

Final Report

Fox River Valley Region

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**Held Tuesday, October 10, 2000
Aid Association for Lutherans Headquarters (Appleton, Wisconsin)**

**Presented at the
Wisconsin Economic Summit**

**Midwest Express Center, Milwaukee, Wisconsin
1:15 p.m., Thursday, November 29, 2000**

**Kathi P. Seifert, Regional Co-Chair
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&
**John O. Gilbert, Regional Co-Chair
*Chairman, President and Chief Executive Officer
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Introduction

From the Co-Chairs of the Regional Economic Summit

Dear Friends of the Fox River Valley Region:

The start of the new millennium is an exciting time of change, opportunity and challenge that coincides with the emergence of the New Economy. As the regional co-chairs of the Fox River Valley Regional Economic Summit, we are pleased to offer the following general observations about our region:

- Our economy is strong.
- Our businesses and industries are thriving.
- The Fox River, itself, represents a vital resource that describes our past and that will help define our future.

As the exciting possibilities of the New Economy become clear to us, we see many opportunities now awaiting concerted focus. We also see a new expectation for increasing regional collaboration and cohesion.

We are mindful of the delicate balance of shared responsibility that links the public and the private sector. We also recognize the complexity of the shared responsibility that exists within the public sector.

Respectfully submitted,

**Kathi P. Seifert, Regional Co-Chair
&
John O. Gilbert, Regional Co-Chair**

Executive Summary

This report sets forth the initial results of the Fox River Valley Regional Economic Summit. We prioritize and provide supporting rationale for 14 major initiatives. The top five initiatives include:

1. **Collaboration.** The demands of the future will place a premium on finding new ways to forge a public/private partnership in all areas, including support from educational institutions to advance the interests of the business community.
2. **High Skill Labor.** We recognize that the future will require a highly skilled workforce that can compete in a global economy. The educational institutions and schools must help the people of the region to realize that there is no future for low-skilled or unskilled labor.
3. **Taxation.** Issues of equity and fairness in the scope of state and local government taxes and spending must be addressed in order for Wisconsin businesses to compete successfully on a national and international scene.
4. **Human Resources.** We must recruit new highly skilled workers to the region. We must undertake efforts to retain the talent we have in place. In doing these things, we must also work to address issues associated with gender, racial, and ethnic diversity and sensitivity to multicultural issues and traditions.
5. **Education.** Educational institutions must reduce barriers that limit access ... we must move toward a seamless educational institution that provides the education and training that is needed at the time it is needed.

The reader is urged to review the full report to see the inter-related importance of other goals and initiatives.

Part One
Focus on Northeast Wisconsin

The Fox River Valley Region of Wisconsin (viewed as extending from Fond du Lac to Green Bay) includes two of the state's regional planning commissions: The Bay-Lake Regional Planning Commission (counties of Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Oconto and Sheboygan in northeastern Wisconsin) and the East Central Regional Planning Commission (counties of Calumet, Fond du Lac, Green Lake, Marquette, Menominee, Outagamie, Shawano, Waupaca, Waushara, and Winnebago).

During the decade of the 1990's, the population base of the East Central Regional Planning Commission District grew ten percent to now total in excess of 600,000 people. During the decade of the 1990's, the population base of the East Central Regional Planning Commission District grew ten percent to now total in excess of 600,000 people. The 1999 population estimate for the Bay-Lake Region is 545,768. This region's employment rates are relatively higher than the state average. Using 1997 income earnings data for the region, approximately 98 percent of the region's earnings by industry are found in the following eight major categories (percentages are rounded) with the actual number of jobs also indicated:

East Central Regional Planning Commission
Gross Earnings by Industrial Sector (1997 data)
{raw number of jobs}

