

ECONOMIC ENVIRONMENT



The economic environment has a strong impact on the overall health of a county.

Our ability to provide jobs and use natural resources efficiently builds a strong community.

The number of community members with adequate financial resources depends upon how well they are able to access good paying jobs.

Economic Environment Subcommittee

Rene Daniels, Chair	North Central Wisconsin Workforce Development Board
Jim Warsaw, Chair	Wausau Region Chamber of Commerce
Coleman Peiffer	North Central Wisconsin Regional Planning Commission
Beau Gellings	North Central Wisconsin Workforce Development Board
Mark Borowicz	Northcentral Technical College

Keep in mind....

The influences on, impact of, and participants in the Marathon County economy are not limited by its borders. Proper evaluation of and planning for the economy must incorporate regional factors.

Section Summary

Success and Progress

- Marathon County is a strong economy that positively impacts the greater region. The county has a gross regional product of \$6.30 billion with \$9.60 billion in exports and 76,500 jobs.
- Individual industries play a key role in the strength of our economy. Manufacturing has a \$1.5 billion dollar gross regional product with \$4.7 billion in exports. Finance and insurance has an \$800 million GRP with \$1.15 billion in exports. Healthcare has a \$500 million GRP with \$400 million in exports. And, agriculture has a \$250 million GRP with \$400 million in exports.
- Marathon County ranks 9th in the state for the overall economic impact of tourism—a \$232 million industry.

Calls to Action

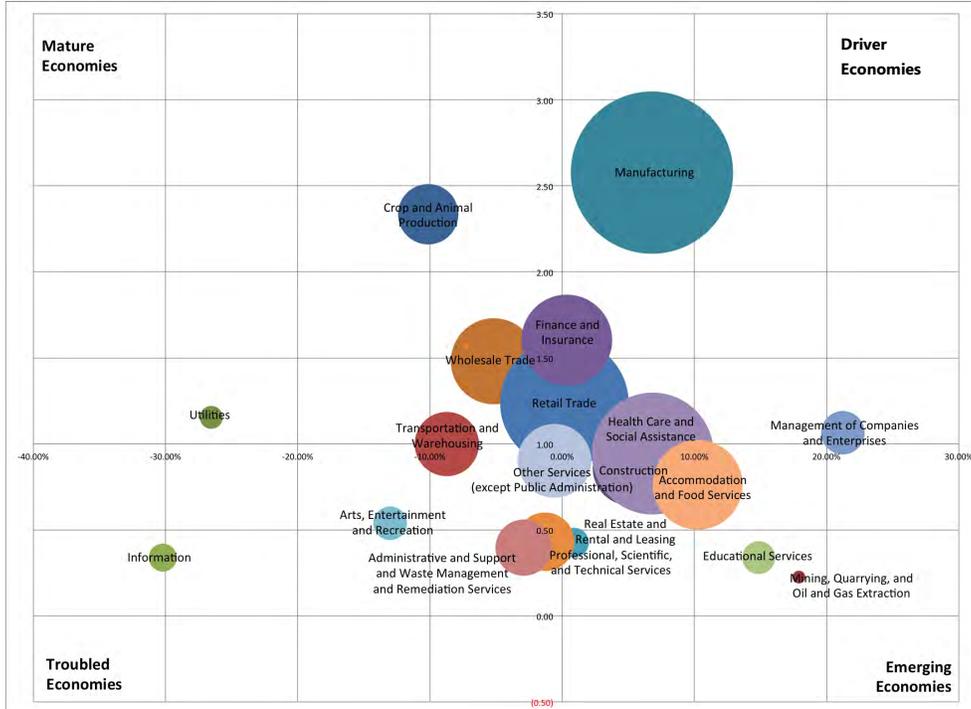
- Marathon County has a strong need for talent development to prepare the next-generation workforce. This should be a comprehensive, collaborative effort of the local and regional workforce and economic and community partners.
- Certain quality of life shortages—specifically targeted community amenities and professional development opportunities—are negatively impacting Marathon County’s ability to attract young professionals.
- Educational institutions and employers must acquire, analyze, and disseminate critical labor market information to current and future job seekers by better identifying job/skill demands and interfacing to build a regional talent pool.

