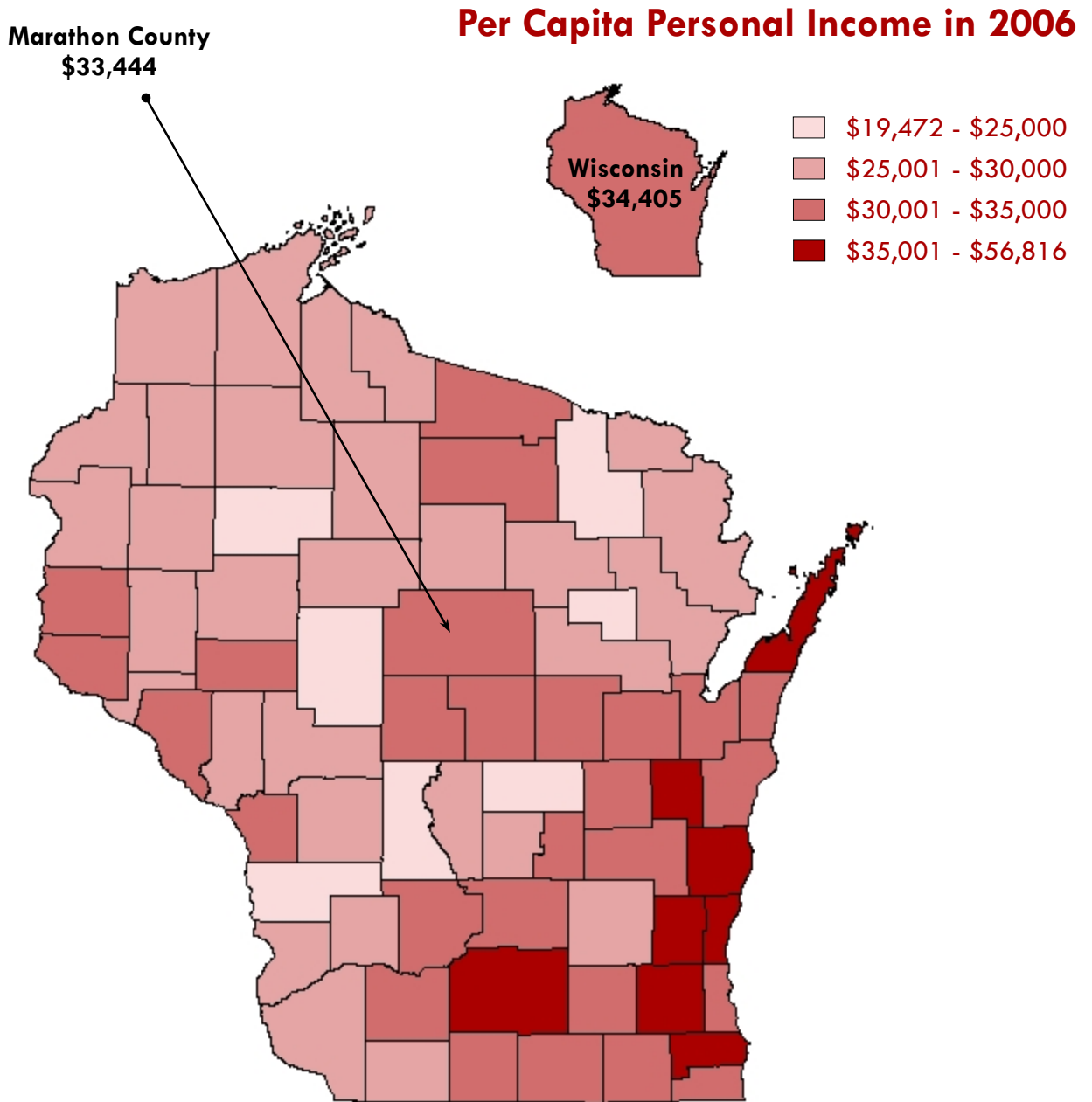


# Marathon County Workforce Profile



2008

## Office of Economic Advisors

Wisconsin Department of Workforce Development  
OEA-10629-P

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### Population

Marathon County's population increased by over 8,000 since 2000, to 134,028, for the latest data available. This 6.5 percent gain is substantial and outpaces the population growth rate for the state.

The majority of that growth occurred in the City of Wausau and the Village of Weston. Growth rates of the cities in the county were significantly lower than the villages. This is due to the math that cities usually have more residents and a relatively large increase constitutes a relatively small percentage increase. For example, the City of Wausau added nearly 1,700 people, but only registered 4.3 percent growth. On the other hand, the Town of Weston added about 1,700 people, but registered a growth rate over 14 percent. No municipalities showed a decrease in population, but population growth rates in the towns of Rib Mountain and Maine were under two percent.

The age distribution in Marathon County in many ways mimics that of the state and the nation. You can see the Baby Boomers (those born from 1946 through 1964) hump in the 45 to 64 year-old cohorts in the graph below. The hump in the younger aged cohorts of 15 to 29 year-old cohort is the Echo (the kids of the baby boomers).

