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Milwaukee Area Technical College Advantages for Filling the Demand for High School Graduates and High Tech Workers

Research brief prepared by John Pawasarat, University of Wisconsin-Milwaukee Employment and Training Institute, for the MATC Strategic Planning Summit, July 12, 2000

Background

As part of a cooperative Milwaukee Public Schools - Milwaukee Area Technical College - University of Wisconsin-Milwaukee project to show MPS students the financial benefits of post-secondary education, the Employment and Training Institute tracked the earnings of all students who had attended MATC from 1989-1998, using the 1999 quarterly wage data filed by Wisconsin employers with the state Department of Workforce Development. The research tracked the earnings of 164,865 MATC students in the state labor force, including 11,652 graduates of MATC programs. (To ensure confidentiality, only summary data records by analysis categories were received and analyzed.)

Findings

1. MATC has the opportunity to have a large impact on the state's workforce because:
 - The four-county Milwaukee metro area (including Milwaukee, Waukesha, Ozaukee and Washington counties) has the highest concentration of employers and employees. According to the DWD wage data records, the Milwaukee MSA has 28% of the state's employers, 31% of the state's employees, and 35% of wages paid.

31% of Wisconsin workers are employed in metro Milwaukee.

- The Milwaukee MSA has the highest concentration of adults with some college but no degree (35%, or 178,735 adults).
- The Milwaukee MSA has the highest concentration of older adults aged 55 years and above.

2. Most (86%) MATC students (both full-time and part-time) learn while they earn. Of those who work and are employed: 25% are going to school earning 9 or more credits, 27% are earning 4-8 credits, and 48% are earning 3 or fewer credits.
3. MATC already has a direct connection to much of the labor force. **Recent MATC students (enrolled in 1989-1998) make up a significant portion of the state's labor market with 164,865 former students earning \$4.3 billion in 1999 and comprising 1 of 5 workers in the metropolitan labor force.**

1 in 5 area workers have trained at MATC.

4. MATC graduates remain in the metro area and the State of Wisconsin. Nearly all (98%) of 1993-1998 graduates remained here with 11,652 graduates generating \$335 million in wages in 1999.

98% of MATC graduates stay in Wisconsin.

5. MATC graduates are already concentrated in industrial sectors with highest demand: manufacturing and health. Nineteen percent of MATC graduates are working in manufacturing and 20% in health fields.

Demographics/Supply Side of the Labor Market

1. Severe labor shortages may be looming in the future in an already tight labor market. With already record low unemployment, the shortage of skilled workers will only worsen as state and metropolitan populations remain flat or decline, as projected, for at least the next twenty years for those of prime working age (25-54 years). At the same time an increasing number of baby boomers will be swelling the ranks of retired senior citizens, early retirees, or the soon-to-be retired population.
2. Estimates of no growth, in fact a decline, in the prime working age population also suggest that the increasing demand for high skilled workers will be difficult to meet.
3. The number of new entrants into the labor force will actually decline, increasing even further the importance of postsecondary education.

4. Those adults aged 55 and above will comprise an increasingly well-skilled pool of labor but may not remain in the labor force.

Labor Market Demand

1. In May 1999 employers were seeking workers for an estimated 22,152 full-time and 14,501 part-time openings, based on the Employment and Training Institute's stratified job openings survey of thousands of area employers. The largest numbers of full-time openings were concentrated in service industries (30 percent of total openings), retail and wholesale trade (25 percent), and manufacturing (15 percent).
2. The high demand for trained workers continues. Sixty-two percent of full-time openings required education, training or occupation-specific experience beyond high school. The job openings survey showed an estimated 10,492 full-time jobs for experienced or technically-trained workers, with 65 percent of these jobs identified as difficult-to-fill.

10,500 job openings in May 1999 required tech training.

3. Many better paying jobs requiring technical training or occupation-specific experience were located at suburban/exurban worksites. Nearly all (91 percent) of the 1,087 openings in the construction trades were located at worksites outside the City of Milwaukee.
4. Labor shortages were evident in Waukesha, Ozaukee and Washington counties where very low unemployment levels (2.1 to 2.2 percent) showed 6,951 unemployed adults compared to 9,119 full-time and 6,098 part-time job openings. In the central city Milwaukee neighborhoods, job openings (1,894 full-time and 1,145 part-time) fell far short of the estimated 10,200 unemployed persons considered seeking work in May 1999 and 4,900 cases receiving "W-2" welfare payments.



Milwaukee Drill photo courtesy of Milwaukee Electric Tool Corporation.