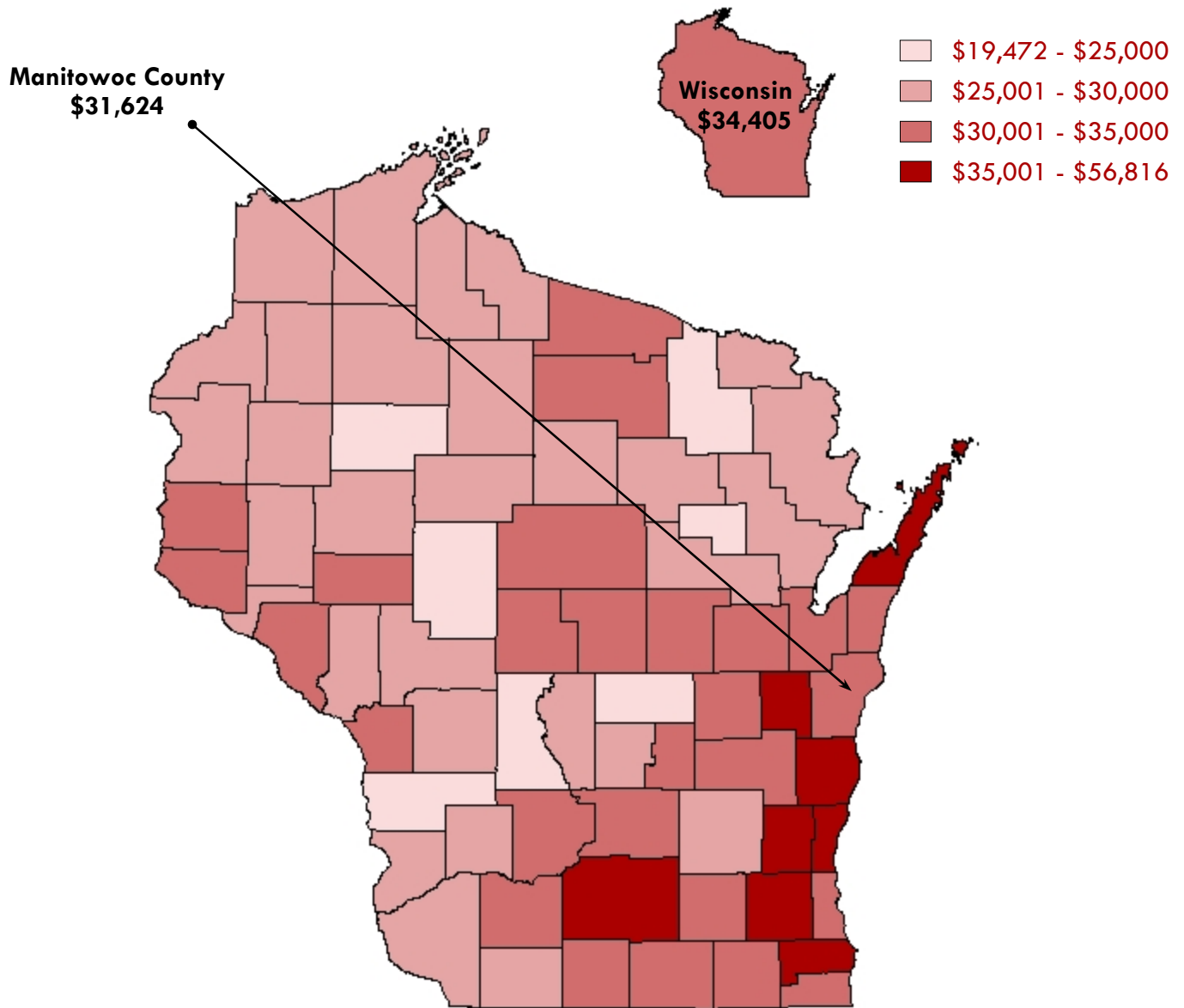


Manitowoc County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10628-P

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Population

Population demographics are important to analyze. In particular, the large baby boomer generation will significantly impact Manitowoc County's future growth in population, in labor force, and in jobs.

As of the year 2007, Manitowoc County (84,603 residents) was the 19th most populous out of Wisconsin's 72 counties. However, the county's population was growing at a slower pace than 58 of the state's 72 counties. In addition, Manitowoc County's population growth was slower than the state's by 3.2 percentage points and the nation's by 4.8 percentage points.

