

Chapter 3.0 Economic Base

3.1 Introduction

Central to a community's stability and growth is its economic base. Two major sectors make up an economy: a basic or export sector that provides goods and services for markets outside of the community, and a non-basic sector that provides goods and services for local consumption. Economic vitality and balance rely heavily on the creation and retention of local basic sector jobs.

The changes in population of an area are generally closely related to changes in the amount of economic activity in the area. The segment of the population that is most closely related to the economy is the labor force—defined as those residents 16 years of age and older; either employed at one or more jobs or is actively seeking employment. The employed portion of the labor force provides the primary economic support of the total population.

The factors that affect the economic base in a community extend beyond its boundaries, increasingly so as the effects of the global economy are realized. Therefore, this chapter will not only include information that is specific to Republic Township, but it will also include comparative data from the county, region, and state.

3.2 Area Economy

Since the founding of Republic in the late 1800's, mining has played an integral part of the economy for its residents and those of the surrounding areas. The vast resources of iron ore were mined first by shaft methods with this leading to the introduction of the first iron ore open pit mine being constructed in the 1950's. The community provided a great percentage of the labor force for both types of mining. Logging and agriculture have also been significant factors in the area economy.

At present, very little farming outside of the home gardens is being carried on. Forestry and logging, however, continue to provide income to area residents. A small printing company operates in Republic-south. Along the M-95 corridor is an auto repair shop, a granite grave marker and monument business, a storage facility, a sharpening shop which also does small engine repair and several logging businesses. The Marquette County Road Commission maintains a salt and sand depot in the Republic-south area. The K-12 Republic-Michigamme Schools and senior citizen/low income housing units are located in the Republic-south location as well.

In the downtown area of Republic, there are several bars, a restaurant, a beauty shop, a heating and refrigeration business, a gas station mini-mart, and a woodshop. The downtown commercial area has been in decline for some time and includes vacant lots, and vacant buildings, some of which are in considerable disrepair. The downtown commercial area has been in somewhat of a decline and includes vacant lots and buildings in both north and south locations.

3.3 Civilian Labor Force

The civilian labor force consists of persons currently employed and those currently seeking employment, excluding persons in the armed forces and those under the age of 16 years. Shifts in the age and sex characteristics of residents, seasonal changes, and employment opportunities can all cause fluctuation in the number of persons in the labor force.

As shown in Table 3-1, the employment status of the Civilian Labor Force of 402, indicates 374 persons employed. This results in an unemployment rate of almost 7 percent as shown in Table 3-2. This is consistent with the unemployment trend today in the Upper Peninsula.

Characteristics	Republic Township	Marquette County	CUPPAD Region	State of Michigan
Civilian Labor Force	402	32,653	84,965	4,922,453
Female	179	15,536	39,509	2,304,452
Male	223	17,122	45,456	2,618,001
Employed in Labor Force	374	30,639	79,354	4,637,461
Female	172	14,799	37,495	2,178,114
Male	202	15,840	41,859	2,459,347
Unemployed in Labor Force	28	2,014	5,611	284,992
Female	7	732	2,014	126,338
Male	21	1,282	3,597	158,654

Source: U.S. Bureau of the Census, Census 2000 Summary File 3, P43.

Table 3-2 Employment Status of Civilian Labor Force, Selected Areas, 2000				
Characteristics	Republic Township	Marquette County	CUPPAD Region	State of Michigan
Civilian Labor Force	402	32,653	84,965	4,922,453
% Female	44.5	47.6	46.5	46.8
% Male	55.5	52.4	53.5	53.2
Total Employed	374	30,639	79,354	4,637,461
% Female	46.0	48.3	47.3	47.0
% Male	54.0	51.7	52.7	53.0
Total Unemployed	28	2,014	5,611	284,992
% Female	25.0	36.3	35.9	44.3
% Male	75.0	63.7	64.1	55.7
Unemployment Rate	7.0	6.2	6.6	5.8
% Female	1.7	2.2	2.4	2.6
% Male	5.2	4.0	4.2	3.2

Source: U.S. Bureau of the Census, Census 2000 Summary File 3, P43.

