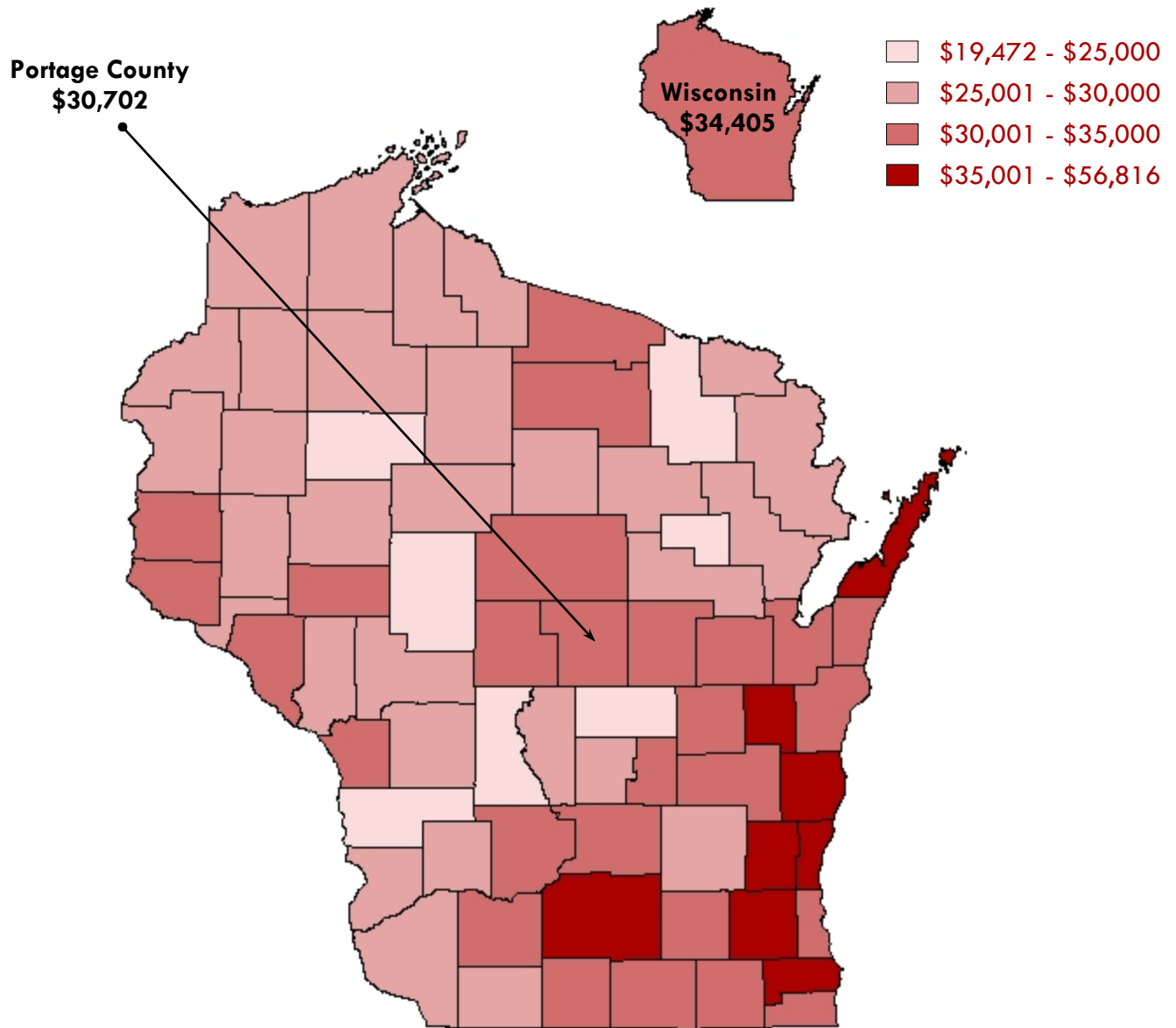


Portage County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10642-P

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Population

Portage County added 2,777 residents over the past seven years to settle at a total population of 69,959. The county's population increased 4.1 percent since 2000, less than the state increase of 5.3 percent or the nation's 6.9 percent increase. In 2007 Portage County was the 23rd largest county in Wisconsin.

Even through the pace of new residents has slowed since the early 2000s, people moving into the county remains a source of population growth in Portage.

Since 2000 the county population increased by 808 residents from net migration (the difference between those moving into and out of the county), but 1,969 from natural increase (5,008 births versus 3,039 deaths).

