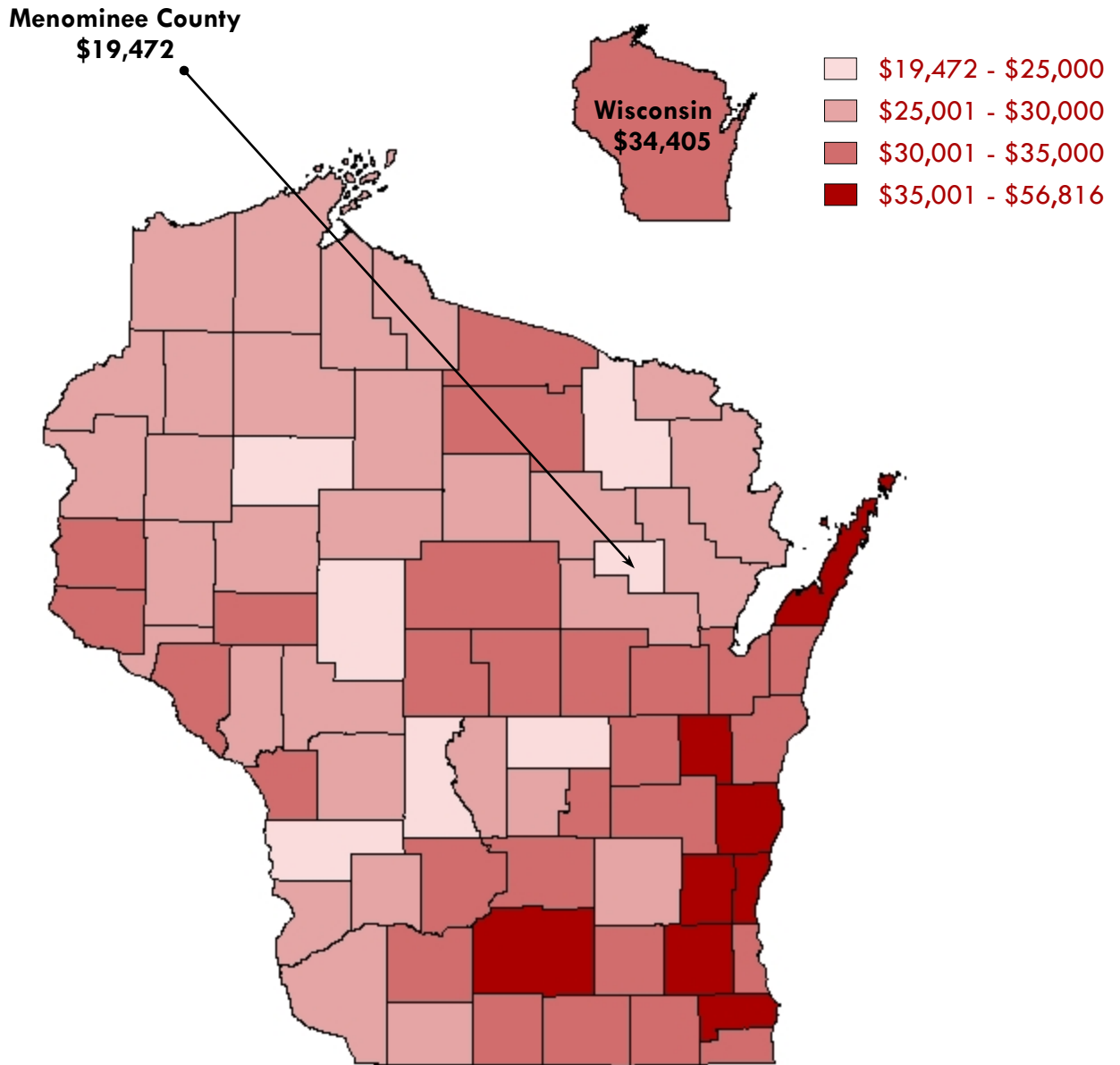


Menominee County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10632-P

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

Population

Population demographics are important to analyze. The baby boomer generation is a key topic of interest throughout Wisconsin ... and the United States, for that matter. Even though Menominee County is characterized by a younger population in an overall older state, age demographics are still important to examine because shifts in the trend could significantly affect labor force growth as well as the demand for goods and services in the county.

Not only is Menominee County the youngest aged county in Wisconsin, the county is also the least populated with only 4,606 residents in the year 2007. Since the April 2000 Census, the county's population grew by 44 residents. There were only two other counties in Wisconsin that added fewer residents between 2000 and 2007: Ashland County (+ 13 residents) and Milwaukee County (- 3,800 residents).

