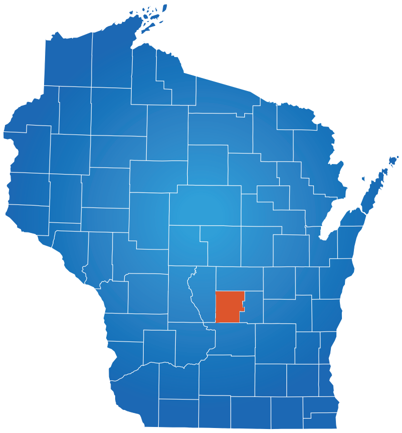
Marquette County

2023 WORKFORCE PROFILE



STATE OF WISCONSIN DWD Department of Workforce Development | WisConomy

DETI-17957-MAQ-P (R. 06/2023)

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.

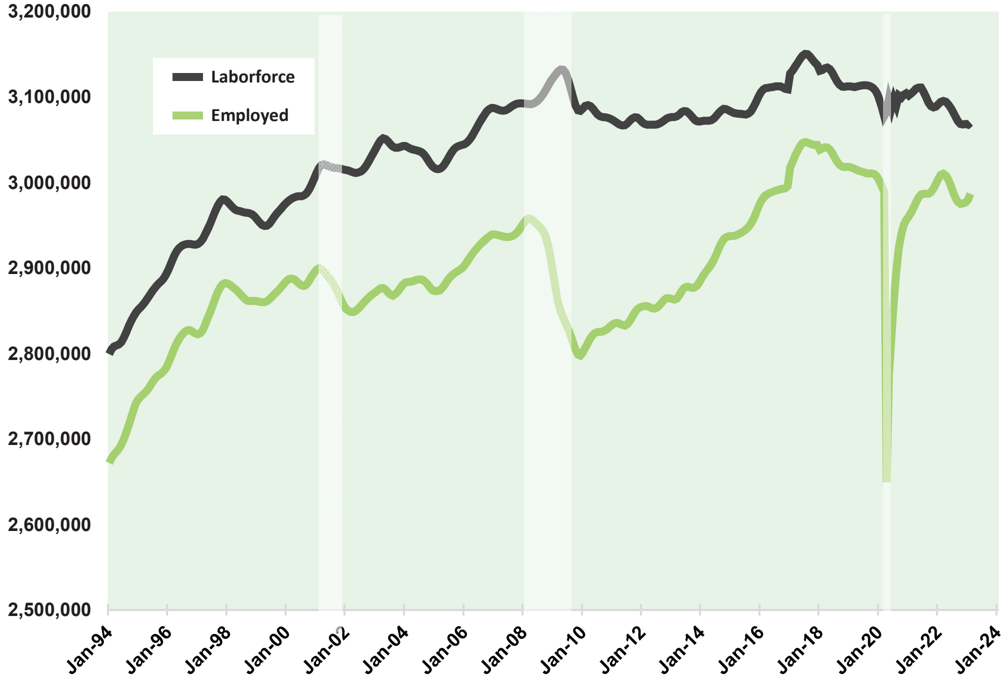
As demand for workers grew throughout 2022, employers voiced concerns about their inability to attract talent and workers in general. This is unlikely to change in the foreseeable future. The primary underlying challenge is the demographic situation as Baby Boomers exit the workforce. This lifecycle 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.