All but one of the largest metropolitan areas in the county saw an increase in population. The largest city, Stevens Point added 819 residents for an increase of 3.3 percent. The Village of Plover added 1,060 to lead in the number of new residents but narrowly missed the largest percentage increase which went to the Town of Lanark with an increase of 10.3 percent.

A rural population adding residents from net migration may see a faster rate of increase in the average age of its residents, since in-migrants are almost always adults and often retirees. In 2000, the average age was 37.1, lower than the state average of 38.1. By 2020, the average age in Portage is expected to be 39.2,

Portage 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%
Portage County	67,182	69,959	2,777	4.1%
Stevens Point, City	24,551	25,370	819	3.3%
Plover, Village	10,520	11,580	1,060	10.1%
Hull, Town	5,493	5,585	92	1.7%
Stockton, Town	2,896	3,060	164	5.7%
Plover, Town	2,415	2,430	15	0.6%
Grant, Town	2,020	2,091	71	3.5%
Sharon, Town	1,936	2,040	104	5.4%
Whiting, Village	1,760	1,680	-80	-4.5%
Lanark, Town	1,449	1,598	149	10.3%
Amherst, Town	1,435	1,470	35	2.4%

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

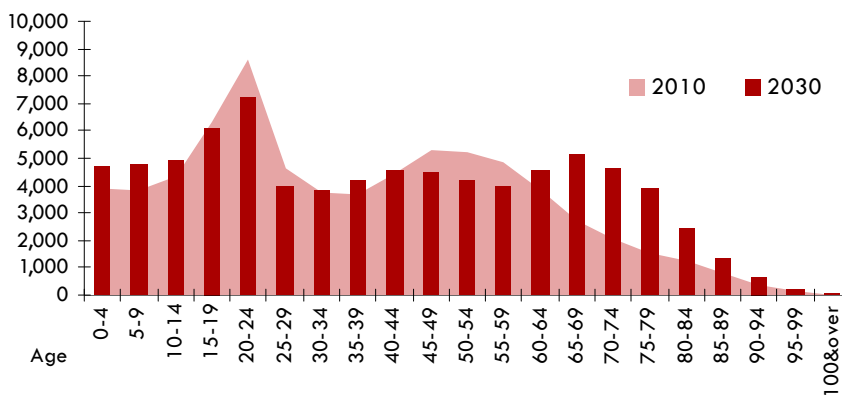
narrowing the gap with the state's average of 39.6. By 2030, the state and county ages will be almost the same. The county age is expected to be 40.9 while the average age of the state is expected to be 41.0.

Between 2010 and 2030, the population is projected to increase by 8,451 residents, an increase of 11.8 percent. Those 16 and older are projected to increase by more than 6,171 or 10.6 percent. Those 65 and older are projected to increase by 9,579 or 107.9 percent. Clearly the population is aging which may have serious repercussions for employers in the future.

The graph on the left not only demonstrates the 'weight' of this older population in Portage County, but also reflects the low birth rate and 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 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 true that many baby boomers don't plan to fully retire, most will move into other positions. Studies show that only five percent of retirement-age workers remain full-time in their positions. Additionally, health care demands increase as the population ages so the county could face both a declining workforce and a greater demand for services.

Population by Age Cohorts in Portage County



In 2010, the average Portage County resident will be 37.1 years old.
 In 2020, the average Portage County resident will be 39.2 years old.
 In 2030, the average Portage County resident will be 40.9 years old.

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

Population & Labor Force

Population Projections for Portage County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	13,324	22,028	18,599	17,550	58,177	71,501
2020	14,374	21,085	16,796	23,845	61,726	76,100
2030	15,605	19,915	17,460	26,972	64,347	79,952
Distribution of Labor-Force-Aged Population						
2010		37.9%	32.0%	30.2%	100.0%	
2020		34.2%	27.2%	38.6%	100.0%	
2030		30.9%	27.1%	41.9%	100.0%	

Source: WI Dept. of Administration, Demographic Services

The graph on page one is indicative of the significance that baby boomers have on the overall age distribution. Population growth in Portage County is dominated by an older generation that will be less likely to participate in the workforce.

The relationship between the population and the labor force has entered a new era. The previous era was defined by the large size of the Baby Boomer generation (those born from 1946 to 1964) plus the propensity of women to enter the workforce. This combination immensely swelled the workforce beginning in the late 1960s. Forty years later, that workforce expansion is on the cusp of deflating. The first Baby Boomers entered the workforce around 1964 and the rest followed *en masse*. The first Boomers are now eligible for reduced Social Security benefits (the '46ers turned 62 years of age in 2008).

