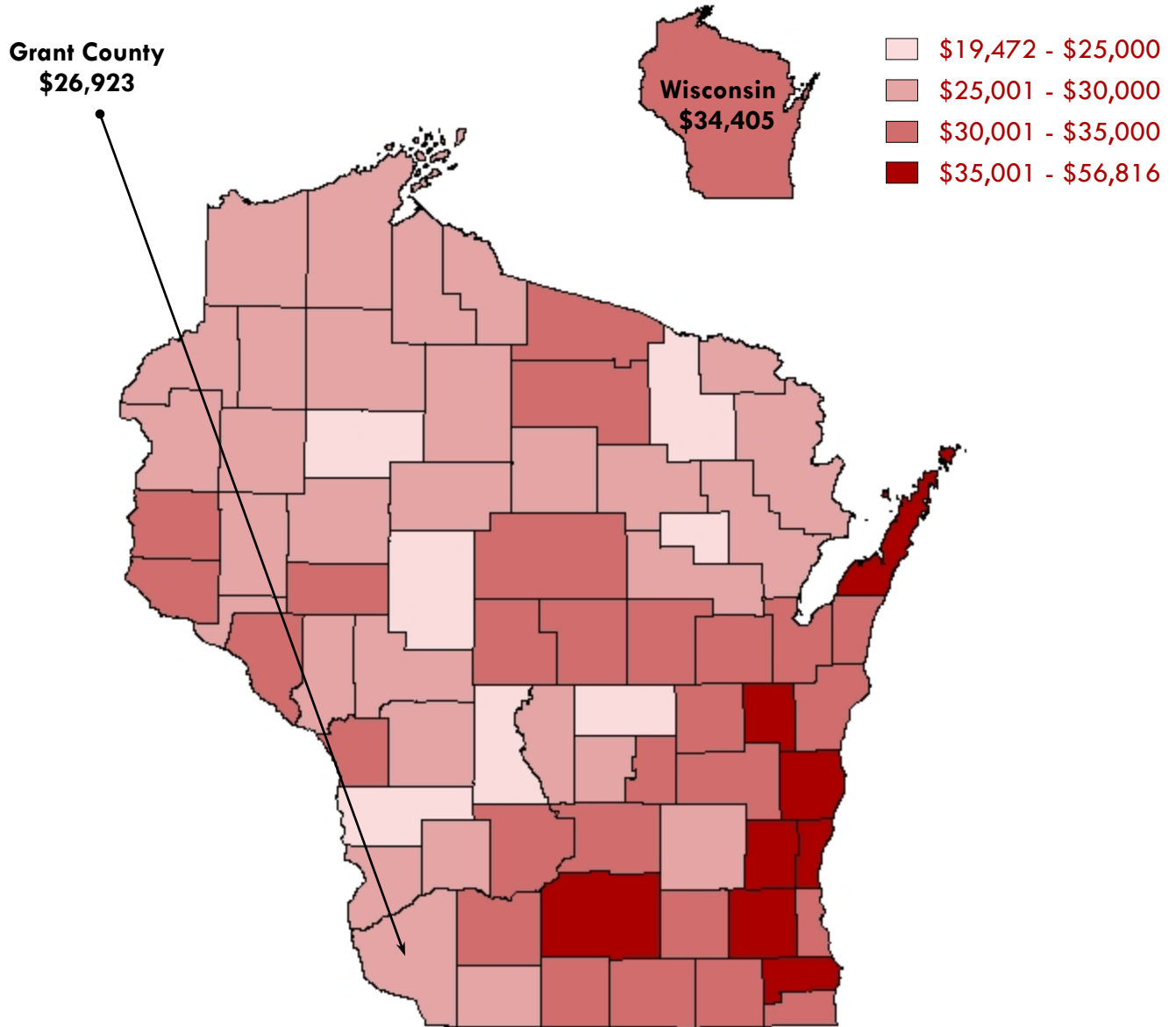


Grant County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10614-P

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Population

Population trends affect the demand for goods and services as well as the supply of labor to produce goods and services. Between the April 2000 Census and the January 2007 estimate, Grant County's population grew by 1,440 people or 2.9 percent. This is markedly slower than the statewide growth rate (5.3%) and the national growth rate (6.9%). In this time period, the estimates suggest that Grant County experienced 483 more births than deaths and 957 more people moved in than moved out. Natural change (births minus deaths) tends to be more steady and reliable, while net migration (in-movers minus out-movers) changes direction more quickly and less predictably. The dominance of net migration introduces a degree of uncertainty in Grant County's future population growth.

The cities of Platteville and Boscobel together had 13,766 residents, or 27 percent of the county's population. It is striking that these two cities added 730 people, accounting for over half of the county's net population gain. Major state institutions are anchor employers in these cities, one is educational and one correctional. Both institutions bring many young, temporary residents.

