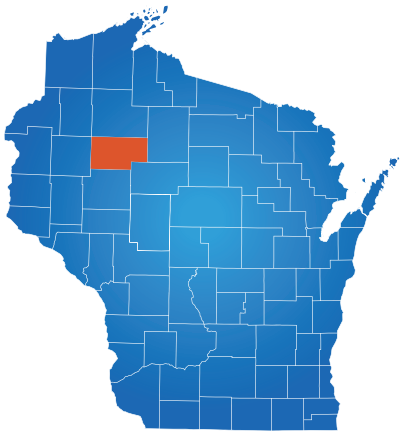
Rusk County



2023 WORKFORCE PROFILE

STATE OF WISCONSIN
DWD
Department of Workforce Development

WisConomy

DETI-17957-RSK-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.

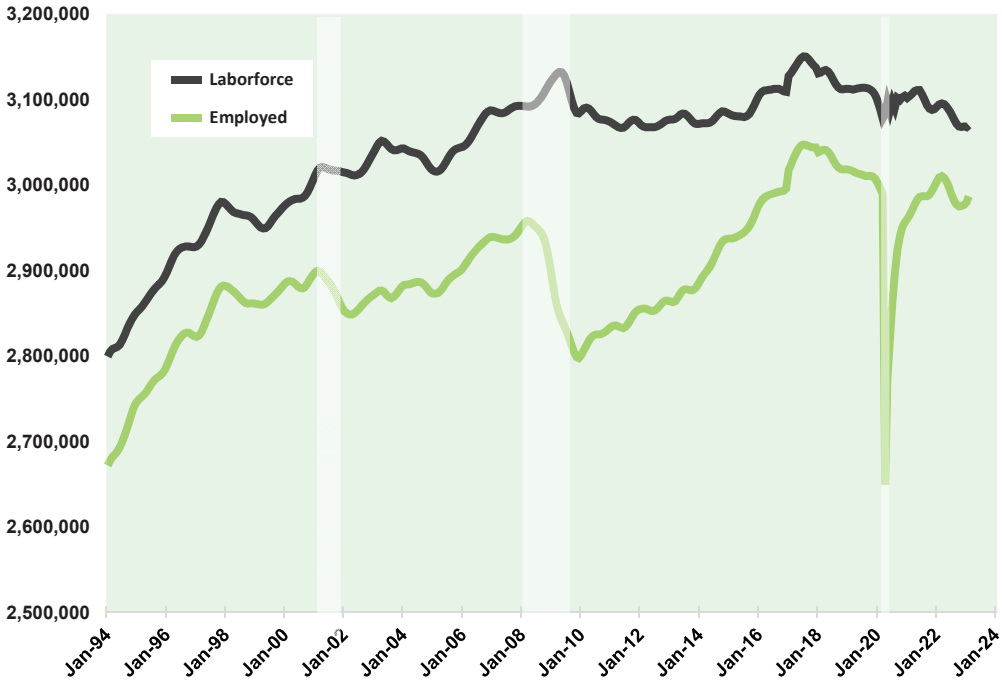
As demand for workers grew throughout 2022, employers voiced concerns about their inability to attract talent and workers in general. This is unlikely to change in the foreseeable future. The primary underlying challenge is the demographic situation as Baby Boomers exit the workforce. This lifecycle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

