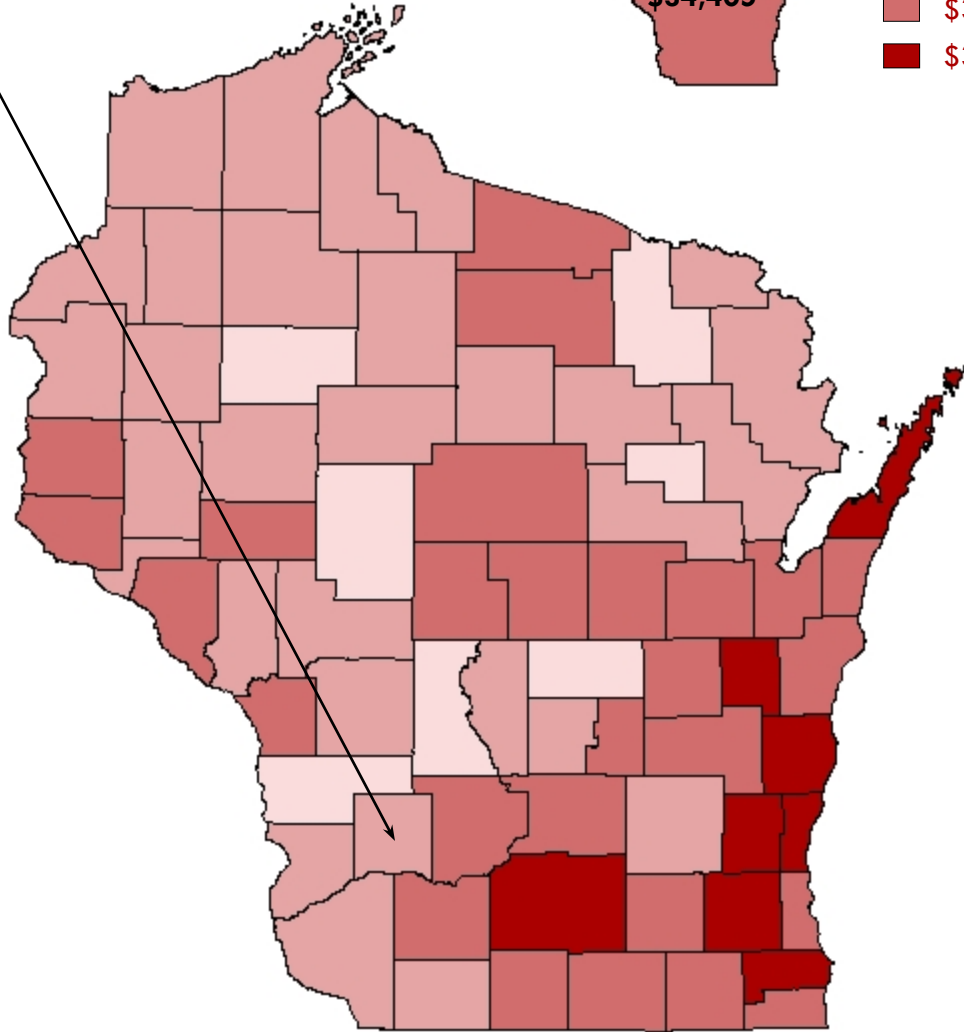


# Richland County Workforce Profile

## Per Capita Personal Income in 2006

Richland County  
\$25,139



2008

### Office of Economic Advisors

Wisconsin Department of Workforce Development  
OEA-10645-P

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### Population

This profile begins with a discussion of population trends that affect demand for goods and services as well as the supply of labor to produce goods and services. Richland County's population grew by 284 people, or 1.6 percent, between the April 2000 Census and the estimate for January 2007. This is substantially slower than the state-wide growth rate (5.3%) and the national growth rate (6.9%). The estimates also suggest roughly 258 more births than deaths and suggest that 26 more people moved in than moved out. Natural change (births minus deaths) tends to be more steady and reliable than net migration (in-movers minus out-movers), so a sharp population slowdown seems unlikely in Richland County.

The population estimates show little growth in the Town of Richland between 2000 and 2007. More population growth occurs in municipalities surrounding the Town of Richland. However, workers, consumers, and businesses often enjoy some benefits of nearby growth, so slow population growth in one municipality does not necessarily imply a stagnating local economy. Together, adjacent towns of Buena Vista, Rockbridge, Orion and Ithaca added 207 people. The four towns, with a combined population of 3,779 people, or less than 21 percent of the county's total population, accounted for almost 73 percent of the net population gain in Richland County.

