

# 2017 ECONOMIC AND WORKFORCE PROFILE

## *Shawano County*

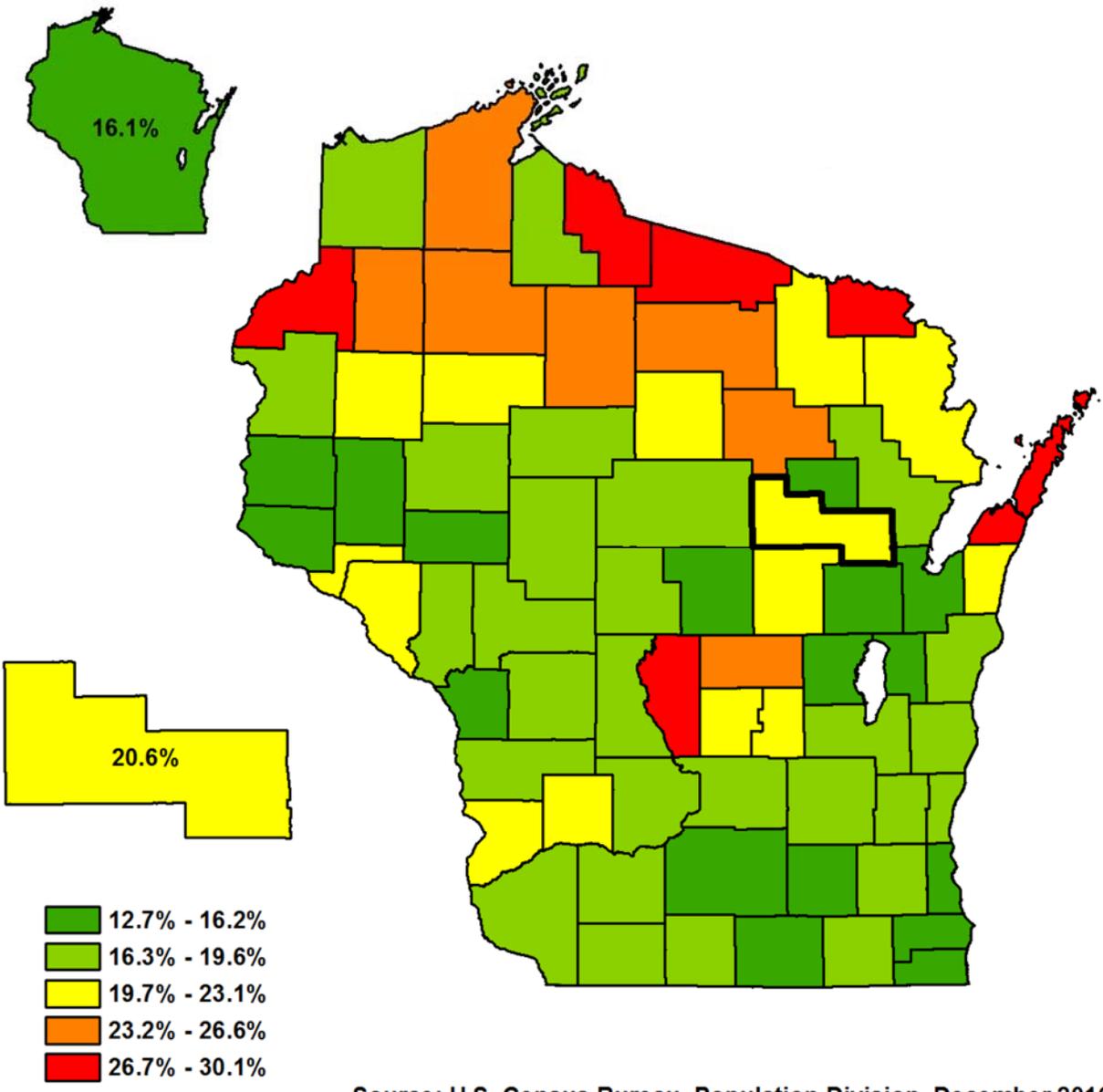


STATE OF WISCONSIN



Department of Workforce Development

# Percentage of Total Population, Ages 65 and Older



Source: U.S. Census Bureau, Population Division, December 2016

## 2017 Shawano County Workforce Profile

Wisconsin now has more people employed and more private sector jobs than at any time in its history. As of this writing, the state added 56,100 jobs during 2016 and 2017. Employment increased in almost all industry sectors, with prominent gains in construction, manufacturing, and healthcare.

