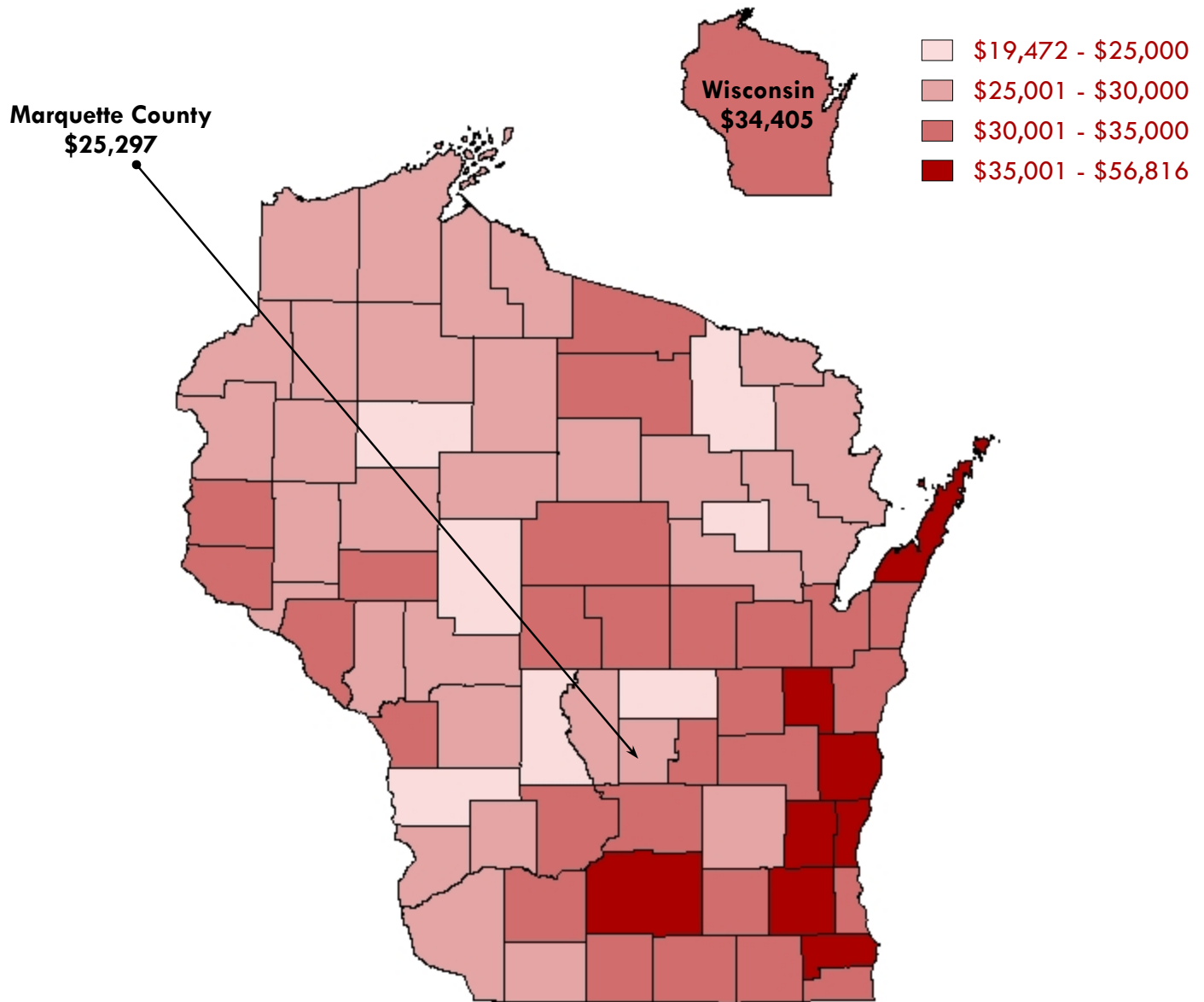


Marquette County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10631-P

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Population

Population trends affect the supply of labor that produces goods and services as well as the demand for goods and services, so this profile opens by discussing these trends. Marquette County's population grew by 764 people or 5.2 percent between the April 2000 Census and the January 2007 estimate. This is in line with the statewide growth rate (5.3%) and slower than the national growth rate (6.9%). In this time period, the estimates suggest Marquette County experienced 97 more deaths than births and there were 861 more people moving in than people moving out. Natural change (births minus deaths) tends to be more steady and reliable while net migration (in-movers minus out-movers) changes more quickly and less predictably. This suggests some uncertainty in Marquette County's future population growth.

