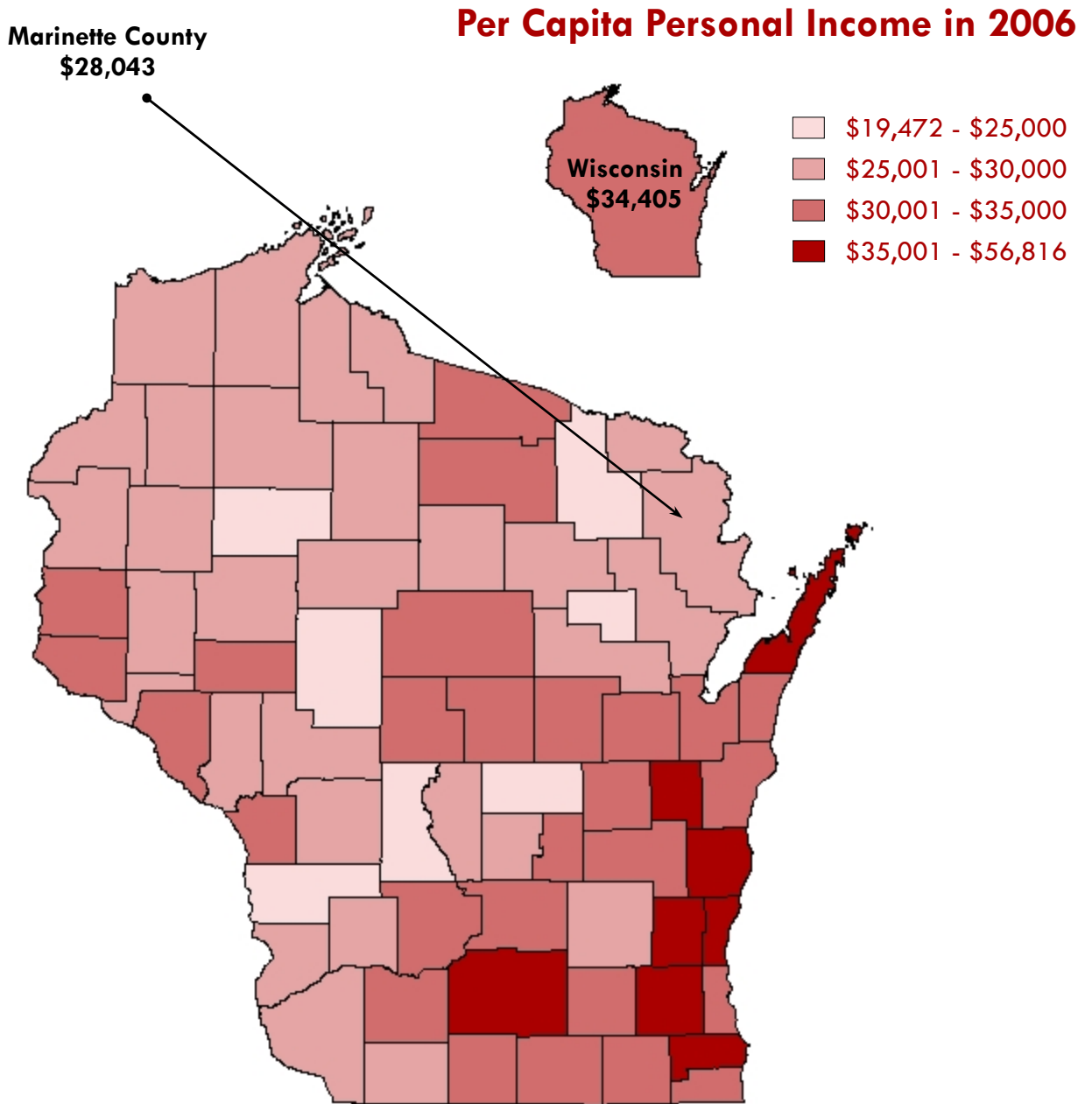


Marinette County Workforce Profile



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10630-P

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Population

Population demographics are important to analyze. In particular, the aging of the baby boom generation population will significantly impact the future labor force as well as future job growth in Marinette County.

