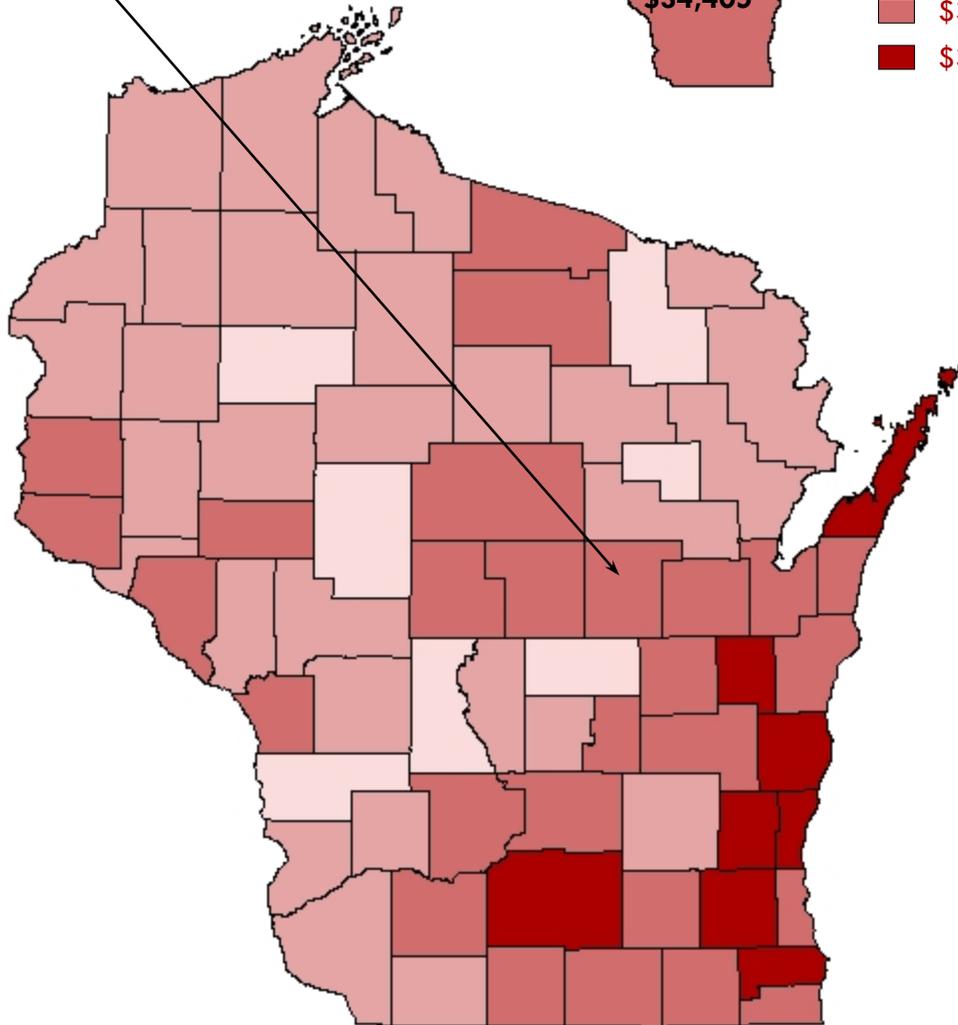
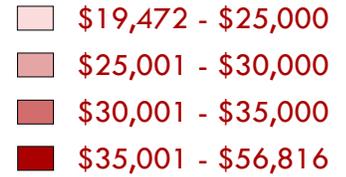


Waupaca County Workforce Profile

Per Capita Personal Income in 2006

Waupaca County
\$31,662



2008

Office of Economic Advisors

Wisconsin Department of Workforce Development
OEA-10661-P

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Population

Population demographics are important to analyze. Since Waupaca County residents are older on average, the aging of the baby boom generation population will be particularly important to examine. The aging of the baby boomers will not only significantly impact Waupaca County's future growth in population, but also growth in the labor force and growth in jobs. Bordered by the Appleton Metropolitan Statistical Area (MSA) to the east, the county's location will additionally impact future growth.

Waupaca County is the 27th most populated out of the 72 counties in Wisconsin. Between 2000 and 2007, Waupaca County's population grew by 1,948 residents, or 3.8 percent. This was the 23rd slowest growth rate in Wisconsin. The county's population also grew slower than the population in the state (5.3%) and in the nation (6.9%).

The towns of Caledonia, Lebanon, Little Wolf, and Mukwa combined make up 31.8 percent of the net change in residents, but make up only 14.8 percent of the total residents in Waupaca County in the year 2007. These four towns are among the faster growing municipalities in the county and are also located in southeastern Waupaca County, surrounding the City of New London (Waupaca County portion). Unlike the four towns, the Waupaca County portion of the City of New London (second largest municipality in the county) only grew by 1.1 percent between 2000 and 2007.

