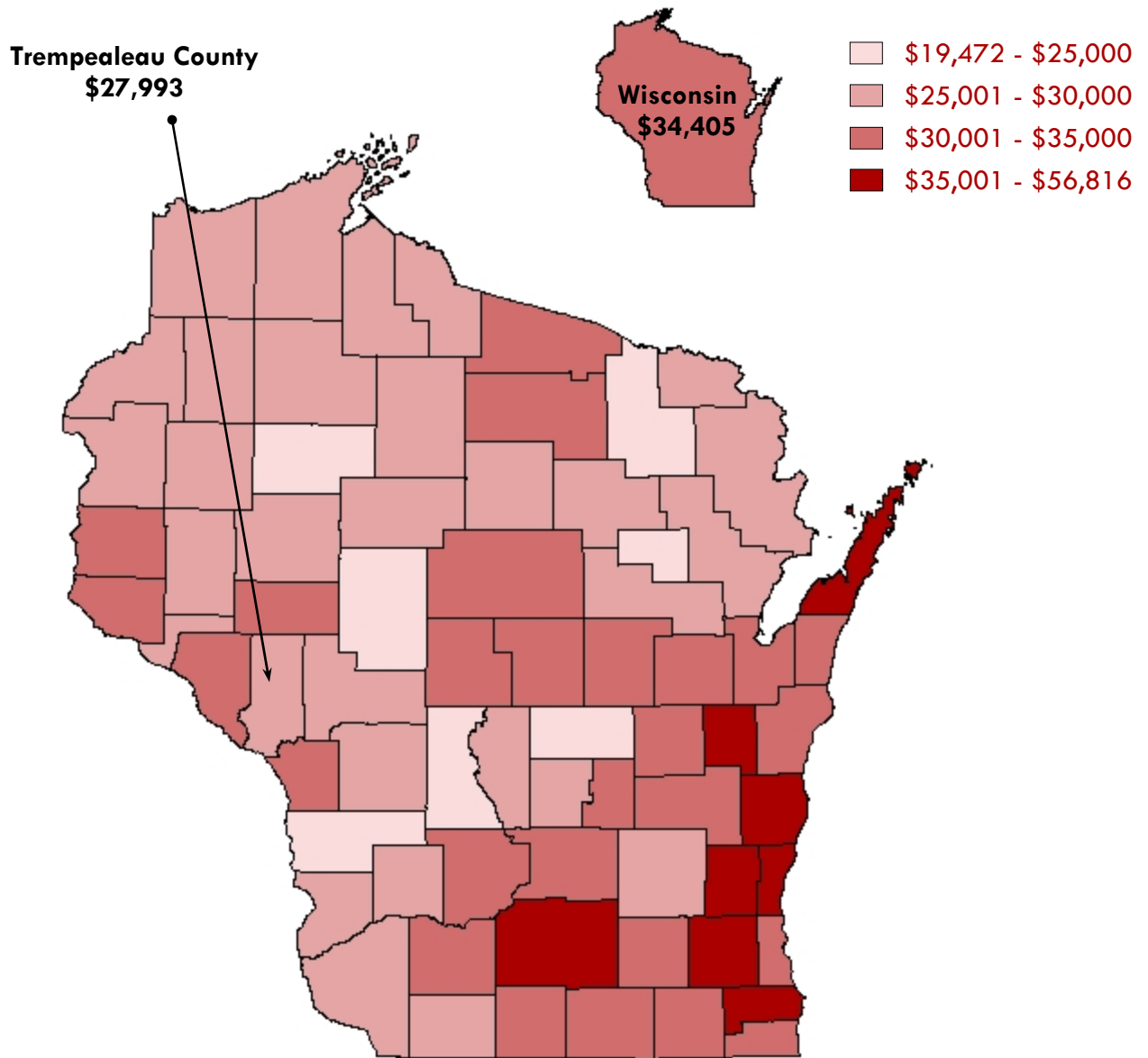


# Trempealeau County Workforce Profile

## Per Capita Personal Income in 2006



2008

### Office of Economic Advisors

Wisconsin Department of Workforce Development  
OEA-10654-P

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### Population

The population in Trempealeau County added 1,109 residents from 2000 to 2007, but is actually down from the total in 2006. The January 1, 2007 estimate included 28,119 residents, seven fewer than in 2006. The increase of 4.1 percent from 2000 ranked 45<sup>th</sup> highest among the state's 72 counties, lagging growth in both the state and nation.

