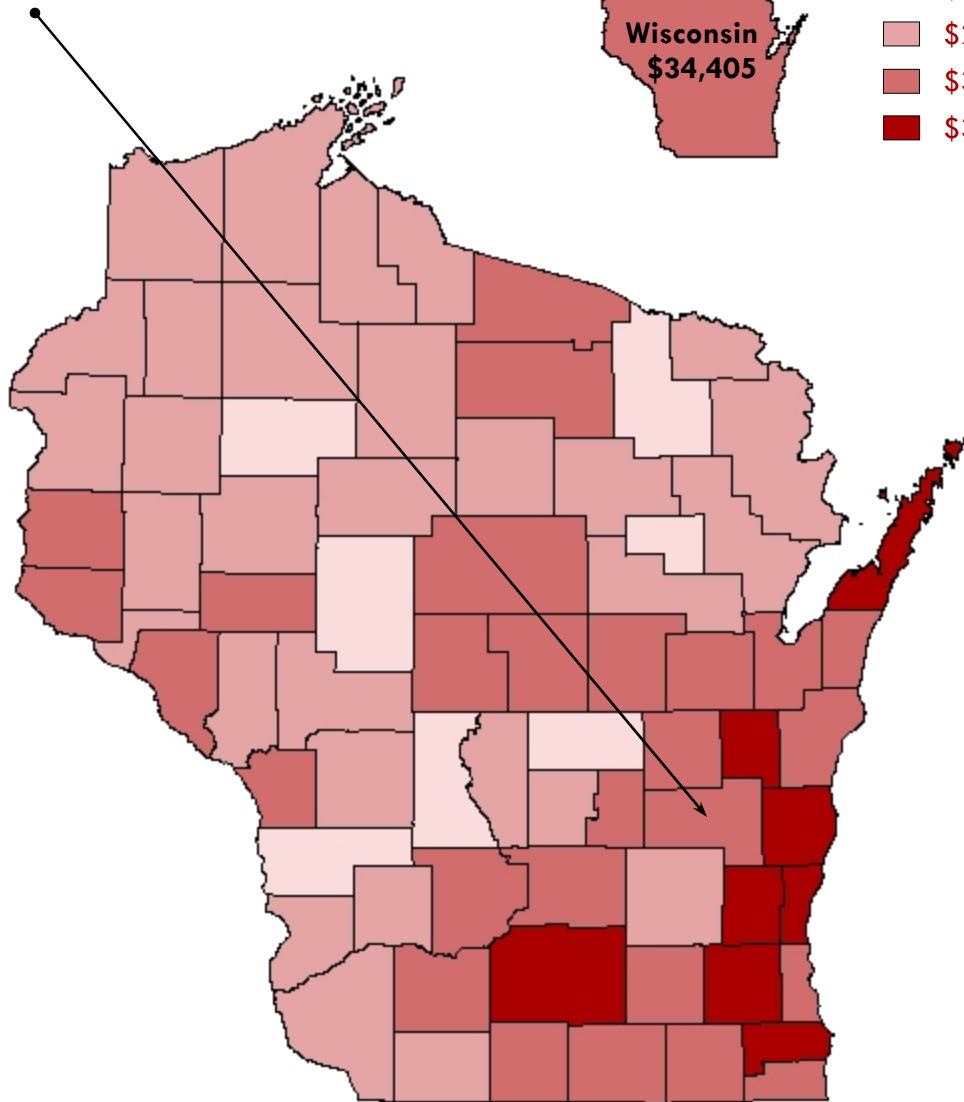


Fond du Lac County Workforce Profile

Per Capita Personal Income in 2006

Fond du Lac County
\$32,923



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10612-P

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Population

Fond du Lac County's population grew by 3,878 residents between the 2000 Census and the January 1, 2007 estimate, the 26th slowest growing county among the 72 in Wisconsin. In addition, the pace of population growth in Fond du Lac County's (4.0%) is slower than in the state (5.3%) and in the nation (6.9%). But, the population in the Fond du Lac Metropolitan Statistical Area (MSA) is growing at a slightly quicker pace than the population in its neighboring MSA of Sheboygan (3.9%). Although Fond du Lac County's population is not growing robustly, the county is the fourteenth most populous county in Wisconsin, lagging behind La Crosse County in the year 2007.

