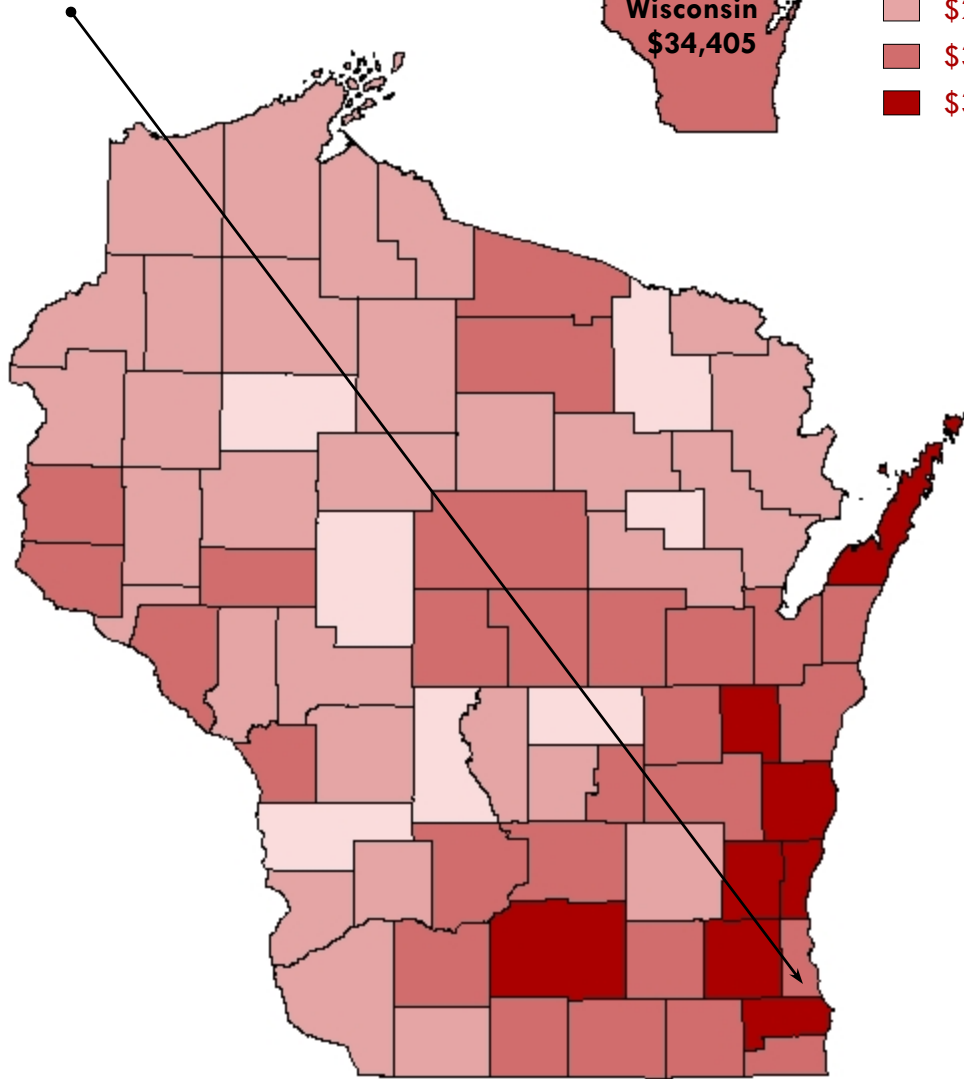


Milwaukee County Workforce Profile

Per Capita Personal Income in 2006

Milwaukee County
\$34,128



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10633-P

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Population

Milwaukee County is the only county in southeastern Wisconsin that lost population between 2000 and 2007. The other six counties surrounding Milwaukee added between 4,300 residents (in Ozaukee County) to 21,000 residents (in Waukesha County). Among the major metropolitan areas in the county, changes in population were evenly split between increasing and decreasing populations. In addition to the City of Milwaukee, the cities of West Allis, Wauwatosa, and the villages of Greendale and Whitefish Bay lost residents. The municipalities that added to their populations were Greenfield, Franklin, Oak Creek, South Milwaukee and Cudahy. Even though the total population decreased, if the decrease in the City of Milwaukee was removed, the county would have shown a net increase in population of about 4,000. Even with the decrease in population, the City of Milwaukee remains the largest city in the state.

Both numerically and by percent, Oak Creek grew more than any other municipality in the county. The 3,954 new residents represent an increase of 13.9 percent, a significantly higher rate than the state which increased by 5.3 percent or the nation which increased by 6.9 percent. Following closely behind Oak Creek in numbers and percentage of growth was the City of Franklin. The addition of 3,886 represents a 13.2 percentage point growth.

