

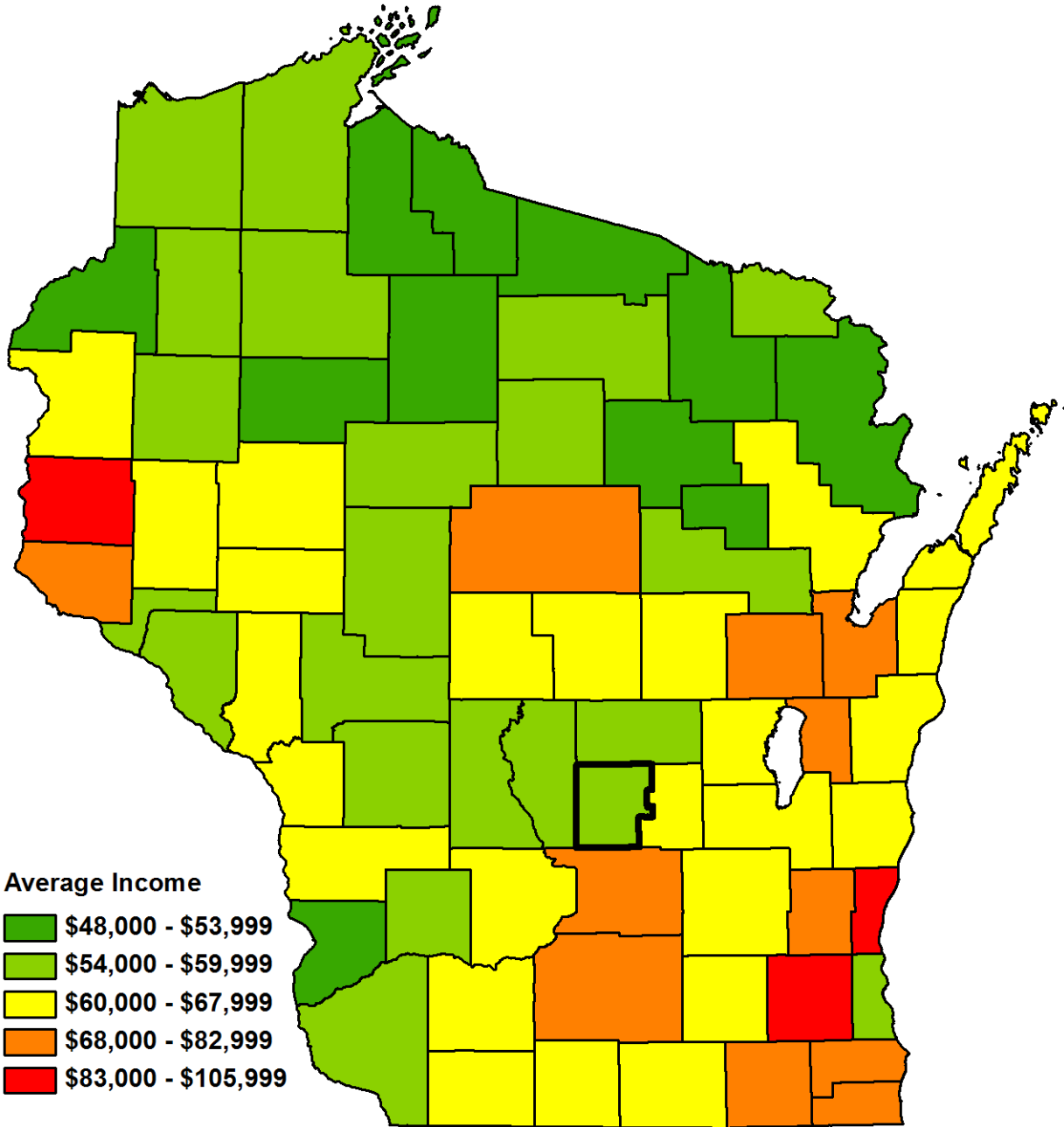


# Marquette County

## WORKFORCE & ECONOMIC 2015 PROFILE



## Average Household Income By County



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

## 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.

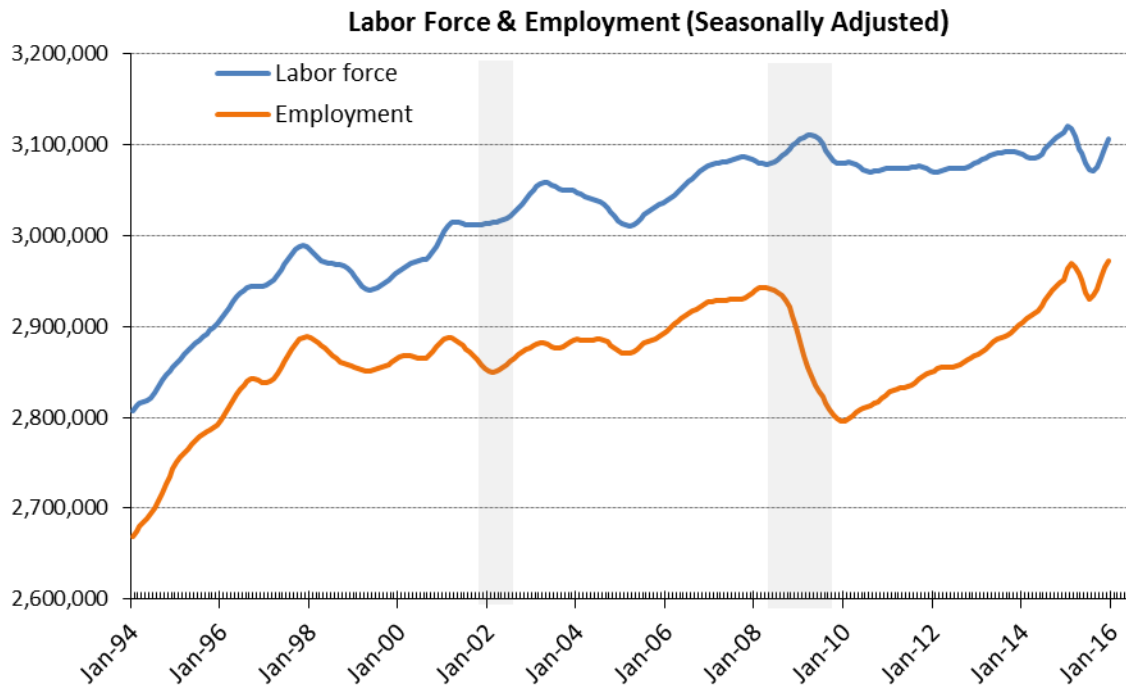
