

Western Wisconsin

**Workforce  
Development  
Board, Inc.**



WORKFORCE WORKFORCE WORKFORCE WORK

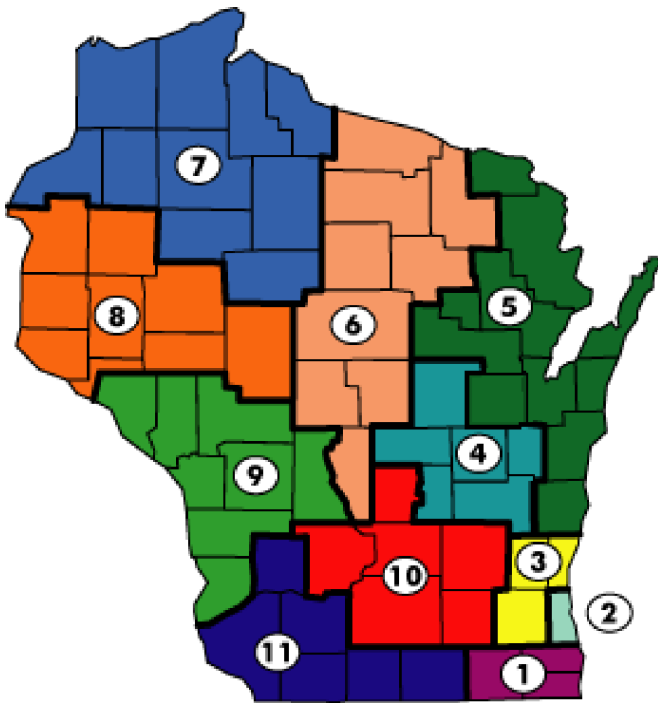
2016

# State of the Workforce Report

*A Comparison to the State of the Workforce in 2005*

# State of the Workforce 2016

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The Western Wisconsin Workforce Development Board, Inc. (WDB) was established in 2000 to oversee the strategic direction of the workforce in an eight county area in western Wisconsin. The Workforce Development Area #9 (WDA) is comprised of Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau and Vernon Counties. See map insert.

From 2001 through 2010 the WDB published an annual State of the Workforce Survey. Several focused on employee surveys to ascertain the motivation for work and work retention. The most comprehensive survey was done in 2005, as the WDB was preparing for the imminent labor force shortage. While the Great Recession delayed the shortage and its impending workforce challenges, the WDB was interested in mirroring the 2005 survey to see what changes in attitude may exist.

In mid to late 2016, WDB relaunched a version of the 2005 survey to ascertain the needs of the workforce. The intent was to compare responses to the 2005 State of the Workforce Survey on Retention and Motivation for work, whenever possible. The 2017 Study has a 95 percent confidence level and a 5 percent margin of error when taking into consideration the labor force in the Wisconsin Workforce Development Area #9. The 2005 Study had the same confidence level with a 3 percent margin of error.

## DEMOGRAPHICS

The respondents represented all age groups. However, in contrast to the 2005 study, the sample size was not large enough to statistically validate generational difference as was done previously. In 2016

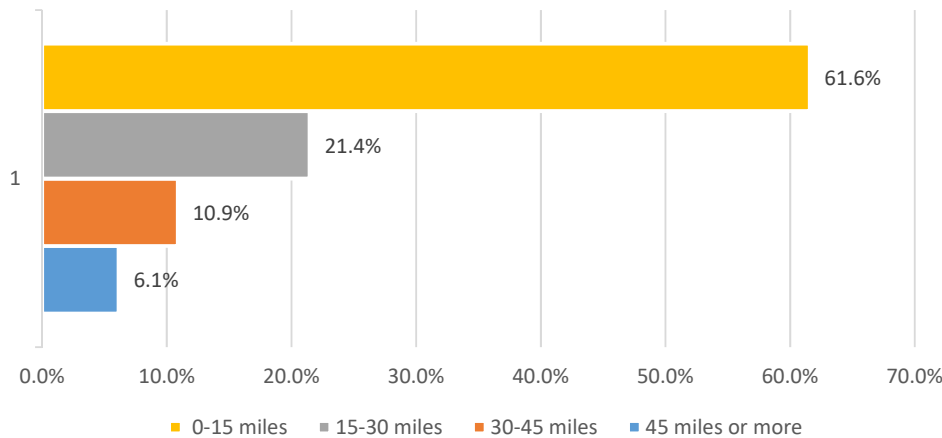
- 24 percent of respondents are classified as *Generation Y* between the ages of 18 to 35
- 39 percent were between the ages of 36 and 51 and referred to as *Generation X*
- 36 percent were between the ages of 52 and 70, the *Baby Boomers*
- 1 percent were 71 years of age or older and represent the *Traditional Generation*.