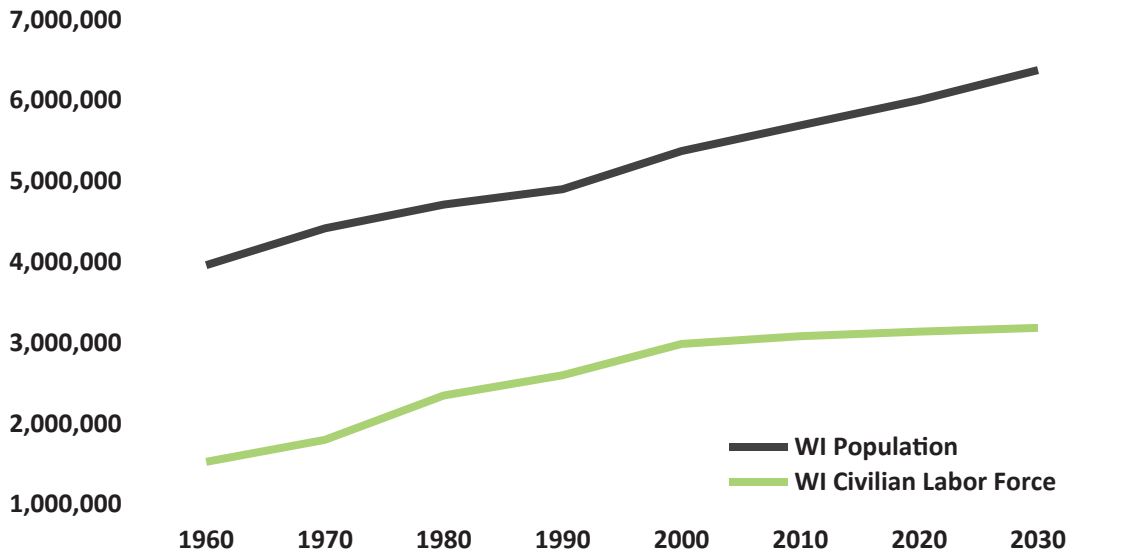
LONG-RUN CHALLENGE

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

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

Rusk County

POPULATION AND DEMOGRAPHICS

Between 2020 and 2022, Rusk County's population increased by 35 residents (0.3%). Rusk County's population growth rate ranks 45th among Wisconsin's 72 counties. This reverses the trend of population decline that started in the 2000s, when the county's population was 15,310. Between 2020 and 2022, both the United States and Wisconsin had a positive population growth rate. Wisconsin's population growth rate was 0.9%. From 2010 to 2020, Rusk County had a yearly average growth rate of -0.4%, which increased to 0.1% from 2020 to 2022. According to the recent estimates indicated in Graphic 3, Rusk County's population decline has reversed.

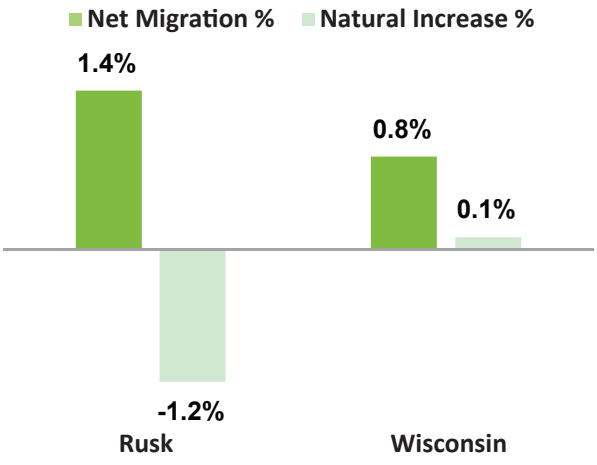
Graphic 3: 10 Most Populous Municipalities in County

	2020 Census	2022 Final Estimate	Numeric Change	Percent Change
Ladysmith, City	3,216	3,216	0	0.0%
Flambeau, Town	987	986	-1	-0.1%
Bruce, Village	781	775	-6	-0.8%
Grant, Town	732	730	-2	-0.3%
Thornapple, Town	721	729	8	1.1%
Marshall, Town	664	656	-8	-1.2%
Atlanta, Town	560	559	-1	-0.2%
Rusk, Town	551	559	8	1.5%
Dewey, Town	542	546	4	0.7%
Willard, Town	525	527	2	0.4%
Rusk County	**14,188**	**14,223**	**35**	**0.2%**
Wisconsin	**5,893,718**	**5,949,155**	**55,437**	**0.9%**

Source: Demographic Services Center, WI Dept. of Administration

Rusk County's net population increase was based on the increase of the county population's net migration. Graphic 4 shows that the net migration increased by 1.4% from 2020 to 2022, indicating that Rusk County recorded more people moved in than moved out over the two-year period. However, there were fewer births than deaths in Rusk County, and natural increase changed -1.2%. Rusk's net migration is higher and natural increase rate is lower than Wisconsin's. According to data gathered by Wisconsin's Department of Health Services, Rusk County's birth rate (births per 1,000 women ages 15-44) in 2020 was 63, which rated 15th highest out of Wisconsin's 72 counties. In 2020, Wisconsin's birth rate was 55and the United States' birth rate was 56. As a comparison, the rate for the county was 62, the state was 62and the United States' was 65 in 2010.