According to the estimates, the towns of Buffalo, Westfield and Oxford and the City of Montello together had 4,437 residents, or 29 percent of the total population. These municipalities added 407 people, or 53.3 percent of Marquette County's net population gain. Only in the Village of Neshkoro and in the Town of Packwaukee did population estimates decline between 2000 and 2007.

As demographic patterns shift, individual municipalities will see their population growth rates and population ranks 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 pro-

Marquette 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%
Marquette County	14,555	15,319	764	5.2%
Montello, City	1,397	1,473	76	5.4%
Packwaukee, Town	1,297	1,289	-8	-0.6%
Westfield, Village	1,217	1,225	8	0.7%
Buffalo, Town	1,085	1,202	117	10.8%
Montello, Town	1,043	1,064	21	2.0%
Oxford, Town	859	963	104	12.1%
Douglas, Town	768	803	35	4.6%
Westfield, Town	689	799	110	16.0%
Harris, Town	729	780	51	7.0%
Mecan, Town	726	766	40	5.5%

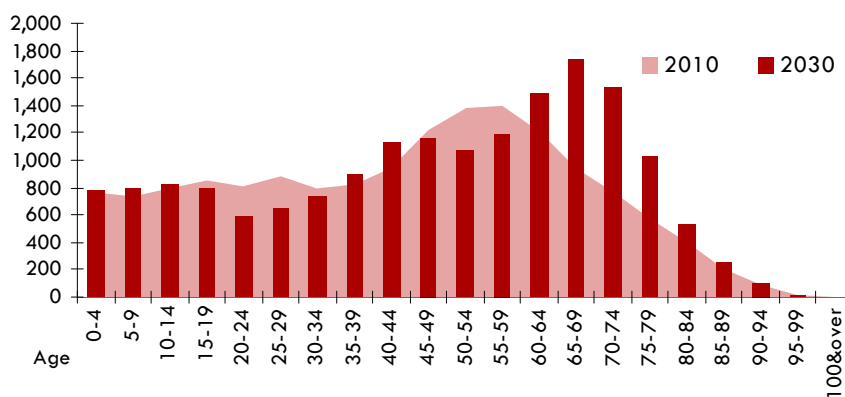
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

grams such as Social Security, Medicare, and Wisconsin counterparts.

Wisconsin Department of Administration population projections suggest that Marquette County's population will climb from 15,593 in 2010 to 17,312 in 2030. During that time, the population between the ages of 45 and 59 will shrink from 3,998 people, or roughly 25.6 percent of the population, to 3,441 people, or 19.9 percent of the population. The population between the ages of 65 and 79 will grow from 2,276 people, or 14.6 percent of the population, to 4,239 people, or 9.0 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, Marquette County's labor force is projected to shrink in the future.

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. In 2010, Marquette County will have 2,480 20- to 34-year-olds in 2010 and in 2030 it will have 1,968 of them. If this age group is responsible for a large share of births and home purchases, this shift could soften demand for single-family housing and local public education.

Population by Age Cohorts in Marquette County



In 2010, the average Marquette County resident will be 43.2 years old. In 2020, the average Marquette County resident will be 45.3 years old. In 2030, the average Marquette County resident will be 47.3 years old.

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

Population & Labor Force

Population Projections for Marquette County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	2,471	3,168	4,366	5,588	13,122	15,593
2020	2,522	2,939	3,993	7,191	14,123	16,645
2030	2,555	2,599	4,274	7,884	14,757	17,312
Distribution of Labor-Force-Aged Population						
2010		24.1%	33.3%	42.6%	100.0%	
2020		20.8%	28.3%	50.9%	100.0%	
2030		17.6%	29.0%	53.4%	100.0%	

Source: WI Dept. of Administration, Demographic Services

The table above indicates that Marquette County's population is projected to grow 6.7 percent (from 15,593 to 16,645) between 2010 and 2020. Meanwhile, the labor-force-aged population (residents 16 or more years old) will grow 7.6 percent (from 13,122 to 14,123). Page three will show that some labor-force-aged residents (especially those 55 or more years old) are not likely to be in the labor force. The lower portion of the table above projects that residents under 35 years old make will make up 24.1 percent of the labor-force-aged population in 2010 and that this share will shrink to 17.6 percent in 2030. Residents between the ages of 35 and 54 will see their share of the labor-force-aged population shrink from 33.3 percent in 2010 to 29.0 percent in 2030.