Population changes happen from natural changes (births minus deaths) and from migration. The change in

Milwaukee 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%
Milwaukee County	940,164	936,364	-3,800	-0.4%
Milwaukee, City*	596,974	589,230	-7,744	-1.3%
West Allis, City	61,254	60,410	-844	-1.4%
Wauwatosa, City	47,271	45,930	-1,341	-2.8%
Greenfield, City	35,476	36,140	664	1.9%
Franklin, City	29,494	33,380	3,886	13.2%
Oak Creek, City	28,456	32,410	3,954	13.9%
South Milwaukee, City	21,256	21,285	29	0.1%
Cudahy, City	18,429	18,530	101	0.5%
Greendale, Village	14,405	14,025	-380	-2.6%
Whitefish Bay, Village	14,163	13,830	-333	-2.4%

* Milwaukee County portion only

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

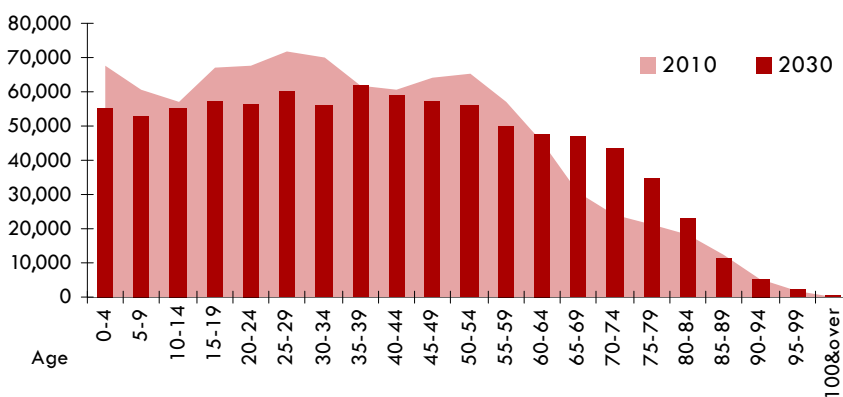
population in Milwaukee County is all from natural increases. There were 41,147 more births than deaths in the county while net migration (inflow minus outflow) was a negative 44,947.

With the negative growth projected for Milwaukee County, most age groups show a smaller number of residents in 2030 than in 2010. The only age groups projected to increase are in the higher end of the age spectrum.

Between 2010 and 2030 total population for Milwaukee County is projected to decrease by about 4 percent. The number of residents eligible for the labor force, those 16 years old and older, are projected to decrease by about 2 percents, while those in the 60 and older group is projected to increase by more than 55,000 or 35 percent.

The average age in Milwaukee County is projected to increase by more than three years between 2010 and 2030, going from 36.6 years old to 39.8 in 2030. The shift to the right in the age distribution could be caused by net migration, people living longer, or other reasons. In 2010 approximately 88 percent of the population will be less than 65 years old. By 2030 those under 65 will shrink to about 81 percent of the population. Milwaukee County's 65 and older population is projected to increase by more than 50,000 between 2010 and 2030.

Population by Age Cohorts in Milwaukee County



In 2010, the average Milwaukee County resident will be 36.6 years old.
 In 2020, the average Milwaukee County resident will be 38 years old.
 In 2030, the average Milwaukee County resident will be 39.8 years old.

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

Population & Labor Force

Population Projections for Milwaukee County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	198,726	262,767	251,685	216,030	730,482	929,208
2020	195,459	240,407	236,219	251,825	728,451	923,910
2030	175,106	218,192	233,317	264,830	716,339	891,445
Distribution of Labor-Force-Aged Population						
2010		36.0%	34.5%	29.6%	100.0%	
2020		33.0%	32.4%	34.6%	100.0%	
2030		30.5%	32.6%	37.0%	100.0%	

Source: WI Dept. of Administration, Demographic Services

Total population numbers may give a quick overall view of the county's changes; however, labor force and labor force participation rates give a more helpful view of work related issues. For a variety of reasons, not all of the population is included in the labor force. By definition, the labor force includes those at least 16 years old who are working or actively looking for work. However, residents may have a myriad of reasons for not being in the labor force: attending school full-time, caring for family members, or being retired. If residents are not either working or looking for work, they are not part of the labor force.

The number of those 55 and older is expected to increase as a percentage of total population and as a percentage of the labor force. Between 2010 and 2030, this age group is projected to increase from 29.6 percent to 37.0 percent of the total population while growing from 16.3 percent to 18.2 percent of the labor force. By 2030, almost 20 percent of the labor force will be at least 55. While total population is expected to decrease by about 4 percent, those 55 and older are projected to increase by about 22.6 percent.

