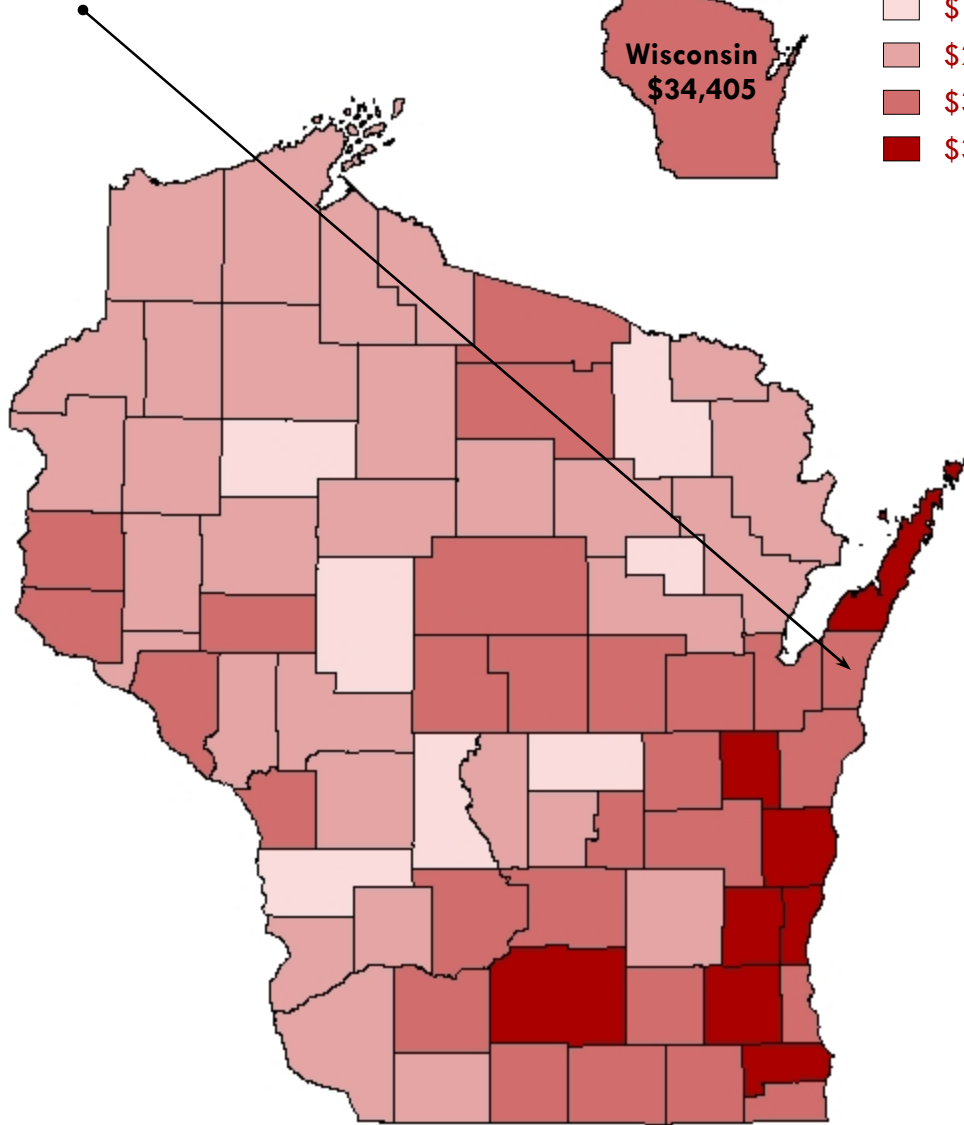


Kewaunee County Workforce Profile

Per Capita Personal Income in 2006

Kewaunee County
\$30,719



2008

Office of Economic Advisors
Wisconsin Department of Workforce Development
OEA-10623-P

Kimberly Berg
701 Cherry Street
Green Bay, WI 54301
920.448.5268
Kimberly.Berg@dwd.wisconsin.gov

Population

Population growth between 2000 and 2007 in Kewaunee County (+5.0%), a member of the three-county Green Bay Metropolitan Statistical Area (MSA), lagged behind its other two-member MSA counties of Brown (+8.0%) and Oconto (+9.3%) by a significant margin. The county not only has a slower population growth rate than its other two-member MSA counties, but it also lags behind population growth in the state (+5.3%) and in the nation (+6.9%) between 2000 and 2007.