1. Manufacturing – 38 percent {85,000 jobs}
2. Services – 19 percent {84,000 jobs}
3. Government – 10 percent {35,000 jobs}
4. Retail Trade – 8 percent {62,000 jobs}
5. Construction – 8 percent {22,000 jobs}
6. Finance/Insurance/Real Estate – 5 percent {22,000 jobs}
7. Wholesale Trade – 5 percent {14,000 jobs}
8. Transportation/Public Utilities – 5 percent {15,000 jobs}
- Other – 2 percent (farm earnings – 0.11 percent {16,000 jobs}; agriculture/forestry/fishing – 0.28 percent {2,000 jobs}; and mining 0.12 percent {319 jobs})

Part Two
Regional Summary Statement

As a result of the Regional Economic Summit, a collective view of the Fox River Valley region emerged to include the following elements:

1. **Economy.** We have a strong and diverse regional economy, with a manufacturing base that compliments an historical commitment to agriculture and paper products.

2. **Community.** Our region is defined by a series of moderately sized communities and by quality educational institutions at all levels, public and private.
 3. **Vision.** We lack a common shared vision for the future. This has resulted in competition between and among communities. We want to create a new vision for the future.
 4. **Infrastructure.** The strength of our established economic base is sound – as is our core infrastructure and utilities. However, continued growth and future progress will require new investment to support these needs in terms of gas, electricity, water, transportation (roads, railways, airports, and waterways), telecommunications and the emerging fiber optic networks.
 5. **Quality of Life.** We are proud of the quality of life that we offer ... and our historic commitment to the utilization of our natural resources in a manner that compliments economic growth with our responsibility to preserve a clean environment for future generations.
 6. **Skilled Workforce.** We recognize the need to attract and retain our highly skilled workforce, especially as we compete in increasingly diverse global markets.
 7. **Marketing.** We see a need for improved marketing of our state and region. We have an ideal environment for learning, working and growing in the new economy.
 8. **Special Statement Concerning the Fox River.** The Fox River and the paper products industry defines who we are, where we came from, and outlines where we might be headed. As we look to the New Economy, we need to be mindful of the *old economy*, and to the present and future impact of past decisions. We need to see how actions taken today and tomorrow will impact the long-term economic viability of our region and state.
 - **Fox Locks.** As the federal government has given us regional control over the Fox Locks, we face significant financial challenges to ensure that the locks are properly preserved and maintained.
 - **Environmental Remediation.** Similarly, as we review environmental and economic issues associated with PCB contamination in the Fox River, we need to make certain that the remediation actions that follow are based on scientific findings, and conducted in a manner that promotes an ideal balance between and among: (1) environmental considerations (to enhance and preserve our exceptional natural resources); (2) business necessity; and (3) the goal of preserving our region's overall economic viability and vibrancy.
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**Part Three
Consensus Statements**

While more than 100 initiatives were advanced at the Regional Economic Summit, an iterative process grouped those items into the following list of 14 prioritized statements and supporting rationale (taken from the actual responses from participants):

1. Collaboration

- 53 percent of survey respondents identify this item as top priority.

Collaboration -- Within the next year, it will be important to increase collaboration among governments, economic development entities, educational institutions, and the private sector because ...

- There needs to be established a shared sense of purpose and accountability. There needs to be a cooperative effort to tackle the challenges relating to a shortage of labor in the area. We need to address issues relating to continued expansion on a unified basis. The lack of this collaboration is the single most important impediment to our gaining the standing within the state and country that we need to make progress.
- Although competition between businesses can drive down costs to the consumer, competition between municipalities typically drives the cost of service delivery up. We need to work in coordination with each other to ensure all are working towards the same goals.
- It is important to make best use of limited resources. Collaboration allows each partner to bring their strengths to the table. Further, working on common goals and sharing communications will enhance the working relationship between the parties.
- Control expenses, stretch available resources, eliminate red tape, avoid duplication of facilities and build on the opportunities and partnerships afforded by our neighbors.
- We need to work together as a team to be successful in the further development and growth of our area. It's the mix of all of these sectors that adds depth and richness to any organization, opening new avenues for solving regional issues.
- Of the need to ensure we are all working towards a similar goal. Many times government, education and private sector units do not understand the needs of one another and are creating goals for their units, which are heading in different paths.
- There needs to be a regional public-private partnership when dealing with economic development. We need to reduce duplication of efforts in order to remain competitive in the economy.
- Increased collaboration will more efficiently utilize resources available and enhance economic development. We can never develop and implement a regional strategy

without significantly higher levels of real and honest collaboration between all agencies. Without this collaboration economic development is increasingly difficult if not impossible.

