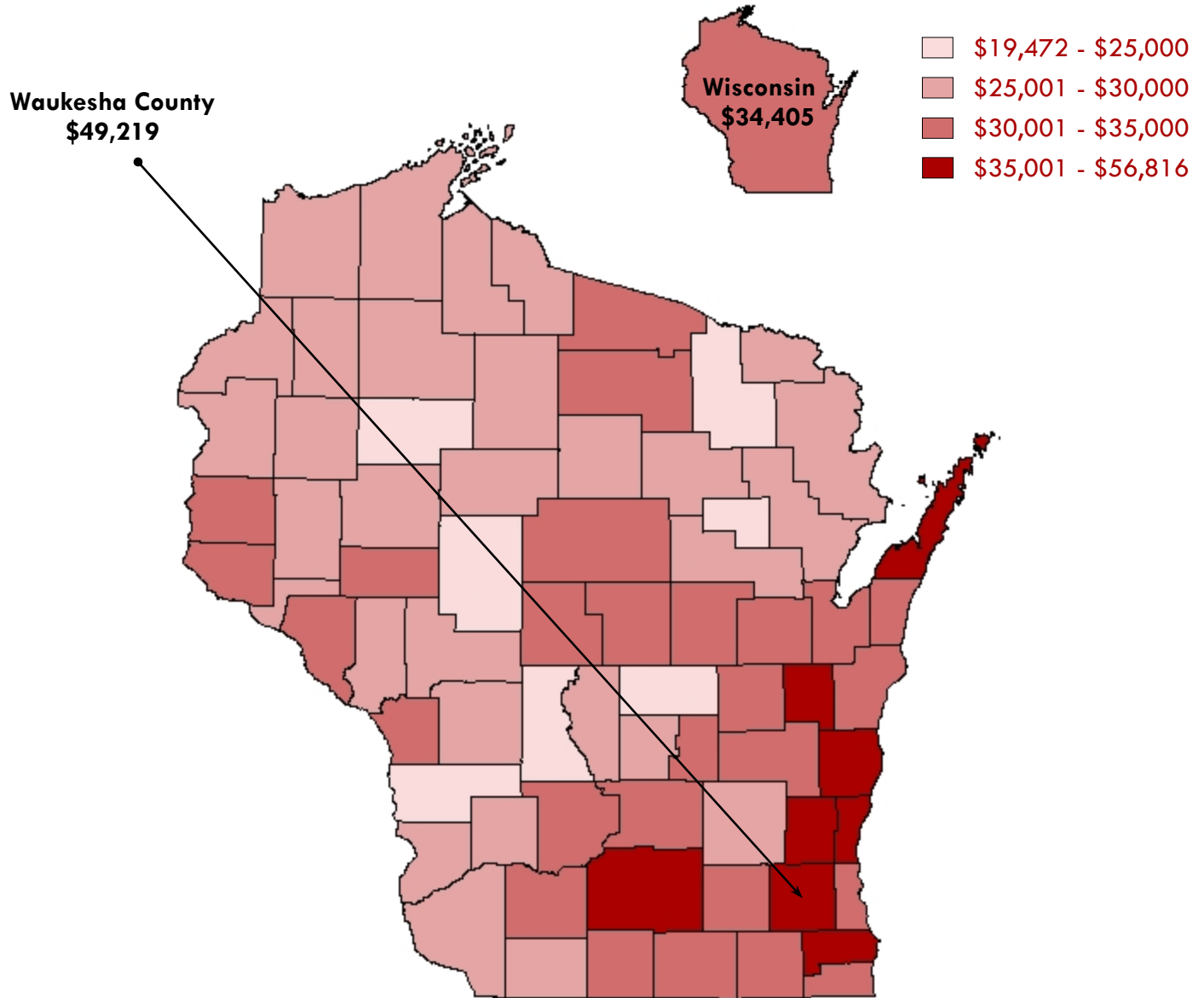


Waukesha County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10660-P

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Population

Waukesha County added 20,836 residents between the last census in 2000 and January 2007. The 5.8 percent increase was slightly higher than the state, but 1.1 percentage points less than the nation (6.9 percent). The addition of the new residents makes Waukesha the third largest county of Wisconsin's 72 counties. The rate of population growth for the county makes it the 31st fastest growing by percent and second only to Dane County in the number of new residents added since 2000.

Populations increase because of natural growth (more births than deaths) or net in-migration (more people moving into an area than moving out). Waukesha County's population increase came from both. The past 7 years saw an increase of 10,009 residents due to natural increase and 10,827 from migration. Natural growth accounted for 48 percent of the population increase, with migration accounting for 52 percent.

