

## 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 Cloverland 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 which 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 Cloverland’s labor force. The data is derived from the 1980 and 1990 Census.

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

Town of Cloverland 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	150	21	108	279	180	18	124	322
% of Males	27.4	3.8	19.7	50.9	27.8	2.8	19.1	49.7
No. of Females	104	5	160	269	134	14	178	326
% of Females	19.0	0.9	29.2	49.1	20.7	2.2	27.5	50.3
Total	254	26	268	548	314	32	302	648
% of Total	46.4	4.7	48.9	100.0	48.5	4.9	46.6	100.0

SOURCE: WisPOP Data, Tables #401, #402

According to Table 6-1, participation rates in the Town of Cloverland's labor force grew from 46.4% in 1980 to 48.5% in 1990. These participation rates are comparable to the Vilas County participation rates of 44.7% in 1980 and 50.2% in 1990. Cloverland has a relatively high number of retirees that are not in the labor force.

## **6.2 Changes in Employment**

The total number of individuals of employment age in Cloverland increased by 60 workers (24%) from 254 individuals in 1980 to 314 individuals in 1990. This corresponds with the population increase from 692 residents in 1980 to 768 residents in 1990 indicated by the Census.

The 1999 population estimate is for Cloverland to have grown again to 873, 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 (27.2% versus 20.7%).

## **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 Cloverland for 1980 and 1990. The highest employment in 1990 was in the retail trade sector (25.5% of the workers), followed by entertainment/recreation (18.6%). Manufacturing of durable and non-durable goods included 14.4% of the workforce in Cloverland.

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

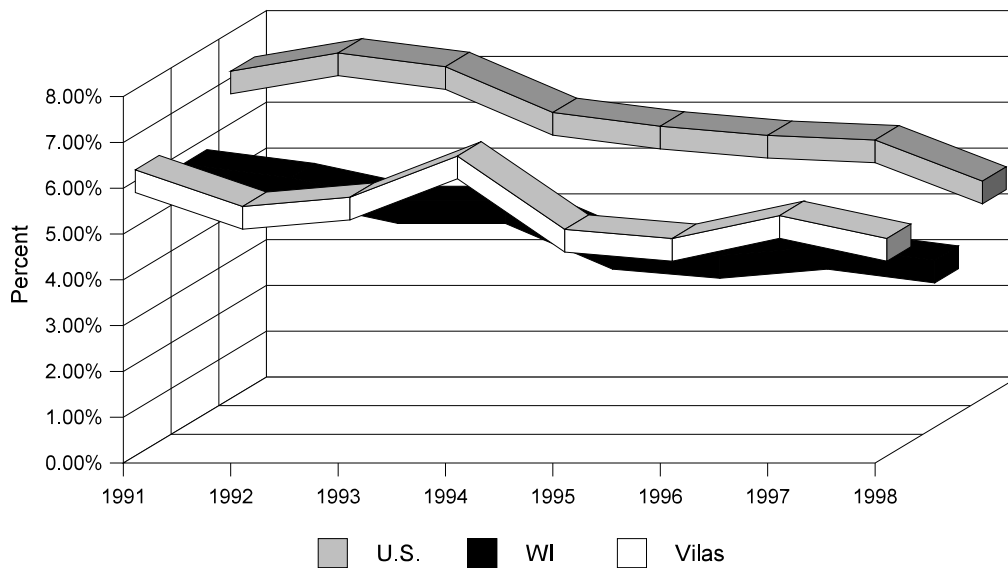
Industry	1980		1990	
	Count	Percent	Count	Percent
Agriculture, Forestry, Fisheries	7	2.8	5	1.6
Mining			0	0.0
Construction	26	10.2	24	7.6
Manufacturing-Nondurable Goods	20	7.9	19	6.1
Manufacturing-Durable Goods	30	11.8	26	8.3
Transportation	9	3.5	7	2.2
Communications and Other Public Utilities	4	1.6	10	3.2
Wholesale Trade	6	2.4	4	1.3
Retail Trade	55	21.7	80	25.5
Finance, Insurance and Real Estate	6	2.4	26	8.3
Business and Repair Service	11	4.3	22	7.0
Entertainment, Recreation	12	4.7	27	8.6
Personal Services			0	0.0
Professional Health Services	23	9.1	21	6.7
Educational Services	26	10.2	11	3.5
Other Professional and Related Services	7	2.8	7	2.2
Public Administration	12	4.7	25	8.0
Total	254	100.0	314	100.0

\*\*Included in category directly above  
Source: WisPOP Data, Tables #411, #412

## 6.4 Comparative Unemployment Rates

The percentage of those who were unemployed in Cloverland was quite low in the 1980 and 1990 Census. The 4.7% unemployment rate in the 1980 Census was lower than the corresponding Vilas County unemployment rate of 6.8%. The 4.9% unemployment rate in the 1990 Census was slightly above Vilas County's 4.2% unemployment rate.

