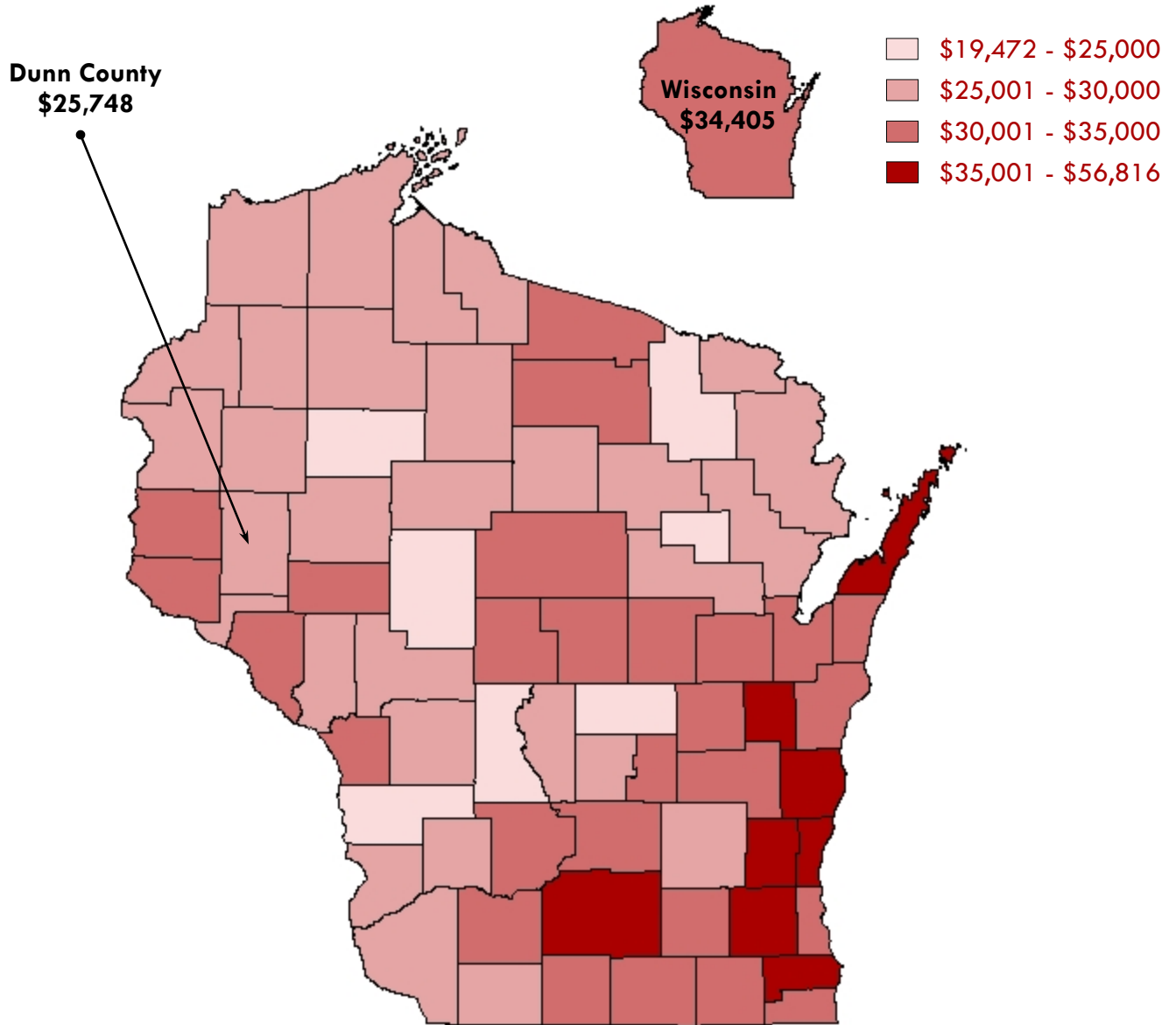


Dunn County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10609-P

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Population

Dunn County grew by 3,260 residents from 2000 to 2007, for a total population of 43,118, according to the finalized estimates from Wisconsin's Department of Administration. The county's growth rate of 8.2 percent made it one of the fastest growing counties in the state—ranked 16th 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. Almost 58 percent of Dunn's growth was from net-migration. Natural increase, or births minus deaths, accounted for the other 42 percent. The rate of the county's natural increase, almost 3.5 percent, ranked Dunn 14th out of Wisconsin's 72 counties, indicating a relatively younger population starting families.

