

Wisconsin Policy Forum: Workforce talent a strong unit for metro Milwaukee; other innovation indicators lag

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Metro Milwaukee leads many peer metros in its concentration of worker talent in occupations linked to innovation and economic development, but is trending downward or lags its peers on key metrics like productivity, global exports, and venture capital investment.

These are among the key findings of the newly updated Metro Milwaukee Innovation DataTool, an online interactive available at the Forum website. The tool is meant to help economic development leaders and the broader community identify the region's economic strengths and weaknesses, and set priorities for future advancement.

This marks the first update of the DataTool, which debuted in 2019. The interactive tool allows users to access data on 17 economic indicators that are grouped into five categories: regional talent, idea development, capital formation, startups and small business development, and economic trends.

Data on startup companies that have attracted venture capital investments and college graduates who have completed programs in STEM (science, technology, engineering, and mathematics) fields are new additions to the DataTool in 2021.

In addition to documenting metro Milwaukee's progress since 2010 on each economic indicator, the tool provides data for 10 other peer metro areas. They are Austin, Buffalo, Cincinnati, Cleveland, Indianapolis, Kansas City, Minneapolis-St.

Paul, Oklahoma City, Pittsburgh, and Portland.

Most have been selected because they are midsized metros located in or near the Midwest that share many of metro Milwaukee's characteristics, including a historic focus on manufacturing. We also include two metro areas often identified as leaders in innovation (Austin and Portland) and national averages for additional context.

Key findings from the tool include:

- Knowledge worker talent a strength: Scientists and engineers help drive innovation through research and development; in 2020, metro Milwaukee had a higher concentration of them than all but two comparison metros included in our DataTool. The share of metro Milwaukee's working age population (ages 18-64) employed as knowledge workers – defined as those employed in jobs that typically require at least a bachelor's degree – also ranked fourth among the 11 metro areas and was higher than the U.S. average.
- STEM graduates also growing: Filling available jobs and creating new jobs in fields considered critical to innovation requires a strong pipeline of new college graduates. The number of students completing college programs in STEM fields at colleges and universities in metro Milwaukee has grown considerably since 2011, particularly at the bachelor's degree

level. In 2019, STEM grads accounted for nearly one of every nine college graduates, which was up from roughly one of every 11 in 2011.

- Metro Milwaukee trails peers on other measures: One long-standing weakness of the region is entrepreneurship. For example, on a per-capita basis, metro Milwaukee continued to attract less in venture capital (VC) investment in 2020 than nearly all of the comparison

regions. Between 2018 and 2020, the average size of VC deals in metro Milwaukee (\$1.56 million) ranked last among these metros. VC investments typically support startup companies with strong potential for growth. While VC investing is highly concentrated in a small number of coastal metros, metro Milwaukee trails even most of its Midwestern peers and has been near the bottom on this indicator for many years.

- Productivity, exports are concerns: Until recently, metro Milwaukee was

competitive with its peers in its gross domestic product (GDP) per capita. However, it now ranks near the bottom of the pack on this indicator. Exports are another indicator for which metro Milwaukee is trending in the wrong direction. Adjusted for inflation, the value of metro Milwaukee's global exports was 23.2% lower in 2019 than in 2010 and the region ranked toward the bottom of the comparison metro areas and below the national average in global exports per employee. The value of a region's annual exports is an indicator of its competitiveness in an increasingly globalized economy.

The Forum began tracking the four-county Milwaukee metro area's performance on a set of economic indicators more than a decade ago, and we switched from a written report to an online DataTool in 2019. We continue to expand our digital tools that help Wisconsinites explore the opportunities and challenges confronting the state and its communities.

Click [here](#) to access the Metro Milwaukee Innovation DataTool.

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