

The Midwest Workforce Index

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The following is a printable version of the Midwest Workforce Index content from the website:
<https://www.midwestworkforce.com/workforce-index>.

The Midwest Workforce Index (MWI) is a composite index calculated by aggregating various workforce-related economic indicators. The intent of this ongoing research is to create a succinct measure of how hiring conditions in the Midwest appear to have changed month to month. Values above 50 suggest hiring was easier this month than in the previous month.

The MWI has been increasing toward an index of 50 over the past two years, suggesting the current Midwest hiring conditions have reached steady state. An MWI value near 50 does not automatically imply that finding employees will be easy since many of the labor-related indicators that comprise the MWI have been near record levels for the past two decades. It is important to note that this index represents the entire Midwest. Local migration patterns, industry mix, and other business and demographic variations will affect local conditions. As such, the MWI may not mirror your experiences.

The Basics

The Midwest Workforce Index is a research effort by Midwest Workforce Strategies. Past values of the index will change over time as the research continues and for additional reasons highlighted below.

The MWI is a composite index calculated by aggregating many workforce-related economic indicators into a single dimensionless number. The design intent is to create a succinct, reasonable, and easily comprehensible measure of the change in effort required to hire new employees in the Midwest.

The index design aims to show how hiring conditions may have changed in the Midwest from the previous month. It appears similar to other indicators like the Institute for Supply Management's PMI in that the range varies from 0 to 100, with a value of 50 indicating no change from the previous month. It differs in two primary ways - it is not a diffusion index, and a value above or below 50 indicates economic conditions opposite to what is suggested by the PMI.

When the MWI has a value over 50, the aggregated indicators are trending in a way that suggests a possible improvement in the availability of the workforce over the previous month. This would typically occur in a contracting economy. Attracting employees may be more difficult than in the prior month when MWI values fall below 50, typically occurring in an expanding economy.

The Implications

Since the index is based on various publicly released indicators, the MWI is published after the date the last aggregated indicator is released. As such, and because several indicators in the MWI are lagging indicators,

the MWI should be considered a lagging indicator - the state of the workforce situation in the past. It is meant to serve as a broader confirmation of what you may have been experiencing and not as a gauge of current or future workforce conditions.

More to the point, the index is meant to be used as a discussion piece as you try to understand what you see in local hiring conditions. For instance, do you work in a community that is naturally attracting or losing people? Is your industry rapidly growing or fairly level? Has your organization struggled with attracting and retaining individuals more than other organizations in your area?

Disclaimer and Terms of Use

The information provided here is part of an ongoing research project. Data is provided “as is” - solely to create a dialog about Midwest workforce shortages. The information should not be used to make business decisions. Midwest Workforce Strategies, LLC will not be liable for any damages related to your use of the data.

Past MWI values will change over time as the research continues, government indicators are revised, and more recent values of the aggregated economic indicators are released.

Seasonal variations in workforce conditions will likely be missed since most component indicators in the MWI are seasonally adjusted. Local conditions can vary significantly from Midwest averages, so the behavior of the MWI may not align with your regional observations.

Some MWI component indicators are naturally ‘noisy’ and may generate unrealistic month-to-month variations in the MWI. Long-term MWI levels and trends are likely a better barometer of Midwest workforce conditions.

December 2022 MWI



Additional Information

For further information, contact: Ron.Cox@MidwestWorkforce.com.