Population growth occurs as a result of two sources: natural increase (births outnumbering deaths) and net migration (more in-movers than out-movers). Most rural counties typically grow as a result of net migration; but Menominee County, a rural county, is composed of a younger population, rather than older like many rural counties, and it grew solely from natural increase. There were 416 more births than deaths between 2000 and 2007. While Menominee County's population grew by natural increase, the county lost 372 residents due to net out-migration. In addition, Menominee County was only one of seven counties that saw more residents migrating

Menominee County's Most Populous Municipality

	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%
Menominee County	4,562	4,606	44	1.0%
Menominee, Town	4,562	4,606	44	1.0%

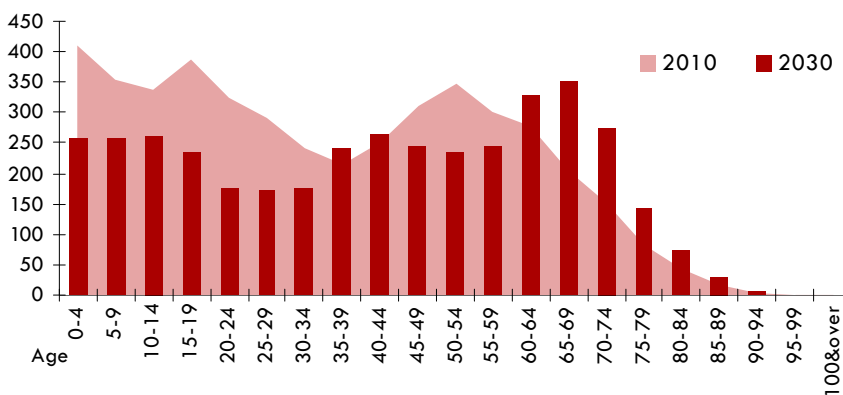
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

out of the county than migrating in.

Menominee County has the highest birth rate among the 72 counties in Wisconsin. It is likely that the county will continue to grow primarily from natural increase. But as the population shifts and more residents leave their child bearing years than enter, the number of births in the county might decline. If the number of births were to decline and families with children under the age of eighteen do not migrate into Menominee County, school enrollment could continue to fall as well.

The graph below analyzes age demographics projected in 2010 and in 2030. The projections suggest that the total population in Menominee County will decline by 12.7 percent between 2010 and 2030. While the population declines, the county's population distribution is shifting from a younger to an older-aged dominance, like most counties in the state. Although, Menominee County's population will not be as old as that in most counties throughout the state. The projected average age of Menominee County residents in the year 2010 will be 34.8 years old; and in Wisconsin, 38.1 years old. When

Population by Age Cohorts in Menominee County



In 2010, the average Menominee County resident will be 34.8 years old.
 In 2020, the average Menominee County resident will be 38.3 years old.
 In 2030, the average Menominee County resident will be 41.6 years old.

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

the oldest baby boomer is 64 years old in 2010, those older than the baby boomers will make up 11.0 percent of the total population in Menominee County and 13.6 percent in Wisconsin. At that time, 25.9 percent of the county's population will be under the age of 16, compared to 20.2 percent statewide. By 2030, things change. The youngest baby boomer will then be 66 years old, and those 65 years old or older will comprise 22.1 percent of the county's population, compared to 21.4 percent in Wisconsin. As the older population is increasing in share between 2010 and 2030, the younger population, or those under the age of 16, is decreasing in share. Menominee County's population under the age of 16 will drop to 20.8 percent, while Wisconsin's population will drop to 19.6 percent in the year 2030.

Population & Labor Force

Population Projections for Menominee County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	1,178	1,165	1,126	1,080	3,371	4,549
2020	1,051	963	963	1,434	3,360	4,411
2030	824	711	986	1,449	3,146	3,970
Distribution of Labor-Force-Aged Population						
2010		34.6%	33.4%	32.0%	100.0%	
2020		28.7%	28.7%	42.7%	100.0%	
2030		22.6%	31.3%	46.1%	100.0%	

Source: WI Dept. of Administration, Demographic Services

Examining population and labor force demographics together helps to explain why there will be a shift in labor force growth as well as the supply and demand for goods and services. 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.