As demographic patterns shift, individual municipalities' growth rates and population ranks will change. One of the few certainties of demographic change is this: the baby boom generation that once swelled the working-age cohorts will eventually reach retirement age and become eligible for age-triggered programs such as Social Security,

Grant 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%
Grant County	49,597	51,037	1,440	2.9%
Platteville, City	9,989	10,480	491	4.9%
Lancaster, City	4,070	4,033	-37	-0.9%
Boscobel, City	3,047	3,286	239	7.8%
Fennimore, City	2,387	2,356	-31	-1.3%
Jamestown, Town	2,077	2,151	74	3.6%
Cuba City*	1,945	1,915	-30	-1.5%
Platteville, Town	1,343	1,434	91	6.8%
Muscoda, Village*	1,357	1,318	-39	-2.9%
Hazel Green, Village*	1,171	1,160	-11	-0.9%
Hazel Green, Town	1,043	1,128	85	8.1%

* Grant County portion only

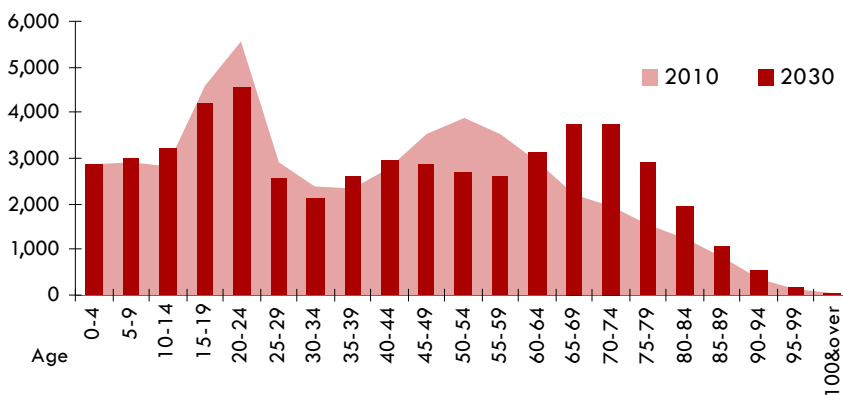
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

Medicare, and Wisconsin counterparts.

Wisconsin Department of Administration population projections suggest that Grant County's population will climb from 51,412 in 2010 to 53,497 in 2030. During that time, the population between the ages of 45 and 59 will shrink from 10,957 people, or roughly 21.3 percent of the population, to 8,159 people, or 15.3 percent of the population. The population between the ages of 65 and 79 will grow from 5,716 people, or 11.1 percent of the population, to 10,391 people, or 19.4 percent of the population. Analysis on page three suggests that residents aged 45 to 59 years are much more likely to participate in the labor force than residents aged 65 to 79 years. As a result of these trends, Grant County's labor force growth is projected to shrink after 2020.

In addition to affecting the supply of labor, demographic shifts could affect demand for goods and services. Demand for health services will probably grow. Demand for nursing homes, assisted living facilities, and other senior housing may grow. These trends could sharply increase the supply of available single-family housing. Between 2010 and 2030 the total population will grow by over 16 percent and the 20- to 34-year-old cohort will grow less than 5 percent. If this age group is responsible for a large share of births and home purchases, this could soften demand for single-family housing and local public education.

Population by Age Cohorts in Grant County



In 2010, the average Grant County resident will be 39 years old.
 In 2020, the average Grant County resident will be 41 years old.
 In 2030, the average Grant County resident will be 42.6 years old.

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

Population & Labor Force

Population Projections for Grant County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	9,531	14,546	12,540	14,795	41,881	51,412
2020	10,032	13,342	10,743	18,743	42,828	52,860
2030	9,910	12,593	11,075	19,919	43,587	53,497
Distribution of Labor-Force-Aged Population						
2010		34.7%	29.9%	35.3%		
2020		31.2%	25.1%	43.8%		
2030		28.9%	25.4%	45.7%		

Source: WI Dept. of Administration, Demographic Services

The table above indicates that Grant County's population is projected to grow 4.1 percent (from 51,412 to 53,497) between 2010 and 2030. Meanwhile, the labor-force-aged population (residents 16 or more years old) will grow 4.1 percent (from 41,881 to 43,587). Page three will show that some labor-force-aged residents (especially those 55 or more years old) are less likely to be in the labor force. The lower portion of the table above projects that residents under 35 years old will make up 34.7 percent of the labor-force-aged population in 2010 and that this share will shrink to 28.9 percent in 2030. Residents between the ages of 35 and 54 will see their share of the labor-force-aged population shrink from 29.9 percent in 2010 to 25.4 percent in 2030.

The remaining segment of the labor-force-aged population – Grant County residents 55 or more years old – is projected to grow from 35.3 percent of the labor-force-aged population in 2010 to 45.7 percent in 2030. Some baby boomers will work later in life than previous generations of 55-and-older residents have worked. This effect will be massively overshadowed by the fact that residents over 55 years old have historically left the labor force in substantial numbers between the ages of 55 and 60 and even more quickly thereafter. Page three discusses this further.

