



Local Economic Analysis of Portage and Columbia 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.

Portage and Columbia County

A former stop on the fur trading routes from Canada, Portage (Population 9,728) once stood as a link between the Fox and Wisconsin Rivers, at the crossroads of the Great Lakes and Mississippi River. Billing itself as “Where the North Begins” – a rich native and frontier history dating back to the 18th Century gives Portage its sense of place.

Today, Portage sits as the county seat of Columbia County, its largest municipality and one of its primary economic centers. The manufacturing and service sectors dominate employment while the Wisconsin River serves as a major tourism draw for outdoor recreation. Its proximity to both Madison and the Wisconsin Dells area make Portage an attractive place to live, work and play.



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 Columbia County. An index of Growth was added to show how different areas have grown since 1996 (i.e. an index of 160% indicates that the personal income has grown 60% since 1996). In this case, Columbia County has slightly exceeded state and national growth in personal income over the past decade. This provides one indicator of the relative economic health of this region.

Personal Income Trends Columbia County, Wisconsin, 1996 - 2005

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Columbia (millions)	1,162	1,252	1,339	1,418	1,522	1,557	1,610	1,693	1,779	1,863
Index	100%	108%	115%	122%	131%	134%	139%	146%	153%	160%
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 salary disbursements, other labor income and proprietor's income (both farm and non-farm). 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	Columbia County	Wisconsin	US
Farm	1.3%	0.6%	0.3%
Mining, Forestry, Fishing	0.6%	0.3%	1.0%
Construction	6.1%	5.5%	5.6%
Manufacturing	28.9%	23.4%	13.3%
Wholesale Trade	5.1%	5.5%	5.5%
Retail	8.6%	6.5%	6.7%
Transportation	4.7%	3.5%	3.2%
Information	0.8%	2.2%	3.4%
F.I.R.E.	2.8%	7.1%	9.1%
Services	20.7%	28.8%	32.2%
Government	20.5%	16.2%	18.8%

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

Analyzing the earnings mix data, we see that Columbia County shows a very manufacturing-heavy employment base. This is not surprising as Wisconsin itself has a manufacturing-reliant economy. The various service industries contribute one-fifth of total employee compensation – surprising for a more rural county like Columbia, and most likely owing to Columbia County’s geographic proximity to more densely-populated Dane County and the Wisconsin Dells tourist area.

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.

Columbia County Civilian Labor Force Estimates, 1997-2006

Year	Columbia County			Unemployment Rate (%)		
	Civilian labor force	Employment	Unemployment	Columbia County	Wisconsin	U.S.
1997	27,576	26,276	1,300	4.7	3.5	5.3
1998	27,489	26,307	1,182	4.3	3.3	4.6
1999	26,972	25,952	1,020	3.8	3.1	4.3
2000	29,934	28,870	1,064	3.6	3.4	4.0
2001	30,778	29,455	1,323	4.3	4.4	4.2
2002	30,815	29,244	1,571	5.1	5.3	5.7
2003	30,815	29,244	1,571	5.1	5.3	5.8
2004	31,305	29,829	1,476	4.7	5.0	5.7
2005	31,701	30,279	1,422	4.5	4.8	5.2
2006	31,995	30,506	1,489	4.7	4.7	4.7

Source: Wisconsin Department of Workforce Development, Labor Force Estimate

From the table above, Columbia County has shown an unemployment rate slightly lower than that of both Wisconsin and United States averages over the past half-decade after 4 years of higher rates.

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.

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

Top 10 Employers in Columbia County

Establishment	Product or Service	# of Employees (Dec. 2005)
Divine Savior Healthvehiclese Inc	General medical & surgical hospitals	500-999
Assoc. Milk Producers Inc	Cheese Manufacturing	250-499
Wal-Mart Associates Inc	Discount department stores	250-499
Penda Corp	Plastics products manufacturing	250-499
Vehiclesdinal Glass Industries Inc	Flat glass manufacturing	250-499
Saint-Gobain Performance	Rubber product mfg. for mech. Use	100-249
Rayovac Corp – Spectrum Brands, Inc	Primary battery manufacturing	100-249
Columbus Community Hospital Inc	General medical & surgical hospitals	100-249
American Packaging Corp.	Commercial gravure printing	100-249
Cascade Mountain Inc	Skiing facilities	100-249

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

Like its top employers, its top employing industries show variety between goods-producers and services-providers. Three of the top five employing businesses are in the manufacturing sector, as is the only company to employ more than 500 workers. Even in a manufacturing-heavy state like Wisconsin, Columbia County stands out, accounting for nearly 31 percent of total employment and 23 percent of total payroll. Service sector industries, most notably health facilities are also preeminent in the Columbia County employment market.

