

# MOMENTUM WEST ANNUAL MEETING MARCH 7, 2018



COMPETITIVE WISCONSIN



## COMPETITIVE WISCONSIN



**the need for  
broad vision  
sound research  
collaborative commitment  
and bold action**



COMPETITIVE WISCONSIN



- ▶ **BE BOLD III: Accelerate Wisconsin**
- ▶ **BE BOLD IV: Workforce Recruitment & Retention**



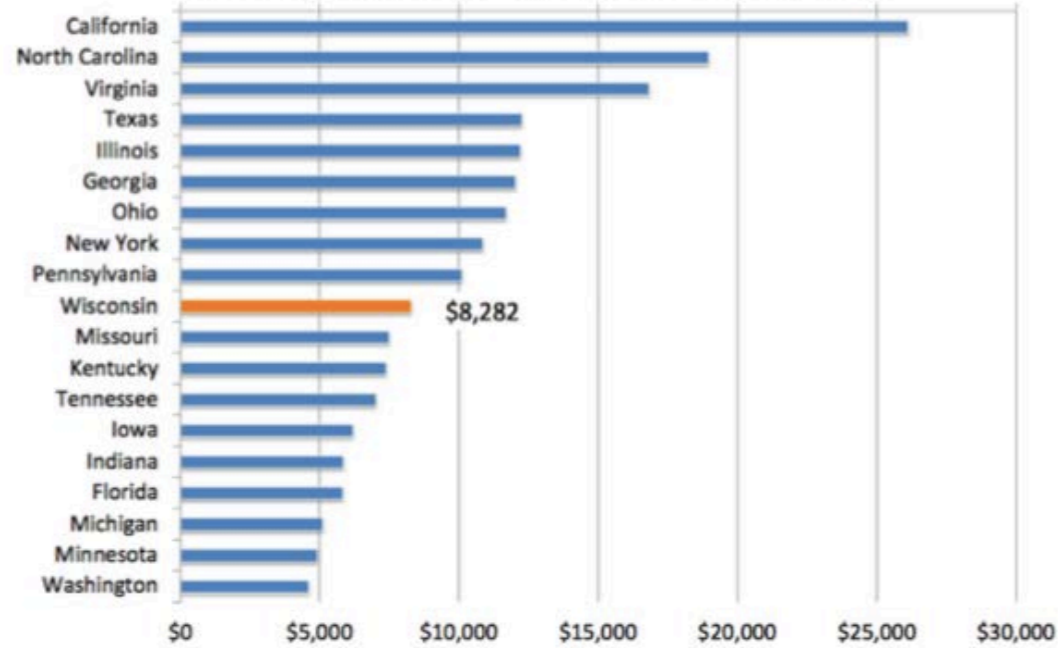
COMPETITIVE WISCONSIN

# BE BOLD III: Accelerate Wisconsin



**THE ASSIGNMENT: SUSTAIN AND TURBOCHARGE SUCCESSFUL EMPLOYMENT AND WEALTH CREATING CLUSTERS**

**Food and Beverage and Tobacco Products Manufacturing  
Gross Domestic Product by State (in Millions \$ 2014)**



Source: Bureau of Economic Analysis

Figure 1



**Change in Food Manufacturing Employment – 1990 to 2015  
Percent Change Since 1990**



Source: Quarterly Census of Employment and Wages





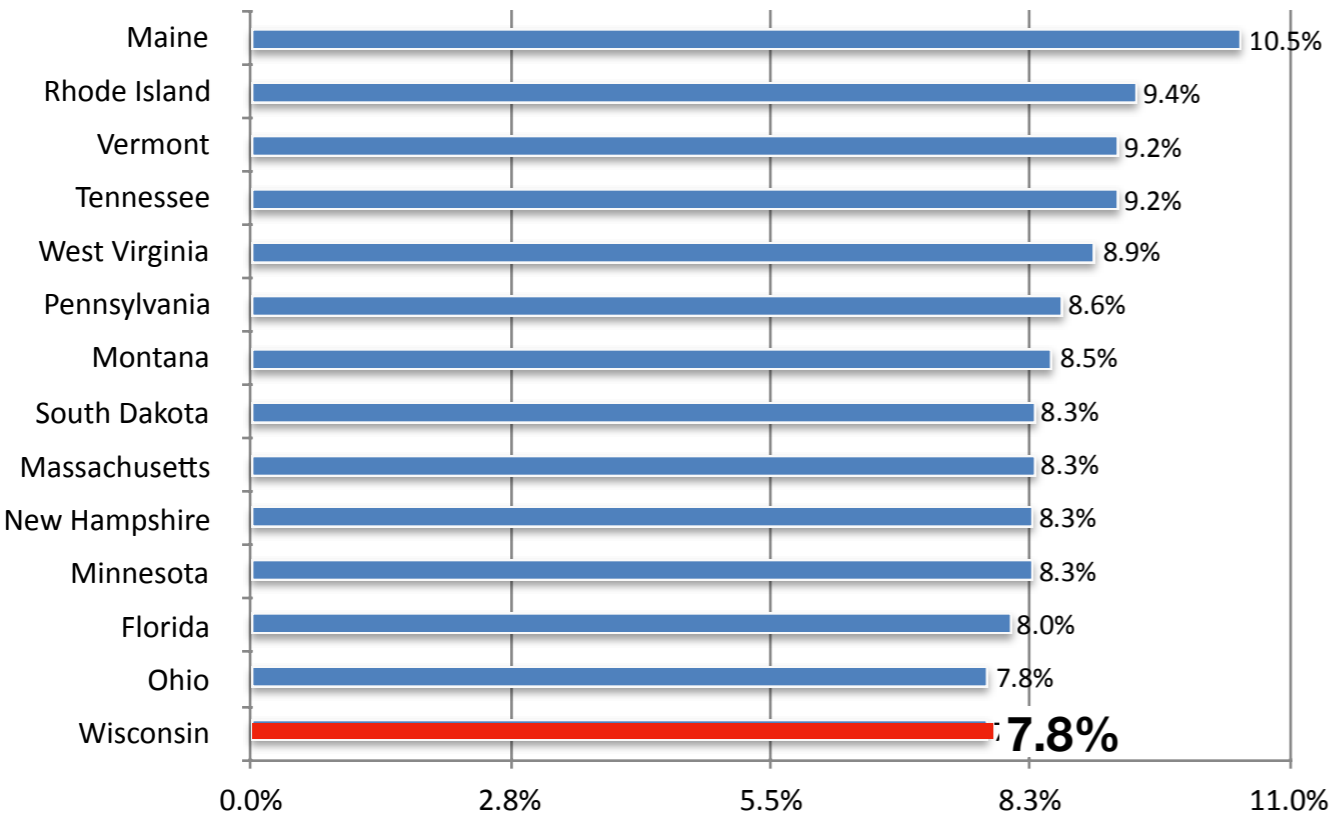
COMPETITIVE WISCONSIN

# BE BOLD III: Accelerate Wisconsin

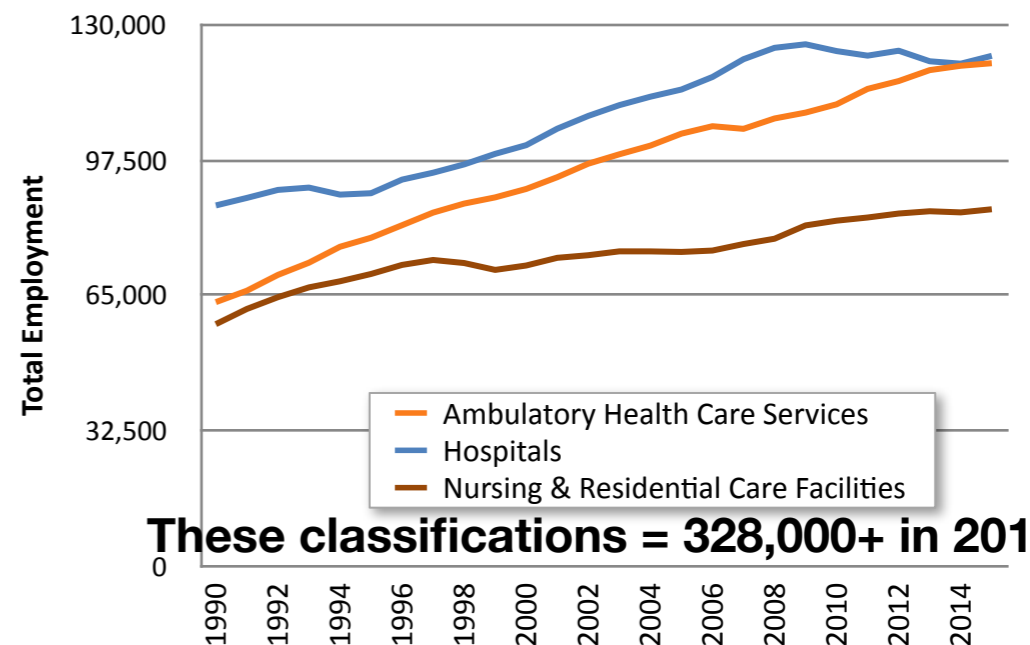


## THE ASSIGNMENT: SUSTAIN AND TURBOCHARGE SUCCESSFUL EMPLOYMENT AND WEALTH CREATING CLUSTERS

Ambulatory Health Care, Hospitals and Nursing and Residential Care Facilities GDP as a Percent of Total State GDP – Top 20 States in 2015\*



