

## Chapter 2: The Economy

To understand the people of the Township, it is important to understand how they make a living and how current employment may influence their future decisions about the way that they make their living.

Understanding the local economy, and the accompanying economic needs and trends, will insure that the policies and recommendations which develop based on various parts of the Comprehensive Plan will be attuned to the strengths, weaknesses, and potentials of the local economy. Improvement of the economy almost always requires specific action. The goal of improving the overall economy is assumed and underlies the policies of the Comprehensive Plan. This section on the economy of Burt Township depends heavily on Alger County statistical information.

### Labor Force and Unemployment

The counties labor force has fluctuated during the past decades; it rose from 3,753 persons in 1940 to 4,900 in 1990. The decrease from 1950 to 1970 of 14.3% mirrored a similar decrease in the counties population during that time. The increase in the 1970's can be attributed to the population in-migration and the post-war baby boom moving into the labor force.

Labor Force: 1940-1990						
	1940	1950	1960	1970	1980	1990
Alger County	3,753	3,486	2,945	3,005	3,630	4,975

During the 1980's the labor force continued to increase, and in 1984 reached a high of 4,450 persons. As economic conditions began to worsen in the region as well as the State, the labor force began to contract as people began moving from the area, returned or entered school, or gave up looking for work.

With improvements to the national and local economy, in 1988 the labor force increased as did employed persons. Subsequent years saw an increase in both the civilian labor force and employed person levels. However, in mid-1990, the country encountered a moderate economic decline. The Upper Peninsula experienced a slow down in employment growth, which was similar to the rest of the nation. The County's labor market in 1990 grew 11% with a 475 person increase in the civilian labor market. The increase in the unemployment rate for 1990 was a result of layoffs in state employment, and the manufacturing and construction industries. The Michigan Employment Security Commission anticipates the labor force and unemployment will continue to show weakness with decreases in total employment, as well as a decline in the labor force. There will be a slow down in the creation of new jobs in the U.P., with a shrinking of the job market.

## Alger County Employment by Number and Type

	Civilian Labor Force		Wage and Salary Employment			Govt.
	Total	Employment	Total	Mfg..	Non-Mfg.	
1980	3,675	3,150	2,350	875	800	675
1981	3,700	3,100	2,250	850	825	575
1982	3,725	3,075	2,200	775	875	550
					<b>Const. Mining</b>	<b>Services</b>
1983	3,825	3,200	2,300	800	25	1,475
1984	4,450	3,900	2,375	825	25	1,525
1985	4,375	3,750	2,375	825	25	1,525
1986	4,200	3,700	2,350	800	25	1,550
1987	4,125	3,750	2,375	800	25	1,550
1988	4,200	3,850	2,450	825	50	1,575
1989	4,500	4,175	2,640	825	175	1,540
1990	4,975	4,600	2,725	775	100	1,850
1991	5,200	4,775	2,775	725	75	1,975

Source: MESC Bureau of Research Statistics, Labor Market Analysis, August 1989

## Unemployment Rate – Percentage

Year	Alger County	Michigan	Upper Peninsula
1980	14.3	12.4	12.2
1981	16.2	12.3	13.3
1982	17.4	15.5	18.9
1983	15.9	14.2	17.4
1984	12.5	11.2	15.5
1985	14.0	9.9	15.1
1986	11.7	8.8	13.4
1987	9.0	8.2	10.5
1988	8.3	7.6	8.8
1989	7.3	7.1	8.2
1990	7.7	7.5	8.9
1991	8.2	9.2	10.4

Source: MESC Bureau of Research and Statistics, Labor Market Analysis.

### Employment by Industry Group

Data for employment groups in Alger County is shown for the years 1970 – 1990. Between 1970 and 1980, increases occurred in the various sectors, with the exception of Public Administration and Agriculture, Forestry and Fisheries. From 1980 to 1990, increase in employment in the county was reported for Construction, Trade, Services and Public Administration sectors; the most significant being in the Public Administration.