Not only did the county's population grow, but the population of the ten largest metropolitan areas in the county also increased. The increase ranges from 2.9 percent in the City of Brookfield to 14.3 percent in the City of Oconomowoc. The City of Waukesha, the largest metropolitan area added the most new residents, 3,055 for an increase of 4.7 percent. Even though Waukesha is growing and that growth is made up of both natural increases and migration, the county is aging. As shown in the Population by Age Cohort chart below, the average

Waukesha 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%
Waukesha County	360,767	381,603	20,836	5.8%
Waukesha, City	64,825	67,880	3,055	4.7%
Brookfield, City	38,649	39,780	1,131	2.9%
New Berlin, City	38,220	39,460	1,240	3.2%
Menomonee Falls, Village	32,647	34,450	1,803	5.5%
Muskego, City	21,397	22,980	1,583	7.4%
Oconomowoc, City	12,382	14,155	1,773	14.3%
Pewaukee, City	11,783	12,650	867	7.4%
Sussex, Village	8,828	9,998	1,170	13.3%
Lisbon, Town	9,359	9,837	478	5.1%
Pewaukee, Village	8,170	8,954	784	9.6%

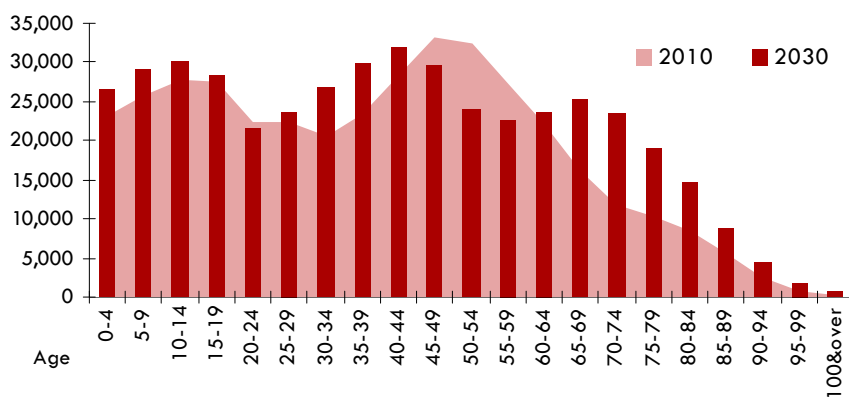
Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

age for the county is projected to be 38.9 years in 2010 and then increase by 2.3 years to 41.2 by 2030. Waukesha County is projected to be slightly older than Washington County in 2010 (38.4) and slightly younger than Ozaukee County (39.5). By 2030, Waukesha County is projected to be younger than Washington (41.9) and Ozaukee County (41.8).

Many age groups in the county are expected to add population, but the largest increases are expected to be in the older age groups demonstrated in the Population by Age chart. The total population of the county is expected to increase by 13.0 percent from 2010 to 2030. Those 16 and older are projected to increase by 14.3 percent. Contrast that with the 74.6 percent increase of those 65 and older and it becomes clear why the county's average age is expected to increase by more than two years. Most of the shift in the population will be due to the dominance of the baby boomer population. Boomers are those born between 1946 and 1964. The oldest of this cohort are celebrating their 62nd birthday in 2008, when they first become eligible for Social Security. By 2030, the youngest Boomers will be eligible for retirement benefits.

Along with the impact on employment for Waukesha County, there are the other age related issues. As people age, they are more likely to consume medical and social services. The increase in demand for these services will occur at the same time as a potential labor squeeze in health related fields.

Population by Age Cohorts in Waukesha County



In 2010, the average Waukesha County resident will be 38.9 years old.
 In 2020, the average Waukesha County resident will be 40.2 years old.
 In 2030, the average Waukesha County resident will be 41.2 years old.

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

Population & Labor Force

Population Projections for Waukesha County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	82,115	87,293	117,266	105,524	310,083	392,198
2020	86,507	95,334	105,313	134,335	334,982	421,489
2030	91,361	94,744	115,472	144,207	354,423	445,784
Distribution of Labor-Force-Aged Population						
2010		28.2%	37.8%	34.0%	100.0%	
2020		28.5%	31.4%	40.1%	100.0%	
2030		26.7%	32.6%	40.7%	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. Residents may have a myriad of reasons for not being in the labor force, e.g., 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.