Manitowoc County's largest municipality is the City of Manitowoc. In fact, this is the 21st largest municipality in Wisconsin. However, this city's population growth rate (1.7%) is even slower than that of the county's (2.1%); but, one-third of Manitowoc County's total population change was a result of residents added to the City of Manitowoc. The City of Manitowoc added the most number of residents in the county, while the City of Two Rivers, second largest municipality in the county, lost the most number of residents (-64). Like the City of Two Rivers, the Town of Two Rivers also lost residents (-11).

Population growth in the City of Manitowoc, Manitowoc 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

Manitowoc 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%
Manitowoc County	82,893	84,603	1,710	2.1%
Manitowoc, City	34,053	34,620	567	1.7%
Two Rivers, City	12,639	12,575	-64	-0.5%
Kiel, City*	3,129	3,344	215	6.9%
Manitowoc Rapids, Town	2,520	2,545	25	1.0%
Newton, Town	2,241	2,332	91	4.1%
Kossuth, Town	2,033	2,105	72	3.5%
Schleswig, Town	1,900	2,066	166	8.7%
Two Rivers, Town	1,912	1,901	-11	-0.6%
Cato, Town	1,616	1,665	49	3.0%
Meeme, Town	1,538	1,541	3	0.2%

* Manitowoc County portion only

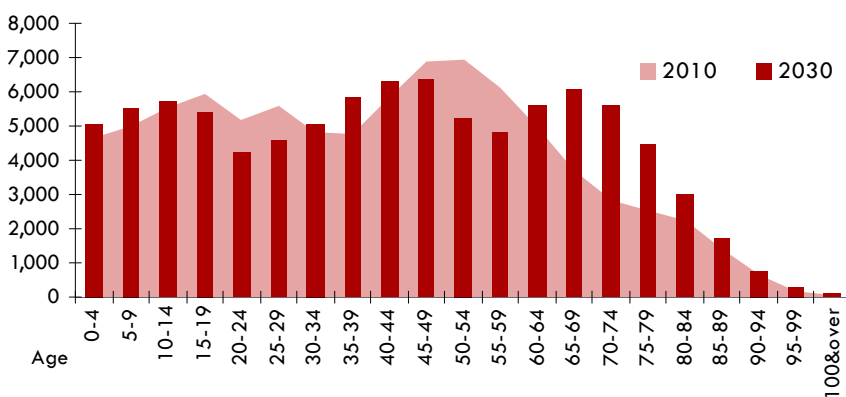
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

1,710 residents between 2000 and 2007 consisted of a net in-migration of 1,148 residents coupled with a natural increase of 562 residents (births: 5,890; deaths: 5,328). More population growth from net migration than natural increase is typical for a more rural county and is unlikely to change considerably in the near future.

When an area's population grows primarily from net migration, the age of the population tends to be older. The projected average age of Manitowoc County residents in the year 2010 will be 40 years old. Wisconsin's population growth, on the other hand, is nearly split between net migration and natural increase.

As a result, the average age in the state is projected to be 38.1 years old in 2010. As with most counties in Wisconsin, 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 the year 2010, when the oldest baby boomer is 64 years old, 15.9 percent of the total population in Manitowoc County will be 65 years old or older. By 2030, it is projected that 24.1 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 19.1 percent of the

Population by Age Cohorts in Manitowoc County



In 2010, the average Manitowoc County resident will be 40 years old.
 In 2020, the average Manitowoc County resident will be 41.4 years old.
 In 2030, the average Manitowoc County resident will be 42.8 years old.

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

(Continued on page 2)

Population & Labor Force

Population Projections for Manitowoc County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	16,367	20,364	24,416	24,687	69,467	85,834
2020	16,724	19,733	22,132	30,446	72,311	89,035
2030	17,352	18,166	23,676	32,428	74,270	91,622
Distribution of Labor-Force-Aged Population						
2010		29.3%	35.1%	35.5%	100.0%	
2020		27.3%	30.6%	42.1%	100.0%	
2030		24.5%	31.9%	43.7%	100.0%	

Source: WI Dept. of Administration, Demographic Services

total population in the year 2010, to 18.9 percent of the total population in the year 2030. Numerically, this is an increase of 985 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 42.8 years old by the year 2030. This shift in the demographics of Manitowoc 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 Manitowoc County, but it will also influence surrounding areas.

