

# Local Economic Analysis of Monroe and Green County

To gain a better understanding of the trade area, it is important to recognize existing trends and conditions of the local and regional economy. Accordingly, this section examines a variety of economic information that describes income and employment trends, sales trends, and other important statistics.

## Monroe and Green County

Monroe, with a population of 10,599 is the county seat of Green County and self-proclaimed “Cheese City – U.S.A” and “Swiss Cheese Capital of the World.” Proud of its Swiss heritage and “small town – home town” feeling, Monroe touts its well-kept appearance, top-rate school system and outstanding health vehicle as reasons why Monroe was voted one of the best small towns to live in America in 1995.

Monroe pushes its strong economic base, supported not only by its cheese-making heritage, but also one of the first ethanol plants in the state of Wisconsin. Located about 45 miles from both Madison and Rockford and 35 miles from Janesville, Monroe has relatively easy access to the services these larger communities provide, but retains the small-town, rural feel and lifestyle that residents embrace.



Map: Travis Reinke, UW-Extension

## Employment Trends – Personal Income

Personal income trends provide an important measure of economic activity for a local area over time. Personal income consists of the income that is received by persons from participation in production, from government and business transfer payments, and from government interest. When compared to state and national trends, it provides an indication of how well the local area's economy is performing. The following table provides a 10-year tracking of personal income trends for Green County. An index of Growth was added to show how different areas have grown since 1996 (i.e. an index of 149% indicates that personal income has grown 49% since 1996). In this case, Green County has lagged slightly behind state growth and slightly more so behind national growth in personal income over the past decade. This provides one indicator of the relative economic health of this region.

### Personal Income Trends Green County, Wisconsin, 1996 - 2005

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Green (millions)	726	765	831	858	908	925	949	1,004	1,048	1,083
Index	100%	105%	109%	118%	125%	127%	131%	138%	144%	149%
Wisconsin (millions)	121,718	129,099	138,667	144,702	153,548	158,888	163,309	168,120	176,482	183,948
Index	100%	106%	114%	119%	126%	131%	134%	138%	145%	151%
US (billions)	6,512	6,907	7,416	7,796	8,422	8,717	8,873	9,150	9,716	10,221
Index	100%	106%	114%	120%	129%	134%	136%	141%	149%	157%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Accounts Data, Local Area Personal Income

## Employment Trends – Earnings Mix

While personal income trends relate a community's relative economic health as a whole, the earnings in various sectors provide a snapshot of the industry mix in an area. Earnings include wage and. Furthermore, comparing the numbers for a local area to those of a larger area, such as an entire state or nation point to differences in the local economy that may be useful in subsequent market analysis steps. As with personal income trends, these figures are also available through the Bureau of Economic Analysis at: <http://www.bea.gov/regional/reis/>

### Earnings Mix Comparison – 2005

Industry Sector	Green County	Wisconsin	US
Farm	2.4%	0.6%	0.3%
Mining, Forestry, Fishing	0.7%	0.3%	1.0%
Construction	4.6%	5.5%	5.6%
Manufacturing	27.4%	23.4%	13.3%
Wholesale Trade	4.1%	5.5%	5.5%
Retail	16.9%	6.5%	6.7%
Transportation	1.9%	3.5%	3.2%
Information	4.3%	2.2%	3.4%
F.I.R.E.	2.7%	7.1%	9.1%
Services	19.1%	28.8%	32.2%
Government	16.0%	16.2%	18.8%

Source: Bureau of Economic Analysis, Compensation of employees by NAICS industry, 2005

Analyzing the earnings mix data, we see that Green County shows a fairly balanced employment base. Services, retail and government each contribute between 16 and 20 percent of the total earnings while manufacturing is far and away the most prominent industry, with over a quarter of total earnings. The remaining industries generally fall below state and national averages.

### Employment Trends – Labor Force and Unemployment

Labor force and unemployment data provide important information on the size and stability of a local economy. The following data describes both employment and unemployment trends.