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency 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 Marquette County Workforce Profile

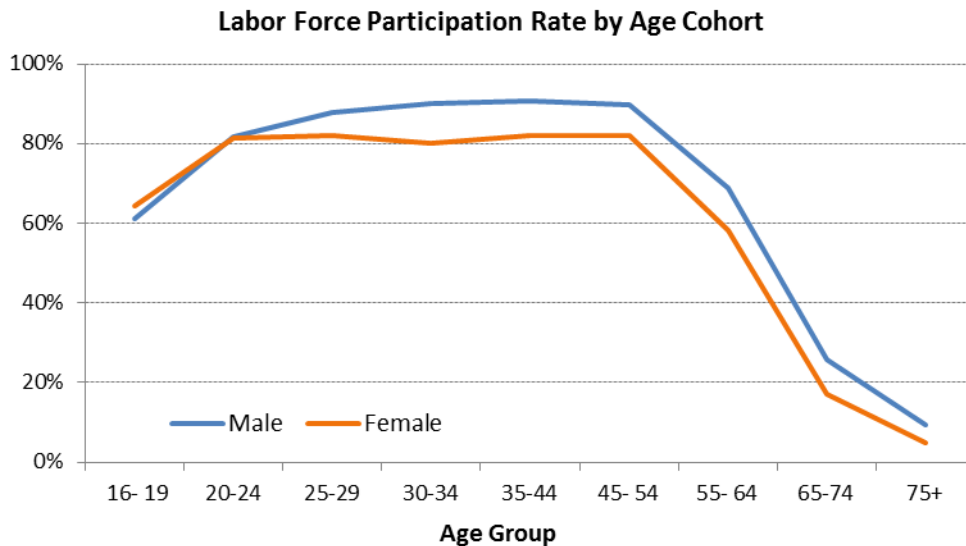
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance 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

