



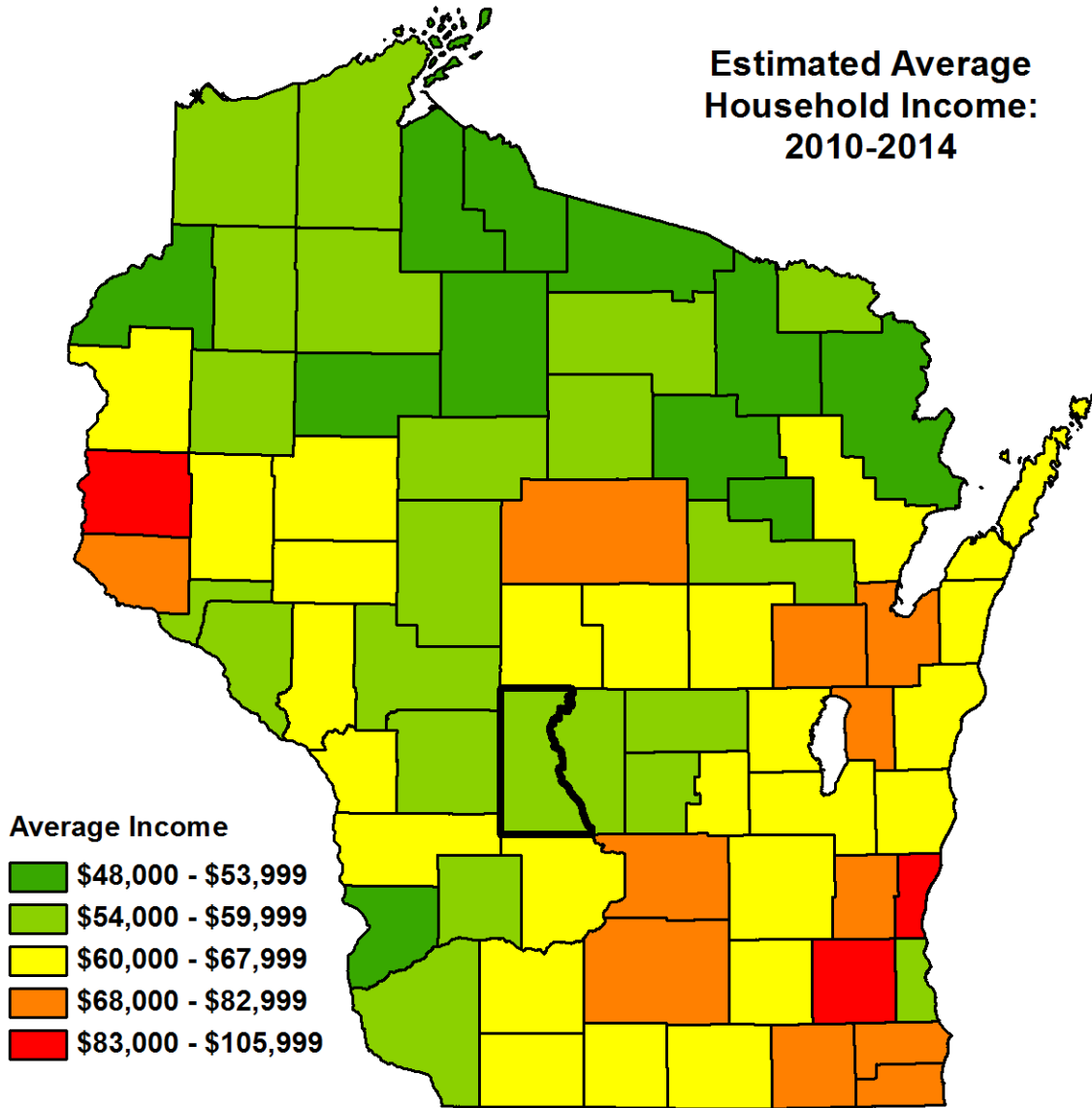
Juneau County

WORKFORCE & ECONOMIC 2015 PROFILE



2015 Juneau County Economic and Workforce Profile

Estimated Average Household Income:
2010-2014



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

2015 Juneau 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.

