

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.

For the Town of Plum Lake 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 Plum Lake's labor force. The data is derived from the 1980 and 1990 Census.

**Table 6-1
Labor Force Characteristics
Town of Plum Lake
1980-1990**

Town of Plum Lake 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	107	16	39	162	106	5	78	189
% of Males	34.0	5.1	12.4	51.4	28.0	1.3	20.6	50.0
No. of Females	66	6	81	153	81	10	98	189
% of Females	21.0	1.9	25.7	48.6	21.4	2.6	25.9	50.0
Total	173	22	120	315	187	15	176	378
% of Total	54.9	7.0	38.1	100.0	49.5	4.0	46.6	100.0

SOURCE: WisPOP Data, Tables #401, #402

According to Table 6-1 participation rates in the Town of Plum Lake's labor force declined from 54.9% in 1980 to 49.5% in 1990. The 1990 participation rates are comparable to the Vilas County participation rates 50.2%. Plum Lake has a relatively high number of retirees that are not in the labor force.

6.2 Changes in Employment

The total number of persons 16 years and over increased by 20% from 315 in 1980 to 378 in 1990. The total number of individuals in the labor force in Plum Lake, however, increased by just 7 workers (3.6%) from 195 individuals in 1980 to 202 individuals in 1990. This increase in workers is less than the corresponding population increase of nearly 14% from 408 residents in 1980 to 465 residents in 1990 indicated by the census.

The 1999 population estimate is for Plum Lake to have grown again to 521, so the labor force would have also increased since the 1990 Census. A higher percentage of males were employed in the workforce than females in both 1980 and 1990 (28.0% of males versus 21.4% of females in 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 Plum Lake for 1980 and 1990. The highest employment in 1990 was in the retail trade sector (20.3% of the workers), followed by construction (18.2%). Manufacturing of durable and non-durable goods included 7.5% of the workforce in Plum Lake.

Table 6-2
Employment by Industry
Town of Plum Lake
1980-1990

Industry of Employed Persons 16 Years and Over in Town of Plum Lake				
	1980		1990	
	Count	Percent	Count	Percent
Agriculture, Forestry, Fisheries	0	0	4	2.1
Mining	**	**	0	0.0
Construction	20	11.6	34	18.2
Manufacturing-Nondurable Goods	0	0.0	0	0.0
Manufacturing-Durable Goods	12	6.9	14	7.5
Transportation	20	11.6	6	3.2
Communications and Other Public Utilities	6	3.5	4	2.1
Wholesale Trade	12	6.9	16	8.6
Retail Trade	48	27.7	38	20.3
Finance, Insurance and Real Estate	6	3.5	2	1.1
Business and Repair Service	0	0.0	17	9.1
Entertainment, Recreation	15	8.7	6	3.2
Personal Services	**	**	7	3.7
Professional Health Services	5	2.9	17	9.1
Educational Services	20	11.6	6	3.2
Other Professional and Related Services	0	0.0	8	4.3
Public Administration	9	5.2	8	4.3
Total	173	100.1	187	100

**Included in category directly above.

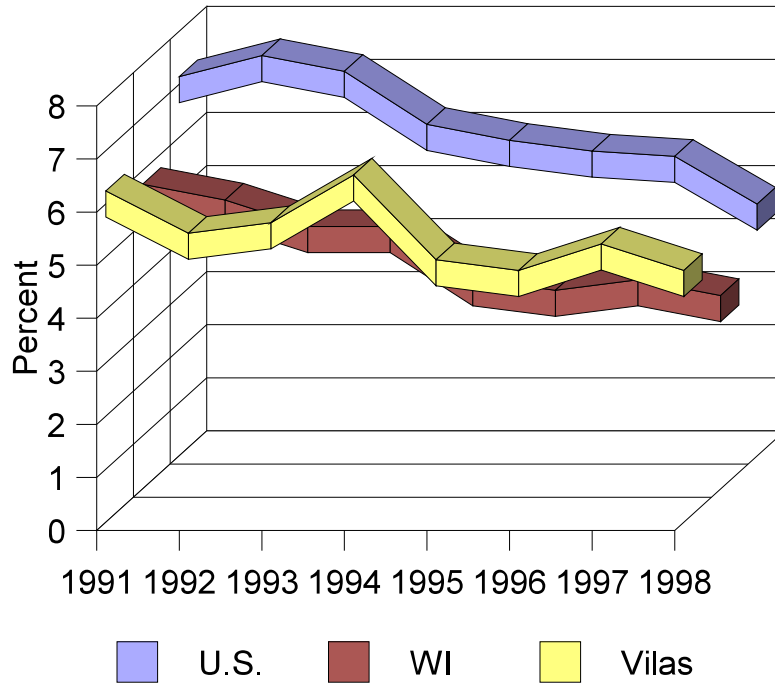
Note: Percents may not add due to rounding.

