



Polk-Barron Labor Market, Business Retention & Green Jobs Report

Executive Summary

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Economic Development Corporations and the University of Wisconsin-Extension.
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Introduction

A healthy labor market and a healthy business community are two very critical ingredients for local economic development efforts. Without an adequate labor supply, businesses may be unable to meet the demand for their products and services, which may inhibit growth and undermine profitability. Likewise, if there are other issues of importance to local businesses and they go unaddressed, profitability may be undermined thus threatening existing local jobs and the ability of local businesses to expand in the future.

In order to proactively identify and address business issues within the Polk-Barron region, a partnership between local development corporations, UW-Extension, and Xcel Energy was formed in 2009 to complete two labor market and business retention, and expansion studies. A green jobs study was completed for Barron County only.

This summary report provides an analysis of findings from the local studies, along with a brief discussion of the State as well as broader regional trends..

The purpose of the report is to highlight local data of interest to the business community and community leaders. A secondary purpose is to encourage regional cooperation in solving issues of mutual concern as well as capitalizing on opportunities. While larger regional efforts including Momentum West can and do provide leadership in terms of economic development, more localized action is also needed. The authors of this report hope that it can spur additional local ideas and action across the Highway 8 corridor, which unites Polk and Barron counties.

Overview of State, Regional, Tri-County Key Trends

Wisconsin possesses a diverse economy including strong educational, health care, biotechnology, agriculture, and wood product industries. The State is tied with Indiana for the highest percentage of workers in manufacturing in the U.S. at 15.6% as of January 2010¹. In 2008, Wisconsin gross state product was 240.4 billion, ranking it 21st among U.S. States.² As of March 2010, the state's unemployment rate is 8.7%.³ The largest employers in Wisconsin are:

1. Wal-Mart
2. University of Wisconsin system
3. U.S. Postal Service
4. Milwaukee Public Schools
5. Wisconsin Department of Corrections
6. Menards
7. Kohl's
8. Ultra Mart Foods aka Roundy's
9. City of Milwaukee
10. Kohler Company(4)

¹ U.S. Bureau of Labor Statistics

² <http://www.bea.gov/regional/gsp/>

³ Bureau of Labor Statistics

Polk and Barron counties belong to the Momentum West region, a 10 county economic development organization established to develop partnerships and leverage the resources in West Central Wisconsin to market the region and grow the economy. See Figure 1 below for a makeup of counties in the Momentum West region, which includes Polk, Barron, Rusk, St. Croix, Dunn, Chippewa, Clark, Eau Claire, Pepin, and Pierce counties.

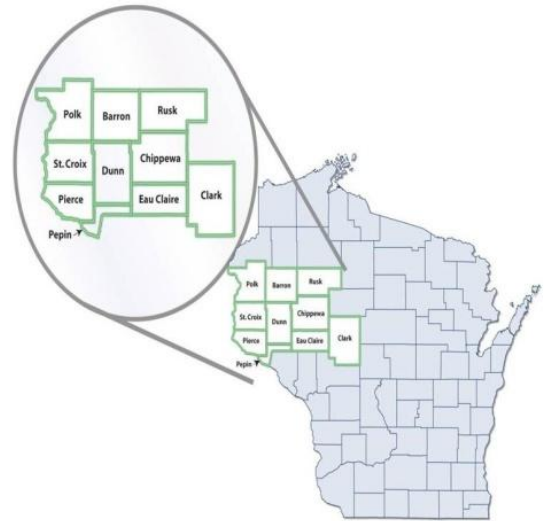


Figure 1 Momentum West Region

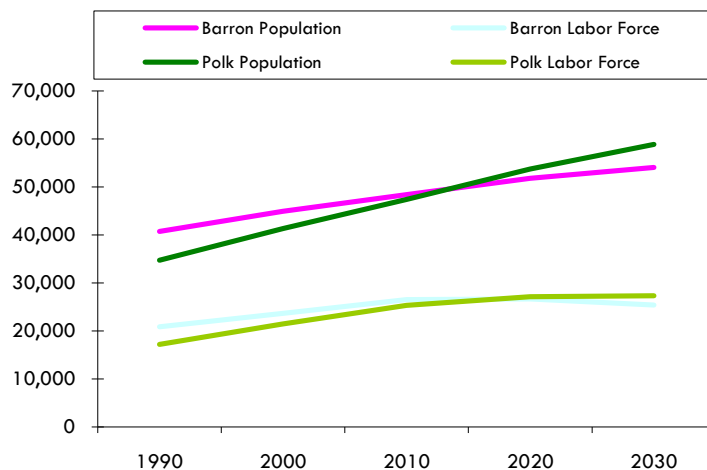
Population & Workforce

The Momentum West region grew by 74,849 residents from 2000 to 2009.⁴ The region grew 18.5% percent over this period, much faster than the state average of 6% percent. Much of the regional growth can be attributed to those counties nearest the Twin Cities and along the I-94 corridor.

Within the study area, **Polk County grew 12% percent** from a population of 41,319 to 46,231 from 2000 to 2009. **Barron County grew 7% percent** from a population of 44,963 to 48,200 from 2000 to 2009.

In both counties **much of the population growth was driven by in-migration of older residents** seeking amenities such as lakes and open space for retirement. The net result is an overall aging of the population in both counties, which will seriously affect the available supply of labor in the study region for the future. Figure 2 below compares the overall growth in population versus the projected workforce for Barron and Polk counties from 1990 to 2030.

