



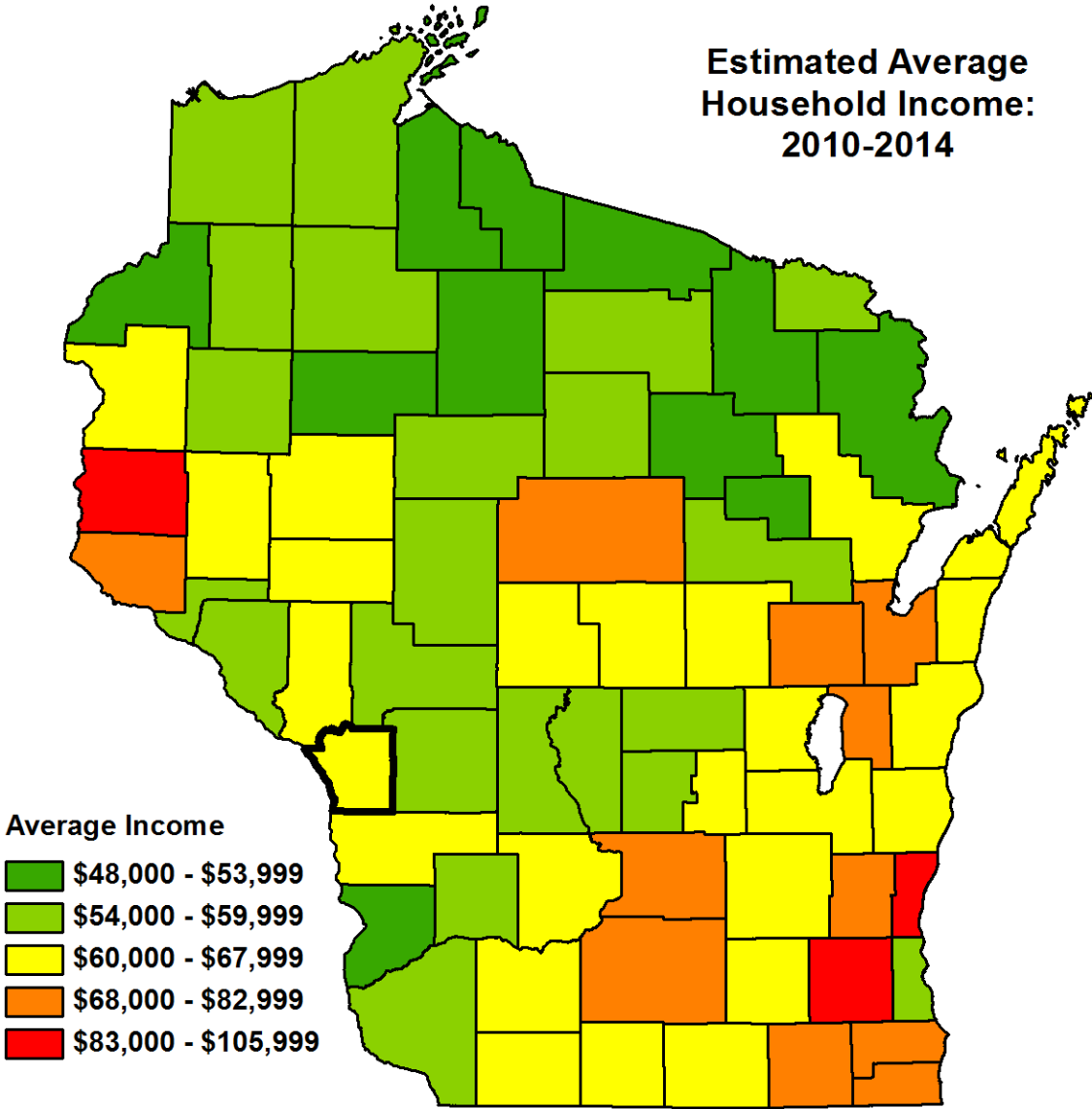
La Crosse County

WORKFORCE & ECONOMIC 2015 PROFILE



2015 La Crosse 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 La Crosse 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.

