

Housing Eau Claire's Workforce

Housing *is* workforce development and economic development. When employees are unable to find a decent and affordable house near where they work, businesses may find it harder to recruit or retain a skilled workforce. Cities and regions across the country are responding to the affordable housing crisis with an emphasis on “workforce housing” – housing that meets the needs of the region’s workforce. This fact sheet¹ outlines the Eau Claire region’s² workforce and describes the housing opportunities and challenges for workers in the region.

The Region’s Workforce.

Nearly 83,000 people are employed in the 2-county Eau Claire region (Chippewa and Eau Claire counties). The Wisconsin Department of Workforce Development projects employment in the west-central Wisconsin workforce development area to increase 6 percent from 2014-2024.³

Table 1 shows the distribution of occupations of people currently employed in the Eau Claire region based on general occupational categories. Table 1 also shows the distribution of annual wages by occupational category for 2018. The 10th percentile wage represents what can be considered a “starting wage” in the occupation. The 25th percentile wage would reflect a worker with additional skills/qualifications and/or additional years of experience. The 50th percentile wage (also called the “median” wage) is that occupation’s wage at which half of all workers make more and half make less.

The top 6 occupations (office and administrative support, sales, food preparation and serving, production, healthcare, and transportation/material moving) comprise 59.3 percent of all jobs in the region. The median annual wages in these 6 most common occupation categories range from a high of nearly \$60,800 in healthcare to a low of nearly \$20,400 in food preparation and serving. (Wage data from the Department of Labor are based on full-time, year-round workers.)

Table 2 shows the distribution of wages for the 25 lowest-paid high-employment occupations (those with at least 500 employees in the region). The occupations include childcare workers and preschool teachers, security guards, food service workers (cooks, wait staff), cleaners, landscape workers, personal care aids and nursing assistants, truck drivers, and retail workers. Over 31,000 workers work in these 25 lowest-paid high-employment occupations, representing 37.7 percent of the entire workforce.

What is “Workforce Housing”?

Workforce housing is housing that is priced to meet the needs of the workforce in an area. Generally, the wages that people earn in the workforce are translated into “affordable” housing expenditure of no more than 30 percent of income in housing costs. Technically, workforce housing can be defined as rental housing that is affordable for households earning up to 60 percent of area-median-income (AMI), and ownership housing affordable for households earning up to 120 percent of area-median income (AMI).

¹ This fact sheet was prepared by Prof. Kurt Paulsen, UW-Madison, Dept. of Planning and Landscape Architecture. July 2019.

² For labor force data, the “Eau Claire Region” is the Eau Claire Metropolitan Statistical Area (Eau Claire and Chippewa counties).

³ Wisconsin Dept. of Workforce Development, 2017 Eau Claire Workforce and Economic Profile, available at: https://www.jobcenterofwisconsin.com/wisconomy/wits_info/downloads/CP/eau_claire_profile.pdf

Table 1. Distribution of annual wages, by general occupation category, Eau Claire Metropolitan Region (2018)

Occupation Code	Occupation Title	Employees	% of total employment	10 th percentile annual wage	25 th percentile annual wage	50 th percentile annual wage	90 th percentile annual wage
430000	Office and Administrative Support Occupations	12,660	15.26%	\$21,960	\$26,910	\$33,040	\$51,230
410000	Sales and Related Occupations	8,470	10.21%	\$17,450	\$20,130	\$25,320	\$64,320
350000	Food Preparation and Serving Related Occupations	7,750	9.34%	\$16,690	\$18,060	\$20,430	\$31,250
510000	Production Occupations	7,400	8.92%	\$24,460	\$29,120	\$36,630	\$56,150
290000	Healthcare Practitioners and Technical Occupations	6,480	7.81%	\$30,410	\$44,860	\$60,800	\$147,690
530000	Transportation and Material Moving Occupations	6,410	7.73%	\$18,110	\$22,540	\$30,900	\$48,410
250000	Education, Training, and Library Occupations	4,670	5.63%	\$22,640	\$30,440	\$46,800	\$78,120
130000	Business and Financial Operations Occupations	3,550	4.28%	\$32,590	\$41,610	\$52,240	\$92,230
490000	Installation, Maintenance, and Repair Occupations	3,250	3.92%	\$26,970	\$34,180	\$44,150	\$72,460
390000	Personal Care and Service Occupations	3,220	3.88%	\$18,810	\$21,070	\$23,500	\$37,180
470000	Construction and Extraction Occupations	3,100	3.74%	\$31,700	\$40,640	\$53,560	\$78,630
110000	Management Occupations	3,030	3.65%	\$45,070	\$61,910	\$88,330	\$160,300
310000	Healthcare Support Occupations	2,860	3.45%	\$22,180	\$25,860	\$30,680	\$46,450
370000	Building and Grounds Cleaning and Maintenance Occupations	2,400	2.89%	\$17,430	\$20,000	\$24,810	\$43,440
170000	Architecture and Engineering Occupations	1,770	2.13%	\$34,230	\$45,080	\$60,830	\$99,000
330000	Protective Service Occupations	1,640	1.98%	\$18,940	\$28,290	\$38,930	\$65,820
150000	Computer and Mathematical Occupations	1,430	1.72%	\$35,890	\$44,380	\$59,050	\$95,950
210000	Community and Social Service Occupations	1,230	1.48%	\$22,800	\$30,600	\$41,470	\$61,390
270000	Arts, Design, Entertainment, Sports, and Media Occupations	820	0.99%	\$19,010	\$24,760	\$34,090	\$62,700
190000	Life, Physical, and Social Science Occupations	400	0.48%	\$34,460	\$43,970	\$58,960	\$129,720
230000	Legal Occupations	290	0.35%	\$30,970	\$38,120	\$52,590	\$105,800
450000	Farming, Fishing, and Forestry Occupations	120	0.14%	\$18,250	\$23,610	\$32,940	\$43,670
	All Occupations	82,940		\$19,260	\$24,650	\$35,450	\$75,500