Since the year 2000, Marinette County's population grew by 2.9 percent, the 18th slowest population growth rate among the 72 counties in Wisconsin. The county's average age has been higher than most counties' average ages, and it will continue to increase. Most Wisconsin counties will see their average ages increase in the years to come. It is projected that in the year 2030, the average age of residents in Marinette County will be slightly over 47 years old. Contrast that with the statewide average age of residents: just 41 years old in the year 2030. This can be explained, in part, by the current components of population growth in Marinette County. Natural increase, one component of population growth, is negative (-518 residents) between 2000 and 2007, meaning that deaths outnumber births in Marinette County. In addition, the birth rate in Marinette County is low with respect to other counties throughout Wisconsin. One will notice on the graph below that the 0-14 aged population is projected to grow, but at a slower rate (+ 6.0%) between 2010 and 2030 than the older cohorts. The 65-and-older population is expected to skyrocket (+ 72.1% growth between 2010 and 2030) and thus will significantly impact the labor force, the industry and occupational

Marinette 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%
Marinette County	43,384	44,646	1,262	2.9%
Marinette, City	11,749	11,405	-344	-2.9%
Peshtigo, Town	3,702	3,985	283	7.6%
Peshtigo, City	3,474	3,461	-13	-0.4%
Stephenson, Town	3,065	3,457	392	12.8%
Porterfield, Town	1,991	2,099	108	5.4%
Niagara, City	1,880	1,844	-36	-1.9%
Grover, Town	1,729	1,832	103	6.0%
Pound, Town	1,367	1,417	50	3.7%
Wausaukee, Town	1,196	1,341	145	12.1%
Dunbar, Town	1,303	1,275	-28	-2.1%

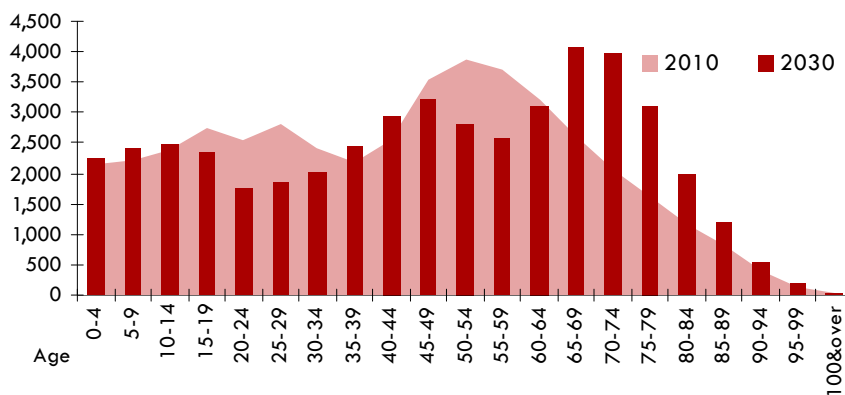
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

makeup of the economy, and the supply and demand for goods and services within the county.

The other component of population change is net migration. In fact, Marinette County is only one of twenty counties in the state that is growing solely from net migration, more in-movers than out-movers (+ 1,780 residents). Typically, more rural counties, such as Marinette, will see population growth more prominent from net migration than from natural increase. Although younger families could migrate into a county, which would lower the average age within the county like natural increase would, this is not the case in Marinette County.

Marinette County is experiencing in-migrating growth of an older population. In fact, over the last few years, the county has seen declining enrollment in its public schools. This means that the number of students leaving the county's schools (due to graduation or out-migration) is greater than the number of students entering the county's schools (starting for the first time, continuing, and moving in). In fact, many high school graduates who pursue further education elsewhere do not move back to Marinette, unlike more metro counties where there are more opportunities for recent graduates of higher education. This will have a significant impact on the labor force in Marinette County. As the baby boomers continue to age and thus withdraw from the labor market, Wisconsin employers may have a challenge recruiting qualified workers to

Population by Age Cohorts in Marinette County



In 2010, the average Marinette County resident will be 42.8 years old.
 In 2020, the average Marinette County resident will be 45.2 years old.
 In 2030, the average Marinette County resident will be 47.2 years old.

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

(Continued on page 2)

Population & Labor Force

Population Projections for Marinette County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force-Aged Population	Total Population
Years	Population					
2010	7,329	9,984	12,136	15,704	37,824	45,153
2020	7,463	8,689	10,739	19,897	39,325	46,788
2030	7,655	7,507	11,402	20,851	39,760	47,415
Distribution of Labor-Force-Aged Population						
2010		26.4%	32.1%	41.5%	100.0%	
2020		22.1%	27.3%	50.6%	100.0%	
2030		18.9%	28.7%	52.4%	100.0%	

Source: WI Dept. of Administration, Demographic Services

replace all those who will be retiring. The amount of knowledge and experience lost might not be replaceable.

The total population in Marinette County is projected to grow by five percent between the years 2010 and 2030, as seen on the table above. However, over that same time period, the total labor force is expected to shrink by 12.6 percent (see table on bottom right of page). With the growing of the aging population in combination with the shrinking of the labor force, employers will have to compete more intensely with one another for qualified workers. Some may try to keep the current baby-boomers on staff whether it is full-time or part-time, may innovate, or may invest in research and development to stay competitive locally and globally.