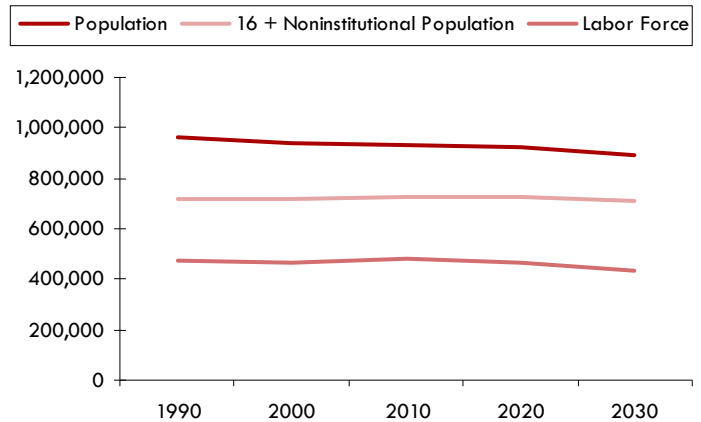
This aging trend is shown graphically in the Historic and Projected Population and Labor Force chart on this page. Between 1990 and 2030, total population is expected to decrease by about 7 percent. Those 16 and older are expected to decrease by about one percent, but the labor force is projected to decrease by about ten percent. Only those 16 years old and older can be part of the labor force, so an increase of one percent in that group coupled with a decrease of ten percent in the labor force lends additional evidence to the aging population. The proportion of those at and over retirement age will continue to increase for the foreseeable future.

In addition to the aging of the labor force, there is another side to the older population issue. As people age

they are inclined to drop out of the labor force. Labor force rates peak at around 55 years old and then decrease as people move to retirement, or have other issues that take them out of the labor force. The two tables on this page shows that as people age, they drop out of the labor force. The Milwaukee County population of 35 to 54 year olds in 2010 is expected to be 251,685. Of those prime-working-age residents, 203,880 will be in the

labor force, a participation rate of 81.0 percent. At the same time, those 55 and older will number 216,030 with 78,274 in the labor force, for a participation rate of 36.2 percent.

Milwaukee County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Milwaukee County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	198,991	203,880	78,274	481,145
2020	180,560	192,450	92,346	465,356
2030	163,506	189,666	78,346	431,518
Distribution of Labor Force				
2010	41.4%	42.4%	16.3%	100.0%
2020	38.8%	41.4%	19.8%	100.0%
2030	37.9%	44.0%	18.2%	100.0%

Source: WI DWD, OEA

Labor Force

Milwaukee County's older population is increasing at a much faster rate than the rest of the population. While the total population of 16 and older is expected to increase by about 11 percent between 2000 and 2030, those 60 and older are expected to increase by about 41 percent, an increase of almost 4 times that of the general population.

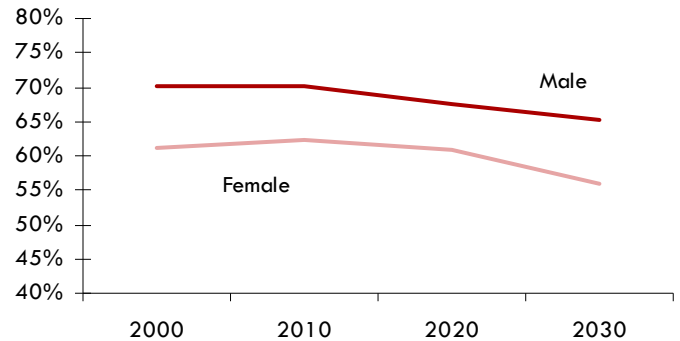
Milwaukee County is aging and the impact on the labor force will be widespread. Why the aging population has such an impact on the labor force is demonstrated graphically by the Labor Force Participation Rates chart on this page. Labor force participation tends to peak around age 54 and then declines with age. At 45 to 54, the participation rate is about 85 percent. For the 64 to 74 year old population, the participation rate drops to about 20 percent; and for those 75 and older, to only 8.3 percent. Noting the participation rate by age and the aging population helps explain the decreasing participation rate from 2000 to 2030.

Historically, women in Milwaukee County have about a 10 percentage points lower labor force participation rate than men. This is illustrated by the Labor Force Participation Rates by Sex chart on this page. Reasons for this may include women being full-time caretakers and women generally living longer than men.

In addition to the labor force issues involved in the aging population, there are other issues such as providing health care and other senior services that must be addressed by the community. The aging population will put a strain not only on employers but also on civic groups and local governments of communities coping with this increasing population segment.

