Clark County

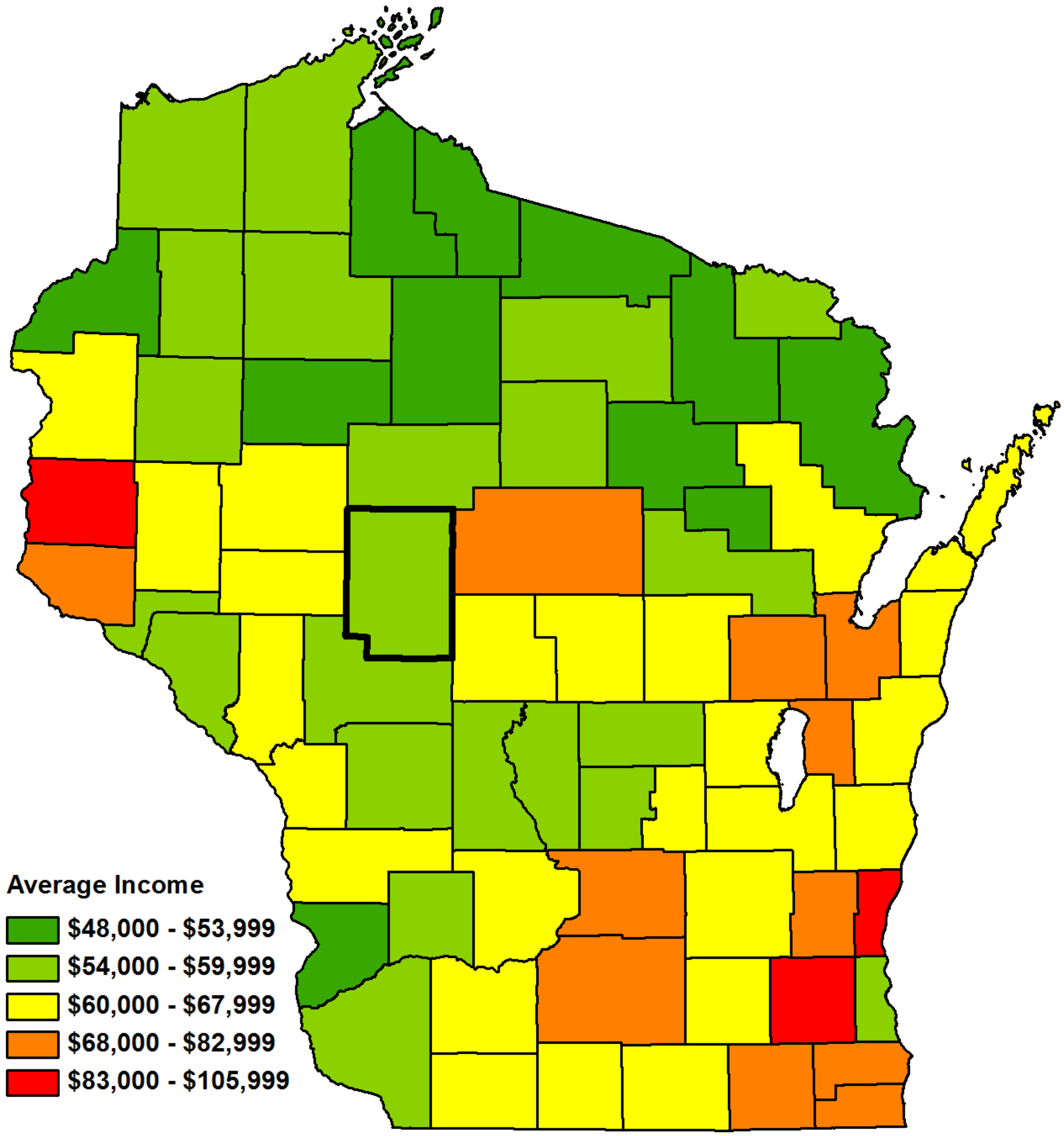
WORKFORCE & ECONOMIC
2015 PROFILE

STATE OF WISCONSIN
DWD
Department of Workforce Development

OEA

DETI-17957-CLK-P (N. 3/2016)

Average Household Income By County



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

OEA
Office of Economic Advisors

STATE OF WISCONSIN
DWD
Department of Workforce Development

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.