Opportunities for Action

For Individuals	Research the educational requirements of available jobs in our market to access more gainful employment. Shop local.
For Organizations	Pay employees a living wage that allows them to participate fully in their local economies. Improve communication between employers and educational institutions.
For the Community	Create a culture, a capital resource base, and a mentoring environment which stimulates entrepreneurial activity and job creation. Focus on economic development that yields high-wage job opportunities.

Key Measure: Location Quotation for Industries in Marathon County (2014)

DATA HIGHLIGHTS



- Total employment in Marathon County was 72,436 in 2014.
- Manufacturing, the county's top industry in 2014, employed 15,016 people at 2.5 times the national average.
 - Wood Product Manufacturing employed 1,950 people in 2014 (highest concentration)
 - Paper Manufacturing (2nd) employed 1,622 people in 2014
 - Machinery Manufacturing (3rd) employed 2,696 people in 2014
- Finance and Insurance is the second top industry (4,691 people) at 1.6 times the national average.
- Retail Trade is the third top industry (9,421 people) at 1.24 times the national average.
- Healthcare, Construction, Accommodations and Food Services, Real Estate, Educational Services, and Management of Companies and Enterprises are all "Emerging Industries."
- Crop and Animal Production, Wholesale Trade, Transportation and Warehousing, and Utilities are all "Mature Industries".
- Information, Arts and Entertainment, Administrative and Waste Management, Professional and Technical Services, and Other Services are all "Troubled Industries".

COMMUNITY PERSPECTIVES

Location Quotient (LQ) is a way of quantifying how concentrated a particular industry is in a region as compared to the nation. It can reveal what makes a particular region "unique" in comparison to the national average. Location quotient analysis compares the 2014 LQ and the projected percent change in LQ between 2014 and 2024, identifying the industries in Marathon County that are driver economies, emerging economies, mature economies, and troubled economies. The size of the industry circles correspond to their relative size (in jobs).

A driver economy or industries are "standouts" that distinguish the county economy. Industries with an LQ greater than 1.00 are considered export industries, providing services and goods for customers both inside and outside of

the county economy introducing new money into the local economy.

KEY:

<p>Mature Economies: Above average in concentration but declining, possibly affecting import base.</p>	<p>Driver Economies: Above average in concentration and becoming more so, defining the region.</p>
<p>Troubled Economies: Less important regionally and declining, potentially impacting diversity.</p>	<p>Emerging Economies: Not yet concentrated in the region but becoming more so—strong potential.</p>

Manufacturing, Finance and Insurance, and Retail Trade are driver economies for Marathon County. All three of these industries have a 2014 location quotient above 1.00, are predicted to become more concentrated over the next ten years, and have significant employment.

SOURCES

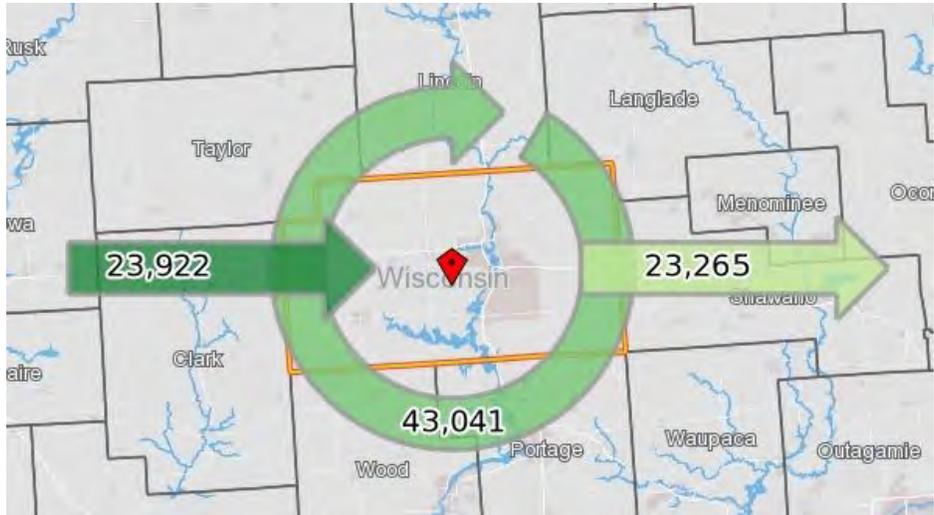
- Economic Modeling Specialists International
www.economicmodeling.com

