WEST CENTRAL WISCONSIN
STATE OF THE REGION WORKING PAPER

ECONOMIC DEVELOPMENT

CONTENTS

1. Introduction ......................................................................................................1

2. Recurring in Cycles (Economic Cycles) ...........................................................2

3. Reaching for Conclusions (Conditions & Trends) ............................................3
   Potential Labor Force Changes .......................................................................4
   Employment & Occupations .........................................................................4
   Income & Cost of Living ................................................................................8
   Employers & Industries ...............................................................................9
   Quality of Community ...............................................................................14

4. Getting There is Half the Fun (Tourism)..........................................................15

5. Where Business Gets Done (Ties to the Twin Cities) ....................................16

6. Success Based on Partnerships (Current Strategies) ........................................18
   WCWRPC Programs ...................................................................................18
   Federal & State Programs ..........................................................................18
   Regional Partnerships ................................................................................19
   County & Local Programs ........................................................................20

WEST CENTRAL WISCONSIN COMPREHENSIVE PLANNING
APRIL 2009

Prepared by West Central Wisconsin Regional Planning Commission
1. **INTRODUCTION**

This document is one of eight working papers prepared by West Central Wisconsin Regional Planning Commission (WCWRPC) as part of its comprehensive planning effort with input from the project’s Technical Advisory Group (TAG).

As shown in the diagram to the right, these working papers largely build upon the seven county conditions and trends reports prepared by WCWRPC with TAG input. The working papers place the county data in a regional context, highlighting conditions and trends of regional significance or opportunities for multi-jurisdictional cooperation.

As such, the information found within this document is discussed at a regional level. Each county’s conditions and trends report should be referred to for additional details and background information at the county and municipal level.

These working papers provide a foundation upon which regional issues can be identified and discussed. Only by building a consensus on our region’s key conditions and trends, can the issues, their implications, and the remainder of the regional comprehensive planning effort for west central Wisconsin proceed.

WCWRPC gives special recognition to the Wisconsin Department of Workforce Development-Office of Economic Advisors and the U.S. Department of Commerce-Bureau of Economic Analysis as the primary sources of the data used to produce the graphs and maps in this working paper.
2. **RECURRING IN CYCLES (ECONOMIC CYCLES)**

“Events tend to recur in cycles.”

Perhaps more than other comprehensive plan elements, the local economy and economic development are influenced by regional, state, national, and global factors. The economy is always in flux, often occurring in cycles or periods of growth, prosperity, and expansion followed by periods of decline, contraction, or recession. There is no reliable methodology to predicting such cycles, and some economists argue that these fluctuations are the result of “shocks” to the economy in terms of productivity or demand changes, and the use of the term “cycle” is a misnomer.

The graph below shows leading indicators of certain economic activities (average work week, job openings, business starts, unemployment claims) which are often used to foreshadow economic change. The graph reflects the economic recession of the early 1990s (S&L crisis & “Black Monday”), the growth and bursting of the “dot-com bubble” in the 1990s, and the manufacturing recession of the first part of the last decade.

![Composite Index of Leading Indicators for Wisconsin (1990-Jan 2009)](chart)

source: Wisconsin Office of Economic Advisors

While job growth and the economy in Wisconsin were relatively strong between 2004 and 2007, the severity of the current economic crisis is quite apparent in the above chart. There is no clear consensus on the extent and length of the current slowdown or the likely impacts of state and federal stimulus efforts. Some of the more positive projections anticipate recovery to begin in the last half of 2009, but the current crisis is much more serious than most historical recessions. The Federal Reserve Bank of Minneapolis expects that District 9’s economy will continue to struggle with non-farm employment contracting and unemployment rates rising in 2009.
However, personal income and authorized housing units are expected to grow.¹ The recovery timeline can be further impacted by changing global economic conditions and federal policy for the financial, auto industry, and housing sectors in particular.

Based on past trends, we do know that Wisconsin often lags behind other areas in such economic indicators. For instance, as of May 2008, Wisconsin’s housing sector had not yet felt the brunt of the mortgage/price dilemma to the extent of other states such as Arizona, California, Florida, Nevada, and Ohio. This fact is important since housing sales in many of these other states have begun to increase and there are some indications that the housing market may begin to recover in spring or summer 2009.

The above is the broader context in which our businesses, educational institutions, local governments, and other partners implement their economic strategies. These trends may impact communities differently within the region, and local strategies may need to change to accommodate such fluctuations. During a financial crisis, demand for alternative business financing may increase. As development slows, traditional tax incremental financing, with the community burdening all the risk, may not be the best approach. But while the economy adjusts, opportunities do arise. For instance, after the escalating fuel prices of 2007-2008, research and development funding for alternative energy and energy-reducing technology is on the increase.

