

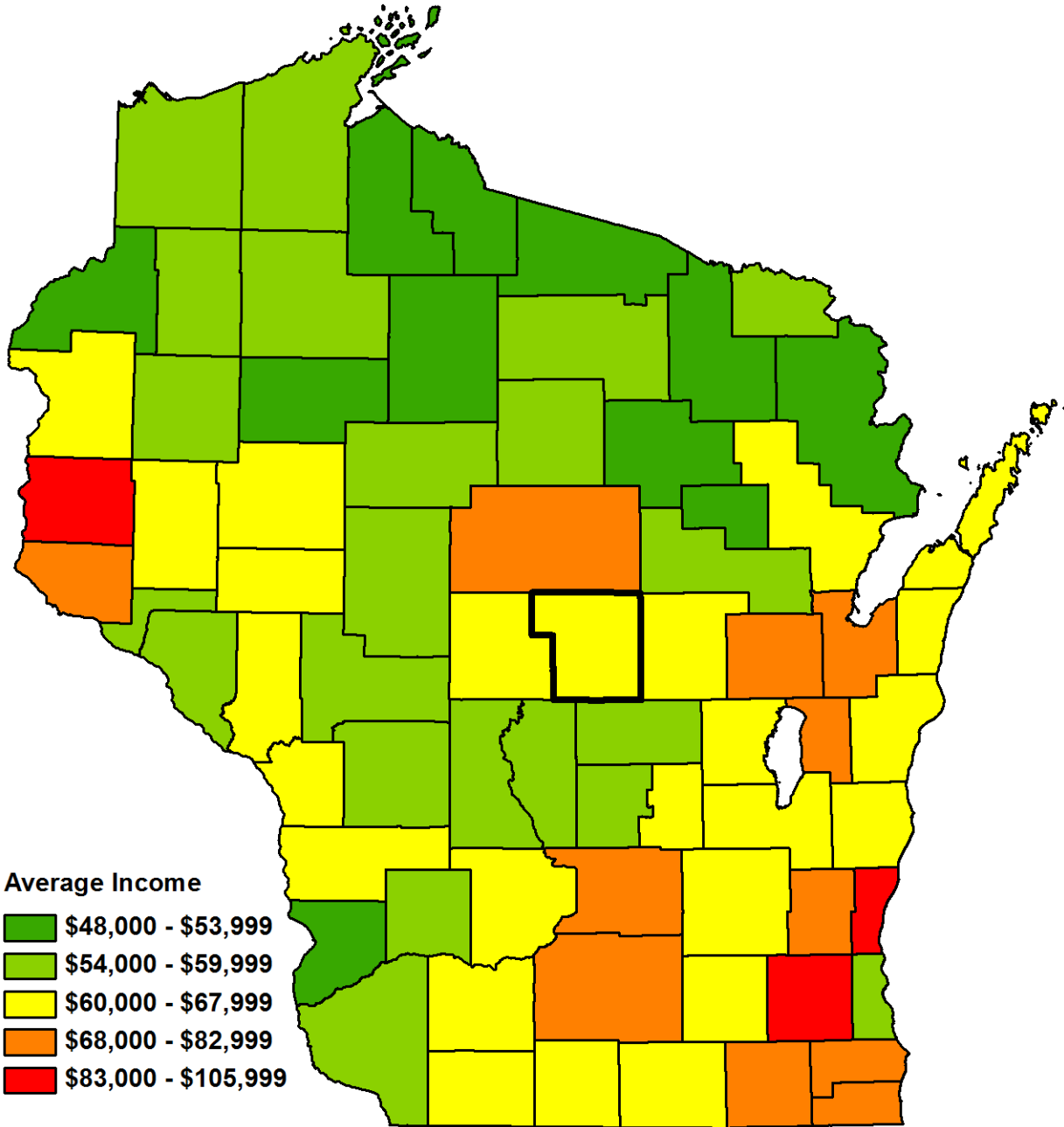


# Portage County

## WORKFORCE & ECONOMIC 2015 PROFILE



## Average Household Income By County



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

# 2015 Portage 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.

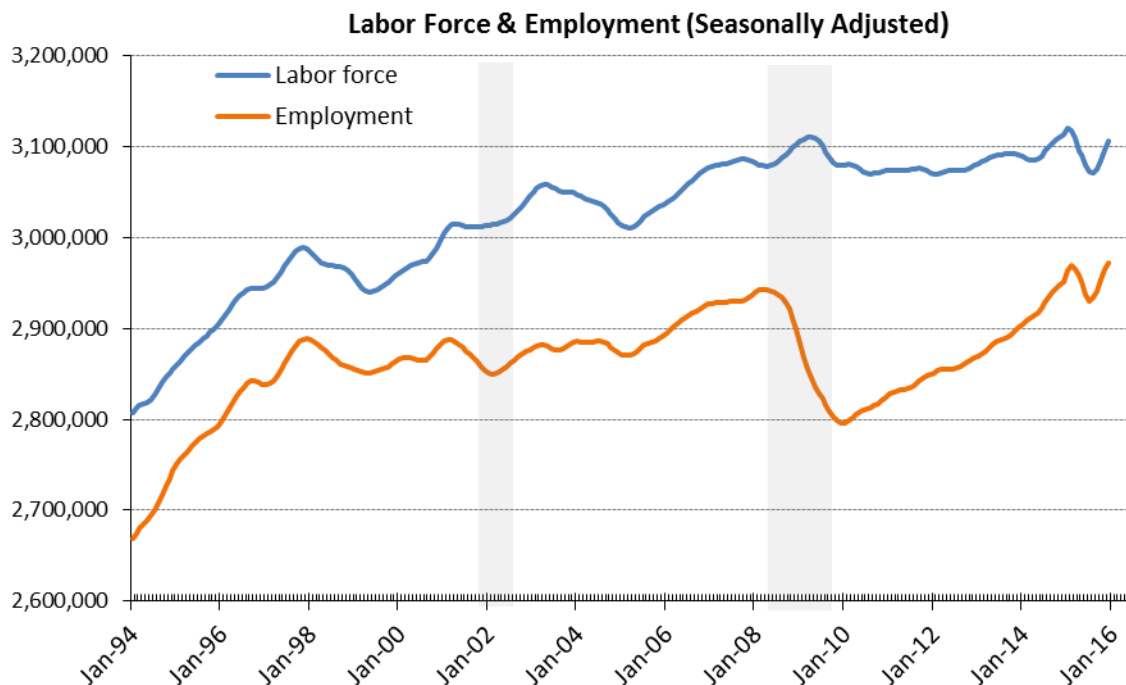