Fond du Lac County is situated on the southern shore of Lake Winnebago, the largest inland freshwater lake in Wisconsin. For the most part, the faster growing municipalities and the more populous ones in the county surround the City of Fond du Lac, the largest municipality, which in the year 2007, accounted for 42.8 percent of the total population in Fond du Lac County. In addition, these municipalities also are located near the shore of Lake Winnebago; they include the Village of North Fond du Lac and the towns of Empire, Fond du Lac, and Taycheedah. These four municipalities combined (not including the City of Fond du Lac) make up only 14.1 percent of the total county population in 2007, but make up 35.8 percent of the total net change in population between the years 2000 and 2007. The City

Fond du Lac 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%
Fond du Lac County	97,296	101,174	3,878	4.0%
Fond du Lac, City	42,203	43,270	1,067	2.5%
Ripon, City	7,450	7,608	158	2.1%
N. Fond du Lac, Village	4,557	4,980	423	9.3%
Taycheedah, Town	3,666	3,971	305	8.3%
Waupun, City*	3,282	3,349	67	2.0%
Empire, Town	2,620	2,830	210	8.0%
Friendship, Town	2,406	2,537	131	5.4%
Fond du Lac, Town	2,027	2,477	450	22.2%
Auburn, Town	2,075	2,275	200	9.6%
Campbellsport, Village	1,913	1,984	71	3.7%

* Fond du Lac County portion only

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

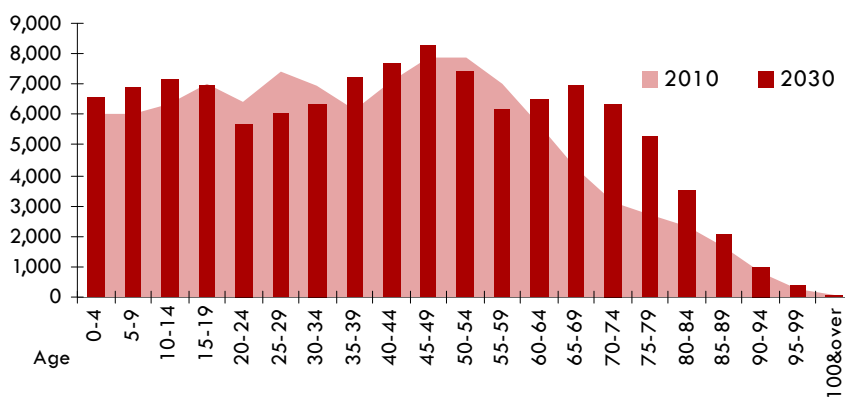
of Fond du Lac's population, on the other hand, grew by 1,067 residents between 2000 and 2007, but this was a growth rate of only 2.5 percent.

Population growth in the City of Fond du Lac, Fond du Lac County, or throughout any area for that matter, occurs as a result of two sources: natural increase (births outnumbering deaths) and net migration (more in-movers than out-movers). In particular, the net addition of 3,878 residents between 2000 and 2007 consisted of a net in-migration of 2,283 residents coupled with a natural increase of 1,595 residents (births: 7,787; deaths: 6,192). More population growth from natural increase than net migration is more common for a metro county, but this is not the case in Fond du Lac County. Any growth is better than no growth, though.

The graph to the left analyzes age demographics projected in the years 2010 and in 2030. While the population increases, Fond du Lac County's population distribution is shifting from a younger- to an older-aged dominance, like most counties in the state.

The projected average age of Fond du Lac County residents in the year 2010 will be 39 years old; and throughout Wisconsin, residents will average 38.1 years old. It is projected that in the year 2010 when the oldest baby boomer is 64 years old, 14.7 percent of the total population in Fond du Lac County will be over the age of 64, compared to 13.6 percent in Wisconsin. At

Population by Age Cohorts in Fond du Lac County



In 2010, the average Fond du Lac County resident will be 39 years old.
 In 2020, the average Fond du Lac County resident will be 40.5 years old.
 In 2030, the average Fond du Lac County resident will be 42 years old.

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

(Continued on page 2)

Population & Labor Force

Population Projections for Fond du Lac County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force-Aged Population	Total Population
Years	Population					
2010	19,840	26,395	29,020	27,789	83,204	103,044
2020	21,121	24,657	28,896	34,717	88,270	109,391
2030	22,011	23,691	30,602	38,253	92,546	114,557
Distribution of Labor-Force-Aged Population						
2010		31.7%	34.9%	33.4%	100.0%	
2020		27.9%	32.7%	39.3%	100.0%	
2030		25.6%	33.1%	41.3%	100.0%	

Source: WI Dept. of Administration, Demographic Services

that time, 19.3 percent of the county's population will be under the age of 16, compared to 20.2 percent statewide. By the year 2030, it is projected that 22.4 percent of the county's population will be over the age of 64, compared to 21.4 percent in Wisconsin. At that time, the youngest baby boomer will be 66 years old. As the county's older population is increasing in share and size between 2010 and 2030, the younger population, or those under the age of 16, is decreasing in share, but not size. Fond du Lac County's population under the age of 16 will drop slightly to 19.2 percent, while Wisconsin's will drop to 19.6 percent in the year 2030.

