

WISCONSIN



DWD

Economic Outlook

DENNIS K. WINTERS

Chief Economist

Wisconsin Department of Workforce Development



ENVISION

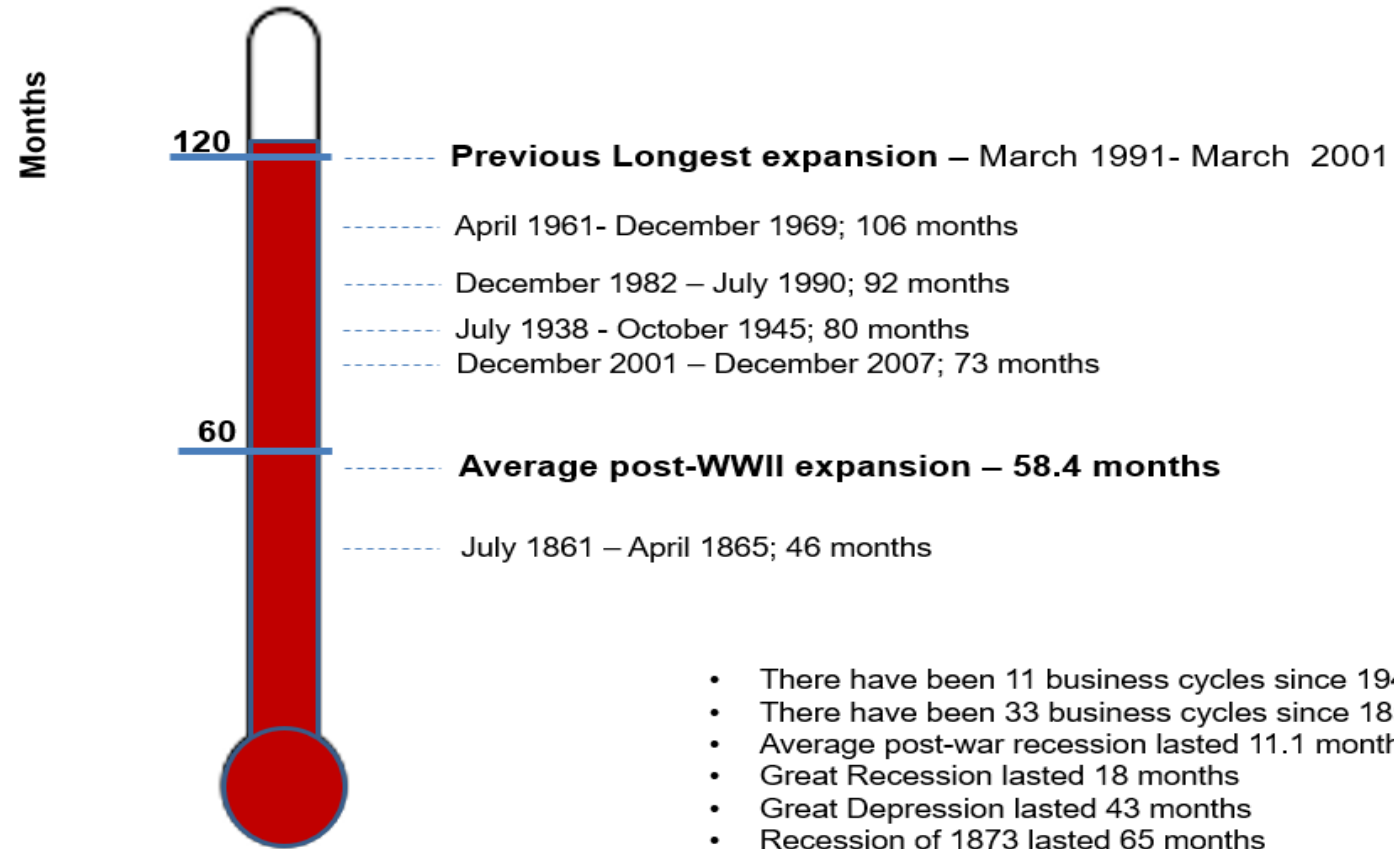
GREATER FOND DU LAC

Good Afternoon



Current expansion; July 2009 - ?

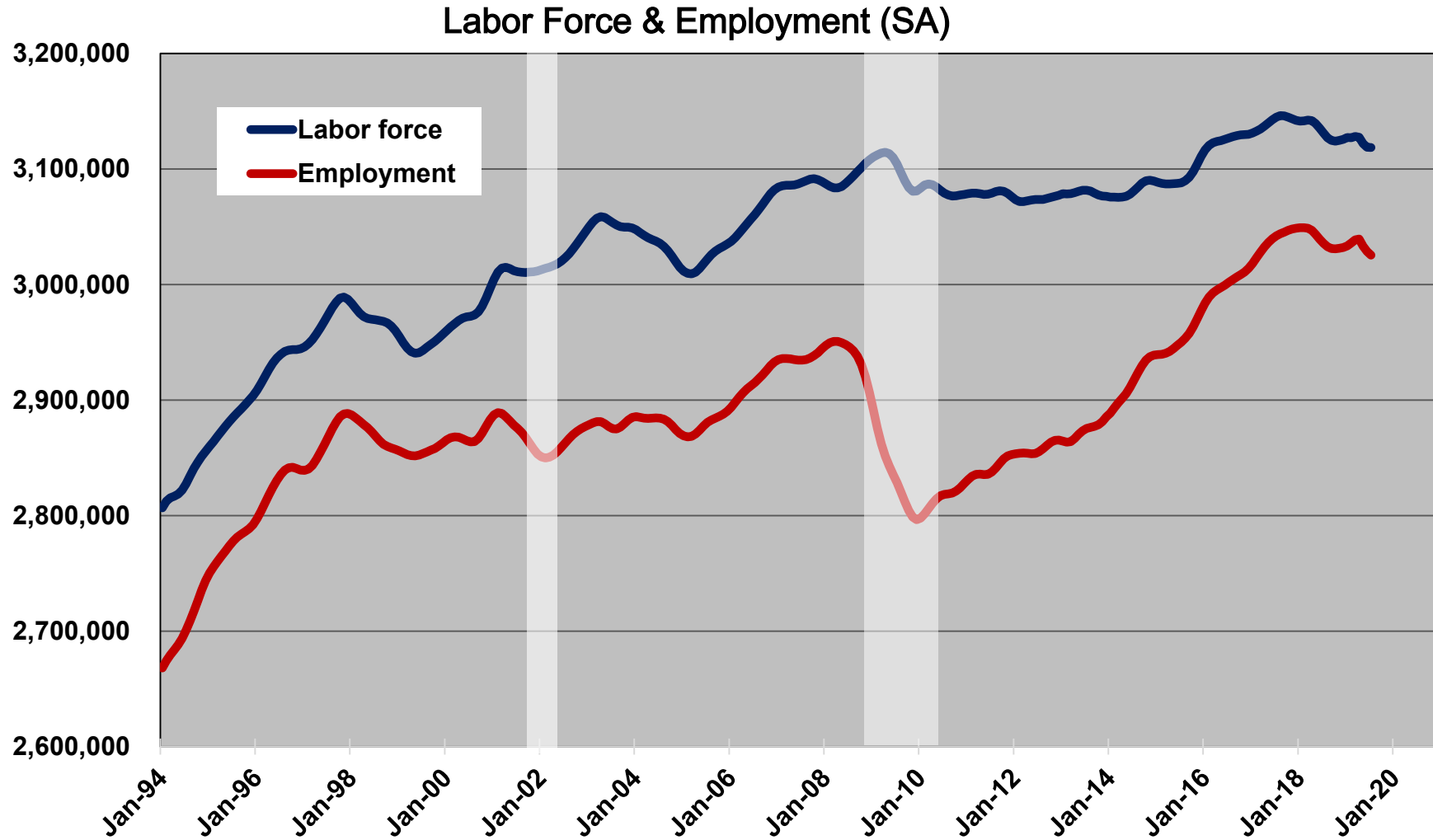
Longest expansion; July 2009 - ?; 124 months (October)



www.investorwall.com
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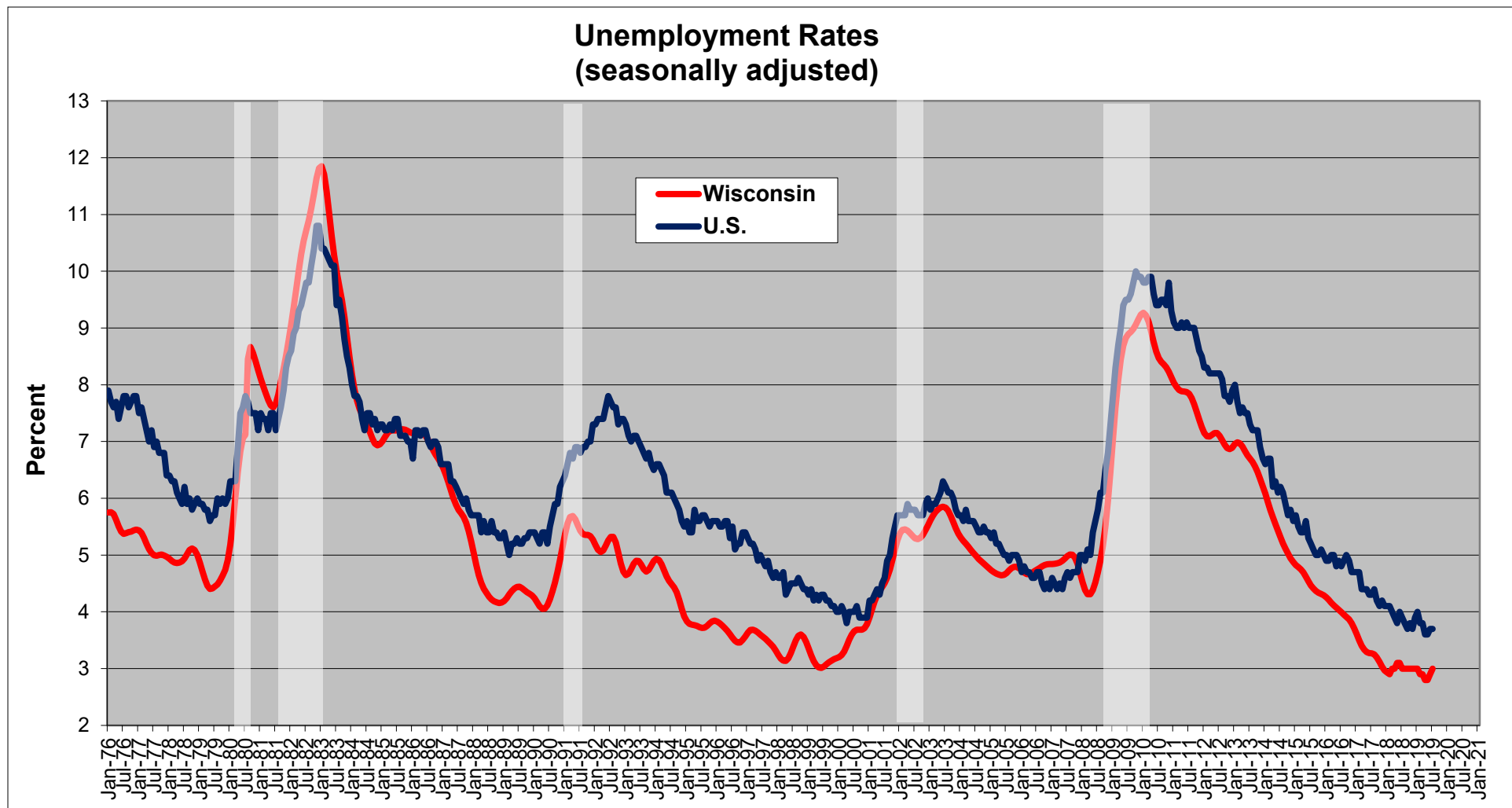
How Employment is Tracking