Wisconsin's unemployment rate is near lows not seen in a generation, decreasing from 4.3 percent in January 2016 to 3.2 percent in December 2017, on a seasonally adjusted basis.

Wisconsin faces a worker quantity challenge. The number of retiring Baby Boomers nearly match the influx of new workers, resulting in a slow growing workforce and placing constraints on the ability by employers across all industries to hire talent. Many businesses report that the lack of available workers has hindered expansion and, in some cases, even curtailed their ability to meet current product orders.

The blue-line, orange-line graph to the right illustrates the situation in Wisconsin and other upper-Midwest states. While Wisconsin's population will continue to grow over the next twenty years, the workforce faces serious constraints.

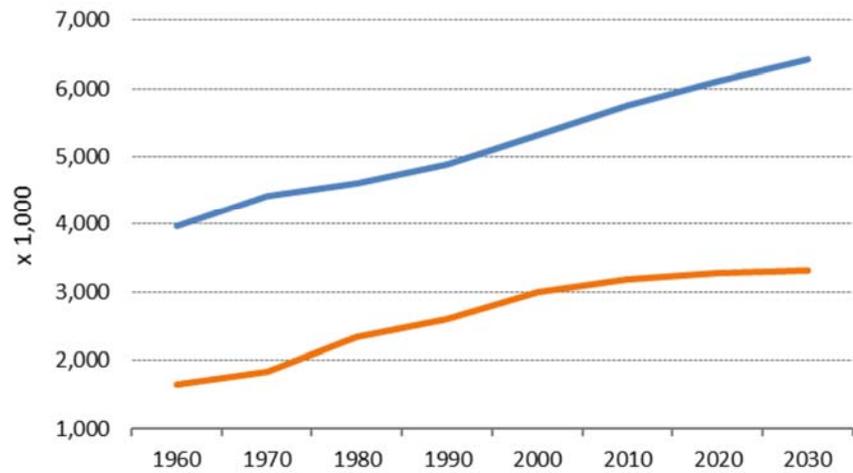
The labor force participation rate (LFPR), defined as the labor force (sum of employed and unemployed) divided by the total population ages 16 and older, measures the population's engagement in the workforce and serves as an indicator in determining how Wisconsin's workforce will be constrained.

The overall LFPR peaked in the late 1990s and has been trending lower ever since. The LFPR peaks across the 30-55 age cohort at over ninety percent and decreases rapidly into the single digits by age seventy.

Baby Boomers have and continue to exit with respect to their LFPR. The mass of Baby Boomers has moved into the work lifecycle stage of declining LFPRs, with the tail end of the cohort turning 55 in 2019.

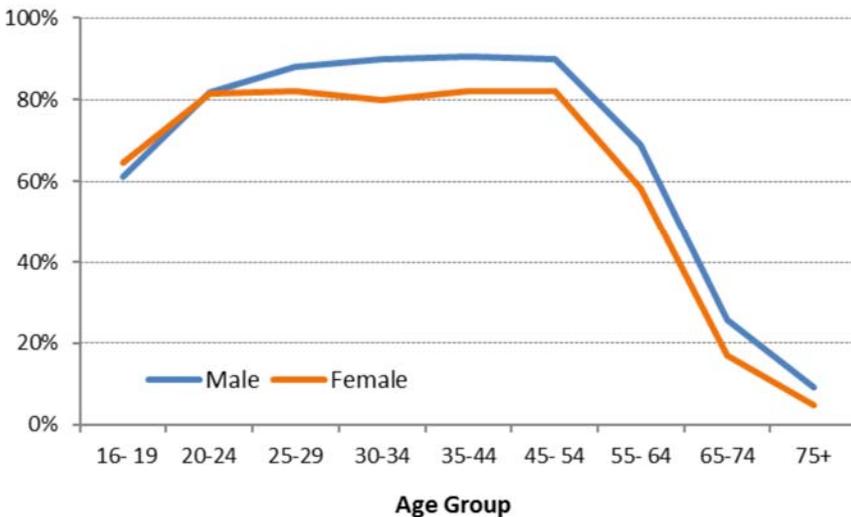
A recent development is the change in the labor force participation rate trend. The LFPR of older workers (those aged 55 years and older) has turned upwards, resulting in flattening of the overall LFPR. More boomers are staying in the workforce longer, which may portend higher workforce growth over the coming years. Due to the size of the Baby Boomer cohort and the sensitivity of the LFPR to workforce growth rates, a relatively small change in the LFPR of older workers would significantly boost the number in the workforce.