- There can't be partisan decisions made, when they all affect everyone. It's not a "me me" area. It should be we. We need to tear down walls not build new ones. This is what the future demands; it's time to get started now.

2. Highly-Skilled Labor

- 41 percent of survey respondents identify this item as top priority.

Highly-skilled Labor -- Within the next year, it will be important to develop and/or recruit a highly-skilled workforce to compete in the global economy because ...

- The most critical need to expand Wisconsin businesses is to expand the work force. Without highly skilled workers, we are not heading toward a future of distinction. We need to recognize and value that which fuels the economy: the efforts of the individual worker.
- The challenges of a global economy force us to be on the leading edge of technology to gain and maintain a competitive advantage. Productivity and flexibility mean more in the long run than just cheap labor. High skilled individuals are needed to keep the economic expansion proceeding.
- We have to do a better job meeting today's labor needs of the businesses already present in this area, otherwise we will experience increasing problems with business retention and attraction over the next 10 years as our general supply of qualified workers is reduced through retirement and attrition, and these workers are not replaced with new skilled workers.
- Our history of a skilled workforce has been overcome by demand for products and services in excess of Wisconsin companies to produce. Our level of unemployment is less than 3% in most counties. The quality of new workers is inadequate to meet the current needs of employers and without a pickup of our ability to produce we will lose market opportunities that once lost are never replaced. This is the number one need of our business and they need to have a viable workforce to compete.
- Wisconsin has an excellent educational system, but it can be better and we have to stop the brain drain. By developing and recruiting highly skilled workforce, we can perhaps show that this area is a good place to live and work.
- We have the business opportunities coupled with the required capital, but are lacking a workforce pool from which to hire. With the aging of the existing workforce, the skills and work ethic of existing employees will need to be replaced so that companies can continue to succeed and thrive.

- High-tech businesses that are being recruited by state and regional efforts must have the assurance that the labor force is trained and ready for the jobs that will be offered. This is the number one constraint on business today. We need to keep our skilled workers and create the environment to attract new workers. One of the largest problems we face is affordable housing for our skilled blue-collar workers.
- There is a shortage of young people pursuing the skilled trades such as machinist, tool and die maker, and mold maker. This shortage of skilled workers in the Fox Valley in manufacturing positions is made worse because the schools are not providing basic skills such as math, language, common sense, etc. We need these hands on trades to manufacture the parts that drive our economy.

3. Taxes

- 39 percent of survey respondents identify this item as top priority.

Taxes -- Within the next year, it will be important to reduce state and local taxes to improve the ability of Wisconsin businesses to compete on a national and international basis because ...

- We cannot continue to linger amid the ranks of the highest taxing states in the country, and expect to be competitive either at home or abroad. To recruit and retain the best employees, we must become more competitive in our personal and business tax burden.
- Taxes are one of the biggest concerns of business location. Too many manufacturers are moving to other states because of more favorable tax advantages.
- Wisconsin must shed its image as a highly taxed state in order to be competitive in attracting new business and venture capital. As economic developers we are no longer competing against neighboring communities, but we compete globally.
- Without competitive tax incentives it will be difficult to attract new businesses to our area. We have some of the highest taxes in the nation. That may deter businesses from starting up in the area or even expanding. To remain competitive, we need to lower our taxes as neighboring states have done.

4. Retention

- 27 percent of survey respondents identify this item as top priority.

Retention -- Within the next year, it will be important to increase retention of existing talent in students and employees because ...

- We need to do a better job of promoting Wisconsin as a business leader, and then act accordingly. We need to encourage Wisconsin talent to stay here. Drawing technology companies to Wisconsin would help.

