

# ***LINCOLN COUNTY LABOR MARKET CONDITIONS***

**By: Art Lersch**

**Community & Economic Development Educator**

**University of Wisconsin-Extension  
Lincoln County Office**

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**Design Assistance: Beryl Vandre Emerich**



# University of Wisconsin-Extension Lincoln County



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- 4H Youth Development
- Agriculture
- Community and Economic Development
- Family Living
- Wisconsin Nutrition Education Program

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- Facilitation
- Designs and organizes programs/projects
- Research
- Disseminates information
- Link to University of Wisconsin specialists
- Referral source

# Study Coordinators

- Professor Gary Green, Department Chair & Community Development Specialist, Department of Rural Sociology, University of Wisconsin, Madison
- Art Lersch, Community & Economic Development Educator, University of Wisconsin-Extension, Lincoln County
- Jack Sroka, Executive Director, Lincoln County Economic Development Corporation

# Purpose of the Study

- Supply of and demand for labor in the county
- Wages and benefits being paid to Lincoln County workers
- Employment levels
- Percentages of workforce in various age groups
- Popular employee recruiting methods

## Purpose of Study (continued)

- Current and anticipated one year vacancies
- Pre-Employment screening techniques
- Ratings of employee skills
- Education required for various positions available in the county

# Method

- 42 completed surveys
- 37 of 42 were completed by for-profit entities
- Nearly 270 surveys sent to employers
- 16% return
- 8 of the county's top employers (100+ employees) returned completed surveys

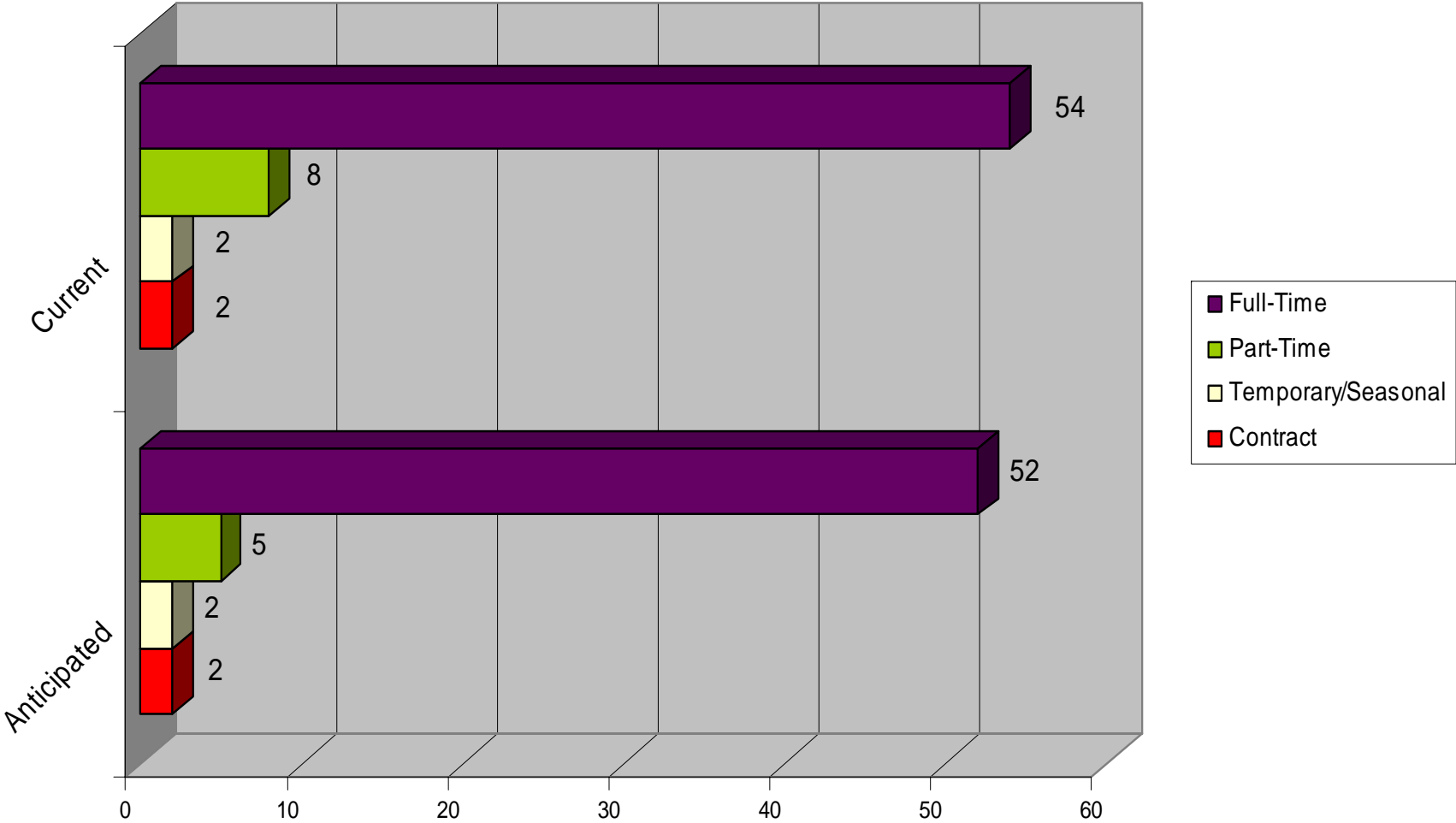
## Method (continued)

- Number of employees of those companies surveyed ranged from 0 to 550
- Calls and e-mails to major employers asking them to participate
- Personal “interviews” with major employers

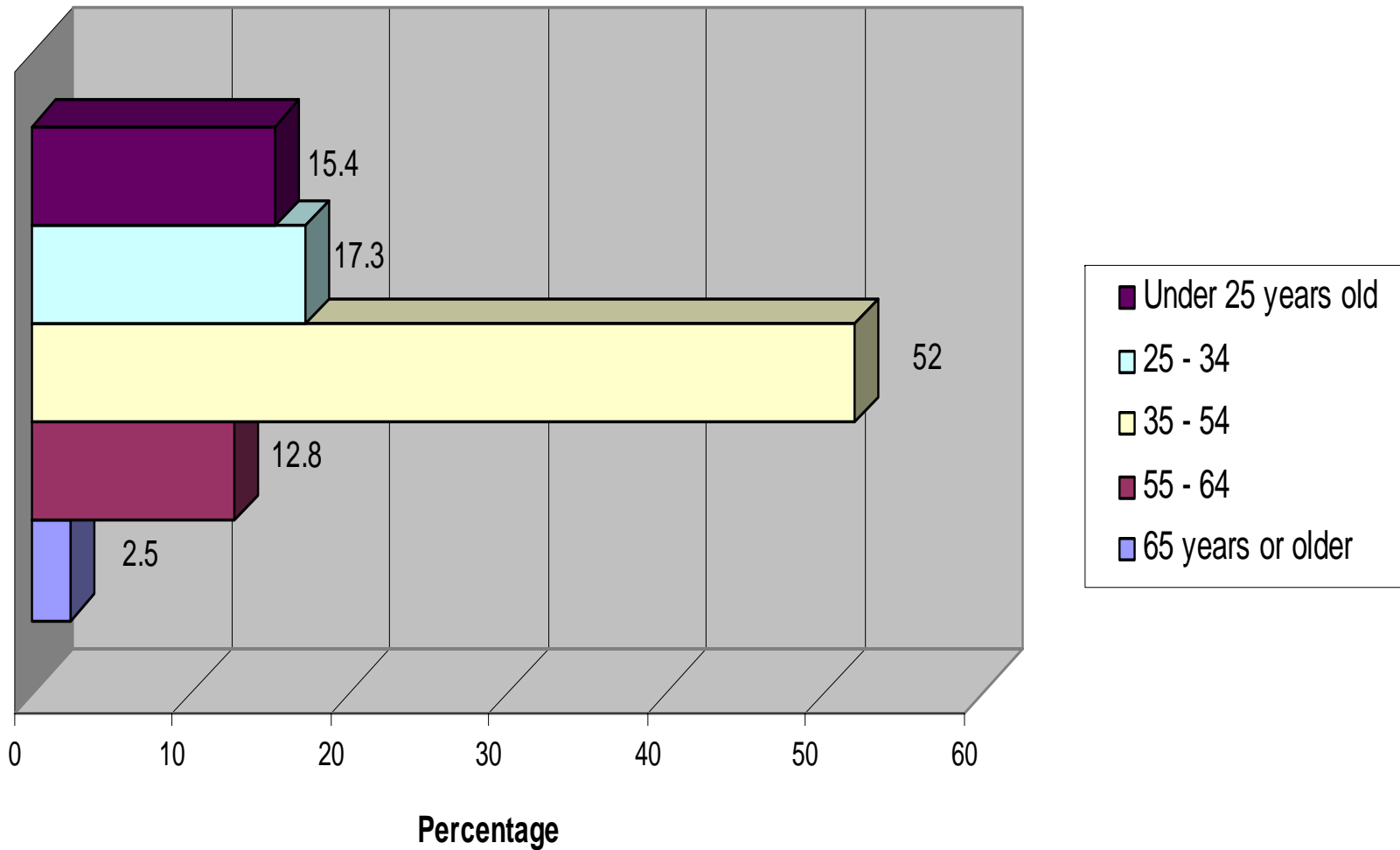


# FINDINGS

# Current & Anticipated (End of Year) Average Employment Levels



# Average Percentage of Workforce in Age Groups



# Age of Workforce

- Large number of people ages 35-54
- Aging workforce will likely mean higher employee turnover rates in coming years as increasing numbers of baby boomers reach retirement age

# Employee Turnover

- 13% employee turnover rate in 2003
- About average for the state over last several years

## Employee Turnover (continued)



What in your view are some of the reasons for employee turnover locally?

# Employee Turnover (continued)

- UWEX offers a way to assess the costs of employee turnover
- [www.uwex.edu/ces/cced/](http://www.uwex.edu/ces/cced/)
  - Top of page click on “Business and Economic Development”
  - Below, click on “Employee Turnover Calculator” (an example is included below the blank calculator)
  - Follow directions

# Employee Retention

- 31% of employers report difficulty retaining workers
- Relatively low figure as compared with other recent studies
- Lingering effects of recession especially in the labor market may be persuading workers to stay put
- 21% of employers completing survey laid off employees in the past 12 months

# Recruitment and Vacant Positions



Approximately 49% of employers [participating in the survey] report they are having difficulty recruiting qualified workers.

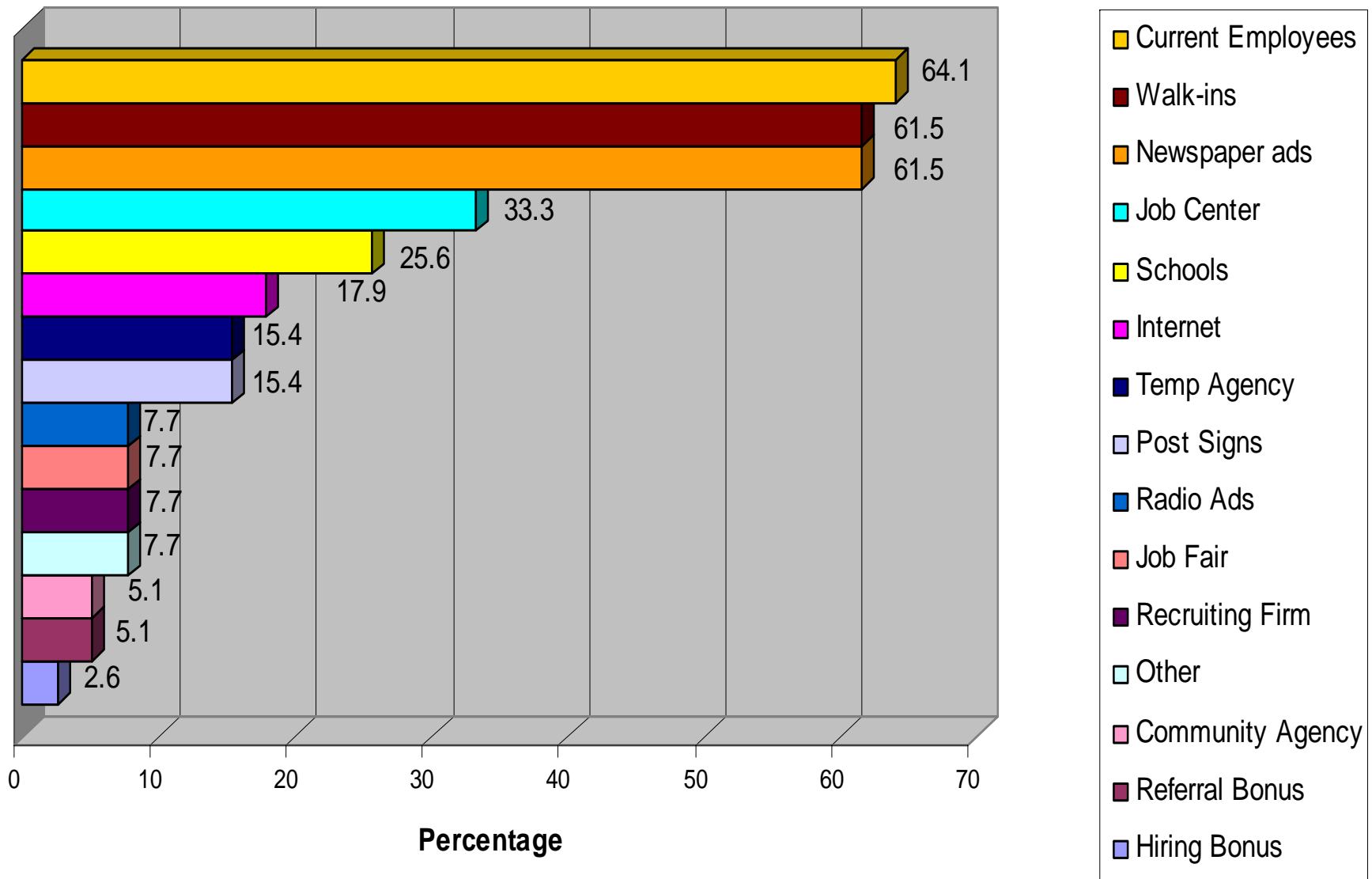
# Recruitment

- 49% figure seems somewhat low compared with recent statistics from other counties
- Sawyer County (2002) = 66%
- Pierce County (2001) = 61%
- St. Croix (2001) = 72.2%
- Difficult to compare

# Recruitment

- 49% recruitment figure seems to suggest that Lincoln County employers are having less difficulty recruiting employees than employers elsewhere
- 31% retention rate and the 13% turnover rate may suggest that employers are having a little less difficulty keeping workers than other employers in some regions throughout the state
- What is being done correctly?
- What can be done better?

