

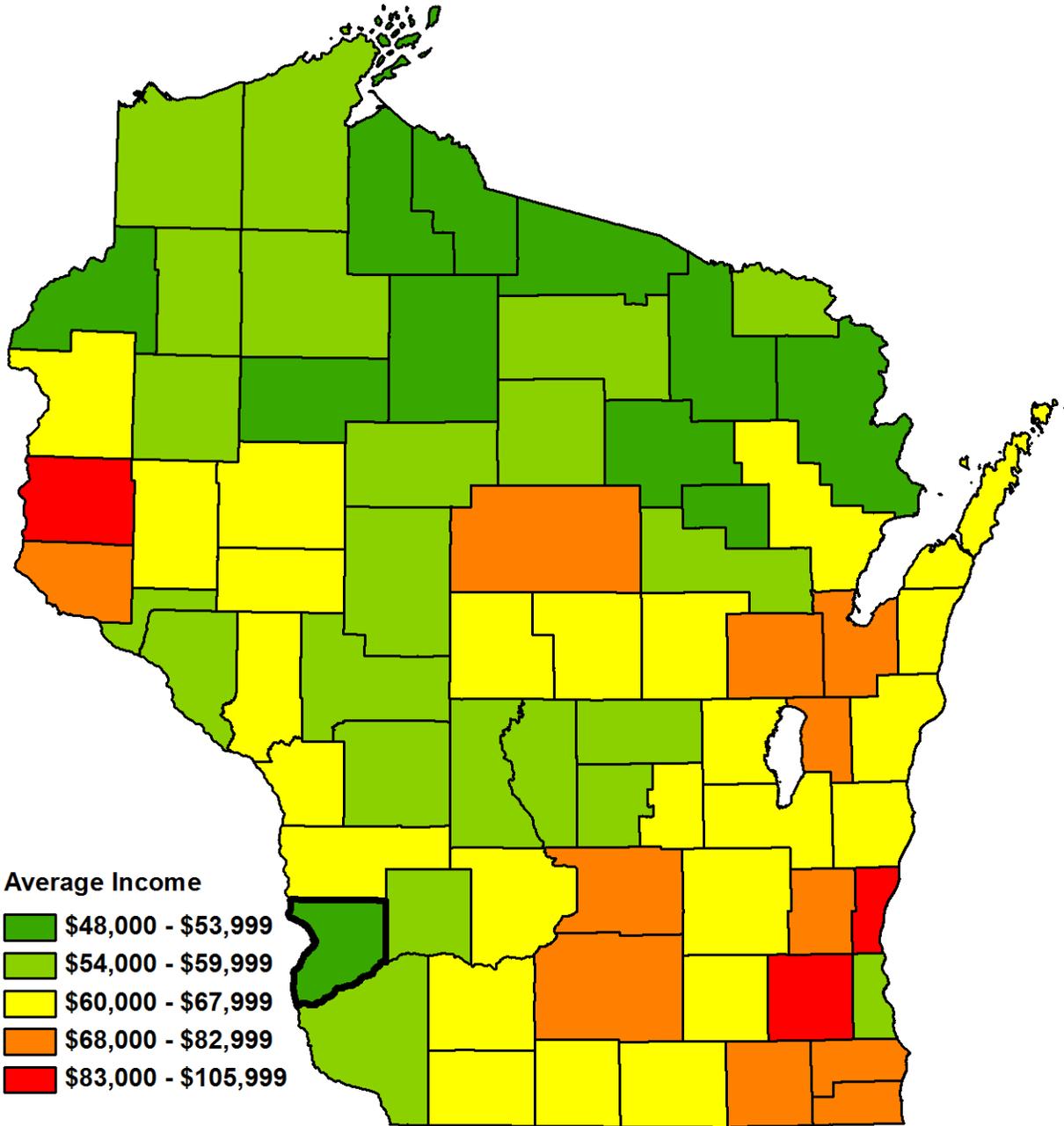


Crawford County

WORKFORCE & ECONOMIC 2015 PROFILE



Average Household Income By County



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

2015 Crawford County Workforce Profile

National and State Economic Outlook

Robust economic growth after the Great Recession remains anticipated. The recession ended in June of 2009. This recovery has been the slowest of post-war cycles. U.S. gross domestic product (GDP) growth through this recovery cycle has averaged just over two percent per year. Most recoveries show growth rates in the three percent range.

