



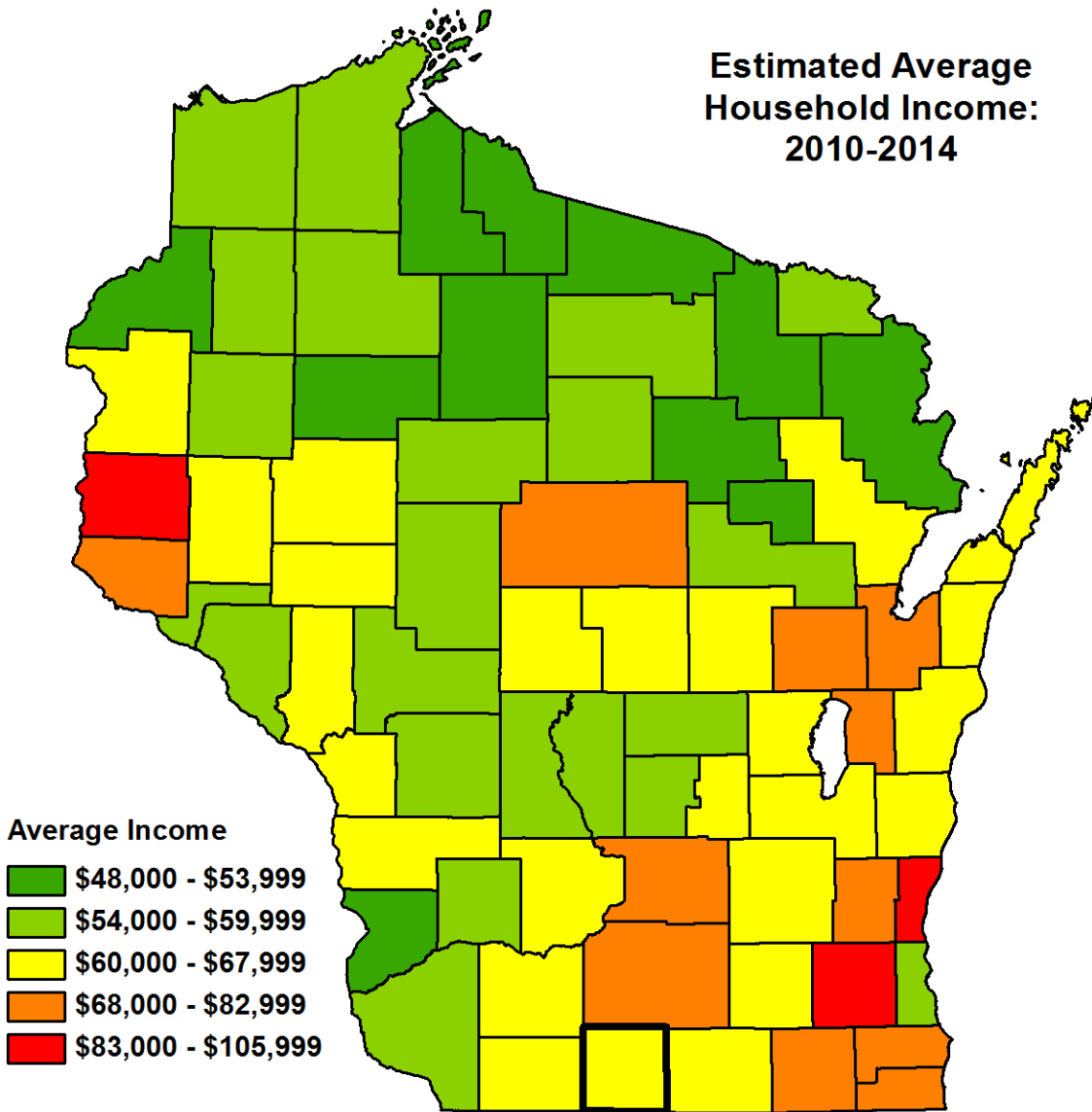
Green County

WORKFORCE & ECONOMIC 2015 PROFILE



2015 Green County Economic and Workforce Profile

Estimated Average Household Income:
2010-2014



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

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.