Over time, ranks and growth rates of individual municipalities will vary. One long term population trend that seems nearly inevitable is the demographic shift outlined

#### Richland 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>Richland County</b>	17,924	18,208	284	1.6%
Richland Center, City	5,114	5,115	1	0.0%
Buena Vista, Town	1,575	1,683	108	6.9%
Richland, Town	1,364	1,378	14	1.0%
Lone Rock, Village	929	911	-18	-1.9%
Rockbridge, Town	721	767	46	6.4%
Dayton, Town	723	745	22	3.0%
Ithaca, Town	648	673	25	3.9%
Orion, Town	628	656	28	4.5%
Marshall, Town	600	621	21	3.5%
Richwood, Town	618	619	1	0.2%

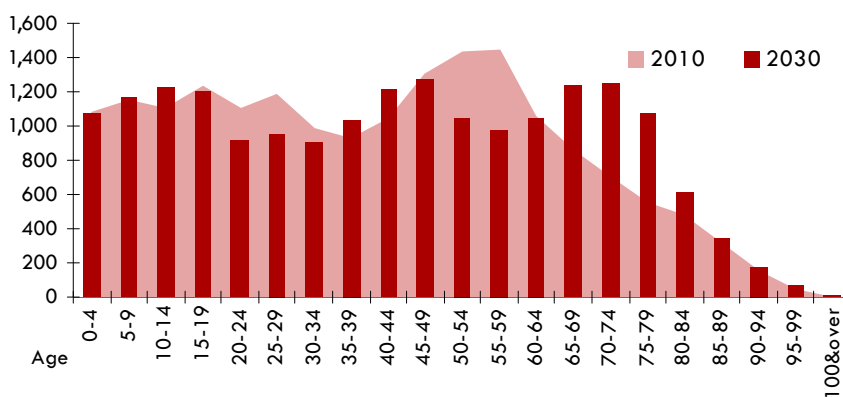
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

in the graph in the lower left corner of this page. The baby boom generation that once swelled the working-age cohorts will eventually reach age cohorts historically associated with retirement.

Wisconsin Department of Administration population projections suggest that Richland County's population will climb from 18,233 in 2010 to 18,789 in 2030. During that time, the population between the ages of 45 and 59 will shrink from 4,189 people, or roughly 23 percent of the population, to 3,296 people, or less than 18 percent of the population. The population between the ages of 65 and 79 will grow from 2,199 people, or under 11 percent of the population, to 3,553 people, or nearly 19 percent of the population. Analysis on page three suggests that residents aged 45 to 59 years are much more likely to participate in the labor force than residents aged 65 to 79 years. As a result of these trends, Richland County's labor force is projected to shrink in the future.

In addition to affecting the supply of labor, demographic shifts could affect demand for goods and services. Demand for health services will probably grow. Demand for single-family housing may not grow as fast as demand for nursing homes, assisted living facilities, or other options popular among seniors. These trends could sharply increase the supply of available single-family housing; demand trends are unclear.

**Population by Age Cohorts in Richland County**



In 2010, the average Richland County resident will be 40.3 years old.  
 In 2020, the average Richland County resident will be 41.5 years old.  
 In 2030, the average Richland County resident will be 42.8 years old.

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

**Population & Labor Force**

Population Projections for Richland County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	3,589	4,279	4,715	5,650	14,644	18,233
2020	3,719	3,949	4,286	6,626	14,861	18,580
2030	3,708	3,726	4,570	6,785	15,081	18,789
Distribution of Labor-Force-Aged Population						
2010		29.2%	32.2%	38.6%	100.0%	
2020		26.6%	28.8%	44.6%	100.0%	
2030		24.7%	30.3%	45.0%	100.0%	

Source: WI Dept. of Administration, Demographic Services

The table above indicates that Richland County's population is projected to grow 1.9 percent (from 18,233 to 18,580) between 2010 and 2020. Meanwhile, the labor-force-aged population (residents 16 or more years old) is projected to grow 1.5 percent (from 14,644 to 14,861). The difference between 1.9 percent and 1.5 percent may not seem dramatic, but it hints at a larger change. The lower portion of the table above projects that residents under 35 years old make will make up 29.2 percent of the labor-force-aged population in 2010 and that this share will shrink to 26.6 percent in 2020. Similarly, residents between the ages of 35 and 54 will see their share of the labor-force-aged population shrink from 32.2 percent in 2010 to 28.8 percent in 2020.

The remaining segment of the labor-force-aged population – Richland County residents 55 or more years old – is projected to grow in share from 38.6 percent of the labor-force-aged population in 2010 to 44.6 percent in 2020. On one hand, some baby boomers will work later in life than previous generations of 55-and-older residents have worked. On the other hand, this effect will be massively overshadowed by the fact that residents over 55 years old have historically left the labor force in substantial numbers between the ages of 55 and 60 and even more quickly thereafter. Page three discusses this further.

