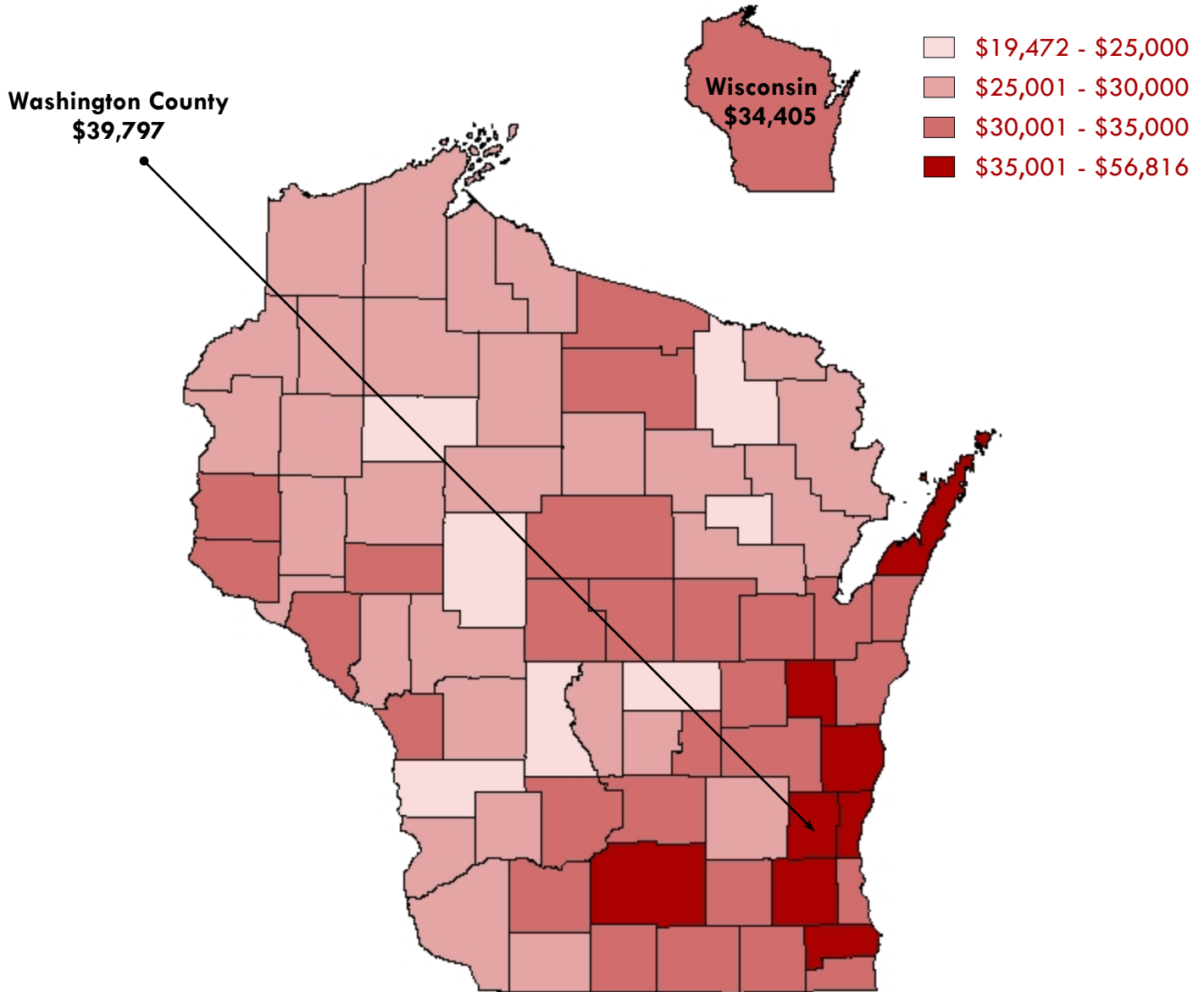


Washington County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10659-P

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Population

Washington County's population continues to grow and has added 11,820 residents since the 2000 Census for an increased of 10.1 percent. The percentage increase is substantially higher than the 6.9 percent increase in the United States or the 5.3 percent increase in Wisconsin. Washington County's growth of 10.1 percent ranks it in sixth place in both numeric and percent growth among Wisconsin's 72 counties and makes it Wisconsin's eleven largest county.

Of the ten largest municipalities in Washington County, only the Town of Hartford lost residents. The town's loss of 20 was more than made up for by the rest of the county.

Numerically, the Washington County part of City of Harford grew more than any other municipality in the county. The 2,655 new residents represent an increase of 24.4 percent, the second highest percent increase for the county. Adding 1,214 new residents, the Village of Jackson grew by the largest percentage in the county. At 24.6 percent, Jackson's increase was more than three times the increase throughout the nation and more than four times the state increase.

