



JAMES A. GRAASKAMP CENTER FOR REAL ESTATE

Housing, Economics and People in the U.S. and Wisconsin

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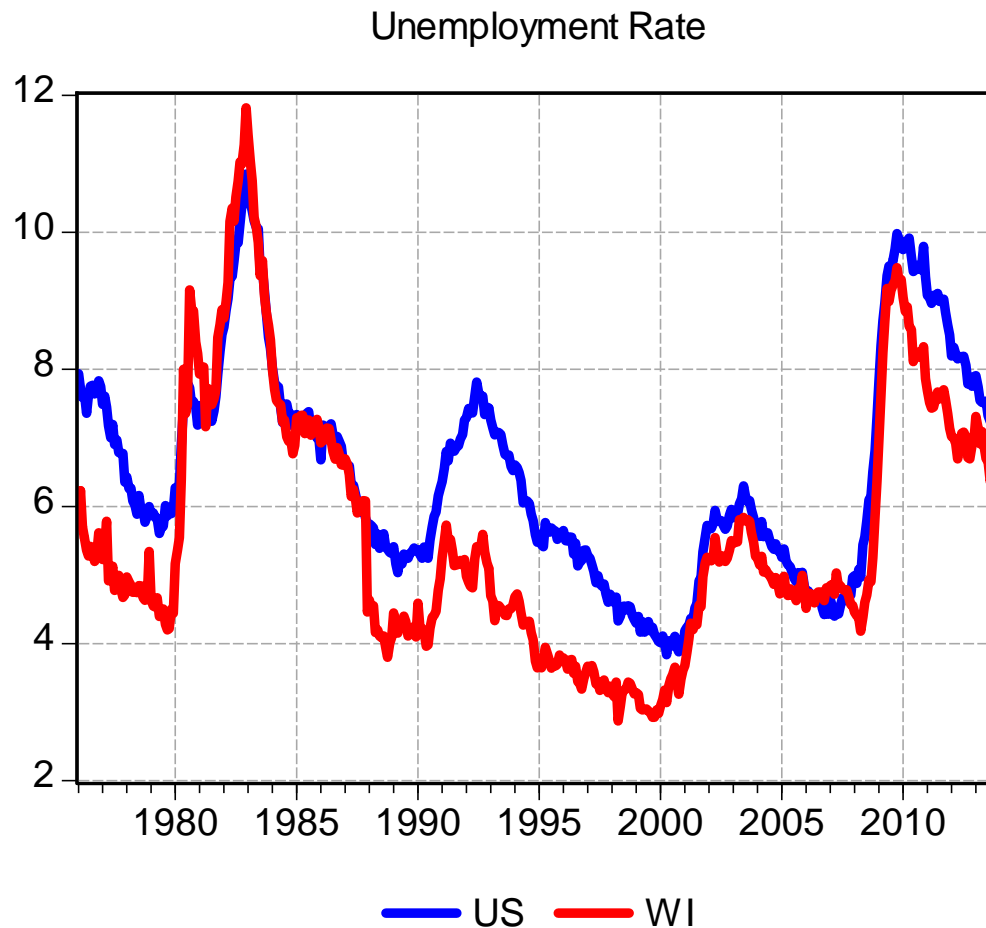
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Unemployment Rate: Expect a Further Decline