As with all economic growth, benefits have accrued. Job levels are up. Wages have increased. Home values are nearly back to prerecession levels. Wisconsin total non-farm jobs have increased by 200,000 since the trough in February 2010 through October 2015. The state's manufacturing industries have gained almost 50,000 jobs. Total nominal wages paid have increased by 17 percent since bottoming out in 2009. Aggregate household real estate values have all but full recovered from the national housing devaluations that began in 2006.

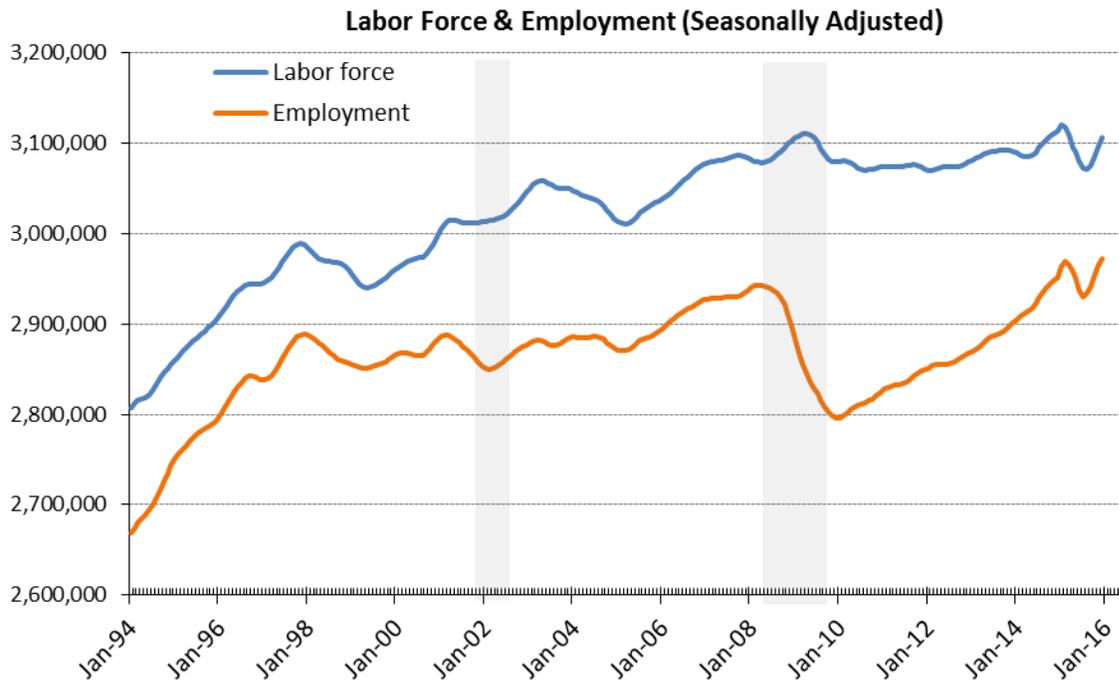
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency and its impact on U.S. and Wisconsin exports, and snug government capital and operations budgets.

The silver lining may be that the slower the growth, the longer the recovery will last. This recovery is 70 months old as of December 2015 with no expected downturn in sight. The average growth period of post-war business cycles is 58.4 months.

Workforce Outlook

On the workforce front, there is much discussion of the "skills gap" – the inability of employers to find and keep skilled workers. One anecdote often voiced is that Wisconsin companies could expand business if only they could find and retain skilled workers.

Wisconsin has never had more people employed and the unemployment rate is registering low levels not seen since the early 2000s. However, as has been discussed repeatedly over the years (Winters, String, & Klaus, 2000; Winters, Gherkin, Grosso, & Ulanova, 2009; Wisconsin Taxpayer Alliance, 2015), Wisconsin faces a quantity challenge and, as a consequence, a skills challenge.