The split between male and female respondents was 43 and 57 percent respectively.

The majority of the respondents lived and worked in La Crosse County (39 percent live in the county, 57 percent work in the county) while Vernon County was well represented (32 percent and 35 percent respectively). The distribution of residence and place of work were subject to the companies which participated in the survey.

Figure 1

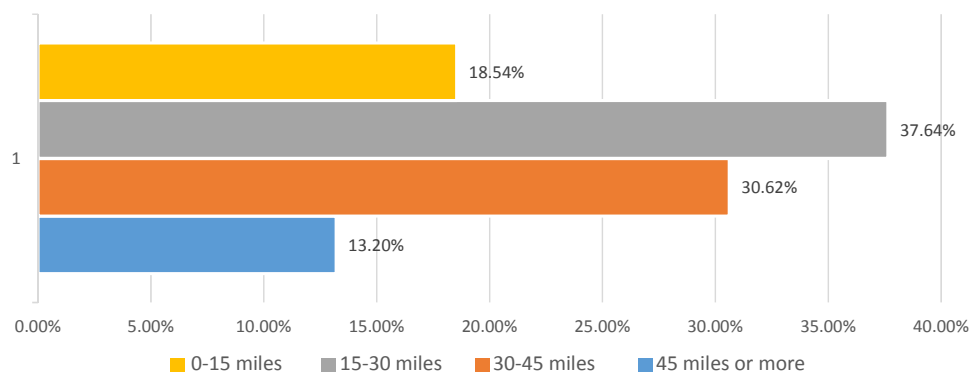
How far do you commute one way to work?



About 10 percent of the respondents lived in other areas including Richland and Sauk Counties in Wisconsin and Houston and Winona Counties in Minnesota. According to the data, 13 percent of those living in “other” areas did not work in the county of residence.

Figure 2

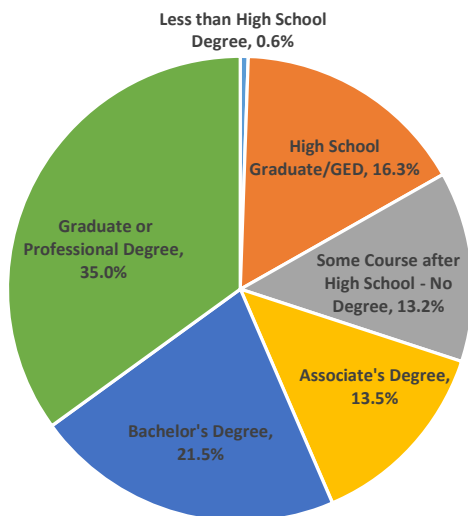
What is the farthest you would be willing to commute to work?



The survey asked how far the respondents commuted to work and how far they would be willing to commute. While almost 62 percent had a minimal commute (0-15 miles), two thirds said the farthest they would be willing to commute would be between 30 and 45 miles (Figures 1 and 2). The minimal commute is a result of the number of people living and working in the same counties (La Crosse and Vernon).

Figure 3

What is your highest level of education?