One result of this shift is illustrated by the line graph to the right. While total population numbers increase, the labor force (those working or looking for work) will shrink eventually. Many baby boomers will be leaving the local labor force at a time when baby boomers (as a group) increase demand for labor-intensive services like health care and home maintenance.

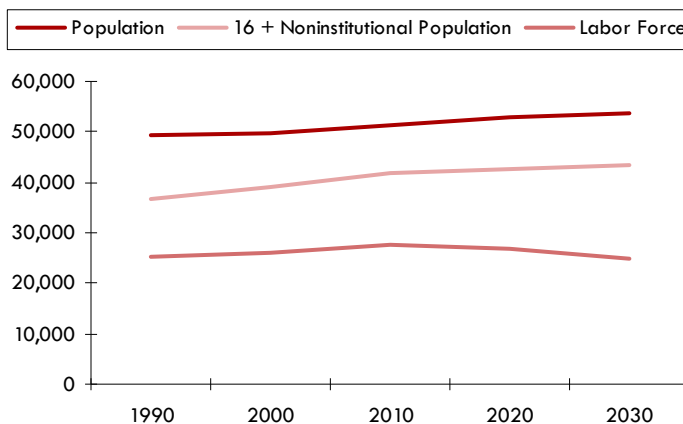
Another result of this demographic shift may be more intense efforts to recruit and retain two groups: workers 55 or more years residents of state institutions in Boscobel

and Platteville. These groups have historically had higher rates of under-employment and non-participation than some other population segments. More successfully integrating these groups into the local labor force could help offset the impact of baby boom retirements.

If Grant County employers struggle to find workers, some may use more appealing compensation or work environments to boost recruitment. Meanwhile,

some employers may resort to outsourcing, off-shoring, importing goods or labor, automating, changing locations, or going out of business. Demographic changes cannot be stopped, but their consequences can be shaped for the better with sound workforce planning.

Grant County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Grant County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	10,958	10,972	5,637	27,568
2020	9,962	9,472	7,245	26,679
2030	9,469	9,742	5,696	24,906
Distribution of Labor Force				
2010	39.7%	39.8%	20.4%	
2020	37.3%	35.5%	27.2%	
2030	38.0%	39.1%	22.9%	

Source: WI DWD, OEA

Labor Force

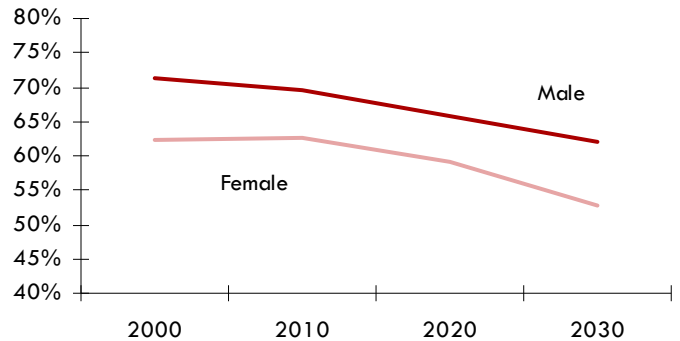
Advocates for workers 55 and over hasten to remind us that, with each passing decade, the economy places more value on the problem-solving, leadership, and innovation skills that baby boomers have developed. The workplace's social and professional networks are a bigger part of individual and community identities than ever before. In the workplace, the relative importance of physical limitations has fallen because there is more demand for non-physical work and there are more ways to accommodate or overcome physical limitations.

Nonetheless, the figures in the first three pages of this profile suggest that recent decades' growth in labor force participation will be reversed. To participate in the labor force is simply to work or to look for work. The labor force participation rate is the share of the eligible residents that works or looks for work. Ineligible residents who do not affect the participation rate are residents under 16, residents engaged in active military service, and residents of institutions like correctional or nursing facilities.

In the 1970s, 1980s, and 1990s, many women joined the labor force for the first time. Female labor force participation rates surged from a fraction of male rates to levels much closer to male rates. The graph to the upper right suggests that labor force growth in the next 30 years cannot rely on rising LFPR the way it did over the previous 30 years.

