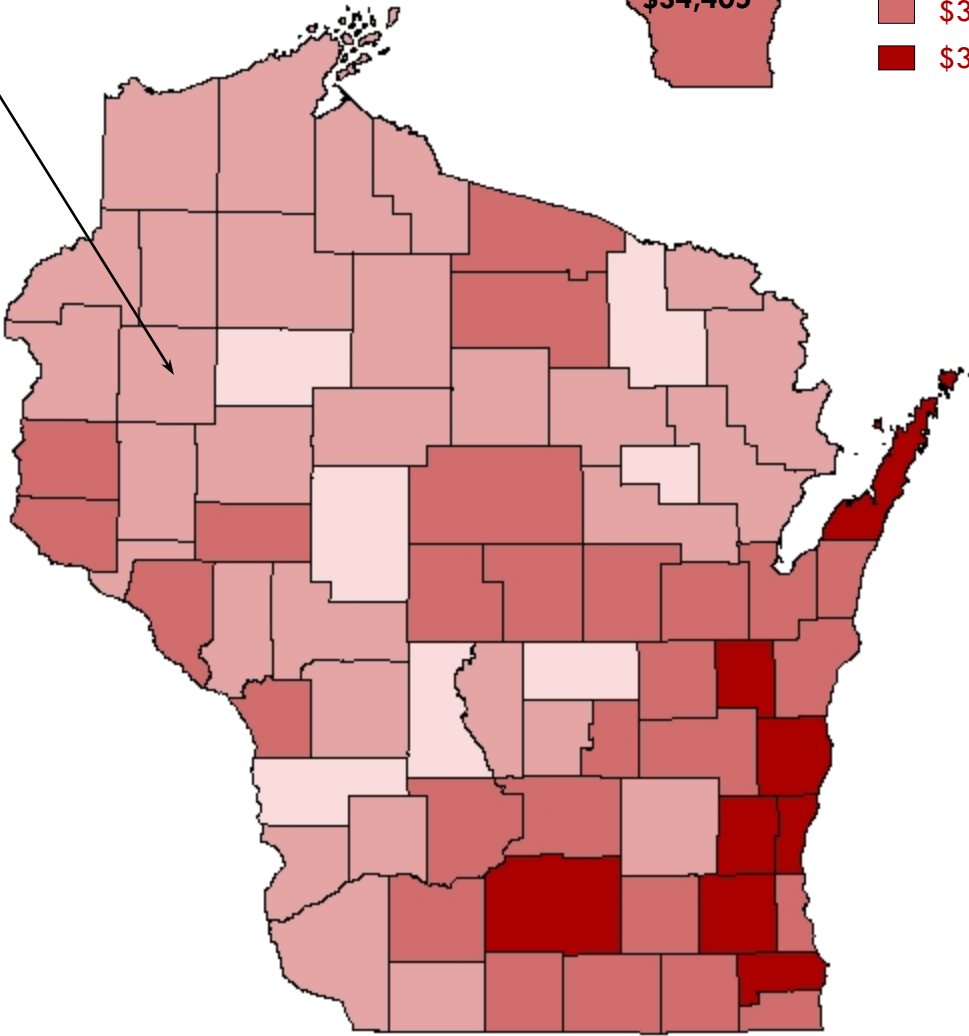


# Barron County Workforce Profile

## Per Capita Personal Income in 2006

Barron County  
\$27,584



2008

**Office of Economic Advisors**  
Wisconsin Department of Workforce Development  
OEA-10595-P

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### Population

Barron County grew by 2,588 residents from 2000 to 2007, for a total population of 47,551, according to the finalized estimates from Wisconsin's Department of Administration. The county's growth rate of 5.8 percent ranked it in the middle of the pack—32nd amongst the state's 72 counties.

Net-migration, which is defined as people moving into the county minus those leaving, accounted for the majority of the population growth, as it does in most Wisconsin counties. About 88 percent of Dunn's growth was from net-migration, even higher than most other Wisconsin counties. This is a common trend in recreation-rich, rural counties like Barron, as retirees pour in to spend their golden years enjoying the county's many lakes. Natural increase, or births minus deaths, accounted for the other 12 percent, only adding 309 residents.

Population increase was scattered around the county, but growth patterns seemed to favor areas with lakes, as well as the county's larger cities. This reflects a common migration trend — the desire to live in a scenic area with an abundance of recreational opportunities, while still remaining relatively close to the amenities or job opportunities found in a population center.

The fastest growth in the ten largest municipalities occurred in the towns of Cedar Lake and Prairie Lake, not coincidentally, two townships with large lakes. In fact, Barron County contains 369 lakes in all, covering close to 18,000 acres. The Village of Cameron also experienced fast growth, situated near the Chetek chain of lakes.