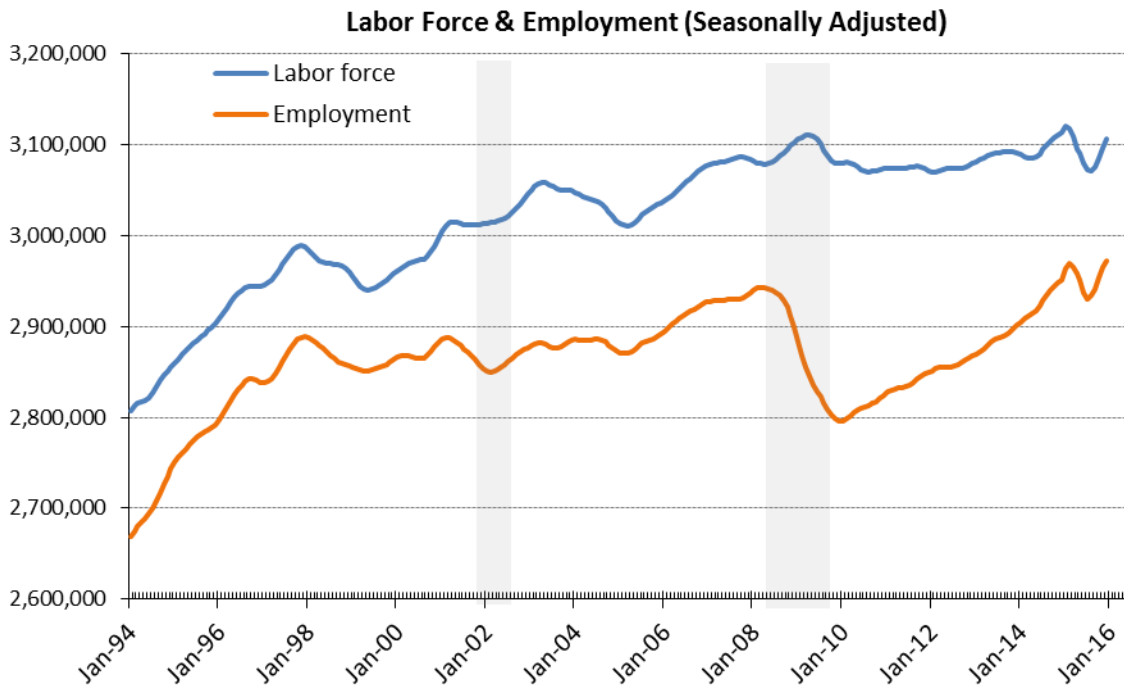
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency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

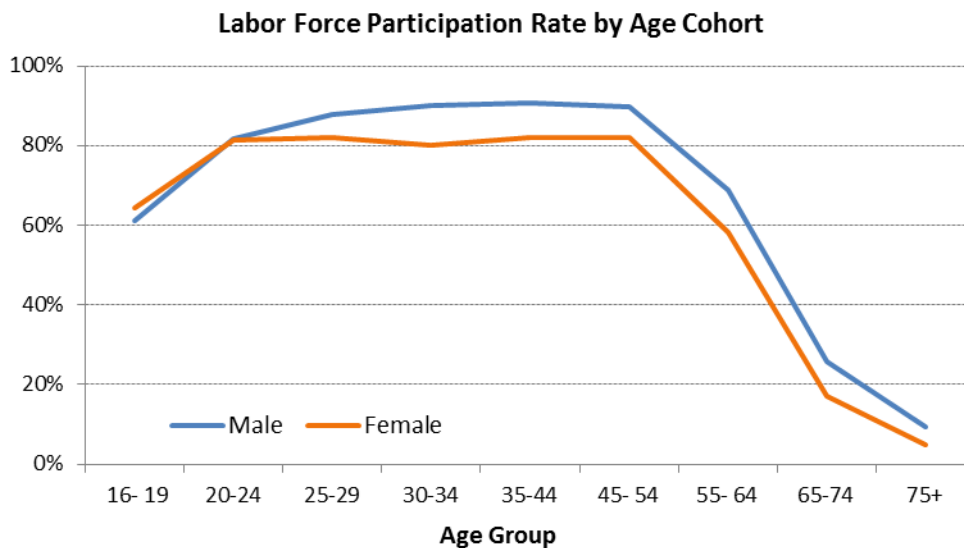
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance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