- It is difficult at best to keep good employees with the opportunities that exist in the labor market today. Additionally, recruitment and retention of talented students is essential to enable us to grow our company. It's more expensive to bring people to the state than educate, train, and keep the employees and students who are already here.
- The success of virtually any business is primarily constrained by the abilities of its human capital. Given the tightness of the labor market, and the difficulty of finding new employees, retention of existing good people is critical. It is very difficult and expensive to recruit, replace and re-train people.
- The cost to train new people is very expensive. Also an experienced employee can provide a greater amount of expertise that a new recruit may not be able to.
- Wisconsin must offer competitive working conditions to stop the exodus of talent to other geographic areas. If we are to continue our economic growth we need the talent to do it with, as importing talent is currently difficult.

5. Education

- 25 percent of survey respondents identify this item as top priority.

Education -- Within the next year, it will be important to enhance Wisconsin's strength in education by further integrating educational opportunities across institutions because

...

- Without an educated work force you cannot compete and we will not have the workforce to attract higher paying jobs. If Wisconsin is to remain competitive in a world market we must be sure that tomorrow's workforce and leaders receive an education with the latest knowledge in their area of study. One of the keys to the future of our labor force is educating our young and then keeping them in the area.
- There needs to be a way for individuals to move from one institution to another without losing credits. Education has become a fully dynamic element in our new culture and economy. It is no longer the case that one gets an education and then proceeds with a career. Education is now ongoing and multifaceted; it may also draw from a banquet of opportunities (classic liberal arts institutions, technical colleges, and various virtual learning environments) and will be ongoing throughout life. In this new reality, education will never stop.
- Educational opportunity and expanded access to affordable educational instruction will be a premium. We must be competitive with what other states are doing. Students want opportunities for education at all levels and places.
- Education is the key to our state's employees being competitive in the global economy job market. We must increase access to educational opportunities across

our institutions, as upgraded skills can lead to further productivity from employees and meet the changing job requirements.

- The short supply of workers, present and future, will require that we provide opportunities to our present workers for continuing education. Most importantly, in degree related programs. We need to develop specialized and customized training & educational opportunities to be available in the workplace instead of people having to leave or do it on their own time.

6. Industry Diversity

- 18 percent of survey respondents identify this item as top priority.

Industry Diversity --Within the next year, it will be important to broaden our region's business base by encouraging development of high-technology companies because ...

- High technology industries are growing faster than traditional manufacturing industries. These businesses will provide the wage levels and job growth necessary to ensure the region maintains and even improves its current economic prowess.
- Old economy companies, our manufacturers, are becoming more and more reliant on new technologies, but we are unable to provide those technologies at the levels required. It makes good economic sense to continue to diversify the local economy to maintain greater control over our economic destiny as well as provide further opportunities for future growth.
- High technology is the future driving force, and the expansion of this business base is attracting the top talent. New graduates in technology fields may be leaving the state or region for more advanced jobs found elsewhere and with higher earning potential.

7. Vision

- 17 percent of survey respondents identify this item as top priority.

Vision -- Within the next year, it will be important to create a shared, comprehensive vision for the greater Fox Valley region because ...

- If we have a bold vision, we can achieve bold goals. Absent vision, we are wandering in the darkness. We are competing in a global market, and we need to shed the parochial views that cause us to compete with ourselves within the Fox Valley region.
- Without a strong sense of where we are going, we will not be working toward the same goals, thus losing focus, and diminishing our chances for achieving long term economic stability. With a shared vision that is embraced by all stakeholders more can be accomplished than if efforts are spread among too many diverse interests.

- To preserve one of our strengths, our quality of life, we need to plan on a regional basis our land use, infrastructure, etc. Such issues as clean water and solid waste demand economy accomplished through a shared infrastructure to finance the high costs for improvements. We need to head into the next century with plans, direction and goals that will help us achieve our mission collectively while ensuring planned growth and development for our community.
- We need to cooperate as a unit on various projects that are economically important to the area. The communities of the Fox Valley area need to look more to regionalism than to border wars.

