

6 Economic Profile

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.

For Presque Isle and other communities in Vilas County, much of the economic base is centered around the tourism industry and other natural resource-based businesses. The lake-rich area is also attractive for seasonal/recreational homes, and serves as a major retirement area.

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.

6.1 Civilian Labor Force

The civilian labor force consists of those persons age 16 and over who are currently employed or seeking employment, excluding persons in the armed forces. Shifts in the age and gender characteristics of residents, seasonal changes, and employment opportunities can all cause fluctuations in the number of persons in the labor force. Table 6-1 identifies the characteristics of the Town of Presque Isle's labor force. The data is derived from the 1980 and 1990 Census.

**Table 6-1
Labor Force Characteristics
Town of Presque Isle
1980-1990**

Town of Presque Isle Employment Status by Sex of Persons 16 Years and Over								
	1980				1990			
	In Labor Force		Not in Labor Force	Total	In Labor Force		Not in Labor Force	Total
	Employed	Unemployed			Employed	Unemployed		
No. of Males	80	8	76	164	94	0	113	207
% of Males	24.8	2.5	23.5	50.8	23.4	0	28.1	51.5
No. of Females	45	7	107	159	65	6	124	195
% of Females	13.9	2.2	33.1	49.2	16.2	1.5	30.8	48.5
Total	125	15	183	323	159	6	237	402
% of Total	38.7	4.6	56.7	100	39.6	1.5	59	100

Source: WisPOP Data, Tables #401, #402

According to Table 6-1, participation rates in the Town of Presque Isle's labor force grew slightly from 38.7% in 1980 to 39.6% in 1990. These participation rates are lower than the Vilas County participation rates of 44.7% in 1980 and 50.2% in 1990. Presque Isle has a proportionately higher number of retirees in the population than Vilas County, and much higher than the statewide average.

6.2 Changes in Employment

The total number of individuals of employment age in Presque Isle increased from 323 individuals in 1980 to 402 individuals in 1990. This corresponds with the population increase from 390 residents in 1980 to 471 residents in 1990 indicated by the Census.

The 1999 population estimate is for Presque Isle to have grown again to 546, so the labor force would have also increased since the 1990 Census. A higher number of males than females were employed in both 1980 and 1990.

6.3 Employment by Industry

The employment by industry within an area helps to illustrate the structure of the economy. Historically the state of Wisconsin has had high concentrations of employment in the manufacturing sector of the economy. Recent trends show a decrease in the concentration of employment in manufacturing, and increasing levels of employment in the service industry. In contrast, Vilas County has had relatively low employment in manufacturing, and much higher employment in service and retail sectors due to the large tourism industry.

Table 6-2 provides data on the employment distribution by industry for the Town of Presque Isle for 1980 and 1990. The highest employment in 1990 was in the retail trade sector (25.8% of the workers), followed by construction and personal services. Manufacturing lost workers from 1980 to 1990 in Presque Isle.