SOURCE: WisPOP Data, Tables #411, #412

6.4 Comparative Unemployment Rates

The percentage of those who were unemployed in Plum Lake declined from the 1980 to 1990 Census. The 7.0% unemployment rate in the 1980 Census was slightly higher than the corresponding Vilas County unemployment rate of 6.8%. The 4.0% unemployment rate in the 1990 Census was slightly lower than Vilas County's 4.2% unemployment rate.

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%

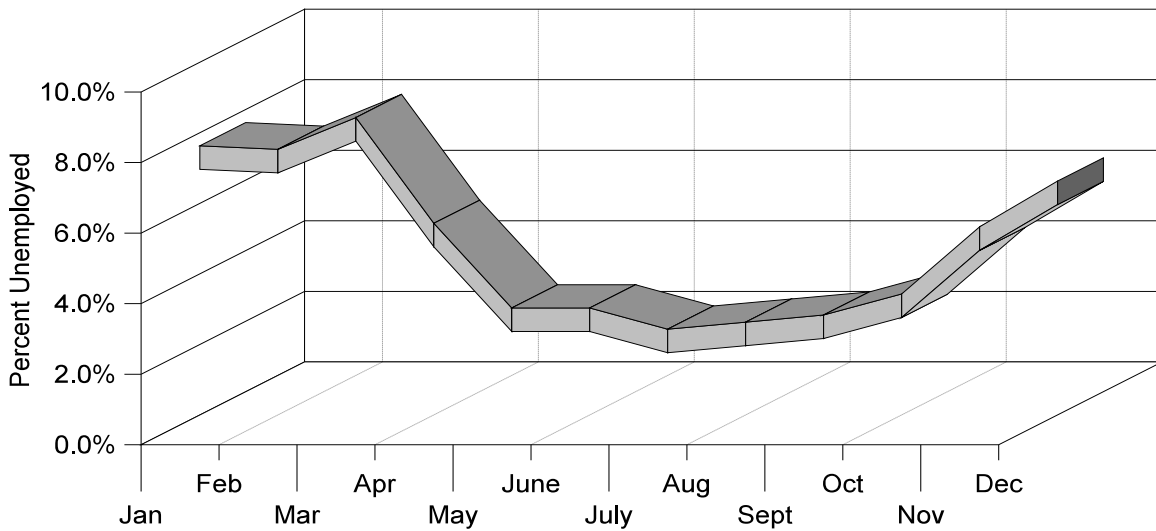
Source: U.S. information based on US Bureau of Labor Statistics Data.

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**



Source: Wisconsin Department of Workforce Development.

Commuting Patterns

Table 6-3 identifies commuting patterns for the Town of Plum Lake residents. Roughly two-thirds (67%) of the workers in the 1990 Census had their place of employment located within Vilas County, but outside of the city of Eagle River. About one in ten workers were employed in the City of Eagle River. Twenty percent of the workers commuted to Oneida County for employment, but outside of the city of Rhineland. Just three individuals commuted to Rhineland for work.

**Table 6-3
Location of Workplace
Town of Plum Lake
1990**

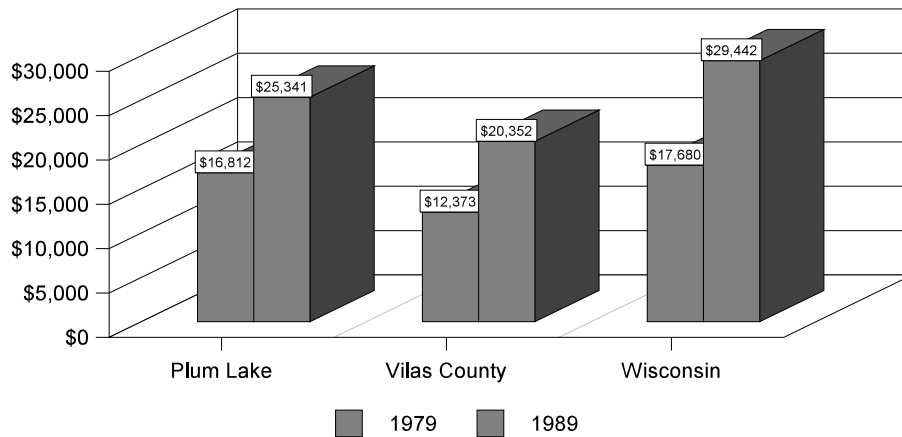
Location of Workplace	Number	Percent
City of Eagle River	17	9.7%
Remainder of Vilas County	118	67.4%
City of Rhinelander	3	1.7%
Remainder of Oneida County	35	20.1%
Worked elsewhere	2	1.1%
Total	175	100.0%

Income Characteristics

The median annual household income in the Town of Plum Lake increased from \$16,812 in 1979 to \$25,341 in 1989, a 51% increase. The median income in Plum Lake was higher, but the percent increase was lower than the corresponding Vilas County median income which rose 64.5% from \$12,373 in 1979 to \$20,352 in 1989.