State of Wisconsin Total Employment - Ambulatory Health Care, Hospitals, and Nursing and Residential Care Facilities (1990 to 2015)



These classifications = 328,000+ in 2015

All health care workers = 400,000+



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# BE BOLD III: Accelerate Wisconsin



THE ASSIGNMENT: SUSTAIN AND TURBOCHARGE SUCCESSFUL EMPLOYMENT AND WEALTH CREATING CLUSTERS

<http://www.competitivewi.com>

COMPETITIVE WISCONSIN  
**BE BOLD III: Accelerate Wisconsin**

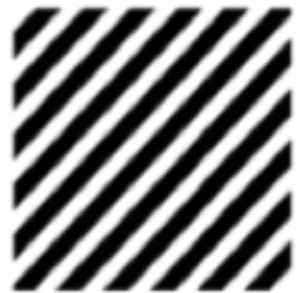
BE BOLD III: Accelerate Wisconsin: Part 1 – Food Manufacturing & Part 2: Health Care  
**REPORTS NOW AVAILABLE**

[CLICK TO VIEW FULL REPORTS](#)

**BE BOLD III**

**ISSUE BRIEFINGS**

**HALL OF IDEAS**



**BE  
BOLD**



- \* 2 Reports
- \* UW Madison Findings
- \* WEDC Spreadsheets and research findings
- \* Deloitte Research Findings

- \* 40+ specific recommendations
- \* One-on-one interviews with CEO'S and experts
- \* Panel discussions.

# ACCELERATE WISCONSIN!



**BE BOLD III**

**FOOD MANUFACTURING IN WISCONSIN**

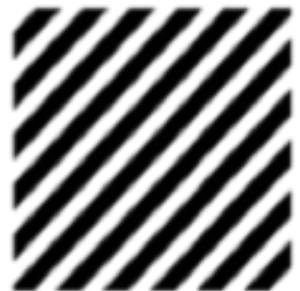
The report cover features a scenic view of a farm with cows in a field. At the top, there are three charts: 'Food and Beverage and Tobacco Products Manufacturing Gross Domestic Product by State (in Millions, 2014)', 'Change in Food Manufacturing Employment - 1990 to 2011', and 'State Employment for Selected Food Manufacturing Categories'. A central inset image shows a food processing facility.



**BE BOLD III**

**HEALTH CARE IN WISCONSIN**

The report cover features a group of diverse healthcare professionals (doctors, nurses, and a patient) smiling. A map of Wisconsin is overlaid on the left side of the image.



**BE  
BOLD**



\* Rethinking the regulatory dynamic.