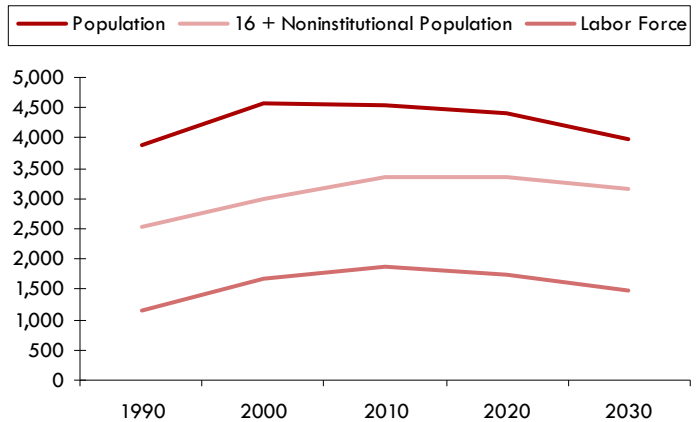
Menominee County's population is projected to decline by 579 residents between 2010 and 2030, while the labor-force-aged population (16+ population) is expected to decline by 225 residents over that period. Much of the distributional shift in the labor-force-aged population is due to the aging of the baby boomer generation. Those 55 years old and older make up 37.2 percent of the 16 and older population in 2010. This age cohort accounts for the smallest share of the labor-force-aged population among the age groups listed above in the year 2010. But, the 55 year old and older share is expected to get larger in the coming years while the distribution in the other two age cohorts is expected to decline. The population under the age of 16 is projected to decline by 354 residents between 2010 and 2030. In the distant future, this will further dampen the workforce as fewer residents will be able and available to work. The county may face a shortage of workers while still having to meet the needs of the mature population.

As a result of population demographics, it is projected that the labor force will decline as seen on the line graph. The table to the right suggests that the number of residents in the labor force (working or seeking work) will shrink by 20.3 percent between 2010 and 2030. Over that same time period, the distributions of the 55 year old or older and 35 to 54 year old participants will increase, while the share of the 16 to 34 year old participants will

decline by 9.4 net percentage points.

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 that number is insignificant compared to the sheer number of baby boomers that will be leaving the labor force coupled with the fewer number of workers entering the labor force. But, 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. When the baby boomers do retire, the experience and knowledge that will be lost could be hard to replace.

Menominee County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Menominee County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	732	812	319	1,864
2020	620	698	432	1,750
2030	445	708	333	1,486
Distribution of Labor Force				
2010	39.3%	43.6%	17.1%	100.0%
2020	35.4%	39.9%	24.7%	100.0%
2030	29.9%	47.6%	22.4%	100.0%

Source: WI DWD, OEA

(Continued on page 3)

Labor Force

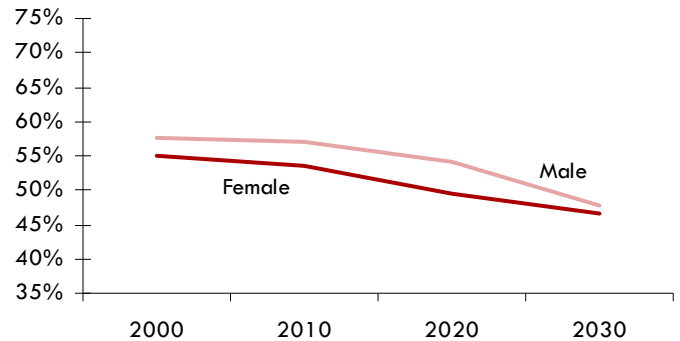
As the population ages and the labor pool shrinks in Menominee County, employers may have difficulty keeping baby boomers in the workforce (either full-time or part-time), or may face stiff competition recruiting qualified younger workers from the area and surrounding areas.

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. Female participation has historically been lower than male participation, although females have gained ground since the 1970s. However, as seen on the top line graph, it is not projected that female participation will match male participation in the future. Most females who are able and available to work, are already working or looking for work, so we cannot rely on a huge influx of female workers to increase labor force participation, like we have in the past.

The bottom line graph to the right in combination with the population and labor force tables on page two, help to explain why the LFPR is expected to decline in Menominee County. Participation for both males and females in the county drops quite dramatically at the age of 55 and beyond. Even though Menominee County's population is currently younger on average, participation is quite low. LFPR for both males and females is projected to decline as a large share of Menominee County's population reaches and surpasses the age of 55.

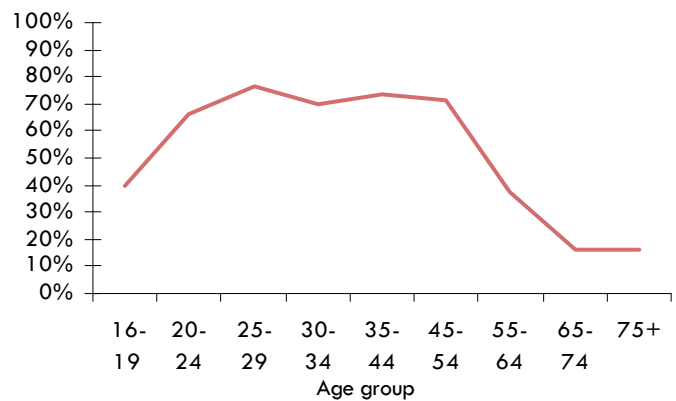
The bottom table reflects some of the changes already occurring in the labor force in Menominee County. The total labor force increased slightly since 2006. The labor force is projected to continue to grow into 2010, but decline thereafter. Since 2003 though, the labor force declined by 16 workers and job seekers. The LFPR declined from 55.7 percent in 2003 to 53.6 percent in 2007. However, the LFPR did inch up by six-tenths of a percentage point since 2006 as a result of the growth in

