



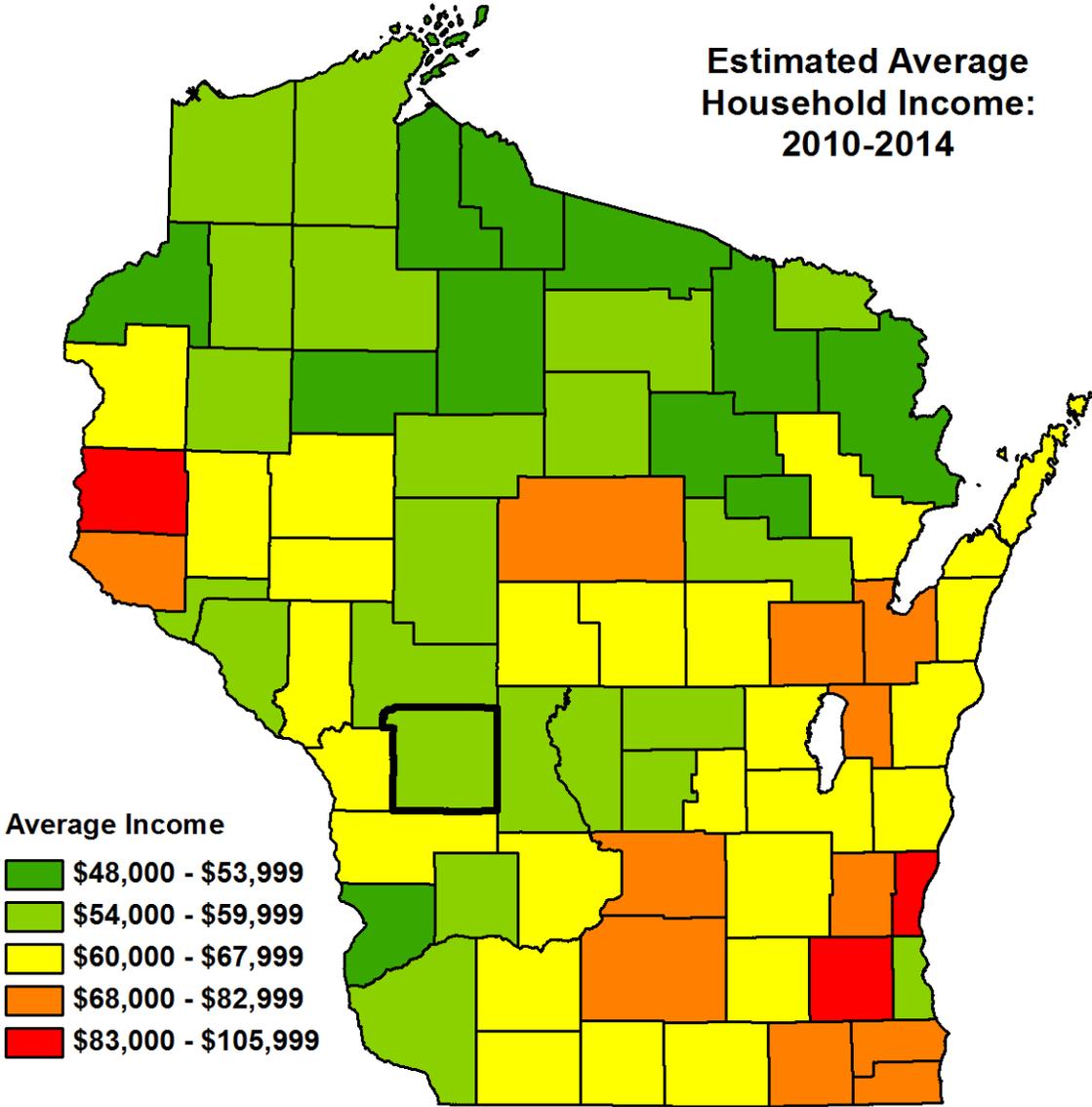
# Monroe County

## WORKFORCE & ECONOMIC 2015 PROFILE



# 2015 Monroe 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 Monroe 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.

