

PANDEMIC HIT AND RESET

Employment in Wisconsin Rebounds Without Reshaping

By most headline measures, Wisconsin's economy looks healthy. Employment levels have recovered from the depths of the pandemic and, in some cases, surpassed pre-pandemic levels. As of September 2025 (the latest data available), the state's unemployment rate was 3.1%, significantly lower than the national rate of 4.4%. In September, the state had more nonfarm jobs (3,057,100) than at nearly any point on record, except for two summer months last year.¹ Additionally, Wisconsin's labor force participation rate was 64.5%, compared with the national rate of 62.4%.

On the surface, these numbers suggest a strong rebound from the pandemic. Indeed, given the scale of job losses and the uneven impact across industries, it would be reasonable to expect lasting changes in employment composition, particularly in the health care and social

assistance sector² and the leisure and hospitality sector. Yet employment data in Wisconsin show little evidence of structural shifts in either industry.

► Pre-pandemic baseline

From January 2018 through February 2020, overall employment was consistently strong, averaging nearly 3 million jobs per month.³ During this 26-month period, the composition of jobs remained very consistent, with 10% of all nonfarm jobs in the accommodation, food services, arts, entertainment, and recreation industries, while 17% of jobs were in the health care and social assistance industries.

► Pandemic employment shock

From March through April 2020, employment declined sharply statewide during the initial economic shock

9.7%

of Wisconsin employment is in leisure and hospitality

[as of Sept. 2025]

17.8%

of Wisconsin employment is in health care and social assistance

[as of Sept. 2025]



The return to “normal,” that is, pre-pandemic employment levels, was more of a reset than a restructuring of the overall employment picture in Wisconsin.

of the pandemic. Service-sector employment fell by approximately 15% statewide over the two-month period, but this aggregate figure masks substantial variation across industries. Total employment in the leisure and hospitality industries declined by more than 50% during these two months, whereas employment in the health care and social assistance industries declined by approximately 8%.

Given that health care remained essential while restaurants and tourist destinations were severely restricted, this divergence reflected the realities of the pandemic rather than a shift in the underlying labor market or consumer demand.

► Recovery and reopening

From May 2020 through December 2022, the leisure and hospitality sector of the service economy bounced back as restrictions eased and travel and tourism resumed. By the end of 2022, the number of jobs in the leisure and hospitality industries was within 5% of their pre-pandemic levels, while the number of jobs in the health care industry was within 1 percentage point of its pre-pandemic levels.

The economic recovery immediately following the pandemic restored the job composition between these two sectors, with 9% of jobs in leisure and hospitality and 17% of jobs in health care and social assistance. These figures were virtually identical to pre-pandemic levels.

► Post-pandemic stabilization

From January 2023 through September 2025, these industries continued to stabilize, each mirroring the broader labor market and growing by 6% to 7% in total employment. As of September 2025, just under 10% of

all jobs in the state were in the leisure and hospitality industries, while just under 18% were in the health care and social assistance industries. Again, these figures are virtually identical to their pre-pandemic shares.

Taken together, the past several years indicate that these areas of Wisconsin’s labor market were deeply disrupted by the pandemic but not fundamentally altered. Before the pandemic, these sectors were growing slowly, at roughly the same pace as the overall job market. The pandemic shock in March and April 2020 led to significant service-sector job losses, concentrated in the leisure and hospitality sectors. Employment in the health care and social assistance sector remained comparatively stable. Recovery in the service sectors was uneven, largely because the job losses were uneven.

The return to “normal,” that is, pre-pandemic employment levels, was more of a reset than a restructuring of the overall employment picture in Wisconsin. The state labor market demonstrated resilience in absorbing a historic shock and then reestablishing its prior balance. At the same time, these findings are limited to job counts. They do not

capture changes in wages, hours worked, or the distribution of employment across regions. Those are issues for further Research Room articles. ■

Forward Analytics is a Wisconsin-based research organization that provides state and local policymakers with nonpartisan analysis of issues affecting the state.

1. 3,057,100 total nonfarm jobs in the state, seasonally adjusted. Source: preliminary September estimates from the U.S. Bureau of Labor Statistics.
2. The "Healthcare and Social Assistance Sector," NAICS 62, encompasses employment providing medical care, and social services, including hospitals, clinics, nursing homes, and social assistance programs such as child care and vocational rehabilitation services.
3. "Jobs" refers to total, nonfarm jobs in the state, as classified by U.S. Bureau of Labor Statistics.



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