3. REACHING FOR CONCLUSIONS
(CONDITIONS & TRENDS)

“If all economists were laid end to end, they would not reach a conclusion.”
– George Bernard Shaw, Irish Playwright (1856-1950)

A wealth of economic information is available at the state, regional, county, and local levels, along with a range of specialized business studies and a variety of economic modeling techniques. Yet, there is no clear consensus between the various players on the economic stage regarding a single particular data source or metrics on which to make comparisons and benchmark and measure economic progress. As one option, the Wisconsin Department of Workforce Development has identified regional metric benchmarks to assist economic planning and development efforts.

This section is not intended to identify, nor provide all of the needed economic metrics. Instead, it summarizes the economic conditions, trends, and forecasts most pertinent for regional economic planning from a variety of state and other sources. Additional county-specific data and analysis can be found in the WCWRPC existing conditions and trends report for each county.

Potential Labor Force Changes
The WCWRPC population working paper documents the historical and projected population in the region, as well as related demographic changes. Our region is projected to grow by 31.1 percent between 2008 and 2030, while median age continues to increase. The chart below shows that our labor force will likely tighten over the next 25 years as the baby boomer generation ages. However, this projected trend varies significantly by county, as shown in the individual county charts in the population working paper.

Educational levels continue to increase across the region, reflecting the strong presence of post-secondary institutions. In 2000, 86 percent of west central Wisconsin residents ages 16 and over had a high school diploma or higher, ranging from 75.4 percent in Clark County to 91.6 percent in St. Croix County. Twenty percent of our region’s residents had a bachelor’s degree or higher in 2000, ranging from 10.3 percent in Clark County to 26.3 percent in St. Croix while 28.6 percent had an associate’s degree or higher. The population working paper also notes the changing ethnic/racial demographic which is linked to the food processing industries in Clark and Barron counties. Even so, 96.9 percent of our population in 2000 was non-Hispanic white.

Employment & Occupations
Overall, Wisconsin and our region have strong labor force participation rates. The labor force participation rate is the percent of non-institutionalized civilians of age 16 or more in the labor force. Only Barron County’s 2007 rate of 67 percent was below the state average of 71 percent. Higher participation rates in low income areas may reflect a higher portion of families with dual incomes.
The graph below shows the monthly unemployment rates and generalized unemployment trends for the region and Wisconsin for the last 19 years.

### WCWRPC Working Paper: Economic Development

**Monthly & Trend Unemployment Rates (Jan 1990 to Jan 2009)**

- Thin lines in background reflect actual monthly unemployment rates, while thicker lines represent trend polynomial method for state or comparison.

*Source: Wisconsin Department of Workforce Development - Office of Economic Advisors*
The chart on the previous page shows that unemployment trends do shift considerably over time with annual rates in the region fairly similar to the state average for most of this decade. The chart also shows that most counties in our region have high employment seasonality, with significantly higher unemployment during the winter months. Eau Claire County is the consistent exception to this trend. The recent jump in unemployment rates is dramatic, though not yet clearly visible on the chart. The January 2009 Wisconsin unemployment rate of 7.6 percent was the highest of any Wisconsin monthly rate on the chart.

Unemployment continued to increase in February 2009 as shown in the table to the right. Unemployment for our region’s counties in January 2009 was approaching, but had not exceeded some of the seasonal highs of the early 1990s, with the exception of Polk County. Polk County’s twelve percent unemployment was higher than any rate shown on the chart on the previous page.

Health care-related occupations are expected to grow at the quickest pace over the next ten years as shown in the table below. While production and manufacturing workers (non-administrative) currently constitute our region’s second largest occupation group, it is projected to be our second slowest in growth. The table below does not include self-employed persons, unpaid family workers, and farmers. For comparison, there were about 9,000 full-time farm employees in 2007 in our seven-county region.

### Estimated Unemployment Rate (February 2009)

<table>
<thead>
<tr>
<th>County</th>
<th>Unemp. Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barron</td>
<td>10.7%</td>
</tr>
<tr>
<td>Chippewa</td>
<td>9.8%</td>
</tr>
<tr>
<td>Clark</td>
<td>10.7%</td>
</tr>
<tr>
<td>Dunn</td>
<td>8.2%</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>6.9%</td>
</tr>
<tr>
<td>Polk</td>
<td>12.0%</td>
</tr>
<tr>
<td>St. Croix</td>
<td>8.8%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

### Occupations in WDA 8 Region (2006 & 2016)

*(includes Barron, Chippewa, Clark, Eau Claire, Pepin, Pierce, Polk, & St. Croix Counties)*

