

# Marathon County Workforce Profile

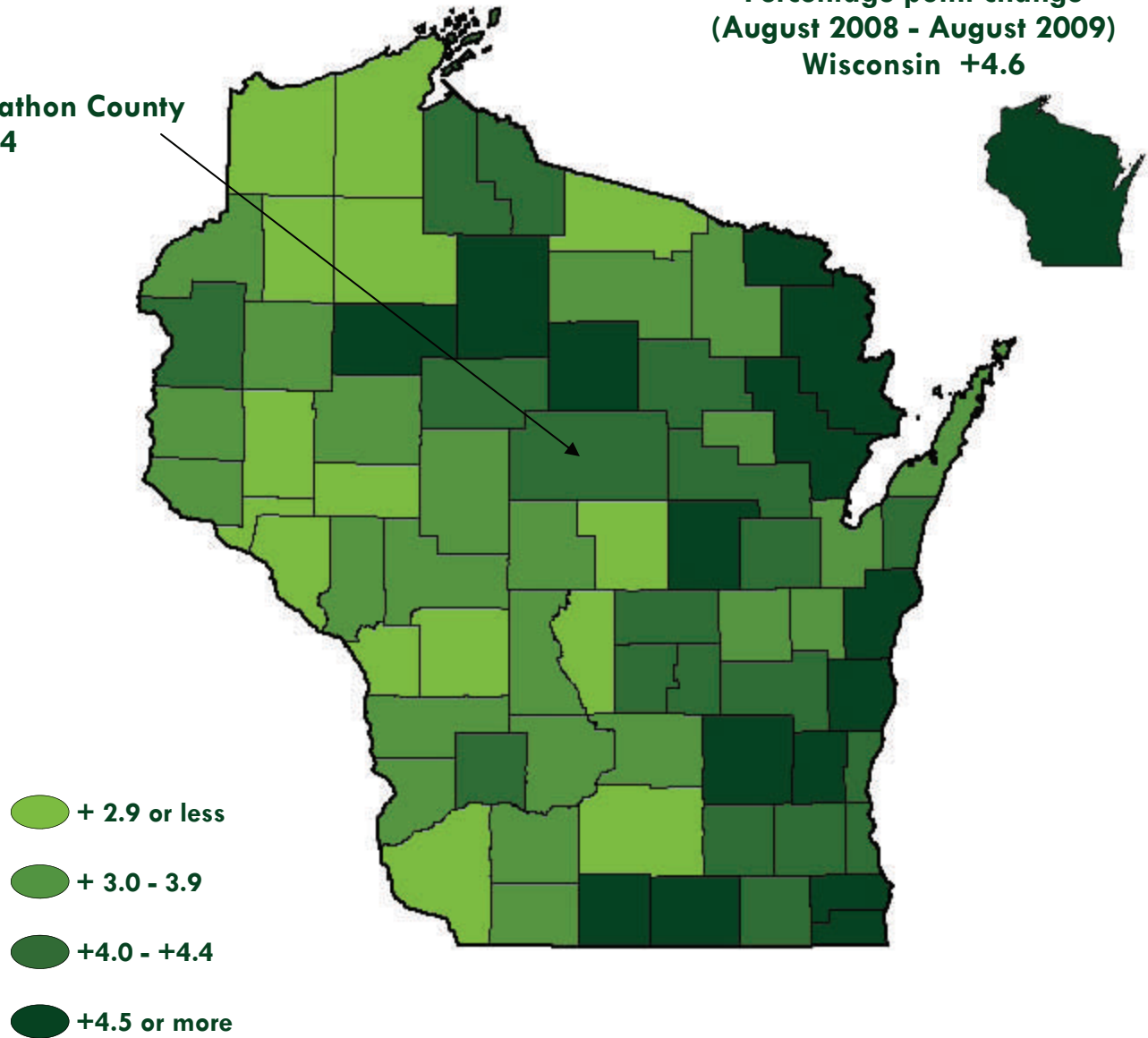
## 2009

### Unemployment Rate Increases

Percentage point change  
(August 2008 - August 2009)

Wisconsin +4.6

Marathon County  
+ 4.4



**Note:** This year's County Workforce Profile has a slightly different layout. The first two pages give a brief synopsis of the recession, the worst by most measures since the Great Depression. We would be remiss if this publication didn't recognize and report on it. More information about the stages of the recession can be found on our website: <http://dwd.wisconsin.gov/oea/>. In the subsequent pages of the Profile, readers will find the figures and analysis they depend on. If you have any questions or comments, please don't hesitate to contact us.