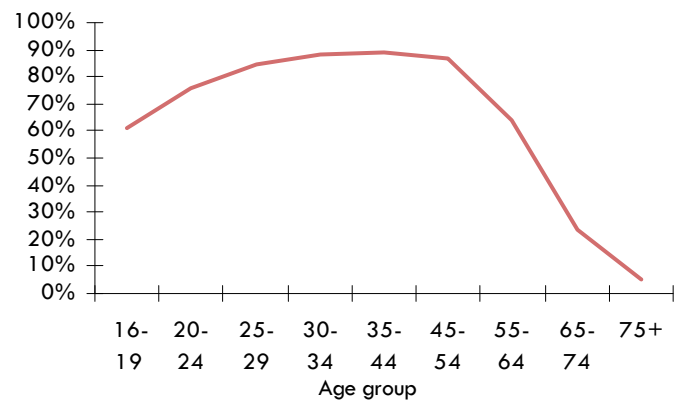
Two significant factors will probably prevent substantial increases in female labor force participation rates. First, women enjoy longer life expectancies than men. Those additional years are in a time of life when labor force participation rates tend to be at their lowest. Second, female participation rates are lower in age cohorts often associated with bearing and raising children (say, ages 25 to 34) and higher in age cohorts where residents often have older kids (say, ages 35 to 54). This suggests that decisions made around the time children are often born and raised are primary reasons for female labor force participation rates being lower in the early age cohorts. Available data does not suggest that females will stop outliving males or that female LFPR around typical child-

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

bearing and child-raising years will rise dramatically. Therefore, a major source of labor force growth in decades past will not cause pronounced labor force growth in the future.

The lower of the two graphs above shows how dramatically labor force participation rates fall as age increases past 54 years old. Baby boomers may participate at higher rates than generations before them, but they would have to depart radically from conventional notions of retirement in order to keep the labor force from shrinking. Barring substantial reductions in Social Security and Medicare benefits, this seems unlikely. Many of the most qualified, sought-after workers have significant resources set aside for their later years, so it may take more than a job offer to keep them in the labor force.

Grant County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	28,608	27,281	26,970	27,261	28,380
Employed	27,143	26,027	25,775	26,042	27,012
Unemployed	1,465	1,254	1,195	1,219	1,368
Unemployment Rate	5.1%	4.6%	4.4%	4.5%	4.8%

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

Jobs & Wages

Few factors influence a local economy more than the number of jobs in the area and the average wage of those jobs. Payroll reports show that in 2007 Grant County's education and health sector generates more employment (4,608 jobs) and more total payroll (nearly \$150 million) than any other sector. Between 2002 and 2007, this sector's employment growth (140 jobs) and average wage

growth (13.7 percent) were fair without being spectacular, but long-term demand growth looks likely and sustainable. (How much it costs and how it gets paid for are much more uncertain than the growth of demand.)

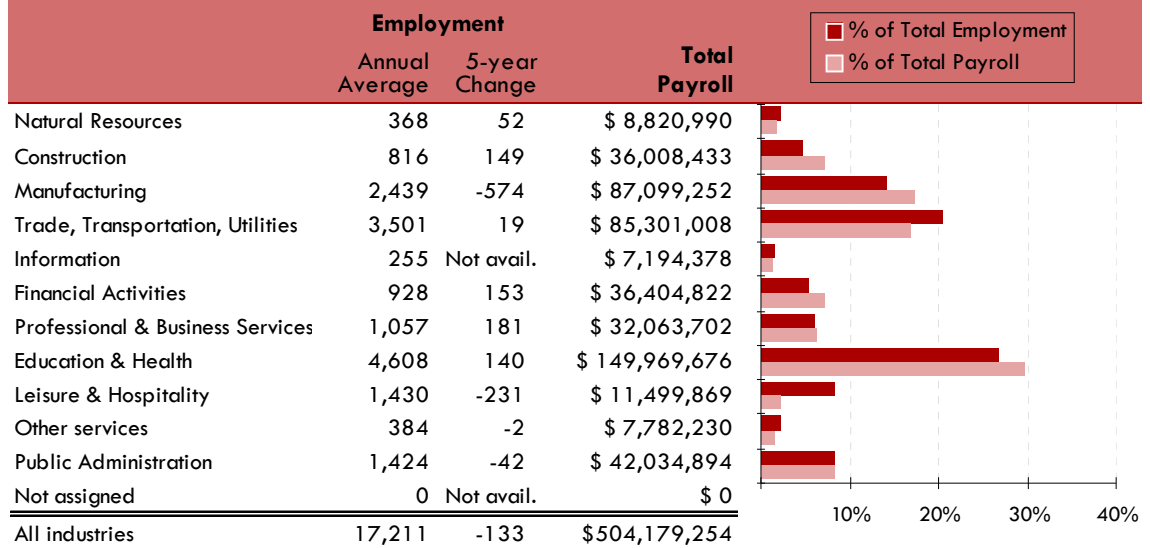
The trade, transportation, and utilities sector includes 2,144 retail trade jobs paying an average of \$18,390 and 132 utilities jobs paying an average of \$67,987. Between 2002 and 2007, the trade, transportation, and utilities sector's employment growth was very slow (0.5

percent) and its average annual wages declined over that time. While the wholesale trade segment's employment grew 10.1 percent, all the other sectors saw employment declines, most notably a 5.0 percent decline in utilities employment.

In 2007 Grant County's manufacturing sector had 19 percent fewer jobs than in 2002, and its average wage was 32.4 percent higher. This would be consistent with an industry where the workers who had been in the longest were the highest-paid and among the last to get laid off. This pattern would not do much to help recruit or retain younger workers.