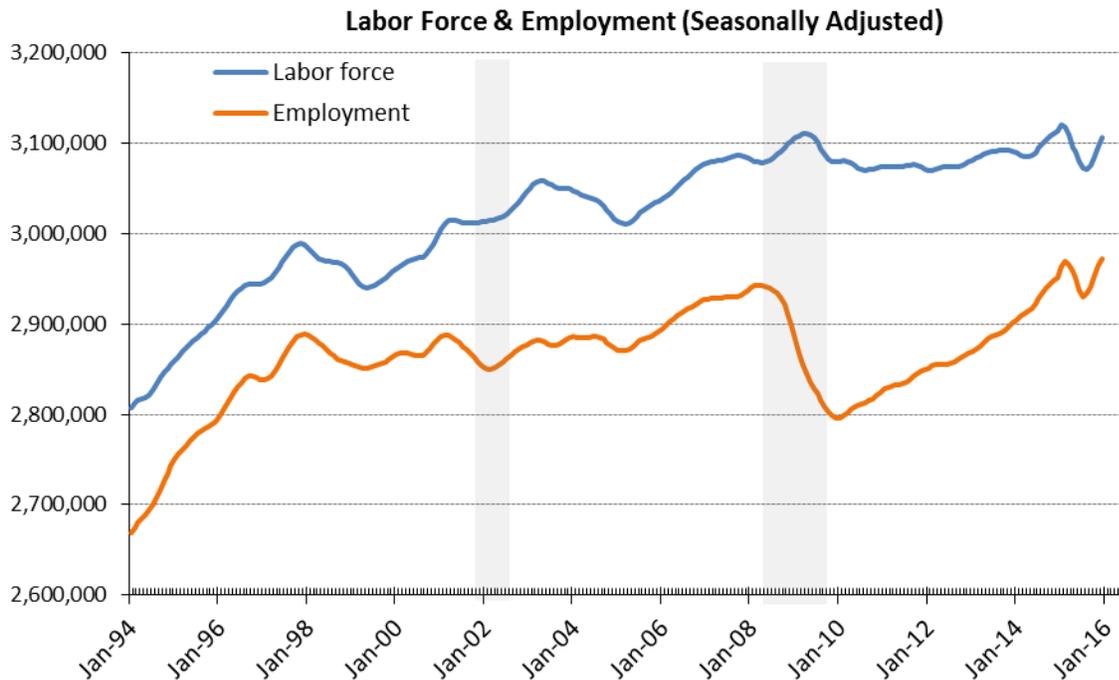
So what is it, six years after the recession ended, that is holding the national economy back from even stronger growth? A variety of factors are having an impact, such as: flat real wages, lack of business investment, focus of business investment, slower global economic growth, a stronger U.S. currency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

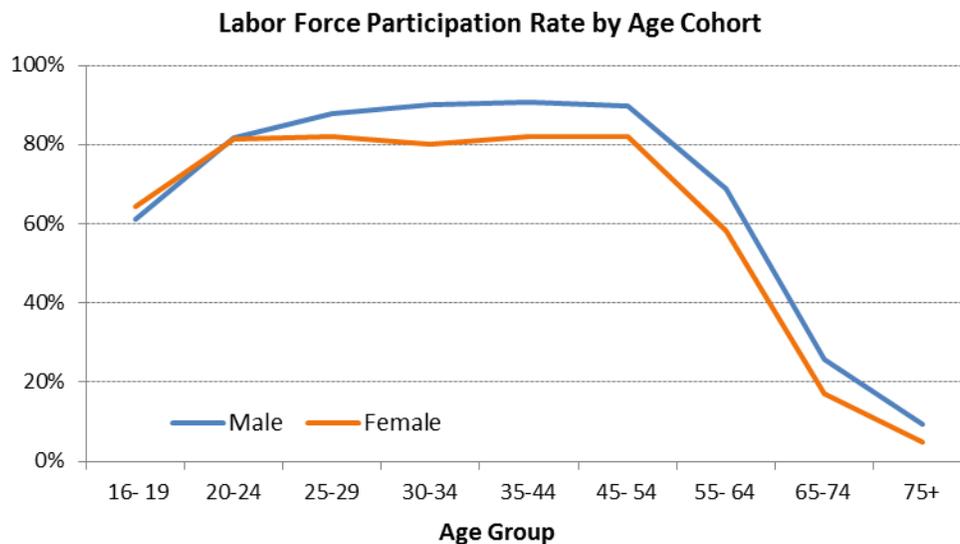
Businesses will be competing not only with each other for workers with similar skills, but also with entities of other disciplines. For example, one company may try to recruit a math teacher to become a computer programmer. Then the school will have to find another math teacher from, say, an insurance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