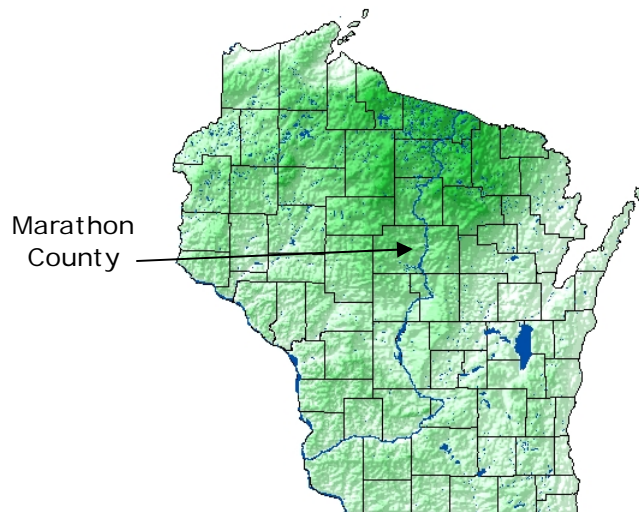
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Wisconsin Department of Workforce Development

# Marathon County Workforce Profile



Note: All data appearing in this profile are subject to revision.

## The Big Picture

As this piece of the profile is written in mid-September 2009, the economic recovery appears to be underway. It is expected that the trough of the recession will be registered in the third quarter of 2009 when it is finally decided by the National Bureau of Economic Research (NBER) in about a year from now. It is the NBER that pegged the beginning of the recession at December 2007. This recession will be documented as the longest recession since the Great Depression of the early 1930s. This 2007 recession has lasted more than twenty months, twice the length of the average post-war recession.

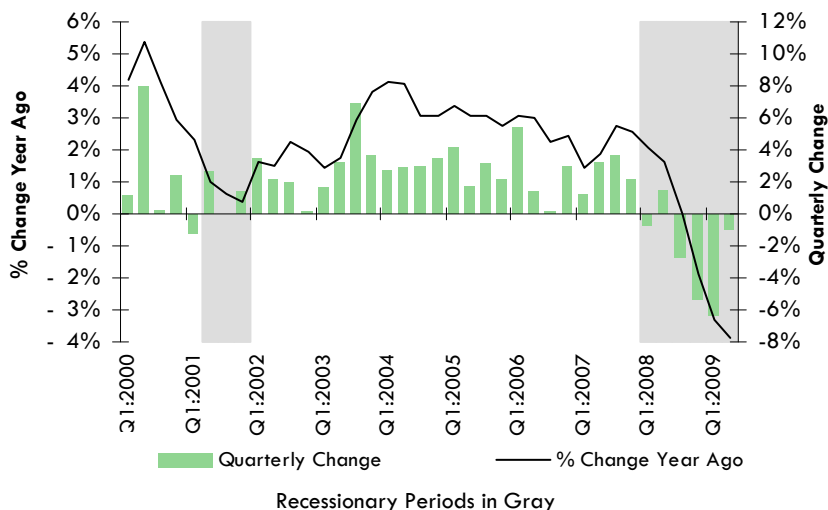
How bad was this downturn? Bad. Real GDP growth was negative for four quarters in a row. That has never happened before in quarterly data dating back to 1947. Only two quarters in the last fifty-three years suffered as

large a GDP loss as did the back-to-back quarters of Q4 2008 and Q1 2009, one was Q1 of 1958 and the other was Q2 in 1980. This is the first time that the economies of the U.S. and Japan were in recession at the same time. In fact, it was the first time since WWII that aggregate global economic growth turned negative.

