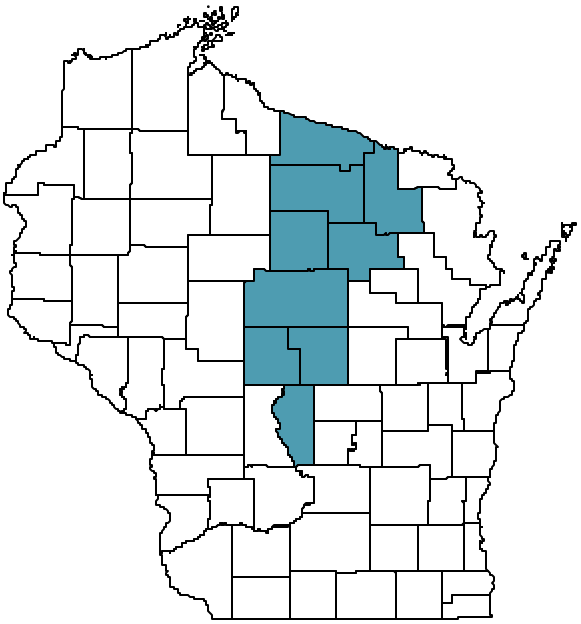
Workforce Development Area Profile

North Central Wisconsin

Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, and Wood Counties



The labor market is a constant ebb and flow of supply and demand. Too little demand for workers creates too much supply and unemployment increases. But too little supply of workers means job vacancies and lack of employment growth.

Every Workforce Development Area in the state should anticipate a tight labor supply condition by the end of the next decade. Planners in each area must understand the unique set of employment characteristics in their region to development a strategy to meet a future where demand will exceed supply.

Dan Barroilhet
Labor Market Economist
608.242.4885
dan.barroilhet@dwd.state.wi.us

State of Wisconsin
Department of Workforce Development
January 2003

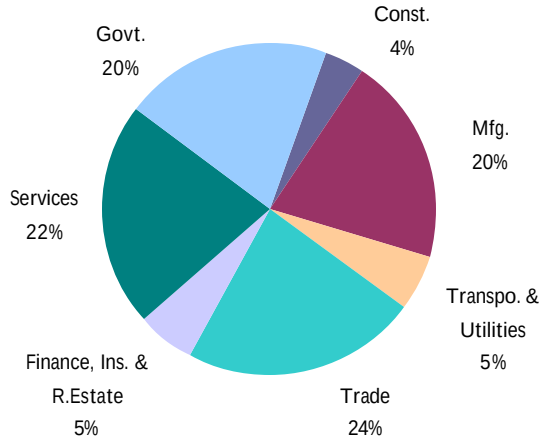
- The Demand for Workers -

North Central Wisconsin Employment

When industry employment data for January is released in March of 2003, there will be a noticeable difference from previous years. The new presentation will use the North American Industry Classification System (NAICS) rather than Standard Industry Classifications (SIC). Most labor market users are familiar with SIC, a system developed in the 1930s to classify establishments by activity in order to facilitate the collection and analysis of data for use as a measure of the nation's economy. The system has been revised nearly every ten years since that time, but it is still closely tied to manufacturing industries since manufacturing represented nearly 50 percent of the economy for a long period.

During the 20th century the nation's economic base changed from manufacturing to service. Currently less than 14 percent of the nation's workers are employed by a business involved in the manufacturing process. In the North Central Wisconsin about 21 percent of the workers are currently employed in the manufacturing sector, about one-and-half times the national average, confirming that manufacturing is still an important element in the local economy.

North Central Wisconsin Industry Distribution: 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

While manufacturing has continued to grow in the North Central Wisconsin (aka Wisconsin River Valley), the growth rate is considerably less than that of other industries. And during the recession that started in late 2000, the employers in the manufacturing industry division suffered the largest loss of jobs of any of the industry divisions, with the greatest losses occurring in the paper and related products industry group.