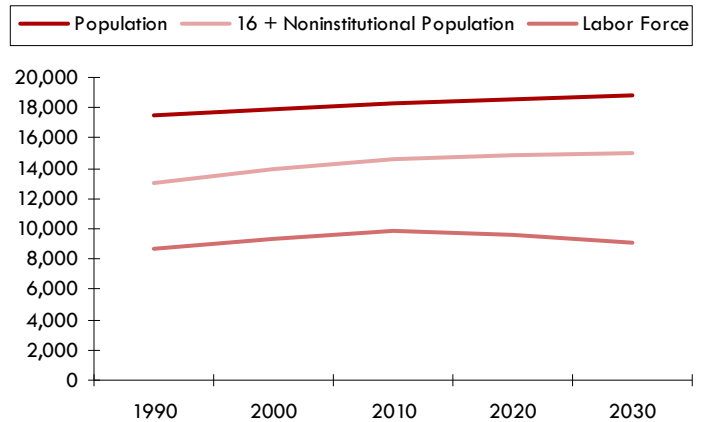
One result of this shift is illustrated by the line graph to the right. While total population numbers increase, the labor force (those working or looking for work) will shrink. Many baby boomers will be leaving the local labor force at a time when baby boomers (as a group) increase demand for labor-intensive services like health care and home maintenance.

Another result of this demographic shift may be employers competing more intensely for workers 55 or more years old. These workers possess experience and exper-

tise that can be hard to replace. Baby boomers who do continue to work will often change occupations or work fewer hours due to personal interests, health concerns, or family needs. Some employers will benefit tremendously from far-sighted recruitment and retention efforts.

If Richland County employers struggle to find workers, some may recruit workers with more appealing compensation or work environments. Meanwhile, some employers may resort to outsourcing, off-shoring, importing goods or labor, automating, changing locations, or going out of business. Demographic changes cannot be stopped, but their consequences can be shaped for the better with sound workforce planning.

**Richland County Historic and Projected Population and Labor Force**



Source: WI DWD, OEA

Labor Force Projections for Richland County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	3,430	4,103	2,326	9,859
2020	3,116	3,762	2,735	9,613
2030	2,946	3,995	2,128	9,068
Distribution of Labor Force				
2010	34.8%	41.6%	23.6%	
2020	32.4%	39.1%	28.5%	
2030	32.5%	44.1%	23.5%	

Source: WI DWD, OEA

**Labor Force**

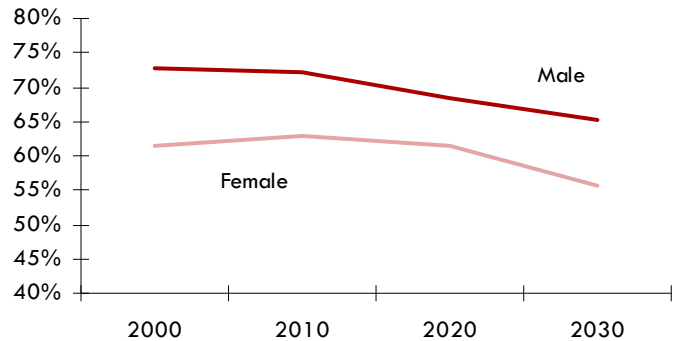
Advocates for workers 55 and over hasten to remind us that, with each passing decade, the economy places more value on the problem-solving, leadership, and innovation skills that baby boomers have developed. The workplace's social and professional networks are a bigger part of individual and community identities than ever before. The relative importance of physical limitations has fallen because there is more demand for non-physical work and there are more ways to accommodate or overcome physical limitations.

Nonetheless, the figures in the first three pages of this profile suggest that recent decades' growth in labor force participation will be reversed. To participate in the labor force is simply to work or to look for work. The labor force participation rate is the share of the eligible population that works or looks for work. Ineligible people who do not affect the participation rate are people under 16, people engaged in active military service, and people in institutions like correctional or nursing facilities.

In the 1970s, 1980s, and 1990s, many women joined the labor force for the first time. Female labor force participation rates surged from a fraction of male rates to levels much closer to male rates. The graph to the upper right suggests that labor force growth in the next 30 years cannot rely on rising LFPR the way it did over the previous 30 years.

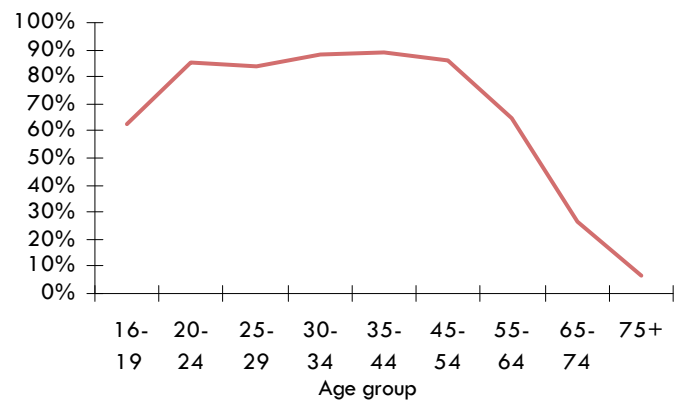
There are two substantial reasons why female labor force participation rates will probably continue to be slightly lower than male rates. First, women enjoy longer life expectancies than men. Those additional years are in a time of life when labor force participation rates tend to be at their lowest. Second, male rates are higher by wider margins during child-bearing years (say, ages 25-44). Female rates are higher than male rates in the 16- to 19-year-old cohort and only slightly lower in the 20- to 24-year-old cohort and the 55- to 64-year-old cohort. This suggests that decisions made around the time children are often born and raised are primary reasons for overall female labor force participation being lower than male labor force participation. Available data does not sug-