Population changes happen from natural changes (births minus deaths) and from migration. The change in population in Washington County was heavily influenced by migration. Of the total increase, 7,532 or 64 percent came from migration, while 4,288 or 36 percent came from natural increases. Washington County is similar to the

Washington 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%
Washington County	117,496	129,316	11,820	10.1%
West Bend, City	28,152	30,220	2,068	7.3%
Germantown, Village	18,260	19,750	1,490	8.2%
Hartford, City*	10,895	13,550	2,655	24.4%
Richfield, Town	10,373	11,385	1,012	9.8%
Jackson, Village	4,938	6,152	1,214	24.6%
West Bend, Town	4,834	4,872	38	0.8%
Trenton, Town	4,440	4,766	326	7.3%
Slinger, Village	3,901	4,592	691	17.7%
Hartford, Town	4,031	4,011	-20	-0.5%
Polk, Town	3,938	4,005	67	1.7%

* Washington County portion only

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

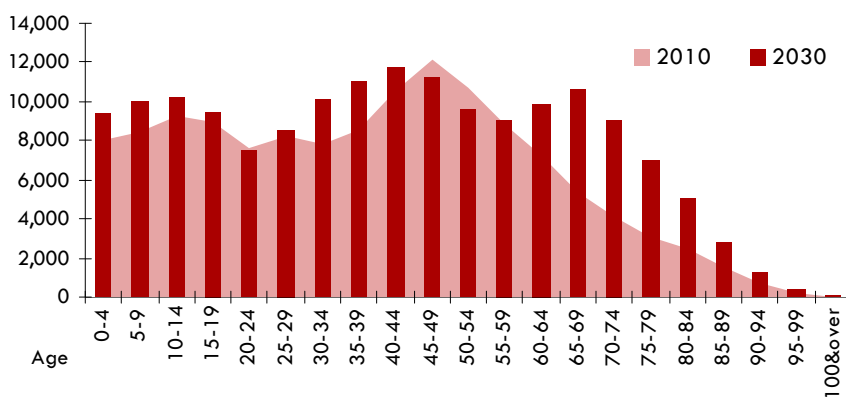
other two WOW counties in that the majority of the population increase came from migration. Ozaukee County's migration accounted for 58 percent of the increase in population and Waukesha County added 52 percent of its increase through migration.

Washington County is aging. The average age of the population is projected to increase by three and one half years between 2010 and 2030, going from 38.4 years old 41.9 years old. Of the three WOW counties, Ozaukee is currently the oldest but by 2030 the projection is that Washington County will be slightly older than Ozaukee County.

The shift to the right in the age distribution could be caused by a lower birth rate or greater longevity. In 2010 approximately 16 percent of the population will be 65 years old or older. By 2030 those 65 and older will have grown to about 27 percent of the population. Total population is projected to grow by about 24 percent between 2010 and 2030. The 65 and older group is projected to increase by about 107 percent, doubling in twenty years.

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

Population by Age Cohorts in Washington County



In 2010, the average Washington County resident will be 38.4 years old.
 In 2020, the average Washington County resident will be 40.3 years old.
 In 2030, the average Washington County resident will be 41.9 years old.

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

Population & Labor Force

Population Projections for Washington County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	27,531	30,802	41,920	33,592	106,314	133,845
2020	29,409	33,620	40,089	47,101	120,810	150,219
2030	31,419	33,688	43,608	55,246	132,542	163,961
Distribution of Labor-Force-Aged Population						
2010		29.0%	39.4%	31.6%	100.0%	
2020		27.8%	33.2%	39.0%	100.0%	
2030		25.4%	32.9%	41.7%	100.0%	

Source: WI Dept. of Administration, Demographic Services

Total population numbers may give a quick overall view of the county's changes; however, labor force and labor force participation rates give a more helpful view of work related issues. For a variety of reasons, not all of the population is included in the labor force. By definition, the labor force includes those at least 16 years old who are working or actively looking for work. However, residents may have a myriad of reasons for not being in the labor force: attending school full-time, caring for family members, or being retired. If residents are not either working or looking for work, they are not part of the labor force.

The number of those 55 and older is expected to increase as a percentage of total population and as a percentage of the labor force. Between 2010 and 2030, this age group is projected to increase from 25.1 percent to 33.7 percent of the total population while growing from 31.6 percent to 41.7 percent of the labor force. By 2030, more than 40 percent of the labor force will be at least 55. While total population is expected to increase by 22.5 percent, those 55 and older will increase by 64.5 percent.