Overall, the age of the Marathon County population very much mimics that of the state. The average age of Marathon County residents is projected to be 38.2 years in 2010. The state average in 2010 is projected at 38.1 years of age. Marathon County's population is expected to age in congruence with the state average, at 41.2

#### Marathon County's Ten Most Populous Municipalities

	April 2000 Census	Jan.1, 2007 Estimate	Numeric Change	Percent Change
<b>United States</b>	281,421,906	300,888,812	19,466,906	6.9%
<b>Wisconsin</b>	5,363,715	5,647,000	283,285	5.3%
<b>Marathon County</b>	125,834	134,028	8,194	6.5%
Wausau, City	38,426	40,080	1,654	4.3%
Weston, Village	12,079	13,805	1,726	14.3%
Rib Mountain, Town	7,556	7,661	105	1.4%
Kronenwetter, Village	5,369	6,254	885	16.5%
Rothschild, Village	4,970	5,321	351	7.1%
Mosinee, City	4,063	4,194	131	3.2%
Maine, Town	2,407	2,452	45	1.9%
Stettin, Town	2,191	2,351	160	7.3%
Mosinee, Town	2,146	2,299	153	7.1%
Schofield, City	2,117	2,264	147	6.9%

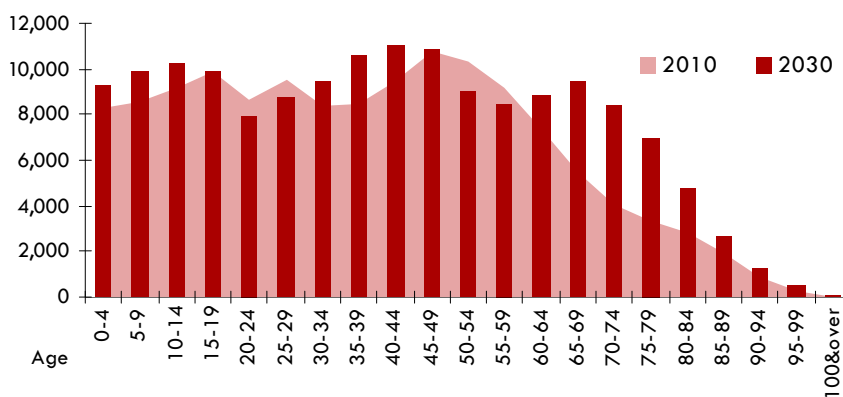
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

years of age as compared to the state average of 41.0 years of age in 2030.

Make no mistake, Marathon County will see a definite aging process occur. The 60 and older share of the county's population will increase in a fairly rapid manner. In 2010, Marathon County residents that are 60 years of age and older will represent 19.1 percent of the total county population. Come 2030, those aged 60 and over will be 27.0 percent of the population. Those younger than 60 years old will increase in number, but will decrease in percentage terms. There will be over 4,800 more county residents younger than 60 years of age in 2030, but their share of the population will fall from 80.9 percent to 73.0 percent.

The sheer size of the Baby Boomers moving up the longevity ladder will raise the average age in the county and affect the workforce. As the population and the workforce age, barely enough workers will be available to replace those retiring. While most Baby Boomers don't plan to fully retire as soon as they are eligible, most will move into other positions. Only 5 percent of workers eligible for full retirement benefits remain full-time in their pre-retirement positions, instead pursuing other interests and opportunities. Even the older workers that decide to stay in the workforce will experience lower productivity on average due to lack of technology savvy, desire to work only part-time, and afflictions that come naturally with ageing.

**Population by Age Cohorts in Marathon County**



In 2010, the average Marathon County resident will be 38.2 years old.  
 In 2020, the average Marathon County resident will be 39.7 years old.  
 In 2030, the average Marathon County resident will be 41.2 years old.

Source: WI Dept. of Administration, Demographic Services, & WI DWD, OEA

### Population & Labor Force

Population Projections for Marathon County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force-Aged Population	Total Population
Years	Population					
2010	28,041	34,435	38,919	35,335	108,689	136,730
2020	29,837	35,105	37,704	45,518	118,327	148,164
2030	31,415	34,083	41,493	51,183	126,759	158,174
Distribution of Labor-Force-Aged Population						
2010		31.7%	35.8%	32.5%	100.0%	
2020		29.7%	31.9%	38.5%	100.0%	
2030		26.9%	32.7%	40.4%	100.0%	

Source: WI Dept. of Administration, Demographic Services

We are in a new era in the relationship between the population and the labor force. The previous era was defined by the large size of the Baby Boomer generation (those born from 1946 and 1964) plus the propensity of women to enter the workforce. This combination immensely swelled the workforce beginning in the late 1960s. Forty years later, that workforce swelling is on the cusp of deflating. The first Baby Boomers entered the workforce around 1964 and the rest followed *en masse*. The first Boomers are now eligible for reduced Social Security benefits (the '46ers turned 62 years of age this year) and will be eligible for full benefits in 2011. (We use this milestone as a proxy to judge retirement inclinations.) Soon thereafter, the Boomers will exit the labor force *en masse*.