# Methods Employers Use to Recruit New Workers



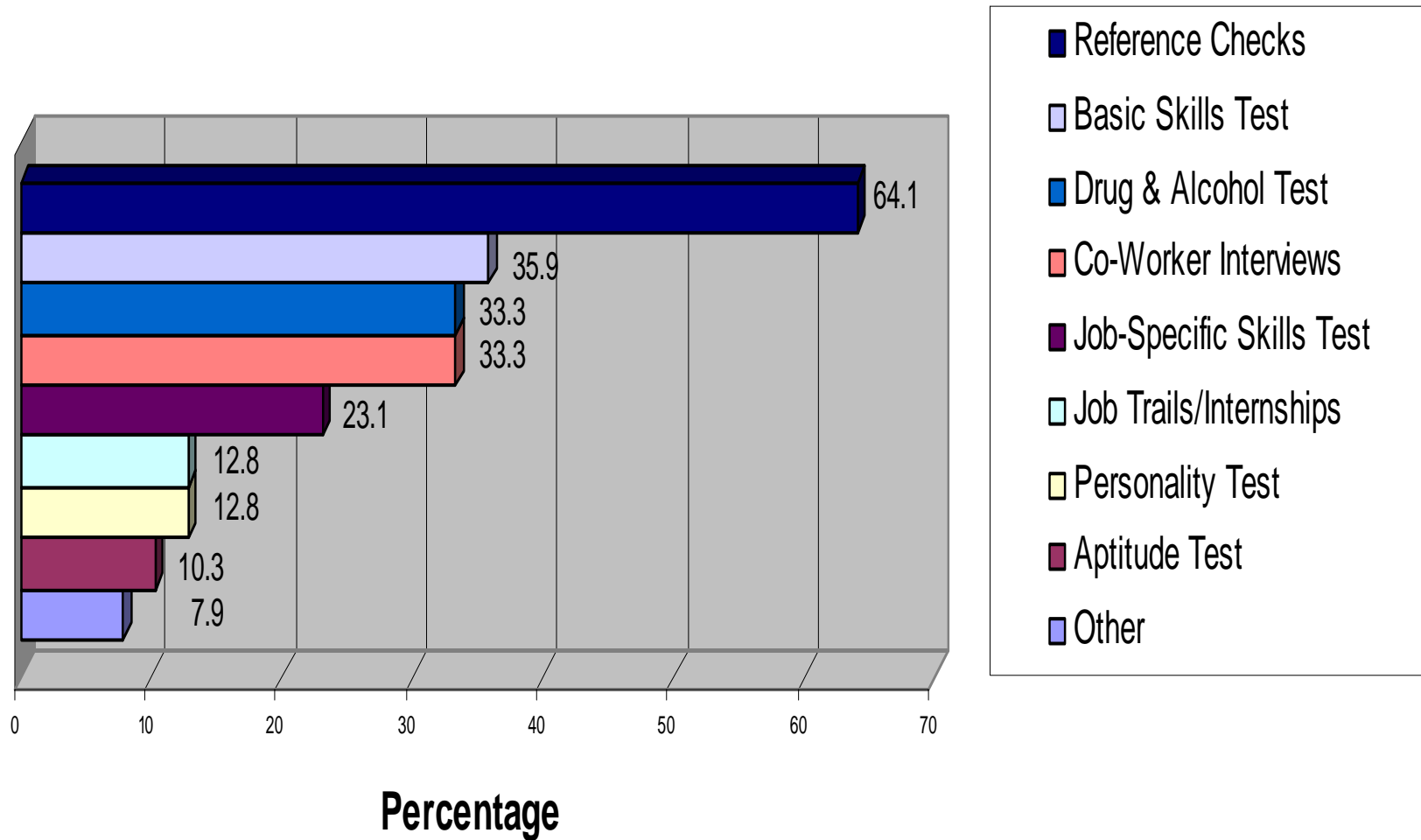
# Recruiting Methods

- Why aren't more employers using the Internet?
  - Cost prohibitive (to develop and maintain)
  - No personnel to maintain
  - Labor intensive (too many hours)
  - Potential employees may not have computers (cost/benefit)
  - Company doesn't have an existing web site
  - Company doesn't have necessary hardware or software
  - Others?

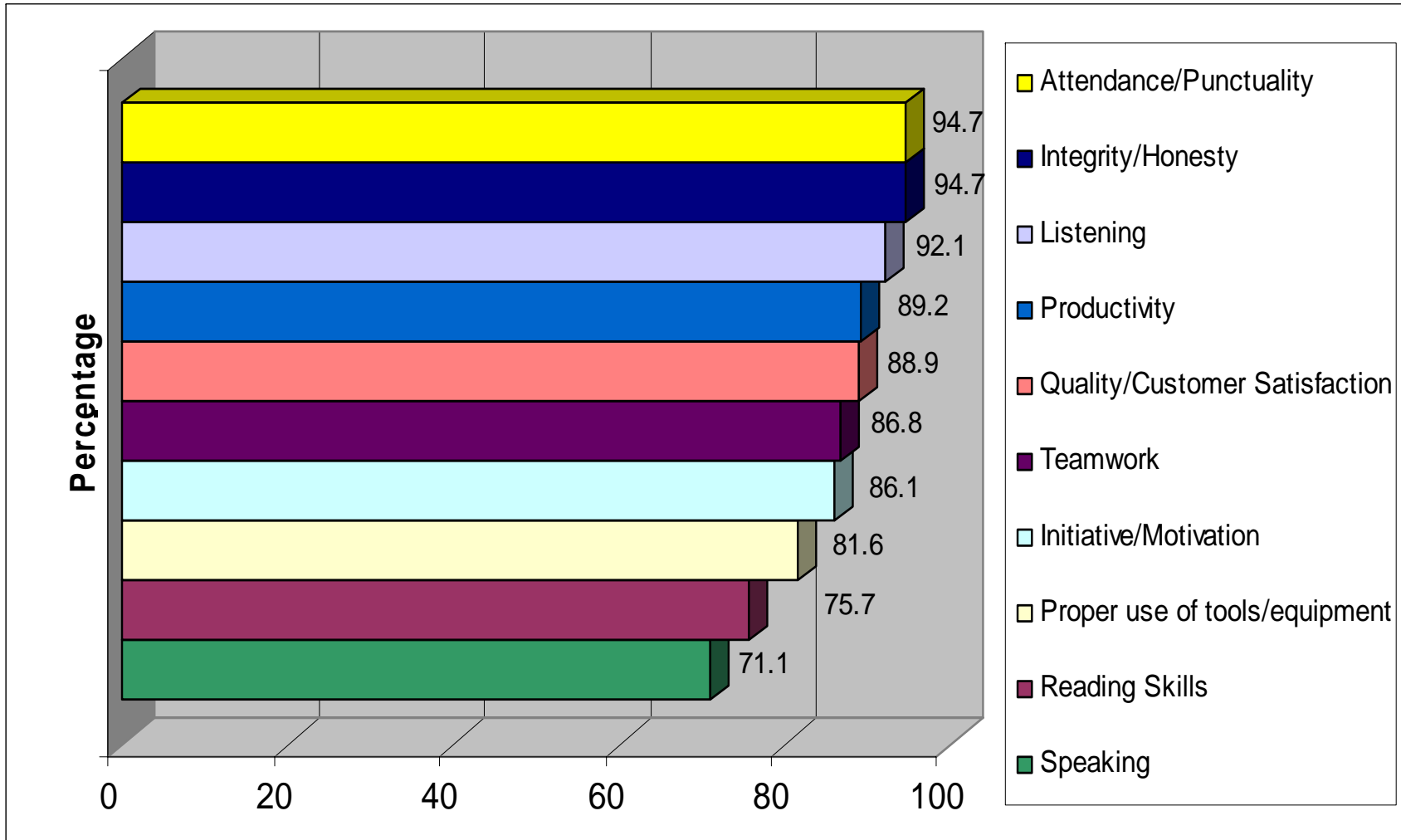
# Recruiting Methods: Suggestions

- Place ads in different mediums and non-traditional venues
- “Market” the position, don’t just advertise it
- Market jobs through industry contacts, unions
- Incentive systems for employees
- Others?

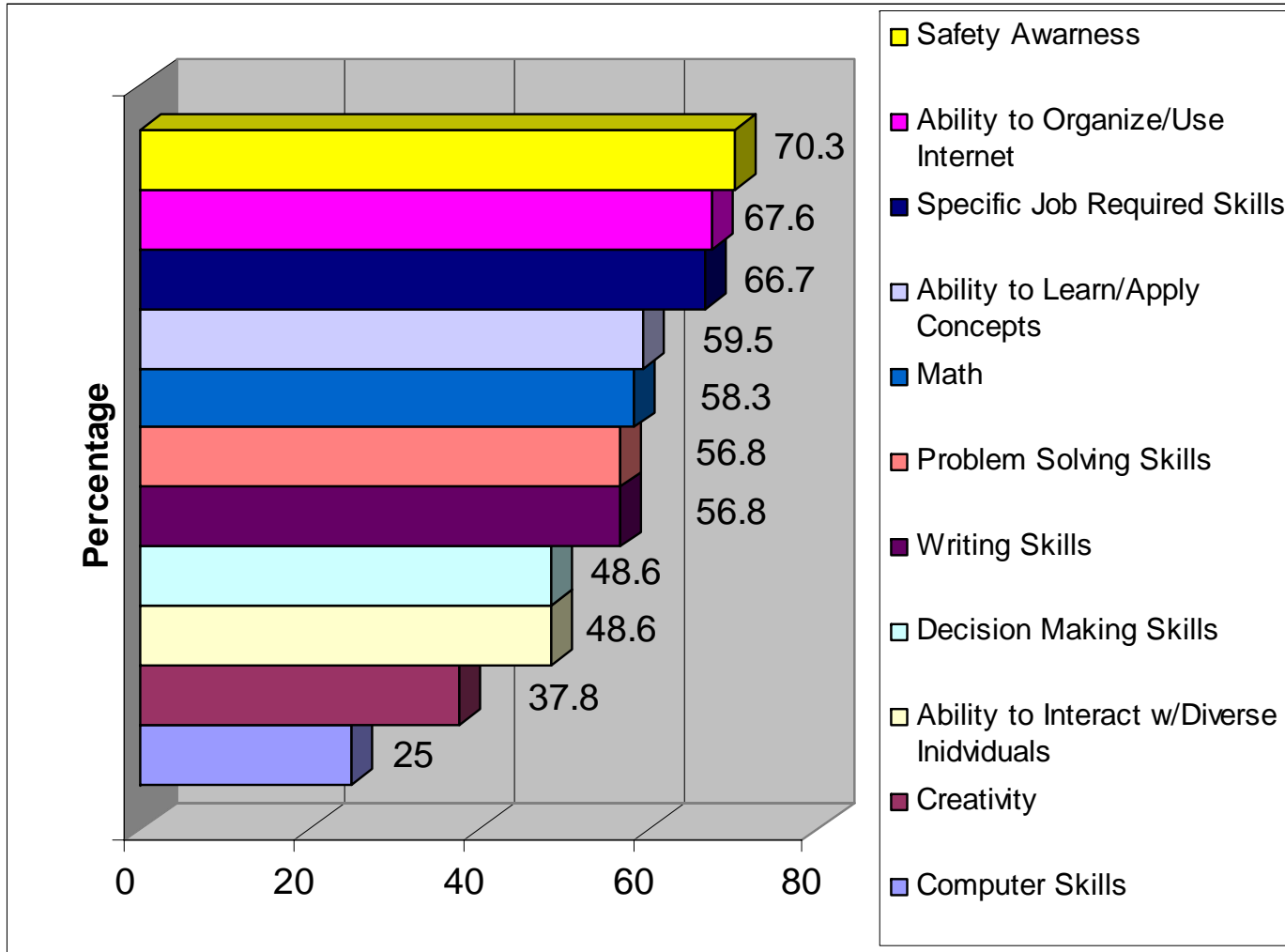
# Employer Pre-Employment Screening Techniques



# Employer Ratings of Employee Skills (Top 10)



# Employer Ratings of Employee Skills (Others)



# Vacancies

- The largest number of current vacancies and the largest number of anticipated vacancies are for assemblers, processors, and laborers.
- What kinds of strategies are you/your companies employing to counteract this trend?