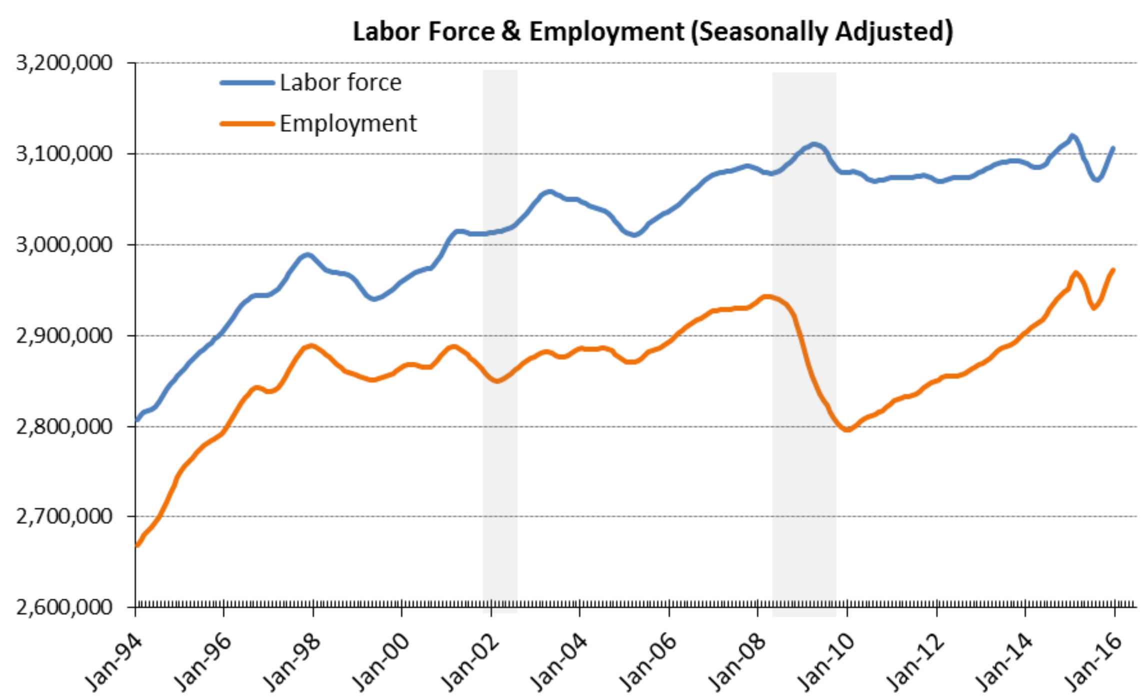
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency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