\* Addressing Wisconsin's physician and nurse shortages

# ACCELERATE WISCONSIN!



**ACCELERATE WISCONSIN**  
A COMPETITIVE WISCONSIN, INC. INITIATIVE

**BE BOLD**

**III**

**FOOD MANUFACTURING IN WISCONSIN**



**ACCELERATE WISCONSIN**  
A COMPETITIVE WISCONSIN, INC. INITIATIVE

**BE BOLD**

**III**

**HEALTH CARE IN WISCONSIN**





COMPETITIVE WISCONSIN



▶ **BE BOLD IV: Workforce Recruitment & Retention**

89,298

70% to 77%

-118,000

**89,298** = NUMBER OF CURRENT JOB OPENINGS LISTED ON WISCONSIN'S JOB SITE

70% to 77%

-118,000

**89,298**

**=**

**NUMBER OF CURRENT JOB OPENINGS LISTED ON WISCONSIN'S JOB SITE**

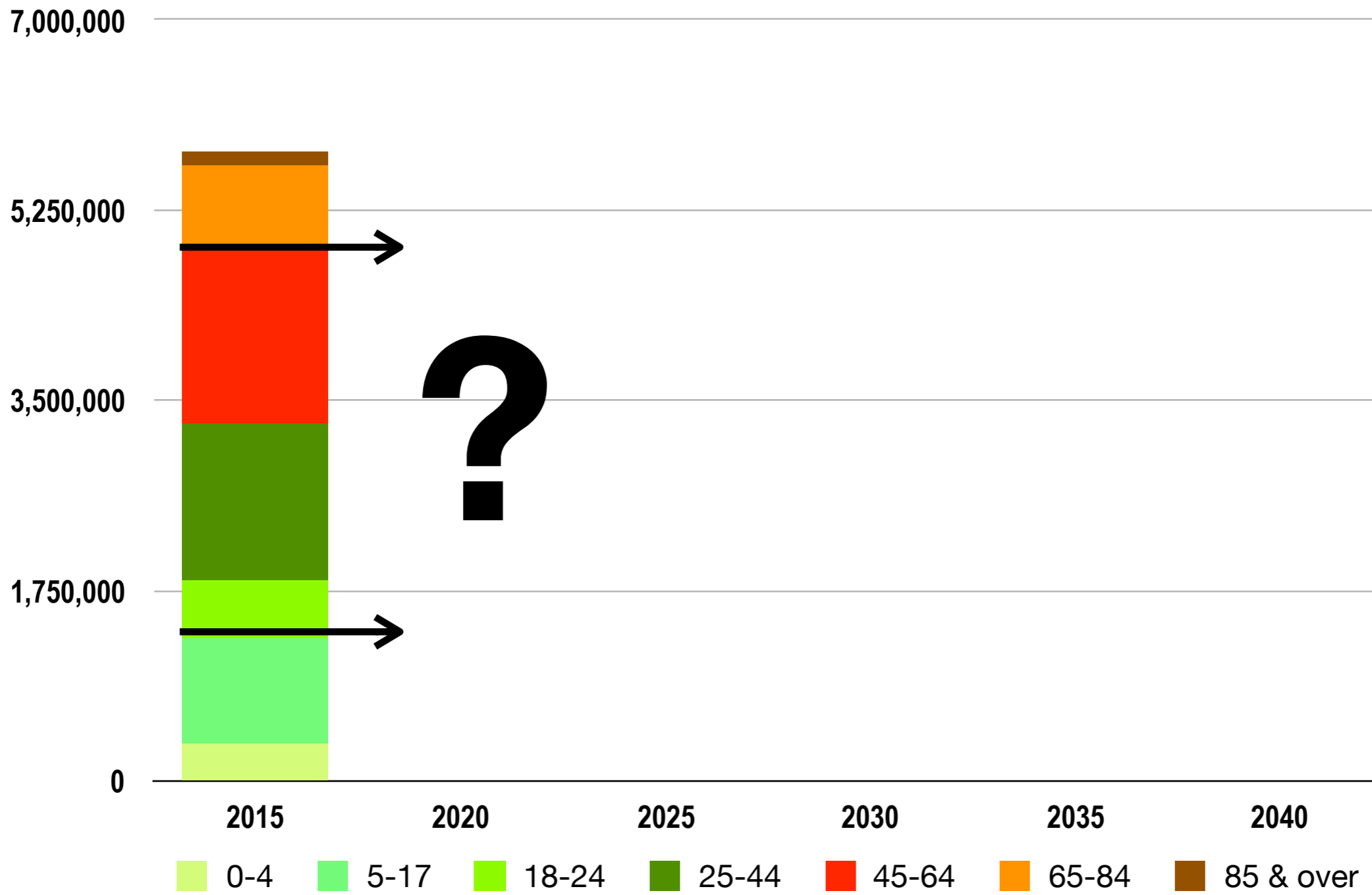
**70% to 77%**

**=**

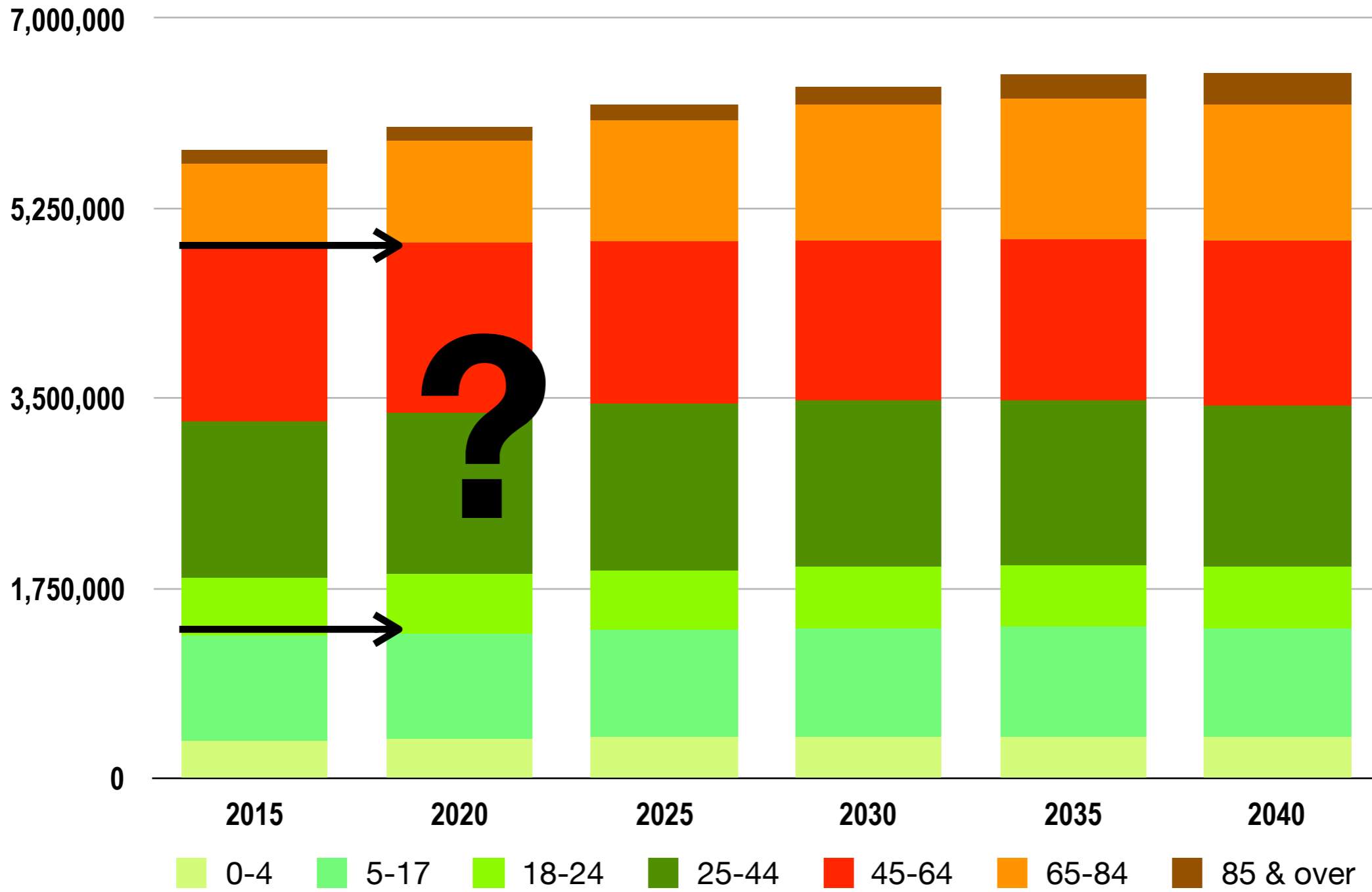
**PERCENTAGE OF WISCONSIN EMPLOYERS WHO SAY THEY CANNOT FIND THE WORKERS THEY NEED**

**-118,000**

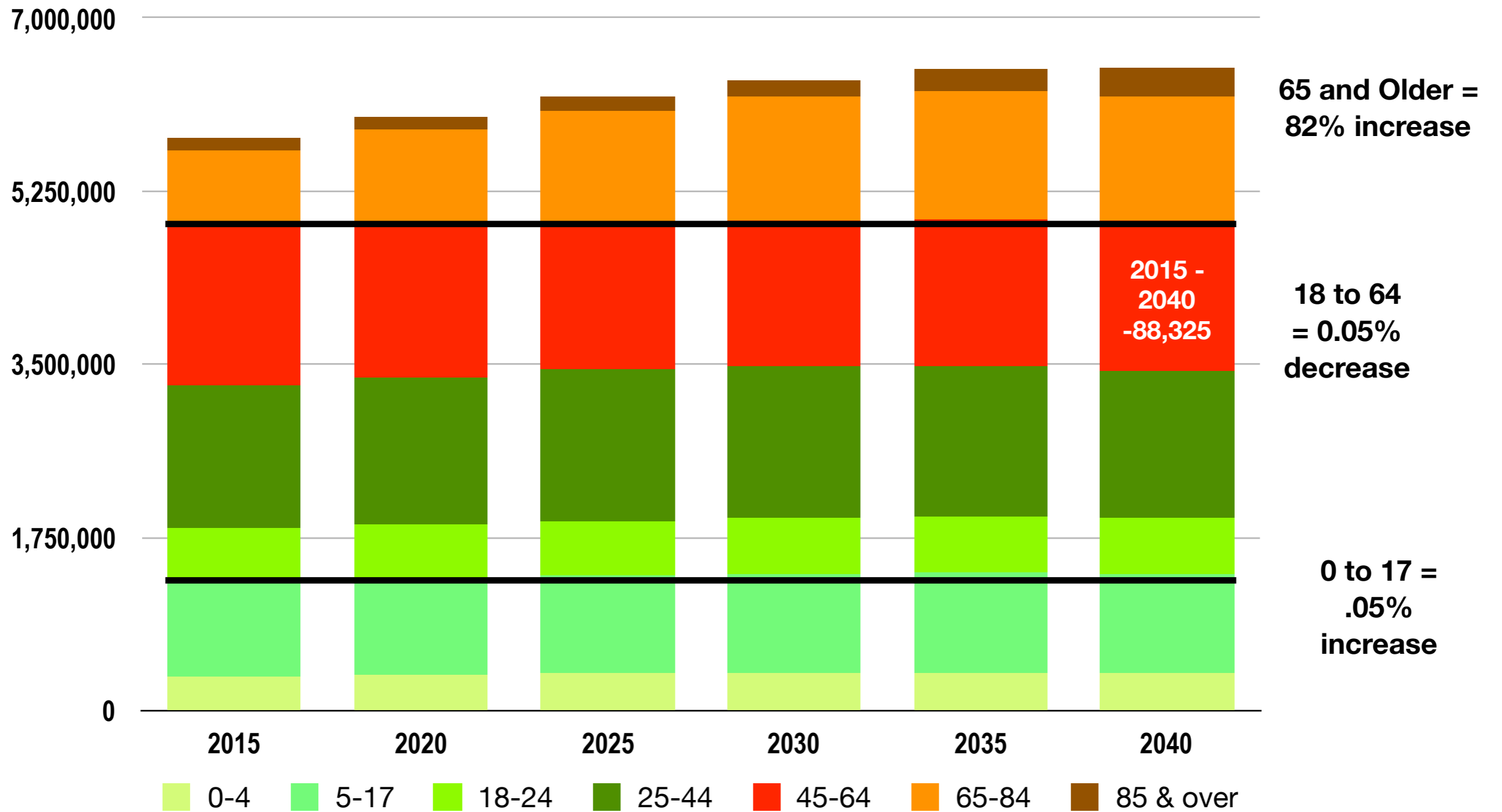
# Wisconsin Population Growth by Age 2015 to 2040