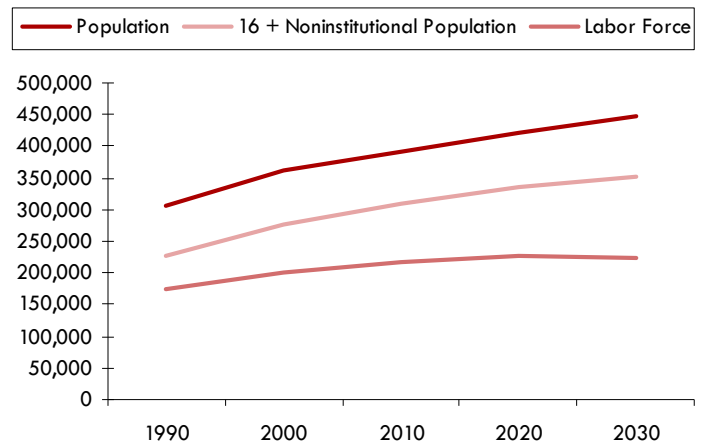
The number of people 55 and older is expected to increase as a percentage of total county population and as a percentage of the labor force. While total population is expected to increase by about 14 percent between 2010 and 2030, those 55 and older will increase by about 35 percent. This age group is projected to increase from 26.9 percent to 32.2 percent of the total population while growing from 34.0 percent to 40.7 percent of the labor force.

This aging trend is shown graphically in the Historic and Projected Population and Labor Force chart on this page. Between 1990 and 2030, Waukesha County's total population is expected to increase by about 46 percent. Those 16 and older are expected to increase by about 55 percent, but the labor force is projected to increase by only 29 percent. As only those 16 years old and older are part of the labor force, an increase of 55 percent in the size of that group coupled with only a 29 percent increase in the labor force lends additional evidence of an aging population. The proportion of Waukesha County's population 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 inclined 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. When data from the two tables on this page are combined they shows that as people age, they drop out of the labor force. The county population of 35 to 54 year olds in 2010 is expected to be 117,266. Of those 102,700 will be in the labor force, a participation rate of about 88 percent. By comparison, the number of those 55 and older in 2010 will be 105,524, with only 44,157 in the labor force, a participation rate of only 42 percent.

Waukesha County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Waukesha County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	71,450	102,700	44,157	218,307
2020	77,301	92,735	55,302	225,338
2030	77,312	101,497	45,242	224,051
Distribution of Labor Force				
2010	32.7%	47.0%	20.2%	100.0%
2020	34.3%	41.2%	24.5%	100.0%
2030	34.5%	45.3%	20.2%	100.0%

Source: WI DWD, OEA

Labor Force

Waukesha County's older population is increasing at a much faster rate than the rest of the population. While the total population 16 years of age and older is expected to increase about 18 percent between 2000 and 2030, those 60 years of age and older are expected to increase by about 90 percent, an increase significantly more than their 24 percent of the general population.

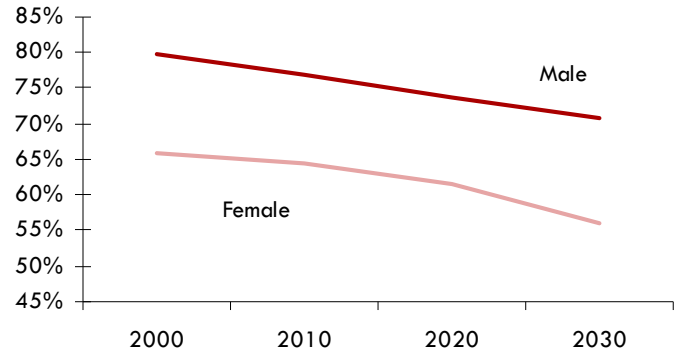
Waukesha County is aging and the impact on the labor force will be widespread. Why the aging population has such an impact on the labor force is demonstrated graphically by the Labor Force Participation Rates chart on this page. Labor force participation tends to peak around age 54 and then declines with age. At 45 to 54, the participation rate is about 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. Coupling the declining participation rate by age with the rising older population, explains the decrease in the total participation rate from 2000 to 2030.

Historically, women in Waukesha County have about a 14 percent lower labor force 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 with 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 may not only put a strain on employers but also on community services for this increasing population segment.

