6. Economic Development

6.1 Introduction

This section contains an inventory of economic characteristics found in the Town of Herman. Analysis and inventory information contained within this section will help in identifying deficiencies and opportunities for economic development within the community.

6.2 Labor Force and Employment Status

Civilian Labor Force

The labor force, according to the Wisconsin Department of Workforce Development definition, includes those who are either working or looking for work, but does not include individuals who have made a choice to not work. This may include retirees, homemakers, and students. The labor force does not include institutional residents, military personnel, or discouraged job seekers.

Table: 6-1: Civilian Labor Force Annual Averages, Dodge County and Wisconsin, 1999-2002

	1999	2000	2001	2002	# Change 1999-02	% Change 1999-02
Dodge County						
Labor Force	47,110	47,651	48,384	48,607	1,497	3.2%
Employment	45,932	46,142	45,837	46,060	128	0.3%
Unemployment	1,178	1,509	2,547	2,547	1,369	116.2%
Unemployment Rate	2.5	3.2	5.3	5.2	2.7	108.0%
Wisconsin						
Labor Force	2,889,812	2,934,931	2,990,578	3,062,314	172,502	6.0%
Employment	2,801,777	2,831,162	2,854,473	2,904,549	102,772	3.7%
Unemployment	88,035	103,769	136,105	157,766	69,731	79.2%
Unemployment Rate	3.0	3.5	4.6	5.1	2.1	71.4%

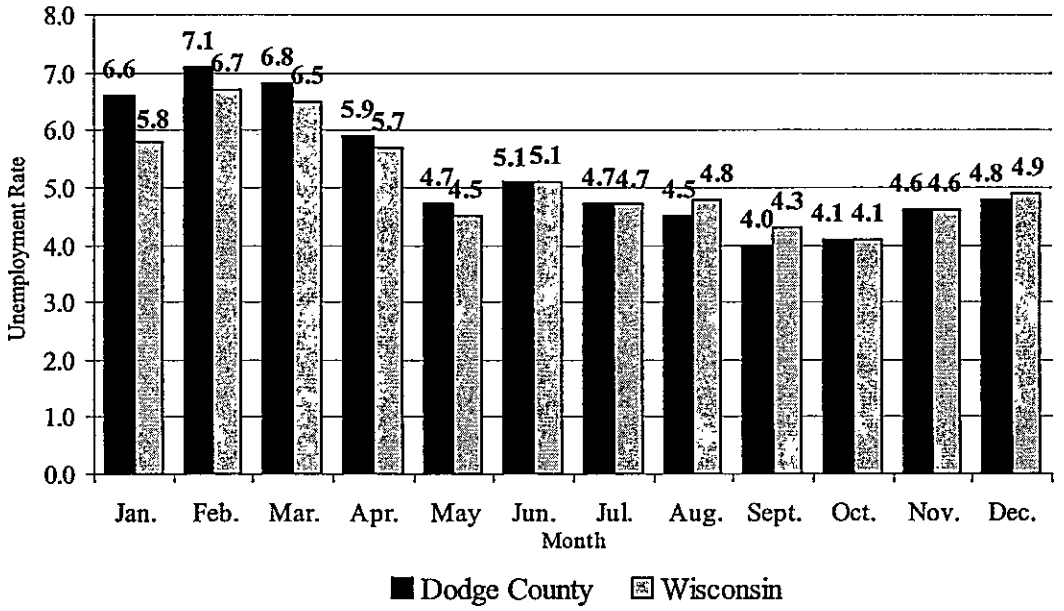
Source: Wisconsin Department of Workforce Development, Bureau of Workforce Information, Local Area Unemployment Statistics, 1999-2002.

The labor force of Dodge County has increased by 1,497 persons since 1999, or 3.2%.

Unemployment Rates

The number of unemployed in the county includes not only those who are receiving unemployment benefits, but also any resident who actively looked for a job and did not find one. Unemployment rates by month for 2002 are illustrated in Figure 6-1.

Figure 6-1: Monthly Unemployment Rates, Dodge County and Wisconsin, 2002



Source: Wisconsin Department of Workforce Development, Bureau of Workforce Information, Local Area Unemployment Statistics, 2002.

