

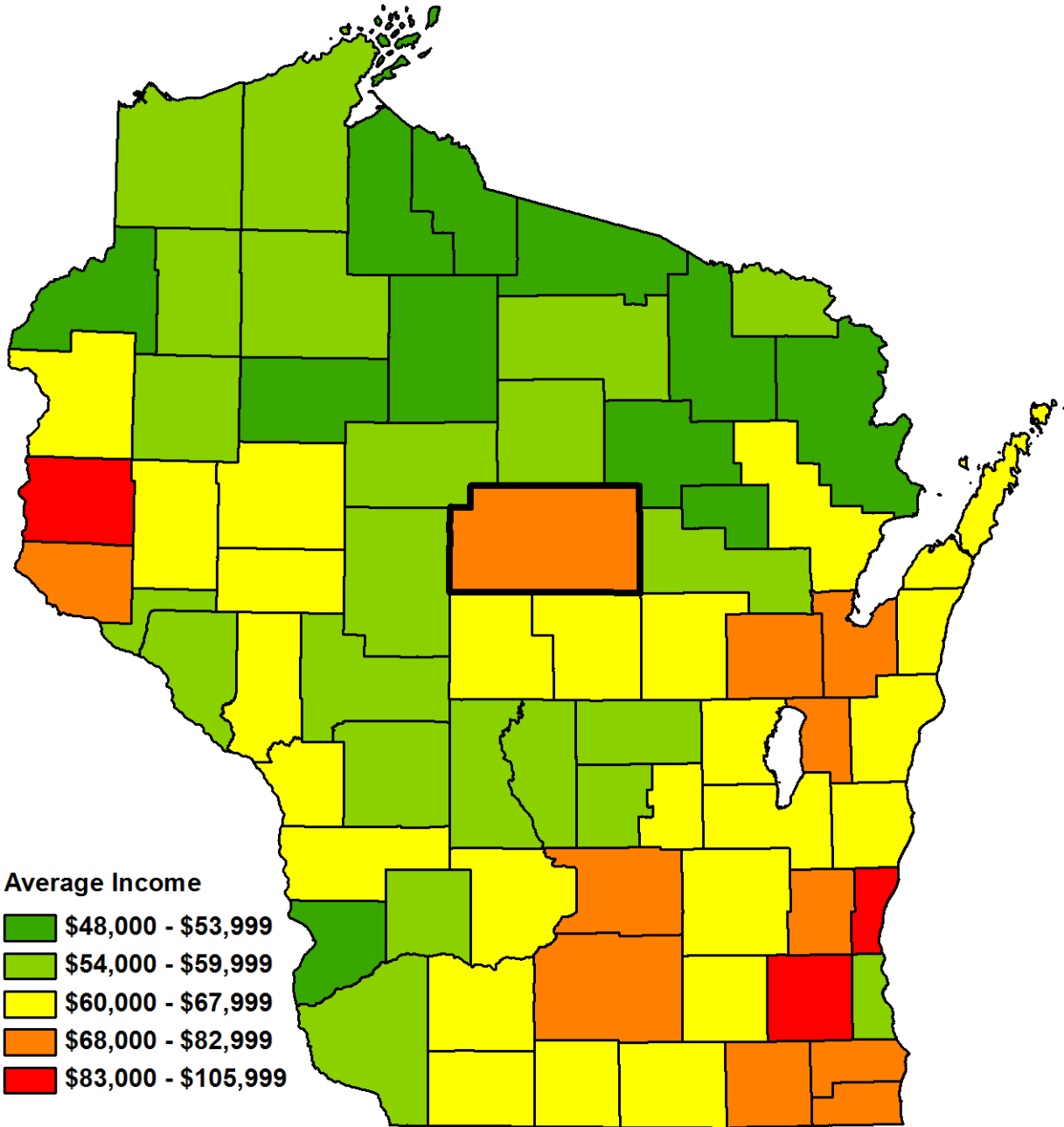


Marathon County

WORKFORCE & ECONOMIC 2015 PROFILE



Average Household Income By County



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

2015 Marathon County Workforce Profile

National and State Economic Outlook

Robust economic growth after the Great Recession remains anticipated. The recession ended in June of 2009. This recovery has been the slowest of post-war cycles. U.S. gross domestic product (GDP) growth through this recovery cycle has averaged just over two percent per year. Most recoveries show growth rates in the three percent range.

