine.....	44,500	7.7	49,900	7.4	64,600	8.2	81,200	8.6	89,600	8.4	94,400	7.7
Walworth.....	13,200	2.3	19,600	2.9	26,400	3.4	33,500	3.5	39,900	3.8	51,800	4.2
Washington.....	10,200	1.8	15,200	2.3	24,300	3.1	35,200	3.7	46,100	4.3	61,700	5.0
Waukesha.....	16,400	2.9	32,600	4.8	81,000	10.3	132,800	14.0	189,700	17.9	270,800	22.2
Region	573,500	100.0	673,000	100.0	784,900	100.0	948,200	100.0	1,062,600	100.0	1,222,800	100.0

County	Employment Change									
	1950-1960		1960-1970		1970-1980		1980-1990		1990-2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Kenosha.....	13,100	45.0	-100	-0.2	12,000	28.5	-1,900	-3.5	16,500	31.6
Milwaukee.....	49,800	11.0	21,900	4.4	58,000	11.0	26,600	4.6	14,800	2.4
Ozaukee.....	3,600	54.5	11,100	108.8	6,900	32.4	7,100	25.2	15,500	43.9
Racine.....	5,400	12.1	14,700	29.5	16,600	25.7	8,400	10.3	4,800	5.4
Walworth.....	6,400	48.5	6,800	34.7	7,100	26.9	6,400	19.1	11,900	29.8
Washington.....	5,000	49.0	9,100	59.9	10,900	44.9	10,900	31.0	15,600	33.8
Waukesha.....	16,200	98.8	48,400	148.5	51,800	64.0	56,900	42.8	81,100	42.8
Region	99,500	17.3	111,900	16.6	163,300	20.8	114,400	12.1	160,200	15.1

Source: U. S. Bureau of Economic Analysis and SEWRPC.

**Table 5**

**EMPLOYMENT FOR MANUFACTURING, SERVICES,  
AND ALL OTHER INDUSTRY GROUPS IN THE REGION: 1970-2000**

General Industry Group	Employment								Percent Change in Employment			
	1970		1980		1990		2000		1970-1980	1980-1990	1990-2000	1970-2000
	Jobs	Percent of Total	Jobs	Percent of Total	Jobs	Percent of Total	Jobs	Percent of Total				
Manufacturing ..	254,400	32.4	264,200	27.9	223,500	21.0	224,300	18.3	3.9	-15.4	0.4	-11.8
Services .....	141,800	18.1	216,700	22.8	304,700	28.7	406,000	33.2	52.8	40.6	33.2	186.3
All Other .....	388,700	49.5	467,300	49.3	534,400	50.3	592,500	48.5	20.2	14.4	10.9	52.4
Total	784,900	100.0	948,200	100.0	1,062,600	100.0	1,222,800	100.0	20.8	12.1	15.1	55.8

Source: U. S. Bureau of Economic Analysis and SEWRPC.

# PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued

**Table 6**

## **DOMINANT AND SUBDOMINANT INDUSTRIES IN THE REGION IN 2000**

Industry	1970		1980		1990		2000	
	Number of Jobs	Percent of Total	Number of Jobs	Percent of Total	Number of Jobs	Percent of Total	Number of Jobs	Percent of Total
<b>Dominant Industries: 2000</b>								
Construction .....	32,400	4.1	33,900	3.6	45,100	4.2	53,800	4.4
Transportation, Communication, and Utilities.....	38,500	4.9	42,200	4.4	46,300	4.4	54,800	4.5
Wholesale Trade .....	37,200	4.7	46,200	4.9	55,300	5.2	64,400	5.3
Retail Trade.....	133,900	17.1	153,900	16.2	185,400	17.4	193,700	15.8
Finance, Insurance, and Real Estate.....	47,600	6.1	75,600	8.0	81,800	7.7	93,700	7.7
Business Services .....	17,100	2.2	36,800	3.9	72,000	6.8	102,800	8.4
Health Services .....	38,300	4.9	63,500	6.7	79,900	7.5	97,700	8.0
Government and Government Enterprises <sup>a</sup> .....	84,400	10.8	101,100	10.7	106,200	10.0	114,400	9.3
<i>Subtotal Dominant Industries</i>	429,400	54.8	553,200	58.4	672,000	63.2	775,300	63.4
<b>Sub-Dominant Industries: 2000</b>								
Printing and Publishing.....	15,400	2.0	16,700	1.8	23,500	2.2	24,500	2.0
Fabricated Metal Products.....	24,400	3.1	31,900	3.4	26,700	2.5	25,600	2.1
Industrial Machinery and Equipment.....	70,000	8.9	74,900	7.8	55,500	5.2	48,000	3.9
Electronic and Other Electrical Equipment.....	35,900	4.6	35,500	3.7	23,400	2.2	27,000	2.2
Social Services .....	6,200	0.8	12,000	1.3	18,200	1.7	34,300	2.8
<i>Subtotal Subdominant Industries</i>	151,900	19.4	171,000	18.0	147,300	13.8	159,400	13.0
<b>Other Industries: 2000</b>								
All Other Manufacturing .....	108,700	13.8	105,200	11.1	94,400	8.9	99,200	8.1
All Other Services.....	80,200	10.2	104,400	11.0	134,600	12.7	171,200	14.0
Agriculture .....	12,000	1.5	10,000	1.0	7,200	0.7	6,000	0.5
Other <sup>b</sup> .....	2,700	0.3	4,400	0.5	7,100	0.7	11,700	1.0
<i>Subtotal Other Employment</i>	203,600	25.8	224,000	23.6	243,300	23.0	288,100	23.6
<b>Total Regional Employment</b>	<b>784,900</b>	<b>100.0</b>	<b>948,200</b>	<b>100.0</b>	<b>1,062,600</b>	<b>100.0</b>	<b>1,222,800</b>	<b>100.0</b>

<sup>a</sup>Includes all nonmilitary government agencies and enterprises, regardless of SIC code.

<sup>b</sup>Includes agricultural services, forestry, commercial fishing, mining, and unclassified jobs.

Source: U. S. Bureau of Economic Analysis; U.S. Bureau of the Census (County Business Patterns); Wisconsin Department of Workforce Development; and SEWRPC.

relative share of total employment and are no longer accorded the status as subdominant industries, as they were in previous Commission studies; these industries do not appear on Table 6.

## **REGIONAL EMPLOYMENT PROJECTIONS TO THE YEAR 2035**

### **Projection Ranges and Target Year**

Under the current economic study, as in prior studies, the Commission has projected a range of future employment levels—high, intermediate, and low—for the Region. This approach recognizes the uncertainty that surrounds any effort to predict future socio-

## **PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

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economic conditions. The intermediate projections prepared under the study are considered the most likely to be achieved for the Region overall, and, in this sense, constitute the Commission’s “forecast,” to be used as a basis for the preparation of the regional land use and transportation plans. The high and low projections are intended to provide an indication of the range of employment levels which could conceivably be achieved under significantly higher and lower, but nevertheless plausible, growth scenarios for the Region.

The target year of 2035 for the Commission’s projections is determined largely by the requirements of the planning work which utilizes the projections—the regional land use and transportation plans and other elements of the comprehensive plan for the Region. Projections to the year 2035 would support the preparation of a design year 2035 regional land use plan, which—with appropriate staging over the course of the planning period—would be consistent with State of Wisconsin comprehensive planning guidelines. Such projections would also support the preparation of a new regional transportation system plan which would be consistent with the plan timeframe requirements established in Federal transportation planning programs.

### **Projection Methodology and Assumptions**

Future employment levels in the Region may be expected to be strongly influenced by the strength of the regional economy relative to the rest of the State and Nation. The Commission’s recently completed economic study found no reason to conclude that the regional economy is likely to significantly increase or decrease in strength relative to the State or Nation over the course of the projection period. While there are some indications that the Region’s economy has diminished marginally relative to the State and Nation over the past several decades—for example, a gradual decline in the Region’s share of total State and national employment, as noted earlier—a material change in the relative competitiveness of the regional economy has not occurred, and is not expected.