The City of Menomonie is Dunn County's largest population center, at 15,490 residents. Home to the University of Wisconsin - Stout, the city added 1,003 residents from 2000 to 2007, the most of any municipality, accounting for almost one-third of the county's growth. However, with a growth rate of 6.7 percent for Menomonie, other municipalities actually grew faster relative to their 2000 populations.

The Town of Elk Mound was the fastest growing municipality in Dunn County, up 24 percent from 2000 to 2007. While that is a gain of only 269 people, it represents significant growth for this sparsely populated township. Elk Mound is experiencing a common trend in

Dunn County's Ten Most Populous Municipalities

	April 2000 Census	Jan.1, 2007 Estimate	Numeric Change	Percent Change
United States	281,421,906	300,888,812	19,466,906	6.9%
Wisconsin	5,363,715	5,647,000	283,285	5.3%
Dunn County	39,858	43,118	3,260	8.2%
Menomonie, City	14,937	15,940	1,003	6.7%
Menomonie, Town	3,174	3,464	290	9.1%
Tainter, Town	2,116	2,388	272	12.9%
Red Cedar, Town	1,673	1,944	271	16.2%
Dunn, Town	1,492	1,576	84	5.6%
Spring Brook, Town	1,320	1,516	196	14.8%
Elk Mound, Town	1,121	1,390	269	24.0%
Colfax, Village	1,136	1,164	28	2.5%
Boyceville, Village	1,043	1,085	42	4.0%
Colfax, Town	909	1,050	141	15.5%

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

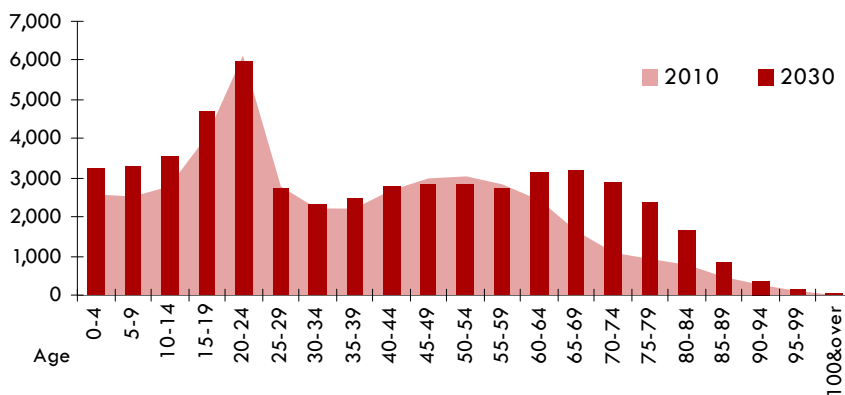
location decisions of in-migrants. More people moving into the county are choosing to live in a rural area, with the lifestyle that entails, while still living relatively close to city amenities and job opportunities. Elk Mound also benefits from its location along I-94, a major trade artery, equally close to Menomonie and the much larger City of Eau Claire. Populations in other fast growing townships in the county have also benefitted from the above trend. Townships like Red Cedar, Spring Brook, Colfax and Tainter, all benefit from easy access to Menomonie and Eau Claire.

However, 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 Dunn County resident will be about 36 years old; by 2030, the average is expected to jump to over 39 years. The baby boomers are such a large population component that their aging literally causes the county's average age to rise by over three years between 2010 and 2030.

Their influence is easily seen on the graph to the left, represented by the large swell in the population from the 40 to mid-60s age group in 2010, which moves well into the 60+ years range in 2030. The persistent spike in the late teens/early twenties age

(Continued on page 2)

Population by Age Cohorts in Dunn County



In 2010, the average Dunn County resident will be 36.1 years old.
 In 2020, the average Dunn County resident will be 37.9 years old.
 In 2030, the average Dunn County resident will be 39.4 years old.

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

Population & Labor Force

Population Projections for Dunn County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force-Aged Population	Total Population
Years	Population					
2010	8,664	14,434	10,872	10,518	35,824	44,488
2020	9,967	14,394	10,615	14,527	39,536	49,503
2030	11,043	14,791	10,949	17,320	43,060	54,103
Distribution of Labor-Force-Aged Population						
2010		40.3%	30.3%	29.4%	100.0%	
2020		36.4%	26.8%	36.7%	100.0%	
2030		34.4%	25.4%	40.2%	100.0%	

Source: WI Dept. of Administration, Demographic Services

(Continued from page 1)

group represents Menomonie's UW-Stout students. Despite this group bolstering the size of the workforce, it's important to remember that many college students leave after graduation to pursue careers in larger urban areas.