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency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

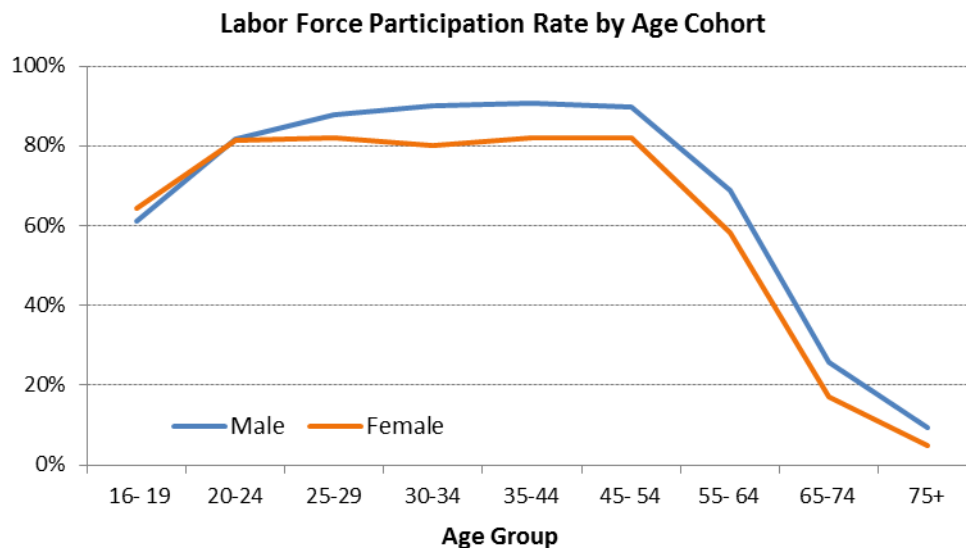
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance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

