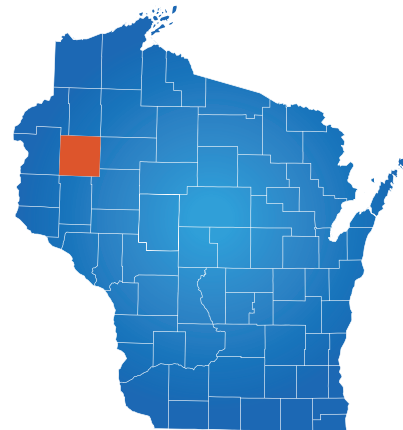


Barron County

2023 WORKFORCE PROFILE



2022 Wisconsin Overview

Wisconsin's economy broke numerous records during 2022, as the rebound from the COVID-19 pandemic continued.

During January through April, the state achieved a record low seasonally adjusted unemployment rate of 2.8%, while also achieving record lows in initial and continuing weekly unemployment insurance claims. As the number of unemployed people trended downward, construction employment reached a record high, and the manufacturing industry also experienced strong growth.

By year end, the state had regained 99% of the 404,000 jobs lost during the COVID-19 pandemic, including the short, sharp recession of March and April 2020. In addition to the strong rebound in jobs during 2022, Wisconsin's real GDP reached record highs and the state concluded the year with a record high state surplus approaching \$7 billion.

While Wisconsin's year-ending labor force participation rate of 64.6% remained more than 2 percentage points above the national average, demographic trends including the aging and retirement of Baby Boomers contributed to the labor quantity challenge. Concerns over inflation, compounded by China's response to the COVID-19 pandemic and resulting supply chain disruptions, also defined the year.

As demand for workers grew throughout 2022, employers voiced concerns about their inability to attract talent and workers in general. This is unlikely to change in the foreseeable future. The primary underlying challenge is the demographic situation as Baby Boomers exit the workforce. This lifecycle event will continue to complicate employers' ability to find workers and talent. These demographic problems extend beyond Wisconsin and affect the upper Midwest, the U.S. as a whole, much of Western Europe, and in fact, the developed world. Even China faces a talent shortage.

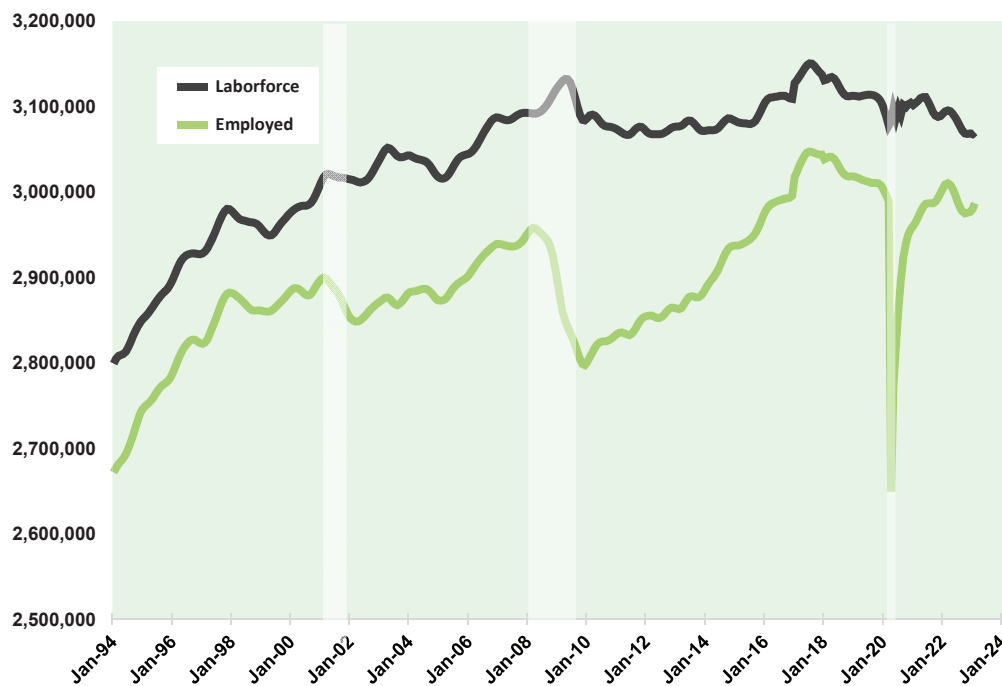


EMPLOYMENT

Wisconsin's labor force held relatively steady through the pandemic, while employment dropped severely and then recovered quickly. See Graphic 1.

The employment gyrations pushed the unemployment rate to 14.1% in April 2020. As employment recovered, the unemployment rate fell to new lows of 2.8% in March and April of 2022. As of December 2022, Wisconsin's seasonally adjusted unemployment is 3.2%.

Graphic 1: Wisconsin's Labor Force and Employment



Source: Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics

SHORT-RUN OUTLOOK

The short-run outlook for the state looks positive. Job levels continue at high levels, registering gains in 10 out of 12 months in 2022.