Graphic 4: Components of Population Change



Source: Demographic Services Center, WI Dept. of Administration

EMPLOYMENT BY INDUSTRY

Graphic 5 displays both one- and two-year industry employment change, to show whether employment has fully recovered to its pre-pandemic level. These employment numbers are from the Quarterly Census of Employment and Wages, which only includes jobs that are covered by the Wisconsin Unemployment Insurance program. It is estimated that these figures account for 96% of jobs, leaving only a small percentage of jobs unaccounted for. In 2021, employment in Rusk County was 4,727, a one-year increase of 13 jobs. However, the numerical change from 2019-2021 was -238 jobs.

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	124	16	14.8%	34	37.8%	2.6%
Education & Health Services	1,053	19	1.8%	-75	-6.6%	22.3%
Financial Activities	96	-9	-8.6%	-22	-18.6%	2.0%
Information	45	-3	-6.3%	-2	-4.3%	1.0%
Leisure & Hospitality	261	19	7.9%	-34	-11.5%	5.5%
Manufacturing	1,324	3	0.2%	-66	-4.7%	28.0%
Natural Resources & Mining	154	-11	-6.7%	-10	-6.1%	3.3%
Other Services	69	-4	-5.5%	5	7.8%	1.5%
Professional & Business Services	272	-28	-9.3%	-42	-13.4%	5.8%
Public Administration	418	-14	-3.2%	7	1.7%	8.8%
Trade, Transportation, Utilities	911	24	2.7%	-32	-3.4%	19.3%
All Industries	**4,727**	**13**	**0.3%**	**- 238**	**-4.8%**	**100.0%**

Source: WI DWD, Labor Market Information, QCEW 2021

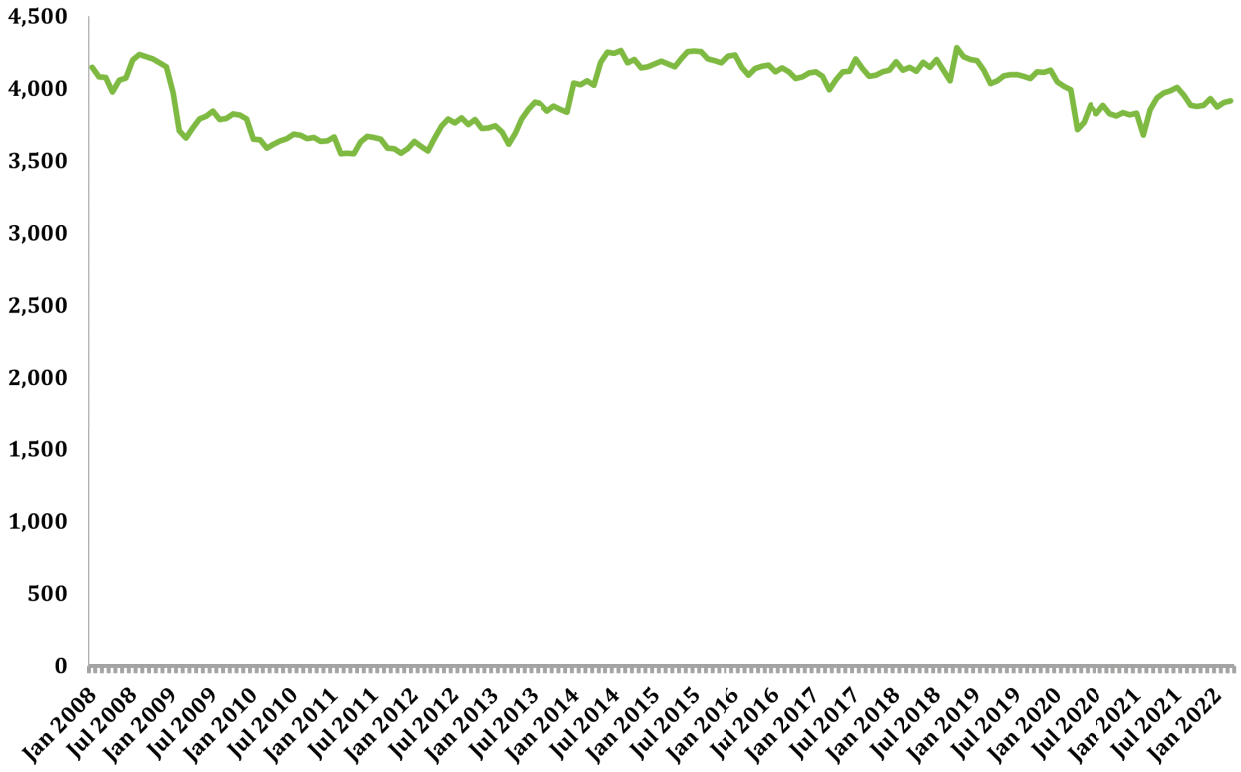
Rusk County's employment has not fully recovered from COVID-19, as indicated in the 2019 to 2021 comparisons. Only three of the 11 industry super sectors had positive employment growth from 2019 to 2021. These industries were construction, other services, and public administration. Education & health services had the largest decline from 2019 to 2021. Rusk County's employment percentage decline of 4.8% was the 20th largest decline out of Wisconsin's 72 counties.