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Estimated # of Non-Farm Jobs</th>
<th>Average Annual Openings</th>
<th>Estimated Salary and Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office and Administrative Support</td>
<td>27,340</td>
<td>28,450</td>
<td>1,110</td>
</tr>
<tr>
<td>Production</td>
<td>21,920</td>
<td>22,330</td>
<td>410</td>
</tr>
<tr>
<td>Sales and Related</td>
<td>18,310</td>
<td>18,910</td>
<td>600</td>
</tr>
<tr>
<td>Food Preparation and Serving Related</td>
<td>17,360</td>
<td>19,270</td>
<td>1,910</td>
</tr>
<tr>
<td>Transportation and Material Moving</td>
<td>15,350</td>
<td>15,990</td>
<td>640</td>
</tr>
<tr>
<td>Education, Training, and Library</td>
<td>11,150</td>
<td>11,870</td>
<td>720</td>
</tr>
<tr>
<td>Healthcare Practitioners and Technical</td>
<td>9,140</td>
<td>11,050</td>
<td>1,910</td>
</tr>
<tr>
<td>Construction and Extraction</td>
<td>7,210</td>
<td>7,890</td>
<td>680</td>
</tr>
<tr>
<td>Installation, Maintenance, and Repair</td>
<td>6,540</td>
<td>7,020</td>
<td>480</td>
</tr>
<tr>
<td>Healthcare Support</td>
<td>6,310</td>
<td>7,660</td>
<td>1,350</td>
</tr>
<tr>
<td>Management</td>
<td>6,290</td>
<td>6,440</td>
<td>150</td>
</tr>
<tr>
<td>Business and Financial Operations</td>
<td>6,180</td>
<td>6,910</td>
<td>730</td>
</tr>
<tr>
<td>Building and Grounds Cleaning and Maintenance</td>
<td>5,500</td>
<td>6,110</td>
<td>610</td>
</tr>
<tr>
<td>Personal Care and Service</td>
<td>4,730</td>
<td>5,530</td>
<td>800</td>
</tr>
<tr>
<td>Architecture and Engineering</td>
<td>3,450</td>
<td>3,470</td>
<td>20</td>
</tr>
<tr>
<td>Protective Service</td>
<td>3,340</td>
<td>3,560</td>
<td>220</td>
</tr>
<tr>
<td>Community and Social Services</td>
<td>2,190</td>
<td>2,520</td>
<td>330</td>
</tr>
<tr>
<td>Computer and Mathematical</td>
<td>2,170</td>
<td>2,520</td>
<td>350</td>
</tr>
<tr>
<td>Arts, Design, Entertainment, Sports, and Media</td>
<td>1,780</td>
<td>1,890</td>
<td>110</td>
</tr>
<tr>
<td>Life, Physical, and Social Science</td>
<td>1,410</td>
<td>1,570</td>
<td>160</td>
</tr>
<tr>
<td>Legal</td>
<td>660</td>
<td>730</td>
<td>70</td>
</tr>
<tr>
<td>Farming, Fishing, and Forestry</td>
<td>340</td>
<td>360</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total, All Occupations</strong></td>
<td><strong>178,630</strong></td>
<td><strong>192,050</strong></td>
<td><strong>13,420</strong></td>
</tr>
</tbody>
</table>

Commuting times increased dramatically for the region’s residents between 1990 and 2000, and more residents are working outside their place and county of residence. As shown in the table to the right, these trends are most dramatic in Polk and St. Croix counties, with large numbers of commuters travelling to the Twin Cities.

The map below shows the relative number of employees who work in each of the incorporated areas of our region, as well as the movement of earnings. Inflows and outflows reflect the annual earning of commuters and whether they reside within the same county as their place of unemployment.

<table>
<thead>
<tr>
<th>County</th>
<th>County of Residence</th>
<th>Outside County of Resid., in Wisconsin</th>
<th>Outside County of Resid., Other State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barron</td>
<td>85.9%</td>
<td>11.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Chippewa</td>
<td>65.9%</td>
<td>33.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Clark</td>
<td>66.6%</td>
<td>32.8%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Dunn</td>
<td>65.3%</td>
<td>29.5%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>82.2%</td>
<td>16.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Polk</td>
<td>61.7%</td>
<td>15.0%</td>
<td>23.3%</td>
</tr>
<tr>
<td>St. Croix</td>
<td>48.7%</td>
<td>7.6%</td>
<td>43.8%</td>
</tr>
<tr>
<td>Region</td>
<td>68.9%</td>
<td>19.3%</td>
<td>11.9%</td>
</tr>
</tbody>
</table>
Counties with a high net inflow (e.g., St. Croix County) have large numbers of workers who commute outside the county for their place of unemployment. Eau Claire County has a negative net inflow, due to the large number of workers who commute to the Eau Claire area from adjacent counties. This map does not necessarily reflect spending trends, however, since many workers shop in their place of employment, rather than their place of residence.

Income & Cost of Living
The chart below shows that while per capita personal income continues to rise, the per capita income levels of all counties in the region remain significantly below the Wisconsin average, except for St. Croix County. However, the difference is not quite so dramatic if the average per capita income for Wisconsin non-metropolitan area (red dashed line) is used for comparison.

The average annual wage rates in the table on the following page provide another way of looking at income in the region. Average annual wages are below the state average for all counties in our region. Further, the rate of increase in annual wages between 2001 and 2007 was below the state average for all west central Wisconsin counties except Dunn County.

