

**ADVISORY COMMITTEE ON REGIONAL POPULATION AND ECONOMIC FORECASTS**

**MINUTES**

DATE: June 3, 2004

TIME: 9:00 A.M.

PLACE: Southeastern Wisconsin Regional Planning Commission Offices  
W239 N1812 Rockwood Drive  
Pewaukee, Wisconsin

Committee Members Present:

Paul E. Mueller..... Administrator, Washington County Planning and Parks Department  
Chairman  
Kenneth R. Yunker .....Deputy Director, Southeastern Wisconsin Regional Planning Commission  
Secretary  
Sandra K. Beaupre ..... Director, Bureau of Planning, Division of Transportation Investment Management  
Wisconsin Department of Transportation  
Nickolas C. George .....Executive Director of Public Affairs, Wisconsin Manufacturers and Commerce  
Eric R. Grosso ..... Statewide Economist, Wisconsin Department of Workforce Development  
(representing Terry F. Ludeman)  
Donald Harrier, Jr..... Chief, Demographic Services Center, Wisconsin Department of Administration  
Bret J. Maybourne.....Director of Economic Research  
Metropolitan Milwaukee Association of Commerce  
Teresa Mogensen ..... Director of Transmission Planning and Service, American Transmission Company  
(representing Dale A. Landgren)  
Richard Nestor..... Senior Economist, We Energies  
David Peterson ..... Lead Economist, Division of Research and Policy  
Wisconsin Department of Revenue  
Andrew T. Struck..... Assistant Director/County Planner, Ozaukee County Planning,  
Resources, and Land Management Department

Staff Members and Guests Present:

Balkrishna D. Kale .....Demographer  
Timothy J. McCauley..... Principal Planner, Southeastern Wisconsin Regional Planning Commission  
William J. Stauber ..... Chief Land Use Planner, Southeastern Wisconsin Regional Planning Commission  
Dennis K. Winters..... Vice President, Director of Research, Northstar Economics, Inc.

## WELCOME AND INTRODUCTION OF COMMITTEE MEMBERS

Mr. Mueller called the meeting of the Advisory Committee on Regional Population and Economic Forecasts to order at 9:00 a.m. He asked all Committee members and staff to introduce themselves. Mr. Mueller noted that Roger Hammer had called prior to the meeting and indicated that he would be unable to attend.

## PURPOSE OF STUDY AND ROLE OF COMMITTEE

Mr. Mueller then asked the Commission staff to brief the Committee on the purpose of the demographic and economic projection studies and to explain the role of the Committee in the preparation of those reports.

Mr. Stauber thanked the Committee for attending the meeting and for lending their expertise to the Commission in the preparation of demographic and economic projections. He noted that the Commission usually updates its projections on approximately a ten-year cycle, coinciding with the release of decennial U.S. Census data.

Mr. Yunker added that the reports being considered—detailing the Commission population and economic projections—were very important to the work of the Commission. The projections serve as a basis for public infrastructure planning for arterial streets and highways, sewerage systems and sewage treatment facilities, public transit facilities, airports, and parks, and the new projections will be used for such planning for about the next ten years. He added that the Commission monitors the projections on an annual basis in the Commission annual report, comparing them with current estimates to assess whether adjustments are necessary.

Mr. Stauber noted that the studies were prepared by the Commission staff with assistance from two consultants: 1) Balkrishna Kale, a demographer who served for many years as the State Demographer in the Wisconsin Department of Administration; and 2) Dennis Winters, Vice President and Director of Research at Northstar Economics, Inc., in Madison. The Commission staff prepared preliminary projections with help from the consultants, with the efforts being coordinated to ensure consistency between the population and economic projections.

Mr. Stauber indicated that the role of the Committee would be to review the draft reports; advise the staff regarding any changes; and consider formal approval of the reports, with any amendments, by vote on a motion to that effect. He noted that any proposed changes to the reports would be clearly documented in the minutes for Committee review and that Committee members and alternates should make suggestions or ask questions at any time.

## CONSIDERATION OF PRELIMINARY DRAFT OF SEWRPC TECHNICAL REPORT NO. 10 (4TH EDITION), *THE ECONOMY OF SOUTHEASTERN WISCONSIN*

Mr. Mueller indicated that the Commission staff would lead the Committee through a review of the [preliminary draft of SEWRPC Technical Report No. 10](#) (4th Edition), *The Economy of Southeastern Wisconsin*. Mr. Stauber proposed that he provide brief comments on key material in the report on a page-by-page basis, pausing as necessary for any requests, suggestions, or discussion by the Committee. There being no disagreement with that approach, Mr. Stauber led the Committee through a review of the report.