**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

gest that females will stop outliving males or that female LFPR around typical child-bearing years will rise to match or exceed male LFPR in those age cohorts. Females may match or exceed male LFPR in early working years and late working years, but the gap persists in the middle.

The lower of the two graphs above shows how dramatically labor force participation rates fall as age increases past 54 years old. Baby boomers may participate at higher rates than generations before them, but they would

have to depart radically from conventional notions of retirement in order to keep the labor force from shrinking. Barring substantial reductions in Social Security and Medicare benefits, this seems unlikely. Many of the most qualified, sought-after workers have significant resources set aside for their later years, so it may take more than a job offer to keep them in the labor force.

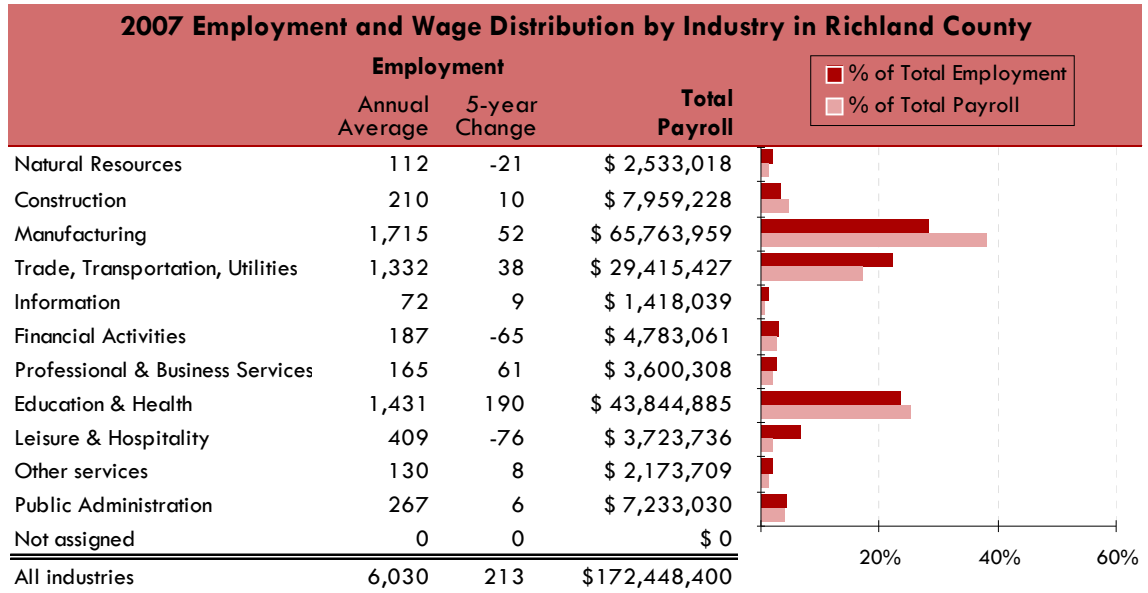
**Richland County Civilian Labor Force Data**

	2003	2004	2005	2006	2007
Labor Force	10,156	10,000	9,866	9,975	10,400
Employed	9,680	9,529	9,433	9,508	9,877
Unemployed	476	471	433	467	523
Unemployment Rate	4.7%	4.7%	4.4%	4.7%	5.0%

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

### Jobs & Wages

Few factors influence a local economy more than the number of jobs in the area and the average wage of those jobs. The manufacturing sector provides more jobs than any other sector in Richland County; with an average wage of \$38,346, it provides some of the county's highest-paying jobs. In the year ending with June 2007, less than 1.5 per cent of Richland County's manufacturing workforce was 55 or more years old. Historically, the physical demands of production jobs and the reliable pensions of production workers have kept the share of 55-and-over workers low in the manufacturing sector. At the same time, over 30 percent of Richland County's manufacturing workers were 45 to 54 years old. All of these people will reach 55 years old within 10 years and many will probably leave the manufacturing sector. Manufacturing employers will have to find ways of replacing (at least some of) their



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

seasoned workers. As domestic manufacturing becomes less labor-intensive and other industries whose wages do not (yet) match manufacturing wages will gain prominence.