# Training

- 36% of employers provide some type of informal training
- 54% of employers provide some kind of formal training (classroom instruction or other than on-the-job training)
- Average based on other county studies is about 46%, so Lincoln County employers seem to be doing a good job here
- 24% of employers assign mentors to new employees
- 39% of employers provide a formal orientation
- 84% of employers report they provide on-going training and skill development

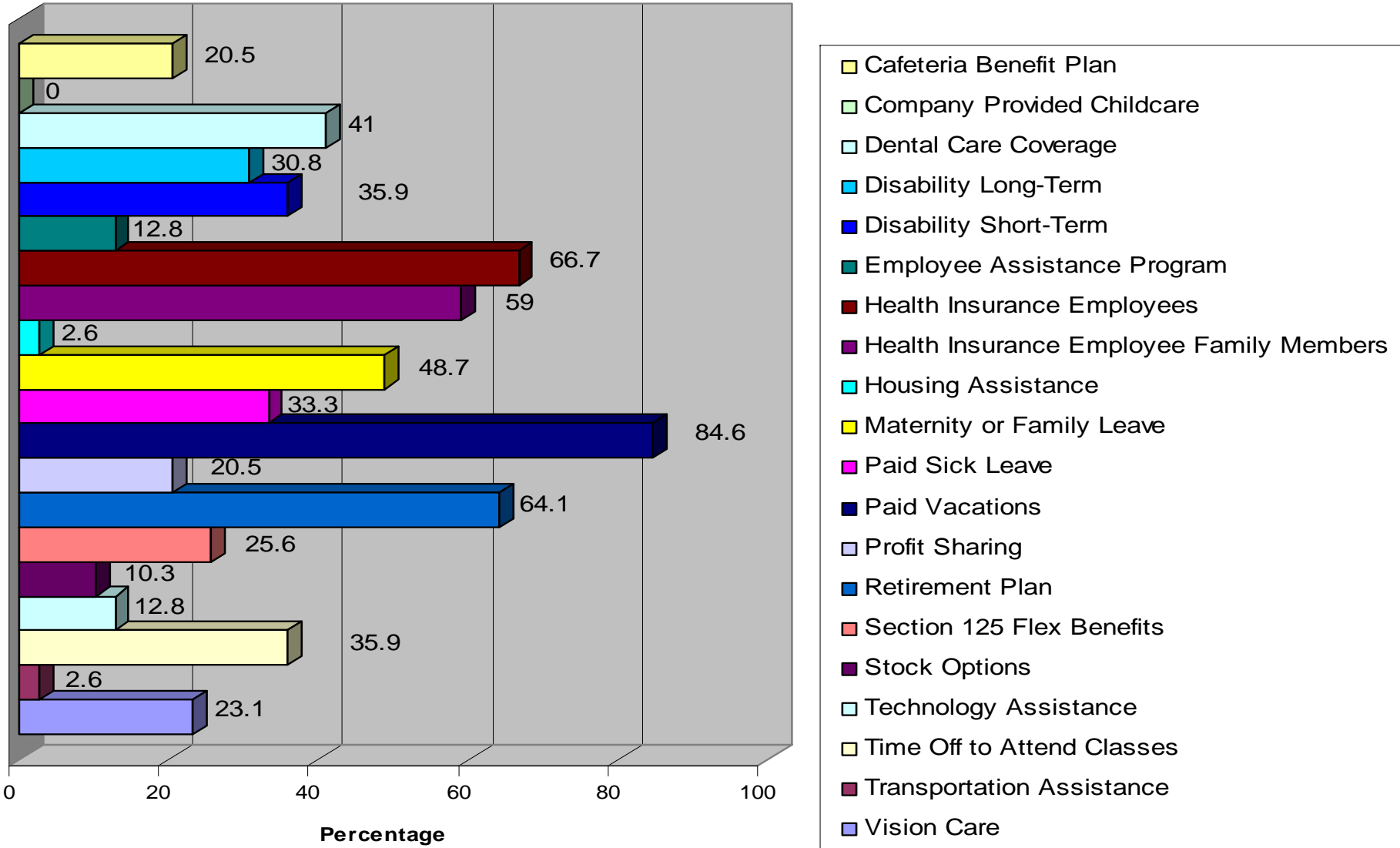
# Education

- Surprisingly, employers do not require a college or technical degree for many skilled positions such as vehicle maintenance or industrial machinery repair.
- Is this an indication that employers in the local labor force don't expect to find workers with college or technical degrees for such positions?
- Other possible reasons?

# Benefits

- 62% of employers report that their benefit package has become more important in attracting workers
- 82% percent of employers require a new employee to work for a specified period of time before receiving benefits
- Employers estimate that the cost of providing benefits will increase by 16% in 2004

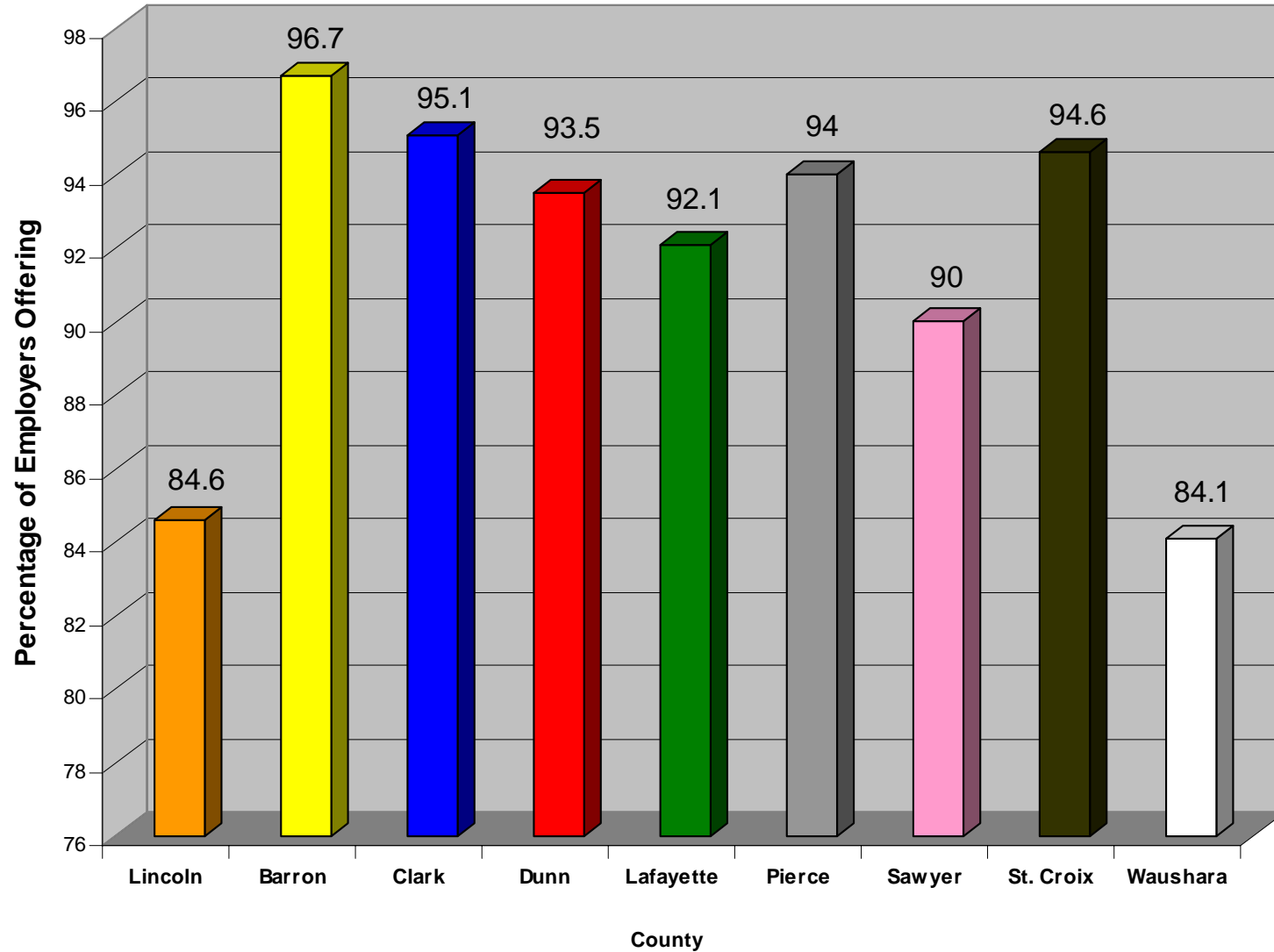
# Benefits Offered by Employers



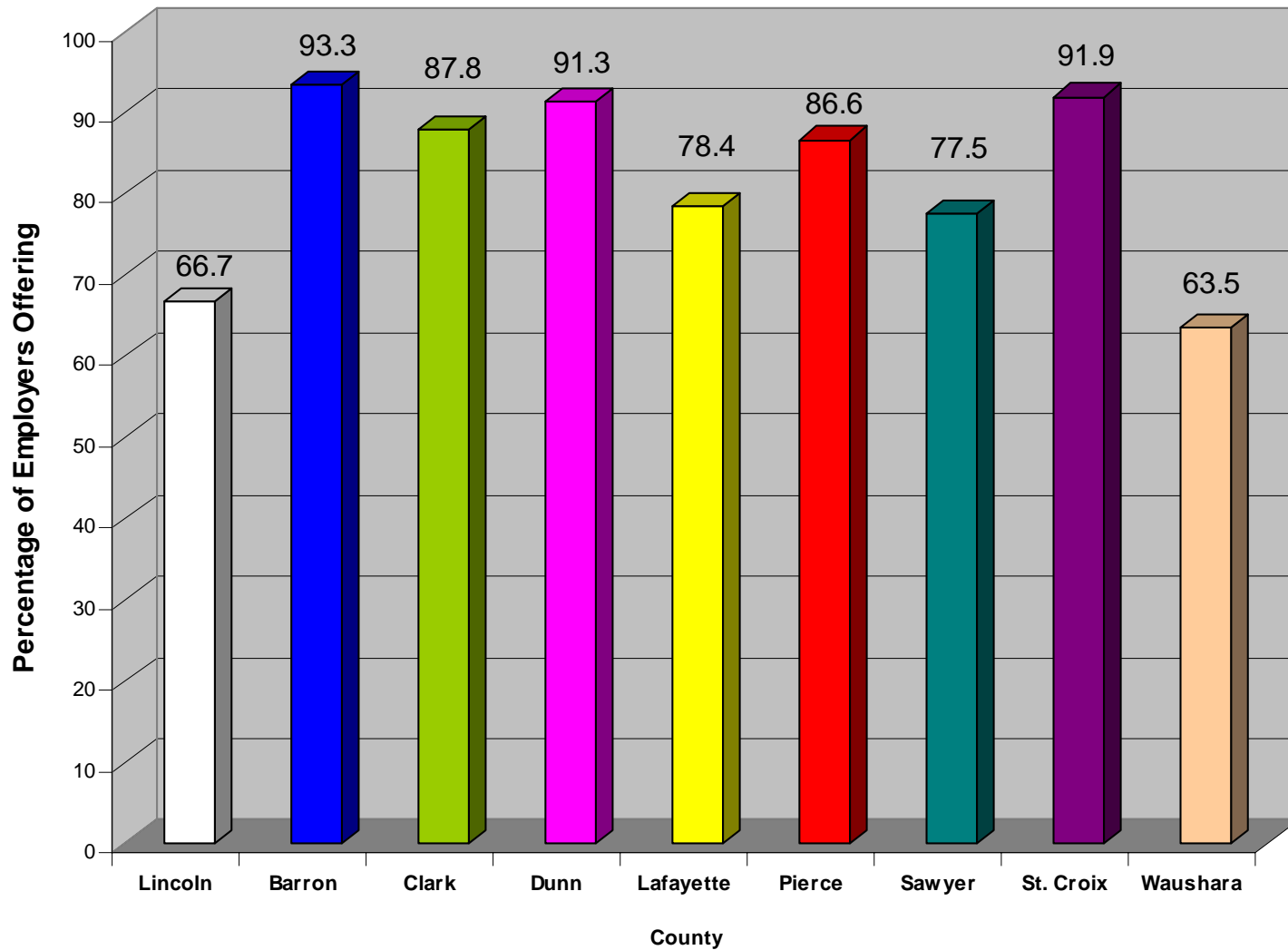
## Benefits (continued)

- Employers in 7 of 8 other Wisconsin counties that have been studied are more likely to offer basic employee benefits than Lincoln County employers
- Examples:
  - Paid Vacations
  - Health Insurance for Employees
  - Retirement Plans