**Table 6-2
Employment by Industry
Town of Presque Isle
1980-1990**

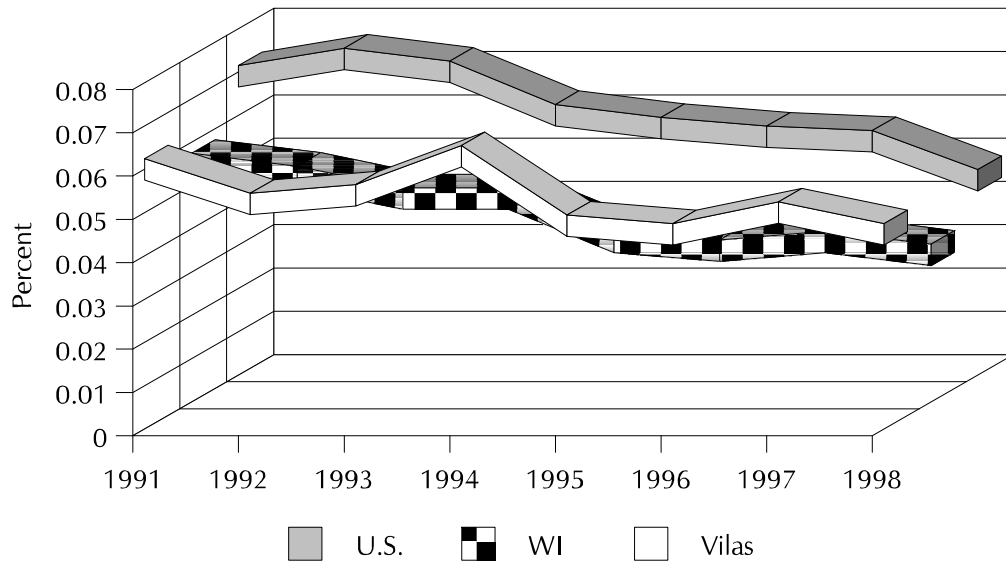
Industry	1980		1990	
	Count	Percent	Count	Percent
Agriculture, Forestry, Fisheries	0	0	5	3.1
Mining	**	**	0	0
Construction	9	7.2	31	19.5
Manufacturing-Nondurable Goods	0	0	0	0
Manufacturing-Durable Goods	20	16	14	8.8
Transportation	4	3.2	2	1.3
Communications and Other Public Utilities	0	0	2	1.3
Wholesale Trade	9	7.2	2	1.3
Retail Trade	25	20	41	25.8
Finance, Insurance and Real Estate	0	0	5	3.1
Business and Repair Service	0	0	5	3.1
Entertainment, Recreation	10	8	0	0
Personal Services	**	**	22	13.8
Professional Health Services	9	7.2	6	3.8
Educational Services	16	12.8	12	7.5
Other Professional and Related Services	9	7.2	9	5.7
Public Administration	14	11.2	3	1.9
Total	125	100	159	100

**Included in category directly above
Note: Percents may not add due to rounding
Source: WisPOP Data, Tables #411, #412

6.4 Comparative Unemployment Rates

The percentage of those who were unemployed in Presque Isle was quite low, with only 15 individuals counted as unemployed in the 1980 Census, and just six in 1990. The 4.6% and 1.5% unemployment rates were lower than the corresponding Vilas County unemployment rates of 6.8% in 1980 and 4.2% in 1990. Statewide unemployment ran 4.2% in 1980 and 3.5% in the 1990 Census.

Figure 6-1
Unemployment Rate Comparison
U.S., WI, and Vilas County
1991-1998



	1991	1992	1993	1994	1995	1996	1997	1998
U.S.	6.9%	7.3%	7.0%	6.0%	5.7%	5.5%	5.4%	4.5%
WI	5.5%	5.2%	4.7%	4.7%	3.7%	3.5%	3.7%	3.4%
Vilas	6.0%	5.2%	5.4%	6.3%	4.7%	4.5%	5.0%	4.5%

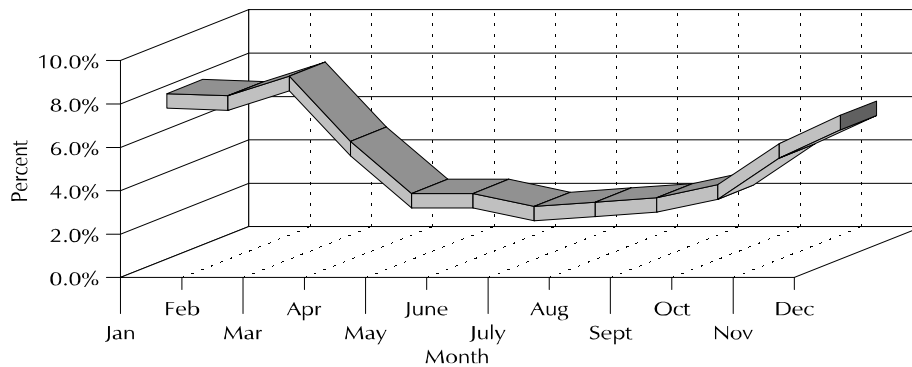
U.S. information based on US Bureau of Labor Statistics Data

WI and Vilas information based on Wisconsin Department of Workforce Development Data

The national trend in unemployment has followed a steady decline from 1992 to 1998, decreasing from 7.3% to 4.5%. The state of Wisconsin has remained well below the national average unemployment rate in that same time frame, and dropped to a rate of 3.4% in 1998. Vilas County has also remained below or near the national average unemployment rate, but has been consistently higher than or equivalent to the statewide rate. During that same period, the unemployment rate in Vilas County has fluctuated from a high of 6.3% in 1994 to a low of 4.5% in 1996 and 1998.

Unemployment throughout Vilas County, however, is highly seasonal. Vilas County's unemployment rates during 1998, for example, ranged from a high of 8.1% in March, to a low of 2.1% during the peak tourism season in July.

