

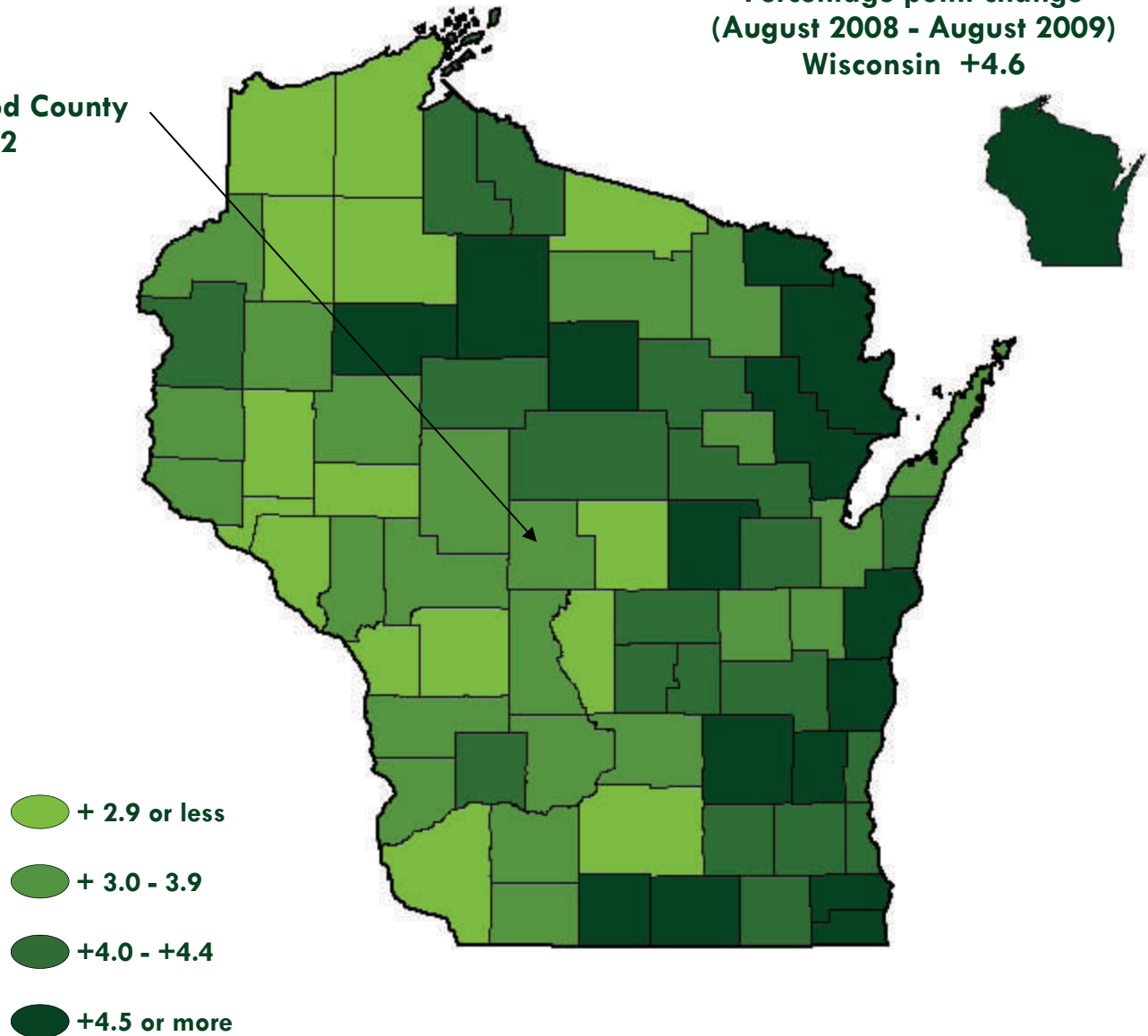
Wood County Workforce Profile 2009

Unemployment Rate Increases

Percentage point change
(August 2008 - August 2009)

Wisconsin +4.6

Wood County
+ 3.2



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.