# Paid Vacations/County Comparison



# Health Insurance for Employees; County Comparison



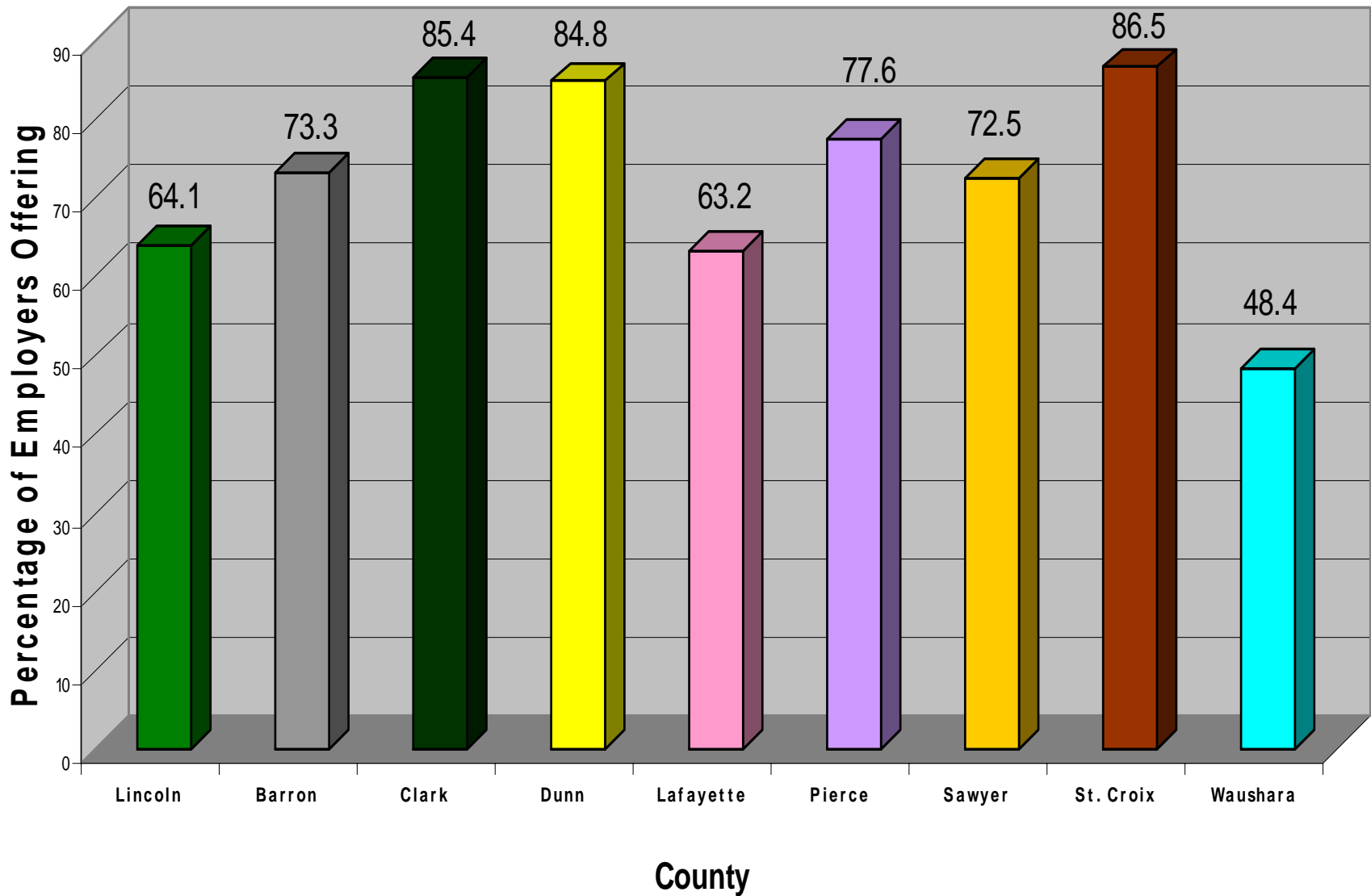
# Reducing Health Care Costs

- Work with local health care institutions to devise effective, low cost wellness strategies for employees
- Encourage “healthy living” practices both inside and outside the work place (distribute literature; sponsor seminars, etc.)
- Employers can offer more than two plans and a fixed dollar contribution regardless of plan chosen (source: Mark Stanton, “Reducing Costs in the Health Care System”; [www.ahra.gov/research/costria/](http://www.ahra.gov/research/costria/))

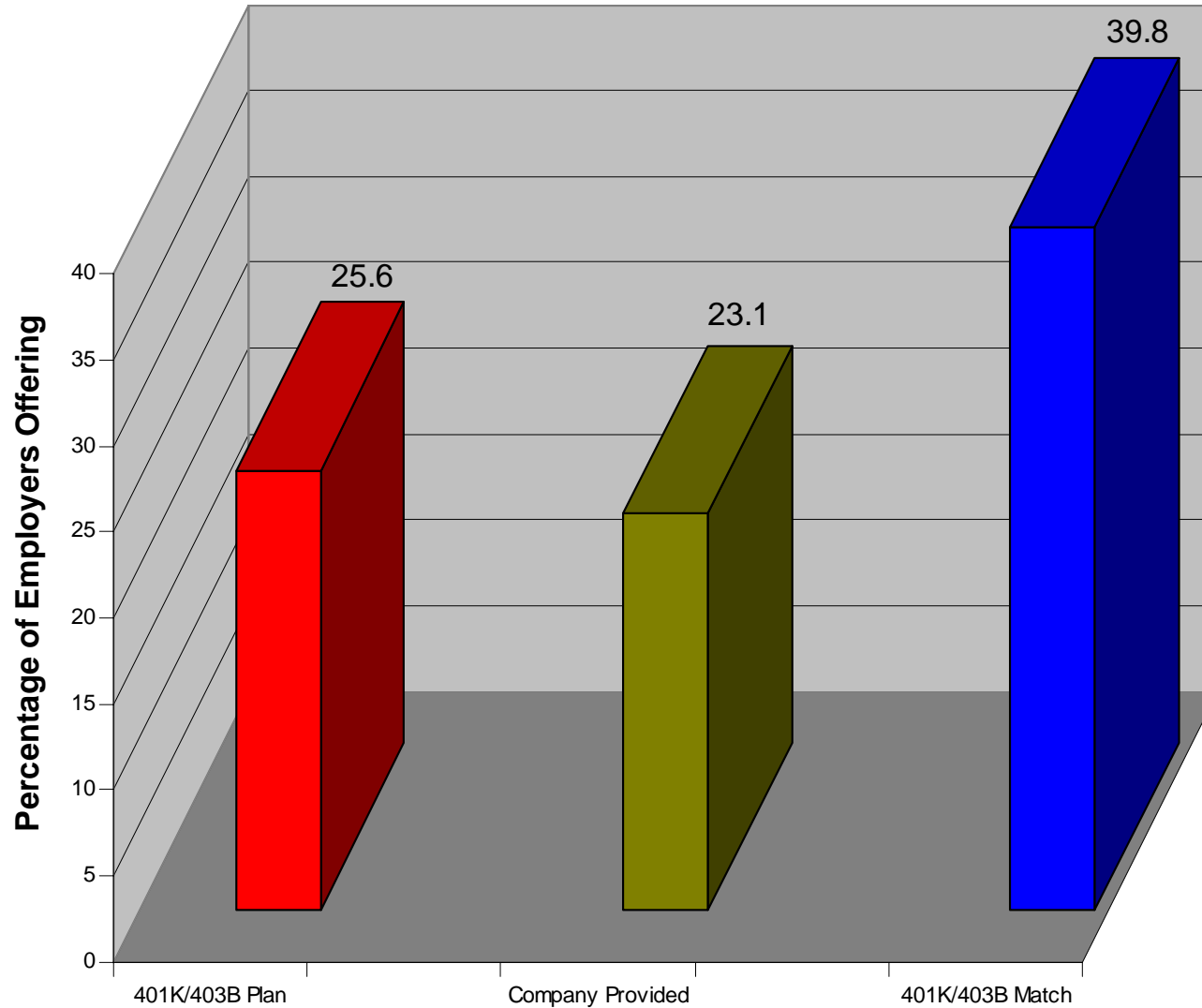
## Reducing Health Care Costs (continued)

- Brainstorm strategies as a group
- Raise co-pays/deductibles
- Others?

# Retirement Plan; County Comparison



# Retirement Plans



## Benefits

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What are some of the obstacles that prevent companies/businesses from offering employees more benefits?

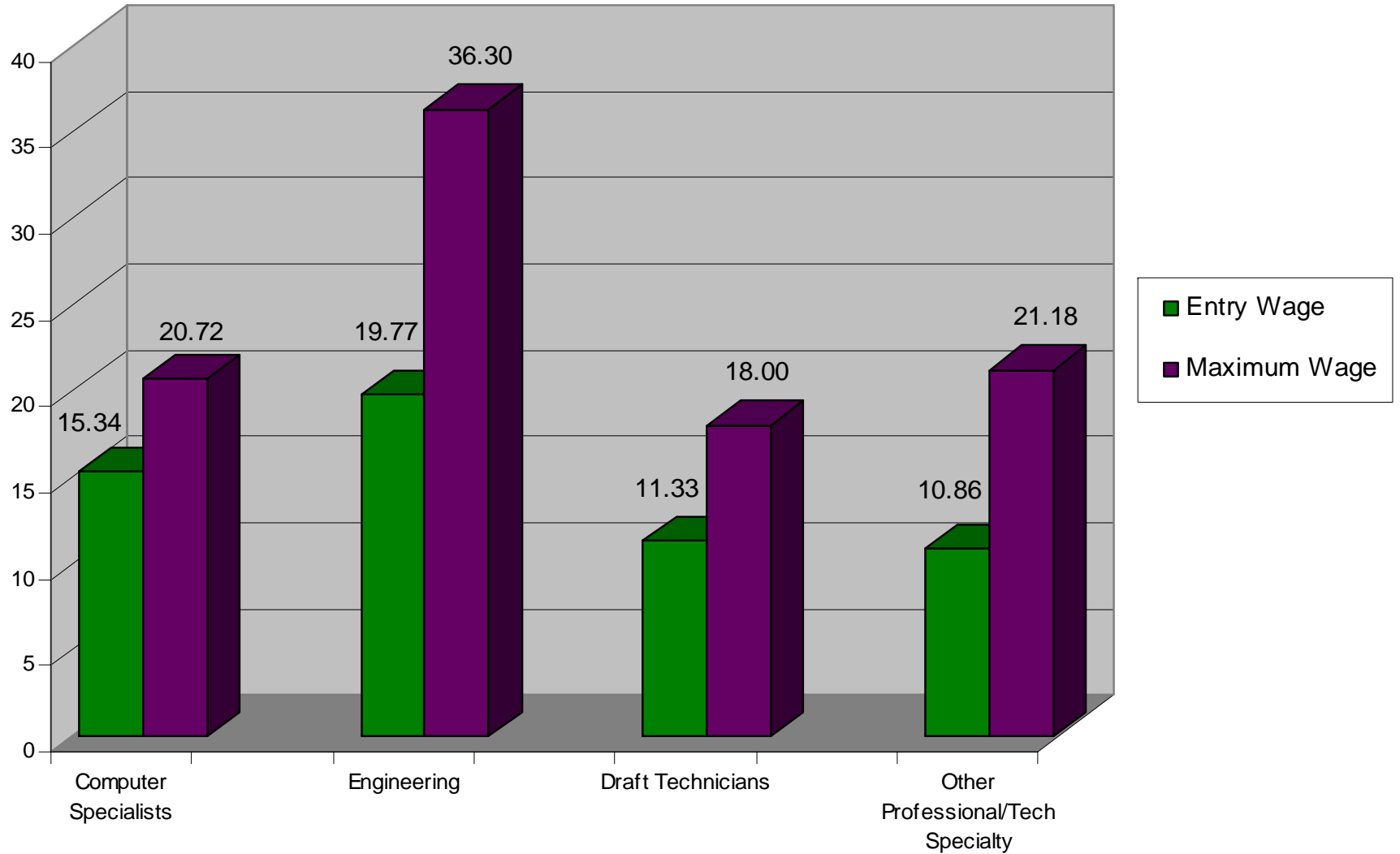
# General Strategies for Offering More

- Provide benefits cooperatively
- Partial fee based (i.e. child care, parents pay a portion of the costs through fee of some kind)
- Greater deductions from employee paychecks
- Shop around for more cost effective plans
- Best practices (talk amongst yourselves to find out what companies are doing and what works)
- Others?

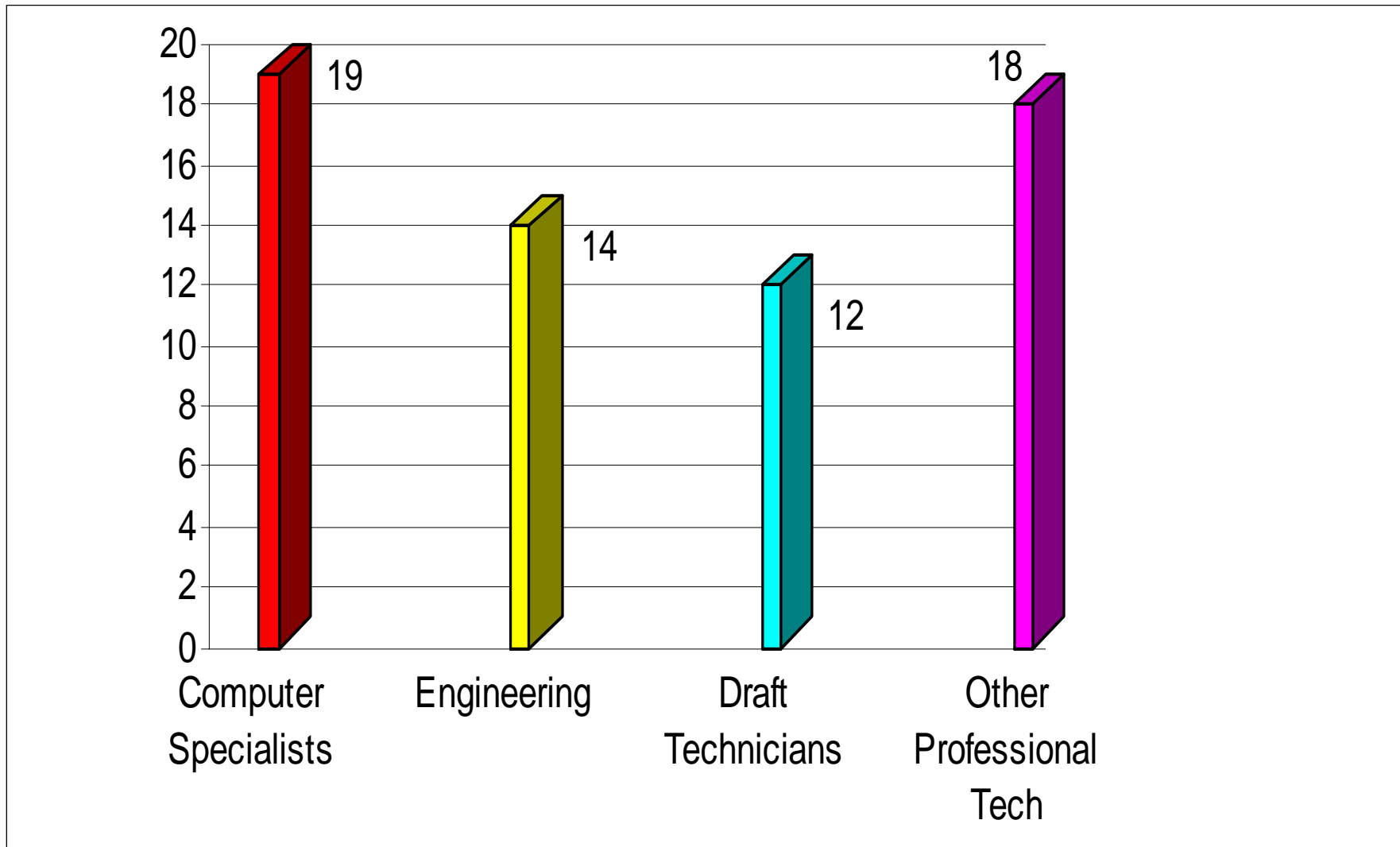
# Wages

- Employees averaged a 3.2% increase in 2003
- Employers project wages to increase 3.9% in 2004

