

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 Washington 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 is 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 Washington's labor force. The data is derived from the 1980 and 1990 Census.

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

Town of Washington 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	213	42	152	407	283	27	164	474
% of Males	25.7	5.1	18.4	49.2	30.8	2.9	17.8	51.5
No. of Females	190	31	200	421	219	10	217	446
% of Females	22.9	3.7	24.2	50.8	23.8	1.1	23.6	48.5
Total	403	73	352	828	502	37	381	920
% of Total	48.7	8.8	42.5	100.0	54.6	4.0	41.4	100.0

According to Table 6-1, participation rates in the town of Washington's labor force grew slightly from 48.7% in 1980 to 54.6% in 1990. These participation rates are higher than the Vilas County participation rates of 44.7% in 1980 and 50.2 percent in 1990. Both the town of Washington and Vilas County as a whole have a proportionately higher number of retirees in the population than the statewide average.

6.2 Changes in Employment

The total number of individuals of employment age in Washington increased from 828 individuals in 1980 to 920 individuals in 1990. This corresponds with the population increase from 1,100 residents in 1980 to 1,189 residents in 1990 indicated by the Census.

The 1999 population estimate is for Washington to have grown again to 1,302, 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 Washington for 1980 and 1990. The highest employment in 1990 was in the retail trade sector (20.5% of the workers), followed by construction, personal services and professional health services. Manufacturing of durable and non-durable goods lost workers from 1980 to 1990 in the town.

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

Industry of Employed Persons 16 Years and Over in Town of Washington				
	1980		1990	
	Count	Percent	Count	Percent
Agriculture, Forestry, Fisheries	16	4.0	29	5.8
Mining	**	**	1	0.2
Construction	54	13.4	63	12.5
Manufacturing-Nondurable Goods	17	4.2	9	1.8
Manufacturing-Durable Goods	38	9.4	27	5.4
Transportation	7	1.7	11	2.2
Communications and Other Public Utilities	10	2.5	15	3.0
Wholesale Trade	11	2.7	15	3.0
Retail Trade	105	26.1	103	20.5
Finance, Insurance and Real Estate	6	1.5	27	5.4
Business and Repair Service	4	1.0	11	2.2
Entertainment, Recreation	39	9.7	3	0.6
Personal Services	**	**	59	11.8
Professional Health Services	44	10.9	51	10.2
Educational Services	30	7.4	30	6.0
Other Professional and Related Services	7	1.7	26	5.2
Public Administration	15	3.7	22	4.4
Total	403	99.9	502	100.2

**Included in category directly above.

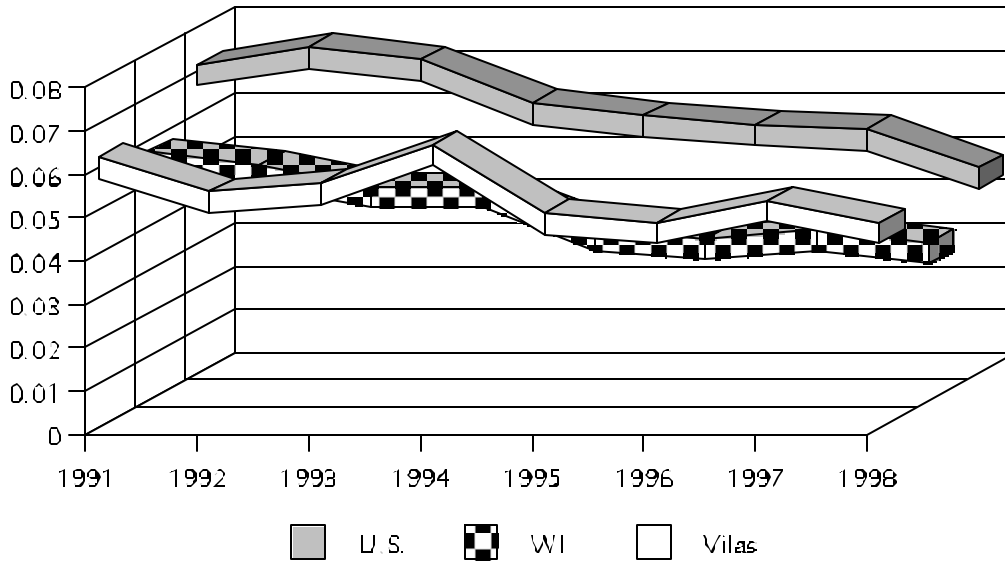
Note: Percents may not add due to rounding.

