

Ozaukee County Workforce Profile

Per Capita Personal Income in 2006

Ozaukee County
\$56,816



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10638-P

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Population

Ozaukee County added 4,380 residents between the last census in 2000 and January 2007. The 5.3 percent increase was the same as the state but 1.6 percentage points less than the nation (6.9 percent). The addition of the new residents makes Ozaukee the 18th largest of Wisconsin's 72 counties. The rate of growth for the county is the 19th fastest by number but only 33rd by percent of increase.

Populations can grow because there are more births than deaths, natural growth, or because more people are moving into an area than moving out, migration. Ozaukee's increase was more from migration than from natural increase. The past seven years saw an increase of 1,737 residents due to natural increase and 2,643 from migration. Migration accounted for 60.3 percent and natural growth accounted for 39.7 percent of the increase.

Not only did the county's population grow but the population of the ten largest metropolitan areas in the county also increased. The increase ranges from 2.6 percent in the Village of Thiensville to 10.0 percent in the Village of Fredonia. The City of Mequon, the largest metropolitan area added 922 new residents for an increase of 4.1 percent. The Village of Grafton added the most new residents with the addition of 956 people, a 9.1 percent increase.

Even though Ozaukee is growing and that growth is made up of both migration and natural increases, the county is aging. As noticed in the Population by Age

Ozaukee 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% |
| Ozaukee County | 82,317 | 86,697 | 4,380 | 5.3% |
| Mequon, City | 22,643 | 23,565 | 922 | 4.1% |
| Cedarburg, City | 11,102 | 11,440 | 338 | 3.0% |
| Grafton, Village | 10,464 | 11,420 | 956 | 9.1% |
| Port Washington, City | 10,467 | 11,120 | 653 | 6.2% |
| Cedarburg, Town | 5,550 | 5,759 | 209 | 3.8% |
| Saukville, Village | 4,068 | 4,341 | 273 | 6.7% |
| Grafton, Town | 3,980 | 4,120 | 140 | 3.5% |
| Thiensville, Village | 3,254 | 3,338 | 84 | 2.6% |
| Fredonia, Town | 2,083 | 2,172 | 89 | 4.3% |
| Fredonia, Village | 1,934 | 2,128 | 194 | 10.0% |

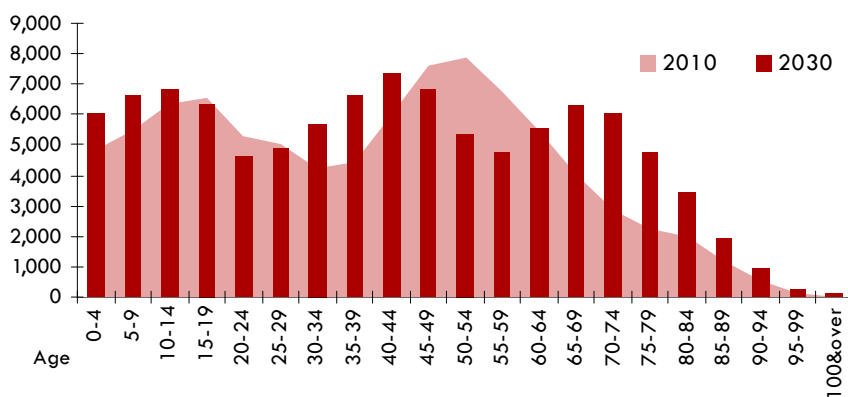
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

Cohort chart, the average age for the county is projected to be 39.5 in 2010 and then increase by 2.3 years to 41.8 by 2030. Ozaukee County is projected to be the oldest county in southeastern Wisconsin in 2010 and 2020, but not 2030. It is projected to be the oldest in 2010 and 2020. By 2030, the average age in Washington County is projected to be 41.9, slightly older than Ozaukee County's age of 41.8.

While the total population of the county is expected to increase by about 14 percent from 2010 to 2030, those 16 and older are projected to increase by about 24 percent. Contrasting that with the 106 percent increase of those 65 and older clearly explains the increase of the county's average age by more than two years. Along with the impact on employment for Ozaukee County there are other age-related issues. As people age they normally consume more medical and social services. These services will have to be provided at the same time as a potential labor shortage in health related fields.