The remaining segment of the labor-force-aged population – Marquette County residents 55 or more years old – is projected to grow from 42.6 percent of the labor-force-aged population in 2010 to 42.4 percent in 2020. 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.

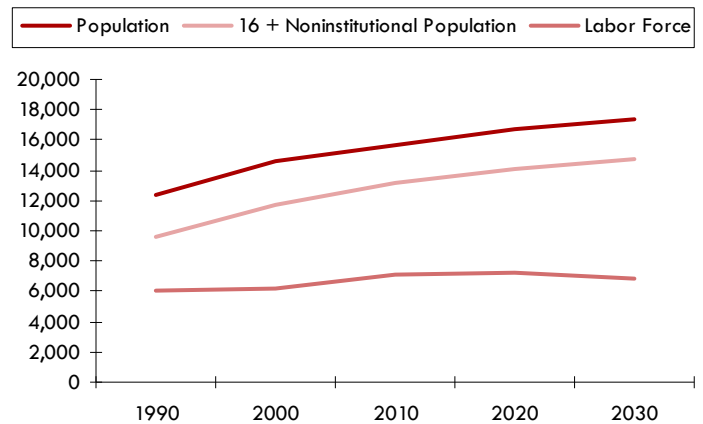
One result of this shift is illustrated by the line graph to the right. While total population numbers increase, the labor force (those working or looking for work) will shrink. Many baby boomers will be leaving the local labor force at a time when baby boomers (as a group) increase demand for labor-intensive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

Another result of this demographic shift may be employers competing more intensely for workers 55 or more years old. These workers possess experience and exper-

tise that can be hard to replace. Baby boomers who do continue to work will often change occupations or work fewer hours due to personal interests, health concerns, or family needs. Some employers will benefit tremendously from far-sighted recruitment and retention efforts.

If Marquette County employers struggle to find workers, some may recruit workers with more appealing compensation or work environments. 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.

Marquette County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Marquette County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	2,059	3,261	1,778	7,099
2020	1,897	2,995	2,318	7,211
2030	1,666	3,210	1,952	6,828
Distribution of Labor Force				
2010	29.0%	45.9%	25.0%	
2020	26.3%	41.5%	32.2%	
2030	24.4%	47.0%	28.6%	

Source: WI DWD, OEA

Labor Force

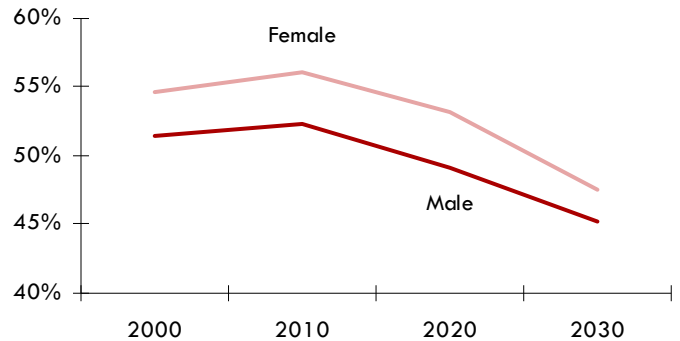
Advocates for workers 55 and over hasten to remind us that, with each passing decade, the economy places more value on the problem-solving, leadership, and innovation skills that baby boomers have developed. The workplace's social and professional networks are a bigger part of individual and community 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 population that works or looks for work. Ineligible people who do not affect the participation rate are people under 16, people engaged in active military service, and people in 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.