La Crosse 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%
La Crosse County	114,638	117,054	2,416	2.1%
La Crosse, City	51,320	51,992	672	1.3%
Onalaska, City	17,736	18,259	523	2.9%
Holmen, Village	9,005	9,502	497	5.5%
Onalaska, Town	5,623	5,722	99	1.8%
West Salem, Village	4,799	4,960	161	3.4%
Shelby, Town	4,715	4,722	7	0.1%
Campbell, Town	4,314	4,344	30	0.7%
Holland, Town	3,701	3,938	237	6.4%
Hamilton, Town	2,436	2,463	27	1.1%
Greenfield, Town	2,060	2,112	52	2.5%

Source: Demographic Services Center, Wisconsin Department of Administration

The population in La Crosse County totaled 117,054 on January 1, 2015 after posting an increase since Census 2010 of 2,416 new residents. The 2.1 percent increase from 2010 ranked 7th highest among the state's 72 counties, bested the state growth rate but was behind the national population growth rate during the same time period.

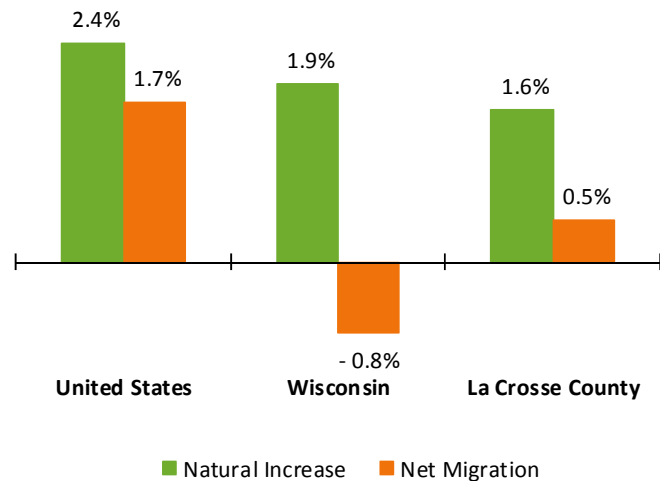
The county's largest municipality, the City of La Crosse, accounted for roughly 28 percent of the county's population increase since Census 2010. Numerically however, two municipalities accounted for almost half of the population increase since 2010: the City of Onalaska and the Village of Holman. The Village of Holman, with an increase in population of 5.5 percent, was also the fastest growing municipality in the county.

Since development is hampered to the east by bluffs and to the west by the Mississippi River, growth is spreading northward from the City of La Crosse. Even southward growth is hampered by water and hills.

Population growth and local demographics, such as age, are key metrics in terms of economic and workforce planning and development. Growth trends affect the viability of an area while changing age demographics impact the goods and services consumed by a community, therefore influencing work-demand.

About 78 percent of the 2,416 person increase in La Crosse County's population came from net natural increase, or more births than deaths. La Crosse's rate of natural increase during the time period fell

Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration



Labor Force Dynamics

just shy of the state natural rate of increase.

The graph at the right presents the monthly unemployment rates for La Crosse County, the state, and the nation from 1990 to 2015. Several notable conclusions can be drawn from an analysis of this data.