By the year 2020, over half of the labor-force-aged population (16-and-older population) will be 55 years old or older. As a result there will be a shift in the supply and demand for goods and services. Baby boomers will demand healthcare-related services. Therefore, we can expect job creation and fast job growth in healthcare-related industries and occupations. We are already seeing the beginnings of these trends.

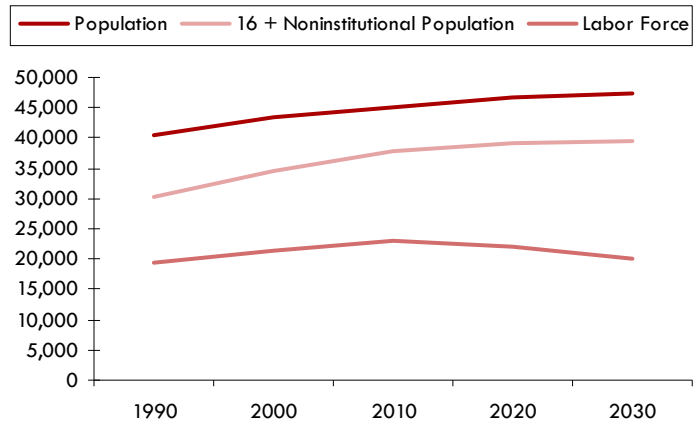
The labor force participation rate (LFPR) is defined as the percentage of the non-institutional population 16 years old or older that is in the labor force (working or seeking work). Participation might rise in the next couple years for the 55 and older population as a result of those baby boomers that are working later in life than previous generations. Monetary, professional, social, and other motivations keep some people working longer. However, employees will not be able to work in their current capacities endlessly due to health issues or interest in leisure activities, for example. Therefore, employers will not be able to hold on to the baby boomers forever, and as a result, participation for the 55 and older population might fall after the uptick. Although some baby boomers

will stay in the labor force longer than their predecessors did, it will not be enough to compensate for all the baby boomers who will permanently leave the labor force. As a result, the overall LFPR will decline in the future.

In 2007, Marinette County's LFPR was 61.1 percent, the fifth lowest participation rate among the 72 counties in Wisconsin. The state's rate in 2007 was 70.2 percent. Participation above 70 percent is particularly high.

Participation in the labor force in Marinette County will decline, as suggested on the graph below. The 16 year old or older non-institutional population is projected to continue to grow while the labor force is projected to grow slowly at first and then decline, therefore, widening

Marinette County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Marinette County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	7,960	10,189	4,869	23,018
2020	6,863	9,109	6,062	22,033
2030	5,894	9,619	4,610	20,122
Distribution of Labor Force				
2010	34.6%	44.3%	21.2%	100.0%
2020	31.1%	41.3%	27.5%	100.0%
2030	29.3%	47.8%	22.9%	100.0%

Source: WI DWD, OEA

(Continued on page 3)

Labor Force

the gap and ultimately reducing the LFPR in the county.

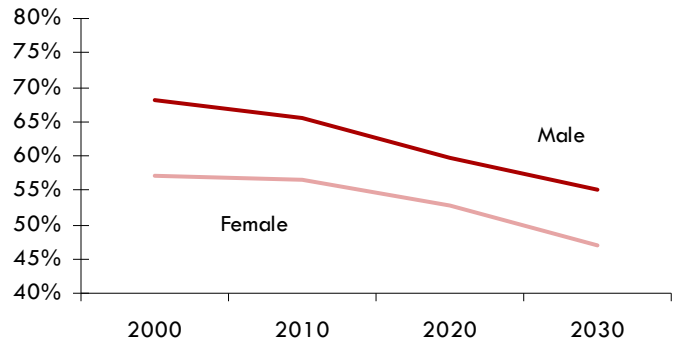
Labor force participation, as defined on page two, is projected to drop by over ten percent between 2000 and 2030 for both males and females. The graph Labor Force Participation Rates by Age in 2000 (bottom graph on right) helps explain why this is expected to occur.

As people age, participation in the labor force declines. In particular, participation drops quite dramatically at the age of 55 and beyond for both males and females. Female participation has historically been lower than male participation, although females have gained ground since the 1970s. The gap between male and female LFPRs narrows into the year 2030 from the year 2000. One possible explanation could be that females may be healthier and have the capacity to work later in life, unlike some males, and also need to work longer since they are living longer. Females are also having fewer children or none at all. Females that do not have children tend to have higher participation rates than those that do, which also impacts the overall participation rate for females. The greatest disparity between male and female LFPRs occurs throughout the child-bearing years (25-45 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.

