Wisconsin Department of Workforce Development

LABOR DAY REPORT

September 2, 2002

Wisconsin Labor Force 2001-2002

	January to July 2001 Average	January to July 2002 Average	1 yr. Change	1 yr. % Change
Labor Force	2,987,626	3,063,886	76,260	2.6%
Employed	2,843,576	2,892,645	49,070	1.7%
Unemployed	144,050	171,241	27,190	18.9%
Unemployment Rate	4.8%	5.6%	0.8%	--

For the first seven months of 2002, January through July, the number of Wisconsin residents unemployed has averaged 171,241. This is up about 27,000 from the same period of 2001. Thus, although Wisconsin workers were experiencing a slightly deteriorated labor market related to a general national slowdown in early 2001, it was not until October of 2001 and the after-effects of September 11 that the Wisconsin labor markets really slowed down. This was particularly clear in the first few months of 2002. In spite of higher unemployment, the number of Wisconsin residents working has stayed fairly strong throughout the past eighteen months. Nearly 50,000 more people were employed in the first seven months of 2002 than in 2001. It is in the area of unemployment, and a result of manufacturing slowdowns that the labor markets and workers have been affected.

Average Number of Weekly Unemployment Insurance Claims

	Initial Claims		Continued Claims	
	January to April	**May to August**	**January to April**	**May to August**
2001	13,994	12,780	89,696	68,876
2002	15,575	11,459	118,598	81,949
% Change 2001 to 2002	11.3%	-10.3%	32.2%	19.0%

Claims for unemployment insurance have been a fairly strong bellweather for Wisconsin's labor market over the past eighteen months. In the January through April period of 2002, initial claims for unemployment insurance were about 11.3 percent higher than they were in the corresponding period for 2001. In the May through mid August period, they have been about 10.3 percent lower than in the corresponding period for 2001. It should be mentioned that there is a strong relationship between unemployment insurance claims and difficulties in manufacturing.

Continued claims for unemployment, although still high, have also moderated over the past fifteen weeks. For the first four months of 2002, continued claims were averaging 118,500 per week compared to 89,700 per week in the same period of 2001 - a 32.2 percent increase. For the period of May through mid August, continued claims for unemployment insurance have dropped back to about 81,900 compared to 68,880 for the same period of 2001 – a 19 percent increase. A major reason continued claims reamain higher in 2002 is that extended benefits have been offered to displaced workers. ***(see page 2 for more information on extended UI benefits).***

Wisconsin Production Worker Wages (Average Weekly Earnings)

	January to July-2001	January to July-2002	1 yr. Change	1 yr. % change
Manufacturing	$610.54	$644.55	$34.02	5.6%
Durable Goods Manufacturing	$610.28	$659.54	$49.26	8.1%
Industrial Machinery Manufacturing	$651.83	$681.17	$29.34	4.5%
Electronic Supplies and Equipment	$478.15	$562.86	$84.71	17.7%
Non-Durable Goods Manufacturing	$610.93	$624.09	$13.16	2.2%
Paper & Allied Products Manufacturing	$809.71	$796.90	-$12.82	-1.6%
Printing & Publishing	$593.49	$617.26	$23.77	4.0%

Production workers, a mainstay of Wisconsin's economy, had weekly earnings of $644.55 for the first seven months of 2002. For the same time period in 2001, weekly earnings were $610.54. Thus for 2002, production workers have seen a 5.6 percent increase in weekly wages to date. Production workers worked more hours per week in 2002 for part of the increased weekly earnings, but a higher average hourly wage was the primary reason weekly wages increased. The explanation of higher wages for production workers is primarily the fact that many newly hired workers, workers who generally earn the lowest hourly wage, were laid off for part of the year. This raises the average wage of the remaining workers. The single industry where wages appear to have increased most noticeably, the electrical and electronic supplies and equipment sector, saw a substantial increase in the number of hours worked weekly.