Although Rusk County's employment level has not fully recovered from COVID-19, employment did grow from 2020 to 2021. One industry greatly affected by the pandemic statewide was leisure & hospitality, which experienced a -11.5% change from 2019 to 2021. The change from 2020 to 2021 was a positive 7.9%, recovering 35.9% of the jobs lost during the pandemic. Employment increased in three of Rusk county's four largest industries: education & health services; manufacturing; and trade, transportation, utilities. Public administration, the remaining large industry, did not gain employment in 2021. Overall, Rusk County saw a growth rate of 0.3% in 2021. It is unlikely that employment will reach pre-pandemic levels in Rusk County due to its stagnant population growth and an aging workforce.

TOTAL MONTHLY EMPLOYMENT

Graphic 6 shows the quarterly change of the number of private sector jobs located within Rusk County from January 2008 to March 2022. The number of jobs come from the Quarterly Census of Employment and Wages (QCEW). Unlike most economic data, QCEW data is a census, not an estimate. QCEW data includes any employer paying into the state unemployment insurance system, which covers around 96% of all employment. Some employments that are not covered by the unemployment insurance system are: minor children employed by their parents, or parents employed by their children; railroad workers; state and local government elected officials and judiciary; the armed forces; and higher education students who work at their school.

Graphic 6: QCEW Monthly Employment



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

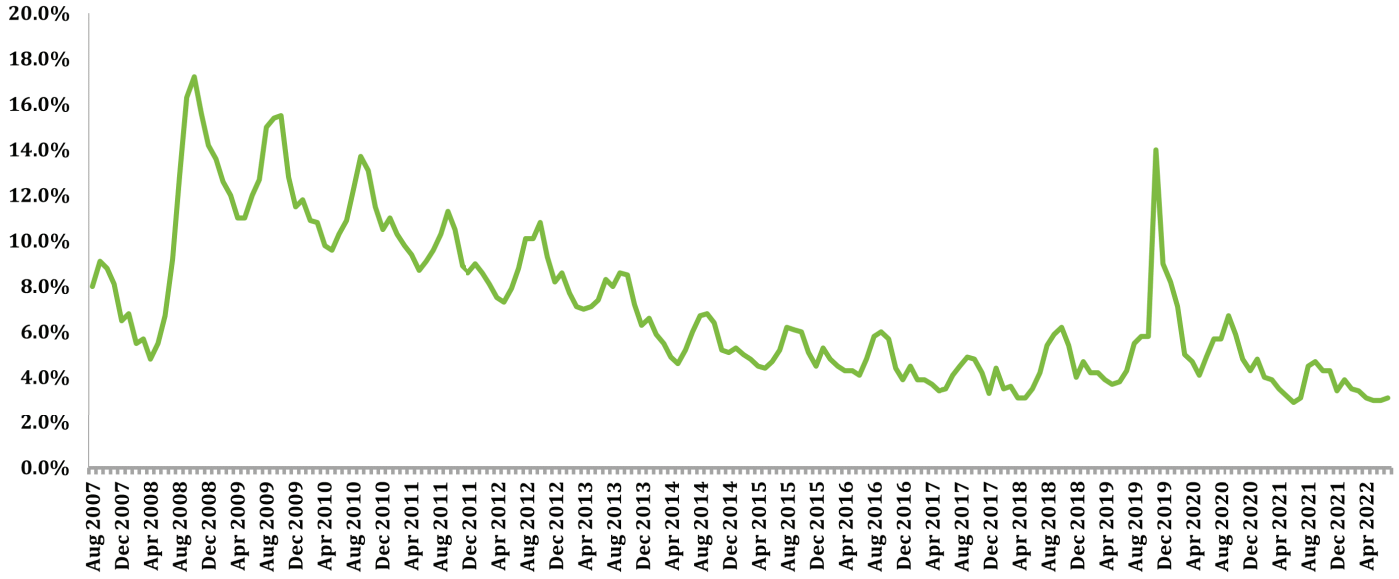
Like the rest of Wisconsin, Rusk County's employment follows a seasonal pattern, as more people work in the summer and fall, and fewer people work in the winter and spring. This pattern is observed in Graphic 6. The short days and cold weather in the winter and summer tourism are two causes for this employment seasonality. Outdoor industries such as