### Portage 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>Portage County</b> | 70,019            | 70,940                | 921            | 1.3%                |
| Stevens Point, City   | 26,717            | 27,037                | 320            | 1.2%                |
| Plover, Village       | 12,123            | 12,515                | 392            | 3.2%                |
| Hull, Town            | 5,346             | 5,379                 | 33             | 0.6%                |
| Stockton, Town        | 2,917             | 2,987                 | 70             | 2.4%                |
| Sharon, Town          | 1,982             | 2,007                 | 25             | 1.3%                |
| Grant, Town           | 1,906             | 1,917                 | 11             | 0.6%                |
| Plover, Town          | 1,701             | 1,724                 | 23             | 1.4%                |
| Whiting, Village      | 1,724             | 1,685                 | -39            | -2.3%               |
| Lanark, Town          | 1,527             | 1,548                 | 21             | 1.4%                |
| Amherst, Town         | 1,325             | 1,336                 | 11             | 0.8%                |

Source: Demographic Services Center, Wisconsin Department of Administration

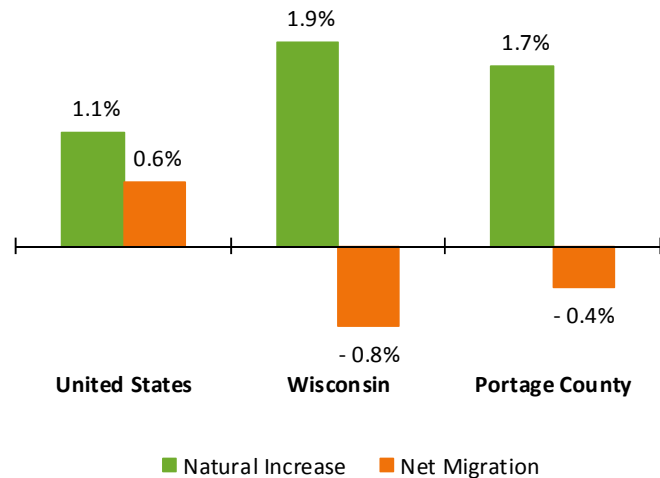
From the 2010 Census to early 2015, Portage County's estimated population increased by 921 residents, a 1.3 percent increase. This population growth rate is comparable to the rate in Wisconsin. Additionally, Portage County and Wisconsin are similar in their components of change, natural population change and net migration.

Natural population change measures the difference between births and deaths in an area. The 1.7 percent increase in Portage County due to natural population change is similar to the 1.9 percent increase in Wisconsin. Natural population change is particularly sensitive to age. With an estimated median age of 36.2 years, the residents of Portage County are among the youngest in the state. The higher rate experienced in Wisconsin is driven by growth in counties with large, young population centers such as Milwaukee County.

Net migration is the difference between residents moving into and residents moving out of an area. Portage County's net migration decrease of 0.4 percent was less than the 0.8 percent decrease in Wisconsin.

Over 81 percent of the population lives within Portage County's ten most populous municipalities with over 55 percent living in the city of Stevens Point and the village of Plover. The village of Plover had the greatest population increase over the first half of the decade with a gain of 392 residents, a 3.2 percent increase. Only the village of Whiting had a decrease with a loss of thirty-nine residents.