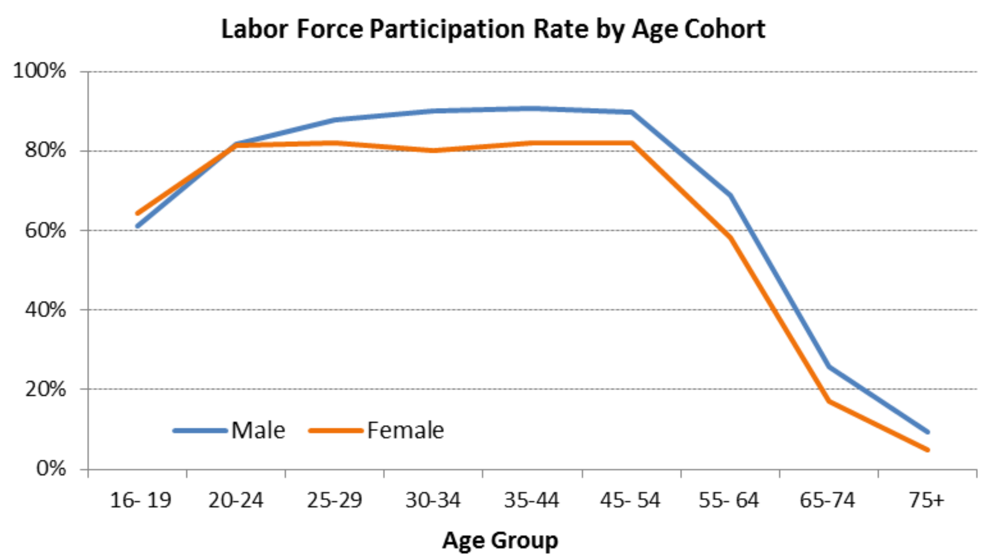
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance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

STATE OF WISCONSIN DWD Department of Workforce Development

Population and Demographics

Clark County's 10 Most Populous Municipalities

		April 2010 Census	January 2015 Estimate	Numeric Change	Proportional Change
United States		308,400,408	320,289,069	11,888,661	3.9%
Wisconsin		5,686,986	5,753,324	66,338	1.2%
Clark County		34,690	34,868	178	0.5%
Neillsville, City		2,463	2,422	-41	-1.7%
Thorp, City		1,621	1,634	13	0.8%
Abbotsford, City	*	1,616	1,606	-10	-0.6%
Colby, City	*	1,354	1,332	-22	-1.6%
Fremont, Town		1,265	1,265	0	0.0%
Loyal, City		1,261	1,257	-4	-0.3%
Pine Valley, Town		1,157	1,169	12	1.0%
Greenwood, City		1,026	1,022	-4	-0.4%
Withee, Town		966	979	13	1.3%
Mayville, Town		961	954	-7	-0.7%

Source: Demographic Services Center, Wisconsin Department of Administration

Clark County added 178 residents from April 2010 to January 2015, growing at a rate of 0.5%, slower than the statewide growth rate of 1.2%. This ranks Clark the 42nd fastest growing amongst the state's 72 counties.

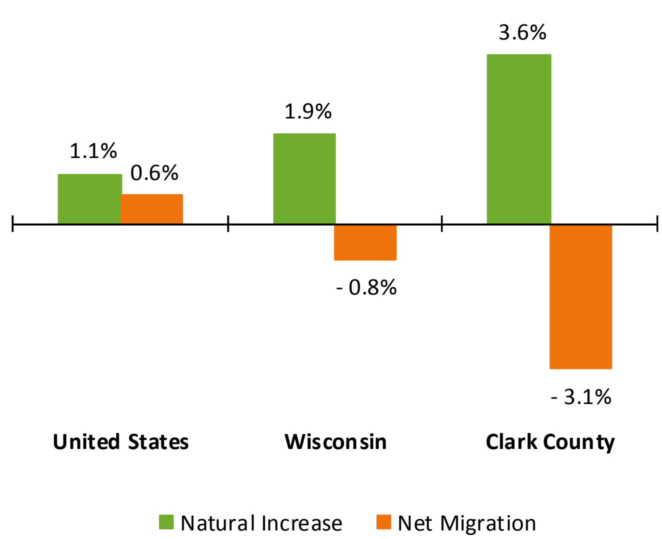
Net migration, which is defined as people moving into the county minus those leaving, was negative for the period studied, as it was in 40 Wisconsin counties over the last five years. Population change due to net-migration was –3.1% from 2010 to 2015, compared to the drop in the statewide figure of -0.8%.

Growth due to natural increase (as seen on the graph below) was 3.6% in Clark County, much higher than the statewide percentage gain. A high rate of natural increase typically indicates a comparatively young population and a high birth rate. In fact, the median age of Clark County (37.2) ranks the county 12th youngest in Wisconsin.