The table above illustrates the changes in Dunn's population in the coming years. The labor force aged population (those 16 years old or older) is projected to continue growing, to 43,060 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 be those aged 16 to 34, making up about 40 percent, a high proportion compared to other counties around the state. While this age group will always be significant, given the large UW-Stout student population, it is already projected to be eclipsed by the 55 plus age group by 2020. By 2030, those 55 and older will make up over 40 percent of the 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 7,236 residents from 2010 to 2030, but the labor force is only expected add about 1,201 participants.

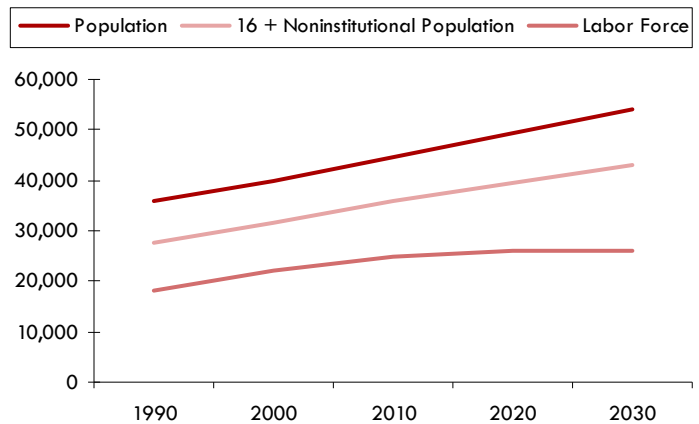
The graph to the right highlights this trend. The labor force totals are always below the totals for the population it draws from (the 16+ noninstitutional population) simply because not everyone who could participate in the labor force chooses to do so. However, by 2010, the lines representing the labor force and the 16 plus population it draws from have begun to diverge

further and further from each other. Despite continued population growth, the labor force growth slows to an almost flat trend, to the point that entrants into the workforce may only barely fill the number of replacement openings left by retirees.

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 talent in these conditions will become ever more critical.

Dunn County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Dunn County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	11,205	9,499	4,328	25,032
2020	10,942	9,332	5,745	26,019
2030	11,356	9,598	5,278	26,233
Distribution of Labor Force				
2010	44.8%	37.9%	17.3%	100.0%
2020	42.1%	35.9%	22.1%	100.0%
2030	43.3%	36.6%	20.1%	100.0%

Source: WI DWD, OEA

Labor Force

Dunn County had a median age of 31.9 in 2007 according to U.S. Census Bureau estimates—a younger population than all but one county in Wisconsin. 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 inside the county or not. It will not include commuters from outside the county.

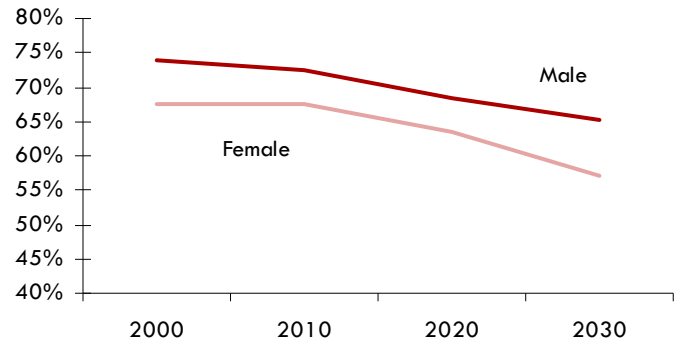
Basically, the labor force is the portion of the total population 16 years and older that is either working (classified as the "employed") or actively looking for work (the "unemployed"). A common misperception is that everyone not employed is considered unemployed. That is not the case. Those of workforce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

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 tells us some important things about an area's workforce, chief among them is what kind of 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. This could also possibly show, as some believe, that the famous Wisconsin work ethic raises the labor force participation rate. Dunn's lfpr was an estimated 73 percent in 2007, higher than the statewide average.