Natural increase, or births minus deaths, accounted for 22 percent of Trempealeau County's growth, adding 248 residents. The vast majority of Trempealeau's population increase came from migration, with a net gain of 861 new residents. Trempealeau is a rural county, with an average of only 38 residents per square mile if its population were evenly distributed. And, like many of Wisconsin's rural counties, growth is fueled by people moving in, many of them older but still in their prime working years. This is certainly born out by changes in the median age in the county.

In 1980, the median age of a Trempealeau County resident was 31.9 years, in 1990 it was 35.7, and by the year 2000 the median age of a Trempealeau County resident had climbed to 38.3 years. Trempealeau's median age will climb to 39.8 years by 2010, higher than Wisconsin's 2010 projected median age of 38.1 years.

Though the population increase was scattered around the county, growth patterns seemed to favor areas closer to the neighboring metropolitan areas of Eau Claire and La Crosse. This reflects a common migration trend, the desire

#### Trempealeau 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>Trempealeau County</b>	27,010	28,119	1,109	4.1%
Arcadia, City	2,402	2,402	0	0.0%
Trempealeau, Town	1,618	1,783	165	10.2%
Whitehall, City	1,651	1,671	20	1.2%
Arcadia, Town	1,555	1,660	105	6.8%
Osseo, City	1,669	1,660	-9	-0.5%
Gale, Town	1,426	1,580	154	10.8%
Galesville, City	1,427	1,463	36	2.5%
Trempealeau, Village	1,319	1,452	133	10.1%
Ettrick, Town	1,284	1,298	14	1.1%
Blair, City	1,273	1,281	8	0.6%

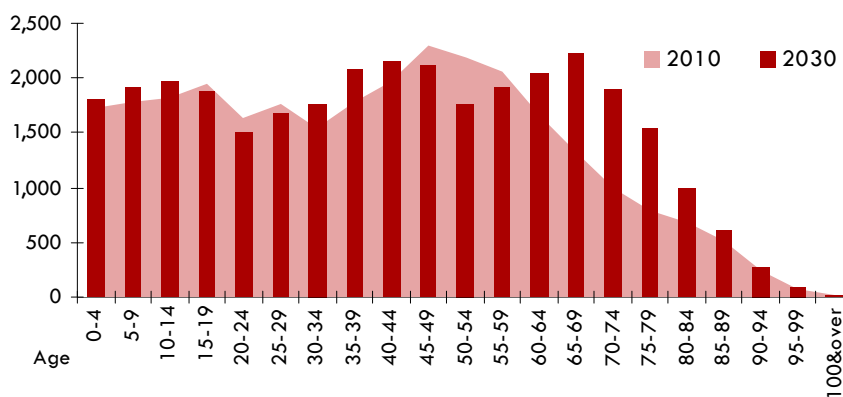
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

to live in a rural area while still remaining relatively close to the amenities or job opportunities found in a population center. The greatest increases in population among the ten largest municipalities occurred in the town and village of Trempealeau and the Town of Gale, all within an easy commute of the City of La Crosse. The county's fastest growing municipality (not on the ten largest list), the Town of Caledonia, is closer to the City of Eau Claire.

The graph (bottom left) shows not only the increase in age cohorts aged 60 and over but the lack of growth in residents in age cohorts aged 34 and younger (nominal at best). This pattern is typical of many Wisconsin counties, and the reader should note that this trend will mean a significant change in the face of the future workforce in Trempealeau County (also see next page).

Furthermore, the impact of an aging population will noticeably change the types of services and goods purchased by residents of Trempealeau County. Perhaps the most apparent of these changes will be in the demand for health care services, a demand that's likely to increase exponentially as the county's population ages. Such growth will be a "double-edged sword" for health services employers; their business will significantly increase at the same time that their workforce will decrease (retirements), with fewer young workers to replace those that are retiring.

#### Population by Age Cohorts in Trempealeau County



In 2010, the average Trempealeau County resident will be 39.8 years old.  
 In 2020, the average Trempealeau County resident will be 41.2 years old.  
 In 2030, the average Trempealeau County resident will be 42.7 years old.

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

### Population & Labor Force

Population Projections for Trempealeau County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	5,718	6,503	8,235	8,362	23,100	28,818
2020	5,983	6,700	7,656	10,407	24,763	30,746
2030	6,063	6,445	8,103	11,608	26,156	32,219
Distribution of Labor-Force-Aged Population						
2010		28.2%	35.6%	36.2%	100.0%	
2020		27.1%	30.9%	42.0%	100.0%	
2030		24.6%	31.0%	44.4%	100.0%	

Source: WI Dept. of Administration, Demographic Services

The graph on page one indicates the significance that baby boomers have on the overall age distribution. Population growth in Trempealeau 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 decades. Note that even though the size of the population in the youngest age group increases over the 20-year span, that increase pales in comparison to the 39 percent increase in the eldest group. Meanwhile, both of the middle age groups diminish in size, both numerically and proportionately. Additionally, the population aged 55 years and older is projected to increase from 36.2 percent of the labor force aged population (the population aged 16 years and older) to 44.4 percent in 2030.

