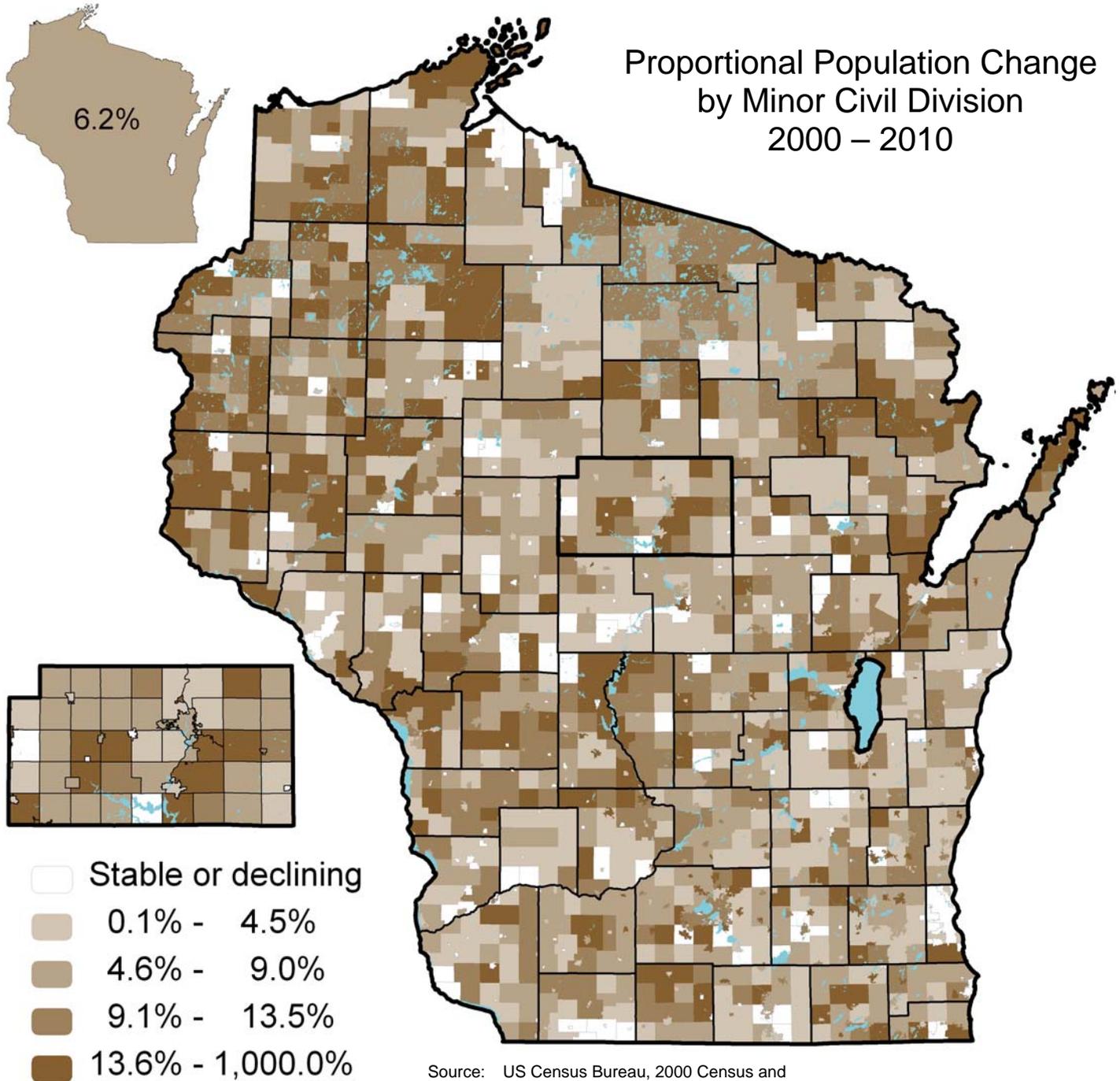


# Marathon County Workforce Profile

## 2011



Source: US Census Bureau, 2000 Census and  
WI Dept. of Administration Demographic Services, January 2010

WISCONSIN



Department of Workforce Development

Office of Economic Advisors

OEA-10629-P

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# Marathon County Workforce Profile



2011

## Slowly It Grows

*Note: All data appearing in this profile are subject to revision.*

As this is written in November 2011, the economic recovery is officially more than two years old. The National Bureau of Economic Research, the organization that defines U.S. recessions, stated that the recession began in December 2007 and ended in June 2009. Mapping economic activity and employment changes through this business cycle has charted new territory.

This “Great Recession” has discovered new latitudes on a number of fronts. It is the first time since World War II that GDP registered declines four quarters in a row. GDP dropped 5.4 percent from the fourth quarter of 2007 peak, to the second quarter of 2009 trough. The previous worst post-war recession GDP decline was 3.7 percent in the 1957 recession. The severe recessions of 1973 and 1981 saw GDP fall by 2.8 percent and 2.9 percent respectively. In most recessions, the trough occurred in the second or third quarter following the peak. This recession’s trough occurred six quarters after the peak. Suffice it to say that the Great Recession set new records in depth and duration for post-war recessions.