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

the labor force. But, in 2007, Menominee County's LFPR (53.6%) is significantly lower than Wisconsin's (70.2%).

Since Menominee County has a small labor market, the unemployment rate tends to fluctuate dramatically. For example, there was an equal number of employed residents in Menominee County in the years 2003 and 2007, while the number unemployed differed by only 16 residents. This resulted in a nine percentage point difference in the unemployment rate between year 2003 and year 2007. In addition, Menominee County tends to have the highest unemployment rate in Wisconsin, and the rate does not follow what one would call a typical seasonal pattern. In the year 2007, the rate peaked in August (13.5%) and bottomed out in February (7.6%). Typically, rates tend to be higher in the colder months and lower in the warmer months.

Menominee County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	1,705	1,654	1,650	1,674	1,689
Employed	1,518	1,470	1,482	1,488	1,518
Unemployed	187	184	168	186	171
Unemployment Rate	11.0%	11.1%	10.2%	11.1%	10.1%

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

Jobs & Wages

The industry mix and wages significantly impact local economies. Since Menominee County has a small labor market, some industry data is suppressed in order to provide confidentiality to employers.

Although the number of establishments declined by five between 2002 and 2007, the number of jobs increased by eight in Menominee County. On a net basis, public administration and the education and health industries added the most jobs over the five year period, 118 and 86, respectively. This means that it is likely that one or many of the industries with suppressed data saw reductions in jobs.

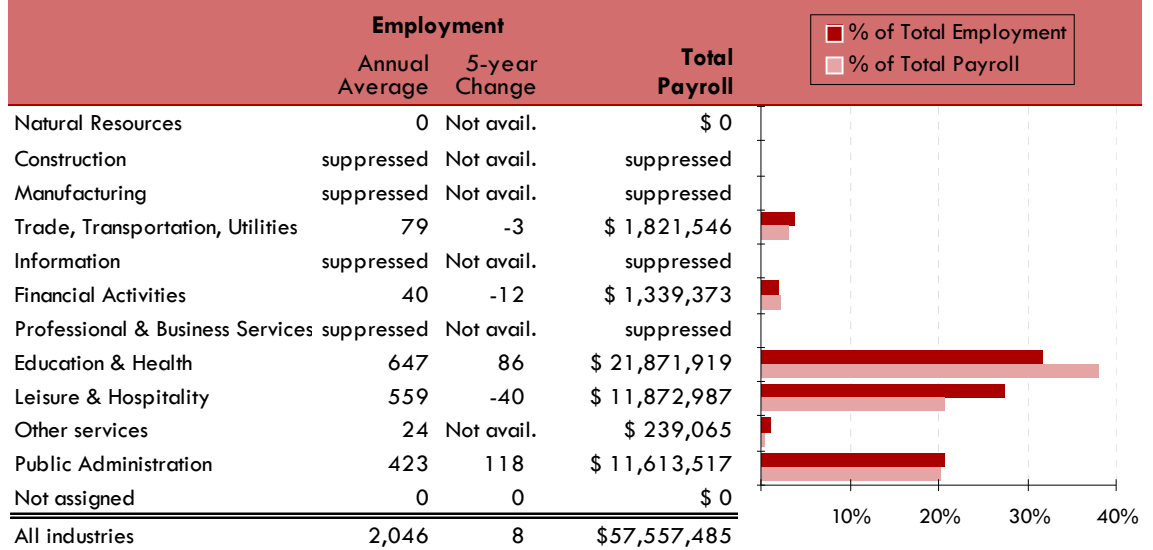
Of the data that is available, education and health is the largest industry in the county, 31.6 percent of total jobs. The industry wage, on average, tends to be low, and is only 85.4 percent of Wisconsin's education and health wage. Menominee County does not have a major

hospital to prop up the wage. The county does, however, have a clinic and a college, where wages tend to be higher than, say, in a residential facility or primary school.