The labor force includes only that share of the population that is 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.

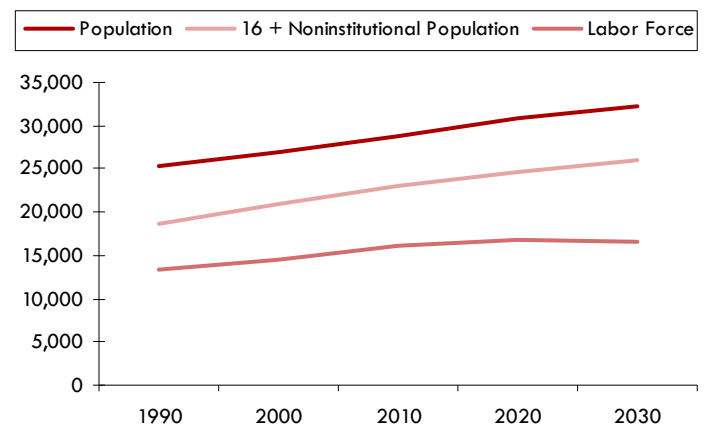
In fact, the 16 plus aged population is projected to add

roughly 3,050 residents from 2010 to 2030, but the labor force is expected increase by just 319 participants (bottom table).

The graph below shows Trempealeau County's total population, labor force aged population, and labor force. The top two lines, representing the total population and the labor-force-aged population respectively, in fact indicate continued growth through 2030, albeit somewhat slower than

during the 1990s. The bottom line, representing the county's labor force, peaks by 2020, then begins to decline. Competition to replace workers who leave jobs and to hire workers for business expansion will be more difficult in this tighter labor market.

Trempealeau County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Trempealeau County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	5,306	7,318	3,542	16,166
2020	5,452	6,844	4,539	16,835
2030	5,234	7,228	4,023	16,485
Distribution of Labor Force				
2010	32.8%	45.3%	21.9%	100.0%
2020	32.4%	40.7%	27.0%	100.0%
2030	31.8%	43.8%	24.4%	100.0%

Source: WI DWD, OEA

## Labor Force

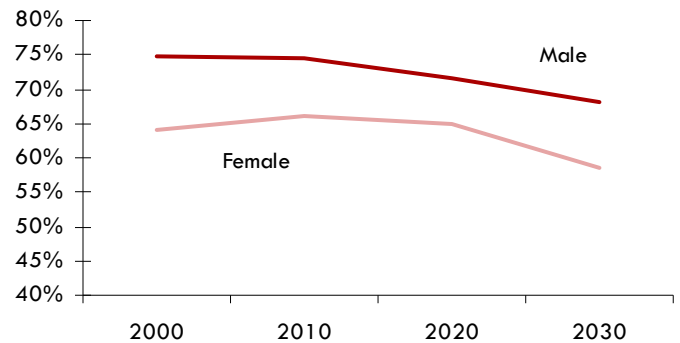
Delving deeper into the relationship between population and labor force requires more detailed information on how the population engages, or participates, in the labor force. The labor force participation rate (LFPR) is the share of the eligible population (the non-institutionalized population aged 16 years and older) that is working or actively looking for work.

Even though recent decades witnessed increased participation of women in Trempealeau County, from less than 40 percent in 1970 to 64 percent in 2000, it never matched the participation of men, which remained relatively flat during the same time span, hovering near 74 percent. That said, women contributed significantly to overall labor force expansion in the 1970s and 1980s as both male and female baby boomers flooded the labor market. Now, as boomers celebrate their 55<sup>th</sup> birthdays and begin to retreat from the labor market, the LFPR for both men and women will begin to decline. By 2030 the LFPR for men in Trempealeau County is projected to drop closer to 68 percent while women's LFPR will decline to 58 percent (top graph).

The combined 2000 labor force participation rate of both men and women varies by age, illustrated in the second graph on the right. Beginning with the youngest age group, primarily teenagers still enrolled in school, the LFPR jumps from 60 percent to 87 percent in the 20-24 year old group. The LFPR remains above 87 percent through the 45-54 year group before declining to 69 percent for those 55-64 years old and to under 26 percent for those over 65 years. Although there has been a recent uptick nationally of 2-3 percentage points in participation from the older population it will not significantly increase the labor force in Trempealeau County.