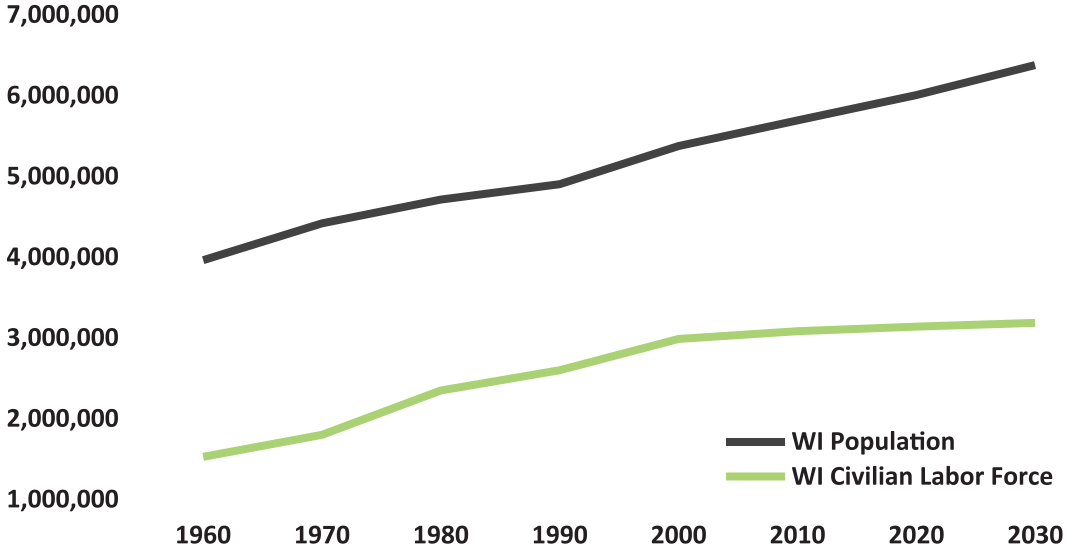
LONG-RUN CHALLENGE

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

FOUR SOLUTIONS

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.

Marquette County

POPULATION AND DEMOGRAPHICS

Marquette County has 15,533 residents and is the 65th most populous county in Wisconsin. The overall population grew slightly in the past two years of the 2020s, adding 41 individuals (0.3%). This is slower rate of growth than the state, which grew by 0.9%. The 10 largest municipalities account for 69.3% of the county's total population. Eight of the 10 largest municipalities increased in population. These municipalities grew by 1.5%, outpacing the county overall. The fastest-growing municipality was the town of Buffalo, which added 22 individuals for a 1.6% growth rate.

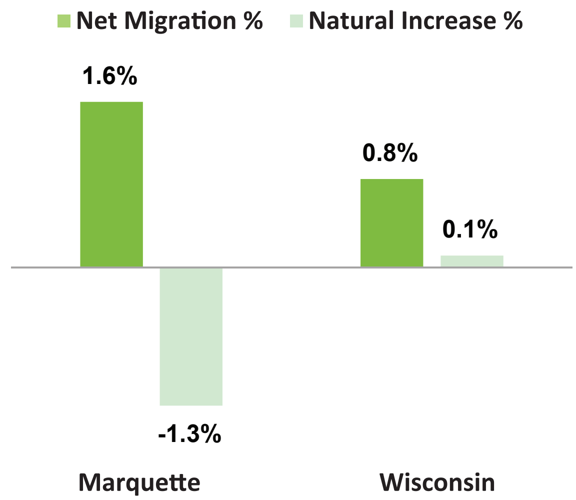
Graphic 3: 10 Most Populous Municipalities in County

	2020 Census	2022 Final Estimate	Numeric Change	Percent Change
Packwaukee, Town	1,469	1,475	6	0.4%
Montello, City	1,448	1,441	-7	-0.5%
Buffalo, Town	1,389	1,411	22	1.6%
Westfield, Village	1,302	1,297	-5	-0.4%
Montello, Town	1,132	1,135	3	0.3%
Oxford, Town	930	935	5	0.5%
Springfield, Town	811	814	3	0.4%
Westfield, Town	789	791	2	0.3%
Douglas, Town	784	784	0	0.0%
Mecan, Town	752	756	4	0.5%
Marquette County	**15,592**	**15,633**	**41**	**0.3%**
Wisconsin	**5,893,718**	**5,949,155**	**55,437**	**0.9%**

Source: WI Dept. of Administration, Demographic Services Center

Natural increase and migration are the two components of population change. Natural population increase occurs when there are more births than deaths, while an increase through migration arises when more people enter the county than exit. Marquette County grew rapidly through net migration at a rate of 1.6%, almost double Wisconsin's rate of 0.8%. However, much of Marquette's population through net migration was offset through natural decreases. Marquette County's population declined due to a natural decrease of -1.3%, compared to a natural increase of 0.1% for the state. The rate of natural increase is primarily a function of a population's age. On the other hand, migration is more actionable than natural increase and more immediately impacts the county's labor force. Improving net migration could help mitigate workforce challenges that will continue as baby boomers age out of the workforce.

