


**2009-2010  
Building Communities Educational Series**

**Housing and Other Critical Sectors: Assessing and Building Our Economy**


Brought to you by the Center for Community & Economic Development  
University of Wisconsin-Extension



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**Housing and Other Critical Sectors:  
Assessing and Building Our Economy**

**Dr. Russ Kashian**  
Department of Economics  
University of Wisconsin-Whitewater


**Matt Kures**  
Center for Community & Economic Development  
University of Wisconsin-Extension


*Building Communities Educational Series*  
March 16, 2009



**Learning Objectives for Today**

- Understand how economic and labor force data can help us learn about changes in our local/regional economy;
- Investigate impacts of the recent recession;
- Explore methods for determining comparable regions;
- Introduce web-based resources for gathering local economic information.




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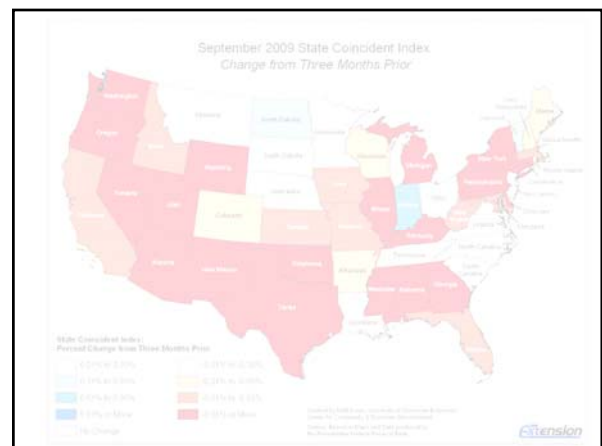
**Why Examine and Benchmark Economic Data?**

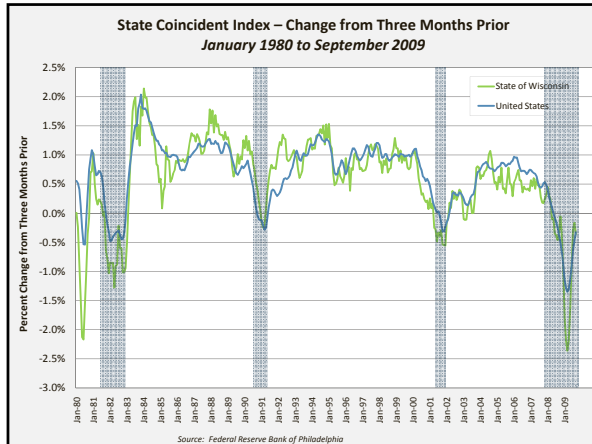
*Effective use of demographic, labor force and economic data can help and regions communities to:*

- Stimulate discussion
- Affirm or challenge current perceptions
- Identify local strengths and weaknesses
- Identify issues and opportunities
- Recognize and prepare for change
- Develop and evaluate options and strategies



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### Federal Reserve Bank of Philadelphia – State Coincident Indexes

<http://www.philadelphiafed.org/research-and-data/regional-economy/indexes/coincident/>

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### Choosing Comparable Areas

Identifying Comparable Places

- Similar in Population and Demographics
- Similar in Urban and Rural Characteristics
- Other Characteristics – Industry Concentrations, Universities, Government, Commuter Flow

Choosing Comparable Regions:  
An Example from Thrive

- State capitals
- The presence or close proximity to a major university
- Not the dominant metro area in state, but with a vital share of their state's population

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### Choosing Comparable Areas – County Typology Codes from the USDA Economic Research Service

Codes classify all counties according to six non-overlapping categories of economic dependence and seven overlapping categories of policy-relevant themes (<http://www.ers.usda.gov/Briefing/Rurality/Typology/>)

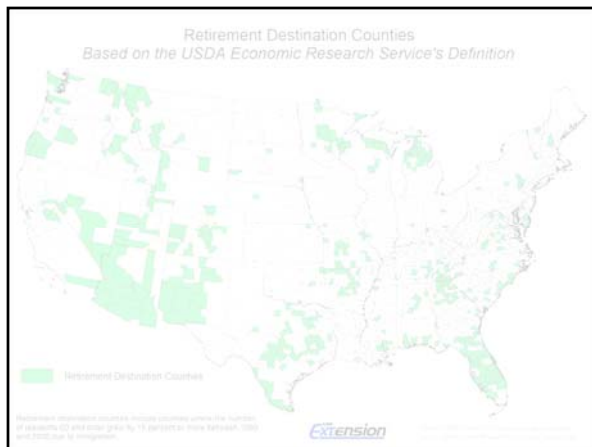
**By Economic Type**

- Farming Dependent
- Mining Dependent
- Manufacturing Dependent
- Government Dependent
- Services Dependent
- Non-specialized