Figure 2 Barron, Polk Historic and Projected Population and Workforce



⁴ <http://worknet.wisconsin.gov/worknet/largemp.aspx?menuselection=ed>
 Official population estimates from the Wisconsin Department of Administration Demographic Services Center

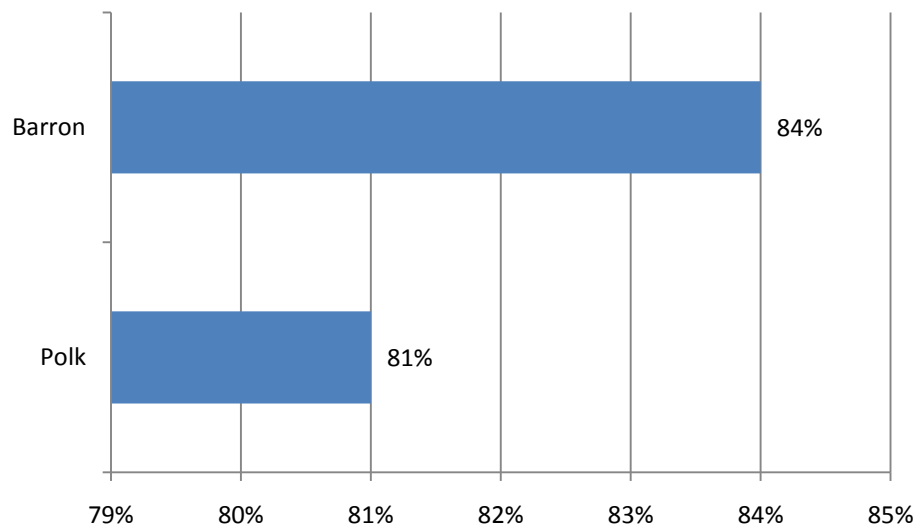
As the labor force numbers flatten out and the overall population ages⁵:

- Businesses will find it harder and harder to find and retain workers,
- Earnings and the amount of goods and services the economy can produce will stagnate (absent a sharp growth in productivity)
- Goods, services, and infrastructure demanded from the elder cohort will skew toward health care and social services,
- Funding for new construction and maintenance of existing infrastructure such as roads, schools, and parks will be increasingly burdensome for the region's population.

When analyzing the workforce, it is important to remember that workers are mobile travelling throughout the region for work. Likewise, local businesses draw upon a workforce that extends well beyond individual county lines.

The largest numbers of non-County residents commuting into Barron County to work are from Polk County (902). The largest numbers of commuters into Polk County come from Barron County (665)⁶.

Figure 3 % of County Jobs Filled by County Residents



Employment

The Momentum West's largest industry super-sector is education and health care. Trade, transportation and utilities, along with manufacturing are both a close second. Between these three super sectors they account for almost 2/3 of the region's jobs. The figure below shows the number of establishments and number of total employees by super-sector in the Momentum West region.⁷

⁵ Paraphrased from *The Impact of Population Aging on Wisconsin's Labor Force*, DWD, Office of Economic Advisors December 2009

⁶ Data from 2000 Census

⁷ Data from the Quarterly Census of Employment and Wages, 3rd quarter 2009 (most recent available), DWD

Figure 4 Employment & Industries by Super-Sector – Momentum West Region

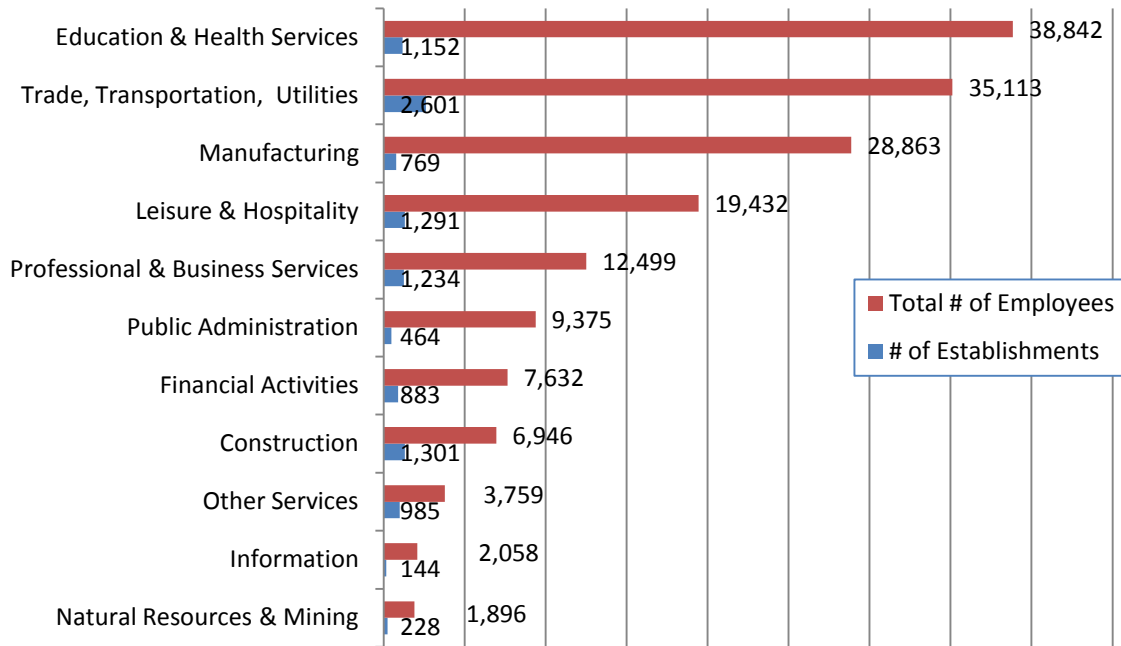
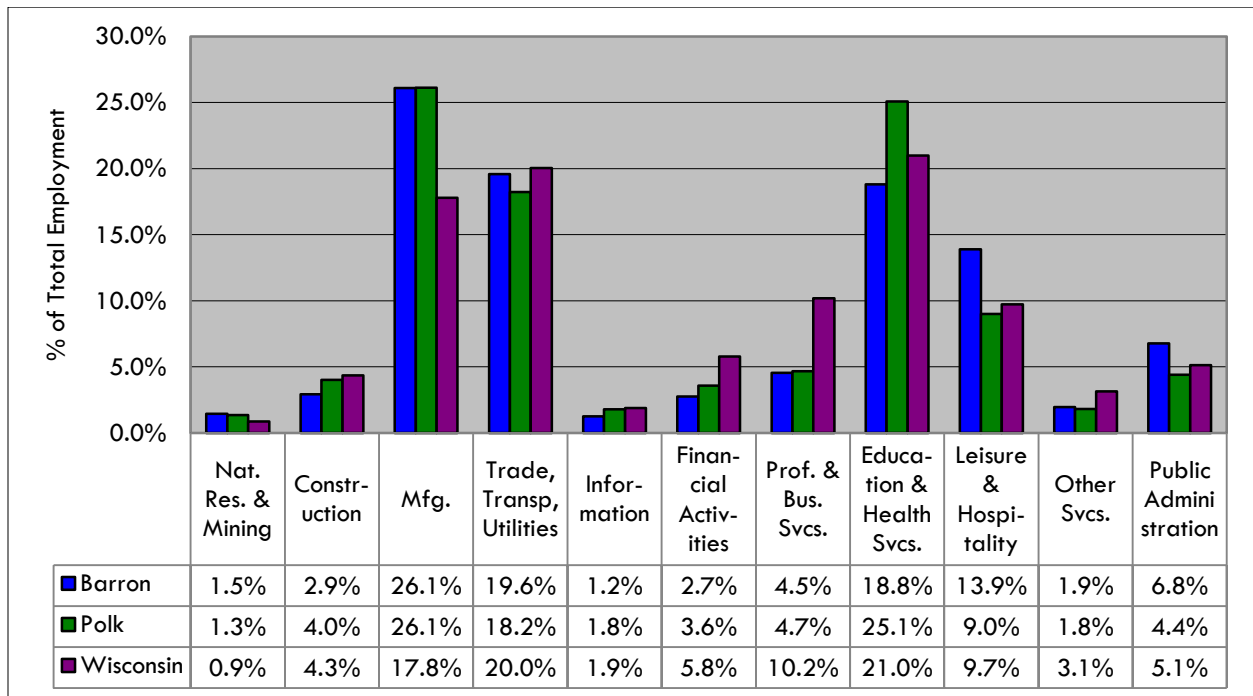