Kewaunee County, like Oconto County, does a mediocre job of retaining its workers. In fact, many Kewaunee County residents commute to Brown County for work as there are more job opportunities. As a result of the limited job prospects in Kewaunee County, the municipalities that are experiencing the fastest growth in population are typically the ones in the southwest portion of the county, bordering Brown County. The municipality with the fastest population growth was the Village of Luxemburg (+18.4%), which is located along Hwy 54 and is just about ten minutes from I-43.

The age distribution in Kewaunee County tends to follow suit with Oconto County, the two rural counties of the three-county MSA; although, the population in Kewaunee County tends to be younger on average. Unlike Brown County that is growing primarily from natural increase (births outnumbering death), Kewaunee and Oconto counties are both growing primarily from net migration (more in-movers than out-movers).

Kewaunee County's Ten Most Populous Municipalities

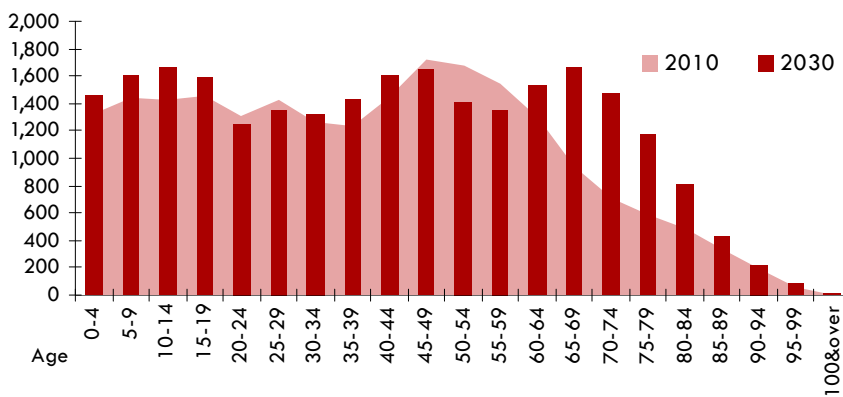
	April 2000 Census	Jan.1, 2007 Estimate	Numeric Change	Percent Change
United States	281,421,906	300,888,812	19,466,906	6.9%
Wisconsin	5,363,715	5,647,000	283,285	5.3%
Kewaunee County	20,187	21,198	1,011	5.0%
Algoma, City	3,357	3,370	13	0.4%
Kewaunee, City	2,806	2,896	90	3.2%
Luxemburg, Village	1,935	2,292	357	18.4%
Red River, Town	1,476	1,548	72	4.9%
Luxemburg, Town	1,402	1,492	90	6.4%
Montpelier, Town	1,371	1,417	46	3.4%
West Kewaunee, Town	1,287	1,340	53	4.1%
Casco, Town	1,153	1,251	98	8.5%
Franklin, Town	997	1,066	69	6.9%
Carlton, Town	1,000	1,034	34	3.4%

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

The average age is projected to be 39.2 years old in Kewaunee County in the year 2010 compared to 36.5 years old in Brown County and 40.5 years old in Oconto County. As with most counties, the average age of the population is projected to get older as a large share of each county's population, the baby boomers, will be over the age of 65 in the coming years. It is projected that in year 2010, when the oldest baby boomer is 64 years old, 15.2 percent of the total population in Kewaunee County will be 65 years old or older. By 2030, it is projected that 23.3 percent of the county's population will be 65 years old or older. At that time, the youngest baby boomer will be 66 years old. As the older population is increasing in share and size between 2010 and 2030, the younger population, or those under the age of 16 is increasing in size, but decreasing in share. The share will drop from 20.5 percent of the total population in 2010 to 20.1 percent of the total population in 2030. Numerically, this is an increase of 576 residents, though.

As the younger population decreases in share while the older population increases in share, it is projected that the average age in the county will reach 41.9 years old by the year 2030. This shift in the demographics of Kewaunee County's population could significantly affect labor force growth as well as the supply and demand for goods and services. Not only will this shift impact Kewaunee County, but it will also influence surrounding areas.

Population by Age Cohorts in Kewaunee County



In 2010, the average Kewaunee County resident will be 39.2 years old.
 In 2020, the average Kewaunee County resident will be 40.5 years old.
 In 2030, the average Kewaunee County resident will be 41.9 years old.

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

Population & Labor Force

Population Projections for Kewaunee County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	4,469	5,154	6,078	6,140	17,372	21,841
2020	4,838	5,159	5,740	7,850	18,749	23,587
2030	5,045	5,194	6,106	8,739	20,039	25,084
Distribution of Labor-Force-Aged Population						
2010		29.7%	35.0%	35.3%	100.0%	
2020		27.5%	30.6%	41.9%	100.0%	
2030		25.9%	30.5%	43.6%	100.0%	

Source: WI Dept. of Administration, Demographic Services

Examining population and labor force demographics together helps to explain why this shift might occur in Kewaunee County. 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 figure.