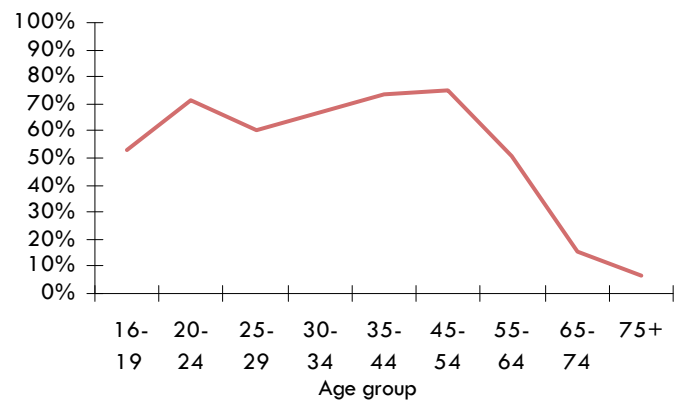
Two significant factors will probably prevent substantial increases in female labor force participation rates. First, women enjoy longer life expectancies than men. Those additional years are in a time of life when labor force participation rates tend to be at their lowest. Second, female participation rates drop when females reach ages typically associated with bearing and raising children (say, ages 25 to 34). Female participation rates are higher in the 20- to 24-year-old and the 35- to 44-year-old cohorts while they are lower in the 25- to 29-year-old and 35- to 44-year-old cohorts. 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 middle age cohorts.

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

Available data does not suggest that females will stop outliving males or that female LFPR around typical child-bearing and child-raising years will rise much. 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.

Marquette County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	7,959	7,879	7,877	7,858	8,275
Employed	7,316	7,355	7,386	7,388	7,786
Unemployed	643	524	491	470	489
Unemployment Rate	8.1%	6.7%	6.2%	6.0%	5.9%

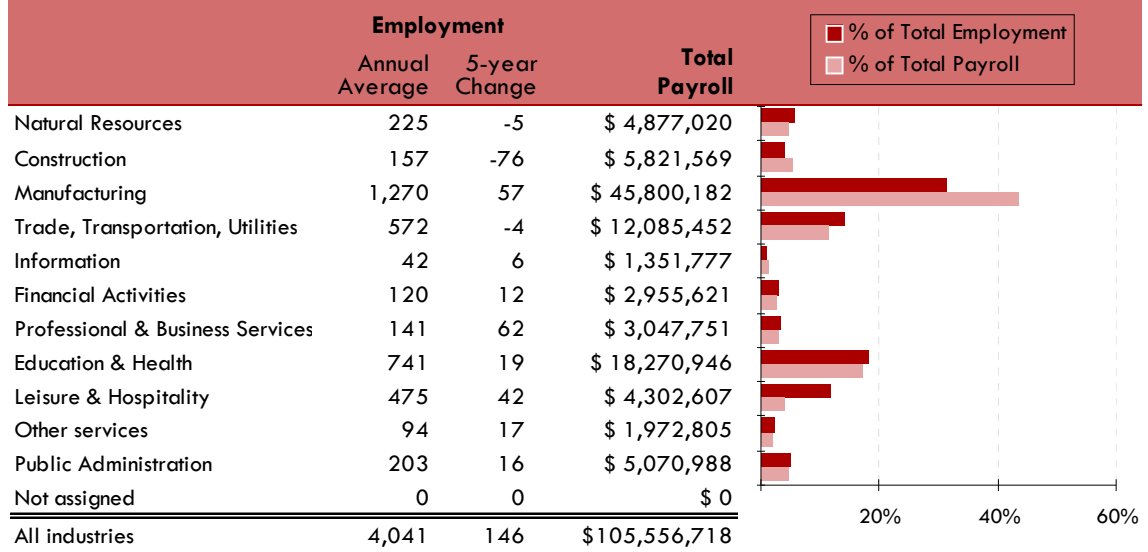
Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

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 Marquette County's manufacturing sector contributed more employment (1,270 jobs) and more total payroll (nearly \$46 million) than any other sector. (See table to right.) Moreover, the table below shows that manufacturing sector's average wage (\$36,063) was well above the county's all-industries wage (\$26,121) and higher than any sector's average wage except construction.