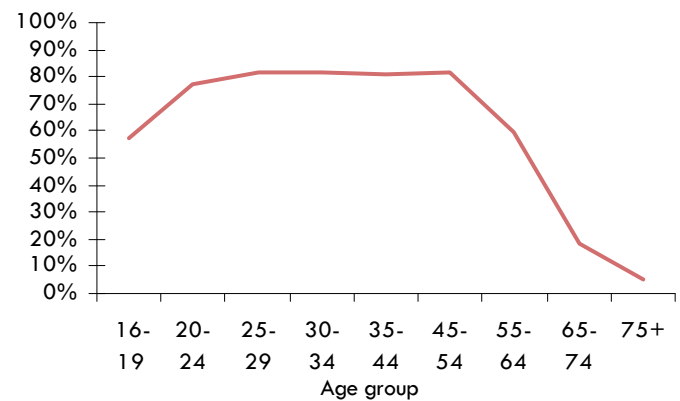
Employment in Milwaukee County has remained fairly consistent over the past few years. From 2003 and 2007, the unemployment rate decreased by more than one percentage point. Changes in the unemployment rate are affected by changes in the number employed and the labor force. If there is a decrease in the labor force without a change in the number employed, the unemployment rate will go down. While a decrease in the

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

unemployment rate is normally a good thing, one that comes about because less people are in the labor force can signal an increase in discouraged workers, more retirees or others not available to work. Whatever the reason, a decrease in the labor force could signal problems for employers trying to hire people.

For Milwaukee County, the majority of the decrease in the unemployment rate came from a decrease in the labor force. From 2003 to 2007, the labor force decreased by 4,770 while the number employed increased by 827. The decrease in the labor force could be because of the shrinking population, the aging population or an increase in discouraged workers. Whatever the reason, the decrease in available workers in the county could be a cause of future labor shortages.

Milwaukee County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	463,069	456,332	452,868	456,393	458,299
Employed	430,573	427,468	426,383	430,450	431,400
Unemployed	32,496	28,864	26,485	25,943	26,899
Unemployment Rate	7.0%	6.3%	5.8%	5.7%	5.9%

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

Jobs & Wages

Overall, Milwaukee County lost over 10,000 jobs in the five-year period ending in 2007. Although the overall picture was negative, not every industry saw a decrease in employment. The industry with the greatest impact on the county's economy in terms of employment and payroll was Education and Health. With the addition of over 2,000 workers,

education and health accounts for almost one in four workers and one in four dollars spent on payroll in the county. The importance of this industry is shown in both employment and payroll.

Another industry that saw dramatic growth is professional and business services. Professional and business services includes temporary service companies. Even though none of the temporary service companies made the list of the top ten companies in Milwaukee, there are several firms with more than 1,000 workers, and a number of firms

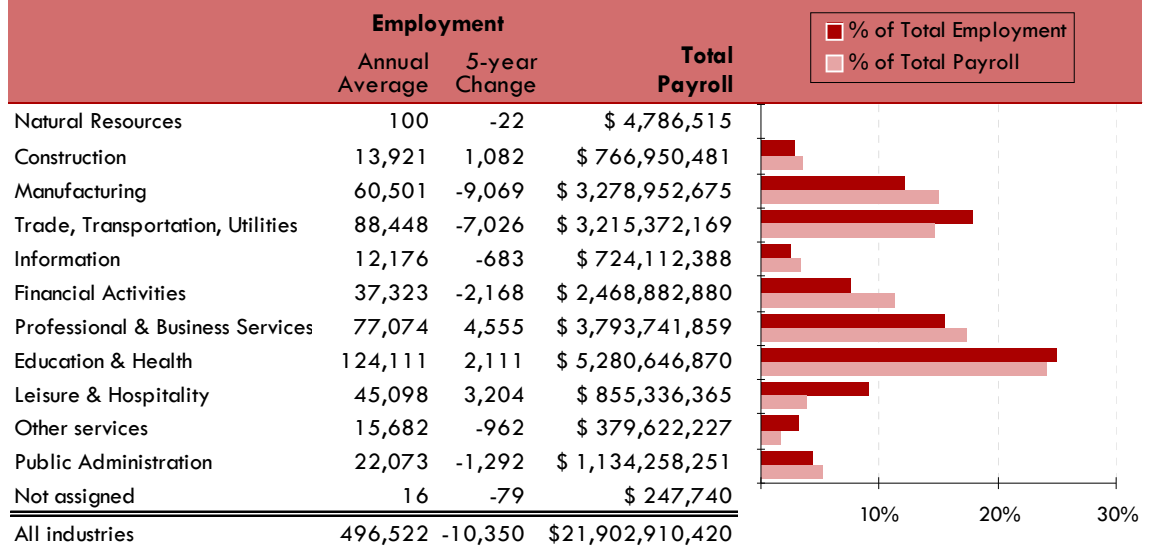
employing a smaller number.

The wages paid to individuals employed in various industries represents a final area of interest in our analysis of Milwaukee County's workforce. As displayed in the Average Annual Wage by Industry Division table below, the average annual wages of \$44,113 for all industries in the county in 2007 was more than \$6,000 higher than the state average of \$38,070. Other counties in southeastern Wisconsin may have one or more industries with average

wages higher than the state but in Milwaukee, all industries pay more than the state average. The higher than average wage is led by natural resources at 163.7 percent, leisure and hospitality at 139.6 percent and financial activities at 130.3 percent.

