

## MANUFACTURING

# PATTERNS IN WISCONSIN MANUFACTURING: RURAL AND URBAN AREAS



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The Wisconsin economy has a rich tradition in manufacturing. But, in terms of its relative size, the overall level of state-wide employment has been declining over the past several years and is now at approximately the same level as 50 years ago. As the overall economy grows at a faster rate, manufacturing is accounting for a smaller share. While employment is only one measure of the size and contribution to the economy, it remains a focal point of policy discussions.

Rural Wisconsin appears to be more dependent on manufacturing for employment than the urban with 16% of total employment in manufacturing compared to 13% in 2015 (Figure 1). A more important pattern, however, is the decline in that level of dependency: in both rural and urban areas of Wisconsin the share of total employment in manufacturing is declining. From 1970 to the mid-1990s, rural manufacturing growth tracked along with total rural employment growth, then there is a marked divergence (Figure 2). From 2000 to 2015, there has been a noticeable decline in rural manufacturing employment. Indeed, the strong growth trends of the 1980s and 1990s in total employment appears to significantly slow down starting in 2000. This significant reduction in the rate of

Rural Wisconsin is more dependent on manufacturing for employment than its urban counterpart. But that level of dependency has been declining: the share of rural employment in manufacturing has been declining.

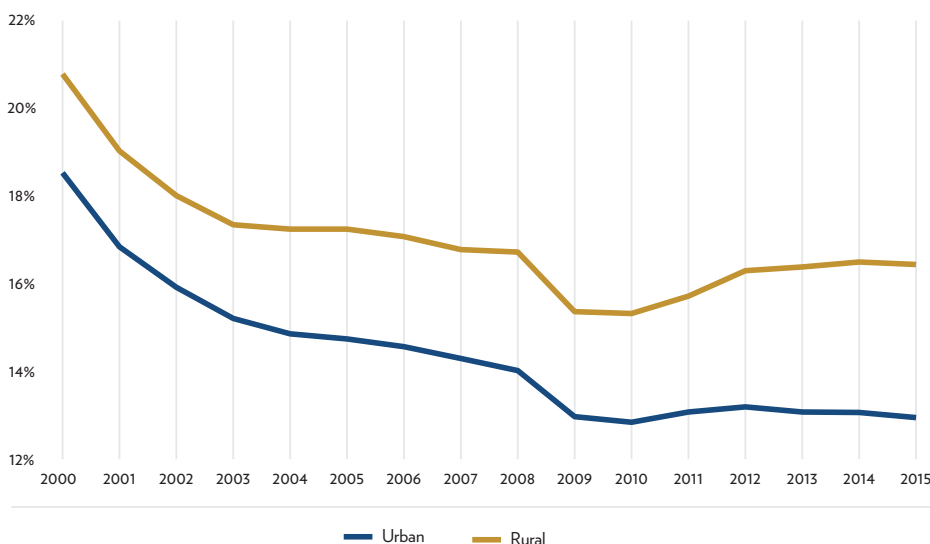
There appears to be been a “structural break” in rural manufacturing employment beginning in 2000. In the past 15 years, there has been a remarkable decline in rural manufacturing employment.

Rural manufacturing employment has yet to return to pre-Great Recession levels.

In some rural counties, such as Trempealeau, Taylor, and Marinette, among others, more than one in four jobs is in manufacturing. Only a small handful of urban counties, for example, Washington, have dependency levels as high as these rural counties.

Most counties, both urban and rural, have seen a decline in their dependency on manufacturing for employment since 2000.

