

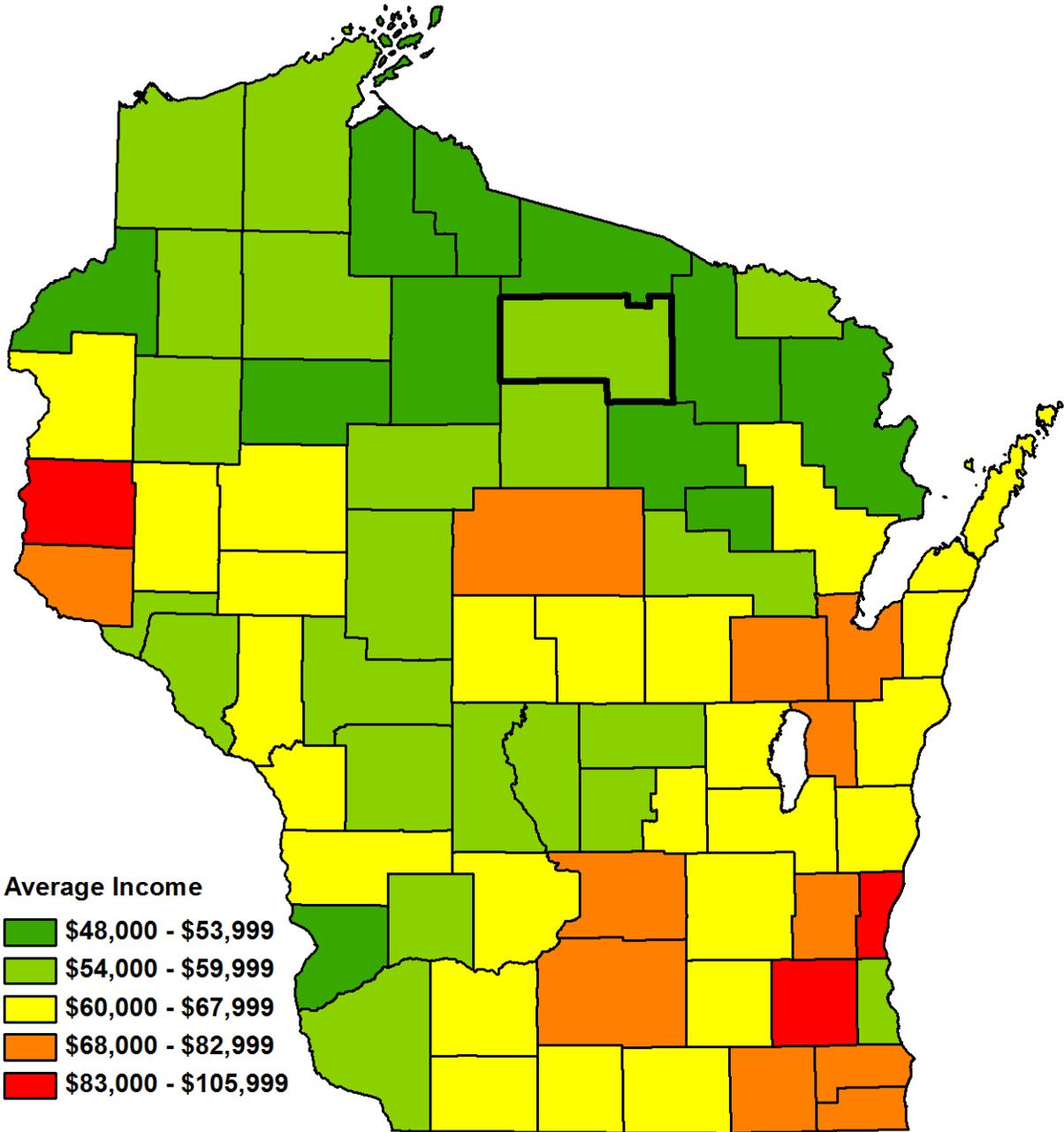


Oneida County

WORKFORCE & ECONOMIC 2015 PROFILE



Average Household Income By County



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

2015 Oneida 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.

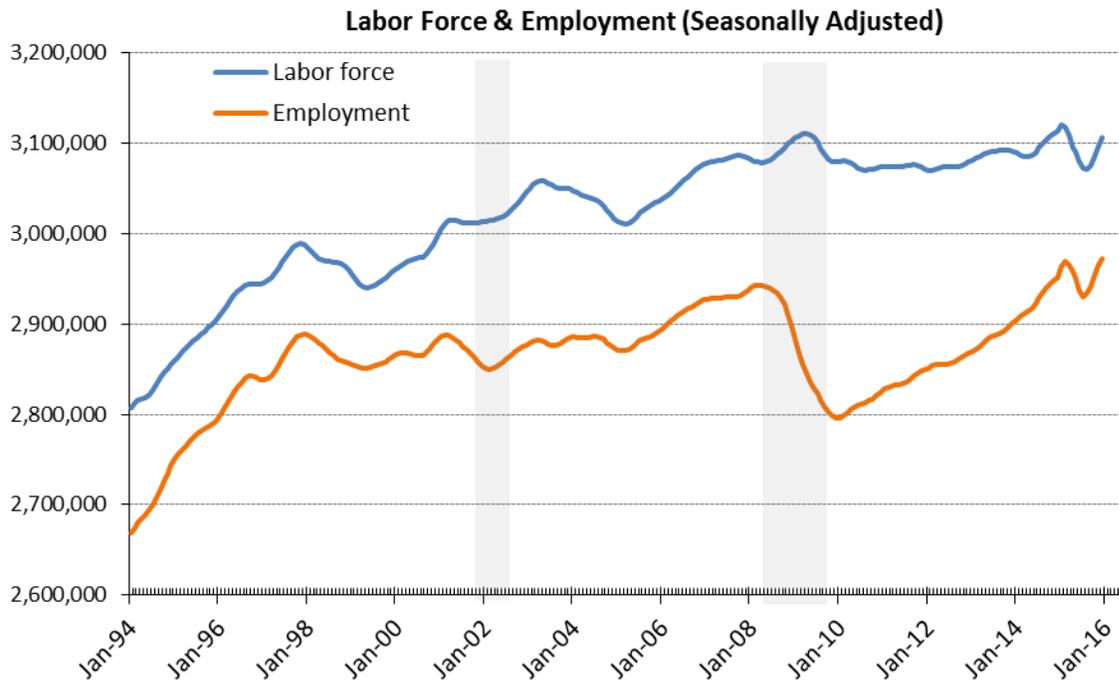
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency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

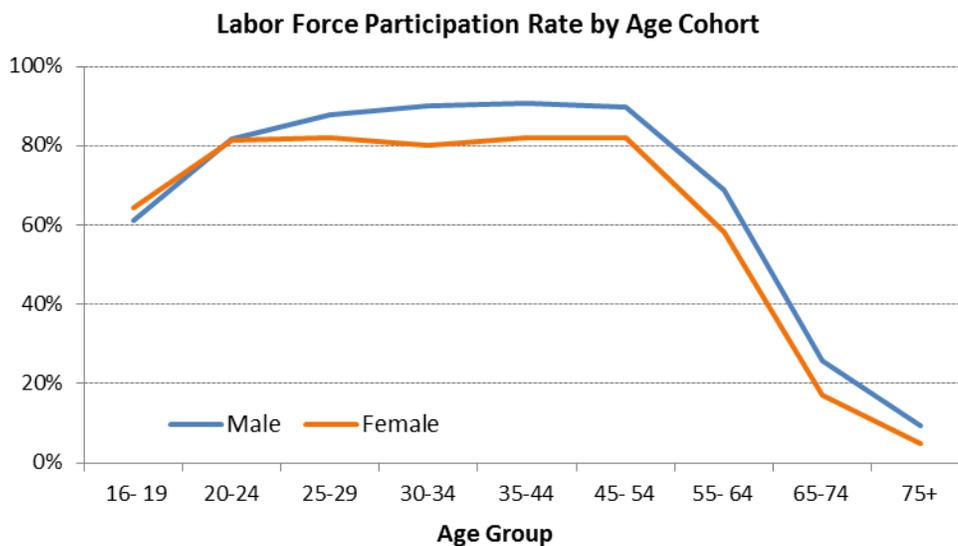
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance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

Oneida 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%
Oneida County	35,998	36,232	234	0.7%
Rhinelander, City	7,798	7,727	-71	-0.9%
Minocqua, Town	4,453	4,482	29	0.7%
Pelican, Town	2,764	2,810	46	1.7%
Pine Lake, Town	2,740	2,758	18	0.7%
Newbold, Town	2,719	2,744	25	0.9%
Three Lakes, Town	2,131	2,154	23	1.1%
Crescent, Town	2,033	2,059	26	1.3%
Woodruff, Town	1,987	2,000	13	0.7%
Sugar Camp, Town	1,694	1,710	16	0.9%
Nokomis, Town	1,371	1,429	58	4.2%