**By Policy Type**

- Housing stress
- Low-education
- Low-employment
- Persistent poverty
- Population loss
- Non-metro recreation
- Retirement destination

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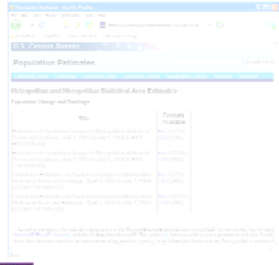
### Choosing Comparable Areas – Rural-Urban Continuum Codes from the USDA Economic Research Service

<http://www.ers.usda.gov/Data/RuralUrbanContinuumCodes>


Code	Description
<b>Metro Counties</b>	
1	Counties in metro areas of 1 million population or more
2	Counties in metro areas of 250,000 to 1 million population
3	Counties in metro areas of fewer than 250,000 population
<b>Non-Metro Counties</b>	
4	Urban population of 20,000 or more, adjacent to a metro area
5	Urban population of 20,000 or more, not adjacent to a metro area
6	Urban population of 2,500 to 19,999, adjacent to a metro area
7	Urban population of 2,500 to 19,999, not adjacent to a metro area
8	Completely rural or less than 2,500 urban population, adjacent to a metro area
9	Completely rural or less than 2,500 urban population, not adjacent to a metro area

### Choosing Comparable Areas – Ranking Counties and Metro Areas by Demographic and Economic Measures

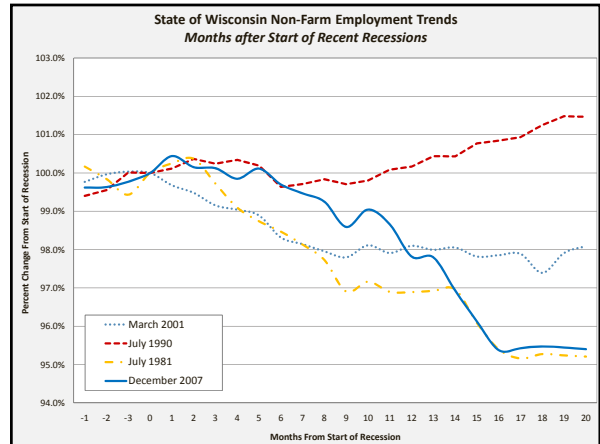
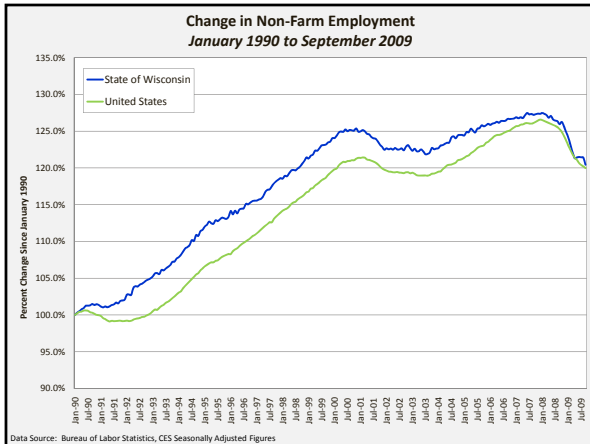
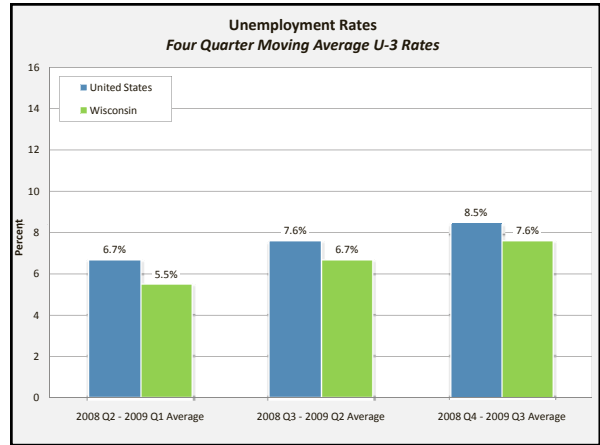
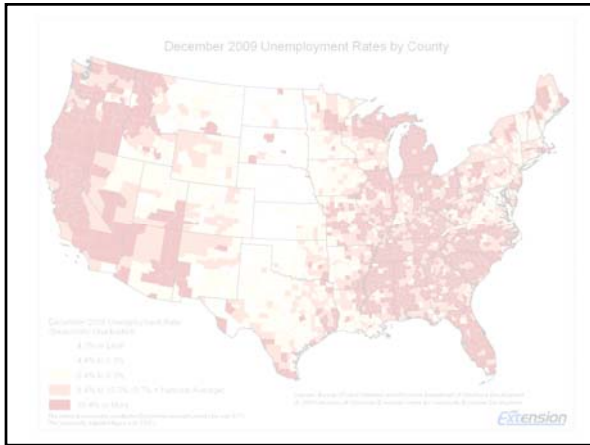
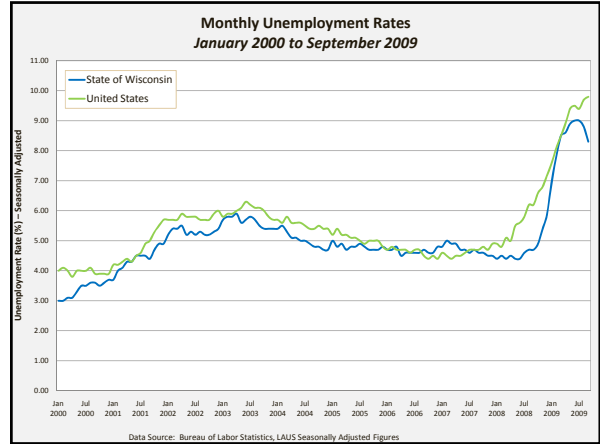
**U.S. Census Bureau Population Estimates**  
<http://www.census.gov/popest/estbygeo.html>