SOURCE: WisPOP Data, Tables #411, #412

6.4 Comparative Unemployment Rates

The percentage of those who were unemployed in Washington declined in half between 1980 and 1990. A total of 73 individuals were counted as unemployed in the 1980 Census, while 37 were unemployed in 1990. The 8.8% unemployment rate in 1980 was higher than the corresponding Vilas County unemployment rate of 6.8%. In 1990, the town's unemployment rate of 4.0% was slightly less than the 4.2% Vilas County rate. 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%

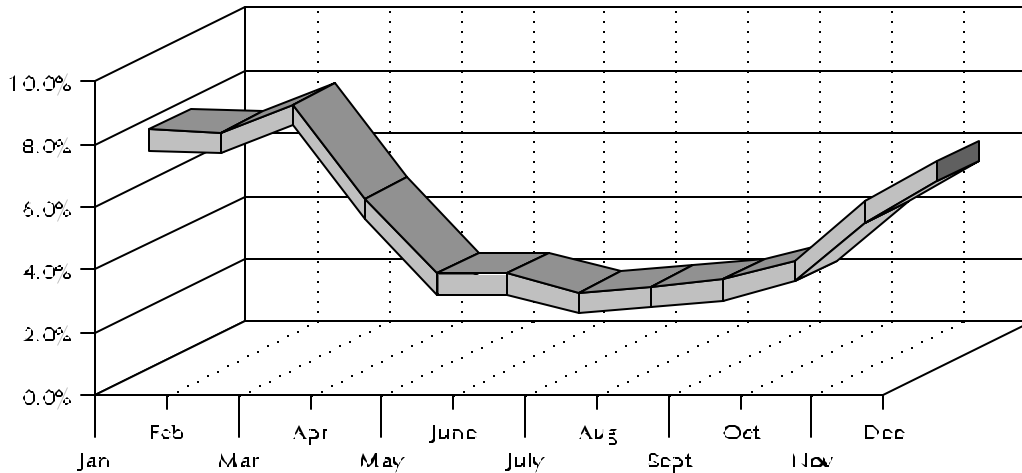
US information based on US Bureau of Labor Statistics Data

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 Washington residents. Vilas County (outside of the city of Eagle River) was the location of business and industry where nearly 45% (223) of the town's residents commuted for employment in 1990. The city of Eagle River was the location of employment for 196 individuals, or nearly 40% of the town's workers. According to the census data, just under 8% (39) commute to Oneida County for work.

6.6 Income Characteristics

The median annual household income in the town of Washington increased from \$15,743 in 1979 to \$26,481 in 1989, a 68% increase. The median income in the town of Washington remained higher than the Vilas County median income which rose 64.5% from \$12,373 in 1979 to \$20,352 in 1989.

In spite of the growth, the town of Washington's median household income was 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.