The first assumption that readers can deduce from this data is that there is a certain degree of seasonality in the county's employment dynamics. Unemployment in many of the state's counties tends to be significantly higher during the first several months of the year for a number of reasons, most notably inactivity among a number of weather-dependent industries.

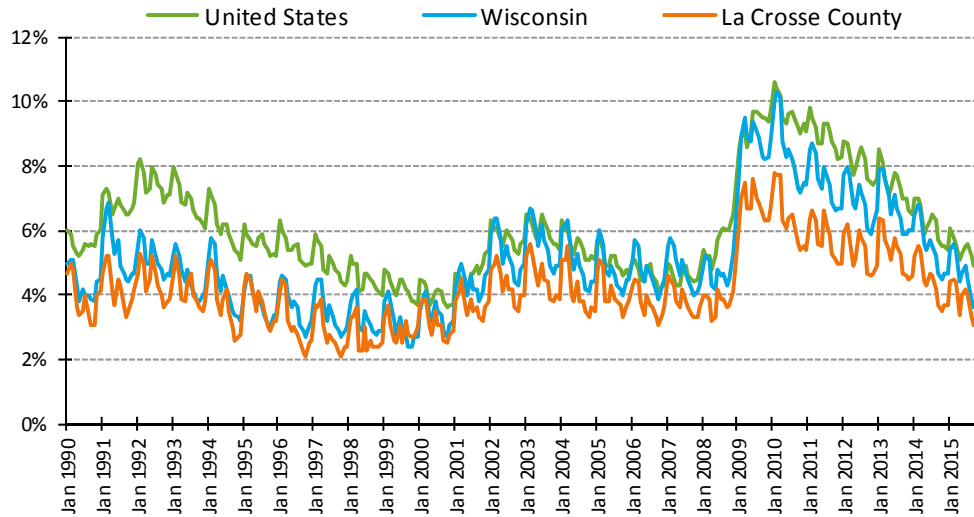
When examining the county's employment dynamics over the entire time period, we see that the county has generally fared better than the state and nation by posting relatively lower unemployment rates. The gap between the county and state's unemployment rate narrowed significantly following the recession of 2001-2003. This pattern remained during the recovery period that followed but after the "Great Recession" hit and the current recovery started, La Crosse County recovered more quickly than the state or national economy. This was

largely due to a more diversified industrial mix and the presence of a strong, diversified health services industry.

The graph at the left depicts the labor force participation rate (LFPR) for La Crosse County, Wisconsin, and the nation over the last 14 years. The participation rate denotes the portion of people who are either working or are actively looking for employment.

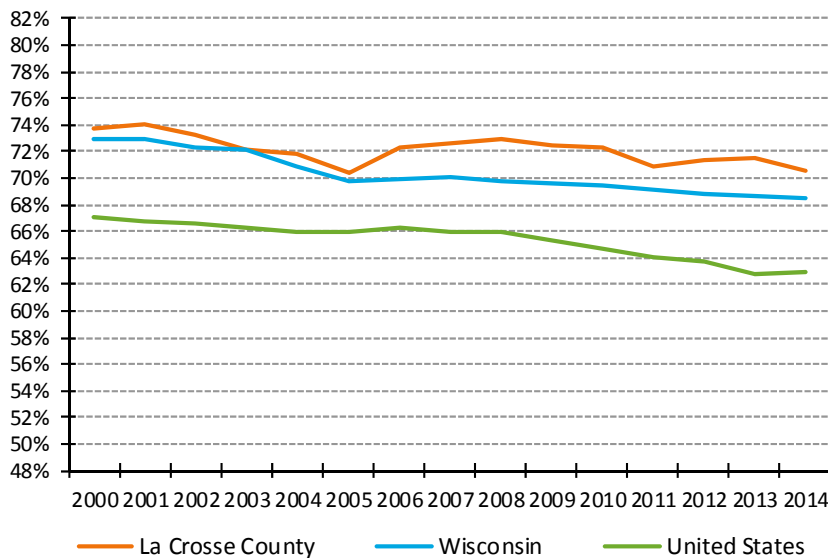
This graph shows some downward trending in the LFPR for the county, state, and moreover the nation. It is tempting to attribute this trend principally to economic forces, as 2000 marked the end of an unprecedented expansionary period and 2008 the start of the "Great Reces-