**Bureau of Economic Analysis**  
<http://www.bea.gov/regional/reis/>



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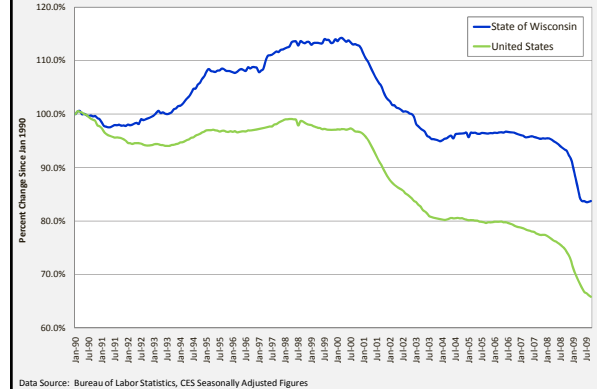


### Change in Wisconsin Employment by Industry Since Start of Latest Recessionary Period

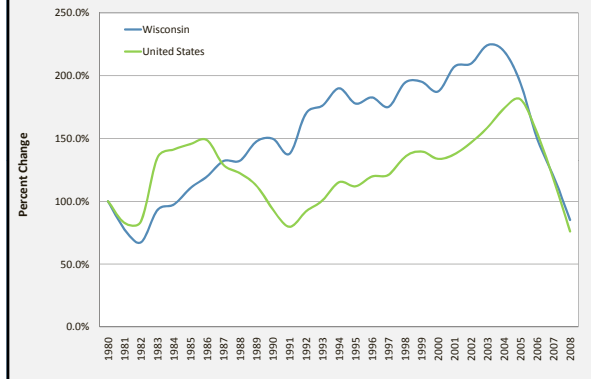
Industry	December 2007	December 2009	Number	Percent
<b>Total Nonfarm</b>	<b>2,889,000</b>	<b>2,712,300</b>	<b>-176,700</b>	<b>-6.1%</b>
Natural Resources and Mining	3,400	3,000	-400	-11.8%
Construction	123,800	99,100	-24,700	-20.0%
Manufacturing	500,000	436,800	-63,200	-12.6%
Wholesale Trade	122,500	115,000	-7,500	-6.1%
Retail Trade	311,400	294,200	-17,200	-5.5%
Transportation, Warehousing & Utilities	110,600	98,100	-12,500	-11.3%
Information	50,400	49,300	-1,100	-2.2%
Financial Activities	163,900	157,100	-6,800	-4.1%
Professional and Business Services	284,200	252,100	-32,100	-11.3%
Educational Services	47,200	49,900	2,700	5.7%
Health Care and Social Assistance	353,700	368,300	14,600	4.1%
Leisure and Hospitality	261,900	241,000	-20,900	-8.0%
Other Services, except Public	138,000	127,700	-10,300	-7.5%
Government	418,000	420,700	2,700	0.6%