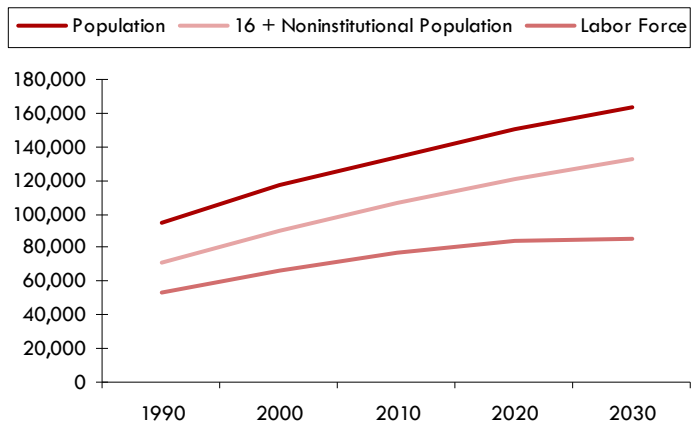
This aging trend is shown graphically in the Historic and Projected Population and Labor Force chart on this page. Between 1990 and 2030, total population is expected to increase by about 72 percent. Those 16 and older are also expected to increase by about 88 percent but the labor force is projected to increase by about 58 percent. Only those 16 years old and older can be part of the labor force, so an increase of 88 percent in that group coupled with only a 58 percent increase in the labor force lends additional evidence to an aging population. The proportion of those at and over retirement age will continue to increase for the foreseeable future.

In addition to the aging of the labor force, there is another side to the older population issue. As people age

they are tend to drop out of the labor force. Labor force rates peak at around 55 years old and then decrease as people move to retirement, or have other issues that take them out of the labor force. The two tables on this page shows that as people age, they tend to leave the labor force. The Washington County population of 35 to 54 year olds in 2010 is expected to be 41,920. Of those 37,654 will be in the labor force, a participation rate of about 90

percent. By 2010, those 55 and older is 33,592 with 13,827 in the labor force, a participation rate of only 41.2 percent.

Washington County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Washington County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	25,904	37,654	13,827	77,386
2020	27,997	36,190	19,644	83,831
2030	28,174	39,286	17,638	85,098
Distribution of Labor Force				
2010	33.5%	48.7%	17.9%	100.0%
2020	33.4%	43.2%	23.4%	100.0%
2030	33.1%	46.2%	20.7%	100.0%

Source: WI DWD, OEA

Labor Force

Washington County's older population is increasing at a much faster rate than the rest of the population. While the total population of 16 and older is expected to increase by about 34 percent between 2000 and 2030, those 60 and older are expected to increase by about 132 percent, an increase of more than 4 times that of the general population.

Washington County is aging and the impact on the labor force will be widespread. Why the aging population has such an impact on the labor force is demonstrated graphically by the Labor Force Participation Rates chart on this page. Labor force participation tends to peak around age 54 and then declines with age. At 45 to 54, the participation rate is about 91.2 percent. By the time the population moves into the 64 to 74 year old bracket, the participation rate has dropped to about 22.4 percent and for those 75 and older, the participation rate is only 5.2 percent. Noting the participation rate by age and the aging population helps explain the decreasing participation rate from 2000 to 2030.

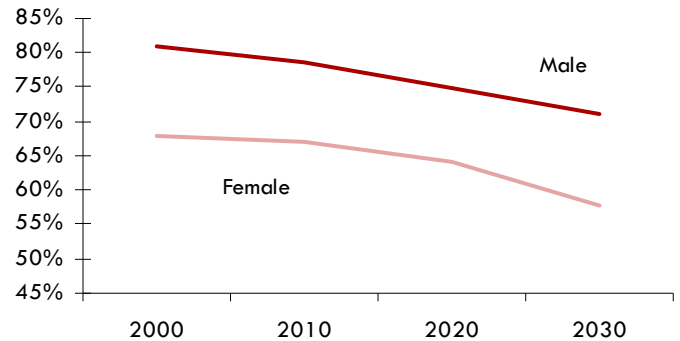
Historically, women in Washington County have about a 12 percent lower participation rate than men. This is illustrated by the Labor Force Participation Rates by Sex chart on this page. Reasons for this may include women being full-time caretakers and women generally living longer than men.

In addition to the labor force issues involved in the aging population, there are other issues such as providing health care and other senior services that must be addressed by the community. The aging population will not only put a strain on employers, but also on communities coping with this increasing population segment.

Employment in Washington County has increase by more than 4,000 over the past five years. The trend over the past few years is a decrease in the unemployment rate with the largest drop coming between 2003 and 2004. Since then, the average annual unemployment rate has remained near the traditional full employment rate of 4 percent unemployment.