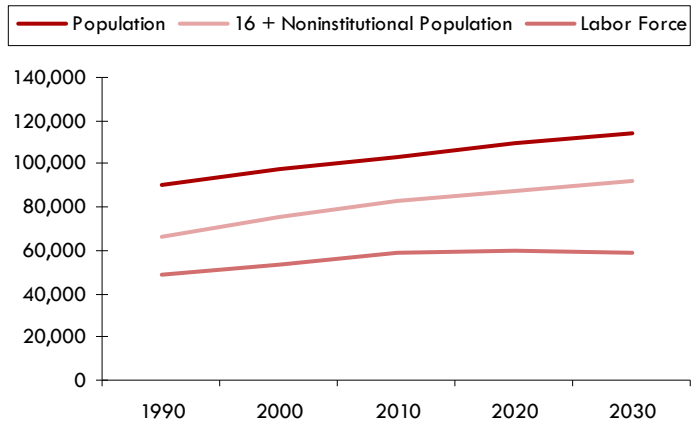
The shift in the demographics of Fond du Lac County's population could significantly affect both labor force growth and also the supply and demand for goods and services. Not only will this shift impact Fond du Lac County, but it will also influence surrounding areas. Examining population and labor force demographics together helps to explain why the significant effects might occur. The table above displays the population breakout by age cohort, whereas the table on the bottom right corner of the page denotes the projected breakout of the labor force by age cohort. The line graph then combines both population and labor force together on one graph.

The total population and the labor-force-aged population (16+ population) in Fond du Lac County are both projected to grow by 11.2 percent between the years 2010 and 2030. However, much of the change in the labor-force-aged population distributions is due to the aging of the baby boomer generation. It is projected that in the year 2010, the 55 year old or older population will comprise 33.4 percent of the 16 or older population. This age cohort accounts for the second largest share of the labor-force-aged population in the year 2010, behind the 35-54 year old age cohort; but, in the year 2030, it is projected to be the largest share (41.3%).

Even though Fond du Lac County's population is shifting, many residents are still in their prime working years. As a result, it is projected that the labor force, those working or seeking work, (see table below) will grow by one-tenth of a percent between the years 2010 and 2030. Many counties throughout Wisconsin will see declining labor forces, so slow growth is better than no growth.

Between the years 2010 and 2030, the share of the 55 year old or older participants will increase by 1.6 percentage points. This might suggest that some baby boomers will continue to work later in life than their predecessors did. They may continue working in their current capacities, change careers, or go part-time;

Fond du Lac County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Fond du Lac County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	21,603	25,451	11,685	58,739
2020	19,886	25,532	14,729	60,147
2030	19,165	26,976	12,661	58,802
Distribution of Labor Force				
2010	36.8%	43.3%	19.9%	100.0%
2020	33.1%	42.4%	24.5%	100.0%
2030	32.6%	45.9%	21.5%	100.0%

Source: WI DWD, OEA

(Continued on page 3)

Labor Force

but, the number of those workers is still insignificant compared to the number of baby boomers that will leave the labor force.

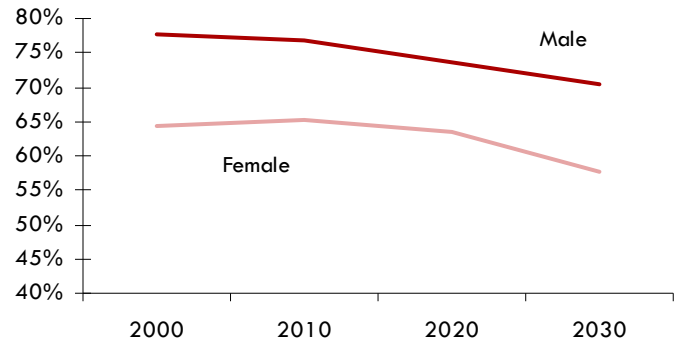
As the population ages and the labor pool remains tight, Fond du Lac County employers may have difficulty keeping baby boomers in the workforce (either full-time or part-time), or may face stiff competition hiring younger workers from the area and surrounding areas. Because Wisconsin and the United States are facing changing times, employers might have to become creative in order to remain competitive.

The labor force participation rate (LFPR) is defined as the share of the population that is at least 16 years old, is non-institutional (not incarcerated or in nursing facilities), and is working or seeking work. The line graph on the top right corner of the page suggests that the LFPR will drop for both males and females in the year 2030. The bottom line graph to the right in combination with the population and labor force tables on page two, help to explain why this trend is expected to occur in Fond du Lac County. In particular, participation for both males and females drops quite dramatically at the age of 55 and beyond. As of the year 2007, the total LFPR in Fond du Lac County was 70.9 percent, higher than Wisconsin's LFPR of 70.2 percent. Both areas' LFPRs are projected to drop as the baby boomers enter the ages typically associated with retirement. Although, participation in Fond du Lac County will likely remain higher than in Wisconsin as a result of parallel changes in population demographics.

Female participation has historically been lower than male participation, although females have gained ground since the 1970s. Female participation has raised the total (male and female combined) LFPR since the 1970s, but this boost is not expected to continue. Most females who are able and available to work, are already working. As a result, it is not projected that female participation will match male participation in the future in Fond du Lac County.