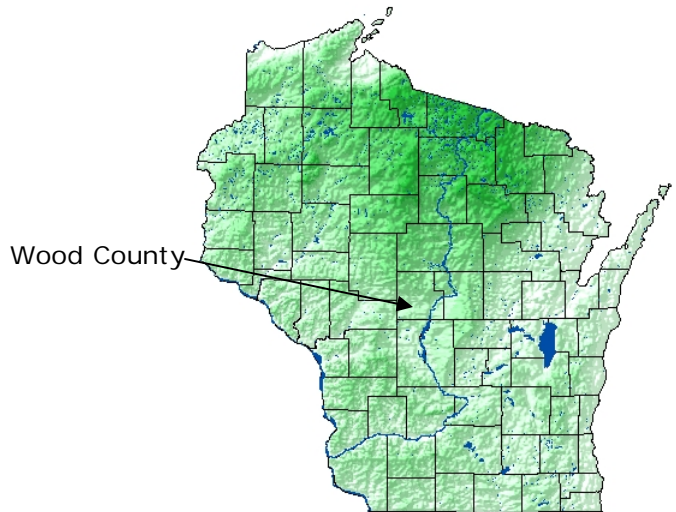
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OEA-10654-P



Wisconsin Department of Workforce Development

Wood 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.

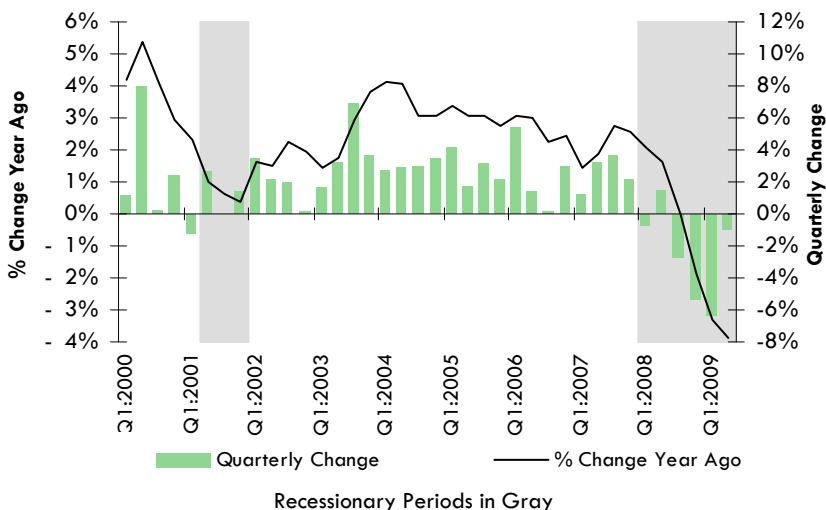
How bad was this downturn? Bad. Real GDP growth was negative for four quarters in a row. That has never happened before in quarterly data dating back to 1947. Only two quarters in the last fifty-three years suffered as

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.

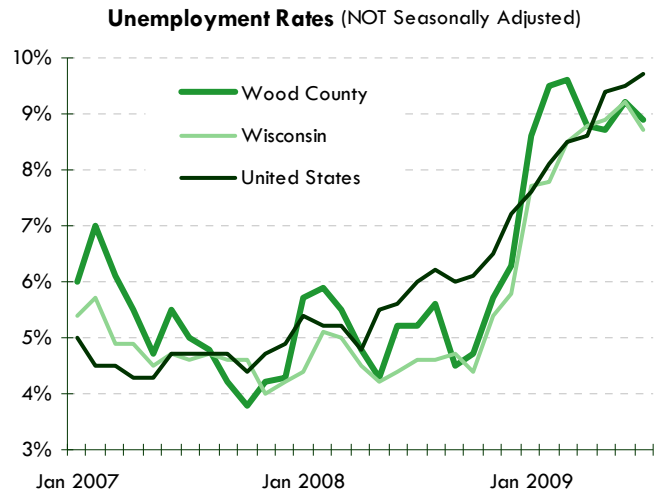
The manufacturing sector lost 13 percent of its jobs statewide during this recession, some 66,000 on a seasonally adjusted basis. All of the upper Midwest major manufacturing states took a beating in this business cycle. Especially hard hit were Michigan, Indiana, and Ohio, due to the collapse of the 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.

