

Chapter 6

Economic Development

The economic base of the community serves as an important driver for current and future land use. Economic characteristics include such components as the size of the civilian labor force, comparative employment growth, employment by industry, unemployment rates, and commuting patterns. Employment patterns and economic trends generally occur on a regional scale. Residents of one community often work in another. Similarly, changes in a major industry can impact jobs and growth far beyond the community where the business is physically located. It is therefore important to understand a local community's economy in light of its regional context.

Assessment of these components of the economic base provides an important historical perspective on current land use patterns and provides insights that help to predict possible future directions and opportunities for growth of the local economy.

Previous Plans and Studies

Comprehensive Economic Development Strategy (CEDS), 2026

Vilas County is one of ten counties included in the North Central Wisconsin Economic Development District as designated by the U.S. Department of Commerce, Economic Development Administration (EDA). The NCWRPC is the agency responsible for maintaining that designation. As part of the designation, the NCWRPC prepares five-year CEDS updates. This report summarizes and assesses economic development activities over the past year and presents new and modified strategies to promote growth.

North Central Wisconsin Regional Recovery Plan, 2022

The purpose of this plan is to guide economic stabilization, recovery, and resiliency efforts within the North Central Wisconsin Region in the face of the current pandemic as well as future events that cause economic shocks. The goal of this plan is to develop a set of strategies that will help the Region's local economies recover from and become more resilient to economic shocks by identifying best practice strategies that help spur economic stabilization and recovery in the wake of economic shocks and that will help build local economic resilience. Helping local recovery and resiliency efforts will help the regional economy as a whole recover and grow back even stronger than before the disaster struck. A dashboard that monitors the status of economic metrics for broadband, childcare, housing, transportation, workforce and talent attraction, tourism, hospitality, economic indicators, and social indicators is found on NCWRPC's website.

Regional Comprehensive Plan (RCP), 2025

The RCP's economic development chapter examines the Region's economy and compares it to statewide and national trends, followed by a series of economic development recommendations and local, Regional, State, and federal programs. The following issues facing economic development within the Region were identified:

- An aging workforce, retirements, and the need for a skilled and flexible workforce
- Unpredictable weather impact on agriculture, outdoor recreation, tourism, and financial resiliency
- The need for broadband expansion
- Childcare availability and affordability
- Unknown future of the forest products industry
- Limited access to active rail lines
- Artificial Intelligence (AI), automation, and their unknown future impact on the economy
- The increase in flexible, hybrid, and remote work and its impact on commercial real estate, local businesses, community facilities, and job recruitment strategies
- Inflation's impact on businesses, County and municipal budgets, household finances, and growing wealth gaps between households of different income levels

ALICE: A Study of Financial Hardship in Wisconsin, 2025

This report, developed by the United Way, described the 35 percent of households in Vilas County that are living in poverty or are experiencing financial hardship, making them "ALICE" households (Asset Limited, Income Constrained, Employed). These households are largely employed but do not earn enough in wages to meet the "household survival budget," which does not allow for any savings. The report states that many ALICE households provide vital services, such as retail, health care, childcare, and security, but cannot make ends meet on the income provided from these jobs.

- The ALICE report shows that 45 percent of City of Eagle River households are either below the federal poverty level or are considered ALICE households, indicating that the average household in the City of Eagle River is more likely to face financial hardship than the average Vilas County household at-large. This is based on 2023 data, so affordability is likely a larger challenge as housing prices and inflation have increased since then.

Vilas County Comprehensive Plan, 2023

The Vilas County Comprehensive Plan analyzes labor patterns, the economic base, employment projections, and existing facilities. The plan outlines the following goals:

- Encourage a variety of economic development opportunities appropriate to the resources and character of Vilas County.
- Enhance career opportunities and living wage jobs in an economy that is compatible with our natural resources and reflects the needs of the entire community.
- Enhance and diversify the economy consistent with other Vilas County goals and objectives.