Examining population and labor force demographics together helps to explain why the significant effects might occur in Manitowoc County. The table above displays the population breakout by age cohort, whereas the table on the bottom right corner of the page suggests what the future breakout of the labor force by age cohort is projected to look like. The line graph then combines both population and labor force together on one figure.

Manitowoc County's total population is projected to grow by 6.7 percent between 2010 and 2030, while the labor-force-aged population (16+ population) is expected to grow by 6.9 percent over that 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 comprises 35.5 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 decline, as seen on the line graph.

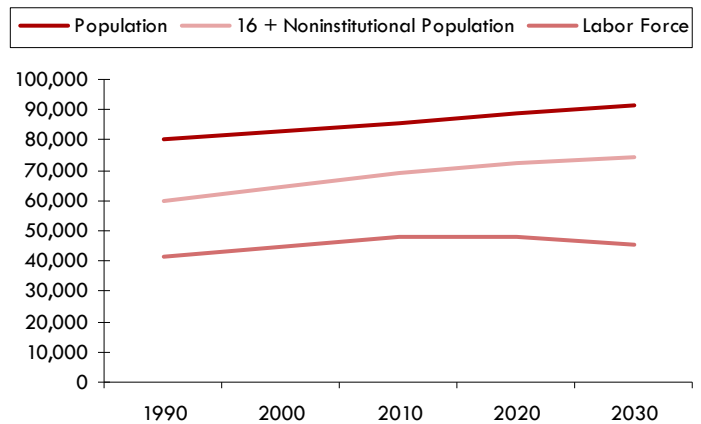
The table on the bottom right corner of the page

suggests that the number of residents that participate in the labor force (working or seeking work) will decline by 5.1 percent between the years 2010 and 2030. The distribution of the 55 and older participants will increase by 1.1 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, or go part-time; but the number of those workers is insignificant compared to the number of baby boomers that will leave the labor force.

As the population ages and the labor pool shrinks, employers may have stiffer competition recruiting

Manitowoc County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Manitowoc County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	16,939	21,693	9,469	48,101
2020	16,256	19,793	11,897	47,945
2030	15,019	21,134	9,499	45,652
Distribution of Labor Force				
2010	35.2%	45.1%	19.7%	100.0%
2020	33.9%	41.3%	24.8%	100.0%
2030	32.9%	46.3%	20.8%	100.0%

Source: WI DWD, OEA

(Continued on page 3)

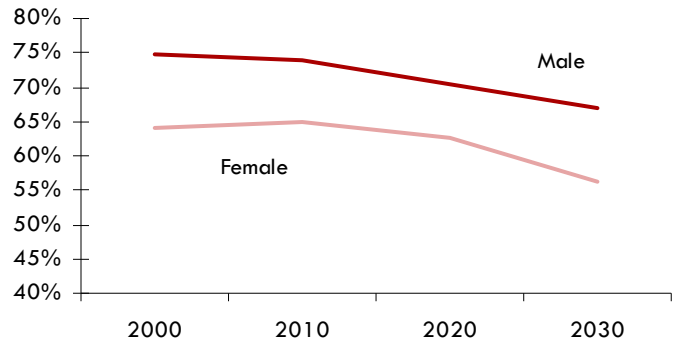
Labor Force

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

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). 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 the county. In particular, participation drops quite dramatically at the age of 55 and beyond for both males and females. Statistically, it would take more than a one to three percentage point increase in the participation rate of those 55 years old and older to compensate for the sheer number that will permanently exit the labor force. As of the year 2007, the total LFPR in Manitowoc County was 68.7 percent, lower than Wisconsin's LFPR of 70.2 percent, and is projected to drop as the baby boomers enter the ages typically associated with retirement.