Why was this recession so bad? There were two downturns, one on top of the other. The first one started in December 2007 and was an economic recession, based on falling demand for housing construction. The second began in earnest in September 2008 and was a financial crisis, based on weak underlying supports (housing) of new unregulated financial tools and products. The first downturn led to the second. They are now interdependent. Volumes will be written on this great recession of 2007. A brief synopsis follows here.

Low interest rates and incentives led to a wave of debt-based asset accumulation — buying stuff on credit: homes, businesses, cars, vacations. A home buying spree ensued as did commercial debt-financed acquisitions. Housing developers responded with enthusiasm. Lenders, with the help of the federal government, did their part to make home ownership more accessible. Early on, housing supply could not keep up with demand and housing prices increased. In parallel, global economic gains swelled stock market values. Debt was cheap and highly utilized across all sectors of the economy around the world. The financial industry created new tools to extend and diversify the new debt loads, many based on home mortgage debt.

Real GDP Growth 2000 Q1 - 2009 Q2



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, July 2009

## The Big Picture Cont.

These new tools — derivatives — were unregulated, off-exchange transactions between individual parties.

When housing became over supplied and prices began to adjust (fall), mortgage defaults increased, and it was discovered that the newly created financial products were under-collateralized. More important perhaps, the issuers of debt insurance were hugely under capitalized (short of money to pay out claims). When the homeowner couldn't pay and the insurer couldn't pay, the lenders faced gigantic losses — a financial crisis. The crisis quickly spread as financial markets are highly integrated worldwide.

At present, global financial and political institutions continue to work on repairing the financial wreck. With cash and credit being the grease that lubricates the global economic engine, the rapidity and robustness with which the economy recovers is dependent on the speed and strength of the financial markets fix.

The severity of this recession affected employment in a commensurate manner. Wisconsin's unemployment rate increased from a seasonally adjusted 4.5 percent in December of 2007, when the recession began, to 8.8 as of August 2009, almost doubling over the period. Wisconsin

## The Current Employment Landscape

Wisconsin lost 137,000 jobs during this downturn, almost 5 percent of its job base since the recession began in December 2007, on a seasonally adjusted basis. All sectors suffered job losses with the exception of health care.

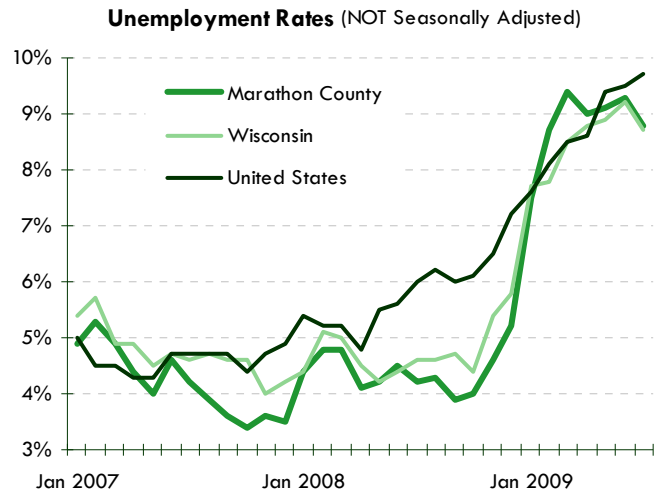
The manufacturing sector lost 13 percent of its jobs statewide during this recession, some 66,000 on a seasonally adjusted basis. All of the upper Midwest major manufacturing states took a beating in this business cycle. Especially hard hit were Michigan, Indiana, and Ohio, due to the collapse of the auto industry. With large manufacturing job losses in Indiana, Wisconsin became the leader in the share of its workers employed in manufacturing.

Construction, which was the first industry to be affected with the housing turn that began in Wisconsin in 2006, lost 16 percent of its jobs since December 2007, and almost 20 percent since its peak in February of 2006. Professional and Business Services also lost more jobs on a percentage basis than the state average, 8.9 percent. Other sectors lost jobs as well, but were not impacted quite as severely as those above. Leisure and Hospitality, for example, lost 1.4 percent of its jobs.

Employment recovery always lags economic recover. Following recessions since WWII, the economic upswings led job gains by nine to nineteen months. After the 2001

last reached an unemployment rate peak of 11.8 percent in January of 1983, after the harsh recession of 1981-82.