Wisconsin Population and Labor Force



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Labor Force Participation Rate by Age Cohort



Source: Bureau of Labor Statistics



## Population and Demographics

### Shawano County's 10 Most Populous Municipalities

	April 2010 Census	January 2016 Estimate	Numeric Change	Proportional Change
<b>United States</b>	<b>308,400,408</b>	<b>323,127,513</b>	<b>14,727,105</b>	<b>4.8%</b>
<b>Wisconsin</b>	<b>5,686,986</b>	<b>5,775,120</b>	<b>88,134</b>	<b>1.5%</b>
<b>Shawano County</b>	<b>41,949</b>	<b>41,755</b>	<b>-194</b>	<b>-0.5%</b>
Shawano, City	9,305	9,219	-86	-0.9%
Wescott, Town	3,183	3,205	22	0.7%
Washington, Town	1,895	1,914	19	1.0%
Richmond, Town	1,864	1,868	4	0.2%
Belle Plaine, Town	1,855	1,852	-3	-0.2%
Angelica, Town	1,793	1,814	21	1.2%
Bonduel, Village	1,478	1,484	6	0.4%
Lessor, Town	1,263	1,281	18	1.4%
Green Valley, Town	1,089	1,088	-1	-0.1%
Waukechon, Town	1,021	1,048	27	2.6%

Source: Demographic Services Center, Wisconsin Department of Administration

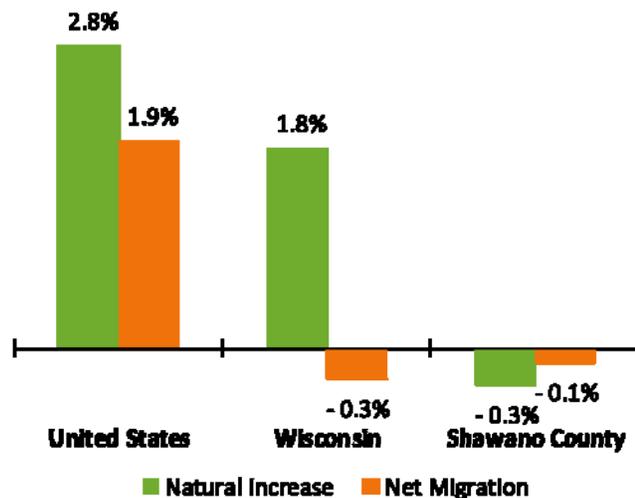
Population growth for the nation outpaced the rate of growth for both the state of Wisconsin and Shawano County. During this time period, Shawano County's population decreased by 194 residents, or 0.5%. Within the county, the city of Shawano lost 86 residents, which offsets minor population gains in several of the county's other municipalities.

The next graph presents the components of population change for the nation, state, and Shawano County. The two components shown here are natural increase and net migration. Natural increase is defined as the difference between the number of births and the number of deaths in the county. Shawano County's natural increase rate since 2010 was -0.3%. This can be partly explained by the fact that Shawano County is a relatively older county compared to most others in Wisconsin. With a median age of 44.3 years, Shawano County is the 26th oldest county in the state out of 72. (ACS, 2011-2015).

The other component of population change, net migration, is defined as the difference between the number of people who move into the county and the number of people who leave. Shawano County's net migration rate of -0.1% is greater than the state's rate of -0.3%.