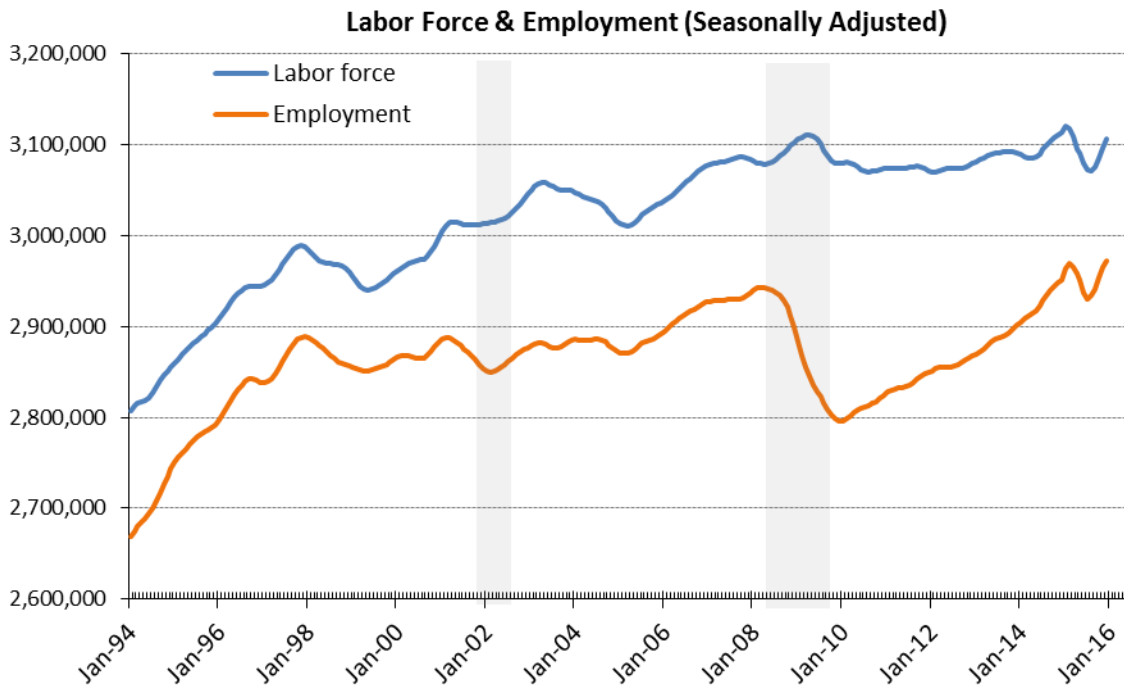
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency 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, Strang, & Klus, 2000; Winters, Gehrke, Grosso, & Udalova, 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 Green County Workforce Profile

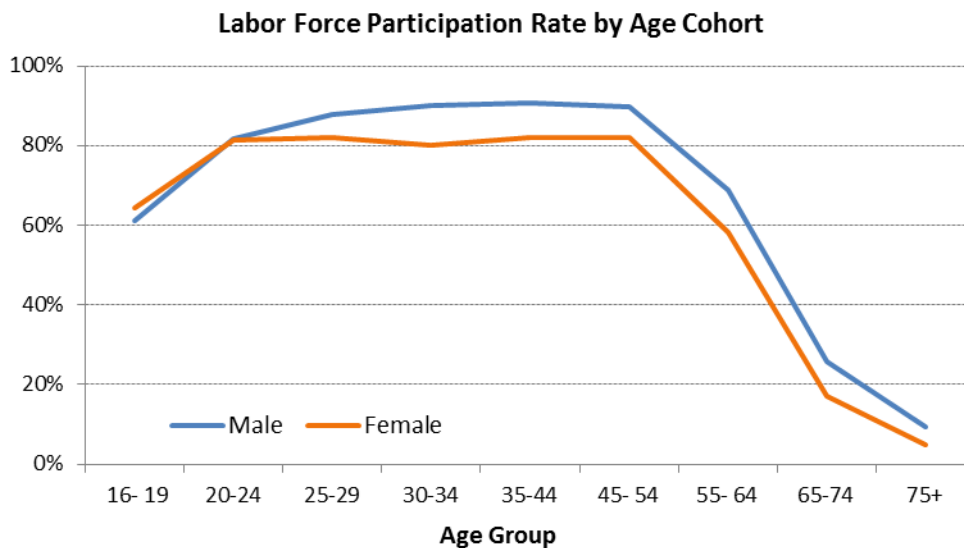
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance 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