The difference between Milwaukee and the state is the result of a number of factors including the relatively higher cost of living in the region, an occupational mix more highly concentrated in higher skilled and management positions, as well as a higher concentration of highly educated workers.

2007 Employment and Wage Distribution by Industry in Milwaukee 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		Milwaukee County as a Share of Wisconsin	Milwaukee County 5-year % Change	Wisconsin 5-year % Change
	Milwaukee County	Wisconsin			
All industries	\$44,113	\$38,070	115.9%	20.2%	17.4%
Natural Resources	\$47,865	\$29,235	163.7%	17.8%	14.7%
Construction	\$55,093	\$47,489	116.0%	24.8%	19.8%
Manufacturing	\$54,197	\$47,106	115.1%	17.3%	16.1%
Trade, Transportation & Utilities	\$36,353	\$32,762	111.0%	14.3%	15.3%
Information	\$59,470	\$48,483	122.7%	16.5%	24.7%
Financial Activities	\$66,149	\$50,749	130.3%	39.4%	25.8%
Professional & Business Services	\$49,222	\$44,328	111.0%	26.2%	22.0%
Education & Health	\$42,548	\$39,606	107.4%	19.1%	17.3%
Leisure & Hospitality	\$18,966	\$13,589	139.6%	14.0%	14.8%
Other Services	\$24,208	\$22,073	109.7%	16.6%	13.2%
Public Administration	\$51,387	\$39,879	128.9%	18.4%	18.1%

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

Jobs & Wages

Prominent Industries in Milwaukee County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Milwaukee County	Milwaukee County	Wisconsin	Milwaukee County	Wisconsin	Milwaukee County	Wisconsin
Educational services	40,188	-1.4%	2.0%	\$ 46,662	\$ 39,753	30.0%	15.0%
Administrative & support services	37,833	-1.3%	15.8%	\$ 22,496	\$ 23,144	13.2%	15.4%
Food services & drinking places	32,042	7.4%	9.1%	\$ 12,887	\$ 10,859	13.0%	14.5%
Hospitals	28,768	2.2%	12.6%	\$ 43,944	\$ 43,750	15.2%	24.1%
Professional & technical services	24,487	1.9%	10.0%	\$ 64,903	\$ 56,267	20.8%	20.9%
Ambulatory health care services	23,869	8.9%	8.7%	\$ 60,289	\$ 57,969	13.1%	18.5%
Social assistance	19,033	11.4%	17.0%	\$ 20,236	\$ 19,100	5.3%	9.2%
Executive, legislative, & gen government	17,019	-7.8%	-4.7%	\$ 49,607	\$ 36,340	16.2%	16.4%
Management of companies & enterprises	14,434	45.8%	33.1%	\$ 92,777	\$ 82,145	20.1%	25.0%
Insurance carriers & related activities	12,983	-12.7%	5.8%	\$ 71,913	\$ 56,218	37.8%	27.8%

Note: * data suppressed for confidentiality and not available for calculations
Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, June 2008

The top ten employers represent 4 different industries. One of the top employers is in insurance, two in government, three in education and four in health care. All of the top ten employers in Milwaukee County have at least 1,000 employees, the only county in Southeastern Wisconsin to earn that distinction.

The importance of the health care industry can also be seen when looking at the top ten industry sub-sectors in the prominent industry table above. Two of those sub-sectors listed are in health care, namely hospitals and ambulatory health care services. If those sub-sectors were combined, they would have 52,637 employees and would easily beat out education as having the largest group of employees.

Educational services is the largest single sub-sector with

over 40,000 employees. There are three top employers in education in Milwaukee County with Milwaukee Public Schools, the Medical College of Wisconsin and U.W. Milwaukee, each employing at least 1,000 people.

Administrative and support services is the second largest sub-sector in terms of employees. This sector does not have an employer that made the top ten list, although there are several large employers in this sub-sector. QPS Staffing and PA Staffing are just two of the larger firms.

Two government employers, the City of Milwaukee and the County of Milwaukee, made the top ten list. The size of these two organizations is reflected in the industry sub-sectors with executive, legislative and general government in the table above. With more than 17,000 employees, this sub-sector ranks eighth out of the top ten.

Northwestern Mutual is one of the top ten employers but not the only large employer in the insurance carriers and related activities sub-sector. Time Insurance Co, Assurant Inc, and United Healthcare Services are all located in Milwaukee County.