Notes: Data source is US Dept. of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) database for 2018. Detailed occupational data are only available at the Metropolitan Statistical Area (MSA) geography: Eau Claire MSA contains Eau Claire and Chippewa counties. Occupational codes follow the Standard Occupational Classification system (SOC). The 50th percentile is also called the median.

Table 2. 25 lowest median wage occupations in high-employment occupations (over 500 employees), Eau Claire Metropolitan Region (2018)

Occupation Code	Occupation Title	Employees	10 th percentile annual wage	25 th percentile annual wage	50 th percentile annual wage
412031	Retail Salespersons	3,260	\$16,650	\$18,160	\$21,190
353021	Combined Food Preparation and Serving Workers, Including Fast Food	2,710	\$16,300	\$17,280	\$18,870
434051	Customer Service Representatives	2,430	\$22,110	\$25,900	\$30,660
439061	Office Clerks, General	2,050	\$20,540	\$26,690	\$33,390
399021	Personal Care Aides	1,840	\$20,390	\$21,520	\$23,260
412011	Cashiers	1,680	\$17,410	\$19,790	\$22,290
537062	Laborers and Freight, Stock, and Material Movers, Hand	1,320	\$19,800	\$23,910	\$29,520
533032	Heavy and Tractor-Trailer Truck Drivers	1,320	\$33,050	\$35,370	\$39,170
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1,310	\$18,420	\$21,780	\$26,210
433031	Bookkeeping, Accounting, and Auditing Clerks	1,190	\$26,310	\$32,020	\$37,280
311014	Nursing Assistants	1,170	\$21,500	\$23,590	\$26,840
353031	Waiters and Waitresses	1,140	\$16,880	\$18,180	\$20,180
434171	Receptionists and Information Clerks	1,130	\$21,990	\$26,470	\$29,770
499071	Maintenance and Repair Workers, General	950	\$27,710	\$33,310	\$40,830
352014	Cooks, Restaurant	940	\$18,110	\$20,790	\$24,170
353011	Bartenders	860	\$16,600	\$17,900	\$20,380
512098	Assemblers and fabricators, all other, including team assemblers	860	\$20,600	\$25,460	\$29,850
435081	Stock Clerks and Order Fillers	790	\$17,540	\$20,170	\$24,130
259041	Teacher Assistants	760	\$17,890	\$22,570	\$28,980
533033	Light Truck or Delivery Services Drivers	650	\$18,560	\$21,150	\$24,360
351012	First-Line Supervisors of Food Preparation and Serving Workers	600	\$18,480	\$21,360	\$24,870
436014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	590	\$25,180	\$28,570	\$33,250
411011	First-Line Supervisors of Retail Sales Workers	590	\$25,440	\$28,420	\$35,950
319092	Medical Assistants	590	\$28,760	\$32,860	\$36,490
372012	Maids and Housekeeping Cleaners	520	\$16,730	\$18,020	\$20,210
All 25 lowest-wage high-employment occupations		31,250	\$20,918	\$24,050	\$28,084

Notes: Data source is US Dept. of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) database for 2018. Detailed occupational data are only available at the Metropolitan Statistical Area (MSA) geography. Eau Claire MSA contains Eau Claire and Chippewa counties. Occupational codes follow the Standard Occupational Classification system (SOC). The 50th percentile is also called the median.

What is the Workforce Housing Gap?

