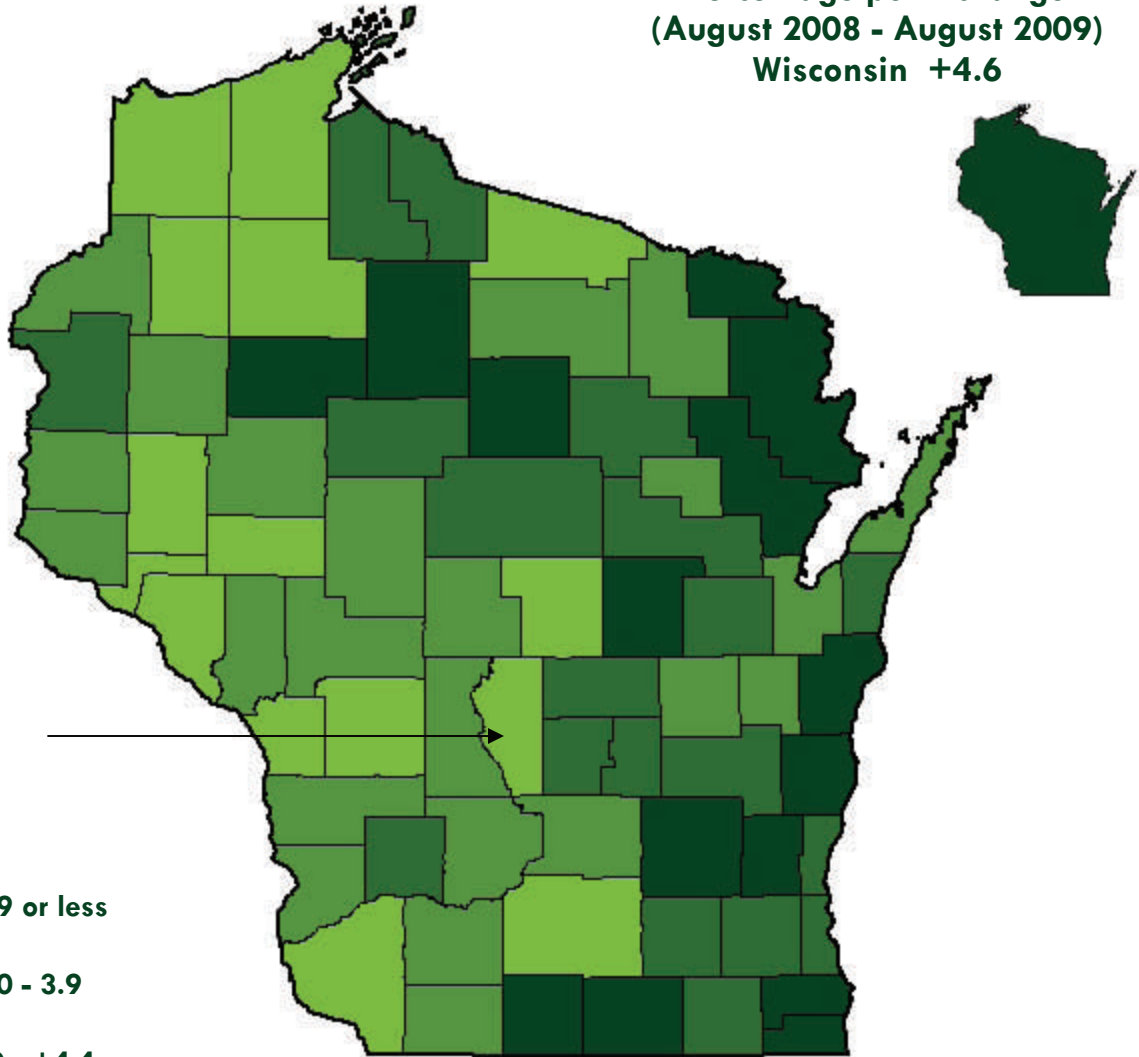


Adams County Workforce Profile 2009

Unemployment Rate Increases

Percentage point change
(August 2008 - August 2009)

Wisconsin +4.6



Adams County
+ 2.9

-  + 2.9 or less
-  + 3.0 - 3.9
-  +4.0 - +4.4
-  +4.5 or more

Note: This year's County Workforce Profile has a slightly different layout. The first two pages give a brief synopsis of the recession, the worst by most measures since the Great Depression. We would be remiss if this publication didn't recognize and report on it. More information about the stages of the recession can be found on our website: <http://dwd.wisconsin.gov/oea/>. In the subsequent pages of the Profile, readers will find the figures and analysis they depend on. If you have any questions or comments, please don't hesitate to contact us.