As with all economic growth, benefits have accrued. Job levels are up. Wages have increased. Home values are nearly back to prerecession levels. Wisconsin total non-farm jobs have increased by 200,000 since the trough in February 2010 through October 2015. The state's manufacturing industries have gained almost 50,000 jobs. Total nominal wages paid have increased by 17 percent since bottoming out in 2009. Aggregate household real estate values have all but full recovered from the national housing devaluations that began in 2006.

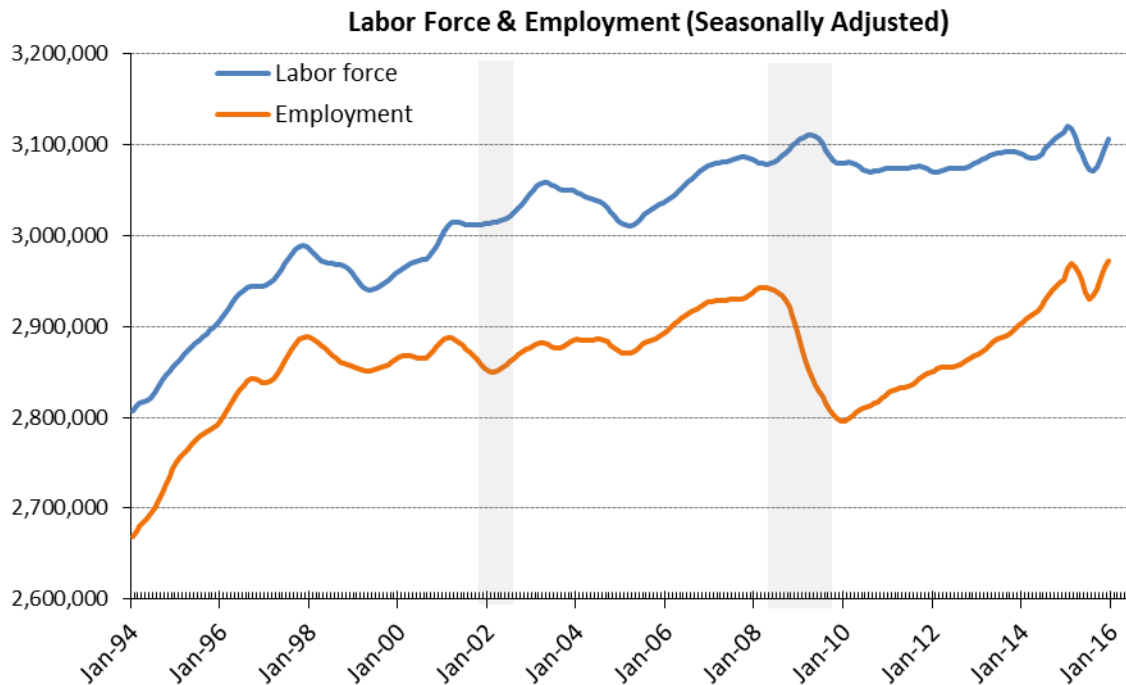
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency and its impact on U.S. and Wisconsin exports, and snug government capital and operations budgets.

The silver lining may be that the slower the growth, the longer the recovery will last. This recovery is 70 months old as of December 2015 with no expected downturn in sight. The average growth period of post-war business cycles is 58.4 months.

Workforce Outlook

On the workforce front, there is much discussion of the "skills gap" – the inability of employers to find and keep skilled workers. One anecdote often voiced is that Wisconsin companies could expand business if only they could find and retain skilled workers.

Wisconsin has never had more people employed and the unemployment rate is registering low levels not seen since the early 2000s. However, as has been discussed repeatedly over the years (Winters, Strang, & Klus, 2000; Winters, Gehrke, Grosso, & Udalova, 2009; Wisconsin Taxpayer Alliance, 2015), Wisconsin faces a quantity challenge and, as a consequence, a skills challenge.