### Monroe County's 10 Most Populous Municipalities

	April 2010 Census	January 2015 Estimate	Numeric Change	Proportional Change
<b>United States</b>	308,745,538	321,418,820	12,673,282	4.1%
<b>Wisconsin</b>	5,686,986	5,753,324	66,338	1.2%
<b>Monroe County</b>	44,673	45,494	821	1.8%
Sparta, City	9,522	9,741	219	2.3%
Tomah, City	9,093	9,221	128	1.4%
Sparta, Town	3,128	3,180	52	1.7%
La Grange, Town	2,007	2,011	4	0.2%
Little Falls, Town	1,523	1,571	48	3.2%
Tomah, Town	1,400	1,433	33	2.4%
Byron, Town	1,342	1,358	16	1.2%
Angelo, Town	1,296	1,311	15	1.2%
Leon, Town	1,086	1,134	48	4.4%
Cashton, Village	1,102	1,094	-8	-0.7%

Source: Demographic Services Center, Wisconsin Department of Administration

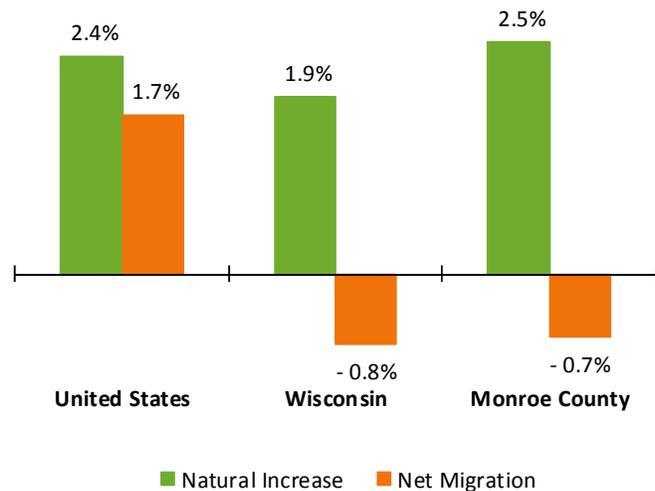
In the last five years, Monroe County's population has grown faster than the state's. Monroe's population increased 1.8 percent with the addition of 821 residents and ranked as the sixth fastest growing among the state's 72 counties. Nine of the county's ten largest municipality's added residents and four of ten grew faster than the overall growth rate for the county. These ten largest municipalities together added 555 residents, accounting for 68 percent of the total growth in the county.

As is the case in most counties that share a border with a metropolitan statistical area, the fastest population growth occurs along that shared border. The municipalities of Leon and Little Falls are located near this shared border and are indeed are two of the fastest growing municipalities in the county. This type of growth is often attributed to the desire to live in a scenic area with an abundance of recreational opportunities, while still remaining relatively close to the amenities or job opportunities found in a population center.

However, the largest numerical increases occurred in the Cities of Sparta and Tomah. The continuing activity in and around Fort McCoy, as well as the provision of goods and services to those stationed there, are the principle reasons for solid population increases in these two cities. The military post attracts and retains various population groups including younger families. It is the only US Army installation in the State of Wisconsin; a 60,000 acre four season training and support center.