Graphic 4: Components of Population Change



Source: Demographic Services Center, WI Dept. of Administration

EMPLOYMENT BY INDUSTRY

Marquette's employment across all industries grew by 29 jobs (0.8%) from 2020 to 2021. This growth, tied to the high unemployment in 2020 during COVID-19, allowed Marquette County to reach employment levels of 3,825 in 2021. However, it is more accurate to compare employment totals to 2019 as a pre-pandemic reference point. As of 2021, employment in the county was 3.7% below 2019 levels. In this respect, Marquette County's recovery from the pandemic has been slightly slower than the state, where total employment was 3.1% below 2019.

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	86	7	8.9%	9	11.7%	2.2%
Education & Health Services	678	8	1.2%	-58	-7.9%	17.7%
Financial Activities	60	-7	-10.4%	-10	-14.3%	1.6%
Information	41	2	5.1%	1	2.5%	1.1%
Leisure & Hospitality	419	42	11.1%	5	1.2%	11.0%
Manufacturing	1,253	5	0.4%	-67	-5.1%	32.8%
Natural Resources & Mining	297	-8	-2.6%	0	0.0%	7.8%
Other Services	76	2	2.7%	-1	-1.3%	2.0%
Professional & Business Services	99	-12	-10.8%	-3	-2.9%	2.6%
Public Administration	192	-20	-9.4%	-1	-0.5%	5.0%
Trade, Transportation, Utilities	622	8	1.3%	-22	-3.4%	16.3%
All Industries	**3,825**	**29**	**0.8%**	**- 146**	**-3.7%**	**100.0%**

Source: WI DWD, Labor Market Information, QCEW 2021

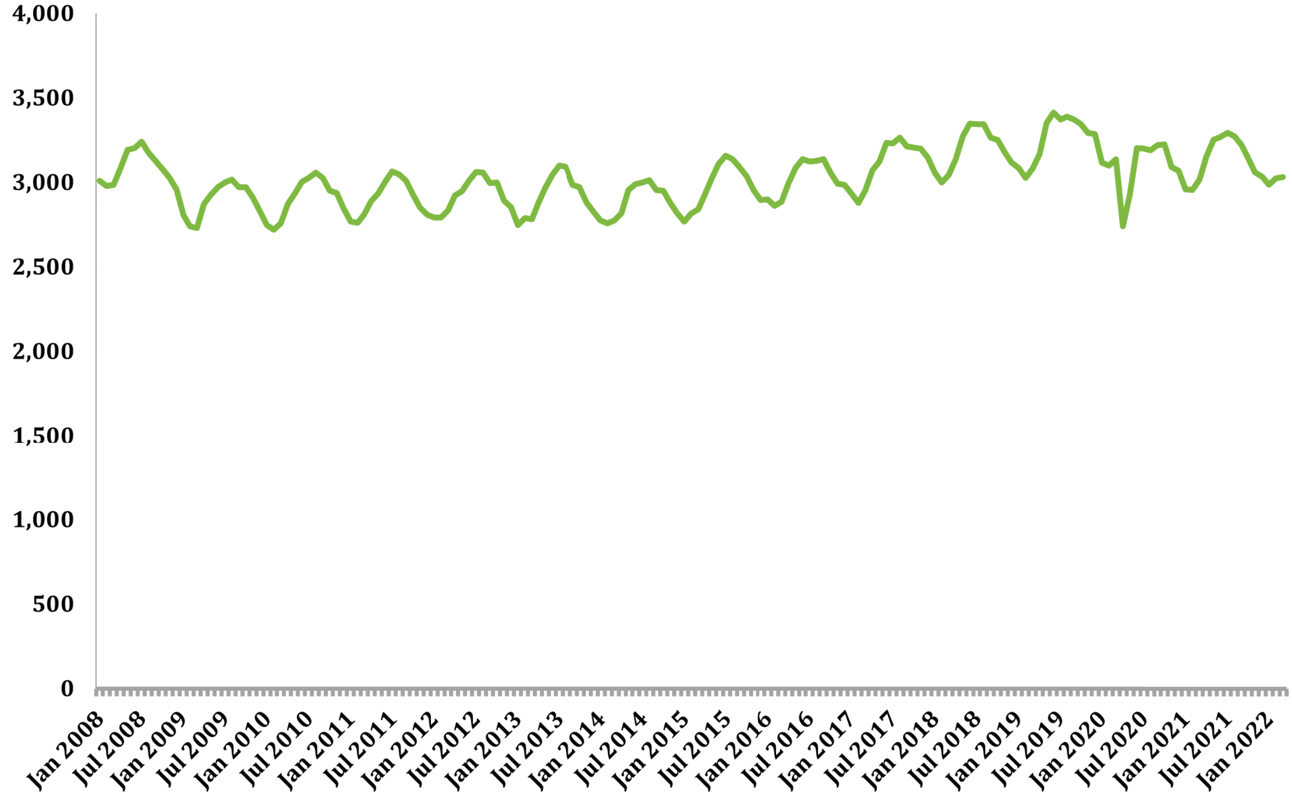
Seven out of 11 industries in Marquette County experienced employment growth between 2020 and 2021. Manufacturing; education and health services; and trade, transportation, and utilities were the county's largest industries, accounting for 66.7% of total employment in the county. All three of these top industries increased in employment between 2020 and 2021. However, these top industries were still below pre-pandemic employment levels by 5.4% overall.

