

North Central Wisconsin Regional Recovery Plan

Workforce & Talent Attraction Assessment Report



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Workforce & Talent Attraction Assessment Report

Introduction

The prosperity of the Region's workforce and talent attraction efforts are critical to the Region's economic well-being. In a rapidly changing economic landscape, talent is quickly becoming recognized as the top resource for economies of all scales. Talent is needed to fill job openings and is essential for supporting business expansion and for spurring business growth within the Region. In North Central Wisconsin, there are currently several issues regarding talent. The Region currently has a shortage of talent, stemming from issues such as an aging workforce, a shortage of young residents to replace impending retirements, skill gaps to meet the requirements of changes in industries, and issues such as a lack of broadband and childcare access that act as barriers to employment for many individuals.

With an aging population, the Region is expected to have a substantial number of retirements over the next decade, as about 26 percent of the Region's current workforce is expected to reach the common retirement age of 65 over the next decade. With such a large proportion of the workforce expected to enter retirement in the next decade, filling these open positions will be a challenge. Additionally, issues such as a lack of childcare availability and a lack of broadband access make it difficult for many families and residents to participate in the labor force, leading to less workers available within the Region. With over a quarter of the Region's labor force expected to retire over the next decade, there will also be a substantial loss in skills and knowledge within the Region's workforce. With a shortage of workers, especially young workers, ready to fill these newly opened positions, the Region will have to deal with skill gaps. Skill gaps pose a major challenge for the Region, as shifts toward automation, digital platforms, artificial intelligence, and remote work will require new skills from the workforce. This makes addressing the barriers to labor force participation, addressing skill gaps, and attracting talent into the Region vital for the Region's continued economic prosperity.

Status of the Workforce & Talent Attraction within North Central Wisconsin

Assessing the status of the Region's workforce and talent attraction efforts within the Region requires knowledge of past and present conditions, but also a sense of future workforce demand and the industries that the Region can target for future growth. When considering the future of the workforce and talent attraction within the Region, it is also important to consider the future job landscape within the Region and the skills and knowledge that will be needed to adequately fill these jobs. The past two decades (2000-2019) were challenging for the region, as the Region has experienced a lack of business growth and a significant decline in the paper industry, an industry which has historically been a staple of the Region. The rapid decline of one of the Region's top industries makes it imperative to identify the industries and occupations that are expected to be amongst the Region's top industries over the next decade, while also identifying the industries and occupations that are expected to experience significant growth over the next decade. Once these industries and occupations are identified, it will become easier for the Region to identify the skills and knowledge that will be needed in the workforce, which will make it easier to tailor and create training and education systems to meet these needs.

Workforce

The regional labor force consists of residents ages 16 or older who are either employed or are actively seeking employment. Persons sixteen and older who are students, homemakers, retired, institutionalized, or unable/unwilling to seek employment are not considered part of the labor force. Research by UW Madison indicates that a strong correlation occurs between population growth and job growth. As population in an area increases, job growth increases at a similar pace. Based on this research, the counties with the highest population growth will also experience the highest creation of jobs and employment in the Region. In 2020, there were 360,090 residents over the age of 16 within the Region, and the regional labor force was 224,830, indicating a labor force participation rate of 62 percent within the Region. Overall, the Region's labor force participation rate of 62.4 percent is lower than the State's labor force participation rate of 66.4 percent, indicating that less people on average over the age of 16 within the Region are currently employed or actively seeking employment than in the state as a whole.

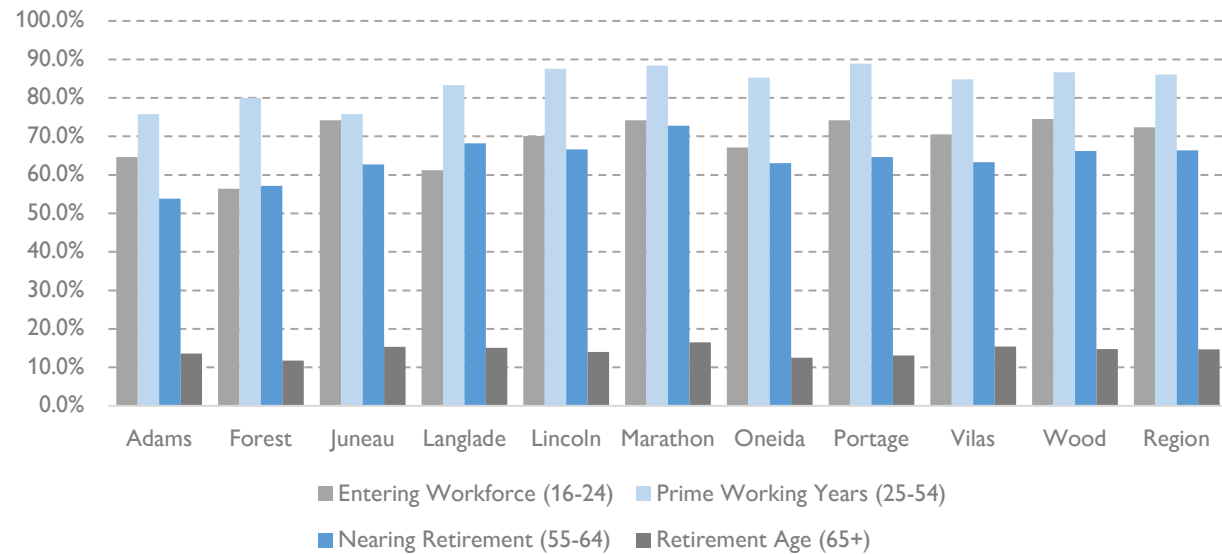
Workforce Demographics

Approximately 53 percent of the Region's workforce is male, while the other 47 percent of the workforce is female. Overall, males have higher labor force participation rates than females do, as about 67 percent of males over the age of 16 within the Region participate in the labor force, compared to about 59 percent of females over the age of 16. This is most likely due to females being more likely than males to not participate in the workforce in order to provide care for their children, as evidenced in the labor force participation rates among males and females in their prime working age years. Amongst individuals within the prime working age range (between the ages of 25 and 54) about 89 percent of males participate in the labor force, compared to about 83 percent of females.

In terms of the age of the Region's labor force, age is broken down into four groups; those just beginning to enter the workforce (ages 16-24), those in their prime working years (ages 25-54), those nearing retirement (ages 55-64), and those in their retirement years (ages 65 and over). A majority of the region's workforce is in their prime working years, as about 59 percent of the region's workforce falls between the ages of 25 and 54. While a majority of the region's workforce is in their prime working years, the Region still has a relatively older workforce. Over a quarter (26%) of the Region's workforce is either nearing retirement or has reached the retirement age, while only about 15 percent of the Region's workforce falls between the ages of 16 and 24.

Labor force participation rates are highest among individuals in their prime working years and are lowest in individuals who are either nearing retirement age or who have already reached retirement age. For example, about 86 percent of individuals in their prime working years participate in the labor force, while only about 66 percent of individuals ages 55-64 participate. Labor force participation rate significantly decreases once individuals reach age 65, as only about 15 percent of individuals ages 65 and older within the region participate in the labor force.

Labor Force Participation Rate by Age



Unemployment

The Regional unemployment rate has been slightly greater than the state unemployment for the past 19 years, but mirrors both state and national trends. Unemployment was at its highest in 2010, at 9.6 percent and the lowest in 2018, at 3.2 percent. Historically, the Region’s unemployment rate has generally been higher than the state rate but lower than the national rate.

In 2019, the Regional annual unemployment rate was 3.5 percent, slightly higher than the state rate of 3.3 percent and slightly lower than the national rate of 3.7 percent. However, as a result of the COVID-19 pandemic in 2020, the unemployment rate experienced a rapid increase in unemployment, rising to a record high of 13.6 percent within the Region and throughout the State in April of 2020. The unemployment rates within the Region, state, and nation gradually began declining after May of 2020, and ended 2020 with unemployment rates slightly higher than the pre-pandemic unemployment rates.

Employment

Employment within North Central Wisconsin has struggled to fully recover from the impacts of the Great Recession between 2008 and 2010, as employment within the Region is hovering near the pre-recession employment total. A significant contributing factor for the Region’s slow recovery since the recession has been the decline of several of the manufacturing and natural resource industries and sectors that the Region’s

counties and communities have historically relied on, such as the agricultural industry and paper mill products sector. Due to the Region's status as a major producer of paper mill products, the Region has historically relied on the paper mill sector to provide jobs and GDP. The decline for demand of these products over the last few decades has led to several paper mills within the Region closing. Recent closures such as the Verso Paper Mill in Wisconsin Rapids in 2020 have led to widespread job loss within the Region and have had a devastating impact on many families and communities within the region, with impacts felt at the county and state levels as well. The decline of these industries that the Region has historically relied on signal a need for the Region to transform and diversify their economies to help economic recovery efforts and improve economic resiliency throughout the Region.

In 2019, there were 203,925 jobs within the Region. Five of the Region's counties saw an increase in jobs between 2000 and 2019, with Adams County seeing the largest job growth at 15.9 percent. The Region's other five counties each saw a decrease in jobs during this time, with Wood County seeing the fastest decline in jobs at 11.5 percent.

Employment by Sector

Employment statistics here are provided by EMSI, and only include QCEW employees. The QCEW does not account for certain types of employment, such as railroad and military workers, and does not capture self-employed individuals. EMSI provides estimates for the number of non-QCEW jobs and self-employment, which adds approximately 25,000 employees in our region in 2020, most of which fall under the construction and crop and animal production industries, but many other industries have a noticeable proportion of estimated workers that are not covered under the QCEW.

Between 2015 and 2020, 12 out of 20 of the Region's industry sectors gained jobs, indicating that a majority of the Region's employment sectors experienced increases in jobs during this time. Regional employment increased to 227,348 in 2020, a 0.7 percent increase over 2015 employment.

Employment by Industry - 2020

NAICS Code	Industry	2020 Jobs	Percentage of Regional Employment
11	Crop and Animal Production	8,759	3.9%
21	Mining, Quarrying, and Oil and Gas Extraction	201	0.1%
22	Utilities	634	0.3%
23	Construction	10,916	4.8%
31	Manufacturing	37,944	16.7%
42	Wholesale Trade	7,233	3.2%
44	Retail Trade	24,141	10.6%
48	Transportation and Warehousing	11,589	5.1%
51	Information	2,548	1.1%
52	Finance and Insurance	13,122	5.8%
53	Real Estate and Rental and Leasing	1,751	0.8%
54	Professional, Scientific, and Technical Services	5,651	2.5%
55	Management of Companies and Enterprises	3,000	1.3%
56	Administrative and Support and Waste Management	6,777	3.0%
61	Educational Services	12,508	5.5%
62	Health Care and Social Assistance	30,617	13.5%
71	Arts, Entertainment, and Recreation	3,051	1.3%
72	Accommodation and Food Services	17,819	7.8%
81	Other Services (except Public Administration)	9,784	4.3%
90	Government	19,303	8.5%
Total Regional Employment = 227,348			

Source: Quarterly Census of Employment and Wages – EMSI 2020.4 Class of Worker

Top Employment Sectors

The three sectors with the highest employment within the region in 2020 were manufacturing, healthcare and social assistance, and retail trade, with each sector providing over 20,000 jobs. Together, these three industries combined to provide 92,702 jobs within the Region in 2020, representing over 40 percent of total employment within the Region.

Manufacturing

Manufacturing has continued to add jobs since the end of the recession and is the top employer within the region. As the region's largest exporter of goods and services, this industry is crucial to the economic health of the region. During the past five years, 2015 to 2020, jobs in this industry

have increased from 34,878 to 37,944. However, in 2005, this industry employed 39,538 people. The average wage of \$65,572 within the manufacturing sector is significantly higher than the Region's average wage of \$56,082 across all sectors. While this industry is going through several major transitions in this region, it is expected to continue to grow during the next ten years. Nonetheless, this industry faces the challenges of an aging workforce, foreign competition, and changing consumer preferences. Top manufacturing industries within the Region include Paper (except newsprint) Mills; Cheese Manufacturing; Wood, Window, and Door Manufacturing; and Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing.

