

CHAPTER 6 ECONOMIC DEVELOPMENT ELEMENT FACT SHEET

The Waukesha County Comprehensive Planning Economic Development Element subcommittee expressed the following strengths, concerns, and weaknesses.

Economic Strengths

- **Rich history of local entrepreneurship fostering business growth**
Historically, the fostering of local small businesses in Waukesha County has led to the growth of larger companies and jobs.
- **Milwaukee-Waukesha Metropolitan Statistical Area (MSA) with over 1.5 million people**
Despite the fact that the City of Milwaukee has declined in population, the Milwaukee-Waukesha MSA that includes Milwaukee, Ozaukee, Washington, and Waukesha counties continues to grow and prosper.
- **Preference for ownership demonstrates longer term commitment to area**
Businesses want to establish equity by owning commercial or industrial land and buildings. This provides more opportunities to establish equity and creates more options for future expansion, but also challenges the typical dynamics of traditional industrial park development. Business condominium concepts are growing, which encourages ownership and longer term business commitment.
- **Outstanding work ethic**
In the opinion of business leaders in Waukesha County, when compared to other regions of the country, employees have a superior work ethic.
- **Growing tax base**
Waukesha County's tax base continues to grow due to development and redevelopment of residential, commercial, and industrial areas.
- **Attractive local, county, and state park system**
Local, county, and state parks, lakes, and natural areas offer a variety of recreational activities for residents, thereby, attracting employers and employees.
- **Sustained population growth**
In every federal population census, Waukesha County has recorded an increase in population. Since 1960, the population of the county has more than doubled.
- **Innovative business leaders**
Waukesha County has grown businesses and jobs mainly through innovation and investment by local leaders.
- **Quality schools are the driving force in attracting families and businesses**
Waukesha County is recognized as having both quality public and private school systems. This is a huge attraction for families with children. In addition, a quality education system is important for businesses that will employ workers after graduation.

Concerns and Weaknesses

- **The median price of a home is increasing at a faster rate than median income**
Waukesha County has the second highest median home price in the state. Nineteen percent of households pay more than 30 percent of their gross monthly income on housing and 5 percent pay over 50 percent of their gross monthly income for housing. The U.S. Department of Housing and Urban Development (HUD), defines affordable housing where housing costs are no more than 30 percent of a household's gross monthly income. As the number of potentially lower paying jobs in service sector industries such as hospitality, eating and drinking, and retail trade increases, this becomes even more of an issue for providing affordable housing opportunities within Waukesha County.
- **Need to generate enough revenue to continue all municipal and county services while balancing fees and taxes and remaining competitive at the same time**

The costs to operate government continue to increase especially with the increase of unfunded state and federal mandates. Sometimes the pursuit of taxes from new development increases urban sprawl. Citizens continue to express concerns about the taxes they pay and do not support tax increases.

- **Health care costs continue to rise**
Rising health care costs create obstacles for business and job growth. Health care costs in Wisconsin and the Midwest are higher than other regions of the country.
- **Need to focus on regional and countywide cooperation, including school districts, in the delivery of governmental services**
Local governments and school districts have been pursuing and should continue to pursue new, cost-effective cooperative approaches to meet their own governmental service demands.
- **Community development plans must be complimentary**
The Wisconsin Comprehensive Planning law requires that communities must have plans that complement each other. This is a difficult task since there are 37 municipalities within Waukesha County.
- **Transportation costs continue to rise**
Rising energy prices continue to increase transportation costs for Waukesha County businesses and residents. Transportation infrastructure demands that are not paid for by enhanced tax revenues continue to increase transportation costs.
- **Continued population growth will impact local school districts**
The intermediate population growth projection developed by SEWRPC shows Waukesha County gaining over 86,000 people from 2000 to 2035. According to the state Department of Public Instruction projections, the K-12 student population in Waukesha County will begin to experience steady growth after 2010. This will result in local school boards addressing the need for more new school buildings and expansion of existing facilities in order to continue to provide quality education and job training.
- **Cyclical over-development of office space within the county**
Over-development of office space can lead to a temporary condition of more supply than demand, empty office buildings, lower rent prices, and less profit for developers, investors, and real estate professionals as well as creating unneeded or underutilized infrastructure.
- **Need for additional technology development**
Waukesha County needs to continue to thrive in a knowledge-based economy. To do so, businesses and government must continue to adopt new technologies. A need exists for enhanced communication and collaboration between businesses and research universities.
- **Need to continue to increase the number of people with college and technical degrees**
Although Waukesha County has a highly skilled workforce, there is still demand for additional growth, especially in the areas of business, information technology, engineering, and nursing and health care professions. Both public and private universities in the region must do a better job of making professionals aware of what continuing education opportunities and degrees exist, and identifying what degrees to offer. It is necessary to increase the number of people with both technical college and four-year degrees to grow in a knowledge-based new economy.
- **Need to maintain and expand our transportation infrastructure**
Waukesha County has an excellent network of local, county, state, and federal roads, streets, and highways. It also has several local and county airports. This infrastructure must be maintained and expanded to meet economic growth needs.
- **Declining water supply**
Waukesha County's water supply is finite. The trends show that the deep aquifer ground water supply and quality is declining. The county must work together with local communities and regional agencies to identify ways to conserve water and protect the quality of water resources.