Data Source: Bureau of Labor Statistics, CES Seasonally Adjusted Figures

### Change in Manufacturing Employment January 1990 to September 2009



### New Privately-Owned Housing Units Authorized by Building Permits Percent Change from 1980



### Shift-Share Analysis – Another Method for Determining Regional Economic Performance

With shift-share analysis we can decompose total employment change in any given industry into three components of change:

1. Change due to national growth in an industry;
2. Change due a local industry mix weighted toward industries that are growing faster or slower than the national average;
3. Change due to the fact that local businesses are more or less competitive than the national average.

- Summing these three components yields the total change in jobs over time.

- Calculator and Description at: <http://cecd.aers.psu.edu/pubs/Tool%204.pdf>  
<http://www.georgiastats.uga.edu/sshare1.html>

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### Shift-Share Analysis for Selected Wisconsin Industries – 2008 to 2009

Industry	Total Change	National Effect	Industry Mix Effect	Local Effect
Natural Resources and Mining	-400	-146	-151	-103
Construction	-16,400	-5,081	-13,517	2,198
Manufacturing - Durable Goods	-46,300	-13,260	-28,875	-4,165
Manufacturing - Nondurable Goods	-11,001	-7,892	-5,837	2,728
Retail Trade	-12,900	-13,311	-2,019	2,430
Information	-2,299	-2,154	-823	678
Finance and Insurance	-2,199	-5,870	135	3,536
Real Estate and Rental and Leasing	-1,700	-1,172	-550	22
Professional, Scientific, & Technical Services	-5,500	-4,317	565	-1,748
Management of Companies & Enterprises	-400	-1,944	790	754
Administrative and Waste Services	-20,200	-5,815	-7,962	-6,423
Educational Services	1,600	-2,090	2,894	796
Health Care and Social Assistance	5,800	-15,358	22,211	-1,053
Arts, Entertainment, and Recreation	-1,800	-1,532	524	-792
Accommodation and Food Services	-5,701	-9,600	4,160	-261
Other Services, exc Public	-1,000	-5,965	2,159	2,806

### Where Can We Get Information on Employment and Unemployment?



#### Bureau of Labor Statistics

- National, State, Metro and County Data at <http://www.bls.gov>
- Information is also available through local Labor Market Information websites <http://www.bls.gov/bls/ofolist.htm>
- Maps are available at: <http://www.bls.gov/data/#maps>

Can also use Bureau of Economic Analysis

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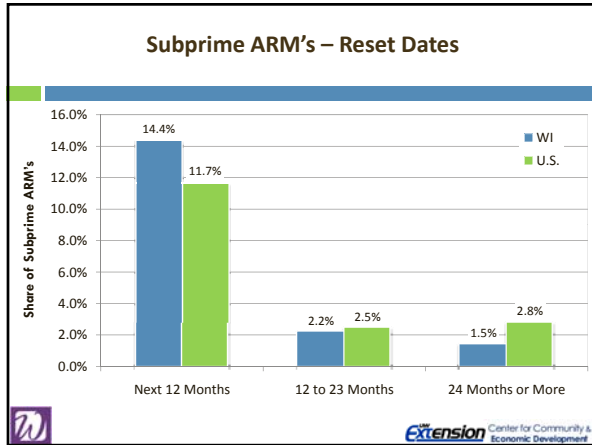
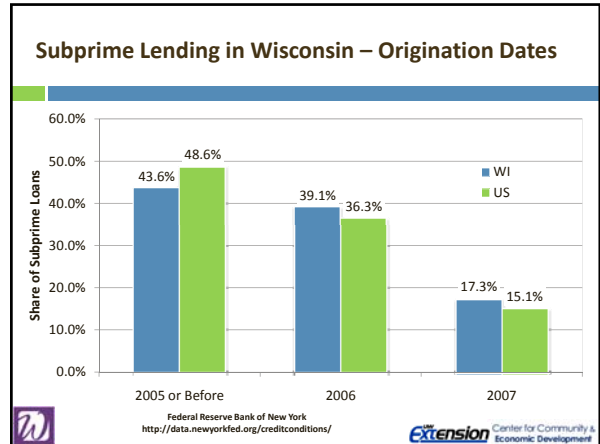