The next-highest concentration of employment is in the education and health sector (741 jobs). This sector's average wage was lower in Marquette County (\$24,657) than in Wisconsin (\$39,606), in part because the high-wage jobs are often in hospitals (which Marquette County does not have) and ambulatory health clinics (which comprise a

2007 Employment and Wage Distribution by Industry in Marquette County



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

rather low share of local education and health employment). Educational services wages are often higher in bigger school districts and in college towns than in areas with lower population density. Rural counties often have relatively low concentrations of jobs in financial activities and in professional and business services, with below-average wages in both sectors. The employment data above and the wage data below confirm that Marquette County conforms to this trend

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Marquette County as a Share of Wisconsin	Marquette County 5-year % Change	Wisconsin 5-year % Change
	Marquette County	Wisconsin			
All industries	\$26,121	\$38,070	68.6%	11.5%	17.4%
Natural Resources	\$21,676	\$29,235	74.1%	7.7%	14.7%
Construction	\$37,080	\$47,489	78.1%	17.8%	19.8%
Manufacturing	\$36,063	\$47,106	76.6%	11.8%	16.1%
Trade, Transportation & Utilities	\$21,128	\$32,762	64.5%	18.3%	15.3%
Information	\$32,185	\$48,483	66.4%	26.3%	24.7%
Financial Activities	\$24,630	\$50,749	48.5%	13.4%	25.8%
Professional & Business Services	\$21,615	\$44,328	48.8%	-9.6%	22.0%
Education & Health	\$24,657	\$39,606	62.3%	12.1%	17.3%
Leisure & Hospitality	\$9,058	\$13,589	66.7%	16.5%	14.8%
Other Services	\$20,987	\$22,073	95.1%	6.7%	13.2%
Public Administration	\$24,980	\$39,879	62.6%	17.9%	18.1%

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

Nearly 68 percent of Marquette County's trade, transportation, and utilities jobs are in the retail trade segment, where the average wage is \$16,667. The other segments of this sector have higher wages, but far fewer jobs. Between 2002 and 2007, the trade, transportation, and utilities sector saw its average employment decline slightly while its average wage rose rather quickly. This suggests that the jobs lost were not among the sector's higher-paying jobs. Available data does not directly confirm or refute the author's hypothesis of retail employment declines.

Jobs & Wages

Prominent Industries in Marquette County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Marquette County	Marquette County	Wisconsin	Marquette County	Wisconsin	Marquette County	Wisconsin
Food manufacturing	*	not avail.	-6.7%	*	\$ 38,239	not avail.	13.2%
Educational services	360	5.3%	2.0%	\$ 31,077	\$ 39,753	9.0%	15.0%
Food services & drinking places	334	11.0%	9.1%	\$ 8,410	\$ 10,859	17.5%	14.5%
Gasoline stations	178	-12.3%	0.9%	\$ 13,184	\$ 14,803	14.3%	7.1%
Wood product manufacturing	174	21.7%	-6.8%	\$ 31,720	\$ 31,799	-7.0%	12.3%
Social assistance	147	0.7%	17.0%	\$ 20,011	\$ 19,100	4.7%	9.2%
Nursing & residential care facilities	136	14.3%	3.6%	\$ 16,412	\$ 23,295	15.5%	12.0%
Animal production	107	-0.9%	32.3%	\$ 21,571	\$ 24,416	5.7%	16.3%
Executive, legislative, & gen government	104	5.1%	-4.7%	\$ 14,975	\$ 36,340	9.1%	16.4%
Ambulatory health care services	96	-15.8%	8.7%	\$ 19,890	\$ 57,969	36.6%	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

When reviewing the above list of Marquette 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, social assistance, and executive, legislative, and general government. Though less obvious, it is no less important to consider how nursing and residential care facilities and ambulatory health providers (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 seen, public budgets could face increasing strain at the local, state and

federal levels. 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.

Wisconsin's deep roots in industries relating to agriculture and manufacturing are reflected in Marquette County's food manufacturing, wood product manufacturing, and animal production industries. Also, this industry mix reflects many rural communities' struggle to launch into a post-industrial economy with higher wages and a workforce with more advanced educational credentials. None of the prominent sub-sectors listed above reported a Marquette County wage high enough to match or exceed

Wisconsin's all-industries average wage (\$38,070). Indeed, the social assistance sub-sector was the only one reporting higher a higher average wage locally (\$20,011) than statewide (\$19,100), and this probably is not an engine for broad economic growth.

