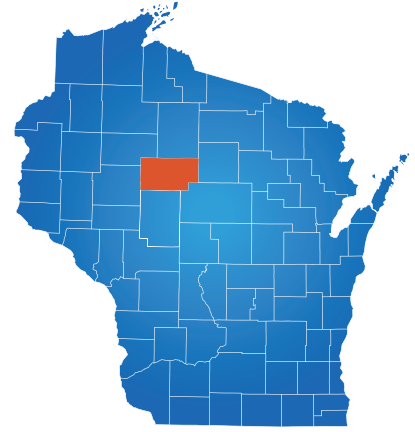


Taylor County

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 two 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.

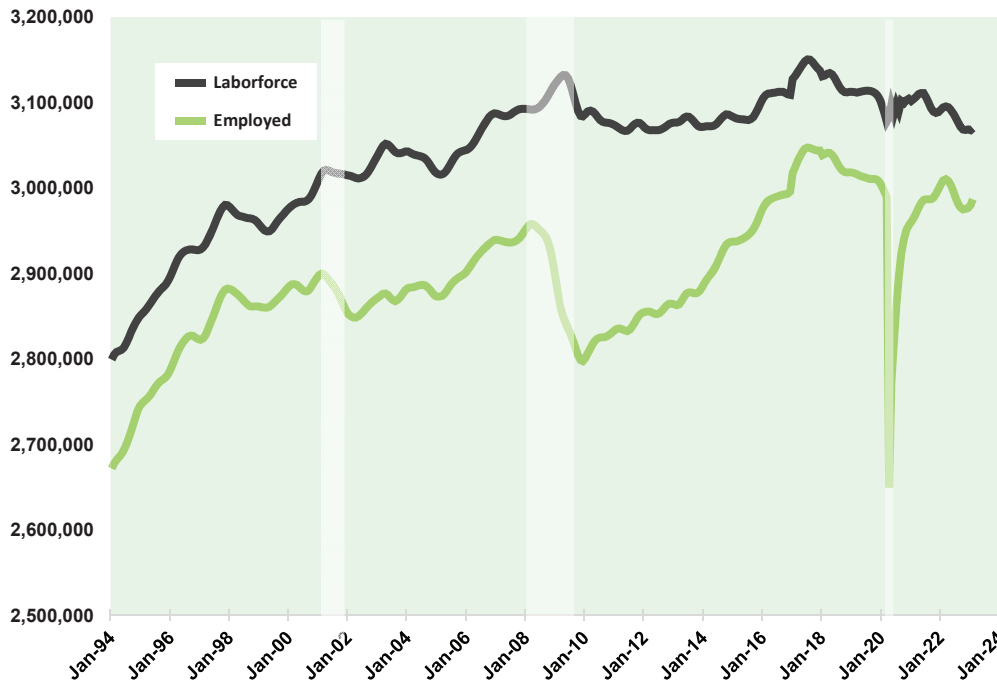


EMPLOYMENT

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.