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

2015 Marathon County Workforce Profile

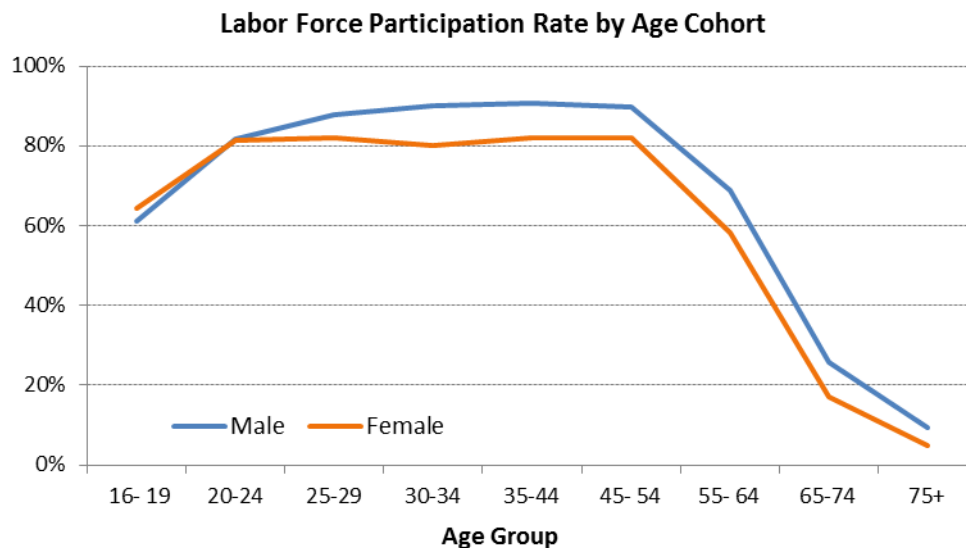
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance company, which, in turn, may try to recruit someone out of health care. The point is that without enough workers to go around, some businesses will end up short of talent.

This is true not only of highly skilled workers, but for all positions. Even retail and restaurant operations are displaying help-wanted signs.

During the late 1990s when the U.S. economic expansion was setting new longevity marks, there was a similar quantity challenge. The national unemployment rate fell to 3.8 percent in July 2000 and Wisconsin's unemployment rate fell to 3.0 percent in July of 1999. Two recessions alleviated the labor quantity constraints from 2001 to 2014. Now the U.S. unemployment rate is down to 5.0 percent (Wisconsin December 2015 seasonally adjusted unemployment rate was 4.3 percent), GDP is only growing at 2.0 percent, and businesses are already experiencing quantity challenges.

The major change in the labor force during this period is that now the Baby Boomers are fifteen years older and leaving the labor force in unprecedented numbers. The oldest Baby Boomers (born in 1946) will be 70 years old in 2016. The youngest (born in 1964) will be 52 years old, a mere three years from a rapid decline in their participation in the labor force.

Below is a graph of the labor force participation rate (LFPR) by age cohort. The LFPR drops precipitously after age 55. The bulk of the Baby Boomers are now over age 55.



Source: Bureau of Labor Statistics

Wisconsin's overall labor force participation rate peaked in the late 1990s and the employment-to-population ratio (e/pop) peaked in 1997 at 72.9 percent. The 2014 e/pop rate was above the 2010 low of 63.4 percent, at 64.7 percent.

The exit of Baby Boomers (people born between 1946 and 1964) from the labor market will affect future growth of Wisconsin's e/pop rate.

Population growth and age distribution will drive labor force availability in local and regional labor sheds. Below are county level demographic and economic characterizations. The primary factor driving economic trends in future years will be workforce developments and talent access.



Population and Demographics

Marathon County's 10 Most Populous Municipalities

	April 2010 Census	January 2015 Estimate	Numeric Change	Proportional Change
United States	308,400,408	320,289,069	11,888,661	3.9%
Wisconsin	5,686,986	5,753,324	66,338	1.2%
Marathon County	134,063	135,341	1,278	1.0%
Wausau, City	39,106	39,063	-43	-0.1%
Weston, Village	14,868	15,276	408	2.7%
Kronenwetter, Village	7,210	7,525	315	4.4%
Rib Mountain, Town	6,825	6,900	75	1.1%
Rothschild, Village	5,269	5,302	33	0.6%
Mosinee, City	3,988	4,021	33	0.8%
Stettin, Town	2,554	2,566	12	0.5%
Maine, Town	2,337	2,345	8	0.3%
Wausau, Town	2,229	2,249	20	0.9%
Schofield, City	2,169	2,212	43	2.0%