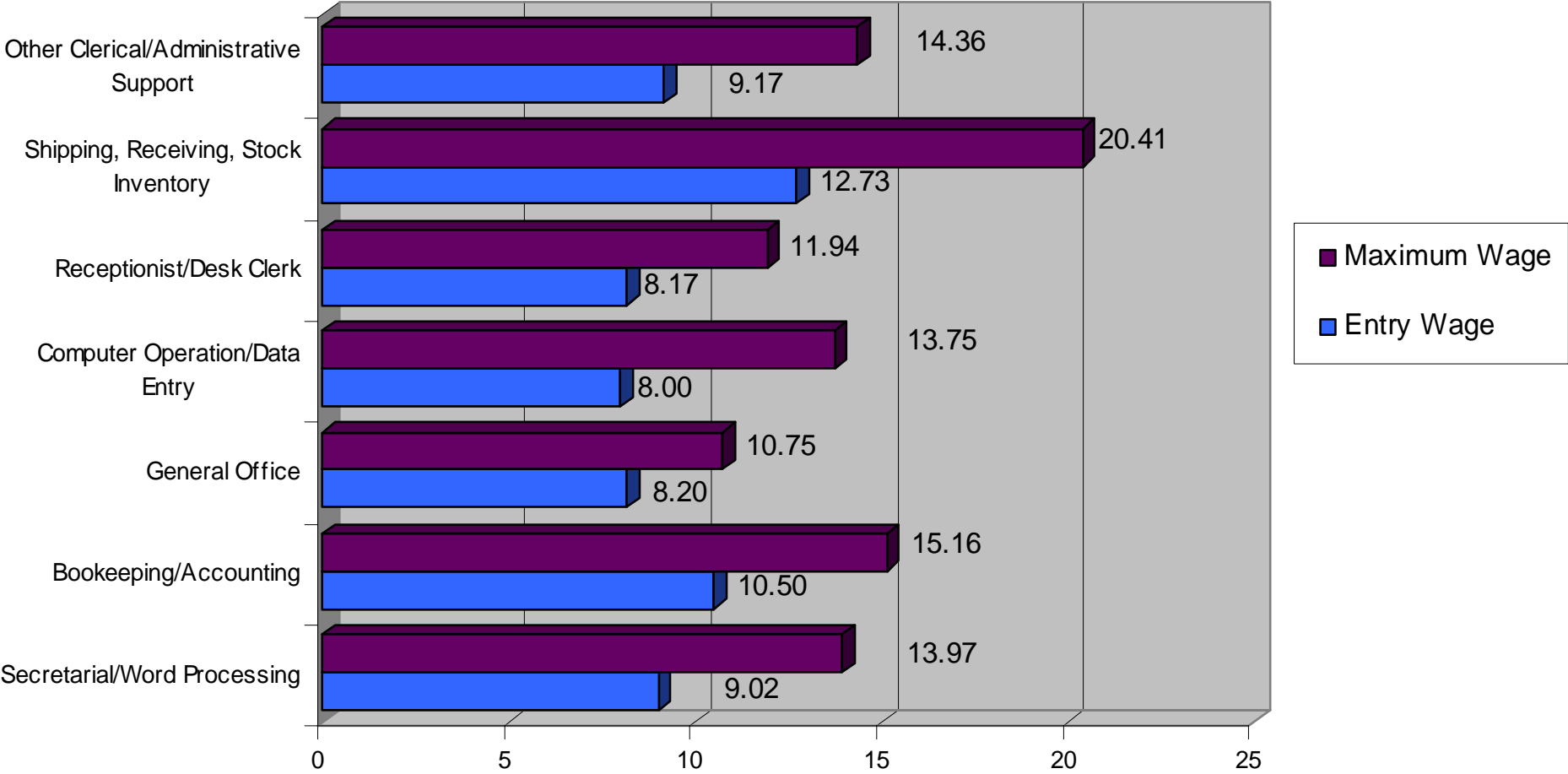
# Technical Jobs/Wages



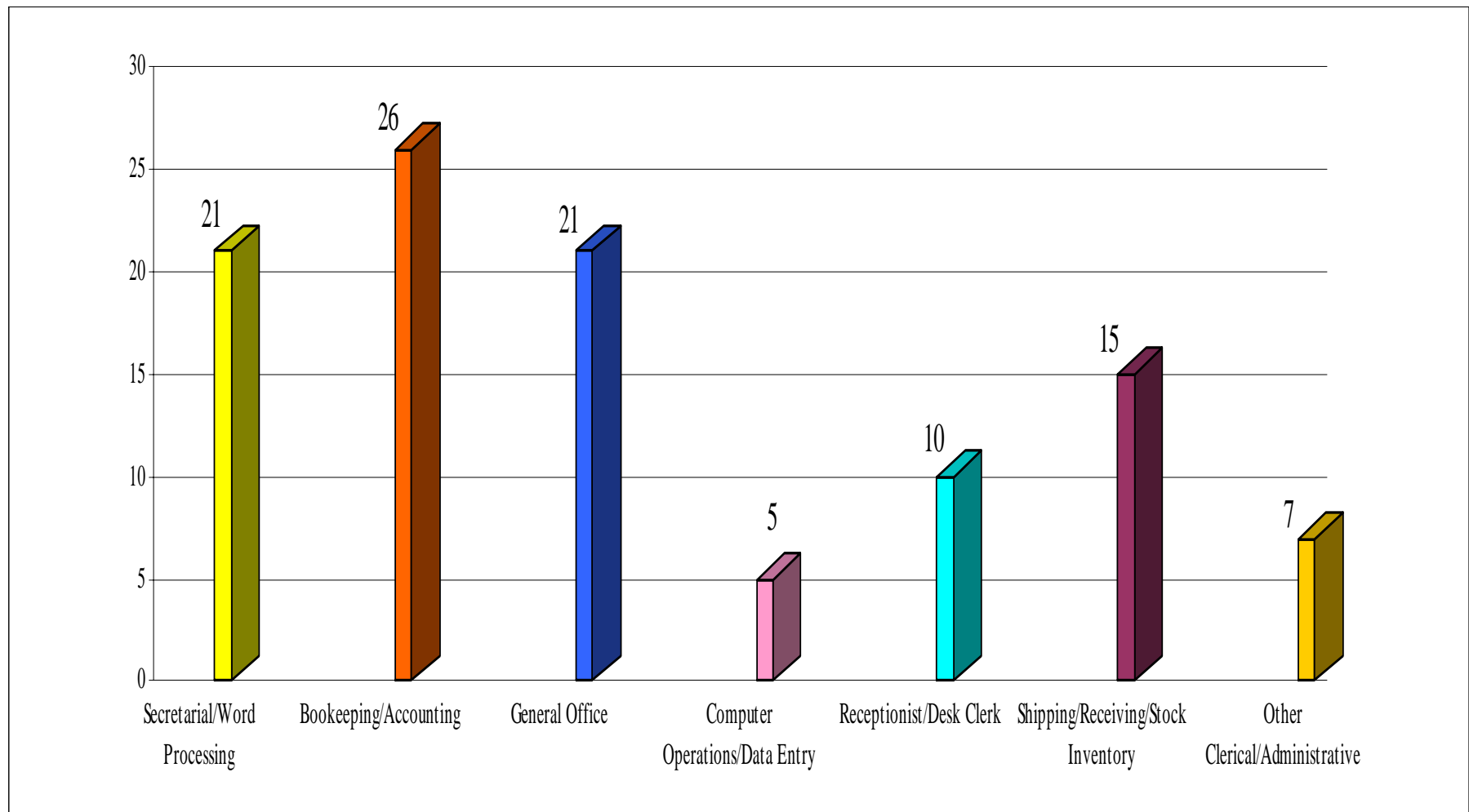
# Technology Jobs/Numbers



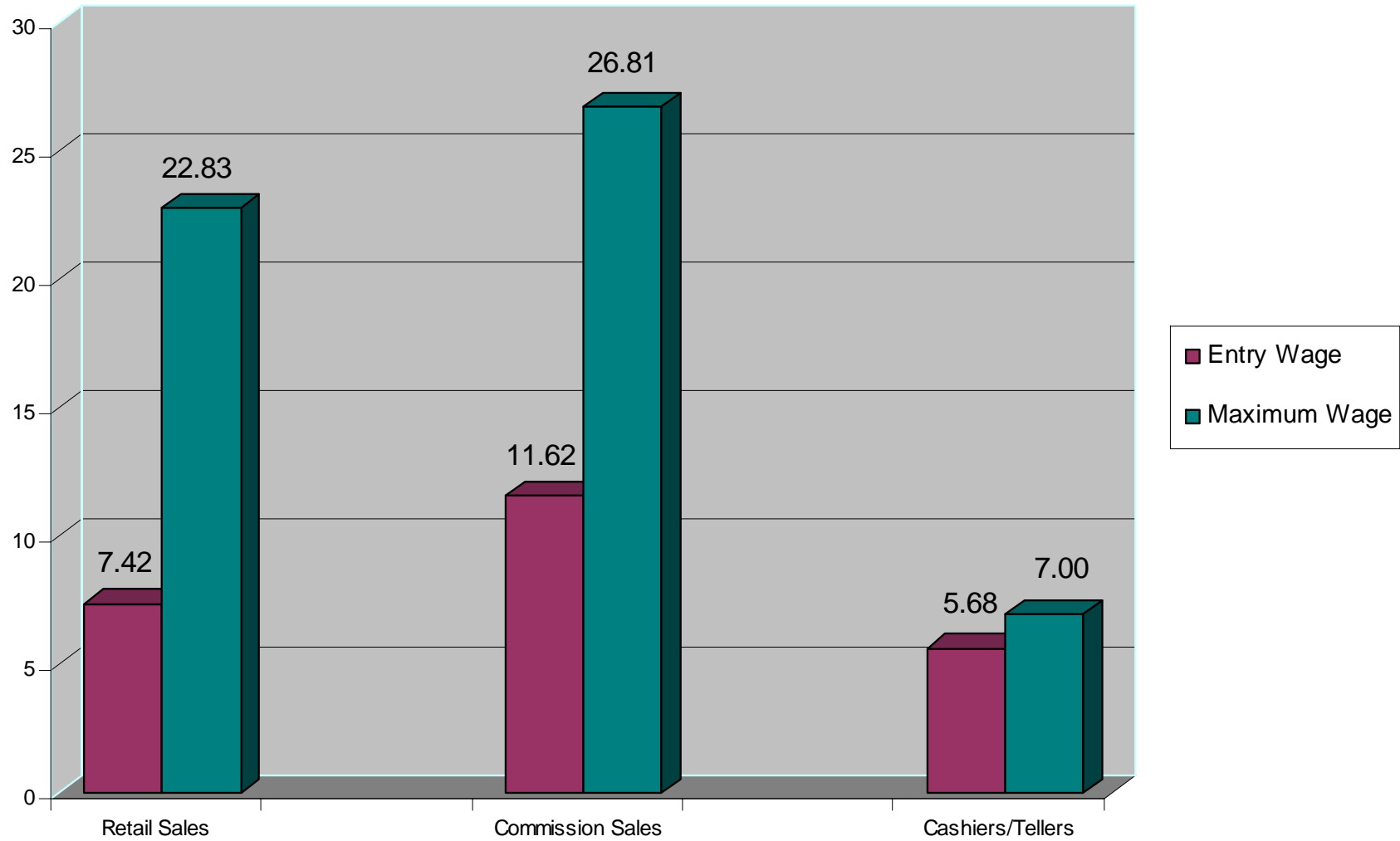
# Clerical & Administrative Jobs (Wages)



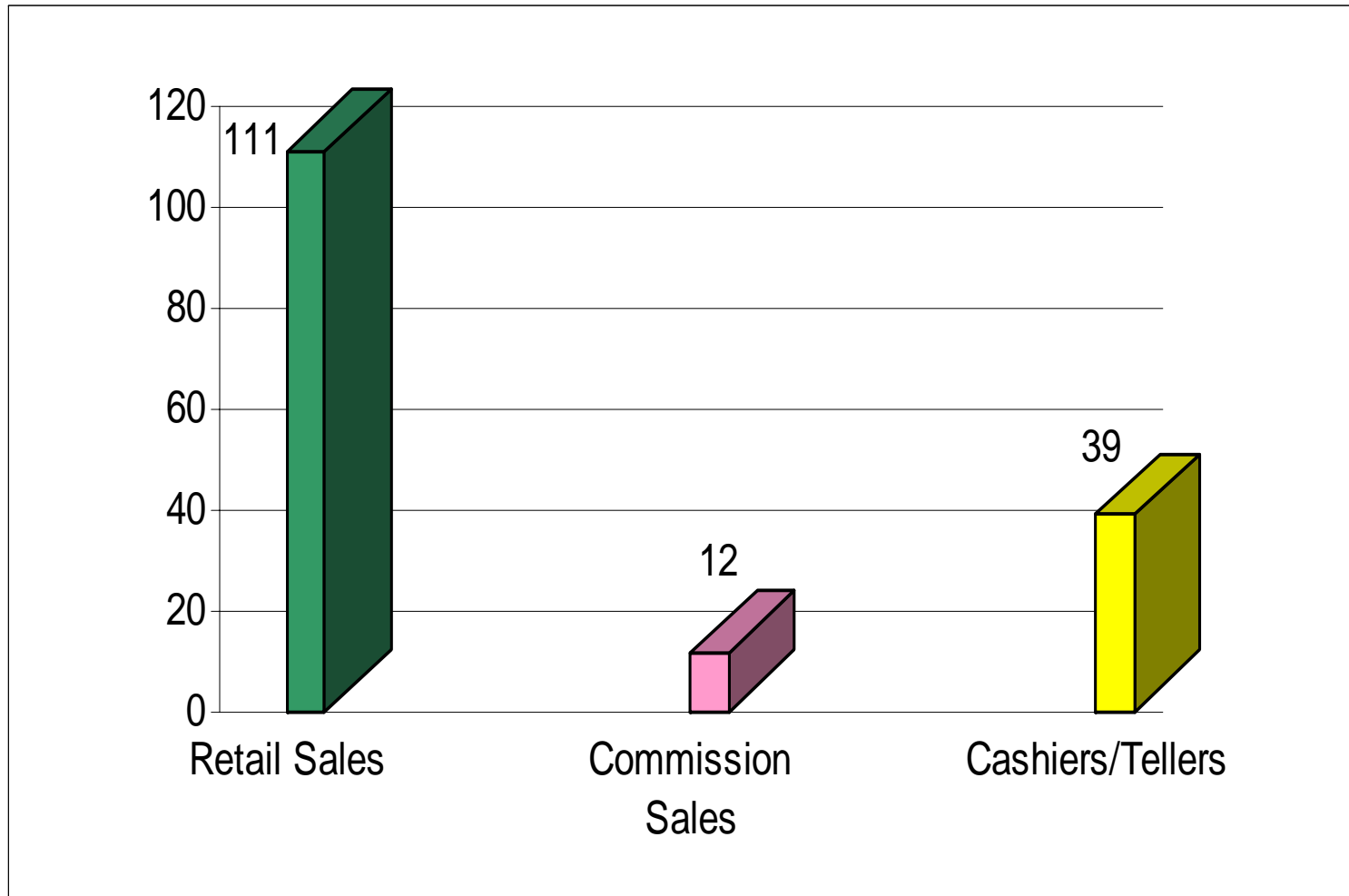
# Clerical and Administrative Jobs (Numbers)