**FIG 1** SHARE OF TOTAL NON-FARM EMPLOYMENT IN MANUFACTURING IN RURAL AND URBAN WISCONSIN COUNTIES



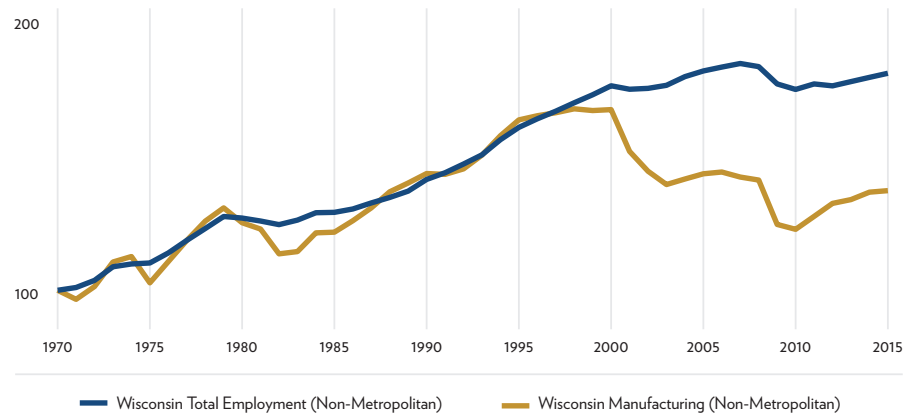
# THE WISCONSIN ECONOMY

rural total employment growth is clearly linked to the decline in rural manufacturing employment.

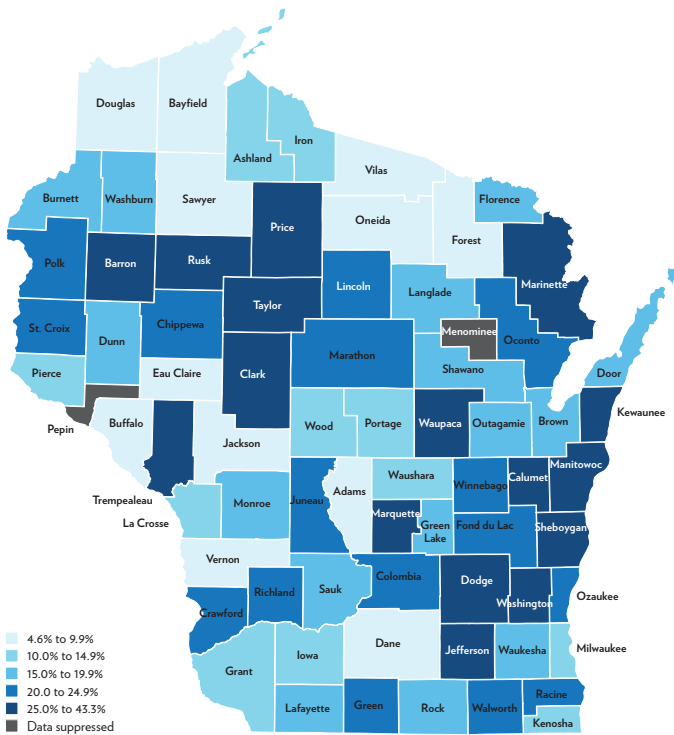
A simple mapping of the percent of total county employment that is in manufacturing reveals that there are several rural counties where at least one in five jobs is in manufacturing. There is only one urban county that has the same level of dependency (Washington).

A mapping of the change in dependency on manufacturing from 2000, the start of the significant reduction in rural manufacturing employment, reveals that most Wisconsin counties has seen a decline. Only a relatively small handful have experienced an increase in dependency on manufacturing for employment. These levels of dependency could be changing for two reasons: (1) manufacturing employment is declining relative to total employment, or (2) total employment is growing faster than manufacturing employment.

**FIG 2** WISCONSIN NON-METROPOLITAN EMPLOYMENT GROWTH INDEX (1970=100)



**FIG 3** MANUFACTURING EMPLOYMENT AS A SHARE OF TOTAL EMPLOYMENT (2016 ANNUAL AVERAGE)



**FIG 4** PERCENT CHANGE IN MANUFACTURING EMPLOYMENT BY COUNTY (2000-2016)