Some of the Boomers will delay retirement by a few years for a variety of reasons, such as money needs, health care benefits, social contacts, or desire to contribute. However, the movement is inevitable and unprecedented. One deviation from a total reversal of the previous era's trend is that women will remain in the workforce in high numbers. The flip side is that women can no longer be called upon to further augment worker numbers; they are tapped out as workforce segment to be mobilized.

Wisconsin, the upper Midwest, and places like Marathon County will see their workforce growth depend primarily on net in-migration. Slightly more than half, 53 percent, of Marathon County's population growth was due to net in-migration. This is a conundrum given that most U.S. migration is occurring from north to south.

As you can see in the tables and graphs on this page, Marathon County's population will age and increase over the next twenty years. However, the county's labor force growth rate will flatten out dramatically. Marathon County's population will grow about 16 percent from

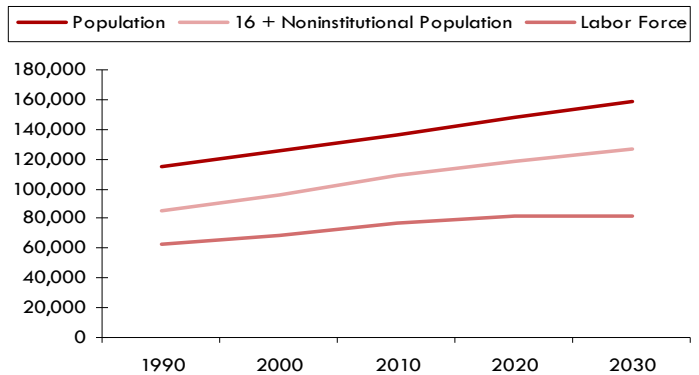
2010 to 2030. Its labor force growth rate, on the other hand, will slow to about 5 percent for the period. Worse, the labor force growth rate from 2020 to 2030 will be just 0.14 percent. That is an increase of only 111 workers, miniscule.

The effects of this new population/workforce era will be widely distributed. Never before has the U.S., Wisconsin, or Marathon County faced a long-term flat or declining rate of

workforce growth. The economic ramifications of this new era are enormous. Without increases in total factor productivity, and thus earnings and purchasing power, demand for goods and services will stagnate.

The region's unfulfilled demand for workers in the 1990s was a function of jobs. This new era's slow workforce growth will be a function of talent — quantity and quality.

Marathon County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Marathon County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	28,615	34,283	14,632	77,530
2020	28,982	33,420	18,908	81,310
2030	28,137	36,733	16,551	81,421
Distribution of Labor Force				
2010	36.9%	44.2%	18.9%	100.0%
2020	35.6%	41.1%	23.3%	100.0%
2030	34.6%	45.1%	20.3%	100.0%

Source: WI DWD, OEA

## Labor Force

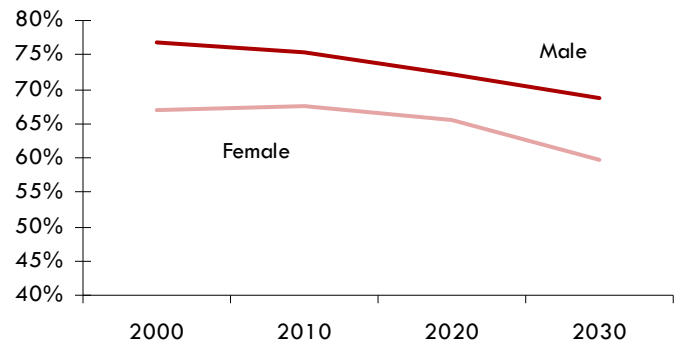
Looking at the labor force in more detail requires the introduction of the Labor Force Participation Rate (LFPR) concept. LFPR is the share of the eligible population (essentially the non-institutionalized population aged 16 years and older) that are working or looking for work. As we mentioned earlier, the LFPR for women soared beginning in the 1960s. The chart at top right indicates, that on the whole, the LFPR for women is lower than for men. For most young and old age cohorts, women's LFPRs are similar to men's. Female participation rates are lower than males' during the child-bearing ages 20 to 45. Thereafter, men's LFPRs stay slightly above the women's. This is partly due to the fact that more men die in these older cohorts, boosting the LFPR. The combined affect leaves overall women's LFPRs lower than men's.

Marathon County's LFPR for men is significantly above the state average. For example, the male LFPR for Marathon County in 2000 was 76.8 percent, compared to 74.3 percent for the state. Marathon County men's LFPR is projected to stay above the state average into the future, 68.8 percent versus 66.9 percent for the state in 2030. Marathon County women's LFPR is also significantly above the state average, 67.0 per cent vs. 64.2 percent, and expected to remain that way for the projection period.

Marathon County's female LFPR dips some in the age cohorts between 30 and 45 years of age. This coincides with the primary childbearing years. This pattern is more significant in Marathon County than for the state as a whole. The county's female LFPR never rises much again before it begins to drop rapidly for the older cohorts.