Green 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%
Green County	36,842	36,928	86	0.2%
Monroe, City	10,827	10,768	-59	-0.5%
Brodhead, City *	3,203	3,194	-9	-0.3%
New Glarus, Village	2,172	2,164	-8	-0.4%
Exeter, Town	2,023	2,052	29	1.4%
Decatur, Town	1,767	1,778	11	0.6%
New Glarus, Town	1,335	1,359	24	1.8%
Jefferson, Town	1,217	1,235	18	1.5%
Monroe, Town	1,245	1,233	-12	-1.0%
Monticello, Village	1,217	1,223	6	0.5%
Clarno, Town	1,166	1,160	-6	-0.5%

*Green County portion only.

Source: Demographic Services Center, Wisconsin Department of Administration

Green County gained a total of 86 residents from April 2010 to January 2015, ranking as the 39th largest county in the state at the end of the period. The county's almost nominal rate of increase, 0.2 percent, contrasts with the state growth of 1.2 percent and the nation's increase of 4.1 percent.

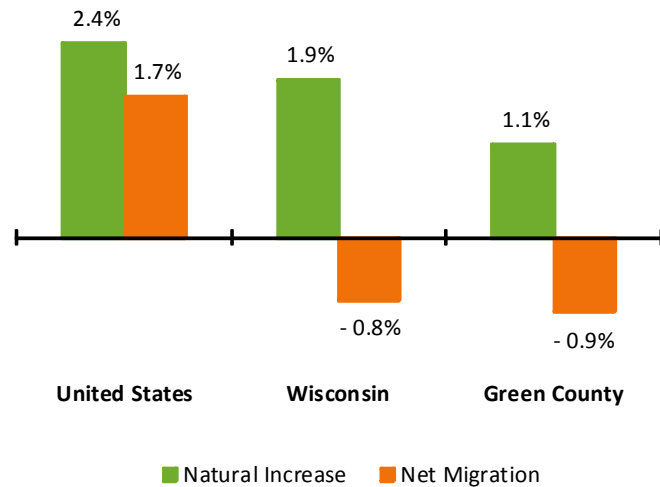
Population changes are made up of two components: natural and migration. Natural changes compare births and deaths. Migration looks at movement of people in and out of an area. In Green County, the decline in population is dictated by a negative net migration rate (-0.9 percent), placing a significant drag on the county's positive rate of natural increase (1.1 percent). Green County's natural increase was lower than the state's 1.9 percent and the nation's 2.4 percent.

The table above lists Green County's ten most populous municipalities as of January 2015. Green County's population is relatively concentrated in the City of Monroe, which accounts for more than 29 percent of the population, and is more evenly distributed across the rest of the top municipalities. The ten largest municipalities account for 71 percent of the county's population.

Most of the outmigration within Green County is taking place in the City and Town of Monroe. The City of Monroe lost an estimated 59 residents and the Town of Monroe lost 12. Green County's portion of the City of Brodhead, the Village of New Glarus, and the Town of Clarno also lost population.

The county's net population increase largely occurred outside the 10 largest communities in the county, as the net change in population within the top 10 municipalities was slightly negative (-6).