Job gains coupled with higher wages translate into healthy consumption, which makes up two-thirds of the economy. Wage gains have been robust. However, the surge in inflation brought about by supply chain disruptions and the war in Europe have undercut the gains in real terms. We expect high inflation to be transitory while wage gains will be permanent. With continued job and wage gains, consumption will be the underpinning of economic growth.

The most prominent economic risk is the Federal Reserve Bank (Fed) aggressively combatting inflation through higher interest rates. The Fed raised interest rates seven times in 2022 – going from essentially zero to 5%. They set a range of 25 basis points. As of March 1, 2023 the range is 4.7 – 5%. Interestingly, Fed fiscal policy contributed to inflation pressures over the last few years.

Experts expect that inflation pressures will ease as supply chains readjust. As inflation pressures ease, the Fed will be able to conduct a more accommodative monetary policy. Tighter fiscal policy will have an influence over the coming years as well.

Businesses continue to voice lack of workforce talent as the primary constraint on production growth. Pursuit of workers has brought about wage and benefit increases, signing bonuses, and other incentives to attract workers. However, other workforce barriers such as transportation, dependent care, housing affordability, and the uncertainty of workplace safety surrounding COVID-19. Solutions to these barriers are discussed below.

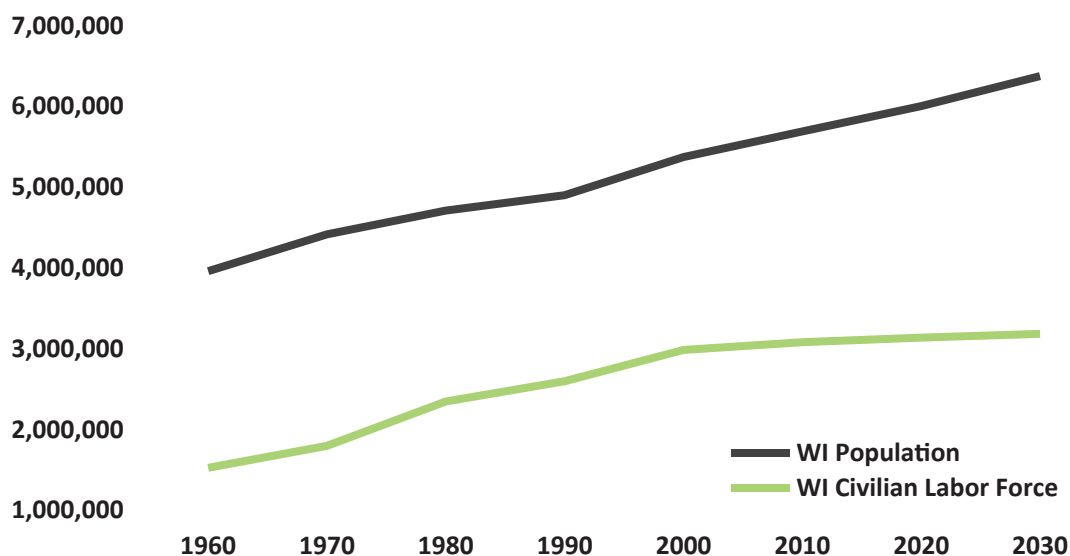
LONG-RUN CHALLENGE

Workforce quantity is the primary challenge facing Wisconsin's economic future. The demographic dynamics facing the state, other upper-Midwest states, the U.S., and most of the developed economies will advance unaltered in the coming decades.

While Wisconsin's population will continue to grow over the next 20 years, the workforce faces serious constraints. The labor force trend began to seriously flatten in 2008 after slowing in the late 1990s as the first baby boomers (those born in 1946) reached age 62 and began to leave the workforce. Baby boomers continue to exit the workforce in great numbers and will continue to do so over the next 20 years.

The number of retiring baby boomers nearly match the influx of new workers, resulting in a slow-growing workforce. This constrains employers' ability to secure talent across industries. Many businesses report that the lack of available workers has hindered expansion, and in some cases, even curtailed the ability to meet current business needs.

Graphic 2: Wisconsin Population and Labor Force



Source: WI DWD, OEA Special Tabulation

There are four solutions to the macroeconomic labor quantity challenge: 1) offshoring production, 2) immigration, 3) mitigating barriers to employment of the chronically unemployed, and 4) technological advancement. Critical to the technology solution is the concomitant match of labor skills with technologies' sophistication. This is true for designing, building, installing, operating, and maintaining the advanced technology being put in place as well as for development of the infrastructure and facilities needed to support technological progress: broadband, power, water, transportation.

Worker skills must align with skills demanded by the position. If you have the talent and not the job, the talent goes elsewhere. If you have the job and not the talent, the job goes elsewhere. For Wisconsin to successfully compete in the global economy, the state needs to attract and retain every body it can and educate and train everybody to match the requirements of the new technologies.