Population growth in the Waupaca County portion of

Waupaca County's Ten Most Populous Municipalities

	April 2000 Census	Jan.1, 2007 Estimate	Numeric Change	Percent Change
United States	281,421,906	300,888,812	19,466,906	6.9%
Wisconsin	5,363,715	5,647,000	283,285	5.3%
Waupaca County	51,825	53,773	1,948	3.8%
Waupaca, City	5,676	6,033	357	6.3%
New London, City*	5,618	5,681	63	1.1%
Clintonville, City	4,736	4,626	-110	-2.3%
Farmington, Town	4,148	4,227	79	1.9%
Mukwa, Town	2,773	3,010	237	8.5%
Dayton, Town	2,734	2,936	202	7.4%
Weyauwega, City	1,806	1,832	26	1.4%
Lebanon, Town	1,648	1,776	128	7.8%
Caledonia, Town	1,466	1,599	133	9.1%
Little Wolf, Town	1,430	1,551	121	8.5%

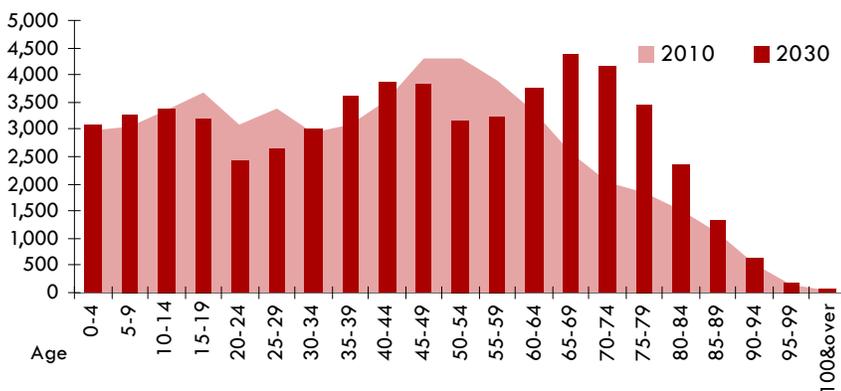
* Waupaca County portion only

Source: WI Dept. of Administration, Demographic Services, Population Est., July 2008

the City of Waupaca, Waupaca County, or throughout any area for that matter, occurs as a result of two sources: natural increase (births outnumbering deaths) and net migration (more in-movers than out-movers). Waupaca County was one of only twenty counties that grew solely from net in-migration (+ 2,606 residents). Since Waupaca County's population increased by only 1,948 residents between 2000 and 2007, the county's population did not grow as a result of natural increase. In fact, the county saw a natural decrease, meaning that the number of deaths (4,538) outnumbered the number of births (3,880). Among the twenty counties in Wisconsin that experienced a natural decrease, Waupaca County saw the largest natural decrease (-658). The county's population will likely continue to grow from net migration, as is the case with most rural counties.

When an area's population grows solely from net migration, as in Waupaca County, or primarily from net migration, the average age of the population tends to be older. The projected average age of Waupaca County residents in the year 2010 will be 41 years old. Wisconsin's population growth, on the other hand, is more evenly split between net migration and natural increase. As a result, the average age in the state is projected to be 38.1 years old in 2010. As with most counties in Wisconsin, the average age of the population is projected to get older because a large share of each county's population, the baby boomers, will be over

Population by Age Cohorts in Waupaca County



In 2010, the average Waupaca County resident will be 41 years old.
 In 2020, the average Waupaca County resident will be 42.9 years old.
 In 2030, the average Waupaca County resident will be 44.9 years old.

Source: WI Dept. of Administration, Demographic Services, & WI DWD, OEA

(Continued on page 2)

Population & Labor Force

Population Projections for Waupaca County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force- Aged Population	Total Population
Years	Population					
2010	10,127	12,348	15,230	16,942	44,520	54,647
2020	10,301	12,014	13,720	21,421	47,155	57,456
2030	10,369	10,678	14,449	23,508	48,635	59,004
Distribution of Labor-Force-Aged Population						
2010		27.7%	34.2%	38.1%	100.0%	
2020		25.5%	29.1%	45.4%	100.0%	
2030		22.0%	29.7%	48.3%	100.0%	

Source: WI Dept. of Administration, Demographic Services

the age of 65 in the coming years. It is projected that in 2010 when the oldest baby boomer is 64 years old, 17.8 percent of the total population in Waupaca County will be 65 years old or older. By 2030, it is projected that 28.0 percent of the county's population will be 65 years old or older. At that time, the youngest baby boomer will be 66 years old. As the older population is increasing in share and size between 2010 and 2030, the younger population, or those under the age of 16, is decreasing in share, but not in size. The share will drop from 18.5 percent of the total population in the year 2010 to 17.6 percent of the total population in the year 2030. Numerically, this is an increase of 242 residents, though.

As the younger population decreases in share while the older population increases in share, it is projected that the average age in the county will reach 44.9 years old by the year 2030. The shift in the demographics of Waupaca County's population could significantly affect both labor force growth and also the supply and demand for goods and services. Not only will this shift impact Waupaca County, but it will also influence surrounding areas. Examining population and labor force demographics together helps to explain why the effects might occur. The table above displays the population breakout by age cohort, whereas the table on the bottom right corner of the page denotes the projected breakout of the labor force by age cohort. The line graph then combines both population and labor force together on one figure.