The recovery from this recession has been lethargic. Post-war economic recoveries usually reached new real GDP levels two or three quarters after the trough. The

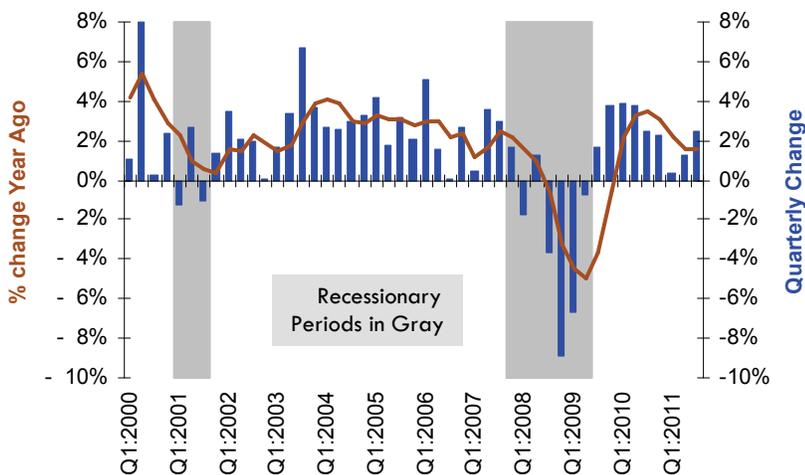
1981 recovery took five quarters to reach new output levels. The current growth cycle is nine quarters old and GDP has only now reached pre-recession levels.

The primary drags on the recovery have been: 1) housing markets, 2) deleveraging, and 3) high unemployment. New home construction is running at about a quarter of the previous peak and about one million units per year below long-run demand rates of 1.5 million units per year. Consumers, companies, banks, and governments are all deleveraging — paying down debt and recalibrating cash flows. Companies are reluctant to hire new workers in this uncertain economic environment.

Concerning the housing market, relatively few new homes being built generate little demand for new carpet, doors, windows, appliances, etc. Also, and more importantly for economic demand, the trillions of dollars that evaporated from home equity balances have disappeared from the economy. With that loss, consumers now must pay for purchases out of cash flow, primarily earnings, instead of unrealized capital gains. The six trillion dollars of lost home and investment equity has revalued baby boomers’ retirement portfolios and induced higher savings. In addition, high unemployment is retarding aggregate earnings growth. It is difficult to increase consumption while paying down debt and increasing savings with stagnant income.

The exiguous demand growth offers no incentive to expand production. Non-residential investment has been increasing in equipment and software — labor saving investment. Structures investment — production expansion — has been flat. Limited demand coupled with productivity investments yields little need to increase payroll. The economic feedback loops follow that no new hiring leads to no new earnings leads to no new demand leads to no new production capacity leads to no new hiring; hence slow economic recovery.

Real GDP Change 2000 Q1 - 2011 Q3



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2011

**Slowly It Goes (cont.)**

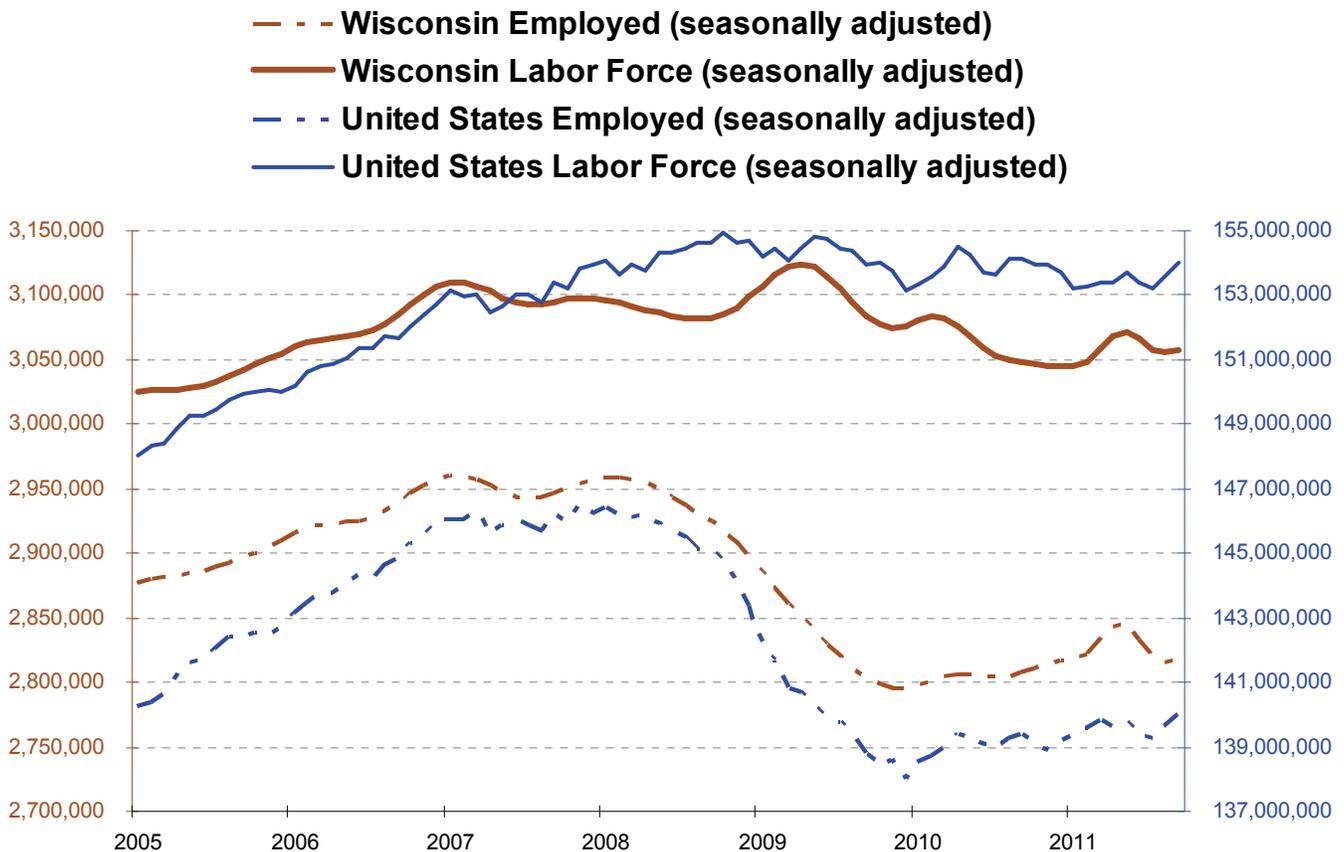
The employment situation mimics the economic path, with some lag. The U.S. unemployment rate peaked at 10.1 percent in October 2009 on a seasonally adjusted basis, after the recession was declared over. Wisconsin's unemployment rate peaked at 9.2 percent in June and July 2009, and matched it again in January 2010. The unemployment rate didn't get as elevated as it had in the past. The U.S. unemployment rate reached 10.8 percent in November and December of 1982. Wisconsin's unemployment rate peaked at 11.5 percent in January of 1983. Wisconsin's unemployment rate has remained below the nation through this business cycle. This is due to the fact that Wisconsin's residential construction sector didn't collapse to as great a degree as did some other states, such as Arizona, California, and Florida. Also, Wisconsin's diversified industry alleviates it from large impacts to a single industry, such as the automobile industry concentrations in Michigan, Ohio, and Indiana.