DATA HIGHLIGHTS

Marathon County Jobs by Counties Where Workers Live (2012)

Location	Count	Share
All Counties	66,963	100%
Marathon	43,041	64.3%
Lincoln	3,019	4.5%
Wood	2,574	3.8%
Portage	2,180	3.3%
Clark	1,342	2.0%
Shawano	1,135	1.7%
Langlade	1,068	1.6%
Oneida	820	1.2%
Taylor	792	1.2%
Brown	785	1.2%
All Other Counties	10,207	15.2%

Key Measure: Marathon County Regional Labor Shed Map (2012)



COMMUNITY PERSPECTIVES

Marathon County is a regional economic hub that provides job opportunities for county residents and commuters from outside of the county's borders. The impact of the urban center is seen in county-to-county commuting patterns. About 64%, or about 43,000, of employed Marathon County residents work within the county borders. 23,922 workers flow into the county from other counties and 23,265 residents commute out of the county for employment. In

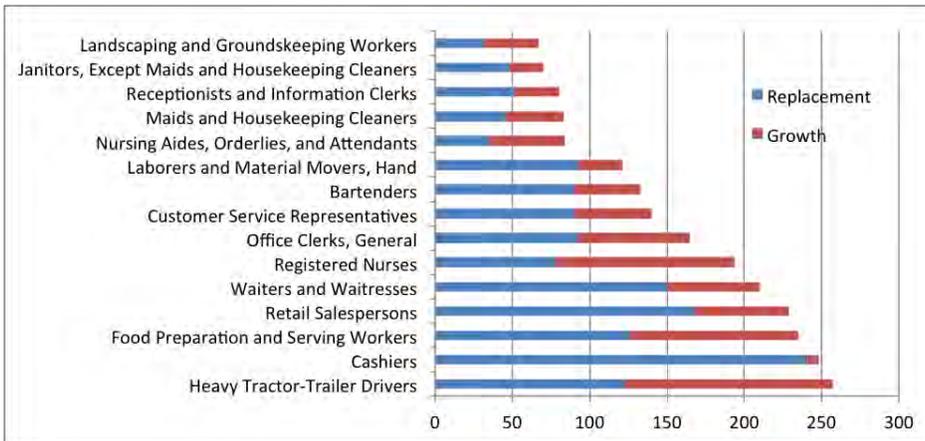
total Marathon County nets about 650 workers from surrounding counties.

SOURCES

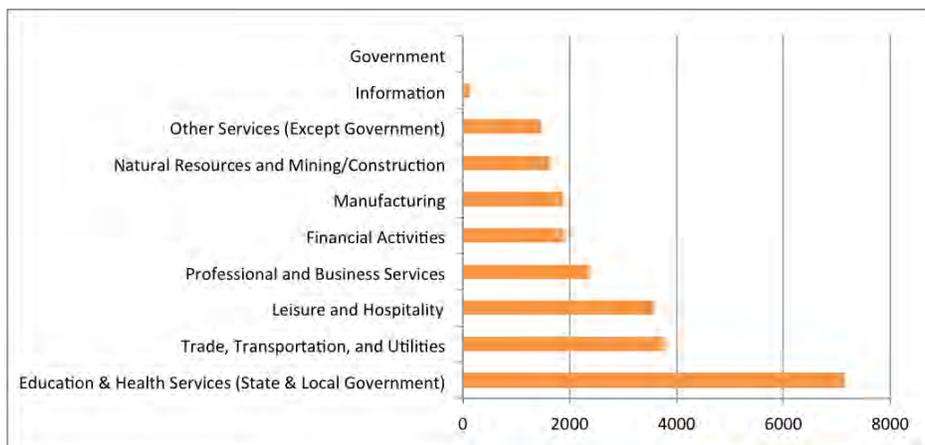
- U.S. Census Bureau
On the Map
www.census.gov/



Key Measure: North Central Workforce Development Area Occupational Projections (Annual Total Occupational Openings), 2010 - 2020



Key Measure: North Central Workforce Development Area Industry Projections (Total Change in Employment), 2010 - 2020



DATA HIGHLIGHTS

- North Central Wisconsin is expected to have 7,306 annual job openings between 2010 and 2020, with a positive 12% change in employment.
- Education, health services, and state & local government will lead the way with an anticipated 7,142 new jobs.
- Trade, transportation, and utilities is second with 3,769 new jobs.
- Government is the slowest growing sector with a projection of 29 jobs.