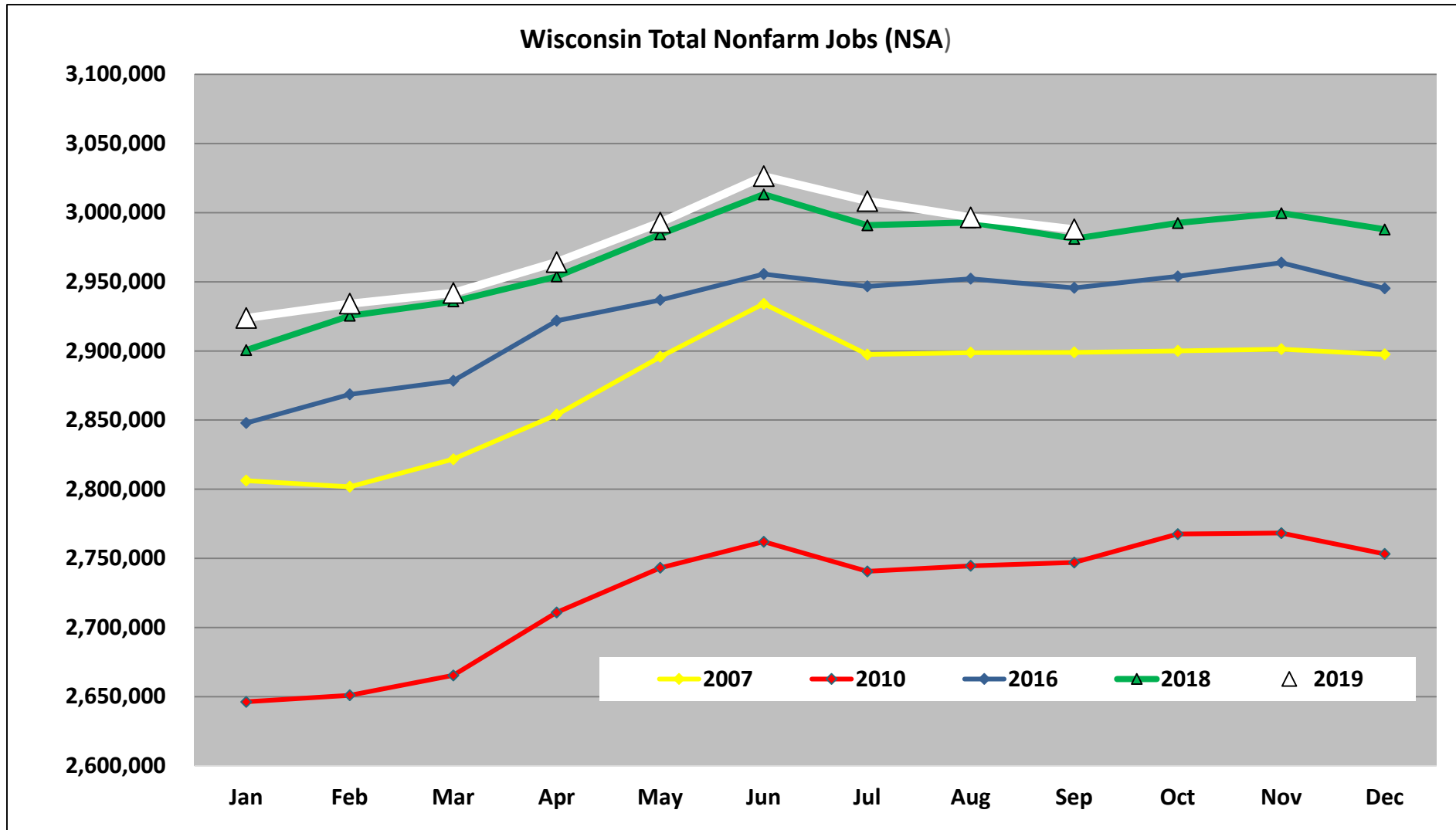
Source: LMI, OEA

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Unemployment Rate

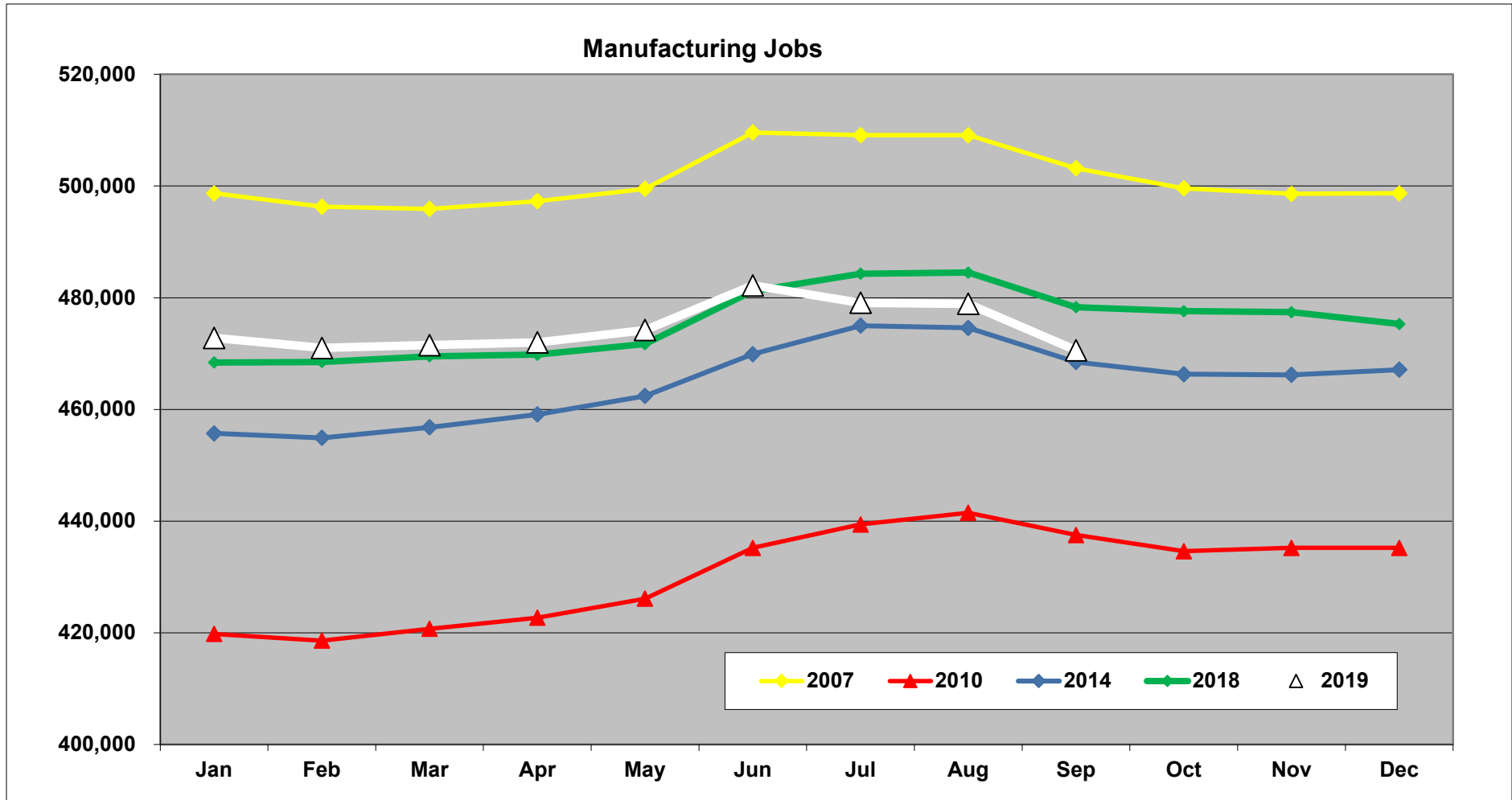


How Jobs are Tracking



Source: LMI, OEA

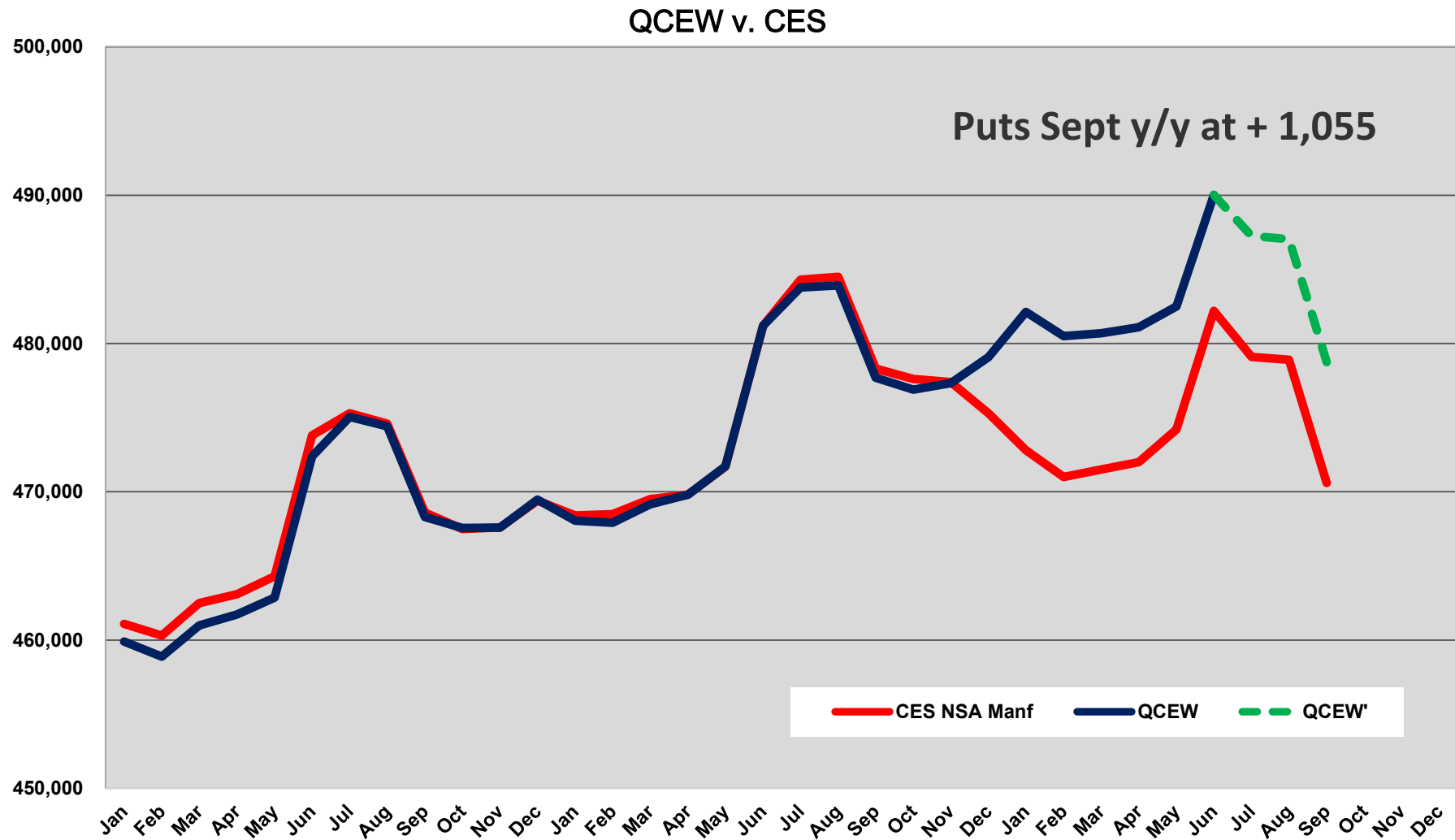
How Manufacturing Jobs are Tracking



Source: LMI, OEA

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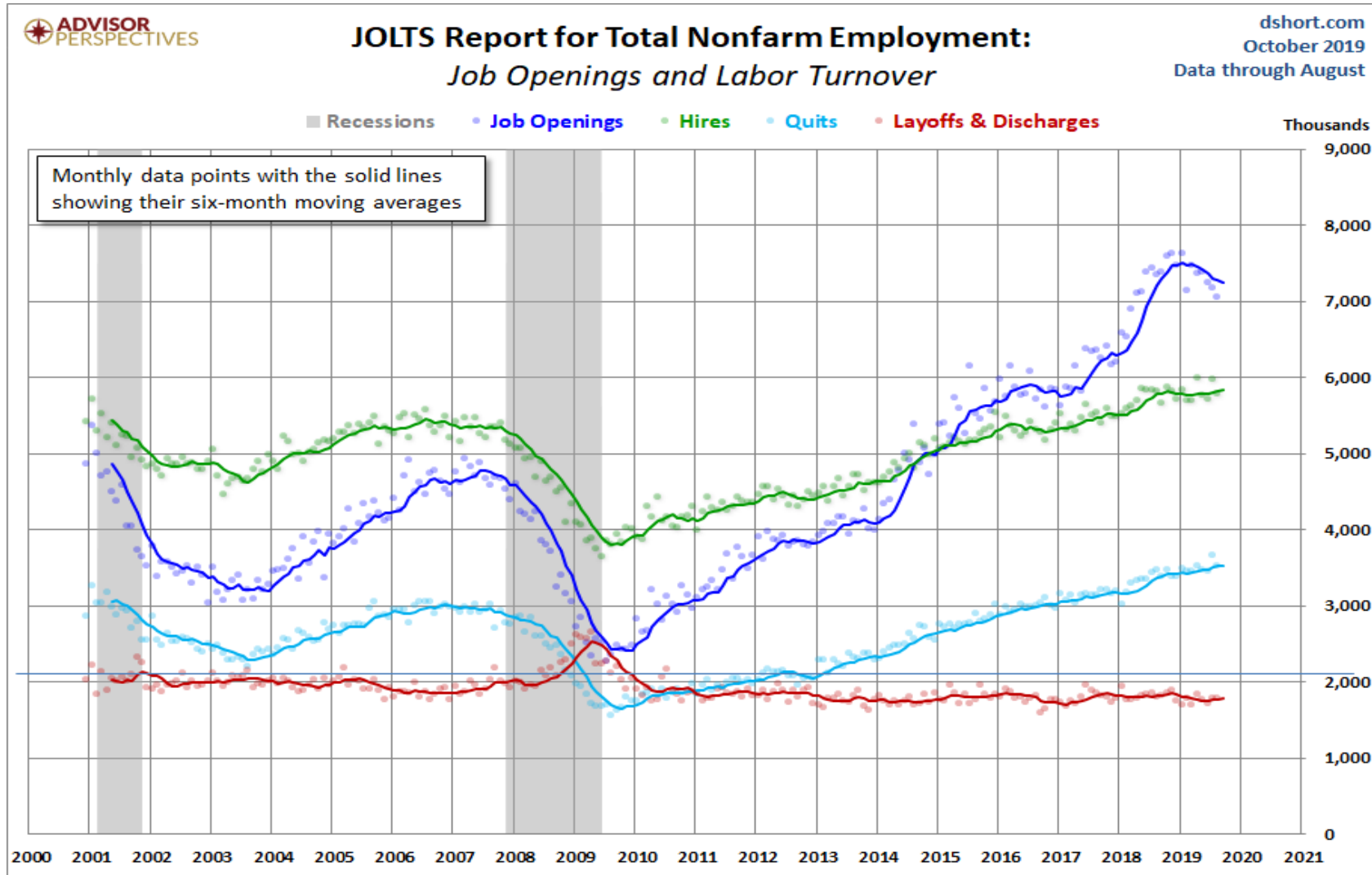
How Manufacturing Jobs are Really Tracking



Source: LMI, OEA

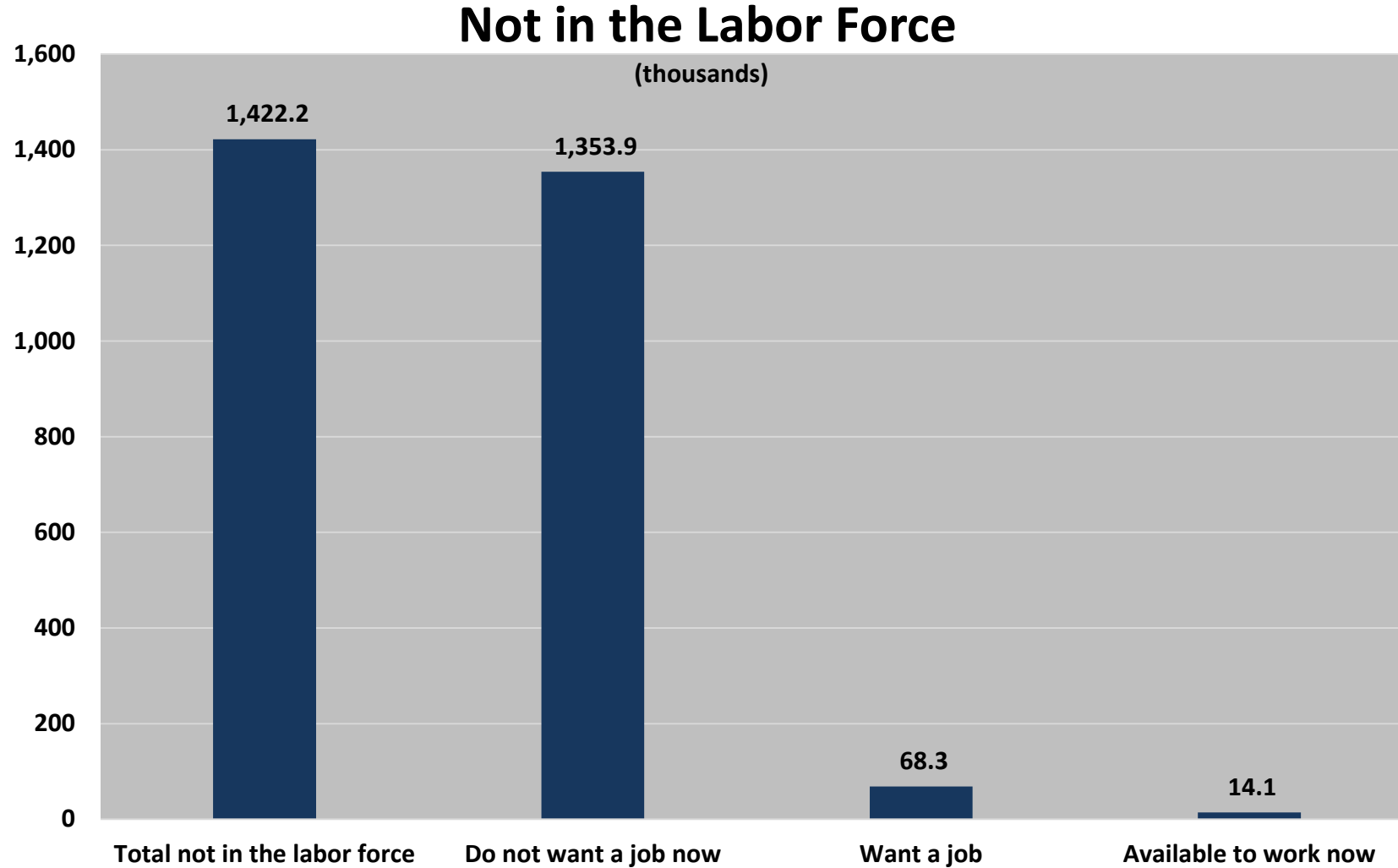
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How Employment Activity is Tracking



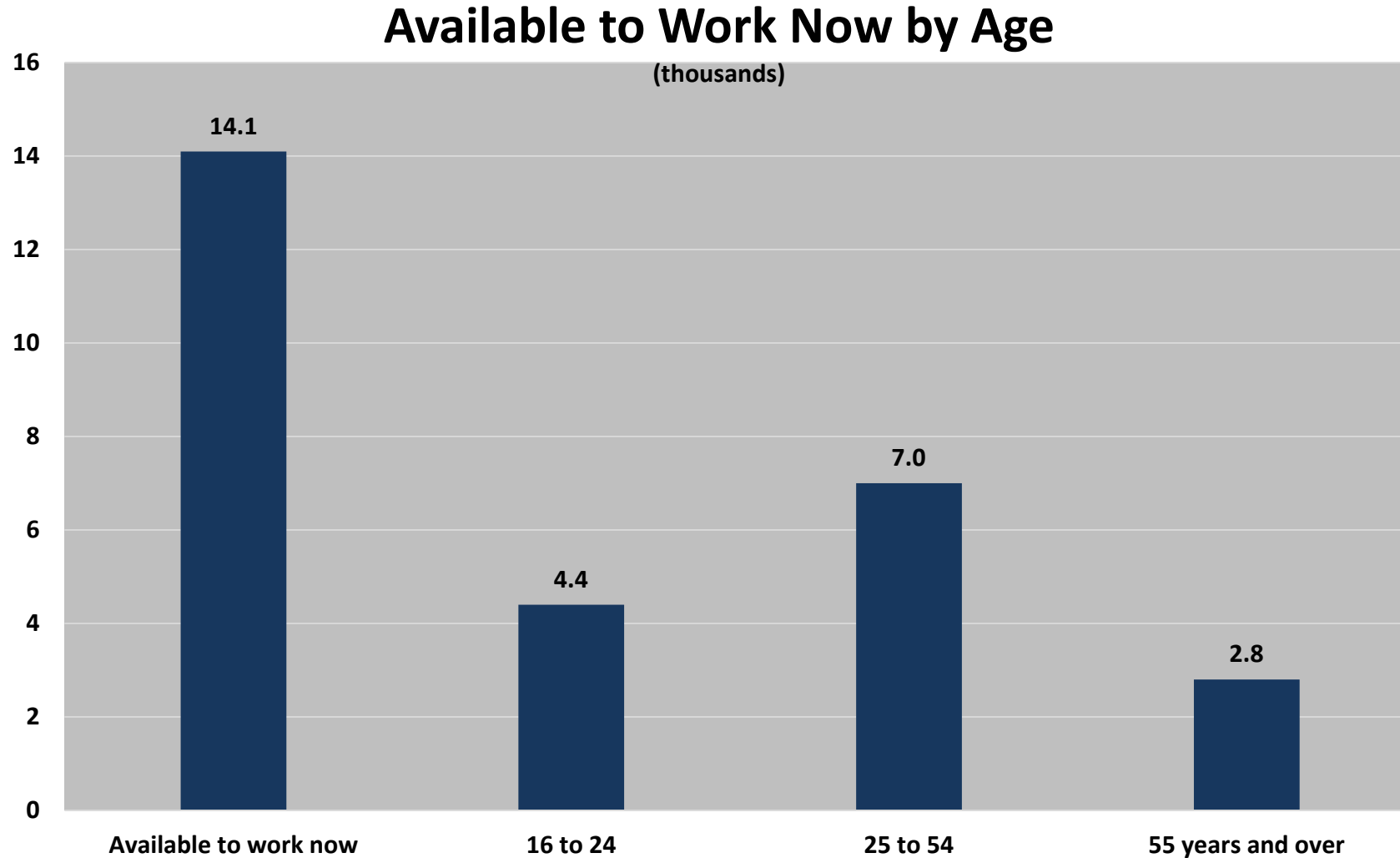
Wisconsin Labor Market

Table b. Civilians not in the labor force by sex and age, January 2017 - December 2017 (based on CPS).