#### Green County Civilian Labor Force Estimates, 1997-2006

Year	Green County			Unemployment Rate (%)		
	Civilian labor force	Employment	Unemployment	Green County	Wisconsin	U.S.
1997	18,847	18,216	631	3.3	3.5	5.3
1998	19,010	18,392	618	3.3	3.3	4.6
1999	18,464	17,870	594	3.2	3.1	4.3
2000	20,126	19,497	629	3.1	3.4	4.0
2001	20,215	19,385	830	4.1	4.4	4.2
2002	20,096	19,099	997	5.0	5.3	5.7
2003	20,096	19,099	997	5.0	5.3	5.8
2004	19,545	18,661	884	4.5	5.0	5.7
2005	20,086	19,187	899	4.5	4.8	5.2
2006	20,349	19,462	887	4.4	4.7	4.7

Source: Wisconsin Department of Workforce Development, Labor Force Estimate

From the table above, Green County has shown an unemployment rate slightly lower on average than that of Wisconsin and the nation over the past decade. There appears to be a downward trend that closely mirrors state and national patterns of increased employment over the past four years as well.

### Employment Trends – Local Firm Employment

An analysis of local employers provides insight into the types of larger businesses in the area that may provide drawing power. Furthermore, identifying these employers, their number of employees, and their locations may help in later analysis, as they aid in determining daytime employee populations for the trade area.

Green County's largest employers are comprised of a mix of industries. The balance between goods producers and services providers is apparent - manufacturers comprise three of the ten largest employers, which makes sense for a county in a manufacturing intensive region within a manufacturing intensive state. Personal services are also prominent, accounting for four of the top 10 employers.

### Top 10 Employers in Green County

Establishment	Product or Service	# of Employees (Dec. 2005)
Swiss Colony Inc.	Mail-order houses	1000+
Monroe Clinic Inc.	General medical & surgical hospitals	500-999
S.C. Data Center Inc.	Data processing & related services	500-999
The Charlton Group Inc.	Telemarketing bureaus	500-999
School District of Monroe	Elementary & secondary schools	250-499
Monroe Truck Equipment Inc.	Motor vehicle body manufacturing	250-499
County of Green	Executive & legislative offices	250-499
Stoughton Trailers LLC	Truck trailer manufacturing	250-499
Kuhn Knight Inc.	Farm machinery & equipment manufacturing	250-499
Citation Foundry Corp.	Iron foundries	100-249

Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

Like its top employers, its top employing industries show a variety of goods-producers and services-providers. Health and government are prominent with manufacturers the most prolific. Not surprisingly, many of the top employers are based in and serve Monroe, the largest municipality within Green County. The top ten employers aptly reflect the even balance among manufacturing, public services and government within the economy of Green County.

### Tourism in Green County

Green County is located within Wisconsin's Southwestern Rural Region. Green County is renowned for its colorful ethnic festivals, delicious cheeses, Swiss heritage, and friendly, small-town folks. Our rolling hills are dotted with cozy bed and breakfast inns, crisscrossed by three recreational trails, and punctuated with parks and recreation areas. Tourism plays a vital role in Green County and supports businesses that cater to tourism such as resorts, motels, campgrounds, B&Bs and retail stores.

The economic impact of tourism has wide-reaching effects across Green County. Some specific tourism impacts noted by the Wisconsin Department of Tourism include:

- Green County ranks 58th in the State for traveler spending.
- Travelers spent an estimated \$44 million in Green County in 2006 – an increase of 2% from the previous year.
- Seventeen percent of all expenditures were made in the winter, which amounted to \$7 million; 18% were made in the spring (\$8 million); 38% in the summer (\$16 million) and 28% in the fall (\$12 million).
- Traveler spending in 2006 supported 1,307 full-time equivalent jobs – an increase of 2% over 2005.