Leisure and hospitality was the fastest-growing industry between 2020 and 2021, adding 42 jobs for a 11.1% growth rate. Leisure and hospitality was particularly hard-hit by COVID-19. The industry wholly bounced back, adding jobs above its pre-pandemic employment levels by 1.2%. Additionally, the construction industry has proven resilient, adding employment in both 2020 and 2021 for a two-year growth rate of 11.7%. For comparison, construction employment in Wisconsin shrunk by 1.9%. In contrast, financial services declined in both 2020 and 2021, shrinking by 14.29% over that period. However, this was a relatively small number of jobs lost because the financial services industry only represents 1.6% of employment in the county.

TOTAL MONTHLY EMPLOYMENT

The economic disruption and volatility driven by COVID-19 complicates efforts to separate structural economic shifts from ephemeral changes. Monthly numbers also allow for commentary about seasonal employment patterns. COVID-19 shifted short-term economic outcomes, causing a dramatic dip in employment in April of 2020. It also affected long-term economic outcomes, which are to be determined. Despite this, seasonal variation in employment occurs regardless of other economic conditions. For example, retail employment always ramps up for the holiday season and construction activity is higher during the summer months. For this reason, comparing the same month year-over-year accounts for these seasonal patterns.

Graphic 6: QCEW Monthly Employment



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

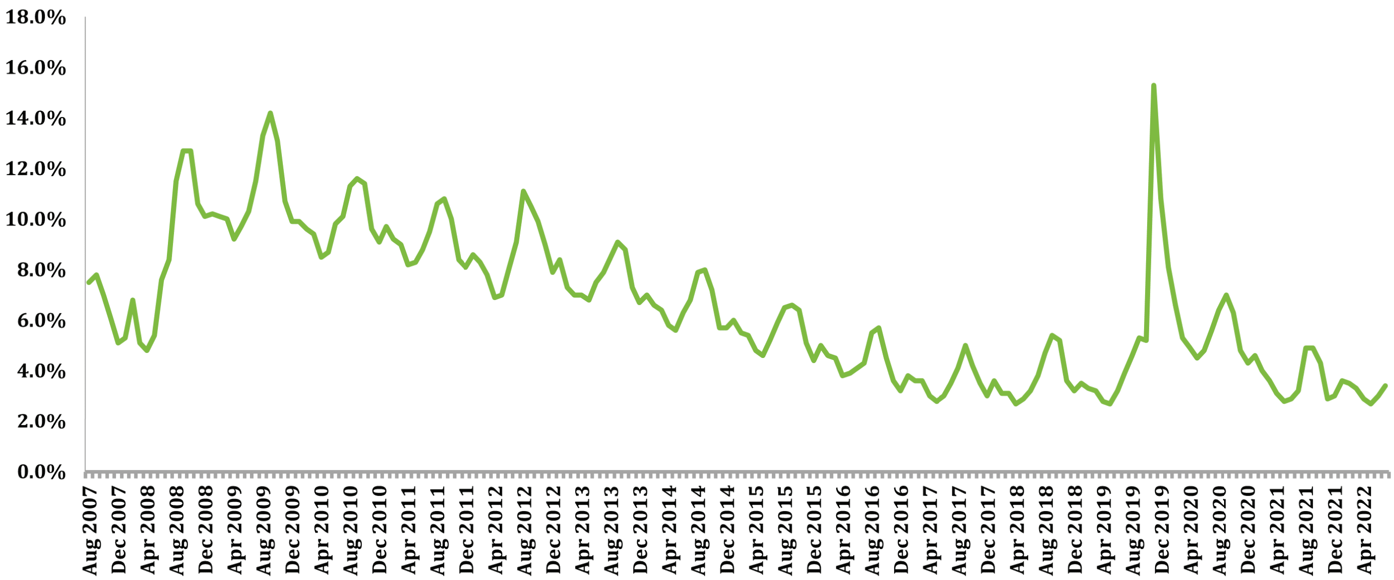
Employment in Marquette County experienced a sharp drop in April 2020. Employment in April 2020 was lower by 428 jobs compared to April 2019, an 13.5% drop. The recovery was relatively swift, however, with month-to-month employment change became positive by May 2020. This gap steadily shrunk