

Barron County Path to Economic Recovery

Introduction:

The economic toll of the COVID-19 pandemic has been catastrophic. Nearly half a million Wisconsinites have sought unemployment insurance benefits since the crisis began and small businesses in every corner of the state are on the brink of permanently shutting their doors. While the Evers Administration's Safer at Home order may have been a necessary step initially in preserving the public health and protecting the lives of Wisconsin citizens, the immediate and adverse impact the shutdown has had on the business community cannot be understated. According to a recent statewide survey of Wisconsin businesses conducted by Wisconsin Economic Development Corporation and the University of Wisconsin Oshkosh, 35 percent of businesses who responded to the questionnaire said they will be forced to close permanently if the Safer at Home restrictions had persisted until the end of May. The unknowns and multiple variables make it difficult to predict with any certainty what an economic recovery will look like and how long it will take.

However, there are some things we do know:

1. The economy and business operations won't suddenly flip a switch back to normal. Restrictions on businesses, travel and gatherings have been released but impacts on industries and jobs will vary, and look different depending on the locale.
2. While some industries and companies will rehire laid off workers, some won't or will do slowly. This means workers will need to determine how to transfer their existing skills or reskill into a new career. (Workforce Resource will assist here)
3. Economic development and workforce development has changed for good we believe. Some of the fundamentals of both fields will remain, but it won't be business as usual. It's unknown at this time exactly what the changes will be.
4. Adaptability will be vital. Advanced labor market data, economic analysis and input from the various industry sectors will be the key to anticipating workforce needs and measuring impacts to regional economies. Barron County EDC will access this data and pull in expert assistance from other organizations and provide to our Chamber/Economic Development partners.
5. We are not going this alone. We have assistance from the Small Business Development Center, SBA, USDA, West Central Wisconsin Regional Planning Commission, WEDC and others.

Barron County Path to Economic Recovery:

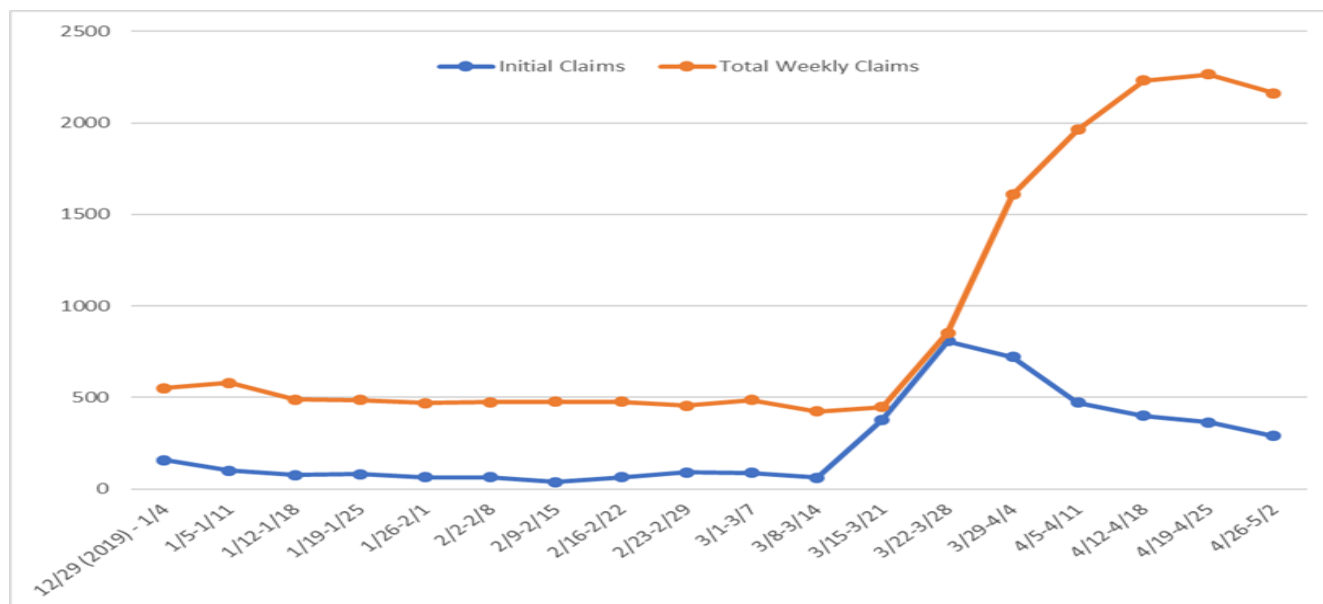
The Barron County Path to Economic Recovery was created from recommendations from a diverse group of organizations including Wisconsin Economic Development Association (WEDA), banking industry representatives, Small Business Association (SBA) lenders; Community Development Financial Institutions; West Central Wisconsin Regional Planning Commission; USDA; Wisconsin Manufacturers and Commerce; Utilities; and our local Chambers and economic development organizations. The recommendations offer a path with potential solutions to help small businesses restructure and reopen or expand operations. We plan to follow the plan described below but will be adjusting as needed. In essence we will follow the following guidelines. 1. Assess, Plan and Launch. 2. Measure, Adjust, Communicate, repeat.