FOUR SOLUTIONS



Barron County

POPULATION AND DEMOGRAPHICS

Barron County added 208 residents from 2020 to 2022, growing at a rate of 0.5%, which is slower than the state's growth rate of 0.9%. Still, this ranked it within the top half of Wisconsin's counties for growth. The City of Rice Lake, located along the lake that is its namesake, is Barron's largest population center. The city gained 40 residents from 2020 to 2022. Outside of Rice Lake, most growth in the county tends to be near popular lakes. Other faster growing communities benefit from their proximity to Rice Lake and to Highway 53, a major north-south route.

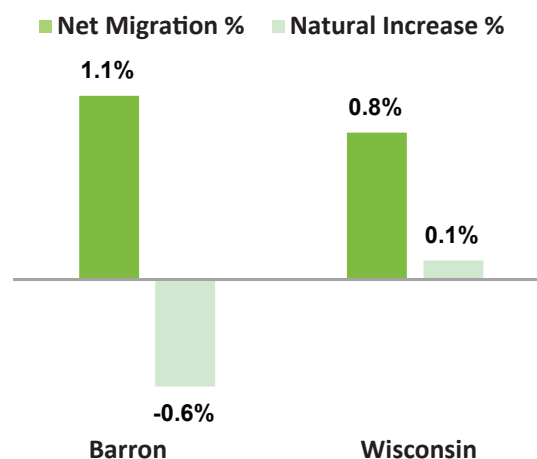
Graphic 3: 10 Most Populous Municipalities in County

	2020 Census	2022 Final Estimate	Numeric Change	Percent Change
Rice Lake, City	9,040	9,080	40	0.4%
Barron, City	3,733	3,685	-48	-1.3%
Rice Lake, Town	2,813	2,833	20	0.7%
Stanley, Town	2,570	2,575	5	0.2%
Cumberland, City	2,274	2,267	-7	-0.3%
Chetek, City	2,172	2,166	-6	-0.3%
Cameron, Village	1,872	1,871	-1	-0.1%
Chetek, Town	1,726	1,751	25	1.5%
Prairie Lake, Town	1,648	1,674	26	1.6%
Cedar Lake, Town	1,076	1,095	19	1.8%
Barron County	46,711	46,919	208	0.4%
Wisconsin	5,893,718	5,949,155	55,437	0.9%

Source: Demographic Services Center, WI Dept. of Administration

Migration accounted for the entirety of Barron County's growth. In fact, the county's net migration growth rate was higher than the statewide average. In contrast, the county saw no positive natural increase growth (births minus deaths). A natural decrease tends to indicate an older population with fewer younger residents starting families. This is a common trend in Wisconsin's recreation-rich northern counties, as they tend to be attractive destinations for retirees. A natural decrease isn't uncommon - three-quarters of Wisconsin's 72 counties experienced more deaths than births from 2020 to 2022. It is yet another impact of the aging baby boomer generation's relative size versus following generations. Barron County's median age of 44.3 is the 30th highest in the state.

Graphic 4: Components of Population Change



Source: Demographic Services Center, WI Dept. of Administration

EMPLOYMENT BY INDUSTRY

Barron County gained 306 jobs from 2020 to 2021, ranking its annual growth rate 48th amongst the state's 72 counties. However, COVID-19 caused a very steep job loss in 2020, from which Barron has yet to recover. There were 820 fewer jobs in Barron County in 2021 versus 2019, but only seven counties in Wisconsin to have surpassed their 2019 total. Part of this in Barron County is due to the concentration of jobs in tourism common in scenic northern counties. The leisure and hospitality industry in Barron County lost over 40% of its jobs when the pandemic hit, following the statewide trend. This sector has been slow to recover, with many permanent closures during the depths of COVID-19, and those that remained struggling to find workers.

Graphic 5: Employment Change by Industry

	2021 Average Monthly Employment	1-year Numeric Change	1-year Percent Change	2-year Numeric Change	2-year Percent Change	Percent of Total Employment
Construction	647	6	0.9%	-69	-9.6%	3.1%
Education & Health Services	4,666	186	4.2%	26	0.6%	22.0%
Financial Activities	590	-50	-7.8%	5	0.9%	2.8%
Information	150	-1	-0.7%	-8	-5.1%	0.7%
Leisure & Hospitality	2,228	89	4.2%	-246	-9.9%	10.5%
Manufacturing	5,682	-104	-1.8%	-227	-3.8%	26.8%
Natural Resources & Mining	474	-8	-1.7%	-119	-20.1%	2.2%
Other Services	334	29	9.5%	-50	-13.0%	1.6%
Professional & Business Services	1,233	66	5.7%	-74	-5.7%	5.8%
Public Administration	1,137	-3	-0.3%	-31	-2.7%	5.4%
Trade, Transportation, Utilities	4,057	97	2.4%	-25	-0.6%	19.1%
All Industries	21,197	306	1.5%	- 820	-3.7%	100.0%

Source: WI DWD, Labor Market Information, QCEW 2021

Manufacturing, the largest industry in the county by employment and even more so by total payroll, lost 104 jobs from 2020 to 2021. Food manufacturing is top of the heap with about 40% of the manufacturing jobs in the county, owing especially to the Jennie-O Turkey Store in the City of Barron. Fabricated metal products and machinery manufacturing are also important sub-sectors of manufacturing in Barron. Manufacturing on average has not recovered to its pre-pandemic levels, apart from machinery manufacturing, which has already surpassed its previous high.