### Marquette County's 10 Most Populous Municipalities

	April 2010 Census	January 2015 Estimate	Numeric Change	Proportional Change
<b>United States</b>	308,400,408	320,289,069	11,888,661	3.9%
<b>Wisconsin</b>	5,686,986	5,753,324	66,338	1.2%
<b>Marquette County</b>	15,404	15,431	27	0.2%
Montello, City	1,495	1,475	-20	-1.3%
Packwaukee, Town	1,416	1,416	0	0.0%
Westfield, Village	1,254	1,263	9	0.7%
Buffalo, Town	1,221	1,240	19	1.6%
Montello, Town	1,033	1,035	2	0.2%
Oxford, Town	885	888	3	0.3%
Westfield, Town	866	879	13	1.5%
Springfield, Town	830	833	3	0.4%
Harris, Town	790	796	6	0.8%
Douglas, Town	725	726	1	0.1%

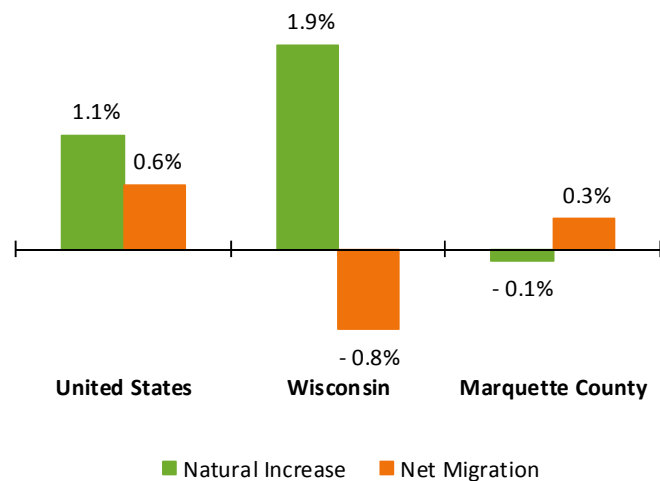
Source: Demographic Services Center, Wisconsin Department of Administration

Marquette County added an estimated 27 residents from April 2010 to January 2015. Of Wisconsin's 72 counties, Marquette was the 63rd largest at the end of the period. Marquette's low rate of population growth, 0.2 percent, contrasts with a state increase of 1.2 percent and a national expansion of 3.9 percent.

Population change is driven by two factors: natural change and migration. A natural increase of the population occurs when there are more births than deaths. Migration affects net employment change in an area positively when the number of people moving into the area is larger than the number of people moving out. In the case of Marquette County, its slow change is determined by a small and positive net migration rate that compensates for a small and negative rate of natural increase. Marquette County's natural increase stands well below the state's 1.9 percent and the nation's 1.1 percent. The county's positive rate of net migration contrasts with a state decline of -0.8 percent and a national increase of 0.6 percent.

The table above lists Marquette County's ten most populous municipalities as of January 2015. The county's population is quite evenly distributed across the ten largest municipalities. While each of the top two municipalities accounts for more than 9 percent of the population, each of the top 9th and 10th accounts for 5 percent. The ten largest municipalities account for 68 percent of the county's population.

Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration



## Labor Force Dynamics

The chart to the right plots the monthly rates of unemployment for Marquette County, Wisconsin, and the U.S. over the last two decades.

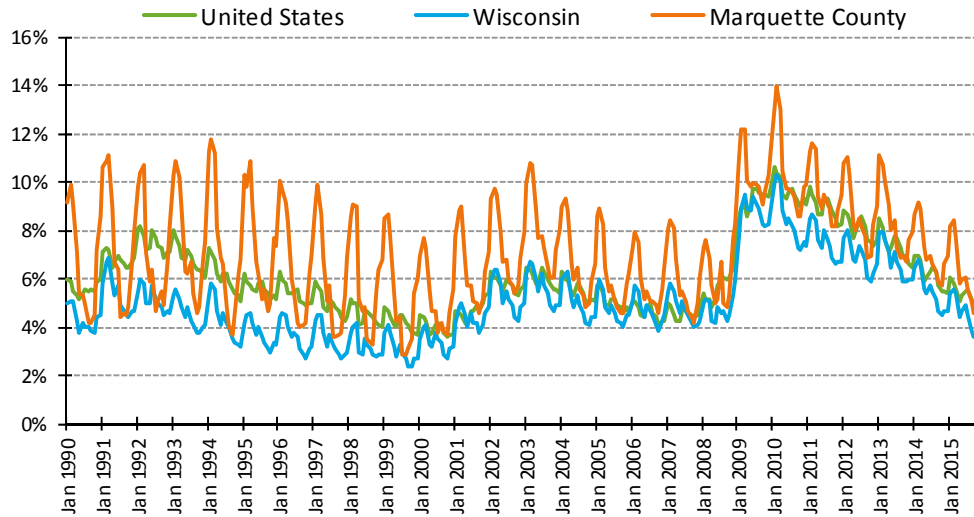
Since the early 1990s, Marquette County's unemployment rate followed the state and national trends in general. As in the state and the nation, the unemployment rate in Marquette County declined in the second half of the 1990s, reaching a historical low level towards the end of the decade.