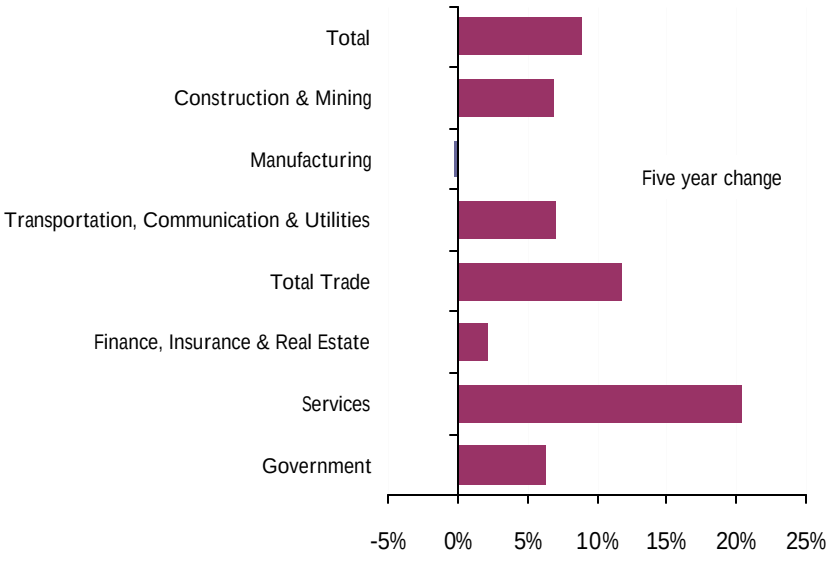
Although the growth rate of manufacturing has been slower than most other industries, it still provides 20 percent of the jobs in the Valley in 2001. Government agencies provide another 18 percent of the jobs, and in this region, government includes employment not only with federal, state, and local units but also with casinos, hotels, and other enterprises operated by the Lac du Flambeau Band of Lake Superior Chippewa.

As important as manufacturing employment is in the Valley, the jobs provided by employers

(Continued on page 2)

North Central Wisconsin

Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

in the services industry already exceed it. In 2001, 22 percent of the jobs in the area were with services industry employers and another 24 percent were with wholesale and retail trade employers. Together, these two industry divisions provide nearly half of the 201,210 nonfarm wage and salary jobs in the Wisconsin River Valley.

When we stand back a bit and try to see the various features and contours of the industrial picture in our part of the state, a great deal of what is revealed seems to depend on one's point of view. An understanding of the local industrial picture from all angles may not only be interesting, but important for such people as educational planners and even those individuals planning their employment futures and careers.

First of all, in terms of industrial diversity, the state of Wisconsin stands out. What that means is that there are a variety of different industries throughout the state. This diversity is crucial for several reasons, and one of the most important is the degree of protection it confers in times of economic fluctuation and downturn. When one industrial sector suffers, the rest may feel the pinch, but also act as an economic buffer, tending to absorb workers laid off or released from their jobs as cutbacks occur. This ability to expand and contract (within limits) in the face of serious economic change has always been a source of strength.

The thing to remember is that, on a smaller scale, the River Valley also shares this characteristic of diversity in the industrial area. This cannot be said about some other labor markets in the state, a few of which could even be said to have very little variety in terms of different kinds of businesses and therefore, occupational opportunities.

But now, there is a new challenge facing the labor force, not only in the River Valley, but throughout the state and the region. In a way, the important changeover from the venerable SIC to NAICS is an indicator of this change. At the very same time that we find ourselves trying to recognize the profound impact of the computer on nearly every job in the labor market, from fast food "restaurants", to the machine shop and the local hospital, we are confronted with one of the most serious labor shortages in memory, a labor shortage that is a combination of three things—a basic shortage of hands to do the jobs due to rapidly expanding job numbers, a lack of adequately trained workers for the many new types of jobs being created, and the permanent exit from the labor force of thousands of highly trained, skilled, and knowledgeable workers due to retirement. The varied and vigorous industrial life of the Valley has faced many challenges since the end of the timber era, but this may prove to be one of the biggest. As a region of Wisconsin, we're not in it alone.

A Preview of the Industrial Landscape under NAICS

NAICS, North American Industry Classification System, uses the same payroll reports completed by employers under the existing SIC (Standard Industrial Classification) system but classifies employers (employment and payroll) into more sectors. And, as the name suggests, will be used by Canada, Mexico and the United States. Unlike SIC, which was based on **what** was produced, NAICS is designed to focus on **how** products and services are created. Another major change occurs with wholesale and retail trade where NAICS transitions the focus to what the establishment **does** rather than **to whom** it sells. NAICS also creates new sectors for some of the old retail trade industry groups, ie: eating and drinking establishments move to accommodation and food services.