Unemployment Rates - Not Seasonally Adjusted



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Labor Force Participation Rates

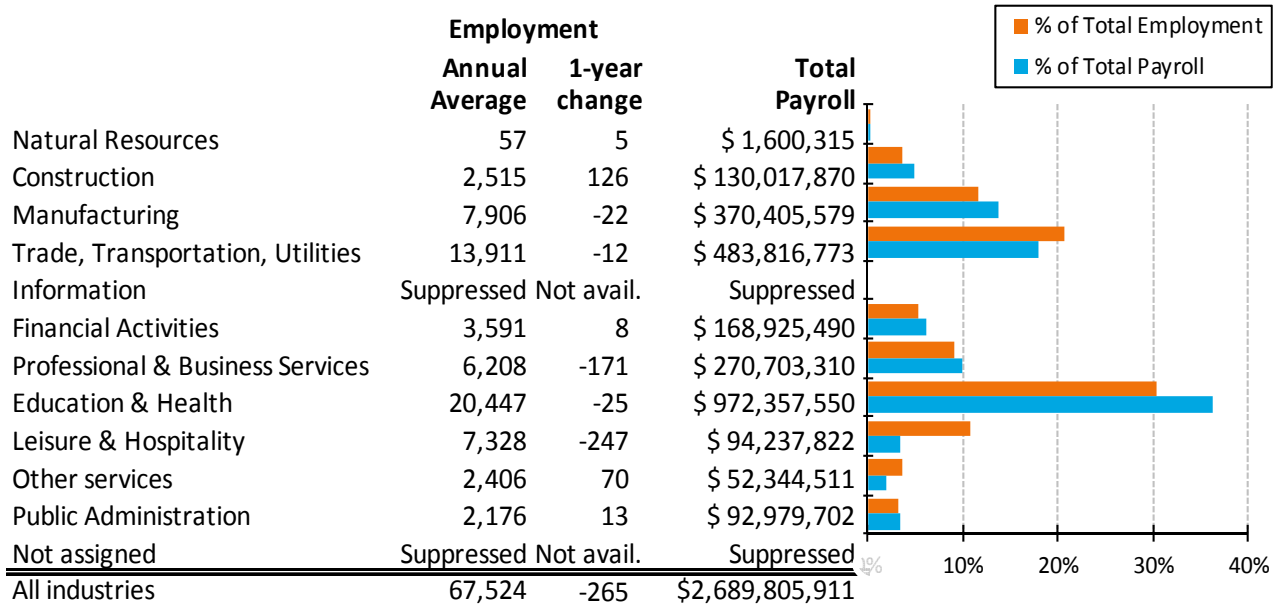


Source: Current Population Survey, U.S. Department of Commerce, Census Bureau



Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in La Crosse County



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

sion." 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 for all workers in La Crosse County, \$39,835, increased 4.2 percent from the 2013 average of \$38,216. The statewide average wage rose 2.5 percent in 2014 to \$43,856. The average wage paid to La Crosse workers is roughly 11 percent lower than the statewide overall average. The county's overall wages are higher than the statewide average in only one industry sector: education and health care.