agriculture, construction, and tourism are less busy during the cold winters of Northwest Wisconsin. The demand for the leisure and hospitality industry increases during the summer months, as more tourists visit to enjoy the natural beauty and warm weather. In addition, summer vacation for students results in a higher supply of low-wage labor.

Rusk County's long-term high median age and labor force participation rate trends prevented full private employment recovery from the Great Recession. Private employment took a dip from 2008 to 2011, then increased from 2011 to 2014, and stabilized at pre-2009 levels from 2014 to 2018. There was a slight decrease in private employment in 2019. COVID-19 greatly impacted private employment in Rusk County in April 2020. The private employment difference between April 2019 and 2020 was an astounding -341, an 8.4% decline. Once the initial panic subsided, private employment rapidly increased to 173 in June 2020. From 2021 to 2022, Rusk County private employment returned to regular seasonal patterns, but the county's continuing decline in population and the aging of its workforce are evident in the delayed return to pre-pandemic employment levels.

UNEMPLOYMENT AND LABOR FORCE PARTICIPATION

In contrast to the Great Recession, the increase in unemployment that occurred at the onset of the pandemic was more severe but less persistent. In general, Rusk County's unemployment rate fluctuates greatly due to seasonal economic changes. Before COVID-19, the annual variance in Rusk County's unemployment rates was 3.8 percentage points on average. In 2020, the difference between the highest and lowest unemployment rate was 9.9 percentage points. Comparing Rusk County to the state and the region highlights some differences. The difference between Wisconsin's highest and lowest unemployment rate in 2020 was 10.8 percentage points. This difference was 14.3 percentage points in the Northwest region of the state. Since then, unemployment rates have stabilized in all three geographies.

