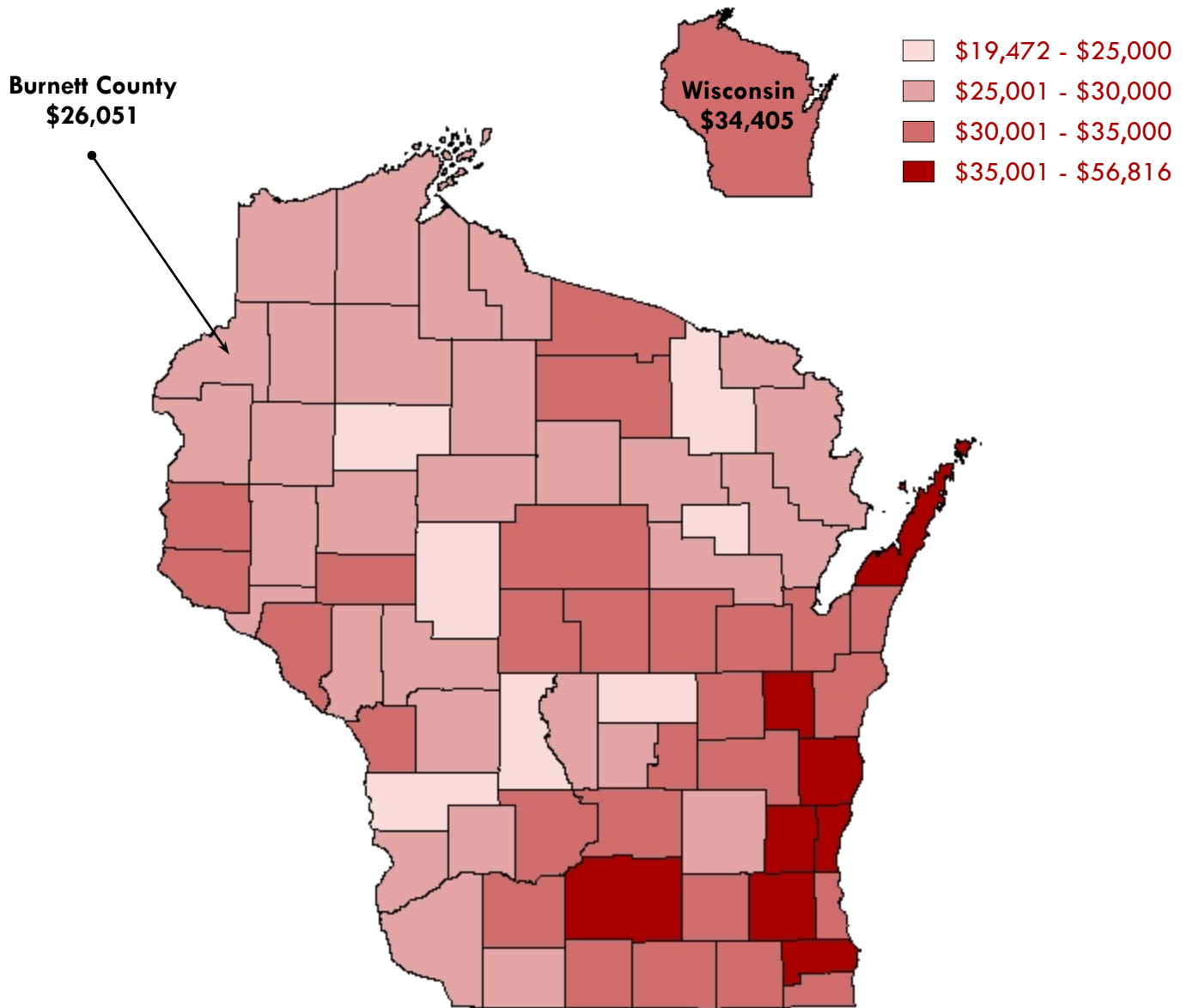


# Burnett County Workforce Profile

## Per Capita Personal Income in 2006



2008

### Office of Economic Advisors

Wisconsin Department of Workforce Development  
OEA-10599-P

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### Population

The population in Burnett County added 135 residents during 2006 to settle at a total population of 16,749 on January 1, 2007. Since 2000 the county's population increased 6.9 percent, matching the percent increase in the nation's population and exceeding the 5.3 percent increase in the State of Wisconsin. An ever-expanding population base has become the norm in Burnett County, occurring in every year since the mid-1980s. The last time the county population declined was in 1986, a delayed reaction to the deep recession of 1981-1982 when residents left the area searching for better job prospects.

In every year since then, however, the county has added residents. Although movement into the county has slowed somewhat from the mid-2000s, the increase in population still relies heavily on new residents moving into the county rather than from an increase in the number of residents born in the county.