Components of Population Change

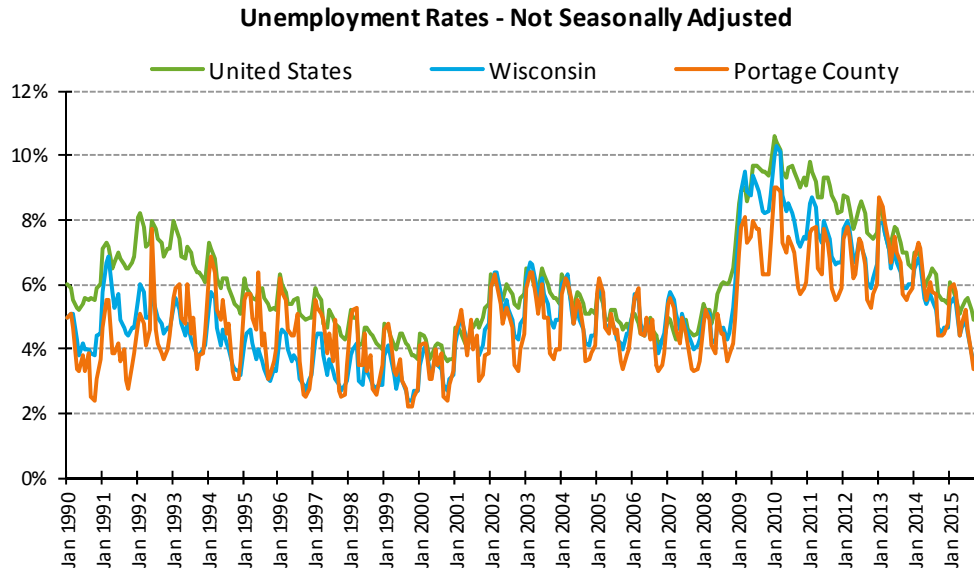


Source: Demographic Services Center, Wisconsin Department of Administration



## Labor Force Dynamics

In considering the full range of the data, Portage County's unemployment rate is comparable to the state rate and has been generally lower than the national rate. Since 2010, the unemployment rate has trended downward.



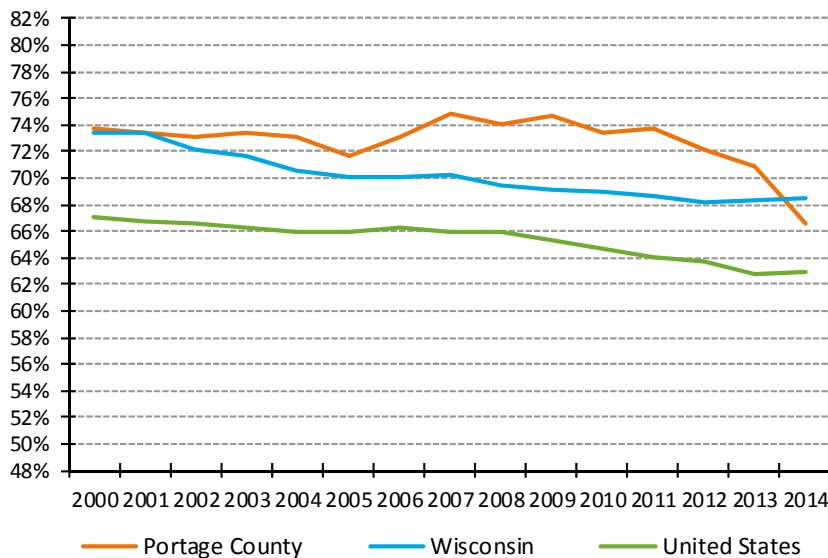
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Portage County's unemployment rate experiences seasonal 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 Portage County's unemployment rate arise in part from jobs in the Trade, Transportation, & Utilities and Leisure & Hospitality 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. Portage County is estimated to