Figure 5 shows industry employment as a share of total employment for Barron and Polk as well as Wisconsin. **Barron and Polk counties both have a very large percentage of manufacturing jobs (26%).**

Figure 5 Industry Employment as a Share of Total Employment⁸



⁸ 2008 Quarterly Census of Employment and Wages, DWD (latest comparative data available)

Figure 5 highlights the relative importance of education and health care to the employment base in Polk County, where 25% of workers are employed compared with 21% statewide and 18.8% in Barron County. Employment in education and government often serve as a buffer during volatile economic conditions because these sectors tend to be less immediately impacted by the general business cycle.

On the other hand, Barron County employs a higher percentage of workers in the leisure and hospitality industries (13.9%) compared with both Wisconsin (9.7%) and Polk County (9%). An area where both counties are highly underrepresented is in professional and business services, where Barron employs 4.5% of its workers and Polk employees 4.7%. The statewide figure is 10.2%.

Drilling down within the broad super-sectors at the County level, figures 6 and 7 shows a list of prominent industries in Barron and Polk counties. The percent change column shows the most recent annual data available comparing employment levels in 3rd quarter 2009 to those in 3rd quarter 2008.

Figure 6 Prominent Industries in Barron County⁹

| Industry | 2008 3rd Quarter Employment | 2009 3rd Quarter Employment | % Change |
|---------------------------------------|--------------------------------|--------------------------------|----------|
| Food Manufacturing | 2521 | 2524 | 0.1% |
| Food Services & Drinking Places | 1543 | 1503 | -2.6% |
| Amusements Gambling & Recreation | 1453 | 1386 | -4.6% |
| Educational Services | 1194 | 1176 | -1.5% |
| Hospitals | 1110 | 1114 | 0.4% |
| Executive Legislative & General Gov | 998 | 986 | -1.2% |
| General Merchandise Stores | 907 | 922 | 1.7% |
| Fabricated Metal Product Mfg | 738 | 602 | -18.4% |
| Admin & Support Services | 660 | 439 | -33.5% |
| Nursing & Residential Care Facilities | 632 | 642 | 1.6% |

⁹ Wisconsin DWD, Bureau of Workforce Training

Figure 7 Prominent Industries in Polk County

| Industry | 2008 3rd Quarter Employment | 2009 3rd Quarter Employment | % Change |
|--|--------------------------------|--------------------------------|----------|
| Educational Services | 1101 | 1129 | 2.5% |
| Food Services & Drinking Places | 1071 | 1024 | -4.6% |
| Hospitals | 1013 | 1067 | 5.0% |
| Fabricated Metal Product Mfg | 718 | 621 | -15.7% |
| Nursing & Residential Care Facilities | 687 | 707 | 2.8% |
| Transportation equipment manufacturing | n/a | n/a | n/a |
| Plastics & rubber products manufacturing | 640 | 597 | -7.2% |
| Ambulatory health care services | 507 | 550 | -7.8% |
| General merchandise stores | 447 | 439 | -1.8% |
| Furniture & related product mfg | 361 | 248 | -45.6% |

The biggest drops in employment in Barron occurred in metal product manufacturing and in administration and support services. In Polk County the biggest drops occurred in furniture manufacturing and in fabricated metal manufacturing.