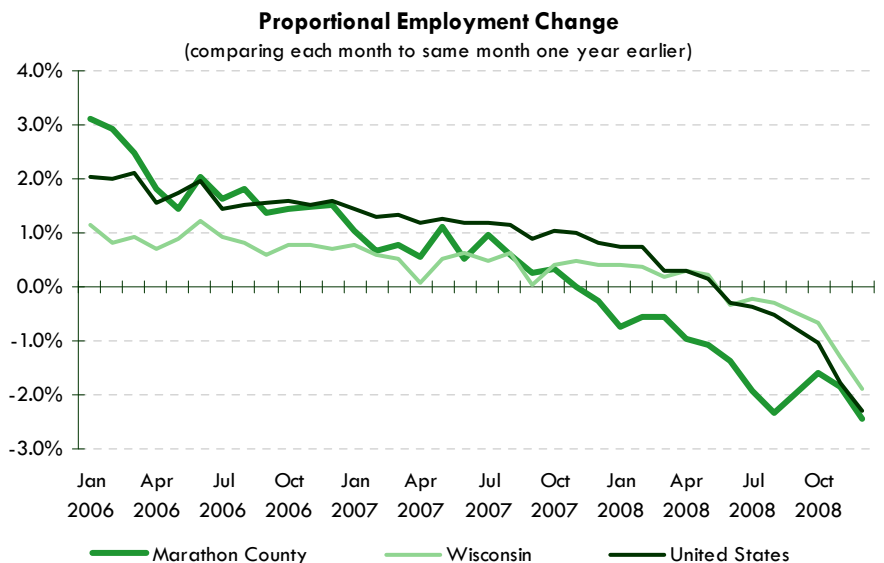
The graph below shows a comparison of county, state, and national unemployment rates through the recession.



Source: U.S. Bureau of Labor Statistics, CPS, LAUS, 2009

recession, it took Wisconsin twenty-six months before job numbers began to increase again on a sustained basis. It was fifty months before the state's job levels recovered to pre-2001 recession levels. Job recovery following the current recession is expected to be slow as well. Consumers are not expected to be the driving sector in the economic recovery, as the huge destruction in home and financial equity wealth will force an increased proclivity for savings instead of consumption.

The chart below is a comparison of employment change.



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2009

## Population

Marathon County's population increased faster than the state but less than the nation. The county's 7.4 percent rate was 1.6 percentage points higher than Wisconsin but 0.6 percentage points lower than the nation.

All of the ten most populous municipalities in the county increased, although at varying rates. The Village of Weston added the most new residents at 1,961 but because of the size of the city, that translated into a double-digit rate of 16.2 percent, 2.6 percentage points less than the Village of Kronenwetter. The village saw 1,009 new faces since 2000 for an increase of 18.8 percent. The City of Wausau, added 1,934 new residents for a five percent increase. The other metropolitan areas saw increases ranging from a low of 53 for the Town of Maine, to an increase of 366 for the Village of Rothschild.

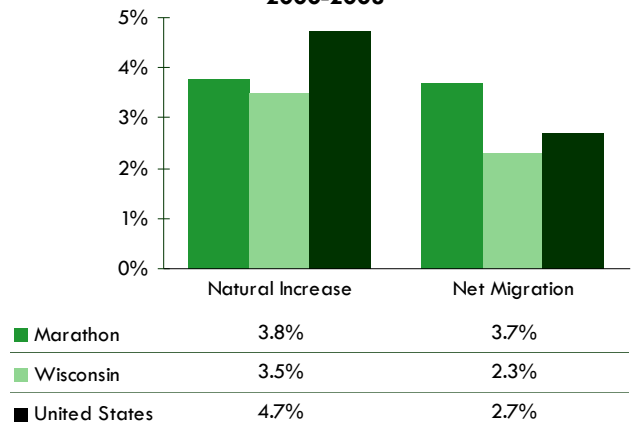
Population changes are made up of two components; natural and migration. Natural change computes births minus deaths, and migration looks at how many people moved into and out of an area. Marathon has a balanced mix of both. The chart at the right shows that Marathon's natural growth was 3.8 percent, 0.3 percentage points higher than the state but 0.9 percentage points lower than the nation. Net migration, at 3.7 percent, was higher for the county than either the state or nation.