Tourism in Columbia County

Columbia County is located within the Southwestern Rural Region. Columbia County has a wide variety of outdoor activities that includes historic sites, 16,000 acres of public land, first-class golf courses, fishing, snowmobiling, hiking and biking. Tourism plays a vital role in Columbia County and supports businesses that cater to tourism such as resorts, motels, campgrounds, B&Bs and retail stores. Some specific tourism impacts noted by the Wisconsin Department of Tourism include:

- Columbia County ranks 19th in the State for traveler spending.
- Travelers spent an estimated \$160 million in Columbia County in 2006 – a 4.3% increase over the previous year.
- Fourteen percent of all expenditures were made in the winter, which amounted to \$23 million; 20% were made in the spring (\$31 million); 46% in the summer (\$74 million) and 20% in the fall (\$32 million).
- Traveler spending in 2006 supported 4,119 full-time equivalent jobs.

Columbia 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 following table breaks down traveler spending for the Southeastern 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	\$19	--	\$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, business and community leaders and 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 = 1.044
- *Trade Area Captured* = Actual Sales / (State Per Capita Sales * Index of Income) = 47,240
- *Pull Factor* = Trade Area Captured / County Population = 0.857
- *Potential Sales* = State Per Capita Sales * County Population * Index of Income = \$480,016,314
- *Surplus (Leakage)* = Actual Sales – Potential Sales = (\$68,666,914)

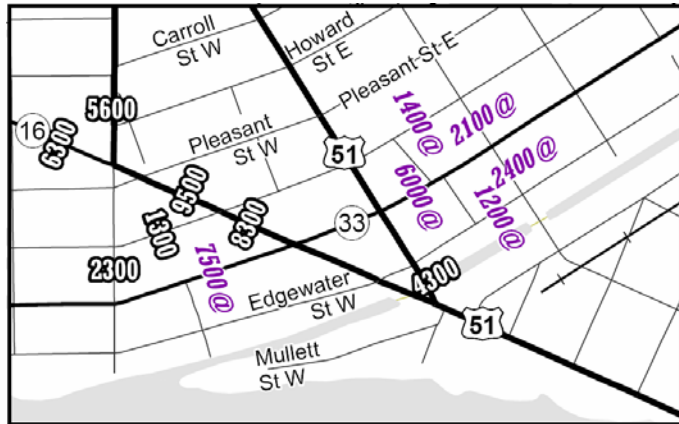
The index of income is above 1.0, showing buying power in line with the state. In fact, only nine counties have an index of income above 1.0. Because actual sales are lower than potential sales, Columbia County is said to have a \$68,666,914 leakage in the retail market.

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.

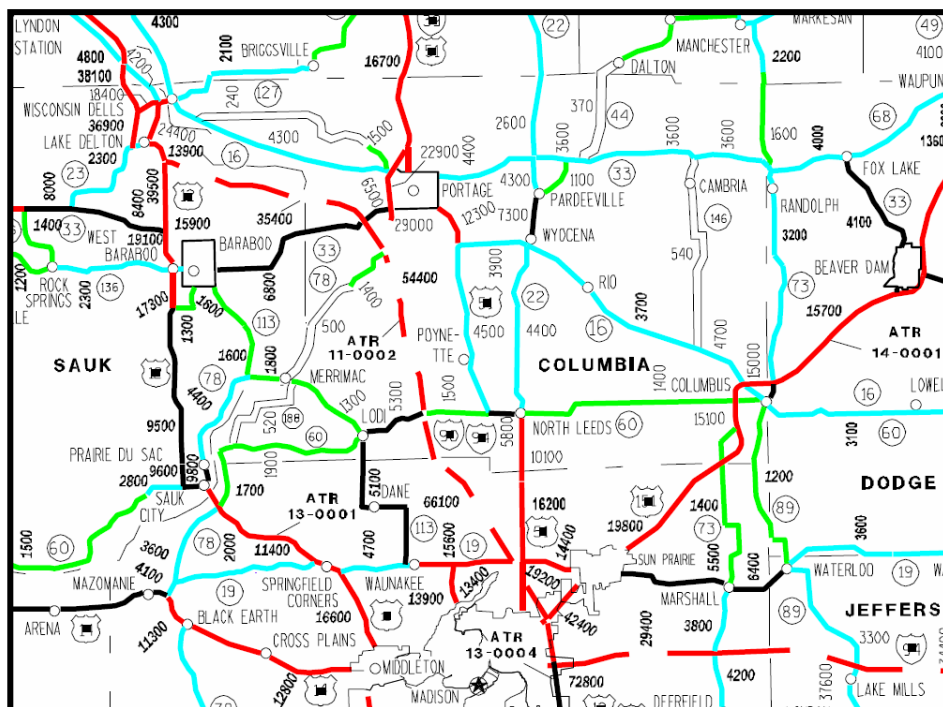
Traffic Patterns

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. Portage counts come from 2005-2006 DOT data. Statewide counts come from 2002 data.