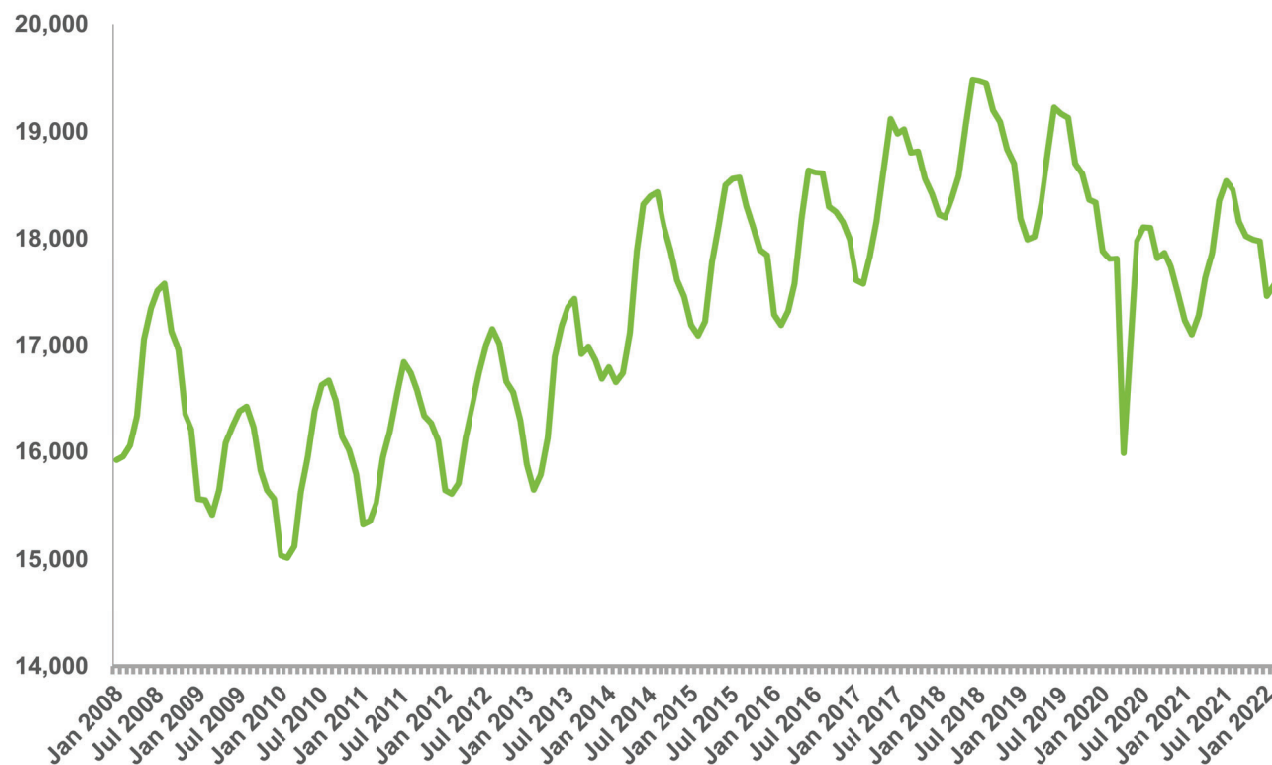
Job growth in education and health, the second largest super-sector of employment, was up 186 jobs from 2020 to 2021, and officially surpassed its 2019 level. Barron County is a health care hub for surrounding rural areas, with multiple hospitals in the county and a relatively new Marshfield Clinic location in Rice Lake. Education is also an important employer, with many local schools and a UW satellite campus – UW Eau Claire at Barron County.



TOTAL MONTHLY EMPLOYMENT

Economic disruption and volatility driven by COVID-19 complicates efforts to separate structural economic shifts from short-term changes. The pandemic caused the shortest recession in United States history beginning in February 2020 and ending in April 2020. However, impacts in Wisconsin were more evident from March to April, coinciding with the spread of the virus. Looking more closely at March 2020 and beyond, it's easy to see that this period stands in sharp contrast to the relative stability of the previous decade. Employment in Barron County declined by 1,820 (10.2%) in just one month, and although the subsequent recovery period began immediately in May, it has been inconsistent.