With population expansion from in-migration it is not surprising that the municipalities closest to the Minnesota border (and Inter-state 35) are among the fastest growing in the county. These areas are popular for the natural amenities not only with retirees but also with workers commuting to the Minnesota twin cities of Minneapolis and St. Paul. More than one-fifth of the personal income in the county, at least as late as 2006, was earned by workers commuting to jobs in other areas (including more than just the twin cities). It will be a couple years before data is available to track the effect of

#### Burnett 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>Burnett County</b>	15,674	16,749	1,075	6.9%
Grantsburg, Village	1,369	1,453	84	6.1%
Meenon, Town	1,172	1,255	83	7.1%
Grantsburg, Town	967	1,121	154	15.9%
Wood River, Town	974	1,039	65	6.7%
Siren, Village	988	993	5	0.5%
Trade Lake, Town	871	960	89	10.2%
Siren, Town	873	910	37	4.2%
Oakland, Town	778	877	99	12.7%
Swiss, Town	815	864	49	6.0%
Jackson, Town	765	848	83	10.8%

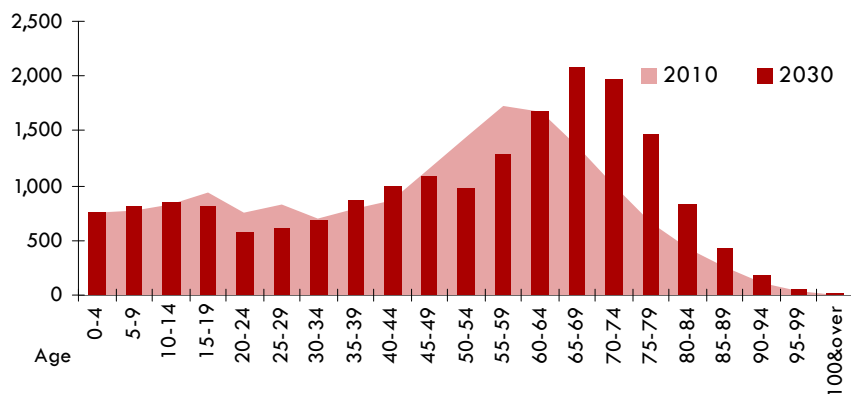
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

higher gasoline prices on the number of workers commuting long distances for jobs.

Since 2000 the population increased 1,313 from net migration (the difference of residents moving into and out of the county) far exceeding the reduction in population of 238 from the sum of births minus deaths. A population adding residents from net migration, who are almost always adults and often retirees, will see a fast rate of increase in the average age of its residents. This is the case in Burnett County where the average age was 42.6 years in 2000. By 2020 it is anticipated that the average age of county residents will be 48.4 years and by 2030 will increase to 50.5 years. This puts the county's average age substantially above the state mean of 36.4 years of age in 2000, and the gap will widen with time as the state average age increases to 39.6 years in 2020, and 41.0 years in 2030. The graph on the left demonstrates the 'weight' of this older population in Burnett County.

In addition to meeting the needs of an elderly population the county will find 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 retirement-age workers remain full-time in their pre-retirement positions. Additionally, health care demands increase as the population ages. Due to the relatively advanced age of Burnett County residents, this demand will increase sooner rather than later.

#### Population by Age Cohorts in Burnett County



In 2010, the average Burnett County resident will be 45.5 years old.  
 In 2020, the average Burnett County resident will be 48.4 years old.  
 In 2030, the average Burnett County resident will be 50.5 years old.

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

**Population & Labor Force**

Population Projections for Burnett County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	2,535	3,041	4,270	7,252	14,563	17,098
2020	2,531	2,807	3,709	9,282	15,798	18,329
2030	2,552	2,481	3,894	9,991	16,366	18,918
Distribution of Labor-Force-Aged Population						
2010		20.9%	29.3%	49.8%	100.0%	
2020		17.8%	23.5%	58.8%	100.0%	
2030		15.2%	23.8%	61.0%	100.0%	

Source: WI Dept. of Administration, Demographic Services

The graph on page 1 is indicative of the significance that baby boomers have on the total population. Population growth in Burnett County that is dominated by an older generation will contribute little to the workforce, and rather than expanding the overall economy, could easily drain resources.

The relationship between the population and the labor force has entered a new era. The previous era was defined by the large size of the Baby Boomer generation (those born from 1946 to 1964) plus the propensity of women to enter the workforce. This combination immensely swelled the workforce beginning in the late 1960s. Forty years later, that workforce expansion is on the cusp of deflating. The first Baby Boomers entered the workforce around 1964 and the rest followed *en masse*. The first Boomers are now eligible for reduced Social Security benefits (the '46ers turned 62 years of age in 2008).

The above table delineates the population by selected age groups over the next three decades. Note that the population in the youngest age group changes little over the 20-year span, the middle age groups that declines, and the eldest age group increases 38 percent. The population aged 55 years and older increases from 49.8 percent of the labor force aged population (the population aged 16 years and older) to 61 percent in 2030. This is a population projection not a labor force projection.