The following questions and comments were made concerning the draft report:

1. Mr. Mueller noted that data in both reports is selectively presented in figures, tables, and/or text, and asked why a more uniform approach was not followed by presenting all information in figures, tables, and text. He also asked why data was not always presented at all levels: the Region, its individual counties, the State of Wisconsin, and the Nation.

Mr. Yunker replied that the Commission has received feedback over the years that SEWRPC reports are too lengthy and detailed. In response, the staff has attempted to reduce the bulk of Commission reports and has been selective with respect to the information presented. He stated that the reports being reviewed by the Committee represent the best attempt on behalf of the staff at a sufficiently detailed, yet concise and effective presentation.

Mr. Mueller agreed with the assessment by Mr. Yunker, and asked if other Committee members had opinions on the issue. Ms. Beaupre indicated her opinion was that the mix of data and tables, figures, and text in the reports was a “good balance” of presenting the information. Ms. Mogensen indicated that reports published by her company were also quite detailed and that they are often supplemented with shorter summary reports and executive summaries.

Mr. Yunker noted that a summary of the population and economic projection reports would be published in an upcoming edition of the Commission’s *Newsletter*. That newsletter, along with the full reports, would be posted on the Commission’s web site at [www.sewrpc.org](http://www.sewrpc.org), he said.

2. Mr. Peterson asked if the report could further document the expectation that the Region will not change much economically relative to Wisconsin and the Nation, appropriately referencing available literature in that respect. Mr. Yunker noted that the staff would do so.

**[SECRETARY’S NOTE:** The following will be inserted as the second paragraph on page 34 of the draft report, prior to the section entitled “Regional Employment Projections to 2035:]

“Literature specifically addressing the long-range economic outlook of the seven-county Southeastern Wisconsin Region is very limited. While more literature is available regarding the general economic outlook of Wisconsin and the Midwest, much of that is limited to consideration of the next five to ten years. Among the available literature are the various publications of the Federal Reserve Bank of Chicago, including the “Chicago Fed Letter” newsletter series and a report entitled *Assessing the Midwest Economy—Looking Back for the Future*, dated 1997; economic outlooks for Wisconsin prepared by the Wisconsin Department of Revenue, including *Wisconsin Long-Term Economic Forecast*, dated 2001, and “Wisconsin Economic Outlook,” a quarterly report series; a report prepared by the Wisconsin Department of Workforce Development entitled *Wisconsin Projections 2000-2010*, dated 2003; and a report published by the University of Wisconsin-Madison entitled *Wisconsin’s Economy in the Year 2010*, dated 2000. None of the available literature suggest that the economy of Wisconsin or Midwest will become more competitive relative to the rest of the Nation in the years ahead. One of the most frequently cited concerns about future economic growth in Wisconsin and the Midwest is the ability to maintain the necessary labor force.”]

3. Mr. Mueller noted that the graphs on Page 4 of the draft report should include the “break of scale” symbol where starting the y-axis value is greater than zero, as is characteristic of other Commission reports depicting similar information. Mr. Yunker indicated that the graphs on page 4 of the draft report would be modified to reflect the suggestion by Mr. Mueller.

**[SECRETARY’S NOTE:** The graphs on Page 4 of the draft report, as well as similar graphs on Page 4 of the other draft report concerning the population of the Region, will be modified to include the “break of scale” symbol.]

4. In response to a question by Mr. Struck, Mr. Yunker indicated that the Commission’s Regional-level employment projections for 2020, prepared using a base date of 1990, held up well with respect to actual employment levels. The county-level projections, he added, varied more from actual levels than the regional projections. He noted that the Commission generally updates projections every 10 years, but would make adjustments before then if warranted by an annual comparison of projected versus actual data. Mr. Mueller suggested that a note be added to the figures presenting the Commission’s 2020 employment projections, on Page 4 of the draft report, to indicate that the projections were prepared using a base date of 1990. Mr. Yunker indicated that a note would be added to page 4 of the draft report to reflect the suggestion by Mr. Mueller.

**[SECRETARY’S NOTE:** A note will be added to the bottom of Page 4 of the draft report, as well as to Page 4 of the other draft report concerning the population of the Region, to read as follows:

“NOTE: The Commission employment (population) projections for the year 2020, presented above, were prepared using 1990 base year data.”]