Job loss in the state was more severe than past recessions. Wisconsin displaced almost six percent of its job base during this recession. The state displaced just over five percent of its job base in the 1981 recession.

To a large extent, this has been a "jobless" recovery. Wisconsin's job level is still more than four percent below pre-recession levels twenty-three months after the employment bottom. Job recovery in the 1981 economic recovery was relatively rapid, reaching pre-recession job levels thirteen months after the bottom.

Illustrated below are the workforce and employment dynamics for the state and the nation through the last two business cycles. What is evident is the loss of employment during the recessions. What has changed over the period is that the workforce actually turned negative. Wisconsin's workforce declined 0.6 percent through the 2001 recession. The jobs recovery then took over four years to reach pre-recession levels. This time, Wisconsin's workforce decreased 1.7 percent at the lowest point, and the U.S. workforce turned lower for the first time.

Due to the way the unemployment rate is calculated, the state and national unemployment rates would be higher than the current (September 2011) 7.8 percent and 9.1 percent for Wisconsin and the U.S., respectively, if the workforce had remained steady or increased over the period.



Source: WI DWD, Bureau of Workforce Training, LAUS, 2011

**Population**

Marathon County's population increased 8.8 percent as measured between 2000 and 2010. In this time period, the county population growth rate outpaced that of the state and ranked as the 24th fastest growing county among Wisconsin's 72 counties.

Within Marathon County, the ten largest municipalities share close proximity along an approximate 40 mile north-south corridor on U.S. highway 51. While residential growth has been very large in two municipalities (the Villages of Kronenwetter and Weston), all listed municipalities are part of the Wausau, Metropolitan Statistical Area (MSA). Wausau, MSA has boundaries contiguous with that of Marathon County. Within central Wisconsin, Wausau, MSA is a regional jobs-dense urban center and employment, commerce destination. As such, the above average (compared to the state) county population growth rate is reflective of the scope of the county wide economy.

County population growth was balanced between the two components of population change; natural increase and net migration. Natural increase measures births minus deaths. Net migration measures the difference of people moving out of from those moving into a geographic area. Of the 11,040 person increase in county population between 2000 and 2010, natural increase accounted for 5,883 individuals and net migration accounted for 5,157.

Marathon County's 10 Most Populous Municipalities				
	Apr 1, 2000 Census	Jan 1, 2010 Estimate	Numeric Change	Proportional Change
<b>United States</b>	281,421,906	308,400,408	26,978,502	9.6%
<b>Wisconsin</b>	5,363,715	5,695,950	332,235	6.2%
<b>Marathon County</b>	125,834	136,874	11,040	8.8%
Wausau, City	38,426	40,700	2,274	5.9%
Weston, Village	12,079	14,610	2,531	21.0%
Rib Mountain, Town	7,556	7,652	96	1.3%
Kronenwetter, Village	5,369	6,621	1,252	23.3%
Rothschild, Village	4,970	5,384	414	8.3%
Mosinee, City	4,063	4,227	164	4.0%
Maine, Town	2,407	2,464	57	2.4%
Stettin, Town	2,191	2,381	190	8.7%
Mosinee, Town	2,146	2,314	168	7.8%
Schofield, City	2,117	2,306	189	8.9%

Source: WI Dept. of Administration, Demographic Services, Population Est., 2011

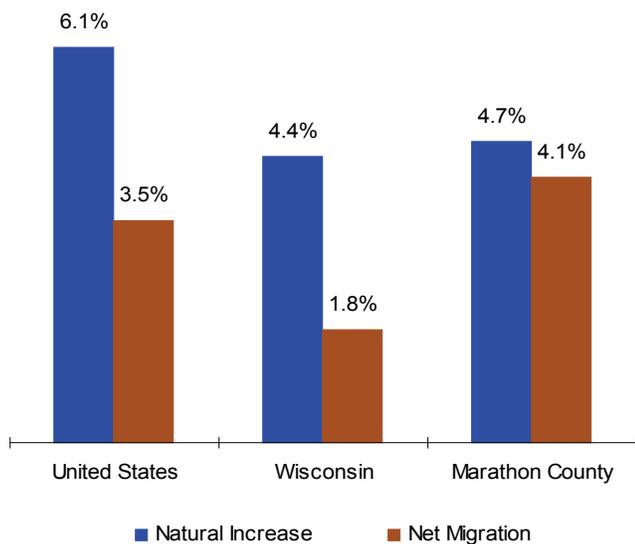
Relative to the state, a greater proportion of county population growth derived from net migration (46.7 percent compared to 28.4 percent). Conversely, a smaller proportion of county population growth came from natural increase than within the state (53.3 percent compared to 71.6 percent).

Of interest is the demographic composition of the gross in and out flows, which when differenced, equal net migration. Such data enables answers to questions like, 'Did the county see large out migration of youth but high in migration of older individuals?' Unfortunately due to data availability a granular breakdown of net flows is not possible. However, it is possible to compare rough percentages of the composition of respective gross in and out flows to one another.