The labor force includes only that share of the population that is engaged in either working or looking for work. Beginning near age 55 the rate at which people participate in the labor force begins to drastically decline. As more of the labor force aged population reaches 55 years the number of departures from the labor force increases and seriously impedes workforce growth.

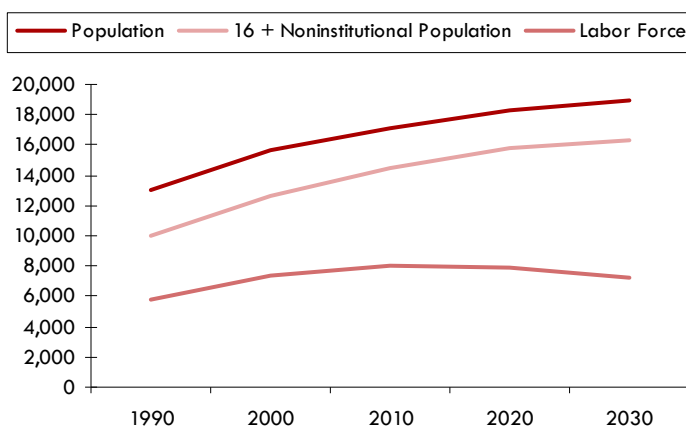
In fact, the 16 plus aged population is projected to add roughly 1,800 residents from 2010 to 2030, but the labor

force is expected to decline by nearly 800 participants (bottom table).

The graph below shows the three major components of Burnett County's total population, labor force aged population, and labor force. The top two lines in fact indicate continued growth through 2030, albeit somewhat slower than during the 1990s. The bottom line, representing the county's labor force, peaks by 2010, then begins to decline.

Competition to fill openings for replacements (workers leaving the occupation entirely, whether due to retirement or other reasons) will be fierce in this tighter labor market, not to mention the additional openings generated from businesses expanding. Holding on to talented workers in these conditions will become ever more critical.

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



Source: WI DWD, OEA

Labor Force Projections for Burnett County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	2,311	3,579	2,195	8,084
2020	2,126	3,136	2,611	7,874
2030	1,863	3,279	2,153	7,295
Distribution of Labor Force				
2010	28.6%	44.3%	27.1%	100.0%
2020	27.0%	39.8%	33.2%	100.0%
2030	25.5%	45.0%	29.5%	100.0%

Source: WI DWD, OEA

**Labor Force**

Delving deeper into the relationship between population and labor force requires more detailed information on how the population engages, or participates, in the labor force. The labor force participation rate (LFPR) is the share of the eligible population (the non-institutionalized population aged 16 years and older) that is working or looking for work.

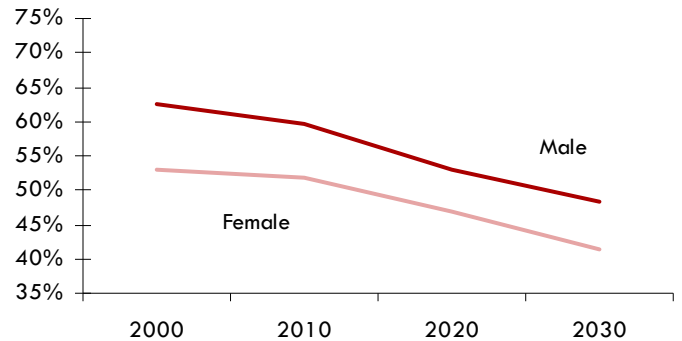
Even though recent decades witnessed increased participation of women in Burnett County, from 35 percent in 1970 to 53 percent in 2000, it never matched the participation of men, which remained relatively flat during the same time span, hovering near 63 percent. That said, women contributed significantly to overall labor force expansion in the 1970s and 1980s just as baby boomers flooded the labor market. Now, as boomers begin to retreat from the labor market, the LFPR for both men and women will begin to decline as they celebrate their 55<sup>th</sup> birthdays (top graph).

The combined 2000 labor force participation rate of both men and women varies by age, illustrated in the second graph on the right. Beginning with the youngest age group, primarily teenagers still enrolled in school, the LFPR jumps from 54 percent to 84 percent in the 20-24 year old group. The LFPR remains above 80 percent through the 45-54 year group before declining rapidly to under 48 percent for those 55-64 years old and to under 16 percent for those over 65 years. Although there has been a recent uptick nationally of 2-3 percentage points in participation from the older population it will not significantly increase the overall labor force in Burnett County.

The bottom chart reflects some of these changes already occurring in the county's labor force. While the total labor force did increase in 2007, it resulted from an increase in the number of unemployed in Burnett County - an increase in the number of residents looking for work. However, from 2003 through 2006 the labor force netted few additional participants.