Grant County's leisure and hospitality sector is dominated by food service and drinking places subsector. College-aged residents (many in Platteville) probably add to demand for such establishments as well as supply of labor available for such employers. The average wage (\$8,042) is so low in this sector that its employment decline (231 jobs lost from 2002 to 2007) boosted the all-industries average wage.

2007 Employment and Wage Distribution by Industry in Grant 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		Grant County as a Share of Wisconsin	Grant County 5-year % Change	Wisconsin 5-year % Change
	Grant County	Wisconsin			
All industries	\$29,294	\$38,070	76.9%	23.0%	17.4%
Natural Resources	\$23,970	\$29,235	82.0%	41.0%	14.7%
Construction	\$44,128	\$47,489	92.9%	47.9%	19.8%
Manufacturing	\$35,711	\$47,106	75.8%	32.4%	16.1%
Trade, Transportation & Utilities	\$24,365	\$32,762	74.4%	13.7%	15.3%
Information	\$28,213	\$48,483	58.2%	Not avail.	24.7%
Financial Activities	\$39,229	\$50,749	77.3%	50.8%	25.8%
Professional & Business Services	\$30,335	\$44,328	68.4%	12.5%	22.0%
Education & Health	\$32,546	\$39,606	82.2%	13.7%	17.3%
Leisure & Hospitality	\$8,042	\$13,589	59.2%	15.9%	14.8%
Other Services	\$20,266	\$22,073	91.8%	20.3%	13.2%
Public Administration	\$29,519	\$39,879	74.0%	18.0%	18.1%

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

Jobs & Wages

Prominent Industries in Grant County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Grant County	Grant County	Wisconsin	Grant County	Wisconsin	Grant County	Wisconsin
Educational services	2,378	-4.5%	2.0%	\$ 38,233	\$ 39,753	14.4%	15.0%
Food services & drinking places	1,110	-15.5%	9.1%	\$ 7,579	\$ 10,859	15.7%	14.5%
Executive, legislative, & gen government	942	-0.2%	-4.7%	\$ 25,497	\$ 36,340	15.5%	16.4%
Nursing & residential care facilities	650	-4.4%	3.6%	\$ 19,466	\$ 23,295	14.6%	12.0%
Hospitals	608	16.9%	12.6%	\$ 34,896	\$ 43,750	25.4%	24.1%
General merchandise stores	551	20.6%	7.1%	\$ 17,118	\$ 17,914	9.6%	16.3%
Ambulatory health care services	529	28.1%	8.7%	\$ 36,651	\$ 57,969	2.2%	18.5%
Electrical equipment & appliance mfg	456	not avail.	-9.1%	\$ 48,498	\$ 54,242	not avail.	29.3%
Credit intermediation & related activity	451	11.9%	6.0%	\$ 40,397	\$ 42,493	29.8%	19.7%
Professional & technical services	450	20.3%	10.0%	\$ 39,965	\$ 56,267	19.0%	20.9%

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

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

Educational services, the sub-sector with far more jobs than any other sub-sector in Grant County, saw its employment decline 4.5 percent between 2002 and 2007. Over the same time, educational services wage growth was slower in Grant County (14.4 percent) than in Wisconsin (15.0%). These are not especially encouraging numbers for a county with a four-year University of Wisconsin campus.

Between 2002 and 2007, Grant County's general merchandise stores increased their employment at a brisk clip of 20.6 percent (much of that in 2006 alone). Over the same time period, general merchandise stores' wages increased just 7.1 percent, to \$17,118 per job, so their recent employment gains have yet to become a roaring engine of worker prosperity.

When reviewing the above list of Grant County's prominent sub-sectors, it is interesting to consider the impact of public funding in conjunction with demographic shifts discussed earlier. Most readers quickly see how public funding relates to sub-sectors like educational services and executive, legislative, and general government. Though less obvious, it is no less important to consider how hospitals, nursing and residential care facilities and ambulatory health clinics rely on payments from programs like Medicare, Medicaid, Social Security, and Wisconsin counterparts. Today, many baby boomers are near the peak of their income-tax-paying curves. As they shift from prime tax-payers to the largest group of benefits-eligible residents ever, local, state, and federal budgets could face increasing strain. In recent years, many Wisconsin school

districts have faced increasing pressure to keep property taxes from rising. In the healthcare arena, it is not clear how the desire for low taxes will match up with the demand for publicly-funded services. These dynamics could dramatically affect prominent local industries.