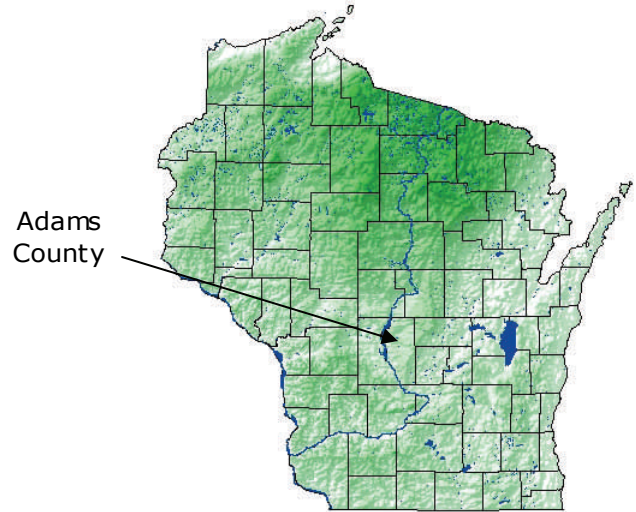
Bill Brockmiller
402 North 8th Street
La Crosse, WI 54601
608.785.9337
william.brockmiller@dwd.wisconsin.gov

OEA-10654-P



Wisconsin Department of Workforce Development

Adams County Workforce Profile



Note: All data appearing in this profile are subject to revision.

The Big Picture

As this piece of the profile is written in mid-September 2009, the economic recovery appears to be underway. It is expected that the trough of the recession will be registered in the third quarter of 2009 when it is finally decided by the National Bureau of Economic Research (NBER) in about a year from now. It is the NBER that pegged the beginning of the recession at December 2007. This recession will be documented as the longest recession since the Great Depression of the early 1930s. This 2007 recession has lasted more than twenty months, twice the length of the average post-war recession.

How bad was this downturn? Bad. Real GDP growth was negative for four quarters in a row. That has never happened before in quarterly data dating back to 1947. Only two quarters in the last fifty-three years suffered as

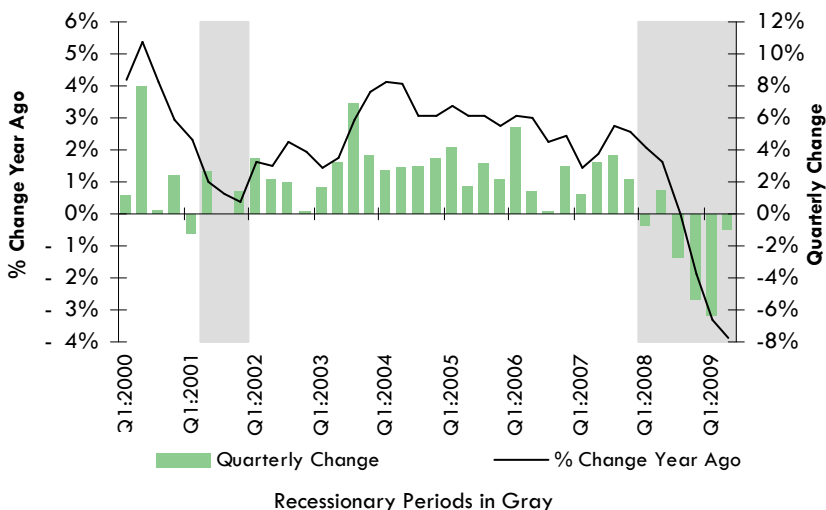
large a GDP loss as did the back-to-back quarters of Q4 2008 and Q1 2009, one was Q1 of 1958 and the other was Q2 in 1980. This is the first time that the economies of the U.S. and Japan were in recession at the same time. In fact, it was the first time since WWII that aggregate global economic growth turned negative.

Why was this recession so bad? There were two downturns, one on top of the other. The first one started in December 2007 and was an economic recession, based on falling demand for housing construction. The second began in earnest in September 2008 and was a financial crisis, based on weak underlying supports (housing) of new unregulated financial tools and products. The first downturn led to the second. They are now interdependent. Volumes will be written on this great recession of 2007. A brief synopsis follows here.