Health Care and Social Assistance

The Health Care and Social Assistance continues to be the second highest employer industry, as it has been for the last 20 years. The Health Care and Social Assistance industry increased in employment by three percent from 2015 to 2020, accounting for 30,617 jobs in 2020. However, this is still a lower number of jobs within the Health Care and Social Assistance industry than in 2010, when there were 31,699 jobs within the sector. This indicates that employment within the industry decreased between 2010 and 2015. Prior to the decrease between 2010 and 2015, the Health Care and Social Assistance sector had been the fastest growing industry during the first decade of the new millennium. Similar to the manufacturing sector, the average earnings in this sector (\$67,755) are significantly higher than the regional average, but the industry only produces a fraction of the sales in exports that the manufacturing industry does. While rural regions have had a difficult time attracting health care professionals, over the past several years there has been a concentrated effort by local leaders to train and retain medical practitioners in the area.

Retail Trade

The Retail Trade sector is the Region's third largest employment sector, accounting for 24,141 jobs within the region. The Retail Trade sector experienced a twelve percent decline in employment from 2015 to 2020, losing 3,212 jobs. Unlike both the manufacturing and health care sectors, this sector provides average wages (\$34,707) that are significantly lower than the regional average wage.

Employment Projections

According to projections created by Economic Modeling Specialists International (EMSI), the North Central Wisconsin Regions is expected to add 5,750 jobs over the next decade, representing an increase of 2.6 percent. These projections use past trends and anticipated demographic and economic changes to estimate the change in employment by industry into the future. It is important to note that unanticipated events will likely impact the accuracy of these projections.

Projected Employment by Industry - 2021-2031				
Industry	2021	2031	Net Gain	Percent Change
Crop and Animal Production	8,654	8,021	-633	-7.3%
Mining, Quarrying, and Oil and Gas Extraction	154	161	7	4.5%
Utilities	606	613	7	1.2%
Construction	10,750	11,026	276	2.6%
Manufacturing	36,626	36,746	120	0.3%
Wholesale Trade	7,113	7,451	338	4.8%
Retail Trade	23,875	23,909	34	0.1%
Transportation and Warehousing	11,440	11,679	239	2.1%
Information	2,426	2,506	80	3.3%
Finance and Insurance	13,537	13,937	400	3.0%
Real Estate and Rental and Leasing	1,694	1,812	118	7.0%
Professional, Scientific, and Technical Services	5,520	5,974	454	8.2%
Management of Companies and Enterprises	2,786	2,792	6	0.2%
Administrative and Support and Waste Management	6,632	7,598	966	14.6%
Educational Services	11,184	12,444	1,260	11.3%
Health Care and Social Assistance	29,188	30,270	1,082	3.7%
Arts, Entertainment, and Recreation	2,419	3,073	654	27.0%
Accommodation and Food Services	15,364	17,362	1,998	13.0%
Other Services (except Public Administration)	9,512	9,892	380	4.0%
Government	18,891	16,855	-2,036	-10.8%
Total	218,371	224,121	5,750	2.6%

Source: Quarterly Census of Employment and Wages - EMSI 2021.3 Class of Worker

Within the North Central Wisconsin Region, the Accommodation and Food Services industry is expected to add the most jobs over the next decade. However, this expected increase is likely due to the Accommodation and Food Services industry recovering the jobs that were lost during the COVID-19 pandemic, as this industry was among the hardest hit by the ramifications of the pandemic and has experienced a slow recovery in the wake of the pandemic. When considering this, the Health Care and Social Assistance industry is likely to produce the most jobs within the Region over the next decade, as this industry is projected to add over 1,000 jobs during this time.

As the Region continues to recover from the COVID-19 pandemic, the industries such as the Arts, Entertainment and Recreation, and the Accommodation and Food Services industries that were hit hardest by the pandemic and have experienced the slowest job recovery rates in the wake of the pandemic, are projected to have the fastest job growth over the next decade. Amongst industries where projected job growth is not

heavily impacted by the recovery of jobs in the wake of the pandemic, the Educational Services, Professional Services, and Real Estate industries are projected to have the fastest job growth over the next decade.

Emerging Occupations (SOC 5-Digit)

Identifying the top occupations, as well as the occupations that are projected to experience significant job growth within the Region is critical for determining what jobs will be in demand and the skills and knowledge that will be needed from the Region's workforce to fill these jobs. The Region's projected top occupations by employment in 2031 are Registered Nurses, Elementary School Teachers, General and Operations Managers, Secondary School Teachers, and Software Developers and Software Quality Assurance Analysts and Testers. Other top projected occupations in 2031 within the Region include Accountants and Auditors, Personal Service Managers, Project Management Specialists and Business Operations Specialists, Human Resource Specialists, and Substitute Teachers.

Over the next decade the fastest growing occupations within the Region are projected to be Financial Managers, Market Research Analysts and Marketing Specialists, Medical and Health Services Managers, General and Operations Managers, and Software Developers and Software Quality Assurance Analysts and Testers. These occupations are all projected to experience an increase in employment of over 14 percent between 2021 and 2031. Other occupations within the Region that are expected to experience significant growth by 2031 include Management Analysts, Project Management Specialists and Business Operations Specialists, Secondary School Teachers, Elementary School Teachers, and Accountants and Auditors.

Wages

Average annual wages within North Central Wisconsin are below the state and national averages. In 2020, the average annual earnings within the North Central Wisconsin Region were \$46,176, compared to \$49,254 in Wisconsin and \$53,851 in the nation, indicating that wages within North Central Wisconsin are 6.2 percent below the state average and 14.3 percent below national average. Four occupations within the region had a higher average annual wage than the state average in 2020 including the Production; Transportation and Material Moving; Healthcare Support; and the Farm, Fishing, and Forestry Occupations. In 2020, the Legal Occupations, Management Occupations, and Healthcare Practitioners and Technical Occupations had the highest average wages within the region, with average wages in each of these occupations exceeding \$80,000.

Occupational Wages, 2020

Occupation	Total Employment	Mean Hourly Wage	Mean Annual Wage
Office and Administrative Support Occupations	26,748	\$18.05	\$37,544
Production Occupations	26,517	\$19.52	\$40,602
Transportation and Material Moving Occupations	21,213	\$19.24	\$40,019
Sales and Related Occupations	19,646	\$18.48	\$38,438
Food Preparation and Serving Related Occupations	16,314	\$11.05	\$22,984
Healthcare Practitioners and Technical Occupations	14,174	\$39.13	\$81,390
Management Occupations	12,844	\$40.70	\$84,656
Educational Instruction and Library Occupations	11,184	\$22.82	\$47,466
Business and Financial Operations Occupations	9,919	\$30.43	\$63,294
Healthcare Support Occupations	9,901	\$14.81	\$30,805
Installation, Maintenance, and Repair Occupations	9,900	\$22.31	\$46,405
Construction and Extraction Occupations	9,646	\$23.97	\$49,858
Building and Grounds Cleaning and Maintenance Occupations	6,952	\$14.37	\$29,890
Personal Care and Service Occupations	4,814	\$13.82	\$28,746
Computer and Mathematical Occupations	3,968	\$34.45	\$71,656
Farm, Fishing, and Forestry Occupations	3,768	\$17.05	\$35,464
Protective Services Occupations	3,549	\$21.53	\$44,782
Community and Social Service Occupations	3,459	\$22.55	\$46,904
Architecture and Engineering Occupations	3,031	\$33.93	\$70,574
Arts, Design, Entertainment, Sports and Media Occupations	2,487	\$21.59	\$44,907
Life, Physical, and Social Science Occupations	1,335	\$29.10	\$60,528
Legal Occupations	936	\$42.68	\$88,774
Military-only Occupations	587	\$25.00	\$52,000
Regional Average Hourly Wage = \$22.20		Regional Average Annual Wage = \$46,176	

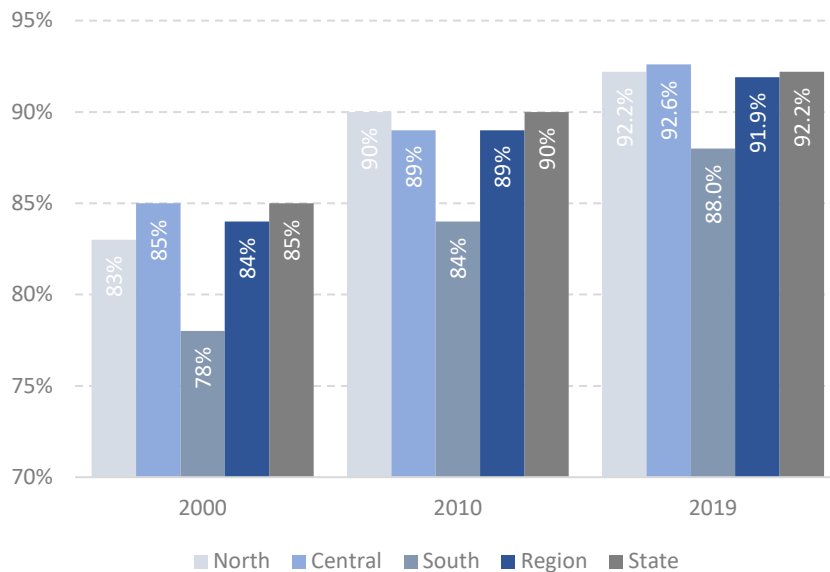
Source: Occupational Employment Statistics and Wages – EMSI 2020.4 Class of Worker

Educational Attainment

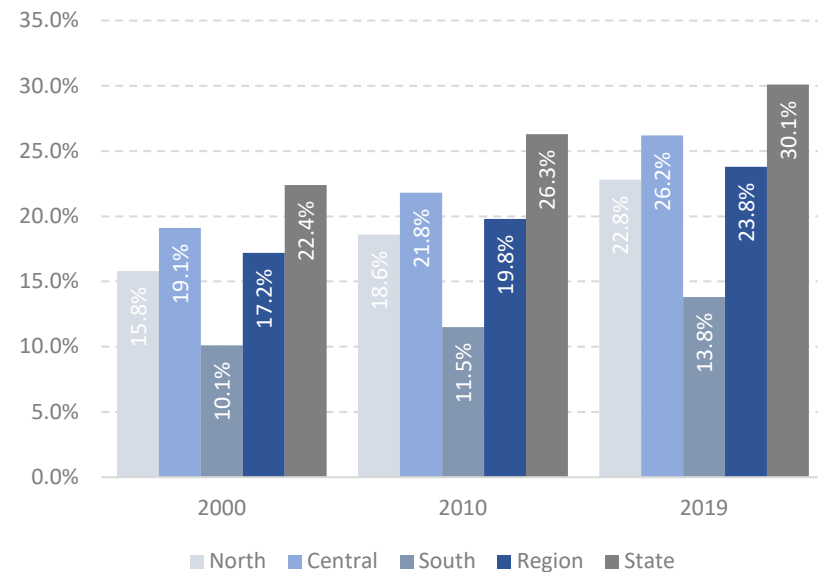
Education is a vital resource for helping to produce and harbor a highly skilled and productive workforce. Education helps potential workers develop the skills and knowledge necessary to fill high skill jobs and increases workforce participation. Education is also vital for aligning the skillset and knowledge base of a region's workforce with the needs of the region's employers. Communities that can provide a highly skilled and educated workforce also fare better in attracting and retaining future investments from both potential and current employers. Educational attainment is also linked to wage levels, wage growth, and unemployment rates, as well-educated individuals have higher wages, experience higher wage growth, and experience lower unemployment rates than workers with lower levels of educational attainment.

Educational attainment levels have increased substantially in the Region from 2000 to 2019. In 2000, only 84 percent of the population 25 and over had completed four years of high school or more. By 2019, that rate increased to 91.9 percent. However, the Region still has a slightly lower percentage of persons who have earned a high school degree or more than the state's rate of 92.2 percent. The rate of persons with a bachelor's degree or better within the Region is also increasing, with 23.8 percent of the Region's age 25 and older population earning a bachelor's degree or higher. However, the percentage of persons within the Region with a bachelor's degree or higher is still significantly lower than the state, where 30.1 percent of residents age 25 or older have earned a bachelor's degree or higher.

