

MILLENNIAL WISCONSIN

IS WISCONSIN ATTRACTIVE TO THIS GENERATION?

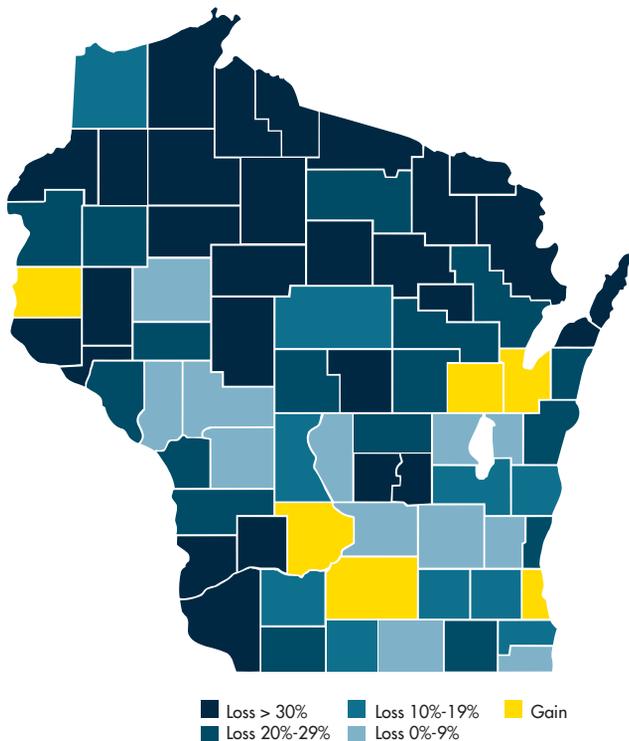
—Dale Knapp, Director, Forward Analytics

For decades, baby boomers drove labor force changes, both nationally and in Wisconsin. As recently as 2006, they accounted for nearly 40% of the labor force. Now, as they retire, their impact is waning. Baby boomers currently account for less than one-fourth of the workforce, a percentage that will drop to under 5% within 10 years.

Baby boomers are being replaced by millennials, those born between 1981 and 1997. This cohort accounted for about a third of the national workforce in 2016 and will approach 40% by 2030.

While states, counties, and cities sought baby boomers in the 1970s, 80s, and 90s, they now need millennials to maintain and grow their workforces.

Figure 1
Most Counties Losing Older Millennials:
2000-2015 % Change in Those Born 1981-1985



How is Wisconsin faring on this front? Census Bureau figures show the Badger State has not done well in attracting and retaining older millennials. However, among the youngest in this generation, many who have just finished college, the state is holding its own. That said, it remains to be seen if Wisconsin will be able to retain these young people as they age into their late twenties and thirties. Without them, Wisconsin will have difficulty growing its workforce and its economy in the coming decades.

THE FRAMEWORK

To track the movement of millennials, Forward Analytics (FA) used age-group population estimates from the Census Bureau. Each age group consists of five ages (e.g., those 15 to 19 years of age). Over five years, each group ages into the next group. Those who were 15 to 19 years of age in 2010 were 20 to 24 years of age in 2015.

Thus, if the size of the 20-to-24-year-old group in 2015 was larger than the 15 to 19 cohort in 2010, there was a net inflow of this group into the state. If the reverse is true, there was a net outflow. FA analyzed movement of three groups of millennials separately:

1. “Older millennials” were 15 to 19 in 2000 and are tracked for 15 years, until they were 30 to 34 years of age in 2015.
2. “Middle millennials” were 15 to 19 in 2005 and are followed for 10 years, until they were 25 to 29 in 2015.
3. The youngest millennials were generally in high school in 2010. They are followed for just five years, until they were 20 to 24 in 2015.

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Although 2017 population estimates are available, millennials were tracked only through 2015 so the 2000 and 2010 Census years, which have the most accurate population counts, can be included.

OLDER MILLENNIALS

In 2000, most of Wisconsin's oldest millennials were in high school. Wisconsin had 407,189 teenagers ages 15 to 19 in that year. Over the ensuing 15 years, many headed to college and most began careers and started families. Over the entire 2000 to 2015 period, as the group aged into their early 30s, Wisconsin lost, on net, more than 31,000 of these young adults to other states or countries.