Prominent Public and Private Sector Employers in Marquette County

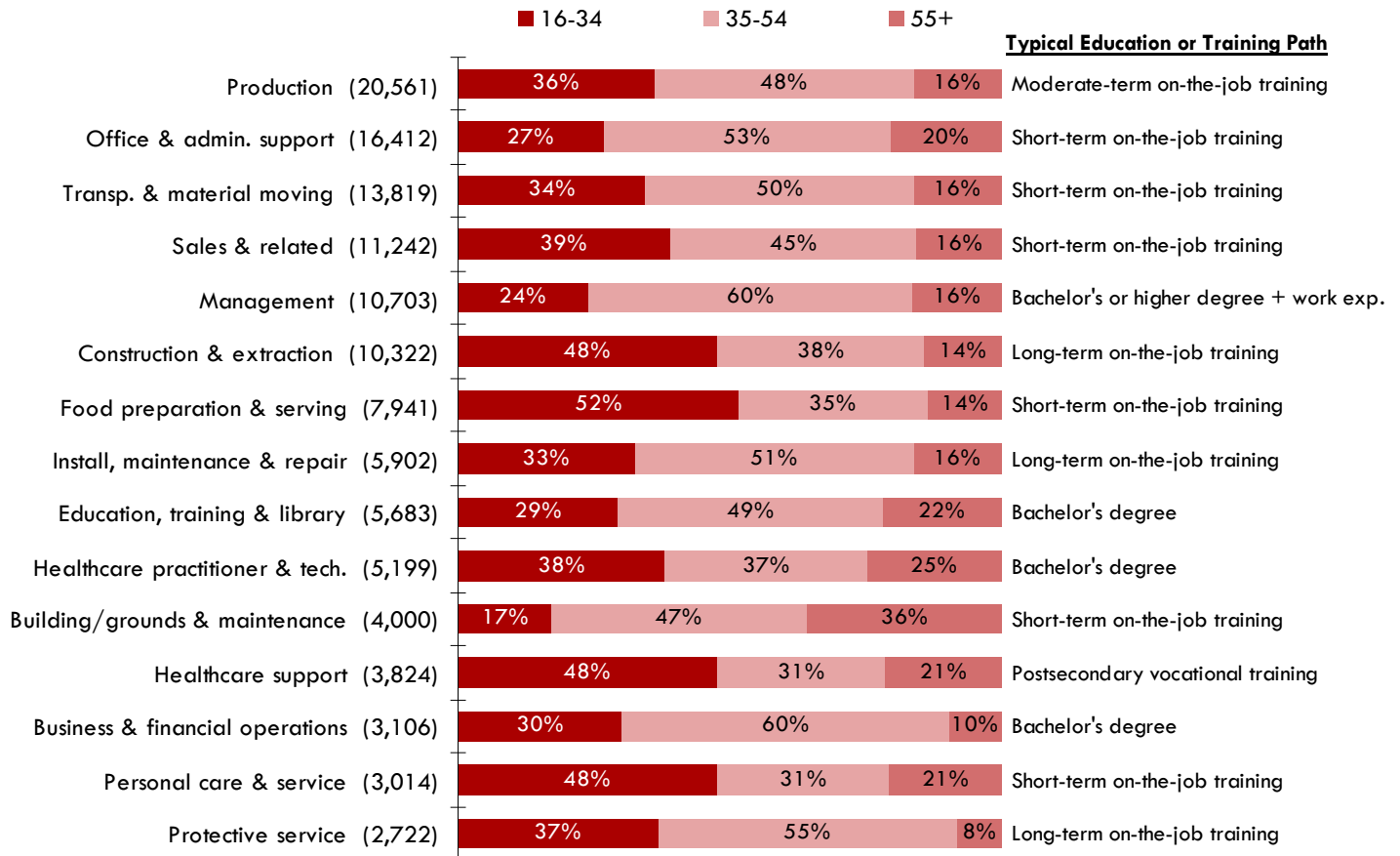
Establishment	Service or Product	Number of Employees (March 2007)
Brakebush Brothers Inc	Poultry processing	500-999 employees
School District of Westfield	Elementary & secondary schools	250-499 employees
County of Marquette	Executive & legislative offices, combined	100-249 employees
Montello Public School	Elementary & secondary schools	100-249 employees
Glen Oak Lumber & Milling Inc	Other millwork, including flooring	100-249 employees
Europlast Ltd	All other plastics product manufacturing	50-99 employees
Northland Community Services Inc	Other individual & family services	50-99 employees
Wisconsin Illinois Senior Housing Inc	Nursing care facilities	50-99 employees
Pioneer Restaurant Mini-Store	Other gasoline stations	50-99 employees
Arimon Technologies Inc	Current-carrying wiring device manufacturing	50-99 employees

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

Occupations & Typical Education or Training

Age Distribution of Workers in Selected Occupational Groups

Data includes residents of Fond du Lac, Green Lake, Marquette, Menominee, Shawano, Waupaca, and Waushara counties.