Percent of Residents 25 and Over that Graduated High School



Percent of Residents 25 and Over with a Bachelor's Degree



Taken together these two education indicators show a Region that is improving its education attainment levels, but with a significant gap in higher education. An increase in high school graduates point to a skilled workforce able to support the kind of manufacturing industry which has been the backbone of the Regional economy for many years. If the Region is to adjust to the requirements of the developing, knowledge-based economy, it will be necessary to increase the number of the college educated persons in the Region.

Vocational and Technical Education

Worker productivity has often been cited as one important reason for the strength of Wisconsin’s economy. As many industries, including manufacturing and agriculture, become increasingly technical and automated, technical educations are becoming increasingly necessary to obtain even entry level positions in many fields. A high school education is no longer sufficient to obtain a living wage in most cases. As a result, education and training are critical to maintaining productivity, as well as keeping our Region competitive. The vocational-technical education system and the training available within the Region are of particular importance for developing and maintaining a productive regional workforce. As business and industry continues to grow and change, the demand for highly trained and skilled labor grows. The state provides a variety of initiatives to develop the workforce through education, training, and cooperative ventures with business and industry. Worker training programs are very important as the location mismatch between worker skills and available jobs continues to widen.

In 2019, roughly 12 percent of the Region’s population had completed an associate’s degree at a local institution as their highest level of education, compared to about 11 percent within the state. During the 2018-2019 school year, the Region’s four technical college systems combined for a total enrollment of 46,180 students. Regional enrollment within the Region’s technical colleges has drastically declined, as regional enrollment has dropped by over 10,000 students since the 2009-2010 school year when there was a regional enrollment of 56,219 students amongst the Region’s technical colleges.

The Region’s technical colleges often direct their programs to the training needs of local workers and businesses and have developed two outreach centers: Wisconsin Learning Center (Stevens Point) and Northwest Wisconsin Manufacturing Outreach Center (UW-Stout campus). The Region also contains the University of Wisconsin-Stevens Point, a four-year university that offers two-year degrees at their satellite campuses in Wausau and Marshfield. The four technical colleges that have a presence within the Region and their campus locations are listed below.

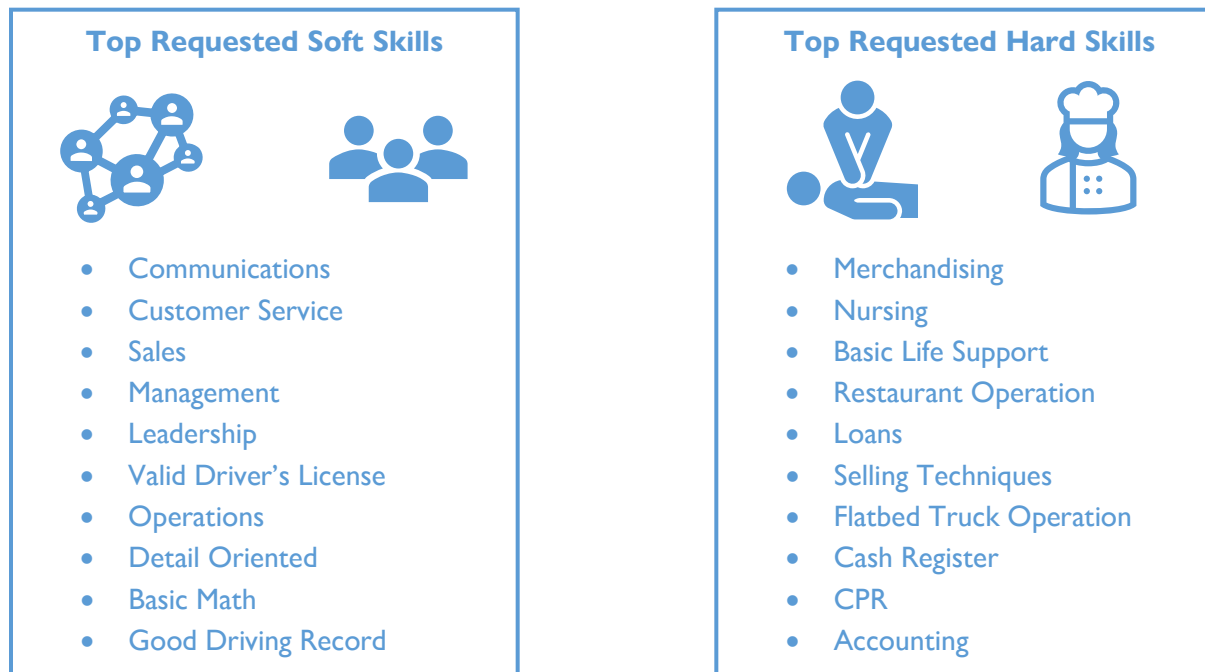
<p>North Central Technical College Campus Locations:</p> <p>Wausau</p> <p>Antigo</p> <p>Spencer</p>	<p>Midstate Technical College Campus Locations:</p> <p>Wisconsin Rapids</p> <p>Adams</p> <p>Stevens Point</p> <p>Marshfield</p>	<p>Nicolet Technical College Campus Locations:</p> <p>Rhineland</p> <p>Minocqua</p>	<p>Western WI Technical College Campus Locations:</p> <p>Mauston</p>
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In-Demand Skills

North Central Wisconsin's future economic prosperity depends on having a skilled workforce. The availability of skilled labor will be a crucial factor for the growth and expansion of the Region's businesses, attracting new businesses and private investment, retaining businesses, increased production, and creating high-wage jobs within the Region. With expected trends such as innovations in the manufacturing industry, an expected increase in jobs within the Region, emerging and declining industries, and expected changes in the labor market, North Central Wisconsin's economy is expected to undergo rapid changes in the coming years. These expected changes will require the Region's workforce to develop a diverse set of new skills and knowledge in order to meet the needs of employers and adequately fill the opportunities created within the Region's emerging industries.

In-Demand Skills Across All Jobs

In this section, we identify the top skills that employers within the Region either requested or required in their job postings over the past year. One way to examine the skills that are in demand throughout the Region is to categorize skills as either soft skills or as hard skills. Soft skills are essentially people skills, and how they can characterize a person's relationships. Commonly requested soft skills among employers include communication, listening, leadership, teamwork, critical thinking, and problem solving. Hard skills are essentially any job-specific knowledge and abilities that are acquired through on-the-job training, education, and experience. These skills are often job-specific and do not transfer across jobs as easily or as frequently as soft skills do. Below we have grouped the top overall skills requested or required over the past year by employers within the Region into soft skills and hard skills.



In-Demand Skills within Top Occupations & Industries

This section examines the top skills that employers within the Region's top occupational and industry sectors either requested or required in their job postings over the past year. This helps to identify more job-specific skills and knowledge that the Region's employers need to adequately fill their job openings. Below we list the top skills requested or required from employers within the Region's top occupations and industries.

Top Requested Skills for Registered Nurses

- Nursing
- Basic Life Support
- Advanced Cardiovascular Life Support
- Intensive Care Unit
- CPR

Top Requested Skills for General and Operations Managers

- Restaurant Operation
- Operations Management
- Merchandising
- Profit & Loss Management
- Budgeting

Top Requested Skills for Software Developers

- Software Engineering
- Agile Methodology
- Java
- SQL
- Software Development

Top Requested Skills for Project Management

- Budgeting
- Sales Management
- Telecommunications
- Computer Programming
- Fire-Control Systems

Top Requested Skills for Accountants and Auditors

- Accounting
- Financial Statements
- Auditing
- Finance
- Tax Return

Top Requested Skills for Financial Managers

- Accounting
- Finance
- Financial Statements
- Auditing
- Business Development

Top Requested Skills within Manufacturing Industry

- Machinery
- Packaging and Labeling
- Personal Protective Equipment
- Warehousing
- Auditing

Top Requested Skills within Retail Trade Industry

- Merchandising
- Cash Register
- Cash Handling
- Customer Satisfaction
- Selling Techniques

Top Requested Skills within Healthcare & Social Assistance Industry

- Nursing
- Loans
- Basic Life Support
- CPR
- Caregiving

Issues Facing Talent Attraction Efforts & the Workforce within North Central Wisconsin

Many of the issues facing the workforce and talent attraction efforts within the Region focus on the availability of labor and the factors that impact the availability of labor. Another way to measure labor availability is to measure labor force participation rates, and the factors that impact participation. Factors such as an aging workforce, a lack of childcare, and a lack of broadband access all have negative impacts on labor force participation rates, as these factors impact the ability of the Region's residents to actively seek employment or remain employed. Skills gaps also impact the availability of labor; as a lack of skills, job training, and education among the workforce leads to less qualified workers available to fill jobs.

Other factors such as low wages and below average benefit packages, a declining supply of younger workers, the Region's negative net migration among younger individuals, and a lack of desirable and affordable housing & transportation options within the Region also impact the attractiveness of jobs and availability of labor within the Region, further exacerbating the labor shortage issue facing the Region.

Addressing the issues that impact labor force participation among individuals and increasing the attractiveness of jobs within the Region and the attractiveness of the Region itself, will be paramount for cultivating a strong workforce within North Central Wisconsin. Addressing skill gaps by developing programs that can effectively educate, train, reskill, and upskill the Region's workers is also crucial for cultivating a strong workforce.

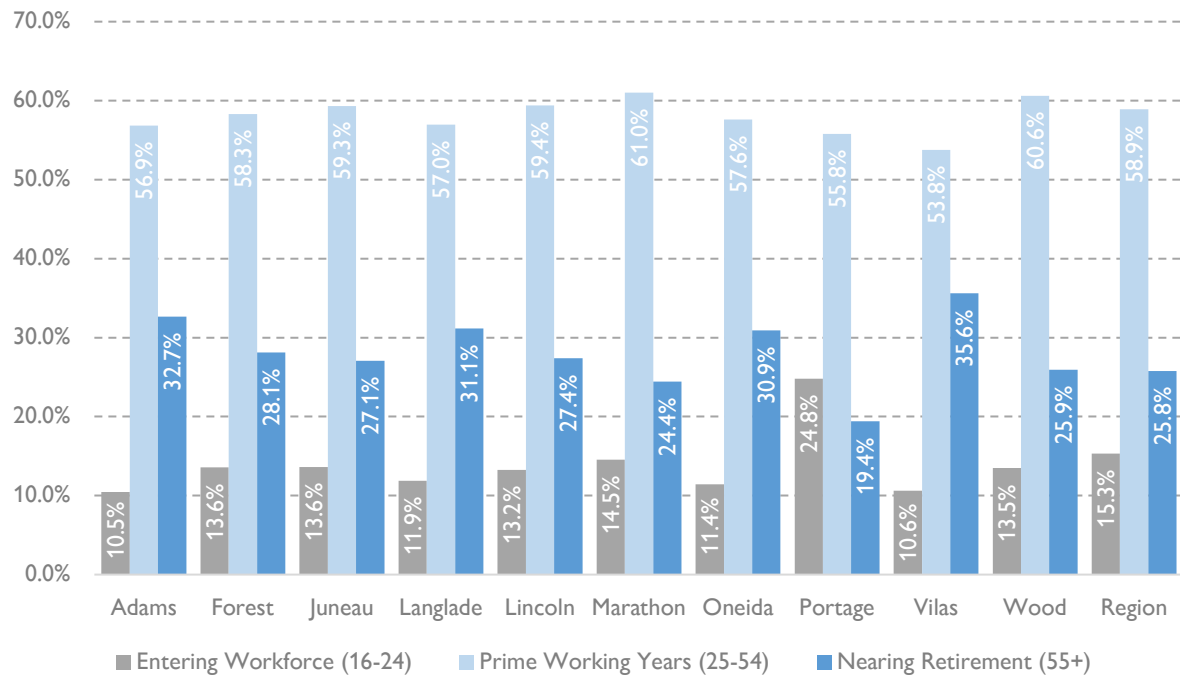
Aging Workforce

An aging workforce poses several different issues for the Region and the employers within the Region. An aging workforce creates issues that result from a large number of retirements, leading to a widespread loss in workers, skills, job knowledge, and experience that the industries and employers will struggle to replace. An aging workforce also poses issues such as increased labor costs that stem from higher wages and benefits such as health insurance and paid time off. An aging workforce also creates a need for employers to develop policies and strategies in order to effectively accommodate and retain older workers.