### Subprime Lending in Wisconsin September 2008 versus September 2009

Category		Wisconsin	U.S.
% of Housing Units financed with Subprime Loans	Sept 2008	1.48%	2.26%
	Sept 2009	1.19%	1.85%
Average Interest Rate on Subprime Loans	Sept 2008	8.89%	8.42%
	Sept 2009	8.04%	7.71%
Average Subprime Loan Balance	Sept 2008	\$129,925	\$183,537
	Sept 2009	\$130,469	\$178,826
Average Subprime Loan Age in Months	Sept 2008	34	37
	Sept 2009	46	49

Federal Reserve Bank of New York  
<http://data.newyorkfed.org/creditconditions/>

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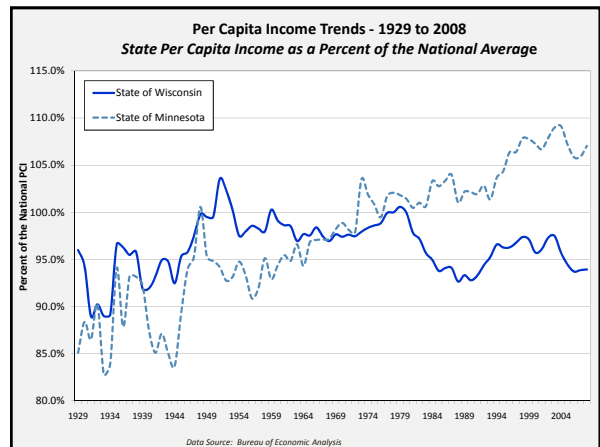
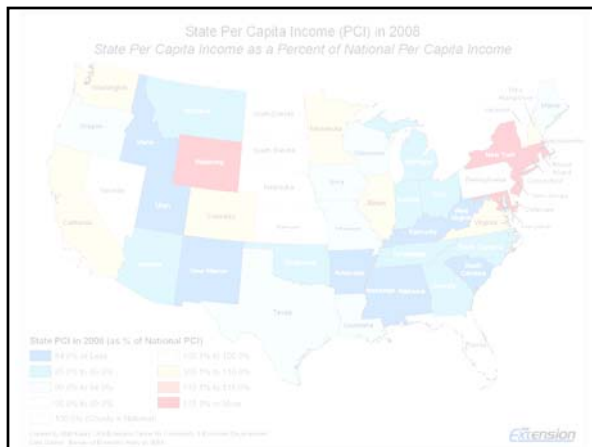
### Foreclosure Information in Other States and Additional Credit Condition Data

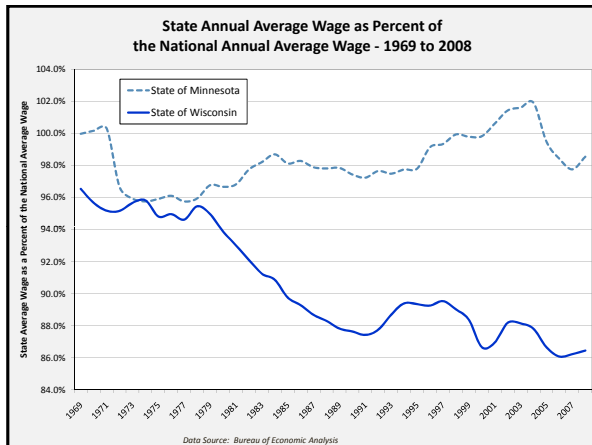
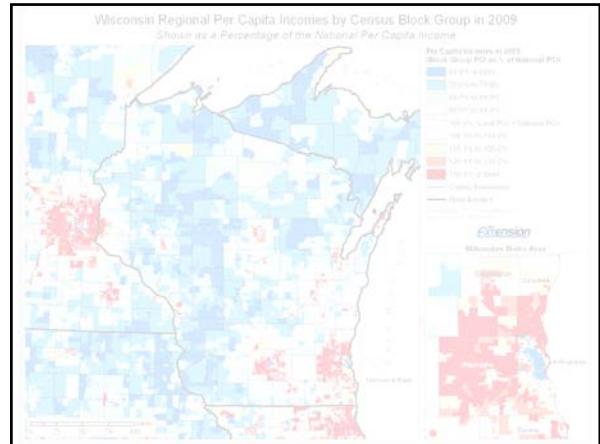
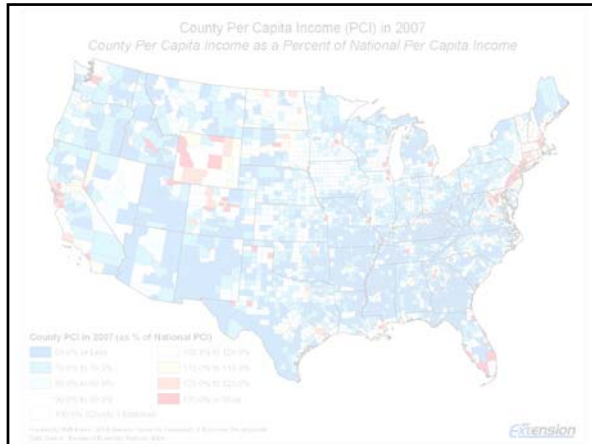
Federal Reserve Bank of New York  
<http://data.newyorkfed.org/creditconditions/>