Addressing a Weak Economy

In light of the weakening economy nationally, Wisconsin has undertaken several initiatives to help lessen the impact of the downturn and spur long-term economic growth and development. Two examples of this are extended unemployment insurance benefits and the Build Wisconsin Initiative.

Extended Unemployment Insurance Benefits

Gov. Scott McCallum announced in June that more than $100 million has been paid to unemployed workers in Wisconsin through the state and federal extended benefits program. The benefits are available to eligible individuals who were unemployed during the period of March 2001 through December 2002, when the program ends. It is estimated another $40 million will be paid out by the end of the year.

Wisconsin was the first state in the nation to offer an extended benefits package to workers who had lost their jobs as a result of the national economic downturn. Eligible workers can receive up to 13 weeks of extended unemployment benefits as a result of the state and federal legislation. As of June, an average of 24,000 workers per week in Wisconsin receive the extended unemployment benefits.

"It's unfortunate there was a need for extended benefits for the families of Wisconsin, but it is not surprising Governor McCallum and the Legislature responded so quickly," said Department of Workforce Development Secretary Jennifer Alexander. "Wisconsin has a long-standing tradition of leading the way in providing for workers, including the establishment of the first unemployment compensation program in the nation 70 years ago.

Government Initiative Build Wisconsin

Partially as a result of a sluggish economy, and partially the result of a number of troubling economic indicators, Governor McCallum ordered state government agencies to begin the development of a strategic state plan for economic development. After several months of securing input from a number of public and private economic development professionals, academics and business leaders in several listening sessions around the state, a strategic plan entitled "Build

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The State of Wisconsin and the Wisconsin Department of Workforce Development are served by the Local Workforce Planning Section. The labor market analysts and economists of this section provide labor market information, which includes economic, demographic and various other information, to a multitude of customers.

These analysts/economists are located in regions all over the state and are ready to assist you. Please contact your regional analyst/economist.

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Wisconsin Employment by Industry (Monthly Average)

	Average January to July 2001	Average January to July 2002	1 yr. Change	1 yr. % Change
Total Nonfarm Jobs	2,814,536	2,808,348	-6,189	-0.2%
Goods Producing Industries	714,292	687,620	-26,672	-3.7%
Construction & Mining	122,010	120,688	-1,322	-1.1%
Manufacturing	592,281	566,932	-25,350	-4.3%
Durable Goods	358,279	338,022	-20,257	-5.7%
Nondurable Goods	234,002	228,910	-5,093	-2.2%
Service Producing Industries	2,100,245	2,120,728	20,483	1.0%
Transportation, Communications and Public Utilities	133,520	130,701	-2,820	-2.1%
Total Trade	633,483	636,578	3,094	0.5%
Wholesale Trade	137,228	137,288	61	0.0%
Retail Trade	496,256	499,289	3,034	0.6%
Finance, Insurance and Real Estate	149,454	152,175	2,721	1.8%
Services & Misc.	770,341	784,141	13,799	1.8%
Total Government	413,446	417,134	3,688	0.9%
Federal	29,971	30,055	84	0.3%
State	99,941	98,581	-1,360	-1.4%
Local	283,535	288,498	4,963	1.8%

The number of jobs in Wisconsin's nonfarm wage and salary economy are down by about 6,200 for the first seven months of 2002, compared to the first seven months of 2001. Goods producing industries were the most severely affected industries, down by about 26,700 jobs per month. The manufacturing sector was hard hit by the national recession, and was down by about 25,350 jobs from a corresponding period of 2001. The service producing industries, gained about 20,500 monthly jobs lead by the very strong service sector. Particularly strong job growth was evident in the health care services industry, in educational services, and in the social services sector. These service sector jobs are all in the private sector.

There were mixed signs from the government sector, where federal employment in Wisconsin was up slightly, local government employment was up fairly strongly, and where state government employment was down. It should be noted that part of local government employment is in the Indian gaming and related enterprises. Also, a substantial part of government employment is found in local school districts.