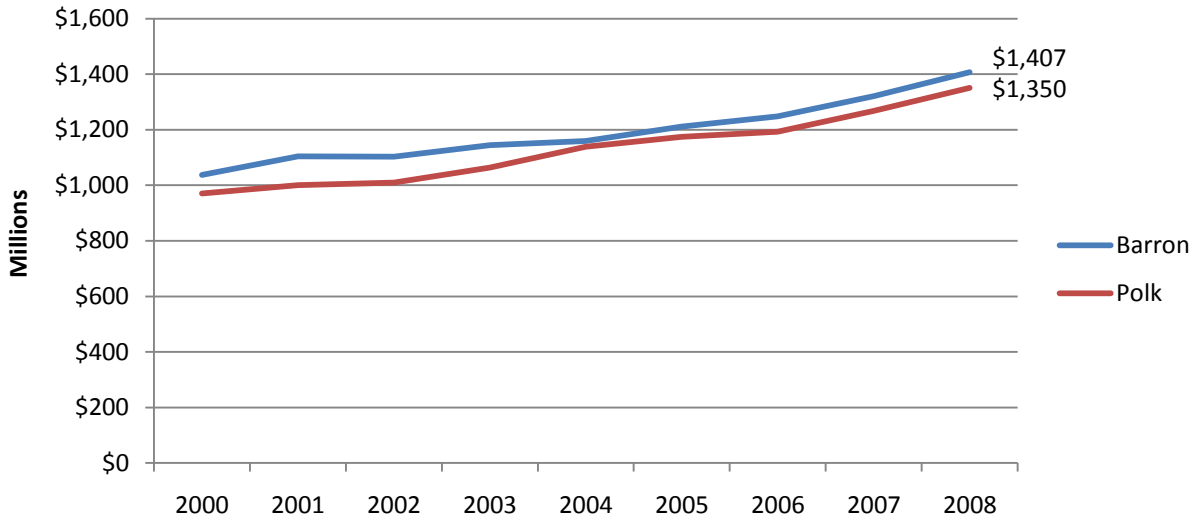
Personal Income (Earnings)

Total personal income (TPI) is often used to measure the size of an economy and to identify its most important components. TPI includes the following three components of earnings:

1. **Net earnings**, which come from employment, whether self-employed or not.
2. **Dividends, interest, and rent**, which come from savings, 401(K) plans, pensions, investments.
3. **Transfer receipts**, which are government payments including Social Security, Medicare, unemployment insurance, veterans benefits.

Figure 8 below illustrates growth in overall personal income from 2000 to 2008 (figures not adjusted for inflation). In 2008 Barron County's total personal income was 1.4 Billion compared with 1.35 Billion for Polk County.

Figure 8 Personal Income in Barron, Polk Counties

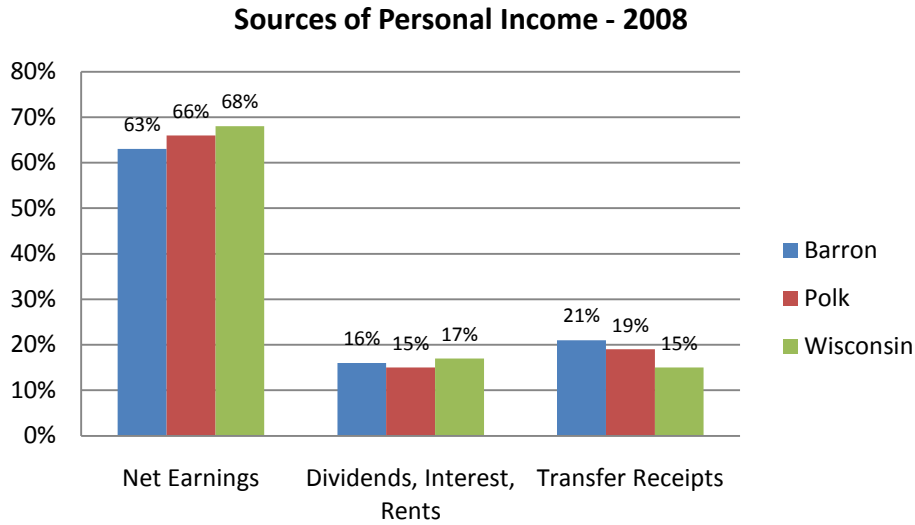


Source: Bureau of Economic Analysis

Figure 9 shows the percent of total personal income which is attributed to net earnings; dividends, interest, rents; and transfer receipts. Roughly two-thirds of total personal income is derived from net earnings in both Barron (63%) and Polk counties (66%). Dividends, interest, and rents compose 16% of total personal income in Barron and 15% in Polk, both close to the statewide average. Transfer receipts make up a larger percent of personal income in Barron (21%) and Polk (19%) compared with the statewide average of 15%.

The higher reliance on transfer receipts is likely a result of aging. The overall population in both counties is older than the State as a whole, and older residents are more likely to receive transfer payments including Social Security.

Figure 9 Sources of Personal Income - 2008



Source: Bureau of Economic Analysis

Table 1 below compares the average annual percentage growth in income by source for Barron, Polk, and Wisconsin. Personal transfer receipts have grown on average by 7.1% per year in Polk County, followed by 6.4% in both Barron and Wisconsin as a whole. These figures suggest that transfer payments will continue to play a larger and larger role in the local economy as the population ages.