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

2015 Crawford County Workforce Profile

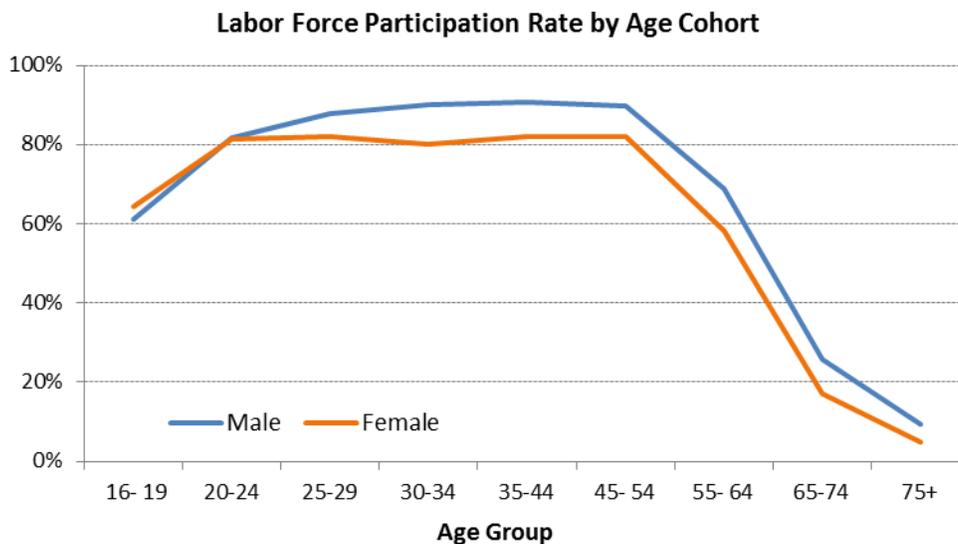
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance company, which, in turn, may try to recruit someone out of health care. The point is that without enough workers to go around, some businesses will end up short of talent.

This is true not only of highly skilled workers, but for all positions. Even retail and restaurant operations are displaying help-wanted signs.

During the late 1990s when the U.S. economic expansion was setting new longevity marks, there was a similar quantity challenge. The national unemployment rate fell to 3.8 percent in July 2000 and Wisconsin's unemployment rate fell to 3.0 percent in July of 1999. Two recessions alleviated the labor quantity constraints from 2001 to 2014. Now the U.S. unemployment rate is down to 5.0 percent (Wisconsin December 2015 seasonally adjusted unemployment rate was 4.3 percent), GDP is only growing at 2.0 percent, and businesses are already experiencing quantity challenges.

The major change in the labor force during this period is that now the Baby Boomers are fifteen years older and leaving the labor force in unprecedented numbers. The oldest Baby Boomers (born in 1946) will be 70 years old in 2016. The youngest (born in 1964) will be 52 years old, a mere three years from a rapid decline in their participation in the labor force.

Below is a graph of the labor force participation rate (LFPR) by age cohort. The LFPR drops precipitously after age 55. The bulk of the Baby Boomers are now over age 55.



Source: Bureau of Labor Statistics

Wisconsin's overall labor force participation rate peaked in the late 1990s and the employment-to-population ratio (e/pop) peaked in 1997 at 72.9 percent. The 2014 e/pop rate was above the 2010 low of 63.4 percent, at 64.7 percent.

The exit of Baby Boomers (people born between 1946 and 1964) from the labor market will affect future growth of Wisconsin's e/pop rate.

Population growth and age distribution will drive labor force availability in local and regional labor sheds. Below are county level demographic and economic characterizations. The primary factor driving economic trends in future years will be workforce developments and talent access.



Population and Demographics

Crawford County's 10 Most Populous Municipalities

	April 2010 Census	January 2015 Estimate	Numeric Change	Proportional Change
United States	308,745,538	321,418,820	12,673,282	4.1%
Wisconsin	5,686,986	5,753,324	66,338	1.2%
Crawford County	16,644	16,739	95	0.6%
Prairie du Chien, City	5,911	5,890	-21	-0.4%
Prairie du Chien, Town	1,073	1,074	1	0.1%
Bridgeport, Town	990	1,009	19	1.9%
Clayton, Town	958	948	-10	-1.0%
Seneca, Town	866	896	30	3.5%
Eastman, Town	739	751	12	1.6%
Freeman, Town	686	706	20	2.9%
Wauzeka, Village	711	703	-8	-1.1%
Utica, Town	661	679	18	2.7%
Soldiers Grove, Village	592	585	-7	-1.2%

Source: Demographic Services Center, Wisconsin Department of Administration

The population estimate for Crawford County on January 1, 2015, after adding 95 new residents since Census 2010, was 16,739. The county's population increase of 0.6 percentage points since 2010 was half the growth rate recorded at the state level (1.2 percent) and well below the national population growth rate of 4.1 percent. Crawford County's growth rate ranked 39th among the state's 72 counties.