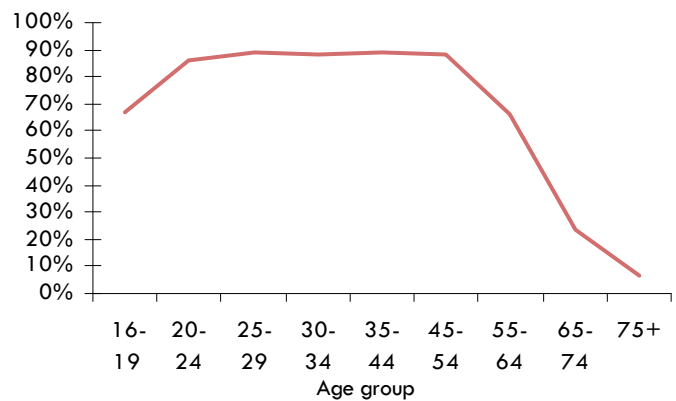
What can also be seen in the top right chart is that LFPRs for men and women are expected to decrease over time. Recent evidence indicates that LFPRs for older working men and women (aged 55 and older) have been rising as per our previous discussion. This should raise the curve and contribute to a boost in the workforce as Baby Boomers stay in the workforce longer. However, you can see in the lower right graph that LFPRs for those 55 years of age and older drop precipitously. Even though the

**Labor Force Participation Rates by Sex: 2000-2030**



Source: WI DWD, OEA

**Labor Force Participation Rates by Age in 2000**



Source: Census 2000, SF-3

participation rates for older workers are increasing, it won't offset the sharp declines in the rates for older cohorts. In addition, the LFPR for young people, the 16-24 year old cohort, is projected to decrease, due to an increase in immediate post-secondary education.

This leaves overall participation rates and workforce growth on a flat and then declining trend in the next twenty years as aging Baby Boomers exiting the workforce overwhelm the number of new entrants.

Marathon, like many other Wisconsin counties, must pay heed to retaining and attracting skilled workers to the area to support the regional economy. This is especially true to support the growing industries, such as health care and financial services, and for replacement jobs for retirees in the manufacturing industries in the region.

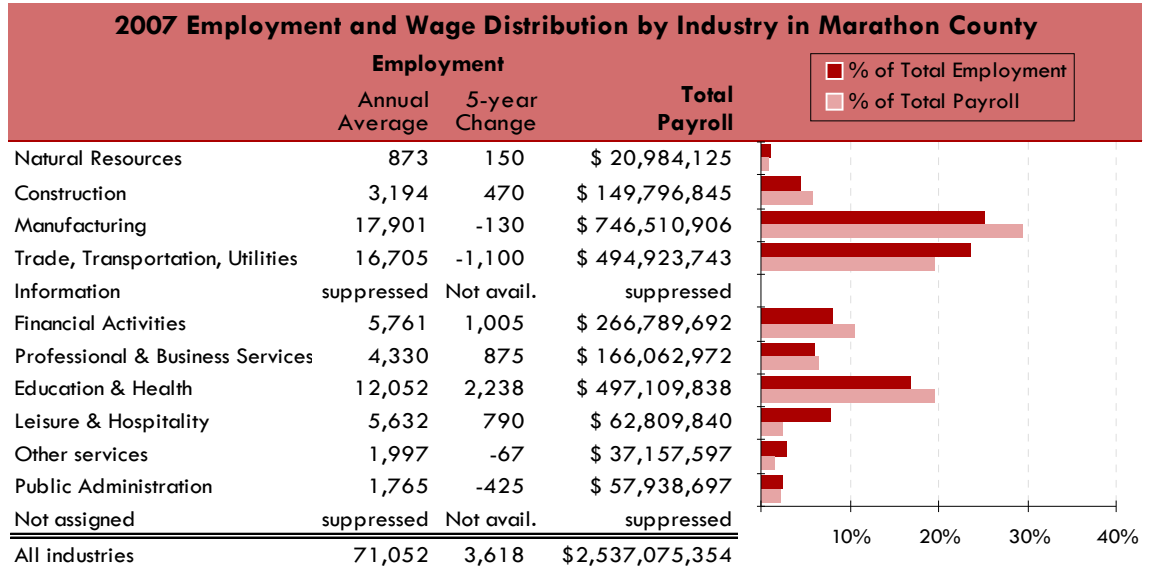
### Marathon County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	73,837	73,092	74,599	75,416	75,253
Employed	70,239	69,894	71,475	72,181	71,920
Unemployed	3,598	3,198	3,124	3,235	3,333
Unemployment Rate	4.9%	4.4%	4.2%	4.3%	4.4%

Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

### Jobs & Wages

Jobs and wages are the lifeblood of any economy. The more good-paying jobs in a region, the better the prospects for its economy. Marathon County has a diversity of industry employment, but jobs are dominated by the manufacturing sector. A quarter of the county's jobs are in the manufacturing industry compared to 18 percent for the state. This attribute is an asset and a liability. As the chart above shows, manufacturing's total payroll contributes a substantially higher share to total payroll than it does to total county employment. This means that manufacturing jobs in Marathon County pay relatively well. The problem for the local economy is that manufacturing jobs are on the decline. Marathon County is not alone in this respect as manufacturing jobs are becoming a smaller share of U.S. and Wisconsin total jobs. Although the county's manufacturing jobs pay less than the state average (allowable due to lower living costs), the



Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2008

five-year wage growth rate exceeds that of the state.