#### Barron County's Ten Most Populous Municipalities

	April 2000 Census	Jan.1, 2007 Estimate	Numeric Change	Percent Change
<b>United States</b>	281,421,906	300,888,812	19,466,906	6.9%
<b>Wisconsin</b>	5,363,715	5,647,000	283,285	5.3%
<b>Barron County</b>	44,963	47,551	2,588	5.8%
Rice Lake, City	8,312	8,653	341	4.1%
Barron, City	3,248	3,338	90	2.8%
Rice Lake, Town	3,026	3,152	126	4.2%
Stanley, Town	2,237	2,444	207	9.3%
Cumberland, City	2,280	2,392	112	4.9%
Chetek, City	2,180	2,258	78	3.6%
Chetek, Town	1,686	1,786	100	5.9%
Cameron, Village	1,546	1,740	194	12.5%
Prairie Lake, Town	1,369	1,570	201	14.7%
Cedar Lake, Town	944	1,111	167	17.7%

Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

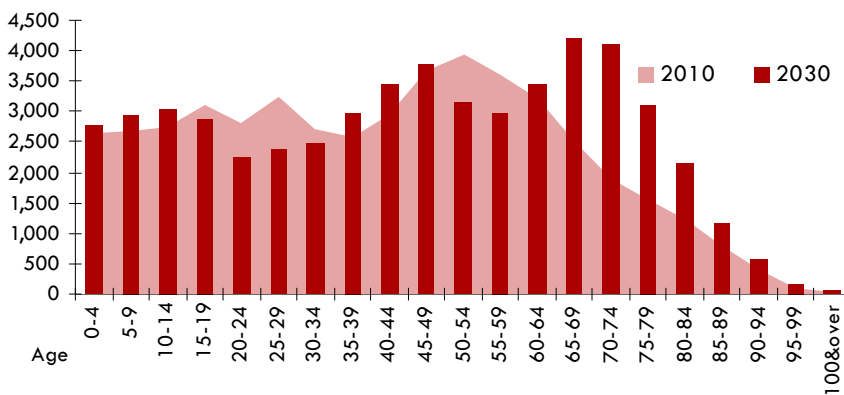
The City of Rice Lake, located along the lake that is its namesake, is Barron's largest population center. Though its growth rate wasn't among the highest in the county, it still added the most residents from 2000 to 2007, growing by 341 people. The municipalities of Rice Lake, Chetek, Cameron, and Barron are all clustered along the Highway 53 corridor, a major artery connecting northern and southern Wisconsin, which also influences their population growth.

Despite this population growth, the county still faces serious workforce issues. The baby boomers, commonly defined as those born from 1946 and 1964, is the largest generation the country has ever seen and they will be exiting the workforce in the coming years. In 2010, the average Barron County resident will be about 41 years old; by 2030, the average is expected to jump to over 45 years. The baby boomers are such a large population component that their aging literally causes the county's average age to rise by over four years between 2010 and 2030. The graph on the left not only demonstrates the 'weight' of this older population in Barron County, but also reflects the loss of young people who leave the area seeking more enticing opportunities or more excitement away from their "home town". Without attractive job prospects, young people move in pursuit of more education and better jobs.

The county faces a future that includes

*(Continued on page 2)*

#### Population by Age Cohorts in Barron County



In 2010, the average Barron County resident will be 41.1 years old.  
 In 2020, the average Barron County resident will be 43.3 years old.  
 In 2030, the average Barron County resident will be 45.4 years old.

Source: WI Dept. of Administration, Demographic Services, & WI DWD, OEA

**Population & Labor Force**

Population Projections for Barron County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	8,708	11,255	13,139	15,297	39,691	48,399
2020	9,141	10,312	12,444	19,916	42,672	51,813
2030	9,328	9,433	13,342	21,962	44,737	54,065
Distribution of Labor-Force-Aged Population						
2010		28.4%	33.1%	38.5%	100.0%	
2020		24.2%	29.2%	46.7%	100.0%	
2030		21.1%	29.8%	49.1%	100.0%	

Source: WI Dept. of Administration, Demographic Services

(Continued from page 1)

meeting the needs of an elderly population and a shortage of workers to replace those retiring. While it is now true that many baby boomers don't plan to fully retire, most will move into other positions. Studies show that only 5 percent of workers remain full-time in their pre-retirement positions, instead they pursue other interests and opportunities. Additionally, health care demands increase as the population ages. Given the relatively advanced age of Barron County residents, health care demand will increase sooner rather than later in the county.