We begin our discussion of labor force dynamics with a look at historical unemployment rates for the county, state, and nation dating back to the begin-

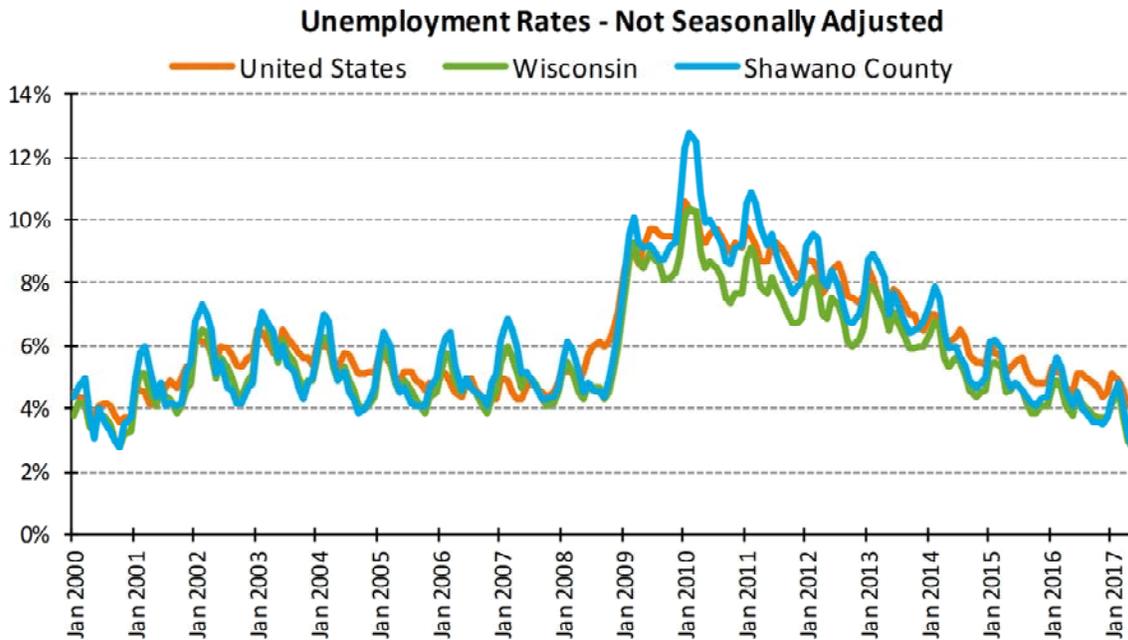
Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration



### Labor Force Dynamics



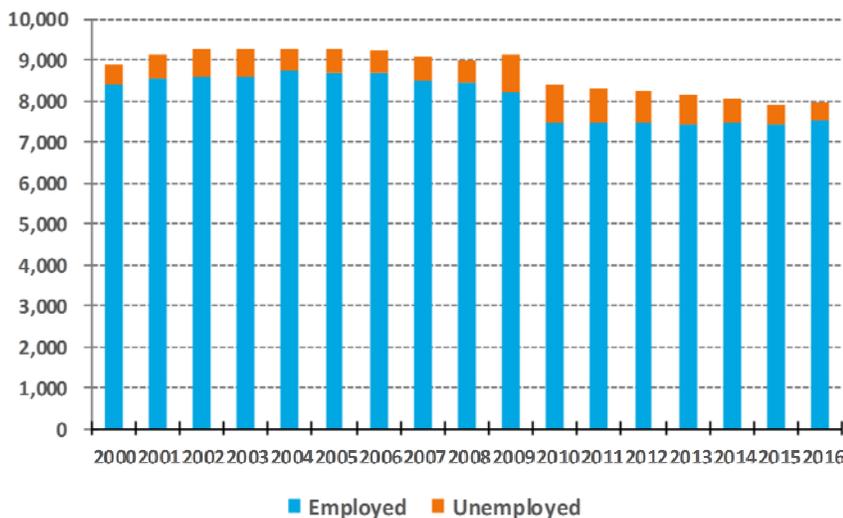
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

ning of 2000. It is important to

note that this unemployment data is not seasonally adjusted, which means that regular and predictable employment changes over the course of the year have not been accounted for. As a result, this chart shows considerable volatility within each year.