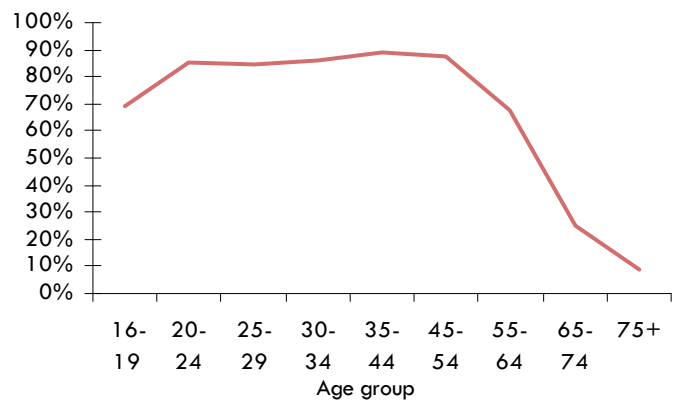
One explanation for the gap between male and female LFPRs is the disparity between male and female

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

LFPRs throughout the child-bearing years (20-45 years old). As females have children, some exit the labor force permanently, some take a year or two off, and some do not take any additional time off other than medically necessary, but nevertheless, the lower participation among females in this age cohort results in a lower overall participation compared to males.

Another explanation for the gap between male and female LFPRs might be that females are more likely to further their education than males, so participation is lower in the younger cohorts, say 20-29. As of the year 2007, a slightly larger share of 25 or older females than 25 or older males continued their education beyond high school in Fond du Lac County. Some residents, more than likely, took advantage of the multiple higher educational institutions that Fond du Lac County has to offer.

Fond du Lac County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	56,650	56,230	56,049	56,646	56,357
Employed	53,624	53,568	53,426	53,975	53,660
Unemployed	3,026	2,662	2,623	2,671	2,697
Unemployment Rate	5.3%	4.7%	4.7%	4.7%	4.8%

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

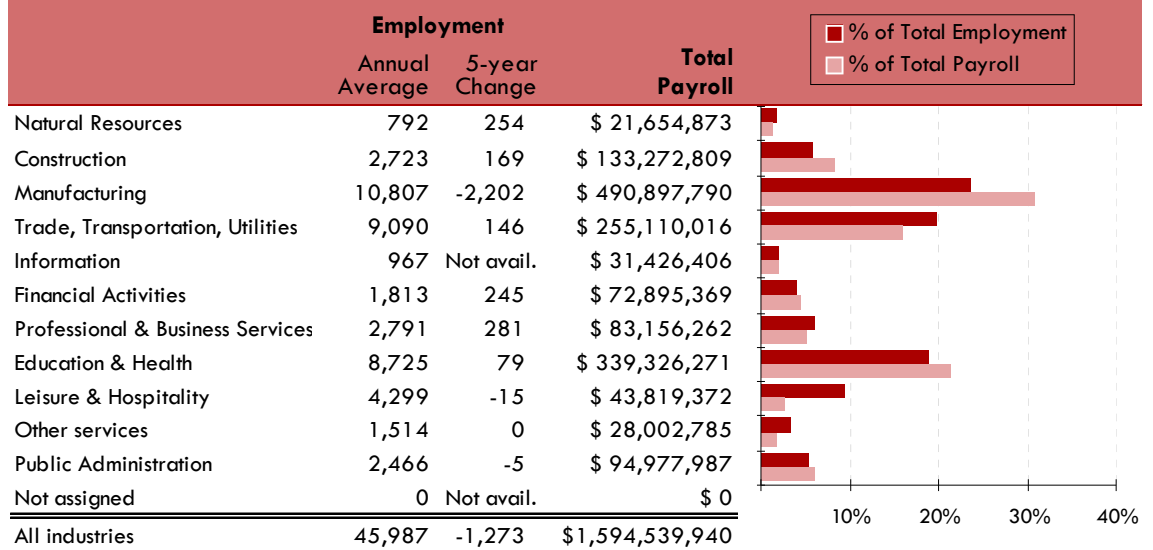
Jobs & Wages

The industry mix and wages significantly impact local economies. The more good-paying jobs in a region, the better the prospects for the local economy.

Fond du Lac County has a diversity of industry employment, but jobs are dominated by manufacturing. Approximately 24 percent of the total county jobs are in manufacturing, compared to about 18 percent statewide.

The problem for the local economy though, is that manufacturing jobs are on the decline (-2,202 jobs). Fond du Lac County is not alone in this respect, as manufacturing jobs are becoming a smaller share of total jobs in Wisconsin and in the United States. Only two other counties in Wisconsin lost more manufacturing jobs over the five years: Milwaukee County (-9,069 job) and Winnebago County (-4,328 jobs). In addition, local manufacturing jobs (\$45,424) pay less than statewide manufacturing jobs (\$47,106).

2007 Employment and Wage Distribution by Industry in Fond du Lac County



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

Paper manufacturing, in particular, shaved nearly two thousand jobs between the years 2002 and 2007, while machinery manufacturing, Fond du Lac County's largest sub-sector (see page 5), created 871 net jobs over the five years. Not only did county machinery manufacturing jobs increase while jobs declined in the state, but the county jobs paid better (\$54,140) than statewide jobs (\$53,720).