Table 1 Avg. % Annual Growth in Income by Source (1998-2008)

| | Barron | Polk | Wisconsin |
|--------------------------------------|--------|-------|-----------|
| Net earnings | 3.5 % | 4.3 % | 4.2 % |
| Dividends, interest, and rent | 1.4 % | 3.0 % | 2.5 % |
| Personal transfer receipts | 6.4 % | 7.1 % | 6.4 % |

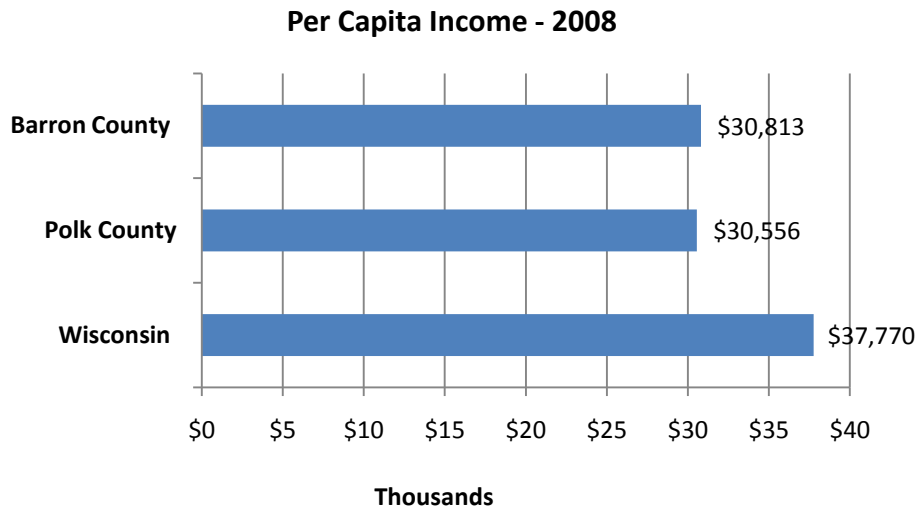
Source: Bureau of Economic Analysis

Per Capita Personal Income

Per capita personal income is often used as an indicator of the quality of consumer markets and of the economic well being of the residents of an area.

Figure 10 provides a comparison of per capita incomes. Barron (\$30,813) and Polk (\$30,556) have very similar per capita income levels. The statewide average of \$37,770 is considerably higher but is to be expected. Barron and Polk counties are more rural than the State as a whole, and therefore less likely to provide the breadth and numbers of higher paying occupations typically found in larger cities.

Figure 10 Per Capita Income (2008)



Source: Bureau of Economic Analysis

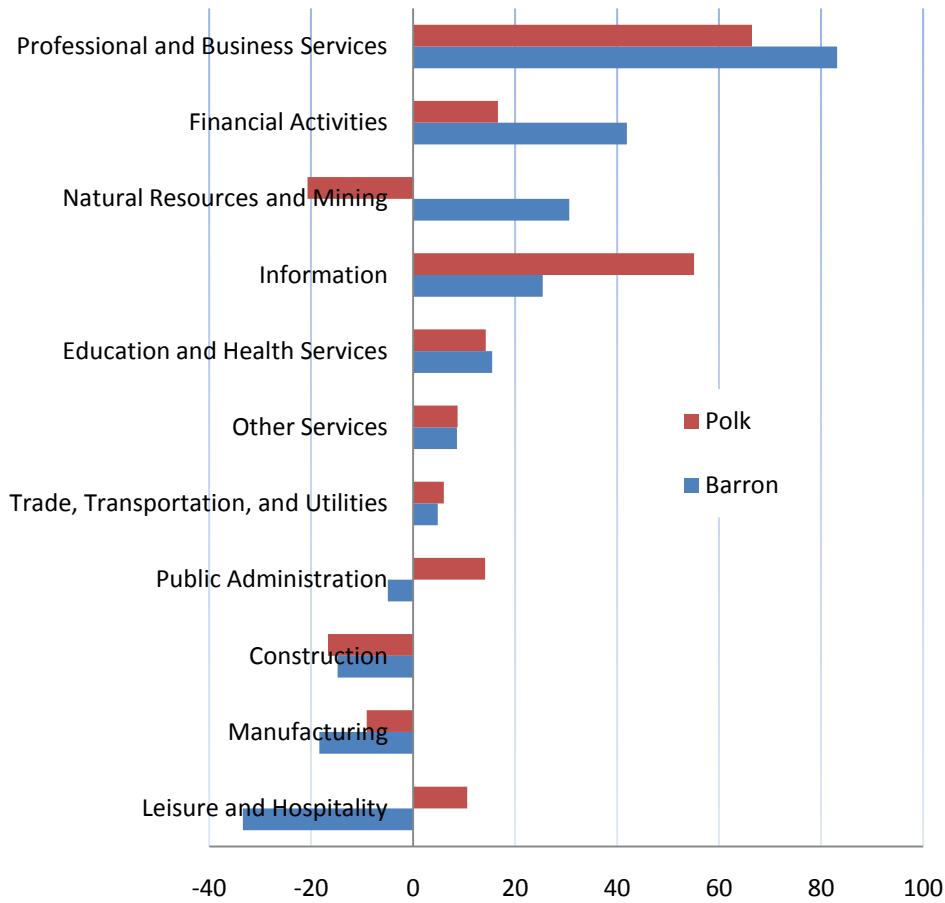
Key Changes in the Local Economy

Figure 11 illustrates the percent change in employment by sector, from 2000 to 2008, comparing Barron and Polk counties.

Of concern is the decline in manufacturing in both counties, because this sector provides many jobs (roughly ¼ total employment in both counties) and higher than average wages. From 2000 to 2008 Polk County lost 9.1% of its manufacturing jobs, while Barron County lost 18.4%. While these numbers are cause for concern, the U.S. as a whole lost a much higher percentage of manufacturing jobs over this time period. Both counties also experienced a loss in construction jobs from 2000 to 2008, with Polk losing 17% and Barron losing 15%.