Dodge County experienced an unemployment rate during 2002 that was very similar to the state as a whole. Unemployment is generally lower in the summer due to seasonal work such as tourism, agriculture, and construction, a trend typically found throughout Wisconsin.

Income

Table 6-2 displays the 1999 household income and median household income for the Town of Herman and Dodge County as reported by the 2000 Census. The highest percentage (27.7 percent) of residents in the Town of Herman had a household income between $50,000 to $74,999. The next largest percentage (22.8 percent) of household income was $35,000 to $49,999, which was a little higher than the County's 20.4 percent. Approximately 10.3 percent of the households in the Town of Herman had a household income of $100,000 or greater; this exceeded the County's rate of 6.9 percent. The median household income for the Town of Herman was $49,937. The median income for Dodge County was $45,190, slightly higher than the State's reported median income of $43,791.

Table 6-2: Household Income, Town of Herman and Dodge County, 1999

	T. Herman		Dodge County	
	Number	% of Total	Number	% of Total
Less than $10,000	11	2.7%	1,659	5.3%
$10,000 to $14,999	10	2.5%	1,627	5.2%
$15,000 to $24,999	38	9.3%	3,579	11.4%
$25,000 to $34,999	52	12.9%	4,434	14.1%
$35,000 to 49,999	93	22.8%	6,420	20.4%
$50,000 to $74,999	113	27.7%	8,326	26.4%
$75,000 to $99,999	48	11.8%	3,305	10.5%
$100,000 to $149,999	37	9.1%	1,605	5.1%
$150,000 or More	5	1.2%	558	1.8%
Total	407	100.0%	31,513	100.2%
Median Household Income	$49,937		$45,190	

Source: U.S. Bureau of the Census, 2000.
*Percentages may not add up to 100%, due to rounding.

Travel Time to Work

For most of the general population, the location of their home depends on the location of their work. Knowing the amount of time people are willing to travel to work can serve as an indicator for the future location of housing and economic development. Travel time to work is also an indicator of what residents are willing to sacrifice for location. Individuals are often willing to allow for longer commute times to live in a particular area.

Table 6-3 displays the travel time to work for residents of the Town of Herman.

Table 6-3: Travel Time To Work, Town of Herman and Dodge County, 2000

	Town of Herman		Dodge County	
	Number	% of Total	Number	% of Total
Less than 5 minutes	43	6.1%	3,454	8.1%
5 to 9 minutes	54	7.7%	7,955	18.7%
10 to 14 minutes	103	14.6%	6,884	16.2%
15 to 19 minutes	120	17.0%	5,212	12.2%
20 to 24 minutes	65	9.2%	5,043	11.8%
25 to 29 minutes	33	4.7%	2,015	4.7%
30 to 34 minutes	50	7.1%	3,268	7.7%
35 to 39 minutes	11	1.6%	960	2.3%
40 to 44 minutes	16	2.3%	1,124	2.6%
45 to 59 minutes	58	8.2%	2,530	5.9%
60 to 89 minutes	41	5.8%	1,498	3.5%
90 or more minutes	12	1.7%	731	1.7%
Worked at home	99	14.0%	1,924	4.5%
Total	705	100.0%	42,598	99.9%

Source: U.S. Bureau of the Census, 2000.
*Percentages may not add up to 100%, due to rounding.

Of those traveling to work in the Town of Herman, 17 percent of the residents had a commute time of 15 to 19 minutes, where 18.7 percent of the residents in Dodge County traveled five to nine minutes to work. There were 14 percent of residents in the Town of Herman that work at home, which is more than three times the percentage (4.5 percent) that work at home in the County. The Town of Herman has a mean travel time to work of 25.1 minutes; the County's mean travel time to work is 20.8. The Town's residents may have a higher travel time since the residents must travel to nearby cities for employment.

6.3 Economic Base Analysis

Employment by Industrial Sector

Employment by industry within an area illustrates the structure of the economy. Historically, Dodge County has had a high concentration of employment in the manufacturing and agricultural sectors of the economy. Recent state and national trends indicate a decreasing concentration of employment in the manufacturing sector while employment within the services sector is increasing. This trend is partly attributed to the aging of the population.