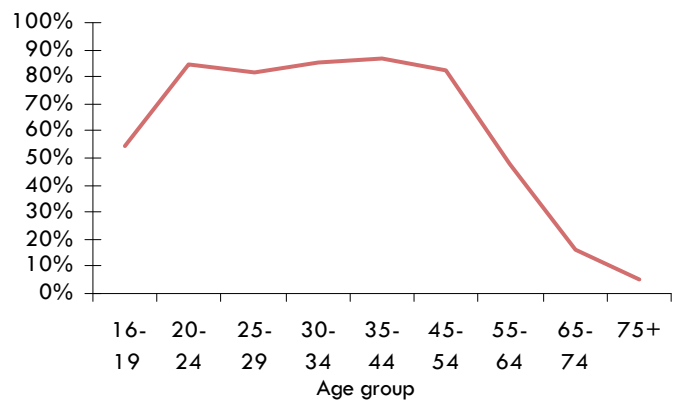
In fact labor force growth since 2003 of 1.5 percent is less than population growth of 3.8 percent over the same

**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

period. The overall LFPR in Burnett County declined from 64.5 percent in 2003 to 61.9 percent in 2007. It should be noted that Burnett County's current LFPR is considerably lower than Wisconsin's LFPR of 74.3 percent.

Unemployment rates in the county have been rising since 2003 even though the number of residents employed has vacillated by fewer than 50 workers. The current unemployment rate of 6.6 percent is a full percentage point higher than in 2003 and much higher than the state unemployment rate in 2007 of 4.9 percent. The unemployment rate is very seasonal in Burnett County, falling as employers add jobs February through June. Rates decline throughout most of the summer to a low in September or October. Afterwards the rate climbs to a typical seasonal peak in February, beginning the yearly cycle again.

**Burnett County Civilian Labor Force Data**

	2003	2004	2005	2006	2007
Labor Force	8,415	8,394	8,434	8,496	8,545
Employed	7,952	7,920	7,954	8,000	7,985
Unemployed	463	474	480	496	560
Unemployment Rate	5.5%	5.6%	5.7%	5.8%	6.6%

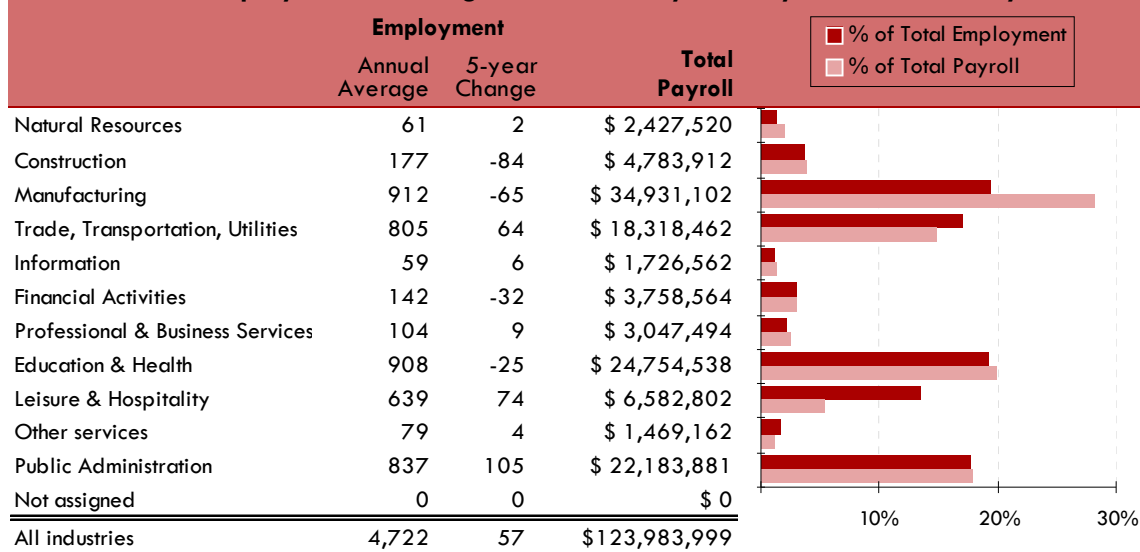
Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

### Jobs & Wages

Jobs and wages are the lifeblood of any economy. The more good-paying jobs in a region, the better the prospects for its economy. Burnett County has a diversity of industry employment but the wages paid to workers in those jobs fall well below the statewide average for those industries. The one exception is natural resources, where annual wages exceed state wages, but the industry provides only 61 jobs in the county.