Prominent Public and Private Sector Employers in Grant County

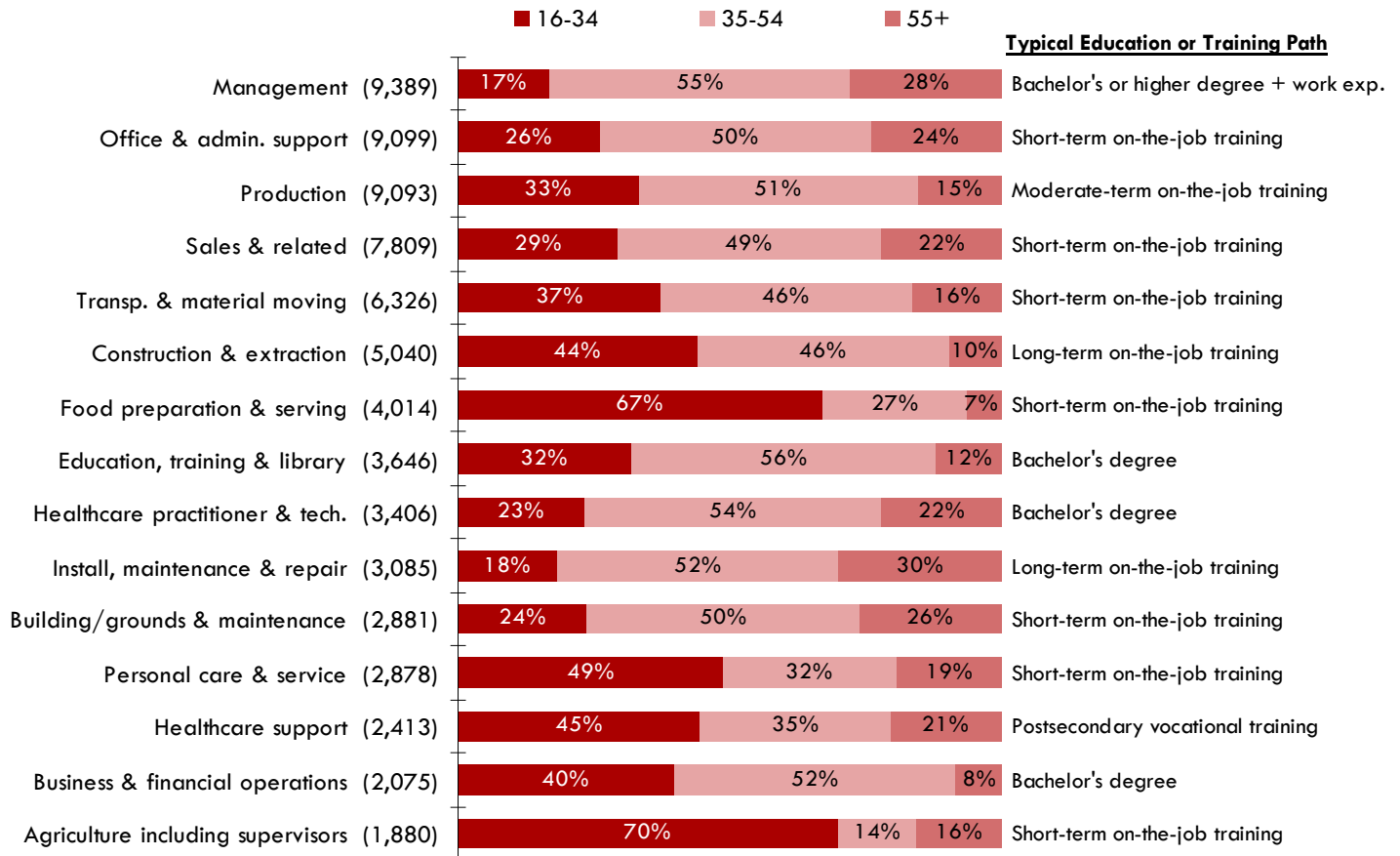
Establishment	Service or Product	Number of Employees (March 2007)
University of Wisconsin- Platteville	Colleges & universities	500-999 employees
County of Grant	Executive & legislative offices, combined	500-999 employees
Dick's Supermarket (Brodbeck Enterprises)	Supermarkets & other grocery stores	250-499 employees
Southwest Health Center Inc	General medical & surgical hospitals	250-499 employees
Babcock & Wilcox Construction Co	Power & communication system construction	250-499 employees
Wal-Mart	Discount department stores	250-499 employees
Milprint Inc	Commercial flexographic printing	250-499 employees
Philips Electronics North America	Electric power & specialty transformer mfg.	250-499 employees
WI Secure Programs Facility	Correctional institutions	100-249 employees
Platteville Public School	Elementary & secondary schools	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 Grant, Green, Iowa, Lafayette, and Richland counties.



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

Source: 2006 U.S. Census, PUMS 5% file, & WI DWD, OEA

It is important to note that pages four and five focus on the industries that employers belong to while this section focuses on the occupational groups that workers belong to. Sometimes, the worker's job duties can be more informative than the nature of the employer's business. The chart above first lists the occupational groups with the greatest numbers of workers in the area that includes Grant, Green, Iowa, Lafayette, and Richland counties. The actual employment numbers appear in parenthesis. The bar graph shows each occupational group's age distribution.