In addition to foreclosures, includes delinquency data and maps for:

- Student Loans
- Mortgages
- Auto Loans
- Bank Cards

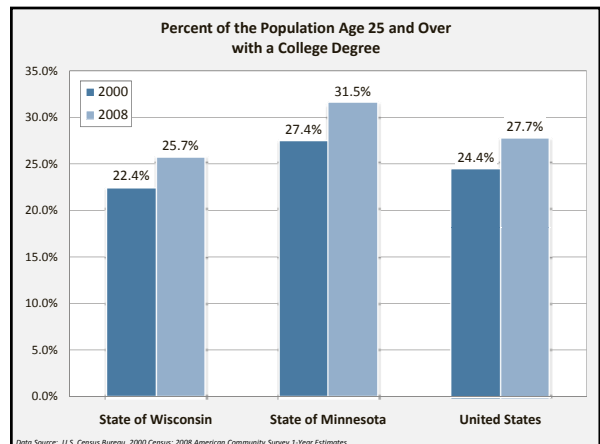
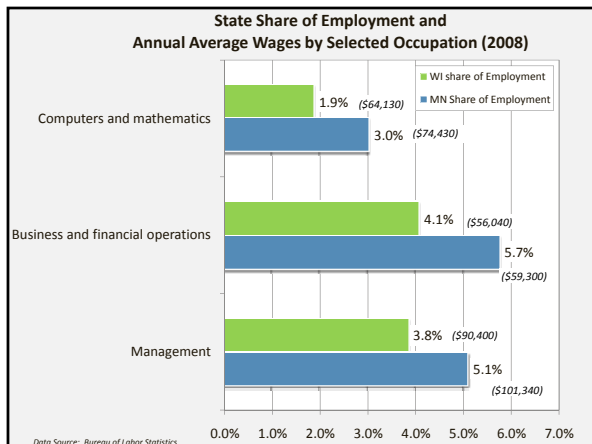
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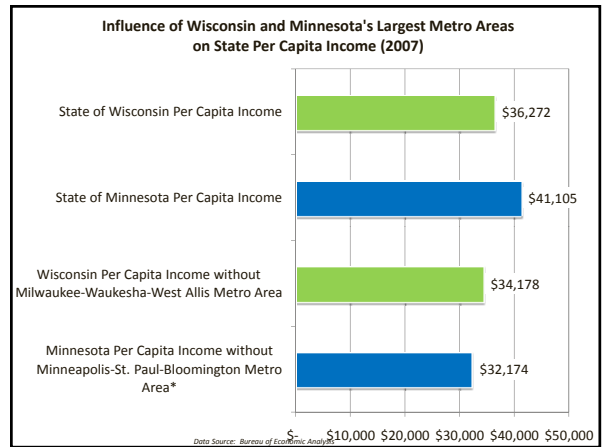
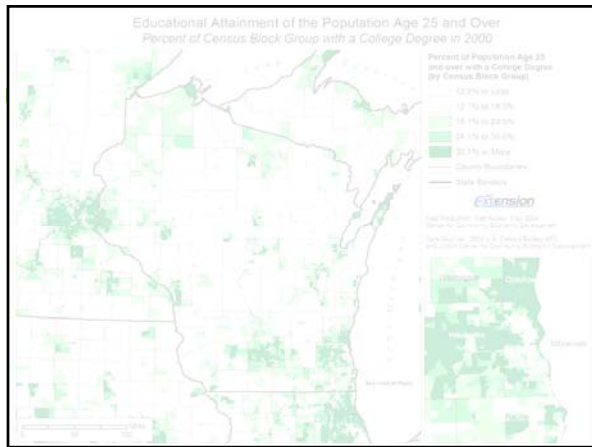
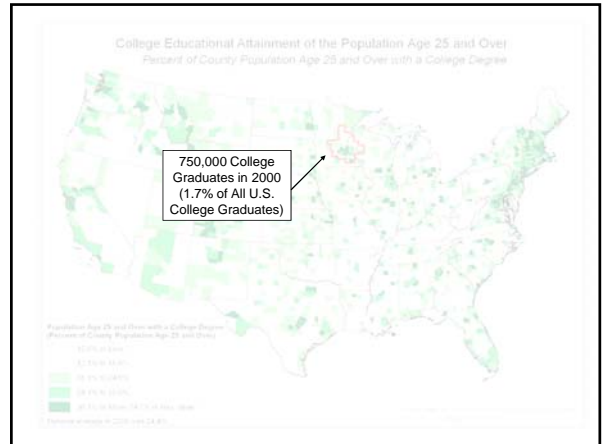
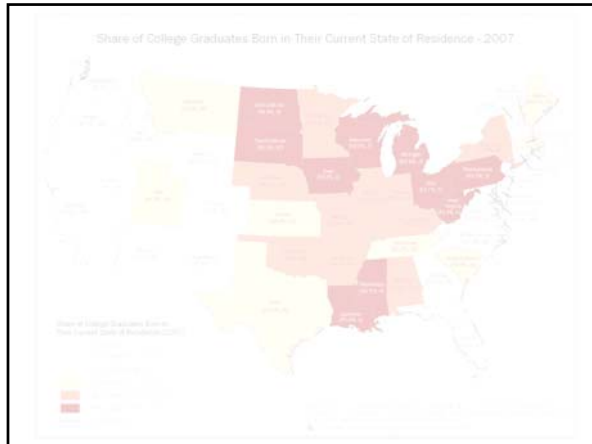