Most of the shift in the population will be due to the dominance of the baby boomer population. Boomers are those born between 1946 and 1964. The oldest of this cohort are celebrating their 62nd birthday in 2008. By 2010, the oldest Boomers will be 64 while the youngest will be 44. By 2030, the oldest will be 84 and the youngest will be approaching traditional retirement at 65.

Population by Age Cohorts in Ozaukee County



In 2010, the average Ozaukee County resident will be 39.5 years old.
 In 2020, the average Ozaukee County resident will be 40.9 years old.
 In 2030, the average Ozaukee County resident will be 41.8 years old.

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

Population & Labor Force

| Population Projections for Ozaukee County | | | | | | |
|---|------------|--------|--------|--------|-----------------------------|------------------|
| Age Group: | 0-15 | 16-34 | 35-54 | 55+ | Labor-Force-Aged Population | Total Population |
| Years | Population | | | | | |
| 2010 | 17,975 | 19,762 | 25,885 | 25,219 | 70,866 | 88,841 |
| 2020 | 18,890 | 21,290 | 22,567 | 32,608 | 76,465 | 95,355 |
| 2030 | 20,692 | 20,323 | 26,121 | 34,075 | 80,519 | 101,211 |
| Distribution of Labor-Force-Aged Population | | | | | | |
| 2010 | | 27.9% | 36.5% | 35.6% | 100.0% | |
| 2020 | | 27.8% | 29.5% | 42.6% | 100.0% | |
| 2030 | | 25.2% | 32.4% | 42.3% | 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 28.4 percent to 33.7 percent of the total population while growing from 35.6 percent to 42.3 percent of the labor force. By 2030, more than 40 percent of the labor force will be at least 55. While total population is expected to increase by 13.6 percent, those 55 and older will increase by 35.1 percent.

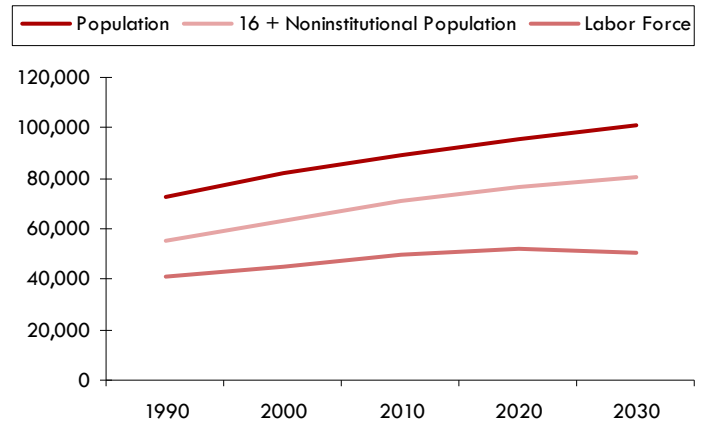
This aging trend is shown graphically in the Historic and Projected Population and Labor Force chart on this page. Between 1990 and 2030, total population is expected to increase by about 14 percent. Those 16 and older are also expected to increase by about 14 percent but the labor force is projected to increase by only 1 percent. Only those 16 years old and older can be part of the labor force, so an increase of 14 percent in that group coupled with a 1 percent increase in the labor force lends additional evidence of an 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 Ozaukee County population of 35 to 54 year olds in 2010 is expected to be 25,885. Of those 22,529 will be in the labor force, a participation rate of about 87

percent. The number of those 55 and older will be 25,219 with 11,896 in the labor force, a participation rate of only 47.2 percent.

Ozaukee County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

| Labor Force Projections for Ozaukee County | | | | |
|--|-------------|--------|--------|-------------------|
| Age Group: | 16-34 | 35-54 | 55+ | Total Labor Force |
| Years | Labor Force | | | |
| 2010 | 15,583 | 22,529 | 11,896 | 50,008 |
| 2020 | 16,832 | 19,697 | 15,195 | 51,724 |
| 2030 | 16,055 | 22,752 | 11,723 | 50,530 |
| Distribution of Labor Force | | | | |
| 2010 | 31.2% | 45.1% | 23.8% | 100.0% |
| 2020 | 32.5% | 38.1% | 29.4% | 100.0% |
| 2030 | 31.8% | 45.0% | 23.2% | 100.0% |

Source: WI DWD, OEA

Labor Force

Ozaukee 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 23 percent between 2000 and 2030, those 60 and older are expected to increase by about 100 percent, an increase 4 times that of the general population.