Components of Population Change



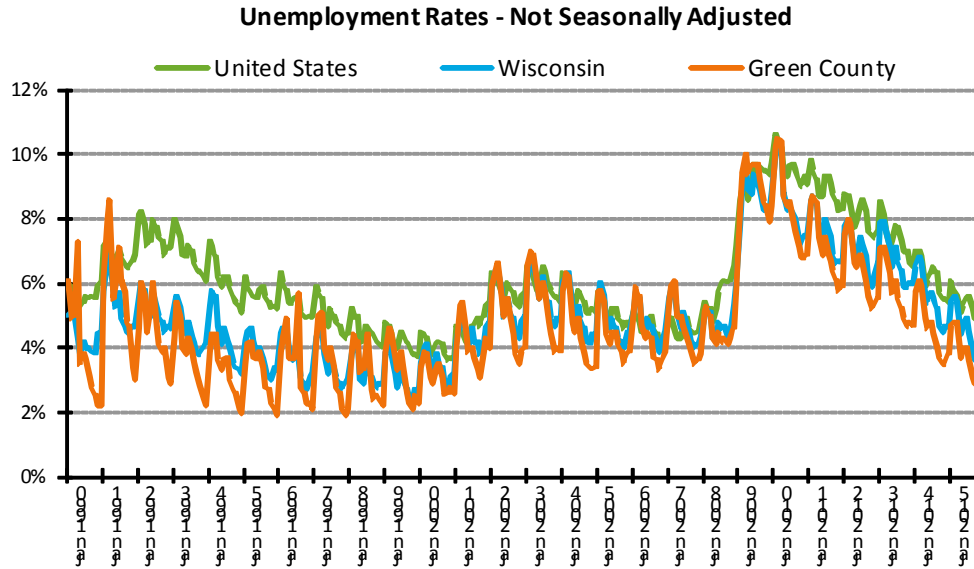
Source: Demographic Services Center, Wisconsin Department of Administration



Labor Force Dynamics

The chart to the right plots monthly rates of unemployment over the last 25 years.

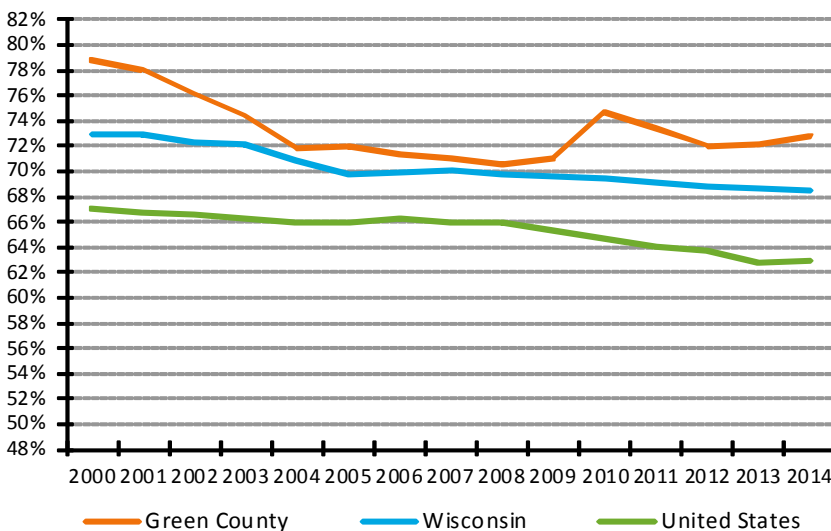
The first conclusion one might draw about the dynamics of unemployment in Green County compared to the state and nation is that unemployment in Green County (since 1990) has followed the state and national trends in general, although fluctuating more intensely in the 1990s. As in the state and the nation, the unemployment rate in Green County declined in the second half of the 1990s, reaching a historical low level towards the end of the decade.



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

The rate of unemployment climbed up again in the early 2000s recession, to levels that were, on average, lower for the nation and higher for the state, always relative to the previous recession. An important difference with the 1990s is that the recovery after the early 2000s recession was relatively weak in terms of job creation. As the chart shows, the employment recovery between 2003 and 2007 did not result in significant declines in unemployment rates. This is explained by a lower-than-typical rate of job creation in the early phase of the last employment upturn. The subsequent increase in job creation was interrupted by the Great Recession, which was characterized by a sizeable loss of jobs across regions, industrial sectors and demographic groups.