On the bright side, both Polk and Barron added a significant percentage of Professional and Business Services over this period (Polk, 66%, Barron, 83%). Both counties also added employment in Financial Activities (42%, 17%), Information (55%, 25%), Education and Health Services (14%, 16%), Other Services (9%, 9%), Trade, Transportation, & Utilities (6%, 5%),

Figure 11 % Change in Employment (2000-2008)



Source: Bureau of Economic Analysis

Finally, there were three sectors where the trends differed significantly across counties. Barron County experienced a 33% decrease in leisure and hospitality employment from 2000 to 2008. Meanwhile, that sector’s employment grew by 11% in Polk County. Over the same period Natural Resources and Mining experienced a 31% jump in Barron County compared with a 21% decline in Polk County. Finally, the Public Administration sector grew by 14% in Polk County compared with a 5% decline in Barron.

Business Retention and Expansion

Barron and Polk counties recently completed Business Retention and Expansion (BRE) studies in order to ensure that local business needs are being adequately addressed. The studies included a survey of the largest employers in both counties.

The major objectives of the studies were to:

1. Conduct personal interviews with chief executive officers of the targeted businesses
2. Develop a data base profile of businesses in the county
3. Gain an understanding of the business community's view of the local economy
4. Determine companies business plans for the future (i.e. expansion and/or relocation), and thereby set up an early warning system for local action if needed
5. Acquaint business leaders with assistance available through various economic development programs
6. Improve the communications bridge between county/economic development groups and the business community
7. Identify specific concerns and problems of the local businesses and provide solutions to those problems in a swift and effective way.

Highlighted Polk County Results & Next Steps

The Polk County BRE study was completed by 72 firms compiled between October 2009 and January 2010. The following are highlights from the study:

Positive/Growth Factors

73% of the interviewed executives reported the local site is the headquarters

61% have been in business for more than 20 years

80% own their facility/property

Some executives have secured government contracts: 14% - federal, 26% - state, and 38% - local

Fourteen executives (19%) reported plans to expand a building at the current location

Five executives (7%) expressed plans for a new building on site or elsewhere in the community

Executives are anticipating increasing employment numbers next year by as much as 6%

Over the next five years they predict very aggressive growth of 33%

Assessment of Services and Opinions of Community

The quality of life and the K-12 education system in Polk County are rated as the most positive factors helping executives recruit employees.

Many executives (35%) reported gross sales as increasing and 33% said sales are stable.

Executives are fairly satisfied with local municipal economic development efforts;

10% rated it excellent, 32% good, 30% fair and 9% poor.

Respondents are very satisfied with the community as a place to do business,

26% said excellent, 62% good, 10% fair, and 1% poor, citing many positives.

Warnings (May require follow-up)

Seven firms are likely to consolidate operations

Ten firms have leases that are expiring

Eight firms have out-of-state expansion plans

Six firms have possible plans to move all or part of operations

Eight executives reported probable or possible plans to phase out or shut down business

Fifty percent of the executives reported difficulty recruiting for professional positions

Eleven percent of executives expressed dissatisfaction with local infrastructure

32% of firms reported gross sales as decreasing

Some (9%) reported problems working with local utilities

Next Steps:

The study revealed a number of issues that call for the Polk County Economic Development Corporation to follow-up with survey participants. In particular, the survey identified a number of businesses that are planning expansions or who indicated the possibility of relocation or closure. Many of these requests are immediately being addressed. The Polk County EDC will also disseminate the information on local economic development conditions through outreach educational events. Other action items include:

1. Continue to identify business needs or concerns and share with the appropriate government or economic development institutions.
2. Work to seek solutions or answers through meetings with the concerned parties
3. Develop a system of tracking progress toward fulfilling informational requests
4. Communicate regularly with all parties to ensure results and address any emerging issues
5. Follow-up on new issues identified by using action steps developed from the final WIBRES

Highlighted Barron County Results & Next Steps

The Barron County BRE study was completed by 34 firms compiled between October 2009 and January 2010. The following are highlights from the study:

Positive Growth Factors

Seventy-eight percent of the interviewed executives reported the local site is the headquarters for the firm.

Eighteen firms (49%) have multiple locations and 89% have been in business for more than 20 years.

Eighty-five percent own their facility/property.

Some executives have secured government contracts: 19% - federal, 32% - state, 48% local

Many executives expressed an interest in initiating or expanding government contracts

Executives reported plans to expand by 106,000 square feet

Executives are anticipating growth of 5% in the coming year and predict employment will be 23% above current numbers five years from now

Assessment of Services and Opinions of Community

Ninety-seven percent said they are satisfied with local fire protection capabilities.

Eighty-nine percent are happy with broadband/high-speed internet service and 83% with wireless communication -- a finding much higher than average.

Seven companies either have lease expirations coming due or plans to expand off their existing site but they all plan to expand within the county.

Warnings (May require follow-up)

Six percent of the respondents rated local-municipal government as poor.

The key issues firms in the next 3-5 years are the economy and costs related to conducting business.

Labor Markets

Barron and Polk counties completed labor market studies in 2010. The purpose of the studies is to document and describe the existing supply and demand for labor in the region. Businesses and other organizations can use this data to better understand the needs of their employees and also to modify their benefit packages and wages in order to successfully compete for their labor needs.

Below are the highlights from both counties.

Barron County 2010 Labor Market Highlights

Regional Context

- Region has a diverse economy, ranging from food processing to electronics manufacturing. One of the major influences on the regional labor market is the proximity to the Minneapolis-St. Paul Metropolitan Statistical Area (MSA).
- Commuters to the Minneapolis-St. Paul area. The region exports approximately four times as many workers as it imports.
- Population growth in Barron County has been lower than the state

Employer Characteristics

- Largest establishments account for almost 25% of the jobs located in the County.
- 52 employers: three-fourths are for-profit organizations. About 12% are governments and the rest are nonprofit organizations.
- Barron County employers are increasingly independent of staffing or temporary agencies for hiring. Over the past five years, 36% of the employers report they have used a staffing or temporary agency.