Using American Community Survey 2010 5-year geographic mobility data, a break down of the shares of gross in and out flows by age group has been assembled. Such shares represent the percentages by age group of annual average total in and out flows in the time period 2006-10. To be clear, the data does not allow for identification of net change (in minus out flow), but rather the composition of the annual average respective flows from 2006-10.

Marathon County out flows were composed of approximately 12.7 percent individuals aged 1-17, 49.7 percent individuals aged 18-29, 28.4 percent individuals aged 30-64 and 9.3 percent individuals aged 65+. Marathon County in-flows were composed of approximately 19.1 percent individuals aged 1-17, 41.3 percent individuals aged 18-29, 36 percent individuals aged 30-64 and 3.7 percent individuals aged 65+. Comparing the gross in to

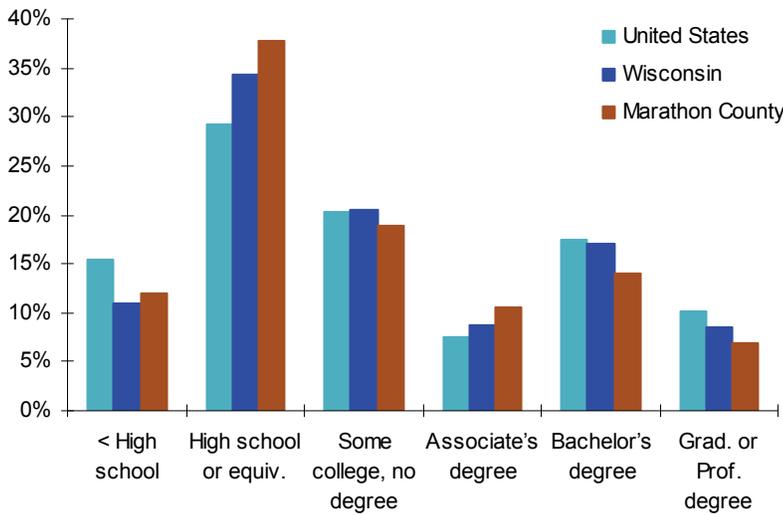
**Components of Population Change**



Source: WI DOA, Demographic Services, Population Est., 2011

Demographics

**Educational Attainment of Residents  
25 or More Years Old**



Source: US Census Bureau, American Community Survey, Table B15002, 2005-2009

out flows reveals that on an annual average basis, a higher proportion of outflow was concentrated among young and older individuals (18-29 and 65+ respectively). Inflows to Marathon County had a heavier composition of very young individuals (17 & below) and a more even distribution among the young, and middle aged persons compared to outflows.

What can be discerned from in-flow analysis is that the high relative shares of very young, young and middle aged migrants are indicative of some household immigration. The outflows are likely more heavily weighted to retirement driven exits (those 65+) and young individuals (18-29).

Important to keep in mind are limitations of this data. For example, because the share of young (18-29) outflow was greater than the share of young inflow, this does not mean that outflow of younger individuals exceeded inflow, but that outflow was structurally composed of a larger percentage share of younger individuals.

Marathon County also has significant in-flows of workers from adjacent counties — commuters. This can be seen indirectly in the higher relative shares of Marathon County workers identified as living in another Wisconsin County. Additional evidence of this can be seen in that a smaller share of Marathon County workers commute to another county for employment compared to the state as a whole (13.3 percent vs. 23.6 percent). The reason for these in-

flows is the size of the Wausau, MSA (Marathon County) economy in central Wisconsin and its role as an employment hub.

Among residents, Marathon County has greater concentrations of High School Diploma and Associate's degree holders but relatively smaller concentrations of Bachelor's and advanced degree holders compared to the state. To an extent, resident concentrations of human capital are reflective of county labor demand. County labor demand by education attainment can be assessed by examining education attainment of the job base using the U.S. Census' Quarterly Workforce Indicators (QWI).

In 2010, the composition of Marathon's job base by education attainment was; 24 percent Bachelor's degree or above, 33 percent high school or equiv., 7 percent less than high school, 37 percent some college or Associate degree. In comparison, Wisconsin's job base by education attainment was; 25 percent Bachelor's degree or above, 32 percent high school or equiv., 9 percent less than high school, 34 percent some college or Associates degree. The county job base had similar concentrations education attainment compared to the state.

Where do Marathon County residents work?
Marathon Co., WI
Wood Co., WI
Portage Co., WI
Dane Co., WI
Brown Co., WI
Lincoln Co., WI

Where do Marathon County workers live?
Marathon Co., WI
Lincoln Co., WI
Portage Co., WI
Wood Co., WI
Clark Co., WI
Shawano Co., WI

Source: US Census Bureau, Local Employer-Household Dynamics

**Commuting Patterns of Marathon County Residents**

Work in Marathon County:	58,082	85.5%
Work in another Wisconsin County:	9,453	13.9%
Work outside Wisconsin:	414	0.6%
<b>Total:</b>	<b>67,949</b>	<b>100.0%</b>