However, Clark County cannot be simply classified as a "young" county because of its unique age distribution. The county substantially exceeds the state in the share of population under 18 years old AND share of population 65 and over. To put it simply, Clark County has a lot of children and a lot of senior citizens compared to the rest of the state. Part of this unique and somewhat strange dynamic is caused by a tangible Amish population. The Amish are generally associated with high birth rates and, consequently, a young population. The high share of population 65 or older is typical of rural counties.

The table above shows the ten most populous municipalities in Clark County. Municipalities that straddle the county border (Abbotsford and Colby) are marked by an asterisk. The population reported for the municipality

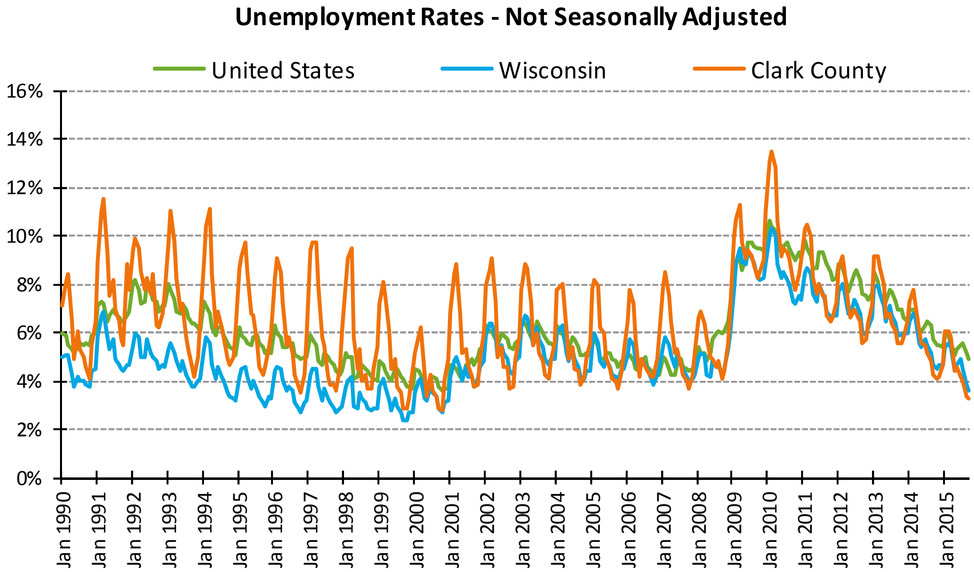
Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration

Labor Force Dynamics

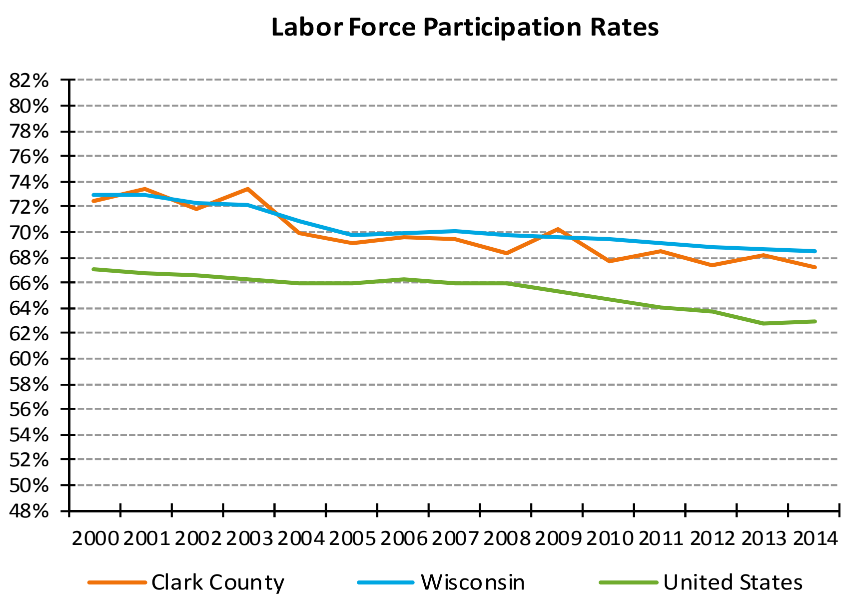
represents only the number of people who live in Clark County. As a rural county, no municipality within the borders can be considered a job dense economic center. The City of Neillsville has the largest population with almost 2,422 people. However, the municipality lost the most residents in terms of total population and in terms of percent of total population.