The above table delineates the population by selected age groups over the next three decade years. Total population is projected to increase by about 12 percent from 2010 to 2030. The only age groups projected to increase are the youngest and the oldest. The youngest age group is expected to increase by about 1,280 or 17 percent. The oldest group shows an increase of 9,422 or about 53.7 percent. The two groups in the middle are projected to decline by about 3,251 residents.

The labor force includes only those that are 16 years old or older and are engaged in either working or actively looking for work. Beginning near age 55 the rate at which people participate in the labor force begins to drastically decline. As more of the labor-force-aged population reaches 55 years, the number of departures from the labor force increases. These departures seriously impede workforce growth. This decrease in participation can be shown for each time period. For example, in 2010, the number of residents 35-54 is 18,599. Of those, 16,232 are in the labor force for a participation rate of 87.3

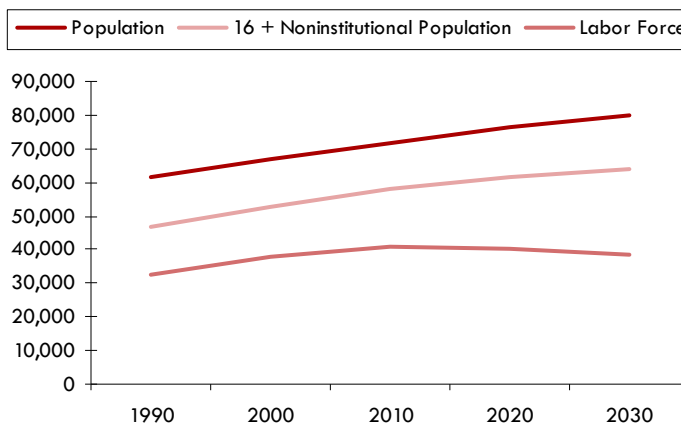
percent. Those 55 and older amount 17,550 residents, of which 7,130 are working. The participation rate for this group is 40.6 percent.

The population table and the labor force table are combined graphically in the Portage County Historic and Projected Population and Labor Force chart.

From 1990 to 2030, total population is projected to increase by 18,547 or 30.2 percent. Those 16 and older

should increase by 17,428 or 37.3% while the labor force is projected to increase by 5,966 or 18.3 percent. The increase of those 16 and older coupled with the smaller increase in the labor force is another indication of an aging population.

Portage County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Portage County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	17,307	16,232	7,130	40,669
2020	16,416	14,748	9,261	40,425
2030	15,556	15,312	7,655	38,523
Distribution of Labor Force				
2010	42.6%	39.9%	17.5%	100.0%
2020	40.6%	36.5%	22.9%	100.0%
2030	40.4%	39.7%	19.9%	100.0%

Source: WI DWD, OEA

Labor Force

Portage 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 only about 11 percent between 2000 and 2030, those 55 and older are expected to increase by about 54 percent, an increase substantially higher than that of the general population.

Portage 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 35 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.

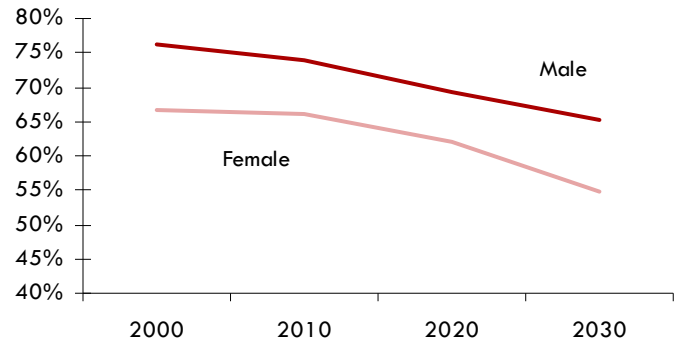
Historically, women in Portage County have about a 10 percent lower participation rate than men. This is illustrated by the Labor Force Participation Rates by Sex chart on this page. Reasons for this may include women being full-time caretakers and women generally living longer than men, thus having a larger post-retirement population.

In addition to the labor force issues with the aging population, other issues such as providing health care and other services must be addressed by the community. The aging population may put a strain on employers and on communities coping with this increasing segment.

Employment in Portage County has remained fairly consistent over the past five years. The unemployment rate has shown a downward trend from 2003 to 2007. From 2003 to 2007, the unemployment rate decreased by 0.6 of a percentage point. The good news in this decline is that the decrease came about from an increase in employment not from a decrease in the labor force.