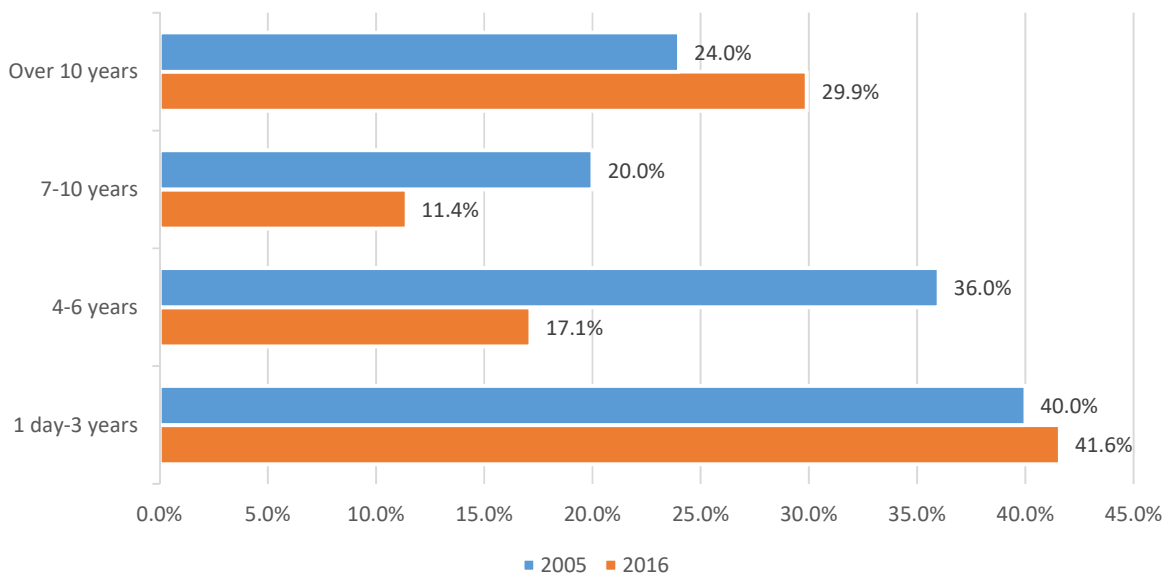
The respondents were well educated with over 70 percent attaining at least an Associate's Degree (Figure 3). Another 13 percent had some course work after high school, but not an Associate's Degree. While the level of education is skewed by the companies surveyed (one of which requires at least a bachelor degree for a majority of the occupations), the importance of an education beyond high school is critical. Most jobs today, as well as those in the future, will require training beyond the high school level.

Tenure at the companies was low. Close to 59 percent had been at their company six years or less. With 41.6 percent having a tenure of 1 day to three years (Figure 4). Although, one could assume the low tenure in 2016 to be a result of the Great Recession where many were laid off and had to seek new employment as the economy recovered, the 2005 Survey showed lower tenure with 76 percent having tenure of six years or less.

In both survey years, the area was experiencing almost identical low unemployment and could be considered to be at “full employment.” The annual unemployment rates in 2005 was 4.4 percent; the 2016 was 4.0 percent. It has been observed in time of low unemployment or a tight labor market, where many employers have multiple openings and experience difficulty in filling positions, employees have more confidence in leaving current employment for what they may perceive as better opportunities in new employment. This may account for the low tenure in both surveys.

Figure 4

How long have you been employed with your current employer?



## PREFERENCES AND MOTIVATION TO WORK

Several previous studies by the Western Wisconsin Workforce Development Board from 2000 through 2010 focused on motivation to work. In all these studies “Wages”, “Benefits” and “Meaningful Work” always appeared in the top three. The rankings of these top three did vary according to generation.

In 2016, respondents were asked the reason they worked other than earning an income. This was done in an effort to

uncover the motivational factors that may lead to retention. They were asked to check only one of the suggested topics. These topics were drawn from the top answers in the 2005 State of the Workforce Survey regarding retention. As shown in Table 1 the largest number responded work for health benefits (37.3 percent) followed by personal fulfillment (28.2 percent). The rankings did not differ from the 2005 State of the Workforce.

Table -1

| Other than earning an income, why do you work?  | 2005  | 2016  |
|---|-------|-------|
| Health Benefits                                 | 58.5% | 37.3% |
| Personal Fulfillment                            | 23.4% | 28.2% |
| Like the structure and daily routine of working | 9.4%  | 9.6%  |
| To belong to a team/social interaction          | 5.3%  | 7.5%  |
| To learn  | 3.4%  | 6.6%  |
| Other   | 23.2% | 10.5% |

In 2016 The “other responses” can be characterized by

- All of these reasons
- To support my family
- To maintain my lifestyle
- So I can retire.