The bottom table reflects some of the changes already occurring in the labor force. Marinette County's labor force declined by over one thousand residents between 2003 and 2007. Despite that fact, the labor force inched up slightly since 2006. On page two, it is projected that the labor force will reach 23,018 residents in 2010, so on a net basis between 2007 and 2010, one might see positive growth in the labor force. After 2010 though, the labor force (see page two) might shrink.

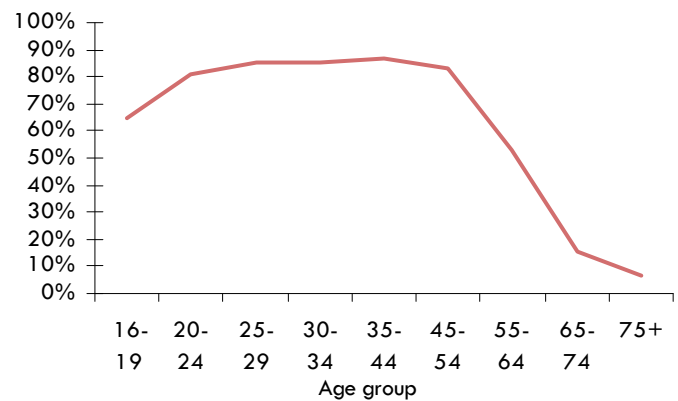
The labor force consists of those residents that are 16 years old and older that are working (employed) and those that are not working, but are seeking work

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

(unemployed). As the labor force declined between 2003 and 2007, so did the number employed (-753) and the number unemployed (-279). Those residents that are discouraged and cease looking for work, are no longer considered unemployed. Since the number of unemployed residents in the county declined at a faster rate than the total labor force, the unemployment rate dropped by one percentage point to 6.3 percent in 2007. Even though the county's rate dropped, Marinette County still had the tenth

highest unemployment rate among the 72 counties in the state in 2007. Marinette County has a smaller labor market, on average, with fewer job opportunities and thus tends to have a higher unemployment rate than the more populated areas that have a wealth of job opportunities. Historically, the county has had higher unemployment rates by about one to three percentage points than in Wisconsin.

Marinette County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	23,232	22,772	22,428	22,084	22,200
Employed	21,545	21,283	21,049	20,660	20,792
Unemployed	1,687	1,489	1,379	1,424	1,408
Unemployment Rate	7.3%	6.5%	6.1%	6.4%	6.3%

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

Jobs & Wages

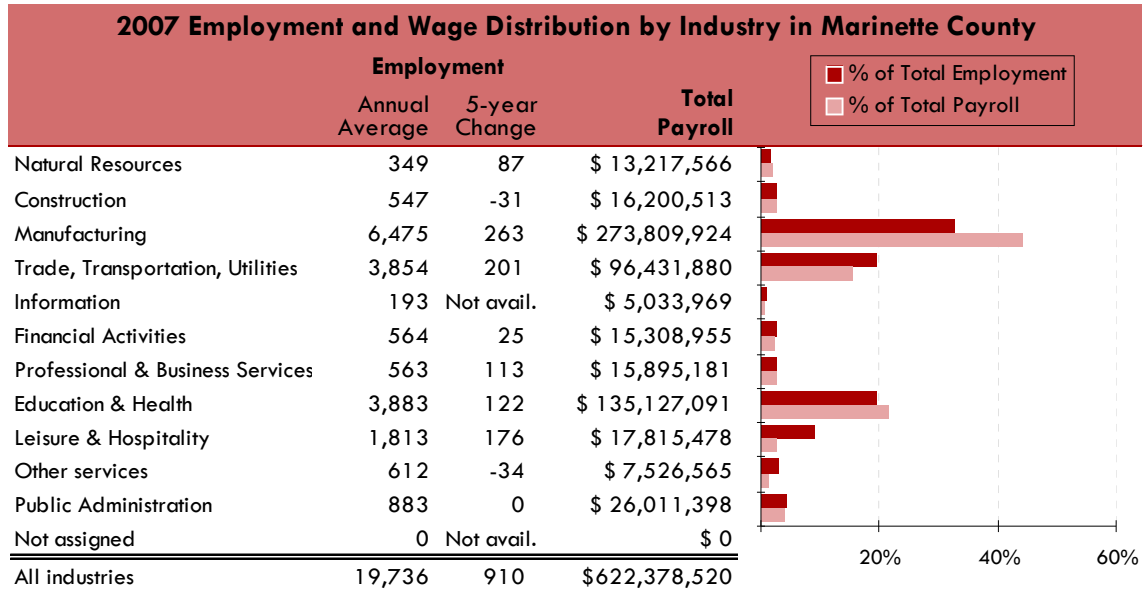
Marinette County was the 28th fastest growing county in Wisconsin with the addition of 910 new jobs between the years 2002 and 2007. Over one quarter of the net new jobs were created in the manufacturing sector. In fact, over the five-year period, fewer than half of the 72 counties in the state experienced growth in manufacturing.