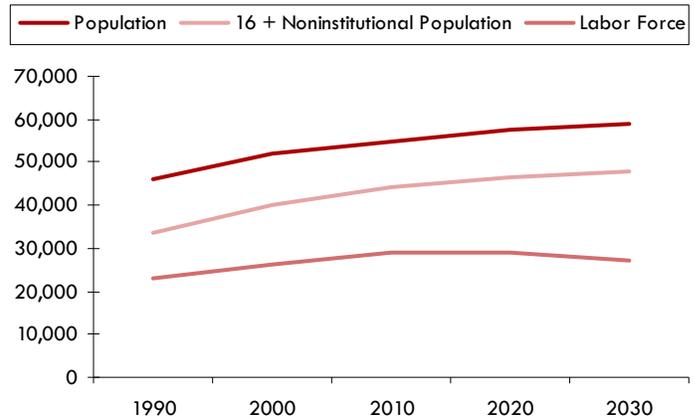
The total population in Waupaca County is projected to grow by 8.0 percent between 2010 and 2030, while the labor-force-aged population (16+ population) is expected to grow by 9.2 percent over that same time period. However, much of the change in the labor-force-aged population distributions is due to the aging of the baby boomer generation. It is projected that in the year 2010, the 55 year old or older population will comprise

38.1 percent of the 16 or older population. This age cohort accounts for the largest share of the labor-force-aged population among the age groups listed to the left, and this share is only expected to get larger in the year 2030 while the shares in the other two age cohorts are expected to decline. In fact, in the year 2030, nearly half of the labor-force-aged population will be 55 years old or older. As a result, it is projected that the

labor force will begin to decline, as seen on the line graph below.

The table on the bottom right corner of the page suggests that the number of residents that participate in the labor force (working or seeking work) will decline by

Waupaca County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Waupaca County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	Labor Force			
2010	9,855	13,157	5,963	28,975
2020	9,579	11,941	7,669	29,189
2030	8,456	12,543	6,236	27,235
Distribution of Labor Force				
2010	34.0%	45.4%	20.6%	100.0%
2020	32.8%	40.9%	26.3%	100.0%
2030	31.0%	46.1%	22.9%	100.0%

Source: WI DWD, OEA

(Continued on page 3)

Labor Force

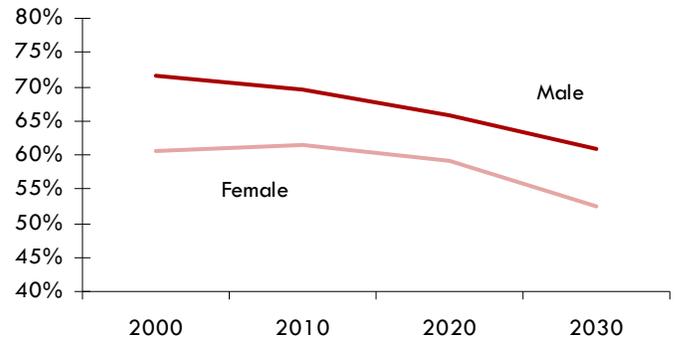
6.0 percent between the years 2010 and 2030. However, the share of the 55 or older participants will increase by 2.3 percentage points over that same time period. This suggests that some baby boomers will continue to work later in life than their predecessors did. They may continue working in their current capacities, change careers, or go part-time; but, the number of those workers is insignificant compared to the number of baby boomers that will leave the labor force.

As the population ages and the labor pool shrinks, employers may face stiffer competition recruiting qualified workers, whether they are trying to keep more baby boomers in the workforce longer (either full-time or part-time), or hiring a younger workforce from the area and surrounding areas. The baby boomers that do decide to work later in life may find that personal interests, health concerns, and family needs will prevent them from working indefinitely. In some cases, the experience and knowledge that will be lost could be hard to replace when baby boomers retire.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The line graph on the top right corner of the page suggests that the LFPR will drop for both males and females in the year 2030. The bottom line graph to the right in combination with the population and labor force tables on page two, help to explain why this trend is expected to occur in the county. In particular, participation drops quite dramatically at the age of 55 and beyond for both males and females. As of the year 2007, the total LFPR in Waupaca County was 67.0 percent, lower than Wisconsin's LFPR of 70.2 percent, and is projected to drop as the baby boomers enter the ages typically associated with retirement.