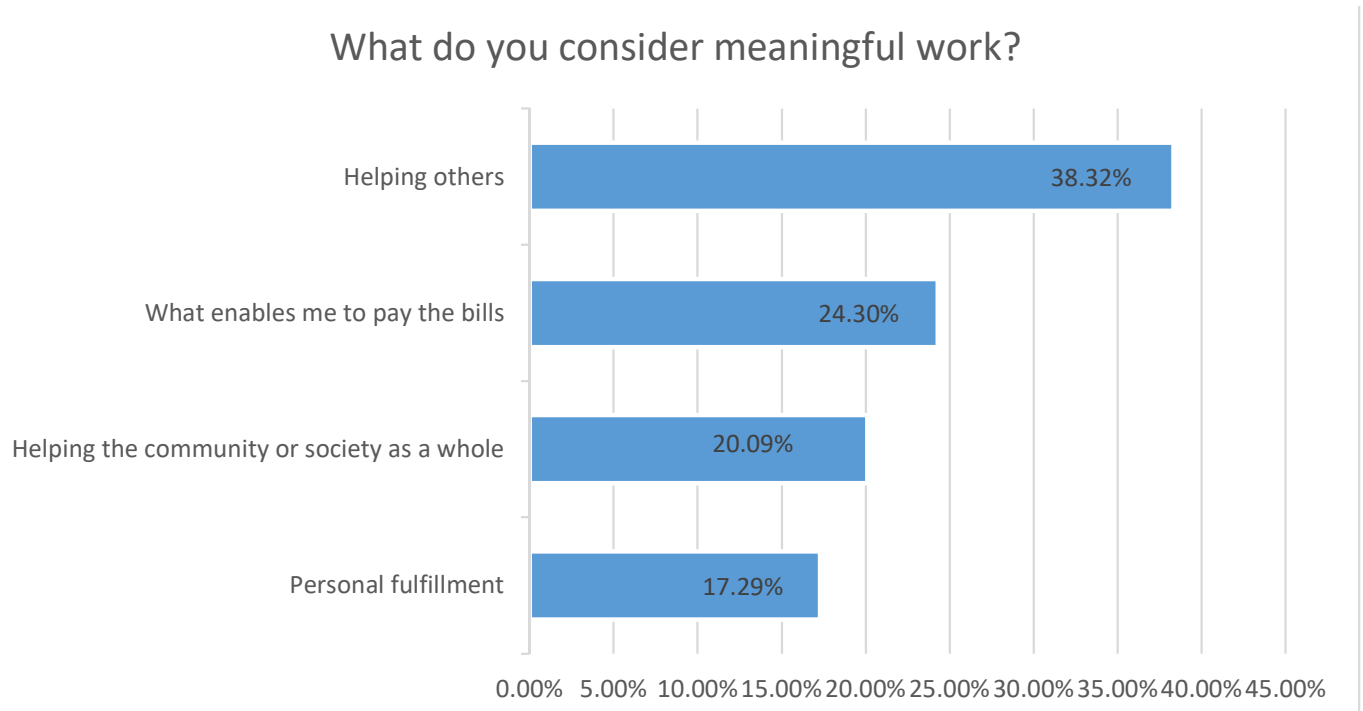
The 2005 State of the Workforce Study tried to define meaningful work by generations and discovered the following:

- All generations responded that meaningful work included helping others and personal fulfillment.

- Boomers (1946-1964) and Gen Y (1981 to 1999) both cited “helping the community or society as a whole.
- Gen X (1965 and 1980) overwhelmingly listed “Personal Fulfillment”
- Boomers and Gen X both placed emphasis on meaningful work as being something that allowed them to “Pay the Bills”.

While the sample size in 2016 was not large enough to break into generations, the definitions and ranking of meaningful work in 2016 are shown in Figure 5.