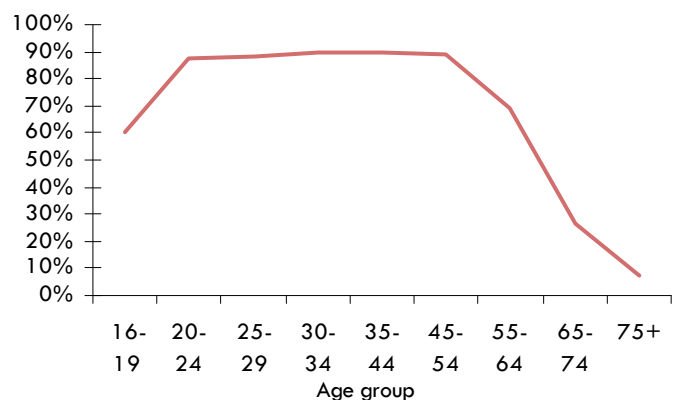
The chart below details unemployment rates for Trempealeau County over the last five years. The number of unemployed became a smaller share of the total labor force from 2003 to 2007 and the county's unemployment rate dropped from 5.8 to 4.3 percent. Although unemployment rates have declined, they remain higher

**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

than in the late-1990s.

This chart (bottom left) also reflects a local labor force that has not yet reached its maximum potential. From 2003 to 2007 the labor force added 1,525 participants, largely from an increase of 1,699 in the number of employed residents. During that timeframe the number of unemployed was reduced by only 174 residents.

While as of this writing (Fall 2008), an economic downturn appears to be on the horizon, the fact remains that after recovery and in the future, unemployment rates will stabilize and labor shortages will continue. These shortages will be due to the continuing shift in age demographics in Trempealeau County.

### Trempealeau County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	15,780	15,726	15,801	16,236	17,305
Employed	14,870	14,966	15,098	15,535	16,569
Unemployed	910	760	703	701	736
Unemployment Rate	5.8%	4.8%	4.4%	4.3%	4.3%

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

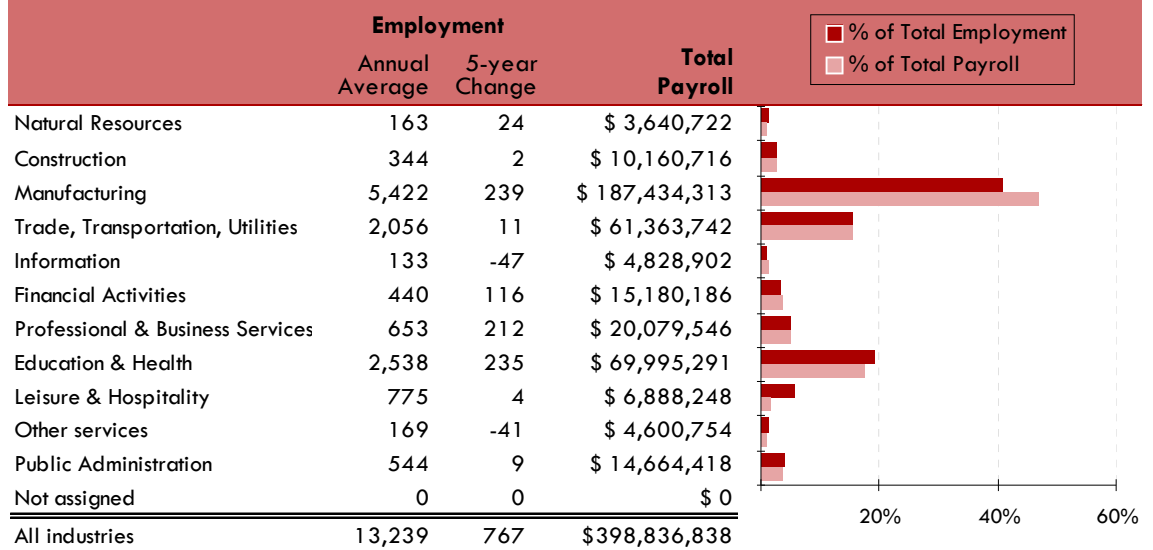
### Jobs & Wages

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. In Trempealeau County, however, 41 percent of county jobs are in the industry super-sector of manufacturing; and another 19 percent in the super-sector of education & health.

When an area's economy is reliant on just one or two principle sectors, even area businesses completely unrelated to these principle sectors are sensitive to changes in the area's dominant sectors. With such dominance in an area's economy, dependencies may develop between otherwise unrelated businesses, and the fate of an entire area can be tied to one or two principle businesses.