An examination of historical unemployment shows that unemployment trends in Shawano County tend to closely follow changes in the state and nation. The common theme of the past seven years has been a gradual

#### Shawano County Labor Force Components



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

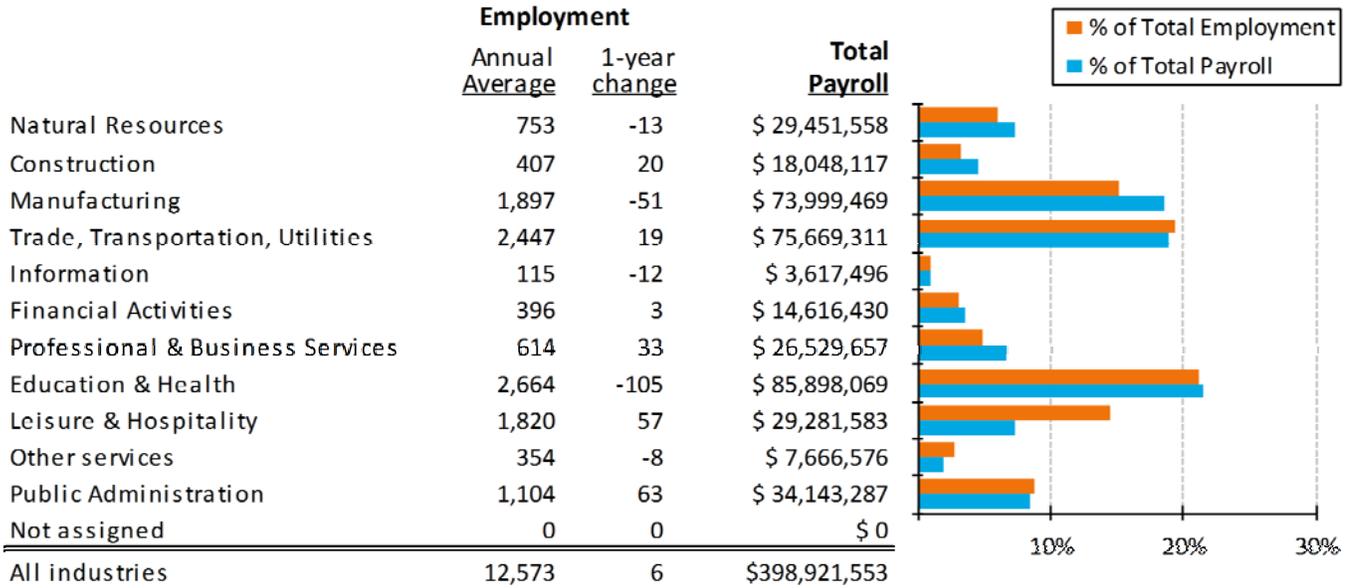
economic recovery followed by a steady reduction of the county's unemployment rate. As of September 2017, the county's rate of 2.8% is lower than at any other point over the last 15 years. While the growing economy plays a large role in the declining unemployment rate, the changing demographic situation and the exodus of the baby boomers from the labor force is also responsible for the current low rates.

Interactions between economics and demographics can also be seen on the graph to the left,



## Industry Employment and Wages

### 2016 Employment and Wage Distribution by Industry in Shawano County



Source: WI DWD, Labor Market Information, QCEW, June 2017

which shows the labor force components in the county for each year dating back to 2000. On the employment side, this chart tells a similar story to that of the previous graph. Total employment in Shawano County was not adversely affected by the 2001 recession. With that being said, it did not grow much during the years following the recession either. As the Great Recession of 2008 hit, employment in Shawano County decreased from 21,010 workers in 2008 to 20,573 workers in 2009. Employment in the county has been growing slowly every year since 2010, but there were still fewer workers in 2016 than there were in 2009. While this phenomenon can be somewhat explained by slow economic growth across the state and country, the ever-changing demographics of the county play perhaps an even larger role in painting the picture of the current employment situation. As can be