Green County falls into what the Wisconsin Department of Tourism calls the Southwestern Rural region of Wisconsin which includes the counties of Adams, Buffalo, Columbia, Crawford, Grant, Green, Green Lake, Iowa, Jackson, Juneau, Lafayette, Marquette, Monroe, Pepin,

Richland, Trempealeau, Vernon and Waushara. In this region, 83% of all visitors were on a leisure trip, 13% were on a personal business trip, and 4% were attending a meeting or convention – together spending \$1.2 billion in 2006. The table below breaks down traveler spending for the Southwestern Rural region by category.

**Travel Expenditures (in millions) by Category:**

Lodging Type	Food	Shopping	Recreation	Lodging	Transportation	Total
Hotels, Motels, Resorts, B&Bs	\$107	\$122	\$107	\$91	\$30	\$457
Cabins	\$16	\$20	\$12	\$17	\$5	\$69
Campgrounds	\$44	\$67	\$56	\$29	\$26	\$223
Family & Friends	\$110	\$135	\$83	--	\$29	\$357
Day Visitors	\$24	\$29	\$16	--	\$5	\$74

Source: Wisconsin Department of Tourism, 2006 Economic Impact Fact Sheets, Southwestern Rural Wisconsin Region

**Retail Sales Trends, County-Level Analysis**

Understanding retail sales trends entails an analysis of the strengths and weaknesses of the existing retail market. By understanding the performance of the local retail market, local leaders and development practitioners can foster a more conducive environment for retail business development. This also becomes a base for further market analysis that will help current and future business operators make more informed business decisions.

The performance of the local retail market can only be estimated at the county level in Wisconsin due to data availability. A surplus/(leakage) analysis can be calculated that estimates whether the county has captured its fair share of retail dollars based on its population and per capita income. It should be kept in mind that surplus/(leakage) analysis is based on averages. Many times there are mitigating circumstances, such as proximity to large population centers, interstate highways, or regional shopping centers that will cause market potential to deviate substantially from actual market conditions. Hence, this analysis should be viewed as only one means to examining local retail markets. Using Steven Deller’s “An Updated Trade Area Analysis of Wisconsin Counties for 2006” (updated August 2007), surplus/(leakage) in sales is calculated below.

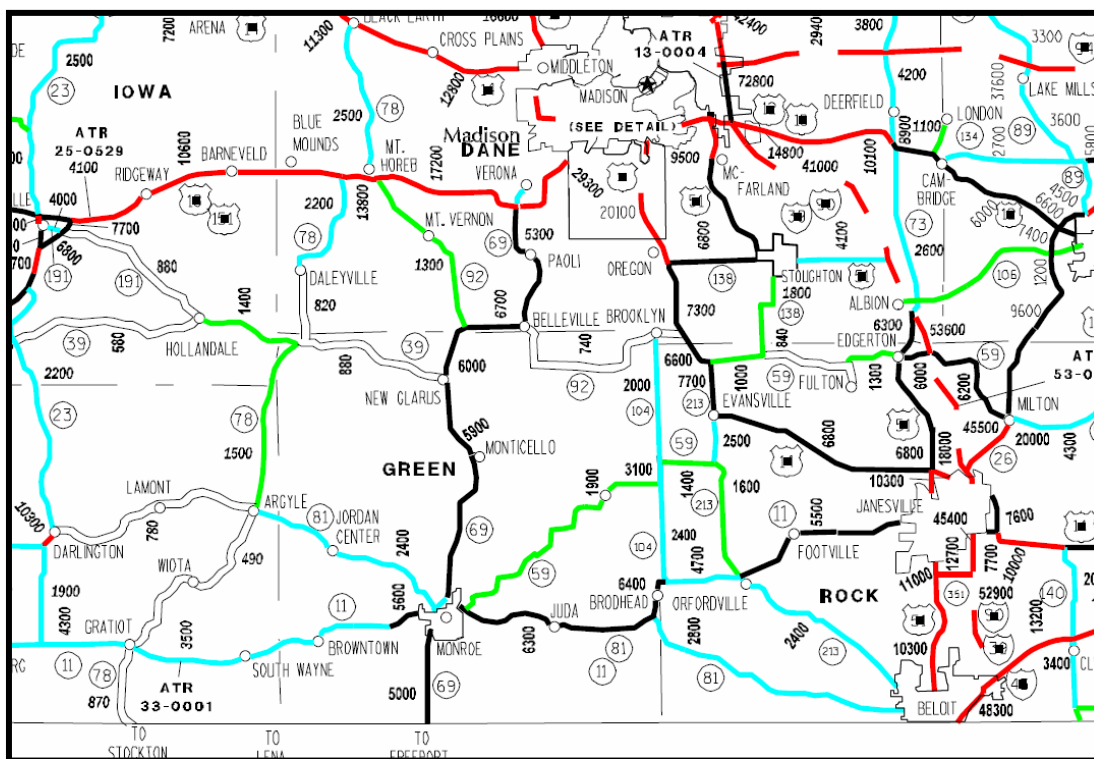
- *State Per Capita Expenditures* = State Retail Sales / Population = \$10,522
- *Index of Income* = County Per Capita Income / State Per Capita Income = 0.954
- *Trade Area Captured* = Actual Sales / (State Per Capita Sales \* Index of Income) = 31,016
- *Pull Factor* = Trade Area Captured / County Population = .884
- *Potential Sales* = State Per Capita Sales \* County Population \* Index of Income = \$279,043,539
- *Surplus (Leakage)* = Actual Sales – Potential Sales = (\$32,357,939)