Source: Demographic Services Center, Wisconsin Department of Administration

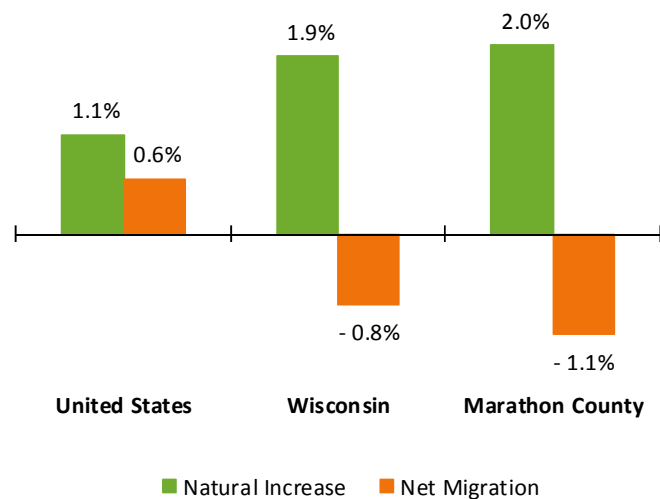
From the 2010 Census to early 2015, Marathon County's estimated population increased by 1,278 residents. This population growth rate is comparable to the rate in Wisconsin. Additionally, Marathon County and Wisconsin are similar in their components of change, natural population change and net migration.

Natural population change measures the difference between births and deaths in an area. The 2.0 percent increase in Marathon County due to natural population change is similar to the 1.9 percent increase in Wisconsin. Natural population change is particularly sensitive to age. The comparable natural population change experienced in Marathon County and Wisconsin reflects their similar median ages. The median age in Marathon County is 40.5 years and in Wisconsin it is 39.2 years.

Net migration is the difference between residents moving into and out of an area. Marathon County's net migration decrease of 1.1 percent was more than the 0.8 percent decrease in Wisconsin.

Over 64 percent of the population lives within Marathon County's ten most populous municipalities with over 40 percent of residents living in the city of Wausau and the village of Weston. The village of Weston had the greatest increase with a gain of 408 residents. The village of Kronenwetter experienced the greatest proportional increase with a gain of 4.4 percent. The city of Wausau experienced a decrease in the number of residents.

Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration



Labor Force Dynamics

In considering the full range of the data, Marathon County's unemployment rate is comparable to the state rate and has been generally lower than the national rate.

Marathon County's unemployment rate experiences seasonal fluctuations. For many counties within Wisconsin, higher levels of unemployment occur over the first months of the year.

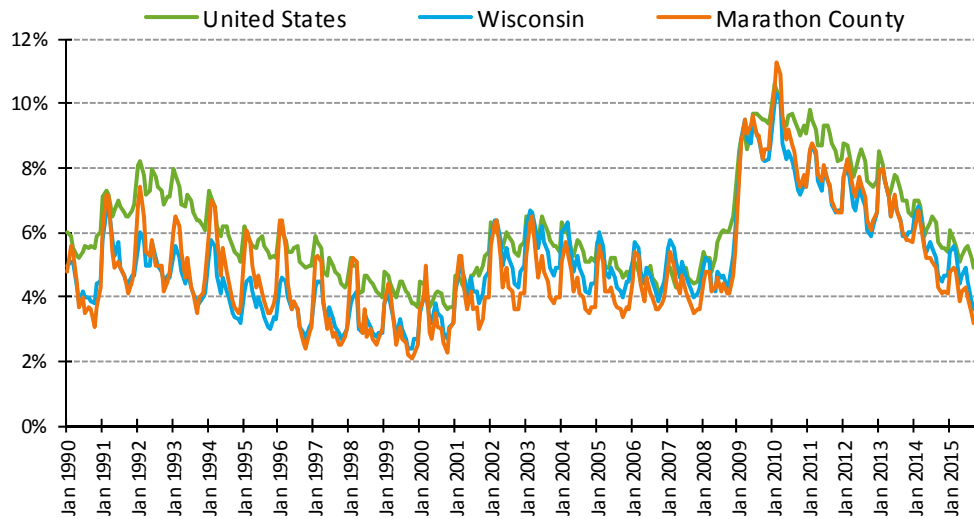
Weather-dependent industry sectors such as Construction, tourism-related sectors, and subsectors in Manufacturing such as food-processing and heating/air conditioning production experience decreases in employment during the first several months of the year. Seasonal fluctuations in Marathon County's unemployment rate arise in part from jobs in the Leisure & Hospitality and Construction sectors.