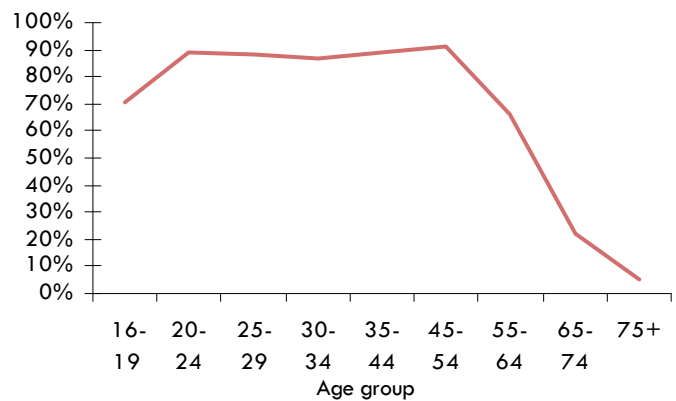
Unemployment is affected by two separate sets of

Labor Force Participation Rates by Sex: 2000-2030



Source: WI DWD, OEA

Labor Force Participation Rates by Age in 2000



Source: Census 2000, SF-3

numbers; total labor force and the number employed. The drop in unemployment from 2003 to 2007 was caused by an employment increase that surpassed labor force growth. From 2003 to 2007, the labor force increase from 70,730 to 74,452, an increase of 3,722. Employment went from 67,015 to 71,101, an increase of 4,086. The increase of 3,722 in the labor force combined with the increase of 4,086 in the number employed led to a decrease in resident unemployment of 643 and the 0.9 percent decrease in the unemployment rate.

Unemployment rates can drop when there is a decrease in the number employed. If there is a decrease in the labor force larger than decrease in the number employed, the unemployment rate will decline. In Washington County, the decrease in the unemployment rate is due to an increase in the number employed.

Washington County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	70,730	71,189	72,212	74,173	74,452
Employed	67,015	67,974	69,151	71,101	71,258
Unemployed	3,715	3,215	3,061	3,072	3,194
Unemployment Rate	5.3%	4.5%	4.2%	4.1%	4.3%

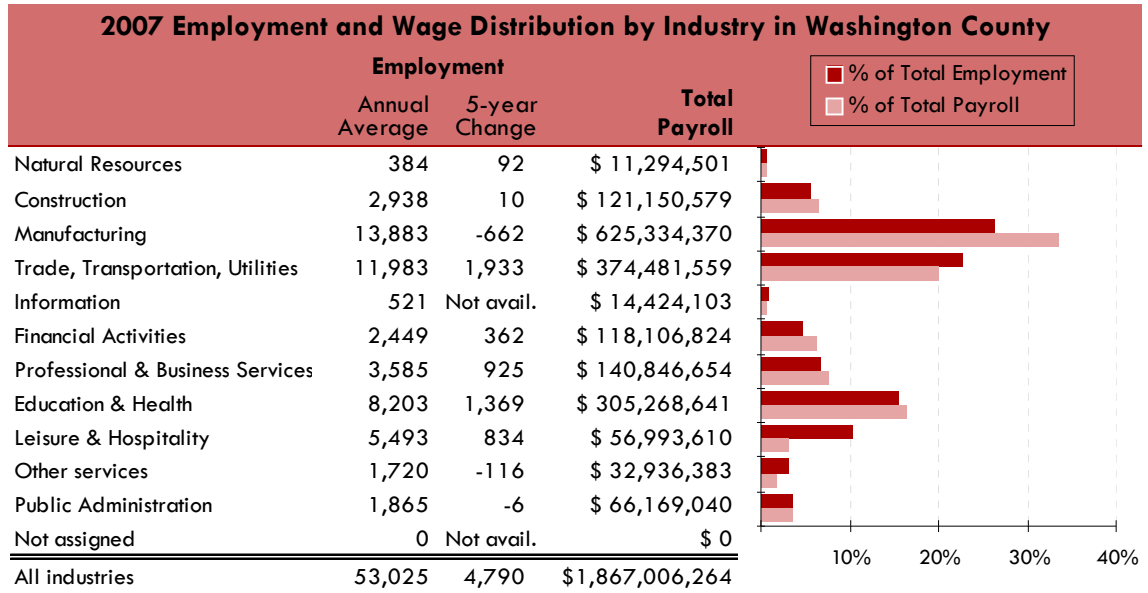
Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

Jobs & Wages

By far the industry with the greatest impact on Washington County is manufacturing. Even with the loss of 662 jobs over the past five years, manufacturing continues to have the highest number of employees. At almost 14,000 jobs (slightly more than 26 percent of total employment), manufacturing contributes about 34 percent of the total payroll, larger than any other industry.