Over the past decade, the Region's population has increased its median age to 44.3, indicating that the Region has a workforce that is quickly aging, with a large portion of the workforce quickly entering and nearing retirement. In fact, over a quarter (26%) of the Region's workforce is over the age of 55, indicating that a quarter of the Region's workforce is likely to retire within the next 10 years. It is worth noting that about twenty percent of the region's workforce is nearing retirement (between the ages of 55 and 64), and about six percent of the Region's workforce is in the retirement age (over the age of 65). The looming high number of retirements within the Region's workforce will result in many skilled positions becoming available, and a large collection of skills, knowledge, and experience that will be leaving the region's workforce.

However, the Region currently has a low supply of younger workers that are either currently within or are expected to enter the workforce in the next decade to fill these newly available jobs. Currently, individuals between the ages of 16 and 24 only make up about 15 percent of the Region’s workforce, while only about 11.5 percent of the Region’s workforce is between the ages of 5 and 15, indicating that there is an even lower supply of young workers that will potentially enter the workforce over the next decade. Additionally, there is often a shortage of workers, no matter what age, available that contain the skills, knowledge, and experience needed to backfill these newly available jobs, helping to create labor shortages for many businesses and industries within the Region.

Percentage of Workforce by Age Group

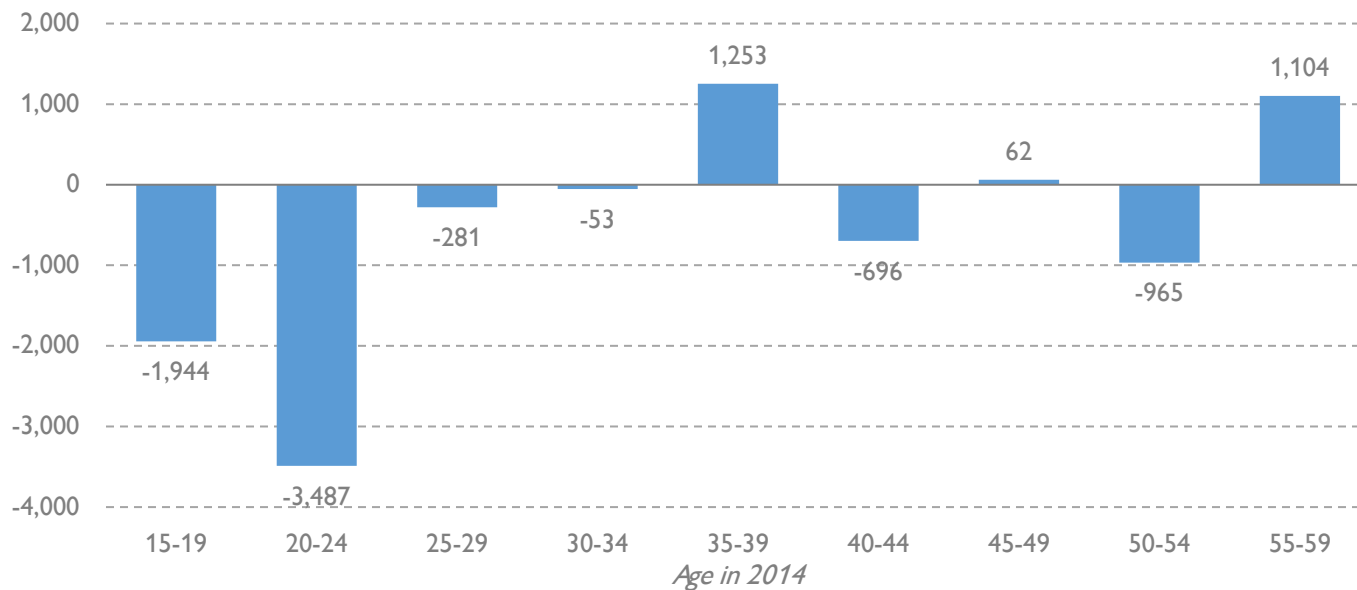


Migration Patterns

Similar to how the migration patterns of young adults can teach us about the Region’s ability to attract and retain young adults, examining the migration patterns of the workforce as a whole can also teach us about the Region’s ability to attract and retain workers across all age groups. As noted earlier, the North Central Wisconsin Region struggles to attract and retain young individuals. In fact, negative net migration within the Region was most severe among young adults that were between the ages of 15 and 24 in 2014. Between 2014 and 2019, the North Central Region lost 1,944 recent high school graduates (those that were ages 15-19 in 2014), and 3,487 college aged individuals (those that were ages 20-24 in 2014).

The Region fared much better in terms of net migration among older age groups. While most older age groups still experienced negative net migration, the differences in net migration were far less severe among older age groups than they were in young age groups. The Region gained a significant number of residents in the age 35-39 and age 55-59 age groups between 2014 and 2019, with each age group gaining over 1,000 residents between 2014 and 2019.

Net Migration by Population Group: 2014-2019



Recent migration patterns indicate that the North Central Wisconsin Region’s workforce has been significantly impacted by migration. In this context, examining the migration patterns of individuals that are appropriately aged to participate in the workforce (those that were between the ages of 15 and 59 in 2014) helps to illustrate the impact that migration has had on the Region. In 2014, North Central Wisconsin had 255,414 residents who were 15 to 59 years of age. Five years later in 2019, North Central Wisconsin only had 250,670 residents between the ages 20 and 64, which indicates that the Region experienced a decline of 4,744 persons aged to participate in the workforce over the past five years. While the Region as a whole experienced a negative net migration in the workforce age cohort, several counties (Adams, Juneau, Oneida, and Vilas) actually experienced positive net migration over the past five years.

As noted earlier, much of the Region’s losses in the working age cohort come from substantial losses among young age groups. The Region’s difficulties in attracting and retaining young individuals are further discussed below.

Migration Pattern of Working Population

<i>Net Migration as 15-59 Year Olds Age to 20-64</i>			
County	2014	2019	Net Migration
Adams	10,805	11,119	314
Forest	4,983	4,942	-41
Juneau	15,176	15,355	179
Langlade	10,922	10,538	-384
Lincoln	16,511	16,228	-283
Marathon	79,444	78,161	-1,283
Oneida	19,599	19,655	56
Portage	44,610	42,227	-2,383
Vilas	10,613	11,243	630
Wood	42,751	41,202	-1,549
Region	255,414	250,670	-4,744

Struggles Attracting & Retaining Young Workers

Low worker replacement rates throughout the Region indicate that the Region will have to rely on attracting workers from other areas and states to help fill labor gaps. This makes attracting and retaining young people to the Region vital for the workforce, as introducing young workers into the Region's workforce is essential to growing and ultimately stabilizing the Region's workforce. The attractiveness of the Region to prospective workers can be measured by examining the Region's migration trends. Historically, both the Region and the State of Wisconsin have struggled to retain young and prime working age people alike, especially those that are recent college graduates.

Recent High School Graduates & College Aged Residents

Young workers are essential for growing the Region's workforce, as these are the workers who will likely remain in the workforce long-term. However, the North Central Wisconsin Region has struggled in attracting and retaining young workers. In 2014, there was 28,889 recent high school graduates (those in the 15-19 age cohort). By 2019, the number of individuals within that age group had fallen to 26,945 residents, representing a decrease of 1,944 residents. The decrease among college-aged residents within the Region during this time was even more drastic. Between 2014 and 2019, the Region lost 3,487 residents who belonged to the age 20-24 age cohort in 2014. These trends highlight the Region's issues in attracting and retaining young talent.

There are several factors that likely contribute to the Region's difficulties in attracting and retaining young talent. First, issues such as a lack of childcare, broadband, and affordable housing options within the Region make it difficult for the Region to attract and retain young families who are often reliant on the availability of these commodities in order to be able to afford to live and participate in the labor force. Second, the rural nature of the Region can make it an unattractive destination for many young individuals, as these individuals seek to live in places that can offer walkable communities, vibrant nightlife, and close proximities to employment, healthcare, and shopping centers.

Another factor to consider for the Region's struggles in attracting young talent is the fact that the Region only has one four-year university. With only one four-year university located within the Region, it can be difficult for employers within the Region to find talent that matches their skills and education needs. While the Region's technical colleges help fill the skills gap by matching the skills employers are seeking with education and certification programs, it is still a challenge for the Region to match employers who require four-year degrees or more with qualified talent, leading to less overall young talent moving into the Region. Additionally, four-year colleges can serve as a gateway in drawing talent to the Region and away from other regions, as many college students who enjoyed their college experience seek to remain close to the college they attended. In short, only having one four-year university places the Region at a significant disadvantage in comparison to areas with multiple universities.

Migration Pattern of College Graduates			
<i>Net Migration as 20-24 Year Olds Age to 25-29</i>			
County	2014	2019	Net Migration
Adams	1,229	864	-365
Forest	507	456	-51
Juneau	1,380	1,471	91
Langlade	892	871	-21
Lincoln	1,277	1,275	-2
Marathon	7,448	7,934	486
Oneida	1,600	1,683	83
Portage	8,336	4,403	-3,933
Vilas	811	894	83
Wood	3,854	3,996	142
Region	27,334	23,847	-3,487

Struggles Attracting & Retaining Young Adults

Examining the migration trends among residents just entering into their prime working age years (those between the ages of 25 and 34) is especially important, as adding residents in this age group often means the addition of young families to the Region, which has two major benefits for the Region's workforce. First, adding young families to the Region often results in one or two workers joining the workforce. Second, young families often bring children into the region, helping to provide future members of the workforce.

To help track the migration patterns of young working age adults, we tracked the population of those that were between the ages of 25 and 34 in 2014 and compared it to the population of those that were between the ages of 30 and 39 in 2019. Over the past five years, the Region has had a negative net migration among individuals that were between the ages of 25 and 34 in 2014, as there were 334 fewer residents within the Region in 2019 in this age group than there were in 2014. It is worth noting that while the Region as a whole experienced negative net migration among young adults, six of the counties within the Region experienced positive net migration.

Migration Pattern of Young Adults			
<i>Net Migration as 25-34 Year Olds Age to 30-39</i>			
County	2014	2019	Net Migration
Adams	2,058	1,906	-152
Forest	883	840	-43
Juneau	2,958	3,081	123
Langlade	1,826	1,985	159
Lincoln	2,785	2,955	170
Marathon	16,461	16,794	333
Oneida	3,268	3,332	64
Portage	8,363	7,627	-736
Vilas	1,682	1,739	57
Wood	8,469	8,160	-309
Region	48,753	48,419	-334

Shortage of Young Adults

The North Central Wisconsin Region currently has a major shortage of young workers currently in the workforce, as well as young residents that are expected to enter the workforce over the next 15 years. In 2019, only about 15 percent of the Region's workforce consisted of residents between the ages of 16 and 24, a time in life when many residents begin to enter the workforce. Furthermore, only about 18 percent of the Region's workforce consisted of residents between the ages of 25 and 34, a time in life when many residents begin to start families and make long-term career and life choices. With a high proportion of the Region's workforce expected to retire over the next decade, the Region's lack of available young workers will not only make it difficult to adequately replace retiring workers but will also make it difficult for the Region's businesses to adequately fill other open positions as well.