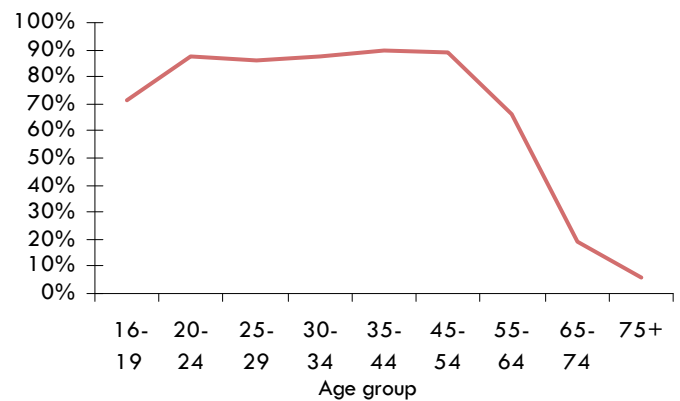
Female participation has historically been lower than male participation, although females have gained ground since the 1970s. However, it is not projected that female participation will match male participation in the future (see top line graph). One explanation for the gap between male and female LFPRs 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

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

additional time off other than medically necessary, but nevertheless, the lower participation among females in this age cohort results in a lower overall participation rate 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.

A third reason for the disparity could be that females also tend to have longer life expectancies than males. 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 LFPR in Manitowoc County.

Manitowoc County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	46,150	45,570	45,364	45,556	46,110
Employed	42,972	42,823	43,099	43,304	43,657
Unemployed	3,178	2,747	2,265	2,252	2,453
Unemployment Rate	6.9%	6.0%	5.0%	4.9%	5.3%

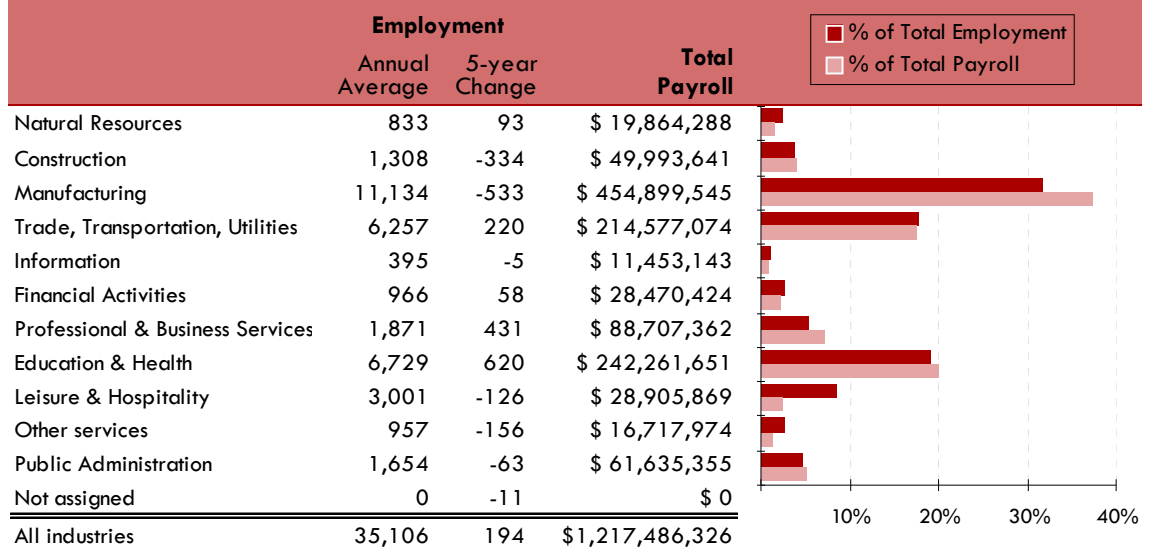
Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

Jobs & Wages

The types of jobs and wages significantly impact local economies. Between 2002 and 2007 the number of jobs in Manitowoc County rose by 194. In closer detail though, over half of the industries on the table to the right lost jobs over that same time period. Only five of the twelve industries added jobs. Over one thousand jobs were created in professional and business services (+431 jobs) and education and health (+620 jobs) combined. These two industries helped offset the major employment reductions in construction (-334 jobs) and manufacturing (-533 jobs).

The table on the bottom of this page displays average wages by industry in the year 2007. Only two industries in Manitowoc County, trade, transportation, and utilities and professional and business services, post higher average annual wages than the wages in the respective

2007 Employment and Wage Distribution by Industry in Manitowoc County



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

industries in Wisconsin. Trade, transportation, and utilities in the county is supported by the high average wage paid by utility companies (\$95,988; 799 jobs). The county wage in trade, transportation, and utilities grew at a slower pace than in Wisconsin between 2002 and 2007, but county job growth (3.6%) was more robust than job growth statewide (1.3%). Manitowoc County's wage in the management of companies and enterprises sector (\$125,753; 269 jobs) props up the average wage in professional and business services. Both wage and job growth in professional and business services in the county (53.1%; 29.9%) was quicker than growth in Wisconsin (22.0%; 15.7%).