Source: US Census Bureau, American Community Survey, Table B08007, 2005-2009

**Workforce**

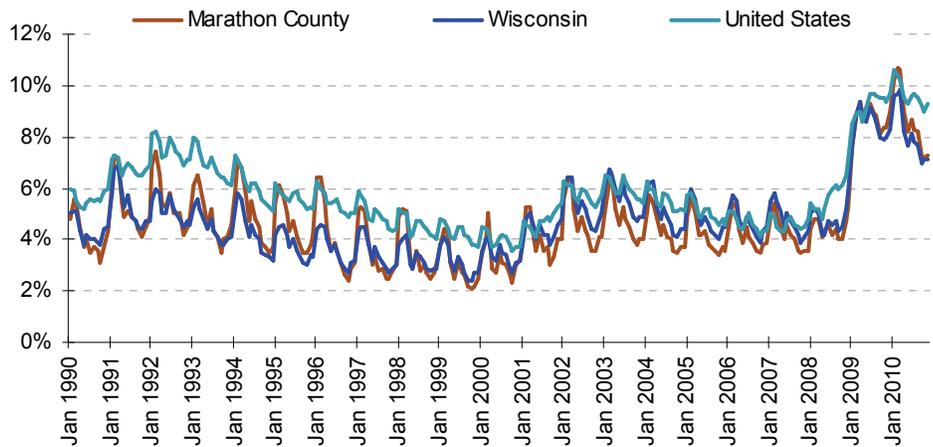
The graph to the right portrays Marathon County, state and national seasonally unadjusted monthly unemployment rates over the last 20 years. Closely correlated to that of the state, Marathon County unemployment has historically displayed seasonal peak unemployment in February and trough unemployment in October.

Following the large employment contractions of during the Great Recession, county unemployment reached a thirty-year seasonally unadjusted high of 10.7 percent in February, 2010. Then the monthly unadjusted rate fell steadily to 7 percent in December, 2010.

As unadjusted rates include both seasonal and structural components, the best way to examine structural change in unemployment is to make year-over-year comparisons between like months. Putting the post peak decline in the county unemployment rate into structural context, consider that year-over-year unemployment beginning in May 2010 had decreased for eight consecutive months to December, 2010 in Marathon County.

The unemployment rate is the ratio of the number of unemployed to the labor force (defined as the total number of individuals aged 18-64 either employed or job

**Unemployment Rates - Not Seasonally Adjusted**



Source: U.S. Bureau of Labor Statistics, CPS, LAUS, 2011

seeking). Contemporaneous changes in unemployment and the labor force can be cause for concern when regarding unemployment rates. Fortunately, there is another measure of labor utilization, the labor force participation rate (LFPR).

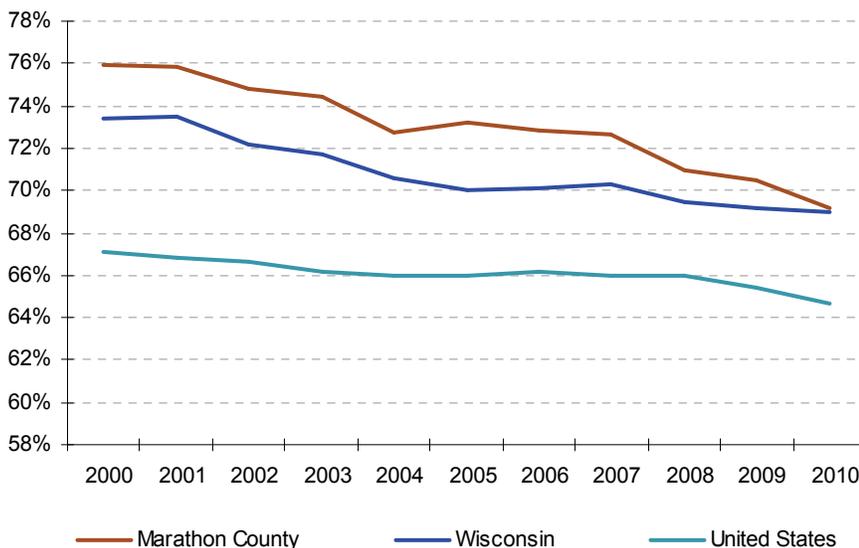
The LFPR is a quotient relating the labor force to the population of individuals eligible to be in the labor force. Holding population change constant, declining labor force participation rates are generally indicative of members of the labor force ‘dropping out’ of the employment search.

At left is a diagram portraying LFPRs for Marathon County, Wisconsin, and the nation. Notable in the diagram are two trends for LFPRs.

The first is that the LFPR in Marathon County has historically been elevated when compared to that of the state. This comparison is reflective of Marathon’s role as a regional economic and employment hub.

The second trend is a dynamic pattern of contraction. The economy in 2000 was at the end of an unprecedented expansionary period with years of job growth, historically low unemployment rates and labor shortages that were more defined by worker “body counts” rather than the skills shortage experienced currently. Also prominent in the long run decline of LFPRs is the impact of the aging population on the size of the available labor