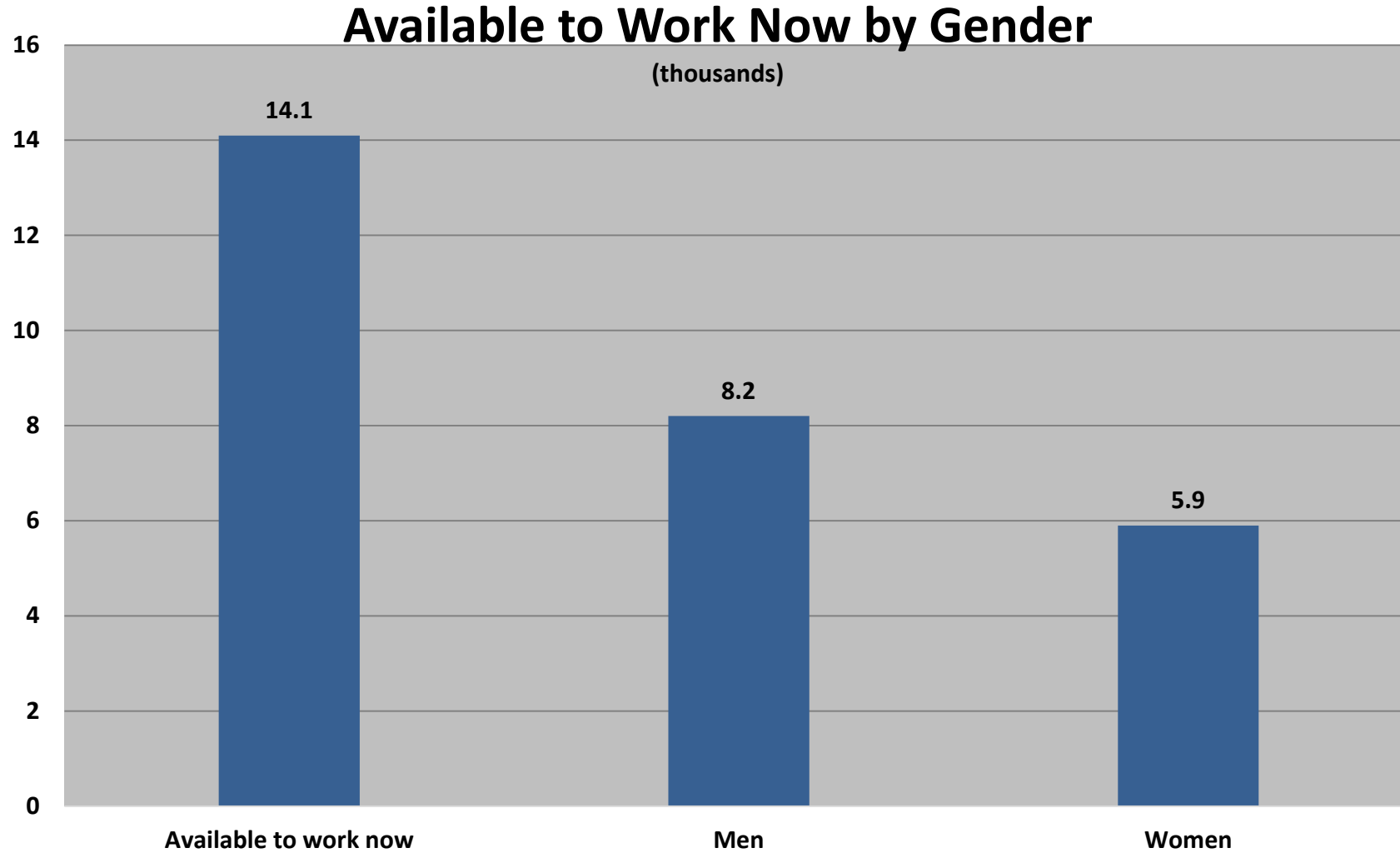
Wisconsin Labor Market

Table b. Civilians not in the labor force by sex and age, January 2017 - December 2017 (based on CPS).

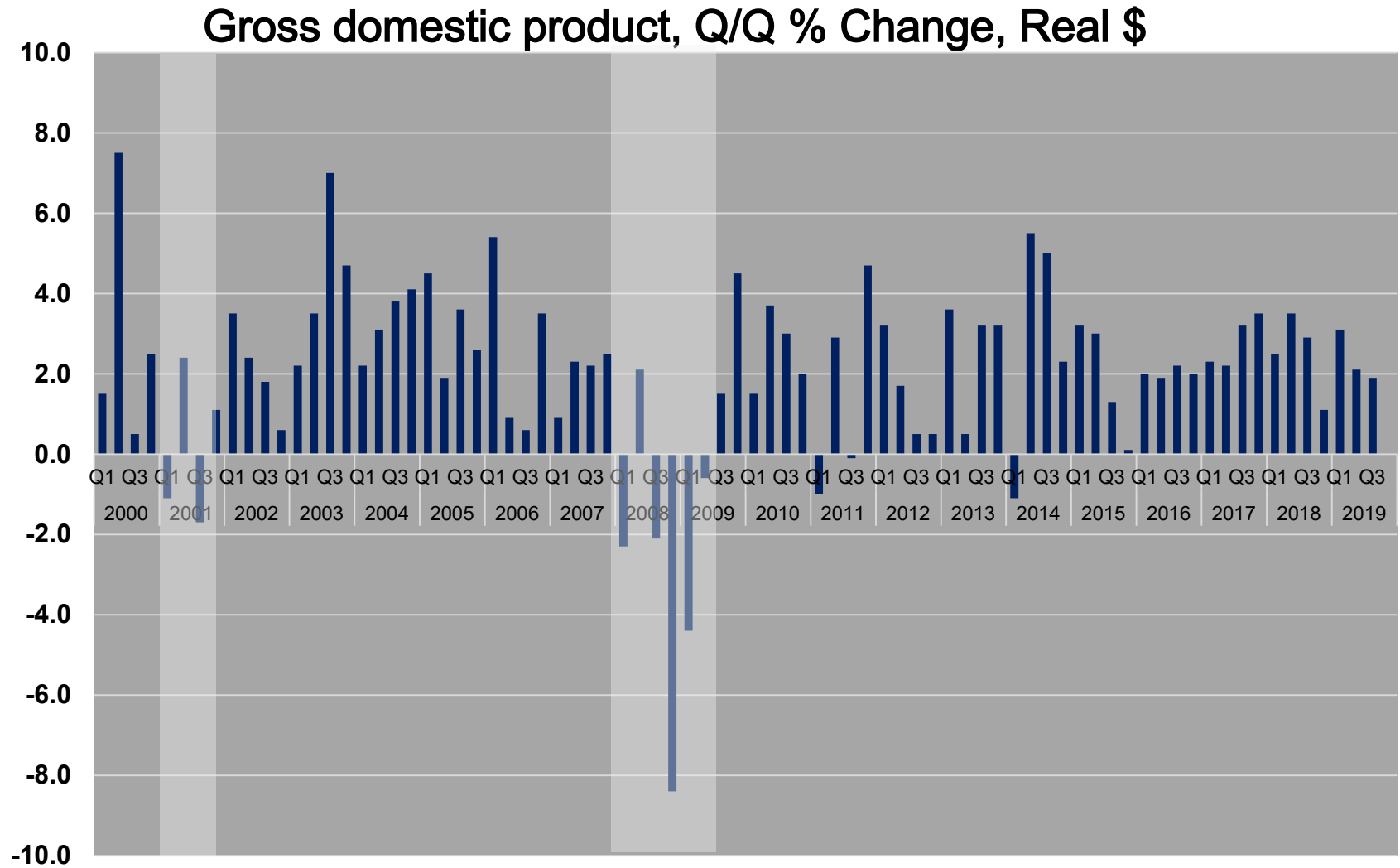


Wisconsin Labor Market

Table b. Civilians not in the labor force by sex and age, January 2017 - December 2017 (based on CPS).



Economic Growth



Source: Bureau of Economic Analysis, OEA

“

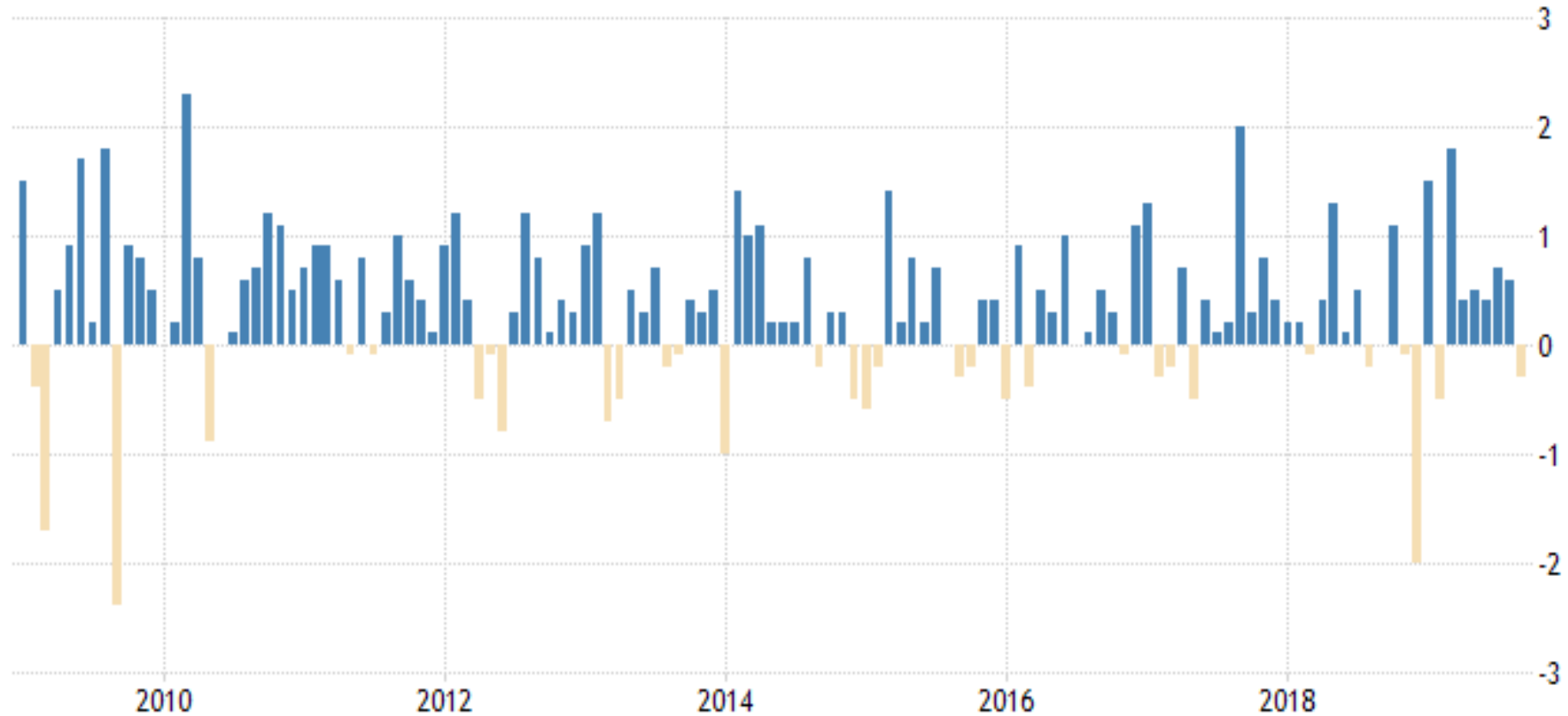
We've got productivity growing a bit slower than it did before. That's a big difference between our economic forecast now versus, say, August. And that's something that I find hard to understand and therefore hard to forecast. ”

—Keith Hall, director of the Congressional Budget Office



Retail Sales

Monthly % Change

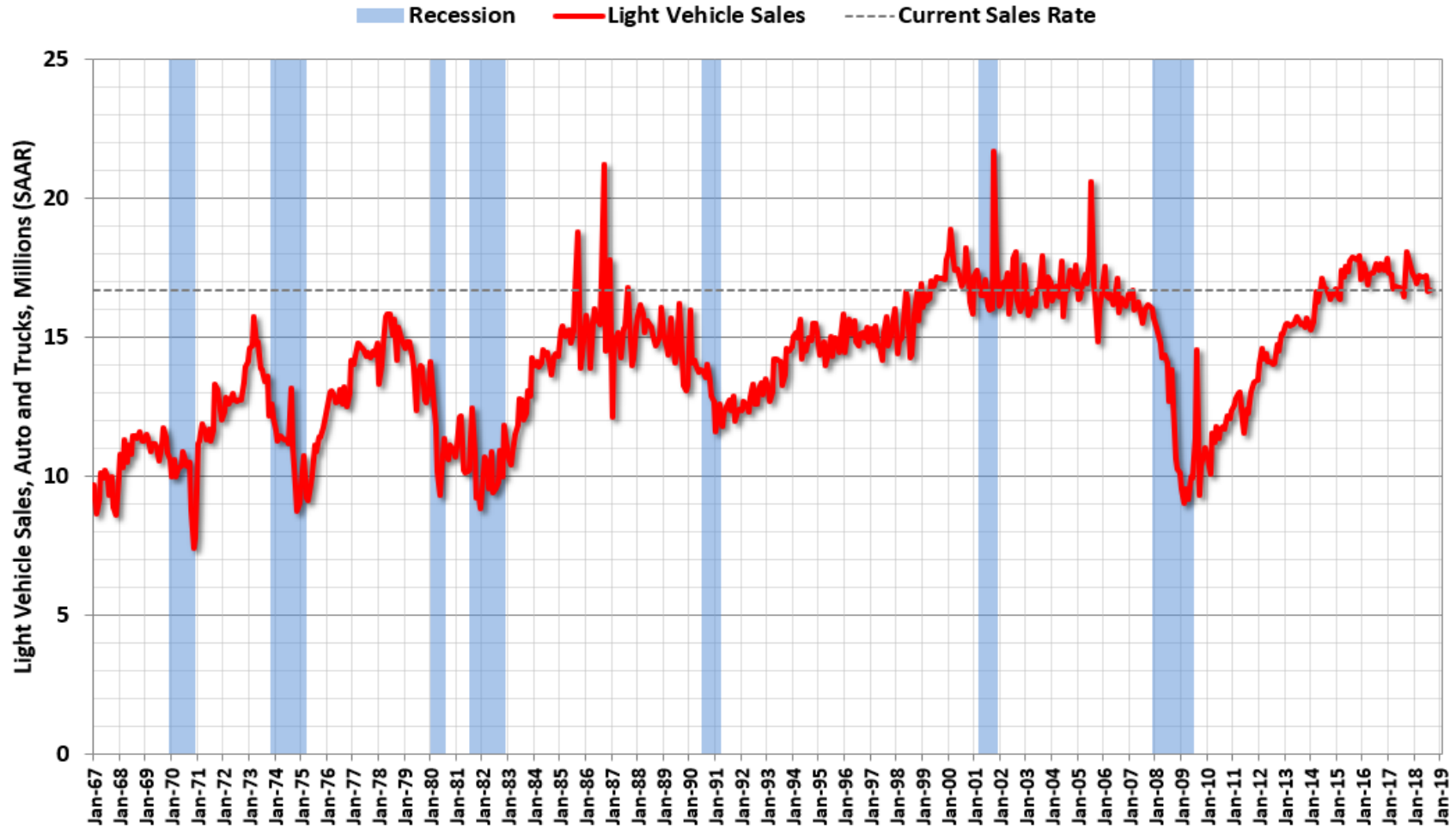


SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU



Light Vehicle Sales

U.S. Light Vehicle Sales, Auto and Trucks (SAAR)