### 2016 Average Annual Wage by Industry

	Wisconsin Average Annual Wage	Shawano County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 46,031	\$ 31,728	68.9%	1.9%
Natural Resources	\$ 36,560	\$ 39,112	107.0%	4.5%
Construction	\$ 58,668	\$ 44,344	75.6%	6.6%
Manufacturing	\$ 55,328	\$ 39,009	70.5%	6.2%
Trade, Transportation & Utilities	\$ 38,893	\$ 30,923	79.5%	2.5%
Information	\$ 67,842	\$ 31,456	46.4%	4.4%
Financial Activities	\$ 66,967	\$ 36,910	55.1%	0.8%
Professional & Business Services	\$ 57,134	\$ 43,208	75.6%	1.8%
Education & Health	\$ 46,790	\$ 32,244	68.9%	-1.1%
Leisure & Hospitality	\$ 17,018	\$ 16,089	94.5%	0.4%
Other Services	\$ 28,157	\$ 21,657	76.9%	1.1%
Public Administration	\$ 45,690	\$ 30,927	67.7%	-1.6%

Source: WI DWD, Labor Market Information, QCEW, June 2017

seen by looking over the tops of the stacked bars on the graph, the total number of people in the labor force has been on a downward trend since the early-mid 2000s and only experienced a slight uptick in 2009 as newly unemployed workers entered the labor force to look for work. Even as the economy continues to grow, this demographic reality has exerted downward pressure on labor force growth. The combination of

**Employment Projections**

**Bay Area Workforce Development Area Industry Projections, 2014-2024**

Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, and Sheboygan Counties

Industry	Projected		Change (2014-2024)	
	2014 Employment	2024 Employment	Employment	Percent
All Industries	472,066	498,167	26,101	6%
Natural Resources	16,281	16,655	374	2%
Construction	18,403	19,605	1,202	7%
Manufacturing	89,797	90,208	411	0%
Trade, Transportation, and Utilities	79,272	82,791	3,519	4%
Information	4,408	4,288	-120	-3%
Financial Activities	24,275	26,538	2,263	9%
Professional and Business Services	42,209	46,465	4,256	10%
Education and Health Services	90,400	97,229	6,829	8%
Leisure and Hospitality	40,100	43,121	3,021	8%
Other Services	22,553	24,870	2,317	10%
Public Administration	21,690	21,568	-122	-1%
Self-Employed and Unpaid Family Workers	22,678	24,829	2,151	9%

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, November 2016.

economic recovery and demographic shifts has placed significant pressure on businesses to find and maintain a skilled workforce not only in the short-term but also for at least the next decade.

Our attention now shifts to information on the distribution of employment and wages across different industries in Shawano County. As can be seen on the graph at the top of the last page, all industries employment in the county increased by 6 employees, or 0.0%. This growth rate was less than the state's employment growth rate of 1.2% over the same period. The Public Administration and Leisure & Hospitality sectors added the most jobs in 2016 with 120 combined new workers. The Education & Health and Manufacturing sectors experienced the most significant employment reductions over the past year, shedding 156 combined workers. Three industries accounted for 59% of total payroll: Manufacturing, Education & Health, and Trade, Transportation, & Utilities.

The table on the bottom of the last page shows annual average wages by industry in Shawano County, compares those wages to the statewide average, and displays the county's one-year change in each of the sectors. Employers in many of Shawano County's industry sectors continue to pay wages that are below state averages. The county annual average wage of \$31,728 is 31.1% lower than the state average and has increased by 1.9% over the past year. Part of the difference between county and state averages can be explained by lower costs of living in Shawano County relative to the rest of the state. The only industry to pay an average annual wage higher than the state average was the Natural Resources industry, which paid wages 7.0% higher than the state average. Wages in the Construction industry experienced the greatest growth in 2016, growing at a rate of 6.6%.

