# Racine County

## 2025 WORKFORCE PROFILE


STATE OF WISCONSIN
DWD
Department of Workforce Development

WisConomy

DETI-17957-RAC-P (05/2025)

# State Narrative for County Profiles

Wisconsin's labor market experienced a strong year in 2024. Employment reached record levels, inflation appeared on the wane, and interest rates are accommodating a largely reconstrued supply chain. In addition, real wages turned positive, and consumer spending was robust.

The primary challenge still facing the future economic construct is the labor quantity challenge and its broader economic impacts.

## Wisconsin Jobs

The 2024 employment picture was favorable for Wisconsin, reaching new records in December at 3,076,500. The state's low unemployment rates were also noteworthy registering 3.0% or below the entire year. Although setting new records is always a good sign, new highs in employment would be expected through new expansionary economic periods.

Total non-farm employment also reached new highs, climbing through the year to peak in August at a seasonally adjusted basis of 3,048,000 and consolidating high levels through the remainder of the year, ending in December at 3,042,100. That marks a 1.6% increase over the pre-pandemic highs set in December 2019.

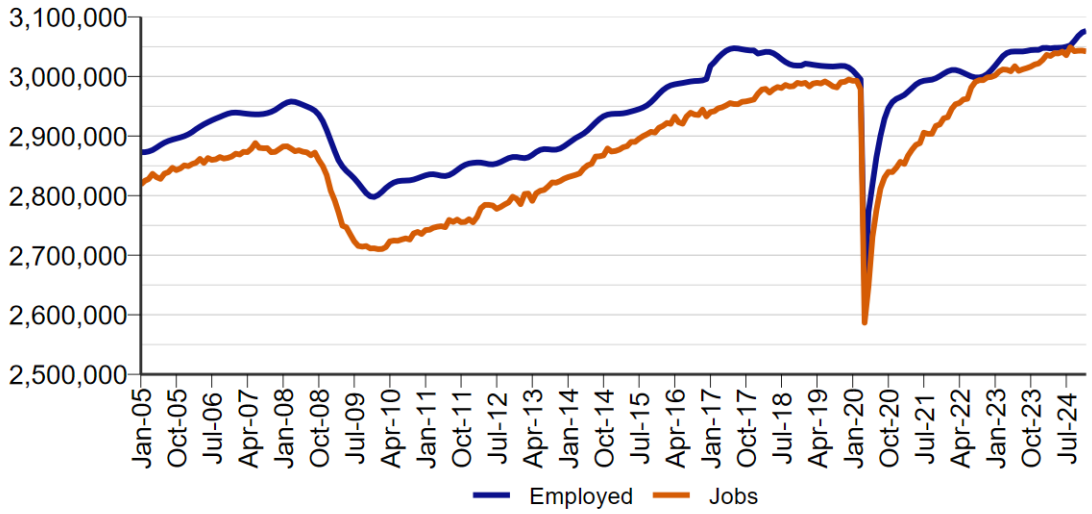



Figure 1: Wisconsin employment and jobs.

## Economy

Wisconsin Gross Domestic Product (WGDP) reached new highs in nominal and real dollar terms in 2024[1], at $456 billion or $357 billion in real 2017 dollars. After a slower recovery coming out of the COVID-19 recession, Wisconsin's GDP growth rate has mimicked that of the country.

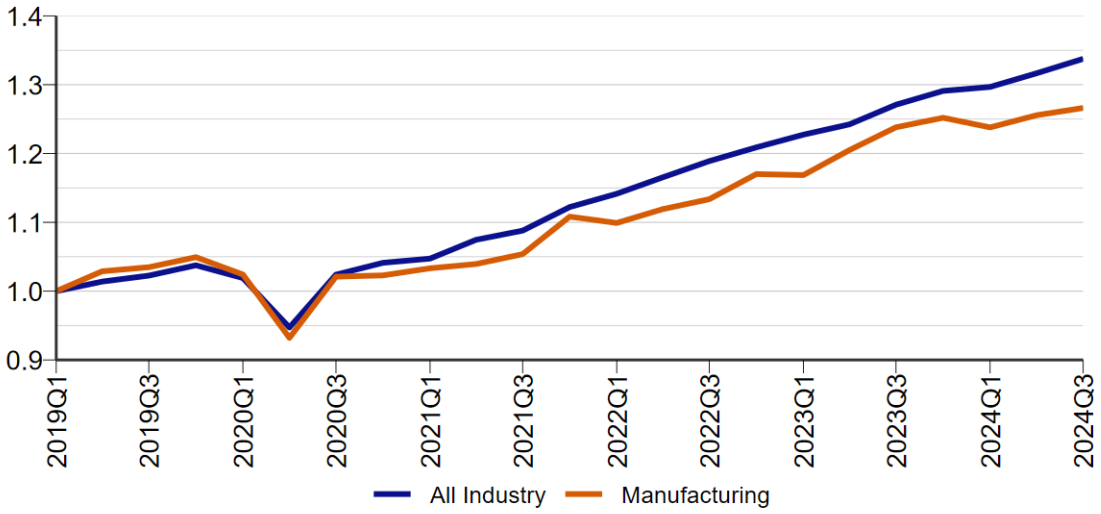



Figure 2: GDP growth index (2019Q1 = 100).

Many industry sectors were vibrant. Construction industry jobs hit new records, surpassing 140,000. Healthcare jobs also set new highs at 324,200. The leisure and hospitality sector recovered almost all the nearly 50% loss of jobs experienced during the COVID-19 recession, finishing with 285,200 jobs. Manufacturing jobs rose above 2023 levels to 481,200, but have not yet returned to pre-Covid19 levels.

Wisconsin ranks first in the number of manufacturing jobs per government job and second in manufacturing jobs share of total jobs. However, state-level manufacturing output was relatively weak against overall economic output. Two of the state's primary manufacturing industries, fabricated metal and machinery manufacturing, lost jobs through 2024. Fabricated metal manufacturing jobs peaked in July 2019, before the COVID-19 recession at 79,400 jobs, and ended 2024 with 74,300. Machinery manufacturing peaked in early 2023 with 68,800 jobs and finished 2024 with 67,200.

[1]Third quarter 2024 is latest data available.