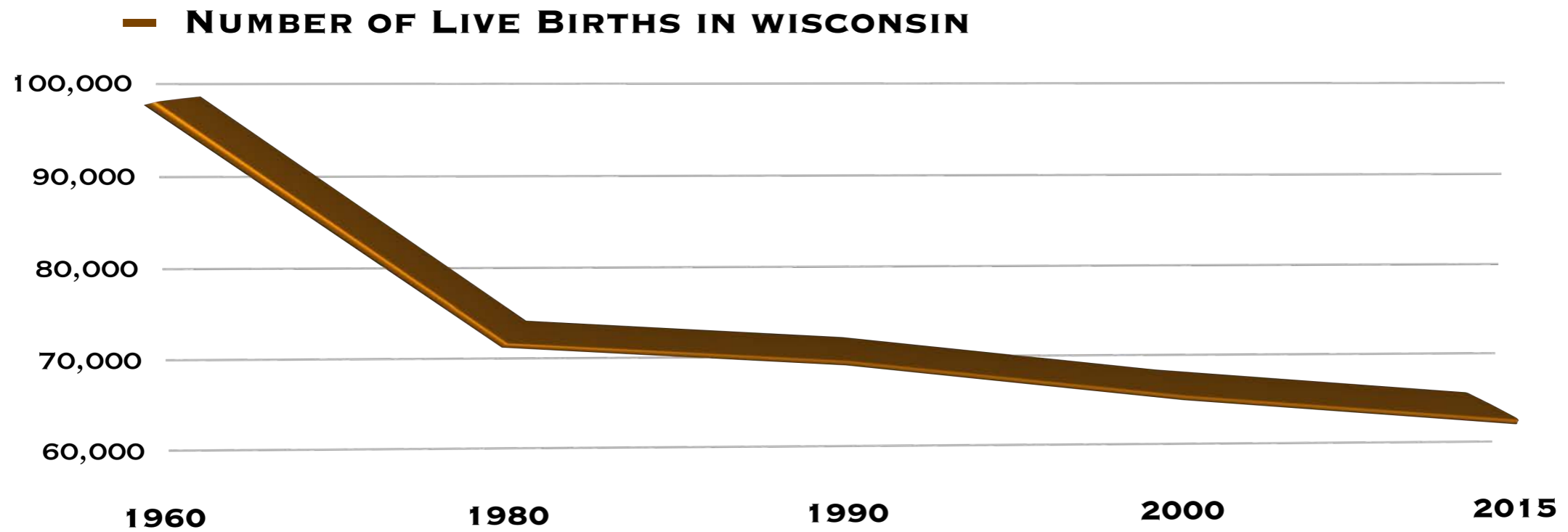
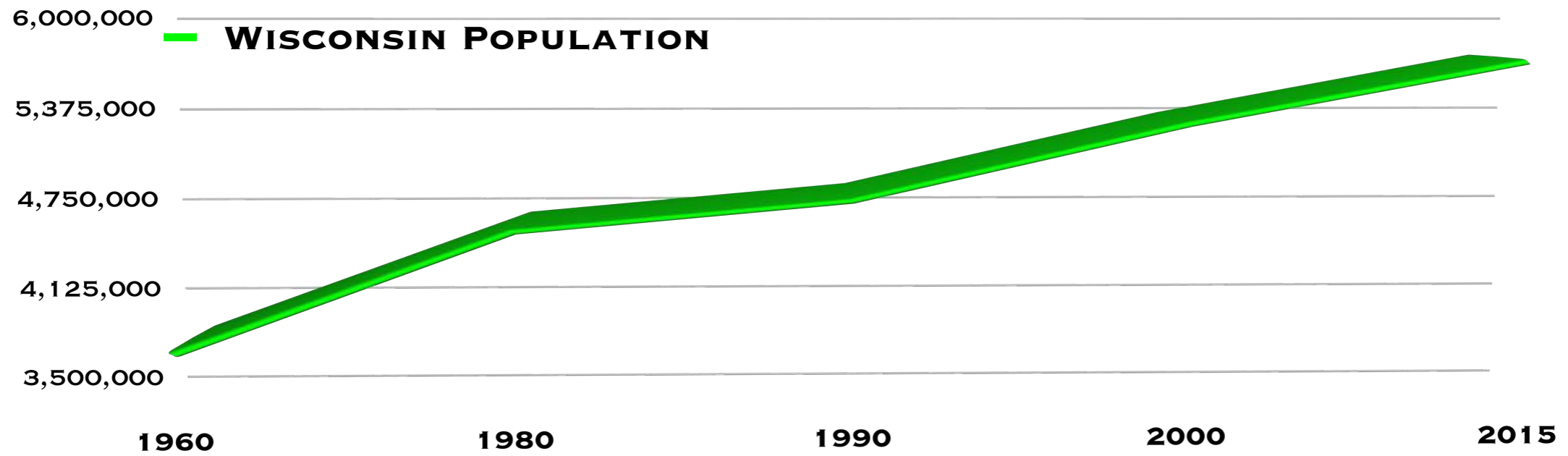
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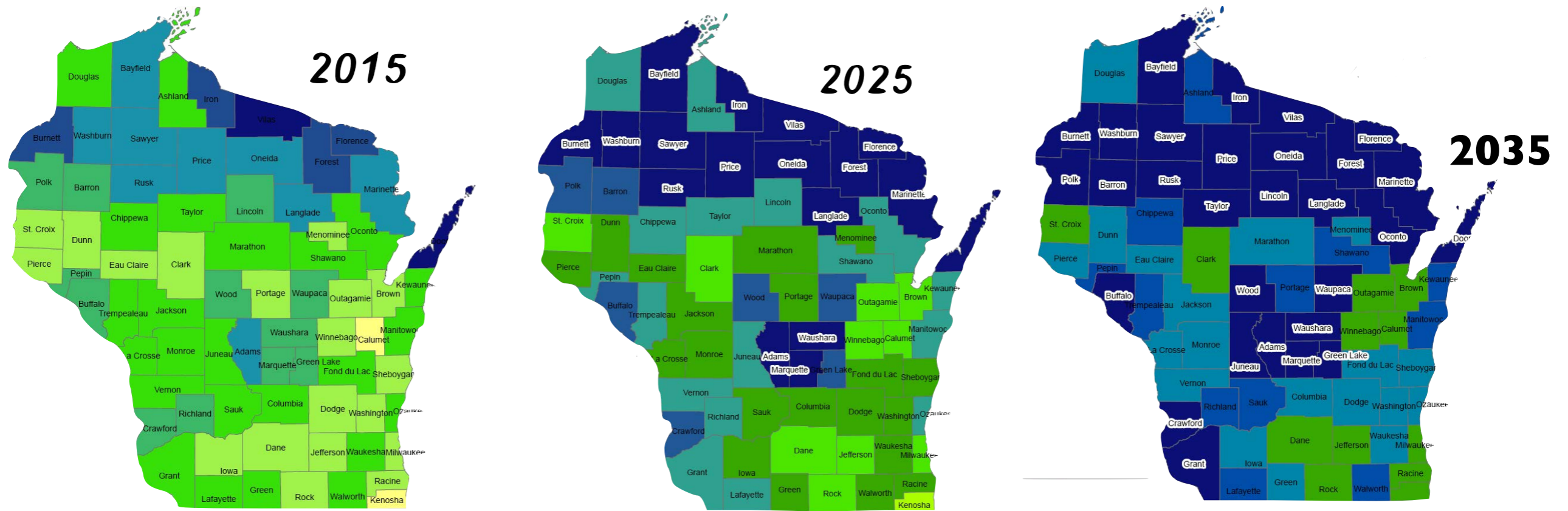


# WISCONSIN'S YOUNGER WORKFORCE POPULATION IS SHRINKING.

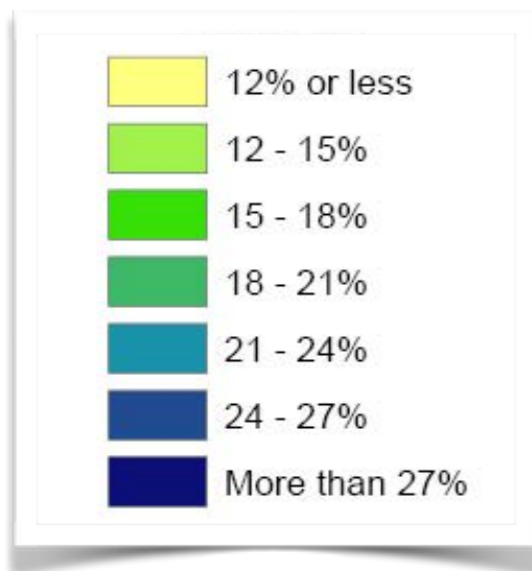




# WISCONSIN'S ELDERLY POPULATION IS GROWING.



## Percent Age 65+



- Pressure on need for/access to services - e.g., health care, transportation, senior services
- Pressure on local economy - e.g., fixed incomes, decline in full-time worker consumer spending
- Pressure on property tax base capacity - e.g., fixed incomes, erosion in rural housing market

**-118,000 =**

**NUMBER OF WISCONSIN  
WORKERS AGED 25-54  
PROJECTED BY THE PEW  
FOUNDATION AND UNIV OF  
VIRGINIA TO LEAVE THE  
WISCONSIN WORKFORCE  
BETWEEN 2015 AND 2040**

**AN ANNUAL LOSS OF**

**\* \$5.5 BILLION IN ANNUAL INCOME**

**\* \$275.9 MILLION IN STATE INCOME TAXES**

**\* \$168.3 MILLION IN PROPERTY TAXES**

# MARCH 7, 2018

- \* **WISCONSIN'S OLDER WORKFORCE IS SHRINKING.**
- \* **WISCONSIN'S YOUNGER WORKFORCE IS NOT LARGE ENOUGH.**
- \* **WISCONSIN'S OLDER POPULATION IS GROWING.**
- \* **WISCONSIN'S WORKFORCE IS BECOMING EVEN MORE URBAN.**
- \* **WISCONSIN'S TAX BASE IS ERODING.**