The Labor Force Participation Rate (LFPR) is the number of persons employed or unemployed, collectively known as the labor force, divided by the number of persons age 16 and older. Marathon County is estimated to have a LFPR of 69 percent in 2014; a higher rate than both the state rate at 68.5 percent and the national rate at 62.9 percent.

Marathon County's LFPR has moved closer to the state rate since 2007.

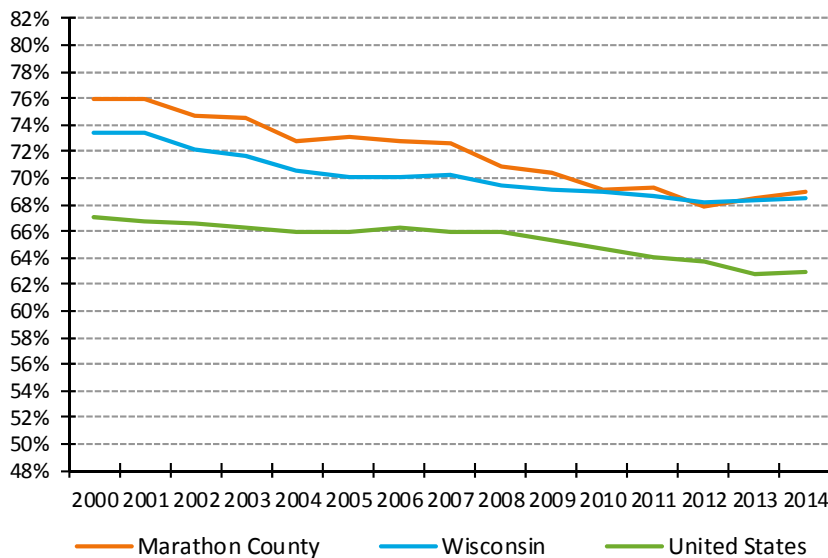
The LFPR can reflect economic conditions and demographic changes. For instance, an aging population usually results in a lower LFPR as fewer residents participate in the Labor Force due to retirements. While Marathon County has a higher median age than the state, it ranks among the youngest counties in Wisconsin. Fifty counties have a higher median age than Marathon County and twenty-one counties have a lower median age.

Unemployment Rates - Not Seasonally Adjusted



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Labor Force Participation Rates