Labor Force Participation Rates



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

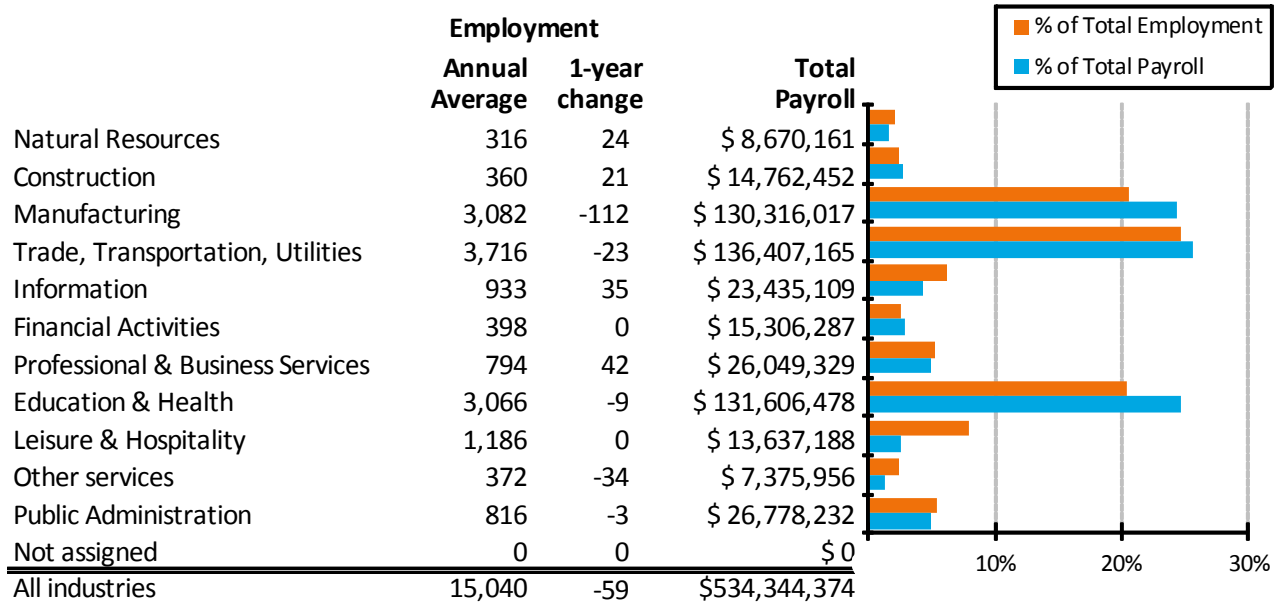
The labor force participation rate (LFPR) is the labor force (sum of employed and unemployed) divided by the population ages 16 and older. Green County's annual average LFPR stood at 72.8 percent in 2014, almost 10 percentage points above the national rate (62.9 percent) and more than 4 percentage points above the state rate (68.5 percent).

The chart to the left shows yearly rates of labor force participation over the last decade. Two conclusions are readily apparent, namely, (i) the persistently high LFPR of Green County and Wisconsin relative to the U.S. & (ii) the down-



Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in Green County



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

ward trend of Green County, state and national LFPR (even after taking into account the recent uptick in Green County's LFPR).

The largest industry sector in Green County is the trade, transportation and utilities sector, with an employment share of 24.7 percent, and an payroll share of 25.5 percent. Manufacturing is in second place, with an employment share of 20.5 percent and payroll share of 24.4 percent. Education and health comes in at a very close third place, with employment and payroll shares of 20.4 and 24.6 percent, respectively. The relationship between employment and payroll shares illustrates that wages are above the overall county average in these three sectors.

The table at the bottom reports average annual wages by sector in Green County and Wisconsin, including the county's share of annual wages by industry compared to the state. Green County's annual average wage was \$35,528 in 2014, 81 percent of the statewide average of \$43,856. Compared with statewide averages by industry, all sectors reported lower average annual wages.

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	Green County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 35,528	81.0%	3.5%
Natural Resources	\$ 36,156	\$ 27,437	75.9%	1.2%
Construction	\$ 55,317	\$ 41,007	74.1%	6.2%
Manufacturing	\$ 54,365	\$ 42,283	77.8%	0.3%
Trade, Transportation & Utilities	\$ 37,362	\$ 36,708	98.2%	11.7%
Information	\$ 62,482	\$ 25,118	40.2%	2.2%
Financial Activities	\$ 61,884	\$ 38,458	62.1%	4.6%
Professional & Business Services	\$ 52,386	\$ 32,808	62.6%	-2.8%
Education & Health	\$ 44,829	\$ 42,924	95.8%	0.9%
Leisure & Hospitality	\$ 16,055	\$ 11,498	71.6%	5.0%
Other Services	\$ 25,847	\$ 19,828	76.7%	3.5%
Public Administration	\$ 44,462	\$ 32,816	73.8%	3.1%

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

The highest-paying sector in 2014 was education and health, with an average annual wage of \$42,924. Green County's lowest-paying sector was leisure and hospitality with an annual average wage of \$11,498, 71.6 percent of the statewide average. Many jobs in this sector are part-time and/or seasonal.