Economic Environment

Local Economic Environment

Tourism and outdoor recreation are major drivers of the local economy in both Eagle River and Vilas County. Both the City and County are known for its lakes, extensive trail systems, and winter sports, attracting year-round visitors for activities like boating, fishing, snowmobiling, biking, and hiking. Additionally, there are many small, locally owned shops, restaurants and service providers that form the backbone of the local economy. Many of these businesses both support and are supported by tourism and outdoor recreation. This is evidenced by the fact that two of the largest industry sectors by employment within Eagle River are the Retail Trade and Accommodation and Food Services sectors.

Economic Sectors

Table 18 details employment by sector for the City of Eagle River and Vilas County. In 2024, there were 660 persons employed in the thirteen basic economic sectors in the City. In 2024, the leading industry sectors for City of Eagle River in terms of employed residents were the Education, Health, and Social Services; Retail Trade; and Arts, Entertainment, Recreation, Accommodation and Food Services sectors.

Overall, there were 10,532 persons employed in the basic economic industry sectors in Vilas County in 2024. The County’s employment growth was in contrast with the decrease in employment experienced in the City of Eagle River, as employment within Vilas County increased by about eight percent between 2010 and 2024. The leading industry sectors within Vilas County in 2024 were the Education, Health, and Social Services; Arts, Entertainment, Recreation, Accommodation and Food Services; and Retail Trade industry sectors.

Between 2010 and 2024, there were several dramatic shifts in employment throughout industries within Vilas County. Nine sectors experienced growth within the County during this time, while the other four sectors – Construction; Retail Trade; Information; and Arts, Entertainment, Recreation, Accommodation and Food Services - experienced declines within the County during this time.

Table 18: Employment by Industry Sector						
	Eagle River			Vilas County		
	2010	2024	Change	2010	2024	Change
Ag., Forestry, Fishing, Hunting & Mining	17	4	-76.5%	222	304	36.9%
Construction	35	44	25.7%	1,113	1,036	-6.9%
Manufacturing	50	25	-50.0%	512	699	36.5%
Wholesale Trade	10	20	100.0%	164	252	53.7%
Retail Trade	126	162	28.6%	1,517	1,402	-7.6%
Transportation, Warehousing & Utilities	17	34	100.0%	357	486	36.1%

Information	101	4	-96.0%	243	100	-58.8%
Finance, Insurance, Real Estate & Leasing	17	4	-76.5%	633	764	20.7%
Professional, Scientific, Management, Administrative & Waste Mgmt Services	30	26	-13.3%	600	860	43.3%
Education, Health and Social Services	103	166	61.2%	1,684	2,314	37.4%
Arts, Entertainment, Recreation, Accommodation and Food Services	79	114	44.3%	1,791	1,230	-31.3%
Public Administration	48	21	-56.3%	468	583	24.6%
Other Services	31	36	16.1%	460	502	9.1%
Total	664	660	-0.6%	9,764	10,532	7.9%

Source: U.S. Census and American Community Survey (2020-2024)

Labor Force Analysis

Labor force is defined as the number of persons, sixteen and over, employed or looking to be employed. **Table 19** compares the labor force of the City of Eagle River with that of Vilas County. Between 2010 and 2024, the City of Eagle River experienced a 1.4 percent decrease in the labor force, as the City's labor force decreased from 704 residents in 2010 to 694 residents in 2024. The decrease in the City's labor force during this time is in contrast to the slight increase experienced in Vilas County during the same time period. With a labor force consisting of 10,971 persons in 2024, Vilas County's labor force has increased by 2.4 percent since 2010, when the County's labor force consisted of 10,718 persons.

While the City's labor force slightly decreased between 2010 and 2024, it is important to note that the City has actually increased in population during this time. This discrepancy is mainly due to the large proportion of residents entering retirement and no longer participating in the labor force.