Maps: WI DOT

- Interstate 39 draws 16,600 vehicles daily south of downtown; 20,000 vehicles west of downtown; 16,900 vehicles north of downtown.
- State Highway 51 draws 11,400 vehicles daily southeast of downtown; 4,300 vehicles downtown; 16,400 vehicles north of downtown.
- County Highway 16 draws 8,100 vehicles daily northwest of downtown, 9,500 vehicles downtown.
- County Highway 33 draws 7,800 vehicles daily northeast of downtown; 7,500 vehicles downtown.
- In comparison, nearby Columbus draws 7,700 vehicles daily downtown; Lodi draws 6,700 vehicles daily downtown; and Poyntette draws 4,700 vehicles daily downtown.



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 49 percent (14,163) of the 28,870 employed Columbia County residents worked within Columbia County (see table).
- In the same year, 12,828 working residents of Columbia County commuted out of the county for work, whereas 7,088 workers from other counties traveled into Columbia County to work. The result is a net loss of 5,740 Columbia County working age residents to other counties for employment.
- Columbia County’s residents primarily traveled to the neighboring counties of Dane, Sauk, and Dodge for work. These counties accounted for over 90 percent of commuting workers (11,622 out of 12,828). Meanwhile, only 3,709 workers from these three counties commuted to Columbia County, accounting for most of the net loss.

County-to-County Worker* Flow, Columbia County, 2000

County	County Residents Commute to	County Workers Commute from	Net Commute
Dane	8,929	1,581	-7,348
Sauk	1,692	1,013	-679
Dodge	1,001	1,115	+114
Marquette	243	1,398	+1,155
Jefferson	211	53	-158
Green Lake	79	198	+119
Waukesha	70	38	-32
Juneau	66	255	+189
Elsewhere	537	1,437	+900
Total	12,828	7,088	-5,740
Work within Columbia	14,163		

*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, and national sources.

Single Family Housing Building Permits; Columbia County, 2000-2006

Year	Columbia Co. Buildings	% Change	Construction Cost	WI Buildings	% Change	US Buildings	% Change
2000	308	--	\$39,691,958	24,018	-3.4%	1,198,067	-4.1%
2001	291	-5.8%	\$38,154,258	25,397	+5.7%	1,235,550	+3.1%
2002	309	+6.2%	\$44,436,109	26,084	+2.7%	1,332,620	+7.9%
2003	348	+12.6%	\$53,812,872	28,744	+10.2%	1,460,887	+9.6%
2004	314	-10.8%	\$54,629,773	29,716	+3.4%	1,613,445	+10.4%
2005	266	-18.0%	\$50,036,695	25,966	-14.4%	1,681,986	+4.2%
2006	215	-23.7%	\$43,569,618	19,607	-32.4%	1,378,220	-22.0%

Source: U.S. Census Bureau, Building Permits Data, 2000-2006

The building permit data shows a volatile construction market since 2000 that has closely matched state trends. Total housing permits have dropped by nearly 62 percent since their high in 2003 while construction costs increased by over 31% from an average of \$154,635 in 2003 to \$202,649 in 2006.

Economic SWOT Analysis

Strategic planning for economic development requires identification of Columbia County's assets and limitations through a thorough evaluation of the four aforementioned economic components. The analysis of Columbia County's economic Strengths, Weaknesses, Opportunities, and Threats (S.W.O.T.) provides a broad overview of where the county is currently and what its economic composition may be in the future. If Columbia County is to develop and maintain a vibrant and diversified economic foundation, the county needs to maximize its strengths, offset its weaknesses, take advantage of its opportunities, and minimize its threats.

The following are the results of a S.W.O.T. analysis performed by the UW Cooperative Extension in Columbia County on 9/12/02. The responses of 60 participants were tallied within each of the categories with number of responses in parentheses.

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Quality of life (39) • Transportation infrastructure (24) • E.D. Resources (22) • Agriculture (13) • Workforce (8) • Recreation/Tourism (6) 	<ul style="list-style-type: none"> • Vision & leadership (24) • Workforce (17) • Regional cooperation (14) • Public relations of business & industry (10) • Cost of living (7) 	<ul style="list-style-type: none"> • Tourism (36) • Regional collaboration (16) • Planning & Development (12) • Vision & Leadership (11) • Education systems (8) 	<ul style="list-style-type: none"> • Vision & Planning (31) • Resistance to change (20)