### Labor Force Participation Rates



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

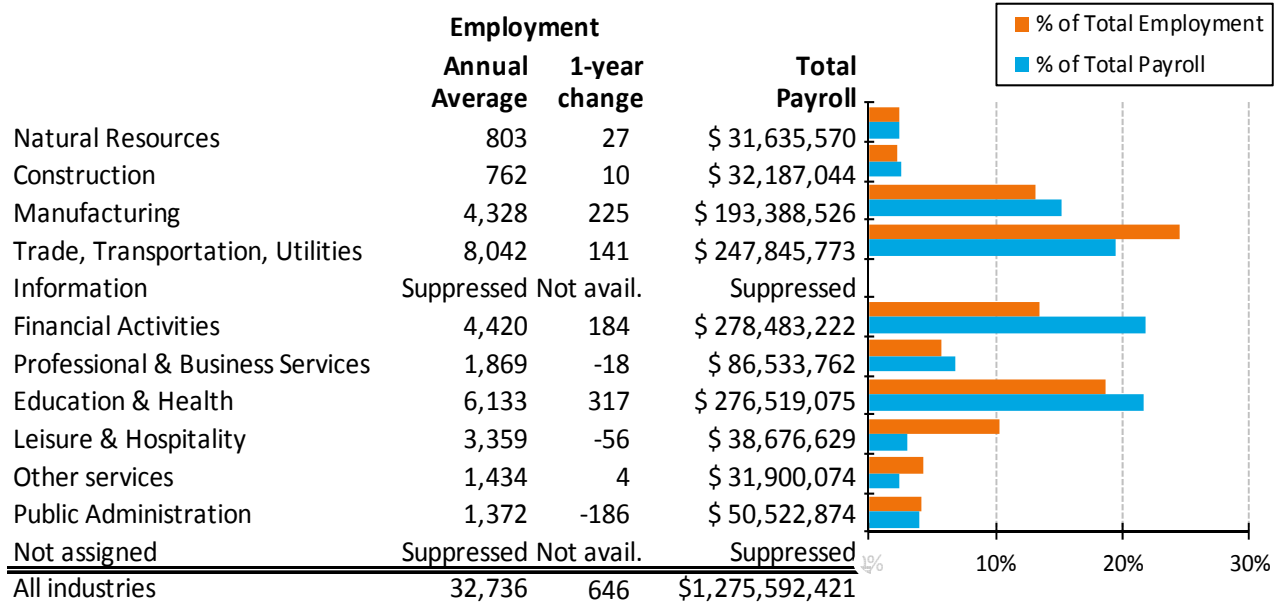
have a LFPR of 66.6 percent in 2014; a rate lower than the state rate at 68.5 percent but higher than the national rate at 62.9 percent. The LFPR of Portage County has often been higher than the state since 2000.

The LFPR can reflect both economic conditions and demographic changes. For instance, an aging population usually results in a lower LFPR. Until recently, the LFPR of Portage County was above that of the state and nation. This generally higher LFPR reflects the younger population of Portage County.



## Industry Employment and Wages

**2014 Employment and Wage Distribution by Industry in Portage 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 Portage County can be examined. While labor force information examines the employment status of Portage County residents, this information is based on establishments located within Portage County. Due to confidentiality disclosure concerns, data for all industry sectors may not be available.

The Trade, Transportation, & Utilities and Education & Health Services sectors have the largest share of jobs in Portage County. Together, these sectors accounted for over 43 percent of jobs in 2014. The Education & Health Services sector had the largest change in employment with a gain of 317 jobs. The Public Administration sector had the largest decrease with a loss of 186 jobs. From 2013 to 2014, Portage County gained a total of 646 job.

### Average Annual Wage by Industry Division in 2014

|                                   | Wisconsin Average Annual Wage | Portage County Average Annual Wage | Percent of Wisconsin | 1-year % change |
|-----------------------------------|-------------------------------|------------------------------------|----------------------|-----------------|
| All industries                    | \$ 43,856                     | \$ 38,966                          | 88.8%                | 3.6%            |
| Natural Resources                 | \$ 36,156                     | \$ 39,397                          | 109.0%               | 7.3%            |
| Construction                      | \$ 55,317                     | \$ 42,240                          | 76.4%                | 5.2%            |
| Manufacturing                     | \$ 54,365                     | \$ 44,683                          | 82.2%                | 2.4%            |
| Trade, Transportation & Utilities | \$ 37,362                     | \$ 30,819                          | 82.5%                | 3.9%            |
| Information                       | \$ 62,482                     | suppressed                         | Not avail.           | Not avail.      |
| Financial Activities              | \$ 61,884                     | \$ 63,005                          | 101.8%               | -1.2%           |
| Professional & Business Services  | \$ 52,386                     | \$ 46,299                          | 88.4%                | 8.0%            |
| Education & Health                | \$ 44,829                     | \$ 45,087                          | 100.6%               | 5.2%            |
| Leisure & Hospitality             | \$ 16,055                     | \$ 11,514                          | 71.7%                | 5.4%            |
| Other Services                    | \$ 25,847                     | \$ 22,246                          | 86.1%                | 1.6%            |
| Public Administration             | \$ 44,462                     | \$ 36,824                          | 82.8%                | -1.0%           |