As early as 2010 the lfprs start trending dramatically downward for both sexes. This means that even though the number of residents over 16 years old is still increasing as we saw earlier in this profile, a smaller and smaller percentage is available for employment!

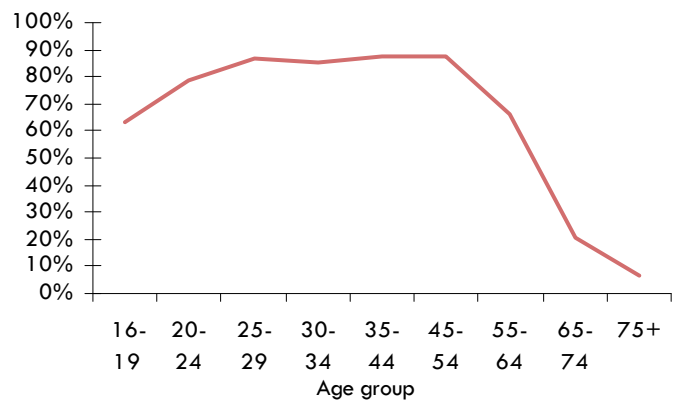
And we can see why on the second graph above. While Dunn's younger population insulates it somewhat from the effects of the aging baby boomer generation, the county's

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

population will still grow progressively older, as demonstrated on previous pages. And labor force participation rates begin to drop sharply around age 55. Reasons for this could range from the younger retirement ages in fields like protective services, to an increased incidence of career ending illness or injury beginning at age 55. Regardless of causes, this trend has a huge impact on an area's workforce.

The unemployment rate, which is the unemployed as a percentage of the total labor force, was 4.7 percent annually in 2007, rising slowly since 2005. The unemployment rate is very seasonal in Dunn County, falling as employers add jobs February through June. Rates fall throughout most of the summer to an October low. Afterwards the rate climbs to a typical seasonal peak in February, beginning the yearly cycle again.

Dunn County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	23,890	23,844	24,204	23,963	25,186
Employed	22,677	22,738	23,127	22,867	24,013
Unemployed	1,213	1,106	1,077	1,096	1,173
Unemployment Rate	5.1%	4.6%	4.4%	4.6%	4.7%

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

Jobs & Wages

Dunn County's average wage in 2007 was about 84 percent of the average wage in Wisconsin, down slightly from 85 percent last year. Most of this disparity is probably related to Dunn County's largest industry super-sector, by both employment and total payroll, the education & health sector. While all industries in Dunn pay less than the statewide average

(which is influenced by high population, high wage metros like Milwaukee) the average wage in the education & health industry has a disproportionate impact on Dunn's average, since this super-sector accounts for more than one out of every four jobs in the county. And despite the industry's slightly faster than statewide wage growth, the annual average wage of \$33,248, is about 84 percent of the statewide average.

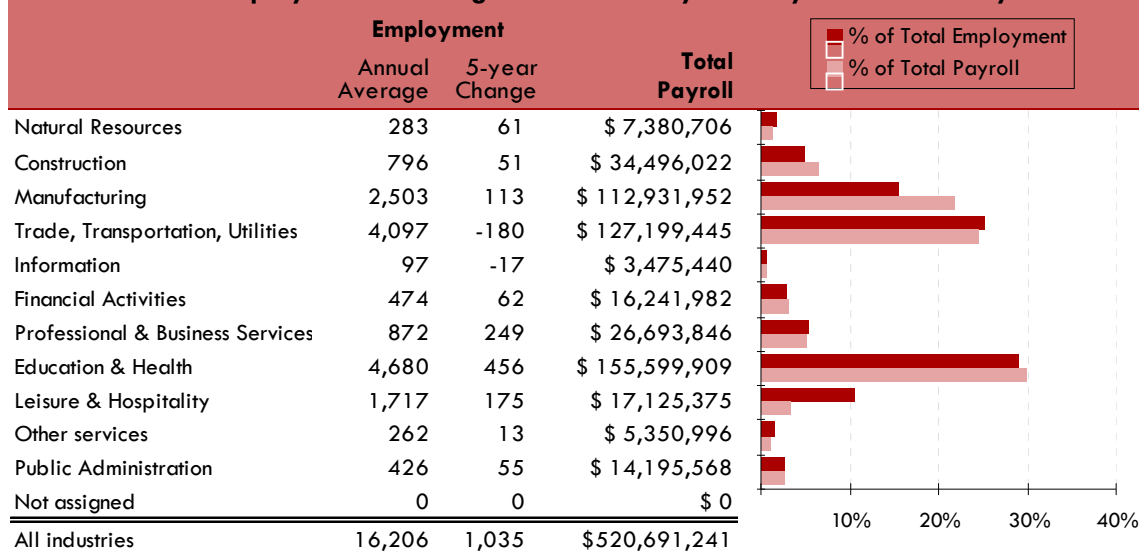
Pay in the education sector is fairly close to the state average, but healthcare is a different story. Aurora