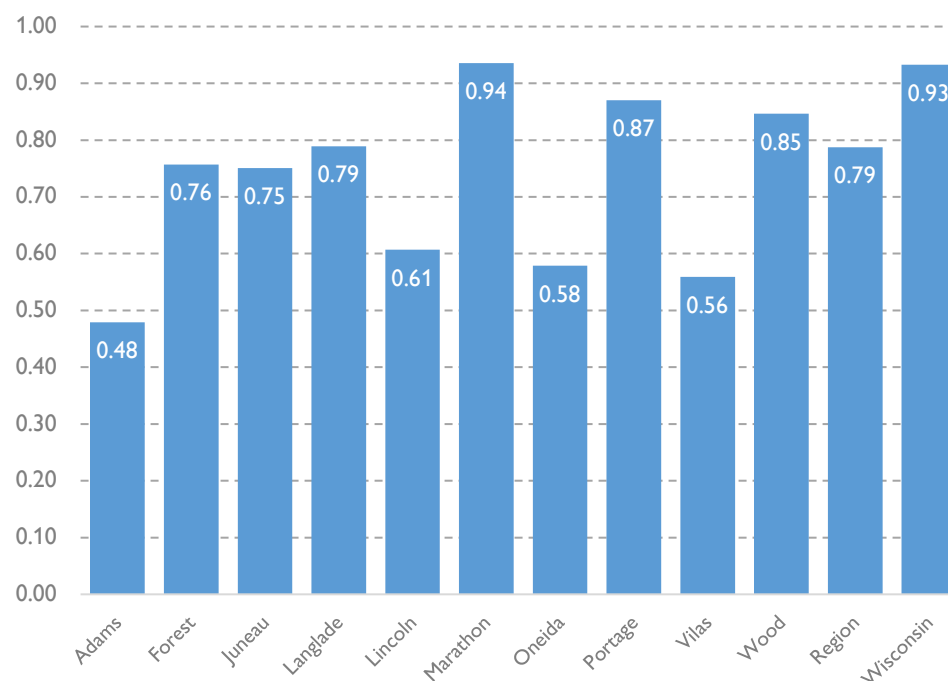
Worker Replacement Capacity

One way to examine the Region’s ability to naturally grow its workforce over time is to examine the Region’s worker replacement rate, which is measured by comparing the number of residents expected to enter the workforce (those ages 16 and under) within the Region to the number of residents expected to retire and leave the workforce (those between the ages of 50 and 64).

There is currently a large gap between the number of workers expected to enter the workforce over the next 15 years and the number of workers expected to leave the workforce within the North Central Wisconsin Region. In 2019, there were 0.79 residents within the Region below the age of 16 for every resident between the ages of 50 and 64, indicating that there are only about 0.79 persons who will enter the workforce for every person that leaves the workforce over the next 15 years. Wisconsin faces a similar dilemma, as there are only 0.93 residents under the age of 16 for every resident between the ages of 50 and 64.

Worker Replacement Rate

Number of Workers Expected to Enter the Workforce for Every Worker Expected to Leave the Workforce Over the Next 15 Years



Issues Caused by Worker Shortages

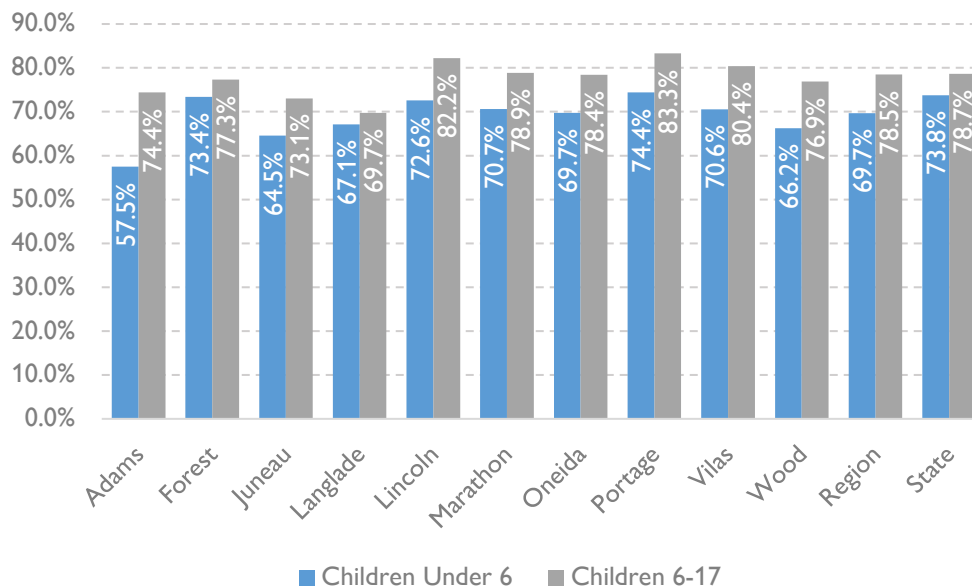
Worker shortages limit the productivity and growth potential for businesses. Businesses with staffing shortages are often unable to meet their maximum operational capacities, limiting their productivity and profits. Staffing shortages have been especially prominent in the wake of the COVID-19 pandemic, as many businesses are still operating at limited capacities or have been forced to shut down due to the staffing shortages currently being experienced throughout the Region. These limitations to productivity, operational capacity, and ultimately business profits impede business growth. It is hard for businesses to expand when they are not reaching their full productivity and profit potential. Additionally, worker shortages also make it difficult for the Region to support business growth as there is a shortage of talent available to fill the jobs needed to support new businesses. A lack of business growth within the Region makes it difficult to increase job demand, making it more difficult for the Region to attract new residents into the Region.

Lack of Childcare

The availability of viable childcare options is another factor impacting the Region’s labor force participation rate. The provision of childcare increases labor force participation rates, especially women, as childcare allows parents to provide care for their children while still being able to participate in the workforce. Alternatively, a lack of childcare often prevents parents from participating in the workforce. A study examining trends on the lowering labor force participation rates within the nation conducted by the American Enterprise Institute has found that 70 percent of nonworking poor adults with children under the age of five cite “*taking care of home/family*” as the main reason why they are not actively participating in the workforce, indicating that a large number of adults are not working in order to provide care for their young children.

In 2019, about 70 percent of children under the age of six within North Central Wisconsin had all available parents participate in the workforce. This means that nearly a third of all children below the age of six within the Region have a parent who is not participating in the workforce, often times as a result of the need for that parent to provide care for their children. As children reach school age and reach an age where they are more able to provide care for themselves, the likelihood of all available parents participating in the workforce increases, as evidenced by the 79 percent of children between the ages of 6 and 17 within the Region who have all available parents participating in the workforce. [This helps illustrate that there are parents within the Region that have chosen or were forced to leave the workforce in order to provide care for their children.](#)

Percentage of Children with All Available Parents Participating in the Labor Force



A lack of affordable childcare within an area also makes it more difficult for employers within that area to attract young employees. One of the largest challenges that working parents of young children face is finding affordable and high-quality childcare, and these working parents are seeking to live and work in areas where affordable, high-quality childcare is available. Currently, there is a shortage of childcare within the Region, as evidenced by the fact that there are more than double the number of children ages six and under within the Region than there are licensed childcare slots. This shortage of high-quality childcare within the Region poses significant challenges in attracting workers for the region and its employers, as it is difficult for working parents within the region to find childcare with such a drastic difference in the number of children under the age of six and the number of licensed slots available.

Lack of Broadband Access

Broadband availability also impacts labor force participation. Access to broadband and the internet makes it easier for workers of all ages to participate in the labor force and to remain employed. Access to high-quality broadband makes it easier for people to search for jobs, gain new skills, and engage in job seeking activities such as creating a resume, contact employers, or fill out job applications. Access to broadband also allows individuals to seek out full-time remote jobs, something that would not be possible without access to the internet. As working remotely becomes a more popular and effective method for conducting work, having access to broadband is becoming essential for many workers. Additionally, many jobs within the Region are becoming increasingly reliant on broadband availability, making digital literacy, computer ownership, and broadband access a requirement for many workers and businesses alike.

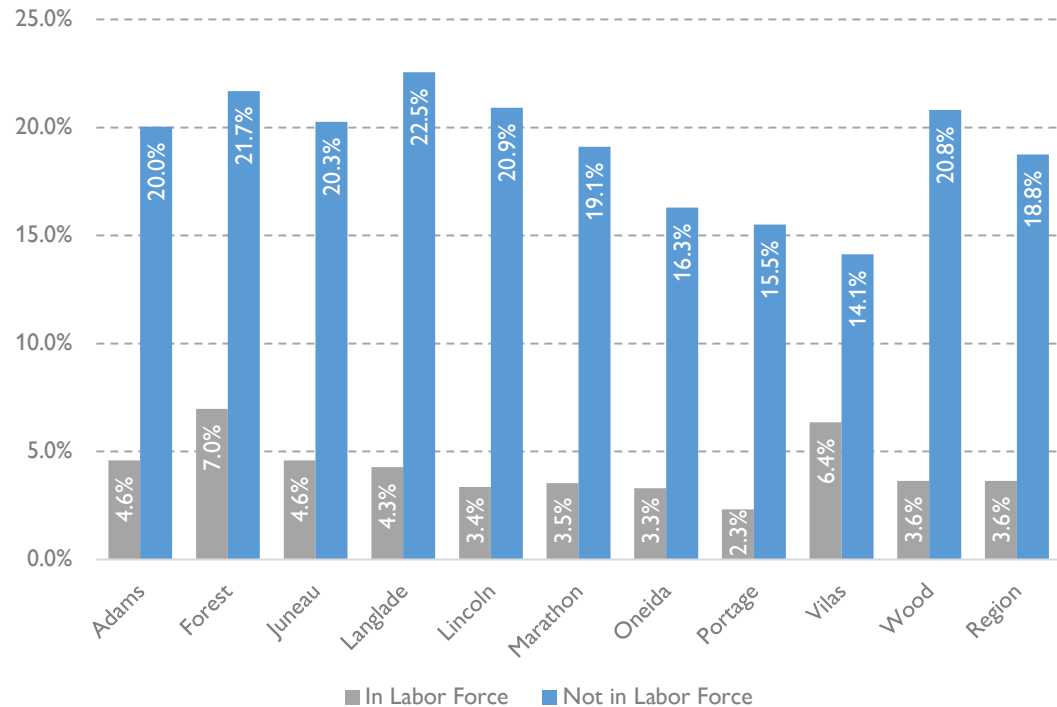
These factors make a lack of broadband access an obstacle to labor force participation for individuals who lack access. Within the North Central Wisconsin Region, individuals who participate in the labor force are significantly more likely to own a computer at home than those who are not participating in the labor force. Over 97 percent of individuals within the Region that participate in the labor force own a computer at home compared to only about 81 percent of individuals not participating in the workforce. This helps to illustrate that computer ownership, and access to the internet (and as a result, broadband accessibility) can significantly impact labor force participation.

Skill Gaps

Skill gaps are a major threat currently facing the North Central Wisconsin Region. Many employers within the region, particularly within the manufacturing, health care, and information technology industries, face challenges in finding qualified workers to fill available jobs, ranging from entry-level jobs to high-skilled jobs. There are several reasons why skill gaps exist within the Region, including an increasing number of retirements draining skills, knowledge, and experience from the workforce, a lack of bodies readily available to replace those skills and knowledge, and changes in the jobs that we are doing.

Computer Ownership by Labor Force Status

Percentage of individuals who do not own a computer at home



Aging Workforce's Impact on Skill Gaps

With over a quarter of the Region's workforce approaching retirement age, the Region is set to lose a significant source of skills, experience, and knowledge over the next decade. This poses several issues for the Region's workforce and employers, as labor shortages will make it difficult to replace the workers leaving the workforce due to retirement. It will also be difficult to replace the skills, knowledge, and experience that were lost due to retirements, as many workers lack either the skills, knowledge, or experience necessary to immediately effectively step into roles vacated by retirees.

Impact of Labor Shortages on Skill Gaps

Labor shortages also significantly impact skill gaps. A lack of workers available means that employers will struggle to find workers, regardless of qualifications, to fill their open positions. This means that many companies will remain limited by the workforce available to them, which makes it harder for them to expand and create new positions and makes it more difficult for companies to come up with the revenue needed to provide on-the-job training, certification, or education necessary to reskill or upskill their workforce.

Alternatively, skill gaps often exacerbate labor shortage issues. This is because a lack of skills, job training, and education among workers leads to less qualified workers within the workforce. Less qualified workers within the workforce makes it more difficult for employers to fill jobs, and often leads to employers settling for candidates who do not possess the skills or knowledge needed to conduct their job at the time of hiring or leaving open positions unfilled.