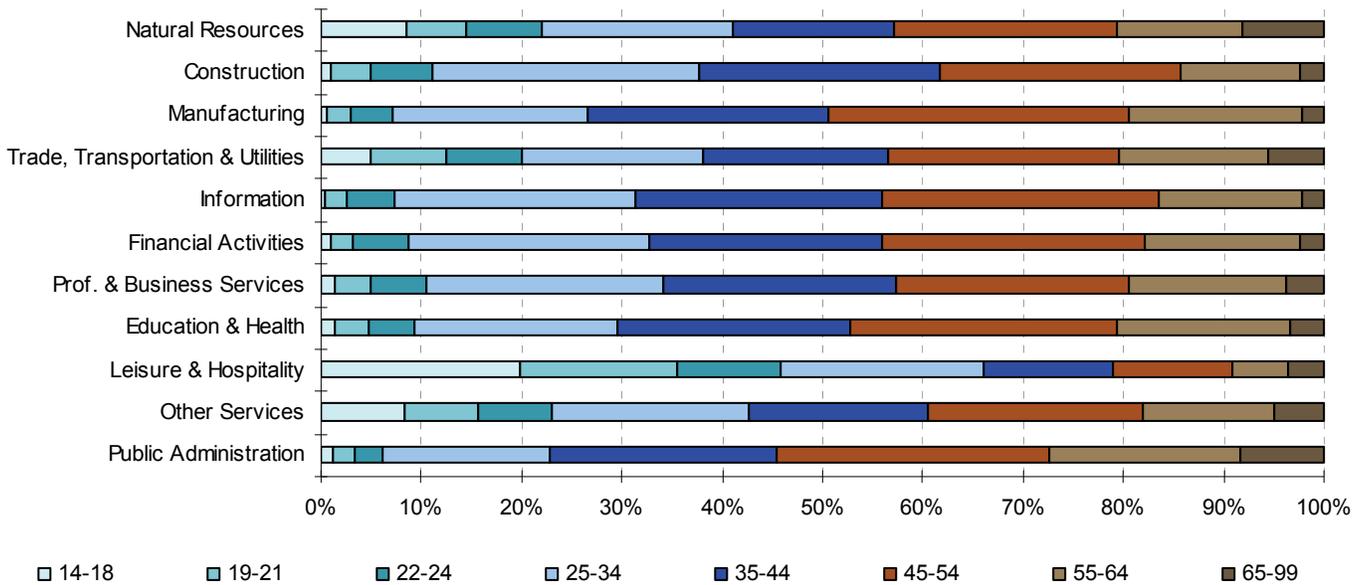
**Labor Force Participation Rates**



Source: WI DWD, OEA Special Tabulation

Workforce (cont.)

Marathon County's Age Distribution by Industry



Source: U.S. Dept. of Commerce, Census Bureau, Local Employment Dynamics, 2009 Annual

force. In short, it'd be a difficult mission to find a location with an LFPR that has maintained early-decade levels due to both the deteriorated economy and aging population pressure.

Over the short run, defined as 2007 to 2010, the LFPR in Marathon County contracted by a faster rate than that in the state (4.7 percent vs. approximately 1 percent). The greater short-term contraction of the LFPR in Marathon County can be partly attributable to the comparatively sharper recession employment contraction evidenced by relatively higher county unemployment rates. Although the rate of contraction in Marathon County over the short term has been larger than that in Wisconsin, the 2010 LFPR in Marathon County was slightly larger than that for the state (69.2 percent vs. 69 percent).

In addition to co-trending LFPRs, the age distribution of the Marathon County total nonfarm job base is very similar to that of the state. Within the county in 2009 8.7 percent of workers were aged 14-21, 25.9 percent aged 22-34, 46.4 percent aged 35-54, and 19 percent aged 55+. The age distribution of the Wisconsin total nonfarm job base in 2010 was 8.9 percent workers aged 14-21, 26.5 percent aged 22-34, 45.5 percent aged 35-54, and 19 percent aged 55 and older.

Marathon County's job base has aged from 2000-2009. Within this interval, shares of workers aged 14-21, 22-34, and 35-54 all contracted (by 3.4 percent, 2.3

percent, and 1.5 percent respectively). In the same time interval, the share of workers in the job base 55 and older expanded by 7.2 percent.

This dynamic is not specific to Marathon County. The state has had a very similar experience with shares of workers aged 14-21, 22-34, and 35-54 contracting and the share of workers 55 and older expanding (by -3.4 percent, -2.3 percent, -1.5 percent and +6.5 percent respectively). The consequences of this labor market dynamic are not immediately clear. Large impending exits of older workers with ownership of diverse, deep skill sets will create opportunities for the incumbent workforce but also challenges for employers with skill specific labor demand. The dynamic itself is driven in part by the large baby-boomer cohort passing through the labor market.

A decomposition of the Marathon County job base by age distribution by industry sector reveals age distribution differences across industries. Important to keep in mind are the factors behind industry age distributions. Some industries require workers to have either a higher level of education or developed a more complex skill set than an other industries. As skill development takes time, workers in such industries will be on average older than workers in other industries. On the other hand, younger, inexperienced workers tend to work in entry level jobs. These entry level jobs are more prominent in some industries than others.

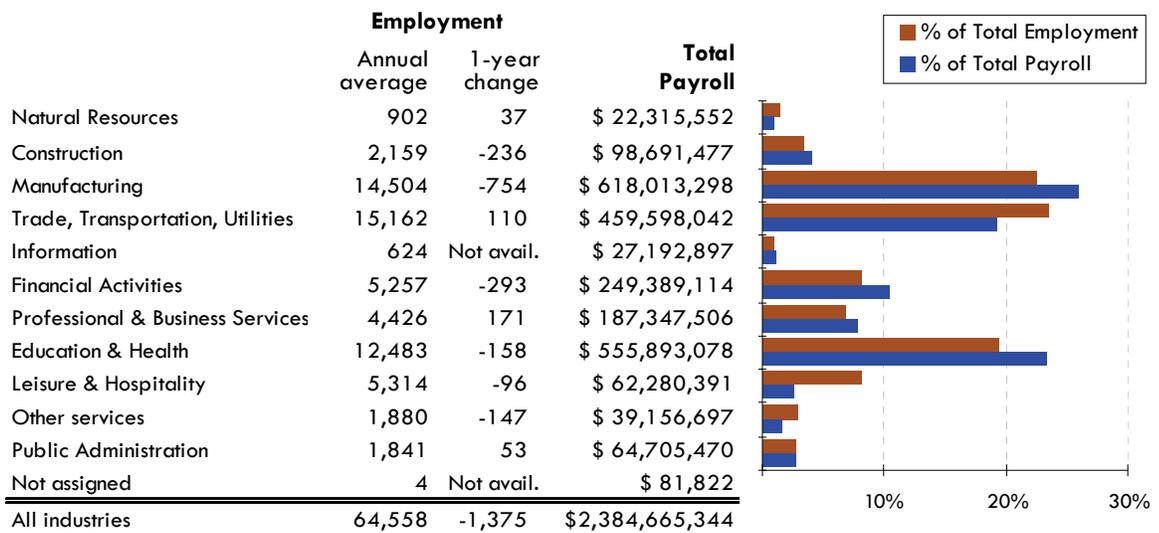
**Jobs & Wages**

Industries such as leisure and hospitality tend to be younger as it has more entry level opportunities. Industries such as Public Administration tend to be older as workers are on average longer tenured and have more seniority. Ceteris paribus, it can be advantageous for industry age distributions to be more even as each cohort stands

ready behind the next to meet local labor demand with a balance of exiting and entering skill sets.