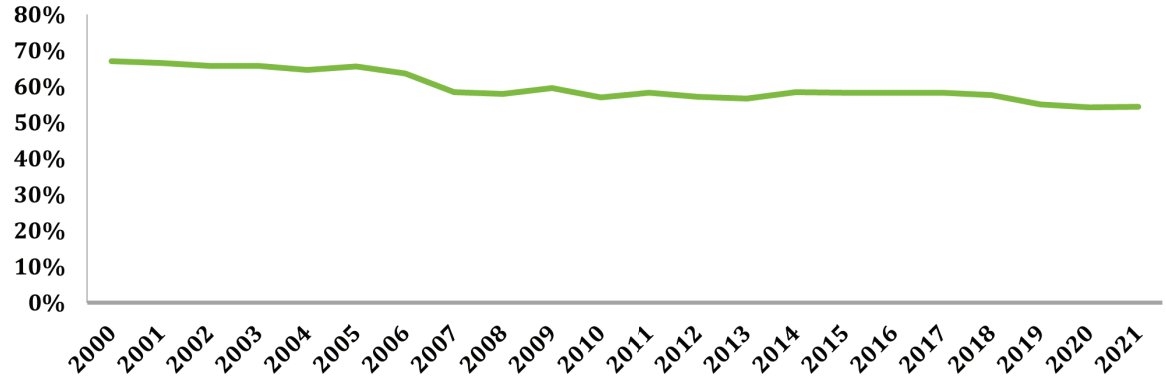
Graphic 7: Unemployment Rate



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

The labor force participation rate (LFPR) is a more inclusive economic measure than the unemployment rate and has more breadth as an economic gauge. It speaks to economic conditions, and also reflects an area's age demographics. On average, the older a county's median age, the lower its LFPR. Rusk County has the 14th highest median age of all Wisconsin counties at 48.9 years old. Given these age demographics, Rusk County's LFPR has trended downward since 2000. It saw a big dip in 2006 and then rebounded in 2009. The LFPR saw a steady decline starting in 2018. Rusk County's LFPR decreased 13 percentage points from 67% in 2000 to 54% in 2021.

Graphic 8: Labor Force Participation Rate



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

BARRIERS TO FULL UTILIZATION

As Rusk County's population ages and baby boomers exit the workforce, a long-term workforce quantity challenge arises. Therefore, it is increasingly important to address barriers that prevent people from participating or fully participating in the labor market. Although there is no single solution to demographically driven staffing challenges, there are four common barriers that persist across many areas and industries. These four barriers are transportation, housing, childcare, and access to broadband.

Transportation

Rusk County is in a rural part of Wisconsin. According to the US Census Bureau, 97% of Wisconsin's land mass is considered rural and 30% of Wisconsin residents live in the rural areas of the state. The vast majority of Wisconsin jobs are located within urban areas, and the majority of employees need transportation to get to work. Large cities have the population and funding to operate mass public transportation such as trains and buses. Rural counties, including Rusk County, typically do not have public transportation. Rusk County's public transportation commuter usage as a percentage of total commuters is lower than both Northwest Wisconsin and Wisconsin, 0.3% compared to 0.9% and 1.4% respectfully. Rusk County has the same percentage of workers that work from home as Wisconsin, 8.5%. The percentage of workers that walk to work is higher in Rusk County compared to the state, 3.1% compared to 2.8%.

Graphic 9: Means of Transportation

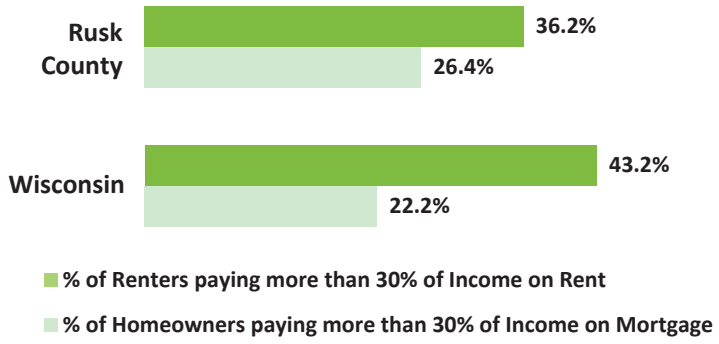
	Wisconsin	Rusk County
Drive Car	87.6%	86.8%
Drive Alone	79.9%	79.4%
Mean Commute Time - Residents	22.2	25.2
Mean Commute Time - Workers	21.9	20.5
% of Residents Working in another County	28.0%	25.7%
% of Workers Residing in another County	24.3%	23.4%

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

Housing

Another barrier to employment in Rusk County is housing access and affordability. Many residents across the state and in Rusk County face difficulty finding housing near employment. Without affordable high-quality apartments, the youth struggle to find a place to live in early adulthood. In rural and small-town Wisconsin, it is common for the youth to move away for higher education to larger cities far from home. Eventually when they grow a little older, marry and start a family, many of them want to move back to the small towns that they grew up in, so that their children can have the same childhood that they had. It is important that these small communities have an available supply of affordable starter homes for these young families to move into.