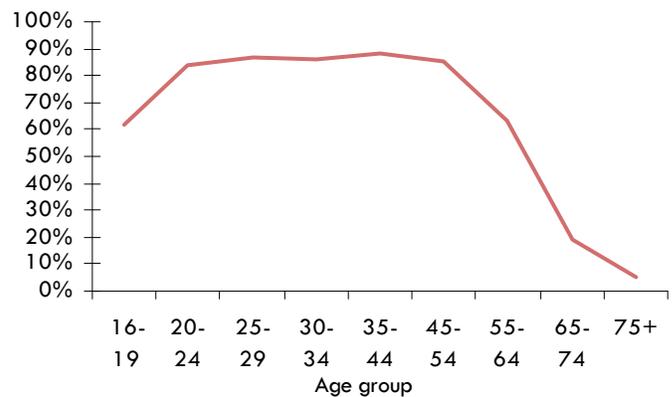
Female participation has historically been lower than male participation, although females have gained ground since the 1970s. Female participation has raised the total (male and female combined) LFPR since the 1970s, but this boost is not expected to continue. Most females who

Labor Force Participation Rates by Sex: 2000-2030



Source: WI DWD, OEA

Labor Force Participation Rates by Age in 2000



Source: Census 2000, SF-3

are able and available to work, are already working. As a result, it is not projected that female participation will match male participation in the future in Waupaca County (see top line graph).

One explanation, of many, for the gap between male and female LFPRs is due to the disparity between male and female LFPRs throughout the child-bearing years (20-45 years old). As females have children, some do not take any additional time off other than medically necessary while others exit the labor force permanently or take a year or two off.

Another explanation for the disparity could be that females tend to have longer life expectancies than males. The 65 or older females that are not incarcerated or in nursing facilities, and are not working or seeking work, could lower total LFPR for all females, and thus potentially create a gap between male and female LFPRs.

Waupaca County Civilian Labor Force Data

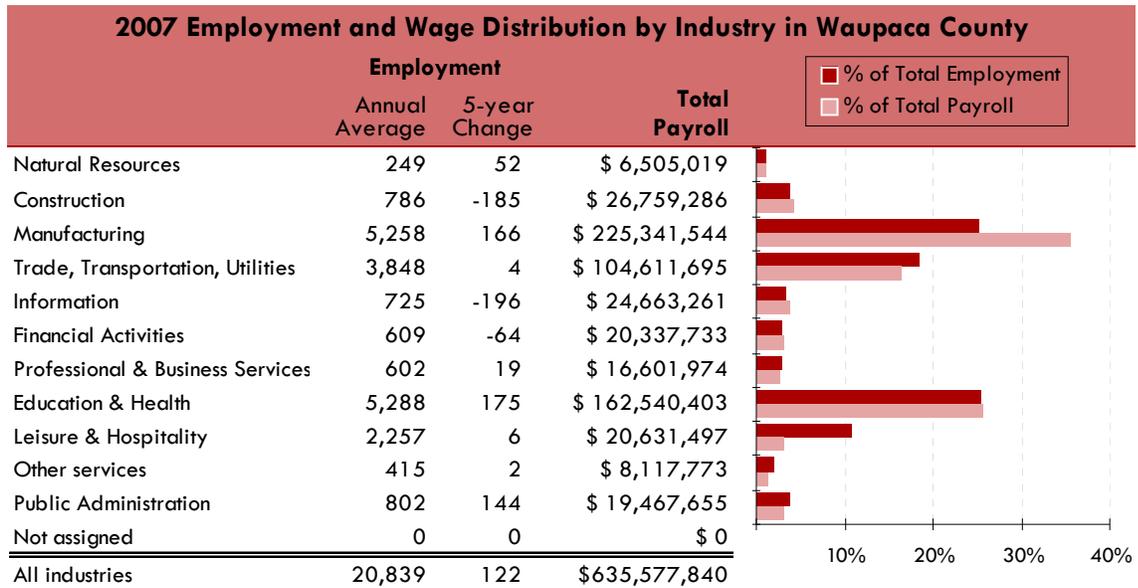
	2003	2004	2005	2006	2007
Labor Force	28,465	28,092	28,094	28,579	28,077
Employed	26,837	26,605	26,583	27,150	26,565
Unemployed	1,628	1,487	1,511	1,429	1,512
Unemployment Rate	5.7%	5.3%	5.4%	5.0%	5.4%

Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

Jobs & Wages

The industry mix and wages significantly impact local economies. Although the number of jobs and wages increased in Waupaca County, the wages earned from jobs in the county did not match the average wages paid by employers in Wisconsin. As a result, Waupaca County does not do a good job retaining its workers. Instead, Waupaca County residents commute to surrounding areas, such as Outagamie and Winnebago counties, in search of higher wages and more job opportunities.

Manufacturing jobs pay the highest wage among the industries in Waupaca County. However, the county wage (\$42,857) is still only 91.0 percent of Wisconsin's manufacturing wage (\$47,106). Transportation equipment is one of the largest manufacturing sub-sectors in the county, accounting for almost 18 percent of all manufacturing jobs in the county in the year 2007.



Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2008

However, Waupaca County's transportation equipment wage (\$38,070) was only 69.0 percent of the state's wage (\$55,143) in 2007. The dominance of this sub-sector coupled with the lower than average wage likely dampened the overall manufacturing wage in the county.