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

The graph to the upper right displays Clark County's monthly unemployment rate over the last 25 years comparing it to the state and nation. Clark's rate of 3.3% is fairly low historically speaking, although not as low as during the booming economy of the late 1990s as seen above. While an improved economy is partially responsible for today's low unemployment rates, the trend of slow labor force growth due to baby boomers leaving the labor force also impacts the rates.

The graph to the bottom left is the fourteen-year trend in labor force participation rate (LFPR). LFPR is defined as the labor force (sum of employed and unemployed) divided by total population ages 16 and older. Clark County's annual average LFPR was 67.2% in 2014, higher than the national (62.9%) average, but lower than the statewide (68.5%) average. Clark's LFPR was ranked 30th highest in the state.



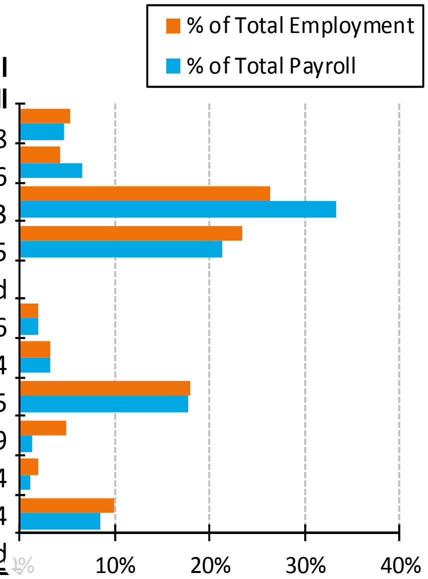
Source: Current Population Survey, U.S. Department of Commerce, Census Bureau

LFPR over the last decade shows an overall downward trend, as the population skews older. Some of the baby boomer generation has already reached retirement age, and participation rates reflect this shift. Clark's LFPR trend has roughly mirrored the state's, and the nation's, exhibiting the downward trend of an aging population.

Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in Clark County

	Employment Annual Average	Employment 1-year change	Total Payroll
Natural Resources	562	16	$ 16,499,978
Construction	464	-2	$ 23,540,586
Manufacturing	2,776	95	$ 118,809,213
Trade, Transportation, Utilities	2,464	106	$ 75,731,145
Information	Suppressed	Not avail.	Suppressed
Financial Activities	203	-11	$ 6,853,216
Professional & Business Services	331	-12	$ 11,638,064
Education & Health	1,904	108	$ 63,056,415
Leisure & Hospitality	522	8	$ 4,727,589
Other services	199	10	$ 3,806,474
Public Administration	1,063	-11	$ 30,035,514
Not assigned	Suppressed	Not avail.	Suppressed
All industries	10,563	308	$357,013,857



Source: WI DWD, DET, BWITS, Quarterly Census Employment and Wages, June 2015

Clark County saw job growth of 3.3% (308 jobs) from 2013 to 2014, ranking it eighth amongst the state's 72 counties, by percent change. The longer term five-year growth from 2009 was even faster, at 10.6%, ranking Clark fifth in terms of job growth percentages in the state. Wages grew by 9.9% (vs. the statewide average of 3.8%), with Clark's all industry wage still only at 77.1% of the statewide level, slightly higher than in the last profile in 2013. Clark's all industry wage was $33,799, up 6.7%, which ranked it fourth fastest in Wisconsin by percent change.