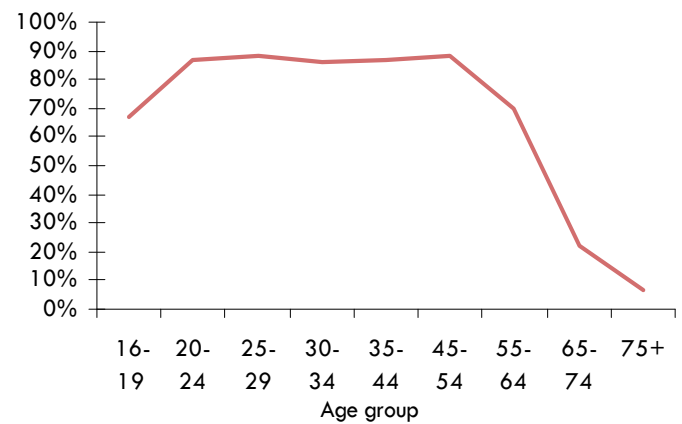
Employment in Waukesha County has remained fairly consistent over the past five years. While there has been movement up and down over the years, the unemployment rate's largest drop came between 2003 and 2004. Since then, the average annual unemployment rate has remained consistently around 4 percent, a level

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

traditionally considered full employment.

Unemployment is affected by two separate sets of numbers — total labor force and the number employed. The drop in unemployment from 2003 to 2007 was the combination of an increase in the labor force with an even greater increase in the number employed. From 2003 to 2007, the labor force increased from 211,615 to 217,003, a gain of 5,388. Employment went from 201,387 to 208,766, a gain of 7,379. The result was a 0.8 percent decrease in the unemployment rate for the period. Unemployment rates can fall even when there is a decrease in the number employed. If a decrease in the labor force is larger than a decrease in the number employed, the unemployment rate will decline.

Waukesha County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	211,615	211,286	212,524	217,003	217,945
Employed	201,387	202,288	204,237	208,766	209,227
Unemployed	10,228	8,998	8,287	8,237	8,718
Unemployment Rate	4.8%	4.3%	3.9%	3.8%	4.0%

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

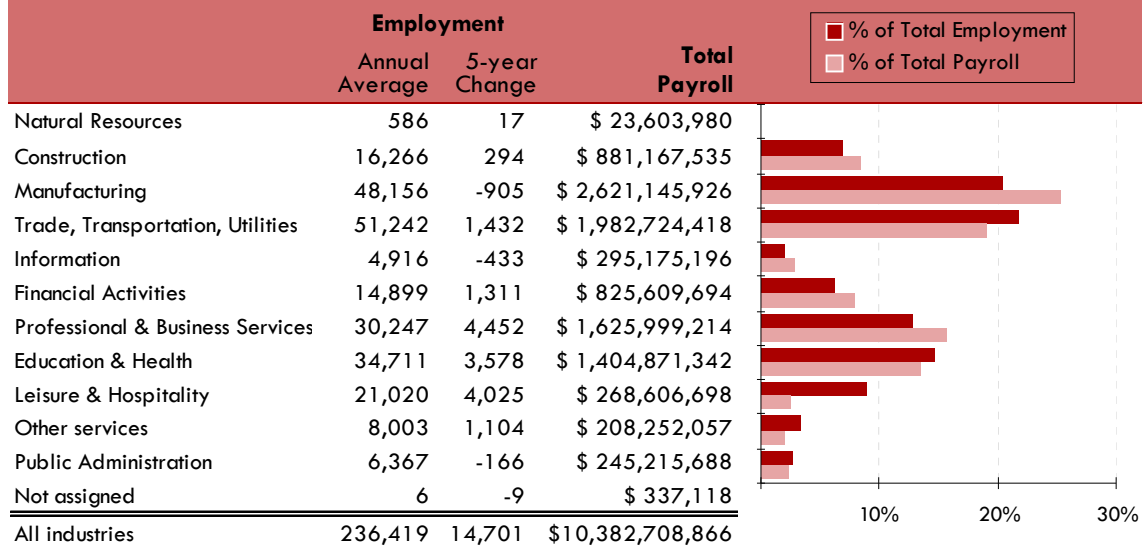
Jobs & Wages

By far the industry with the greatest impact on Waukesha County's payroll is manufacturing. Even with the loss of jobs over the past five years, manufacturing continues to have a large number of jobs. At about 48,000 jobs and slightly more than 20 percent of total county employment, manufacturing contributes over 25 percent of the total payroll, more than any other industry.

The largest industry in terms of employment — trade, transportation and utilities — represents 21.6 percent of total county employment and about 19 percent of the total county payroll. The next industry in terms of payroll is education and health, also the third largest employment industry in the county.

Professional and business services had the largest growth in employment over the past 5 years. With the addition of 4,452 employees, employment in that industry increased

2007 Employment and Wage Distribution by Industry in Waukesha County



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

by about 17 percent. Even though professional and business services had the greatest number of new employees, it did not add the highest percentage of new employees. Leisure and hospitality added 4,025 jobs for an increase of about 24 percent.