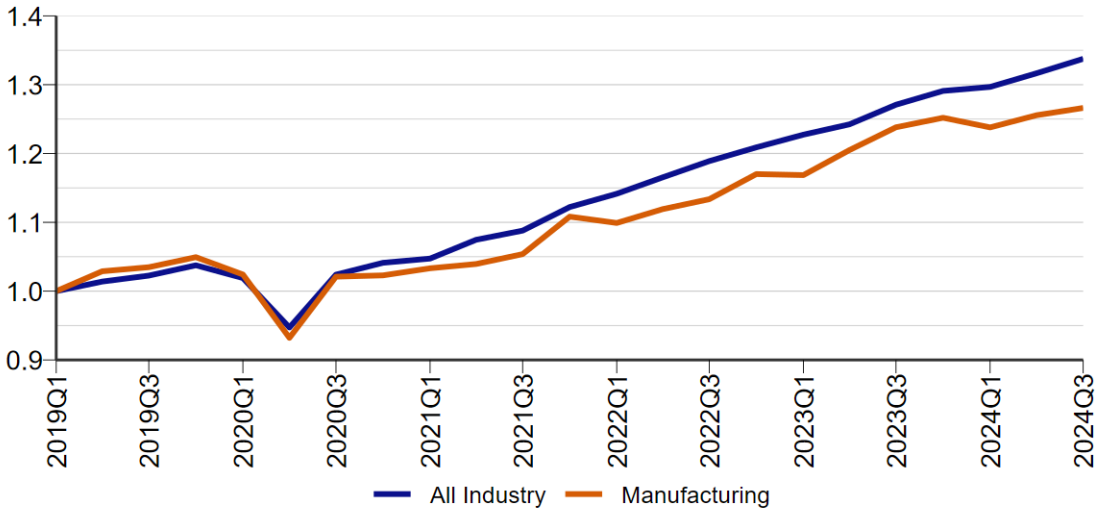



Figure 3: Wisconsin all industry v manufacturing growth (2019Q1 = 100).

While the durable goods manufacturing sector saw declines, non-durable goods manufacturing in Wisconsin has made headway. Jobs in the non-durables industries have increased since the pre-Covid high of 198,600 in July of 2019, to 201,000 in December 2024. Most of that has occurred in the food processing industry.

## Labor Quantity Challenges

Employers continue to express challenges finding workers. This situation is being felt in all industries and most occupations – locally, regionally, and globally. Even China is experiencing population and workforce declines. Industries that are showing steady job growth, such as construction and healthcare, are limited by the number of workers available for positions.

As noted in studies dating back to 2000, there are not sufficient numbers of young workers to fill the jobs being vacated by the generation of baby boomers and the increased demand for workers associated with economic growth. The number of workers entering the labor market is essentially the same as the boomers exiting. A growing economy necessitates an increasing labor force or at least a more productive one. Wisconsin's labor force growth has remained close to zero.

The new high in Wisconsin's labor force reached in December 2024 of 3,170,300 is only 0.63% above the previous high in July 2017 and only 0.83% above the peak before that in June of 2009. That amounts to an annual average labor force growth rate of 0.08% per year, or about zero over 15 years.

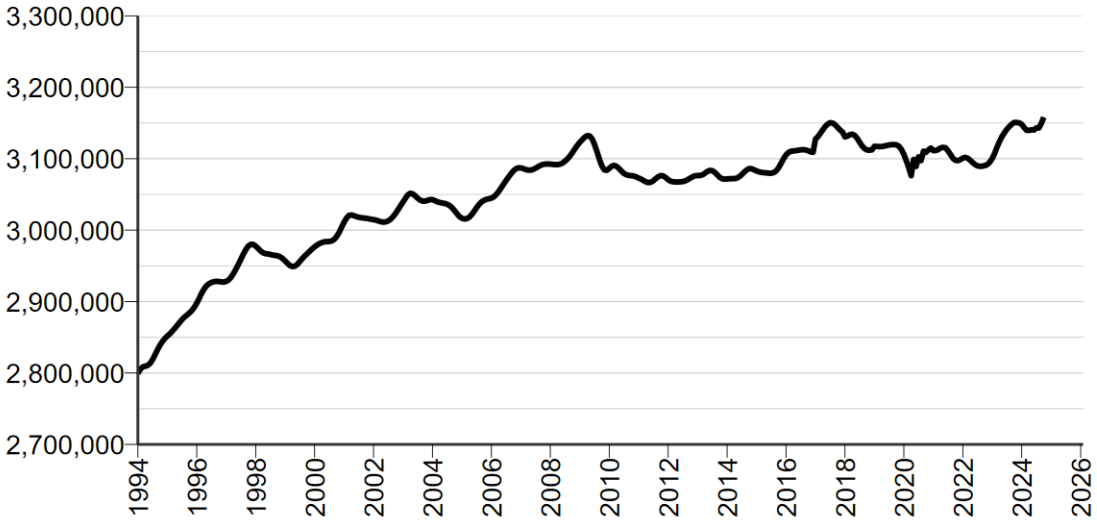



Figure 4: Wisconsin labor force.

This shift has long been anticipated and is well documented. The front edge of the baby boomers turned 63 years old in 2009. By 2024, the back edge of the boomers (those born in 1964) were 60 years old. And while the labor force participation rates of workers 65 and older has increased since the 1990s, the remaining tenure of the boomers is short.

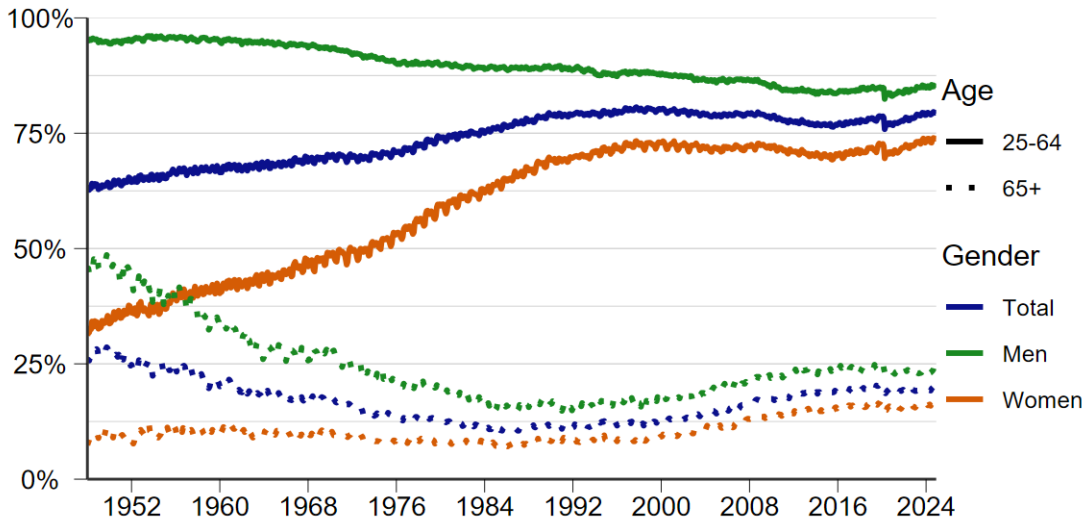



Figure 5: US labor force participation rate.