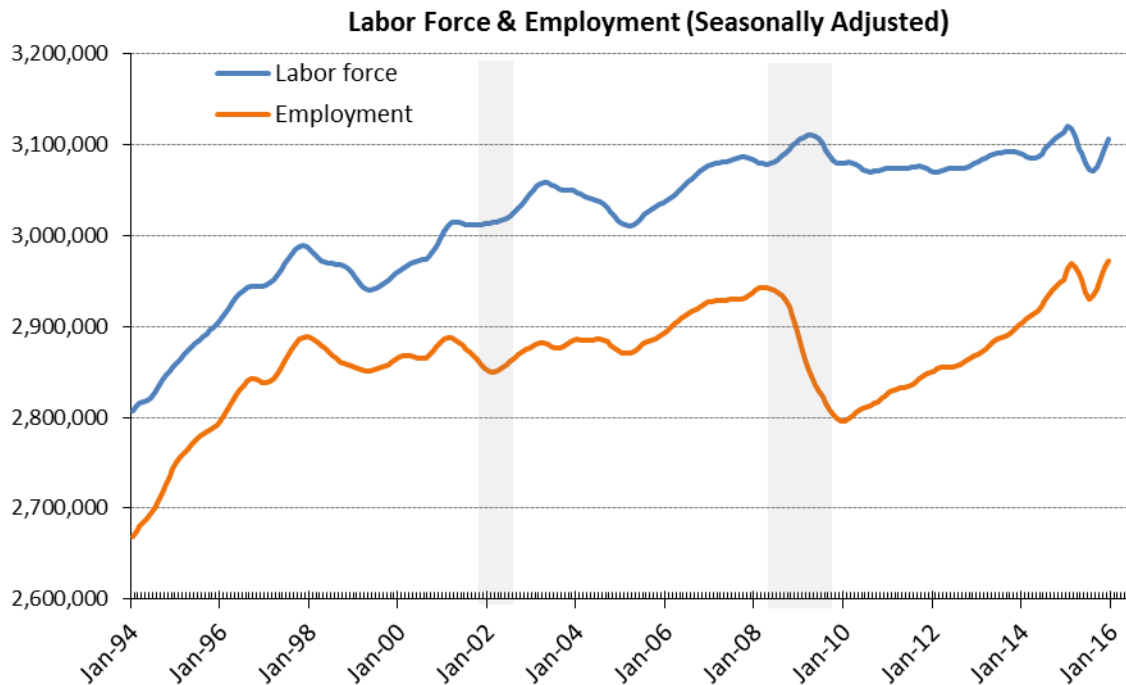
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency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

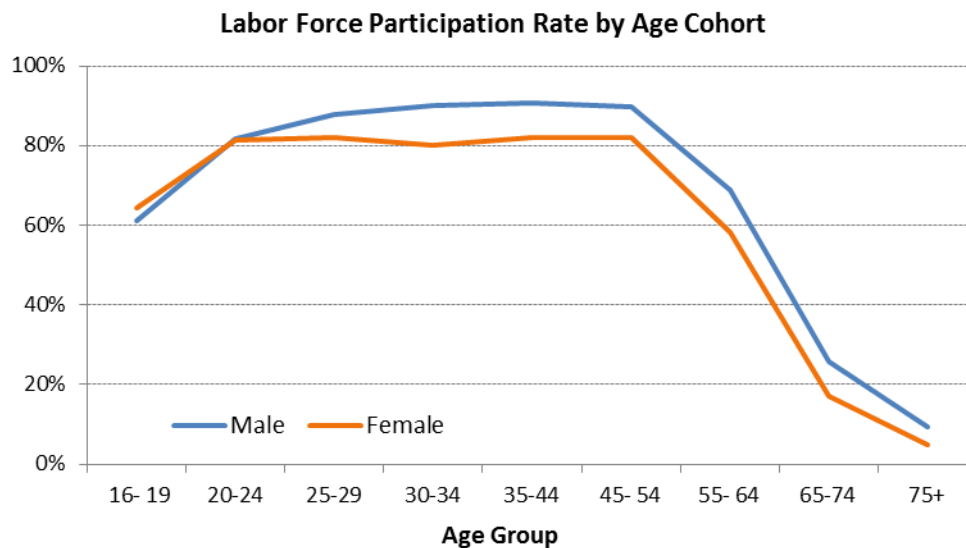
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance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