5. Mr. Maybourne inquired if any of the individual industries in the Region were near the thresholds of dominant/subdominant status and whether it would be useful to indicate which ones may change over the projection period.

Mr. Stauber responded that the staff had confined the analysis to industries which had dominant or subdominant status in 2000. He indicated that manufacturing industries which may be on the verge of reaching such status, likely including some emerging high-tech industries, were included in the “all other manufacturing” category. He noted that the projection for “all other manufacturing” was more optimistic than the projections for the dominant/subdominant manufacturing categories other than printing and publishing. He indicated that some of the industries that make up the “all other manufacturing” category may indeed become dominant/subdominant in the Region over the projection period, but it is presently unknown what those industries will be. Mr. Stauber also noted that the Commission staff would re-assess dominant/subdominant status of all industries in the Region in about ten years, when the next set of employment projections is prepared.

6. Mr. Mueller inquired if the staff had done any analysis of past Commission employment projections by industry relative to actual employment levels.

Mr. Stauber replied that the comparison of past employment projections with actual employment levels, as presented in the report, is confined to total employment rather than employment by industry. He indicated that those comparisons are presented toward the end of Chapter III.

7. Mr. Peterson pointed out that the projected increase in the labor force for the Region is slightly greater than the projected increase in employment, and asked the staff to comment on the significance of this.

Mr. Stauber responded that, while the projected relative rates of increase in employment and labor force under the high, intermediate, and low projections do not match precisely, the staff considers the differences to be marginal in nature. He indicated that the staff believes that the projected rates of increase in employment and labor force are sufficiently close to warrant the conclusion that the projections of population and employment for the Region as set forth in the preliminary draft reports are basically consistent with each other—particularly when the uncertainties surrounding future labor force participation rates and multiple job-holding rates are considered.

8. Mr. Grosso noted that the rate of multiple job-holding in Wisconsin, at about 8 or 9 percent, was among the top 10 in the Nation. He added that the difference between projected employment and labor force levels could possibly grow wider if commuting of workers into the Region, as has historically been the case, increases over the projection period. Mr. Yunker replied that commuting of workers into the Region was considered, along with the commuting of workers out of the Region. He noted in particular that many residents of Kenosha and Walworth Counties commute to jobs in northeastern Illinois.

There being no further questions or comments on SEWRPC Technical Report No. 10 (4th Edition), *The Economy of Southeastern Wisconsin*, Mr. Mueller called for a short break prior to beginning review of the population report.

#### CONSIDERATION OF PRELIMINARY DRAFT OF SEWRPC TECHNICAL REPORT NO. 11 (4TH EDITION), *THE POPULATION OF SOUTHEASTERN WISCONSIN*

Mr. Mueller indicated that the Commission staff would lead the Committee through a review of the [preliminary draft of SEWRPC Technical Report No. 11](#) (4th Edition), *The Population of Southeastern Wisconsin*. Mr. Stauber led the Committee through a review of the report, noting key inventory findings and the population projections.

The following questions and comments were made concerning draft report:

1. In response to a question from Mr. Grosso, Mr. Stauber noted that the Regional net migration figures incorporate county net migration totals, and that the sum of net migration for all the counties would equal the net migration level for the Region.
2. Mr. Mueller inquired as to the source of information regarding migration from abroad for the 2000-2003 period.

Mr. Stauber indicated that the Current Population Survey publishes data on Hispanic population, which provides some measure of migration from abroad. Mr. Kale noted that when the projections were being prepared, the U.S. Census Bureau had released estimates of national- and state-level immigration data up to July 2001, and that data were available for the Hispanic population for counties up to July 2002. Based on the 1990-2000 data, he added, it was apparent that Hispanics were a dominant component of immigration from abroad. That 1990s relationship between Hispanics and total immigration was used in conjunction with the 2000-July 2002 county data on

Hispanics and the 2000-July 2001 state/national data on immigration to arrive at estimates of county total immigration for 2000-2003, added Mr. Kale.

It appears that the rate of immigration during the 2000-2003 period was less than that observed during the 1990s, Mr. Kale continued, likely due to the economic recession and the events of September 11, 2001. He indicated that two key forces are likely to influence immigration in the coming years: 1) the supply of labor will not be sustained with an aging existing population and demand for labor will most probably have to be met by immigration—along with increased levels of productivity and utilization of older persons in the labor force; and 2) U.S. immigration policy and security measures over the long-term will likely have to accommodate immigration levels similar to those observed over the past 10 or 12 years, despite the events of September 11, 2001.