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. Natural

Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration



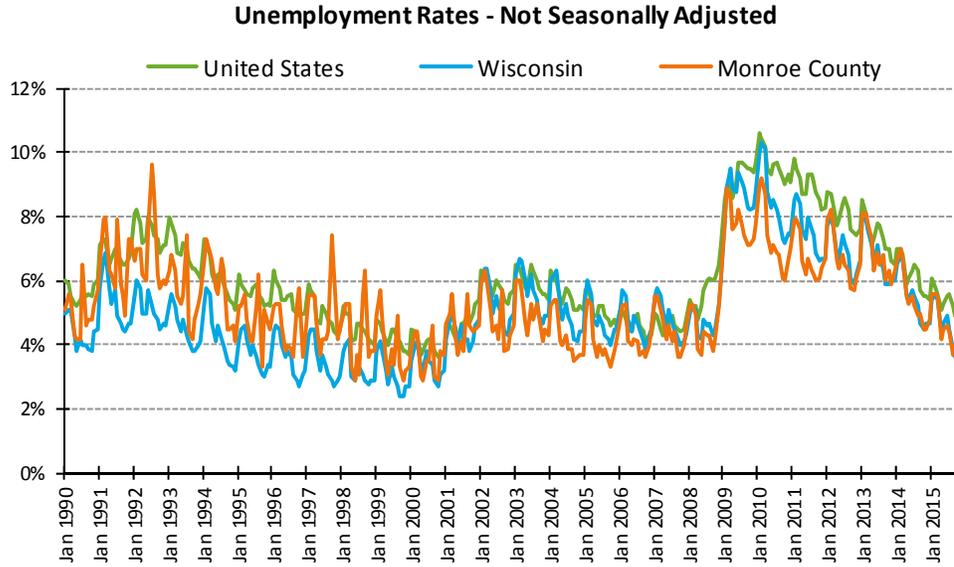
### Labor Force Dynamics

growth is generally stable over time while migration patterns can change quickly with economic factors. Monroe County's population increase was due to a net natural increase and suffered a loss in population due to migration factors.

The graph to the right outlines Monroe County's monthly unemployment rate over the last 20 years comparing it to the state and nation.

The graph provides insight on two elements

- 1) labor market seasonality and 2) long term unemployment trends.



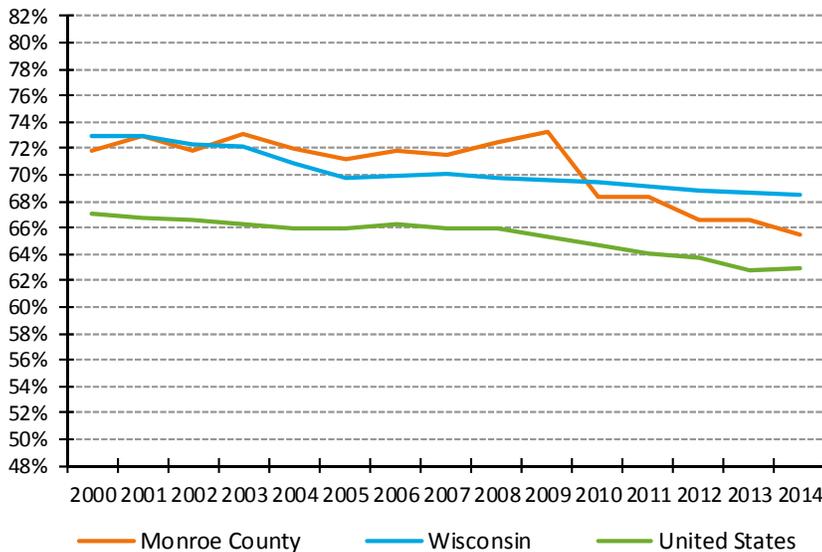
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Throughout the 1990's, Monroe County reported higher unemployment rates than the State of Wisconsin. At times during that decade, rates were even higher than national averages.

However, readers will notice a difference pattern taking shape at the start of the new millennium where Monroe County rates, by in large, fell into line with state and national rates. Then with the beginning of the nation's War on Terror, Monroe County's unemployment rates fell below corresponding state and national rates. A multitude of military preparation involving both civilians and military staff increased activity in the county.