Low interest rates and incentives led to a wave of debt-based asset accumulation — buying stuff on credit: homes, businesses, cars, vacations. A home buying spree ensued as did commercial debt-financed acquisitions. Housing developers responded with enthusiasm. Lenders, with the help of the federal government, did their part to make home ownership more accessible. Early on, housing supply could not keep up with demand and housing prices increased. In parallel, global economic gains swelled stock market values.

Debt was cheap and highly utilized across all sectors of the economy around the world. The financial industry created new tools to extend and diversify the new debt loads, many based on home mortgage debt.

Real GDP Growth 2000 Q1 - 2009 Q2



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, July 2009

The Big Picture Cont.

These new tools — derivatives — were unregulated, off-exchange transactions between individual parties.

When housing became over supplied and prices began to adjust (fall), mortgage defaults increased, and it was discovered that the newly created financial products were under-collateralized. More important perhaps, the issuers of debt insurance were hugely under capitalized (short of money to pay out claims). When the homeowner couldn't pay and the insurer couldn't pay, the lenders faced gigantic losses — a financial crisis. The crisis quickly spread as financial markets are highly integrated worldwide.

At present, global financial and political institutions continue to work on repairing the financial wreck. With cash and credit being the grease that lubricates the global economic engine, the rapidity and robustness with which the economy recovers is dependent on the speed and strength of the financial markets fix.

The severity of this recession affected employment in a commensurate manner. Wisconsin's unemployment rate increased from a seasonally adjusted 4.5 percent in December of 2007, when the recession began, to 8.8 as of August 2009, almost doubling over the period. Wisconsin

The Current Employment Landscape

Wisconsin lost 137,000 jobs during this downturn, almost 5 percent of its job base since the recession began in December 2007, on a seasonally adjusted basis. All sectors suffered job losses with the exception of health care.

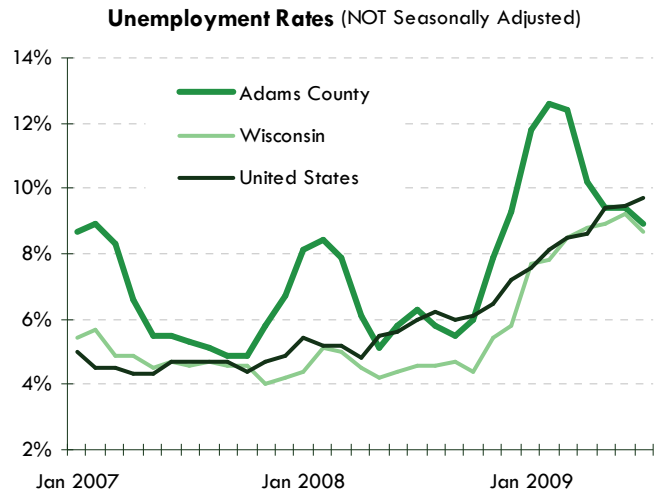
The manufacturing sector lost 13 percent of its jobs statewide during this recession, some 66,000 on a seasonally adjusted basis. All of the upper Midwest major manufacturing states took a beating in this business cycle. Especially hard hit were Michigan, Indiana, and Ohio, due to the collapse of the auto industry. With large manufacturing job losses in Indiana, Wisconsin became the leader in the share of its workers employed in manufacturing.

Construction, which was the first industry to be affected with the housing turn that began in Wisconsin in 2006, lost 16 percent of its jobs since December 2007, and almost 20 percent since its peak in February of 2006. Professional and Business Services also lost more jobs on a percentage basis than the state average, 8.9 percent. Other sectors lost jobs as well, but were not impacted quite as severely as those above. Leisure and Hospitality, for example, lost 1.4 percent of its jobs.

Employment recovery always lags economic recover. Following recessions since WWII, the economic upswings led job gains by nine to nineteen months. After the 2001

last reached an unemployment rate peak of 11.8 percent in January of 1983, after the harsh recession of 1981-82.