Employment Projections

Southwest Workforce Development Area Industry Projections, 2012-2022

Grant, Green, Iowa, Lafayette, Richland and Rock Counties

Industry	2012	Projected	Change (2012-2022)	
	Employment	2022 Employment	Employment	Percent
All Industries	114,604	123,107	8,503	7%
Natural Resources	2,912	2,643	-269	-9%
Construction	3,896	4,662	766	20%
Manufacturing	17,514	17,836	322	2%
Trade, Transportation, and Utilities	28,944	30,009	1,065	4%
Information	2,326	2,341	15	1%
Financial Activities	3,445	3,698	253	7%
Professional and Business Services	7,317	8,975	1,658	23%
Education and Health Services	21,376	24,499	3,123	15%
Leisure and Hospitality	10,189	11,074	885	9%
Other Services	2,769	3,001	232	8%
Public Administration	7,698	8,101	403	5%
Self-Employed and Unpaid Family Workers	6,218	6,268	50	1%

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

In addition to looking at the current state of the economy in Green 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 Grant, Green, Iowa, Lafayette, Richland, and Rock. Together, these six counties form the Southwest 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 Current Population Survey (CPS) from the Census Bureau. 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 59.2 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 8,503 more jobs projected in 2022, a seven percent increase from 2012.

The share of total jobs by industry sector is projected to change little through 2022. The Trade, Transportation, & Utilities sector is projected to have the largest decline in share of jobs. From 2012 to 2022, the share of jobs in the Trade, Transportation, & Utilities sector is projected to decrease from 25.3 percent to 24.4 percent.

Readers should note that while net manufacturing employment is projected to increase by just over 300 jobs in the next ten years there will be many more opportunities for young workers in manufacturing because retirements in the sector are going to outpace 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 in sector share of jobs. Education & Health is also projected to have the largest numeric gain in jobs with 3,123 additional jobs by 2022. Most sectors are projected to gain net jobs by 2022 with just the Natural Resources sector expecting a slight contraction in total employment.

Employment Projections

Southwest Workforce Development Area Occupation Projections, 2012-2022

Grant, Green, Iowa, Lafayette, Richland and Rock Counties

Occupation Group	Employment				Average Annual Openings			Median Annual Wage
	2012	2022	Change (2012-2022)		Due to Growth	Due to Replacement	Total Openings	
All Occupations	114,604	123,107	8,503	7%	961	2,744	3,705	\$ 32,859
Management	5,342	5,690	348	7%	37	110	147	\$ 79,619
Business and Financial	3,470	3,731	261	8%	27	69	96	\$ 55,102
Computer and Mathematical	1,383	1,483	100	7%	11	22	33	\$ 59,977
Architecture and Engineering	1,408	1,548	140	10%	15	34	49	\$ 66,452
Life, Physical, and Social Science	805	821	16	2%	4	26	30	\$ 54,320
Community and Social Service	1,162	1,252	90	8%	9	28	37	\$ 45,776
Legal	360	421	61	17%	6	6	12	\$ 65,157
Education, Training, and Library	4,331	4,564	233	5%	25	97	122	\$ 42,239
Arts, Entertainment and Media	1,159	1,149	-10	-1%	4	28	32	\$ 38,926
Healthcare Practitioners	6,812	8,116	1,304	19%	131	141	272	\$ 60,530
Healthcare Support	3,282	3,850	568	17%	57	63	120	\$ 27,980
Protective Service	1,895	2,014	119	6%	12	58	70	\$ 40,456
Food Preparation and Serving	9,350	10,128	778	8%	78	343	421	\$ 18,402
Building & Grounds Maintenance	3,398	3,790	392	12%	41	70	111	\$ 24,182
Personal Care and Service	4,766	5,468	702	15%	72	84	156	\$ 20,941
Sales and Related	12,486	12,880	394	3%	52	388	440	\$ 22,854
Office and Administrative Support	18,514	19,087	573	3%	96	440	536	\$ 30,216
Farming, Fishing, and Forestry	628	523	-105	-17%	1	16	17	\$ 29,008
Construction and Extraction	4,091	4,754	663	16%	66	66	132	\$ 42,332
Installation, Maintenance, Repair	4,945	5,273	328	7%	37	116	153	\$ 40,524
Production	13,219	14,025	806	6%	103	275	378	\$ 31,604
Transportation & Material Moving	11,798	12,540	742	6%	77	264	341	\$ 29,394