Mr. Mueller agreed, noting that U.S. immigration policy will likely encourage and accommodate the movement of people into the country despite the events of September 11, 2001, and that levels of immigration would likely continue over the long-term at or above the levels observed during the 1990s.

3. In response to a question by Ms. Beaupre as to why immigration slowed in the 2000-2003 period, Mr. Kale noted that the 1990s trend continued into 2000 and part of 2001, but lost momentum as the economy went into a recession and the United States was attacked on September 11, 2001.
4. Mr. Yunker noted that the age distribution of the population in the Region in 2000 was close to the national average, and that the Region's projected age distribution in 2035 would be similar to what Florida has today. Although there will be much reported and anticipated growth in the 65 and over age group by 2035, the 0-19 and 45-64 age groups will also increase, while the 20-44 age group will be relatively stable, he said.
5. Mr. Mueller inquired if there was any information available regarding the age distribution for net migration—for example, net out-migration of retired persons to the “sun belt.”

Mr. Stauber indicated that net migration by age had been tabulated for the 1990s, and that data analyzed for the 1970s and 1980s showed similar patterns. At the oldest age groups, he continued, the data indicates net migration into the Region rather than out of the Region. Mr. Yunker added that information concerning net migration patterns by age would be added to the report.

**[SECRETARY'S NOTE:** The following will be inserted as the last paragraph in the section entitled “Net Migration” on page 44 of the draft report.

“The net migration of the population by age group during the 1990s is presented for the Region and each county in Figure 11A. At the regional level, the 1990s saw a net in-migration of persons in the younger middle-age groups, particularly those in their 30s; the net in-migration of young persons over the age of 5, evident on Figure 11A, is consistent with that trend. The 1990s also saw a net out-migration of persons 50 to 74 years of age, and a slight net in-migration of persons 80 years of age and over. Net in-migration in the oldest age groups is most apparent in Ozaukee, Washington, and Waukesha Counties.”

A copy of Figure 11A, referenced in this insert, is included at the back of these minutes as Attachment A]

6. Mr. Yunker noted that projected net migration levels indicated in Figure 14 on Page 61 of the draft report are reflective of the economic outlook and the employment projections set forth in the previous report reviewed by the Committee. He indicated that during the 1970s, significant net migration out of the Region occurred at a time when the civilian labor force increased substantially faster than employment growth and beyond the ability of the regional economy to utilize the fast-growing labor force. In contrast, he continued, limited growth in the labor force due to the aging population will place constraints on employment growth in the future—opposite of what happened in the 1970s—not only in the Region but state-wide and nationally as well. Positive net migration will be needed to sustain the regional economy, but the economy is not anticipated to attract a substantial net migration of persons into the Region, as occurred in the 1950s, Mr. Yunker noted.
7. Mr. Stauber noted that Mr. Kale had provided some written suggestions regarding minor changes to the report to improve clarity and completeness. He indicated that the staff would consider the comments by Mr. Kale and report any changes to the Committee in the Minutes.

[**SECRETARY'S NOTE:** Changes to the report reflecting the comments by Mr. Kale are as indicated on Attachment B to the Minutes]

Mr. Mueller asked if anyone on the Committee had further questions or comments, There being none, he inquired as to the schedule for completion of the population and economic projection reports.

Mr. Yunker replied that the Committee work with respect to the reports would be complete upon approval of the reports, and of the minutes to this meeting, which will include suggested changes and additions to the report. The minutes would be mailed to each Committee member with a return-mail postcard upon which they could indicate any additional comments and their approval.

A motion to approve the population and economic reports, as amended, was made by Mr. Harrier, seconded by Mr. Peterson, and carried unanimously.

#### OTHER BUSINESS

Mr. Yunker thanked all persons present for serving on the Committee. He indicated that final copies of the reports would be mailed when they are printed, and Committee members should feel free to contact either himself or Mr. Stauber with any questions.