Professional and business services is gaining ground, totaling 2,791 jobs in 2007. This industry is the fifth largest industry in the county, and it added the greatest net number of jobs (+281 jobs) over the five-year span. Administrative and support services jobs make up nearly sixty percent of all professional and business services jobs (see page 5). In addition, this sub-sector added 361 jobs between 2002 and 2007. This was likely the result of an increase in temporary services. Wages tend to be low in this sub-sector as a result of the nature of the job. On average, the county wage (\$21,223) is slightly lower than the statewide wage (\$23,144).

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Fond du Lac County as a Share of Wisconsin	Fond du Lac County 5-year % Change	Wisconsin 5-year % Change
	Fond du Lac County	Wisconsin			
All industries	\$34,674	\$38,070	91.1%	16.3%	17.4%
Natural Resources	\$27,342	\$29,235	93.5%	24.7%	14.7%
Construction	\$48,943	\$47,489	103.1%	25.7%	19.8%
Manufacturing	\$45,424	\$47,106	96.4%	12.2%	16.1%
Trade, Transportation & Utilities	\$28,065	\$32,762	85.7%	18.2%	15.3%
Information	\$32,499	\$48,483	67.0%	Not avail.	24.7%
Financial Activities	\$40,207	\$50,749	79.2%	19.5%	25.8%
Professional & Business Services	\$29,794	\$44,328	67.2%	10.2%	22.0%
Education & Health	\$38,891	\$39,606	98.2%	24.8%	17.3%
Leisure & Hospitality	\$10,193	\$13,589	75.0%	13.1%	14.8%
Other Services	\$18,496	\$22,073	83.8%	10.3%	13.2%
Public Administration	\$38,515	\$39,879	96.6%	27.0%	18.1%

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

(Continued on page 5)

Jobs & Wages

Prominent Industries in Fond du Lac County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Fond du Lac County	Fond du Lac County	Wisconsin	Fond du Lac County	Wisconsin	Fond du Lac County	Wisconsin
Machinery manufacturing	5,083	20.7%	-4.5%	\$ 54,140	\$ 53,720	9.6%	19.1%
Educational services	3,509	-0.8%	2.0%	\$ 35,375	\$ 39,753	11.0%	15.0%
Food services & drinking places	3,506	-1.9%	9.1%	\$ 9,619	\$ 10,859	11.4%	14.5%
Specialty trade contractors	1,877	20.7%	-0.1%	\$ 46,208	\$ 43,664	22.3%	17.8%
Food manufacturing	1,856	-18.5%	-6.7%	\$ 35,326	\$ 38,239	13.2%	13.2%
Hospitals	1,789	20.9%	12.6%	\$ 42,501	\$ 43,750	34.2%	24.1%
Executive, legislative, & gen government	1,745	-8.6%	-4.7%	\$ 36,236	\$ 36,340	27.7%	16.4%
Administrative & support services	1,660	27.8%	15.8%	\$ 21,223	\$ 23,144	17.0%	15.4%
Ambulatory health care services	1,442	5.2%	8.7%	\$ 69,448	\$ 57,969	25.4%	18.5%
Nursing & residential care facilities	1,372	16.3%	3.6%	\$ 21,090	\$ 23,295	17.7%	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

If Fond du Lac County's wage continues to grow at a faster rate than in Wisconsin, the wage differential will continue to narrow in the county's favor.

Education and health is the third largest industry in Fond du Lac County with 8,725 jobs, 79 more jobs than in the year 2002. Educational services is one of the prominent sub-sectors in education and health. Educational services makes up 40.2 percent of total employment in education and health, but employment is decreasing (-27 jobs). The sub-sector wage (\$35,375) is lower than the statewide wage (\$39,753) in this sub-sector, and lower than the county education and health wage (\$38,891). Educational services jobs are supported by two prominent employers (see list below) in the county: Fond du Lac School District and Moraine Park Technical

College. Marian College, University of Wisconsin Fond du Lac, and Ripon College are among the other higher education institutions in the county.

On the other hand, ambulatory health care services jobs increased by 71, and these jobs are higher paying on average. Fond du Lac County's ambulatory health care services wage (\$69,448) was not only higher than the state sub-sector wage (\$57,969), but also higher than the county education and health wage (\$38,891). In addition, Fond du Lac County's sub-sector wage growth was more robust than job growth. This suggests that the jobs that were added were higher paying.

Food services and drinking places is the third most prominent sub-sector in the county. In addition, the sub-sector accounts for 81.6 percent of total jobs in leisure

and hospitality. Leisure and hospitality is the fourth largest industry in Fond du Lac County with 4,299 jobs in the year 2007. Whether you look at the leisure and hospitality wage or its sub-sectors' wages, all will be lower on average, due to the nature of the jobs.