Below is a graph of Wisconsin's population and labor force projected out to 2040 based on the latest information from the Wisconsin Department of Administration Demographic Services. On a decennial basis, Wisconsin's population has already peaked. This suggests that the workforce will not experience substantial growth moving forward.

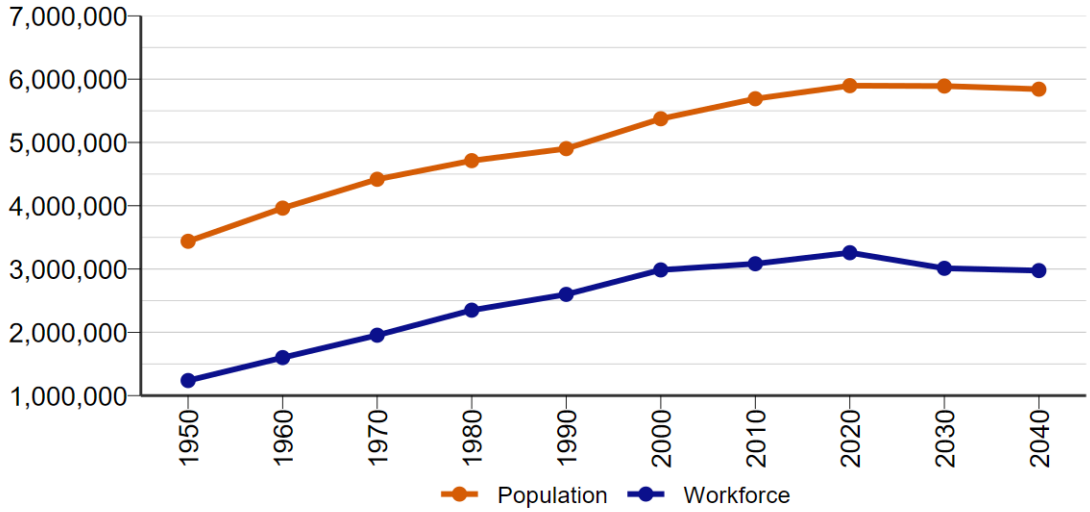



Figure 6: Wisconsin population and workforce projections.

While the overall situation has been realized for some time, the actual quantity of the shortfall has been undetermined until now. Staff at the Wisconsin Department of Workforce Development's Office of Economic Advisors estimate that by 2031, the state could face a labor shortage exceeding 241,000 workers. (See Labor Supply Projections for Wisconsin 2020 – 2040, Winters, Kaur, and Otis, Labor Supply Projections for Wisconsin).

## New Construct

Human resource constraints affect the entire economic construct. As one of the three primary components of economic inputs – along with natural resources and capital – a compromise in the abundance of labor permeates the economy. Having never encountered a labor constraint before, it needs to be noted – old models and old policies do not apply.

Moreover, the labor quantity challenge is a macroeconomic phenomenon. It cannot be remedied with microeconomic solutions. Microeconomic attraction and retention incentives of higher wages, better benefits, early exposure, and more are, at best, short-term and limited symptom remedies.

Jobs will go unfilled. Macroeconomic solutions to the challenge include:

1. A workable immigration policy
2. Reducing barriers to employment (see 2023 Wisconsin County Profiles)
3. Expanding trade
4. Technology infusion

Altering a fundamental input of the macroeconomic construct will impact all sectors. The limited and shifting human resource segment will alter income streams, change demand for goods and services, and affect the provision of public goods and services.

Wisconsin's economic health and vigor has been illustrated in the employment and jobs data. However, record low unemployment rates signify two usually unassociated yet coupled performance indicators. On the one hand, low unemployment rates indicate an engaged labor force – a relatively large numerator. On the other hand, in today's environment, low unemployment rates indicate a scarce labor force – a relatively small denominator.

This is an unprecedented situation – and it is not likely to resolve itself quickly.

Yet to be explored are how the limited labor pool and aging population effects other critical economic drivers, such as personal income, as a significant portion of the population (Baby Boomers) shifts to transfer payments that are fixed in real dollar terms, housing stock, dependency ratios, and fiscal balances.

One major unknown on the horizon are the effects that Artificial Intelligence (AI) will have on the future of economic and workforce development. The Governor's Task Force on Workforce and Artificial Intelligence Advisory Action Plan (dwd.wisconsin.gov/ai-taskforce/pdf/ai-advisory-action-plan.pdf) outlines some of the expected effects of AI. For example, the chart below sheds some light on the extent that occupations may be affected by AI.