It is projected that Kewaunee County's population will grow by 14.8 percent between the years 2010 and 2030, while the labor-force-aged population (16+ population) is expected to grow by 15.4 percent over that same time period. However, much of the change in the labor-force-aged population distributions is due to the aging of the baby boomer generation. In the year 2010, the 55 year old or older population will comprise 35.3 percent of the 16 and older population. This age cohort accounts for the largest share of the labor-force-aged population among the age groups listed above, and this share is only expected to get larger in the coming years while the distributions in the other two age cohorts are expected to decline. As a result, it is projected that the growth of the labor force will begin to flatten out, as seen on the line graph to the right.

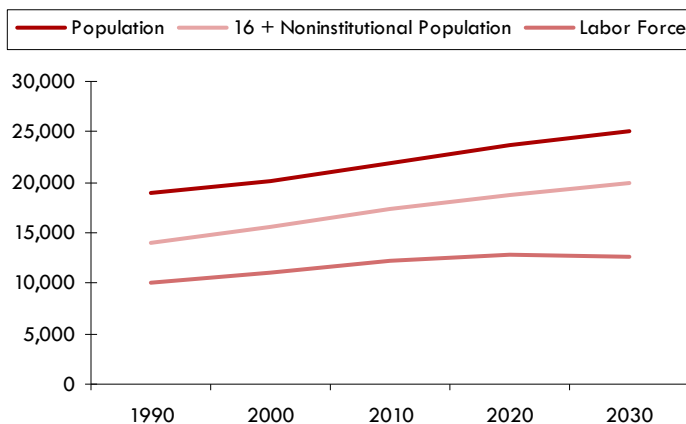
The table on the bottom right corner of the page suggests that the number of residents that participate in the labor force (work or seek work) will grow by 2.3 percent between 2010 and 2030. The distribution of the 55 and older participants will increase by 1.8 percentage points over that same time period. This suggests 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, and/or go part-time, but that number is insignificant compared to the number of baby boomers that will be leaving the labor force.

As the population ages and the labor force grows

slowly, as previously described, employers may face stiffer competition recruiting qualified workers, whether they are trying to keep more baby boomers in the workforce longer (either full-time or part-time), or hiring a younger workforce from the area and surrounding areas. The baby boomers that do decide to work later in life will find that personal interests, health concerns, and family needs will prevent them from working indefinitely. The

experience and knowledge that will be lost from the baby boomers' departures could be hard to replace in some cases. Employers may have to innovate and engage in research and development to try and stay competitive locally and globally.

Kewaunee County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Kewaunee County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	4,332	5,409	2,594	12,335
2020	4,252	5,133	3,372	12,758
2030	4,301	5,445	2,877	12,623
Distribution of Labor Force				
2010	35.1%	43.9%	21.0%	100.0%
2020	33.3%	40.2%	26.4%	100.0%
2030	34.1%	43.1%	22.8%	100.0%

Source: WI DWD, OEA

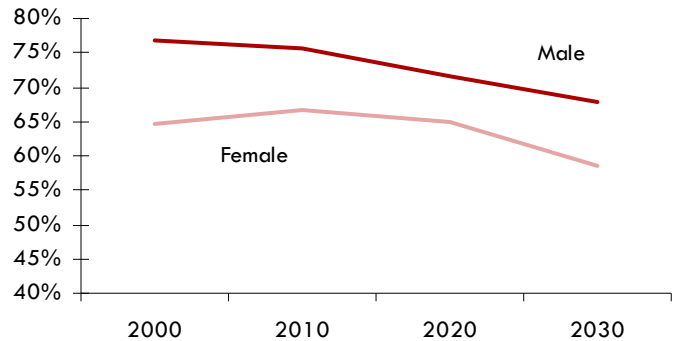
Labor Force

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). Pages one and two show that the number of Kewaunee County 55 year old or older residents is increasing which is going to cause the future labor force to grow slowly. The bottom line graph to the right indicates why this is so. Historically, participation in the labor force drops off quite dramatically after the age of 55. Statistically, even with a one to three percentage point increase in the participation rate of those 55 years old or older is still not enough to compensate for the sheer number that will be permanently exiting the labor force. As of year 2007, the total LFPR in Kewaunee County is 70.2 percent, equivalent to Wisconsin's LFPR, and is projected to drop as the baby boomers enter the ages typically associated with retirement.