Poverty rates in our region in 2007 varied from lows of 5.3 and 8.7 percent in St. Croix and Polk counties, respectively, to highs of 13 and 14 percent in Eau Claire and Dunn counties. The remaining three counties had rates within 1.1 percent of the State average of 10.8 percent.

College student populations impact the above poverty rates and income averages for many communities. For example, the nearly 14,000 students in Chippewa and Eau Claire counties in 2007 had a per capita income over 2.6 times less than the average of the remaining population.
The cost-of-living (COL) can be significantly different depending on the degree of rurality and growth. One such commonly used COL measure, the Consumer Price Index, is only available for larger regions and cities, and not available at the county level.

The Wisconsin Women’s Network of Wisconsin has produced a Self-Sufficiency Standard (SSS) for each of Wisconsin’s counties to show how much income working adults need to meet their basic needs with child care tax credits included.

The table to the left shows the self-sufficiency standard for each of our region’s counties, as well as Dane and Milwaukee counties for comparison.

Those living in St. Croix County had the highest monthly costs in Wisconsin, largely due to housing expenses. On average, a single adult in St. Croix County will spend 47 percent of their income on housing costs compared to 35 percent in Clark County.

### Employers & Industries

As discussed in the agricultural, natural, and cultural resources working paper, the number of farms in our region has been decreasing. Though agriculture remains our region’s predominant land use, the table to the right shows that farm employment (as a primary occupation) is relatively small compared to many other industries.

The chart and table on the following page shows the 2006 non-farm employment and 2016 projected employment for the WDA 8 Region (includes Pepin & Pierce counties) by industry.

---

**Average Annual Wages, 2001 and 2007**

(covered employees only)

<table>
<thead>
<tr>
<th>County</th>
<th>2001</th>
<th>2007</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barron</td>
<td>$25,514</td>
<td>$27,608</td>
<td>+ 8.2%</td>
</tr>
<tr>
<td>Chippewa</td>
<td>$27,315</td>
<td>$29,901</td>
<td>+ 9.5%</td>
</tr>
<tr>
<td>Clark</td>
<td>$23,690</td>
<td>$27,533</td>
<td>+16.2%</td>
</tr>
<tr>
<td>Dunn</td>
<td>$26,310</td>
<td>$31,161</td>
<td>+18.4%</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>$27,842</td>
<td>$32,484</td>
<td>+16.7%</td>
</tr>
<tr>
<td>Polk</td>
<td>$24,564</td>
<td>$28,320</td>
<td>+15.3%</td>
</tr>
<tr>
<td>St. Croix</td>
<td>$26,763</td>
<td>$31,184</td>
<td>+16.5%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$31,546</td>
<td>$36,830</td>
<td>+16.8%</td>
</tr>
</tbody>
</table>

**Annual Wage Required to Meet Monthly Costs**

*Self Sufficiency Standards, 2004*

<table>
<thead>
<tr>
<th>County</th>
<th>1 Adult only</th>
<th>2 Adults + 1 Age 3-5 + 1 Age 6-12</th>
<th>2004 Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barron</td>
<td>$11,818</td>
<td>$29,562</td>
<td>$39,789</td>
</tr>
<tr>
<td>Chippewa</td>
<td>$12,330</td>
<td>$36,719</td>
<td>$43,591</td>
</tr>
<tr>
<td>Clark</td>
<td>$11,768</td>
<td>$34,494</td>
<td>$38,581</td>
</tr>
<tr>
<td>Dunn</td>
<td>$11,774</td>
<td>$34,936</td>
<td>$41,615</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>$12,842</td>
<td>$39,567</td>
<td>$41,509</td>
</tr>
<tr>
<td>Polk</td>
<td>$11,818</td>
<td>$34,665</td>
<td>$46,535</td>
</tr>
<tr>
<td>St. Croix</td>
<td>$19,631</td>
<td>$50,102</td>
<td>$64,084</td>
</tr>
<tr>
<td>Dane</td>
<td>$15,633</td>
<td>$49,434</td>
<td>$53,945</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>$15,035</td>
<td>$47,667</td>
<td>$41,509</td>
</tr>
</tbody>
</table>

**Estimated Farm Jobs & Operators, 2007**

(Primary occupation)

<table>
<thead>
<tr>
<th>County</th>
<th>Farm Jobs (includes seasonal)</th>
<th>Farm Operators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barron</td>
<td>1,353</td>
<td>714</td>
</tr>
<tr>
<td>Chippewa</td>
<td>1,351</td>
<td>844</td>
</tr>
<tr>
<td>Clark</td>
<td>1,878</td>
<td>1,422</td>
</tr>
<tr>
<td>Dunn</td>
<td>1,210</td>
<td>674</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>810</td>
<td>505</td>
</tr>
<tr>
<td>Polk</td>
<td>1,022</td>
<td>679</td>
</tr>
<tr>
<td>St. Croix</td>
<td>1,310</td>
<td>747</td>
</tr>
<tr>
<td>Totals</td>
<td>8,934</td>
<td>5,585</td>
</tr>
</tbody>
</table>

---

Within the past decade, employment in education and health services have surpassed manufacturing as our primary source of non-farm employment.