Note: Occupation groups are in descending order based on the number of workers in each group.
Source: 2006 U.S. Census, ACS PUMS & WIDWD, 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 workers' job duties can be more informative than the nature of the employers' business. The chart above first lists the occupational groups with the greatest numbers of workers in the area that includes Marquette, Menominee, Shawano, Marquette, Green Lake, Waupaca and Waushara counties. The actual employment numbers appear in parenthesis. The bar graph shows each occupational group's age distribution. The education and training path listed for each group is the typical education and training path required for entry into the occupational group. Individual occupations within each group and individual workers within each occupation will vary considerably in actual education and training.

The youngest age cohort, residents between the ages of 16 and 34, reflects people in their early working years and captures something like half of the jobs in food preparation and serving occupations, construction and extraction occupations, and healthcare support occupations. To varying degrees, 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.

Two other occupational groups tilt a bit older. About 25 percent of the residents working healthcare practitioner and technical occupations were 55 or more years old in 2006. In building and grounds cleaning and maintenance occupations the figure was even higher (36%). This suggests that substantial numbers of people in these occu-

Occupations & Typical Education or Training

pational groups will be retiring in the foreseeable future. Just 17 percent of building and grounds cleaning and maintenance workers were under 35 years old in 2006. Two sets of questions arise from this fact. How will employers fill vacancies created by retirements? When these blue-collar jobs often pay well and seldom impose prohibitive education or training requirements, why do these jobs still pull in relatively few younger workers? Technical college educators often cite a bias of parents, students, and counselors in favor of 4-year programs and in favor of white-collar or office work.

Roughly 38 percent of the workers in healthcare practitioner and technical occupations were under 35 years old in 2006. On one hand, many of the jobs in this occupational group require education and training well short of a 4-year degree and require a lot of physical stamina, so some readers will expect to see lots of younger workers. On the other hand, a detailed analysis of the age distribution suggests a strong possibility that many workers enter this occupational group in their late 20s or early 30s and leave (or take time off) in their mid 30s. This could magnify the challenges of workforce planning for hospitals, clinics, and nursing homes.

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.

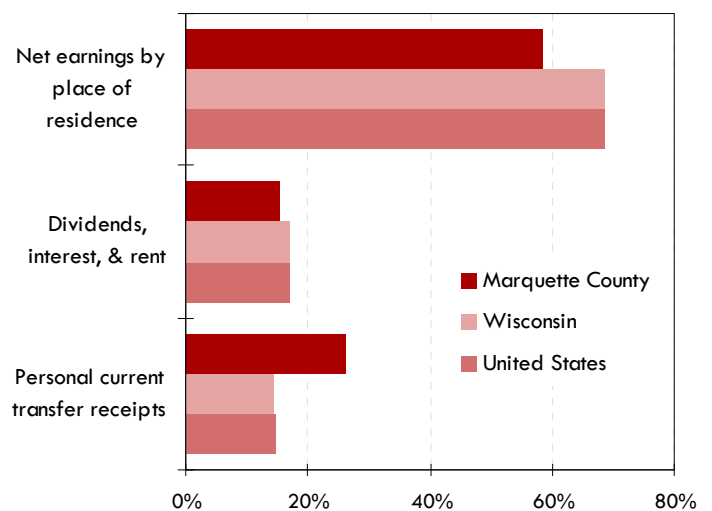
Whether we focus on the nation, the state or Marquette County, the graph to the right shows that net earnings is the largest share of total income. While this will probably always be true, the balance will shift. Pages one through three discuss baby-boomers' move from prime income-earning years to ages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

In the Fond du Lac, Marquette, Menominee, Shawano, Green Lake, Waupaca, and Waushara area, 16 percent of production workers were 55 or more years old in 2006. There are two ways to interpret this. Optimists will say that 16 percent 55-and over combined with 36 percent between the ages of 16 and 35 suggests a very healthy age distribution among production workers. This may be the most accurate outlook.