On average, wages in Waukesha County are higher than the state. At \$43,917, Waukesha's average wage is almost \$6,000 higher than the state average of \$38,070.

The reason behind the higher average can be seen in the Average Annual Wage table on this page. Note that for nine of the eleven industries, wages paid in Waukesha County are higher than the state average. Two industries pay less than the state but those two, leisure and hospitality at 94.0 percent and public administration at 96.6 percent are close to the state averages wages. Two industries, natural resources and information, pay substantially higher wages than the average annual state wages. However, these two industries have low employment shares, so their weighted economic contribution is lessened.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Waukesha County as a Share of Wisconsin	Waukesha County 5-year % Change	Wisconsin 5-year % Change
	Waukesha County	Wisconsin			
All industries	\$43,917	\$38,070	115.4%	16.6%	17.4%
Natural Resources	\$40,280	\$29,235	137.8%	13.3%	14.7%
Construction	\$54,172	\$47,489	114.1%	16.8%	19.8%
Manufacturing	\$54,430	\$47,106	115.5%	19.7%	16.1%
Trade, Transportation & Utilities	\$38,693	\$32,762	118.1%	17.3%	15.3%
Information	\$60,044	\$48,483	123.8%	27.9%	24.7%
Financial Activities	\$55,414	\$50,749	109.2%	14.2%	25.8%
Professional & Business Services	\$53,757	\$44,328	121.3%	18.4%	22.0%
Education & Health	\$40,473	\$39,606	102.2%	17.4%	17.3%
Leisure & Hospitality	\$12,779	\$13,589	94.0%	13.1%	14.8%
Other Services	\$26,022	\$22,073	117.9%	13.1%	13.2%
Public Administration	\$38,514	\$39,879	96.6%	20.2%	18.1%

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

Jobs & Wages

Prominent Industries in Waukesha County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Waukesha County	Waukesha County	Wisconsin	Waukesha County	Wisconsin	Waukesha County	Wisconsin
Food services & drinking places	15,783	27.7%	9.1%	\$ 11,743	\$ 10,859	12.8%	14.5%
Professional & technical services	12,195	5.2%	10.0%	\$ 63,647	\$ 56,267	22.1%	20.9%
Merchant wholesalers, durable goods	11,787	2.9%	6.8%	\$ 61,285	\$ 52,130	16.8%	15.4%
Administrative & support services	11,744	18.8%	15.8%	\$ 29,946	\$ 23,144	21.7%	15.4%
Educational services	11,429	4.2%	2.0%	\$ 39,617	\$ 39,753	11.3%	15.0%
Specialty trade contractors	10,978	5.5%	-0.1%	\$ 48,587	\$ 43,664	13.5%	17.8%
Fabricated metal product manufacturing	9,327	5.4%	8.6%	\$ 48,402	\$ 43,765	16.1%	15.4%
Machinery manufacturing	7,887	0.3%	-4.5%	\$ 59,208	\$ 53,720	19.3%	19.1%
Ambulatory health care services	7,816	18.6%	8.7%	\$ 63,556	\$ 57,969	20.7%	18.5%
Printing & related support activities	6,864	-4.1%	-4.6%	\$ 45,914	\$ 42,314	13.5%	15.7%

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

All of the ten largest employers in Waukesha County employ at least 1,000 people. Having a large number of companies without a large concentration in anyone industry bodes well for the county in case of a downturn in any one industry.

The top ten employers represent 8 different industries. Retail has the greatest number of companies with three. Health services, manufacturing, education, government, food service, management of companies and print all have one employer in the top ten.

Food services and drinking places is the largest sub-sector in the county, like most places. The 15,783 employees represent growth of 27.7 percent over the past five years. Contrast that to the state's increase of 9.1 percent and the importance of that industry in the county

becomes apparent, although wages are low.

The growth rate of employees in the professional and technical services sub-sector was about half of the state, but the average annual wage increased more than the state. The addition of 603 professional and technical services workers with an average annual wage of \$63,647 adds more than \$38,000,000 to the economy.

Administrative and support service had the largest percent increase in employment of the past 5 years. The administrative sub-sector includes temporary service companies for both office and industrial employees. There is one large administrative employer that has at least 1,000 employees but did not make the list of the top ten employees. Nissen and Associates Staffing is the largest employer in the administrative and support services sub-sector.

Education employment increased 4.2 percent. The School District of Waukesha County is joined by Waukesha County Technical College as the largest employers in this sub-sector each with over 1,000 employees.