until April 2021 when it came closest to reaching pre-pandemic employment levels, only 0.5% lower than April 2019. Unfortunately, the pre-pandemic employment difference grew again after April 2021. In December 2021, employment was 7.7% lower than it had been in December 2019. Like many other counties in Wisconsin, Marquette County has been unable to recover and maintain pre-pandemic employment levels.

Temporary cycles of boom and bust are a natural part of the economy. Beyond these short-term fluctuations, shifts in underlying markets and the economy are called structural changes. These structural changes can be significant transformations in industrial composition, directly affecting what skills and education are in-demand. Some of the changes resulting from COVID-19, such as telecommuting and work from home, are likely to continue. The structural changes at play here are likely less significant than something like a manufacturing plant closure necessitating retraining. It's critical to identify workers negatively impacted by these changes.

UNEMPLOYMENT AND LABOR FORCE PARTICIPATION

Marquette County's unemployment rate spiked to 15.3% in April 2020, caused by the COVID-19 recession. This recession impacted Marquette County more greatly than the state overall, which had a 14.1% unemployment rate in April 2020. Unlike the slow recovery following the Great Recession, the period of high unemployment after the COVID-19 recession was relatively short. In November 2020, the unemployment rate in Marquette County was only 1.6 percentage points higher than November 2019. One year later, by November 2021, the unemployment rate was 3.0%, 0.2 percentage points lower than November 2019. These low unemployment rates near the end of 2021 and 2022 point to the tight labor market observed at both state and national levels. By December 2022, Marquette County's unemployment rate was 3.4%.