NAICS is not an update of SIC but a completely new system and will provide a better look at where people work and what industries are growing. Because it is a completely new system creates problems in reconstructing time series data. For instance, employment in corporate offices of manufacturers and other industries will be moved to the new management of companies sector. Since employers have never been asked to provide this detail before, constructing a time series will be based on imputed estimates. Publishing and printing will be split between the new information sector and manufacturing. Remember, the focus of NAICS is **how** products are created. Newspapers, part of printing and publishing, disseminate information and will be moved to the new NAICS information sector. Printers, on-the-other-hand, process images to a medium (such as paper) and will remain in manufacturing. There were roughly 2,150 jobs classified under printing and publishing in 2001.

The changes in manufacturing are minor compared with the changes in retail trade and services. Eight new sectors were created in NAICS for many of the old retail and services SIC codes. But again, the new sectors are not

(Continued on page 3)

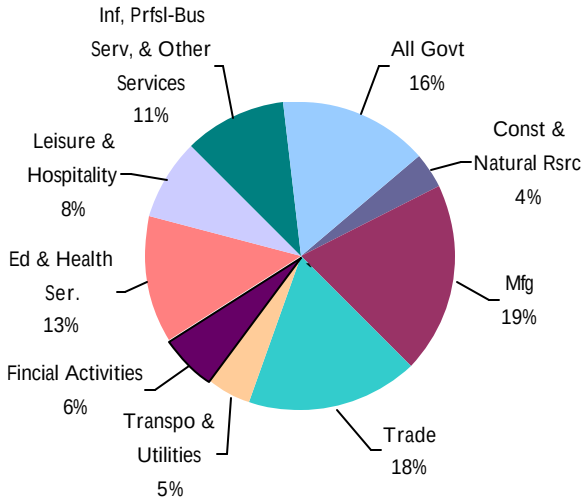
merely new names for old codes. For instance, the new sector of accommodation and food services includes not only restaurant (retail trade) and hotel, motel and resort (services) employers but also some retail bakeries, snack trucks and food caterers, all from different SICs. Roughly 12,000 jobs with eating and drinking establishments will be reassigned from retail trade into this new sector.

Because of the new arts, entertainment & recreation and accommodation & food services sectors NAICS estimates will provide some insight to employment changes in the tourism industry. Employers from the new sectors are included in the leisure and hospitality group. In North Central Wisconsin employers in the group provide roughly eight percent of all jobs (16,100) in 2002.

Another new group, education & health, tracks employment changes primarily in health care and social assistance services since education here includes only private institutions. In March, 2002, employers in this group provided 13 percent of the jobs, roughly 22,500, in the region. This will be an important group to watch since jobs in health care are among the fastest growing in the country and region.

Another new conglomerate, the information, professional and business services and other services group was formed to include new NAICS sectors that have fewer jobs. It is large in this region because of the numerous jobs with corporate offices. Employment estimates for counties will not be produced for each of the new 19 sectors. In many counties the sectors will be too small to produce reliable estimates. There will be combinations, but hopefully, those combinations, see graph on the right, will provide more insight than the old SIC groups. The graph is based on March 2002 payroll data and initial benchmark editing.