The index of income is close to 1.0, showing buying power in line with the state. In fact, only nine counties have an index of income above 1.0. Because actual sales are lower than potential sales, Green County is said to have a \$32,357,939 leakage in the retail market.

County-level surplus/(leakage) analysis provides important background information to help understand the current competitive situation (at the county level). In short, it describes whether a county is capturing its fair-share of sales and sales tax receipts. However, these tools are suggestive and should not be used as the sole means of understanding county economic trends. The user must remember that market areas rarely follow the boundaries of a county. They do not provide sufficient detail to gauge market support for specific business expansion or development opportunities.

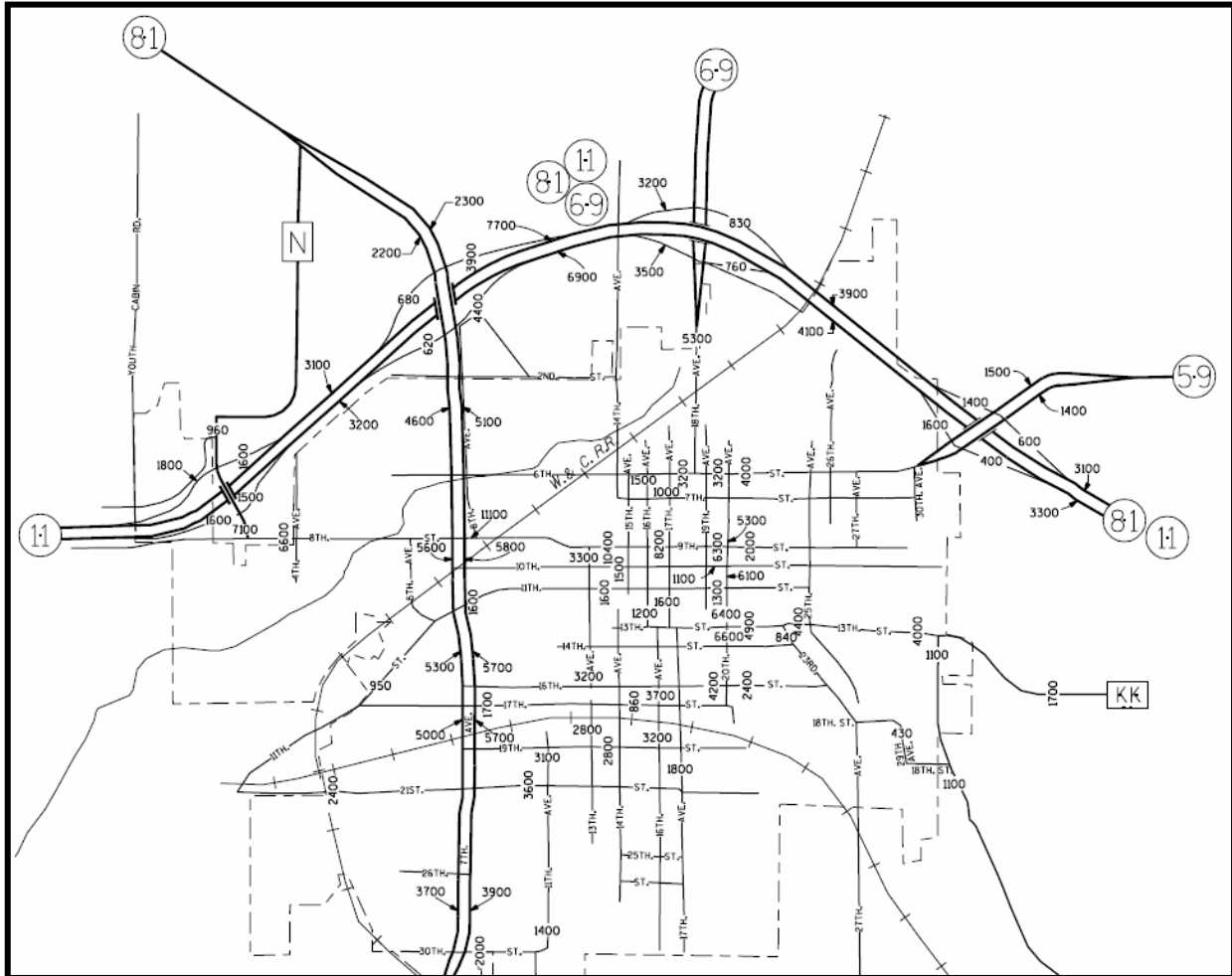
### Traffic Patterns

Street and highway traffic volume provides an important indicator of travel to a downtown area. Retailers typically seek locations on major arteries and often require minimum average daily traffic counts to survive. More specifically, businesses such as gasoline stations, convenience stores and fast food restaurants are located based on traffic volume and the access to and visibility from high traffic streets and highways. Subsequently, examining the counts aids in determining the feasibility of these types of businesses. Monroe counts come from 2004 DOT data. Statewide counts (below) come from 2002 DOT data.