Residential Alternatives operates homes for the elderly throughout the state, but doesn't break out employment at all its sites, so Aurora's employment is all listed in Dunn County. As a result the healthcare sector numbers in Dunn are dominated by these nursing facilities jobs. Not only are they low paying relative to the rest of healthcare, the jobs in this sector listed in Dunn only pay about 90 percent of the statewide average. This accounts for the wide difference between healthcare wages in Dunn versus the state, which has a much more balanced mix of healthcare

occupations. Also, clinics in smaller rural counties tend to have lower concentrations of highly paid specialists, a factor that normally lowers average healthcare wages there.

Dunn County has added 1,035 net jobs over the five year period ending in 2007, with gains in most industries. Education and health added 426 jobs, with gains in healthcare (mostly nursing facilities) more than balancing losses in education. However, some of this healthcare gain is illusory due to issues with Aurora Residential Alternatives noted earlier on this page.

2007 Employment and Wage Distribution by Industry in Dunn County



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		Dunn County as a Share of Wisconsin	Dunn County 5-year % Change	Wisconsin 5-year % Change
	Dunn County	Wisconsin			
All industries	\$32,130	\$38,070	84.4%	18.7%	17.4%
Natural Resources	\$26,080	\$29,235	89.2%	32.3%	14.7%
Construction	\$43,337	\$47,489	91.3%	26.0%	19.8%
Manufacturing	\$45,119	\$47,106	95.8%	30.2%	16.1%
Trade, Transportation & Utilities	\$31,047	\$32,762	94.8%	16.9%	15.3%
Information	\$35,829	\$48,483	73.9%	44.8%	24.7%
Financial Activities	\$34,266	\$50,749	67.5%	40.1%	25.8%
Professional & Business Services	\$30,612	\$44,328	69.1%	2.3%	22.0%
Education & Health	\$33,248	\$39,606	83.9%	13.6%	17.3%
Leisure & Hospitality	\$9,974	\$13,589	73.4%	16.5%	14.8%
Other Services	\$20,424	\$22,073	92.5%	20.5%	13.2%
Public Administration	\$33,323	\$39,879	83.6%	6.3%	18.1%

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

Jobs & Wages

Prominent Industries in Dunn County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Dunn County	Dunn County	Wisconsin	Dunn County	Wisconsin	Dunn County	Wisconsin
Educational services	2,089	-2.0%	2.0%	\$ 40,278	\$ 39,753	14.1%	15.0%
Food services & drinking places	1,436	19.5%	9.1%	\$ 9,289	\$ 10,859	14.4%	14.5%
Nursing & residential care facilities	1,422	24.2%	3.6%	\$ 21,289	\$ 23,295	18.4%	12.0%
Warehousing & storage	1,176	-10.4%	16.3%	\$ 40,663	\$ 35,796	18.0%	14.2%
Paper manufacturing	*	not avail.	-23.2%	*	\$ 55,837	not avail.	9.9%
General merchandise stores	610	51.7%	7.1%	\$ 19,413	\$ 17,914	6.8%	16.3%
Professional & technical services	421	9.4%	10.0%	\$ 40,445	\$ 56,267	5.9%	20.9%
Hospitals	*	not avail.	12.6%	*	\$ 43,750	not avail.	24.1%
Food & beverage stores	357	-22.1%	-4.9%	\$ 17,073	\$ 17,166	32.4%	9.7%
Food manufacturing	*	not avail.	-6.7%	*	\$ 38,239	not avail.	13.2%

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, education and health is the largest industry super-sector in the county. This importance is easy to spot, with three sub-sectors on the prominent industries table above. Three of the top employers are in this super-sector, with the University of Wisconsin-Stout the second largest employer county; the presence of the university also accounts for the wages in this sector being above the statewide average. Education is the single largest sub-sector of employment in Dunn County, with almost 2,100 jobs.