Prominent Public and Private Sector Employers in Milwaukee County

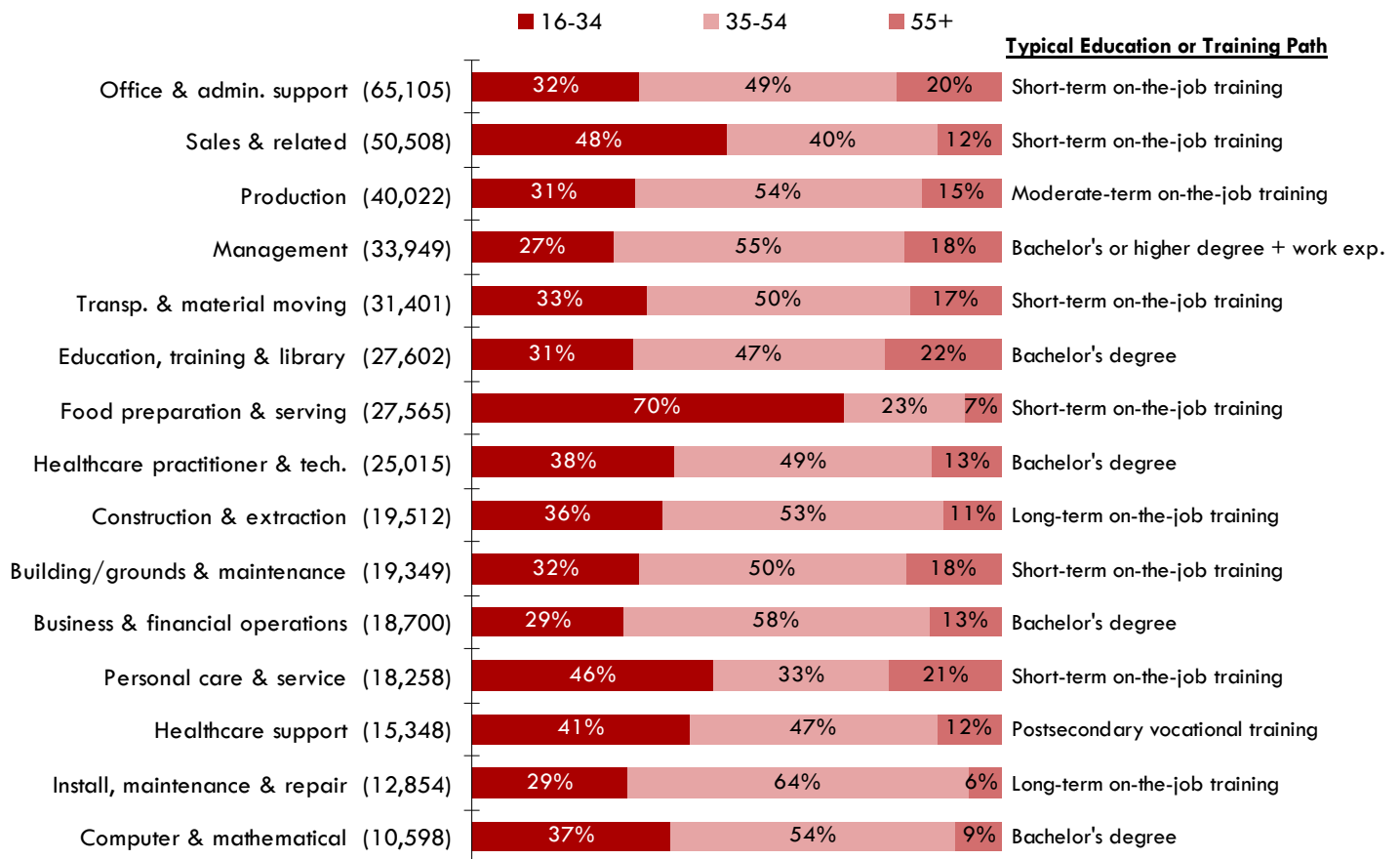
Establishment	Service or Product	Number of Employees (March 2007)
Milwaukee Public School	Elementary & secondary schools	1000+ employees
City of Milwaukee	Executive & legislative offices, combined	1000+ employees
County of Milwaukee	Executive & legislative offices, combined	1000+ employees
Aurora Health Care Metro, Inc	General medical & surgical hospitals	1000+ employees
Northwestern Mutual	Direct life insurance carriers	1000+ employees
Medical College of Wisconsin Inc	Colleges & universities	1000+ employees
Froedtert Hospital	General medical & surgical hospitals	1000+ employees
Columbia St Mary's Group	General medical & surgical hospitals	1000+ employees
Children's Health System Group	General medical & surgical hospitals	1000+ employees
U.W. - Milwaukee	Colleges & universities	1000+ 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 Milwaukee County.



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

Age distribution for occupational groups gives a glimpse of the workforce as it is and what type of changes may be coming. This should allow employers time to plan for the changing workforce.