- Monroe draws similar levels of traffic to nearby communities such as Darlington, Dodgeville, New Glarus and Brodhead, despite being much larger than each of these communities.
- State Highway 11 draws 7,100 vehicles daily, west of downtown.

- State Highway 81 draws 11,000 vehicles daily, north of downtown.
- State Highway 69 draws 6,300 vehicles daily, north of downtown.
- 9<sup>th</sup> Street sees 10,400 vehicles daily downtown
- 20<sup>th</sup> Avenue sees 6,600 vehicles daily downtown.



Maps: WI DOT

## Commuting Patterns

Identifying and tracking commuting patterns is a labor market concept that refers to worker flows between municipalities and/or counties. These commuting patterns highlight the counties that have a strong economic base and are able to attract workers from surrounding communities and counties. Conversely, it demonstrates which areas lack local employment opportunities for their residents or perhaps serve as “bedroom” communities that may offer a greater number of, and perhaps more affordable, housing options in comparison to other locations.

- In 2000, approximately 62 percent (11,952) of the 19,152 employed Green County residents worked within Green County (see table).
- In the same year, 6,043 working residents of Green County commuted out of the county for work, whereas 3,552 workers from other counties traveled into Green County to work.

The result is a net loss of 2,491 Green County working age residents to other counties for employment.