8. Promotion

- 16 percent of survey respondents identify this item as top priority.

Promotion -- Within the next year, it will be important to develop a coordinated marketing plan for promoting our competitive advantages over other regions and states because ...

- We are living in a competitive environment in which other states and regions are actively engaged in promotion. Our future ability to be competitive is a direct function of the actions we take today. We need to exploit existing talent in Wisconsin, by encouraging youth to remain here and by encouraging others to move here to work.
- While it is sometimes difficult to recruit people to move here to live and raise a family, once they do move here, they do not want to leave. The benefits of this region are largely unknown or misperceived by the global community.
- To be competitive with others, it is imperative that we communicate our vision in a clear and consistent manner. We need a different state image to recruit new graduates and potential employers.

9. Income

- 15 percent of survey respondents identify this item as top priority.

Income -- Within the next year, it will be important for Wisconsin to raise its relatively low per capita income levels because ...

- High skilled individuals have higher income and spending levels. With more purchasing power for the residents of the state, there will be an increase in the revenue to support state, county and municipal operations. This will help provide the infrastructure necessary to meet the increasing requirements of the global marketplace.
- Competition from other states demands that we pay attention to our compensation levels. Higher incomes are necessary to prevent “brain drain.”

10. Infrastructure

- 15 percent of survey respondents identify this item as top priority.

Infrastructure -- Within the next year, it will be important to invest in the expansion of telecommunication systems and high-quality Internet access because ...

- Telecommunication infrastructure will be as important to our prosperity in the 21st century as railroads were in the 19th and interstate highways were in the 20th. It is crucial to provide expanded access to high-speed digital links and optical fiber; this expansion must go beyond the metro areas to the more rural areas as well.
- Along with workforce and educational opportunities, our infrastructure will be a critical factor in the state being able to establish itself as an important area for high tech business development.
- Communication is everything. It is hopefully our opportunity to stay a step ahead in the competitive world market.

11. Regulation

- 11 percent of survey respondents identify this item as top priority.

Regulation -- Within the next year, it will be important to change regulatory policies to support business growth and development because ...

- Wisconsin is perceived to not be as friendly to business as our neighboring states. We are over-regulated with an overly restrictive environment that makes it hard for us to compete with other states.
- Competition is now global. Many of these countries have controlled economies. If we need to change or move ahead it must be done as expeditiously as possible which is often at odds with bureaucratic decision making.
- Business thrives where there are the fewest impediments from government.

12. Venture Capital

- 9 percent of survey respondents identify this item as top priority.

Venture Capital -- Within the next year, it will be important to expand regional sources of funding for new business ventures because ...

- Venture capital is extremely hard to locate in this region. Too many startup opportunities are lost because they're unable to get funding.
- Wisconsin is not known generally as the hot bed of new companies. We grossly lack investment in new, high tech types of businesses. The growth in the new economy

will be in new ventures. To attract new technology businesses, we must have venture capital for them to tap into. It will also attract the young talent to grow existing businesses.

13. Diversity

- 8 percent of survey respondents identify this item as top priority.

Diversity -- Within the next year, it will be important to capitalize on the existing multicultural diversity in the Fox Valley region because ...

- Tighter labor markets make it important to capitalize on the existing talent in the labor market, from all levels of diversity. The only way to stay competitive in the marketplace is to adopt a philosophy of valuing workplace diversity.
- By capitalizing on multicultural diversity, we may create a more welcoming environment and help with our number one problem in hiring and retaining qualified employees.

14. Business Parks

- 4 percent of survey respondents identify this item as top priority.

Business Parks -- Within the next year, it will be important to develop regional business parks that are not tied to a single community because ...

- Geographic boundaries no longer define who we are as a region. The outside world sees us as northeast Wisconsin.
- No single community can provide the support necessary for success. Rather than competing against one another, regional communities should be working together to attract industry, and to provide the infrastructure that is needed.