NOTE: Employment is a count of jobs rather than people, and includes all part- and full-time non-farm jobs. Employment does not include jobs among self-employed, unpaid family, or railroad workers.

Employment overall, and employment in any particular industry or occupation, may have many ups and downs during the ten year period. The projections only indicate where employment is expected to be in 2020 relative to 2010. It is important to note that unanticipated events may affect the accuracy of these projections.

COMMUNITY PERSPECTIVES

North Central Wisconsin is expected to have 7,306 annual job openings between 2010 and 2020, a positive 12% change in employment. 4,786 of those positions will be open annually due to replacement needs while 2,520 will be due to growth. These total job openings will involve several occupations and will need people with a variety of skills, interests, and educational backgrounds.

Education, health services, and state & local government will lead the way. Educational services includes all public and private elementary, secondary, and post-secondary schools as well as support services. Healthcare includes ambulatory healthcare services, hospitals, and nursing and residential care facilities. Trade, Transportation and Utilities is second and government is projected to grow most slowly.

Manufacturing is facing modest employment growth overall but is also needing large numbers of skilled workers to replace retirees and to incorporate new technologies. Many manufacturers are reducing costs and improving efficiency through innovations and automation, decreasing the need for some positions but increasing the need for people with technological skills. Furthermore, manufacturers are relying on contractors and temporary workers to perform functions that are not part of their core operations. Thus, several jobs, such as those in office support and unskilled production, have moved from manufacturing to business services.

SOURCES

- Wisconsin Department of Workforce Development
Office of Economic Advisors
dwd.wisconsin.gov/uistats/

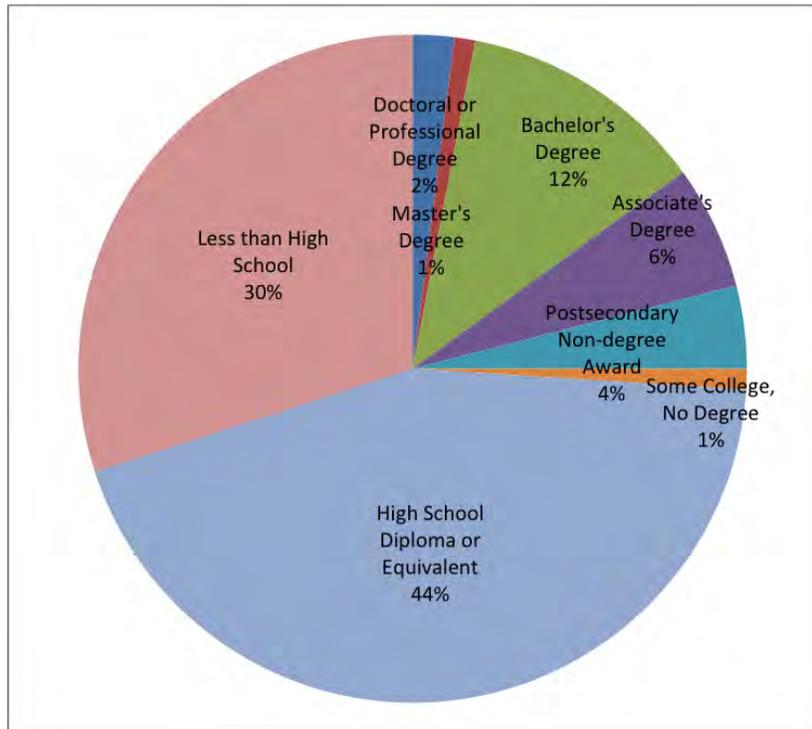


DATA HIGHLIGHTS

- A high school diploma is the education required for the highest percentage of jobs in our region. 44% of jobs require a high school diploma or equivalent.
- Only 3% of jobs in our region require an advanced degree.
- Bachelor's and associate's degrees are required for 18% of the jobs in our region.