Ozaukee 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. By the time the population moves into the 64 to 74 year old bracket, the participation rate has dropped to about 20 percent and for those 75 and older, the participation rate is only 8.3 percent. Noting the participation rate by age and the aging population helps explain the decreasing participation rate from 2000 to 2030.

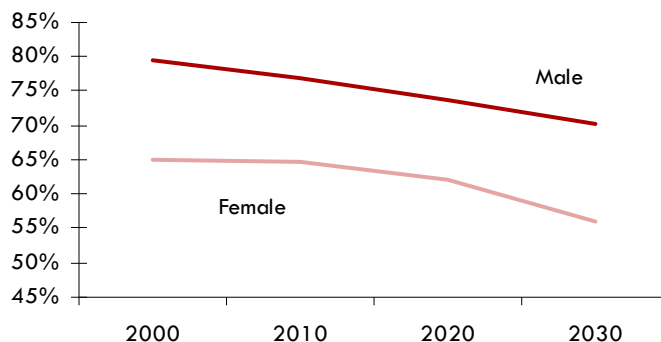
Historically, women in Ozaukee County have about a 10 percent lower labor force participation rate than men. This is illustrated by the Labor Force Participation Rates by Sex chart on this page. Reasons for this may include women being full-time caretakers or women generally living longer than men.

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 may put a strain not only on employers but also on civic groups and local governments coping with this increasing segment.

Employment in Ozaukee County has remained fairly consistent over the past five years. While there has been movement up and down over the years, the unemployment rate's largest drop came between 2003 and 2004. Since then, the average annual unemployment rate has remained consistently below the traditional full employment rate of 4 percent unemployment.

Unemployment is affected by two separate sets of

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

numbers; total labor force and the number employed. The drop in unemployment from 2003 to 2007 was caused by an increase in the labor force but an even greater increase in the number employed. From 2003 to 2007, the labor force increase from 47,567 to 48,874 participants, an increase of 1,307. Employment went from 45,329 to 47,026, an increase of 1,697. The increase of 1,307 in the labor force and the increase of 1,697 in the number employed led to a decrease in resident unemployment of 390 and led to the 0.9 percent decrease in the unemployment rate.

Unemployment rates can drop even when there is a decrease in the number employed. If the labor force decreases more than employment decreases, the unemployment rate will decline. Ozaukee County's unemployment rate decrease came from an increase in employment.

Ozaukee County Civilian Labor Force Data

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------|--------|--------|--------|--------|--------|
| Labor Force | 47,567 | 47,435 | 47,815 | 48,673 | 48,874 |
| Employed | 45,329 | 45,678 | 46,014 | 46,922 | 47,026 |
| Unemployed | 2,238 | 1,757 | 1,801 | 1,751 | 1,848 |
| Unemployment Rate | 4.7% | 3.7% | 3.8% | 3.6% | 3.8% |