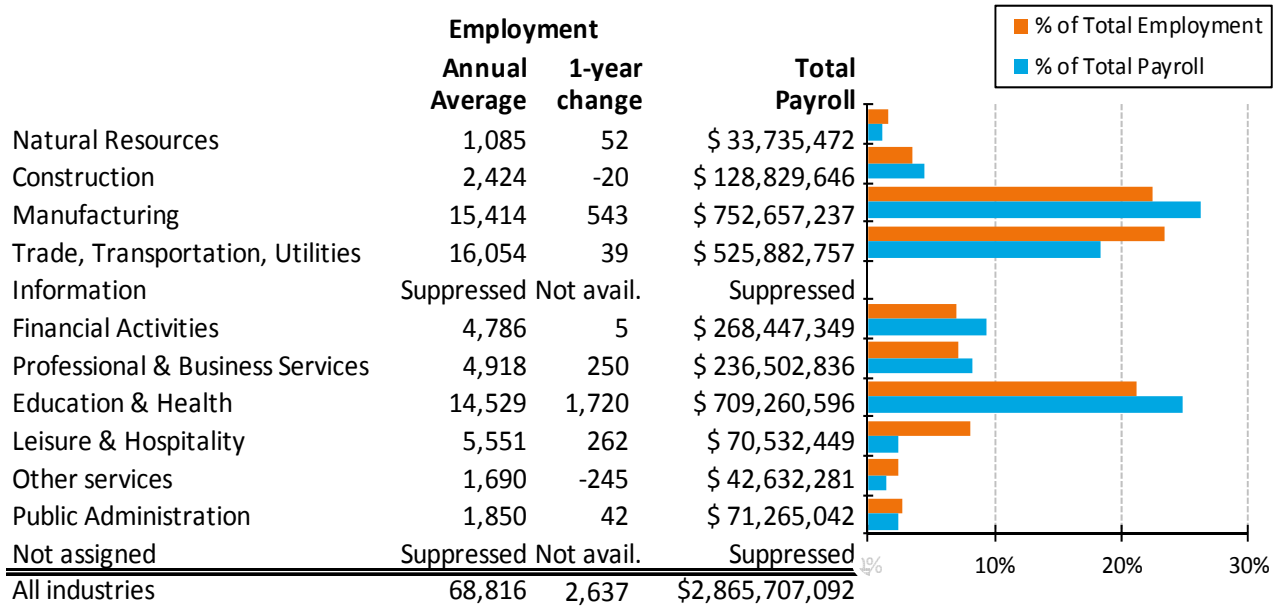


Source: Current Population Survey, U.S. Department of Commerce, Census Bureau



Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in Marathon County



Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2015

From the Quarterly Census of Employment and Wages (QCEW) program, trends in the industry sector composition of Marathon County can be examined. While labor force information examines the employment status of Marathon County residents, this information is based on establishments located within Marathon County. Due to confidentiality disclosure concerns, data for all industry sectors may not be available.

The Trade, Transportation, & Utilities; Manufacturing; and Education & Health Services sectors have the largest share of jobs in Marathon County. Together, these sectors accounted for over 66 percent of jobs in 2014. From 2013 to 2014, the Education & Health Services sector saw the greatest increase with a gain of 1,720 jobs, a 13.4 percent increase. The Other Services sector saw the largest decrease at 245 jobs, a 12.7 percent decrease.

Marathon County gained a total of 2,637 jobs.

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	Marathon County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 41,643	95.0%	6.1%
Natural Resources	\$ 36,156	\$ 31,093	86.0%	6.8%
Construction	\$ 55,317	\$ 53,148	96.1%	2.4%
Manufacturing	\$ 54,365	\$ 48,829	89.8%	4.7%
Trade, Transportation & Utilities	\$ 37,362	\$ 32,757	87.7%	2.7%
Information	\$ 62,482	suppressed	Not avail.	Not avail.
Financial Activities	\$ 61,884	\$ 56,090	90.6%	4.7%
Professional & Business Services	\$ 52,386	\$ 48,089	91.8%	2.3%
Education & Health	\$ 44,829	\$ 48,817	108.9%	11.8%
Leisure & Hospitality	\$ 16,055	\$ 12,706	79.1%	1.2%
Other Services	\$ 25,847	\$ 25,226	97.6%	15.8%
Public Administration	\$ 44,462	\$ 38,522	86.6%	3.7%

Source: WI DWD, Labor Market Information, QCEW, June 2015

Overall, the average wage in Marathon County is close to the state average. However, the average wage in the Leisure & Hospitality sector is much lower. In contrast, the average wage in the Education & Health Services sector is higher. The average wage in the Other Services sector saw the greatest change with an increase of 15.8 percent.

Employment Projections

North Central Workforce Development Area Industry Projections, 2012-2022

Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas and Wood Counties

Industry	2012	Projected	Change (2012-2022)	
	Employment	Employment	Employment	Percent
All Industries	190,647	204,652	14,005	7%
Natural Resources	2,907	2,657	-250	-9%
Construction	5,925	7,006	1,081	18%
Manufacturing	30,819	31,263	444	1%
Trade, Transportation, and Utilities	43,393	45,964	2,571	6%
Information	2,232	2,370	138	6%
Financial Activities	12,315	13,176	861	7%
Professional and Business Services	9,860	11,654	1,794	18%
Education and Health Services	35,891	40,945	5,054	14%
Leisure and Hospitality	18,269	19,693	1,424	8%
Other Services	6,122	6,447	325	5%
Public Administration	12,484	12,893	409	3%
Self-Employed and Unpaid Family Workers	10,430	10,584	154	1%

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, September 2015.

In addition to looking at the current state of the economy in Marathon County, it is useful to look at projections of how employment in the area is expected to change. What follows are projections of employment changes by industry sector and by occupation. Please note that these projections are for the collective counties of Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, and Wood. Together, these nine counties form the North Central Workforce Development Area.