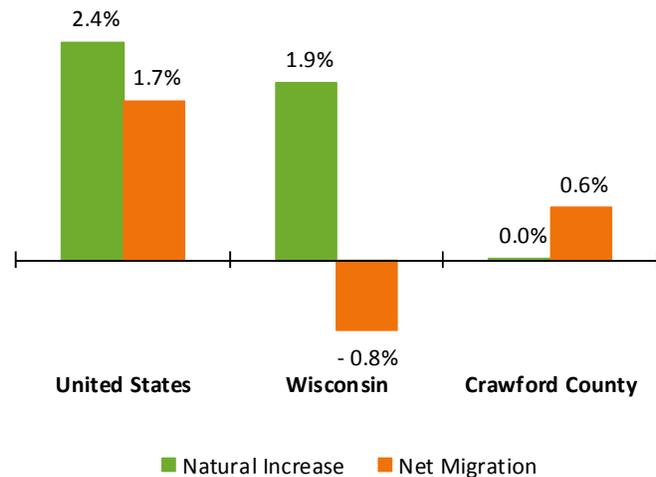
The entire amount of Crawford's population growth since 2010 can be attributed to net migration, more people moving to the county than leaving the county. Crawford County experienced no population rate increase due to natural increase since Census 2010, in effect having an equal number of deaths in the county as births.

Four of Crawford's ten most populated municipalities, Soldiers Grove, Wauzeka, Clayton and the county seat—the City of Prairie du Chien have lost population since Census 2010. Together they combined for a loss of 46 persons. Two of these municipalities, Clayton and Soldiers Grove, also lost population for much of last decade as well.

Three rivers run through Crawford County: the Kickapoo River, the Wisconsin River (bordering the county's southern edge) and the Mississippi River (serving as the county's western border). These rivers are important components of Crawford County's economy, both for the tourism dollars they help to bring in as well as the other economic opportunities these rivers provide for area residences and businesses.

Crawford County is home to one of Wisconsin's state prisons, a facility for adult male offenders lo-

Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration

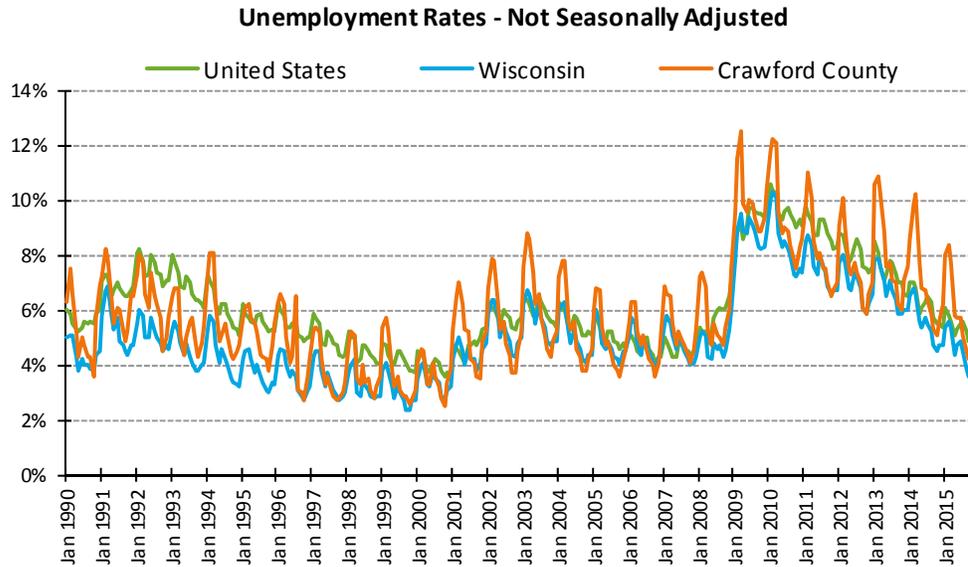


Labor Force Dynamics

cated in Prairie du Chien. As of June 10, 2016, there were 516 inmates housed at Prairie du Chien Correctional. Prisoners and other institutionalized persons are counted in total population numbers, but institutionalized persons are not counted as members of the labor force or in the computation of unemployment statistics.