Prominent Public and Private Sector Employers in Fond du Lac County

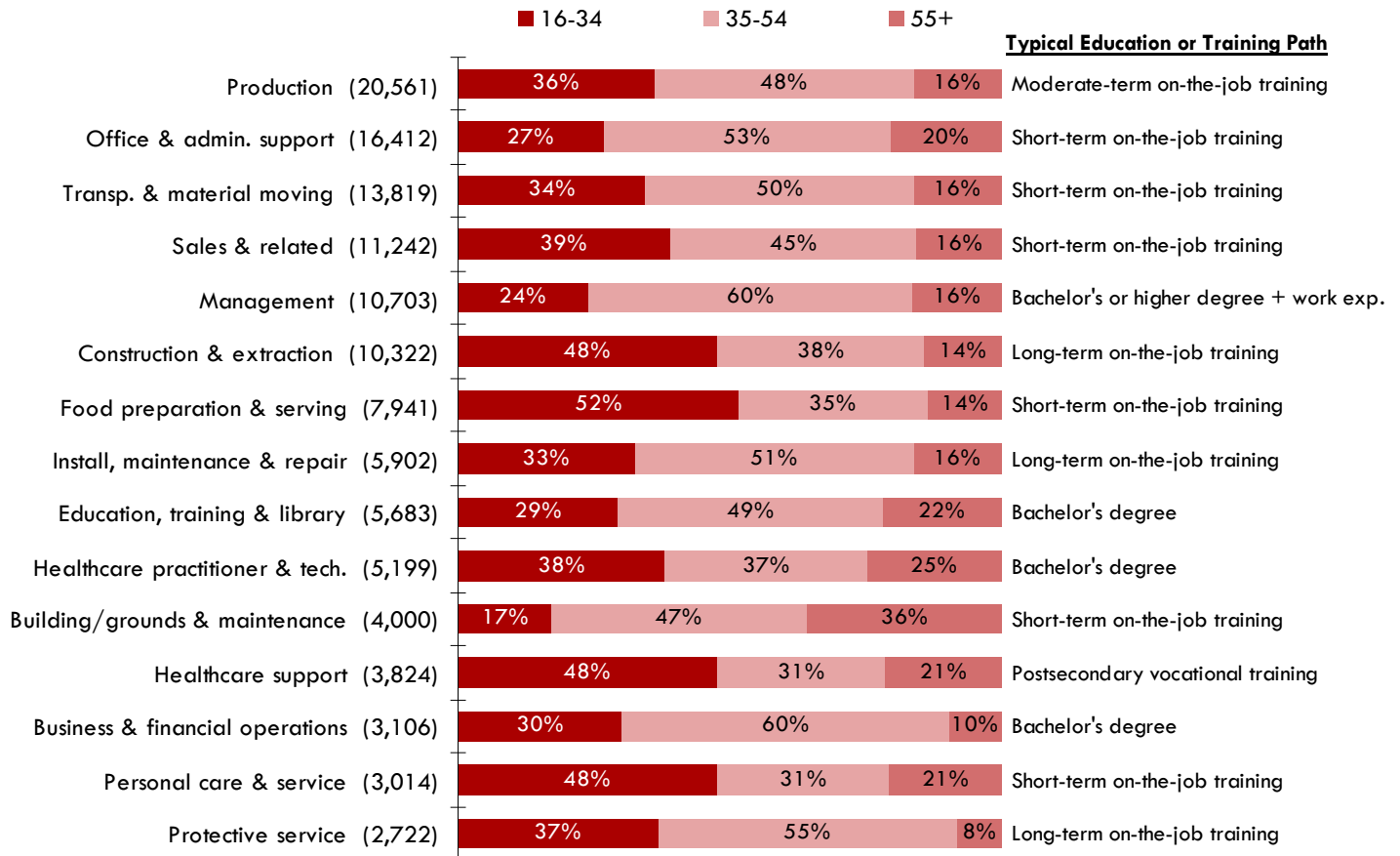
Establishment	Service or Product	Number of Employees (March 2007)
Brunswick Corp	Other engine equipment manufacturing	1000+ employees
Agnesian Healthcare Inc	General medical & surgical hospitals	1000+ employees
Alliance Laundry Systems LLC	Commercial laundry & drycleaning machinery	1000+ employees
Fond du Lac School District	Elementary & secondary schools	1000+ employees
County of Fond du Lac	Executive & legislative offices, combined	500-999 employees
Moraine Park Technical College	Junior colleges	500-999 employees
J F Ahern Co	Nonresidential plumbing & HVAC contractors	500-999 employees
Charter Communications Holding Company LLC	Wired telecommunications carriers	500-999 employees
Wal-Mart	Discount department stores	250-499 employees
Taycheedah Correctional Institution	Correctional institutions	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 Fond du Lac, Green Lake, Marquette, Menominee, Shawano, Waupaca, and Waushara 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

The previous two pages describe industry employment or where a person works. Occupational employment describes what a person does. For example, one can be an accountant (what the person does), but can work in a manufacturing firm or in a financial firm (where the person works).