Table 19: Labor Force

	City of Eagle River			Vilas County		
	2010	2024	% Change	2010	2024	% Change
Population 16 years and over	1,331	1,299	-2.4%	18,439	20,344	10.3%
Labor Force	704	694	-1.4%	10,718	10,971	2.4%
Employed	664	660	-0.6%	9,764	10,532	7.9%
Unemployed	40	34	-15.0%	951	435	-54.3%
Unemployment Rate	3.0%	2.6%	-13.3%	5.2%	2.1%	-59.6%
Participation Rate	52.9%	53.4%	0.9%	58.1%	53.9%	-7.2%

Source: U.S. Census and American Community Survey (2020-2024)

Unemployment

Unemployment is defined as the difference between the total civilian labor force and total persons employed. Stay-at-home parents, retirees, or persons not searching for employment are not considered

unemployed because they are not considered part of the labor force. In 2010, the City of Eagle River had 3.0 percent unemployment. By 2024, the City's unemployment rate had decreased to 2.6 percent. The City's unemployment rate was lower than both Vilas County (2.1%) and the State of Wisconsin (2.1%) in 2024.

Workforce Participation

Workforce participation is a measure expressed in terms of a percentage of persons actively seeking employment divided by the total working age population. People not participating in the labor force may not seek employment due to a variety of reasons including retirement, disability, choice to be a homemaker, or are simply not looking for work. The City of Eagle River had a 53.4 percent labor force participation rate in 2024, slightly higher than in 2010. Both the City of Eagle River and Vilas County had a lower participation rate than the State (65.3%).

Laborshed

A laborshed is an area or region from which an employment center draws its commuting workers. In 2023, there were 1,596 jobs located within the City of Eagle River. Residents of Eagle River held 129 of these jobs, while the remaining 1,467 jobs were held by workers who live outside of the City's boundaries. In contrast, there were 429 workers who live within the City that commuted to locations outside of the City for work, as shown in **Figure 7**. This indicates that the City's laborshed extends beyond its municipal borders.

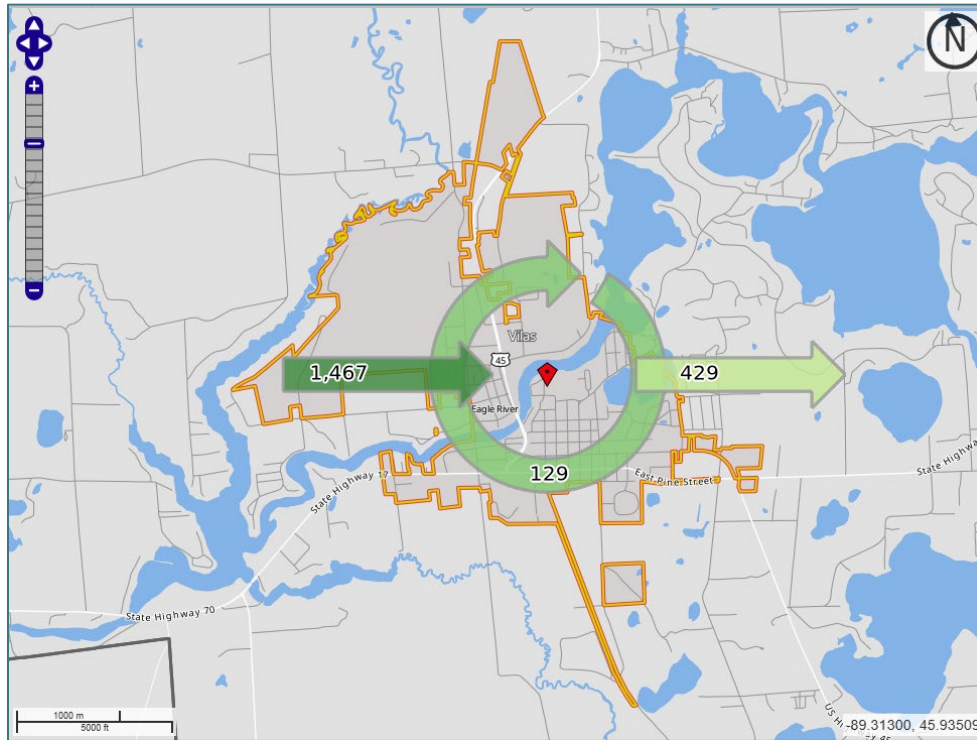
In-Migration

The majority of workers that commute into the City for work live in close proximity to the City, with many of these workers either living within Vilas County or in neighboring Oneida County.