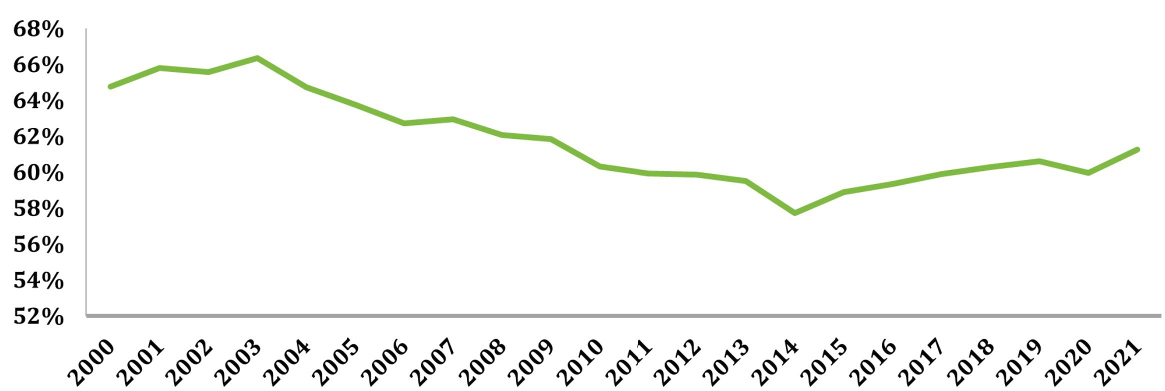
Graphic 7: Unemployment Rate



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

The labor force participation rate (LFPR) measures the percentage of people working or looking for work relative to the total population of those who could potentially work. In 2021, the LFPR in Marquette County was 61.3%, following a trend of slow and steady increase since 2014. However, this is still lower when compared to the early 2000s. The aging workforce is the most prominent reason for the decline in LFPR, as the oldest baby boomers turned 54 in 2000. Addressing this labor market need at county, state, and national levels will require creative methods to engage marginally attached residents and eliminate barriers deterring otherwise qualified job candidates.

Graphic 8: Labor Force Participation Rate



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

BARRIERS TO FULL UTILIZATION

Wisconsin's population age demographics mean staffing difficulties will be a long-term challenge. Therefore, it is increasingly important to address barriers that prevent people from fully participating in the labor market. Although there is no single solution to demographically driven staffing challenges, four common barriers persist across regions and industries. These barriers are transportation, housing, childcare, and broadband access.

Transportation

Job and residence location don't always line up. Lack of reliable transportation can prevent individuals from pursuing opportunities and employers from filling positions. In Marquette County, 90.3% of residents rely on a car to get to work, with 81.9% driving alone. This is noticeably higher than those numbers for Wisconsin overall. 56.3% of Marquette County residents work in another county; 56.3% of workers in Marquette County reside elsewhere. This makes sense given that it is surrounded by more populous counties, especially Columbia County. While COVID-19 may affect the long-term prevalence of remote work, many jobs will still require physical presence. Transportation as a condition of work leads to a conflict: qualified individuals could fill a job if they had transportation and could afford transportation if they had a job.

Graphic 9: Means of Transportation

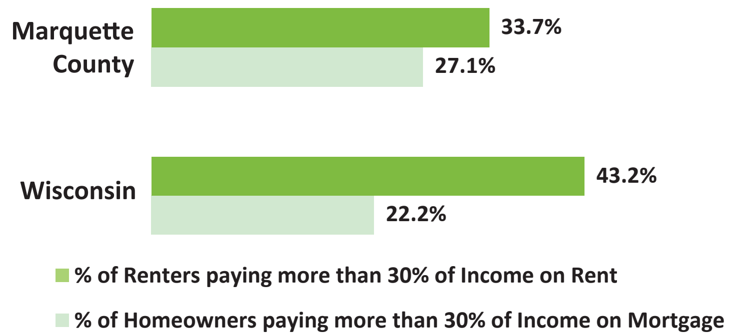
	Wisconsin	Marquette County
Drive Car	87.6%	90.3%
Drive Alone	79.9%	81.9%
Mean Commute Time - Residents	22.2	30.6
Mean Commute Time - Workers	21.9	21.3
% of Residents Working in another County	28.0%	57.3%
% of Workers Residing in another County	24.3%	56.3%

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

Housing

Housing affordability and availability are barriers making it difficult for workers to relocate for job opportunities. The Department of Housing and Urban Development uses 30% of income as a guideline for housing affordability. Compared to the state, Marquette is more affordable for renters, but more expensive for homeowners. Early data shows home values and monthly rent increases accelerated between 2020 and 2022, suggesting that the issue could worsen. Two ways to reduce this share would be to 1) provide more housing at a lower cost and 2) increase earnings.