**Table 6-3
Location of Workplace
Town of Washington
1990**

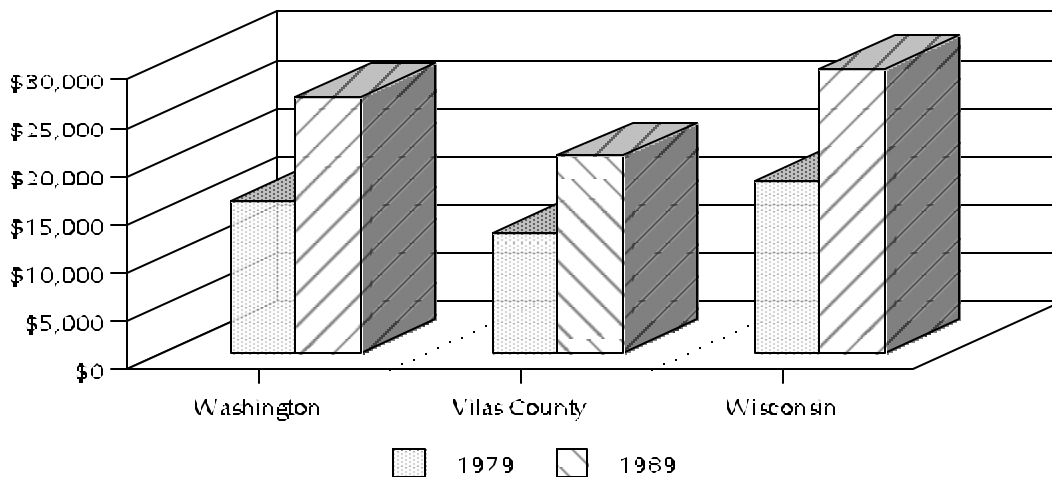
Town of Washington Location of Workplace		
Location of Workplace	Number	Percent
City of Eagle River	196	39.5
Remainder of Vilas County	223	45.0
Iron County, MI	3	0.6
City of Rhinelander	16	3.2
Remainder of Oneida County	23	4.6
Lincoln County	2	0.4
Langlade County	8	1.6
Price County	2	0.4
Worked Elsewhere	23	4.6
Total	496	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

**Figure 6-3
Median Annual Household Income
Town of Washington, Vilas County and Wisconsin**

**1979
and
1989**



	Washington	Vilas County	Wisconsin
1979	\$15,743	\$12,373	\$17,680
1989	\$26,481	\$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 1,300 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 Washington. According to licensing information from the Wisconsin Department of Health & Social Services, a total of 952 rooms are available in the Eagle River area, as well as an additional 302 sites in campgrounds. (Note: In the licensing information, the Eagle River area includes the city of Eagle River, and towns of Lincoln, Washington and part of Cloverland that use the 54521 zip code.) The rooms are located in 34 tourist rooming houses and rental cottages (1-4 rooms), three bed and breakfasts, 43 small motels and resorts (5-30 rooms in size), and six large hotels/motels (31+ rooms in size).

These lodging facilities in the area make up nearly one fifth of all the accommodations available in Vilas County (19.9%) and over 9% of the available camp sites. In total, the Eagle River area features 15.5% of the available lodging rooms and camp sites in Vilas County.

When these facilities are full during the peak summer visitor season, an estimated 4,151 day and overnight visitors are utilizing services in the community, about doubling the resident population.

A rough estimate of tourism impacts on the Eagle River area can be derived by extrapolating the total tourism expenditures in Vilas County using the percentage of accommodations capacity in the area versus county. Based on this extrapolation, the city of Eagle River, town of Lincoln and adjoining towns may benefit from roughly \$23.7 million of expenditures from visitors each year. These

expenditures directly support roughly 451 full-time equivalent jobs in the area, and indirectly support another 263 jobs. Visitor expenditures also directly and indirectly provide roughly \$1.7 million in local revenues to the area such as sales tax and room tax, and support about \$14.5 million in resident income.

The town of Washington, town of Lincoln and city of Eagle River cooperate to generate 4.5% room tax funding for advertising and promotion through the area Chamber of Commerce. Each municipality collects a 4.5% room tax on accommodations receipts. In 1998, accommodations facilities in the town of Washington collected 34.9% of the total \$171,450 room tax collected in the three municipalities.

The seasonality of the tourism industry is also reflected in the quarterly room tax collections. In 1998 in the town of Washington, 12.4% of the room taxes were generated in the winter (first quarter of January through March), 17.7% in spring and early summer (April through June), 60.5% in July, August and September, and just 9.5% from October through December.