#### ADJOURNMENT

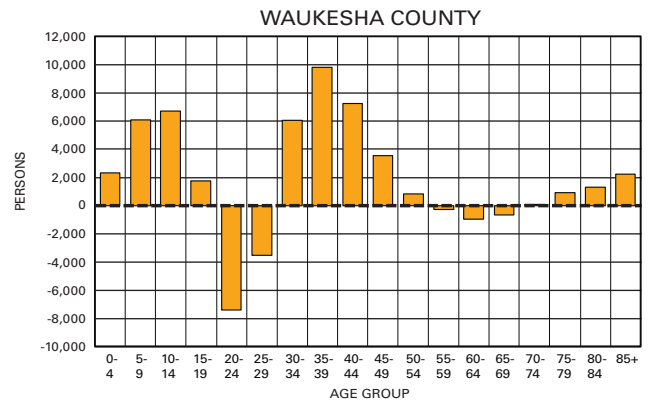
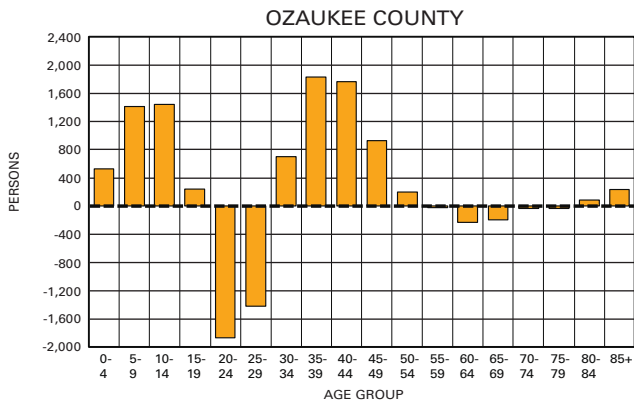
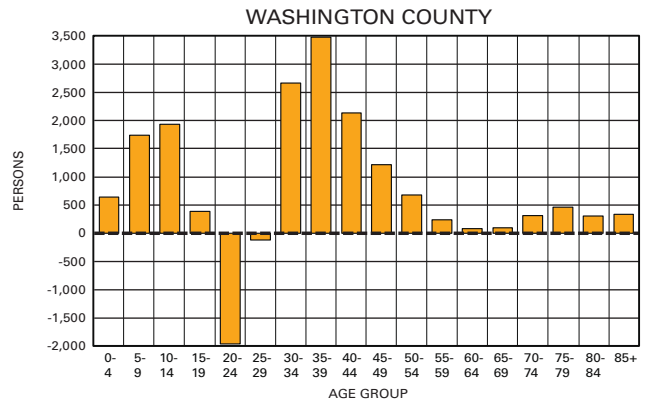
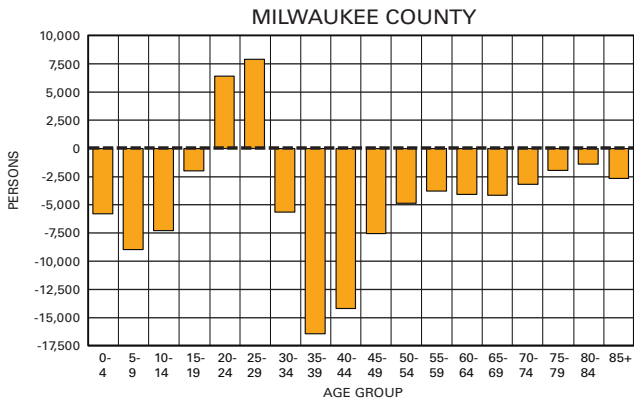
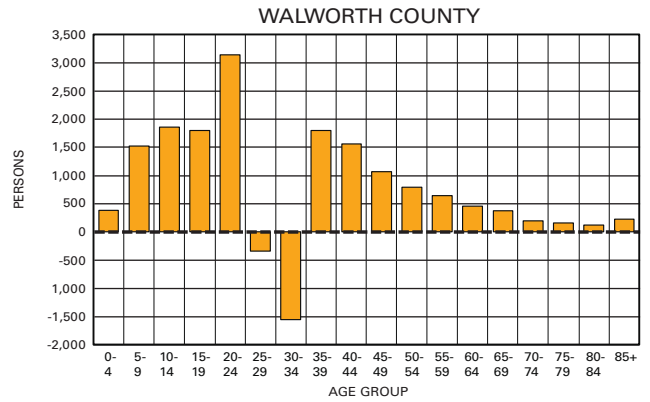
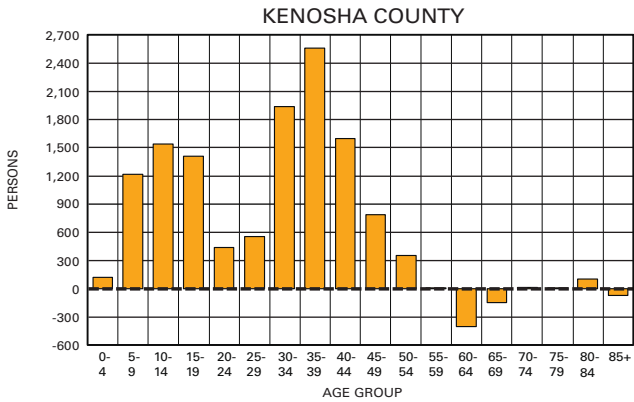
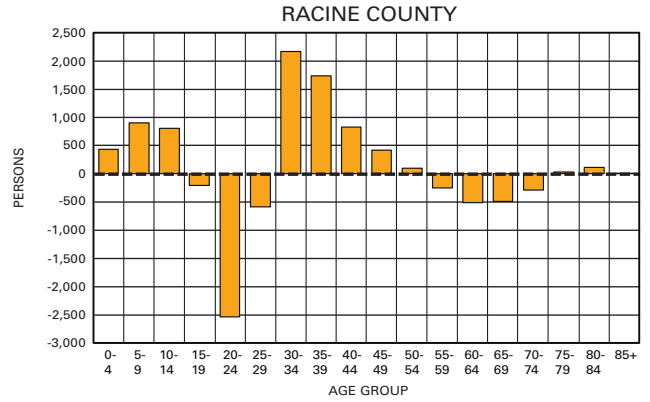
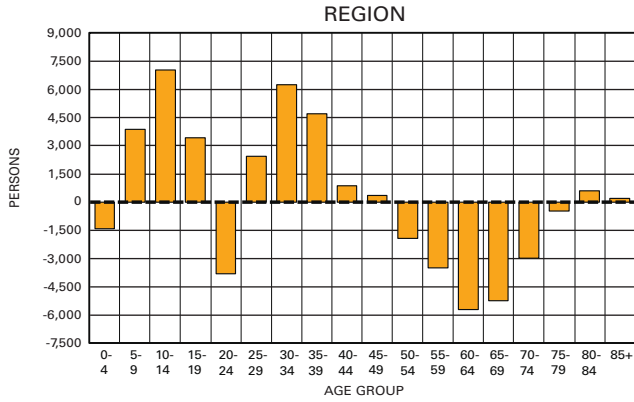
There being no further business, on a motion by Mr. Harrier, seconded by Mr. Struck, and carried unanimously, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Kenneth R. Yunker  
Secretary