**Employment by Industry Group: 1970 – 1990**  
(Employed persons 16 years and older)

	<u>1970</u>	<u>1980</u>	<u>1990</u>
Manufacturing	926	973	776
Mining	22	37	31
Construction	150	174	184
Transportation, Communication & Public Utilities	126	187	186
Wholesale & Retail Trade	360	569	595
Finance, Insurance & Real Estate	98	109	97
Services	533	774	962
Public Administration	196	189	319
Agriculture, Forestry and Fisheries	179	156	111

Source: U.S. Census, 1970 – 1980

**Manufacturing**

According to the 1990 County Business Patterns, there are 23 manufacturing establishments in Alger County. Of those, 15 are dependent on the natural resources of the area; there are 14 businesses directly related to lumber and wood products and one paper mill.

**Principal Manufacturing Employers**

<b>Firm</b>	<b>Employees</b>	<b>Product</b>
Kimberly – Clark Corporation	450	Specialty Papers
Hiawatha Log Homes	30	Hardwood Dimension
Timber Products – Michigan	240	Hardwood Lumber & Veneer
Champagne Tool Company	17	Tools, Dies, Gages
Iverson Snow Shoe Company	8	Snow Shoes
Richmond and Hawley Lumber	10	Hardwood Cants and Ties
Trenary Home Bakery	16	Bakery
Graves Lumber	17	Saw Mill

Over the past 20 years, employment within manufacturing industries decreased by 16% with a 20% drop reported between 1980 and 1990. Manufacturing does remain an important sector of the Alger County economy as it employs almost one-quarter of the employed persons.

**Services**

Nationally, as well as in Alger County, the trend is toward an increase in service industry employment. This industry will continue to be an important source of employment for the county.

From 1970 to 1980, service employment increased by 80%, with the largest gains in both education and in health services. During the 1980's, service employment continued to grow, increasing by 24%. Significant employment gains were reported in the health services, personal services, and business and repair occupations.

## Service Industry Employment: 1970 – 1990 Alger County

	<u>1970</u>	<u>1980</u>	<u>1990</u>
Business and Repair	25	37	77
Personal Services	106	69	139
Entertainment and Recreation	--	6	24
Health Services	138	246	310
Education	184	290	233
Other Professional and Related Services	80	126	179
<b>Total</b>	<b>533</b>	<b>774</b>	<b>962</b>

According to the recent 1987 economic census report, there are 40 service related businesses in Alger County with an annual payroll of \$1.932 million; employing 246 persons. Annual receipts amount to \$7.623 million.

### Selected Service Establishment with Payroll: 1982 and 1987

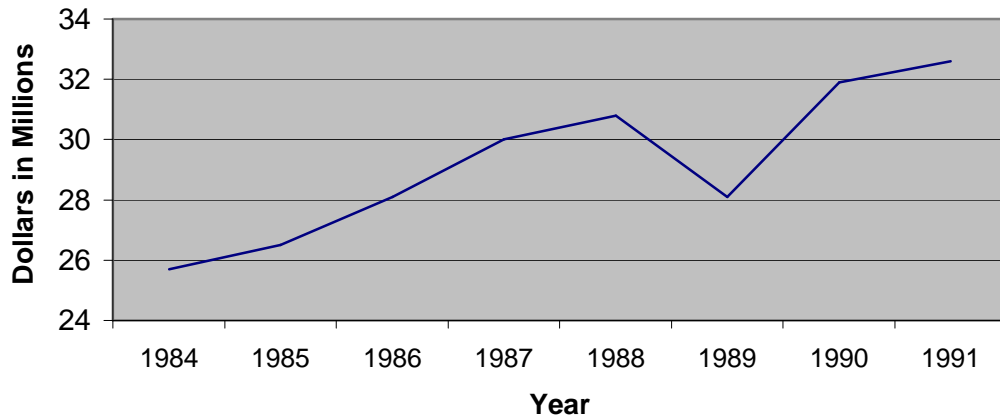
	Alger County		Central U.P.	
	<u>1982</u>	<u>1987</u>	<u>1982</u>	<u>1987</u>
Hotels, Motels and Lodging	12	11	72	77
Automotive Repair, Service and Garage	4	5	79	132
Amusement and Recreation Services	1	2	44	74
Legal Services	2	2	57	80

Source: Census of Service Industries, 1982 and 1987

### Retail and Wholesale Trade

In Alger County, total retail sales have increased steadily over the past years, except for 1989.

### Retail Trade Sales: Alger County



Source: 1984 – 1992 Sales and Marketing Management

In 1987, there were 80 retail establishments in Alger County. Approximately 48% were located outside the City of Munising, however, these 38 businesses accounted for only 30% of the total County retail sales. The 42 establishments located in the City of Munising accounted for sales of \$19.1 million, or 70% of the total County sales.