Out-Migration

The most substantial group of outbound commuters (those who live in the City but work outside of the City) travel to the City of Rhinelander for work. Other common work destinations are mainly other communities located within Vilas and Oneida Counties.

Figure 7: City of Eagle River Laborshed



Source: U.S. Census On the Map

Occupations

As shown in **Table 20**, most residents in the City of Eagle River were employed in Management, business, science, and arts occupations. The second sector most represented was the Sales & Office occupation group, followed by Service occupations. From 2000 to 2024, the most significant increase in employment were seen in Management, Professional & Related occupations.

Table 20: Occupation of Employed Workers

Occupation	Eagle River		Vilas County	
	2000	2024	2000	2024
Management, Professional & Related	126	205	2,338	3,954
Service	109	148	1,901	2,058
Sales & Office	143	157	2,608	2,234
Natural Resources, Construction, and Maintenance	75	66	1,460	1,226
Production, Transportation & Mineral Moving	81	84	961	1,060
Total	534	660	9,268	10,532

Source: U.S. Census and American Community Survey (2020-2024)

Tourism & Seasonal Residents

Tourism is a major component in Vilas County's economy, as thousands of visitors travel to the area to take advantage of more than 1,300 lakes, large public forest lands, and diversity of recreational resources. Accommodations such as motels, resorts, campgrounds, and other lodging facilities generate an influx of visitors and business to Vilas County, including in Eagle River.

Economic Development Programs

There are a number of economic development programs available to businesses and local governments in Vilas County. A partial list of those programs is provided below:

Local:

Eagle River Revitalization Program

The Eagle River Revitalization Program, Inc. (ERRP) is a 501(c)(3) nonprofit organization committed to preserving the unique Northwood charm of Eagle River while fostering economic growth and community vitality. ERRP is dedicated to creating a vibrant and welcoming environment for residents and visitors alike. ERRP offers a variety of grants and programs to assist business owners in Eagle River. ERRP's projects and programs rely on the involvement of passionate volunteers, the generosity of donors, and the support of the business community.

Tax Increment Financing

In 2004, the WI State Legislature enacted changes to the State's Tax Increment Financing statutes. One significant change involved allowing townships to establish tax increment districts for specified economic development projects. Tax Increment Financing has been employed by numerous communities throughout the state to promote redevelopment in blighted areas and finance new industrial development.

County:

Economic Development/Tourism Committee

There is a standing Economic Development/Tourism Committee at the county level that deals with economic development related issues. In addition, county planning staff work with development prospects and serve on the Board of Directors for Grow North (economic development organization for Forest, Langlade, Lincoln, Oneida, and Vilas Counties) and the North Central Advantage Technology Zone (a group that recommends tax credits for technology business expansion).

Vilas County Economic Development Corporation

The Vilas County Economic Development Corporation (VCEDC) is a 501(c)(3) not-for-profit organization that promotes overall economic development and works with new and existing businesses

in Vilas County. The VCEDC also assists with employee development, attraction, and retention. Since 2000, the VCEDC has led the County's broadband initiative.

Regional:

Grow North

Grow North is a non-profit organization whose mission is to assist area counties and communities in their efforts to recruit and retain businesses, stimulate new job creation and to foster an environment conducive to entrepreneurial growth. Grow North was created in 2004 to foster cooperation among economic development partners and foster economic growth efforts in Forest, Langlade, Lincoln, Oneida, and Vilas Counties.

North Central Wisconsin Regional Planning Commission

The City is a member of the North Central Wisconsin Regional Planning Commission, as are all local governments in Vilas County based on county membership. Membership brings with it a variety of planning benefits and service. Benefits include participation in the Economic Development District, including eligibility for a variety of grants administered by the U.S. Department of Commerce Economic Development Administration (EDA). In addition, resulting in membership with the NCWRPC, the County is a member of the Central Wisconsin Fund which manages a revolving loan fund designed to help businesses address a gap in private capital markets for long-term, fixed-rate, low down payment, low interest financing.