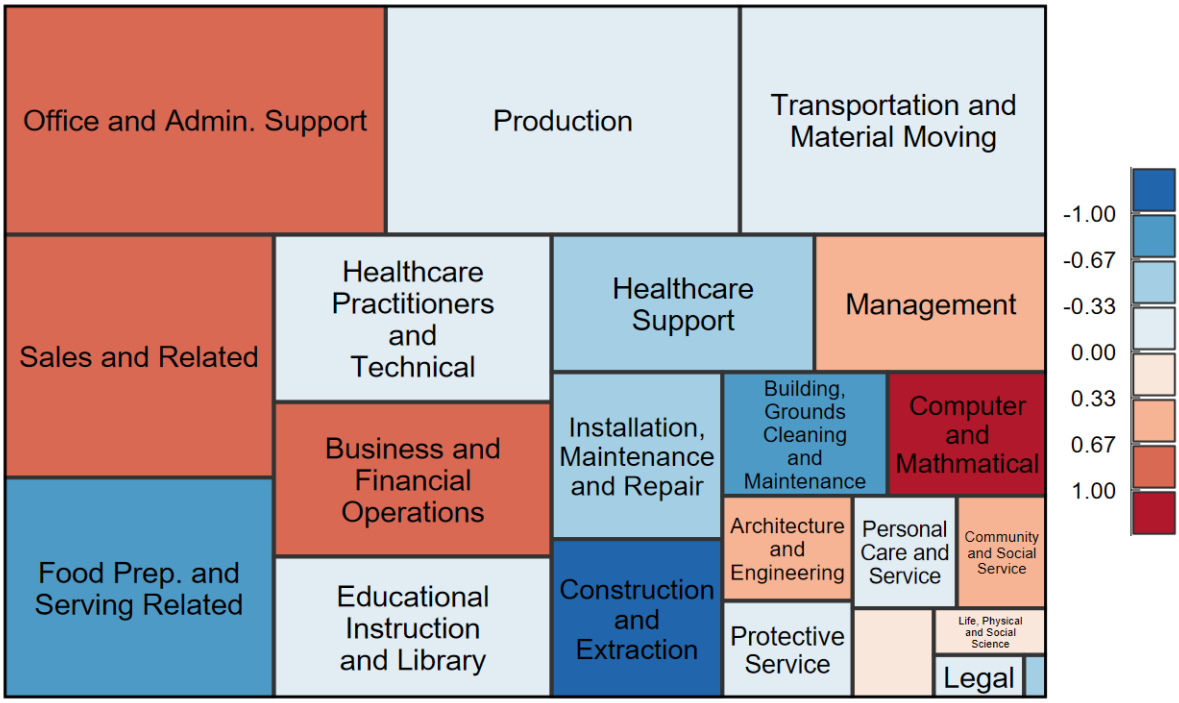


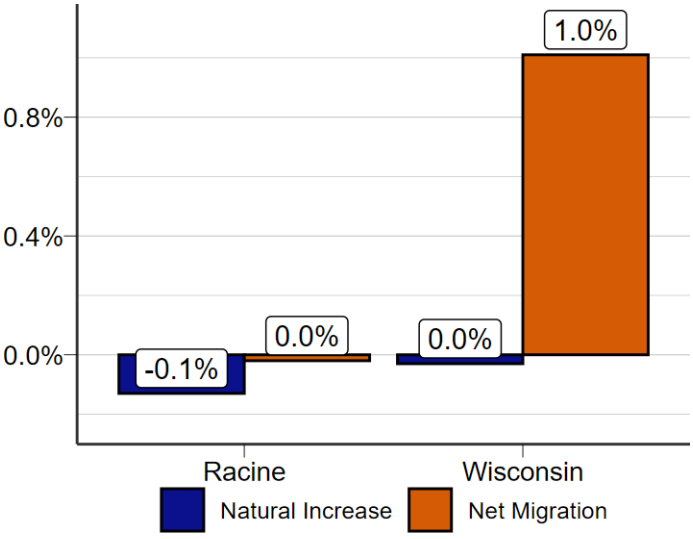

Figure 7: AI exposure per occupation group by number employed.

Fundamental changes are in store for Wisconsin's economy due primarily to two new influencers: workforce constraints and artificial intelligence technology. The degree to how each will affect the other and the whole is yet to be determined.

# Population and Demographics

| | 2020 Census | 2023 Final Estimate | Numeric Change | Percent Change |
|---|---|---|---|---|
| Racine, City | 77,816 | 76,853 | -963 | -1.2% |
| Mount Pleasant, Village | 27,732 | 28,213 | 481 | 1.7% |
| Caledonia, Village | 25,361 | 25,373 | 12 | 0.0% |
| Burlington, City | 11,047 | 11,098 | 51 | 0.5% |
| Norway, Town | 7,916 | 7,906 | -10 | -0.1% |
| Sturtevant, Village | 6,919 | 6,756 | -163 | -2.4% |
| Waterford, Town | 6,514 | 6,526 | 12 | 0.2% |
| Burlington, Town | 6,465 | 6,445 | -20 | -0.3% |
| Waterford, Village | 5,542 | 5,709 | 167 | 3.0% |
| Union Grove, Village | 4,806 | 5,076 | 270 | 5.6% |
| Racine, County | 197,727 | 197,422 | -305 | -0.2% |
| Wisconsin, State | 5,893,718 | 5,951,400 | 57,682 | 1.0% |

Racine County is the fifth most populous county in Wisconsin, with 197,422 residents. From 2020 to 2023, the population decreased by 305 residents, or -0.2%, while the state's population grew by 1.0%. Both the county and the state recorded slightly more deaths than births over the past three years. The difference in population growth was primarily due to net migration – while the state saw a 1.0% gain, slightly more people moved out of Racine County than moved in.




**Components of Population Change**

Population change is driven by natural increase and migration. Natural population increase occurs when there are more births than deaths, while migration increases when more people move into the county than leave. Natural increase is primarily influenced by the population's age structure, while migration has a more immediate and actionable impact on the county labor force.

Figure 8: Source: WI Department of Administration.

The 10 most populous municipalities in the county showed a mix of growth and decline. Notably, the City of Racine saw a 1.2% decrease (963 residents), continuing a long-term trend. The city's population peaked at over 97,000 residents in 1975, and its gradual decline reflects a broader national trend among urban areas. In contrast, Mount Pleasant, the county's second-largest municipality, continues to experience population growth.

Looking ahead, both the state and Racine County are projected to experience population decline, with the county expected to decline at a faster rate. The recent decrease in population, combined

with the projected outlook, is cause for concern. However, it's important to remember that projections are not fixed – they will change if actual components of population change differ from the underlying assumptions.

It is possible for Racine County to improve its net migration trends. The county's access to major freeway systems, its location between the Milwaukee and Chicago metro areas, and its proximity to Lake Michigan are just a few of the assets that make it a desirable place to live.

Although net migration is typically viewed as a short-term factor, it can contribute to long-term, sustainable population growth – particularly if younger residents are drawn to the area. If net migration improves among this group, natural population growth is also more likely to follow.

## Population Projections

| | 2020 | 2030 | 2040 | 2050 | 2020-2050 Population Change |
|---|---|---|---|---|---|
| Racine | 197,727 | 191,940 | 183,070 | 170,420 | -13.8% |
| Wisconsin | 5,893,718 | 5,890,915 | 5,841,620 | 5,710,120 | -3.1% |

Source: Demographic Services Center, Wisconsin Department of Administration.

# Employment by Industry

| | 2023 Avg Monthly Employment | 5-year Change | 5-year % Change | % of Total Employment |
|---|---|---|---|---|
| Total, All Industries | 75,609 | 25 | 0.0% | 100.0% |
| Manufacturing | 18,608 | 608 | 3.4% | 24.6% |
| Trade, Transportation, and Utilities | 15,744 | 937 | 6.3% | 20.8% |
| Education and Health Services | 15,695 | -848 | -5.1% | 20.8% |
| Leisure and Hospitality | 7,332 | -551 | -7.0% | 9.7% |
| Professional and Business Services | 6,465 | -427 | -6.2% | 8.6% |
| Public Administration | 3,492 | -5 | -0.1% | 4.6% |
| Construction | 3,237 | 214 | 7.1% | 4.3% |
| Financial Activities | 2,528 | 227 | 9.9% | 3.3% |
| Other Services | 1,954 | 68 | 3.6% | 2.6% |
| Information | 305 | -181 | -37.2% | 0.4% |
| Natural Resources and Mining | 248 | -18 | -6.8% | 0.3% |

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics.