Three of the major industry super-sectors provide over 56 percent of the jobs in the county: manufacturing, education and health, and public administration; and together, proved two-thirds of the payroll from county employers. Of the three, however, only manufacturing wages average above \$30,000 annually, and these wages, the second highest earned in Burnett County, are only 81 percent of manufacturing wages in the state. The

**2007 Employment and Wage Distribution by Industry in Burnett County**



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

above chart also shows that manufacturing contributes substantially more as a share of total payroll than total employment. This means that manufacturing jobs in Burnett County pay relatively well. The problem for the local economy is that manufacturing jobs are on the decline. Burnett County is not alone in this respect as manufacturing jobs are becoming a smaller share of total jobs in the United States and Wisconsin.

Also at issue is that over half of the jobs added in the county are in industry groups with some of the lowest annual wages in the county: leisure and hospitality; and trade, transportation, and utilities. And while wage gains in these industry groups have exceeded the overall wage increase in the county of 14 percent, many of the jobs remain seasonal and part-time. Both factors contribute to the lower overall annual average wage not only for the industry group but for the all industry average. In 2007 the annual average wage of \$26,257 in Burnett County was only 69 percent of the all industry average of \$38,070 in the state.

**Average Annual Wage by Industry Division in 2007**

	Average Annual Wage		Burnett County as a Share of Wisconsin	Burnett County 5-year % Change	Wisconsin 5-year % Change
	Burnett County	Wisconsin			
All industries	\$26,257	\$38,070	69.0%	14.0%	17.4%
Natural Resources	\$39,795	\$29,235	136.1%	55.1%	14.7%
Construction	\$27,028	\$47,489	56.9%	13.2%	19.8%
Manufacturing	\$38,302	\$47,106	81.3%	20.1%	16.1%
Trade, Transportation & Utilities	\$22,756	\$32,762	69.5%	18.6%	15.3%
Information	\$29,264	\$48,483	60.4%	27.9%	24.7%
Financial Activities	\$26,469	\$50,749	52.2%	22.4%	25.8%
Professional & Business Services	\$29,303	\$44,328	66.1%	8.8%	22.0%
Education & Health	\$27,263	\$39,606	68.8%	17.0%	17.3%
Leisure & Hospitality	\$10,302	\$13,589	75.8%	18.4%	14.8%
Other Services	\$18,597	\$22,073	84.3%	8.9%	13.2%
Public Administration	\$26,504	\$39,879	66.5%	3.0%	18.1%

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

### Jobs & Wages

#### Prominent Industries in Burnett County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Burnett County	Burnett County	Wisconsin	Burnett County	Wisconsin	Burnett County	Wisconsin
Executive, legislative, & gen government	760	14.8%	-4.7%	\$ 27,001	\$ 36,340	2.4%	16.4%
Food services & drinking places	453	2.0%	9.1%	\$ 9,344	\$ 10,859	10.3%	14.5%
Educational services	395	-1.3%	2.0%	\$ 28,933	\$ 39,753	8.5%	15.0%
Fabricated metal product manufacturing	339	-4.8%	8.6%	\$ 46,109	\$ 43,765	28.1%	15.4%
Hospitals	*	not avail.	12.6%	*	\$ 43,750	not avail.	24.1%
Food & beverage stores	171	3.6%	-4.9%	\$ 13,490	\$ 17,166	12.6%	9.7%
Food manufacturing	*	not avail.	-6.7%	*	\$ 38,239	not avail.	13.2%
Machinery manufacturing	148	3.5%	-4.5%	\$ 47,199	\$ 53,720	13.0%	19.1%
Ambulatory health care services	124	9.7%	8.7%	\$ 22,790	\$ 57,969	28.7%	18.5%
Nursing & residential care facilities	120	-31.0%	3.6%	\$ 25,060	\$ 23,295	22.8%	12.0%

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, three industry super-sectors; manufacturing, public administration, and education and health; lead other industries in providing jobs in the county. One in every ten jobs in public administration are with executive, legislative, and general government units, the largest industry sub-sector in the county, while jobs in manufacturing, and education and health are more diverse and found in multiple industry sub-sectors. Employers in the largest sub-sector are a bit more varied and range from the county's largest employer, St. Croix Tribal Council, to some of its smallest employers, local towns.

Although local school districts are often associated with government employment that is not the case here. On these lists, as well as in the data on the previous page,

school employment is classified with its major task: educational services, the third largest sub-sector in Burnett County. Contrary to state trends, employment in educational services declined over the previous five years and wage gains were significantly less than in the state. Overall average annual wages of \$28,933 not only lagged wages in the sub-sector statewide but also fell short of wages in at least two of the leading manufacturing sub-sectors in the county.

Manufacturing sub-sectors on the top list include fabricated metal, food, and machinery products. Over one-third of all manufacturing jobs are with fabricated metal producers and two are listed among the county's largest employers: Parker Hannifin Corp. and McNally Industries. Two other employers on this list, Burnett Dairy

Corp. and Nexen Group Inc., also represent manufacturing sub-sectors on the top list.

The top list is significant in that employers in these ten industry sub-sectors provide more than 60 percent of all the jobs in Burnett County.