Natural increases accounted for 4,730 new residents while migration added 4,626, a difference of about 100. The combination of natural and migration increases gives a nice mix of older and younger residents.

Marathon County's Ten Most Populous Municipalities				
	April 1, 2000 Census	Jan 1, 2008 Estimate	Numeric Change	Proportional Change
<b>United States</b>	281,421,906	304,059,724	22,637,818	8.0%
<b>Wisconsin</b>	5,363,715	5,675,156	311,441	5.8%
<b>Marathon County</b>	125,834	135,190	9,356	7.4%
Wausau, City	38,426	40,360	1,934	5.0%
Weston, Village	12,079	14,040	1,961	16.2%
Rib Mountain, Town	7,556	7,658	102	1.3%
Kronenwetter, Village	5,369	6,378	1,009	18.8%
Rothschild, Village	4,970	5,336	366	7.4%
Mosinee, City	4,063	4,220	157	3.9%
Maine, Town	2,407	2,460	53	2.2%
Stettin, Town	2,191	2,365	174	7.9%
Schofield, City	2,117	2,310	193	9.1%
Mosinee, Town	2,146	2,303	157	7.3%

Source: WI Dept. of Administration, Demographic Services, Population Est., July 2009

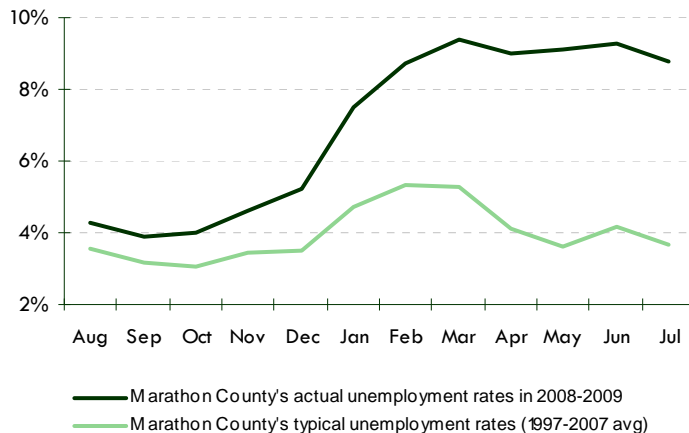
Components of Population Change, 2000-2008



Source: WI Dept. of Administration, Demographic Svcs, Pop Est.

## County Unemployment Rate Situation

Marathon County's Typical & Current Unemployment Rates



Source: WI DWD, Bureau of Workforce Training, LAUS, 2009

The graph to the left presents Marathon County's unemployment rates from August 2008 through July 2009 and compares them to eleven-year historical averages. Like most counties in the state and nation, Marathon's unemployment rates have climbed to levels not experienced since the early 1980s. A rise in the rates during the fourth quarter of 2008 is evident and, as seen, the rise accelerated in earnest during 2009.

Readers can take note that rates continue to follow typical seasonal patterns, albeit at higher levels.

Even if economic recovery is declared in the second half of 2009, it is likely that unemployment rates will remain quite elevated for the remainder of 2009 and into year 2010.

**Jobs & Wages**

Marathon County	First Quarter Employment		Second Quarter Employment		Third Quarter Employment		Fourth Quarter Employment	
	2008 level	2007-2008 change	2008 level	2007-2008 change	2008 level	2007-2008 change	2008 level	2007-2008 change
All industries	69,458	- 0.6%	70,605	- 1.1%	69,854	- 2.1%	70,154	- 2.0%
Natural Resources	820	1.2%	867	- 3.2%	919	2.0%	880	- 0.6%
Construction	2,481	- 14.2%	2,772	- 14.8%	2,967	- 14.0%	2,772	- 12.7%
Manufacturing	17,397	- 1.6%	17,683	- 1.3%	17,818	- 2.3%	17,135	- 3.5%
Trade, Transport. & Utilities	16,435	- 0.9%	16,478	- 0.6%	16,315	- 2.0%	16,597	- 2.4%
Information	suppressed	not avail.	774	- 8.9%	773	not avail.	768	not avail.
Financial Activities	5,753	- 0.6%	5,801	0.7%	5,781	0.0%	5,735	0.3%
Prof. & Business Services	4,230	3.4%	4,436	0.4%	4,291	- 1.9%	4,209	- 5.2%
Education & Health	12,472	2.8%	12,534	2.6%	11,617	1.9%	12,820	2.9%
Leisure & Hospitality	5,398	0.2%	5,447	- 4.8%	5,544	- 6.0%	5,341	- 3.2%
Other Services	1,972	1.4%	2,020	0.1%	2,059	0.2%	2,035	3.1%
Public Administration	1,715	- 1.9%	1,793	0.1%	1,769	1.5%	1,863	4.7%

