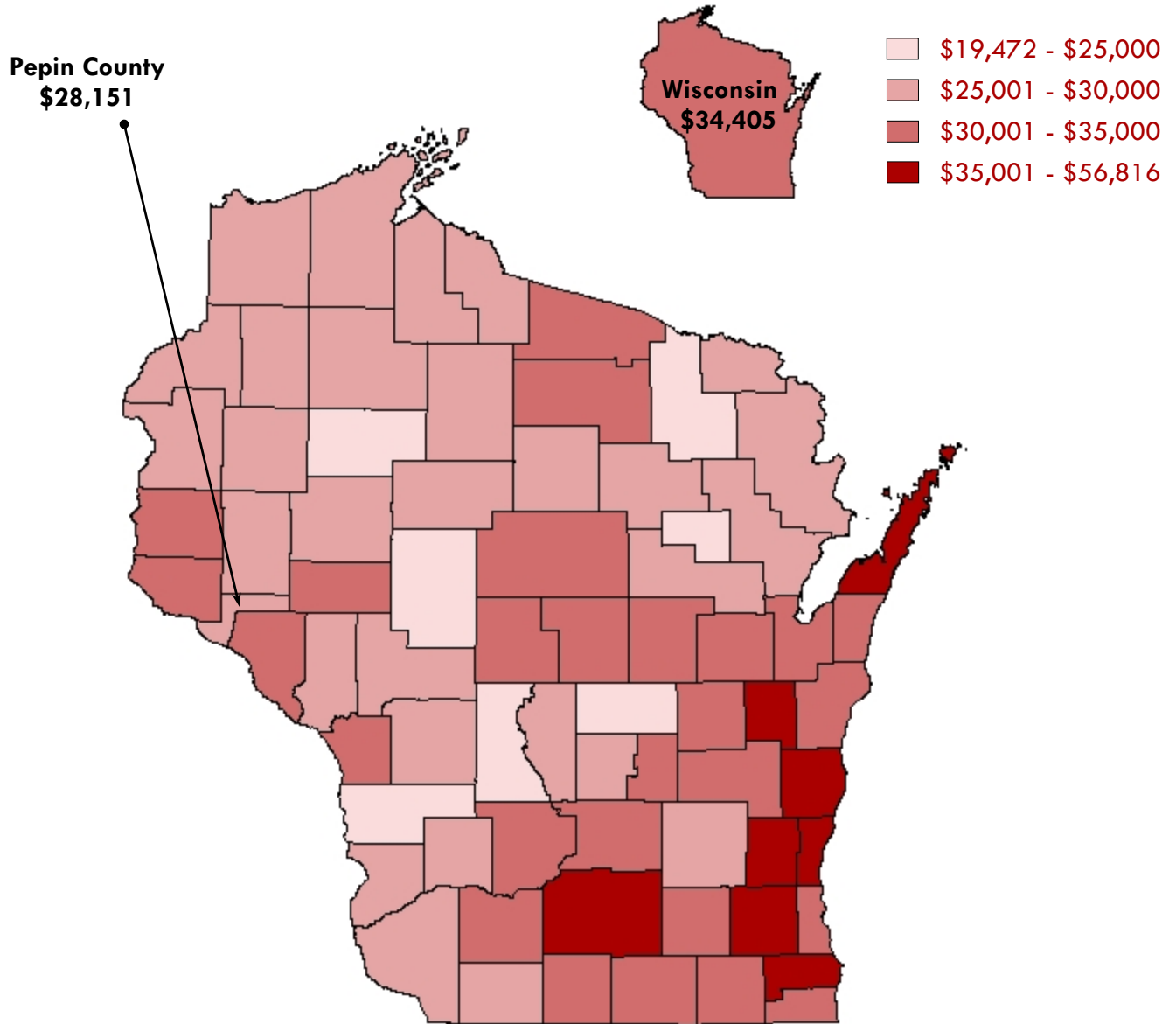


# Pepin County Workforce Profile

## Per Capita Personal Income in 2006



2008

### Office of Economic Advisors

Wisconsin Department of Workforce Development  
OEA-10639-P

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### Population

Pepin County grew by 501 residents from 2000 to 2007, for a total population of 7,714, according to the finalized estimates from Wisconsin's Department of Administration. The county's growth rate of 6.9 percent ranked it 24th, in the top third amongst the state's 72 counties.

Natural increase, or births minus deaths, accounted for only 17 percent of Pepin County's growth, adding 86 residents. The vast majority of Pepin's population increase came from migration, with a net gain of 415 new residents. Pepin is a sparsely populated rural county, and like many of Wisconsin's rural counties, growth is fueled by people moving in, usually retirees. Population increase was scattered around the county, but growth patterns seemed to favor areas with lakes, as well as the county's larger cities. This reflects a common migration trend—the desire to live in a scenic area with an abundance of recreational opportunities, while still remaining relatively close to the amenities or job opportunities found in a population center.