Manitowoc County's manufacturing wage is lower than the state's average. However, manufacturing generates the most number of jobs (11,134 jobs) and the highest payroll (nearly \$0.5 billion) compared to the other industries in the county. As previously stated, manufacturing lost 533 jobs between 2002 and 2007, but since 2004, manufacturing gained 645 jobs in the county.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Manitowoc County as a Share of Wisconsin	Manitowoc County 5-year % Change	Wisconsin 5-year % Change
	Manitowoc County	Wisconsin			
All industries	\$34,680	\$38,070	91.1%	16.5%	17.4%
Natural Resources	\$23,847	\$29,235	81.6%	14.6%	14.7%
Construction	\$38,221	\$47,489	80.5%	-4.8%	19.8%
Manufacturing	\$40,857	\$47,106	86.7%	16.8%	16.1%
Trade, Transportation & Utilities	\$34,294	\$32,762	104.7%	13.6%	15.3%
Information	\$28,995	\$48,483	59.8%	32.8%	24.7%
Financial Activities	\$29,472	\$50,749	58.1%	13.4%	25.8%
Professional & Business Services	\$47,412	\$44,328	107.0%	53.1%	22.0%
Education & Health	\$36,003	\$39,606	90.9%	13.6%	17.3%
Leisure & Hospitality	\$9,632	\$13,589	70.9%	10.8%	14.8%
Other Services	\$17,469	\$22,073	79.1%	11.9%	13.2%
Public Administration	\$37,264	\$39,879	93.4%	23.2%	18.1%

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

Jobs & Wages

Prominent Industries in Manitowoc County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Manitowoc County	Manitowoc County	Wisconsin	Manitowoc County	Wisconsin	Manitowoc County	Wisconsin
Educational services	2,451	4.4%	2.0%	\$ 35,740	\$ 39,753	11.7%	15.0%
Fabricated metal product manufacturing	2,304	-20.0%	8.6%	\$ 40,945	\$ 43,765	19.0%	15.4%
Food services & drinking places	2,297	1.5%	9.1%	\$ 8,877	\$ 10,859	12.5%	14.5%
Machinery manufacturing	2,152	21.9%	-4.5%	\$ 49,579	\$ 53,720	18.1%	19.1%
Hospitals	*	not avail.	12.6%	*	\$ 43,750	not avail.	24.1%
Executive, legislative, & gen government	1,524	-4.2%	-4.7%	\$ 36,295	\$ 36,340	22.8%	16.4%
Food manufacturing	1,445	-1.4%	-6.7%	\$ 33,632	\$ 38,239	9.5%	13.2%
Nursing & residential care facilities	1,162	8.0%	3.6%	\$ 21,201	\$ 23,295	10.7%	12.0%
Transportation equipment manufacturing	1,115	15.3%	-4.9%	\$ 40,225	\$ 55,143	12.3%	10.1%
Ambulatory health care services	1,030	23.5%	8.7%	\$ 51,298	\$ 57,969	12.0%	18.5%

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

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

Manufacturing has its ups and downs, but this industry continues to be the prominent industry in the county. Manufacturing jobs account for 31.7 of the total jobs in Manitowoc County compared to 18.1 percent statewide. Four of the sub-sectors on the prominent industries list above are in manufacturing. Total jobs in fabricated metal product, machinery, food, and transportation equipment manufacturing combined account for approximately 63 percent of the total manufacturing jobs in Manitowoc County. Job growth in machinery manufacturing (21.9%) and transportation equipment manufacturing (15.3%) was fairly robust between 2002 and 2007 in the county, while similar jobs were lost statewide. The other two manufacturing sub-sectors in the county lost jobs, but gained jobs in Wisconsin. However,

county wages in all four manufacturing sub-sectors were lower than the respective wages statewide.

Education and health is the second largest industry (6,729 jobs; see page 4) in the county. Educational services tops the prominent industry list above and accounts for over one-third of education and health jobs in Manitowoc County. The Manitowoc Public School District is the second largest employer in the county and Lakeshore Technical College is the tenth largest employer.