Source: WI DWD, Workforce Training, QCEW, June 2009

Marathon County saw decreased employment during all quarters of 2008 when compared to the corresponding quarters of 2007. The first quarter saw 0.6 percent less employment followed by 1.1 percent less in the second quarter, 2.1 percent in the third and 2.0 percent lower employment in the fourth quarter.

Not all industries saw decreased employment during 2008, but of the industries with available data, six industries had smaller employment rolls while only four had higher employment by the fourth quarter. Construction saw double-digit decreases in employment in each of the four quarters while manufacturing's employment was down between 1.3 percent in the second quarter to 3.5 percent in the fourth quarter.

Education and health saw additional employment in each of the four quarters. The only other industry with more employment per quarter in 2008 than 2007 was other services, a catchall industry with firms as diverse as pet care and laundry services.

Marathon County's \$36,383 average wage was 93.1 percent of the state's \$39,169 average. For the most part, wages in county industries are lower than their

corresponding statewide average, with only education and health industry wages above the state average. At \$43,640, the average annual wage was 105.9 percent of the state average. Other wages ranged between 80.1 percent for leisure and hospitality, to 93.4 percent for construction. Construction and manufacturing, among the highest paying industries in the county, experienced decreased average wages for the 2007 to 2008 period, which if continued could cause economic issues, since both these industries saw decreased employment.

None of the State of Wisconsin industries experienced decreased average annual wages from 2007 to 2008.

Marathon County	Marathon County Annual Average Wage			Wisconsin Annual Average Wage	
	2008 level	2007-2008 change	As a share of Wisconsin	2008 Level	2007-2008 change
All industries	\$36,484	2.2%	93.1%	\$39,169	2.9%
Natural Resources	\$26,966	12.2%	86.4%	\$31,227	6.8%
Construction	\$46,381	- 1.1%	93.4%	\$49,658	4.6%
Manufacturing	\$41,589	- 0.3%	86.4%	\$48,116	2.1%
Trade, Transport. & Utilities	\$29,819	0.6%	88.7%	\$33,604	2.6%
Information	suppressed	not avail.	not avail.	\$49,838	2.8%
Financial Activities	\$47,450	2.5%	91.2%	\$52,008	2.5%
Prof. & Business Services	\$40,832	6.5%	90.5%	\$45,114	1.8%
Education & Health	\$43,640	5.8%	105.9%	\$41,222	4.1%
Leisure & Hospitality	\$11,292	1.3%	80.1%	\$14,102	3.8%
Other Services	\$19,367	4.1%	85.6%	\$22,628	2.5%
Public Administration	\$34,124	4.0%	83.1%	\$41,040	2.9%

Source: WI DWD, Workforce Training, QCEW, June 2009



**Jobs & Wages**

**Prominent Industries in Marathon County**

Industry Sub-sectors (3-digit NAICS)	Fourth Quarter Employment			Average Annual Wage		
	2008 Level Marathon County	Change 2007- 2008 Marathon County	Change 2007- 2008 Wisconsin	2008 Wage Marathon County	Change 2007- 2008 Marathon County	Change 2007- 2008 Wisconsin
Education services	4,125	1.4%	1.8%	\$39,142	3.7%	4.0%
Food services & drinking places	3,915	- 0.7%	- 2.2%	\$10,456	2.6%	2.1%
Insurance carriers & related activities	3,866	4.1%	- 0.5%	\$53,512	2.5%	3.0%
Hospitals	3,714	1.7%	2.2%	\$40,314	7.0%	4.2%
Fabricated metal product manufacturing	3,216	0.1%	- 2.8%	\$41,342	6.1%	4.2%
Wood product manufacturing	3,102	- 18.6%	- 15.4%	\$32,933	- 0.1%	1.2%
Ambulatory health care services	2,941	6.9%	2.3%	\$68,655	6.5%	4.7%
Machinery manufacturing	2,736	0.0%	- 0.7%	\$46,588	- 14.3%	2.4%
Merchant wholesalers nondurable goods	2,525	2.4%	- 1.6%	\$33,694	2.5%	3.0%
Merchant wholesalers durable goods	2,197	- 2.6%	- 2.0%	\$45,388	- 2.0%	3.4%