The City of Durand, home to most of the county's top employers, is the largest population center in Pepin County. Despite being the largest population center, Durand's population changed very little from 2000 to 2007. In contrast, the Village of Pepin, the second largest population center, grew by 9.7 percent over the seven-year period from 2000.

Much of the growth in the county is along scenic Lake

#### Pepin County's Ten Most Populous Municipalities

	April 2000 Census	Jan.1, 2007 Estimate	Numeric Change	Percent Change
<b>United States</b>	281,421,906	300,888,812	19,466,906	6.9%
<b>Wisconsin</b>	5,363,715	5,647,000	283,285	5.3%
<b>Pepin County</b>	7,213	7,714	501	6.9%
Durand, City	1,968	1,966	-2	-0.1%
Pepin, Village	878	963	85	9.7%
Waterville, Town	859	878	19	2.2%
Lima, Town	716	739	23	3.2%
Albany, Town	620	725	105	16.9%
Durand, Town	694	725	31	4.5%
Pepin, Town	580	666	86	14.8%
Waubeek, Town	364	401	37	10.2%
Frankfort, Town	362	378	16	4.4%
Stockholm, Town	75	176	101	134.7%

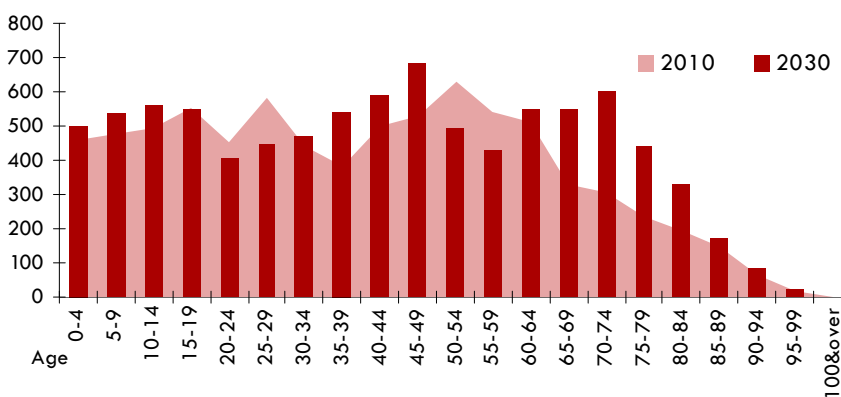
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

Pepin, in the townships of Stockholm and Pepin. In fact, the Town of Stockholm grew by 134.7 percent! However, in this sparsely populated township, that translated to an addition of only 101 residents.

The second-fastest growing township in Pepin County is as far away from Lake Pepin as it's possible to be in this county, but it benefits from being close to an attraction of a different kind. The Town of Albany, which grew at 16.9 percent, is close to the City of Eau Claire, West Central Wisconsin's largest city, and a major employment center. So growth here is fueled by the opportunity to commute to Eau Claire for higher paying jobs.

Despite this population growth, the county still faces serious workforce issues. The baby boomers, commonly defined as those born from 1946 and 1964, is the largest generation the country has ever seen and they will be exiting the workforce in the coming years. In 2010, the average Pepin County resident will be about 40 years old; by 2030, the average is expected to jump to over 43 years. The baby boomers are such a large population component that their aging literally causes the county's average age to rise by almost three years between 2010 and 2030. The graph on the left not only demonstrates the 'weight' of this older population in Pepin County, but also reflects the loss of young people who leave the area seeking more enticing opportunities or more excitement away from their "home town". Without attractive job prospects, young

Population by Age Cohorts in Pepin County



In 2010, the average Pepin County resident will be 40 years old.  
 In 2020, the average Pepin County resident will be 41.3 years old.  
 In 2030, the average Pepin County resident will be 42.9 years old.

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

Population & Labor Force

Population Projections for Pepin County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	1,537	1,915	2,048	2,348	6,311	7,848
2020	1,635	1,834	2,064	2,916	6,814	8,449
2030	1,701	1,756	2,314	3,166	7,236	8,937
Distribution of Labor-Force-Aged Population						
2010		30.3%	32.5%	37.2%	100.0%	
2020		26.9%	30.3%	42.8%	100.0%	
2030		24.3%	32.0%	43.8%	100.0%	

Source: WI Dept. of Administration, Demographic Services

people move in pursuit of more education and better jobs.

The county faces a future that includes meeting the needs of an elderly population and a shortage of workers to replace those retiring. While it is now true that many baby boomers don't plan to fully retire, most will move into other positions. Studies show that only 5 percent of workers remain full-time in their pre-retirement positions, while the remaining majority pursue other interests and opportunities. Additionally, health care demands increase as the population ages. Given the relatively advanced age of Pepin County residents, health care demand will increase sooner rather than later in the county.