North Central Wisconsin NAICS Industry Distribution: 2002

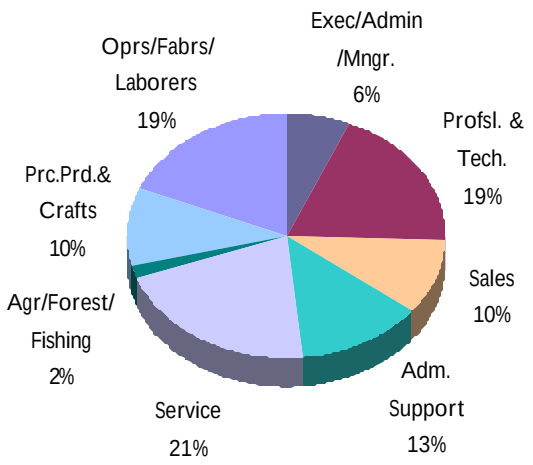


Source: DWD, Labor Market Information Section, ES-202, Jan. 2003

SIC	SIC divisions	NAICS* sectors	NAICS*
Agriculture, Forestry, and Fishing	01-09	11	Agriculture, Forestry, Fishing & Hunting
Mining	10-14	21	Mining
Construction	5-17	22	Utilities
Manufacturing	20-39	23	Construction
Transportation, Communication, and Utilities	40-49	31-33	Manufacturing
Wholesale Trade	50-51	42	Wholesale trade
Retail Trade	52-59	44-45	Retail trade
Finance, Insurance, and Real Estate	60-67	48-49	Transportation & Warehousing
Services	70-89	51	Information
Public Administration	91-97	52	Finance & Insurance
		53	Real Estate, Rental & Leasing
		54	Professional, Scientific & Technical Services
		55	Management of Companies & Enterprises
		56	Admin. Support, Waste Mgmt. & Remediation Service
		61	Education services
		62	Health care & Social assistance
		71	Arts, Entertainment & Recreation
		72	Accommodation & Food Services
		81	Other services (except Public Administration)
		92	Public Administration

*North American Industry Classification System

North Central Wisconsin Occupations in 2008



Source: WI DWD, Bureau of Workforce Information, 2001

Occupations in the River Valley

The occupational mix of jobs with employers will not change even though those employers may now be grouped in new industry sectors. For instance, nurses will still work for health care providers and as those employers grow so will the demand for nurses.

The occupation projections for North Central Wisconsin were completed in 2001 and are still a good indicator of trends in the demand for workers in the area. An understanding of the occupational needs of an area begins with a good understanding of the industries and the occupations that are employed by those industries. Some of those industries, like schools and restaurants, are common in nearly every community in the region and many of the occupations in these industries, teachers and wait-

(Continued on page 5)

Occupations with the Largest Number of Annual Openings Due to Growth and Separations
WDA6-North Central: Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, Wood

Occupational Title	1998-2008 Growth	Percent Change	Est. Average Annual Openings Growth	Separations(1)	Total(2)	Education and Training Typically Required(3)
Cashiers	280	13%	28	94	122	Short-term on-the-job-training
Waiters & Waitresses	150	9.4%	15	88	103	Short-term on-the-job-training
Food Prep/Service Workers, Fast Food	100	10.0%	10	55	65	Short-term on-the-job-training
Retail Salespersons	110	7.1%	11	52	63	Short-term on-the-job-training
Office Clerks, General	180	12.5%	18	40	58	Short-term on-the-job-training
Food Preparation Workers	70	8.0%	7	49	56	Short-term on-the-job-training
General Mgrs & Top Execs	220	11.8%	22	33	55	Work experience plus degree
Teachers, Secondary School	170	19.5%	17	28	45	Bachelor's degree
Truck Drivers, Heavy	210	13.5%	21	22	43	Postsecondary vocational training
Nursing Aides/Orderlies/Attendants	220	16.3%	22	19	41	Short-term on-the-job-training
Assemblers & Fabricators, NEC	180	14.9%	17	22	39	Short-term on-the-job-training
Registered Nurses	150	14.0%	16	18	34	Associate degree
Bartenders	10	1.4%	1	30	31	Short-term on-the-job-training
Laborers, Landscaping/Groundskeep	140	29.2%	14	14	28	Short-term on-the-job-training
Maids & Housekeeping Cleaners	140	18.9%	14	14	28	Short-term on-the-job-training
Teachers, Elementary School	70	8.2%	8	20	28	Bachelor's degree
Janitors & Cleaners	40	4.0%	5	22	27	Short-term on-the-job-training
Cooks, Restaurant	80	14.5%	8	14	22	Long-term on-the-job training
Maintenance Repairers, General Utility	60	8.2%	6	16	22	Long-term on-the-job training
Carpenters	50	7.9%	5	17	22	Long-term on-the-job training
Reception/Information Clerks	100	17.2%	10	11	21	Short-term on-the-job-training
Admin Support Supervisors	80	15.1%	8	12	20	Work experience in a related occupation
Marketing/Sales Supervisors	100	13.5%	10	10	20	Work experience in a related occupation
Hand Packers & Packagers	60	10.9%	6	14	20	Short-term on-the-job-training
Helpers/Laborers/Movers, NEC	20	3.4%	2	18	20	Short-term on-the-job-training

(1) Separations are an estimate of how many job openings there will be in each occupation due to people permanently leaving an occupation. Openings that occur due to people changing employers but remaining in the same occupation are not included.
(2) Total openings are an estimate of how many new entrants are needed in the occupation.
(3) Typically required means this is the most common way people are expected to enter the occupation.
Other notes: Self-employed, unpaid family workers and work-study students are not included. Railroad workers are not included, except in WDAs 7 and 8.