Figure 5



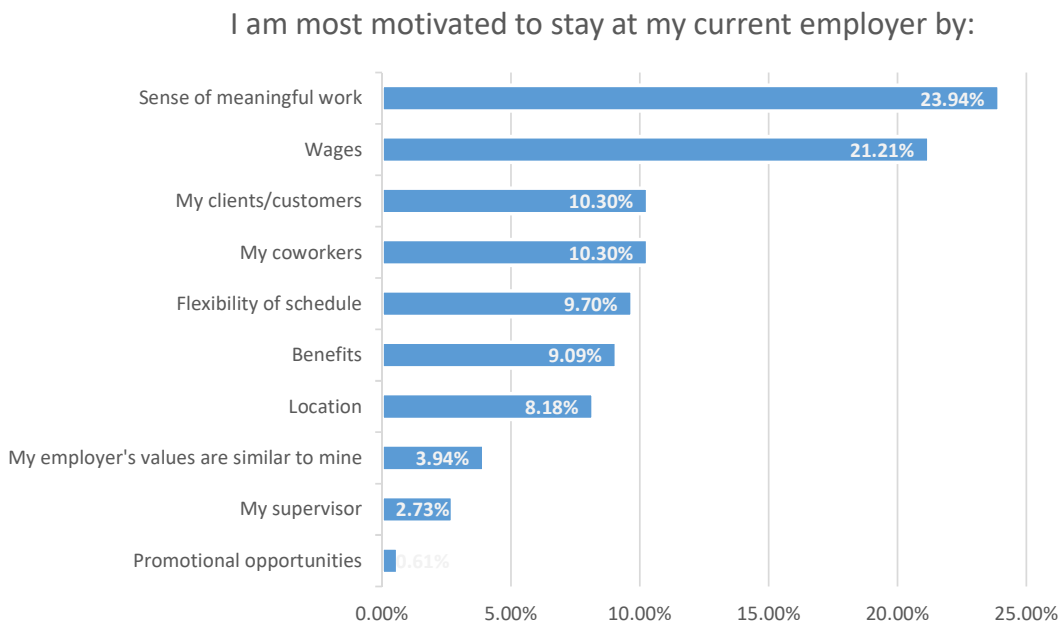
## RETENTION

Although the area is experiencing a tight labor market, which enables people to move between jobs easily, 85.5 percent of respondents in 2016 indicated they have no plans to leave their current employer within the next year, 13.1 do have plans, and another 2.3 percent plan on retiring. These data were virtually unchanged from the 2005 survey data.

When focusing on retention, it is important to look not only at motivation for work, but also at the motivational factors contributing to retention in an employee’s current employment.

The questions were asked differently in the two studies, so comparisons are not made. Figure 6 shows the respondents motivation to stay at their current employment, while Figure 7 shows the reasons they would leave.

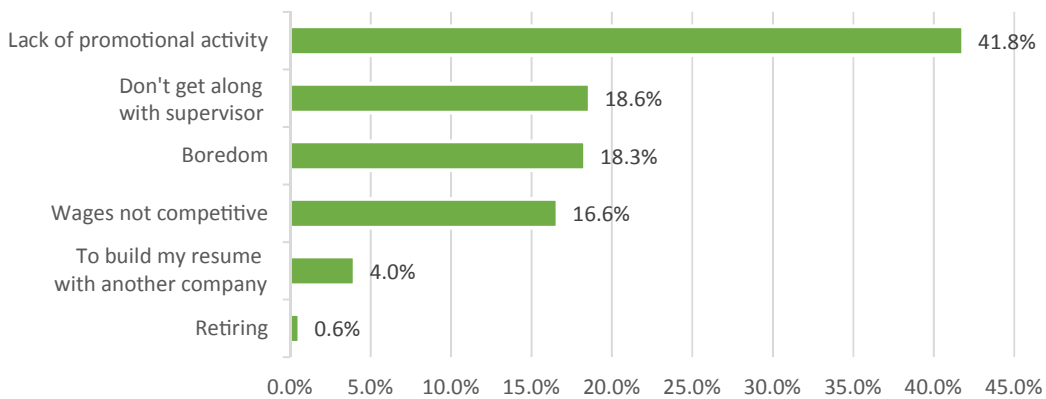
Figure 6



To verify the motivation to stay at the current employer, the survey asked “If you responded yes to the question: ‘Do you plan on leaving within a year?’ If you are not retiring, what could your employer do to motivate you to stay?” Data for this question revealed “Increase pay” as the top answer. “Provide a more flexible work schedule” was the second most popular answer.

Figure 7

If you were to leave your current employer, why would you leave?



Motivations to leave were verified by asking “What could an employer do to motivate you to leave your current employer?” For this question the top responses were “better pay” and “provide more flexible work schedule”. Although the four questions were not exactly parallel, the data seem to suggest the “pay” and “flexibility” still remain high as factors for motivations for work.

It is interesting to note that for the current respondents “promotional opportunities” were not a huge motivation for staying in current employment (0.61 percent), but were the biggest motivation to leave (41.8 percent). The same was true to relationship with “supervisor” at 2.7 percent and 18.6 percent respectively. In contrast, the 2005 study showed “retiring” (44.5 percent) “wages not competitive” (20.5 percent) and “lack of promotional opportunities” (10.5 percent) as the three factors for leaving current employment. The percentage of retirements in the 2005 survey could be a result of a larger percentage of Traditionals (those born before 1945) in that study.