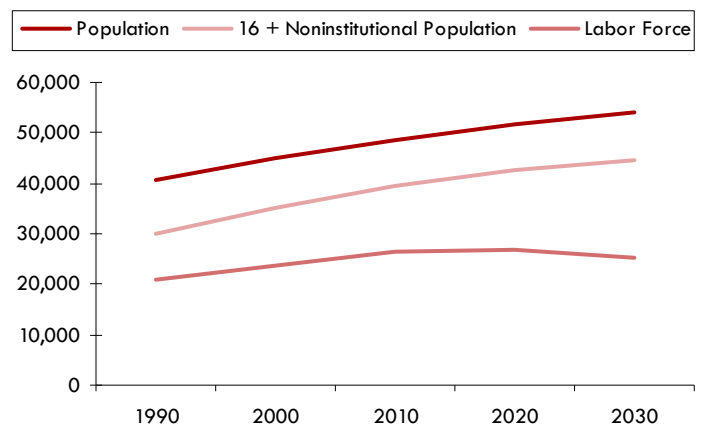
The table above illustrates the changes in Barron's population in the coming years. The labor force aged population (those 16 years old or older) is projected to continue growing, to 44,737 in 2030. But it isn't the total size of this group that raises issues, it is the demographic change within the group as we move through the next couple of decades. In 2010, the largest age cohort in the labor force aged population will already be those aged 55 and older, making up about 39 percent, a high proportion compared to other counties around the state. By 2030, those 55 and older will make up almost half of Barron's labor force aged population.

So what does this mean? We know that beginning at age 55, the rate at which people participate in the labor force begins to drop drastically. And if more and more of the labor force aged group is reaching 55 and over, then we can expect an increasing number of departures from the labor force, seriously impeding workforce growth. In fact, the 16 plus aged population is projected to grow by about 5,046 residents from 2010 to 2030, but the labor force is actually expected lose about 1,074 participants. Population growth in Barron County that is dominated by an older generation will contribute little to the workforce, and rather than expanding the overall economy, it could

instead even drain resources. As shown on the graph below, the labor force totals are always below the totals for the population from which it draws (the 16+ non-institutional population) simply because not everyone who could participate in the labor force chooses to do so. Beginning in 2010, the lines representing the labor force and the source population diverge further from each other. Despite continued population growth,

labor force growth slows, and begins declining around 2020, to the degree that entrants into the workforce may not be numerous enough to fill the number of replacement openings left by retirees. Competition for workers to fill job openings will be fierce in this tighter labor market, and holding onto talent will become ever more critical.

**Barron County Historic and Projected Population and Labor Force**



Source: WI DWD, OEA

Labor Force Projections for Barron County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	9,427	11,467	5,626	26,521
2020	8,525	10,934	7,257	26,716
2030	7,784	11,677	5,986	25,447
Distribution of Labor Force				
2010	35.5%	43.2%	21.2%	100.0%
2020	31.9%	40.9%	27.2%	100.0%
2030	30.6%	45.9%	23.5%	100.0%

Source: WI DWD, OEA

**Labor Force**

Barron County is one of the older counties in Wisconsin. It had a median age of 41.3 in 2007 according to U.S. Census Bureau estimates. As we will see, this has major implications for the available workforce in the area.

A county's labor force is an estimate of the resident workers available for employment. Since this is a "place of residence" measure, it only includes workers living in the county, regardless of whether they work within the county or not. The county labor force does not include commuters from outside the county.

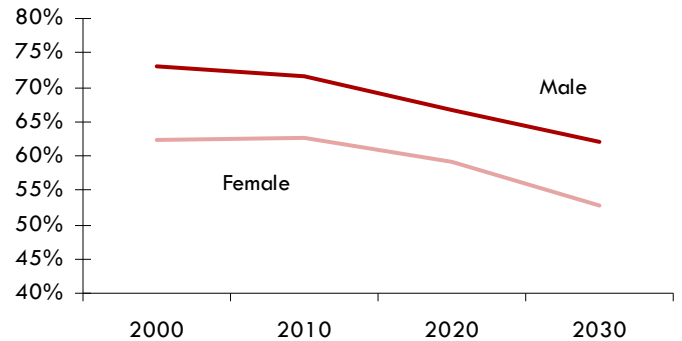
Basically, the labor force is the portion of the total population 16 years and older that is either working (classified as the "employed") or actively looking for work (the "unemployed"). A common misconception is that everyone not employed is considered unemployed. That is not the case. Those of workforce age who are not looking for work are not considered part of the labor force.

Another useful indicator is the labor force participation rate (LFPR) — the percentage of an area's 16 years and older, non-institutional population that is in the labor force. It give us important information about an area's workforce, chief among those is what kind of labor reserves the area has in terms of untapped potential workforce (given the right conditions to motivate them to join the labor force). Wisconsin is a state known for its high LFPR (possibly showing that with lower wages families need the dual incomes provided by two wage earners, though some also believe this rate is raised by the famous Wisconsin work ethic). In Barron's case, the LFPR was an estimated at about 67 percent in 2007, below the statewide average.

Barron's labor force has hovered between 25,000 and 26,000 since 2003, but as the population grows progressively older, we can expect that number to fall, as demonstrated by the graph near the top right of the page. As early as 2010, the LFPR starts trending dramatically downward for both sexes. This means that even though the number of residents over 16 years old is expected to increase, a smaller and smaller percentage will be available for employment.