The line graph in the top right corner of the page compares projected male and female labor force participation rates. Female participation has historically been lower than male participation, although females have gained ground since the 1970s. However, it is not projected that female participation will match male participation in the future (see top line graph). One explanation for the gap between male and female LFPRs is due to the disparity between male and female 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 in support of the gap between male and female LFPRs could be that females are more likely to further their education than males so participation is lower in the younger cohorts, say 20-29, and are not available to participate in the labor force as they are attending school.

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

A third reason for the disparity could be due to the fact that females also tend to have longer life expectancies. If the 65 and older females are not incarcerated or in nursing facilities, and are not working or seeking work, then that could lower total LFPR for all females, potentially creating a gap between male and female LFPRs.

It is projected that the LFPR will decline. As seen on the table below, Kewaunee County's labor force is already fluctuating up and down while the population grows. This suggests that the trend has already begun.

The labor force declined by 2 residents between 2003 and 2007, although from year to year, the labor force fluctuated up and down. As the labor force declined, so did the unemployment rate by 1.2 percentage points between 2003 and 2007.

Kewaunee County Civilian Labor Force Data

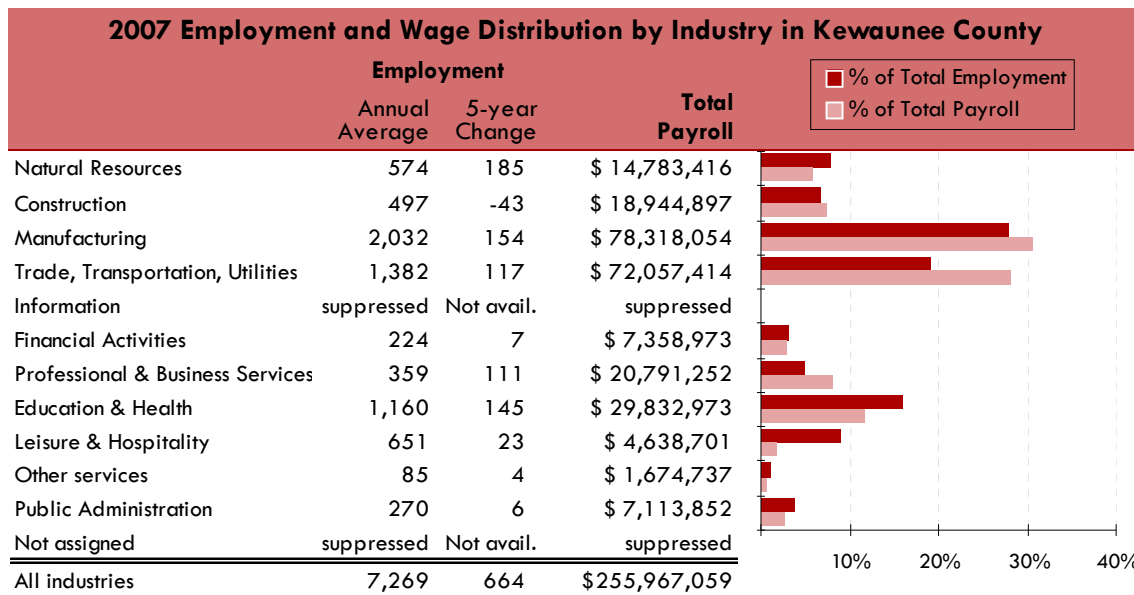
	2003	2004	2005	2006	2007
Labor Force	11,889	11,859	11,838	11,876	11,887
Employed	11,197	11,321	11,298	11,348	11,338
Unemployed	692	538	540	528	549
Unemployment Rate	5.8%	4.5%	4.6%	4.4%	4.6%

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

Jobs & Wages

Whether jobs are created first and workers come later or vice versa, jobs tell a lot about the economy and where it may be headed. Although Kewaunee County does not have a large labor market or job base, the number of jobs in the county grew by 10.1 percent between 2002 and 2007. Only five other counties among the 72 counties in the state saw faster job growth.

Among the ten industry sectors listed above, in which data was available, natural resources saw the fastest growth (47.6%) over the five year period. Much of that growth was a result of the growth in jobs in animal production, a sub-sector of natural resources (186 jobs in 2002; 341 jobs in 2007). Although there were numerous jobs created over the five-year span in animal production, the wages changed minimally (+5.9%). As a result, the natural resources industry sector's wage only grew by 7.4 percent between



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

2002 and 2007 in the county compared to 17.4 percent statewide.