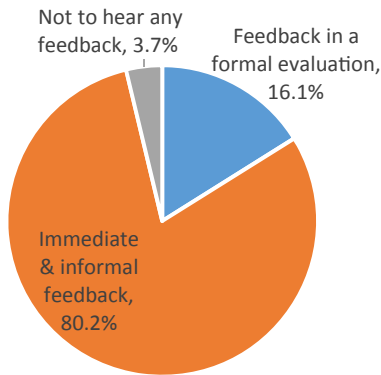
The respondents’ preferences for recognition are shown in Table 2. While the primary preference is for “a raise or bonus” in both studies, the second ranked factors were different. Those responding in 2016 preferred more freedom and flexibility in their scheduling, whereas 2005 rated “nothing, just having personal satisfaction of a job well done” as the second factor.

Table 2

| I like to be recognized for a job well done with:          | 2016  | 2005  |
|--|-------|-------|
| A raise or a bonus   | 39.8% | 48.0% |
| Freedom/Flexibility in my schedule                         | 29.2% | 15.2% |
| Nothing just having personal satisfaction of job well done | 17.4% | 20.3% |
| Public recognition in front of peers                       | 4.4%  | 3.5%  |
| A promotion  | 2.9%  | 5.4%  |
| Other  | 6.2%  | 7.6%  |

Figure 8

When it comes to feedback from my supervisor, I prefer:



“Other” responses included variations of “a personal thank you from my supervisor” and “respect”.

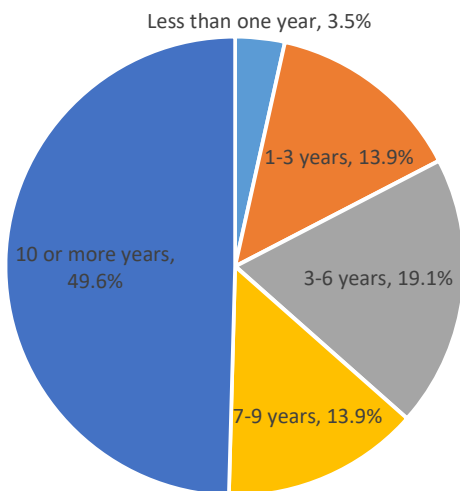
Respondents were asked about receiving feedback from their supervisors. Figure 8 shows that the overall majority (80.2 percent) prefer immediate and informal feedback. In 2005 this was slightly higher at 86.3 percent.

It is interesting to note that those who prefer feedback in a formal evaluation went up from 10.9 percent in the 2005 study and falls slightly outside of the 5 percent margin of error. Speculation would have one wondering if the preference for formal evaluation is a direct result of the mass layoffs that occurred during the Great Recession. One may speculate that some of the 2016 respondents may have been affected and view formal evaluations as a protective measure.

## RETIREMENT

Figure 9

How soon do you plan to retire?