Not only is manufacturing employment growing in the county, it is also the most prominent industry sector in Marinette County. Manufacturing employment accounts for a larger share of the total job base in only five other counties in the state than its share in Marinette County (32.8%). Manufacturing is the highest paying industry sector in the county. In addition, the manufacturing payroll accounts for almost 45 percent of the total payroll in the county. Manufacturing jobs are good, high-paying jobs which the county relies quite heavily on; any cutbacks

in this industry will significantly impact Marinette County's economy. Even though Marinette County gained manufacturing jobs (+263) between the years 2002 and 2007 while Wisconsin lost jobs (-26,816), the wage in the state (16.1%) grew at a much faster rate than the wage in the county (8.1%). In the year 2006, the manufacturing wage in the county amounted to just 92 percent of the statewide wage; this share dropped to almost 90 percent in the year 2007. This suggests that the jobs lost in the

manufacturing industry in Wisconsin were the lower paying jobs while the higher paying and faster growing wage jobs were retained.

Marinette County's all-industries average wage (\$31,535) in 2007 was 82.8 percent of Wisconsin's average wage (\$38,070). Higher unemployment rates, the aging population, and the large concentration of jobs in low-paying industry sectors in which the wages have not grown quickly all contribute to the low countywide wage and to the disparity between the wage in Marinette County and the wage in Wisconsin.



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		Marinette County as a Share of Wisconsin	Marinette County 5-year % Change	Wisconsin 5-year % Change
	Marinette County	Wisconsin			
All industries	\$31,535	\$38,070	82.8%	11.4%	17.4%
Natural Resources	\$37,873	\$29,235	129.5%	18.1%	14.7%
Construction	\$29,617	\$47,489	62.4%	14.7%	19.8%
Manufacturing	\$42,287	\$47,106	89.8%	8.1%	16.1%
Trade, Transportation & Utilities	\$25,021	\$32,762	76.4%	16.3%	15.3%
Information	\$26,083	\$48,483	53.8%	Not avail.	24.7%
Financial Activities	\$27,144	\$50,749	53.5%	10.4%	25.8%
Professional & Business Services	\$28,233	\$44,328	63.7%	15.1%	22.0%
Education & Health	\$34,800	\$39,606	87.9%	14.8%	17.3%
Leisure & Hospitality	\$9,827	\$13,589	72.3%	13.4%	14.8%
Other Services	\$12,298	\$22,073	55.7%	9.8%	13.2%
Public Administration	\$29,458	\$39,879	73.9%	11.1%	18.1%

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

Jobs & Wages

Prominent Industries in Marinette County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Marinette County	Marinette County	Wisconsin	Marinette County	Wisconsin	Marinette County	Wisconsin
Transportation equipment manufacturing	2,436	23.7%	-4.9%	\$ 42,100	\$ 55,143	15.9%	10.1%
Food services & drinking places	1,372	6.0%	9.1%	\$ 8,904	\$ 10,859	15.5%	14.5%
Educational services	1,225	-7.3%	2.0%	\$ 30,715	\$ 39,753	3.1%	15.0%
Nursing & residential care facilities	883	-0.2%	3.6%	\$ 18,810	\$ 23,295	11.4%	12.0%
Primary metal manufacturing	855	0.4%	-4.1%	\$ 52,107	\$ 46,172	-3.1%	14.0%
Hospitals	*	not avail.	12.6%	*	\$ 43,750	not avail.	24.1%
Executive, legislative, & gen government	718	1.1%	-4.7%	\$ 26,847	\$ 36,340	10.7%	16.4%
Ambulatory health care services	711	5.3%	8.7%	\$ 52,740	\$ 57,969	19.3%	18.5%
Miscellaneous manufacturing	710	23.3%	-13.7%	\$ 46,913	\$ 41,365	17.3%	19.4%
Truck transportation	692	37.8%	7.1%	\$ 35,963	\$ 41,316	20.2%	14.6%

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. Transportation equipment manufacturing tops the prominent industry list with more jobs (2,466) in the year 2007 than any other industry sub-sector in the county. This industry sub-sector accounts for almost 38 percent of the total manufacturing jobs in Marinette County. In fact, Karl Schmidt Unisia, Marinette Marine Corp, and Silvan Industries Inc, three of the most prominent employers in the county, manufacture transportation equipment. Also notable, over half of the prominent establishments on the chart below and three of the prominent industry sub-sectors on the list above are involved in some form of manufacturing; this helps explain why the manufacturing industry dominates employment in

Marinette County.