The intermediate employment projection for the Region reflects the foregoing general economic outlook. It assumes that the regional economy would generally maintain its competitive position, but would not significantly increase or decrease in strength relative to the rest of the State and Nation. The high projection, on the other hand, would be expected to be achieved only if the regional economy were to become significantly more competitive relative to the State and Nation, resulting in the creation of a significantly greater number of employment opportunities, and inducing a substantial net in-migration

## **PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

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of workers to fill those jobs. Conversely, the low projection would be expected to be achieved only with a stagnating regional economy that becomes substantially less competitive in relation to the rest of the State and Nation in the coming decades.

Procedurally, the Commission utilized a disaggregate approach to the preparation of employment projections. As applied by the Commission, this approach involves the explicit consideration of employment in dominant and subdominant industry groups identified previously in this article, along with certain residual groups, and the preparation of projections for those groups.

The employment-level projections for each industry were developed based upon a consideration of past industry trends, available indicators of future trends nationally and in the State and Region, and relative industry and sector strength in the Region as compared to State and national industries and sectors. Projections by State agencies and other recently published projections were consulted. The projected employment levels take into account the employment declines of the 2001 recession and use 2003 data estimates as the last historical data points.

Still another important consideration in the preparation of the employment projections was the future available labor force in the Region. Commission population projections indicate that a leveling-off in the regional labor force may be expected, particularly toward the middle of the projection period, as much of the baby-boom generation (those born from 1946 through 1964) reaches retirement age. This leveling-off in the labor force may be expected to moderate the number of jobs able to be accommodated in the Region.

### **Employment Projections**

Under the Commission's intermediate projection, total employment in the Region would recover from the reduced levels of the early 2000s, experiencing fairly strong growth until about the middle of the projection period. At that time, employment growth is projected to moderate, coinciding with the anticipated leveling-off in the labor force, particularly as large numbers of baby boomers retire. Relatively modest employment growth is envisioned over the last 10 years of the projection period. The intermediate projection envisions total employment of 1,368,300 jobs in the Region in 2035, an increase of 145,500 jobs, or 12 percent, over the 2000 level of 1,222,800 jobs. Under the high projection, employment in the Region could be as high as 1,509,600 jobs in 2035, an

## **PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

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increase of about 286,800 jobs, or 24 percent, over the 2000 level. Under the low projection, employment in the Region could be as low as 1,267,500 jobs in 2035, about 44,700 jobs, or 4 percent, over the 2000 level (see Table 7 and Figure 6).

The sectoral changes—particularly, a shift from a goods producing economy to a services providing economy—that have occurred in the Region in recent decades are projected to continue. Under the intermediate projection, total manufacturing employment in the Region is projected at 160,400 jobs in 2035, compared to 224,300 jobs in 2000, never recovering from job losses of the recent recession. Conversely, service sector employment would experience substantial growth, from 406,000 jobs in 2000 to 590,000 jobs in 2035. By 2035, manufacturing employment would comprise 12 percent of total employment in the Region, compared to 18 percent in 2000. Service sector employment would comprise 43 percent of all jobs in the Region in 2035, compared to 33 percent in 2000. Similar sectoral changes are expected under the high and low projections (see Table 8 and Figure 7).

Under the intermediate projection, employment in Kenosha, Ozaukee, Walworth, Washington, and Waukesha Counties would increase by 20 to 30 percent between 2000 and 2035. Employment in Racine County would increase by 10 percent, and employment in Milwaukee County would approximate the year 2000 level (see Table 7 and Figure 8).

The employment projections envision a continuation of historic trends in the distribution of jobs among counties in the Region but at a moderated pace. It is envisioned that Milwaukee County's share of total regional employment would decrease by just over 5 percentage points between 2000 and 2035, while Waukesha County's share would increase by just over 3 percentage points. It is further envisioned that Kenosha, Ozaukee, Walworth, and Washington Counties would experience relative increases of less than 1 percentage point and that Racine County's relative share would remain essentially unchanged.

