

Local economy a mixed bag

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Maybe the nation is heading for a recession or maybe not, but whichever way the economy is moving, it will affect everyone living in the Marshfield area.

The 2007 economic indicators for the Marshfield area and a report on the area's economic volatility were presented Friday morning by University of Wisconsin - Stevens Point economists to the Marshfield Area Chamber of Commerce and Industry's economic development association.

The economic indicators for the past year show that, like the rest of the nation, Wood County was slowly prospering until the last quarter, when indicators fell.

"The reality is that the better part of 2008 will be a difficult period for the U.S. economy," said Randy Cray, economics professor and director of the Central Wisconsin Economic Research Bureau.

"There are fundamental imbalances in the housing market and in our nation's financial system," Cray said.

Cray's research showed the Marshfield area is economically volatile.

Industrial sector employment fell 0.6 percent; the retailer confidence index shows very modest improvement is expected by business owners; public assistance and unemployment claims declined; residential construction permits were very low; and nonresidential construction was at the 2006 level.

Businesses and industries need to recognize the challenges and be flexible to adapting to new markets, said Scott Wallace, UWSP associate economics professor.

Education and health services are thriving in Wood County, whereas manufacturing is having a difficult time, Wallace said.

"We live in a market-driven economy," he said. "By introducing new products, this drives economic growth, but it also creates insecurity and economic turbulence."

Globalization, heavy capital investments, technology declines in unions, deregulation and changes in corporate governance are interrelated factors that have greatly changed the economic landscape in the past 20 years, Wallace said.

Based on these reports, Marshfield M&I Bank president Al Nystrom said the economic picture for the community is mixed.

"We're seeing a shift from manufacturing jobs to other sectors," he said. "Economic growth can occur outside the manufacturing sector. For example, there is great growth in other sectors of the Marshfield economy, such as health and service industries, which can absorb some of the losses in manufacturing jobs. Marshfield is a resilient community."