The rate of unemployment climbed up again in the early 2000s recession. An important difference with the 1990s is that the recovery after the early 2000s recession was relatively weak in terms of job creation. As the chart shows, the employment recovery between 2003 and 2007 did not result in a significant decline in the unemployment rate. This is explained by an unprecedented low rate of job creation in the early phase of the last employment upturn. The subsequent increase in job creation was interrupted by the Great Recession, which was characterized by a rapid and massive destruction of jobs across regions, industrial sectors and demographic

groups. The current recovery did result in a sharp decline in the unemployment rate, but the unemployment rate has not yet reached the historically low levels achieved at the end of the 1990s.

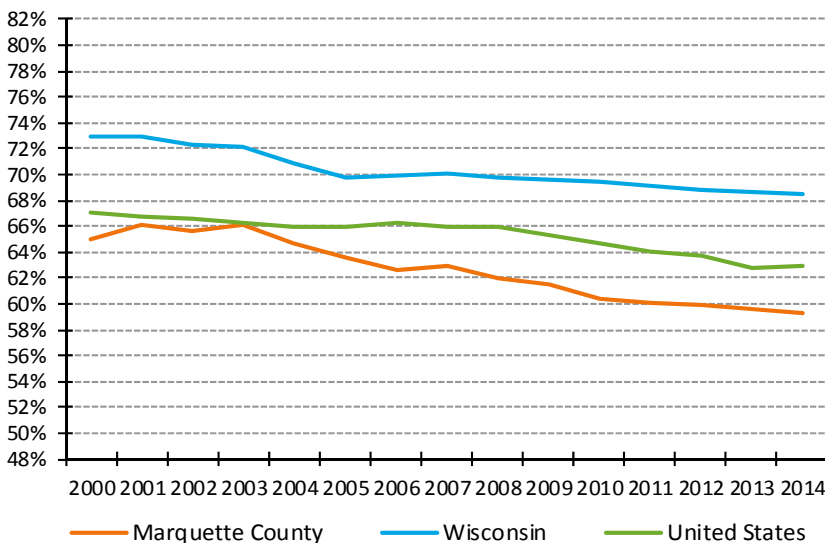
The labor force participation rate (LFPR) is the labor force (sum of employed and unemployed) divided by the population ages 16 and older. Marquette's LFPR was 59.3 percent in 2014, 3.6 percentage points below the national rate (62.9 percent) and more than nine points below the state rate (68.5 percent).

Unemployment Rates - Not Seasonally Adjusted



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Labor Force Participation Rates