Education and health services is La Crosse County's largest employing sector (see table at the top of the page), contributing more to the county's total wages than the county's total employment. The second-largest employ- ing sector - trade, transportation and utilities - employs fewer workers than education and health services, and its

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	La Crosse County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 39,835	90.8%	4.2%
Natural Resources	\$ 36,156	\$ 28,076	77.7%	1.2%
Construction	\$ 55,317	\$ 51,697	93.5%	4.5%
Manufacturing	\$ 54,365	\$ 46,851	86.2%	2.6%
Trade, Transportation & Utilities	\$ 37,362	\$ 34,779	93.1%	7.0%
Information	\$ 62,482	suppressed	Not avail.	Not avail.
Financial Activities	\$ 61,884	\$ 47,041	76.0%	2.8%
Professional & Business Services	\$ 52,386	\$ 43,606	83.2%	5.4%
Education & Health	\$ 44,829	\$ 47,555	106.1%	2.8%
Leisure & Hospitality	\$ 16,055	\$ 12,860	80.1%	5.8%
Other Services	\$ 25,847	\$ 21,756	84.2%	3.1%
Public Administration	\$ 44,462	\$ 42,730	96.1%	3.9%

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

share of total payroll is lower than its share of total employment. Manufacturing, the third-largest employing sector, pays a larger proportion of the county's total wages than it employs. The average wages that an industry sector pays can depend upon many factors such as its geographic location, seasonal activity, and presence of collective bargaining agreements, etc. But the most crucial wage structure component is an industry's occupational composition.

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 La Crosse 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, an 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

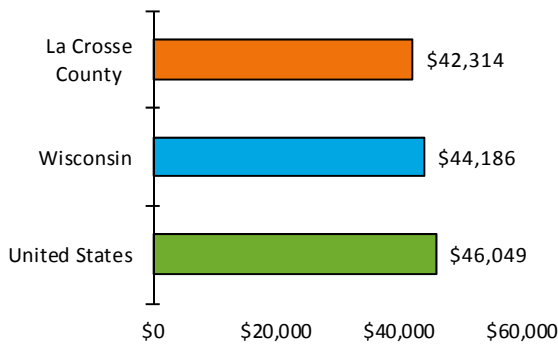
	2004 Nominal Per Capita Personal Income	2004 Per Capita Personal Income in 2014 dollars	2014 Per Capita Personal Income	Nominal Change in Per Capita Personal Income (2004 - 2014)	Inflation-adjusted Change in Per Capita Personal Income (2004 - 2014)
United States	\$34,316	\$41,709	\$46,049	34.2%	10.4%
Wisconsin	\$33,350	\$40,534	\$44,186	32.5%	9.0%
La Crosse County	\$30,861	\$37,509	\$42,314	37.1%	12.8%

Source: Bureau of Economic Analysis

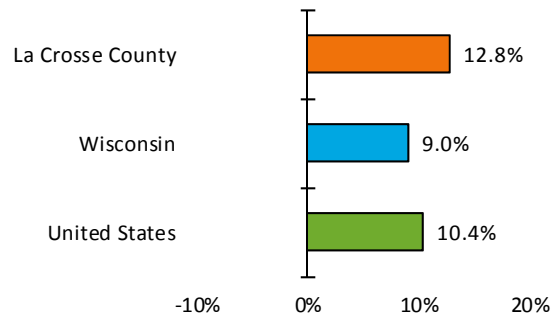
Total Personal Income (TPI) is the sum of three components, namely (i) employment earnings; (ii) property income (dividends, interest and rental income); and (iii) personal current transfers receipts (government payments like Social Security, Medicare, Medicaid and Unemployment Insurance).

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

The PCPI figures displayed in the tables above differs from the annual average wage discussed on Page 5 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 La Crosse County residents, but not wages of those who travel from another county to work for employers located in La Crosse County. Second, PCPI includes multiple sources of income, not just wages.

At \$42,314, PCPI in La Crosse County was lower than both the state and national average. County PCPI ranked 24th among Wisconsin's 72 counties, lower than most other counties with cities the size of La Crosse or larger. Below-average industry wages play a role in La Crosse's low PCPI since earnings makes up a large proportion of personal income. However, the presence of the University of Wisconsin-La Crosse, Viterbo University, and Western Wisconsin Technical college make the PCPI comparison somewhat deceiving for La Crosse County. While students add a noticeable number of residents to the county's population, they add little to the county's 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>