The trade, transportation, and utilities sector generates \$29.4 billion in total wages and 1,322 jobs. While the utilities segment of trade, transportation, and utilities pays \$43,506 per year, but only provides 42 jobs; the sector is dominated by the retail trade segment's 948 jobs paying \$19,161 per year. Thus, the education and health sector generates a lot more total payroll with just a few more jobs. The average education and health wage (\$30,639) is above the all-industries average wage (\$28,598) and would be higher still if nursing and residential care facilities weren't such a prominent segment of this sector (429 jobs) with the sector's lowest wages (\$18,269). Much of the education and health sector's local employment growth was in the segment with the lowest average wage, so the sector's wage growth was slower locally than statewide.

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### Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Richland County as a Share of Wisconsin	Richland County 5-year % Change	Wisconsin 5-year % Change
	Richland County	Wisconsin			
All industries	\$28,598	\$38,070	75.1%	23.2%	17.4%
Natural Resources	\$22,616	\$29,235	77.4%	6.9%	14.7%
Construction	\$37,901	\$47,489	79.8%	31.7%	19.8%
Manufacturing	\$38,346	\$47,106	81.4%	31.9%	16.1%
Trade, Transportation & Utilities	\$22,084	\$32,762	67.4%	13.4%	15.3%
Information	\$19,695	\$48,483	40.6%	24.8%	24.7%
Financial Activities	\$25,578	\$50,749	50.4%	31.5%	25.8%
Professional & Business Services	\$21,820	\$44,328	49.2%	8.3%	22.0%
Education & Health	\$30,639	\$39,606	77.4%	12.3%	17.3%
Leisure & Hospitality	\$9,104	\$13,589	67.0%	17.3%	14.8%
Other Services	\$16,721	\$22,073	75.8%	27.5%	13.2%
Public Administration	\$27,090	\$39,879	67.9%	23.9%	18.1%

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

**Jobs & Wages**

Prominent Industries in Richland County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Richland County	Richland County	Wisconsin	Richland County	Wisconsin	Richland County	Wisconsin
Electrical equipment & appliance mfg	588	not avail.	-9.1%	\$ 37,566	\$ 54,242	not avail.	29.3%
Nursing & residential care facilities	429	125.8%	3.6%	\$ 18,269	\$ 23,295	-2.6%	12.0%
Educational services	405	-8.8%	2.0%	\$ 29,854	\$ 39,753	12.0%	15.0%
Food manufacturing	*	not avail.	-6.7%	*	\$ 38,239	not avail.	13.2%
General merchandise stores	343	-4.2%	7.1%	\$ 17,706	\$ 17,914	22.7%	16.3%
Food services & drinking places	322	-16.4%	9.1%	\$ 9,424	\$ 10,859	16.5%	14.5%
Transportation equipment manufacturing	*	not avail.	-4.9%	*	\$ 55,143	not avail.	10.1%
Executive, legislative, & gen government	190	-0.5%	-4.7%	\$ 20,332	\$ 36,340	18.9%	16.4%
Primary metal manufacturing	185	not avail.	-4.1%	\$ 35,546	\$ 46,172	not avail.	14.0%
Hospitals	*	not avail.	12.6%	*	\$ 43,750	not avail.	24.1%

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

When reviewing the above list of Richland County's prominent sub-sectors, it is important to consider the impact of public funding in conjunction with demographic shifts discussed earlier. Most readers quickly see how public funding relates to sub-sectors like educational services and executive, legislative, and general government. Though less obvious, it is no less important to consider how hospitals and nursing and residential care facilities rely on payments from programs like Medicare, Medicaid, Social Security, and Wisconsin counterparts. Today, many baby boomers are near the peak of their income-tax-paying curves. As they shift from prime tax-payers to the largest group of benefits-eligible residents ever seen, public budgets could face increasing strain at the local, state and federal levels. In recent years, many Wisconsin school

districts have faced increasing pressure to keep property taxes from rising. In the healthcare arena, it is not clear how the desire for low taxes will match up with the demand for publicly-funded services. These dynamics could dramatically affect prominent local industries.

Richland County's electrical equipment and appliance manufacturing sub-sector posted a wage of \$37,566. This is below the statewide wage for the sub-sector (\$54,242) and higher than the county's all-industries average wage (\$28,598). Statewide employment in this sub-sector declined between 2002 and 2007, but because county sub-sector data for the year 2002 is suppressed, it is not possible to calculate local 5-year change. Statewide wages in this sub-sector rose faster than the state's all-industries average wage. Taking a more short-term

view, between 2006 and 2007 Richland County's electrical equipment and appliance sector saw an average wage increase of 5.6 percent and an employment decline of 5.0 percent, suggesting that the jobs lost were not the highest-paid in the sub-sector.