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

Jobs & Wages

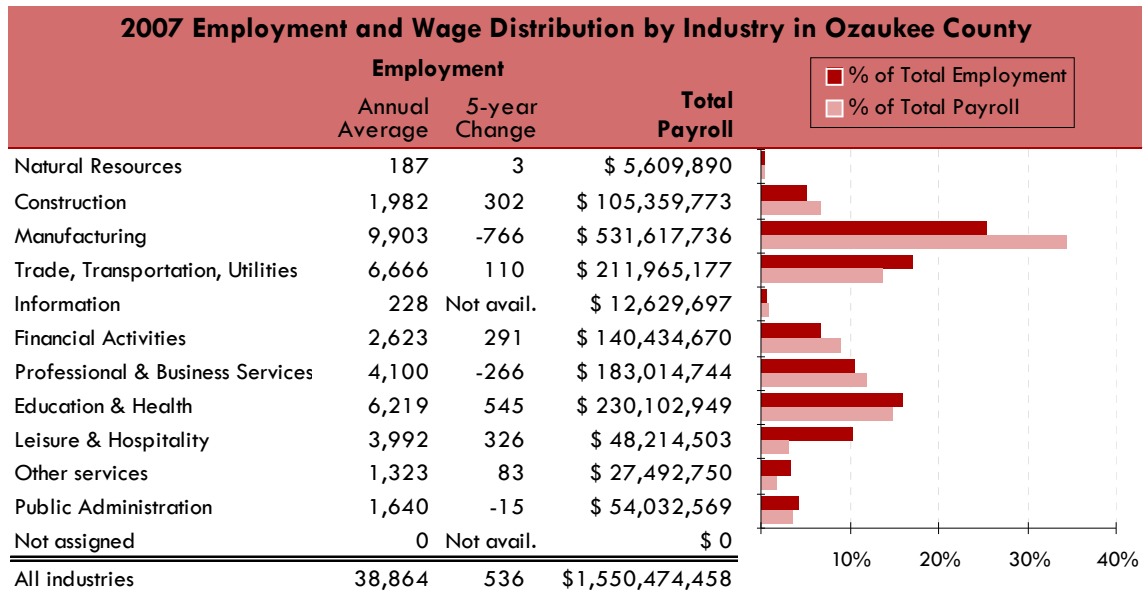
By far the industry with the greatest impact on Ozaukee County is manufacturing. Even with the loss of jobs over the past five years, manufacturing continues to have the highest number of jobs. At almost 10,000 jobs (slightly more than 25 percent of total employment), manufacturing contributes about 34 percent of the total payroll, larger than any other industry.

Trade, transportation and utilities, the second largest industry in terms of employment, represents 17.2 percent of total employment and about 14 percent of total payroll. Education and health is the third largest employing industry, but edges up to second place in terms of payroll. Education and health had the largest growth in employment over the past 5 years. With the addition of 545 employees, employment in that industry increased by about 10 percent. While having the largest number of

new employees, education and health did not increase by the largest percentage. Construction added 302 jobs for an increase of 18 percent. Financial activities added 291 positions for an increase of 12.5 percent.

On average, wages in Ozaukee County are higher than the state. At \$39,895, Ozaukee's average wage is almost \$2,000 higher than the state average of \$38,070. The reason behind the higher average can be seen in the Average Annual Wage table on this page. Note that for

six of the eleven industries, wages paid in Ozaukee County are higher than the state average. Five industries pay less but only two, leisure and hospitality, and public administration pay less than 90 percent of the average state wage. Two industries, manufacturing at 114.0 percent and information at 114.3 percent pay substantially higher average annual wages than comparable state wages. These two industries have high wages in both the state and county, so the higher percent for the county translates into a sizable impact for the area.



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 | | Ozaukee County as a Share of Wisconsin | Ozaukee County 5-year % Change | Wisconsin 5-year % Change |
|-----------------------------------|---------------------|-----------|--|--------------------------------|---------------------------|
| | Ozaukee County | Wisconsin | | | |
| All industries | \$39,895 | \$38,070 | 104.8% | 17.6% | 17.4% |
| Natural Resources | \$29,999 | \$29,235 | 102.6% | 2.0% | 14.7% |
| Construction | \$53,158 | \$47,489 | 111.9% | 35.1% | 19.8% |
| Manufacturing | \$53,682 | \$47,106 | 114.0% | 26.4% | 16.1% |
| Trade, Transportation & Utilities | \$31,798 | \$32,762 | 97.1% | 14.6% | 15.3% |
| Information | \$55,393 | \$48,483 | 114.3% | Not avail. | 24.7% |
| Financial Activities | \$53,540 | \$50,749 | 105.5% | 1.3% | 25.8% |
| Professional & Business Services | \$44,638 | \$44,328 | 100.7% | 36.7% | 22.0% |
| Education & Health | \$37,000 | \$39,606 | 93.4% | 0.8% | 17.3% |
| Leisure & Hospitality | \$12,078 | \$13,589 | 88.9% | 9.1% | 14.8% |
| Other Services | \$20,781 | \$22,073 | 94.1% | 24.0% | 13.2% |
| Public Administration | \$32,947 | \$39,879 | 82.6% | 17.3% | 18.1% |