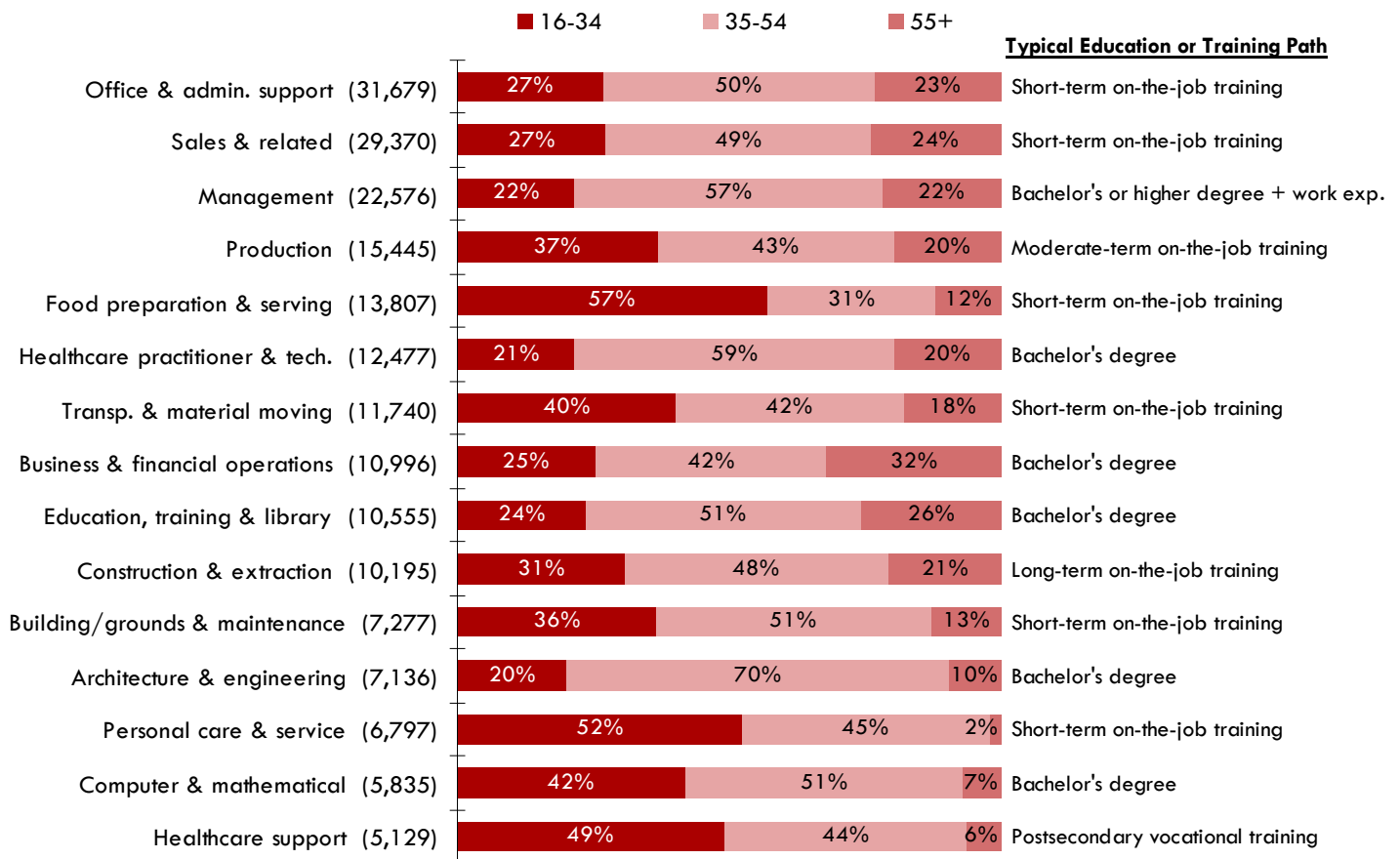
Prominent Public and Private Sector Employers in Waukesha County		
Establishment	Service or Product	Number of Employees (March 2007)
Kohl's Department Stores Inc	Managing offices	1000+ employees
Quad/Graphics Inc	Commercial lithographic printing	1000+ employees
Waukesha Memorial Hospital Inc	General medical & surgical hospitals	1000+ employees
GE Medical Systems	Irradiation apparatus manufacturing	1000+ employees
School District of Waukesha	Elementary & secondary schools	1000+ employees
County of Waukesha	Executive & legislative offices, combined	1000+ employees
Ultra Mart Foods	Supermarkets & other grocery stores	1000+ employees
Starbucks Corporation	Snack & nonalcoholic beverage bars	1000+ employees
Wal-Mart	Discount department stores	1000+ employees
Target Corporation	Discount department stores	1000+ 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 Waukesha County.