With the influx of troops came discretionary incomes spent to a greater extent than before in and around Monroe County.

### Labor Force Participation Rates



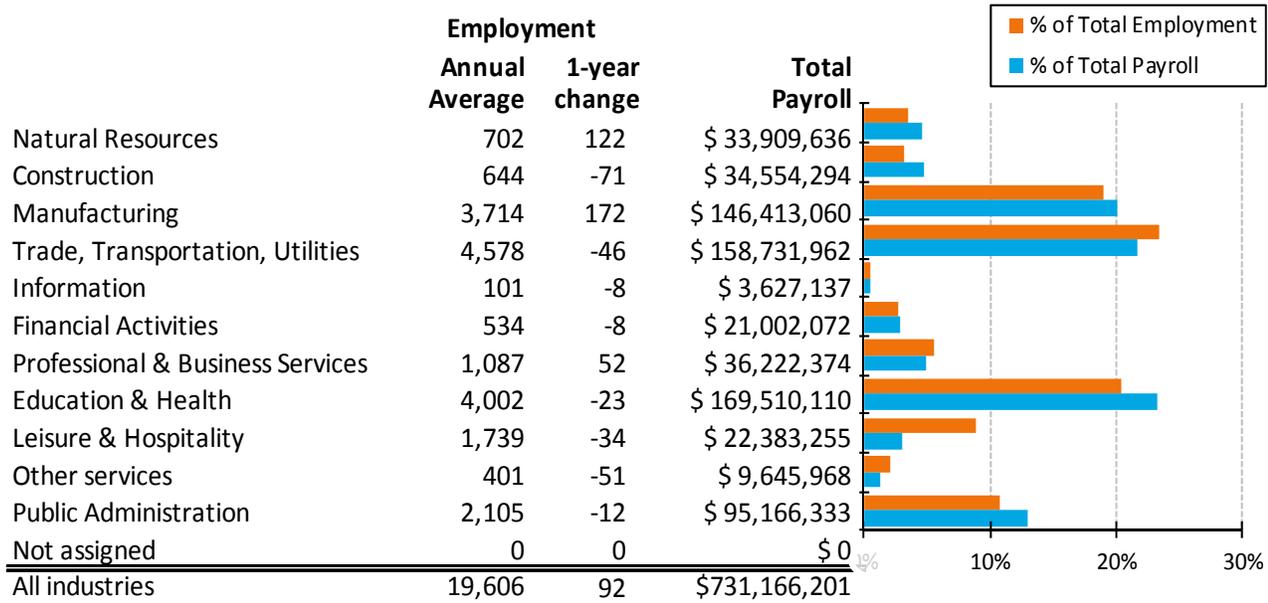
The graph to the left shows that the labor force participation rate (LFPR) for Monroe County, the state, and the nation is lower than in 2000. It is tempting to attribute the downward trend entirely to the economy, as 2000 marked the end of an unprecedented expansionary period. However, declining LFPR can also be caused by an aging population. As the population ages, residents are more likely to exit the labor force.

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



## Industry Employment and Wages

2014 Employment and Wage Distribution by Industry in Monroe County



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

Jobs and wages are the lifeblood of any economy. The more good-paying jobs in a region, the better the prospects for its economy; and the more diverse the county’s industry sectors, the more insulated it is from major losses. In Monroe County, however, 23 percent of the jobs are in the industry super-sector of trade, transportation, & utilities; and another 20 percent are in the education & health super-sector.

The 23 percent of county employment that trade, transportation, & utilities represents in Monroe County accounts for 21.7 percent of total wages paid, the second highest of any industry super-sector within the county. Leisure and hospitality provide 8.9 percent of the county’s jobs, but pays only 3.1 percent of the county’s total payroll. Since many of these jobs are in occupations that pay low wages combined with the part-time and/or seasonal nature of many of the jobs, it should be no surprise that the sector’s average annual wage of \$16,055 is the lowest in the county. Several other industries in Monroe County, including manufacturing, public administration, and education and health account for a higher percentage of wages in the county than employment.