**Figure 6-2
Vilas County Monthly Unemployment Rates
1998**



6.5 Commuting Patterns

Table 6-3 identifies commuting patterns for the Town of Presque Isle residents. Vilas County (outside of the City of Eagle River) was the location of business and industry where over 70% of the town's residents commuted for employment in 1990. According to the Census data, another 13% commute to Oneida County (outside of the city of Rhinelander) and 3% commute to Iron County for work.

**Table 6-3
Location of Workplace
Town of Presque Isle
1990**

Town of Presque Isle Location of Workplace		
Location of Workplace	Number	Percent
Vilas County (not Eagle River)	110	73.3
Oneida County (not Rhinelander)	20	13.3
Gogebic County, MI	2	1.3
Iron County	5	3.3
Worked elsewhere	13	8.7
Total	150	100.0

Note: Percents may not add to 100 due to rounding.

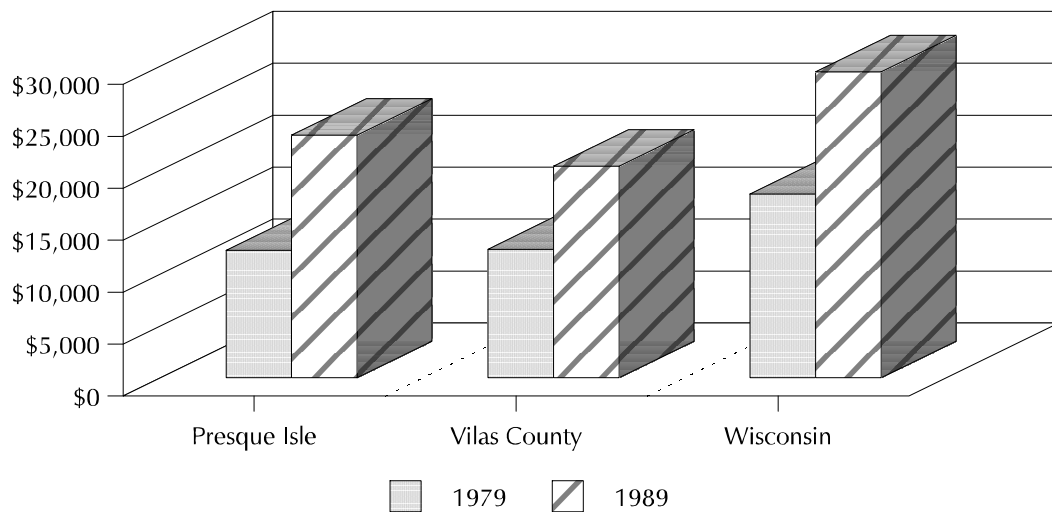
Source: Wisconsin Department of Administration, Wisconsin Workers' County of Residence and Place of Work

6.6 Income Characteristics

The median annual household income in the Town of Presque Isle increased from \$12,266 in 1979 to \$23,359 in 1989, a 90% increase. With the large percent increase, the median income in Presque Isle grew slightly higher than the Vilas County median income which rose 64.5% from \$12,373 in 1979 to \$20,352 in 1989.

Presque Isle's median household income is significantly less than the statewide median throughout the same period. Wisconsin's median household income increased 66.5%, from \$17,680 in 1979 to \$29,442 in 1989.

Figure 6-3
Median Annual Household Income
Town of Presque Isle, Vilas County and Wisconsin
1979 and 1989



	Presque Isle	Vilas County	Wisconsin
1979	\$12,266	\$12,373	\$17,680
1989	\$23,359	\$20,352	\$29,442

6.7 Tourism

Tourism is a major component in Vilas County's economy, as thousands of visitors travel to the area to take advantage of the over 1300 lakes, large public forest lands, and diversity of recreational resources. Vilas County ranked 12th among the 72 counties in Wisconsin in 1998 for total traveler expenditures. According to annual estimates prepared for the Wisconsin Department of Tourism by Davidson-Peterson Associates, travelers to Vilas County spent \$153 million in 1998, up 13.3% from 1997. This level of expenditures is estimated to directly and indirectly support 4,602 full-time equivalent jobs and provide over \$93 million of resident income.

Davidson-Peterson also estimates the tourism expenditures according to three seasons. Not surprisingly, about 63.6% of traveler expenditures occur during the summer season from May through August. Expenditures from December through April from the winter and early spring seasons made up 19.1% of the total, while fall expenditures during September through November were 17.3%.