Above right is a diagram containing industry level employment, over the year jobs change, and payroll data. Putting the employment data in perspective, 68.5 percent of the total job base was employed in the manufacturing, education & health, and trade, transportation, utilities sectors. Of these three sectors, the county has both regional and statewide employment concentrations in manufacturing and trade, transportation, utilities. In Marathon County in 2010, 22.5 percent and 23.5 percent of the county job base was comprised of manufacturing and trade, transportation, utilities employment respectively. In Wisconsin in 2010, 16.3 percent and 19.7 percent of the state-wide job base was comprised of manufacturing and

**2010 Employment and Wage Distribution by Industry in Marathon County**



Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2011

trade, transportation, utilities employment respectively.

A challenge for firms and workers is that the county job base contracted by approximately 2.1 percent over the year from 2009. Behind this aggregate contraction was a number of factors. Chief among them, the attenuated state of the housing market continued to exert pressure on the local housing industry cluster, as can be seen in the employment change of participant industries including construction, manufacturing, and other services. The lingering effects of the great recession manifesting as economic uncertainty, shaky consumer confidence and persistent unemployment also dragged on the job bases' ability to rebound.

At left is a table containing average annual wages for all industries and a disaggregation by industry sector.

**Average Annual Wage by Industry Division in 2010**

	Wisconsin Average Annual	Marathon County Average	Percent of Wisconsin	1-year % change
All industries	\$ 39,985	\$ 36,938	92.4%	1.6%
Natural Resources	\$ 30,613	\$ 24,740	80.8%	-3.9%
Construction	\$ 49,135	\$ 45,712	93.0%	-4.8%
Manufacturing	\$ 50,183	\$ 42,610	84.9%	3.3%
Trade, Transportation & Utilities	\$ 34,132	\$ 30,312	88.8%	5.0%
Information	\$ 51,764	\$ 43,578	84.2%	Not avail.
Financial Activities	\$ 53,332	\$ 47,439	89.0%	0.1%
Professional & Business Services	\$ 46,516	\$ 42,329	91.0%	0.1%
Education & Health	\$ 42,464	\$ 44,532	104.9%	0.6%
Leisure & Hospitality	\$ 14,597	\$ 11,720	80.3%	3.3%
Other Services	\$ 22,682	\$ 20,828	91.8%	11.3%
Public Administration	\$ 41,653	\$ 35,147	84.4%	-1.8%

Source: WI DWD, Workforce Training, QCEW, June 2011

Compared to the state, annual average wages are slightly lower in Marathon but have, on average, grown over the year. Many things are capitalized into the differential between the county and state annual wages, including cost of living, labor market structure, and demography. Clear from this data is that the region has ownership of labor cost efficiencies across a variety of industries for external firms considering the county as a potential site location.

For participants in Marathon County's labor market, the five industry sectors with the highest annual wages were construction, manufacturing, information, financial activities and education & health. Of these top five sectors, annual average wages grew over the year in all but construction.

## Jobs &amp; Wages (cont.)

## Prominent Industries in Marathon County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2010 Avg.	5-year Percent Change		2010 Average		5-year Percent Change	
	Marathon County	Marathon County	Wisconsin	Marathon County	Wisconsin	Marathon County	Wisconsin
Educational services	3,852	3.4%	5.2%	\$ 40,824	\$ 42,666	14.1%	13.5%
Food services and drinking places	3,988	11.7%	-1.4%	\$ 11,144	\$ 11,693	12.1%	16.2%
Hospitals	3,681	11.1%	8.1%	\$ 38,808	\$ 47,726	8.4%	18.9%
Insurance carriers and related activities	3,541	6.6%	-1.1%	\$ 52,735	\$ 60,727	0.4%	20.0%
Ambulatory health care services	2,666	15.3%	6.8%	\$ 76,319	\$ 62,533	21.0%	15.4%
Fabricated metal product manufacturing	2,612	-23.9%	-12.3%	\$ 43,570	\$ 46,362	12.4%	12.2%
Merchant wholesalers, nondurable goods	2,329	11.1%	-4.6%	\$ 36,152	\$ 48,828	11.5%	9.7%
Wood product manufacturing	2,472	-42.0%	-37.1%	\$ 28,827	\$ 31,245	-6.8%	1.3%
Machinery manufacturing	2,281	1.7%	-14.1%	\$ 47,261	\$ 58,610	12.5%	15.9%
Paper manufacturing	2,032	-17.7%	-15.1%	\$ 58,439	\$ 57,282	12.1%	6.8%

Note: \* data suppressed for confidentiality and not available for calculations

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, 2011

Breaking the larger industry sectors to a more granular sub-sector level, the above table lists employment, wage, and growth data for a selection of relevant sub-sectors. Evident in the table is the spectrum of dynamics across industry sectors. Broadly, regional trends should be evaluated relative to the state at large. Co-movement, either contraction or expansion, can be viewed as a macroeconomic aggregate trend vs. regional one. Instances of regional movement in opposite direction of state movement target region specific dynamics.

Organizing the sub-sectors, educational services, hospitals, and ambulatory health care all belong to the education & health services sector from earlier. Fabricated metal product, wood product, machinery and paper manufacturing all represent specific types of manufacturers in the manufacturing sector. Food services and merchant wholesalers are part of the trade, transportation,

utilities sector.

In all three of the education & health services subsectors, employment expanded at the county level from 2005 to 2010. Growth was faster among county health subsectors than that of the state. This growth is reflective of strong regional health concentrations and the county role as a regional economic hub.