Key Measure: North Central Workforce Development Area Percentage of Job Openings by Education, 2010—2020



COMMUNITY PERSPECTIVES

Each occupation is assigned to one of eight education paths. The assignment only gives a general indication of the education typically needed in the occupation. There may be other pathways into the occupation, as well as additional educational, training, or licensing requirements. The pie chart above illustrates the percentage of job openings anticipated in each education and training group.

Among the job openings anticipated between 2010-2020, 44% fall into high school diploma or equivalent category. Some examples of occupations in these categories are truck drivers, heavy & tractor-trailer, office clerks, customer service representatives, receptionists & information clerks, and childcare workers.

30% of openings will typically require less than a high school diploma. Occupations in this group include cashiers, combined food preparation & serving workers, retail salespersons, waiters & waitresses, and bartenders.

12% of openings will typically require a bachelor's degree. Some examples of

occupations in these categories are elementary school teachers (except special education), accountants & auditors, human resource specialists, teachers and instructors, and secondary school teachers (except special and vocational education).

6% of openings will typically require an associate's degree. Some examples of occupations in these categories are registered nurses, general & operations managers, preschool teachers (except special education), radiologic technologists & technicians, and dental hygienists.

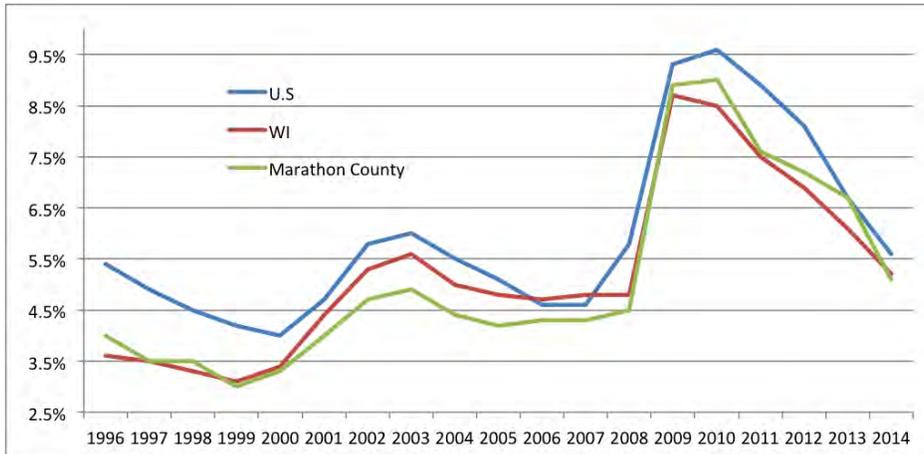
4% of openings will typically require a postsecondary non-degree award. Some examples of occupations in these categories are nursing aides, orderlies, & attendants; hairdressers, hairstylists, & cosmetologists; licensed practical & licensed vocational nurses; first-line supervisors/managers of production & operating workers; and emergency medical technicians & paramedics.

SOURCES

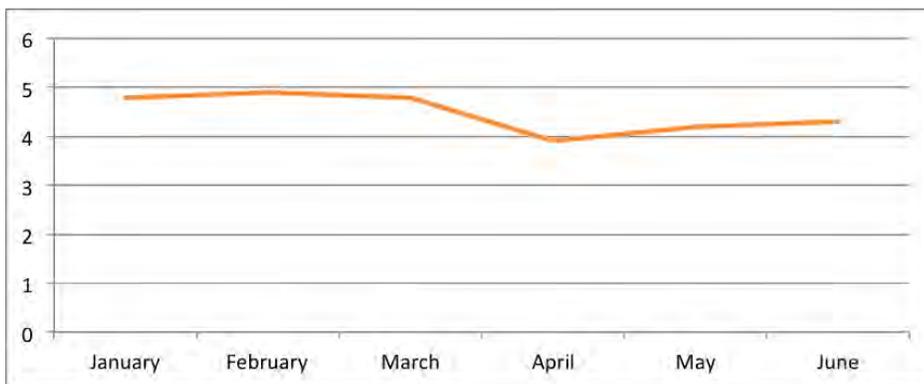
- **Wisconsin Department of Workforce Development**
Office of Economic Advisors
dwd.wisconsin.gov/uistats/



Key Measure: Unemployment Rate by Nation, State, and County, 1996- 2014



Key Measure: Marathon County Monthly Unemployment Rate, Jan—June 2015



COMMUNITY PERSPECTIVES

Marathon County's unemployment rate has largely returned to levels observed in the early 2000's in 2015. This has been spurred both by increasing employment opportunities as well as a slight decrease in the county's labor force. The former trend has been discussed in other related indicators. The latter trend is slightly more troubling and is shared among many regions of the state. The county's mature workforce has started to exit through retirement more quickly than younger workers are able to enter into employment. This dynamic is associated with the aging of the Baby Boom generation and has been anticipated for a number of years.