A less optimistic commentator might make the following observations. More than most workers, production workers are prone to face layoffs during economic downturns. Seniority rules often require employers to lay off more recently-hired production workers (who are often younger) before longtime production workers (who are often older). This can add to the challenges of retaining the most qualified younger workers. In 2006 nearly 45 percent of this region's production workers were 45 or more years old. Why are only 16 percent of production workers over 55? Some who remain in production occupations until the age of 55 have pension resources enough to be less dependent on the wages; some have exhausted much of their physical ability or mental desire to do production work.

tirement 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

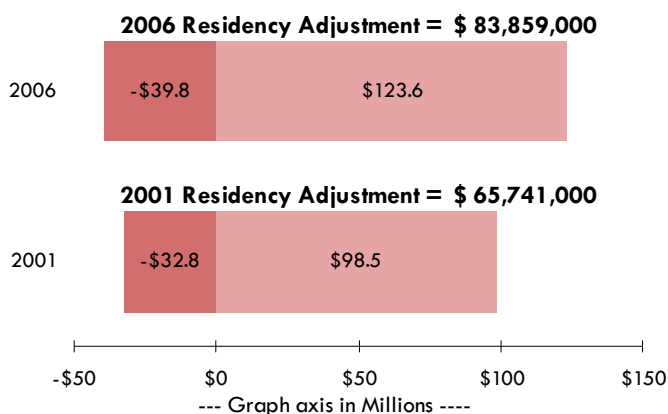
up a smaller share of Marquette County's total income and investment income and transfer payments could become a larger share.

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 leaves job, other people will 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 Marquette 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 Marquette County will grow quickly in the near future. Whether benefits will

Marquette County Commuting Impact

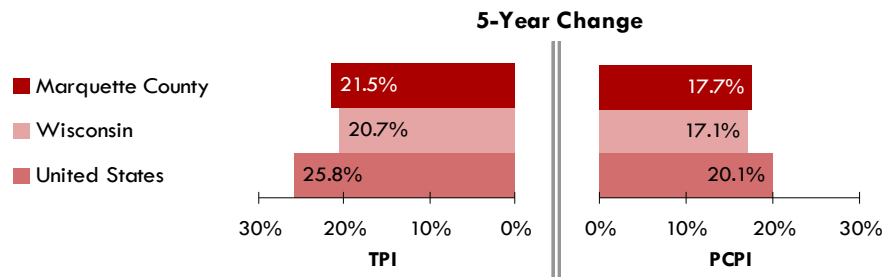
- Earnings of workers living in another county (outflow)
- Earnings of residents working in other counties (inflow)



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

Personal Income in Marquette County

	Total Personal Income (TPI) (in thousands)		Per Capita Personal Income (PCPI)	
	2001	2006	2001	2006
Marquette	\$313,105	\$380,544	\$21,494	\$25,297
Wisconsin	\$158,888,404	\$191,725,759	\$29,377	\$34,405
United States	\$8,716,992,000	\$10,968,393,000	\$30,574	\$36,714



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

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

Between 2001 and 2006, Marquette County's total income (TPI) grew from \$313 million to nearly \$381 million, or 21.5 percent. This was closer to Wisconsin's TPI growth (20.7%) than to U.S. TPI growth (25.8%). Dividing total income by population yields per capita personal income (PCPI). Marquette County's 17.7 percent PCPI growth was faster than Wisconsin's (17.1%) and slower than the nation's (20.1%). Marquette County's PCPI (\$21,494) remains below Wisconsin's (\$34,405) and 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, it can be difficult for an area to change its relative standing.

In 2006, Marquette County residents earned nearly \$124 million by commuting to jobs in other counties and residents of other counties earned nearly \$40 million by commuting to jobs in Marquette County. The difference, almost \$84 million, is the net impact of commuting on Marquette County's total income. This is about 22 percent of total income. Between 2001 and 2006, the net commuting impact grew 27.6 percent, which was faster than the pace of total income growth (21.5%). This suggests that wages earned outside Marquette County have become more important to the local economy over time.