

Wisconsin workforce board looks to offset major job losses in auto manufacturing sector

With the recent closing of a major GM plant and the shuttering/downsizing of other companies, few areas have felt the impact of the recession more than southwest Wisconsin. To respond, local planners are using labor market data and regional partnerships to help the area gradually recover.

More than 7,000 jobs lost in region in a year-plus

When General Motors announced in June 2008 that it was closing its enormous truck and SUV plant in Janesville, Wis., the repercussions for the region were severe. The longest-running GM plant in the nation—it opened in 1919—employed 2,500 people and fed business to a mountain of small suppliers throughout southwest Wisconsin and adjoining counties. The net effect of the closure and other shutdowns has been the loss of more than 7,000 jobs in a little over a year. That's close to 10% of the workforce for the six-county area.

With so many jobseekers in the region (the unemployment rate in the Janesville-Beloit area is 13.5%)¹, Bob Borremans, Executive Director of the [Southwest Wisconsin Workforce Development Board](#), responded with a data-focused strategy that included:

"It's the strength of our workforce that will attract new business to the area."

--Bob Borremans, Executive Director, Southwest Wisconsin Workforce Development Board

1. Using EMSI's input-output tool to model the impact of losing the auto-related manufacturing workers, and then projecting what would be the region's main economic drivers in the near future outside of automaking.
2. Analyzing the competencies of the displaced workers with the [Career Pathways tool](#) to help them find new occupations that would meet their skill sets or training programs that would help them "up-skill" for in-demand fields.
3. Working with economic development professionals to use the thousands of laid-off workers to attract new businesses to the area.

Assessing economic impacts, labor market a key step

Borremans stresses that it will take "at least five to 10 years" to diversify southwest Wisconsin's economy to the point where it will be better equipped to handle future economic downturns. Nevertheless, the groundwork laid by Borremans and other stakeholders has been a good first step. It was particularly helpful, he says, to measure the impact of the closures and assess regional industry/occupation trends and projections. "It allowed us to pinpoint some of the opportunities and give people some hope that there are some reasonable job opportunities for the future."

After doing an analysis, Borremans found that 76% of dislocated workers from the first round of the auto industry worker layoffs earned \$20 per hour or more. Most of those, of course, do not just need to find a new job—they are looking for a family-sustaining wage. "So using EMSI we were able to isolate what those jobs are in the Rock County-Janesville-Beloit area," Borremans says. "We have used this information to advise area dislocated workers on what job skills will be needed in the area and what jobs they should be preparing for."

¹ <http://gazettextra.com/news/2009/apr/28/job-applications-flooding-employers/>



With retraining suddenly a key emphasis, enrollment at Blackhawk Technical College has climbed by 33% from early 2008. The bulk of the new enrollees are former auto industry workers, and they are taking courses in everything from culinary arts to radiologic technology.²

The medical, biotech, and information technology industries are all strong in Madison (about 40 miles northwest of Janesville), but it will take time to train laid-off auto workers for those fields. According to Borremans, “You do not take an assembly worker off an assembly line and put them into one of those settings. It takes some training for them to be successful. It takes retooling their skills in order to make them capable of handling the higher-technology needs of those industries. In order to take some of those jobs, you are a year or two years away from developing the kind skills and base background to even consider applying for those types of jobs.”

Another area of focus is working on business recruitment opportunities for the region. Borremans has partnered with economic development groups such as Forward Janesville, which is selling the region to prospective businesses on its central location between Milwaukee, Chicago, and Minneapolis, and its skilled workforce. “It’s the strength of our workforce that will attract new business to the area,” Borremans told *The Janesville Gazette*.³

About EMSI

Economic Modeling Specialists Inc. (EMSI) is a professional services firm that offers integrated regional data, web-based analysis tools, data-driven reports, and custom consulting services. EMSI has served thousands of workforce, education, economic development, and other policy professionals in the U.S., Canada, and the United Kingdom, and the company’s web-based **Strategic Advantage** research and analysis suite is used by over 2,500 professionals across the U.S. For more information, call (866) 999-3674 or visit www.economicmodeling.com.

² http://www.nytimes.com/2009/02/13/business/13janesville.html?_r=2&hp

³ <http://gazettextra.com/news/2009/may/03/displaced-workers-consider-leaving-janesville/>