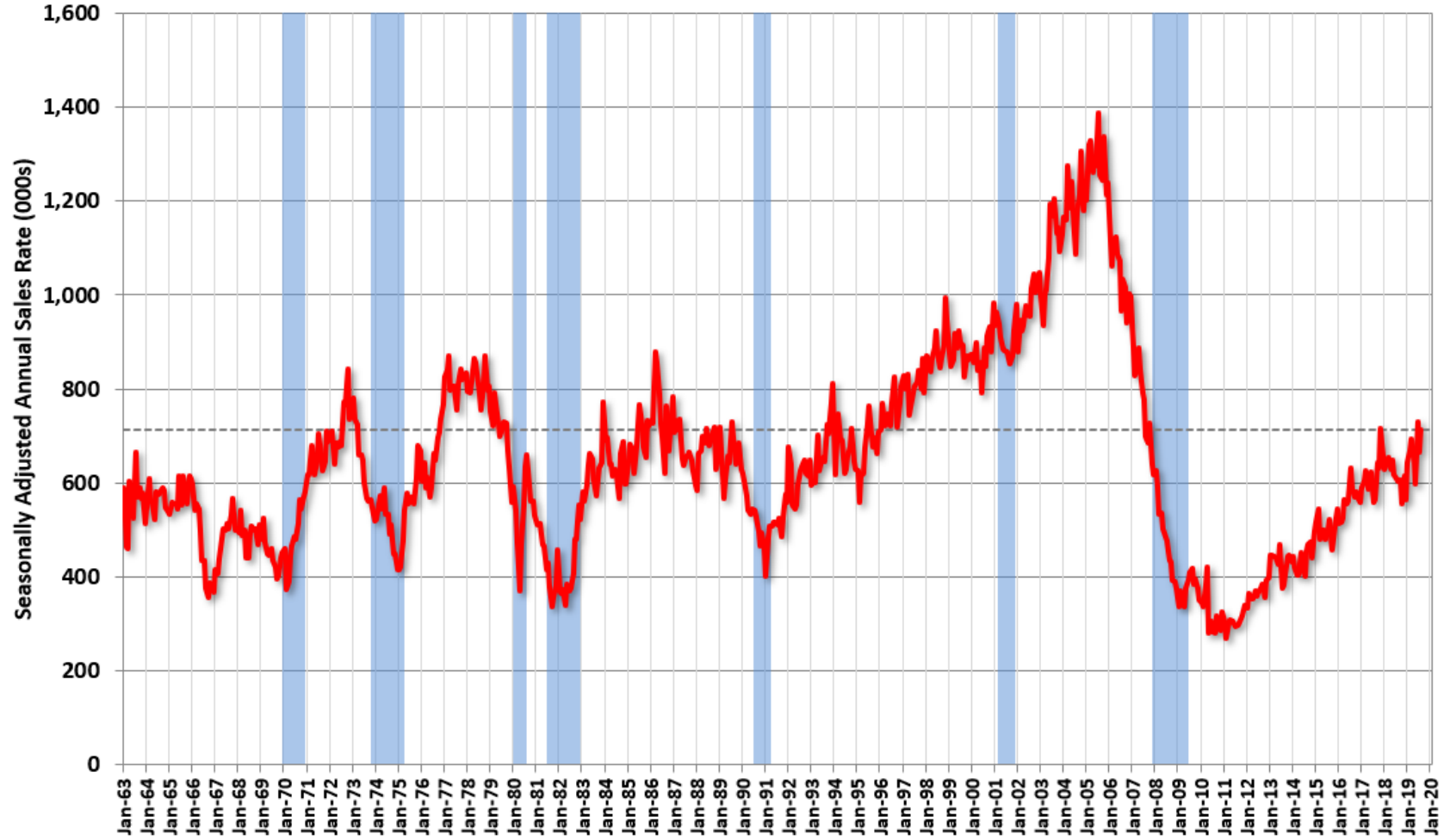


<http://www.calculatedriskblog.com/>



New Home Sales

New Home Sales and Recessions



<http://www.calculatedriskblog.com/>



Mortgage Rates

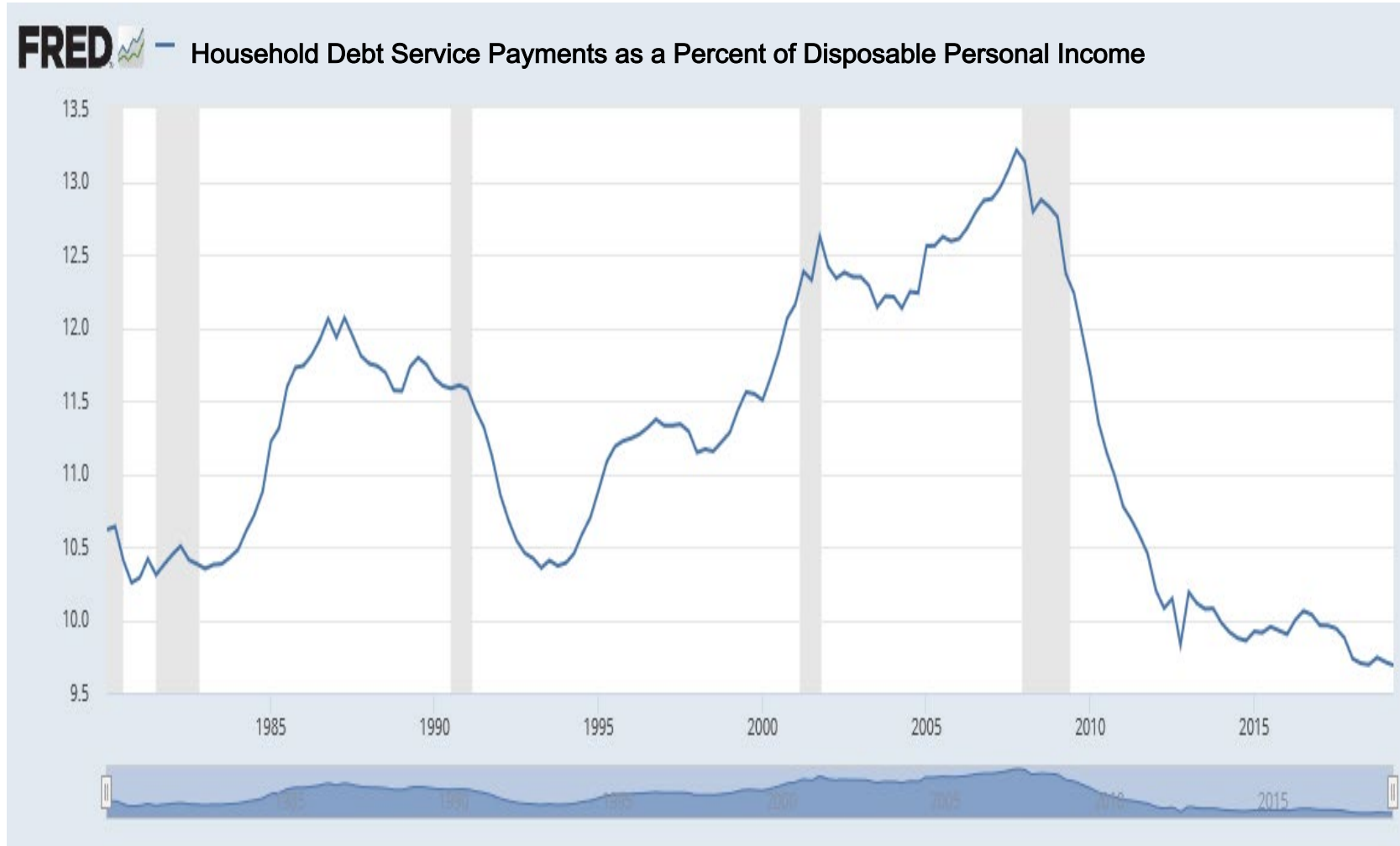
FRED — 30-Year Fixed Rate Mortgage Average in the United States



Source: fred.stlouisfed.org

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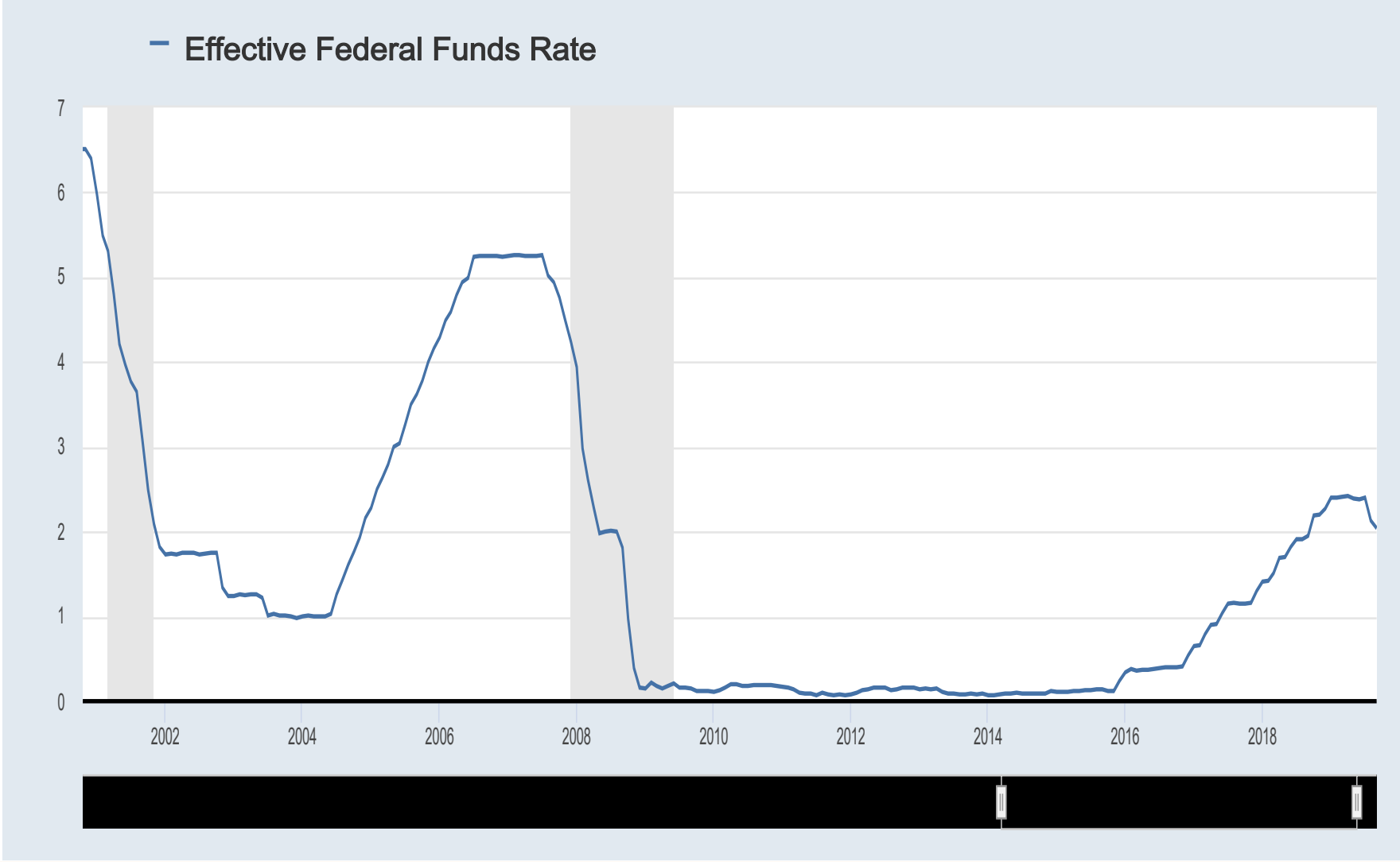
Debt Affordability



Source: fred.stlouisfed.org

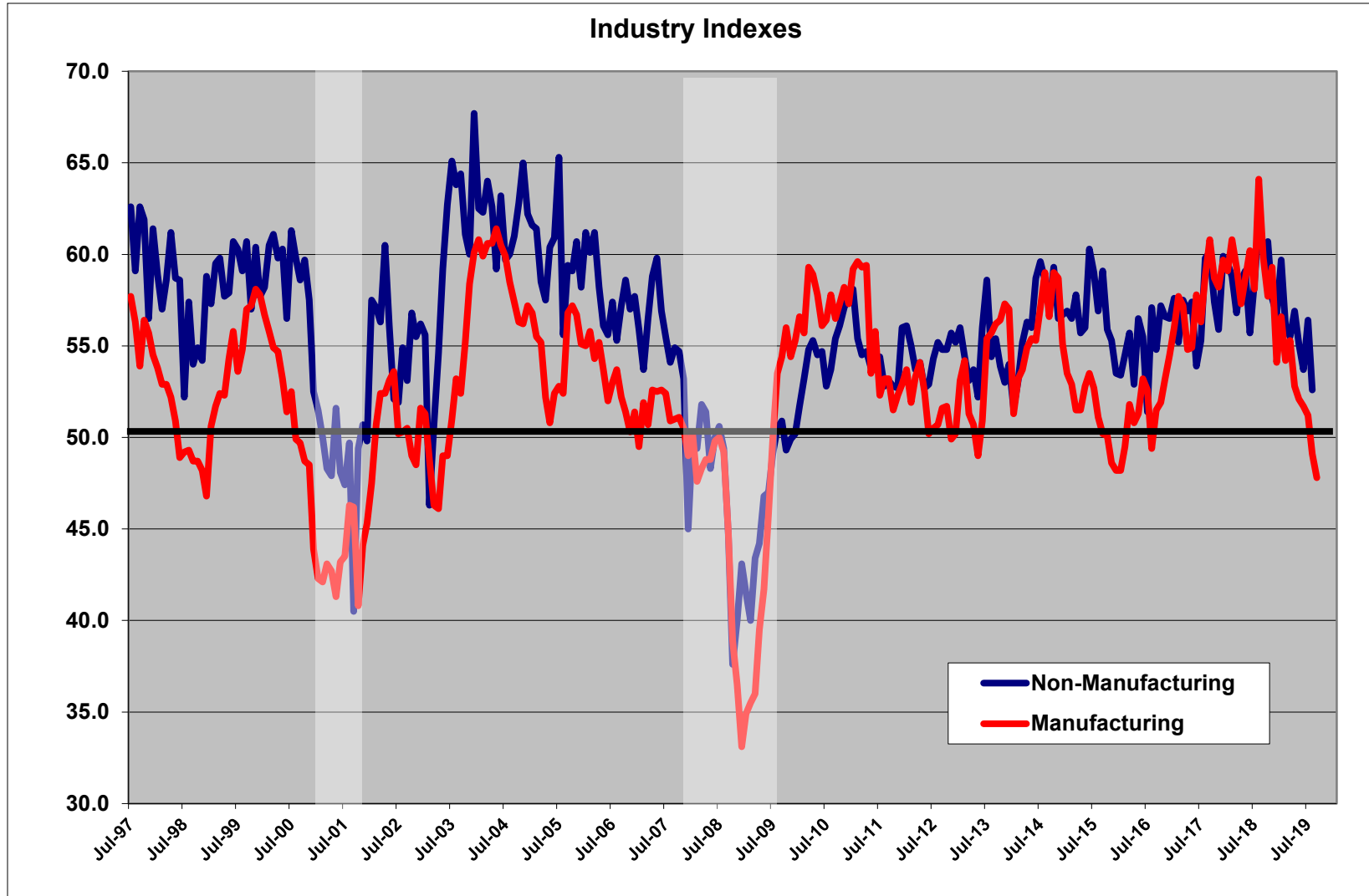
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Interest Rates