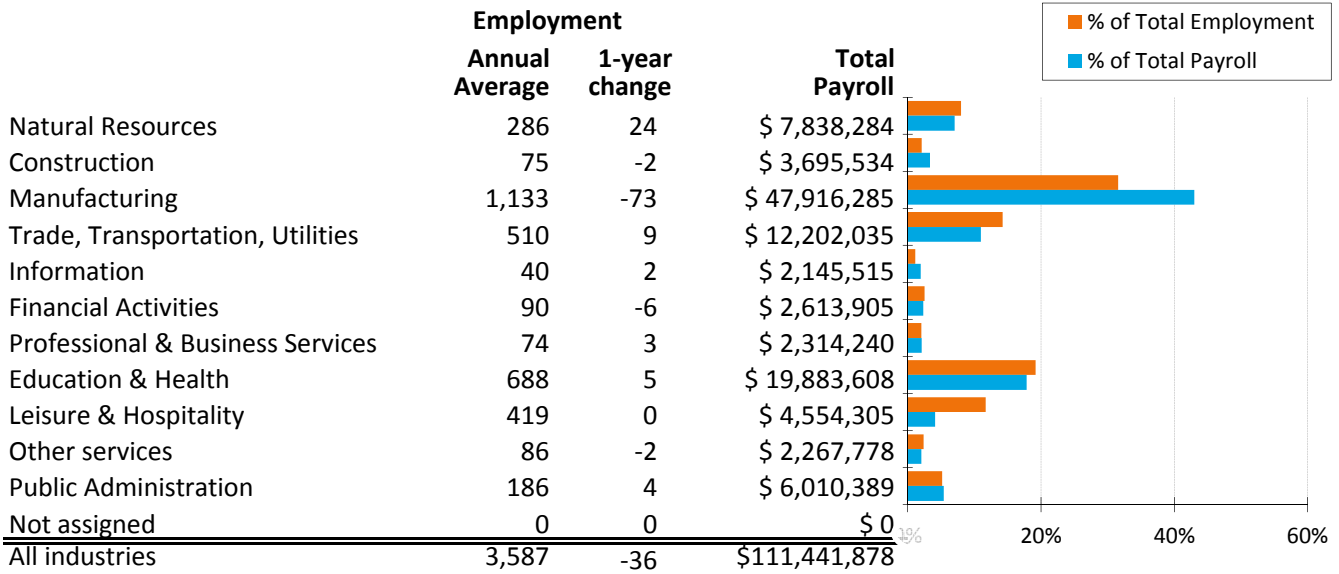


Source: Current Population Survey, U.S. Department of Commerce, Census Bureau



## Industry Employment and Wages

**2014 Employment and Wage Distribution by Industry in Marquette County**



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

The three largest sectors in Marquette County in 2014 were Manufacturing, Education and Health, and Trade, Transportation, and Utilities. Together, these sectors accounted for nearly two-thirds of total employment and more than 70 percent of total payroll.

Marquette County’s annual average wage was \$31,068 in 2014, amounting to 71 percent of the statewide average of \$43,856. Compared with the statewide averages, every sector except Other Services reported lower annual wages. Marquette County’s highest-paying sector in 2014 was Information with an average wage of \$53,638, followed by Construction (\$49,274), Manufacturing (\$42,292), and Public Administration (\$32,314). The employment performance of these sectors in 2014 was poor. Information, Construction and Public Administration were flat, while Manufacturing lost more than 70 jobs.

	Wisconsin Average Annual Wage	Marquette County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 31,068	70.8%	5.5%
Natural Resources	\$ 36,156	\$ 27,407	75.8%	4.4%
Construction	\$ 55,317	\$ 49,274	89.1%	17.1%
Manufacturing	\$ 54,365	\$ 42,292	77.8%	10.3%
Trade, Transportation & Utilities	\$ 37,362	\$ 23,926	64.0%	5.7%
Information	\$ 62,482	\$ 53,638	85.8%	5.9%
Financial Activities	\$ 61,884	\$ 29,043	46.9%	-7.5%
Professional & Business Services	\$ 52,386	\$ 31,274	59.7%	-0.4%
Education & Health	\$ 44,829	\$ 28,901	64.5%	2.0%
Leisure & Hospitality	\$ 16,055	\$ 10,869	67.7%	3.5%
Other Services	\$ 25,847	\$ 26,370	102.0%	6.0%
Public Administration	\$ 44,462	\$ 32,314	72.7%	-0.6%

Marquette County’s lowest-paying sector in 2014 was Leisure & Hospitality, with an average wage of \$10,869, followed distantly by Other Services (\$26,370). In 2014, both Leisure & Hospitality and Other Services were stagnant.

## Employment Projections

### South Central Workforce Development Area Industry Projections, 2012-2022 Columbia, Dane, Dodge, Jefferson, Marquette and Sauk Counties

Industry	2012	Projected	Change (2012-2022)	
	Employment	2022 Employment	Employment	Percent
All Industries	451,788	502,449	50,661	11%
Natural Resources	8,002	7,795	-207	-3%
Construction	16,190	20,135	3,945	24%
Manufacturing	53,471	55,630	2,159	4%
Trade, Transportation, and Utilities	74,382	80,664	6,282	8%
Information	12,951	14,795	1,844	14%
Financial Activities	28,375	31,541	3,166	11%
Professional and Business Services	47,888	57,766	9,878	21%
Education and Health Services	85,657	98,743	13,086	15%
Leisure and Hospitality	44,030	49,495	5,465	12%
Other Services	13,625	15,078	1,453	11%
Public Administration	39,742	41,401	1,659	4%
Self-Employed and Unpaid Family Workers	27,475	29,406	1,931	7%

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

The table above presents ten-year regional employment projections by industry sector for the South Central Workforce Development Area (WDA), which is comprised of Columbia, Dane, Dodge, Jefferson, Marquette and Sauk counties. The change in the number of jobs from 2012 to 2022 represents new jobs expected to be created during the period.