The bar graph above describes the age distribution in selected occupational groups of workers that live in Fond du Lac, Green Lake, Marquette, Menominee, Shawano, Waupaca, and Waushara counties, even though these workers might not hold jobs in those counties (place of residence data). The education or training path listed for each occupational group is the typical education or training requirement for entry into that group. It does not mean that every occupation within each group requires that type of education or training path.

Manufacturing has a significant impact on the economy in not only Fond du Lac County (as described on page 4), but also throughout parts of east central Wisconsin (as suggested on the graph above). Of the 20,561 production workers in the region, most hold jobs in the manufacturing industry. Production type jobs include occupations such as assemblers, packagers, welders, and machinists. Entry into each of these occupations requires a different set of skills and therefore a different education and training requirement. But the typical entry requirement designated for all production occupations is moderate on-the-job training, meaning that training lasts one to twelve months at the workplace.

Only 16 percent of the production workers are 55 years old or older. One may wonder why there is such concern. At first glance, that may seem like a small share,

(Continued on page 7)

Occupations & Typical Education or Training

but it is still equivalent to over 3,000 workers. No other occupational group listed on page six has as many 55-or-older workers. Historically, production workers have retired at earlier ages than workers in other less physically demanding occupations. However, more recently, production jobs have become less physical and more technologically demanding, so behaviors may change. Whether or not retirement behaviors change, and until attitudes about manufacturing change, employers will continue to struggle to find highly skilled and qualified workers in a society that currently sees a limited future in manufacturing. What does not help this situation is that, as described on page four, Fond du Lac County has lost over two thousand manufacturing jobs over a five-year span.

Production occupations are not the only occupations that will need replacement workers. Of the 124,450 workers in the selected occupational groups on page six, nearly 22,000 of them were 55 years old or older, most of which may have or will be contemplating retirement in the near future.

The healthcare field has been and continues to be a topic of discussion throughout the state. In particular, one-

quarter of the healthcare practitioners and technical occupation workers are 55 years old or older in this region. A registered nurse is one occupation within this occupational group that is already seeing many replacement openings. In addition, many new jobs have been created. As the population ages, more and more residents, particularly the baby boomers, will demand services in healthcare. This increases the need for more registered nurses as well as other occupations within the healthcare field. This group includes great career options for many as a result of the need for workers and the good pay, but this path takes some preparation.

The healthcare support group, on the other hand, typically has an entry requirement of postsecondary vocational training which means workers can enter positions within the healthcare support occupational group at younger ages than workers can in the healthcare practitioner and technical group. Many start their career in occupations such as nursing aides, orderlies, and attendants, but move on to other positions in the healthcare field that require more advanced education. So there is still a need for workers in healthcare support as the population shifts.

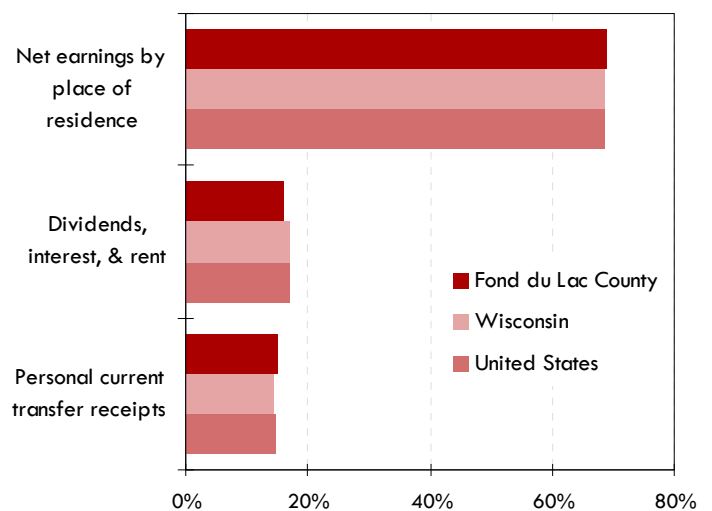
Income

Total Personal Income (TPI) is the sum of net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts. Net earnings includes wages and salaries (whether the workers are covered by Wisconsin's unemployment law or not), income from self-employment, proprietorship income, and income earned by residents commuting to jobs outside the county. Dividends, interest, and rent includes payments in cash or other assets made by corporations located in the United States, monetary interest income, and the income derived by the rental of property except for the income of persons primarily engaged in the real estate business. Personal current transfer receipts includes payments, other than wages, salaries, or commissions, to individuals and to nonprofit institutions by federal, state, and local government and local businesses.