Juneau 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%
Juneau County	26,664	26,987	323	1.2%
Mauston, City	4,423	4,499	76	1.7%
New Lisbon, City	2,554	2,553	-1	0.0%
Necedah, Town	2,327	2,377	50	2.1%
Lemonweir, Town	1,743	1,759	16	0.9%
Germantown, Town	1,471	1,602	131	8.9%
Elroy, City	1,442	1,399	-43	-3.0%
Lyndon, Town	1,384	1,398	14	1.0%
Necedah, Village	916	919	3	0.3%
Lisbon, Town	912	916	4	0.4%
Wonewoc, Village	816	809	-7	-0.9%

Source: Demographic Services Center, Wisconsin Department of Administration

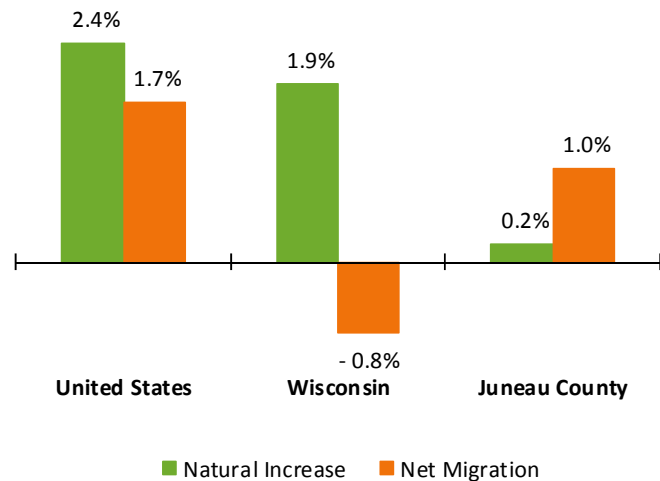
Juneau County added a net total of 323 residents during the almost five year period ending January 1, 2015. The growth rate of 1.2 percent matched the statewide growth rate but fell well short of the 4.1 national population growth rate during the same time period. Juneau County's population grew at the 20th fastest rate in Wisconsin. The total county population ranks as the 47th largest in the state.

The table on the top of the page shows the population and population change of Juneau County's ten most populous counties. Mauston, the Juneau County seat, remained the most populous municipality and grew at one-and-one-half times the county's overall growth rate. The Town of Germantown experienced the fastest growth rate and gained 131 new faces over the five-year time period.

Population changes are made up of two components: natural increase and net migration. Natural changes compare births and deaths. Migration looks at movement of people in and out of an area. Natural growth is generally stable over time while migration patterns can change quickly with economic factors.

Juneau County's population growth was almost entirely due to a positive net in-migration. Juneau's increase due to natural growth was nominal. The chart to the right shows that the county's components of population change were much different than the state and the nation. Nationally growth was more balanced between the two components of change whereas on a statewide basis all the net population change came to the state naturally. Low (or negative) natural growth typically indicates an older population and indeed the high migration rate

Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration



Labor Force Dynamics

is an indication that Juneau County continues to be an attractive destination for retiring individuals. As of June 2014, 19 percent of county residents were over the age of 65 compared to 15.2 and 14.5 percent for the state and nation respectfully.

Two detention facilities were built and populated during the first decade of the 21st Century in Juneau County. New Lisbon Correctional Institution (NLCI) opened on April 5, 2004. The Wisconsin Department of Health Services (DHS) Sand Ridge Secure Treatment Center was opened in Mauston in 2001.