In Waupaca County, the greatest disparity between the county wage and the state wage occurred in the public administration sector. The county wage (\$24,274) equaled only 60.9 percent of the state wage (\$39,879).

Executive, legislative, and general government is the largest sub-sector in this industry, accounting for 58.1 percent of the total jobs in public administration. The average wage is rather low, only \$18,600 compared to \$36,340 in the state. This is likely the result of the occupational mix within the industry. The jobs might be part-time, seasonally based, or entry-level which tends to lower the average wage. Since the county wage only grew by 5.4 percent since the year 2002 and 144 jobs were added, it is likely that the jobs added were not high paying.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage		Waupaca County as a Share of Wisconsin	Waupaca County 5-year % Change	Wisconsin 5-year % Change
	Waupaca County	Wisconsin			
All industries	\$30,499	\$38,070	80.1%	14.3%	17.4%
Natural Resources	\$26,125	\$29,235	89.4%	6.9%	14.7%
Construction	\$34,045	\$47,489	71.7%	14.1%	19.8%
Manufacturing	\$42,857	\$47,106	91.0%	10.9%	16.1%
Trade, Transportation & Utilities	\$27,186	\$32,762	83.0%	18.0%	15.3%
Information	\$34,018	\$48,483	70.2%	17.2%	24.7%
Financial Activities	\$33,395	\$50,749	65.8%	26.0%	25.8%
Professional & Business Services	\$27,578	\$44,328	62.2%	31.9%	22.0%
Education & Health	\$30,738	\$39,606	77.6%	15.7%	17.3%
Leisure & Hospitality	\$9,141	\$13,589	67.3%	9.9%	14.8%
Other Services	\$19,561	\$22,073	88.6%	11.6%	13.2%
Public Administration	\$24,274	\$39,879	60.9%	5.4%	18.1%

Source: WI DWD, Workforce Training, QCEW, June 2008

Jobs & Wages

Prominent Industries in Waupaca County							
Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Waupaca County	Waupaca County	Wisconsin	Waupaca County	Wisconsin	Waupaca County	Wisconsin
Nursing & residential care facilities	2,163	2.2%	3.6%	\$ 28,583	\$ 23,295	18.0%	12.0%
Food services & drinking places	1,712	-3.8%	9.1%	\$ 8,796	\$ 10,859	15.2%	14.5%
Educational services	1,630	-4.0%	2.0%	\$ 31,091	\$ 39,753	12.8%	15.0%
Primary metal manufacturing	*	not avail.	-4.1%	*	\$ 46,172	not avail.	14.0%
Transportation equipment manufacturing	922	29.3%	-4.9%	\$ 38,070	\$ 55,143	14.8%	10.1%
Merchant wholesalers, nondurable goods	825	50.3%	4.7%	\$ 41,040	\$ 46,622	33.4%	15.5%
Ambulatory health care services	679	9.9%	8.7%	\$ 41,002	\$ 57,969	14.6%	18.5%
Fabricated metal product manufacturing	598	13.0%	8.6%	\$ 36,709	\$ 43,765	20.8%	15.4%
Publishing industries	586	-23.9%	8.2%	\$ 33,773	\$ 45,622	17.4%	38.5%
Food & beverage stores	548	-19.9%	-4.9%	\$ 14,732	\$ 17,166	16.4%	9.7%

Note: * data suppressed for confidentiality and not available for calculations
Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, June 2008

Education and health is the largest industry in Waupaca County with 5,288 jobs in 2007. In fact, three sub-sectors on the prominent sub-sector list above are in education and health. Nursing and residential care facility jobs account for 40.9 percent of total education and health jobs in the county. The wage tends to be lower in this sub-sector than in some of the other healthcare sub-sectors, like ambulatory health care services, but the important thing to note is that the county wage (\$28,583) is higher than the state wage (\$23,295).

Educational services makes up 30.8 percent of total employment in education and health, but is on the decline. School enrollment is declining, budgets are tight, and workers are retiring. These are all possible explanations for the drop in jobs over the five years. The sub-sector

wage (\$31,091) is less than the statewide wage (\$39,753) in this sub-sector, but Waupaca County's wage is greater than the county education and health wage (\$30,738). The disparity between the county and state wages could be because the county does not have a major university, other than regional campuses, in which professor wages are significantly higher than a high school teacher, for example.

Food services and drinking places accounts for over three quarters of the employment in leisure and hospitality. Leisure and hospitality is the fourth largest industry in Waupaca County. Between 2002 and 2007, only six jobs were added. Food services and drinking places decreased by 67 jobs. Amusements, gambling, and recreation, another sub-sector of leisure and

hospitality, offset set this with an increase of 62 jobs.

Whether you look at the leisure and hospitality wage or its sub-sectors' wages, all are lower on average. Many jobs, but not all, in this industry are part-time, seasonally based, and entry-level.