The bar graph to the right shows that Fond du Lac County, Wisconsin, and the United States nearly mirror each other when looking at the distributions of the three components of TPI. The county's population is older-aged and is slower growing than the state's and the nation's, but net earnings by place of residence still accounts for a larger share of TPI in the county (68.8%) than in the state

(68.5%) and the nation (68.4%). In fact, only twenty other counties in Wisconsin, including Brown, Calumet, Oconto, Outagamie, and Sheboygan counties in

Components of 2006 Total Personal Income



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

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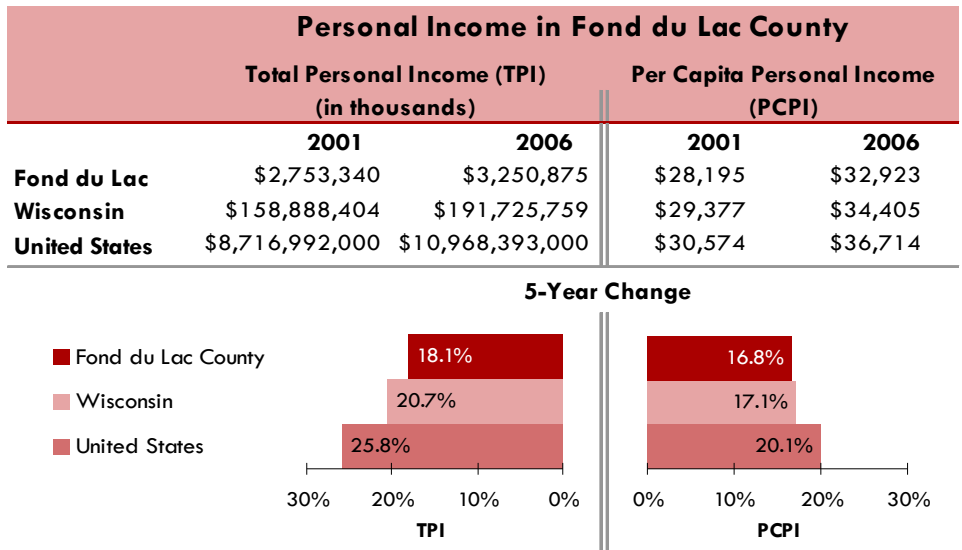
Income

northeastern Wisconsin, have a higher share of TPI than the share in Fond du Lac County.

Because Fond du Lac County has an older-aged population, transfer receipts as a share of TPI is 15.1 percent, compared to 14.3 percent in the state and 14.7 percent in the nation. As the baby boomers leave the labor force and become eligible for government assistance programs such as Medicare and Social Security, the share of transfer payments might rise in the near future.

Also impacted by changes in population demographics is the dividends, interest, and rent category. One must first earn some form of income to invest and to earn income through dividends, interest, and rent. The most common way to accomplish this is by earning wages and salaries. As the population shifts and more residents leave their prime working years, and depending on the state of the economy, this component may not be the most steady source of income for a county. In the year 2006, this component accounted for a smaller share of TPI in the county (16.0%) than in the state (17.1%) and the nation (16.9%), but that could quickly change.

Total personal income also can be analyzed on a per



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

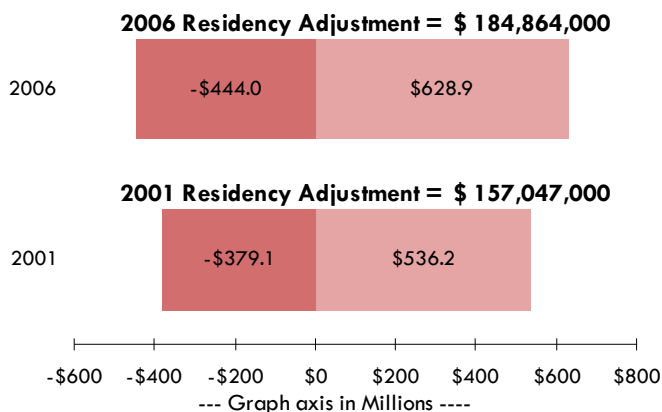
capita basis (PCPI) by dividing TPI by the total population. Fond du Lac County's PCPI is low on average (\$32,923). This is the twentieth highest PCPI among the 72 counties in Wisconsin in the year 2006, but is lower than the PCPI in Wisconsin (\$34,405) and in the United States (\$36,714). Six northeastern Wisconsin counties posted higher PCPIs than in Fond du Lac County in the year 2006.

The graph on the bottom left corner of the page displays the commuting impact in Fond du Lac County. Residency adjustment is an adjustment made for wages earned by residents who work outside the county. The graph suggests that the total earnings of Fond du Lac County residents who work in another county is larger than the total net earnings of non-Fond du Lac County residents who work in Fond du Lac County by nearly \$200 million in the year 2006.

Presently, Fond du Lac County does not do a good job of retaining its resident workers or attracting workers from neighboring counties. However, this could change in the coming years as demographics of the population and labor force change. Employers in Fond du Lac County could face higher competition. Economic conditions, such as high gas prices, could cause non-Fond du Lac County residents to look for work locally rather than to commute to Fond du Lac County for work. In addition, neighboring employers may raise wages to stay competitive. As a result, Fond du Lac County employers may have to raise local wages also. This will help the county stay competitive by being able to retain and recruit workers.

Fond du Lac 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