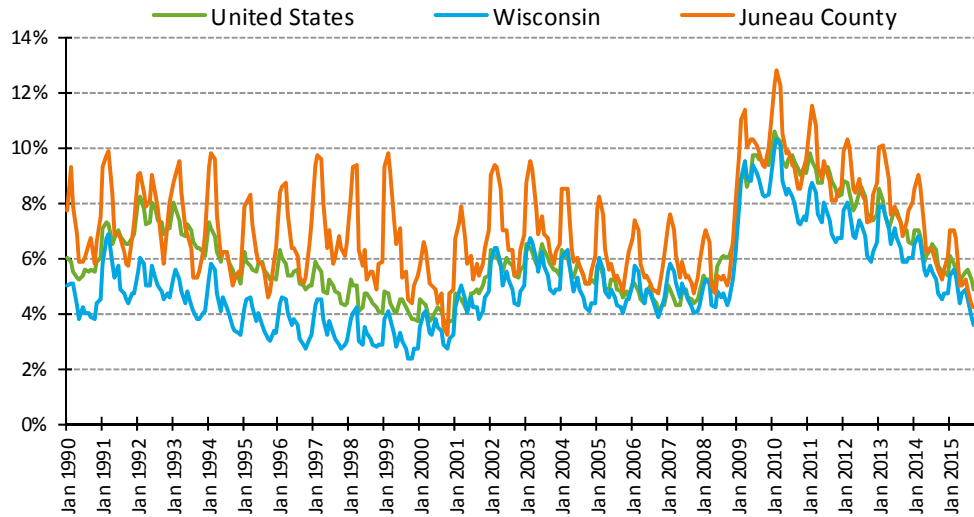
Note that both the inmates detained at NLCI and the patients housed at Sand Ridge are counted in the general population figure of 26,987 for the county but not included in the computation of the county's unemployment rate (above right) or the county's labor force participation rate (LFPR) - below left.

The unemployment rate in Juneau County has historically been higher than the statewide rate, but the gap seems to be closing. The county's unemployment rate is substantially more seasonal than the state as a whole, which is indicative of Juneau County's employment mix: employment in Juneau is even more heavily influenced

by hospitality, tourism, agriculture, and seasonally based manufacturing than the state as a whole.

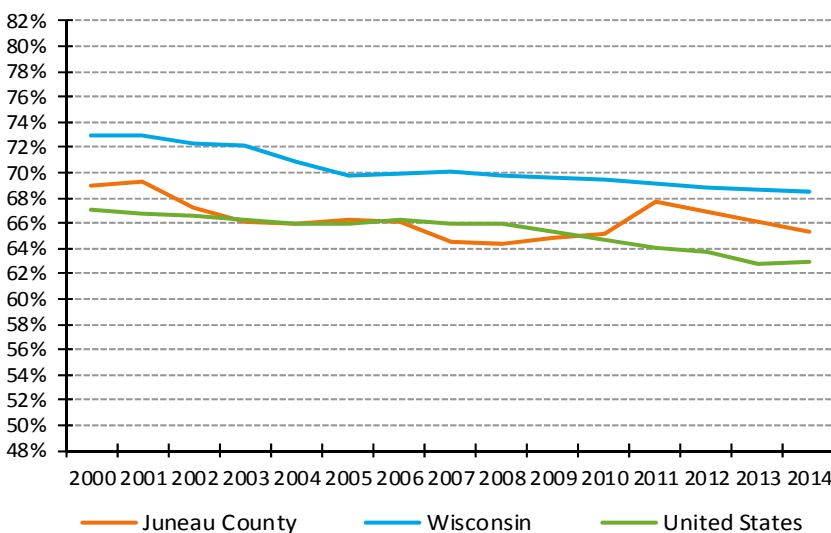
The LFPR, depicted at left, is typically used to measure the engaged portion of an economy's labor force. The LFPR denotes the number of people who are either working or are actively looking for employment. The number of people who are no longer actively looking for work are not included in the participation rate. Juneau County's LFPR was 65.3 percent in 2014; a rate lower than the state rate of 68.5 percent but above national rate of 62.9 percent. The LFPR can reflect both economic and demographic changes.