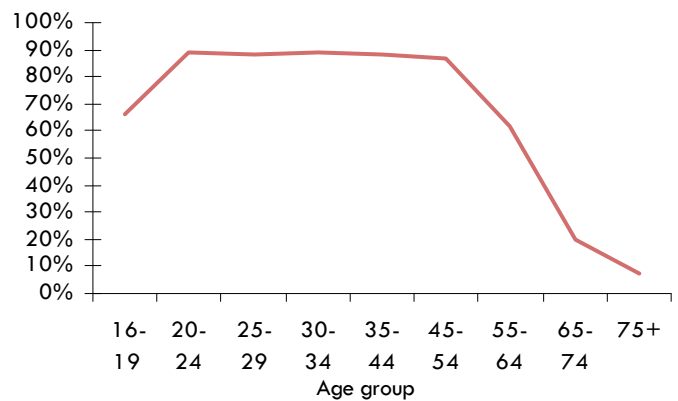
We can see why on the second graph above. Labor

**Labor Force Participation Rates by Sex: 2000-2030**



Source: WI DWD, OEA

**Labor Force Participation Rates by Age in 2000**



Source: Census 2000, SF-3

force participation rates begin to drop sharply around age 55. Reasons for this could range from the younger retirement ages in fields like construction and protective services, to an increased incidence of career ending illness or injury beginning at age 55. Regardless of causes, this trend will have a huge impact on an area's workforce.

The unemployment rate, which is the unemployed as a percentage of the total labor force, averaged 5.9 percent annually in 2007, rising slowly since 2005. Barron County's unemployment rate is very seasonal, falling February through June, as construction and tourism employers add jobs. There is a slight spike in June as schools recess for summer and the job market absorbs the students. Unemployment rates then fall to an October low. Afterwards the rate climbs to a typical seasonal peak in February, resuming the yearly cycle again.

**Barron County Civilian Labor Force Data**

	2003	2004	2005	2006	2007
Labor Force	25,797	25,495	25,524	25,633	25,297
Employed	24,243	24,070	24,170	24,218	23,811
Unemployed	1,554	1,425	1,354	1,415	1,486
Unemployment Rate	6.0%	5.6%	5.3%	5.5%	5.9%

Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

### Jobs & Wages

Barron County's average wage in 2007 was about 74 percent of the average wage in Wisconsin, down slightly from 75 percent last year. Barron County's largest industry by far, both by employment and even more so by total payroll, is manufacturing. The average wage in manufacturing in Barron County, \$33,819, is about 72 percent of the state industry wage.

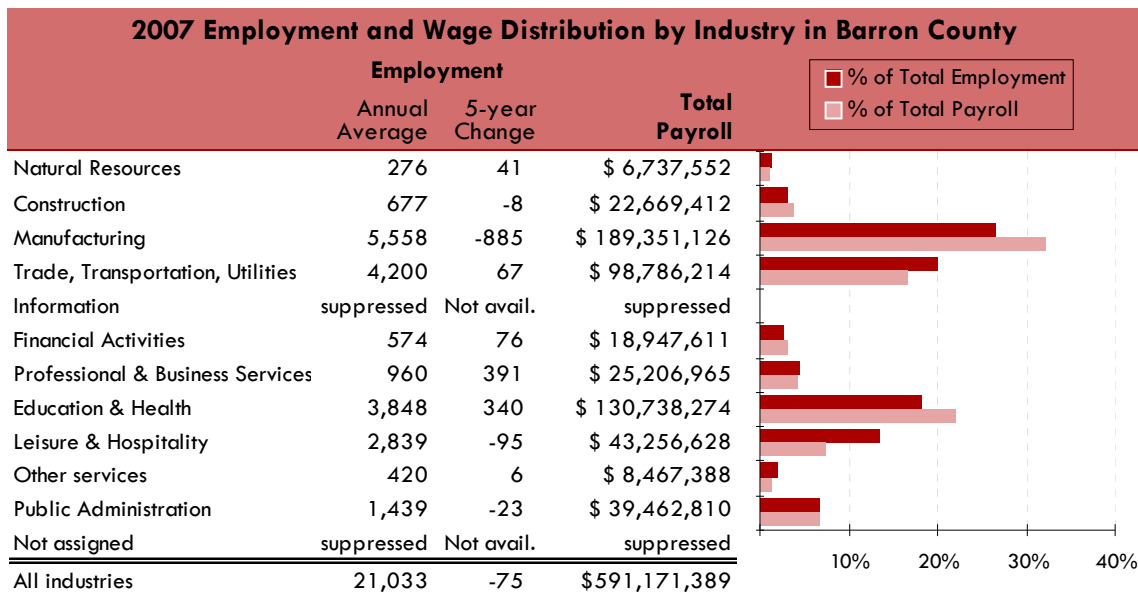
The impact of this large sector on the local average wage likely accounts for much of the disparity between Barron County and the state.