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



	1991	1992	1993	1994	1995	1996	1997	1998
U.S.	6.90%	7.30%	7.00%	6.00%	5.70%	5.50%	5.40%	4.50%
WI	5.50%	5.20%	4.70%	4.70%	3.70%	3.50%	3.70%	3.40%
Vilas	6.00%	5.20%	5.40%	6.30%	4.70%	4.50%	5.00%	4.50%

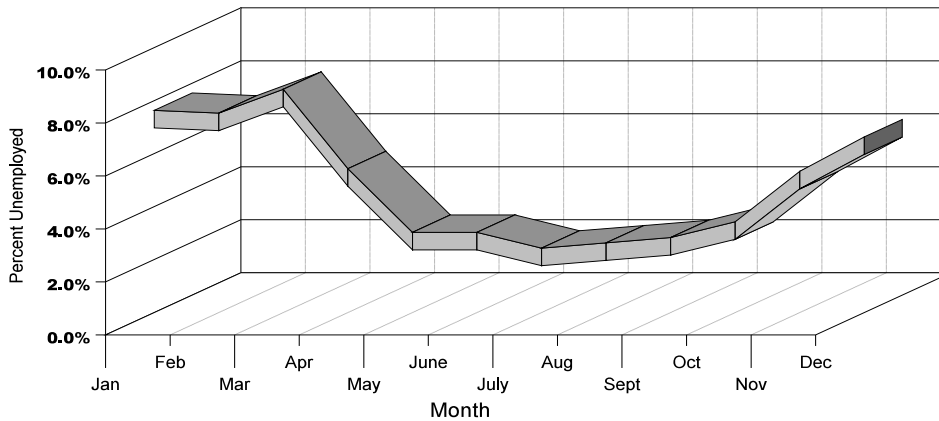
U.S. information based on US Bureau of Labor Statistics Data.

Wisconsin 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.

## 6.5 Commuting Patterns

Table 6-3 identifies commuting patterns for the Town of Cloverland residents. Not surprisingly, nearly half of the workers (48%) commuted to their workplace in the city of Eagle River in the 1990 Census. Another 38% work in the remainder of Vilas County. Eleven workers (less than 4%) commuted to the city of Rhinelander, while another 7.5% commuted to other work places in Oneida County.

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

Location of Workplace	Number	Percent
City of Eagle River	146	48.2%
Remainder of Vilas County	114	37.6%
City of Rhinelander	11	3.6%
Remainder of Oneida County	23	7.6%
Lincoln County	1	0.3%
Ashland County	2	0.7%
Worked Elsewhere	6	2.0%
<b>Total Workers</b>	<b>303</b>	<b>100.0%</b>

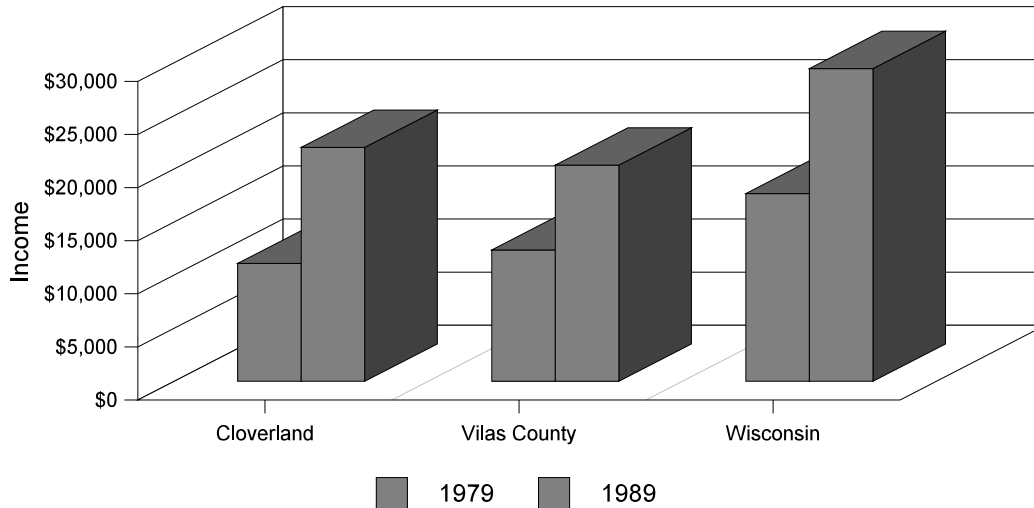
Source: Wisconsin Department of Administration, Wisconsin Workers' County of Residence and Place of Work, 1994.