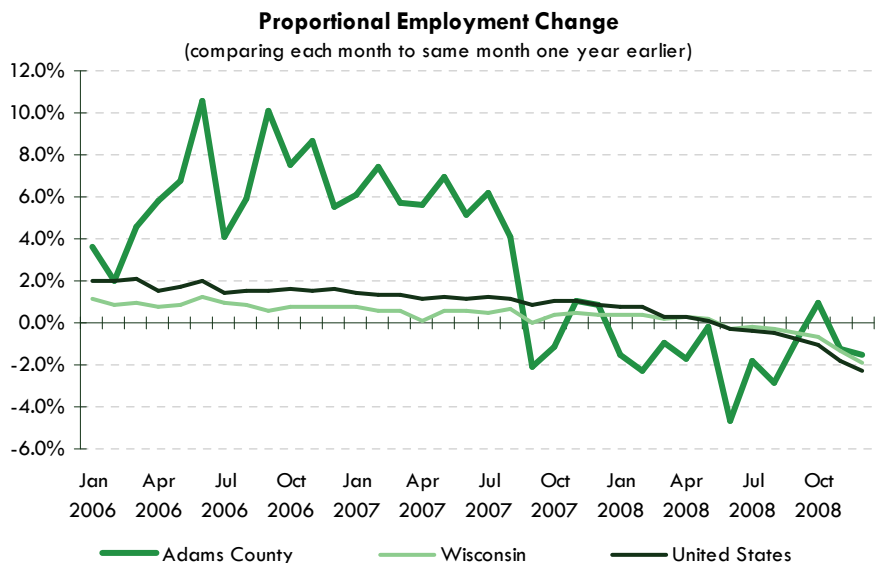
The graph below shows a comparison of county, state, and national unemployment rates through the recession.



Source: U.S. Bureau of Labor Statistics, CPS, LAUS, 2009

recession, it took Wisconsin twenty-six months before job numbers began to increase again on a sustained basis. It was fifty months before the state's job levels recovered to pre-2001 recession levels. Job recovery following the current recession is expected to be slow as well. Consumers are not expected to be the driving sector in the economic recovery, as the huge destruction in home and financial equity wealth will force an increased proclivity for savings instead of consumption.

The chart below is a comparison of employment change.



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2009

Population

Adams County continues to see population growth in the county, itself, and in all ten of its largest municipalities. The county's 9.6 percent growth rate from 2000 to 2007, was 1.6 percentage points higher than the nation's 8.0 percent growth and 3.8 percentage points higher than the state's 5.8 percent growth. In January 2008, Adams was the 50th largest county in the state.

As mentioned, the ten largest municipalities had population increases, but the increase ranged from 2.6 percent in the City of Adams to 20.1 percent in the Town of Rome. In addition to the largest percent increase, the Town of Rome also added the most new residents at 534. With the addition of the 534 new residents, Rome continues to be the largest metro area in the county.

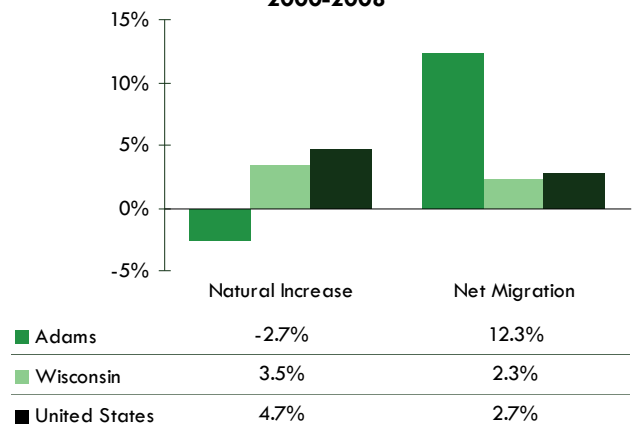
Changes in population are made up of two components. There is natural increase if there are more births than deaths, or a migration increase if there are more people moving into an area than moving out. The combination of these two factors make up changes in population. Adams County's growth came exclusively from migration. Natural change, births minus deaths, accounted for a 2.4 percentage point decline in population over the past 8 years.