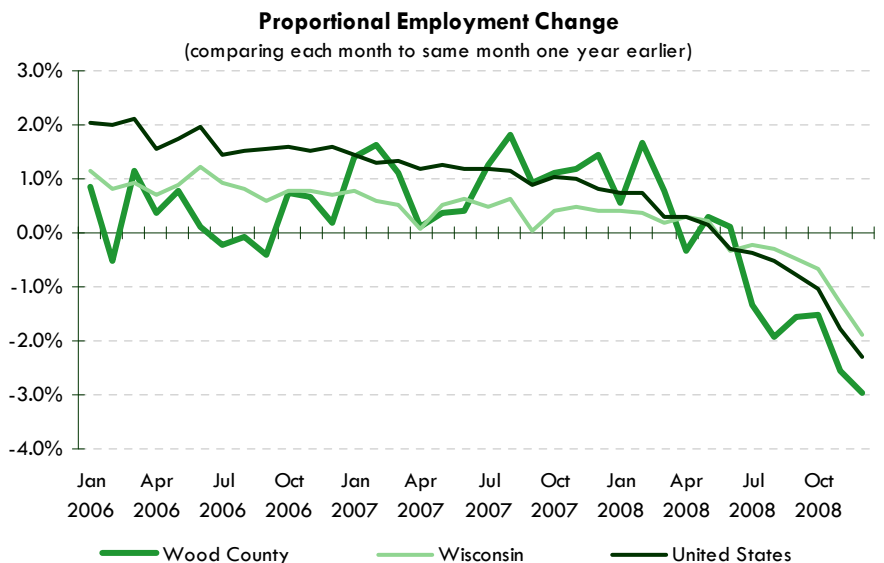
The graph below shows a comparison of county, state, and national unemployment rates through the recession.



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

Wood County added 1,494 residents from 2000 to 2008, growing to 77,049. The county's two percent growth rate was one of the slowest population growth rates in Wisconsin — only seven counties had a slower growth rate.

Natural increase, or births minus deaths, added 1,281 residents and accounted for 85 percent of the county's total growth. However, at 1.7 percent, Wood County's rate of natural increase is not particularly fast, but it made up such a large portion of total population increase because of the negligible gains from net-migration. Net migration, or people moving into the county minus those leaving, has accounted for only 213 additional residents since Census 2000.

Wood County has two major population centers—the City of Marshfield in the northwest corner of the county, and the City of Wisconsin Rapids in the southeast. Together, these two cities account for 48 percent of the county's population. These two cities have comparable population numbers, but are growing at markedly different rates.

Wisconsin Rapids, which is the county seat, is dominated by the paper industry—the trend of declining employment in this industry influences the city's slow growth.

The Marshfield area is experiencing faster growth. The City of Marshfield has added 417 residents since 2000, more than a quarter of the county's growth. The fastest growing area in the county, the Town of Richfield, is just south of Marshfield. Growth in this area is probably related to the healthcare employment cluster in Marshfield, home to the county's largest employer, Marshfield Clinic.