Source: WI DWD, Bureau of Workforce Information, 2001

ers, are generally known to everyone. When looking over the occupational landscape of the counties of the Upper Wisconsin River Valley, from Adams at the south to the forested counties of the north, we can see within the industrial structure a wide variety of occupations. As previously mentioned, the industrial makeup of the Valley is as varied as that of the state, and that means that we also have pretty much the same distribution of occupations within these industries.

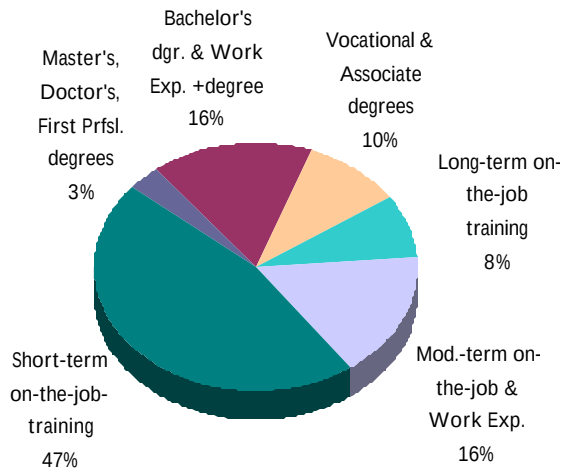
The information about occupations in industries comes from an annual survey of businesses coordinated by the US Bureau of Labor Statistics. The results of that survey, summarizing the distribution of occupations by group in North Central Wisconsin, appear in the graph on the previous page. The table on page 4 is a list of the 25 occupations projected to have the most annual openings in the ten-year projection period. The number of annual openings includes those created as new jobs by employers and those created when workers leave the occupation to start new careers or leave the workforce.

In North Central Wisconsin the service occupational group, with 21 percent of area jobs, is the largest. It is larger in this region than in the state where only 16 percent of the jobs are in the service group, a group that includes waiters, cooks, janitors and bartenders. Seven occupations from this group are on the list. For five of the seven occupations the number of openings from separations greatly exceeds the number generated by growth.

Two occupations, primary and secondary teachers, from the next largest group, professional and technical occupations, are also projected to have more openings created from separations than from growth. These openings are projected to occur as the current workforce retires and are especially critical since they require at least a bachelor's degree to fill. Only one other occupation from this group is on this list, registered nurses, and post-secondary training is also required.

The list of occupations with the largest number of annual openings was chosen because it depicts the demand for workers anticipated in the Wisconsin River Valley. Even though this list includes only 25 occupations, those occupations represent 42 percent of the job growth and 44 percent of the anticipated need from annual openings and yet only a few of those occupations require post-secondary training. In fact, only 47 percent of all projected openings require a short-term on the job training period (less than 1 month) and 16 percent require only moderate training (1-12 months). However, in recent years many employers have turned to technical colleges

Annual Openings in North Central Wisconsin

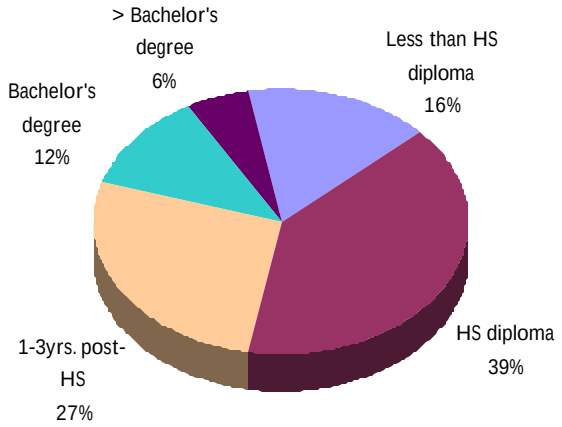


Source: WI DWD, Local Workforce Planning Section, 2001

to provide both short- and moderate-term training. And, based on census information that 27 percent of residents have 1-3 years of post-high school training, it is clear that employers are looking for workers with training.