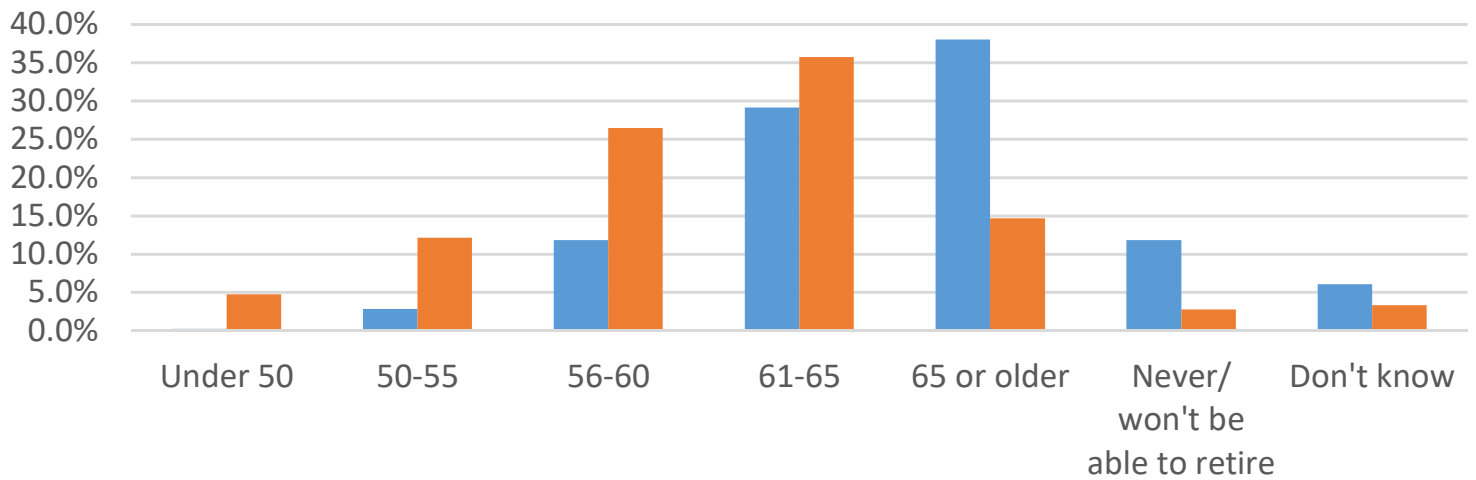


As the nation is in a workforce shortage caused by the Boomers leaving the workforce, the study examined retirement and factors that may lead retirees to stay in or re-enter the workforce.

It is assumed that many of the Traditionals (those born before 1946) have retired by the 2016 survey, as only 1% of respondent fell into that category. However, 17.4 percent of the 2016 respondents plan on retiring within the next 3 years and 36.5 percent within the next 6 years. (Figure 9)

Figure 10

## Age of Retirement



- Regardless of when you think you will be able to retire from full time work, at what age ideally would you like to retire?
- At what age do you think will you be financially able to retire from full time work?

The first questions focused on the age of retirement. Figure 10 shows that while most respondents thought they would be financially able to retire between the ages of 61 and 65, the ideal age for retirement was 65 and older.

It would be interesting to delve into this question with further study as the 2005 survey showed the direct opposite – with the majority wanting to retire by age 55, but thinking they

could not finally retire until age 65. One hypothesis is that the impact the Great Recession had on the stock market could have shifted the “desire to work” longer in order to protect investments, as Table 3 indicates confidence in the ability to retire is lower than in 2005. Confidence in the ability to retire was significantly higher in the 2005 study.

Table 3

| How confident are you that you will be able to retire when you want? | 2016  | 2005  |
|--|-------|-------|
| Very Confident   | 5.1%  | 15.0% |
| Somewhat confident   | 13.0% | 39.0% |
| Not very confident   | 27.8% | 21.0% |
| Not at all confident   | 38.4% | 19.0% |
| Don't know.  | 15.7% |       |

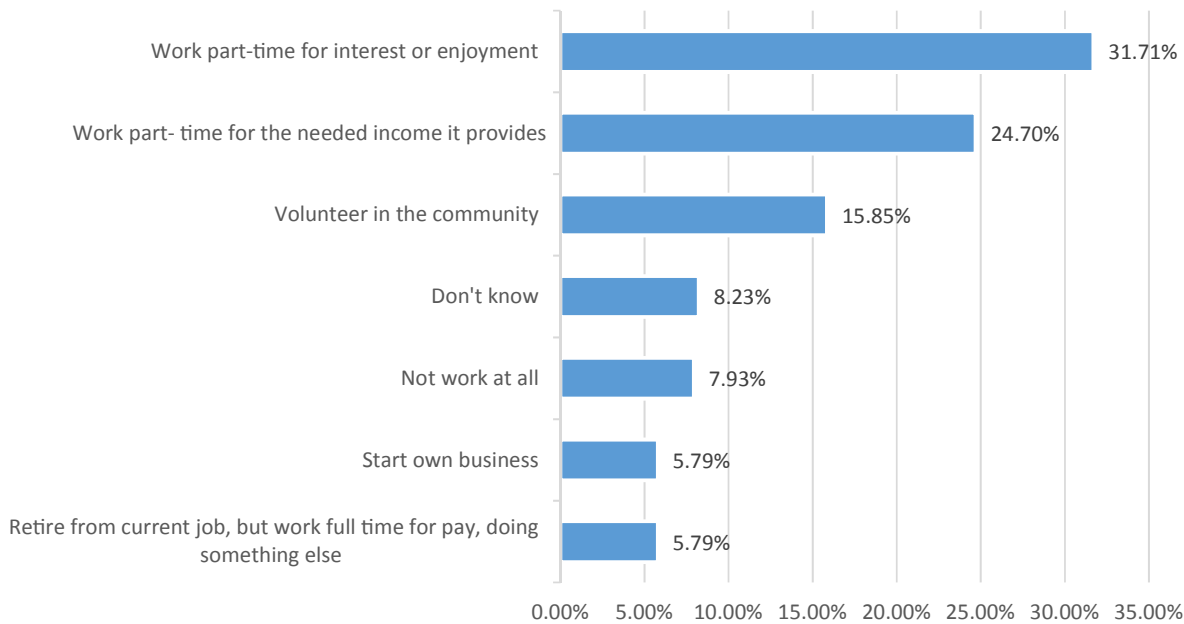


With the tight labor market, ascertaining whether retirees would be interested in continuing to work, may give employers another option in the labor force. Data in Figure 11 should give employers some hope to seek out retirees for at least part time employment as “working part-time for interest or enjoyment” and “work part-time for the needed