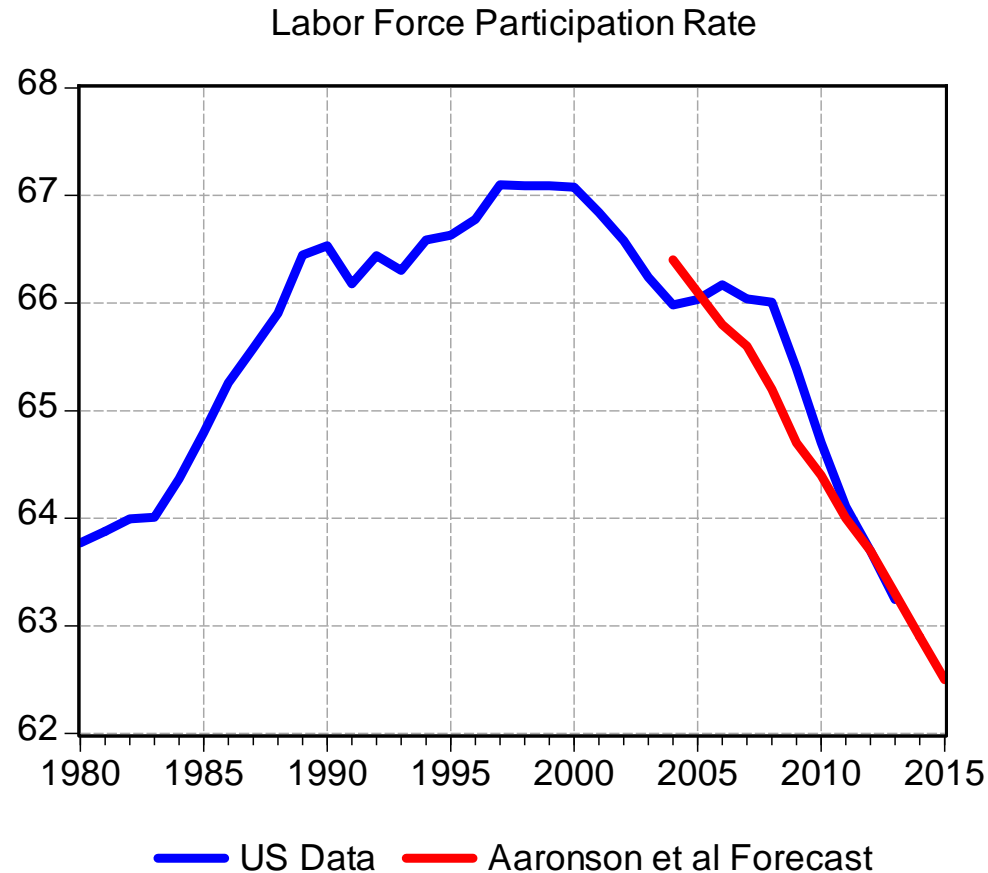
Table 6. Comparisons of Projected Trend Labor Force Participation Rates and Trend Labor Force Growth

<i>Year</i>	<i>Authors' model</i>	<i>Congressional Budget Office</i>	<i>Bureau of Labor Statistics</i>	<i>Social Security Administration</i>
<i>Labor force participation rate (percent)</i>				
2004	66.4	66.5	n.a.	66.2
2005	66.1	66.5	66.0	66.3
2006	65.8	66.5	66.0	66.5
2007	65.6	66.5	65.9	66.5
2008	65.2	66.4	65.9	66.5
2009	64.7	66.3	65.9	66.4
2010	64.4	66.2	65.8	66.3
2011	64.0	65.9	65.8	66.2
2012	63.7	65.7	65.7	66.0
2013	63.3	65.4	65.6	65.8
2014	62.9	65.2	65.6	65.5
2015	62.5	65.0	n.a.	65.2

This paper was written in 2004



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US Participation Rate might continue to decline



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	US		WI	
	now	end 2014	now	end 2014
LF Part Rate	62.8%	62.4%	62.8%	62.4%
Unemp Rate	6.7%	6.1%	6.4%	5.8%
Population	246.7	249.2	4,893,780	4,942,718
Lab Force	154.9	155.5	3,072,920	3,083,878
Unemployed	10.4	9.5	197,896	180,098
Employed	144.6	146.0	2,875,024	2,903,780
New Jobs (total)		1,448,438		28,756
New Jobs/Month		120,703		2,396

2014 forecast assuming 1%/year pop growth



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- Wisconsin is a bit older than the median state in terms of the age structure of the population
- No reason to believe we will escape forecasted decline in labor force participation
- Recently have had slower than 1% per year population growth ... and its old population



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Top 11		Bottom 11	
Utah	1.73	Michigan	1.11
DC	1.68	Ohio	1.11
Texas	1.50	Iowa	1.10
Alaska	1.49	South Dakota	1.10
Georgia	1.43	New Hampshire	1.08
California	1.42	Pennsylvania	1.05
Colorado	1.38	Florida	1.01
Nevada	1.33	Montana	1.00
Illinois	1.29	Vermont	0.99
Virginia	1.28	West Virginia	0.97
Maryland	1.26	Maine	0.95