Of the five occupations with the highest percent of workers 55 and older, two require Bachelor's degrees, while the other three require short on-the-job training. The two top occupations requiring a Bachelor's Degree are education, training and library, and management. Of the 27,602 Milwaukee County residents employed in education, 22 percent or slightly more than 6,000 are currently 55 or older. That means that over the next 10 years, almost one quarter of workers in that occupation will be at or over the normal retirement age. In addition, many public school teachers have contracts that allow them to retire at age 55, While not all of them may retire, this

could still leave a large number of positions to fill. The other occupation, management, currently has about 18 percent of its workers in the top age group. This may represent a very serious problem as Milwaukee attempts to bring more companies into the area. Without a sufficient number of management employees, companies may find it difficult to hire and retain good employees.

Short on-the-job training is the listed requirement for three occupations with large numbers of older workers. Office and administrative support represents the occupation with the largest number of workers. According to the U.S. Census Bureau, of the 65,105 people in that occupation, about 13,000 are currently 55 and older. Most if not all of these employees may be retired within the next several years.

Occupations & Typical Education or Training

Of the five occupations with the largest percentage of younger workers, three require short on-the-job training, one requires postsecondary vocational training while only one requires a Bachelor's Degree.

Workers in the 16 to 34 year old category represent 70 percent of the food preparation and service employment. Food service and drinking places employ a large number of workers (32,042), pay the lowest average annual wage (\$12,887) of any industry in Milwaukee County, and have only about seven percent of the 55 and older worker percentage, the second smallest of any occupation.

Another occupations that requires short on-the-job training and has a high percentage of younger workers is sales. About 48 percent of the workers in sales are 16 to 34 years old. Workers 55 and older represent about 12 percent of the total. Associating sales with a single industry is not easy. It occurs in numerous industries from retail (cashiers at the local quick mart) to manufacturing (technical sales). The large number of industries employing sales persons emphasizes that typical education and training is only a minimum requirements for employment, not necessarily the most common requirement.

Rounding out the top five occupations with a high percentage of younger workers are occupations in service industries. There are no top ten employers in the personal care sub-sector but that is not too surprising since this industry includes beauty shops, weight loss businesses and funeral homes and other service firms. The other sub-sector, healthcare support, includes doctor and dentist offices and other types of medical care that do not require inpatient services. There are no healthcare support companies in the list of top ten employers. Healthcare support requires some postsecondary training for employment.

Only one of the top five occupations with high younger worker percentages requires a Bachelor's Degree. Healthcare practitioner and technician finishes off the top five occupations with the highest percentage of workers in the 16 to 34 year olds. Older workers (55 and older) represent about 13 percent of total workers. There may be several reasons why there is a much higher number of younger workers in this occupation but one seems to stand out. Healthcare as an industry has continued to grow in the past few years bringing in more and more younger workers.

Income

The three components of total person income are net earnings, dividends, interest and rent, and transfer receipts. Net earnings come from employment, whether self-employed or working for someone else. Dividends, interest and rents come from investments, savings accounts, dividends, retirement payments from companies or 401(k) plans. Transfer receipts come from governments and are represented by social security, welfare, veterans benefits and other payment received from government agencies.

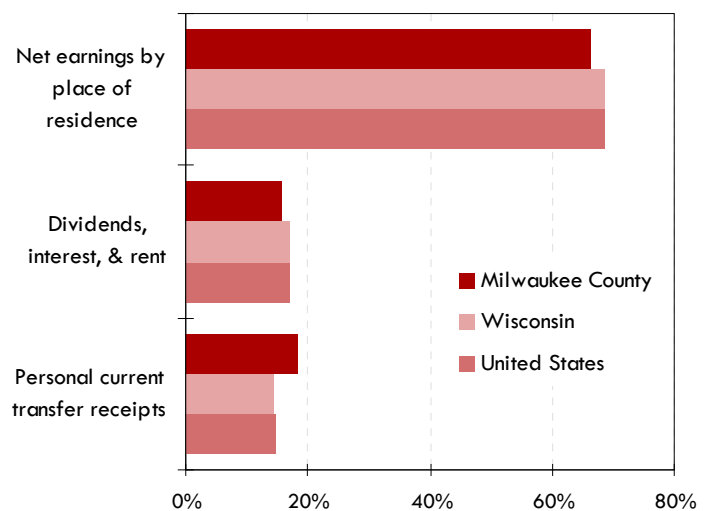
Of the three types of income, net earnings provides the largest share of personal income for the county, state and nation; however, the county has smallest percentage. This overwhelming source of income is lower for the county than the state and nation. At 66.2 percent, Milwaukee County has the second lowest percent of income from earnings in the seven counties in southeastern Wisconsin.

The county has the lowest percentage of income from dividends, interest and rent (15.6 percent) in the area and is 1.5 percentage points lower than the nation's average of 17.1 percent and 1.3 percent lower than the state's 16.9 percent.

Transfer payments represent the smallest percent of total income for the county, state and nation although

Milwaukee has a much higher percentage of income supplied by transfer payments (18.2 percent) than the state at 14.3 percent or the nation at 14.7 percent.