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

Jobs & Wages

| Prominent Industries in Ozaukee County | | | | | | | |
|--|--------------------|-----------------------|-----------|----------------|-----------|-----------------------|-----------|
| Industry Sub-sectors (3-digit NAICS) | Average Employment | | | Average Wages | | | |
| | 2007 Avg. | 5-year Percent Change | | 2007 Average | | 5-year Percent Change | |
| | Ozaukee County | Ozaukee County | Wisconsin | Ozaukee County | Wisconsin | Ozaukee County | Wisconsin |
| Food services & drinking places | 3,171 | 15.3% | 9.1% | \$ 10,514 | \$ 10,859 | 14.3% | 14.5% |
| Educational services | 2,762 | 5.2% | 2.0% | \$ 36,201 | \$ 39,753 | 7.1% | 15.0% |
| Machinery manufacturing | 2,081 | -25.3% | -4.5% | \$ 54,518 | \$ 53,720 | 23.9% | 19.1% |
| Fabricated metal product manufacturing | 1,932 | 12.9% | 8.6% | \$ 44,085 | \$ 43,765 | 17.5% | 15.4% |
| Professional & technical services | 1,889 | 11.9% | 10.0% | \$ 51,047 | \$ 56,267 | 19.2% | 20.9% |
| Specialty trade contractors | 1,715 | 29.4% | -0.1% | \$ 54,283 | \$ 43,664 | 40.4% | 17.8% |
| Administrative & support services | 1,587 | -33.5% | 15.8% | \$ 28,025 | \$ 23,144 | 35.4% | 15.4% |
| Executive, legislative, & gen government | 1,584 | -0.9% | -4.7% | \$ 32,805 | \$ 36,340 | 17.1% | 16.4% |
| Primary metal manufacturing | 1,361 | -2.6% | -4.1% | \$ 47,657 | \$ 46,172 | 9.3% | 14.0% |
| Food & beverage stores | 1,238 | 21.7% | -4.9% | \$ 16,872 | \$ 17,166 | -1.3% | 9.7% |

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

A review of the top ten employers in Ozaukee County shows four separate industries. Ozaukee County does not have any really large employers; but eight of the top ten employ between 500 to 999 workers, and two others employ between 250 and 499.

Columbia St. Mary's is the only health industry employer in the top ten list. Leggett & Platt, Inc; Rockwell Automation; Charter Mfg Co. Inc. all employ between 500 and 999 and are in manufacturing. The fourth manufacturing employer is Simplicity and employs between 250 to 499. There are four educational employers although three are in the public sector. The top ten include Mequon-Thiensville, Cedarburg School District and the Port Washington-Saukville School District along with Concordia University Wisconsin. The Port

Washington-Saukville schools employ between 250 and 499 people, and the other three educators employ between 500 and 999.

The last employer on the list is the County of Ozaukee. The county does not have any large metropolitan area within its boundaries so there are no city governments that make the list as is common in other counties in southeastern Wisconsin. The County of Ozaukee employees between 500 and 999 employees.

Not surprisingly, the industry with the most employees is food service. Many of these jobs are seasonal or part-time. For many in this industry, these are second jobs or they are filled by those that work only part of each day or week. This could also explain the low average annual wage in this industry for both the county and the state.

Average annual wage is based on total yearly earnings even if earned working part-time.

Two of the three manufacturing sub-sector, showed a decrease in employment including Machinery manufacturing which decreased by 25.3 percent