This may be at least partially explained by the age of the residents. According to Wisconsin Department of Administration, in 2010 county residents will average 45.8 years of age, in 2020 will average 49.1 years, and in 2030 will average 51.7 years. The net migration rate was more than five times higher than either the state at 2.3 percent and almost the nation at 2.7 percent.

| Adams County's Ten Most Populous Municipalities | | | | |
|---|-------------------------|-------------------------|-------------------|------------------------|
| | April 1, 2000 Census | Jan 1, 2008 Estimate | Numeric Change | Proportional Change |
| United States | 281,421,906 | 304,059,724 | 22,637,818 | 8.0% |
| Wisconsin | 5,363,715 | 5,675,156 | 311,441 | 5.8% |
| Adams County | 19,920 | 21,836 | 1,916 | 9.6% |
| Rome, Town | 2,656 | 3,190 | 534 | 20.1% |
| New Chester, Town | 2,141 | 2,263 | 122 | 5.7% |
| Adams, City | 1,831 | 1,879 | 48 | 2.6% |
| Dell Prairie, Town | 1,415 | 1,580 | 165 | 11.7% |
| Preston, Town | 1,360 | 1,494 | 134 | 9.9% |
| Quincy, Town | 1,181 | 1,333 | 152 | 12.9% |
| Adams, Town | 1,267 | 1,317 | 50 | 3.9% |
| Easton, Town | 1,194 | 1,293 | 99 | 8.3% |
| Springville, Town | 1,167 | 1,281 | 114 | 9.8% |
| Strongs Prairie, Town | 1,115 | 1,216 | 101 | 9.1% |

Source: WI Dept. of Administration, Demographic Services, Population Est., July 2009

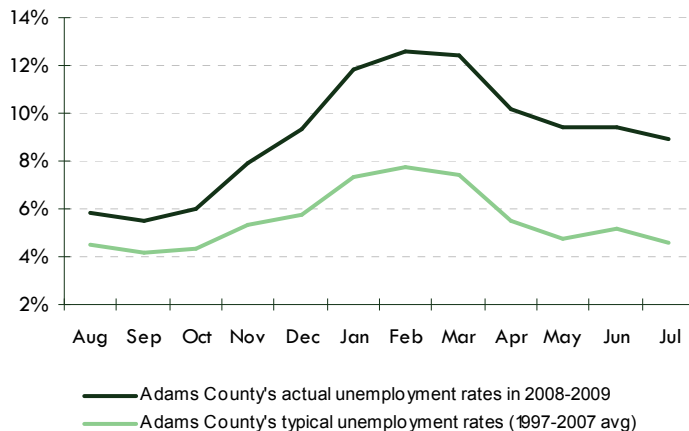
Components of Population Change, 2000-2008



Source: WI Dept. of Administration, Demographic Svcs, Pop Est.

County Unemployment Rate Situation

Adams County's Typical & Current Unemployment Rates



Source: WI DWD, Bureau of Workforce Training, LAUS, 2009

While following normal seasonal trends in unemployment rates, Adams County's rate had stayed below 8 percentage points for eleven years before the current recession. Starting in the summer of 2008, things began to change. As demonstrated on the chart to the left, the unemployment rates from August 2008 to July 2009 were between one and five percentage points higher than the corresponding month's eleven-year average, with the greatest spread coming in the end of the first quarter. The second quarter of 2009 shows a slight decrease in the unemployment rate, but even if economic recovery is declared in year-end 2009, it is likely that unemployment rates will remain quite elevated for the remainder of 2009 and into year 2010.

Jobs & Wages

| Adams County | First Quarter Employment | | Second Quarter Employment | | Third Quarter Employment | | Fourth Quarter Employment | |
|-------------------------------|--------------------------|------------------|---------------------------|------------------|--------------------------|------------------|---------------------------|------------------|
| | 2008 level | 2007-2008 change | 2008 level | 2007-2008 change | 2008 level | 2007-2008 change | 2008 level | 2007-2008 change |
| All industries | 4,261 | - 1.6% | 4,878 | - 2.2% | 4,900 | - 1.9% | 4,583 | - 0.6% |
| Natural Resources | 258 | - 1.1% | 338 | 1.8% | 393 | 1.0% | 358 | 4.7% |
| Construction | 141 | - 19.0% | 222 | - 18.7% | 248 | - 8.5% | 207 | - 15.2% |
| Manufacturing | 400 | 5.8% | 404 | 5.2% | 364 | - 13.3% | 398 | - 3.2% |
| Trade, Transport. & Utilities | 648 | - 2.1% | 708 | - 4.7% | 701 | - 1.4% | 679 | - 2.3% |
| Information | 26 | - 23.5% | 28 | - 15.2% | 28 | - 12.5% | 29 | - 6.5% |
| Financial Activities | 81 | 0.0% | 98 | 4.3% | 95 | 2.2% | 85 | - 4.5% |
| Prof. & Business Services | 186 | - 6.5% | 223 | 0.5% | 239 | 4.8% | 210 | 1.0% |
| Education & Health | 823 | - 2.7% | 837 | 1.3% | 676 | - 2.5% | 805 | - 3.6% |
| Leisure & Hospitality | 920 | 3.3% | 1,188 | - 2.4% | 1,298 | 0.4% | 947 | 3.2% |
| Other Services | 93 | - 7.0% | 114 | - 2.6% | 135 | 11.6% | 132 | 7.3% |
| Public Administration | 684 | - 2.6% | 719 | - 3.9% | 724 | - 2.6% | 734 | 2.8% |
| Unclassified | 0 | not avail. | 0 | not avail. | 0 | not avail. | 0 | not avail. |