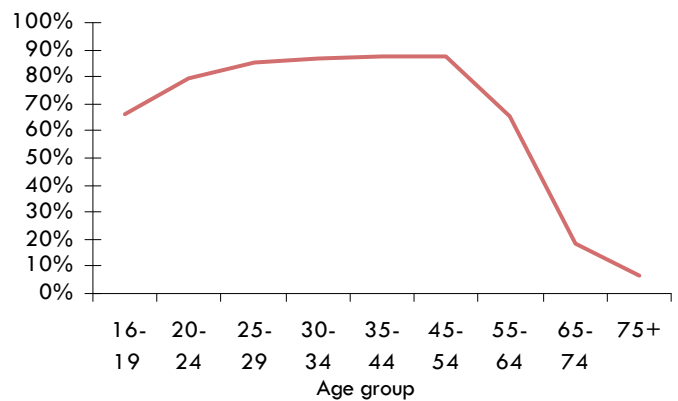
Changes in the unemployment rate are affected by

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

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 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 to grow their companies.

Portage County's labor force increased by 1,573 while the number employed increased by 1,738 which resulted in 165 less unemployed residents in 2007 when compared to 2003. The addition to both the labor force and the number employed led to a decrease of 0.6 percent in the unemployment rate.

Portage County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	40,248	40,329	39,961	41,016	41,821
Employed	38,207	38,338	38,094	39,169	39,945
Unemployed	2,041	1,991	1,867	1,847	1,876
Unemployment Rate	5.1%	4.9%	4.7%	4.5%	4.5%

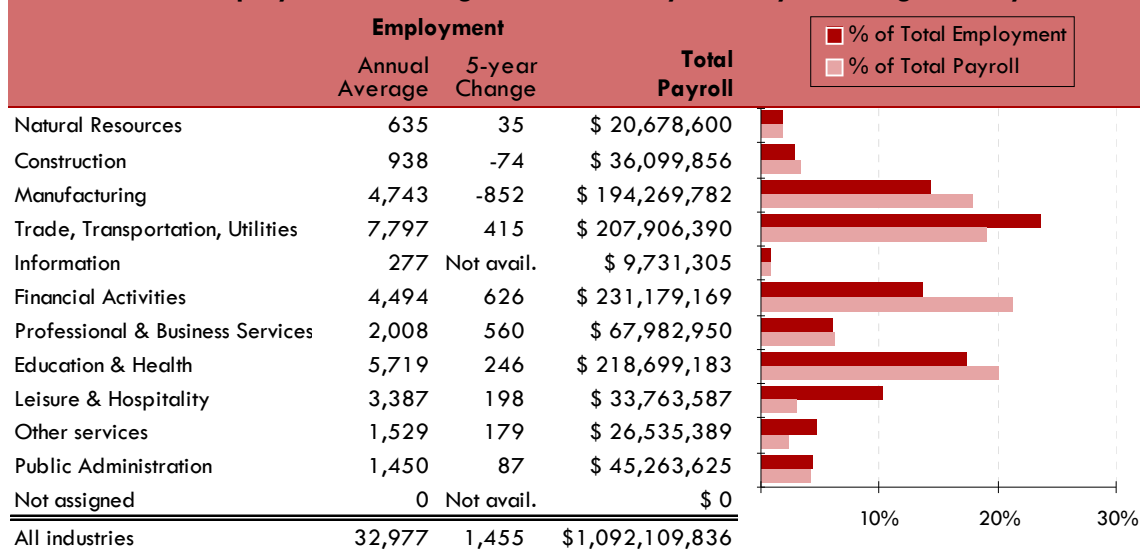
Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

Jobs & Wages

Jobs and wages are the lifeblood of any economy. The more good-paying jobs in a region, the better the prospects for its economy; and the more diverse the county's industry sectors, the more insulated it is from major losses. Portage County, is fortunate in the number and variety of industry sectors. The industries with the highest percentage of payroll all added jobs during the past

five years. Financial activities represents 21.2 percent of total payroll and added 626 positions. Education and health represents 20.0 percent of total payroll and added 246 positions. Trade, transportation and utilities supplied 19.0 percent of total payroll and added 415 additional jobs. Manufacturing was the only major industry showing a loss of jobs with a decrease of 852 positions. The loss of jobs in this industry should be monitored because of the substantial economic impact of

2007 Employment and Wage Distribution by Industry in Portage County



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

this industry.

