Setback for Jobs in Wisconsin

Wisconsin's dramatic March job growth was nearly erased by equally dramatic job losses in April, as the state lost nearly 13,000 jobs. The private sector lost 11,500 jobs and the public sector fell by a little more than 1,000. Manufacturing losses of 4,200 jobs were particularly severe. And in contrast to the overall decline, construction gained 3,500 jobs last month. All in all, the unemployment rate in Wisconsin dropped one tenth of a percentage point and stands now at 4.4%. While monthly figures released by BLS are subject to revisions, these numbers reflect a disappointing setback for the state after consistent growth from the beginning of the year.

WISCONSIN JOBS DEFICIT

The Jobs Deficit after the recession: 83,187

Jobs Deficit Up Again

In February of 2015, after a long process of economic recovery, Wisconsin got back to the number of jobs that it had at the beginning of the recession of 2007. Finally, eight years after the recession started, Wisconsin has more jobs than it did in December of 2007. Even so, our labor market does not provide the same level of opportunity than it did back then. That is because the population in Wisconsin has grown since the beginning of the Great Recession. The job market has not kept up with that population growth. The state needs to add 83,187 jobs to fill the gap.
Good News for Construction, Bad for Manufacturing

In April, the construction industry in Wisconsin added 3,500 jobs. The number of jobs in construction now is the highest in the past eight years. Jobs in construction now are comparable to the levels of mid-2008. Still, compared to the level before the recession, there are fewer jobs in construction in Wisconsin than there were in 2007. Manufacturing, with stronger growth earlier in the recovery, now appears to be tapering off. This last month the sector lost 4,200 jobs, which puts it practically at the same level compared to October of 2015. Over the last year manufacturing has grown at a very slow pace (less than 1%).

Wisconsin’s Loss in Context

In the context of the Midwest region, with the exception of Ohio, Wisconsin is the only state that lost jobs last month. As the table shows, both Ohio and Wisconsin experienced a significant decrease in the number of jobs in April. Over the last year, Wisconsin’s job growth lags behind some of its Midwest neighbors: while Michigan and Indiana have grown at a pace of 2.5% and 1.6% respectively, Wisconsin has grown at a pace slower than 1.5%. And this contrast is even more striking when one takes a longer time frame to compare. The United States as a whole has grown at a rate of about 4% since the beginning of the recession, which is more than twice as fast the rate of growth of the badger state.