The trade, transportation, and utilities industry also employs a large share of Marathon County workers and is losing jobs, but the industry's wages are a smaller share of total earnings than total employment, indicating lower wages per worker.

A very positive sign for Marathon County is that other industry jobs that are supplanting the manufacturing jobs also pay good wages. Financial activities, professional and business services, and education and health services

added over 4,100 jobs in the county in the last five years. These jobs are among the highest paying jobs in the county. Education and health care services jobs pay more than the state average and are growing faster. These three industries' contribute more to total payroll in the county than they do employment, an indicator that jobs in these industries are relatively high-paying for the county. These industries also require a higher level of skills than do other industries, such as leisure and hospitality.

### Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Marathon County as a Share of Wisconsin	Marathon County 5-year % Change	Wisconsin 5-year % Change
	Marathon County	Wisconsin			
All industries	\$35,707	\$38,070	93.8%	17.9%	17.4%
Natural Resources	\$24,037	\$29,235	82.2%	30.4%	14.7%
Construction	\$46,899	\$47,489	98.8%	28.6%	19.8%
Manufacturing	\$41,702	\$47,106	88.5%	17.4%	16.1%
Trade, Transportation & Utilities	\$29,627	\$32,762	90.4%	14.8%	15.3%
Information	suppressed	\$48,483	Not avail.	Not avail.	24.7%
Financial Activities	\$46,310	\$50,749	91.3%	12.4%	25.8%
Professional & Business Services	\$38,352	\$44,328	86.5%	20.0%	22.0%
Education & Health	\$41,247	\$39,606	104.1%	17.2%	17.3%
Leisure & Hospitality	\$11,152	\$13,589	82.1%	17.8%	14.8%
Other Services	\$18,607	\$22,073	84.3%	8.7%	13.2%
Public Administration	\$32,826	\$39,879	82.3%	15.3%	18.1%

Source: WI DWD, Workforce Training, QCEW, June 2008

**Jobs & Wages**

Prominent Industries in Marathon County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Marathon County	Marathon County	Wisconsin	Marathon County	Wisconsin	Marathon County	Wisconsin
Wood product manufacturing	3,951	-8.5%	-6.8%	\$ 32,978	\$ 31,799	16.6%	12.3%
Food services & drinking places	3,951	12.6%	9.1%	\$ 10,192	\$ 10,859	11.5%	14.5%
Insurance carriers & related activities	3,782	14.0%	5.8%	\$ 52,206	\$ 56,218	11.9%	27.8%
Educational services	3,760	6.3%	2.0%	\$ 37,745	\$ 39,753	11.2%	15.0%
Hospitals	3,644	not avail.	12.6%	\$ 37,686	\$ 43,750	not avail.	24.1%
Fabricated metal product manufacturing	3,267	-5.5%	8.6%	\$ 38,967	\$ 43,765	5.8%	15.4%
Ambulatory health care services	2,692	40.7%	8.7%	\$ 64,467	\$ 57,969	16.4%	18.5%
Machinery manufacturing	2,675	44.5%	-4.5%	\$ 54,375	\$ 53,720	39.7%	19.1%
Merchant wholesalers, nondurable goods	2,322	19.6%	4.7%	\$ 32,859	\$ 46,622	13.0%	15.5%
Paper manufacturing	2,272	-13.7%	-23.2%	\$ 54,750	\$ 55,837	10.5%	9.9%

Note: \* data suppressed for confidentiality and not available for calculations  
Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, June 2008

Wood product manufacturing is the largest manufacturing industry in Marathon County, followed closely by fabricated metal product, machinery, and paper manufacturing. Together the four industries accounting for two-thirds of all manufacturing jobs in the county. Machinery manufacturing is showing robust jobs growth. Global demand for machinery is boosting demand in most quarters. County wages in the industry exceed the state industry average and are growing faster. Fabricated metal employment is decreasing in Marathon County, but rising elsewhere in the state, also largely due to export markets.

The housing market is currently in an abysmal state. However, window and door manufacturing might serve as the foundation for an economic development industry

cluster formed around the current energy conservation agenda. Matching the production expertise with new energy-efficient applications and higher value-added products could be a key to expanding the manufacturing sector in the area.

Other growing industries with major employers in Marathon County include insurance carriers, educational services, and health care. Marathon County and the surrounding area have a concentration of major insurance businesses.

Health care is one of the fastest growing industries in the nation and the state. Again, Marathon County and the surrounding area has a high concentration of health care facilities for research and clinical care. Providing health care to aging Baby Boomers is and will be a growing industry for the next 20 years.

Marathon County should take advantage of its clusters in health care and insurance to devise progressive solutions to the provision of health care, particularly toward the aging baby boomer generation.