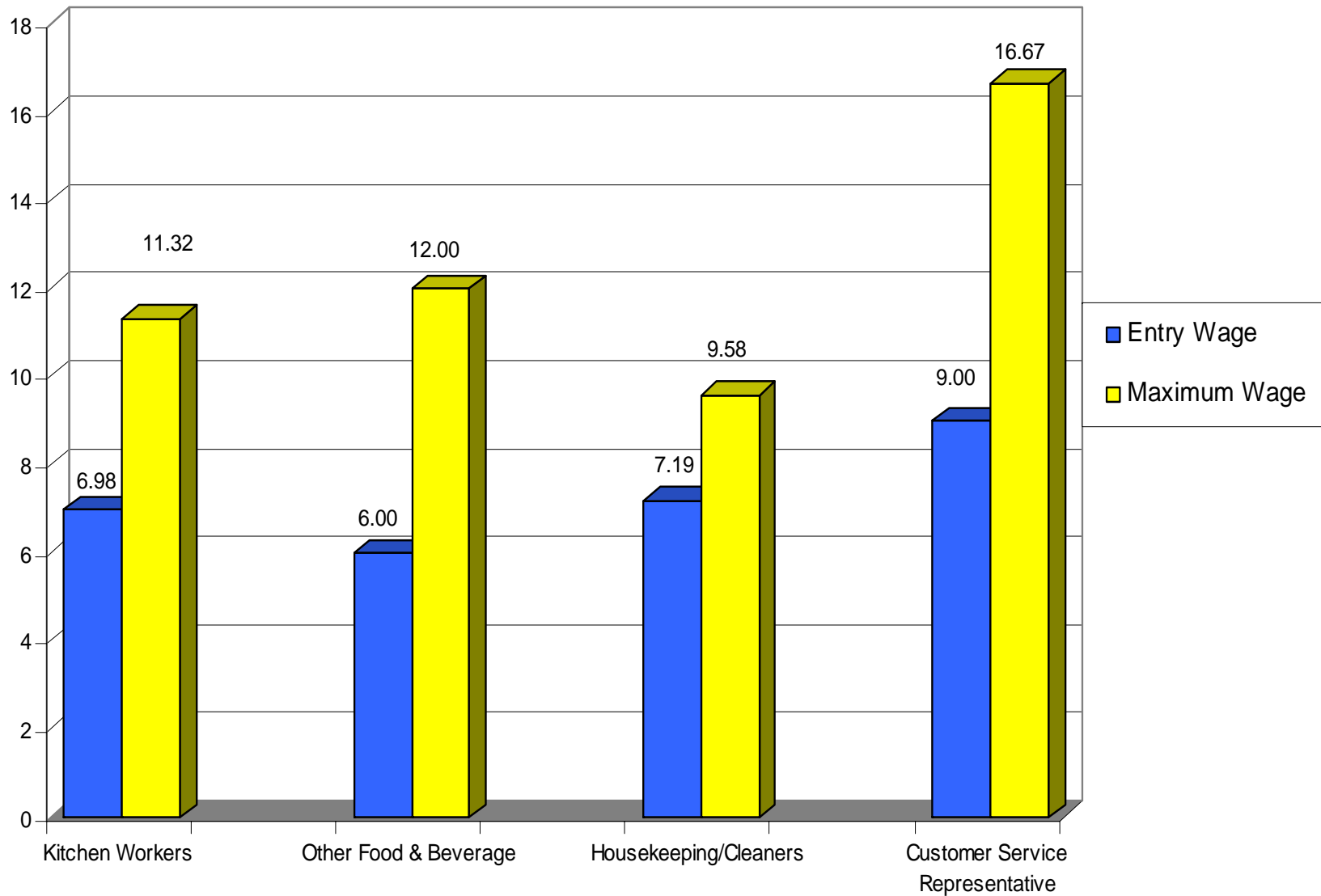
# Sales, Marketing & Tellers Jobs (Wages)



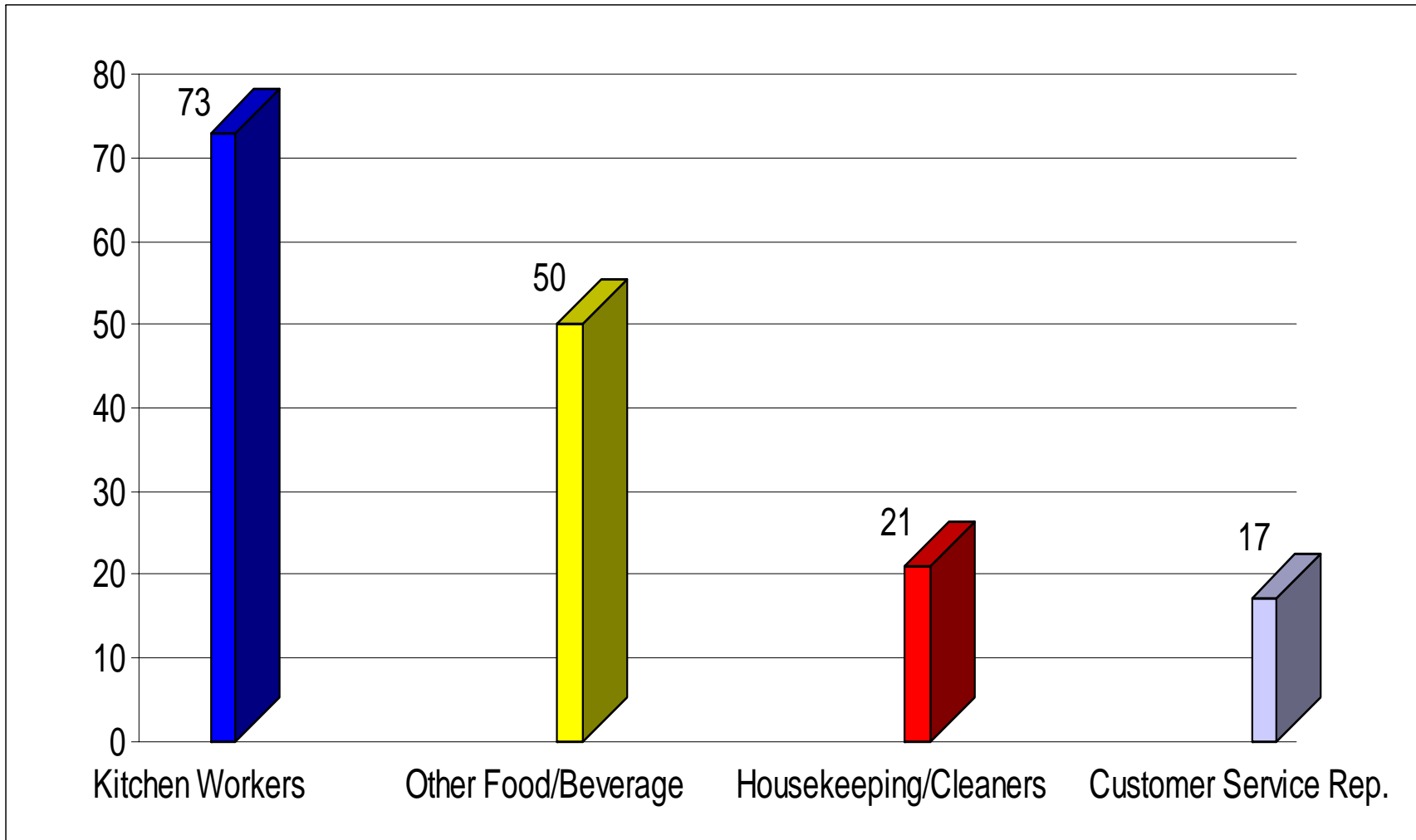
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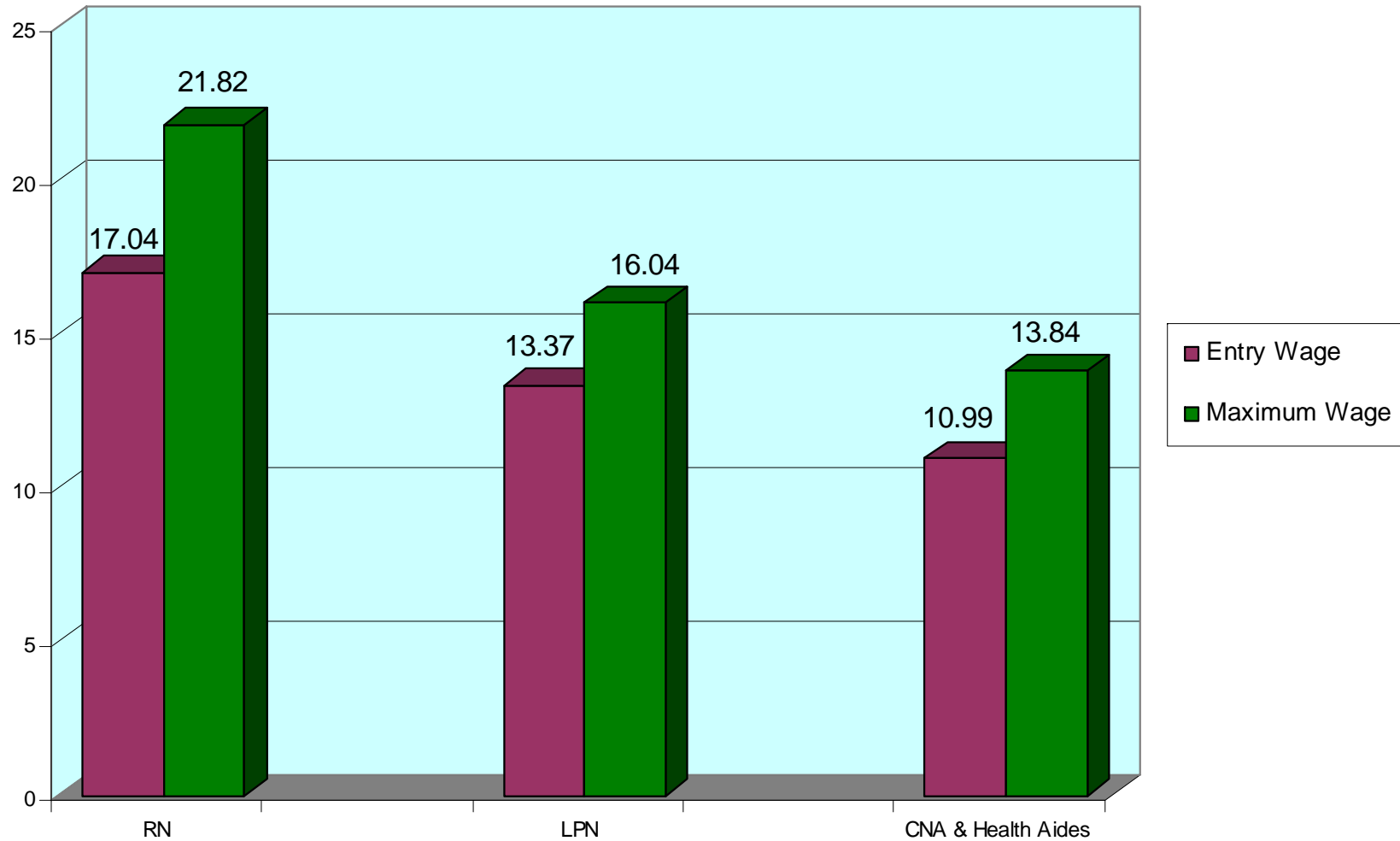
# Service Jobs (Wages)