The annual average wage for transportation equipment manufacturing increased to \$42,100 between the years 2002 and 2007. However, even though the average annual wage in this industry sub-sector increased at a faster rate (15.9%) than manufacturing as a whole (8.1%) over the five-year period in the county, the transportation equipment manufacturing wage is still less than Marinette County's overall manufacturing average wage of \$42,287 in the year 2007. When employment growth (23.7%) is faster than wage growth (15.9%), as is the case with transportation equipment manufacturing, it suggests that the newly added jobs were lower paying and with slow wage growth.

The average annual wage in primary metal manufacturing, on the other hand, declined over the five year period, but the wage is still higher than Wisconsin's transportation equipment wage and the county's overall manufacturing wage. This suggests that the new jobs were likely lower paying.

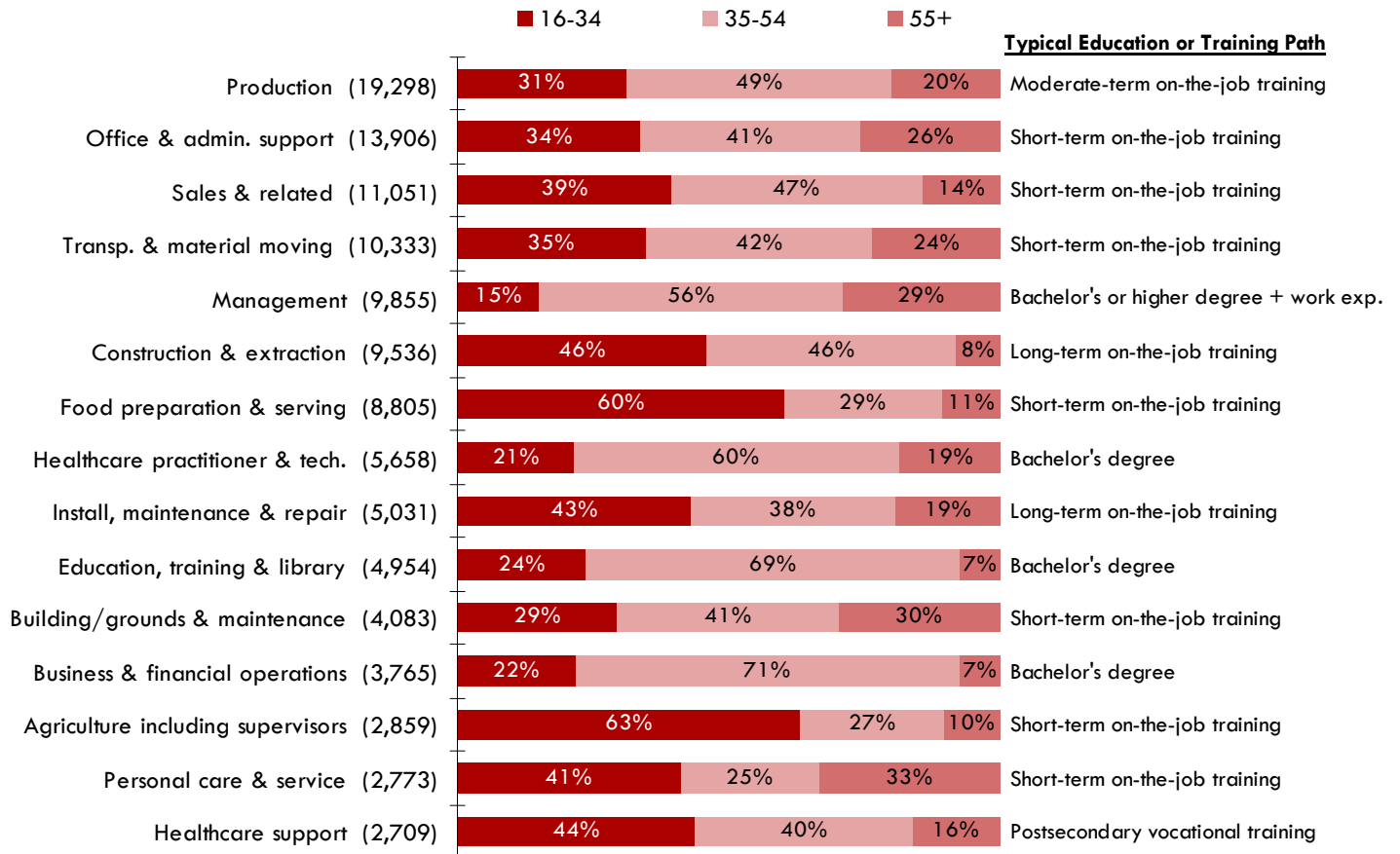
Prominent Public and Private Sector Employers in Marinette County		
Establishment	Service or Product	Number of Employees (March 2007)
Karl Schmidt Unisia Inc	Carburetor, piston, ring, & valve mfg.	1000+ employees
Marinette Marine Corp	Ship building & repairing	500-999 employees
Bay Area Medical Center Inc	General medical & surgical hospitals	500-999 employees
Ansul Fire Protection	All other miscellaneous manufacturing	500-999 employees
Waupaca Foundry Inc	Iron foundries	500-999 employees
County of Marinette	Executive & legislative offices, combined	250-499 employees
Marinette Public School	Elementary & secondary schools	250-499 employees
Stora Enso North America Corp	Paper, except newsprint, mills	250-499 employees
Silvan Industries Inc	Metal tank, heavy gauge, manufacturing	250-499 employees
Aerial Co Inc	Service estab. equip. merchant wholesalers	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 Marinette 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 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 that groups requires that type of education or training path to be qualified to enter the job.