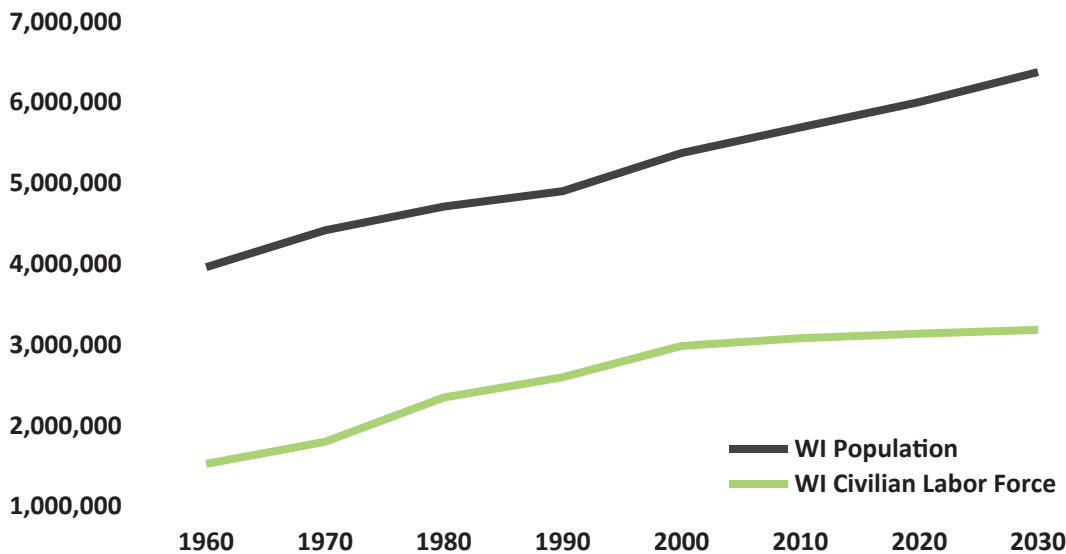
LONG-RUN CHALLENGE

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



Taylor County

POPULATION AND DEMOGRAPHICS

Between 2020 and 2022, Taylor County’s population increased by 63 residents (0.3%), ranking it 41st among Wisconsin’s 72 counties for a growth rate that was lower than Wisconsin’s (0.9%) but is higher than it was from 2010 to 2020 (0.1%). The most recent increase continues a long-term trend that started in the 1970s when the County’s population was 16,958.

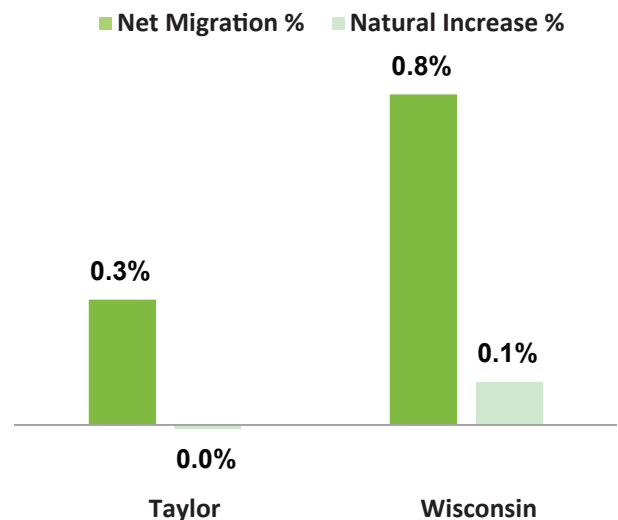
Graphic 3: 10 Most Populous Municipalities in County

	2020 Census	2022 Final Estimate	Numeric Change	Percent Change
Medford, City	4,349	4,305	-44	-1.0%
Medford, Town	2,482	2,519	37	1.5%
Little Black, Town	1,156	1,169	13	1.1%
Holway, Town	930	944	14	1.5%
Rib Lake, Village	935	921	-14	-1.5%
Browning, Town	910	917	7	0.8%
Rib Lake, Town	763	764	1	0.1%
Hammel, Town	703	713	10	1.4%
Chelsea, Town	710	709	-1	-0.1%
Westboro, Town	693	702	9	1.3%
Taylor County	19,913	19,976	63	0.3%
Wisconsin	5,893,718	5,949,155	55,437	0.9%

Source: Demographic Services Center, WI Dept. of Administration

Taylor County’s population increase is the result of more people moving into the area, as shown in Graphic 4. From 2020 to 2022, net migration rose 0.3%. However, both Taylor’s net migration and natural increase values are lower than Wisconsin’s. And even though Taylor County’s birth rate is the ninth highest out of Wisconsin’s 72 counties, the number of deaths in Taylor County was larger. In 2020, Wisconsin’s birth rate was 55 births per 1,000 women ages 15-44. Taylor County’s was 71 and the United States’ birth rate was 56.

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 jobs fully recovered to pre-pandemic levels. These employment numbers are from the Quarterly Census of Employment and Wages, which 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 Taylor County was 8,088, a one-year increase of 52 jobs. However, the numerical change from 2019-2021 was -51 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	220	-4	-1.8%	-3	-1.3%	2.7%
Education & Health Services	1,370	-44	-3.1%	-65	-4.5%	16.9%
Financial Activities	263	-27	-9.3%	-36	-12.0%	3.3%
Information	50	4	8.7%	-1	-2.0%	0.6%
Leisure & Hospitality	595	81	15.8%	64	12.1%	7.4%
Manufacturing	2,839	-1	0.0%	53	1.9%	35.1%
Natural Resources & Mining	307	-29	-8.6%	-54	-15.0%	3.8%
Other Services	108	16	17.4%	11	11.3%	1.3%
Professional & Business Services	514	52	11.3%	11	2.2%	6.4%
Public Administration	440	-30	-6.4%	-41	-8.5%	5.4%
Trade, Transportation, Utilities	1,380	33	2.4%	7	0.5%	17.1%
All Industries	8,088	52	0.6%	- 51	-0.6%	100.0%