With the addition of 1,933 employees, boosting the total to 11,983, trade, transportation and utilities is the industry with the second greatest impact on Washington County's employment and payroll. With 22.6 percent of total employment, trade accounts for about 20 percent of total payroll, almost half of manufacturing.

Education and health added the second highest number of new employees over the past 5 years. With the addition of 1,369 workers, employment in that industry



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

increased by about 20 percent.

Interestingly, natural resources employment grew by the largest percentage of industries in Washington County. Although the increase in employment was only 92 positions, that increase represented an increase of about 33 percent.

Comparing wages in Washington County to the average annual wage paid in Wisconsin shows that for all but one industry, Washington County's wage rate is lower than the

state. As noted in the table to the left, only natural resources pays a salary similar to the state. All other industry groups are less than the state average, some substantially lower. A review of wages paid in surrounding counties shows that on average, Washington County wage rates are less than comparable wages in those counties. As the aging workforce in Washington County leads to shortages in the workforce, employers paying less than those in surrounding areas could lead to even more serious issues when trying to hire and retain qualified workers.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Washington County as a Share of Wisconsin	Washington County 5-year % Change	Wisconsin 5-year % Change
	Washington County	Wisconsin			
All industries	\$35,210	\$38,070	92.5%	16.6%	17.4%
Natural Resources	\$29,413	\$29,235	100.6%	18.7%	14.7%
Construction	\$41,236	\$47,489	86.8%	13.8%	19.8%
Manufacturing	\$45,043	\$47,106	95.6%	19.9%	16.1%
Trade, Transportation & Utilities	\$31,251	\$32,762	95.4%	15.4%	15.3%
Information	\$27,685	\$48,483	57.1%	Not avail.	24.7%
Financial Activities	\$48,227	\$50,749	95.0%	23.9%	25.8%
Professional & Business Services	\$39,288	\$44,328	88.6%	14.5%	22.0%
Education & Health	\$37,214	\$39,606	94.0%	20.1%	17.3%
Leisure & Hospitality	\$10,376	\$13,589	76.4%	17.7%	14.8%
Other Services	\$19,149	\$22,073	86.8%	-0.3%	13.2%
Public Administration	\$35,479	\$39,879	89.0%	21.9%	18.1%

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

Jobs & Wages

Prominent Industries in Washington County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Washington County	Washington County	Wisconsin	Washington County	Wisconsin	Washington County	Wisconsin
Food services & drinking places	4,166	19.4%	9.1%	\$ 9,611	\$ 10,859	17.7%	14.5%
Fabricated metal product manufacturing	3,614	13.6%	8.6%	\$ 40,215	\$ 43,765	11.9%	15.4%
Educational services	2,968	3.0%	2.0%	\$ 38,169	\$ 39,753	10.6%	15.0%
Specialty trade contractors	2,287	3.7%	-0.1%	\$ 40,766	\$ 43,664	14.9%	17.8%
Machinery manufacturing	2,172	-14.4%	-4.5%	\$ 56,766	\$ 53,720	31.5%	19.1%
Printing & related support activities	2,024	-9.3%	-4.6%	\$ 41,758	\$ 42,314	26.3%	15.7%
Administrative & support services	2,014	41.7%	15.8%	\$ 30,705	\$ 23,144	4.9%	15.4%
Ambulatory health care services	1,730	70.8%	8.7%	\$ 55,047	\$ 57,969	29.4%	18.5%
General merchandise stores	1,614	49.6%	7.1%	\$ 18,227	\$ 17,914	24.2%	16.3%
Nursing & residential care facilities	1,569	25.3%	3.6%	\$ 23,274	\$ 23,295	14.5%	12.0%

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

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

A review of the top ten employers in Washington County shows seven separate industries. The county has one very large employer, West Bend School District with more than 1,000 employees. The other 9 employers have between 500 and 999 employees each. West Bend schools is joined by Germantown School District in the ten largest employers.

Education is not the only industry with more than one top ten employer. The other industries with multiple employers are in printing, with Quad/Graphics Inc and Serigraph Inc, and in health, with St. Joseph's Community Hospital and Benevolent Corp Cedar Community. Industries with only one company per industry are: retail which has Wal-Mart, government with Washington County, manufacturing with Broam-Nutone, and insurance with West Bend

Mutual Insurance Co.

A review of employment by sub-sector shows that the industry with the most employees is food service. Many of these jobs are seasonal or part-time. For many in this industry, these are second jobs or they are filled by those only working part of each day or week. The nature of employment in this sub-sector could also explain the low average annual wage in this industry for both the county and the state. Average annual wage is based on total yearly earnings even if earned working part-time.