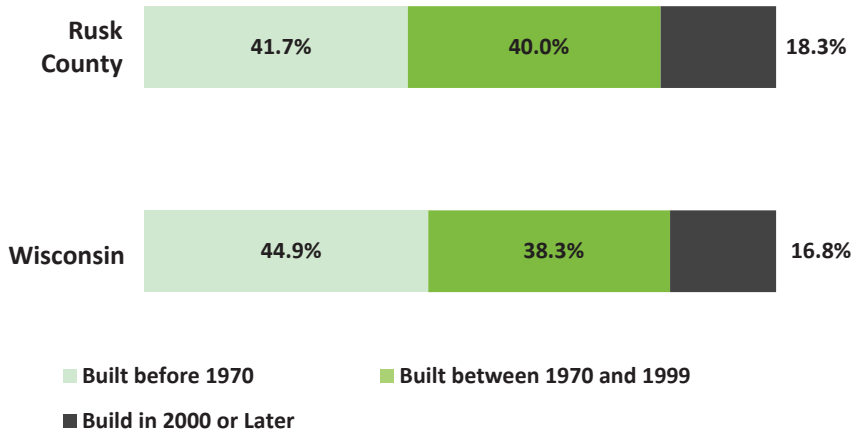
Graphic 10: % Paying more than 30% of Income on Housing



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

Graphic 10 shows the percentage of residents' income going to housing, both renters and homeowners. Financial experts advise that people should contribute no more than 30% of their gross household income on housing. For renters, housing expenses include rent and utility costs. For homeowners, housing expenses include property taxes, utility costs, homeowners' insurance, and the mortgage. In Rusk County, 36% of renters pay more than 30% of their gross income on housing. This is lower than the state's average. It reveals a need for affordable rental units in both Rusk County and Wisconsin. Rusk County homeowners contribute 26.4% of their gross income to housing. This is lower than the average Wisconsin homeowner. This can be attributed, in part, to Rusk County's older housing stock, as displayed in Graphic 11. The amount of housing built in 2000 or later is 2 percentage points lower in Rusk than Wisconsin.

Graphic 11: Housing Share by Year Built



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

Childcare

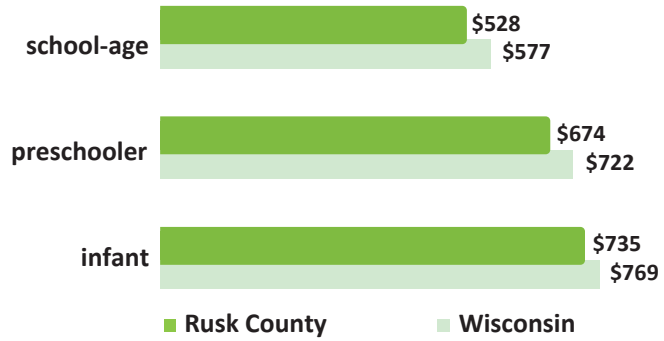
Childcare is another barrier to employment in Wisconsin. Both affordability and availability are issues in most of Wisconsin. Graphic 13 displays Rusk County's lower than average childcare costs in all three age categories. The Rusk County median household income is lower than the Wisconsin average. In some instances, childcare costs the same as the income earned by the parent who is working outside of the home. The cost of infant childcare for a single mother in Rusk County is 30% of her annual income compared to 27% for Wisconsin. What is causing the current shortage of childcare? There is a shortage of childcare workers in the labor force, caused in part by low wage rates. In general, occupations that require the same level of education as childcare workers have higher wages. According to the Wisconsin Department of Children and Families, which licenses and certifies childcare facilities, Rusk County has a maximum childcare capacity of 73 children aged 0-14. That is only 3% of all children in that age demographic, 1/5th as much as the average county in Wisconsin.