The table above illustrates the changes in Pepin's population in the coming years. The labor force aged population (those 16 years old or older) is projected to continue growing, to 8,937 in 2030. But it isn't the total size of this group that raises issues, it is the demographic change within the group as we move through the next couple of decades. In 2010, the largest age cohort in the labor force aged population will already be those aged 55 and older, making up about 37 percent, a high proportion compared to other counties around the state. By 2030, those 55 and older will make up almost 44 percent of Pepin's labor force aged population.

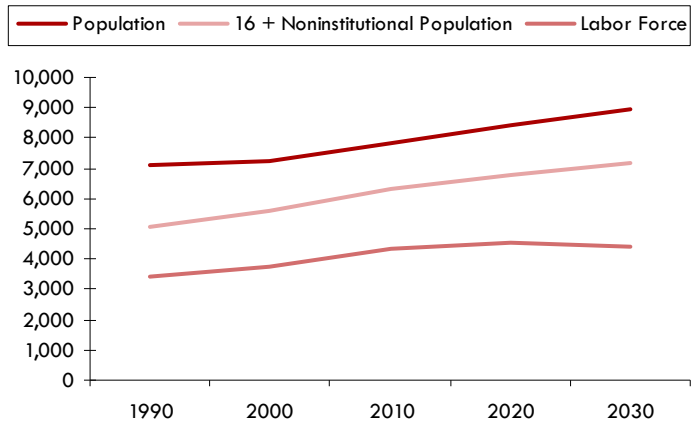
So what does this mean? We know that beginning at age 55, the rate at which people participate in the labor force begins to drop drastically. And if more and more of the labor force aged group is reaching 55 and over, then we can expect an increasing number of departures from the labor force, seriously impeding workforce growth. In fact, the 16 plus aged population is projected to grow by about 1,089 residents from 2010 to 2030, but the labor force is actually expected lose workers after 2020. Population growth in Pepin County that is dominated by an older generation will contribute little to the workforce, and rather than expanding the overall economy, it could

instead even drain resources.

As shown on the graph below, the labor force totals are always below the totals for the population from which it draws (the 16+ non-institutional population) simply because not everyone who could participate in the labor force chooses to do so. Beginning in 2010, the lines representing the labor force and the source population diverge further from each other. Despite continued population growth,

labor force growth slows, and begins declining around 2020, to the degree that entrants into the workforce may not be numerous enough to fill the number of replacement openings left by retirees. Competition for workers to fill job openings will be fierce in this tighter labor market,

Pepin County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Pepin County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	1,501	1,834	987	4,322
2020	1,424	1,861	1,226	4,511
2030	1,357	2,078	1,001	4,436
Distribution of Labor Force				
2010	34.7%	42.4%	22.8%	100.0%
2020	31.6%	41.3%	27.2%	100.0%
2030	30.6%	46.8%	22.6%	100.0%

Source: WI DWD, OEA

**Labor Force**

and holding onto talent will become ever more critical.

Pepin County had a median age of 40.3 in 2007 according to U.S. Census Bureau estimates. As we will see, this has major implications for the available workforce in the area.

A county's labor force is an estimate of the resident workers available for employment. Since this is a "place of residence" measure, it only includes workers living in the county, regardless of whether they work within the county or not. The county labor force does not include commuters from outside the county.

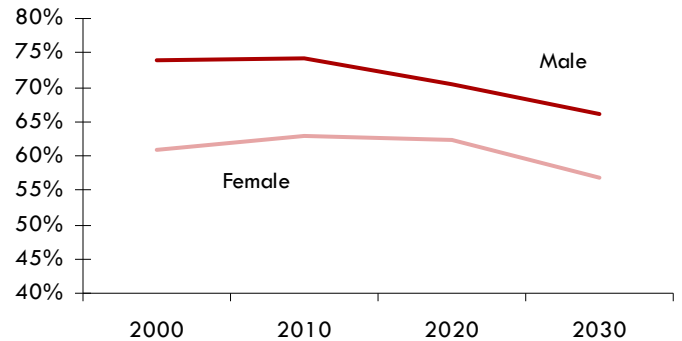
Basically, the labor force is the portion of the total population 16 years and older that is either working (classified as the "employed") or actively looking for work (the "unemployed"). A common misconception is that everyone not employed is considered unemployed. That is not the case. Those of workforce age who are not looking for work are not considered part of the labor force.

Another useful indicator is the labor force participation rate (LFPR) — the percentage of an area's 16 years and older, non-institutional population that is in the labor force. It gives us important information about an area's workforce, chiefly about the area's untapped potential workforce (given the right conditions to motivate non-entrants to join the labor force). Wisconsin is a state known for its high LFPR (possibly showing that with lower wages families need the dual incomes provided by two wage earners, though some also believe this rate is raised by the famous Wisconsin work ethic). In Pepin's case, the LFPR was an estimated at about 70.7 percent in 2007, very similar to the statewide average.