While there is much to be gained from understanding past trends, DWD also produces projections of industry and occupation employment into the future. The data presented above and on the next page has been produced as part of the Department's two-year long-range employment projections cycle. The current ten-year forecast examines employment over the period between 2014 and 2024 and has been published at both the state and Workforce Development Area level. The industry and occupational employment projections are presented for the eleven-county Bay Area Workforce Development Area. This region includes more than just the area directly impacted

# 2017 Shawano County Workforce Profile

## Employment Projections

### Bay Area Workforce Development Area Occupation Projections, 2014-2024

Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, and Sheboygan Counties

Occupation Group	Employment				Average Annual Openings			Median Annual Wage
	2014	2024	Change (2014-2024)		Due to Growth	Due to Replacement	Total Openings	
			Number	Percent				
All Occupations	472,066	498,167	26,101	6%	3,064	11,134	14,198	\$ 34,490
Management	29,600	31,768	2,168	7%	221	642	863	\$ 81,593
Business and Financial	21,829	23,924	2,095	10%	213	473	686	\$ 54,235
Computer and Mathematical	8,643	9,885	1,242	14%	128	126	254	\$ 64,111
Architecture and Engineering	8,171	8,608	437	5%	48	204	252	\$ 65,878
Life, Physical, and Social Science	2,812	3,142	330	12%	34	83	117	\$ 51,318
Community and Social Service	6,159	7,085	926	15%	93	129	222	\$ 34,645
Legal	1,392	1,439	47	3%	5	24	29	\$ 56,379
Education, Training, and Library	30,258	31,724	1,466	5%	148	671	819	\$ 43,511
Arts, Entertainment and Media	6,530	6,911	381	6%	48	163	211	\$ 36,012
Healthcare Practitioners	20,919	22,103	1,184	6%	124	445	569	\$ 58,542
Healthcare Support	9,629	10,536	907	9%	96	206	302	\$ 28,922
Protective Service	8,740	8,997	257	3%	27	204	231	\$ 34,178
Food Preparation and Serving	36,169	38,913	2,744	8%	292	1,325	1,617	\$ 18,658
Building & Grounds Maintenance	13,467	14,643	1,176	9%	118	270	388	\$ 23,272
Personal Care and Service	20,808	24,528	3,720	18%	373	433	806	\$ 21,659
Sales and Related	45,372	47,060	1,688	4%	215	1,341	1,556	\$ 24,466
Office and Administrative Support	64,585	65,747	1,162	2%	241	1,392	1,633	\$ 32,621
Farming, Fishing, and Forestry	9,501	9,526	25	0%	18	247	265	\$ 31,945
Construction and Extraction	18,343	19,291	948	5%	98	278	376	\$ 46,280
Installation, Maintenance, Repair	17,869	19,048	1,179	7%	127	409	536	\$ 43,012
Production	58,122	57,890	-232	0%	166	1,284	1,450	\$ 35,563
Transportation & Material Moving	33,148	35,399	2,251	7%	231	785	1,016	\$ 31,751

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

by the Shawano County regional economy. Industry employment in Shawano County does comprise 3.0% of employment in the region. However, employment and economic dynamics are similar enough within all parts of the region to comment on general trends.