Warehousing & storage is another important sub-sector. Menomonie's location along the I-94 corridor between Minneapolis, Milwaukee, and Chicago makes it a good place for a distribution center—Wal-Mart operates one such large site near Menomonie. Wal-Mart is the single largest employer in the county, and while some of those

employees work at the store in Menomonie the majority work at Wal-Mart's distribution center nearby, and heavily influence employment and wages in this industry sector.

Dunn's diverse manufacturing sector is also a large source of jobs. In fact, two of the ten spots on the prominent industries list are part of the manufacturing sector. So it should come as no surprise that five of the ten largest employers in Dunn County are manufacturers, led by specialized paper manufacturer 3M. Food, paper, plastics, glass and wood products manufacturing are all important to the area's economy.

As mentioned earlier, Aurora Residential Alternatives, operates homes for the elderly throughout the state and when they submit the data used in these tables they don't allocate employment to the sites where the work is

performed, but instead list it at their administrative offices in Dunn County. So numbers associated with the nursing & residential care sector are misleading, and would actually be much lower just for this county.

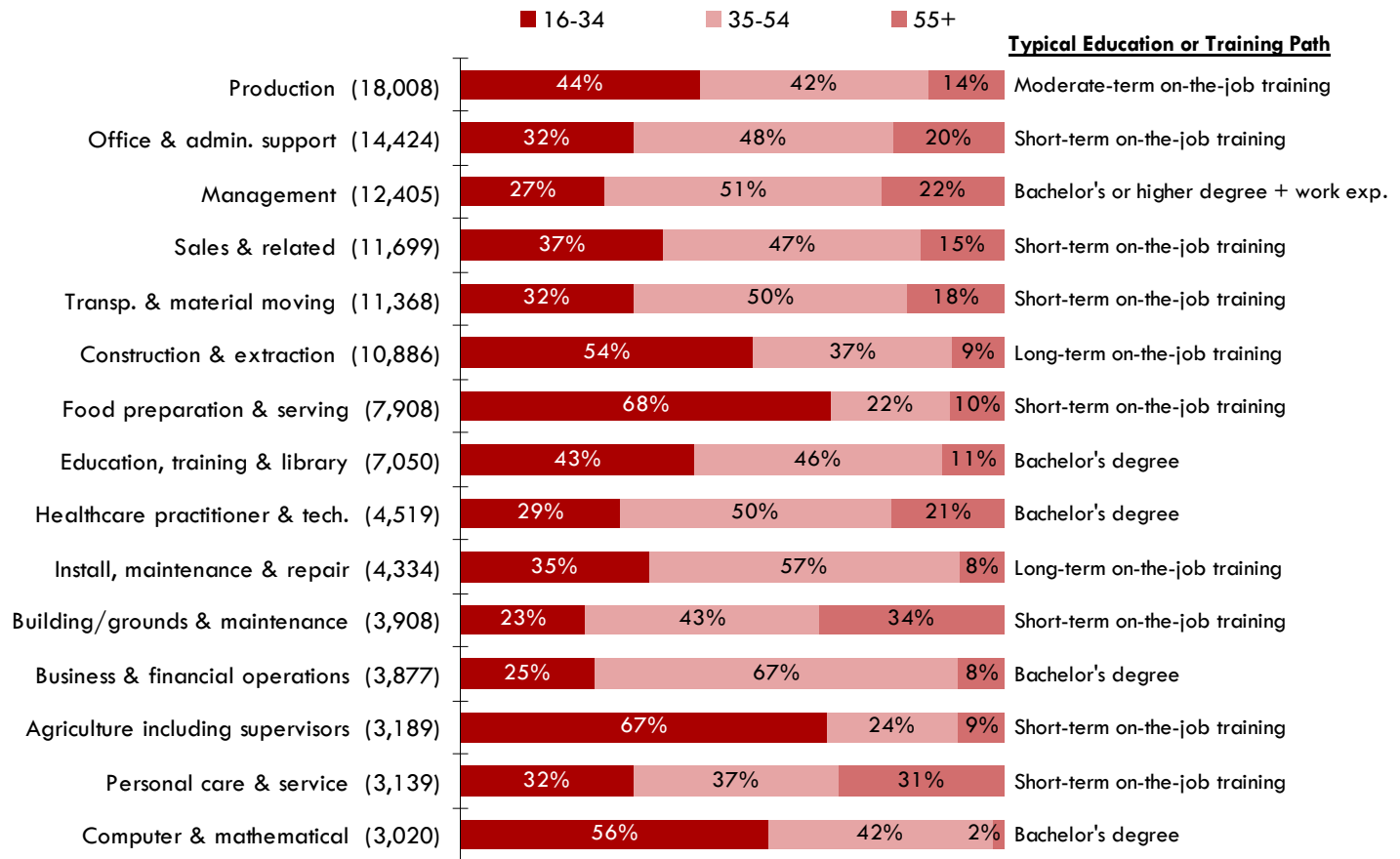
Prominent Public and Private Sector Employers in Dunn County		
Establishment	Service or Product	Number of Employees (March 2007)
Wal-Mart	General warehousing & storage	1000+ employees
University of Wisconsin- Stout	Colleges & universities	1000+ employees
3M Company	Coated & laminated paper manufacturing	500-999 employees
Menomonie Public School	Elementary & secondary schools	500-999 employees
Red Cedar Medical Center Inc - Mayo	General medical & surgical hospitals	500-999 employees
County of Dunn	Executive & legislative offices, combined	500-999 employees
Conagra Foods Packaged Fds Co	Confectionery mfg. from purchased chocolate	250-499 employees
Phillips Plastics Corp	All other plastics product manufacturing	250-499 employees
Andersen Menomonie Inc	Wood window & door manufacturing	250-499 employees
Cardinal Glass Industries Inc	Flat glass manufacturing	100-249 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 only tells part of the 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 Dunn 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 Dunn. For the purposes of this data, Dunn belongs to a group that also includes Barron, Clark, 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, as it is in many counties. 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 flowing in,