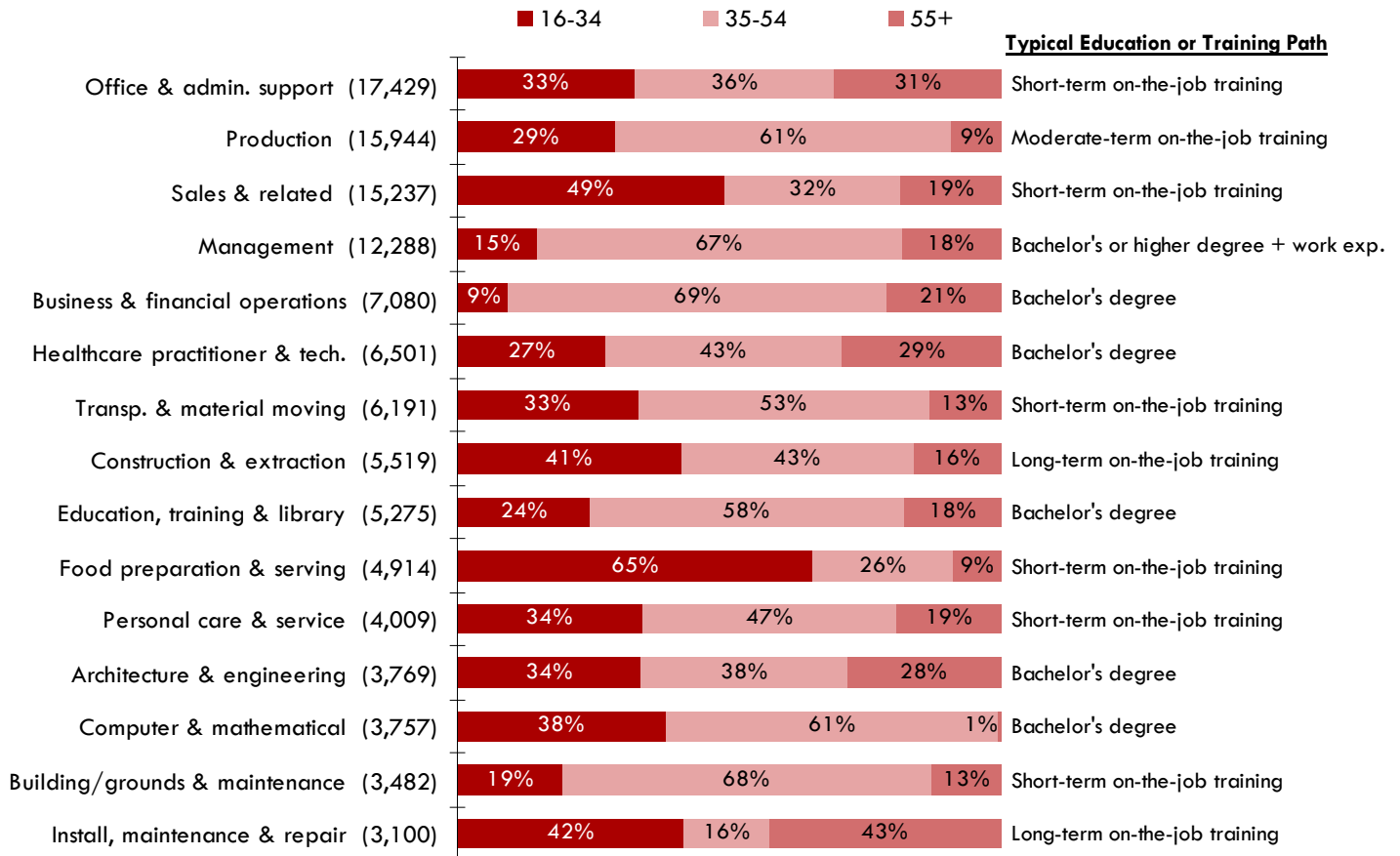
| Prominent Public and Private Sector Employers in Ozaukee County | | |
|---|---|----------------------------------|
| Establishment | Service or Product | Number of Employees (March 2007) |
| Columbia St Mary's Group | General medical & surgical hospitals | 500-999 employees |
| Leggett & Platt Inc | Aluminum die-casting foundries | 500-999 employees |
| County of Ozaukee | Executive & legislative offices, combined | 500-999 employees |
| Rockwell Automation Inc | Relay & industrial control manufacturing | 500-999 employees |
| Charter Mfg Co Inc | Steel wire drawing | 500-999 employees |
| Concordia University Wisconsin Inc | Colleges & universities | 500-999 employees |
| Mequon-Thiensville Public School | Elementary & secondary schools | 500-999 employees |
| Cedarburg School District | Elementary & secondary schools | 500-999 employees |
| Port Washington-Saukville School District | Elementary & secondary schools | 250-499 employees |
| Simplicity Mfg Inc | Lawn & garden equipment manufacturing | 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 Ozaukee and Washington 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 occupation and education chart shows occupations with the largest number of employees. The number is divided by age to give a picture of how these occupations may change over time. For example, the occupation with the largest number of employees, office and administrative support, is pretty evenly divided by age with about one third in each age segment. While at first glance this may not seem to pose a problem, consider that more than 3,000 employees in this occupation will reach retirement age within the next ten years. They may not all choose to retire, but this may cause a serious shortage for employers not making appropriate plans.