The county's labor force participation remains strong at 69 percent and is above both state and national averages. This again suggests that employers are largely maximizing the utilization of available labor. It is also important to

note that labor force participation has decreased by six percentage points since 2000. This suggests that, as the local population continues to age, unemployment will continue to remain at low levels. Similarly, the decrease in the local unemployment rate has also been connected to concerns by employers regarding workforce availability. This again suggests that employers will face increased competition for skilled workers as the labor force remains relatively stable.

DATA HIGHLIGHTS

- The unemployment rate is a measure of the number of individuals who are both unemployed and actively seeking employment as a ratio of the total workforce-aged and eligible population. This is a place of residence measure, meaning that it only considers individuals who live in Marathon County, for example.
- The unemployment rate has rapidly declined over the last five years after reaching a local high of 11.6 percent in February 2010. In comparison, the most current rate of four percent (July 2015) is nearly a third of the previous peak.
- The decrease in unemployment has occurred both through a decrease of nearly 3,800 unemployed residents coupled with a 1,000 individual decrease in the size of the local labor force.
- The decrease in the labor force is of particular concern as Marathon County's population has grown by 740 residents over the same time period.
- The average duration of unemployment benefits has also sharply decreased over the past year to less than 11 weeks. This suggests that individuals are more effectively able to find new employment.

SOURCES

- **Bureau of Labor Force Statistics**
www.bls.gov/
- **Wisconsin WORKnet**
worknet.wisconsin.gov/worknet/
- **Wisconsin Department of Workforce Development**
Unemployment Insurance Statistics
dwd.wisconsin.gov/uistats/



DATA HIGHLIGHTS

- The 2010 per capita median income in Marathon County was \$27,607 (\$13.27 per hour), which does not meet the minimum threshold for one adult with one child.
- The 2010 median household income in Marathon County was \$53,363 (\$25.66 per hour), which does not meet the minimum threshold for 2-adult households with 2 or more children.
- The required annual income before taxes to meet the living wage threshold for a single adult is \$20,782, 2 adults (1 working) is \$33,650, and 2 adults is \$33,396.
- The required annual income before taxes to meet the living wage threshold for a single adult with 3 children is \$76,201, for 2 adults (1 working) with 3 children is \$51,342, and 2 adults with 3 children is \$78,957.
- Childcare is typically the most significant expense per year costing \$8,130 for one child, \$15,799 for 2, and \$23,468 for 3 on average .
- Transportation is the second most significant expense ranging from \$4,189 per year for a single adult to \$10,858 per year for 2 adults with 3 children on average.

Key Measure: Living Wage by Family Size in Marathon County (2014)

MARATHON COUNTY	Living Wage	Poverty Wage	Minimum Wage
1 Adult	\$9.99	\$5.00	\$7.25
1 Adult/1 Child	\$21.88	\$7.00	\$7.25
1 Adult/2 Children	\$28.27	\$9.00	\$7.25
1 Adult/3 Children	\$36.64	\$11.00	\$7.25
2 Adults (1 Working)	\$16.18	\$7.00	\$7.25
2 Adults (1 Working)/1 Child	\$19.44	\$9.00	\$7.25
2 Adults (1 Working)/2 Children	\$21.56	\$11.00	\$7.25
2 Adults (1 Working)/3 Children	\$24.68	\$13.00	\$7.25
2 Adults	\$8.03	\$3.00	\$7.25
2 Adults/1 Child	\$12.02	\$4.00	\$7.25
2 Adults/2 Children	\$15.25	\$5.00	\$7.25
2 Adults/3 Children	\$18.98	\$6.00	\$7.25

COMMUNITY PERSPECTIVES

The living wage is the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). For single adult families, the adult is assumed to be employed full-time. For two adult families where both adults are in the labor force, both adults are assumed to be employed full-time. For two adult families where one adult is not in the labor force, one of the adults is assumed to be employed full-time while the other non-wage-earning adult provides full-time child care for the family's children. Full-time work is assumed to be year-round, 40 hours per week for 52 weeks, per adult.