Manufacturing, the largest industry in the county by employment and even more so by total payroll, gained 95 jobs from 2013 to 2014. Most large sub-sectors of employment in manufacturing gained jobs from 2013 to 2014, with food manufacturing gaining the most, up 103 jobs. Food manufacturing is already the largest sub-sector, with almost half the manufacturing jobs in the county. Machinery and fabricated metal products manufacturing also gained jobs, up 33 jobs and 30 jobs, respectively.

Trade, transportation and utilities, the second largest super-sector in the county, added 106 net jobs from 2013 to 2014. Most of the gain appears to be in truck transportation (up 168 jobs), which was balanced against losses in other sub-sectors.

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	Clark County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	$ 43,856	$ 33,799	77.1%	6.7%
Natural Resources	$ 36,156	$ 29,359	81.2%	5.8%
Construction	$ 55,317	$ 50,734	91.7%	7.8%
Manufacturing	$ 54,365	$ 42,799	78.7%	5.1%
Trade, Transportation & Utilities	$ 37,362	$ 30,735	82.3%	5.9%
Information	$ 62,482	suppressed	Not avail.	Not avail.
Financial Activities	$ 61,884	$ 33,760	54.6%	-1.3%
Professional & Business Services	$ 52,386	$ 35,160	67.1%	12.8%
Education & Health	$ 44,829	$ 33,118	73.9%	14.7%
Leisure & Hospitality	$ 16,055	$ 9,057	56.4%	0.1%
Other Services	$ 25,847	$ 19,128	74.0%	3.2%
Public Administration	$ 44,462	$ 28,255	63.5%	1.8%

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

Employment Projections

West Central Workforce Development Area Industry Projections, 2012-2022
Barron, Chippewa, Clark, Dunn, Eau Claire, Pepin, Pierce, Polk, and St. Croix Counties

Industry	2012 Employment	Projected 2022 Employment	Change (2012-2022) Employment	Percent
All Industries	179,507	197,498	17,991	10%
Natural Resources	2,217	2,082	-135	-6%
Construction	6,251	7,672	1,421	23%
Manufacturing	31,604	31,062	-542	-2%
Trade, Transportation, and Utilities	36,849	39,788	2,939	8%
Information	1,730	1,697	-33	-2%
Financial Activities	7,060	7,668	608	9%
Professional and Business Services	15,691	19,602	3,911	25%
Education and Health Services	33,232	39,322	6,090	18%
Leisure and Hospitality	18,240	20,248	2,008	11%
Other Services	4,779	5,301	522	11%
Public Administration	12,122	12,750	628	5%
Self-Employed and Unpaid Family Workers	9,732	10,306	574	6%

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, September 2015.

While studying past trends is useful, DWD also produces projections of industry and occupation employment into the future. The data presented on this page and the next is produced every two years, following Bureau of Labor Statistics methodology. The current ten-year forecast examines employment over the period between 2012 and 2022 and has been published at both the state and Workforce Development Area level. The industry and occupational employment projections in this profile are for the nine-county West Central Wisconsin Workforce Development Area. This region includes more than just the area directly impacted by the Clark County regional economy. Employment in Clark County accounts for about 6% of employment in the region. However, employment and economic dynamics are similar enough within all parts of the region to comment on general trends.

Employment across all industries is expected to grow by 10% over the ten year period, or almost 18,000 workers. This projection only forecasts levels of filled positions rather than potential demand. This further illustrates the issues associated with the aging population—while growth in the labor force is slowing, and in some counties even declining, job growth is expected to continue. So while businesses are already having difficulty filling the job openings vacated by retirees, increasing difficulty will be felt filling new openings as well. This could even constrain job growth, if openings businesses already have can't be filled, businesses may not find enough employees to fill newly created positions, even if enough demand in the market exists to expand.