Further, based on current trends, education and health jobs are projected to grow fastest over the next decade, while the manufacturing sector experiences a loss in employment.

While projected manufacturing job losses are expected to be relatively small overall, these will be more than offset by job increases in all of the service sectors.
Cluster-based approaches to economic development is receiving increasing attention, though “economic cluster” is defined differently depending on the source. A true economic cluster is a concentration of similar, related, or complimentary businesses with active channels for communication, business transactions, and mutual support.

The table below summarizes 2007 employment and average wages in the region for 17 potential economic clusters identified by Indiana and Purdue Universities. The use of the term “cluster” in the table below is solely based on employment and a general geographic concentration. For reasons of confidentiality, some employment data is not included. The largest employment concentrations were in food processing, business and financial services, education, energy, and fabricated metal manufacturing.

Looking at our region’s largest employers is another means of identifying potential concentrations and clusters. Of our 259 largest employers with 100 more employees (as of March 2007):

- 55 (21%) were manufacturing and food processing industries
- 43 (17%) were schools and colleges
- 39 (15%) were retail, of which 31% were in Eau Claire & St. Croix counties each
- 38 (15%) were health and social services related (non-manufacturing)

The map on the following page shows the primary industry concentrations of employers with 100+ employees in our region, excluding government, schools, tourism, business services, and retail. These concentrations were largely listed or identified in previous reports and studies by county, such as the Office of Economic Advisors county workforce profiles. The spatial approach on the map shows that concentrations often exist within certain areas of a county and can cross county boundaries, which may not be apparent otherwise. Overall, forty-three percent of these largest employers were located in the Chippewa Falls, Eau Claire, and Menomonie area.

### Employment and Avg. Wage by Economic Cluster (2007)

<table>
<thead>
<tr>
<th>Economic Cluster</th>
<th>Barron</th>
<th>Chippewa</th>
<th>Clark</th>
<th>Dunn</th>
<th>Eau Claire</th>
<th>Polk</th>
<th>St. Croix</th>
<th>Total</th>
<th>Avg. Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total All Industries</td>
<td>21,040</td>
<td>21,529</td>
<td>10,169</td>
<td>16,234</td>
<td>56,678</td>
<td>15,288</td>
<td>28,742</td>
<td>169,680</td>
<td>$31,542</td>
</tr>
<tr>
<td>Advanced Materials</td>
<td>7,876</td>
<td>343</td>
<td>1,529</td>
<td>838</td>
<td>982</td>
<td>563</td>
<td>757</td>
<td>7,888</td>
<td>$34,284</td>
</tr>
<tr>
<td>Apparel &amp; Textiles</td>
<td>431</td>
<td>82</td>
<td>235</td>
<td>593</td>
<td>3,491</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, Entertainment, Recreation &amp; Visitor Industries</td>
<td>556</td>
<td>457</td>
<td>365</td>
<td>1,017</td>
<td>370</td>
<td>531</td>
<td>811</td>
<td>3,491</td>
<td>$34,284</td>
</tr>
<tr>
<td>Biomedical/Biotechnical (Life Sciences)</td>
<td>2,876</td>
<td>343</td>
<td>1,529</td>
<td>838</td>
<td>982</td>
<td>563</td>
<td>757</td>
<td>7,888</td>
<td>$34,284</td>
</tr>
<tr>
<td>Business &amp; Financial Services Cluster</td>
<td>431</td>
<td>82</td>
<td>235</td>
<td>593</td>
<td>3,491</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemicals &amp; Chemical Based Products</td>
<td>556</td>
<td>457</td>
<td>365</td>
<td>1,017</td>
<td>370</td>
<td>531</td>
<td>811</td>
<td>3,491</td>
<td>$34,284</td>
</tr>
<tr>
<td>Defense &amp; Security</td>
<td>2,876</td>
<td>343</td>
<td>1,529</td>
<td>838</td>
<td>982</td>
<td>563</td>
<td>757</td>
<td>7,888</td>
<td>$34,284</td>
</tr>
<tr>
<td>Education &amp; Knowledge Creation</td>
<td>431</td>
<td>82</td>
<td>235</td>
<td>593</td>
<td>3,491</td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>556</td>
<td>457</td>
<td>365</td>
<td>1,017</td>
<td>370</td>
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<td>811</td>
<td>3,491</td>
<td>$34,284</td>
</tr>
<tr>
<td>Forest &amp; Wood Products</td>
<td>431</td>
<td>82</td>
<td>235</td>
<td>593</td>
<td>3,491</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Glass &amp; Ceramics</td>
<td>556</td>
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<td>370</td>
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<td>811</td>
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<td>$34,284</td>
</tr>
<tr>
<td>Information Technology &amp; Telecommunications</td>
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<td>343</td>
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<td>838</td>
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<td>563</td>
<td>757</td>
<td>7,888</td>
<td>$34,284</td>
</tr>
<tr>
<td>Manufacturing SUPERCLUSTER</td>
<td>431</td>
<td>82</td>
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<td>593</td>
<td>3,491</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Primary Metal Mfg</td>
<td>556</td>
<td>457</td>
<td>365</td>
<td>1,017</td>
<td>370</td>
<td>531</td>
<td>811</td>
<td>3,491</td>
<td>$34,284</td>
</tr>
<tr>
<td>- Fabricated Metal Product Mfg</td>
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<td>1,142</td>
<td>38</td>
<td>348</td>
<td>82</td>
<td>825</td>
<td>38</td>
<td>1,542</td>
<td>$41,118</td>
</tr>
<tr>
<td>- Machinery Mfg</td>
<td>620</td>
<td>852</td>
<td>169</td>
<td>470</td>
<td>1,141</td>
<td>1,141</td>
<td>1,141</td>
<td>3,491</td>
<td>$34,284</td>
</tr>
<tr>
<td>- Computer &amp; Electronic Product Mfg</td>
<td>1,678</td>
<td>1,142</td>
<td>38</td>
<td>348</td>
<td>82</td>
<td>825</td>
<td>38</td>
<td>1,542</td>
<td>$41,118</td>
</tr>
<tr>
<td>- Transportation Equipment Mfg</td>
<td>1,678</td>
<td>1,142</td>
<td>38</td>
<td>348</td>
<td>82</td>
<td>825</td>
<td>38</td>
<td>1,542</td>
<td>$41,118</td>
</tr>
<tr>
<td>Printing &amp; Publishing</td>
<td>111</td>
<td>326</td>
<td>66</td>
<td>1,141</td>
<td>1,141</td>
<td>1,141</td>
<td>1,141</td>
<td>3,491</td>
<td>$34,284</td>
</tr>
</tbody>
</table>