Families with one child are assumed to have a 'young child' (4 years old). Families with two children are assumed to have a 'young child' and a 'child' (9 years old). Families with three children are assumed to have a 'young child', a 'child', and a 'teenager' (15 years old).

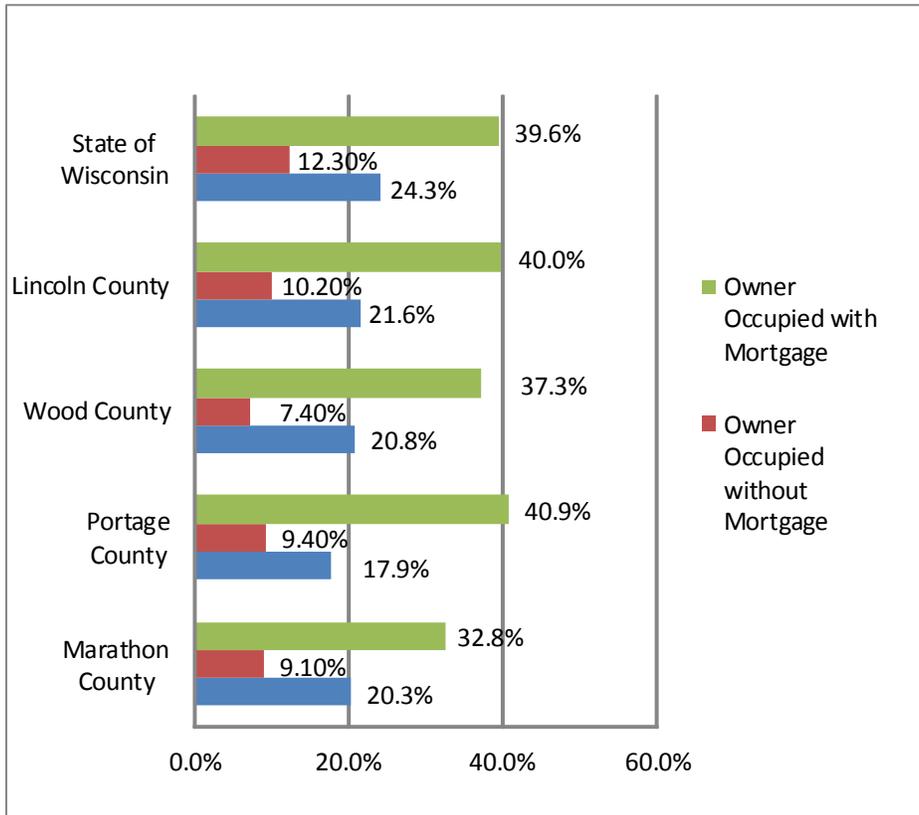
The living wage in Marathon County ranges from \$8.03 per hour for a two adult two income household to \$36.64

per hour for a one adult household with three children. In general, households with two working adults require lower per hour salaries to meet the living wage threshold.

SOURCES

- Massachusetts Institute of Technology Living Wage Calculator livingwage.mit.edu/counties/55073

Key Measure: Percent Paying >35% of Income to Housing Costs



DATA HIGHLIGHTS

- Median gross rent increased 41.5 percent between 2000 and 2010, from \$484 in 2000 to \$685 in 2010. A difference of \$201 a month.
- Median housing values increased 45.6 percent between 2000 and 2010, from \$95,800 in 2000 to \$139,500 in 2010, a difference of \$47,700 a year.
- Median household income in the County decreased 7.4% (adjusted for inflation) from \$45,165 in 2000 to \$53,471 in 2010, a difference of \$8,306 a year.
- Median per capita income in the County decreased 1.2% (adjusted for inflation) from \$20,703 in 2000 to \$25,893 in 2010, a difference of \$5,190 a year.