While occupations in rural counties often pay less than their urban counterparts for a variety of reasons, such as adjustments for a lower cost of living, this isn't the main reason for differences at the broader industry level. It generally has to do with the occupation mix in the area. For example, the majority of Barron's manufacturing employment is in food manufacturing, a sub-sector that

tends to have a lower average wage than other types of manufacturing. This is related to the mix of occupations within the food manufacturing industry. The industry simply has fewer high-paying occupations, like engineers, than other types of manufacturing.

Most industries in Barron County pay significantly less than the statewide average, for the various reasons discussed above. In fact, only leisure and hospitality pays above the statewide average, owing to the relatively higher paying jobs at the St. Croix Casino in Turtle Lake.

Barron County lost 75 net jobs from 2002 to 2007, primarily due to a loss of 888 manufacturing jobs. The losses were mostly offset by job gains in other industries. Professional and business services added 391, mostly in administrative support services. This gain (and thus some of manufacturing's loss) may reflect the trend of businesses outsourcing non-core functions like HR to other companies. Education and health added 340 jobs, with most of the gain attributed to recent growth in hospital employment.



Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2008

### Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Barron County as a Share of Wisconsin	Barron County 5-year % Change	Wisconsin 5-year % Change
	Barron County	Wisconsin			
All industries	\$28,107	\$38,070	73.8%	16.2%	17.4%
Natural Resources	\$24,411	\$29,235	83.5%	-0.7%	14.7%
Construction	\$33,485	\$47,489	70.5%	12.3%	19.8%
Manufacturing	\$34,068	\$47,106	72.3%	21.4%	16.1%
Trade, Transportation & Utilities	\$23,521	\$32,762	71.8%	14.3%	15.3%
Information	suppressed	\$48,483	Not avail.	Not avail.	24.7%
Financial Activities	\$33,010	\$50,749	65.0%	28.0%	25.8%
Professional & Business Services	\$26,257	\$44,328	59.2%	-5.9%	22.0%
Education & Health	\$33,976	\$39,606	85.8%	17.7%	17.3%
Leisure & Hospitality	\$15,237	\$13,589	112.1%	16.6%	14.8%
Other Services	\$20,160	\$22,073	91.3%	6.4%	13.2%
Public Administration	\$27,424	\$39,879	68.8%	12.0%	18.1%

Source: WI DWD, Workforce Training, QCEW, June 2008

### Jobs & Wages

#### Prominent Industries in Barron County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg. Barron County	5-year Percent Change		2007 Average		5-year Percent Change	
		Barron County	Barron County	Wisconsin	Barron County	Wisconsin	Barron County
Food manufacturing	2,324	-11.3%	-6.7%	\$ 30,969	\$ 38,239	21.6%	13.2%
Educational services	1,508	0.1%	2.0%	\$ 34,037	\$ 39,753	10.8%	15.0%
Amusement, gambling & recreation ind	1,393	not avail.	7.2%	\$ 21,295	\$ 15,962	not avail.	11.3%
Food services & drinking places	1,315	-2.2%	9.1%	\$ 9,347	\$ 10,859	12.9%	14.5%
Hospitals	1,017	20.1%	12.6%	\$ 39,057	\$ 43,750	27.5%	24.1%
General merchandise stores	961	17.1%	7.1%	\$ 17,205	\$ 17,914	13.6%	16.3%
Executive, legislative, & gen government	946	1.6%	-4.7%	\$ 27,759	\$ 36,340	13.7%	16.4%
Fabricated metal product manufacturing	698	-31.2%	8.6%	\$ 39,891	\$ 43,765	30.8%	15.4%
Nursing & residential care facilities	630	20.9%	3.6%	\$ 18,331	\$ 23,295	10.8%	12.0%
Machinery manufacturing	620	-21.4%	-4.5%	\$ 37,576	\$ 53,720	32.2%	19.1%

Note: \* data suppressed for confidentiality and not available for calculations

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, June 2008

As mentioned on the previous page, manufacturing is the largest industry in Barron County. This importance is easy to spot, with three of the county's largest sub-sectors in manufacturing. All three sub-sectors pay above the county average wage, and all three have lost jobs since 2002.

Food manufacturing is top of the heap, with almost half the manufacturing jobs in the county. In fact, the Jennie-O Turkey Store is the single largest employer in Barron County. The number of jobs in food manufacturing have declined since 2002 as employers stream-line processes, yet jobs remain vacant because workers are harder to find. These factors also influenced the job losses in fabricated metal products and machinery manufacturing, though nationwide trends also played a part.

Fabricated metal manufacturing employed an average

of 698 workers in Barron County in 2007, although it has lost almost one-third of its jobs since 2002. Nichols-Homeshield, a metal window and door manufacturer, is one of the ten largest employers in the county.

Employment in machinery manufacturing is also lower than five years ago, by about 21 percent. The relocation of American Tool, Inc. during the five-year period is responsible for much of the job loss in this industry. Rice Lake Weighing Systems, one of the ten largest employers in the county is in this sub-sector.

The educational services sub-sector continues to be a major employer in Barron County. Two of the top ten employers in the county are in this sub-sector. Its employment levels have changed little since 2002.