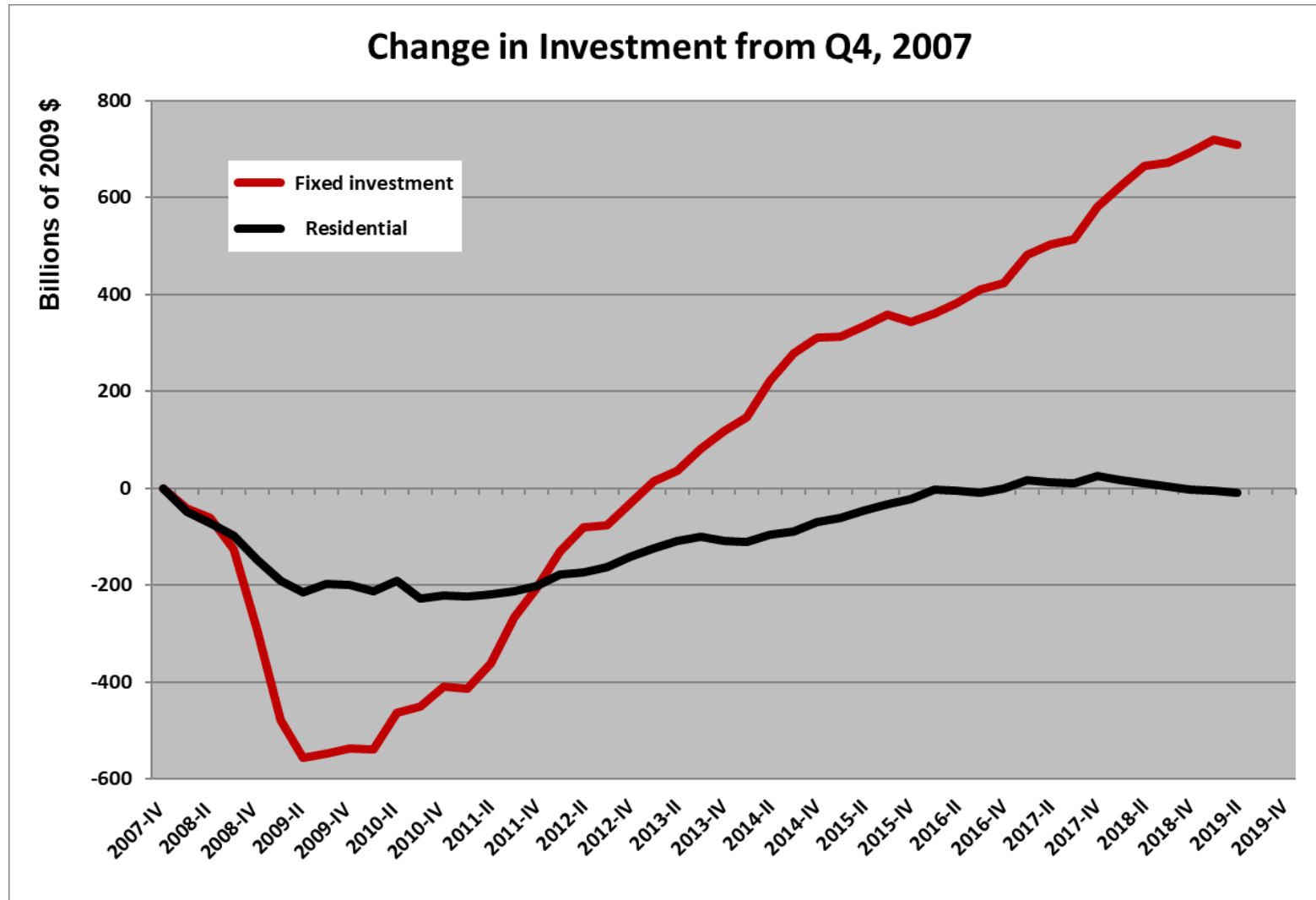


Source: fred.stlouisfed.org

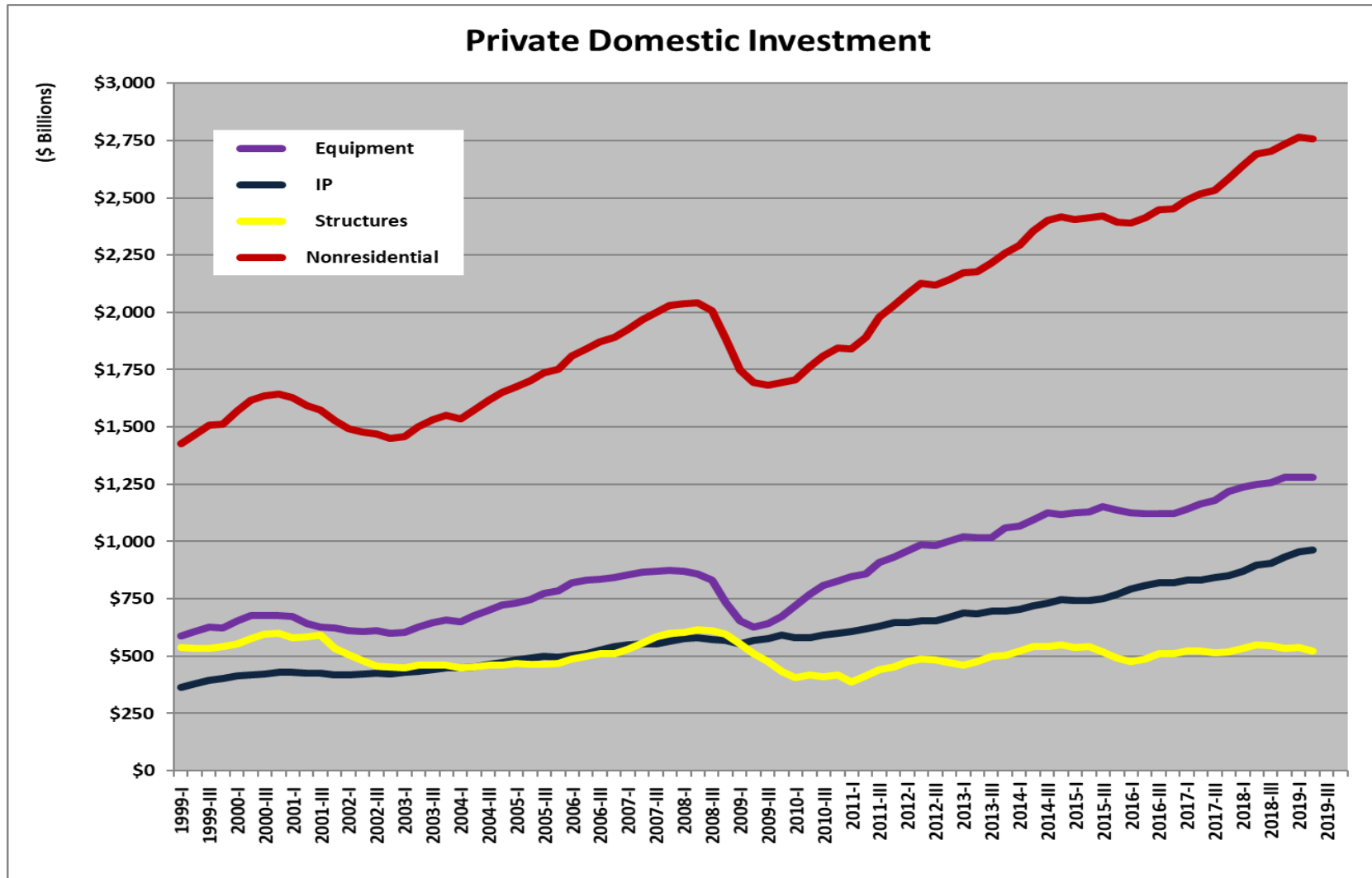
Major Sector Performance



Tracking Investment

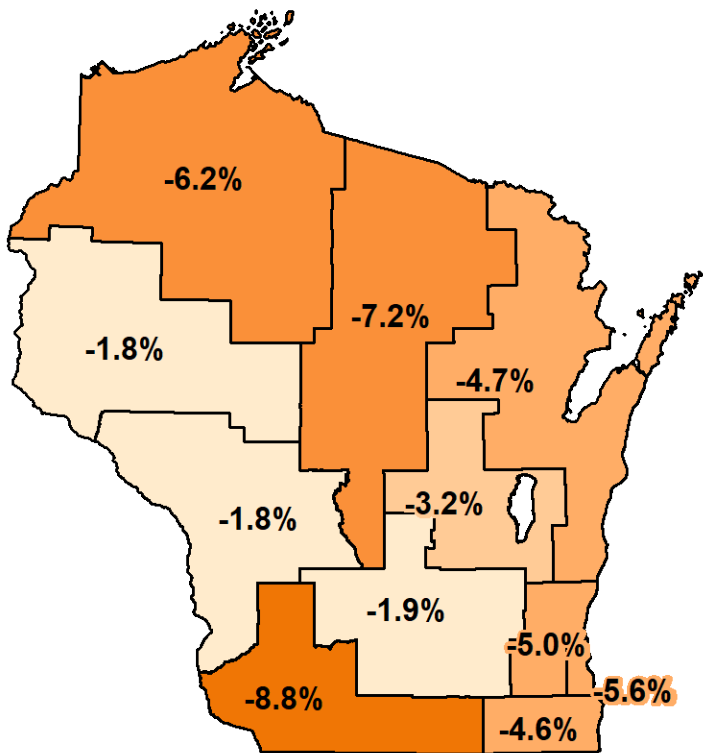


Where is the Capital Investment?