Graphic 6: QCEW Monthly Employment



Source: WI DWD, Labor Market Information, QCEW Second Quarter

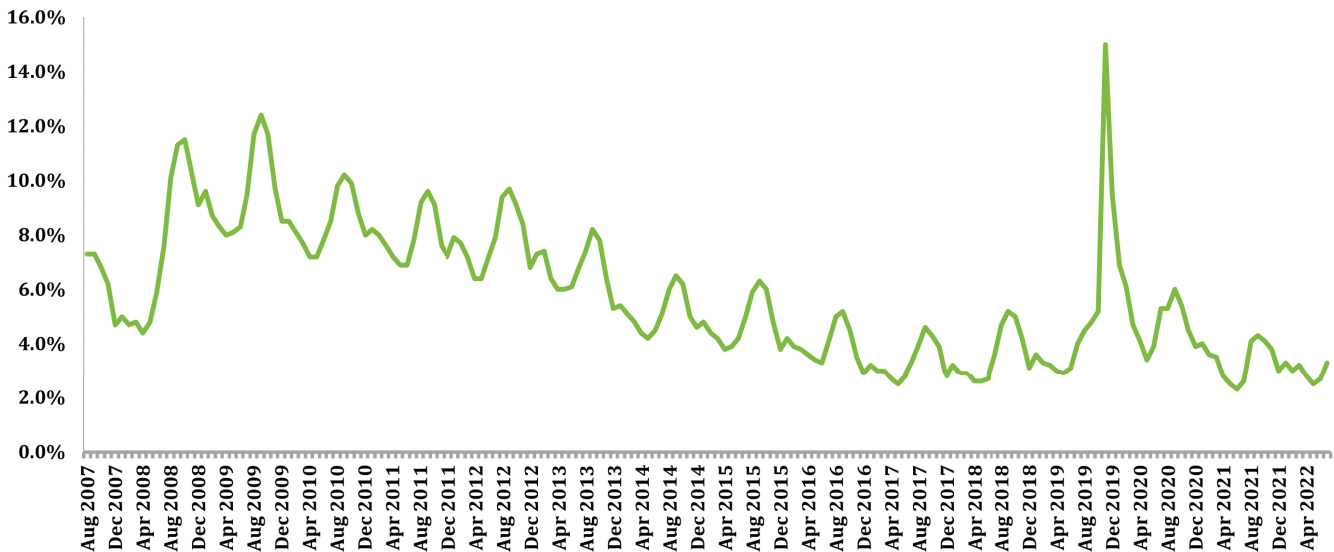
The most rapid rebound occurred in the spring and early summer of 2020, but then the pace of the recovery began to slow. Seasonality complicates month-to-month comparisons of jobs data – for example, construction employment is high in summer but drops as colder weather makes outdoor work impractical, and retail gains temporary jobs during the holiday season. Comparing the same month in different years takes seasonality out of the equation. As of June 2022, Barron County's total employment was still down 4.7%. Many counties in the state have yet to fully recover. Versus historical recessions, this has been a very fast recovery.

It is difficult to say what the future holds for Wisconsin's economy. The U.S. economy has been sending mixed signals; it does face some domestic and international headwinds as of year-end 2022, but there continues to be surprising gross domestic product, consumer spending, and job growth. Inflation peaked at 9% this summer, its highest rate since the early 1980s. It is 6.4% as of December 2022 (12-month annualized, seasonally adjusted), which is still high but dropping. Initial jobless claims have risen nationally since the spring but remain low, despite employers' concerns about the economy. This implies that finding workforce is still the bigger concern for employers. Regardless of economic conditions, tight labor force conditions are likely to continue.

UNEMPLOYMENT AND LABOR FORCE PARTICIPATION

Following the economic disruption of COVID-19, evident in the early 2020s on graphic 7, Barron County's unemployment rate returned to its standard seasonal patterns. The non-seasonally adjusted unemployment rate rocketed up to 15.0% in April 2020 but was at 3.3% as of December 2022. This is slightly above the statewide average, but it is still incredibly low by historical standards. Demographics are the root cause of these tight labor market conditions, creating a long-term trend that will impact Wisconsin's labor force for decades. Therefore, it's vitally important to focus on efforts to create local talent pipelines in partnership with the education system, attract talent to the area, retain the talent we have, and recruit underutilized talent pools like the justice-involved, people with disabilities, etc.