As noted before, the seasonal nature of the traveler expenditures has a significant impact on the fluctuations in employment rates throughout the year.

Accommodations such as motels, resorts, campgrounds and other lodging facilities generate an influx of visitors and business to Presque Isle. According to 1998 licensing information from the Wisconsin Department of Health & Social Services, a total of 138 rooms are available in Presque Isle, as well as an additional 24 campground sites. The rooms are located in eight tourism rooming houses (1-4 rooms), and 10 small motels and resorts.

However, the accommodations rooms and campground sites make up only about 2% of the available lodging rooms and sites in Vilas County. This is the second lowest among the municipalities in Vilas County. Still, when these facilities are full during the peak summer visitor season, about 688 visitors are utilizing services in the community, more than doubling the resident population.

A rough estimate of tourism impact on Presque Isle can be derived by extrapolating the total tourism expenditures in Vilas County using the percentage of lodging availability in the town. Based on this extrapolation, Presque Isle may benefit from roughly \$3 million of expenditures from visitors each year.

6.8 Seasonal Residents

In addition to visitors to the town, people owning seasonal/recreational homes in Presque Isle can also easily out-number the local residents during peak times during the summer. With 869 housing units used for seasonal/recreational or occasional use in Presque Isle (1990 Census), nearly 3,500 additional seasonal residents may also be housed in the town during the peak summer season, or more than 6.5 times the resident population. Presque Isle has the highest percentage of seasonal housing units in Vilas County, with 77.4% of all the housing units in the town being for seasonal/recreational use.

Seasonal homeowners also contribute expenditures for food and drink, recreation and equipment, auto and home supplies, construction and remodeling, professional and other services. A 1995 study of Recreational Homeowners in Wisconsin, estimated total expenditures of about \$127 million from seasonal residents in Vilas County. A rough estimate of expenditures of Presque Isle seasonal residents can be extrapolated from the proportion of seasonal housing units in the town (7.5%) versus county. Table 6-4 shows that roughly \$9.5 million of expenditures from seasonal residents help to stimulate the economy in the Presque Isle area.

Table 6-4
Recreational Homeowner Expenditures
Town of Presque Isle Estimates

Vilas County Rec. Homeowner Expenditures		
	Vilas County \$ in Millions	Presque Isle ¹ \$ in Millions
Food and Drink	15	1.13
Recreation and Equipment	9	0.68
Auto and Home	9	0.68
Construction and Remodeling	32	2.40
Professional Services and Other	62	4.65
Total	127	9.54

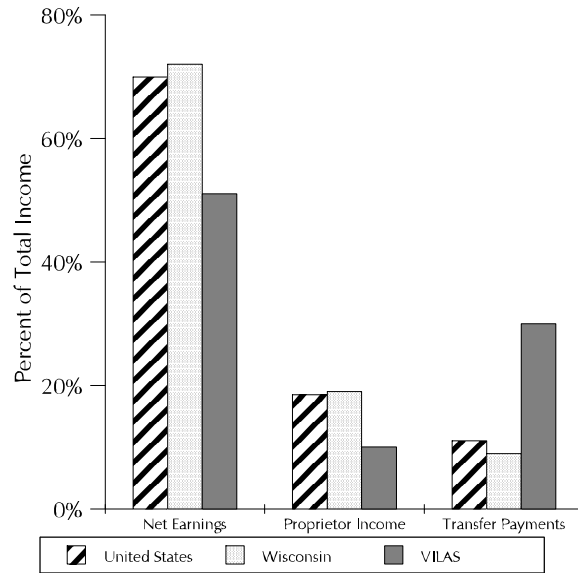
¹ - Extrapolated from county figures.

Source: UWEX, Tourism Research & Resource Center, Expenditures of Recreational Homeowners in Wis., 1995

6.9 Retirement Sector

The large number of retirees living within Presque Isle also contribute personal income in the form of transfer payments such as retirement fund income, social security and others. In Vilas County, transfer payments account for more of the personal income of residents than proprietor income. When compared with the rest of Wisconsin and the United States, the level of transfer payments is more than twice the percent of total income.

Figure 6-4
Major Sources of Personal Income
U.S., WI and Vilas County, 1997



Source: Woods & Poole Economics, Inc.
 Department of Agricultural and Applied Economics, U-W Madison/Extension