Between 1977 and 1987, the number of establishments dropped from 180 to 126. As expected, the number of employees decreased; in 1977 there were 398, and in 1987 there were 350 employees; a decrease of 12%. Interesting, even though the number of retail establishments declined from 1982 to 1987, the number of employees rose, probably the result of an increase in part time workers.

### Retail Trade Activity: 1977, 1982 and 1987 Alger County

	<u>1987</u>	<u>1982</u>	<u>1977</u>
Total Establishments – County	80	107	126
Munising	42	48	76
Balance of County	38	59	50
Unincorporated Businesses	48	82	105
Proprietorship	42	72	95
Partners	6	10	10
Establishments with Payroll	80	71	85
Sales	\$25.9 M	\$21.4 M	\$22.1 M
Employees	350	261	398
Payroll	\$2.878 M	\$1.989 M	\$2.099 M

Source: Census of Retail Trade, 1977, 1982, and 1987.

### Selected Retail Establishments with Payroll

	County *		City of Munising	
	Number	Sales (000)	Number	Sales
Building Materials	5	1,632	3	(D)
General Merchandise	1	(D)	--	--
Food Stores	17	14,124	6	10,733
Automotive Dealers	--	--	--	--
Gasoline Service Stations	6	3,989	4	(D)
Apparel	3	(D)	3	(D)
Furniture	3	(D)	2	(D)
Eating and Drinking	31	3,511	13	2,199
Drugs	2	(D)	2	(D)
Miscellaneous Retail	12	(D)	9	(D)

\* County Totals include Munising  
(D) Data Withheld

Source: Census of Retail Trade, 1987.

## Wholesale Trade

	<u>1987</u>	<u>1982</u>	<u>1977</u>
Merchant Wholesalers			
Establishments	10	9	9
Sales	\$21.821 M	(D)	(D)
Payroll	.522 M	(D)	(D)
Employees	34	(D)	(D)
Agents and Commission			
Establishments	--	1	1
Sales	--	(D)	(D)
Payroll	--	(D)	(D)
Employees	--	(D)	(D)

(D) – Data withheld

Source: Census of Wholesale Trade, 1977, 1982 and 1987.

## Government

Employment with the state government has steadily increased during the past twenty years, due in part to the new maximum security prison located at Munising. Development of the Pictured Rocks National Lakeshore and increased activity with the Hiawatha National Forest has contributed to almost doubling federal employment from 1970 to 1990; however, there was a slight decline in the number of employees during the 1980's. There was a significant increase in local government employment in the 1970's, but during the 1980's, local government workers fell by almost one-quarter.

### Government Employment: 1970 – 1990

	<u>1970</u>	<u>1980</u>	<u>1990</u>
Local Government	301	407	312
State Government	135	192	251
Federal Government	<u>74</u>	<u>150</u>	<u>143</u>
Total	510	749	706

Source: U.S. Census, 1970, 1980 & 1990.

## Transportation, Communication and Public Utilities

Transportation, communication and public utilities accounted for 6% of the non-farm employment in Alger County in 1990; in 1970 it represented 5%.

## Finance, Insurance & Real Estate

From 1970 to 1990, employment in the finance, insurance, and real estate (FIRE) sector decreased by over 200%. Between 1980 and 1990, there was an 11% decrease in employment in the FIRE sector.

## Contract Construction

Employment in contract construction has increased over the past twenty years. Between 1970 and 1990, employment in this sector increased by approximately 23%.

## Mining

Mining accounts for a negligible amount of employment in the county. The number of mining employees has increased from 22 in 1970 to 31 in 1990. Mining employment peaked in 1980, with 37 employees.

## Tourism

The “travel” industry consists of those businesses and public facilities that provide goods and services to the traveling public. The travel industry is not homogeneous, as it’s comprised of a wide variety of businesses which serve the traveling public to varying degrees. Key travel businesses include accommodations, restaurants, attractions and transportation services.

Employment in the tourist related industries is cyclical with more employment in the summer months.