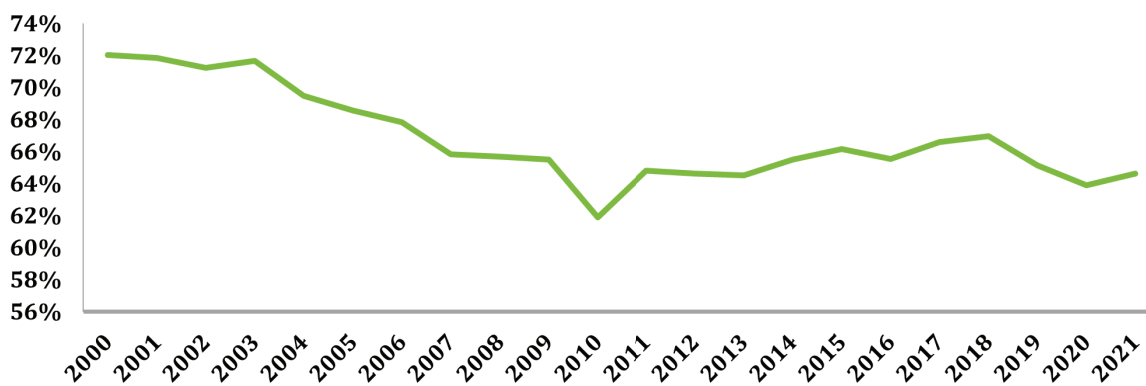
Graphic 7: Unemployment Rate



Source: Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics

Graphic 8 demonstrates the demographic shift underpinning today's labor force constraints. Barron County's labor force participation rate (LFPR) has been trending downward (with the occasional recessionary ups and downs) since 2000, the time when the oldest members of the baby boomer generation were in the late stages of their prime working years. It leveled out after the great recession, but the overall long-term trend is still downward as the county ages. The LFPR in 2021 was 64.6%, up slightly from 2020 but it's likely to be a correction from COVID-19 impacts. It's more important to note that this LFPR is much lower than the peak of the last two decades – 72% in 2000.

Graphic 8: Labor Force Participation Rate



Source: WI DWD, Office of Economic Advisors (OEA)

BARRIERS TO FULL UTILIZATION

As baby boomers continue to age out of the labor force, Wisconsin faces a workforce quantity challenge. Wisconsin needs as many workers as possible, reemphasizing the importance of addressing barriers that keep people out of the labor force. Although there is no single solution to demographically driven staffing challenges, four common barriers persist across areas and industries. These barriers are transportation, housing, childcare, and broadband access.

Transportation

One barrier is the simple logistical problem of getting a worker to and from work. 88.1% of Barron County residents drive a car to work, with the vast majority driving alone. Many families can't afford a reliable vehicle, a problem compounded by the increase in used car prices due to COVID-19-related supply chain issues. Helping workers acquire and service reliable vehicles can help, for example Wausau's Wheels to Work program takes aim at this by offering zero interest loans and donated vehicles. Public transit is another piece of the solution. Traditional fixed-route systems like buses can work in urban areas, while demand-responsive systems are more efficient in rural areas. Technology improvements are vital for both routing and ridership rates, but both suffer from the workforce shortage as well, at least until autonomous vehicles become more commonplace.

Graphic 9: Means of Transportation

	Wisconsin	Barron County
Drive Car	87.6%	88.1%
Drive Alone	79.9%	79.8%
Mean Commute Time - Residents	22.2	20.4
Mean Commute Time - Workers	21.9	20.1
% of Residents Working in another County	28.0%	17.4%
% of Workers Residing in another County	24.3%	15.6%

Source: US Census Bureau, American Community Survey, 2020 5-year File

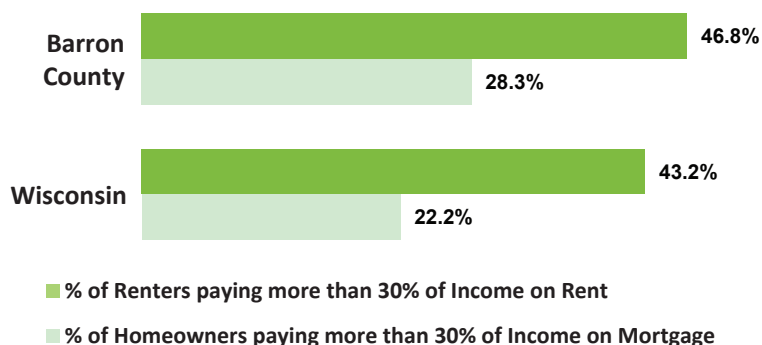


Housing

Housing is another common barrier to workforce growth. Housing affordability and availability make it difficult for workers to locate near job opportunities. Constricted housing supply in the face of increased demand fuels rising prices, contributing to affordability problems. The Department of Housing and Urban Development uses 30% of income as a guideline for housing affordability. In Barron County, and the state, many renters allocate more than 30% of their income to housing. Early data shows that this issue is worsening, as home values and monthly rent increased at an accelerated rate between 2020 and 2022.