Plum Lake’s median household income remained somewhat less than the statewide median in 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 Plum Lake, Vilas County and Wisconsin
1979 and 1989**



Source: U.S. Census Bureau

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 tourism 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 the area. According to 1998 licensing information from the Wisconsin Department of Health & Social Services, Plum Lake has 200 (4.2%) of the 4,797 rooms available in accommodations facilities in the county. These rooms are located in 20 lodging facilities, including one bed and breakfast. Also located in the town are 499 campground sites of 11,533 in the county (4.3%).

A rough estimate of tourism impacts 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, Plum Lake may benefit from roughly \$6.4 million of tourism expenditures from visitors each year.

Seasonal Residents

In addition to visitors to the town, people owning seasonal/recreational homes in Plum Lake can easily out-number the local residents during peak times during the summer. An estimated 499 housing units are used for seasonal/recreational or occasional use in Plum Lake (4.5% of the 11,533 seasonal homes in Vilas County). In these homes, roughly 1,996 seasonal residents may also be housed in the town during the peak summer season, or almost four times the resident population.

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 Plum Lake’s seasonal residents can be extrapolated from the proportion of seasonal housing units in the town versus county. Table 6-4 shows that about \$5.2 million of expenditures from seasonal residents help to stimulate the economy in the Plum Lake area.

Table 6-4
Recreational Homeowner Expenditures
Town of Plum Lake Estimates

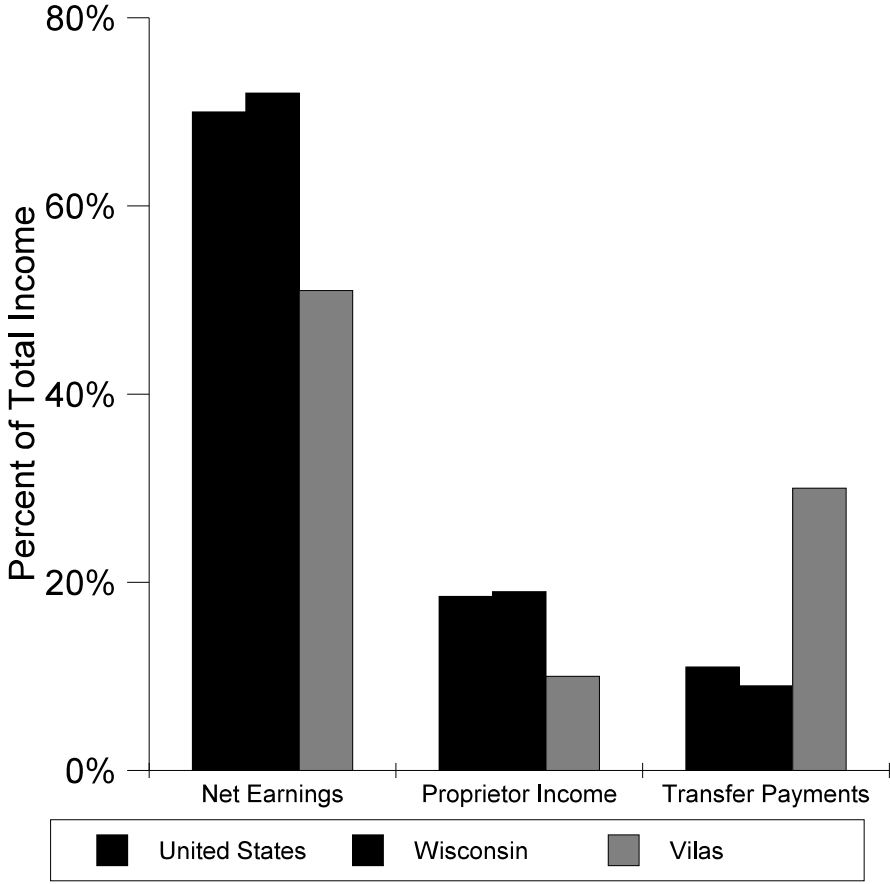
	Vilas County \$ in Millions	Plum Lake ¹ \$ in Millions
Food and Drink	15	0.62
Recreation and Equipment	9	0.37
Auto and Home	9	0.37
Construction and Remodeling	32	1.31
Professional Services and Other	62	2.54
Total	127	5.21

Source: UWEX, Tourism Research & Resource Center, Expenditures of Recreational Homeowners in Wisconsin.
 1995 ¹ - Extrapolated from county figures.

Retirement Sector

The large number of retirees living within Plum Lake 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 & Pool, Inc.
 Dept. of Agriculture and Applied Economics, UW-Madison Extension.