source: Indiana Business Research Center & Purdue Center for Regional Development, www.ibrc.indiana.edu/innovation
In 2007, Momentum Chippewa Valley (now Momentum West) hired GSP Consulting Corporation to prepare a *Technology, Talent, and Target Industry Assessment for West Central Wisconsin*. This analysis identified the following key points as part of its assessment:

- Due to our region’s proximity, diverse economy, steady economic growth, and quality educational institutions, we are in a position of strength.
- Changes to our economic “engine” are needed.
- Many of our largest companies are “lifestyle” firms, rather than growth-oriented entrepreneurial ventures.
- We experience a *brain drain* as our local colleges and universities produce more skilled graduates than annual job openings provide for.
- Though our business failure rate is relatively low, our start-up rates are also below the national benchmark overall.

The assessment identified the following target and supporting industry clusters for our region:

- **Existing Sectors**: Computers & Electronics
- **Supporting Sectors**: Medical Devices, Plastics & Packaging, Health Care, and Education

Chemicals and nanotechnology were identified as enabling sectors since the region currently lacks the industry base or a competitive advantage, though there is interest in these industries and they can support the previously identified target sectors.
Quality of Community

Quality of life, community, or place factors can influence a business’s or potential employee’s decision to locate (and stay) in a community. Such factors are commonly included in materials and websites used to promote or market a location, community, or county to prospective investors.

Models do exist for measuring quality of life or place. The West Central Wisconsin Workforce Development Board engaged in a “handprint” study measuring quality of place indicators in 2006 using volunteer assistance, though a more empirically based study is not available for our region. The “creative class” model developed by Dr. Richard Florida of the University of Toronto has received increasing attention. Dr. Florida’s model is based on the theory that knowledge professionals are a highly mobile workforce and are attracted to locations which accommodate their technological, cultural, and creative needs.

West central Wisconsin offers many quality-of-community amenities which could be attractive to potential businesses and professionals, such as our natural resources, workforce, education and health systems. But without additional study, the relative strengths, weaknesses, and competitiveness regarding our region’s quality of life compared to that of other areas is not fully known.
4. GETTING THERE IS HALF THE FUN (TOURISM)

“Why aren’t we flying? Because getting there is half the fun!”
– Clark Griswald (Chevy Chase) in National Lampoon’s Vacation

Tourism in our region is rooted in our natural resources, agricultural lands, and our regional transportation network. The many lakes of Barron and Polk counties attract visitors for water sports while the forests of Clark and eastern Eau Claire are a destination for hunters and ATV owners. The Chippewa Falls-Eau Claire-Menomonie area is a cultural, shopping, and event destination, supported, in part, by the universities and health services. Visitors are also attracted to our many historical sites, orchards, markets, festivals, and cultural activities to enjoy.