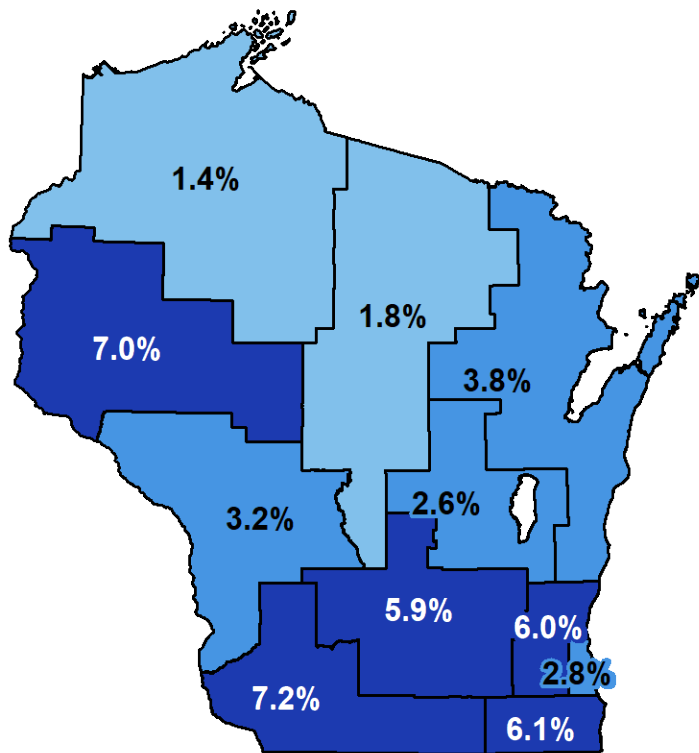


Employment Growth

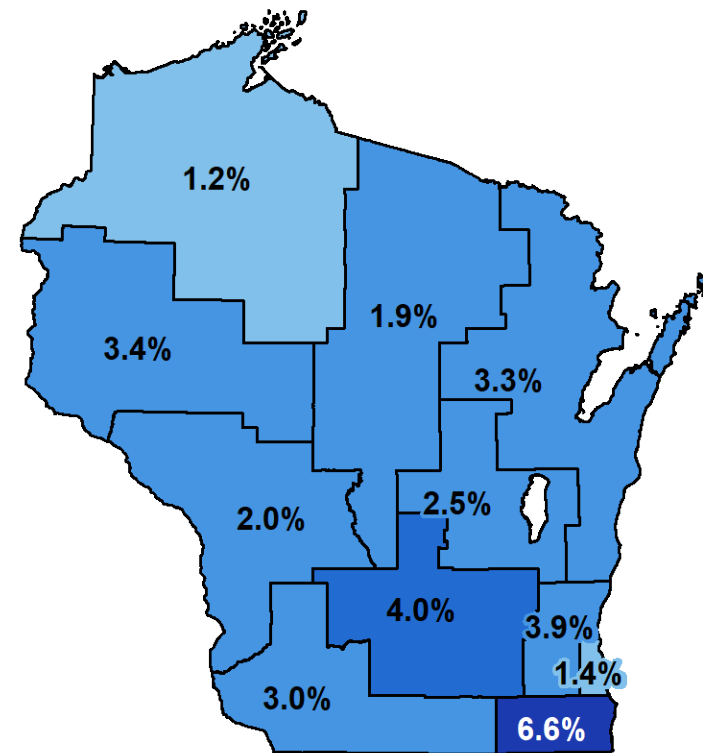
2007-2011



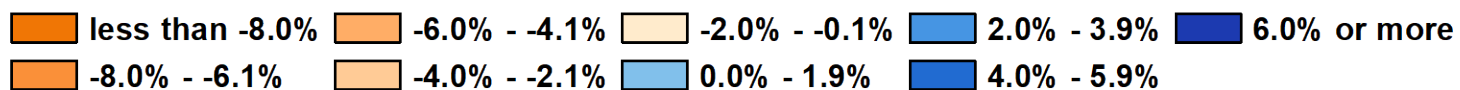
2011-2015



2015-2018



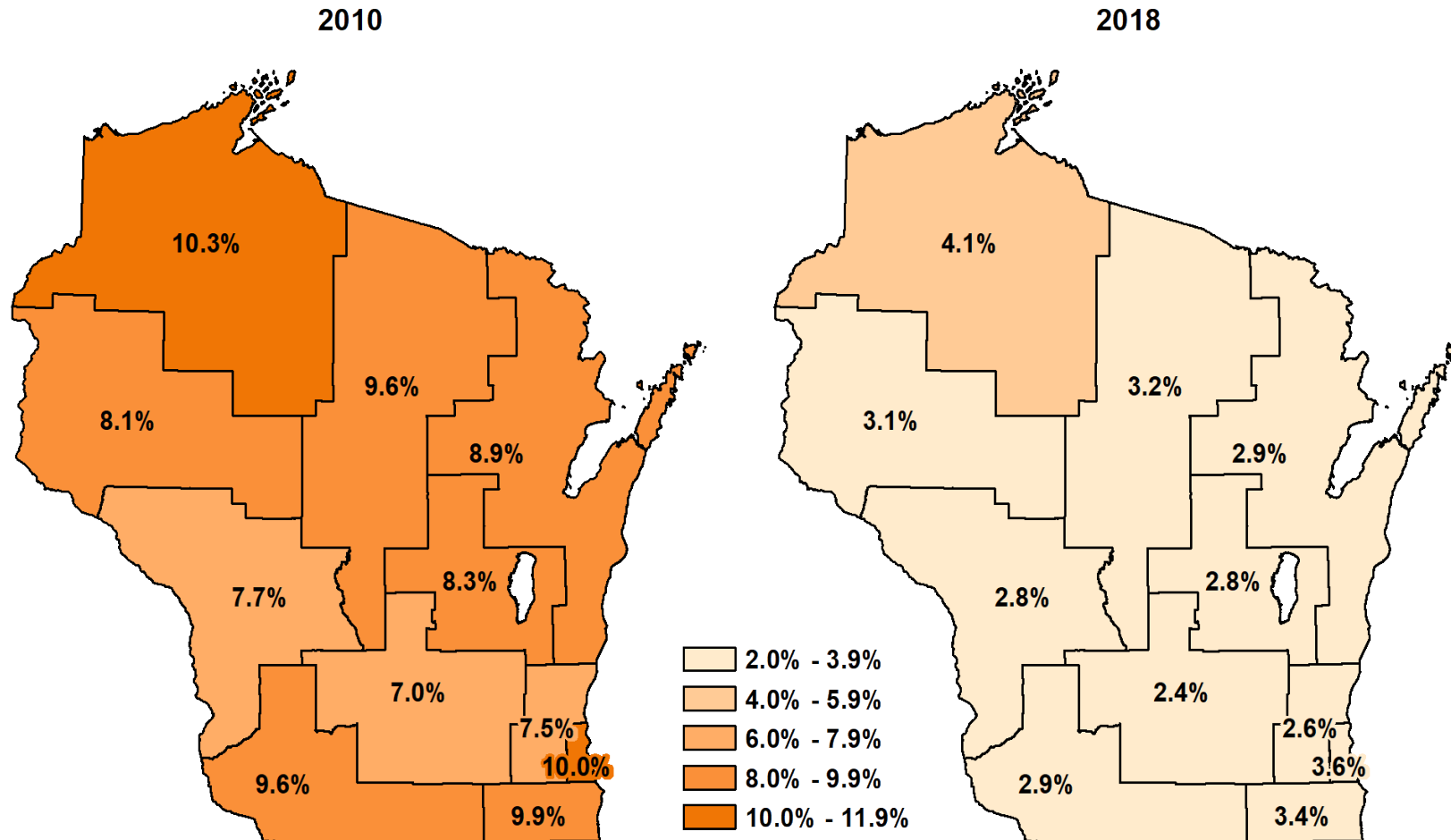
% Change



Source: LMI, OEA

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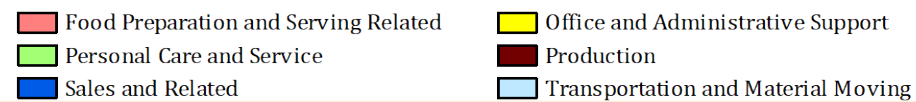
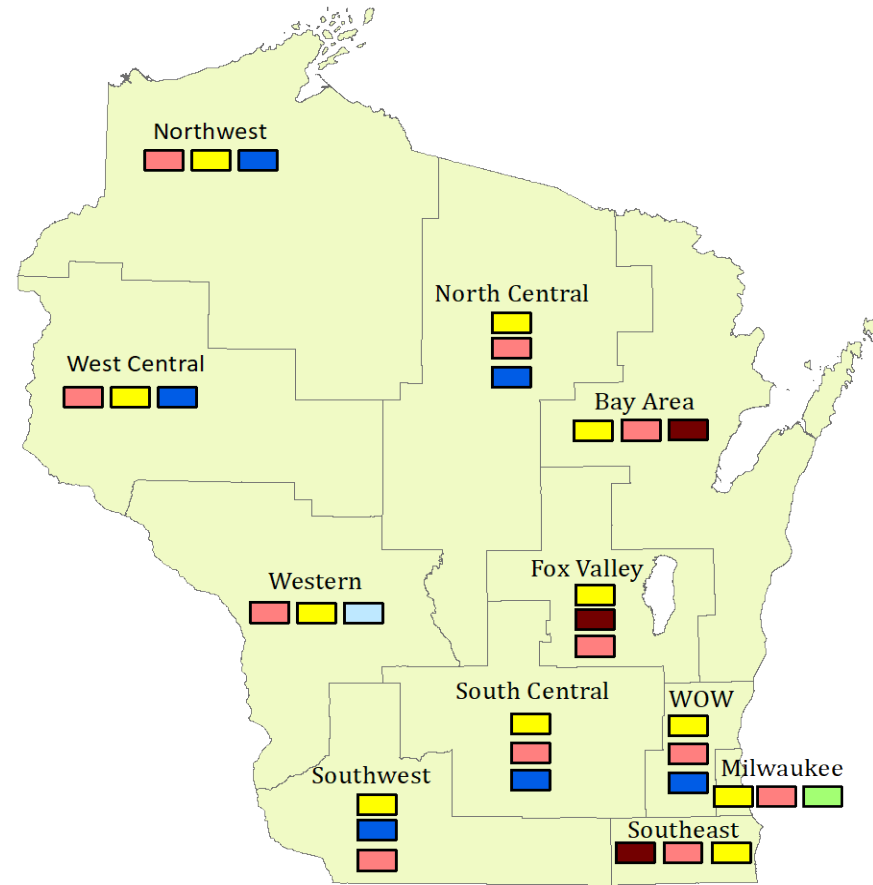
Unemployment Rate



Source: LMI, OEA

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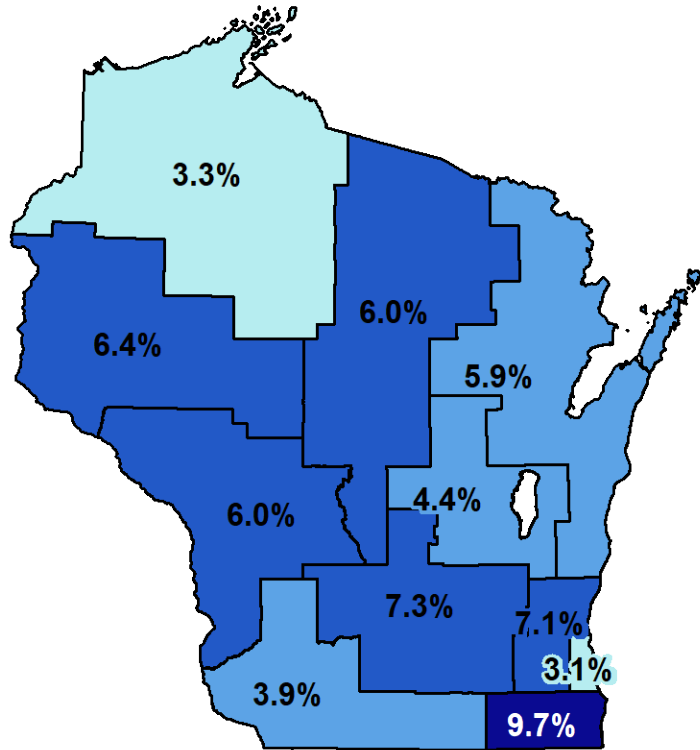
Occupational Projected Openings



Source: LMI, OEA

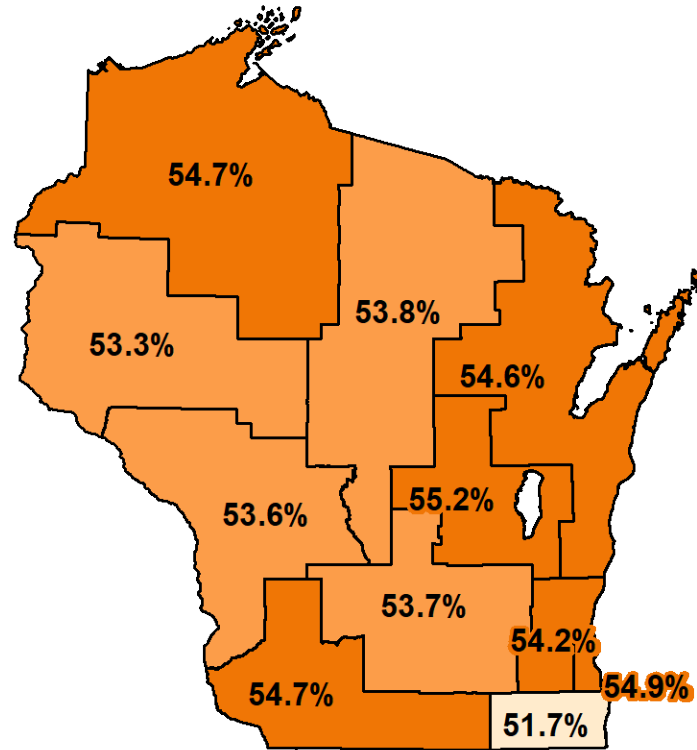
Projected Share of Openings

Annual Growth



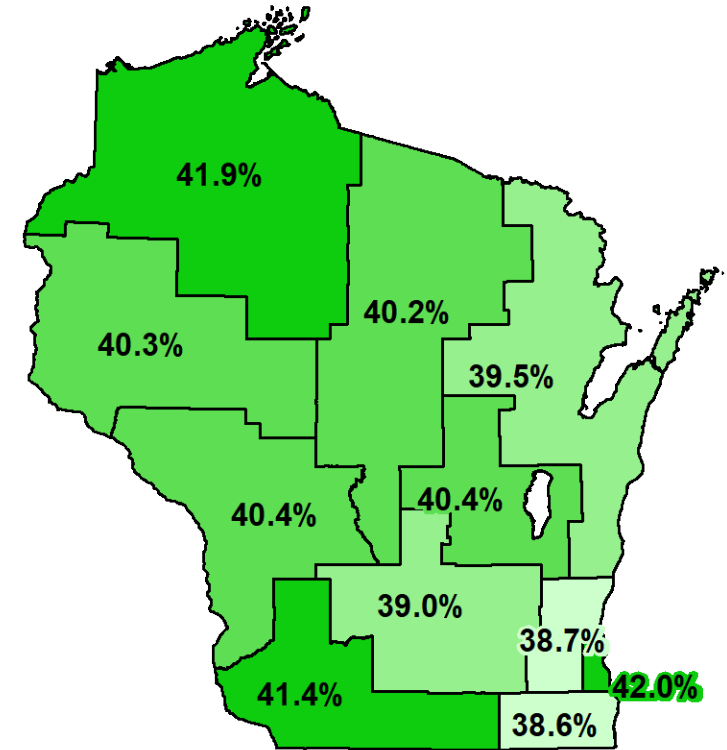
2.0% - 3.9% 6.0% - 7.9%
 4.0% - 5.9% 8.0% - 9.9%

Occupational Transfers



51.0% - 51.9% 53.0% - 53.9%
 52.0% - 52.9% 54.0% or more

Labor Force Exits



38.0% - 38.9% 40.0% - 40.9%
 39.0% - 39.9% 41.0% or more



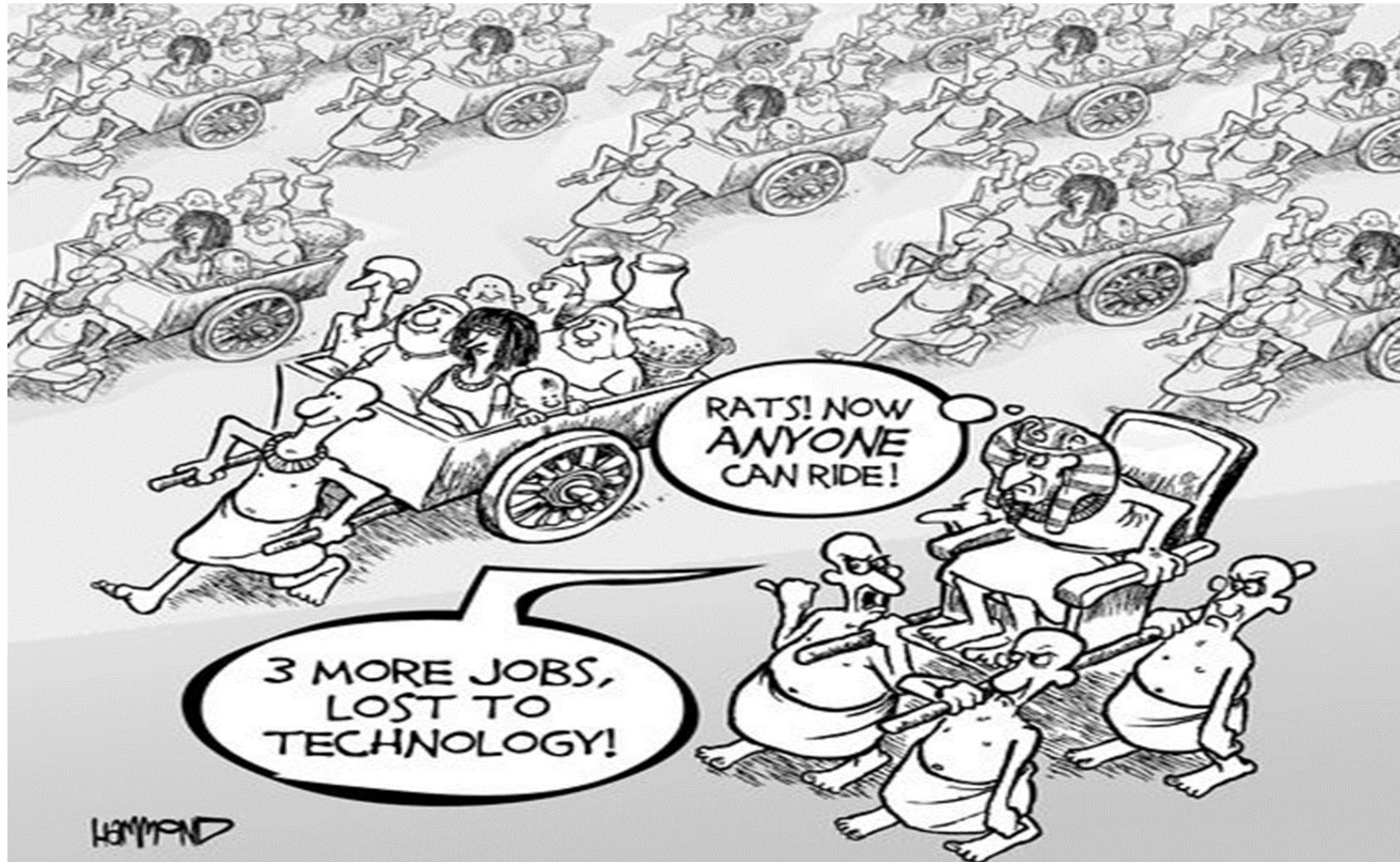
Automation

There are two classes of jobs in the new age:

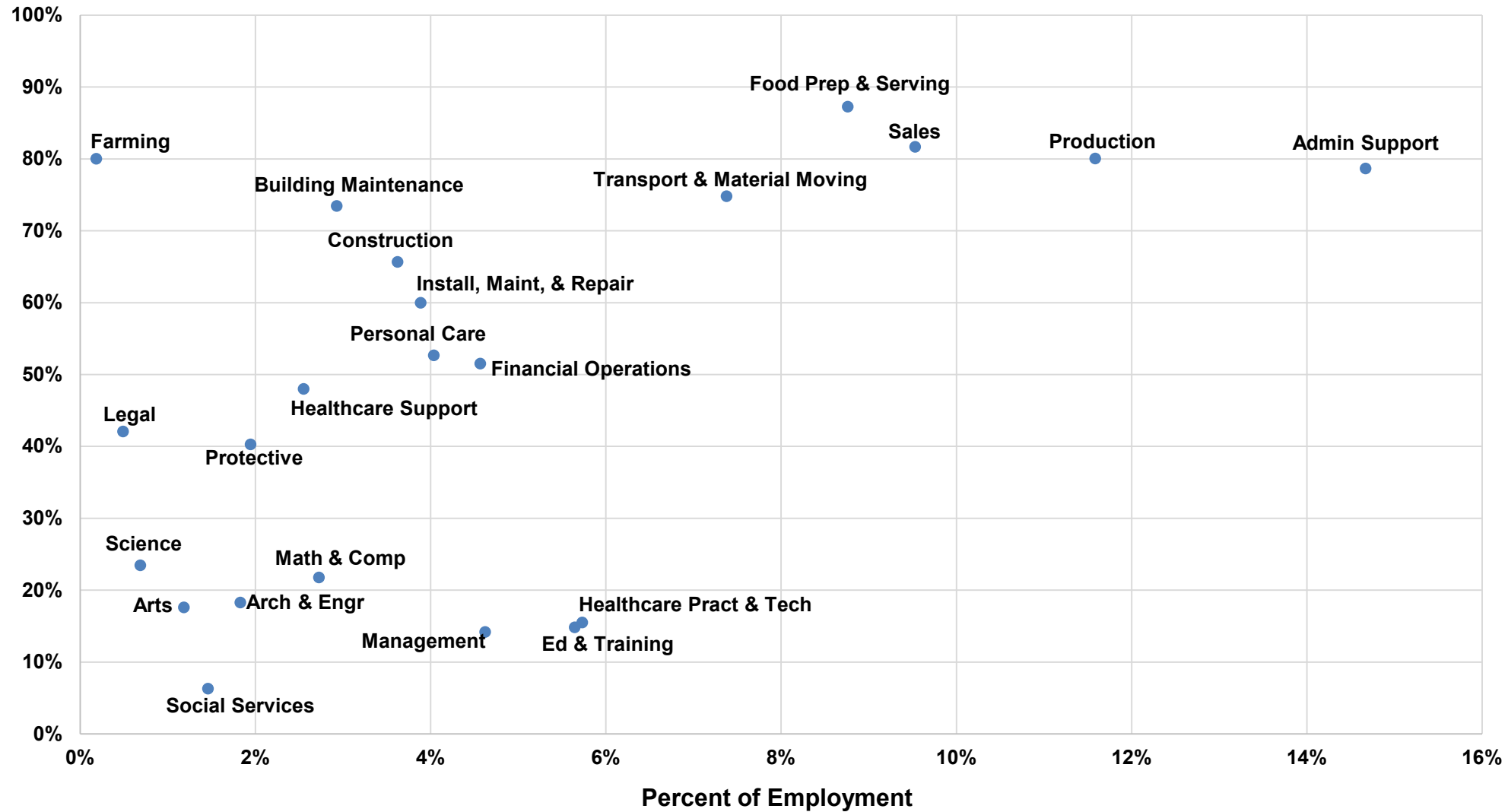
1. Those that are augmented by automation
2. Those that are replaced by automation