Financial activities report the highest average wage in Wisconsin (\$50,749) in 2007. This industry has the second highest wage in the county (\$33,484), just behind education and health (\$33,805); but, the financial activities wage in Menominee County is still only 66 percent of Wisconsin's wage. In 2007, the securities, commodity contracts, and investments sub-sector wage of \$116,258 props up the overall financial activities wage in Wisconsin. Menominee County does not report any jobs in this sub-sector. Insurance jobs tend to be higher paying as well, although not as high. But, the county has no jobs in this industry sub-sector, either.

It is because of occupations within the industry mix that causes the all-industries wage in Menominee County to be lower on average (\$28,132). Although the county wage is growing at a faster rate than Wisconsin, it still is only 73.9 percent of the state's wage.

2007 Employment and Wage Distribution by Industry in Menominee County



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

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Menominee County as a Share of Wisconsin	Menominee County 5-year % Change	Wisconsin 5-year % Change
	Menominee County	Wisconsin			
All industries	\$28,132	\$38,070	73.9%	20.0%	17.4%
Natural Resources	\$0	\$29,235	0.0%	Not avail.	14.7%
Construction	suppressed	\$47,489	Not avail.	Not avail.	19.8%
Manufacturing	suppressed	\$47,106	Not avail.	Not avail.	16.1%
Trade, Transportation & Utilities	\$23,058	\$32,762	70.4%	55.9%	15.3%
Information	suppressed	\$48,483	Not avail.	Not avail.	24.7%
Financial Activities	\$33,484	\$50,749	66.0%	40.8%	25.8%
Professional & Business Services	suppressed	\$44,328	Not avail.	Not avail.	22.0%
Education & Health	\$33,805	\$39,606	85.4%	21.8%	17.3%
Leisure & Hospitality	\$21,240	\$13,589	156.3%	14.9%	14.8%
Other Services	\$9,961	\$22,073	45.1%	Not avail.	13.2%
Public Administration	\$27,455	\$39,879	68.8%	16.0%	18.1%

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

Jobs & Wages

Prominent Industries in Menominee County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Menominee County	Menominee County	Wisconsin	Menominee County	Wisconsin	Menominee County	Wisconsin
Amusement, gambling & recreation ind	*	not avail.	7.2%	*	\$ 15,962	not avail.	11.3%
Executive, legislative, & gen government	412	not avail.	-4.7%	\$ 27,214	\$ 36,340	not avail.	16.4%
Educational services	372	37.8%	2.0%	\$ 35,146	\$ 39,753	13.9%	15.0%
Wood product manufacturing	*	not avail.	-6.8%	*	\$ 31,799	not avail.	12.3%
Ambulatory health care services	*	not avail.	8.7%	*	\$ 57,969	not avail.	18.5%
Social assistance	78	-14.3%	17.0%	\$ 21,876	\$ 19,100	24.4%	9.2%
Nursing & residential care facilities	*	not avail.	3.6%	*	\$ 23,295	not avail.	12.0%
Real estate	*	not avail.	7.3%	*	\$ 32,399	not avail.	20.4%
Transit & ground passenger transport	*	not avail.	1.7%	*	\$ 20,790	not avail.	9.3%
Gasoline stations	*	not avail.	0.9%	*	\$ 14,803	not avail.	7.1%

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. Industry sub-sectors provide a more detailed look at employment data, at least when that data is not suppressed to provide confidentiality for employers. Both the prominent industry list at the top of the page and the prominent public and private sector employers list at the bottom of this page have similar compositions, which is not the case in every county in Wisconsin.

Over three quarters of the total jobs in Menominee County are found in one of the sub-sectors listed above. Although data is suppressed, amusement, gambling, and recreation, a sub-sector of leisure and hospitality, is the largest sub-sector in Menominee County. The Menominee

Casino-Bingo-Hotel provides the most jobs in this industry. Wages are suppressed in this sub-sector, but it is likely that the average wage in the county is higher than the state's wage of \$15,962 because employment in the county is less likely to be seasonally based and part-time. Note that Menominee County's leisure and hospitality wage is 156.3 percent of the state's wage.

Executive, legislative, and general government is the second largest sub-sector in Menominee County with 412 jobs in the year 2007. It might seem obvious that all employment in this industry is government-owned. What is not so obvious is that 95.8 percent of all jobs in the county are government-owned. This compares to only 13.6 percent in Wisconsin in 2007. The largest employer in Menominee County is the Menominee Indian Tribe (see table below).

The Menominee Enterprises-Tribal Enterprises sawmill is another government-owned establishment. In fact, Pierce and Vilas counties are the only two other counties in Wisconsin that have government-owned manufacturers.