## **6.6 Income Characteristics**

The median annual household income in the Town of Cloverland increased from \$11,098 in 1979 to \$22,024 in 1989, a 98.4% increase. In spite of the large percent increase, the median income in Cloverland remained lower than the Vilas County median income which rose 64.5% from \$12,373 in 1979 to \$20,352 in 1989.

Cloverland's median household income is significantly 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 Cloverland, Vilas County & Wisconsin  
1979 and 1989**



	Cloverland	Vilas County	Wisconsin
1979	\$11,098	\$12,373	\$17,680
1989	\$22,024	\$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 12<sup>th</sup> 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. Cloverland, however, only has five resort facilities and one restaurant in the town. A breakdown of tourism impacts separately from the rest of the Eagle River area is not possible. Collectively, however, the Eagle River area (including the city and towns of Lincoln, Cloverland and Washington) make up the highest concentration of accommodations facilities in the county. Cloverland's economic base thus benefits from the tourism expenditures of visitors.

## 6.8 Seasonal Residents

In addition to visitors to the town, people owning seasonal/recreational homes in Cloverland can easily out-number the local residents during peak times during the summer. With 455 housing units used for seasonal/recreational or occasional use in Cloverland (1990 Census), over 1,800 seasonal residents may also be housed in the town during the peak summer season, or nearly two-and-one-half 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 Cloverland's seasonal residents can be extrapolated from the proportion of seasonal housing units in the town (3.9%) versus county. Table 6-4 shows that roughly \$4.96 million of expenditures from seasonal residents help to stimulate the economy in the Cloverland area.

**Table 6-4**  
**Recreational Homeowner Expenditures**  
**Town of Cloverland Estimates**

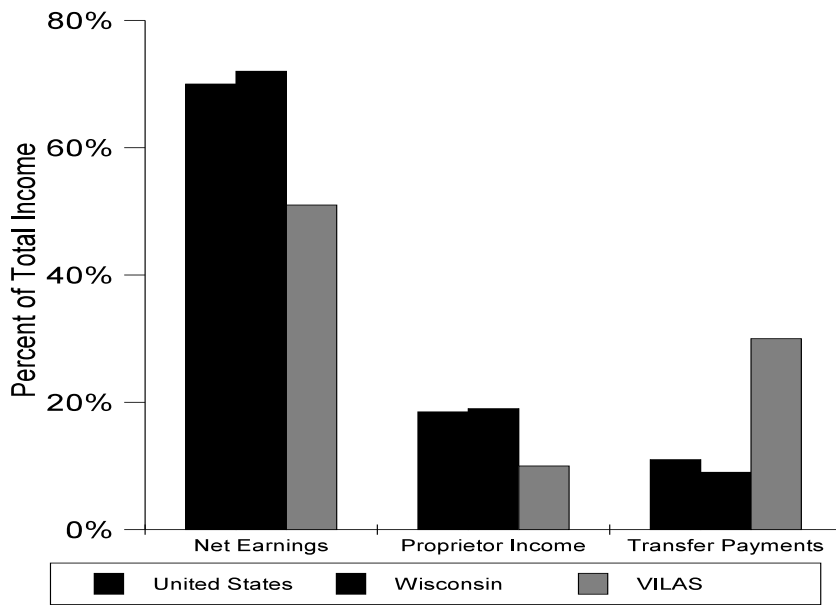
Vilas County. Rec. Homeowner Expenditures		
	Vilas County \$ in millions	Cloverland <sup>1</sup> \$ in millions
Food and Drink	15	0.59
Recreation and Equipment	9	0.35
Auto and Home	9	0.35
Construction and Remodeling	32	1.25
Professional Services and Other	62	2.42
<b>Total</b>	<b>127</b>	<b>4.96</b>

Source: UWEX, Tourism Research & Resource Center, Expenditures of Recreational Homeowners in Wis., 1995 <sup>1</sup> - Extrapolated from county figures.

## 6.9 Retirement Sector

The large number of retirees living within Cloverland 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., Wisconsin and Vilas County, 1997**



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