A slightly different view of educational requirements emerges when looking at the fastest growing occupations. Of the top 50 fastest growing occupations, 22 require some post-secondary education. That includes everything from urban planners with 100 percent growth and a total increase of less than 10 jobs to preschool teachers with a 35 percent growth rate and an increase of 70 jobs over the ten-year period. Other notable occupations on the list include systems analysts (70 new jobs), dental assistants (40 new jobs), and residential counselors (30 new jobs).

Education Attainment in 2000 in North Central Wisconsin



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

- The Supply of Workers-

North Central Wisconsin Population

Population And The Labor Force— The Same Side Of The Coin

The labor force of any area is the principle component of the population of that area. The labor force is comprised of everyone who is working (either part time of full time) or is looking for work. The nature of the labor force in any area can change in size and composition through time depending on everything from population movement, economic conditions, and even legislation (Equal Opportunity laws, for example). The population of each of the counties of the North Central Area is different, of course, but there are some things to be learned by looking at each area.

As can be seen from the table below, there have been slight increases in population in each of the River Valley counties. These increases have not been large, but the time indicated is not that long either - 2000 Census to the January 2, 2002. In the twenty months since the census the population in the North Central WDA increased 1.4 percent, slower than the increases in both the state and nation. That follows roughly the slightly slower rate of growth in the region over the last decade when the local population increased 9.4 percent compared with a 9.6 percent increase in Wisconsin and a 13.2 percent increase in the nation.

The population in the region comprises 7.6 percent of the total population in the state and over the last decade contributed about 7.3 percent of the increase to the state's population. Within the nine-county area, the largest county is Marathon. Nearly one-third of the region's population live in the county also defined by the Bureau of Labor Statistics as the Wausau Metropolitan Statistical Area (MSA). That designation is applied to a large population area when there is a high degree of economic and social integration with adjacent communities.

The two counties immediately to the south, Portage and Wood, also share strong commuting patterns but not to a single large urban area, even though three of the region's four largest cities are in these two counties: Steven's Point, Marshfield, and Wisconsin Rapids. These two counties comprise another 35 percent of the region's population. While population increases in Portage County have kept pace with state growth, Wood County is one of only four counties in the state that lost population from out-migration in the 1990s.

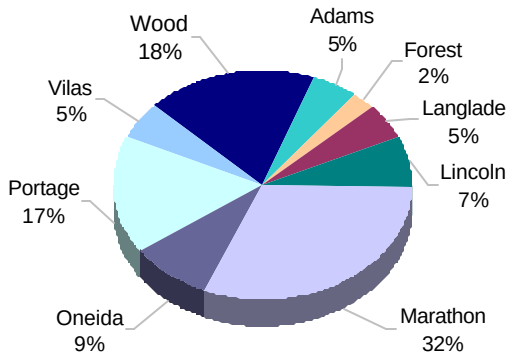
(Continued on page 7)

Total Population

	2000 Census	January 2, 2002 Estimate	Percent change
United States	281,421,906	286,200,000	1.7%
Wisconsin	5,363,675	5,453,896	1.7%
North Central WDA	406,705	412,453	1.4%
Adams	19,920	20,327	2.0%
Forest	10,024	10,113	0.9%
Langlade	20,740	21,017	1.3%
Lincoln	29,641	29,944	1.0%
Marathon	125,834	127,968	1.7%
Oneida	36,776	37,418	1.7%
Portage	67,182	68,227	1.6%
Vilas	21,033	21,457	2.0%
Wood	75,555	75,982	0.6%