Education and health was the only industry in the county that saw a decline in wages (-1.5%). In fact, Kewaunee County was only one of two counties among the 72 in Wisconsin that saw a decline in wages in education and health, Florence County being the other county (-0.9%). The lower wages on average in Kewaunee County are likely a result of the minimal employment in ambulatory health care services and no employment in hospitals, two sub-sectors of education and health. These two sub-sectors are among the higher paying ones in education and health and typically see faster growth as there are more opportunities for advancing one's career. However, ambulatory health care services saw a decline in employment coupled with large increases in low-waged jobs in nursing and residential care facilities and social assistance, and with that came a decline in the education and health average wage between 2002 and 2007.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Kewaunee County as a Share of Wisconsin	Kewaunee County 5-year % Change	Wisconsin 5-year % Change
	Kewaunee County	Wisconsin			
All industries	\$35,214	\$38,070	92.5%	26.7%	17.4%
Natural Resources	\$25,755	\$29,235	88.1%	7.4%	14.7%
Construction	\$38,119	\$47,489	80.3%	13.7%	19.8%
Manufacturing	\$38,542	\$47,106	81.8%	20.7%	16.1%
Trade, Transportation & Utilities	\$52,140	\$32,762	159.1%	54.3%	15.3%
Information	suppressed	\$48,483	Not avail.	Not avail.	24.7%
Financial Activities	\$32,853	\$50,749	64.7%	16.9%	25.8%
Professional & Business Services	\$57,914	\$44,328	130.6%	60.6%	22.0%
Education & Health	\$25,718	\$39,606	64.9%	-1.5%	17.3%
Leisure & Hospitality	\$7,126	\$13,589	52.4%	13.1%	14.8%
Other Services	\$19,703	\$22,073	89.3%	31.6%	13.2%
Public Administration	\$26,348	\$39,879	66.1%	18.5%	18.1%

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

Jobs & Wages

Prominent Industries in Kewaunee County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Kewaunee County	Kewaunee County	Wisconsin	Kewaunee County	Wisconsin	Kewaunee County	Wisconsin
Fabricated metal product manufacturing	596	152.5%	8.6%	\$ 41,190	\$ 43,765	47.9%	15.4%
Educational services	573	4.6%	2.0%	\$ 32,087	\$ 39,753	3.6%	15.0%
Printing & related support activities	546	9.2%	-4.6%	\$ 40,311	\$ 42,314	28.8%	15.7%
Utilities	521	55.1%	-4.9%	\$ 99,002	\$ 70,766	38.5%	19.3%
Food services & drinking places	447	0.4%	9.1%	\$ 6,407	\$ 10,859	13.4%	14.5%
Wood product manufacturing	402	-20.1%	-6.8%	\$ 36,901	\$ 31,799	21.2%	12.3%
Animal production	341	83.3%	32.3%	\$ 26,894	\$ 24,416	5.9%	16.3%
Crop production	*	not avail.	-1.0%	*	\$ 26,476	not avail.	20.0%
Nursing & residential care facilities	258	38.0%	3.6%	\$ 18,408	\$ 23,295	4.1%	12.0%
Food & beverage stores	235	-2.1%	-4.9%	\$ 18,519	\$ 17,166	20.2%	9.7%

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

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

The prominent industries list above includes the ten largest industry sub-sectors based upon 2007 employment. Over 55 percent of the total jobs in Kewaunee County are found in one of the ten sub-sectors listed above.

Manufacturing is the dominant industry in the county at approximately 28 percent of the total job base (see page 4). Fabricated metal product manufacturing, the largest industry sub-sector in the county, accounts for nearly 30 percent of all manufacturing jobs in Kewaunee County. This sub-sector helped to keep manufacturing strong in the county by adding 360 net jobs between 2002 and 2007. Most of that growth occurred between 2006 and 2007, though.

Wood product manufacturing, on the other hand, lost

101 jobs over the five-year period. Although jobs were eliminated, the wages earned by workers in the remaining positions stayed strong. This suggests that the jobs that were lost were likely among the lower paying ones. Although the wood product manufacturing wage (\$36,901) is not as high as the overall manufacturing wage (\$38,542) in the county, it is 116 percent of Wisconsin's wood product manufacturing wage.

Trade, transportation, and utilities is the second largest industry in Kewaunee County at 19.0 percent of the total job base and has the second highest 2007 average wage in the county (\$52,140). Utilities (521 jobs) accounts for 37.7 percent of the total jobs in trade, transportation, and utilities. Jobs in the nuclear power plant, second largest employer in the county, contribute to

the high 2007 average wage of \$99,002 in Kewaunee County, which is 140 percent of Wisconsin's utilities wage. It is the average wage in utilities that causes the trade, transportation, and utilities wage to be high relative to the state's wage (\$32,762).