The healthcare industry also has a significant presence in Barron County.

Two of the largest employing sub-sectors in the county are in healthcare: hospitals, and nursing and residential care facilities. Both have increased jobs by over 20 percent since 2002, gearing up to care for an aging population.

#### Prominent Public and Private Sector Employers in Barron County

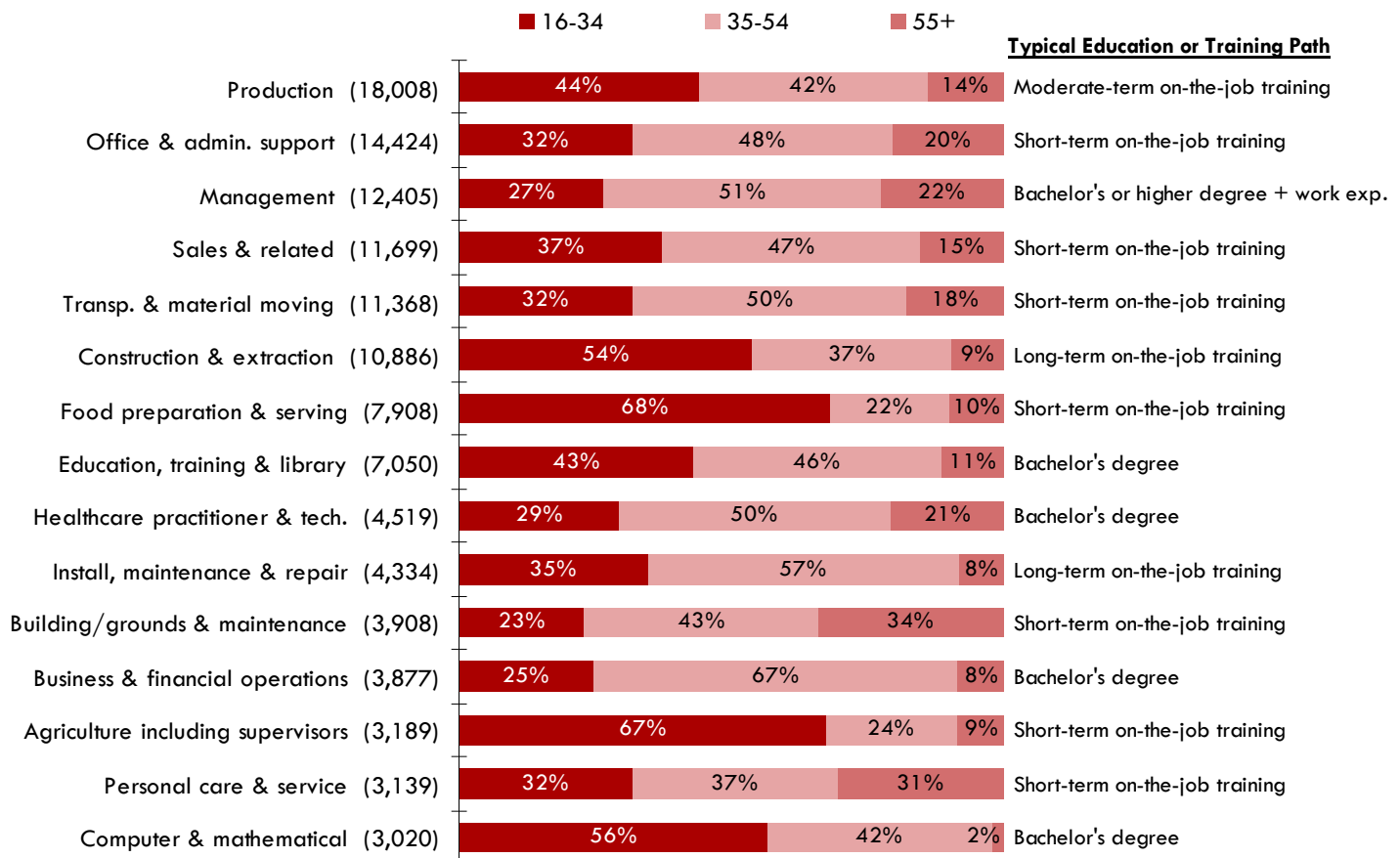
Establishment	Service or Product	Number of Employees (March 2007)
Jennie-O Turkey Store	Poultry processing	1000+ employees
St Croix Casino	Casinos, except casino hotels	1000+ employees
Rice Lake Public School	Elementary & secondary schools	250-499 employees
Wal-Mart	Discount department stores	250-499 employees
Lakeview Medical Center	General medical & surgical hospitals	250-499 employees
County of Barron	Executive & legislative offices, combined	250-499 employees
Rice Lake Weighing Systems Inc	Scale & balance, except laboratory, mfg.	250-499 employees
Barron Memorial Medical Center Inc	General medical & surgical hospitals	250-499 employees
Coop Educational Service Agency #12	Administration of education programs	250-499 employees
Nichols-Homeshield	Metal window & door manufacturing	250-499 employees

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, April 2008

## Occupations & Typical Education or Training

### Age Distribution of Workers in Selected Occupational Groups

Data includes residents of Barron, Clark, Dunn, Polk, and St. Croix counties.



