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Wisconsin Must Be Doing Something Right

We must be doing something right:

- Wisconsin's unemployment rate is down to 3.9%, a level considered at or near full employment. This drop in unemployment beat expectations by a wide margin. Back in March 2016, UW Economics Professor Bruce Hansen estimated Wisconsin's unemployment rate would steadily increase to 5.3% by January.
- Wisconsin gained more than 200,000 private sector jobs over the past six years.
- Initial and continuing Unemployment Insurance claims are at their lowest seasonal levels in more than two decades.
- Housing starts are up and so are home prices.

Indeed, Wisconsin is doing many things right.

Here are five more often-overlooked features of Wisconsin's economic upswing.

Wisconsin Works: Our state boasts the highest labor force participation rate in the Great Lakes Region and ninth highest in the country; up from the twelfth spot five years ago. As of January, 68.1% of the state's population was in the labor force. That's above the rate for January 2015 and equal to the rate in January 2014.

Wage Growth Comeback: Wisconsin's total private wages grew 5.3% in 2015. While this is a solid number by itself, remember there was no inflation to artificially pump up the number. Wisconsin's total and average private sector real wages and salaries increased by 5.0% and 3.5%, respectively; the strongest gains since 1998.

Wisconsin is Less Taxing: Wisconsin's tax burden has been steadily declining. Our state and local tax burden is now the lowest in over 40 years. In 2000, Wisconsin ranked fourth among the states in state and local tax burden and was 14.5% above the national average. Even as recently as 2010, Wisconsin ranked ninth and was 7.9% above the U.S. average. Today, Wisconsin's tax ranking has dropped to sixteenth, just a tad, 1.5%, over the U.S. average. Not only has Wisconsin fallen out the top 10 states in tax burden overall, it has also no longer among the top 10 states for income taxes, corporate taxes, sales taxes and property taxes.

The Kids Are All Right: Wisconsin's millennials are better educated than their parents and out-work their counterparts in the rest of the country. They are also more likely to be fully independent, either on their own or married.

More than 33.6% of Wisconsinites ages 25 to 34, have bachelor's degrees or higher, very close to the national average. That is a big shift from their parents and grandparents, as just 27.4% of the state's population as a whole has that education level.

Wisconsin millennials participate in the workforce at higher rates than their counterparts in the rest of the country. The percentage of Wisconsin residents aged 20-24 years in the labor force is 76.7%; ages 25-29 is 82.2%; and 30-34 is 83.5%. The national average percentages for those age groups are much lower, 64.7%, 75.2% and 76.4%, respectively.

So, it should not be a surprise Wisconsin millennials are more independent than their counterparts in the rest of the country. Nationally, 34% of 18-34 year olds still live with their parents. In Wisconsin, it is 27%.

We've Got You Covered: Wisconsin ranks sixth best among the states in health insurance coverage. More than 94% of the state's residents are covered by health insurance, nationally that figure is 90.6%. Between 2013 and 2015, 195,000 more Wisconsin residents added health insurance. In Wisconsin the dominant form of coverage is employer sponsored health insurance. Wisconsin also ranks sixth in the nation for employer provided health insurance.

These five factors are not meant to be comprehensive. That would be difficult. There are other overlooked metrics that point to why Wisconsin's economy is performing at its highest level in the past fifteen years or more.

As I said, Wisconsin must be doing something right.

John Koskinen is the chief economist for the Wisconsin Department of Revenue.