Labor Force & Employment Characteristics

- immigration in the Midwest, minor
- 18% of the workforce is older than 55 years old

- Graph & population pyramid
- 38% of the employers report they are having difficulty in recruiting qualified workers. This percentage has declined significantly
- too few applicants and almost half reported that the applicants lacked the necessary skills
- Table recruitment methods
- List of open jobs
- List of screening techniques
- Employee skills
- More than half of employers provide some type of informal training and 49% provide some type of formal training to new hires. On average, a new hire receives 76 hours of formal training.
- The average turnover rate in the county was 6.7%, which is much lower than the 10% rate in 2004, and which is considerably lower compared to the 17% in 2000.
- more than half of the turnover is due to terminations.
- The average absentee rate among Barron County employers was 2.4% in 2009, 4.0% in 2004 and 3.5% in 2000.

Wages & Benefits

- Almost all of employers offer paid vacations and health insurance to their employees. Ninety percent employers extend health insurance to employees family members. However, employees pay for a majority of the coverage.
- overall wage increase for Barron County employers averaged 1.98% in 2009 and is projected to be 2.38% in 2010.
- Employee training and hiring programs were identified the most often for business educational programs.

Polk County 2010 Labor Market Highlights

Regional Context

- Region has a diverse economy, ranging from food processing to electronics manufacturing. One of the major influences on the regional labor market is the proximity to the Minneapolis-St. Paul Metropolitan Statistical Area (MSA).
- Commuters to the Minneapolis-St. Paul area. The region exports approximately four times as many workers as it imports.
- Population growth in Polk County has been higher than the state

Employer Characteristics

- Manufacturing account for almost 26% of the jobs located in the County.
- 82% are for-profit organizations. About 12% are governments and the rest are nonprofit organizations.
- Half of the Polk County employers report they have used a staffing or temporary agency. Among those firms, about half report they have hired temporary employees as a recruitment method for obtaining permanent employees.

Labor Force & Employment Characteristics

- 30% of the employers report they are having difficulty in recruiting qualified workers. For those employers reporting difficulty in hiring, particularly in higher skills positions that required a significant level of training, such as electronics assembly workers, managers. Others reported that the applicants lacked the necessary skills for the available positions.
- A few employers indicated that applicants were unwilling to work for the existing wages/benefits or work conditions
- Six employers reported information on vacancy. The positions with the longest vacancies were electronic technicians and receptionists.
- Employers reported that in order to recruit new employee they were most likely to rely on news paper ads and the internet.
- About half of the Polk County employers provide some type of informal training and 69% provide some type of formal training to new hires. On average, a new hire receives 60 hours of formal training.
- The average turnover rate in the county was 5%,
- more than half of the turnover is due to resignations
- The average absentee rate among Polk County employers was 3.7% in 2009

Wages & Benefits

- Almost all of employers offer paid vacations and health insurance to their employees. Ninety percent employers extend health insurance to employees family members. However, employees pay for a majority of the coverage. For example, employees pay an average of 27% of their health insurance.
- The overall wage increase for Polk County employers averaged 2.08% in 2009 and is projected to be 2.38% in 2010.
- Employee training and recruiting programs were identified the most often for business educational programs.

Green Jobs

Rising energy costs, energy insecurity, and environmental concerns, along with the recent recession have generated a lot of interest in green jobs. The promise of an economy that creates good jobs while protecting and restoring the natural world is an alluring one.

What are green jobs? As more and more people recognize the need to address the multitude of threats to our environment, businesses are re-thinking their core business models to reflect the shift in consumer preferences toward products that are less harmful to the environment. Likewise, entrepreneurs are rushing to develop new green products and services.

Besides climate change, critical environmental issues facing business today include energy; water; biodiversity and land use; chemicals, toxics, and heavy metals; air pollution; waste management; ozone layer depletion; oceans and fisheries; and deforestation (Esty & Winston 2009). The demand for

innovative solutions to address these challenges has led many commentators to conclude that we are on the cusp of a “green wave” in terms of job growth and economic opportunity. Millions of new green jobs will be created, so the theory goes, ranging from renewable energy installers to mass transit employees, from sustainability analysts to water resource technicians. Because many of the jobs are blue-collar in nature, they may provide pathways out of poverty for low-skilled, low-income earners (Jones 2008).

Yet despite the widespread interest in green jobs there is very little understanding of how local businesses are engaged in the green economy. **The 2009 labor market survey included a section on green jobs. The purpose of the survey was to:**

1. Characterize the types of local businesses engaged in the green economy
2. Identify potential opportunities to help grow the local green economy

Employers were asked to self-identify what they considered to be green jobs within their company. They were shown the five categories of green jobs shown in the table below.

Table 2 Green Job Categories

| Renewable Energy | Energy Efficiency | Environmentally Friendly Production | Conservation and Pollution Mitigation | Other |
|---|--|--|---|--|
| Jobs involved in the production, transmission, maintenance, and storing of renewable energy | Jobs that help Americans reduce the amount of energy we use, whether to run a plant, or heat, cool, or light an office or home | Jobs that seek to mitigate the harmful environmental impacts of existing products and develop and supply alternatives that require less energy and emit fewer greenhouse gases | Jobs that manage water and other natural resources more effectively and to mitigate emissions of greenhouse gases and other pollutants, efforts to recycle and re-use materials and waste streams | Jobs that do not fit nicely into the other categories but which may be considered "green" because they meet the definition above |

Only Barron County employers responded to the green jobs study. Jobs data were coded according to the Bureau of Labor Statistics’ standard occupation classification. Table 1 provides a breakdown of the 240 jobs identified as “green” by the twelve Barron County businesses which completed the survey.