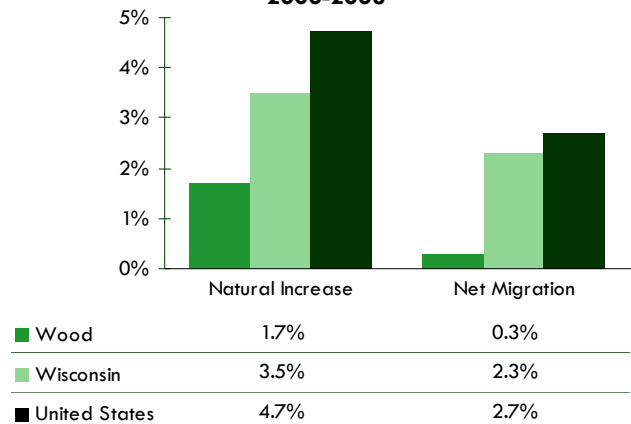
Wood County's Ten Most Populous Municipalities

	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%
Wood County	75,555	77,049	1,494	2.0%
Marshfield, City*	18,383	18,800	417	2.3%
Wisconsin Rapids, City	18,435	18,480	45	0.2%
Grand Rapids, Town	7,801	7,998	197	2.5%
Saratoga, Town	5,383	5,548	165	3.1%
Nekoosa, City	2,590	2,620	30	1.2%
Port Edwards, Village	1,944	1,893	- 51	- 2.6%
Richfield, Town	1,523	1,686	163	10.7%
Lincoln, Town	1,554	1,670	116	7.5%
Port Edwards, Town	1,446	1,479	33	2.3%
Seneca, Town	1,202	1,172	- 30	- 2.5%

* Wood County portion only.

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

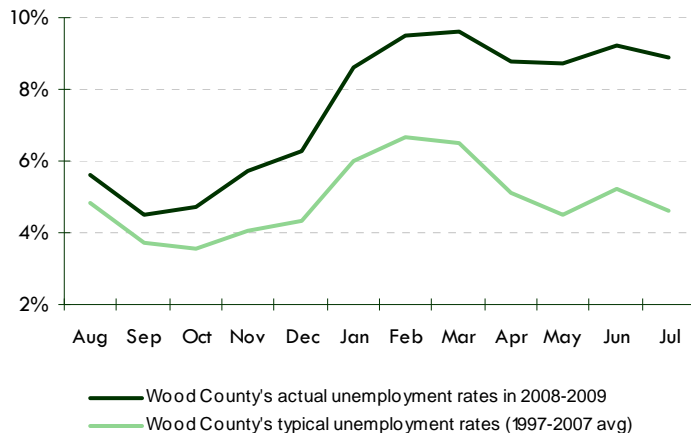
Components of Population Change, 2000-2008



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

County Unemployment Rate Situation

Wood County's Typical & Current Unemployment Rates



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

The graph to the left presents Wood unemployment rates from August 2008 through July 2009 and compares them to eleven-year historical averages. Like the nation and like most counties in the state, Wood's unemployment rates have climbed to levels not measured since the early 1980s. A rise in the rates during the fourth quarter of 2008 is evident and, as seen, the rise accelerated in earnest during 2009.

Readers can take note that rates continue to follow typical seasonal patterns, albeit at higher levels.

Even if economic recovery is declared in the second half of 2009, it is likely that unemployment rates will remain quite elevated for the remainder of 2009 and into year 2010.



Jobs & Wages

Wood 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	44,014	1.0%	44,319	0.0%	43,388	- 1.6%	44,412	- 2.3%
Natural Resources	429	17.2%	530	6.9%	499	1.4%	667	5.4%
Construction	1,433	6.9%	1,711	7.1%	1,833	1.7%	1,632	- 2.7%
Manufacturing	6,136	- 2.8%	6,282	- 2.6%	6,052	- 6.7%	5,717	- 9.0%
Trade, Transport. & Utilities	10,062	1.9%	9,906	2.6%	9,767	- 1.7%	10,497	- 1.9%
Information	1,184	- 10.3%	1,198	- 8.3%	1,182	- 8.9%	1,156	- 7.9%
Financial Activities	suppressed	not avail.	suppressed	not avail.	1,126	0.5%	1,111	- 1.3%
Prof. & Business Services	1,892	- 3.3%	1,966	- 5.0%	1,965	- 1.7%	1,777	- 12.2%
Education & Health	15,763	2.9%	15,383	0.6%	14,534	- 0.5%	15,579	- 0.6%
Leisure & Hospitality	2,549	- 1.5%	2,736	- 4.2%	2,864	- 1.5%	2,569	- 4.3%
Other Services	1,229	5.6%	1,240	2.6%	1,183	- 3.0%	1,268	3.0%
Public Administration	2,222	- 0.1%	2,265	- 0.4%	2,384	6.9%	2,439	11.5%