Source: WI Dept. of Admin., Demographic Services, 2002

2002 Population Distribution in North Central Wisconsin



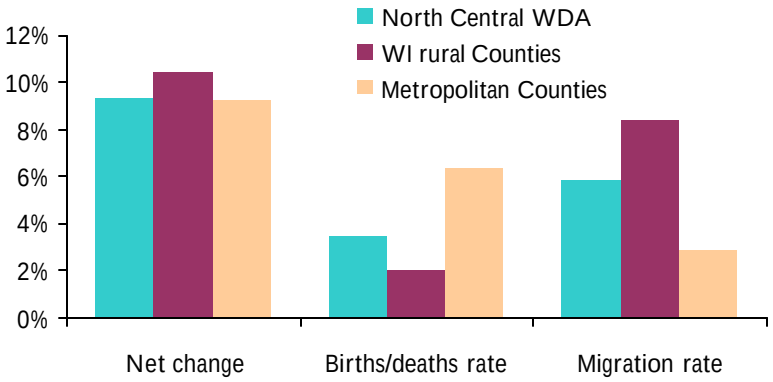
The five counties to the north of Marathon comprise another 28 percent of the region's total population. Vilas County had the second highest migration rate in the state during the last decade and Adams County, the southern most county in the region, had the fifth highest. Together, these six counties accounted for 80 percent of the 21,700 residents who moved to the region.

The average increase in population from migration for the eight rural counties of North Central Wisconsin was 3,954 compared to the average for all the rural counties in Wisconsin of 2,522. That merely confirms what planners and developers have suspected for many years. What remains unconfirmed is the age of those who move to the region. An assumption is that people move north to retire and the increase in population over the age of 70 years does add credence to that.

The increase in the region in the 70 years and over old age group is significant in view of the loss of nearly 34,900 residents from deaths. That said, the change in population from natural causes (births vs. deaths) exceeds the experience of other rural counties in the state. The average increase from natural causes for each rural county in North Central Wisconsin was 721 compared with the average 608 for all rural counties in the state.

Likewise, the average number of births of 3,963 per rural county in the region exceeded the average for rural counties statewide. The Wausau MSA, however, lagged other metropolitan counties in the state in births, increase from natural causes, and migration.

Components of Population Change in North Central WDA Compared with other rural & metropolitan counties



	Total increase 1990-2000	Increase from Births - Deaths	Increase from Migration
North Central WDA	34,676	12,976	21,700
WI rural Counties	162,770	31,627	131,140
Metropolitan Counties	309,136	212,060	97,079

Source: WI Dept. of Admininstration, Demographic Services, 2001

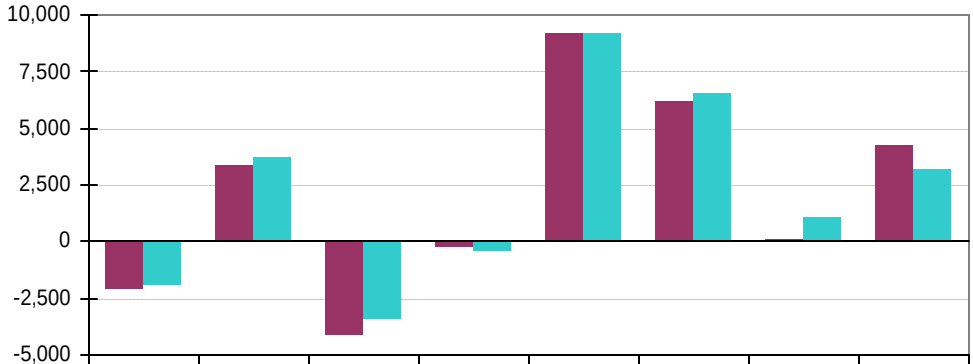
Anyway you add it, though, there were fewer births in the region during the 1990s than in the 1980s and that has created a deficit in the population under 9 years old. The group declined from 55,160 in 1980 to 51,072 in 1990. For the immediate future, the good news is that the number of 10-19 year olds increased from 54,429 to 61,515 during the last decade as those born during the 1980s aged. This group will provide an adequate supply of new workers for the next few years, but the drop in population in the younger group is an omen of labor supply in the next decade.

The decline in 20-29 year olds provides an indication of how many young people leave the area, mostly to attend out-of-area schools. But, once they have a degree they seldom return.