### Occupational Distribution and Average Wages - 2008

NAICS and Industry	Wisconsin		United States
	LQ	Avg. Wage	Avg. Wage
Management, business and financial	0.87	\$72,722	\$82,540
Professional and related	0.84	\$59,959	\$68,088
Education, training, and library	0.89	\$46,390	\$48,460
Arts, design, entertainment, sports, and media	0.95	\$41,340	\$50,670
Healthcare practitioners and technical	1.02	\$68,880	\$67,890
Healthcare support	1.15	\$26,600	\$26,340
Protective service	0.84	\$39,330	\$40,200
Food preparation and serving related	1.02	\$19,500	\$20,220
Building and grounds cleaning and maintenance	1.00	\$24,650	\$24,370
Personal care and service	1.06	\$23,480	\$24,120
Sales and related	0.96	\$34,320	\$36,080
Office and administrative support	0.92	\$31,120	\$32,220
Farming, fishing, and forestry	0.54	\$28,190	\$23,560
Construction and extraction	0.81	\$46,510	\$42,350
Installation, maintenance, and repair	0.96	\$41,270	\$41,230
Production	1.67	\$33,380	\$32,320
Transportation and material moving	1.11	\$30,930	\$31,450
All Occupations	1.00	\$39,350	\$42,270





**Age Distribution in 2000**

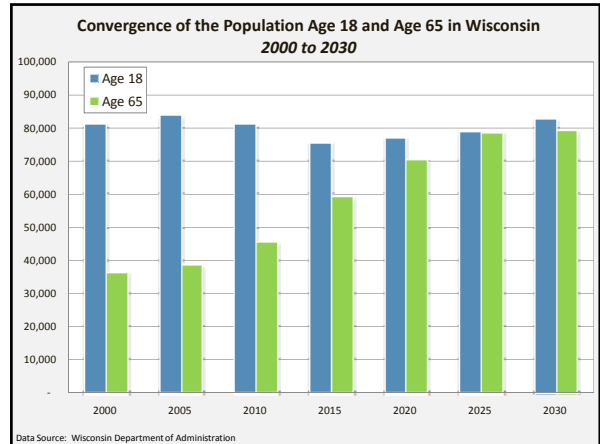
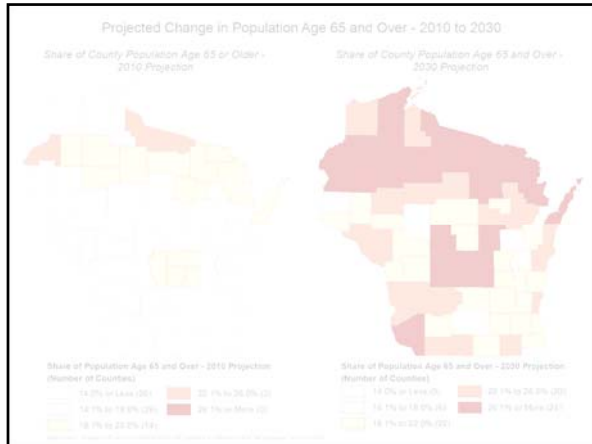
Age Cohort	State of Wisconsin	United States
0 to 4	6.4%	6.8%
5 to 14	14.6%	14.6%
15 to 24	14.3%	13.9%
25 to 34	13.2%	14.2%
35 to 44	16.3%	16.0%
45 to 54	13.7%	13.4%
55 to 64	8.5%	8.6%
65 to 74	6.6%	6.5%
75 to 84	13.1% = 4.7%	12.4% = 4.4%
85 or More	1.8%	1.5%
Total Population	5,363,675	281,421,906