Prominent Public and Private Sector Employers in Kewaunee County

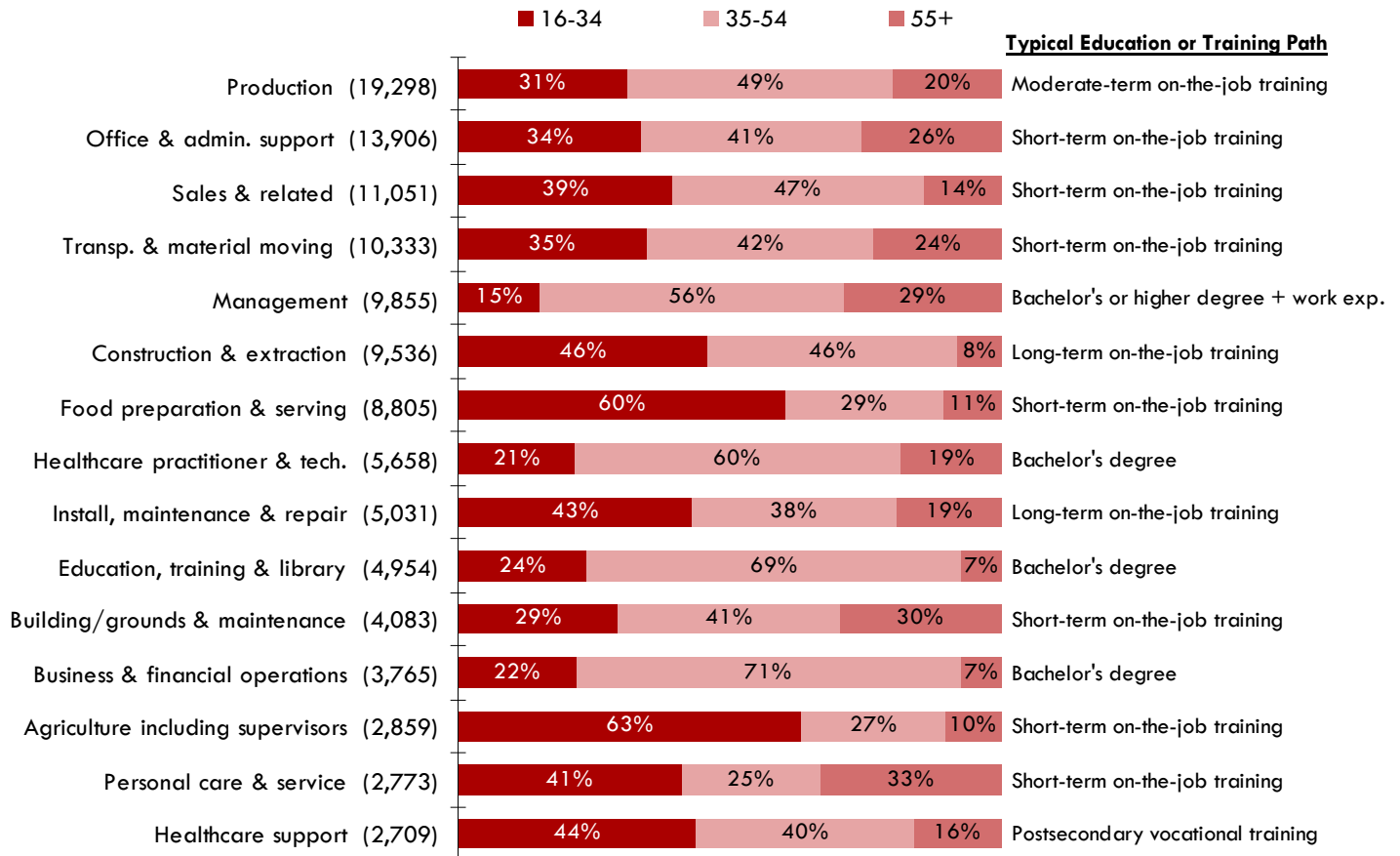
Establishment	Service or Product	Number of Employees (March 2007)
WS Packaging Group Inc	Commercial flexographic printing	500-999 employees
Dominion Energy Kewaunee	Nuclear electric power generation	250-499 employees
Algoma Hardwoods Inc	Wood window & door manufacturing	250-499 employees
Luxemburg-Casco Public School	Elementary & secondary schools	250-499 employees
Kewaunee Fabrications LLC	Miscellaneous fabricated metal product mfg.	250-499 employees
Natural Beauty Growers (Floral Plant Growers)	Floriculture production	250-499 employees
Kewaunee School District	Elementary & secondary schools	100-249 employees
County of Kewaunee	Highway, street, & bridge construction	100-249 employees
NEW Plastics Corp	Plastics bottle manufacturing	100-249 employees
The Vollrath Co LLC	Kitchen utensil, pot, & pan 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 Door, Florence, Kewaunee, Manitowoc, Marinette and Oconto counties.