Ratio of 21-49 to 50+. Wisconsin is 1.15 (29th)

Author's calculations based on the 2008-2012 American Community Survey



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year	age			all
	<21	21-65	>65	
2008	1,504,154	3,308,688	651,994	5,464,836
2009	1,502,946	3,320,309	665,632	5,488,887
2010	1,525,292	3,321,371	694,170	5,540,833
2011	1,520,668	3,333,873	705,990	5,560,531
2012	1,517,157	3,338,225	722,708	5,578,090
ann % growth	0.2%	0.2%	2.6%	0.5%

WI population, 2008-2012 ... Minimal increase 21-65 category.



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	now	Population Growth	
		0.5%	0%
LF Part Rate	62.8%	62.4%	62.4%
Unemp Rate	6.4%	5.8%	5.8%
Population	4,893,780	4,918,249	4,893,780
Lab Force	3,072,920	3,068,612	3,053,345
Unemployed	197,896	179,207	178,315
Employed	2,875,024	2,889,405	2,875,030
New Jobs (total)		14,381	6

2014 WI forecast with 0% – 0.5% pop growth



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- In-migration is very important for job growth
- How can we get new population to WI ?
- We should target the young, especially 21-34 year old college grads



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age	Prob of Across-State Move			
	Unconditional	HS	Some Col	Col Grad
21-24	4.9%	3.6%	3.7%	11.3%
25-29	4.5%	3.1%	3.9%	7.1%
30-34	3.2%	2.3%	2.9%	4.7%
35-39	2.4%	1.9%	2.2%	3.1%
40-44	1.8%	1.5%	1.8%	2.2%
45-49	1.4%	1.3%	1.5%	1.6%
50-54	1.3%	1.2%	1.4%	1.6%
55-59	1.3%	1.1%	1.3%	1.5%
60-64	1.2%	1.1%	1.3%	1.5%
65-69	1.2%	1.0%	1.3%	1.4%
70+	1.0%	0.9%	1.0%	1.2%

Author's calculations based on the 2010-2012 American Community Survey



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- Where do the most likely movers live?
(as a percent of the population in the state)



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Top 11		Bottom 11	
DC	48%	Kentucky	32%
Utah	45%	Michigan	32%
Alaska	38%	Ohio	32%
Colorado	38%	Arkansas	32%
Texas	38%	Montana	32%
California	37%	Pennsylvania	31%
North Dakota	37%	New Hampshire	31%
Georgia	37%	Florida	30%
Illinois	36%	Vermont	30%
Virginia	36%	West Virginia	28%
Minnesota	36%	Maine	28%

Percent of State that is a High Prob Mover (Orange)
WI = 33%. If Wisconsin added 3% = 121,828 people.

Author's calculations based on the 2008-2012 American Community Survey



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- What are current migration patterns?



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	TO WI		FROM WI
Illinois	26,960	Minnesota	22,335
Minnesota	20,651	Illinois	19,304
California	7,658	Florida	9,688
Michigan	6,955	California	8,626
Florida	6,834	Arizona	7,131
Indiana	4,889	Texas	6,824
Arizona	4,313	Michigan	6,720
Colorado	3,401	Colorado	4,793
Iowa	3,263	Iowa	4,094
Texas	3,237	Indiana	3,529

21+. Total inflows to WI were 130,000 per year
Total outflows from WI were 141,000 per year



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	NET to WI		NET to WI
Illinois	7657	Texas	-3587
Indiana	1360	Florida	-2853
Ohio	1301	Arizona	-2818
New York	800	Minnesota	-1684
Puerto Rico	795	Missouri	-1543
New Mexico	714	Colorado	-1392
Rhode Island	580	Washington	-1361
Hawaii	466	Utah	-1075
Idaho	411	Nebraska	-989
Virginia	364	Tennessee	-972

These are net flows of people, ages 21+

Author's calculations based on the 2008-2012 American Community Survey



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- Are our net outflows retirement related?