Source: WI DWD, Labor Market Information, QCEW 2021

Taylor County's employment has not fully recovered from COVID-19, as indicated in the 2019 to 2021 comparisons. Only five of the 11 industry super sectors had positive employment growth from 2019 to 2021. These industries were leisure and hospitality; manufacturing; other services; professional and business services; and trade, transportation, utilities. Education and health services had the largest numerical decline from 2019 to 2021. Taylor County's employment percentage decline of 0.6% was the 63rd largest decline out of Wisconsin's 72 counties.

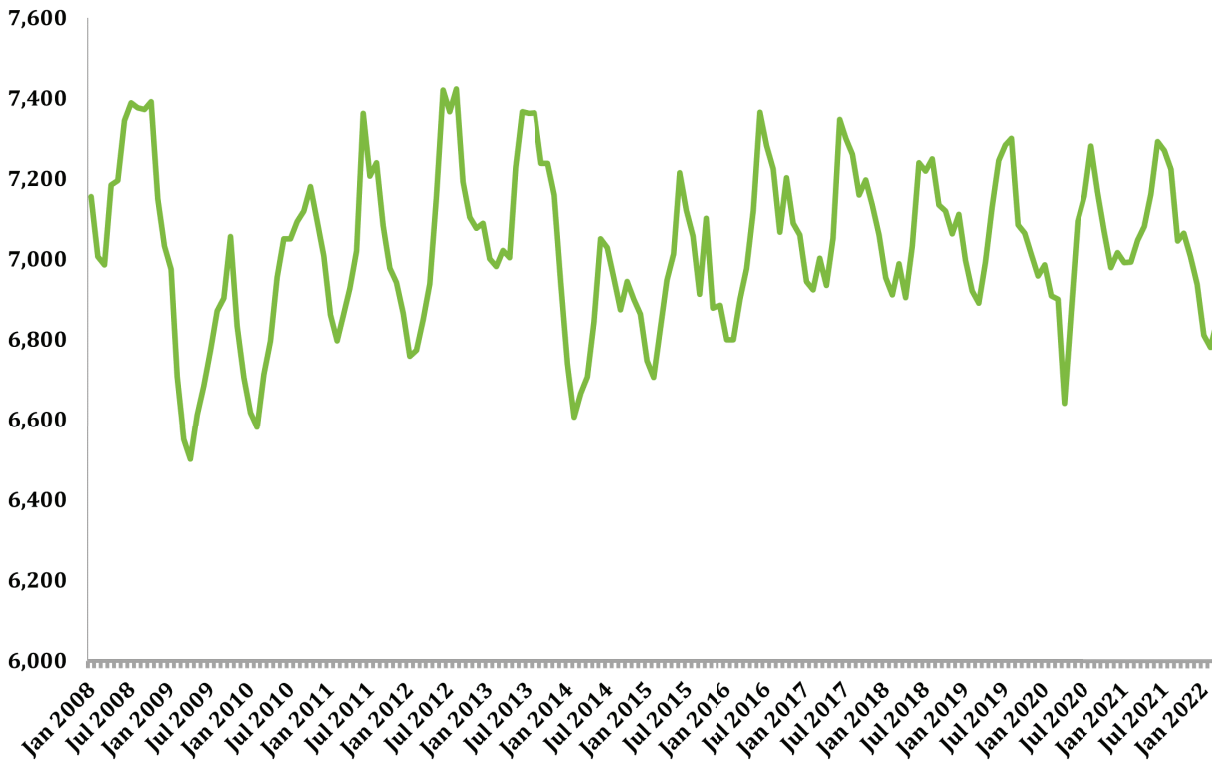
Although Taylor County's employment level has not fully recovered from COVID-19, employment did grow 15.8% from 2020 to 2021. Employment increased in two of Taylor county's four largest industries: leisure and hospitality along with trade, transportation, utilities. The other large industries -- education and health services, and manufacturing -- lost jobs in 2021. Overall, Taylor County saw a growth rate of 0.7% in 2021. It will be challenging to sustain pre-pandemic employment levels in Taylor County due to its low population growth and aging workforce.