1. Assess

Determine the damage that has been done to each sector. With assistance from WI Department of Workforce Development Economists and direct contact with businesses we will determine the extent of damage that has been done to each sector in the County.

- a. The unemployment numbers we have for counties are March 2020. Since they're primarily based on the CPS survey, which goes out the week of the 12th each month, we won't see the full Covid-19

impact until we have April data towards the end of this month. Nationwide unemployment jumped from 3.5% in Feb to 4.4% in March, to 14.7% in April. But we can take a look at unemployment insurance claims as a proxy (which is used in the unemployment rate model as well), data are here. Below is the graphed Barron County data. <https://dwd.wisconsin.gov/uistats/>



We are attempting to obtain this information by industry, but it's currently not available. Unemployment Insurance is working on it at this time. Full unemployment figures by industry are available only the national level. But we believe we can at least proxy that some to our areas which is included below. The table below is what is considered correct with the data we have. From here: <https://www.bls.gov/news.release/empsit.t14.htm>

Table A-14. Unemployed persons by industry and class of worker, not seasonally adjusted

HOUSEHOLD DATA

Table A-14. Unemployed persons by industry and class of worker, not seasonally adjusted

Industry and class of worker	Number of unemployed persons (in thousands)		Unemployment rates	
	Apr. 2019	Apr. 2020	Apr. 2019	Apr. 2020
Total, 16 years and over ⁽¹⁾	5,387	22,504	3.3	14.4
Nonagricultural private wage and salary workers	4,254	19,167	3.3	15.6
Mining, quarrying, and oil and gas extraction	17	77	2.4	10.2
Construction	439	1,531	4.7	16.6
Manufacturing	483	1,992	3.0	13.2
Durable goods	265	1,416	2.6	15.1
Nondurable goods	218	576	3.6	10.2
Wholesale and retail trade	829	3,223	4.3	17.1
Transportation and utilities	255	989	3.4	13.5
Information	87	279	3.5	11.0
Financial activities	210	545	2.1	5.4
Professional and business services	611	1,697	3.5	9.8
Education and health services	512	2,552	2.1	10.9
Leisure and hospitality	647	4,860	4.5	39.3
Other services	164	1,421	2.5	23.0
Agriculture and related private wage and salary workers	121	163	7.3	9.6
Government workers	347	2,017	1.6	9.4
Self-employed workers, unincorporated, and unpaid family workers	208	886	2.2	9.7

Footnotes

(1) Persons with no previous work experience and persons whose last job was in the U.S. Armed Forces are included in the unemployed total.

NOTE: Updated population controls are introduced annually with the release of January data. Effective with January 2020 data, industries reflect the introduction of the 2017 Census industry classification system into the Current Population Survey. This industry classification system is derived from the 2017 North American Industry Classification System (NAICS). No historical data have been revised.

2. Plan

Create assistance programs for each sector. Once the damage/disruption level is established we will work with our local, state and federal partners to create programs to assist those effected in each sector. This will include:

- a. **Additional funding - Bridge funding.** The federal CARES Act funding (EIDL and PPP) currently flowing into businesses in our region will not meet the working capital and cash flow needs of all impacted businesses. Wisconsin Economic Development Corporation (WEDC) has announced two programs so far but unfortunately, neither have impacted our region to any great degree. They have announced another program that will be rolled out at the end of May. Hopefully this will be able to provide more assistance to small business in our area. Additional sources for capital are being researched with some shown below.
 - i. We are tracking another federal grant opportunity for small businesses that will be available in 2-3 months. West Central Wisconsin Regional Planning Commission will be the entity processing these grants. We will publish when they are available.
 - ii. The Wisconsin Economic Development Association (WEDA) has prepared and presented a comprehensive list of small business assistance programs to WEDC and the Evers Administration for funding from CARES ACT block grant monies. We will notify all our chamber and economic development partners as we hear of additional state programs coming online.
 - iii. CDBG economic development grants are available for small businesses based upon job creation at this time. A max of \$100,000 or \$7,000 – 10, 000 per job created is available for jobs that hire persons of low to moderate income. Please contact Barron County Economic Development for assistance with this program.
 - iv. Additional CDBG monies will be coming out in the next few weeks but the rules have not been finalized for them. We will publish these when they are available.
 - v. We can assist small businesses with finding short-term funding. Please contact us.
- b. **Technical assistance – training, consulting and other services as needed.**
 - i. **Financial Technical Assistance.** Small business must have access to enough cash or credit to operate while waiting for customers to return. We have found the ability of small businesses to perform cash flow projections varies widely by business.
 - ii. **Response:** We have worked with the Small Business Development Center (SBDC) to create Cash Flow Projection technical assistance webinars for small business where they will learn how to forecast cash flow requirements. These started the week of May 11th and will continue as needed. Please contact Luke Kempen, SBDC Director for future webinar information. kempenls@uwec.edu
 - iii. **Quick Books Training** – We are creating a program that will provide Quick Books training to business owners. We anticipate this starting by mid-June.
 - iv. **Business Consulting Services** - We provide free business consulting services at this time but are limited with how many we can assist at one time. We have requested funding from the State for additional funding to grow this service.
- c. **Countywide marketing assistance (advertising/promotion)**
 - i. **Support available**
 - 1. The cities of Rice Lake and Barron and the Village of Turtle Lake have Tourism Commissions. Tourism Commissions exist by way of collecting a small room tax on hotel/motel stays. The room tax is used to purchase marketing/advertising to promote additional stays in the municipality. This is typically done by marketing events in the area that will bring visitors to each municipality. We plan to contact each Tourism Commission to determine the amount of spending that is budgeted for

- 2020 and how and when that will be deployed. The key is to begin marketing our area to bring visitors back. Using health and safety guidelines published by WEDC, County Public Health and others, we can do this safely.
2. Barron County Economic Development Corporation has money allocated to advertising in 2020. We will work with the Tourism Commissions to determine where these dollars can be best spent.

d. Workforce Training/placement assistance

- i. **Concern:** Companies may require assistance finding workers and workers may not have the skills necessary for business.
- ii. **Response:** Workforce Resource can assist all businesses to find and screen additional workers. They will also work with businesses to define skills that are required and can create training programs and apply to the State for funding. Paul Baribeau the Workforce Resource County Manager for Barron County is our contact. baribeaup@workforceresource.org
- iii. Businesses looking for health and safety guidance on restarting can look to the following for suggestions on the workforce's re-entry to the workplace. The best starting point is the WEDC reopening guidelines found here: <https://wedc.org/reopen-guidelines/>
- iv. The Barron County Public Health Department has also published a set of recommendation that can be viewed here https://www.co.barron.wi.us/misc%20docs/COVID19/COVID-19_Guidance20200515.pdf

Additional information can be found here

[World Health Organization](#)
[Centers for Disease Control and Prevention](#)
[Equal Employment Opportunity Commission](#)

[Occupational Safety and Health Administration](#)
[The White House](#)

3. Agriculture:

EIDL Grants/Loans and Farmers

The SBA EIDL program application process is still open to farmers. That being said the SBA is quickly processing and funding the EIDL grants to farmers as and we have had several farmers' report they applied and received EIDL grant deposits the same week. We have not had any farmer report the receipt of an EIDL loan yet. I would encourage all farmers to apply soon. Check this link for more information <https://wisconsinbdc.org/services/covid-19/>

Concern: Wisconsin lags Minnesota and Illinois in terms of existing state financing programs for farmers and farm-related businesses. Both Illinois and Minnesota have also created disaster loan programs for farmers.

Proposal: Wisconsin Economic Development Association (WEDA) has made a request to the Wisconsin State Treasurer asking for review and development of a Wisconsin program for agriculture lending similar to other Midwest states. The creation of a program similar to [Illinois's Ag Invest](#) would deposit Wisconsin's investments funds into local banks for making agricultural loans. We will let you know if any action is taken.

A number [direct buy groups](#) have sprung up on Facebook to put consumers and farmers together. One of the largest for our area is **Shop Western Wisconsin Farms**. We ask all organizations to Like and Share this and other similar groups.

We will be working closely with our Chamber and Economic Development Partners as they have the closest contacts with businesses in each community. Please do not hesitate to contact Dave Armstrong by email bcedc@co.barron.wi.us or phone 715-637-6871 with any questions.