The huge increases in population in the next two age groups reflect the aging of the baby boom population and some of the increase in

(Continued on page 8)

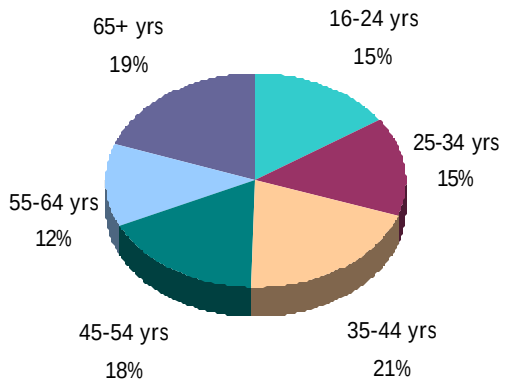
Population Change in 10-year Age Groups by Sex 1990 - 2000 in North Central Wisconsin



	0-9 yrs.	10-19 yrs.	20-29 yrs.	30-39 yrs.	40-49 yrs.	50-59 yrs.	60-69 yrs.	70+ yrs.
Female	-2,125	3,374	-4,099	-272	9,195	6,189	103	4,218
Male	-1,963	3,712	-3,403	-391	9,215	6,589	1,107	3,227

Source: WI Dept. of Admin., Demographic Services, 2002

North Central County Labor Force Age Groups



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

population from people relocating to the area. The magnitude of the increase in these two groups is the reason for concern in the Wisconsin River Valley. In only nine years (2012) the youngest of those in the 50-59 year old group, which includes 46,503 residents, will be 62 years old.

Currently, 20 percent of the regional population is over the age of 60, higher than in the nation (15%) and state (17%). This share will increase in the next seven years. The implications of this increase are staggering, especially as they effect the labor force.

By definition of the US Bureau of Labor Statistics, the labor force age population includes all residents 16 years old and older that are potentially able to work (it does not include institutional residents or military personnel). The chart above illustrates the distribution of the labor force age population in North Central Wisconsin by age groups. Even though the labor force age population numbers 317,657 residents, roughly 19 percent of that population is 65 years old and over. The large share of elderly effects the supply of labor in two ways.

The first is more obvious because we associate retirement with aging. As retirements increase employers need to find replacements from the younger workforce or decide not to fill the vacancy. So, even though there are 61,542 residents over 65 years old in the labor force age population, few of them participate in the labor force.

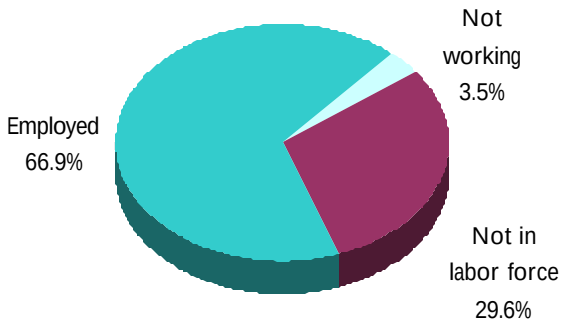
These older residents are still considered part of the potential labor force age population even though few of them are actually in the labor force. That is one reason that the labor force participation rate in North Central Wisconsin of 70.4 percent is less than the state participation rate of 73.5 percent. It is higher than the national rate of 68.3 percent, however.

The second effect of an older population is that they increase the need for workers who will care for them and help them acquire the 'good-life'. They want improved healthcare, more leisure activities, and fewer household chores. Many of these jobs are filled by younger workers and in the years to come, the number of young residents entering the labor force will be fewer than the number of retirees. In eight years (2010), there will be about 2,600 fewer workers between the ages of 16 and 24.

As the region's young labor force supply is diminished, the first of the baby-boomers will turn 64. Currently, labor force participation in the region from the population 65 years and over is 13.2 percent, similar to the state and nation. Even though the size of the labor force age population may actually increase, the number of those who participate will drop because participation rates of those over 65 are so low. There is a trend nationally for retirees to return to the labor force, but participation would have to increase by at least three percent to erase the deficit caused by fewer young workers. And, older workers would need incentives to remain in the workforce.

In the last two decades employment growth has relied on an abundant workforce to fill the jobs created by employer expansion. In the next two decades there will be no labor force expansion, plus there will be fewer young people to work in 'entry-level' jobs. If employer expansion is to occur it will have to be through improved productivity, creative scheduling, and/or accommodations to include an older workforce.

North Central 2001 Labor Force Participation



Source: WI DWD, Local Workforce Planning Section, 2002