TOTAL MONTHLY EMPLOYMENT

Graphic 6 shows the quarterly change in the number of private sector jobs located in Taylor 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

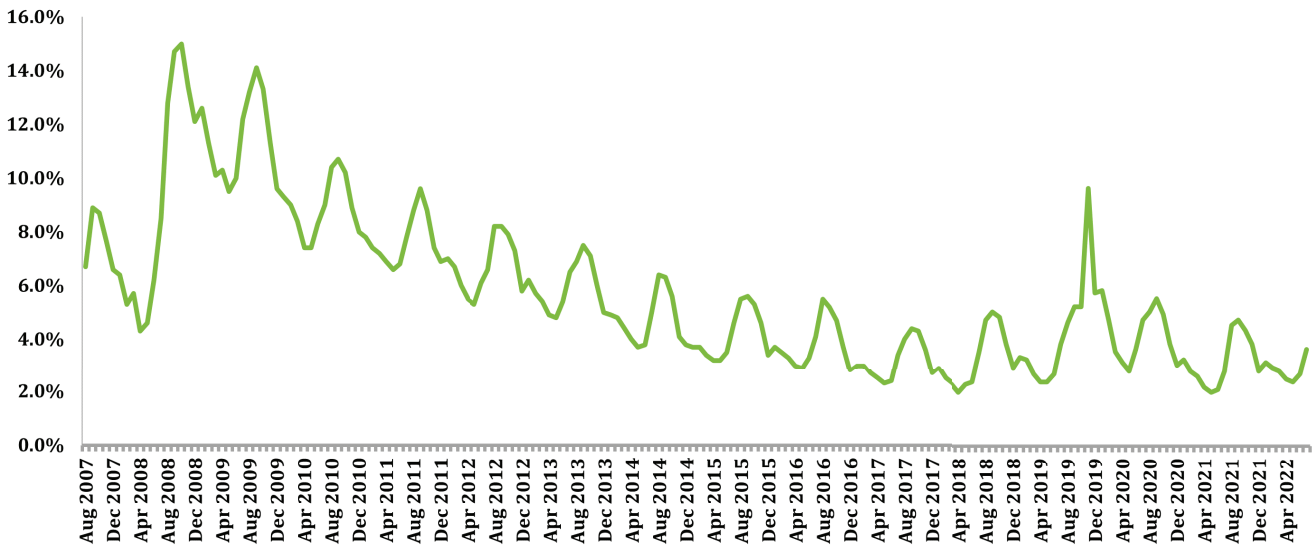
Like the rest of Wisconsin, Taylor County's employment follows a seasonal pattern shown in Graphic 6: more people work in the summer and fall; fewer work in the winter and spring. Seasonal employment affects outdoor industries such as agriculture, construction, and tourism which are less busy during the cold winters of Northwest Wisconsin. During summer, the leisure and hospitality industry picks up as more tourists visit. In addition, summer vacation for students results in a higher supply of low wage labor.

Comparisons between the Great Recession and COVID-19 show Taylor County was quicker to rebound from the pandemic. From April 2019 to 2020 the county lost 352 private sector jobs, a 5% decline. Private employment rapidly increased by 640 jobs in August 2020 and returned to regular seasonal patterns in 2021. However, the County's continuing stagnant population and the aging of its workforce prevented full recovery in both the Great Recession and the pandemic.

UNEMPLOYMENT AND LABOR FORCE PARTICIPATION

As noted earlier, Taylor County's unemployment rate fluctuates greatly due to seasonal economic changes. During COVID-19 the annual variance in Taylor County's unemployment rate was 3.8 percentage points on average. In 2020, the difference between the highest and lowest unemployment rate was 6.8 percentage points. Comparing Taylor 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 only 14.3 percentage points in the Northwest region of the state. Since then, unemployment rates have stabilized in all three geographies.