The proximity to the Twin Cities makes our region a potential destination for a day trip to the country, a weekend get-away, or a seasonal home. Interstate 94 and other highways also move large amounts of traffic through our region, allowing for the potential capture of traveler dollars. As shown in the chart below, traveler expenditures in our region grew by nearly 53 percent between 1998 and 2007 (compared to an inflation rate of about 27 percent). While Barron and Eau Claire counties had the highest 2007 expenditures, Polk, Clark, and St. Croix counties experienced the largest percent increases.

Traveler Expenditures (1998 to 2007)

![Traveler Expenditures Chart]

source: Davidson-Peterson & Associates. Economic Impact of Expenditures by Travelers on Wisconsin. 2007

Tourism strategies and the importance of tourism varies by community, county, or area. Tourism for the region is primarily promoted through the Wisconsin Department of Tourism, county economic development corporations, and local chambers of commerce, though some communities or areas have other unique entities (e.g., Polk County Information Center).
5. WHERE BUSINESS GETS DONE (TIES TO THE TWIN CITIES)

“Twin Cities is where business gets done.”

For a better understanding of the economic trends and opportunities for our region, we need to look west to the Twin Cities, rather than to State of Wisconsin trends in general. The proximity of west central Wisconsin to the Minneapolis/St. Paul metropolitan area has had a dramatic effect on our region, especially in St. Croix and Polk counties. Consider the following facts:

- As shown by the previous map with commuter trends, 11.9 percent of our region’s commuters in 2000 worked outside the State of Wisconsin.
- 23.3 percent of Polk County working residents work outside of Wisconsin.
- 43.8 percent of St. Croix County working residents work outside of Wisconsin.
- St. Croix County has been the fastest-growing county in Wisconsin since 1990 and the 95th fastest-growing in the U.S. from 2000 to 2007, with in-migration far outpacing natural increase.
- Upwards of 70,000 vehicles in an average day travel Interstate 94 in St. Croix County.
- Our economic ties to the metro area will only strengthen through various transportation improvements which are under study or being considered (e.g., Stillwater Bridge, US Highway 8, passenger rail service).

In 2007 and 2008, MarketWatch ranked the nation’s 50 most populous markets for business3. The Twin Cities scored highest by a wide margin due to its number of large, diverse firms and concentration of small businesses. Nineteen of the Fortune 500 “Largest U.S. Corporations” and 30 Fortune 1000 companies are headquartered in the metro area. These businesses were spread among various sectors such as:

- agri-business, food processing, and food distribution (General Mills, Hormel, Land O’Lakes, Supervalu, Nash Finch, CHS, Mosaic, Cargill, Dairy Queen, Michael Foods)
- insurance, financial services, and health care (UnitedHealth Group, St. Paul Travelers, Thrivent Financial for Lutherans, US Bancorp)
- retail and consumer goods (Target, Best Buy, Petters Group)
- technologies and transportation (3M, Northwest Airlines, Medtronic, CH Robinson)

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According to the Minnesota Department of Employment and Economic Development, the Minneapolis/St. Paul metro area’s top-employing industries were manufacturing, health care and social assistance, retail trade, and accommodations and food services in the second quarter of 2006.\(^4\) Like our region, the Twin Cities’ health service sector is expected to expand rapidly for the near future and the labor supply is expected to tighten as baby boomers retire.

The map series below produced by UW-Extension provides a picture of the growing influence of the metro area using population density. While large percentages of commuters travel from west central Wisconsin to the Twin Cities for employment, not all of the development in Polk and St. Croix counties is bedroom community growth for the benefit of commuters. New businesses and industries are also occurring in our region, and our proximity to the Minneapolis/St. Paul area offers opportunities for additional business start-ups and expansions.

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6. SUCCESS BASED ON PARTNERSHIPS (STRATEGIES)

“Our success has really been based on partnerships from the very beginning.”
– Bill Gates, businessman and philanthropist (1955 - )

The following information is summarized from the Inventory of Plans, Programs, and Land Use Policies in West Central Wisconsin prepared by WCWRPC in October 2008. The Inventory contains more detailed descriptions of the following programs, along with the inventory of local and county economic development programs and strategies.

**WCWRPC Programs**

Since this planning effort will help guide West Central Wisconsin Regional Planning Commission, the following is a summary of WCWRPC’s primary economic development activities:

- Provides economic and population data.
- Prepares and maintains the region’s Comprehensive Economic Development Strategy which is a pre-requisite for Economic Development Administration (EDA) financial assistance.
- Serves as a liaison and champion with the EDA, state agencies, and federal and state elected officials on behalf of the region, local communities, and their businesses in regards to funding assistance (e.g., grants, tax credits), economic policy, etc.
- Actively participates and provides support to a variety of regional or multi-jurisdictional economic development efforts, such as Momentum Chippewa Valley, the Synergy Conference, and West Central Wisconsin Workforce Development Board.
- Provides low-interest financing to area businesses through the administration of the Regional Business Fund, Inc. and related regional business loan programs which together includes the RBF revolving loan fund, Downtown Façade Loan Fund, Technology Enterprise Fund, Micro Loan Fund, and EDA loan fund.
- Administers a variety of additional loan funds, such as the Clark County EDA Fund, Hudson St. Croix County Business Park Fund, and Chippewa Falls TID #4 fund.
- Provides a variety of related support to local governments, such as preparation of tax increment financing project plans, grant applications (e.g., USDA Rural Development, WisDOT TEA, HUD CDBG), helping to pull together and leverage different funding sources, industrial site analysis, and comprehensive planning efforts.