Source: WI DWD, Workforce Training, QCEW, June 2009

In addition to the unemployment rate which is based on where employees live, there is another employment aspect available to compare changes over time.

The table above shows the number of people actually working in Adams County displayed by quarter for 2008, along with changes from the same quarter of 2007.

While the county had fewer employees in each of the quarters, it did not see a progressively higher level of loss during the year. The first quarter of 2008 was 1.6 percentage points lower, the second quarter, 2.2 percentage points lower, the third saw a 1.9 percentage point decrease followed by the fourth quarters 0.6 percent drop.

There weren't any industries in the county that did not see at least one quarter with fewer employees. Natural resources had one quarter with less employment, while some other industries, like construction saw smaller employment numbers in each quarter.

Employers in Adams County paid lower annual wages than the state with one exception, wages in the leisure and hospitality industry. This industry's average annual wage of \$15,045 is the lowest annual average of all county industries, so the ap-

proximate \$1,000 more per year than the state does not have a major impact on the county economy.

The highest paying industry in Adams and in most surrounding counties is manufacturing. Although Adams employers only pay about 88 percent of the state average, annual wages averaging \$42,182 make manufacturing employees the highest paid Adams workers. Manufacturing saw an increase in employment for the first two quarters of 2008 follows by lower employment for the second half of the year. If this employment trend coupled with higher wages continues, it could have a detrimental impact on the county's economy.

| Adams County | Adams County Annual Average Wage | | | Wisconsin Annual Average Wage | |
|-------------------------------|----------------------------------|------------------|-------------------------|-------------------------------|------------------|
| | 2008 level | 2007-2008 change | As a share of Wisconsin | 2008 Level | 2007-2008 change |
| All industries | \$28,416 | 3.4% | 72.5% | \$39,169 | 2.9% |
| Natural Resources | \$29,850 | 3.2% | 95.6% | \$31,227 | 6.8% |
| Construction | \$28,737 | - 1.9% | 57.9% | \$49,658 | 4.6% |
| Manufacturing | \$42,182 | - 0.2% | 87.7% | \$48,116 | 2.1% |
| Trade, Transport. & Utilities | \$29,651 | 2.2% | 88.2% | \$33,604 | 2.6% |
| Information | \$27,532 | 3.6% | 55.2% | \$49,838 | 2.8% |
| Financial Activities | \$21,281 | 3.4% | 40.9% | \$52,008 | 2.5% |
| Prof. & Business Services | \$26,220 | 8.8% | 58.1% | \$45,114 | 1.8% |
| Education & Health | \$30,317 | 1.8% | 73.5% | \$41,222 | 4.1% |
| Leisure & Hospitality | \$15,045 | 8.3% | 106.7% | \$14,102 | 3.8% |
| Other Services | \$16,169 | - 2.3% | 71.5% | \$22,628 | 2.5% |
| Public Administration | \$40,848 | 7.6% | 99.5% | \$41,040 | 2.9% |