- Green County's residents primarily traveled to the neighboring counties of Dane and Rock for work. These two counties accounted for over 82 percent of commuting workers (4,960 out of 6,657). Meanwhile, only 1,135 workers from these two counties commuted to Green County.

#### County-to-County Worker\* Flow, Green County, 2000

County	County Residents Commute to	County Workers Commute from	Net Commute
Dane	3,652	541	-3,111
Rock	1,308	594	-714
Stephenson (IL)	257	747	490
Lafayette	225	1,032	807
Winnebago	217	0	-217
Iowa	44	55	11
Sauk	36	39	3
Cook (IL)	29	9	-20
Elsewhere	275	535	260
<b>Total</b>	<b>6,043</b>	<b>3,552</b>	<b>-2,491</b>
Work within Green	11,952		

\*Workers 16 years old and older

Source: U.S. Census Bureau, 2000; WDOA; BLRPC, 2006

#### Local Housing Construction

Trends in real estate development including housing construction provide another indicator of the economic health of a community. This data is typically available through city and state sources. The U.S. Census Bureau reports construction statistics by place and by county on new privately owned residential housing units authorized by building permits.

#### Single Family Housing Building Permits; Monroe, 1997-2006

Year	Green Co. Buildings	% Change	Construction Cost	WI Buildings	% Change	US Buildings	% Change
1997	142	--	\$15,700,227	20,628	-	1,062,396	-
1998	152	+7.0%	\$19,366,085	24,010	+16.4%	1,187,602	+11.8%
1999	173	+13.8%	\$23,445,675	24,827	+3.4%	1,246,665	+5.0%
2000	157	-10.2%	\$22,096,197	24,018	-3.4%	1,198,067	-4.1%
2001	181	+15.3%	\$25,554,334	25,397	+5.7%	1,235,550	+3.1%
2002	180	-0.6%	\$26,934,015	26,084	+2.7%	1,332,620	+7.9%
2003	233	+29.4%	\$38,114,353	28,744	+10.2%	1,460,887	+9.6%
2004	206	-13.1%	\$35,163,481	29,716	+3.4%	1,613,445	+10.4%
2005	224	+8.7%	\$39,164,611	25,966	-14.4%	1,681,986	+4.2%
2006	155	-44.5%	\$28,037,211	19,607	-32.4%	1,378,220	-22.0%

Source: U.S. Census Bureau, Building Permits Data, 1997-2006

The building permit data shows a somewhat volatile construction market throughout the past decade. Total housing permits have fluctuated between 142 and 233, often going against state and national trends. Construction costs increased by nearly 64% between 1997 and 2005 (from an average of \$110,565 to \$180,885).

## Strengths and Weaknesses for Economic Development

Success in economic development is largely based on a community's ability to identify their strengths and weaknesses, then leverage the strengths, and minimize the affects of the weaknesses. Following is a list of the key strengths and weaknesses as identified by the Monroe Plans Commission and community surveys found in the " City of Monroe Comprehensive Plan", adopted December 6, 2005.

### Strengths:

- Good workforce with strong work ethic
- Senior citizen population will have to work part time
- Diverse manufacturing base
- Rail service
- Quality of Life
  - Small town atmosphere
  - Especially attractive to families with children and retired people
  - Good schools
  - Good medical services
  - Parks and recreational opportunities, such as Sugar River, bike, snowmobile and ATV trails, golf courses, organized sports teams, etc.
  - Low crime
- Developed sites/business parks available for business relocations/expansion
- Rural/natural beauty – rural character/atmosphere

### Weaknesses:

- Not close to major transportation artery/interstate
- Low wages attracting transient workers.
- Reluctance to change/lack of vision
- High taxes
- Lack of available fund for business growth
- Lack of employment opportunities
- Average education levels below state average
- Limited entrepreneurial support resources
- Limited wireless services
- Limited employment opportunities to attract young, skilled, workers (brain drain)
- Limited number of sites with rail access