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

The table, above, is a quarter-by-quarter analysis of Wood County's 2008 job market by industry sector and its rate of job growth compared to the same quarter in year 2007. The intent of this annual comparison is to show how Wood County's job market changed in 2008.

Losses of employment in Wood County's manufacturing sector predates the current recession. In the last ten years, Wood County has lost about 3,500 manufacturing jobs, the sector shrinking by one-third. Wood County Manufacturing, centered around paper manufacturing and, to a lesser extent, wood products, experienced much of this loss due to changes in the industry structure, excess capacity, and increased automation. This echoes a trend seen statewide, as employment in paper manufacturing continues to shrink.

Additionally, the current recession has fueled job loss throughout Wood County's entire manufacturing sector.

Despite first-quarter employment losses in manufacturing, information, leisure & hospitality, public administration, and professional & business services, the first quarter of 2008 eked out one percent all-industry growth compared to the same quarter in 2007.

Losses in these same industries continued into the second quarter, where no net change of employment was reported. In the third and fourth quarter, Wood's year-to-year job totals fell below comparables in 2007. Led by sizeable declines in manufacturing, information, and professional & business services, the vast majority of sectors lost jobs by the fourth quarter.

Despite moderate losses in education & health services employment during the third and fourth quarters of 2008, one can still see that the corner stone of Wood County's employment is in this sector. Education & health services is generally a more "recession resilient" industry.

Wood County	Wood 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	\$41,190	3.2%	105.2%	\$39,169	2.9%
Natural Resources	\$42,201	23.3%	135.1%	\$31,227	6.8%
Construction	\$43,884	4.1%	88.4%	\$49,658	4.6%
Manufacturing	\$52,964	5.5%	110.1%	\$48,116	2.1%
Trade, Transport. & Utilities	\$28,217	- 4.0%	84.0%	\$33,604	2.6%
Information	\$42,235	5.6%	84.7%	\$49,838	2.8%
Financial Activities	suppressed	not avail.	not avail.	\$52,008	2.5%
Prof. & Business Services	\$41,637	- 1.6%	92.3%	\$45,114	1.8%
Education & Health	\$53,597	5.9%	130.0%	\$41,222	4.1%
Leisure & Hospitality	\$10,401	1.1%	73.8%	\$14,102	3.8%
Other Services	\$20,095	- 4.1%	88.8%	\$22,628	2.5%
Public Administration	\$32,383	- 1.9%	78.9%	\$41,040	2.9%

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

Jobs & Wages

Prominent Industries in Wood County

Industry Sub-sectors (3-digit NAICS)	Fourth Quarter Employment			Average Annual Wage		
	2008 Level	Change	Change	2008 Wage	Change	Change
	Wood County	2007- 2008 Wood County	2007- 2008 Wisconsin	Wood County	2007- 2008 Wood County	2007- 2008 Wisconsin
Ambulatory health care services	*	not avail.	2.3%	\$69,118	5.2%	4.7%
Hospitals	3,181	- 4.5%	2.2%	\$40,005	8.2%	4.2%
Truck transportation	2,999	- 0.9%	- 4.8%	\$37,284	- 7.6%	0.3%
Education services	2,518	0.3%	1.8%	\$41,820	3.1%	4.0%
Paper manufacturing	2,122	- 16.6%	- 2.8%	\$70,362	6.9%	1.6%
Executive legislative & general government	2,087	14.9%	0.5%	\$29,235	- 3.7%	1.8%
Food services & drinking places	2,028	- 5.5%	- 2.2%	\$9,752	- 0.9%	2.1%
Nonstore retailers	1,652	23.1%	- 2.7%	\$14,771	- 0.5%	1.2%
General merchandise stores	1,494	- 0.1%	0.3%	\$19,361	1.3%	2.5%
Nursing & residential care facilities	1,098	10.2%	2.8%	\$21,274	- 1.1%	3.5%