An examination of the Average Annual Wage by Industry Division table below shows that, for the most part, wages in Portage County are less than the state average. Only two industries (natural resources and financial activities) pay more than the state average with one additional industry, education and health, paying close to the state average. The industry with the lowest payment percent is information at 72.5 percent. At only 277 positions, this is not a large industry in the county. Leisure and hospitality pays 73.4 percent of the average state wage but has a much larger share of employment. Employing 3,387 residents, leisure and hospitality has about 10 percent of total employment with only about 3 percent of total payroll. Financial activities has the highest percent of total income for the county and pays more on average than the rest of the state. Financial activities wages have also increase faster than the state average. The 30.1 percent increase is about 5 percent more than the state.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Portage County as a Share of Wisconsin	Portage County 5-year % Change	Wisconsin 5-year % Change
	Portage County	Wisconsin			
All industries	\$33,117	\$38,070	87.0%	15.9%	17.4%
Natural Resources	\$32,565	\$29,235	111.4%	17.0%	14.7%
Construction	\$38,486	\$47,489	81.0%	20.7%	19.8%
Manufacturing	\$40,959	\$47,106	87.0%	18.1%	16.1%
Trade, Transportation & Utilities	\$26,665	\$32,762	81.4%	12.0%	15.3%
Information	\$35,131	\$48,483	72.5%	Not avail.	24.7%
Financial Activities	\$51,442	\$50,749	101.4%	30.1%	25.8%
Professional & Business Services	\$33,856	\$44,328	76.4%	18.8%	22.0%
Education & Health	\$38,241	\$39,606	96.6%	7.5%	17.3%
Leisure & Hospitality	\$9,969	\$13,589	73.4%	22.2%	14.8%
Other Services	\$17,355	\$22,073	78.6%	2.8%	13.2%
Public Administration	\$31,216	\$39,879	78.3%	14.9%	18.1%

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

Jobs & Wages

Prominent Industries in Portage County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Portage County	Portage County	Wisconsin	Portage County	Wisconsin	Portage County	Wisconsin
Insurance carriers & related activities	3,387	12.9%	5.8%	\$ 56,413	\$ 56,218	37.7%	27.8%
Food services & drinking places	2,624	5.5%	9.1%	\$ 9,424	\$ 10,859	26.4%	14.5%
Educational services	2,621	-3.1%	2.0%	\$ 40,516	\$ 39,753	7.7%	15.0%
Executive, legislative, & gen government	1,300	4.6%	-4.7%	\$ 30,603	\$ 36,340	17.8%	16.4%
Food manufacturing	*	not avail.	-6.7%	*	\$ 38,239	not avail.	13.2%
General merchandise stores	1,175	20.3%	7.1%	\$ 17,012	\$ 17,914	11.1%	16.3%
Truck transportation	1,053	13.3%	7.1%	\$ 42,132	\$ 41,316	16.9%	14.6%
Hospitals	*	not avail.	12.6%	*	\$ 43,750	not avail.	24.1%
Nonstore retailers	1,011	-2.3%	-12.5%	\$ 18,106	\$ 31,432	35.3%	13.3%
Ambulatory health care services	943	-18.4%	8.7%	\$ 62,444	\$ 57,969	37.9%	18.5%

Note: * data suppressed for confidentiality and not available for calculations

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

The top ten employers in Portage County represent seven different industries. The more diverse the industries in an area, the less likely a downturn in one with significantly impact the region. There are three industries that have more than one prominent employer: education is represented by Stevens Point Public Schools and the University of Wisconsin Stevens point; manufacturing with New Page and McCain Foods USA Inc.; and insurance with Sentry Insurance and Travel Guard Group, Inc. The other industries: health, government, retail, and transportation have one employer each.

Portage County has four employers with more than 1,000 employees, 4 with between 500-999 employees and two with between 250-499 employees, a nice mixture of large and medium size employers.

With two of the largest employers in Portage County in the insurance industry, it should be no surprise that the largest industry sub-sector is insurance carriers and related activities with more than 3,300 employees. This sub-sector is the highest paying sub-sector in the county and has an average annual wage greater than the state average.

Food service and drinking places is the second largest sub-sector in terms of employment but does not have any of the top ten employers. This is not unusual since food service and drinking places tend to be small, family run businesses. Page 4 showed that employers in the leisure and hospitality industry pay, on average, only about 73.4 percent of the state average.

The industry sub-sector with the largest increase in employment over the past five years, general merchandise stores, saw an increase of more than 20 percent. Wages in this industry were less than the state average and increase at a slower rate than the state over the past five years.