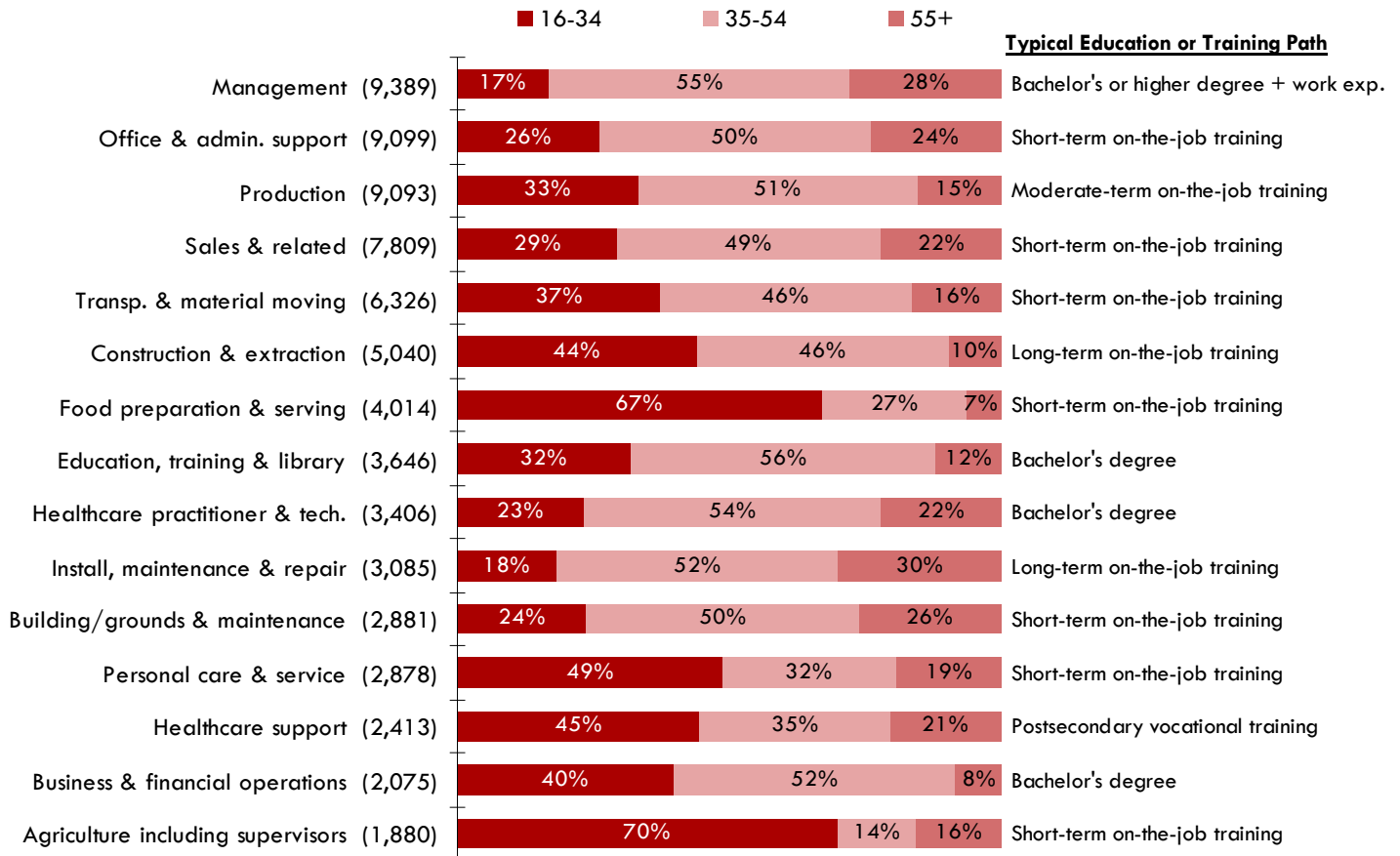
Prominent Public and Private Sector Employers in Richland County		
Establishment	Service or Product	Number of Employees (March 2007)
County of Richland	Executive & legislative offices, combined	250-499 employees
Rockwell Automation Inc	Relay & industrial control manufacturing	250-499 employees
S & S Cycle Inc	Motorcycle, bicycle, & parts manufacturing	250-499 employees
Richland School District	Elementary & secondary schools	250-499 employees
The Richland Hospital Inc	General medical & surgical hospitals	250-499 employees
Wal-Mart	Warehouse clubs & supercenters	250-499 employees
Hilltop Valley Dairy LLC	Fluid milk manufacturing	100-249 employees
Richland Center Foundry LLC	Iron foundries	100-249 employees
Foremost Farms USA Coop	Cheese manufacturing	100-249 employees
Merkle-Korff Industries Inc	Motor & generator manufacturing	100-249 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 Grant, Green, Iowa, Lafayette, and Richland 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

It is important to note that pages four and five focus on the industries that employers belong to while this section focuses on the occupational groups that workers belong to. Sometimes, the worker's job duties can be more informative than the nature of the employer's business. The chart above first lists the occupational groups with the greatest numbers of workers in the area that includes Grant, Green, Iowa, Lafayette, and Richland counties. The actual employment numbers appear in parenthesis. The bar graph shows each occupational group's age distribution.