* Data suppressed to protect employer confidentiality.

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

This section is a look at the specific industries and employers with the largest number of jobs in Wood County in the fourth quarter of 2008. Above are the top ten industries. The annual percent change in jobs of each industry is compared to the its statewide counterpart.

These top ten industries comprise more than 50 percent of Wood County's total job market. Five of these ten industries have posted a fourth quarter loss of jobs.

The above table also reflects the significance of the education and health super-sector with the inclusion of four of the industry's subsectors: hospitals; educational services; ambulatory health care services; and nursing and residential care facilities. The highly-skilled occupations found in the health care & social assistance industry sector, and the wages they demand, produced an annual average wage of \$55,609 in Wood, 35 percent higher than the statewide average wage in the same sector of \$41,148. Wages in the health care & social assistance industry sec-

tor are generally greater than found in most other industries.

Not only are these four prominent industry sub-sectors found in Wood County, but the county's two largest employers and ninth largest employer are health care providers.

Wood County's other major industries in terms of employment and wages paid are manufacturing; and trade, transportation, and utilities.

Employment in food services and drinking places, the seventh largest industry in Wood County, ranks in the top ten in most other counties. Though the industry averaged 2,028 employees in the fourth quarter of 2008, none of the businesses in this industry are on the top ten employers list. Employment is spread amongst 174 establishments, more than any other industry on the prominent industries list. Jobs in the food services and drinking places industry tend to be seasonal and low paying, with many part time

workers. These factors account for the industry having the lowest average annual wage on the prominent industries table at the top of this page.

Prominent Public and Private Employers in Wood County

Establishment	Service or product	Number of Employees (December 2008)
Marshfield Clinic	HMO medical centers	1,000+ employees
St Joseph's Hospital of Marshfield	General medical & surgical hospitals	1,000+ employees
Roehl Transport	General freight trucking, long-distance	1,000+ employees
Stora Enso North America (now NewPage)	Paper, except newsprint, mills	1,000+ employees
Figi's	Mail-order retailers	1,000+ employees
Wisconsin Rapids Public School	Elementary & secondary schools	500-999 employees
County of Wood	Executive & legislative offices, combined	500-999 employees
Wal-Mart Associates	Warehouse clubs & supercenters	500-999 employees
Riverview Hospital	General medical & surgical hospitals	500-999 employees
Marshfield Doorsystems	Wood window & door manufacturing	500-999 employees

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

Income

Wood County's \$2.66 billion total personal income (TPI) or aggregate income in 2007 translated to \$36,028 per person living in the county. This per capita personal income (PCPI) figure ranked 13th highest among Wisconsin's 72 counties.

Total Personal income is composed of all monies accrued in three distinct categories: (1) net employment earnings, which is payroll and self-employment income; (2) dividends, interest, and rental property income, which are returns on equities and other portfolio items, interest-bearing accounts, rental housing/business units; and (3) personal current transfer receipts which are Social Security, Medicare/Medicaid, public assistance and other government or private retirement monies.