Unemployment

County unemployment and labor force data are collected and analyzed by the Michigan Department of Labor and Economic Growth. Unemployment data is not available at the sub-county level. United States Bureau of the Census data was used prior to 1965 in the computation of unemployment figures.

Historical labor force and unemployment data is presented in Table 3-6 for selected areas. Marquette County has generally recorded lower unemployment rates than the majority of the Upper Peninsula. However, local unemployment rates are frequently higher than those documented by the state overall.

Table 3-3 provides labor force and unemployment data for Marquette County, the UP, the State and the US. Marquette County has an unemployment rate of 7.1 percent for 2008, significantly lower than that of the UP and the State, but higher than the US overall.

**Table 3-3
Labor Force and Unemployment, 1970-2008**

Year	Marquette County Labor Force			Unemployment Percent Rate			
	Employed	Unemployed	Total Labor Force	Marquette County	Upper Peninsula	State of Michigan	United States
1970	20,225	1,425	21,650	6.6	9.2	6.7	4.9
1975	24,775	2,275	27,050	8.4	11.6	12.5	8.5
1980	26,650	3,925	30,575	12.8	12.2	12.4	7.1
1985	24,875	3,575	28,450	12.5	15.1	9.9	7.2
1990	29,325	2,650	31,975	8.3	9.2	7.6	5.6
1991	29,725	2,750	32,475	8.5	10.6	9.3	6.8
1992	30,825	2,775	33,600	8.3	10.8	8.9	7.5
1993	31,375	2,350	33,725	7.0	8.9	7.1	6.9
1994	31,450	2,400	33,850	7.1	8.7	5.9	6.1
1995	29,900	2,625	32,500	8.1	8.9	5.3	5.6
1996	29,775	2,000	31,775	6.3	7.9	4.9	5.4
1997	30,075	1,925	32,025	6.0	7.2	4.2	4.9
1998	30,325	1,625	31,925	5.1	6.4	3.9	4.5
1999	30,900	1,875	32,775	5.7	6.3	3.8	4.2
2000	31,575	1,600	33,150	4.8	5.8	3.5	4.0
2001	31,350	1,975	33,325	5.9	6.8	5.3	4.7
2002	30,075	2,325	32,400	7.2	7.3	6.2	5.8
2003	30,675	2,225	32,875	6.7	7.4	7.0	6.0
2004	33,054	2,149	35,202	6.1	7.4	7.1	5.5
2005	33,689	2,064	35,753	5.8	7.0	6.9	5.1
2006	34,001	2,173	36,174	6.0	7.2	6.9	4.6
2007	33,835	2,216	36,051	6.1	7.4	7.2	4.6
2008	33,205	2,548	35,753	7.1	8.5	8.4	5.8

Source: Dept. Of Labor and Economic Growth, Employment Security Agency, Office of Labor Market Information 2008.

Employment by Broad Economic Division

As shown in Table 3-4, employment by economic division, 2000, indicates a broad variation of categories with health and social service, mining, manufacturing and retail trade being at the top of the categories. These four categories account for over forty-two percent of the divisions. Twenty-one employment establishments are listed for the 49879 zip code area of which forestry/fishing/agriculture and construction account for forty percent of the total (2005 Industry Code Summary, Zip Code 49879, Republic, MI).

**Table 3-4
Employment by Broad Economic Division, Selected Areas, 2000**

Broad Economic Division	Republic Township		Marquette County	CUPPAD Region	State of Michigan
	Number	Percent	Percent		
Agriculture, forestry, and fisheries	13	3.5	0.6	1.2	0.9
Mining	37	9.9	4.6	1.1	0.1
Construction	36	9.7	5.7	6.2	6.0
Manufacturing	38	10.2	6.2	15.7	22.5
Transportation, warehouse, public utilities	11	2.9	5.2	5.4	4.1
Wholesale trade	5	1.3	2.2	2.6	3.3
Retail trade	38	10.2	13.6	12.6	11.9
Finance, insurance, & real estate	19	5.1	4.7	4.1	5.3
Information	5	1.3	2.3	1.9	2.1
Professional, scientific, mgt, admin	30	8.0	5.0	4.2	8.0
Educational services	29	7.8	11.0	5.1	8.6
Health and social services	45	12.0	16.7	8.0	11.3
Arts, entertainment, recreation, food	19	5.1	10.7	9.9	7.6
Public administration	22	5.9	6.1	5.3	3.6
Other services	25	6.7	5.4	5.2	4.6
TOTAL	374	100.0	100.0	100.0	100.0

Source: U.S. Bureau of the Census, 2000, SF 3, P49.