Prominent Public and Private Sector Employers in Menominee County

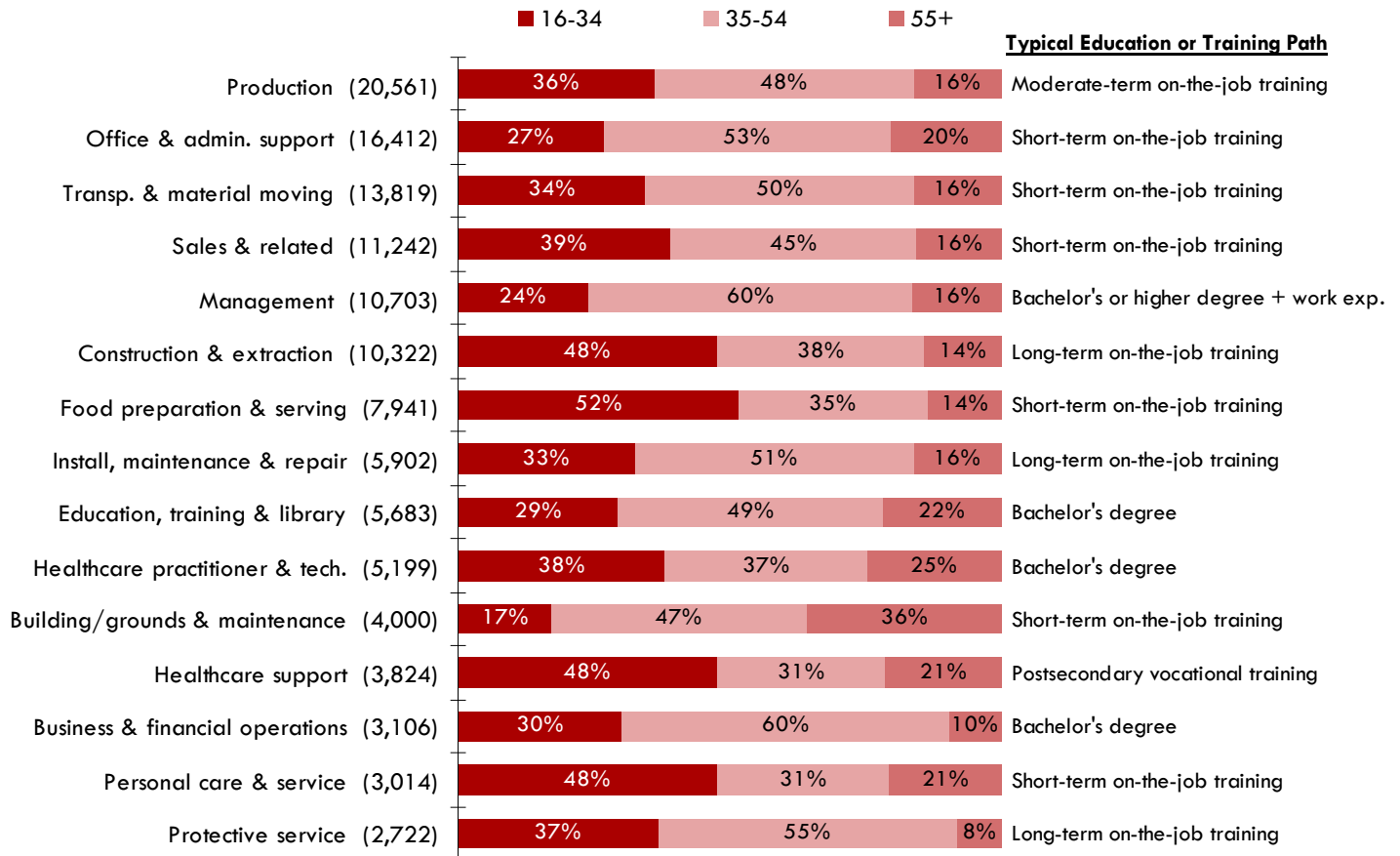
Establishment	Service or Product	Number of Employees (March 2007)
Menominee Indian Tribe	Tribal governments	500-999 employees
Menominee Casino-Bingo-Hotel	Casinos, except casino hotels	500-999 employees
Menominee Indian School District	Elementary & secondary schools	100-249 employees
Menominee Enterprises-Tribal Enterprises	Sawmills	100-249 employees
College of the Menominee Nation	Colleges & universities	100-249 employees
County of Menominee	Executive & legislative offices, combined	100-249 employees
Town of Menominee - Menominee County	Executive & legislative offices, combined	20-49 employees
TQC Inc	Facilities support services	10-19 employees
River Mart (Delabreac Otto Ltd)	Gasoline stations with convenience stores	10-19 employees
FIS Management Services LLC	Other credit intermediation activities	5-9 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 & WI DWD, OEA

The previous two pages describe industry employment or where a person works. 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).