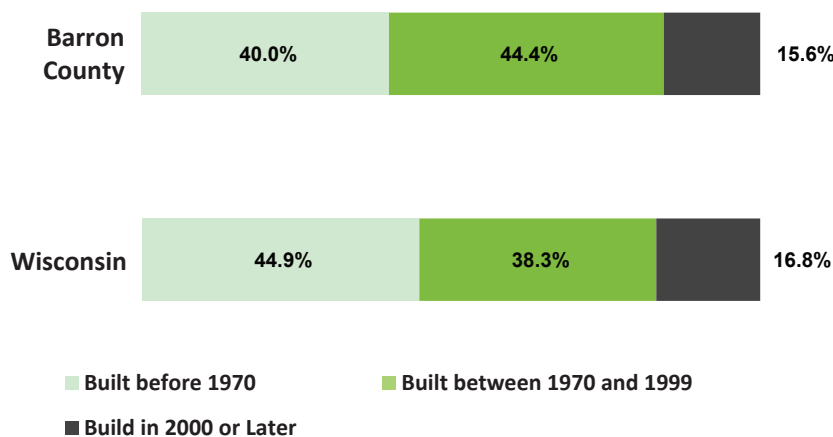
Not only is housing affordability a barrier for Wisconsin workers, but so is housing availability. While difficult to quantify, one way to assess the availability issue is to view the age distribution of existing housing stock. Barron's housing stock is close to the statewide average, owing to recent efforts to combat the housing shortage. However, prices indicate that there is still unmet demand. Communities have a central role in improving the housing situation, which includes updating zoning laws, building multi-family housing, and incentivizing affordable single-family housing developments.

Graphic 10: % Paying more than 30% of Income on Housing



Source: US Census Bureau, American Community Survey, 2020 5-year File

Graphic 11: Housing Share by Year Built



Source: US Census Bureau, American Community Survey, 2020 5-year File



Childcare

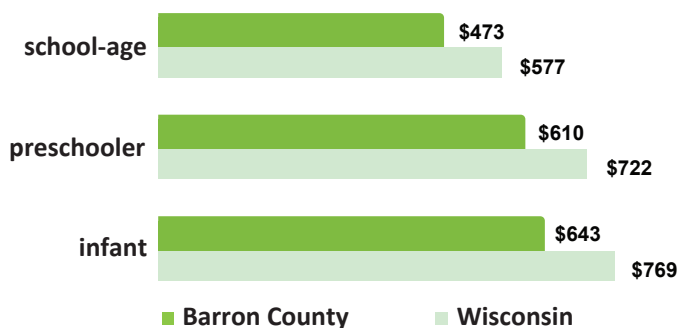
Caregivers are consistently one of the largest groups of people not in the labor force. Childcare costs continue to rise as availability declines. Not only did some childcare providers close during COVID-19, those that remain struggle to find workers, disrupting child care and reducing daycare capacity. The median wage of a childcare worker in Wisconsin is only \$11.57 per hour, adding to recruitment difficulties. The monthly cost of care in Barron County ranges from \$643 for an infant to \$473 for a school-age child, 11% to 8% of the county's median family income. The US Department of Health and Human Services considers childcare affordable at 7% of family income or less. Childcare access is also an issue for Wisconsin workers. According to the YoungStar provider database, which tracks approximately 82% of providers in the state, there are only about eight childcare slots for every 100 children under the age of 14 in Barron County. Improving cost and access would help more parents participate in the labor market but may require major structural changes. Employers can also offer flexibility to parents or provide childcare options to attract and retain workers. Community nonprofits have also seen success in helping providers get licensed and opening their own daycares, expanding childcare capacity.

Graphic 12: Childcare Capacity

	Wisconsin	Barron County
Providers	3,863	29
Maximum Capacity	132,075	571
Capacity/100 Children Under 14**	0.14	0.08

Source: Wisconsin Department of Children and Families, Youngstar Database

Graphic 13: Childcare cost



Source: Center for Women's Welfare, Uni. of Washington, 2019 Self-Sufficiency Standards

Broadband

Innovations in the work-from-home economy and virtual learning environment arose during the pandemic. Employers can use these innovations to meet Wisconsin's workforce needs and alleviate talent shortages. Employees benefit from flexible schedules and varied geographic locations. Despite these potential benefits, broadband internet availability issues limit employers and employees who need high-speed internet to make remote operations possible.

Graphic 14 displays the share of households without internet in the home. In Barron County, 21.8% of households do not have internet access, much higher than the statewide average. Lack of access varies widely by household income, as about 45% of Barron County households with income below \$20,000 do not have access. It is more difficult for individuals living in these households to take advantage of virtual employment, training, or education opportunities. State and community efforts, plus \$40 million in federal pandemic recovery funds, are improving broadband access around the state, but there's still a need for more targeted interventions.