Table 6-4 displays the number and percent of employed persons by industry group in the Town of Herman and Dodge County for 2000.

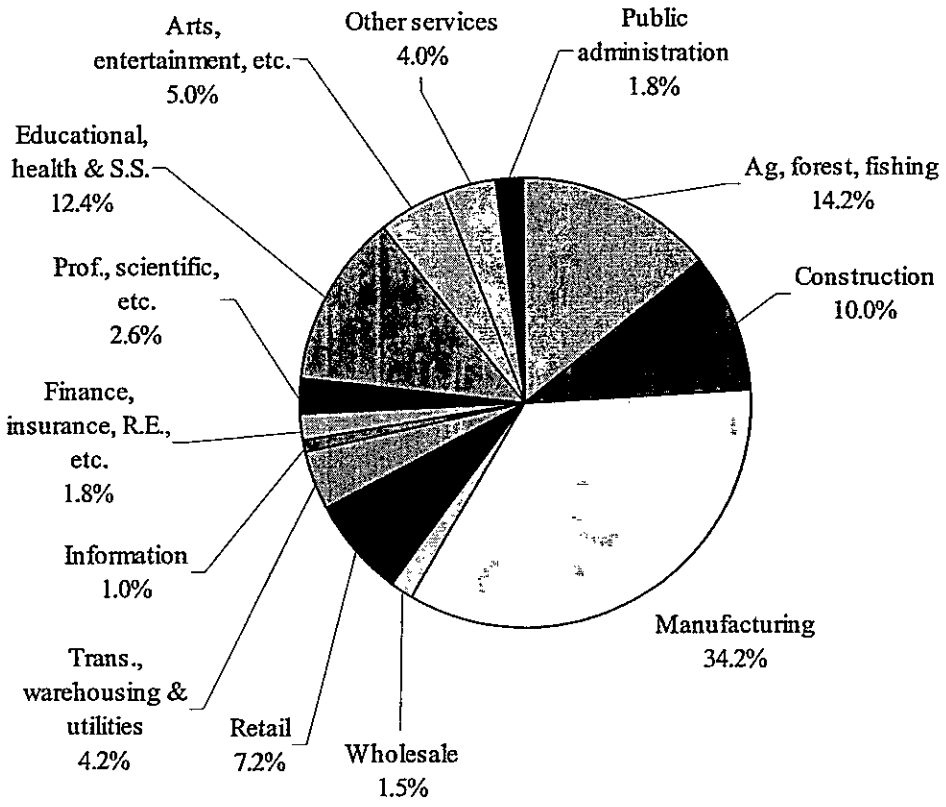
Table 6-4: Employment by Industrial Sector, Town of Herman and Dodge County, 2000

Industry	T. Herman		Dodge County	
	Number	Percent of Total	Number	Percent of Total
Agriculture, forestry, fishing and hunting, and mining	102	14.2%	2,148	5.0%
Construction	72	10.0%	2,840	6.6%
Manufacturing	246	34.2%	14,359	33.2%
Wholesale trade	11	1.5%	1,142	2.6%
Retail trade	52	7.2%	4,668	10.8%
Transportation and warehousing, and utilities	30	4.2%	1,584	3.7%
Information	7	1.0%	792	1.8%
Finance, insurance, real estate, and rental and leasing	13	1.8%	1,523	3.5%
Professional, scientific, management, administrative, and waste management services	19	2.6%	1,691	3.9%
Educational, health, and social services	89	12.4%	6,929	16.0%
Arts, entertainment, recreation, accommodation, and food services	36	5.0%	2,235	5.2%
Other services (except public administration)	29	4.0%	1,555	3.6%
Public administration	13	1.8%	1,731	4.0%
Total	719	99.9%	43,197	99.9%

Source: U.S. Bureau of the Census, 2000.
*Percentages may not add up to 100%, due to rounding.