In 2014, Dane County had the largest share of the region’s employment, with 71 percent of the region’s jobs. Sauk and Dodge had nearly 8 percent each, Jefferson 7.5 percent, Columbia nearly 5 percent, and Marquette less than 1 percent. Ten-year regional employment is projected to exceed statewide job growth of 7.1 percent. Jobs in the area are expected to increase 11 percent between 2012 and 2022, with average annual growth of 1.1 percent or 5,066 jobs per year. Employment in the area exceeded projections, growing by 5,843 new jobs or 1.3 percent during 2014.

The South Central WDA accounted for nearly 15 percent of total statewide employment in 2012 and is expected to add 23 percent of the state’s total new jobs by 2022. Almost 70 percent of the expected new jobs in the South Central WDA are concentrated in four industries: Education and Health Services (26 percent), Professional and Business Services (19 percent), Trade, Transportation and Utilities (12 percent) and Leisure and Hospitality (11 percent). The fastest growing sectors are Construction (24 percent in 2012-20122), Professional and Business Services (21 percent), Educational and Health Services (15 percent) and Information (14 percent).

Within the larger education and health services sector, health services employment is expected to grow faster than educational services. The professional and business services sector provides professional, technical, and administrative services to businesses. A significant portion of recent and projected growth in this sector is in the employment services subsector, which often provides businesses with temporary workers. These workers may work in a variety of industries such as Health Care or Manufacturing. However, as long as they are employed by an employment services establishment, their jobs are counted in the Professional and Business Services sector. This is true even if they are a nurse working in a hospital or a welder working in a manufacturing plant.



## Employment Projections

### South Central Workforce Development Area Occupation Projections, 2012-2022

Columbia, Dane, Dodge, Jefferson, Marquette and Sauk 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	451,788	502,449	50,661	11%	5,245	10,572	15,817	\$ 36,526
Management	25,095	27,804	2,709	11%	275	508	783	\$ 90,340
Business and Financial	25,244	28,425	3,181	13%	322	499	821	\$ 58,391
Computer and Mathematical	18,142	21,541	3,399	19%	340	314	654	\$ 70,106
Architecture and Engineering	9,040	9,860	820	9%	85	214	299	\$ 63,466
Life, Physical, and Social Science	8,119	8,961	842	10%	85	242	327	\$ 52,854
Community and Social Service	6,685	7,290	605	9%	60	157	217	\$ 38,747
Legal	3,398	3,972	574	17%	58	55	113	\$ 66,548
Education, Training, and Library	24,534	26,981	2,447	10%	245	494	739	\$ 44,292
Arts, Entertainment and Media	8,419	9,343	924	11%	102	190	292	\$ 44,471
Healthcare Practitioners	22,558	26,887	4,329	19%	434	464	898	\$ 63,546
Healthcare Support	11,150	13,140	1,990	18%	199	212	411	\$ 29,136
Protective Service	10,100	10,859	759	8%	77	309	386	\$ 31,990
Food Preparation and Serving	35,784	39,838	4,054	11%	405	1,364	1,769	\$ 19,247
Building & Grounds Maintenance	15,540	18,177	2,637	17%	264	320	584	\$ 23,250
Personal Care and Service	18,444	21,573	3,129	17%	313	354	667	\$ 22,577
Sales and Related	41,603	45,029	3,426	8%	344	1,258	1,602	\$ 24,488
Office and Administrative Support	65,385	70,218	4,833	7%	576	1,473	2,049	\$ 33,912
Farming, Fishing, and Forestry	2,587	2,528	-59	-2%	3	70	73	\$ 27,495
Construction and Extraction	16,583	19,854	3,271	20%	327	269	596	\$ 48,592
Installation, Maintenance, Repair	15,868	17,582	1,714	11%	176	361	537	\$ 42,730
Production	39,100	41,513	2,413	6%	285	801	1,086	\$ 32,391
Transportation & Material Moving	28,410	31,074	2,664	9%	269	643	912	\$ 30,395

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

Expected employment growth by occupation offers an important additional source of information on the types of jobs included in a ten-year employment projection. The table above displays projected total job opening through 2022. This includes openings resulting from the creation of new jobs (Change column) as well as replacement openings (Replacement Openings column). Replacement openings are openings in previously created jobs. These openings arise from incumbent workers leaving these positions, necessitating the hiring of new workers to replace them.