Place of Work and Travel Time to Work

Nearly 80% of Township residents reported working within Marquette County in 2000 as shown in Table 3-5. Being located in the southwestern part of Marquette County, nearly 65% of the residents of Republic Township in the work force spend one-half hour to 60 minutes or more in travel time to their places of employment compared to approximately seventeen percent for Marquette County in general as shown in Table 3-6. Coinciding with travel time is the large number and percentage (68.4%) of those who drive this work distance alone as shown in Table 3-7.

Table 3-5 Residents Aged 16 or Older by Place of Work, Republic Township, 2000		
Characteristics	Number	Percent
Total Township Residents Employed	358	100.0
Worked In Michigan	353	98.6
Worked in Marquette County	283	79.1
Worked outside of Marquette County	70	19.6
Worked Outside of Michigan	5	1.4

Source: U.S. Bureau of the Census, Census 2000 Summary File 3, P26.

Table 3-6 Residents 16 or Older, Travel Time to Work, Republic Township, 2000			
	Republic Township		Marquette County
	Number of Workers	Percent	Percent
Home to Work Travel Time			
Less than 5 Minutes	27	7.5	7.4
5 to 9 Minutes	25	7.0	22.2
10 to 14 Minutes	26	7.3	18.9
15 to 19 Minutes	7	2.0	14.9
20 to 29 Minutes	39	10.9	17.1
30 to 39 Minutes	62	17.3	9.8
40 to 59 Minutes	105	29.3	4.1
60 Minutes or More	65	18.2	3.3
Worked at Home	2	0.6	2.3
Total	358	100.0	100.0
Mean Travel Time to Work			17.1 minutes

Source: U.S. Bureau of the Census, Census 2000 Summary File 3, P31.

Table 3-7 Means of Transportation to Work, Residents Aged 16 or Older, Selected Areas, 2000			
Means to Work	Republic Township		Marquette County
	Number	Percent	Percent
Car, truck, van- drive alone	245	68.4	80.3
Car truck van- carpool	92	26.7	10.9

Mode of Transportation	Number of Residents	Percentage of Total	Percentage of State
Public Transportation	3	0.8	0.6
Motorcycle	0	0.0	0.1
Bicycle	0	0.0	0.5
Walk	16	4.5	5.0
Other means	0	0.0	0.3
Worked at Home	2	0.6	2.3

Source: U.S. Bureau of the Census, Census 2000 Summary File 3, P30.

Annual Household Income

The annual household income of approximately 504 families in 2000 shows 29 percent in the \$15,000 to \$25,000 range, followed by percentage of 14 to 17 percent from \$25,000 to \$75,000.

	1989 Actual Income	1989 Income Adjusted for Inflation	Percent of actual State	1999 Actual Income	Percent of actual State
Per Capita Income					
Republic Township	\$10,288	\$13,352	72.3	\$15,524	70.0
Marquette County	\$11,025	\$14,309	77.9	\$18,070	81.5
State of Michigan	\$14,154	\$18,370	100.0	\$22,168	100.0
Median Household Income					
Republic Township	\$21,667	\$28,121	70.0	\$27,500	61.6
Marquette County	\$25,137	\$32,624	81.0	\$35,548	79.6
State of Michigan	\$31,020	\$40,260	100.0	\$44,667	100.0
Median Family Income					
Republic Township	\$26,917	\$34,935	73.4	\$33,472	62.6
Marquette County	\$30,249	\$39,259	82.5	\$46,281	86.6
State of Michigan	\$36,652	\$47,569	100.0	\$53,457	100.0

Source: U.S. Bureau of the Census, 1980 Census STF3A, 069, 074, 08; Census 2000, Table DP-3 the 1989 adjusted amounts were adjusted by a rate of 1.297861.