Central Wisconsin Development Fund

The Central Wisconsin Development Fund (CWED) provides accessible financing to help businesses start, expand, and innovate. By filling lending gaps, CWED empowers entrepreneurs to create jobs and strengthen the local economy. CWED currently offers three funding programs: the Gap Financing program, the Micro Loan program, and the Startup Fund program.

The **Gap Financing** program fills the funding gaps when your bank can provide most—but not all—of what you need. CWED participates alongside your primary lender, covering up to 40% of total project costs. This program is ideal for businesses with strong banking relationships who need additional capital to make their expansion, equipment purchase, or real estate acquisition possible. <https://cwedfund.com/loan-programs/gap-financing>.

The **Micro Loan** program provides smaller-scale financing for entrepreneurs and businesses that need capital quickly. Unlike Gap Financing, no bank participation is required—CWED is your direct lender. This program is ideal for early-stage businesses, entrepreneurs without established banking relationships, or small projects that need flexible, accessible financing. <https://cwedfund.com/loan-programs/micro-loans>.

The **Startup Fund** is designed specifically for businesses in their first 1-3 years of operation. With lower interest rates and built-in mentorship requirements, this program helps new ventures launch strong with both capital and guidance. This program is ideal for entrepreneurs just getting started who need startup capital and would benefit from the support of a local economic development mentor. <https://cwedfund.com/loan-programs/startup-fund>.

State:

Wisconsin Economic Development Corporation

The Wisconsin Economic Development Corporation (WEDC) is the State's primary department for the delivery of integrated services to businesses. Their purpose is to 1) foster retention of and creation of new jobs and investment opportunities in Wisconsin; 2) foster and promote economic business, export, and community development; and 3) promote the public health, safety, and welfare through effective and efficient regulations, education, and enforcement. WEDC manages a variety of programs intended to assist businesses and communities. These include:

- Brownfield Program
- Capacity Building Grants (CB)
- Certified Sites
- Historic Preservation Tax Credit
- Business Opportunity Loan Fund
- Workforce Training Grants
- Idle Industrial Sites Redevelopment Program
- The Industrial Revenue Bond (IRB) Program
- Community Development Investment (CDI) Grant Program

Wisconsin Fast Forward Program

The objective of the Wisconsin Fast Forward (WFF) grant program is to award funds to businesses from all Wisconsin industry sectors that reimburse the costs of customized occupational training for unemployed, underemployed, and incumbent workers. Grant awards range from \$5,000 to \$400,000 per grantee.

Rural Economic Development Program

This program administered by the Wisconsin Economic Development Corporation (WEDC) provides grants and low interest loans for small business (less than 25 employees) start-ups or expansions in rural areas. Funds may be used for "soft costs" only, such as planning, engineering, and marketing assistance.

Wisconsin Small Cities Program

The Wisconsin Department of Administration provides federal Community Development Block Grant (CDBG) funds to eligible municipalities for approved housing and/or public facility improvements and for economic development projects. Economic Development grants provide loans to businesses for such things as: acquisition of real estate, buildings, or equipment; construction, expansion or remodeling; and working capital for inventory and direct labor.

University of Wisconsin Extension Office

The Center for Community Economic Development, University of Wisconsin Extension, creates, applies and transfers multidisciplinary knowledge to help people understand community change and identify opportunities.

The Wisconsin Innovation Service Center (WISC)

This non-profit organization is located at the University of Wisconsin at Whitewater and specializes in new product and invention assessments and market expansion opportunities for innovative manufacturers, technology businesses, and independent inventors.

Wisconsin Small Business Development Center (SBDC)

The UW SBDC is partially funded by the Small Business Administration and provides a variety of programs and training seminars to assist in the creation of small business in Wisconsin.