ATTACHMENT A

NET MIGRATION BY AGE GROUP IN THE REGION BY COUNTY: 1990-2000



Source: Wisconsin Department of Health and Family Services; U.S. Bureau of the Census; and SEWRPC.



## ATTACHMENT B

### REVISIONS TO THE PRELIMINARY DRAFT OF TECHNICAL REPORT NO. 11 SUGGESTED BY MR. KALE

In written comments to the Commission staff prior to the Committee meeting, Mr. Kale suggested the following revisions which will be incorporated into the final population report.

*The last sentence in the first paragraph on Page 15 of the draft report will be modified to read as follows:*

“Conversely, the largest decreases in population between 1990 and 2000 occurred in the 25-to-29-year and 30-to-34-year age groups, a reflection of baby boomers moving out of, and comparatively smaller cohorts of the late 1960s and early 1970s moving into, those age groups.”

*The following sentence will be added to the end of the second paragraph on Page 15 of the draft report:*

“These changes can be related back to the birth cohorts and migration patterns of the past.”

*The following sentence will be added at the end of the fourth paragraph on Page 44 of the draft report:*

“It should be noted that the net in-migration indicated for Racine County is largely the result of the opening of two State correctional facilities in the County during the 1990s; these facilities had a total inmate population of about 1,800 persons in 2000.”

*The following text will replace the third paragraph on page 46 of the draft report:*

“While information regarding the number of individuals who migrate from the Region to other countries is not available from the census, such migration is believed to be quite limited. Assuming that to be the case, the number of foreign-born persons in the Region reported as having entered the country during the 1990s, just over 45,000 persons, may be considered a reasonable approximation of net immigration—that is, the net movement of people from other countries. Net domestic migration—that is, the net movement of people between the Region and other areas of the United States—may, in turn, be estimated as the balance obtained by subtracting the net immigration of about 45,000 from the total net migration between 1990 and 2000 (about 3,900 persons into the Region). This would indicate net domestic out-migration of just over 41,000 persons for the Region during the 1990s.”

*The above text will also be added to the summary portion of Chapter III, being inserted as the third bulleted paragraph on Page 51 of the draft report. The last two sentences of the second bulleted paragraph on Page 51 of the draft report will be deleted.*