The graph to the right outlines Crawford County's monthly unemployment rate over

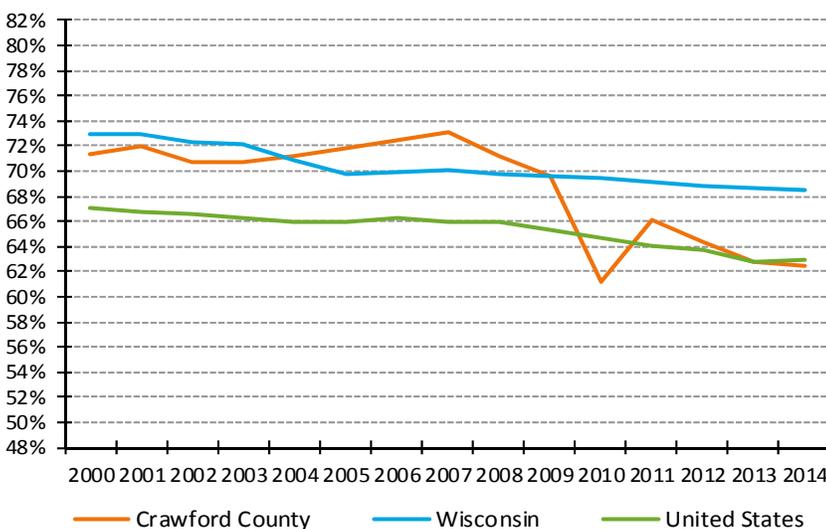
the last 25 years and compares it to the state and nation. The graph provides insight on two elements: 1) long-term unemployment trends and 2) labor market seasonality.



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

The unemployment rate in Crawford County has historically been higher than the statewide rate, and that gap appears to have widened during the "Great Recession" and its aftermath. The county's unemployment rate is substantially more seasonal than the state as a whole, which indicates a differing industry employment mix. Crawford County's employment is even more heavily influenced by hospitality, tourism, agriculture, and seasonally based manufacturing than the state as a whole.

Labor Force Participation Rates



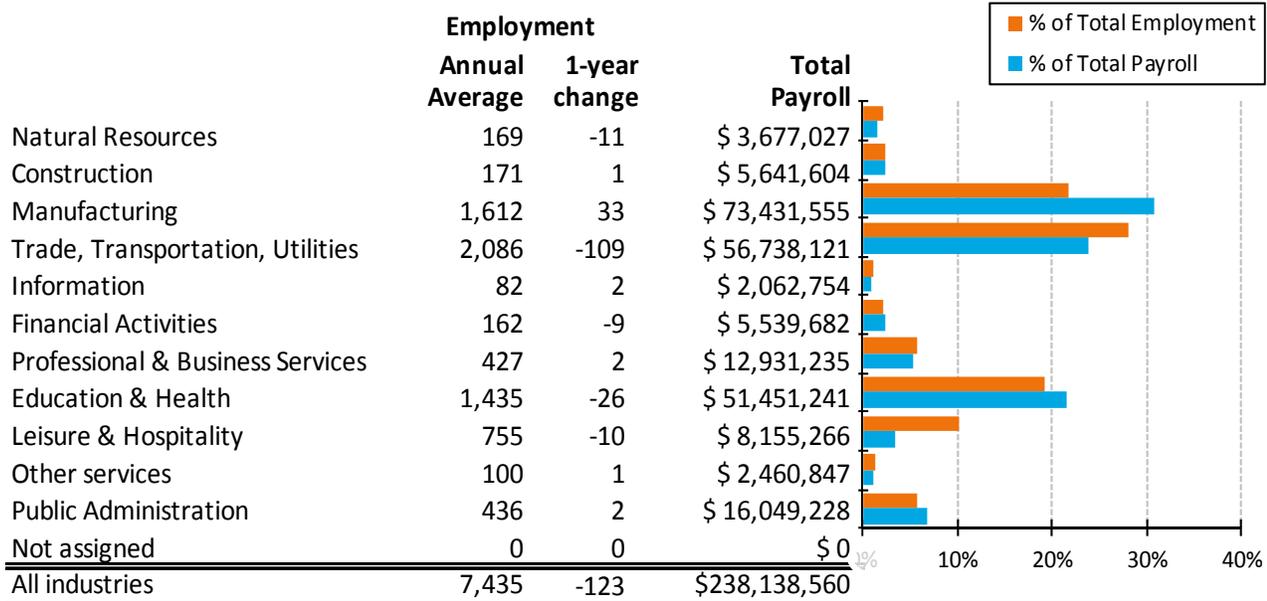
Source: Current Population Survey, U.S. Department of Commerce, Census Bureau