**...AND THE CLOCK IS TICKING**

# WHAT'S the PROBLEM

**WISCONSIN  
DOESN'T HAVE  
THE WORKFORCE  
IT NEEDS TO  
PROSPER**

# WHAT ARE

the

# SYMPTOMS

**EMPLOYERS  
CAN'T FIND THE  
WORKERS THEY  
NEED**

**STATE AND  
LOCAL TAX  
BASES ARE AT  
RISK**

# WHAT ARE

the

# CAUSES

DECADES OF  
LOW BIRTH  
RATES

CHANGING  
SKILL  
REQUIREMENTS

VERY LOW  
RATES OF IN  
MIGRATION

AGING  
POPULATION &  
INCREASING  
RETIREMENTS

**WHO'S WORKING**

on the

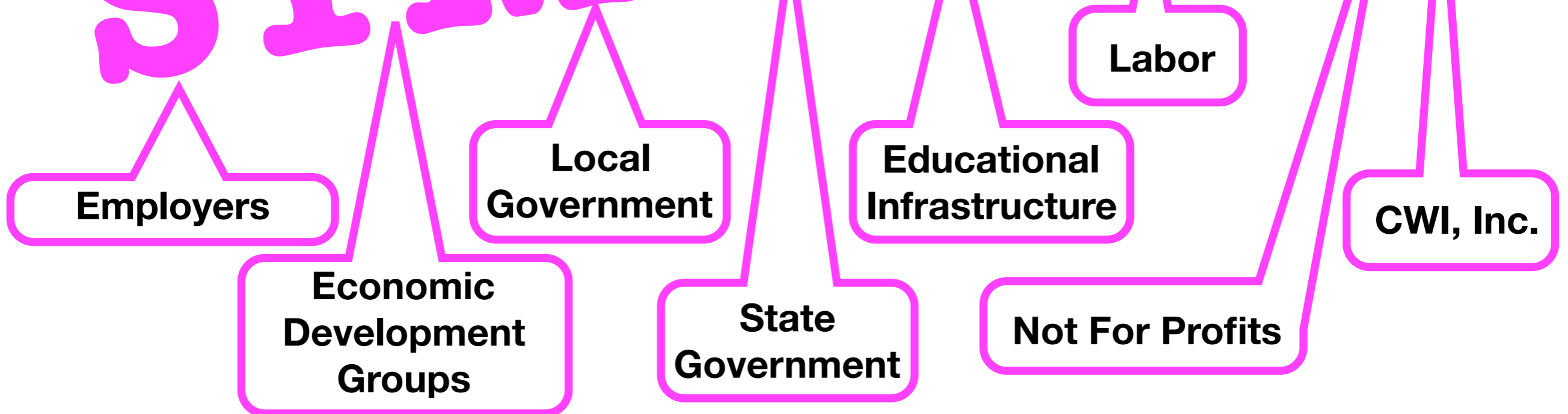
**PROBLEM**

**EVERYONE**

# WHO'S WORKING

## on the

# SYMPTOMS





# WHO'S WORKING

on the

# CAUSES

**DECADES OF  
LOW BIRTH  
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# WHO'S WORKING

on the

# CAUSES

- Low birth rates not likely to turn around anytime soon.

- Millennials delaying marriage and childbearing.

**CHANGING  
SKILL  
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**VERY LOW  
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**VERY LOW  
RATES OF IN  
MIGRATION**

- Continued aging a certainty.
- Retirements may be slowed with incentives and weak economy, but ultimately also inevitable.

# WHO'S WORKING

on the

# CAUSES

- Low birth rates not likely to turn around anytime soon.
- Millennials delaying marriage and childbearing.
- State government, educational institutions, and employers have made significant strides in addressing skill gaps and improving coordination and impact of effort.
- Continued aging a certainty.
- Retirements may be slowed with incentives and weak economy, but ultimately also inevitable.