Transportation Economic Assistance (TEA)

This program, administered by the Wisconsin Department of Transportation, provides immediate assistance and funding for the cost of transportation improvements necessary for major economic development projects.

Federal:

Economic Development Administration (EDA)

As the only federal government agency focused exclusively on economic development, the U.S. Department of Commerce's Economic Development Administration (EDA) plays a critical role in facilitating regional economic development efforts in communities across the nation. The Public Works and Economic Adjustment Assistance programs are EDA's most common funding programs.

EDA's **Public Works** program helps distressed communities revitalize, expand, and upgrade their physical infrastructure. This program enables communities to attract new industry, encourage business expansion, diversify local economies, generate local investment, and create or retain long-term jobs through land acquisition, development, and infrastructure improvement projects that establish or expand industrial or commercial enterprises. The **Economic Adjustment Assistance** (EAA) program is EDA's most flexible program; it provides a wide range of technical, planning, and public works and infrastructure assistance in regions experiencing adverse economic changes that may occur suddenly or over time. EDA utilizes EAA investments to provide resources that help communities experiencing or anticipating economic dislocations to plan and implement specific solutions to leverage their existing regional economic advantages to support economic development and job creation.

US Department of Agriculture – Rural Development (USDA – RD)

The USDA Rural Development program is committed to helping improve the economy and quality of life in all of rural America. Financial programs include support for such essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities, and electric and telephone service. USDA-RD promotes economic development by supporting loans to businesses through banks and community-managed lending pools. The program also offers technical assistance and information to help agricultural and other cooperatives get started and improve the effectiveness of their member services.

Small Business Administration (SBA)

SBA provides business and industrial loan programs that will make or guarantee up to 90 percent of the principal and interest on loans to companies, individuals, or government entities for financing in rural areas. Wisconsin Business Development Finance Corporation acts as an agent for the U.S. Small Business Administration (SBA) programs that provide financing for fixed asset loans and for working capital.

DRAFT

Goals, Objectives & Policies

Goal: Maintain, enhance, and diversify the local economy.

Objectives:

1. Encourage new opportunities for local employment of Eagle River citizens.
2. Explore possibilities to increase and support commercial business, tourism related business, and light industrial growth within the planned commercial areas.
3. Encourage business and light industrial development which strengthens and diversifies the economic base; creates family wage jobs; develops and operates in a manner that protects the environment; and uses our natural resources efficiently.
4. Accommodate home-based businesses which do not significantly increase traffic, noise and odor or detract from the character of the surrounding area.
5. Consider opportunities to work with economic development activities with the local Chamber of Commerce, Eagle River Revitalization Program/Main Street Program, Wisconsin Economic Development Corporation (WEDC), Vilas County Economic Development Corporation, Grow North, and other applicable agencies and organizations that are involved in growth management.
6. Assess and evaluate each expansion request of the City limits through annexation.
7. Increase land acreage available for business development in Eagle River

Goal: Enhance and develop year-round recreational opportunities in the City of Eagle River while minimizing user conflicts.

Objectives:

1. Promote common sense regulations to coordinate the use, access, and opportunity of land or water recreational vehicles.
2. Consider enhancing recreational facilities that provide multi-use recreation opportunities.
3. Maintain participation in the Vilas County Comprehensive Outdoor Recreation Plan to direct improvement projects and maintain eligibility to compete for WDNR recreational program and facility grants.
4. Support existing and work toward providing additional snowmobile, hiking, skiing, and biking trails.

5. Explore opportunities to develop integrated, multi-use trail systems.
6. Encourage connection of multi-use trail to other Vilas County communities, if possible.
7. Pursue state and federal funding programs which can aid in the development and acquisition of parks, trails, scenic and environmentally significant areas.
8. Recognize the need to accommodate all age groups and abilities in recreational pursuits.
9. Evaluate the need, conditions, and maintenance requirements of public access to waterways.
10. Continue to work with, support and cooperate with service clubs and organizations related to the maintenance and development of recreational facilities and activities.