Solutions to this issue will be different for each business, but will likely include a combination of possibilities like talent pipeline development (examples include the Wisconsin Fast Forward training grants, and business alliances aimed at marketing specific careers), increased focus on talent attraction and retention, engaging under-utilized workforces (like those with barriers to workforce entry), increased automation, and retaining retirees in non-conventional work arrangements to name a few.

The most significant numerical growth is expected in Education and Health Services (6,090, 18% growth rate), and Professional and Business Services (3,911, 25% growth rate). Another fast growing super-sector of anticipated growth is the Construction sector (23%).

While industry projections have their uses, a more functional approach is projected occupational growth. An examination of projected occupational employment growth reveals a possible explanation for the moderate growth rates anticipated in a

Employment Projections

West Central Workforce Development Area Occupation Projections, 2012-2022

Barron, Chippewa, Clark, Dunn, Eau Claire, Pepin, Pierce, Polk, and St. Croix Counties

Occupation Group	Employment 2012	Employment 2022	Change (2012-2022) Number	Change (2012-2022) Percent	Average Annual Openings Due to Growth	Average Annual Openings Due to Replacement	Average Annual Openings Total Openings	Median Annual Wage
All Occupations	179,507	197,498	17,991	10%	1,923	4,243	6,166	$ 31,988
Management	7,640	8,451	811	11%	82	153	235	$ 80,633
Business and Financial	5,611	6,233	622	11%	63	115	178	$ 52,258
Computer and Mathematical	2,143	2,488	345	16%	34	36	70	$ 58,701
Architecture and Engineering	3,150	3,307	157	5%	20	75	95	$ 61,622
Life, Physical, and Social Science	863	953	90	10%	9	27	36	$ 47,598
Community and Social Service	1,815	2,012	197	11%	20	42	62	$ 44,525
Legal	752	913	161	21%	16	12	28	$ 51,849
Education, Training, and Library	4,751	5,149	398	8%	40	106	146	$ 45,573
Arts, Entertainment and Media	1,854	2,029	175	9%	20	46	66	$ 32,900
Healthcare Practitioners	11,497	13,855	2,358	21%	236	232	468	$ 56,984
Healthcare Support	5,919	6,771	852	14%	85	112	197	$ 28,445
Protective Service	2,972	3,234	262	9%	26	93	119	$ 36,477
Food Preparation and Serving	16,711	18,441	1,730	10%	173	620	793	$ 18,343
Building & Grounds Maintenance	5,150	5,935	785	15%	78	105	183	$ 25,637
Personal Care and Service	10,146	12,334	2,188	22%	221	161	382	$ 21,692
Sales and Related	19,083	20,368	1,285	7%	130	593	723	$ 22,657
Office and Administrative Support	25,723	27,883	2,160	8%	244	599	843	$ 30,509
Farming, Fishing, and Forestry	1,557	1,470	-87	-6%	1	38	39	$ 25,373
Construction and Extraction	6,398	7,544	1,146	18%	115	106	221	$ 43,024
Installation, Maintenance, Repair	7,805	8,427	622	8%	66	180	246	$ 39,729
Production	24,010	24,280	270	1%	91	486	577	$ 31,688
Transportation & Material Moving	13,957	15,421	1,464	10%	151	304	455	$ 29,346