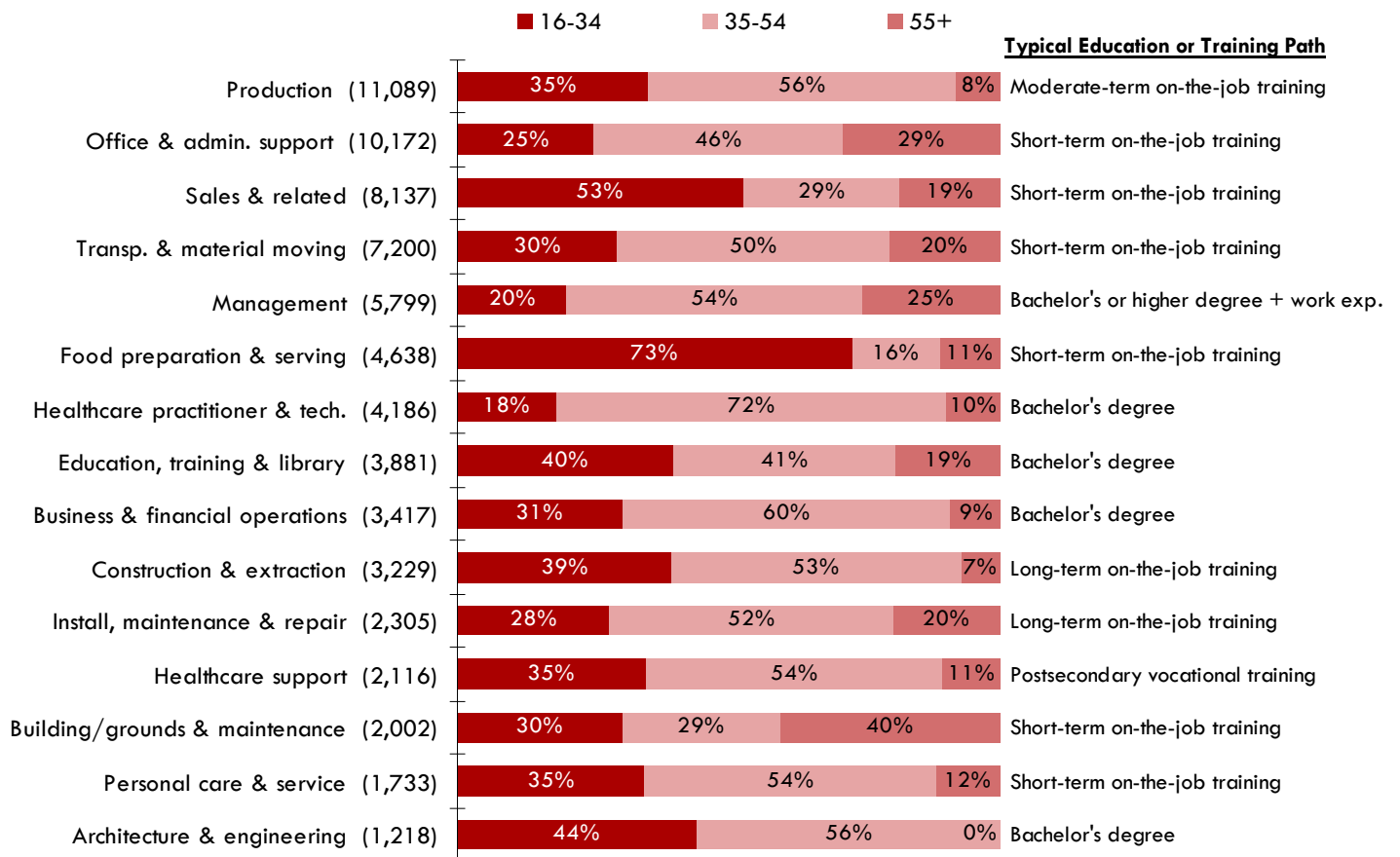
Prominent Public and Private Sector Employers in Marathon County		
Establishment	Service or Product	Number of Employees (March 2007)
Aspirus Wausau Hospital	General medical & surgical hospitals	1000+ employees
Greenheck Fan Corp	Industrial & commercial fan & blower mfg.	1000+ employees
Kolbe & Kolbe Millwork Co Inc	Wood window & door manufacturing	1000+ employees
Wausau School District	Elementary & secondary schools	1000+ employees
Liberty Mutual Insurance Co	Direct property & casualty insurers	1000+ employees
Foot Locker Corporate Services Inc	Mail-order houses	1000+ employees
Apogee Wausau Group Inc	Metal window & door manufacturing	1000+ employees
Marathon Cheese Corp	Dairy product merchant wholesalers	500-999 employees
North Central Health Care Facilities	Psychiatric & substance abuse hospitals	500-999 employees
Fiserv Health Plan	Direct property & casualty insurers	500-999 employees

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, April 2008

**Occupations & Typical Education or Training**

**Age Distribution of Workers in Selected Occupational Groups**

Data includes residents of Marathon County.



Note: Occupation groups are in descending order based on the number of workers in each group.  
Source: 2006 U.S. Census, ACS PUMS & WIDWD, OEA

The chart above shows the demographic breakout of workers in selected professions in three major age categories in Marathon County: younger workers, prime working years, and older workers (those not long to or past retirement eligibility). The typical training path for each profession is also presented.