The youngest age cohort, residents between the ages of 16 and 34, reflects people in their early working years and captures rather large shares of jobs in food preparation and serving occupations and agriculture occupations. Physical demands, seasonality, and wage progression can

contribute to turnover in these occupational groups. Because jobs in these occupational groups typically require less-advanced education and training, they may be good fits for some newer workers.

The oldest cohort identified, residents 55 or more years old, includes many people approaching retirement. About 28 percent of area residents in management occupations and 30 percent of area residents in installation, maintenance, and repair occupations are 55 or more years old. Jobs in installation, maintenance, and repair occupations typically require long-term on-the-job training (over 12 months). Jobs in management occupations typically require a bachelor's or higher degree and work experience. New workers cannot simply step out of high school and into these jobs. It may prove wise to begin grooming, recruiting, and succession planning sooner rather than later.

## Occupations & Typical Education or Training

At first glance, workers 55 or more years old might seem to be a small share of production workers (15%) or construction and extraction workers (10%). Because of the physical demands they face and the pensions they enjoy, workers in these fields often retire well before otherwise-typical ages. It is possible that improved technology and implementation will ease many physical demands of some of these jobs. Production jobs, in particular have become less physical and more technically challenging in recent years. Over the long term, the trend for production in the United States is to use ever fewer people to generate ever more output, so it is unclear to what extent advances in equipment, processes, and product lines will mitigate demand for replacement workers.

In this region (Grant, Green, Iowa, Lafayette and Richland counties), farmers and ranchers make up almost half of the management workers. Half the region's farmers and ranchers are fifty or more years old and over seventy percent are over 40. This might affect the management occupations' age distribution even more than the typical experience requirement does.

Also interesting is the relative scarcity of 16- to 34-year-olds in healthcare practitioner and technical occupa-

tions (23%), installation, maintenance, and repair occupations (18%) and building and grounds cleaning and maintenance occupations (24%). Many registered nurses have Bachelor's degrees, but many jobs in these three occupational groups require moderate education or training, so recent high school graduates and people seeking career changes could get into these occupational groups relatively quickly. As the local population ages, demand for healthcare services will grow. For the sake of argument, suppose that older residents require more assistance maintaining their single-family homes or suppose that many older residents move into senior-living apartments, assisted living facilities, and nursing homes. If either of these things occurs, then these residents could increase demand for installation, maintenance, and repair workers as well as building and grounds cleaning and maintenance workers.

Keeping this dynamic in mind, it is particularly noteworthy that the workers 55 or more years old constitute 29 percent of healthcare support workers and 37 percent of personal care and personal service workers. Substantial numbers of workers in these fields are likely to leave the labor force as demand grows faster and faster.

## Income

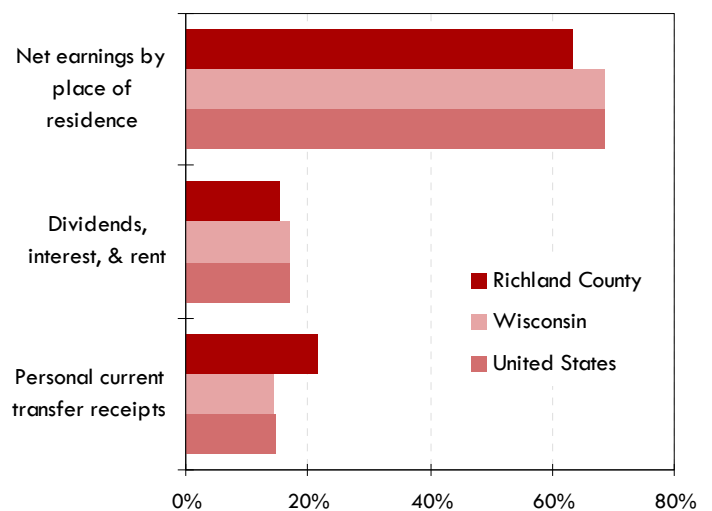
Pages four and five analyze payroll employment and wage data that employers report to Wisconsin's Unemployment Insurance system. Pages seven and eight analyze income data from federal tax records; this includes non-payroll income sources such as proprietors' income, investment income, and government transfers.

The first category of income that this profile will discuss is net earnings by place of residence. These earnings are typically associated with current vocations which may include a payroll job, self-employment, or business proprietorship. Without net earnings, most people would have difficulty buying assets that would generate dividends, interest, or rent and most people would have difficulty paying taxes that make government transfers possible. Many readers will consider net earnings the driving force that sets the stage for long-term income trends.