Using five year average employment change from 2005 to 2010, employment has contracted locally in three of the four manufacturing sub-sectors. Given that state employment contracted as well for these sub-sectors, this is likely the outcome of larger industry level trends. In the case of machinery manufacturing, employment expanded locally while contracting across the state.

Among the food service and merchant wholesaler subsectors, regional growth was positive and robust compared to that of the state.

## Prominent Employers in Marathon County

Establishment	Service or Product	Number of Employees (June 2010)
Aspirus Wausau Hospital, Inc.	General medical & surgical hospitals	1,000 or more employees
Greenheck Fan Corp	Industrial & commercial fan & blower mfg.	1,000 or more employees
Wausau School District	Elementary & secondary schools	1,000 or more employees
Kolbe & Kolbe Millwork Co Inc	Wood window & door manufacturing	1,000 or more employees
Foot Locker Corporate Services Inc	Mail-order retailers	1,000 or more employees
United Healthcare Services Inc	Direct property & casualty insurers	1,000 or more employees
Marathon Cheese Corporation	Dairy product merchant wholesalers	500-999 employees
Wausau Paper Mills LLC	Paper, except newsprint, mills	500-999 employees
County of Marathon	Courts	500-999 employees
Liberty Mutual Group Inc	Direct property & casualty insurers	500-999 employees

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, Sept. 2011

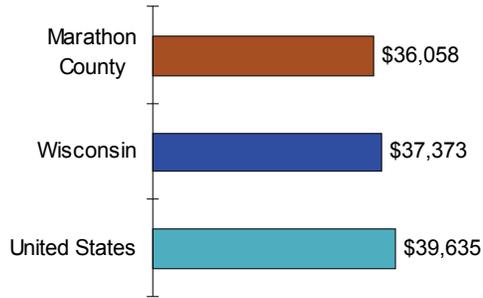
**Income**

Total personal income (TPI) is widely used in the public and private sectors to study both economic trends, levels and types of income received by people living and working in a geographic area. TPI has three components; net earnings, dividends, interest & rent, and transfer receipts. Net earnings measures how much income is derived from the labor market. Dividends, interest & rent refers to payment from sources like interest income and rental properties. Transfer receipts generally refer to payments to individuals by the government like retirement benefits, medical benefits, and unemployment insurance.

In 2009, Marathon County TPI was approximately \$4.746 billion. On a relative basis, the county ranked 12th highest in TPI among Wisconsin counties and accounted for 2.2 percent of the state's \$211 billion total. Compared to the state, Marathon County drew a larger share of TPI from net earnings (66.5 percent in Marathon compared to 64.4 percent in Wisconsin) and a smaller share from transfer receipts (17.5 percent in Marathon County compared to 18.4 percent in Wisconsin). Per capita personal income (PCPI) in Marathon County was \$1,315 less than in the state of Wisconsin. As a statistic, PCPI is a mean value, it provides no data about the distribution of income among the population.

From a dynamic perspective, real, inflation adjusted TPI has followed two distinct trajectories over the long (as measured from 2000-09) and short term (as measured from 2008-09). Over the long term, Marathon County TPI has expanded 11.6 percent measured in 2009 dollars. Within the time interval 2000-09, county TPI growth outpaced that of that state, which grew at 11.1 percent rate. Behind the county 11.6 percent TPI growth rate, net earnings expanded by 5.4 percent, dividends, interest, rent contracted by 2.9 percent and transfer receipts ex-

**2009 Per Capita Personal Income**



Source: US Dept. of Commerce, Bureau of Economic Analysis, 2011

panded by 61.3 percent, as measured in 2009 dollars.

Growth in earnings and transfer receipts were the engines behind long term Marathon County TPI. Growth in county real net earnings outpaced that of the state (4.9 percent). While large, growth in county transfer receipts was smaller than for the state as a whole (66.4 percent increase). The majority of the long-term growth in

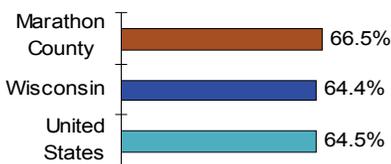
transfer receipts can be attributed to the aging population. This is because the bulk of transfer payments is weighted toward retirement and medical benefits. For example, in 2009, 73.8 percent of transfer receipts were composed of retirement and medical benefit payments while 7.1 percent and 10.5 percent of total transfer receipts came from income maintenance and unemployment benefits respectively.

Over the short term, from 2008 to 2009, real Marathon County TPI contracted by approximately 0.9 percent. Over the year TPI contraction was not limited to Marathon County as TPI in the state also decreased 0.5%. A product of the Great Recession, short term TPI contraction is reflected in dynamics of each of the three TPI components. Net earnings contracted 5 percent, dividends, interest, rent decreased 5.1 percent and transfer payments increased 24.3 percent.

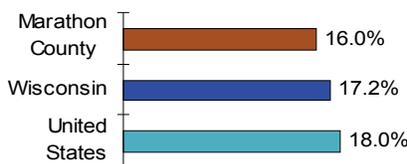
Closer examination of the growth in transfer payment dynamics underscores the severity of the recession impact on income in the community. The majority (97 percent) of transfer payments are transfers to individuals from governments. Among transfer payment line items, unemployment insurance compensation, medical benefits, and income maintenance benefits increased 181.6 percent, 22.2 percent and 24.8 percent respectively.

**Income Components - 2009**

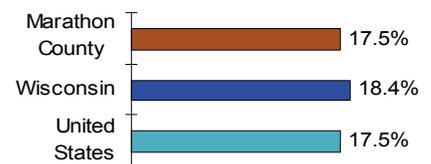
**Net earnings by place of residence**



**Dividends, interest, and rent**



**Personal current transfer receipts**



Source: US Dept. of Commerce, Bureau of Economic Analysis, 2011