Note: Occupation groups are in descending order based on the number of workers in each group.
Source: 2006 U.S. Census, ACS PUMS & WIDWD, OEA

The previous two pages described industry employment or where a person works. That is place of work data meaning that the jobs exist in Kewaunee County, but the worker might not live in the county. 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). This is place of residence data.

The occupation graph above describes the age distribution in selected occupational groups of workers that live in Door, Florence, Kewaunee, Manitowoc, Marinette, and Oconto counties, but these workers might not hold a job in those counties. 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.

Food preparation and serving related occupations consist of 8,805 workers in the region; this is the seventh largest occupational group. Many of these occupations are typically found in leisure and hospitality (4th largest industry in Kewaunee County – see table on page 4). Workers in this occupational group tend to be younger in age. In fact, sixty percent of workers in this group are between the ages of 16 and 34. This makes sense since many of these jobs, such as waiters/waitresses and host/hostesses, tend to be held by younger workers, including students. The nature of the work coupled with the composition of the workforce tends to result in high turnover rates. When a new position is open, it is usually filled by another younger worker. Occupations in this

(Continued on page 7)

Occupations & Typical Education or Training

group typically have an entry requirement of less than one month of on-the-job training which is learned at the workplace.

The healthcare field has been a topic of discussion throughout the state as Wisconsin prepares for the shift in population demographics. In this region (Door, Florence, Kewaunee, Manitowoc, Marinette, and Oconto counties) approximately 19 percent (or 1,075 workers) of the residents working in healthcare practitioners or technical occupations are 55 years old or older. Since many of these workers are reaching the age in which they are eligible to retire, there could potentially be many openings in the near future as a result of replacement needs. For example, 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 workers within the healthcare field.

Typically, the entry requirement for occupations within the healthcare practitioners and technical group is a bachelor's degree, although this is not always the case.

For example, some registered nursing positions require only an associate's degree while other nursing positions require a bachelor's degree or even more. In addition, all nurses must pass a licensing exam. In general, the more education one has, the higher the wage one will earn. In fact, this group is one of the highest paid occupational groups on average. This could be a great career option for many due to the need for workers and the good pay, but this path takes some preparation.

Healthcare support positions typically require postsecondary vocational training. Since the typical education or training needed for this occupational group is less advanced than a bachelor's degree, workers can enter positions within healthcare support at younger ages than workers can in the healthcare practitioner and technical group. As a result, healthcare support has 44 percent of its workforce under the age of 35 in contrast to the healthcare practitioner and technical group at 21 percent. Many start their career in occupations such as nursing aides, orderlies, and attendants, but move on to other positions in the field that require more advanced education. Thus, there is still a need for workers in the healthcare support group as the population shifts.

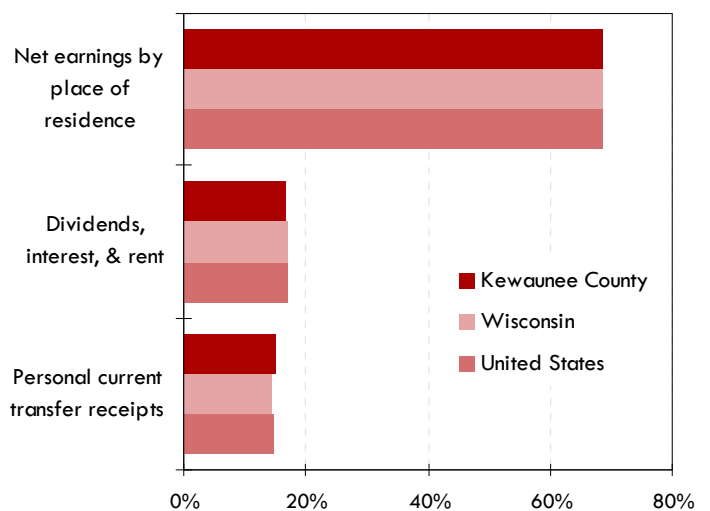
Income

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.