**VERY LOW  
RATES OF IN  
MIGRATION**

**WHO'S WORKING**

on the

**CAUSES**

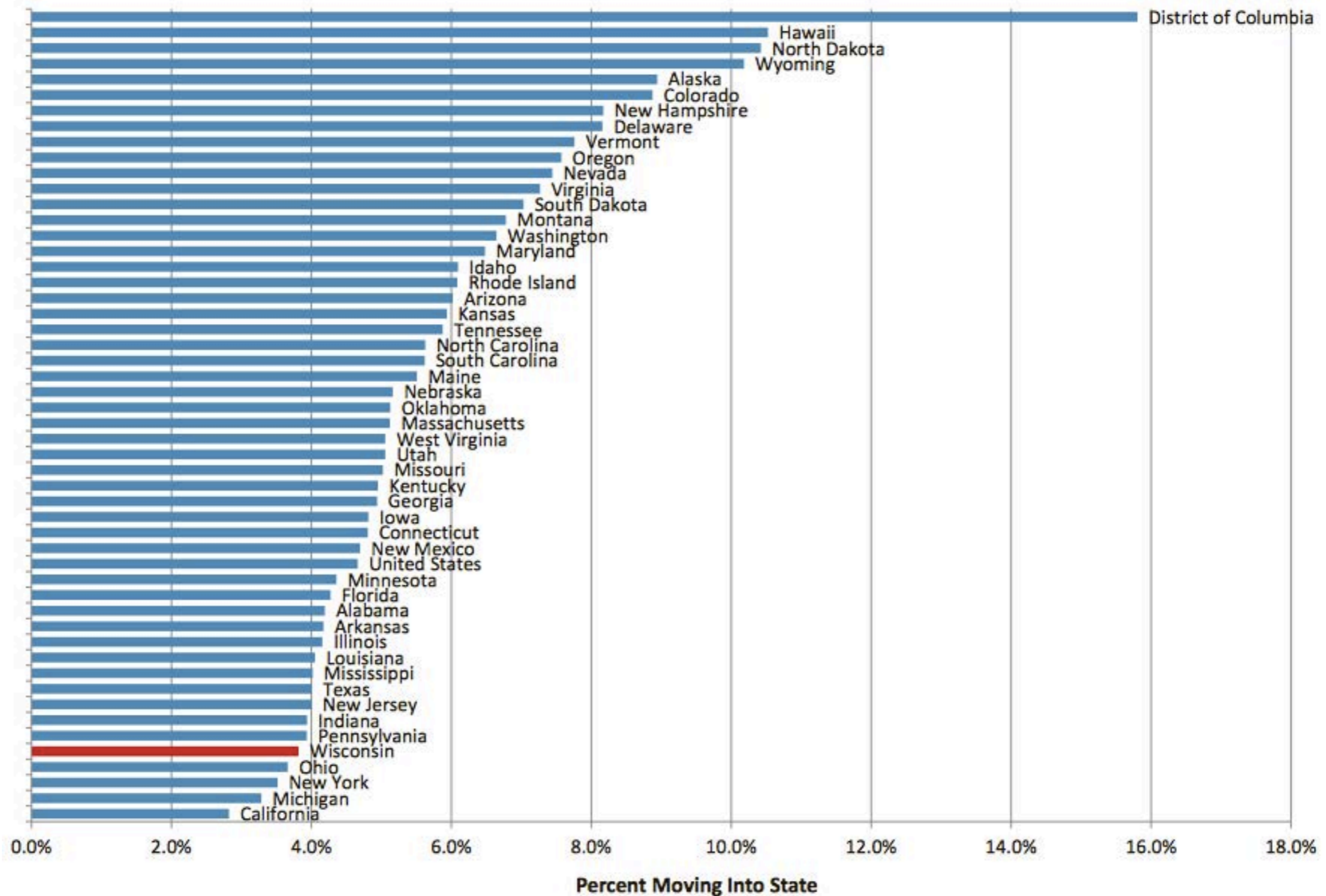
**VERY LOW  
IN MIGRATION**

**RATES**



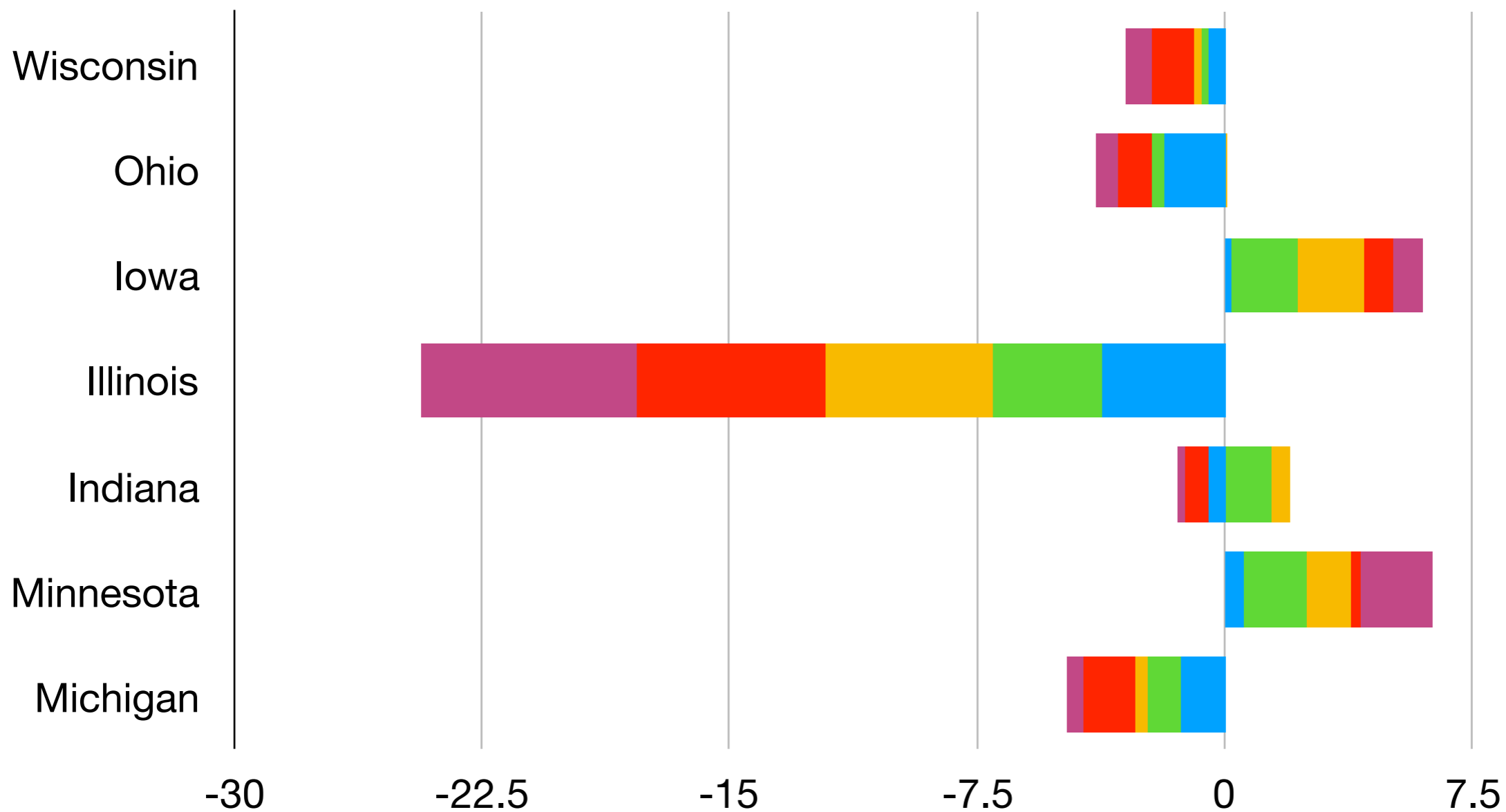


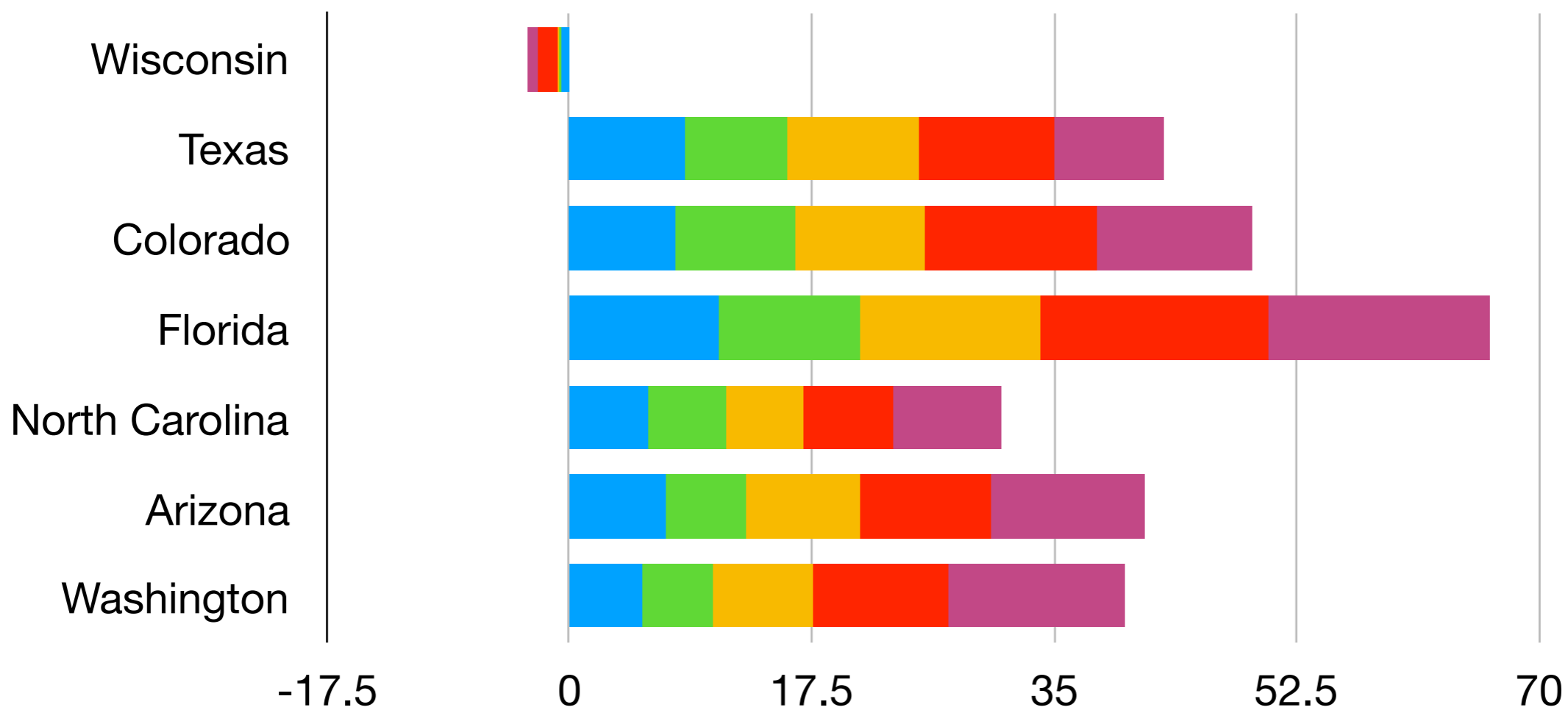
## Domestic In-Migration Rate Comparison for Ages 25 to 29 (2011 to 2013)





# BOLD OPPORTUNITIES







# WHO'S WORKING on the

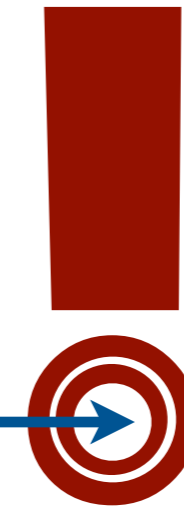
## VERY LOW IN MIGRATION RATES



LOCAL & REGIONAL EFFORTS	STATE EFFORTS	CWI, Inc. BE BOLD IV
<ul style="list-style-type: none"><li>• Enhancing local and regional amenities and services that might attract and help retain workers.</li><li>• Community marketing.</li><li>• Regional marketing.</li></ul>	<ul style="list-style-type: none"><li>• State marketing aligned with local and regional marketing efforts.</li><li>• Budget support for educational and training initiatives.</li><li>• Budget support for community enhancement efforts.</li></ul>	

**A search for BOLD systemic opportunities to increase the likelihood that the current and future young workers Wisconsin needs will choose to live and work in Wisconsin rather than someplace else.**

# BE BOLD IV



*CWI, Inc.'s search for BOLD systemic opportunities to increase the likelihood that the current and future young workers Wisconsin needs will choose to live and work in Wisconsin rather than someplace else.*

Decision Item	Category
Wages	Market Competitive
Cost of	Education and Training
	Housing and Utilities
	Taxes
Quality of	Amenities
	Health Care
	Neighborhood
	Education and Training
Opportunity to	Keep current on skill needs
	Start a business
	Come to Wisconsin from another country



COMPETITIVE WISCONSIN



**the need for  
broad vision  
sound research  
collaborative commitment  
and bold action**



COMPETITIVE WISCONSIN



**the need for  
broad vision  
sound research  
collaborative commitment  
and bold action**

## BEBOLD 4: OPERATING ASSUMPTION

- \* There is a wealth of sound data that indicates that Wisconsin needs to grow its *residential* workforce not by tens or hundreds of people a year, but by thousands of people each year for the next twenty years to meet the projected demand.