The sub-sector with the highest growth percentage over the past 5 years, ambulatory health care services, showed a remarkable increase of about 71 percent. Ambulatory health care includes doctor and dentist offices, outpatient care centers and home health care services. The largest

employer in this group is the West Bend Clinic, which is just slightly smaller than the largest employers. In addition to seeing the largest percent of growth over the past five years, Ambulatory Health saw the second highest percent increase in average annual wages.

Prominent Public and Private Sector Employers in Washington County

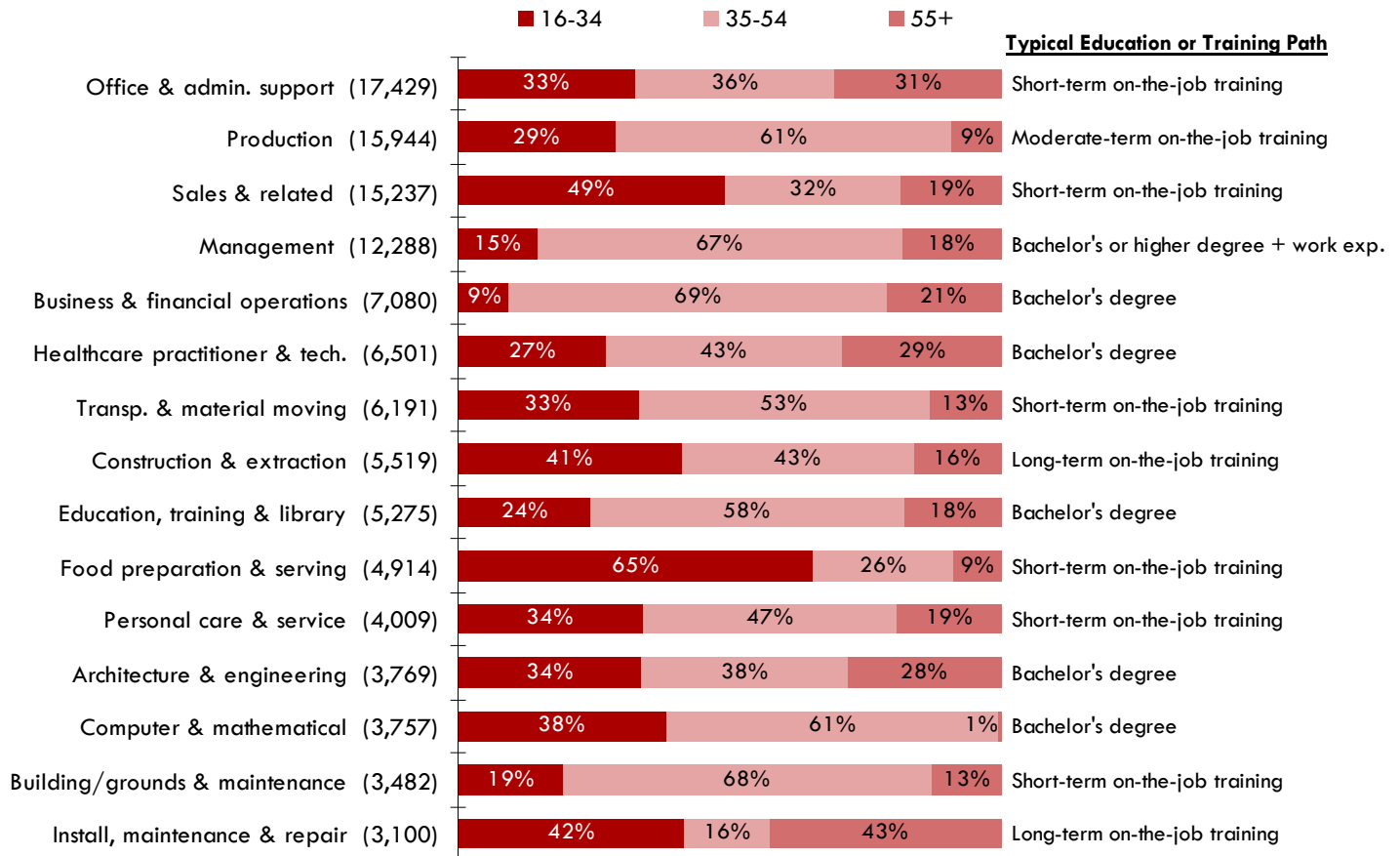
Establishment	Service or Product	Number of Employees (March 2007)
West Bend Joint School District #1	Elementary & secondary schools	1000+ employees
Wal-Mart	Warehouse clubs & supercenters	500-999 employees
County of Washington	Executive & legislative offices, combined	500-999 employees
Broam-Nutone	Electric housewares & household fan mfg.	500-999 employees
Quad/Graphics Inc	Commercial lithographic printing	500-999 employees
Serigraph Inc	Commercial screen printing	500-999 employees
Saint Joseph's Community Hospital	General medical & surgical hospitals	500-999 employees
West Bend Mutual Insurance Co	Direct property & casualty insurers	500-999 employees
Benevolent Corp Cedar Community	Nursing care facilities	500-999 employees
Germantown Public School	Elementary & secondary schools	500-999 employees

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

Occupations & Typical Education or Training

Age Distribution of Workers in Selected Occupational Groups

Data includes residents of Ozaukee and Washington counties.