The graph to the left depicts the labor force participation rate (LFPR) for Crawford County, Wisconsin, and the nation over the last 14 years. The participation rate denotes the number of people who are either working or are actively looking for employment. The number of people who are no longer actively looking for work are not included in the participation rate. This graph shows a downward trend for LFPR for the nation, state, and Crawford County. It is tempting to attribute the downward trend entirely to the economy, as 2000 marked the end of an unprecedented expansionary period and 2008 the start of the "Great



Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in Crawford County



Source: WI DWD, DET, BWITS, Quarterly Census Employment and Wages, June 2015

Recession." However, the long term trend showing a declining LFPR is largely due to an aging population. As the population ages, residents are more likely to exit the labor force.

The average wage in 2014 for all workers in Crawford County, \$32,029, increased 3.7 percent from the 2013 average of \$30,891. The statewide average wage rose 2.5 percent in 2014 to \$43,856. Wages paid, on average, in Crawford in 2014 were 73 percent of the statewide average and Crawford's average annual wage ranked 56th out of Wisconsin's 72 counties.

Leisure and hospitality is a key business sector in Crawford County as the county's location along the Mississippi River provides nature lovers an opportunity to view expansive vistas and observe a thriving eagle population.

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	Crawford County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 32,029	73.0%	3.7%
Natural Resources	\$ 36,156	\$ 21,758	60.2%	11.3%
Construction	\$ 55,317	\$ 32,992	59.6%	3.4%
Manufacturing	\$ 54,365	\$ 45,553	83.8%	4.1%
Trade, Transportation & Utilities	\$ 37,362	\$ 27,199	72.8%	4.2%
Information	\$ 62,482	\$ 25,156	40.3%	-4.7%
Financial Activities	\$ 61,884	\$ 34,196	55.3%	-1.1%
Professional & Business Services	\$ 52,386	\$ 30,284	57.8%	5.3%
Education & Health	\$ 44,829	\$ 35,855	80.0%	1.3%
Leisure & Hospitality	\$ 16,055	\$ 10,802	67.3%	0.5%
Other Services	\$ 25,847	\$ 24,608	95.2%	7.5%
Public Administration	\$ 44,462	\$ 36,810	82.8%	2.0%

Source: WI DWD, Labor Market Information, QCEW, June 2015

Data from the Wisconsin Department of Tourism indicates that 2015 direct visitor spending in Crawford was \$43.8 million with total tourism-related business spending just shy of \$63 million. The Wisconsin Department of Tourism estimated that total spending in Crawford on tourism accounted for the equivalent of 711 full-time jobs with a payroll of \$12.1 million dollars. In 2015, tourism spending in Crawford County accounted for the collection of \$5.7 million dollars in state and local taxes.

Employment Projections

Western Workforce Development Area Industry Projections, 2012-2022

Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau and Vernon Counties

Industry	2012	Projected	Change (2012-2022)	
	Employment	2022 Employment	Employment	Percent
All Industries	139,677	151,338	11,661	8%
Natural Resources	1,064	1,026	-38	-4%
Construction	4,542	5,512	970	21%
Manufacturing	22,935	22,623	-312	-1%
Trade, Transportation, and Utilities	29,490	31,423	1,933	7%
Information	1,481	1,535	54	4%
Financial Activities	5,472	5,988	516	9%
Professional and Business Services	8,996	11,521	2,525	28%
Education and Health Services	27,922	31,986	4,064	15%
Leisure and Hospitality	13,083	14,349	1,266	10%
Other Services	3,771	4,073	302	8%
Public Administration	13,368	13,503	135	1%
Self-Employed and Unpaid Family Workers	7,553	7,799	246	3%

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, September 2015.

In addition to looking at the current state of the economy in Crawford County, it is useful to look at projections of how employment in the area is expected to change. What follows are projections of employment changes by industry sector and by occupation. Please note that these projections are for the collective counties of Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau and Vernon. Together, these eight counties form the Western Wisconsin Workforce Development Area.