Source: WI DWD, Workforce Training, QCEW, July 2009

This section is a specific look at the industries and employers with the largest number of jobs in Marathon County in fourth quarter of 2008. Above are the top ten industries. The annual growth rate of jobs in each industry is compared to the growth rate in its respective industry statewide.

Of the sub-sectors shown, food service and drinking places, wood product manufacturing and merchant wholesalers (durable goods), had fewer employees in 2008 than in 2007. The other sub-sectors either held their own or saw increasing employment. The importance of manufacturing to the county is evident in both the prominent sub-sectors and the prominent employers. There are three prominent sub-sectors and three prominent employers listed under manufacturing. Two of the three prominent employers in the manufacturing sub-sectors employ at least 1,000 of the more than 9,000 Marathon County manufacturing employees.

Two other industries had multiple prominent employers. Under health care is the Aspirus Wausau Hospital with 1,000 or more employees, and North Central Health Care Facilities with between 500 and 999 employees. The other industry with multiple prominent employers is insurance. Liberty Mutual Insurance with 1,000 or more employees is joined by United Healthcare Services with 500 to 999 as the prominent employers in the third largest industry sub-sector with almost 4,000 employees in the county. Another indicator that shows the importance of insurance to the county is the wage rate. As shown on page four, financial services which includes insurance had the highest average annual wage at \$47,450. Growing employment in a high paying industry could indicate an increasingly important economic aspect of the county.

Education services is the sub-sector with the largest number of employees in the county.

Food services and drinking places, the second largest employment sub-sector does not have a corresponding prominent employer but that is not unusual. Employers in this sub-sector tend to be owner operators with a small number of staff. Many jobs in this industry are part-time and/or seasonal.

**Prominent Public and Private Employers in Marathon County**

Establishment	Service or product	Number of Employees (December 2008)
Aspirus Wausau Hospital	General medical & surgical hospitals	1,000+ employees
Greenheck Fan Corp	Industrial & commercial fan & blower mfg	1,000+ employees
Liberty Mutual Insurance	Direct property & casualty insurers	1,000+ employees
Kolbe & Kolbe Millwork	Wood window & door manufacturing	1,000+ employees
Wausau School District	Elementary & secondary schools	1,000+ employees
Foot Locker Corporate Services	Mail-order retailers	1,000+ employees
Marathon Cheese Corporation	Dairy product merchant wholesalers	1,000+ employees
United Healthcare Services	Direct property & casualty insurers	500-999 employees
Apogee Wausau Group	Metal window & door manufacturing	500-999 employees
North Central Health Care Facilities	Psychiatric & substance abuse hospitals	500-999 employees

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, April 2009

**Income**

Total Personal income (TPI) is composed of all monies accrued in three distinct categories: (1) net employment earnings, which is payroll and self-employment income; (2) dividends, interest, and rental property income, which are returns on equities and other portfolio items, interest-bearing accounts, rental housing/business units; and (3) personal current transfer receipts, which are Social Security, Medicare/Medicaid, public assistance and other government or private retirement monies.

Marathon County's TPI increased to about \$4.5 billion in 2007, a 24.2 percent increase in five years, which was 0.2 percentage points lower than the state's rate of increase, and which ranked Marathon 35th among the states' 72 counties. Per capita personal income (PCPI) is the result of dividing an area's total personal income (TPI) by its total population. The dynamics of the three components of TPI impact total personal income, and TPI and population are essential in shaping an area's PCPI. Thus, PCPI can be affected by the county residents' demographics. Marathon County is very similar to averages for the state. For example, the projected average age of Wisconsin residents in 2010 will be 38.1 years and by 2030, the average will be 41.0 years. In Marathon County, the projections are 38.2 and 41.0 years old respectively. Perhaps there is another reason why income has grown slightly less than the state.