**Federal and State Programs**

The following is a summary of additional federal and state economic development programs available for use by our region, though many of the regional efforts discussed in the next subsection also receive state and federal support:

- Community Development Block Grant (CDBG) funding for Public Facilities for Economic Development (PFED), Economic Development (ED) projects, and Blight Eliminations and Brownfield Redevelopment (BEBR).
U.S. Department of Agriculture-Rural Development Program provides loans and grants for eligible communities based on population size.

U.S. Department of Commerce-Economic Development Administration funding for public works, planning, and technical assistance is typically coordinated through WCWRPC.

Recent legislation has consolidated the Wisconsin Airport Development Zone, Agricultural Development Zone, Community Development Zone, Enterprise Development and Technology Zone programs into a single tax credit program. Administrative rules for the new program are being developed.

Wisconsin Transportation Facilities Economic Assistance (TEA) grant program for transportation projects which will result in job creation.

Various federal and state agencies, as well as educational institutions and energy providers, offer a range of assistance, such as data gathering, economic analysis, workforce development, business planning, and technological support.

Federal and state initiatives and programs can frequently change, especially as economic forces change. For instance, there are increasing state and federal programs focusing on sustainability efforts, such as green technologies, energy efficiency, and Wisconsin’s Green Tier program. WCWRPC plays an important role in tracking these policy changes and disseminating this information to local communities.

Regional Partnerships
Our region has a plethora of multi-jurisdictional economic development programs as seen in the table below.

<table>
<thead>
<tr>
<th>Multi-Jurisdictional Programs</th>
<th>Barron</th>
<th>Chippewa</th>
<th>Clark</th>
<th>Dunn</th>
<th>Eau Claire</th>
<th>Polk</th>
<th>St. Croix</th>
</tr>
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<tbody>
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<td>X</td>
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<tr>
<td>UW-Stout Technology Transfer Institute</td>
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<td>X</td>
<td>X</td>
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<td>X</td>
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<tr>
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<td>X</td>
<td>X</td>
<td>X</td>
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<td>Impact Seven, Inc.</td>
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<td>X</td>
</tr>
</tbody>
</table>

Other regional economic development partners serving multiple communities include utility providers, Realtor’s Association of Northern Wisconsin, technical colleges, University of Wisconsin System, and various trade groups.
Nationwide, there is a growing trend to encourage a more regional and collaborative approach to economic development. In April 2007, Governor Jim Doyle created the Governor’s Business Council with a mandate to promote the formation of multi-county regional economic development associations which has provided Growing Regional Opportunities in Wisconsin (GROW) grant funding to a number of such initiatives around the state. This trend towards a regional approach is well summarized in the Wisconsin Town’s Association June 2008 Mailbox newsletter:

“This shift is being encouraged in large part by the competitive impacts of globalization. In effect, the focus has shifted from bricks and mortar to entrepreneurship and collaboration. This shift also embraced a regional (typically multi-county) strategy that sustains job growth by pooling educational, financial, technical and other resources on a competitive scale.”

County and Local Programs
County and local programs can be quite diverse in strategy, vision, focus, and funding. Most county-level programs serve the entire county, while some programs may be limited to a certain area or just to a single municipality. Not all of these programs are public entities, since most economic development corporations, chambers, and business clubs are private, non-profits.

The following is an overview of some of the more common local and county tools in use in our region as identified in the Inventory of Plans, Programs, and Land Use Policies in West Central Wisconsin:

- All seven counties have an economic development corporation.
- At least 15 economic development corporations, 9 industrial development corporations, and 23 chambers of commerce at the community or local area level exist in the region.
- Seven communities have community development authorities or a municipal economic development entity.
- There are 102 active tax increment financing districts in 54 communities.
- There are 58 industrial or business parks in 47 communities.
- 16 communities have a Main Street or comparable downtown program, with numerous communities considering starting a similar program.
- 5 communities have Business Improvement Districts (Chippewa Falls, Eau Claire, Menomonie, Rice Lake, and Rive Falls).
- Many communities improve or extend infrastructure in support of economic development efforts. Tax increment financing or grant funding is often used to assist with such improvements. Other WCWRPC working papers review the region’s transportation, utilities, and community facilities in more detail.

A wide variety of other tools exist, though they many not be in wide use or may only be pertinent to specific circumstances.

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