Components of 2006 Total Personal Income

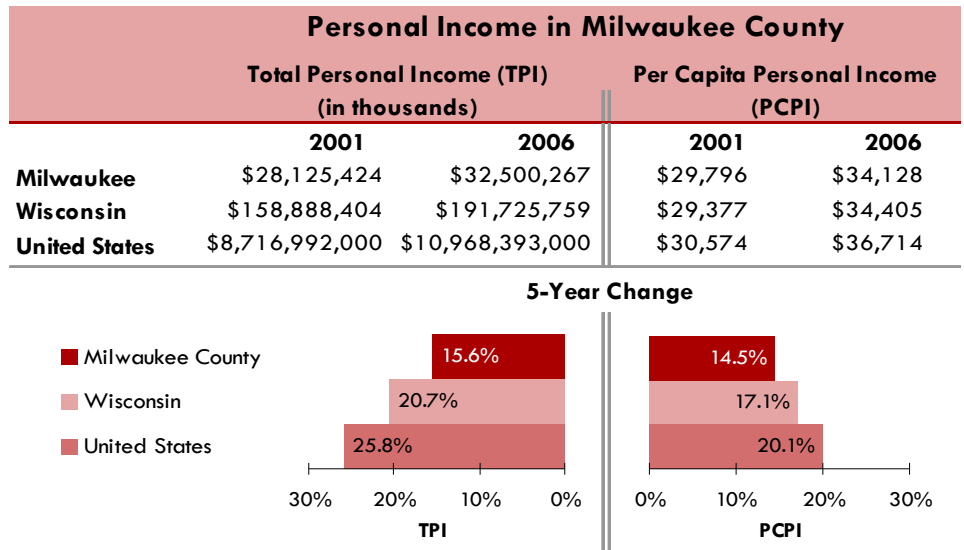


Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

Total personal income (TPI) is income received from all sources. As noted on page 7, income can be from earnings, interest, dividends, rent or transfer payments. Total personal income is made up of all of those sources for all residents in Milwaukee County. For the county, this includes people commuting to Racine or other counties to work while living in Milwaukee County, but would not include people working in the county but living in Kenosha County. Per Capita Personal Income (PCPI) is calculated by dividing TPI by the number of people living in the area.

TPI is a very straight forward number. It is just all income from all sources. The amount of PCPI can be affected by the type of residents in a county. For example, if there are a large number of residents that don't work because they are too young, the amount of PCPI will be less because TPI is less but must be divided by the same number of residents. If there are a large number of retiring residents in an area, PCPI will probably decrease since the amount they will collect from pensions and/or social security may be less than the amount they received when employed. This will decrease the amount of TPI while keeping the same denominator



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

when calculating PCPI.

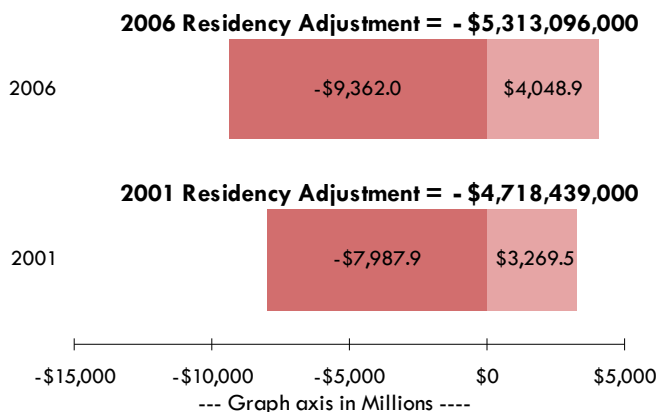
Over the past five years, Milwaukee County's TPI and PCPI increases were much less than the state or nation. The nation's TPI rate increase of 25.8 percent, was more than 10 percentage points higher than Milwaukee's while the state increase of 20.7 percent was about 5 percentage points higher. PCPI increases for the county (14.5 percent) were 2.6 percentage points lower than the state (17.1 percent) and 5.6 percentage points lower than the federal rate (20.1 percent).

Commuting patterns are illustrated in the Milwaukee County Commuting Impact chart to the left. When Milwaukee County residents work in another county, they bring their earnings into of Milwaukee County. What the chart indicates is that there are more employees coming into Milwaukee County to work than are leaving the county to work somewhere else.

From 2001 to 2006, this trend has increased in dollar values, but the percent increase in wages for Milwaukee residents working outside of the county increase by about 24 percent, while people coming into the county to work increase about 17 percent. This may indicate that employment outside of the county is increasing faster than employment in the county or it may be that wages are increasing faster in areas other than Milwaukee. If wages drop in the county it may make it more difficult for area employers to find, hire and retain qualified employees.

Milwaukee 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