These projections use information from the Quarterly Census of Employment and Wages (QCEW) program, including unpublished data from the Bureau of Labor Statistics (BLS) as well as data from the Census Bureau's Current Population Survey (CPS). While these projections take into account anticipated changes in Wisconsin's economy, please note that unanticipated events may affect the accuracy of the projections.

In 2012, the area's three largest industry sectors by jobs were the Trade, Transportation, & Utilities; Education & Health Services; and Manufacturing sectors. Together, these sectors represented 57.5 percent of jobs in 2012 and are expected to continue as the three largest in 2022. The Education & Health Services sector is projected to gain more jobs than the other two leading sectors. Overall, there are 11,661 more jobs projected in 2022, a eight percent increase from 2012.

The share of total jobs by industry sector is projected to change little through 2022. The Manufacturing sector is projected to have the largest decline in share of jobs even with an increase in employment. From 2012 to 2022, the share of jobs in the Manufacturing sector is projected to decrease from 16.4 percent to 14.9 percent. Readers should note that while manufacturing employment as a whole will decline, there will be many opportunities for young workers in manufacturing because retirements in the sector are going to outpace employment declines due to economic shifts for the foreseeable future.

The share of jobs in the Education & Health Services sector is projected to have the largest gain. Furthermore, the Education & Health Services sector is projected to have the largest numeric gain in jobs with 4,064 additional jobs in 2022, a 15 percent gain from 2012. The largest proportional increases are projected in the Professional & Business Services sector with an 28 percent rate of growth. Most sectors are projected to gain jobs by 2022 with two sectors, Natural Resources and Manufacturing, expecting slight contractions in total employment.

Employment Projections

Western Workforce Development Area Occupation Projections, 2012-2022

Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau and Vernon Counties

Occupation Group	Employment				Average Annual Openings			Median Annual Wage
	2012	2022	Change (2012-2022)		Due to Growth	Due to Replacement	Total Openings	
			Number	Percent				
All Occupations	139,677	151,338	11,661	8%	1,292	3,264	4,556	\$ 32,627
Management	5,511	6,118	607	11%	62	113	175	\$ 72,275
Business and Financial	5,232	5,793	561	11%	58	104	162	\$ 52,004
Computer and Mathematical	1,883	2,186	303	16%	31	32	63	\$ 55,845
Architecture and Engineering	1,388	1,423	35	3%	7	33	40	\$ 60,099
Life, Physical, and Social Science	863	894	31	4%	5	26	31	\$ 52,722
Community and Social Service	1,834	1,982	148	8%	15	42	57	\$ 43,293
Legal	638	739	101	16%	10	10	20	\$ 47,177
Education, Training, and Library	4,858	5,198	340	7%	35	107	142	\$ 41,930
Arts, Entertainment and Media	1,876	2,093	217	12%	24	44	68	\$ 32,461
Healthcare Practitioners	9,935	11,729	1,794	18%	180	192	372	\$ 54,848
Healthcare Support	4,559	5,141	582	13%	58	87	145	\$ 27,554
Protective Service	2,716	2,890	174	6%	18	78	96	\$ 38,419
Food Preparation and Serving	12,781	13,854	1,073	8%	109	488	597	\$ 18,375
Building & Grounds Maintenance	4,294	4,932	638	15%	64	88	152	\$ 24,906
Personal Care and Service	5,706	6,458	752	13%	75	99	174	\$ 21,080
Sales and Related	13,760	14,553	793	6%	85	428	513	\$ 23,062
Office and Administrative Support	19,308	20,543	1,235	6%	148	438	586	\$ 30,568
Farming, Fishing, and Forestry	774	655	-119	-15%	0	20	20	\$ 33,460
Construction and Extraction	5,336	6,214	878	16%	88	88	176	\$ 42,964
Installation, Maintenance, Repair	6,405	6,845	440	7%	46	143	189	\$ 40,284
Production	16,373	16,470	97	1%	62	306	368	\$ 32,789
Transportation & Material Moving	13,647	14,628	981	7%	110	298	408	\$ 31,156

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, September 2015

In 2012, the area's largest occupation group was Office & Administrative Support with 19,308 jobs, 14 percent of total employment. Of the twenty-two occupation groups, the top five together accounted for 54.3 percent of jobs. While these five groups are projected to remain the top groups in 2022, the share of jobs within these groups is projected to decline to 52.9 percent of jobs.