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 occupation and skills chart above shows occupations with the largest number of employees. The number is delineated by age to give a picture of how demand for workers may change over time. For example, the occupation with the largest number of employees, office and administrative support, has about a quarter of their employees in the youngest and oldest age groups with the remaining 50 percent in the middle. While at first glance this may not seem to pose an immediate problem, consider that more than 7,000 employees in this occupation will reach retirement age within the next ten years. They may not all choose to retire but the large number of employees in this group may cause a serious shortage for employers.

Several other occupations have a relatively high percentage of employees in the 55 and older group. Business and financial operations has 32 percent in this

age group. While not having the largest number of employees, there are almost 11,000 current employees in the business and financial operations group. Typical education and training for this group is a Bachelor's degree which increases the time lag for employees entering this occupation.

Other occupations that may develop job shortages are in healthcare practitioner and technical support group. With 20 percent of current workers 55 and older and many occupations requiring a minimum of a Bachelor's degree for employment, employers who need this type of occupation may want to begin making plans to attract and retain workers for these occupations. Not only is Waukesha County expected to see possible labor shortages in these occupations but the county will be in competition with the surrounding areas.

Occupations & Typical Education or Training

Of the top five occupations with the largest percentage of younger workers, three require short on-the-job training, one requires postsecondary vocational training while only one requires a Bachelor's Degree.

Workers in the 16 to 34 year old category represent 57 percent of food preparation and service employment. That occupation only has about 12 percent of workers 55 and older, a relatively small percentage of older workers. As seen on page five, food service and drinking places employ a large number of workers (15,783) and pay the lowest average annual wage (\$11,743) of any industry in Waukesha County.

Another occupation group that requires short on-the-job training and has a high percentage of younger workers is personal care and service. About 52 percent of the workers in these occupations are 16 to 34 years old. Workers 55 and older represent about 2 percent of the total. There are no top ten employers in the personal care sub-sector, but that is not too surprising since this industry includes beauty shops, weight loss businesses, funeral homes and other service firms that typically are small businesses.

Healthcare support, another service industry employing a

large percentage of younger workers, includes doctor and dentist offices and other types of medical care that does not require inpatient services. There are no healthcare support companies in the list of top ten employers. Many occupations in the healthcare support industry require postsecondary training for employment. Employees in this occupation may, with additional training and education, help ease the healthcare practitioner and technical support job shortages in the future.

Only one of the top five occupations with high young-worker percentages requires a Bachelor's Degree, the computer and mathematical group. Currently younger workers occupy 42 percent of the jobs in this group. Older workers (55 and older) represent about seven percent of total group workers. There may be several reasons why there is a much higher number of younger workers in this occupation but one seems to stand out. The explanation may be that for a number of years the computer employment segment decreased in number. It has only been in the past few years that the number of employees in computer related occupations has begun to grow again.

Income

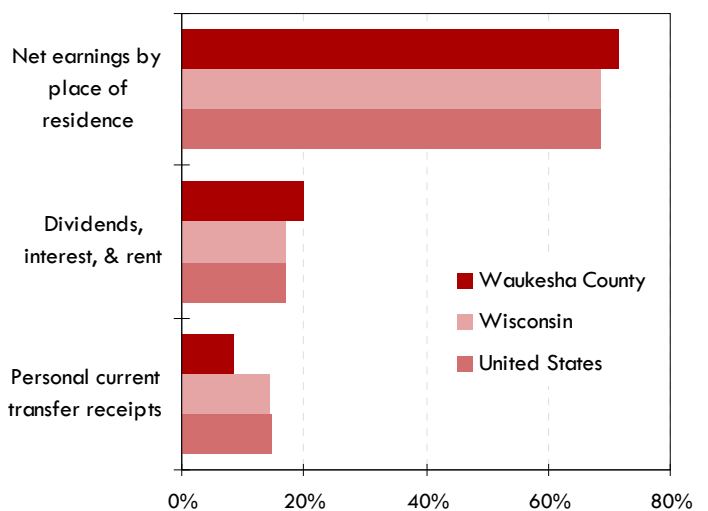
The three components of total person income are net earnings, dividends, interest and rent, and transfer receipts. Net earnings come from employment whether self-employed or working for someone else. Dividends, interest and rents come from investments, savings accounts, dividends, retirements payments 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 71.5 percent, Waukesha County's share of income from earnings is 3 percentage points higher than the state (68.5 percent) or nation (68.4 percent). At 19.8 percent for the county, 17.1 percent for the state and 16.9 percent for the nation, dividends, interest and rent account for more income in Waukesha than either the state and nation.