6.8 Seasonal Residents

In addition to visitors to the town, people owning seasonal/recreational homes in Washington can also easily out-number the local residents during peak times during the summer. According to Table 6-4, 988 housing units are used for seasonal/recreational or occasional use in Washington (2000 Census), and about 3,900 additional seasonal residents may also be housed in the town during the peak summer season, or nearly three times the resident population. Over 58% of all the housing units in the town are 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 town of Washington seasonal residents can be extrapolated from the proportion of seasonal housing units in the town (7.9%) versus county. Table 6-5 shows that roughly \$10 million of expenditures from seasonal residents help to stimulate the economy in the Washington area.

Table 6-4
Peak Summer Population Estimates*
2000

	2000 Census	Accommodations		Campgrounds**		Second (Seasonal)+		Day Visitors	Total
		Rooms	x 2.2 Person	Sites	x 3.5 Persons	Homes	x 4 Persons		
Arbor Vitae	3,153	553	1,217	353	1,236	956	3,824	800	10,229
Boulder Junction	958	511	1,124	1,112	3,892	911	3,644	500	10,118
Cloverland	919	---	---	---	---	499	1,996	---	2,915
Conover	1,137	239	526	160	560	925	3,700	400	6,323
Eagle River	1,443	1,041	2,290	302	1,057	48	192	1,000	5,982
Lac du Flambeau	3,004	351	772	---	0	1,818	7,272	500	11,548
Land O'Lakes	882	338	744	65	228	886	3,544	500	5,897
Lincoln	2,579	0	0	---	0	674	2,696	---	5,275
Manitowish Waters	646	342	752	---	0	771	3,084	400	4,882
Phelps	1,350	225	495	---	0	987	3,948	400	6,193
Plum Lake	486	186	409	61	214	530	2,120	400	4,629
Presque Isle	513	165	363	24	84	954	3,816	300	5,076
St. Germain	1,932	1,049	2,308	162	567	1,092	4,368	500	9,675
Washington	1,577	0	0	---	0	988	3,952	---	5,529
Winchester	454	74	163	34	119	548	2,192	300	3,228
Federal/State/County Campground Facilities			0	1,116	3,906		---		3,906
Total	21,033	5,074	11,163	3,389	11,862	12,587	50,348	6,000	100,405

*Accommodations, Campgrounds, and Day Visitors for Cloverland, Lincoln, and Washington are included in the Eagle River figures.

**Does not include Residential Campground units.

Source: Wisconsin Department of Administration, Demographic Services Center; Wisconsin Dept. of Health and Social Services licensed accommodations list dated July 2001; U.S. Census Bureau, Census 2000.

**Table 6-5
Recreational Homeowner Expenditures
Town of Washington Estimates**

Vilas County Rec. Homeowner Expenditures		
	Vilas County \$ in millions	Washington ¹ \$ in millions
Food and Drink	15	1.19
Recreation and Equipment	9	0.71
Auto and Home	9	0.71
Construction and Remodeling	32	2.53
Professional Services and Other	62	4.90
TOTAL	127	10.04

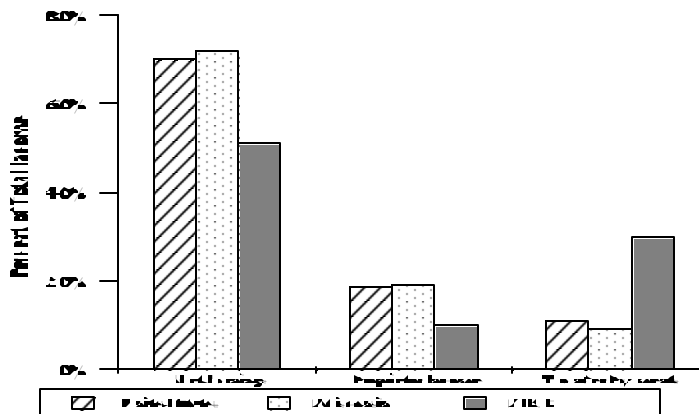
Source: UWEX, Tourism Research & Resource Center, Expenditures of Recreational Homeowners in Wis., 1995

¹- Extrapolated from county figures.

6.9 Retirement Sector

The large number of retirees living within Washington 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.

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