income it provides” were the top two factors. With those that said “retire from current job, but work full time for pay doing something else” over 62 percent of respondents plan some type of paid work after retirement.

Figure 11

What do you think you will be doing after you retire from your main job?



Reduction of hours seems to be a big reason why potential retirees may want to remain in the workforce. While the percentage of respondents who would consider phasing in their retirement over a number of years with reduced hours went up in 2016, the number of hours that the respondents would be willing to work remained virtually the same.

Table 5

|  | 2016  | 2005  |
|--|-------|-------|
| Would you consider continuing to work if you could have the option to reduce your working hours and phase your retirement over a number of years? Answer = Yes | 90.6% | 79.0% |
| If you answered yes, how many hours per week would you like to work?   |       |       |
| 0 to 10 hours  | 5.6%  | 5.8%  |
| 11 to 20 hours   | 48.3% | 49.7% |
| 21 to 30 hours   | 39.2% | 38.7% |
| 31 to 40 hours   | 6.9%  | 5.8%  |

Other reasons to remain in the workforce included: Continued benefits, flexibility, compensation, ability to work from home.

# SUMMARY

## Overall

In most cases the data revealed similar pattern in both 2005 and 2016, some significant differences occurred:

- The percentage of those reporting importance of health benefits in the motivation to work was dropped by one-third between 2005 and 2016. The ability to receive coverage from the Affordable Care Act could have been a contributing factor.
- The ideal age for retirement shifted toward being older. In 2005 the vast majority wanted to retire before the age of 55; that shifted to 61 and older in 2016. One conclusion could be retirement looked easier to attain before reality of the Great Recession and the depletion of retirement accounts came into being. People may be more cautious now, knowing quite well a recession could occur again.
- Confidence in the ability to retire also dropped considerably. Whereas 54 percent indicated they were “somewhat confident or “very confident” in the ability to retire when they wanted in 2005, only 18.1 percent expressed those same sentiments in 2016. The same conclusion may be drawn about the impacts of the Great Recession.

## Motivation and Retention

Working for health benefits and personal fulfillment were still the top two motivations for work. Meaningful work was important and was defined in the 2005 survey. “Helping others” was the top definition of meaningful work in 2016. Employers should look at ways to instill meaningfulness in their work whether that be in the services they provide to help others or how a product may be helpful.

“Wages” “flexibility” and “promotional opportunities” are all factors that will entice workers to remain in their current employment or to move to a new opportunity.

## Retirement

During this tight labor market, employers should to assess their workforce for those nearing retirement and work on ways to entice them to remain at work. The vast majority of those nearing retirement plan to work in some capacity at least part time. Some need to work for the pay it provides while others just want to work for the personal satisfaction.

Keeping in mind that retirees may want to switch to a completely different type or work, employers may be able to design a new part-time function for their near retirement employees. Phasing in retirement by slowly reducing hours over a number of years may also be a good strategy.

Service organizations may be able to “pull” retirees back into the workforce by emphasizing their mission point to the “meaningful work and helping others” aspect of many jobs.

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## Acknowledgments

The 2016 State of the Workforce Study would not have been possible with the contributions of many people. The WDB would especially like to thank

- The organizations and employees that participated in the 2016 State of the Workforce Study.
- Staff at Viterbo University who helped gaining the approval of the Institutional Review Board for using human participants as subjects.
- The members of the Business Services Team at the Workforce Development Center who spread the word and invited the organizations to participate.
- Katie Mormann, the WDB intern from Viterbo University, who administered the survey and analyzed the data.

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This event is sponsored by the Western Wisconsin Workforce Development Board and its partners. The event provides businesses the opportunity to:

- Find new employees
- Increase community awareness of business
- Meet job seekers from the tri-state area
- Network with other business professionals

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