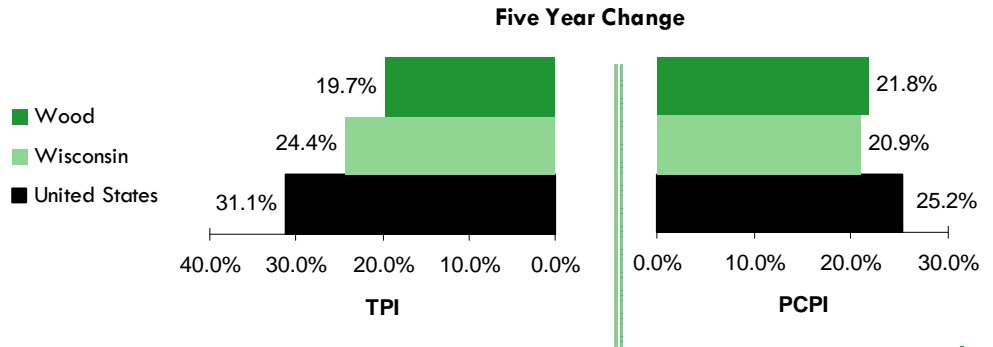
Wood County's PCPI of \$36,028 was 99 percent of the statewide average and 93 percent of the national average. Wood County's PCPI is only marginally lower than the state or national average PCPI and, thus, Wood has a healthy PCPI for a nonmetropolitan area. Of the 12 counties that have a higher PCPI in Wisconsin, only two—Door and St. Croix, are nonmetropolitan counties.

PCPI in Wisconsin's metropolitan counties in 2007 was \$38,382 compared to \$30,627 in nonmetropolitan counties. Wood County's PCPI, at \$36,028, was 118 percent of Wisconsin's nonmetropolitan PCPI average.

A closer look at the components of total personal income lends some insight to the PCPI in Wood County. In Wood County, only 66 percent of TPI is from net earnings. This still comprises the greatest source of income in the county, but it is a lower percentage than in the state (68 percent). Property income is roughly 16 percent of TPI in Wood County, a smaller share than in the state and nation. The third component of TPI, transfer receipts, was more than 17 percent of TCPI Wood County. The statewide average was less than 15 percent. A high share of income made up of transfer receipts indicates an older population, which is the case in Wood County.

The chart on the right shows that in 2007 residents working in jobs outside the county added \$203 million to Wood County's total personal income while nonresident workers were paid \$546.4 million dollars in wages that left the county. The total residency adjustment shifted \$343.4 million in earnings to residents in other counties.

Personal Income in Wood County				
	Total Personal Income (in thousands)		Per Capita Personal Income (PCPI)	
	2002	2007	2002	2007
Wood	\$2,221,528	\$2,658,714	\$29,582	\$36,028
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

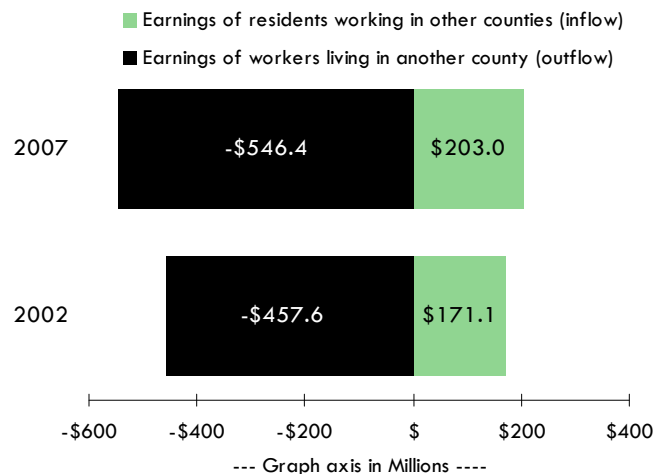


Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2008

In 2002, the total residency adjustment in Wood County shifted \$286.5 million in earnings to residents in other counties.

These shifts of income to other counties are an indicator that Wood is a net importer of labor, with many workers from surrounding counties commuting in for the higher paying jobs found in the area, and taking those wages back to their home counties. Jobs in healthcare (like those at the Marshfield Clinic) or manufacturing are likely draws for commuters.

Wood County Commuting Impact



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