Changes in Jobs Impacting Demand for Skills

As our jobs change, so do the skills and knowledge needed to conduct our jobs. Changes within industries, such as the shifts toward automation, digital marketing, remote work, and advances in technology, are changing job responsibilities and creating new types of jobs, leading to increased demand for skills such as coding, data analysis, digital literacy, and programming. Jobs within many industries, especially the manufacturing industry, are shifting away from routine jobs, as these jobs are easily replaced by automation. As the shift towards automation continues, jobs within impacted industries will increasingly require skills such as coding, programming, software development, and troubleshooting from the Region's workforce. Due to these changes, workers within these industries will have to retrain, reskill, or re-deploy themselves to remain employed within these industries.

Changes in the Regions' economy, such as significant projected job increases within the health care and social assistance, education and training, and professional, scientific, and technical services industries will increase the demand for soft and professional skills, such as communication, sales, customer service, critical thinking, leadership, and teamwork from the Region's workforce. Increases in employment within these industries will also lead to an increase in demand for knowledge-based and job-specific skills. These are often the skills which can only be obtained through education, on-the-job-training, or experience.

The shift in skills required from the workforce creates several issues for the Region. Workers and employers alike will have to rapidly adapt to changing conditions in order to remain competitive, while both companies and workers will have to determine how to best match their skills with

new roles. Workers and employers will also have to commit to reskilling and upskilling. Workers within impacted industries will have to reskill in order to remain viable within their fields, while low-skilled workers will have to upskill in order to obtain high-skill jobs. In many cases, employers will need to assist their employees with reskilling or upskilling in order to ensure that their employees can meet the changing needs of their company.

Overall, changes in the types of jobs available as well as in job responsibilities will make creating new and supporting existing programs such as on-the-job training, certification programs, education programs, and other job-specific training programs essential in order to properly develop and prepare the Region's workforce.

Low Wages and Benefit Packages

Low wages significantly harm talent attraction efforts for both the Region and its employers. In 2020, the average annual earnings within the North Central Wisconsin region were 6.2 percent lower than the state average and 14.3 percent lower than the national average wage. Given that competitive pay rates are one of the top desires among workers, the below average wages associated with the Region place the Region and the employers within the region at a significant disadvantage in attracting high-quality talent. Wage levels are an especially important consideration for younger workers, as younger workers seek to pay off student loans and build savings in an effort to buy homes and start families, making high wages more of a priority for them.

With wages in the Region typically falling below the state average, many businesses within the Region are having a difficult time in filling open positions. In a competitive talent market such as the one that we are currently in, workers are finding it easier to seek out employment opportunities that offer higher wages and better benefit packages, and thus drive up their desired starting wages while job hunting. This makes it harder for many businesses to meet the desired wage and benefit packages that other companies can offer. Low wages also have a significant impact on the attractiveness of jobs within low-wage industries. Jobs in industries that typically offer low wages are undesirable long-term career options for many workers, which makes it harder to attract entry-level workers to these jobs, as many workers view these jobs as transitional or short-term jobs due to the low pay levels that are associated with these jobs.

One of the issues that many businesses, especially small businesses, within the Region face in offering higher wages and better benefit packages is trying to compete with larger companies. Small businesses and businesses that are located in mostly rural areas often struggle to offer wages that are competitive to those offered by larger companies. Small businesses often have limited resources, which limits the wages and benefit packages that they can offer to their employees. Larger companies have larger revenues and budgets and more resources at their disposal, allowing them to offer higher wages and better benefit packages than what a small business can offer. Small businesses often have to raise prices for their products or services to accommodate being able to offer higher wages and more attractive benefits packages, while larger businesses can more easily stomach such increases without raising their prices. Rises in prices often leads to customer complaints and a decrease in sales for these companies, as consumers are often drawn to products and services offered at the lower prices that large companies can offer.

Impact of COVID-19 on the Workforce & Talent Attraction

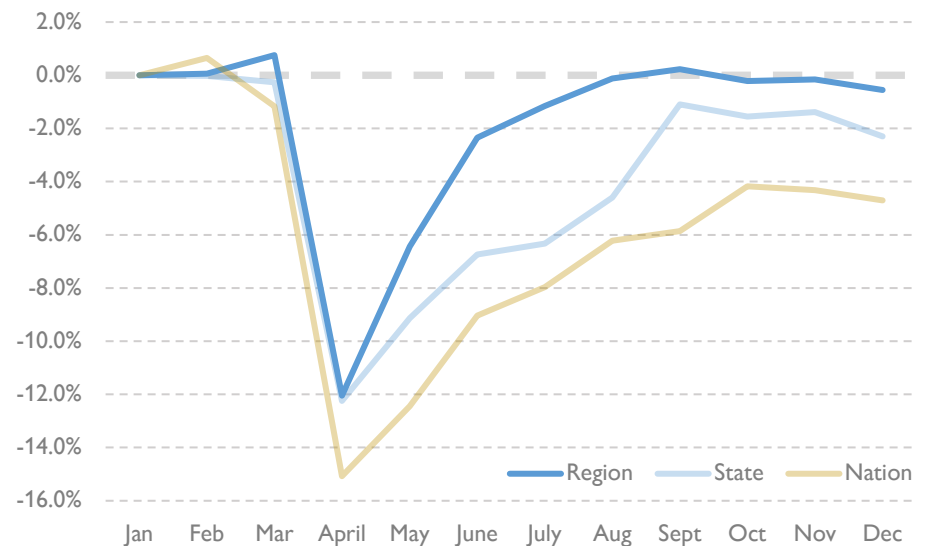
Given that the COVID-19 pandemic created the world's largest economic shock since the Great Depression in the late 1920's, it is no surprise that the Region's workforce and the talent attraction efforts within the Region have been significantly impacted. As the COVID-19 pandemic shut down many aspects of the economy many businesses were forced to temporarily shut down, while many others were forced to layoff or furlough workers, leading to a significant rise in unemployment. Suddenly, a staggering number of workers within the Region had lost their jobs and were forced to rely on unemployment benefits as their source of income. Additionally, the health risks associated with the coronavirus also made it difficult for businesses to attract and retain employees, especially those that offer jobs with high-contact levels, as many residents chose to avoid these jobs in an effort to avoid contracting the virus.

Barriers to labor force participation, such as childcare and broadband availability were also significantly impacted by the pandemic. With schools shifting towards online during the pandemic and childcare facilities being forced to shut down or limit their capacities, childcare availability became a major issue for parents of young children, as they had to either find available childcare slots or provide care for their child themselves, which led to many parents being forced to leave the workforce. The availability of broadband also had major impact on the Region's workforce, as many jobs shifted to remote work, which meant that many workers had to have adequate access to the internet in order to remain employed during the pandemic.

Impact of COVID-19 on Employment

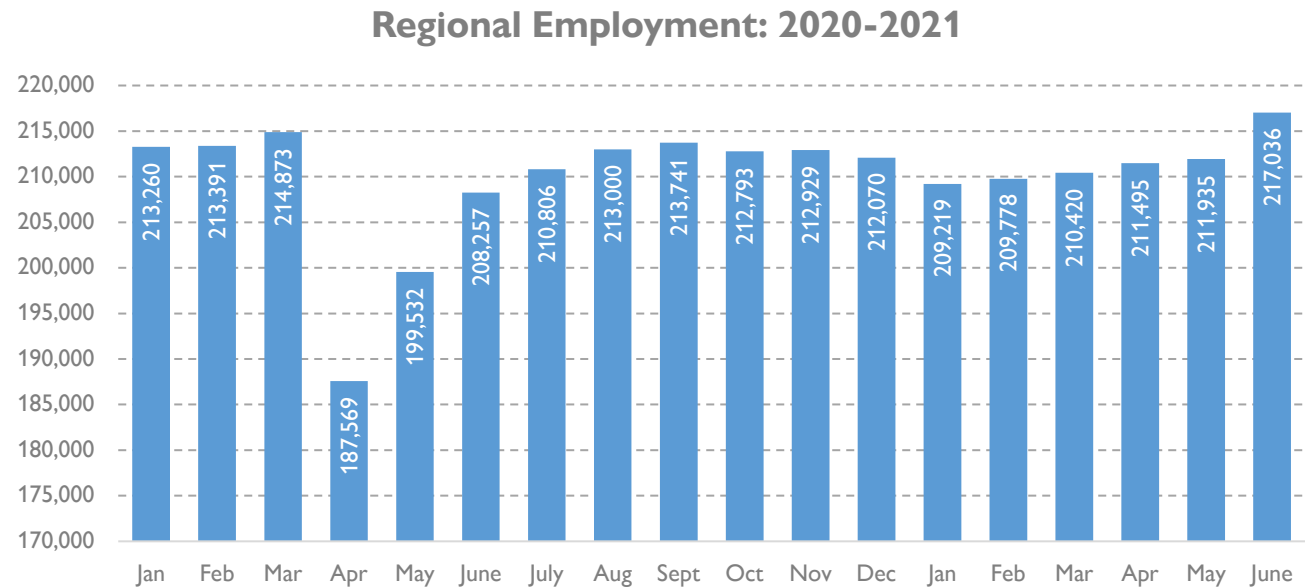
During the first three months of 2020, employment within North Central Wisconsin experienced a slight increase, increasing with employment reaching 214,873 in March. However, the spread of the virus and several safety measures such as the closure of schools and temporary closure of non-essential businesses in mid-March led to a severe drop in employment, as the Region's employment fell to 187,569 in April, representing a 12 percent decline and a loss of 25,691 jobs from Regional employment in January. After the severe decline in employment in April, employment within the Region began to steadily increase as the world learned more about the virus and it became safer for employees to return to work due to enhanced safety measures and increased knowledge of the virus.

Tracking COVID-19's Impact on Employment



As the world continues to try to move on from the early portion of the pandemic, employment within North Central Wisconsin has experienced a faster recovery than both the state and nation. Employment within North Central Wisconsin has experienced a nearly complete recovery, with employment reaching pre-pandemic levels in September before falling back below pre-pandemic employment in October. By the end of 2020, Regional employment was only 0.6 percent lower in December than it was in January, while December employment levels for the state and nation were 2.3 percent and 4.7 percent lower than January employment, respectively.

As the calendar shifted to 2021, employment within the Region experienced a slight decrease, as regional employment fell to 209,219 in January 2021. However, employment steadily increased over the following months, with employment rising to 217,036 in June 2021. With employment rising to over 217,000 in June 2021, the Region has surpassed pre-pandemic employment levels for the first time since the pandemic began in mid-March 2020.



Industries such as the Tourism, Hospitality, Retail, and Food Services industries were the hardest hit by the pandemic and have experienced the slowest recovery of jobs in the wake of the pandemic. These industries often rely on in-person contact within their jobs and for customers, and as a result, activity levels and the demand for products within these industries plummeted. The high-contact levels associated with these jobs made them undesirable during the pandemic as workers sought to avoid contracting the virus. These jobs also often offer low wages, which has made it even more difficult to attract workers to fill open jobs within these industries. These factors led to significant decreases in employment and have helped lead to the slow recovery of jobs these industries are currently experiencing. The shift towards remote work also significantly impacted employment, as many workers sought out jobs that offered the chance to work remotely, while many other jobs were forced to shift towards working remotely in an effort to mitigate the health impacts of the coronavirus.