(Continued on page 7)

Occupations & Typical Education or Training

(Continued from page 6)

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 that you typically have to work your way up to. This is reflected in the typical education path, bachelor's degree or higher plus work experience, the highest on the table, and 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 all the upcoming boomer retirees. Businesses that have succession planning in place for these higher level occupations will no doubt have a competitive advantage 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 Dunn County, production occupations are the largest occupation group, with over 18,000 workers. This is not surprising given that Wisconsin in general, and the Dunn County area in specific, have a high number of manufacturers. Dunn has significant county employment in a diverse array of production including food, paper, plastics, glass and wood products manufacturing. A fourteen percent 55-plus age proportion signifies many upcoming retirements for this occupation group, as well.

Income

Dunn County's total personal income (TPI) has grown by almost 22 percent in the five-year period from 2001 to 2006, faster than statewide growth, though still slower than the nation.

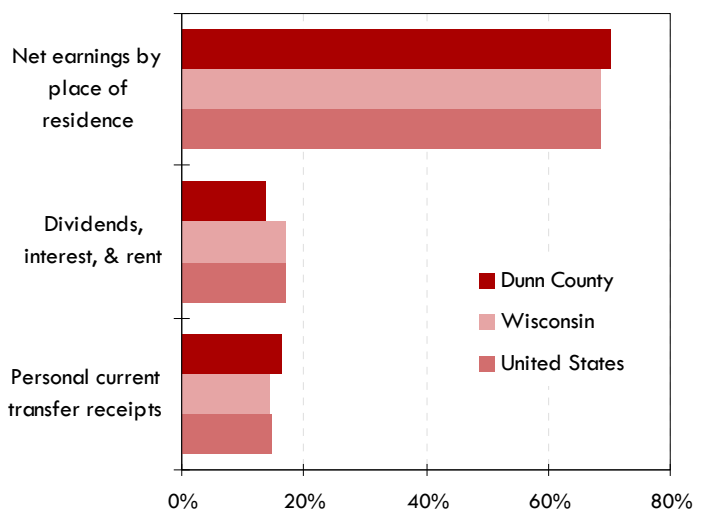
Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income, with the remaining percentage divided between the other two components. However, despite this common pattern, the exact distribution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

In Dunn County, about 70 percent of TPI is from net earnings, slightly higher than the state and nation (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 in Dunn County this accounts for a higher proportion of total income probably explains its relatively faster 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, so to make sure that incomes are