Note: Occupation groups are in descending order based on the number of workers in each group.

Source: 2006 U.S. Census ACS PUMS & WI DWD, OEA

Analyzing employment at the industry level on previous pages only tells part of Barron County's employment story. Taking an in-depth look at the occupational breakdown in the county can reveal things that aren't readily apparent at the industry level.

The table above holds a wealth of information on the top occupation groups in the Barron County area. The occupation employment and age data are from the American Community Survey by the U.S. Census Bureau. Unfortunately, data at this depth are not available at the county level for Barron. For the purposes of this data, Barron belongs to a group that also includes Clark, Dunn, Polk, and St. Croix Counties.

There are some readily apparent trends that most counties share. For example, employment in food preparation and serving occupations is high. It's also an

occupational group dominated by younger workers. It's not surprising to see an occupational group like this, with many part-time and seasonal jobs, low wages, and low training requirements employing a high proportion of young workers. This kind of work is popular with students, both high school and post secondary, because of the large number of frequent job openings and low training requirements. Other occupation groups have a higher proportion of young employees because of the physical nature of the work, like construction or agriculture. Another group, computer and mathematical occupations, has a younger workforce despite the typical education being a bachelor's degree, creating something of a barrier to entry. This is not surprising given that the computer didn't really start becoming ubiquitous until the 1980s. And continued growth in this field keeps the young graduates

## Occupations & Typical Education or Training

flowing in, lowering the average age.

Other occupational groups find themselves with an older average age than most. Occupational groups like building maintenance or personal service seem to attract an older workforce. Over 30 percent of the workers in these groups are over the age of 55. This may reflect a trend seen from retirees that return to work, working in occupations they enjoy rather than continuing the career they've had most of their work-life. Jobs like maintaining lawns or buildings, or working in the recreation industry may have an appeal on this level.

Other occupations with a low level of younger workers, and higher proportions of both the 35 to 55, and 55-plus age groups include management and healthcare.

Management occupations naturally tend to have an older age breakout, simply because these occupations are the kind in which you typically have to work your way up. This is reflected in the typical education path — bachelor's degree or higher plus work experience — the highest on the table. It explains the high wages paid in this group. But these high barriers to entry, coupled with 22 percent of this group being over the age of 55, means that there could be significant problems filling the

positions vacated by the upcoming boomer retirees. Businesses that have succession planning in place for these higher level occupations will no doubt have a competitive advantage over those that don't in the coming years.

Healthcare occupations also have a low proportion of younger workers. High education and work experience requirements for doctors and nurses play a major role here. With more and more new openings due to demand from aging baby boomers, and a high number of upcoming retirements, healthcare (already a field with a high number of job openings) will need a tremendous number of new workers of all skill sets in the near future.

In the area including Barron County, production occupations are the largest occupation group, with over 18,000 workers. This is not surprising given that Wisconsin in general, and the Barron County area in particular, have a large number of manufacturers. Barron has significant county employment in a diverse array of production positions including food, machinery, and fabricated metal products manufacturing. Over 85 percent of production workers in Barron County are under 55 years of age, leaving some buffer for instituting succession plans.

## Income

Barron County's total personal income (TPI) has grown by about 14 percent in the five-year period from 2001 to 2006, significantly slower than state and nationwide growth.

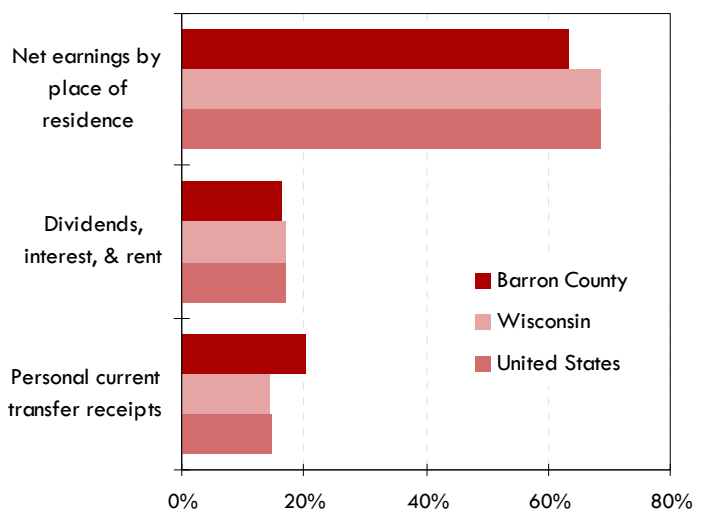
Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income, with the remaining percentage divided between the other two components. However, despite this common pattern, the exact distribution can tell us a lot about an area.