Food preparation and serving related occupations consist of 8,805 workers in the region, the seventh largest occupational group. Many of these occupations are typically found in leisure and hospitality (4th largest industry in Marinette 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 turnover rates. Usually when food preparation and serving

(Continued on page 7)

Occupations & Typical Education or Training

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.

Healthcare practitioners and technical occupations, the eighth largest occupation group in the region, includes registered nurses. In fact, registered nursing is one of the faster growing occupations with many openings throughout the state. Over three-quarters of the workers that live in the six-county region are 35 years old or older. Since many of these workers are close to the age in which they are eligible to retire, there could potentially be many openings in the future as a result of replacement needs. For example, a registered nurse is one 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 path take some preparation.

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. In addition, all nurses must pass a licensing exam. Many occupations that require education beyond high school, as is the case in the healthcare practitioners and technical occupational group, are usually good, high-paying jobs. In fact, the healthcare practitioners and technical occupational group is one of the highest paying groups, on average.

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.

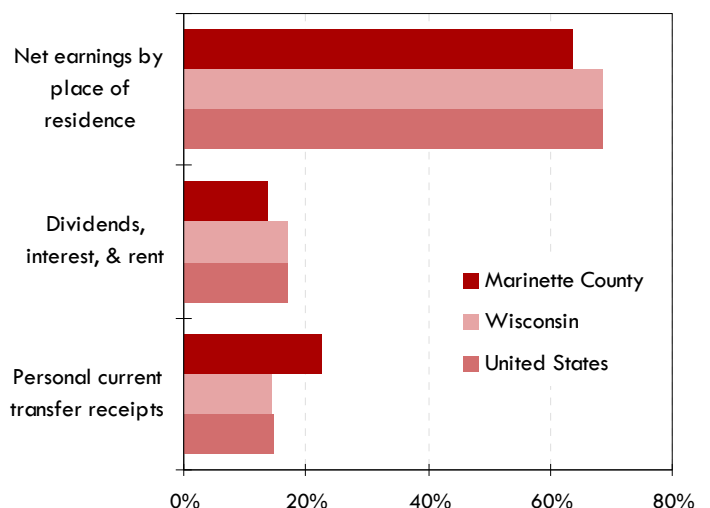
Income

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.

In general, net earnings by place of residence accounts for the largest share of total personal income at around 68 to 70 percent of TPI. Net earnings does account for the largest share of TPI in Marinette County as is the case in the state and in the nation, but the share is not as great in the county as in the other two regions. One explanation for this disparity is due to the

demographics of the populations. The county has an older-aged population compared to Wisconsin and the United States, and thus, proportionally more residents are