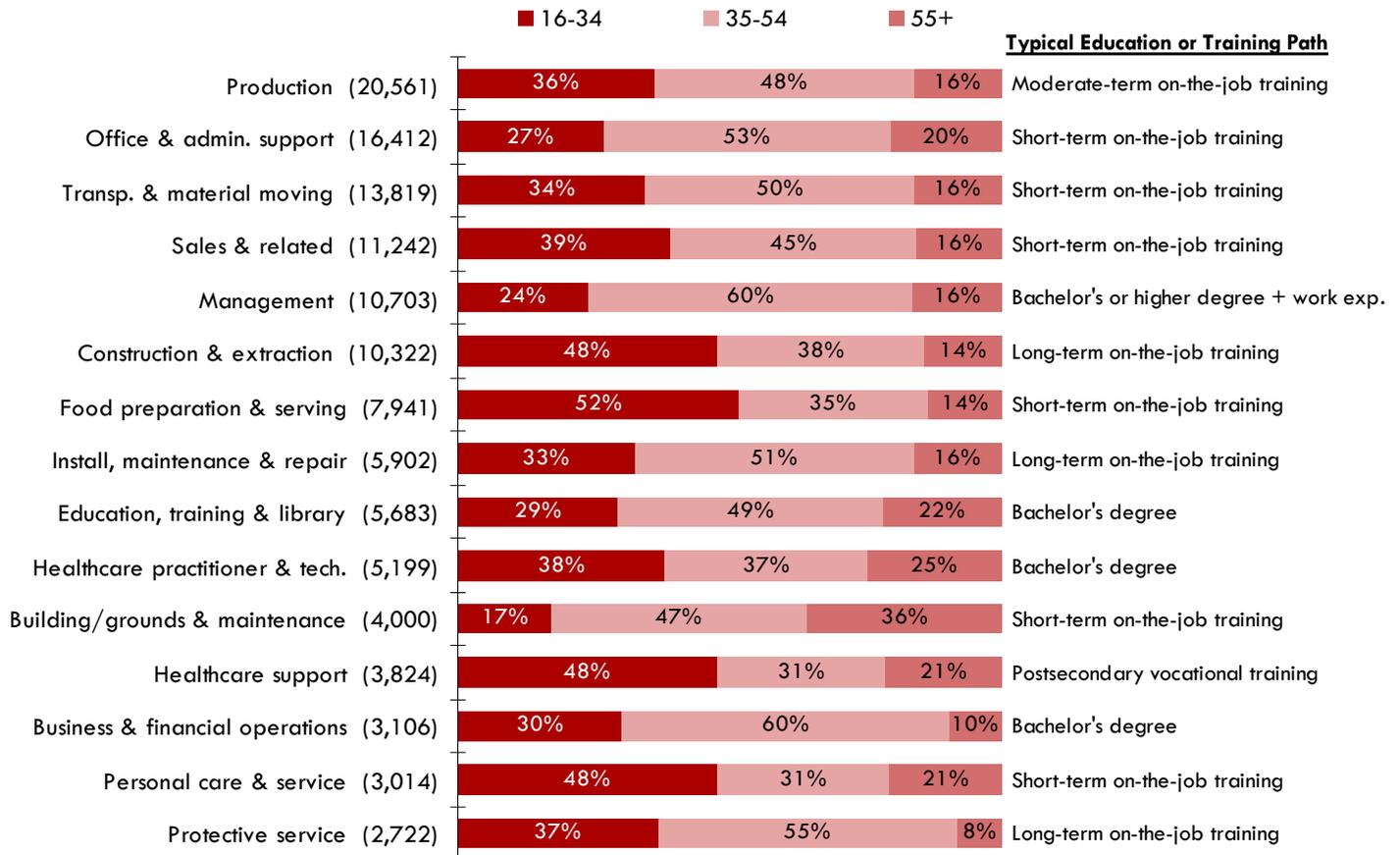
Prominent Public and Private Sector Employers in Waupaca County		
Establishment	Service or Product	Number of Employees (March 2007)
Waupaca Foundry Inc	Iron foundries	1000+ employees
Wisconsin Veteran's Home	Nursing care facilities	500-999 employees
Sturm Foods Inc	Other grocery product merchant wholesalers	500-999 employees
County of Waupaca	Services for the elderly & disabled	500-999 employees
School District of Waupaca	Elementary & secondary schools	250-499 employees
Seagrave Fire Apparatus LLC	Motor vehicle body manufacturing	250-499 employees
School District of New London	Elementary & secondary schools	250-499 employees
Riverside Medical Center Inc	General medical & surgical hospitals	250-499 employees
Clintonville Public School	Elementary & secondary schools	250-499 employees
Krause Publications Inc	Periodical publishers	250-499 employees

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, April 2008

Occupations & Typical Education or Training

Age Distribution of Workers in Selected Occupational Groups

Data includes residents of Fond du Lac, Green Lake, Marquette, Menominee, Shawano, Waupaca, and Waushara counties.



Note: Occupation groups are in descending order based on the number of workers in each group.
Source: 2006 U.S. Census, ACS PUMS & WIDWD, OEA

The previous two pages describe industry employment or where a person works. Occupational employment describes what a person does. For example, one can be an accountant (what the person does), but can work in a manufacturing firm or in a financial firm (where the person works).