Source: WI DWD, Workforce Training, QCEW, June 2009



Jobs & Wages

Prominent Industries in Adams County

| Industry Sub-sectors (3-digit NAICS) | Fourth Quarter Employment | | | Average Annual Wage | | |
|--|-------------------------------|---|-----------------------------------|------------------------------|---|-----------------------------------|
| | 2008 Level Adams County | Change 2007- 2008 Adams County | Change 2007- 2008 Wisconsin | 2008 Wage Adams County | Change 2007- 2008 Adams County | Change 2007- 2008 Wisconsin |
| Accommodation | * | not avail. | - 3.9% | \$17,676 | 4.7% | 4.6% |
| Education services | * | not avail. | 1.8% | * | not avail. | 4.0% |
| Justice public order & safety activities | 371 | - 1.1% | 2.8% | \$59,224 | 6.6% | 5.5% |
| Paper manufacturing | * | not avail. | - 2.8% | * | not avail. | 1.6% |
| Food services & drinking places | * | not avail. | - 2.2% | \$9,446 | 6.4% | 2.1% |
| Crop production | 246 | - 16.0% | 3.7% | \$30,497 | 3.4% | 17.0% |
| Executive legislative & general government | 210 | 5.5% | 0.5% | \$17,060 | 6.4% | 1.8% |
| Amusements gambling & recreation | * | not avail. | 0.1% | * | not avail. | 3.2% |
| Nursing & residential care facilities | 148 | 2.1% | 2.8% | \$21,195 | - 0.5% | 3.5% |
| Hospitals | * | not avail. | 2.2% | * | not avail. | 4.2% |

* Data suppressed to protect employer confidentiality.

Source: WI DWD, Workforce Training, QCEW, July 2009

As mentioned on the previous page, leisure and hospitality is big business in Adams County. With miles of lakes, the Chula Vista Resort and the Rainbow Casino, the county is a popular tourist area. A review of the ten largest sub-sector industries show accommodation, food service and drinking places, and amusement, gambling and recreation, all catering to the leisure trade. Wages in this industry are higher than the state and increased by 8.2 percent from 2007 to 2008, more than double the 8.3 percent annual average increase in the state.

The sub-sector with the second highest number of employees, educational services, is represented by another prominent employer, Adams-Friendship Public Schools, employing between 250 and 499.

Adams County is home to the Oxford Federal Correctional Institute, which has employment in the 250 to 299 range. This institute is part of the justice, public order, and safety activities industry sub-sector.

Executive legislative and general government sector and the health care have two prominent employers each. The County of Adams, with 250 to 244 employees, and the Town of Rome, with 50 to 99 employees, are part of executive legislative. Health care is represented by the Moundview Memorial Hospital and Clinics, and the Villa Pines Facilities, each with 100 to 249 employees. The nursing and residential care facilities sector and the hospital sector, separate on the prominent industry list, are both part of the county's important health care industry.

The third quarter of 2008 was the only quarter with fewer employees than the comparable quarter in 2007. An average annual income of about \$30,000, an increasing labor force, and an aging resident population, indicates that this industry will continue to exert a substantial influence on the county's economy.

The paper manufacturing sub-sector continues to be an important employment area. The Smurfit-Stone Container

Prominent Public and Private Employers in Adams County

| Establishment | Service or product | Number of Employees (December 2008) |
|---|---|--|
| Chula Vista | Hotels & motels, except casino hotels | 250-499 employees |
| Adams-Friendship Public School | Elementary & secondary schools | 250-499 employees |
| County of Adams | Executive & legislative offices, combined | 250-499 employees |
| Oxford Federal Correctional Institution | Correctional institutions | 250-499 employees |
| Smurfit-Stone Container Enterprises | Corrugated & solid fiber box mfg | 250-499 employees |
| Moundview Memorial Hospital & Clinics | General medical & surgical hospitals | 100-249 employees |
| Villa Pines Facilities | Nursing care facilities | 100-249 employees |
| Spencer IGA | Supermarkets & other grocery stores | 100-249 employees |
| Adams-Columbia Electric Coop | Electric power distribution | 50-99 employees |
| Town of Rome - Adams County | Executive & legislative offices, combined | 50-99 employees |

Enterprise, a corrugated and solid fiber box manufacture, employs between 250 and 299.

Crop production rounds out the list of prominent sub-sectors without one employer on the county's largest employer list.

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, April 2009

Income

Total personal income (TPI) is income received from all sources for all residents. Total personal income data is available for all residents in the nation, the state and Adams County. For the county, this includes people commuting to other counties to work while living in Adams County, but does not include people working in Adams County while living in other areas. Per Capita Personal Income (PCPI) is calculated by dividing TPI by the number of people living in the geographic 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 a large number of residents in an area retire, PCPI will probably decrease, since pension and social security income is usually less than an individual's wage or salary. This decreases the amount of TPI while keeping the same denominator when calculating PCPI.