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

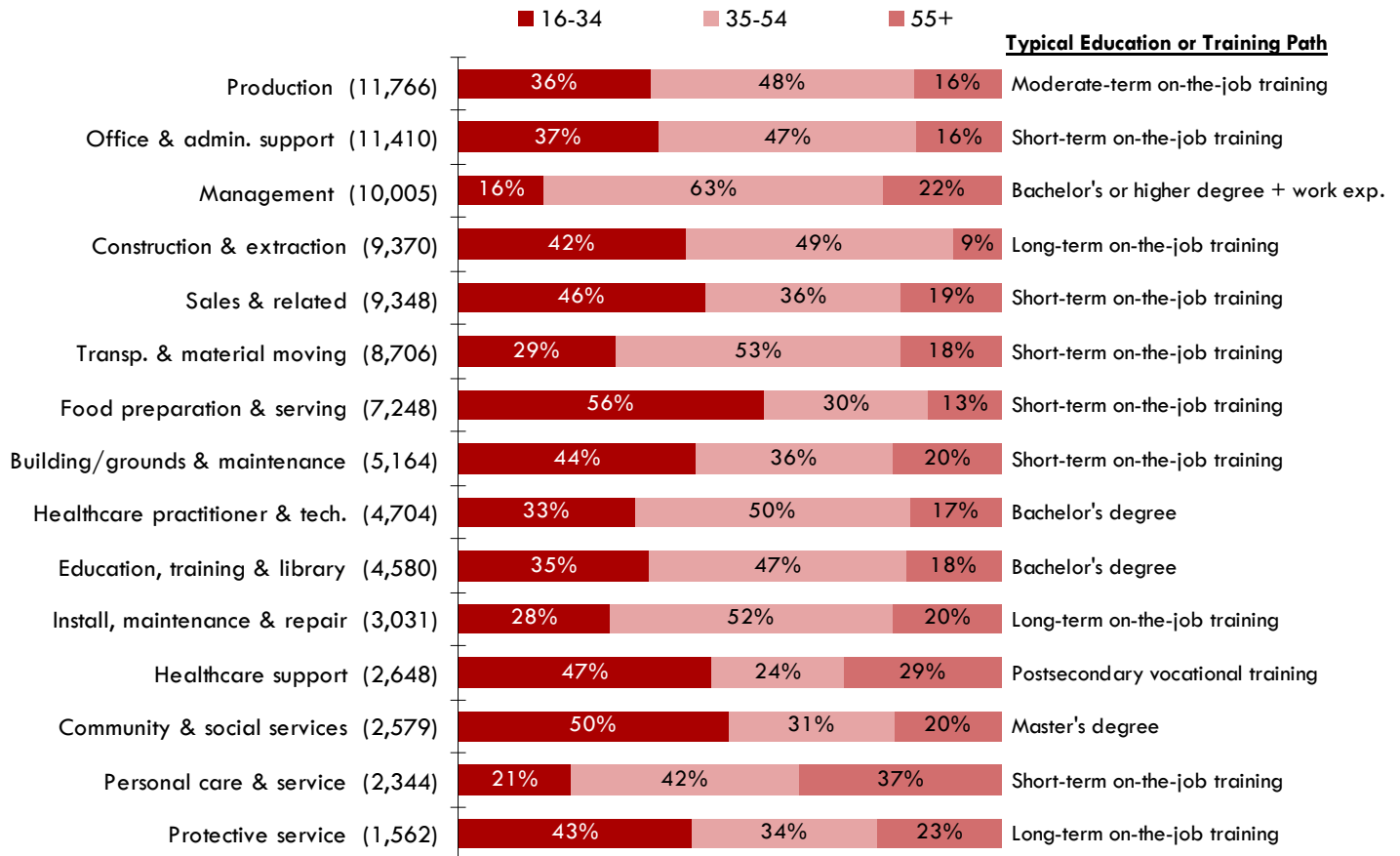
Establishment	Service or Product	Number of Employees (March 2007)
St Croix Tribal Council	Tribal governments	250-499 employees
Parker Hannifin Corp	Fluid power valve & hose fitting mfg.	100-249 employees
Burnett Medical Center	General medical & surgical hospitals	100-249 employees
Burnett Dairy Coop	Cheese manufacturing	100-249 employees
Grantsburg Public School	Elementary & secondary schools	100-249 employees
County of Burnett	Executive & legislative offices, combined	100-249 employees
School District of Webster	Elementary & secondary schools	100-249 employees
School District of Siren	Elementary & secondary schools	100-249 employees
Nexen Group Inc	Mechanical power transmission equipment mfg.	100-249 employees
McNally Industries	Machine shops	50-99 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 Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn 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

Information on jobs by industry (pages 4-5) is readily available because the data is collected from employers' quarterly reports on total payroll and jobs. However, industry reports lack information on the occupations and training required of workers to fill those jobs. One source of occupational information is the American Community Survey conducted by the U.S. Census Bureau. Unfortunately this information is not available for small population areas, like Burnett County. In order to meet a minimum population standard the data is grouped with nine neighboring counties listed in the above chart's title.