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	NET to WI		NET to WI
Illinois	2490	Texas	-1698
New York	720	Missouri	-1043
New Mexico	697	California	-808
Hawaii	468	Minnesota	-794
Alaska	436	Utah	-687
Maryland	304	Washington	-563
Louisiana	302	DC	-547
Ohio	249	Colorado	-536
Florida	230	South Dakota	-525
Delaware	227	Arkansas	-496

Ages 25-39

Author's calculations based on the 2008-2012 American Community Survey



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WISCONSIN			
	net migration		
age	<= HS	SOME COL	>= COL
21-24	1,411	2,740	-6,706
25-29	1,510	-47	-2,014
30-34	-224	-491	-770
35-39	-360	-1,015	108
40-44	-258	480	516
45-49	-368	-540	-489
50-54	634	-224	-925
55-59	80	312	-1,254
60-64	424	-317	-999
65-69	868	-354	-230
>=70	-978	-176	-1,276
total by edu	2,739	368	-14,039
total			-10,932

Annual averages, 2008-2012. Data derived from American Community Survey



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- Compare to our “trading partners” for people



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MINNESOTA			
	net migration		
age	<= HS	SOME COL	>= COL
21-24	-628	-2,876	4,049
25-29	-531	410	852
30-34	1,795	-283	58
35-39	-666	-516	-2,112
40-44	-1,333	-138	1,135
45-49	436	-95	582
50-54	-388	241	-949
55-59	-506	-605	1,000
60-64	-893	-758	-1,055
65-69	-881	-345	-292
>=70	216	-216	-324
total by edu	-3,379	-5,181	2,944
total			-5,616



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ILLINOIS			
	net migration		
age	<= HS	SOME COL	>= COL
21-24	-4,074	-3,901	12,608
25-29	-547	-482	-1,783
30-34	-1,891	-1,715	-7,862
35-39	-2,518	-914	-2,217
40-44	-812	-2,954	-1,871
45-49	-2,240	-22	-3,437
50-54	473	-1,631	-4,525
55-59	-2,594	-2,036	-2,744
60-64	-3,927	-728	-3,389
65-69	-2,167	-1,443	-2,304
>=70	-3,478	-1,070	-2,320
total by edu	-23,775	-16,896	-19,844
total			-60,515

MICHIGAN			
	net migration		
age	<= HS	SOME COL	>= COL
21-24	-355	-2,073	-12,271
25-29	-3,432	-4,030	-7,588
30-34	-1,125	-1,626	-6,383
35-39	-1,448	-1,379	-3,185
40-44	-2,579	-2,048	-2,994
45-49	-1,963	-1,412	-2,168
50-54	-2,268	-1,583	-2,552
55-59	-3,000	-561	-2,338
60-64	-1,882	-341	-3,149
65-69	-1,096	-570	-1,786
>=70	-3,072	-1,764	-1,673
total by edu	-22,220	-17,387	-46,087
total			-85,694

Author's calculations based on the 2008-2012 American Community Survey



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CALIFORNIA			
	net migration		
age	<= HS	SOME COL	>= COL
21-24	-9,549	-4,497	19,542
25-29	-11,080	-7,723	15,786
30-34	-8,179	-5,003	4,285
35-39	-9,362	-5,450	-1,680
40-44	-10,377	-3,373	-1,766
45-49	-5,908	-5,703	-572
50-54	-8,266	-2,305	-1,670
55-59	-3,161	-6,841	-1,690
60-64	-2,012	-3,801	-4,581
65-69	-2,875	-2,937	-543
>=70	462	68	811
total by edu	-70,307	-47,565	27,922
total			-89,950

TEXAS			
	net migration		
age	<= HS	SOME COL	>= COL
21-24	4,539	6,010	16,157
25-29	13,170	9,083	15,903
30-34	9,538	5,770	9,603
35-39	7,685	4,484	8,804
40-44	9,103	3,905	3,654
45-49	3,109	3,195	4,154
50-54	4,231	2,350	3,764
55-59	700	1,273	3,110
60-64	3,332	932	1,496
65-69	2,858	880	181
>=70	6,330	1,247	2,467
total by edu	64,595	39,129	69,293
total			173,017

Author's calculations based on the 2008-2012 American Community Survey



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- To have any job growth we need more people
- Recruit 21 – 39 year olds w/ college degree?
 - Most likely to move
 - Least drain on the NPV of our retirement system
- We are currently LOSING this age group
- Where does this group want to live and why?