Racine County employment remained essentially flat from 2018 to 2023, adding just 25 jobs – an overall change of 0.0%. It's important to note that this five-year period includes a sharp decline in employment in 2020 due to the COVID-19 pandemic and the resulting public health measures. Employment bottomed out at 70,837 before steadily rebounding.

In 2023, the county's three largest industries were manufacturing, trade, transportation, and utilities, and education and health services, which together accounted for two-thirds of total employment. While manufacturing and trade, transportation, and utilities saw job growth over the period, education and health services lost 848 jobs. Both sectors within that industry – education and health – declined at roughly the same rate.

Manufacturing has long been a key driver of Racine County's economy. In 2023, it accounted for 24.6% of total employment, well above the statewide share of 16.2%. Machinery manufacturing remains the county's largest subsector, employing approximately 3,000 people. While the subsector has seen long-term decline, it grew by nearly 17% between 2018 and 2023. Computer and electronic product manufacturing stands out as a particularly fast-growing subsector, expanding from 364 jobs in 2018 to 1,375 jobs in 2023. Other notable manufacturing subsectors include chemical manufacturing and electrical equipment, appliance, and component manufacturing.

# Unemployment

Racine County's average monthly unemployment rate in 2023 was 3.5%, compared to the statewide rate of 3.0%. Both rates are historically low and indicative of a tight labor market. Simply put, employers are having difficulty finding workers.

There are some signs that this pressure has eased somewhat in recent months. However, the demographic challenges – particularly an aging population – that are driving tight labor conditions are not going away.

**Unemployment Rate**

The unemployment rate is the percentage of people who are not working but actively looking for work compared to the total number of people in the labor force.

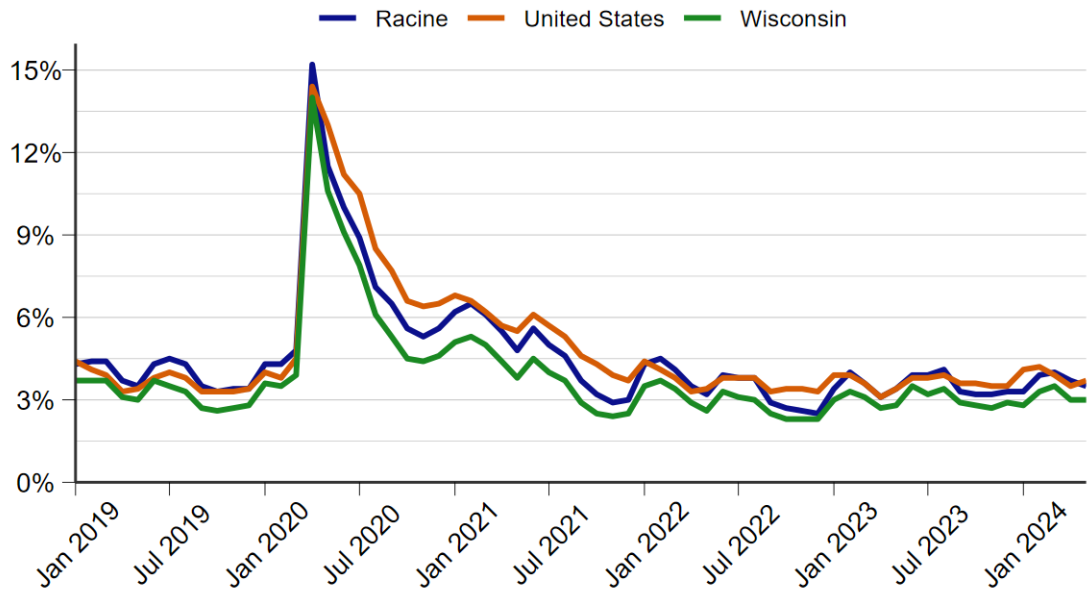



Figure 9: Source: Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics.

# Labor Force Participation

The long-term impact of an aging population is also reflected in Racine County's declining labor force participation rate (LFPR). While LFPR by age group has remained relatively stable over time, the overall rate is falling as the population grows older and more residents enter retirement.

In 2023, Racine County's LFPR stood at 64.4%, slightly below the statewide rate of 65.3%. The ongoing demand for workers makes it increasingly important to address the barriers that prevent residents from participating in the labor force. Additionally, improving net migration could help ease workforce quantity challenges in the years ahead.

**Labor Force Participation Rate**

The labor force participation rate (LFPR) looks at the relative labor resources available and is expressed as the percentage of the civilian noninstitutional population 16 years and older that is working or actively looking for work.

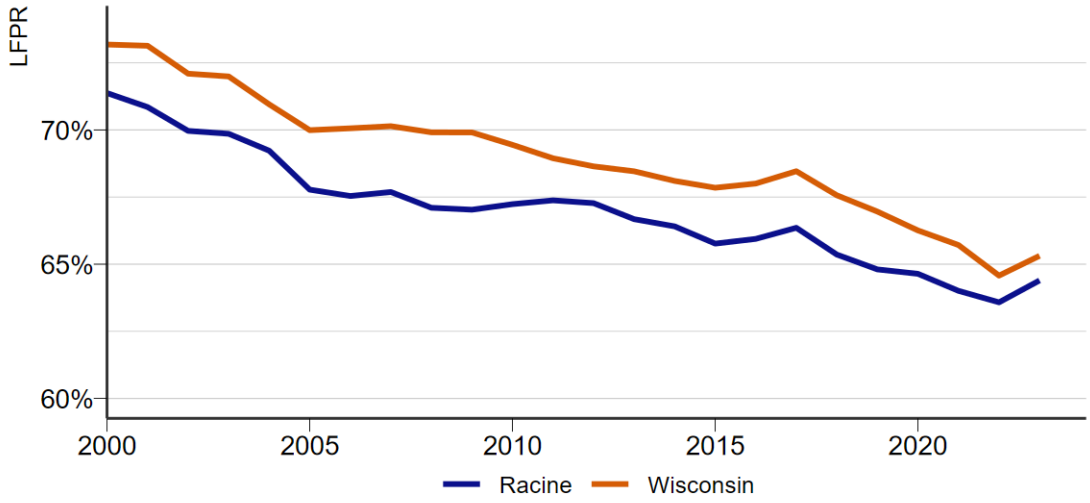



Figure 10: Source: WI Department of Workforce Development Office of Economic Advisors.