The youngest age cohort, residents between the ages of 16 and 34, reflects people in their early working years and captures rather large shares of jobs in food preparation and serving occupations and agriculture occupations. Physical demands, seasonality, and wage compression can

contribute to turnover in these occupational groups. Because jobs in these occupational groups typically require less education and training, they may be good fits for some newer workers.

The oldest cohort identified, residents 55 or more years old, includes many people approaching retirement. About 28 percent of area residents in management occupations and 30 percent of area residents in installation, maintenance, and repair occupations are 55 or more years old. Jobs in installation, maintenance, and repair occupations typically require long-term on-the-job training (over 12 months). Jobs in management occupations typically require a bachelor's or higher degree and work experience. New workers cannot simply step out of high school and into these jobs. It may prove wise to begin grooming, recruiting, and succession planning sooner rather than later.

Occupations & Typical Education or Training

Workers 55 or more years old are 15 percent of production workers and 10 percent construction and extraction workers. These might seem like small ratios, but because of the physical demands they face and the pensions they enjoy, workers in these fields often retire well before otherwise-typical ages. It is possible that improved technology and production techniques will ease many physical demands of some of these jobs. Production jobs, in particular have become less physical and more technically challenging in recent years. Over the long term, the trend for production in the United States is to use ever fewer people to generate ever more output, so it is unclear to what extent advances in equipment, processes, and product lines will mitigate demand for replacement workers.

In this region (Grant, Green, Iowa, Lafayette and Richland counties), farmers and ranchers make up almost half of the management workers. Half the region's farmers and ranchers are fifty or more years old and over seventy percent are over 40. This might affect the management occupations' age distribution even more than the typical experience requirement does.

Somewhat perplexing is the relative scarcity of 16- to 34-year-olds in healthcare practitioner and technical oc-

cupations (23%), installation, maintenance, and repair occupations (18%) and building and grounds cleaning and maintenance occupations (24%). Many registered nurses have Bachelor's degrees, but many jobs in these three occupational groups require moderate education or training. One might expect more young workers to pursue careers in occupational groups with meaningful income potential and manageable training requirements.

As the local population ages, demand for healthcare services will grow. For the sake of argument, suppose that older residents require more assistance maintaining their single-family homes or suppose that many older residents move into senior-living apartments, assisted living facilities, and nursing homes. If either of these things occurs, then these residents could increase demand for installation, maintenance, and repair workers, as well as demand for building and grounds cleaning and maintenance workers. Workers 55 or more years old constitute 29 percent of healthcare support workers, 30 percent of installation, maintenance, and repair workers, and 37 percent of personal care and personal service workers. Substantial numbers of workers in these fields are likely to leave the labor force as demand grows faster and faster.

Income

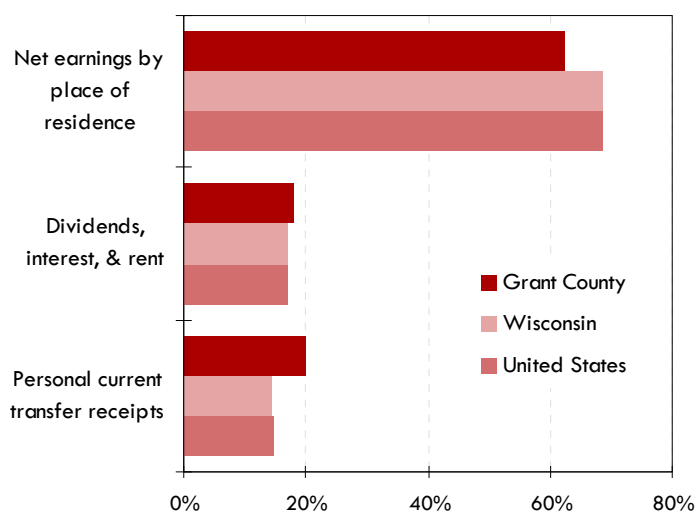
Pages four and five analyze payroll employment and wage data that employers report to Wisconsin's Unemployment Insurance system. Pages seven and eight analyze income data from federal tax records; this includes non-payroll income sources such as proprietors' income, investment income, and government transfers.

The first category of income that this profile will discuss is net earnings by place of residence. These earnings are typically associated with current vocations which may include a payroll job, self-employment, or business proprietorship. Without net earnings, most people would have difficulty buying assets that would generate dividends, interest, or rent and most people would have difficulty paying taxes that make government transfers possible. Many readers will consider net earnings the driving force that sets the stage for long-term income trends.