Data Source: U.S. Census Bureau, 2000 Summary File 1

**State of Wisconsin Age Distribution Projected Change 2000 to 2030**

Age Cohort	State of Wisconsin - 2000	State of Wisconsin - 2000	State of Wisconsin - 2030	State of Wisconsin - 2030
0 to 4	342,340	6.4%	390,129	6.1%
5 to 14	782,558	14.6%	810,606	12.6%
15 to 24	764,487	14.3%	804,626	12.5%
25 to 34	706,168	13.2%	747,822	11.7%
35 to 44	875,556	16.3%	839,950	13.1%
45 to 54	732,312	13.7%	785,601	12.2%
55 to 64	457,741	8.5%	700,805	10.9%
65 to 74	355,307	6.6%	729,589	11.4%
75 to 84	13.1% = 4.7%		20.9% = 7.0%	
85 or More	95,625	1.8%	158,477	2.5%
Total Population	5,363,715	100.0%	6,415,923	100.0%

Data Source: Wisconsin Department of Administration



### Other Resources

- Census Atlas of the United States - <http://www.census.gov/population/www/cen2000/censusatlas/>
- Personal Income and Employment Interactive Map - Bureau of Economic Analysis <http://www.bea.gov/regional/REMDMap/>
- Occupational Employment Statistics - Bureau of Labor Statistics - <http://www.bls.gov/oes/>
- Wisconsin Age Projections - WI Dept. of Administration - <http://www.doa.state.wi.us/subcategory.asp?linksubcatid=105&linkcatid=11&linkid=64&locid=9>
- U.S. Census Bureau American Community Survey - <http://www.census.gov/acs/www/Products/>
- A Compass for Understanding and Using American Community Survey Data (see Appendices 3-4 in particular) - <http://www.census.gov/acs/www/Downloads/ACSGeneralHandbook.pdf>
- YourEconomy.org - Edward Lowe Foundation - <http://www.youreconomy.org>

### For More Information

**Matt Kures**  
 Center for Community & Economic Development  
 University of Wisconsin-Extension  
 610 Langdon St. #336  
 Madison, WI 53703  
[matthew.kures@uwex.edu](mailto:matthew.kures@uwex.edu)

**Dr. Russ Kashian**  
 Department of Economics  
 University of Wisconsin-Whitewater  
 4045 Carlson Hall  
 Whitewater, WI 53190  
[kashianr@uww.edu](mailto:kashianr@uww.edu)

### Next session

**April 20, 2010 – Rebuilding Downtown and Niche Small Businesses**

*Business Development Specialist Bill Ryan, University of Wisconsin-Extension  
 Center for Community & Economic Development and Small Business  
 Specialist JD Milburn, Wisconsin Main Street Program*

Downtowns and neighborhood shopping districts are more than simply places to do business. They are part of the cultural fabric of our communities. But how can they compete in this “big is better” marketplace? Learn about the importance of locally owned small business to the economy and how to rebuild these business districts by making these businesses more profitable.

### Archive Access

To access an archived version of today’s program, go to:  
<https://www.livemeeting.com/cc/wislineweb/view>

- Enter Name
- Recording ID: **Bldg Comm-100316**
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- Click View Recording
- Click the ICON for either Microsoft Office Live Meeting High Fidelity Presentation OR Microsoft Office Live Meeting Replay
- This archive will remain for two weeks on the web

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