The manufacturing sector supplied the most jobs (34.2 percent) and the agriculture, forestry, fishing and hunting, and mining sector provided the second most jobs (14.2 percent) in the Town of Herman. The greatest percentage of employment for the county was also in the manufacturing sector (33.2 percent), followed by the educational, health, and social services (16.0 percent). The construction sector provided 6.6 percent of the employment by industry in the County. However, in the Town of Herman the construction sector claimed 10 percent: Figure 6-2 also displays employment by industry for the Town of Herman in 2000.

Figure 6-2: Employment by Industry, Town of Herman, 2000



Source: U.S. Bureau of the Census, 2000.

Employment by Occupation

The previous section, Employment by Industry, described employment by the type of business or industry, or sector, of commerce. What people do, or what their occupation is within those sectors, can also reveal factors that influence incomes and overall employment. Table 6-5 displays the number and percent of employed persons by occupation in the Town of Herman and Dodge County for 2000.

Table 6-5: Employment by Occupation, Town of Herman and Dodge County, 2000

Occupation	T. Herman		Dodge County	
	Number	Percent of Total	Number	Percent of Total
Management, professional, and related occupations	206	28.7%	10,911	25.3%
Service occupations	53	7.4%	5,979	13.8%
Sales and office occupations	133	18.5%	9,298	21.5%
Farming, fishing, and forestry occupations	16	2.2%	660	1.5%
Construction, extraction, and maintenance occupations	98	13.6%	4,158	9.6%
Production, transportation, and material moving occupations	213	29.6%	12,191	28.2%
Total	719	100.0%	43,197	99.9%

Source: U.S. Bureau of the Census, 2000.
*Percentages may not add up to 100%, due to rounding.

The production, transportation, and material moving occupations accounted for 29.6 percent of the employment by occupation in the Town of Herman. The occupation with the greatest percentage of employment in Dodge County was in production, transportation, and material moving occupations, containing 28.2 percent of total employment. In the Town of Herman, management, professional, and related occupations accounted for 28.7 percent of the employment by occupation, where as the County had a slightly lower percentage of 25.3 percent in the same occupation. The Town of Herman also had approximately 18.5 percent of its residents employed in the management, professional, and related occupations.

Wages

The wages that are provided by a particular industry in a particular area can offer several insights. For example, higher wages within an industry, when compared to neighboring communities, can indicate a strength in a particular economic segment. That wage can also be used to attract commuters and new residents to the area. A higher than average wage and a dependence on a particular industry can also lead to local recession if there should be a downturn within the industry. Lower than average wages can indicate a lower quality of life in the area or a lack of highly qualified labor.

Table 6-6 displays the annual average wage by industry in the Dodge County and Wisconsin.

Table 6-6: Annual Average Wage By Industry Division, Dodge County and Wisconsin, 2002

	Dodge County Annual Average Wage	Wisconsin Annual Average Wage	Percent of State Average	1-Year Percent Change	5-Year Percent Change
All industries*	$29,566	$30,922	95.6%	1.5%	20.0%
Agriculture, Forestry, & Fishing	$25,070	$22,565	111.1%	0.4%	17.2%
Construction	$44,962	$39,011	115.3%	2.8%	25.3%
Manufacturing	$35,955	$39,739	90.5%	0.9%	15.2%
Transportation, Communications, & Utilities	$27,962	$36,639	76.3%	0.1%	14.3%
Wholesale Trade	$32,405	$40,521	80.0%	3.2%	46.1%
Retail Trade	$13,652	$14,596	93.5%	4.3%	20.5%
Finance, Insurance, & Real Estate	$24,988	$40,933	61.0%	5.1%	11.6%
Services	$22,769	$28,775	79.1%	4.8%	27.0%
Total Government	$30,724	$33,785	90.9%	0.5%	22.1%

Source: Wisconsin Department of Workforce Development, *Employment, Wages, and Taxes Due covered by Wisconsin's U.C. Law*, 2002.
*Mining excluded from table since wages were suppressed to maintain confidentiality in every county.

The construction and manufacturing industries in Dodge County offered the highest annual average wages in 2002. The agriculture, forestry, and fishing industry along with the construction industry had an annual average wage greater than the State of Wisconsin as a whole. The greatest disparity in wages between Dodge County and the state was in the finance, insurance, and real estate industry.