Large numbers of baby boomers are expected to retire within the next few years, which is why projected replacement openings exceed the number of openings expected to occur as a result of job growth. This phenomenon is occurring not only in the South Central region, but throughout the state economy as well. The largest number of job openings is projected in Office and Administrative Support, Food Preparation and Servings, and Sales and Related. Large numbers of replacement openings are projected in those occupations that are not expected to grow significantly, such as Production. This is especially common in occupations with older workforces and large numbers of anticipated retirements during the projection period, as well as low-wage occupations such as Food Service and Preparation, which tend to have younger workforces but higher rates of employee turnover.

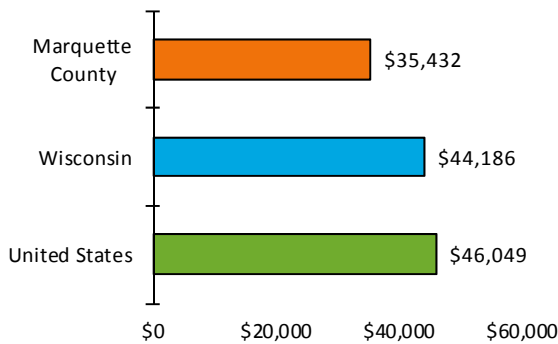
## Personal Income

	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%
Marquette County	\$25,447	\$30,929	\$35,432	39.2%	14.6%

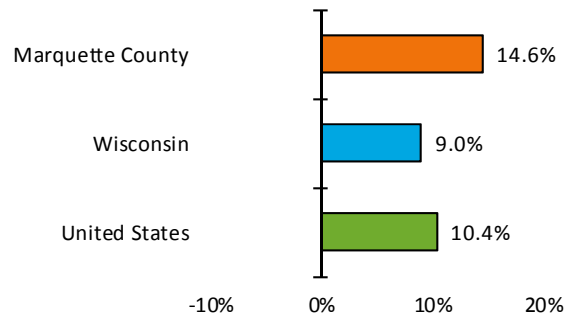
Source: Bureau of Economic Analysis

Total Personal Income (TPI) is the sum of three components, namely (i) employment earnings; (ii) property income (dividends, interest and rental income); and (iii) personal current transfers receipts (government payments like social security, Medicare, Medicaid and unemployment insurance). Marquette County’s TPI in 2014 was \$533 hundred thousand, or around 0.2 percent of the state’s \$254 billion total. Its 10-year inflation-adjusted TPI growth was 9.5 percent, below the state rate of 13.7 and almost halving the national rate of 20.1 percent.

2014 Per Capita Personal Income



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



Source: Bureau of Economic Analysis

Per Capita Personal Income (PCPI) is TPI divided by the total population. This average income figure is often used as a measure of economic development and standard of living. In 2014, Marquette County’s PCPI was \$35,432, below the state’s \$44,186 and the nation’s \$46,049. Marquette County’s PCPI ranks 5th lowest in Wisconsin and is the lowest in the South Central WDA. Additionally, Marquette County’s PCPI is more than 11 percent below the next best performer, Jefferson County (\$39,495).

The change over time of PCPI is one of the most important indicators of economic performance at the county level. In 2004-2014, inflation-adjusted growth of Marquette County’s PCPI was 14.6 percent, significantly above the state’s 9.0 percent and the nation’s 10.4 percent. Marquette’s PCPI growth ranked 35th in Wisconsin in 2014.

**For More Information:**

Matias Scaglione

Regional Economist — South Central WDA

Phone: (608) 266-3177 Email: [matias.scaglione@dwd.wisconsin.gov](mailto:matias.scaglione@dwd.wisconsin.gov)

<http://dwd.wisconsin.gov/oea>