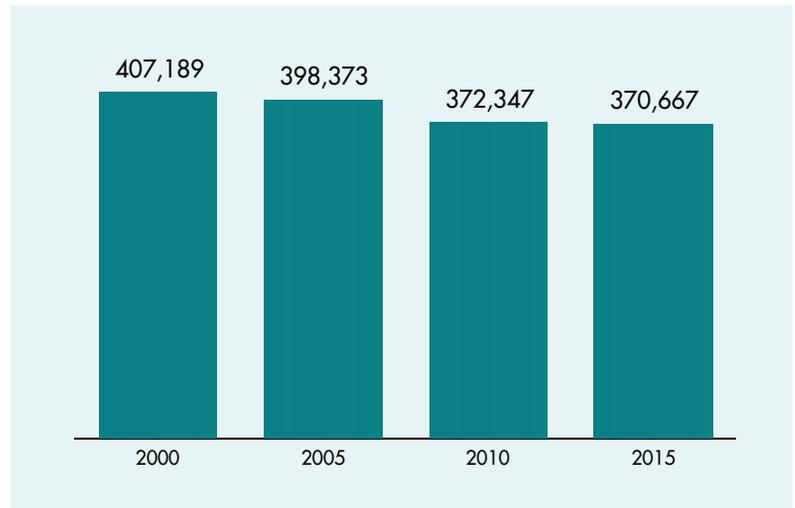
Movement by County: During those 15 years, gains were seen in only six, mostly urban, counties: Dane (+23.9%), St. Croix (+22.0%), Milwaukee (+7.8%), Sauk (+4.6%), Outagamie (+4.6%), and Brown (4.5%) (see the map in Figure 1). While some of these gains were individuals moving from other states, most were intrastate movements between counties.

Declines in this cohort were particularly large in rural counties. As a group, 20 rural counties in the north (using Highway 29 as the dividing line) experienced a 35% reduction in older millennials. Rural counties in the southern part of the state saw, as a group, a 24% decrease.

Movement by Age: Over those 15 years, the movement of millennials was influenced by life events. Many headed to college during 2000-2005. Most of those who went to college graduated during 2005-2010 and began careers. As they aged into their 30s during 2010-2015, some started families.

College Bound: By 2005, older millennials were 20 to 24 years of age and numbered 398,373, down from more than 407,000 in 2000 (see Figure 2). Of the 8,816-person decline, about 1,500 was due to deaths.

FIGURE 2
Older Millennials Leaving Wisconsin
Population of Those Born 1981-85



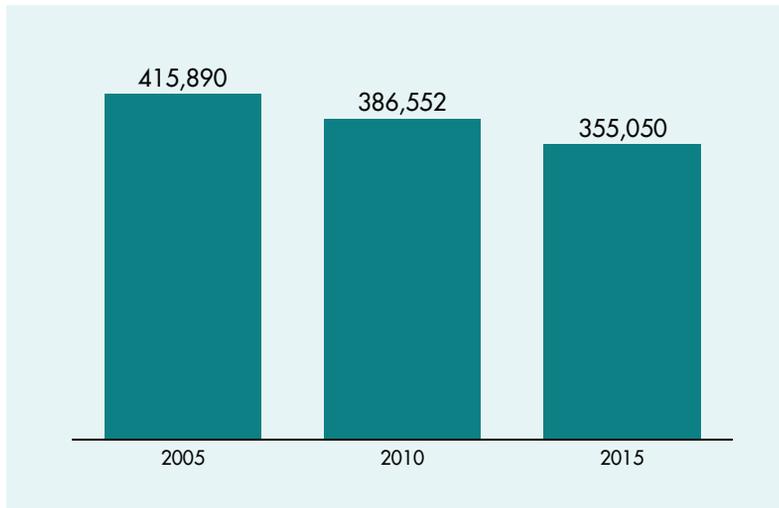
The remaining loss of 7,258 young people (1.8%) was net outmigration. In other words, during 2000-2005, an estimated 7,258 more young people left the state for college or for work, than came here from elsewhere.

With UW-Superior the only major university north of Highway 29, northern millennials heading to a four-year college typically went south or out of state. Between 2000 and 2005, northern counties lost nearly a third (32%) of this population, while this cohort grew by 20% in counties with a UW campus.