These projections use information from the QCEW program, including unpublished data from the Bureau of Labor Statistics as well as data from the Current Population Survey from the Census Bureau. While these projections take into account anticipated changes in Wisconsin's economy, please note that unanticipated events may affect the accuracy of the projections.

In 2012, the area's three largest industry sectors by jobs were the Trade, Transportation, & Utilities; Education & Health Services; and Manufacturing sectors. Together, these sectors represented over 57 percent of jobs in 2012 and are expected to continue as the three largest in 2022. The Education & Health Services sector is projected to gain more jobs than the other two sectors. Overall, there are 14,005 more jobs projected in 2022, a seven percent increase from 2012.

The share of total jobs by industry sector is projected to change little through 2022. The Manufacturing sector is projected to have the largest decline in share of jobs even with an increase in employment. From 2012 to 2022, the share of jobs in the Manufacturing sector is projected to decrease from 16.2 percent to 15.3 percent. The share of jobs in the Education & Health Services sector is projected to have the largest gain.

Furthermore, the Education & Health Services sector is projected to have the largest numeric gain in jobs with 5,054 additional jobs in 2022, a 14 percent gain from 2012. The largest proportional increases are projected in the Professional & Business Services and Construction sectors with an 18 percent increase in jobs for each. Most sectors are projected to gain jobs by 2022. One sector, Natural Resources, is expected to contract with a projected decrease of 250 jobs from 2012 to 2022, a nine percent decrease.



2015 Marathon County Workforce Profile

Employment Projections

North Central Workforce Development Area Occupation Projections, 2012-2022

Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas and Wood Counties

Occupation Group	Employment				Average Annual Openings			Median Annual Wage
	2012	2022	Change (2012-2022)		Due to Growth	Due to Replacement	Total Openings	
			Number	Percent				
All Occupations	190,647	204,652	14,005	7%	1,594	4,424	6,018	\$ 32,649.00
Management	8,273	8,874	601	7%	63	167	230	\$ 76,839.00
Business and Financial	8,007	8,568	561	7%	61	167	228	\$ 50,519.00
Computer and Mathematical	3,956	4,441	485	12%	50	64	114	\$ 61,197.00
Architecture and Engineering	2,309	2,409	100	4%	11	55	66	\$ 59,012.00
Life, Physical, and Social Science	1,264	1,465	201	16%	21	40	61	\$ 47,098.00
Community and Social Service	1,880	1,954	74	4%	8	44	52	\$ 44,283.00
Legal	792	887	95	12%	10	13	23	\$ 53,887.00
Education, Training, and Library	3,994	4,169	175	4%	20	88	108	\$ 44,734.00
Arts, Entertainment and Media	2,211	2,348	137	6%	18	53	71	\$ 34,565.00
Healthcare Practitioners	12,779	15,036	2,257	18%	226	254	480	\$ 58,750.00
Healthcare Support	6,667	7,575	908	14%	91	127	218	\$ 27,739.00
Protective Service	3,246	3,423	177	5%	18	94	112	\$ 37,978.00
Food Preparation and Serving	15,595	16,667	1,072	7%	109	576	685	\$ 18,507.00
Building & Grounds Maintenance	6,057	6,856	799	13%	80	122	202	\$ 22,922.00
Personal Care and Service	7,831	8,990	1,159	15%	116	128	244	\$ 21,536.00
Sales and Related	18,854	19,508	654	3%	78	592	670	\$ 22,627.00
Office and Administrative Support	30,469	31,971	1,502	5%	191	711	902	\$ 29,930.00
Farming, Fishing, and Forestry	2,536	2,224	-312	-12%	0	48	48	\$ 23,063.00
Construction and Extraction	7,544	8,603	1,059	14%	106	125	231	\$ 42,972.00
Installation, Maintenance, Repair	8,349	8,737	388	5%	47	184	231	\$ 38,195.00
Production	21,302	21,788	486	2%	118	421	539	\$ 32,731.00
Transportation & Material Moving	16,732	18,159	1,427	9%	152	352	504	\$ 32,390.00

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, September 2015

In 2012, the area's largest occupation group was Office & Administrative Support with 30,469 jobs, 16 percent of total employment. Of the twenty-two occupation groups, the top five together accounted for 54 percent of jobs. While these five groups are projected to remain the top groups in 2022, the share of jobs within these groups is projected to decline to 52.8 percent of jobs.