Source: Demographic Services Center, Wisconsin Department of Administration

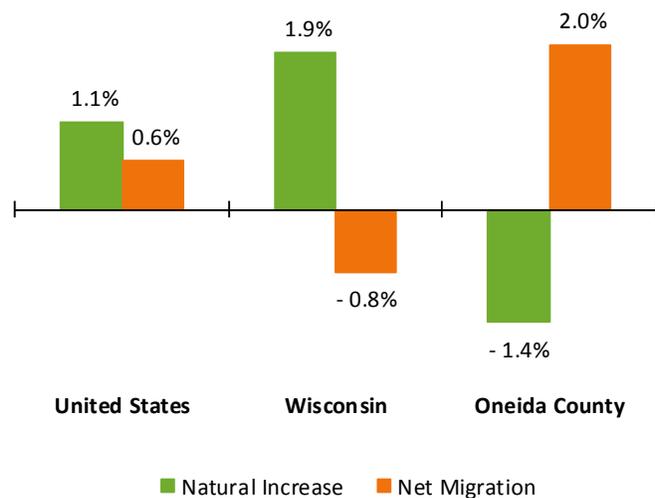
From the 2010 Census to early 2015, Oneida County's estimated population increased by 234 residents. This population growth rate is comparable to the rate in Wisconsin. However, Oneida County and Wisconsin differ in their components of change, natural population change and net migration.

Natural population change measures the difference between births and deaths in an area. Whereas Wisconsin experienced a 1.9 percent increase from natural population change, Oneida County experienced a 1.4 percent decrease. Natural population change is particularly sensitive to age. The decrease in Oneida County reflects its older population. While the median age in Wisconsin is 39.2 years, the median age in Oneida County is 50.4 years.

Net migration measures the difference between residents moving into and residents moving out of an area. While Wisconsin had a net migration decrease, Oneida County experienced a 2 percent increase in its population as a result of net migration.

Over 82 percent of the population lives within Oneida County's ten most populous municipalities. Rhinelander is estimated to have the largest population change over the first half of the decade with a decline by seventy-one residents, a 0.9 percent decrease. The town of Nokomis had the greatest proportional change with a 4.2 percent increase. In contrast with Rhinelander, the other nine municipalities are estimated to have gained population.

Components of Population Change

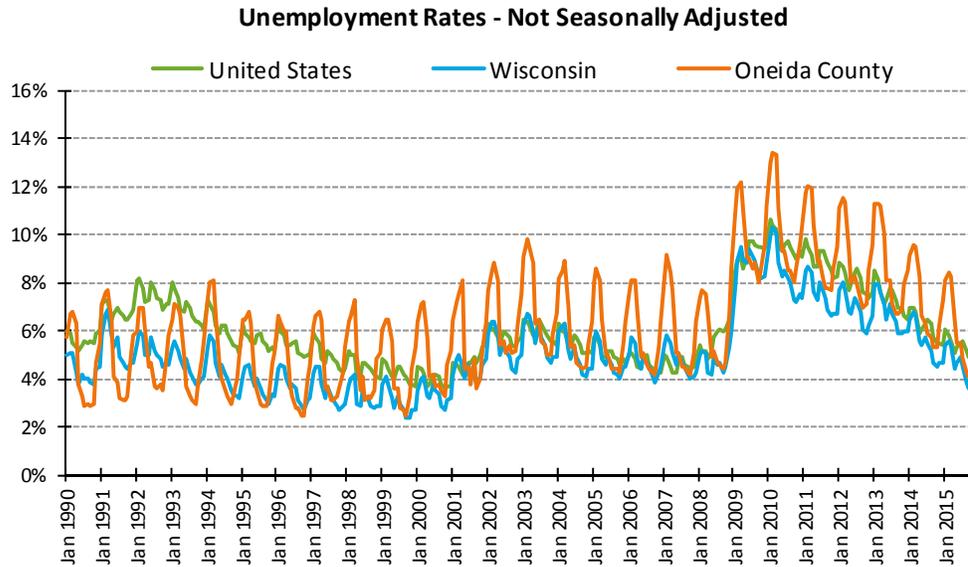


Source: Demographic Services Center, Wisconsin Department of Administration



Labor Force Dynamics

In considering the full range of the data, Oneida County's unemployment rate has moved from being below the national rate in the 1990s to being more comparable to the state and national rate in recent times. Since 2010, the unemployment rate has trended downward.