The graph and table displayed on this page examine the

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



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

jobs and wages representing each major employment sector in the county. As previously noted the manufacturing super-sector, provides the largest job base in the county, additionally it accounts for the highest share (47 percent) of total payroll in Trempealeau County. Conversely, leisure & hospitality sector jobs, which comprise 5.9 percent of the county's jobs, pay a disproportionately lower 1.7 percent of the total wage base.

The higher wage-to-jobs ratio in manufacturing is indicative of the occupational makeup within the sector, workers' longer tenures, and the skills and experience of its workers. The lower wage-to-jobs ratio in leisure and hospitality reflects the seasonal employment nature of this sector, the prevalence of part-time, seasonal scheduling, and the heavy presence of entry-level jobs, typically requiring less skill and experience of its workers.

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

	Average Annual Wage		Trempealeau County as a Share of Wisconsin	Trempealeau County 5-year % Change	Wisconsin 5-year % Change
	Trempealeau County	Wisconsin			
All industries	\$30,126	\$38,070	79.1%	15.1%	17.4%
Natural Resources	\$22,336	\$29,235	76.4%	10.6%	14.7%
Construction	\$29,537	\$47,489	62.2%	11.3%	19.8%
Manufacturing	\$34,569	\$47,106	73.4%	11.7%	16.1%
Trade, Transportation & Utilities	\$29,846	\$32,762	91.1%	22.1%	15.3%
Information	\$36,308	\$48,483	74.9%	24.2%	24.7%
Financial Activities	\$34,500	\$50,749	68.0%	36.6%	25.8%
Professional & Business Services	\$30,750	\$44,328	69.4%	24.2%	22.0%
Education & Health	\$27,579	\$39,606	69.6%	11.6%	17.3%
Leisure & Hospitality	\$8,888	\$13,589	65.4%	15.3%	14.8%
Other Services	\$27,223	\$22,073	123.3%	22.5%	13.2%
Public Administration	\$26,957	\$39,879	67.6%	16.9%	18.1%

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

## Jobs &amp; Wages

## Prominent Industries in Trempealeau County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Trempealeau County	Trempealeau County	Wisconsin	Trempealeau County	Wisconsin	Trempealeau County	Wisconsin
Furniture & related product mfg	3,298	7.1%	-4.4%	\$ 34,790	\$ 37,602	11.0%	19.7%
Educational services	1,033	5.2%	2.0%	\$ 29,918	\$ 39,753	7.7%	15.0%
Food manufacturing	870	14.8%	-6.7%	\$ 30,631	\$ 38,239	13.2%	13.2%
Nursing & residential care facilities	614	3.5%	3.6%	\$ 22,424	\$ 23,295	-1.6%	12.0%
Food services & drinking places	614	2.7%	9.1%	\$ 8,819	\$ 10,859	15.2%	14.5%
Truck transportation	549	21.7%	7.1%	\$ 49,484	\$ 41,316	20.3%	14.6%
Hospitals	439	2.3%	12.6%	\$ 32,854	\$ 43,750	45.7%	24.1%
Executive, legislative, & gen government	392	0.5%	-4.7%	\$ 22,685	\$ 36,340	14.7%	16.4%
Machinery manufacturing	331	-9.3%	-4.5%	\$ 45,968	\$ 53,720	9.0%	19.1%
Plastics & rubber products manufacturing	312	-30.4%	-5.0%	\$ 30,741	\$ 41,268	19.3%	17.5%

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

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

The ten most prominent industry sub-sectors in Trempealeau County are listed in the above table. The list is ranked based on employment and some of the detailed data is suppressed to provide confidentiality for the few employers completing the reports. The industries on this list provide nearly two-thirds of the jobs in the county.

Employers in furniture and related product manufacturing, the county's largest industry sub-sector, provide 3,298, or 60 percent, of the 5,423 jobs in manufacturing. The sub-sector added 220 jobs during the five-year period. However, the annual average wage in the sub-sector declined during 2007 to \$34,790. While the actual cause leading to this decline is not certain, adding new jobs with entry-level wages would certainly explain some of the reduction.

While the top list includes three other manufacturing sub-sectors - food, plastics & rubber, and machinery manufacturing, the bottom list includes county employers that represent five manufacturing subsectors. Note that the bottom list includes only private sector employers which excludes employers from the two prominent industries of educational services and executive, legislative, and general government, both of which include primarily public sector employers.

