

The Future Workforce of Manitowoc County

The Equation That Doesn't Balance Out

By Dean Halverson, CEO Leede Research, Minneapolis & Manitowoc

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I've been blessed by the knowledge and perspective gained over these 40 years at Leede. With Labor Day in the rearview mirror, I want to share some observations that are important for Manitowoc County's future; a future we all have a stake in. The COVID-19 pandemic has impacted every business, every community, and every person in some way. It has changed the way we work, shop, and interact with people. It is clear that this event will change things for many years to come. The current environment is different from anything we have experienced, with shortages of products and services due to issues around supply chain and labor force availability. While in an economy that is bouncing back from shutdowns and closures, recovery feels different than anything we have experienced in the past. Business and industry in Manitowoc County are not immune to this national trend.

Help wanted signs are everywhere, whether restaurant, retail, service, or manufacturing. Anecdotally, we are hearing wages are up, benefits have improved and signing bonuses are common. Even with all this we are commonly seeing reductions in hours, services or even full closures as businesses find it impossible to staff at a level to meet their needs and customer demands. What has happened? What will happen? When will this all end? These answers are not as easy and obvious as we might think.

The pandemic has enhanced recent trends and changed the dynamics of the workforce both here and around the country. Remember that we were in a strengthening economy when COVID-19 hit. This is especially true locally, with existing companies expanding and new ones coming into the area. The pandemic and the related economic stimulus generated from it, have impacted the workforce, pulling at it from opposite ends. PPP funding allowed employers to continue to keep their people and have created record levels of cash in many companies. This has increased corporate ability to invest in growth. Supplements to unemployment and direct cash stimulus to families has created an environment that reduced the need to work in some households. Add to these challenges in childcare, and you have a perfect storm for employers, at least in the short-term.

National information indicates that some who typically worked in retail, food and service industries have found opportunities in manufacturing that offer higher pay and benefits. They find clean working conditions and consistent schedules and may never return to their original industries. This has left a vacuum that has resulted in businesses like restaurants reducing hours, services or closing due to lack of consistent staffing. Ten years ago, many of these positions would have been filled with high school and early college students, but that group is not working as they had in the past. Manitowoc county has seen many examples of this, and it is likely the trend will continue moving forward. While federal unemployment enhancements have ended, this may not bring many workers back to the workforce, as recent unemployment levels are close to pre-pandemic numbers.

New demographic information from the 2020 U.S. Census has been released for Wisconsin in recent weeks and the results do not speak well for the future of the Manitowoc County workforce. Wisconsin has an aging workforce and

Manitowoc County is at the forefront of this. By the year 2040 a full 35% of our population will be over 60 years of age, up from 23% in 2010. The population 65+ almost doubles in the same period. Census data indicates that Manitowoc County had a population decline in the past two measures, while Wisconsin showed a modest gain. However, populations of our surrounding counties grew between 7% and 8%. Projections moving forward are similar, with Manitowoc County's population being stagnant or slightly declining. This creates challenges in replacing retiring workers in the future.

Along with declining population, we also show a significant portion of our population works outside of Manitowoc County. The lines of the workforce blurred even further during the pandemic with many professional jobs going to remote workplaces, allowing their people to work from wherever they may be. This trend is likely to continue and is a double-edged sword. Some of our county workforce is remotely working outside the area. It also affords the opportunity to attract people who can work remotely here, enjoying our great natural assets and quality of life.

We have made some great gains in the past 10 years. Our downtowns are more attractive and stronger than ever. We have some of the best waterfront access in the state of Wisconsin, even beyond Lake Michigan and the Mariners Trail. We have added significant industrial development space, expanding existing businesses and attracting new. We are addressing housing needs with new apartment complexes offering young people and downsizers the housing options they are looking for. These are all assets that have value in attracting and retaining a future workforce.

The reality is that the only way we can possibly meet our labor force needs moving forward is to both retain more of our existing population and recruit new workforce. Who is responsible for doing this? The answer is we all are! Before the word pandemic entered our vocabulary, in 2017 the Vision 2022 program was launched to look at the future of Manitowoc County. That work, with over 100 volunteers, indicated that we all needed to be more positive about our communities and show our young people that the area is a place they can make a good living and raise a family in the future. It also recognized that the most effective efforts come from business, government and community organizations working together to leverage resources and create consistent messages and marketing. All these groups had been working together in the V22 program.

Unfortunately, late in 2018 that broke down and coordination and cooperation has deteriorated ever since. A countywide branding program broke down along with it. It is possible by the end of 2021 there will be no government participation in either Progress Lakeshore, the public/private partnership for economic development or the MACVB, the Manitowoc Area Convention and Visitor Bureau. The long-term viability of these organizations will be in question if they leave. This would leave the Chamber as the only cohesive business and tourism organization. They receive no government support or room tax dollars. Businesses are challenged to work together as they are all competing for a limited labor force in the area, and their own survival. This, while existing companies expand, and new ones build major facilities here. The equation does not balance. How can there be future growth?

As individuals, businesspeople, and members of community groups, we need to let everyone know, including our elected officials, that this is a serious issue for our community. We need to share that we cannot address this moving forward without cooperation and everyone working towards a common goal. While it feels like every issue, including our health, is divisive and political, this should be a rallying call we can all get behind. It is our future. Our children's future. Manitowoc County is at a tipping point that will determine what we will be for the next 25 years or more. Now is the time for us to take advantage of our assets and work to make that future bright and a new chapter in the history of this area. Think about what you can do to help! Support programs targeting bringing a new workforce to the community.