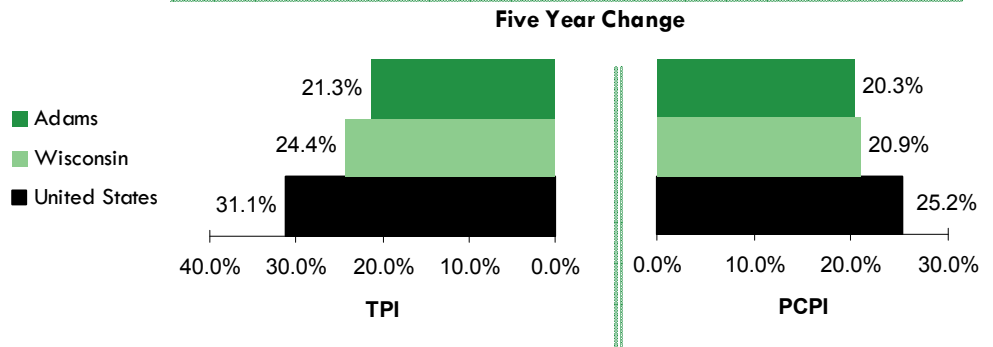
TPI for the county grew by 21.3 percent from 2002 to 2007. This increase is 3.1 percentage points lower than the state's rate of 24.4 percent and 9.8 percentage points lower than the nation's rate of 31.1 percent. Among Wisconsin's 72 counties, Adams County is ranked 45th in terms of TPI growth.

PCPI for the county increased less than either the state or nation. At 20.23 percent, Adams County's increase was 0.6 percentage points lower than the state (20.9 percent) and 4.9 percentage points lower than the nation (25.2 percent). Of the 72 counties in Wisconsin, the 20.3 percent increase ranks Washington in 45th place for 5 year increases in PCPI.

As in all other counties, Adams County has commuters coming into and going out of the county to work, but those living in the county and working in another county tend to have higher wages than those from other counties commuting into Adams County. Earnings represented by inflow increase by almost 23 percentage points from 2002 to 2007 while earnings represented by outflow saw an increase of about 21 percentage points. Both represent substantial growth.

In 2002, the difference in wages between those living in the county but working in another county was

| Personal Income in Adams County | | | | |
|---------------------------------|---|------------------|--------------------------------------|----------|
| | Total Personal Income (in thousands) | | Per Capita Personal Income (PCPI) | |
| | 2002 | 2007 | 2002 | 2007 |
| Adams | \$459,380 | \$557,203 | \$22,575 | \$27,162 |
| Wisconsin | \$163,308,733 | \$203,083,544 | \$29,994 | \$36,272 |
| United States | \$8,872,871,000 | \$11,634,322,000 | \$30,838 | \$38,615 |

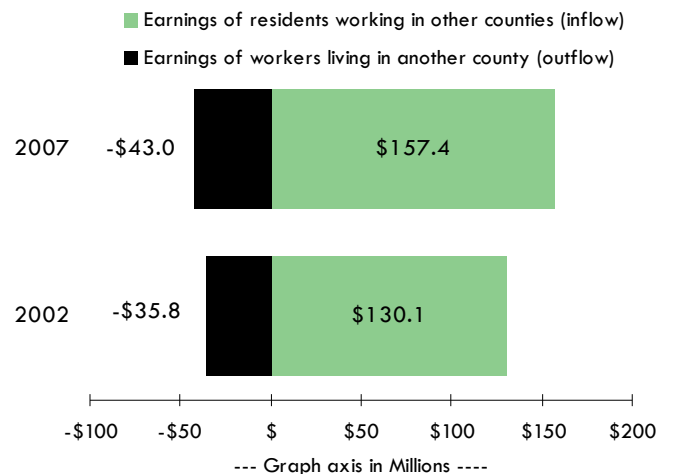


Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2008

\$95.1 million By 2007, that had increased to \$114.4 million an increase of \$19.3 million. Adams residents working in other counties continues to be a major contributor to the county's financial health and comparing changes over the past few years shows that this impact is growing.

According to the 2000 Census, there were 4,190 Adams County residents traveling to other counties to work while only 864 came into the county to work. This represents a net outflow of more than 3,300 residents. The counties of Sauk, Wood and Columbia alone employed more than 2,500 residents. At the same time, those counties sent 315 of their residents to Adams County for employment.

Adams County Commuting Impact



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2009