Pepin's labor force has hovered around 4,000 since 2003, but as the population grows progressively older, we can expect that number to fall, as demonstrated by the graph near the top right of the page. As early as 2010, the LFPR starts trending dramatically downward for both sexes. This means that even though the number of residents over 16 years old is expected to increase, a smaller and smaller percentage will be available for employment.

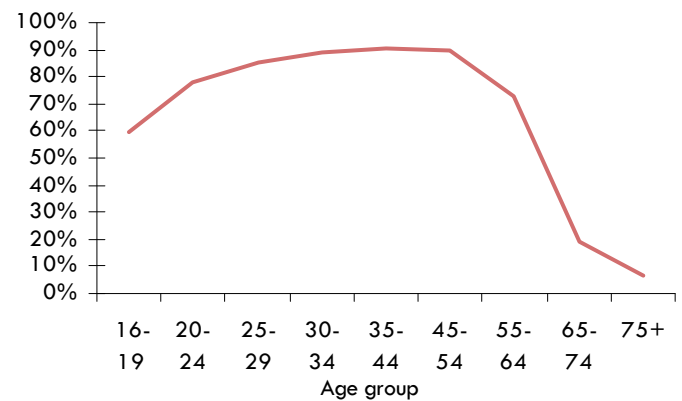
We can see why on the second graph above. Labor

**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

force participation rates begin to drop sharply around age 55. Reasons for this could range from the younger retirement ages in fields like construction and protective services, to an increased incidence of career ending illness or injury beginning at age 55. Regardless of causes, this trend will have a huge impact on an area's workforce.

The unemployment rate, which is the unemployed as a percentage of the total labor force, averaged 4.9 percent annually in 2007. Pepin County's unemployment rate is very seasonal, falling February through June, as construction and tourism employers add jobs. There is a slight spike in June as schools recess for summer and the job market absorbs the students. Unemployment rates then fall to an October low. Afterwards the rate climbs to a typical seasonal peak in February, resuming the yearly cycle again.

**Pepin County Civilian Labor Force Data**

	2003	2004	2005	2006	2007
Labor Force	4,006	3,928	3,979	4,100	4,286
Employed	3,810	3,726	3,769	3,906	4,076
Unemployed	196	202	210	194	210
Unemployment Rate	4.9%	5.1%	5.3%	4.7%	4.9%

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

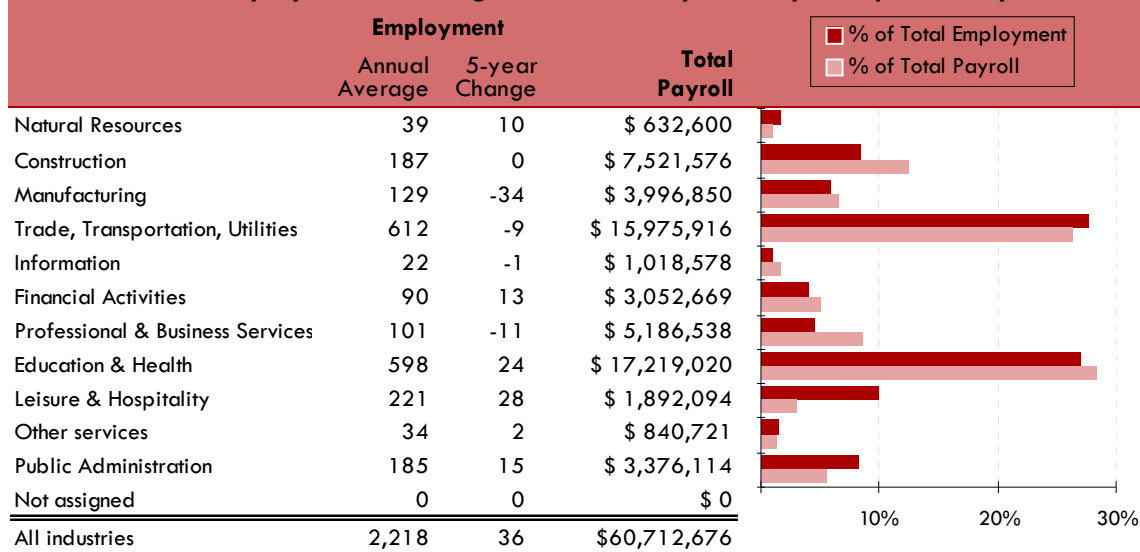
### Jobs & Wages

Pepin County's average wage in 2007 was \$27,373—only 72 percent of the average wage in Wisconsin of \$36,830, a slightly lower percentage than last year. Pepin County's largest industry, by employment though not by total payroll, is trade, transportation and utilities; the average wage in this industry, \$26,104, is about 80 percent of the state wage. It has

caught up slightly to the statewide average, with wage growth faster than at the statewide level.