The share of total jobs by occupational group is projected to change little through 2022. However, all of the top five groups, Office & Administrative Support; Transportation & Material Moving; Production; Sales & Related; and Food Preparation and Serving are projected to experience slight declines in employment share. The Healthcare Practitioners & Technical group is projected to have the largest gain in share, with a rise from 7.1 percent to 7.8 percent of jobs between 2012 and 2022.

Furthermore, the largest numeric and proportional gain in jobs is projected in the Healthcare Practitioners group with an increase of 1,794 jobs by 2022, an 18 percent gain. The Construction & Extraction group is projected to experience the second largest proportional gain in jobs with a numeric gain of 878. The Farming, Fishing, and Forestry occupation group is projected to experience a decrease of 119 jobs by 2022, a 15 percent decline. All other occupation groups are projected to add jobs.

Personal Income

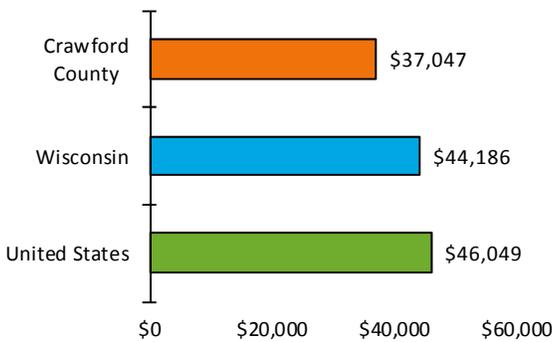
	2004 Nominal Per Capita Personal Income	2004 Per Capita Personal Income in 2014 dollars	2014 Per Capita Personal Income	Nominal Change in Per Capita Personal Income (2004 - 2014)	Inflation-adjusted Change in Per Capita Personal Income (2004 - 2014)
United States	\$34,316	\$41,709	\$46,049	34.2%	10.4%
Wisconsin	\$33,350	\$40,534	\$44,186	32.5%	9.0%
Crawford County	\$25,513	\$31,009	\$37,047	45.2%	19.5%

Source: Bureau of Economic Analysis

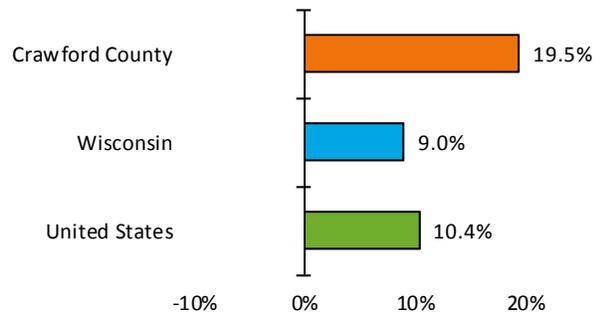
Total Personal Income (TPI) is the sum of three components, namely (i) employment earnings; (ii) property income (dividends, interest and rental income); and (iii) personal current transfers receipts (government payments like social security, Medicare, Medicaid and unemployment insurance).

Per capita personal income (PCPI) is Total Personal Income (TPI) divided by the total population. This average income figure is often used to gauge economic vitality. It is a useful indicator for comparing income dynamics among geographic areas since it provides comparison of income per resident.

2014 Per Capita Personal Income



2004 - 2014 Change in Per Capita Personal Income, Inflation-adjusted



Source: Bureau of Economic Analysis

The PCPI figures displayed in the tables above differs from the annual average wage discussed on page five in two ways. First, PCPI refers to place of residence while annual wages refers to place of work. This means PCPI includes wages earned by Crawford County residents, but not wages of those that travel from another county to work for employers located in Crawford County. Second, PCPI includes multiple sources of income, not just wages. At \$37,047 PCPI in Crawford County was lower than both the state and national average, and it ranked 59th among Wisconsin's 72 counties. This relatively low ranking has several contributing factors. Crawford County residents, on average, are older than their statewide counterparts. Older residents who are not part of the labor force generally contribute less to PCPI than the working population. Secondly, wages in Crawford County are 73 percent of the statewide annual average. Lastly, the county's below average PCPI is related to the presence of correctional facility in the county. Because prisoners are counted in the total population, they increase the denominator of the PCPI equation, but not the numerator since they do not receive income.

For More Information:

William (Bill) Brockmiller

Regional Economist — Western WDA

Phone: (608) 785-9337 Email: william.brockmiller@dwd.wisconsin.gov

<http://dwd.wisconsin.gov/oea>