Components of 2006 Total Personal Income



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

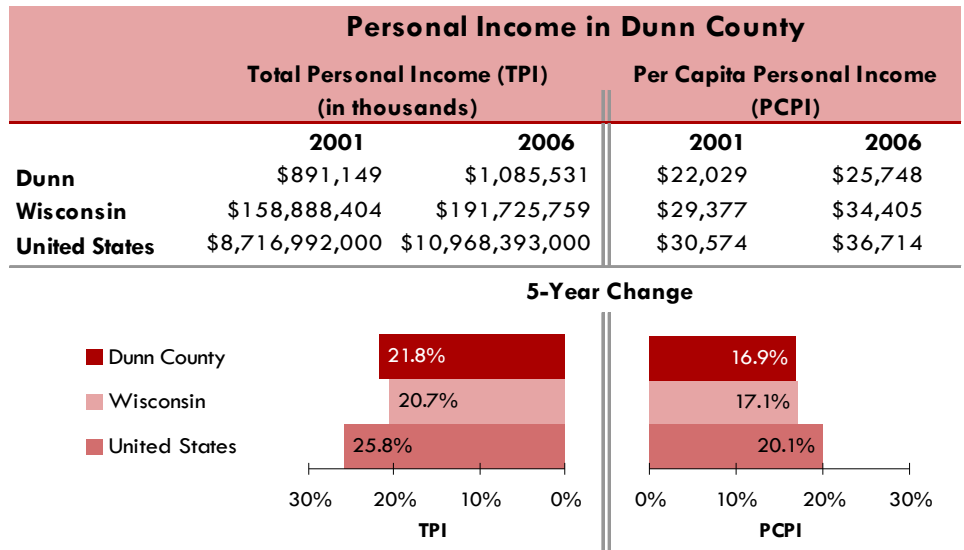
Income

(Continued from page 7)

attributed to the county where the worker lives, regardless of where their job is, the adjustment for residency is used. As shown on the graph below, it's basically the earnings from Dunn residents working in other counties (inflow), minus the earnings of residents of other counties working in Dunn (outflow). In 2006 it was over \$109 million, and made up almost 14 percent of net earnings. This indicates that Dunn County is a net exporter of labor, many commuting into the nearby Eau Claire metropolitan area, and bringing their wages earned back to Dunn.

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 14 percent of TPI in Dunn County, 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. About 16 percent of TPI in Dunn County is from transfer receipts, higher than the state and national



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

averages, about 14 and 15 percent respectively.

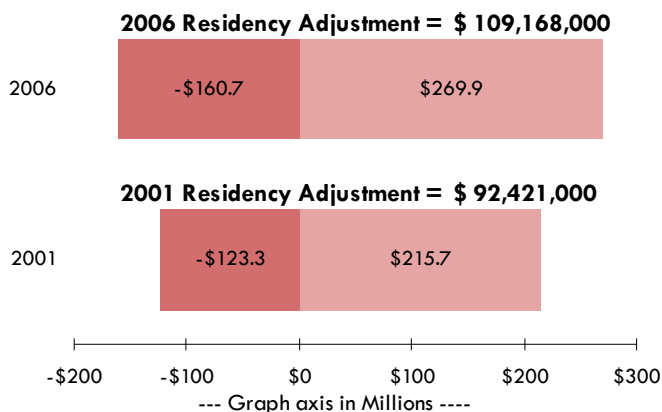
Total personal income divided by the total population produces per capita personal income (PCPI). This is a very useful indicator for comparing geographic areas. While counties with a high population will, not surprisingly, also have a high level of total personal income, turning it into a per capita measure gives us an estimate of income per resident. Dunn's per capita personal income of \$25,748 ranks quite low, 58th among Wisconsin's 72 counties, and one rank lower than last year; it is below the average state and national PCPI levels.

The lower industry wages seen on page 4 play a major role in Dunn's low PCPI, especially since net earnings are such a high proportion of total personal income, but having the University of Wisconsin-Stout located in the county also has an effect on PCPI. Of the students that do work, many only work part-time, often in low paying jobs. But regardless of that fact, they are still included in the total population, used as the denominator in determining PCPI. This contributes to a lower per capita income, which can be misleading when assessing income in an area. This is especially true in a fairly rural county like Dunn, where the students will make up a higher proportion of the population than they would in a more populous urban county.

Per capita personal income growth of about 17 percent over the five-year timeframe from 2001 to 2006 was very close to the statewide growth rate, although both have lagged the nationwide PCPI growth rate.

Dunn County Commuting Impact

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



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