Education and health, the second largest industry of employment in the county, pays the most total payroll of all the industries. However, average annual pay in this sector, \$28,794, is only 73 percent of the statewide average. Pay in both the education and the healthcare sectors is below the state average. Education in Pepin County lacks the higher paying college jobs of some

**2007 Employment and Wage Distribution by Industry in Pepin County**



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

counties, and healthcare in Pepin has a high concentration of lower paying nursing and residential care jobs. Clinics and hospitals in smaller rural counties also tend to have lower concentrations of highly paid specialists, a factor that normally lowers average healthcare wages in these counties. The impact of these large sectors on the local average wage likely accounts for much of the disparity between Pepin County and the state.

The professional & business services sector, though dwarfed by employment in other sectors, actually pays higher than the state average, about 16 percent higher in fact. This is likely an effect of Bauer Built Inc. being headquartered in Pepin County—employment in headquarters operations would fall under this industry sector.

Pepin County added 36 net jobs from 2002 to 2007, with most of the gain in education and health, and leisure and hospitality. Average wages in Pepin rose by 11.2 percent, much slower than average statewide wage growth of 17.4 percent.

**Average Annual Wage by Industry Division in 2007**

	Average Annual Wage		Pepin County as a Share of Wisconsin	Pepin County 5-year % Change	Wisconsin 5-year % Change
	Pepin County	Wisconsin			
All industries	\$27,373	\$38,070	71.9%	11.2%	17.4%
Natural Resources	\$16,221	\$29,235	55.5%	-29.3%	14.7%
Construction	\$40,222	\$47,489	84.7%	16.4%	19.8%
Manufacturing	\$30,983	\$47,106	65.8%	1.3%	16.1%
Trade, Transportation & Utilities	\$26,104	\$32,762	79.7%	15.8%	15.3%
Information	\$46,299	\$48,483	95.5%	16.3%	24.7%
Financial Activities	\$33,919	\$50,749	66.8%	28.6%	25.8%
Professional & Business Services	\$51,352	\$44,328	115.8%	13.8%	22.0%
Education & Health	\$28,794	\$39,606	72.7%	14.8%	17.3%
Leisure & Hospitality	\$8,562	\$13,589	63.0%	1.3%	14.8%
Other Services	\$24,727	\$22,073	112.0%	24.7%	13.2%
Public Administration	\$18,249	\$39,879	45.8%	6.6%	18.1%

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

Jobs & Wages

Prominent Industries in Pepin County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Pepin County	Pepin County	Wisconsin	Pepin County	Wisconsin	Pepin County	Wisconsin
Educational services	246	-6.1%	2.0%	\$ 31,110	\$ 39,753	5.4%	15.0%
Food services & drinking places	214	16.3%	9.1%	\$ 8,362	\$ 10,859	1.6%	14.5%
Hospitals	*	not avail.	12.6%	*	\$ 43,750	not avail.	24.1%
Merchant wholesalers, nondurable goods	133	25.5%	4.7%	\$ 26,314	\$ 46,622	8.4%	15.5%
Motor vehicle & parts dealers	99	-2.9%	-7.1%	\$ 35,374	\$ 34,243	17.4%	6.6%
Nursing & residential care facilities	96	20.0%	3.6%	\$ 18,905	\$ 23,295	11.3%	12.0%
Executive, legislative, & gen government	85	not avail.	-4.7%	\$ 13,964	\$ 36,340	not avail.	16.4%
Construction of buildings	74	-17.8%	-2.2%	\$ 43,755	\$ 47,774	33.1%	16.3%
Gasoline stations	64	-12.3%	0.9%	\$ 17,517	\$ 14,803	45.4%	7.1%
Merchant wholesalers, durable goods	*	not avail.	6.8%	*	\$ 52,130	not avail.	15.4%

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

Educational services (including both public and private institutions) is the largest sub-sector on the prominent industries table above. This sector includes the two school districts serving their areas of the county. These districts are two of the top ten employers in the county—the School District of Durand was the single largest employer in Pepin County in 2007. Education sector employment is down 6.1 percent over the five-year period from 2002-2007, though there have been frequent ups and downs throughout that period, not a constant downward trend.

Healthcare is also an important industry in Pepin County. While we know that the healthcare sector averaged 352 jobs in 2007, up 16 jobs from 2006, information on the individual sub-sectors within the industry is spotty. Data displayed here is subject to laws protecting employer

confidentiality and in a small county like Pepin, with few employers, these rules suppress information in many of the sub-sectors. Healthcare has two sub-sectors on the prominent industries list above; hospitals, and nursing and residential care facilities. Very little data is available for the hospitals sub-sector, but Chippewa Valley Hospital & Oakview is one of the county's largest employers. Nursing & residential care facilities averaged 96 jobs in 2007, up 20 percent from 2002 to 2007, and up 12 jobs since last year. Pepin Manor was also one of Pepin's largest employers.