Unemployment Rates - Not Seasonally Adjusted



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Labor Force Participation Rates

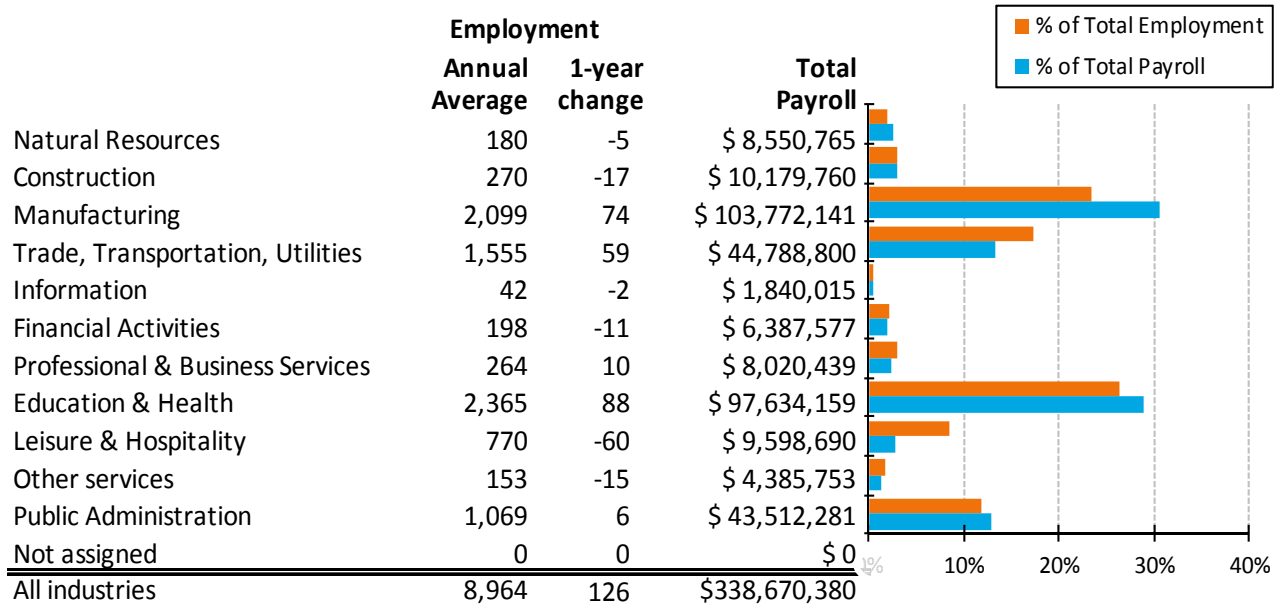


Source: Current Population Survey, U.S. Department of Commerce, Census Bureau



Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in Juneau County



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

The average wage in 2014 for all workers in Juneau County, \$37,781, increased 4.1 percent from the 2013 average of \$36,307. While Juneau's annual wage rate of increase surpassed the statewide rate of change in 2014, wages paid in Juneau in 2014 were still only 86.1 percent of the statewide average. That being said, Juneau's wages have been increasing at a faster annual pace than the state for a number of years now as evidenced by the fact that in 2004, Juneau's wages were just 81 percent of the statewide average.

The upper graph emphasizes that despite recent shifts in the manufacturing sector, it is still a significant part of Juneau County's economy. As of 2014, manufacturing jobs comprise 23.4 percent of all jobs in the county, a close second to the education and health services category, which comprises 28.8 percent of the total jobs in the county. In addition, manufacturing employers account for 30.6 percent of the total payroll in Juneau County, the highest share of any industry grouping in the county. The annual average wage can depend upon many factors such as location, seasonal activity, presence of workers under bargaining agreements, and more. But the most crucial overall component is an industry's occupational composition. Some industries employ higher than average shares of skilled/educated workers typically pay salaries on the higher end of the scale. Other industries employ more entry-level, part-time or seasonal workers. Leisure and hospitality employment represents 8.6 percent of Juneau County's employment, yet it pays a disproportionately low 2.8 percent of the county's total annual wages; evidence of its seasonal and part-time occupational employment characteristics.