### **RELATIONSHIP BETWEEN POPULATION PROJECTIONS AND EMPLOYMENT PROJECTIONS**

The preparation of the Commission employment projections was carried out in tandem and coordinated with the preparation of population projections for the Region. In this

**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Table 7**

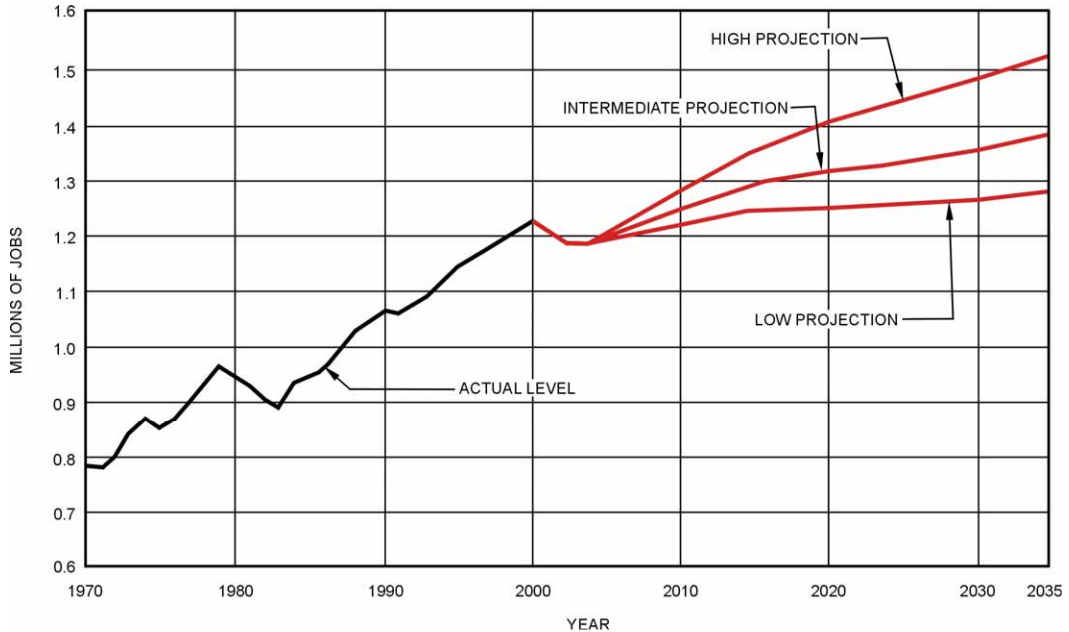
**ACTUAL AND PROJECTED EMPLOYMENT IN THE REGION BY COUNTY: 2000-2035**

County	Employment 2000	Projected Employment: 2035								
		High Projection		Intermediate Projection			Low Projection			
		Employment 2035	Change: 2000-2035		Employment 2035	Change: 2000-2035		Employment 2035	Change: 2000-2035	
Number	Percent		Number	Percent		Number	Percent			
Kenosha .....	68,700	93,700	25,000	36.4	85,000	16,300	23.7	78,700	10,000	14.6
Milwaukee .....	624,600	689,500	64,900	10.4	624,900	300	0.0	578,900	-45,700	-7.3
Ozaukee .....	50,800	68,100	17,300	34.1	61,700	10,900	21.5	57,200	6,400	12.6
Racine .....	94,400	114,700	20,300	21.5	104,000	9,600	10.2	96,300	1,900	2.0
Walworth .....	51,800	73,800	22,000	42.5	66,900	15,100	29.2	62,000	10,200	19.7
Washington .....	61,700	86,700	25,000	40.5	78,600	16,900	27.4	72,800	11,100	18.0
Waukesha .....	270,800	383,100	112,300	41.5	347,200	76,400	28.2	321,600	50,800	18.8
Region	1,222,800	1,509,600	286,800	23.5	1,368,300	145,500	11.9	1,267,500	44,700	3.7

Source: U. S. Bureau of Economic Analysis and SEWRPC.

**Figure 6**

**ACTUAL AND PROJECTED EMPLOYMENT IN THE REGION: 1970-2035**



Source: U.S. Bureau of Economic Analysis and SEWRPC.