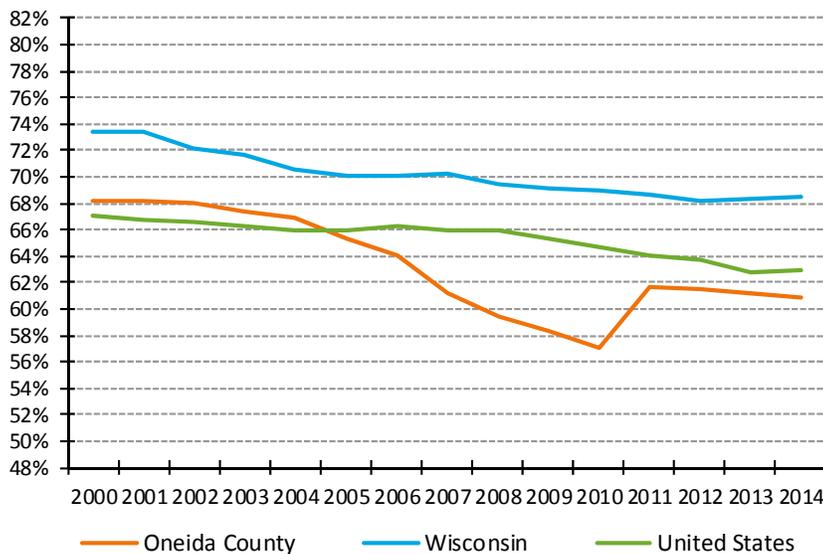
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Additionally, Oneida County's unemployment rate experiences

large fluctuations during the course of a year. 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 Oneida County's unemployment rate arise in part from the high portion of jobs within the Leisure & Hospitality and Trade, Transportation, & Utilities sectors.

The Labor Force Participation Rate (LFPR) is the number of persons employed or unemployed, collectively

Labor Force Participation Rates



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

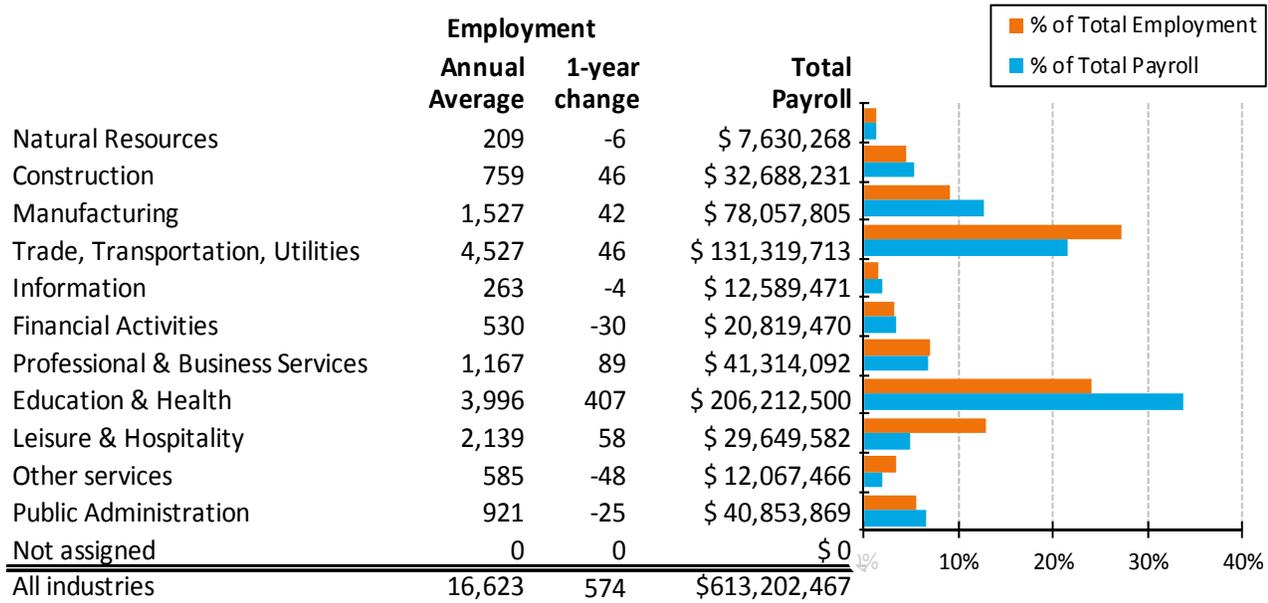
known as the labor force, divided by the number of persons age 16 and older. Oneida County is estimated to have an LFPR of 60.9 percent in 2014; a rate lower than the state rate of 68.5 percent but close to the national rate of 62.9 percent.

The LFPR can reflect both economic and demographic changes. An aging population usually results in a lower LFPR as fewer residents participate in the labor force due to retirements. The lower LFPR in Oneida County in part reflects its older population.



Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in Oneida 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 Oneida County can be examined. While labor force information examines the employment status of Oneida County residents, this information is based on establishments located within Oneida County.

