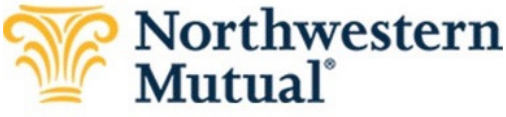
JUNE 2018

MILWAUKEE'S TECH TALENT IMPACT

An Overview of Tech Occupations and Tech-Dependent Industries

We would like to thank the following partners, who assisted us throughout the project:



THE HULS GROUP positions communities, companies, and organizations for accelerated success in the innovation economy.

www.hulsgroup.com

TIP STRATEGIES, INC. is a consulting firm that specializes in economic and workforce development research, analysis, and strategic planning. Established in 1995, TIP is committed to providing quality solutions for public and private sector clients.

www.tipstrategies.com

---

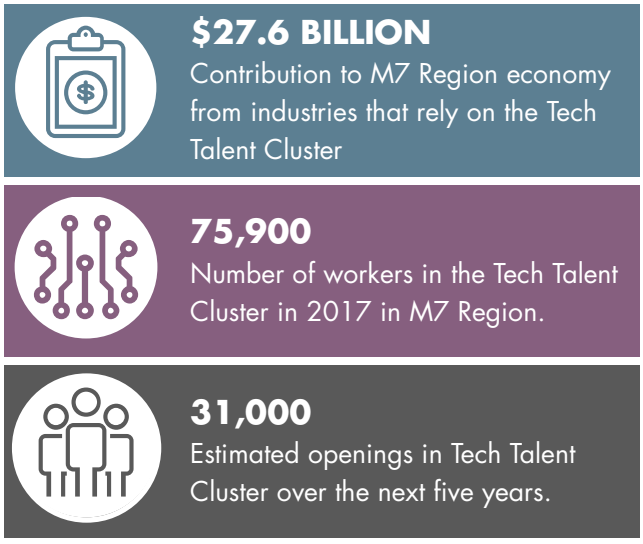
1. OVERVIEW

The Milwaukee region has a sizeable base of technology talent that consists of nearly 76,000 workers and supports more than 140 industries. Together, these industries contribute more than $27 billion to the regional economy.

Access to such a pool of technology workers is increasingly an essential element of successful economies. Yet, the region's technology talent shows signs of lagging growth, especially in comparison to peer regions. To stay competitive, the Milwaukee region can and should come together to strengthen both the talent pipeline and the ecosystem that supports this talent cluster.

In recognition of this fact, this report aims to document the occupations that are a part of this important talent cluster and the industries that depend on them. This analysis provides a baseline state of the talent cluster from which progress over time can be measured.

FIGURE 1. TECH TALENT CLUSTER HIGHLIGHTS



Source: Emsi 2018.1 – QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies
Note: See appendix for definition of "Tech Talent Cluster."

APPROACH

To support the goal of identifying tech talent and the broader role it plays in the regional economy, the analysis incorporates an occupation-based definition. This Tech Talent Cluster goes beyond the traditional definition—which is typically limited to manufacturing and services directly associated with information technology (IT)—to capture workers across multiple industries. In addition to identifying a more comprehensive talent base, this approach allows the analysis to better reflect the importance of tech talent to the region's major employers. To supplement the occupational analysis, industries that depend on tech talent are identified. These Tech Talent Dependent Industries are defined for this analysis as industries that have 15 percent or more of their workforce comprised of Tech Talent Cluster occupations.

Unless otherwise indicated, the seven counties served by the Milwaukee 7 Regional Economic Development Partnership (M7 Region) were used as the geographic unit of analysis: Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington and Waukesha. Additional information about the methodology, including a list of occupations included in the Tech Talent Cluster, is provided in the appendix.

KEY FINDINGS

- The Tech Talent Cluster supports a broad range of industries in the Milwaukee area. In 2017, Tech Talent Dependent Industries (those having 15 percent or more of their workforce comprised of Tech Talent Cluster occupations) contributed $27.63 billion in gross regional product to the M7 Region economy. This figure represents nearly one quarter of total economic output in the seven-county region, which was estimated at $119.26 billion in 2017.

- The Tech Talent Cluster is comprised of 89 different occupations that employed nearly 76,000 workers in 2017 in the M7 Region. Occupations encompassed by the cluster represent a broad range of skills, including information technology, engineering, and business and financial positions.
- The Tech Talent Cluster is projected to generate more than 31,000 job openings in the M7 Region over the next five years, driven primarily by the replacement needs of employers. This projection is based on historic hiring trends and does not include the potential impact of the announced Foxconn operations.
- The occupations expected to have the highest number of openings include several positions with advanced skill levels, such as market research analysts, management analysts, computer systems analysts, software developers, mechanical engineers, and computer and information systems managers.
- The Tech Talent Dependent Industries represent more than 5,300 establishments in the M7 Region. On average, each position in this group of 141 industries supports another 1.75 jobs in the region.
- The pace of job growth for Tech Talent workers exceeds the overall rate of employment growth in the region. Employment in the Tech Talent Cluster grew 8.0 percent between 2010 and 2017, compared with 7.1 percent for all occupations in the M7 Region.
- Estimated earnings of the Tech Talent Cluster exceed $4.7 billion each year. The vast majority of occupations in the cluster have median hourly wages above the regional median for all occupations.

FIGURE 2. OVERVIEW OF TECH TALENT STUDY METHODOLOGY