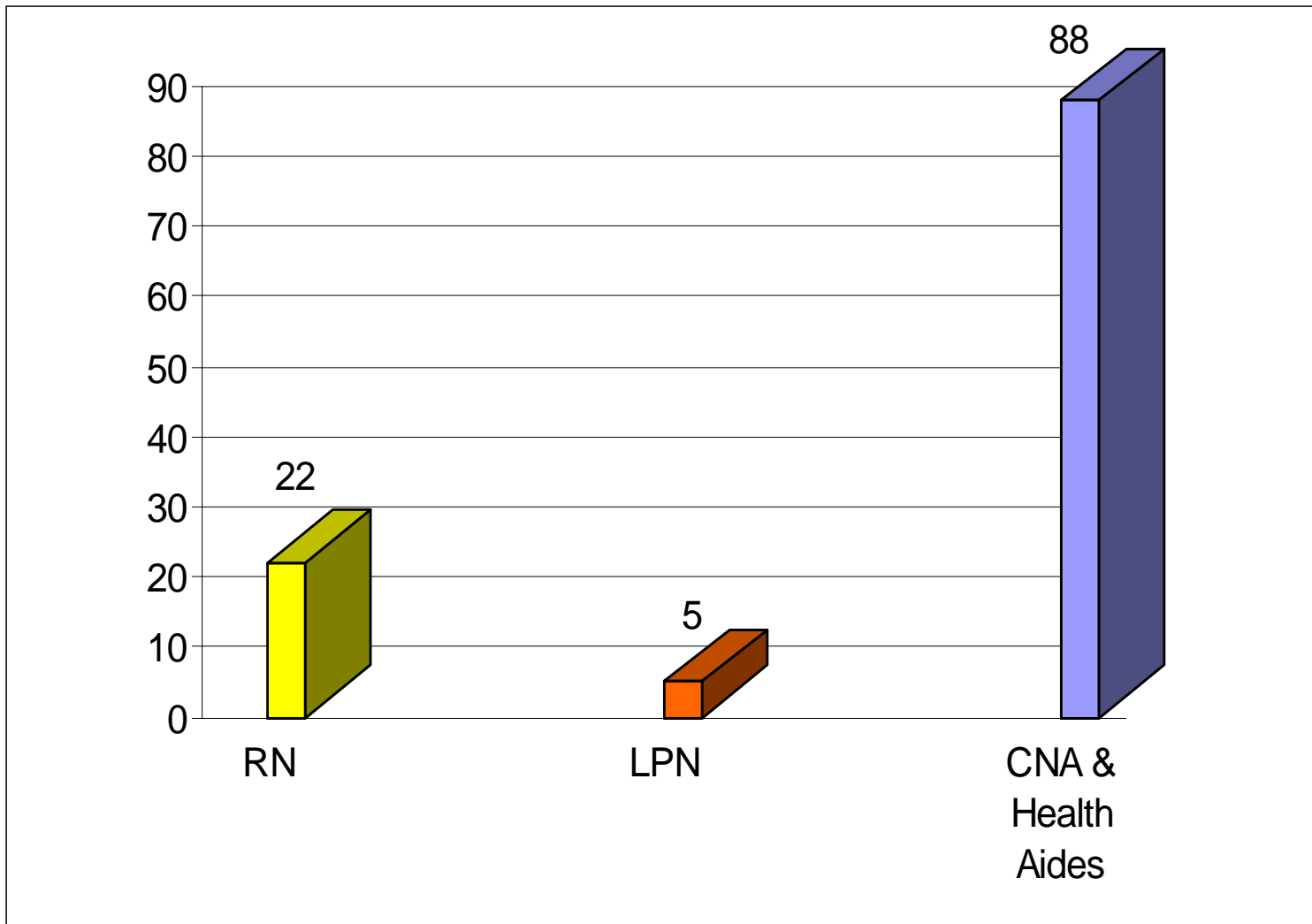
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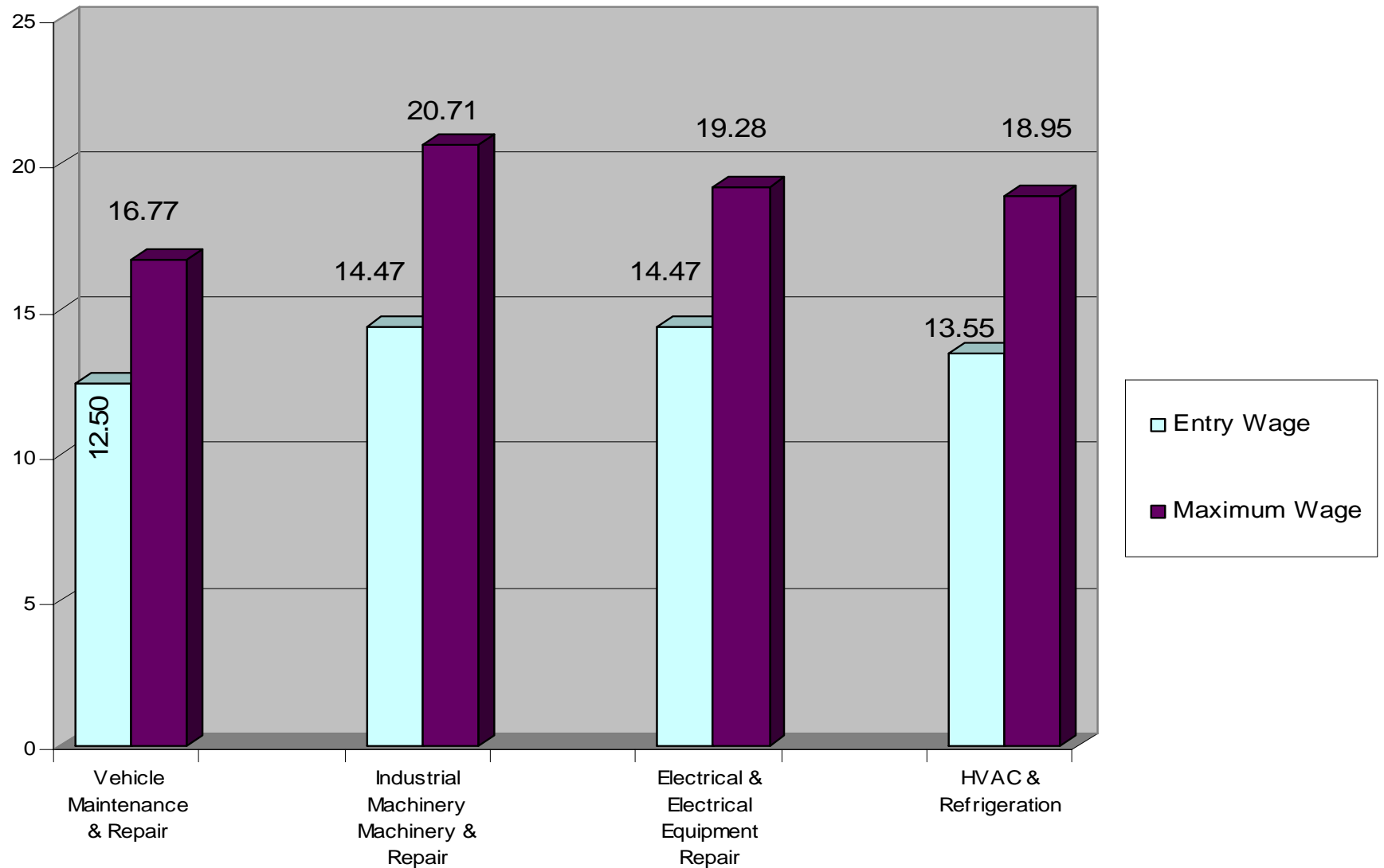
# Health Care Jobs (Wages)



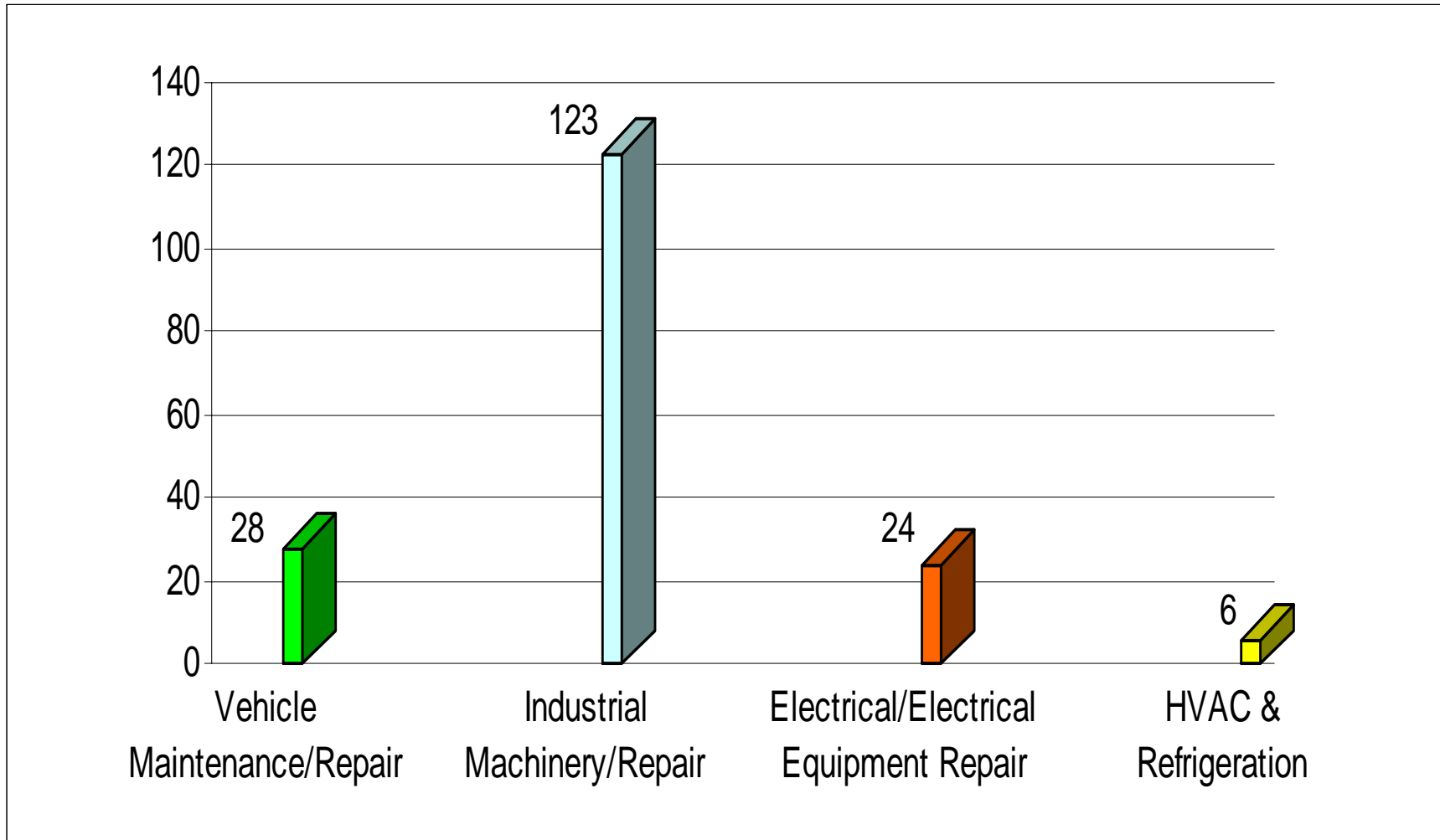
# Health Care Jobs (Numbers)



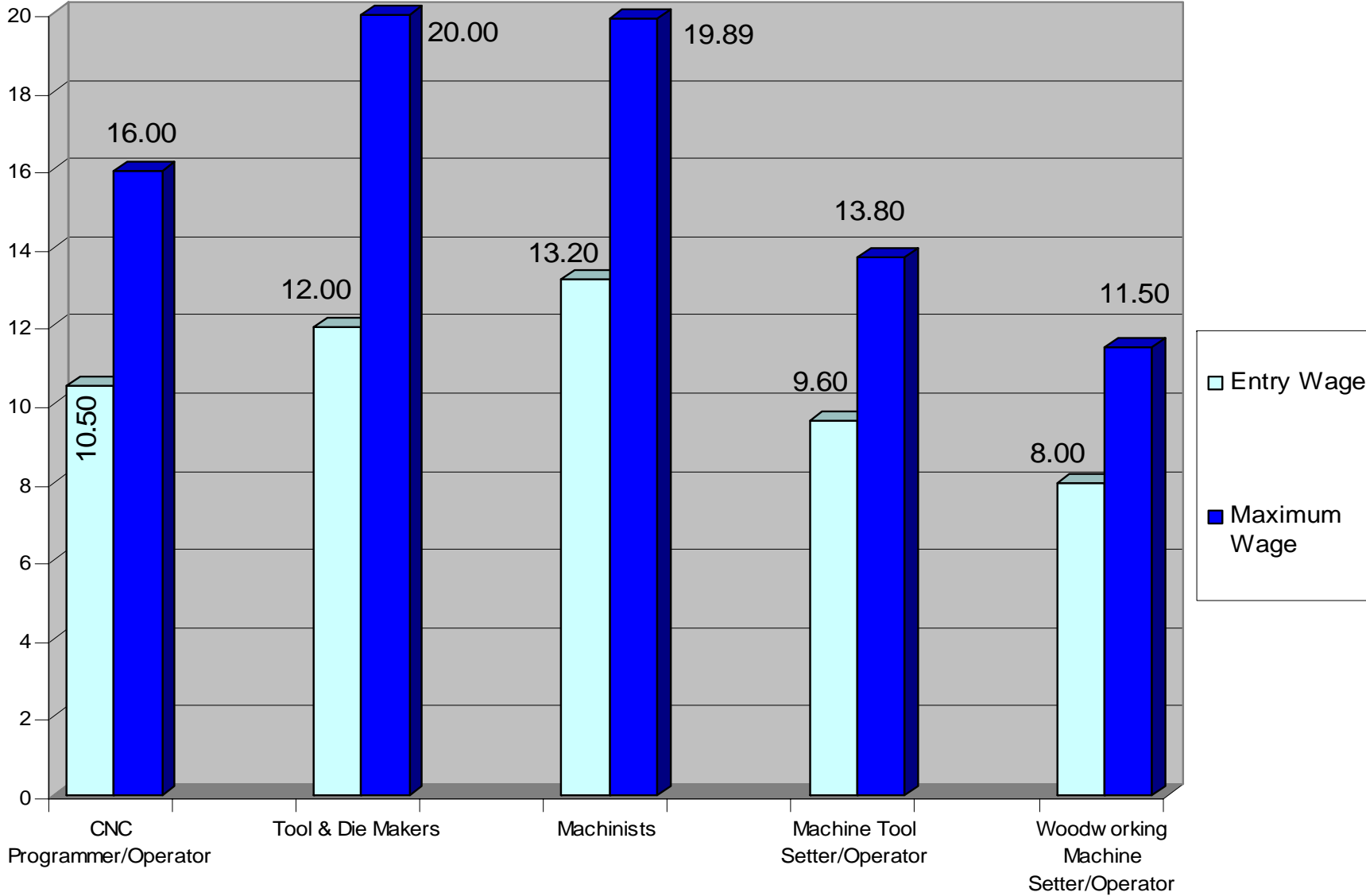
# Mechanics & Repair Jobs (Wages)