Several other occupations have a relatively high percentage of employees in the 55 and older group. While last on the list, the install, maintenance and repair occupational group, with over 1,300 older workers or 43

percent of its total, has the highest percentage of older workers.

Healthcare practitioner occupations, with 29 percent of current workers 55 and older and occupations requiring a minimum of a Bachelor's degree, may develop worker shortages. Employers who need workers in this type of occupation may want to begin attracting and retaining them.

Another occupation with at least 20 percent of current employees in the 55 and older group is business and financial operations. Currently there are about 7,000 employees in the counties and of those, almost 1,500 are older workers. Business requires a bachelor's degree for employment. Additional training or education could lengthen the time needed to replace older workers.

Occupations & Typical Education or Training

On the other side of the scale are younger workers, those in the 16 to 34 year old group. Not surprisingly, the occupation with the largest percent of 16 to 34 year olds is food preparation and serving. Of the 4,914 residents employed in this occupation, 65 percent or almost 3,200 employees are in the 16 to 34 year age group. Occupations in this group require only short on-the-job training and may represent a first job, a part-time position while in school or a second job to earn extra income. There are a large number of these job available for full or part-time employment. These factors may explain why, though the occupations has such large numbers of workers, the average wage is less that other occupations. In contrast to the large number of younger workers there are relatively small numbers of those 55 and over. Food service ties production as the occupation with the second lowest percent of 55 and older workers. At 9.0 percent, there are about 440 employees 55 and older employed in production occupations in Ozaukee and Washington counties.

The second largest group of younger workers are in sales. At 49 percent, there are about 7,500 sales jobs with younger workers. Contrast that with the 19 percent or

about 3,000 sales workers in the 55 and older group.

One thing both of these occupations share is the typical education or training needed to become employed, short-term on-the-job training which typically lasts for less than a month.

The occupations with the third and fourth highest percent of younger workers are the install, maintenance and repair group at 42 percent or 1,302 younger workers and construction and extraction with 41 percent or 2,263. Both of these occupations require long-term on-the-job training, typically one to four years. In addition to employing the third largest number of younger workers, install, maintenance and repair also employs the highest percent of older workers. At 43 percent, there are 1,333, workers in the install industry who are 55 and older.

Of the top five occupations with the highest percentage of 16 to 34 year old workers, only one, the computer and mathematical group, requires a Bachelor's Degree. With 38 percent of the total of 3,757 people in the occupation, younger workers account for 1,428 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 employed by someone else. Dividends, interest and rents come from investments, savings accounts, dividends, retirement payments from companies or 401(k) plans. Transfer receipts come from state and federal governments and are represented by social security, welfare, veterans benefits and other payments received from government agencies.

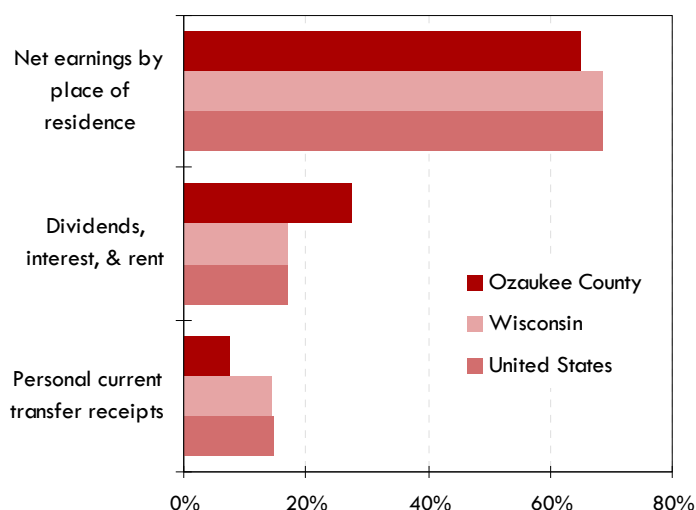
Net earnings provides the largest percentage of personal income for the county, state and nation. This overwhelming source of income is similar for the state (68.5 percent) and nation (68.4 percent), but at 65.0 percent, income from this source is three percentage points less for Ozaukee residents.

Dividends, interest and rent represent a substantially higher percentage of total income for the county. At 27.4 percent, this source of income is more than 10 percentage points higher in Ozaukee than the state (17.1 percent) or the nation at (16.9 percent).