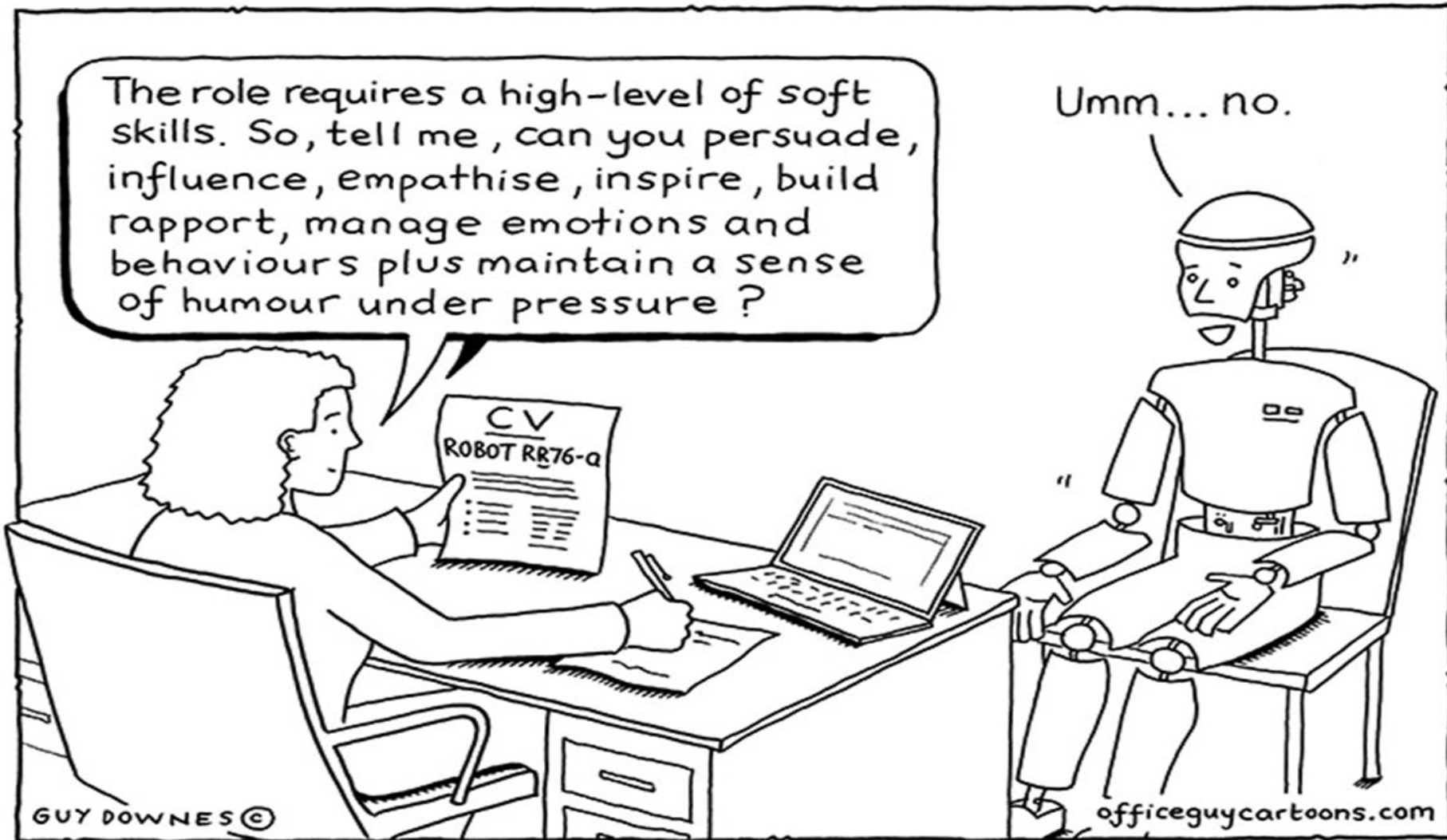
Technological Advance



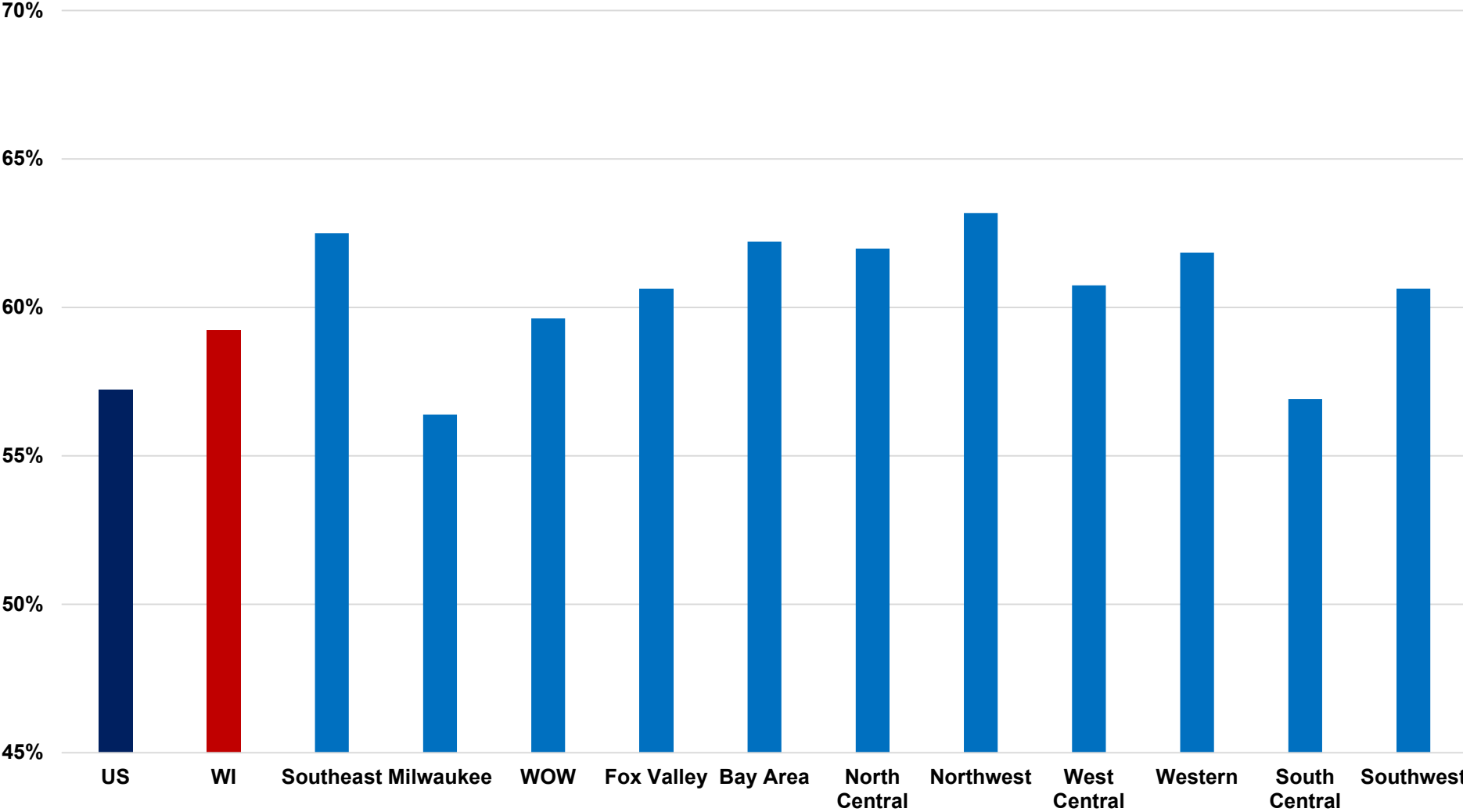
Propensity for Automation by Occupational Group



Technological Advance

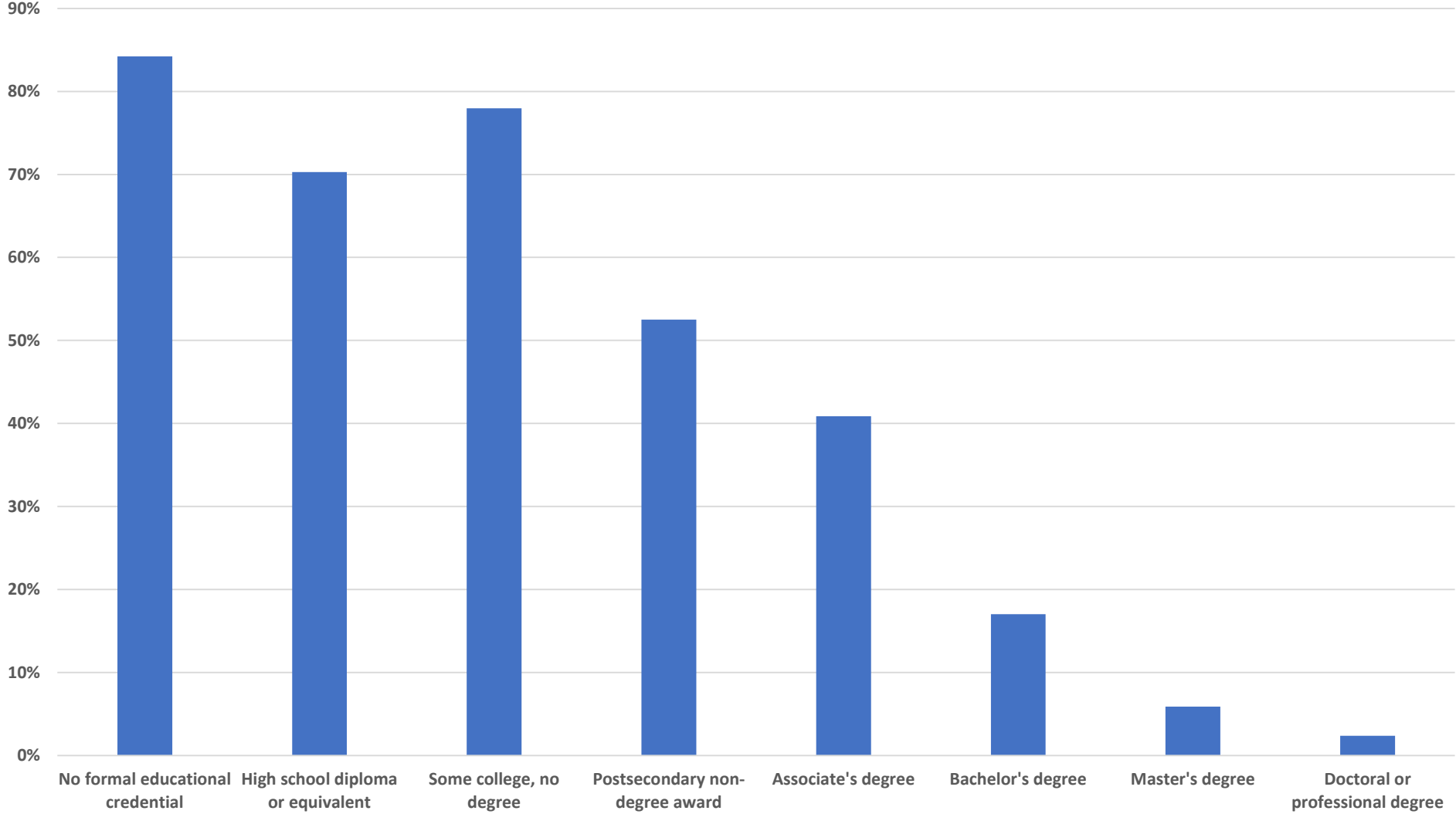


Propensity for Automation by WDA



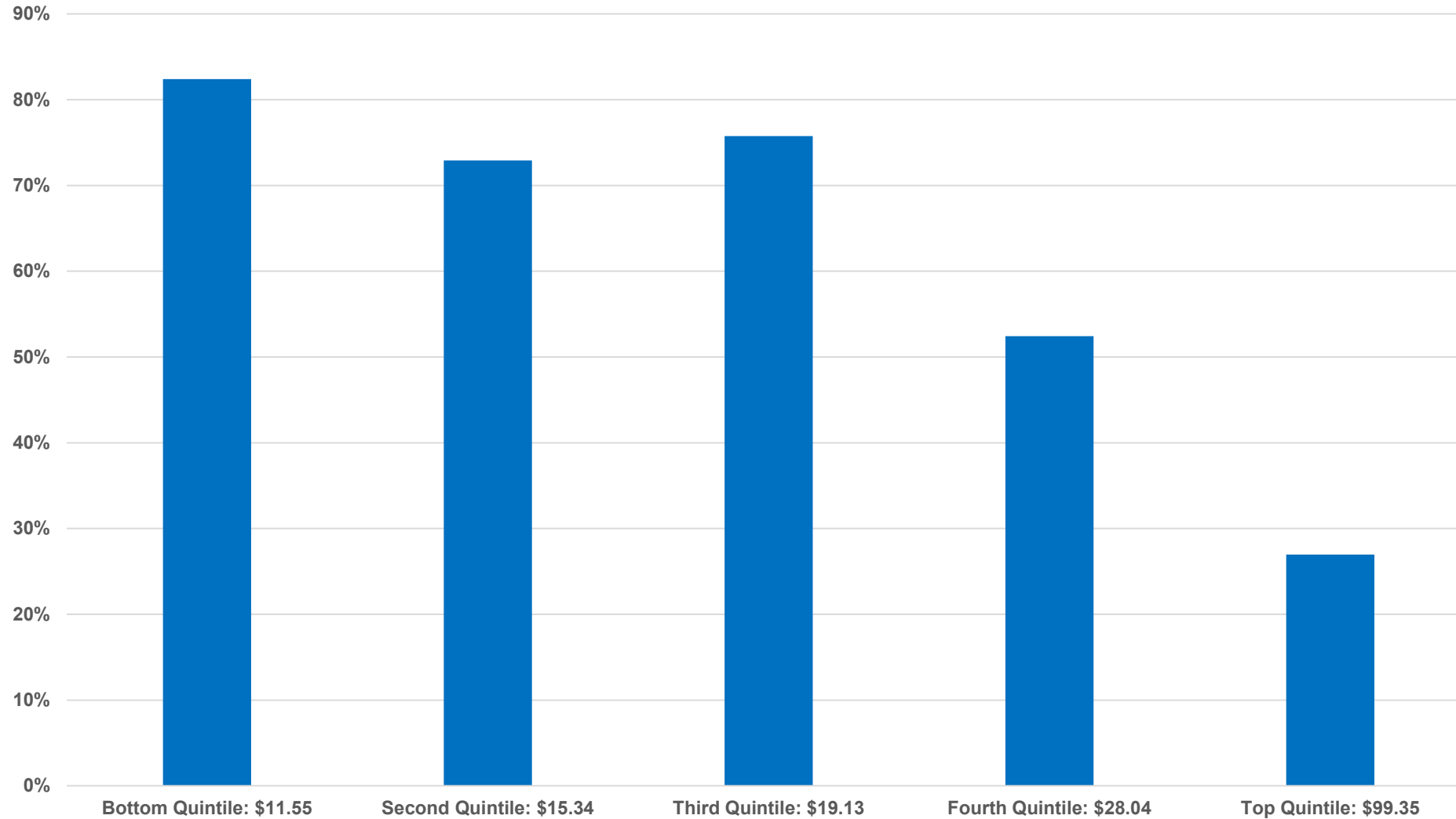
Source: The Future of Employment: How Susceptible are Jobs to Computerisation , C.B. Frey and M.A. Osborne, September 17, 2013, Oxford Martin School, University of Oxford; OES, OEA