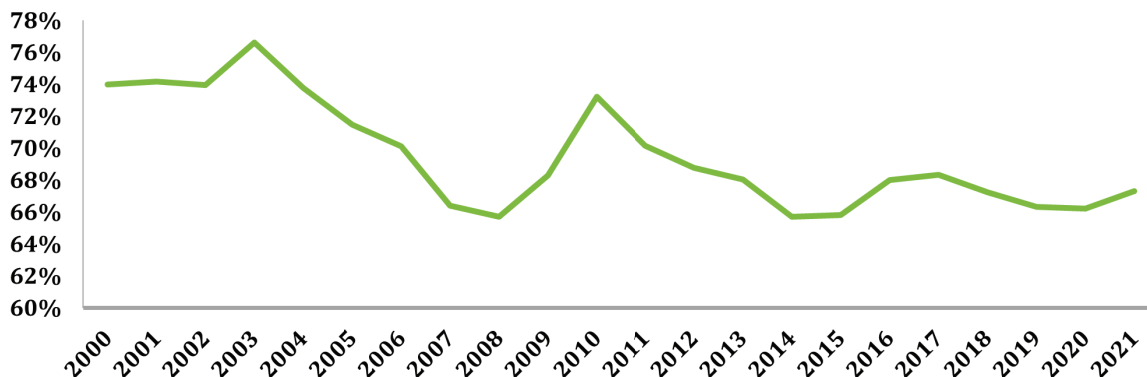
Graphic 7: Unemployment Rate



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. Taylor County has the 33rd highest median age of all Wisconsin counties at 43.9 years old. Given these age demographics, Taylor County's LFPR has trended downward since 2003. It declined until 2008 and then increased until 2010 before continuing its long-term trend downward. Taylor County's LFPR decreased 9.3 percentage points from 77% in 2003 to 67% in 2021.

Graphic 8: Labor Force Participation Rate



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

BARRIERS TO FULL UTILIZATION

As Taylor 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

Taylor County is in a rural part of Wisconsin, where nearly a third of state residents live. The vast majority of Wisconsin jobs, however, 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 Taylor County, typically do not have public transportation. Taylor 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% respectively. Taylor County has a higher percentage of workers that work from home than Wisconsin, 11% compared to 9%. The percentage of workers that walk to work is higher in Taylor County compared to the region and the state.

Graphic 9: Means of Transportation

	Wisconsin	Taylor County
Drive Car	87.6%	84.0%
Drive Alone	79.9%	73.8%
Mean Commute Time - Residents	22.2	23.6
Mean Commute Time - Workers	21.9	20.7
% of Residents Working in another County	28.0%	26.0%
% of Workers Residing in another County	24.3%	25.1%

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

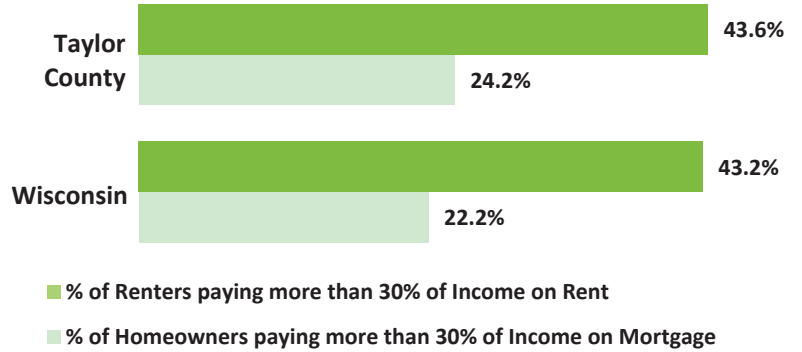


Housing

Another barrier to employment in Taylor County is housing access and affordability. Many residents across the state and in Taylor County face difficulty finding housing near where they work. 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.