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Wisconsin" was developed. Governor McCallum announced the Build Wisconsin initiative in June of 2002. Stated goals of the initiative are:

- To build business and individual productivity and increase investment in Wisconsin.
- To raise the wages of Wisconsin workers and increase per capita income for all Wisconsin residents.
- To build on Wisconsin's existing economic base to strengthen manufacturing, agriculture and tourism.
- To position Wisconsin for new, high-tech growth industries with high-wage jobs.
- To attract and retain talented people to live and work in Wisconsin.
- To build on Wisconsin's current regional economic initiatives and help accelerate additional local economic development initiatives.

WISCONSIN WOMEN NEAR NATION'S TOP IN LABOR FORCE PARTCIPATION

Wisconsin is again ranked near the top in the nation in female labor force participation rate (LFPR). Final figures from year 2000 show Wisconsin women's participation rate at 68.3 percent, just behind Minnesota , 70.3 percent, and Nebraska, 69.0 percent.

Though Wisconsin's LFPR for both genders has registered higher than the United States for quite some time, it was the more quickly rising female rates that have really bolstered the overall high ranking of Wisconsin's total labor force. Figures over the last two decades tell quite a story of how women have become more prominent in Wisconsin's labor force. Wisconsin female LFPR started to significantly exceed the national female rates in the early 1980's and have continued this trend, maintaining a fairly wide gap that is presently 8.1 percentage points higher than the U.S. LFPR (WI females 68.3 percent to U.S. females 60.2 percent).

Looking back in time, Wisconsin female LFPR was 56.3 percent in 1980 compared to the male rate of 79.8. By 1990, the female rate increased to 63.2 percent while the male rate declined slightly to 77.6. Finally, by 1997, the peak year of overall and female LFPR, 69.7 percent of the state's females 16 and over were in the labor force. The male rate has hovered in the upper 70 percent ranges all throughout the last two decades and has even reached its lowest point in 2000 at 77.3 percent.

Why has the female LFPR risen so dramatically, while the male rate has been relatively flat? It is not as though fewer men are working—they still compose the majority of the job holders. It has been a combination of the demand for labor in light of robust, 1990's job growth and the economic necessity of two-income homes as many of the "male as the bread winner" households have become less common in Wisconsin and the nation as they were a generation ago.

This necessity was particularly evident during the recessions of the early 1980's and 90's when the state's male-dominated manufacturing industries were hit very hard with layoffs and women joined the workforce to help make ends meet. This is absolutely still part of the case today in the recent economic slowdown, but suffice it to say that despite the recent recession, women still would have had high LFPR. They have made career choices very high in their priorities and have begun to make forays into occupations that were once rarities for women.

Wisconsin's Occupational Groups/Wages by Gender (1999)

	Percent of Total Males in Occ. Group (WI)	Percent of Total Females in Occ. Group (WI)	Male Weekly Median Wage (U.S.)*	Female Weekly Median Wage (U.S.)*
Executive, Administrative, Managerial	15.3%	12.9%	$1,060	$706
Professional Specialty	11.4%	16.7%	$1,021	$749
Technicians and Related Support	1.7%	3.5%	$667	$473
Sales	10.5%	12.0%	$692	$429
Administrative Support, including Clerical	4.8%	22.8%	$576	$469
Service Occupations	8.1%	18.6%	$438	$335
Precision Production, Craft and Repair	20.9%	2.3%	$648	$479
Machine Operators, Assemblers and Inspectors	10.4%	6.9%	$512	$369
Transportation and Material Moving	7.2%	0.7%	$587	$439
Handlers, Equipment Cleaners, Helpers and Laborers	5.5%	1.8%	$401	$342
Farming, Forestry and Fishing	4.3%	1.7%	$366	$308

Source: U.S. Dept of Labor, BLS, * median wage data from BLS, 2001

Figures may not sum to 100% due to rounding