Educational services, the second largest sub-sector in the county, includes employment with both public and private educational institutions covered under Wisconsin's unemployment insurance law. The 1,033 jobs in educational services comprise 41 percent of the jobs in the educational and health services super-sector. The super-

sector also includes nursing and residential care facilities with 24 percent of the jobs, hospitals with 17 percent of the jobs, and two sub-sectors not on the list - ambulatory health services and social assistance.

## Prominent Private Sector Employers in Trempealeau County

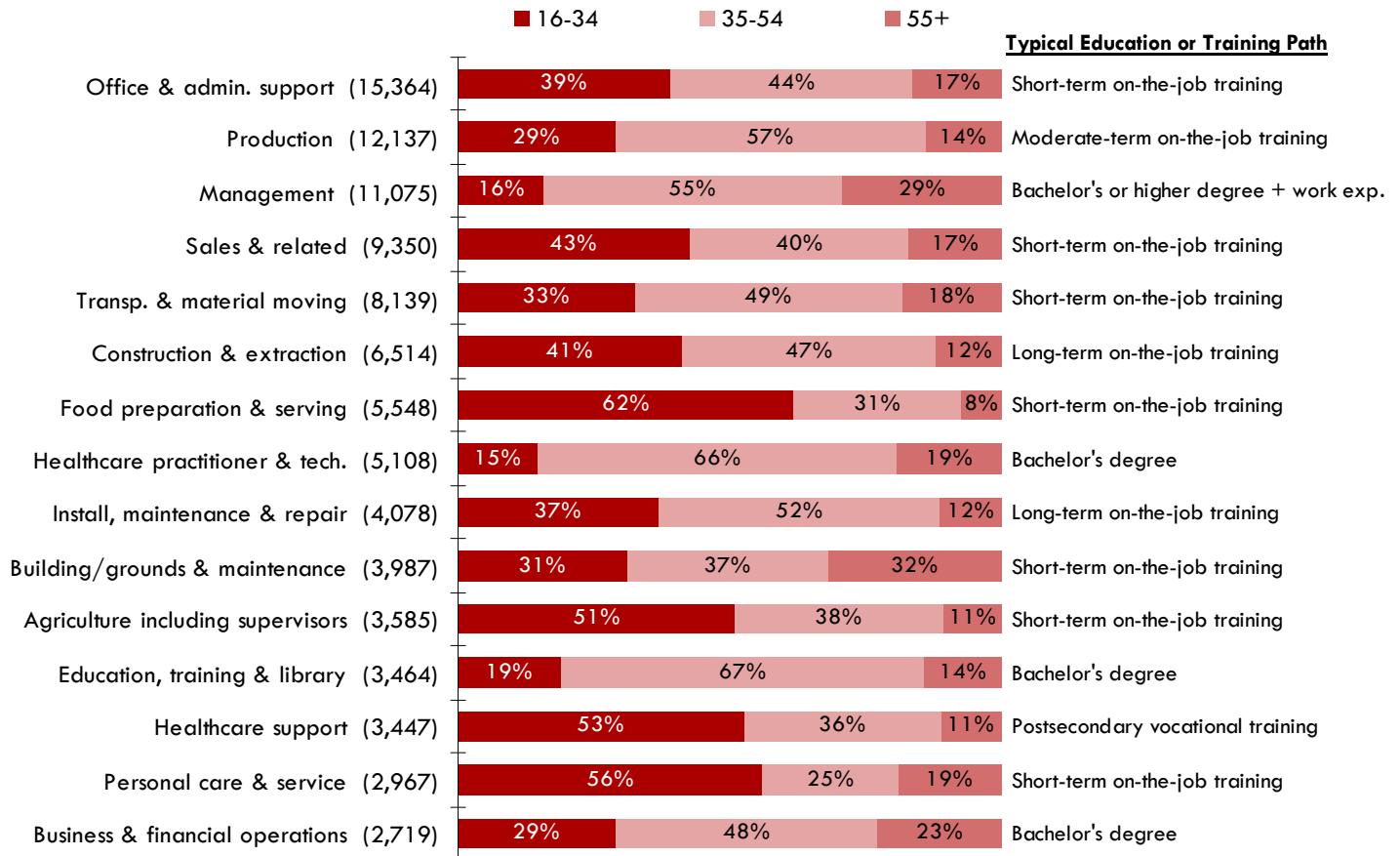
Establishment	Service or Product	Number of Employees (March 2007)
Ashley Furniture Industries Inc	Nonupholstered wood household furniture mfg.	1000+ employees
JFC Inc	Poultry processing	250-499 employees
Ashley Distribution Services	General freight trucking, long-distance TL	250-499 employees
Lucas Body Systems	All other plastics product manufacturing	250-499 employees
Osseo Medical Center - Mayo Health	General medical & surgical hospitals	100-249 employees
Tri-County Memorial Hospital	General medical & surgical hospitals	100-249 employees
Global Finishings Solutions	Sheet metal work manufacturing	100-249 employees
Whitehall Specialties	Cheese manufacturing	100-249 employees
Granview Nursing Home	Nursing care facilities	100-249 employees
Sourcecut Industries Inc	Wood window & door 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 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