COMMUNITY PERSPECTIVES

Marathon County needs to create communities where everyone – including elderly, disabled, and low-income residents – has access to affordable housing. Access to affordable housing involves more than the purchase price, including costs like utilities, maintenance, taxes, and repairs. Currently, a high percentage of home owners and renters are spending greater than 30 percent of their annual income on housing. The more money spent on housing the less disposable income is available to spend on education, food, retail, and recreation. An increase in home values and rents, combined with a decrease in median household and per capita incomes, has forced a high percentage of the population to spend more than 35 percent of their net income on housing. In 2010, 41.9 percent of all owner occupied housing units (with and

without mortgages) spent greater than 35 percent of their net income on housing. Roughly 20.3 percent of all renter occupied housing units spent greater than 35 percent of their net income on housing.

The ability to attract and retain the necessary workforce for the County will depend on the County’s ability to provide affordable housing options in close proximity to work and social activities further reducing personal costs like transportation.

SOURCES

- **Wisconsin Realtors Association**
Housing Statistics
www.wra.org/HousingStatistics/
- **U.S. Census Bureau**
www.census.gov/

DATA HIGHLIGHTS

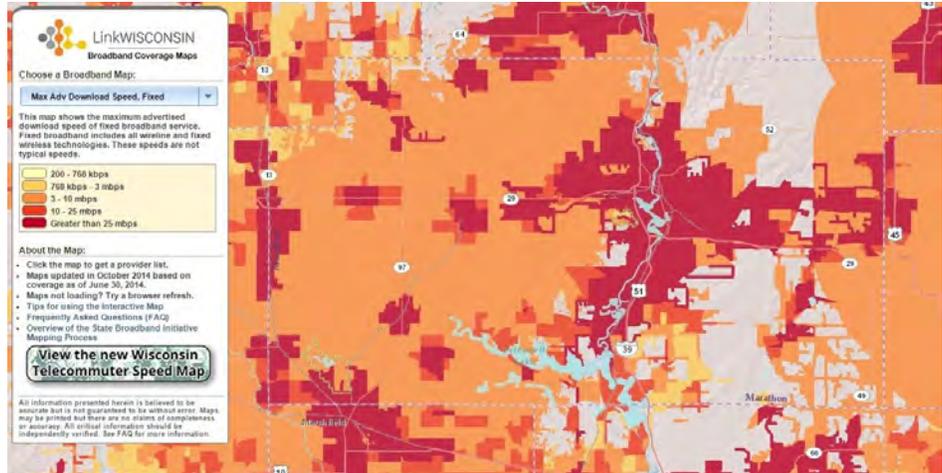
A July 2009 Survey of county broadband users found:

- Approximately 45% of business users indicated [the cost of broadband] is "somewhat high" or "too high".
- 59% of home users categorized [the cost of broadband] as "somewhat high" or "too high."
- Of the businesses that responded to the survey and were dissatisfied with their current Internet service, approximately 26% listed speed as a reason for that dissatisfaction.
- Of the residential survey respondents who said they were dissatisfied with their Internet service, 64% said it was because of speed.
- Regarding telecommuting, 100% of respondents indicated that Internet speed kept them from telecommuting.

SOURCES

- **LinkWISCONSIN**
www.link.wisconsin.gov/
- **Federal Communications Commission**
www.fcc.gov/

Key Measure: Broadband Access Map for Marathon County, June 30, 2014



COMMUNITY PERSPECTIVES

Broadband connects people to the Internet. It is a high-speed transmission link from a home, business, or school to the World Wide Web and other digital resources. Broadband replaces a traditional "dial-up" or narrow-band telephone connection and is always on, allowing use of multiple services at the same time.

private businesses, farms, and residents. Improving the region's telecommunication network can assist existing businesses, attract new businesses, and allow residents access to educational opportunities online. Areas that invest in the infrastructure and provide access to high speed, reliable internet will have an advantage in attracting businesses.



High-speed broadband connections are crucial for government services, healthcare, education, library systems,

According to the Federal Communication Commission (FCC), areas with less than 4 mega bytes per second (MBPS) download speed do not meet the FCC broadband definition. As of 2010, 74 percent of the population in Marathon County had access to download speeds of 10 Mbps or greater. However, 18 percent of the population had access to less than 3 Mbps.