Table 3-11 Households by Annual Household Income, Selected Areas, 2000						
Annual Income	Republic Township		Marquette County		State of Michigan	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	55	10.9	2,700	10.5	313,905	8.3
\$10,000 to \$14,999	39	7.7	1,953	7.6	219,133	5.8
\$15,000 to 24,999	146	29.0	4,225	16.4	469,100	12.4
\$25,000 to 34,999	71	14.1	3,821	14.8	470,419	12.4
\$35,000 to \$49,999	81	16.1	4,485	17.4	624,326	16.5
\$50,000 to \$74,999	86	17.1	4,961	19.3	778,755	20.6
\$75,000 to \$99,999	13	2.6	2,273	8.8	432,681	11.4
\$100,000 to \$149,000	6	1.2	877	3.4	324,966	8.6
\$150,000 or more	7	1.4	443	1.7	155,495	4.1

Source: U.S. Bureau of the Census, SF 3, Table DP-3.

Poverty Rates

The data provided in Table 3-12 is based on 1999 incomes as gathered for the 2000 Census. The annual income poverty level for a family of two was \$11,060; for a family of three, \$13,880. Poverty rates in the Township are slightly higher than the County and the State. Among older persons, poverty rates for the Township exceeded that of both the county and the state. Since the 1960s the poverty rates for the elderly have fallen dramatically most likely due to assistance programs.

Children represent a disproportionate share of the poor in the United States; they are about 25 percent of the total population, but 35 percent of the poor population. Female-headed households across the state experienced high rates of poverty, especially those households with children under five.

Table 3-12 Poverty Rates, Selected Areas, 2000			
Poverty Rates by Group	Republic Township	Marquette County	State of Michigan
All Persons	11.2	10.9	10.5
Persons 65 and older	11.1	6.4	8.2
Children under 18	12.7	11.2	13.4
Female Householder Families	14.3	25.4	24.0
Female Households with Children under 18	26.3	33.4	31.5
Female Households with Children under 5	50.0	53.5	44.2
Families	6.9	6.0	7.4
Families with children under 18 years	10.0	10.5	11.3
Families with children under 5	22.7	16.5	14.7

Source: U.S. Bureau of the Census, Census 2000, Table DP-3.

3.3 Local Economic Groups

In 2009, a group of U.P. residents with ties to the Republic area created the Rainbow Project. Their goal is to “recreate a historically interesting, economically viable and aesthetically attractive township.” The Rainbow Project hopes to transform the community into a more tourism-based area, capitalizing on nearby recreational opportunities like camping and snowmobiling. The group is also focused on attracting services to the Township including: gas stations, restaurants and hotels.

Economic development ideas, some already underway, include:

- The **Republic Wetlands Preserve**, covering 2,300 acres of former mining land. In 2008, the southern part of the preserve was opened to the public with a two mile circular walking trail.
- The **Iron Ore Heritage Trail**, running from Republic Township to Chocolay Township, should be further developed.
- Refurbishment and acquisition of the historic **Republic Bank Building**, to return the building to period condition to serve as a trailhead site and local history museum.
- Obtaining tax initiatives from the state of Michigan to attract **film production activities** to the area.

The Rainbow Project hopes to fund these undertakings with grant money as well as private investment.

3.4 Issues and Opportunities

With the decrease in school-age population and the trend in sales of available housing to retired couples, Republic Township may need to focus its planning on a four-season recreation concept to utilize the natural outdoor and water resources to add to the economic development in the area. At present, there is very little commercial development; however, many available and affordable sites are available.

The marked decline in school enrollment for the past ten years is a strong indicator that the community needs to investigate options for the use of the school facilities for additional types of educational ventures.

The presence of rail and highway linking Republic to Milwaukee and Chicago offers an opportunity for light industry such as electronics, small parts production, etc. which would do much to improve the employment picture locally in addition to retention of younger couples.

With Republic being centrally located in the Upper Peninsula, there is a definite need for a motel/hotel along with grocery and fuel facilities.

Marquette County continues to experience a lower rate of unemployment than the Upper Peninsula as a whole, as well as the state, but rates have been increasing over the past several years.

Poverty rates for the Township were comparable to the county and the state. Female householders, especially those with children experience much higher poverty rates than any other group. Programs directed toward female heads of households may be needed to help alleviate poverty in the area.

Recent activities of the local economic group, The Rainbow Project, are seeking to promote the Township as a tourism-based area and attracting services to the Township.