Impact of COVID-19 on Unemployment

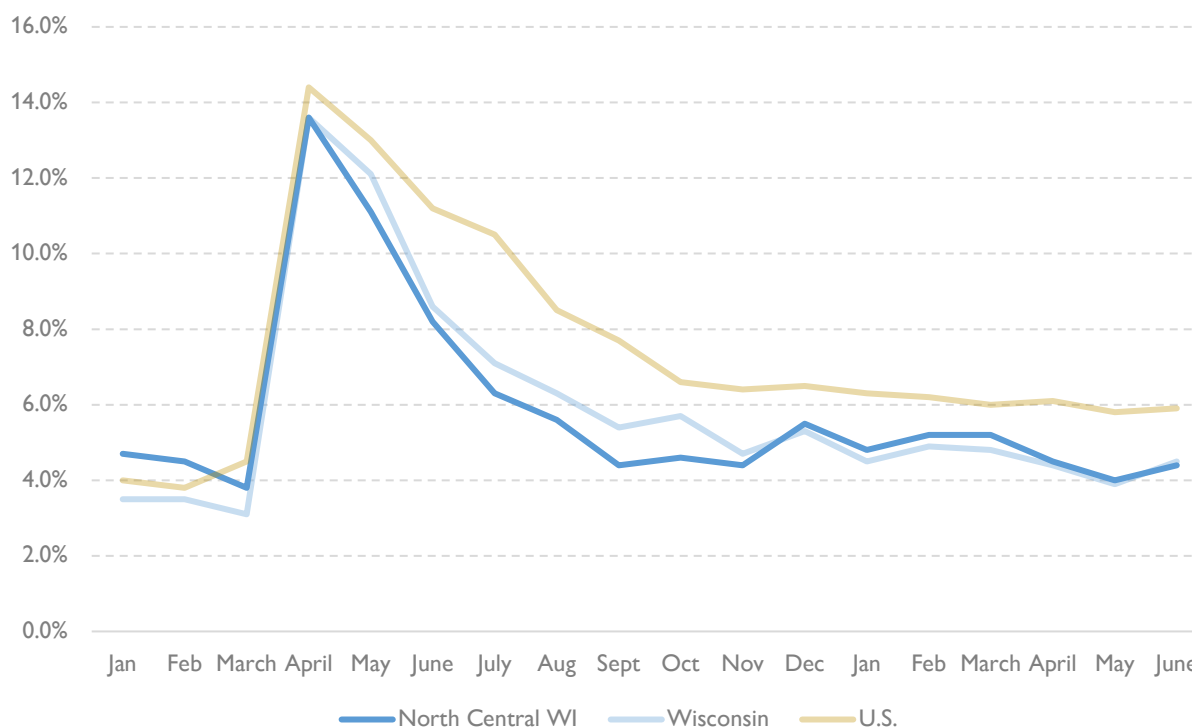
The COVID-19 pandemic has had a significant impact on unemployment throughout the North Central Wisconsin Region. The onset of the COVID-19 pandemic in mid-March, and the need to limit the spread of the virus, brought forth an unprecedented increase in unemployment rates across the nation. The onset of the pandemic in mid-March also had an immediate impact on the economy and led to an unprecedented 258% percent increase in the Region's unemployment rate, as the Region's unemployment rate spiked from 3.8 percent in March of 2020 to 13.6 percent in April of 2020.

While severe, the rapid increase in unemployment rate for the North Central Wisconsin Region was not as dramatic as the increases that the state and nation experienced. Additionally, the unemployment rate in North Central Wisconsin has fallen back towards the Region's pre-pandemic unemployment rate faster than it has in the state and has fallen at a similar pace as the nation. At the end of 2020, the Regional unemployment rate was 5.5 percent, which was about 45 percent higher than the pre-pandemic unemployment rate in March. In comparison, the unemployment rate in December for the state was 71 percent higher than the state's unemployment rate in March, while the nation had an unemployment rate in December that was about 44 percent higher than the national rate in March.

As the calendar shifted to 2021, unemployment rates for the Region, State, and Nation have remained above the pre-pandemic unemployment rates. As of June 2021, the Region's unemployment rate was 4.4 percent, which is about 16 percent higher than the pre-pandemic unemployment rate of 3.8 percent in March of 2020.

Unemployment rates across both Wisconsin and the nation have recovered at a slower pace than the Region. For example, Wisconsin's unemployment rate of 4.5 percent in June 2021 was 45 percent higher than the states pre-pandemic unemployment rate, while the nation's most recent unemployment rate was 31 percent higher than the national pre-pandemic unemployment rate.

Monthly Unemployment Rate: 2020-2021

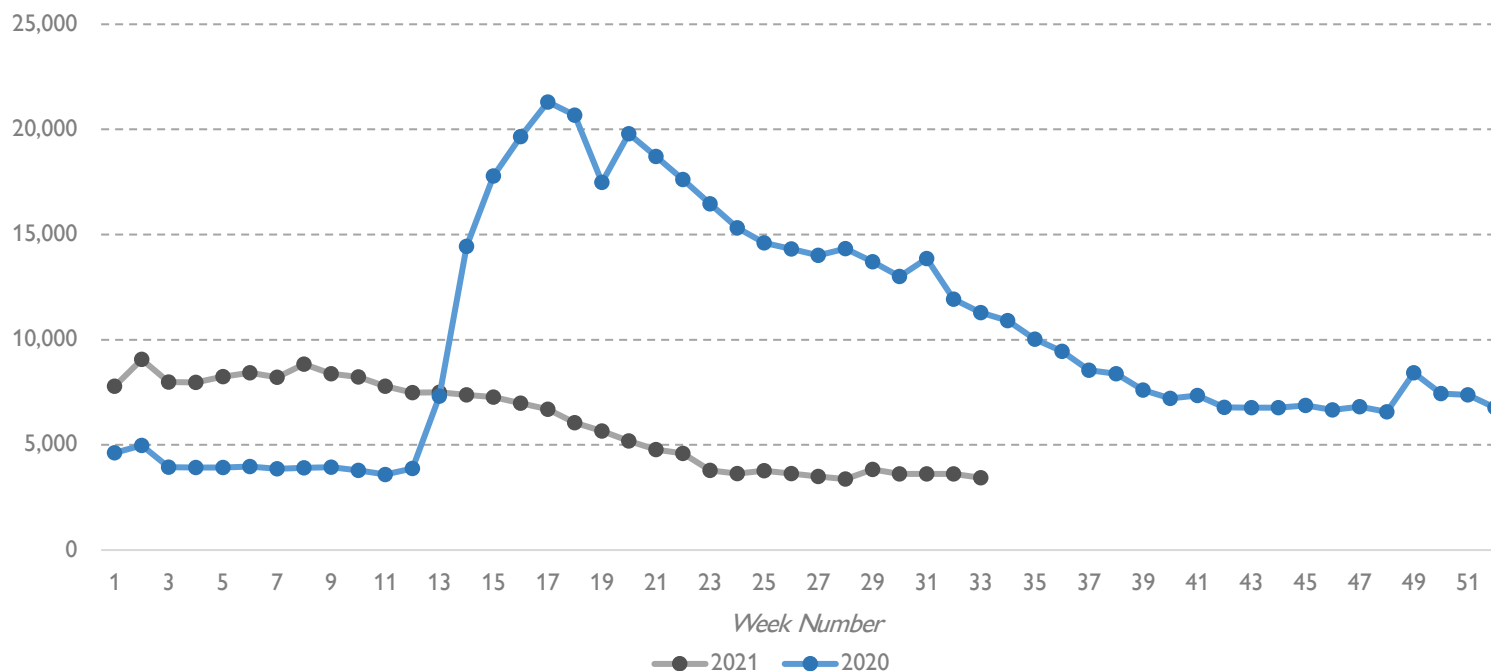


Impact of COVID-19 on Unemployment Claims

The onset of the COVID-19 pandemic had a significant impact on the number of weekly unemployment claims throughout North Central Wisconsin. During the first 12 weeks of 2020 (through the week ending on March 21), there were an average of 4,028 unemployment claims per week within the North Central Region. During the following week ending on March 28th, the number of unemployment claims within the Region spiked 88.5 percent, up to 7,321 unemployment claims. Over the next month, the number of weekly unemployment claims within the region steadily increased before reaching a peak of 21,308 unemployment claims during the week ending on April 25th. The Region's peak of 21,308 weekly unemployment claims is 429 percent higher than the Region's average of 4,028 weekly claims filed during the first 12 weeks of 2020.

As state and federal funding began reaching businesses and businesses began to adapt by implementing safety measures, employment within the Region increased and weekly unemployment claims began to decrease. However, with 6,763 weekly unemployment claims at the end of 2020, the number of weekly claims within the Region were still above pre-pandemic levels when the region averaged 4,028 claims per week before the pandemic began. As the calendar shifted to 2021, the number of weekly unemployment claims within the Region continued to decrease. Within the Region, the number of weekly unemployment claims reached pre-pandemic levels by the 23rd week of 2021, as illustrated below. As more time has elapsed, the number of weekly unemployment claims continues to hover near pre-pandemic levels, signaling that a majority of the individuals who lost their jobs during the pandemic have been able to find employment over time.

Weekly Unemployment Claims



Impact of Emerging Trends Accelerated by COVID-19 on Talent Attraction & the Workforce

The COVID-19 pandemic has accelerated many existing workplace trends. The impact that the COVID-19 pandemic has had on these emerging workplace trends also impacts the workforce and employers alike. With shifts toward automation, artificial intelligence, and remote work being accelerated by the pandemic, the Region's workforce and employers will have to quickly adapt to remain competitive or relevant. With a shift towards companies relying more on online services, automation, artificial intelligence, and remote work, the skills that workers need to remain relevant in the job market will change. As a result, soft skills such as analytical thinking, active listening, problem solving, design, innovation, and critical thinking will increase in demand across most industries. These trends will also lead to increases in demand for technological hard skills such as digital literacy, digital marketing, software development, programming and coding skills, and troubleshooting. Workers across all industries will likely need to develop some of these skills in order to remain relevant or to advance in their careers over time. Low wage jobs figure to be the most heavily impacted by these emerging trends, as artificial intelligence figures to replace a substantial number of jobs in the retail and food services industries, creating an urgent need for workers within these industries to upskill. With increases in automation and remote work expected workers in other impacted industries will also have to reskill in order to remain relevant in the job market.

For employers the shifts toward automation, artificial intelligence, and remote work have placed a greater emphasis on the need to reskill and upskill their workers. Since finding qualified workers to fill open positions is a widespread problem that most employers are currently experiencing, reskilling and upskilling their workers has been essential for keeping their companies afloat. Upskilling and reskilling current employees also has numerous long-term benefits for companies as well. By providing their workers with reskilling and upskilling programs, employers can improve employee retention, improve the attractiveness of their company, and keep up with and quickly adopt new emerging trends within their industry.

The shift towards remote work will also impact the ability of employers to attract and retain talent. Flexibility allowing workers to remotely work either full-time or on a part-time basis was a major proponent to mitigate the health risks associated with the coronavirus during the pandemic. Offering flexible work hours was also a major amenity that workers needed during the pandemic for reasons such as the need for working parents to juggle providing care for their children and working. Even in the wake of the pandemic, flexible work arrangements are quickly becoming a top priority among workers, which makes the companies that are offering flexible work arrangements more attractive to prospective workers.

Benefits of Improving Conditions for Talent Attraction & the Workforce

Improving the conditions for talent attraction within the Region will have major implications for the Region's economy. With the Region currently experiencing issues such as an aging workforce, negative net migration among young age groups, and a shortage of young adults available to fill the jobs opened up by looming retirements, improving talent attraction efforts within the Region is vital for the continued prosperity of the Region. Improving talent attraction efforts start with improving the attractiveness of the Region towards the talent needed to address labor gaps and skill gaps that the Region is increasingly experiencing over time.

Improving conditions for the workforce will also have major implications for the Region's economy. Addressing the issues that act as barriers to employment and labor force participation will help to increase the number of workers available within the Region, ultimately helping to mitigate the Region's labor force shortage. Addressing skill gaps within the workforce will also positively impact the Region. Improving the skills of the Region's workforce will help employers fill open positions, increase productivity within the Region, and will lead to better life outcomes for the Region's workforce.

Benefits of Addressing the Issues Impacting the Attractiveness of the Region

Improving the attractiveness of the Region will help to draw more talent to the Region, as well as help the Region to better retain its existing talent. Addressing issues such as childcare availability, broadband access, and affordable housing are ways that the Region can improve the attractiveness of the Region to prospective workers, both those currently living within and outside of the Region, leading to more talent choosing to live and work within the Region.

Accessibility to childcare is one of the major barriers to employment that parents of young children face today. With a shortage of licensed childcare slots available, the Region is currently not a suitable option for living or working for many young families. Increasing the availability of childcare within the Region will make the Region a more suitable place to live and work for young families both inside and outside of the Region and will also increase labor force participation among parents with children.