The largest private employer in the county is Bauer Built Inc. Headquartered in Durand, the company is focused mostly on tire retreading and sales. Though operations at Bauer Built are classified under a number of different

industry sub-sectors, this company is largely responsible for motor vehicle and parts dealers being listed among the prominent industries table above.

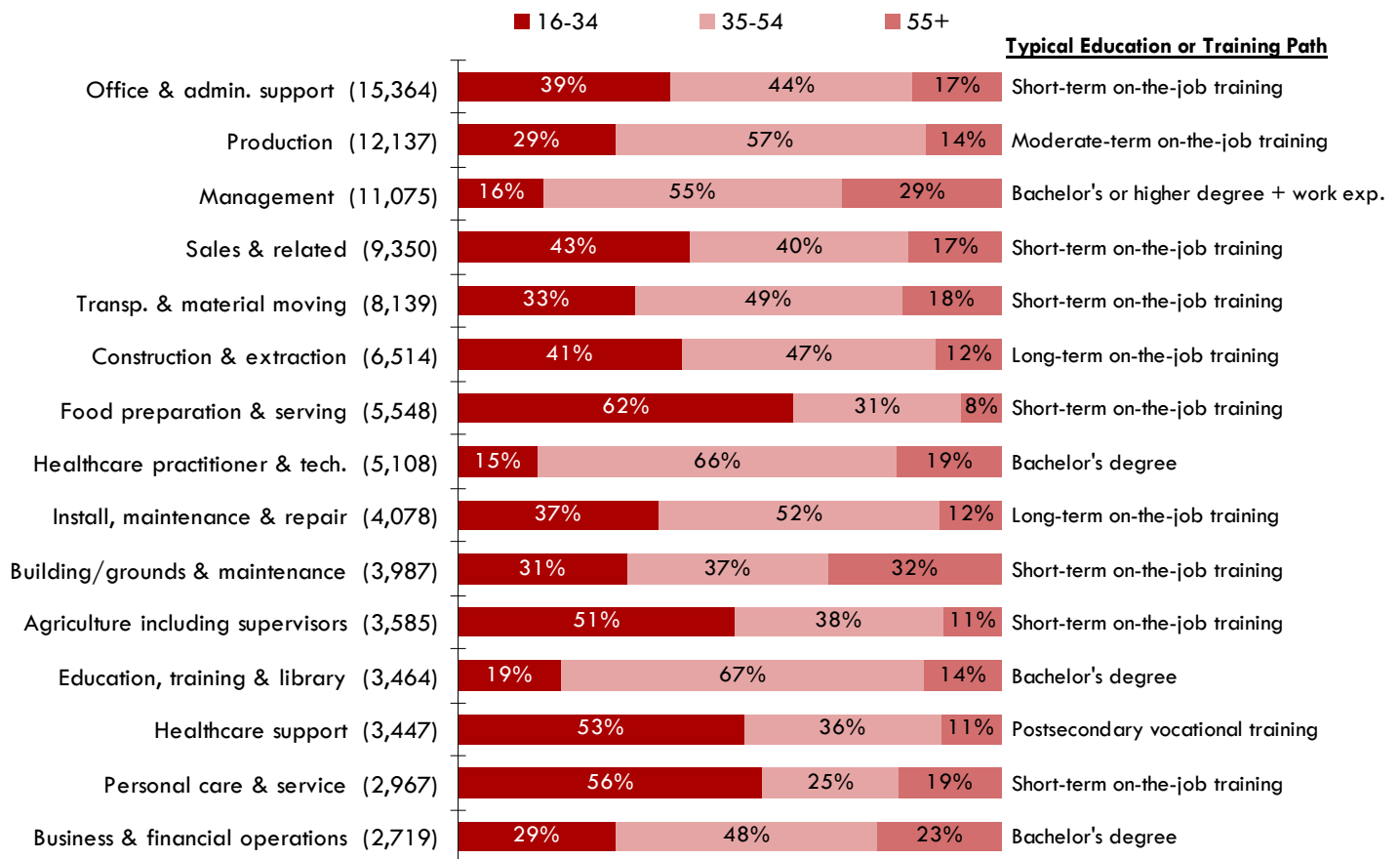
Prominent Public and Private Sector Employers in Pepin County		
Establishment	Service or Product	Number of Employees (March 2007)
School District of Durand	Elementary & secondary schools	100-249 employees
Chippewa Valley Hospital & Oakview	General medical & surgical hospitals	100-249 employees
County of Pepin	Executive & legislative offices, combined	100-249 employees
Bauer Built Inc	Tire dealers	100-249 employees
Countryside Coop	Farm supplies merchant wholesalers	50-99 employees
Pepin Manor	Nursing care facilities	50-99 employees
Pepin Public School	Elementary & secondary schools	50-99 employees
Harbor View Cafe	Full-service restaurants	50-99 employees
Econo Foods	Supermarkets & other grocery stores	50-99 employees
City of Durand	Executive & legislative offices, combined	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 Buffalo, Crawford, Jackson, Monroe, Pepin, Pierce, Trempealeau, and Vernon counties.