Hospitals, nursing and residential care facilities, and ambulatory health care services are also sub-sectors of education and health. Data is not available for the hospital sub-sector in order to provide confidentiality to those employers in this industry, but jobs in the other two sub-sectors grew at quicker rates than in Wisconsin

between the years 2002 and 2007. However, wages in nursing and residential care facilities and ambulatory health care services in Manitowoc County grew at slower paces than wages in the respective industries in Wisconsin between the years 2002 and 2007.

Prominent Public and Private Sector Employers in Manitowoc County

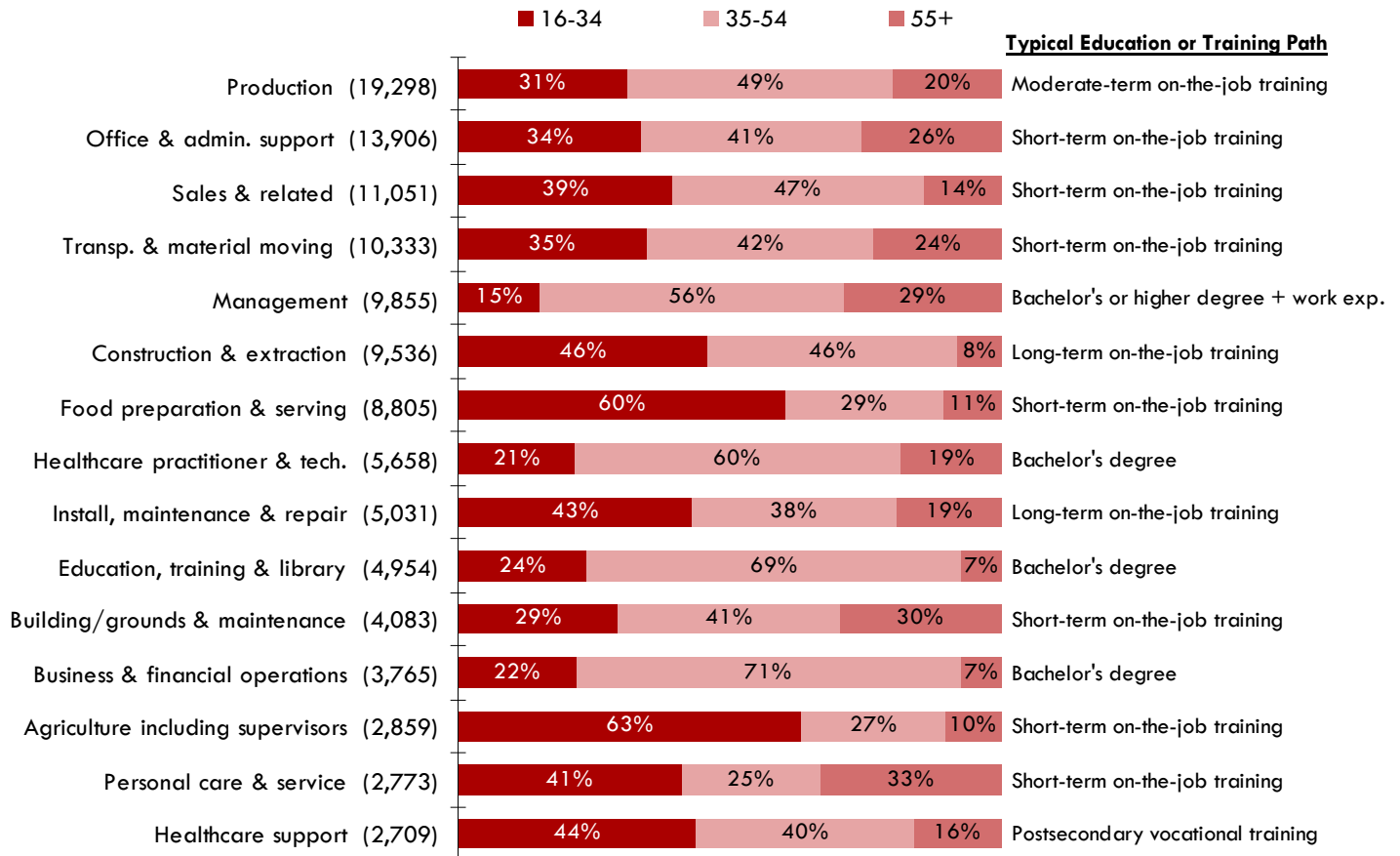
Establishment	Service or Product	Number of Employees (March 2007)
Holy Family Memorial Inc	General medical & surgical hospitals	1000+ employees
Manitowoc Public School District	Elementary & secondary schools	500-999 employees
Manitowoc Cranes Inc	Construction machinery manufacturing	500-999 employees
County of Manitowoc	Executive & legislative offices, combined	500-999 employees
Fisher Hamilton LLC	Institutional furniture manufacturing	500-999 employees
Federal-Mogul Piston Rings Inc	Carburetor, piston, ring, & valve mfg.	500-999 employees
City of Manitowoc	Executive & legislative offices, combined	250-499 employees
Aurora Medical Center of Manitowoc	General medical & surgical hospitals	250-499 employees
Manitowoc Ice Inc	AC, refrigeration, & forced air heating	250-499 employees
Lakeshore Technical College	Junior colleges	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 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 Manitowoc County, but the worker may 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 may not hold a job 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 to be qualified to enter the job.