The bar graph above describes the age distribution in selected occupational groups of workers that live in Fond du Lac, Green Lake, Marquette, Menominee, Shawano, Waupaca, and Waushara counties, even though these workers might not hold jobs in those counties (place of residence data). The education or training path listed for each occupational group is the typical education or training requirement for entry into that group. It does not mean that every occupation within each group requires that type of education or training path.

Manufacturing has a significant impact on the economy in not only Waupaca County (as described on page 4), but also throughout parts of east central Wisconsin (as suggested on the graph above). Of the 20,561 production workers in the region, most hold jobs in the manufacturing industry. Production type jobs include occupations such as assemblers, packagers, welders, machinists, woodworkers, and painters. Entry into each of these occupations requires a different set of skills and therefore a different education and training requirement. But the typical entry requirement designated for all production occupations is moderate on-the-job training, meaning that training lasts one to twelve months at the workplace.

Only 16 percent of the production workers are 55 years old or older. One may wonder why there is such

(Continued on page 7)

Occupations & Typical Education or Training

concern. At first glance, that may seem like a small share, but it is still equivalent to over 3,000 workers. Historically, production workers have retired at earlier ages than workers in other less physically demanding occupations. However, more recently, production jobs have become less physical and more technologically demanding, so behaviors may change. Whether or not retirement behaviors change, and until attitudes about manufacturing change, employers will continue to struggle to find highly skilled and qualified workers in a society that currently sees a limited future in manufacturing.

Production occupations are not the only occupations that will need replacement workers. Of the 124,450 workers in the selected occupational groups on page six, nearly 22,000 of them were 55 years old or older, and most of which, may have or will be contemplating retirement in the near future.

Office and administrative support tends to be a dominant group throughout the state. There are 16,412 office and administrative support workers in the region, the second largest occupational group. These occupations are heavily dominated by workers in their prime working years (35-54 years old), as many groups are. But, like

production occupations, one fifth of administrative support workers, or over 3,000 workers, are over the age of 55. Because office and administrative support jobs are not as labor intensive and workers are less likely to get burned out quicker than, say, construction workers, employers may be able to retain their mature workers for a longer time than they had in the past; but, workers might need flexible schedules.

Unlike most occupational groups, the healthcare support group (3,824 workers) is dominated by those workers under the age of 35 (48%). The typical education or training path for healthcare support occupations is postsecondary vocational training. Many workers begin their careers in occupations such as nursing aides, orderlies, and attendants, but move on to other positions in the field that require more advanced education such as registered nursing positions. In addition, about 800 workers are over the age of 54. So there is still a need for workers in healthcare support as the population shifts and younger workers move on to new careers. As a result, the healthcare field has been and continues to be a topic of discussion throughout Wisconsin and the United States.

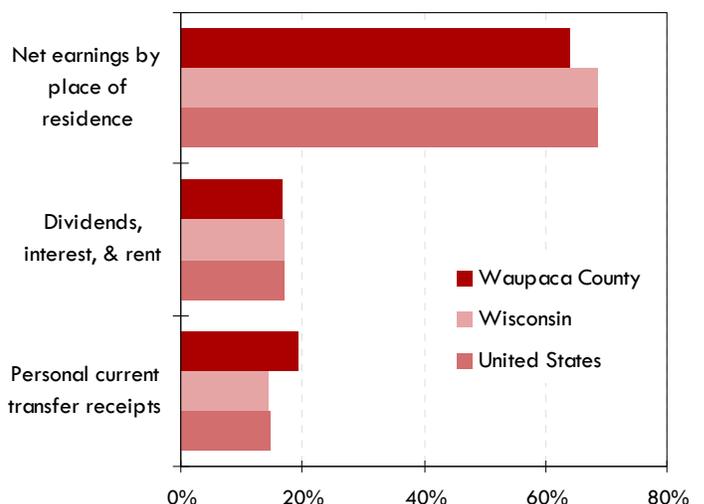
Income

Total Personal Income (TPI) is the sum of net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts. Net earnings includes wages and salaries (whether the workers are covered by Wisconsin's unemployment law or not), income from self-employment, proprietorship income, and income earned by residents commuting to jobs outside the county. Dividends, interest, and rent includes payments in cash or other assets made by corporations located in the United States, monetary interest income, and the income derived by the rental of property except for the income of persons primarily engaged in the real estate business. Personal current transfer receipts includes payments, other than wages, salaries, or commissions, to individuals and to nonprofit institutions by federal, state, and local government and local businesses.

Population demographics significantly impact the components of total personal income in the county. Waupaca County's population is on the older side as noted on pages one and two of this profile. As a result, net earnings is a smaller share of total personal income in the county (64.1%) compared to in the state (68.5%) and in the nation (68.4%). On the other hand, personal

current transfer receipts is a larger share of TPI in Waupaca County (19.3%) than in Wisconsin (14.3%) and in the United States (14.7%).