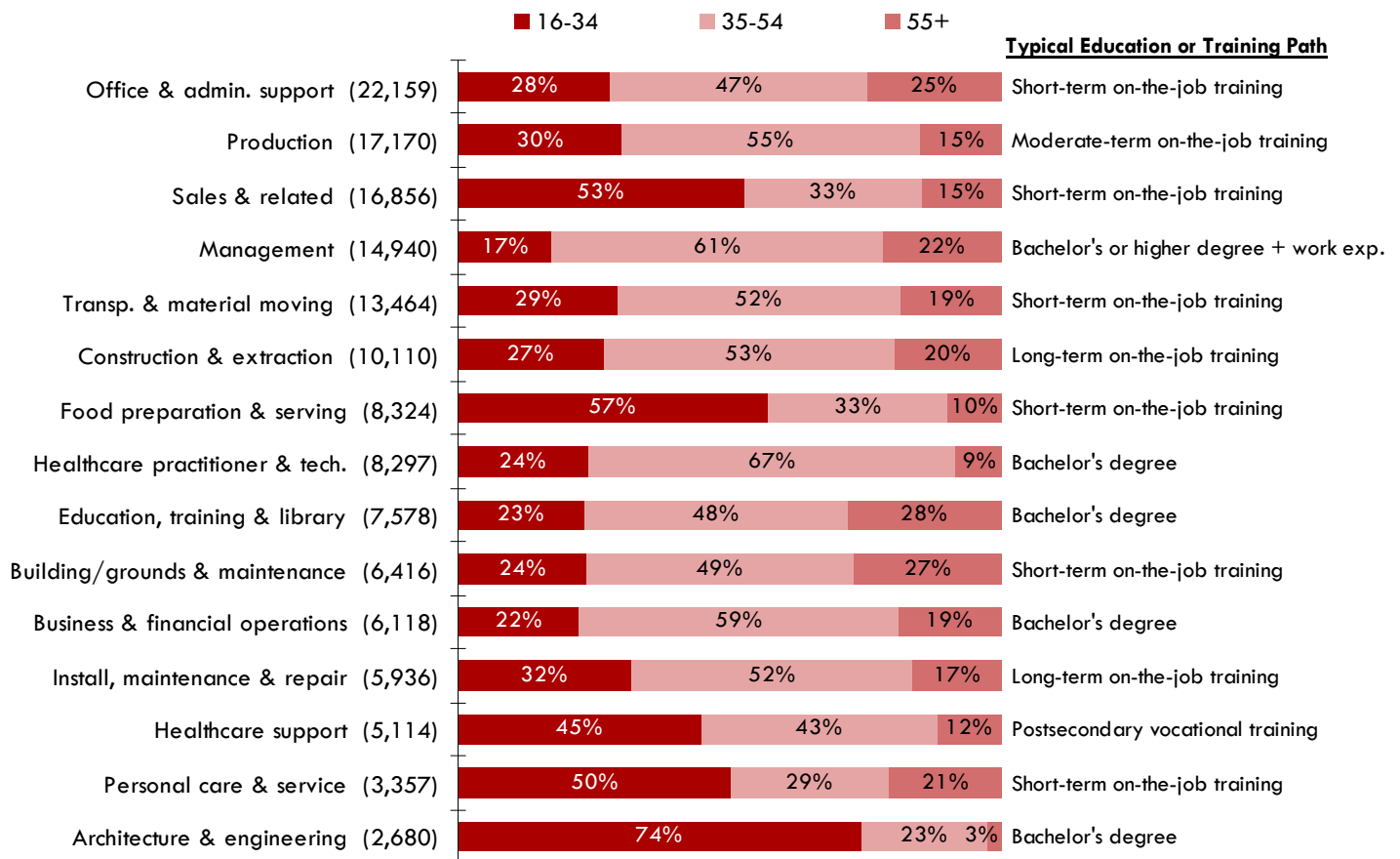
Prominent Public and Private Sector Employers in Portage County		
Establishment	Service or Product	Number of Employees (March 2007)
Sentry Insurance	Direct property & casualty insurers	1000+ employees
Stevens Point Public School	Elementary & secondary schools	1000+ employees
University of Wisconsin- Stevens Point	Colleges & universities	1000+ employees
St Michael's Hospital	General medical & surgical hospitals	1000+ employees
County of Portage	Executive & legislative offices, combined	500-999 employees
Stora Enso North America (now NewPage)	Paper, except newsprint, mills	500-999 employees
The Cops Corp	Supermarkets & other grocery stores	500-999 employees
McCain Foods USA Inc	Frozen fruit & vegetable manufacturing	500-999 employees
Travel Guard Group Inc	Insurance agencies & brokerages	250-499 employees
H O Wolding Inc	General freight trucking, long-distance TL	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 Adams, Forest, Juneau, Langlade, Lincoln, Oneida, Portage, Vilas, and Wood 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

Information on jobs by industry (pages 4-5) is readily available because the data is collected from employers' quarterly reports on total payroll and jobs. However, industry reports lack information on the occupations and the training required of the workers who fill those jobs. One source of occupational information is the American Community Survey conducted by the U.S. Census Bureau. Unfortunately this information is not available for small population areas, like Forest County. In order to meet a minimum population standard, the data is grouped with eight neighboring counties listed in the above chart's title.