Note: Occupation groups are in descending order based on the number of workers in each.

Source: 2006 U.S. Census, PUMS 5% file, & WI DWD, OEA

Analyzing employment at the industry level only tells part of the county's employment story. Taking an in-depth look at the occupational breakdown in the county can reveal things that aren't readily apparent at the industry level.

The table above holds a wealth of information on the top occupation groups in the Pepin County area. The occupation employment and age data are from the American Community Survey by the U.S. Census Bureau. Unfortunately, data at this depth are not available at the county level for Pepin. The county belongs to a group that also Buffalo, Crawford, Jackson, Monroe, Pierce, Trempealeau, and Vernon Counties.

There are some readily apparent trends that most counties share. For example, employment in food preparation and serving occupations is high, as it is in

many counties. It's also an occupational group dominated by younger workers. It's not surprising to see an occupational group like this, with many part-time and seasonal jobs, low wages, and low training requirements employing a high proportion of young workers. This kind of work is popular with students, both high school and post secondary, because of the large number of frequent job openings and low training requirements. The personal care and service occupations group shares similar traits. Other occupation groups have a higher proportion of young employees because of the physical nature of the work, like agriculture.

Other occupational groups find themselves with an older average age than most. Occupational groups like building maintenance seem to attract an older workforce. Over 32 percent of the workers in this group are over the age of

## Occupations & Typical Education or Training

55! This may reflect a trend seen from retirees that return to work, working in occupations they enjoy rather than continuing the career they've had most of their work-life. Jobs like maintaining lawns or buildings, or working in the recreation industry may have an appeal on this level.

Other occupations with a low level of younger workers, and high proportions of both the 35 to 55, and 55-plus age groups include management, business and financial operations, and healthcare.

Management occupations naturally tend to have an older age breakout, simply because these occupations are the kind that you typically have to work your way up to. This is reflected in the typical education path, bachelor's degree or higher plus work experience, the highest on the table, and explains the high wages paid in this group. But these high barriers to entry, coupled with 22 percent of this group being over the age of 55, means that there could be significant problems filling the positions vacated by all the upcoming boomer retirees. Businesses that have succession planning in place for these higher level occupations will no doubt have a competitive advantage in the coming years. Similar education/training barriers to entry characterize the business and financial operations

occupational group.

Healthcare occupations also have a low proportion of younger workers. High education and work experience requirements for doctors and nurses play a major role here. With more and more new openings due to demand from aging baby boomers, and a high number of upcoming retirements, healthcare (already a field with a high number of job openings) will need a tremendous number of new workers of all skill sets in the near future. Healthcare support (which includes titles like dental assistant and nursing aide), with its lower entry requirements, has a much younger workforce than the rest of the healthcare industry.

In the area including Pepin County, office and administrative support occupations are the largest occupation group, with almost 12,000 workers. These occupations, the backbone of the massive service industry, support the various industries in the area, especially the dominant healthcare and education sector.

## Income

Pepin County's total personal income (TPI) has grown by almost 22 percent in the five-year period from 2001 to 2006, faster than statewide growth, but still slower than the national rate.

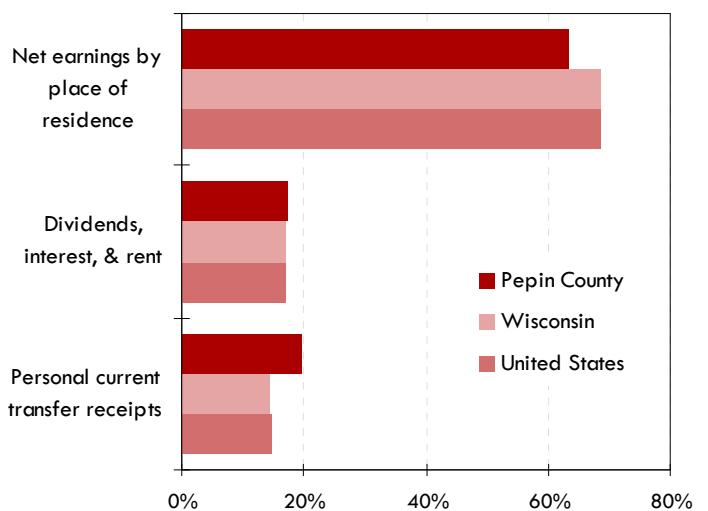
Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income, with the remaining percentage divided between the other two components. However, despite this common pattern, the exact distribution can tell us a lot about an area.

In Pepin County, about 63 percent of TPI is from net earnings, lower than the state and national levels (68.5 percent for the state, and 68.4 percent for the nation). Net earnings includes wages earned from employers, as well as earnings of self-employed workers and proprietors, and adjustments for wages earned by residents who work outside the county.