Graduation and New Career: Over the ensuing five years (2005-2010) older millennials continued to leave the state to pursue careers. In 2010, Wisconsin's population of 25 to 29 year olds was 372,347. After accounting for deaths, the state lost another 24,547 (6.2%) of this population to other states or countries.

For northern counties, the likely expectation was a return of some of those who had left for college. That is what happened during 1990-1995 (gain of 3,400) and 1995-2000 (gain of 1,600). However, during 2005-2010, these counties lost another 1,100 from this cohort, on top of the 9,900 lost in the previous five years.

FIGURE 3
Middle Millennials Also Leaving
Population of Those Born 1986-90



Young Families: As this group aged into their 30s, the outflow seen in previous years ceased. While the total size of the group fell by 1,680, the entire decline was due to deaths.

This was a welcome reprieve from the more than 30,000 who left during 2000-2010. However, this group was different from prior generations. During 1990-1995, Wisconsin gained about 20,000 young adults of this age. During 1995-2000, it added more than 12,000. With this group, the change was essentially zero.

This hurts the state in two ways. First, the inflow in prior years helped the state immediately by adding to the state's workforce. That is no longer occurring.

Second, adding young families often meant an increase in children, who are the future workforce. With no net increase in this cohort, growth in the workforce 15 or 20 years in the future will be a challenge.

MIDDLE MILLENNIALS

The group we call "middle millennials" were born during 1986-1990 and were 15 to 19 years of age in 2005. This group totaled 415,890 in that year.

As this cohort aged from their high school years to their late 20s, almost twice as many left the state than their older counterparts. During 2005-2015, Wisconsin lost 57,840 middle millennials to other states or countries. That compares to a loss of fewer than 32,000 of the older millennials as they aged from 15-19 to 25-29 years of age.

Over the 10 years, only two counties added to this cohort: Milwaukee (+20.0%) and Dane (+15.7%). Like their older counterparts, middle millennials left the rural north and south in large numbers. The size of this group declined 41% over 10 years in the rural north and 31% in the rural south.

Movement by Age: The outflow of this population was similar during the two five-year periods studied. As middle millennials graduated high school and left for college or found their first full-time jobs, numbers here fell by almost 30,000 (approximately 7%). That was more than three times the drop in the number of older millennials at the same age.

During 2010-2015, the size of this cohort declined by 31,502, with 29,771 due to outmigration. In 2015, Wisconsin had just 355,050 residents ages 25 to 29. Ten years earlier, this group was more than 415,000.

An important, unanswered question remains with this group: During 2015-2020, will these declines reverse as they did with the older millennials, or will the state continue to lose middle millennials?

YOUNG MILLENNIALS

The youngest group of millennials, those born during 1991-1995, can only be tracked through their early 20s. They were 15 to 19 years of age in 2010 and 20 to 24 in 2015. Their numbers are somewhat encouraging.

Young millennials totaled 399,209 in 2010 and 408,139 in 2015. After accounting for deaths, the gain of nearly 9,000 (2.2%) is a dramatic shift from the population declines in the two older millennial cohorts as they graduated high school and left for college (-7,258 among the older group and -28,069 among middle millennials).

By county, gains were almost exclusively in those with a four-year UW campus. The 10 counties that added young millennials were Brown, Dane, Dunn, Eau Claire, La Crosse, Pierce, Portage, Walworth, and Winnebago.

Like the others, young millennials left the north in large numbers. As a group, the rural north lost 6,100, or 23%.

We do not know if these statewide gains of young millennials are just temporary college movements that will reverse as this they age, or if the state's current labor shortage will help retain and even attract

many in this cohort as they age into their late 20s and early 30s.

IN SUM

To grow its workforce over the next decade, Wisconsin will need to attract workers from other states. With millennials poised to become the largest labor force cohort, attracting and retaining this generation is key.

Significant losses of older- and middle-millennials indicate a lack of success so far. Particularly troubling is the state's inability to attract young families as they age from their 20s to their 30s. Wisconsin historically has been attractive to young people of this age.

On the bright side, the state has gained with the youngest millennials, primarily among those attending college. However, if earlier generations are a guide, the additions during 2010-2015 may be lost as these young adults finish college, begin careers, and start families. •



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