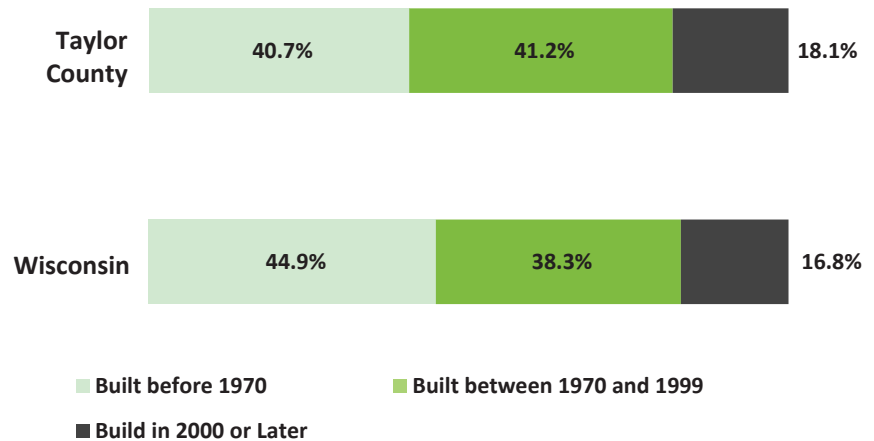
Graphic 10 shows the percentage of residents' income going to housing, both renters and homeowners. Financial experts advise that people should contribute no more than 30% of their gross household income on housing. For renters, housing expenses include rent and utility costs. For homeowners, housing expenses include property taxes, utility costs, homeowners' insurance, and the mortgage. In Taylor County, 44% of renters pay more than 30% of their gross income on housing. This is lower than the state's average but reveals a need for affordable rental units in both. By contrast, 24% of Taylor County homeowners contribute more than 30% of their gross income to housing. This is higher than the average Wisconsin homeowner. This can be attributed to, in part, Taylor County's younger housing stock, as displayed in Graphic 11. The amount of housing built in 2000 or later is 1.3 percentage points higher in Taylor than Wisconsin.

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

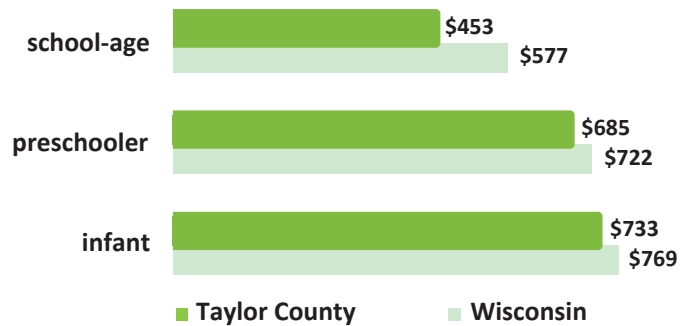
Childcare is another barrier to employment in Wisconsin. Both affordability and availability are issues in most of Wisconsin. Graphic 13 displays Taylor County's lower than average childcare costs in all three age categories. The Taylor County median household income is lower than the Wisconsin average. 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 Taylor County is 20.1% of annual income. 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, Taylor County has a maximum child care capacity of 88 children aged 0-14. That is only 3% of all children in that age demographic, less than 1/4th as much as the average county in Wisconsin.

Graphic 12: Childcare Capacity

	Wisconsin	Taylor County
Providers	3,863	7
Maximum Capacity	132,075	88
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 increased. Graphic 14 displays the percentage of households without broadband separated by income. Taylor 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 lower median income in Taylor County.

In a large county like Taylor, it is hard for private internet providers to increase internet connectivity from below ground fiber optic cables to customers' homes. Profitability oftentimes is not there in non-dense areas. To stimulate investment in rural Wisconsin, Taylor County has used government grants awarded to private-sector internet providers. Some other solutions are 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	Taylor County
Total	14.8%	20.8%
Less than \$20,000:	38.4%	47.1%
\$20,000 to \$74,999:	17.5%	21.9%
\$75,000 or more:	4.6%	6.1%

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%

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. Taylor 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 bring 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, for an increase of 4%.

The natural resources and mining sector in Northwest WDA is projected to have the highest growth by percentage of 47%. The only other sector in Northwest WDA projected to have double digit percentage growth is leisure and 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 (-3.7%), and information (-8.3%).

In 2021, Taylor County had 3,366 jobs (42% of total) in the goods producing industry sectors and 4,722 jobs (58% of total) in the service providing industry sectors, Northwest WDA had 25% of its jobs in the goods producing industry sectors and 75% of its jobs in the service providing industry sectors. Taylor County's goods producing jobs comprised 21% of the goods producing jobs in Northwest WDA. Its services providing jobs comprised 10% 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, Taylor County would gain 262 goods producing sector jobs and 209 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 & 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%

Graphic 16 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%) and numerical growth (265).

The full projections found on WisConomy.com include job openings as a result of 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 information 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.