Components of 2006 Total Personal Income



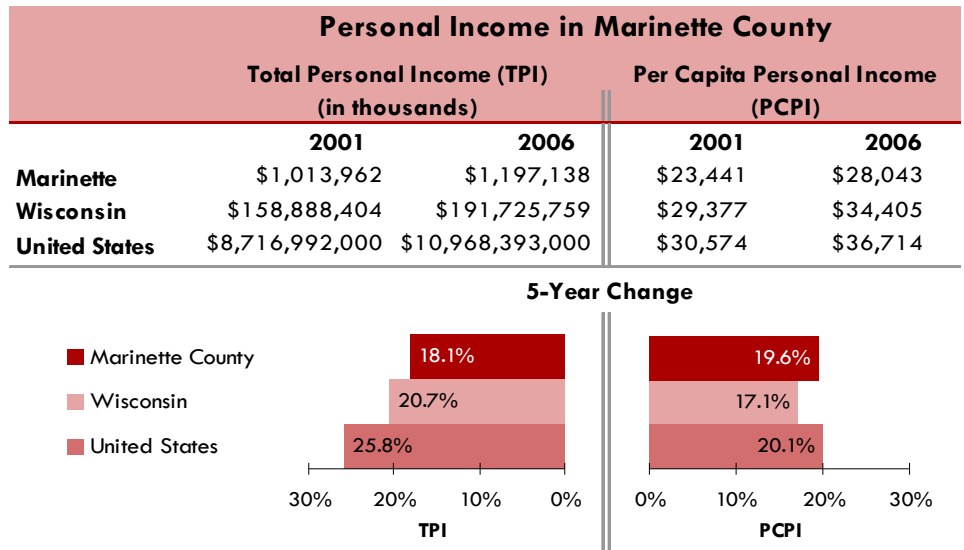
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

(Continued on page 8)

Income

receiving income disbursements from the government such as Social Security and Medicare. Personal current transfer receipts account for over one-fifth of total personal income in Marinette County, where as in the United States and in Wisconsin, transfer receipts only account for 14.7 percent and 14.3 percent of TPI, respectively. As the baby boomers leave the labor force and become eligible for government assistance programs in the county, in the state, and in the nation, one might see the share of transfer payments rise while the share of net earnings declines.

Total personal income also can be analyzed on a per capita basis (PCPI) by dividing TPI by the total population. When a county consists of a large share of the population that is under the age of 16 as well as over the age of 64, one will see a lower per capita income figure, as is the case in Marinette County (over one-third of the population is within those two age cohorts). Marinette County, as described on page one, is older, on average, and those older residents are no longer earning their highest income potential from wages and salaries, which therefore tends to cause PCPI to be lower. As a result, Marinette County has the 31st lowest PCPI



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

(\$28,043) in the year 2006 among the 72 counties in Wisconsin. The county's PCPI equaled only 81.5 percent of the state's PCPI of \$34,405, but it equaled 96.6 percent of the PCPI (\$29,022) of other non-metropolitan counties in the state.

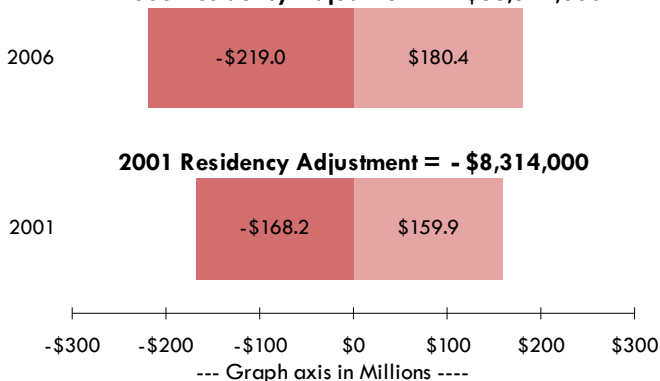
Page three shows that there are 20,792 employed Marinette County residents in the year 2007. However, page four shows that there are 19,736 jobs in the county in the year 2007. The data suggests that there are more people employed in Marinette County than there are jobs. Even so, when looking at residency adjustment (adjustment made for wages earned by residents who work outside the county), one sees that total earnings of non-Marquette County residents who work in Marinette County is larger than the total net earnings of Marinette County residents who work in another county. This might suggest that the workers who work in Marinette County, but live in another county hold higher-paying wage jobs than those Marinette County residents who work in another county. As a result, the residency adjustment is negative.

The earnings of workers who work in Marinette County, but live in another county grew by 30 percent between 2001 and 2006, whereas earnings of Marinette County residents who work in other counties only grew by thirteen percent. This resulted in a residency adjustment figure that more than quadrupled (more negative) over the five year period. This figure could potentially become less negative in the future if there ever is a loss of high paying jobs held by non-Marquette County residents, in particularly manufacturing, in Marinette County.

Marinette County Commuting Impact

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

2006 Residency Adjustment = - \$38,592,000



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