The workforce housing “gap” is the difference between the housing that workers could afford based on the wages they earn in the workforce and the cost of housing near where they work. When workers cannot afford to live in communities where they work, they either live further away or spend a large portion of their income on housing. This can mean not having adequate time or money to spend on necessities like education, health care, food, transportation, day care, etc. or spending long hours traveling to work.

For housing to be considered “affordable” at any income level, a household should spend no more than 30 percent of its pre-tax, post-transfer income on rent (plus utilities) or mortgage (plus utilities plus insurance and taxes).

Most housing programs and analyses represent household income levels relative to “area-median income” adjusted for family size. Based on HUD and WHEDA definitions of Area Median Income (AMI), Table 3 presents the “income limits” for different levels of median income for the Eau Claire metro area in FY 2019. This information helps us connect wages in the workforce to housing costs.

The average “median” wage of the 25 occupations listed in Table 2 is \$28,084. For a full-time 1-person household, this wage would be below 60% of median income and below 50% of median income for a 2-person family. A wage of \$28,084 per year (pre-tax) would translate into a housing “budget” of \$702 per month for rent plus utilities.

Table 4 illustrates the gap between what people earn and the housing they can afford. The data show the worst-case housing needs in the region: those households who currently pay more than 50 percent of their income on housing costs (classified as “extremely cost-burdened”). Considering

“very low income” households (less than 50 percent of the area median income) there are 4,770 renting households and 2,150 owning households who are currently extremely cost-burdened.

Table 3. Eau Claire MSA FY 2019 Income Limits

	Persons in Family			
	1	2	3	4
100 percent of AMI (Median Income)	\$51,310	\$58,640	\$65,970	\$73,300
Low Income Limits (80% of AMI)	\$41,100	\$46,950	\$52,800	\$58,650
Multifamily tax subsidy limits (60% of AMI)	\$30,840	\$35,220	\$39,600	\$43,980
Very Low Income Limits (50% of AMI)	\$25,700	\$29,350	\$33,000	\$36,650
40% of AMI Income Limits	\$20,560	\$23,480	\$26,400	\$29,320
Extremely Low Income Limits (30% of AMI)	\$15,420	\$17,610	\$19,800	\$21,990

Source: HUD, Office of Policy Development and Research, Income Limits Briefing Materials, <http://www.huduser.org/portal/datasets/il.html> and WHEDA. Additional data are released for family sizes larger than 4, but are not reported here for space considerations.

Eau Claire MSA FY 2019 Monthly "Affordability" Housing Budget (rent + utilities)

	Persons in Family			
	1	2	3	4
100 percent of AMI	\$1,283	\$1,466	\$1,649	\$1,833
Low Income Limits (80% of AMI)	\$1,028	\$1,174	\$1,320	\$1,466
Multifamily tax subsidy limits (60% of AMI)	\$771	\$881	\$990	\$1,100
Very Low Income Limits (50% of AMI)	\$643	\$734	\$825	\$916
40% of AMI Income Limits	\$514	\$587	\$660	\$733
Extremely Low Income Limits (30% of AMI)	\$386	\$440	\$495	\$550

Note: "affordable" monthly housing budget based on family size is 30-percent of pre-tax, post-transfer income spent on housing + utilities.

WHEDA-estimated Eau Claire Area Rent Limits, FY 2019

	Efficiency	1-BR	2-BR	3-BR
Low Income (80% of AMI)	\$1,027	\$1,100	\$1,320	\$1,525
Multifamily tax subsidy (60% of AMI)	\$771	\$825	\$990	\$1,143
Very Low Income (50% of AMI)	\$642	\$688	\$825	\$953
40% of AMI Income Limits	\$514	\$550	\$660	\$762
Extremely Low Income (30% of AMI)	\$385	\$412	\$495	\$571

Note: WHEDA estimates these rent limits (rent+utilities) for their funded projects. Efficiency rent limits correspond to the "affordable" housing budget for 1-person households and 2-bedroom rent limits correspond to the "affordable" housing budget for 3-person households.

Table 4: Extremely Cost-Burdened Households (Owners and Renters), by income category, Eau Claire and Chippewa Counties

Income category	Owners	Renters
	Extremely cost-burdened	Extremely cost-burdened
Less than 30-percent of AMI	1,175	3,745
Between 30- and 50-percent of AMI	975	1,025
Between 50- and 80-percent of AMI	550	125
Between 80- and 100-percent of AMI	135	15
More than 100-percent of AMI	105	0

Notes: Source is U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy data (CHAS), based on 2011-2015 census (most recent available). A household is considered cost-burdened if its monthly housing costs exceed 30-percent of its pre-tax income, and is considered extremely cost-burdened if its monthly housing costs exceed 50-percent of pre-tax income. For renting households, housing costs includes cash rents and utilities; for owner households, housing costs include mortgage payments, utilities, insurance, and property taxes.