Note: Occupation groups are in descending order based on the number of workers in each group.
Source: 2006 U.S. Census, ACS PUMS & WIDWD, OEA

The Occupations and Typical Education or Training chart shows occupations with the largest number of employees in Ozaukee and Washington counties. The number is divided by age which gives a picture of how these occupations may change over time. For example, the occupation with the largest number of employees, office and administrative support, is pretty evenly divided by age with about one third in each age segment. While at first glance this may not seem to pose a problem, consider that more than 5,000 employees in this occupation will reach retirement age within the next ten years. They may not all choose to retire, but those that do may cause a serious shortage for employers who have not begun to examine their workforce and making appropriate plans.

Several other occupations have a relatively high percentage of employees in the 55 and older group.

While listed last on the list above, install, maintenance and repair has the highest percentage of older workers. With over 1,300 workers, or 43 percent, this occupation has a very high percentage of older workers.

Other occupations which may develop job shortages are in the healthcare practitioner and technical fields. With 29 percent of current workers 55 and older, and the occupation requiring a minimum of a Bachelor's degree for employment, companies with these occupations may want to begin making plans to replace or retain their older workers.

The final occupation with at least 20 percent of their current employees in the 55 and older group is business and financial operations. Currently there are about 7,000 employees in the counties and of those, almost 1,500 are older workers

Occupations & Typical Education or Training

As may come as no surprise, the occupation with the largest percent of those in the 16 to 34 year old cohort is food preparation and serving. Of the 4,914 residents employed in this occupation, 65 percent or almost 3,200 employees are in the 16 to 34 year age group. Occupations in this group require only short on-the-job training and may represent a first job, a part-time position while in school, or a second job to earn extra income. There are a large number of these jobs available for both full and part-time employment. These factors may explain why, while employing such large numbers, the average wage is less than other occupations. In contrast to the large number of younger workers there are relatively fewer older workers in this group. Food service occupations and production occupations are tied for the second lowest percent of 55 and older workers. At 9.0 percent of the workers, about 440 employees in Ozaukee and Washington's food service occupations are 55 and older, while production has about 1,400 employees in the oldest cohort.

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

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

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

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

Only one of the top five occupations with a high percentage of younger workers requires a Bachelor's Degree. Computer and mathematical finishes off the top five occupations with the highest percentage of workers in the 16 to 34 year olds. With 38 percent of the total of 3,757 people in the occupation, younger workers amount to 1,428 workers.

Income

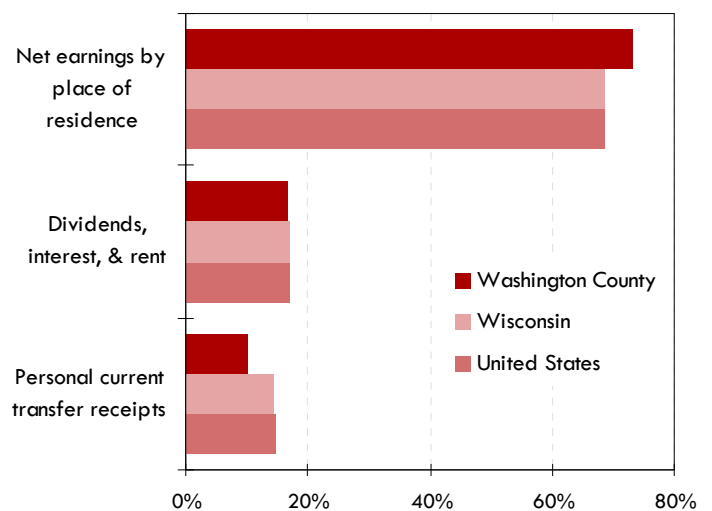
The three components of total person income are net earnings; dividends, interest and rent; and transfer receipts. Net earnings come from employment whether self-employed or working for someone else. Dividends, interest and rents come from investments, savings accounts, dividends, retirements payments from companies or 401 (k) plans. Transfer receipts come from state and federal governments and are represented by social security, welfare, veterans benefits and other payment received from government agencies.