Whether we focus on the nation, the state or Richland County, the graph to the right shows that net earnings is the largest share of total income. While this will probably always be true, the balance will shift. Pages one through three discuss baby-boomers' move from prime income-earning years to ages in which they are eligible for gov-

ernment transfers like Social Security and Medicare. This means that net earnings could make up a smaller share of Richland County's total income and transfer payments

**Components of 2006 Total Personal Income**



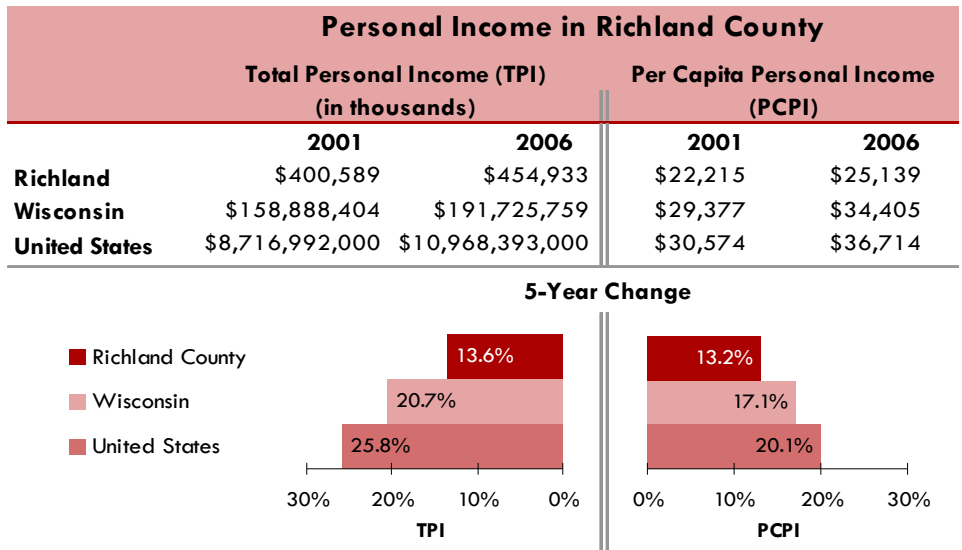
Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

### Income

could become a larger share. Comparing Richland County to the state and the nation, it seems that this shift has already begun.

When investments pay off, they yield dividends, interest, and rent. This is the second category of income. Net earnings are often tied to jobs at specific physical locations. When people leave jobs, other people will typically fill the positions, and spend the earnings locally. In contrast, owners of income-earning assets can often collect their income from nearly anywhere, so leaving the area does not necessarily affect their income stream. Imagine for a moment that many Richland County residents with income-earning assets moved to larger cities or warmer climates. They could take much of their income with them. Nothing about their departure would cause other residents to fill the investment income gap. If younger residents lack resources to invest or choose to consume rather than invest, investment income will decline.

Personal current transfer receipts (mainly programs like Medicare and Social Security) have a substantial impact on several key industries listed on page five. The group of benefits-eligible residents in Richland County will grow quickly in the near future. Whether benefits will remain at



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

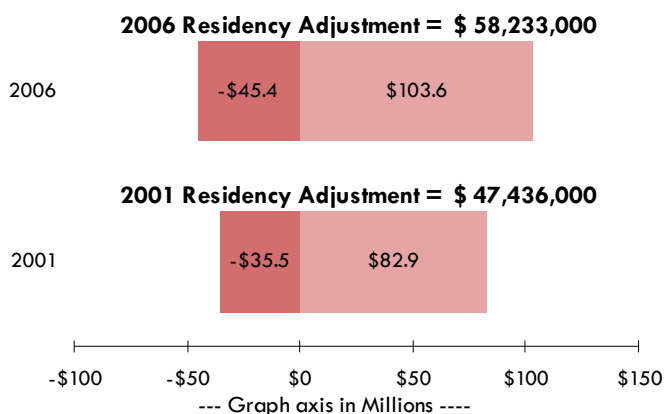
historically normal levels and how they will be paid remains uncertain in the near term. With each passing year the political feasibility and practical necessity of radical change move in opposite directions.

Between 2001 and 2006, Richland County's total income grew from nearly \$401 million to nearly \$455 million, or 13.6 percent. Total income grew faster in both Wisconsin (20.7%) and the United States (25.8%). Dividing total income by population yields per capita personal income (PCPI). Because Richland County's population grew slower than the state's or the nation's, the PCPI growth gap was not as large as the total personal income growth gap. Nonetheless, Richland County's PCPI (\$25,139) remains well below Wisconsin's (\$34,405) and the nation's (\$36,714). Suburban areas and select segments of urban areas tend to report much higher PCPI, while rural areas and parts of inner cities tend to report lower PCPI. High-income residents often cluster.

In 2006, Richland County residents earned nearly \$104 million by commuting to jobs in other counties and residents of other counties earned over \$45 million by commuting to jobs in Richland County. The difference, \$58 million, is the net impact of commuting on Richland County's total income. This is nearly 13 percent of total income. Between 2001 and 2006, the net commuting impact grew 22.8 percent, which was a great deal faster than total income (13.8%). This suggests that wages earned outside Richland County have become more important to the local economy over time.

### Richland 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