

Future Development of Eau Claire

Chengqian Zhu, Emerson Ngu, Renan Barros, Su Zhou, Zoey Tan | UW-Eau Claire Economics Department

University of Wisconsin
Eau Claire



ABSTRACT

In this poster, we cover likely future trends in Eau Claire and offer some options regarding how those trends might be effectively leveraged. In this way what might become future liabilities for the City might, with effective planning, be turned into assets going forward.

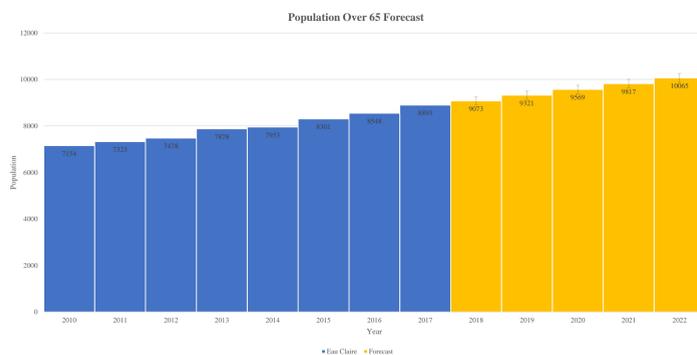
OVERVIEW

As for this poster, we have divided the materials into four sections:

- Demographics
- Industry and labor force
- Labor Force and Industry
- Housing

DEMOGRAPHICS

Looking into the future, it is nearly certain that Eau Claire's **population over 65 will continue to grow**. As more of the population enters post-working age there becomes more consumers than producers. This, in turn, can lead to shortage of goods and services (inflation) and labor.



- The United States Census Bureau says, "By 2020, there will be about three-and-a-half working-age adults for every retirement-age person."
- According to the U.S. Census Bureau's 2017 National Population Projections, By 2030, all baby boomers will be over the age 65. This will expand the size of the older population so that 1 out of every 5 residents will be of retirement age.
- Due to these demographic changes, the U.S. Social Security system will face financial challenges.
- As the healthcare industry is one of the main drivers in the Eau Claire economy, these changes will greatly affect Eau Claire both positively and negatively in the future.

Issues arise

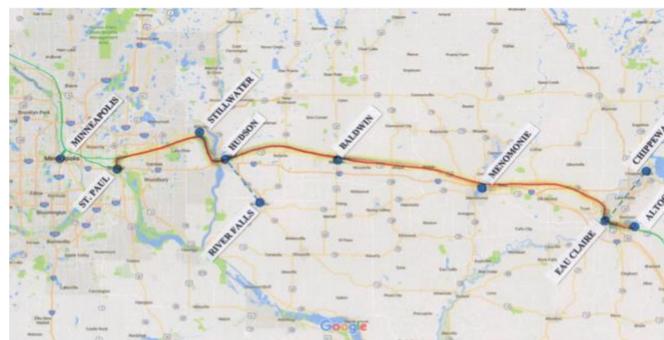
- Due to these demographic changes, the U.S. Social Security system will face financial challenges.
- As the healthcare industry is one of the main drivers in the Eau Claire economy, these changes will greatly affect Eau Claire both positively and negatively in the future.

Proposal to solve this issue

- In order to keep the Social Security system solvent, policy makers have considered reducing retirement benefits, either by raising the normal retirement age or through life expectancy indexing, to reflect the fact that people are living longer.
- Although this policy would theoretically work, it cuts the lifetime benefits of future low-wage workers by a bigger percentage than it does of future high-wage workers. This would not benefit Eau Claire as the median household income is \$10,000 -- below the national average.

INDUSTRY

For Eau Claire to continue to grow at a steady rate, we believe that it is critical that it become better connected to a major metropolitan area.



- The closest and most feasible connection, is of course, St. Paul. Although St. Paul is already connected via I-94, it is still roughly an hour and a half drive to get there.
- Proposals have been made by the West Central Wisconsin Rail Coalition since 2015
- Growing by promoting the interaction and exchange of talented professionals and workforce of Western Wisconsin and the Twin Cities is probably the surest bet to continue Eau Claire's positive economic growth.

HOUSING

- In reference to the Eau Claire Housing Assessment in 2015, as mentioned in the current housing section, the demand of housing has remained high, with evidence of low vacancy rates, increasing rental and sales prices and stable number of new houses.
- If this continues, people who can't find a decent place to live in their budget, they will leave.

Owner Occupied Housing

- According to the Eau Claire Housing Assessment in 2015, one of the housing assistance plans is the homeownership program.
- Under this program, low and moderate-income first-time homebuyers and working families will have an opportunity to purchase homes.
- The houses are made affordable using a subsidy to reduce the purchase price.

Employer Assisted Housing

- Many employers in the Eau Claire area depend on low wage labor to stay competitive and profitable
- There are many ways businesses can provide housing assistance to their employees, some which have been used are:
 - Financial Assistance provided by the employer to help employees with payment of a security deposit or first month's rent
 - Matched savings matched by the employer by a specific percentage to help employees save for the purchase of a home
 - Employer owned housing rented or sold to employees.
- Eau Claire economy, it will also provide many benefits for the employer.
 - Improved employee retention which will reduce employee turnover costs.
 - Build employee loyalty which can increase productivity.

CHALLENGES AND OPPORTUNITIES

Transportation

- Recent reports claim adding Sunday bus routes would cost city around 3.1 million dollars annually.
- This takes up a noticeable share of the city's budget and leaves unaddressed the low ridership levels on most routes.
- One solution could lie in micro transit which is the use of large passenger vehicles to transport people based on algorithms in apps that determine the busiest route.

Private Mobility

- There are currently four private transportation companies in Eau Claire that might take interest in expanding their business to accompany Eau Claire's changing transportation needs.
- Creating incentives for these companies to expand their markets in the place of costly public bus service expansions could include assistance with insurance fees, reductions or elimination of road tax licensing, and sharing operating capital costs

Climate change and its effect on Eau Claire

- Regarding Eau Claire county specifically, there has been an increase of between 5.5 and 7.0 inches of annual average precipitation.
- This increase in precipitation has degraded soil health and has welcomed undesirable pests and pathogens into the area, which diminishes quality of agricultural output and human well-being.
- Flooding should also be in consideration as the Chippewa River is known to flood heavily.