Table 3 Barron County Green Jobs

| Job Title | Total # of Jobs |
|---|------------------------|
| Helpers--Production Workers | 132 |
| Heating, Air Conditioning, and Refrigeration Mechanics and Installers | 42 |
| Command and Control Center Officers | 17 |
| Electricians | 13 |
| Maintenance Workers, Machinery | 5 |
| Material Moving Workers, All Other | 5 |
| Buyers and Purchasing Agents, Farm Products | 4 |
| Plumbers, Pipefitters, and Steamfitters | 4 |

| | |
|--|------------|
| First-Line Supervisors of Personal Service Workers | 3 |
| Installation, Maintenance, and Repair Workers, All Other | 3 |
| Sales Representatives, Services, All Other | 3 |
| Social Scientists and Related Workers, All Other | 2.5 |
| Materials Scientists | 2 |
| General and Operations Managers | 1.5 |
| Environmental Scientists and Specialists, Including Health | 1 |
| Heavy and Tractor-Trailer Truck Drivers | 1 |
| Logisticians | 1 |
| Total | 240 |

The types of businesses responding to the green jobs survey included several construction related businesses, manufacturing companies, consulting, farm services, and water related firms. Most of the green jobs identified in table 1 represent a portion of an existing employee. In other words, existing employees are spending a percentage of their time on a “green” product or service. The figure below shows the distribution of green jobs identified by category.

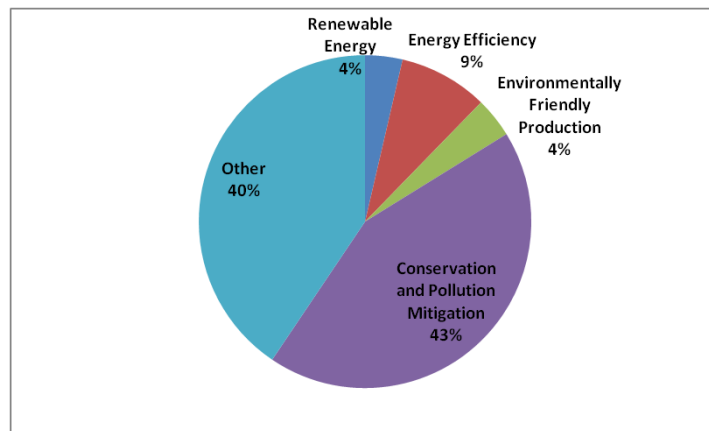


Figure 12 Distribution of Green Jobs by Category

The green job results provide a rough baseline to measure future growth (or decline) of Barron County’s green economy. As federal and state policies evolve to combat climate change and address other environmental issues, Barron and Polk counties may be in a position to leverage their strong workforce, educational, and manufacturing assets into future economic development opportunities.

Conclusion

Evidence from the 2009 labor market and business retention and expansion studies suggests that labor and business conditions are improving in both Barron and Chippewa counties. An on-going concern is the aging of the population and related workforce concerns. On the other hand, an aging population will also drive new and existing business growth related to health care, leisure, entertainment, and other services. Overall, businesses report a high level of satisfaction with infrastructure needed to support their growth and development. Finally, data on green jobs and the growth in related industries including renewable energies in both counties suggests this could be a growth sector for the region.

Key Challenges Ahead

Roughly 95,000 people live in Barron and Polk counties. Agriculture, which has traditionally been a key base of the area's economy, continues to record strong productivity gains and significant growth. But this region has a more diverse economy than it once was. Rural residents are employed in a wide range of industries, including manufacturing, services, government, and wholesale and retail trade. While these areas offer many opportunities, its educational and income levels continue to lag behind the rest of the country. It is important to take steps to reduce these disparities. The following challenges are intended to foster dialogue around several critical issues related to the future growth and prosperity of Barron and Chippewa counties. Successfully addressing these challenges will require significant effort and collaboration among community and economic development leaders, local businesses, and state partners.

Key Challenge #1 Workforce Development

A well trained and reliable workforce is critical to business success. The aging population and concerns about the future supply of workers is an on-going concern within the region. In addition, employers cite the importance of soft skills in the work place. Younger workers, which will increasingly fill the void left by the retiring baby boomers, may not have the soft skills needed to function within a complex work environment and as members of high performing teams. A related concern is the lack of highly skilled workers available to fill existing and anticipated higher productivity jobs. These trends suggest a potential scarcity of workers lies ahead for the region. These trends could also contribute to a more diverse workforce as immigration supplies more labor to fill gaps – especially in health care and social services for the elderly. An increasingly diverse workforce may require new training programs.

Key Challenge #2: Health Care Costs

Health care costs continue to be a significant issue for many area employers.

Key Challenge #3: Low Income Levels

While the region's economy has become increasingly diverse, it faces a number of unique challenges regarding its labor force. First, incomes are lower and poverty rates are higher in rural areas than they are in urban areas. Second, educational attainment lags behind that of urban areas for the working-age population. Recognizing these challenges, a focus on expanding opportunities for small businesses,

tourism and recreation, and clean energy will also help to make area households better off while attracting a new generation of young workers.

For More Information

For more information related to regional economic and labor market conditions and trends please contact any of the organizations and individuals listed below:

Barron County UW-Extension
330 E LaSalle Ave Rm 2206 Barron,
WI 54812
Phone: (715) 537-6381
FAX: (715) 537-6814

Polk County UW-Extension
Suite 210
100 Polk County Plaza
Balsam Lake, WI 54810
Phone: (715)485-8600
FAX: (715)485-8601

David Miller
Barron County Economic Development
P.O. Box 71
Barron, WI
715-637-6871
715-790-1327 (Cell)
1-800-529-4148
www.barroncounty.com

Steve Healy, Director
Polk County WI Economic Development
Corporation
PO Box 181
Balsam Lake, WI 54810
Office: 715-405-7655
www.PolkCountyEDC.com