The chart includes the 15 largest occupational groups, listed in descending order by employment (number of workers in parenthesis), and shows the age demographics of area workers in each group. The three age categories represent all workers in each occupation group while the

typical training path represents the dominant path for the occupations within the group. This does **not** mean that every occupation within that group requires that education or training path.

Many of the occupation groups listed are heavily weighted with workers in the prime working years (35-54 years old). Others have obvious deviations. For example, the two groups of food preparation and sales are skewed to younger workers. It's not surprising that these occupation groups, with many part-time and seasonal jobs, low wages, and low training requirements, employ a high proportion of young workers. This kind of work is also popular with students, both high school and post secondary, because of the large number of frequent job openings and low training requirements. Many of the occupations in these groups are with employers in the

Occupations & Typical Education or Training

industry sectors of leisure and hospitality or the retail trade segment of the trade, transportation, and utilities sector.

Another group, architects and engineering, also has a preponderance of young workers. Most of the young workers in this group are in mechanical engineering, drafting and engineering technician occupations, jobs not readily found in Forest County.

Of particular interest are the occupation groups with more than one-fifth of the workers aged 55 years or more. These workers are now within normal retirement age. For at least one of the groups - education, training, and library occupations - replacements for retiring workers will be critical and difficult. These occupations more often than not require post-secondary education; and workers benefit from years of on-the-job experience and knowledge.

A similar scenario is playing out in management occupations. Management occupations naturally tend to have an older age breakout simply because many of these occupations typically require work experience in addition to post-secondary education. This is reflected in the typical education path, bachelor's degree or higher

plus work experience, and explains the high wages paid in this group. But the higher barriers to entry, coupled with 22 percent of this group being over the age of 55, means that there could be significant problems filling all the positions vacated by the upcoming boomer retirees.

Skilled 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 levels in the near future.

Older workers also fill one in four building/grounds and maintenance occupations. Even closer scrutiny of the data shows that over half of these workers are over the age of 60. Many of the job characteristics in this group are similar to those of jobs dominated by young workers and for those reasons attract "retirees".

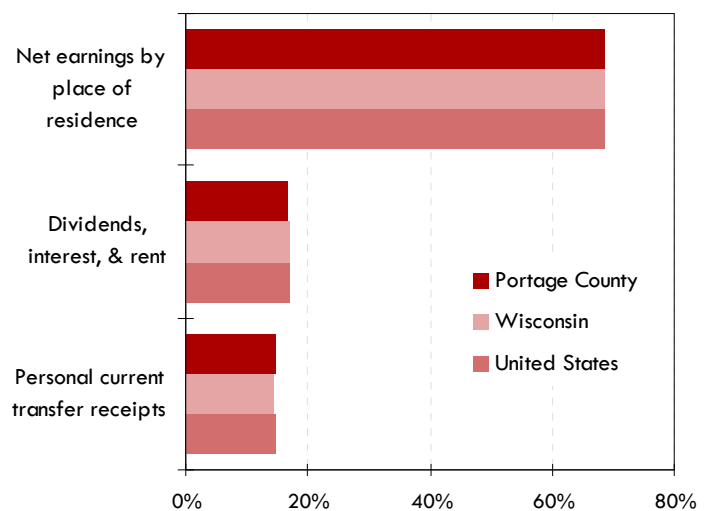
Income

Total personal income, the broadest collection of income data, includes income from three main sources: 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 company pensions, or 401(k) plans. Transfer receipts come from state and federal governments, primarily in the form of Social Security, Medicare payments, unemployment insurance, veterans benefits, welfare, and other payments received from public agencies.

Net earnings make up the vast majority of income, with the remaining percentage divided between the other two components. In most Wisconsin counties, and in the state and nation, income from net earnings contributes more than half of total personal income. This is also the case for Portage County. As shown in the Components of 2006 Total Personal Income chart to the right, Portage County's percent of income from the three sources is almost exactly the same as the state and nation. Net earnings at 68.6 percent, the county is only slightly higher than the state average of 68.5 percent and 68.4 percent for the nation.

Dividends and transfer receipts are also very much like the state and nation. Dividends represent 16.7 percent for the county, 17.1 for the state and 16.7 for the nation.