The Trade, Transportation, & Utilities and Education & Health Services sectors have the largest share of jobs in Oneida County. Together, these sectors accounted for over 51 percent of jobs in 2014. The Education & Health Services sector had the largest numeric increase from 2013 to 2014 with a gain of 407 jobs, an 11.3 percent increase. The Financial Activities sector had the largest numeric decrease with a decline of forty-eight jobs, a 7.6 percent decrease. Overall, the number of jobs increased by 574.

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	Oneida County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 36,889	84.1%	7.6%
Natural Resources	\$ 36,156	\$ 36,508	101.0%	6.7%
Construction	\$ 55,317	\$ 43,067	77.9%	2.8%
Manufacturing	\$ 54,365	\$ 51,118	94.0%	4.6%
Trade, Transportation & Utilities	\$ 37,362	\$ 29,008	77.6%	3.5%
Information	\$ 62,482	\$ 47,869	76.6%	0.2%
Financial Activities	\$ 61,884	\$ 39,282	63.5%	-2.3%
Professional & Business Services	\$ 52,386	\$ 35,402	67.6%	0.9%
Education & Health	\$ 44,829	\$ 51,605	115.1%	14.4%
Leisure & Hospitality	\$ 16,055	\$ 13,861	86.3%	3.0%
Other Services	\$ 25,847	\$ 20,628	79.8%	8.9%
Public Administration	\$ 44,462	\$ 44,358	99.8%	4.9%

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

While the average wage in Oneida County is 15.9 percent lower than the state average, the average wage increased by 7.6 percent from 2013 to 2014. The Natural Resources and Education & Health Services sectors had higher average wages than the state. Wage growth was highest in the Education & Health Services sector. Average wages in the Financial Activities sector decreased.

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 Oneida 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 increases in jobs each. Most sectors are projected to gain jobs by 2022. Only one sector, Natural Resources, is expected to contract with a projected decrease of 250 jobs from 2012 to 2022, a nine percent decrease.

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.

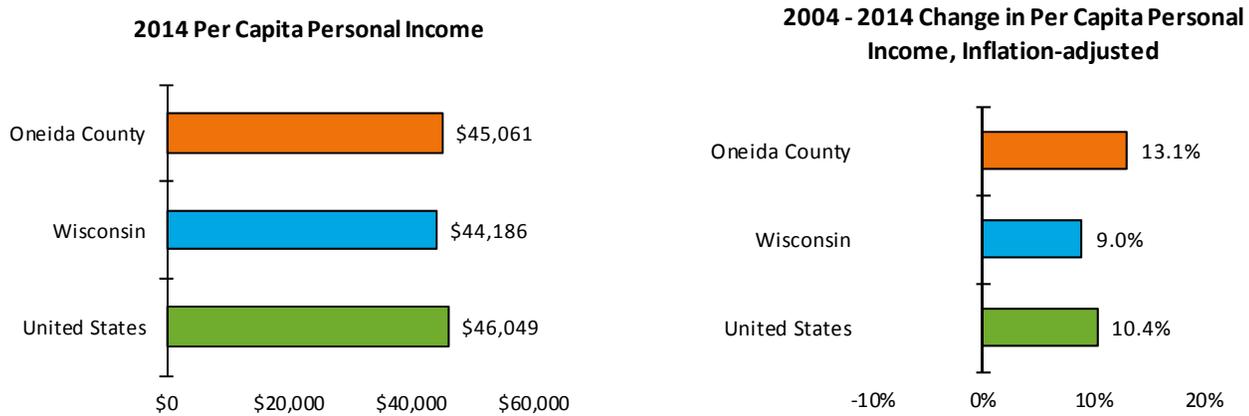
Personal Income

	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%
Oneida County	\$32,775	\$39,836	\$45,061	37.5%	13.1%

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, Oneida County experienced a 13.1 percent gain in its inflation-adjusted PCPI. This gain



Source: Bureau of Economic Analysis

was higher than the 9.0 percent gain in the state and the 10.4 percent gain in the nation. The nominal PCPI of Oneida County sits between the state and nation. In 2014, the nominal PCPI of Oneida County was \$45,061.

The share of income by its components in Oneida County differs from the share of income in the United States and Wisconsin. Typically, wage earnings are the most prominent source of income. While wage earnings are the largest source of income in Oneida County, they are a much smaller share of income compared to the state. Wage earnings comprise 55.3 percent of income in Oneida County compared to 65 percent in Wisconsin. Instead, 24 percent of income in Oneida County comes from personal current transfer receipts compared to 17.3 percent in the state. This reflects the older population in Oneida County.

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