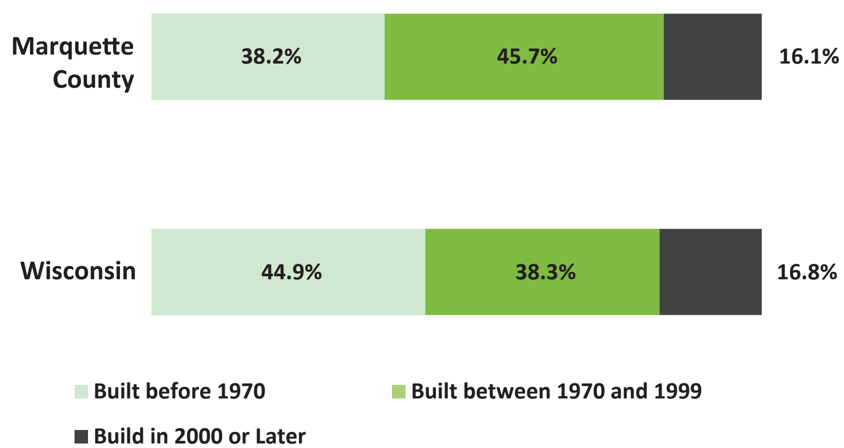
Graphic 10: % Paying more than 30% of Income on Housing



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

Not only is housing cost a barrier for Wisconsin workers, but also housing availability. While difficult to quantify, one way to look at this is through the age distribution of housing stock in an area. Marquette County contains a noticeably higher share of homes built between 1970 and 1999 than the state. Both Marquette and the state contain a roughly comparable share of housing built after 2000. Although Marquette County's population has been growing relatively slowly, this could indicate potential for housing development as housing affordability and availability can still impact workers. These statistics provide context for further examination into whether existing housing stock is ready to accommodate future expansion. Communities have a central role to play in improving the housing situation though updating zoning laws, building multi-family housing, and incentivization of single-family housing developments affordable to the workforce.

Graphic 11: Housing Share by Year Built



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

Childcare

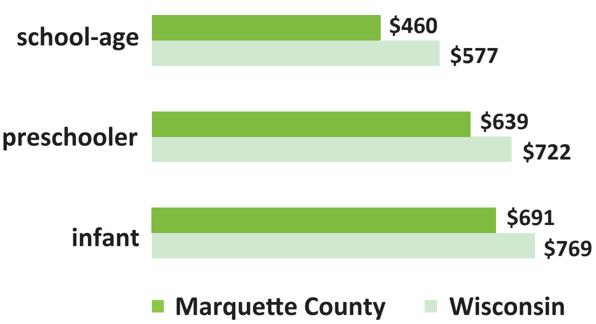
Due to its high cost, childcare is a significant barrier to employment for families across Wisconsin. Although childcare in Marquette County is more affordable in absolute terms than the state, it remains expensive. Monthly costs for childcare range from $460 for a school-age child to $691 for an infant. For context, the cost of infant care is 21.6% of monthly median pre-tax income of a light truck driver in Marquette County. Childcare availability is also a barrier to employment for Wisconsin families. According to the YoungStar provider database, which tracks 82% of childcare providers in the state, Marquette County has five childcare providers for a potential capacity of 138 children. When compared to the population of children under 14, Marquette County has six childcare slots available for every 100 children. This is significantly lower than the state's capacity overall. Even families that have childcare struggle with disruptions to access. Easing the cost and access burden would allow parents to attain their full employment potential. Employers could also improve participation by providing flexibility to employees with childcare responsibilities.

Graphic 12: Childcare Capacity

	Wisconsin	Marquette County
Providers	3,863	5
Maximum Capacity	132,075	138
Capacity/100 Children Under 14**	0.14	0.06

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 benefits, broadband internet availability issues limit employers and employees who need high-speed internet to make remote operations possible.

Graphic 14 summarizes broadband internet access distribution across households. In Marquette County, 18.8% of households have no access to broadband. Lack of access varies widely across income levels, with Marquette County's experience roughly mirroring the state overall. The difference in access is especially notable in households earning less than $20,000, where 37.3% of Marquette County households lacked access to broadband internet. Only 7.8% of households earning $75,000 or more did not have broadband access. Lacking access to high-speed internet is a barrier to participation in virtual employment, training, and education opportunities.