### Tourism Characteristics – Alger County

#### Tourism Expenditure

<u>Total 1986</u>	<u>% Increase 1983 – 1986</u>	<u>Tourism Jobs: Payroll</u>	<u>Total Employment Number</u>	<u>17.3</u>
\$19.7	33	\$3.6	423	17.3

Source: U.S. Travel Data Center, The Economic Impact of Travel on Michigan Counties, 1986, prepared for Michigan Travel Bureau, May, 1988, Tables 1 and 3.

In 1986, tourists spent nearly \$600 million in the Upper Peninsula; about 8% of the statewide total. The U.S. Travel Data Center estimates that these expenditures generated payrolls of about \$158 million for 14,955 jobs, and \$5.4 million in local taxes, making it one of the Upper Peninsula’s most important sectors.

By virtue of its location, Grand Marais is considered the “Eastern Gateway” to the Pictured Rocks National Lakeshore. Figures obtained from the Park Service indicated a substantial increase in visitors to the Grand Marais district of the Lakeshore; overall park attendance was up as well. It appears that park attendance at Grand Marais area will be slightly more than reported for 1990.

## Annual Attendance Figures Pictured Rocks National Lakeshore

	Grand Marais <u>District</u>	Total <u>Lakeshore</u>
1992 (to November)	135,165	570,313
1991	165,572	706,744
1990	139,887	563,823
1989	146,463	567,092

Source: Pictured Rocks National Lakeshore.

### Burt Township Economy

Service related jobs and retail trade are the largest occupational sectors reported for Burt Township residents. A summary of employment by industry is shown below; the information presented is based on occupational data as indicated on census forms. The information does not reflect the jobs that may be available in the Township as some residents may have employment outside of the township, or even the county.

#### Burt Township Employment by Industry 1970 – 1990 Persons Aged 16 and Over

	1990		1980		1970	
	#	%	#	%	#	%
Agriculture, Forestry & Fisheries	2	1.3	6	3.5	4	6.6
Mining	--	--	--	--	--	--
Construction	12	8.1	18	10.6	20	32.8
Manufacturing	7	4.7	29	17.2	--	--
Transportation, Communications & Public Utilities	--	--	14	8.3	--	--
Wholesale & Retail Trade	35	23.5	24	14.2	19	31.1
Finance, Insurance & Real Estate	2	1.3	6	3.6	--	--
Services	83	55.7	57	33.7	18	29.5
Public Administration	<u>8</u>	<u>5.4</u>	<u>15</u>	<u>8.9</u>	--	--
<b>Total</b>	149	100	169	100	61	100

Source: U.S. Census 1970 - 1990

Agriculture, Forestry and Fisheries employment has seen a decrease in employment as well as it's share of total employment over the past 20 years. A point of caution though, this number reflects those employed by others and not self-employed workers in this field.

Service employment has seen a steady increase in employment over the past 20 years, which reflects both state and national trends. During the 1980's, there was a decrease in those employed in health services and education, but a substantial increase in the reported "other professional and related services":



## Burt Township Service Employment

	1990	1980
Personal, Entertainment, & Recreational Services	9	3
Health Services	11	14
Education Services	24	35
Other Professional Services	39	5

The category of “Other Professional Services” includes persons involved in offering legal advise or services, social and rehabilitation services, engineering, architectural, accountant, artists, writers and education related services.

Increase in retail trade employment is consistent with both the County and State of Michigan trends. Employment within the retail trade sector has grown by 84% since 1970. Such an increase is in response to the community of Grand Marais providing needed services to the transient population of the Pictured Rocks National Lakeshore.

Decrease in construction employment from 1970 – 1990 is the opposite of the County, State and National trends. Construction employment in Alger County rose by 23% over the past two decades, but within the Township fell by 40%.

Employment in both manufacturing and finance, insurance and real estate sectors fell 76% and 67%, respectively, during the 1980’s.

When examining where the residents of Burt Township work, it appears that many of them work near their home. The mean travel time to work for Burt Township workers is 10.8 minutes; workers in Alger County take about 16.4 minutes to get to work and statewide the average is 21.2 minutes.

Of those working in Burt Township, almost 22% either walk to work or work at home, compared to 15.3% for county workers and 5.5% for the State of Michigan.

In 1980, females accounted for 41% of the local civilian labor force; 59% were male. By 1990, female participation had increased to 47% of the labor force. During the 1980’s, the local labor force contracted by 4%, but female participation increased by 10% during the same time period. Of the females in the labor force, 47% have children under the age of 17.