Graphic 12: Childcare Capacity

	Wisconsin	Rusk County
Providers	3,863	4
Maximum Capacity	132,075	73
Capacity/100 Children Under 14**	0.14	0.03

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

Lack of high-speed internet access can be detrimental for businesses, employees, and community members. COVID-19 accelerated the need for internet as remote work prevalence increased. Graphic 14 displays the percentage of households without broadband separated by income. Rusk County has a higher percentage of households without broadband when compared to Wisconsin in all income categories. This is not surprising when considering the low population density in most of the county and the lower median income in Rusk County.

In a large, sparsely populated county like Rusk, it is unprofitable for private internet providers to increase internet connectivity from below ground fiber optic cables to customers' homes. Rusk County is a success story using government grants awarded to private-sector internet providers to help stimulate investment in rural Wisconsin. Some other solutions include satellite internet and broadband using cell towers. They are not without issues of their own. Satellite internet is usually more expensive and has a slower upload speed than fiberoptic cable broadband internet Using cell towers to broadcast broadband at long distances need to use a spectrum range that is blocked by some types of foliage.

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

	Wisconsin	Rusk County
Total	14.8%	21.6%
Less than $20,000:	38.4%	48.5%
$20,000 to $74,999:	17.5%	20.5%
$75,000 or more:	4.6%	7.5%

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%

The table above shows the 2020-2030 industry employment projections for the Northwest Workforce Investment Development Area (Northwest WDA). It projects the demand employers will have for employees by industry. Whether Northwest WDA will have enough workers to fill the projected jobs is another matter. Rusk County is one of the ten counties within this area. The ten-county area is projected to see a net increase of 3,145 employed positions, a 4.4% increase. Its goods producing industries (Natural Resources and Mining, Construction, and Manufacturing sectors) are projected to add a net employment to 1,241, an increase of 8%. Its services providing industries (trade, transportation, and utilities, information, financial activities, professional and business services, education and health services, leisure and hospitality, other services, and public administration sectors) are projected to add a net employment of 2,112, with an increase of 4.2%.

The natural resources and mining sector in Northwest WDA is projected to have the highest growth by percentage of 46.7%. The only other sector in Northwest WDA projected to have double digit percentage growth is leisure & hospitality at 18%. Three industries in Northwest WDA are projected to have negative growth over the 10-year period: self-employed (-3.5%), financial activities (-3.65%), and information (-8.28%).

In 2021, Rusk County had 1,602 jobs (34% of total) in the goods producing industry sectors and 3,125 jobs (66% of total) in the service providing industry sectors, Northwest WDA had 25.0% of its jobs in the goods producing industry sectors and 75% of its jobs in the service providing industry sectors. Rusk County's goods producing jobs comprised 10% of the goods producing jobs in Northwest WDA. Its' services providing jobs comprised 6.6% of Northwest WDA's services providing jobs. If employment growth were to be evenly distributed based on the counties' share of Northwest WDA's goods producing and services producing employment, Rusk County is projected to gain 125 goods producing sector jobs and 138 services providing sector jobs.

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 & Maintenan..	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%

The above graphic displays the 2020-2030 Occupational Employment Projections for Northwest Wisconsin. The farming, fishing, and forestry occupational group has the highest projected percentage change in employment at 33%. However, this group represents a relatively small amount of total employment in the region. The food preparation and serving related occupational group has the largest projected numerical change, with a growth of 873 positions. The occupations in this group do not require formal education and pay below average wages if you exclude tips. Within the food preparation and serving related occupation group, restaurant cooks are projected to see the greatest percentage growth (44.5%) and numerical growth (265).

The full projections found on WisConomy.com include three categories of openings: annual growth, labor force exits, and occupational transfers. This gives the ability to determine how many job openings exist because people left the workforce altogether. This also allows for a calculation of the average number of years an individual works in any occupation. The separation rate can be derived by adding the annual exits and the annual transfers then dividing that sum by the number of those employed. The inverse of this separation rate equals the average number of years people stay employed in that occupation. For example, dentists continue as dentists for 26 years and waitresses continue as waitresses for 5 years.