## BEBOLD 4: OPERATING ASSUMPTION

- \* There is a wealth of sound data that indicates that Wisconsin needs to grow its *residential* workforce not by tens or hundreds of people a year, but by thousands of people each year for the next twenty years to meet the projected demand.
- \* **The workers we want are people who will make rational decisions about their own economic, physical and social wellbeing.**

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- \* There is a wealth of sound data that indicates that Wisconsin needs to grow its *residential* workforce not by tens or hundreds of people a year, but by thousands of people each year for the next twenty years to meet the projected demand.
- \* The workers we want are people who will make rational decisions about their own economic, physical and social wellbeing.
- \* **There are untapped potential revenue streams available to facilitate the required transformations.**
  - \* **There is a quantifiable, retrievable value attached to every job that goes unfilled.**
  - \* **There is quantifiable, retrievable value related to home ownership and other quality of life elements.**
  - \* **There is quantifiable, retrievable value related to population health.**

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- \* **Wisconsin is facing time-certain challenges and opportunities.**



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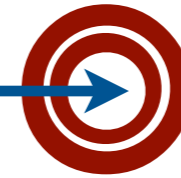
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- \* Wisconsin is facing time-certain challenges and opportunities.
- \* Collaborations between the public and private sectors serve both sectors best when they are focused on problem solving. to building a stronger, more prosperous workforce
- \* **Our goal is to identify opportunities to address the structural realities driving the challenges and energize new collaborative engagement with those pathways to building a stronger, more prosperous workforce.**

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- \* Our goal is to identify opportunities to address the structural realities driving the challenges and energize new collaborative engagement with those pathways to building a stronger, more prosperous workforce.
- \* **BE BOLD initiatives will not duplicate, replicate or compete with existing good/best practice initiatives.**

# BE BOLD IV !

*CWI, Inc.'s search for BOLD systemic opportunities to increase the likelihood that the current and future young workers Wisconsin needs will choose to live and work in Wisconsin rather than someplace else.*



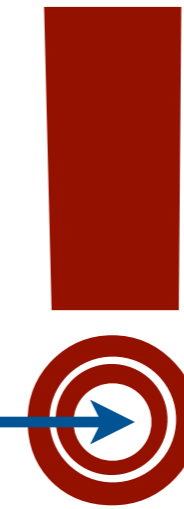
Decision Item	Category	Wisconsin	Illinois	Michigan	Iowa	Ohio	Texas	Colorado
Wages	Market Competitive	✓						
Cost of	Education and Training	✓						
	Housing and Utilities	✓						
	Taxes	✓						
Quality of	Amenities	✓						
	Health Care	✓						
	Neighborhood	✓						
	Education and Training	✓						
Opportunity to	Keep current on skill needs	✓						
	Start a business	✓						
	Come to Wisconsin from another country	✓						

**Wisconsin needs tens of thousands of current and future workers to check these boxes...**

**and right now they aren't!**



# BE BOLD IV



*CWI, Inc.'s search for BOLD systemic opportunities to increase the likelihood that the current and future young workers Wisconsin needs will choose to live and work in Wisconsin rather than someplace else.*

## RECRUITMENT & RETENTION EXECUTIVE CASE STUDY 1

### **The Role of Wisconsin's Local Government and Economic, Community and Workforce Development Professionals**

- Scope and Nature of Challenges and Opportunities
- Best Practices
- Innovative and Bold Opportunities
- Recommendations

## RECRUITMENT & RETENTION EXECUTIVE CASE STUDY 2

### **The Role of Wisconsin's Educational Infrastructure**

- Scope and Nature of Challenges and Opportunities
- Best Practices
- Innovative and Bold Opportunities
- Recommendations

## RECRUITMENT & RETENTION EXECUTIVE CASE STUDY 3

### **The Role of Wisconsin State Government**

- Scope and Nature of Challenges and Opportunities
- Best Practices
- Innovative and Bold Opportunities
- Recommendations

## RECRUITMENT & RETENTION EXECUTIVE CASE STUDY 4

### **The Role of Wisconsin's Private Sector and Business Leaders**

- Scope and Nature of Challenges and Opportunities
- Best Practices
- Innovative and Bold Opportunities
- Recommendations



# HOUSING

**THE WORKERS WE WANT ARE PEOPLE WHO WILL MAKE RATIONAL DECISIONS RELATED TO THEIR OWN ECONOMIC, PHYSICAL AND SOCIAL WELLBEING.**



# TAXES



# EDUCATION



# QUALITY OF LIFE



**THE WORKERS WE WANT ARE PEOPLE WHO WILL MAKE RATIONAL DECISIONS RELATED TO THEIR OWN ECONOMIC, PHYSICAL AND SOCIAL WELLBEING.**



**TAXES**

**HOUSING**

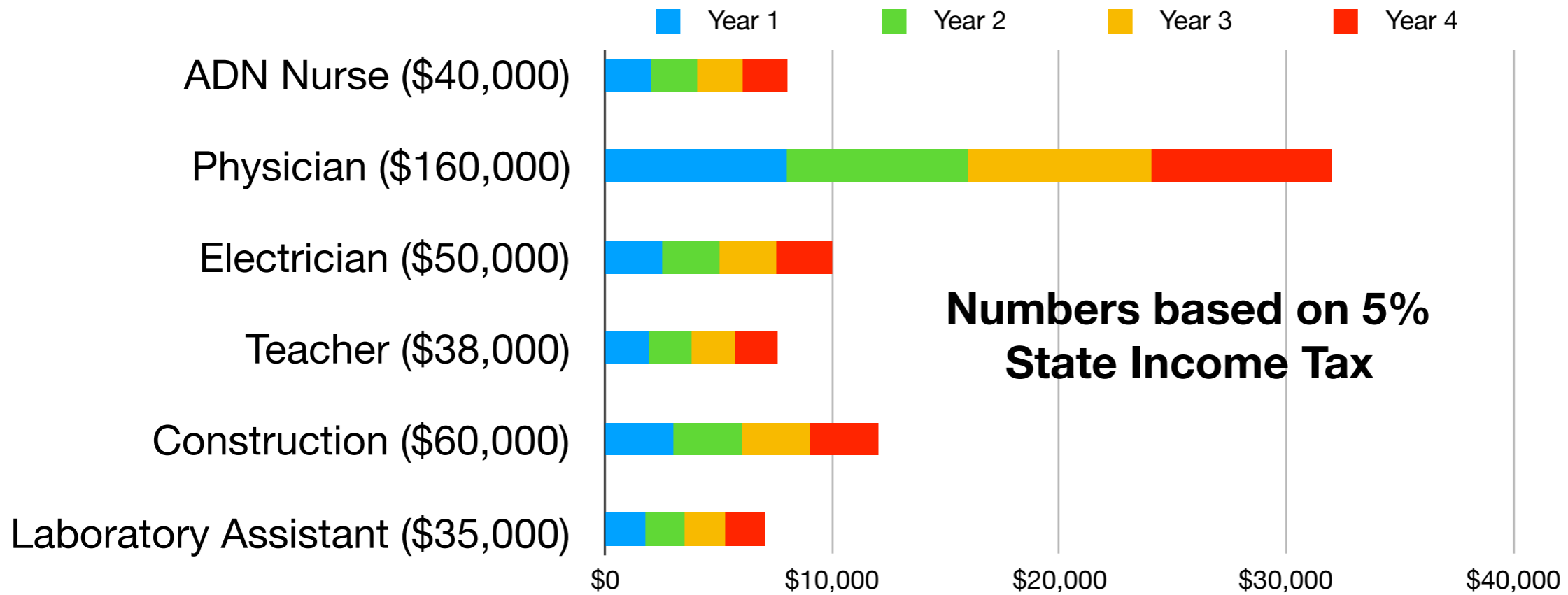
**EDUCATION**

**QUALITY OF LIFE**



# TAXES

**THERE IS A QUANTIFIABLE AND RETRIEVABLE VALUE ATTACHED TO EVERY JOB THAT GOES UNFILLED; SO, WE NEED TO FOCUS ON CREATING TAXPAYERS AS WELL AS CREATING JOBS.**