Transfer payment represent the smallest percent of total income for the county, state and nation. Ozaukee transfer

payments amount to 7.6 percent of total personal income, about half the statewide or national percent.

Components of 2006 Total Personal Income

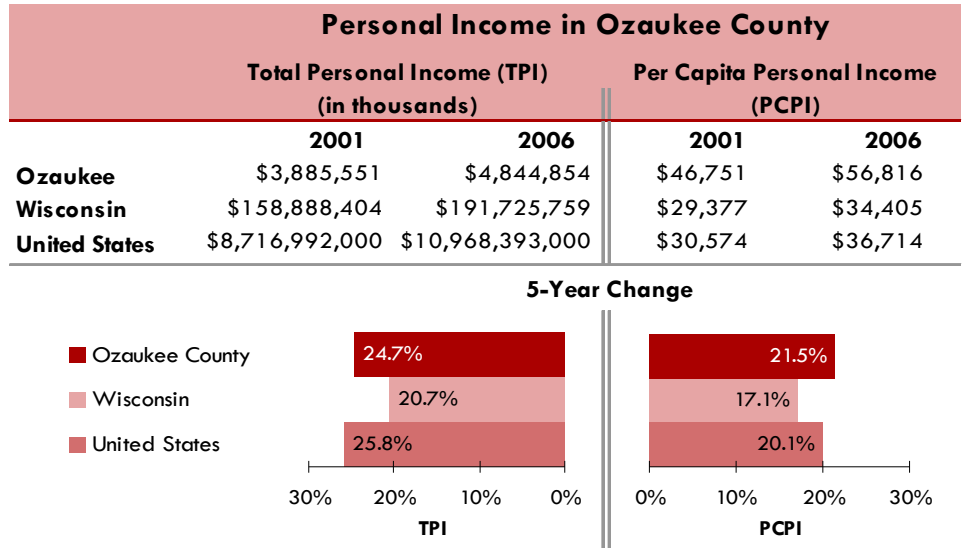


Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

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 Ozaukee County, the state and the nation. For the county, this includes people commuting to Milwaukee or other counties to work while living in Ozaukee County but would not include people working in Ozaukee but living in Washington 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 a combination of 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 still be divided by the same number of residents. If a large number of residents in an area retires, PCPI will probably decrease, since pensions and/or social security payments are usually less than employment earnings. This decreases the amount of TPI while keeping the same denominator when calculating PCPI.



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

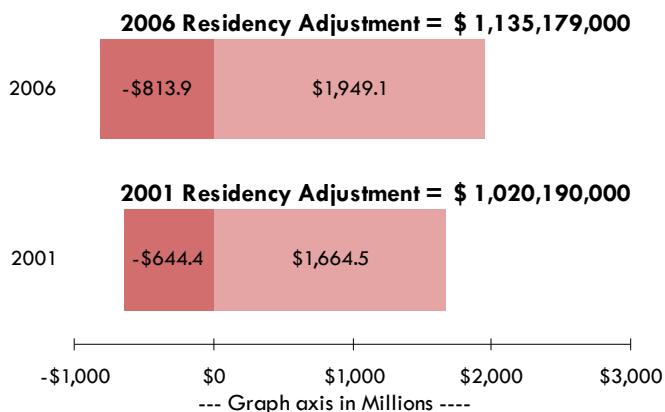
Over the past five years, TPI increased by a higher rate than the nation or the state. Ozaukee increasing by 4 percentage points more than the state and about a percentage point more than the nation. PCPI increased by about 4 percentage points more than the state and a little more than 1 percentage point than the nation.

Commuting patterns are illustrated in the Ozaukee County Commuting Impact chart to the left. When Ozaukee County residents work in another county, they bring their earnings back to Ozaukee County. What the chart indicates is that there are more employees going to other counties to work than are coming to Ozaukee to work.

In dollar values, this trend has increased slightly from 2001 to 2006. For both years, there is more than twice the number of dollars coming into the county than going out of the county. The numbers by themselves should not be interpreted as positive or negative but rather another piece of information about Ozaukee county. Generally when there is more income coming into the county, it means that a proportionally smaller number of businesses pay taxes in the area, that the county is more residential. Residential property tends to require more services than business property in the form of schools, social services and other people-related costs. The decision about residential versus commercial development is one that should be done with all available information.

Ozaukee 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