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 Trempealeau. In order to meet a minimum population standard the data is grouped with seven 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 occupational grouping of food preparation is skewed to younger workers. It's not surprising that this occupational group, 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

(Continued on page 7)

## Occupations & Typical Education or Training

(Continued from page 6)

occupations in these groups are with employers in the industry sectors of leisure and hospitality or the retail trade segment of the trade, transportation, and utilities sector.

Three other occupational groupings; healthcare support, agriculture, and personal care services also have a preponderance of young workers. A substantial number of occupations in these three groupings are more physical, require more lifting and standing. Examples of physical jobs within these groupings include nurses aide, orderly, laboratory animal caretaker, and psychiatric aide from healthcare support; farmhand, logger, faller, and crop worker from agriculture; and nonfarm/non-laboratory animal caretaker, bellhop, personal home care aide, and child care worker from personal care services. In addition to the physical requirements of many jobs in these three groupings, one finds that most occupations in these groupings pay less than overall average wages and require only short-term training. These factors account for the predominance of younger workers in these occupational groupings.

Of particular interest are occupation groups with a

prevalence of workers aged 55 years or more. Management occupations naturally tend to have an older age breakout simply because these occupations typically require work experience in addition to post-secondary education. This is reflected in the typical education path in this group, and explains the high wages paid. But the higher barriers to entry, coupled with 29 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 within the industry, healthcare will need a tremendous number of new workers in the future.

Older workers fill one in three building/grounds and maintenance occupations. Closer scrutiny of the data shows that over half of these workers are 60 or older. "Retirees" are attracted to this work because its often seasonal and/or part-time, offering the flexibility that many "retired" people look for in employment.

## Income

Total personal income (TPI) is aggregate income from all sources. TPI is gathered by the Bureau of Economic Analysis and includes income from three major components: net earnings; dividends, interest, and rent (property income); and transfer receipts.

Approximately 68.5 percent of total personal income in Wisconsin comes from net employment earnings (e.g., payroll and self employment), another 17 percent from dividend, interest and rental property income (returns on equities and other portfolio items, interest-bearing accounts, rental of housing and business units), and the remaining 14 percent is derived from personal current transfer receipts (social security, Medicare and Medicaid, and mainly other government monies to people).

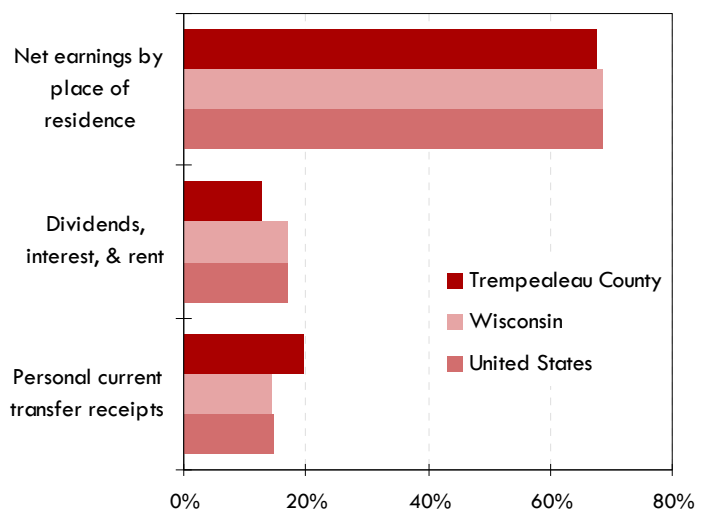
Trempealeau County's total personal income (TPI) stood at just over \$776 million in 2006. Trempealeau's TPI composition is higher than statewide average in personal current transfer receipts at 19.5 percent and is lower in dividends, interest and rental income (four percent lower). Its net employment earnings share (67.7) is roughly one percent lower than both the state and nation.