The bar graph above describes the age distribution in selected occupational groups of workers that live in Fond du Lac, Green Lake, Marquette, Menominee, Shawano, Waupaca, and Waushara counties, even though these workers might not hold jobs in those counties (place of residence data). The education or training path listed for each occupational group is the typical education or training entry requirement for that group. It does not mean that every occupation within each group requires that type of education or training path.

Since Menominee County has a smaller labor market than the larger counties in the region, its impact on the distribution of workers in the occupational groups listed above is diminutive.

Manufacturing has an impact on the economy in not only Menominee County, but also throughout parts of east central Wisconsin (as suggested on the graph above). Of the 20,561 production workers in the region, most hold jobs in the manufacturing industry. Production type jobs include occupations such as assemblers, packagers, welders, machinists, and woodworkers. Entry into each of these occupations requires a different set of skills and therefore a different education and training requirement. However, moderate-term on-the-job training is the typical path for production occupations, and means that training lasts one to twelve months.

(Continued on page 7)

Occupations & Typical Education or Training

As the population continues to shift, one will see a large number of production workers leave the profession. Currently, 16 percent of production workers in the region are 55 years old or older. At first glance, that may seem like a small share, but it is still equivalent to over 3,000 workers. Historically, production workers have retired at earlier ages than workers in other less physically demanding occupations. However, more recently, production jobs have become less physical and more technologically demanding, so behaviors may change. Whether or not retirement behaviors change, and until attitudes about manufacturing change, employers will continue to struggle to find highly skilled and qualified workers in a society that currently sees a limited future in manufacturing.

Food preparation and serving related occupations consist of 7,941 workers in the region, the sixth largest occupational group. Workers in this occupational group tend to be younger in age. In fact, 52 percent of workers in this occupational group are between the ages of 16 and 34. This makes sense since many of these jobs, such as waiters/waitresses and bartenders tend to be held by younger workers such as students. The nature of the work

coupled with the composition of the workforce tends to result in high turn-over rates. When a new position is open, it is usually filled by another younger worker. This works for the food preparation and serving related group because less than one month of on-the-job training is required for these positions.

There are 16,412 office and administrative support workers in the region, the second largest occupational group. In most counties throughout Wisconsin, this occupational group tends to be female dominated. In addition, these occupations are heavily dominated by workers in their prime working years (35-54 years old). One fifth of administrative support workers, or over 3,000 workers, are over the age of 55 in the region. Studies show that workers are staying in the labor force longer than their predecessors, but it is still insignificant to the number of baby boomers that will be leaving the labor force. Because office and administrative support jobs are not as labor intensive and workers are less likely to get burned out quicker than, say, construction workers, employers may be able to retain their mature workers for a longer time than they had in the past; but, workers may need flexible work schedules.

Income

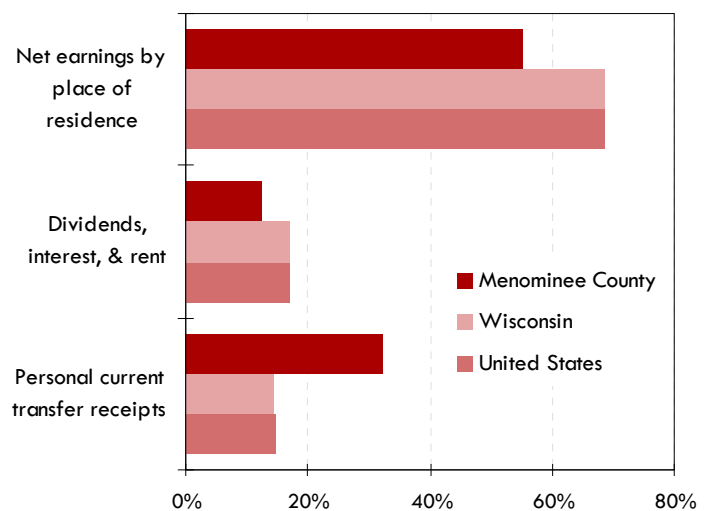
Total Personal Income (TPI) is the sum of net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts. Net earnings includes wages and salaries (whether the workers are covered by Wisconsin's unemployment law or not), income from self-employment, proprietorship 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 many counties in the state, net earnings by place of residence is around 68 percent of TPI. This is not the case in Menominee County, though. Net earnings comprise only 55.2 percent of TPI, compared to 68.5 percent in Wisconsin and 68.4 percent in the United States.