The chart includes the 15 largest occupational groups, listed in descending order by employment (number of workers in parenthesis), and shows the age demographics of area workers in each group. The three age categories represent all workers in each occupation group while the typical training path represents the dominant path for the

occupations within the group. This does **not** mean that every occupation within that group requires that education or training path.

Most of the occupations listed are heavily weighted with workers in the prime working years (35-54 years old). Others have obvious deviations. For example, the two groups of food preparation and sales are skewed to younger workers. It's not surprising that these occupation groups, with many part-time and seasonal jobs, low wages, and low training requirements employ a high proportion of young workers. This kind of work is also popular with students, both high school and post secondary, because of the large number of frequent job openings and low training requirements.

If the above conditions favor a preponderance of young workers in food service and sales occupations one is left to

*(Continued on page 7)*

## Occupations & Typical Education or Training

(Continued from page 6)

wonder why half the jobs in community and social services, where a master's degree dominates other educational paths, is also dominated by younger workers. First, there are fewer than 2,600 jobs in community and social services compared with nearly 7,300 in food preparation and serving which means that a smaller number of young workers comprise a greater share of overall jobs. And second, even though many of the occupations within the group typically require a master's degree one of the largest occupations, social and human services assistants, provides entry-level opportunities for younger workers.

Perhaps nearly as perplexing is the 37 percent share of older workers in personal care and service occupations where only short-term training is required. Again, the number of total workers is smaller than other groups and several of the occupations within the group, like hairstylist, represent self-employed workers who are less likely to retire early. Other occupations in this group include casino workers and home care providers, jobs that may have attracted early-retirees to return to work.

Management occupations naturally tends to have an

older age breakout simply because many of these occupations typically require work experience in addition to post-secondary education. This is reflected in the typical education path, bachelor's degree or higher plus work experience, and explains the high wages paid in this group. But the higher barriers to entry, coupled with 22 percent of this group being over the age of 55, means that there could be significant problems filling all the positions vacated by the upcoming boomer retirees.

Skilled 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.

Production occupations, the largest occupation group in the ten-county region is similarly represented by a large proportion of older workers and will be facing shortages of younger workers in skilled positions.

## Income

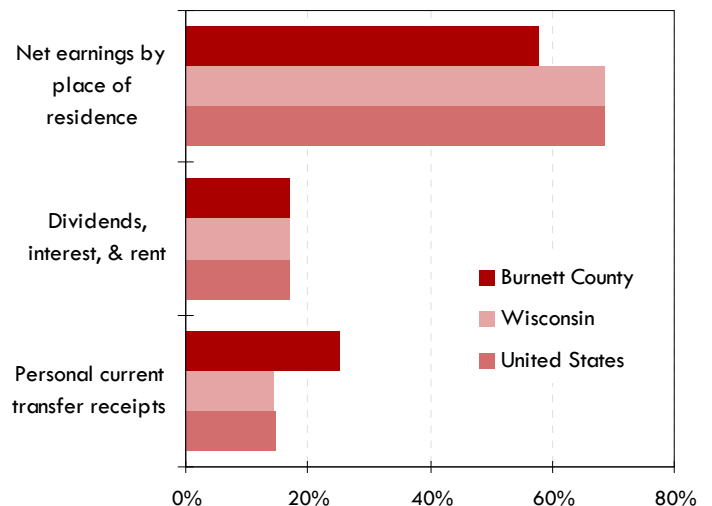
Total personal income, the broadest collection of income data, includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings come from employment, whether self-employed or employed by someone else. Dividends, interest and rents come from investments, savings accounts, dividends, retirement payments from company pensions, or 401(k) plans. Transfer receipts come from state and federal governments, primarily in the form of Social Security, Medicare payments, unemployment insurance, veterans benefits, welfare, and other payments received from public agencies.

Net earnings make up the vast majority of income, with the remaining percentage divided between the other two components. In most Wisconsin counties, and in the state and nation, income from net earnings exceeds two-thirds of total personal income. However, at 58 percent in Burnett County, residents' share of income from earnings is significantly lower than that of the state and the nation. There are two primary reasons for the lower share. First, the county's residents are older on the whole than in the state and depend to a greater degree on un-earned income. Second, many local jobs are seasonal which

generate less annual income, forcing workers to turn to other assistance in the off season (increasing transfer payments), and to jobs that pay on average 30 percent

(Continued on page 8)