In Barron County, about 63 percent of TPI is from net earnings, lower than the state and national levels (68.5 percent for the state, and 68.4 percent for the nation). Net earnings includes wages earned from employers, as well as earnings of self-employed workers and proprietors, and adjustments for wages earned by residents who work outside the county. The fact that this accounts for a lower proportion of total income in Barron County probably explains its relatively slower TPI growth rate, since income from this component tends to be much higher than the other sources.

The adjustment for residency is an interesting piece of net

earnings to analyze, as it can tell us a lot about a county's commuting situation. Personal income is a place of residence measure. To make sure that incomes are

Components of 2006 Total Personal Income



Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

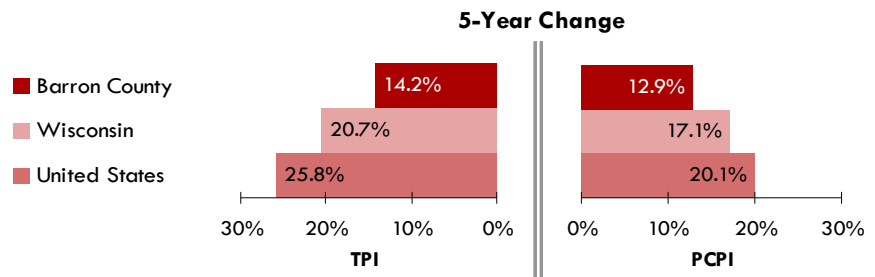
### Income

attributed to the county where the worker lives regardless of where they work, the residency adjustment is used. As shown on the graph below, the adjustment is basically the earnings from Barron residents working in other counties (inflow), minus the earnings of residents of other counties working in Barron (outflow). In 2006, the net adjustment was \$7.1 million, moving positive from a minus \$2.8 million in 2001. This is a change for Barron County — from being a net importer to a net exporter of labor. This could reflect job losses in the county reversing the net commuter flow.

The second major component of TPI is dividends, interest and rent. While this label is fairly self-explanatory, it's important to note that it includes income from both retirement savings programs like 401(k)s and IRAs, as well as defined pensions. It accounts for roughly 16 percent of TPI in Barron County, slightly lower than both the statewide and national levels.

The third component of TPI is income from transfer receipts. Transfer receipts refer to benefits like Social Security, unemployment insurance, Medicaid, Medicare, and welfare. Over 20 percent of TPI in Barron County is from transfer receipts, higher than the state and national

	Total Personal Income (TPI) (in thousands)		Per Capita Personal Income (PCPI)	
	2001	2006	2001	2006
<b>Barron</b>	\$1,104,447	\$1,261,656	\$24,432	\$27,584
<b>Wisconsin</b>	\$158,888,404	\$191,725,759	\$29,377	\$34,405
<b>United States</b>	\$8,716,992,000	\$10,968,393,000	\$30,574	\$36,714



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007

averages of 14 and 15 percent, respectively. A high share of income made up of transfer receipts tends to indicate an older population.

Total personal income divided by the total population produces per capita personal income (PCPI). This is a very useful indicator for comparing geographic areas. While counties with a high population will, not surprisingly, also have a high level of total personal income, turning it into a per capita measure gives us an estimate of income per resident. Barron's per capita personal income of \$27,584 ranks relatively low, 49th among Wisconsin's 72 counties. This is one rank lower than last year and below the average state and national PCPI levels.

The lower industry wages seen on page 4 play a major role in Barron's low PCPI, especially since net earnings are such a high proportion of total personal income, but the high share of transfer receipts also pushes Barron below the state average. A resident relying on transfer receipts generally earns less than someone who is employed.

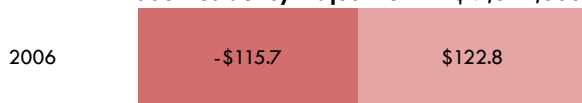
Per capita personal income growth of 12.9 percent over the five-year timeframe from 2001 to 2006 lagged increases in both the state and nation, again likely linked to the high proportion of income from transfer receipts. Income from government aid sources tends to increase much slower than wage income.

Even though Barron's PCPI is only about 81 percent of the state PCPI, it is nearly 95 percent of the PCPI for other non-metropolitan counties in the state. So, Barron County's PCPI is fairly average for a non-metro county in Wisconsin.

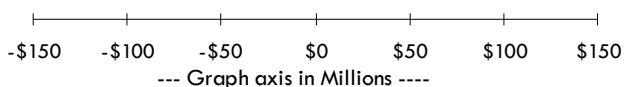
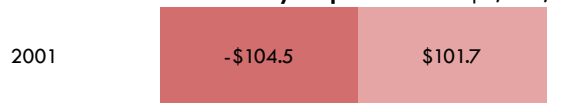
### Barron County Commuting Impact

- Earnings of workers living in another county (outflow)
- Earnings of residents working in other counties (inflow)

**2006 Residency Adjustment = \$ 7,094,000**



**2001 Residency Adjustment = - \$2,787,000**



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007