Components of 2006 Total Personal Income



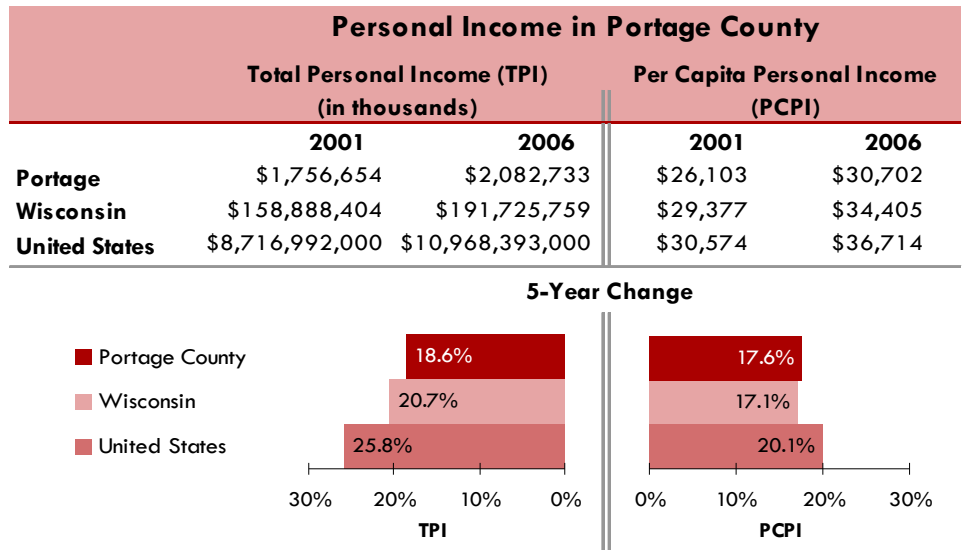
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

Net earnings includes an adjustment for wages earned by residents working beyond the county's borders (inflow) and a similar adjustment for non-residents working for county employers (outflow).

The bottom chart shows that in 2006 residents working in jobs outside the county added \$286.8 million to Portage County's total personal income while non-resident workers were paid \$201.1 million dollars in wages that left the county. The total residency adjustment netted \$85,745,000 in residents' earnings. Commuting patterns from Census 2000 show that most outbound workers are traveling to jobs in Wood County while inbound workers arrive from Wood and Marathon counties. Since 2001, the dollars from residency adjustment, which comprises about four percent of net earnings, increased by about 43 percent.

While total personal income (TPI) is the sum of its parts, per capita personal income (PCPI) is derived by dividing total personal income by total population. Thus, PCPI can be affected by the county residents' demographics. For example, if there is a large number of younger residents that don't work, PCPI will be less because it is calculated using the entire population. Also, if there is a large



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

number of retiring residents in an area, PCPI probably will be lower since the amount the retirees receive from pensions and/or social security may be less than wages. This would also decrease the amount of TPI while keeping the same population denominator when calculating PCPI.

The University of Wisconsin Stevens Point's location within the county has a significant affect on PCPI. Many of the students work only part-time, if at all, which does not add much to total income. The students however are included in total population which means a larger population base. This could lead to a lower TPI and PCPI.

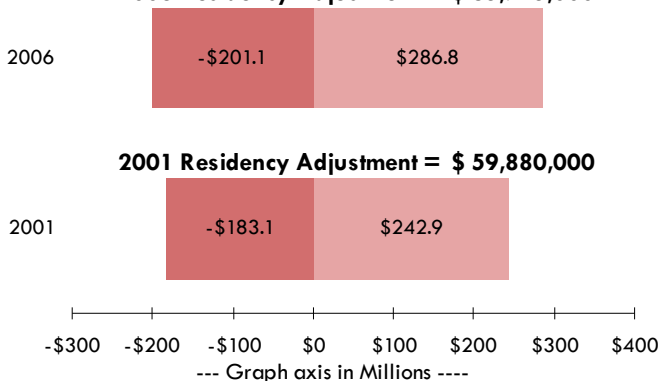
The major component of TPI, net earnings, is a significant factor in the lower PCPI. As shown on page four, there were only two industries that pay higher wages than the state average. While planners and developers strive to increase wages through better paying jobs it is much more difficult to change overall occupational composition in the county. Large metropolitan areas often attract the higher-paying occupations found in large corporate offices, specialized research facilities, and financial institutions.

PCPI in Wisconsin's metropolitan counties in 2006 was \$36,430 compared to \$29,022 in nonmetropolitan counties. At \$30,702, Portage County's PCPI was 84.3 percent of the average metropolitan PCPI in Wisconsin but 105.8 percent of nonmetropolitan counties. Perhaps this is a better target to work towards instead of the entire state average annual wage.

Portage County Commuting Impact

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

2006 Residency Adjustment = \$ 85,745,000



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