The share of total jobs by occupational group is projected to change little through 2022. However, the top three groups, Office & Administrative Support; Production; and Sales & Related, are projected to experience the largest decreases in share. The Healthcare Practitioners & Technical group is projected to have the largest gain in share, with a rise from 6.7 percent to 7.3 percent of jobs between 2012 and 2022.

Furthermore, the largest numeric and proportional gain in jobs is projected in the Healthcare Practitioners group with an increase of 2,257 jobs by 2022, an 18 percent gain. The Life, Physical, & Social Science group is projected to experience the second largest proportional gain in jobs though, due to its small size, the anticipated numeric gain of 201 is modest. The Farming, Fishing, and Forestry occupation group is projected to experience a decrease of 312 jobs by 2022, a 12 percent decline. All other occupation groups are projected to add jobs.

Personal Income

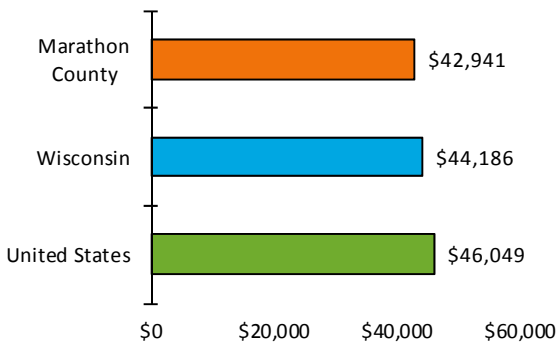
	2004 Nominal Per Capita Personal Income	2004 Per Capita Personal Income in 2014 dollars	2014 Per Capita Personal Income	Nominal Change in Per Capita Personal Income (2004 - 2014)	Inflation-adjusted Change in Per Capita Personal Income (2004 - 2014)
United States	\$34,316	\$41,709	\$46,049	34.2%	10.4%
Wisconsin	\$33,350	\$40,534	\$44,186	32.5%	9.0%
Marathon County	\$32,879	\$39,962	\$42,941	30.6%	7.5%

Source: Bureau of Economic Analysis

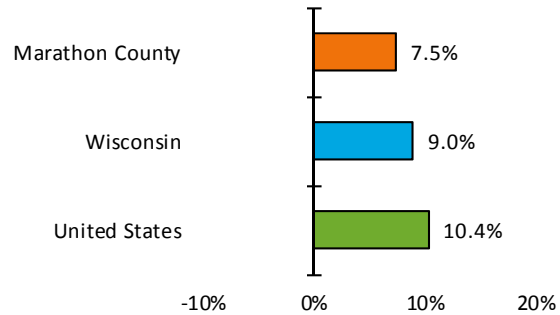
To compare economic well-being among different areas, one often uses Per Capita Personal Income (PCPI). PCPI is the Total Personal Income (TPI) of an area divided by its population. TPI is the sum of employment earnings, rental property income, personal dividend income, personal interest income, and personal current transfer receipts such as Social Security, Medicare/Medicaid, public assistance, veterans' benefits, Unemployment Insurance, and other government payments.

From 2004 to 2014, Marathon County saw a 7.5 percent gain in its inflation-adjusted PCPI. This gain was low-

2014 Per Capita Personal Income



2004 - 2014 Change in Per Capita Personal Income, Inflation-adjusted



Source: Bureau of Economic Analysis

er than the 9.0 percent gain experience by the state and the 10.4 percent gain experienced by the nation. The nominal PCPI of Marathon County sits below the state and nation. In 2014, the nominal PCPI of Marathon County was \$42,941.

The share of income by its components in Marathon County is similar to the share in the United States and Wisconsin. Typically, wage earnings are the most prominent source of income. While wage earnings do comprise a larger portion of income in Marathon County at 68.2 percent compared to 65 percent for the state, the difference between the two is small. The moderately lower PCPI seen in Marathon County reflects the lower average wages paid by employers. The average wage in Marathon County is 95 percent of the average wage of the state. Similarly, the PCPI of Marathon County is 97.2 percent of the PCPI of the state.

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