Transfer payment represent the smallest percent of total income for the county, state and nation. At 8.6 percent, Waukesha County receives almost 6 percentage points

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

Components of 2006 Total Personal Income

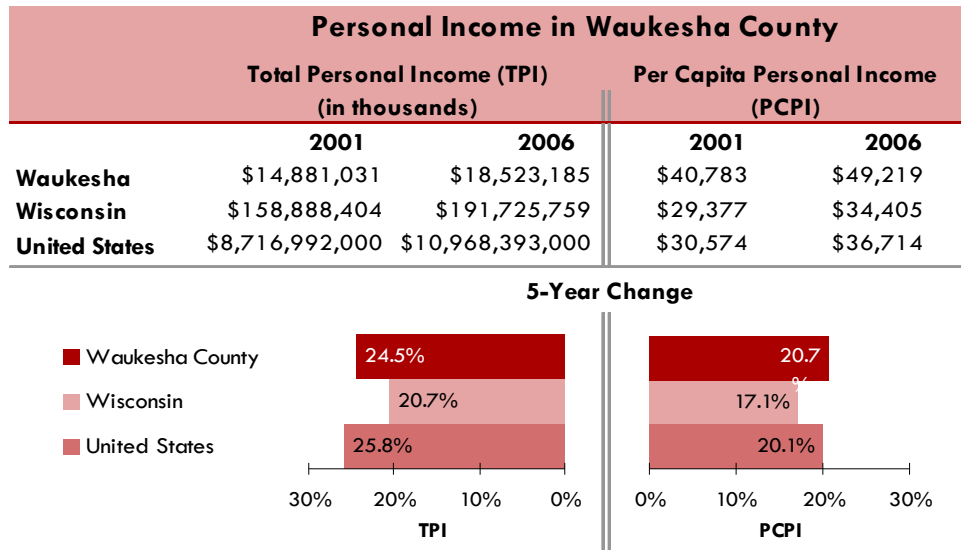


Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

Total personal income (TPI) is income received from all sources. As noted on page 7, income can be from earnings, interest, dividend, 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 Waukesha County, this includes people commuting to Milwaukee or other counties to work while living in Waukesha County, but does not include people working in the county but living elsewhere. 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 are collecting 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



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

calculating PCPI.

Over the past five years, TPI and PCPI increased by a higher rate for the county (24.5 percent) than the state (20.7 percent) but slightly less than the nation (25.8 percent). Waukesha County's PCPI growth of 20.7 percent is more than 3 percentage points higher than the state average growth, at 17.1 percent, and 0.6 percent more than the national increase of 20.1 percent.

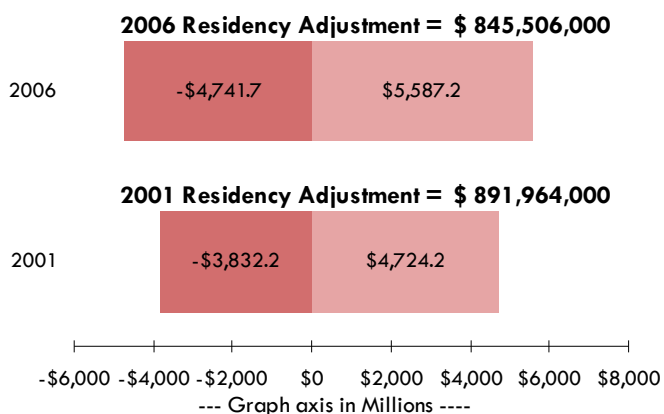
Commuting patterns are illustrated in the Waukesha County Commuting Impact chart to the left. When county residents work in another county, they bring their earnings back. When they live in another county but work in Waukesha County, they take their earnings to their place of residence.

In 2001 and 2006, there were more people coming to Waukesha County to work than those living in the county commuting to another location for their job. The dollar value between those two groups has not changed much between 2001 and 2006, although the amount residency adjustment in 2006 is less than 2001. This may be because there are more people moving to the county to live while continuing to work in other locations. This is born out by the increase in population by migration that was discussed on page one

While changes in commuting patterns for county residents is not in itself either good or bad for the economic health of the county, it is another piece of information available for employers and county leaders to have as they plan for the future of Waukesha County.

Waukesha 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