Most of the professions listed are heavily weighted within the prime working years category. Others have obvious deviations. For example, food preparation is skewed to younger workers, and management toward the older workers. Construction is also a younger person's endeavor.

In light of the Baby Boomer demographic phenomenon, it is bit disconcerting that only 18 percent of healthcare practitioners and technicians in the Marathon County are younger workers. This is partly due to the fact that the more skilled positions in the profession require advanced

education that can't be accomplished by people younger than 20 years of age. Nevertheless, attracting younger workers to the health care field in the county should be a major effort. The good news is that county health care practitioners have one of the lowest shares of older workers in the industries listed above.

Health care support workers on the other hand, have almost double the share of young workers. These jobs usually require less training and are thus more available to younger workers.

Buildings and grounds workers are heavily skewed to the older workers. But their typical training requirements are short-term on-the-job training, so additional workers could be brought on rapidly if retirements severely impact the number of available workers in the near future.

## Occupations & Typical Education or Training

The right column of the chart on page 6, gives the typical education or training path for the occupations listed. Typical refers to the amount of education and training that is most often required for workers in the occupations. For example, short-term on-the-job training refers to on-site training that usually lasts days or weeks.

Generally speaking, the more education and/or training a worker has, the higher the worker's wages. For example, teachers and nurses make more money than retail sales clerks. Healthcare practitioners and technical occupations typically require a bachelor's degree, although this is not always the case. Most occupations requiring education beyond high school command a higher than average wage, which was \$35,707 per year in Marathon County in 2007.

Among the fastest growing industries in Marathon County are ambulatory health care services and machinery manufacturing. The average annual pay for these industries in Marathon exceed the average county wage by a large margin. The ambulatory health care services professions usually require a college degree. Machinery manufacturing jobs these days often require some post-secondary training.

The hospital and ambulatory health care service

industries usually show a spectrum in earnings based on skills. Hospital staffing is cone-shaped by skills with a relatively few doctors at the top and many support personnel as the base. Healthcare practitioners and technicians typically require a bachelor's degree and their earnings reflect that level of training and skill set. The typical training path for healthcare support jobs is usually some vocational training and their earnings are based on the relative value of those skills.

The Marathon County food services and drinking places industry employs the same number of workers as wood products manufacturing. It generally constitutes a large share of workers in most other counties. Food preparation and serving jobs are relatively low-skilled and low-paying. The age of the workers is highly skewed to the younger end of the age spectrum. Many of these occupations, such as waiters, hosts, and retail salespersons, have high turn-over rates and usually open positions are filled by younger workers. Occupations within this group typically require less than a month of on-the-job training at the jobsite. The average annual earnings for these positions in Marathon County is just more than \$10,000 per year and slightly less than the state average.

## Income

There are three components of total person income: net earnings; dividends, interest and rent; and transfer receipts. Net earnings come from employment, whether self-employed or working for someone else. Dividends, interest and rents come from investments, savings accounts, dividends, retirements payments from company pensions, or 401(k) plans. Transfer receipts come from state and federal governments and are represented by social security, welfare, veterans benefits, and other payments received from public agencies.

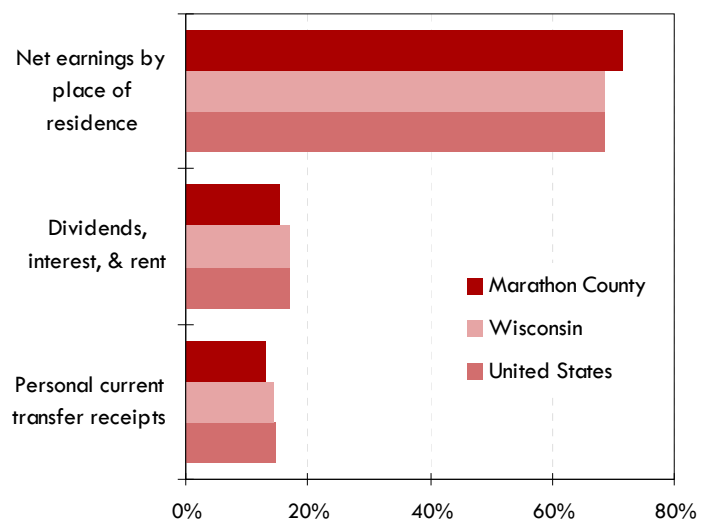
Net earnings provides the largest percentage of personal income, usually over two-thirds. Marathon County residents' share of income from earnings is somewhat higher than the state and the nation, almost 72 percent versus 68 percent for Wisconsin and the U.S.

Conversely, Marathon County deviates from the state and national distributions with lower dividends and lower transfer payments. This is an indication that the county relies more on income from work and less on investments and public programs. County residents may want to focus more on investment opportunities to build wealth.

As the baby boomers in Marathon County age through their work cycle, we expect to see more income drawn from dividends and then transfer receipts as they tap into

retirement accounts and Social Security and other public benefit programs. The degree of shift will be dependent on the accumulated investment wealth of the county's population.