# AI Impact

| Occupation | Employment | % of Total Employment | AI Exposure Index |
|---|---|---|---|
| Laborers and Freight, Stock, and Material Movers, Hand | 8,570 | 4.5% | -0.78 |
| Cashiers | 5,620 | 2.9% | 0.89 |
| Fast Food and Counter Workers | 5,260 | 2.8% | -1.00 |
| Stockers and Order Fillers | 5,170 | 2.7% | -0.05 |
| Retail Salespersons | 5,030 | 2.6% | 0.40 |
| Heavy and Tractor-Trailer Truck Drivers | 3,760 | 2.0% | -0.09 |
| Registered Nurses | 3,250 | 1.7% | 0.04 |
| Office Clerks, General | 3,070 | 1.6% | 1.00 |
| Waiters and Waitresses | 2,910 | 1.5% | -0.78 |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 2,650 | 1.4% | -1.27 |
| Customer Service Representatives | 2,650 | 1.4% | 0.75 |

Source: Governor's Task Force on Workforce and Artificial Intelligence.

**AI Exposure**

AI exposure, as computed by the Governor's Task Force on Workforce and Artificial Intelligence, is the median value across four different research paper's measures of exposure after normalizing each paper's measure to the same mean and variance. A positive value of AI exposure indicates placement in the top 50% of occupations for AI exposure, with higher values indicating greater exposure to AI. Conversely, negative numbers indicate exposure in the bottom 50%. For more information about AI exposure, refer to The Governor's Task Force on Workforce and Artificial Intelligence Advisory Action Plan (dwd.wisconsin.gov/ai-taskforce/pdf/ai-advisory-action-plan.pdf)

Artificial intelligence (AI) technologies are significantly shaping the nature of work. When implemented effectively, AI can help address workforce shortages driven by demographic changes by freeing up workers to focus on tasks that cannot be easily replaced by technology. The challenge lies in ensuring the workforce is prepared to adapt as these technologies continue to evolve rapidly.

The Southeast Workforce Development Area (WDA), which includes Racine, Kenosha, and Walworth counties, provides a useful lens for examining this impact. The largest occupation in the WDA is laborers and freight, stock, and material movers, hand, accounting for 4.5% of the region's employment. This occupation has an AI exposure index of -0.78. For comparison, the occupation with the highest potential AI exposure is bookkeeping, accounting, and auditing clerks, with an index of 1.89.

# Industry Employment Projections

| | Industry | 2022 Employment | 2032 Projected Employment | Employment Change 2022-2032 | % Change 2022-2032 |
|---|---|---|---|---|---|
| Highest Percent Growth | Construction | 6,837 | 7,949 | 1,112 | 16.26% |
| Highest Number Employed | Trade, Transportation, and Utilities | 46,016 | 50,105 | 4,089 | 8.89% |
| Most Jobs Added | Trade, Transportation, and Utilities | 46,016 | 50,105 | 4,089 | 8.89% |
| Lowest Percent Growth | Government | 9,683 | 9,712 | 29 | 0.30% |
| Total | Total All Industries | 209,899 | 229,666 | 19,767 | 9.42% |

Source: WI Department of Workforce Development Office of Economic Advisors.

DWD produces employment projections for the state's 11 Workforce Development Areas (WDAs) every two years. Employment in the Southeast WDA is expected to increase by 19,767 jobs (9.4%) between 2022 and 2032, outpacing the statewide growth rate of 7.1%.

In the Southeast WDA, the construction industry is projected to be the fastest-growing, with an expected growth rate of 16.3% over the decade. Trade, transportation, and utilities is currently the largest industry by employment and is projected to add the most jobs overall.

Goods-producing industries are expected to grow by 9.7%, while service-providing industries are projected to increase by 8.8%

For more detailed projections results for both occupations and industries, visit Wisconomy's projections page (jobcenterofwisconsin.com/wisconomy/pub/projections).

# Occupation Employment Projections

| | Occupation | 2022 Employment | 2032 Projected Employment | Employment Change 2022-2032 | % Change 2022-2032 |
|---|---|---|---|---|---|
| Lowest Percent Growth | Office and Administrative Support | 22,099 | 22,256 | 157 | 0.7% |
| Highest Percent Growth | Construction and Extraction | 6,810 | 7,980 | 1,170 | 17.2% |
| Highest Number Employed | Transportation and Material Moving | 26,913 | 29,909 | 2,996 | 11.1% |
| Most Jobs Added | Transportation and Material Moving | 26,913 | 29,909 | 2,996 | 11.1% |
| Total | Total, All | 209,899 | 229,666 | 19,767 | 9.4% |

Source: WI Department of Workforce Development Office of Economic Advisors.

In the Southeast WDA, construction and extraction occupations are projected to be the fastest-growing occupational group, with a growth rate of 17.2% from 2022 to 2032. This includes 19.0% growth specifically among skilled trades workers.

On the other hand, office and administrative support occupations are projected to grow at the slowest rate. However, despite limited growth, this group still has a high need for replacements. Due to the aging population, many occupations may see flat or declining overall employment but will still require new workers to replace retirees. This trend is largely driven by increasing retirements across many sectors.

# Aging Population

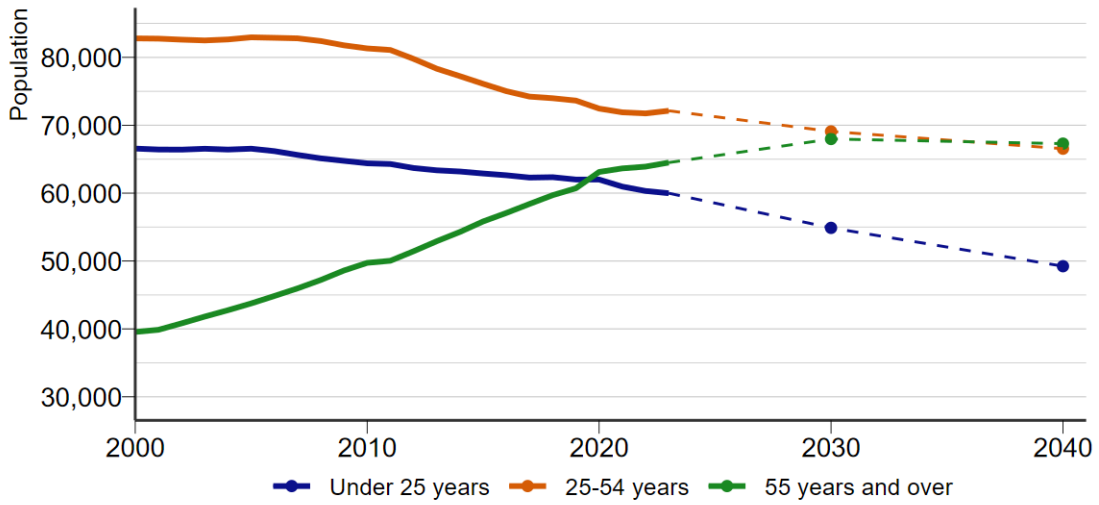



Figure 11: US Census Bureau, Population Estimates Program and WI Department of Administration, Demographic Services Center.