Whether we focus on the nation, the state or Grant County, the graph to the right shows that net earnings is the largest share of total income. While this will probably always be true, the balance will shift. Pages one through three discuss baby-boomers' move from prime income-earning years to ages in which they draw on private re-

irement resources (dividends, interest, and rent) and begin to receive government transfers like Social Security and Medicare. This means that net earnings could make

Components of 2006 Total Personal Income



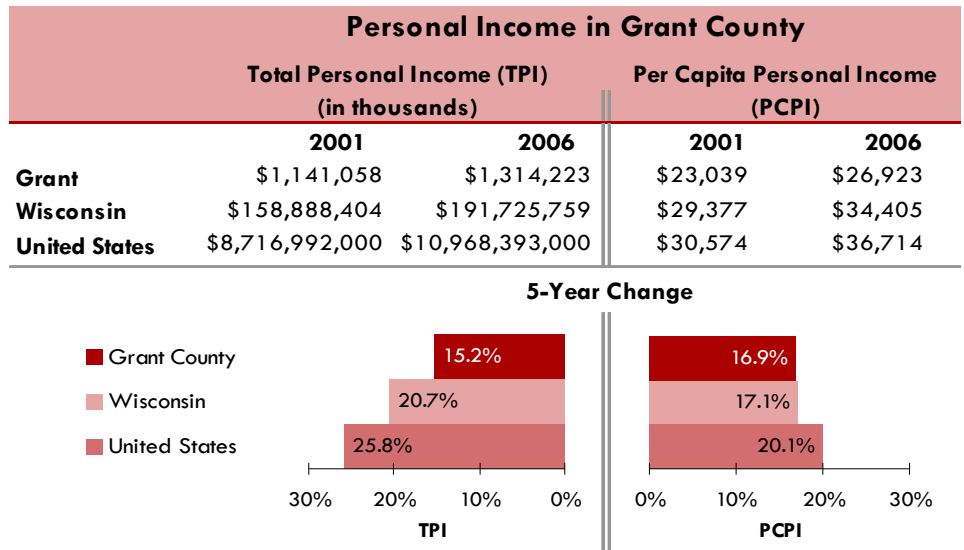
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

up a smaller share of Grant County's total income and investment income and transfer payments could become a larger share.

When investments pay off, they yield dividends, interest, and rent. This is the second category of income. Net earnings are often tied to jobs at specific physical locations. When people leave jobs, other people typically fill the positions, and spend the earnings locally. In contrast, owners of income-earning assets can often collect their income from nearly anywhere, so leaving the area does not necessarily affect their income stream. Imagine for a moment that many Grant County residents with income-earning assets moved to larger cities or warmer climates. They could take much of their income with them. Nothing about their departure would cause other residents to fill the investment income gap. If younger residents lack resources to invest or choose to consume rather than invest, investment income will decline.

Personal current transfer receipts (mainly programs like Medicare and Social Security) have a substantial impact on several key industries listed on page five. The group of benefits-eligible residents in Grant County will grow quickly in the near future. Whether benefits will remain at



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

historically normal levels and how they will be paid for remains uncertain in the medium term. With each passing year the political feasibility and practical necessity of radical change move in opposite directions.

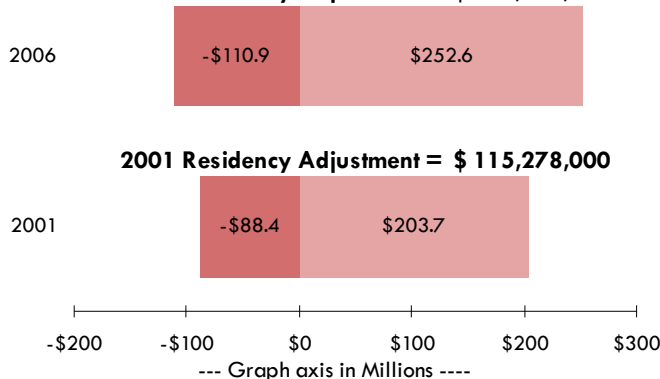
Between 2001 and 2006, Grant County's total income (TPI) grew from \$1.1 billion to \$1.3 billion, or 15.2 percent. This was slower than Wisconsin's TPI growth (20.7 percent) and U.S. TPI growth (25.8 percent). Dividing total income by population yields per capita personal income (PCPI). Grant County's PCPI growth almost kept pace with the state's (17.1 percent) and the nation's (20.1 percent). Grant County's PCPI (\$26,923) remains well below Wisconsin's (\$34,405) and below the nation's (\$36,714). Suburban areas and select segments of urban areas tend to report much higher PCPI, while rural areas and parts of inner cities tend to report lower PCPI. To the extent that high-income residents often cluster, redeveloping is one of the very few ways to change an area's relative standing.

In 2006, Grant County residents earned nearly \$253 million by commuting to jobs in other counties and residents of other counties earned nearly \$111 million by commuting to jobs in Grant County. The difference, just under \$142 million, is the net impact of commuting on Grant County's total income. This is about 10.8 percent of total income. Between 2001 and 2006, the net commuting impact grew 22.9 percent, which was faster than total income (16.9 percent). This suggests that wages earned outside Grant County have become more important to the local economy over time.

Grant County Commuting Impact

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

2006 Residency Adjustment = \$ 141,731,000



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