**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Table 8**

**PROJECTED EMPLOYMENT BY INDUSTRY GROUP IN THE REGION: 2035**

Industry	2000 Employment		Projected 2035 Employment					
	Number of Jobs	Percent of Total	High		Intermediate		Low	
			Number of Jobs	Percent of Total	Number of Jobs	Percent of Total	Number of Jobs	Percent of Total
<b>Manufacturing:</b>								
Printing and Publishing.....	24,500	2.0	27,900	1.8	24,700	1.8	22,800	1.8
Fabricated Metal Products.....	25,600	2.1	12,800	0.9	11,600	0.9	10,700	0.9
Industrial Machinery and Equipment.....	48,000	3.9	27,800	1.8	24,900	1.8	22,900	1.8
Electronic and Other Electrical Equipment.....	27,000	2.2	16,800	1.1	15,300	1.1	14,100	1.1
All Other Manufacturing.....	99,200	8.1	89,400	5.9	83,900	6.1	77,600	6.1
<b>Subtotal Manufacturing</b>	<b>224,300</b>	<b>18.3</b>	<b>174,700</b>	<b>11.5</b>	<b>160,400</b>	<b>11.7</b>	<b>148,100</b>	<b>11.7</b>
Construction.....	53,800	4.4	62,600	4.1	57,100	4.2	53,200	4.2
Retail Trade.....	193,700	15.8	223,900	14.8	205,400	15.0	190,600	15.0
Wholesale Trade.....	64,400	5.3	68,800	4.6	64,400	4.7	59,600	4.7
Transportation, Communication, and Utilities.....	54,800	4.5	56,700	3.8	51,100	3.7	47,800	3.8
<b>Services:</b>								
Business Services.....	102,800	8.4	188,200	12.5	164,600	12.0	152,500	12.0
Health Services.....	97,700	8.0	148,100	9.8	132,000	9.7	122,400	9.7
Social Services.....	34,300	2.8	69,900	4.6	62,100	4.5	57,400	4.5
All Other Services.....	171,200	14.0	257,500	17.1	231,300	16.9	213,300	16.8
<b>Subtotal Services</b>	<b>406,000</b>	<b>33.2</b>	<b>663,700</b>	<b>44.0</b>	<b>590,000</b>	<b>43.1</b>	<b>545,600</b>	<b>43.0</b>
Finance, Insurance, and Real Estate.....	93,700	7.7	113,200	7.5	103,600	7.6	96,400	7.6
Government and Government Enterprises <sup>a</sup> .....	114,400	9.3	123,100	8.2	115,300	8.4	106,900	8.4
Agriculture.....	6,000	0.5	5,200	0.3	4,800	0.4	4,500	0.4
Other <sup>b</sup> .....	11,700	1.0	17,700	1.2	16,200	1.2	14,800	1.2
<b>Total Regional Employment</b>	<b>1,222,800</b>	<b>100.0</b>	<b>1,509,600</b>	<b>100.0</b>	<b>1,368,300</b>	<b>100.0</b>	<b>1,267,500</b>	<b>100.0</b>

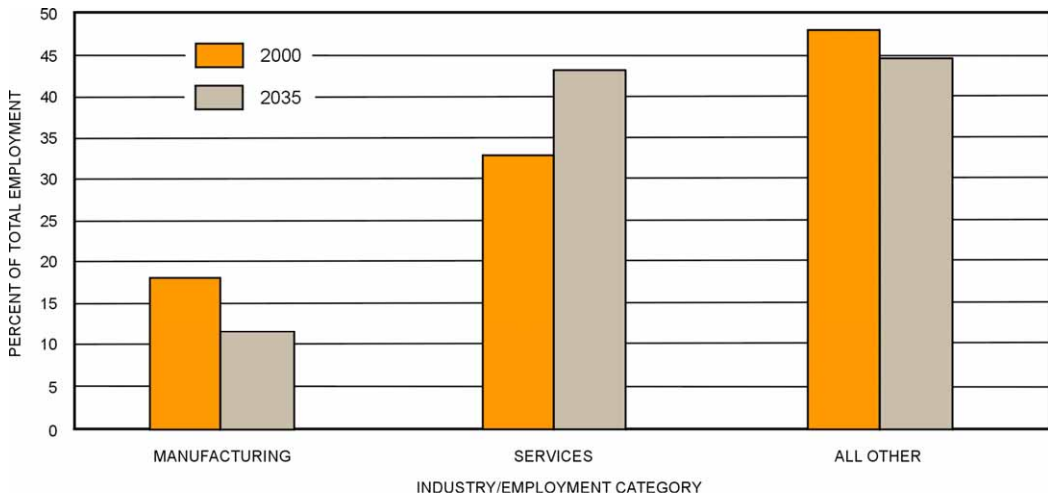
<sup>a</sup>Includes all nonmilitary government agencies and enterprises, regardless of SIC code.