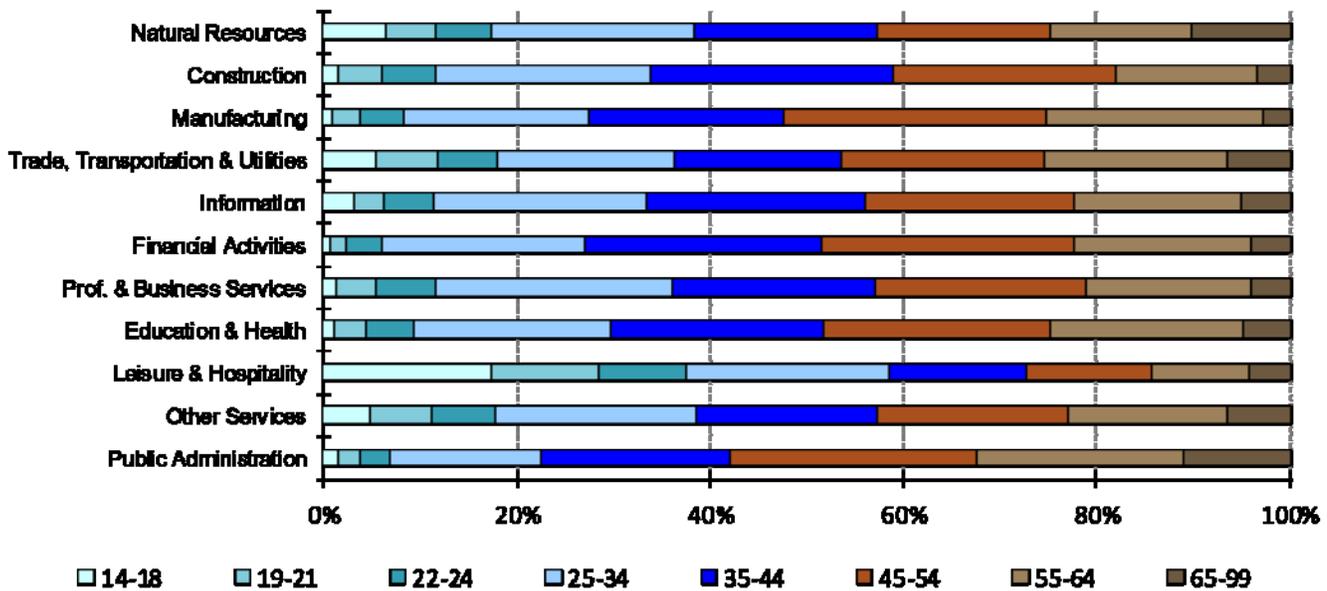
Employment across all industries is expected to grow by six percent over the ten-year period, or slightly over 26,000 workers. This projection only forecasts levels of filled positions rather than potential demand. This further supports the earlier assertion that the availability of labor throughout the region may be actively constraining employment growth. As the region's population continues to age and growth slows this will continue.

The most significant numerical growth is expected in the Education and Health Services (6,829) and Professional and Business Services (4,256) industry sectors. This is equal to 8 and 10 percent period growth respectively.

The Bay Area WDA accounted for nearly 15% of total statewide employment in 2014 and is expected to add 14.1% of the state's total new jobs by 2024. Over 50% of the expected new jobs in the Bay Area WDA are concentrated in three industries: Education and Health Services (26%), Professional and Business Services (16%), and Leisure and Hospitality (12%). The fastest growing sectors are Professional and Business Services (10%), Other Services (10%), Financial Activities (9%), and Self-Employed and Unpaid Family Workers (9%).



Bay Area WDA's Age Distribution by Industry



Source: U.S. Dept. of Commerce, Census Bureau, Local Employment Dynamics 2016.

As illustrated by DWD's occupation projections, large numbers of baby boomers are expected to retire within the next few years, which is why projected replacement openings exceed the number of openings expected to occur as a result of job growth by a factor of almost 4 to 1. This phenomenon is occurring not only in the Bay Area region, but throughout the state and national economies as well. The largest number of job openings are projected in the Office and Administrative Support, Food Preparation and Servings, and Sales and Related occupation groups. Large numbers of replacement openings are projected in those occupations that are not expected to grow significantly. This is especially common in occupations with older workforces and large numbers of anticipated retirements during the projection period, as well as low-wage occupations such as Food Service and Preparation, which tend to have younger workforces but higher rates of employee turnover.

Turning our attention now to the age distribution of the WDA's major industry sectors, as depicted in the chart above, we see that several dominant industry sectors are predominately staffed by mature workers. This is especially true in the Manufacturing, Education & Health, Financial Activities and Public Administration sectors. The age distribution of workers in any given industry sector is determined by the availability of entry-level positions within the sector, which are generally more attractive to younger workers, and the premium paid for long tenures in a particular firm or sector, which tends to result in a preponderance of older workers in those sectors with the highest wage premiums.

The challenge presented in this distribution is how young workers can effectively transition from high turnover to high wage industries.

**For More Information:**

Ryan Long

Regional Economist — Bay Area WDA

Phone: (920) 448-5268 Email: ryan.long@dwd.wisconsin.gov