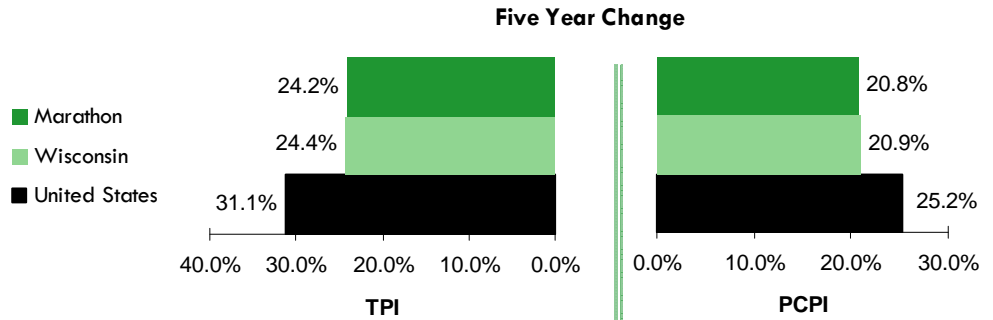
As shown on page four, generally wages are less in the county than the state. While the state averages about 68.5 percent of income from wages, Marathon County generates about 71.6 percent. Slightly lower wages may have produced the slightly lower income growth in the county.

With the increase in PCPI, Marathon County's PCPI of \$35,169 was 97 percent of the statewide average and 91 percent of the national average. Income generation in the county is different than in many of the surrounding counties, which rely much more on transfer payments. Social Security payments are the largest single source of transfer payments.

PCPI in Wisconsin's metropolitan counties in 2007 was \$38,382 compared to \$30,627 in nonmetropolitan counties. Marathon County's PCPI was 92 percent of the average metropolitan county PCPI in Wisconsin.

The bottom chart shows that in 2007 residents

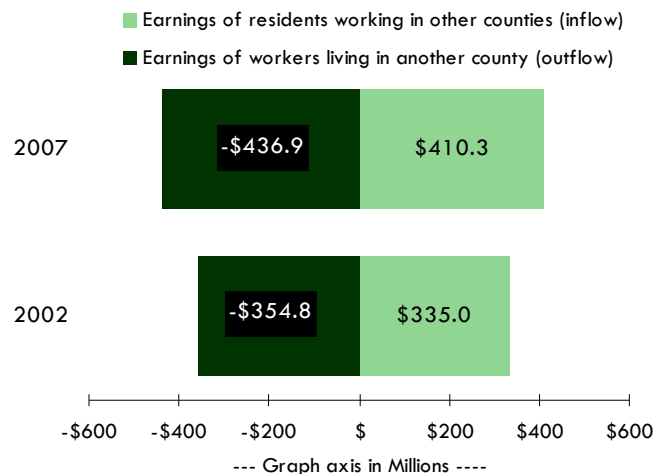
Personal Income in Marathon County				
	Total Personal Income (in thousands)		Per Capita Personal Income (PCPI)	
	2002	2007	2002	2007
<b>Marathon</b>	\$3,676,178	\$4,564,298	\$29,104	\$35,169
<b>Wisconsin</b>	\$163,308,733	\$203,083,544	\$29,994	\$36,272
<b>United States</b>	\$8,872,871,000	\$11,634,322,000	\$30,838	\$38,615



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2008

working in jobs outside the county added \$410.3 million to Marathon County's total personal income, while non-resident workers were paid \$436.9 million in wages that left the county. The total residency adjustment netted an decrease of \$26.6 million in the county's total earnings. Commuting patterns from Census 2000 show that Lincoln, Wood and Portage counties supply the most workers to the county. Employers from Wood county employ almost 4,000 residents from Marathon county while about 1,500 Wood County residents travel to Marathon to work. This two way travel demonstrates the economic importance of the surrounding counties to both employers and employees in the county.

**Marathon County Commuting Impact**



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2009