Graphic 14: Percent of Households that DO NOT have Internet Access by Annual Household Income

	Wisconsin	Barron County
Total	14.8%	21.8%
Less than \$20,000:	38.4%	45.4%
\$20,000 to \$74,999:	17.5%	23.5%
\$75,000 or more:	4.6%	8.1%

Source: US Census Bureau, American Community Survey, 2020 5-year File

INDUSTRY EMPLOYMENT PROJECTIONS

Graphic 15: Industry Employment Projections

Industry	2020 Employment	Projected 2030 Employment	Employment Change	Percent Change (2020-2030)
Total All Industries	71,188	74,333	3,145	4.4%
Natural Resources and Mining	1,133	1,662	529	46.7%
Construction	2,642	2,838	196	7.4%
Manufacturing	11,694	12,210	516	4.4%
Trade, Transportation, and Utilities	12,848	13,025	177	1.4%
Information	495	454	-41	-8.3%
Financial Activities	1,864	1,796	-68	-3.7%
Professional and Business Services	3,044	3,228	184	6.0%
Education and Health Services	14,521	14,781	260	1.8%
Leisure and Hospitality	6,767	7,984	1,217	18.0%
Other Services (except Government)	2,988	3,209	221	7.4%
Public Administration	7,255	7,417	162	2.2%
Self Employed and Unpaid Family Workers	5,937	5,729	-208	-3.5%

While studying past trends is useful, DWD also produces projections of industry and occupation employment into the future. The employment projections in this profile are for the nine-county West Central Wisconsin Workforce Development Area, are produced every two years, and follow the Bureau of Labor Statistics methodology. The current methodology accounts for different types of changes: growth, labor force exits, and occupational transfers. These categories are helpful when analyzing occupational change. Transfers include events like changing careers, being promoted to management, or completing a retraining program. The West Central region includes more than just Barron County, which accounts for about 11% of employment in the region. However, employment and economic dynamics are similar enough throughout the region to comment on general trends.

Total industry employment is expected to grow by about 7.9%, or almost 17,000 workers from 2020 to 2030. Most industries are expected to grow over this period, though this projection only forecasts levels of filled positions rather than potential demand. This further illustrates the issues associated with the aging population. Job growth is expected to continue, despite declines in labor force levels. Employers find it difficult to replace workers even if overall employment in the industry declines. Businesses already face difficulty replacing retirees' positions, and this difficulty will expand to filling new openings, too. This could constrain job growth by limiting expansion.

Although solutions will be different for each business, they will likely include a combination of talent pipeline development, utilization of worker training grants, increased focus on talent attraction and retention, formation of business and industry alliances, engagement of under-utilized populations, increased automation, and retention of retirees in non-conventional work arrangements.



OCCUPATIONAL EMPLOYMENT PROJECTIONS

Graphic 16: Occupational Employment Projections

Occupation Title	2020 Employment	Projected 2030 Employment	Occupational Openings	Percent Change (2020-2030)
Total All Occupations	71,188	74,333	8,468	4.4%
Management	3,679	4,033	351	9.6%
Business and Financial Operations	2,418	2,482	219	2.7%
Computer and Mathematical	673	692	50	2.8%
Architecture and Engineering	764	846	66	10.7%
Life, Physical, and Social Science	814	849	86	4.3%
Community and Social Service	1,015	1,030	101	1.5%
Legal	263	276	21	4.9%
Education, Training, and Library	4,947	4,997	434	1.0%
Arts, Design, Entertainment, Sports, & Media	595	624	67	4.9%
Healthcare Practitioners and Technical	3,431	3,658	214	6.6%
Healthcare Support	2,763	2,905	356	5.1%
Protective Service	1,606	1,690	200	5.2%
Food Preparation and Serving Related	5,515	6,388	1,115	15.8%
Building & Grounds Cleaning & Maintenance	2,692	2,815	368	4.6%
Personal Care and Service	2,022	2,258	319	11.7%
Sales and Related	6,710	6,520	900	-2.8%
Office and Administrative Support	7,601	7,244	783	-4.7%
Farming, Fishing, and Forestry	831	1,105	177	33.0%
Construction and Extraction	3,962	4,144	416	4.6%
Installation, Maintenance, and Repair	3,454	3,620	353	4.8%
Production	8,422	8,645	949	2.7%
Transportation and Material Moving	7,011	7,512	922	7.2%

While industry projections have their uses, occupational projections are more applicable. Projections indicate growth in most sectors, supporting the narrative of long-range stability in many of West Central Wisconsin's largest industries. However, given the 2020 base year for this round of projections, we do see that the proportions in graphic 16 reflect these unique conditions rather than the expected trend. COVID-19 caused a large drop in employment in the base year. As a result, much of the projected growth to 2030 is recovery. Some occupations that typically have strong projected growth rates, such as nursing, did not show as much growth in this round if they did not have a significant decline in 2020 and subsequent recovery. In another example of 2020 impacts, growth in transportation and material moving occupations is far above past projections, highlighting the increase in online shopping trends during the pandemic. Recent tech layoffs suggest shopping may be returning to pre-pandemic trends, though, which means the growth in transportation and material moving occupations might not occur as projected.

The other trend illustrated is that of labor constraints as openings created due to replacement needs far outnumber those generated by new growth in the region. Transfers are the largest component of these replacements, reflecting the increased labor market churn in which there are increased opportunities due to talent shortages. Labor force exits is the other component, which reflects continued baby boomer retirement. These challenges reemphasize the importance of efforts to create, attract, and retain Wisconsin's workforce and prioritize availability and skill sets of young workers.