# TAXES



**JOB VACANCY TAX INVESTMENTS IN STUDENTS**



**JOB VACANCY TAX INVESTMENTS IN WORKERS**



**JOB VACANCY REDUCED TAX RATES AND FEES**



**GREATER RELIANCE ON CONSUMPTION TAXES**



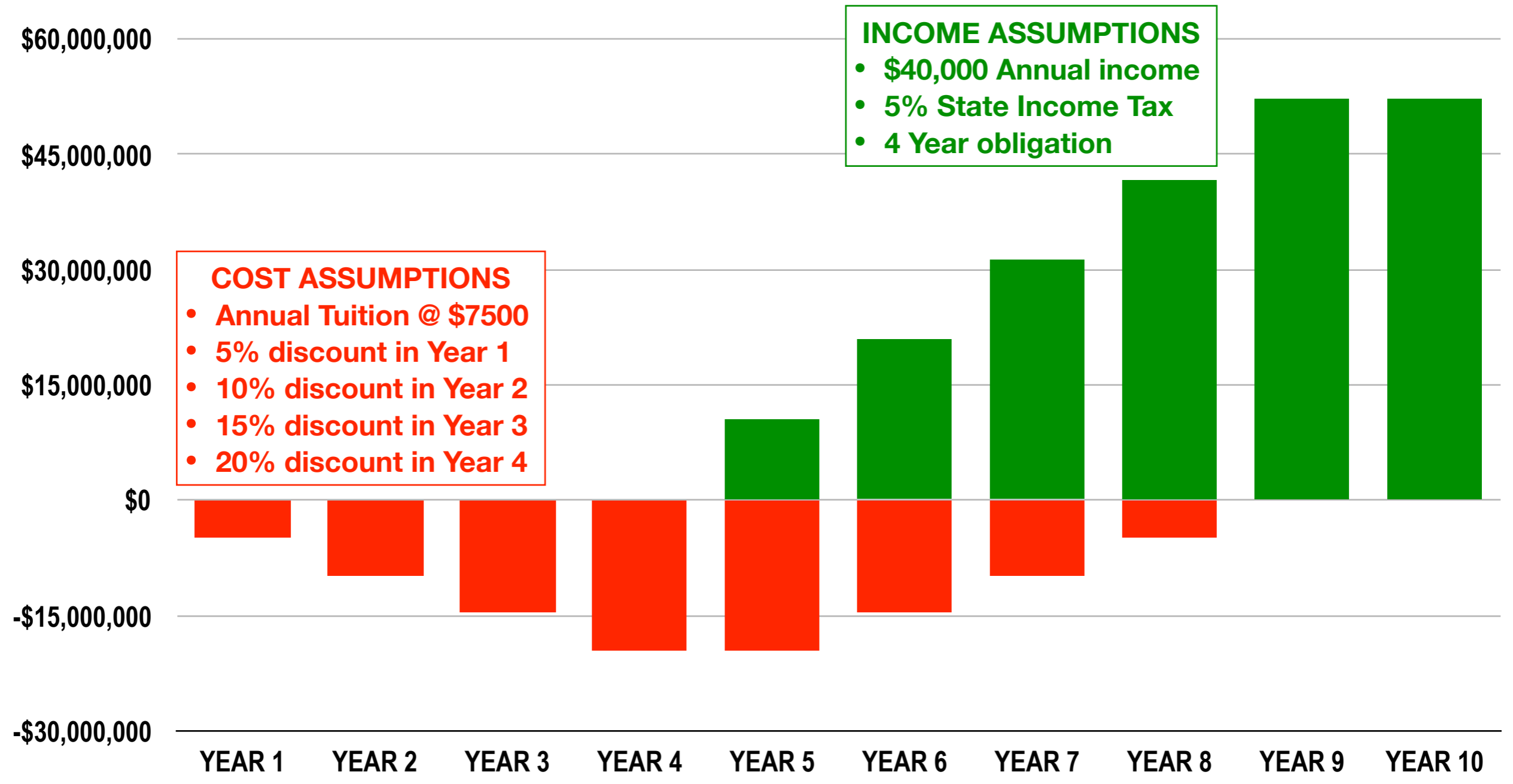
**RECRUITMENT AND RETENTION RELATED LOCAL TAX SHARING**



The following slides represent one example of how a job vacancy tax investment concept could be put to work. The calculations are rudimentary and, we believe, conservative.

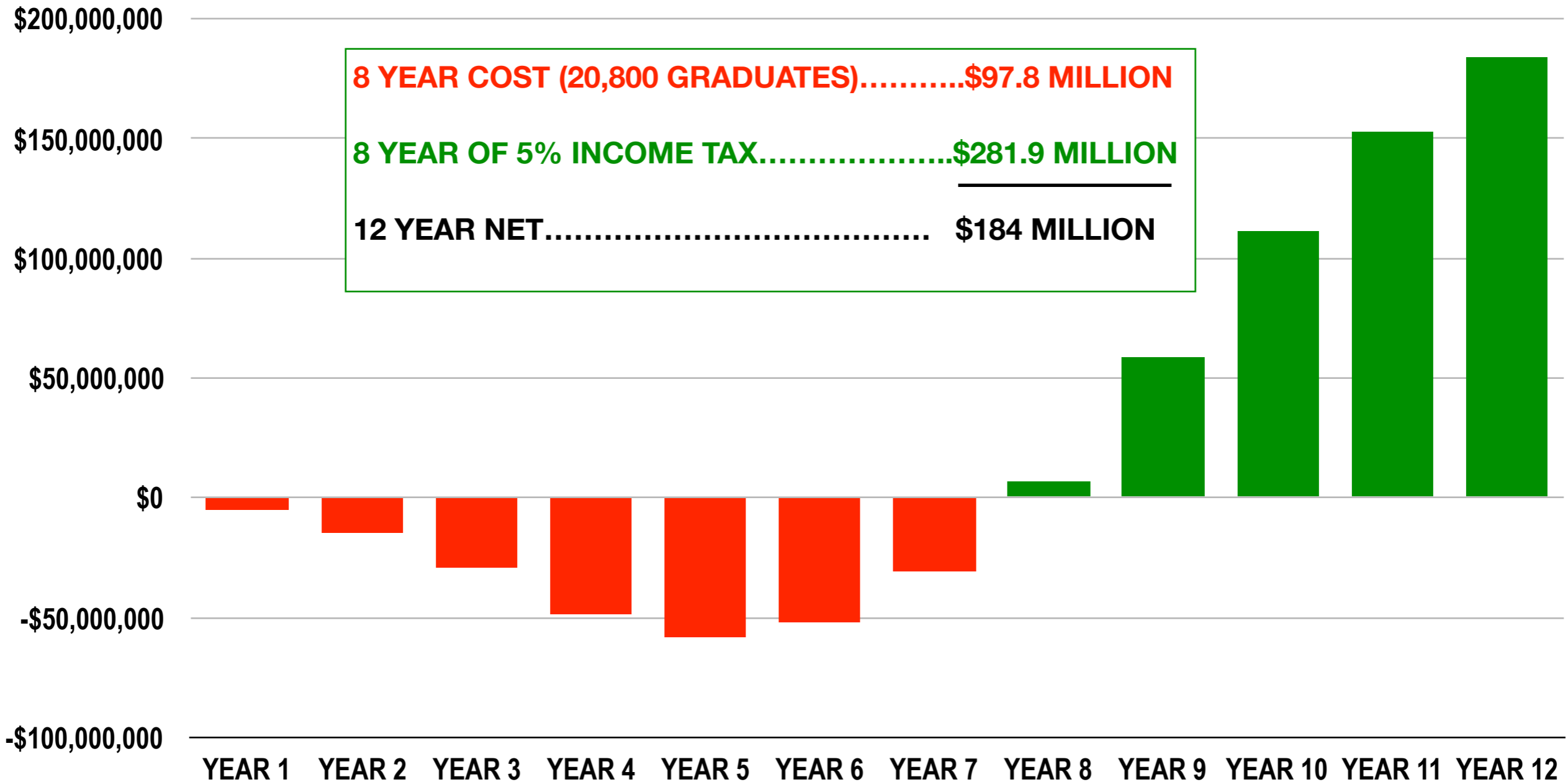


## TUITION BASED STUDENT/WORKER RECRUITMENT INCENTIVE





## TUITION BASED STUDENT/WORKER RECRUITMENT INCENTIVE CUMULATIVE NET





## OPPORTUNITIES FOR ENGAGEMENT

- ☀ **DIGITAL PLATFORM**
- ☀ **REGIONAL CLUSTER COUNCILS**
- ☀ **CASE STUDY OVERSIGHT PANELS**
- ☀ **JOIN CWI**