Access to broadband has quickly become a requirement for the prosperity of residents, employers, and communities in today's world. The current lack of adequate broadband access within the Region makes it difficult for the Region's communities and businesses to attract and retain residents and talent. The lack of broadband access also makes it difficult for residents and workers to access job opportunities, training and education opportunities, and services. Simply put, the lack of broadband access that the Region is currently suffering from decreases the attractiveness of the Region to residents and talent. Improving broadband access within the Region will provide better access to job opportunities for residents and will also provide better access to training and education opportunities for residents, helping to improve their job skills and knowledge, ultimately helping to address skill gap issues, and improving the life outcomes of these workers.

Addressing the housing affordability and diversity issue within the North Central Wisconsin Region can also have major impacts on the attractiveness of the Region and its communities. Increasing the diversity of the Region's housing stock allows the Region and the Region's communities to meet the needs and preferences of their existing and future residential base. A regional housing stock that can meet the needs and preferences of its residential base allows the Region to accommodate the changing needs of its existing residential base, as well as the changing needs of households located outside of the Region, making the Region a more attractive place to remain in and to locate into.

Enhancing the affordability of housing and increasing the number of housing options that are affordable to households across all income levels within the Region makes it easier to cultivate a workforce, as it allows communities within the Region to attract and retain people from all life stages and income levels.

Benefits of Addressing the Barriers to Employment and Labor Force Participation

Addressing the issues that act as barriers to employment and labor force participation will have several benefits for the Region. First, as discussed above, addressing issues such as childcare availability and broadband access will help to draw more workers into the Region. Second, addressing these issues will also increase the ability of the Region's residents to work and access job opportunities. For example, increasing the number of licensed childcare slots within the Region will allow more parents to place their children in childcare, allowing these parents to participate in the labor force when they otherwise would not have been able to due to the need to provide care for their child. Increasing access to high-quality broadband not only allows residents to better access job opportunities and job training and education programs, but it also allows workers to work remotely, which became a requirement for millions of jobs throughout the nation during the pandemic and has remained as a possible work option for many jobs.

Improving the ability of the Region's residents to participate in the labor force leads to more workers overall within the Region. Increasing the number of workers within the Region helps to fill labor gaps for employers and also helps mitigate the impacts that are caused by labor shortages. Increasing the number of workers within the Region will also allow businesses to reach their full potential, increase business growth, and lead to more overall job creation within the Region. Increased business growth and job demand helps to increase the local demand for workers, which can help in attracting workers to the Region as well as retaining the workers already living within the Region. Issues such as an aging workforce, a subsequent rise in retirements, and a shortage of young workers expected to enter the workforce over the next decade make increasing the number of workers within the Region crucial for both the short-term and long-term prosperity of the Region.

Benefits of Addressing Skill Gaps

The economic prosperity of North Central Wisconsin is tied to having a skilled workforce. Addressing skill gaps that currently exist and are projected to exist within the workforce will have substantial impacts on the Region's workforce and economy. Increasing the skills of the Region's workforce will help to fill jobs that employers are currently struggling to fill, improve the productivity of the Region's workforce, and make the Region more resilient to shifting industry trends, such as the shifts towards automation, increases in digital platforms, and artificial intelligence. Improving the skills of the Region's workforce will also help to fill the skill gaps that will be created by the upcoming large number of retirements expected to occur over the next decade. As the number of retirements significantly increases over the next decade, a significant number of jobs will need to be filled, which currently presents issues for the Region as there is currently a shortage of workers available to fill those jobs. Upskilling and reskilling workers across all industries within the region can help to fill these open positions, helping the Region's employers maximize their own potential.

The most impactful method for addressing skill gaps is to develop systems that will upskill and reskill the Region's collective workforce. Developing upskilling and reskilling systems throughout the Region will improve the collective skills of the Region's workforce, creating a regional workforce that is more adaptable to changing industry trends, and therefore improving the resiliency of the regional workforce. Workers that participate in upskilling or reskilling programs will be better suited to meet the skills that employers will require in order for their company to remain competitive

as changes in the economy occur. Providing programs for upskilling the Region's workforce will improve employee retention, attract new talent to the Region, and make the Region better suited for keeping up with new and emerging trends within various industries. Upskilling and reskilling workers within a company also helps companies fill other roles within their company. Since many companies are currently experiencing difficulties in hiring qualified workers, upskilling and reskilling their current employees can serve as an effective method for cultivating the talent and skills that employers are seeking. By expanding the skill sets of their current employees, companies improve their employee retention rates, employee production, and help to maximize the potential of their employees.

Addressing skill gaps also improves the Region's ability to adapt to changing trends across industries. Shifts towards automation, digital platforms, artificial intelligence, and remote work will change the job requirements for many jobs, meaning that different types of skills will be needed from the Region's workforce.

Vision for the Workforce & Talent Attraction Within North Central Wisconsin

The stability and sustainability of the North Central Wisconsin Regional economy depends on attracting and retaining a talented workforce. The Region is known for an abundance of outdoor amenities, an affordable cost of living, and a high quality of life. In addition, it has a diverse array of resources, partners, and assets that support the Regional economy. However, the Region also faces a variety of complex issues including uneven population and housing growth, an increase in population age, lack of broadband, childcare shortages, and a constantly changing economic landscape of resulting in lower employment and lower incomes. COVID-19 has caused additional disruption regionally and worldwide, resulting in the largest global recession since the Great Depression.

When looking at talent attraction within the Regional economy, there are a few core issues. The first is the aging population. Typically, a high priority is to attract highly educated individuals in lower age categories. It is more likely that this group will expand their family unit, raise children, and contribute more broadly to the community and the economy. This goal undoubtedly should be integrated. However, taking the population landscape as it is and maximizing that should be equally emphasized. This can be done in multiple ways including reskilling, upskilling, promoting life-long learning, apprenticeships, internships, and returnships. There are several people at or nearing retirement age. This group offers a wealth of knowledge and experience, and retention (even on a flexible basis) should be a consideration.

It is also critical to develop an ecosystem for creating, attracting, expanding, and retaining businesses which will provide sources of employment and attract the necessary current and future skilled workforce. This can be done through identification of the top Regional industries and working with them by providing technical assistance, private-public partnerships, and support, to maintain and grow employment. When businesses and industries are supported, they are positioned to attract and retain talent.

Lastly, it is imperative that our communities provide infrastructure and amenities to allow current and future businesses and employees to continue to grow and thrive. This includes broadband, childcare, housing, transportation, and recreational amenities. When seeking to attract new talent, affordable starter homes, good schools, nearby parks, and reliable broadband are all critical. Similarly, when seeking to retain potential retirees, flexible schedules, small-scaled homes with nearby amenities, community and recreational options, and a range of transportation alternatives are essential.

This section will establish:

- **Goals** and what we hope to achieve for workforce and talent attraction within North Central Wisconsin moving forward
- **Priorities** for enhancing and expanding workforce and talent attraction within the Region
- **Strategies** and **Recommendations** to create a workforce and talent attraction vision for North Central Wisconsin

Goals

The following goals have been identified to be most important to the vision of the workforce and talent attraction future of the Region. When setting the goals top considerations include attracting, expanding, and retaining a talented workforce within the Region, creating an ecosystem for creating, attracting, and retaining businesses to the area, and providing community amenities and necessary infrastructure.

- Develop and maintain a talented and skilled workforce.
- Develop an ecosystem for creating, attracting, expanding, and retaining business to the Region.
- Create a sense of place and sense of community for the Region and support to the individual communities within the Region to do the same.

Priorities

Workforce and talent attraction priorities for the Region were formulated to better meet the goals identified above. The main priorities in the Region include attracting new talent more likely to begin families and contribute to the greater economy and community and retaining existing talent in a multitude of ways including upskilling, reskilling, and encouraging life-long learning. In addition, supporting and enhancing existing businesses by developing an ecosystem allowing them to thrive, which would also create an environment allowing new businesses to thrive. Making the Region somewhere that employees and employers want to be is also a high priority. This is necessary with infrastructure such as housing at a variety of price points, reliable broadband, and accessible childcare services. It is also necessary with recreational amenities such as trails and parks and with community amenities such as schools, libraries, and fitness centers.

- Attract highly skilled workers across a range of industries.
- Retain workers across a wide age spectrum and provide continued opportunity for skill acquisition.
- Participate in actions that develop an ecosystem for creating, attracting, expanding, and retaining businesses.
- Ensure that needed community infrastructure continues to be a priority.
- Create a sense of place and community identity that includes recreational amenities and community amenities.

Strategies and Recommendations

The goals and priorities established above identify the vision for the future of workforce and talent attraction in the Region. Strategies and recommendations have been identified to meet these goals and priorities and can be broadly organized into three main categories of emphasis:

- Workforce
- Industry
- Community

Workforce Strategies and Recommendations

The first category addresses the need to continue to expand the workforce throughout the Region. The workforce within the North Central Wisconsin Region is expected to decrease in upcoming years. The first set of strategies and recommendations are targeted at meeting the goal of developing and maintaining a talented and skilled workforce.

- Educate all (students, parents, teachers, administrators, etc.) to the opportunities of universities, vocational school, and direct entry into the workforce from high school, removing negative connotations to all pathways.
- Support opportunities for local businesses to partner with schools and students to educate them about career pathways, including large scale events such as career showcases and technical expos, such as the Heavy Metal Tour at North Central Technical College.
- Continue to provide a range of non-traditional education opportunities to high school students and recent graduates.
- Educate for the future, not just those jobs in existence today.
- Work to include those that have completed some college or technical school, but did not complete it, in all workforce initiatives.
- Promote life-long learning by offering work skills training to the existing workforce.
- Participate in a regional system of connecting workers and employers with programs, best practices, and networks.
- Work to engage the sector of the workforce that is not participating and seek to identify and eliminate the barriers.
- Actively develop and promote internships, returnships, and apprenticeships.

Industry Strategies and Recommendations

The second category addresses the need to support business and industry so that they can create an environment to attract the necessary existing and future skilled workforce. The Region's main contributing sectors are manufacturing, health care and social assistance, and retail trade. The Region lags both in educational attainment and wages. The following recommendations would create an ecosystem for creating, attracting, expanding, and retaining businesses throughout the Region:

- Recognize the top industries and top occupations in the Region and work with these industries and educational partners to maintain and grow employment.
- Recognize those industries with positive employment growth rates in the next ten years and work to promote these skills in the education of students and the existing workforce.
- Recognize the industries with negative employment growth rates in the next ten years and work to retrain these individuals to plug them into other employment growth industries throughout the Region.
- Organize and publicize local, state, and federal incentives and technical assistance for development, redevelopment, and workforce training.
- Recognize industries with wage gaps and determine the ability to get closer to the state and national averages.
- When possible, target certain demographics (e.g. stay-at-home parents, retirees, students, ex-offenders, etc.) with part-time or flexible schedules.
- Recognize that a sizeable portion of the labor market is looking to advance within their field and focus on retaining existing employees as well as attracting new employees.

Community Strategies and Recommendations

The third category involves quality of life or making the Region and individual communities places that a diverse array of people want to live, work, and play. This includes infrastructural amenities such as housing at a variety of price points for people at various ages and life stages, reliable and affordable broadband, and quality and affordable childcare options. In addition, recreation opportunities such as parks, trails, fitness centers, and third places (churches, cafes, clubs, libraries, and bookstores). The following recommendations would increase community quality of life:

- Support a variety of housing styles available at different price points to accommodate those at various life stages.
- Support an enhanced quality childcare infrastructure.
- Support a variety of transportation options.
- Continue to invest in expanded and enhanced broadband, roads, water, sewer, etc.) to ensure that all are ready to meet the needs of existing and future businesses and associated workforce.
- Encourage area chambers and associated entities to develop and expand sense of place.
- Recognize tourism and outdoor amenities as one of the region's economic generators.
- Continue to support recreational opportunities such as pedestrian and bicycle infrastructure, hiking trails, water trails, and third spaces for an enhanced community experience.
- Expand public-private partnerships to ensure that businesses have a means to express the needs of current and future employees and that public entities can prioritize these needs.

North Central Wisconsin Regional Recovery Plan

Workforce & Talent Attraction Assessment Report