Age demographics have been referenced throughout this profile. The chart above shows changes in population by age group. In 2023, 32.8% of Racine County's population was age 55 and older, up from 20.9% in 2000. Meanwhile, the population under age 55 has declined over the same period. This aging trend is expected to continue, with the share of residents 55 and older projected to reach 36.8% by 2040.

These age groups are significant because they reflect different stages of typical labor force participation. Participation rises sharply from ages 16 to 24, though individuals in this range are less likely to work full time as many are enrolled in secondary or post-secondary education. The 25–54 age group represents the prime working years. Participation begins to drop off significantly after age 55, as individuals in this group are often nearing or entering retirement.

# Personal Income

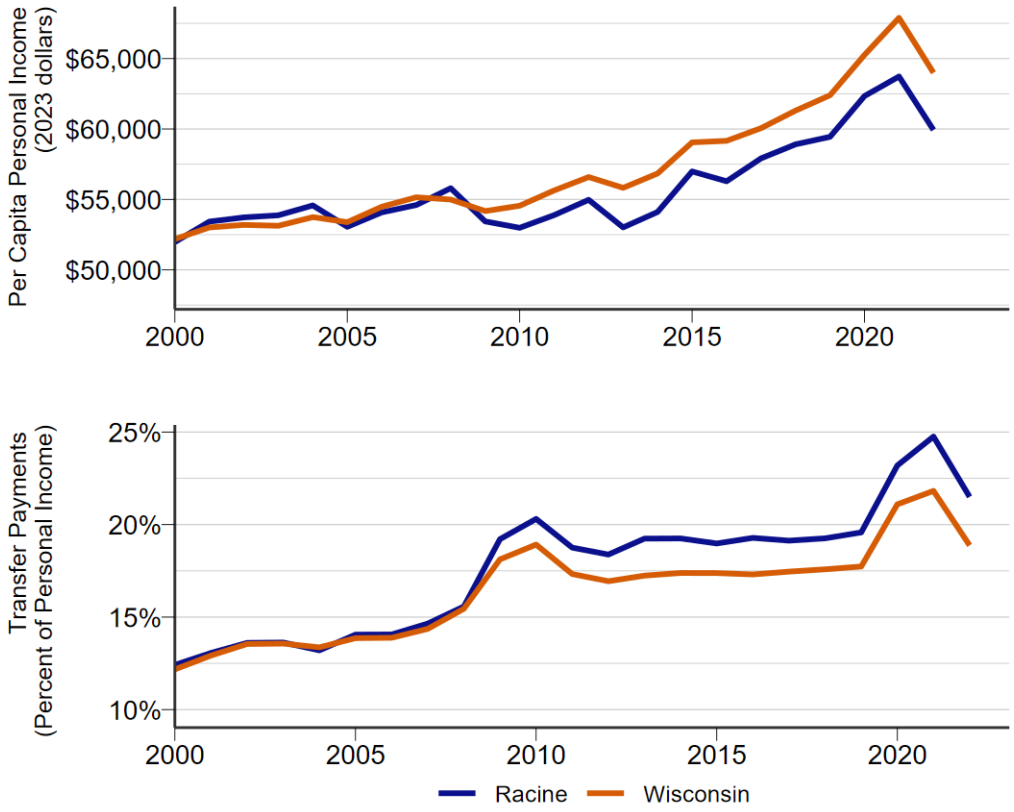



Figure 12: Source: United States Bureau of Economic Analysis.

**Personal Income**

Personal income includes income from all sources, such as wages, business income, rental income, investments, and government transfer payments. It excludes capital gains or losses, whether realized or unrealized. All dollar amounts are adjusted for inflation using 2023 dollars.

The per capita personal income in Racine County was $59,934 in 2022, which was $4,061 below the statewide average of $63,996. The graph below illustrates the change over time in both areas. Through most of the 2000s, per capita income in the county closely tracked the state average, but a subtle divergence emerged around the onset of the Great Recession in 2008.

In 2022, 21.5% of total income in Racine County came from transfer payments rather than earned income. This share has increased from 12.4% in 2000. Two prominent spikes in transfer payments align with the Great Recession and the COVID-era recession. Economic downturns typically reduce earned income – such as wages and business income – while simultaneously triggering automatic stabilizers like the Unemployment Insurance program.

The long-term rise in the share of transfer payments also reflects the county's aging population, as this category includes Social Security and other retirement-related income sources.

# Workforce Pipeline

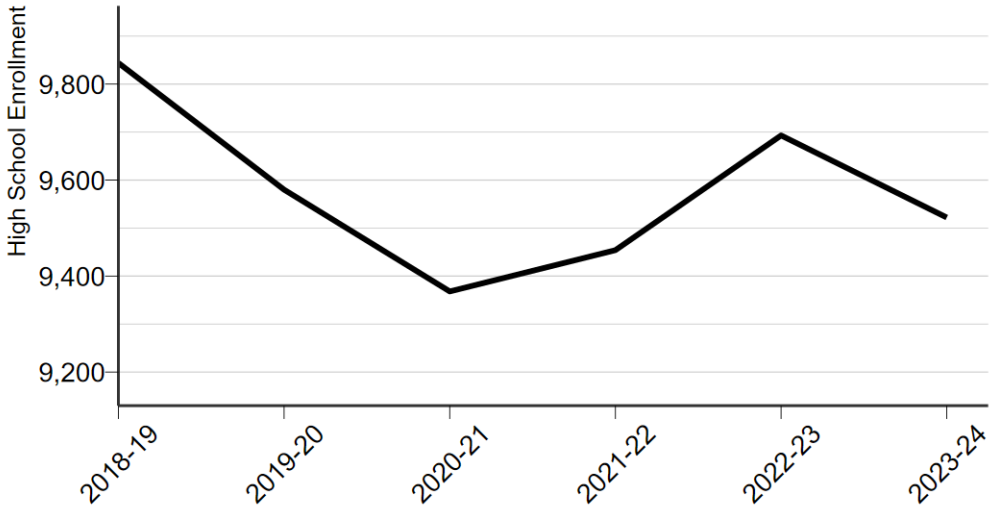



Figure 13: Source: Wisconsin Department of Public Instruction.

Education prepares the next generation of the labor force. As of the 2023–24 school year, 9,522 students were enrolled in grades 9–12. This total includes students in public, private, and home-based schools.