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Thanks



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WISCONSIN									
age	inmigration			outmigration			net migration		
	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL
21-24	8,671	9,196	9,158	7,260	6,456	15,864	1,411	2,740	-6,706
25-29	7,084	5,301	13,980	5,574	5,348	15,994	1,510	-47	-2,014
30-34	4,829	3,929	8,928	5,053	4,420	9,698	-224	-491	-770
35-39	3,216	2,870	6,380	3,576	3,885	6,272	-360	-1,015	108
40-44	3,453	2,820	3,820	3,711	2,340	3,304	-258	480	516
45-49	3,683	2,392	2,899	4,051	2,932	3,388	-368	-540	-489
50-54	3,141	1,912	2,293	2,507	2,136	3,218	634	-224	-925
55-59	2,259	2,005	1,969	2,179	1,693	3,223	80	312	-1,254
60-64	2,072	1,194	1,540	1,648	1,511	2,539	424	-317	-999
65-69	2,156	442	922	1,288	796	1,152	868	-354	-230
>=70	3,515	814	922	4,493	990	2,198	-978	-176	-1,276
total by edu	44,079	32,875	52,811	41,340	32,507	66,850	2,739	368	-14,039
total			129,765			140,697			-10,932



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MICHIGAN									
	inmigration			outmigration			net migration		
age	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL
21-24	12,091	8,872	10,346	12,446	10,945	22,617	-355	-2,073	-12,271
25-29	9,276	7,383	16,042	12,708	11,413	23,630	-3,432	-4,030	-7,588
30-34	8,329	4,508	11,109	9,454	6,134	17,492	-1,125	-1,626	-6,383
35-39	6,342	4,484	7,924	7,790	5,863	11,109	-1,448	-1,379	-3,185
40-44	5,652	2,906	4,421	8,231	4,954	7,415	-2,579	-2,048	-2,994
45-49	4,918	3,475	3,002	6,881	4,887	5,170	-1,963	-1,412	-2,168
50-54	4,602	2,515	3,004	6,870	4,098	5,556	-2,268	-1,583	-2,552
55-59	4,143	2,679	2,655	7,143	3,240	4,993	-3,000	-561	-2,338
60-64	2,958	2,489	2,114	4,840	2,830	5,263	-1,882	-341	-3,149
65-69	2,662	1,650	1,064	3,758	2,220	2,850	-1,096	-570	-1,786
>=70	6,400	787	2,075	9,472	2,551	3,748	-3,072	-1,764	-1,673
total by edu	67,373	41,748	63,756	89,593	59,135	109,843	-22,220	-17,387	-46,087
total			172,877			258,571			-85,694



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ILLINOIS									
	inmigration			outmigration			net migration		
age	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL
21-24	11,872	13,613	34,961	15,946	17,514	22,353	-4,074	-3,901	12,608
25-29	14,602	12,402	41,390	15,149	12,884	43,173	-547	-482	-1,783
30-34	9,989	7,804	22,840	11,880	9,519	30,702	-1,891	-1,715	-7,862
35-39	7,538	6,042	14,854	10,056	6,956	17,071	-2,518	-914	-2,217
40-44	7,882	4,294	8,622	8,694	7,248	10,493	-812	-2,954	-1,871
45-49	6,678	4,651	5,400	8,918	4,673	8,837	-2,240	-22	-3,437
50-54	7,545	3,663	4,458	7,072	5,294	8,983	473	-1,631	-4,525
55-59	3,690	2,546	3,952	6,284	4,582	6,696	-2,594	-2,036	-2,744
60-64	4,108	2,240	2,757	8,035	2,968	6,146	-3,927	-728	-3,389
65-69	2,162	1,156	1,552	4,329	2,599	3,856	-2,167	-1,443	-2,304
>=70	7,066	1,403	2,124	10,544	2,473	4,444	-3,478	-1,070	-2,320
total by edu	83,132	59,814	142,910	106,907	76,710	162,754	-23,775	-16,896	-19,844
total			285,856			346,371			-60,515