Components of 2006 Total Personal Income



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

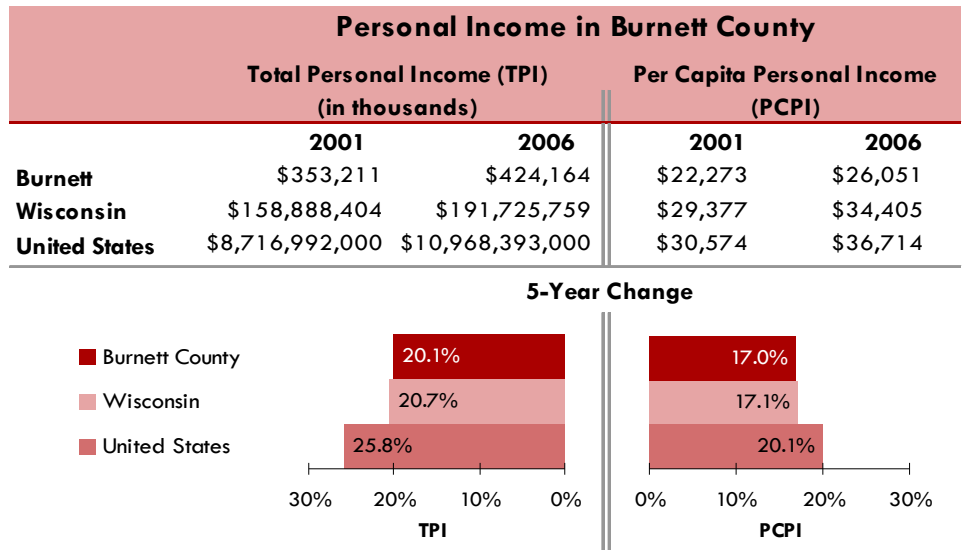
### Income

(Continued from page 7)

less than state jobs (see page 4). Net earnings also includes an adjustment for wages earned by residents working beyond the county's borders (inflow) and a similar adjustment for non-residents working for county employers (outflow).

The bottom chart shows that in 2006 residents working in jobs outside the county added \$85 million to Burnett County's total personal income while non-resident workers were paid \$23 million dollars in wages that left the county. The total residency adjustment netted \$62,612,000 in residents' earnings. Commuting patterns from Census 2000 show that most outbound workers are traveling to jobs in Polk and Washburn counties, but many travel to jobs in Minnesota, specifically the twin cities. Since 2001, the dollars from residency adjustment increased 20.1 percent, coincidentally matching the increase in total personal income over the five-year period.

While total personal income (TPI) is the sum of its parts, per capita personal income (PCPI) is derived by dividing total personal income by total population. Thus, PCPI can be affected by the county residents' demographics. For



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

example, if there is a large number of younger residents that don't work, PCPI will be less because TPI is less but is still distributed among the entire population. Also, if there is a large number of retiring residents in an area PCPI will probably be lower since the amount they receive from pensions and/or social security may be less than wages. This would also decrease the amount of TPI while keeping the same population denominator when calculating PCPI.

Burnett County, with a high share of older residents, has a higher proportion of transfer receipts (25%) compared with the state and nation (14%). This contributes to both lower TPI and PCPI. In 2006, the PCPI of \$26,051 in Burnett County was only 76 percent of Wisconsin's PCPI. Burnett's PCPI ranked 56<sup>th</sup> lowest among Wisconsin's 72 counties.

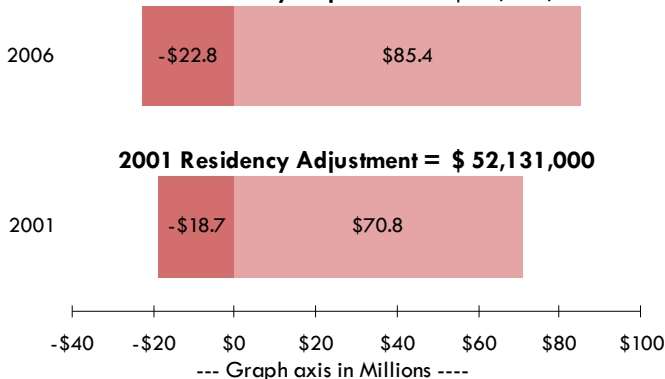
The major component of TPI, net earnings, is a significant factor in the lower PCPI. Already mentioned are the lower wages, the major source of net earnings, in Burnett County. While planners and developers strive to increase wages through better paying jobs they can do little to change the overall occupational composition in the county. Large metropolitan areas, not small rural counties, will always attract the higher-paying occupations found in large corporate offices, specialized medical and educational facilities, and financial institutions.

PCPI in Wisconsin's metropolitan counties in 2006 was \$36,430 compared to \$29,022 in nonmetropolitan counties. Burnett's PCPI was 90 percent of the nonmetropolitan PCPI and presents a more reasonable target for county planners and developers.

### Burnett County Commuting Impact

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

**2006 Residency Adjustment = \$ 62,612,000**



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