Per capita personal income (PCPI) is the result of dividing an area's total personal income (TPI) by its total

population. The dynamics of the three components of TPI impact total personal income, and TPI and population are essential in shaping an area's PCPI. Thus, PCPI can be

(Continued on page 8)

### Components of 2006 Total Personal Income



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

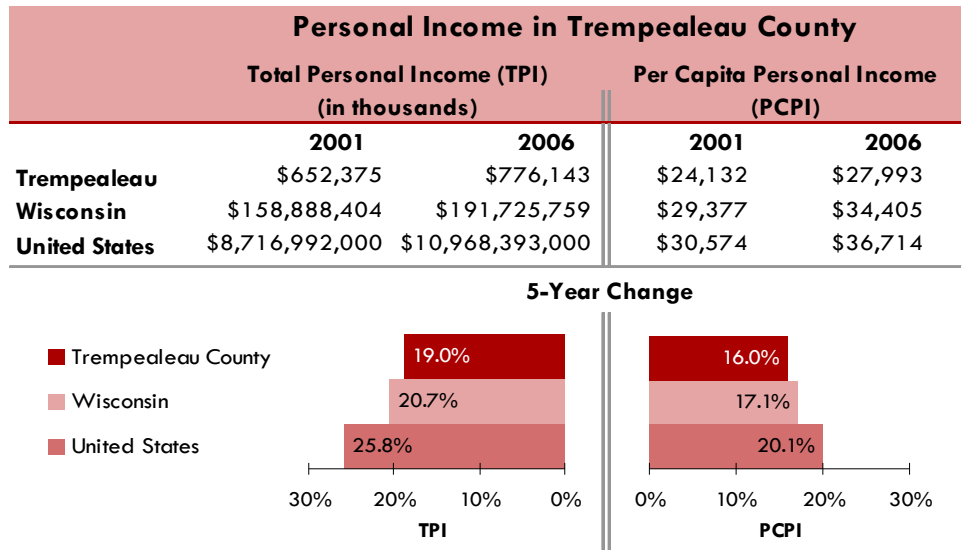
### Income

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 number of retiring residents in an area, PCPI will probably be lower since the amount they 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.

As previously mentioned, Trempealeau County, had a higher proportion of transfer receipts (generally governments monies paid to residents) compared with the state and nation, and this contributes to

both lower TPI and PCPI in Trempealeau. In 2006, the PCPI of \$27,993 in Trempealeau County was only 81 percent of the statewide average. Trempealeau's PCPI ranked 43rd among Wisconsin's 72 counties.

In addition, the largest component of TPI, net earnings, is a significant factor in the lower PCPI in Trempealeau. Trempealeau County wages are lower than the state in every industrial sector, except for the other services super-sector, which only has a nominal presence in Trempealeau (page 4).



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

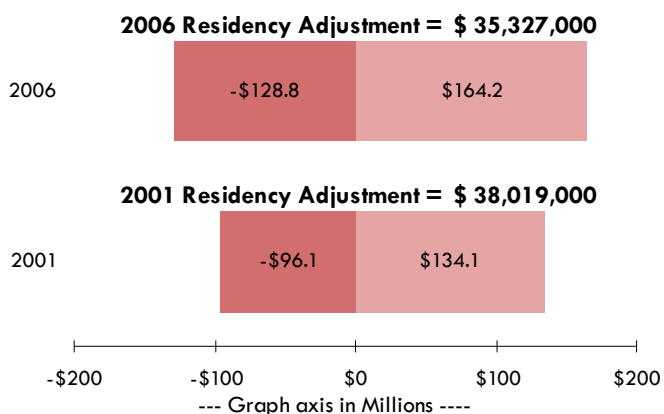
PCPI in Wisconsin's metropolitan counties in 2006 was \$36,430 compared to \$29,022 in nonmetropolitan counties. At \$27,993, Trempealeau County's PCPI was 93 percent of the average nonmetropolitan PCPI in Wisconsin.

The chart on the left shows that in 2006 residents working in jobs outside the county added \$164.2 million to Trempealeau County's total personal income while non-resident workers were paid \$128.8 million in wages that left the county. The total residency adjustment netted \$35.3 million in TPI earnings for Trempealeau. Commuting patterns from Census 2000 show that most outbound workers are traveling to jobs in La Crosse County, Eau Claire County and Winona County Minnesota. Most inbound workers arrive from Jackson, Buffalo and Eau Claire counties. Since 2001, the dollars from residency adjustment have declined.

In 2001, the county lost less dollars in outflow from the commuting impact equation (\$96.1 million in 2001). By 2006 the dollars lost from outflow in Trempealeau had increased 34 percent to \$128.8 million. One possible explanation for this shift is that workers commuting into Trempealeau County are now earning higher wages. Another possible cause is an increase in workers commuting into Trempealeau County for work since 2001. It is difficult to determine with certainty the exact cause of this shift until data from Census 2010 and the American Community Survey is available for Trempealeau County.

### Trempealeau 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