Net earnings provides the largest share of personal income for the county, state and nation. This overwhelming source of income is higher for the county than for either the state and nation. At 73.2 percent, Washington County's share of income from earnings is almost 5 percentage points higher than the state (68.5 percent) or nation (68.4 percent). Dividends, interest and rent account for similar amounts for the county, state and nation, with 16.7 percent for the county, 17.1 percent for the state and 16.9 percent for the nation.

Transfer payment represent the smallest percent of total income for the county, state and nation. At 10.0 percent, Washington receives about 4 percentage points less from

transfer payment than the state at 14.3 or the nation at 14.7 percent.

Components of 2006 Total Personal Income

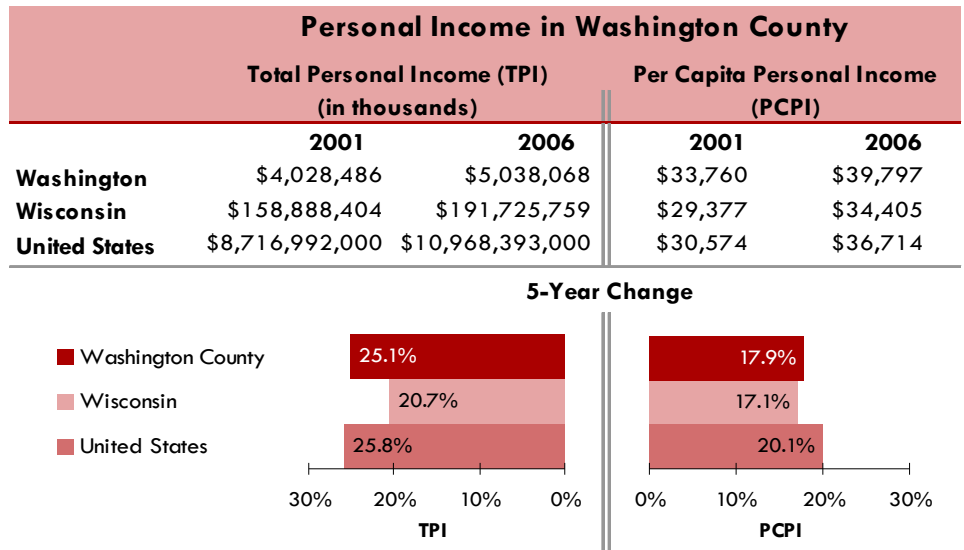


Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

Total personal income (TPI) is income received from all sources. As noted on page 7, income can be from earnings, interest, dividends, rent or transfer payments. Total personal income is made up of all of those sources for all residents in the county, the state and the nation. For Washington County, this includes people commuting to Milwaukee or other counties to work while living in Washington County, but would not include people working in the county but, say, living in Ozaukee County. Per Capita Personal Income (PCPI) is calculated by dividing TPI by the number of people living in the area.

TPI is a very straight forward number. It is all income from all sources. The amount of PCPI can be affected by the type of residents in a county. For example, if there are a large number of residents that don't work because they are too young, the amount of PCPI will be less because TPI is less but must be divided by the same number of residents. If there are a large number of retiring residents in an area PCPI will probably decrease since the amount they collect from pensions and/or social security may be less than the amount they received when employed. This decreases the amount of TPI while keeping the same denominator when calculating



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

PCPI.

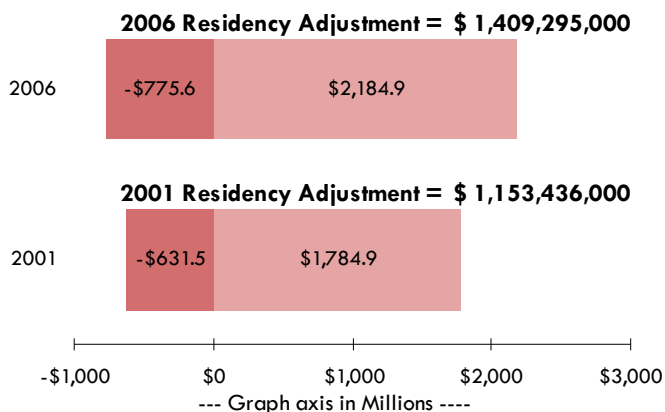
Over the past five years, TPI and PCPI increased by a higher rate for the county (25.1 percent) than the state (20.7 percent), but slightly less than the nation (25.8 percent). The difference in PCPI between the three areas was much closer with an increase of 17.9 percent for the county, 17.1 percent for the state and 20.1 for the nation.

Commuting patterns are illustrated in the Washington County Commuting Impact chart to the left. When Washington County residents work in another county, they bring their earnings back to Washington County. What the chart indicates is that there are more employees going to other counties to work than are coming to Washington to work. This may be because of the lower wage rate paid in most industries in Washington County.

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

Washington 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