Average Annual Wage by Industry Division in 2014

	Wisconsin Average Annual Wage	Monroe County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 43,856	\$ 37,293	85.0%	3.3%
Natural Resources	\$ 36,156	\$ 48,304	133.6%	8.7%
Construction	\$ 55,317	\$ 53,656	97.0%	3.8%
Manufacturing	\$ 54,365	\$ 39,422	72.5%	4.5%
Trade, Transportation & Utilities	\$ 37,362	\$ 34,673	92.8%	3.1%
Information	\$ 62,482	\$ 35,912	57.5%	14.5%
Financial Activities	\$ 61,884	\$ 39,330	63.6%	2.7%
Professional & Business Services	\$ 52,386	\$ 33,323	63.6%	1.5%
Education & Health	\$ 44,829	\$ 42,356	94.5%	2.9%
Leisure & Hospitality	\$ 16,055	\$ 12,871	80.2%	2.3%
Other Services	\$ 25,847	\$ 24,055	93.1%	-17.9%
Public Administration	\$ 44,462	\$ 45,210	101.7%	2.5%

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

Several other industries in Monroe County, including manufacturing, public administration, and education and health account for a higher percentage of wages in the county than employment.

The table at the left shows the differences in annual wages between sectors, compares the average annual wages in Monroe County to the state as a whole and shows one-year percent changes in each of the sectors. The data refers to place of work, not place of residence.

## Employment Projections



### Western Workforce Development Area Industry Projections, 2012-2022

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

Industry	2012 Employment	Projected 2022 Employment	Change (2012-2022)	
			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 Monroe 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

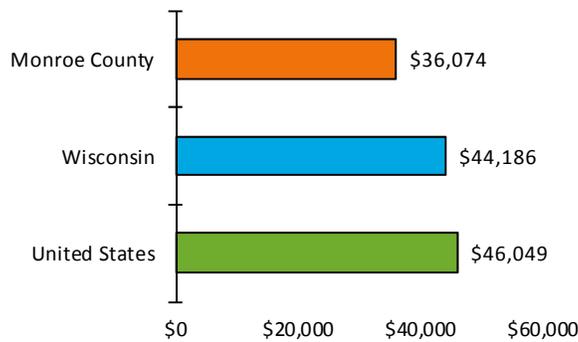
	2004 Nominal Per Capita Personal Income	2004 Per Capita Personal Income in 2014 dollars	2014 Per Capita Personal Income	Nominal Change in Per Capita Personal Income (2004 - 2014)	Inflation-adjusted Change in Per Capita Personal Income (2004 - 2014)
United States	\$34,316	\$41,709	\$46,049	34.2%	10.4%
Wisconsin	\$33,350	\$40,534	\$44,186	32.5%	9.0%
Monroe County	\$26,749	\$32,511	\$36,074	34.9%	11.0%

Source: Bureau of Economic Analysis

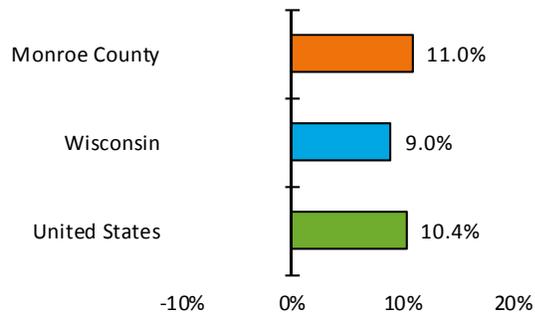
Total Personal Income (TPI) is the sum of three components, namely (i) employment earnings; (ii) property income (dividends, interest and rental income); and (iii) personal current transfers receipts (government payments like social security, Medicare, Medicaid and unemployment insurance).

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

At \$36,074 PCPI in Monroe County was lower than both the state and national average, and it ranked 58th among Wisconsin's 72 counties.

Wisconsin's average PCPI in 2014 was \$44,186 and Monroe County's PCPI was 81.6 percent of the state's average and 78.3 percent of the national average. However, due to Monroe County's 11 percent inflation-adjusted change in PCPI over the last ten years it is slowly gaining ground on the state and national average PCPI.

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