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MINNESOTA

age	inmigration			outmigration			net migration		
	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL
21-24	6,882	7,982	15,780	7,510	10,858	11,731	-628	-2,876	4,049
25-29	5,620	8,076	16,706	6,151	7,666	15,854	-531	410	852
30-34	5,483	3,643	10,222	3,688	3,926	10,164	1,795	-283	58
35-39	2,962	2,194	4,566	3,628	2,710	6,678	-666	-516	-2,112
40-44	2,478	2,706	4,353	3,811	2,844	3,218	-1,333	-138	1,135
45-49	3,240	2,068	3,374	2,804	2,163	2,792	436	-95	582
50-54	2,771	1,908	2,521	3,159	1,667	3,470	-388	241	-949
55-59	1,842	1,259	3,155	2,348	1,864	2,155	-506	-605	1,000
60-64	1,065	1,156	1,147	1,958	1,914	2,202	-893	-758	-1,055
65-69	1,313	729	1,511	2,194	1,074	1,803	-881	-345	-292
>=70	3,781	942	1,768	3,565	1,158	2,092	216	-216	-324
total by edu	37,437	32,663	65,103	40,816	37,844	62,159	-3,379	-5,181	2,944
total			135,203			140,819			-5,616



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CALIFORNIA									
age	inmigration			outmigration			net migration		
	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL
21-24	36,123	32,433	49,340	45,672	36,930	29,798	-9,549	-4,497	19,542
25-29	32,632	28,191	80,902	43,712	35,914	65,116	-11,080	-7,723	15,786
30-34	20,696	18,249	52,605	28,875	23,252	48,320	-8,179	-5,003	4,285
35-39	16,716	13,570	33,903	26,078	19,020	35,583	-9,362	-5,450	-1,680
40-44	14,035	10,768	22,724	24,412	14,141	24,490	-10,377	-3,373	-1,766
45-49	12,665	8,522	16,418	18,573	14,225	16,990	-5,908	-5,703	-572
50-54	11,760	10,049	14,514	20,026	12,354	16,184	-8,266	-2,305	-1,670
55-59	10,931	6,445	13,386	14,092	13,286	15,076	-3,161	-6,841	-1,690
60-64	9,924	5,657	9,245	11,936	9,458	13,826	-2,012	-3,801	-4,581
65-69	5,856	3,866	7,043	8,731	6,803	7,586	-2,875	-2,937	-543
>=70	19,041	7,144	9,845	18,579	7,076	9,034	462	68	811
total by edu	190,379	144,894	309,925	260,686	192,459	282,003	-70,307	-47,565	27,922
total			645,198			735,148			-89,950



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TEXAS									
age	inmigration			outmigration			net migration		
	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL	<= HS	SOME COL	>= COL
21-24	38,295	27,931	36,915	33,756	21,921	20,758	4,539	6,010	16,157
25-29	44,672	31,997	57,808	31,502	22,914	41,905	13,170	9,083	15,903
30-34	32,490	22,432	40,617	22,952	16,662	31,014	9,538	5,770	9,603
35-39	25,753	17,982	30,525	18,068	13,498	21,721	7,685	4,484	8,804
40-44	25,105	14,461	19,882	16,002	10,556	16,228	9,103	3,905	3,654
45-49	20,180	12,851	15,376	17,071	9,656	11,222	3,109	3,195	4,154
50-54	17,637	10,270	13,587	13,406	7,920	9,823	4,231	2,350	3,764
55-59	12,419	7,605	12,032	11,719	6,332	8,922	700	1,273	3,110
60-64	11,900	6,043	8,419	8,568	5,111	6,923	3,332	932	1,496
65-69	8,580	4,404	4,592	5,722	3,524	4,411	2,858	880	181
>=70	18,617	5,414	7,770	12,287	4,167	5,303	6,330	1,247	2,467
total by edu	255,648	161,390	247,523	191,053	122,261	178,230	64,595	39,129	69,293
total			664,561			491,544			173,017