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, September 2015

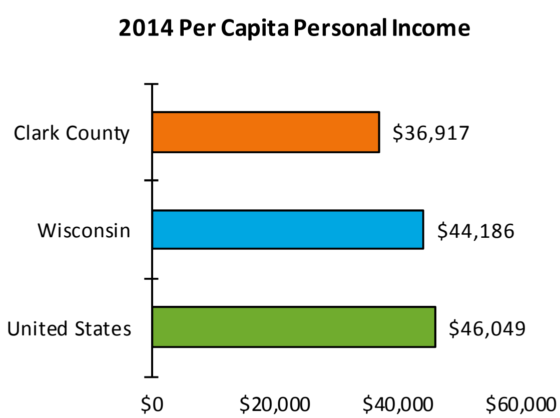
number of the region's largest industry sectors. We first see that the most significant occupational growth can be observed in a number of occupational categories largely concentrated in the Health Services sector, including Healthcare Practitioners, Healthcare Support, and Personal Care and Services workers. Significant growth is also anticipated in many other occupational sectors, supporting the narrative of long-range stability in many of the region's largest industries. The other trend that is also illustrated is that of labor constraints as openings created due to replacement needs outnumber those generated by new growth by a factor of two-to-one in the region. This suggests that there will be increased importance placed on the availability and skill sets of young workers entering the region's workforce. It's vitally important to realize that slow growth or declines in employment don't-necessarily reflect on the health of those industries. Employment declines may be due to factors such as increased automation and productivity. There will be many openings simply due to retirements.

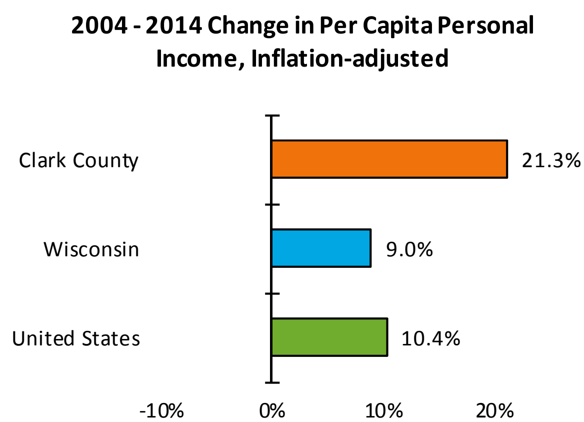
Personal Income

	2004 Nominal Per Capita Personal Income	2004 Per Capita Personal Income in 2014 dollars	2014 Per Capita Personal Income	Nominal Change in Per Capita Personal Income (2004 - 2014)	Inflation-adjusted Change in Per Capita Personal Income (2004 - 2014)
United States	$34,316	$41,709	$46,049	34.2%	10.4%
Wisconsin	$33,350	$40,534	$44,186	32.5%	9.0%
Clark County	$25,042	$30,437	$36,917	47.4%	21.3%

Source: Bureau of Economic Analysis

Clark County's inflation adjusted (real) per capita personal income grew by 21.3% from 2004 to 2014, much faster than both the statewide and national averages. Per capita personal income (PCPI) is derived by dividing total personal income by total population, making comparisons among areas with different populations much more useful. The recession affected incomes throughout the nation, and Wisconsin felt the effects as well. Slow growth and even losses in real income persisted throughout the 2007-2009 recession, and for some time after, though we are seeing growth in most counties again.





Source: Bureau of Economic Analysis

In 2014, the PCPI of $36,917 in Clark County was about 84% of Wisconsin's PCPI, falling against the statewide average in recent years. Clark's PCPI ranked 59th among Wisconsin's 72 counties. As mentioned on page 3, the county has high shares of children and senior citizens. Children account for a very small part of the county's total personal income, but they are counted in the population used to calculate PCPI. Residents age 65 or older are less likely to work and bring in an income beyond retirement accounts and transfer payments such as Social Security and Medicare. As a result, retired residents typically bring in less income than an employed resident who works full time.

Clark's PCPI is about 93% of the PCPI for the non-metropolitan counties in the state, a more reasonable comparison than to the statewide average, which is heavily influenced by higher wages paid in metro areas.

For More Information:

Scott Hodek
Regional Economist — West Central WDA
Phone: (715) 836-2997 Email: scott.hodek@dwd.wisconsin.gov
http://dwd.wisconsin.gov/oea