<sup>b</sup>Includes agricultural services, forestry, commercial fishing, mining, and unclassified jobs.

Source: U. S. Bureau of Economic Analysis and SEWRPC.

**Figure 7**

**PROJECTED PERCENT OF TOTAL EMPLOYMENT FOR MANUFACTURING, SERVICES, AND ALL OTHER INDUSTRIES IN THE REGION: 2000 AND 2035**

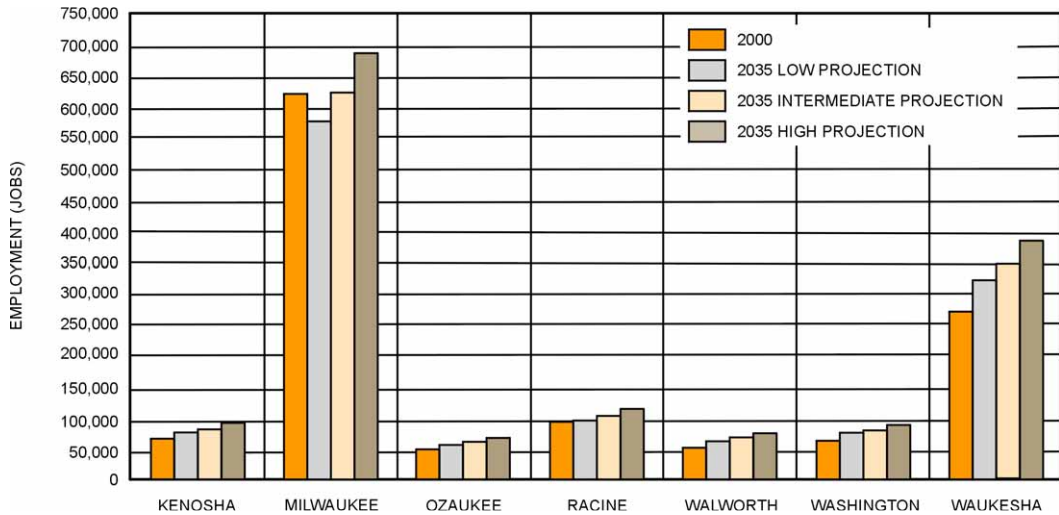


Source: U.S. Bureau of Economic Analysis and SEWRPC.

**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Figure 8**

**ACTUAL AND PROJECTED EMPLOYMENT IN THE REGION BY COUNTY: 2000 AND 2035**



Source: U.S. Bureau of Economic Analysis and SEWRPC.

respect, it was considered critical that the projected employment trends be consistent with labor force trends which could be expected in light of projected changes in population in the Region.

Projections of future labor force levels in the Region were developed based upon the population projections and upon anticipated future labor force participation rates. Growth in the civilian labor force is anticipated to level off after 2015, particularly under the intermediate- and low-growth scenarios (see Figure 9). The moderation of growth in the labor force would result, to a large extent, from anticipated changes in the age composition of the Region’s population, particularly as baby-boomers enter their retirement years. By 2015, about 70 percent of the large baby-boom generation will have reached the age of 55.