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

	Wisconsin	Marquette County
Total	14.8%	18.8%
Less than $20,000:	38.4%	37.3%
$20,000 to $74,999:	17.5%	20.8%
$75,000 or more:	4.6%	7.8%

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	499,791	555,692	55,901	11.2%
Natural Resources and Mining	5,120	5,714	594	11.6%
Construction	21,828	24,116	2,288	10.5%
Manufacturing	56,216	59,779	3,563	6.3%
Trade, Transportation, and Utilities	74,318	79,221	4,903	6.6%
Information	17,045	20,865	3,820	22.4%
Financial Activities	27,323	28,485	1,162	4.3%
Professional and Business Services	56,958	64,097	7,139	12.5%
Education and Health Services	112,033	128,729	16,696	14.9%
Leisure and Hospitality	37,990	49,464	11,474	30.2%
Other Services (except Government)	30,679	32,945	2,266	7.4%
Public Administration	37,053	38,867	1,814	4.9%
Self Employed and Unpaid Family Workers	23,228	23,410	182	0.8%

The workforce is constantly evolving as workers retire, change careers, take promotion opportunities, or complete retraining. DWD's projection methodology accounts for these types of job changes. DWD splits the state into 11 Workforce Development Areas (WDAs) and updates projections every two years. Marquette County is part of the South Central WDA along with Columbia, Dane, Dodge, and Jefferson counties. From 2020 to 2030, south central regional employment is expected to grow by 11.2% or 55,901 jobs. This growth outpaces the state, which is projected to grow by 6.3%.

Broadly, the service industry is projected to grow faster than the product industry in the south central WDA. One aspect of growth in the service industry is the rebound of leisure and hospitality after COVID-19; this area is projected to grow by 30.2% over the 10-year period. Notably, the education and health services area is projected to grow at a rate of 14.9% compared to the state's 6.5%. Note that these projections only forecast levels of filled positions rather than potential demand, which further illustrates the issues associated with an aging population. Job growth is expected to continue, despite declines in growth rate and labor force levels in some counties. Employers find it difficult to replace workers even if overall the industry declines. 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, 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	499,791	555,692	61,891	11.2%
Management	25,169	28,018	2,386	11.3%
Business and Financial Operations	37,543	40,722	3,691	8.5%
Computer and Mathematical	27,016	32,922	2,701	21.9%
Architecture and Engineering	9,877	10,856	826	9.9%
Life, Physical, and Social Science	8,329	9,821	993	17.9%
Community and Social Service	6,718	7,503	771	11.7%
Legal	3,231	3,497	245	8.2%
Education, Training, and Library	34,625	41,878	4,099	21.0%
Arts, Design, Entertainment, Sports, & Media	8,211	9,276	987	13.0%
Healthcare Practitioners and Technical	30,568	33,689	2,106	10.2%
Healthcare Support	21,424	24,531	3,069	14.5%
Protective Service	8,450	9,512	1,237	12.6%
Food Preparation and Serving Related	32,669	40,688	7,282	24.6%
Building & Grounds Cleaning & Maintenan..	15,994	17,941	2,396	12.2%
Personal Care and Service	14,463	17,294	2,532	19.6%
Sales and Related	41,898	43,987	5,765	5.0%
Office and Administrative Support	61,869	61,708	6,868	-0.3%
Farming, Fishing, and Forestry	3,449	3,687	578	6.9%
Construction and Extraction	20,702	22,903	2,338	10.6%
Installation, Maintenance, and Repair	17,083	19,014	1,905	11.3%
Production	38,525	39,865	4,388	3.5%
Transportation and Material Moving	31,978	36,380	4,724	13.8%

While industry projections have their uses, a more functional approach is to project occupational need. Occupational projections are separated into three categories: growth, labor force exits, and transfers. Retirements are a key driver in the labor force exits category. While actual retirement age varies among individuals, age 65 is used as a rough proxy for expected retirement. Considering this benchmark, Wisconsin is approximately halfway through baby boomer retirement. The other category is transfers, which can include workers that advance in careers or make lateral movements into different. As a rule, a higher need for replacements due to transfers can be expected in lower paying occupations as workers leave for higher-paying ones.

In total, these occupational employment projections indicate a higher need for replacement hires rather than new hires. One such example are office and administrative support occupations. This group has the highest number of projected openings but a declining total number of jobs. The need for this group is entirely driven by labor force exits and transfers. While not the largest in terms of openings, computer and mathematical occupations are projected to grow quickly, at a rate of 21% over 10 years. This growth rate is driven by the high pay for computer-related occupations and the increasing demand for software-driven business solutions.