The adjustment for residency is an interesting piece of net earnings to analyze, as it can tell us a lot about a county's commuting situation. Personal income is a place of residence measure. To make sure that incomes are attributed to the county where the workers live regardless

of where they work, the residency adjustment is used. As shown on the graph on the next page, the adjustment is basically the earnings from Pepin County residents

Components of 2006 Total Personal Income



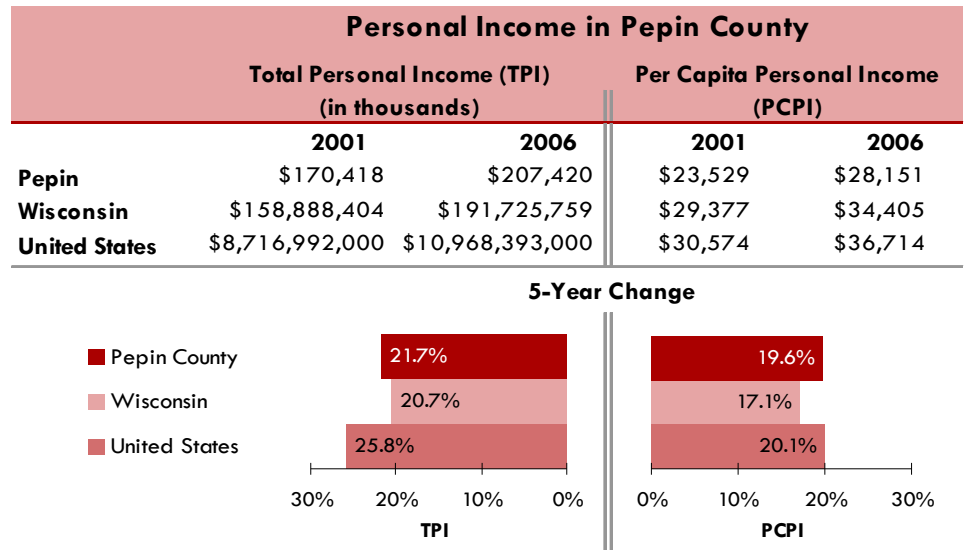
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

### Income

working in other counties (inflow), minus the earnings of residents of other counties working in Pepin (outflow). In 2006, the net adjustment was almost \$51 million, and has grown since 2001. This indicates that Pepin County is a net exporter of labor, many commuting into the nearby Eau Claire metropolitan area, and bringing their wages earned back to Pepin. In fact, this adjustment alone accounts for almost one quarter of all personal income in the county, from all sources!

The second major component of TPI is dividends, interest and rent. While this label is fairly self-explanatory, it's important to note that it includes income from both retirement savings programs like 401(k)s and IRAs, as well as defined pensions. It accounts for roughly 17 percent of TPI in Pepin County, similar to both the statewide and national levels.

The third component of TPI is income from transfer receipts. Transfer receipts refer to benefits like Social Security, unemployment insurance, Medicaid, Medicare, and welfare. Almost 20 percent of TPI in Pepin County is from transfer receipts, higher than the state and national averages of 14 and 15 percent, respectively. A high share of income made up of transfer receipts tends to



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

indicate an older population.

Total personal income divided by the total population produces per capita personal income (PCPI). This is a very useful indicator for comparing geographic areas. While counties with a high population will, not surprisingly, also have a high level of total personal income, turning it into a per capita measure gives us an estimate of income per resident. Pepin's per capita personal income of \$28,151 ranks relatively low, 41st among Wisconsin's 72 counties. This is a couple of ranks lower than last year and below the average state and national PCPI levels.

The lower industry wages seen on page 4 play a major role in Pepin's low PCPI, especially since net earnings are such a high proportion of total personal income, but the high share of transfer receipts also pushes Pepin below the state average. A resident relying on transfer receipts generally earns less than someone who is employed.

Per capita personal income growth of 19.6 percent over the five-year timeframe from 2001 to 2006 exceeded the statewide average growth rate, though it lagged the increase at the nationwide level.

Even though Pepin's PCPI is only about 77 percent of the statewide average PCPI, it is nearly 97 percent of the PCPI for other non-metropolitan counties in the state. So, Pepin County's PCPI is fairly average for a non-metro county in Wisconsin.

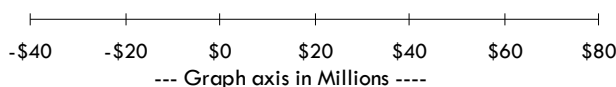
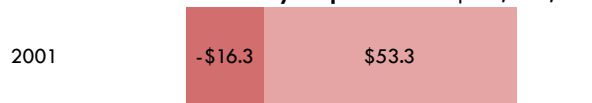
### Pepin County Commuting Impact

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

**2006 Residency Adjustment = \$ 50,874,000**



**2001 Residency Adjustment = \$ 36,940,000**



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