Manufacturing has a significant impact on the economy in not only Manitowoc County, but also throughout parts of northeast Wisconsin. Of the 19,298 production workers in the region, most will hold a job 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-term on-the-job training, meaning that training lasts one to twelve months at the workplace.

Food preparation and serving related occupations

(Continued on page 7)

Occupations & Typical Education or Training

consist of 8,805 workers in the region, the seventh largest occupational group (see graph on page 6). Many of these occupations are typically found in leisure and hospitality (4th largest industry in Manitowoc 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 (see graph on page 6). Many of these jobs, such as waiters/waitresses and hosts/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 turn-over rates. Usually when food preparation and serving related positions open, they are filled by a batch of younger workers. Occupations within this group typically have an entry requirement of less than one month of on-the-job training that is learned at the workplace.

The healthcare field has been and continues to be a topic of discussion throughout the state. In particular, over three-quarters of the healthcare practitioners and technical occupation group workers that live in the combined region of Door, Florence, Kewaunee, Manitowoc, Marinette, and Oconto counties are 35 years-

old or older. Since almost one-fifth of all workers in this occupational group 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 an occupation within this 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. However, this occupational path take some preparation.

Typically, the entry requirement for healthcare practitioners and technical occupations is a bachelor's degree, although this is not always the case. For example, some registered nursing positions require only an associate's degree. In addition, all nurses must pass a licensing exam. In general, the more education one has, the higher the wages one will earn. In fact, the healthcare practitioners and technical occupational group is one of the highest paying occupational groups on average among the groups listed on page six.

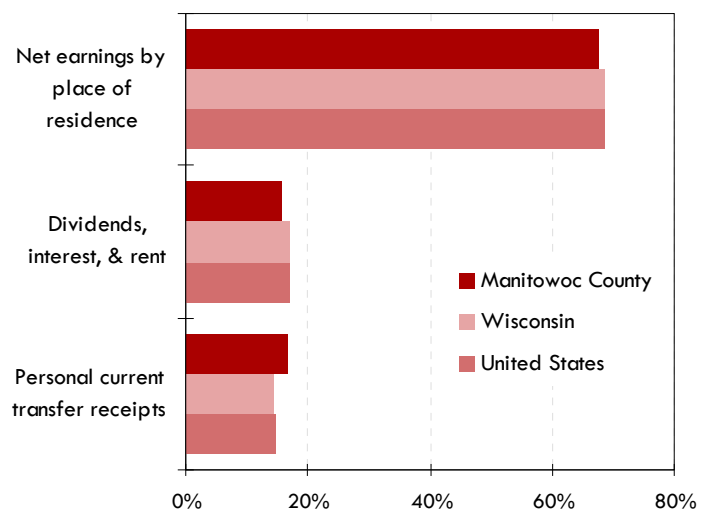
Income

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 real 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.