- **Aging workforce**
The potential for a future labor shortage in the county is significant as the rate of retirement is likely to surpass the rate of entry into the workforce between 2015 and 2020.
- **Lack of population diversity**
Waukesha County has not experienced high growth in ethnic diversity of other populations.

Other Relevant Business Analysis

Waukesha County Economic Development Corporation (WCEDC) completed 24 listening sessions with businesses between March and September 2002. WCEDC published the results of these sessions in their report titled *Waukesha County 2020*. The businesses that attended the listening sessions accounted for 80 percent of the payroll in the county. These businesses prioritized 12 major issues based on the impact each issue was thought to have on the County's economy. These comments do not necessarily reflect the findings of the Waukesha County Development Plan, but provide additional opinions to inform the preparation of the plan.

- Infrastructure limitations (roads, water, power, high-speed Internet, housing, public transportation) inhibit economic growth, retention and attraction of businesses.
- Labor force issues inhibit the success of existing businesses and the attraction of new business; quantity and quality of workers, and assimilation of ethnic/minority workers.
- Ineffective resource allocation across educational units hinders workforce preparedness in key areas.
- Multiple layers of government create inefficiencies for businesses and higher taxes, thus driving up the cost of doing business.
- Government and the citizenry lack an understanding of business issues.
- Insufficient resources are available to create a supportive environment for "new economy" businesses (finance, information, collaborative networks).
- The high cost of health care is making local businesses and the area in general less competitive.
- The County doesn't have a strong image for attracting business, entrepreneurs, young workers, and visitors.
- The region is losing corporate headquarters with high paying jobs.
- Excessive governmental regulations limit the growth of certain industries.
- There's a resistance/conservatism among area businesses for investing in new technology and businesses processes in the face of global competition.
- Unresolved regional issues are caused by fragmented and short-term governmental and business planning.

Workforce Analysis

- Waukesha County has the third highest percentage of people with associate, bachelors, graduate, and professional degrees in Wisconsin. Only Dane and Ozaukee County have higher percentages.
- Waukesha County's total share of regional employment in the Milwaukee 7 region has grown from 3 percent in 1950 to 22 percent in 2000. Over 270,000 jobs existed in Waukesha County in 2000.
- Waukesha County has over 12,500 businesses. Ninety three percent of these businesses have fewer than 50 employees.
- In 2004, the average annual wage paid to workers employed in Waukesha County was just below \$40,000 per year. This figure was 14.2 percent above the state average. Jobs in financial occupations provide the highest average wage in Waukesha County at \$51,502. Jobs in information technology and manufacturing provide the second and third highest average wages in the County.
- The Intermediate job growth projects the creation of an additional 76,400 jobs in Waukesha County between 2000 and 2035.

- Greatest job growth is projected to occur in business services (engineering, accounting, research, management).
- Second largest job growth is projected to occur in health services (establishments engaged in furnishing medical, surgical, and other health services including hospitals, offices, and clinics of physicians and health care practitioners, nursing, and rest homes, medical, and dental laboratories and home health care services.)
- The third largest job growth is projected to occur in social services (establishments that provide help and rehabilitation services to individuals with needs requiring special care and the disabled and disadvantaged. This group also includes child day-care facilities and certain residential care facilities for children, the elderly, and others who need help with self-care.)

LARGEST EMPLOYERS IN WAUKESHA COUNTY, 2005

Name of Employer	Type of Business	Approximate Employment (Full-time equivalents)
Pro Health Care	Health Services	4,964
Kohl's Department Stores	Retail/Company Headquarters	4,045
GE Healthcare	Medical Products/Headquarters	3,976
Roundy's	Food Wholesale/Retail	3,593
Quad Graphics Inc.	Printing/Company Headquarters	3,146
Target Corporation	Retail/Distribution Center	1,623
School District of Waukesha	Education	1,508
AT&T	Communications	1,478
Community Memorial Hospital	Health Services	1,474
Wal-mart Corporation	Retail	1,425
Waukesha County	Government	1,402
Waukesha County Technical College	Education	1,396

Source: Wisconsin Department of Workforce Development, Labor Market Information Bureau and Waukesha County, 2006 employer inquiry updates.

LARGEST BUSINESS ESTABLISHMENT GROUPS IN WAUKESHA COUNTY, 2002

Type of Business	Number of Businesses
Wholesale /Retail Trade	2,630
Professional & Administrative Services	1,700
Construction	1,589
Education & Health Care Services	1,172
Manufacturing	1,096
Finance, Insurance and Real Estate	1,031

Source: U.S. Bureau of Census, County Business Patterns, 2003

Prepared for the Comprehensive Development Plan for Waukesha County: 2009