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 18,514 jobs, 16 percent of total employment. Of the twenty-two occupation groups, the top five together accounted for 54.1 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, four of the top five groups, Office & Administrative Support; Transportation & Material Moving; Production; and Sales & Related, 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 5.9 percent to 6.6 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 1,304 jobs by 2022, a 19 percent gain. The Construction & Extraction group is projected to experience the second largest proportional gain in jobs with a numeric gain of 663.

The Production occupational group is projected to experience the second largest numerical gain in jobs with a projected addition of 806 jobs. The Farming, Fishing, and Forestry occupation group is projected to experience a decrease of 105 jobs by 2022, a 17 percent decline. All other occupation groups are projected to add jobs.

Personal Income

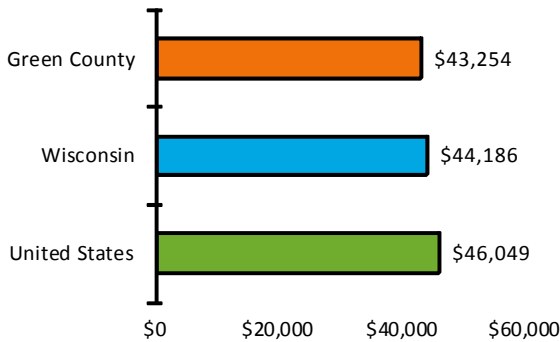
	2004 Nominal Per Capita Personal Income	2004 Per Capita Personal Income in 2014 dollars	2014 Per Capita Personal Income	Nominal Change in Per Capita Personal Income (2004 - 2014)	Inflation-adjusted Change in Per Capita Personal Income (2004 - 2014)
United States	\$34,316	\$41,709	\$46,049	34.2%	10.4%
Wisconsin	\$33,350	\$40,534	\$44,186	32.5%	9.0%
Green County	\$33,001	\$40,110	\$43,254	31.1%	7.8%

Source: Bureau of Economic Analysis

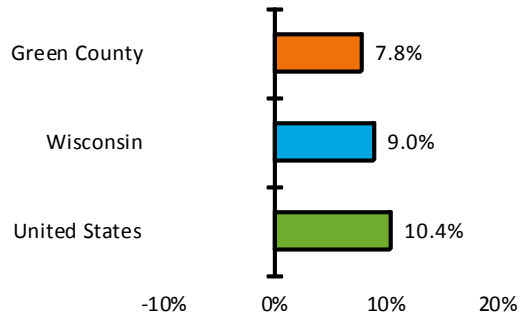
Total Personal Income (TPI) is the sum of three components, namely (i) employment earnings; (ii) property income (dividends, interest and rental income); and (iii) personal current transfers receipts (government payments like Social Security, Medicare, Medicaid and Unemployment Insurance).

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

This (PCPI) average income figure is often used as a measure of economic development and standard of living. In 2014, Green County's PCPI was \$43,254, somewhat lower than state's \$44,186 and the nation's \$46,049. Green County's PCPI ranked 17th in Wisconsin and had the largest PCPI of the Wisconsin's six-county Southwest Workforce Development Area (WDA).

Another relevant measure of personal income is its inflation-adjusted change over time. This is an important indicator of economic performance at the county level. In 2004-2014, inflation-adjusted growth of Green County's PCPI was 7.8 percent, slightly below the state's nine percent and moderately below the nation's 10.4 percent.

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