Manitowoc County, Wisconsin, and the United States nearly mirror each other when looking at the distributions of the three components of TPI on the bar graph to the right. The 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 Manitowoc County than in Wisconsin and in 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



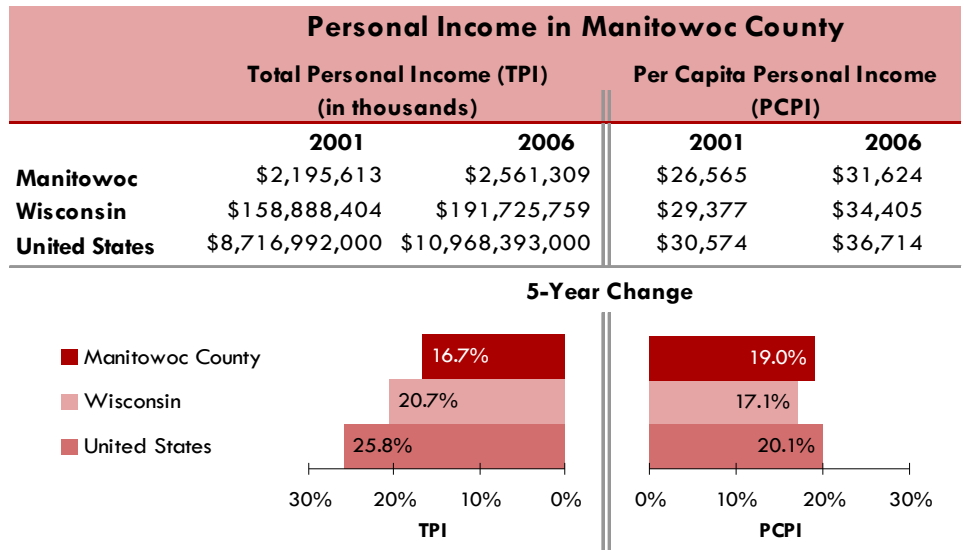
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

Social Security), one could see the share of transfer payments rise while the share of net earnings declines. The shift may have begun already. Transfer receipts as a share of TPI has risen in the county, the state, and the nation between the years 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 Manitowoc County.

Dividends, interest, and rent is also impacted by changes in net earnings by place of residence. One must first earn some form of income in order 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 than enter and depending on the state of the economy, this component may not be a steady source of income for a county, or any area for that matter.

Per capita personal income (PCPI) is equal to TPI divided by the total population. Manitowoc County's PCPI falls in the middle of the pack at 27th highest among the 72 counties in the state. PCPI is lower in the county



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

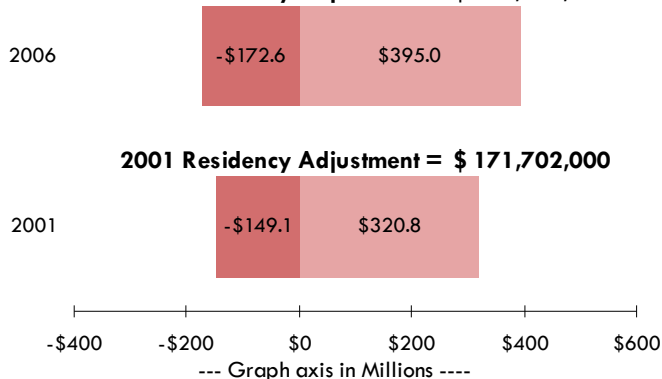
(\$31,624) than it is in the state (\$34,405) and in the nation (\$36,714). The older age of the population and the lower than average wages earned through employment are contributing factors to the lower per capita income figure in Manitowoc County compared to in Wisconsin and in the United States. However, Manitowoc County's PCPI was higher than the PCPI of other non-metropolitan counties in Wisconsin (\$29,022).

The graph on the bottom left corner of the page displays the commuting impact in Manitowoc 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 Manitowoc County residents who work in another county is larger than the total net earnings of non-Manitowoc County residents who work in Manitowoc County by over \$0.2 billion in the year 2006. The gap has widened over the five-year period as a result of the inflow earnings (23.1%) growing at a faster rate than the outflow earnings (15.8%). However, this could change in the coming years as the labor force shrinks. As long as the number of jobs in the county grows or stays consistent while the labor force shrinks, employers in Manitowoc County could face higher competition to keep residents working locally while also trying to keep those workers that do not live in Manitowoc County, working in Manitowoc County. Other economic conditions such as high gas prices could cause Manitowoc County residents to look locally for work. If this were to occur and less residents commuted outside the county for work, the residency adjustment could be reduced.

Manitowoc County Commuting Impact

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

2006 Residency Adjustment = \$ 222,464,000



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