Personal transfer receipts, on the other hand, account for 32.4 percent of TPI in Menominee County, more than

double the share in the state (14.3%) and in the nation (14.7%). An immediate impression might be that Menominee County's population is older on average. This

Components of 2006 Total Personal Income



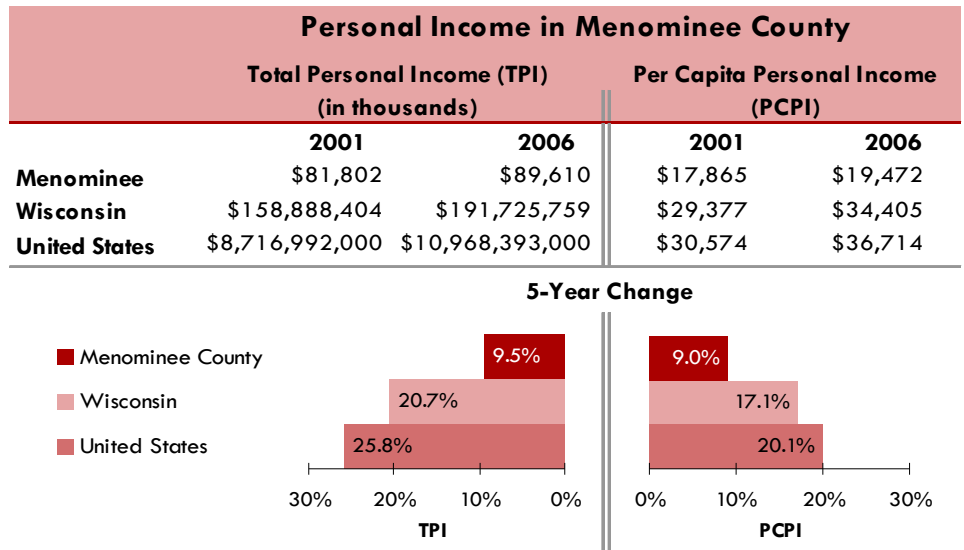
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

(Continued on page 8)

Income

is not the case, though (see pages one and two). Menominee County is composed of a young population. The county's public assistance payments are the driving force behind the large share of personal current transfer receipts. As the baby boomers leave the labor force and become eligible for more government assistance programs, one could see the share of transfer payments rise further, while the share of net earnings could decline.

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 (not eligible to participate in the labor force), one will see a lower per capita income figure, as is the case in Menominee County (approximately 30 percent of the population is under the age of 16). Since Menominee County's population is younger, on average, and with proportionally fewer workers earning their highest income from wages and salaries, the county's PCPI is only \$19,472 in the year 2006, which is lower than the state's (\$34,405) and the nation's (\$36,714). Average annual wages paid by employers in the county are well below the statewide average, which further dampens



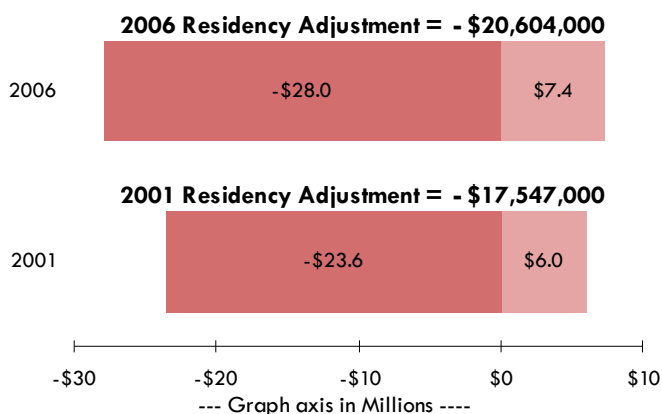
Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007

PCPI. In fact, Menominee County has the lowest PCPI among the 72 counties in Wisconsin. Rusk County had the next lowest PCPI in 2006. Like Menominee County, average wages in Rusk County are well below statewide averages. However, Rusk County's population is older on average which, like the younger population, tends to lower PCPI.

In addition, Menominee County's commuting impact tends to further dampen personal income. Residency adjustment is an adjustment made for wages earned by residents who work outside the county. The graph suggests that the total earnings of Menominee County residents who work in another county is significantly less (\$20.6 million) than the total net earnings of non-Menominee County residents who work in Menominee County in the year 2006. The gap has widened over the five-year period. In fact, Menominee County's net out-commute adjustment grew at a faster rate (17.4%) than PCPI (9.0%) and TPI (9.5%) between 2001 and 2006. However, this could change in the coming years as the labor force shrinks in the county. Employers in Menominee County could face higher competition to keep residents working locally, but more importantly, also to keep non-Menominee County residents working in Menominee County. Employers may have to raise wages in order to stay competitive with surrounding areas as labor forces shrink or grow slowly. Other economic conditions, including high gas prices, could cause commuters such as Shawano County residents to look for work locally, rather than for work in Menominee County.

Menominee 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