Under the intermediate projection, it is anticipated that the labor force would increase by about 113,800 persons, or 11 percent, between 2000 and 2015. Subsequently, the labor



## **PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

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force is projected to stabilize, increasing by only about 5,600 persons between 2015 and 2025. A modest increase in the labor force of about 16,500 persons is indicated for the final ten years of the projection period. Thus, the intermediate projection envisions a labor force of 1,144,300 persons by 2035, an overall increase of 135,900 persons, or about 14 percent, over the 2000 level, with much of the increase occurring during the first half of the projection period (see Table 9 and Figure 9). The high projection envisions a labor force of 1,257,500 persons in 2035, an increase of 249,100 persons, or 25 percent, over the 2000 level. Under the low projection, the labor force in 2035 would be about 42,600 persons, or 4 percent, greater than the 2000 level.

The projected rates of change in the labor force indicated in Table 9 are consistent with the projected rates of change in employment under each growth scenario indicated in Table 7. The Region's employment is projected to increase by 12 percent under an intermediate growth scenario, 24 percent under a high growth scenario, and 4 percent under a low growth scenario. The relative increases in the labor force expected under the intermediate, high, and low growth scenarios of 13 percent, 24 percent, and 4 percent, respectively, very closely approximate the projected employment percentage increases. This would indicate basic conformity between the regional employment projections and population projections.

### **COMPARISON TO YEAR 2020 EMPLOYMENT PROJECTIONS**

The Commission has conducted a number of detailed demographic and economic studies over the past four decades, with each leading to the preparation of a new set of population, household, and employment projections and with each succeeding set of projections extended further into the future. The last set of Commission projections of population, household, and employment levels was completed in 1995 for the period 1990 to 2020.

As previously indicated, the intermediate employment projection envisions that employment within the Region would reach a level of 1,368,300 jobs by 2035—about 12 percent more than existed in 2000. This compares to the forecast increase of 20 percent in total employment over the 30-year period from 1990 to 2020 indicated in the previous Commission forecast prepared in 1995. The intermediate employment projection of 1,368,300 jobs for the year 2035 is 7 percent greater than the forecast of 1,277,100 jobs for the year 2020 indicated in the previous projection cycle.

**PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued**

**Table 9**

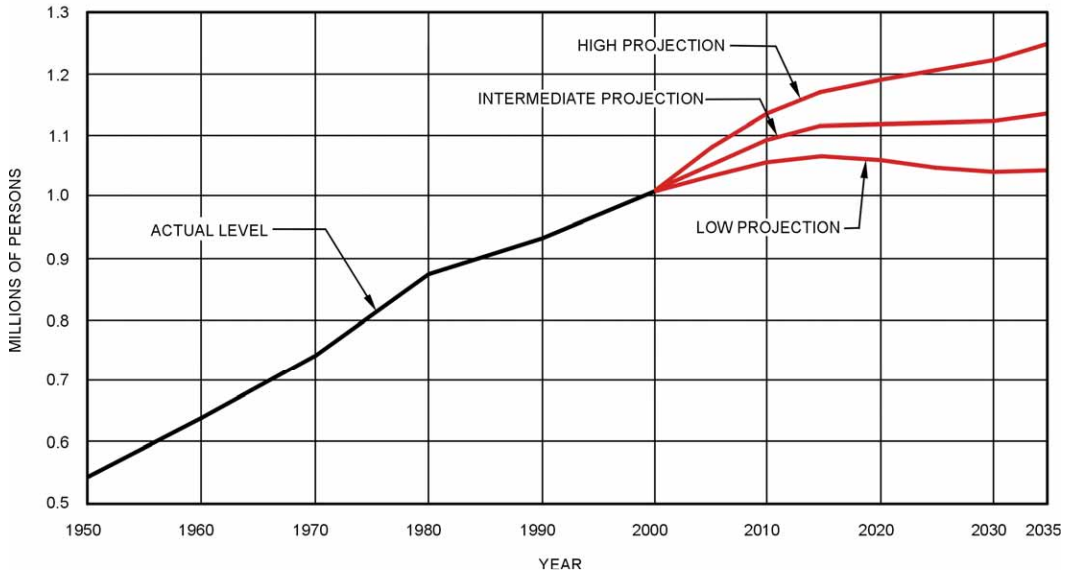
**ACTUAL AND PROJECTED CIVILIAN LABOR FORCE IN THE REGION: 2000-2035**

Year	High Projection			Intermediate Projection			Low Projection		
	Civilian Labor Force	Change from Preceding Year		Civilian Labor Force	Change from Preceding Year		Civilian Labor Force	Change from Preceding Year	
		Absolute	Percent		Absolute	Percent		Absolute	Percent
Actual 2000	1,008,400	--	--	1,008,400	--	--	1,008,400	--	--
Projected:									
2005	1,081,400	73,000	7.2	1,056,100	47,700	4.7	1,036,600	28,200	2.8
2010	1,137,700	56,300	5.2	1,097,100	41,100	3.9	1,061,100	24,500	2.4
2015	1,777,500	39,800	3.5	1,122,200	25,100	2.3	1,072,900	11,800	1.1
2020	1,197,100	19,600	1.7	1,127,500	5,300	0.5	1,066,700	-6,200	-0.6
2025	1,211,400	14,300	1.2	1,127,800	300	0.0	1,055,400	-11,300	-1.1
2030	1,230,000	18,600	1.5	1,132,000	4,200	0.4	1,049,200	-6,200	-0.6
2035	1,257,500	27,500	2.2	1,144,300	12,300	1.1	1,051,000	1,800	0.2
Change: 2000-2035	--	249,100	24.7	--	135,900	13.5	--	42,600	4.2

Source: U. S. Bureau of the Census and SEWRPC.

**Figure 9**

**ACTUAL AND PROJECTED CIVILIAN LABOR FORCE IN THE REGION: 1950-2035**



Source: U.S. Bureau of the Census; U.S. Bureau of Labor Statistics, and SEWRPC.

## PROJECTIONS OF REGIONAL EMPLOYMENT LEVELS TO 2035—continued

Table 10

### COMPARISON OF PREVIOUS COMMISSION EMPLOYMENT FORECASTS TO ESTIMATED ACTUAL EMPLOYMENT

Plan/Forecast	Plan Base Year Employment	Plan Forecast Year Employment	Estimated Actual Employment	Percent Difference: Estimated Actual and Forecast
Year 1990 Plan—Forecasts Completed in 1963	673,000 (1960)	1,041,000 (1990)	1,062,600 (1990)	-2.0 percent
Year 2000 Plan—Forecasts Completed in 1974	784,900 (1970)	1,059,300 (2000)	1,222,800 (2000)	-13.4 percent
Year 2010 Plan—Forecasts Completed in 1991	1,062,600 (1990)	1,127,000 (2003)	1,179,000 (2003)	-4.4 percent
Year 2020 Plan—Forecasts Completed in 1995	1,062,600 (1990)	1,186,900 (2003)	1,179,000 (2003)	0.7 percent

Source: U.S. Bureau of Economic Analysis and SEWRPC.

### ACCURACY OF PREVIOUS COMMISSION EMPLOYMENT FORECASTS

Table 10 reviews the accuracy of the Commission's previous employment forecasts. The forecasts compare very well with actual employment estimates, with three of the forecasts within 5 percent of actual employment, and the other within 13 percent. This demonstrates a high degree of forecast accuracy, particularly considering that the forecasts for 1990 and 2000 were reviewed for their accuracy over a design period of over 25 years.

### WHERE TO OBTAIN A COPY OF THE REPORT

The fourth editions of SEWRPC Technical Reports No. 10, *The Economy of Southeastern Wisconsin*, and No. 11, *The Population of Southeastern Wisconsin*, may be accessed online through the Commission's website—[www.sewrpc.org](http://www.sewrpc.org). Printed copies of the reports and copies of the reports on CD-ROM are also available; they may be obtained by contacting the Commission offices.

## IN THIS ISSUE

This entire issue is being devoted to a Summary of SEWRPC Technical Report No. 10, *The Economy of Southeastern Wisconsin, 4<sup>th</sup> Edition*.

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