It's important to note that school district boundaries often extend into multiple counties, meaning that county-level enrollment figures may not precisely reflect the number of students residing within Racine County. County-level totals are determined by the reported enrollment of school district whose main office is located in that county. Because school district borders do not necessarily align with county borders, the numbers below may not match the total number of students residing in the county.

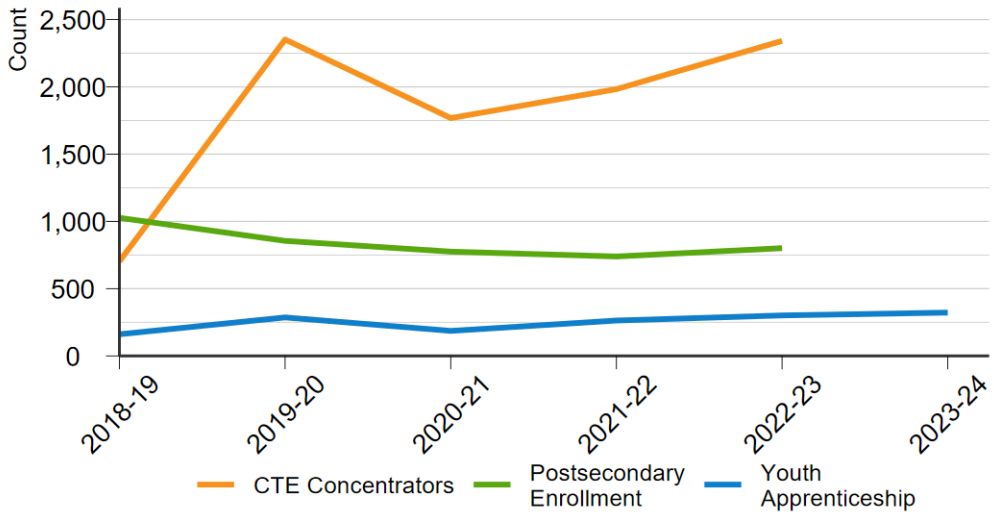



Figure 14: Source: Wisconsin Department of Public Instruction and Department of Workforce Development.

## Career and Technical Education

Of students in grades 11–12, 48.8% were concentrators in career and technical education (CTE) during the 2022–23 school year, compared to 44.3% statewide. CTE participation reflects ongoing efforts to improve career readiness among high school students.

**Career and Technical Education**

Career and technical education (CTE) equips students for both the workforce and postsecondary education through work-based learning opportunities. CTE concentrators are 11th and 12th graders who have passed at least two CTE courses within a specific career pathway. Home-based students are not included in this data.

| | CTE Concentrator | Percent of Grade 11 and 12 |
|---|---|---|
| Racine | 2,342 | 48.8% |
| Wisconsin | 64,124 | 44.3% |

School year 2022-23. Source: Wisconsin Department of Public Instruction.

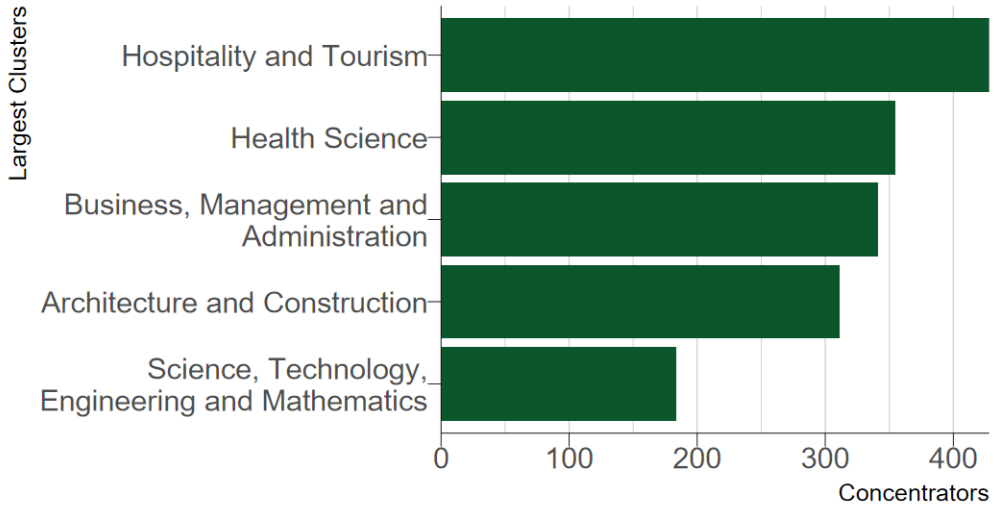



Figure 15: School year 2022-23. Source: Wisconsin Department of Public Instruction.

## Postsecondary Enrollment

In the 2022–23 school year, 31.8% of high school completers in Racine County enrolled in a post-secondary institution, compared to 43.6% statewide. This metric captures students from Racine County secondary schools who pursued postsecondary education, regardless of where the institution is located.

While there is no guarantee these students will return to the county after completing their education, their ties to the area make them a potential source of skilled workers in the future.

The relatively low share of students pursuing postsecondary education may reflect that some are finding opportunities that do not require additional training. However, it should also be viewed as a signal that workforce preparedness could be improved by raising enrollment rates closer to the statewide average.

**Postsecondary Enrollment**

Postsecondary enrollment tracks the percentage of high school graduates who attend a postsecondary school (public or private colleges, two- or four-year universities, technical colleges, or training programs) in the fall immediately following graduation. It is important to note that this data may slightly underrepresent actual enrollment due to limitations in how information is matched within the National Student Clearinghouse.

| | Postsecondary Enrollment | Percent of Grade 12 |
|---|---|---|
| Racine | 801 | 31.8% |
| Wisconsin | 31,893 | 43.6% |

School year 2022-23. Source: Wisconsin Department of Public Instruction.

## Youth Apprenticeship

Youth apprenticeship is a program that allows participants to prepare for the workforce through direct, hands-on work experience. In the 2022–23 school year, 301 youth apprentices participated in the program in Racine County.

Expanding this program could further enhance workforce readiness among students.

> **Youth Apprenticeship**
>
> Youth Apprenticeship (YA) Program is a school-supervised program that combines work and classroom learning to help high school students prepare for a career. Participants receive on-the-job training directly from the employer. The program helps students explore career paths and helps employers develop a qualified workforce.

| | Youth Apprenticeship Participants | Percent of Grade 11 and 12 |
|---|---|---|
| Racine | 301 | 6.3% |
| Wisconsin | 8,222 | 5.7% |

School year 2022-23. Source: Wisconsin Department of Workforce Development.