Acres of Agricultural and Residential Land

In 1992, there were 19,921 acres of agricultural land and 487 acres of residential land in the Town according to the Wisconsin Department of Revenue, Bureau of Property Tax. In 2002, there were 18,821 acres of agricultural land and 752 acres of residential land. The Town lost 1,100 acres of land classified as agricultural over the 10 year period, or 5.5 percent. The amount of residential land increased by 265 acres or 54.4 percent.

Number of Dairy Farms

The number of dairy farms is constantly decreasing throughout the State of Wisconsin. Many dairy farmers are seeking other ways to make a living. In 2003 there were 44 active dairy farms in the Town of Herman, which was a 20 percent decrease in the number of active dairy farms since 1997. This decrease is less than the 27.8 percent decrease of dairy farms in Dodge County during the same time frame.

Environmentally Contaminated Sites for Commercial or Industrial Use

The Environmental Protection Agency (EPA) and the Wisconsin Department of Natural Resources (WDNR) encourage the clean-up and use of environmentally contaminated sites for commercial and industrial use. The WDNR has created the Bureau for Remediation and Redevelopment Tracking System (BRRTS) which identifies environmentally contaminated sites for communities in Wisconsin. The most commonly listed types of sites are the following:

- Spills, a discharge of a hazardous substances that may adversely impact, or threaten to adversely impact, public health, welfare, or the environment. Spills are usually cleaned up quickly.
- LUST, a Leaking Underground Storage Tank that has contaminated soil and/or groundwater with petroleum. Some LUST cleanups are reviewed by the DNR and some are reviewed by the Dept. of Commerce.
- ERP, Environmental Repair Program sites are sites other than LUSTs that have contaminated soil and/or groundwater. Often, these are old historic releases to the environment.
- VPLE, Voluntary Property Liability Exemptions apply to sites in which property owners conducts an environmental investigation and cleanup of an entire property and then receives limits on their future liability.
- Superfund, a federal program created by Congress in 1980 to finance cleanup of the nation's worst hazardous waste sites. Thirty-nine sites are currently found in Wisconsin.

According to the BRRTS database, there are 655 environmentally contaminated sites in Dodge County. Of the 655 sites, 308 are closed. Closed sites have completed all clean up requirements and have received a case closure letter from the DNR. The remaining 347 sites are open sites. Open sites are in need of clean up or clean up is underway. There are therefore 347 sites that could have potential for commercial or industrial use. However, some sites will be more adequately suited than others. Of the 347 open sites 247 are reported spill sites, 60 are LUST sites, 34 are ERP sites, 4 are VPLE, and 2 are Superfund sites. Table 6-7 lists open sites in the Town of Herman. For more information review the available DNR database for sites that are located within the community (http://www.dnr.state.wi.us/org/aw/rr/brrts/index.htm).

Table 6-7 Contaminated Sites in the Town of Herman

	Site Name or Location	Type	Spill Source Description/Cause
1)	STEFFAN OIL CO	SPILLS	Transportation Accident, Load Spill, Storage Tank Leak/ Soil Contamination
2)	ELSINGER PROPERTY	LUST	Soil/ Groundwater Contamination

6.4 Economic Development Trends

Agriculture dominated the Dodge County and Town of Herman economy until the mid-20th century, at which point, manufacturing became a major source of employment and income. Trade and services have begun to emerge as major economic components. These trends formed the base of the current local economy. Over the next 20 years a number of economic trends are anticipated that will affect the existing economic base:

- The composition of the labor force will change due to continued decreases in family size and the aging of the population.

- Herman will likely continue to depend heavily on the manufacturing sector of the economy. International and national economic trends will continue to affect the manufacturers found in Dodge County.

- Increases in automation and technology in manufacturing will change the existing manufacturing base and affect the labor force.

- Tourism will likely increase as a factor in the economy.

- The Town of Herman will continue to be a desirable place to live, and transportation improvements will increase the ability of individuals to work outside the county resulting in increased population.

- The service-based sector of the economy will continue to grow, particularly health-related services, as the population ages.