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

While the average wage in Portage County is 11.2 percent lower than the state, the average wage in the Natural Resources, Financial Activities, and Education & Health Services sectors is higher. Wage growth in the Natural Resources and Professional & Business Services sectors has been very strong while the average wage in the Financial Activities and Public Administration sectors have 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 Portage 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 loss 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. Most occupational groups are projected to gain jobs. One group; Farming, Fishing, and Forestry; is projected to lose 312 jobs by 2022, a 12 percent decrease.

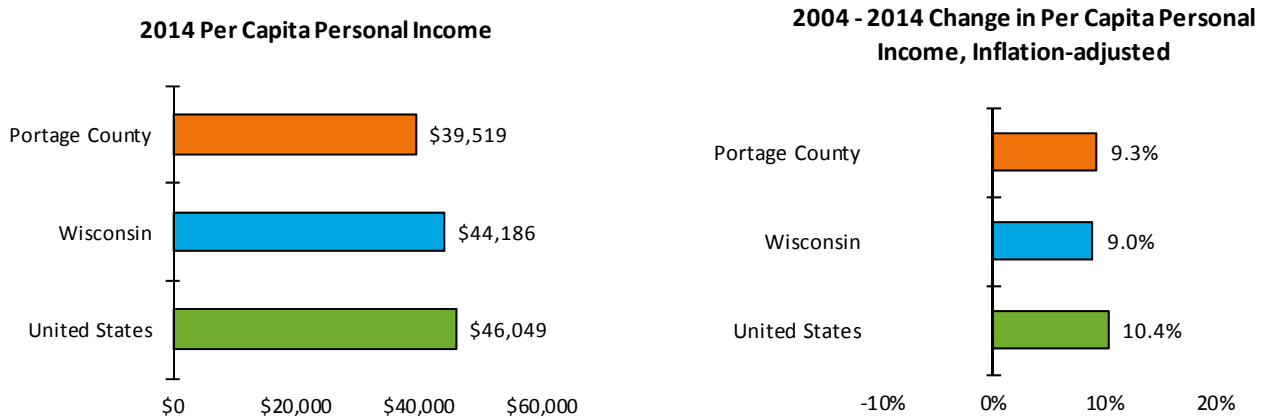
## Personal Income

|                | 2004 Nominal<br>Per Capita<br>Personal Income | 2004 Per Capita<br>Personal Income in<br>2014 dollars | 2014 Per Capita<br>Personal Income | Nominal Change in<br>Per Capita<br>Personal Income<br>(2004 - 2014) | Inflation-adjusted<br>Change in Per Capita<br>Personal Income<br>(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%   |
| Portage County | \$29,737                                      | \$36,143  | \$39,519                           | 32.9%   | 9.3%   |

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, Portage County had a 9.3 percent gain in its inflation-adjusted PCPI. This gain was similar



Source: Bureau of Economic Analysis

to the 9.0 percent gain experienced by the state but lower than the 10.4 percent gain experienced by the nation. Although Portage County's PCPI experienced gains similar to the state, its nominal value sits below the state and nation. In 2014, the nominal PCPI of Portage County was \$39,519.

The share of income by its components in Portage County is very similar to the shares of income in the United States and Wisconsin. Typically, wage earnings are the most prominent source of income. With similar shares of income, the lower PCPI in Portage County reflects the lower wages paid by employers. The average wage in Portage County is 88.8 percent of the average wage of the state. Similarly, the PCPI of Portage County is 89.4 percent of the PCPI of the state.

**For More Information:**

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