**Components of 2006 Total Personal Income**



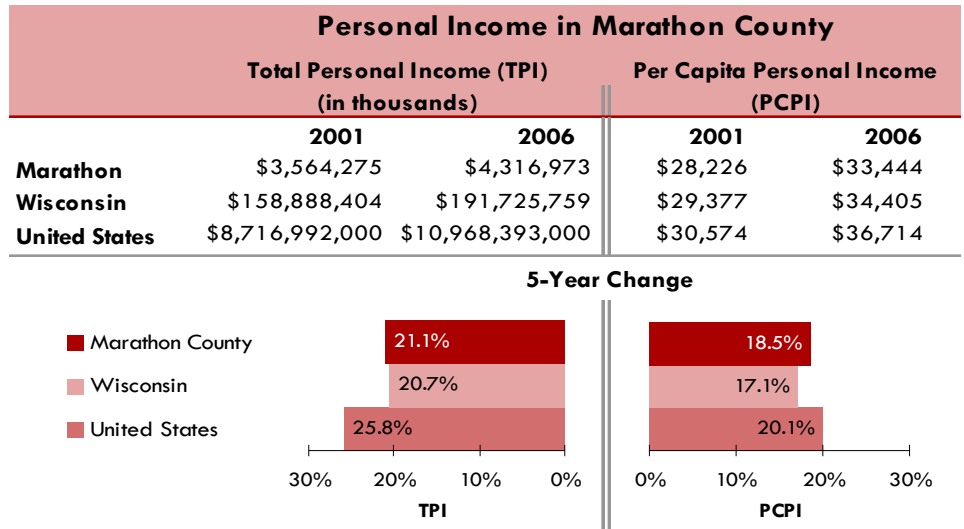
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

## Income

Income measures are important inputs into measuring economic vitality. Among other measures, total income and total per capita income are monitored for trends. Total personal income (TPI) is income received from all sources. This includes income for county residents commuting to other counties for work, but not people working in the county but living elsewhere. Per Capita Personal Income (PCPI) is calculated by dividing TPI by the population in the area.

While TPI is a straight forward number, PCPI can be affected by the type of residents in a county. If there are a large proportion of residents that don't work because they are too young, for example, PCPI will be less because TPI is less and yet must be divided by the same population. If there are a large number of retired residents in an area, PCPI will probably be lower since the amount they are collecting from pensions and/or social security may be less than the earnings they received when employed. This would also decrease the amount of TPI while keeping the same population denominator when calculating PCPI.

Total Marathon County personal income increased 19.4 percent over the five-year period from 2001 through 2006. Per capita income increased 17.2 percent. Both of these values are higher than state averages. The faster-



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007

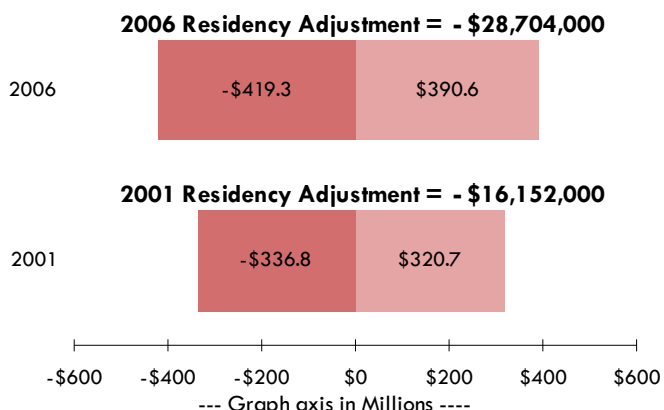
than-state average growth in population and jobs in Marathon County has boosted TPI. The robust increase in well-paying manufacturing and health care jobs have significantly raised PCPI.

At face value, an increase in per capita income is a positive sign; people are better off. Marathon County's TPI is growing faster than its PCPI, indicating that the population is growing relatively rapidly. Combined with population age data, it suggests more young people are moving into the county with their children. As stated earlier, increases in population too young to work will dampen the growth rate in PCPI. In a time of aging baby boomers and young people leaving their hometowns to pursue opportunities elsewhere, Marathon County seems to be countering that trend. This is a positive sign for the long-term economy of the county and the region. Educating and training these young people for the local jobs of the future will be mandatory to continue the economic success of Marathon County and the region.

There were 71,920 employed people living in Marathon County in 2007 (see page 3). But, there were only 71,052 jobs (see page 4). Almost 900 people work outside Marathon County. Yet, as you can see in the chart to the left, earnings outflows are greater than inflows. This indicates that workers commuting into Marathon County are earning more than county residents working outside the county, and the in-commuters are taking the earnings back home. The net result is a loss of almost \$29 million dollars leaving the county in 2006, an increase of over \$12 million dollars since 2001. Marathon County needs to generate more skilled jobs and matched talent in order to keep workers and their earnings in the county.

### Marathon County Commuting Impact

- Earnings of workers living in another county (outflow)
- Earnings of residents working in other counties (inflow)



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007