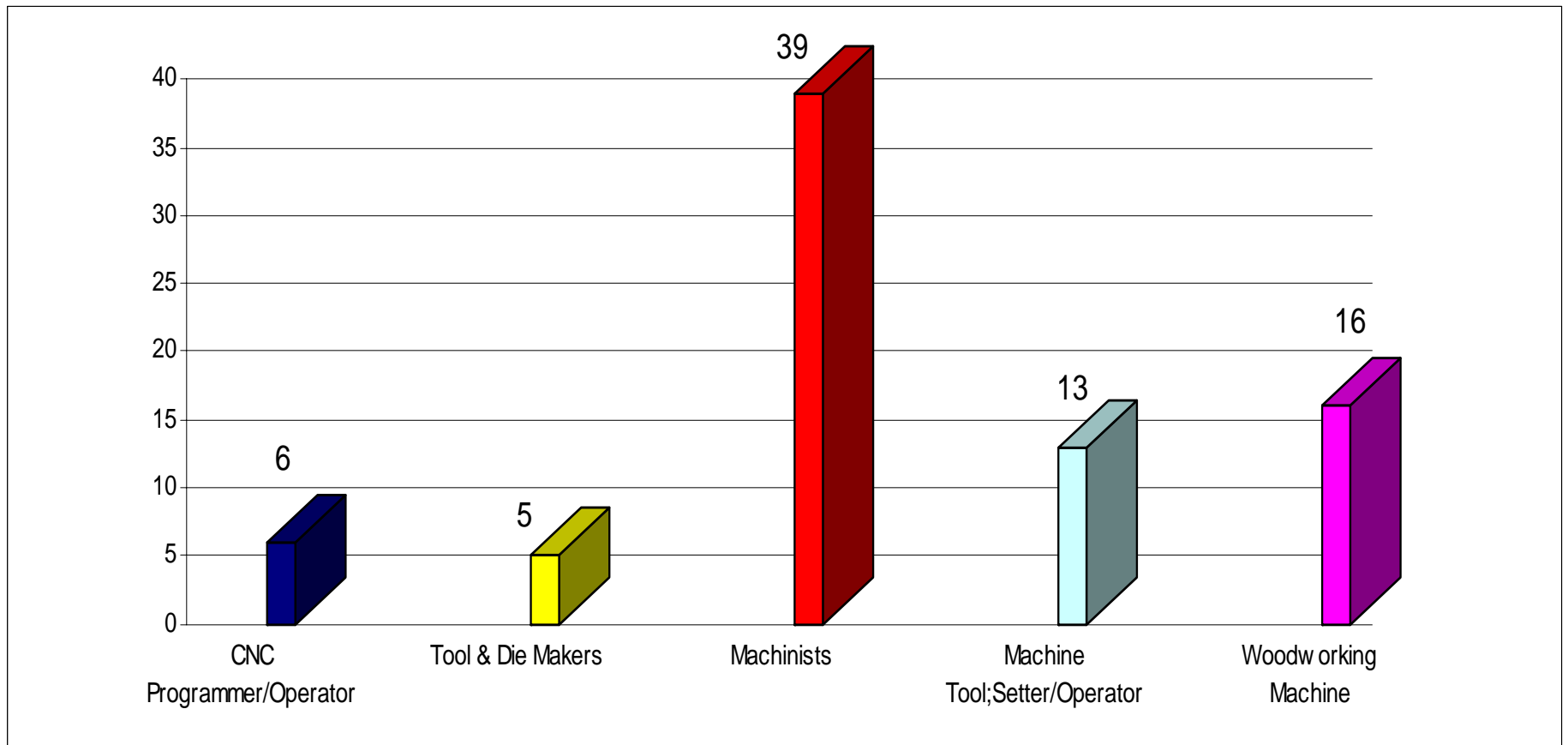
# Machine & Repair Jobs (Numbers)



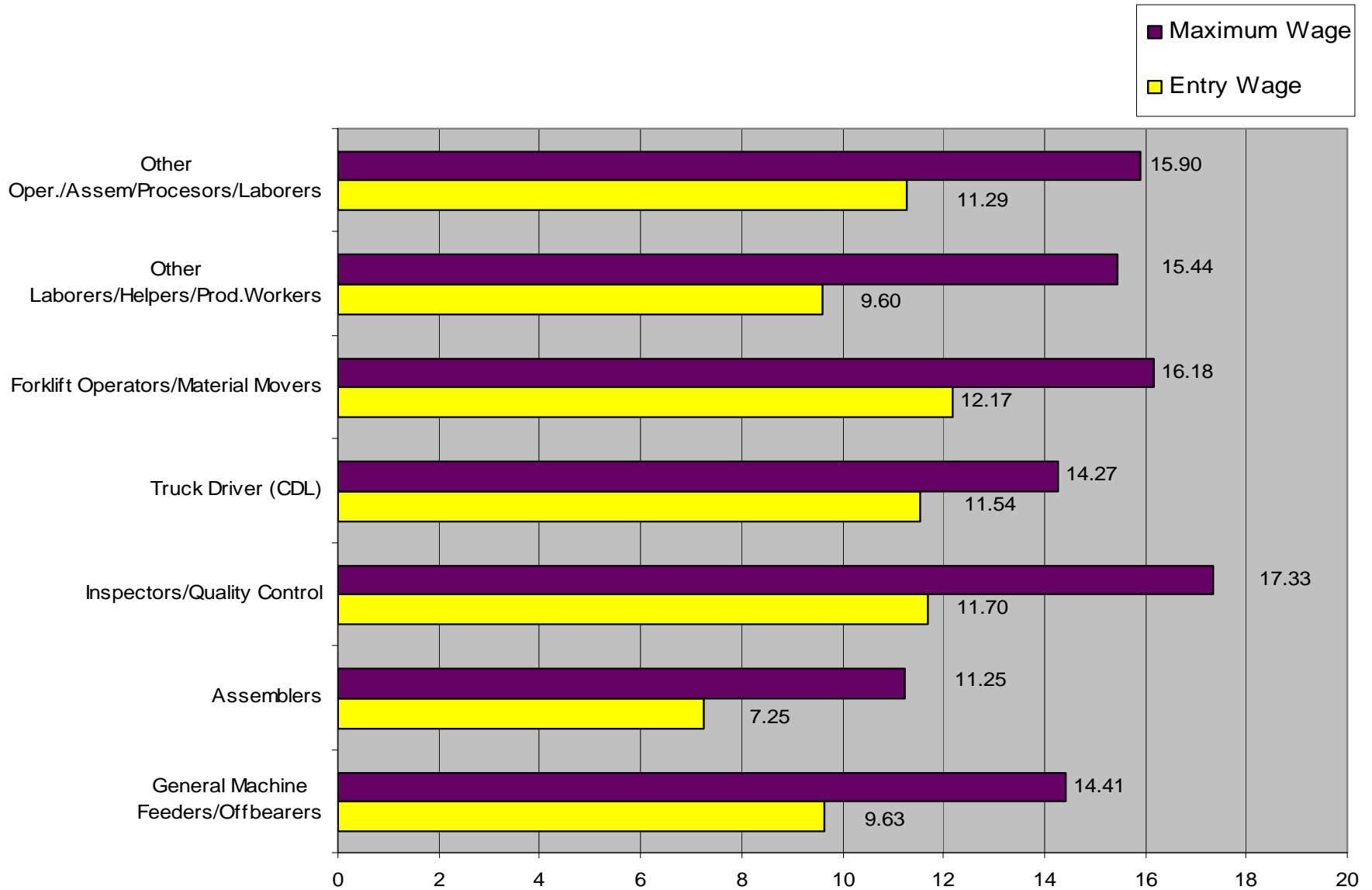
# Machine Operation Jobs (Wages)



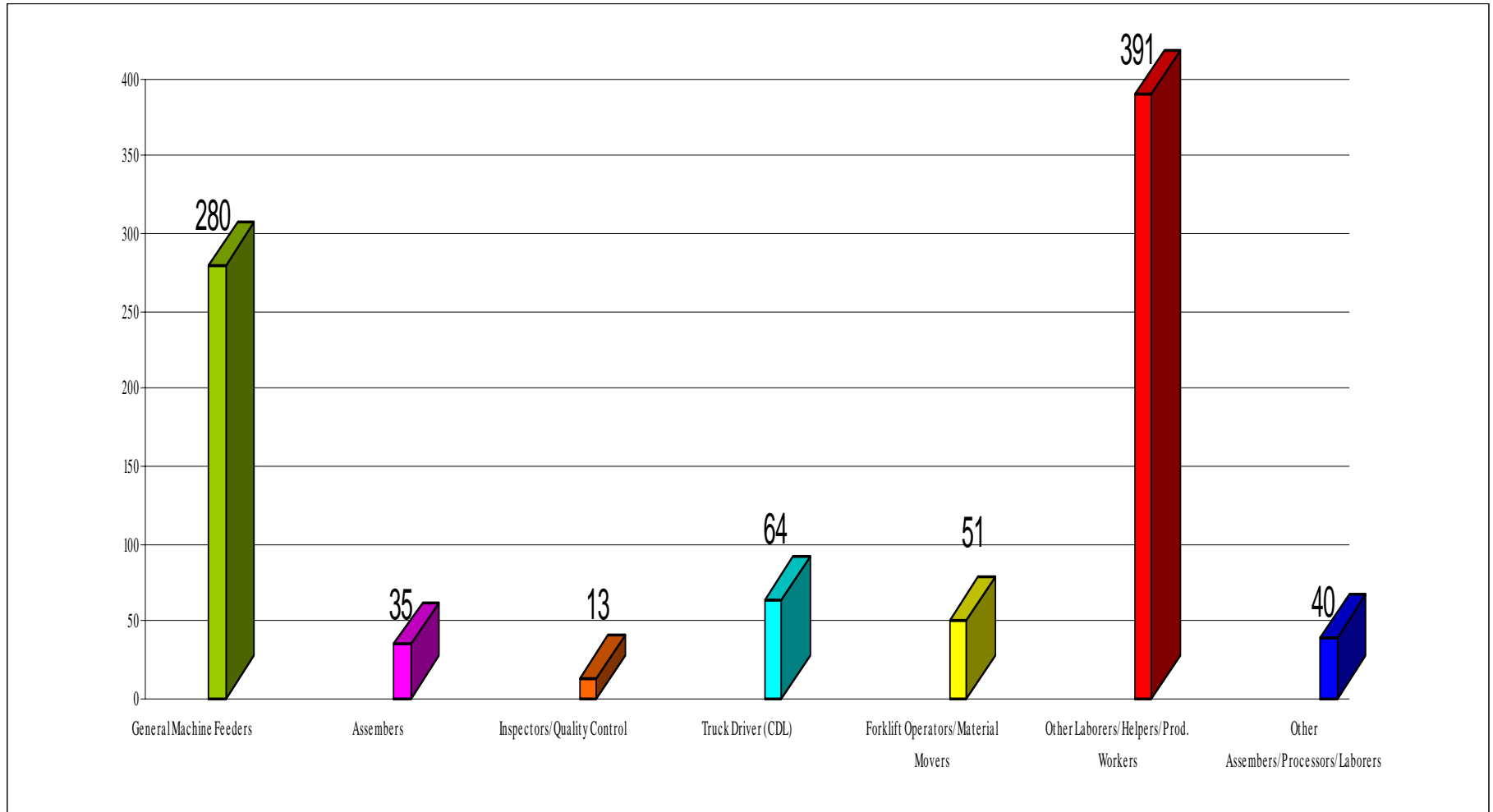
# Machine Operations Jobs (Numbers)



# Assemblers/Processors/Laborers



# Assemblers/Processors/Laborers Job Numbers



# Summary

- Employers do not anticipate hiring many workers in the coming months
- Employers currently offer mostly job specific training that is not available to a wide range of workers
- Largest demand for workers is for positions requiring very little training, education or experience
- Efforts to increase worker productivity will require substantial investments in training
- Emphasis of soft employee skills over hard employee skills

# Recommendations

- Further study of health benefits trends
- Yearly/bi-yearly labor market studies
- Work together to discuss, choose, and perhaps to implement solutions
- Capitalize on work already being done by HR groups
- Explore methods to recruit workers for the manufacturing sector
- Identify and deal with barriers to providing employees with more benefits

# References

- “Labor Market Conditions in Lincoln County (March 2004). Gary Paul Green and Art Lersch, UW-Extension
- County labor market reports published on Gary Paul Green’s web site ([www.drs.edu/personnel/faculty/green/lmr.htm](http://www.drs.edu/personnel/faculty/green/lmr.htm))
- Reports also can be found at the LCEDC and UWEX websites (accessed via [www.co.lincoln.wi.us](http://www.co.lincoln.wi.us))



Questions/Comments?

# Thank you for listening!

Contact Information:

**Art Lersch**

University of Wisconsin Extension/Lincoln County  
Community and Economic Development Educator

715-536-0304

[alersch@co.lincoln.wi.us](mailto:alersch@co.lincoln.wi.us)

[Arthur.lersch@ces.uwex.edu](mailto:Arthur.lersch@ces.uwex.edu)