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	Juneau County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 37,781	86.1%	4.1%
Natural Resources	\$ 36,156	\$ 47,504	131.4%	-2.7%
Construction	\$ 55,317	\$ 37,703	68.2%	2.7%
Manufacturing	\$ 54,365	\$ 49,439	90.9%	6.6%
Trade, Transportation & Utilities	\$ 37,362	\$ 28,803	77.1%	4.7%
Information	\$ 62,482	\$ 43,810	70.1%	9.8%
Financial Activities	\$ 61,884	\$ 32,260	52.1%	1.0%
Professional & Business Services	\$ 52,386	\$ 30,380	58.0%	-3.1%
Education & Health	\$ 44,829	\$ 41,283	92.1%	0.8%
Leisure & Hospitality	\$ 16,055	\$ 12,466	77.6%	-0.3%
Other Services	\$ 25,847	\$ 28,665	110.9%	11.2%
Public Administration	\$ 44,462	\$ 40,704	91.5%	3.3%

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

But the most crucial overall component is an industry's occupational composition. Some industries employ higher than average shares of skilled/educated workers typically pay salaries on the higher end of the scale. Other industries employ more entry-level, part-time or seasonal workers. Leisure and hospitality employment represents 8.6 percent of Juneau County's employment, yet it pays a disproportionately low 2.8 percent of the county's total annual wages; evidence of its seasonal and part-time occupational employment characteristics.

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 Juneau 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 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 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 not that while manufacturing employment as a whole will decline there will be many an opportunity 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. Furthermore, the Education & Health Services sector is projected to have the largest numeric gain in jobs with 4,064 additional jobs in 2022, a 14 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, 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 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

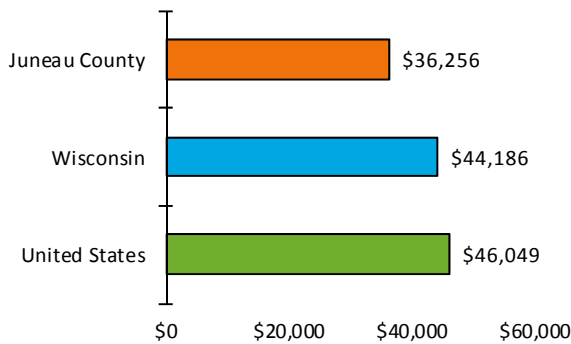
	2004 Nominal Per Capita Personal Income	2004 Per Capita Personal Income in 2014 dollars	2014 Per Capita Personal Income	Nominal Change in Per Capita Personal Income (2004 - 2014)	Inflation-adjusted Change in Per Capita Personal Income (2004 - 2014)
United States	\$34,316	\$41,709	\$46,049	34.2%	10.4%
Wisconsin	\$33,350	\$40,534	\$44,186	32.5%	9.0%
Juneau County	\$25,578	\$31,088	\$36,256	41.7%	16.6%

Source: Bureau of Economic Analysis

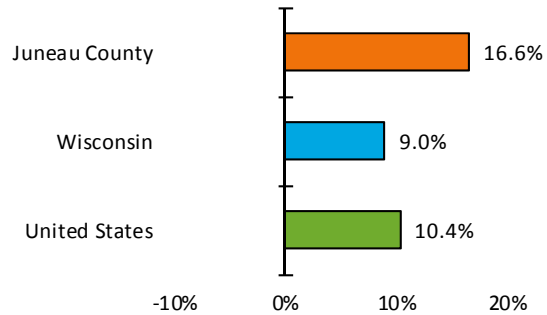
Total Personal Income (TPI) is the sum of three components, namely (i) employment earnings; (ii) property income (dividends, interest and rental income); and (iii) personal current transfers receipts (government payments like social security, Medicare, Medicaid and unemployment insurance).

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

Those 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 Juneau County residents, but not wages of those that travel from another county to work for employers located in Juneau County. Second, PCPI includes multiple sources of income, not just wages.

At \$36,256 PCPI in Juneau County was lower than both the state and national average, and it ranked 63rd among Wisconsin's 72 counties. This relatively low ranking is somewhat misleading for a couple of reasons. The county's below average PCPI is related to the presence of correctional facility and a secure detention center in the county. Because prisoners and patients are counted in the total population, they increase the denominator of the PCPI equation, but not the numerator since they do not receive income.

While Juneau County's PCPI is still below the aforementioned averages, it's rate of growth, both before and after adjusting for inflation, is much more robust than at the state or national level.

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