Propensity for Automation by Educational Group



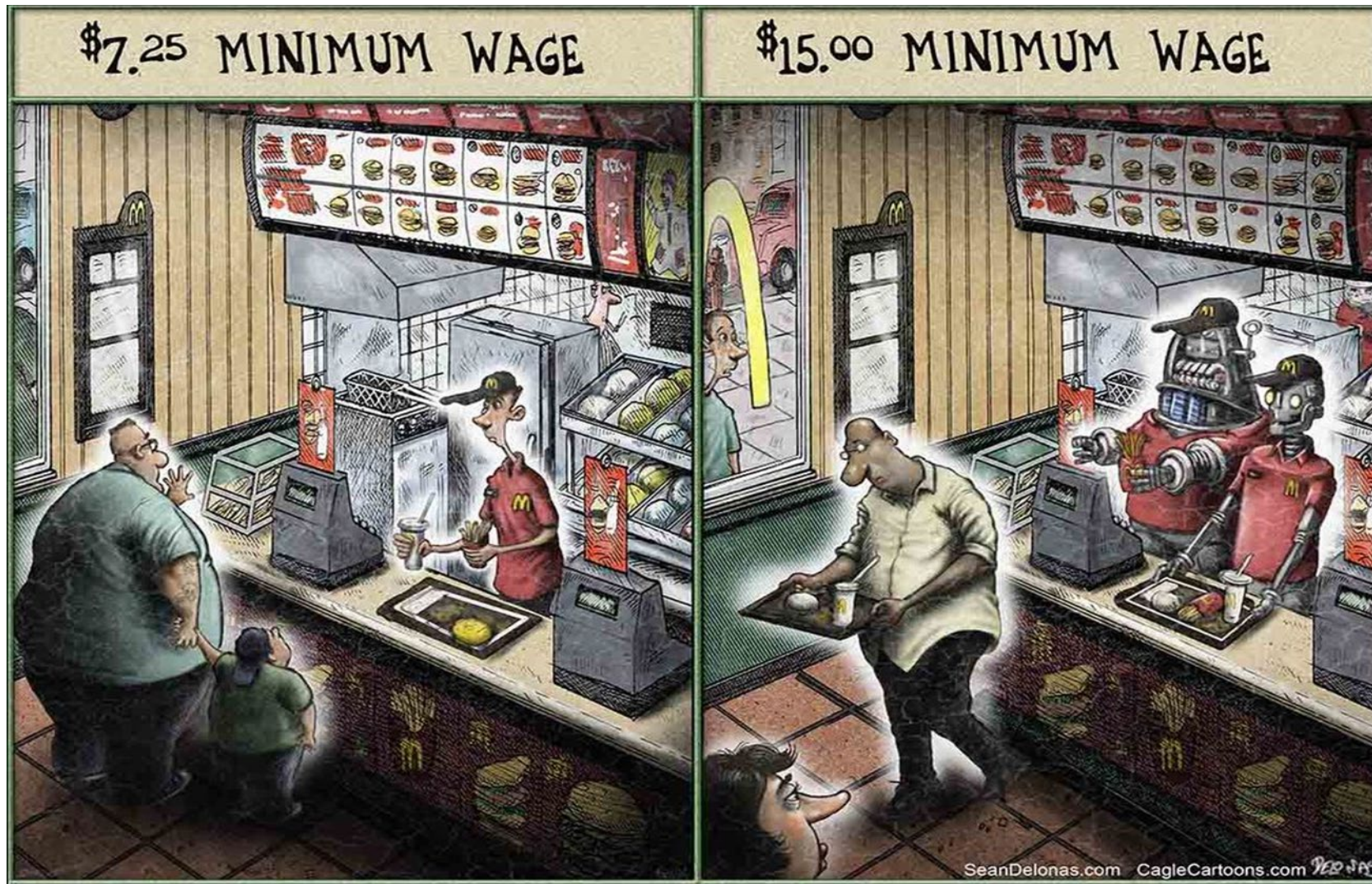
Source: The Future of Employment: How Susceptible are Jobs to Computerisation, C.B. Frey and M.A. Osborne, September 17, 2013, Oxford Martin School, University of Oxford; OES, OEA.

Propensity for Automation by Earnings Group



Source: The Future of Employment: How Susceptible are Jobs to Computerisation, C.B. Frey and M.A. Osborne, September 17, 2013, Oxford Martin School, University of Oxford; OES, OEA.

Technological Advance

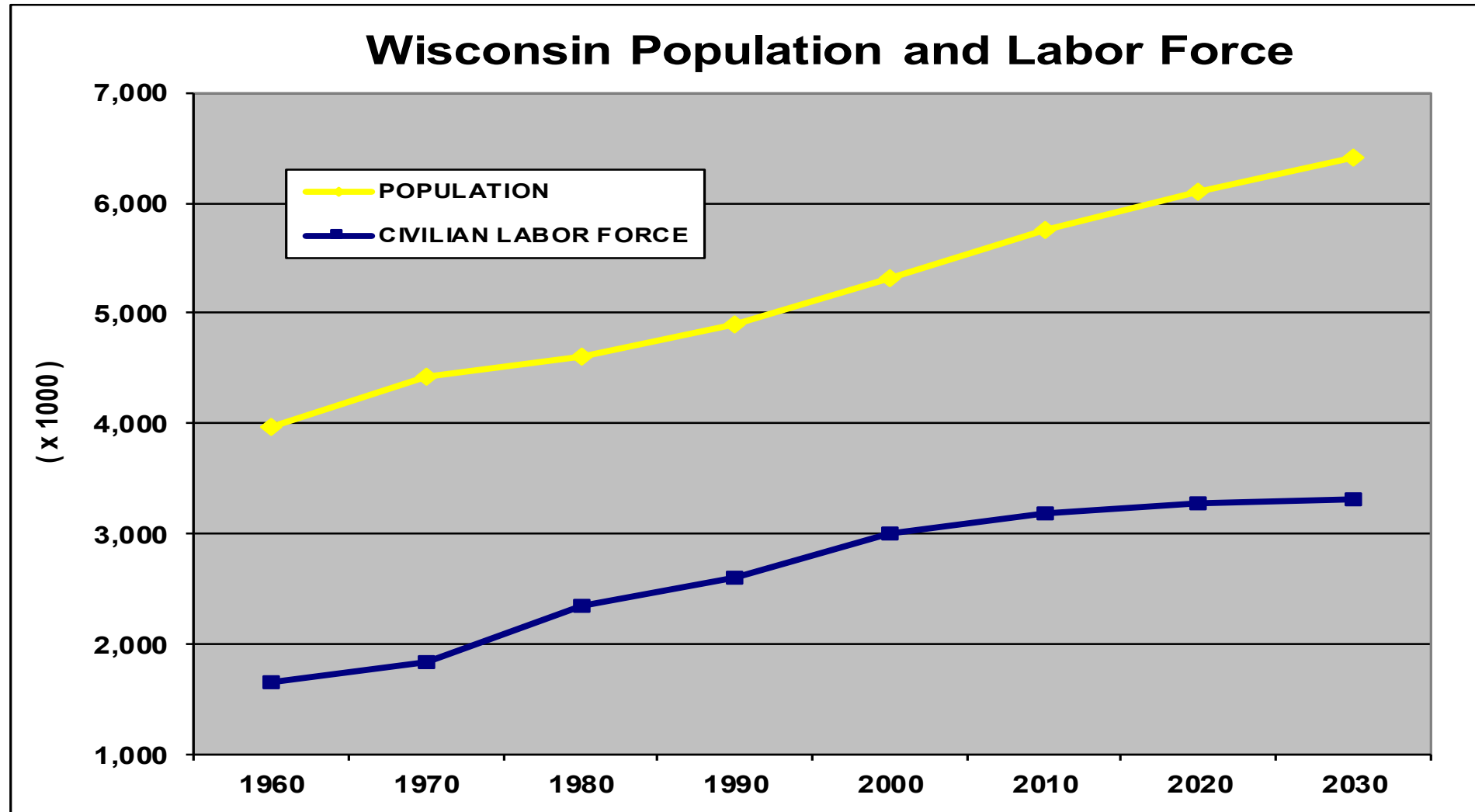


Takeaways

- We are facing a **Quantity** challenge
- That gives us a **Quality** (Skills) challenge
- Find every body you can and **skill** everybody to their max



Wisconsin's Workforce Growth



Source: Bureau of Census, OEA

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Three Options

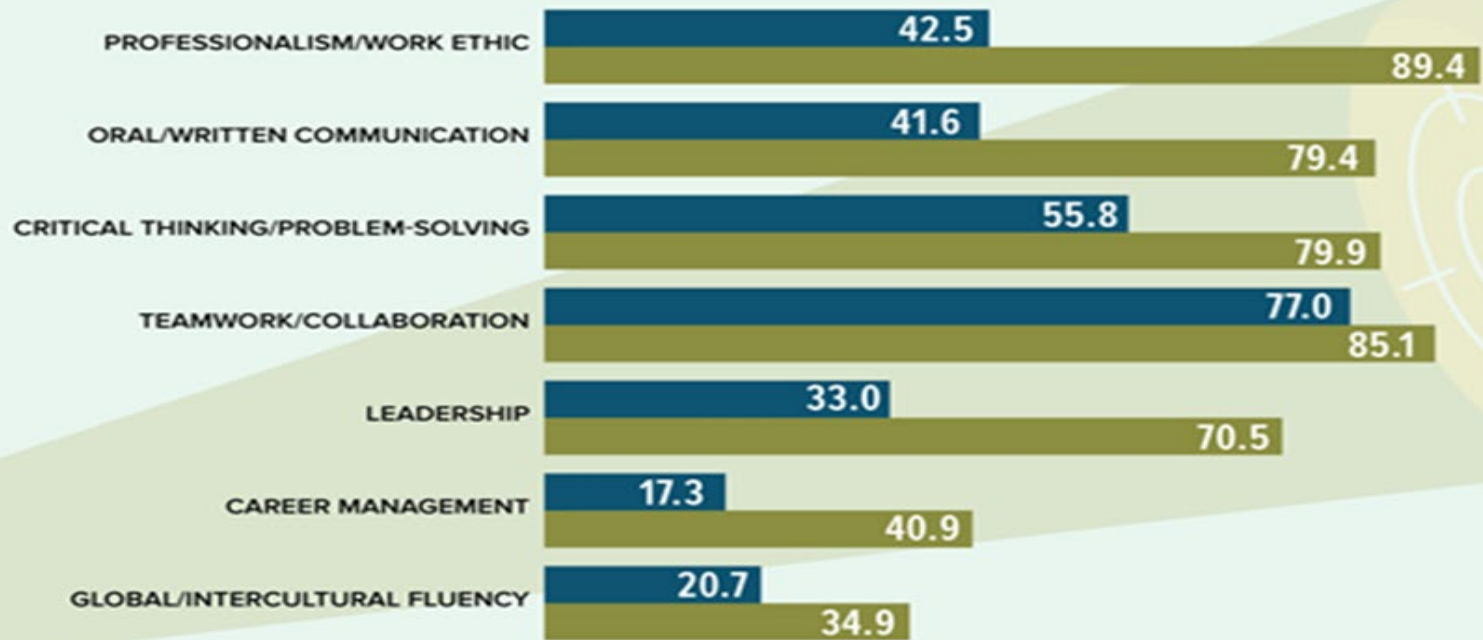
1. Import the talent
2. Export the job
3. Grow the talent here



Labor Force Preparedness

COLLEGE GRADS THINK THEY'RE FAR MORE PREPARED FOR WORK THAN EMPLOYERS DO

There is a big divide between how prepared students think they are for work and how prepared employers think they are.



● % OF EMPLOYERS RATING RECENT GRADS AS PROFICIENT

● % OF GRADS RATING THEMSELVES AS PROFICIENT

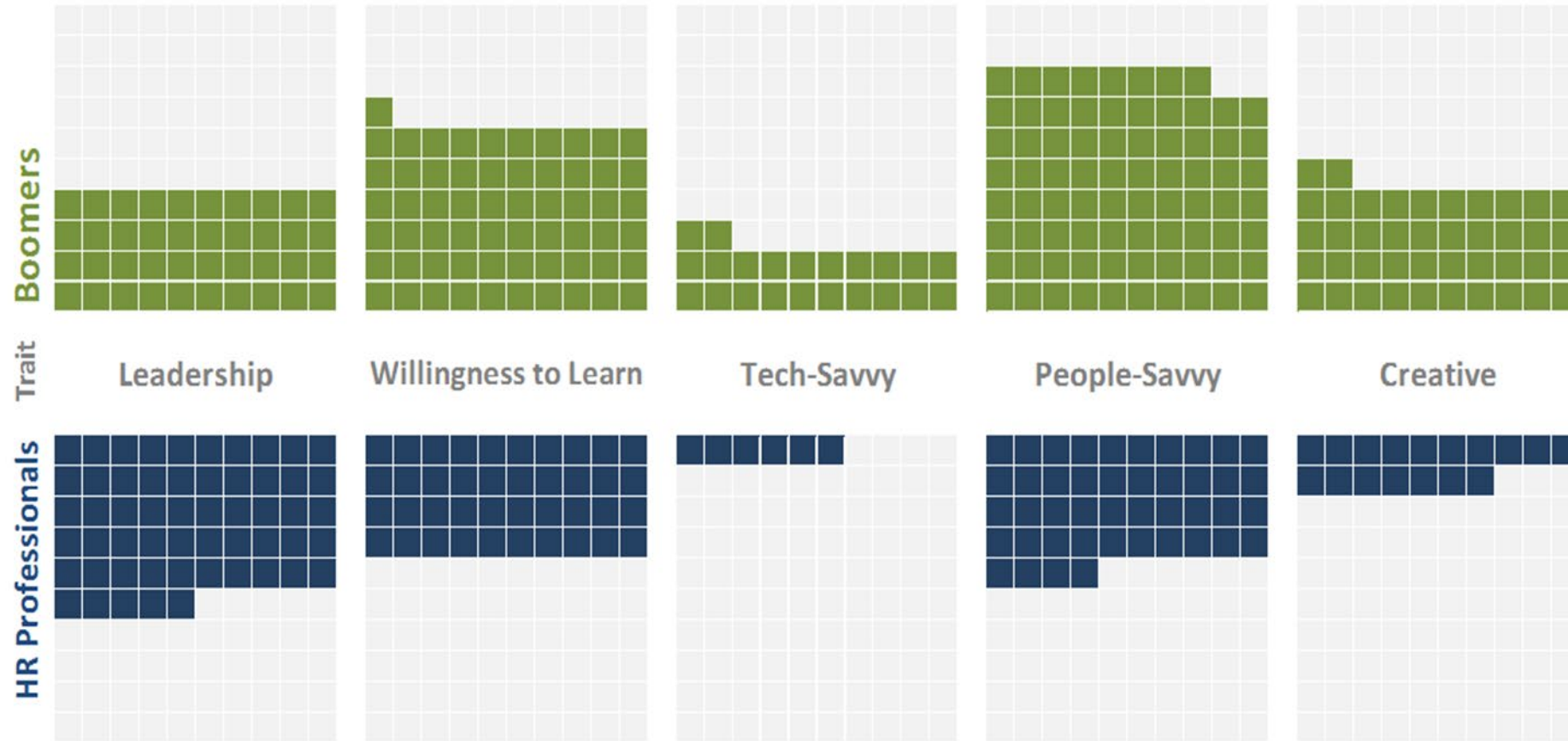
Source: National Association of Colleges and Employers, *Job Outlook 2018* survey.



Labor Force Preparedness

How **Baby Boomers** See Boomers vs How **HR Professionals** See Boomers

The colored portion of each 10x10 square represents the percent of Boomers who embody that trait according to the corresponding group



Questions?

DENNIS K. WINTERS

Chief Economist

Dennis.Winters@dwd.Wisconsin.gov