Components of 2006 Total Personal Income

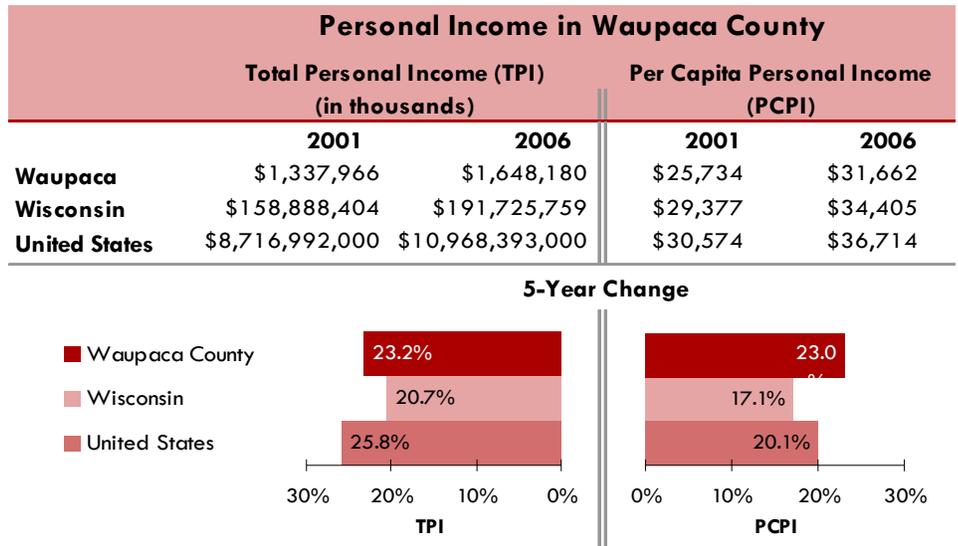


Source: US Dept. of Commerce, Bur. of Economic Analysis, 2008

Income

Waupaca County is not the only county in which net earnings by place of residence is a smaller share and personal current transfer receipts is a larger share of TPI than in the state and nation. In fact, Waupaca's neighboring county of Waushara is also composed of an older population on average that is seeing this, although to a different degree. This means that proportionally more residents in Waupaca and Waushara counties than residents in Wisconsin and the United States are receiving income disbursements such as Social Security and Medicare from the government. As the baby boomers leave the labor force and become eligible for government assistance programs, one could see the share of transfer payments rise while the share of net earnings declines.

Total personal income also can be analyzed on a per capita basis (PCPI) by dividing TPI by the total population. When a county consists of a large share of the population that is under the age of 16 (not eligible to participate in the labor force) as well as over the age of 64, one will see a lower per capita income figure, as is the case in Waupaca County (approximately 36 percent of the population is within those two age cohorts). Since



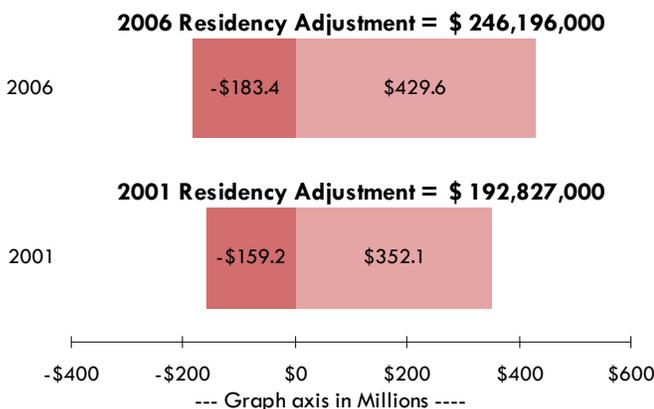
Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007

Waupaca County's population is older on average with proportionally fewer workers that are earning their highest income from wages and salaries than the state's and nation's, the county's PCPI is \$31,662, lower than the state's (\$34,405) and nation's (\$36,714). On a positive note, the county's PCPI grew at a faster rate than in the state and nation. This is likely due to the continued growth in income coupled with slow growth in population in Waupaca County.

As discussed in this profile, Waupaca County has a labor force that is decreasing. The county also has fewer job opportunities than the number of employed workers. The graph in the bottom left corner of the page displays the commuting impact of workers. Residency adjustment is an adjustment made for wages earned by residents who work outside the county. The graph suggests that the total earnings of Waupaca County residents who work in another county is larger than the total net earnings of non-Waupaca County residents who work in Waupaca County by \$246.2 million in the year 2006. The gap widened over the five-year period. However, this could change in the coming years as the labor force shrinks. Employers in Waupaca County could face higher competition to keep residents working locally while also trying to keep those workers that do not live in Waupaca County working in Waupaca County. Employers may have to raise wages in order to stay competitive with surrounding areas, particularly the metropolitan areas. Other economic conditions such as high gas prices could cause Waupaca County residents to look locally for work.

Waupaca County Commuting Impact

- Earnings of workers living in another county (outflow)
- Earnings of residents working in other counties (inflow)



Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007