Kewaunee County, Wisconsin, and the United States nearly mirror each other when looking at the distributions of the three components of TPI (see bar graph). Kewaunee County's population is older than the state's and the nation's which likely explains why transfer receipts account for a slightly larger share in the county than in Wisconsin and the United States. As the baby

boomers leave the labor force, thereby earning no income from wages and salaries, and become eligible for government assistance programs (mainly Medicare and

Components of 2006 Total Personal Income



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

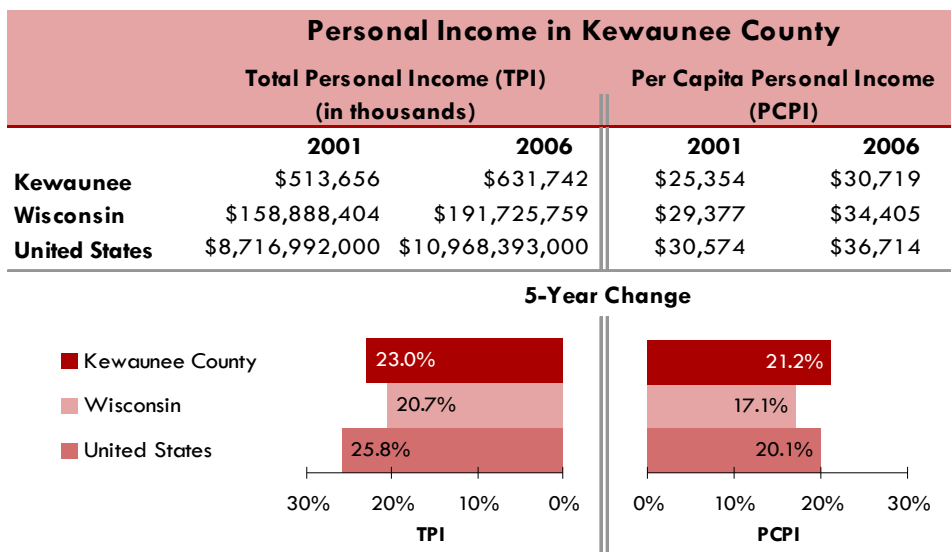
(Continued on page 8)

Income

Social Security), one could see the share of transfer payments rise while the share of net earnings could decline. The shift may have begun already. Transfer receipts as a share of TPI has risen by one percentage point in Kewaunee County and the nation and 0.8 of a percentage point in the state between 2001 and 2006. Regardless of this shift in the population, thereby impacting the components of TPI, net earnings by place of residence should continue to be the dominant component of TPI in Kewaunee County.

The dividends, interest, and rental category is also impacted by changes in net earnings. One must first earn some form of income in order to invest and 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.

Total personal income also can be analyzed on a per capita basis (PCPI) by dividing TPI by the total population. Kewaunee County's PCPI falls in the middle



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

of the pack at 29th highest among the 72 counties in the state. PCPI is also lower in Kewaunee County than it is in Wisconsin and in the United States. The older age of the population and the lower on average wages earned through employment are contributing factors to the lower per capita income figure in the county compared to in the state and in the nation.

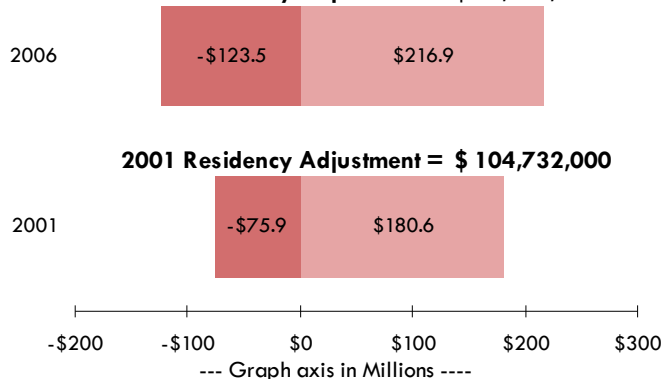
Kewaunee County is part of a three-county metropolitan statistical area due to the county's commuting patterns, as discussed on page one. The graph in the bottom left corner of the page displays the commuting impact of workers. Residency adjustment is an adjustment made for wages earned by residents who work outside the county. The residency adjustment for the year 2006 was \$93.4 million. This means that the total earnings of Kewaunee County residents who work in another county is larger than the total net earnings of non-county residents who work in Kewaunee County.

However, the gap has narrowed between 2001 and 2006 as a result of the inflow earnings growing at a much slower pace than the outflow earnings. Although the county does not have a large job base, it is growing. As long as the number of jobs in the county continues to grow while the labor force flattens out, employers in Kewaunee County could face higher competition to keep Kewaunee County residents in the county working locally. If this were to occur and less residents commuted outside the county for work, the residency adjustment might decline further; although, it would not be likely that outflow earnings would be larger than inflow earnings.

Kewaunee County Commuting Impact

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

2006 Residency Adjustment = \$ 93,425,000



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